

# Annual General Meeting

Casale Monferrato, 12 May 2022



# Executive Summary

1. Corporate Structure and Shareholders

2. 2021 Highlights

3. Trading by geographical area

4. Shareholders return

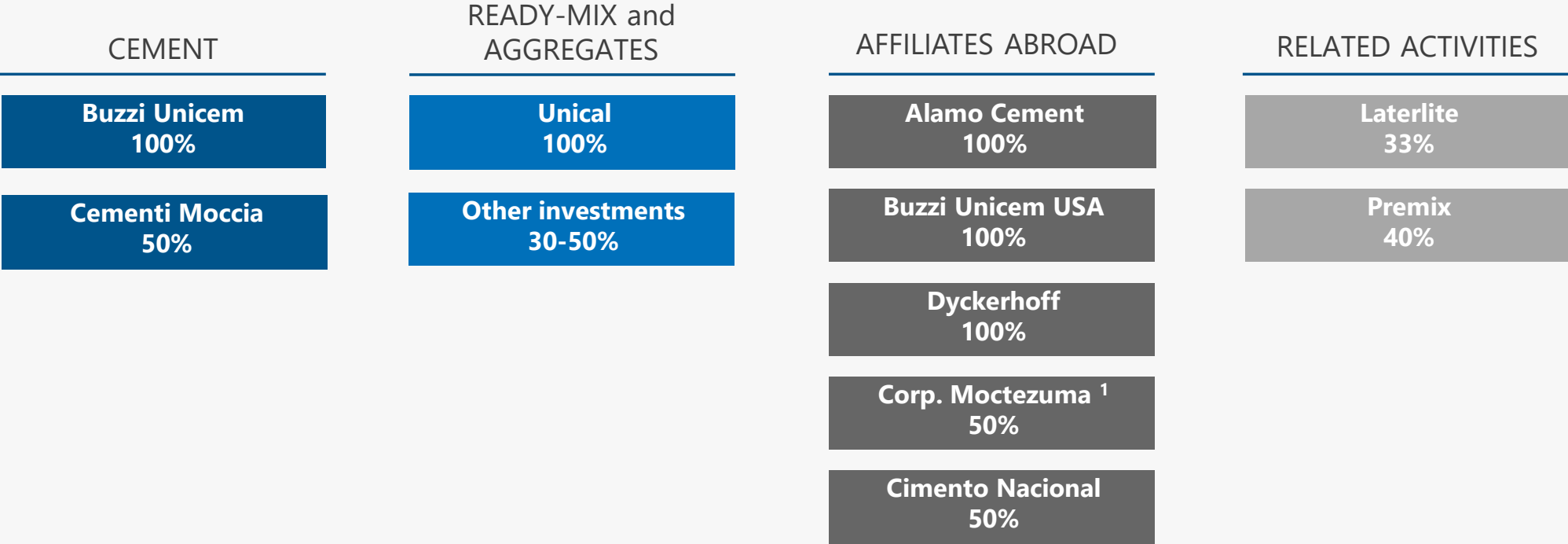
5. Sustainability

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# 1. Corporate structure and shareholders

# Corporate Structure

## BUZZI UNICEM SpA



As at May 2021

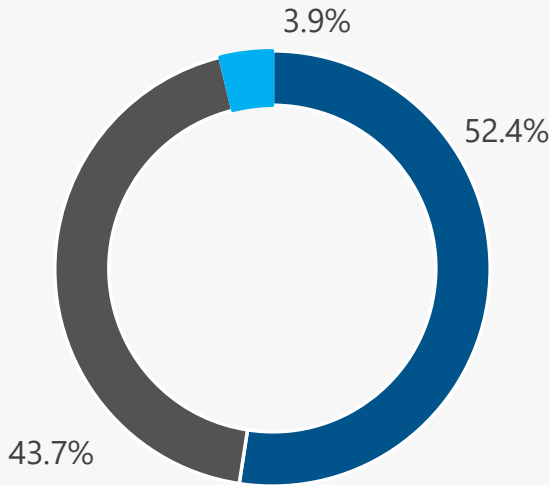
(1) % ownership of controlling interest; 33% economic stake

