HIGHLIGHTS 2020

Buzzi Unicem

2020
HIGHLIGHTS

BUZZI UNICEM

VISION

“

BUZZI UNICEM 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 UNICEM PURSUES VALUE CREATION THROUGH LASTING, EXPERIENCED KNOW-HOW AND OPERATING EFFICIENCY OF ITS INDUSTRIAL OPERATIONS.

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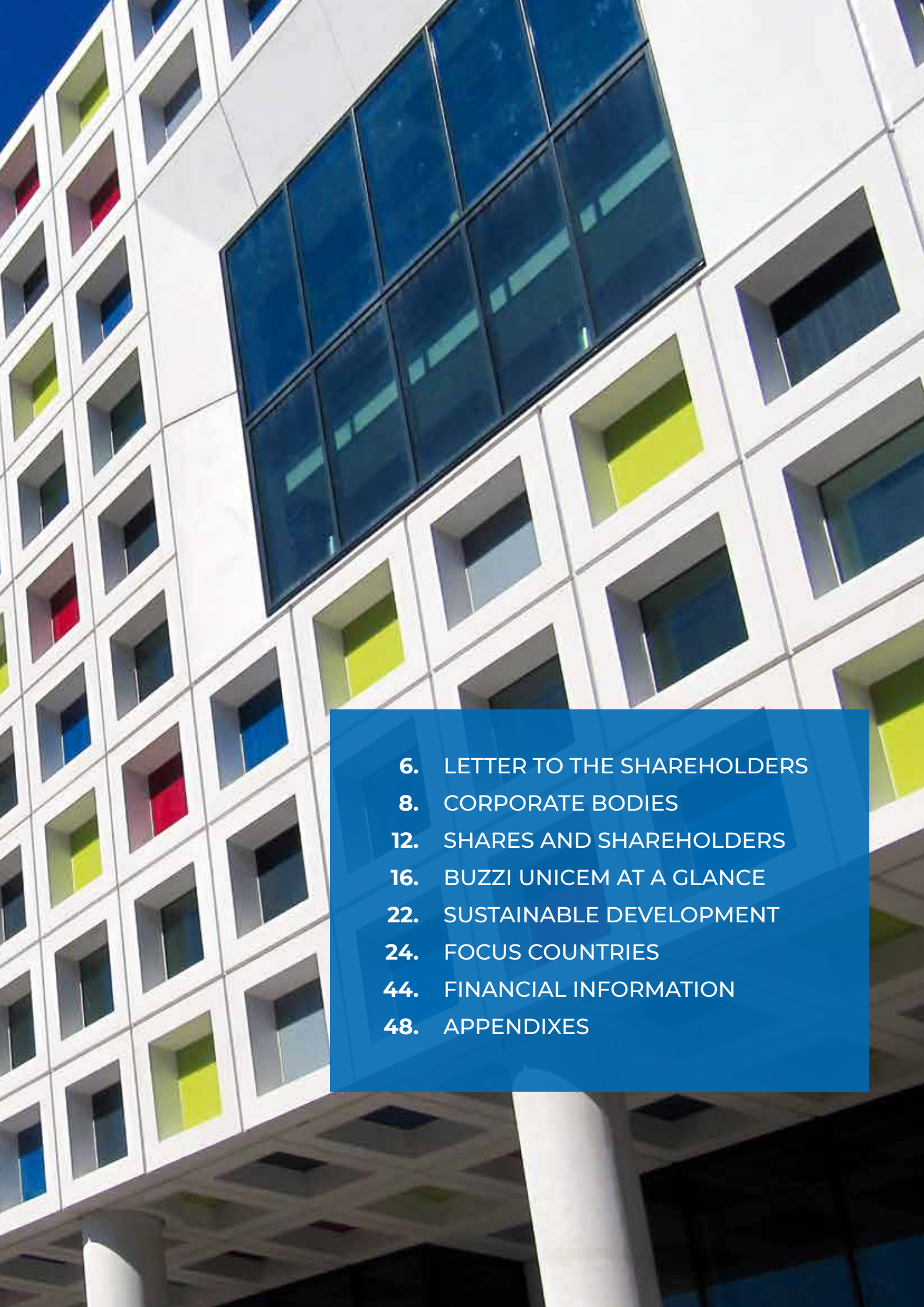

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SOLID RESULTS IN ONE EXTREMELY CHALLENGING YEAR, THANKS TO THE EXEMPLARY COMMITMENT BY ALL OUR PEOPLE

From the last few months of 2019 until now, the Covid-19 pandemic has taken a severe toll on the whole world, creating unprecedented challenges in the medical, economic and social sectors.
Protecting our people and providing them with a safe working environment is a priority for Buzzi Unicem, one we are confident is a deeply shared commitment, and which prompted our swift reaction to the outbreak of the pandemic by modifying procedures and reviewing production systems so that our employees could safely pursue their activities.
I am proud of the commendable response of our colleagues and I thank each and everyone of them, because they worked tirelessly and unreservedly to deal with and overcome extraordinary situations. I also extend my sincerest sympathies to those who have been affected by the suffering caused by this insidious disease.

2020 was a roller coaster year. It began with excellent prospects and was then thrown into complete limbo by production shutdown restrictions, mandated to a greater or lesser extent in different Countries. We have seen a significant recovery in activities since the third quarter, leading to year-end results that would have been unimaginable in March: group revenues in line with last year's, significant improvement in EBITDA and margins, and a capital structure that has been further strengthened.
Our results – which came in above budget – demonstrate strength and resilience, and were achieved while raising the dividend payout and maintaining an adequate level of capital spending.
In view of these results, we have decided to offer our support to the communities that continue to be affected by the pandemic by donating to the areas where our production plants are located, including in Mexico and Brazil.

In 2020, we continued to invest in R&D to improve our carbon footprint. These activities include ongoing studies to develop innovative cement and concrete with a lower clinker content; inaugurating the pilot CLEANKER plant at Vernasca to test the Calcium Looping technology; initiating

the Catch4Climate project in partnership with three leading manufacturers in the sector, which involves building a kiln on a semi-industrial scale based on the Oxyfuel technology. Once these projects have been validated at the industrial level, the ultimate goal is that atmospheric CO_2 emissions will be significantly reduced.

In October, we completed the acquisition of three cement plants and two grinding facilities in Brazil through our subsidiary Cimento Nacional. Currently under review by the local Antitrust Authority, this transaction will strengthen our presence in the southeastern region of a Country that we strongly believe offers great potential and resources.

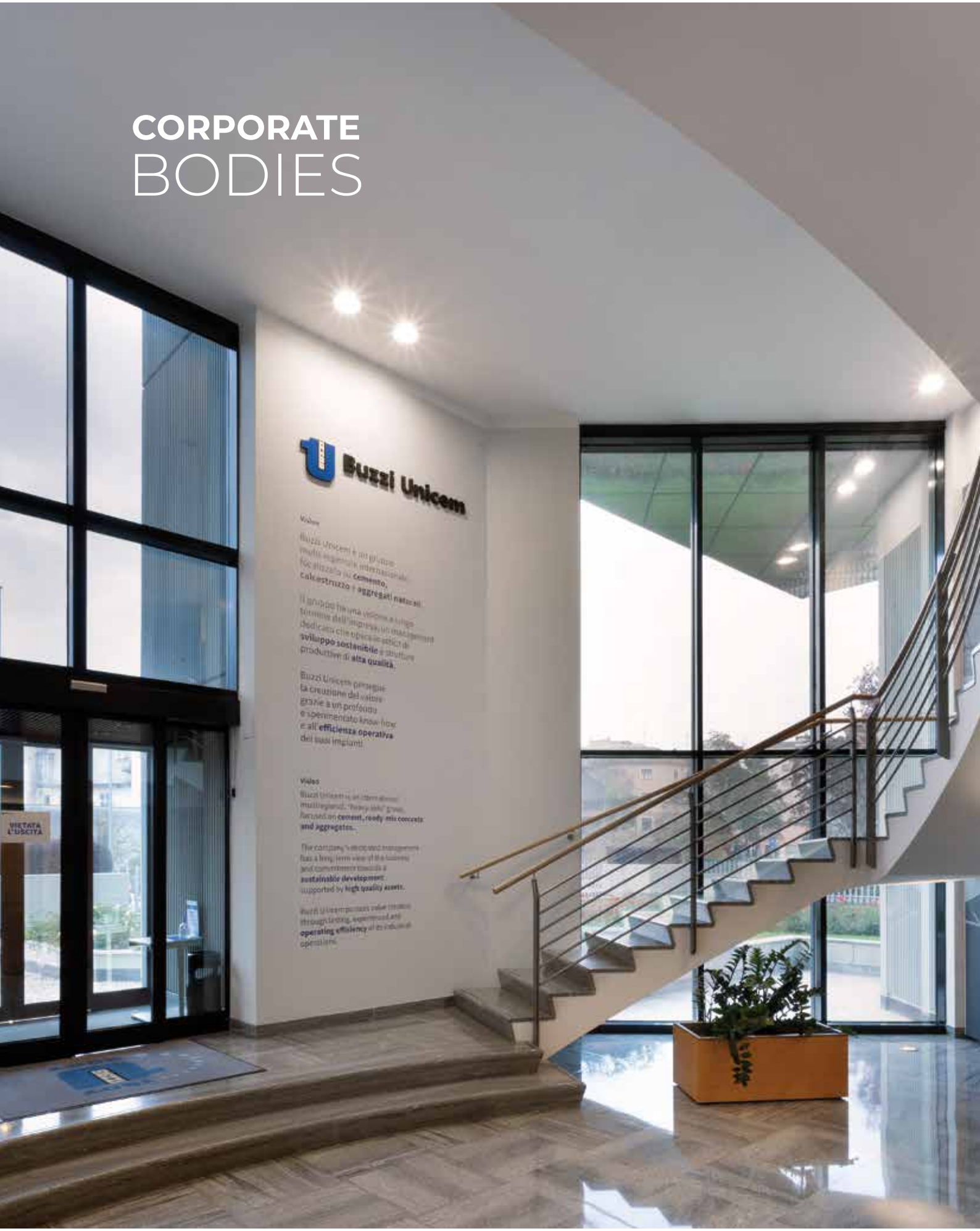
In November, we finalized an important process to simplify our capital structure by converting the savings shares into common shares, a move that is expected to increase both liquidity and the main ratios per share, benefiting all owners of the company.
I would like to thank all our shareholders for your support as we evolve towards a more streamlined, transparent and market-friendly structure.

What awaits us in the coming years?
Our sector will face profound disruptions, challenging objectives and regulatory uncertainties. The goals set by the European Union for 2050 and the climate commitments made by many Countries will require extraordinary innovation and investment.
It is our duty and responsibility to continue investing in our people and Company to make us increasingly fit for the future.
It is our duty and responsibility, as individuals and as a group, to continue focusing on those actions that will lead us to achieve the strategic goals we have set ourselves.

We have always looked ahead, in the past as in the present, to guide our Company - your Company - through the contingent challenges and to create value for all our shareholders and stakeholders; we will continue to do so.

Veronica Buzzi
Chairman

CORPORATE BODIES



Veronica Buzzi
Non-executive Chairman

Born in 1971, mother of four children. Board member since 2011. She has a degree in Business and Economics from the University of Turin. Auditor for Arthur Andersen & Co. from 1996 to 1997. Until 2001, auditor in the Financial Institutions and Corporate Finance practice at McKinsey & Co. Then, until 2002, auditor in the Investor Relations and Financial Planning Department at Buzzi Unicem. Member of the Supervisory Board of Dyckerhoff GmbH since 2013 and of the Executive Council of AIdAF (Italian Association of Family Businesses) from 2013 to 2019. Independent Director at Banca Patrimoni Sella & C. since 2016; member of the Italian Corporate Committee Governance since 2021.

Michele Buzzi
Chief Executive Operations

Born in 1963. Director since 2005. After joining Buzzi Cementi in 1990, he held various management positions, at first in the ready-mix concrete division and then in marketing and sales for the cement division. In 2002, he became Chief Operating Officer of Cemento Italia. For several years he was Vice-President of the Italian Cement Association (AITEC) and board member of Cembureau (European Cement Association). From 2004 to March 2014, he was a member of the Management Board of Dyckerhoff AG. In 2006 he was appointed Chief Executive Operations.

Paolo Burlando
Non-executive Director
Member of the Control and Risk Committee

Born in 1962. Director since 2008. Since 1997 he has worked as a chartered accountant, specializing in extraordinary corporate finance. He is a member of boards and supervisory bodies of various companies; among other things, he is a statutory auditor for Mutui Online S.p.A., a company listed on the Italian Stock Exchange, for Yarpa S.p.A. an investment company of Vittoria Assicurazioni Group and for CLN S.p.A., an industrial company operating in the automotive sector. A sports enthusiast, he is the President and founder of the Equipe Beaulard Ski Club.

