



**Italian Sustainability Week 2022**  
**ESG Investor presentation**

# Agenda

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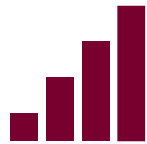


# Group Highlights

*Youth Olympic Games Center, Nanjing (China)*

# Cementir at a glance

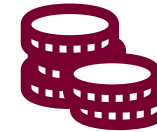
€ 1.4 BN  
Annual Sales



3,083  
Employees



15.6% ROCE



BBB-  
Rated by S&P  
Stable Outlook



13.1 M tons



Cement Capacity

20% share\*  
White Cement  
globally





# Business segments



GREY CEMENT



WHITE CEMENT



READY-MIXED CONCRETE



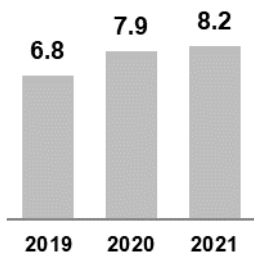
AGGREGATES



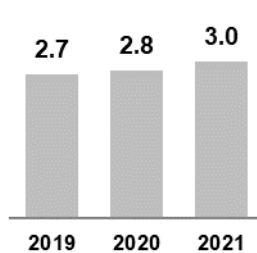
WASTE / CONCRETE PRODUCTS



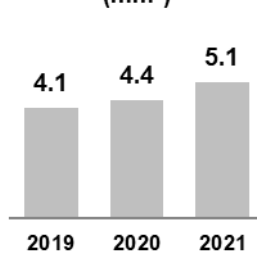
Volumes sold (mt)



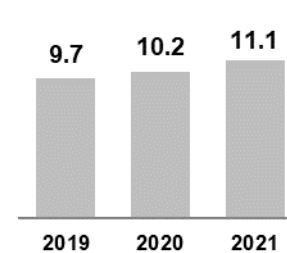
Volumes sold (mt)



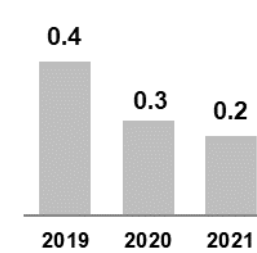
Volumes sold (mm<sup>3</sup>)



Volumes sold (mt)



Waste processed (mt)



## 2021 Figures

REVENUE = 854 M€  
EBITDA = 232 M€  
EBITDA margin = 27%

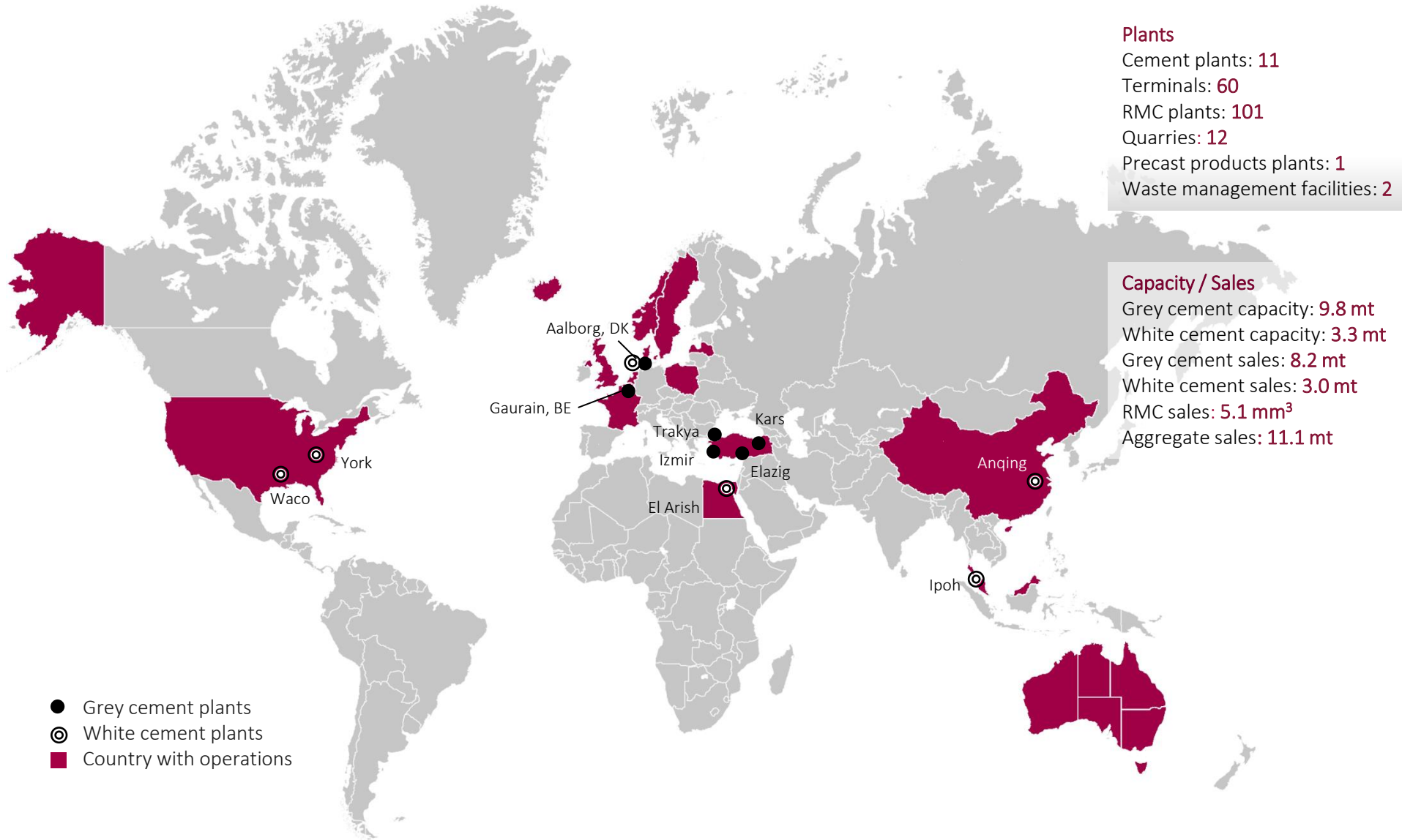
REVENUE = 449 M€  
EBITDA = 49 M€  
EBITDA margin = 11%

REVENUE = 94 M€  
EBITDA = 33 M€  
EBITDA margin = 35%

REVENUE = 12 M€  
EBITDA = 0.9 M€



# Industrial footprint



Data as of December 31<sup>st</sup>, 2021

# Strategy based on four pillars

## Sustainability

97 M€ of Green Investments by 2024 (~7% of annual sales)

## Innovation

Focus on high-value added solutions like FUTURECEM® leveraging on *InWhite Solutions®* platform

