PRESS RELEASE

Approval of the 2019 financial statements

- **Sales volumes on the rise, especially in the United States and Eastern Europe. Good trading environment also in Italy and Central Europe, supported by changes in scope**
- **Recurring Ebitda up 24% at 704 million (+136 million on 2018). Ebit at 468 million (+116 million compared to 2018), thanks to the favorable variance of volumes, prices and exchange rates. Costs pressure mitigated by the improvement in the operating leverage**
- **Net debt at 568 million (-323 million), after investments for 339 million, 125 million thereof for strategic development projects in Italy and abroad**
- **Dividend proposal: 15.0 cents per ordinary share and 17.4 cents per savings share (12.5 cents per ordinary share and 14.9 per savings share in 2018)**

Consolidated data		**2019**	**2018**	**% 19/18**
Cement sales	t/000	29,122	27,910	+4.3
Ready-mix sales	m^3/000	12,120	12,093	+0.2
Net sales	€m	3,221.4	2,873.5	+12.1
Ebitda	€m	728.1	577.2	+26.1
Ebitda recurring	€m	704.4	568.5	+23.9
Net profit	€m	385.9	382.8	+0.8
Consolidated net profit	€m	385.7	382.1	+0.9
		Dec 19	**Dec 18**	**Change**
Net debt	€m	567.8	890.5	(322.7)

The Board of Directors of Buzzi Unicem SpA met today to examine the statutory and consolidated financial statements for the year ended 31 December 2019.

In 2019, the group sold 29.1 million tons of cement, up 4.3% compared to 2018, and 12.1 million cubic meters of ready-mix concrete (+0.2%).

In Italy, economic activity, also following the slowdown in growth both at European and international level, has been substantially stagnating since the first months of 2018. GDP development, which grew slightly during the third quarter due to the support of domestic demand and of household spending, tended to decline in the last quarter, continuing to suffer from the weakness of the manufacturing sector and of the contraction in investments. Industrial activity remained stationary and the business confidence indicators weakened. The fragility of international trade slowed down exports of goods and services, although during the summer months exports of goods within the EU stabilized and those towards non-EU countries marginally increased. In the building industry, growth was modest while investments increased, supported by the positive trend of the private residential and non-residential segment and by a first and visible sign of recovery in public works.

As regards the Central European countries, economic activity was supported by domestic demand and consumption, strongly strengthening thanks to the good performance of the employment rate, but the weakness of international trade had serious repercussions on exports, which traditionally represent the driving force for growth in the industrial sector. In Germany in particular, after the decrease in the second quarter, GDP in the third quarter recorded slight growth, thanks to the stimulus of the acceleration of public spending and private consumption, thus foreshadowing a stabilization of the economic cycle, but the expansion phase, for the whole of the year, confirmed a clear decline. The construction sector, despite the visible contraction of industrial production, confirmed the positive trend, mainly supported by the residential portion.

Looking at the Eastern European markets, in Russia, after a first half visibly slowing down due to the weakening of international demand for hydrocarbons and metals and to the slower recovery of domestic demand, which was conditioned by the increase in consumption taxes that allowed only a slight increase in the disposable income, during the second half of the year economic activity recovered, also thanks to public stimulus initiatives aimed at increasing investments in infrastructure, health and education. Construction investments confirmed a slight improvement.

In Poland, the economy remained solid. The domestic demand, supported by wage dynamics, by growing employment rate, by a positive climate of confidence and by strengthened public spending, allowed the favorable economic cycle to continue, maintaining a growth rate higher than 4%. The level of construction investments, although slowing down, continued to be significant and among the best performing ones in Europe.

In the Czech Republic, the economic activity confirmed its long expansion phase, despite a lower momentum compared to the previous year, which was influenced by the decrease in international demand and in investments by the manufacturing industry, especially in the automotive sector. Construction investments confirmed a positive, albeit slowing, development.

In Ukraine the pace of recovery remains modest, inadequate with respect to the needs of the country, and highly influenced by the progress of structural reforms. The new government's initiatives and the active support of the international community, intended to continue the path to make the economic context of the country more efficient and dynamic, led to significant improvements and guaranteed greater stability for development. The trend in domestic demand was favored by the recovery in the services, construction and agriculture sectors.

In the United States of America, the expansion cycle continued also during 2019, albeit at a less determining pace than in the previous years. The stability of the labor and consumption markets, together with favorable financial conditions, supported growth, despite some signs of a decline in investment dynamics emerged, mainly attributable to the intensification of trade tensions with China, greater uncertainties in the manufacturing sector and the weakening of the stimulus effects from the 2018 tax reform. Construction investments slightly decreased: growth in the public sector (infrastructures) could not offset the slowdown of the commercial segment and the weakening of the residential sector.

