PRESS RELEASE

Cementir Holding: Board of Directors approves consolidated results as of 31 March 2023

- **Revenue: EUR 414.8 million, up 14.5% on EUR 362.3 million in the first quarter of 2022; Non-GAAP Revenue were EUR 413.8 million (+14.2% on 2022)**
- **EBITDA: EUR 81.2 million, up 33.8% on EUR 60.7 million in the first quarter 2022. Non-GAAP EBITDA was EUR 85.6 million (+41.1% on 2022)**
- **Profit before taxes: EUR 63.9 million, +50.7% on EUR 42.4 million in the first quarter 2022. Non-GAAP profit before taxes was EUR 68.3 million (+61.1% on 2022)**
- **Net financial debt: EUR 32.1 million (net cash of EUR 95.5 million at 31 December 2022)**
- **Targets for the year are confirmed**

Rome, 9 May 2023 – The Board of Directors of Cementir Holding N.V. today examined and approved the consolidated unaudited results for the first quarter of 2023.

Please note that as of April 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)	1st Quarter 2023	1st Quarter 2022	Change %	1st Quarter 2023 Non-GAAP*	Change %
Revenue from sales and services	414.8	362.3	14.5%	413.8	14.2%
EBITDA	81.2	60.7	33.8%	85.6	41.1%
EBITDA Margin %	*19.6%*	*16.7%*		*20.7%*	
EBIT	49.2	32.9	49.5%	56.2	70.7%
Net financial income (expense) and share of net profits of equity-accounted investees	14.7	9.5	54.9%	12.2	28.1%
Profit before taxes	63.9	42.4	50.7%	68.3	61.1%

* These figures do not include the impact of the application of IAS 29.

Sales volumes

(thousands)	1st Quarter 2023	1st Quarter 2022	Change %
Grey, White cement and Clinker (metric tonnes)	2,336	2,435	-4.0%
Ready-mixed concrete (m^3)	1,018	1,128	-9.7%
Aggregates (metric tonnes)	2,195	2,679	-18.1%

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Net financial debt[1]

(millions of euros)	31-03-2023	31-12-2022	31-03-2022
Net financial debt / (Net cash)	32.1	-95.5	88.6

Group employees

	31-03-2023	31-12-2022	31-03-2022
Number of employees	3,103	3,085	3,142

"The first quarter of 2023 ended with results in line with our expectations, with a growth in revenue and EBITDA, thanks to careful management of energy costs, which increased further as well as the costs of raw materials and personnel and despite the weakness of some markets" commented Francesco Caltagirone Jr, Chairman and Chief Executive Officer.

The following comments refer to the consolidated income statement of the first quarter of 2023 <u>excluding IAS 29 impacts</u> in Türkiye. This representation allows a better comparison of Group's performance with respect to the same period of the previous year.

In the first three months of 2023, cement and clinker **volumes** sold, equal to 2.3 million tonnes, decreased by 4% compared to the same period of 2022. The decline is attributable to the slowdown in the market, mainly in Denmark, Belgium and the United States, despite the increase recorded in Türkiye.

Sales volumes of ready-mixed concrete, equal to about 1 million cubic metres, have fallen by 9.7% due to the negative trend in all areas with the exception of Türkiye.

In the aggregates sector, sales volumes reached 2.1 million tonnes, down 18.1% due to the decline in Belgium, Sweden, Denmark and Türkiye.

Group revenue from sales and services reached EUR 413.8 million, up 14.2% compared to EUR 362.3 million in the first quarter of 2022. The increase in revenue is mainly due to price increases, offsetting higher costs for fuel, electricity, raw materials, transport and services. It should be noted that at constant 2022 exchange rates, revenues would have reached EUR 445.5 million, 23.0% up on the same period last year.

At EUR 342.5 million, **operating costs** increased by 2.8% compared to EUR 333.1 million in the first quarter of 2022.

The **cost of raw materials**, equal to EUR 192.9 million, increased by 5.5% compared to EUR 182.8 million in the first quarter of 2022, as a result of the generalized increase in the price of energy sources on international markets.

At EUR 51.6 million, **personnel costs** increased by 5.8% compared to EUR 48.8 million for the same period in 2022.

Other operating costs, equal to EUR 98.0 million, fell by 3.4% compared to EUR 101.5 million in the first quarter of 2022.

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

EBITDA reached EUR 85.6 million, an increase of 41.1% compared to EUR 60.7 million in the first quarter of 2022, due to better results achieved in the Nordic & Baltic area, Türkiye, Belgium and Egypt, whereas the United States and Asia Pacific saw a contraction in results.