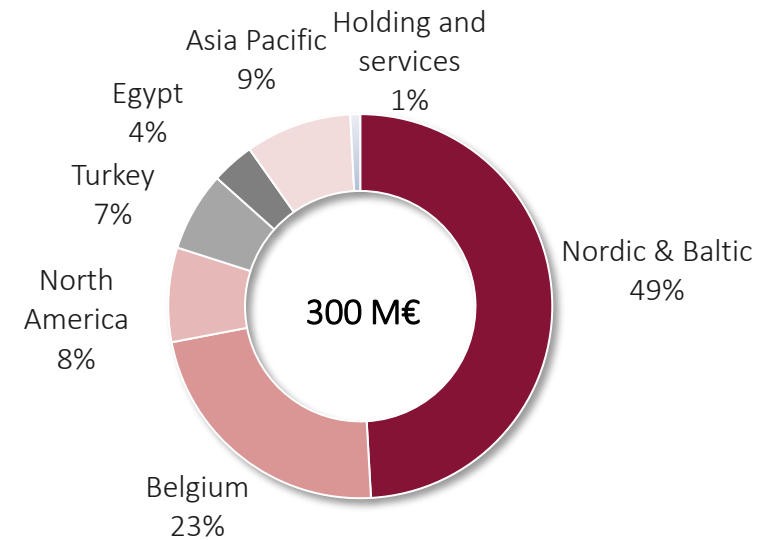
## Competitiveness

Decarbonisation and profitability increase through technology, digitalization and green investments

## Growth and Positioning

Keep white cement leadership; leverage on vertically integrated platforms (N&B, Belgium and Turkey)

## 2021 EBITDA breakdown (\*)



81% of Ebitda from mature markets (Currencies: EUR, USD, DKK, NOK, SEK)



# ESG Strategy

*CCB's Gaurain plant, Belgium*





# Our Sustainability journey since 2019



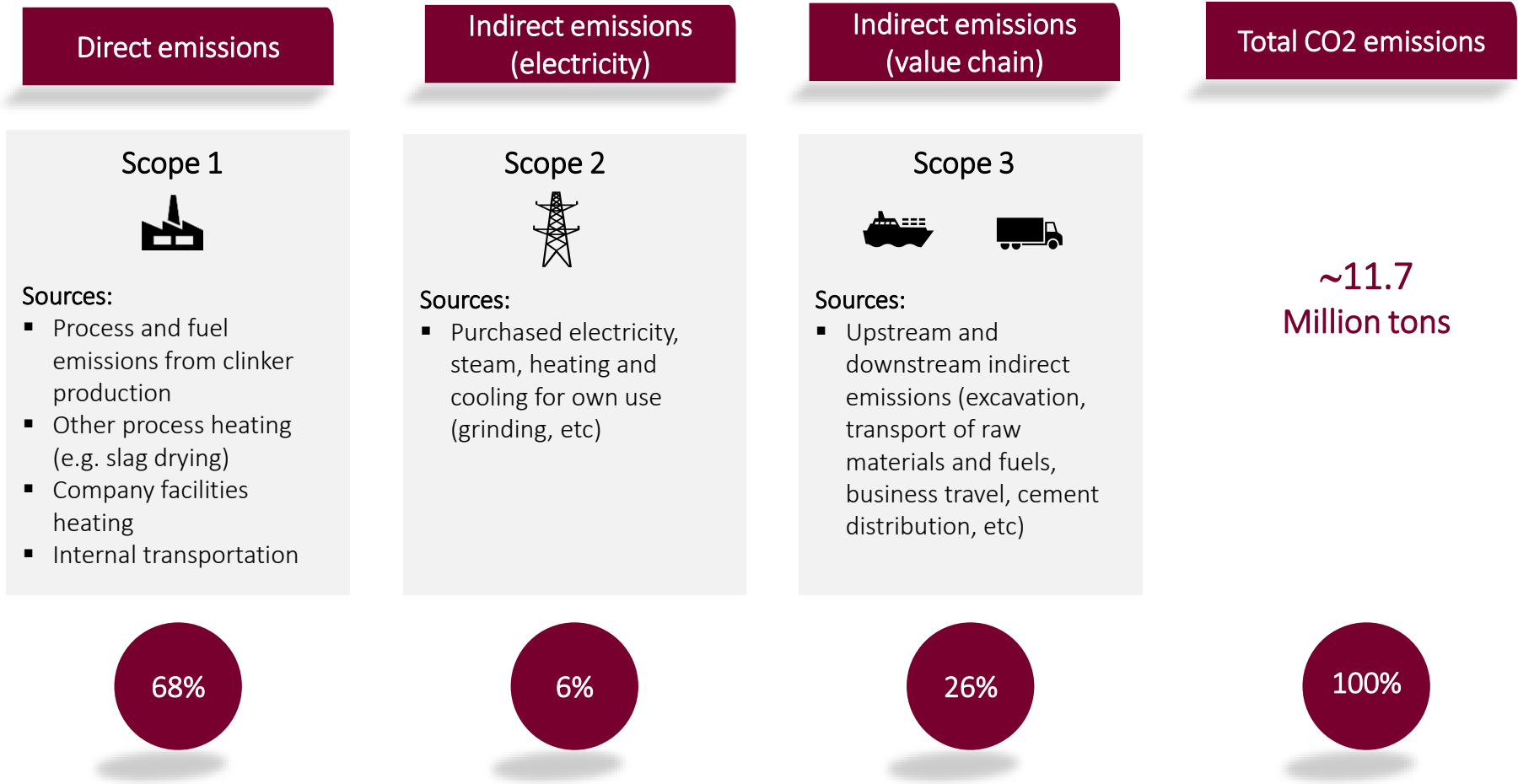
- **New organization** and Sustainability Governance with **Group Sustainability Committee**
- Definition of **25 ESG objectives**
- **30%** CO2 emissions reduction target
- Shift from mandatory reporting to ESG voluntary disclosure
- Integration of Sustainability into **Corporate Strategy** with **2030 Roadmap** on CO<sub>2</sub> emissions reduction
- 2050 **Net Zero** ambition
- **Human rights** formal monitoring
- Launch of **FUTURECEM®** on the market
- Cementir joins the **European Climate Pact** against climate change
- **Science Based Target initiative** validated our “well below 2°C” emission reduction objectives
- **Group Sustainability Committee** within Cementir Board of Directors
- **Scope 3** emissions assessment
- First **CDP water security** questionnaire filed
- Non-financial KPIs embedded into short-term incentive plan
- All cement plants ISO 45001-certified
- **UN Global Compact** Commitment



# Rating improvement reflects ESG commitment

Rating	Ranking Scale (Worst-> Best)	2019	2020	2021
 CDP DRIVING SUSTAINABLE ECONOMIES Climate Change	D- to A F: no filing	F	B	A-
 CDP DRIVING SUSTAINABLE ECONOMIES Water Security	D- to A F: no filing	F	F	B
 MSCI	CCC to AAA	BBB	BBB	BBB
 REFINITIV	0 to 100		32	63
 V.E VIGO. EIRIS	0 to 100	38	45	45
 Gaia	0 to 100	57	73	76
 INTEGRATED GOVERNANCE INDEX	0 to 100	45	61	54

