PRESS RELEASE

Interim results at 30 June 2023

- **Sales volumes slowing down compared to the first half of 2022, both for cement (-8.3%) and ready-mix concrete (-12.3%)**
- **Rather weak demand in Central Europe, Poland and the Czech Republic, more solid, instead, in Italy and the United States**
- **The favorable price effect allowed to achieve a clear improvement of Ebitda margin across the markets where we operate, although production costs continued to increase**
- **Consolidated net sales at €2,150 million (+14.3%) and Ebitda at €575 million (+57.6%). Favorable foreign exchange effect of €8.1 million on sales and of €4.8 million on Ebitda**
- **Guidance for the whole of 2023 revised upwards. Recurring Ebitda expected at €1,100-1,200 million**

Consolidated data		**Jan-Jun 23**	**Jan-Jun 22**	**% 23/22**
Cement and clinker sales	t/000	**13,057**	14,233	-8.3%
Ready-mix concrete sales	m3/000	**5,116**	5,831	-12.3%
Net sales	€/m	**2,150**	1,880	+14.3%
Ebitda	€/m	**575**	365	+57.6%
Ebitda recurring	€/m	**572**	365	+56.6%
Consolidated net profit	€/m	**431**	89	n.s.
		Jun 23	**Dec 22**	**Change**
Net financial position	€/m	**412**	288	124

The Board of Directors of Buzzi SpA has met today to examine the interim financial report as at 30 June 2023.

During the first half of 2023, global economic activity continued to be penalized by the persistence of inflation and by further restrictive monetary and financial conditions. In particular, in the second quarter, despite a lively trend in the services sector, the performance of the manufacturing segment was still weak and contributed to limiting the growth prospects of international trade. In spring, consumer price inflation slowed down, thanks to the decrease in the energy component, although it remained at historically high levels. The decline in inflation was more evident in industrial goods, which incorporated the trend of energy prices. However, despite this slowdown both in the Eurozone and in the United States, the dynamics of the core component remained persistent, influenced by the acceleration in the prices of services. According to the latest OECD forecasts, the global economy is estimated to grow by 2.7% in 2023, slightly lower than the expectations at the beginning of the year. Prospects continue to be negatively affected by persistent inflation and the consequent restrictive orientation of monetary policies in the major advanced economies, as well as by the uncertainty associated with the continuation of geopolitical tensions on a global scale, first of all the ongoing conlict in Ukraine.

In the United States, after a first quarter of growth, thanks to the positive dynamics of domestic consumption and non-residential investments, consumer spending has weakened starting from April and the labor market, while remaining solid, slowed down its pace of growth.
In the Eurozone, in the first three months, GDP growth was still negative, reflecting a general weakness in domestic demand, while the dynamics of investments, especially in construction, recovered. In the first quarter, GDP grew in France and, to a greater extent, in Italy and Spain, while Germany confirmed the unfavorable economic situation which has already been underway at the end of 2022. In spring, the weakness of the manufacturing sector worsened, with industrial production in April and May being 1.4% lower than the average for the first quarter.
In Italy, after the development recorded at the start to the year, supported by domestic consumption and the expansion of investments, GDP growth essentially came to a halt during the second quarter, due to the slowdown in manufacturing production.
As far as emerging markets are concerned, in Mexico the economy continued to be supported by the expansion of domestic consumption, favored by the strengthening of employment and wages. However, activity in manufacturing slowed down during the second quarter due to the weakening of growth in the main trading partners, above all the United States.
In Brazil, the slowdown of the economy was also confirmed in the April-June period due to the further weakening of consumption and investments.

The weakness of the global economic cycle contributed to a slowdown in energy factor prices. The decisions to cut oil production announced by the main producing countries during the second quarter and being valid until the end of 2024 had a limited impact on crude oil prices, which was influenced more by the cooling of the economy and global trade. The price of natural gas on the TTF market also eased during the spring, reflecting the moderate trend in industrial consumption and the large level of inventories.

The monetary policies of the main central banks confirmed their restrictive stance during the second quarter of the current year. In May, the Federal Reserve further increased the benchmark rate by 25 basis points, while in June it decided to keep rates unchanged, although showing itself open to the possibility of further increases in the following months. In May and June, the ECB raised rates by 25 basis points, confirming that the policy will continue to remain restrictive until inflation returns close to the medium-term objective. In Latin America, the Bank of Mexico decided in June to interrupt the rate hike in force since January 2022, thanks to the appreciation of the peso and to lower inflationary pressures. Always in June, the Central Bank of Brazil confirmed its decision to keep rates unchanged, at still high levels.

