Half-Yearly financial report as at June 30, 2023

Buzzi S.p.A.

Registered office in Casale Monferrato (AL) - Via Luigi Buzzi 6

Share capital €123,636,658.80

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Buzzi is an international multiregional, “heavy-side“ group, focused on cement, ready-mix concrete and aggregates.

The company’s dedicated management has a long-term view of the business and commitment towards a sustainable development, supported by high quality assets.

Buzzi pursues value creation through lasting, experienced know-how and operating efficiency of its industrial operations.

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Interim management report

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Business review

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 conflict 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.

In this scenario, the overall cement and ready-mix concrete volumes sold by the group remained fairly weak in the second quarter, closing the first six months below the level reached in 2022. Selling prices, on the other hand, confirmed a considerable strengthening in almost all the markets where the group operates.
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

Consolidated 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.
In Italy the volumes confirmed the level achieved last year, thanks to a recovering second quarter, bringing net sales to €424.1 million, up 18.5% compared to 2022. On this figure, the carry-over effect on selling prices still had a very positive influence.
In the United States of America, despite the weakness in sales volumes, net sales amounted to €846.8 million, up 16.6% thanks to a further improvement in prices. Furthermore, the exchange rate effect was slightly positive.
In Central Europe, the volumes sold slowed down clearly, penalized by the weakness in demand. However, the marked increase in selling prices allowed turnover to grow by 9.1%, standing at €537.4 million.
In Eastern Europe a contraction of sales volumes in the Czech Republic and in Poland was only partially offset by the recovery in Ukraine, facilitated by the comparison with the same period 2022, when production and trade activity had been suspended, and by a favorable trend in Russia. However, the change in selling prices was positive and allowed to generate net sales equal to €356.6 million, up 16.2% compared to 2022.

Consolidated Ebitda stood at €575.3 million, up 57.6% compared to €365.1 million of the previous year. The figure for the year 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).
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.

As at 30 June 2023, total equity, inclusive of non-controlling interests, stood at €5,172.7 million versus €4,911.5 million at 2022 year-end. Consequently, the debt/equity ratio decreased to 41% from 53% in the previous year.

Italy

The moderate growth in the first quarter, supported by internal consumption and the recovery of investments, both in construction and in capital goods, was not confirmed in the following three months, during which GDP slowed down. Activity was positive in the services sector, while industrial production weakened in the April-May period, influenced by the slowdown in the global manufacturing cycle and by past energy price increases, although the latter are easing.
In 2023 as a whole, GDP growth is expected to be 1.1%: the trend for the next quarters of the current year will be impacted by the further tightening of financial conditions and the weakness of international trade. Even investments, including those in construction, are estimated to be slowing down, only partially offset by the implementation of the projects envisaged in the PNRR (Next Generation EU) .
Inflation, which has been declining since May reflecting the direct and indirect effects of the reduction in the prices of energy commodities, should settle at around 6% on average for 2023, in any case very far from the target level conventionally indicated by the ECB.
Activity in the construction industry was negative in the first half, particularly in the residential sector, as a consequence of the gradual attenuation of the effect due to the tax incentives as well as to the increase in interest rates. Investments in infrastructure, on the other hand, showed a more encouraging trend, even if influenced by the delays in the implementation of the PNRR.

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.

(millions of euro)	**1st Half 2023**	**1st Half 2022**	**23/22**
Net sales	**424.1**	357.9	+18.5%
EBITDA	**98.5**	35.6	n.s.
% of net sales	**23.2**	9.9	
Capital expenditures	**19.0**	12.1	+56.9%
Headcount at year end n.	**1,563**	1,540	1.5%

United States of America

The US economic activity slowed down during the second quarter, after a start to the year in which GDP showed growth beyond expectations, thanks to the positive dynamics of domestic consumption, exports and the increase in federal spending, net of a drop in investments. The lower household spending on goods and services, as well as a confirmation of the weakness of residential investments, certainly penalized by the rise in interest rates, weighed on the spring quarter figure. Inflation, which declined to 3% in June, was driven both by the sharp trend deceleration in the prices of energy goods and by the easing of bottlenecks on the supply side which allowed less pressure on the prices of industrial goods. In this context, it is expected that the slowdown in consumption and investments may continue also in the rest of the year, with the confirmation of the ongoing monetary restriction, and that GDP may grow by 1.6%.
Construction activity showed signs of weakening in the first six months Such trend is also expected to be confirmed in the remainder of the year and is mainly due to the slowdown in the residential demand. Investments in infrastructure and projects related to the energy transition, supported by the federal programs Infrastructure & Jobs Act, Chips & Science Act and Inflation Reduction Act, should only partially manage to offset the decline in the residential segment.

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.

(millions of euro)	1st Half 2023	1st Half 2022	23/22
Net sales	**846.8**	726.5	+16.6%
EBITDA	**256.9**	180.6	+42.3%
% of net sales	**30.3**	24.9	
Capital expenditures	**72.7**	68.1	+6.8%
Headcount at year end n.	**2,314**	2,254	2.7%

Germany

During the first quarter, economic activity weakened (-1.2%), following the erosion of consumers' purchasing power due to inflation. Furthermore, the greater uncertainties, linked to high energy prices and the shortage of goods, weighed on the dynamics of industrial production and investments. In the second quarter, GDP is estimated to recover slightly, thanks to the easing of supply bottlenecks and lower energy costs. Furthermore, wage increases should have managed to offset the burden of inflation on the purchasing power of households. In 2023 as a whole, nevertheless, the German economy is expected to contract, while inflation should remain at around 6%.
The construction sector showed a negative trend in the first six months, held back by increases in interest rates and energy, by higher costs of building materials, as well as by a serious shortage of qualified personnel. This trend is expected to be confirmed also in the second half of the year.

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.

(millions of euro)	1st Half 2023	1st Half 2022	23/22
Net sales	441.3	392.9	+12.3%
EBITDA	100.1	64.5	+55.2%
EBITDA recurring	96.4	64.5	+49.5%
% of net sales	21.9	16.4	
Capital expenditures	22.0	25.1	-12.3%
Headcount at year end n.	1,765	1,758	0.4%

Luxembourg and the Netherlands

In Luxembourg, GDP contracted moderately during the first quarter, improving compared to the result at the end of 2022, thanks to a recovery in private consumption and the less weak trend of fixed investments and exports. In the second quarter, however, the situation was contrasting: on the one hand consumption grew, thanks to a cooling in inflation, on the other hand business confidence weakened and the unemployment rate increased. For the year as a whole, GDP is expected to grow by only 0.8%.

In the Netherlands, GDP contracted by 0.7% in the first quarter due to declining exports and gas stocks. Investments, on the other hand, contributed positively to the development and business confidence remained affirmative, above the long-term average. Overall, for the full year, growth is expected to be limited (+0.9%), supported by private consumption, while inflation, net of the energy and food component, should still remain high (+6.8%).

Our cement deliveries were still markedly weak 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).

(millions of euro)	1st Half 2023	1st Half 2022	23/22
Net sales	115.8	116.4	-0.5%
EBITDA	12.6	4.8	n.s.
% of net sales	10.9	4.2	
Capital expenditures	7.3	3.5	n.s.
Headcount at year end n.	295	295	0.0%

Czech Republic and Slovakia

Economic activity stagnated in the first quarter, due to the persistent weakness of domestic consumption, held back by high energy and food prices and by soaring interest rates. Bottlenecks in supply chains eased, allowing for a slight recovery in industrial activity and exports. However, the increase in production costs slowed down the trend in investments. Overall, for the year, therefore, GDP growth is estimated to be flat (+0.3%), while inflation is expected to remain very high (+12.7%), at the peak during the last 30 years.
In this context, it is reasonable to think that the central bank shall maintain its restrictive stance throughout 2023. Construction investments, especially in the residential sector, slowed down in the first half of the year and this trend is expected to continue in the following months as well.
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.

(millions of euro)	**1st Half 2023**	**1st Half 2022**	**23/22**
Net sales	**102.8**	96.7	+6.4%
EBITDA	**33.6**	29.4	+14.6%
% of net sales	**32.7**	30.4	
Capital expenditures	**6.9**	3.7	+85.9%
Headcount at year end n.	**694**	710	-2.3%

Poland

During the first quarter of 2023, economic activity recorded a modest rebound, following the sharp contraction in the second half of 2022. As a matter of fact, GDP growth (+3.8%) was such as to allow to recover what was lost in the third and fourth quarters of last year. Business and consumer confidence improved marginally but remained below pre-war levels. After reaching its peak in February, inflation slowed down in May, remaining in any case close to its highest level (+13%), driven by the energy and food component. In 2023 as a whole, the Polish economy is estimated to grow only moderately (+0.9%), in line with the weakness of consumption and investments, held back by high inflation and restrictive monetary policies.
Activity in the construction sector showed some weakness, mainly in the residential sector, which was most impacted by the continuation of interest rates at high levels.
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.

(millions of euro)	**1st Half 2023**	**1st Half 2022**	**23/22**
Net sales	**76.6**	68.4	+11.9%
EBITDA	**22.7**	17.6	+28.8%
% of net sales	**29.7**	25.8	
Capital expenditures	**5.2**	3.3	+58.0%
Headcount at year end n.	**345**	349	-1.1%

Ukraine

In Ukraine, not unexpectedly, the economic situation is very uncertain and influenced by the developments in the conflict. Despite the clearly negative trend recorded during the first quarter, influenced by the difficulties associated with energy supplies, the economic situation rebounded well in the following three months, certainly favored by the comparison with the same period of 2022 as well as by more stable energy supplies. The second half, according to the most recent estimates, should instead slow down. Inflation decreased, but remained high. Overall for the year, GDP is estimated to contract by 3%.

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 book value of net assets in Ukraine amounts to €13 million.

(millions of euro)	**1st Half 2023**	**1st Half 2022**	**23/22**
Net sales	**35.1**	28.3	+23.9%
EBITDA	**2.3**	-3.5	n.s.
% of net sales	**6.5**	-12.5	
Capital expenditures	**0.5**	1.0	-54.1%
Headcount at year end n.	**995**	1,224	-18.7%

Russia

International sanctions had a non-negligible effect on the economy and the budget. The first quarter of 2023 was characterized by the European embargo on Russian oil products, which added to the measures already in place, namely the embargo on crude oil and the price cap of $60 per barrel. In this context, although oil exports reached their highest levels since April 2020, the resulting revenues were far below the level recorded last year. Economic activity in the first quarter therefore contracted by 1.9% and for the year as a whole, estimates indicate that GDP should grow by 1.5%.

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 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 book 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.

(millions of euro)	**1st Half 2023**	**1st Half 2022**	**23/22**
Net sales	**142.8**	114.3	+25.0%
EBITDA	**48.4**	36.0	+34.6%
% of net sales	**33.9**	31.5	
Capital expenditures	**14.9**	11.7	+26.7%
Headcount at year end n.	**1,661**	1,576	5.4%

Mexico

(valued by the equity method)

In the first quarter of 2023, thanks to the high level of employment, the growth of wages and the constant inflow of remittances from abroad, economic activity showed a positive dynamic (+1.1%). However, already during the first quarter, industrial activity began to weaken, affected by the drop in demand from the main trading partners, the United States in particular. Spending on investments in machinery and equipment, on the other hand, grew, supported in part by the so-called 'near-shoring' plans, i.e. the relocation of production to neighboring countries by numerous US companies. In the current year as a whole, GDP is expected to grow by 2.6%, thanks to domestic consumption which, on the one hand will be supported by the soundness of the labor market, and on the other will be dampened by inflation, which is still expected to be high (+5.9%).

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)

In the first quarter, economic activity grew by 2%, thanks to the positive dynamics in the services sector and the expansion in the agricultural one. Industrial production, on the other hand, continues to stagnate, remaining below the pre-pandemic level, due to still weak demand, as well as difficulties in the procurement of raw materials and intermediate goods. Furthermore, in the first quarter, investments contracted (-3.4%), held back both by higher financing costs and by the notable indebtedness of businesses and households. Inflation eased in the first half (+4.2% in April), however it is expected to remain above the target range for the whole of 2023. Overall, for the year, GDP is expected to grow by 1.7%.

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).

Algeria

(valued by the equity method)

In Algeria, thanks to the stability of energy prices, the path of economic growth was also confirmed during the first quarter of 2023. High inflation (9.3% in 2022) prompted the government to increase social spending to limit the impact on households, raising wages and pensions, as well as subsidies for essential items. These initiatives supported domestic consumption but also absorbed most of the higher revenues from hydrocarbon exports. The energy sector, according to government plans, should receive a significant flow of investments aimed at expanding gas extraction and refining capacity, as well as modernizing infrastructure. In 2023 as a whole, GDP growth should reach 2.6%, driven by consumption and investments, with still high inflation (8.1%). However, the macroeconomic scenario appears very uncertain and particularly sensitive to the evolution of hydrocarbon prices.
In any case, growth prospects in the construction sector remain positive in the medium term, supported by the investment program in the energy sector.

