PRESS RELEASE

Cementir Holding: the Board of Directors examines preliminary consolidated 2022 results and approves the 2023-2025 Industrial Plan update

- **Revenue at the record level of EUR 1,723.1 million, up by 26.7% compared to 2021. Excluding IAS 29 effect, Revenue were EUR 1,720.9 million (+26.5% on 2021)**
- **EBITDA at the record level of EUR 335.2 million, up by 7.8% on 2021. Excluding IAS 29 effect, EBITDA was EUR 355.0 million (+14.2% on 2021)**
- **EBIT up by 4.3% to EUR 206.3 million. Excluding IAS 29 effect, EBIT was EUR 235.6 million (+19.1% on 2021)**
- **Profit before taxes of EUR 238.3 million, up by 38.5 on 2021. Excluding IAS 29 effect, profit before taxes was EUR 247.6 million (+43.9% on 2021)**
- **Net cash of EUR 95.5 million (net financial debt of EUR 40.4 million at 31 December 2021)**
- **2025 Industrial Plan targets: revenue to reach around EUR 2 billion, EBITDA around EUR 400 million, Net cash position over EUR 500 million, Sustainability capex of EUR 86 million**
- **Dividend expected to grow over time, with a dividend payout ratio between 20% and 25%**

Rome, 8 February 2023 – The Board of Directors of Cementir Holding N.V., chaired by Francesco Caltagirone Jr., today examined the preliminary unaudited consolidated results as at 31 December 2022.

Please note that the complete, definitive results for 2022 are currently being reviewed by the external auditor and will be examined and approved by the Board of Directors at its meeting scheduled on 9 March.

Also note that as of June 2022, the Turkish economy is considered hyperinflationary according to the criteria set out in “IAS 29-Financial Reporting in Hyperinflationary Economies”.

Financial highlights

(Euro millions)	**2022 IAS 29**	**2021**	**Change %**	**2022 Excl. IAS 29**	**Change %**
Revenue from sales and services	1,723.1	1,360.0	26.7%	1,720.9	26.5%
EBITDA	335.2	311.0	7.8%	355.0	14.2%
EBITDA/Revenue from sales and services %	*19.5%*	*22.9%*		*20.6%*	
EBIT	206.3	197.8	4.3%	235.6	19.1%
Net financial income (expense) and share of net profits of equity-accounted investees	32.0	(25.8)	224.1%	12.0	146.4%
Profit before taxes	238.3	172.0	38.5%	247.6	43.9%

Sales volumes

(thousands)	2022	2021	Change %
Grey, White cement and Clinker (metric tonnes)	10,849	11,156	-2.7%
Ready-mixed concrete (m^3)	4,798	5,093	-5.8%
Aggregates (metric tonnes)	10,462	11,052	-5.3%

Net financial debt[1]

(millions of euros)	31-12-2022	31-12-2021
Net financial debt (Net cash)	-95.5	40.4

Group employees

	31-12-2022	31-12-2021
Number of employees	3,085	3,083

"Despite geopolitical uncertainty and more restrictive monetary conditions, 2022 ended with record results for the Group, with growth in Revenues, EBITDA and EBIT and sustained cash generation, demonstrating the solidity and resilience of our business model. The new 2023-2025 Industrial Plan, in continuity with the previous one, is based on a sustainable growth strategy, of which ESG issues are an integral part. We have already achieved significant results in terms of decarbonisation, innovation and transparency, evidenced by the improvement of all ESG ratings and we want to continue on this virtuous path, in the interest of all stakeholders" commented Francesco Caltagirone Jr, Chairman and Chief Executive Officer.

The following comments refer to the 2022 consolidated income statement excluding IAS 29 impacts in Turkey. This representation allows a more direct understanding of Group performance compared to the previous year.

During 2022 cement and clinker sales **volumes** equal to 10.8 million tonnes, decreased by 2.7% compared to 2021 due to the general slowdown of the market mainly in Turkey, Denmark, China and Belgium, especially in the second half of the year.

Ready-mixed concrete sales volumes, equal to 4.8 million cubic metres, decreased by 5.8% compared to 2021 due to the decrease recorded in Turkey, Denmark, Belgium and Sweden.

Aggregates sales volumes, equal to 10.5 million tonnes, decreased by 5.3% compared to 2021 due to slowdown in Sweden and Denmark.

Group **revenue** from sales and services reached an historical record of EUR 1,720.9 million, up 26.5% on EUR 1,360.0 million of 2021. The increase in revenue is mainly due to the price policy to mitigate the exceptional increase in the costs of fuel, electricity, raw materials, transport and services. It should be noted that at constant 2021 exchange rates revenue would have been equal to EUR 1,854.0 million, up by 36.3% compared to the previous year.

