cementirholding
GRUPPO CALTAGIRONE

**PRESS RELEASE**

## The Board of Directors of Cementir Holding approves the results for 2018 and the forecasts for 2019

- **Historic record of revenues at EUR1,196.2 million, up 4.9% on 2017**
- **EBITDA at EUR 238.5 million, up 7.1% on 2017**
- **EBIT at EUR 153.2 million, up 9% on 2017**
- **Net Group profit at EUR 127.2 million, up 78% on 2017**
- **Net financial debt down to EUR 255.4 million (EUR 543.3 million as at 31 December 2017)**
- **Forecasts for 2019: EBITDA in the range EUR 250-260 million and net financial debt at EUR 245 million, including impacts estimated from IFRS 16**
- **Proposed dividend: 0.14 Euro per share (+40% on previous year)**

**Rome, 7 March 2019 –** The Board of Directors of Cementir Holding Spa, chaired by Francesco Caltagirone Jr., has examined and approved the draft financial statements for the year ended 31 December 2018.

### Financial highlights[1]

| (millions of Euro) | 2018 | 2017 | Change % |
|---|---|---|---|
| Revenue from sales and services | 1,196.2 | 1,140.0 | 4.9% |
| EBITDA | 238.5 | 222.7 | 7.1% |
| *EBITDA/Revenue from sales and services %* | *19.9%* | *19.5%* | |
| EBIT | 153.2 | 140.6 | 9.0% |
| Net financial income | 31.4 | (13.9) | 325.9% |
| Profit before taxes | 184.6 | 126.7 | 45.8% |
| Profit from continuing operations | 148.8 | 110.3 | 34.9% |
| Loss from discontinued operations | (13.1) | (33.1) | |
| Profit for the year | 135.7 | 77.2 | 75.8% |
| Group net profit | 127.2 | 71.5 | 78.0% |

[1] The scope of consolidation as at 31 December 2018 changed somewhat compared to 31 December 2017, after the following main transactions:
- sale of Cementir Italia SpA and its fully controlled subsidiaries Cementir Sacci SpA and Betontir SpA finalised as at 2 January 2018. The 2017 figures were restated following reclassification of the amounts related to Italian operating companies sold under "Profit (loss) from discontinued operations", pursuant to the accounting standard IFRS 5;
- acquisition of a further 38.75% of Lehigh White Cement Company (hereinafter "LWCC") which was completed on 29 March 2018. As a result of that transaction, the Cementir group now controls LWCC with a share of around 63.25%.

## Sales volumes

| (thousands) | 2018 | 2017 | Change % |
|---|---|---|---|
| Grey and white cement (metric tons) | 9,828 | 10,282 | -4.4% |
| Ready-mixed concrete (cubic metres) | 4,921 | 4,948 | -0.6% |
| Aggregates (metric tons) | 9,953 | 9,335 | 6.6% |

## Net financial debt

| (millions of Euro) | 31-12-2018 | 30-09-2018 | 30-06-2018 | 31-12-2017[(1)] |
|---|---|---|---|---|
| Net financial debt | 255.4 | 339.6 | 395.3 | 543.3 |

**(1)** Net financial debt as at 31 December 2017 excludes the financial assets and liabilities of the Italian companies sold.

## Group employees

| | 31-12-2018 | 30-09-2018 | 31-12-2017 |
|---|---|---|---|
| Number of employees | 3,083 | 3,093 | 3,021 |

*"In 2018 the Group delivered strong earnings growth, expanded margins and higher returns for shareholders. Net profit increased by 78% to 127.2 million, Ebitda grew by 7% to 238.5 million up 40 basis points over 2017 and Ebit grew by 9%. Net financial debt was significantly reduced also thanks to the sale of Italian assets. These results allow us to propose a 40% dividend increase at the next AGM"* commented Francesco Caltagirone Jr., Chairman and Chief Executive Officer.

## Comment on 2018 results

Revenue from Group sales was EUR 1,196.2 million, up 4.9% compared to EUR 1,140 million in 2017. That increase is mainly due to consolidation of the US company Lehigh White Cement Company ("LWCC") as of 1 April 2018 which contributed for about EUR 104.3 million to consolidated revenue. On a like-for-like basis, revenue dropped 4.2% mainly due to the significant drop in revenue in Turkey and Egypt, to the noticeable write-down of the Turkish Lira exchange rate against the Euro and the harsh weather conditions in Northern Europe. However, the revenue performance in Malaysia, Belgium and China was positive. Please note that at constant 2017 exchange rates, revenue would have been EUR 1,273.2 million, up 11.7% compared to 2017.

The **sales volumes** of cement and clinker, 9.8 million tons, dropped 4.4% (-9% on a like-for-like basis), due to the negative performance in Turkey and Egypt. Sales volumes of ready-mixed concrete, 4.9 million cubic metres, were down slightly (-0.6%) due to the drop in Norway and to a lesser extent in Denmark and Belgium and only partly offset by the growth in Turkey and Sweden.