Consolidated net sales increased by 12.1%, from €2,873.5 to €3,221.4 million. Changes in scope had a positive effect of €20.5 million, while the exchange rate effect had a positive influence of €81.2 million. Like for like net sales would have increased by 8.6%.

Ebitda stood at €728.1 million, +26.1% compared to €577.2 million in the previous year. The exchange rate effect was positive for €24 million. The figure for the year under review includes net non-recurring benefits of €23.7 million, €27.7 million thereof of a positive nature, following the first application of the IFRS 16 standard, and €4.0 million of a negative nature, for restructuring charges. In 2018 net non-recurring revenues of €8.7 million were recorded.
Excluding non-recurring items, Ebitda increased from €568.5 million to €704.4 million (+23.9%), with Ebitda to sales margin standing at 21.9% (19.8% in 2018).
Overall, the progress achieved in all the markets where the group operates, in particular in the United States of America, also favored by the positive exchange rate effect, and in Italy, contributed to the strengthening of operating results.

Amortizations and depreciations amounted to €259.9 million, compared to €225.4 million in 2018. Additional amortization deriving from the first application of the IFRS 16 accounting standard was equal to €24.3 million. Ebit stood at €468.2 million, up compared to €351.8 million in the previous year. Net finance costs and income went from €24.7 million income to €58.6 million costs, mainly due to the volatility of non-cash items, such as the valuation of derivative instruments, despite a reduction in interest expense referred to net debt. Losses on sale of investments recorded a negative contribution of €1.5 million, while equity in earnings of associates, among which our joint venture operating in Mexico stands out, decreased from €87.9 to €73.8 million. Due to the impact of the factors outlined above, net profit before tax stood at €482.0 million, up compared to €465.3 million in the previous year. The tax charge for the year was €96.0 million, compared to €82.5 million in 2018. The higher tax rate (20% compared to 18% in 2018) was caused by the higher taxable income generated in the business geographical areas where taxation is higher, as Germany, Italy and the United States of America Therefore, the income statement for 2019 closed with a net profit of €385.9 million (€382.8 million in 2018). Net profit attributable to the owners of the company increased from €382.1 million in 2018 to €385.7 million in the year under review.

Consolidated net debt as at 31 December 2019 stood at €567.8 million, down €322.7 million from €890.5 million at year-end 2018. In 2019 the group distributed dividends of €26.6 million and paid total capital expenditures of €339.3 million, €42.9 million thereof allocated to capacity expansion or special projects. In particular: block purchase of second-hand machinery and equipment for the Korkino plant in Russia (€23.6 million), modernization and expansion of the Maryneal plant in Texas (€9.1 million), acquisition of new batching plants in Germany, Italy and Poland (€8.5 million), expansion of the shipping department of the Nikolaev plant in Ukraine (€0.9 million). Additional investments attributable to strategic development projects amounted to €82.2 million, mostly relating to the execution of the contract with HeidelbergCement regarding the purchase of a full-cycle cement plant in Tuscany and two grinding plants in the North West of Italy.

As at 31 December 2019, total equity, inclusive of non-controlling interests, stood at €3,690.8 million versus €3,143.6 million at 2018 year-end. Consequently the debt/equity ratio decreased to 0.15 from 0.28 in the previous year.

In 2019 the parent company Buzzi Unicem SpA reported a net profit of €87.2 million (€97.9 million in 2018) and a cash flow of €126.0 million.

Italy

Our cement and clinker volumes, after a satisfactory start to the year favored by the not particularly cold climate, maintained a positive variation thanks to the scope change, starting from 1 July, attributable to the cement plant of Testi (Florence) and the two grinding plants in Piedmont, despite a lower contribution from export volumes and clinker (+3.0%). Average prices, thanks to the more stable market context, still improved. The ready-mix concrete sector stabilized on the production levels reached at the end of 2018 (-0.3%), but with sales prices recovering. This trend in volumes and prices led to net sales of €504.7 million, up 9.8% (€459.8 million in 2018). On a like-for-like basis, net sales would have been up 7.5%. The unit production costs increased due to the unfavorable trend of energy and, albeit to a lesser extent, of fuels, while fixed costs were kept under control, thanks to the improvement in the operating leverage effect. Ebitda closed with a profit of €43.4 million, compared to a negative -€1.7 million in the previous year. However, it should be remembered that the figure for the year under review includes net non-recurring benefits of €2.5 million, €6.1 million thereof referring to the adoption of the IFRS 16 standard and, with negative sign, to restructuring expenses equal to €3.6 million (€7.6 million net non-recurring costs in 2018). Recurring Ebitda stood at €40.9 million, up €35.0 million compared to €5.8 million in 2018. During the year other operating revenues of €23.8 million were achieved from the sale within the group of CO_2 emission rights (€11.8 million in 2018).

