Buzzi Unicem

PRESS RELEASE

Approval of the 2022 financial statements

- **Material increase of consolidated turnover (+16.0%), also like for like (+9.6%). The favorable price effect more than offset the generalized weakness of sales volumes**
- **Recurring Ebitda at €892 million, up 12.1% (like for like +3.1%) and Ebit at €495 million, penalized by the impairment loss of the goodwill in Russia**
- **Ebitda to sales margin decreasing compared to 2021, penalized by energy costs, but recovering in the second half of 2022**
- **Lower cash generated from operations (€575 million compared to €752 million in 2021) due to the strong absorption of working capital, especially inventory**
- **The board proposes an increase in dividend to 45 cent per share (+12.5%)**
- **Achievement of the specific CO_2 emission reduction target (-5% compared to 2017) and SBTi validation of the roadmap "Our Journey to Net Zero"**

Consolidated data		**2022**	**2021**	**% 22/21**
Cement and clinker sales	t/000	**28,332**	31,202	-9.2%
Ready-mix sales	m3/000	**11,510**	12,141	-5.2%
Net sales	€/m	**3,996**	3,446	+16.0%
Ebitda	€/m	**884**	795	+11.2%
Ebitda recurring	€/m	**892**	796	+12.1%
Consolidated net profit	€/m	**459**	542	-15.4%
		Dec 22	**Dec 21**	**Change**
Net financial position	€/m	**288**	236	53

The Board of Directors of Buzzi Unicem SpA has met today to examine the statutory and consolidated financial statements for the year ended 31 December 2022.

The unfavorable economic situation that slowed down the expansion pace of the world economy in the first half of 2022 was amplified, during the third and fourth quarters, by increased geopolitical uncertainties, by high and persistent inflation, as well as by the tightening of financial conditions. Russia attacks on Ukraine continued to destabilize commodity markets, fueling volatility in energy prices. In the main advanced economies, the slowdown in economic activity that occurred in 2022 is mainly attributable to the start of a monetary tightening cycle, aimed at countering inflationary pressures and cooling demand.

Global trade, after showing good resilience in the first half of 2022, with the negative effects of the conflict in Ukraine and persistent supply-side bottlenecks, lost momentum in the third and fourth quarters, mainly due to weak demand in advanced economies.
The latest forecasts for 2022, therefore, indicate a slowdown in world GDP growth (+3.4%). Based on these projections, the global economy should confirm its weakening, albeit remaining expansionary, also in 2023 (+2.9%), reflecting a significant drop in growth in mature countries.

In the United States, economic activity, already slowing down in the first part of 2022, was characterized in the fourth quarter by a general weakness in domestic demand, accompanied with high inflation and a further rise in interest rates, which continued to erode the purchasing power and real income of households, holding back consumption. Furthermore, the more difficult accessibility and higher cost of credit weighed on private investments, mainly those in residential construction.

In the Eurozone, economic development, after a slight growth in the third quarter (+0.3%), supported by the expansionary dynamics of investments and private consumption, stagnated during the autumn months. High inflation and more restrictive financing conditions slowed down manufacturing production and household spending. In a context characterized, therefore, by persistent uncertainty linked to the evolution of the conflict in Ukraine and by the risks deriving from potential interruptions in energy supplies, the weakening of the growth dynamics, already evident in the industrial sector, also extended to the services. Investments in residential construction fell during the second half of the year: after the decline recorded in the third quarter, activity in the sector continued to weaken also in October and November.

In Italy, GDP growth continued also in the summer quarter, thanks to the strong expansion of domestic demand. Both household consumption and investment spending, the latter diminishing due to the lower contribution from the construction sector, contributed to growth. In the fourth quarter, on the other hand, activity weakened, weighed down by the effect of persistent increases in energy prices and by the slowdown in the recovery in the sectors most impacted by the pandemic, such as trade, tourism and transport.

As far as emerging economies are concerned, in China, the difficulties associated with the crisis in the residential sector and the new wave of infections, following the lifting of all containment measures, caused a marked deterioration in the economic situation. In Russia, after the clear decrease in GDP in the second and third quarters, the economy entered a recession: the country recorded a smaller drop in exports than previously forecast, while imports suffered a sharp setback as a direct consequence of international sanctions.

As regards the market of energy goods, starting from mid-October both the price of oil and that of natural gas decreased, following the slowdown in global demand. In particular, the price of natural gas traded on the Dutch TTF market definitely improved, while remaining at historically high levels. This reduction is the result of a milder climate than expected, as well as the decline in industrial production in Europe which, together with the stability of gas supply flows, allowed to keep stocks close to maximum levels.

In November and December, in line with what had already been done in the first half, the Federal Reserve raised the benchmark rates by further 75 and 50 basis points respectively, indicating further increases with a labor market still under pressure. At the same time, the ECB also increased the benchmark interest rates by 75 and 50 basis points in October and December, assessing that these will still have to rise to allow a timely return to price stabilization. However, the Governing Council established that future rate decisions will also be weighed on the basis of growth and inflation prospects.
The central banks of emerging countries, on the other hand, adopted more heterogeneous approaches: in Brazil, the monetary authorities interrupted the sequence of increases, while in China, in a context of moderate inflation, monetary conditions remained accommodating, also to mitigate the real estate crisis.

