

Engineering & Construction Conference

Milan – 5 April 2018

Executive summary FY 2017

▪ Volumes

- Italy: YTD cement well ahead of 2016 thanks to Zillo contribution; +4.5% on lfl basis, mainly due to export and clinker sales; ready-mix up
- United States: volumes down in Q4, particularly December because of bad weather; YTD cement flat; confirmed upswing in oil-well cement shipments; ready mix down in Q4 and YTD
- Central Europe: sound full year results in Germany and Luxembourg (cement +4.5%); ready mix concrete YTD down in Germany but well ahead in Lux/Ned
- Eastern Europe: positive Q4, particularly Russia and the Czech Republic; YTD cement up 1.5%, with progress realized in the Czech Republic, Russia and Poland more than offsetting the unfavorable variance in Ukraine

▪ Prices

- Favorable variance in USA, Poland and Ukraine (local currency), to a minor extent in Luxembourg, Germany and Russia; stable or marginal weakness in the Czech Republic and Italy

▪ Foreign Exchange

- Negative impact on sales (€m 3.1) and EBITDA (€m 2.0) mainly due to weaker dollar and hryvnia more than offsetting the ruble recovery

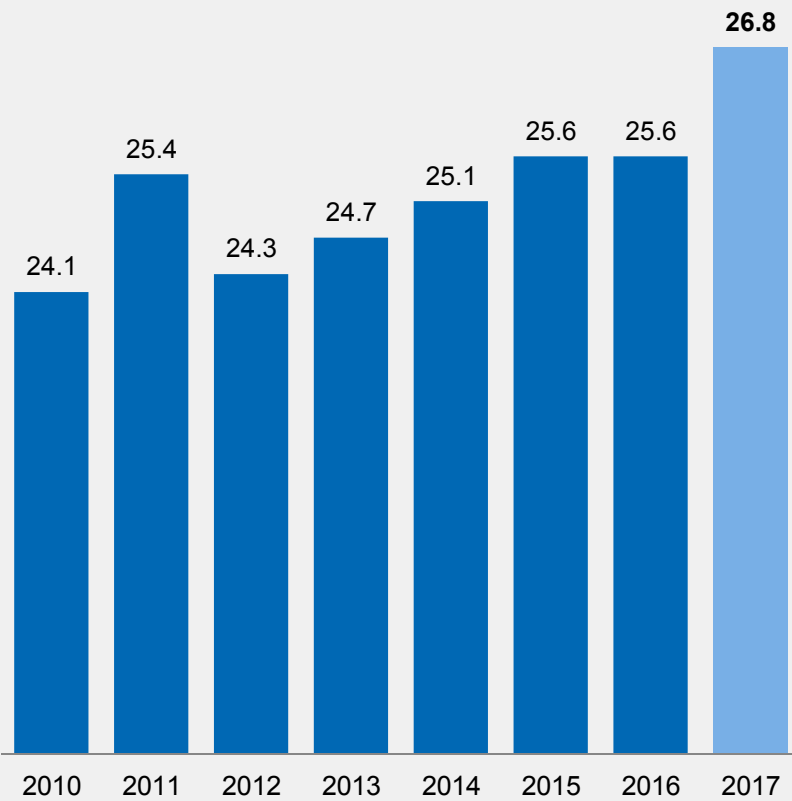
▪ Results

- Net sales at €m 2,806 (€m 2,669 in 2016), +3.7% like-for-like
- Recurring EBITDA up 4.7% to €m 576 (+€m 26 on 2016)
- Net debt at €m 863 versus €m 942 at year end 2016, after €m 113 impact from Zillo acquisition and €m 29 for expansion capex

Volumes

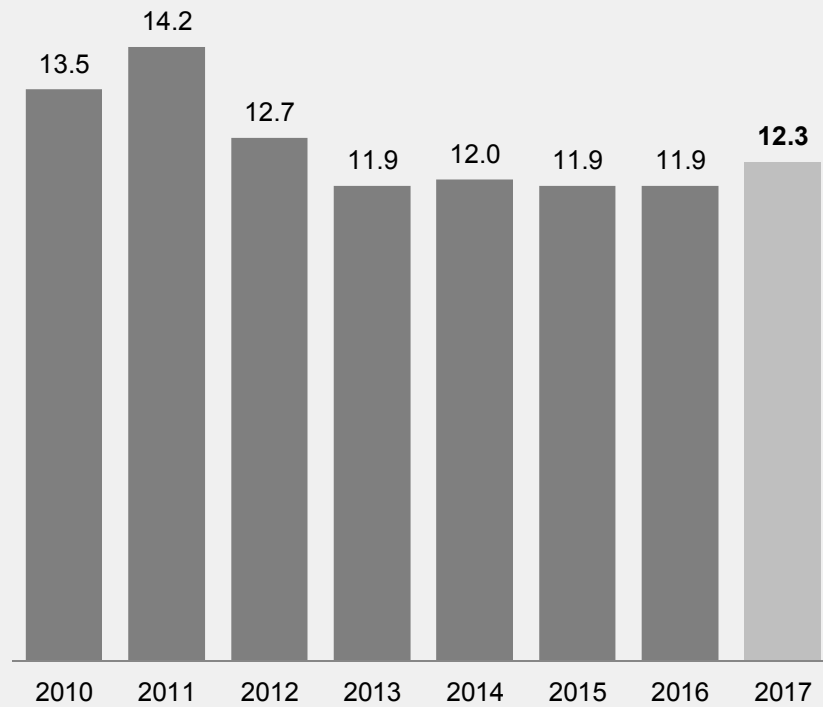
Cement

(m ton)

