PRESS RELEASE

Trading update at 30 September 2024

- **Decline in cement and concrete volumes (-6.4% and -7.6% respectively), impacted by the challenging market environment in Central Europe and the lack of recovery in Italy and the United States during the summer**
- **Consolidated net sales for the first nine months of the year equal to €3,184.3 million, down 2.5% like for like**
- **The variance in sales prices and main variable costs remains favorable in most of the markets where we operate**
- **For the full year 2024, operating results are expected to be similar, but not to beat last year's record levels, net of changes in the scope of consolidation**

Consolidated figures		Jan-Sep 2024	Jan-Sep 2023	24/23
Cement sales	t/000	18,844	20,130	-6.4%
Ready-mix concrete sales	m^3/000	7,154	7,742	-7.6%
Net sales	€/m	3,184	3,303	-3.6%
		Sep 24	**Dec 23**	**Change**
Positive net financial position	€/m	1,001	798	203

The Board of Directors of Buzzi SpA has met today to examine the economic performance of the group during the first nine months of 2024 as well as the net financial position at the end of September.

In the third quarter, volumes sold showed an unfavorable trend, though they gradually improved compared to the first part of the year. This trend is mainly attributable to the continued weakness of demand in Central Europe, along with a prolonged slowdown in Italy and the United States. Conversely, sales performed positively in Poland and the Czech Republic. At a consolidated level, sales volumes for the first nine months of the year decreased by 6.4% for cement and 7.6% for ready-mix concrete respectively. Meanwhile, selling prices did not undergo significant changes during the quarter, except for adjustments of commercial strategy in Poland and a moderate strengthening in Italy.

After an unexpectedly strong second quarter, global economic activity slowed down starting from July. As a matter of fact, the latest indicators reveal ongoing weakness in the manufacturing sector, while the services sector, though still growing, saw its expansion rates soften. International trade volumes followed a similar pattern, with foreign order data clearly worsening through the summer months. Adding further complexity to this scenario are rising geopolitical tensions, especially in regions critical for trade and energy production, which keep supply chain disruption risks high. This vulnerability increases global trade exposure to potential bottlenecks and a consequent rise in transportation costs. Additionally, crude oil prices declined over the third quarter, reflecting a demand level below expectations. However, oil prices began climbing again in the latter half of September, spurred by heightened hostilities between Iran and Israel. In Europe, on the other hand, natural gas prices showed considerable volatility. Against this backdrop of economic and geopolitical uncertainty, the OECD forecasts published in September project a global GDP increase of 3.2% for 2024.

In the United States, economic activity grew by 2.2% on an annualized basis in the first half of the year, and estimates suggest that the third quarter maintained a similar trend, driven mainly by robust consumer spending and private investment. The real estate sector was somewhat volatile: after a promising start to the year, investments declined in the spring. In July, employment data fell short of market consensus, adding pressure to major financial markets, yet employment growth regained momentum as the summer progressed. The disinflation process continues (with inflation at 2.5% in August), and GDP is projected to grow by 2.6% in 2024.

In the Eurozone, following a second quarter hampered by weak domestic demand, the summer months also confirmed a substantial stagnation in the economy. The industrial cycle remains sluggish, with a further deterioration in business confidence across major countries. Manufacturing continues to contract, with particularly negative rates in Germany. Moreover, toward the end of the quarter, the boost from the services sector also softened as the tourist season and the Olympic Games in France concluded. Inflation declined to 1.8% in September, while the latest projections indicate a modest GDP increase of +0.8% for 2024.

In Italy, economic activity remained resilient in the spring (+0.2%), primarily driven by growth in services and supported by domestic demand. Recent cyclical indicators suggest that the momentum in the services sector likely continued through the summer, while value-added data indicate steady performance in construction alongside a prolonged contraction in manufacturing. On the demand side, instead, domestic consumption continued to recover, while investment momentum cooled and net exports remain burdened by limited foreign demand. After an increase in July, inflation declined again in the following months, settling at 0.8% in September, primarily reflecting a drop in fuel prices. The latest macroeconomic projections estimate a 0.6% GDP growth for 2024.

As regards emerging economies, in Mexico the second quarter confirmed a slowdown in economic activity, marked by relatively weak domestic demand and a more moderate pace in investment dynamics. In contrast, Brazil's consumption and demand growth is supported by a strong labor market, expansive fiscal policy and a sustained level of household credit.

