

## Record net income and free cash flow

- Net sales up 3.1% like-for-like with an over-proportional Recurring EBITDA<sup>1</sup> growth of 6.5% like-for-like
- Record net income<sup>2</sup> of CHF 2,072 million (+32%), EPS<sup>3</sup> up 29%
- Record free cash flow<sup>1</sup> of CHF 3,047 million (+79%)
- Cash conversion<sup>1</sup> at 49.5% (28.3% in 2018)
- Net debt<sup>1</sup> reduced from CHF 13.5 billion to CHF 8.8 billion (-35%); Net debt to Recurring EBITDA at 1.4x<sup>1</sup>
- All 2019 targets achieved
- Strengthening leadership in sustainability

### PERFORMANCE OVERVIEW

Group Full Year (in million CHF)	2019	2018	±%	±% LfL
Net sales	26,722	27,466	-2.7	3.1
Recurring EBITDA (pre-IFRS 16)	6,153	6,016	2.3	6.5
Recurring EBITDA (pre-IFRS 16) margin (%)	23.0	21.9		
Operating profit (EBIT)	3,833	3,312	15.7	
Net income, group share	2,246	1,502	49.5	
Net income before impairment & divestments (pre-IFRS 16) <sup>4</sup>	2,072	1,569	32.1	
EPS in CHF/share	3.69	2.52	46.3	
EPS before impairment & divestments in CHF/share (pre-IFRS 16)	3.40	2.63	29.1	
Free Cash Flow (pre-IFRS 16)	3,047	1,703	79.0	
Net financial debt (pre-IFRS 16)	8,811	13,518		

<sup>1</sup> Pre-IFRS 16

<sup>2</sup> Pre-IFRS 16, before impairment & divestments, group share

<sup>3</sup> Pre-IFRS 16, before impairment & divestments

<sup>4</sup> group share

Jan Jenisch, CEO: “2019 was a very successful year for us and we achieved record results in Operating profit, Net income, EPS and Free Cash Flow. Our sharp decrease in net debt has significantly strengthened our balance sheet. We have achieved all our targets for 2019 and have moved our company to a new level of performance.

On top of these record financial results, we strengthened our leadership in sustainability by setting more ambitious targets for carbon emissions and by joining the Science-Based Target initiative. We introduced our first carbon-neutral concrete in key markets and will further focus on expanding our range of low-carbon building solutions.

I congratulate all our employees and teams on these impressive results and would like to thank them for their dedication and efforts in making this possible. We stand in solidarity with our colleagues in our Chinese operations and in our joint venture Huaxin in view of the current coronavirus crisis. We are taking all necessary measures to protect the health of our employees and their families.”

## **A RECORD PERFORMANCE**

Midway through **Strategy 2022 “Building for Growth”** LafargeHolcim has achieved almost all 2022 targets. The company significantly strengthened its balance sheet and is now well positioned to continue growing profitably with strong market positions in all regions. On top, eight bolt-on acquisitions in the attractive Ready-Mix and Aggregates markets have been accomplished in 2019.

**Net sales** of CHF 26,722 million grew 3.1% on a like-for-like basis compared to the prior year, driven by good growth in Europe and North America, good price dynamics across all business segments and higher prices in most markets.

**Recurring EBITDA<sup>1</sup>** reached CHF 6,153 million, up 6.5% like-for-like for the full year, driven by good pricing, improvement in efficiencies and our CHF 400 million SG&A cost savings program. The Recurring EBITDA margin<sup>1</sup> increased from 21.9% in 2018 to 23% in 2019.

**Record Net income<sup>2</sup>** of CHF 2,072 million increased by 32% compared to 2018 (CHF 1,569 million), driven by less restructuring costs, lower financial expenses as well as a decrease in the tax rate.

**Earnings per Share<sup>3</sup>** were up by 29% accordingly to reach CHF 3.40 for the full year 2019 versus CHF 2.63 for 2018.

**Record Free Cash Flow<sup>1</sup>** generation of CHF 3,047 million (+79%) and strong **improvement of cash conversion<sup>1</sup>** reaching 49.5%, well above the target of 40%, as defined in Strategy 2022 - “Building for Growth”. This achievement reflects reduced cash paid for tax, financial and restructuring costs as well as improved net working capital.