Consolidated net sales for the half-year, therefore, made strong progress reaching €2,149.6 million against €1,880.0 million in 2022, while Ebitda improved by 57.6% from €365.1 million to €575.3 million. The currency movements had a positive net impact of €8.1 million on turnover and €4.8 million on Ebitda. Net of foreign exchange fluctuations, net sales and Ebitda would have increased by 13.9% and 56.3% respectively.

Operating and financial performance

At consolidated level cement sales for the first six months of 2023 came in at 13.1 million tons, down 8.3% compared to the same period of 2022. The decline already noted at the beginning of the year was also confirmed in the following three months. The steadiness of volumes in Italy, Ukraine and Russia was not able to compensate for the slowdown observed in Central Europe, Eastern Europe and to some extent in the United States. Ready-mix concrete output throughout June was also below the level achieved last year, reaching 5.1 million cubic meters (-12.3% versus 2022). In this sector, the development was particularly negative in Central and Eastern Europe, while in Italy and the United States the decline was more limited.

Consolidated Ebitda stood at €575.3 million, up 57.6% compared to €365.1 million of the previous year. The figure for the period under review includes non-recurring income of €3.6 million. Excluding the non-recurring items, Ebitda rose from €365.1 to €571.6 million, with Ebitda to sales margin standing at 26.6% (19.4% in 2022). The recurring Ebitda margin of the first six months improved in all the markets where the group operates. Production and distribution costs showed a further generalized increase compared to the abnormal industry inflation recorded in 2022. However, thanks to the favorable trend in prices, the results achieved up to the middle of the financial year can be considered as excellent. After amortization of €128.4 million, versus €124.5 million in 2022, Ebit came in at €447.1 million, quite better compared to €118.1 million in 2022, impacted by impairment of non-current assets equal to €122.4 million. Profit before tax amounted to €552.9 million, (€119.8 million in the previous year), considering a contribution of €80.6 million from equity earnings (€57.6 million in 2022) and positive net finance costs of €24.9 million (they were €56.0 million negative in 2022). After income taxes of €121.7 million (€31.2 million in 2022) the income statement closed with a net profit of €431.2 million (€88.7 million in the first half of 2022).

Net sales breakdown by geographical area is as follows:

million euro	2023	2022	Δ %	Δ % lfl
Italy	**424.1**	357.9	+18.5	+18.5
United States of America	**846.8**	726.5	+16.6	+15.2
Germany	**441.3**	392.9	+12.3	+12.3
Luxembourg and Netherlands	**115.8**	116.4	-0.5	-0.5
Czech Republic and Slovakia	**102.8**	96.7	+6.4	+2.6
Poland	**76.6**	68.4	+11.9	+11.7
Ukraine	**35.1**	28.3	+23.9	+54.3
Russia	**142.8**	114.3	+25.0	+22.3
Eliminations	**(35.6)**	(21.4)		
	2,149.6	**1,880.0**	**+14.3**	**+13.9**
Mexico (100%)	**500.2**	353.1	+41.7	+25.6
Brazil (100%)	**189.7**	179.6	+5.7	+4.2

At period-end the consolidated net financial position had a positive balance of €412.0 million (€288.2 million at year-end 2022). In the six months under review the group refunded in advance its €500 million Eurobond, paid dividends to the shareholders of €81.1 million and paid total capital expenditures of €148.4 million. Investments devoted to environmental performance improvements and to the decarbonization of production process, among which projects to increase the production of cements with a lower clinker content, the usage of alternative fuels and the in-house production of electricity are included, amounted to approximately €20 million.

Italy

Our hydraulic binders and clinker sales were stable in the first six months of the year (-0.3%), thanks to the recovery recorded in the second quarter. Ready-mix concrete output, on the other hand, contracted, albeit moderately (-2.5%). Selling prices closed the half-year without any significant changes compared to the level reached at the end of 2022 but, thanks to the carry-over effect, they still result better than last year.

