Q1 2019 trading update
Jan Jenisch, CEO
Géraldine Picaud, CFO

May 15, 2019
Q1 2019 HIGHLIGHTS

STRONG START OF THE YEAR

➤ Strong growth in Net Sales, up 6.4% LFL
➤ Over-proportional increase in Rec EBITDA, up 20.6% LFL
➤ Profitability increase in all business segments
➤ Continuation of positive H2 2018 momentum
➤ Cost savings plan completed and on track to deliver the CHF 400 m on a run rate basis
➤ 4 bolt-on acquisitions in the quarter
➤ Divestments from South East Asia signed, significant debt reduction expected
➤ 2019 targets confirmed

1 Pre-IFRS 16
NEW LEVEL OF FINANCIAL STRENGTH
VALUE ACCRETIVE DIVESTMENTS SIGNED

Strong valuation achieved:
- Divestment of Indonesia closed; Malaysia, Singapore and the Philippines signed
- Total Enterprise Value of USD 4.9 bn
- Attractive 2018 EV / Rec EBITDA multiple above 21x

Financial strength:
- Reduction of Net Debt to Rec EBITDA ratio by 0.6x
- Deleveraging target delivered
- Net Financial Debt expected around CHF 10 bn by end of 2019\(^1\)

\(^1\) Before IFRS 16, at constant 2018 FX and subject to closing of the divestment of Holcim Philippines in 2019
Q1 2019 PERFORMANCE

STRONG NET SALES & OVER-PROPORTIONAL REC EBITDA GROWTH

Net Sales
CHF m

Q1 2018: 5'830
Q1 2019: 5'959
+6.4% LFL

Recurring EBITDA
CHF m, pre-IFRS 16

Q1 2018: 700
Q1 2019: 809
+20.6% LFL
Q1 2019 VOLUMES DEVELOPMENT
VOLUME GROWTH IN ALL BUSINESS SEGMENTS

North America
- Group:
  - CEM: 50.1
  - AGG: 49.6
  - RMX: 11.4
- CEM: +5%
- AGG: +3%
- RMX: +2%

- Latin America:
  - CEM: 5.9
  - AGG: 0.9
  - RMX: 1.2
  - CEM: -3%
  - AGG: +5%
  - RMX: -9%

- Europe:
  - CEM: 9.6
  - AGG: 26.2
  - RMX: 4.6
  - CEM: -16%
  - AGG: +12%
  - RMX: +6%

- Asia Pacific:
  - CEM: 20.9
  - AGG: 6.6
  - RMX: 2.9
  - CEM: +2%
  - AGG: +1%
  - RMX: +1%

- Middle East Africa:
  - CEM: 8.8
  - AGG: 1.7
  - RMX: 1.0
  - CEM: +16%
  - AGG: +10%
  - RMX: +0%
Q1 2019 NET SALES BRIDGE

NET SALES UP 6.4% LFL

CHF m

Q1 2018 Scope LFL FX Q1 2019

5'830  -105  +364  -130  5'959

+6.4% LFL

+2.2%
Q1 2019 RECURRING EBITDA BRIDGE
OVER-PROPORTIONAL RECURRING EBITDA GROWTH OF 20.6% LFL

CHF m

Q1 2018 (pre-IFRS 16) Scope Volume Price over cost FX Q1 2019 (pre-IFRS 16) IFRS 16 Impact Q1 2019 (post-IFRS 16)

700
-12
+42
+99
-21
809
+111
920

+20.6% LFL

+15.5%
Q1 2019 NET SALES AND RECURRING EBITDA BY SEGMENT

RECURRING EBITDA INCREASE IN ALL BUSINESS SEGMENTS

<table>
<thead>
<tr>
<th>Segment</th>
<th>Net Sales (CHF m)</th>
<th>Recurring EBITDA margin (+%)</th>
<th>Recurring EBITDA pre-IFRS16 (CHF m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cement</td>
<td>4'079</td>
<td>+7.5%</td>
<td>739</td>
</tr>
<tr>
<td></td>
<td>+12.0%</td>
<td></td>
<td>18% Rec. EBITDA margin (+0.9pp)</td>
</tr>
<tr>
<td>Aggregates</td>
<td>813</td>
<td>+7.6%</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>+62.2%</td>
<td></td>
<td>6% Rec. EBITDA margin (+2.1pp)</td>
</tr>
<tr>
<td>RMX</td>
<td>1'223</td>
<td>+4.8%</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>+225.5%</td>
<td></td>
<td>2% Rec. EBITDA margin (+2.8pp)</td>
</tr>
<tr>
<td>Solutions &amp; Products</td>
<td>417</td>
<td>+4.0%</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>+118.3%</td>
<td></td>
<td>0% Rec. EBITDA margin (+1.3pp)</td>
</tr>
</tbody>
</table>
### Q1 2019 REGIONAL PERFORMANCE

**STRONG GLOBAL MOMENTUM**

<table>
<thead>
<tr>
<th>Region</th>
<th>Net Sales (CHF m)</th>
<th>Recurring EBITDA pre-IFRS 16 (CHF m)</th>
<th>% LFL Growth / Decline</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>951</td>
<td>14</td>
<td>+38.1%</td>
</tr>
<tr>
<td>Latin America</td>
<td>636</td>
<td>220</td>
<td>+4.2%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-1.6%</td>
</tr>
<tr>
<td>Europe</td>
<td>1'703</td>
<td>155</td>
<td>+15.7%</td>
</tr>
<tr>
<td>Middle East Africa</td>
<td>736</td>
<td>151</td>
<td>-2.4%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>1'745</td>
<td>341</td>
<td>+4.3%</td>
</tr>
</tbody>
</table>