In the aggregates segment, sales volumes amounted to 10 million tons, up by 7% thanks to the positive performance of sales in Belgium, France and Holland.

**Operating costs**, of EUR1,001.2 million, increased by EUR 53.8 million compared to 2017 (947.3 million) due to the change in the scope of consolidation (EUR 96.2 million). The **cost of raw materials** was EUR 479.3 million (EUR 444.2 million in 2017), up due to the change in the scope of consolidation (EUR 59.3 million). On a like-for-like basis, the cost of raw materials dropped thanks to a positive exchange rate effect and the reduction in activity volumes in Egypt and Norway, almost completely counterbalanced by the generalised increase in the price of fuel on international markets.

**Personnel costs** amounted to EUR 176.3 million, up compared to EUR 174.7 million in 2017. On a like-for-like basis there was a EUR 8.2 million drop in the personnel cost, mainly caused by a positive exchange effect.

**Operating costs** totalled EUR 345.6 million, up compared to EUR 328.4 million in 2017. The change in scope had an effect for EUR 27.1 million.

**EBITDA** was EUR 238.5 million, up 7.1% on EUR 222.7 million in 2017. On the one hand, the result benefitted from the LWCC contribution for EUR 17.1 million and the improvement in Belgium, China and Sweden and, on the other, suffered from the worse results in Egypt and Turkey and, to a lesser extent, in Malaysia.

The EBITDA margin came to 19.9%, improving on 2017 (19.5%). At constant exchange rates, the EBITDA would have been EUR 258.3 million, up 16% compared to 2017. Furthermore, the EBITDA benefited from non-recurring income (EUR 11.5 million compared to 10.1 million in 2017) linked to the revaluation of non-core land and buildings in Turkey.

**EBIT**, net of amortisation, depreciation, impairment losses and provisions totalling EUR 85.3 million (EUR 82.1 million in 2017), amounted to EUR 153.2 million compared to EUR 140.6 million in 2017, benefiting for EUR 10.6 million from the contribution of LWCC. Amortisation, depreciation, impairment losses and provisions include the impairment of trade receivables for EUR 3.1 million and provisions for risks for EUR 4.1 million. At constant exchange rates, EBIT would have been EUR 166.7 million, up 8.8% compared to 2017.

The **share of net profits of equity-accounted investees** dropped to EUR 1.0 million from 4.8 million in 2017, due to exclusion of the LWCC contribution, consolidated as of the second quarter 2018 on a line-by-line basis.

**Net financial income** was EUR 30.4 million (negative for EUR 18.7 million in 2017). That result includes, for EUR 40.1 million, the revaluation to fair value of the 24.5% share already held in LWCC, as required by international accounting standards (IFRS 3 Business Combination). A further positive contribution to financial management comes from the mark to market of commodity hedging instruments, interest rates and currencies, partially offset by losses from exchange rate differences for EUR 12.3 million.

**Profit before taxes** was EUR 184.6 million (EUR 126.7 million in 2017).

**Profit from continuing operations** totalled EUR 148.8 million (EUR 110.3 million 2017), after taxes amounting to EUR 35.9 million (EUR 16.4 million in 2017). 2017 had benefitted from the release of deferred tax liabilities due to the reductions in tax rates in Belgium and the United States for EUR 21.5 million and EUR 2.2 million, respectively.

The **result from discontinued operations**, referable to the Cementir Italia group, was negative for EUR 13.1 million (33.1 million 2017).

**Profit attributable to the owners of the parent**, once non-controlling interests were accounted for, amounted to EUR 127.2 million (EUR 71.5 million in 2017). The increase in profit attributable to non-controlling interests (EUR 8.5 million compared to 5.7 million in 2017) is essentially caused by the minority share in LWCC.

**Investments** amounted to about EUR 66.7 million: EUR 50.2 million referred to the cement sector, EUR10.5 million to ready-mixed concrete, 2.5 million to aggregates, 2.6 million to waste management and 0.8 million to other activities.

**Net financial debt** as at 31 December 2018 was EUR 255.4 million, down EUR 287.9 million compared to EUR 543.3 million as at 31 December 2017. That change can mainly be attributed to collection of EUR 315 million for the sale of Cementir Italia, partially offset by payment of about EUR 87.7 million to purchase 38.75% of LWCC, by movements in net working capital, by investments for about EUR 67 million and by distribution of dividends for EUR 15.9 million.

