Molins

2024 | Results Q3

New Inditex building for Zara's headquarters, built with concrete precast solutions, in Arteixo (Spain)

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Strong results

In a complex and uncertain global environment.

- Markets slowdown, albeit different across regions, with additional impact on Q3 of adverse weather and political and social instability in several countries.
- **Sales of 1,022 M€, -5% 2023** (LFL[1] +25%) with positive impact of selling prices and negative impact of lower volume and currency fluctuations.

- **EBITDA decreases 1% reaching € 274M** (LFL[1] +31%), highlighting the contribution of the businesses in all regions except South America, impacted by Argentina.
- Positive impact by net contribution of selling prices over costs and efficiency plans, offsetting the lower volumes and unfavourable impact of currency fluctuations.
- EBITDA Margin rose by 110 bps to 26.9%.

- **Net Profit reaches € 153M, +23% 2023**, driven by lower financial expenses and the positive impact of hyperinflation adjustment in Argentina.
- **Solid cash flow generation.** Net Financial Debt achieves a net cash balance of € 72M.

- **Performance aligned with the strategic plan 2024-26.**
- **Significant execution progress of 2030 Sustainability roadmap**, with the target to reduce 20% the emissions by 2030 and supply carbon neutral concrete by 2050.

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

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Results continue to rise

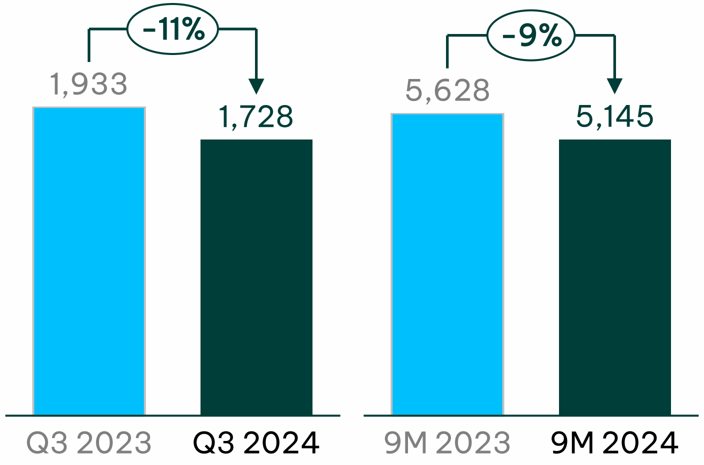
In a complex and uncertain global environment

Q3 2024	Q3 2023	% var.	% LFL [1]	Proportional consolidation in €M	9M 2024	9M 2023	% var.	% LFL [1]
329	374	-12%	+19%	Sales	1.022	1.079	-5%	+25%
85	99	-13%	+20%	EBITDA	274	278	-1%	+31%
25,9%	26,4%	+1,1	+0,1	EBITDA Margin	26,9%	25,8%	+1,1	+1,3
69	74	-7%	+34%	EBIT	214	215	0%	+40%
48	44	+9%	+30%	Net Result	153	124	+23%	+43%
0,73	0,67	+9%		EPS (€)	2,32	1,88	+23%	
-72	34	-	-	Net Financial Debt	-72	34	-	-

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

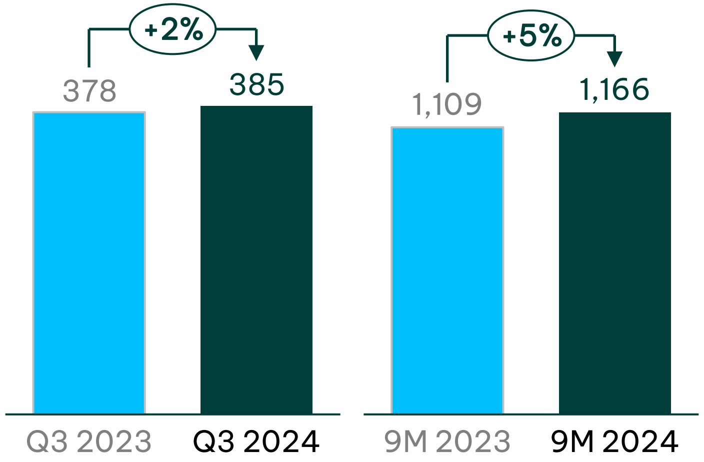
Gradual slowdown in activity

PORTLAND CEMENT VOLUME (Th. t)