Construction investments, to which the evolution of demand for cement and concrete is closely related, after a first half growing, lost traction in the third and fourth quarters both in the United States of America and in the Eurozone, due to the increase in construction costs and restrictive monetary policies, which have made access to credit more expensive.

In 2022, cement sales at consolidated level came in at 28.3 million tons, down 9.2% compared to 2021. The generalized slowdown in deliveries, which has been already highlighted during the first half of the year, accentuated during the following quarters, particularly in Italy, Eastern Europe and the United States, where in addition to the weaker demand referring to the residential sector, there were also some logistical problems along the Mississippi River. In Central Europe, on the other hand, sales volumes showed some stability.
Ready-mix concrete sales amounted to 11.5 million cubic meters, down 5.2% compared to 2021. Sales volumes improved slightly only in Central Europe, while in Eastern Europe, the United States of America and Italy they showed a more evident contraction.

Consolidated net sales increased from €3,445.6 to €3,995.5 million. During the year no changes in scope were recorded, while the exchange rate effect was favorable for €219.5 million. Like for like net sales would have improved by 9.6%.

The consolidated Ebitda stood at €883.7 million, up 11.2% versus €794.6 million of the previous year. The foreign exchange effect was positive for €71.8 million. The figure for the year under review includes non-recurring costs of €8.7 million (while in 2021 they were €1.3 million). Excluding the non-recurring items Ebitda rose from €795.9 to €892.4 million, with Ebitda to sales margin standing at 22.3% (23.1% in 2021). The strengthening of operating results in the United States of America, resulting from the favorable exchange rate effect, in Italy and the Czech Republic, more than offset the slowdown recorded in Central Europe, Poland and Ukraine.

After amortization of €259.3 million, versus €244.0 million in 2021, and impairment in fixed assets of €129.6 million, €122.5 million thereof referring to the Russia goodwill, Ebit came in at €494.8 million, down compared to €545.6 million in 2021. Net finance costs decreased from €34.4 to €23.1 million, mainly due to the increase in interest income. In the year under review no gains on sale of investments were recorded (they amounted to €18 million in 2021), while equity in earnings of associates increased from €106.1 to €117.6 million. As such, profit before tax amounted to €589.3 million, down compared to €635.3 million of the previous year. The tax burden for the financial year was €130.5 million, versus €93.0 million in 2021. The higher tax rate of 2022, equal to 22% of the profit before tax (15% in 2021), was affected by the presence of some considerable non tax-deductible items, such as the goodwill impairment. Therefore, the income statement for 2022 closed with a net profit of €458.8 million (€542.3 million in 2021). Net profit attributable to the owners of the company also amounts to €458.8 million.

Consolidated net financial position as at 31 December 2022 was confirmed as positive, setting at €288.2 million versus €235.5 million at year-end 2021. Compared to the economic performance, the improvement in the net financial position was penalized by a strong absorption of working capital, largely due to the price effect on the value of inventories. In 2022 the group distributed dividends of €73.4 million and paid total capital expenditures of €270.8 million, €51.2 million thereof devoted to the decarbonization of production process and performance improvements. Projects to increase the production of cements with a lower clinker content, the greater use of alternative fuels and the in-house production of electricity belong to the first category. An amount of €9.1 million was allocated to capacity expansion projects, among which the construction of a new clinker storage in San Antonio, Texas (€5.0 million) and a new natural aggregates quarry in Austin, always in Texas (€1.6 million).

As at 31 December 2022, total equity, inclusive of non-controlling interests, stood at €4,911.5 million versus €4,375.2 million at 2021 year-end. Consequently, the debt/equity ratio decreased to 53% from 58% in the previous year.

In 2022 the parent company Buzzi Unicem SpA reported a net profit of €489.3 million (€223.2 million in 2021) and a cash flow of €520.3 million.

SBTi validation of the decarbonization targets envisaged by the roadmap "Our Journey to Net Zero"

During the month of March 2023, the Science Based Targets initiative (SBTi) has formally validated the scope 1 and scope 2 decarbonization targets envisaged by the roadmap "Our Journey to Net Zero", judging them aligned with the objective of keeping climate warming "well below 2°C", as defined by the 2015 Paris Climate Agreement.

Science Based Targets initiative (SBTi) is a cooperation between the Carbon Disclosure Project CDP (non-profit organization managing the reporting scheme on environmental issues), the Global Compact, the United Nations World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). SBTi defines and promotes best practices in identifying climate change mitigation objectives to ensure that corporate strategies are in line with scientific goals.

We are proud that, as part of the final 2050 "Net Zero" target, our 2030 interim targets have been approved, placing us among the leaders in the transition to a "low carbon" economy. The validation process was an important recognition in our commitment to sustainability, which was formalized in 2017 with the announcement of the first objective of reducing CO_2 emissions and renewed in 2022 with the definition of the roadmap. We also take this opportunity to inform that, by the end of 2022, the objective of a specific CO_2 emissions reduction by at least 5% compared to 2017 was achieved.

Italy

During 2022 the dynamics of investments remained robust, albeit slowing down in the third and fourth quarters, reflecting, on the one hand, the reduction in construction spending, and on the other, an acceleration in plant and machinery spending. In particular, as regards investments in the construction sector, the trend was confirmed positive also in 2022 (+12.7% compared to 2021), despite the slowdown in the construction industry during the second part of the year, held back by inflation, by rising interest rates and by concerns about a potential recession. The residential renovation sector was the driving force behind investments in the sector. The persistent inflationary pressures on the prices of energy and non-energy raw materials, in addition to the delays in the implementation of the PNRR, diluted the contribution of public works. Domestic cement consumption is estimated to decrease by around 8%, with an increasing share represented by imports.