**Net debt<sup>1</sup>** was substantially reduced by CHF 4.7 billion (-35%) to CHF 8.8 billion at year-end 2019, reflecting the strong Free Cash Flow and the positive impact following the sale of Indonesia and Malaysia. This resulted in a significant deleveraging with a ratio of Net debt to Recurring EBITDA of 1.4x<sup>1</sup> (2.2x in 2018).

**Return on Invested Capital<sup>1</sup>** (ROIC) was a strong 7.6% for 2019, close to the 2022 target of above 8% and compared to 6.5% in the previous year. ROIC is now above cost of capital thanks to higher profitability, lower tax rate and disciplined Capex.

In 2019, LafargeHolcim delivered a record performance and reached a new level of financial strength which puts the company in a perfect position for further profitable growth for the second half of Strategy 2022 and beyond.

## **STRENGTHENING LEADERSHIP IN SUSTAINABILITY**

In 2019, LafargeHolcim made significant progress in reducing its carbon footprint. Compared to 2018 the company reduced its net CO<sub>2</sub> scope 1 emissions per ton of cementitious material by 1.4%<sup>5</sup> to 561 kg/ton in 2019, nearly meeting its 2022 target of 560 kg/ton.

Given this strong progress, the company has revised its 2022 target to 550 kg/ton as it moves to reduce its carbon footprint to 520 kg/ton by 2030. In 2019, the Science-Based Targets initiative (SBTi) has validated the targets to reduce the company's global carbon footprint as adequate and consistent with the effort to keep temperatures below the '2°C' threshold agreed at the COP21 world climate conference in Paris.

Compared to 1990, the company had already reduced its directly attributable ('scope 1') net CO<sub>2</sub> emissions per ton of cementitious material by 27%, by far the leader among international cement groups.

In October 2019, Chief Sustainability Officer Magali Anderson was appointed as a member of the Group Executive Committee, underlining LafargeHolcim's industry leadership in regard to social and ecological responsibility.

Recently LafargeHolcim introduced its first fully carbon-neutral concrete<sup>6</sup> in Switzerland and Germany, demonstrating the company's move toward building a global family of carbon-neutral products.

To keep up this momentum, the company has also revised its incentive scheme so that one-third of the Executive Committee's performance share rewards is based on progress in carbon emissions, waste recycling and freshwater withdrawal. The health and safety component of the annual incentive scheme will also include a scorecard including both leading and lagging performance metrics. Both changes to the incentives scheme begin in 2020.

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<sup>5</sup> At constant 2019 scope

<sup>6</sup> To achieve climate neutrality, the CO<sub>2</sub> load remaining on cement that is already carbon-reduced will be fully offset through recognized, certified climate projects

## OUTLOOK 2020

For 2020, LafargeHolcim anticipates a continued solid market environment:

- Continued market growth in North America
- Improving market conditions in Latin America
- Continued demand growth across most countries in Europe
- Challenging market conditions in Middle East Africa
- Demand growth in India, challenging environment in China. This outlook doesn't take into account the impact that the Coronavirus (COVID-19) might have on the operating results in China

Based on the above trends and the successful execution of Strategy 2022, we are confident to achieve the following targets for 2020:

- Net sales growth of 3 to 5% on a like-for-like basis
- Recurring EBIT\* growth of at least 7%<sup>7</sup> on a like-for-like basis
- Ratio of Net debt to Recurring EBITDA below 2 times by the end of 2020
- Cash conversion of 40%
- Capex and bolt-on acquisitions of less than CHF 2 billion

For the 2019 financial year, the Board of Directors is proposing a cash dividend of CHF 2.00 per registered share, subject to approval by the shareholders at the Annual General Meeting on 12 May 2020. The dividend will be fully paid out of the foreign capital contribution reserve and is not subject to Swiss withholding tax.

*\* LafargeHolcim announces Recurring EBIT as its new key performance indicator starting in 2020, replacing Recurring EBITDA. The new indicator provides full transparency and accountability under IFRS 16 as it fully captures operational achievements and better reflects financial discipline on investments. The key performance indicator changes from the previously used Recurring EBITDA growth of at least 5% like-for-like to Recurring EBIT growth of at least 7% like-for-like.*

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<sup>7</sup> Target doesn't take into account the impact that the Coronavirus disease 2019 (COVID-19) might have on the operating results in China