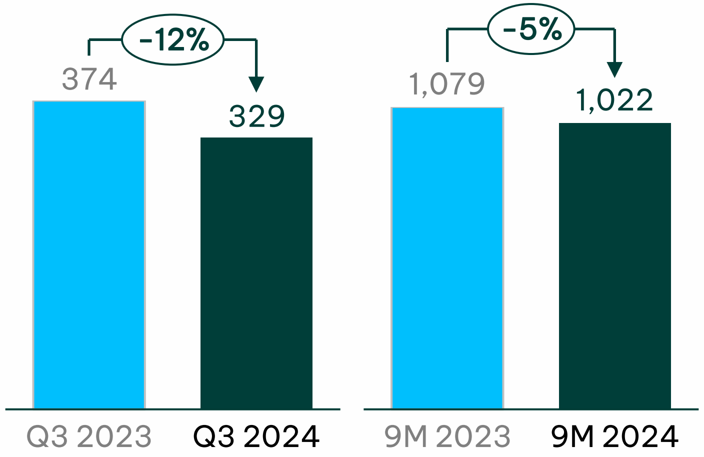
- Weak market activity during Q3, worsened by climatological effects and political instability in some countries.
- Volume -9% 2023 with lower activity in all markets, except North Africa.

CONCRETE VOLUME (Th. m³)



- Volume +5% 2023, driven by relevant construction projects.
- Higher activity growth in Spain and Mexico.
- Decline in South America linked to lower activity in Argentina.

SALES (€M)



- Sales 9M 2024 -12% 2023, (LFL +19%).
- Positive impact of selling prices and negative impact of lower volume and currency fluctuations.
- Increased orders for precast solutions in execution.

