

# 2020

## THIRD QUARTER EARNINGS REPORT



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## GCC REPORTS THIRD QUARTER 2020 RESULTS

Chihuahua, Mexico, October 27, 2020 – Grupo Cementos de Chihuahua, S.A.B. de C.V. (BMV: GCC\*), a leading supplier and producer of cement and concrete in the United States, Mexico and Canada, today announced its results for the third quarter 2020.

### Q3 2020 HIGHLIGHTS

- Mexico cement volumes increased 8.1%
- Consolidated net sales decreased 6.8%, to US\$281.1 million
- EBITDA increased 3.7% to US\$99.9 million, with a 35.5% EBITDA margin; a 3.6 percentage points increase
- Free cash flow totaled US\$104.2 million, with a 104% conversion rate from EBITDA
- Net leverage (net debt/EBITDA) ratio dropped to 0.61x as of September 2020
- Earnings per share increased 8.3% year-on-year, to US\$0.1587
- A dividend of Ps. 0.94 per share was declared in the Annual Shareholders' Meeting; 50% of it was paid on August 7, and the remaining dividend will be paid on January 11, 2021

### KEY FIGURES (millions of dollars)

	Q3 20	Q3 19	Q3 20 vs. Q3 19	9M 20	9M 19	9M 20 vs. 9M 19
Net sales	281.1	301.7	-6.8%	705.3	705.5	0.0%
Operating income before other expenses, net	75.7	69.7	8.7%	154.7	123.2	25.6%
EBITDA*	99.9	96.4	3.7%	227.0	205.6	10.4%
EBITDA margin	35.5%	31.9%		32.2%	29.1%	
Free cash flow**	104.2	90.6	15.0%	151.2	54.1	179.5%
Net income	52.6	48.8	7.8%	102.2	77.8	31.4%
Earnings per share (US\$)***	0.1587	0.1466	8.3%	0.3082	0.2339	31.8%

\*EBITDA: operating income before other expenses + depreciation and amortization

\*\*Free cash flow before growth and strategic CapEx

\*\*\*Earnings per share calculated based on average number of outstanding shares during the quarter

**Enrique Escalante, GCC's Chief Executive Officer, commented:** *"GCC had a steady EBITDA growth, a strong free cash flow generation & margin expansion, showing once again, the continued and successful execution of a comprehensive plan to reduce costs and expenses.*

*We experienced mixed demand for our products in most of our markets in Mexico and the U.S; however, both exceeding our expectations from the beginning of the COVID-19 pandemic.*

*Looking forward, our backlog remains encouraging, while overall macro conditions show mixed signs, and short-term uncertainty prevails, mainly COVID-19 outbreaks and weather. Therefore, our goal is to maintain our financial strength, keep people safe and employed, and to continue to serve GCC's life blood - our invaluable customers."*

**Mr. Escalante continued,** *"We delivered better than expected results, but we are not completely satisfied yet. We will continue looking intensely at efficiencies, costs and expenses; always focusing on liquidity and our people's health as a top priority."*

## **OUTLOOK FOR 2020**

In light of uncertainty due to the COVID-19 pandemic and related effects, GCC suspended its guidance for the full year.

## **FINANCIAL RESULTS**

**Consolidated net sales** for the third quarter of 2020 decreased by 6.8%, to US\$281.1 million, from US\$301.7 million in the third quarter 2019. This was primarily due to decreased cement volumes in the U.S., concrete volumes in Mexico and the depreciation of the Mexican peso. These were partially offset by higher cement volumes in Mexico and a favorable price environment in both markets.

For comparative purposes, consolidated net sales excluding the depreciation of the Mexican peso against the U.S. dollar during the quarter would have decreased by 4.2%.

*Nine months:* Consolidated net sales remained unchanged at US\$705.3 million, compared to the prior year period, due to lower cement volumes in the United States, concrete volumes in Mexico and the depreciation of the Mexican peso. These were partially offset by higher concrete volumes in the United States and a favorable price environment in both markets.

For comparative purposes, consolidated net sales excluding the depreciation of the Mexican peso against the U.S. dollar during the first half of the year would have increased by 3.1%.