With reference to 100% of both associates, the first half-year 2023 closed with net sales of €32.3 million, up compared to €27.9 million in the previous year (+15.8%). The appreciation of the Algerian dinar versus the euro (+5.9%) favorably impacted the variance. Ebitda clearly improved, amounting to €14.3 million (+49.0%).
The equity earnings referring to Algeria, included in the line item that encompasses the investments valued by the equity method, amount to €2.8 million (€0.6 million in 2022).

Slovenia

(valued by the equity method)

During the first quarter of the year, economic activity confirmed the expansionary pace already seen at the end of 2022, supported by domestic consumption and public spending. The drop in energy prices allowed for a gradual easing of inflation which, however, remains at rather high levels (+9.2% in April). In 2023 as a whole, the growth is expected to slow down to 1.5%, reflecting a weakening of domestic and foreign demand which, together with higher interest rates and tighter financial conditions, will damper investment dynamics. The inflow of EU funds could moderate the deceleration.

In the first six months of 2023, sales of cement and hydraulic binders showed a favorable development, mainly supported by demand in the domestic market, against stable exports. Selling prices further increased. With reference to 100% of the associate, the first half-year closed with net sales of €68.9 million (+20.1% compared to 2022), and Ebitda of €20.0 million, also clearly up (+53.8%).
The equity earnings referring to Slovenia, included in the line item that encompasses the investments valued by the equity method, amount to €3.2 million (€1.8 million in 2022).

Risk management and description of main risks

Buzzi has defined an internal control and risk management system with procedures aimed at allowing the identification, measurement, management and monitoring of the main corporate risks. The companies included in the scope of risk assessment are the parent company Buzzi SpA and its main subsidiaries. Risks are assessed by considering their likelihood of occurrence and their economic impact, in accordance with certain standards, as well as their relevance. We analyze the risks categories attached to the business activity of our companies.

In general, the risks reflect the instability of the current political, economic and financial framework: the energy and inflation crises, the conflict in Ukraine. In compliance with the sanctions adopted by the European institutions against Russia, since May 2022 Buzzi has ceased all involvement in the operating activities of the Russian subsidiaries. In this context the group and in particular the German subsidiary Dyckerhoff monitor the development in order to act promptly to mitigate the risks of sanctioning procedures and the possible direct and indirect impacts. The probability of occurrence of such an event is currently considered low.

Concerning the most significant categories, the following should be highlighted:

- **investment risk** for possible expropriation or damage to the plants of subsidiaries operating in Ukraine and Russia;
- **currency risks** on intercompany loans, on liquidity and their possible impacts on Ebitda due to the translation into euros of the financial statements prepared by the subsidiaries;
- **procurement risks**: risk of an increase in the price of CO_2 emission rights. With reference to energy costs, there is market volatility in the United States and, conversely, a general reduction of such risks in Europe.
- **commercial risks**: in the United States risk of reduction in sales volumes due to a possible slowdown in economic activity and lower spending on public building programs;
- **insurance risks**: in the United States the risks for possible uninsured natural catastrophes remain constant; such risks have very low probability.

Following the mitigation actions already implemented or envisaged, as well as the accounting provisions, where necessary, the residual risks represent a limited share of book equity. Simulations on potential simultaneous occurrences of multiple risks provide very limited impacts and probability of occurrence.

Transactions with related parties

Information on transactions with related parties is available in note 47 of these half-yearly condensed consolidated financial statements as at 30 June 2023.

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.

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 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.

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Consolidated Income Statement

(thousands of euro)	Note	1st Half 2023	1st Half 2022
Net sales	8	**2,149,634**	**1,879,967**
Changes in inventories of finished goods and work in progress		11,486	(12,005)
Other operating income	9	27,650	22,166
Raw materials, supplies and consumables	10	(843,959)	(778,712)
Services	11	(444,277)	(437,577)
Staff costs	12	(288,664)	(272,871)
Other operating expenses	13	(36,616)	(35,914)
EBITDA		**575,254**	**365,054**
Depreciation, amortization and impairment charges	14	(128,142)	(246,905)
Operating profit (EBIT)		**447,112**	**118,149**
Equity in earnings of associates and joint ventures	15	80,589	57,588
Gains on disposal of investments	16	243	97
Finance revenues	17	68,651	78,164
Finance costs	17	(43,730)	(134,164)
Profit before tax		**552,865**	**119,834**
Income tax expense	18	(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	19		
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)	Note	30/06/2023	31/12/2022
Assets			
Non-current assets			
Goodwill	20	509,227	509,484
Other intangible assets	20	52,324	57,503
Right-of-use assets	21	83,781	77,626
Property, plant and equipment	22	3,162,147	3,240,124
Investment property	23	17,542	17,561
Investments in associates and joint ventures	24	596,921	537,994
Equity investments at fair value	25	10,659	10,595
Deferred income tax assets		70,875	64,538
Defined benefit plan assets	37	4,206	4,435
Derivative financial instruments	26	32,910	11,031
Other non-current assets	27	259,018	262,268
		4,799,610	**4,793,159**
Current assets			
Inventories	28	690,727	721,023
Trade receivables	29	670,714	541,675
Other receivables	30	267,362	99,348
Cash and cash equivalents	31	787,105	1,341,488
		2,415,908	**2,703,534**
Assets held for sale	32	78,065	6,395
Total Assets		**7,293,583**	**7,503,088**

(thousands of euro)	Note	30/06/2023	31/12/2022
Equity			
Equity attributable to owners of the company			
Share capital	33	123,637	123,637
Share premium		458,696	458,696
Other reserves	34	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	35	5,530	5,581
Total Equity		**5,172,700**	**4,911,457**
Liabilities			
Non-current liabilities			
Long-term debt	36	555,645	608,150
Lease liabilities	21	64,004	58,132
Employee benefits	37	264,243	268,235
Provisions for liabilities and charges	38	78,973	78,956
Deferred income tax liabilities		404,699	401,478
Other non-current liabilities	39	6,810	7,693
		1,374,374	**1,422,644**
Current liabilities			
Current portion of long-term debt	36	142,403	594,028
Short-term debt	36	8,593	12,544
Current portion of lease liabilities	21	20,721	20,260
Trade payables	40	317,228	324,293
Income tax payables	41	92,148	35,038
Provisions for liabilities and charges	38	16,784	61,992
Other payables	42	142,069	120,832
		739,946	**1,168,987**
Liabilities held for sale	32	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)	Note	1st Half 2023	1st Half 2022
Cash flows from operating activities			
Cash generated from operations	43	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	20	(3,637)	(544)
Purchase of property, plant and equipment	22	(141,065)	(125,725)
Purchase of other equity investments	24, 25	(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	30	(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	36	(500,359)	(30,107)
Net change in short-term debt	36	1,575	960
Repayment of lease liabilities	21	(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	44	(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 year		1,341,488	1,203,611
Currency translation differences		(22,550)	75,528
Cash and cash equivalents at end of period	31	**787,105**	**1,058,343**

Consolidated Statement of Changes in Equity

(thousands of euro)	Attributable to owners of the company						Non-con-trolling interests	Total Equity
	Share capital	Share premium	Other reserves	Retained earnings	Treasury shares	Total		
Balance as at 1 January 2022	**123,637**	**458,696**	**(59,094)**	**3,853,886**	**(7,699)**	**4,369,426**	**5,778**	**4,375,204**
Profit for the period	**-**	**-**	**-**	**88,645**	**-**	**88,645**	**31**	**88,676**
Other comprehensive income for the period, net of tax	-	-	457,359	68,511	-	**525,870**	14	**525,884**
Total comprehensive income for the period	**-**	**-**	**457,359**	**157,156**	**-**	**614,515**	**45**	**614,560**
Dividends declared	-	-	-	(74,053)	-	**(74,053)**	(243)	**(74,296)**
Withholding tax on foreign dividends	-	-	-	(5,374)	-	**(5,374)**	-	**(5,374)**
Acquisition of non-controlling interests	-	-	-	333	-	**333**	-	**333**
Purchase of treasury shares	-	-	-	-	(123,218)	**(123,218)**	-	**(123,218)**
Other changes	**-**	**-**	148	(1,932)	-	**(1,784)**	9	**(1,775)**
Balance as at 30 June 2022	**123,637**	**458,696**	**398,413**	**3,930,016**	**(130,917)**	**4,779,845**	**5,589**	**4,785,434**
Balance as at 1 January 2023	**123,637**	**458,696**	**183,290**	**4,271,170**	**(130,917)**	**4,905,876**	**5,581**	**4,911,457**
Profit for the period	**-**	**-**	**-**	**431,095**	**-**	**431,095**	**119**	**431,214**
Other comprehensive income for the period, net of tax	-	-	(79,506)	(528)	-	**(80,034)**	(1)	**(80,035)**
Total comprehensive income for the period	**-**	**-**	**(79,506)**	**430,567**	**-**	**351,061**	**118**	**351,179**
Dividends declared	-	-	-	(83,309)	-	**(83,309)**	-	**(83,309)**
Withholding tax on foreign dividends	-	-	-	(234)	-	**(234)**	-	**(234)**
Acquisition of non-controlling interests	-	-	-	1,720	-	**1,720**	(162)	**1,558**
Other changes	-	-	-	(7,944)	-	**(7,944)**	(7)	**(7,951)**
Balance as at 30 June 2023	**123,637**	**458,696**	**103,784**	**4,611,970**	**(130,917)**	**5,167,170**	**5,530**	**5,172,700**

Notes to the half-yearly consolidated financial report

1. General information

Buzzi SpA ('the company') and its subsidiaries (together 'the group' or 'Buzzi') manufacture, distribute and sell cement, ready-mix concrete and aggregates. The group has manufacturing plants in several countries, which also represent the natural outlet for its goods and services. The operations are located mainly in Italy, the United States of America, Germany, Luxembourg, the Netherlands, Poland, the Czech Republic and Slovakia, Ukraine, Russia, Mexico and Brazil.

Buzzi SpA is a stock corporation organized under the laws of Italy. The registered office and the corporate headquarters are located in Italy at Casale Monferrato (AL), Via Luigi Buzzi 6. The company is listed on the Euronext Milan market, managed by Borsa Italiana.

Buzzi SpA is controlled by Fimedi SpA, which directly and indirectly, through its subsidiary Presa SpA, owns 52.952% of the shares. Fimedi has its registered office in Italy, at Turin, Corso Re Umberto 10.

These consolidated interim financial statements were authorized for issue by the board of directors on 3 August 2023.

2. Basis of preparation

The condensed consolidated financial statements for the six months ended 30 June 2023 have been prepared in accordance with art. 154 ter of Legislative Decree 58/1998 and drawn up in compliance with International Financial Reporting Standards (IFRS), according to the provisions of IAS 34 Interim Financial Reporting. They should be read in conjunction with the annual financial statements for the year ended 31 December 2022.

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from such estimates. In preparing these interim financial statements, the significant judgments made by management in applying the group's accounting policies were the same as those that applied to the consolidated financial statements for the year ended 31 December 2022, with the exception of changes in estimates that are required in determining the income tax expense for the period.

For the preparation of the financial statements as of 30 June 2023 the group considered the sources of uncertainty arising from the macroeconomic scenario and the geopolitical tensions due to the Russia-Ukraine conflict. The first part of the year was characterized by restrictive monetary policies by the European Central Bank and by the US Federal Reserve. These institutions, to counter inflation, continued to raise interest rates with the risk of a substantial slowdown in economic growth.
The company does not show in the income statement, balance sheet and cash flow statement the amount of balances with related parties, separately by line item (pursuant to Consob resolution no. 15519 of 27 July 2006). This indication would not be significant for the representation of the financial and economic position of the group; furthermore,

transactions with related parties are disclosed in note 48 of these consolidated interim financial statements.

The items presented in these consolidated financial statements, if necessary, have been somewhat adjusted and integrated compared with those previously published, to give a better representation of the financial position and economic performance of the group.

Foreign currency translation
The results and financial position of all the group entities that have a functional currency different from the presentation currency have been translated using the following exchange rates:

	Year-end		Average	
(euro 1 = Currency)	30 June 2023	31 December 2022	1st Half 2023	1st Half 2022
US Dollar	1.0866	1.0666	1.0807	1.0934
Czech Koruna	23.742	24.1160	23.6873	24.6485
Ukrainian Hryvnia	39.6952	39.0370	39.5160	31.7317
Russian Ruble	96.6746	78.0346	83.6029	85.4111
Polish Zloty	4.4388	4.6808	4.6244	4.6354
Hungarian Forint	371.9300	400.8700	380.8484	375.1294
Mexican Peso	18.5614	20.8560	19.6457	22.1653
Algerian Dinar	147.2750	146.5049	147.0336	156.2732
Brazilian Real	5.2788	5.6386	5.4827	5.5565

3. Accounting policies

The principles adopted are consistent with the recognition and evaluation criteria used in the preparation of the annual financial statements as at 31 December 2022 to which reference is made for additional information.