- **Net Sales (CHF m)**
- **Recurring EBITDA pre-IFRS 16 (CHF m)**
- % LFL growth / decline
**NORTH AMERICA**

**GOOD START OF THE YEAR**

<table>
<thead>
<tr>
<th>CHF m</th>
<th>Q1 2019</th>
<th>%</th>
<th>LFL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales¹</strong></td>
<td>951</td>
<td>+9.7%</td>
<td>+4.0%</td>
</tr>
<tr>
<td><strong>Recurring EBITDA</strong></td>
<td>14</td>
<td>+76.1%</td>
<td>+38.1%</td>
</tr>
<tr>
<td><strong>Recurring EBITDA</strong> post-IFRS 16</td>
<td>46</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Good cement volumes
- Strong order book, several multi-year construction contracts awarded
- Further progressing on cost savings program

¹ Net Sales to external customers
**LATIN AMERICA**

**RESILIENT PERFORMANCE IN A SOFTER MARKET ENVIRONMENT**

Effective price management and cost savings nearly offsetting challenges in key countries

Ongoing recovery in Brazil and Colombia

Lower cement demand in Mexico and Argentina

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<th>CHF m</th>
<th>Q1 2019</th>
<th>%</th>
<th>LFL</th>
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<tbody>
<tr>
<td>Net Sales&lt;sup&gt;1&lt;/sup&gt;</td>
<td>636</td>
<td>-7.4%</td>
<td>+4.2%</td>
</tr>
<tr>
<td>Recurring EBITDA pre-IFRS 16</td>
<td>220</td>
<td>-6.7%</td>
<td>-1.6%</td>
</tr>
<tr>
<td>Recurring EBITDA post-IFRS 16</td>
<td>227</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<sup>1</sup> Net Sales to external customers
EUROPE

VERY GOOD RESULTS

- Early start of construction season
- Strong volume growth in all business segments and good pricing
- Margin growth further supported by improved operational efficiency

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<td>Net Sales¹</td>
<td>1'703</td>
<td>+12.2%</td>
<td>+15.7%</td>
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<tr>
<td>Recurring EBITDA pre-IFRS 16</td>
<td>155</td>
<td>+72.9%</td>
<td>+76.7%</td>
</tr>
<tr>
<td>Recurring EBITDA post-IFRS 16</td>
<td>188</td>
<td></td>
<td></td>
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</tbody>
</table>

¹ Net Sales to external customers

Alcobendas RMX plant, Almeria, Spain
## MIDDLE EAST AFRICA

### CHALLENGING BUT STABILIZING MARKET CONDITIONS

- Stabilizing markets in the region
- Turnaround plans in several countries delivering visible results
- Change in supply & demand balance in key countries still impacting prices

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<th></th>
<th>Q1 2019</th>
<th>%</th>
<th>LFL</th>
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<td><strong>Net Sales</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
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<td>-1.9%</td>
<td>-2.4%</td>
</tr>
<tr>
<td><strong>Recurring EBITDA</strong>&lt;sup&gt;2&lt;/sup&gt; pre-IFRS 16</td>
<td>151</td>
<td>-14.5%</td>
<td>-15.8%</td>
</tr>
<tr>
<td><strong>Recurring EBITDA</strong> post-IFRS 16</td>
<td>171</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<sup>1</sup> Net Sales to external customers

<sup>2</sup> Contribution from share of net income from JVs: CHF 18 m in Q1 2019 vs. CHF 18 m in Q1 2018
ASIA PACIFIC
CONTINUATION OF STRONG MOMENTUM

Strong cement demand in India, progressive price improvement in most markets
Higher profitability in Australia and the Philippines
Continuation of solid contribution from China

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<th>Q1 2019</th>
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<tr>
<td>Net Sales¹</td>
<td>1'745</td>
<td>-5.0%</td>
<td>+4.3%</td>
</tr>
<tr>
<td>Recurring EBITDA²</td>
<td>341</td>
<td>+14.0%</td>
<td>+22.5%</td>
</tr>
<tr>
<td>Recurring EBITDA post-IFRS 16</td>
<td>356</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ Net Sales to external customers
² Contribution from share of net income from JVs: CHF 78 m in Q1 2019 (of which CHF 62 m from Huaxin) vs. CHF 48 m in Q1 2018 (of which CHF 34 m from Huaxin)
OUTLOOK 2019
SOLID GLOBAL MARKET DEMAND EXPECTED TO CONTINUE

NORTH AMERICA
- Continued market growth

LATIN AMERICA
- Softer but stabilizing cement demand

EUROPE
- Continued demand growth across most countries

MIDDLE EAST AFRICA
- Challenging but stabilizing market conditions

ASIA PACIFIC
- Continued demand growth
Net Sales growth of 3% to 5% LFL, delivering target of Strategy 2022

Recurring EBITDA growth\(^1\) of at least 5% LFL, delivering target of Strategy 2022

Accelerate deleveraging, achieve 2 times or less Net Debt to Recurring EBITDA ratio by end of 2019\(^2\)

Continue improving cash conversion

Capex and Bolt-on acquisitions less than CHF 2 bn

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\(^1\) Pre-IFRS 16
\(^2\) Before application of IFRS 16, at constant FX
UPCOMING EVENTS 2019

- May 15, 2019: Annual General Meeting
- June 25, 2019: Payment of the dividend and delivery of the new shares
- July 31, 2019: Earnings release half year 2019
- October 25, 2019: Q3 2019 trading update
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