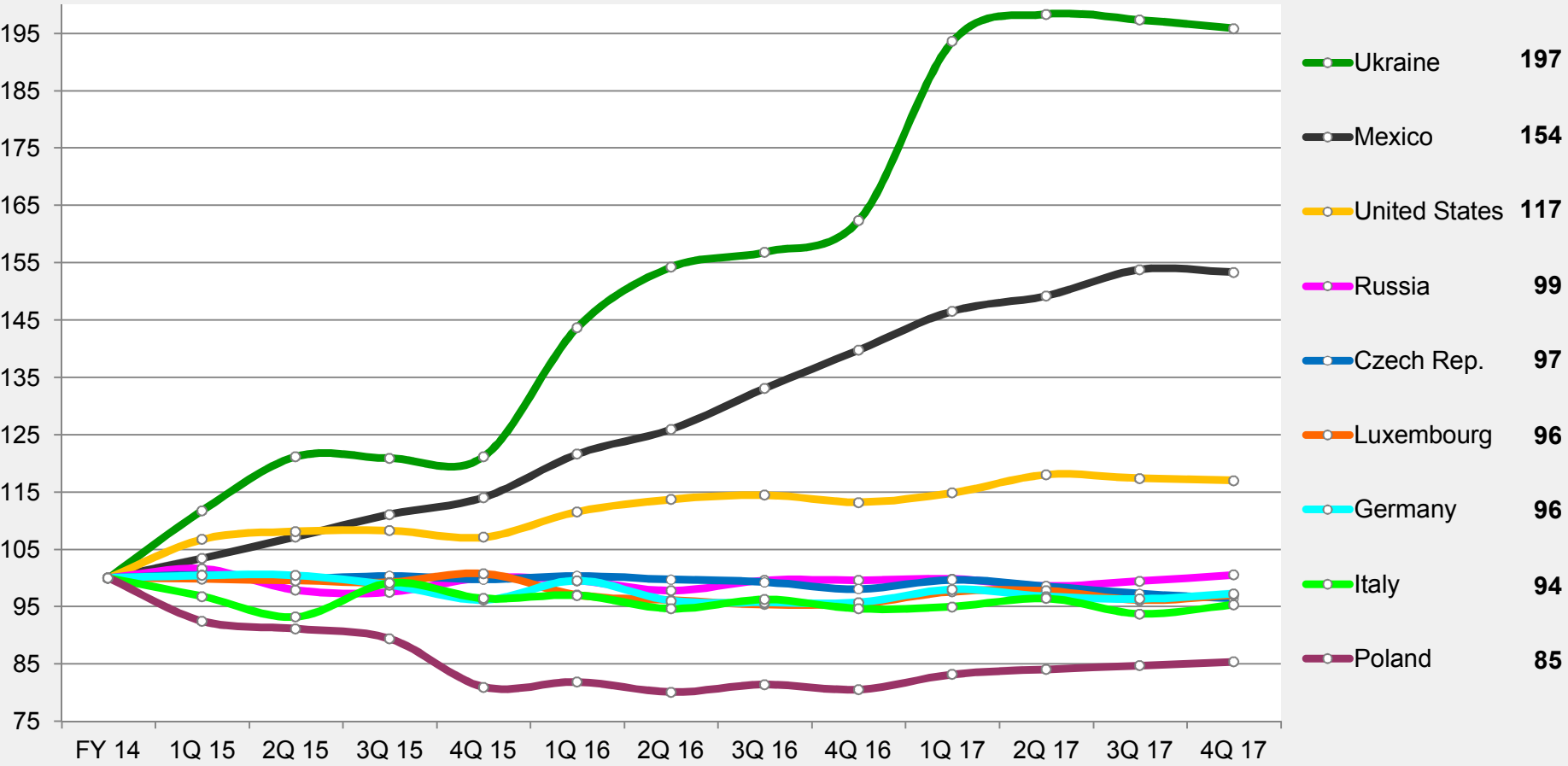


Ready-mix concrete

(m m3)









Price trends by country












In local currency; FY14 = 100










FX changes

		2017	2016	Δ	2015	current
EUR 1 =		avg	avg	%	avg	
	USD	1.13	1.11	-2.1	1.11	1.23
	RUB	65.94	74.14	+11.1	68.07	70.89
	UAH	30.02	28.28	-6.1	24.28	32.62
	CZK	26.33	27.03	+2.6	27.28	25.43
	PLN	4.26	4.36	+2.4	4.18	4.21
	MXN	21.33	20.67	-3.2	17.62	22.52