Pietro Buzzi
Chief Executive Finance

Born in 1961. Director since 2000. After some external experiences, he joined Buzzi Cementi in 1989, first as a Controller and then with growing operating responsibilities mainly within the finance, administration and information system functions. In 1999, he became Chief Financial Officer and in 2006 he was appointed Chief Executive Finance. He has been a member of the Supervisory Board of Dyckerhoff GmbH since May 2007, currently holding the position of Vice-Chairman. Director of Banco Popolare Scrl from 2011 to 2014. Director of Teoresi S.p.A. from 2017 to 2020.

Luigi (Gigi) Buzzi
Executive director

Born in 1969. Soon after having graduated in 1994, he joined the staff for the construction project of the new plant in Tepetzingo, Morelos, owned by the associated company Cementos Moctezuma. In 1997, he returned to Italy to manage procurement activities for Unical (concrete sector in Italy). Then, in 2000, he became Operational Manager of Unical Area Piedmont. After an experience in Wiesbaden at the subsidiary Dyckerhoff, since 2006 he has been coordinating the Group's sales function, becoming a member of the Supervisory Boards of Dyckeroff (Germany) and of the Group's activities in Poland (Dyckerhoff Polska) and in the Czech Republic (Hranice Cement and Zapa Beton).

Elsa Fornero
Independent non-executive Director

Born in 1948. Director from 2008 to 2011 and since 2014 until the present time. Honorary Professor of Economics at the University of Turin. Scientific Coordinator of the CeRP (Center for Research on Pensions and Welfare Policies), Honorary Senior Fellow of the Carlo Alberto College, and Vice President of SHARE-ERIC. Member of the research committee of the International Network on Financial Education of the OECD, of the Scientific Committee from the Observatoire de l'Epargne Européenne in Paris and the Advisory Council of GFLEC (Global Financial Literacy Excellence Center) of Washington D.C. She is an independent board member of Italmobiliare S.p.A. From 2011 to 2013, she was the Italian Minister of Labor and Social Policies during the Monti government.

Aldo Fumagalli Romario
Independent non-executive Director
Member of the Control and Risk Committee

Born in 1958. Board member since 2011. President and CEO of the multinational SOL Group which operates in the production and distribution of industrial and medicinal gases, and in home healthcare assistance. Member of the General Council and Executive Committee of the Aspen Institute Italia, of the Advisory Board of the Polytechnic Institute of Milan School of Management, of the Board of Assonime and of the Corporate Governance Committee. Formerly Vice-President of Confindustria (1990-1996), Vice-President of Assolombarda (2013-2015), Vice-President of Credito Valtellinese (2012-2014), President of IOMA (2011), Vice-President of Federchimica (1999-2007), President of Assogastecnici (2007-2010) and of the Confindustria Young Entrepreneurs (1990-1994).

Linda Orsola Gilli
Independent non-executive Director

Born in 1953. Director since 2014. She has a degree in Business Management from the Bocconi University of Milan. President and CEO of INAZ. She was appointed with the title "Cavaliere del Lavoro" (Order of Merit for Labor, highest Italian honor for an industry manager) since 2007 and member of the Commissione per le Attività di Formazione della Federazione Nazionale (National Federation Educational Activities Commission) since 2008, and President since 2013. From 2010 to 2013 and since 2019, member of the Board of Directors of the Federazione Nazionale dei Cavalieri del Lavoro - Gruppo Lombardo (National Federation of the Order of Merit for Labor – Lombardy Group) and Vice-President (2014-16). President of ISVI until 2019. Member of the Board of Directors of UCID – Milan and since 2016 member of the Board of Directors of Avvenire S.p.A. Advocate of the "Centesimus Annus" Pro Pontifice Foundation and former member of the Foundation's Advisory Board until 2019. On the Board of Directors (2006-2009) and member of the Bicocca University Evaluation Committee (2009-2013). Director of ISPI (2013-2015) and Member of the Board of Assinform (2009-2013).

Antonella Musy
Independent non-executive Director
Member of the Control and Risks Committee

Born in 1968. Director since 2017. Founding partner of the Law Firm Musy Bianco e Associati, with offices in Turin and Milan. A practicing lawyer, she has been a registered member of the Bar Association of Turin since 1998, specifically in the corporate assistance area. She specializes in labor law and is a board member of the Association of Italian Labor Lawyers (AGI), one of the biggest lawyer's associations in Italy. She has three children and is a representative for the Umberto I Sports Club, appointed by the Board of Directors of the Convitto Nazionale Umberto I (Umberto I National Boarding School) in Turin.

Gianfelice Rocca
Independent non-executive Director

Born in 1948. Director since 2003. President of the Techint Group, of the Istituto Clinico Humanitas (Humanitas Research Hospital) of Milan. Member of the Board of Directors of Brembo S.p.A., of Bocconi University and of the Leonardo da Vinci National Museum of Science and Technology. Member of the Advisory Board of the Polytechnic Institute of Milan, Vice-President of the Aspen Institute and member of the same Executive Committee. He is also a member of the European Advisory Board of the Harvard Business School, of the International Cancer Center Board of Advisors of the Beth Israel Deaconess Medical Center, and, last but not least, member of the Trilateral Commission and of the ERT (European Round Table of Industrialists).

Mario Paterlini
Independent non-executive Director

Born in 1963. Director since 2019. He has a degree in Chemical Engineering from the Université de Technologie de Compiègne, AMP and IDP-C at Insead Fontainebleau. Since 2010 CEO of the Sapio Group, which operates in the production and distribution of technical industrial gases for the medical and household sectors. Member of the Board of Directors of ERG S.p.A., of Carbitalia S.r.l. and of Bomi S.p.A. From 1999 until 2010 he held many positions at the international level at the company Air Products and Chemicals Inc.

Giovanna Vitelli
Independent non-executive Director

Born in 1975. Director since 2020. She graduated with honors in Law in 1999 at the University of Studies in Turin, and practiced law at the Law Firm Bonelli Erede Pappalardo. In 2000, she joined the family group as Director of Azimut Benetti S.p.A., a global leader in the construction of motor yachts, of which she is today the Executive Vice-President, responsible for strategy and product development, as well as of the Group's R&D. She holds the position of Director in Marina di Varazze Srl, AB Finance PLC, Lusben Varazze Srl, and Breithorn S.r.l. She also sits on the Executive Committee of Boot Düsseldorf and she is Vice-President of the Altagamma Foundation.

Board of Statutory Auditors

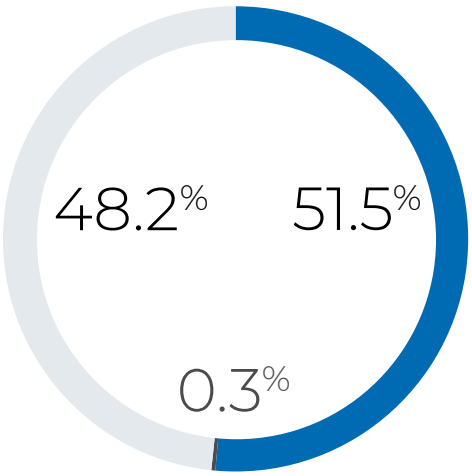
Fabrizio Riccardo Di Giusto	Chairman
Paola Lucia Giordano	Statutory Auditor
Giorgio Zoppi	Statutory Auditor
Giulia De Martino	Alternate Auditor
Domenico Fava	Alternate Auditor
Daniela Bainotti	Alternate Auditor

SHARES AND SHAREHOLDERS

The listing of the Buzzi Unicem shares on the Milan Stock Exchange dates back to September 1999.

Market capitalization as at 31 December 2020 was €3.755 million. At that date the share capital consisted of 165,349,149 ordinary shares and 40,711,949 savings shares, with both share categories having a par value of €0.60. Each ordinary share is entitled to one vote. Savings shares, which grant no voting rights, may be registered shares or bearer shares, according to the individual shareholder's preference.
On 19 November 2020, The Meeting of the Ordinary Shareholders and the Special Meeting of Savings Shareholders approved the mandatory conversion of the no. 40,711,949 savings shares into no. 27,277,005 newly issued ordinary shares as a result of a conversion ratio equal to no. 0.67 ordinary shares for each savings share with the simultaneous elimination of the par value of all shares outstanding.
On 18 January 2021 the mandatory conversion of savings shares into ordinary shares became effective and, therefore, starting from that date the trading on the Italian Stock Exchange has concerned only the ordinary shares. Furthermore, starting from 18 January 2021, Buzzi Unicem share capital has been divided into no. 192,626,154 ordinary shares with no par value.

SHAREHOLDERS



- Buzzi Family Holdings
- Treasury shares
- Free float

CALENDAR

09 Feb
Preliminary results year 2020

25 Mar
Approval of the 2020 financial and non-financial statements

07 May
Trading update at 31 March

07 May
Annual General Meeting of Shareholders

03 Aug
Interim results at 30 June

05 Nov
Trading update at 30 September

Market capitalization

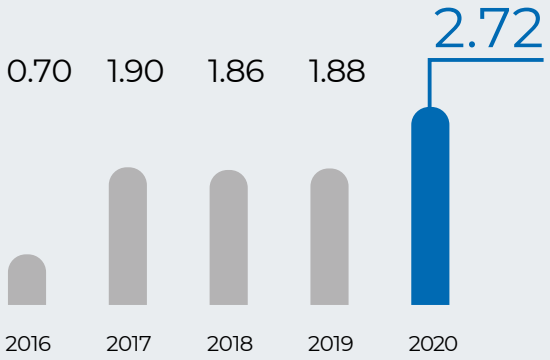
as at 31 December (millions of euro)

Price trend of Buzzi Unicem shares

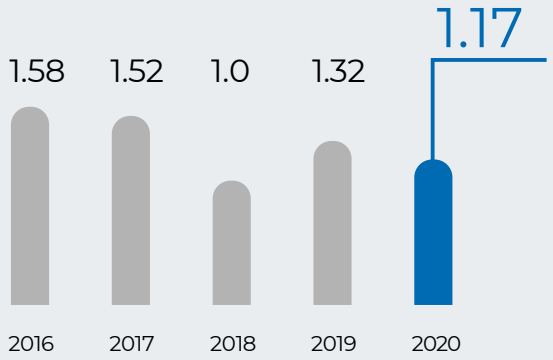
(base January 2013 = 100)

BASIC EPS (ORDINARY)

(euro)

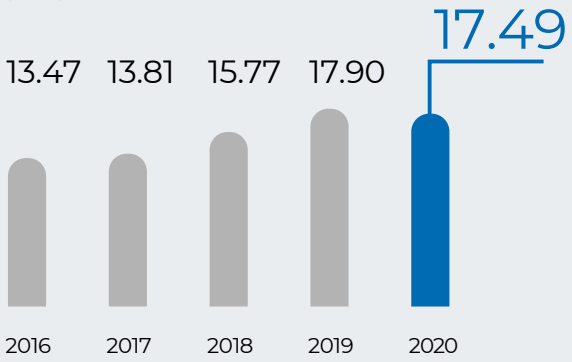


PRICE/SALES RATIO

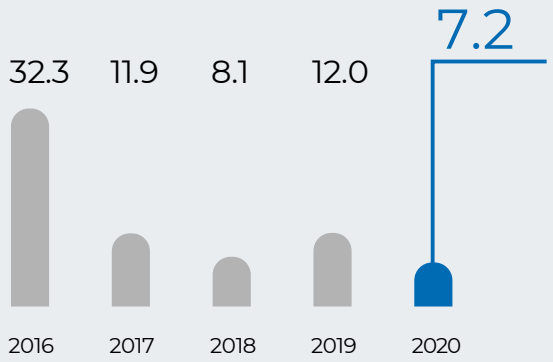


BOOK VALUE PER SHARE

(euro)

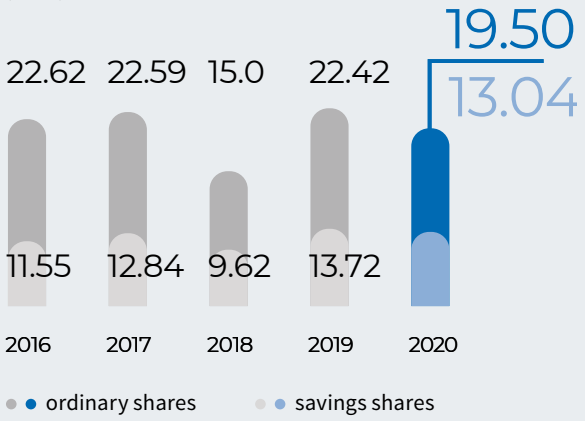


PRICE / EARNINGS RATIO



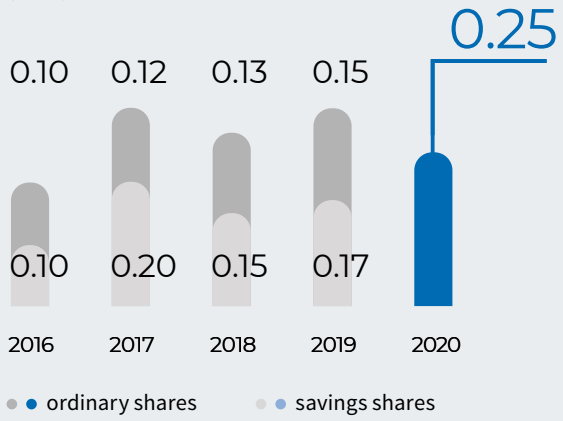
PRICE AT YEAR-END

(euro)



DIVIDEND PER SHARE

(euro)



BUZZI UNICEM

AT A GLANCE

3,2 billion euros
net sales

14 countries

9,683 employees

2 main businesses

29.3
millions of tons
sales volumes

CEMENT

The high quality of Buzzi Unicem products ranges from traditional cements to special binders and is able to offer the most suitable solution for the realization of every kind of construction.

