PRESS RELEASE

Trading update at 31 March 2024

- **Cement and ready-mix concrete volumes down 10.6% and 11.2% respectively, penalized by rainfall during the period and fewer working days**
- **Particularly negative sales trends in Central Europe and Poland; less marked slowdown in the United States**
- **Widespread strengthening of prices at the beginning of the year**
- **Consolidated net sales at €894.4 million, -6.4% compared to 2023**

Consolidated figures		**Jan-Mar 2024**	**Jan-Mar 2023**	**24/23**
Cement sales	t/000	**5,187**	5,803	-10.6%
Ready-mix concrete sales	m^3/000	**2,099**	2,364	-11.2%
Net sales	€/m	**894**	956	-6.4%

		Mar 24	**Dec 23**	**Change**
Positive net financial position	€/m	**791**	798	(7)

The Board of Directors of Buzzi SpA has met today to briefly examine the economic performance during the first three months of 2024 as well as the net financial position at the end of the first quarter.

During the first quarter of 2024, the sales volumes achieved by the group contracted, reflecting the general trend in demand, also impacted by adverse weather conditions in many countries where we operate and the early Holy Week, which penalized the comparison with the same period last year. This trend was particularly negative in Central Europe, where the construction market is heavily burdened by the weakness of the residential sector. The decline in Poland was also quite significant, given a particularly robust start to 2023. In Italy and the United States, however, the slowdown was more moderate thanks to a more resilient development of underlying demand. Looking at our joint ventures, sales volumes experienced a moderate decline in both Mexico and Brazil.
At a consolidated level, cement sales volumes decreased by 10.6% in the first three months of the year, while in the ready-mix concrete segment the decline was equal to 11.2%.
Selling prices, however, strengthened compared to the year-end values in almost all countries where the group operates.

The early months of 2024 outlined an improvement of global economic conditions, primarily due to widespread signs of growth in the tertiary sector. The manufacturing sector, however, although advancing, continued to record values below the expansion threshold in many countries, particularly in the Eurozone. International trade continued to exhibit subdued trends from the previous quarter, with modest growth rates. In this context, the International Monetary Fund has recently revised its outlook for the global economy slightly upward, targeting a 3.2% increase for the current year. Downside risks related to the geopolitical context and possible escalation of conflicts in Ukraine and the Middle East persist.

In the United States, economic activity continued to grow at a steady pace in the first quarter. Although the momentum in the tertiary sector slightly eased, manufacturing returned to positive trends. Consumer spending remained robust, as did the labor market, and the single-family housing construction indices also highlighted a modest recovery in investments. In March, inflation rose, reaching 3.5% on an annual basis, mainly due to increased energy costs and housing-related expenses. The latest estimates project GDP growth for 2024 at 2.7%.

In the Eurozone, instead, the economic stagnation continues. Despite some signs of recovery in services, the manufacturing cycle remained sluggish. Restrictive credit conditions continued to weigh on the construction sector and the development of domestic demand. In the labor market, however, the unemployment rate reached record lows since the inception of the Monetary Union. In March, consumer inflation decreased to 2.4%, due to a slowdown in non-energy industrial and food prices. The latest projections estimate GDP growth in 2024 at 0.8%.

In Italy, preliminary data indicate modest economic expansion in the first quarter. Industrial production contracted, partly due to the business cycle of the country's major trading partners. Construction, while still expanding, showed signs of slowdown, mainly due to changes in incentives. On the demand side, the contrast between the still weak consumption dynamics and the favorable trend in private investments persists. In March, inflation rose to 1.2% year-on-year, due to a softer decrease in energy prices, while the core component continues to decelerate. GDP for 2024 is expected to increase moderately (+0.7%).

Among emerging markets, in Mexico, it is estimated that the economic slowdown observed in the last months of the previous year also characterized the beginning of 2024, influenced by reduced public construction investments and weaker foreign demand for durable goods. In Brazil, on the other hand, a resilient scenario is expected, driven by steady domestic consumption thanks to an increase in the minimum wage, a reduction in the impacts of monetary tightening, and the ongoing disinflation process.

In the first few months of the year, the increased demand for oil, the extension of production cuts by OPEC+ and tensions in the Middle East created upward pressure on crude oil prices. Conversely, the benchmark price for natural gas in European markets continued to decline, due to weak industrial production, above-average seasonal temperatures and high storage levels.