Net sales by country

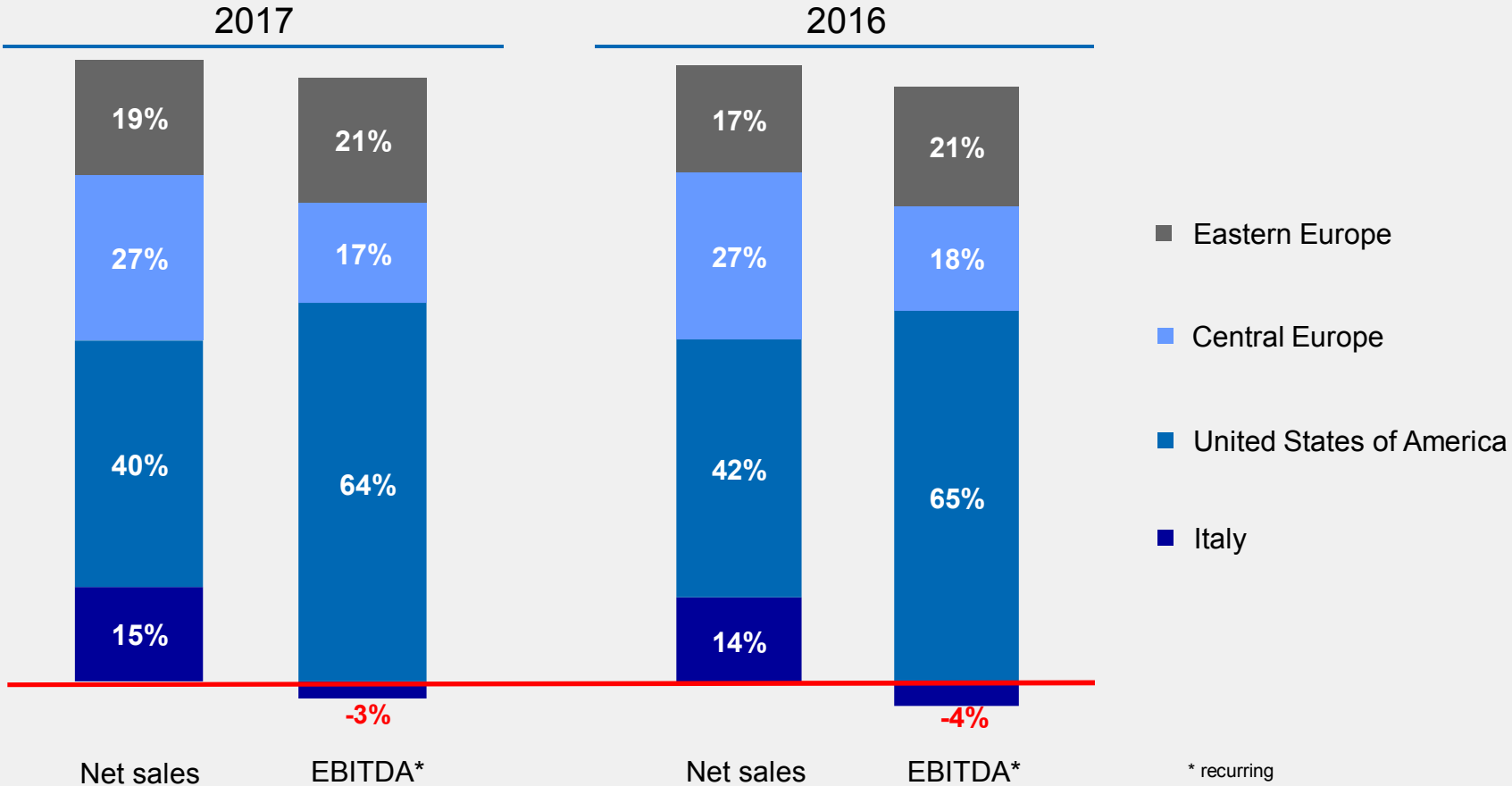
	2017	2016	Δ	Δ	Forex	Scope	Δ I-f-I
EURm			abs	%	abs	abs	%
 Italy	427.8	375.2	52.6	+14.0	-	42.4	+2.7
 United States	1,119.7	1,117.8	2.0	+0.2	(23.1)	-	+2.2
 Germany	588.0	572.4	15.6	+2.7	-	-	+2.7
 Lux/Netherlands	186.8	175.6	11.2	+6.4	-	-	+6.4
 Czech Rep/Slovakia	147.9	136.2	11.7	+8.6	3.0	-	+6.4
 Poland	97.0	95.0	2.0	+2.1	2.4	-	-0.4
 Ukraine	94.5	79.8	14.7	+18.5	(5.8)	-	+25.7
 Russia	184.3	154.4	30.0	+19.4	20.4	-	+6.2
<i>Eliminations</i>	(39.9)	(37.0)	(2.9)				
Total	2,806.2	2,669.3	136.9	+5.1	(3.1)	42.4	+3.7
 Mexico (100%)	686.1	609.0	77.1	+12.7	(22.0)	-	+16.3

EBITDA by country

	2017	2016	Δ	Δ	Forex	Scope	Δ I-f-I
EURm			abs	%	abs	abs	%
 Italy	(79.7)	(22.2)	(57.4)	>100	-	4.6	>100
 USA	369.6	356.5	13.1	+3.7	(7.6)	-	+5.8
 Germany	78.1	76.8	1.3	+1.7	-	-	+1.7
 Lux/Netherlands	17.6	25.8	(8.3)	-32.0	-	-	-32.0
 Czech Rep/Slovakia	36.5	34.3	2.2	+6.4	1.0	-	+3.6
 Poland	24.1	23.4	0.7	+3.0	0.6	-	+0.5
 Ukraine	16.0	12.8	3.2	+24.9	(1.0)	-	+32.6
 Russia	46.0	43.2	2.8	+6.4	5.1	-	-5.4
Total	508.2	550.6	(42.4)	-7.7	(2.0)	4.6	-8.2
recurring	576.4	550.7	25.6	+4.7	(2.0)	4.6	+4.2
 Mexico (100%)	329.3	293.4	35.9	+12.2	(10.5)	-	+15.8