Certain valuation processes, in particular the assessment of non-current assets impairment, if any, are generally carried out in full only during the preparation of the annual financial statements, when all necessary information is available, unless there is an indication of impairment that requires an immediate impairment test. Similarly, the actuarial evaluations to determine employee benefits are usually carried out only during preparation of the annual report.

Income tax expense is accrued using the rate that would be applicable to the expected profit or loss for the entire year.

Standards, amendments and interpretations adopted in 2023

The following standards, amendments and interpretations are not significant to the Group and/or have not resulted in the recognition of any effect in these interim financial statements.

- IFRS 17 Insurance contracts. It replaces the previous standard IFRS 4 Insurance contracts and solves the comparison issues created by the same standard, by requiring all insurance contracts to be accounted for in a consistent manner, to the benefit of both investors and insurance companies. Insurance obligations will be accounted for using current values instead of historical cost.

- IAS 8 Accounting policies, changes in accounting estimates and errors (amendments): Definition of accounting estimates. The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively only to future transactions and other future events, while changes in accounting policies are generally applied retrospectively to past transactions and other past events.

- IAS 1 Presentation of financial statements and IFRS Practice statement 2 Making materiality judgments (amendments): disclosure of accounting policies. The amendments require companies to disclose information about material accounting standards rather than on significant accounting standards, by adding a guidance on how to apply the concept of materiality to the accounting policy disclosures.

- IAS 12 Income Tax (amendments): deferred tax related to assets and liabilities arising from single transaction. It specifies how companies should account for deferred tax on transactions such as leases and decommissioning obligation.

- IFRS 17 Insurance contracts (amendments): Initial application of IFRS 17 and IFRS 9 – Comparative information. The amendment permits, during transition, comparative information for certain financial assets to be presented in a manner consistent with IFRS 9.

- IAS 12 Income Taxes (amendments): International Tax Reform - Pillar II Model Rules. The amendments establish a temporary exception to the requirements concerning deferred tax assets and liabilities related to Pillar II income taxes.

Standards, amendments and interpretations that are not yet effective and have not been early adopted

- IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures (amendments): sale or contribution of assets between an investor and its associates or joint ventures. A full gain (or loss) is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary. At the date of this report the European Union has deferred indefinitely the endorsement process required for the amendment to become effective and since which date.

- IAS 1 Presentation of financial statements (amendments): classification of liabilities as current or non-current (the effective date has been deferred to 1 January 2024) and related amendments on the deferral of effective date. The amendments clarify whether to classify payables and other liabilities with an uncertain due date as current or non-current.

- IFRS 16 Leasing (amendments): liability in a sale and leaseback (effective from 1 January 2024). It clarifies the accounting of sale and subsequent lease back.

- IAS 1 Presentation of Financial Statements (amendments): Non-current Liabilities with Covenants (effective from 1 January 2024). The amendment improves the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants.

- IAS 7 Statement of Cash Flows and IFRS 7 Disclosures about Financial Instruments (amendments): Supplier Finance arrangements (effective 1 January 2024). The amendments aim at improving the disclosure of supplier finance arrangements by asking entities to provide additional qualitative and quantitative information and 'signposts' about such transactions.

4. Risk management

4.1 Financial risk factors

The group’s activities are exposed to a variety of financial risks such as market risk (including currency and price), credit risk and liquidity risk. The group uses, infrequently, derivative financial instruments to hedge certain risk exposures. Central treasury and finance department carries out risk management and identifies, evaluates and possibly hedges financial risks in close cooperation with the group’s operating units.

The consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; therefore, they should be read in conjunction with the consolidated annual report as at 31 December 2022.

Since year end, there have been no organizational changes in the risk management department or related risk management policies.

4.2 Fair value estimation

Hereunder an analysis of the financial instruments carried in the balance sheet at fair value. The different levels have been defined as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2);
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the assets that are measured at fair value at 30 June 2023:

(thousands of euro)	Level 1	Level 2	Level 3	Total
Assets				
Other non-current assets	11,027	1,081	-	**12,108**
Derivative financial instruments (non-current)	-	-	32,910	**32,910**
Equity investments at fair value	-	-	10,659	**10,659**
Total Assets	**11,027**	**1,081**	**43,569**	**55,677**

The following table presents the assets that are measured at fair value at 31 December 2022:

(thousands of euro)	Level 1	Level 2	Level 3	Total
Assets				
Other non-current assets	10,907	1,041	-	**11,948**
Derivative financial instruments (current)	-	-	11,031	**11,031**
Equity investments at fair value	-	-	10,595	**10,595**
Total Assets	**10,907**	**1,041**	**21,626**	**33,574**

In the first half of 2023, there were no transfers between the various fair value levels.

Other non-current assets refer to deposits held in trust to secure the payment of benefits under certain defined contribution pension plans in the United States. These assets are classified as level 1 or level 2 in the fair value hierarchy, with any movement taken directly to the income statement.

The equity investments included in the line item Equity investments at fair value are all booked at fair value through other comprehensive income (OCI) and included in level 3. When a multi-year plan is not available, the valuation at book value of equity is considered as the best approximation of the fair value (note 25).

Level 3 derivatives include the put/call option on the remaining 50% interest in Nacional Cimentos Participações SA. The value of the derivative financial instrument, at the date of these interim financial statements, is in line with its fair value. The change in the fair value of the derivative has been recognized in profit or loss, in accordance with IFRS 9 (note 26).

The group holds several financial instruments which are not measured at fair value in the balance sheet. For the majority of these instruments (trade receivables less provision for impairment, trade payables, other receivables, other payables) the carrying amount is considered to approximate their fair value. The fair value of long-term financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

4.3 Other risks

As far as other risks are concerned, reference is made to the appropriate chapter in the review of operations.

5. Scope of consolidation

On 1 January 2023, the contribution in kind of the business unit relating to cement operations in Italy in favor of Buzzi Unicem Srl (formerly Serenergy Srl) became effective, in continuity of values and without any effect on the consolidated financial statements of the group.

On 12 May 2023, the Extraordinary Shareholders' Meeting resolved to change the name of the parent company from Buzzi Unicem SpA to Buzzi SpA.

On 20 June Buzzi, through its subsidiary Dyckerhoff GmbH, reached an agreement for the sale to CRH of the following investments:
- TOB Dyckerhoff Ukraina
- PRAT Dyckerhoff Cement Ukraine
- TOB Dyckerhoff Transport Ukraina

The agreement also provides for the sale of the ready-mix concrete assets in East Slovakia. Completion of the transaction in Ukraine is subject to the granting of the required regulatory approvals and is expected to occur in 2024.

In the first half of 2023 the company sold its 40% interest in Premix SpA, which was previously accounted for using the equity method.

6. Seasonality of operations

Demand for cement, ready-mix concrete and other construction materials is seasonal because climatic conditions affect the level of activity in the building industry. Buzzi usually experiences a reduction in sales during the first and fourth quarters, reflecting the effect of the winter season, and tends to see an increase in sales in the second and third quarters, reflecting the effect of the summer season.

In the first half of 2023, both in Italy and in the foreign countries in which the group operates, the operations were characterized by a decrease of the industry inflation, even if still high, thanks to the drop of energy prices, to the loosening of the bottlenecks in global supply chains and to the restrictive monetary policies by the European Central Bank and by the US Federal Reserve.

7. Segment information

The chief operating decision-maker identifies with the executive directors, who review the group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on those reports.

The executive directors consider the business by geographical area of operations and from a product perspective they assess in a combined way the performance of "cement" and "ready-mix concrete and aggregates", since the two businesses, vertically integrated, are strictly interdependent. In particular, ready-mix concrete represents essentially a distribution channel for cement and does not require, for the chief operating decision-maker, evidence of separate results. The executive directors assess the performance of the reportable operating segments based, as main reference, on a measure of operating profit. Net finance costs and income tax expense are not included in the result of each operating segment reviewed by the executive directors.

The measurement of economic performance by segment is consistent with the one of the financial statements.

The segment named Central Europe consists of Germany, Luxembourg and the Netherlands. Eastern Europe covers Poland, the Czech Republic, Slovakia, Ukraine and Russia.

1st Half 2023

(thousands of euro)	**Italy**	**Central Europe**	**Eastern Europe**	**United States of America**	**Unallo-cated items and adjust-ments**	**Total**	**Mexico 100%**	**Brazil 100%**
Segment revenue	424,075	537,400	357,220	846,779	(15,840)	**2,149,634**	500,238	189,724
Intersegment revenue	(15,242)	-	(598)	-	15,840	**-**	-	-
Revenue from external customers	408,833	537,400	356,622	846,779	-	**2,149,634**	500,238	189,724
EBITDA	98,581	112,704	107,086	256,883	-	**575,254**	227,269	38,286
Depreciation	(18,023)	(23,182)	(18,255)	(68,025)	(964)	**(128,449)**	(15,626)	(14,281)
Impairment charges	290	(166)	(1)	(45)	-	**78**	-	-
Write-ups	-	229	-	-	-	**229**	-	-
Operating profit (EBIT)	80,848	89,585	88,830	188,813	(964)	**447,112**	211,643	24,006

1st Half 2022

(thousands of euro)	**Italy**	**Central Europe**	**Eastern Europe**	**United States of America**	**Unallo-cated items and adjust-ments**	**Total**	**Mexico 100%**	**Brazil 100%**
Segment revenue	357,894	492,559	306,957	726,501	(3,944)	**1,879,967**	353,056	179,574
Intersegment revenue	(3,902)	(42)	-	-	3,944	**-**	-	-
Revenue from external customers	353,992	492,517	306,957	726,501	-	**1,879,967**	353,056	179,574
EBITDA	35,688	69,333	79,475	180,558	-	**365,054**	149,520	46,572
Impairment charges	(4)	(163)	(123,135)	-	-	**(123,302)**	-	-
Write-ups	933	-	-	-	-	**933**	5,238	-
Operating profit (EBIT)	15,351	47,058	(61,096)	116,836	-	**118,149**	140,735	36,649

8. Net sales

Revenues from contracts with customers derive from goods transferred at a specific time and from the rendering of services, whose breakdown by market is illustrated below:

	1st Half 2023		
(thousands of euro)	**Cement**	**Concrete and aggregates**	**Total**
Italy	244,537	164,296	**408,833**
Germany	251,410	170,721	**422,131**
Luxembourg and the Netherlands	55,393	59,876	**115,269**
Poland	54,204	21,758	**75,962**
Czech Republic and Slovakia	32,097	70,659	**102,756**
Russia	142,838	-	**142,838**
Ukraine	33,295	1,771	**35,066**
United States of America	674,539	172,240	**846,779**
	1,488,313	**661,321**	**2,149,634**

	1st Half 2022		
(thousands of euro)	**Cement**	**Concrete and aggregates**	**Total**
Italy	210,909	143,083	**353,992**
Germany	212,539	165,009	**377,548**
Luxembourg and the Netherlands	63,123	51,846	**114,969**
Poland	46,292	21,449	**67,741**
Czech Republic and Slovakia	28,705	67,917	**96,622**
Russia	114,301	-	**114,301**
Ukraine	26,424	1,869	**28,293**
United States of America	576,799	149,702	**726,501**
	1,279,092	**600,875**	**1,879,967**

The 14.3% increase compared to 2022 is mainly due to the favorable price effect and a slightly favorable foreign currency effects (0.4%).

9. Other operating income

This line item consists of income arising both from the ordinary and the non-recurring course of business that is not attributable to core sales of goods and rendering of services.

(thousands of euro)	1st Half 2023	1st Half 2022
Recovery of expenses	3,714	4,314
Indemnity for damages	463	749
Revenue from leased properties	3,536	3,755
Gains on disposal of property, plant and equipment	5,418	3,728
Capital grants	76	134
Release of provisions	733	508
Internal work capitalized	930	790
Other	12,780	8,188
	27,650	**22,166**

The caption gains on disposals of property, plant and equipment includes the amount from the sale of a quarry in Budenheim (Germany) for €3,648 thousand, as well as amounts related to the disposals of certain land, buildings and other minor assets mainly located in Germany, Poland and the USA.

The caption other includes, among others, the contribution granted in Poland to mitigate energy costs related to the previous year (€3,610 thousand), as well as the proceeds from the concession of certain silos for the storage of fly ash in the United States (€933 thousand).

10. Raw materials, supplies and consumables

(thousands of euro)	1st Half 2023	1st Half 2022
Raw materials, supplies and consumables	439,435	429,492
Finished goods and merchandise	52,889	46,614
Electricity	178,275	152,056
Fuels	158,252	137,214
Emission rights	(731)	(1,234)
Other goods	15,839	14,570
	843,959	**778,712**

The caption electricity includes the reduction on the cost of power, recognized in Italy to energy-intensive companies in the amount of €12,446 thousand (Note 30).

