Buzzi Unicem

PRESS RELEASE

Approval of the 2020 financial statements

- **Stable sales volumes, thanks to the progress in the United States, a marginal increase in Russia and steady activity in Germany; negative change in Italy and Eastern Europe**
- **Ebitda up 7.2% to €781 million and Ebit at €524 million (+11.9% on 2019), thanks to the favorable dynamics of prices and production costs, despite the unfavorable exchange rate effect**
- **Net debt down to €242 million, thanks to the strong operating cash flow generation and the divestment of the Kosmos Cement assets**
- **Dividend proposal: 25 cents per ordinary share (15 cents per ordinary share and 17.4 cents per savings share in 2019)**

Consolidated data		**2020**	**2019**	**% 20/19**
Cement and clinker sales	t/000	**29,250**	29,122	0.4%
Ready-mix sales	m^3/000	**11,743**	12,120	-3.1%
Net sales	€/m	**3,222**	3,221	-
Ebitda	€/m	**781**	728	7.2%
Ebitda recurring	€/m	**785**	732	7.2%
Consolidated net profit	€/m	**560**	386	45.2%
		dic-20	dic-19	Var.
Net debt	€/m	**242**	568	(326)

The Board of Directors of Buzzi Unicem SpA met today to examine the statutory and consolidated financial statements for the year ended 31 December 2020.

In the year under review, the group sold 29.3 million tons of cement, up 0.4% compared to 2019 and 11.7 million cubic meters of ready-mix concrete, down compared to the figure recorded in the previous year (-3.1%).

In Italy, after the sharp contraction of the economy in the second quarter, due to the introduction of the restrictive measures aimed at limiting the spread of the Covid-19 pandemic, economic activity during the summer months, with the easing of the containment measures, showed a recovery that was higher than expected: GDP in the third quarter increased by approximately

15.9%, supported by the recovery of exports and the soundness of domestic demand, recovering almost three quarters of the cumulative loss in the first half. However, in the fourth quarter, the worsening of the epidemiological picture led to the introduction of new restrictions on mobility and economic activity, which had a significant impact on the trade and services sector, but only a marginal one in manufacturing, and slowed down the economic recovery underway. In this context, industrial output, after the marked recovery in the summer and the contraction in the last quarter, was down by 11.4%. Exports of goods and services, both within the EU and towards non-EU countries, which were markedly weak during the first half due to the slowdown in international trade, significantly recovered in the third quarter and decelerated again in the autumn. The increase in disposable income recorded during the summer, however remaining below pre-pandemic levels, after the sharp contraction in the first half supported household spending, which also weakened, though, in the final part of the year. The resumption of production activity during the summer allowed a recovery in the employment rate and a reduction in the use of wage integration measures. However, the latest surveys relating to the fourth quarter of the year indicate an upturn in requests to the Redundancy Fund System (CIG) and a slowdown in the creation of new jobs. In the construction sector, the growth recorded in the third quarter, which was the result of the positive evolution in the public works sector and of the stability of the residential segment, was unable to offset the losses suffered in the previous quarters, due to the forced closure of the construction sites.

As for the Central European countries, in Germany, after the sharp contraction in economic activity in the first six months of the year due to the outbreak of the Covid-19 pandemic, the relaxation of the restrictive measures aimed at containing infections and the fiscal stimulus packages launched by the government in order to support businesses, consumers and employment favored the recovery of GDP in the third quarter (+8.5%), supported by the resilience in the services sector and in manufacturing activity. Net exports, particularly weak in the first half due to the economic difficulties also faced by the main trading partners, at the end of the third quarter were still significantly below the levels prior to the pandemic, despite the signs of recovery shown during the summer. In the fourth quarter, the resurgence of the pandemic led to the imposition of further restrictions on personal mobility that particularly penalized the services sector and only marginally manufacturing activity, favored by the solidity of domestic consumption. In a context characterized by a slowdown in investments, nevertheless the construction sector maintained some stability, supported by the residential segment.

In Luxembourg, the containment measures adopted in the first half and in the fourth quarter significantly influenced domestic consumption, as well as investments and exports of non-financial goods and services. However, the public plans put in place to support households and businesses, as well as the soundness of the financial sector, mitigated the negative impact on GDP growth for 2020.