Net sales in Italy came in at €424.1 million, up 18.5% (€357.9 million in 2022). Ebitda achieved €98.5 million, more than doubled compared to €35.6 million of last year. However, it should be remembered that the six-month period still benefited from the tax credit effect dedicated to energy-intensive companies, introduced by the so-called "Decreto Sostegni-ter", which generated a benefit of around €12 million (€13 million in 2022). The unit production costs showed an overall favorable change, above all as regards the energy component, nonetheless remaining at very high levels.

United States of America

Our cement sales, which have already been slowing down in the first quarter, were also negative in the following three months, penalized by unfavorable weather conditions in certain regions and by the general slowdown in demand, as well as delays in some projects. The first six months closed with volumes down 3.6% compared to the 2022 level. Selling prices, in local currency, confirmed the increase already recorded at the end of the first quarter. Ready-mix concrete output, essentially present in Texas, decreased by 4.1%, also penalized by the lack of personnel assigned to distribution (truck drivers). Conversely, selling prices further strengthened during the second quarter, showing good year-on-year development.

Net sales thus reached €846.8 million, up 16.6% compared to €726.5 million of 2022. The appreciation of the dollar (+1.2%) had a positive impact on the translation of results into euro. Ebitda increased from €180.6 to €256.9 million (+42.3%). At constant exchange rates net sales would have increased by 15.2%, while Ebitda would have been up 40.6%. The unit production costs, in comparison with the same period of 2022, showed an unfavorable change, both in the variable component and, even more clearly, in the fixed one.

Central Europe

In **Germany**, during the first half of the year, in line with the development of demand in the country, our cement volumes sold showed a rather negative trend (-19.0%) compared to 2022.

At the same time, the ready-mix concrete sector also recorded sharp declining volumes (-21.9%). Selling prices, on the other hand, confirmed in absolute value the improvement level achieved at the end of the first quarter, both for cement and ready-mix concrete.

Overall net sales thus increased from €392.9 to €441.3 million (+12.3%) while Ebitda increased from €64.5 to €100.1 million (+55.2%). The figure benefited from non-recurring income of 3.6 million. Unit production costs grew sharply, due to the increase in spending on fuel and power, both of which almost doubled.

In **Luxembourg** and the **Netherlands** our cement deliveries were still markedly weak also during the second quarter, due to the generalized drop in demand, closing the half-year clearly declining (-39.0%). Production volumes in the ready-mix concrete sector also contracted but to a lesser extent (-13.9%). Selling prices, in both sectors, instead showed significant growth, aimed at offsetting the higher production costs.

Net sales came in at €115.8 million, stable compared to the previous year (€116.4 million). Ebitda stood at €12.6 million, increasing compared to €4.8 million in 2022. The rise in unit production costs is mainly attributable to the energy component, which almost doubled compared to 2022).

Eastern Europe

In the **Czech Republic** cement sales, after a first quarter clearly contracting, were still weak also in the following three months, closing the first half-year down 16.7%, reflecting the generalized contraction of demand. Selling prices, in local currency, considerably increased. The ready-mix concrete sector, which includes **Slovakia**, recorded similar dynamics (-18.5%) with selling prices clearly increasing too.

Consolidated net sales amounted to €102.8 million (€96.7 million in 2022, +6.4%) and Ebitda increased from €29.4 to €33.6 million (+14.6%). The appreciation of the Czech koruna (+3.9%) had a positive impact on the translation of the results into euro: at constant exchange rates, the variance of net sales would have been 2.6%, while the one of Ebitda 10.2%. Energy costs, mainly those related to the electricity component, sharply increased, while fixed items did not change significantly.

In **Poland** our cement sales volumes confirmed the slowdown also during the second quarter, closing the first six months as a whole down 12.7%. In the ready-mix concrete sector, the trend was similar (-12.9%). Selling prices, in general, showed a very favorable development.

In the first six months of 2023 net sales increased from €68.4 to €76.6 million (+11.9%). Ebitda also increased from €17.6 to €22.7 million (+28.8%). The zloty did not register significant changes during the reference period and, consequently, at constant exchange rates both net sales and Ebitda would have in any case improved by 11.7% and 28.5% respectively. The rise in production costs, driven upwards mainly by a surge in fuel and power prices, was evident.

In **Ukraine** during the second quarter, after a particularly negative start to the year, our sales volumes rebounded, also thanks to the comparison with last year, when production activity had stopped for a few months with the beginning of the conflict. Overall, the half-year closed with volumes up 22.0%. The trend in the ready-mix concrete sector, on the other hand, was negative (-9.3%). In general, selling prices showed a marked increase, driven by inflation.