## NET SALES (millions of dollars)

	Q3 20	Q3 19	Q3 20 vs. Q3 19	9M 20	9M 19	9M 20 vs. 9M 19
<b>Consolidated</b>	<b>281.1</b>	<b>301.7</b>	<b>-6.8%</b>	<b>705.3</b>	<b>705.5</b>	<b>0.0%</b>
United States	217.3	236.0	-8.0%	528.0	514.8	2.5%
Mexico	63.9	65.6	-2.7%	177.3	190.7	-7.0%
	<b>Q3 20 vs. Q3 19</b>			<b>9M 20 vs. 9M 19</b>		
	<b>Volumes</b>	<b>Prices*</b>		<b>Volumes</b>	<b>Prices*</b>	
<b>Cement</b>						
United States	-14.6%	2.7%		-2.7%	1.6%	
Mexico	8.1%	1.3%		0.1%	4.2%	
<b>Concrete</b>						
United States	0.1%	3.6%		8.6%	4.9%	
Mexico	-4.0%	0.7%		-8.8%	2.0%	

\*Prices in local currency

**U.S. sales** represented 77% of GCC's third quarter 2020 consolidated net sales and decreased by 8% to US\$217.3 million. This was due to a 14.6% decrease in cement volumes, which was partially offset by a 2.7% and 3.6% price increase in cement and concrete, respectively.

The decrease in cement sales volumes was primarily due to a tough comparison against an all-time-high third quarter and a global drop in oil well cement volumes.

*Nine months:* U.S. sales increased 2.5%, to US\$528 million. This was primarily due to an 8.6% increase in concrete volumes and a 1.6% and 4.9% price increase in cement and concrete, respectively. These were partially offset by a 2.7% decrease in cement volumes.

**Mexico sales**, which represented 23% of GCC's consolidated net sales, decreased 2.7% in the third quarter 2020, to US\$63.9 million. This was due to a 4% decrease in concrete volumes, which was partially offset by an 8.1% increase in cement volumes and a 1.3% increase in cement prices, reflecting an increase in bagged cement sales. Mexico sales were heavily impacted by the depreciation of the Mexican peso against the U.S. dollar during the quarter, which reduced sales by US\$7.9 million.

For comparative purposes, Mexico sales, excluding the depreciation of the Mexican peso against the U.S. dollar, would have increased by 9.4%.

*Nine months:* Mexico sales decreased 7% to US\$177.3 million, due to an 8.8% decrease in concrete volumes, which was partially offset by a 4.2% and 2% price increase in cement and concrete, respectively.

Sales also were impacted by the depreciation of the Mexican peso against the U.S. dollar, which reduced sales by US\$21.9 million.

**Cost of sales** totaled US\$186.2 million in the third quarter 2020, representing 66.2% of total sales, compared to 69.6% in the third quarter 2019. This decrease was primarily due to:

- Favorable variable cost and production expenses in both divisions
- Favorable selling prices in both markets
- Lower freight costs due to lower supplementary oil well cement shipments from Chihuahua to Odessa plant
- Absence of one-time expenses associated with the Rapid City operational ramp-up, and purchases of cement and coal from third parties
- Execution of the cost-and-expense reduction plan

*Nine months:* Cost of sales was 69.7% of revenues; a 3.7 percentage-point decrease from the same period in 2019.

**Selling, general and administrative expenses** totaled US\$19.2 million in the third quarter 2020, equivalent to 6.8% of consolidated net sales; a 50 basis-point decrease, mainly due to the execution of the cost and expense reduction plan and the depreciation of the Mexican peso relative to the U.S. dollar.

*Nine months:* Selling, general and administrative expenses totaled US\$59.4 million. These were equivalent to 8.4% of sales; an 80 basis-point decrease.

**Operating income before other expenses** increased 8.7%, to US\$75.7 million in the third quarter 2020.

*Nine months:* Operating income before other expenses increased 25.6%, to US\$154.7 million.

**Other expenses** were US\$6.5 million, compared to US\$0.2 million in the prior year period, as a result of the impairment of assets related to the remaining ready-mix business in Arkansas.

*Nine months:* Other expenses totaled US\$11.5 million, compared to US\$0.7 million in the prior year period, as a result of the same reasons as the third quarter.

**Operating income** decreased 0.5% to US\$69.2 million in the third quarter 2020.

*Nine months:* Operating income increased 16.8% to US\$143.1 million.

**EBITDA** increased 3.7% to US\$99.9 million, while the EBITDA margin expanded 3.6 percentage points to 35.5%.

In the third quarter of 2020, 79% of EBITDA was generated by the Company's U.S. operations and 21% by its Mexico operations.