Our hydraulic binders and clinker volumes, which were already clearly contracting in the first six months of the year, further slowed down during the second half, suffering the difficult situation of the domestic market and the abandonment of the deliveries abroad. Referring to the whole of the year, they decreased by 16.0%. These dynamics also included the ready-mix concrete sector, down 8.1%. Average selling prices, both for cement and ready-mix concrete, showed a clearly favorable trend in the year as a whole.
Such trend in volumes and prices led to net sales of €726.2 million, up 20.1% (€604.7 million in 2021). Ebitda achieved €82.0 million, doubled compared to €40.8 million of last year. However, it should be remembered that the figure for the year under review benefited from the tax credit effect dedicated to energy-intensive companies, for an amount of around €38 million. Despite this benefit, the cost of electricity almost doubled compared to 2021 levels. Fuel costs followed a similar trend, too. Therefore, in 2022, the unit production costs, both as regards the variable and the fixed components, visibly worsened.

United States of America
Investments in residential construction, the main driver of demand starting from 2020, lost ground in the second half of 2022, impacted by the rise in building materials and the increase in interest rates. The high inflation also diluted the potential of investments in public works, which are expected to contract at the end of 2022 (-4%). Overall for the year, therefore, despite a generalized drop in the level of construction investments (-2% in 2022), domestic cement consumption is estimated to remain substantially stable (+0.3%).

During the fourth quarter, our cement sales contracted more than forecast. The generalized slowdown in cement demand, in addition to the logistical problems due to the low water level in the Mississippi River, which lasted until mid-November, influenced the dynamics of our shipments. In the year as a whole, therefore, cement volumes sold decreased by 4.5% compared to 2021, while ready-mix concrete ones, mainly present in Texas, decreased by 8.8%. Conversely, selling prices further strengthened during the fourth quarter, showing a good development year over year.
Overall net sales amounted to €1,591.8 million, up 19.7% compared to €1,329.6 million of 2021, while Ebitda increased from €455.1 to €497.5 million (+9.3%). The appreciation of the dollar (+11.0%) had a positive impact on the translation of the results into euro: at constant exchange rates net sales would have increased by 6.6%, while Ebitda would have been down 2.7%. It should be remembered that the figure for last year included a non-recurring item of €1.3 million: net of non-recurring items and at constant exchange rate, Ebitda would have been down 3.0%. The clearly unfavorable dynamics of energy costs, fuels in particular, together with a worsening of fixed costs, negatively impacted the Ebitda margin, which is confirmed, however, at the highest levels of the group (31.3%), albeit decreasing compared to 2021.

Central Europe

In **Germany**, the explosion in costs, the growing fears of recession and the increase in interest rates led to a marginal slowdown in construction investments (-0.5%), more evident in the commercial sector (-1.7%) and in public works (-1.0%). The residential building component (about 60% of investments), on the other hand, is expected to remain stable (+0.2%) thanks also to government subsidies for the efficiency of buildings.

Our deliveries of hydraulic binders closed the year slightly up (+2.7%), despite some slowdown recorded both in the third and fourth quarters, due to higher weakness in demand and to a harsher winter. The same dynamics extended also to the ready-mix concrete volumes, which however remained stable (-0.1%). Selling prices, both for cement and ready-mix concrete, confirmed the good levels achieved in the first nine months of the year also in the last quarter.

Overall net sales thus increased from €708.1 to €798.8 million (+12.8%) while Ebitda decreased from €127.5 to €120.5 million (-5.5%). The cost increases for fuel and electricity led to a worsening of unit production costs. In 2022 the business incurred operating costs of €18.6 million for CO_2 emission rights (€23.6 million in 2021).

In **Luxembourg** and the **Netherlands**, the weakening of demand for cement, which was already evident in the third quarter, was also confirmed during the last months of the year. However, the positive trend in the first semester was able to compensate for the slowdown that occurred in the following quarters. Sales volumes, therefore, closed slightly up on 2021 (+1.4%). The ready-mix concrete sector recorded more evident growth (+5.1%): the sales progress in the Netherlands offset the negative trend in Luxembourg. Selling prices showed robust growth, driven by production cost inflation.

Net sales came in at €226.9 million, up 12.8% compared to the previous year (€201.1 million). However, Ebitda stood at €7.0 million, clearly contracting compared to €16.5 million in 2021. Unit production costs considerably increased, impacted by the negative dynamics of energy costs, which more than doubled. Fixed costs, instead, proved somehow stable. During the year the business incurred operating costs of €6.5 million for CO_2 emission rights (€2.4 million in 2021).

Eastern Europe

In **Poland**, the impact of the war on the construction sector was evident, especially regarding the availability and prices of building materials. In this context, after the progress recorded in 2021 (+3.7%), investments in the sector continued to show an expansionary trend in the first part of 2022, then weakening during the second half of the year. By the end of 2022, investments are estimated to grow by 4.5% compared to 2021, while cement consumption is expected to decline. These dynamics also influenced our cement sales volumes which, after a first half of growth, mainly thanks to the progress recorded at the start to the year, significantly lost ground in the third and fourth quarters, closing clearly down (-10.4%). In the ready-mix concrete sector, on the

other hand, the slowdown was less evident (-0.2%). Sales prices, in general, showed a very favorable development.
Net sales increased from €126.4 to €141.3 million (+11.8%) while Ebitda fell from €31.3 to €27.2 million (-13.1%). However, it should be remembered that the depreciation of the local currency (-2.6%) impacted the translation of the results into euro: at constant exchange rates net sales would have been up 14.7% and Ebitda down 10.8%. The unit production costs in local currency visibly increased, penalized by the electric power, which almost doubled, and the fuels, which more than doubled. During 2022 the business incurred operating costs of €9.6 million for CO_2 emission rights (€8.7 million in 2021).

