

PRESS RELEASE

Cementir Holding: Board of Directors examines preliminary consolidated results for 2018

- Revenues at EUR 1,196.2 million, up 4.9% compared to the consolidated financial statements for financial year 2017
- EBITDA at EUR 238.5 million, up 7.1% compared to the consolidated financial statements for financial year 2017
- Ebit at EUR 153.2 million, up 9% compared to the consolidated financial statements for financial year 2017
- Net financial debt: EUR 255.4 million (EUR 543.3 million as at 31 December 2017)

Rome, 14 February 2019 - The Board of Directors of Cementir Holding SpA, chaired by Francesco Caltagirone Jr., has examined the preliminary consolidated results as at 31 December 2018.

Please note that the complete, definitive results for 2018 are currently being reviewed by the audit firm and will be examined and approved by the Board of Directors at its meeting scheduled for 7 March.

Financial highlights

Please note that in 2018 the results of industrial operations in Italy were no longer consolidated and that those recently acquired in the United States were consolidated in full from the second quarter 2018 onwards.

| (Euro millions) | 2018 | 2017 | Change % |
|---|---------|---------|----------|
| Revenue from sales and services | 1,196.2 | 1,140.0 | 4.9% |
| EBITDA | 238.5 | 222.7 | 7.1% |
| <i>EBITDA/Revenue from sales and services %</i> | 19.9% | 19.5% | |
| EBIT | 153.2 | 140.6 | 9.0% |

Sales volumes

| (thousands) | 2018 | 2017 | Change % |
|-------------------------------------|-------|--------|----------|
| Grey and white cement (metric tons) | 9,828 | 10,282 | -4.4% |
| Ready-mixed concrete (cubic meters) | 4,921 | 4,948 | -0.6% |
| Aggregates (metric tons) | 9,953 | 9,335 | 6.6% |

Net financial debt

| (millions of Euro) | 31-12-2018 | 30-09-2018 | 30-06-2018 | 31-12-2017 ⁽¹⁾ |
|--------------------|------------|------------|------------|---------------------------|
| Net financial debt | 255.4 | 339.6 | 395.3 | 543.3 |

⁽¹⁾ Net financial debt at 31 December 2017 excludes the financial assets and liabilities of the Italian operating companies sold.

Group employees

| | 31-12-2018 | 30-09-2018 | 31-12-2017 |
|---------------------|------------|------------|------------|
| Number of employees | 3,060 | 3,093 | 3,021 |

During 2018, **sales volumes** of cement and clinker, equal to 9.8 million tons, dropped by 4.4%. Under the same scope of consolidation, sales of cement and clinker were down 9% for the negative performance in Turkey and Egypt.

Sales volumes of ready-mixed concrete, 4.9 million cubic metres, were down slightly (-0.6%) due to the drop in Norway and to a lesser extent in Denmark and Belgium, only partly offset by the growth in Turkey and Sweden.

In the aggregates segment, sales volumes amounted to 10 million tons, up by 7% thanks to the positive sales performance in Belgium, France and Holland.

Revenue from sales and services of the Group amounted to EUR 1,196.2 million, up 4.9% compared to EUR 1,140.0 million in the first nine months of 2017, due to the change in the scope of consolidation which caused an increase of revenue of around EUR 104.3 million related to the U.S. company Lehigh White Cement Company ("LWCC"), consolidated in full as of 1 April 2018.

On a like-for-like basis revenues decreased 4.2% due to the drop in sales in Egypt between February and May due to the start of military operations in the Sinai peninsula which led to a temporary block of production, and in Norway for the bad weather conditions in the first quarter. The revenue performance in Malaysia, Belgium and China was positive. Conversely, the reduction in revenue in Turkey was significant due to the unfavourable exchange rate with the Euro.

It should be noted that at constant 2017 exchange rates, revenue would have amounted to EUR 1,273.2 million, 11.7% higher than the previous year.

EBITDA was EUR 238.5 million, up 7.1% on EUR 222.7 million in 2017. On the one hand, the result benefited from the contribution of LWCC for EUR 17.1 million and the improvements in Belgium, China and Sweden. On the other, it suffered the worse results in Egypt for the reasons outlined above, in Turkey and to a lesser extent in Malaysia.

At constant exchange rates with the previous year, EBITDA would have been EUR 258.3 million, 16% higher than the previous year.

Furthermore, the EBITDA benefited from non-recurring income (EUR 11.5 million compared to 10.1 million in 2017) linked to the revaluation of non-core land and buildings in Turkey.

EBIT, considering amortisation, depreciation and provisions totalling EUR 85.3 million (EUR 82.1 million in 2017), amounted to EUR 153.2 million compared to EUR 140.6 million in the previous year, benefiting for EUR 10.6 million from the contribution of LWCC.

Net financial debt as at 31 December 2018 was EUR 255.4 million, down EUR 287.9 million compared to EUR 543.3 million as at 31 December 2017. That change can mainly be attributed to collection of the consideration of EUR 315 million for the sale of the Cementir Italy Group, partly compensated by payment of USD 106.6 million (about EUR 87 million) to purchase 38.75% of Lehigh White Cement Company, by the net working capital trend, by investments for around EUR 67 million and distribution of dividends for EUR 15.9 million in the month of May.

Please note that for 2018 the Group foresaw achieving an EBITDA of about EUR 230 and net financial debt of about EUR 260 million at year end.

* * *

Giovanni Luise, as the manager responsible for financial reporting, declares, pursuant to Article 154-bis (2) of the Consolidated Law on Financial Intermediation, that the accounting information contained in this press release corresponds with that contained in company documents, books and accounting records.

Disclaimer

This press release contains forward-looking statements. These statements are based on current expectations and projections of the Group regarding future events and, by their very nature, are exposed to inherent risks and uncertainties. These statements relate to events and depend on circumstances that may or may not occur or exist in the future. Accordingly, readers should not to place undue reliance on them. Actual results may differ materially from those stated due to multiple factors, including: the volatility and deterioration of capital and financial markets, changes in commodity prices, changes in macroeconomic conditions and economic growth and other changes in business conditions, changes in atmospheric conditions, floods, earthquakes or other natural disasters, changes in the regulatory and institutional framework (both in Italy and abroad), production difficulties, including constraints on the use of plants and supplies and many other risks and uncertainties, most of which are outside the Group's control.

*The Cementir Holding group uses a number of **alternative performance indicators** to enable better assessment of economic management and the financial performance. In line with Consob Communication 92543/2015 and the ESMA Guidelines (ESMA/2015/1415), the meaning and content of the indicators used in this press release are provided below.*

- *EBITDA: is an indicator of operating performance calculated by adding together "EBIT" and "Amortisation, depreciation, impairment losses and provisions";*
- *Net financial debt: is an indicator of financial structure calculated according to Consob Communication 6064293/2006, as the sum of the items:*
 - o *current financial assets;*
 - o *cash and cash equivalents;*
 - o *current and non-current liabilities.*

CEMENTIR HOLDING is an international manufacturer of grey and white cement, ready-mixed concrete, aggregates and concrete products, exporting to over 70 countries worldwide. As global leader in white cement, the Group employs approximately 3,100 people in 18 countries on 5 continents

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