PRESS RELEASE

Cementir Holding: the Board of Directors examines preliminary consolidated 2023 results and approves the 2024-2026 Industrial Plan update

- **Revenue: EUR 1,694.2 million, down by 1.7% compared to 2022. Non-GAAP Revenue were EUR 1,694.6 million (-1.5% on 2022)**
- **EBITDA at the record level of EUR 411.1 million, up by 22.6% on 2022. Non-GAAP EBITDA was EUR 421.9 million (+25.4% on 2022)**
- **EBIT to EUR 278.3 million, up by 36.2%. Non-GAAP EBIT was EUR 299.2 million (+39.3% on 2022)**
- **Profit before taxes: EUR 290.7 million, up by 23.0% on 2022. Non-GAAP profit before taxes was EUR 315.8 million (+39.3% on 2022)**
- **Net cash: EUR 217.6 million (EUR 95.5 million at 31 December 2022)**
- **Industrial Plan targets to 2026: revenue to reach around EUR 2 billion, EBITDA around EUR 425 million, net cash position of around EUR 600 million**
- **Sustainability cumulative investments of EUR 100 million**
- **Dividend expected to grow, with a dividend payout ratio between 20% and 25%**

Rome, 8 February 2024 – 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 2023.

Please note that the complete, definitive results for 2023 are currently being reviewed by the external auditor and will be examined and approved by the Board of Directors at its meeting scheduled on 11 March.

Also 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

(millions of euros)	2023	2022	Change %	2023 Non-GAAP*	2022 Non-GAAP*	Change %
Revenue from sales and services	1,694.2	1,723.1	-1.7%	1,694.6	1,720.9	-1.5%
EBITDA	411.1	335.2	22.6%	421.9	336.3	25.4%
EBITDA/Revenue from sales and services %	*24.3%*	*19.5%*		*24.9%*	*19.5%*	
EBIT	278.3	204.4	36.2%	299.2	214.7	39.3%
Net financial income (expense) and share of net profits of equity-accounted investees	12.4	32.0	-61.3%	16.5	12.0	38.0%
Profit before taxes	290.7	236.4	23.0%	315.8	226.7	39.3%

* Non-GAAP figures exclude both the impact of the application of IAS 29 and the valuation of non-industrial property in Türkiye.

Sales volumes

(thousands)	2023	2022	Change %
Grey, White cement and Clinker (metric tonnes)	10,674	10,849	-1.6%
Ready-mixed concrete (m^3)	4,266	4,798	-11.1%
Aggregates (metric tonnes)	9,401	10,462	-10.1%

Net financial debt[1]

(millions of euros)	31-12-2023	31-12-2022
Net financial debt (Net cash)	-217.6	-95.5

Group employees

	31-12-2023	31-12-2022
Number of employees	3,045	3,085

"Despite an increasingly uncertain macroeconomic scenario due to growing geopolitical tensions and more restrictive monetary conditions, in 2023 the Group demonstrated significant resilience, setting new records thanks to an even more diversified geographical and product mix. The general weakness in volumes, with the exception of Türkiye and China, was balanced by the improvement in operational efficiency. The new Industrial Plan to 2026 continues to place sustainable organic growth at the center of our strategy, confirming all medium and long-term objectives and continuing on our path towards decarbonization" commented Francesco Caltagirone Jr, Chairman and Chief Executive Officer.

The following comments refer to the Non-GAAP consolidated income statement for 2023, which excludes both the IAS 29 impact and the revaluation of non-industrial property in Türkiye for about EUR 7.7 million (for this purpose, the 2022 comparative figure was also adjusted for EUR 16.3 million). This representation allows a better comparison of Group's performance versus the same period of last year.

During 2023 cement and clinker sales **volumes,** equal to 10.7 million tonnes, decreased by 1.6% compared to 2022 due to a market slowdown mainly in Denmark, Belgium, the United States, Egypt and Malaysia, while an increase was recorded in Türkiye and China.