Net sales stood at €35.1 million, up compared to €28.3 million achieved in 2022. Despite the recovery, production activity was still impacted by operational difficulties. In this context, Ebitda managed to offset the higher operational costs, achieving €2.3 million (it was negative and equal to €3.5 million in 2022). The depreciation of the local currency (-24.5%) had a further unfavorable impact on the translation of the results into euro.

On 20 June 2023, Buzzi reached an agreement with CRH regarding the sale of its business in Ukraine. The completion of the transaction is subject to the granting of the required regulatory approvals and is expected to take place during 2024. We specify that at the balance sheet date the value of net assets in Ukraine amounts to €13 million.

In **Russia**, due to the sanctions imposed on the country by the European institutions, starting from May 2022 we have ceased any operational involvement in the activity carried out by the subsidiary SLK Cement. Consequently, decisions relating to the investment can only be taken through the shareholders' meeting and are limited to those which, according to the Commercial Code of Russia, are the responsibility of this body, as well as to decisions of an extraordinary nature as defined in the bylaws. Further strategic initiatives in the country have been suspended. The information available to us regarding the trend of demand and the construction market is, therefore, very limited. At the balance sheet date, the asset value of net assets in Russia amounts to €301 million.

In the period under review, net sales amounted to €142.8 million, up compared to €114.3 million of the previous year (+25.0%), while Ebitda increased from €36.0 to €48.4 million (+34.6%). The marginal appreciation of the ruble (+2.1%) favorably influenced the translation of the results into euro: at constant exchange rates, net sales and Ebitda would have been up 22.3% and 31.7% respectively.

Mexico (valued by the equity method)

The sales of our joint venture, which were already progressing at the end of the first quarter, continued to be positive in the following three months, closing the six-month period clearly improving (+12.5%). Prices, in local currency, also increased progressively. In the ready-mix concrete sector, sales improved (+8.1%), with prices growing.

Net sales, referring to 100% of the joint venture, stood at €500.2 million, up 41.7% on the previous year, while Ebitda came in at €227.3 million, up compared to €149.5 million of 2022. The Mexican peso showed a clear appreciation of 11.4%. At constant exchange rates net sales and Ebitda would have been up 25.6% and 34.7% respectively. The unit production costs marginally worsened, penalized by the unfavorable development of fixed items, while expenditure on fuel and electric power did not record significant changes.

The equity earnings referring to Mexico, included in the line item that encompasses the investments valued by the equity method, amount to €52.3 million (€34.6 million in 2022).

Brazil (valued by the equity method)

The sales of our joint venture closed the half-year slightly contracting (-2.3%). In the north-east area development was positive, while in the south-east we recorded a moderate slowdown, mainly due to a long period of abundant rains. Selling prices, in local currency, improved instead. Net sales stood at €189.7 million, +5.7% compared to €179.6 million of the previous year, while Ebitda reached €38.3 million, declining compared to €46.6 million of 2022. The appreciation of the Brazilian real impacted on the translation of the results into euro (+1.3%): at constant exchange rates, net sales would have been up 4.2% and Ebitda down 18.9%. The unit production

costs worsened, mainly influenced by the unfavorable variance in fixed items, in particular maintenance costs.
The equity earnings referring to Brazil, included in the line item that encompasses the investments valued by the equity method, amount to €14.2 million (17.6 million in 2022).

Outlook

During the first half of 2023, despite a contraction in activity for the building sector, our operating results were very positive, thanks to the effectiveness of commercial efforts aimed at maintaining selling prices at levels capable of fully offsetting the higher production costs. In this context, in addition to the strengthening of the operating result in absolute terms, we also witnessed a strong recovery in the Ebitda margin, which came back to the levels of the years preceding the 2008 financial crisis.

The most recent forecasts indicate that activity in the construction sector will remain generally subdued also during the second half of 2023, influenced by the increased uncertainty of the dynamics of private investments and by higher financing costs. Looking at the development of sales volumes in our markets, according to the visibility available to us, we expect a stable trend both in Italy, thanks to the positive contribution of the infrastructure development plans, and in the United States, supported by the good order backlog and by the early examples of construction sites for projects related to the Building a Better America plan (signed in November 2021). In Central Europe, the Czech Republic and Poland, on the other hand, we believe that the generalized weakness of demand will persist in the second half of the year, making a clear recovery in sales volumes very difficult.