Central Europe

In **Germany** our deliveries of hydraulic binders, after a robust first half of the year, facilitated by favorable weather and the additional contribution of shipments from the Seibel & Söhne plant, subsequently resumed a more regular pace, which was not influenced by the scope of activity, closing the year up (+3.2%) and with average selling prices improving. Ready-mix concrete output confirmed the levels reached at year-end 2018 (-0.2%), while average selling prices increased. Overall net sales thus increased from €632.5 to €679.6 million (+7.5%) and Ebitda from €82.5 to €102.3 million (+24.0%). However, it should be remembered that the figure for the year under review includes a non-recurring item of €3.5 million referred to the adoption of the IFRS 16 standard and of €0.4 million for restructuring costs (€4.0 million non-recurring expenses in 2018). Net of non-recurring items, Ebitda improved by €12.7 million on the previous year (+14.7%). The unfavorable trend of electric power, together with the considerable increase in the cost of CO_2 emission rights, was offset by the savings in fuel and fixed costs.

Thus unit production costs recorded a favorable, albeit slight, change. In 2019 the business incurred other operating costs of €18.2 million for the purchase, mainly from the parent company, of CO_2 emission rights (€7.7 million in 2018).

In **Luxembourg** and the **Netherlands** our cement and clinker sales, inclusive of internal sales and exports, thanks to a more lively trend in shipments in the second half, ended the year with a marginal decrease (-0.9%) and average unit prices slightly up. The ready-mix concrete sector, on the other hand, posted an unfavorable change in volumes (-8.0%), mainly attributable to the slowdown in works relating to an important infrastructure project in the Netherlands, albeit with good recovering prices. Net sales came in at €192.5 million, down 2.4% compared to the previous year (197.1 million). Ebitda stood at €22.7 million (€23.1 million in 2018). Unit production costs showed overall a significant increase due to the particularly unfavorable trend in electric power and CO_2 emission rights, which were only partially offset by some savings in fuels. However, it should be remembered that the figure for the year includes a non-recurring item of €0.6 million referring to the adoption of the IFRS 16 standard (€0.1 million of non-recurring expenses in 2018). Net of non-recurring items Ebitda posted a negative change of €1.0 million. It should be noted that other operating costs of €2.6 million were incurred for the purchase of CO_2 emissions rights, mainly from the parent company (€0.8 million in 2018).

Eastern Europe

In **Poland**, cement volumes sold by the group, after the progress made in the first months thanks to the particularly favorable weather conditions, in the second half of the year kept a more regular trend in line with expectations, closing at an only marginally lower level (-1.6%) compared to year-end 2018. On the other hand, the average selling prices in local currency markedly improved. The ready-mix concrete sector achieved weaker results (-6.6%), with average selling prices in local currency which confirmed a clear increase. Net sales increased from €111.4 to €123.8 million (+11.1%) and Ebitda improved from €31.9 to €32.1 million (+0.9%). However, it should be remembered that the figure for the year includes a non-recurring item of €0.1 million referring to the adoption of the IFRS 16 standard (€5.4 million non-recurring income in 2018) and that the slight depreciation of the local currency marginally affected the translation of results into euro. Like for like net sales and recurring Ebitda would have increased by 12.1% and 22.0% respectively. Unit production costs in local currency showed double-digit percentage growth, mainly due to the increase in the cost of CO_2 allowances, despite the savings achieved for fuels and electric power. It should be noted that during the year other operating costs of €7.2 million were incurred for the purchase of CO_2 emissions rights (€2.4 million in 2018), mainly from the parent company.

In the **Czech Republic**, cement sales confirmed for the whole of the year the slight decrease (-1.5%) recorded in the first half, with average selling prices in local currency improving. The ready-mix concrete sector, which also includes **Slovakia**, posted weaker production levels (-6.5%), offset by rising prices. Consolidated net sales stood at €168.2 million (€164.5 million in 2018, +2.2%) and Ebitda increased from €43.6 to €46.3 million (+6.3%). However, it should be noted that the figure for the year includes a non-recurring item of €1.6 million referring to the adoption of the IFRS 16 standard and that the slight depreciation of the Czech koruna had an impact on the translation of results into euros. Like for like net sales would have improved by 2.3%, and Ebitda by 2.7%. Unit production costs in local currency increased by a double-digit percentage mainly due to the particularly unfavorable trend of electric power and the increase in the cost of CO_2 emission rights, despite the savings achieved for fuels. During the year the business incurred other operating charges of €2.7 million referring to CO_2 emission rights purchased mainly from the parent company (€0.9 million in 2018).

