



**Engineering & Construction  
Conference**



**Milan, April 7<sup>th</sup> 2016**

**2015 RESULTS**

**COUNTRIES OF OPERATION**

**GROUP OVERVIEW**

**SACCI ACQUISITION**

**OUTLOOK FOR 2016**

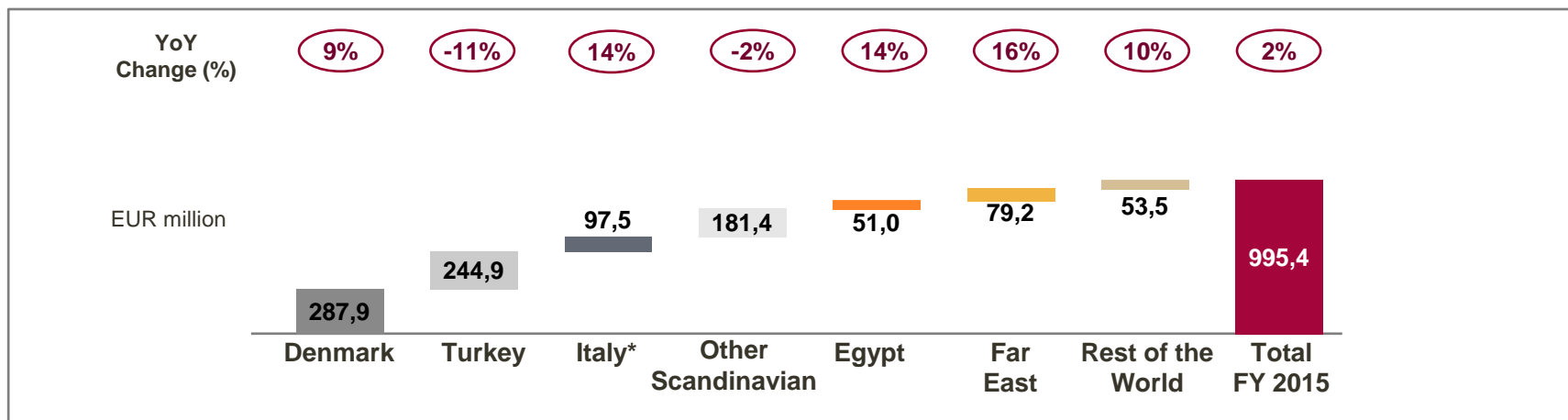
## 2015 RESULTS

- **Revenue from sales and services** up 2.2% vs. last year (+2.7% at constant exchange rates)
- Cement volumes decreased 2.0%, ready-mixed concrete up 7.3% and aggregates up 17.0%
- **Ebitda** reached EUR 194.0 million. Excluding non recurring items of EUR 15 million, Ebitda was EUR 179 million (in line with 2014 – excluding non recurring). At constant FX Ebitda would have come to EUR 197 million
- Improved performance in Scandinavian countries and Italy, plus the stable contribution of the Far East, offset the lower earnings of Turkey and Egypt and the negative impact of depreciation of some currencies
- **Ebit** of EUR 97.6 million (-6.2%), due to non recurring impairment losses and provisions of EUR 12.2 million
- **Net financial income** of EUR 4.0 million (expense of EUR 4.6 million in 2014)
- **Group net profit** increased to EUR 67.5 million (-5.8%) with EPS of 0.42
- **Net financial debt** at EUR 222.1 million, declining by EUR 56.2 million compared to 31 December 2014 (EUR 278.3 million)
- **FY 2015 targets** for Ebitda and net debt **achieved**:

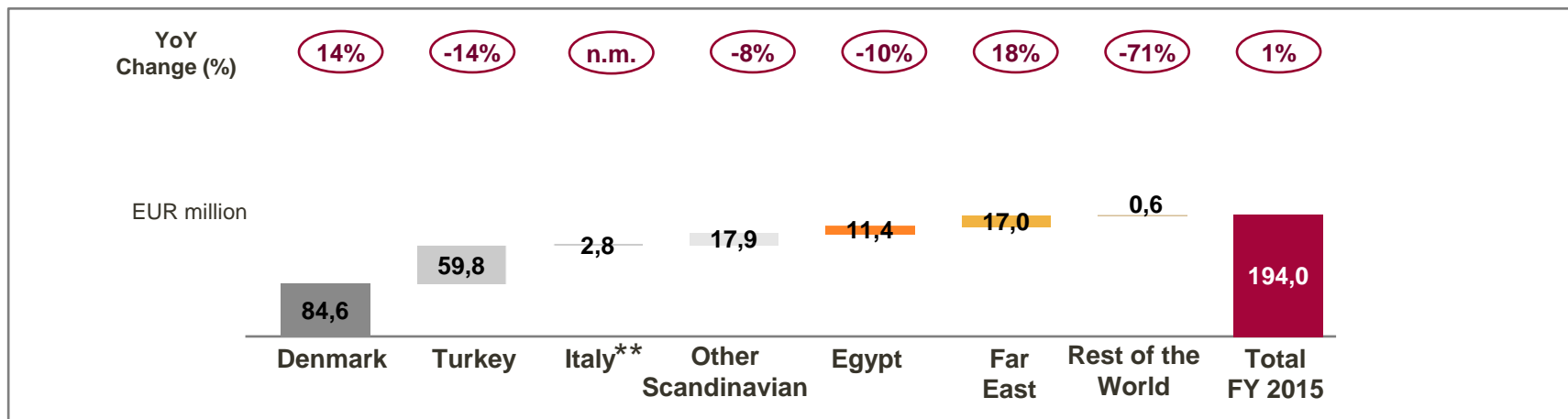
(EUR million)	ACTUAL 2014	ACTUAL 2015	TARGET 2015	ACHIEVEMENT
EBITDA	192.4	194.0	190	✓
Net financial debt	278.3	222.1	230	✓

(EUR million)	2015	2014	Change %
<b>REVENUE FROM SALES AND SERVICES</b>	<b>969,0</b>	<b>948,0</b>	<b>2,2%</b>
Change in inventories	(5,6)	(3,9)	
Other revenue	31,9	29,0	
<b>TOTAL OPERATING REVENUE</b>	<b>995,4</b>	<b>973,1</b>	<b>2,3%</b>
Raw materials costs	(409,7)	(398,9)	2,7%
Personnel costs	(149,7)	(147,6)	1,4%
Other operating costs	(241,9)	(234,1)	3,3%
<b>TOTAL OPERATING COSTS</b>	<b>(801,3)</b>	<b>(780,6)</b>	<b>2,7%</b>
<b>EBITDA</b>	<b>194,0</b>	<b>192,4</b>	<b>0,8%</b>
<i>EBITDA Margin %</i>	20,0%	20,3%	
Amortisation, depreciation, impairment losses and provisions	(96,4)	(88,3)	9,1%
<b>EBIT</b>	<b>97,6</b>	<b>104,1</b>	<b>(6,2%)</b>
<i>EBIT Margin %</i>	10,1%	11,0%	
<b>FINANCIAL INCOME (EXPENSE)</b>	<b>4,0</b>	<b>(4,6)</b>	<b>(186,9%)</b>
<b>PROFIT (LOSS) BEFORE TAXES</b>	<b>101,6</b>	<b>99,5</b>	<b>2,2%</b>
Income taxes	(26,5)	(20,8)	27,9%
<i>Tax rate</i>	26,1%	20,9%	
<b>PROFIT (LOSS) FOR THE YEAR</b>	<b>75,1</b>	<b>78,7</b>	<b>(4,6%)</b>
Non-controlling interests	7,6	7,1	7,5%
<b>GROUP NET PROFIT</b>	<b>67,5</b>	<b>71,6</b>	<b>(5,8%)</b>
<b>Sales volumes ('000)</b>	<b>2015</b>	<b>2014</b>	<b>Change %</b>
Grey and white cement (metric tons)	9.368	9.560	(2,0%)
Ready-mixed concrete (m <sup>3</sup> )	3.749	3.495	7,3%
Aggregates (metric tons)	3.813	3.259	17,0%

## Total operating revenue by country – FY 2015



## Ebitda by country – FY 2015

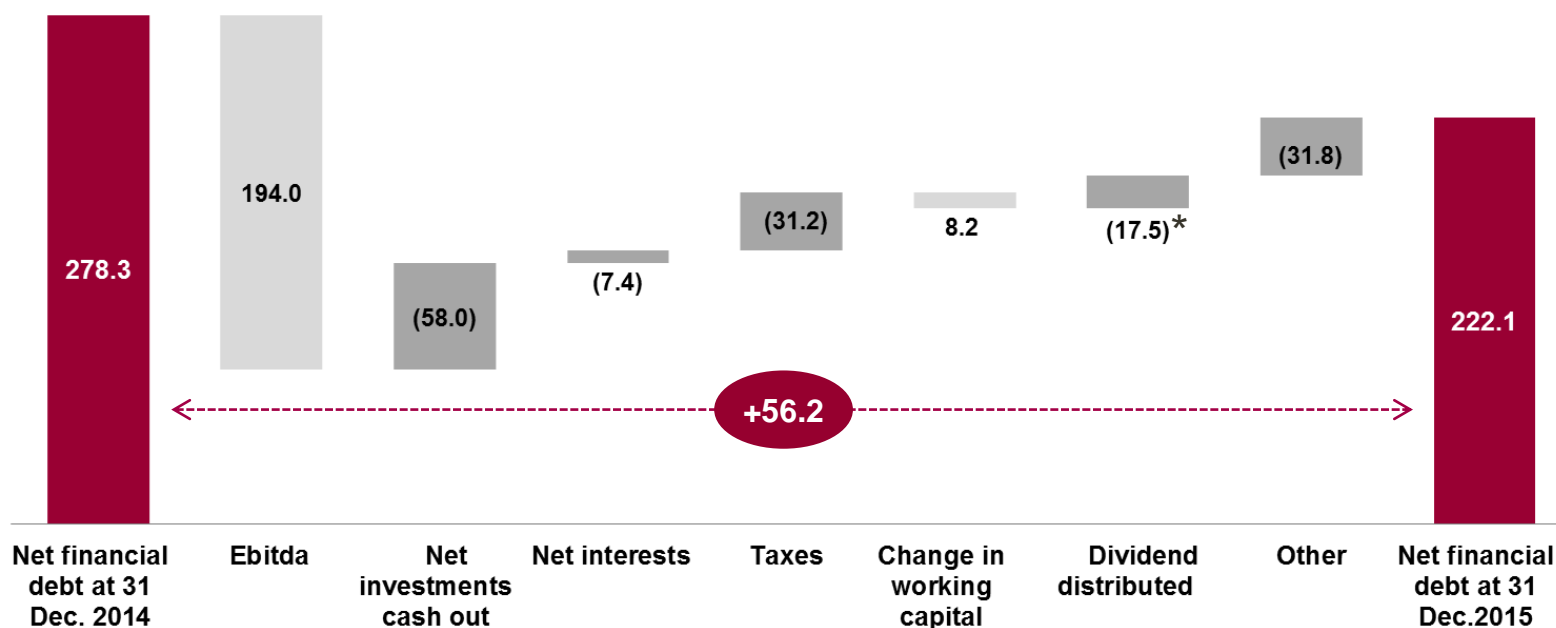


\* Includes Operating revenue of Cementir Holding Spa

\*\* Includes Ebitda of Cementir Holding Spa, totalling EUR -2.0 million in 2015 (EUR -0.6 million in 2014)