# Shares & Shareholders | Share price trend

## Share Capital

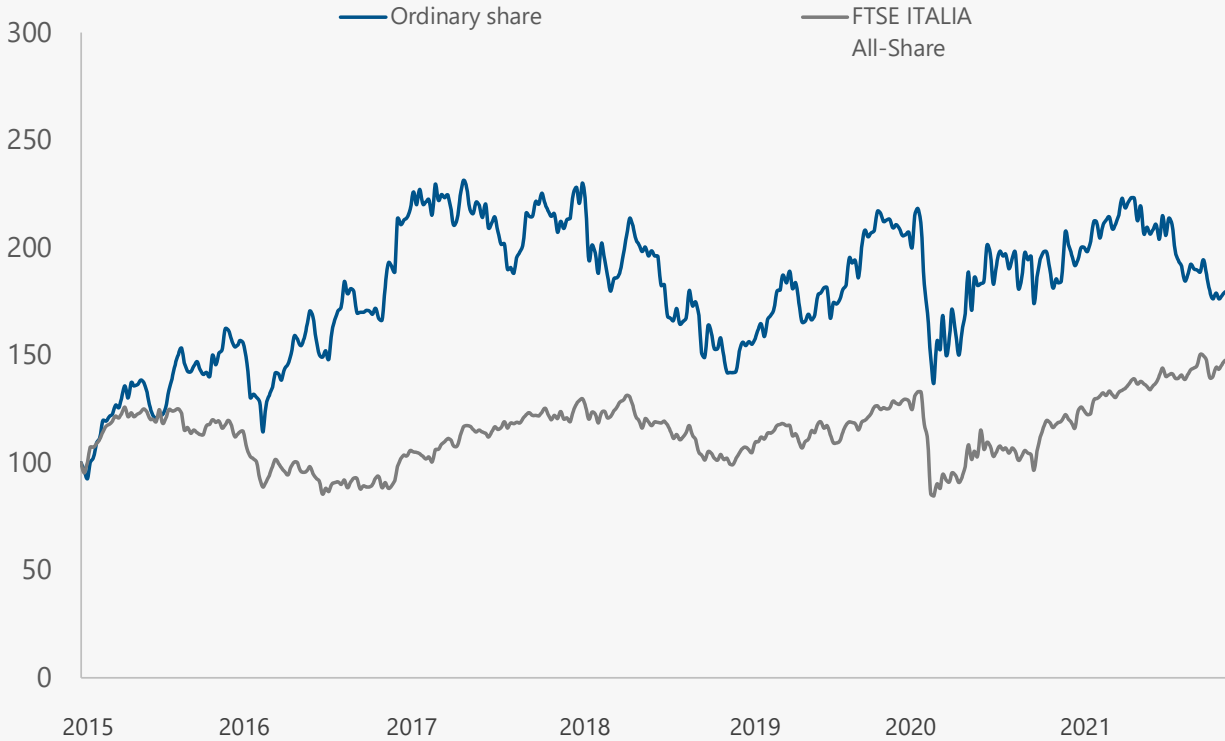
Number of shares 192,626,154

- Buzzi Family
- Free Float
- Treasury shares



As at May 2022

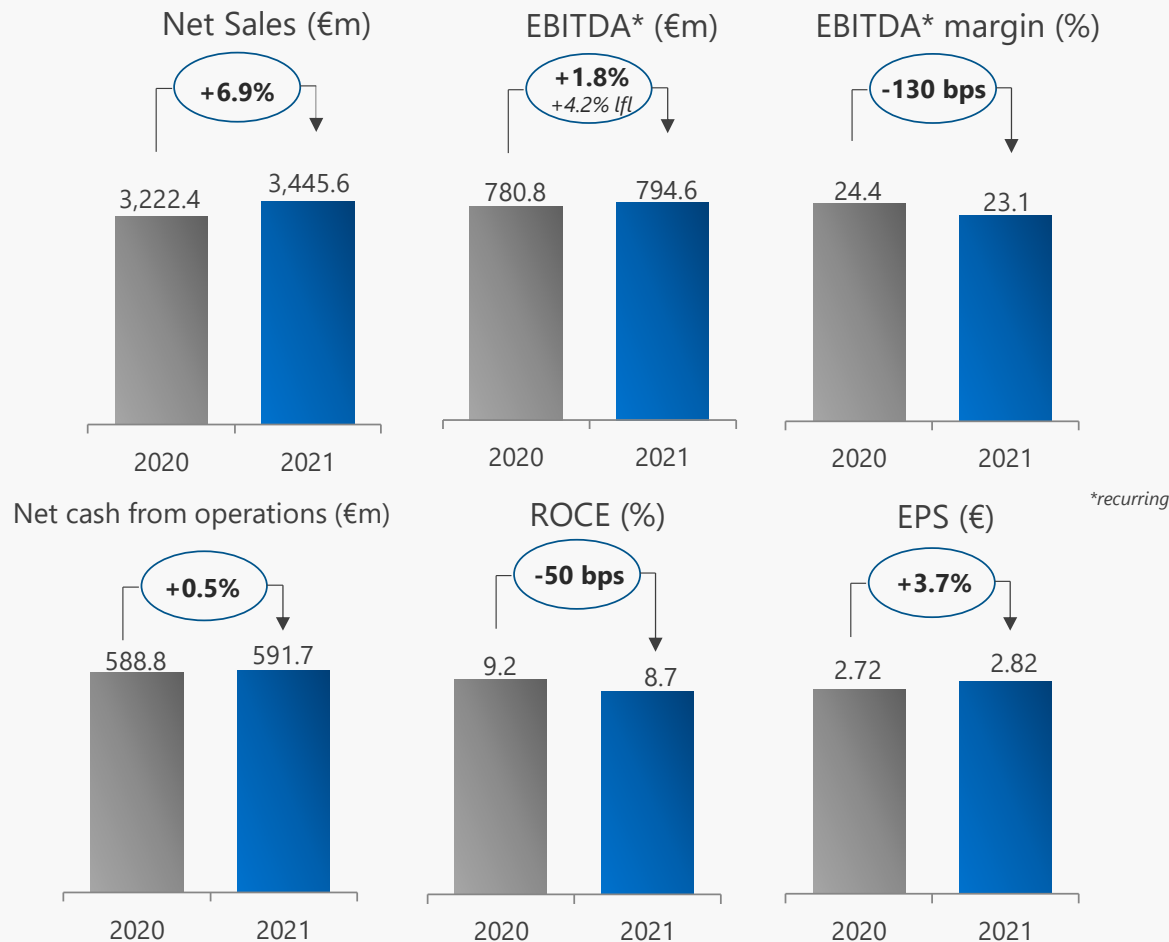
## Share price trend



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## 2. 2021 Highlights

# 2021 Highlights



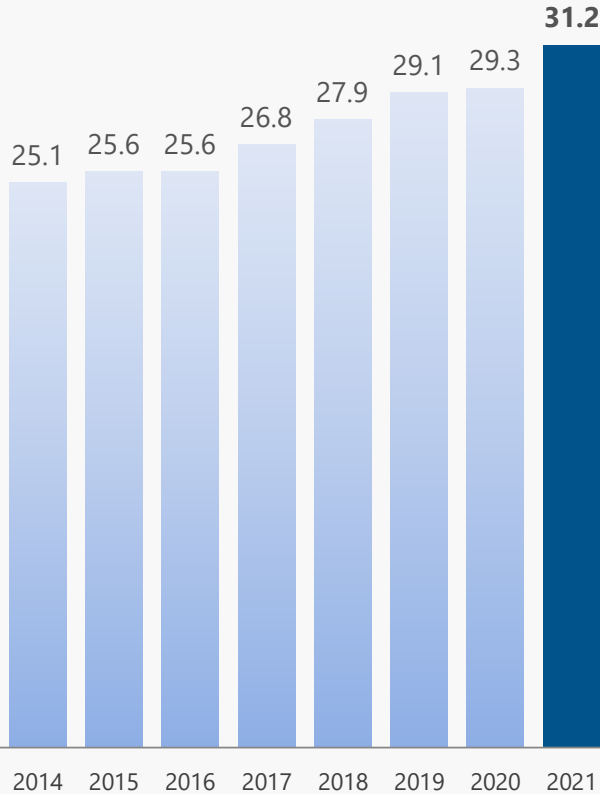
## 2021 at a glance

- Net Sales growth in all four regions, reaching 3,446 €m (+8.9% lfl), thanks to sound pricing and lively demand
- Moderate EBITDA growth, at 795 €m (+4.2% lfl): stronger US, Italy and Russia offset weaker Central European markets, Poland and Ukraine
- Some pressure on profitability due to the spike in energy costs. EBITDA margin remains anyway higher than 2019 level
- Net cash position of €m 236 vs net debt of €m 242 at year end 2020, thanks to strong FCF and lower capex
- Generated ~592 €m of net cash from operations  
Cash Conversion rate<sup>(1)</sup> ~ 50%
- Value generation with ROCE sharply above WACC and sector average

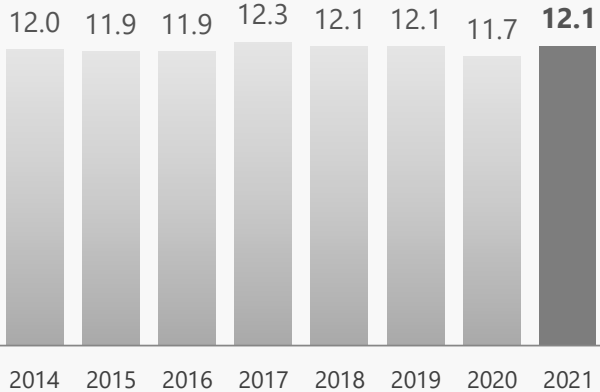
<sup>(1)</sup> CCR: Equity FCF/(EBITDA + inc.from associates)

# Volumes

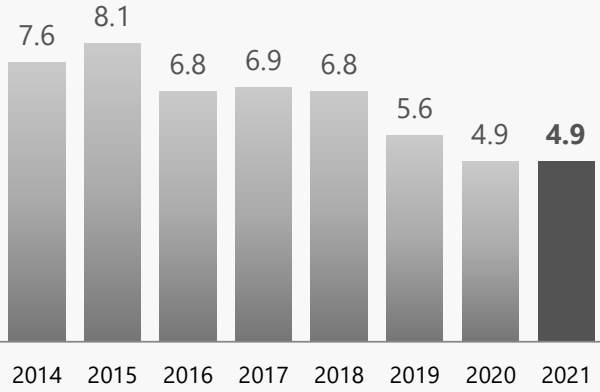
### Cement (m ton)