The EBITDA margin was 20.7%, compared to 16.7% in the first quarter of 2022.

At constant 2022 exchange rates, EBITDA would have amounted to EUR 90.9 million, up 49.8% year-on-year.

EBIT, taking into account depreciation, amortization, write-downs and provisions of EUR 29.5 million (EUR 27.8 million in the first quarter of 2022), amounted to EUR 56.2 million compared to EUR 32.9 million in the same period of the previous year. Amortization, depreciation, impairment losses and provisions include amortization and depreciation due to the application of IFRS 16 of EUR 7.9 million (EUR 7.1 million in the same period of 2022).

At constant 2022 exchange rates, the EBIT would have amounted to EUR 60.4 million.

The **share of net profits of equity-accounted investees** is negative by EUR 0.2 million (marginally negative in the first quarter of 2022).

Net financial income of EUR 12.4 million (income of EUR 9.5 million in the same period of the previous year), comprises net financial expenses of EUR 2.1 million (EUR 1.3 million in the same period of 2022), net foreign exchange income of EUR 13.6 million (net foreign exchange income of EUR 10.9 million in the same period of 2022) and the effect of the valuation of derivatives.

Profit before taxes was EUR 68.3 million, an increase of 61.1% on EUR 42.4 million in the first quarter of 2022.

During the first quarter of 2023, the Group made total **investments** of approximately EUR 41.7 million (EUR 24.9 million in the first quarter of 2022), of which approximately EUR 18.8 million (EUR 7.0 million in the first quarter of 2022) in connection with the application of IFRS 16.

Net financial debt at 31 March 2023 was EUR 32.1 million, a reduction of EUR 56.6 million compared to EUR 88.6 million on 31 March 2022, and includes the distribution of dividends of EUR 28.0 million in May 2022. These amounts include EUR 82.5 million due to the application of IFRS 16 (EUR 75.3 million at 31 March 2022).

The negative change compared to net cash of EUR 95.5 million as at 31 December 2022 is due to the seasonality of the business in the first quarter, the annual maintenance cycle and the working capital dynamics.

Total equity as at 31 March 2023 amounted to EUR 1,551.1 million (EUR 1,522.8 million as at 31 December 2022).

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Performance by geographical segment

The figures reported in the section Türkiye do not include the impact of the application of IAS 29 - Financial Reporting for Hyperinflationary Economies.

Nordic and Baltic

(EUR'000)	1st Quarter 2023	1st Quarter 2022	Change %
Revenue from sales	164,129	162,000	1.3%
Denmark	*123,472*	*109,048*	*13.2%*
Norway / Sweden	*40,573*	*50,683*	*-19.9%*
Other (1)	*17,178*	*15,503*	*10.8%*
Eliminations	*(17,094)*	*(13,234)*	
EBITDA	41,368	28,840	43.4%
Denmark	*39,729*	*24,561*	*61.8%*
Norway / Sweden	*667*	*4,163*	*-84.0%*
Other (1)	*972*	*116*	*n.m.*
EBITDA Margin %	*25.2%*	17.8%	
Investments	22,281	10,809	

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

Denmark

In the first quarter of 2023, sales revenues reached EUR 123.5 million, an increase of 13.2% compared to EUR 109 million in the first quarter of 2022.

The volumes of cement on the domestic market, both grey and white, were lower than in 2022, influenced by a generalized slowdown in demand and by unfavorable weather conditions. High inflation and the increase in interest rates adversely affected the residential sector and investments in public works.

Exports also declined due to lower deliveries to Germany, Poland and France, partially offset by higher deliveries to Norway and the Faroe Islands.

In Denmark, both ready-mixed concrete and aggregate volumes decreased compared to the corresponding quarter of 2022 due to weak demand, a colder winter and the temporary closure of a quarry, which only reopened in March 2023.

Thanks to careful management of energy costs and sales prices, EBITDA in the first quarter of 2022 amounted to EUR 39.7 million (EUR 24.6 million in 2022), up 61.8%, with profitability returning to average pre-Covid levels.

Norway and Sweden

In **Norway**, ready-mixed concrete sales volumes decreased compared to the same period last year due to the slowdown in residential and commercial demand, adverse weather conditions and the delayed start-up of some major infrastructure projects.

It should be noted that the Norwegian krone depreciated by 10.7% against the average euro exchange rate in the same quarter of 2022.

In **Sweden**, the volumes of ready-mixed concrete and aggregates decreased significantly compared to the previous year, due to the general decline in demand mainly caused by the impact of higher interest rates on the residential market.