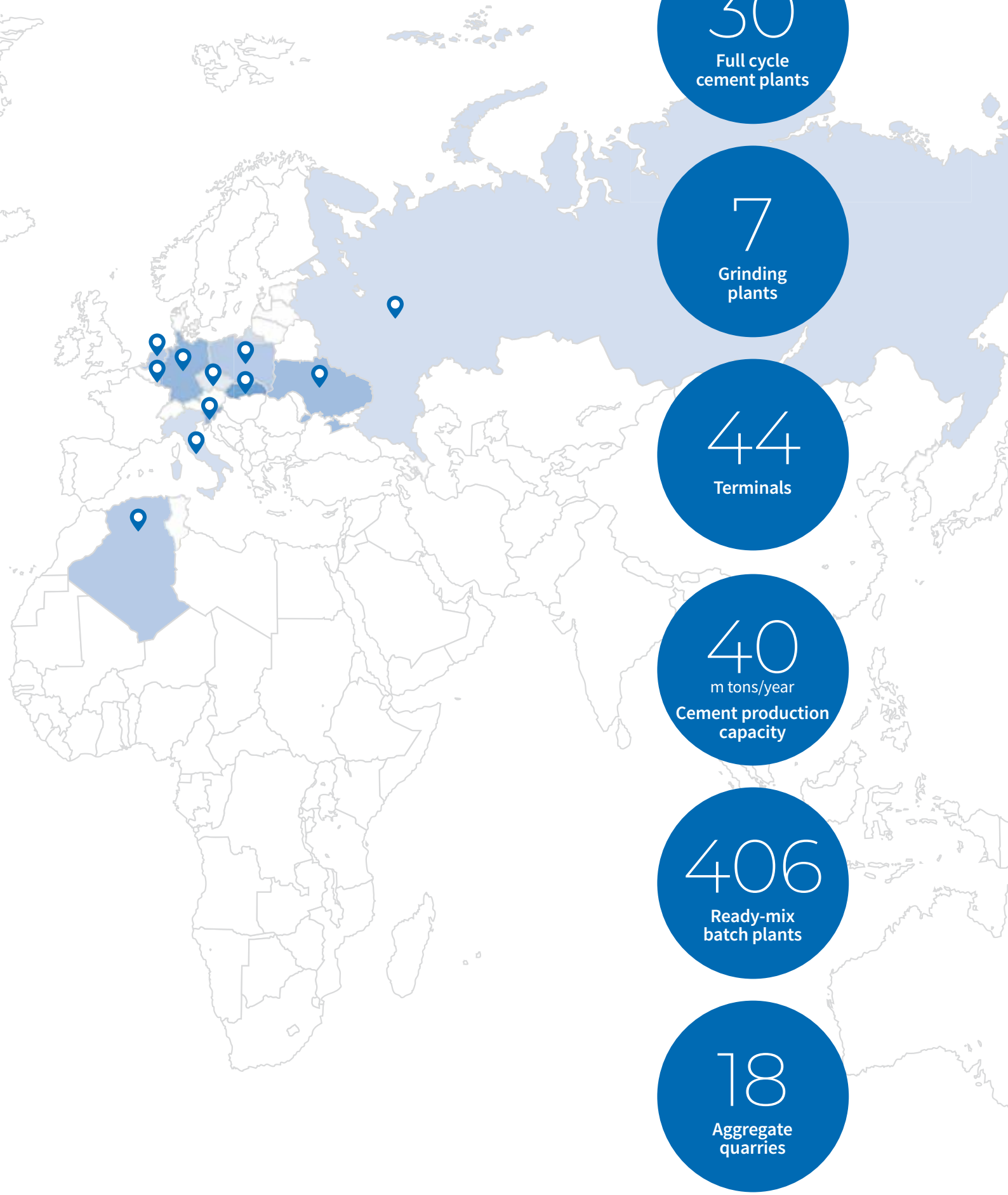
11.7
millions of m³
sales volumes

READY-MIX CONCRETE

Thanks to its versatility and almost unlimited formability, the ready-mix concrete Buzzi Unicem offers to its customers high performance, designed and controlled in its own laboratories, together with assistance in choosing the most suitable mix for any construction site.

INTERNATIONAL PRESENCE

"BUZZI UNICEM IS COMMITTED TO PROMOTING SUSTAINABILITY IN ALL COUNTRIES OF OPERATIONS



30
Full cycle cement plants

7
Grinding plants

44
Terminals

40
m tons/year
Cement production capacity

406
Ready-mix batch plants

18
Aggregate quarries

OUR ENTITIES

Italy	Buzzi Unicem, Unical, Cementi Moccia (50%), Laterlite (33%)
Germany	Dyckerhoff, Dyckerhoff Beton
Luxembourg	Cimalux
Netherlands	Dyckerhoff Basal Nederland
Poland	Dyckerhoff Polska
Czech Republic and Slovakia	Cement Hranice, ZAPA beton
Ukraine	Dyckerhoff Ukraina
Slovenia	Salonit Anhovo (25%)
Russia	SLK Cement
USA	Buzzi Unicem USA, Alamo Cement
Mexico	Corporación Moctezuma (50%)
Brazil	Cimento Nacional (50%)
Algeria	Société des Ciments de Hadjar Soud (35%) Société des Ciments de Sour El Ghozlane (35%)

Operating structure

		ITA	GER	LUX	NLD	POL	CZE SVK	UKR	RUS	USA	TOT	BRA[1]	MEX[1]
Cement plants	no.	13	8	2	-	1	1	2	2	8	**37**	2	3
of which grinding	no.	4	2	1	-	-	-	-	-	-	**7**	-	-
Cement production capacity	m tons/ year	10.8	7.2	1.4	-	1.6	1.1	3.0	4.3	10.2	**39.6**	4.1	8.3
Ready-mix batch plants	no.	119	108	3	13	20	69	5	-	69	**406**	-	32
Aggregate quarries	no.	6	3	-	-	-	6	-	-	3	**18**	-	2
Depots and terminals	no.	2	2	-	-	1	-	2	1	36	**44**	3	-

ITA/Italy, GER/Germany, LUX/Luxembourg, NLD/Netherlands, POL/Poland, CZE/Czech Republic, SVK/Slovakia, UKR/Ukraine, RUS/Russia, USA/ United States of America, BRA/Brazil, MEX/Mexico.
[1] Figures at 100%.

Key Figures

		2014	2015	2016	2017	2018	2019	2020
Cement production	t/000	24,280	24,857	24,901	26,173	27,143	28,306	**28,016**
Concrete sales	m^3/000	12,048	11,936	11,938	12,294	12,093	12,120	**11,743**
Aggregate sales	t/000	7,558	8,120	6,839	6,935	6,753	5,551	**4,853**
Net sales	€ m	2,506	2,662	2,669	2,806	2,873	3,221	**3,222**
Capital expenditures	€ m	318	304	236	218	444	339	**258**
Headcount at year end	no.	10,117	9,738	9,975	10,025	9,880	9,841	**9,683**

Air view Augusta plant.

SUSTAINABLE DEVELOPMENT

POLICIES AND TARGETS

Buzzi Unicem's Sustainability Policies establish the context within which objectives are monitored and periodically re-examined for sustainable growth over time. The Policies are based on the three most important issues for the Company and its stakeholders: Safety, Climate Change and Stakeholder Engagement and each of these, along with the respective targets, can be associated with one or more of the 17 Sustainable Development Goals and highlight Buzzi Unicem's tangible contribution to the 2030 Agenda.

SAFETY POLICY

SAFETY TARGET

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

CLIMATE CHANGE POLICY

CLIMATE CHANGE TARGET

Although there are many factors in play, and not all of these are easy to predict and under the control of Buzzi Unicem, by 2022 we plan to achieve a reduction of CO_2 emissions, based on 2017 production capacity, of 5% compared to 2017 levels.

STAKEHOLDER ENGAGEMENT POLICY

STAKEHOLDER ENGAGEMENT TARGET

The Target involves the implementation of the strategic approach to stakeholder engagement and the organisation of cyclical events in each production site with a high economic, environmental and social impact.

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WE PURSUE WITH CONVICTION THE HEALTH AND SAFETY TARGETS FOR THE PROTECTION OF OUR PEOPLE

Main Environmental Performance

		2018	2019	2020
‘Gross’ direct CO_2 (Scope 1)	kg / t cementitious product	690	688	**694**
Specific thermal consumption	MJ / t clinker	4,080	4,109	**4,138**
Thermal substitution	%	27.1	27.6	**29.2**

Main Social Performance

	2018	2019	2020
Headcount at year end	**9,880**	**9,841**	**9,683**
of which male	85.2%	85.5%	**85.5%**
of which female	14.8%	14.5%	**14.5%**
LTIFR *	6.4	5.8	**4.8**
Fatalities	2	1	**2****
Fatal road traffic accidents (causes still not clear)	-	-	**4**
Management	447	436	**439**
White collars	3,101	3,141	**3,145**
Blue collars	6,090	6,003	**5,851**
Trainees	153	162	**169**
Marginal/helpers	89	99	**79**
Total hires	1,759	1,465	**1,116**
Percentage of hiring	17.8%	14.9%	**11.5%**
Total terminations	1,904	1,637	**1,285**
Turnover rate	19.3%	16.6%	**13.3%**
Absence rate (illness/injuries)	3.7%	3.3%	**3.6%**
Hours of training per capita	32	24	**19**

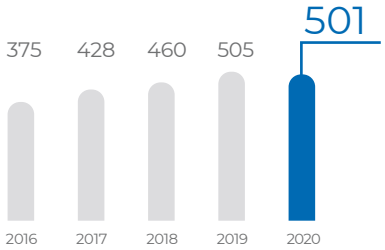
* LTIFR = total number of injuries causing absences from work divided by worked hours and multiplied by 1,000,000 The value includes cement, concrete, aggregates, terminals, transports, offices /laboratories/headquarters, employees + contractors.

** Fatal accidents of workers of local companies in the cement sector in Russia and Ukraine.

FOCUS ITALY

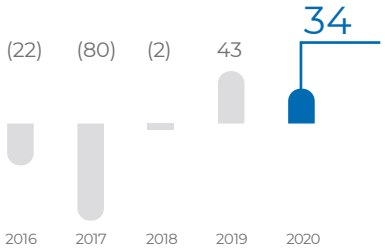
13	10.8	119	6	2
plants	(millions of tons) cement production capacity	ready-mix batch plants	aggregate quarries	depots and terminals

NET SALES
(milions of euro)



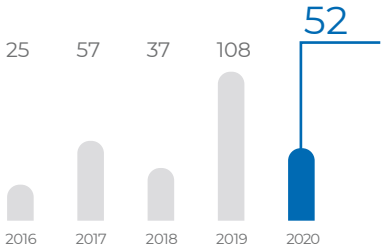
↓ 0.7%

EBITDA
(milions of euro)