### Ready-mix concrete (m m3)



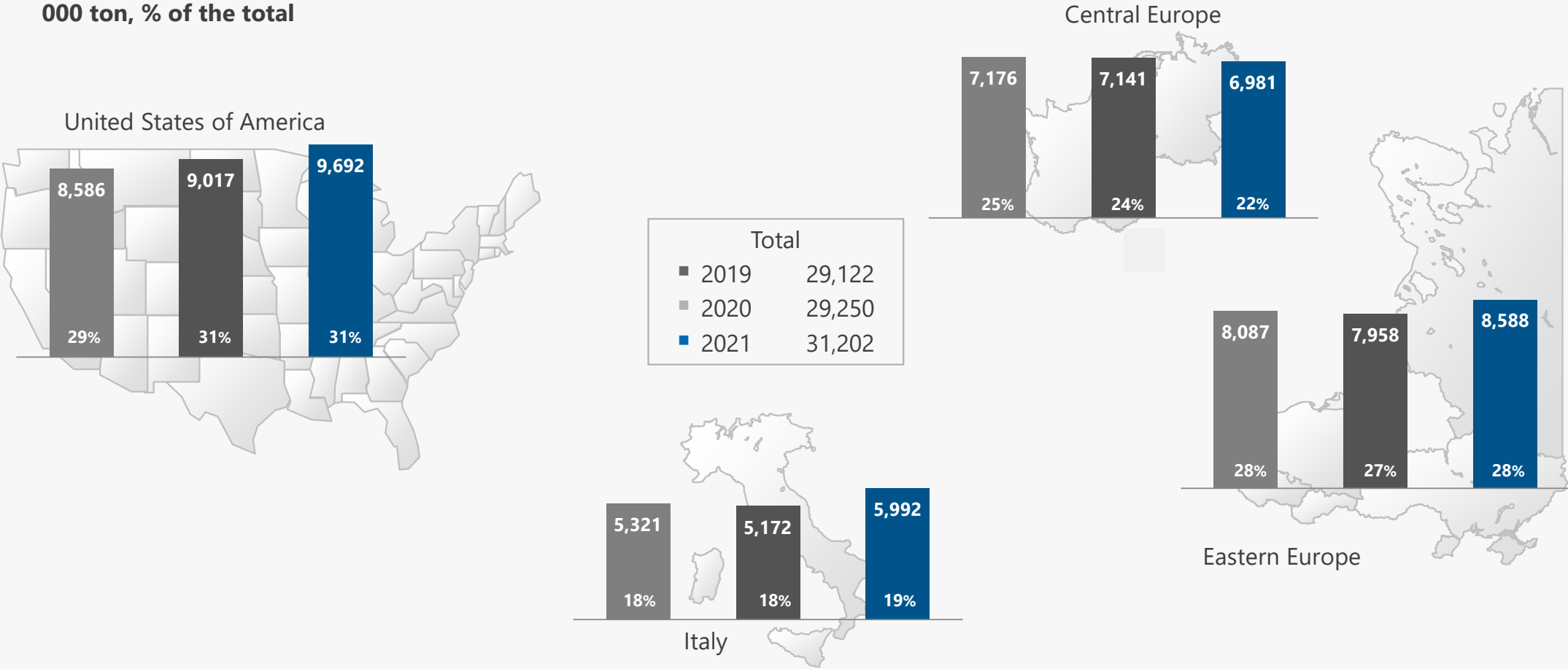
### Aggregates (m ton)