The Swedish krona depreciated by 6.9% against the average euro exchange rate in the first quarter of 2022.

In the first quarter of 2023, sales revenue in Norway and Sweden decreased by 19.9% to EUR 40.6 million compared to EUR 50.7 million in the first quarter of 2022, while EBITDA decreased by 84% to EUR 0.7 million (EUR 4.2 million in the same period of 2022). The decrease in EBITDA in both Norway and Sweden was mainly due to lower sales volumes and higher production costs.

Belgium

(EUR'000)	1st Quarter 2023	1st Quarter 2022	Change %
Revenue from sales	90,582	76,076	19.1%
EBITDA	21,208	15,967	32.8%
EBITDA Margin %	23.4%	21.0%	
Investments	8,364	2,476	

In the first quarter of 2023, cement sales volumes in Belgium and the Netherlands declined compared to 2022, while they remained stable in France. The contraction in demand was due to both adverse weather conditions and a slowdown in construction activity linked to a more restrictive monetary policy, resulting in reduced demand for mortgages and real estate financing.

For the same reasons, both ready-mixed concrete and aggregate sales volumes in Belgium and France decreased year-on-year, with a more significant drop in France due to the completion of some major projects at the end of 2022.

Overall, in the first quarter of 2023, sales revenue grew by 19.1% to EUR 90.6 million compared to EUR 76.1 million in the same period of 2022, and EBITDA increased by 32.8% to EUR 21.2 million, compared to EUR 16 million in the previous year.

EBITDA benefited from careful management of energy costs and sales prices.

North America

(EUR'000)	1st Quarter 2023	1st Quarter 2022	Change %
Revenue from sales	45,833	44,620	2.7%
EBITDA	5,657	6,894	-17.9%
EBITDA Margin %	12.3%	15.4%	
Investments	910	3,444	

In the US, white cement sales volumes contracted in line with the trend in the residential sector, which is the main market, with sales in Texas and California contracting more sharply due to competitive pressures from imports.

The dollar appreciated by 4.4% against the average euro exchange rate in the first quarter of 2022.

US revenues increased by 2.7% to EUR 45.8 million (EUR 44.6 million in the first quarter of 2022) while EBITDA decreased by 17.9% to EUR 5.7 million (EUR 6.9 million in the first quarter of 2022), due to lower white cement sales volumes and higher variable costs. The company Vianini Pipe, active in the production of cement products, reported an EBITDA in line with the previous year.

Türkiye

(EUR'000)	1st Quarter 2023 (Non-GAAP)	1st Quarter 2022	Change %
Revenue from sales	75,248	41,360	81.9%
EBITDA	7,769	1,632	375.9%
EBITDA Margin %	10.3%	3.9%	
Investments	6,615	5,145	

Revenues of EUR 75.3 million increased by 81.9% compared to the first three months of 2022 (EUR 41.4 million), despite the 29.3% devaluation of the Turkish lira against the euro compared to the average exchange rate for the first quarter of 2022.

Cement sales volumes in the domestic market increased significantly in both the Trakya and Izmir regions, while lower deliveries were seen in Elazig and Kars in Eastern Anatolia. Numerous projects related both to the effect of the earthquake of February 2023 and investments in tourist facilities and residential renovations were started. In Eastern Anatolia, the contraction can be attributed to the end of infrastructure projects related to the 2020 earthquake reconstruction.

Cement and clinker exports, on the other hand, declined due to the choice to focus on the more profitable domestic market.

Ready-mixed concrete volumes also increased compared to the first quarter of 2022, in line with the growth of the Aegean Region, where most of the plants are concentrated.

In the waste sector, the industrial waste treatment subsidiary Sureko recorded 70% higher revenues in local currency than in 2022, due to increased prices of fuel sales (RDF), fuel material collection, trading and landfill quantities.

Overall, the region's EBITDA reached EUR 7.8 million, a significant improvement over the previous year (EUR 1.6 million), thanks to higher sales prices, despite higher operating costs, plus the Turkish lira devaluation.

Egypt

(EUR'000)	1st Quarter 2023	1st Quarter 2022	Change %
Revenue from sales	12,487	14,316	-12.8%
EBITDA	3,385	2,527	34.0%
EBITDA Margin %	27.1%	17.7%	
Investments	323	335	

Sales revenue decreased by 12.8% to EUR 12.5 million (EUR 14.3 million in the first quarter of 2022), mainly due to the devaluation of the Egyptian pound (-79%), compared to the average euro exchange rate in the first quarter of 2022. Revenues in local currency increased by 56%.