Looking at the Eastern European markets, in Russia, the sharp contraction in the first half of the year, due to the rapid spread of the pandemic in the country and to the subsequent introduction of containment measures regarding mobility restrictions and the lockdown of production and commercial activities, was followed by a partial recovery of economic activity, driven by the fiscal stimulus measures introduced by the government to relieve employment, households and businesses, as well as by the significant recovery in the global demand for hydrocarbons, while investments, particularly the public ones, showed a negative trend. The pandemic containment measures, in addition to the low prices of hydrocarbons for most of the year, weighed on the performance of the construction sector.
In Poland, the marked contraction of the economy recorded in the first half of the year, arising from the introduction of restrictive measures aimed at containing the pandemic spread, was followed by a third quarter which showed a vigorous recovery in industrial production, supported by the increase in public spending and by the recovery of domestic demand and exports. However, the resurgence of the pandemic in the last quarter once again held back the economic recovery. The construction sector showed a moderate decline, with the residential and commercial sectors being particularly weak, while investments in infrastructures maintained a positive trend.
In the Czech Republic, manufacturing activity and consumption showed a clear acceleration during the summer, thanks to the recovery of exports and domestic demand, which were nevertheless only able to partially offset the contraction that occurred during the first half of the year. Furthermore, the worsening of the epidemiological picture starting from September, which led to the introduction of new restrictive measures, increased uncertainty and further weakened the confidence of households and businesses, interrupting the ongoing economic recovery. 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.
In Ukraine, the sharp slowdown in the economy in the first half of the year, following the outbreak of the pandemic and the severe containment measures adopted, interrupted the positive economic cycle, which has been underway since 2016. During the summer quarter, with the gradual easing of restrictions, there was a partial recovery in domestic and foreign demand, which favored the progress of manufacturing and mining, which were particularly weak in the previous months. A new slowdown, however, occurred in the last quarter, due to the worsening of the epidemiological situation in the country.

In the United States of America, after a particularly weak second quarter, during which economic activity recorded the strongest contraction ever since the postwar period, in the summer months, with the relaxation of the restrictive measures introduced in the spring in order to limit the spread of infections, the economic situation showed a clear rebound. After registering a loss of over 20 million jobs in the second quarter, the employment rate recovered, fueling the rapid upswing in consumption, and fiscal and monetary stimuli supported households and businesses. The worsening of the epidemiological picture starting from October led to the introduction of new restrictive measures which, thanks to their more local nature, had a limited impact on economic activity. Construction investments are expected to be stable compared to the previous year, supported by the development of the residential sector, by the stabilization of infrastructures, while the contraction in the commercial demand was marked.

Consolidated net sales remained virtually unchanged during the two years, increasing 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 stood at €781 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).

Excluding non-recurring items Ebitda rose from €732.1 to €785.0 million (+7.2%), with Ebitda to sales margin standing at 24.4% (22.7% in 2019). The strengthening of operating results in the United States of America, Germany and Eastern Europe, particularly in Poland, achieved despite an unfavorable foreign exchange effect, more than offset the slowdown recorded in Italy and Benelux.

Amortization and depreciation amounted to €256.9 million, compared to €259.9 million of the previous year. Ebit came in at €524 million, up versus €468.2 million in 2019. Net finance costs decreased from €58.6 to €0.3 million, mainly due to the favorable variance of forex gains and losses and in the fair value of derivative instruments. Gains on sale of investments contributed positively for €3.6 million, while equity in earnings of associates increased from €73.8 to €173.1 million, €103.6 million thereof referring to the assets disposal carried out by Kosmos Cement. As a consequence of the above, profit before tax amounted to €700.3 million, up compared to €482.0 million of the previous year. The tax charge for the year was equal to €139.8 million, versus €96.0 million in 2019: the corresponding rate stopped at 20%, in line with the level of the previous period. Therefore, the income statement for 2020 closed with a net profit of €560.5 million (€385.9 million in 2019). Net profit attributable to the owners of the company increased from €385.7 to €560.2 million in the year under review.