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

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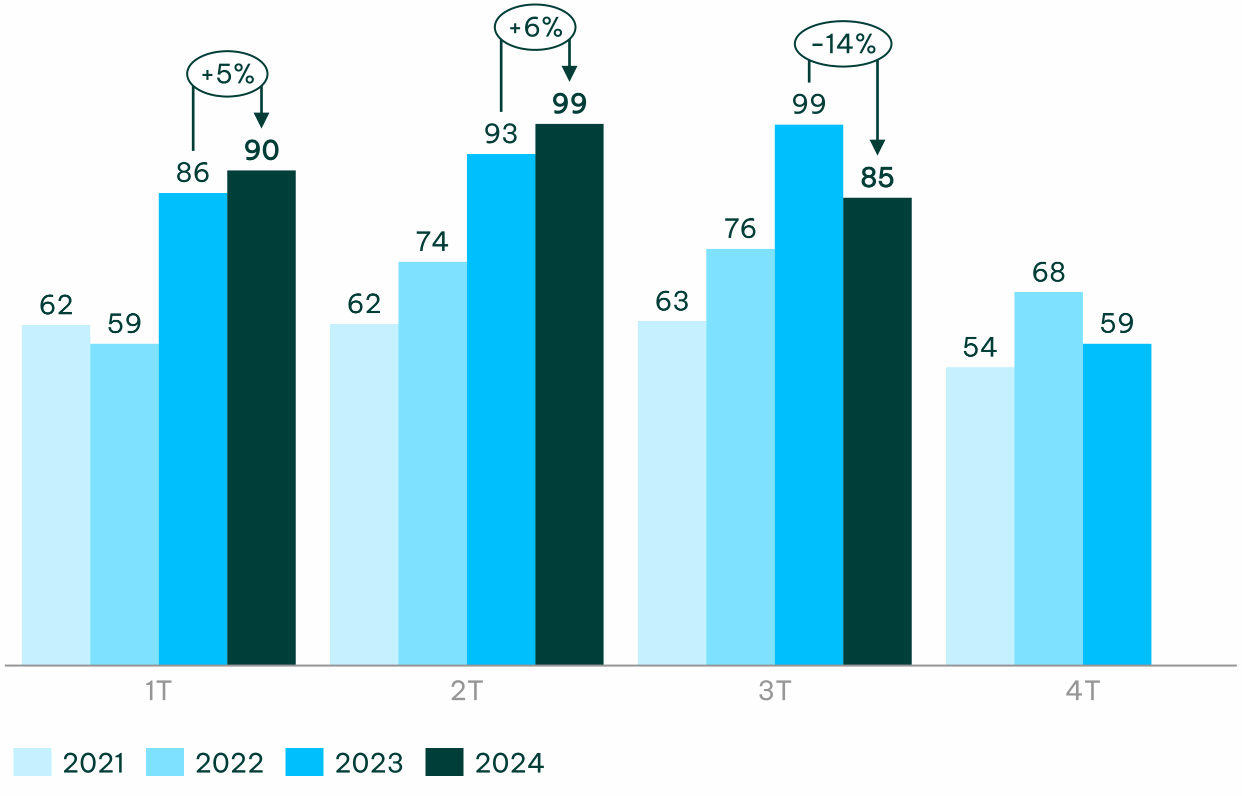
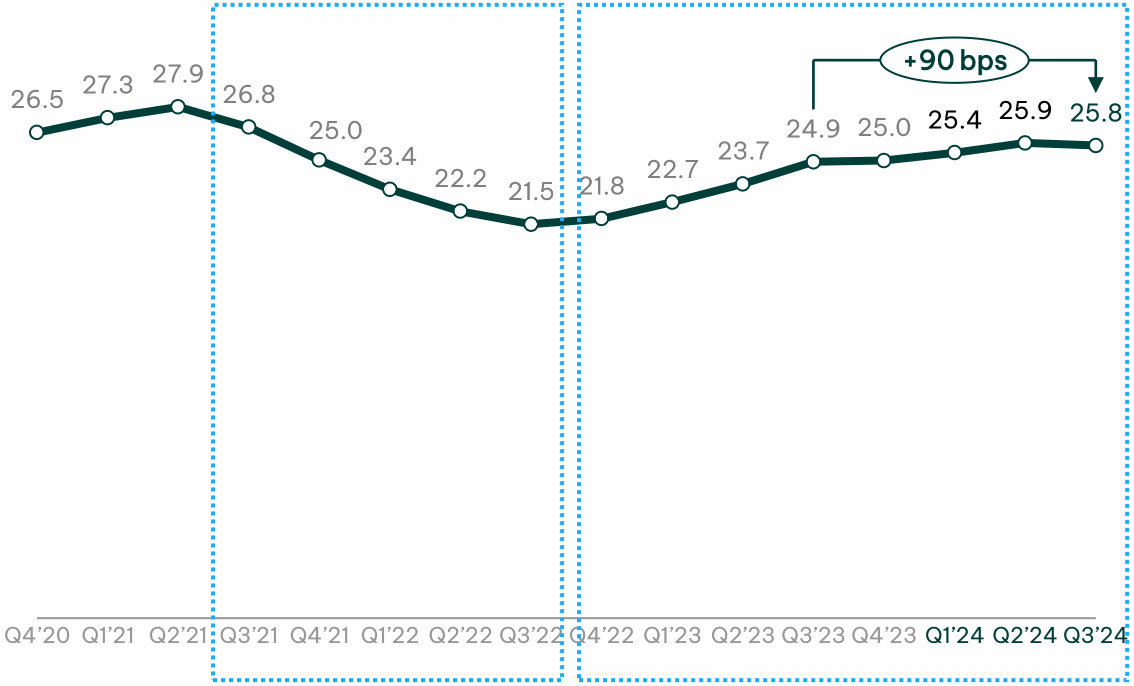
Sustainable and profitable growth

Strong quarterly results with lower one-off contribution in Q3 affected by political and social instability in several countries

EBITDA BY QUARTER (€M)



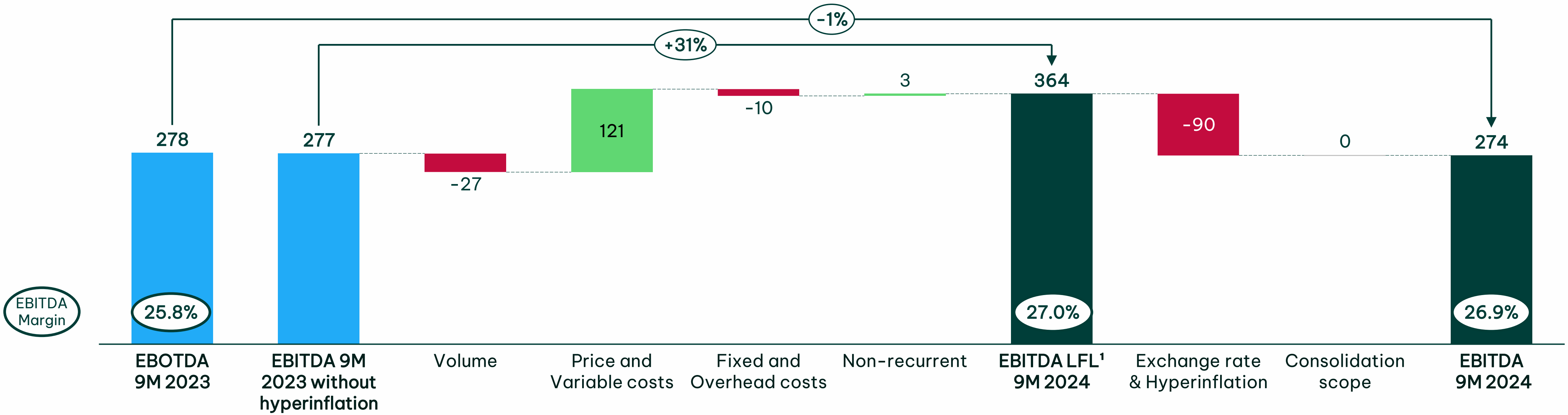
EBITDA MARGIN LTM BY QUARTER (%)