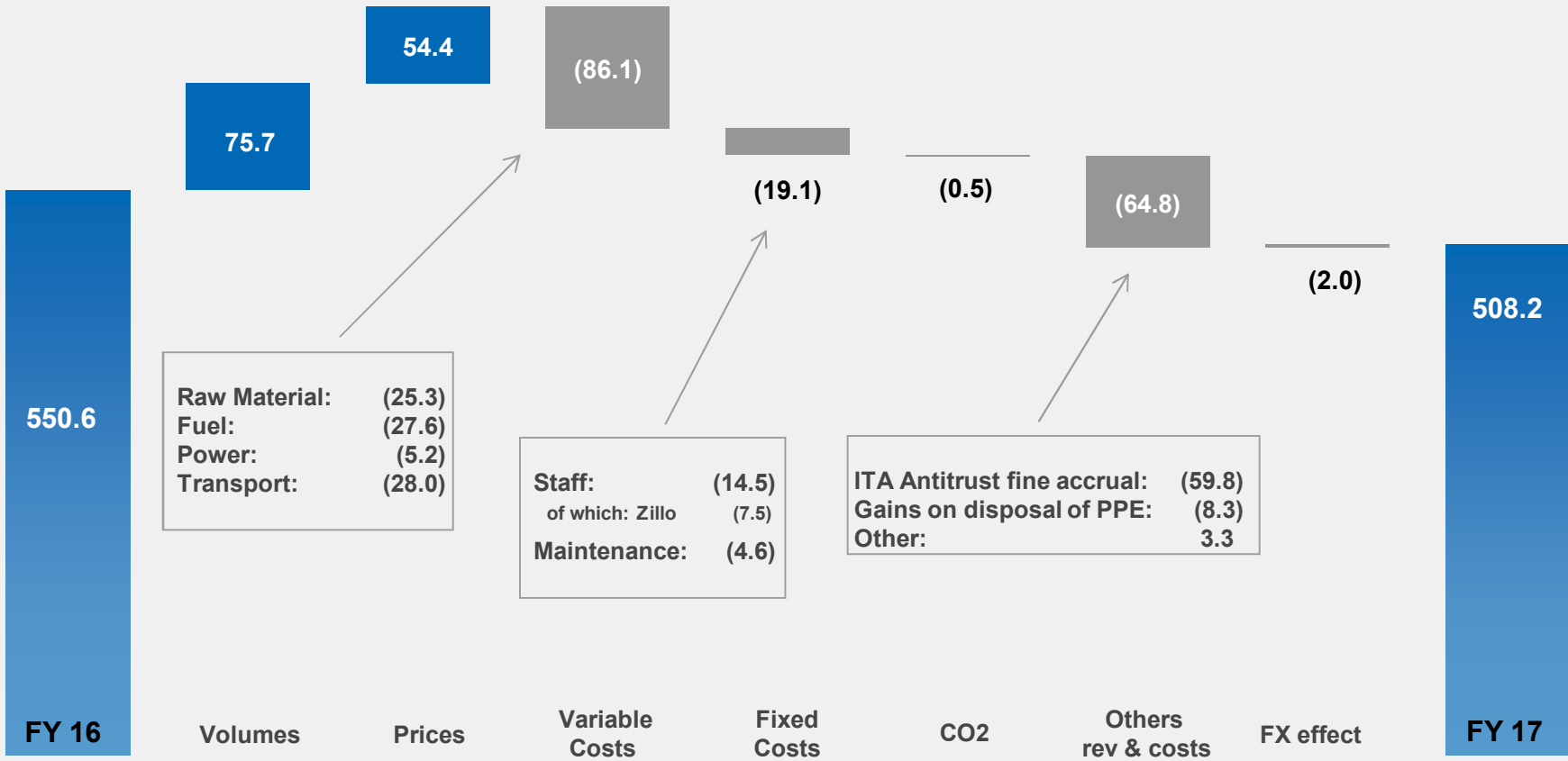
Net sales and EBITDA development

- Italy improving, thanks to Zillo contributions, but still negative
- USA contributions just under 2/3 of the consolidated EBITDA
- Stable at 21% the contribution from Eastern Europe



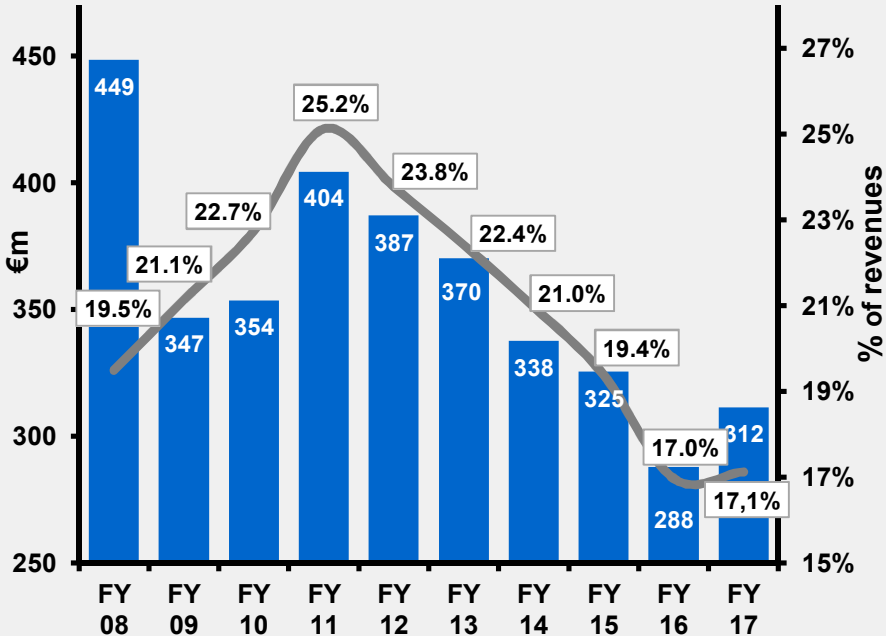
EBITDA variance analysis

EURm



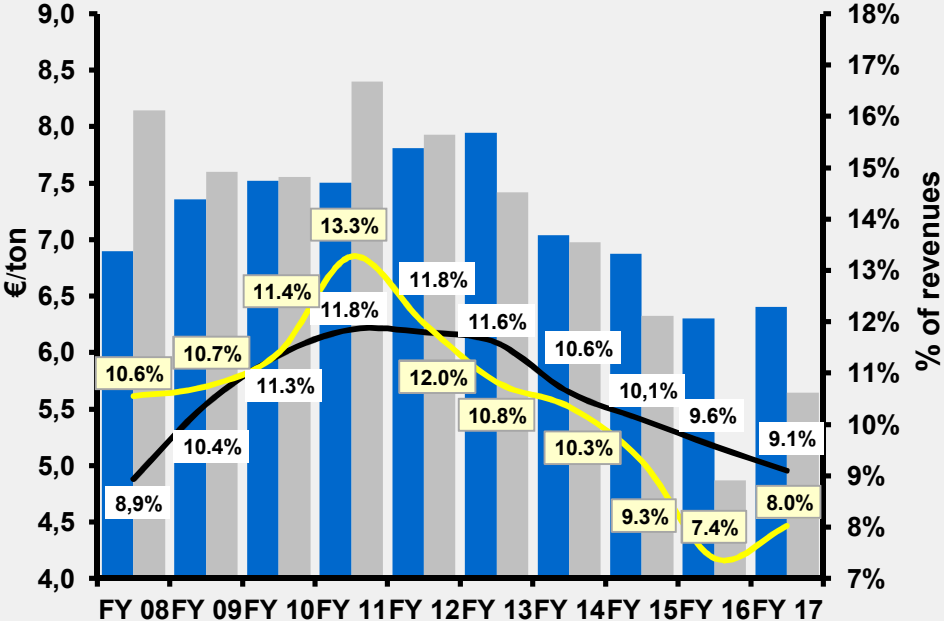
Energy costs impact

Total energy



■ Energy cost (€m)
— Energy cost / Cement revenues

Power & Fuel



■ Power cost (€/ton)
— Fuel cost / revenues (%)
■ Fuel cost (€/ton)
— Power cost / revenues (%)

Consolidated Income Statement

EURm	2017	2016	Δ abs	Δ %
Net Sales	2,806.2	2,669.3	136.9	+5.1
EBITDA	508.2	550.6	(42.4)	-7.7
of which, non recurring	68.2	0.1		
% of sales (recurring)	20.5%	20.6%		
Depreciation and amortization	(222.1)	(202.6)	(19.5)	
Operating profit (EBIT)	286.0	348.0	(62.0)	-17.8
% of sales	10.2%	13.0%		
Equity earnings	97.7	80.1	17.6	
Net finance costs	(35.0)	(147.2)	112.1	
Profit before tax	348.7	280.9	67.8	+24.1
Income tax expense	45.9	(132.2)	178.1	
Net profit	394.6	148.7	245.9	+165.4
Minorities	(3.0)	(2.8)		
Consolidated net profit	391.6	145.9	245.8	+168.5