*Nine months:* EBITDA increased 10.4% to US\$227 million, with a 32.2% margin; 3.1 percentage points above the prior year period.

GCC's U.S. operations generated 76% of EBITDA, and Mexico generated 24% of EBITDA in the first nine months of 2020.

**Net financial expenses** totaled US\$8 million in the third quarter, compared to US\$8.8 million in the prior year period. This was due to lower interest rates on the variable portion of the Company's financial debt, which were offset by higher debt balance.

*Nine months:* Net financial expenses decreased 42.2%, to US\$17.3 million, as a result of the same reasons as the third quarter.

**Income tax** totaled US\$9 million in the third quarter 2020, a 27.5% decrease.

*Nine months:* Income tax totaled US\$24.9 million; a 52% year-on-year increase, mainly due to higher income before taxes, partially offset by a higher share of the U.S. pre-tax income in the consolidated results, which carries a lower income tax rate.

**Consolidated net income** was US\$52.6 million for the third quarter 2020, compared to US\$48.8 million in Q3 2019; representing a 7.8% increase.

*Nine months:* Consolidated net income increased 31.4% and totaled US\$102.2 million in the first nine months of 2020, compared to US\$77.8 million for the same period of 2019.

**Earnings per share** was US\$0.1587, compared to US\$0.1466 in Q3-19, an 8.3% increase.

*Nine months:* Earnings per share reached US\$0.3082, as compared to US\$0.2339 in the first nine months of 2019, a 31.8% increase.

**Free cash flow** was US\$104.2 million in the third quarter 2020, compared to US\$90.6 million for the same period in 2019. This is a reflection of increased EBITDA generation after operating leases (IFRS-16), lower interest expenses, decreased working capital requirements and maintenance CapEx, as well as lower cash taxes.

*Nine months:* Free cash flow was US\$151.2 million, compared to US\$54.1 million in the first nine months of 2019. This was primarily due to higher EBITDA generation after operating leases (IFRS-16), lower interest expenses, decreased working capital requirements and maintenance CapEx, as well as lower cash taxes.

## FREE CASH FLOW (millions of dollars)

	Q3 20	Q3 19	Var	9M 20	9M 19	Var
<b>Operating income before other expenses</b>	<b>75.7</b>	<b>69.7</b>	<b>8.7%</b>	<b>154.7</b>	<b>123.2</b>	<b>25.6%</b>
Depreciation and amortization	24.2	26.7	-9.4%	72.4	82.4	-12.2%
<b>EBITDA</b>	<b>99.9</b>	<b>96.4</b>	<b>3.7%</b>	<b>227.0</b>	<b>205.6</b>	<b>10.4%</b>
Interest (expense)	(1.9)	(2.5)	-24.2%	(12.9)	(15.6)	-17.4%
Decrease (increase) in working capital	11.6	2.1	462.1%	(25.7)	(71.6)	-64.1%
Taxes	(0.8)	(1.5)	-44.7%	(12.9)	(20.0)	-35.5%
Prepaid expenses	(1.8)	(0.2)	824.5%	1.8	0.4	365.5%
Accruals and other accounts	9.8	11.1	-11.2%	10.6	5.8	81.3%
Operating leases (IFRS16 effect)	(4.9)	(5.5)	-10.7%	(14.6)	(16.0)	-8.5%
<b>Operating cash flow</b>	<b>111.9</b>	<b>99.8</b>	<b>12.1%</b>	<b>173.2</b>	<b>88.6</b>	<b>95.6%</b>
Maintenance CapEx*	(7.7)	(9.2)	-16.2%	(22.0)	(34.5)	-36.1%
<b>Free cash flow</b>	<b>104.2</b>	<b>90.6</b>	<b>15.0%</b>	<b>151.2</b>	<b>54.1</b>	<b>179.5%</b>
Growth & Strategic CapEx	(0.4)	(0.7)	-36.8%	(1.7)	(12.1)	-86.3%
Share repurchase, net	0.0	0.0	0.0%	(5.2)	(0.9)	504.8%
Revolving credit line	0.0	0.0	0.0%	50.0	0.0	100.0%
Debt amortization, net	(10.0)	(2.0)	400.0%	(15.4)	(2.4)	542.7%
Dividends paid	(7.0)	(13.9)	-49.6%	(7.0)	(13.9)	-49.6%
FX effect	1.9	(1.7)	n.m.	(11.5)	0.3	n.m.
Initial cash balance	422.3	204.6	106.4%	350.5	251.8	39.2%
<b>Final cash balance</b>	<b>510.9</b>	<b>276.9</b>	<b>84.5%</b>	<b>510.9</b>	<b>276.9</b>	<b>84.5%</b>
<b>FCF conversion rate**</b>	<b>104.3%</b>	<b>94.0%</b>		<b>66.6%</b>	<b>26.3%</b>	