Emission rights reflect the release of the surplus of the provision set aside at the end of 2022, to align it with the actual amounts returned in the first half of 2023.

11. Services

(thousands of euro)	1st Half 2023	1st Half 2022
Transportation	252,267	263,761
Maintenance and contractual services	106,779	95,466
Insurance	8,482	9,117
Legal and professional consultancy	7,787	6,990
Operating leases of property and machinery	7,173	7,152
Travel	3,347	2,586
Other	58,442	52,505
	444,277	**437,577**

12. Staff costs

(thousands of euro)	1st Half 2023	1st Half 2022
Salaries and wages	216,168	201,161
Social security contributions and defined contribution plans	66,145	63,358
Employee severance indemnities and defined benefit plans	4,766	6,383
Other long-term benefits	94	182
Other	1,491	1,787
	288,664	**272,871**

The average number of employees is the following:

(number)	1st Half 2023	1st Half 2022
White collar and executives	3,672	3,667
Blue collar and supervisors	5,870	6,039
	9,542	**9,706**

13. Other operating expenses

Other operating expenses, related to both the ordinary and the non-recurring course of business, are composed as follows:

(thousands of euro)	1st Half 2023	1st Half 2022
Write-down of receivables	464	857
Provisions for liabilities and charges	4,231	2,412
Association dues	3,657	3,746
Indirect taxes and duties	19,097	19,304
Losses on disposal of property, plant and equipment	677	755
Other	8,490	8,840
	36,616	**35,914**

14. Depreciation, amortization and impairment charges

(thousands of euro)	1st Half 2023	1st Half 2022
Intangible assets	2,208	2,288
Right-of-use assets	11,408	12,091
Property, plant and equipment	114,833	110,157
Impairment losses of non-current assets	(307)	122,369
	128,142	**246,905**

The caption impairment losses of non-current assets includes some minor reversal of write-downs referring to quarry lands in Italy and Germany.
In the previous period, instead, it included €122,478 thousand referring to the goodwill impairment on the CGU Russia, as a result of the test performed following the conflict that arose in Ukraine.

15. Equity in earnings of associates and joint ventures

The line item includes the share of profit (loss) of investments accounted for under the equity method and possible write-downs, set out in detail below:

(thousands of euro)	1st Half 2023	1st Half 2022
Associates		
Société des Ciments de Hadjar Soud EPE SpA	2,154	(246)
Société des Ciments de Sour El Ghozlane EPE SpA	611	882
Laterlite SpA	4,775	(184)
Salonit Anhovo Gradbeni Materiali dd	3,224	1,843
Other associates	806	1,585
	11,570	**3,880**
Joint ventures		
Corporación Moctezuma, SAB de CV	52,257	34,618
Nacional Cimentos Participações SA	14,216	17,593
Other joint ventures	2,546	1,497
	69,019	**53,708**
	80,589	**57,588**

16. Gains on disposal of investments

They refer to the sale of the ownership interest in the associate Premix SpA.

17. Finance revenues and Finance costs

(thousands of euro)	1st Half 2023	1st Half 2022
Finance revenues		
Interest income on liquid assets	18,757	4,873
Interest income on plan assets of employee benefits	6,786	4,344
Changes in the fair value of derivative instruments	21,879	-
Foreign exchange gains	18,001	66,432
Dividend income	11	19
Other	3,217	2,496
	68,651	**78,164**
Finance costs		
Interest expense on bank borrowings	(12,106)	(6,710)
Interest expense on senior notes and bonds	(878)	(5,715)
Interest expense on employee benefits	(12,096)	(7,297)
Interest expense on lease liabilities	(1,287)	(1,005)
Changes in the fair value of derivative instruments	-	(2,701)
Discount unwinding on liabilities	(921)	(495)
Foreign exchange losses	(12,819)	(105,021)
Other	(3,623)	(5,220)
	(43,730)	**(134,164)**
Net finance costs	**24,921**	**(56,000)**

The decrease in net finance costs compared to the previous period was influenced by higher interest income accrued on liquid assets, following the increase of interest rates in Europe and the USA. In addition, there was a favorable change in the net balance of non-cash items, in particular foreign exchange gains and losses, as well as in the valuation at fair value of the put/call option on the remaining 50% interest in Nacional Cimentos Participações SA (Note 26).

18. Income tax expense

(thousands of euro)	1st Half 2023	1st Half 2022
Current tax	116,847	35,528
Deferred tax	4,797	(4,442)
Tax relating to prior years	7	72
	121,651	**31,158**

The increase in current tax is mainly due to the higher taxable income generated during the six-month period.

19. Earnings per share

Basic

Basic earnings per share is calculated by dividing net profit attributable to equity owners of the company by the weighted average number of shares outstanding during the period, excluding treasury shares.

		1st Half 2023	1st Half 2022
Net profit attributable to owners of the company	thousands of euro	431,095	88,645
Average number of shares outstanding		185,131,838	187,657,770
Basic earnings per share	euro	2.329	0.472

Diluted

Diluted earnings per share is calculated by adjusting the earnings and weighted average number of outstanding shares for the effects of dilutive options and other potential dilutive shares. Since there are no financial instruments outstanding with such features, basic and diluted earnings per share are the same in both periods.

20. Goodwill and Other intangible assets

(thousands of euro)	Goodwill	Other intangible assets: Industrial patents, licenses and similar rights	Assets in progress and advances	Other	Total
At 1 January 2023					
Cost/deemed cost	766,072	87,383	1,022	31,138	119,543
Accumulated depreciation and write-downs	(256,588)	(53,980)	-	(8,060)	(62,040)
Net book amount	**509,484**	**33,403**	**1,022**	**23,078**	**57,503**
1st Half 2023					
Opening net book amount	509,484	33,403	1,022	23,078	57,503
Exchange differences	(257)	(5,009)	-	-	(5,009)
Additions	-	3,489	129	165	3,783
Amortization and impairment charges	-	(1,389)	-	(983)	(2,372)
Reclassifications	-	(1,138)	(443)	-	(1,581)
Closing net book amount	**509,227**	**29,356**	**708**	**22,260**	**52,324**
At 30 June 2023					
Cost/deemed cost	765,925	68,492	708	31,138	100,338
Accumulated depreciation and write-downs	(256,698)	(39,136)	-	(8,878)	(48,014)
Net book amount	**509,227**	**29,356**	**708**	**22,260**	**52,324**

At 30 June 2023, the column industrial patents, licenses and similar rights is made up of industrial licenses (€20,783 thousand), application software for plant and office automation (€2,837 thousand), mining rights (€5,694 thousand), industrial patents (€42 thousand).

The column other includes the customer list resulting from the business combination Testi Cementi Srl, Borgo Cementi Srl and Arquata Cementi Srl, which took place in 2019, for €21,523 thousand.

The exchange differences of the goodwill refer to the CGU United States (negative impact of €619 thousand) and to the CGU Poland (positive impact of €362 thousand).

The caption reclassifications refers to the transfer within assets held for the sale of the assets belonging to the Ukrainian subsidiaries, following the sale agreement between the company and CRH signed on 20 June (note 32).

Goodwill at 30 June 2023 amounts to €509,227 thousand and is broken down as follows:

(thousands of euro)	30/06/2023	31/12/2022
Italy (Cement sector)	76,114	76,114
United States of America	40,220	40,839
Germany	129,995	129,995
Luxembourg	69,104	69,104
Poland	87,850	87,488
Czech Republic/Slovakia	105,944	105,944
	509,227	**509,484**

As at 30 June 2023, the company assessed the presence of potential indicators of impairment with reference to the future profitability of some CGUs, such as the Cement and the Ready-Mix concrete sectors in Italy, Russia, Ukraine.

On the basis of the information available to date, no indicators have been found that require testing of the recoverable amount of the assets and therefore no tests were performed.

21. Right-of-use assets and Lease liabilities

(thousands of euro)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other	Total
At 1 January 2023					
Cost/deemed cost	40,809	16,221	83,110	20,052	160,192
Accumulated depreciation and write-downs	(16,846)	(6,991)	(46,684)	(12,045)	(82,566)
Net book amount	**23,963**	**9,230**	**36,426**	**8,007**	**77,626**
1st Half 2023					
Opening net book amount	23,963	9,230	36,426	8,007	77,626
Exchange differences	(105)	6	(688)	(47)	(834)
Additions and other	3,232	1,374	10,608	3,845	19,059
Extinctions	(415)	(6)	-	(68)	(489)
Depreciation and impairment charges	(2,508)	(1,166)	(5,366)	(2,368)	(11,408)
Reclassifications	(201)	28	-	-	(173)
Closing net book amount	**23,966**	**9,466**	**40,980**	**9,369**	**83,781**
At 30 June 2023					
Cost/deemed cost	41,919	17,563	92,147	21,539	173,168
Accumulated depreciation and write-downs	(17,953)	(8,097)	(51,167)	(12,170)	(89,387)
Net book amount	**23,966**	**9,466**	**40,980**	**9,369**	**83,781**

Lease liabilities recorded in the balance sheet at 30 June 2023 amount to €84,725 thousand.

22. Property, plant and equipment

(thousands of euro)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Assets in progress and advances	Other	Total
At 1 January 2023						
Cost/deemed cost	3,110,000	5,199,692	487,654	179,798	158,480	9,135,624
Accumulated depreciation and write-downs	(1,297,513)	(4,131,708)	(343,498)	(6,883)	(115,898)	(5,895,500)
Net book amount	**1,812,487**	**1,067,984**	**144,156**	**172,915**	**42,582**	**3,240,124**
1st Half 2023						
Opening net book amount	1,812,487	1,067,984	144,156	172,915	42,582	3,240,124
Exchange differences	(30,848)	(28,509)	(6,367)	(6,681)	(907)	(73,312)
Additions	6,883	38,320	13,742	85,975	2,599	147,519
Disposals and other	(1,910)	(451)	(626)	391	(1,100)	(3,696)
Depreciation and impairment charges	(21,697)	(73,331)	(14,495)	-	(5,187)	(114,710)
Reclassifications	(2,864)	21,512	1,706	(56,478)	2,346	(33,778)
Closing net book amount	**1,762,051**	**1,025,525**	**138,116**	**196,122**	**40,333**	**3,162,147**
At 30 June 2023						
Cost/deemed cost	3,061,198	5,145,243	478,425	202,274	155,972	9,043,112
Accumulated depreciation and write-downs	(1,299,147)	(4,119,718)	(340,309)	(6,152)	(115,639)	(5,880,965)
Net book amount	**1,762,051**	**1,025,525**	**138,116**	**196,122**	**40,333**	**3,162,147**

Additions in the first six months of 2023 amount to €147,519 thousand. In the cash flow statement and in the business review of operations capital expenditures are reported according to the actual outflows (€141,065 thousand).

Negative exchange differences of €73,312 thousand reflect the appreciation of most foreign currencies, mainly dollar/euro (€37,784thousand) and ruble/euro (€37,600 thousand). In the first half of 2022, translation differences had been overall positive for a total of €265,004 thousand.

The caption reclassifications refers to the transfer within assets held for sale of the assets belonging to the Ukrainian subsidiaries and of certain ready-mix concrete plants in Eastern Slovakia, following the sale agreement to CRH (Note 32).

23. Investment property

(thousands of euro)	30/06/2023	31/12/2022
At 1 January		
Cost/deemed cost	20,252	21,335
Accumulated depreciation and write-downs	(2,691)	(3,638)
Net book amount	**17,561**	**17,697**
Exchange differences	(19)	62
Additions	-	11
Disposals and other	-	(209)
At 30 June	**17,542**	**17,561**
Cost/deemed cost	20,233	20,252
Accumulated depreciation and write-downs	(2,691)	(2,691)
Net book amount	**17,542**	**17,561**

24. Investments in associates and joint ventures

The amounts recognized in the balance sheet are as follows:

(thousands of euro)	30/06/2023	31/12/2022
Associates valued by the equity method	175,651	168,805
Joint ventures valued by the equity method	421,270	369,189
	596,921	**537,994**

The net increase of €58,927 thousand was mainly affected: upwards by the share of investee's earnings for €80,589 thousand and by exchange differences for €34,111 thousand; downwards by the elimination of dividends received equal to €40,796 thousand and the purchase of treasury shares by the Mexican company Corporación Moctezuma, SAB de CV for €8,250 thousand.

24.1 Interests in associates

Set out below are the associates which, in the opinion of the directors, are material to the group at 30 June 2023. These associates have a share capital consisting solely of ordinary shares, which are held directly or indirectly by the company. The country of incorporation is also their principal place of business.