Proportional consolidation.

EBITDA driven by rising selling prices and costs efficiencies

- EBITDA like-for-like[1] increased by 31%: positive impact of the net contribution of prices over costs, and by the positive contribution of efficiency plans.
- Unfavourable impact of lower volume and currency fluctuations due to sharp devaluation of the Argentinean peso in Dec 2023.
- The EBITDA Margin increased by 110 bps to 26.9%.



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

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Sales and EBITDA by Region

Sales and EBITDA increased on a like-for-like basis in 9M 2024 by 25% and 31%, respectively.

	SALES				EBITDA			
	9M 2024	9M 2023	% var.	% LFL [1]	9M 2024	9M 2023	% var.	% LFL [1]
Europe	423	436	-3%	-3%	81	79	+2%	+6%
Mexico	262	261	+1%	+2%	119	116	+2%	+3%
South America	233	273	-15%	+104%	62	76	-19%	+101%
Asia & North Africa	103	109	-6%	-2%	29	27	+6%	+14%
Corporate & Others	0	0	-	-	-14	-15	-	-
Non recurrent	0	0	-	-	-2	-6	-	-
Total	1.022	1.079	-5%	+25%	274	278	-1%	+31%

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

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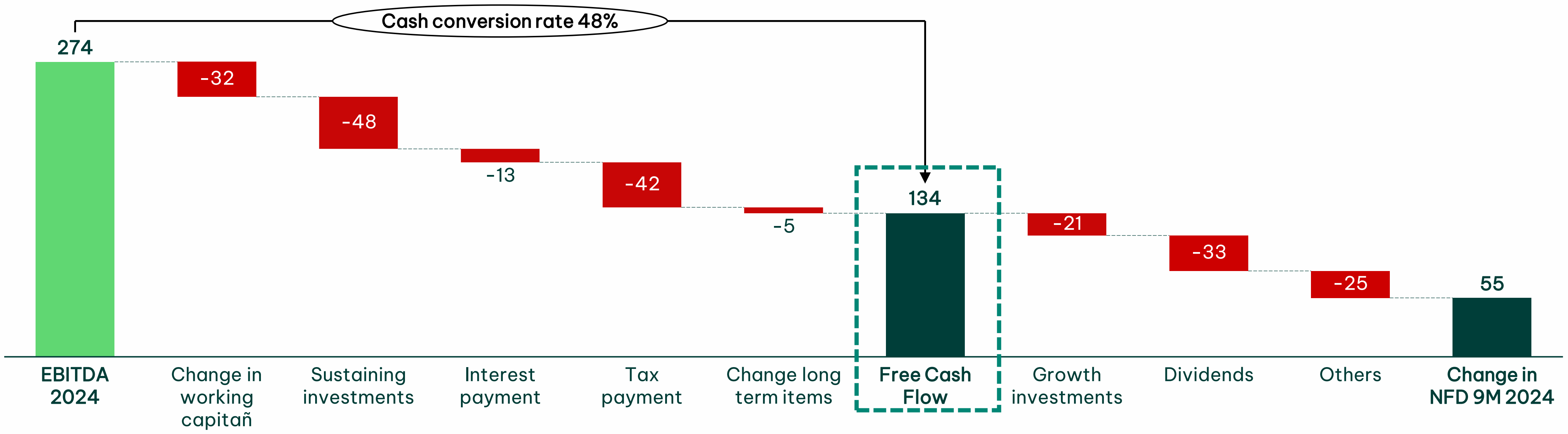
Strong cash flow generation continues

- Cash flow generation of € 134M in 9M 2024 achieving a cash-conversion-rate of 48%.
- Increase in working capital due to seasonal and punctual impacts, and as a result of inflation in Argentina.
- Strengthening sustaining investments with a focus on sustainability, efficiency and digitalization.