\*Excludes growth and strategic capital expenditures

\*\*Free cash flow conversion rate: free cash flow after maintenance CapEx/EBITDA

**Total debt** was US\$692 million as of September 30, 2020, based on contractual balances; a 4.9% year-on-year decrease.

Short-term debt was US\$116 million, including US\$50 million dollars from revolving credit lines. This represented 16.8% of the total debt.

As of September 30, 2020, 100% of GCC's debt was denominated in U.S. dollars.

Net leverage (net debt/EBITDA) at the end of the third quarter 2020 was 0.61 times, compared to 0.96 as of June 30, 2020, appropriately aligned with contractual obligations.

## INTEREST-BEARING DEBT\* (millions of dollars)

	September 2020	September 2019	2020 vs. 2019
<b>Total</b>	<b>692.0</b>	<b>659.4</b>	<b>4.9%</b>
Short-term	116.0	17.4	565.7%
Long-term	576.0	642.0	-10.3%

\*Excludes amortizable commissions and issuance expenses

## BASIS OF PREPARATION FOR FINANCIAL STATEMENTS

Financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) and use the U.S. dollar as the presentation currency.

Currency translations from pesos into U.S. dollars use the average monthly exchange rates published by Banco de México, as shown below.

### EXCHANGE RATES (pesos per U.S. dollar)

	2020	2019
Third quarter average	22.0974	19.4248
As of September 30	22.4573	19.6363
Accumulated average	21.7874	19.2548

Unless otherwise stated, all percentage changes refer to the third quarter (or nine months) of 2020 compared to the corresponding periods of 2019.

## ANALYST COVERAGE

Analysts at the following brokerages currently cover GCC's shares:

1. Actinver
2. Bank of America Merrill Lynch
3. Data Based Analysis
4. GBM - Grupo Bursátil Mexicano
5. Grupo Financiero Banorte
6. Grupo Financiero Ve por Más
7. HSBC Global Research
8. INVEX, Grupo Financiero
9. Itaú BBA
10. J.P. Morgan
11. Morgan Stanley
12. Nau Securities Limited
13. Santander
14. Scotiabank
15. UBS



## MATERIAL EVENTS

### **GCC joined the S&P/BMV IPC index**

GCC announced on September 17, 2020, that the Company stock was included in the S&P/BMV IPC index, which covers the Mexican equities market and seeks to measure the performance of the largest and most liquid stocks listed on the Mexican Stock Exchange.

The new index composition was effective September 21, 2020.

### **GCC announced dividend payment date**

GCC announced on July 29, 2020, that the General Shareholders' Meeting held on April 30, 2020, declared a Ps. 0.94 dividend per share, which comes from the balance of the net earnings on a tax basis corresponding to the fiscal year 2013 and previous years.

The Board of Directors determined that the declared dividend will be distributed in payments. The first payment was made on August 7 and represented 50%, equivalent to Ps. 0.47 per share. The remaining dividend, equivalent to Ps. 0.47, will be paid on January 11, 2021.

## CONFERENCE CALL

Grupo Cementos de Chihuahua, S.A.B. de C.V. will host its earnings conference call on October 28, 2020.

Time: 11 a.m. (Eastern Time) / 10 a.m. (Central Time) / 9 a.m. (Mountain Time)

Conference ID: **6171278**

Dial in:

U.S.: 1-888-204-4368 Toll Free

International: 1-323-994-2093

Replay (through November 4, 2020, 11:59 p.m.):

U.S.: 1-844-512-2921 Toll Free

International: 1-412-317-6671

Listen-only webcast and replay: [click here](#)

## Income Statement

(Thousands of dollars)