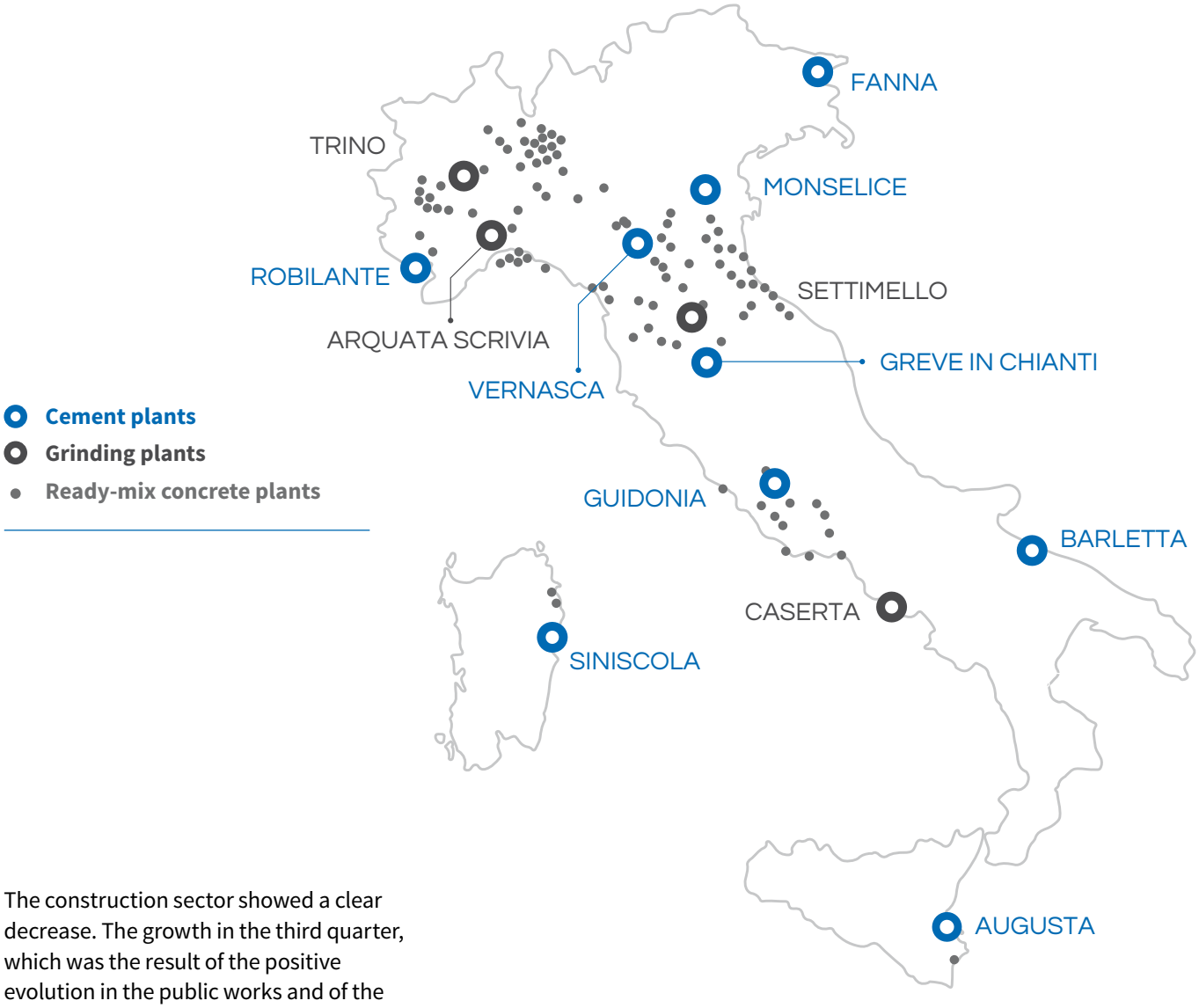


↓ 22.0%

CAPITAL EXPENDITURES
(milions of euro)

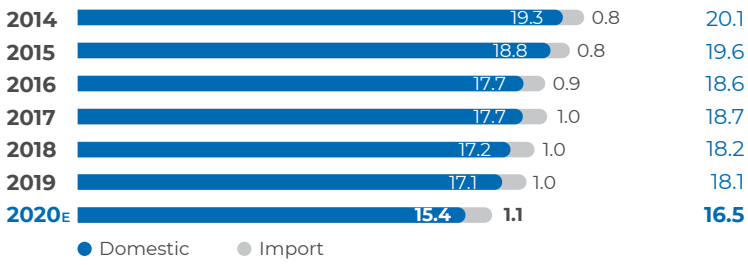


↓ 56.1€m



The construction sector showed a clear decrease. The growth in the third quarter, which was the result of the positive evolution in the public works and of the stability of the residential sectors, was unable to offset the losses suffered in the previous quarters. Domestic cement consumption is estimated to decrease compared to the levels reached at the end of 2019. Volumes of cement and clinker sold were down (-2,8%), after a sharp decline in the first half and a positive trend in the second part of the year, thanks to the strengthening of domestic demand. Average selling prices, showed a positive trend. The ready-mix concrete sector recorded a more marked contraction (-5.4%), despite the good recovery occurred during the second half of the year, with prices improving too.

Cement consumption
(millions of tons)



		2020	2019	2018	2017	2016
Cement production	t/000	**4,616**	4,708	4,516	4,027	3,443
Concrete sales	m^3/000	**2,462**	2,603	2,611	3,093	2,779
Aggregate sales	t/000	**672**	766	738	855	893
Headcount at year end	no.	**1,561**	1,593	1,485	1,632	1,377

FOCUS
USA

8
plants

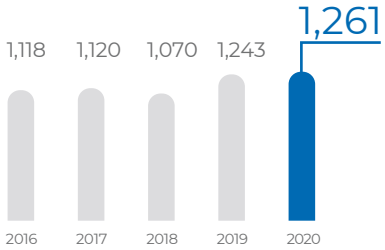
10.2
(millions of tons)
cement production capacity

69
ready-mix batch plants

3
aggregate quarries

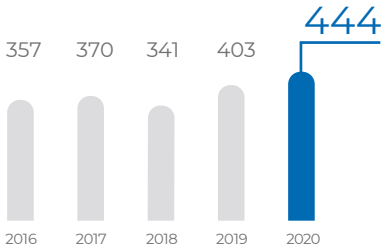
36
depots and terminals

NET SALES
(milions of euro)



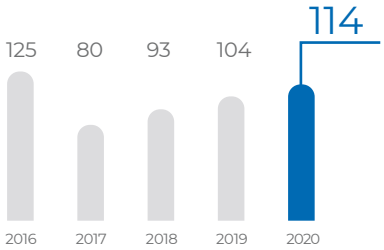
↑ 1.5%

EBITDA
(milions of euro)

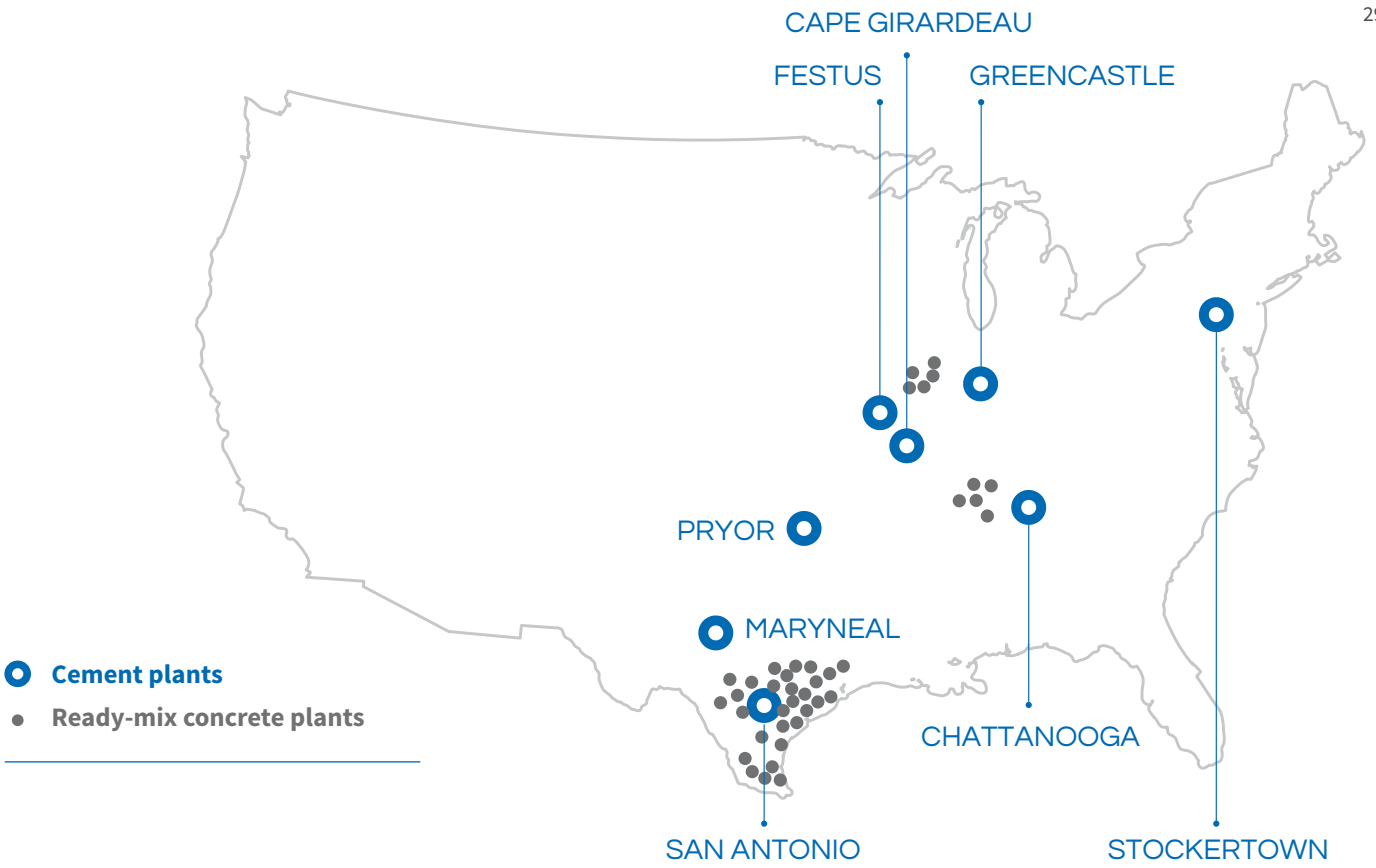


↑ 10.3%

CAPITAL EXPENDITURES
(milions of euro)

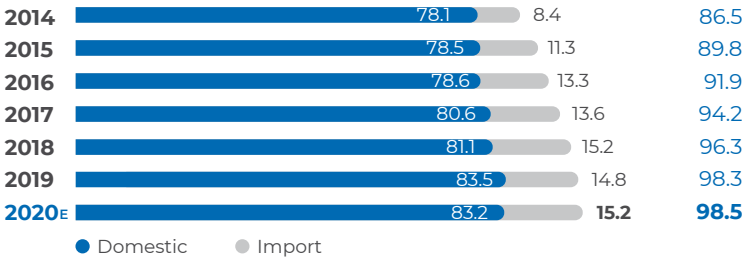


↓ 9.7€m



In 2020 construction investments are expected to be in line with the previous year, supported by the development of the residential sector, by the stabilization of infrastructures, while the contraction in the commercial sector was marked. Cement consumption was stable. Thanks to generally favorable weather conditions, particularly in the winter months, and to the soundness of demand, our cement sales closed the year with good progress compared to 2019 (+5.0%). Selling prices in local currency improved only slightly. Ready-mix concrete output, mainly located in Texas, in the second half showed some weakness, closing the year down compared to 2019 (-4.2%). Selling prices, in local currency, increased slightly.

Cement consumption
(millions of tons)



		2020	2019	2018	2017	2016
Cement production	t/000	**8,465**	8,151	7,899	8,061	7,782
Concrete sales	m^3/000	**2,389**	2,493	2,140	2,133	2,210
Aggregate sales	t/000	**2,327**	2,463	1,927	1,912	1,751
Headcount at year end	no.	**2,300**	2,355	2,302	2,273	2,277

FOCUS

GERMANY, LUXEMBOURG AND NETHERLANDS

10 plants

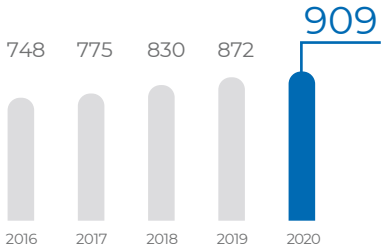
8.6 (millions of tons) cement production capacity

124 ready-mix batch plants

3 aggregate quarries

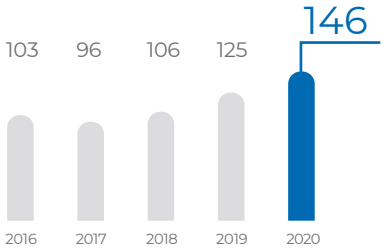
2 depots and terminals

NET SALES
(milions of euro)



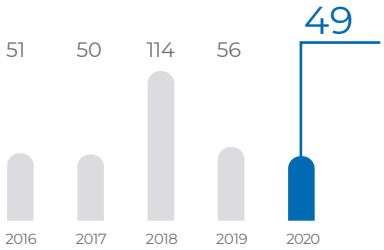
↑ 4.2%

EBITDA
(milions of euro)