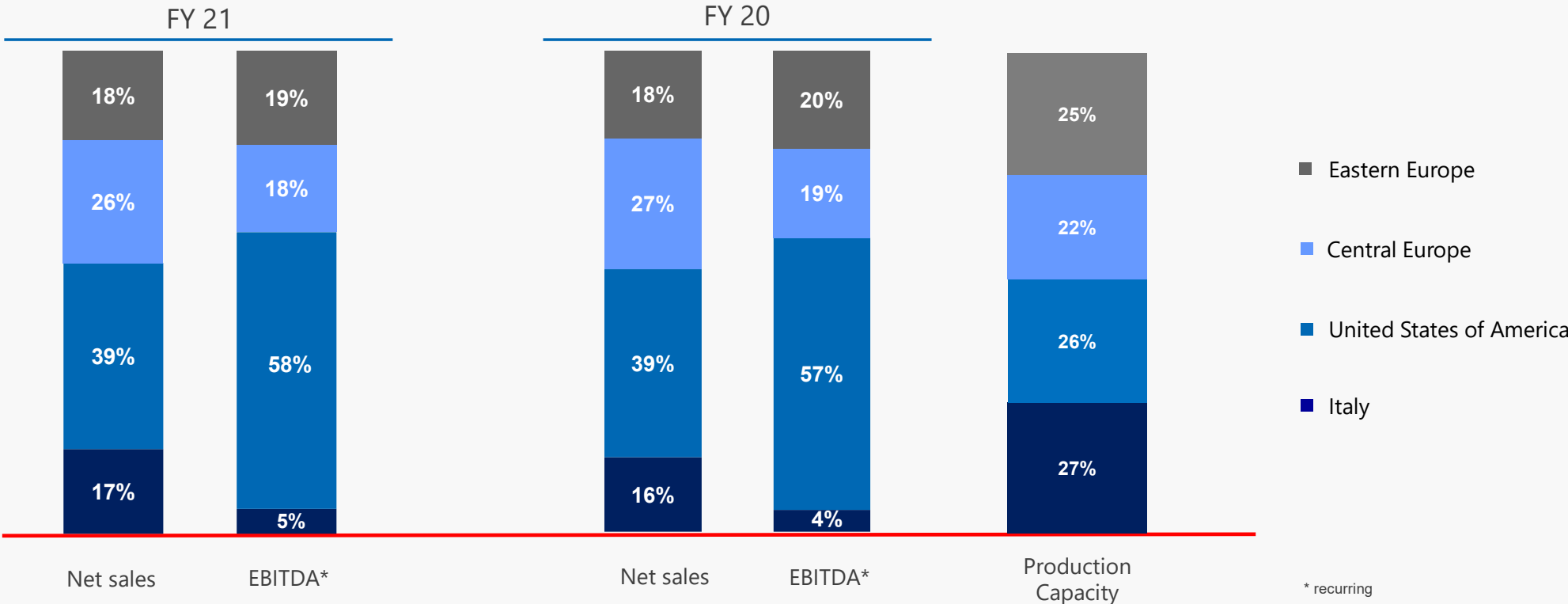
# Cement volumes by geographical area

000 ton, % of the total













# Net sales and EBITDA by region

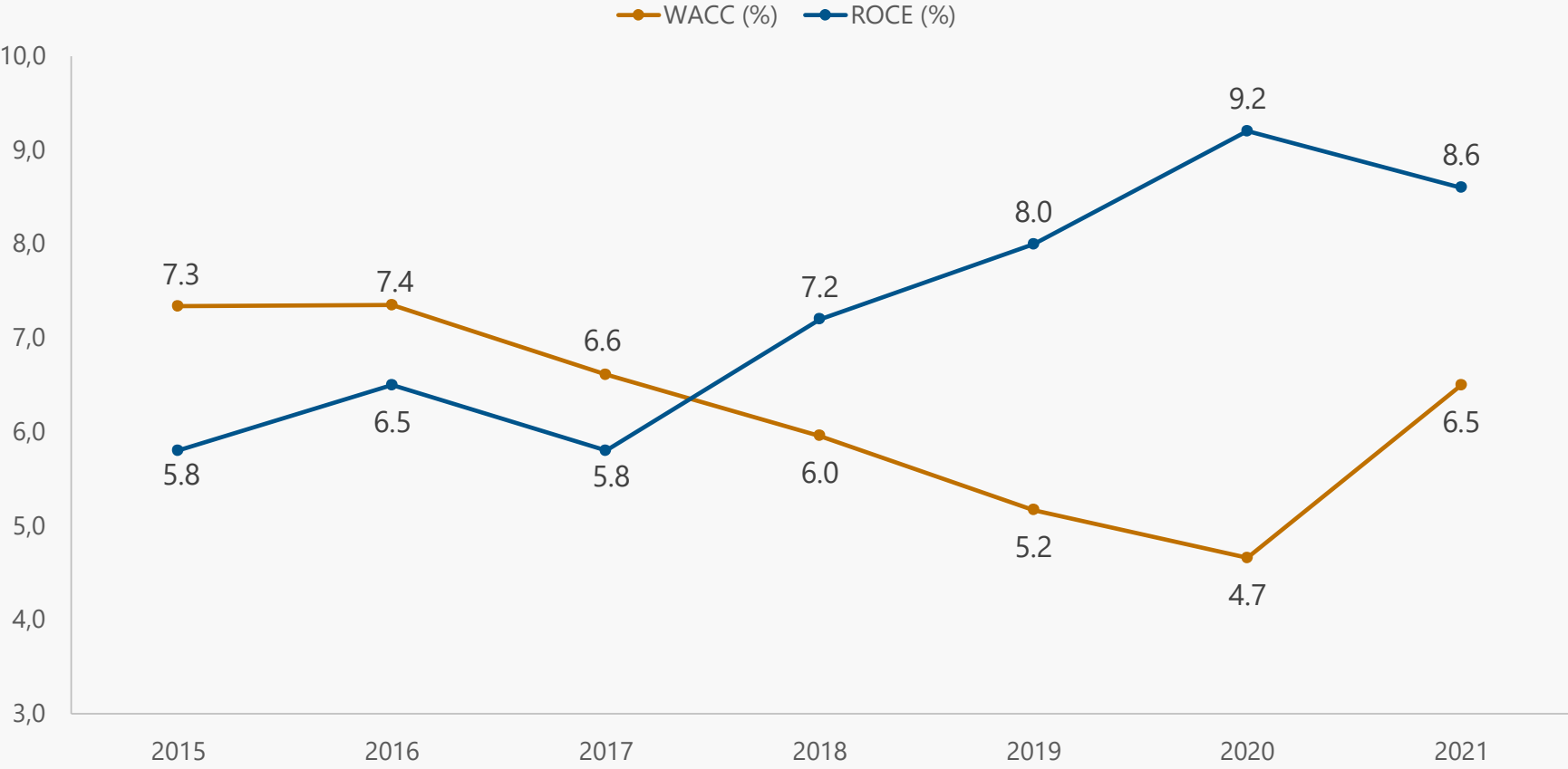
- Italy stable: volume and price effect not able to fully offset the spike in energy costs
- Central Europe slightly down due to weaker volumes; Eastern Europe impacted by negative fx
- USA contribution remains above 55% of total EBITDA



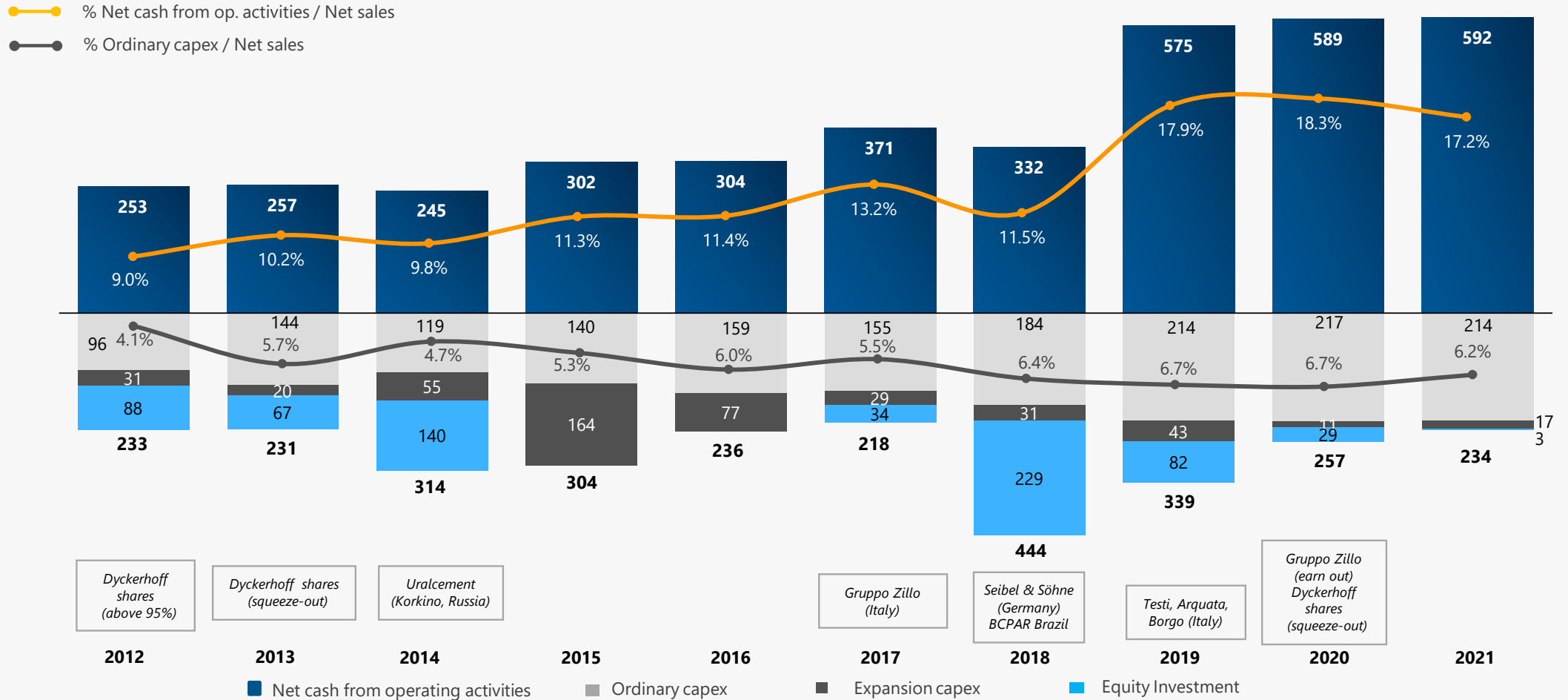
## Net sales by country

EURm	2021	2020	Δ	Δ	FX	Scope	Δ I-f-I
			abs	%	abs	abs	%
 Italy	604.7	501.1	103.6	+20.7	-	-	+20.7
 United States	1,329.6	1,260.6	69.0	+5.5	(47.1)	-	+9.2
 Germany	708.1	717.0	(8.9)	-1.2	-	-	-1.2
 Lux / Netherlands	201.1	191.7	9.4	+4.9	-	(0.3)	+5.1
 Czech Rep / Slovakia	177.5	159.5	18.0	+11.3	4.8	-	+8.3
 Poland	126.4	117.8	8.6	+7.3	(3.5)	-	+10.3
 Ukraine	127.0	116.1	11.0	+9.4	(5.8)	-	+14.4
 Russia	207.4	195.8	11.6	+5.9	(11.1)	-	+11.6
<i>Adjustments</i>	<i>(36.2)</i>	<i>(37.1)</i>	<i>0.8</i>				
<b>Total</b>	<b>3,445.6</b>	<b>3,222.4</b>	<b>223.1</b>	<b>+6.9</b>	<b>(62.7)</b>	<b>(0.3)</b>	<b>+8.9</b>
 Mexico (100%)	661.6	573.8	87.8	+15.3	14.4	-	+12.8
 Brazil (100%)	253.4	139.1	114.3	+82.2	(20.8)	83.2	+32.4