In **Ukraine**, cement sales, also in the second half of the year, confirmed a substantial improvement, consistent with the development made at the beginning of the year. Such dynamics were favored by the drop in imports from Russia, Belarus and Moldova, following the recent imposition of anti-dumping measures. The whole year closed with double-digit percentage progress and average prices in local currency still driven upwards by inflation. Ready-mix concrete output, on the other hand, confirmed a weak trend, but with average prices in local currency markedly expanding. Net sales reached €131.9 million, considerably increasing compared to the €88.3 million recorded in 2018 (+49.3%), and Ebitda improved from €7.0 to €21.0 million (+14.0 million), with Ebitda to sales margin doubled (16.0%). The positive trend of the local currency positively impacted the translation of the results into euros. At constant exchange rates net sales would have increased by 34.5% and Ebitda by €11.9 million. The increase of unit production costs in local currency is due to the particularly unfavorable trend of electric power, partially offset by some savings in fuel costs.

In **Russia**, our cement shipments, after a significant acceleration in the first half, mainly attributable to the expansion of the distribution network, continued to grow at a more regular pace, also spurred by the progress recorded by special oil well cements, closing the whole period with a favorable change (+5.0%) on the previous year. Average unit prices, in local currency, confirmed the positive performance already shown in the first part of 2019. Net revenues stood at €214.5 million, up compared to €185.5 million in the previous year (+15.6%) and Ebitda increased from €50.1 to €57.7 million (+15.0%). It must be pointed out that the figure for the year includes a non-recurring item of €0.1 million referring to the adoption of the IFRS 16 standard and that the strengthening of the ruble had a favorable impact on the translation of the results into euros. Like for like, net sales would have increased by 13.2% and Ebitda by 12.5%. Ebitda to sales margin, although marginally decreasing, was confirmed at levels above the group average (26.8%). Unit production costs in local currency increased, being negatively affected by the particularly unfavorable trend of electric power and, to a less clear extent, of fuel costs.

United States of America

Our cement sales, thanks to the favorable weather conditions that characterized the second half of the year, including the winter months, improved during the second semester, closing the year robustly progressing (+6.0%) compared to 2018, which was strongly affected by intense cold at the beginning of the year and by heavy rainfall in the third quarter. Selling prices in local currency showed a slight improvement. Ready-mix concrete output, mainly located in the state of Texas, recorded even more marked progress (+16.5%), supported by moderate price growth. Overall net sales increased from €1,069.6 to €1,242.5 million (+16.2%) and Ebitda from €341.2 to €402.7 million (+18.0%). The figure for the year includes a non-recurring item of €15.8 million referring to the adoption of the IFRS 16 standard (compared to net non-recurring income of €15 million in 2018). The appreciation of the dollar had a positive impact on the translation of the results into euros. Net of the exchange rate effect and of non-recurring items, net sales and Ebitda would have been up 10.1% and 12.4% respectively. Ebitda to sales margin improved and remained at the highest levels of the group (31.1%). The increase in unit production costs in local currency was only slightly higher than inflation, thanks to the overall favorable trend for energy factor, particularly electric power.

Mexico (valued by the equity method)
The sales of the associate Corporación Moctezuma, after the clear drop achieved in the first half, began to stabilize, closing the year down, but less unfavorably compared to the levels recorded in the first six months, with prices, in local currency, declining. Ready-mix concrete production showed an even more marked decrease compared to the levels of the previous year, but the relating prices improved. Net sales and Ebitda, in local currency, decreased by 9.8% and 17.1% respectively. The appreciation of the Mexican peso favored the translation of the results into euros. With reference to 100% of the associate, net sales stood at €593.2 million (-5%), and Ebitda at €252.2 million (-12.7%). It should be noted that the figure for the year includes a non-recurring item of €2.2 million related to the adoption of the IFRS 16 standard. Unit production costs grew more than the inflation rate did, penalized by the unfavorable trend in electric power, despite some savings in fuel costs. The equity earnings referring to Mexico, included in the line item that encompasses the investments valued by the equity method, amount to €52.9 million (€64.2 million in 2018).

Brazil (valued by the equity method)
The cement shipments carried out by the new joint venture maintained a positive development, mainly thanks to the contribution of the Northeast region, where the improvement was more marked. Average selling prices, in local currency, showed marginal progress. Net sales and recurring Ebitda, in local currency, posted an increase of 3.8% and a decrease of 24.8% respectively. The depreciation of the Brazilian real negatively affected the translation of the results into euros. With reference to 100% of the associate, net sales stood at €134.7 million (+1.3%) and Ebitda at €23.4 million (-26.6%). However it should be noted that the figure for 2018 included non-recurring income of €11.3 million. Therefore, like for like the recurring Ebitda would have improved by 16.7%. The unit production costs grew more than the inflation rate did and were penalized by the trend of energy factors. The equity earnings referring to Brazil, included in the line item that encompasses the investments valued by the equity method, amount to a -€0.7 million loss (€1.7 million profit in 2018).