EBITDA also reached an all-time record of EUR 355.0 million, up 14.2% compared to EUR 311.0 million in 2021 due to better results achieved in Denmark, Belgium, Turkey, the United States and Egypt, while Asia Pacific and Sweden recorded a contraction in EBITDA. This result includes net non-recurring income

[1] IAS 29 has no impact on net financial position as at 31 December 2022.

of EUR 17.8 million related to the updated value of non-industrial properties in Turkey and Italy (EUR 11.1 million of net non-recurring income in 2021). In the absence of these non-recurring items, EBITDA would have been equal to EUR 337.2 million, up by 12.4% compared to 2021.

At constant 2021 exchange rates, EBITDA would have been EUR 365.9 million, up 17.7% on 2021.

The EBITDA margin stood at 20.6% compared to 22.9% in 2021.

EBIT, after amortization, depreciation, impairment losses and provisions of EUR 119.4 million (EUR 113.2 million in 2021), amounted to EUR 235.6 million, up by 19.1% from EUR 197.8 million in the previous year.

At constant 2021 exchange rates, EBIT would have been EUR 244.3 million.

The **share of net profits of equity-accounted investees** was EUR 1 million (EUR 0.8 million in 2021).

Net financial income of EUR 11.0 million (expense of EUR 26.6 million in 2021), included net financial expenses of EUR 10.7 million (EUR 10.4 million in 2021), net foreign exchange income of EUR 28.4 million (net foreign exchange expenses of EUR 13.7 million in 2021) and the effect of the valuation of derivatives.

Profit before taxes was EUR 247.6 million, an increase of 43.9% compared to EUR 172.0 million of 2021.

The Group made **investments** of approximately EUR 122.6 million (EUR 99.1 million in 2021) of which around EUR 26.1 million (EUR 19.5 million in 2021) related to the application of the IFRS 16.

Net cash as at 31 December 2022 reached EUR 95.5 million with a change of EUR 135.9 million compared to net financial debt of EUR 40.4 million as at 31 December 2021 and includes the distribution of dividends for EUR 28.0 million occurred in May 2022. These amounts include EUR 73.0 million due to the application of IFRS 16 (EUR 76.0 million as at 31 December 2021).

2023-2025 Industrial Plan update

The Board of Directors examined and approved the update of the Group’s Industrial Plan for the three-year period 2023-2025 and the 2023 budget. In continuity with the previous Plan and with the Group's sustainable growth strategy, the new Plan has the objective to further grow and to achieve profitability objectives with a strong ESG commitment, leveraging on five **strategic priorities**:

- **Sustainability**

  Cementir has defined specific sustainability objectives in line with the United Nations Sustainable Development Goals to promote the circular economy, reduce the impact on the environment, give value to people and communities and promote health and safety in the workplace. These ESG targets are embedded in the Group strategic objectives and management’s incentive schemes.

  The Roadmap to 2030 has been updated and includes objectives to further reduce Scope 1 CO_2 emissions to 460 kg per ton of grey cement, an emission level lower than the limits imposed by the European Taxonomy. For white cement, a niche product for specific applications, the plan is to reduce emissions to 738 kg per ton by 2030.

  The levers to achieve these new objectives are, among others, the reduction of clinker content in cement, the greater use of less polluting or alternative fuels, the optimization of thermal efficiency. Part of the CO_2 emissions reduction will be achieved through a new carbon capture and storage (CCS) technology at its Aalborg plant in Denmark, where the Group has started a pilot project partly financed by the Danish Innovation Fund.

In the three-year period 2023-2025, the Group expects to invest approximately EUR 86 million in sustainability projects including: the upgrade of a new kiln at the Belgian plant to increase the use of alternative fuels from the current 40% to over 70%; the increase in alternative fuels usage in Turkey and natural gas in other Group plants; other projects to reduce the climate impact of transport, procurement, logistics and the optimization of water resources in the production process.

- **Innovation**

  The Group will continue to increase the production of new low carbon cements and other sustainable products with high added value such as FUTURECEM®, which makes it possible to reduce the clinker content in cement and therefore to reduce CO_2 emissions by approximately 30%. Some pilot projects are also being undertaken in Carbon Capture, Usage and Storage, with the participation of leading industrial and technological partners.

- **Improve competitiveness**

  The Group will continue to implement a series of actions to increase the efficiency of manufacturing and logistics processes, making the entire production structure leaner, more dynamic and efficient, with process digitization initiatives, intelligent preventive and predictive maintenance, advanced production control systems, intelligent logistics, warehouse management and integrated digital sales planning.