**Total equity** as at 31 December 2018 amounted to EUR 1,128.4 million (EUR 1,015.7 million as at 31 December 2017).

## Performance by geographical area[2]

### Nordic & Baltic

| (EUR'000) | 2018 | 2017 | Change % |
|---|---|---|---|
| Revenue from sales | 553,677 | 565,274 | -2.1% |
| *Denmark* | *356,206* | *358,793* | *-0.7%* |
| *Norway / Sweden* | *200,271* | *211,789* | *-5.4%* |
| *Other (1)* | *54,781* | *40,373* | *35.7%* |
| *Eliminations* | *(57,581)* | *(45,681)* | |
| EBITDA | 118,542 | 116,892 | 1.4% |
| *Denmark* | *96,331* | *95,832* | *0.5%* |
| *Norway / Sweden* | *19,034* | *18,093* | *5.2%* |
| *Other (1)* | *3,177* | *2,967* | *7.1%* |
| EBITDA Margin % | 21.4% | 20.7% | |
| Investments | 28,892 | 49,471 | |

*(1) Iceland, Poland, Russia and white cement operating activities in Belgium and France*

[2] The Group's operating activities are organised in the following geographical areas: Nordic & Baltic (Denmark, Norway, Sweden, Iceland, Poland, Russia and the operating activities in white cement in Belgium and France), Belgium (activities related to the group Compagnie des Ciments Belges S.A. in Belgium and France), Eastern Mediterranean (Turkey, including waste management, and Egypt), North America (United States), Asia Pacific (China, Malaysia and Australia) and Italy.

**Denmark**

Revenue was EUR 356.2 million, down slightly compared to 2017. On the domestic market grey cement volumes sold dropped 3% compared to the previous year because of the harsher weather conditions, completion of the Copenhagen Metro project and weaker market growth than expected. Average sale prices grew about 2%. Sales volumes of white cement on the domestic market dropped 6% with prices stable compared to 2017. White cement exports were slightly down (-2%) due to less sales in the USA partly offset by greater deliveries to United Kingdom, Poland, Germany and France. On the contrary, grey cement exports increased 11% especially towards Iceland, the Faroe Islands and Germany. The average prices of white cement exports dropped slightly due to the different mix of destination countries while those for grey cement are in line with the previous year.

In the ready-mixed concrete sector volumes sold dropped 3% compared to 2017 with prices up slightly in line with the inflation.

EBITDA totalled EUR 96.3 million, up slightly on EUR 95.8 million in 2017. The EBITDA of the cement sector was essentially stable thanks to careful control of costs. The ready-mixed concrete sector also recorded an EBITDA consistent with the previous year due to lower sales volumes, higher variable costs and higher distribution expenses offset by the increase in the sale price of ready-mixed concrete, the reduction in personnel, maintenance and general-administrative costs.

Amongst the main investments in Denmark in 2108 please note EUR 18.3 million in the cement sector, due to numerous maintenance and technical adjustment works to the white cement kilns and EUR 2.6 million in the ready-mixed concrete sector.

**Norway and Sweden**

Total revenue amounted to EUR 200.3 million, down 5.4% compared to 2017, whereas EBITDA was EUR 19.0 million (18.1 million in 2017) down in Norway and up in Sweden. Please note that the Norwegian krone and the Swedish krona devalued by respectively 3% and 6.5% compared to average exchange rates in 2017.

In **Norway** Group ready-mixed concrete sales volumes dropped by 10% due to the exceptionally harsh winter in the first months of the year and a general reduction in building activities in the residential sector. Please note that the negative performance of ready-mixed concrete volumes (-23%) refers to the first quarter 2018. However, average prices in local currency increased (6.5%).

In **Sweden**, the sales volumes of ready-mixed concrete increased 2% compared to 2017. The lower sales recorded in the first quarter due to harsh weather conditions were recovered in the rest of the year thanks to a number of important infrastructural projects and residential sector growth. Average prices in local currency increased by about 9% due to inflation and to the product mix. Sales of aggregates remained stable compared to 2017, with average prices in local currency up moderately.

Investment expenses sustained in 2018 were EUR 7.5 million.

### Belgium

| (EUR'000) | 2018 | 2017 | Change % |
|---|---|---|---|
| Revenue from sales | 248,021 | 233,637 | 6.2% |
| EBITDA | 54,560 | 43,913 | 24.2% |
| EBITDA Margin % | 22.0% | 18.8% | |
| Investments | 16,411 | 14,763 | |

Revenue was EUR 248.0 million (EUR 233.6 million in 2017) Sales volumes of cement and clinker recorded an increase of over 2% compared to the previous year, despite the temporary shutdown of the ready-mixed concrete plant in Brussels (operational again from 18 June) which reduced to cement supplies and led to an increase in cement sales prices. However, higher sales volumes were achieved in France especially in the north of the country and in the *Ile de France* area. In Holland, the market is growing well especially in the ready-mixed concrete and prefab sectors. Average prices were in line with the previous year in both Belgium and France due to price increases linked to inflation counter-balanced by a negative mix-client effect.