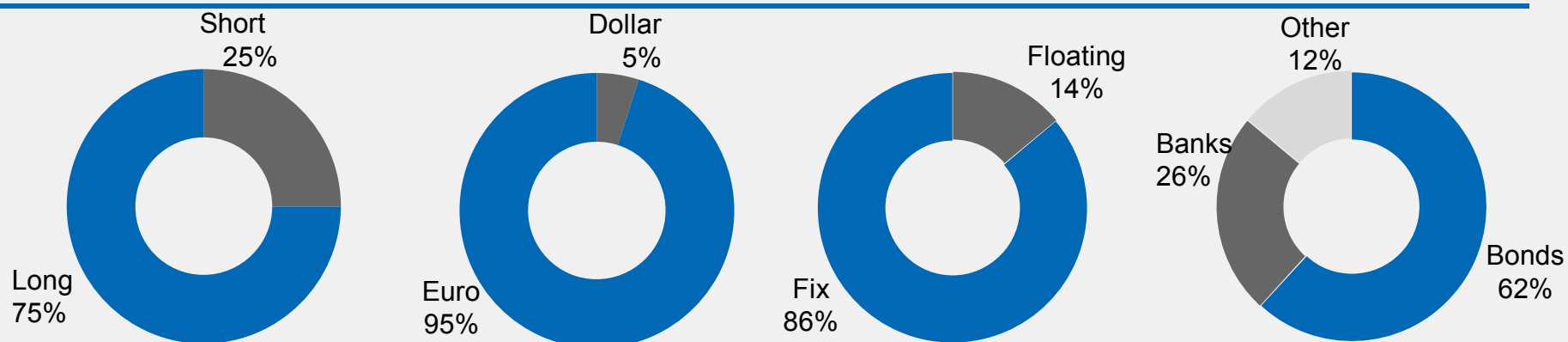
Consolidated Cash Flow Statement

EURm	2017	2016
Cash generated from operations	506.6	467.5
% of sales	18.1%	17.5%
Interest paid	(43.9)	(61.5)
Income tax paid	(91.9)	(101.8)
Net cash by operating activities	370.8	304.1
% of sales	13.2%	11.4%
Capital expenditures	(183.7)	(236.0)
Equity investments	(33.9)	(0.4)
Dividends paid	(22.0)	(16.3)
Dividends from associates	85.3	67.0
Disposal of fixed assets and investments	12.5	21.5
Translation differences and derivatives	(40.2)	(59.9)
Accrued interest payable	(1.4)	(3.8)
Interest received	9.7	14.6
Contingent liabilities	(56.4)	-
Change in consolidation area and other	(61.5)	(2.7)
Change in net debt	79.1	88.2
Net financial position (end of period)	(862.5)	(941.6)

Net Financial Position

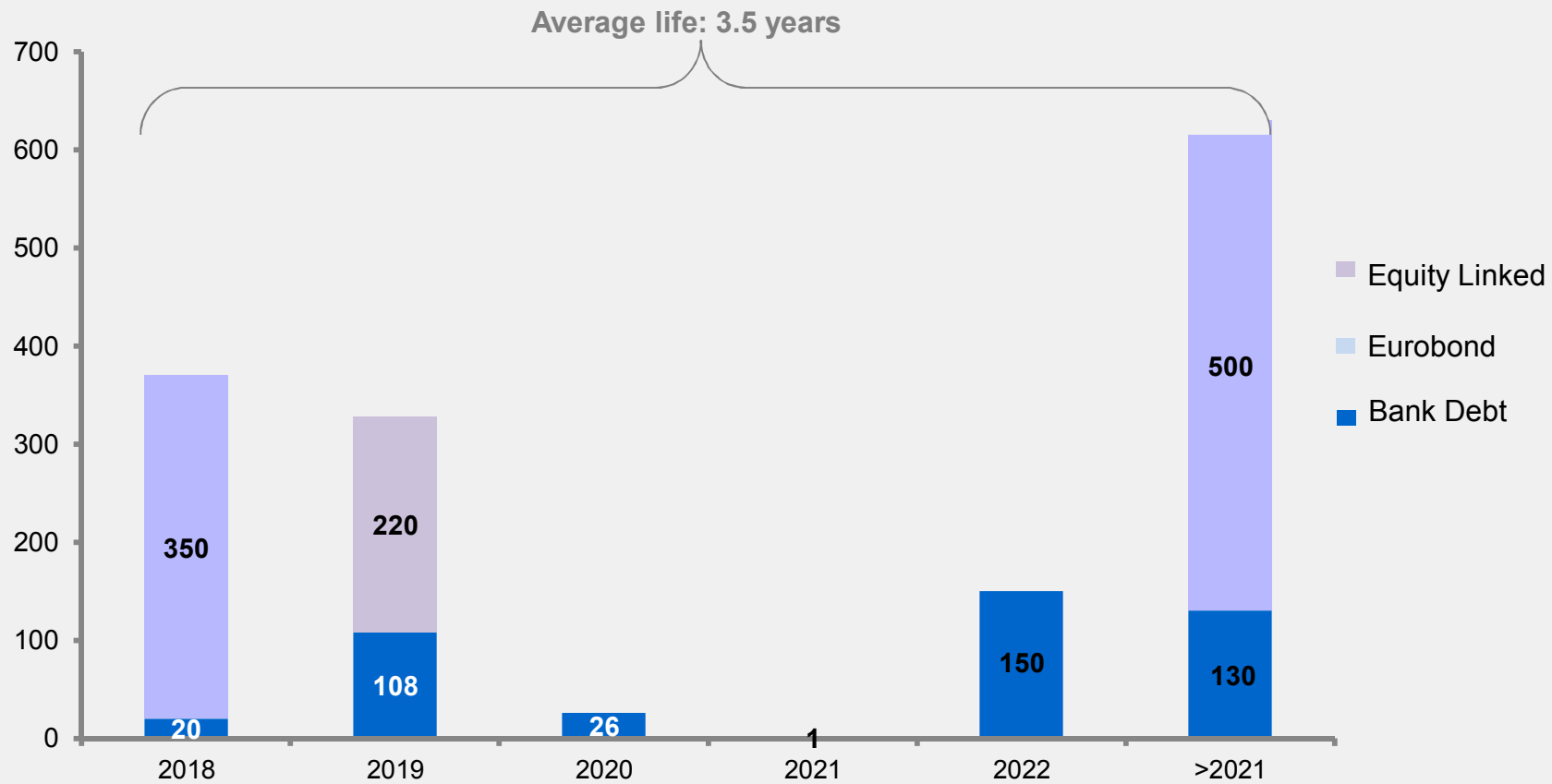
	Dec 17	Dec 16	Δ	Sep 17
EURm				
			abs	
Cash and other financial assets	829.9	609.6	220.3	716.4
Short-term debt	(424.7)	(75.7)	(348.9)	(392.5)
Net short-term cash	405.2	533.9	128.7	323.9
Long-term financial assets	3.2	13.2	(10.0)	12.2
Long-term debt	(1,270.9)	(1,488.6)	217.7	(1,251.3)
Net debt	(862.5)	(941.6)	79.0	(915.2)