Based on the excellent evolution of the first six months and on the considerations expressed above, we believe that the current year could end with markedly better results than the ones achieved in 2022, thanks to the upward drive in selling prices and to a trend in production costs being certainly still characterized by high volatility, but more favorable than initially assumed. We therefore expect to achieve a recurring Ebitda for the entire financial year 2023 equal to €1,100-1,200 million.

Senior Notes and Bonds

In the period from 1 January to 30 June 2023 no new bonds were issued. On 28 January 2023, the full advance repayment of the €500 million Eurobond "Buzzi Unicem €500,000,000 2.125% Notes due 2023" issued in 2016 was executed.

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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, 3 August 2023

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Buzzi H1 2023 results will be illustrated during a **conference call** to be held today, Thursday 3 August, at 04:30 pm CEST. To join the conference, please dial +39 02 802 09 11, from UK +44 1212 818 004, from USA +1 718 7058 796.

Consolidated Income Statement

(thousands of euro)	1st Half 2023	1st Half 2022
Net sales	**2,149,634**	**1,879,967**
Changes in inventories of finished goods and work in progress	11,486	(12,005)
Other operating income	27,650	22,166
Raw materials, supplies and consumables	(843,959)	(778,712)
Services	(444,277)	(437,577)
Staff costs	(288,664)	(272,871)
Other operating expenses	(36,616)	(35,914)
EBITDA	**575,254**	**365,054**
Depreciation, amortization and impairment charges	(128,142)	(246,905)
Operating profit (EBIT)	**447,112**	**118,149**
Equity in earnings of associates and joint ventures	80,589	57,588
Gains on disposal of investments	243	97
Finance revenues	68,651	78,164
Finance costs	(43,730)	(134,164)
Profit before tax	**552,865**	**119,834**
Income tax expense	(121,651)	(31,158)
Profit for the period	**431,214**	**88,676**
Attributable to:		
Owners of the company	431,095	88,645
Non-controlling interests	119	31

(euro)		
Earnings per share		
basic	2.329	0.472

Consolidated Statement of Comprehensive Income

(thousands of euro)	1st Half 2023	1st Half 2022
Profit for the period	**431,214**	**88,676**
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on post-employment benefits	(701)	95,562
Fair value changes of equity investments	64	64
Income tax relating to items that will not be reclassified	152	(27,057)
Total items that will not be reclassified to profit or loss	**(485)**	**68,569**
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	(113,617)	414,090
Share of currency translation differences of associates and joint ventures valued by the equity method	34,067	43,225
Total items that may be reclassified subsequently to profit or loss	**(79,550)**	**457,315**
Other comprehensive income for the period, net of tax	**(80,035)**	**525,884**
Total comprehensive income for the period	**351,179**	**614,560**
Attributable to:		
Owners of the company	351,061	614,515
Non-controlling interests	118	45

Consolidated Balance Sheet

(thousands of euro)	30/06/2023	31/12/2022
Assets		
Non-current assets		
Goodwill	509,227	509,484
Other intangible assets	52,324	57,503
Right-of-use assets	83,781	77,626
Property, plant and equipment	3,162,147	3,240,124
Investment property	17,542	17,561
Investments in associates and joint ventures	596,921	537,994
Equity investments at fair value	10,659	10,595
Deferred income tax assets	70,875	64,538
Defined benefit plan assets	4,206	4,435
Derivative financial instruments	32,910	11,031
Other non-current assets	259,018	262,268
	4,799,610	**4,793,159**
Current assets		
Inventories	690,727	721,023
Trade receivables	670,714	541,675
Other receivables	267,362	99,348
Cash and cash equivalents	787,105	1,341,488
	2,415,908	**2,703,534**
Assets held for sale	78,065	6,395
Total Assets	**7,293,583**	**7,503,088**