Consolidated net debt as at 31 December 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, among which the erection of the new cement grinding department in Korkino in Russia (€5.4 million) and the construction of a new clinker storage in San Antonio, Texas (€1.6 million), where also works for the installation of a photovoltaic power system began (€1.1 million).

As at 31 December 2020, total equity, inclusive of non-controlling interests, stood at €3,603.0 million versus €3,690.8 million at 2019 year-end. Consequently the debt/equity ratio decreased to 0.07 from 0.15 in the previous year.

In 2020 the parent company Buzzi Unicem SpA reported a net profit of €293.4 million (€82.7 million in 2019) and a cash flow of €331.9 million.

Italy

Our volumes of hydraulic binders and clinker sold, after a sharp decline in the first half, maintained a positive trend in the second part of the year, thanks to the strengthening of domestic demand, partially recovering the losses incurred during the production and commercial lockdown (-2.8%). Average selling prices, for the whole of the year, 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.

Such trend in volumes and prices led to net sales of €501.1 million, down 0.7% (€504.7 million in 2019): like for like net sales would have been down 2.1%. The unit production costs showed a moderate decline thanks to the savings in fuel and energy costs, net of the increase in fixed costs. Ebitda achieved €33.8 million, down 22.1% compared to €43.4 million of last year. On a like-for-like basis Ebitda would have decreased by 17.2%. However, it should be remembered that the figure for the year under review includes net non-recurring charges of €1.6 million, of which €2.4 million referring to restructuring costs, €0.7 million to professional consultancy expenses and €1.5 million, with negative sign, to the release of a provision for risks (€3.6 million net non-recurring costs in 2019). Thus the recurring Ebitda was equal to €35.5 million, down 24.5% compared to €47.0 million in 2019. In the period the company did not realize any other operating revenues from the intercompany sale of CO_2 emission rights (compared to €23,8 million in 2019).

Central Europe

In **Germany**, our deliveries of hydraulic binders, after a slight decline in the first part of 2020, during the second half of the year showed good development, together with a favorable change in average selling prices, which allowed to recover the cumulative loss of the first six months (+0.4%). The ready-mix concrete sector showed an increase in production (+4.6%) compared to 2019, thanks also to the additional contribution of the plants acquired last year in Düsseldorf, with prices equally strengthening.

Overall net sales thus increased from €679.6 to €717.0 million (+5.5%) and Ebitda from €102.3 to €123.8 million (+21.0%). On a like-for-like basis net sales and Ebitda would have increased by 4.7% and 20.5% respectively. It should be remembered that the figure for 2019 included a non-recurring item of €0.4 million for restructuring costs. Net of non-recurring items Ebitda showed an improvement of €21.2 million on the previous year (+20.6%). The savings in fuel costs and CO_2 emission rights offset a certain increase in electric power and fixed costs: thus unit production costs recorded a little favorable change. In 2020 the business incurred operating costs of €16.5 million for CO_2 emission rights (€20.3 million in 2019).

In **Luxembourg** and the **Netherlands**, our cement and clinker shipments were unable to overcome the cumulative negative variance of the first six months of the year, which was characterized by the interruption of the production and commercial activities of our plant, and they closed with an unfavorable change compared to the levels of year-end 2019 (-4.8%), coupled with slightly higher average selling prices. The ready-mix concrete sector, despite a partial recovery signal shown in the last quarter, closed the year also down (-2.3%), albeit with prices improving.

Net sales came in at €191.7 million, down 0.4% compared to the previous year (€192.5 million). Ebitda stood at €21.7 million (€22.7 million in 2019). Despite the considerable savings in fuel costs and CO_2 emission rights, unit production costs showed an unfavorable change, mainly due to the increase in fixed costs and electric power. It should be remembered that during the year operating costs were incurred of €2.1 million for CO_2 emission rights (€2.3 million in 2019).

Eastern Europe

In **Poland**, our cement sales, despite an overall positive second half, closed 2020 down from the levels reached the previous year (-5.3%). On the other hand, 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. Net sales decreased from €123.8 to €117.8 million (-4.8%) and Ebitda improved from €32.1 to €35.3 million (+10.0%). However, it should be remembered that the depreciation of the local currency (-3.4%) impacted the translation of the results into euro: at constant exchange rates net sales would have been down 1.6% and Ebitda up 13.5%. The savings in fuel costs and CO_2 emission rights only partially offset the increase in fixed costs and electric power: therefore, unit production costs in local currency showed an unfavorable variance. During 2020 operating costs were incurred equal to €6.5 million for CO_2 emission rights (€7.2 million in 2019).

