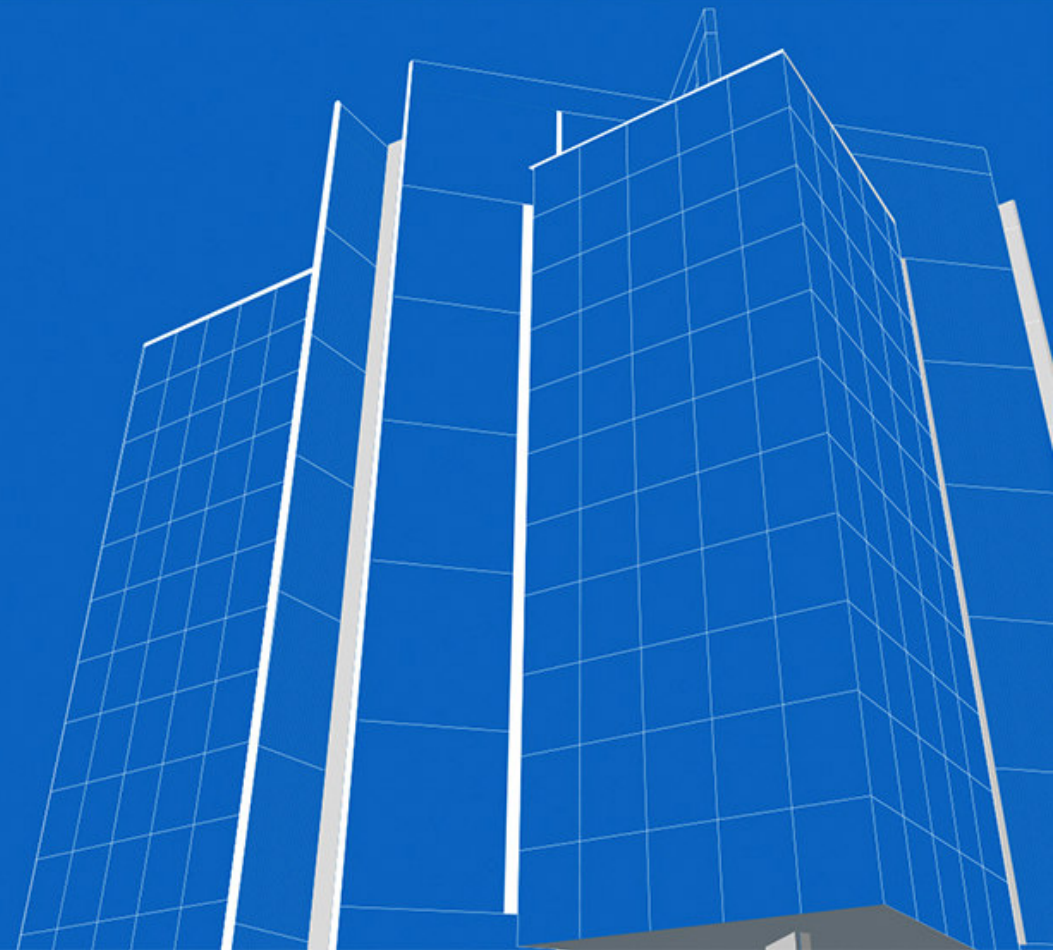


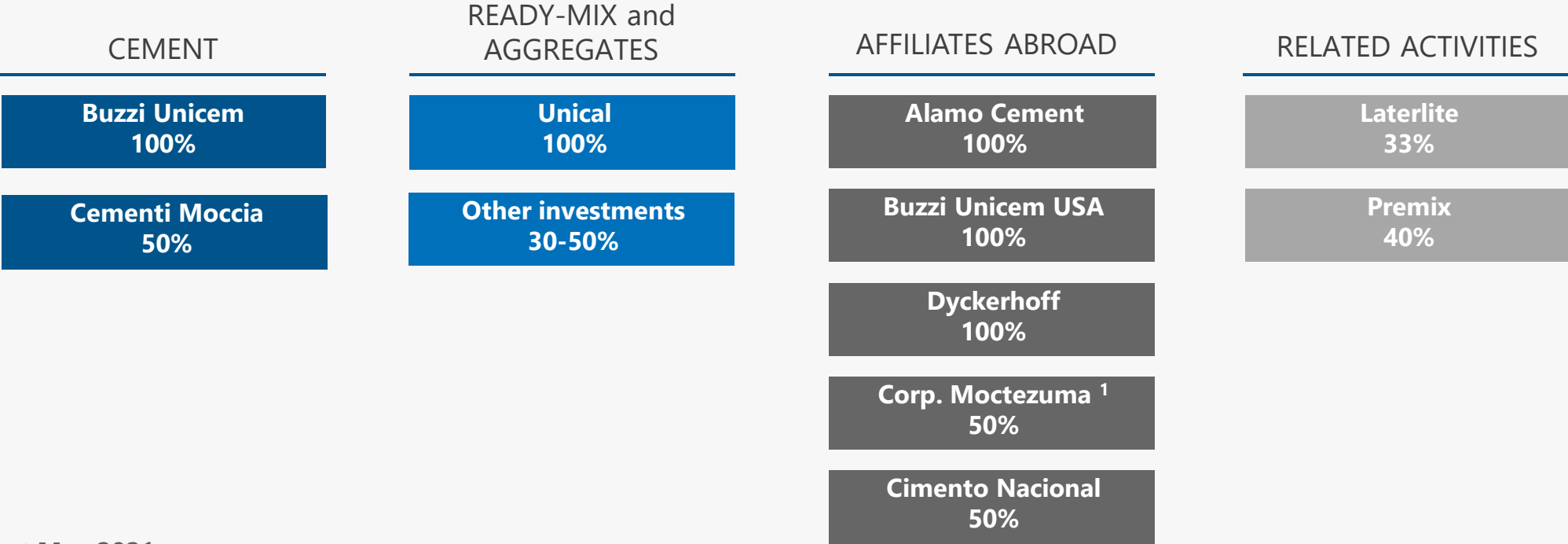
# Annual General Meeting

Casale Monferrato, 7 May 2021



# Corporate Structure

## BUZZI UNICEM SpA



As at May 2021

(1) % ownership of controlling interest; 33% economic stake

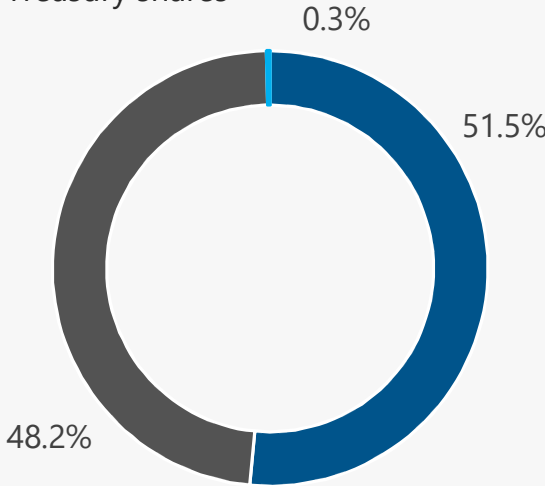
<sup>1</sup> Annual General Meeting | 7 May 2021