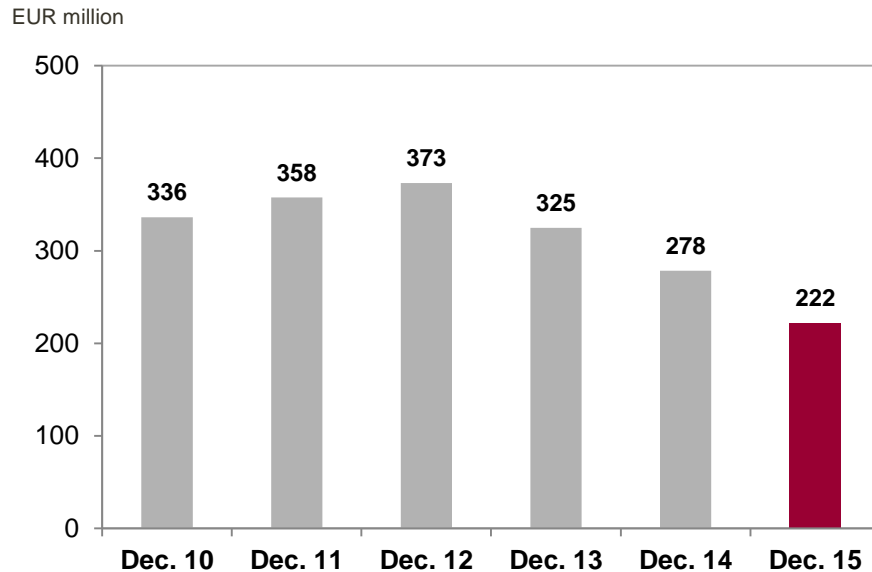
- Strong attention to cash flow generation, close control of capex and measures to contain net working capital
- Despite relatively stable Ebitda, net financial debt decreased to EUR 222.1 million, an improvement of EUR 56.2 million vs. Dec-14

EUR million

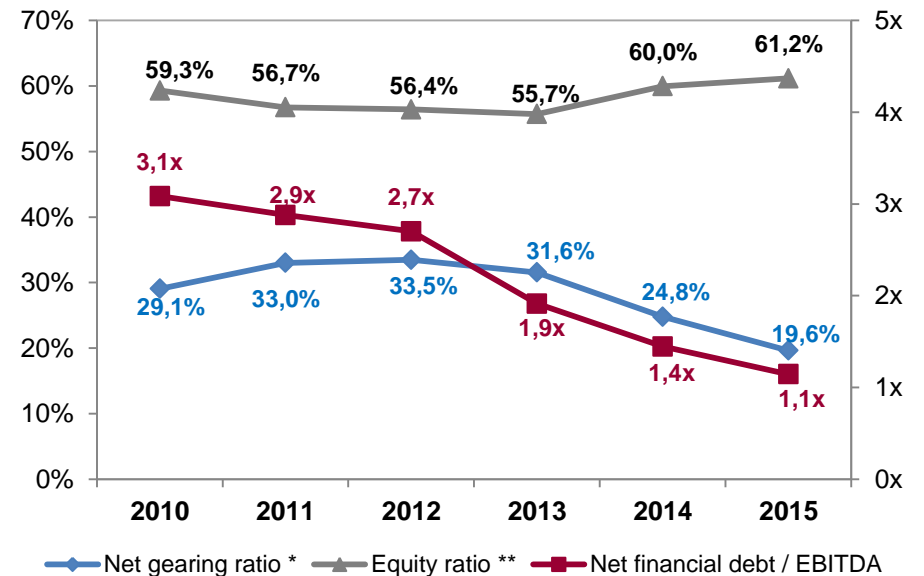


- Progressive reduction of net financial debt
- Improvement of key financial indicators and net financial debt / Ebitda ratio reached 1.1x at 31 Dec. 2015, leaves room for exploiting potential opportunities on the market

**Net financial debt**



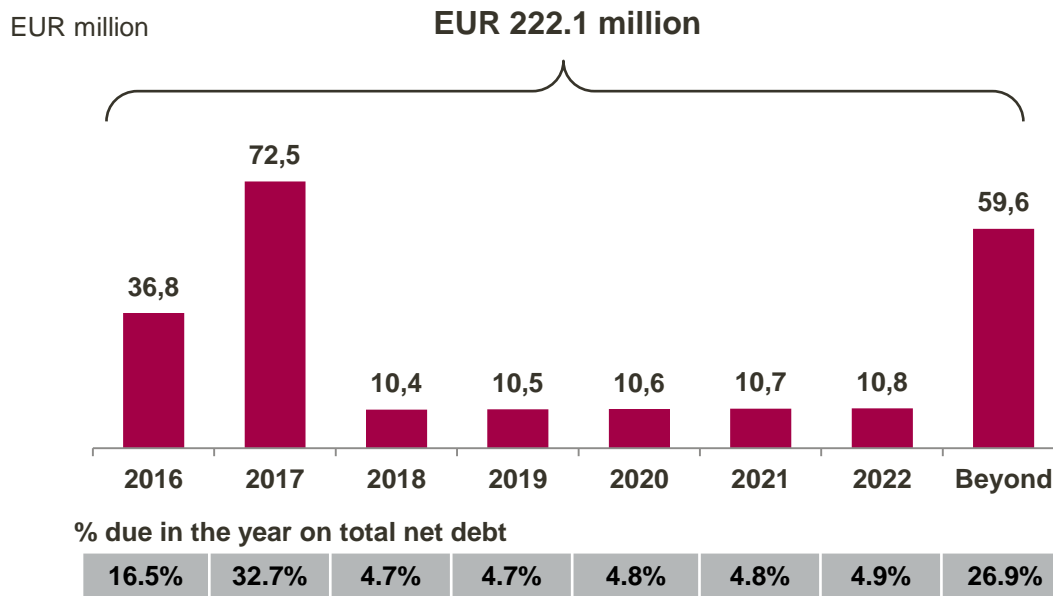
**Key financial ratios**



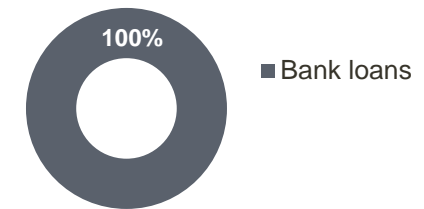


Net debt maturity profile confirm the financial strength: only 16.5% of net debt is due within 2016

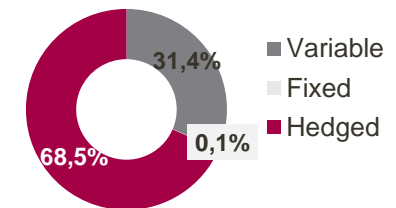
Net debt at 31 December 2015



Debt breakdown by source\*



Debt breakdown by interest\*

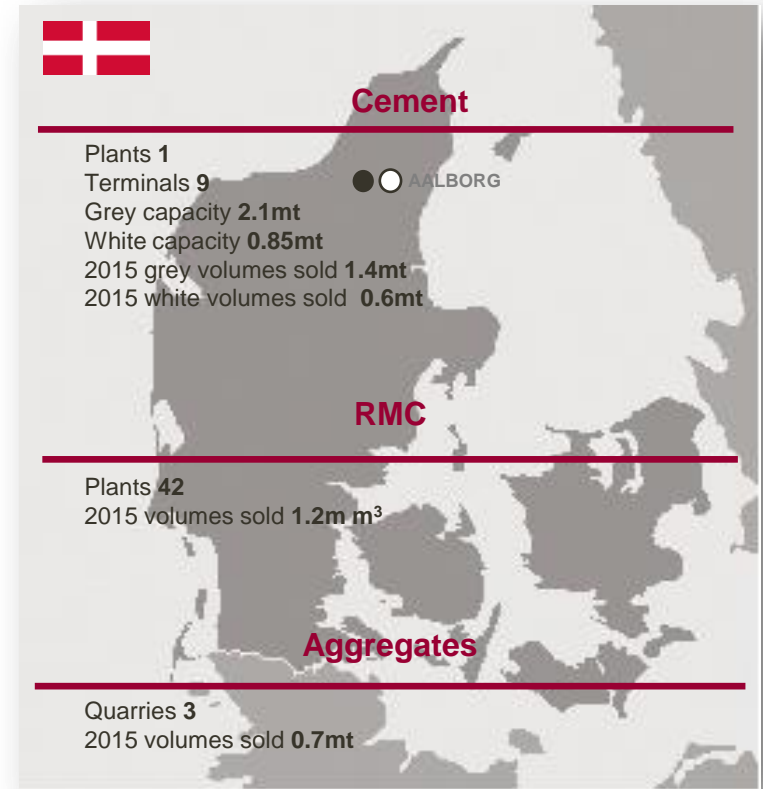
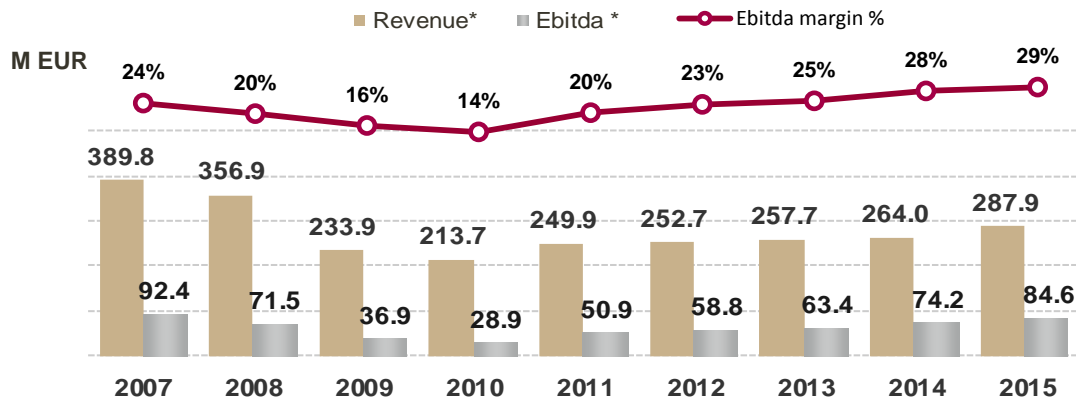