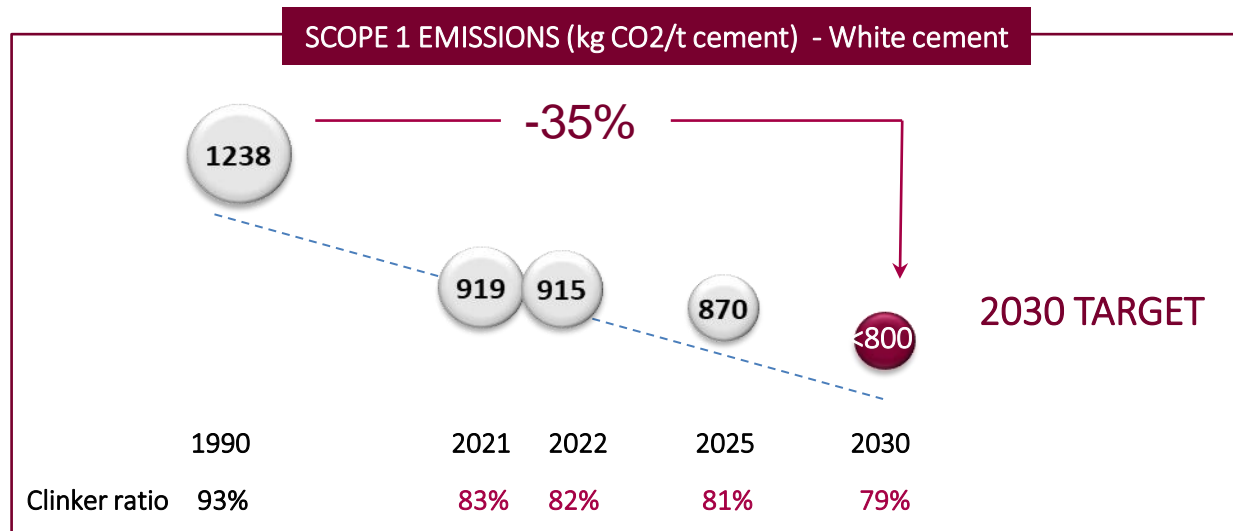
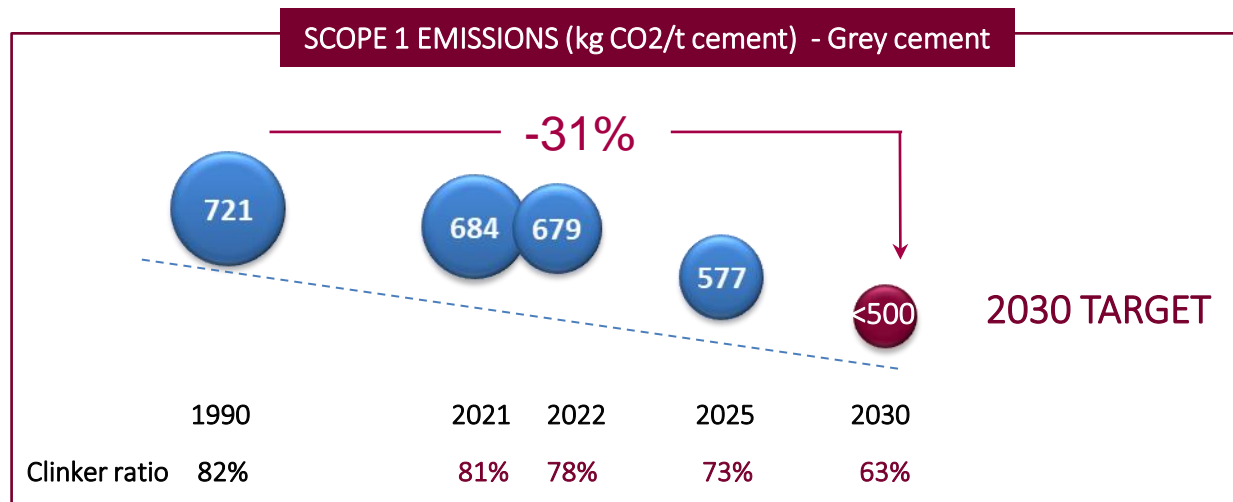
# Scope 1, 2 and 3 CO<sub>2</sub> emissions footprint today (\*)



(\*) 2021 figures. According to GHG protocol (Scope 2 emissions calculated applying the location-based method)



# Scope 1 emissions 2030 Decarbonization targets



## LEVERS

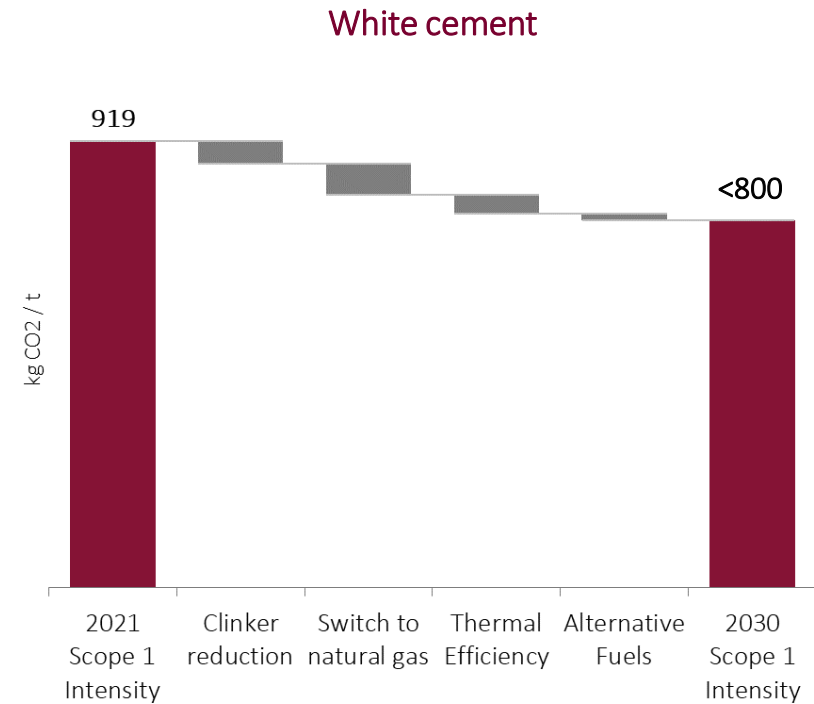
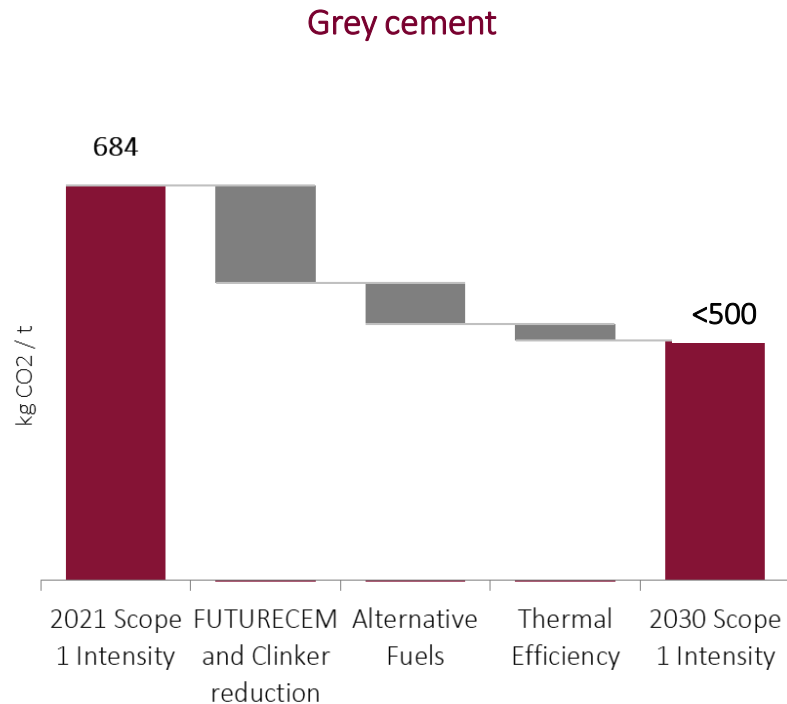
- **FUTURECEM®** and other low carbon products
- **Raw materials:** use of calcined clay, GBFS, fly ash and limestone
- **Circularity:** materials and process waste recycling
- **Energy:** switch to natural gas, biomass and biogas (Denmark and Belgium by 2025), alternative fuels, district heating, green power
- **Process:** plants upgrade (Cementir 4.0), clinker ratio reduction, Kiln heat consumption reduction, waste heat recovery, predictive maintenance
- **Logistics:** green transportation (hybrid trucks), smart logistics, network and routes optimization, eProcurement