# Shares & Shareholders | Share price trend

## Share Capital

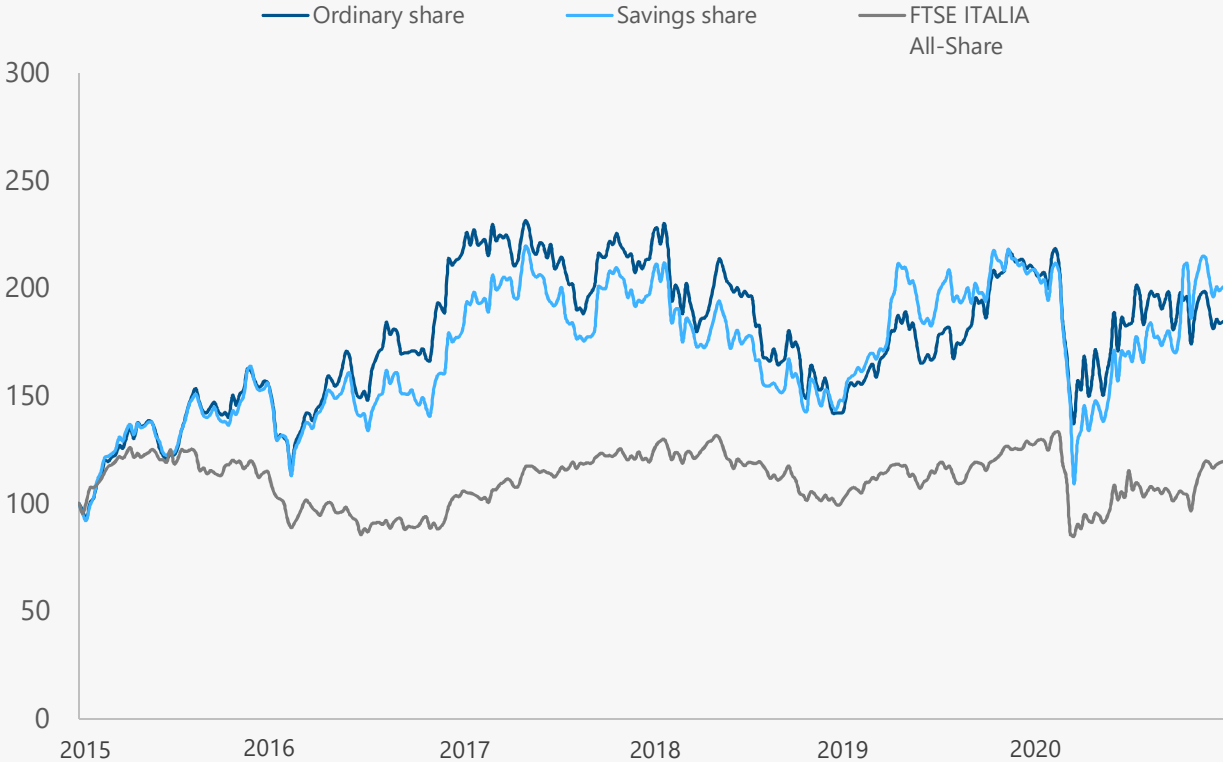
Number of shares 192,626,154

- Buzzi Family Holdings
- Free Float
- Treasury shares



As at May 2021

## Share price trend



## Executive Summary

Cement volumes at 29.3 mt (29.1 mt in 2019, +0.4%) thanks to the growth recorded in USA, which was facilitated by the soundness of demand, a marginal increase in Russia and steady activity in Germany, which helped offset the negative change in Italy and Eastern Europe. Ready Mix concrete volumes down at 11.7mt (-3.1%)

- **Italy:** Cement sales slowed down (-2.8%; -4.2% lfl) due to the production and commercial lockdown incurred over the first part of the year, recovering however during the second half thanks to the strengthening of domestic demand. The ready-mix concrete sector recorded a more marked contraction (-5.4%), despite the good recovery during the second semester
- **United States:** Cement sales, thanks to generally favorable weather conditions, particularly in the winter months, and to the soundness of demand, during the second half of the year continued their positive development, closing the period with good progress (+5.0%) compared to 2019. Ready-mix concrete output showed some weakness though, closing the year down (-4.2%)

### VOLUMES

## Executive Summary (2)

### VOLUMES (continue)

- **Central Europe:** Cement sales stable (-0.5%) during 2020. Solid performance in Germany (+0.4%), mainly thanks to the good development during the second half of the year; Luxembourg down. Ready-mix volumes increased (+3.1%) thanks to favorable trading conditions in Germany
- **Eastern Europe:** Cement volumes recorded a decrease (-1.6%) due to a negative trend in Czech Republic, Poland and Ukraine, despite positive developments in Russia. Ready mix concrete showed a more marked contraction (-10.5%)

### PRICES

Overall favorable variances in local currency, particularly in Czech Republic and Poland

## Executive Summary (3)

### FOREIGN EXCHANGE

Negative impact on Net Sales (€m 69.2) and EBITDA (€m 20.6) mainly due to weaker dollar, hryvna and ruble

### COST

Favourable trend of energy factors, in particular with regard to fuels

Cost of CO<sub>2</sub> emission rights becoming more and more significant

### FINANCIALS

Net Sales stable (+1.8% at constant scope and exchange rates)

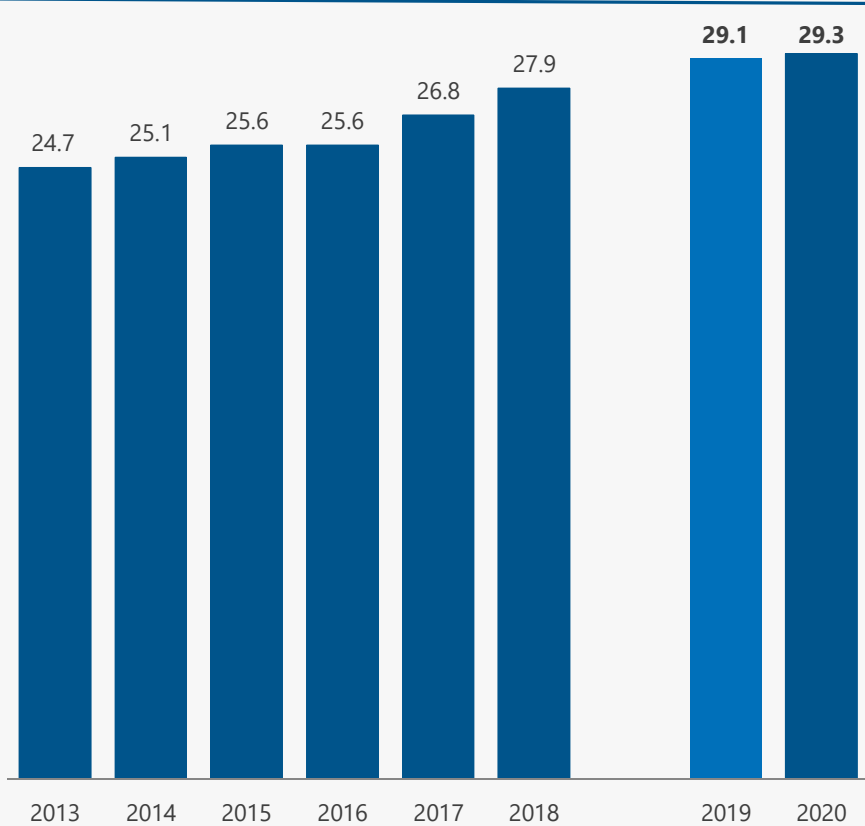
EBITDA up by 7.2%, reaching €m 781 (+10.3% lfl)