EUR/million

<b>CAPITAL EMPLOYED</b>	<b>31/12/2015</b>	<b>31/12/2014</b>
<b>NON CURRENT ASSETS &amp; LIABILITIES</b>		
Tangible, intangible and financial assets	1,290.4	1,348.8
Deferred taxes assets/ liabilities	(8.7)	(13.6)
Other non current assets/ liabilities	(35.8)	(38.9)
<b>TOTAL NON CURRENT ASSETS &amp; LIABILITIES</b>	<b>1,245.9</b>	<b>1,296.3</b>
<b>CURRENT ASSETS &amp; LIABILITIES</b>		
Inventories	140.0	145.7
Trade receivables	174.1	178.1
Trade payables	(180.5)	(181.6)
<b>Working Capital</b>	<b>133.6</b>	<b>142.2</b>
Other current assets/ liabilities	(26.3)	(36.9)
<b>TOTAL CURRENT ASSETS &amp; LIABILITIES</b>	<b>107.3</b>	<b>105.3</b>
<b>TOTAL CAPITAL EMPLOYED</b>	<b>1,353.2</b>	<b>1,401.6</b>
<b>FINANCIAL SOURCES</b>	<b>31/12/2015</b>	<b>31/12/2014</b>
Equity attributable to the owners of the parent	1,048.7	1,043.1
Equity attributable to non-controlling interests	82.4	80.2
<b>TOTAL EQUITY</b>	<b>1,131.1</b>	<b>1,123.3</b>
<b>NET FINANCIAL DEBT</b>	<b>(222.1)</b>	<b>(278.3)</b>
<b>TOTAL FINANCIAL SOURCES</b>	<b>1,353.2</b>	<b>1,401.6</b>

## COUNTRIES OF OPERATION

- In Denmark the construction industry, in particular residential sector and public infrastructure projects, made a progress, helped by mild winter temperatures
- Cement and rmc volumes increased by 7.5% and 14.7% respectively, in 2015
- Stable prices in the domestic market and higher prices in export markets
- Rigorous control of fixed production costs led to improve industrial profitability
- Operating revenue increased y-o-y by 9%, Ebitda by 14%
- Ongoing main project is the Metro City Circle Line in Copenhagen

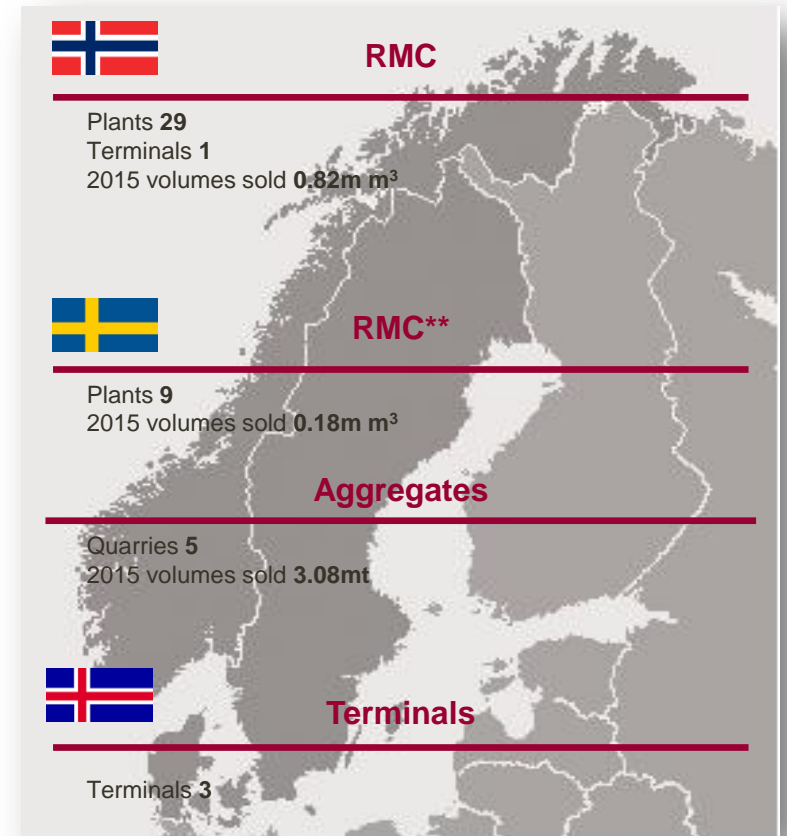
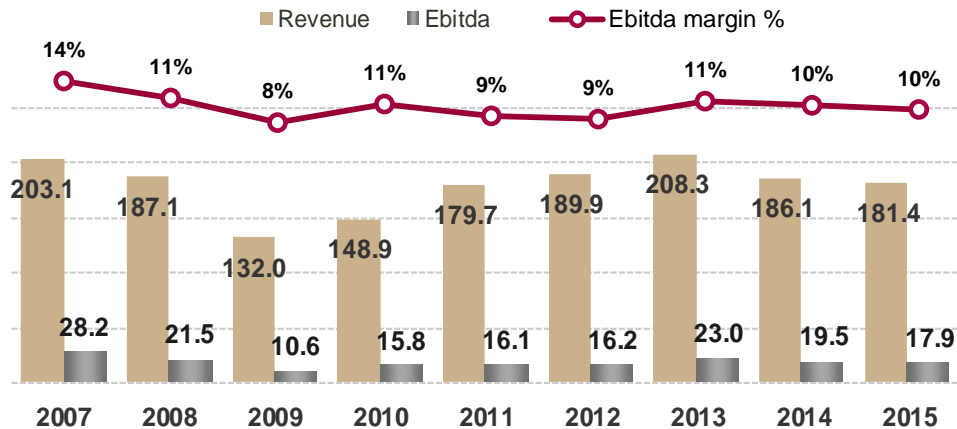


# Other Scandinavian Countries

## Cementir Holding is the #1 RMC player in Norway and a leading player in Sweden

- Norway rmc volumes fell down by 9.1% primarily due to the contraction in the residential building sector in the Oslo urban area and the completion of some major infrastructure projects
- In Sweden significant increase of rmc volumes (+24.8%) and aggregates (+20.6%) driven by numerous public works (hospitals, railway stations) in the Malmö area, in the south of the country, where plants are located
- Depreciation of NOK (-7.2% vs. 2014 on average)
- Unicon\* reached 0.8m m3 sold in Norway and 0.18m m3 sold in Sweden
- Yearly operating revenue declined y-o-y by -2.5%, Ebitda by -8.2%

M EUR



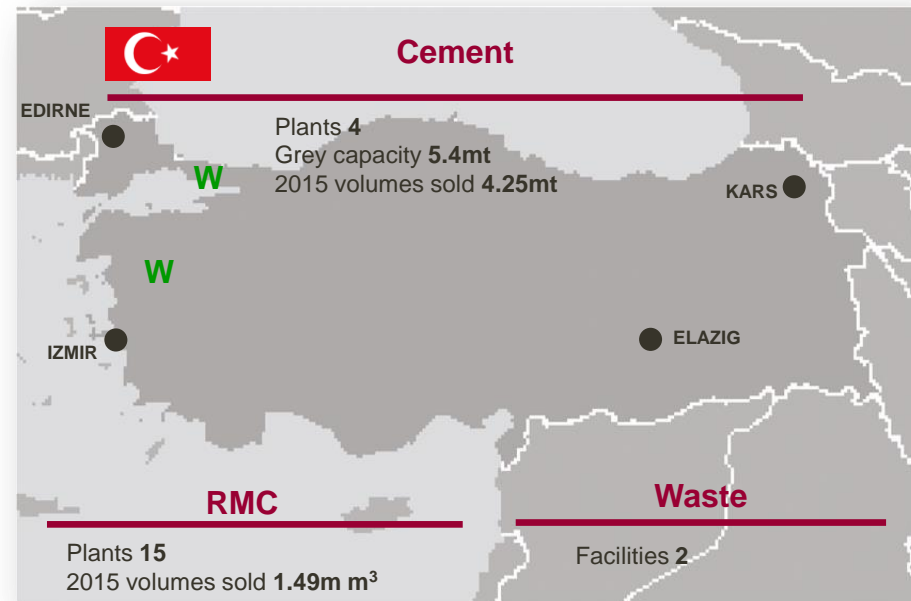
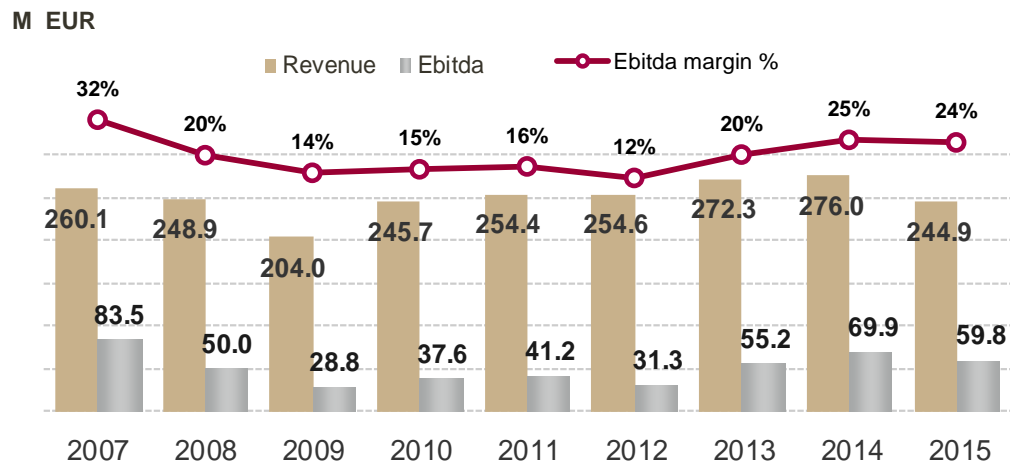
\* Unicon is a wholly owned subsidiary of Aalborg Portland, which in turn is 100% owned by Cementir Holding