Proportional consolidation. Figures in €M.

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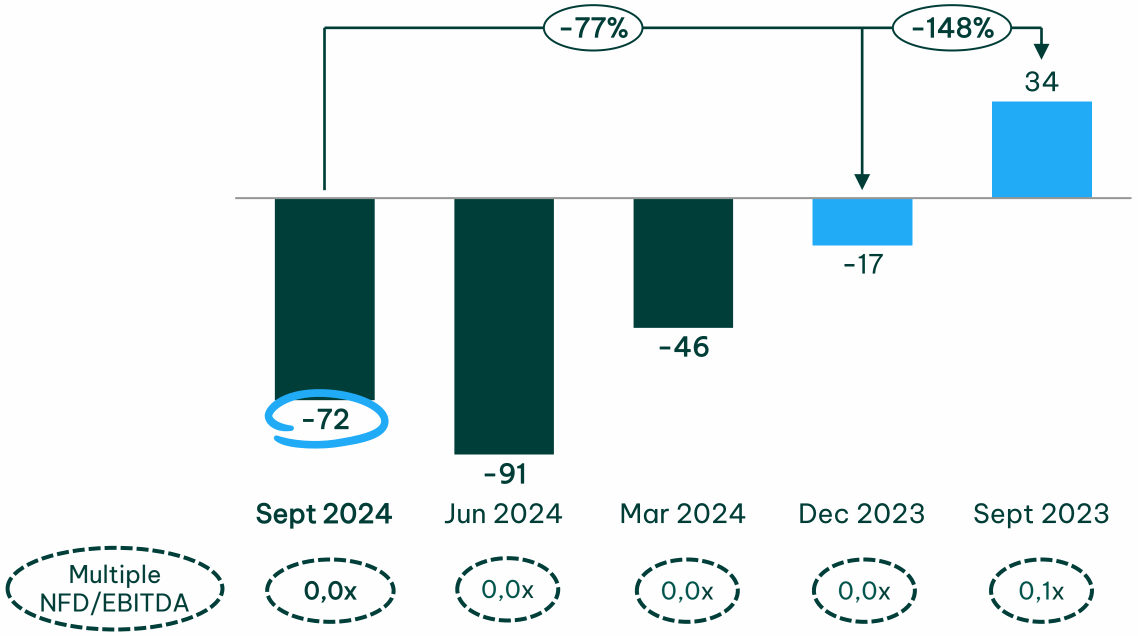
Solid financial position to continue growing with new projects

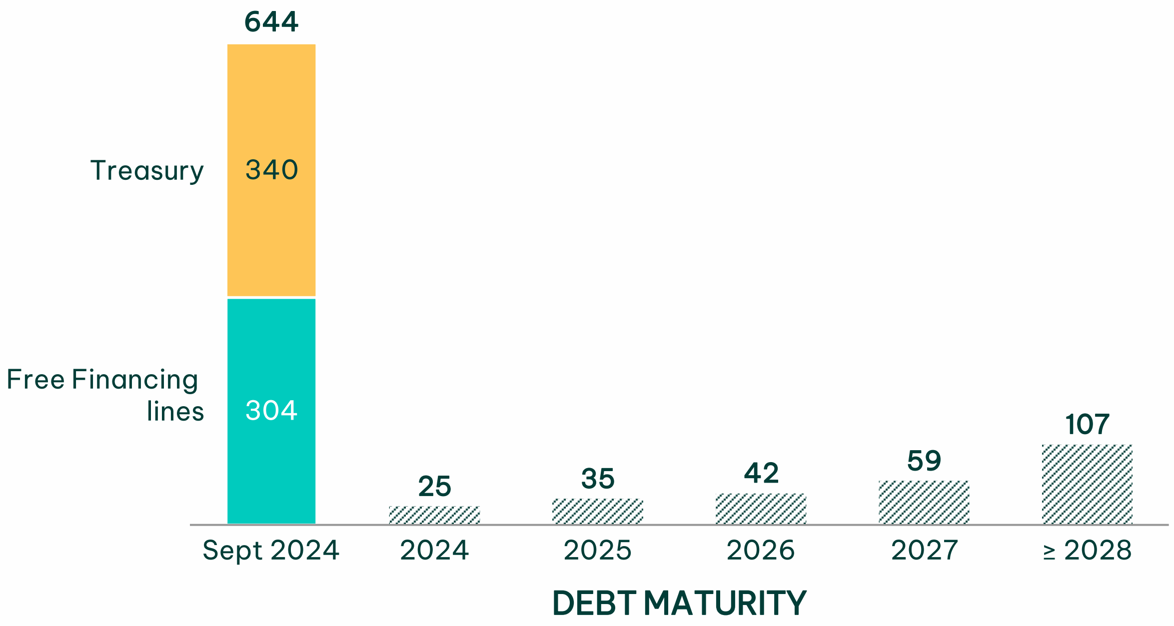
- Net financial debt continues to decline to a net cash balance of € 72M.
- 51% of the debt denominated in EUR currency, and 60% of the treasury denominated in USD and EUR currencies.
- Financing lines amounting to € 572M (47% consumed). 59% with maturity from 2028 onwards.