EBITDA margin improved to 24.4% (22.7% in 2019)

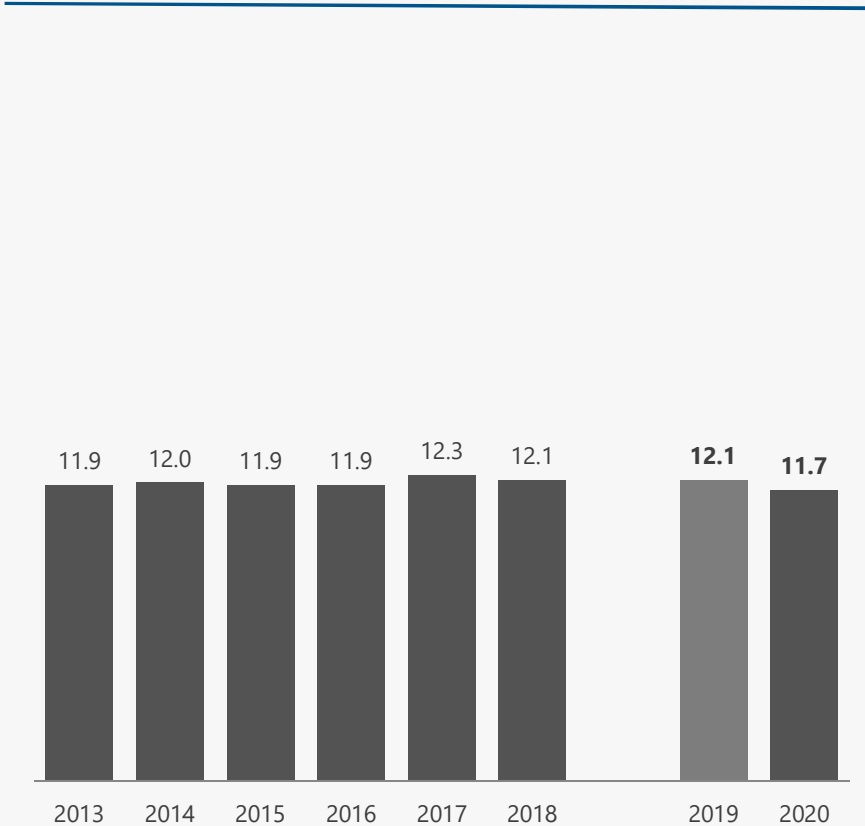
Net debt at €m 242 versus €m 568 at year end 2019, thanks to the favorable trend in cash generated from operations and from the receipt of a €143 million dividend, referring to the disposal of all the assets belonging to the associate Kosmos Cement

# Volumes

### Cement (m ton)

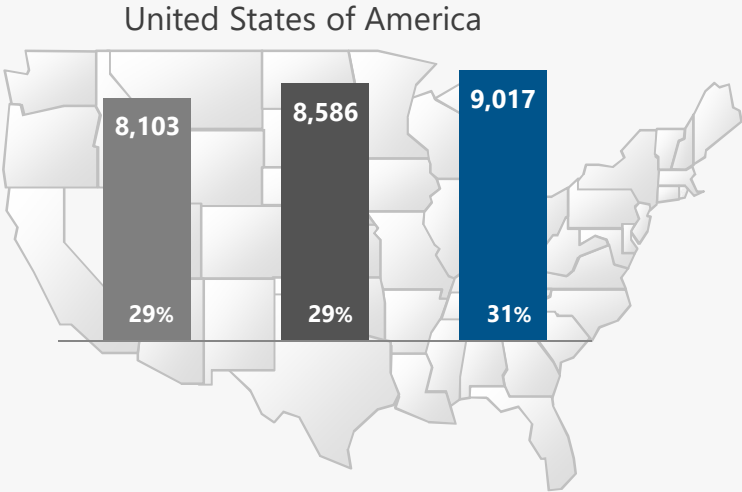


### Ready-mix concrete (m m3)

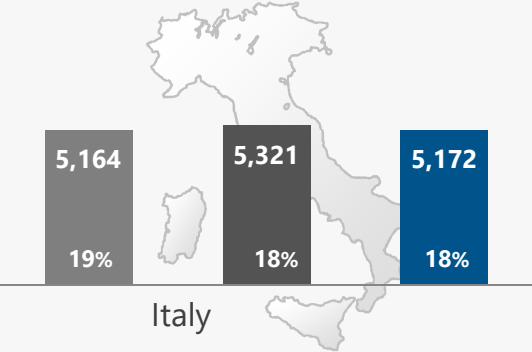
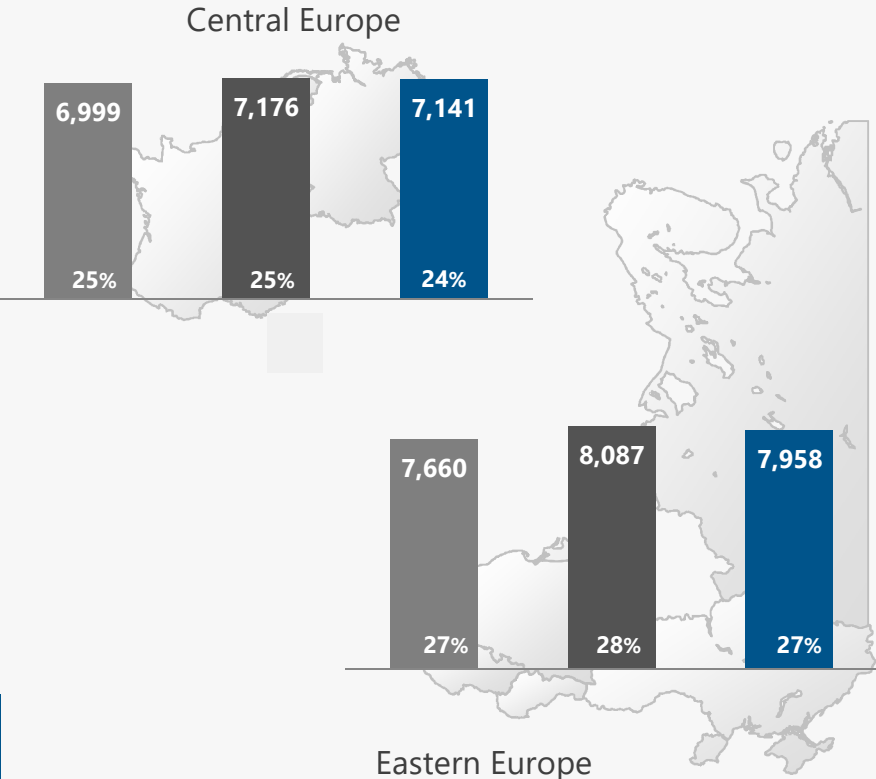