Name of the entity	Place of business/country of incorporation	% of ownership interest	Book value	Measurement method
Société des Ciments de Hadjar Soud EPE SpA	Algeria	35.0	39,880	Equity
Société des Ciments de Sour El Ghozlane EPE SpA	Algeria	35.0	37,017	Equity
Salonit Anhovo Gradbeni Materiali dd	Slovenia	25.0	39,282	Equity
Laterlite SpA	Italy	33.3	30,399	Equity

24.2 Interests in joint ventures

Set out below are the two joint ventures which, in the opinion of the directors, are material to the group at 30 June 2023:

Name of the entity	Place of business/country of incorporation	% of ownership interest	Book value	Measurement method
Corporación Moctezuma, SAB de CV	Mexico	33.0	221,910	Equity
Nacional Cimentos Participações SA	Brazil	50.0	186,221	Equity

25. Equity Investments at fair value

The line item refers to investments in unconsolidated subsidiaries and in other companies, all of them unlisted.

(thousands of euro)	Subsidiaries	Other	Total
At 1 January 2023	908	9,687	10,595
Fair value changes	-	64	64
At 30 June 2023	**908**	**9,751**	**10,659**

26. Derivative financial instruments

At 30 June 2023 the value of the instrument relating to the put/call option on the remaining 50% of the share capital of Nacional Cimentos Participações SA corresponds to an asset of €32,910 thousand (2022: €11,031 thousand). The positive change in the fair value of the derivative was taken through the income statement (note 17). It was determined by movements in interest rates and exchange rates (combined effect).

The notional principal amount and the fair value estimation of the outstanding derivative instruments are summarized as follows:

	30/06/2023		31/12/2022	
(thousands of euro)	Notional	Fair value	Notional	Fair value
Nacional Cimentos Participações SA takeover option	313,144	32,910	282,722	11,031

27. Other non-current assets

(thousands of euro)	**30/06/2023**	**31/12/2022**
Loans to third parties and leasing	1,806	2,074
Loans to associates and joint ventures	224,922	226,890
Loans to customers	9,660	9,830
Tax receivables	703	840
Receivables from personnel	780	870
Guarantee deposits	13,116	12,959
Other	8,031	8,805
	259,018	**262,268**

Loans to third parties and leasing are mostly interest-bearing and adequately secured.

Loans to associates and joint ventures refer to the financing granted to Companhia Nacional de Cimento (CNC, a wholly-owned subsidiary of Nacional Cimentos Participações SA), for the acquisition of the CRH group companies operating in Brazil that took place in 2021.

Loans to customers are granted to some major accounts in the United States; they bear interest at market rates, are adequately secured and are performing regularly.

Guarantee deposits mainly represent monetary assets held in trust to secure the payment of benefits under certain pension plans in the United States for €12,108 thousand, besides insurance deposits.

28. Inventories

(thousands of euro)	30/06/2023	31/12/2022
Raw materials, supplies and consumables	426,412	424,476
Work in progress	115,505	110,283
Finished goods and merchandise	99,723	101,161
Advances	2,122	2,995
Emission rights	46,965	82,108
	690,727	**721,023**

Increases and decreases of the various categories depend on the trend in production and sales, on the price of factors employed, as well as on changes in the exchange rates used for the translation of foreign financial statements.

Following the agreement for the sale of the assets in Ukraine and of some ready-mix concrete plants in Eastern Slovakia, raw materials for €14,960 thousand, semi-finished products for €5,231 thousand, finished goods for €2,356 and advances for €109 (note 32) were reclassified under assets held for sale.

The amount shown is net of an allowance for obsolescence of €35,579 thousand (€34,160 thousand in the previous year).

29. Trade receivables

(thousands of euro)	30/06/2023	31/12/2022
Trade receivables	667,519	542,095
Less: Loss allowance	(14,140)	(14,626)
Trade receivables, net	**653,379**	**527,469**
Other trade receivables:		
From associates	17,036	14,158
From parent companies	299	48
	670,714	**541,675**

Trade receivables are non-interest bearing and generally have a maturity between 30 and 120 days.

The increase of €129,039 thousand in net trade receivables is attributable to the business seasonality and to a general and substantial increase in sale prices.

30 Other receivables

(thousands of euro)	30/06/2023	31/12/2022
Tax receivables	53,391	48,065
Receivables from social security institutions	1,442	166
Receivables from unconsolidated subsidiaries and associates	1,616	3,135
Loans to customers	33	73
Receivables from suppliers	15,573	15,276
Receivables from personnel	274	281
Current financial assets	155,668	2,442
Loans to third parties and leasing	341	394
Accrued interest income	6,594	2,150
Other accrued income and prepaid expenses	16,700	16,293
Other	15,730	11,073
	267,362	**99,348**

Tax receivables include income tax payments in advance, the residual tax credit granted in Italy to face the increase in electricity prices (€12,446 thousand) and the debit balance, if any, of periodic value added tax liquidation.

Other current financial assets mainly include €154,240 thousand of time deposits in Italy, with a maturity exceeding 3 months.

Receivables from suppliers include advances on the procurement of gas, electricity and other services.

31. Cash and cash equivalents

(thousands of euro)	30/06/2023	31/12/2022
Cash at banks and in hand	503,311	1,107,834
Short-term deposits	283,794	233,654
	787,105	**1,341,488**

Foreign operating companies hold 67.7% of the balance of €787,105 thousand (35.8% in 2022). At the closing date, short-term deposits and securities earn interest at about 4.30% on average (3.05% in 2022), yield in euro is around 2.54%, in dollar 4.36% in other currencies 6.63%. The average maturity of such deposits and securities is lower than 60 days.

32. Assets held for sale

They mainly refer to reclassified assets and liabilities following the agreement reached with CRH on 20 June 2023, which provides for the sale of the equity investments in the Ukrainian subsidiaries (note 5) and of the ready-mix concrete business unit in Eastern Slovakia, specified in detail as follows:

(thousands of euro)	Ukraine	Slovakia	30/06/2023
Assets held for sale			
Other intangible assets	1,612	-	1,612
Right-of-use assets	152	13	165
Property, plant and equipment	32,383	1,576	33,959
Deferred income tax assets	208	-	208
Other non-current assets	1	-	1
Inventories	22,369	287	22,656
Trade receivables	1,011	-	1,011
Other receivables	1,988	-	1,988
Cash and cash equivalents	9,849	-	9,849
	69,573	**1,876**	**71,449**
Liabilities held for sale			
Lease liabilities	171	-	171
Employee benefits	1,014	-	1,014
Provisions for liabilities and charges	695	-	695
Current portion of lease liabilities	3	-	3
Trade payables	2,915	-	2,915
Other payables	1,765	-	1,765
	6,563	**-**	**6,563**
	63,010	**1,876**	**64,886**

The completion of the transaction is subject to the granting of the required regulatory approvals and should take place by 2024, for a consideration of approximately €100,000 thousand.

The caption also includes land located in San Antonio, Texas (€2,885 thousand), some plant and machinery of the mothballed Travesio (PN) facility (€945 thousand) and the inactive grinding unit in Manfredonia (FG), (€870 thousand).

33. Share capital

The share capital, unchanged at €123,637 thousand, fully subscribed and paid up, is currently divided into 192,626,154 ordinary shares without nominal value.

As at 30 June 2023, the number of shares outstanding is as follows:

(number of shares)	**Ordinary**
Shares issued	192,626,154
Less: Treasury shares	(7,494,316)
Outstanding at end of period	**185,131,838**

34. Other reserves

This line item encompasses several captions, which are listed and described here below:

(thousands of euro)	**30/06/2023**	**31/12/2022**
Exchange differences	(351,713)	(272,162)
Revaluation reserves	88,286	88,286
Merger surplus	249,177	249,177
Other	118,034	117,989
	103,784	**183,290**

Exchange differences reflect the exchange rate fluctuations that occurred starting from the first-time consolidation of financial statements denominated in foreign currencies. The net negative change in the balance of €79,551 thousand results from two opposing effects: an increase of €23,208 thousand due to the strengthening of the Mexican peso, €11,465 thousand of the Brazilian real, €6,782 thousand of the Polish zloty and €1,695 thousand of the other currencies in Eastern Europe; a decrease of €69,407 thousand due to the depreciation of the Russian ruble, €51,911 thousand of the US dollar, €984 thousand of the Ukrainian hryvnia and €399 thousand of the Algerian dinar.

35. Non-controlling interests

The balance refers to Cimalux SA for €3,454 thousand and to Betonmortel Centrale Groningen (B.C.G.) BV for €1,387 thousand.

36. Debt and borrowings

(thousands of euro)	30/06/2023	31/12/2022
Long-term debt		
Unsecured term loans	555,645	608,150
	555,645	**608,150**
Current portion of long-term debt		
Senior notes and bonds	-	499,907
Unsecured term loans	142,403	94,121
	142,403	**594,028**
Short-term debt		
Bank debts	1,430	-
Accrued interest expense	7,163	12,544
	8,593	**12,544**

In the first six months of the year, there were no proceeds from new borrowings and the bond "Buzzi Unicem €500,000,000 - 2.125% Notes due 2023", issued in April 2016, was early repaid in respect to the deadline of 28 April 2023.

The following table summarizes the carrying amounts of the borrowings compared with their fair value:

	30/06/2023		31/12/2022	
(thousands of euro)	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Floating rate borrowings				
Unsecured term loans	291,472	293,483	293,099	294,926
Fix rate borrowings				
Senior notes and bonds	-	-	499,907	490,855
Unsecured term loans	408,006	405,311	409,172	402,579
	699,478	**698,794**	**1,202,178**	**1,188,360**

The fair value is based on the cash flows discounted at current borrowing rates for the group and is within level 2 of the specific hierarchy.

37 Employee benefits

The obligations for employee benefits are analyzed as follows:

(thousands of euro)	30/06/2023	31/12/2022
By category		
Post-employment benefits:		
Pension plans	179,229	180,805
Healthcare plans	65,636	67,329
Employee severance indemnities	11,412	12,026
Other long-term benefits	7,966	8,075
	264,243	**268,235**

Defined benefit plan assets, amounting to €4,206 thousand, shown separately under assets, relate to a specific situation in the United States, i.e. a positive difference between the fair value of plan assets and the obligation towards a certain category of employees.

The value of pension plans is net of the fair value of the plan assets and is within Level 2 of the specified hierarchy.

38. Provisions for liabilities and charges

(thousands of euro)	Environmental risks and restoration	Antitrust	Legal claims Tax risks	Other risks	Total
At 1 January 2023	59,688	6,710	5,734	68,816	140,948
Additional provisions	627	-	177	5,991	6,795
Discount unwinding	841	-	-	-	841
Unused amounts released	(97)	-	(170)	(1,732)	(1,999)
Used during the period	(560)	-	(726)	(49,806)	(51,092)
Exchange differences	(173)	366	17	(75)	135
Reclassifications	(695)	-	275	-	(420)
Other changes	708	-	(37)	(122)	549
At 30 June 2023	**60,339**	**7,076**	**5,270**	**23,072**	**95,757**

The provision for antitrust refers to the likely imposition of a new penalty in Poland (cement sector), following the Supreme Court's decision to refer the 2015 case back to the Court of Appeal (note 46).

The column other risks includes the provision for CO_2 emission rights which encompasses the liabilities deriving from emissions greater than the free allocations, to be fulfilled by purchasing the rights on the market. Changes during the period mainly relate to uses of €44,163 thousand, matching the emission rights consumed in 2022 and surrendered to the competent authority.

Other risks also include provisions of €4,931 thousand and uses of €4,744 thousand relating to claims not covered by insurance, such as indemnities payable to employees and compensation in case of accidents.

39. Other non-current liabilities

(thousands of euro)	30/06/2023	31/12/2022
Purchase of equity investments	2,394	2,785
Non-controlling interests in partnerships	2,010	1,660
Payables to personnel	305	317
Financial tax payables	38	95
Other	2,063	2,836
	6,810	**7,693**

The caption purchase of equity investments mainly refers to the business combination Seibel & Söhne,.

Other non-current liabilities are all due within five years from the balance sheet date, except for the caption non-controlling interests in partnerships, whose maturity is indefinite. The carrying amount of the line item is deemed to approximate its fair value.

40. Trade payables

(thousands of euro)	30/06/2023	31/12/2022
Trade payables	315,131	322,775
Other trade payables:		
To associates	2,097	1,518
	317,228	**324,293**

41. Income tax payable

This item reflects current income tax liabilities, net of advances, withholdings and tax credits.

42. Other payables

(thousands of euro)	30/06/2023	31/12/2022
Advances	7,094	6,673
Purchase of equity investments	114	141
Payables to social security institutions	14,825	16,203
Payables to personnel	37,806	35,209
Payables to customers	5,681	9,920
Deferred interest income	7	20
Other accrued expenses and deferred income	9,551	9,261
Tax payables	38,796	16,926
Financial tax payables	14,176	14,452
Other	14,019	12,027
	142,069	**120,832**

Payables to customers are represented by contractual liabilities, namely short-term advances received following the sale of products and by the volume rebates settled in a separate transaction with the customer.