# Scope 1 emission reduction waterfall

2030 Roadmap earmarks three main levers to reduce Scope 1 emissions:

- FUTURECEM® and other low carbon products
- Increase of alternative and/or less carbon intensive fuels
- Thermal energy efficiencies



# Low carbon and sustainable product pipeline

## LOW CARBON CEMENT

- Limestone calcined clay technology



- Blended cement with lower clinker content, based on fly ashes, blast furnace slag and pozzolana
- New grey cement brands in Turkey



- White limestone-blended cement

## SUSTAINABLE READY-MIX CONCRETE

- More sustainable RMC products by leveraging on **recycled aggregates** and **low carbon cements**
- Optimization of mix designs, use of new additives, cement types, fillers and binders
- Close relationship with customers to develop new products
- Brand **UNI-Green** launched in Scandinavia with 25% less CO<sub>2</sub>
- Brand **C-Green Neutral** and **C-Green Recyc** in Belgium and France



Belgium and France



Scandinavia

## RECYCLED AGGREGATES

- Use of recycled concrete for aggregates reducing the use of natural resources and landfilling

## LOW CARBON SOLUTIONS



Under development

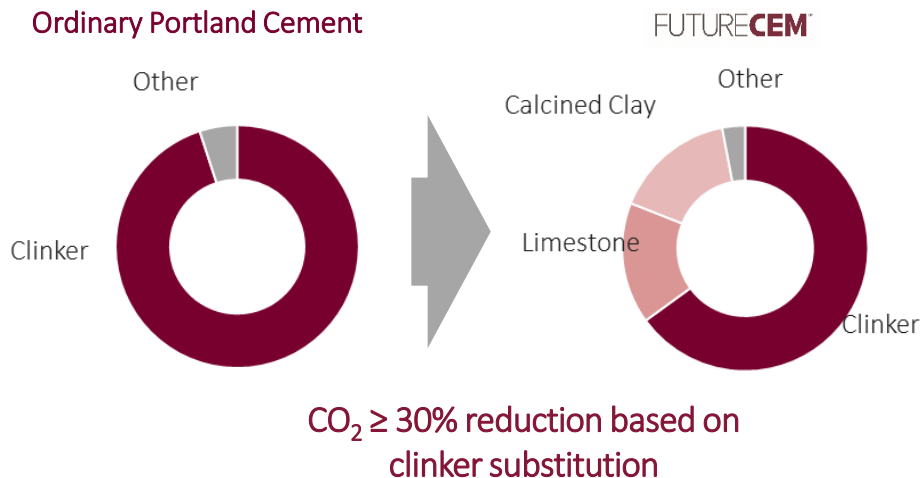


Under development

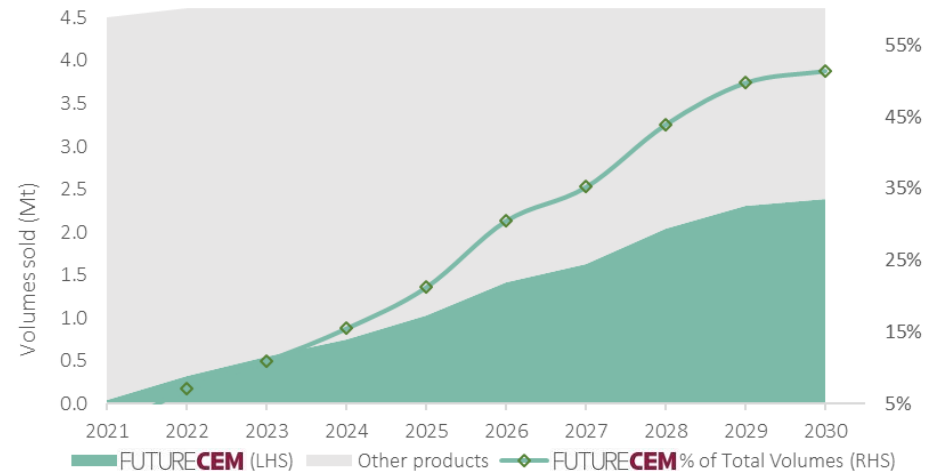


# FUTURECEM® is a key pillar of our sustainability strategy

- Proprietary limestone calcined clay technology which enables over **30% CO<sub>2</sub> reduction compared to ordinary Portland through clinker substitution**
- Allows to produce a greener and more sustainable concrete while preserving overall performance strength
- Fully acknowledged by IEA as clinker ratio reduction solution (\*)
- Recognized in the EN 197-5 European standard for II/C-M cements
- 2021: Launch in Denmark with sales targets achieved.
- 2022: Launch in France and Benelux. Progressive roll-out in all regions within 2030.
- By 2030 FUTURECEM® is expected to represent around **51%** of total volumes sold in Europe and **60%** of grey cement volumes