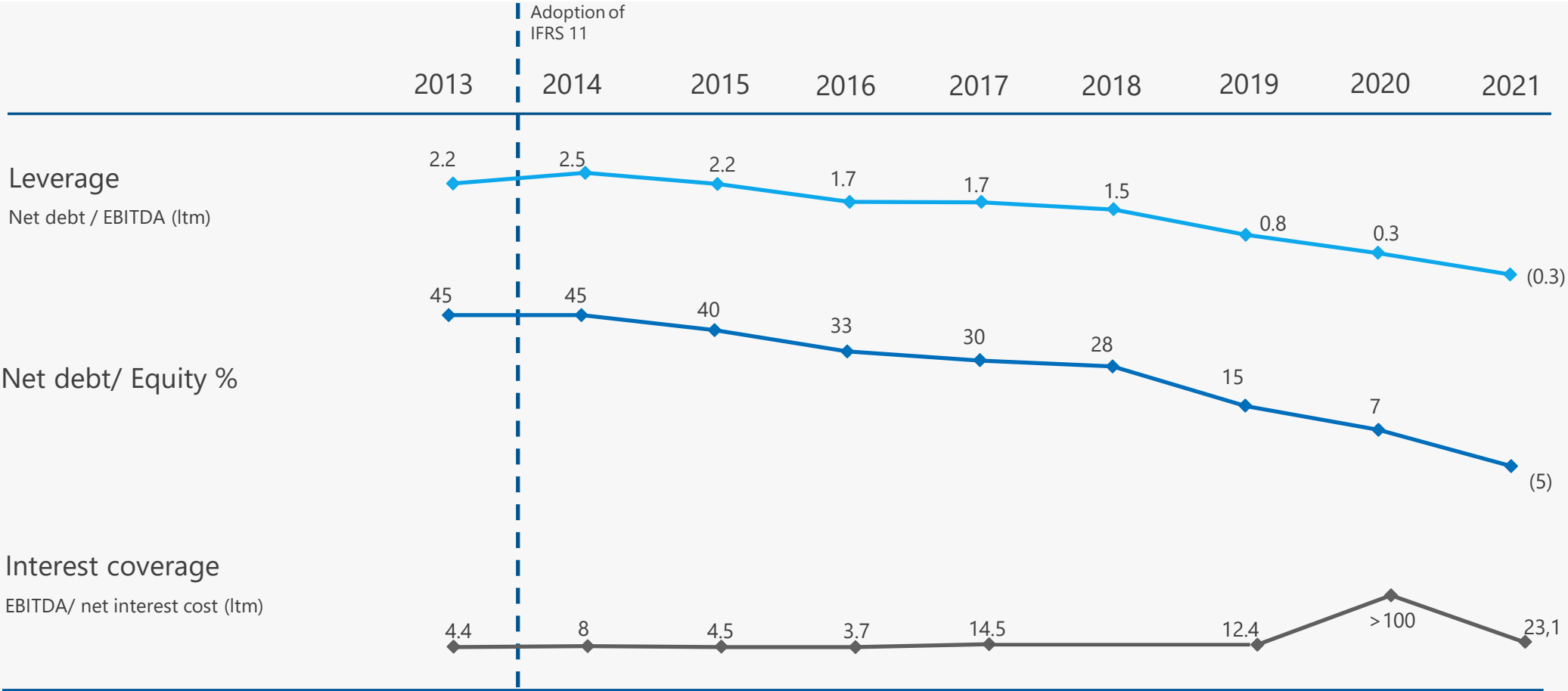
# Value generation: ROCE vs WACC



# Net cash from operating activities and capital expenditure | EURm



# Financial condition



## Consolidated Income Statement

EURm	2021	2020	Δ	Δ
			abs	%
<b>Net Sales</b>	<b>3,445.6</b>	<b>3,222.4</b>	<b>223.1</b>	<b>+6.9</b>
<b>EBITDA</b>	<b>794.6</b>	<b>780.8</b>	<b>13.8</b>	<b>+1.8</b>
of which, non recurring	1.3	4.2		
<i>% of sales (recurring)</i>	23.1%	24.4%		
Depreciation and amortization	(249.0)	(256.9)	7.9	
<b>Operating Profit (EBIT)</b>	<b>545.6</b>	<b>523.9</b>	<b>21.7</b>	<b>+4.1</b>
<i>% of sales</i>	15.8%	16.3%		
Equity earnings	124.1	176.7	(52.6)	
Net finance costs	(34.4)	(0.3)	(34.1)	
<b>Profit before tax</b>	<b>635.3</b>	<b>700.3</b>	<b>(65.0)</b>	<b>-9.3</b>
Income tax expense	(93.0)	(139.8)	46.8	
<b>Net profit</b>	<b>542.3</b>	<b>560.5</b>	<b>(18.2)</b>	<b>-3.2</b>
Minorities	(0.4)	(0.2)	(0.2)	
<b>Consolidated net profit</b>	<b>541.9</b>	<b>560.2</b>	<b>(18.3)</b>	<b>-3.3</b>

# Consolidated Cash Flow Statement

EURm	2021	2020
<b>Cash generated from operations</b>	<b>752.4</b>	<b>743.9</b>
<i>% of sales</i>	<i>21.8%</i>	<i>23.1%</i>
Interest paid	(26.3)	(29.2)
Income tax paid	(134.4)	(125.9)
<b>Net cash by operating activities</b>	<b>591.7</b>	<b>588.8</b>
<i>% of sales</i>	<i>17.2%</i>	<i>18.3%</i>
Capital expenditures	(214.4)	(228.1)
Equity investments *	(3.2)	(11.2)
Purchase of treasury shares	-	(7.3)
Dividends paid	(191.9)	(32.0)
Extraordinary dividend	143.3	(144.1)
Dividends received from associates	59.8	198.2
Disposal of fixed assets and investments	39.6	14.1
Translation differences and derivatives	43.8	(68.3)
Accrued interest payable	1.0	0.2
Interest received	10.8	10.5
Change in scope of consolidation and other	(3.1)	5.4
<b>Change in net debt</b>	<b>477.2</b>	<b>326.1</b>
<b>Net financial position (end of period)</b>	<b>235.5</b>	<b>(241.6)</b>

\* Including 8.8 EURm for squeeze-out of Dyckerhoff minority interest in 2020



## Buzzi Unicem SpA – Income Statement

EURm	2021	2020	Δ	Δ	2020 pro forma
			abs	%	Incl. BU International
<b>Net Sales</b>	<b>431.1</b>	<b>360.3</b>	<b>70.8</b>	<b>+19.7</b>	<b>360.3</b>
Operating cash flow (EBITDA)	36.4	45.9	(9.5)		45.8
<i>% of sales</i>	8.4	12.7			12.7
<b>Operating Profit (EBIT)</b>	<b>1.9</b>	<b>7.4</b>	<b>(5.5)</b>	<b>-74.3</b>	<b>7.4</b>
<i>% of sales</i>	0.4	2.1			2.1
Net finance costs/revenues	215.6	284.3	(68.7)	-24.2	290.7
<i>of which dividend income</i>	262.4	319.7	(57.3)	-17.9	325.6
<b>Profit before tax</b>	<b>217.5</b>	<b>292.1</b>	<b>(74.6)</b>	<b>-25.5</b>	<b>298.4</b>
Income taxes	5.7	1.3	4.4		(5.1)
<b>Net profit</b>	<b>223.2</b>	<b>293.4</b>	<b>(70.2)</b>	<b>-23.9</b>	<b>293.3</b>
Shareholders' equity	<b>1,934.5</b>	<b>1,757.9</b>	<b>176.6</b>	<b>+10.0</b>	<b>1,759.5</b>