## KEY GROUP FIGURES 2019

Group Q4 (in million CHF)	2019	2018	±%	±% LfL
Net sales	6,521	6,831	-4.5	0.6
Recurring EBITDA pre-IFRS 16	1,610	1,665	-3.3	0.1
Recurring EBITDA margin pre-IFRS 16 (%)	24.7	24.4		

Group Full Year (in million CHF)	2019	2018	±%	±% LfL
Net sales	26,722	27,466	-2.7	3.1
Recurring EBITDA pre-IFRS 16	6,153	6,016	2.3	6.5
Recurring EBITDA margin pre-IFRS 16 (%)	23.0	21.9		
Operating profit (EBIT)	3,833	3,312	15.7	
Net income, group share	2,246	1,502	49.5	
Net Income before impairment&divestments (pre-IFRS 16) group share	2,072	1,569	32.1	
EPS before impairment & divestments (pre-IFRS 16)	3.40	2.63	29.1	
Cash flow from operating activities	4,825	2,988	61.5	
Free Cash Flow pre-IFRS 16	3,047	1,703	79.0	
Net financial debt pre-IFRS 16	8,811	13,518	-34.8	

Group Results by Segment Full Year	2019	2018	±%	±% LfL
Sales of Cement (mt)	207.9	221.9	-6.3	0.5
Net sales of Cement (CHFm)	17,498	18,052	-3.1	4.0
Recurring EBITDA of Cement pre-IFRS 16 (CHFm)	4,759	4,688	1.5	6.1
Recurring EBITDA margin of Cement pre-IFRS 16 (%)	27.2	26.0		
Sales of Aggregates (mt)	269.9	273.8	-1.4	-0.3
Net sales of Aggregates (CHFm)	4,125	4,091	0.8	3.5
Recurring EBITDA of Aggregates pre-IFRS 16 (CHFm)	902	893	1.0	3.0
Recurring EBITDA margin of Aggregates pre-IFRS 16 (%)	21.9	21.8		
Sales of Ready-Mix-Concrete (m m3)	47.7	50.9	-6.3	-2.0
Net sales of Ready-Mix-Concrete (CHFm)	5,289	5,481	-3.5	-0.2
Recurring EBITDA of Ready-Mix-Concrete pre-IFRS 16 (CHFm)	276	232	18.9	18.0
Recurring EBITDA margin of Ready-Mix-Concrete pre-IFRS 16 (%)	5.2	4.2		
Net sales of Solutions & Products (CHFm)	2,248	2,396	-6.2	0.2
Recurring EBITDA of Solutions & Products pre-IFRS 16 (CHFm)	217	203	7.1	20.0
Recurring EBITDA margin of Solutions & Products pre-IFRS 16 (%)	9.7	8.5		

## REGIONAL PERFORMANCE

### Asia Pacific

The Asia Pacific region continued to generate strong Recurring EBITDA pre-IFRS 16 growth. Overall there was a strong over-proportional improvement of Recurring EBITDA pre-IFRS 16 in India. The turnaround initiatives in Australia offset the current market slowdown. The contribution from China continued to be solid.

Asia Pacific Full Year	2019	2018	±%	±% LfL
Sales of cement (mt)	73.5	89.7	-18.1	-0.3
Sales of aggregates (mt)	27.3	31.4	-13.0	-0.5
Sales of ready-mix concrete (m m <sup>3</sup> )	9.6	12.5	-23.3	-0.4
Net sales to external customers (CHFm)	6,491	7,446	-12.8	2.5
Recurring EBITDA pre-IFRS 16 (CHFm)	1,694	1,609	5.3	14.2
Recurring EBITDA margin pre-IFRS 16 (%)	26.1	21.5		

### Europe

2019 was another excellent year for the Europe region with a very strong over-proportional growth in Recurring EBITDA pre-IFRS 16. Eastern and Central European markets were especially robust with ongoing public infrastructure spending across Europe. Successful price increases were implemented in all segments and for instance in the key markets of France, Germany, Poland and Russia. The strong margin improvement was supported by operational efficiencies and effective price management in all business segments.

Europe Full Year	2019	2018	±%	±% LfL
Sales of cement (mt)	46.3	45.3	2.3	2.3
Sales of aggregates (mt)	118.7	120.4	-1.4	-1.8
Sales of ready-mix concrete (m m <sup>3</sup> )	19.3	19.3	-0.1	-0.4
Net sales to external customers (CHFm)	7,670	7,554	1.5	4.9
Recurring EBITDA pre-IFRS 16 (CHFm)	1,596	1,499	6.5	10.2
Recurring EBITDA margin pre-IFRS 16 (%)	20.5	19.5		

## Latin America

In 2019, the Latin America region continued to see soft but stabilizing cement demand. Markets in Mexico and Ecuador were weaker, while Colombia delivered a good performance. Cement demand recovered in Brazil. Effective cost and price management across the region partially mitigated the challenges in key markets such as Mexico and provided for an overall resilient regional performance.