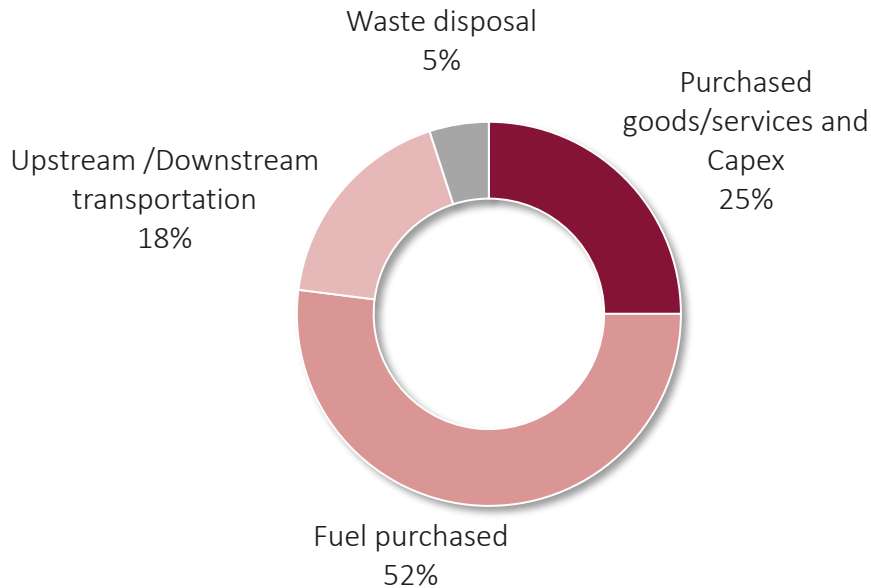
## FUTURECEM® roll-out plan - Volumes sold in EU



(\*) Roadmap for Low Carbon transition in the cement industry by the International Energy Agency, 2018; "low clinker cements" in the "Cementing the European Green Deal", 2020

# We have taken important steps to manage our Scope 3 emissions

## Scope 3 emissions Breakdown \*



### Value Chain Engagement

- During 2020 and 2021 we identified synergies and potential partners to help reduce emissions
- Strategic suppliers invited to participate in the CDP Supply Chain program and disclose their emissions

### Main initiatives

#### WHAT WE ARE DOING

- Efficiencies in logistics - route planning systems, shift to rail or sea freight, increasing back-haulage and load capacity
- Hybrid and electric trucks in Denmark
- Leveraging other industry decarbonization initiatives

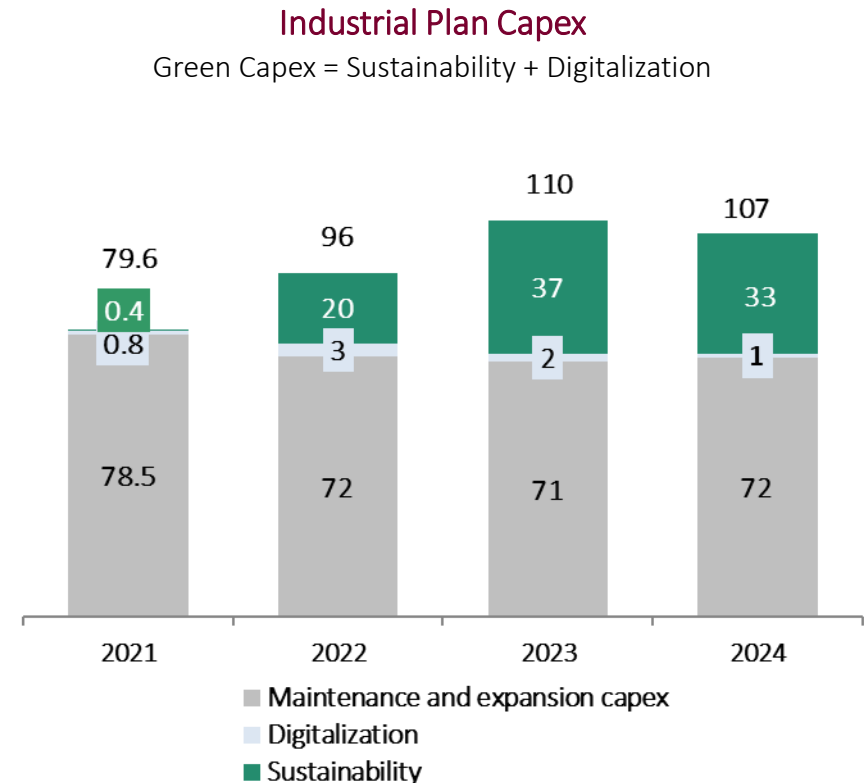
#### NEXT STEPS

- Emissions reduction targets to be set in line with SBTi
- Definition of specific measures: procurement policy and choices, customer and supplier engagement, product and service design



# 2022-24 Capex highlights

- **97 M€** of «green» investments, focused on operational efficiency through plant upgrades, digitalisation of industrial processes and product innovation
- 2021 sustainability capex lower than planned due to one-year postponement of Belgian kiln upgrade
- Main initiatives:
  - Facility upgrade for FUTURECEM® production in Aalborg, Denmark
  - Switch to natural gas/biogas in Aalborg
  - Kiln upgrade in Gaurain, Belgium
  - District Heating in Aalborg



# Capex: main initiatives for CO<sub>2</sub> emissions reduction

## Switch to natural gas

- Agreement with the Danish gas distribution company Evida to connect our Aalborg factory to the grid in **2023**
- Gas network connection is **the first step** towards the green transformation and will provide a flexible fuel strategy with increased use of more green fuels
- **Estimated 20% CO<sub>2</sub> emission reduction**



## Kiln upgrade - Belgium

- Kiln upgrade in Gaurain (Belgium) to increase **alternative fuels use from 40% to 80%**
- Main objectives: thermal efficiency, improvement, reduced maintenance costs, minimizing kiln stoppages
- **Estimated CO<sub>2</sub> emission reduction of 88,000 tons annually**



## Sustainable distribution

- Increase distribution by rail, impose stronger requirements for suppliers, and use more fuel-efficient ships
- In 2021 purchase of 19 **hybrid trucks** with the first full electric truck operating in Denmark in Aug. 2021
- New ships in Aalborg operating with 55% lower fuel consumption



# New breakthrough technologies: Carbon, capture, usage and storage

Through Aalborg Portland, Cementir participates in several CCUS projects



- **Objectives:**
  - Demonstrate the techno-economic viability of green electricity-based, energy-efficient CCU innovations in an industrial environment
  - The pilot project is designed to collect **100 kg of CO<sub>2</sub> per hour** with a **mobile demonstration plant at Aalborg, DK**
- **Technology**
  - Method based on electrochemical gas separation at low temperatures by using an alkaline liquid as binder
  - Captured carbon will be converted into high added-value products (formate, formic acid) with enhanced marketability
- **Timeline and status**
  - Project period: April 2021 - March 2025
  - Implementation phase in Aalborg from Nov. 2023
- **Funds:** over 13 M€ of European funds (Horizon 2020)



- **Objectives:**
  - Concept study of carbon capture and CO<sub>2</sub> hub in Aalborg
- **Technology**
  - CO<sub>2</sub> utilization for fuel production
  - Network for CO<sub>2</sub> transport and use of surplus heat
  - Liquefaction facility for storage and a Power-to-X plant for utilizing captured CO<sub>2</sub> in reaction with hydrogen for producing the green e-fuel eMethanol.
- **Project period:** August 2020 – July 2022
- **Funds:** co-funded by the Danish Energy Technology Development and Demonstration Programme (EUDP)
- **Project participants:**
  - Aalborg Portland, Port of Aalborg, Aalborg Energi Holding, European Energy, Aalborg University, Cemtec Fonden (Hydrogen Valley), DFDS, Reno-Nord

# New breakthrough technologies: Carbon, capture, usage and storage

Mission driven research partnership to support CO2 storage and use



## CORT – Carbon capture Open tests and review of Technologies

### ▪ Objectives :

- The partnership's vision is to contribute to climate goals by capturing, storing and using CO2.