In the **Czech Republic**, investments in construction grew (+1.4%), benefiting from the high volume of building permits after the end of the pandemic. The positive development of activity in the non-residential sector, mostly concentrated in the main urban centers of the country, offset the weakness in the residential sector and in public works, impacted by the sharp rise in interest rates and inflation. Cement sales, after a first half progressing, showed a rather negative trend both in the third and fourth quarters, closing 2022 with lower volumes versus the previous year (-5.4%). Selling prices, in local currency, considerably increased. The ready-mix concrete sector, which includes **Slovakia**, recorded similar dynamics (-6.3%) both for volumes and selling prices.
Consolidated net sales amounted to €201.2 million (€177.5 million in 2021, +13.4%) and Ebitda increased from €51.3 to €56.8 million (+10.7%). The appreciation of the Czech koruna (+4.2%) had a positive impact on the translation of the results into euro: at constant exchange rates, the variance of net sales would have been 9.1%, while the one of Ebitda 6.0%. The trend in fuel costs, which more than doubled, and to a lesser extent, in power costs, caused a clear increase in unit production costs. Also, the fixed component showed some bullishness. During the year the business incurred operating charges of €8.5 million for CO_2 emission rights (€6.6 million in 2021).

In **Ukraine**, the economic and humanitarian repercussions caused by the conflict with Russia were enormous. The damage to homes, infrastructures and productive assets led to a dramatic reduction in the production of goods and services and to a consequent increase in costs for any business. In addition, there was a collapse in private investment and exports.
Our production activity, even in the fourth quarter, continued essentially at the Volyn plant (north-west of the country), while at the Nikolayev facility (south of the country) it is mostly suspended, due to the lack of demand and to the operational risks associated with the proximity to the fighting. In December, the already complex operating situation was penalized by some interruptions in the power supply. Therefore, 2022 closed with sales volumes drastically decreasing (-62.8% in cement and -71.4% in ready-mix concrete) and sharply increasing prices, driven by inflation.

Net sales stood at €59.8 million, more than halved compared to €127.0 million achieved in 2021. The operational complexities and the level of production achieved during 2022 were not able to cover fixed costs, leading to an Ebitda of -€6.8 million (it was positive and equal to €13.3 million in 2021). The depreciation of the local currency (-5.5%) further negatively influenced the translation of the results into euro: at constant exchange rates the turnover would have been down 50.4% and Ebitda even more negative.
We specify that, at the balance sheet date, the book value of net assets in Ukraine amounts to €15 million.

In **Russia**, following the decision taken in May to cease all operational involvement in the activity of the subsidiary SLK Cement, the information available to us regarding the trend in demand and the construction market is very limited. In 2022, the volumes sold decreased compared to the previous year (-5.2%). Selling prices showed a favorable trend.
Net sales amounted to €290.4 million, up compared to €207.4 million of the previous year (+40.0%) and Ebitda increased from €58.6 to €99.6 million (+70.0%). The appreciation of the ruble (+15.3%) favorably influenced the translation of the results into euro: at constant exchange rates, net sales and Ebitda would have been up 18.6% and 44.0% respectively.
At the balance sheet date, the book value of net assets in Russia amounts to €334 million, after having impaired the entire goodwill (€122 million).

Mexico (valued by the equity method)
The sales of our joint venture closed 2022 below the level reached last year (-5.8%), albeit well recovering starting from August and during the whole fourth quarter. Prices, in local currency, confirmed also in the second part of the year the clearly positive levels already achieved during the first semester. Ready-mix concrete sales, instead, showed a more negative trend (-34.0%), with prices in local currency also increasing.
Net sales, referring to 100% of the joint venture, stood at €768.5 million, up 16.2% on the previous year, while Ebitda came in at €305.8 million, up compared to €282.7 million of 2021. The Mexican peso showed an appreciation of 11.7%. At constant exchange rates net sales would have been up 4.0% and Ebitda down 3.2%. The unit production costs sharply worsened, impacted by energy increases, in particular fuels, and by higher fixed costs. Ebitda to sales margin, however, is still on high levels (39.8%).
The equity earnings referring to Mexico, included in the line item that encompasses the investments valued by the equity method, amount to €70.4 million (€63.9 million in 2021).

Brazil (valued by the equity method)
The sales of our joint venture closed 2022 markedly improving (+10.5%) with prices also clearly progressing. Like for like, however, sales volumes would have been stable compared to 2021.

Net sales stood at €400.2 million, equal to +57.9% compared to €253.4 million of the previous year, while Ebitda reached €118.7 million, markedly up compared to €80.9 million of 2021. The appreciation of the Brazilian real impacted on the translation of the results into euro (+14.7%): like for like, net sales and Ebitda would have been up 22.0% and 18.3% respectively. The increase in variable costs, which was particularly evident for fuels, and in fixed items led to the worsening of unit production costs.
The equity earnings referring to Brazil, included in the line item that encompasses the investments valued by the equity method, amount to €31.3 million (31.8 million in 2021).