Latin America Full Year	2019	2018	±%	±% LfL
Sales of cement (mt)	24.7	25.1	-1.5	-1.5
Sales of aggregates (mt)	4.1	3.6	14.6	14.6
Sales of ready-mix concrete (m m <sup>3</sup> )	4.9	5.5	-10.7	-10.7
Net sales to external customers (CHFm)	2,620	2,731	-4.1	3.6
Recurring EBITDA pre-IFRS 16 (CHFm)	887	959	-7.5	-1.7
Recurring EBITDA margin pre-IFRS 16 (%)	33.7	35.0		

## Middle East Africa

Market conditions in the Middle East Africa region remained challenging in 2019, albeit with further progress towards stabilization. Price pressure continued in oversupplied markets such as Algeria and Nigeria. The good progress in turnaround initiatives partially offset challenging conditions in these key markets. Robust cement demand in Iraq and several countries in Eastern Africa helped to further mitigate these challenges. Overall cement volumes remained stable across the region, matching the prior-year level.

Middle East Africa Full Year	2019	2018	±%	±% LfL
Sales of cement (mt)	35.6	35.9	-0.8	-0.8
Sales of aggregates (mt)	6.3	8.7	-28.1	-28.1
Sales of ready-mix concrete (m m <sup>3</sup> )	3.8	4.2	-10.1	-10.1
Net sales to external customers (CHFm)	2,903	3,080	-5.8	-0.8
Recurring EBITDA pre-IFRS 16 (CHFm)	656	734	-10.7	-5.1
Recurring EBITDA margin pre-IFRS 16 (%)	22.3	23.5		

## North America

The macroeconomic environment remained favorable in the US and Eastern Canada with a strong order backlog and several large projects already captured. Western Canada experienced some challenges triggered by the economic downturn in the oil and gas dependent provinces of the Prairies. Overall, North America delivered a solid performance with an over-proportional Recurring EBITDA pre-IFRS 16 growth in Q4 2019.

North America Full Year	2019	2018	±%	±% LfL
Sales of cement (mt)	20.8	19.8	5.3	5.3
Sales of aggregates (mt)	113.5	109.6	3.6	3.0
Sales of ready-mix concrete (m m <sup>3</sup> )	10.2	9.4	7.6	1.6
Net sales to external customers (CHFm)	6,311	5,875	7.4	4.9
Recurring EBITDA pre-IFRS 16 (CHFm)	1,621	1,523	6.4	4.4
Recurring EBITDA margin pre-IFRS 16 (%)	25.7	25.9		



## OTHER PROFIT & LOSS ITEMS

**Depreciation and amortization pre-IFRS 16** stood at CHF 2,096 million versus CHF 2,235 million in 2018, reflecting the divestment in South East Asia and discipline in Capex.

**Restructuring, litigation, implementation and other non-recurring costs** stood at CHF 190 million, compared to CHF 476 million in 2018 and CHF 461 million in 2017. 2019 restructuring costs amounted to CHF 101 million, reflecting the completion of the implementation of the SG&A savings program.

**Profit and Loss on disposals and other non-operating items** amounted to CHF 186 million, reflecting mainly the capital gain on the Indonesia and Malaysia divestments.

**Net financial expenses pre-IFRS 16** for 2019 amounted to CHF 638 million versus CHF 886 million in the prior year, a strong improvement by CHF 248 million. This was driven by refinancing actions and deleverage.

**The income tax rate pre-IFRS 16** excluding impairment and divestments was 26%, 1.7 percentage points lower than in 2018.

Reflecting all the above, **2019 Net income group share** amounted to CHF 2,246 million.

**Excluding impairment and divestments, EPS pre-IFRS 16** was up 29.1% to CHF 3.40 for 2019. On a reported basis, EPS was CHF 3.69 for 2019.

