

2023 | Q1 Results

Residential property built with precast structures (Malaga, Spain)



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New quarter of strong results

Proportional consolidation

- Slight markets growth.
 - Sales increased in all businesses with positive impact of volume and prices.
 - **Sales of € 342M, up 25% Q1 2022 (LFL¹ +38%).**
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- **EBITDA boosted by 47% till € 86M**, historical record result, highlighted by the contribution of the businesses in Spain and Mexico (LFL¹ +64%).
 - Positive impact of higher volumes, efficiency plans, sales price increases, and temporary correction of fuel and energy prices.
 - EBITDA Margin increases by 380 bps to 25.2%, recovering part of the margin erosion in previous year.
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- **Net profit reached € 37M, +70% Q1 2023**, driven by relevant increase of operating result.
 - **Great cash generation in Q1 2023.** Net Financial Debt decreased by 26% to € 108M, reaching a multiple NFD/EBITDA of 0.4x.
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- **Significant execution progress in the main indicators of the "2030 Sustainability roadmap"**, with the target to reduce 20% the emissions by 2030 and supply carbon neutral concrete by 2050.

Record results in Q1 2023

Proportional consolidation

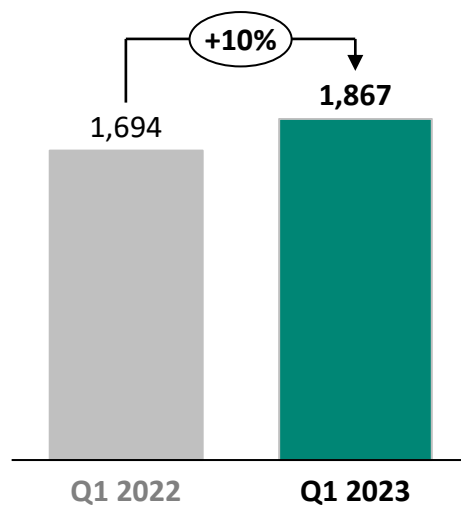
Figures in €M	Q1 2023	Q1 2022	% var.	% LFL ¹
Sales	342	274	+25%	+38%
EBITDA	86	59	+47%	+64%
EBITDA Margin	25,2%	21,4%	+3,8	+4,1
EBIT	67	41	+63%	+84%
Net Result	37	22	+70%	+89%
EPS (€)	0,63	0,33	+89%	
Net Financial Debt	108	190	-43%	-29%

¹ Like-for-like: constant currencies, without hyperinflation in Argentina and Turkey, and same consolidation's scope.

Sales growth in all businesses and regions

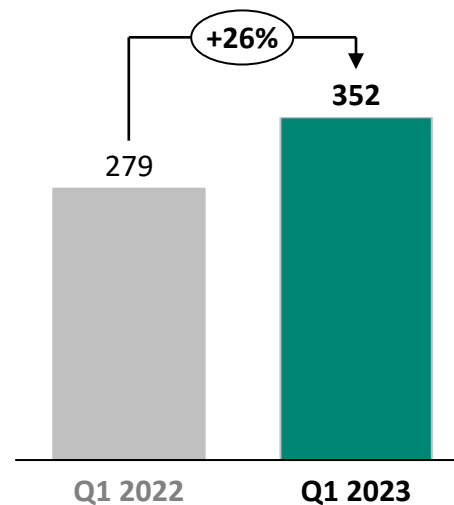
Proportional consolidation

VOLUME PORTLAND CEMENT (Th. t)



- Markets growing but with different performance across geographies.
- Volume up 10% Q1 2022, with growth in all regions, especially in Mexico and Spain.

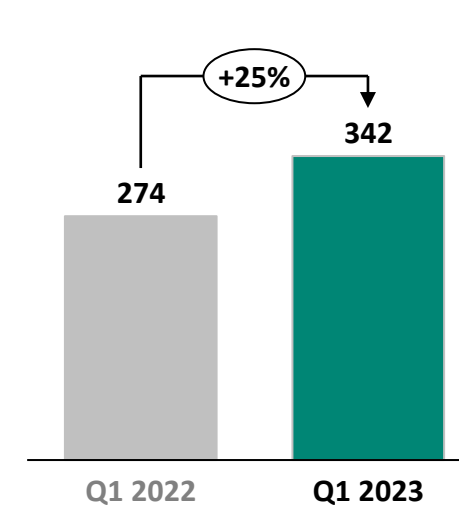
VOLUME READY-MIX CONCRETE (Th. m³)



- Quarter with volumes similar to Q4 2022, with special activity in small and medium-sized construction works.
- Volume Q1 2023: +26% Q1 2023
- Significant growth activity in Spain and South America.



