# 2023 | Q3 Results

CEMENTOS MOLINS

Polymeric concrete lattice by Escofet at the Hotel Nizuc Resort & Spa in Cancun (Mexico)

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# Sustainable and profitable growth with record results

Proportional consolidation

- Overall sales growth with positive impact of volume and prices.
- But activity slowdown although it varies across geographic regions.
- **Sales of € 1,179M, up 13% 9M 2022** (LFL[1] +34%).

- **EBITDA boosted by 33% till € 278M**, with results increases in all regions, highlighted by the contribution of the businesses in Spain and Mexico (LFL[1] +61%).
- Positive impact of higher volumes, efficiency plans, and the increase of selling prices, partially offset by currency fluctuations.
- EBITDA Margin increases by 410 bps to 25.8%, recovering part of the margin erosion in previous year.

- **Net profit reached € 124M**, +38% 9M 2023, driven by increase of operational performance and favourable year-on-year comparison (economic slowdown, strong cost inflation and supply chain disruptions).
- **Great cash generation in 9M 2023.** Net Financial Debt reduced by 76% to € 34M, reaching a multiple NFD/EBITDA of only 0.1x.

- **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.

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

# New quarter of strong results

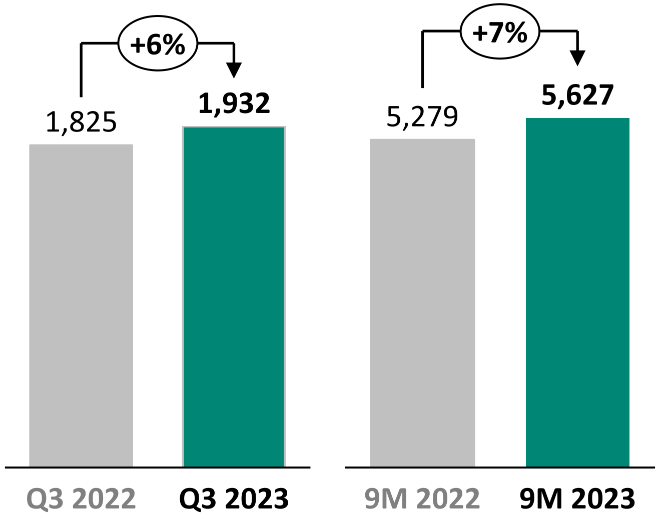
| Q3 2023 | Q3 2022 | % var. | % LFL [1] | Proportional Consolidation in M€ | 9M 2023 | 9M 2022 | % var. | % LFL [1] |
|---|---|---|---|---|---|---|---|---|
| 374 | 351 | +7% | +42% | Sales | 1079 | 959 | +13% | +34% |
| 99 | 76 | +30% | +76% | EBITDA | 278 | 208 | +33% | +61% |
| 26,4% | 21,7% | +4,7 | +5,0 | EBITDA Margin | 25,8% | 21,7% | +4,1 | +4,3 |
| 74 | 55 | +35% | +88% | EBIT | 215 | 151 | +42% | +74% |
| 44 | 33 | +34% | +54% | Net Result | 124 | 90 | +38% | +52% |
| 0,67 | 0,50 | +34% | | EPS (€) | 1,88 | 1,36 | +38% | |
| 34 | 137 | -75% | -43% | Net Financial Debt | 34 | 137 | -75% | -43% |