**Net capital expenditure** for 2019 was CHF 1,396 million. **Free Cash Flow pre-IFRS 16** stood at CHF 3,047 million, up 79.0% compared to 2018. This led to a ratio of cash conversion pre-IFRS 16, defined as Free Cash Flow relative to Recurring EBITDA, of 49.5% in 2019.

## RECONCILIATION TO GROUP ACCOUNTS

### Reconciliation of IFRS 16 impacts in Statement of income with the Consolidated Financial Statements

Group Full Year (in million CHF)	2019 post-IFRS 16	IFRS 16 impact	2019 pre-IFRS 16	2018
<b>Net sales</b>	26,722		26,722	27,466
Recurring costs excluding SG&A	(18,678)	364	(19,042)	(19,511)
Recurring SG&A	(2,011)	64	(2,075)	(2,441)
Share of profit of joint ventures	548		548	502
<b>Recurring EBITDA</b>	<b>6,581</b>	<b>428</b>	<b>6,153</b>	<b>6,016</b>
Depreciation and amortization	(2,479)	(383)	(2,096)	(2,235)
<b>Recurring EBIT</b>	<b>4,102</b>	<b>45</b>	<b>4,057</b>	<b>3,781</b>
Impairment of operating assets	(80)		(80)	6
Restructuring, litigation, implementation and other non-recurring costs	(190)		(190)	(476)
<b>Operating profit (EBIT)</b>	<b>3,833</b>	<b>45</b>	<b>3,787</b>	<b>3,312</b>
Profit (loss) on disposal and other non-operating items	186	4	182	(73)
Net financial expenses	(712)	(74)	(638)	(886)
Share of profit of associates	12		12	22
<b>Net Profit before tax</b>	<b>3,319</b>	<b>(25)</b>	<b>3,344</b>	<b>2,375</b>
Income tax	(806)	7	(813)	(656)
<b>Net income</b>	<b>2,513</b>	<b>(18)</b>	<b>2,531</b>	<b>1,719</b>

### Reconciliation of Net Income before impairment and divestments with the Consolidated Financial Statements

Group Full Year (in million CHF)	2019 post-IFRS 16	IFRS 16 impact	2019 pre-IFRS 16	2018
<b>Net income</b>	<b>2,513</b>	<b>(18)</b>	<b>2,531</b>	<b>1,719</b>
Impairment	(66)		(66)	22
Profit (loss) on divestments	255		255	(74)
<b>Net income before impairment and divestments</b>	<b>2,323</b>	<b>(18)</b>	<b>2,341</b>	<b>1,772</b>
Net income before impairment and divestments Group share			2,072	<b>1,569</b>

*Adjustments disclosed net of taxation*

## Reconciliation of Free Cash Flow with the Consolidated Financial Statements

Group Full Year (in million CHF)	2019 post-IFRS 16	IFRS 16 impact	2019 pre-IFRS 16	2018
<b>Cash flow from operating activities</b>	4,825	<b>381</b>	<b>4,444</b>	<b>2,988</b>
Purchase of property, plant and equipment	(1,534)		(1,534)	(1,411)
Disposal of property, plant and equipment	137		137	126
Repayment of long-term lease liabilities	(409)	(409)		
<b>Free Cash Flow</b>	<b>3,019</b>	<b>(28)</b>	<b>3,047</b>	<b>1,703</b>

## Reconciliation of Net financial debt with the Consolidated Financial Statements

Group Full Year (in million CHF)	2019 post-IFRS 16	IFRS 16 impact	2019 pre-IFRS 16	2018
Current financial liabilities	2,089	304	1,785	3,063
Long-term financial liabilities	12,202	995	11,207	13,061
Cash and cash equivalents	4,148		4,148	2,515
Short-term derivative assets	28		28	66
Long-term derivative assets	5		5	26
<b>Net financial debt</b>	<b>10,110</b>	<b>1,299</b>	<b>8,811</b>	<b>13,518</b>

## NON-GAAP DEFINITIONS

Some non-GAAP measures are used in this release to help describe the performance of LafargeHolcim. A full set of these non-GAAP definitions can be found on our [website](#).