Sales volumes of ready-mixed concrete, equal to 4.3 million cubic metres, decreased by 11.1% compared to 2022 as a result of negative performance across all geographical areas, especially Nordic & Baltic, with the exception of Türkiye.

In the aggregate sector, sales volumes amounted to 9.4 million tonnes, down by 10.1% compared with 2022 as a result of negative performance in Belgium, Sweden and Denmark, partially offset by growth in Türkiye.

Group **revenue** from sales and services amounted to EUR 1,694.6 million, a decrease of 1.5% compared to EUR 1,720.9 million in 2022, due to the reduction in volumes sold and local currency weakness, with different dynamics by geography, against a moderate increase in prices. It should be noted that at constant

[1] IAS 29 has no impact on net financial position as at 31 December 2023.

2022 exchange rates, revenues would have been equal to EUR 1,901.5 million, an increase of 10.5% compared to the previous year.

EBITDA reached the historic record of EUR 421.9 million, up 25.4% compared to the EUR 336.3 million of 2022, following the improved results achieved in all geographical areas with the exception of the United States. It should be noted that 2023 EBITDA includes non-recurring income of approximately EUR 11.6 million mainly due to capital gains on the sale of land and machinery. Excluding non-recurring income, EBITDA, equal to EUR 410.3 million, increased by 22.0% compared to 2022.

The EBITDA margin was 24.5% compared to 19.5% in 2022.

At constant 2022 exchange rates, EBITDA would have been equal to EUR 476.3 million, an increase of 41.6% compared to the previous year.

EBIT, taking into account depreciation, write-downs and provisions of EUR 122.6 million (121.5 million in 2022), amounted to EUR 299.2 million, up 39.3% compared to EUR 214.7 million of the previous year.

At constant 2022 exchange rates, EBIT would have reached EUR 346.0 million.

The **share of net profits of equity-accounted investees** was positive by EUR 0.8 million (positive EUR 1 million in 2022).

Net financial income of EUR 15.8 million (income of EUR 11.0 million in 2022) includes net financial expenses of EUR 4.4 million (EUR 10.7 million in 2022), net foreign exchange income of EUR 15.4 million (net foreign exchange income of EUR 28.4 million in 2022) and the effect of the valuation of derivatives.

Profit before taxes was EUR 315.8 million, an increase of 39.3% compared to the EUR 226.7 million of 2022.

Group **investments** reached approximately EUR 151.7 million (EUR 122.6 million in 2022) of which approximately EUR 47.5 million (EUR 26.1 million in 2022) due to the application of IFRS 16.

Net cash at 31 December 2023 amounted to EUR 217.6 million with a change of EUR 122.1 million compared to a net cash position of EUR 95.5 million at 31 December 2022 and includes EUR 34.2 million dividends distribution in May. These amounts include EUR 82.3 million due to the application of IFRS 16 (EUR 73.0 million at 31 December 2022).

2024-2026 Industrial Plan update

The Board of Directors examined and approved the Group’s Industrial Plan update for the three-year period 2024-2026 and the 2024 budget. In continuity with the previous Plan and with the Group's sustainable growth strategy, the new Plan is based on five **strategic priorities**:

- **Sustainability**

  Cementir is committed to achieving carbon neutrality by 2050, defining sustainability objectives consistent with those of the United Nations 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 the objective of reducing 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, has been confirmed. 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 the clinker content in cement, the greater use of less polluting or alternative fuels, the optimization of thermal efficiency. The 2030 Plan assumes the implementation of a carbon capture and storage (CCS) technology both in Denmark, where the Group has started a second pilot project financed in part by the Danish Innovation Fund, and in Belgium.

In the three-year period 2024-2026, the Group expects to invest approximately EUR 100 million in sustainability projects including: preliminary studies for CCS in Denmark and Belgium; the kiln upgrade at the Belgian plant to increase the use of alternative fuels from the current 40% to over 70%; the transition to natural gas in some of the Group's plants, the preparation of the structures necessary for the production of FUTURECEM® in Denmark, the increase in the use of alternative fuels in Türkiye and other projects to reduce the climate impact of transport, procurement, logistics and the optimization of water resources usage in the production process.