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

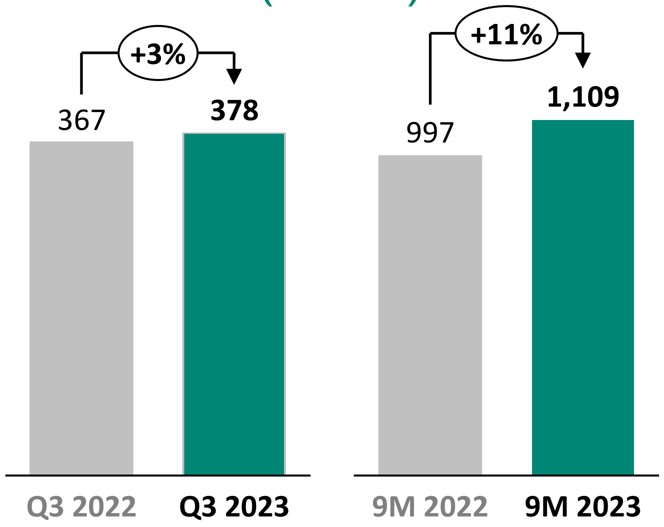
# Sales growth in all regions

Proportional consolidation

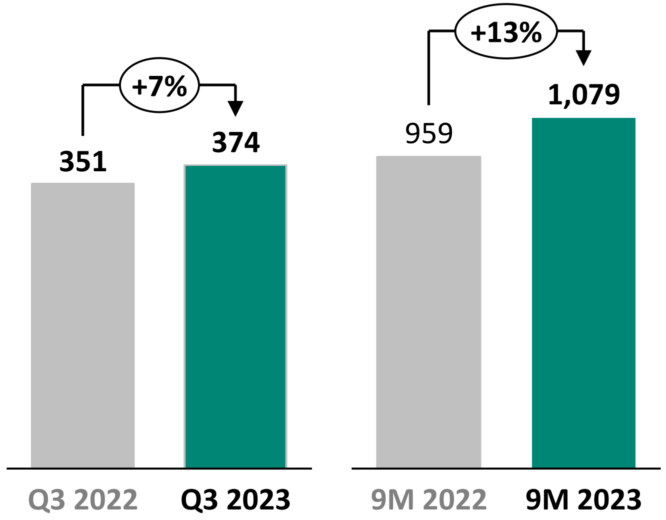
## VOLUME PORTLAND CEMENT (Th. t)




## VOLUME READY-MIX CONCRETE (Th. m³)




## SALES (€M)




- Markets slow down during Q3, but with different development by region.
- Volume up 7% 9M 2022, due to growth in Mexico, Asia & North Africa, and Spain.

- Volume up 11% 9M 2022, with lower growth rate during Q3 (+3% Q3 2022).
- Significant growth activity in Spain and South America.

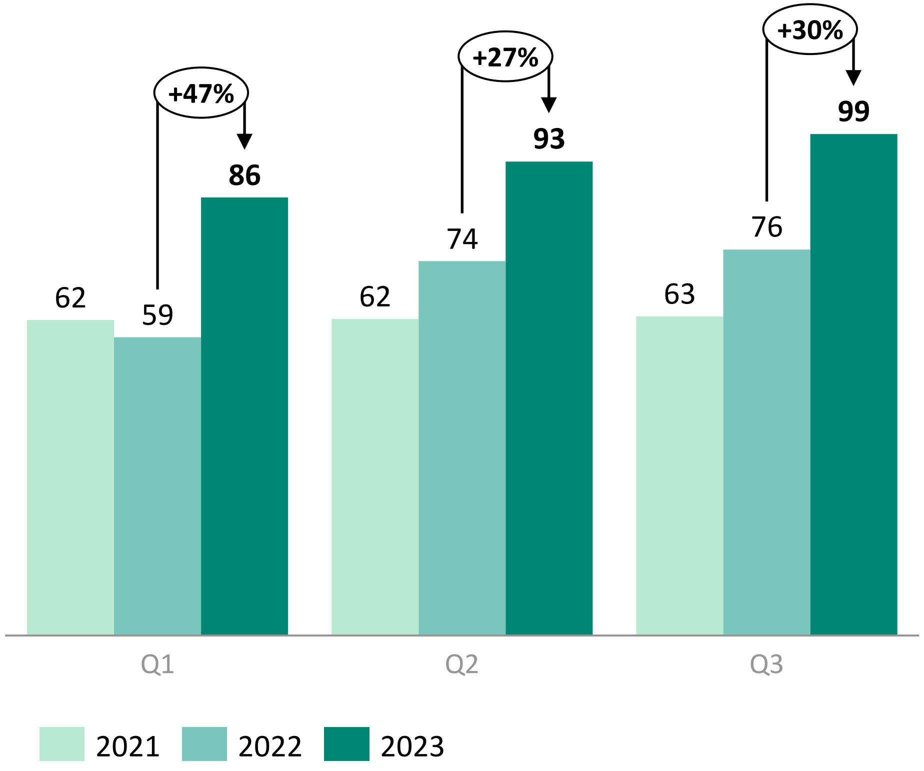
- Sales up 13% with increases in all business segments and across most regions (LFL[1] +34%).
- Positive impact of price and volume.