Measures	Definition
<b>Like-for-like</b>	Factors out changes in the scope of consolidation (such as divestments and acquisitions occurring in 2019 and 2018) and currency translation effects (2019 figures are converted with 2018 exchange rates in order to calculate the currency effects).
<b>Restructuring, litigation, implementation and other non-recurring costs</b>	Significant items that, because of their exceptional nature, cannot be viewed as inherent to the Group's ongoing performance, such as strategic restructuring, major items relating to antitrust fines and other business related litigation cases.
<b>Profit/loss on disposals and non-operating items*</b>	Comprises capital gains or losses on the sale of Group companies and of material property, plant and equipment and other non-operating items that are not directly related to the Group's normal operating activities such as revaluation gains or losses on previously held equity interests, disputes with non-controlling interests and other major lawsuits.
<b>Recurring EBITDA*</b>	The Recurring EBITDA is an indicator to measure the performance of the Group excluding the impacts of non-recurring items. It is defined as: +/- Operating profit/loss (EBIT) - depreciation, amortization and impairment of operating assets - restructuring, litigation, implementation and other non-recurring costs
<b>Recurring EBITDA Margin *</b>	Recurring EBITDA divided by net sales
<b>Recurring EBIT*</b>	The Recurring EBIT is defined as Operating profit (EBIT) adjusted for restructuring, litigation and other non-recurring costs and for impairment of operating assets.
<b>Operating profit/loss (EBIT) before impairment*</b>	The Operating profit/loss (EBIT) before impairment is an indicator that measures the profit earned from the Group's core business activities excluding impairment charges which, because of their exceptional nature, cannot be viewed as inherent to the Group's ongoing activities. It is defined as: +/- Operating Profit/loss (EBIT) - Impairment of goodwill and long-term assets

\* Following the implementation of IFRS 16 Leases, effective 1 January 2019, the Group has elected the modified retrospective approach which does not require restatement of 2018 numbers. Consequently, in 2019, for better comparability this indicator is calculated <pre> and <post> IFRS 16.

Measures	Definition
<b>Net income before impairment and divestments*</b>	<p>Net income before impairment and divestments excludes impairment charges and capital gains and losses arising on disposals of Group companies which, because of their exceptional nature, cannot be viewed as inherent to the Group's ongoing activities. It is defined as:</p> <ul style="list-style-type: none"> <li>+/- Net income (loss)</li> <li>- Gains or losses on disposals of Group companies</li> <li>- Impairments of goodwill and long-term assets</li> </ul>
<b>Earnings Per Share (EPS) before impairment and divestments*</b>	<p>Net income before impairment and divestments attributable to the shareholders of LafargeHolcim Ltd divided by the weighted average number of shares outstanding.</p>
<b>The Net Maintenance and Expansion Capex ("Capex" or "Capex Net")</b>	<p>The Net Maintenance and Expansion Capex is an indicator to measure the cash spent to maintain or expand its asset base. It is defined as:</p> <ul style="list-style-type: none"> <li>+ Expenditure to increase existing or create additional capacity to produce, distribute or provide services for existing products (expansion) or to diversify into new products or markets (diversification)</li> <li>+ Expenditure to sustain the functional capacity of a particular component, assembly, equipment, production line or the whole plant, which may or may not generate a change of the resulting cash flow</li> <li>- Proceeds from sale of property, plant and equipment</li> </ul>
<b>Free Cash Flow*</b>	<p>The Free Cash Flow is an indicator to measure the level of cash generated by the Group after spending cash to maintain or expand its asset base.</p> <p>The Free Cash Flow pre-IFRS 16 is defined as:</p> <ul style="list-style-type: none"> <li>+/- Cash flow from operating activities adjusted for IFRS 16 impacts</li> <li>- Net Maintenance and expansion Capex</li> </ul> <p>The Free Cash Flow post-IFRS 16 is defined as:</p> <ul style="list-style-type: none"> <li>+/- Cash flow from operating activities</li> <li>- Net Maintenance and expansion Capex</li> <li>- Repayment of long-term lease liabilities</li> </ul>
<b>Net financial debt ("Net debt")*</b>	<p>The Net financial debt is an indicator to measure the financial debt of the Group after deduction of the cash. It is defined as:</p> <ul style="list-style-type: none"> <li>+ Financial liabilities (long-term &amp; short-term) including derivative liabilities</li> <li>- Cash and cash equivalents</li> <li>- Derivative assets (long-term &amp; short-term)</li> </ul>