In the **Czech Republic**, 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%). Moreover, 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%). Nevertheless, the price effect was favorable.
Consolidated net sales amounted to €159.5 million (€168.2 million in 2019, -5.2%) and Ebitda increased from €46.3 to €46.8 million (+1.1%). It should be remembered, however, that the depreciation of the Czech koruna (-3.1%) had an impact on the translation of the results into euro: at constant exchange rates, the variance of net sales would have been -2.7%, while the one of Ebitda +4.2%. The improvement of unit production costs in local currency is attributable to the savings in fuel costs, CO_2 emission rights and the fixed component, while electric power showed an unfavorable trend. During the year the business incurred operating charges of €1.7 million for CO_2 emission rights (€2.3 million in 2019).

In **Ukraine**, 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.
Net sales stood at €116.1 million, down compared to €131.9 million achieved in 2019 (-12.0%), while Ebitda, however, increased from €21.0 to €21.9 million (+4.3%). The depreciation of the local currency (-6.7%) negatively influenced the translation of the results into euro: at constant exchange rates the turnover would have been down 6.1% and Ebitda up 11.0%. Despite the unfavorable change in the fixed component, unit production costs in local currency showed a favorable dynamic, thanks to the considerable savings in fuel costs.

In **Russia**, 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. Net sales amounted to €195.8 million, down compared to €214.5 million of the previous year (-8.7%) and Ebitda decreased from €57.7 to €52.9 million

(-8.3%). The weakening of the ruble (-14.2%) unfavorably influenced the translation of the results into euro: at constant exchange rates, net sales would have been up 3.5% and Ebitda up 4.8%. It should be remembered that the figure for the period includes non-recurring charges of €2.6 million referring to an ongoing legal claim: net of this item, the recurring Ebitda was equal to €55.5 million, down 3.7% compared to 2019. Ebitda to sales margin, increasing compared to the previous year, remained on levels higher than the group average (28.3%). Unit production costs in local currency continued to be stable, being negatively affected by the unfavorable trend of electric power and, marginally, of fuel costs.

United States of America

Our hydraulic binders sales, thanks to generally favorable weather conditions, particularly in the winter months, and to the soundness of demand, during the second half of the year continued their positive development, closing the year with good progress compared to 2019 (+5.0%). Selling prices in local currency improved only slightly in the whole of the year. Ready-mix concrete output, mainly located in Texas, during the second half showed some weakness which had already been recorded in the first six months, closing the year down compared to 2019 (-4.2%), with selling prices, in local currency, slightly increasing.

Overall net sales amounted to €1,260.6 million, up (+1.5%) compared to €1,242.5 million of 2019, while Ebitda increased from €402.7 to €444.2 million (+10.3%). The depreciation of the dollar (-2.0%), particularly in the second part of the year, had a negative impact on the translation of the results into euro: at constant exchange rates net sales and Ebitda would have increased 3.5% and 12.5% respectively. The improving Ebitda to sales margin still represents the top level of the group (35.2%). The unit production costs in local currency showed a favorable dynamic, thanks to the savings both in fixed costs and in energy supplies, particularly fuels.

Mexico (valued by the equity method)

The sales of the associate Corporación Moctezuma, during the second half of the year, recorded a clear strengthening, thanks to the marked recovery of the activity in the public works sector, closing 2020 in considerable progress compared to the previous year (+12.4%), with prices, in local currency, which did not show any significant changes. Ready-mix concrete sales, on the other hand, confirmed the weakness already recorded in the first half, closing the year clearly declining compared to 2019 (-15.7%), with prices, in local currency, decreasing. Net sales stood at €573.8 million, down 3.3% on the previous year, while Ebitda came in at €265.0 up compared to €252.2 million of 2019. The depreciation of the Mexican peso (-13.7%) affected the translation of the results into euro: at constant exchange rates net sales and Ebitda would have been up 10.0% and 19.5% respectively. The favorable trend in unit production costs was obtained thanks to the savings in the main cost items. The equity earnings referring to Mexico, included in the line item that encompasses the investments valued by the equity method, amount to €58.1 million (€52.9 million in 2019).