Outlook
The assumptions and objectives developed during the budget process outlined for the current financial year a substantial confirmation of the particularly positive results achieved in 2019, through further progress expected both in Italy and in Central Europe and basically neutral changes in Eastern Europe and the United States of America, all this assuming a fairly stable

dollar and ruble exchange rate. The sales performance and the turnover so far during the first quarter of 2020, at least until a week ago, have been in line with the forecast of the original budget.
Recent developments concerning new Coronavirus (COVID-19) infection outbreaks in Europe, Asia, the Middle East and the United States of America have obviously changed the view according to which the health emergency would be short-lived and limited to China. Almost all the countries involved are responding with very severe measures regarding the mobility of people and the carrying out of production and commercial activities. The economy is constrained and is rapidly moving towards a phase of global recession. The collapse of the stock markets was joined by that of the oil price and by the rapid devaluation of some currencies which are relevant to our financial statements, such as the Russian ruble, the Mexican peso and the Brazilian real.
From the new scenario that is emerging we expect impacts that could be significantly adverse on our business, such as: a marked drop in the demand for cement and ready-mix concrete, especially in markets where there are more infection cases and more severe restrictions, a favorable change in the fuel and electric power cost, partly offset by interruptions and difficulties in transportation and supply chains.
At the moment we are not able to reliably estimate the unfavorable effects of the ongoing pandemic on the group's results, which will mainly depend on its duration and the intensity of the infection in the various geographical areas of business. We will provide the market with more precise information when the visibility on short-term expectations improves. Once the crisis is over, the rebound should be guided by the important support measures that governments have already approved or will approve in the next days (expansionary monetary policy, infrastructure projects, support to work and employment).

Consolidated non-financial statement 2019

The Board of Directors approved the consolidated non-financial statement, which is included in the Sustainability Report 2019, in compliance with the provisions of Legislative Decree no. 254/2016.
The consolidated non-financial statement is a distinct and separate report with respect to the business review. It will be made available to the public at the same time as the publication of the draft annual financial statements and the consolidated financial statements for the year ended on 31 December 2019.

Appropriation of net income

The Board of Directors will propose to the Annual General Meeting of Buzzi Unicem SpA, convened in first call for 8 May 2020 a dividend of €15.0 cents per ordinary share and of €17.4 cents per savings share. The dividend payment, if approved by the Shareholders’ Meeting, will be effected as from 20 May 2020 (with coupon detachment on 18 May 2020 and record date on 19 May 2020).

Renewal of authorization for the purchase/disposal of treasury shares
The Board of Directors resolved to ask the Shareholders' Meeting to authorize (and thus revoke the unused portion of the authorization adopted on 9 May 2019) the buy-back of a maximum of #7,000,000 ordinary and/or savings shares. The authorization is asked also for the selling of the treasury shares held by the company.
The above authorization to the purchase, as well as to the disposal of treasury shares is required to allow the company to intervene in case of fluctuation of the share price beyond the normal market volatility, within the extent allowed by the law and the market rules, as well as to give the company an instrument for liquidity investment. A further reason to purchase treasury shares may be using them as a payment in extraordinary transactions, also of equity interest swap, exchange, contribution or of conversion of bonds of possible future issuance, or for distribution, for a consideration or without consideration, to directors and employees of the company or its subsidiaries as well as for allocation to shareholders without consideration.
The authorization is asked for a length of 18 months as from the Shareholders' Meeting approval.
The proposed purchase price ranges from a minimum of €0.60, equal to par value, to a maximum of no more than 10% compared to the reference price of the ordinary share or savings shares recorded in the stock market session of the day before the completion of each individual transaction.
The maximum possible purchase expense is equal to €140 million.
The treasury shares shall be purchased on the market, according to Borsa Italiana rules. Moreover the company can also avail itself of the procedure provided by the market rules approved by Consob, where applicable, as well as those pursuant to art. 5 of EU Regulation no. 596/2014.
Treasury shares selling transactions can be effected at any time, wholly or partly, in one or several transactions, through sale with cash compensation or as a payment in extraordinary transactions, also of equity interest swap, or of exchange, transfer or conversion of bonds of possible future issuance, or for distribution to directors and employees of the company or its subsidiaries ex art. 2359 of the civil code as well as for allocation to shareholders also in the form of dividends.
Based on the previous authorization issued by the ordinary Shareholders' Meeting of 9 May 2019, as of today, no transactions have been carried out to purchase treasury shares.
Based on the same authorization, #5,467,368 ordinary treasury shares have been delivered to the bondholders of the "Buzzi Unicem €220,000,000 1.375% Equity-Linked Bonds due 2019".
Therefore as of today the company owns #29,290 savings treasury shares equal to 0.014% of capital stock.