In the ready-made concrete sector volumes sold contracted 4% with a different performance between Belgium and France. In Belgium the 14% contraction in volumes was due to bad weather conditions, to work being stopped in some plants for a few days to migrate to the SAP system, and to the restructuring of the Brussels plant. On the contrary, in France sales volumes grew significantly (+55%) due to the five plants purchased in the first half of 2017 operating full time and the favourable market performance. Average prices were up in Belgium (+2.5%) despite the strong competition and slight contraction in France.

In the aggregates sector, sales volumes recorded growth exceeding 11%, despite bad weather conditions at the beginning of the year, the drop in the ready-mixed concrete distribution channel and end-of-year transport tensions, thanks to the positive performance in Belgium, France and Holland. In Belgium, average prices increased slightly for a favourable mix while in France the price remained stable.

EBITDA reached EUR 54.6 million (43.9 million in 2017), up 24% compared to 2017, mainly thanks to the positive performance of sales volumes and prices, especially cement and aggregates, despite the higher unit costs for fuel, electricity and raw materials. Personnel expenses fell compared to the previous year. Investments totalling about EUR 16.4 million were made in 2018.

### North America

| (EUR'000) | 2018 | 2017 | Change % |
|---|---|---|---|
| Revenue from sales | 119,180 | 14,039 | 748.9% |
| EBITDA | 17,160 | 693 | 2,376.2% |
| EBITDA Margin % | 14.4% | 4.9% | |
| Investments | 4,619 | 246 | |

In North America (United States), the subsidiary Lehigh White Cement Company, consolidated in full as of the second quarter 2018, achieved white cement sales volumes of about 0.5 million tons in the nine months from April to December, revenue from sales of EUR 104.3 million and EBITDA of EUR 17.1 million. If calculated over twelve months, 2018 sales volumes increased by over 7% compared to 2017. Sales prices dropped slightly due to pressure from competition. The Group's other subsidiaries are active in the production of concrete products and in managing the terminal in Tampa, Florida.
Overall, in the United States revenue reached EUR 119.2 million and EBITDA EUR 17.2 million, including about EUR 1.4 million of extraordinary expenses sustained for the acquisition.
Investments were made for a total of EUR 4.6 million.

### Eastern Mediterranean

| (EUR'000) | 2018 | 2017 | Change % |
|---|---|---|---|
| Revenue from sales | 201,381 | 247,378 | -18.6% |
| *Turkey* | *174,006* | *210,935* | -17.5% |
| *Egypt* | *27,375* | *36,443* | -24.9% |
| *Eliminations* | - | - | |
| EBITDA | 26,172 | 43,453 | -39.8% |
| *Turkey* | *22,961* | *31,806* | *-27.8%* |
| *Egypt* | *3,211* | *11,647* | *-72.4%* |
| EBITDA Margin % | 13.0% | 17.6% | |
| Investments | 11,057 | 13,767 | |

**Turkey**

Revenue totalled EUR 174.0 million (EUR 210.9 million in 2017) dropping 17.5%, affected by depreciation of the Turkish lira against the euro (-38% compared to the average exchange rate in the twelve months of 2017). In local currency, revenue increased overall by around 12%. The sales volumes of cement and clinker dropped 18.6%, with domestic volumes down 14.5% and exports 43%. Sustained by inflation changes, average domestic prices of cement in local currency increased with different performances in the various plants. In the ready-mixed concrete sector, sales volumes recorded growth of 9% compared to 2017 with prices in local currency up 24% sustained by inflation. Growth in volumes was also helped by two new plants coming into operation while another four plants were closed temporarily due to the local demand crisis.

For what concerns the waste management sector, the industrial waste business achieved revenue in local currency consistent with 2017, while that of solid urban waste increased revenue in local currency by about 13% following the 2017 reorganisation. At the end of March 2018, the Group sold some assets for about 1.5 million Pounds Sterling, with a capital gain of about EUR 1 million.

EBITDA was EUR 23.0 million (EUR 31.8 million in 2017) and included non-recurring revenue for about EUR 11.5 million (10.1 million in 2017) due to the revaluation of non-core land and buildings. That decrease, net of the non-recurring items, is attributable to lower cement sales volumes but especially to the increase in the purchase prices of fuel, electricity, raw materials and the main industrial inputs.

Investments amounted to EUR 10.1 million of which 7.5 million in the cement and ready-mixed concrete sector and 2.6 million in the waste sector.

**Egypt**

In February 2018, the Country's army began an important military operation in the Sinai area. This resulted in all logistic and transport activities being stopped. Following that, exports and domestic sales were suspended to start again at the end of April. Those restrictions had a negative impact on operations and distribution costs.

2018 revenue from sales amounted to EUR 27.4 million (EUR 36.4 million in 2017), down for the above reasons and due to the devaluation of the Egyptian pound against the euro (-4.5% compared to the average exchange rate in 2017). Domestic white cement sales volumes dropped 34% with average prices in local currency increasing by the same percentage due to inflation. Volumes exported dropped 25%, especially towards Saudi Arabia and the United States, with sales prices in dollars down by about 7%.