# Cement volumes by geographical area

000 ton, % of the total

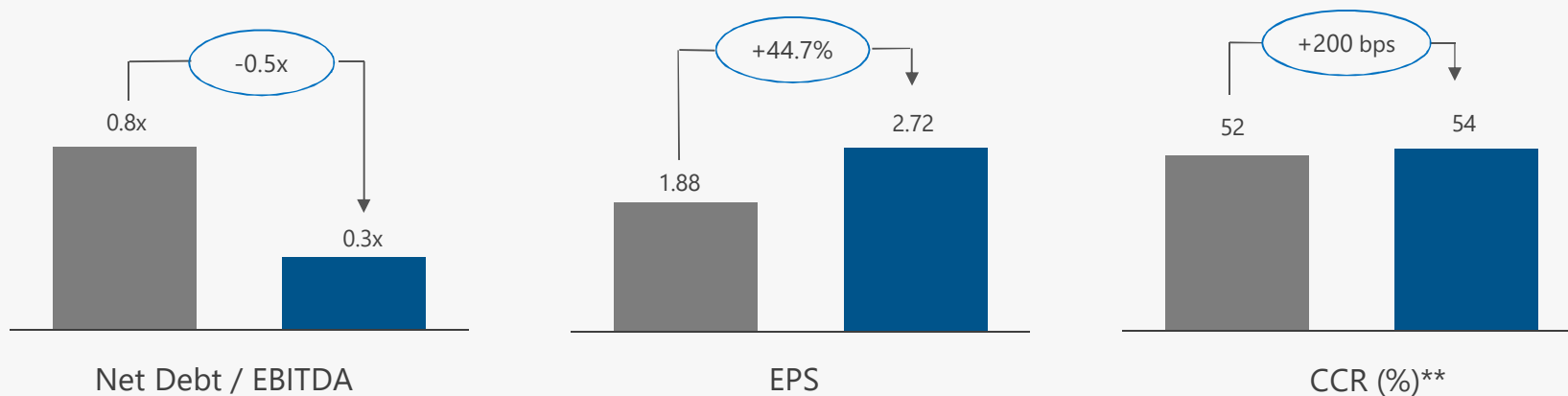
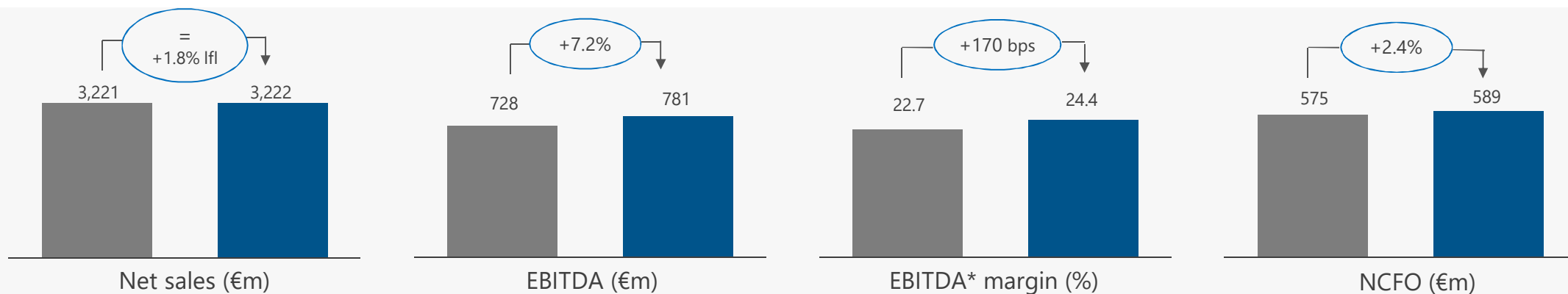


Total	
■ 2018	27,910
■ 2019	29,122
■ 2020	29,250





# Financial Highlights













■ 2019  
■ 2020

\*recurring

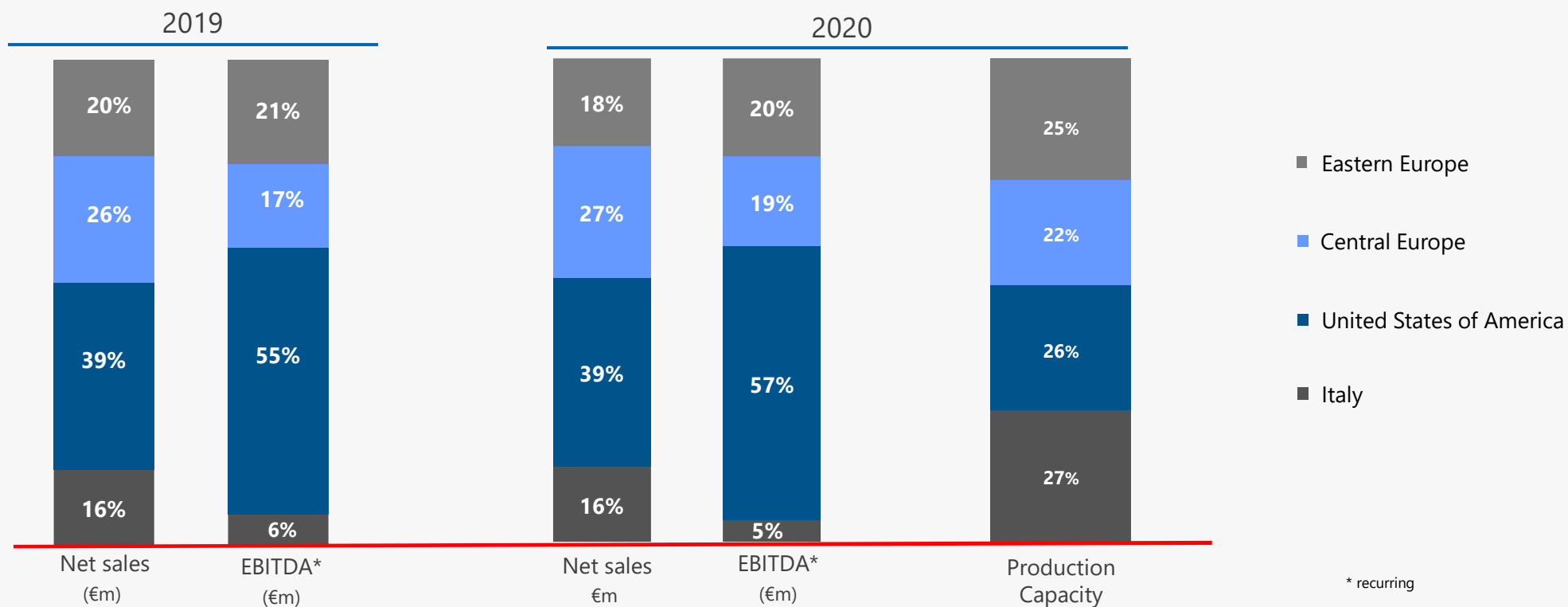
\*\*Cash Conversion rate: Equity FCF/(EBITDA + income from associates)