	3Q 2020	%	3Q 2019	%	Q20 / Q19
<b>Net sales</b>	<b>281,125</b>	<b>100.0%</b>	<b>301,653</b>	<b>100.0%</b>	<b>-6.8%</b>
USA sales	217,263	77.3%	236,046	78.3%	-8.0%
Mexico sales	63,862	22.7%	65,607	21.7%	-2.7%
Cost of sales	186,187	66.2%	209,833	69.6%	-11.3%
<b>Gross income</b>	<b>94,938</b>	<b>33.8%</b>	<b>91,820</b>	<b>30.4%</b>	<b>3.4%</b>
Selling, general and administrative expenses	19,226	6.8%	22,137	7.3%	-13.1%
<b>Operating income before other expenses, net</b>	<b>75,712</b>	<b>26.9%</b>	<b>69,683</b>	<b>23.1%</b>	<b>8.7%</b>
Other (income) expenses	6,524	2.3%	181	0.1%	3504.4%
<b>Operating income</b>	<b>69,188</b>	<b>24.6%</b>	<b>69,502</b>	<b>23.0%</b>	<b>-0.5%</b>
Financial income	1,085	0.4%	2,285	0.8%	-52.5%
Financial expenses	(7,706)	-2.7%	(11,551)	-3.8%	-33.3%
Exchange gain (loss), net	(1,413)	-0.5%	434	0.1%	n.m.
<b>Net financing expenses</b>	<b>(8,034)</b>	<b>-2.9%</b>	<b>(8,832)</b>	<b>-2.9%</b>	<b>-9.0%</b>
Share of profit of associates and joint venture	447	0.2%	568	0.2%	-21.3%
<b>Income before income taxes</b>	<b>61,601</b>	<b>21.9%</b>	<b>61,238</b>	<b>20.3%</b>	<b>0.6%</b>
Income taxes (benefit)	9,044	3.2%	12,473	4.1%	-27.5%
<b>Consolidated net income</b>	<b>52,557</b>	<b>18.7%</b>	<b>48,765</b>	<b>16.2%</b>	<b>7.8%</b>
Controlling interest	52,557	18.7%	48,765	16.2%	7.8%
Non-controlling interest	-	0.0%	-	0.0%	0.0%
<b>EBITDA</b>	<b>99,897</b>	<b>35.5%</b>	<b>96,377</b>	<b>31.9%</b>	<b>3.7%</b>
Free cash flow	104,199	37.1%	90,607	30.0%	15.0%

## Cumulative Income Statement to September

(Thousands of dollars)

	2020	%	2019	%	2020 / 2019
<b>Net sales</b>	<b>705,286</b>	<b>100.0%</b>	<b>705,545</b>	<b>100.0%</b>	<b>0.0%</b>
USA sales	527,977	74.9%	514,849	73.0%	2.5%
Mexico sales	177,309	25.1%	190,696	27.0%	-7.0%
Cost of sales	491,263	69.7%	517,367	73.3%	-5.0%
<b>Gross income</b>	<b>214,023</b>	<b>30.3%</b>	<b>188,178</b>	<b>26.7%</b>	<b>13.7%</b>
Selling, general and administrative expenses	59,373	8.4%	65,009	9.2%	-8.7%
<b>Operating income before other expenses, net</b>	<b>154,650</b>	<b>21.9%</b>	<b>123,169</b>	<b>17.5%</b>	<b>25.6%</b>
Other (income) expenses	11,538	1.6%	686	0.1%	1581.9%
<b>Operating income</b>	<b>143,112</b>	<b>20.3%</b>	<b>122,483</b>	<b>17.4%</b>	<b>16.8%</b>
Financial income	4,769	0.7%	6,626	0.9%	-28.0%
Financial expenses	(27,624)	-3.9%	(35,951)	-5.1%	-23.2%
Exchange gain (loss), net	5,512	0.8%	(662)	-0.1%	-932.6%
<b>Net financing expenses</b>	<b>(17,343)</b>	<b>-2.5%</b>	<b>(29,987)</b>	<b>-4.3%</b>	<b>-42.2%</b>
Share of profit of associates and joint venture	1,281	0.2%	1,633	0.2%	-21.6%
<b>Income before income taxes</b>	<b>127,050</b>	<b>18.0%</b>	<b>94,129</b>	<b>13.3%</b>	<b>35.0%</b>
Income taxes (benefit)	24,868	3.5%	16,362	2.3%	52.0%
<b>Consolidated net income</b>	<b>102,182</b>	<b>14.5%</b>	<b>77,767</b>	<b>11.0%</b>	<b>31.4%</b>
Controlling interest	102,181	14.5%	77,763	11.0%	31.4%
Non-controlling interests	1	0.0%	4	0.0%	-75.0%
<b>EBITDA</b>	<b>227,026</b>	<b>32.2%</b>	<b>205,584</b>	<b>29.1%</b>	<b>10.4%</b>
Free cash flow	151,205	21.4%	54,099	7.7%	179.5%