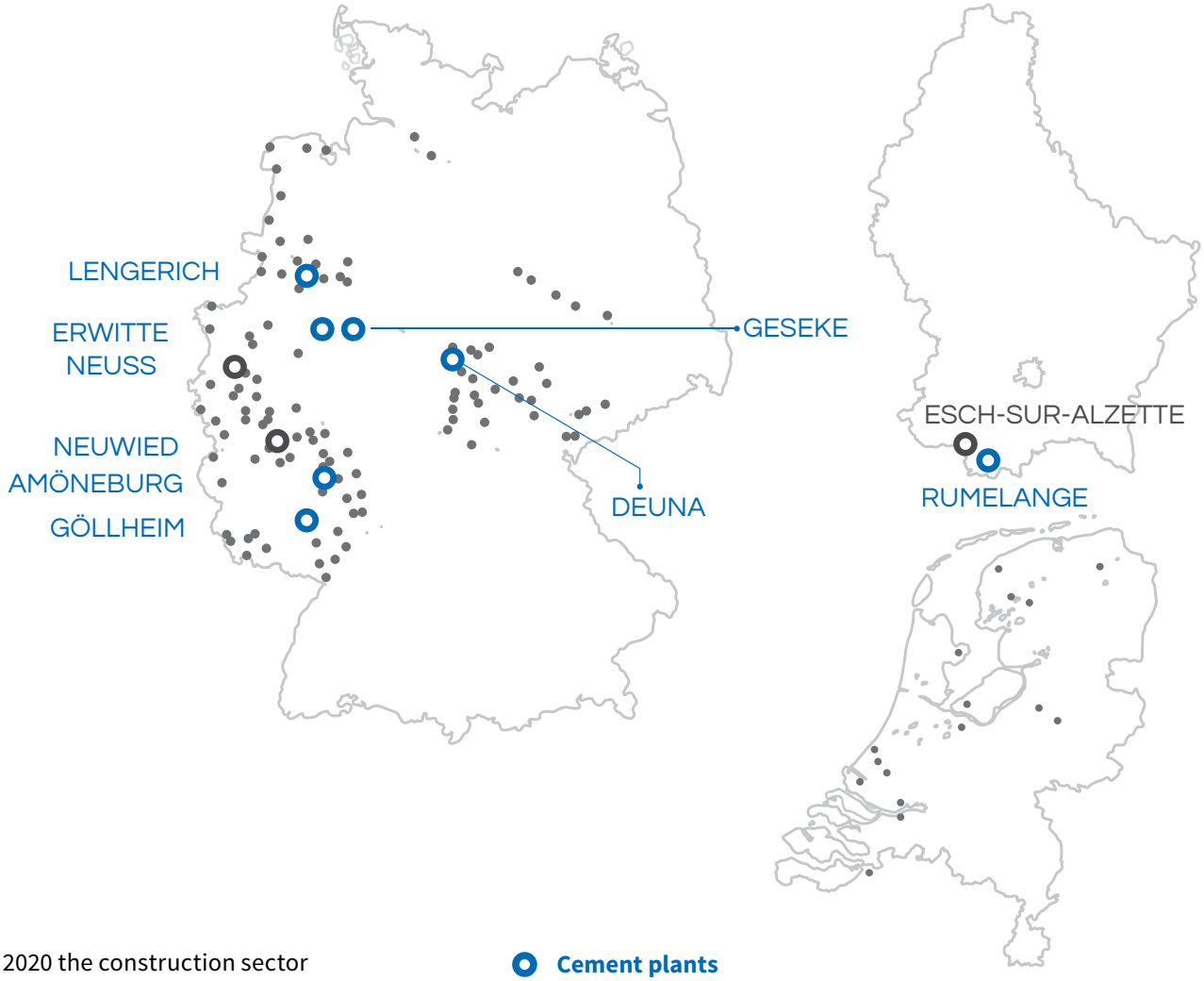


↑ 16.4%

CAPITAL EXPENDITURES
(milions of euro)



↓ 6.6€m

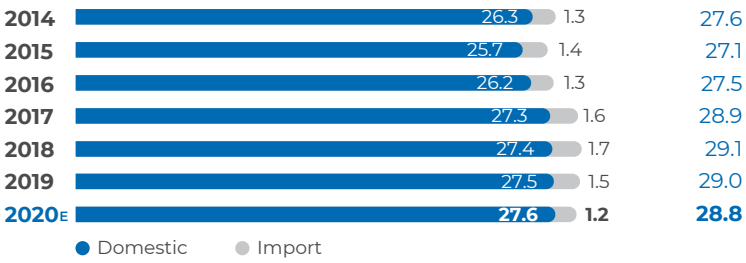


During 2020 the construction sector maintained some stability, with the help of the residential sector. The cement consumption is expected to decline slightly.
Cement sales were stable (-0.5%), despite the good development showed during the second half of the year, which allowed to recover the cumulative loss of the first six months. Favorablle variance in selling prices.
Ready-mix concrete sector showed an increase in production (+3.1%) compared to 2019, thanks also to the additional contribution of the plants acquired last yeart in Düsseldorf. Selling prices strenghten.

- **Cement plants**
- **Grinding plants**
- **Ready-mix concrete plants**

Cement consumption

(millions of tons)



		2020	2019	2018	2017	2016
Cement production	t/000	**6,977**	7,352	7,103	6,602	6,231
Concrete sales	m^3/000	**4,588**	4,451	4,540	4,455	4,512
Aggregate sales	t/000	**463**	790	2,690	2,906	2,924
Headcount at year end	no.	**2,100**	2,104	2,198	2,164	2,162

FOCUS
POLAND

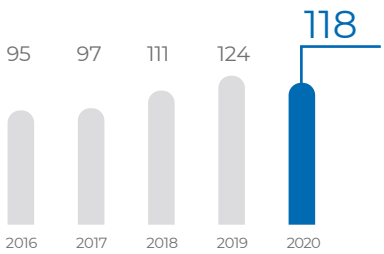
1
plant

1.6
(millions of tons)
cement production capacity

20
ready-mix batch plants

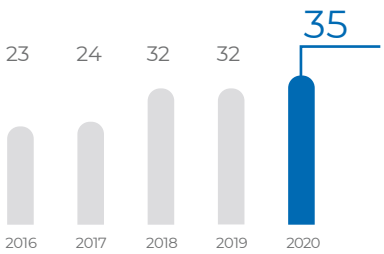
1
terminal

NET SALES
(milions of euro)



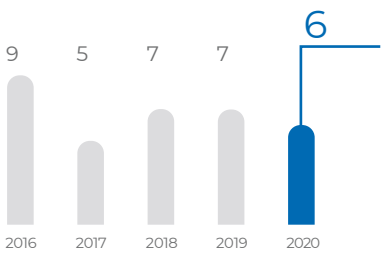
↓ 4.8%

EBITDA
(milions of euro)

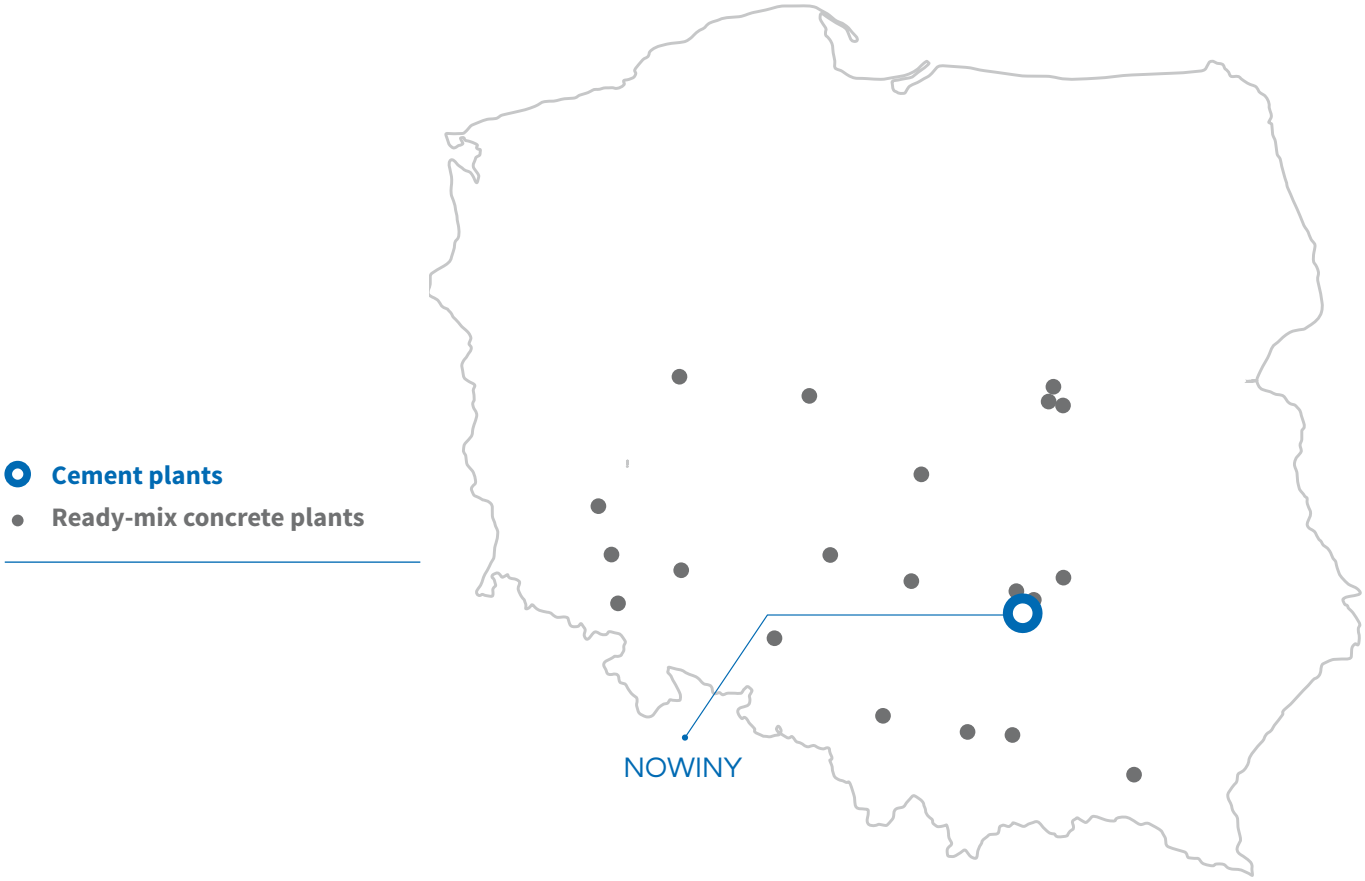


↑ 9.8%

CAPITAL EXPENDITURES
(milions of euro)



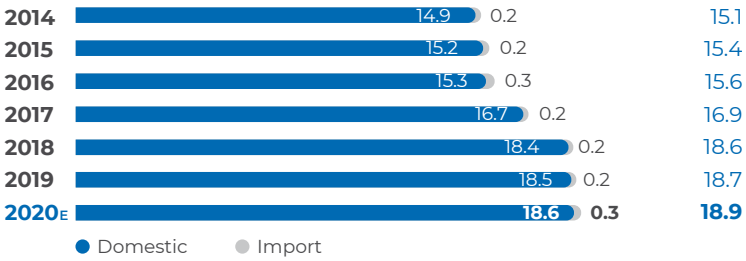
↓ 0.8€m



During 2020, the weakness of residential and commercial sectors led to a moderate decline of the construction activity, despite investments in infrastructures maintained a positive trend.
Cement sales, despite an overall positive second half, closed 2020 down from the levels reached the previous year (-5.3%). The average level of selling prices, in local currency, showed marked progress. Ready-mix concrete output recorded a more marked decline (-17.9%), with prices slightly improving.