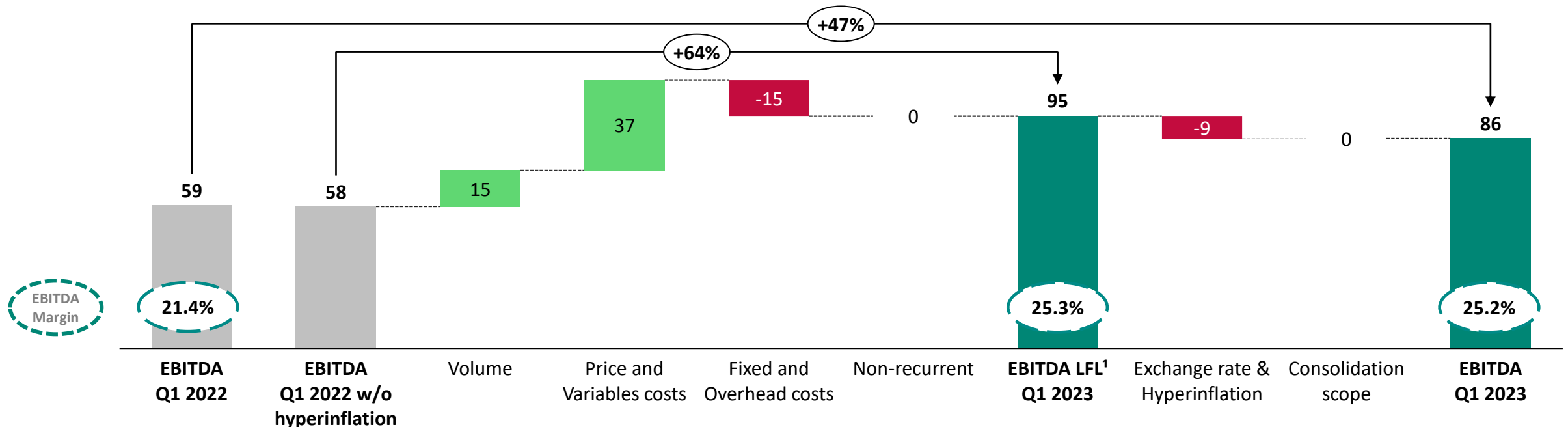
SALES (€M)



- Sales up 25% with increases in all businesses and regions (LFL¹ +38%).
- Positive impact of price and volume.

EBITDA driven by volume, price increases, and operational efficiency

- EBITDA like-for-like¹ increased by 64%: positive impact of cement and ready-mix concrete volume, net contribution of prices over costs, and positive contribution of operational efficiency plans.
- EBITDA Margin increased by 380 bps pp to 25.2%, recovering part of the margin erosion in previous year.



¹ Like-for-like: constant currencies, without hyperinflation in Argentina and Turkey, and same consolidation's scope.