Sales volumes of white cement decreased moderately, with an increase in domestic deliveries offset by a steeper drop in exports.

EBITDA increased by 34% to EUR 3.4 million (EUR 2.5 million in the first quarter of 2022), thanks to careful management of production costs and sales prices, despite the significant devaluation of the Egyptian pound against the euro.

Asia Pacific

(EUR'000)	1st Quarter 2023	1st Quarter 2022	Change %
Revenue from sales	24,118	25,337	-4.8%
China	*12,577*	*13,386*	*-6.0%*
Malaysia	*11,545*	*11,951*	*-3.4%*
Eliminations	*(4)*	-	
EBITDA	3,630	4,281	-15.2%
China	*2,024*	*2,937*	*-31.1%*
Malaysia	*1,606*	*1,344*	*19.5%*
EBITDA Margin %	*15.1%*	*16.9%*	
Investments	2,375	2,117	

China

Sales revenue decreased by 6% to EUR 12.6 million (EUR 13.4 million in the first quarter of 2022) despite sales volumes increasing by 3% because of lower sales prices compared to the first quarter of 2022. Until January 2023, the market was affected by the restrictive measures to limit the spread of Covid-19, and only since February, after the slowdown during the Chinese New Year, sales have resumed steadily.

EBITDA decreased by 31.1% to EUR 2 million (EUR 2.9 million in the same period of 2022), due to the decrease in sales prices and higher production costs only partially offset by higher sales volumes.

The Chinese Renminbi depreciated by 3.1% against the average euro exchange rate in the first quarter of 2022.

Malaysia

Sales revenue declined by 3.4% to EUR 11.5 million (EUR 12 million in the corresponding period of 2022) due to the significant drop in clinker exports, mainly related to a different scheduling of sea shipments compared to the first quarter of 2022 and, partly, lower cement deliveries to Cambodia and Myanmar.

Sales volumes on the local market, on the other hand, increased significantly due to the good recovery of the construction market in the first quarter.

EBITDA reached EUR 1.6 million, up 19.5% from EUR 1.3 million in the corresponding quarter of 2022. Higher average selling prices and lower freight costs on exports are only partially offset by higher variable production costs and lower volumes sold.

The local currency is in line with the average exchange rate of the euro in the corresponding quarter of 2022.

Holding and Services

(EUR'000)	1st Quarter 2023	1st Quarter 2022	Change %
Revenue from sales	66,650	48,200	38.3%
EBITDA	2,604	531	390.3%
EBITDA Margin %	3.9%	1.1%	
Investments	788	10,477	

This grouping includes the parent company, the trading company, Spartan Hive, and other minor companies. The increase in revenue and EBITDA is attributable to the higher volumes traded, particularly of clinker, white cement and fuels by Spartan Hive.

Türkiye – Hyperinflated economy

As of April 2022, the Turkish economy is considered hyperinflationary according to the criteria set out in "IAS 29-Financial Reporting in Hyperinflationary Economies".

The accounting effects of this adjustment, in addition to already being reflected in the opening balance sheet as of 1 January 2023, incorporate the changes for the period. In particular, the effect related to the re-measurement of non-monetary assets and liabilities, equity items, and income statement items recognized in 2023 was recognized in a separate income statement item under financial income and expenses. The related tax effect of non-cash assets was recognized in taxes for the period.

To take into account the impact of hyperinflation also on the local currency exchange rate, profit and loss account balances expressed in hyperinflationary currencies have been converted into euro, the Cementir Group's presentation currency, applying the final exchange rate instead of the average exchange rate for the period, in line with IAS 21's requirement to report these amounts at current values.

The cumulative levels of the general consumer price indices are as follows:

- From January 2005 to 31 December 2022: 891%
- From January 2023 to 31 March 2023: 13%

In the first quarter of 2023, the application of IAS 29 resulted in the recognition of a net financial income (pre-tax) of EUR 2.6 million.

The main income statement items for the first quarter of 2023 are shown in the Annex.

Significant events during and after the first quarter

On 8 February 2023, the Parent Company's Board of Directors approved the 2023-2025 Industrial Plan update. Please refer to the press release issued on that date.

With reference to the Russian-Ukrainian conflict, the directors have not identified any significant direct impacts on the Group and the financial statements, in light of the Group‘s substantial lack of activities in these areas and dealings with them.