The Federal Reserve and the European Central Bank maintained their existing tightening stance with unchanged benchmark rates in the first quarter. In Brazil, on the other hand, the central bank reduced the benchmark rate overall by 1% in the early months of the year, while in Mexico the cut was equal to 0,25%.

In this context, cement and clinker sales of the group, in the first quarter of 2024, reached 5.2 million tons, down 10.6% compared to the previous year. Ready-mix concrete sales also closed down at 2.1 million cubic meters (-11.2%).
Consolidated net sales stood at €894.4 million, down 6.4% compared to €955.9 million in 2023. Foreign exchange rate variances negatively contributed for €18.3 million. At constant exchange rates net sales would have been down 4.5%.

Net sales breakdown by geographical area is as follows.

million euro	**Q1-24**	**Q1-23**	**Δ %**	**Δ % lfl**
Italy	**190.9**	203.7	-6.3	-6.3
United States of America	**367.2**	375.0	-2.1	-0.9
Germany	**170.3**	195.1	-12.7	-12.7
Luxembourg and Netherlands	**41.1**	53.9	-23.7	-23.7
Czech Republic and Slovakia	**36.3**	40.6	-10.6	-5.9
Poland	**28.2**	33.2	-14.9	-21.7
Ukraine	**16.7**	9.7	+72.6	+82.3
Russia	**52.1**	60.1	-13.3	+8.9
Eliminations	**(8.5)**	(15.4)		
	894.4	**955.9**	**-6.4**	**-4.5**
Mexico (100%)	**267.7**	242.0	+10.6	+1.8
Brazil (100%)	**90.3**	92.5	-2.5	-5.9

The positive net financial position at the end of the period, which includes long-term financial assets, amounts to €790.5 million, versus €798.0 million at 2023 year-end. During the period under review the company incurred capital expenditures of €106.2 million (€60.9 million in 2023).

Italy

Our hydraulic binders and clinker sales, after a positive start to the year, were heavily impacted in March by the reduced number of working days due to the early Holy Week, as well as by penalizing weather conditions. As a result, volumes ended the quarter contracting. Ready-mix concrete sales also showed a similar trend. On the other hand, unit sales prices saw an improvement at the beginning of the year, both in cement and in ready-mix concrete.
Overall, net sales decreased by 6.3%, from €203.7 to €190.9 million.

United States of America

Cement sales volumes decreased in the first quarter, influenced by the unfavorable weather at the beginning of the year and the aforementioned difficult comparison in March. These trends reflected on ready-mix concrete production, which ended with a negative result, partly due to a shortage of distribution staff. However, the stability of underlying demand allowed for further strengthening of unit sales prices at the start to the year, resulting in a positive year-over-year price effect at the end of the quarter.

Overall net sales came in at €367.2 million, slightly down (-2.1%) compared to €375.0 million achieved in the same period of 2023. The weakening of the dollar (-1.2%) negatively influenced the translation of results into euro: at constant exchange rates net sales would have been substantially stable (-0.9%).

Central Europe

In **Germany**, sales volumes, both of cement and ready-mix concrete, continued to record a rather negative trend, in line with the generalized market weakness, further exacerbated by the unfavorable comparison with the same period in 2023. Selling prices held at the levels from the end of last year, but thanks to the carryover effect, continued to show a marked year-on-year strengthening.

Net sales contracted by 12.7%, reaching €170.3 million (€195.1 million in 2023).

In **Luxembourg** and the **Netherlands**, our cement and ready-mix concrete deliveries, after the significant decline recorded last year, decreased again in the first quarter of 2024, due to continued weakness in domestic and foreign demand. Selling prices remained stable year-on-year in the cement sector and slightly improved in the ready-mix concrete segment.

Net sales amounted to €41.1 million, strongly down (-23.7%) compared to 2023 (€53.9 million).

Eastern Europe

In the **Czech Republic**, cement sales volumes closed the quarter with a moderate decline compared to 2023, while prices in local currency showed a positive trend. The production data referring to the ready-mix concrete division, including **Slovakia**, showed a more pronounced negative trend, due to the recent sale of assets in Eastern Slovakia.