Sales and EBITDA by region

Proportional consolidation
Figures in €M

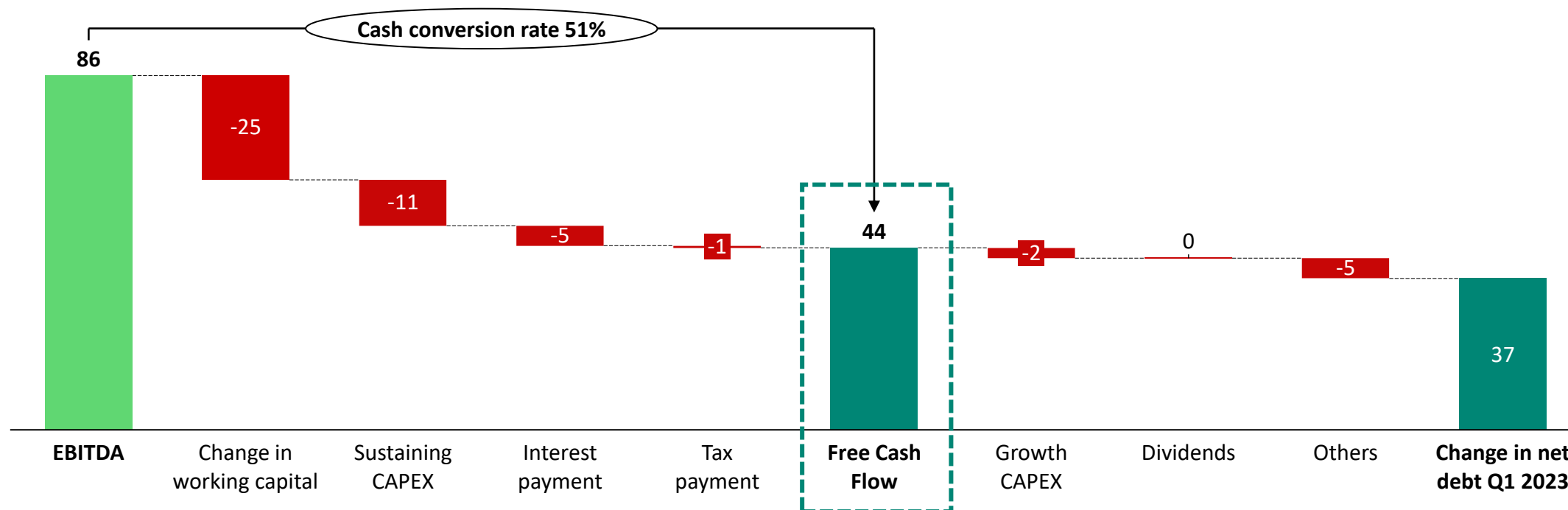
On a like-for-like basis, sales and EBITDA increased by 38% and 64% respectively (constant currencies, without hyperinflation, and same consolidation's scope).

	SALES				EBITDA			
	Q1 2023	Q1 2022	% var.	% LFL ¹	Q1 2023	Q1 2022	% var.	% LFL ¹
Europe	136	109	25%	21%	21	10	121%	120%
Mexico	82	57	45%	27%	39	26	51%	33%
South America	84	74	13%	74%	23	22	6%	71%
Asia and North Africa	40	34	17%	30%	9	7	26%	66%
Corporate and Others	-	-	-	-	-4	-4	-	-
Non-recurrent	-	-	-	-	-1	-1	-	-
Total	342	274	25%	38%	86	59	47%	64%

¹ Like-for-like: constant currencies, without hyperinflation in Argentina and Turkey, and same consolidation's scope.

Cash flow generation with cash conversion rate of 51%

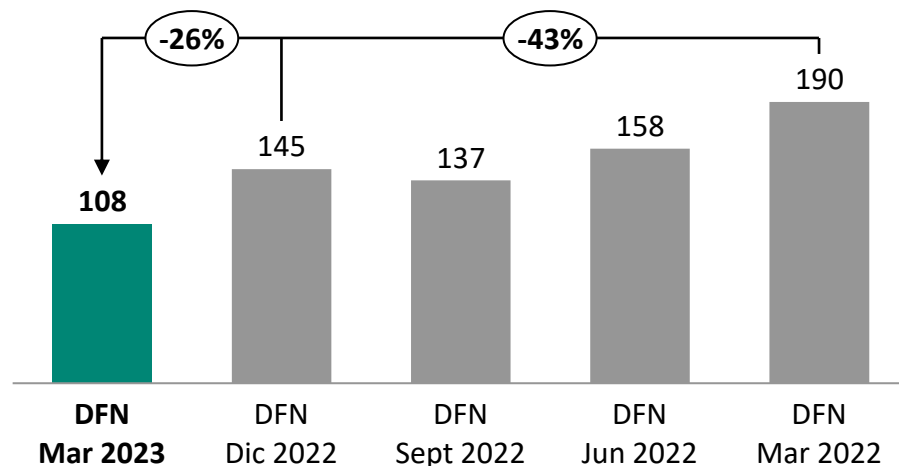
- Cash flow generation of € 44M in Q1 2023.
- Working capital increase due to seasonality, costs inflation and investment to build up stocks to offset supply chain risks, offset by operational efficiency plans..