Cement consumption

(millions of tons)



		2020	2019	2018	2017	2016
Cement production	t/000	**1,521**	1,607	1,638	1,506	1,535
Concrete sales	m^3/000	**609**	742	795	716	777
Headcount at year end	no.	**349**	356	358	350	368

FOCUS

CZECH REPUBLIC AND SLOVAKIA

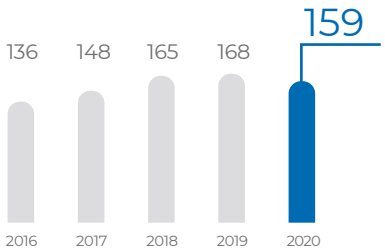
1
plant

1.1
(millions of tons)
cement production capacity

69
ready-mix batch plants

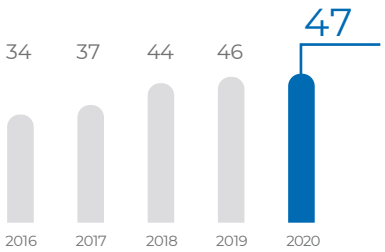
6
aggregate quarries

NET SALES
(milions of euro)



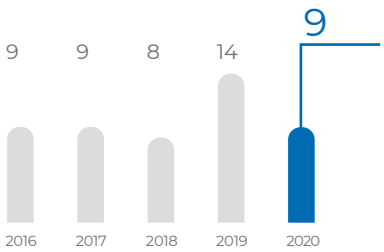
↓ 5.2%

EBITDA
(milions of euro)

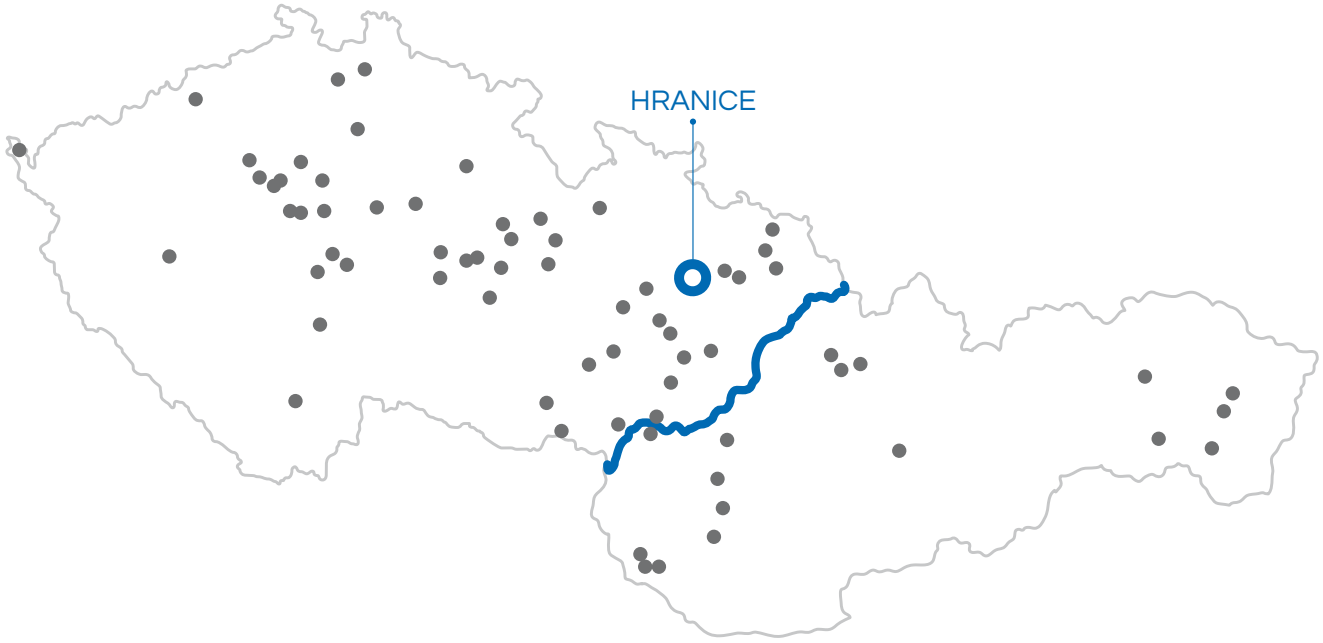


↑ 1.1%

CAPITAL EXPENDITURES
(milions of euro)



↓ 4.2€m



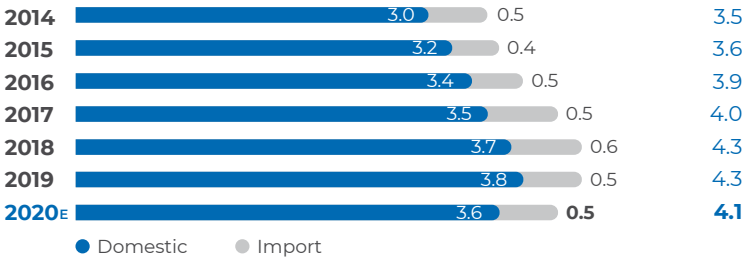
Cement plants

Ready-mix concrete plants

During 2020, the level of construction investments showed a modest slowdown, due to the weakness of the residential and commercial sectors, while infrastructure investments maintained a positive trend. The level of cement consumption is expected to decline, reflecting the weakness of the costruction activity.
Cement sales, after the slight progress recorded in the first six months of the year, contracted sharply during the second half, closing below the levels reached at the end of 2019 (-3.3%). The trend in average prices, in local currency, was confirmed to be bullish.
The ready-mix concrete sector, which also includes Slovakia, recorded even weaker production levels (-7.3%). The price effect was favorable.

Cement consumption

(millions of tons)



		2020	2019	2018	2017	2016
Cement production	t/000	**975**	1,004	1,013	935	859
Concrete sales	m^3/000	**1,552**	1,674	1,791	1,696	1,535
Aggregate sales	t/000	**1,390**	1,532	1,398	1,262	1,271
Headcount at year end	no.	**737**	762	789	766	778

FOCUS
UKRAINE

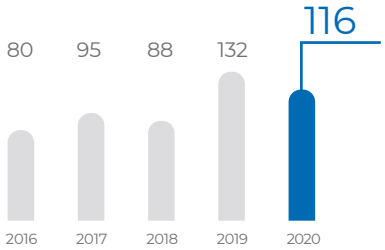
2
plants

3.0
(millions of tons)
cement production capacity

5
ready-mix batch plants

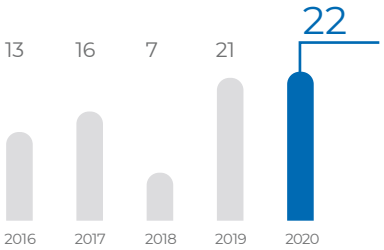
2
depots and terminals

NET SALES
(milions of euro)



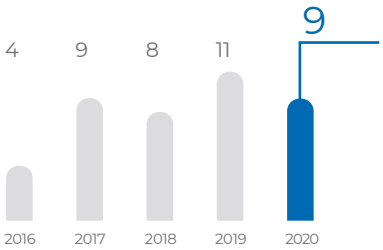
↓ 12.0%

EBITDA
(milions of euro)

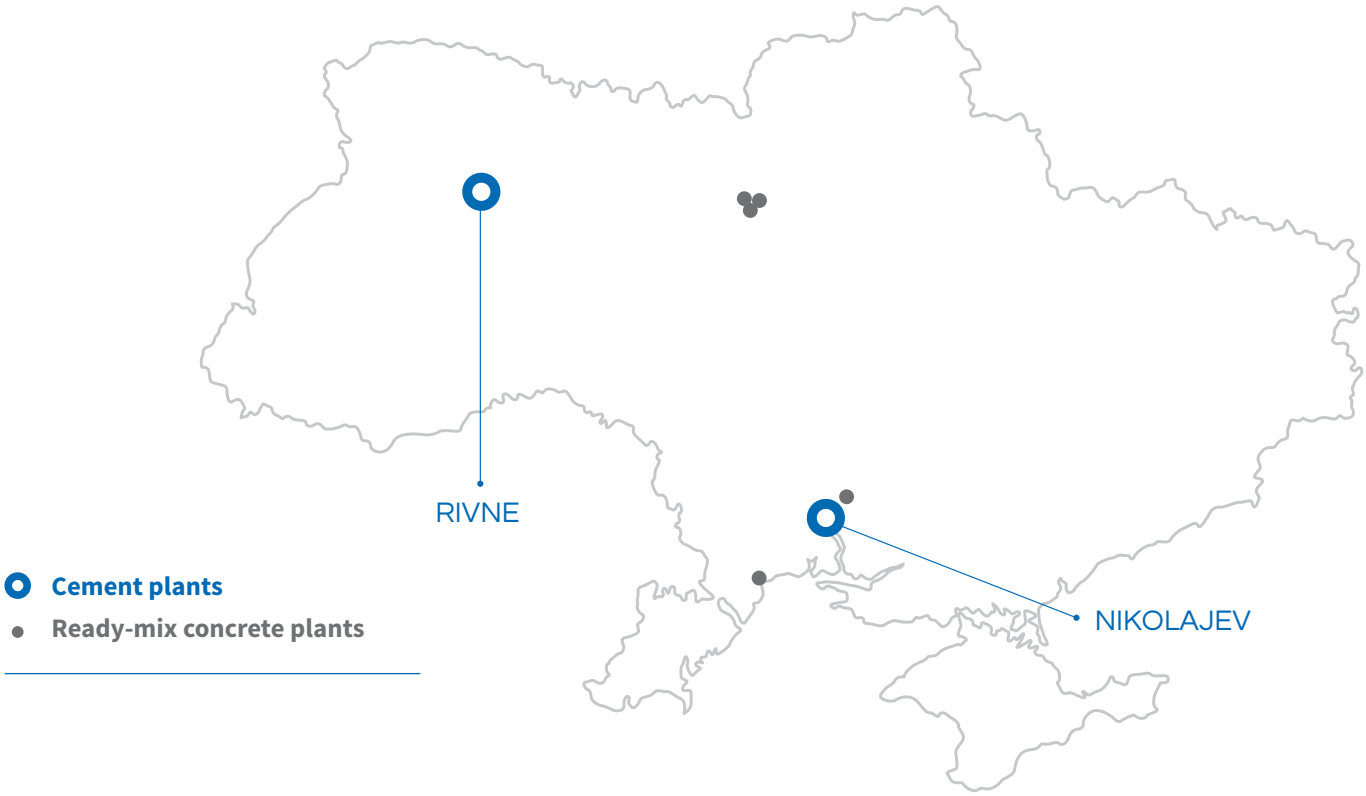


↑ 4.0%

CAPITAL EXPENDITURES
(milions of euro)

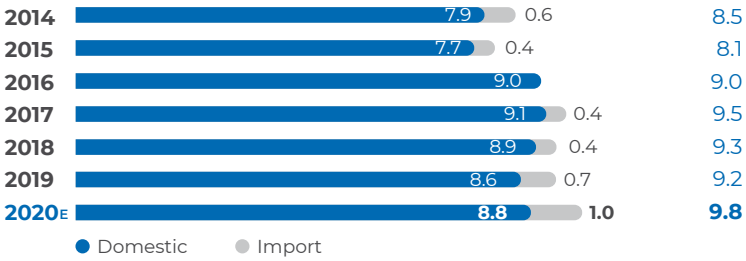


↓ 1.3€m



During 2020, the cement consumption showed a favorable trend, settling slightly below 10 million tons. Cement sales, despite the good performance recorded in November and December, only partially recovered the cumulative loss of the first half, closing 2020 down (-4.5%) compared to 2019, penalized by the pandemic emergency and by the increase in imports from Turkey, particularly intense in the Southern part of the country. The defense of market share led to a slight decrease in the average price level. The production of ready-mix concrete showed a more marked weakness (-9.5%), associated with selling prices also declining.

Cement consumption
(millions of tons)



		2020	2019	2018	2017	2016
Cement production	t/000	**1,749**	1,840	1,543	1,768	1,765
Concrete sales	m^3/000	**142**	157	217	200	125
Headcount at year end	no.	**1,281**	1,284	1,313	1,384	1,558

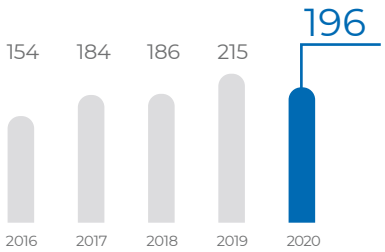
FOCUS
RUSSIA

2
plants

4.3
(millions of tons)
cement production capacity

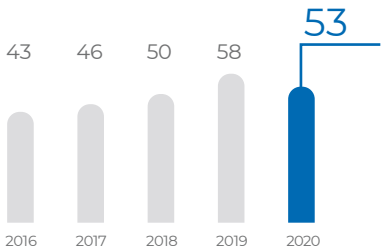
1
terminal

NET SALES
(milions of euro)



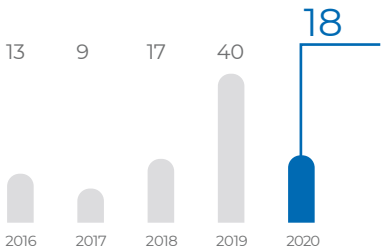
↓ 8.7%

EBITDA
(milions of euro)



↓ 8.2%

CAPITAL EXPENDITURES
(milions of euro)

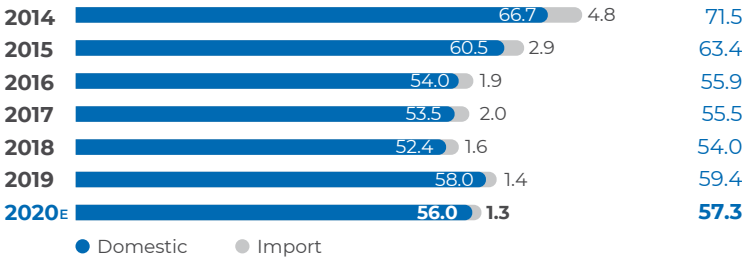


↓ 22.5€m

Cement plants

In 2020, the cement consumption is expected at 57 millions tons, down from previous year.
Cement sales, after a clear decline in the first half of the year due to the difficulties associated with the outbreak of the pandemic, in the second half of 2020 showed a positive trend, particularly evident in the fourth quarter, thanks also to favorable weather conditions (+2.0%). Unit selling prices, in local currency, confirmed the favorable momentum already shown in the first half of the year. Despite the recovery in oil prices starting from June, the demand for special oil-well cements remained weak.