Gross debt breakdown (€m 1,695.6)












Debt maturity profile

- Total nominal value of debt and borrowings stood at €m 1,505 at December 2017
- As at December 2017 available €m 325m of undrawn committed facilities (€m 300m for Buzzi Unicem, €m 25 for Dyckerhoff)



Expected trading in 2018

	Δ Volume	Δ Price
 Italy	+	+
 United States of America	+	+
 Germany	+	+
 Luxembourg	-	+
 Czech Republic	+	+
 Poland	+	+
 Ukraine	+	+
 Russia	+	+
 Mexico	+	+

Note: Prices in local currency

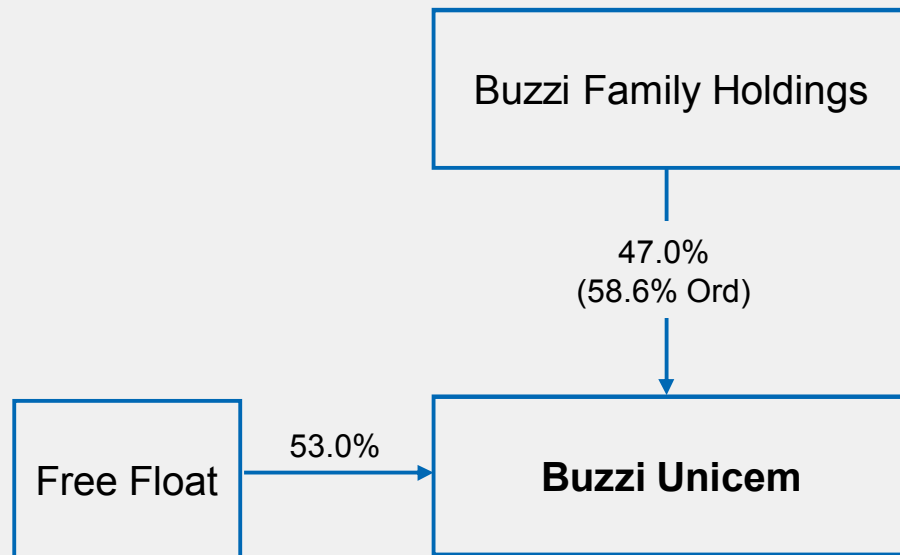
Appendix

Buzzi Unicem at a Glance

- International multi-regional, “heavy-side” group, focused on cement, ready-mix and aggregates
- Dedicated management with a long-term vision of the business
- Highly efficient, low cost producer with strong and stable cash flows
- Successful geographic diversification with leading positions in attractive markets
 - Italy (# 2 cement producer), US (# 4 cement producer), Germany (# 2 cement producer), joint venture in Mexico (# 4 cement producer)
 - Significant positions in Luxembourg, The Netherlands, Poland, Czech Republic, Slovakia, Russia and Ukraine, as well as entry point in Slovenia and Algeria
- High quality and environmentally friendly assets
- Leading product and service offering
- Conservative financial profile and balanced growth strategy

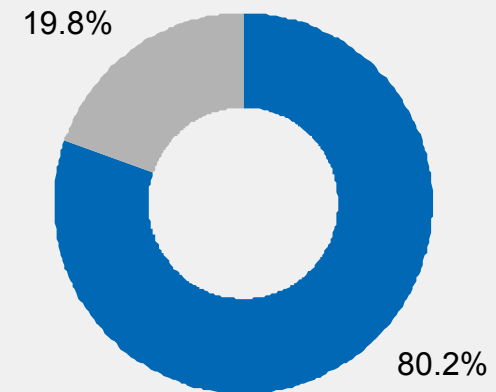
“Value creation through lasting, experienced know-how and operating efficiency”