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## 3. Trading by geographical area

## Trading by geographical area – Italy and USA

### Italy

- Robust demand, driven by residential renovation and public works
- Positive volume and price effect but higher production costs, mainly energy
- Rebound of Net Sales and EBITDA, also thanks to easy comps (lockdown in 2020)

### United States of America

- Sound domestic consumption, driven by the residential sector
- Operating at optimal capacity utilization levels almost in every plant
- Positive volumes and pricing mix but not able to fully offset higher energy costs (mainly fuels)
- Negative impact from fx on Net sales (-47.1 €m) and EBITDA (-16.1 €m)

EURm	2021	2020	Δ%	Δ Ifl %
<b>Net Sales</b>	604.7	501.1	+20.7	-
<b>EBITDA</b>	40.8	35.5	+15.2	-
<b>EBITDA* margin (%)</b>	6.8	7.1		

EURm	2021	2020	Δ%	Δ Ifl %
<b>Net Sales</b>	1,329.6	1,260.6	+5.5	+9.2
<b>EBITDA</b>	456.4	444.2	+2.7	+6.1
<b>EBITDA* margin (%)</b>	34.3	35.2		

\*recurring

## Trading by geographical area – Central and Eastern Europe

### Central Europe

- Weak cement and ready-mix volumes due to unfavorable climate, especially in the summer period, in Germany. Good recovery in Luxembourg
- Favorable momentum for selling prices, particularly in Germany
- Higher energy volatility mitigated by lower exposure to fossil fuels thanks to high substitution rate
- Greater CO<sub>2</sub> cost (€m 23.6 in 2021 vs €m16.5 in 2020)

### Eastern Europe

- Overall good growth of cement volumes in the region. Higher oil prices pushed up demand for oil-well cement in Russia region
- Slight growth of average selling prices in local currency
- Power and fuels inflation contained in H2, except in Ukraine  
Greater CO<sub>2</sub> cost
- Negative impact from fx on Net Sales (€m -15.6) and EBITDA (€m -3.0)

EURm	2021	2020	Δ%	Δ Ifl %
<b>Net Sales</b>	880.3	878.5	+0.2	-
<b>EBITDA</b>	144.0	145.6	-1.1	-
<b>EBITDA* margin (%)</b>	16.4	16.6		

EURm	2021	2020	Δ%	Δ Ifl %
<b>Net Sales</b>	637.2	587.0	+8.5	+11.0
<b>EBITDA</b>	154.5	159.5	-3.1	+0.4
<b>EBITDA* margin (%)</b>	24.2	27.2		

\*recurring

## Trading by geographical area – Mexico and Brazil

### México

- Solid demand driven by residential and public works
- Favorable variance for selling prices but higher fuel costs
- EBITDA margin worsening, however still the best in the group

EURm	2021	2020	Δ%	Δ Ifl %
<b>Net Sales (100%)</b>	661.6	573.8	+15.3	+12.8
<b>EBITDA (100%)</b>	282.7	265.0	+6.7	+4.3
<b>EBITDA* margin (%)</b>	42.7	46.2		

### Brazil

- Good level of activity in the construction industry during 2021
- Cement volumes up (+53.6%) thanks to the change in scope
- Solid growth of average selling prices in local currency
- Higher energy costs (mainly power)
- Negative impact from fx on Net Sales (-20.8 €m) and EBITDA (-6.6 €m)

EURm	2021	2020	Δ%	Δ Ifl %
<b>Net Sales (100%)</b>	253.4	139.1	+82.2	+32.4
<b>EBITDA (100%)</b>	80.9	48.0	+68.7	+33.6
<b>EBITDA* margin (%)</b>	31.9	34.5		

\*recurring

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## 4. Shareholders return

# Shareholders return

## Greater focus on shareholder returns

### Higher Dividend

40.0 ¢ per azione ordinaria (25 ¢ nel 2021)

### Shares Buy-back

01/2018 – 05/2022: ~ 250 €m

### Total Shareholder Return (TSR) \*

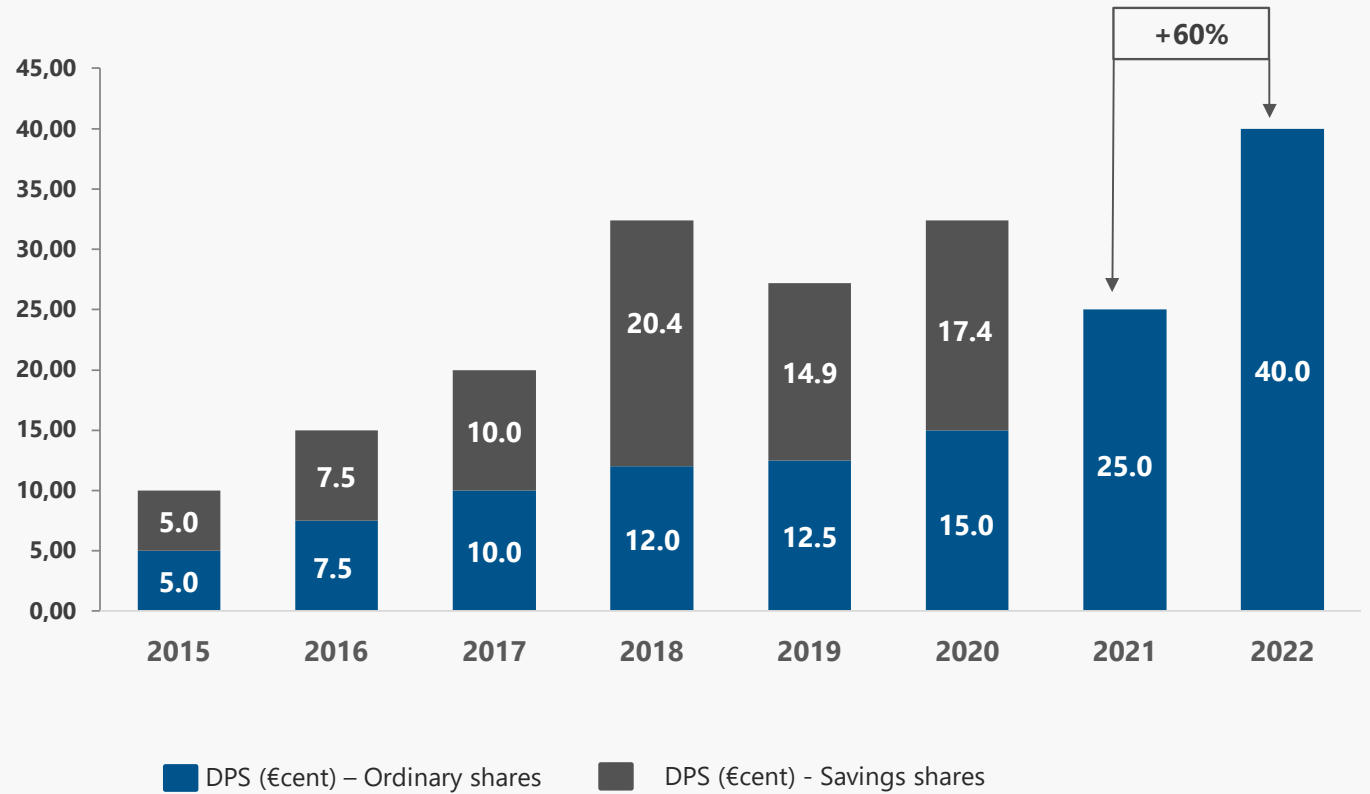
(01/2015 – 05/2022)