Outlook
According to the most recent forecasts, the elements of uncertainty which have already been observed in 2022 will continue to characterize the macroeconomic context also during 2023. The evolution of the conflict in Ukraine, high inflation and the confirmation of restrictive monetary policies, as well as the uncertainties associated with prices and the supply of energy factors, will attenuate the prospects for economic development throughout the current year.

In 2023, the dynamic of investment in the construction sector is expected to slow down, both in the United States and in Europe, due to higher construction and financing costs. As regards energy prices, the forecasts suggest a progressive stabilization during the year, at levels being in any case higher than in 2022. In such context, however, we believe that our operating results will continue to benefit from an upward trend in selling prices, due both to the carry-over effect and to the probable application of further increases.

In the United States, we expect demand to benefit from the contribution of the infrastructure sector, supported by higher inflows of funds at both the federal and state levels, while in the residential sector the increase in interest rates will significantly slow down the dynamics of new buildings realization. In this context, we believe that our sales volumes may confirm the levels reached in 2022 and that, thanks to the stability of demand, the market will be able to accept a further increase in selling prices.

In Italy, we expect the market to weaken further in 2023 due to the slowdown in the residential sector and delays in the implementation of the PNRR. In this scenario, we foresee a contraction in sales volumes, associated however with improving average prices, also thanks to the carry-over effect of the increases achieved at the end of 2022. It is difficult to estimate whether and which the relief from the tax credit intended for energy-intensive industries, which in 2022 contributed to significantly improving the operating result, will be. It will still be hard for domestic producers to compete with the flow of imports from countries where the cost of energy is lower and there are no restrictions on CO_2 emissions.

In Central Europe and in the other Eastern European countries belonging to the EU, despite the support, at national and European level, for investments in infrastructure and residential renovation, inflation and the uncertainties related to energy supply, in addition to the increase in interest rates, will lead to a slowdown in construction investments and, consequently, also in our sales volumes. However, we expect that the commitment of our commercial force in transferring the higher production costs downstream will allow us to completely compensate for the loss of volumes.

The narrative is different about Ukraine, as the currently most credible hypothesis is the one of no agreed solution to the conflict in the short term. In that event, our operations will continue at reduced levels, with the aim to protect the business as much as possible and minimizing negative cash flow.
In the case of Russia, due to the current governance structure, we do not have sufficient elements to provide indications on the results expected for 2023.

In Mexico, activity in the construction sector is expected to perform nicely, thanks to robust residential demand and future investment prospects in the industrial sector related to inshoring plans to relocate production by several US companies. In this context, we expect our volumes to confirm the levels reached in 2022, associated with improving prices.

In Brazil, we think that our sales volumes can benefit from the stability of demand also during 2023 and that the further improvement in prices can largely offset the increase in production costs.

In conclusion, based on the considerations expressed above, we believe that in the year 2023 the recurring Ebitda of the group may reach a result similar to the one of last year.

As regards the capital expenditures plan approved for 2023, we expect it to be more sizeable than in 2022, due to inflation and the effect of some jobs in progress approved in previous years. The program includes various projects aimed at the continuous improvement of operational efficiency and the reduction of CO_2 emissions, in line with the decarbonization targets set out in the roadmap "Our Journey to Net Zero".

Consolidated non-financial statement 2022

The Board of Directors approved the consolidated non-financial statement, which is included in the Sustainability Report 2022, in compliance with the provisions of Legislative Decree no. 254/2016.

The consolidated non-financial statement is a distinct and separate report with respect to the business review. It will be made available to the public at the same time as the publication of the draft annual financial statements and the consolidated financial statements for the year ended on 31 December 2022.

Appropriation of net income

The Board of Directors will propose to the Annual General Meeting of Buzzi Unicem SpA, convened in a single call for 12 May 2023 a dividend of 45 cents per share. The dividend payment, if approved by the Shareholders' Meeting, will be executed as from 24 May 2023 (with coupon detachment on 22 May 2023 and record date on 23 May 2023).
Considering the provisions relating to the conduct of shareholders' meetings pursuant to art. 106, paragraph 4, of the Decree Law 17 March 2020, no. 18 as subsequently extended, the participation and exercise of the right to vote in the Shareholders' Meeting will take place exclusively through the representative designated by the company, having been identified pursuant to art. 135-undecies of the TUF, in Computershare S.p.A.

Renewal of authorization for the purchase/disposal of treasury shares

The Board of Directors resolved to ask the Shareholders' Meeting to authorize (and thus revoke the unused portion of the authorization adopted on 12 May 2022) the buy-back of a maximum of #10,000,000 ordinary shares. The authorization is asked also for the selling of the shares already held in treasury by the company.
The above authorization to the purchase, as well as to the disposal of treasury shares is required to allow the company to intervene in case of fluctuation of the share price beyond the normal market volatility, within the extent allowed by the law and the market rules, as well as to give the company an instrument for liquidity investment. A further reason to purchase treasury shares may be using them as a payment in extraordinary transactions, also of equity interest swap, exchange, contribution or of conversion of bonds of possible future issuance, or for distribution, for a consideration or without consideration, to directors and employees of the company or its subsidiaries as well as for allocation to shareholders without consideration.
The authorization is asked for a length of 18 months as from the Shareholders' Meeting approval.
The proposed purchase price ranges from a minimum and a maximum of respectively no less and no more than 10% compared to the reference price of the ordinary share recorded in the stock market session of the day before the completion of each individual transaction.
The maximum possible purchase amount is equal to €200 million.
The treasury shares shall be purchased on the market, according to Borsa Italiana rules, pursuant to art. 144 bis, paragraph 1, lett. b), c) and d) ter of Consob Regulation no. 11971/99 and subsequent amendments. Moreover, the company can also avail itself of the procedure provided by the market rules approved by Consob, where applicable, as well as those pursuant to art. 5 of EU Regulation no. 596/2014.