## Statement of Financial Position

(Thousands of dollars)

	September 2020	September 2019	Variation
<b>Total assets</b>	<b>2,126,049</b>	<b>2,014,038</b>	<b>5.6%</b>
<b>Current Assets</b>	<b>817,462</b>	<b>613,470</b>	<b>33.3%</b>
Cash and cash equivalents	510,935	276,942	84.5%
Accounts receivable, net	123,875	136,062	-9.0%
Other accounts receivable, net	42,040	52,304	-19.6%
Due from related parties	2,693	2,927	-8.0%
Inventories	95,783	103,052	-7.1%
Urban land	31,466	32,015	-1.7%
Prepaid expenses	10,670	10,168	4.9%
<b>Non-current assets</b>	<b>1,308,587</b>	<b>1,400,568</b>	<b>-6.6%</b>
Investment in associates	16,617	17,188	-3.3%
Property, machinery and equipment, net	941,152	1,003,916	-6.3%
Long term right of use assets	32,166	44,870	-28.3%
Goodwill	229,609	246,885	-7.0%
Intangible assets, net	68,012	68,069	-0.1%
Other non-current assets	21,031	19,640	7.1%
<b>Total liabilities</b>	<b>1,021,595</b>	<b>975,612</b>	<b>4.7%</b>
<b>Current liabilities</b>	<b>304,191</b>	<b>186,985</b>	<b>62.7%</b>
Current portion of long term debt	116,000	17,425	565.7%
Trade accounts payable	86,023	74,077	16.1%
Due to related parties	1,026	971	5.7%
Short term - employee benefits	36,755	30,304	21.3%
Accrued expenses and taxes	43,421	39,408	10.2%
Provisions	2,843	3,977	-28.5%
Short term right of use liabilities	18,123	20,823	-13.0%
<b>Long-term liabilities</b>	<b>717,404</b>	<b>788,627</b>	<b>-9.0%</b>
Long term debt	571,765	633,517	-9.7%
Long term right of use liabilities	12,325	25,000	-50.7%
Employee benefits	43,584	39,547	10.2%
Provision for environmental restoration	24,002	22,930	4.7%
Other long-term liabilities	-	284	0.0%
Income taxes payable	3,822	11,955	-68.0%
Deferred income taxes	61,906	55,394	11.8%
<b>Total equity</b>	<b>1,104,454</b>	<b>1,038,426</b>	<b>6.4%</b>
<b>Controlling interest</b>	<b>1,104,370</b>	<b>1,038,395</b>	<b>6.4%</b>
Capital stock	32,070	32,072	0.0%
Additional paid-in capital	148,365	148,365	0.0%
Reserves	22,659	22,659	0.0%
Retained earnings	1,148,778	1,041,075	10.3%
Consolidated net income	102,181	77,766	31.4%
Other comprehensive income	(349,683)	(283,542)	-23.3%
<b>Non-controlling interest</b>	<b>84</b>	<b>31</b>	<b>171.0%</b>
<b>Total Liabilities and Equity</b>	<b>2,126,049</b>	<b>2,014,038</b>	<b>5.6%</b>

## ABOUT GCC

GCC is a leading supplier and producer of cement, concrete, aggregates and construction-related services in the United States, Mexico and Canada, with an annual cement production capacity of 5.85 million metric tons.

Founded in 1941, the Company's shares are listed on the Mexican Stock Exchange under the ticker symbol GCC\*.

*This earnings report may contain forward-looking statements. All statements that are not clearly historical in nature are forward-looking, and the words "anticipate," "believe," "expect," "estimate," "intend," "project" and similar expressions are generally intended to identify forward-looking statements. These statements are subject to risks and uncertainties including, among others, changes in macroeconomic, political, legal, public health crises including COVID-19, governmental or business conditions in the markets where GCC operates; changes in interest rates, inflation rates and currency exchange rates; performance of the construction industry; and pricing, business strategy and other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may differ materially from the beliefs, projections and estimates described herein. GCC assumes no obligation to update the information contained in this press release. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.*