(thousands of euro)	30/06/2023	31/12/2022
Equity		
Equity attributable to owners of the company		
Share capital	123,637	123,637
Share premium	458,696	458,696
Other reserves	103,784	183,290
Retained earnings	4,611,970	4,271,170
Treasury shares	(130,917)	(130,917)
	5,167,170	**4,905,876**
Non-controlling interests	5,530	5,581
Total Equity	**5,172,700**	**4,911,457**
Liabilities		
Non-current liabilities		
Long-term debt	555,645	608,150
Lease liabilities	64,004	58,132
Employee benefits	264,243	268,235
Provisions for liabilities and charges	78,973	78,956
Deferred income tax liabilities	404,699	401,478
Other non-current liabilities	6,810	7,693
	1,374,374	**1,422,644**
Current liabilities		
Current portion of long-term debt	142,403	594,028
Short-term debt	8,593	12,544
Current portion of lease liabilities	20,721	20,260
Trade payables	317,228	324,293
Income tax payables	92,148	35,038
Provisions for liabilities and charges	16,784	61,992
Other payables	142,069	120,832
	739,946	**1,168,987**
Liabilities held for sale	6,563	-
Total Liabilities	**2,120,883**	**2,591,631**
Total Equity and Liabilities	**7,293,583**	**7,503,088**

Consolidated Statement of Cash Flows

(thousands of euro)	1st Half 2023	1st Half 2022
Cash flows from operating activities		
Cash generated from operations	387,982	168,013
Interest paid	(20,040)	(15,656)
Income tax paid	(63,252)	(46,968)
Net cash generated from operating activities	**304,690**	**105,389**
Cash flows from investing activities		
Purchase of intangible assets	(3,637)	(544)
Purchase of property, plant and equipment	(141,065)	(125,725)
Purchase of other equity investments	(3,400)	(2,275)
Proceeds from sale of property, plant and equipment	6,515	5,539
Proceeds from sale of equity investments	1,600	465
Changes in financial receivables	(162,983)	1,459
Dividends received from equity investments	40,796	27,943
Interest received	17,587	6,637
Net cash generated from (used in) investing activities	**(244,587)**	**(86,501)**
Cash flows from financing activities		
Repayment of long-term debt	(500,359)	(30,107)
Net change in short-term debt	1,575	960
Repayment of lease liabilities	(11,300)	(11,434)
Changes in other financial payables	(449)	(3,955)
Changes in ownership interests without loss of control	(336)	(3)
Purchase of treasury shares	-	(123,218)
Dividends paid to owners of the company	(81,067)	(71,693)
Dividends paid to non-controlling interests	-	(234)
Net cash generated from (used in) financing activities	**(591,936)**	**(239,684)**
Increase (decrease) in cash and cash equivalents	**(531,833)**	**(220,796)**
Cash and cash equivalents at beginning of period	1,341,488	1,203,611
Currency translation differences	(22,550)	75,528
Cash and cash equivalents at end of period	**787,105**	**1,058,343**

The interim report for the six months ended 30 June 2023 has been endorsed by the Board of Directors and is being revised by the independent auditors.

Alternative performance measures

Buzzi uses in its financial disclosure some alternative performance measures that, although widespread, are not defined or specified by the accounting standards applicable to the preparation of the annual financial statements or interim consolidated reports.
Pursuant to Consob Communication no. 92543/2015 and the guidelines ESMA/2015/1415 set out below are the definitions of such measures.

- **EBITDA:** subtotal presented in the financial statements; please refer to the consolidated income statement for the calculation.

- **EBITDA recurring**: it is calculated starting from the subtotal presented in the financial statements named EBITDA and applying to it the following adjustments (non-recurring income/expense):

  - restructuring costs, in relation to defined and significant plans
  - write downs/ups of current assets except trade receivables greater than €1 million
  - addition to/release of provisions for legal, fiscal or environmental risks greater than €1 million
  - dismantling costs greater than €1 million
  - gains/losses from the sales of fixed assets and non-instrumental real estate greater than €3 million
  - other sizeable non-recurring income or expense (greater than €3 million), that is attributable to significant events unrelated to the usual business.

The reconciliation between EBITDA and EBITDA recurring for the two comparative periods is as follows:

(millions of euro)	1st Half 2023	1st Half 2022
Ebitda	**575.3**	**365.1**
Gains on disposal of fixed assets	(3.6)	-
EBITDA recurring	**571.6**	**365.1**

- **Operating profit (EBIT):** subtotal presented in the financial statements; please refer to the consolidated income statement for the calculation.

- 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.

- Net financial debt: it is a measure of the capital structure corresponding to the difference between financial liabilities, both short and long term, and short-term financial assets. Therefore, it includes all liabilities, a part of the interest-bearing assets and related items, such as derivative financial instruments and accruals. The measure complies with Consob Communication no. 92543/2015 and the guidelines ESMA32-382-1138.