Outlook for 2023

In light of the first quarter results of the year, the objectives declared on 8 February 2023 are confirmed, i.e. to achieve consolidated revenues of over EUR 1.8 billion (EUR 1.7 billion in 2022), a substantially stable EBITDA compared to 2022 of EUR 335-345 million and to continue to generate significant cash flow, reaching a net cash position of over EUR 200 million at the end of the period. Planned investments are expected to be EUR 113 million (EUR 97 million in 2022), of which about EUR 28 million in sustainability projects. Research and development expenditure is expected to remain stable compared to 2022, as well as the average number of employees. The Group does not envisage the need for new external financing, given the cash generation and net cash position expected by the end of the year.

These forward-looking indications do not include: i) the impacts of the application of IAS 29; ii) any non-recurring items; iii) the possible worsening of the geopolitical situation in the coming months.

The foregoing solely reflects the views of the company's management, and does not constitute a guarantee, promise, operational suggestion or even investment advice. Therefore, it should not be taken as a forecast on future market trends and of any financial instruments concerned.

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The Interim Financial Report as at 31 March 2023, unaudited, will be published in the manner and within the deadline required by current regulations.

* * *

The results of the first quarter of 2023 will be presented to the financial community in a **conference call** to be held today, Tuesday 9 May, at 3:00 pm (CET). Dial-in numbers are as follows:

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

The first quarter 2022 presentation will be made available on the website *www.cementirholding.com* in the Investors section before the start of the conference call.

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The unaudited consolidated results for the first quarter of 2023 are attached.

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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Financial highlights with hyperinflation effect

(EUR'000)	1st Quarter 2023	1st Quarter 2022	Change %
REVENUE FROM SALES AND SERVICES	**414,804**	**362,302**	**14.5%**
Change in inventories	10,194	16,219	-37.1%
Increase for internal work and other income	2,841	15,281	-81.4%
TOTAL OPERATING REVENUE	**427,839**	**393,802**	**8.6%**
Raw materials costs	(196,742)	(182,802)	7.6%
Personnel costs	(51,679)	(48,802)	5.9%
Other operating costs	(98,266)	(101,526)	-3.2%
TOTAL OPERATING COSTS	**(346,687)**	**(333,130)**	**4.1%**
EBITDA	**81,152**	**60,672**	**33.8%**
EBITDA MARGIN %	*19.56%*	*16.75%*	
Amortisation, depreciation, impairment losses and provisions	(31,946)	(27,760)	15.1%
EBIT	**49,206**	**32,912**	**49.5%**
EBIT Margin %	*11.86%*	*9.08%*	
Share of net profits of equity-accounted investees	(197)	(24)	n.m.
Net financial income (expense)	14,906	9,519	56.6%
NET FINANCIAL INCOME (EXPENSE) AND SHARE OF NET PROFITS OF EQUITY-ACCOUNTED INVESTEES	**14,709**	**9,495**	**54.9%**
PROFIT BEFORE TAXES FOR THE PERIOD	**63,915**	**42,407**	**50.7%**
PROFIT BEFORE TAXES/REVENUE %	*15.40%*	*11.70%*	

Financial highlights without hyperinflation effect

(EUR'000)	1st Quarter 2023 (Non-GAAP)	1st Quarter 2022	Change %
REVENUE FROM SALES AND SERVICES	**413,780**	**362,302**	**14.2%**
Change in inventories	11,140	16,219	-31.3%
Increase for internal work and other income	3,228	15,281	-78.9%
TOTAL OPERATING REVENUE	**428,148**	**393,802**	**8.7%**
Raw materials costs	(192,863)	(182,802)	5.5%
Personnel costs	(51,616)	(48,802)	5.8%
Other operating costs	(98,049)	(101,526)	-3.4%
TOTAL OPERATING COSTS	**(342,528)**	**(333,130)**	**2.8%**
EBITDA	**85,620**	**60,672**	**41.1%**
EBITDA MARGIN %	*20.69%*	*16.75%*	
Amortisation, depreciation, impairment losses and provisions	(29,455)	(27,760)	6.1%
EBIT	**56,165**	**32,912**	**70.7%**
EBIT Margin %	*13.57%*	*9.08%*	
Share of net profits of equity-accounted investees	(197)	(24)	n.m.
Net financial income (expense)	12,357	9,519	29.8%
NET FINANCIAL INCOME (EXPENSE) AND SHARE OF NET PROFITS OF EQUITY-ACCOUNTED INVESTEES	**12,160**	**9,495**	**28.1%**
PROFIT BEFORE TAXES FOR THE PERIOD	**68,325**	**42,407**	**61.1%**
PROFIT BEFORE TAXES/REVENUE %	*16.51%*	*11.70%*	