## Net sales by country

EURm	2020	2019	Δ	Δ	Forex	Scope	Δ I-f-I
			abs	%	abs	abs	%
 Italy	501.1	504.1	(3.6)	-0.7	-	6.9	-2.1
 United States of America	1,260.6	1,242.5	18.1	+1.5	(25.6)	-	+3.5
 Germany	717.0	679.6	37.4	+5.5	-	5.7	+4.7
 Lux / Netherlands	191.7	192.5	(0.8)	-0.4	-	-	-0.4
 Czech Rep / Slovakia	159.5	168.2	(8.7)	-5.2	(4.2)	-	-2.7
 Poland	117.8	123.4	(6.0)	-4.8	(4.0)	-	-1.6
 Ukraine	116.1	131.9	(15.8)	-12.0	(7.7)	-	-6.1
 Russia	195.8	214.5	(18.7)	+8.7	(27.8)	-	+4.2
<i>Eliminations</i>	<i>(37.1)</i>	<i>(36.1)</i>	<i>(1.0)</i>				
<b>Total</b>	<b>3,222.4</b>	<b>3,221.4</b>	<b>1.0</b>	<b>+0.03</b>	<b>(69.2)</b>	<b>12.6</b>	<b>+1.8</b>
 Mexico (100%)	573.8	593.2	(19.4)	-3.3	(78.9)	-	-10.0
 Brazil (100%)	139.1	134.7	4.4	+3.2	(46.7)	-	+37.9

## Net sales and EBITDA by region

- Italy stable despite lockdown impact on operations in March - May
- Central Europe improving, thanks to higher prices and lower production costs
- United States steady above 50% of the consolidated EBITDA



## Consolidated Income Statement

	2020	2019	Δ	Δ
EURm			abs	%
<b>Net Sales</b>	<b>3,222.4</b>	<b>3,221.4</b>	<b>1.0</b>	<b>=</b>
<b>EBITDA</b>	<b>780.8</b>	<b>728.1</b>	<b>52.7</b>	<b>+7.2</b>
of which, non recurring	(4.2)	(4.0)		
<i>% of sales (recurring)</i>	24.4%	22.7%		
Depreciation and amortization	(256.9)	(259.9)	3.0	
<b>Operating Profit (EBIT)</b>	<b>523.9</b>	<b>468.2</b>	<b>55.7</b>	<b>+11.9</b>
<i>% of sales</i>	16.3%	14.5%		
Equity earnings	176.7	72.3	104.4	
Net finance costs	(0.3)	(58.6)	58.3	
<b>Profit before tax</b>	<b>700.3</b>	<b>482.0</b>	<b>218.3</b>	<b>+45.3</b>
Income tax expense	(139.8)	(96.0)	(43.8)	
<b>Net profit</b>	<b>560.5</b>	<b>385.9</b>	<b>174.6</b>	<b>+45.2</b>
Minorities	(0.2)	(0.2)	-	
<b>Consolidated net profit</b>	<b>560.2</b>	<b>385.7</b>	<b>174.5</b>	<b>+45.2</b>

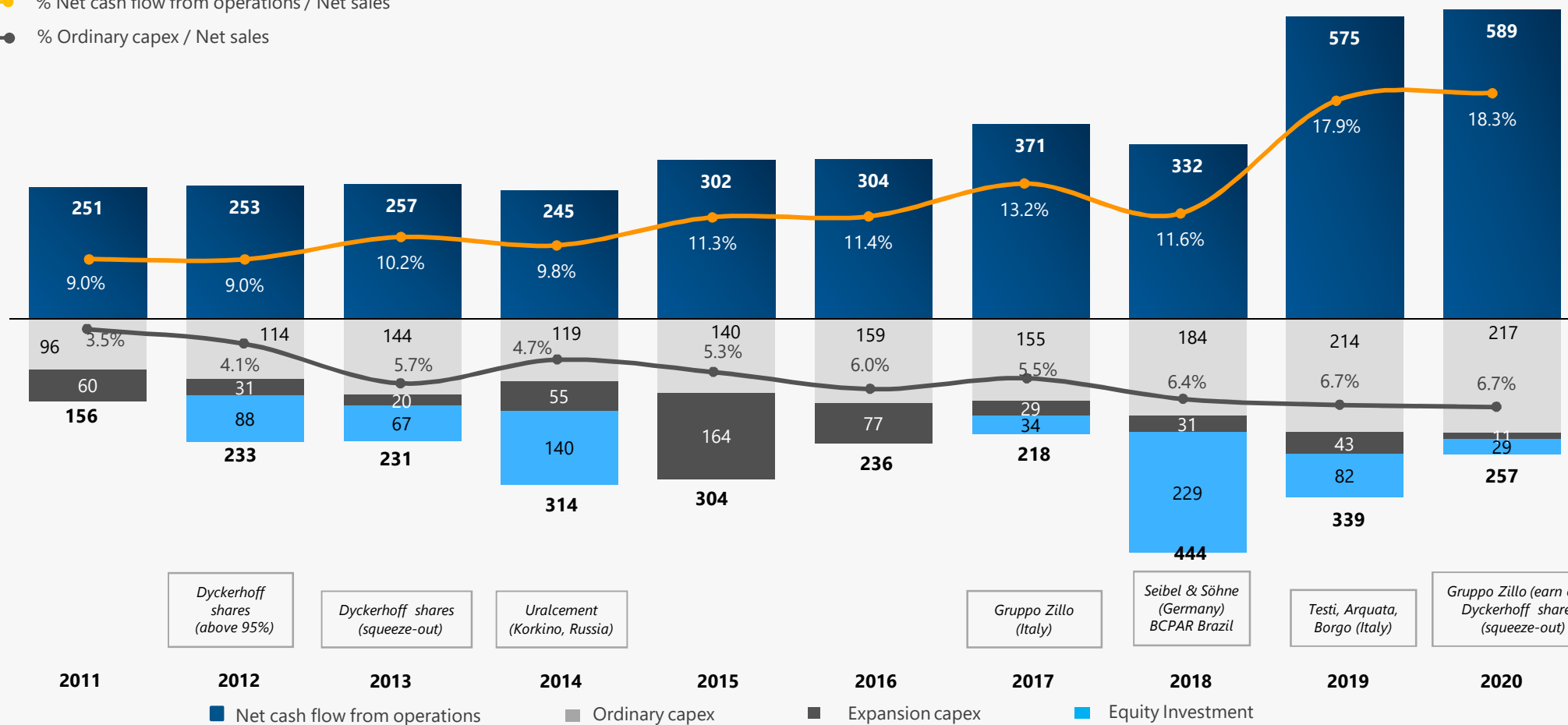
## Consolidated Cash Flow Statement

EURm	2020	2019
<b>Cash generated from operations</b>	<b>743.9</b>	<b>691.5</b>
<i>% of sales</i>	<i>23.1%</i>	<i>21.5%</i>
Interest paid	(29.2)	(31.7)
Income tax paid	(125.9)	(84.3)
<b>Net cash from operating activities</b>	<b>588.8</b>	<b>575.5</b>
<i>% of sales</i>	<i>18.3%</i>	<i>17.9%</i>
Capital expenditures	(228.1)	(257.1)
IFRS 16 leasing	-	(93.9)
Equity investments	(11.1)	(82.3)
Purchase of treasury shares	(7.3)	-
Repayment of convertible bond	-	94.8
Dividends paid	(32.0)	(26.8)
Dividends payable	(144.1)	-
Dividends from associates	198.2	84.4
Disposal of fixed assets and investments	14.1	12.4
Translation differences and derivatives	(68.3)	5.4
Accrued interest payable	3.2	0.9
Interest received	10.5	13.5
Change in consolidation area and other	2.5	(4.0)
<b>Change in net debt</b>	<b>326.1</b>	<b>322.7</b>
<b>Net financial position (end of period)</b>	<b>(241.6)</b>	<b>(567.8)</b>