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

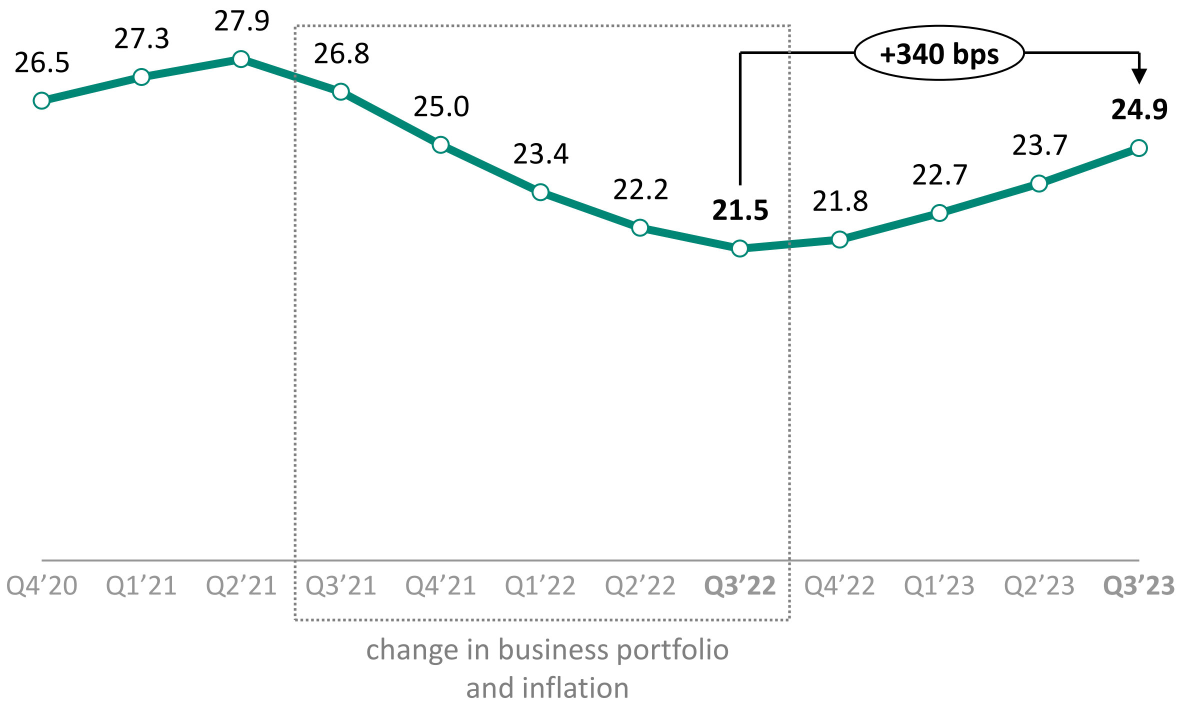
# Strong results with increasing margins