Cement consumption
(millions of tons)



		2020	2019	2018	2017	2016
Cement production	t/000	**3,714**	3,644	3,431	3,274	3,286
Headcount at year end	no.	**1,355**	1,387	1,435	1,456	1,455

FOCUS
MEXICO

(Figures at 100% - valued by the equity method)

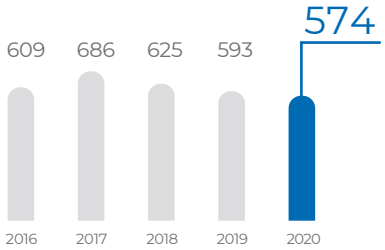
3
plants

8.3
(millions of tons)
cement production capacity

32
ready-mix batch plants

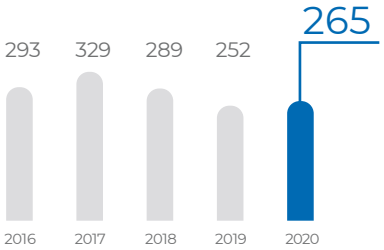
2
aggregate quarries

NET SALES
(milions of euro)



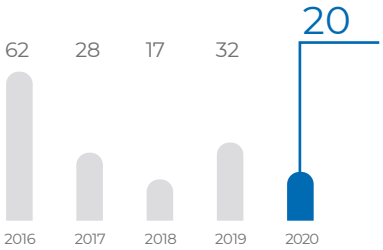
↓ 3.3%

EBITDA
(milions of euro)



↑ 5.1%

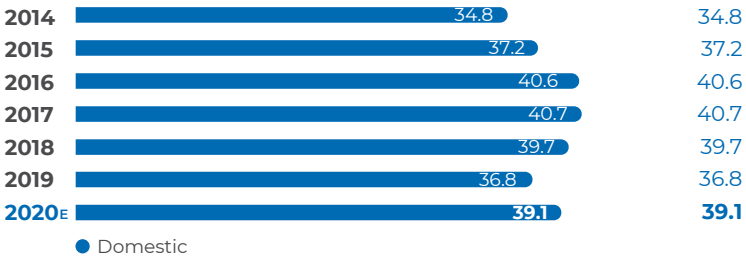
CAPITAL EXPENDITURES
(milions of euro)



↓ 12.6€m

In 2020 investments in the construction sector are expected to decline sharply, due to the weakness of the residential and commercial segments, despite the continuation of a wide range of infrastructural works defined as strategic and essential for the country's economic development. Despite the decline in costruction activity, cement consumption showed a good development. The sales of the associate Corporación Moctezuma, during the second half of the year, recorded a clear strengthening, closing 2020 in considerable progress compared to the previous year (+12.4%). Prices, in local currency, did not show any significant changes. Ready-mix concrete sales, on the other hand, closed the year clearly declining compared to 2019 (-15.7%). Prices, in local currency, decreased.

Cement consumption
(millions of tons)



		2020	2019	2018	2017	2016
Cement production	t/000	**7,019**	6,240	6,731	7,139	6,958
Concrete sales	m^3/000	**948**	1,124	1,340	1,638	1,789
Aggregate sales	t/000	**203**	990	1,004	1,156	1,119
Headcount at year end	no.	**1,170**	1,078	1,095	1,103	1,119

FOCUS
BRAZIL

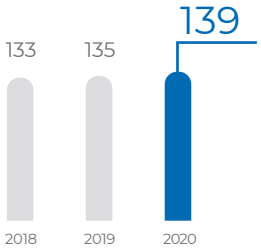
(Figures at 100% - valued by the equity method)

2
plants

4.1
(millions of tons)
cement production capacity

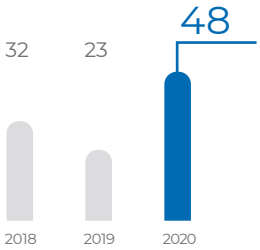
3
depots
and terminals

NET SALES
(milions of euro)



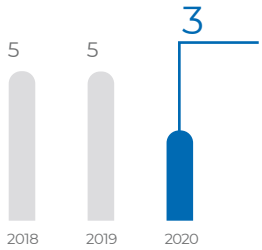
↑ 3.2%

EBITDA
(milions of euro)



↑ 105%

CAPITAL EXPENDITURES
(milions of euro)



↓ 2.0€m

Cement plants

In 2020, investments in the construction sector remained stable, thanks to the contribution of public investments in infrastructures. Cement consumption showed a good progress, reaching 60 million tons.
In the second half of the year, cement shipments of our joint venture confirmed the positive trend already recorded during the first six months, closing visibly increasing (+9.3%) compared to the levels achieved in 2019. Selling prices, in local currency, clearly improved.

Cement consumption
(millions of tons)

		2020	2019	2018
Cement production	t/000	**3,219**	2,923	2,571
Headcount at year end	no.	**712**	681	690

FOCUS
ALGERIA

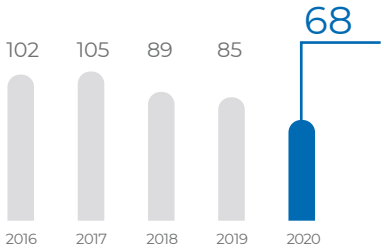
(Figures at 100% - valued by the equity method)

2
plants

2.0
(millions of tons)
cement production capacity

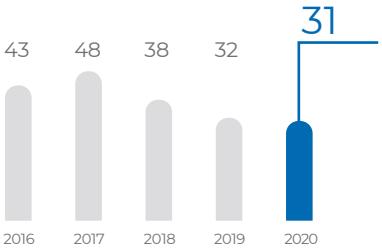
In 2020, cement consumption was approximately 21 million tons, in line with 2019. The stagnation in consumption was mainly influenced by the decrease in public investment, with the following suspension of various infrastructure and housing projects. Cement and clinler sales of the Hadjar Soud facility stood at 0.9 million tons, clearly down compared to 2019. The volumes sold by the Sour El Ghozlane plant came in at 0.9 million tons, markedly up compared to last year.

NET SALES
(milions of euro)



↓ **19.5%**

EBITDA
(milions of euro)



↓ **2.4%**

FOCUS SLOVENIA

(Figures at 100% - valued by the equity method)

1 plant

1.3 (millions of tons) cement production capacity

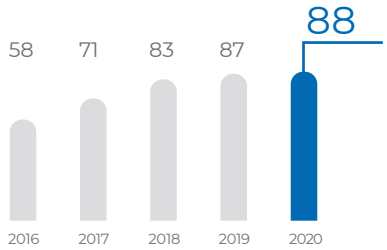
3 ready-mix batch plants

3 aggregate quarries

2 depots and terminals

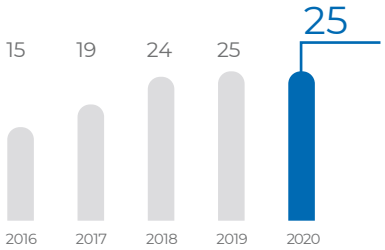
In 2020, domestic cement consumption in the country is estimated at approximately 1.0 million tons. Salonit Anhovo, Buzzi Unicem's associate, is the main hydraulic binders producer in the country and owns a full-cycle cement plant with a production capacity of approximately 1.3 million tons/year, 3 batching plants and 3 natural aggregates quarries. In 2020 the hydraulic binders production remained stable compared to the previous year, standing at approximately 1.2 million tons.

NET SALES
(milions of euro)



↑ **2.2%**

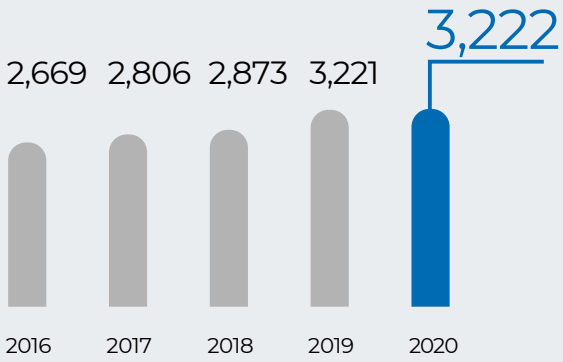
EBITDA
(milions of euro)

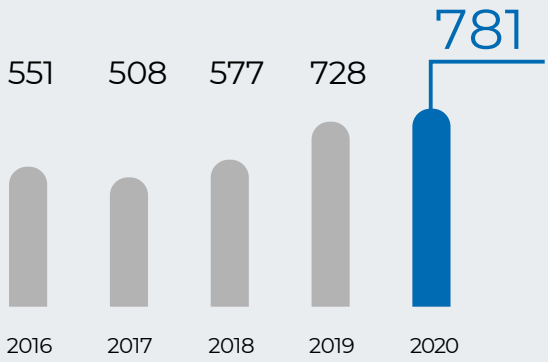


↑ **0.6%**

FINANCIAL INFORMATION

Consolidated net sales stable at €3,222.4 million. Ebitda at €780.8 million, up 7.2% compared to 2019. The strengthening of the operating results in USA, Germany and Eastern Europe, Poland in particular, despite unfavorable exchange rates, more than offset the slowdown in Italy and Benelux. Recurring EBITDA rose from €732,1 to €785.0 million, with EBITDA to sales margin standing at 24.4% (22.7% in 2019).





NET SALES
(milions of euro)

→ 0.03%

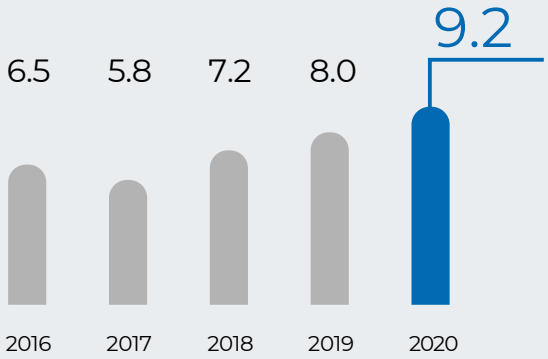
Consolidated net sales increased from €3,221.4 to €3,222.4 million. Changes in scope had a favorable effect of €12.6 million, while the exchange rate effect was unfavorable for €69.2 million. Like for like net sales would have been up 1.8%.

EBITDA
(milions of euro)

↑ 7.2%

Ebitda stood at €780.8 million, up 7.2% compared to €728.1 million of the previous year. The exchange rate effect was negative for €20.6 million. The figure of the year under review includes net non-recurring costs of €4.2 million, mainly attributable to legal, professional and restructuring charges. In 2019 non-recurring expenses incurred were similar (€4.0 million).

MERCK

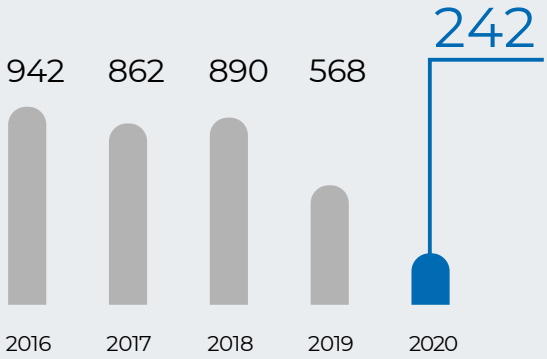


RETURN ON CAPITAL EMPLOYED (ROCE)

(%)

↑ 120 bps

Ratio between EBIT and the difference between Total Assets and Current Liabilities. It indicates the efficiency and profitability of a company's capital investments.



NET DEBT

(milions of euro)

↓ 326€m

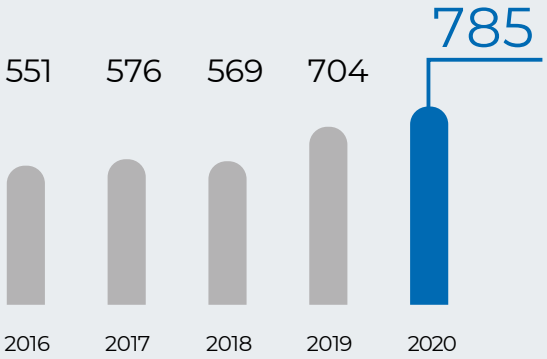
It is a measure of the capital structure determined by the difference between financial liabilities and assets both short and long term.

Consolidated net debt as at year-end 2020 stood at €241.6 million, down €326.2 million from €567.8 million at year-end 2019.

The improvement in the net financial position was achieved thanks to the favorable trend in cash generated from operations and from the receipt of a €143 million dividend, referring to the disposal of all the assets belonging to the associate Kosmos Cement, already in the first quarter.