>85%

### Dividend Payout \*

Dividend payout (~ 14%), almost doubled compared to previous year

\*Ordinary shares



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## 5. Sustainability



# Sustainability Report



Drafted in accordance with the Standards of the Global Reporting Initiative (GRI) Option Core, the 2021 Sustainability Report includes the requirements of Legislative Decree 254/2016 on non-financial information

In this edition we continue to include the tax reporting information on a Country-by-Country basis and, for the first time, the figures required by the new Taxonomy regulation. Moreover, we confirm the objective of climate neutrality by 2050



## Relevant features of 2021 edition

- Confirmation of climate neutrality objective to 2050
- Tax policy
- Climate-related risk assessment
- Taxonomy Regulation reporting
- New index structure and infographic

## Policies

The 2021 edition reaffirms the three material topics for us and our stakeholders, all covered by a corporate Policy:



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

# Targets



## **Safety**

The Target involves achieving working conditions that will not result in any injuries and/or any occupational diseases



## **Climate change**

Although there are many factors in play, and not all of these are easy to predict and under the control of Buzzi Unicem, by 2022 we plan to achieve a reduction of CO2 emissions, based on 2017 production capacity, of 5% compared to 2017 levels



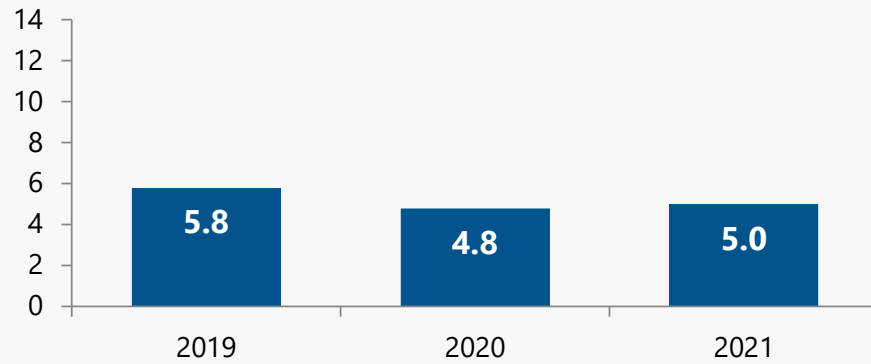
## **Stakeholder Engagement**

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

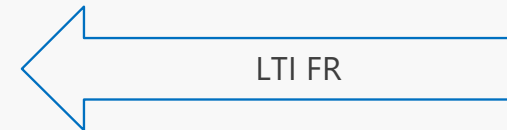
# Key indicators - Safety



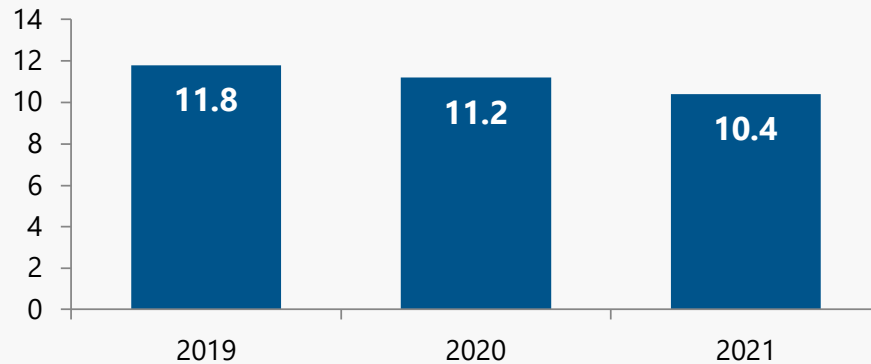
**LTI FR**  
(Lost Time Injury Frequency Rate\*) - n° x 1M / hours worked



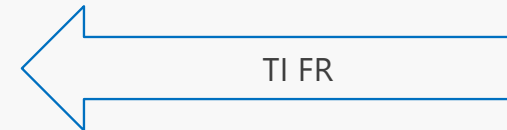
\* employees + contractors / all businesses



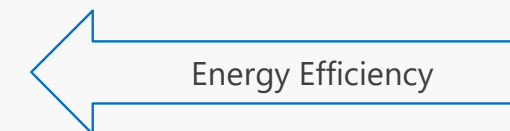
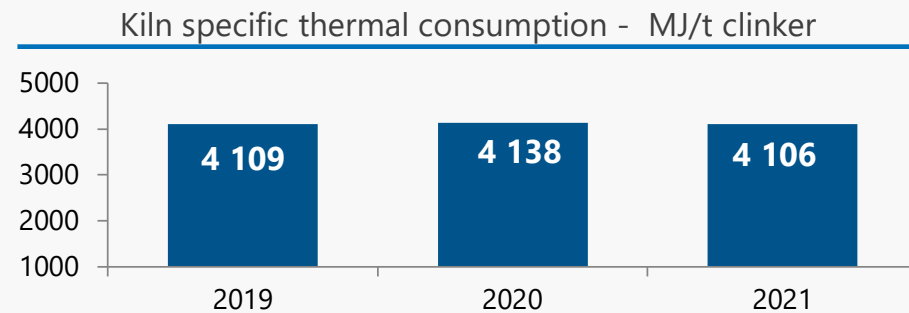
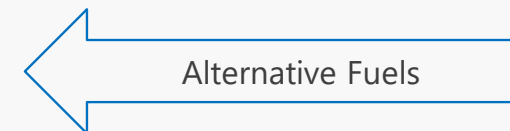
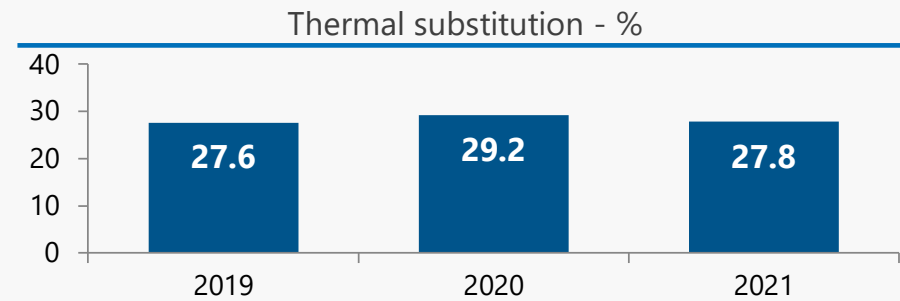
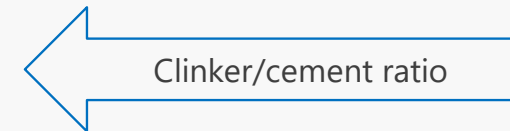
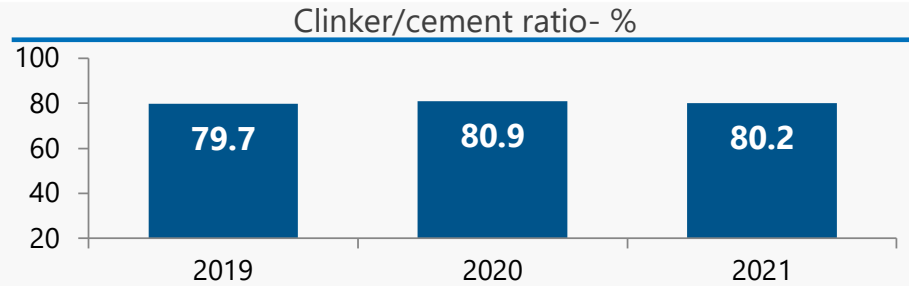
**TI FR**  
(Total Injury Frequency Rate\*) - n° x 1M / hours worked