In the renewable energy sector, the Group has signed long-term Power Purchase Agreements (PPAs) with renewable energy producers for the direct purchase of electricity from renewable projects and is evaluating the production of renewable energy from wind farms and/or solar in plants.

- **Innovation**

  The Group will continue to increase the production of new low carbon cements and other sustainable and high added value products such as FUTURECEM®, which allows to reduce the clinker content in cement and therefore reduce CO_2 emissions by approximately 30%. In addition to the aforementioned pilot projects for Carbon Capture, Usage and Storage, with the participation of leading industrial and technological partners, other initiatives include the adoption of artificial intelligence solutions in the production, commercial and supply chain sectors.

- **Improve competitiveness**

  The Group will continue to implement a series of actions to further improve the profitability and operational efficiency of manufacturing and logistics processes, with process digitization initiatives, preventive and predictive intelligent 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 Türkiye areas, 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.

- **Valuing people**

  The Group's objective will be to further promote the culture of health and safety, further improving the results achieved with the initiatives envisaged by the Zero Accidents program. It also intends to promote diversity and inclusion, the development of human capital and the valorization of skills and evaluation and remuneration policies to improve individual performance and that of the entire organization.

Plan 2024-2026: main performance and financial targets

The Plan envisages the achievement of the following 2026 targets, which exclude IAS 29 impact and non-recurring items:

(EUR million)	2023 Actual unaudited Non-GAAP	2026 Target Non-GAAP
Revenue	1,695	~2,000
EBITDA recurring	410	~425
Average yearly capex (including sustainability capex)	104	112
Net cash end period	218	~600
Net cash / EBITDA	0.5x	~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, with more marked growth in 2024 in all geographical areas with the exception of China, which is expected to remain stable over the three-year period. Prices are expected to be stable or slightly higher on average.
- **EBITDA of approximately EUR 425 million**, with a compounded annual growth rate (CAGR) of 1.2%. A non-homogeneous trend is expected in the different geographical areas and, in particular, a normalization of Turkey's contribution. Among the Plan's assumptions, we highlight: the capacity optimization in Egypt with the restart of the second kiln and in Belgium as a consequence of kiln 4 upgrade; the increase of fuels and electricity costs, and an average yearly CO_2 shortage of approximately 250,000 tonnes which includes a step up in 2026 due to the reduction in the free allocation of emission allowances at the European plants. EBITDA margin will stand at a lower level than that recorded in 2022-2023.
- **Average annual investments of approximately EUR 80 million** for the development of production capacity, maintenance of plant efficiency, health and safety and digitalization.
- **Additional cumulative investments in sustainability of EUR 100 million** for projects enabling a reduction of CO_2 emissions in line with the Group's objectives.
- **Net cash position of around EUR 600 million by 2026 year end,** resulting from cash generation of over EUR 500 million before dividend distribution.

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

Outlook for 2024

The macroeconomic scenario continues to be characterized by strong uncertainty, with risks of economic downturns linked to geopolitical tensions and still restrictive financial conditions.

For the year 2024, the Group expects to achieve consolidated revenues of approximately EUR 1.8 billion, EBITDA of approximately EUR 385 million and a net cash position of around EUR 300 million at the end of the period.

Planned investments are equal to approximately EUR 135 million (EUR 104.2 million in 2023), of which around EUR 48 million in sustainability projects. Research and development expenses are expected to remain stable compared to 2023, as is the average number of employees. The Group does not envisage the need for new external financing, given the cash generation and the net cash position expected by year end.

These forward-looking indications do not include: i) the impacts of the application of IAS 29; ii) any non-recurring items; iii) the impact of any worsening of the geopolitical situation or other extraordinary events.

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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Preliminary results for 2023 and 2024-2026 Industrial Plan update will be presented to the financial community in a **conference call** and an **audio webcast** to be held today, Thursday 8 February, at 5.30 pm (CET).

Participants can connect to the audio webcast by registering at this link, where the details for accessing the conference call and participating in the Q&A session will also be available.

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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