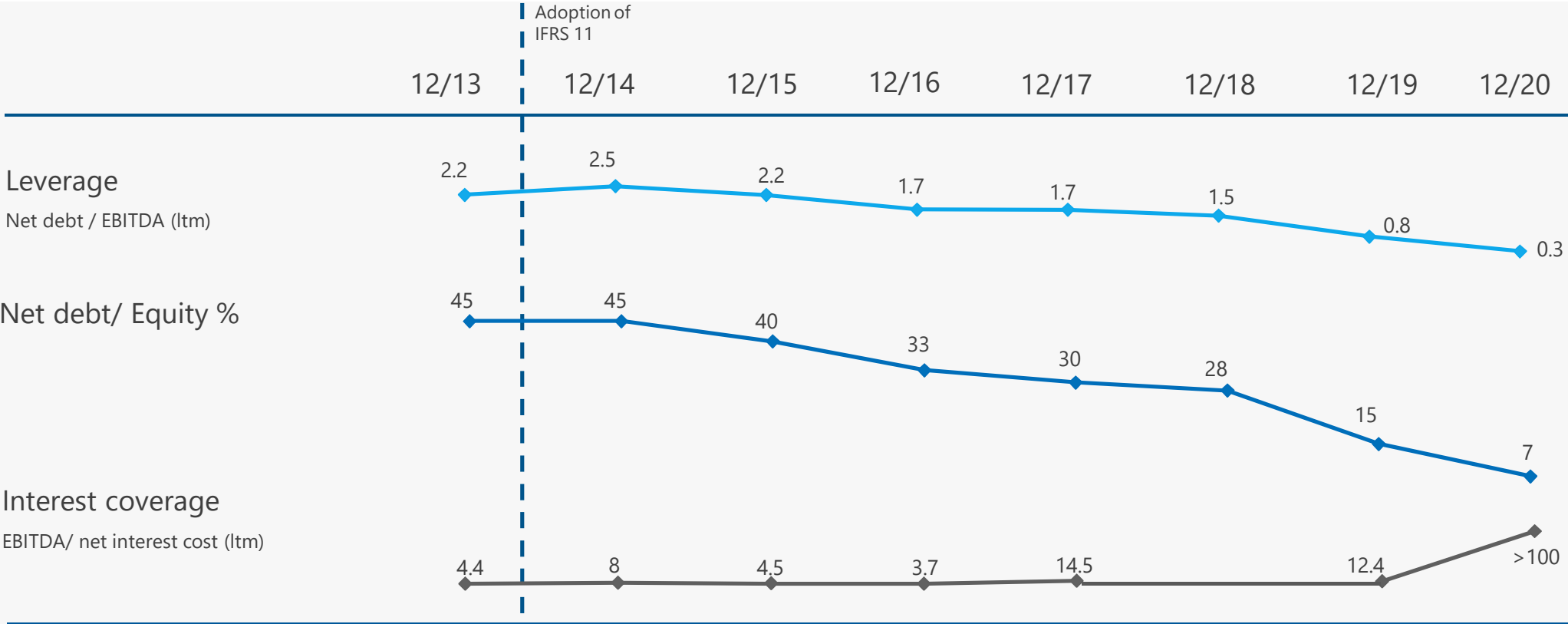
# Net Cash Flow from Operations and Capex development | €m

● % Net cash flow from operations / Net sales

● % Ordinary capex / Net sales



# Financial condition



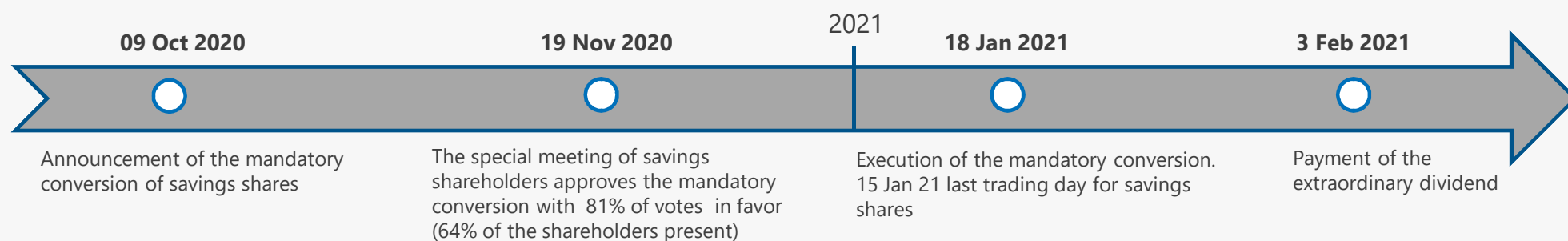
## Conversion of Savings Shares

### RATIONALE

- Untangle the Governance
- More liquidity and higher market cap for common shares
- Improve P/E ratio
- Streamline and simplify the capital structure
- Market-friendly approach

### DEAL STRUCTURE

- Stock conversion rate: **0.67x**
- Extraordinary dividend of €**0.75** per share post execution
- Ownership of controlling shareholders diluted from 59% to about 52%





## Strengthening the Brazilian presence

### RATIONALE

- 1. Increase market penetration:** following the acquisition of CRH's operations, Cimento Nacional becoming the 4<sup>th</sup> largest producer in the country and in the Southeast region (in terms of cement volumes sold)
- 2. Establish a relevant position in the Southeast:** the largest cement market in Brazil (cement consumption of about 25 mt per year) with significant potential.
- 3. Entry point in the State of Rio De Janeiro**
- 4. Interesting cost synergy potential**

### DEAL STRUCTURE

- On 26 Oct 20, the Brazilian Companhia Nacional de Cimento (CNC), a wholly owned subsidiary of BCPAR, company in which Buzzi Unicem holds 50% of the share capital in a joint venture with Grupo Ricardo Brennand, signed a purchase agreement for the businesses of the CRH group operating in Brazil.
- On 16 Apr 21, with the authorization of the Brazilian antitrust authority (CADE), CNC acquired the Brazilian businesses of the CRH group operating in Brazil.
- Buzzi Unicem financed CNC, on an arm's length basis, for an amount of USD 242 m to support the whole transaction.