As the disinflation process progresses, major central banks have begun to shift toward easing monetary tightening. As a matter of fact, the European Central Bank, following a rate cut in June, implemented two additional rate reductions of 25 basis points in September and October. Toward the end of the quarter, the Federal Reserve also lowered its benchmark rate by 0.5%. In Latin America, Mexico’s central bank eased monetary restrictions with two consecutive 25-basis-point cuts of the benchmark rate over the summer, while in Brazil the economic climate led to a renewed tightening, with a 0.25% increase in the debt cost in September.

In this context, cement and clinker sales of the group, in the first nine months of 2024, declined to 18.8 million tons (2023: 20.1 million). Ready-mix concrete output also contracted, reaching 7.2 million cubic meters (2023: 7.7 million). Consolidated net sales were equal to €3,184.3 million, down 3.6% compared to €3,302.5 million in 2023. The foreign exchange effect had a negative impact of €31.7 million and changes to the consolidation scope, related to the sale of concrete operations in France, led to a reduction in net sales of €4 million. Like for like, net sales would have decreased by 2.5%.

Net sales breakdown by geographical area is as follows.

million euro	Jan-Sep 2024	Jan-Sep 2023	Δ %	Δ % lfl
Italy	**607.6**	616.1	-1.4	-1.4
United States of America	**1,294.8**	1,325.7	-2.3	-2.0
Germany	**599.4**	674.6	-11.1	-11.1
Luxembourg and Netherlands	**133.2**	165.2	-19.4	-17.4
Czech Republic and Slovakia	**154.0**	159.6	-3.5	+1.4
Poland	**127.8**	121.7	+5.0	-1.4
Ukraine	**71.3**	63.6	+12.2	+22.4
Russia	**226.4**	226.5	-0.0	+9.0
Eliminations	**(30.2)**	(50.5)		
	3,184.3	**3,302.5**	**-3.6**	**-2.5**
Mexico (100%)	**786.5**	766.4	+2.6	+2.7
Brazil (100%)	**288.9**	296.9	-2.7	+2.2

The positive net financial position at the end of the period amounts to €1,001.0 million, versus €798.0 million at 2023 year-end and €898.4 million at the end of June. Regarding the ongoing buyback program, treasury shares have been repurchased totaling approximately €142 million by the end of September. In early October, the acquisition of Cimento Nacional in Brazil was completed, increasing ownership from 50% to 100%, while in mid-October we finalized the sale of the Ukraine assets. Everything else being equal, the combined impact of these extraordinary transactions resulted in a reduction of approximately €360 million in the positive net position.

Italy

Our hydraulic binders and clinker sales contracted in the third quarter, impacted by an extended summer shutdown of construction sites, logistical difficulties in the Northwest limiting exports and scheduled maintenance at two production sites. Cement and ready-mix concrete volumes thus ended the first nine months with a decline comparable to that seen in the first half of the year. However, sales prices moderately strengthened during the quarter, positively contributing to results.
Overall, net sales slightly decreased by 1.4%, from €616.1 to €607.6 million.

United States of America

Our cement sales, after contracting early in the year, continued to show a downward trend during the summer months, impacted by increased rainfall and a general slowdown in demand. As a result, the first nine months saw a reduction in volumes consistent with the trend observed in the first half and these dynamics also affected ready-mix concrete sales. On the contrary, sales prices remained robust, showing solid year-over-year growth, while the foreign exchange rate variance (-0.4%) had a limited impact on the translation of balances into euro.
Net sales came in at €1,294.8 million, down 2.3% compared to €1,325.7 million achieved in the same period of 2023. At constant exchange rates the decline would have been equal to -2.0%.

Central Europe

In **Germany**, our sales volumes, while still weak, showed improved rates in the third quarter, partly due to an easier comparison with the particularly negative second half of 2023. The decline also persisted in the ready-mix concrete segment. Over the first nine months, however, sales prices remained largely stable year-over-year.
As a result, overall net sales through September declined by 11.1%, reaching €599.4 million (€674.6 million in the first nine months of 2023).

In **Luxembourg** and the **Netherlands**, our cement deliveries in the third quarter showed modest growth compared to the same period last year, though they continue to reflect a challenging market environment. In contrast, production volumes in the ready-mix concrete sector continued to decline, partly due to the sale of operations in France. Over the first nine months, sales prices

showed a slight year-over-year decrease in the cement segment, while remaining favorable in the ready-mix concrete segment.
Net sales in the period under review amounted to €133.2 million, clearly down (-19.4%) compared to the previous year (2023: €165.2 million). Like for like the decline would have been equal to 17.4%.