Other shareholders' meeting resolutions
The Shareholders' Meeting has also been convened:
a) <u>in ordinary session</u>, to take the required resolutions:
   - on the renewal of the Board of Directors and the Statutory Auditors' Committee;
   - on the approval of Section I of the Report on remuneration policy and the remuneration paid, ex per article 123 ter of Legislative Decree n. 58/1998;

- on the non-binding voting on Section II of the Report on remuneration policy and the remuneration paid, ex per article 123 ter of Legislative Decree no. 58/1998;

b) in extraordinary session, to deliberate on the proposal for clarification of the corporate purpose, with resulting amendment of art. 3 of the bylaws, in order to:
   (i) clarify the scope of the bylaws to better express that the object of the company can be achieved both directly and indirectly through subsidiaries;
   (ii) specify that, within the business performed, the company can also carry out the activity of a port and terminal operator on its own behalf and on behalf of third parties in order to receive and send to the water terminals materials being necessary for performing the object of the company.

It should be pointed out that the proposed amendment to the bylaws is purely formal, aimed at better outlining the corporate purpose: in both cases, these clarifications do not entail either a change in the activities that the corporate purpose allows the company to carry out or a change in the industry in which these activities must be carried out and, therefore, do not trigger the right of withdrawal provided for by current legislation.

Special Meeting of Savings Shareholders

The Board of Directors has also convened the Special Meeting of Savings Shareholders for the appointment of the common representative on 8 May 2020 in a single call.

Amendments to the bylaws

The Board of Directors approved some amendments to articles 13, 23 and 31 of the bylaws in order to adapt them to the provisions of Law n. 160/2019 on gender balance in the composition of the corporate bodies of listed companies.
The notary minutes of the resolutions adopted and the amended bylaws will be made available to the public in compliance with and within the terms of the law.

LTI monetary incentive plan for the three-year period 2020-2022 for top management

The Board of Directors approved the adoption of a long-term monetary incentive plan for the three-year period 2020-2022 (LTI 2020-2022) intended for the CEOs of Buzzi Unicem and the CEOs of Dyckerhoff and Buzzi Unicem USA.
The plan is designed to incentivize recipients to align their commitment and behavior with the interests of shareholders, rewarding efforts to achieve strategic, economic and sustainability targets, and attain lasting improvement in corporate results.
The LTI 2020-2022 plan is illustrated in Section I of the Report on the remuneration policy and the remuneration paid which will be submitted to the Shareholders' Meeting.

Corporate Governance

The Board of Directors approved the annual report on the company’s Corporate Governance system, which will be made available at the same time as the draft of the statutory financial statements and the consolidated financial statements of the year 2019.
The Board of Directors has also assessed that Directors Elsa Fornero, Aldo Fumagalli Romario, Antonella Musy, Linda Orsola Gilli, Mario Paterlini, Gianfelice Rocca and Maurizio Sella meet the criteria of independence as per Code of Conduct approved by Borsa Italiana

(such as applied by the company as stated in the Report on corporate governance and ownership structure).

Senior Notes and Bonds

In the period from 1 January 1 to 31 December 2019 no new bonds were issued.
In the 18 months subsequent to 31 December 2019 no principal repayments of bonds shall be effected.

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

Casale Monferrato, 25 March 2020

Company contacts:
Investor Relations Assistant
Ileana Colla
Phone. +39 0142 416 404
Email: icolla@buzziunicem.it
Internet: www.buzziunicem.com

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The Buzzi Unicem 2019 financial statements will be illustrated during a **conference call** to be held on Thursday, March 26 at 3:00 pm CET.
To join the conference, please dial +39 02 805 88 11, from UK +44 1212 818 003, from USA +1 718 7058 794.