Ownership structure



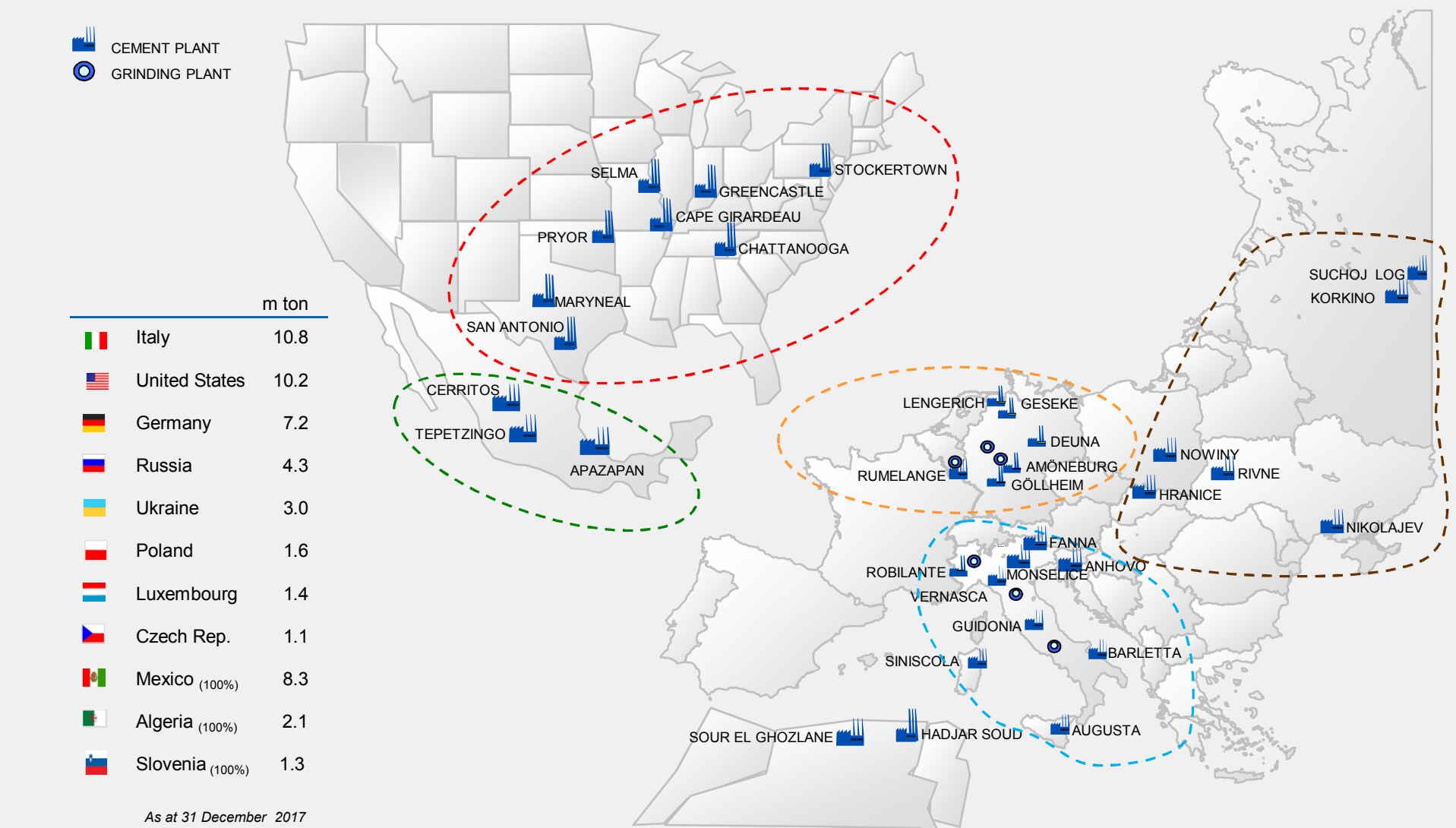
Share capital

■ Ordinary	165,349,149
■ Savings	40,711,949
Total shares	206,061,098

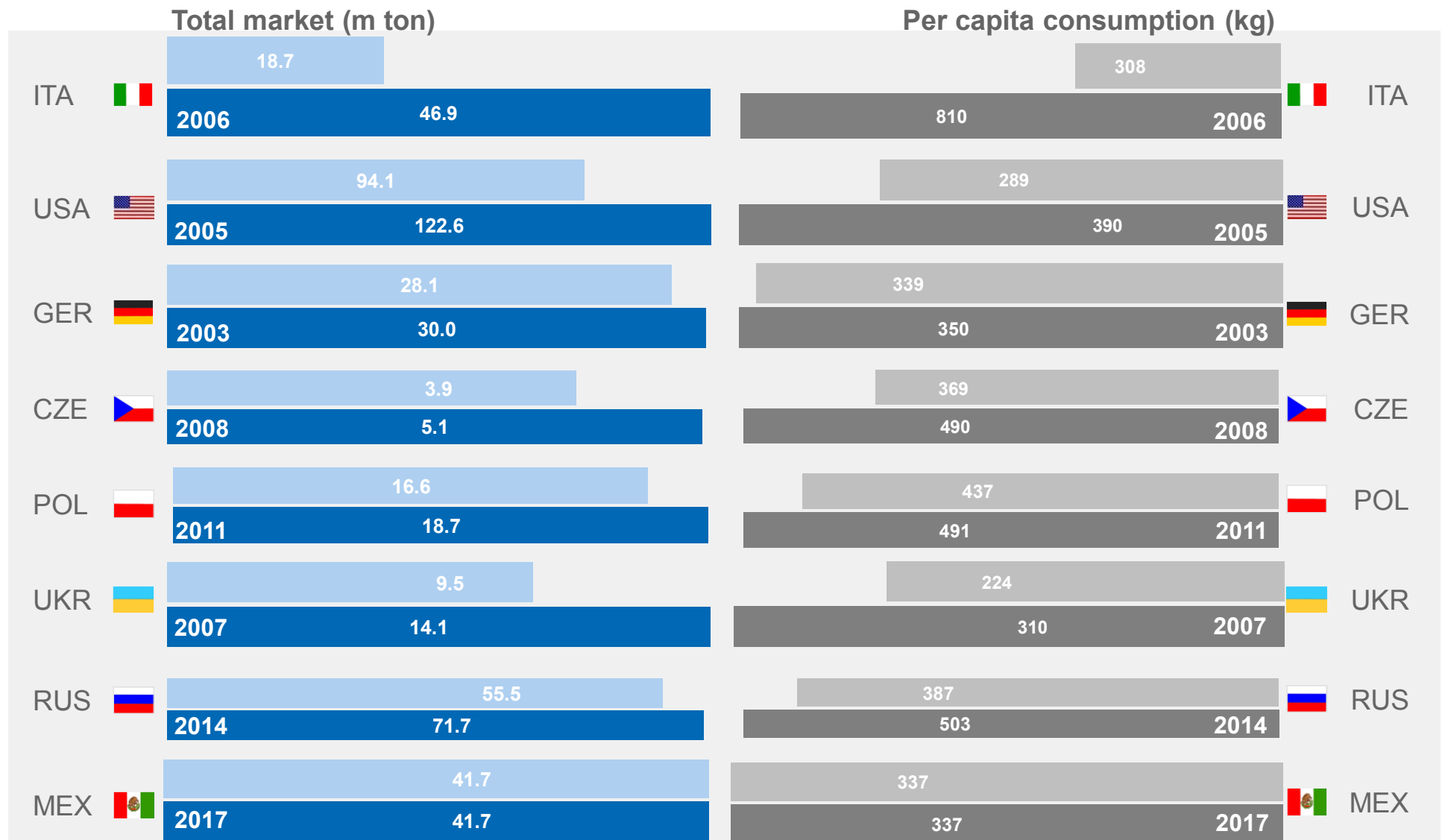


As at 31 December 2017

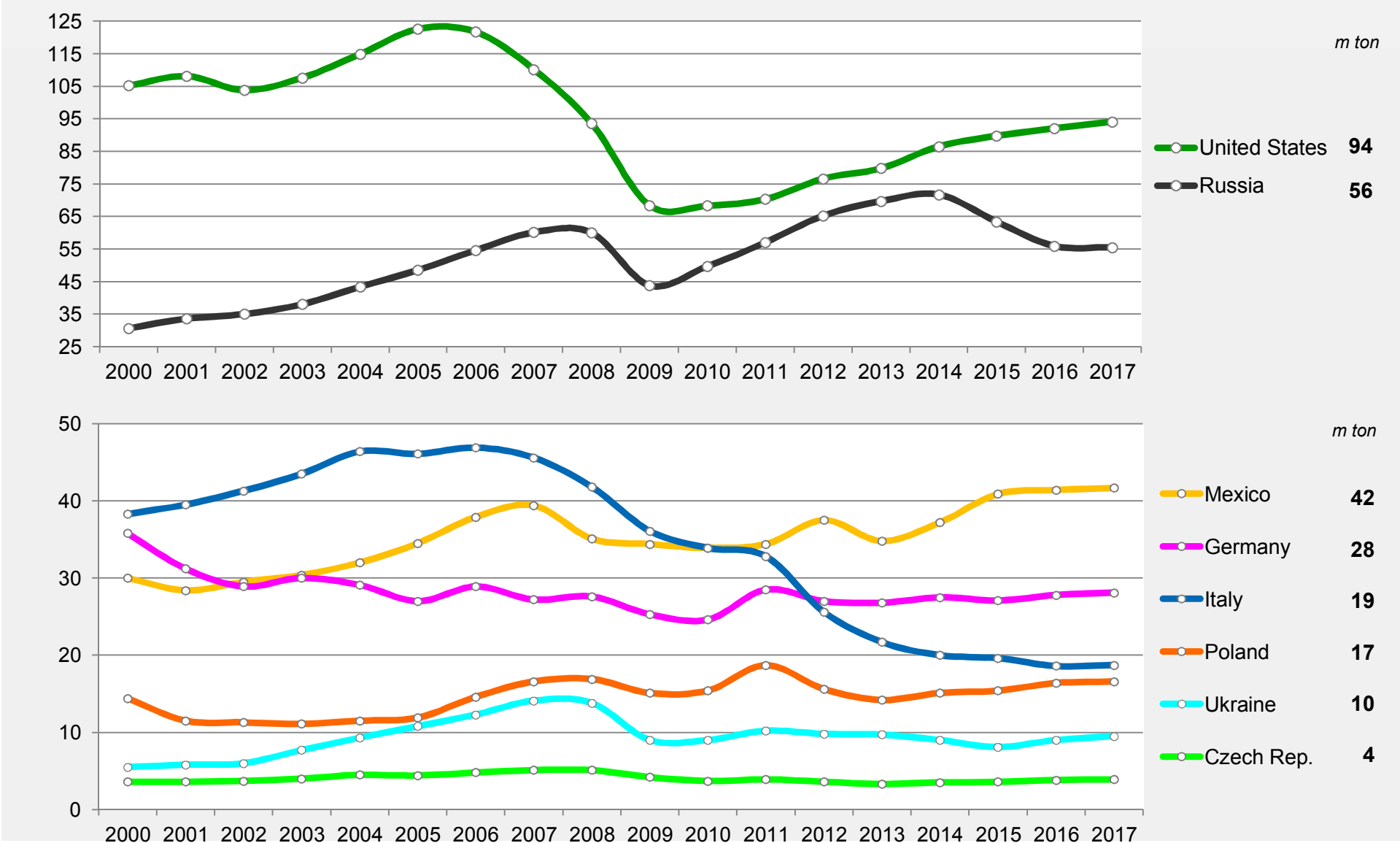
Cement plants location and capacity












2017 Consumption vs. Peak



Historical series of cement consumption by country



Historical EBITDA development by country

EURm		2010	2011	2012	2013	2014	2015	2016	2017
 Italy	EBITDA	32.5	10.3	-5.9	-18.1	-18.7	-37.2	-22.2	-79.7
	margin	5.3%	1.8%	-1.2%	-4.2%	-4.8%	-9.8%	-5.9%	-18.6%
 Germany	EBITDA	76.3	90.3	72.2	108.1	88.6	72.1	76.8	78.1
	margin	13.9%	14.2%	12.0%	18.0%	14.7%	12.6%	13.4%	13.3%
 Lux/ Netherlands	EBITDA	17.0	35.0	8.3	11.5	15.6	19.7	25.8	17.6
	margin	8.3%	15.7%	4.3%	6.3%	9.7%	11.7%	14.7%	9.4%