EBITDA dropped to EUR 3.2 million (11.6 million in 2017), especially due to the lower sales volumes; while the increase in variable costs was only partly offset by the aforementioned increase in sales prices on the domestic market. When production activities had stabilised, in the last quarter margins returned in line with the previous year.

Investment expenditure was EUR 1 million.

## Asia Pacific

| (EUR'000) | 2018 | 2017 | Change % |
|---|---|---|---|
| Revenue from sales | 90,502 | 83,002 | 9.0% |
| *China* | *45,732* | *44,129* | *3.6%* |
| *Malaysia* | *44,777* | *38,966* | *14.9%* |
| *Eliminations* | *(7)* | *(93)* | |
| EBITDA | 19,472 | 19,100 | 1.9% |
| *China* | *12,753* | *11,166* | *14.2%* |
| *Malaysia* | *6,719* | *7,934* | *-15.3%* |
| EBITDA Margin % | 21.5% | 23.0% | |
| Investments | 5,117 | 3,252 | |

### China

Revenue from sales was EUR 45.7 million, up 4% compared to 44.1 million in 2017. In local currency, sales revenue increased by 6% compared to the previous year thanks to a favourable price trend on the local market and the increase in sales volumes of white cement and clinker on the local market (+5.5%), despite the fact that many areas were hit by bad weather conditions in December.

EBITDA, EUR 12.8 million (11.2 million in 2017), mainly benefited from the favourable trend of domestic market prices and volumes and increased margins, despite the increase in variable costs linked to the higher fuel and raw material prices.

Investments in 2018 totalled approximately EUR 1.5 million, mainly relating to plant maintenance.

### Malaysia

Revenue from sales was EUR 44.8 million, up 15% compared to 39.0 million in 2017. Sales volumes of white cement and clinker increased 6% compared to 2017. Cement volumes on the domestic market were in line with 2017 despite the bad weather. Exports of cement and clinker increased by about 6.5%, thanks to an increase in sales in Vietnam, South Korea, Philippines and Cambodia and Japan, counterbalanced by a drop in clinker sales in Australia. Clinker and cement export prices were down (about 6%) due to the increase in freight prices, the country mix, depreciation of the Australian and Singapore dollars. On the contrary, prices on the domestic market showed a consistent increase of about 7%.

EBITDA recorded a drop from EUR 7.9 million to 6.7 million compared to 2017 because of lower foreign market prices due to the general strengthening of the Malaysian Ringgit against the Australian and Singapore dollars, higher costs for fuel and raw materials, and higher fixed production costs.

Investments in Malaysia in 2018 totalled approximately EUR 3.6 million, relating to extraordinary maintenance and the increased clinker storage capacity at the port of Lumut (approximately EUR 0.8 million).

### Italy

| (EUR'000) | 2018 | 2017 | Change % |
|---|---|---|---|
| Revenue from sales | 78,023 | 35,837 | 117.7% |
| EBITDA | 2,598 | (1,354) | 291.9% |
| EBITDA Margin % | *3.3%* | *-3.8%* | |
| Investments | 570 | 4,351 | |

Following the sale of the Italian industrial activities, the area now only includes the parent company Cementir Holding SpA, the trading company Spartan Hive SpA and other minor companies. The increase in sales revenue and EBITDA can be attributed to the trading company Spartan Hive which commercialised cement and clinker to both Group companies and third party customers.

## Business outlook and key events after the reporting period

Activities to integrate LWCC will be completed by the end of the first quarter 2019. With the current industrial scope, the group is expected to reach a consolidated revenue level of about EUR 1.25 billion and an EBITDA in the range of EUR 250-260 million. Net financial debt at the end of 2019 is expected to be EUR 245 million, including investments for about EUR 70 million.
These forecasts were prepared assuming both a further devaluation of exchange rates of the Turkish lira and a weakening economic scenario; however, they will need to be reconsidered in case of a further negative evolution in the Country's economic performance.

The above targets include the impact of IFRS 16 introduction, estimated at about EUR 23 million as a positive impact on Ebitda and about EUR 80 million as an incremental impact on net financial debt. For sake of completeness, the estimated impact of IFRS 16 on Ebit is negligible.
Please note that the Group Business plan to 2021 is being updated, to reflect current year forecasts and IFRS 16 impacts on economic and financial targets.

* * *

The Board of Directors has also decided to submit a proposal to the Shareholders' Meeting, scheduled for 17 April 2019 in a single call, or payment of a **dividend** of EUR 0.14 per share (EUR 0.10 in 2017), for a total dividend payment of EUR 22.3 million, using for EUR 4.3 million the reserve for retained earnings from years closed until 31 December 2007 and for EUR 18 million the negative goodwill formed by earnings from years closed after 31 December 2007 and until 31 December 2016. The dividend will be payable as of 22 May 2019, ex-dividend on 20 May 2019 (with a record date at 21 May 2019).