### Assets geographic footprint



#### Five production sites:

- Three integrated plants (Matozinhos, Arcos Jazida and Cantagalo)
- Two grinding stations (Arcos Cidade and Santa Luzia)

**Cement capacity:** 3.4 mt per year

## Buzzi Unicem SpA – Statutory Income Statement

EURm	2020	2019	Δ	Δ
			abs	%
<b>Net sales</b>	<b>360.3</b>	<b>357.5</b>	<b>2.8</b>	<b>+0.8</b>
Operating cash flow (EBITDA)	45.9	55.6	(9.7)	
<i>% of sales</i>	12.7	15.6		
<b>Operating Profit (EBIT)</b>	<b>7.4</b>	<b>16.8</b>	<b>(9.4)</b>	<b>-56.0</b>
<i>% of sales</i>	2.1	4.7		
Net finance costs/revenues	284.3	72.1	212.2	
of which dividend income	319.7	194.0	125.7	+64.8
<b>Profit before tax</b>	<b>292.1</b>	<b>88.9</b>	<b>203.2</b>	
Income tax	1.3	(1.7)	3.0	
<b>Net profit</b>	<b>293.4</b>	<b>87.2</b>	<b>206.2</b>	
<b>Shareholders' equity</b>	<b>1,757.9</b>	<b>1,647.9</b>	<b>110.0</b>	<b>+6.7</b>

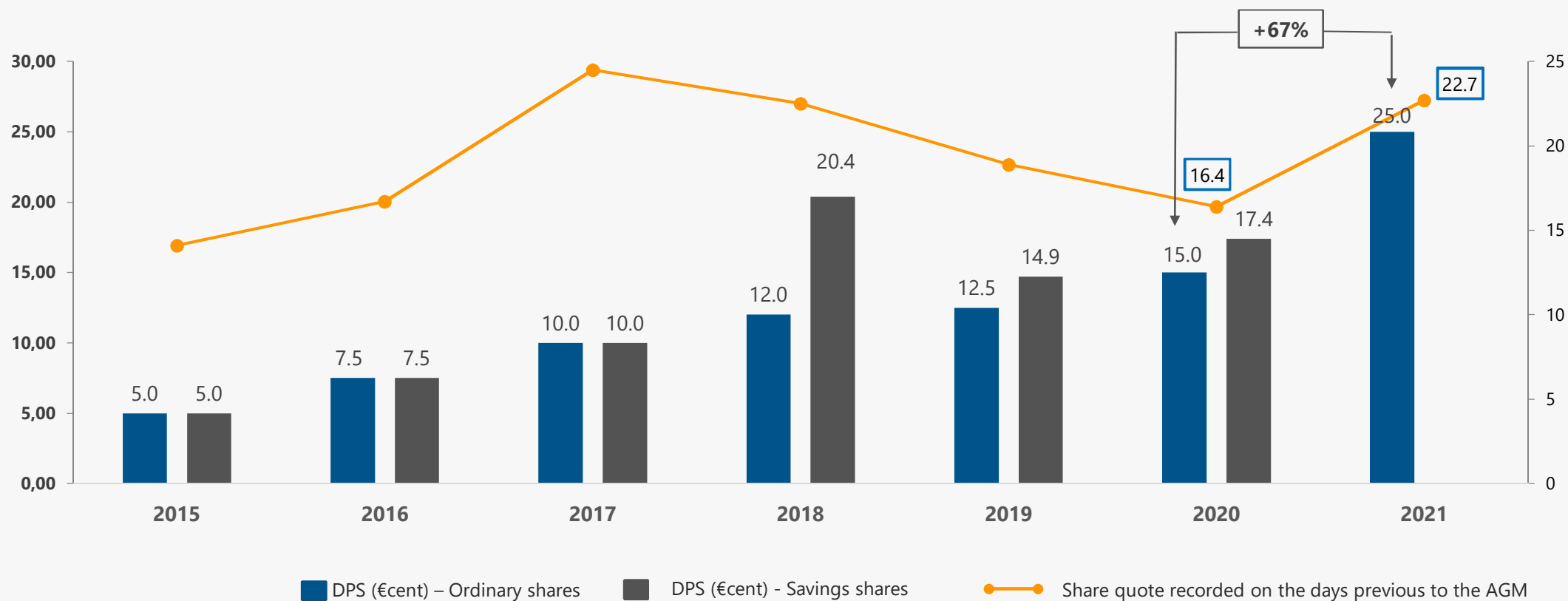
## Dividend and share price

**DPS**

25.0 ¢ to ordinary shares (+67% compared to 2020)

**CAGR (12/2014 – 05/2021)**

Ordinary shares + 6%



## Sustainability Report (1/2)



Issued for the 20<sup>th</sup> year in a row, the 2020 Sustainability Report is in accordance with Core Indicators of the Global Reporting Initiative standards, and it complies with the requirements of DL 254/2016 (non-financial statement).

The document, that continues to evolve in terms of contents and accuracy, maintains the same structure as last year, and it confirms itself as an indispensable tool to provide stakeholders with relevant and transparent accountability on our environmental, social and governance performance.



## Sustainability Report (2/2)



The 2020 edition reaffirms the three topics extremely material for us and our stakeholders, all covered by a corporate Policy:

- Safety
- Climate Change
- Stakeholder Engagement

For each of them we have established clear targets to be reached in the medium term

# Targets

## Safety

The target is the achievement of working conditions not entailing the occurrence of any accident and/or occupational diseases

## Climate change

Although the relevant factors are many, not all foreseeable and under the control of Buzzi Unicem, by 2022 we aim at achieving a 5% reduction in CO<sub>2</sub> emissions compared to 2017 levels, at the same scope of production

## Stakeholder Engagement

The target involves the implementation of the strategic approach to stakeholder engagement and the organisation of cyclical events in each production site with a high economic, environmental and social impact

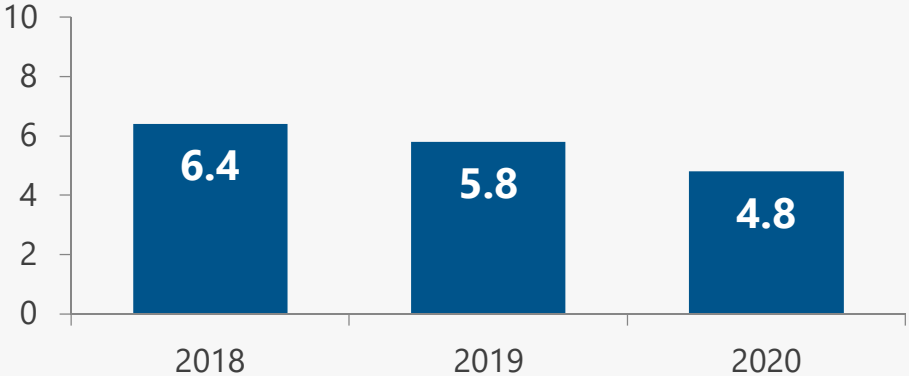
## Newness of 2020 edition

- Letter to stakeholders with reference to climate neutrality 2050
- Tax reporting on Country-by-country basis (2019 data)
- Paragraph about Covid charities
- New paragraph on concrete
- Information and data about working from home