\*\* In Sweden Unicon operates in 50:50 JV with Skanska

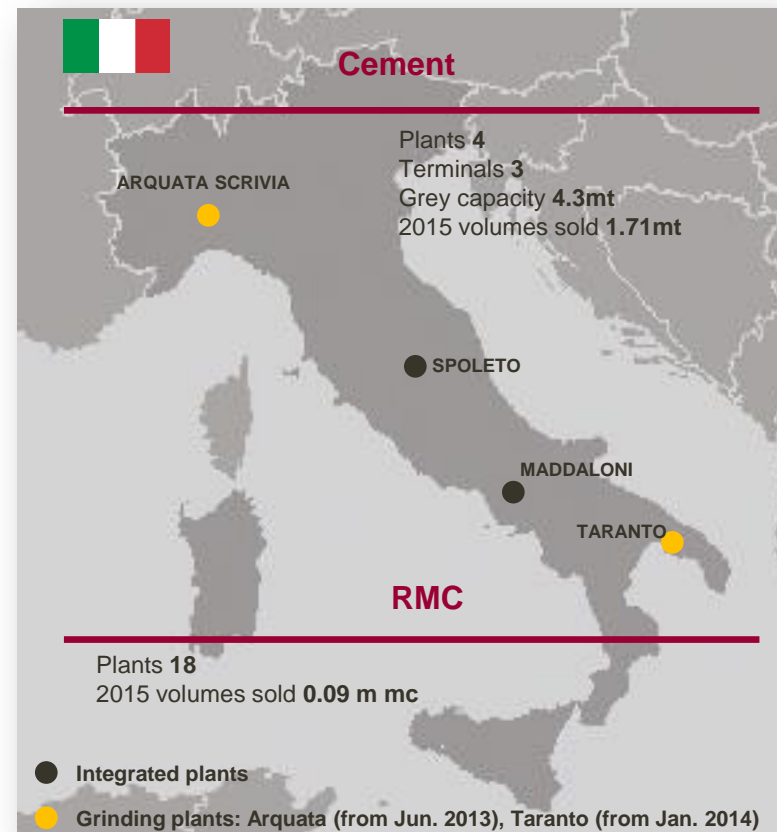
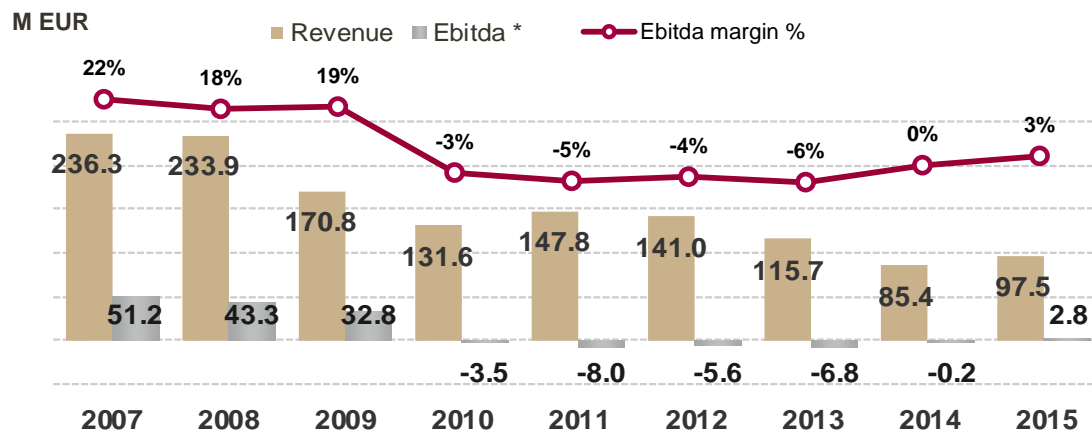
# Turkey

## Cementir Holding is among the top producers

- The market was adversely affected by unfavorable winter conditions and political uncertainty
- Sales revenue, in local currency, down 2.6% on 2014 driven by lower cement volumes (-10.7%) both in the domestic and export markets (unrest in various countries in the Mediterranean and Middle East). Rmc revenue were in line with 2014, with higher volumes and lower prices
- Depreciation of TRY (-4.2% vs. 2014 on average)
- 2015 Ebitda and revenue include one-off income of 15 M€ related to the revaluation of non-operating lands (in 2014 one-off income of 12.1M€)
- Operating costs decreased due to the drop in fuel prices and lower fixed production costs (improvement in industrial efficiency)



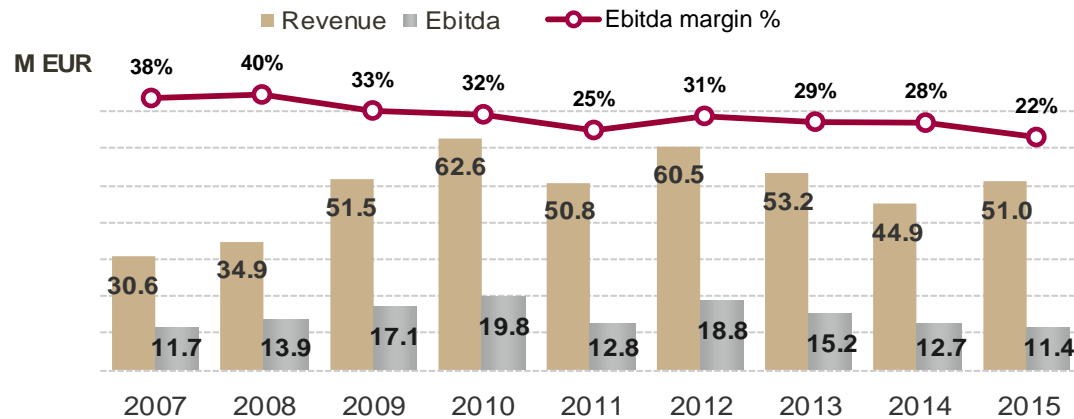
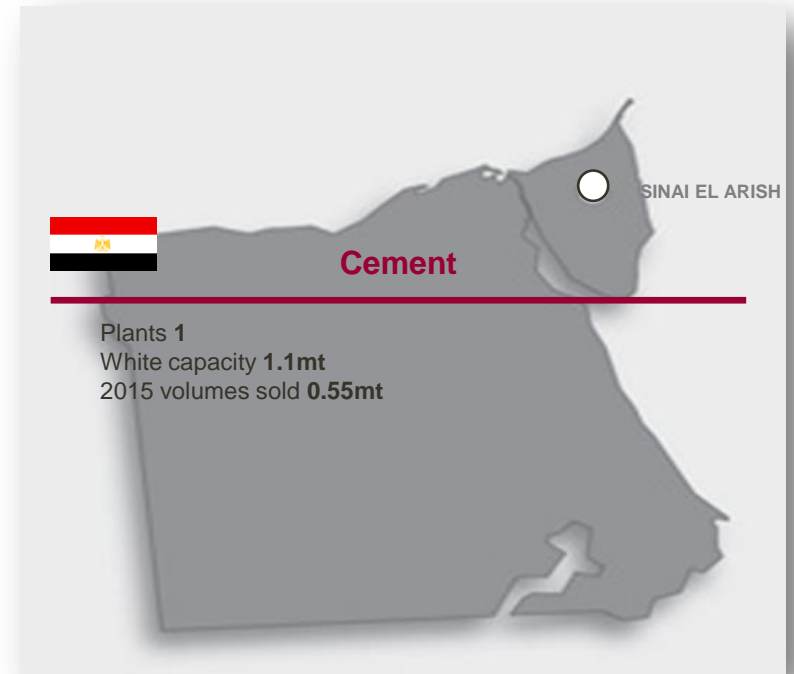
- Domestic demand showed timid signs of recovery, also benefiting from the favorable weather conditions in 4Q 2015
- Higher volumes of cement and concrete with slightly lower prices
- Careful management control of fixed and variable costs
- In 2015 Ebitda turned positive
- We believe the fragmented Italian cement industry is ready for consolidation



# Egypt

## Cementir Holding is the 1<sup>st</sup> white cement producer

- Good performance of the local market, which offset the difficulties in export sales, severely influenced by the political instability in countries in the Mediterranean and the Middle East
- Cement sales increased by 4.5% on 2014 and revenue in local currency up 3.4% for the year
- Ebitda driven down by the rise in variable production costs due higher fuel costs
- The investment on a petcoke mill will enable the use of petcoke as the main fuel source as of 2016, overcoming current fuel supply and cost issues
- Appreciation of EGP (+9.8% vs. 2014 on average)

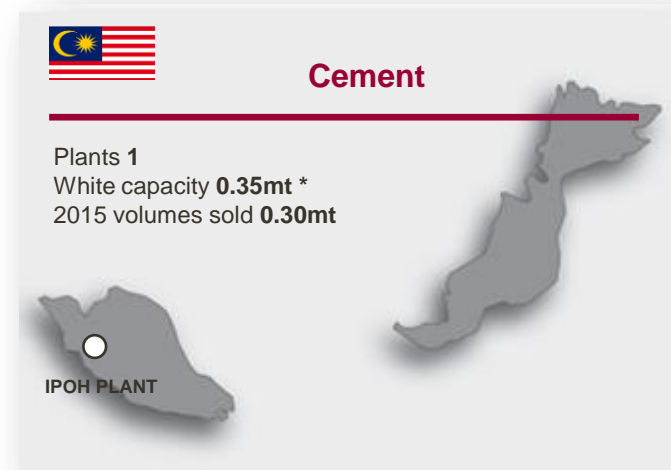
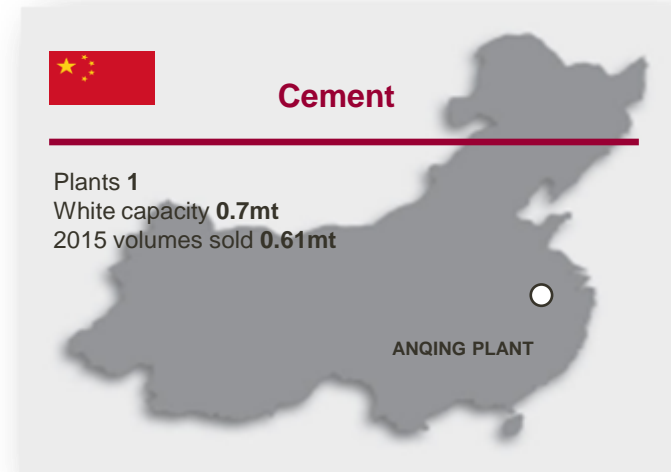
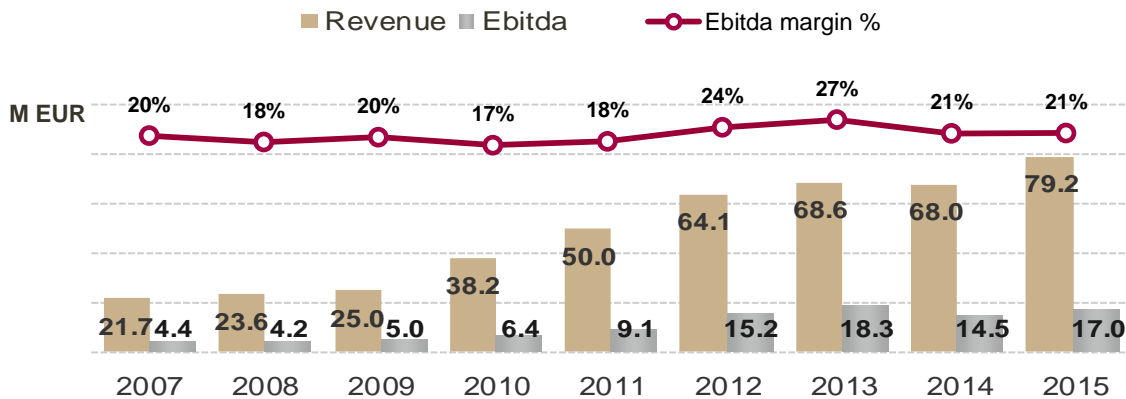




# Far East (China and Malaysia)

## Cementir Holding is one of the leading producers in white cement

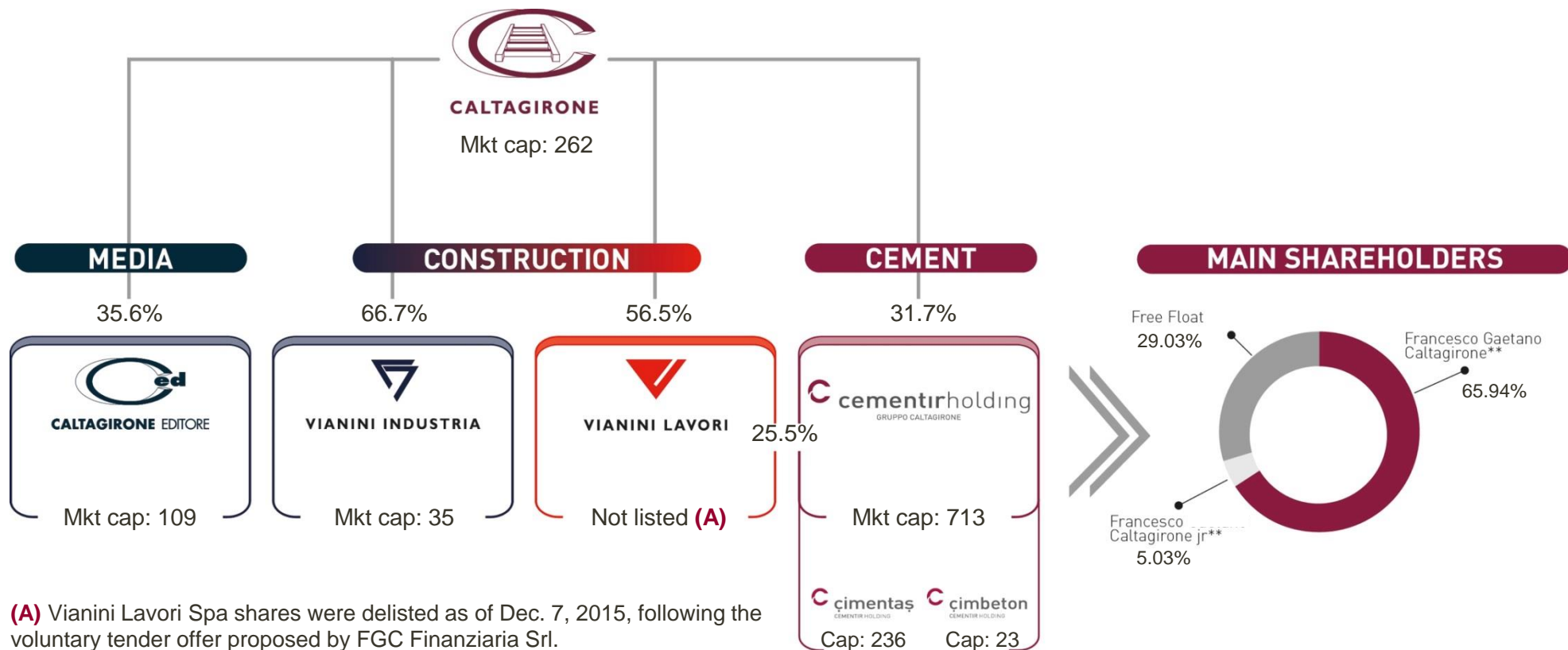
- In **China**, the construction sector suffered a slowdown. Contraction in domestic demand partially offset by the increase in export sales
- Revenue of 39.5 M€ (37.8 M€ in 2014) and Ebitda of 10.3M€ (9.4 M€ in 2014)
- Ebitda margin of 26.1%, despite the recession and thanks to reduction in production costs (savings on procurement of raw materials)
- In **Malaysia** significant increase of white cement volumes (+58.3%) due to plant's expansion. Increased exports to many countries (Australia, Vietnam, South Korea)
- Revenue of 38.0M€ (28.8 M€ in 2014) and Ebitda of 6.7 M€ (5.0 M€ in 2014)
- Higher fixed costs due to the startup of the second production line



\* In December 2014, expansion works were completed to increase cement production capacity from 0.2 to 0.35 million tons.

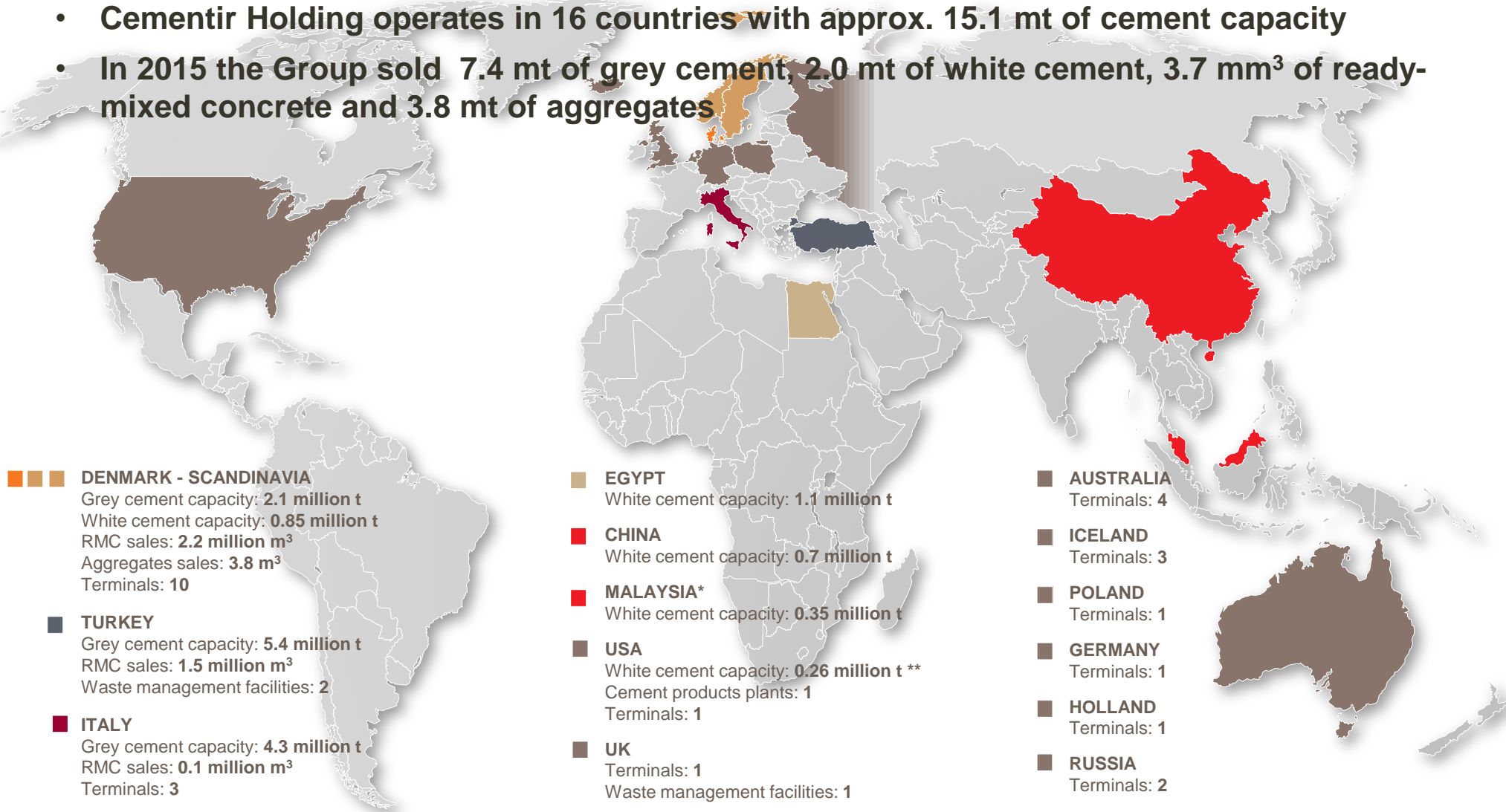
## GROUP OVERVIEW

- Caltagirone Spa Group is a family-controlled industrial concern with consolidated operating revenue of EUR 1.35 billion in 2015
- The Group holds financial investments in several listed companies



(A) Vianini Lavori Spa shares were delisted as of Dec. 7, 2015, following the voluntary tender offer proposed by FGC Finanziaria Srl.

- Cementir Holding operates in 16 countries with approx. 15.1 mt of cement capacity
- In 2015 the Group sold 7.4 mt of grey cement, 2.0 mt of white cement, 3.7 mm<sup>3</sup> of ready-mixed concrete and 3.8 mt of aggregates

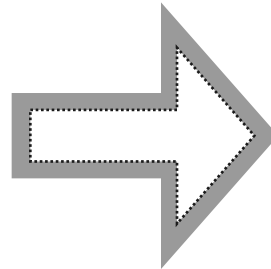
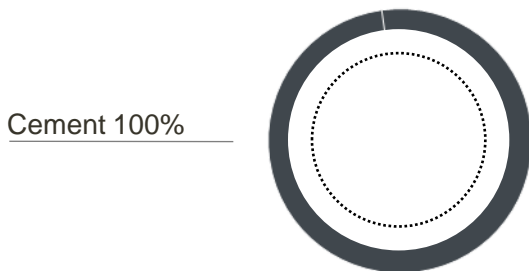


Today 90% of revenues derive from international operations

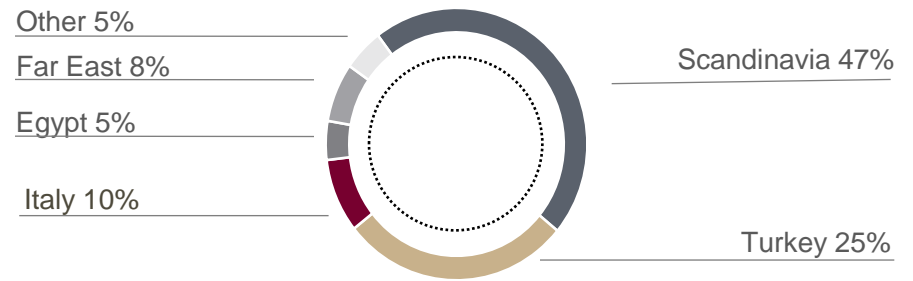
2001 Revenue by geography



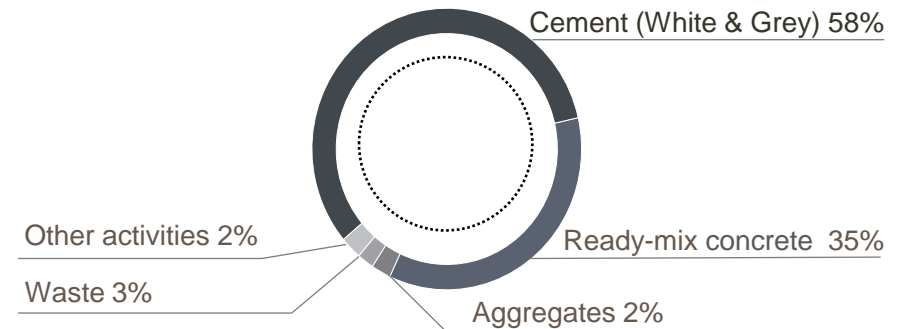
2001 Revenue by product



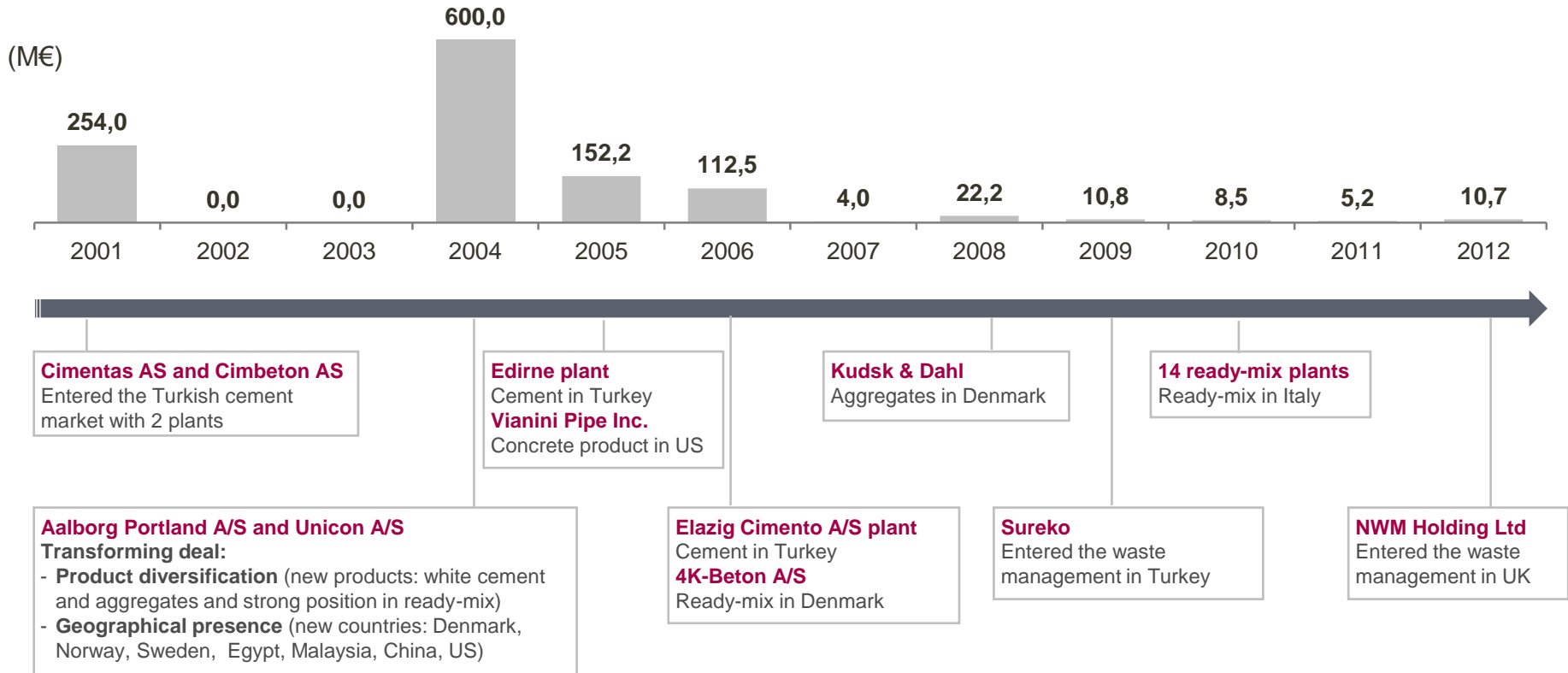
2015 Revenue by geography



2015 Revenue by product

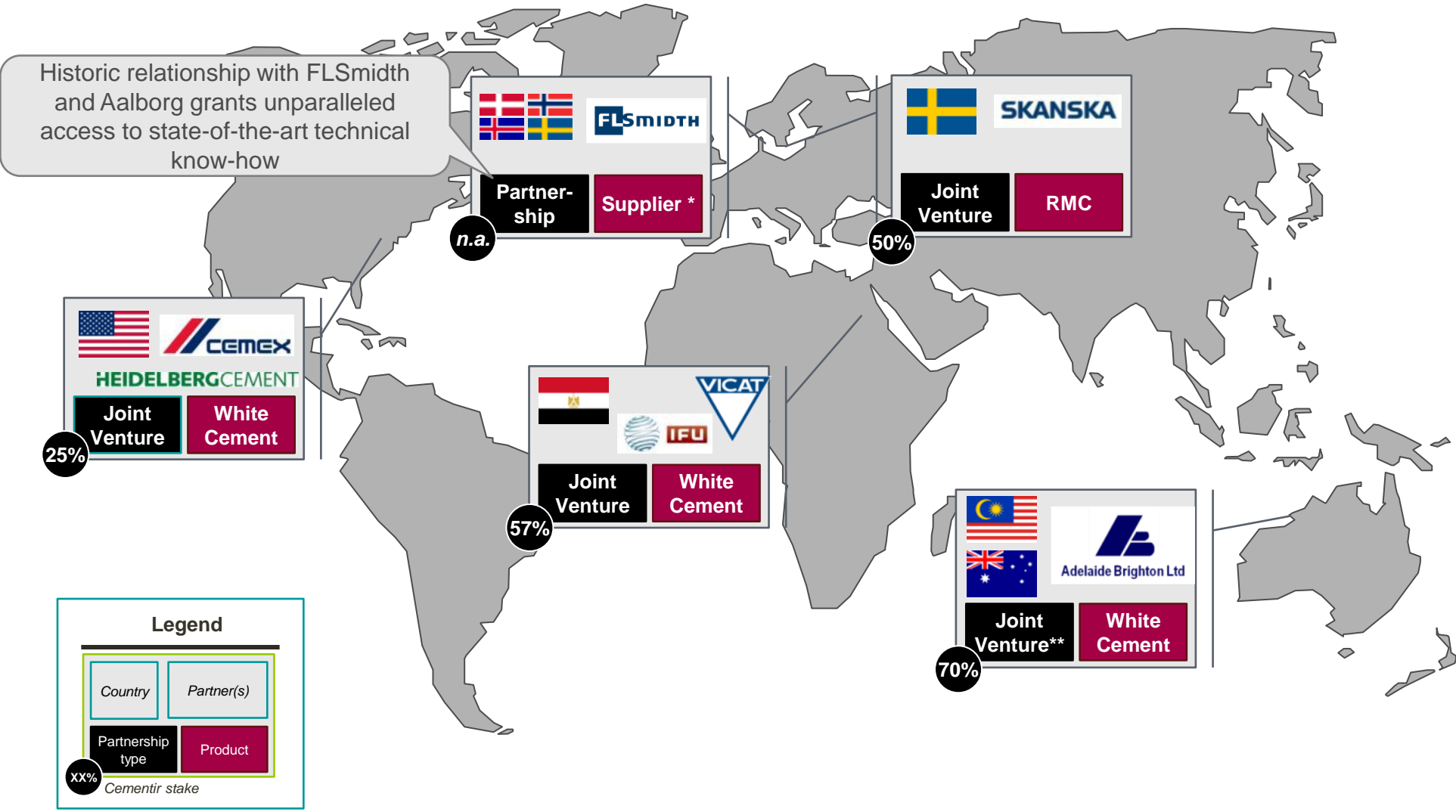


Since 2001 over EUR 1.1 billion invested in acquisitions to increase geographical and product diversification



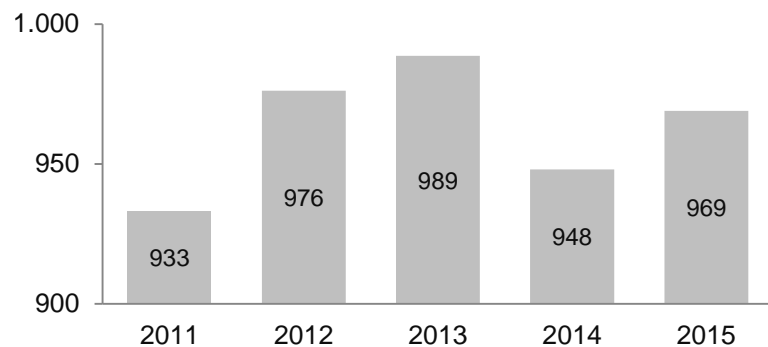
From being an Italian cement producer, Cementir is today an international player operating in 16 countries

# Cementir has a strong track-record in successful partnerships / JVs

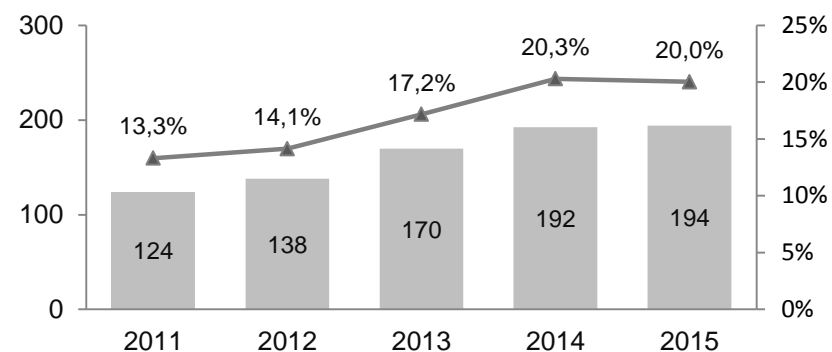


\* FLSmidth is a global engineering company supplying one source plants, systems and services to the cement and minerals industries  
 \*\* Adelaide Brighton Joint Venture aimed at producing and distributing White cement in Malaysia and Australia

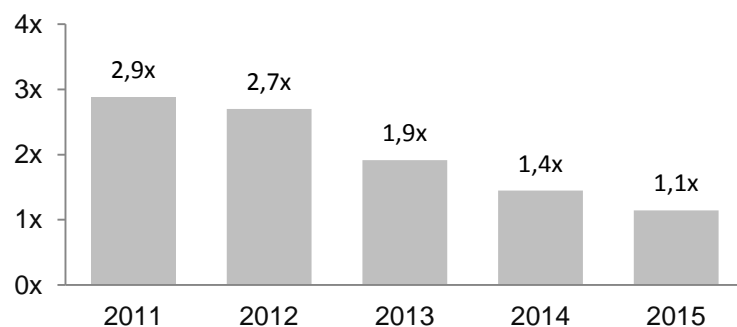
### Revenue (M€)



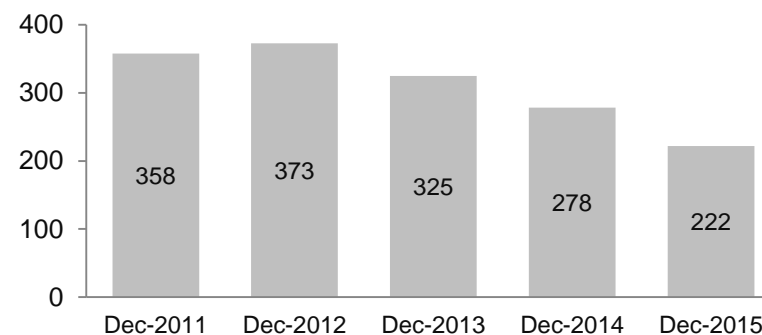
### Ebitda (M€) and Ebitda Margin (%)



### Net debt / Ebitda



### Net debt (M€)



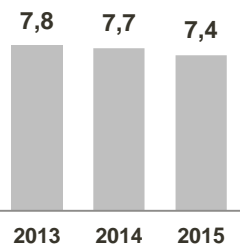


## GREY CEMENT



- 11.8 mt of capacity
- 9 plants (4 in Italy, 4 in Turkey and 1 in Denmark)

Volumes sold (mt)

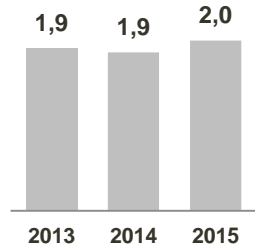


## WHITE CEMENT



- 3.3 mt of capacity
- 6 plants (Denmark, Egypt, China, Malaysia and 2 in US \*)

Volumes sold (mt)

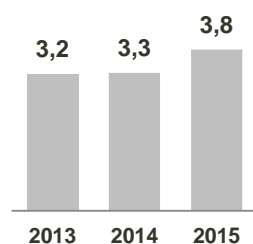


## READY-MIXED CONCRETE



- 113 plants (42 in Denmark, 29 in Norway, 9 in Sweden, 15 in Turkey, 18 in Italy)

Volumes sold (mt)

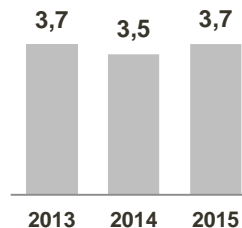


## AGGREGATES



- 3 quarries in Denmark
- 5 quarries in Sweden

Volumes sold (mm<sup>3</sup>)



## WASTE



- 2 facilities in Turkey
- 1 facility in UK

Waste processed (mt)



## OTHER



- 1 cement product plant in US
- Other minor activities

## TOTAL CEMENT

OPERATING REVENUE 2015 = 577.9 M€  
EBITDA 2015 = 171.0 M€

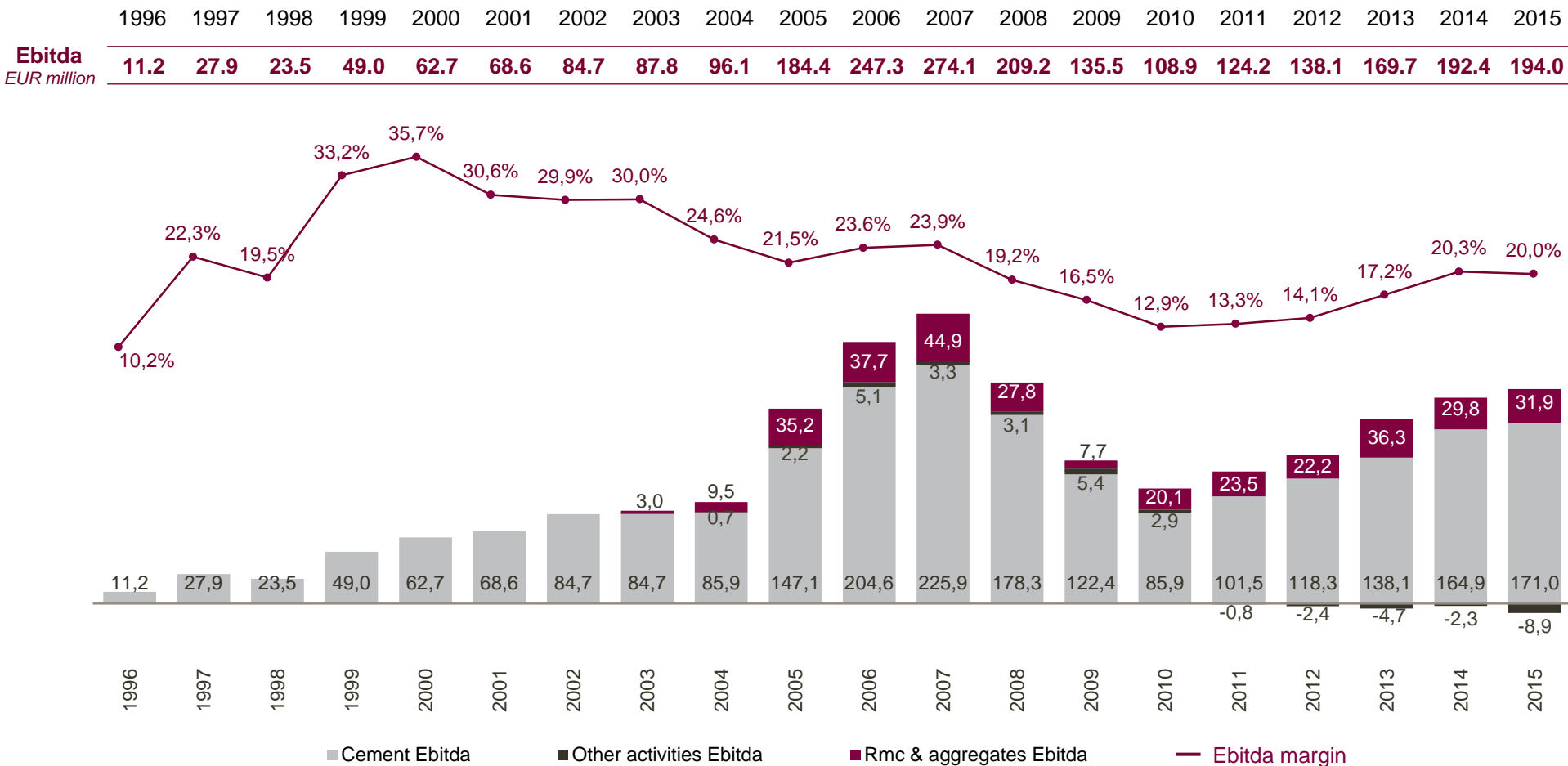
OPERATING REVENUE 2015 = 343.4 M€  
EBITDA 2015 = 26.0 M€

OPERATING REVENUE 2015 = 24.5 M€  
EBITDA 2015 = 5.9 M€

OPERATING REVENUE 2015 = 27.5 M€  
EBITDA 2015 = -6.3 M€

OPERATING REVENUE 2015 = 22.1 M€  
EBITDA 2015 = -2.6 M€

Cementir Holding has grown significantly through acquisitions, entirely financed by cash flow and debt



## White cement is a premium product

- Availability of white cement raw material is scarce compared to grey cement
- Used in constructions where aesthetics are of high importance
- Production costs are higher than grey cement

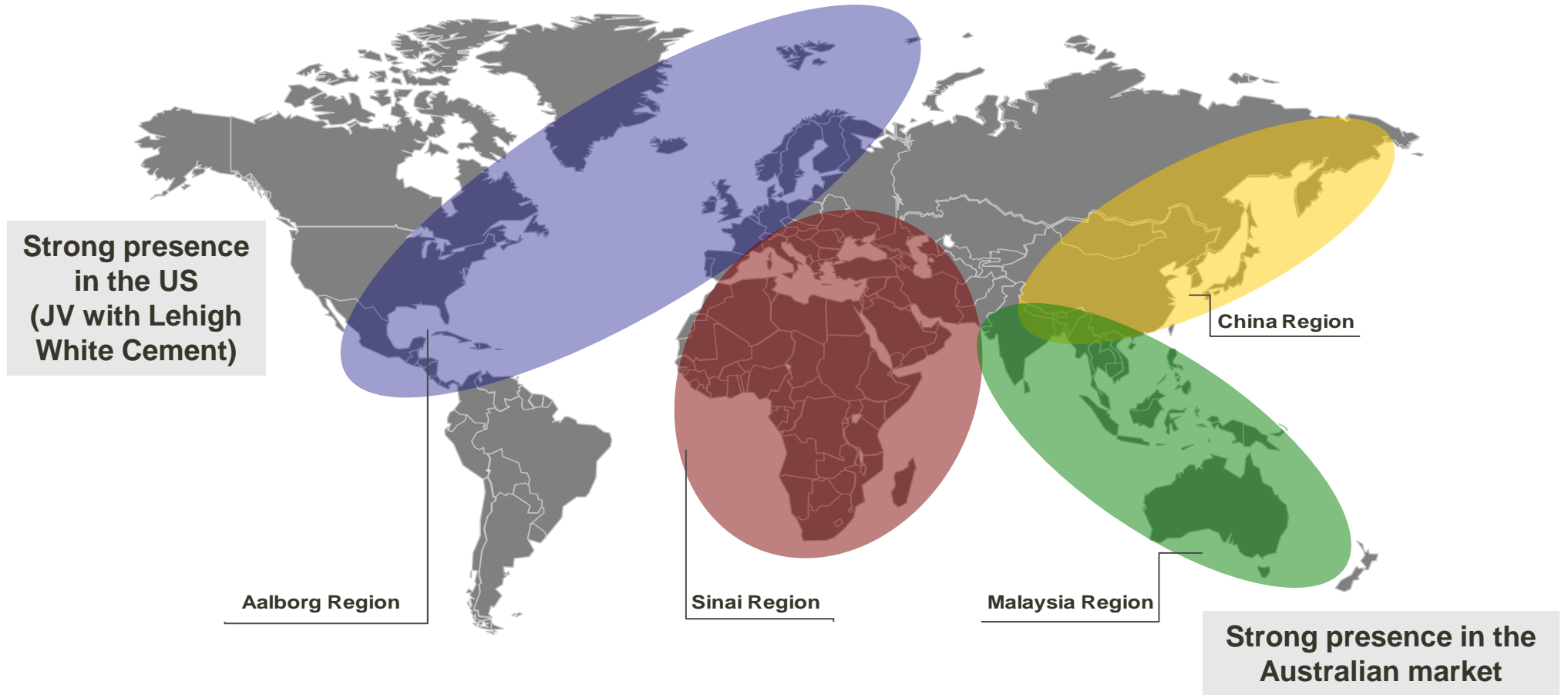
## White cement applications

- Terrazzo
- Coloured mortars
- Pre-cast concrete elements
- Cast stone
- Glass fibre reinforced concrete
- Swimming pools
- Paving stones
- Roofing tiles
- Garden ornaments
- Plasters and grouts
- Street furniture
- Road barriers



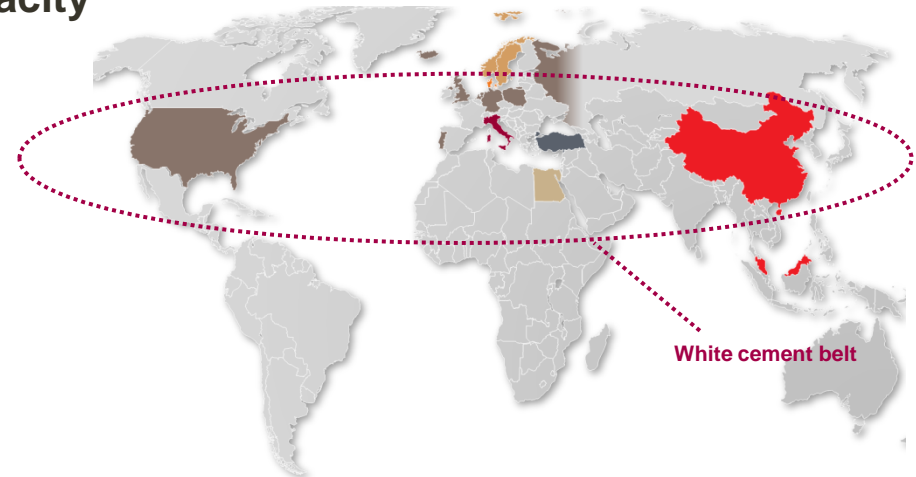
1/ Masonry blocks for Velodrom (Olympic Games London)  
2/ Precast elements, Holstebro Court House  
3/ Street furniture by Gunnar Näsman  
4/ Precast elements, Tuborg Nord  
5/ Coloured mortars  
6/ Precast tunnel elements  
7/ Paving stones  
8/ Paving stones

With a capacity of 3.3 Mt, Cementir Holding is by far the greatest competitor in this market



## #1 worldwide with 3.3m tons of production capacity

- Niche product sold globally
- Highly efficient white cement production facilities in strategically important markets (Denmark, Egypt, China, Malaysia, US)
- Very strong position in Middle East, Mediterranean and Asia with higher growth prospects
- Considerable raw material reserves at all production facilities



## White cement market overview

- Estimated demand in 2014 of about 18.6 Mt with further increase forecasted of almost 22 Mt in 2019
- North America will lead the Global demand replacing China that will see the stable consumption over the next 5 years
- Asia Pacific (Ex-China), Latin America and MEA will remain its performance above the average global consumption
- Demand moves broadly in line with grey cement consumption, however it is less of a commodity product and consumption can be advanced by the creation of positive perceptions in terms of fashion /aesthetics and effective promotion through marketing
- White cement is used for both renovation (decoration and repairs & maintenance work) and new build

	2014 Capacity (kt)	2014 Production (kt)	2014 Consumption (kt)	2014 Per capita Consumption (kg)	Consumption CAGR 2014 - 2019 (%)
<b>Asia (excl China)</b>	<b>2,977</b>	<b>2,425</b>	<b>2,483</b>	<b>1.0</b>	<b>5.0%</b>
<b>China</b>	<b>6,815</b>	<b>4,815</b>	<b>4,769</b>	<b>3.5</b>	<b>1.0%</b>
<b>Europe</b>	<b>6,284</b>	<b>3,923</b>	<b>3,249</b>	<b>67.65</b>	<b>2.7%</b>
<i>Eastern Europe &amp; CIS</i>	2,431	1,740	1,217	2.4	2.9%
<i>Western Europe</i>	3,854	2,183	2,032	132.9	2.6%
<b>Middle East &amp; Africa (MEA)</b>	<b>8,131</b>	<b>5,758</b>	<b>6,080</b>	<b>9.4</b>	<b>4.1%</b>
<i>Middle East</i>	4,775	3,459	3,880	16.7	3.7%
<i>Africa (mainly North)</i>	3,356	2,299	2,199	2.0	4.9%
<b>North America</b>	<b>800</b>	<b>532</b>	<b>968</b>	<b>5.8</b>	<b>6.6%</b>
<b>Latin America</b>	<b>1,633</b>	<b>1,100</b>	<b>1,005</b>	<b>1.6</b>	<b>4.9%</b>
<b>Total</b>	<b>26,640</b>	<b>18,553</b>	<b>18,553</b>	<b>2.3</b>	<b>3.4%</b>

## Investment rationale

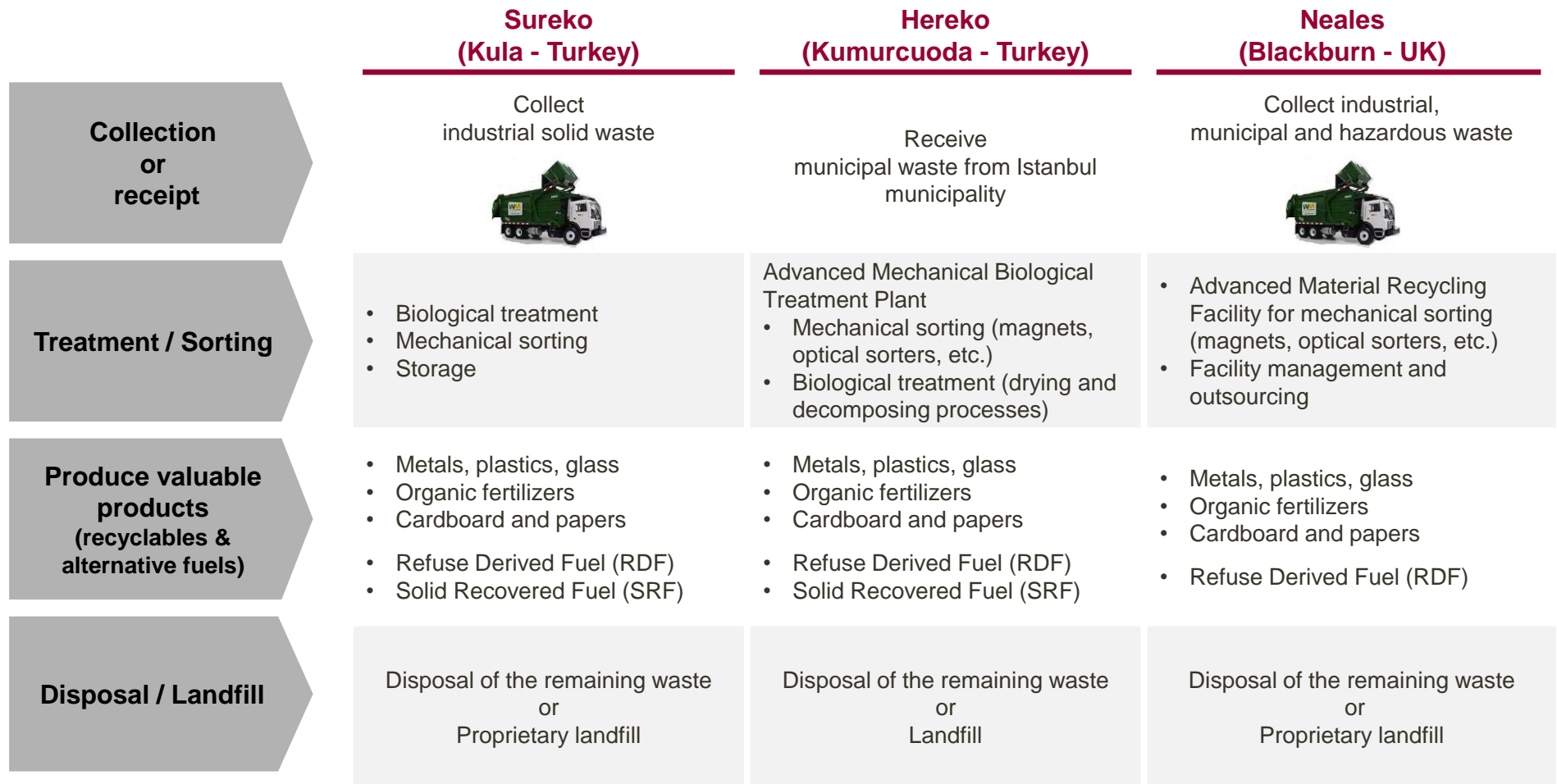
- Waste is strategically important to reduce fossil fuels impact on cement and to lower overall energy costs
- Potential for synergies with cement business by reducing production costs and CO<sub>2</sub> emissions
- Huge, fragmented market with interesting industrial developments
- Non-cyclical industry
- Exportable business model and know how to other markets

## History

- In 2009 Recydia was established and acquisition of Sureko
- In 2011 landmark 25-year contract to manage and process 700,000 tons per annum of Istanbul municipality solid waste (14% of total municipal waste of the capital)
- In July 2012 Recydia completed the acquisition of Neales Waste Management Group in UK for around EUR 11 million
- 2015 Waste business revenue reached EUR 27.5 million
- In 2015 capex completed in both Kömürcüoda (Hereko) and Neales



Our business goal is to capture value from waste collection to disposal across the entire value chain



### Key Terms

- Binding offer to acquire the business division for the production of cement and ready-mixed concrete of Sacci Spa (“Sacci”):
  - 5 cement plants (Testi- Greve in Chianti, Cagnano Amiterno, Tavernola, Castelraimondo, Livorno)
  - 3 terminals (Manfredonia, Ravenna and Vasto)
  - Ready-mixed concrete plants, mainly located in Central Italy
  - Transport service
  - Equity investments in the consortium companies Energy for Growth and San Paolo, and in the Swiss registered company Fenicem SA
- Total transaction value:
  - EUR 125 million, financed through new and existing credit lines
- Price paid in two tranches:
  - EUR 122.5 million - at closing
  - EUR 2.5 million - 24 months after the closing
- Closing expected by the end of July 2016

### Steps and conditions

- Board of Directors of Sacci resolved to include the Offer in Sacci’s composition with creditors on 29 Dec. 2015
- Approval of Antitrust obtained in March 2016
- Sacci’s composition with creditors submitted to the vote of creditors and then to endorsement by the Court of Rome



- Enhances Cementir's positioning in Italy
  - Complementary geographies (North and Central Italy) with higher growth potential and greater profitability
  - Regions in the North of Italy have normally higher prices than Central /Southern part of the country
- Captures synergies – estimated at around EUR 10 million once the integration is completed
  - Streamline the distribution network for the Sacci's new plants and Cementir's plants
  - Sales and logistics
  - Global procurement
- Improves Cementir's position and leverage to any recovery of the Italian market
  - Broader and more efficient industrial base to benefit from expected favourable medium-term upward trend in Italy

# Sacci: the fifth largest Italian cement player

## Focus on operations



- Fifth largest player with operations in Central and Northern Italy
  - Market share of approx. 6%
- Vertical integrated in ready-mixed concrete
  - 28 rmc plants mainly in Central regions
- Headquartered in Rome

### Existing business operations

Business	# of plants
● Cement	5
Ready-mixed concrete (RMC)	28
■ Terminals	3

- The Group expects to achieve Ebitda of approx. EUR 190 million and a net financial debt of about EUR 180 million, with planned industrial investments of EUR 65-70 million
- These forecasts do not include acquisitions or other changes of perimeter (Sacci is excluded)
- The assumptions are considered conservative, especially as regards Turkey, where the geopolitical situation remains highly unstable, with possible repercussions on the Turkish Lira
  - The assumption for average exchange rate EUR/TRY for 2016 is 3.56
  - Compared to all the average exchange rate for the year 2015, the negative effect of the assumptions on exchange rates on Ebitda can be estimated at about EUR 10 million
- The Group forecasts a growth in sales volumes for both cement (in particular in Scandinavia, Egypt and Malaysia) and rmc (mainly in Turkey and Italy)
- Waste treatment subsidiaries in Turkey and United Kingdom are expected to improve their operations
- Efficiency savings on energy costs and reduction of fixed costs are expected

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