The Board of Directors has approved the **Non-Financial Statement of the Cementir Holding Group** pursuant to Legislative Decree.254/16, the **Report on corporate governance and ownership structure** pursuant to art. 123-bis of Legislative Decree 58/1998 and the **Report on remuneration** pursuant to art. 123-ter of Legislative Decree 58/1998 and of art.84-quater of the Issuers' Regulation, which will be made available, along with the Annual Financial Report 2018, as established by laws in force in the registered office, on the Company website *www.cementirholding.it* and on the authorised storage mechanism managed by Spafid Connect Spa at the address www.emarketstorage.com.

The Board also reviewed the work carried out in 2018 by the Risk and Control Committee and the Supervisory Body as per Legislative Decree 231/2001.

In keeping with international best practices and the recommendations of the Corporate Governance Code, the Board of Directors has reviewed the performance and procedures of the Board itself and its Committees, assessing their size and composition, also in consideration of professional experience, management expertise, gender, and years of service.

* * *

The consolidated results for 2018 will be presented to the financial community in a **conference call** to be held today, Thursday 7 March, at 18:00 (CET). The telephone numbers to call are:

| | |
|---|---|
| Italy: +39 02 805 88 11 | USA: +1 718 7058794 |
| UK: + 44 1 212 81 8003 | USA (freephone): 1 855 2656959 |

The presentation relating to the conference call will be available on the website *www.cementirholding.it* in the section Investor Relations/Presentations before the start of the conference call.

* * *

*Giovanni Luise, as the manager responsible for financial reporting, declares, pursuant to Article 154-bis (2) of the Consolidated Law on Financial Intermediation, that the accounting information contained in this press release corresponds with that contained in company documents, books and accounting records.*

***Disclaimer***

*This press release contains forward-looking statements. These statements are based on current expectations and projections of the Group regarding future events and, by their very nature, are exposed to inherent risks and uncertainties. These statements relate to events and depend on circumstances that may or may not occur or exist in the future. Accordingly, readers should not to place undue reliance on them. Actual results may differ materially from those stated due to multiple factors, including: the volatility and deterioration of capital and financial markets, changes in commodity prices, changes in macroeconomic conditions and economic growth and other changes in business conditions, changes in atmospheric conditions, floods, earthquakes or other natural disasters, changes in the regulatory and institutional framework (both in Italy and abroad), production difficulties, including constraints on the use of plants and supplies and many other risks and uncertainties, most of which are outside the Group's control.*

In addition to conventional financial indicators under IFRS, the Cementir Holding Group also uses a number of ***alternative performance indicators*** to allow for better assessment of earnings and financial performance. *In line with Consob Communication 92543/2015 and the ESMA Guidelines (ESMA/2015/1415), the meaning and content of the indicators used in this press release are provided below.*

- *EBITDA: is an indicator of operating performance calculated by adding together "EBIT" and "Amortisation, depreciation, impairment losses and provisions";*
- *Net financial debt: is an indicator of financial structure calculated according to Consob Communication 6064293/2006, as the sum of the items:*
    - *current financial assets;*
    - *cash and cash equivalents;*
    - *current and non-current liabilities.*

*The consolidated yearly financial statements are attached. They are provided to offer investors additional information on the performance and financial position of the Company and the entire Group. The draft financial statements are currently being audited by the Board of Statutory Auditors and the independent auditor, in their respective capacities.*

***CEMENTIR HOLDING*** *is an international manufacturer of grey and white cement, ready-mixed concrete, aggregates and concrete products, exporting to over 70 countries worldwide. As global leader in white cement, the Group employs approximately 3,100 people in 18 countries on 5 continents*