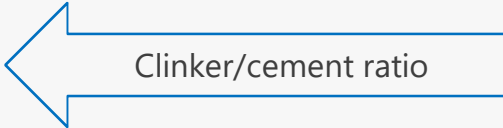
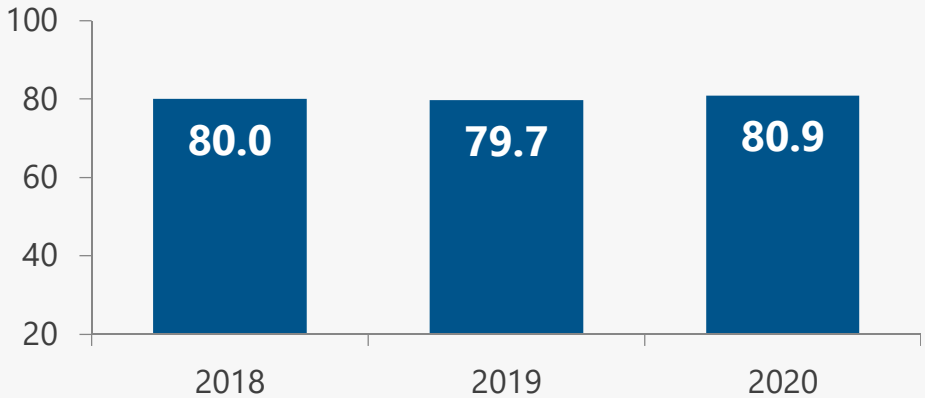
# Key indicators (1/3)

Lost Time Injury Frequency Rate\* - n° x 1M / hours worked

\* employees + contractors / all businesses



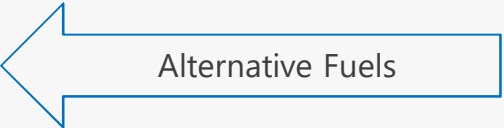
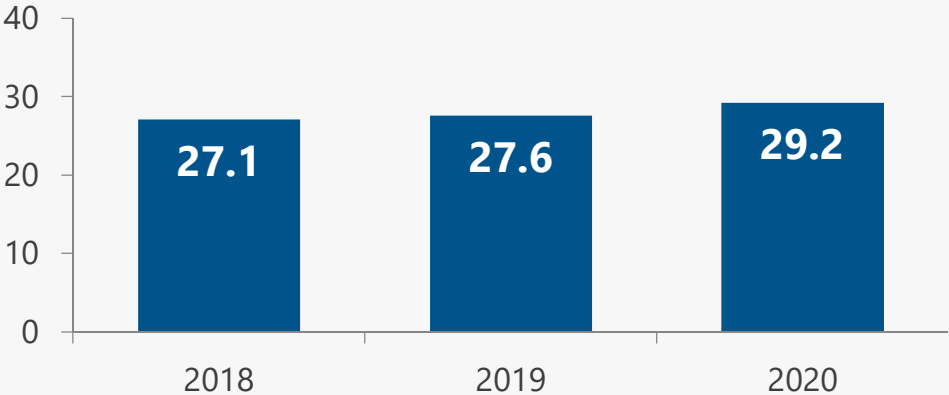
Clinker/cement ratio - %



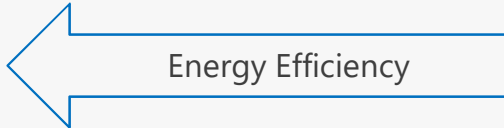
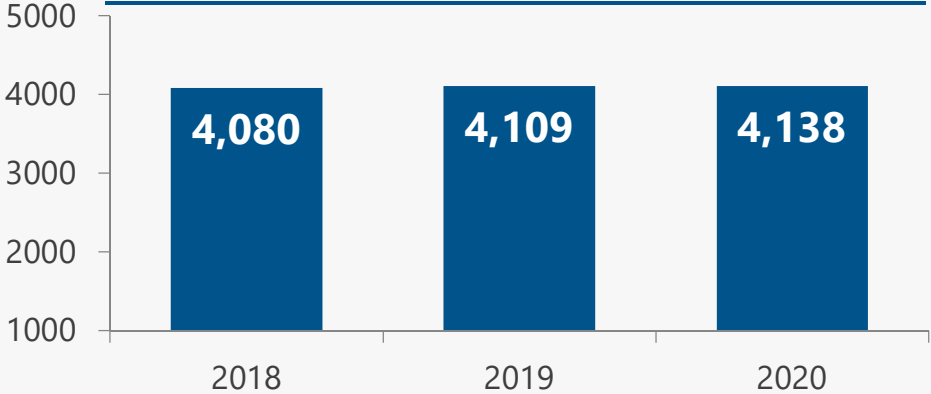


# Key indicators (2/3)

Thermal substitution - %

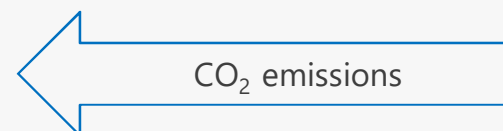
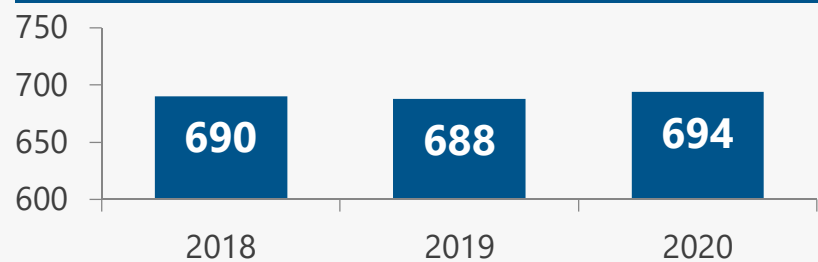


Kiln specific thermal consumption - MJ/t clinker

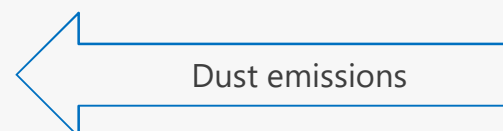
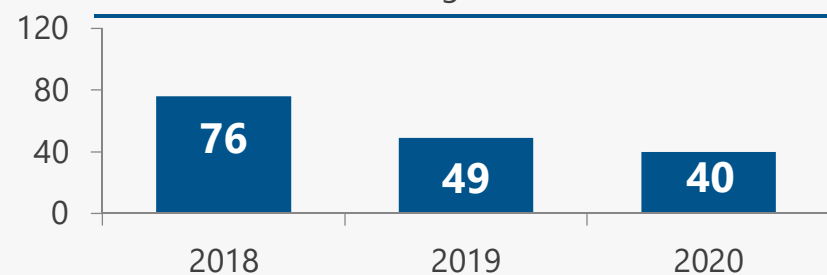


## Key indicators (3/3)

Direct CO<sub>2</sub> emissions (gross) - kg/t cementitious product



Dust - g/t clinker



Water consumption - l/t cementitious product