NET FINANCIAL DEBT (€M)



Proportional consolidation.

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



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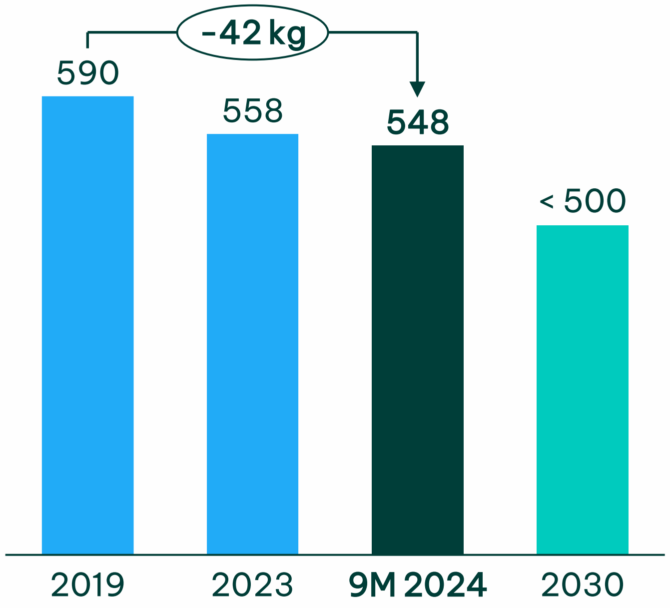
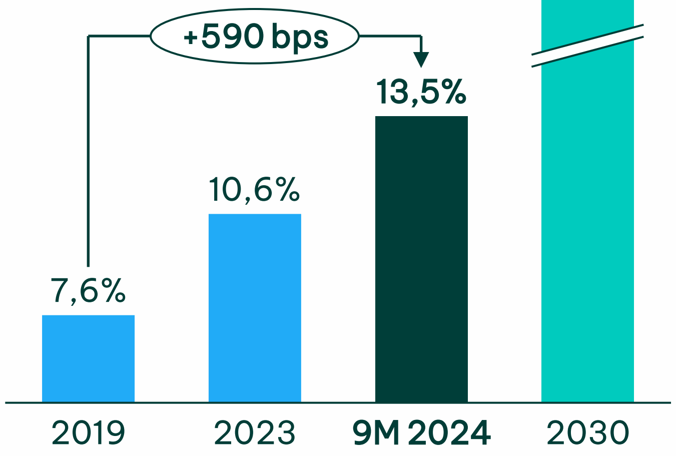
Improvement continues aligned with the sustainability roadmap

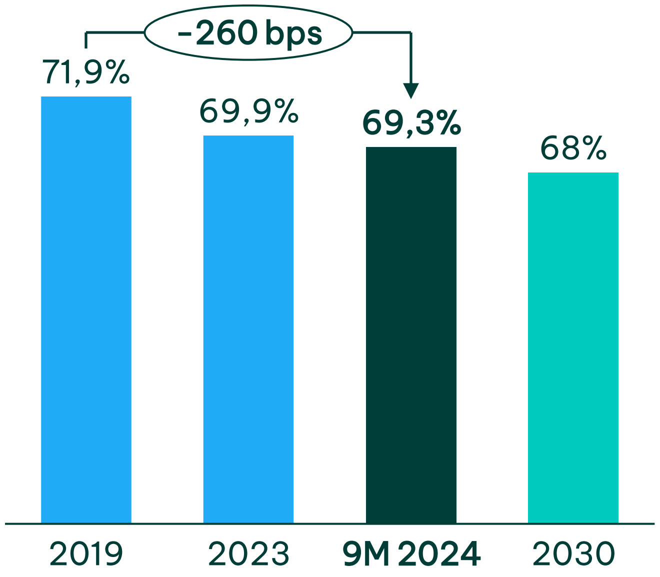
Net CO_2 emissions
(kg CO_2/t cementitious material)



Alternative fuels rate
(% alternative fuels)



Clinker rate
(% t clinker per ton cement)



Consolidation 100%.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Building the present.
Shaping the future.