Treasury shares selling transactions can be effected at any time, wholly or partly, in one or several transactions, through sale with cash compensation or as a payment in extraordinary transactions, also of equity interest swap, or of exchange, transfer or conversion of bonds of possible future issuance, or for distribution to directors and employees of the company or its subsidiaries ex art. 2359 of the civil code as well as for allocation to shareholders also in the form of dividends.
Based on the previous authorization issued by the ordinary Shareholders' Meeting of 12 May 2022, to date no treasury shares have been purchased or sold.
As of today, the company owns #7,494,316 ordinary treasury shares equal to 3.891% of capital stock.

Other shareholders' meeting resolutions

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

- on the renewal of the Board of Directors and the Statutory Auditors' Committee;
- on the approval of Section I of the Report on remuneration policy and the remuneration paid, ex per article 123 ter, paragraphs 3 bis and 3 ter, of Legislative Decree n. 58/1998;
- on the non-binding voting on Section II of the Report on remuneration policy and the remuneration paid, ex per article 123 ter, paragraph 6, of Legislative Decree no. 58/1998;
- on the modification of the consideration for the independent auditing firm for the years 2023-2031

in extraordinary session:

- on the change of the company name from Buzzi Unicem SpA to Buzzi SpA.

Corporate Governance

The Board of Directors has approved the annual report on the company's corporate governance system, which will be made available at the same time as the draft of the draft statutory financial statements and the consolidated financial statements for the year 2022.
The Board of Directors has also assessed that Directors Elsa Fornero, Aldo Fumagalli Romario, Antonella Musy, Linda Orsola Gilli, Mario Paterlini, Gianfelice Rocca and Giovanna Vitelli meet the criteria of independence as per Code of Corporate Governance approved by Borsa.
The Statutory Auditors' Committee reported to the Board of Directors that it was able to verify the independence criterion of its members.

Senior Notes and Bonds

In the period from 1 January to 31 December 2022 no new bonds were issued.
On 28 January 2023 the early repayment of the Eurobond "Buzzi Unicem €500,000,000 2.125% Notes due 2023", issued in 2016, was effected.

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The manager responsible for preparing the company's financial reports, Elisa Bressan, declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

Casale Monferrato, 29 March 2023

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The Buzzi Unicem 2022 financial statements will be illustrated during a **conference call** to be held on Wednesday, 29 March, at 4:30 pm CEST. To join the conference, please dial +39 02 802 09 11, from UK +44 1 212 818 004, from USA +1 718 7058 796.

Consolidated Income Statement

(thousands of euro)	2022	2021
Net sales	**3,995,519**	**3,445,551**
Changes in inventories of finished goods and work in progress	64,521	(21,137)
Other operating income	54,744	73,647
Raw materials, supplies and consumables	(1,698,338)	(1,334,977)
Services	(886,784)	(781,666)
Staff costs	(559,985)	(513,335)
Other operating expenses	(86,001)	(73,439)
EBITDA	**883,676**	**794,644**
Depreciation, amortization and impairment charges	(388,900)	(249,048)
Operating profit (EBIT)	**494,776**	**545,596**
Equity in earnings of associates and joint ventures	117,551	106,056
Gains on disposal of investments	97	18,000
Finance revenues	123,194	63,440
Finance costs	(146,322)	(97,840)
Profit before tax	**589,296**	**635,252**
Income tax expense	(130,517)	(92,952)
Profit for the year	**458,779**	**542,300**
Attributable to:		
Owners of the company	458,786	541,903
Non-controlling interests	(7)	397

(euro)		
Earnings per share		
basic		
ordinary	2.462	2.820

Consolidated Statement of Comprehensive Income

(thousands of euro)	2022	2021
Profit for the year	**458,779**	**542,300**
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on post-employment benefits	89,973	49,289
Fair value changes of equity investments	308	216
Income tax relating to items that will not be reclassified	(25,526)	(14,841)
Total items that will not be reclassified to profit or loss	**64,755**	**34,664**
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	203,679	242,065
Share of currency translation differences of associates and joint ventures valued by the equity method	38,338	11,998
Total items that may be reclassified subsequently to profit or loss	**242,017**	**254,063**
Other comprehensive income for the year, net of tax	**306,772**	**288,727**
Total comprehensive income for the year	**765,551**	**831,027**
Attributable to:		
Owners of the company	765,512	830,618
Non-controlling interests	39	409