Eastern Europe

In the **Czech Republic**, our cement volumes increased in the third quarter, aligned with positive market trends supported by significant infrastructure projects in the Southeast of the country. Consequently, cement deliveries closed the first nine months slightly up, with sales prices continuing to improve year over year. On the other hand, the slowdown in the ready-mix concrete segment persists, though at a more moderate rate than in the first half.
Net sales stood at €154.0 million, down 3.5% compared to the level reached in 2023 (€159.6 million), penalized by the depreciation of the Czech koruna (-5.2%). At constant exchange rates, indeed, the turnover would have increased by 1.4%.

In **Poland**, after a sharp decline in the first half, our cement sales began to regain ground over the summer months, driven by a commercial strategy adjustment that led to a moderate reduction in sales prices. However, the year-over-year price effect remained strong and sales volumes in the ready-mix concrete segment continue to show positive growth.
Net sales of the first nine months stood at €127.8 million, up 5.0% compared to the same period of 2023 (€121.7), also thanks to the appreciation of the Polish zloty (+6.0%). Net of the exchange rate effect, they would have been down 1.4%.

In **Ukraine**, our deliveries of hydraulic binders and clinker experienced some recovery in the first nine months of the year, albeit with decelerating rates compared to the first half. Conversely, ready-mix concrete sales showed a slight decline. Sales prices in local currency demonstrated a marked year-over-year improvement.
Net sales came in at €71.3 million, up 12.2% (€63.6 million in 2023) despite the depreciation of the currency (-9.1%) which negatively impacted on the translation into euro: at constant exchange rates, as a matter of fact, net sales would have improved 22.4%.

In **Russia**, the local management presiding over the business states that sales volumes decreased during the period under review, although the rate of decline eased compared to the first part of the year. Conversely, the change in sales prices in local currency remains markedly favorable.
Net sales, therefore, closed the first nine months of the year at nearly the same level, standing at €226.4 million (2023: €226.5 million), despite the depreciation of the local currency (-9.1%). As a matter of fact, net of the exchange rate effect the turnover would have increased by 9.0%.

Mexico (valued by the equity method)

In line with the general market slowdown, our joint venture closed the first nine months of the year with a moderate decline in cement deliveries, while the positive trend in sales volumes for the ready-mix concrete segment was confirmed. Prices in local currency continued to positively impact results and the currency exchange variation (-0.1%) did not significantly affect the translation of these results into euro.

With reference to 100% of the joint venture, net sales amounted to €786.5 million, improving by 2.6% compared to €766.4 million achieved in 2023. At constant exchange rates, net sales would have been up 2.7%.

Brazil (valued by the equity method)

The sales of our joint venture resumed growth in the summer quarter, resulting in a slight increase in the first nine months of the year compared to 2023, thanks to strong demand across almost all regions of the country. Prices showed no significant changes compared to June, thus remaining stable year on year. However, the unfavorable foreign exchange variance significantly impacted the translation of results into euro.

As a matter of fact, net sales in euros, referring to 100% of the joint venture, declined by 2.7% in the period under review, from €296.9million to €288.9 million, while at the same exchange rate they would have increased by 2.2%.

Outlook

The results achieved in the third quarter have largely confirmed the widespread weakness of demand in the main countries where we operate, alongside a solid commercial strategy from the company.

The main element of surprise was the continued slowdown in shipments in the United States, according to the latest forecasts that have recently lowered estimates for cement consumption in 2024, due to the weakness in the residential sector and to some delays in the planning and implementation of major infrastructure projects. In Italy, it remains difficult to predict a full recovery of sales volumes in the last quarter, especially considering the excellent year-end performance in 2023. We expect the market environment in Central Europe to remain quite challenging in the final quarter, although with improving trend. Conversely, we believe that construction activity will confirm its resilience in Poland and the Czech Republic, thus supporting the evolution of demand for cement and concrete.

Despite a less satisfactory shipment dynamic than expected, it is reasonable to assume that, in the latter part of the year, the operational and economic management will continue in line with the trends observed so far. For the whole year 2024, we therefore expect a recurring EBITDA similar but not greater than the record levels of 2023, net of changes in the scope of consolidation.

As mentioned above, in October, we completed the acquisition of the remaining 50% of the share capital of Cimento Nacional (Brazil), as well as the divestment of the assets in Ukraine. These transactions will therefore modify the scope of consolidation starting from the fourth quarter.

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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 principles. Set out below is the definition of the measures which have been used in this disclosure.

Net financial position: it is a measure of the capital structure determined by the difference between financial liabilities and assets, both short and long term; under such items are included all interest-bearing liabilities or assets and those connected to them, such as derivatives and accruals.

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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.

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