Solid financial position to continue growing with new opportunities

- Net financial debt decreased by 26% December 2022, and by 43% March 2022.
- Multiple NFD/EBITDA reached 0.4x due to acquisitions.
- 59% of debt denominated in EUR currency and 42% of treasury denominated in USD and EUR currencies.
- Financing lines amounting to € 642M (52% consumed). 61% with maturity after 2026.

NET FINANCIAL DEBT (€M)



Multiple NFD/EBITDA

0.4x

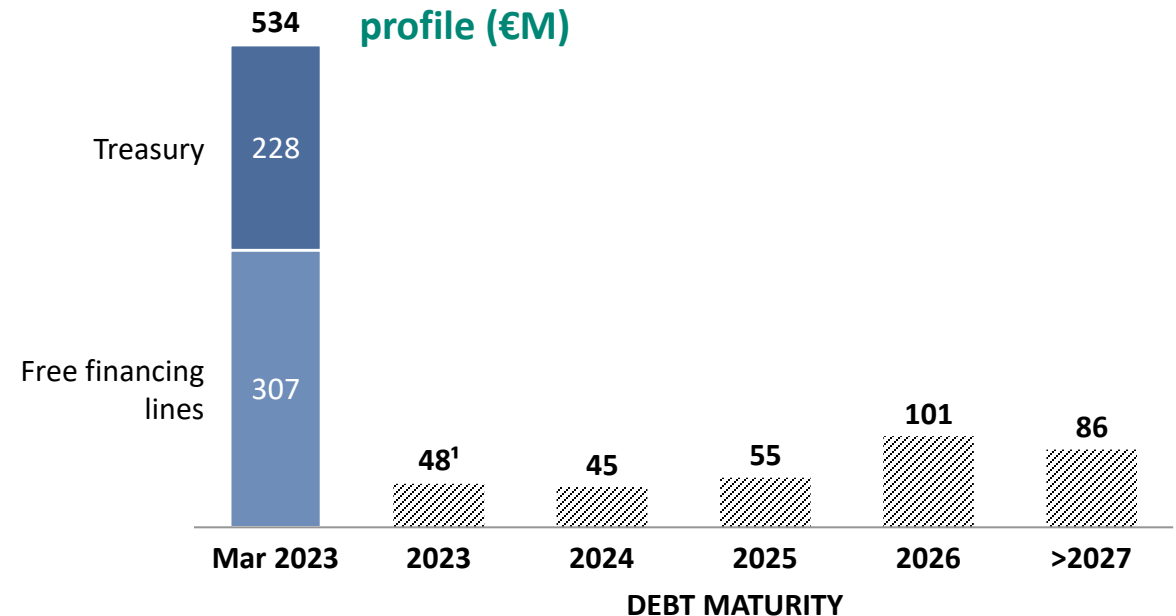
0.5x

0.4x

0.6x

0.8x

Liquidity margin with balanced debt maturity profile (€M)



¹ Includes revolving commercial paper.

Annexes



Capiguaras at Yacuses plant (Bolivia)

Annex: Conciliation between the financial statements with proportional basis and the financial statements resulting by the application of international accounting standards EU-IFRS