Brazil (valued by the equity method)
In the second half of 2020, cement shipments of our joint venture confirmed the positive trend already recorded during the first six months, closing the year visibly increasing (+9.3%) compared to the levels achieved in 2019, with selling prices, in local currency, clearly improving. Net sales, with reference to 100% of the associate, stood at €139.1 million, slightly progressing (+3.2%) compared to €134.7 million of the previous year, while Ebitda reached €48.0 million, markedly up compared to €23.4 million of 2019. The strong depreciation of the Brazilian real penalized the translation of the results into euro (-33.6%): at constant exchange rates, net sales would have been up 37.9% and Ebitda would have been equal to approximately 2.7 times the result of the previous year. The decrease in unit production costs was favored by the positive dynamic of fixed costs, together with the savings in energy inputs. The equity earnings referring to Brazil, included in the line item that encompasses the investments valued by the equity method, amount to €0.4 million (-0.7 million in 2019).

Outlook
In Italy, construction investments are expected to grow moderately, mainly favored by the residential building renovation sector and by a gradual recovery of activity in the commercial and public segments. In this context, we believe that a recovery in our volumes is likely, also thanks to the comparison with a 2020 which was strongly conditioned (especially during the first half) by the Covid-19 pandemic. We expect a positive development of selling prices but energy costs clearly increasing.

In Central Europe we expect sales volumes to decline slightly. In a general context of increasing costs, especially those relating to energy factors and CO_2 emission rights, selling prices should continue to strengthen. In short, we estimate that operating results will decline moderately.

In Poland, we believe it probable that the demand for cement, after the decline recorded in 2020, will remain stable, with prices still strengthening and, therefore, that the operating results may close marginally progressing.

On the contrary, in the Czech Republic and Slovakia, we expect an unfavorable change in volumes sold, with stable selling prices. Therefore, we believe that the economic trend in this area will be penalized compared to 2020.

In Ukraine, in a macroeconomic context being still particularly uncertain, an ongoing pressure on cement imports though the Black Sea is foreseen. The operating performance should be characterized by sales volumes moderately declining, stable prices and costs increasing. These dynamics suggest a negative change in the operating results.

In Russia, we believe that the resilience of cement demand and the increase in oil prices can reflect on the dynamics of our sales. The expected market conditions should allow selling prices to hold well, while the main cost items should remain stable. Ebitda, in local currency, could therefore show a modest positive change. However, the ongoing weakness of the ruble, which has already arisen in the second half of 2020, will cause a decline from last year's result.

In the United States of America, the prospective economic recovery for the current year should only partially reflect on the growth in construction investments, which are expected to develop moderately. Net of some probable difficulties in the ready-mix concrete sector, we expect a pretty differentiated improvement of prices, according to the local competitive situations. Unfortunately, the picture of industry inflation that is emerging for all the main cost items is more certain. Ebitda, in local currency, should show a negative development compared to the figure recorded last year, returning to the levels of 2019. The weakness of the dollar, if confirmed, would lead to a further decline in results.

In conclusion, at a consolidated level, we believe it is likely for 2021 a decrease in recurring Ebitda, compared to the excellent results achieved in the previous period. The slowdown may be more or less significant depending on how the pandemic will evolve in the coming months, as well as its impact on economic activity in the geographic areas where the group operates.
The capital expenditure program approved for 2021 is more meaningful than the one of the year just ended and includes several projects aimed at the continuous improvement of the operational efficiency as well as at the challenging CO_2 emission reductions that the group is targeting.

Consolidated non-financial statement 2020
The Board of Directors approved the consolidated non-financial statement, which is included in the Sustainability Report 2020, 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 2020.

Appropriation of net income

The Board of Directors will propose to the Annual General Meeting of Buzzi Unicem SpA, convened in a single call for 7 May 2021 a dividend of 25 cents per share. The dividend payment, if approved by the Shareholders' Meeting, will be effected as from 26 May 2021 (with coupon detachment on 24 May 2021 and record date on 25 May 2021).