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## CEMENTIR HOLDING GROUP

### Consolidated statement of financial position

| (EUR '000) | 31 December 2018 | 31 December 2017 |
|---|---|---|
| **ASSETS** | | |
| Intangible assets with a finite useful life | 223,545 | 128,462 |
| Intangible assets with an indefinite useful life | 353,933 | 346,641 |
| Property, plant and equipment | 789,500 | 759,840 |
| Investment property | 90,152 | 95,094 |
| Equity-accounted investments | 3,613 | 22,470 |
| Available-for-sale equity investments | 210 | 221 |
| Non-current financial assets | 1,490 | 2,176 |
| Deferred tax assets | 46,772 | 33,778 |
| Other non-current assets | 7,112 | 8,296 |
| **TOTAL NON-CURRENT ASSETS** | **1,516,327** | **1,396,978** |
| Inventories | 184,775 | 126,727 |
| Trade receivables | 163,553 | 160,629 |
| Current financial assets | 840 | 1,067 |
| Current tax assets | 9,226 | 7,060 |
| Other current assets | 24,888 | 18,511 |
| Cash and cash equivalents | 232,614 | 214,528 |
| **TOTAL CURRENT ASSETS** | **615,896** | **528,522** |
| **ASSETS HELD FOR SALE** | **-** | **431,829** |
| **TOTAL ASSETS** | **2,132,223** | **2,357,329** |
| **EQUITY AND LIABILITIES** | | |
| Share capital | 159,120 | 159,120 |
| Share premium reserve | 35,710 | 35,710 |
| Other reserves | 675,122 | 689,887 |
| Profit (loss) attributable to the owners of the parent | 127,194 | 71,471 |
| **Equity attributable to the owners of the parent** | **997,146** | **956,188** |
| Reserves attributable to non-controlling interests | 122,772 | 53,775 |
| Profit (loss) attributable to non-controlling interests | 8,466 | 5,695 |
| **Equity attributable to non-controlling interests** | **131,238** | **59,470** |
| **TOTAL EQUITY** | **1,128,384** | **1,015,658** |
| Employee benefits | 31,777 | 34,598 |
| Non-current provisions | 27,804 | 29,426 |
| Non-current financial liabilities | 461,462 | 696,090 |
| Deferred tax liabilities | 145,282 | 127,544 |
| Other non-current liabilities | 4,768 | 5,020 |
| **TOTAL NON-CURRENT LIABILITIES** | **671,093** | **892,678** |
| Current provisions | 15,525 | 2,869 |
| Trade payables | 228,209 | 204,204 |
| Current financial liabilities | 27,407 | 62,776 |
| Current tax liabilities | 13,737 | 16,420 |
| Other current liabilities | 47,868 | 44,850 |
| **TOTAL CURRENT LIABILITIES** | **332,746** | **331,119** |
| **LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE** | **-** | **117,874** |
| **TOTAL LIABILITIES** | **1,003,839** | **1,341,671** |
| **TOTAL EQUITY AND LIABILITIES** | **2,132,223** | **2,357,329** |

## CEMENTIR HOLDING GROUP

### Consolidated income statement

| (EUR '000) | 2018 | 2017 |
|---|---|---|
| **REVENUE** | **1,196,186** | **1,140,006** |
| Change in inventories | 12,378 | 623 |
| Increase for internal work | 6,648 | 7,344 |
| Other operating revenue | 24,458 | 22,071 |
| **TOTAL OPERATING REVENUE** | **1,239,670** | **1,170,044** |
| Raw materials costs | (479,283) | (444,161) |
| Personnel costs | (176,326) | (174,748) |
| Other operating costs | (345,557) | (328,438) |
| **TOTAL OPERATING COSTS** | **(1,001,166)** | **(947,347)** |
| **EBITDA** | **238,504** | **222,697** |
| Amortisation and depreciation | (78,093) | (72,590) |
| Provisions | (4,091) | (3,865) |
| Impairment losses | (3,107) | (5,677) |
| Total amortisation, depreciation, impairment losses and provisions | (85,291) | (82,132) |
| **EBIT** | **153,213** | **140,565** |
| Share of net profits of equity-accounted investees | 1,050 | 4,785 |
| Financial income | 70,835 | 13,468 |
| Financial expense | (28,145) | (26,916) |
| Net exchange rate gains (losses) | (12,318) | (5,249) |
| Net financial income (expense) | 30,372 | (18,697) |
| **NET FINANCIAL INCOME (EXPENSE) AND SHARE OF NET PROFITS OF EQUITY-ACCOUNTED INVESTEES** | **31,422** | **(13,912)** |
| **PROFIT BEFORE TAXES** | **184,635** | **126,653** |
| Income taxes | (35,866) | (16,393) |
| **PROFIT FROM CONTINUING OPERATIONS** | **148,769** | **110,260** |
| **LOSS FROM DISCONTINUED OPERATIONS** | **(13,109)** | **(33,094)** |
| **PROFIT FOR THE YEAR** | **135,660** | **77,166** |
| Attributable to: | | |
| Non-controlling interests | 8,466 | 5,695 |
| **Owners of the parent** | **127,194** | **71,471** |
| (EUR) | | |
| **Basic earnings per share** | **0.799** | **0.449** |
| **Diluted earnings per share** | **0.799** | **0.449** |