BUZZI UNICEM SPA

CONSOLIDATED INCOME STATEMENT (in thousands of euro)

	2019	2018
Net sales	**3,221,443**	**2,873,453**
Changes in inventories of finished goods and work in progress	12,228	10,744
Other operating income	52,136	82,154
Raw materials, supplies and consumables	(1,204,228)	(1,100,591)
Services	(764,710)	(722,535)
Staff costs	(518,379)	(483,205)
Other operating expenses	(70,386)	(82,811)
EBITDA	**728,104**	**577,209**
Depreciation, amortization and impairment charges	(259,866)	(225,385)
Operating profit (EBIT)	**468,238**	**351,824**
Equity in earnings of associates and joint ventures	73,837	87,872
Gains on disposal of investments	(1,495)	841
Finance revenues	59,895	134,847
Finance costs	(118,519)	(110,110)
Profit before tax	**481,956**	**465,274**
Income tax expense	(96,046)	(82,514)
Profit for the year	**385,910**	**382,760**
Attributable to		
Owners of the company	385,671	382,133
Non-controlling interests	239	627

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2019	2018
Profit for the year	**385,910**	**382,760**
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on post-employment benefits	(49,258)	10,549
Fair value changes of equity investments	318	3,176
Income tax relating to items that will not be reclassified	11,606	(2,870)
Total items that will not be reclassified to profit or loss	**(37,334)**	**10,855**
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	114,838	51,919
Share of currency translation differences of associates and joint ventures valued by the equity method	7,355	5,082
Total items that may be reclassified subsequently to profit or loss	**122,193**	**57,001**
Other comprehensive income for the year, net of tax	**84,859**	**67,856**
Total comprehensive income for the year	**470,769**	**450,616**
Attributable to:		
Owners of the company	470,244	447,492
Non-controlling interests	525	3,124

CONSOLIDATED BALANCE SHEET

	31.12.2019	31.12.2018
ASSETS		
Non-current assets		
Goodwill	619,002	575,537
Other intangible assets	70,814	38,609
Right-of-use assets	99,247	-
Property, plant and equipment	3,149,997	3,059,276
Investment property	20,796	20,280
Investments in associates and joint ventures	517,920	515,897
Equity investments at fair value	12,204	8,804
Deferred income tax assets	72,823	34,340
Other non-current assets	21,932	25,063
	4,584,735	**4,277,806**
Current assets		
Inventories	489,299	457,592
Trade receivables	414,468	399,396
Other receivables	70,514	92,355
Cash and cash equivalents	837,403	440,499
	1,811,684	**1,389,842**
Assets held for sale	6,145	6,499
Total Assets	**6,402,564**	**5,674,147**
EQUITY		
Equity attributable to owners of the company		
Share capital	123,637	123,637
Share premium	458,696	458,696
Other reserves	116,798	5,260
Retained earnings	2,986,360	2,669,357
Treasury shares	(373)	(119,465)
	3,685,118	**3,137,485**
Non-controlling interests	5,703	6,120
Total Equity	**3,690,821**	**3,143,605**
LIABILITIES		
Non-current liabilities		
Long-term debt	1,235,628	920,674
Lease liabilities	74,665	1,720
Derivative financial instruments	1,412	-
Employee benefits	442,610	391,563
Provisions for liabilities and charges	87,104	69,281
Deferred income tax liabilities	366,442	335,928
Other non-current liabilities	9,267	40,515
	2,217,128	**1,759,681**
Current liabilities		
Current portion of long-term debt	26,414	327,840
Short-term debt	13,737	14,381
Current portion of lease liabilities	22,527	193
Derivative financial instruments	-	10,340
Trade payables	235,365	234,985
Income tax payables	34,398	8,844
Provisions for liabilities and charges	28,479	30,957
Other payables	133,695	143,321
	494,615	**770,861**
Total Liabilities	**2,711,743**	**2,530,542**
Total Equity and Liabilities	**6,402,564**	**5,674,147**

CONSOLIDATED STATEMENT OF CASH FLOWS

	2019	2018
Cash flows from operating activities		
Cash generated from operations	691,452	453,372
Interest paid	(31,698)	(45,384)
Income tax paid	(84,275)	(76,370)
Net cash generated from operating activities	**575,479**	**331,618**
Cash flows from investing activities		
Purchase of intangible assets	(7,067)	(3,524)
Purchase of property, plant and equipment	(250,017)	(211,747)
Acquisition of subsidiaries, net of cash acquired	(76,423)	(44,173)
Purchase of other equity investments	(4,161)	(161,477)
Proceeds from sale of property, plant and equipment	11,976	43,443
Proceeds from sale of equity investments	467	1,793
Changes in financial receivables	7,692	(812)
Dividends received from associates	84,384	80,853
Interest received	13,448	14,379
Net cash used in investing activities	**(219,701)**	**(281,265)**
Cash flows from financing activities		
Proceeds from long-term debt	249,003	114,855
Repayments of long-term debt	(150,114)	(370,213)
Net change in short-term debt	(622)	(3,240)
Repayments of lease liabilities	(26,896)	-
Changes in other financial payables	(8,471)	754
Changes in ownership interests without loss of control	(1,663)	(22,866)
Purchase of treasury shares	-	(118,652)
Dividends paid to owners of the company	(26,559)	(28,135)
Dividends paid to non-controlling interests	(289)	(484)
Net cash used in financing activities	**34,389**	**(427,981)**
Increase (decrease) in cash and cash equivalents	**390,167**	**(377,628)**
Cash and cash equivalents at beginning of the year	440,499	810,630
Translation differences	6,794	7,497
Change in scope of consolidation	(57)	-
Cash and cash equivalents at end of the year	**837,403**	**440,499**