The caption tax payables includes the credit balance of periodic value added tax for €27,021 thousand (2022: €5,494 thousand).

Financial tax payables mainly relate to the pending litigation with the municipality of Guidonia (Rome) regarding property taxes (ICI and IMU) (Note 46).

43. Cash generated from operations

(thousands of euro)	1st Half 2023	1st Half 2022
Profit before tax	**552,865**	**119,834**
Adjustments for:		
Depreciation, amortization and impairment charges	128,142	246,905
Equity in earnings of associates and joint ventures	(80,589)	(57,588)
Gains on disposal of fixed assets	(4,983)	(3,071)
Net change in provisions and employee benefits	(52,752)	(48,657)
Net finance costs	(24,921)	56,000
Other non-cash movements	(1,094)	(311)
Changes in operating assets and liabilities:		
Inventories	(7,496)	(59,079)
Trade and other receivables	(139,778)	(144,720)
Trade and other payables	18,588	58,700
Cash generated from operations	**387,982**	**168,013**

44. Dividends

Dividends declared in 2023 amounted to €83,309 thousand (45 cents per share). Dividends declared in 2022 were €74,053 thousand (40 cents per share).

45. Commitments

(thousands of euro)	30/06/2023	31/12/2022
Guarantees granted	32,728	34,601
Other commitments and guarantees	93,946	74,011
	126,674	**108,612**

Guarantees granted include commitments toward banks in favor of investee companies, including an amount of €26,489 thousand for loans granted to the associate Nacional Cimentos Participações SA.

46. Legal claims and contingencies

Buzzi is exposed to legal risks, stemming from the variety and complexity of the norms and regulations that apply to the industrial operations of the group, particularly in the areas of environment, health, safety, product liability, taxation and competition. Consequently, there are claims arising in the normal course of business that are pending against the group. While it is not feasible to predict in a precise way the outcome of any case, it is the opinion of management that the ultimate dispositions will not have a material adverse effect on the group's financial condition. Instead, when it is likely that an outflow of resources is required to settle obligations and the amount can be reliably estimated, the group recognizes specific provisions for this purpose.

Fiscal

In 2016 the company was subject to audit by the Revenue Service for the year 2012 and controls on subsequent years (from 2013 to 2016). The Revenue Service followed-up in December 2017, December 2018 and July 2019 by notifying assessment notices relating to the 2012, 2013, 2014, 2015 and 2016 financial years, containing remarks on the corporate income tax (IRES) and the regional tax on production activities (IRAP). The greater taxable amount contested in the notices of assessment mainly refers to the failure to charge a royalty to Buzzi's foreign subsidiaries in the USA and Germany for the use of the corporate logo. For IRES and IRAP purposes, the higher taxable amount established for the five years totals approximately €77.6 million. For IRES purposes, for all five years the declared tax loss is higher than the disputed amounts, therefore no higher IRES, interest or penalties are due. On the other hand, for IRAP purposes, the assessment entails a request, only for the years 2012, 2013 and 2014, for higher taxes and related penalties as well as interest for approximately €2.0 million. For the years 2015 and 2016 the declared negative taxable amount is higher than the disputed amounts, therefore for these financial years no higher IRAP, interests and penalties are due. The company has filed an appeal against all the assessment notices (years 2012, 2013, 2014, 2015 and 2016) and requested the initiation of the 'mutual agreement procedure'(MAP) provided for in the treaties in force with the Countries involved, considering that the defense elements are well-grounded and sound and the risk of losing is remote.

Following the conclusion of the ‘mutual agreement procedure’(MAP) with the United States for all the years subject to the dispute, the Revenue Service on 26 November 2021 communicated that the competent Italian and US authorities agreed to redetermine the adjustments by the Italian tax administration to a significantly more favorable extent than the remarks made during the assessment, with a partial recognition of this adjustment by the US authority. The company decided to accept this agreement, but its execution with the United States will be carried out at the conclusion of the mutual agreement procedure still in place on the same issues with Germany. The company, therefore, set aside the higher tax deriving from the acceptance of the agreement with the United States (approximately €185 thousand) to provision for risks and charges, while maintaining the registration, made in previous years, of the receivable for the sums paid on a provisional basis pending judgment, until the final conclusion of the dispute.

Between 2015 and 2022 the municipality of Guidonia Montecelio (Rome) notified Buzzi some notices of assessment related to higher ICI/IMU and TASI, besides penalties and interests, regarding the years from 2008 to 2021 for a total amount of approximately €29 million. The municipality bases its request on the assumption that the land belonging to Buzzi which is used to quarry raw materials can be comparable, for the purpose of local property taxes, to land for development. Considering this request as incorrect and, subordinately, that the market values of the aforementioned properties used as a reference for the calculation of the tax are completely unfair, the company challenged all the tax deeds received before the competent Tax Courts of Justice. At present, with reference to the different years contested, Tax Court of First Instance of Rome and Regional Court of Second Instance of Lazio have filed several unfavorable judgments to the company and also some favorable ones. However, considering that it has valid reasons, Buzzi challenged, or intends to challenge, all the sentences with a negative outcome. For eight cases, the public hearing at the Court of Cassation has been set for 14 September 2023. With reference to some of the years for which Buzzi was losing at the outcome of the first or the second instance judgment, the municipality ordered the provisional payment of an amount of approximately €4.9 million, which the company paid in full, as well as of an amount of approximately €3.1 million which was partly not due as a result of the judgment at second instance. In any case, Buzzi will request the reimbursement of the amounts paid on a provisional basis which, following the respective appeal proceedings, were not or will not be due. The company fully recorded the higher taxes in the balance sheet, with the related interest and penalties, for all the years in which the appeals were rejected at first instance. The company, finally, keeps in the balance sheet the amounts requested always by the Municipality of Guidonia Montecelio (Rome) with eight more executive notices of assessment for IMU (from 2017 to 2021) and TASI (from 2017 to 2019) notified in 2022 (for a total of approximately €7.6 million).

Antitrust

As regards the antitrust fine of €59.8 million imposed on 7 August 2017 on Buzzi and other cement companies for having created an alleged anti-competitive agreement, which lasted from June 2011 until January 2016, it should be pointed out that, on 22 December 2020, the European Court of Human Rights (ECHR) declared as admissible the appeal for the request for compensation presented on 22 May 2020. We are waiting for the assessment on its merits by the Court. The full amount of the fine has been paid. In relation to the actions sanctioned by the Italian Antitrust Authority, Buzzi has received several letters requesting compensation, to which it has always replied rejecting all charges. To date, the company has also received acts of summons to compensate for damages as a result of the alleged overcharge paid following the agreement sanctioned by the Italian Antitrust Authority, for a total amount of approximately €27 million, in addition to two summons (relating to a plurality of plaintiffs) for a total of approximately €87 million, of which about €10 million directly attributable to Buzzi. The company, as mentioned, believes that it has acted in full compliance with antitrust regulations and has therefore appealed before the court to prove its non-involvement in any violation.

Against the decision of the Antitrust Authority of Poland concluded by imposing sanctions on 6 producers, including the subsidiary Dyckerhoff Polska, for an amount of approximately €15 million, an appeal was filed before the Regional Court of Warsaw which ruled in December 2013 reducing the fine to approximately €12.3 million. Dyckerhoff Polska appealed against the recalculation of the penalty. The Court of Appeal, following a procedure of consultation with the Polish Constitutional Court, summarized the proceeding in January 2018 and in the hearing of 27 March 2018 decided to further reduce the fine to approximately €7.5 million, which have been fully paid. The company, once the motivations for the judgment had been acquired, decided to challenge the decision before the Supreme Court. On 29 July 2020, the Supreme Court cancelled the decision of the Court of Appeal and referred the case back to the same Court for a reconsideration of the sanction. As a result of this decision, the penalty paid was reimbursed to the company, but based on the motivations of the Supreme Court, it is likely that a new penalty for a similar amount will be imposed. The company has therefore recorded a provision equal to the reimbursed penalty in the financial statements. On 21 May 2021, the Court of Appeal decided to refer the proceedings to the Warsaw Regional Court for further investigation. The decision was appealed by the Polish Antitrust Authority and then deferred by decision of 15 March 2023 to the European Court of Justice for the assessment of a dispute by Cemex Poland on the composition of the Court itself.

Environmental

As regards the measures adopted for the remediation of the Augusta (Siracusa) roadstead, the land areas and the respective underneath aquifers, Buzzi is involved in a number of proceedings before the Regional Administrative Court (TAR) of Sicily – Catania division – and the Administrative Justice Council of Sicily (CGARS) against the former Ministry for Environment, Land and Sea Protection and various public and private entities. At the end of the above-mentioned judgments, the TAR of Sicily, Catania, with judgment dated 11 September 2012, not appealed by the Ministry, acknowledged that the company was not involved at all in the pollution of the Augusta roadstead and, on the basis of this ruling, at the end of 2017 the Ministry warned the other companies operating on the Augusta roadstead, with the exception of Buzzi, to clean up the roadstead.

Furthermore the CGARS, with sentence of 15 November 2018, established the need to correctly re-determine the responsibilities of the companies operating on the Augusta roadstead, making reference to the various positions, including that of Buzzi. Also following this judgement, no further involvement of the company followed in relation to the remediation of the roadstead, with respect to which the absence of a causal link with the production cycle of the Augusta cement plant seems to be consolidated.

In the light of what was established in the aforementioned sentences and of the ministerial clarification intervened in the trial on the fact that the definitive project for the safety enhancement and clean-up, challenged by the company before the competent courts, was now outdated, Buzzi declared the lack of interest in pursuing the remaining pending proceedings, which were consequently and definitively closed due to nonsuit.

In conclusion, any potential critical issues seem to be limited to Buzzi's involvement in the remediation of the land areas and the aquifer, about which the company has carried out on its own, qualifying itself as the guiltless owner of the contamination, the procedural formalities aimed at the characterization, risk analysis and remediation and/or permanent safety enhancement of land areas and the portions of the aquifer concerned. These obligations, on which the Ministry of the Environment has expressed a positive opinion, with prescriptions, also through decision-making meetings, which the company has not contested, are in progress without any new relevant critical issue emerging during the monitoring activities.

Waiting for the developments related to the above actions, in consideration of the fact that Buzzi has so far voluntarily taken care of the remediation process, and that no specific requests from the Public Administration have emerged in recent years, it has been decided to maintain a provision for risks of €1.5 million.

In the United States of America, numerous lawsuits and claims exist that have been filed against Lone Star Industries, Inc. (LSI) regarding silica-containing or asbestos-containing materials sold or distributed by the company or its subsidiaries in the past and used primarily in construction and other industries. The plaintiffs allege that the use of such materials caused work-related injuries. LSI maintained product liability and comprehensive general liability insurance coverage, to the extent available, for most of the time that it sold or distributed silica-containing and asbestos-containing materials. Further, between 2009 and 2010, LSI and its major insurance carriers entered into settlement agreements that define the parties' responsibilities and cost shares for these liabilities until amended or terminated in accordance with their terms. LSI and the insurance carriers are in the process of negotiating amendments to the settlement agreements. The insurance carriers continue to follow the settlement agreements and no carrier has provided notice of termination. Estimating the costs associated with silica-related and asbestos-related claims involves many uncertainties that affect the amount and timing of any losses. In addition, LSI has exhausted coverage under certain insurance policies. The company however maintains a provision for amounts not expected to be covered by insurance.

Other legal proceedings

Our Luxembourg subsidiary Cimalux SA has been sued by the the bankruptcy trustee of an investment sold in December 2008 for €0.5 million as part of the sale price paid to our subsidiary. The request, also made against the notary who had drawn up the sale contract in 2008, is based on the alleged nullity of the sale contract as it was concluded during the insolvency dispute period. The Court of First Instance rejected the request against Cimalux, but accepted the request against the notary who appealed against this decision. The bankruptcy trustee also filed an appeal. Cimalux will continue to defend itself in the proceeding whose next hearing is in February 2024 and does not expect a negative impact on the financial statements.

47. Related-party transactions

The company assembles the professional skills, the human resources and the equipment that allow it to provide assistance to other subsidiaries and associates.

Buzzi SpA regularly carries out trading transactions with a number of associates and/or joint ventures, which mainly consist of both the sale and purchase of finished goods, semi-finished products, raw materials and transportation services to entities operating in the business of cement, ready-mix concrete and services. Furthermore, the company provides upon request to the same entities technical and engineering services. Goods are sold on the basis of the price lists in force with non-related parties and services are rendered on a cost-plus basis. There are also some transactions of financial nature with investee and parent companies; equally, they have normal terms and interest rate conditions.