Measures	Definition
<b>Invested Capital*</b>	The invested capital is an indicator that measures total funds invested by shareholders, lenders and any other financing sources. It is defined as: + Total shareholders' equity + Net financial debt - Assets classified as held for sale + Liabilities classified as held for sale - Current financial receivables - Long-term financial investments and other long-term assets
<b>Net Operating Profit After Tax ("NOPAT")*</b>	The Net Operating Profit After Tax is an indicator that measures the Group's potential earnings if it had no debt. It is defined as: +/- Net Operating Profit/(Loss) (being the Recurring EBITDA and share of profits of associates, adjusted for depreciation and amortization of operating assets but excluding impairment of operating assets) - Standard Taxes (being the taxes applying the Group's tax rate to the Net Operating Profit as defined above)
<b>ROIC (Return On Invested Capital)*</b>	The ROIC is defined as Net Operating Profit After Tax (NOPAT) divided by the average Invested Capital. The average is calculated by adding the Invested Capital at the beginning of the period to that at the end of the period and dividing the sum by 2 (based on a rolling 12 months calculation)
<b>Cash conversion*</b>	Cash conversion pre-IFRS 16 is defined as: Free Cash Flow pre-IFRS 16 divided by Recurring EBITDA pre-IFRS 16 Cash conversion post-IFRS 16 is defined as: Free Cash Flow post-IFRS 16 divided by Recurring EBITDA after leases (referred to as Recurring EBITDA less the depreciation of right-of-use assets)
<b>Recurring SG&amp;A costs*</b>	Fixed Costs included in the Recurring EBITDA, include Sales & Marketing, Administration, Corporate Manufacturing & Corporate Logistics costs
<b>Net CO2 emissions (kg per ton of cementitious material)</b>	Net CO2 emissions are CO2 emissions from the calcination process of the raw materials and the combustion of traditional kiln and non-kiln fuels. Cementitious materials refer to clinker production volumes, mineral components consumed in cement production and mineral components processed and sold externally.
<b>Waste reused in operations (million tons)</b>	The total volume of waste derived resources includes the following components: alternative fuels, alternative raw materials, industrial mineral components consumed and/or processed and sold externally, industrial gypsum, alternative aggregate produced and/or consumed and returned asphalt recycled.
<b>Freshwater withdrawal (liter per ton of cementitious material)</b>	Total volume of freshwater withdrawn by the cement plant divided by the total production of cementitious material.
<b>Lost time injury frequency rate (LTIFR)</b>	Number of lost-time injury divided by million hours worked.

## **ADDITIONAL INFORMATION**

### **Moving towards Integrated Annual Reporting**

For its 2019 annual report, LafargeHolcim applies the principles of Integrated Reporting. Besides the financial results, the report includes more information on our sustainability performance. Sustainability is central to the strategy and principles of our company.

The Integrated Annual Report 2019 and the analyst presentation of the results are available on [www.lafargeholcim.com](http://www.lafargeholcim.com). A summary report is available in English and German; the full report is available in English.

The financial statements are based on IFRS can be found on the LafargeHolcim Group [website](#).

**Media conference:** 09:00 CET

Switzerland: +41 58 310 5000

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UK: +44 207 107 0613

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**Analyst conference:** 11:00 CET

### **About LafargeHolcim**

LafargeHolcim is the global leader in building materials and solutions and active in four business segments: Cement, Aggregates, Ready-Mix Concrete and Solutions & Products. Its ambition is to lead the industry in reducing carbon emissions and shifting towards low-carbon construction. With the strongest R&D organization in the industry, the company seeks to constantly introduce and promote high-quality and sustainable building materials and solutions to its customers worldwide - whether individual homebuilders or developers of major infrastructure projects. LafargeHolcim employs over 70,000 employees in over 70 countries and has a portfolio that is equally balanced between developing and mature markets.

More information is available on [www.lafargeholcim.com](http://www.lafargeholcim.com)

### **Important disclaimer - forward-looking statements:**

This document contains forward-looking statements. Such forward-looking statements do not constitute forecasts regarding results or any other performance indicator, but rather trends or targets, as the case may be, including with respect to plans, initiatives, events, products, solutions and services, their development and potential. Although LafargeHolcim believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions as at the time of publishing this document, investors are cautioned that these statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are difficult to predict and generally beyond the control of LafargeHolcim, including but not limited to the risks described in the LafargeHolcim's annual report available on its website ([www.lafargeholcim.com](http://www.lafargeholcim.com)) and uncertainties related to the market conditions and the implementation of our plans. Accordingly, we caution you against relying on forward-looking statements. LafargeHolcim does not undertake to provide updates of these forward-looking statements.