## CEMENTIR HOLDING SPA

### Statement of financial position

| (EUR) | 31 December 2018 | 31 December 2017 |
|---|---|---|
| **ASSETS** | | |
| Intangible assets | 4,134,037 | 5,396,129 |
| Property, plant and equipment | 421,911 | 580,075 |
| Investment property | 23,000,000 | 23,000,000 |
| Investments in subsidiaries | 294,340,578 | 293,840,578 |
| Non-current financial assets | 152,673,385 | 179,783,886 |
| Deferred tax assets | 18,292,910 | 17,243,107 |
| **TOTAL NON-CURRENT ASSETS** | **492,862,821** | **519,843,774** |
| Trade receivables | 18,584,080 | 12,314,532 |
| *- Trade receivables - third parties* | *176,859* | *279,609* |
| *- Trade receivables - related parties* | *18,407,221* | *12,034,923* |
| Current financial assets | 156,376,821 | 44,166,815 |
| *- Current financial assets - third parties* | *745,236* | *935,453* |
| *- Current financial assets - related parties* | *155,631,585* | *43,231,362* |
| Current tax assets | 4,458,887 | 4,287,824 |
| Other current assets | 2,648,638 | 1,251,720 |
| *- Other current assets - third parties* | *1,768,848* | *925,723* |
| *- Other current assets - related parties* | *879,790* | *325,997* |
| Cash and cash equivalents | 51,906,643 | 4,021,623 |
| **TOTAL CURRENT ASSETS** | **233,975,069** | **66,042,514** |
| **ASSETS HELD FOR SALE** | **-** | **349,367,929** |
| **TOTAL ASSETS** | **726,837,890** | **935,254,217** |
| **EQUITY AND LIABILITIES** | | |
| Share capital | 159,120,000 | 159,120,000 |
| Share premium reserve | 35,710,275 | 35,710,275 |
| Other reserves | 133,909,320 | 269,317,103 |
| Loss for the year | (5,353,200) | (123,242,525) |
| **TOTAL EQUITY** | **323,386,395** | **340,904,853** |
| Employee benefits | 1,303,040 | 1,767,290 |
| Non-current provisions | 370,000 | 45,000 |
| Non-current financial liabilities | 328,109,918 | 504,601,717 |
| Deferred tax liabilities | 5,573,931 | 4,238,995 |
| **TOTAL NON-CURRENT LIABILITIES** | **335,356,889** | **510,653,002** |
| Current provisions | 10,149,381 | - |
| Trade payables | 2,441,641 | 2,445,200 |
| *- Trade payables - third parties* | *1,978,831* | *2,432,390* |
| *- Trade payables - related parties* | *462,810* | *12,810* |
| Current financial liabilities | 41,352,238 | 36,774,453 |
| *- Current financial liabilities - third parties* | *11,352,238* | *36,774,453* |
| *- Current financial liabilities - related parties* | *30,000,000* | *-* |
| Current tax liabilities | 920,092 | 416,992 |
| Other current liabilities | 13,231,254 | 5,494,790 |
| *- Other current liabilities - third parties* | *13,064,614* | *5,221,901* |
| *- Other current liabilities - related parties* | *166,640* | *272,889* |
| **TOTAL CURRENT LIABILITIES** | **68,094,606** | **45,131,435** |
| **LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE** | **-** | **38,564,927** |
| **TOTAL LIABILITIES** | **403,451,495** | **555,784,437** |
| **TOTAL EQUITY AND LIABILITIES** | **726,837,890** | **935,254,217** |

## CEMENTIR HOLDING SPA

### Income statement

| (EUR) | 2018 | 2017 |
|---|---|---|
| **REVENUE** | **26,609,537** | **27,792,003** |
| *- Revenue - third parties* | *754,244* | - |
| *- Revenue - related parties* | *25,855,293* | *27,792,003* |
| Increase for internal work | 1,079,035 | 1,525,283 |
| Other operating revenue | 1,577,306 | 323,000 |
| *- Other operating revenue - third parties* | *1,577,306* | *323,000* |
| **TOTAL OPERATING REVENUE** | **29,265,878** | **29,640,286** |
| Personnel costs | (13,373,848) | (15,614,691) |
| *- Personnel costs - third parties* | *(13,373,848)* | *(15,614,691)* |
| Other operating costs | (17,120,547) | (12,664,520) |
| *- Other operating costs - third parties* | *(15,122,268)* | *(10,874,258)* |
| *- Other operating costs - related parties* | *(1,998,279)* | *(1,790,262)* |
| **TOTAL OPERATING COSTS** | **(30,494,395)** | **(28,279,211)** |
| **EBITDA** | **(1,228,517)** | **1,361,075** |
| Amortisation, depreciation, impairment losses and provisions | (12,316,312) | (1,542,656) |
| **EBIT** | **(13,544,829)** | **(181,581)** |
| Financial income | 26,633,513 | 18,904,243 |
| *- Financial income - third parties* | *22,655,827* | *9,858,843* |
| *- Financial income - related parties* | *3,977,686* | *9,045,400* |
| Financial expense | (17,974,121) | (141,430,246) |
| **NET FINANCIAL EXPENSE** | **8,659,392** | **(122,526,003)** |
| **LOSS BEFORE TAXES** | **(4,885,437)** | **(122,707,584)** |
| Income taxes | (467,763) | (534,941) |
| **LOSS FROM CONTINUING OPERATIONS** | **(5,353,200)** | **(123,242,525)** |
| **LOSS FOR THE YEAR** | **(5,353,200)** | **(123,242,525)** |