Figures as at December 31, 2019 have been approved by the Board of Directors but they have not been examined by the Statutory Auditors and the Independent Auditors have not issued their opinion yet.

BUZZI UNICEM SPA

INCOME STATEMENT

(in thousands of euro)

	2019	2018
Net sales	**357,543**	**321,112**
Changes in inventories of finished goods and work in progress	4,354	3,819
Other operating income	33,763	22,607
Raw materials, supplies and consumables	(169,706)	(153,818)
Services	(86,624)	(81,341)
Staff costs	(72,352)	(72,077)
Other operating expenses	(11,353)	(15,714)
Operating cash flow (EBITDA)	**55,625**	**24,588**
Depreciation, amortization and impairment charges	(38,805)	(40,745)
Operating profit (EBIT)	**16,820**	**(16,157)**
Finance revenues	217,080	258,982
Finance costs	(145,018)	(146,250)
Profit before tax	**88,882**	**96,575**
Income tax expense	(1,668)	1,298
Profit for the year	**87,214**	**97,873**

STATEMENT OF COMPREHENSIVE INCOME

	2019	2018
Profit for the year	**87,214**	**97,873**
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on post-employment benefits	(16)	446
Income tax relating to items that will not be reclassified	3	(107)
Total items that will not be reclassified to profit or loss	**(13)**	**339**
Total items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year, net of tax	**(13)**	**339**
Total comprehensive income for the year	**87,201**	**98,212**

BALANCE SHEET

	31.12.2019	31.12.2018
ASSETS		
Non-current assets		
Goodwill	40,500	40,500
Other intangible assets	2,487	1,474
Right of use assets	3,853	-
Property, plant and equipment	271,984	286,588
Investment property	8,735	8,199
Investments in subsidiaries, associates and joint ventures	2,446,718	2,277,415
Other equity investments	7,135	4,251
Deferred income tax assets	24,516	8,530
Other non-current assets	1,791	3,677
	2,807,719	**2,630,634**
Current assets		
Inventories	92,957	97,682
Trade receivables	108,008	106,443
Other receivables	44,231	202,297
Cash and cash equivalents	243,283	121,817
	488,479	**528,239**
Assets held for sale	3,045	1,656
Total Assets	**3,299,243**	**3,160,529**
EQUITY		
Share capital	123,637	123,637
Share premium	458,696	458,696
Other reserves	418,430	429,336
Retained earnings	647,518	582,406
Treasury shares	(373)	(119,465)
Total Equity	**1,647,908**	**1,474,610**
LIABILITIES		
Non-current liabilities		
Long-term debt	1,154,760	1,136,561
Lease liabilities	2,809	58
Derivative financial instruments	1,412	-
Employee benefits	14,184	15,037
Provisions for liabilities and charges	10,236	9,881
Deferred income tax liabilities	12,584	1,174
Other non-current liabilities	96	29,599
	1,196,081	**1,192,310**
Current liabilities		
Current portion of long-term debt	311,554	311,387
Short term debt	14,156	35,066
Current portion of lease liabilities	1,054	24
Derivative financial instruments	-	10,340
Trade payables	62,747	66,081
Income tax payables	4,730	5,200
Provisions for liabilities and charges	10,082	11,343
Other payables	50,931	54,168
	455,254	**493,609**
Total Liabilities	**1,651,335**	**1,685,919**
Total Equity and Liabilities	**3,299,243**	**3,160,529**

Figures as at December 31, 2019 have been approved by the Board of Directors but they have not been examined by the Statutory Auditors and the Independent Auditors have not issued their opinion yet.

Alternative performance measures

Buzzi Unicem 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 n. 92543 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)	2019	2018
Ebitda	**728.1**	**577.2**
Restructuring costs	4.0	6.5
Additions to provisions for risks	-	4.3
Gains on disposal of fixed assets	-	(17.2)
Other expenses	-	(4.0)
IFRS 16 adoption	(27.7)	-
Antitrust fine	-	1.7
EBITDA recurring	**704.4**	**568.5**

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

- **Net debt:** it's 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.