### • Technology

The partnership will perform R&D based on a Roadmap to achieve zero CO2 in 2050. The subject areas are:

- Chemical carbon capture
- Biological carbon capture
- Geological storage
- Biological storage
- Society and system analysis

### ▪ Project period: From June 2022

### ▪ Funds: 27 M€ from Innovation Fund Denmark

### ▪ Project participants: 54 partners from Industry and Academia. Cementir is represented in the Board of INNO-CCUS and with the CORT Project

### ▪ Objectives:

- Demonstration of solvents and process technologies for amine process carbon capture.
- A mobile test unit will be placed at Aalborg Portland in Autumn 2022 and operate in 2023.

### ▪ Project period: August 2022 - July 2025

### ▪ Funds: funding from Innovation Fund Denmark

### ▪ Project participants:

- Pentair (carbon capture equipment), Aalborg Portland, DTU, Oersted (biomass electricity plant), Aalborg University, ARC (waste incinerator), Aalborg University, Force (measuring equipment)



# Cementir is part of two consortia of the Innovandi Open Challenge

Global program to bring together tech start-ups and GCCA member companies to drive innovation and help solve the climate challenge



Six consortia between start-ups and cement companies to accelerate ground-breaking technologies for achieving net zero

## Consortium MOF Technology

- MOF Technologies has developed a mechanochemical manufacturing process to accelerate the synthesis of Metal-Organic Frameworks (MOFs) to allow carbon capture
- Supported by Cementir Holding, Buzzi Unicem, Cimentos Molins and HeidelbergCement

## Consortium Saipem

- Saipem has developed a revolutionary carbon capture technology based on enzymes
- Supported by Cementir Holding, Buzzi Unicem, Cemex, Holcim, Titan Cement Group, Cimentos Molins, GCC, Votorantim

For further information [www.gccassociation.org](http://www.gccassociation.org)

# Health and Safety: developing a strong H&S culture

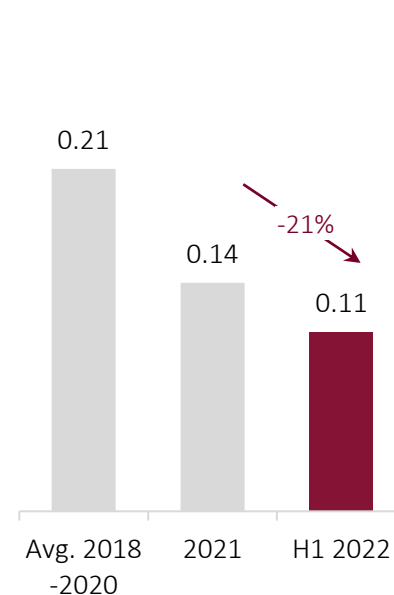
Cementir is strengthening its H&S culture through workers' engagement and participation

- Continuous improvement of safety through H&S initiatives, such as **Group policy**, **Group guidelines**, **Golden Rules of Safety**, to promote standardised behaviour and share best practices
- **Leadership** as key attitude starting from managers
- Develop a **proactive** and responsible safety culture where 'each one protects everyone'
- **Effective and efficient management systems** with all cement production plants certified with ISO 45001 standards by 2022
- **Zero fatalities** and no high-consequences work-related injuries (\*) among employees
- **Managerial performance linked to H&S targets**



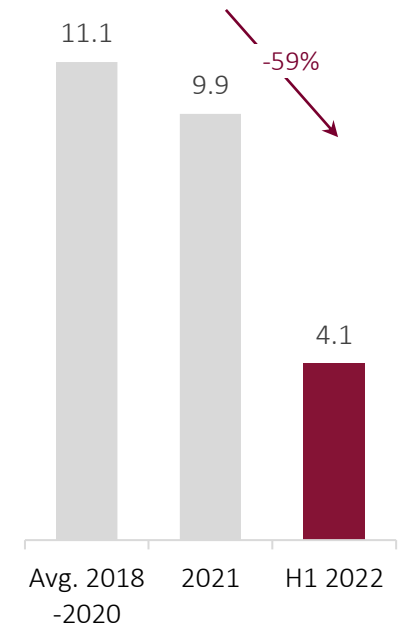
## Lost Time Injury Frequency Rate LTI FR

LTI FR = (injuries with working days of absence / hours worked) x 1,000,000



## Lost Time Injury Severity Rate LTI SR

LTI SR = (working days of absence / hours worked) x 1,000



# Social commitment

Promoting diversity and equality, people engagement and social responsibility



## Diversity and inclusion

- Promotion of diversity, equity and inclusion in hiring process, compensation levels, annual salary reviews and promotions, work-life balance



## Talent management

- Main key positions filled internally
- Structured management development program
- Employee's remuneration linked to sustainability targets



## Social responsibility

- Intensify local commitment and initiatives based on specific needs
- Definition of a global Policy on community involvement

## Human rights

- Monitoring system covering 95% of workforce worldwide
- Compliance in child labor, forced-labor, non-discrimination, conditions of employment, security and supply chain management