Conciliation consolidated Balance Sheet

	31/03/2023				31/12/2022			
	Proportional method	Adjustment Cos. accounted for via equity method	Adjustment Cos. accounted for via full consolidation method	EU-IFRS application	Proportional method	Adjustment Cos. accounted for via equity method	Adjustment Cos. accounted for via full consolidation method	EU-IFRS application
ASSETS								
<i>Intangible Assets</i>	311,2	(13,2)	0,4	298,4	235,4	(12,8)	0,5	223,1
<i>Fixed assets</i>	828,6	(324,3)	210,0	714,3	827,4	(318,5)	211,3	720,2
<i>Right-of-use Assets</i>	17,8	(2,5)	1,0	16,3	18,0	(2,6)	1,1	16,5
<i>Financial Fixed Assets</i>	4,1	(0,9)	1,5	4,7	4,1	(1,1)	1,3	4,3
<i>Companies accounted for via equity method</i>	-	419,6	0,9	420,5	-	386,8	0,9	387,7
<i>Goodwill</i>	132,0	(29,9)	(0,6)	101,5	132,2	(30,1)	(0,6)	101,5
<i>Other non-current assets</i>	43,1	(10,2)	1,0	33,9	43,9	(9,6)	1,0	35,3
NON-CURRENT ASSETS	1.336,8	38,6	214,2	1.589,6	1.261,0	12,1	215,5	1.488,6
<i>Stocks</i>	192,8	(42,1)	38,9	189,6	195,0	(42,3)	37,3	190,0
<i>Trade debtors and others</i>	230,2	(41,0)	36,6	225,8	250,0	(64,5)	34,8	220,3
<i>Temporary financial investments</i>	49,8	(33,4)	1,1	17,5	25,4	(14,3)	1,2	12,3
<i>Cash and equivalents</i>	187,5	(134,5)	3,9	56,9	181,0	(114,1)	6,4	73,3
CURRENT ASSETS	660,3	(251,0)	80,5	489,8	651,4	(235,2)	79,7	495,9
TOTAL ASSETS	1.997,1	(212,4)	294,7	2.079,4	1.912,4	(223,1)	295,2	1.984,5
NET EQUITY AND LIABILITIES								
<i>Net equity attributed to the Company Parent Co.</i>	1.064,9	-	-	1.064,9	1.022,5	-	-	1.022,5
<i>Net equity from minority shareholders</i>	-	(0,2)	153,0	152,8	-	(0,1)	147,3	147,2
TOTAL NET EQUITY	1.064,9	(0,2)	153,0	1.217,7	1.022,5	(0,1)	147,3	1.169,7
<i>Non-current financial debt</i>	285,3	(80,8)	26,8	231,3	313,5	(76,1)	32,1	269,5
<i>Other non-current liabilities</i>	233,5	(12,7)	42,0	262,8	169,8	(11,8)	41,4	199,4
NON-CURRENT LIABILITIES	518,8	(93,5)	68,8	494,1	483,3	(87,9)	73,5	468,9
<i>Current financial debt</i>	59,2	(23,8)	12,0	47,4	38,5	(10,7)	13,3	41,1
<i>Other current liabilities</i>	354,2	(94,9)	60,9	320,2	368,1	(124,4)	61,1	304,8
CURRENT LIABILITIES	413,4	(118,7)	72,9	367,6	406,6	(135,1)	74,4	345,9
TOTAL NET EQUITY AND LIABILITIES	1.997,1	(212,4)	294,7	2.079,4	1.912,4	(223,1)	295,2	1.984,5

Annex: Conciliation between the financial statements with proportional basis and the financial statements resulting by the application of international accounting standards EU-IFRS

Conciliation consolidated Profit & Loss Statement

	Q1 2023				Q1 2022			
	Proportional method	Adjustment Cos. accounted for via equity method	Adjustment Cos. accounted for via full consolidation method	EU-IFRS application	Proportional method	Adjustment Cos. accounted for via equity method	Adjustment Cos. accounted for via full consolidation method	EU-IFRS application
Income	342,3	(133,8)	61,7	270,2	274,3	(103,0)	53,3	224,6
Material costs	(96,4)	25,5	(19,2)	(90,1)	(77,3)	22,4	(14,9)	(69,8)
Personnel expenses	(47,5)	8,3	(6,9)	(46,1)	(41,9)	7,0	(6,1)	(40,9)
Other operating expenses	(125,5)	48,5	(19,0)	(96,0)	(103,4)	36,6	(17,3)	(84,1)
EBITDA	86,2	(52,0)	16,6	50,8	58,7	(36,9)	15,2	37,0
Amortizations	(18,9)	6,0	(4,5)	(17,4)	(17,9)	6,0	(4,2)	(16,1)
Results for impairment/sale of assets	(0,3)	(0,2)	0,1	(0,4)	0,2	(0,1)	0,1	0,2
Operating result	67,0	(46,2)	12,2	33,0	41,0	(31,0)	11,1	21,1
Financial results	(10,7)	2,0	(2,0)	(10,7)	(6,9)	3,1	(0,6)	(4,4)
Results Cos. equity method	-	32,4	-	32,4	-	18,9	-	18,9
Results before tax	56,3	(11,8)	10,2	54,7	34,1	(9,0)	10,4	35,5
Taxes	(18,9)	11,7	(4,5)	(11,7)	(12,1)	8,8	(3,8)	(7,1)
Minority	-	-	(5,6)	(5,6)	-	-	(6,6)	(6,6)
Net Income	37,4	-	-	37,4	22,0	-	-	22,0