The aforementioned net financial position includes the extraordinary dividend payable linked to the conversion of the savings shares, equal to approximately €144 million, which was already disbursed at the beginning of February 2021. In 2020 the group distributed dividends of €31.8 million and paid total capital expenditures of €257.5 million, €11.1 million thereof allocated to capacity expansion or special projects

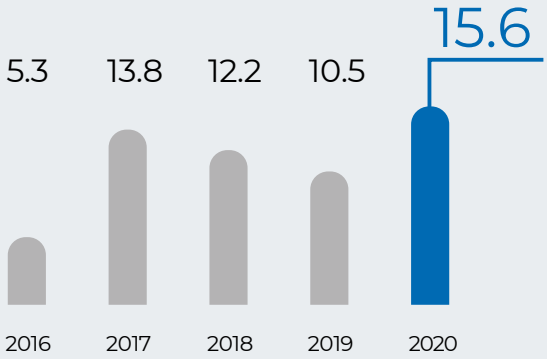
Shareholders' equity as of December 31, 2020, including minority interests, stood at 3,603.0 million of euros compared to 3,690.8 million at the end of 2019; the net debt/ equity decreased to 0.07 compared with 0.15 in the previous year.



EBITDA RECURRING
(milions of euro)

↑ 11.4%

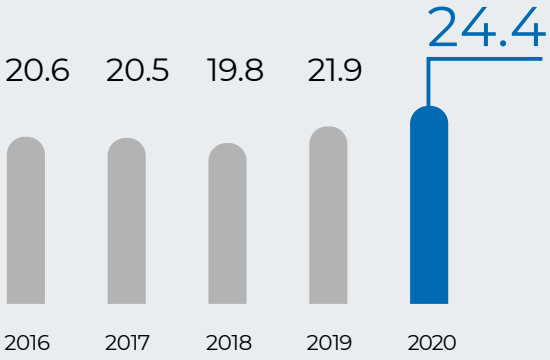
It is calculated starting from the subtotal presented in the financial statements named EBITDA and applying to it the non recurring income/expense.



RETURN ON EQUITY (ROE)
(%)

↑ 510 bps

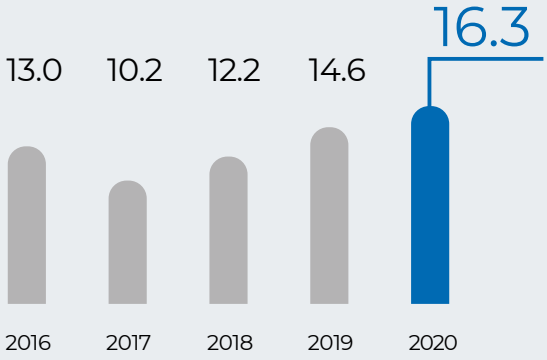
Ratio between Net Profit and Shareholders' equity, which expresses the profitability of the latter.



EBITDA RECURRING MARGIN
(%)

↑ 250 bps

Ratio between EBITDA and Net Sales, it expresses the result of a company's typical business operations.



RETURN ON SALES (ROS)
(%)

↑ 170 bps

Ratio between EBIT and Net Sales, which expresses the company's operational efficiency.

APPENDIXES

Consolidated Income Statement

(thousands of euro)	2020	2019	2018	2017	2016
Net sales	**3,222,411**	**3,221,443**	**2,873,453**	**2,806,213**	**2,669,320**
Changes in inventories of finished goods and work in progress	(18,868)	12,228	10,744	7,132	6,423
Other operating income	50,189	52,136	82,154	45,047	61,292
Raw materials, supplies and consumables	(1,154,951)	(1,204,228)	(1,100,591)	(1,068,182)	(1,017,015)
Services	(736,190)	(764,710)	(722,535)	(684,778)	(651,417)
Staff costs	(508,785)	(518,379)	(483,205)	(469,275)	(456,180)
Other operating expenses	(73,005)	(70,386)	(82,811)	(127,982)	(61,823)
EBITDA	**780,801**	**728,104**	**577,209**	**508,175**	**550,600**
Depreciation, amortization and impairment charges	(256,911)	(259,866)	(225,385)	(222,141)	(202,611)
Operating profit	**523,890**	**468,238**	**351,824**	**286,034**	**347,989**
Equity in earnings of associates and joint ventures	173,080	73,837	87,872	96,184	79,876
Gains on disposal of investments	3,602	(1,495)	841	1,507	179
Finance revenues	106,742	59,895	134,847	67,667	55,682
Finance costs	(107,055)	(118,519)	(110,110)	(102,707)	(202,846)
Profit before tax	**700,259**	**481,956**	**465,274**	**348,685**	**280,880**
Income tax expense	(139,787)	(96,046)	(82,514)	45,888	(132,186)
Profit for the year	**560,472**	**385,910**	**382,760**	**394,573**	**148,694**
Attributable to:					
Owners of the company	560,246	385,671	382,133	391,622	145,866
Non-controlling interests	226	239	627	2,951	2,828
(euro)					
Earning per share					
basic					
ordinary	2.719	1.878	1.862	1.898	0.705
savings	2.743	1.902	1.886	1.922	0.729

Consolidated Balance Sheet

(thousands of euro)	31/12/2020	31/12/2019	31/12/2018	31/12/2017	31/12/2016
Assets					
Non-current assets					
Goodwill	603,603	619,002	575,537	548,327	561,234
Other intangible assets	60,718	70,814	38,609	44,039	46,906
Right-of-use assets	87,725	99,247	-	-	-
Property, plant and equipment	2,909,405	3,149,997	3,059,276	3,000,314	3,208,033
Investment property	18,762	20,796	20,280	22,703	21,657
Investment in associates and join venture	409,210	517,920	515,897	346,971	366,859
Equity investments at fair value	11,402	12,204	8,804	-	-
Deferred income tax assets	81,961	72,823	34,340	43,873	38,874
Other non-current assets	31,019	21,932	25,063	23,499	36,429
	4,213,805	**4,584,735**	**4,277,806**	**4,036,414**	**4,282,146**
Current assets					
Inventories	469,360	489,299	457,592	403,549	397,378
Trade receivables	399,222	414,468	399,396	410,580	391,937
Other receivables	72,204	70,514	92,355	114,822	129,497
Cash and cash equivalents	1,218,279	837,403	440,499	810,630	603,333
	2,159,065	**1,811,684**	**1,389,842**	**1,739,581**	**1,522,145**
Assets held for sale	13,890	6,145	6,499	7,199	4,594
Total Assets	**6,386,760**	**6,402,564**	**5,674,147**	**5,783,194**	**5,808,885**

(thousands of euro)	31/12/2020	31/12/2019	31/12/2018	31/12/2017	31/12/2016
Equity					
Equity attributable to owners of the company					
Share capital	123,637	123,637	123,637	123,637	123,637
Share premium	458,696	458,696	458,696	458,696	458,696
Other reserves	(314,922)	116,798	5,260	(64,473)	257,475
Retained earnings	3,337,796	2,986,360	2,669,357	2,328,589	1,939,338
Treasury shares	(7,699)	(373)	(119,465)	(813)	(4,768)
	3,597,508	**3,685,118**	**3,137,485**	**2,845,636**	**2,774,378**
Non-controlling interests	5,499	5,703	6,120	6,490	32,497
Total Equity	**3,603,007**	**3,690,821**	**3,143,605**	**2,852,126**	**2,806,875**
Liabilities					
Non-current liabilities					
Long-term debt	1,166,309	1,235,628	922,394	1,119,986	1,381,407
Lease liabilities	64,554	74,665	-	-	-
Derivative financial instruments	4,060	1,412	-	92,902	105,422
Employee benefits	445,140	442,610	391,563	414,929	444,406
Provisions for liabilities and charges	87,800	87,104	69,281	85,382	87,187
Deferred income tax liabilities	334,016	366,442	335,928	331,128	507,761
Other non-current liabilities	9,469	9,267	40,515	64,208	11,990
	2,111,348	**2,217,128**	**1,759,681**	**2,108,535**	**2,538,173**
Current liabilities					
Current portion of long-term debt	52,958	26,414	328,033	369,906	56,379
Short-term debt	12,901	13,737	14,381	17,621	16,779
Current portion of lease liabilities	21,443	22,527	-	-	-
Derivative financial instruments	-	-	10,340	-	-
Trade payables	229,247	235,365	234,985	247,486	237,875
Income tax payables	56,056	34,398	8,844	6,613	16,869
Provisions for liabilities and charges	47,986	28,479	30,957	22,528	21,873
Other payables	251,814	133,695	143,321	158,379	114,062
	672,405	**494,615**	**770,861**	**822,533**	**463,837**
Total Liabilities	**2,783,753**	**2,711,743**	**2,530,542**	**2,931,068**	**3,002,010**
Total Equity and Liabilities	**6,386,760**	**6,402,564**	**5,674,147**	**5,783,194**	**5,808,885**

Consolidated Statement of Cash Flows

(thousands of euro)	2020	2019	2018	2017	2016
Cash flows from operating activities					
Cash generated from operations	743,874	691,452	453,372	506,629	467,463
Interest paid	(29,196)	(31,698)	(45,384)	(43,928)	(61,531)
Income tax paid	(125,868)	(84,275)	(76,370)	(91,855)	(101,793)
Net cash generated from operating activities	**588,810**	**575,479**	**331,618**	**370,846**	**304,139**
Cash flows from investing activities					
Purchase of intangible assets	(5,239)	(7,067)	(3,524)	(4,685)	(3,240)
Purchase of property, plant and equipment	(222,900)	(250,017)	(211,747)	(178,989)	(232,731)
Acquisition of subsidiaries, net of cash acquired	-	(76,423)	(44,173)	(26,851)	(191)
Purchase of other equity investments	(167)	(4,161)	(161,477)	(4,800)	(23)
Proceeds from sale of property, plant and equipment	8,112	11,976	43,443	10,196	21,111
Proceeds from sale of equity investments	5,982	467	1,793	2,264	433
Changes in financial receivables	(3,042)	7,692	(812)	(181)	610
Dividends received from equity investments	198,161	84,384	80,853	85,257	66,991
Interest received	10,454	13,448	14,379	9,707	14,573
Net cash used in investing activities	**(8,639)**	**(219,701)**	**(281,265)**	**(108,082)**	**(132,984)**
Cash flows from financing activities					
Proceeds from long-term debt	-	249,003	114,855	279,388	494,115
Repayment of long-term debt	(26,414)	(150,114)	(370,213)	(226,758)	(563,784)
Net change in short-term debt	(836)	(622)	(3,240)	(46,286)	(240)
Repayment of lease liabilities	(24,707)	(26,896)	-	-	-
Changes in other financial payables	(13,133)	(8,471)	754	2,632	13,368
Changes in ownership interests without loss of control	(29,222)	(1,663)	(22,866)	(2,282)	(217)
Purchase of treasury shares	(7,326)	-	(118,652)	-	-
Dividends paid to owners of the company	(31,802)	(26,559)	(28,135)	(20,553)	(15,415)
Dividends paid to non-controlling interests	(190)	(289)	(484)	(1,492)	(858)
Net cash used in financing activities	**(133,630)**	**34,389**	**(427,981)**	**(15,351)**	**(73,031)**
Increase (decrease) in cash and cash equivalents	**446,541**	**390,167**	**(377,628)**	**247,413**	**98,124**
Cash and cash equivalents at beginning of year	837,403	440,499	810,630	603,333	503,454
Translation differences	(65,641)	6,794	7,497	(40,116)	2,232
Change in scope of consolidation	(24)	(57)	-	-	(477)
Cash and cash equivalents at end of year	**1,218,279**	**837,403**	**440,499**	**810,630**	**603,333**

Net financial position

(thousands of euro)	31/12/2020	31/12/2019	31/12/2018	31/12/2017	31/12/2016
Cash and short-term financial assets:					
Cash and cash equivalents	1,218,279	837,403	440,499	810,630	603,333
Other current financial receivables	2,648	3,467	10,157	19,238	6,275
Short-term financial liabilities:					
Current portion of long-term debt	(52,958)	(26,414)	(328,033)	(369,906)	(56,379)
Current portion of lease liabilities	(21,443)	(22,527)	-	-	-
Short-term debt	(12,901)	(13,737)	(14,381)	(17,621)	(16,779)
Derivative financial instruments	-	-	(10,340)	-	-
Extraordinary dividend	(144,099)	-	-	-	-
Other current financial liabilities	(4,210)	(32,102)	(34,530)	(37,131)	(2,576)
Net short-term cash	**985,316**	**746,090**	**63,372**	**405,210**	**533,874**
Long-financial liabilities:		-	-	-	-
Long-term debt	(1,166,309)	(1,235,628)	(922,394)	(1,119,987)	(1,381,407)
Lease liabilities	(64,554)	(74,665)	-	-	-
Derivative financial instruments	(4,060)	(1,412)	-	(92,902)	(105,422)
Other non-current financial liabilities	(3,005)	(5,065)	(35,756)	(57,958)	(1,802)
Net financial position of continuing operations	**(252,612)**	**(570,680)**	**(894,778)**	**(865,637)**	**(954,757)**
Long-term financial assets:					
Other non-current financial receivables	10,976	2,905	4,283	3,175	13,190
Net debt	**(241,636)**	**(567,775)**	**(890,495)**	**(862,462)**	**(941,567)**

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Company Register of Alessandria - Asti no. 00930290044

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