## Cementir Academy

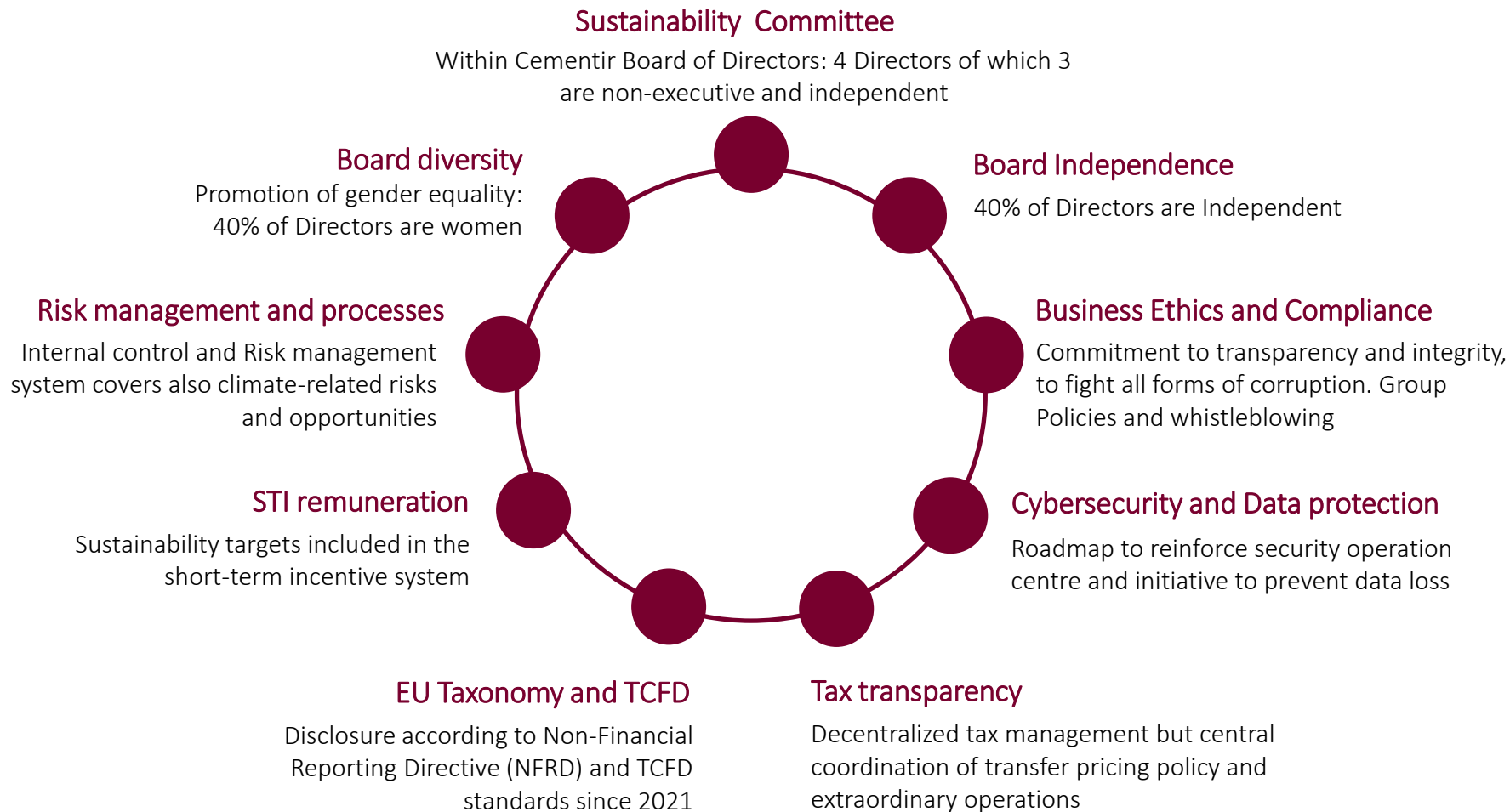
- Develops and enhances technical, behavioral and managerial skills
- In 2021 Cementir Academy provided more than 37,000 hours of training
- Specific programs: Cementorship and Emerging Talent

## Local communities initiatives

- Support education with the Cimentas Education and Health Foundation
- District heating and cooling in Denmark
- Partnership for water management
- Biodiversity in quarry management in Belgium

# Responsible Governance

Strong governance is a pre-requisite to deliver on our ESG goals



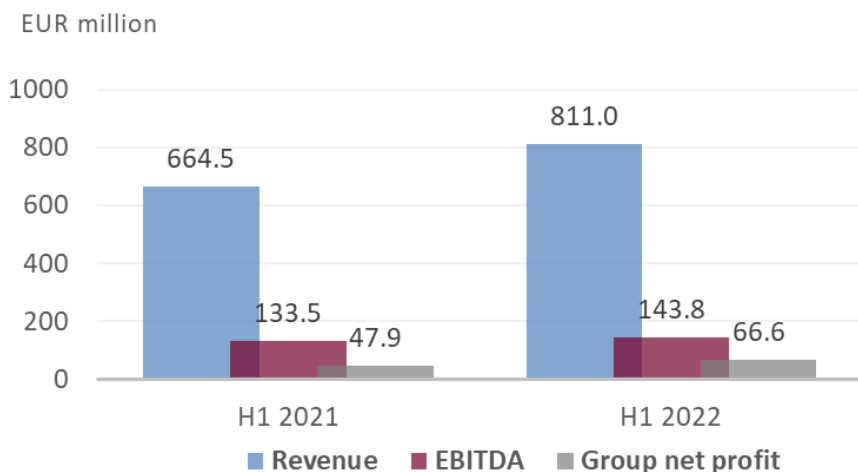


# Financial Highlights

*Aalborg plant, Denmark*



# 2022 First Half results highlights

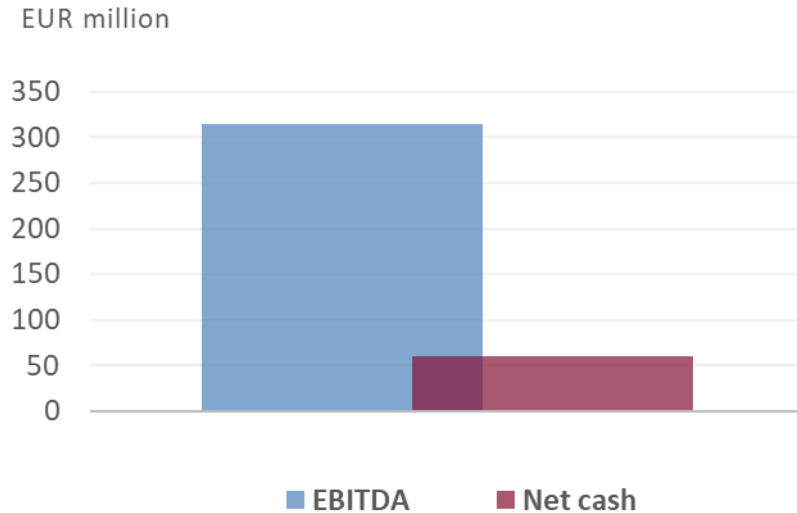


- From June 2022 Turkey is considered as “hyperinflationary” and IAS 29 has been applied as at 30 June 2022.
- **Revenues reached 811 M€ (+22% yoy); Revenues excluding IAS 29 reached 805 M€ (+ 21,2% yoy)**, driven by price increases
  - Cement volumes down by **0.8%** due to negative trend in Turkey, China and Denmark
  - RMC volumes down by **5.1%** with slowdown in Turkey, Denmark and Sweden and aggregates down by **0.6%**
- **EBITDA reached 143.8 M€ (+7.7% yoy) ; EBITDA excluding IAS 29 impact: 154.7 M€ (+15.9% yoy)**
  - (+) Belgium, Turkey and US; (-) Nordic & Baltic and Asia Pacific
  - EBITDA includes 11.1 M€ of Turkish non-industrial property land revaluation
- **EBIT reached 82.3 M€ (+4.1% yoy); EBIT excluding IAS 29 impact: 98 M€ (+23.9% yoy)**
- **Group Net Profit of 66.6 M€ (+39.1% yoy)**
- **Net Financial Debt reached 79.5 M€**, a reduction of **58.1 M€** year on year including IFRS 16 impact, 6.3 M€ of share buyback (\*) and 28 M€ dividend distribution
- **Free cash flow generation of 92.4 M€** in the last twelve months

(\*) Impact from 1/7/21 to the end of the buy back program on 12/10/21



# 2022 Full Year Guidance



- Revenues > 1.5 BN€
- EBITDA ~ 305 - 315M€
- Net cash ~ 60 M€
- Capex ~ 95 M€

Guidance refers to like-for-like ongoing operations

These expectations do not take into account any intensification of the current crisis in Ukraine or new situations of resurgence of the Covid-19 pandemic and the potential negative effects on demand deriving from the worsening of the macroeconomic scenario. Since the expectations described above are based on a series of assumptions that are beyond the control of management, the results could differ significantly from these forecasts.. As the expectations described here are based on certain preconditions and assumptions that are beyond management's control, actual results may deviate significantly from such expectations. The foregoing exclusively reflects the point of view of the company's management, and does not represent a guarantee, a promise, an operational suggestion or even just an investment advice.