Consolidated Balance Sheet

(thousands of euro)	31/12/2022	31/12/2021
Assets		
Non-current assets		
Goodwill	509,484	608,789
Other intangible assets	57,503	59,419
Right-of-use assets	77,626	78,627
Property, plant and equipment	3,240,124	3,076,662
Investment property	17,561	17,697
Investments in associates and joint ventures	537,994	462,404
Equity investments at fair value	10,595	12,222
Deferred income tax assets	64,538	81,967
Defined benefit plan assets	4,435	6,905
Derivative financial instruments	11,031	6,948
Other non-current assets	262,268	270,305
	4,793,159	**4,681,945**
Current assets		
Inventories	721,023	500,010
Trade receivables	541,675	455,735
Other receivables	99,348	74,593
Cash and cash equivalents	1,341,488	1,203,611
	2,703,534	**2,233,949**
Assets held for sale	6,395	5,889
Total Assets	**7,503,088**	**6,921,783**

(thousands of euro)	31/12/2022	31/12/2021
Equity		
Equity attributable to owners of the company		
Share capital	123,637	123,637
Share premium	458,696	458,696
Other reserves	183,290	(59,094)
Retained earnings	4,271,170	3,853,886
Treasury shares	(130,917)	(7,699)
	4,905,876	**4,369,426**
Non-controlling interests	5,581	5,778
Total Equity	**4,911,457**	**4,375,204**
Liabilities		
Non-current liabilities		
Long-term debt	608,150	987,951
Lease liabilities	58,132	55,815
Employee benefits	268,235	364,845
Provisions for liabilities and charges	78,956	86,416
Deferred income tax liabilities	401,478	371,131
Other non-current liabilities	7,693	6,952
	1,422,644	**1,873,110**
Current liabilities		
Current portion of long-term debt	594,028	136,635
Short-term debt	12,544	12,476
Current portion of lease liabilities	20,260	22,450
Trade payables	324,293	294,043
Income tax payables	35,038	32,072
Provisions for liabilities and charges	61,992	64,626
Other payables	120,832	111,167
	1,168,987	**673,469**
Total Liabilities	**2,591,631**	**2,546,579**
Total Equity and Liabilities	**7,503,088**	**6,921,783**

Consolidated Statement of Cash Flows

(thousands of euro)	2022	2021
Cash flows from operating activities		
Cash generated from operations	575,435	752,376
Interest paid	(26,821)	(26,345)
Income tax paid	(153,899)	(134,374)
Net cash generated from operating activities	**394,715**	**591,657**
Cash flows from investing activities		
Purchase of intangible assets	(1,433)	(3,124)
Purchase of property, plant and equipment	(265,305)	(211,323)
Acquisition of subsidiaries, net of cash acquired	-	(639)
Purchase of other equity investments	(4,085)	(2,605)
Proceeds from sale of property, plant and equipment	11,694	21,561
Proceeds from sale of equity investments	465	18,001
Changes in financial receivables	17,762	(226,519)
Dividends received from equity investments	75,751	59,823
Interest received	23,989	10,789
Net cash generated from (used in) investing activities	**(141,162)**	**(334,036)**
Cash flows from financing activities		
Proceeds from long-term debt	200,145	-
Repayment of long-term debt	(136,792)	(111,985)
Net change in short-term debt	68	(425)
Repayment of lease liabilities	(24,525)	(23,283)
Changes in other financial payables	5,408	(3,938)
Changes in ownership interests without loss of control	(3)	(1)
Purchase of treasury shares	(123,218)	-
Dividends paid to owners of the company	(73,351)	(191,880)
Dividends paid to non-controlling interests	(136)	(59)
Net cash generated from (used in) financing activities	**(152,404)**	**(331,571)**
Increase (decrease) in cash and cash equivalents	**101,149**	**(73,950)**
Cash and cash equivalents at beginning of year	1,203,611	1,218,279
Currency translation differences	36,728	59,282
Cash and cash equivalents at end of year	**1,341,488**	**1,203,611**

Figures as at December 31, 2022 have been approved by the Board of Directors but they have not been examined by the Statutory Auditors and the Independent Auditors have not issued their opinion yet.

Buzzi Unicem SpA

Income Statement

(thousands of euro)	2022	2021
Net sales	**532,596**	**431,088**
Changes in inventories of finished goods and work in progress	16,710	467
Other operating incomes	10,004	6,776
Raw materials, supplies and consumables	(294,619)	(216,200)
Services	(102,498)	(100,429)
Staff costs	(77,390)	(73,120)
Other operating expenses	(19,855)	(12,213)
Operating cash flow (EBITDA)	**64,948**	**36,369**
Depreciation, amortization and impairment charges	(31,029)	(34,487)
Operating profit (EBIT)	**33,919**	**1,882**
Finance revenues	547,466	297,638
Finance costs	(74,480)	(81,989)
Profit before tax	**506,905**	**217,531**
Income tax expense	(17,633)	5,658
Profit for the year	**489,272**	**223,189**

Statement of comprehensive income

(thousands of euro)	2022	2021
Profit for the year	**489,272**	**223,189**
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on post-employment benefits	792	(132)
Income tax relating to items that will not be reclassified	(217)	32
Total items that will not be reclassified to profit or loss	**575**	**(100)**
Total items that may be reclassified subsequently to profit or loss	**-**	**-**
Other comprehensive income for the year, net of tax	**575**	**(100)**
Total comprehensive income for the year	**489,847**	**223,089**