- **Growth and positioning**

  Cementir will continue to invest in strengthening vertical integration and its competitive position in the Nordic & Baltic, Belgium and Turkey business regions, as well as consolidating its global leadership in white cement with targeted actions in strategic markets. The Group will also be ready to seize potential external growth opportunities in the core business.

- **Human capital**

  The Group's commitment will be focused on health and safety with the initiatives envisaged by the Zero Accidents program, on the development of human capital and the enhancement of skills through an integrated system of evaluation and growth of people to improve individual and the entire organization performance.

Plan 2023-2025: main performance and financial targets

The Plan envisages the achievement of the following 2025 targets, which exclude IAS 29 impact and non-recurring items:

(EUR million)	**2022 Actual unaudited excl. IAS 29**	**2025 Target excl. IAS 29**
Revenue	1,721	~2,000
EBITDA	337	~400
Average yearly capex (including sustainability capex)	97	110
Net cash end period	96	>500
Net cash / EBITDA	0.3x	1.4x

- **Revenue up to approximately EUR 2 billion**, with a compounded annual growth rate (CAGR) of 5-6%. Over the period of the Plan, a moderate increase in sales volumes of cement, ready mixed concrete and aggregates is expected in all geographical areas, starting from 2024; the Asia-Pacific region is expected to see volumes recover as early as 2023. The increase in prices, especially in the cement sector, is expected to offset the significant increase in energy, raw material and logistics costs.
- **EBITDA[2] of approximately EUR 400 million**, with a compounded annual growth rate (CAGR) of around 6%. EBITDA is expected to grow in all geographical areas. The Plan assumptions include a double-digit increase in the cost of fuels and electricity and an average yearly CO_2 shortage of approximately 300,000 tons.
- **Average annual maintenance and expansion capex of approximately EUR 81 million** including health and safety and digitalisation.
- **Additional cumulative investments in sustainability of EUR 86 million** for projects enabling a reduction of CO_2 emissions in line with the Group's objectives.
- **Net cash position of over EUR 500 million by 2025 year end,** deriving from better results and consistent cash generation.

Finally, the Plan assumes the distribution of an increasing dividend, corresponding to a payout ratio between 20% and 25% of the net profit for the period.

Outlook for 2023

The macroeconomic scenario is characterized by considerable uncertainty, due to the war in Ukraine, high inflation, increasing interest rates and the possible repercussions on the real economy. Based on their latest forecasts, international institutions expect global growth to weaken this year due high energy prices, the weakness of household disposable income and more restrictive financial conditions.

For the year 2023, the Group expects to achieve consolidated revenues of over EUR 1.8 billion, an EBITDA between EUR 335 and 345 million and a positive cash position of over EUR 200 million at the end of the period, including industrial investments of approximately EUR 113 million.

This forward-looking indication does not include the impacts of the application of IAS 29 or non-recurring items and does not take into account any resurgence of the Covid 19 pandemic or any worsening of the geopolitical situation in the coming months.

The foregoing reflects the view of the company's management only, and does not represent a guarantee, a promise, an operational suggestion or even just an investment advice. It should therefore not be taken as a forecast on future market trends and of any financial instruments concerned.

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[2] EBITDA excludes IAS 29 impact and non-recurring items.

Preliminary results for 2022 and 2023-2025 Industrial Plan update will be presented to the financial community in a **conference call** to be held today, Wednesday 8 February, at 5.00 pm (CET). Dial-in numbers are as follows:

Italy: +39 02 802 09 11
UK: + 44 1 212 81 8004
USA: +1 718 7058796
USA (freephone): 1 855 2656958

The supporting presentation will be made available on the website *www.cementirholding.com* in the Investors section before the start of the conference call.

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 a 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: an indicator of operating performance calculated by adding together "EBIT" and "Amortisation, depreciation, impairment losses and provisions";*
- *Net financial debt: 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.*
- *Net capital invested: calculated as the total amount of non-financial assets, net of non-financial liabilities.*

***CEMENTIR HOLDING** is an international manufacturer and supplier of a wide range of building materials products and innovative building solutions, with operations in 18 countries and a workforce of around 3,000 people. The Group is global leader in the white cement business and is one of the largest constituents of the Star segment of the Euronext Milan Stock Exchange.*
With sustainability at the core of its strategy, Cementir has its emissions reduction targets independently verified by the Science Based Target initiative and it is rated A- by CDP for Climate Change and water management. The Company is also rated BBB- with Stable Outlook by S&P.

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