# 2022-24 Industrial Plan targets (\*)

EUR million	2021 A	2024	
Revenues	1,360	~ 1,650	<ul style="list-style-type: none"> <li>~7% Sales CAGR in the 2021-24 period</li> <li>3-4% cement and RMC volumes CAGR ; ~6% aggregates volumes CAGR (**)</li> <li>Price increases across all markets</li> </ul>
EBITDA (recurring)	300	~ 350	<ul style="list-style-type: none"> <li>~ 5% EBITDA CAGR as fuels and electricity are expected to increase ahead of inflation in constant currency</li> <li>~ 500,000 tons CO<sub>2</sub> average yearly shortage, with an indexed mechanism on prices covering excess CO<sub>2</sub> costs</li> </ul>
EBITDA Margin	22%	21%	<ul style="list-style-type: none"> <li>Revenues inflated by CO<sub>2</sub> recharge on average prices and recovery of fuel and logistic costs</li> </ul>
Avg. Yearly Capex (including Green Capex)	79.6	104	<ul style="list-style-type: none"> <li>Ordinary Capex / Sales ratio between 4-5%</li> <li>Green Capex of cumulative 97 M€ includes FUTURECEM® value chain, district heating, waste heat recovery, alternative fuels, cleaner fuels switch investments</li> </ul>
Net (Debt)/Cash	(40)	> 300 Net Cash	<ul style="list-style-type: none"> <li>Cumulative ~ 340M€ Free cash flow generation, assuming a dividend payout ratio between 20-25%</li> </ul>

(\*) Barring further Covid-19 restrictions/ lockdowns and any intensification of the Ukraine crisis

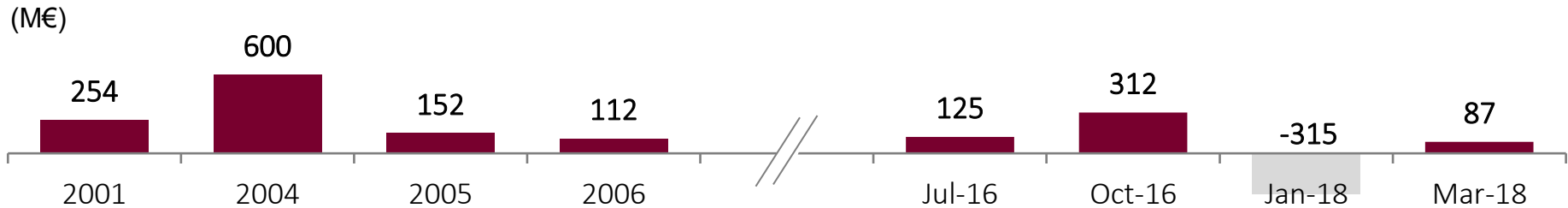
(\*\*) Aggregate volumes include the acquired aggregate business in Turkey contributing ~ 3.6 Mt per annum

# Appendix



# M&A track record

Since 2001 over EUR **1.7 billion** invested with no recourse to shareholder equity



## 2001 - Cimentas AS and Cimbeton AS

Entered the Turkish cement market with 2 plants

## 2004 - Aalborg Portland A/S and Unicon A/S

Transforming deal:

- **Product diversification** (new products: white cement and aggregates and strong position in ready-mix)
- **Geographical presence** (new countries: Denmark, Norway, Sweden, Egypt, Malaysia, China, US)

## 2005

**Edirne plant** in Turkey

**Vianini Pipe Inc.** in US (Concrete products)

## 2006

**Elazig plant** in Turkey

## Jul. 2016 - Sacci

Cement and ready-mix in Italy

## Oct 2016 - Compagnie des Ciments Belges

- Cement, aggregates and ready-mix in Belgium
- Ready-mix in France

## Jan. 2018 – Sale of all assets and activities in Italy

Disposal of cement and RMC businesses  
Cash in of 315 M€ in January 2018

## Mar. 2018 – Acquisition of 38.75% stake in Lehigh White Cement Company

Majority stake of 63.25%. Largest player in the U.S. white cement market

From being a 100% domestic player, Cementir today has operations in 18 countries

# Differences between white and grey cement

	White Cement	Grey Cement
Market Size	<ul style="list-style-type: none"> <li>✓ ~ 20 million tons per year (0,5% of grey)</li> <li>✓ Niche product: high value, small volumes</li> </ul>	<ul style="list-style-type: none"> <li>✓ &gt; 4 billion tons per year</li> <li>✓ Commodity: basic value, large volumes</li> </ul>
Industry Features	<ul style="list-style-type: none"> <li>✓ Raw materials scarcity, fewer producers, growth end-markets, high switching costs, export-driven</li> </ul>	<ul style="list-style-type: none"> <li>✓ Raw materials widespread presence, many producers, cyclical end-markets, local demand (only 5% exported)</li> </ul>
Growth drivers	<ul style="list-style-type: none"> <li>✓ Consumption driven by home renovation, restructuring and technology. High tech product</li> <li>✓ Higher market growth rates in developed countries</li> </ul>	<ul style="list-style-type: none"> <li>✓ Consumption driven by infrastructure &amp; residential-commercial. Low tech product.</li> <li>✓ Demand growth in line with GDP in developed countries</li> </ul>
End markets	<ul style="list-style-type: none"> <li>✓ Main clients are large dry mix players (Saint Gobain-Weber, Mapei, etc) and pre-cast producers</li> </ul>	<ul style="list-style-type: none"> <li>✓ Main clients are ready-mix companies, construction companies and pre-cast producers</li> </ul>
Product Features	<ul style="list-style-type: none"> <li>✓ High workability, high electrical conductivity, aesthetics. Increasingly used for landmark buildings, urban fittings, eco-friendly construction projects</li> </ul>	<ul style="list-style-type: none"> <li>✓ The most widespread construction material, used mostly for new build and infrastructure</li> </ul>



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## 2022 Financial Calendar:

9 March Full year 2021 Results

21 April AGM

5 May First Quarter Results

27 July First Half Results

3 November Nine Months Results

## Stock listing information:

Euronext Milan market, Euronext STAR Milan segment

Ticker: CEMI.IM (Reuters)

Ticker: CEM.IM (Bloomberg)

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