In consideration of the health emergency related to the Covid-19 epidemic, the company decided to make use of the option - pursuant to art. 106, paragraph 4, of the Decree Law. 17 March 2020, no. 18 and subsequent amendments - to provide that the participation and exercise of the right to vote in the Shareholders' Meeting may take place exclusively through the representative designated by the company pursuant to art. 135-undecies of Legislative Decree no. 58/1998.

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 8 May 2020) the buy-back of a maximum of #7,000,000 ordinary 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 and a maximum of respectively no less and no more than 10% compared to the reference price of the ordinary share recorded in the stock market session of the day before the completion of each individual transaction.

The maximum possible purchase amount is equal to €150 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 8 May 2020, the company purchased no. 79,235 ordinary treasury shares and no. 30,724 savings treasury shares.
As part of the transaction of mandatory conversion of savings shares into ordinary shares, on 18 January 2021 the company purchased no. 12 savings shares deriving from the exercise of the withdrawal right granted to the savings shareholders and on the same date the savings treasury shares held were converted into ordinary shares.
As a consequence of the above and taking into account the treasury shares already held, as of today the company owns #494,316 ordinary treasury shares equal to 0.257% of capital stock.

Other shareholders' meeting resolutions
The Shareholders' Meeting has also been convened, in ordinary session, to take the required resolutions:

- on the approval of Section I of the Report on remuneration policy and the remuneration paid, ex per article 123 ter, paragraphs 3 bis and 3 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, paragraph 6, of Legislative Decree no. 58/1998.

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 for the year 2020.
The Board of Directors has also assessed that Directors Elsa Fornero, Aldo Fumagalli Romario, Antonella Musy, Linda Orsola Gilli, Mario Paterlini, Gianfelice Rocca and Giovanna Vitelli meet the criteria of independence as per Code of Conduct approved by Borsa.

Senior Notes and Bonds
In the period from 1 January 1 to 31 December 2020 no new bonds were issued.
In the 18 months subsequent to 31 December 2020 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 2021

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The Buzzi Unicem 2020 financial statements will be illustrated during a **conference call** to be held on Thursday, 25 March, at 4:00 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)

	2020	2019
Net sales	**3,222,411**	**3,221,443**
Changes in inventories of finished goods and work in progress	(18,868)	12,228
Other operating income	50,189	52,136
Raw materials, supplies and consumables	(1,154,951)	(1,204,228)
Services	(736,190)	(764,710)
Staff costs	(508,785)	(518,379)
Other operating expenses	(73,005)	(70,386)
EBITDA	**780,801**	**728,104**
Depreciation, amortization and impairment charges	(256,911)	(259,866)
Operating profit	**523,890**	**468,238**
Equity in earnings of associates and joint ventures	173,080	73,837
Gains (losses) on disposal of investments	3,602	(1,495)
Finance revenues	106,742	59,895
Finance costs	(107,055)	(118,519)
Profit before tax	**700,259**	**481,956**
Income tax expense	(139,787)	(96,046)
Profit for the year	**560,472**	**385,910**
Attributable to:		
Owners of the company	560,246	385,671
Non-controlling interests	226	239

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2020	2019
Profit for the year	**560,472**	**385,910**
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on post-employment benefits	(26,745)	(49,258)
Fair value changes of equity investments	470	318
Income tax relating to items that will not be reclassified	10,645	11,606
Total items that will not be reclassified to profit or loss	**(15,630)**	**(37,334)**
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	(352,605)	114,838
Share of currency translation differences of associates and joint ventures valued by the equity method	(81,133)	7,355
Total items that may be reclassified subsequently to profit or loss	**(433,738)**	**122,193**
Other comprehensive income for the year, net of tax	**(449,368)**	**84,859**
Total comprehensive income for the year	**111,104**	**470,769**
Attributable to:		
Owners of the company	110,886	470,518
Non-controlling interests	218	251