Proportional consolidation

## EBITDA BY QUARTER (€M)



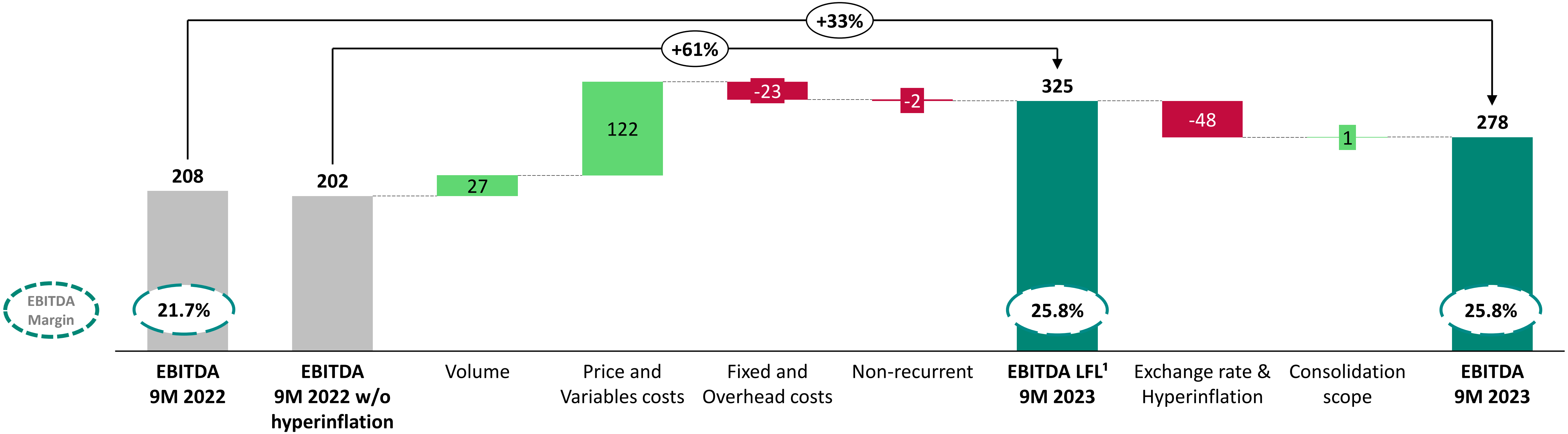

## EBITDA MARGIN LTM BY QUARTER (%)



# EBITDA driven by volume, price increases, and operational efficiency

Proportional consolidation
Figures in €M

- EBITDA like-for-like[1] increased by 61%: 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 410 bps to 25.8%, recovering part of the margin erosion in previous year.
- Significant currency fluctuations mainly related with  the depreciation of the Argentinean peso.




[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 34% and 61% respectively** (constant currencies, without hyperinflation, and same consolidation's scope).

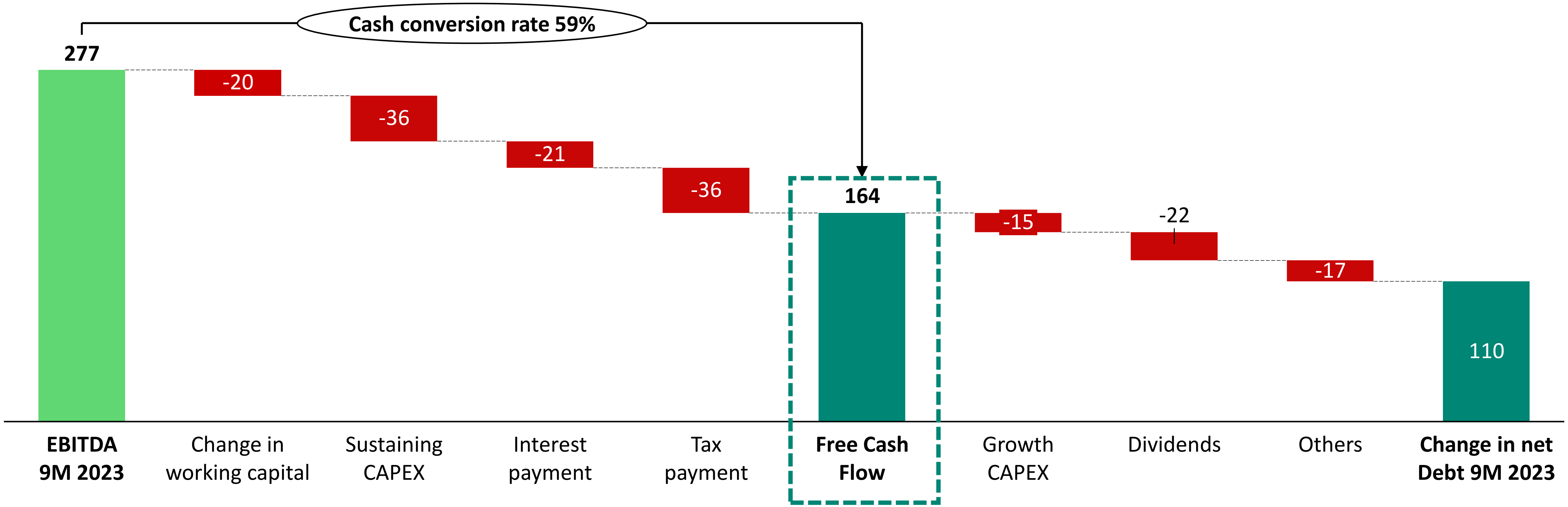
| | SALES | | | | EBITDA | | | |
|---|---|---|---|---|---|---|---|---|
| | 9M 2023 | 9M 2022 | % var. | % LFL [1] | 9M 2023 | 9M 2022 | % var. | % LFL [1] |
| Europe | 436 | 386 | 13% | 11% | 79 | 50 | 59% | 61% |
| Mexico | 261 | 188 | 38% | 25% | 116 | 75 | 55% | 39% |
| South America | 273 | 287 | -5% | 78% | 75 | 76 | -1% | 89% |
| Asia and North Africa | 109 | 97 | 13% | 27% | 27 | 23 | 17% | 42% |
| Corporate and Others | 0 | - | - | - | -15 | -12 | - | - |
| Non-recurrent | - | - | - | - | -5 | -3 | - | - |
| **Total** | **1079** | **959** | **13%** | **34%** | **278** | **208** | **33%** | **61%** |

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

# Strong cash flow generation with cash conversion rate of 59%

Proportional consolidation
Figures in €M

- Cash flow generation of € 164M in 9M 2023, up 37% 9M 2022.
- Working capital increase due to business growth and costs inflation, offset by operational efficiency plans.
- Final dividend for FY 2022 amounting to € 0.35 per share was paid in mid-July.