Balance Sheet

(thousands of euro)	31.12.2022	31.12.2021
ASSETS		
Non-current assets		
Goodwill	40,500	40,500
Other intangible assets	2,069	2,085
Right of use assets	4,925	5,552
Property, plant and equipment	240,103	242,810
Investment property	8,112	8,310
Investments in subsidiaries, associates and joint ventures	2,443,588	2,440,848
Other equity investments	5,496	6,328
Deferred income tax assets	25,856	27,601
Derivative financial instruments	11,031	6,948
Other non-current assets	230,462	237,141
	3,012,142	**3,018,123**
Current assets		
Inventories	140,575	96,499
Trade receivables	188,726	132,716
Other receivables	57,454	36,206
Cash and cash equivalents	851,095	254,300
	1,237,850	**519,721**
Assets held for sale	2,229	1,277

Total Assets	**4,252,221**	**3,539,121**

(thousands of euro)	31.12.2022	31.12.2021
EQUITY		
Share capital	123,637	123,637
Share premium	458,696	458,696
Other reserves	421,856	457,764
Retained earnings	864,542	678,958
Profit for the year	489,272	223,189
Treasury shares	(130,917)	(7,700)
Total Equity	**2,227,086**	**1,934,544**

LIABILITIES		
Non-current liabilities		
Long-term debt	1,152,967	978,226
Lease liabilities	3,443	4,089
Employee benefits	10,122	12,063
Provisions for liabilities and charges	10,690	9,988
Deferred income tax liabilities	3,096	1,710
Other non-current liabilities	837	56
	1,181,155	**1,006,132**
Current liabilities		
Current portion of long-term debt	599,316	372,830
Short term debt	102,265	100,288
Current portion of lease liabilities	1,512	1,439
Trade payables	99,958	93,102
Income tax payables	697	4,037
Provisions for liabilities and charges	997	1,116
Other payables	39,235	25,633
	843,980	**598,445**
Total Liabilities	**2,025,135**	**1,604,577**
Total Equity and Liabilities	**4,252,221**	**3,539,121**

Financial statement

(thousands of euro)	2022	2021
Cash flows from operating activities		
Cash generated from operations	(44,943)	46,738
Interest paid	(28,647)	(25,691)
Income tax paid	(18,156)	(4,950)
Net cash generated (used in) from operating activities	**(91,746)**	**16,097**
Cash flows from investing activities		
Purchase of intangible assets	(313)	(297)
Purchase of property, plant and equipment	(22,750)	(20,938)
Acquisition of subsidiaries, net of cash acquired	-	(650)
Purchase of other equity investments	(560)	(2,003)
Proceeds from sale of property, plant and equipment	1,039	1,114
Change in other financial receivables	18,395	(219,058)
Dividends received from equity investments	510,022	262,407
Interest received	6,251	2,284
Net cash generated from (used in) investing activities	**512,084**	**22,859**
Cash flows from financing activities		
Proceeds from long-term debt	199,371	-
Repayment of long term debt	(81,500)	(99,000)
Net change in short-term debt	(6,765)	(360)
Repayment of lease liabilities	(1,743)	(1,639)
Changes in other financial payables	268,663	(38,250)
Changes in ownership interests without loss of control	(5,000)	(10,600)
Purchase of treasury shares	(123,218)	-
Dividends paid to owners of the company	(73,351)	(191,880)
Net cash generated from (used in) financing activities	**176,457**	**(341,729)**
Increase (decrease) in cash and cash equivalents	**596,795**	**(302,773)**
Cash and cash equivalents at beginning of year of merged companies	-	58
Cash and cash equivalents at beginning of year	254,300	557,015
Cash and cash equivalents at the end of year	**851,095**	**254,300**

Figures as at December 31, 2022 have been approved by the Board of Directors but they have not been examined by the Statutory Auditors and the Independent Auditors have not issued their opinion yet.

Alternative performance measures

Buzzi Unicem uses in its financial disclosure some alternative performance measures that, although widespread, are not defined or specified by the accounting standards that are applicable to the preparation of the annual financial statements or interim consolidated reports.
Pursuant to Consob Communication no. 92543/2015 and the guidelines ESMA/2015/1415 set out below are the definitions of such measures.

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

- **EBITDA recurring**: it is calculated starting from the subtotal presented in the financial statements named EBITDA and applying to it the following adjustments (non-recurring income/expense):
  - restructuring costs, in relation to defined and significant plans
  - write downs/ups of current assets except trade receivables greater than €1 million
  - addition to/release of provisions for legal, fiscal or environmental risks greater than €1 million
  - dismantling costs greater than €1 million
  - gains/losses from the sales of fixed assets and non-instrumental real estate greater than €3 million
  - other sizeable non-recurring income or expenses (greater than €3 million), or rather attributable to significant events unrelated to the usual business.

The reconciliation between EBITDA and EBITDA recurring for the two comparative periods is as follows:

(millions of euro)	2022	2021
Ebitda	**883.7**	**794.6**
Additions to provisions for risks	-	1.3
Other expenses	8.7	-
EBITDA recurring	**892.4**	**795.9**

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

- **Net financial position**: it is a measure of the capital structure and corresponds to the difference between financial liabilities and financial assets, both short and long term. Therefore, it includes all interest-bearing liabilities or assets and those connected to them, such as derivative financial instruments and accruals.

- **Net debt**: it is a measure of the capital structure corresponding to the difference between financial liabilities, both short and long term, and short-term financial assets. Therefore, it includes all liabilities, a part of the interest-bearing assets and related items, such as derivative financial instruments and accruals. The measure complies with the guidelines ESMA32-382-1138.