CONSOLIDATED BALANCE SHEET

	31.12.2020	31.12.2019
ASSETS		
Non-current assets		
Goodwill	603,603	619,002
Other intangible assets	60,718	70,814
Right-of-use assets	87,725	99,247
Property, plant and equipment	2,909,405	3,149,997
Investment property	18,762	20,796
Investments in associates and joint ventures	409,210	517,920
Equity investments at fair value	11,402	12,204
Deferred income tax assets	81,961	72,823
Other non-current assets	31,019	21,932
	4,213,805	**4,584,735**
Current assets		
Inventories	469,360	489,299
Trade receivables	399,222	414,468
Other receivables	72,204	70,514
Cash and cash equivalents	1,218,279	837,403
	2,159,065	**1,811,684**
Assets held for sale	13,890	6,145
Total Assets	**6,386,760**	**6,402,564**
EQUITY		
Equity attributable to owners of the company		
Share capital	123,637	123,637
Share premium	458,696	458,696
Other reserves	(314,922)	116,798
Retained earnings	3,337,796	2,986,360
Treasury shares	(7,699)	(373)
	3,597,508	**3,685,118**
Non-controlling interests	5,499	5,703
Total Equity	**3,603,007**	**3,690,821**
LIABILITIES		
Non-current liabilities		
Long-term debt	1,166,309	1,235,628
Lease liabilities	64,554	74,665
Derivative financial instruments	4,060	1,412
Employee benefits	445,140	442,610
Provisions for liabilities and charges	87,800	87,104
Deferred income tax liabilities	334,016	366,442
Other non-current liabilities	9,469	9,267
	2,111,348	**2,217,128**
Current liabilities		
Current portion of long-term debt	52,958	26,414
Short-term debt	12,901	13,737
Current portion of lease liabilities	21,443	22,527
Trade payables	229,247	235,365
Income tax payables	56,056	34,398
Provisions for liabilities and charges	47,986	28,479
Other payables	251,814	133,695
	672,405	**494,615**
Total Liabilities	**2,783,753**	**2,711,743**
Total Equity and Liabilities	**6,386,760**	**6,402,564**

CONSOLIDATED STATEMENT OF CASH FLOWS

	2020	2019
Cash flows from operating activities		
Cash generated from operations	743,874	691,452
Interest paid	(29,196)	(31,698)
Income tax paid	(125,868)	(84,275)
Net cash generated from operating activities	**588,810**	**575,479**
Cash flows from investing activities		
Purchase of intangible assets	(5,239)	(7,067)
Purchase of property, plant and equipment	(222,900)	(250,017)
Acquisition of subsidiaries, net of cash acquired	-	(76,423)
Purchase of other equity investments	(167)	(4,161)
Proceeds from sale of property, plant and equipment	8,112	11,976
Proceeds from sale of equity investments	5,982	467
Changes in financial receivables	(3,042)	7,692
Dividends received from associates	198,161	84,384
Interest received	10,454	13,448
Net cash (used) in investing activities	**(8,639)**	**(219,701)**
Cash flows from financing activities		
Proceeds from long-term debt	-	249,003
Repayments of long-term debt	(26,414)	(150,114)
Net change in short-term debt	(836)	(622)
Repayments of lease liabilities	(24,707)	(26,896)
Changes in other financial payables	(13,133)	(8,471)
Changes in ownership interests without loss of control	(29,222)	(1,663)
Purchase of treasury shares	(7,326)	-
Dividends paid to owners of the company	(31,802)	(26,559)
Dividends paid to non-controlling interests	(190)	(289)
Net cash (used) generated in financing activities	**(133,630)**	**34,389**
Increase in cash and cash equivalents	**446,541**	**390,167**
Cash and cash equivalents at beginning of year	837,403	440,499
Translation differences	(65,641)	6,794
Change in scope of consolidation	(24)	(57)
Cash and cash equivalents at end of year	**1,218,279**	**837,403**