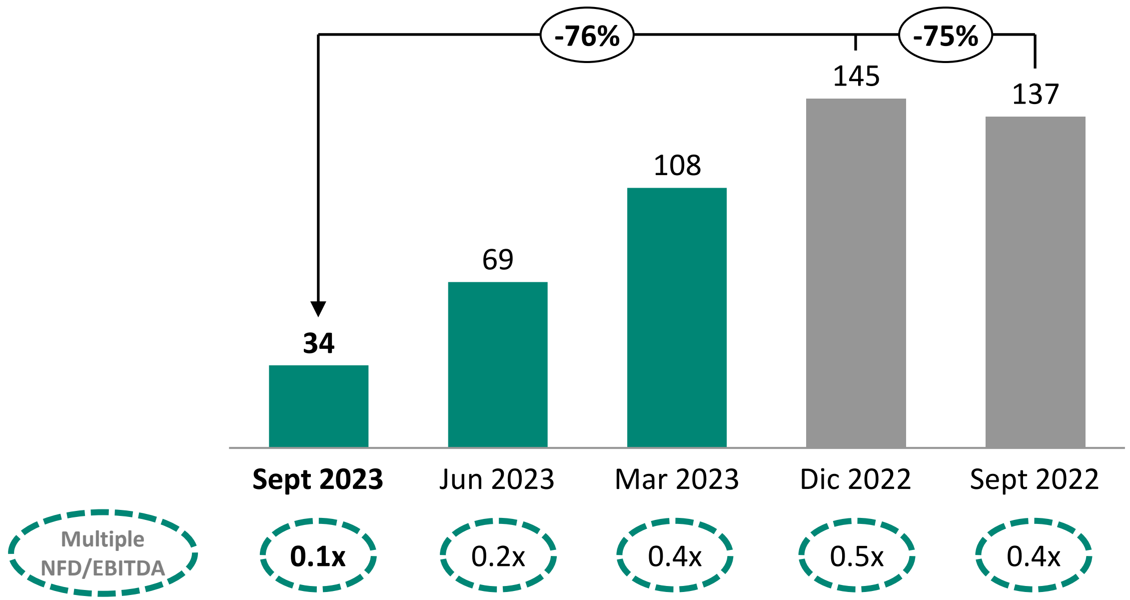


# Solid financial position to continue growing with new opportunities

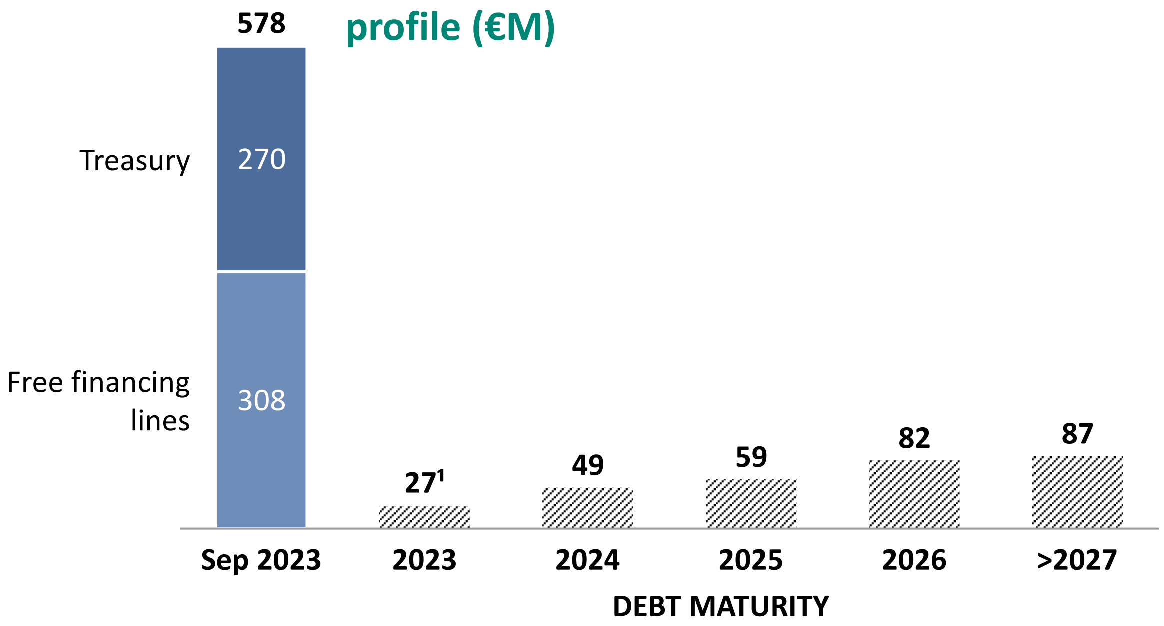
Proportional consolidation

- Net financial debt decreased by 76% December 2022, and by 75% September 2022.
- Multiple NFD/EBITDA reached 0.1x.
- 60% of debt denominated in EUR currency and 47% of treasury denominated in USD and EUR currencies.