 Czech Rep/ Slovakia	EBITDA	32.8	35.2	25.4	19.2	27.0	32.6	34.3	36.5
	margin	20.5%	20.5%	17.0%	14.6%	20.2%	24.0%	25.2%	24.7%
 Poland	EBITDA	33.4	36.9	21.8	27.1	18.2	22.7	23.4	24.1
	margin	25.8%	26.6%	20.0%	26.8%	20.4%	20.4%	24.6%	24.9%
 Ukraine	EBITDA	-10.5	6.9	15.8	12.3	11.0	4.0	12.8	16.0
	margin	-12.8%	6.2%	11.8%	10.0%	12.5%	5.7%	16.1%	16.9%
 Russia	EBITDA	39.7	65.7	96.1	92.6	73.4	48.4	43.2	46.0
	margin	32.0%	37.4%	41.0%	37.2%	35.0%	29.0%	28.0%	24.9%
 USA	EBITDA	88.7	71.4	123.9	151.0	207.3	311.7	356.5	369.6
	margin	14.8%	12.8%	18.2%	20.7%	24.2%	28.1%	31.9%	33.0%
 Mexico	EBITDA	77.2	82.6	97.5	77.5	Adoption of IFRS 11			
	margin	36.2%	34.7%	36.2%	33.2%				
Consolidated	EBITDA	387.0	434.3	455.1	481.2	422.7	473.2	550.6	508.2
	margin	14.6%	15.6%	16.2%	17.5%	16.9%	17.8%	20.6%	18.1%