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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

Figures in €M

ASSETS	30/09/2024				31/12/2023			
	Proportional method	*Adjustment comp. accounted via equity method*	*Adjustm. comp.. accounted via full consolidation*	*EU-IFRS application*	*Proportional method*	*Adjustment comp. accounted via equity method*	*Adjustm. comp.. accounted via full consolidation*	*EU-IFRS application*
Intangible Assets	263,6	(13,4)	0,3	250,5	265,1	(14,8)	0,3	250,6
Fixed assets	839,2	(317,4)	219,8	741,6	789,7	(346,5)	145,8	589,0
Right-of-use Assets	26,4	(5,5)	1,3	22,2	21,7	(4,8)	1,6	18,5
Financial Fixed Assets	5,0	(3,2)	0,3	2,1	4,2	(2,1)	0,4	2,5
Companies accounted for via equity method	-	455,3	0,8	456,1	-	463,2	0,9	464,1
Goodwill	132,7	(29,5)	(0,6)	102,6	130,3	(29,7)	(0,8)	99,8
Other non-current assets	45,2	(12,6)	1,1	33,7	49,9	(13,3)	0,6	37,2
NON-CURRENT ASSETS	1.312,1	73,7	223,0	1.608,8	1.260,9	52,0	148,8	1.461,7
Inventories	185,8	(49,5)	39,5	175,8	163,9	(47,1)	26,2	143,0
Trade debtors and others	237,5	(66,1)	27,4	198,8	270,8	(78,2)	18,5	211,1
Temporary financial investments	20,6	(1,7)	1,2	20,1	10,4	(9,0)	1,5	2,9
Cash and equivalents	319,2	(167,2)	6,9	158,9	281,1	(172,8)	6,0	114,3
CURRENT ASSETS	763,1	(284,5)	75,0	553,6	726,2	(307,1)	52,2	471,3
TOTAL ASSETS	2.075,2	(210,8)	298,0	2.162,4	1.987,1	(255,1)	201,0	1.933,0

NET EQUITY AND LIABILITIES								
Net equity attributed to the parent company	1.229,3	-	-	1.229,3	1.104,3	-	-	1.104,3
Net equity from minority shareholders	-	(0,2)	169,9	169,7	-	(0,2)	105,0	104,8
TOTAL NET EQUITY	1.229,3	(0,2)	169,9	1.399,0	1.104,3	(0,2)	105,0	1.209,1
Non-current financial debt	227,3	(67,8)	18,7	178,2	243,9	(76,7)	17,1	184,3
Other non-current liabilities	211,1	(11,6)	45,9	245,4	175,8	(12,2)	27,8	191,4
NON-CURRENT LIABILITIES	438,4	(79,4)	64,6	423,6	419,7	(88,9)	44,9	375,7
Current financial debt	41,2	(14,7)	11,6	38,1	31,2	(12,7)	8,4	26,9
Other current liabilities	366,3	(116,5)	51,9	301,7	431,9	(153,3)	42,7	321,3
CURRENT LIABILITIES	407,5	(131,2)	63,5	339,8	463,1	(166,0)	51,1	348,2
TOTAL NET EQUITY AND LIABILITIES	2.075,2	(210,8)	298,0	2.162,4	1.987,1	(255,1)	201,0	1.933,0

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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