- Financing lines amounting to € 612M (50% consumed). 64% with maturity after 2026.

## NET FINANCIAL DEBT (€M)




## Liquidity margin with balanced debt maturity profile (€M)

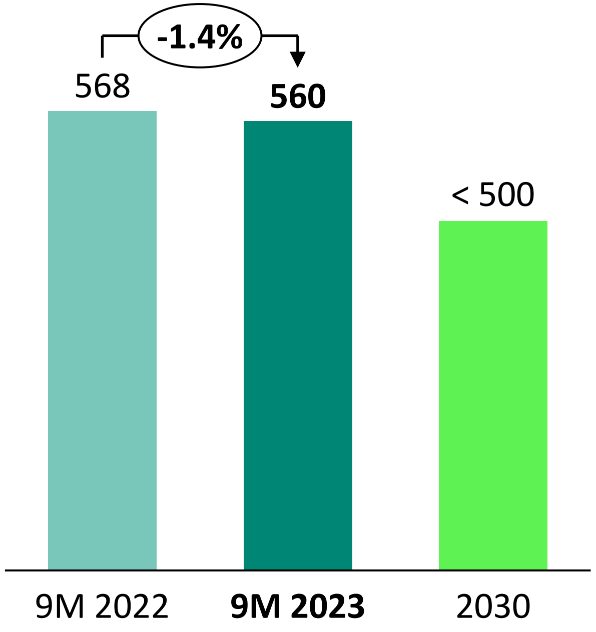



[1] Includes revolving comercial paper.

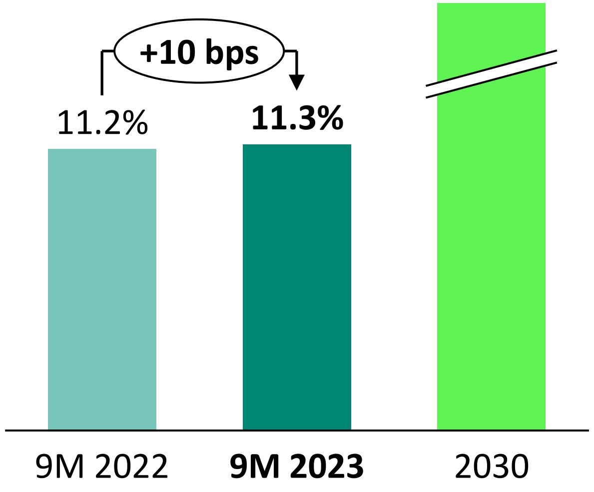
# Progress in line with the sustainability roadmap