The relationship with the parent company Fimedi SpA and its subsidiaries or other entities that are significantly influenced by individuals with considerable voting power in Fimedi SpA, consists in the rendering of services in the area of administration, taxation, legal affairs, payroll and information systems, for limited amounts.

The company and its Italian subsidiaries Buzzi Unicem Srl, Unical SpA and Testi Cementi Srl, are members of a controlled group of corporations for domestic income tax purposes, with Fimedi SpA acting as the parent.

Set out below are the main transactions carried out with related parties and the corresponding balances at the end of the period:

(thousands of euro)	1st Half 2023	in % of reported balance	1st Half 2022	in % of reported balance
Sales of goods and services:	31,238	1.4	28,669	1.5
associates and unconsolidated subsidiaries	19,878		20,181	
joint ventures	11,317		8,475	
parent companies	14		13	
other related parties	29		-	
Purchases of goods and services:	47,480	3.6	49,334	3.9
associates and unconsolidated subsidiaries	46,428		48,448	
joint ventures	626		546	
other related parties	426		340	
Internal works capitalized:	2	0.2	-	-
other related parties	2		-	
Finance revenues:	2,025	2.9	1,972	2.5
associates and unconsolidated subsidiaries	92		-	
joint ventures	1,933		1,972	
Trade receivables:	17,184	2.6	17,274	2.8
associates and unconsolidated subsidiaries	9,546		8,972	
joint ventures	7,588		8,289	
parent companies	14		13	
other related parties	36		-	
Loans receivable:	226,538	93.6	233,837	87.6
associates and unconsolidated subsidiaries	3,009		-	
joint ventures	223,529		233,837	
Other receivables:	19,012	6.7	19,702	14.4
associates and unconsolidated subsidiaries	3,245		3,394	
joint ventures	6,117		568	
parent companies	9,650		15,740	
Trade payables:	6,966	2.2	7,221	2.1
associates and unconsolidated subsidiaries	6,630		6,978	
joint ventures	165		92	
other related parties	171		151	
Loans payable:	-	-	4,992	0.4
parent companies	-		4,992	
Other payables:	698	0.5	4,931	3.5
associates and unconsolidated subsidiaries	1		-	
parent companies	697		4,931	
Guarantees granted:	27,989		33,003	
joint ventures	27,989		33,003	

Key management includes the directors of the company (executive or non-executive), the statutory auditors and 6 other senior executives of first level.
Their compensation, not included in the previous table, is shown below:

(thousands of euro)	1st Half 2023	1st Half 2022
Salaries and other short-term employee benefits	2,401	2,351
Post-employments benefits	644	465
	3,045	**2,816**

48. Other information

Material non-recurring events and transactions

As stated in the management report, the six months period ended 30 June 2023 was affected by material non-recurring events and transactions, as defined in Consob Communication no. DEM/6064293 of 28 July 2006, with a net positive impact on EBITDA of €3,648 thousand.

Atypical and/or unusual transactions

Please note that Buzzi did not carry out atypical and/or unusual transactions during the six months period ended 30 June 2023, as defined in Consob Communication no. DEM/6064293 of 28 July 2006.

Net financial position

The net financial position as at 30 June 2023 is shown in the following table:

(thousands of euro)	30/06/2023	31/12/2022
Cash and short-term financial assets:		
Cash and cash equivalents	(787,105)	(1,341,488)
Other current financial receivables	(164,252)	(8,194)
Short-term financial liabilities:		
Current portion of long-term debt	142,403	594,028
Current portion of lease liabilities	20,721	20,260
Short-term debt	8,593	12,544
Other current financial liabilities	14,897	15,314
Net short-term cash	**(764,743)**	**(707,536)**
Long-term financial liabilities:		
Long-term debt	555,645	608,150
Lease liabilities	64,004	58,132
Other non-current financial liabilities	2,432	2,880
Net debt	**(142,662)**	**(38,374)**
Long-term financial assets:		
Derivative financial instruments	(32,910)	(11,031)
Other non-current financial receivables	(236,388)	(238,794)
Net financial position	**(411,960)**	**(288,199)**

Components of net financial positions

The reconciliation of the components of the net financial position not directly identifiable from the items shown in the balance sheet is shown below:

(thousands of euro)	Note	30/06/2023	31/12/2022
Other current financial receivables		**164,252**	**8,194**
Receivables from unconsolidated subsidiaries and associates	30	1,616	3,135
Loans to customers	30	33	73
Loans to third parties and leasing	30	341	394
Accrued interest income	30	6,594	2,150
Current financial assets	30	155,668	2,442
Other current financial payables		**(14,897)**	**(15,314)**
Purchase of equity investments	42	(114)	(141)
Financial tax payables	42	(14,176)	(14,452)
Other financial payables	42	(600)	(701)
Deferred interest income	42	(7)	(20)
Other non-current financial receivables		**236,388**	**238,794**
Loans to third parties and leasing	27	1,806	2,074
Loans to associates and joint ventures	27	224,922	226,890
Loans to customers	27	9,660	9,830
Other non-current financial payables		**(2,432)**	**(2,880)**
Purchase of equity investments	39	(2,394)	(2,785)
Financial tax payables	39	(38)	(95)

49 Events after the balance sheet date

No significant events occurred after the balance sheet date.

As far as the trading outlook is concerned, reference is made to the appropriate chapter in the review of operations.

Casale Monferrato, 3 August 2023

On behalf of the Board of Directors

Chairman
Veronica Buzzi

List of companies included in the consolidated financial statements and of equity investments

Name	Registered office		Share capital	Ownership interest held by	% of ownership
Companies consolidated on a line-by-line basis					
Buzzi SpA	Casale Monferrato (AL)	EUR	123,636,659		
Buzzi Unicem Srl	Casale Monferrato (AL)	EUR	120,000,000	Buzzi SpA	100.00
Unical SpA	Casale Monferrato (AL)	EUR	130,235,000	Buzzi SpA	100.00
Dyckerhoff GmbH	Wiesbaden DE	EUR	105,639,816	Buzzi SpA	100.00
Alamo Cement Company	San Antonio US	USD	200,000	Buzzi SpA	100.00
RC Lonestar Inc.	Wilmington US	USD	10	Buzzi SpA Dyckerhoff GmbH	51,50 48,50
Buzzi Unicem Algérie Sàrl i. L.	Ouled Fayet - Alger DZ	DZD	3,000,000	Buzzi SpA	70.00
Testi Cementi Srl	Casale Monferrato (AL)	EUR	1,000,000	Buzzi Unicem Srl	100.00
Arquata Cementi Srl i. L.	Casale Monferrato (AL)	EUR	100,000	Buzzi Unicem Srl	100.00
Falconeria Srl	Casale Monferrato (AL)	EUR	50,000	Buzzi Unicem Srl	100.00
Dyckerhoff Beton GmbH & Co. KG	Wiesbaden DE	EUR	18,000,000	Dyckerhoff GmbH	100.00
GfBB prüftechnik GmbH & Co. KG	Flörsheim DE	EUR	50,000	Dyckerhoff GmbH	100.00
Portland Zementwerke Seibel und Söhne GmbH & Co. KG	Erwitte DE	EUR	250,000	Dyckerhoff GmbH	100.00
Dyckerhoff Basal Nederland BV	Nieuwegein NL	EUR	18,002	Dyckerhoff GmbH	100.00
Cimalux SA	Esch-sur-Alzette LU	EUR	29,900,000	Dyckerhoff GmbH	98.43
Dyckerhoff Polska Sp zoo	Nowiny PL	PLN	70,000,000	Dyckerhoff GmbH	100.00
Cement Hranice as	Hranice CZ	CZK	510,219,300	Dyckerhoff GmbH	100.00
ZAPA beton as	Praha CZ	CZK	300,200,000	Dyckerhoff GmbH	100.00
OOO SLK Cement	Suchoi Log RU	RUB	30,625,900	Dyckerhoff GmbH	100.00
TOB Dyckerhoff Ukraina	Kyiv UA	UAH	230,943,447	Dyckerhoff GmbH	100.00
PRAT Dyckerhoff Cement Ukraine	Kyiv UA	UAH	7,917,372	Dyckerhoff GmbH TOB Dyckerhoff Ukraina	99,98 0,02
Dyckerhoff Gravières et Sablières Seltz SAS	Seltz FR	EUR	180,000	Dyckerhoff Beton GmbH & Co. KG	100.00
Dyckerhoff Kieswerk Trebur GmbH & Co. KG	Trebur-Geinsheim DE	EUR	125,000	Dyckerhoff Beton GmbH & Co. KG	100.00
Dyckerhoff Kieswerk Leubingen GmbH	Erfurt DE	EUR	101,000	Dyckerhoff Beton GmbH & Co. KG	100.00
sibobeton Osnabrück GmbH & Co. KG	Lengerich DE	EUR	5,368,565	Dyckerhoff Beton GmbH & Co. KG	100.00
Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	Erfurt DE	EUR	100,000	Dyckerhoff Beton GmbH & Co. KG	95.00

List of companies included in the consolidated financial statements and of equity investments
(continued)

Name	Registered office		Share capital	Ownership interest held by	% of ownership
Companies consolidated on a line-by-line basis (continued)					
Dyckerhoff Beton Rheinland-Pfalz GmbH & Co. KG	Neuwied DE	EUR	795,356	Dyckerhoff Beton GmbH & Co. KG	70.97
TBG Lieferbeton GmbH & Co. KG Odenwald	Reichelsheim DE	EUR	306,900	Dyckerhoff Beton GmbH & Co. KG	66.67
Dyckerhoff Basal Toeslagstoffen BV	Nieuwegein NL	EUR	27,000	Dyckerhoff Basal Nederland BV	100.00
Dyckerhoff Basal Betonmortel BV	Nieuwegein NL	EUR	18,004	Dyckerhoff Basal Nederland BV	100.00
Béton du Ried SAS	Krautergersheim FR	EUR	500,000	Cimalux SA	100.00
ZAPA beton SK sro	Bratislava SK	EUR	11,859,396	ZAPA beton as Cement Hranice as	99,97 0,03
OOO CemTrans	Suchoi Log RU	RUB	185,000,000	OOO SLK Cement	100.00
OOO Dyckerhoff Suchoi Log, obshestvo po sbitu tamponashnich zementow	Suchoi Log RU	RUB	259,100,000	OOO SLK Cement	100.00
TOB Dyckerhoff Transport Ukraina	Kyiv UA	UAH	51,721,476	TOB Dyckerhoff Ukraina	100.00
Alamo Concrete Products Company	San Antonio US	USD	1	Alamo Cement Company	100.00
Alamo Transit Company	San Antonio US	USD	1	Alamo Cement Company	100.00
Buzzi Unicem USA Inc.	Wilmington US	USD	10	RC Lonestar Inc.	100.00
Midwest Material Industries Inc.	Wilmington US	USD	1	RC Lonestar Inc.	100.00
Lone Star Industries Inc.	Wilmington US	USD	28	RC Lonestar Inc.	100.00
River Cement Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00
River Cement Sales Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00
Signal Mountain Cement Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00
Heartland Cement Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00
Heartland Cement Sales Company	Wilmington US	USD	10	RC Lonestar Inc.	100.00
Hercules Cement Company LLC	Wilmington US	USD	n/a	RC Lonestar Inc.	100.00
Dyckerhoff Transportbeton Schmalkalden GmbH & Co. KG	Erfurt DE	EUR	512,000	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	67.55

List of companies included in the consolidated financial statements and of equity investments

(continued)