Figures in €M	Q3 2024				Q3 2023			
	Proportional method	Adjustment comp. accounted via equity method	Adjustm. comp.. accounted via full consolidation	EU-IFRS application	Proportional method	Adjustment comp. accounted via equity method	Adjustm. comp.. accounted via full consolidation	EU-IFRS application
Income	**1.021,5**	**(408,9)**	**158,1**	**770,7**	**1.078,9**	**(413,4)**	**197,4**	**862,9**
Material costs	(270,8)	77,9	(45,1)	(238,0)	(309,4)	75,9	(64,1)	(297,6)
Personnel expenses	(158,9)	28,1	(23,2)	(154,0)	(148,8)	26,8	(22,6)	(144,6)
Other operating expenses	(317,4)	146,5	(46,2)	(217,1)	(395,5)	154,5	(57,7)	(298,7)
EBITDA	**274,4**	**(156,4)**	**43,6**	**161,6**	**278,2**	**(157,3)**	**53,5**	**174,4**
Amortizations	(64,7)	21,8	(15,6)	(58,5)	(59,3)	19,6	(13,9)	(53,6)
Results for impairment/sale of assets	4,8	(3,4)	0,1	1,5	(4,1)	(0,5)	0,1	(4,5)
Earning before interests & taxes (EBIT)	**214,4**	**(138,0)**	**28,1**	**104,5**	**214,8**	**(138,3)**	**39,7**	**116,2**
Financial results	(2,1)	(6,0)	(2,5)	(10,6)	(30,2)	3,6	(12,8)	(39,4)
Results Cos. equity method	-	104,3	-	104,3	-	97,8	-	97,8
Earnings before taxes (EBT)	**212,3**	**(39,7)**	**25,6**	**198,2**	**184,6**	**(36,9)**	**26,9**	**174,6**
Taxes	(59,1)	39,7	(9,0)	(28,4)	(60,3)	37,0	(11,2)	(34,5)
Minority shareholders	-	-	(16,6)	(16,6)	-	-	(15,8)	(15,8)
Net Result	**153,2**	**-**	**-**	**153,2**	**124,3**	**-**	**-**	**124,3**

Conciliation Consolidated Net Financial Debt

Figures in €M	30/09/2024				31/12/2023			
	Proportional method	Adjustment comp. accounted via equity method	Adjustm. comp.. accounted via full consolidation	EU-IFRS application	Proportional method	Adjustment comp. accounted via equity method	Adjustm. comp.. accounted via full consolidation	EU-IFRS application
Financial liabilities	**268,5**	**(82,5)**	**30,3**	**216,4**	**275,1**	**(89,3)**	**25,5**	**211,3**
Current financial liabilities	41,2	(14,7)	11,7	38,2	31,2	(12,6)	8,4	27,0
Non-current financial liabilities	227,3	(67,8)	18,7	178,2	243,9	(76,7)	17,1	184,3
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	(20,7)	1,7	(1,1)	(20,1)	(10,5)	9,0	(1,4)	(2,9)
Cash and equivalent liquid assets	(319,2)	167,2	(6,9)	(158,9)	(281,1)	172,8	(6,0)	(114,3)
NET FINANCIAL DEBT	**(71,6)**	**86,5**	**22,5**	**37,4**	**(16,7)**	**92,5**	**18,3**	**94,1**

Basis for information presentation

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 included in the regulated information or in any other information submitted by the listed companies, **the information included in this "Results Q3 2024" 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, Molins deems that the management of the businesses and the way their results are assessed for the decision-making process are reflected in the suitable manner.

Therefore, the following parameters are defined in the presentation:

- **Sales:** Net turnover by company, multiplied by the percentage of ownership in each company.
- **EBITDA:** Result before financial results, taxes, amortizations, and results for the impairment and sale of assets, by company, multiplied by the percentage of ownership in each company.
- **EBIT:** Net result before financial results and taxes (operating result) by company, multiplied by the percentage of ownership in each company.
- Sustaining CAPEX: Payments for investments (additions to property, materials, and intangibles) to maintain the activity level, to sustain or improve productivity, by company, multiplied by the percentage of ownership in each company.
- **Growth CAPEX:** Payments for significant investments (additions to property, tangibles, and intangibles) to increase capacity through green fields or expansion of capacity in existing industrial facilities, as well as carbon capture projects, by company, multiplied by the percentage of ownership in each company.
- **Free Cash Flow:** Net cash flow from ordinary activities, consisting of cash generated from operations, (+/-) change in working capital, (-) sustaining CAPEX paid, (-) financial expenses paid and (+) financial income collected, (-) corporate income taxes paid, by company, multiplied by the percentage of ownership in each company.
- **Cash-Conversion-Rate:** Cash conversion cycle, representing the relation between Free Cash Flow and EBITDA.
- **Net Financial Debt:** Financial debt, subtracting cash, temporary financial investments, and long-term taxes, by company, multiplied by the percentage of ownership in each company. If there is a cash net balance, it is reported with a negative sign.
- **Volume:** Physical units that have been sold of portland cement and concrete by company, multiplied by the percentage of ownership in each company.
- **Like-for-Like:** It considers the comparable variation at constant currencies, without hyperinflation adjustment in Argentina and Turkey (IAS 29), and with same consolidation's scope.

As an annex, the Consolidated Summary Financial Statements of Molins and its subsidiaries are included in accordance with International Financial Reporting Standards (IFRS-EU), along with the reconciliation to the criteria adopted in this presentation.