Committed to a Better World

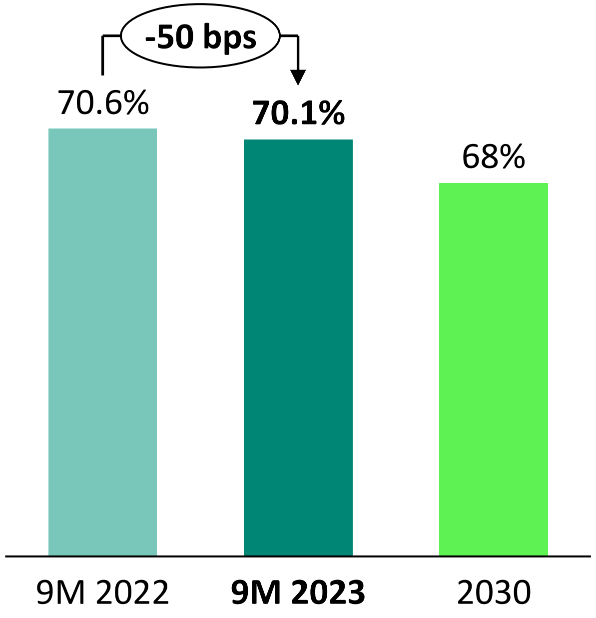
## Net $CO_2$ emissions
(kg CO2/t cementitious material)




## Alternative fuels rate
(% alternative fuels)




## Clinker rate
(% t clinker per t cement)




[1] 100% consolidation

# 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

(M€)

| | 30/09/2023 | | | | 31/12/2022 | | | |
|---|---|---|---|---|---|---|---|---|
| **ASSETS** | **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** |
| *Intangible Assets* | 265,8 | (14,6) | 0,4 | 251,6 | 235,4 | (12,8) | 0,5 | 223,1 |
| *Fixed assets* | 857,5 | (351,0) | 212,0 | 718,5 | 827,4 | (318,5) | 211,3 | 720,2 |
| *Right-of-use Assets* | 19,0 | (3,3) | 1,5 | 17,2 | 18,0 | (2,6) | 1,1 | 16,5 |
| *Financial Fixed Assets* | 5,1 | (2,3) | 1,2 | 4,0 | 4,1 | (1,1) | 1,3 | 4,3 |
| *Companies accounted for via equity method* | - | 478,7 | 0,9 | 479,6 | - | 386,8 | 0,9 | 387,7 |
| *Goodwill* | 132,9 | (30,0) | (0,6) | 102,3 | 132,2 | (30,1) | (0,6) | 101,5 |
| *Other non-current assets* | 40,6 | (11,3) | 1,0 | 30,3 | 43,9 | (9,7) | 1,1 | 35,3 |
| **NON-CURRENT ASSETS** | **1.320,9** | **66,2** | **216,4** | **1.603,5** | **1.261,0** | **12,0** | **215,6** | **1.488,6** |
| *Stocks* | 185,9 | (43,5) | 36,4 | 178,8 | 195,0 | (42,3) | 37,3 | 190,0 |
| *Trade debtors and others* | 267,3 | (73,1) | 35,0 | 229,2 | 250,0 | (64,5) | 34,8 | 220,3 |
| *Temporary financial investments* | 23,9 | (12,8) | 1,2 | 12,3 | 25,4 | (14,3) | 1,2 | 12,3 |
| *Cash and equivalents* | 245,6 | (172,4) | 6,0 | 79,2 | 181,0 | (114,2) | 6,5 | 73,3 |
| **CURRENT ASSETS** | **722,7** | **(301,8)** | **78,6** | **499,5** | **651,4** | **(235,3)** | **79,8** | **495,9** |
| **TOTAL ASSETS** | **2.043,6** | **(235,6)** | **295,0** | **2.103,0** | **1.912,4** | **(223,3)** | **295,4** | **1.984,5** |
| **NET EQUITY AND LIABILITIES** | | | | | | | | |
| *Net equity attributed to the Company Parent Co.* | 1.155,6 | - | - | 1.155,6 | 1.022,5 | - | - | 1.022,5 |
| *Net equity from minority shareholders* | - | (0,2) | 152,0 | 151,8 | - | (0,1) | 147,3 | 147,2 |
| **TOTAL NET EQUITY** | **1.155,6** | **(0,2)** | **152,0** | **1.307,4** | **1.022,5** | **(0,1)** | **147,3** | **1.169,7** |
| *Non-current financial debt* | 256,0 | (81,9) | 28,1 | 202,2 | 313,5 | (76,1) | 32,1 | 269,5 |
| *Other non-current liabilities* | 204,9 | (12,0) | 43,2 | 236,1 | 169,8 | (11,8) | 41,4 | 199,4 |
| **NON-CURRENT LIABILITIES** | **460,9** | **(93,9)** | **71,3** | **438,3** | **483,3** | **(87,9)** | **73,5** | **468,9** |
| *Current financial debt* | 47,9 | (15,7) | 13,6 | 45,8 | 38,5 | (10,7) | 13,3 | 41,1 |
| *Other current liabilities* | 379,2 | (125,8) | 58,1 | 311,5 | 368,1 | (124,6) | 61,3 | 304,8 |
| **CURRENT LIABILITIES** | **427,1** | **(141,5)** | **71,7** | **357,3** | **406,6** | **(135,3)** | **74,6** | **345,9** |
| **TOTAL NET EQUITY AND LIABILITIES** | **2.043,6** | **(235,6)** | **295,0** | **2.103,0** | **1.912,4** | **(223,3)** | **295,4** | **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