Net sales stood at €36.3 million, down 10.6% compared to the level reached last year (€40.6 million), also impacted by the depreciation of the Czech koruna (-5.4%). At constant exchange rates, as a matter of fact, the unfavorable variance of turnover would have been 5.9%.

In **Poland**, our cement sales volumes ended the period with a sharp contraction, due to generalized weak demand and the challenging comparison with the first quarter of last year, which was supported by the tail-end of some projects carried over from a more vibrant 2022.

Selling prices showed a notably positive trend, both due to the carryover effect of previous price increases and further strengthening at the beginning of the year. In the ready-mix concrete sector, however, volumes grew in the first quarter.
Net sales decreased from €33.2 to €28.2 million (-14.9%). The appreciation of the Polish zloty (+8.0%) positively impacted on the results in euro. At constant exchange rates, as a matter of fact, the turnover would have been down 21.7%.

In **Ukraine**, our cement and ready-mix concrete volumes sold continued to gain ground, primarily supporting reconstruction work. However, the ongoing conflict still hinders a return to normal activity. Selling prices for both cement and ready-mix concrete showed solid year-over-year growth.
Net sales came in at €16.7 million, up 72.6% (€9.7 million in 2023). The depreciation of the local currency (-5.7%) unfavorably influenced the translation of net sales into euro: at constant exchange rates they would have been up 82.3%.

In **Russia**, the local management presiding over the business states that sales volumes were lower compared to last year. The sale price variance in local currency, on the other hand, continued to increase robustly, while the depreciation of the ruble (-25.6%) negatively contributed to results.
Net sales, as a matter of fact, stood at €52.1 million, down 13.3% versus €60.1 million achieved in 2023. At constant exchange rates, net sales would have increased by 8.9%.

Mexico (valued by the equity method)

Our joint venture ended the quarter with a decline in cement sales volumes, offset by further strengthening of price levels at the beginning of the year. The ready-mix concrete sector, on the other hand, showed a positive trend in both sales volumes and prices.
With reference to 100% of the joint venture, net sales amounted to €267.7 million, improving by 10.6% compared to €242.0 million achieved in 2023. The appreciation of the Mexican peso (+8.0%) positively impacted the translation into euro. At constant exchange rates net sales would have been up 1.8%.

Brazil (valued by the equity method)

The volumes sold by the joint venture were at lower levels compared to last year, with varying trends in different regions. The most noticeable decline was in the Southeast of the country, due to increasing competition in the Minas Gerais region, while the trend in the Northeast was more resilient. Selling prices in local currency remained stable year-on-year.
Net sales in euros, referring to 100% of the joint venture, decreased by 2.5% from €92.5 million in 2023 to €90.3 million in the period under review. The appreciation of the Brazilian real (+3.6%)

had a positive impact on the translation into euro. Like for like net sales would have been down 5.9%.

Outlook

The results reported in the first quarter confirmed a generalized weakness in demand, still accompanied by a favorable trend in prices across almost all markets. The slowdown which occurred in cement and ready-mix concrete deliveries was clearly impacted by a challenging comparison with the previous year, and we believe that this dynamic may be at least partially absorbed in the subsequent quarters of the year.

The expectations outlined with the publication of the annual results appear consistent with the latest macroeconomic projections. Specifically, we expect that demand in Italy and the United States may continue to benefit from the momentum provided by infrastructure investments, also supported by an improvement in the residential sector, albeit weak. In other EU countries, instead, we expect that the challenging economic environment may still impact construction activity. In Mexico and Brazil, a scenario of demand stabilization and gradual recovery remains likely.

In conclusion, the results recorded in the early months of 2024 did not reveal significant new developments. Hence, we consider it reasonable to affirm the outlook as anticipated in the press release of end March, suggesting that the current fiscal year may close with operating results akin to the highly satisfying achievements of 2023.

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Alternative performance measures

Buzzi uses in its financial disclosure some alternative performance measures that, although widespread, are not defined or specified by the accounting principles. Set out below is the definition of the measures which have been used in this disclosure.

Net financial position: it is a measure of the capital structure determined by the difference between financial liabilities and assets, both short and long term; under such items are included all interest-bearing liabilities or assets and those connected to them, such as derivatives and accruals.

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The manager responsible for preparing the company's financial reports, Elisa Bressan, declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting *information contained in this press release corresponds to the document results, books and accounting records.*

Casale Monferrato, 9 May 2024

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