Figures as at December 31, 2020 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)	
	2020	**2019**
Net sales	**360,278**	**357,543**
Changes in inventories of finished goods and work in progress	(1,754)	4,354
Other operating income	6,426	33,763
Raw materials, supplies and consumables	(152,722)	(169,706)
Services	(86,024)	(86,624)
Staff costs	(71,983)	(72,352)
Other operating expenses	(8,354)	(11,353)
Operating cash flow (EBITDA)	**45,867**	**55,625**
Depreciation, amortization and impairment charges	(38,452)	(38,805)
Operating profit (EBIT)	**7,415**	**16,820**
Gains (losses) on disposal of investments	314	-
Finance revenues	367,130	217,080
Finance costs	(82,802)	(145,018)
Profit before tax	**292,057**	**88,882**
Income tax expense	1,336	(1,668)
Profit for the year	**293,393**	**87,214**

STATEMENT OF COMPREHENSIVE INCOME

Profit for the year	**293,393**	**87,214**
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on post-employment benefits	(235)	(16)
Income tax relating to items that will not be reclassified	56	3
Total items that will not be reclassified to profit or loss	**(179)**	**(13)**
Total items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year, net of tax	**(179)**	**(13)**
Total comprehensive income for the year	**293,214**	**87,201**

BALANCE SHEET

	31.12.2020	**31.12.2019**
ASSETS		
Non-current assets		
Goodwill	40,500	40,500
Other intangible assets	2,284	2,487
Right of use assets	3,487	3,853
Property, plant and equipment	252,855	271,984
Investment property	8,229	8,735
Investments in subsidiaries, associates and joint ventures	2,440,298	2,446,718
Other equity investments	6,205	7,135
Deferred income tax assets	35,213	24,516
Other non-current assets	7,838	1,791
	2,796,909	**2,807,719**
Current assets		
Inventories	87,920	92,957
Trade receivables	114,563	108,008
Other receivables	32,142	44,231
Cash and cash equivalents	557,015	243,283
	791,640	**488,479**
Assets held for sale	2,990	3,045
Total Assets	**3,591,539**	**3,299,243**
EQUITY		
Share capital	123,637	123,637
Share premium	458,696	458,696
Other reserves	420,117	418,430
Retained earnings	763,146	647,518
Treasury shares	(7,699)	(373)
Total Equity	**1,757,897**	**1,647,908**
LIABILITIES		
Non-current liabilities		
Long-term debt	1,367,309	1,154,760
Lease liabilities	2,529	2,809
Derivative financial instruments	4,060	1,412
Employee benefits	13,166	14,184
Provisions for liabilities and charges	8,654	10,236
Deferred income tax liabilities	20,045	12,584
Other non-current liabilities	75	96
	1,415,838	**1,196,081**
Current liabilities		
Current portion of long-term debt	39,991	311,554
Short term debt	141,948	14,156
Current portion of lease liabilities	991	1,054
Trade payables	66,247	62,747
Income tax payables	326	4,730
Provisions for liabilities and charges	1,298	10,082
Other payables	167,003	50,931
	417,804	**455,254**
Total Liabilities	**1,833,642**	**1,651,335**
Total Equity and Liabilities	**3,591,539**	**3,299,243**

Figures as at December 31, 2020 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 that are applicable to the preparation of the annual financial statements or interim consolidated reports.
Pursuant to Consob Communication no. 92543/2015 and the guidelines ESMA/2015/1415 set out below are the definitions of such measures.

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

- **EBITDA recurring**: it is calculated starting from the subtotal presented in the financial statements named EBITDA and applying to it the following adjustments (non-recurring income/expense):
- restructuring costs, in relation to defined and significant plans
- write downs/ups of current assets except trade receivables greater than €1 million
- addition to/release of provisions for legal, fiscal or environmental risks greater than €1 million
- dismantling costs greater than €1 million
- gains/losses from the sales of fixed assets and non-instrumental real estate greater than €3 million
- other sizeable non-recurring income or expenses (greater than €3 million), that are 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)	2020	2019
Ebitda	780.8	**728.1**
Restructuring costs	2.4	4.0
Additions to provisions for risks	1.1	-
Other expenses	0.7	-
EBITDA recurring	785.0	**732.1**

Non-recurring income in 2019 referring to the IFRS 16 adoption, amounting to €27.7 million, is no longer considered as such as the standard has come into effect.

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

- **Net debt**: it is a measure of the capital structure determined by the difference between financial liabilities and assets both short and long term; under such items are included all interest-bearing liabilities or assets and those connected to them, such as derivatives and accruals.