| M€ | Q3 2023 Proportional method | Q3 2023 Adjustment Cos. accounted for via equity method | Q3 2023 Adjustment Cos. accounted for via full consolidation method | Q3 2023 EU-IFRS application | Q3 2022 Proportional method | Q3 2022 Adjustment Cos. accounted for via equity method | Q3 2022 Adjustment Cos. accounted for via full consolidation method | Q3 2022 EU-IFRS application |
|---|---|---|---|---|---|---|---|---|
| **Income** | **1.078,9** | **(413,4)** | **197,4** | **862,9** | **959,0** | **(333,1)** | **211,5** | **837,4** |
| Material costs | (309,4) | 75,9 | (64,1) | (297,6) | (283,3) | 65,9 | (72,4) | (289,8) |
| Personnel expenses | (148,8) | 26,8 | (22,6) | (144,6) | (135,8) | 23,6 | (22,4) | (134,7) |
| Other operating expenses | (395,5) | 154,5 | (57,7) | (298,7) | (370,6) | 129,7 | (66,2) | (307,1) |
| **EBITDA** | **278,2** | **(157,3)** | **53,5** | **174,4** | **208,4** | **(114,2)** | **53,3** | **147,5** |
| Amortizations | (59,3) | 19,6 | (13,9) | (53,6) | (58,6) | 19,2 | (15,4) | (54,8) |
| Results for impairment/sale of assets | (4,1) | (0,5) | 0,1 | (4,5) | 1,6 | (2,0) | 0,2 | (0,2) |
| **Operating result** | **214,8** | **(138,3)** | **39,7** | **116,2** | **151,4** | **(97,0)** | **38,1** | **92,5** |
| Financial results | (30,2) | 3,6 | (12,8) | (39,4) | (15,5) | 3,8 | (3,3) | (15,0) |
| Results Cos. equity method | - | 97,8 | - | 97,8 | - | 68,0 | - | 68,0 |
| **Results before tax** | **184,6** | **(36,9)** | **26,9** | **174,6** | **135,9** | **(25,1)** | **34,8** | **145,6** |
| Taxes | (60,3) | 37,0 | (11,2) | (34,5) | (45,8) | 25,1 | (19,5) | (40,2) |
| Minority | - | - | (15,8) | (15,8) | - | - | (15,3) | (15,3) |
| **Net Income** | **124,3** | **-** | **-** | **124,3** | **90,1** | **-** | **-** | **90,1** |

## Conciliation consolidated Net Financial Debt

| (M€) | 30/09/2023 *Proportional method* | 30/09/2023 *Adjustment Cos. accounted for via equity method* | 30/09/2023 *Adjustment Cos. accounted for via full consolidation method* | 30/09/2023 *EU-IFRS application* | 31/12/2022 *Proportional method* | 31/12/2022 *Adjustment Cos. accounted for via equity method* | 31/12/2022 *Adjustment Cos. accounted for via full consolidation method* | 31/12/2022 *EU-IFRS application* |
|---|---|---|---|---|---|---|---|---|
| **Financial liabilities** | 303,8 | (97,5) | 41,7 | 248,0 | 351,3 | (87,0) | 45,4 | 309,8 |
| Current financial liabilities | 47,9 | (15,7) | 13,6 | 45,8 | 37,8 | (10,7) | 13,4 | 40,5 |
| Non-current financial liabilities | 256,0 | (81,9) | 28,1 | 202,2 | 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** | (24,0) | 12,9 | (1,2) | (12,3) | (25,4) | 14,3 | (1,2) | (12,3) |
| **Cash and equivalent liquid assets** | (245,6) | 172,5 | (6,0) | (79,2) | (181,0) | 114,2 | (6,5) | (73,3) |
| **NET FINANCIAL DEBT** | **34,1** | **87,8** | **34,7** | **156,6** | **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 "Q3 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.