Conciliation consolidated Net Financial Debt

	31/03/2022				31/12/2022			
	Proportional method	Adjustment Cos. accounted for via equity method	Adjustment Cos. accounted for via full consolidation method	EU-IFRS application	Proportional method	Adjustment Cos. accounted for via equity method	Adjustment Cos. accounted for via full consolidation method	EU-IFRS application
Financial liabilities	335,2	(95,2)	38,8	278,9	351,3	(87,0)	45,4	309,8
Current financial liabilities	50,0	(14,4)	12,0	47,5	37,8	(10,7)	13,4	40,5
Non-current financial liabilities	285,3	(80,7)	26,8	231,3	313,5	(76,1)	32,1	269,5
Long term deposits	(0,0)	0,0	-	-	(0,0)	0,0	-	-
Long term loans group companies	(0,2)	-	0,2	-	(0,2)	-	0,2	-
Short term financial investments	(39,8)	23,4	(1,1)	(17,5)	(25,4)	14,3	(1,2)	(12,3)
Cash and equivalent liquid assets	(187,5)	134,6	(4,0)	(56,9)	(181,0)	114,2	(6,5)	(73,3)
NET FINANCIAL DEBT	107,7	62,8	33,9	204,4	144,6	41,7	38,1	224,3

Basis for information presentation

Cementos Molins actively takes part in the management of the companies which consolidates through the equity method, whether this is in conjunction with another shareholder or by means of relevant participation in its decision-making bodies.

Following the guidelines and recommendations of the European Securities and Markets Authority (ESMA), whose objective is to promote the usefulness and transparency of the alternative performance measures that are included in the regulated information or in any other information submitted by the listed companies, **the information included in this “Q1 2023 Results” is based on the application of the proportionality principle in the consolidation method of its investees**, applying the final shareholding percentage in each one of them. This way, Cementos Molins deems that the management of the businesses and the way their results are assessed for the decision-making process are reflected in a suitable manner.

Therefore, the following parameters are defined in the presentation as:

- “Sales”: Net turnover reported in the individual and consolidated financial statements of the various companies included in the consolidation perimeter, multiplied by the participation percentage held in each one of them.
- “EBITDA”: Operating result before financial statements and taxes, amortizations, and results for the impairment and sale of assets of the different companies accounted for in the consolidation perimeter, multiplied by the shareholding percentage held in each one of them.
- “EBIT”: Net result before financial results and taxes (operating result), multiplied by the shareholding percentage in each one of them.
- Operating Cash Flow”: Net cash flows from ordinary activities, minus the paid financial expenses and adding the collected financial income of the different companies included in the consolidation perimeter, multiplied by the shareholding percentage in each one of them.
- “CAPEX”: Additions in property, plant and equipment, and intangible fixed assets, of the different companies included in the consolidation perimeter, multiplied by the shareholding percentage in each one of them.
- “Net Financial Debt”: Financial debt, after subtracting the treasury, temporary financial investments and long-term deposits, multiplied by the shareholding percentage in each one of them. Cash surpluses are indicated with a negative sign.
- “Volume”: Physical units that have been sold of portland cement and ready-mix concrete from companies included in the consolidation perimeter (without withdrawing internal sales), multiplied by the shareholding percentage in each one of them.
- “Comparable variation %”: It considers the variation that the indicator would have reported at constant currencies, without hyperinflation adjustment in Argentina and Turkey (IAS 29), and with same consolidation’s scope.