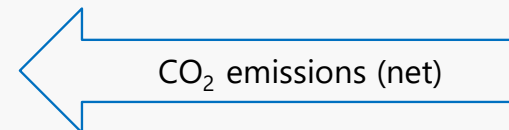
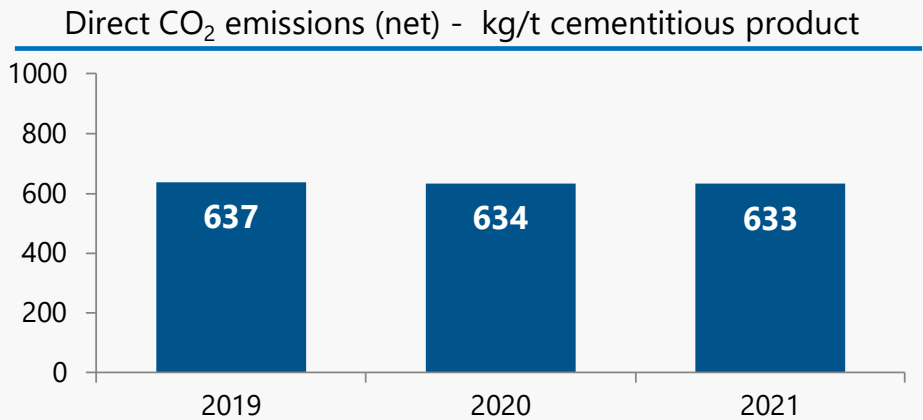
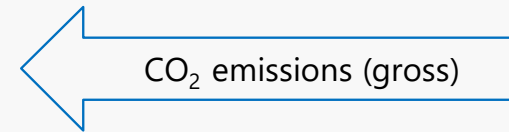
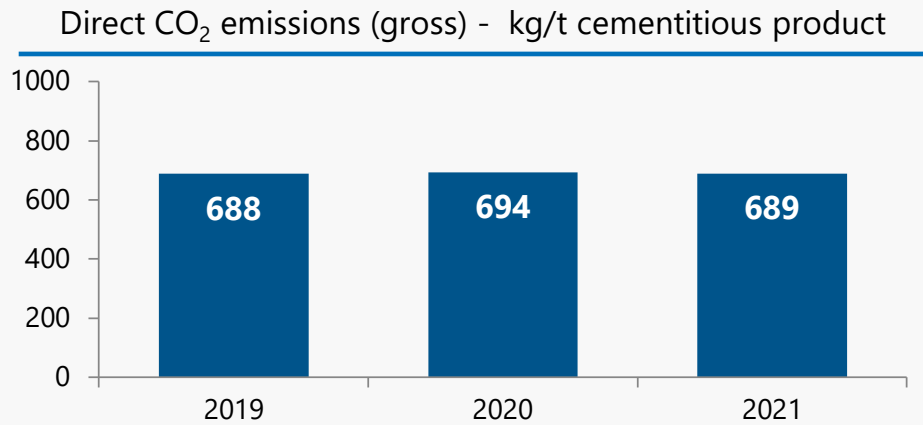
\* employees + contractors / all businesses



# Key indicators - Technology



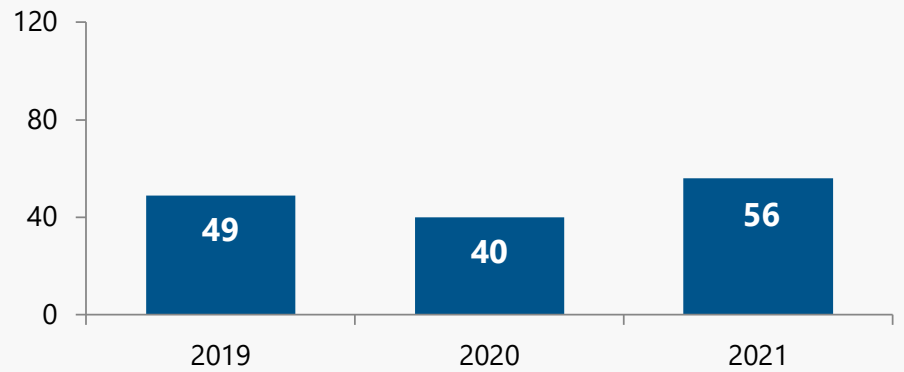
# Key indicators - Climate change



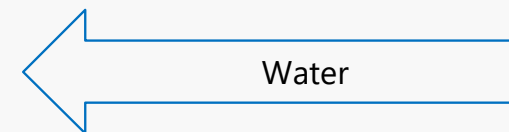
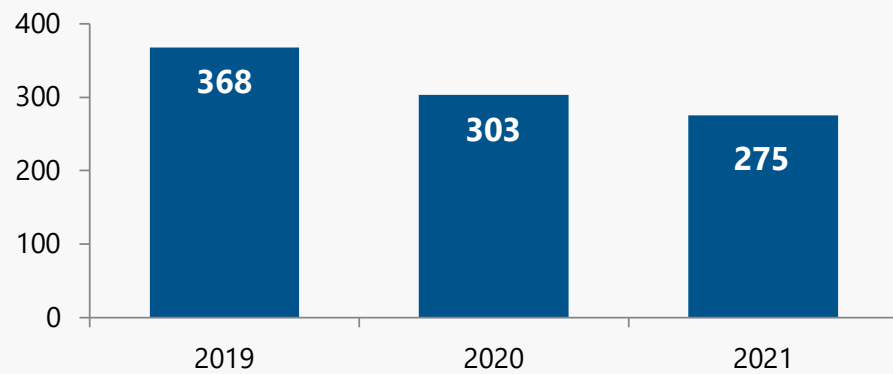
# Key indicators - Environmental



Dust emissions - g/t clinker



Water consumption - l/t cementitious products

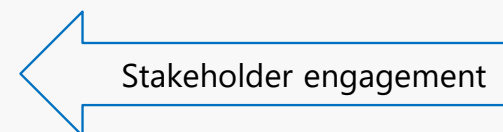
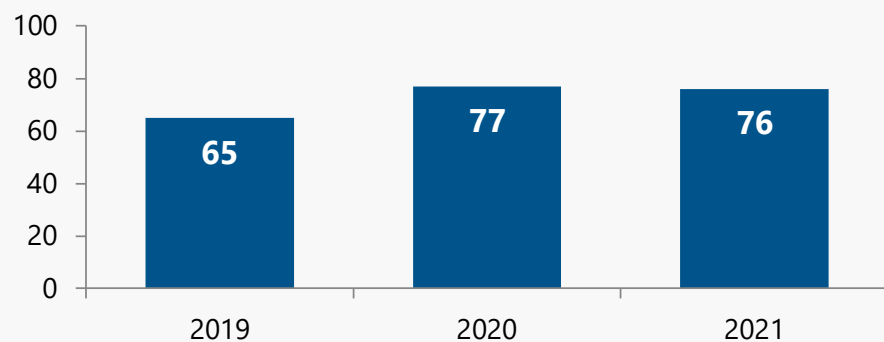




## Key indicators - Stakeholder engagement



Cement plant with stakeholder engagement activities in place - %



- From 2021 Stakeholder Engagement initiatives in our cement plants are aligned with the new and more stringent guidelines for the management and monitoring of such activities

# Annual General Meeting

Casale Monferrato, 12 May 2022