Name	Registered office		Share capital	Ownership interest held by	% of ownership
Companies consolidated on a line-by-line basis (continued)					
MegaMix Basal BV	Nieuwegein NL	EUR	27,228	Dyckerhoff Basal Betonmortel BV	100.00
Friesland Beton Heerenveen BV	Heerenveen NL	EUR	34,487	Dyckerhoff Basal Betonmortel BV	100.00
Betonmortel Centrale Groningen (B.C.G.) BV	Groningen NL	EUR	42,474	Dyckerhoff Basal Betonmortel BV	66.03
ZAPA beton HUNGÁRIA kft	Zsujta HU	HUF	88,000,000	ZAPA beton SK sro	100.00
Buzzi Unicem Ready Mix, LLC	Nashville US	USD	n/a	Midwest Material Industries Inc.	100.00
RED-E-MIX, LLC	Springfield US	USD	n/a	Midwest Material Industries Inc.	100.00
RED-E-MIX Transportation, LLC	Springfield US	USD	n/a	Midwest Material Industries Inc.	100.00
Utah Portland Quarries Inc.	Salt Lake City US	USD	378,900	Lone Star Industries Inc.	100.00
Rosebud Real Properties Inc.	Wilmington US	USD	100	Lone Star Industries Inc.	100.00
Investments in joint ventures valued by the equity method					
Fresit BV	Amsterdam NL	EUR	6,795,000	Buzzi SpA	50.00
Presa International BV	Amsterdam NL	EUR	7,900,000	Buzzi SpA	50.00
Nacional Cimentos Participações SA	Recife BR	BRL	873,072,223	Buzzi SpA	50.00
Cementi Moccia SpA	Napoli	EUR	7,398,300	Buzzi Unicem Srl	50.00
E.L.M.A. Srl	Sinalunga (SI)	EUR	15,000	Unical SpA	50.00
Nacional Projetos de Cimento SA	Recife BR	BRL	13,606,955	Nacional Cimentos Participações SA	100.00
Mineração Bacupari SA	Recife BR	BRL	8,858,155	Nacional Cimentos Participações SA	100.00
Companhia Nacional de Cimento - CNC	Recife BR	BRL	691,520,831	Nacional Cimentos Participações SA	100.00
Agroindustrial Delta de Minas SA	Recife BR	BRL	26,319,159	Nacional Cimentos Participações SA	100.00
Nacional Cimentos Paraíba SA	Recife BR	BRL	265,203,765	Nacional Cimentos Participações SA	100.00
Lichtner-Dyckerhoff Beton GmbH & Co. KG	Berlin DE	EUR	200,000	Dyckerhoff Beton GmbH & Co. KG	50.00
ZAPA UNISTAV sro	Brno CZ	CZK	20,000,000	ZAPA beton as	50.00
EKO ZAPA beton sro	Praha CZ	CZK	1,008,000	ZAPA beton as	50.00
Corporación Moctezuma, SAB de CV	Mexico MX	MXN	171,376,652	Fresit BV Presa International BV	51,51 15,16
CCS Cimento de Sergipe SA	Aracaju BR	BRL	2,411,000	Nacional Projetos de Cimento SA	100.00
Mineração Delta de Sergipe SA	Aracaju BR	BRL	823,184	Nacional Projetos de Cimento SA	100.00
Mineração Delta do Rio SA	Recife BR	BRL	1,699,385	Nacional Projetos de Cimento SA	100.00
Mineração Delta do Paraná SA	Recife BR	BRL	5,464,139	Nacional Projetos de Cimento SA	100.00
Agroindustrial Árvore Alta SA	Recife BR	BRL	642,000	Nacional Projetos de Cimento SA	100.00
CCA Holding SA	Belo Horizonte BR	BRL	910,802,628	Companhia Nacional de Cimento - CNC	100.00
CCP Holding SA	Recife BR	BRL	307,543,000	Nacional Cimentos Paraíba SA	85.00
Ravenswaarden BV	Zutphen NL	EUR	18,000	Dyckerhoff Basal Toeslagstoffen BV	50.00
Eljo Holding BV	Groningen NL	EUR	45,378	Dyckerhoff Basal Betonmortel BV	50.00
Megamix-Randstad BV	Gouda NL	EUR	90,756	Dyckerhoff Basal Betonmortel BV	50.00

List of companies included in the consolidated financial statements and of equity investments
(continued)

Name	Registered office		Share capital	Ownership interest held by	% of ownership
Investments in joint ventures valued by the equity method (continued)					
Cementos Moctezuma, SA de CV	Mexico MX	MXN	2,421,712,754	Corporación Moctezuma, SAB de CV	100.00
Companhia de Cimento Campeão Alvorada – CCA	Belo Horizonte BR	BRL	867,511,283	CCA Holding SA	100.00
Cantagalo Empreendimentos SA	Cantagalo BR	BRL	248,268	Companhia Nacional de Cimento - CNC CCA Holding SA	51,29 48,71
Delta de Arcos SA	Matozinhos BR	BRL	466,668	Companhia Nacional de Cimento - CNC CCA Holding SA	51,17 48,83
Delta de Matozinhos SA	Matozinhos BR	BRL	1,314,836	Companhia Nacional de Cimento - CNC CCA Holding SA	51,17 48,83
Companhia de Cimento da Paraíba - CCP	Recife BR	BRL	319,642,205	CCP Holding SA	100.00
Mineração Nacional SA	Recife BR	BRL	31,756,571	CCP Holding SA	100.00
Maquinaria y Canteras del Centro, SA de CV	Mexico MX	MXN	19,597,565	Cementos Moctezuma, SA de CV	51.00

List of companies included in the consolidated financial statements and of equity investments

(continued)

Name	Registered office		Share capital	Ownership interest held by	% of ownership
Investments in associates valued by the equity method					
Hinfra Srl	Casale Monferrato (AL)	EUR	10,000	Buzzi SpA	60.00
Société des Ciments de Sour El Ghozlane EPE SpA	Sour El Ghozlane DZ	DZD	1,900,000,000	Buzzi SpA	35.00
Société des Ciments de Hadjar Soud EPE SpA	Azzaba DZ	DZD	1,550,000,000	Buzzi SpA	35.00
Laterlite SpA	Solignano (PR)	EUR	22,500,000	Buzzi SpA	33.33
Salonit Anhovo Gradbeni Materiali dd	Anhovo SL	EUR	36,818,921	Buzzi SpA	25.00
w&p Cementi SpA	San Vito al Tagliamento (PN)	EUR	2,000,000	Buzzi SpA	25.00
Calcestruzzi Faure Srl	Salbertrand (TO)	EUR	53,560	Unical SpA	24.00
Edilcave Srl	Villar Focchiardo (TO)	EUR	72,800	Unical SpA	20.00
Warsteiner Kalksteinmehl GmbH & Co. KG i. L.	Warstein DE	EUR	51,129	Dyckerhoff GmbH	50.00
Warsteiner Kalksteinmehl Verwaltungsgesellschaft mbH i. L.	Warstein DE	EUR	25,600	Dyckerhoff GmbH	50.00
CI4C GmbH & Co. KG	Heidenheim an der Brenz DE	EUR	40,000	Dyckerhoff GmbH	25.00
Projektgesellschaft Warstein-Kallenhardt Kalkstein mbH	Warstein DE	EUR	25,200	Dyckerhoff GmbH	25.00
Köster/Dyckerhoff Vermögensverwaltungs GmbH	Warstein DE	EUR	25,000	Dyckerhoff GmbH	24.90
Köster/Dyckerhoff Grundstücksverwaltungs GmbH & Co. KG	Warstein DE	EUR	10,000	Dyckerhoff GmbH	24.90
Nordenhamer Transportbeton GmbH & Co. KG	Nordenham DE	EUR	322,114	Dyckerhoff Beton GmbH & Co. KG	51.59
BLD Betonlogistik Deutschland GmbH	Rommerskirchen DE	EUR	25,200	Dyckerhoff Beton GmbH & Co. KG	50.00
Lichtner-Dyckerhoff Beton Verwaltungs GmbH	Berlin DE	EUR	25,000	Dyckerhoff Beton GmbH & Co. KG	50.00
TRAMIRA Transportbetonwerk Minden-Ravensberg GmbH & Co. KG	Minden-Dankersen DE	EUR	1,000,000	Dyckerhoff Beton GmbH & Co. KG	50.00
Transass SA	Schifflange LU	EUR	50,000	Cimalux SA	41.00
SA des Bétons Frais	Schifflange LU	EUR	2,500,000	Cimalux SA	41.00
Bétons Feidt SA	Luxembourg LU	EUR	2,500,000	Cimalux SA	30.00
Houston Cement Company LP	Houston US	USD	n/a	Alamo Cement Company	20.00
BLRP Betonlogistik Rheinland-Pfalz GmbH	Rommerskirchen DE	EUR	25,000	Dyckerhoff Beton Rheinland-Pfalz GmbH & Co. KG	50.00
BLN Beton Logistiek Nederland BV	Heteren NL	EUR	26,000	Dyckerhoff Basal Betonmortel BV	50.00
Van Zanten Holding BV	Leek NL	EUR	18,151	Dyckerhoff Basal Betonmortel BV	25.00
Louisville Cement Assets Transition Company	West Palm Beach US	USD	n/a	Lone Star Industries Inc.	25.00
Cooperatie Megamix BA	Almere NL	EUR	80,000	MegaMix Basal BV	37.50

List of companies included in the consolidated financial statements and of equity investments
(continued)

Name	Registered office		Share capital	Ownership interest held by	% of ownership
Other investments in subsidiaries at fair value					
GfBB prüftechnik Verwaltungs GmbH	Flörsheim DE	EUR	25,600	Dyckerhoff GmbH	100.00
Dyckerhoff Beton Verwaltungs GmbH	Wiesbaden DE	EUR	46,100	Dyckerhoff GmbH	100.00
Lieferbeton Odenwald Verwaltungs GmbH	Flörsheim DE	EUR	25,000	Dyckerhoff GmbH	100.00
Bildungs-Zentrum-Deuna GmbH	Deuna DE	EUR	25,565	Dyckerhoff GmbH Bildungs-Zentrum-Deuna GmbH	50,00 50,00
Dyckerhoff Kieswerk Trebur Verwaltungs GmbH	Trebur-Geinsheim DE	EUR	25,000	Dyckerhoff Beton GmbH & Co. KG	100.00
SIBO-Gruppe Verwaltungsgesellschaft mbH	Lengerich DE	EUR	26,000	Dyckerhoff Beton GmbH & Co. KG	100.00
MKB Mörteldienst Köln-Bonn Verwaltungsgesellschaft mbH	Neuss DE	EUR	25,000	Dyckerhoff Beton GmbH & Co. KG	100.00
Dyckerhoff Beton Rheinland-Pfalz Verwaltungs GmbH	Neuwied DE	EUR	26,000	Dyckerhoff Beton GmbH & Co. KG	70.97
Nordenhamer Transportbeton GmbH	Nordenham DE	EUR	25,565	Dyckerhoff Beton GmbH & Co. KG	56.60
Seibel Beteiligungsgesellschaft mbH	Erwitte DE	EUR	25,000	Portland Zementwerke Seibel und Söhne GmbH & Co. KG	100.00
Dyckerhoff Transportbeton Thüringen Verwaltungs GmbH	Erfurt DE	EUR	25,565	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	100.00
Dyckerhoff Transportbeton Schmalkalden Verwaltungs GmbH	Erfurt DE	EUR	25,600	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	67.58
Compañia Cubana de Cemento Portland, SA	Havana CU	CUP	100	Lone Star Industries Inc.	100.00
Transports Mariel, SA	Havana CU	CUP	100	Lone Star Industries Inc.	100.00
Proyectos Industries de Jaruco, SA	Havana CU	CUP	186,700	Compañia Cubana de Cemento Portland, SA	100.00

Certification of the half-yearly condensed consolidated financial statements pursuant to art. 81-ter of Consob regulation no. 11971 of 14 May 1999 as amended

- The undersigned Pietro Buzzi, as Chief Executive Finance, and Elisa Bressan, as Manager responsible for preparing Buzzi's financial reports, hereby certify, pursuant to the provisions of article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998, that the administrative and accounting procedures for the preparation of consolidated financial statements during the first six months of 2023:

  - are adequate with respect to the company structure and
  - have been effectively applied.

- The undersigned also certify that:

a) the consolidated financial statements

  - have been prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and Counsel dated 19 July 2002;
  - correspond to the results documented in the books and the accounting records;
  - provide a true and correct representation of the financial conditions, results of operations and cash flows of the issuer and of the entities included in the scope of consolidation.

b) the interim management report contains a reliable analysis with reference to the important events which occurred during the first six months of the current financial year and their impact on the condensed financial statements, as well as a description of the major risks and uncertainties for the remaining six months of the financial period; the interim management report also includes a reliable analysis of the information about material related party transactions.

Casale Monferrato, 3 August 2023

Chief Executive Finance

Pietro BUZZI

Manager responsible for preparing financial reports

Elisa BRESSAN

BUZZI SPA

REVIEW REPORT ON THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

REVIEW REPORT ON THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Buzzi SpA

Foreword

We have reviewed the accompanying half-yearly condensed consolidated financial statements of Buzzi SpA and its subsidiaries (the “Buzzi Group”) as of 30 June 2023, comprising the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of cash flows, the consolidated statement of changes in equity and related notes to the half-yearly condensed consolidated financial report. The Directors are responsible for the preparation of the half-yearly condensed consolidated financial statements in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these half-yearly condensed consolidated financial statements based on our review.

Scope of Review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution N. 10867 of 31 July 1997. A review of half-yearly condensed consolidated financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the half-yearly condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the half-yearly condensed consolidated financial statements of the Buzzi Group as of 30 June 2023 are not prepared, in all material respects, in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Other Matters

The consolidated financial statements as of and for the year ended 31 December 2022 and the half-yearly condensed consolidated financial statements for the period ended 30 June 2022 were audited and reviewed, respectively, by other auditors, who on 4 April 2023 expressed an unmodified opinion on the consolidated financial statements, and on 3 August 2022 expressed an unmodified conclusion on the half-yearly condensed consolidated financial statements.

Turin, 4 August 2023

PricewaterhouseCoopers SpA

Signed by

Piero De Lorenzi
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers.