



LET'S DOUBLE OUR PROFITS
Business Plan 2018-2020

Francesco Caltagirone Jr, Chairman and CEO

Strategic repositioning of the Group in the last 24 months

- **Diverse exposure in terms of geographical presence and products due to M&A**
 - Acquisition of the Group Compagnie des Ciments Belges (CCB), in Belgium, completed on 25 October 2016 for 312 M€
 - Sale of all assets and activities in Italy (including Sacci), executed on 2 January 2018 for 315 M€
 - Acquisition of an additional 38.75% stake in Lehigh White Cement Company, in USA, completed on 29 March 2018 for 107 M\$ (approx. 87 M€)

Earnings growth

EPS
~ 0.90
in 2020
(0.45 in 2017)

Steady deleveraging

Leverage
close to zero
at Dec. 2020
(2.4x at Dec.2017)

100% of Group's revenue abroad

A global presence in 5 continents*

Plants

Grey cement plants: **6**

White cement plants: **6**

Terminals: **24**

RMC plants: **106**

Quarries: **11**

Cement product plants: **1**

Waste management facilities: **3**

Sales / capacity

Grey cement capacity: **9.8 mt**

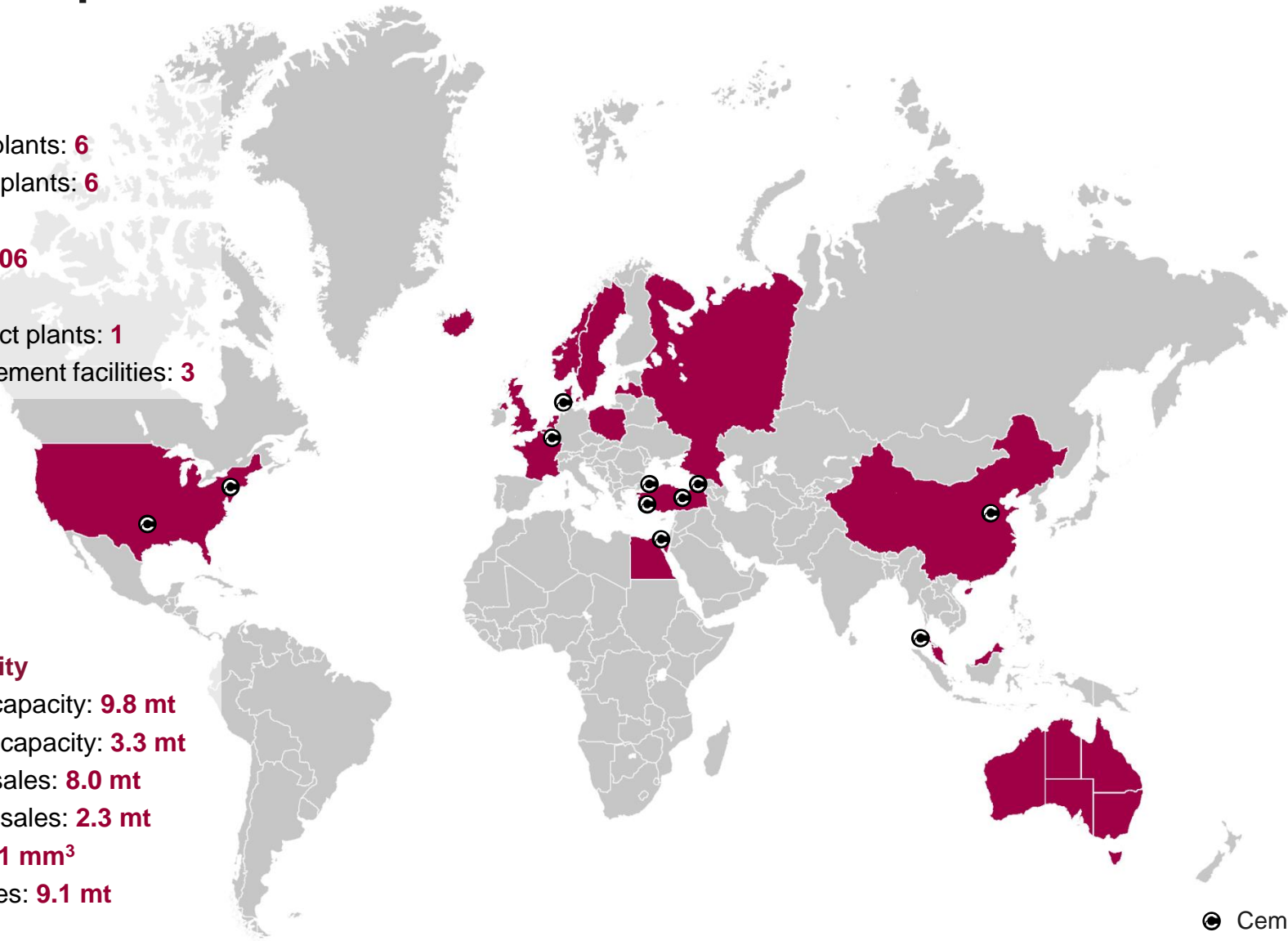
White cement capacity: **3.3 mt**

Grey cement sales: **8.0 mt**

White cement sales: **2.3 mt**

RMC sales: **5.1 mm³**

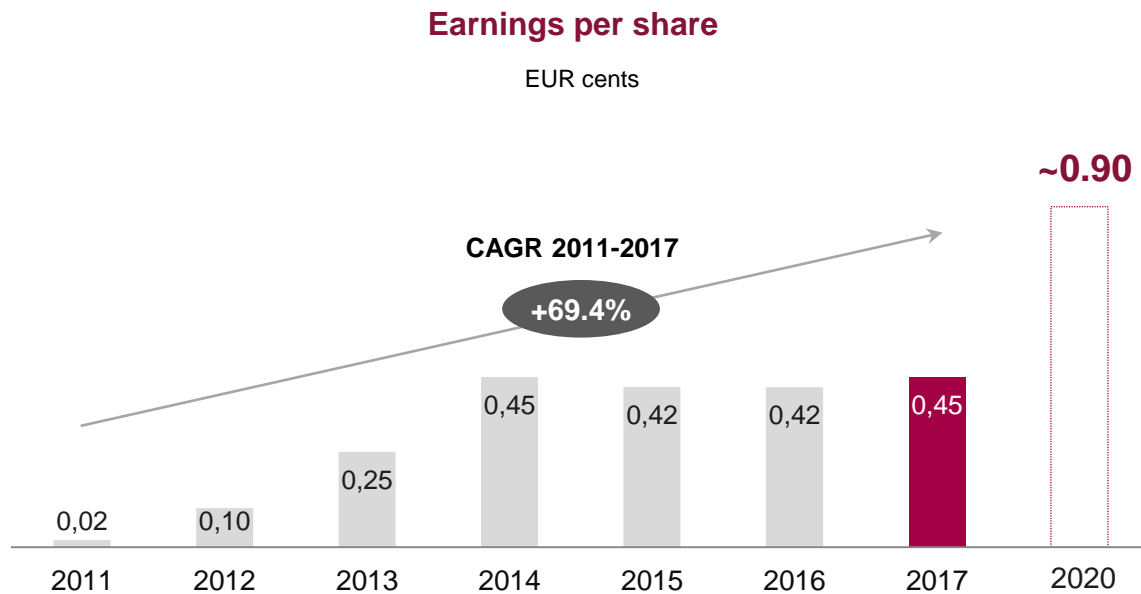
Aggregate sales: **9.1 mt**



● Cement plants

* 2017 Figures

Earnings growth



- Lower average cost of debt
- Lower tax rates:
 - US: from 35% to 21%
 - Belgium: from 34% to 25%
- Effective tax rate ~25%

Our strategy has delivered strong earnings

Cementir shares – an attractive investment

- **Global leadership in white cement**
 - Strong customer relationship and innovative products
 - Competitive advantage based on large-size plants, quality products and significant pure limestone reserves
- **Unique integrated platform in Scandinavia and Belgium, with two large grey cement plants and integration into aggregate and ready-mix concrete businesses**
 - Scandinavia: cement plant of 3 Mt capacity (grey and white), market leader in ready-mix concrete in Denmark and Norway, largest quarry in Sweden
 - Belgium: cement plant of 2.3 Mt capacity located in an attractive highly populated area (Amsterdam, Bruxelles, Paris), strong presence in aggregates and reserves for c. 80 years. One quarry is the largest in Europe
- **Business Plan envisage almost doubling EPS compared to 2017**
- **Long term value creation**

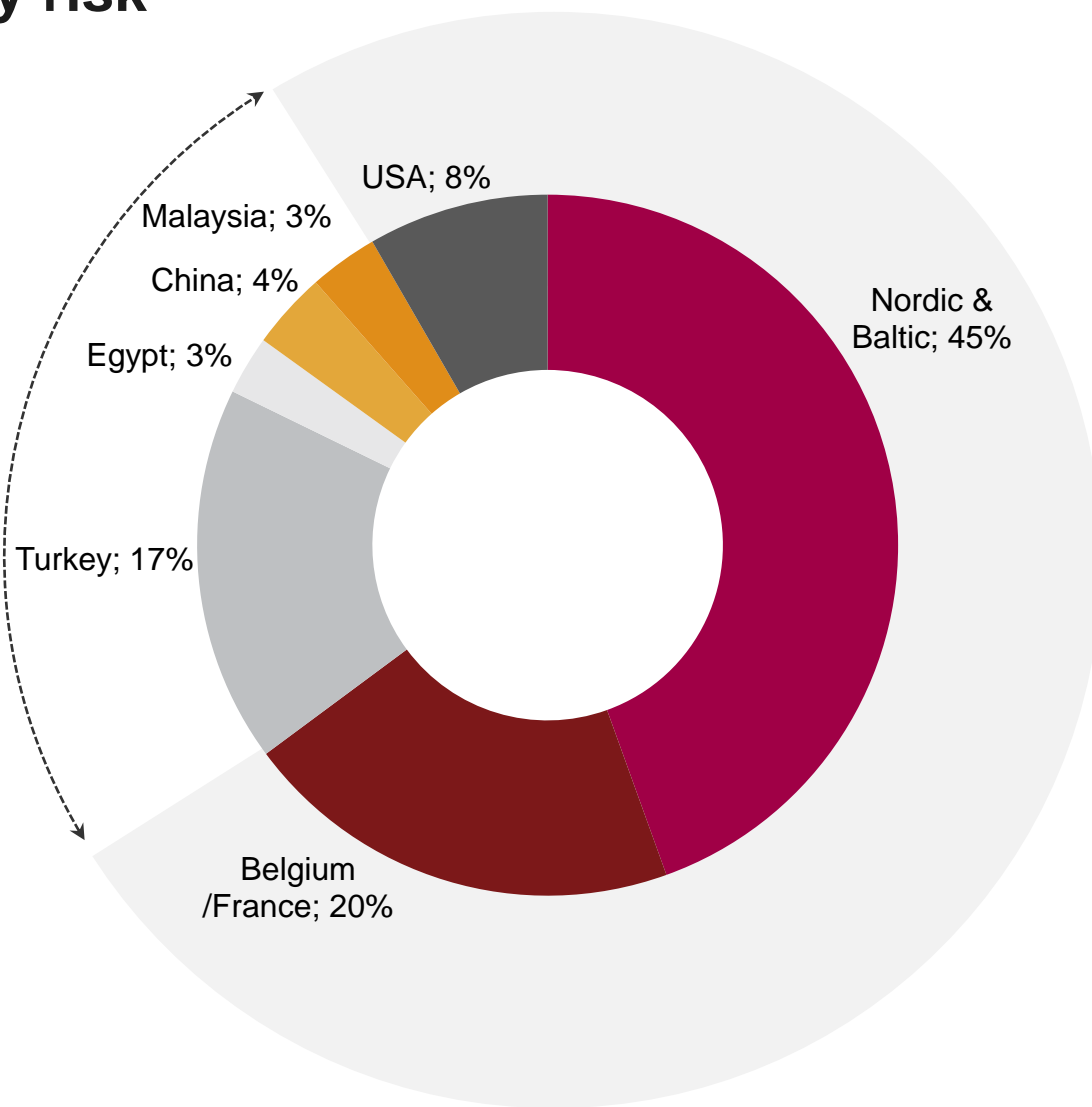
Recent M&A activities reduced exposure to emerging markets with currency risk

Revenue from sales
2018 Pro-forma
(in Euro)

**Emerging
markets**

27%

Currencies:
TRY, EGP, CNY,
MYR

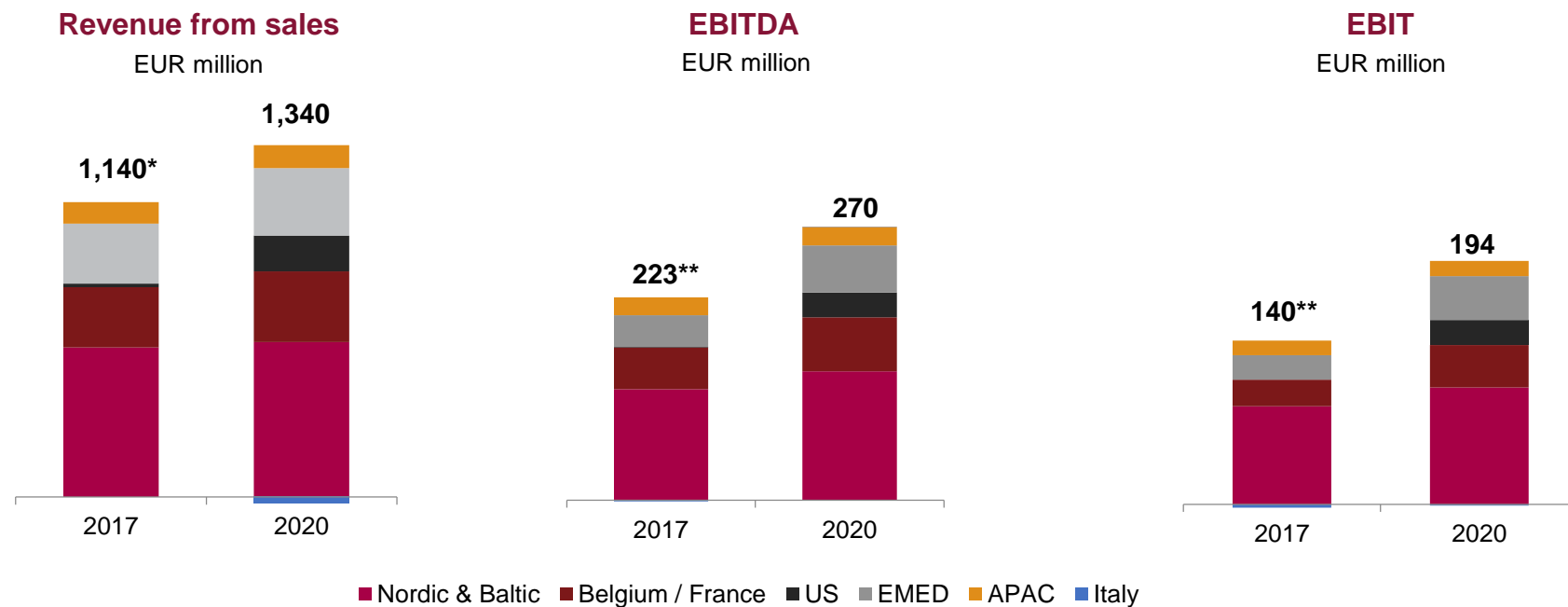


**Mature
markets**

73%

Currencies:
EUR, USD, DKK,
NOK,

Geographical differentiation in many countries






100% international exposure

* Excluding Italian companies sold on 2 January 2018

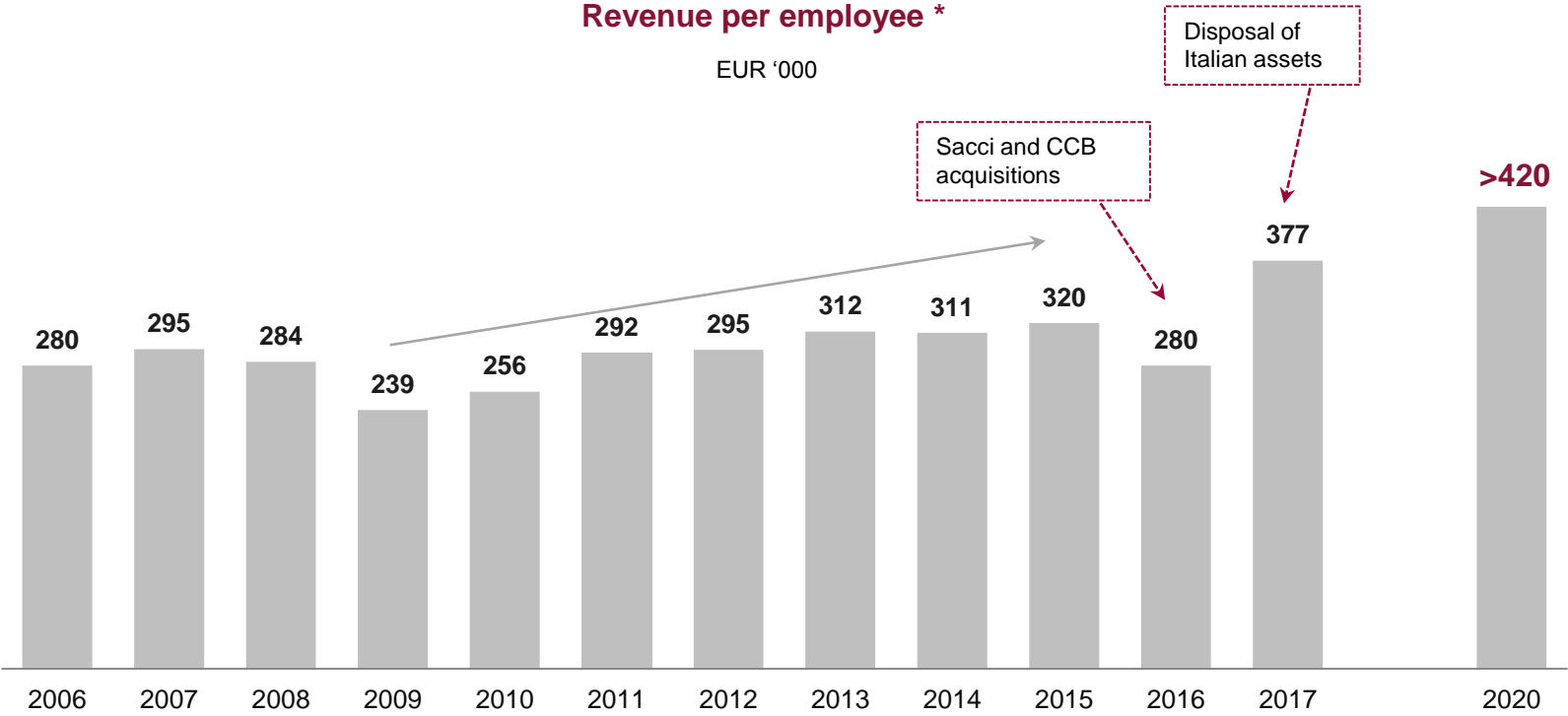
** Excluding Italian companies sold on 2 January 2018 and including non recurring revenue of 10.1 M€

Presence in 5 business segments

GREY CEMENT	WHITE CEMENT	READY-MIXED CONCRETE	AGGREGATES	WASTE /OTHER
				
<p>Capacity: 9.8 mt</p> <p>2017 volumes sold: 8.0 mt</p> <p>6 plants</p> <ul style="list-style-type: none"> • Denmark • Belgium • 4 in Turkey 	<p>Capacity: 3.3 mt</p> <p>2017 volumes sold: 2.3 mt</p> <p>6 plants</p> <ul style="list-style-type: none"> • Denmark • Egypt • China • Malaysia • 2 in US 	<p>2017 volumes sold: 5.1mm³</p> <p>106 plants</p> <ul style="list-style-type: none"> • 36 in Denmark • 29 in Norway • 9 in Sweden • 17 in Turkey • 10 in Belgium • 5 in France 	<p>2017 volumes sold: 9.1mt</p> <p>11 quarries</p> <ul style="list-style-type: none"> • 3 quarries in Denmark • 5 quarries in Sweden • 3 quarries in Belgium 	<ul style="list-style-type: none"> • 3 waste facilities (Turkey and UK) • 1 cement product plant in US • Other minor activities

Vertical integration in countries with grey cement presence

Enhancement of revenue per employee



* Based on the headcount at 31 dec.

Cementir will generate more value for shareholders

Strategic priorities



Profitability



**Cash flow
generation**



**Global
leadership in
white
cement**



Innovation



**Alternative
fuels and
raw
materials**



People development

Actions and initiatives to improve profitability and operating efficiency in all areas:



Profitability

- **Processes rationalization and containment of costs**, while increasing volumes in all business areas and geographical areas;
- **Focus on pricing and value added products and services**
- **Optimization of purchases and logistics**
 - New trading company Spartan Hive to manage raw materials, fuels, spare parts and finished products
 - Targeted actions in the various geographical areas
- **Process improvement for reducing fuel and electricity consumption**, also through continuous improvement projects, counterbalancing increases in fuel and freight costs

EBITDA margin to 20% in 2020 (18.6% in 2017)

Focus on cash generation



Cash flow generation

- **Optimization of working capital**, which remains essentially stable despite increasing volumes in all business areas and geographical areas
 - specific targets on the rotation of inventories, the days sales outstanding, ageing of receivables and payment terms of suppliers
- **Rigorous investment plan** to maintain the production capacity and plants' efficiency, with a Capex / Net Sales ratio below 7%
- **Lower financial costs:**
 - from 15 M€ in 2017 to around 5 M€ in 2020



reduction in net financial debt

↓ **480 M€***

From 537 at year-end 2017 to 50 at year-end 2020

Leverage on a stronger commercial presence in North America and unique global competitive position



Global leadership in white cement



3 Mton
Total Sales in 2020

In 2017 Group white cement volumes sold of 2.25 Mt



Global leadership

Leadership position in all 5 continents



27%
Traded flows share

Leader in global trading flows
- In 2020, out of 3 Mt of total volumes sold, 1.5 Mt are exported



20+
Local market presence

Local sales force and/or controlled logistic setup in 20 key target markets

70+
Country sales

Sales in more than 70 countries

White cement strategy at a glance

CATCH

EXTERNAL GROWTH OPPORTUNITIES, BOTH IN CONSOLIDATED AND IN NEW MARKETS

EXPLOIT

OUR UNIQUE PRODUCTION / COMMERCIAL FOOTPRINT IN WHITE CEMENT, BY CROSS-REGIONAL SYNERGIES, WITHIN AN INTEGRATED GLOBAL PERSPECTIVE AND GUIDANCE



GROUP GLOBAL LEADERSHIP IN WHITE CEMENT

PURSUE

PRODUCT INNOVATION & NEW BUSINESS MODELLING WITHIN DOWNSTREAM APPLICATIONS & TECHNOLOGIES FOR WHITE CEMENT

DEVELOP

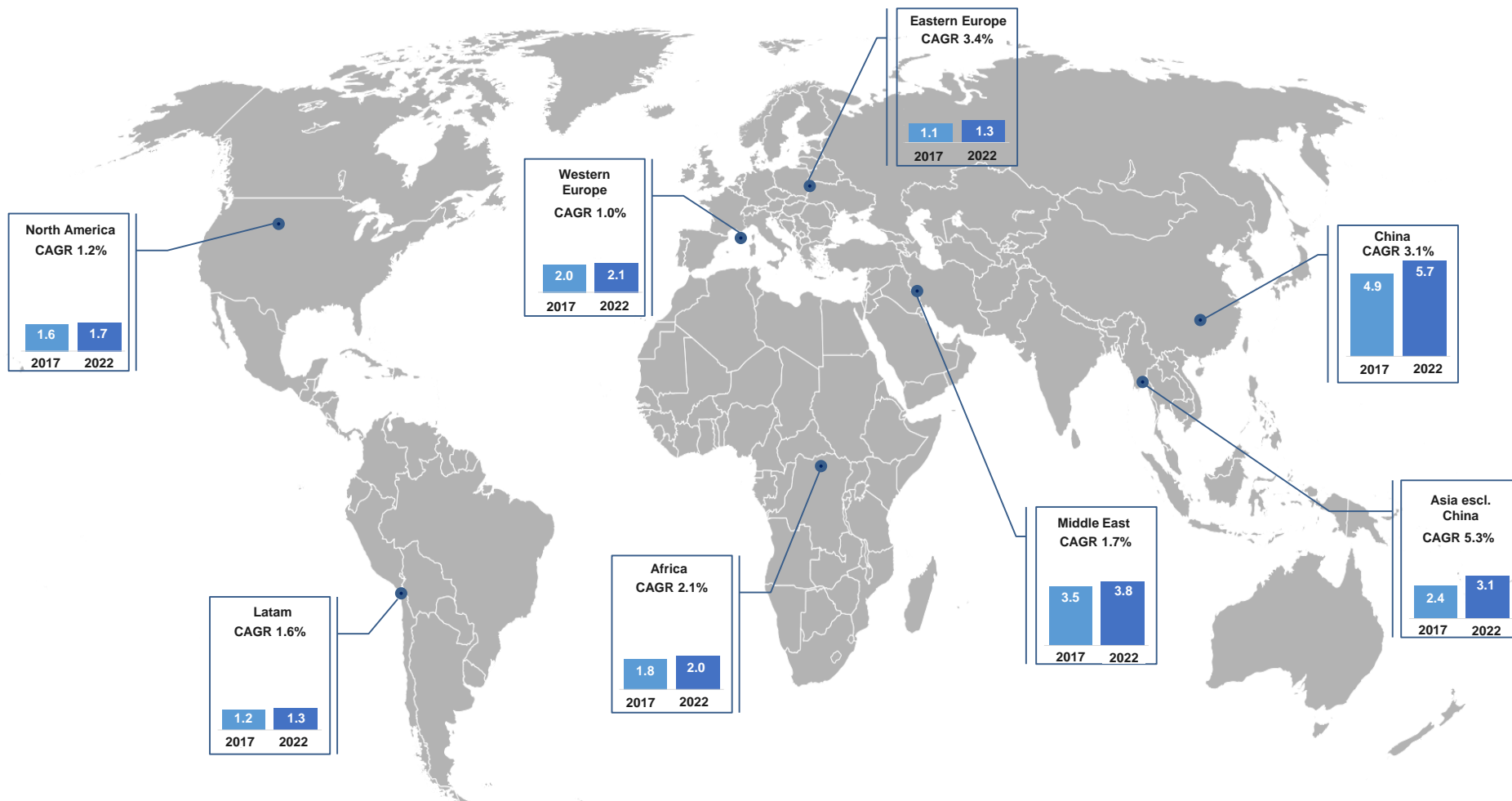
A UNIQUE VALUE PROPOSITION TO THE CURRENT AND POTENTIAL CUSTOMER BASE IN EXISTING AND NEW GEO MARKETS

ENHANCE

GLOBAL MARKETING & BRANDING AS AN ASSET

White cement market is expected to grow 2.5% on average

World white cement consumption



Source: Cementir estimates on Global White cement Market and trade report data by CW research

White vs. grey cement



White cement

- **Special / «Niche» product**
- **Commercial push to «create and grow the market / Business to Business»**
 - Used for premix and dry-mortars
- **Mid-high value, small quantities, «export reach»**
- **Quality consistency, brand and technical service matter**
- **Driven by tailored needs of more «sophisticated» customers»**
- **Consumption mainly driven by renovation and restructuring**
- **Highly traded product: 27% trade at a global scale**
 - Production only in 41 countries worldwide
 - Distribution costs are less significant
- **High purity limestone needed: scarce raw materials**

Grey cement

- **«Commodity»**
- **Pulled by the market demand / Business to Consumer and Business to Business**
- **Low value, high quantities, Country/Region geo reach**
- **Price and logistic service matter**
- **Driven by international and local «standards»**
- **Consumption mainly driven by infrastructure & residential/commercial**
- **Low traded product: less than 5% cement traded**
- **Widespread presence of raw materials**

Innovation and development of special products



Mega trends in the Building Industry

- Modularity – modules combined for a tailor made architectonic design of building
- Circular economy and sustainability
- Energy-efficient buildings
- Fast time of construction
- High aesthetical quality of finished surfaces
- Low maintenance costs
- Anti-seismic and fire-resistant

Our Strategy

InWhite

A global innovation engine for white cement

Product innovation and premium applications

- Complementary products / markets

New business models

- Through downstreams vertical integration
- Partnerships

Value added solutions

- Binders
- Pre-mix
- Premium solutions

Innovation and development of special products

Innovative solutions under development

Ultra-high Performance Concrete (UHPC)

- Premium pre-mixes for high added-value applications



Glass Fiber Reinforced Concrete (GFRC)

- Premium pre-mixes for high added-value applications



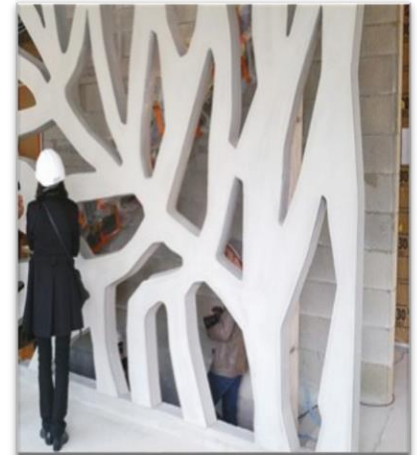
Magnetic Concrete mix

- Pre mixes and product concept for high efficiency magnetic applications



3D Concrete printing

- Premium pre mix fit for purpose for 3D concrete printing



Promoting the use of alternative fuels and raw materials and energy efficiencies



**Alternative
fuels and
raw
materials**

Counterbalance increase of fossil fuels

Increase cost of petcoke, coal and energy, partially hedged by USD

Cost savings

Waste business as a natural reduction to cement carbon footprint

Challenging regulatory framework for CO₂ emissions

Main actions to reduce CO₂:

Optimize alternative fuel with biomass (CO₂ neutral)

- Investment in calciner upgrade in Aalborg
- Usage of RDF

Reduce specific heat consumption (SHC)

- on-going optimisation in Gaurain and Aalborg

Reduce the clinker content in cement

Utilize renewable energy resources

- Electricity from renewable energy, e.g. windmill project in Aalborg
- Increase heat recovery in Aalborg and utilise cool water in quarry for district cooling for 36,000 households
- Opportunities downstream: use of concrete for energy savings and concrete recycling

Major projects for grey cement production



Alternative
fuels and
raw
materials

Aalborg plant (Denmark)

45%*

Target 2020
(current ratio 42%)

Gaurain plant (Belgium)

40%*

Target 2020
(current ratio 36%)

Izmir plant (Turkey)

18%*

Target 2020
(current ratio 7%)

Edirne plant (Turkey)

38%*

Target 2020
(current ratio 27%)

Annual effect based on current fossil fuel prices

~18 M€

* Ratio between alternative fuels and total fuels based on thermal energy

CO₂ emissions trading schemes will impact on competitiveness

Regulatory framework

- Of the areas where the Cementir is operating, **EU is the only major region** with a cap and trade system
- In 2021 Reform of the Emissions Trading System
- CO₂ emissions in the EU ETS shall be reduced by **43%** in 2030 compared to 2005
- EU initiatives to increase price should lead to a **high CO₂** price in 2021-2030

Cementir position

- Cementir has free CO₂ allowances until end 2021 (based on business plan production)
- From 2022 Cementir will need to buy additional European Union Allowances (EUA) in the market
- On going dialog with Danish government to secure more free CO₂ allowances for heat recovery and supply to district heating
 - In Aalborg plant, most of excess heat is recovered and supplied to the Aalborg City district heating (about 36,000 households, +20% in 2017)
 - Saves coal burned at a central power station equivalent to around 300 kg CO₂/t clinker

Strategically important to invest and reduce CO₂ emissions

People development and new role of Rome headquarter



People development

Focus on developing and enhancing people's competencies, skills and motivation through **structured evaluation and development processes**

The **Cementir Academy** represents the **Cementir Group learning hub**, which helps our organization grow by developing and upgrading professional and managerial competencies and skills of our people.



Cultural and Corporate Training

Technical and Functional Training

Management Education & Leadership Development Programs

Onboarding Training

Continuous Improvement Training

- enables Cementir **Strategy and Business performance**
- is our **Group Training Center**
- acts as **Leadership accelerator** for our current and future leaders
- promotes **knowledge transfer and good practice sharing** within the Group

Financial targets for 2020

	Actual 2017	Guidance 2018	Target 2020	CAGR 2017-2020
Revenue from sales (EUR billion)	1.14*	1.25	1.34	5.5%
EBITDA (EUR million)	223*	235	270	6.6%
EBIT (EUR million)	140*	160	194	11.5%
EPS (EUR)	0.45		~ 0.90	
Capex ** (EUR million)	86*	80	70-75	
Net financial debt (EUR million)	537	260	50	
Net financial debt / EBITDA	2.4x	1.1x	0.2x	

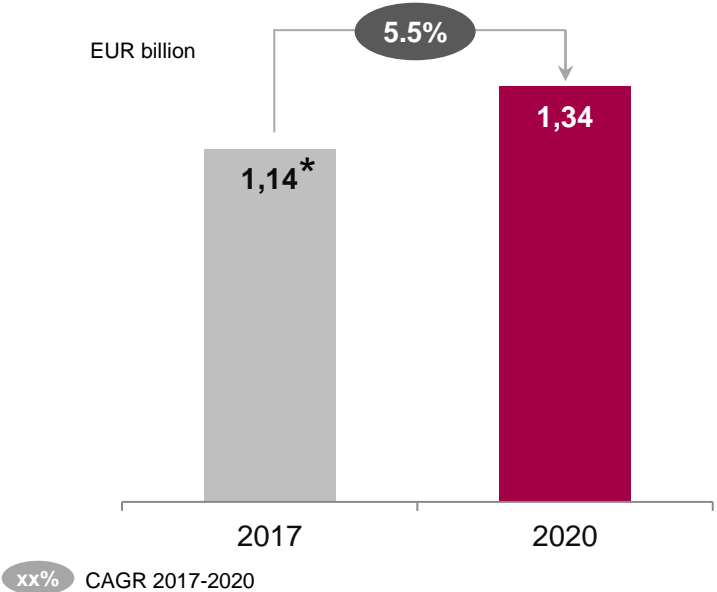
* Excluding Italian companies sold on 2 January 2018. EBITDA and EBIT include non recurring revenue of 10.1 M€

** At constant perimeter

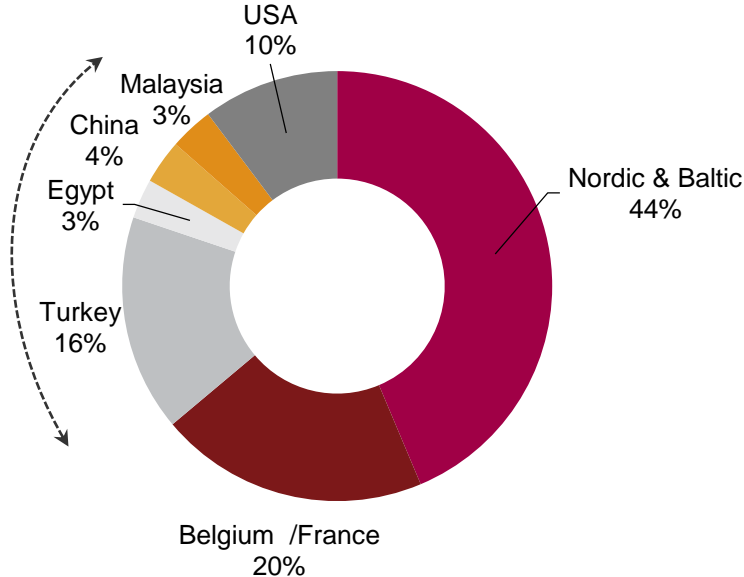
Financial targets for 2020 – Revenue growth

Revenue from sales

2020 Revenue from sales by country



Emerging markets
27%

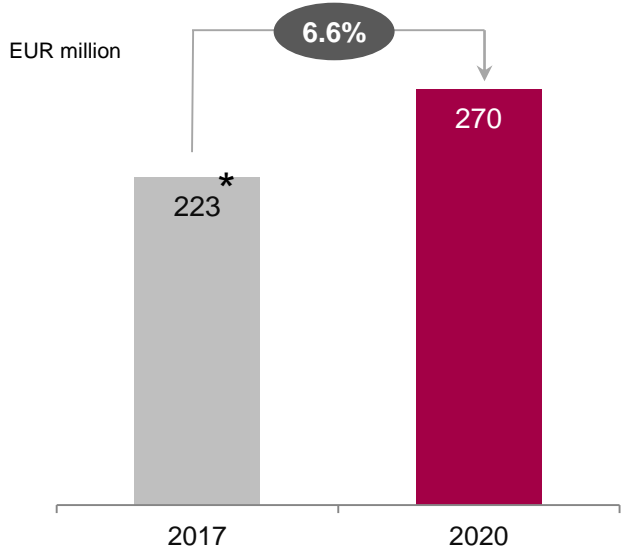


Drivers	<ul style="list-style-type: none"> • Increase in volumes of grey and white cement volumes in all geographical areas • Cement price in line with relevant markets • Higher volumes of ready-mix concrete and aggregates
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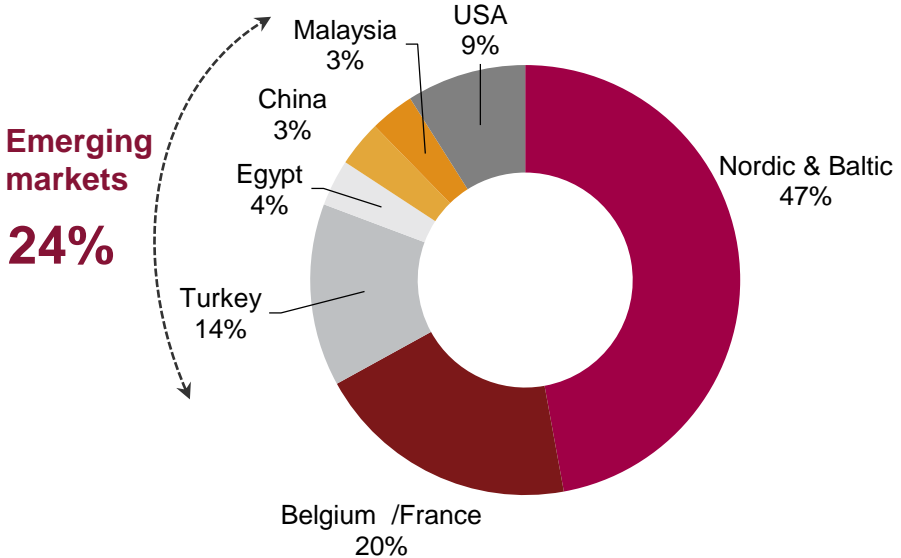
* Excluding Italian companies sold on 2 January 2018

Financial targets for 2020 – EBITDA growth

EBITDA



2020 EBITDA by country



Drivers

- Profitability increase in all business and geographical areas
- Increase of both fuels price and freight costs from 2018
- Containment of fixed costs vs inflation

* Excluding Italian companies sold on 2 January 2018 and including non recurring revenue of 10.1 M€

Several factors could impact the targets of the Plan



Management objectives aligned with strategic Group objectives

Short-Term Incentive (Annual)

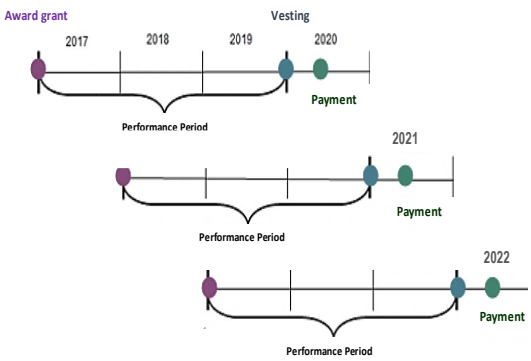
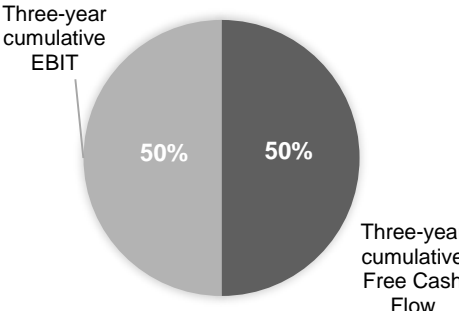
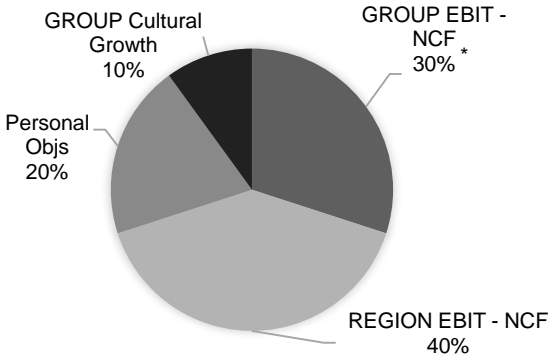
Long-Term Incentive (3 Years)

Weight of performance measures

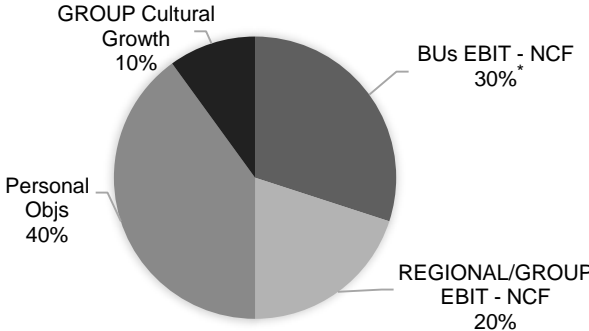
Weight of performance measures

Cash Rolling Plan

Senior Executives



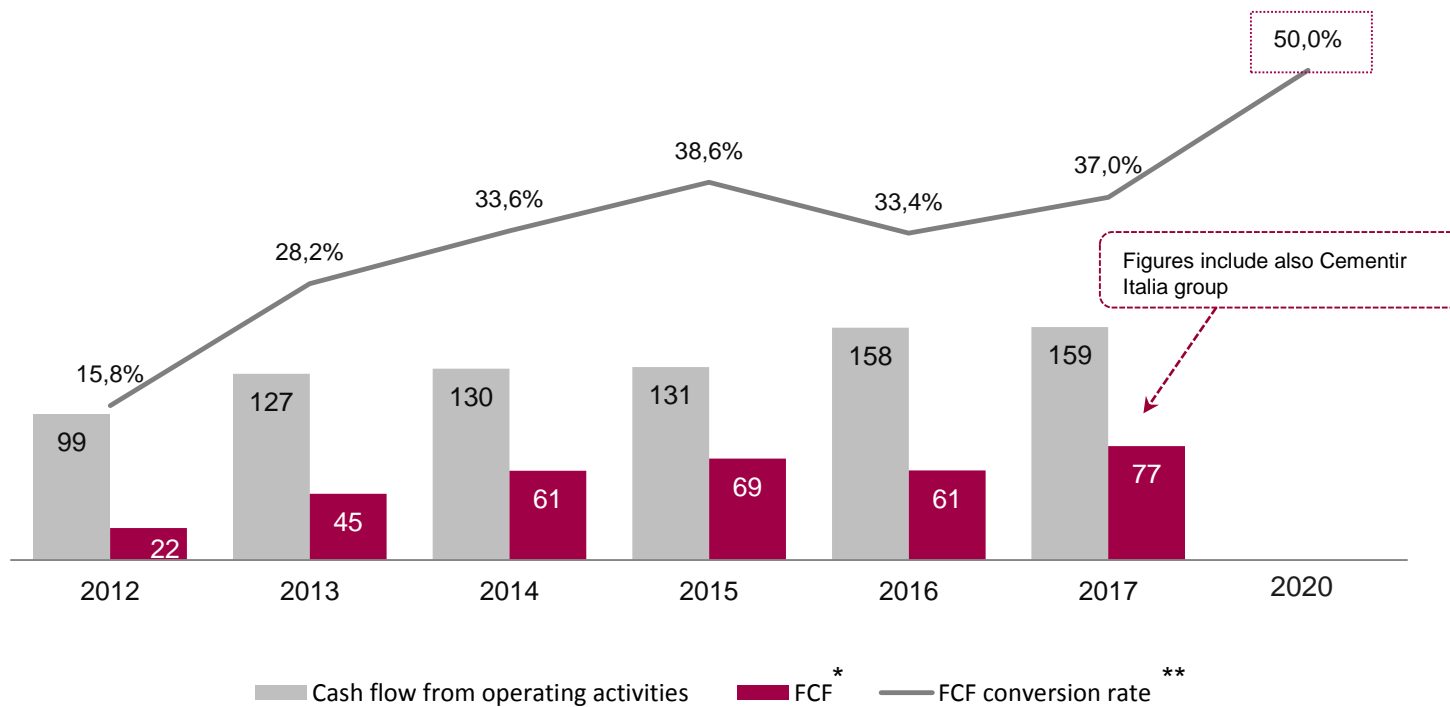
Managers



* Annual GATE

High Free Cash Flow conversion rate

Cash flow from operating activities, Free Cash Flow and FCF conversion rate (Eur million and %)

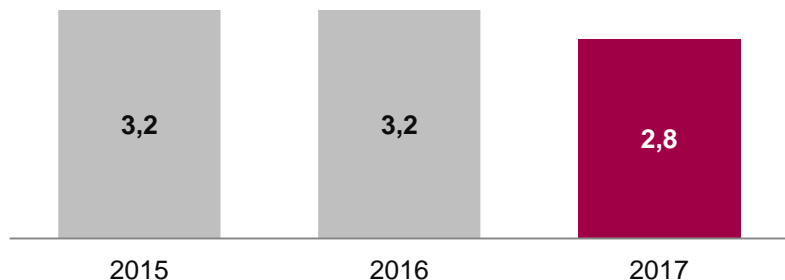


* Free Cash Flow: Cash flows from operating activities less investments in intangible and tangible assets

** Free Cash Flow to EBITDA (excluding non recurring)

Safety First – our aim is to create a strong culture

Health and Safety Frequency rate *



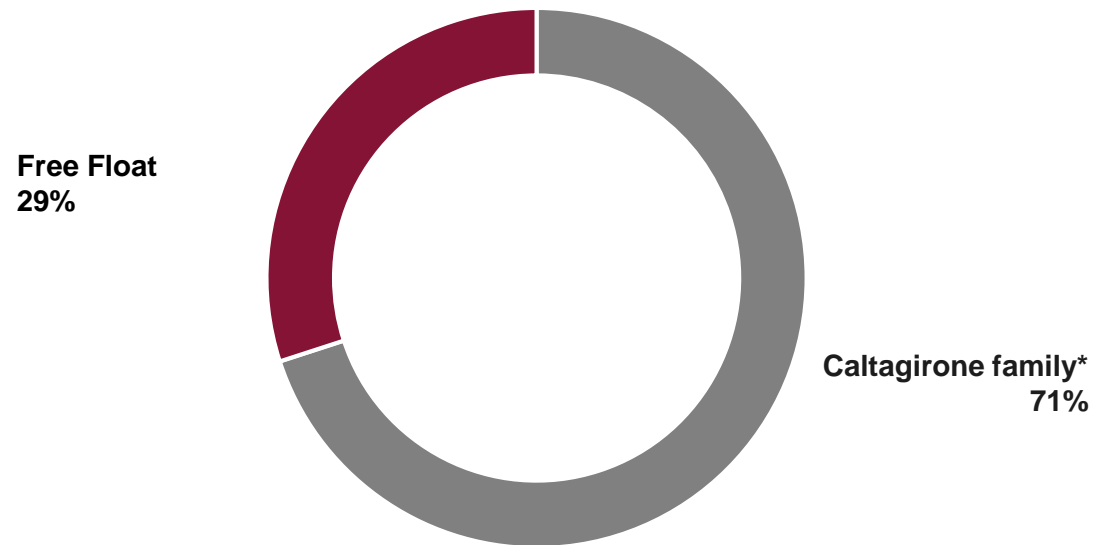
Health and Safety performance

- Main plants adopted an Health & Safety management system certified (OHSAS 18001)
- The Company is focused on further reducing the rate of severe injuries and minimizing accidents
- Investments on safety equipment and machinery to maintain high standard of technology
- Specific intensive training
- Information and engagement campaigns at all employees

* The frequency rate was calculated as: (total number of accidents / hours worked) *200,000

The Caltagirone family is the controlling shareholder

- Listed on the Milan Stock Exchange since 1955, currently in the STAR segment

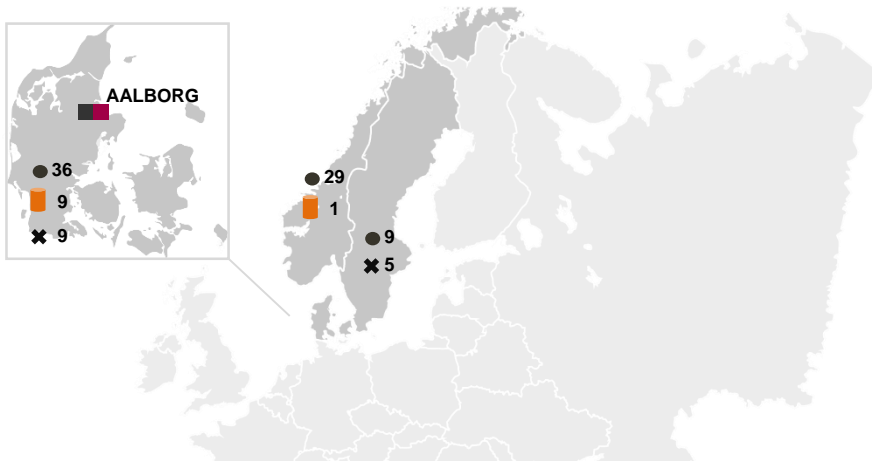




COUNTRY PERSPECTIVE

Strategic Initiatives of the Business Plan 2018-2020

Scandinavia – an integrated business model

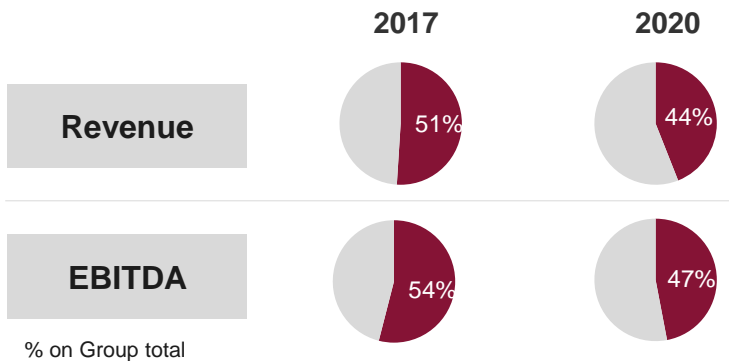


- Grey cement plant 1
Capacity: 2.1 million tons
- White cement plant 1
Capacity: 0.85 million tons

- Ready-mixed concrete plants 74
- Terminals 10
- ✕ Quarries 8

2017 RMC sales: 2.4 million m³

2017 aggregate sales: 4.2 million mt



Our position

Denmark

- Only domestic cement player and market leader
- Vertically integrated business model with market leader position in RMC and aggregates
- High brand reputation, high-end quality, premium

positioning

Norway

- Market leader position in RMC

Sweden

- Strong position in RMC and aggregates

Markets and Macro

Denmark

- GDP growth expectation
- Expansion of cement demand in the last years
- Highest consumption per capita among Scandinavian countries (~300)
- Higher energy costs partially offset by favourable exchange rate on USD
- Volumes from Fehmarn Belt project (from 2020)

Norway

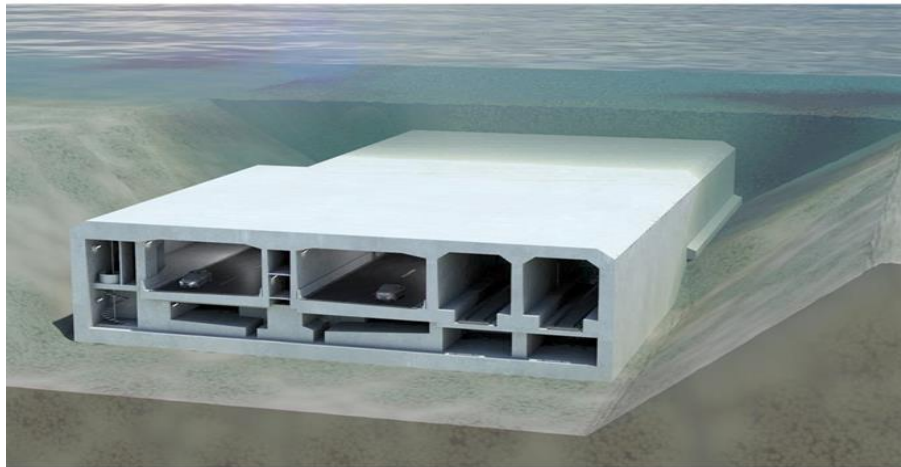
- Strong position in the three largest cities in Norway
- Stable market

Sweden

- Ongoing infrastructure projects around the three main cities (Malmö, Stockholm, Göteborg)

Project Fehmarnbelt Tunnel (Germany-Denmark)

- The Fehmarnbelt link will be the world's longest of its type for both road and rail to connect Germany to the Danish island of Copenhagen.
- 18 kilometre long with four lane motorway and two electric rail tracks
- Project duration: 8 years and a half (expected completion date 2028)
- Total cost: over 7 billion euro (2015 prices).
- Estimated cement consumption: about 2.5 million tons



Fonti: femern.com, stime AP DK

Denmark cement – More value to the customer

Strategic initiatives 2018- 2020

Grey

Commercial excellence	Production optimization	Supply chain	Cash generation
<ul style="list-style-type: none"> • Optimization of the commercial portfolio • Value added products and services • Quality products • Service development: E-business and technical assistance 	<ul style="list-style-type: none"> • Secure stable production and high output to meet demand • Positive effect from new investment in Calciner • Increase use of alternative fuels • Optimize variable costs 	<ul style="list-style-type: none"> • Optimization of logistic setup, including terminals and vessel size • Secure strategic raw materials • Sales and operations planning 	<ul style="list-style-type: none"> • Reduce capex and maintenance costs • Inventory management

White

White leadership	Commercial excellence	Production optimization	Supply chain & Other
<ul style="list-style-type: none"> • Initiatives to further develop leadership in European markets • New export markets 	<ul style="list-style-type: none"> • Innovative products • Focus on quality • White pricing model • Value added products and services 	<ul style="list-style-type: none"> • Improvement of maintenance planning and execution and reduction of maintenance costs per ton 	<ul style="list-style-type: none"> • Reorganization of logistic and procurement • Environment and sustainability

RMC – focus on the customer

Strategic initiatives 2018- 2020

Denmark RMC

Commercial excellence	Innovation	Asset footprint	Effectiveness
<ul style="list-style-type: none"> • Customer focus • Increase customer satisfaction • Digitalisation • Value added products and services 	<ul style="list-style-type: none"> • Innovative product development • Digitalisation • Recycling, recycled concrete and Green Agenda 	<ul style="list-style-type: none"> • Optimize RMC plant footprint • Explore market opportunities 	<ul style="list-style-type: none"> • Optimised purchasing • Production processes • Distribution efficiency • Increase load size • Remote controlled plants

Norway RMC

Commercial excellence	Environment and sustainability	Asset footprint	Effectiveness
<ul style="list-style-type: none"> • Customer focus • Commercial strategy • Develop the pumping coordination model • Value added products and services 	<ul style="list-style-type: none"> • Product program with environmental focus • Waste management • Green transportation • Alternative to fly ash 	<ul style="list-style-type: none"> • Optimize RMC plant footprint • Explore market opportunities 	<ul style="list-style-type: none"> • Optimise supply chain • Implement best practise • Distribution efficiency • Remote controlled plants

Norway and Sweden – focus on the customer

Strategic initiatives 2018- 2020

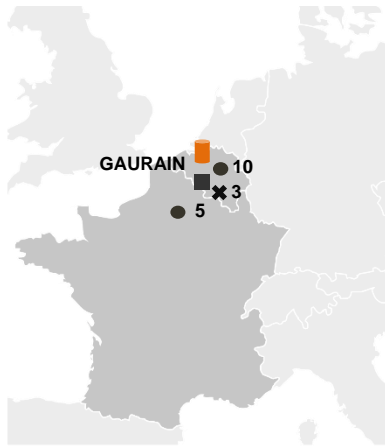
Sweden (RMC and aggregates)

Commercial excellence	Environment & sustainability	Asset footprint	Effectiveness
<ul style="list-style-type: none"> • Customer focus • Optimize commercial positioning and portfolio • Digitalisation • Value added products and services 	<ul style="list-style-type: none"> • Improve economic, social and environmental sustainability • Zero accident injury free environment 	<ul style="list-style-type: none"> • Optimize RMC plant footprint • Explore market opportunities 	<ul style="list-style-type: none"> • Optimised purchasing • Production processes • Distribution efficiency • Fleet strategy

Denmark aggregates

Commercial excellence	Health & Safety	Asset footprint	Effectiveness
<ul style="list-style-type: none"> • Support RMC business with competitive materials in South of Jutland 	<ul style="list-style-type: none"> • Reduce accident frequency 	<ul style="list-style-type: none"> • Explore market opportunities 	<ul style="list-style-type: none"> • Deeper integration of processes with Unicon RMC in Denmark and with CCB in Belgium • Cost optimization

Belgium - France



■ Grey cement plant 1
Capacity: 2.3 million tons

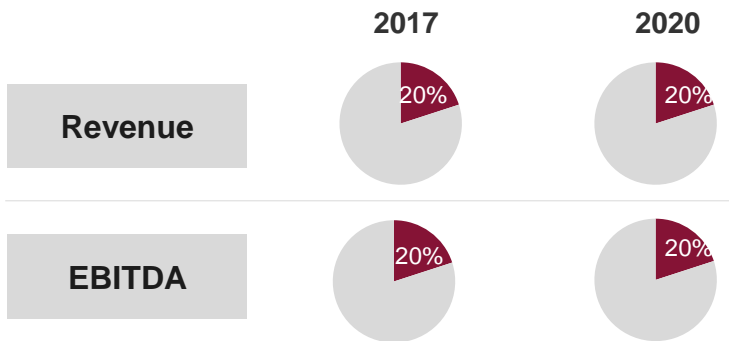
● Ready-mixed concrete plants 15

■ Terminals 1

✕ Quarries 3

2017 RMC sales: 1.0 million m³

2017 aggregate sales: 5.2 million tons



% on Group total

Our position

- Third cement player
- High level of vertical integration
- Advantageous location and exposure to diversified geographical markets (Belgium, France, the Netherlands)
- More than 40% of cement sold to neighbouring countries
- Strong position in aggregates and RMC
- High-quality and long-life aggregates reserves on site (> 80 years)

Markets and Macro

Belgium

- Positive macroeconomic outlook and rebound of the construction sector with an increasing demand for building materials
- Highest consumption per capita in Europe (~500)

France

- Infrastructure development driven by the Olympic Games hosted in Paris in 2024

Belgium - France

Strategic initiatives 2018- 2020

Cement

Commercial excellence

- Optimization of the commercial portfolio
- Sales approach and use of Sales Force tool
- Develop new products

Production optimization

- Optimization of energy and electricity consumption
- Increase use of alternative fuels
- Reduce grinding costs

Supply chain

- Optimization of distribution
- Secure strategic raw materials

Cash generation

- Focus on customers rating and money collection

Belgium - France

Strategic initiatives 2018- 2020

Aggregates

Commercial excellence	Production optimization	Supply chain	Cash generation
<ul style="list-style-type: none"> • Optimization of product range • Pricing strategy • High profitability product development 	<ul style="list-style-type: none"> • Optimize the utilization of the reserve in the quarry • Optimize extraction costs 	<ul style="list-style-type: none"> • Develop logistic platform • Loading and transport organization into the quarry • Mining process 	<ul style="list-style-type: none"> • Inventory management • Focus on customers rating and money collection

RMC

Commercial excellence	Profitability	Asset footprint	Cash generation
<ul style="list-style-type: none"> • Initiatives to strengthen market prices and sustain pricing strategy • Optimization of product portfolio 	<ul style="list-style-type: none"> • Integrated P&L approach • Optimize matrix distribution • Fleet planner truck efficiencies 	<ul style="list-style-type: none"> • Optimize RMC plant footprint • Increase vertical integration with new plants 	<ul style="list-style-type: none"> • Focus on customers rating and money collection

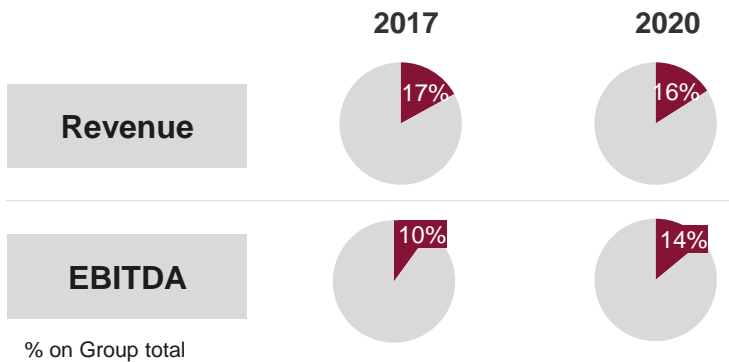
Turkey – market in recovery mood so far



■ Grey cement plant 4
Capacity: 5.4 million tons

W Waste facilities 2

● Ready-mixed concrete plants 17
2017 RMC sales: 1.6 million m³



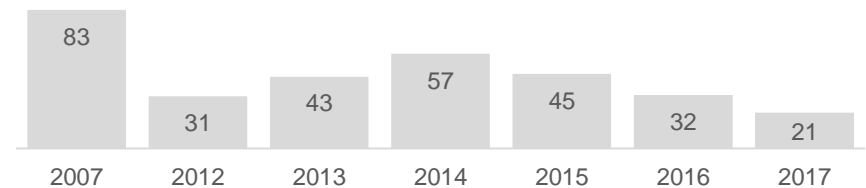
Our position

- Presence in high consumption regions (more than 50% of Turkey)
- Strong RMC presence in Aegean region
- Vertically integrated business model

Markets and Macro

- Strong GDP growth expectation
- Election on June 24 boost construction output
- Strong domestic demand supported by infrastructural, residential and commercial construction projects
- Highly fragmented market structure
- Positive pricing dynamics in some markets while capacity increases in other areas

Industrial EBITDA development



Turkey – focus on pricing and operating efficiencies

Strategic initiatives 2018- 2020

Commercial excellence

- Initiatives to develop price positioning to sustain value based pricing strategy
- Value added products and services

Vertical integration

- Expand ready-mixed concrete position in Marmara and Aegean regions
- New aggregate plant in Marmara

Production optimization

- Increase use of alternative fuels (Izmir and Edirne) and raw materials (waste gypsum, bottom ash)
- Energy supply from the grid
- Improve preventive maintenance and planning

Supply chain & Other

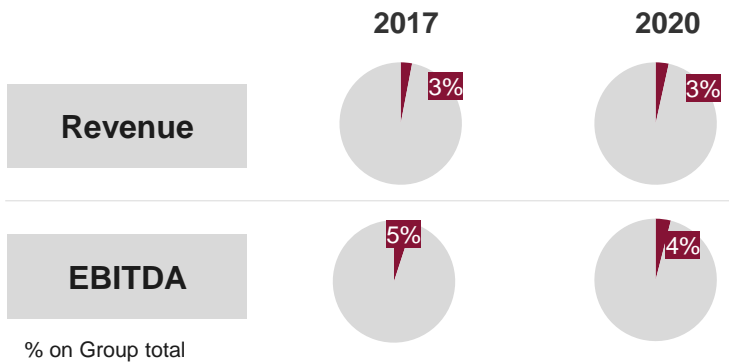
- Logistic set-up
- Improve receivables and reduce risk on credit
- Inventory management

Egypt – challenging situation but recovery is expected



■ White cement plant 1
Capacity: 1.1 million tons

2017 White cement sales: **0.54** million tons



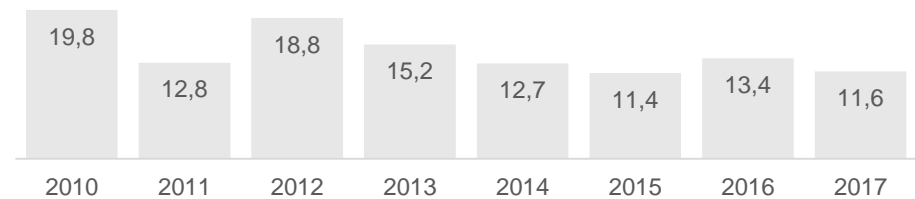
Our position

- Leading position in white cement with largest installed capacity
- Export sales are more than 50% of total
- Stable local market
- Traditional export markets in downturn and/or addressed by other competitors
- Unfavourable political situation and devaluation are key risks

Markets and Macro

- High inflation country with ongoing devaluation (350% 2015-2020)
- EGP/USD stabilized during the last months
- Construction sector supported by the Government development plans

Industrial EBITDA development



Egypt – impacted by Egyptian devaluation and energy costs

Strategic initiatives 2018- 2020

Secure local market share

- Products availability
- Outbound logistic framework (bags & bulk)
- External warehouse out of Sinai

New segments / markets

- Develop the dry mix segment
- Market white concrete and new applications (dry-mix, UHPC, GRC, Road barriers)

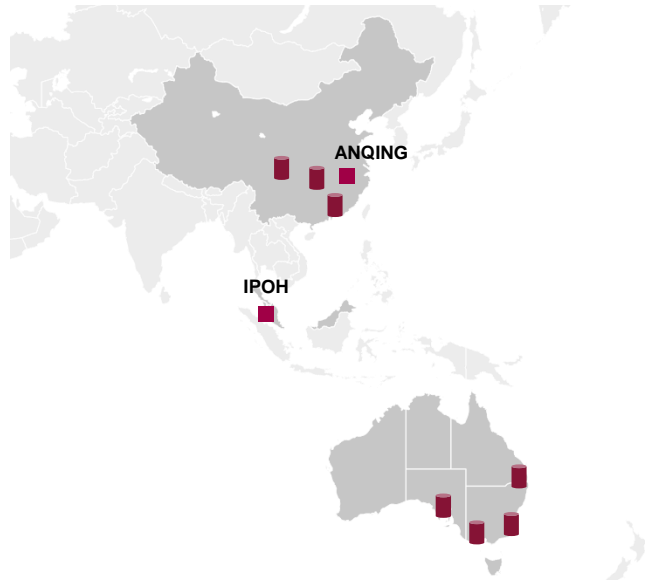
Industrial efficiencies

- Focus on industrial KPI's
- Enhance production quality in terms of reliability, consistency, packaging

Cost control

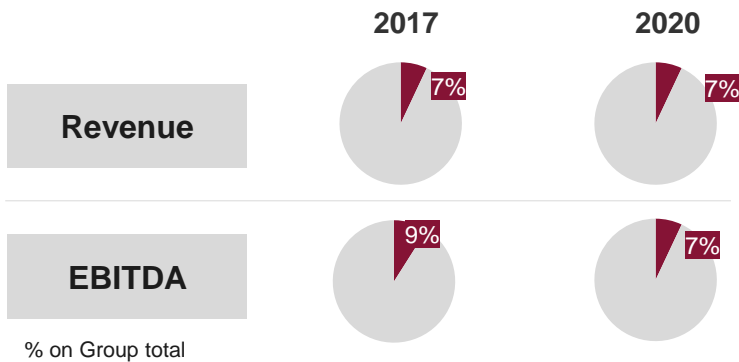
- Unfavorable cost structure due to low run rate factor
- Energy cost inflation
- Improve inbound and outbound logistic
- SG&A

Asia Pacific (China, Malaysia and Australia)



- White cement plant 2
Capacity: **1.05** million tons
- Warehouse/Terminals: 7

2017 White cement sales: **0.86** million tons



Our position

- Market leader in white cement
- High brand reputation, high-end quality, premium positioning
- Increasing demand of good quality cement
- Strategically-placed terminals in Australia

Markets and Macro

China

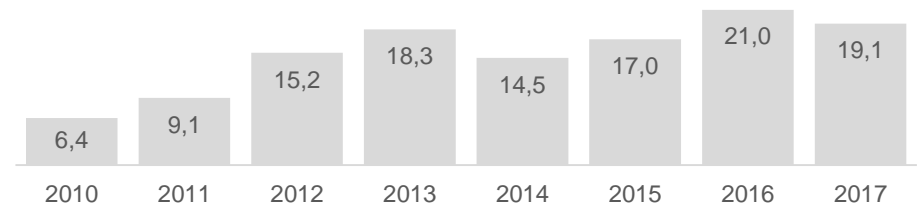
- GDP growth 2018 6.5%
- Construction sector growth
- Higher competition due to new capacity, consolidation process
- Stronger environmental regulation

- New Chinese white cement standards

Malaysia

- GDP growth 2018 of 4.6%
- Positive demand growth in domestic and export markets
- White cement consumption growth of 5.3% in Asia (excluding China)

Industrial EBITDA development



China – our plan to enhance value

Strategic initiatives 2018- 2020

Increase value from current market position

- Customer centricity approach
- Focus on products with higher contribution margin
- Customer and sales areas optimization

Plant performance optimization

- Improve product quality consistency: whiteness & strenghts
- Optimize main equipment uptime and capacity

Accelerated growth

- Scout opportunities for new white cement capacity in China
- Investment to comply with new environmental regulation

Continuous improvement culture development

- Continuous focus on efficiencies
- Build an adaptive and strong work culture

Malaysia – improve profitability and sales

Strategic initiatives 2018- 2020

Sales approach

- Improve customer experience through digital technologies
- Develop and build customer relationship
- Regain lost export markets for production constraints
- Increase product range

Operations

- Plant performance stabilization and optimization
- Capacity expansion and debottlenecking
- Enhance supply chain process

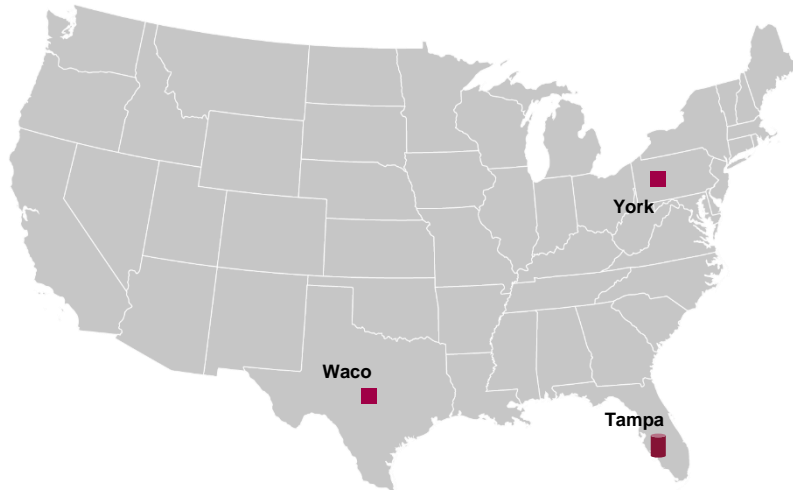
Accelerated growth

- Potential opportunities for new grinding plant in one of major key markets in South East Asia
- Speed up growth through trading activities

Continuous improvement culture development

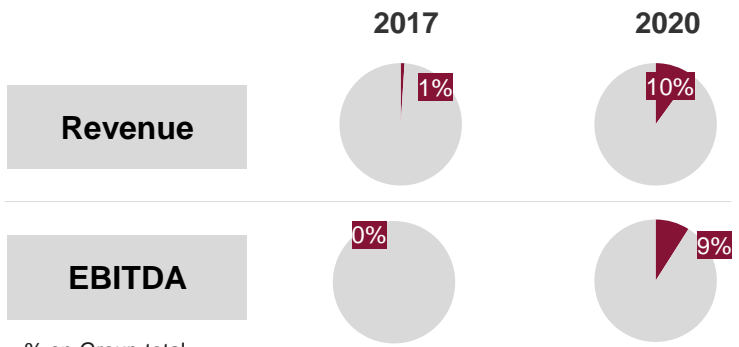
- Several efficiency improvement programmes
- Build an adaptive and strong work culture

USA



■ White cement plant
Capacity: **0.26** million tons

2017 White cement sales: **0.6** million tons



% on Group total

Our position

- LWCC is the only producer of white cement in the US and the leading supplier
- Extensive **distribution network** of over 40 terminals in 28 states across the US
- Distribution also imported cement from its partners
- In US raw materials for white cement are present near Waco and York
- LWCC EBITDA of 26 M\$ in 2017 and estimate of 32 M\$ in 2020

Markets and Macro

- World's second largest white cement market after China
- White cement consumption of 1.4 million tons in 2017
- CAGR 2012-2017 of demand of 8.6%
- Highly dependent on imports as local production is far below demand levels
- California, Texas and Florida make for more than 50% of white cement consumption

Initiatives

- Improve performance thanks to the Group's penetration capacity focusing on logistic and cost structure
- In 2018 EBITDA of LWCC is expected at around 10 M€ (consolidated for 9 months) due to non recurring costs

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