CORPORATE PARTICIPANTS

Enrique Escalante, Chief Executive Officer

Maik Strecker, Chief Financial and Planning Officer

Sahory Ogushi, Head of Investor Relations

PRESENTATION

Operator

Good morning and welcome to GCC's First Quarter 2026 Earnings Results Conference Call. Before we begin, I would like to remind you that this call is being recorded and that all participants will be in listen-only mode. Please also note that a slide presentation accompanies today's webcast. The link is available on the company's IR website at gcc.com. I would now like to turn the call over to Sahory Ogushi, Head of Investor Relations. Please go ahead.

Sahory Ogushi

Good morning, everyone, and thank you for joining. With me today are Enrique Escalante, our Chief Executive Officer; and Maik Strecker, Chief Financial Officer.

The earnings release detailing this quarter's results was released yesterday after market close and is available on GCC's IR website. This conference call is also being broadcast live within the Investors section at gcc.com. And both the webcast replay of the call and transcript will be available on the same site approximately one hour after the end of today's call.

Before we begin, I would like to remind you that our remarks today will include forward-looking statements. Actual results may differ materially from those contemplated by these forward-looking statements. Factors that could cause these results to differ materially are set forth in yesterday's press release and in our quarterly report filed with the Mexican Stock Exchange. Any forward-looking statements that we make on this call are based on assumptions as of today and we undertake no obligation to update these statements as a result of new information or future events. With that, let me now turn the call over to Enrique.

Enrique Escalante

Thank you, Sahory, and good morning, everyone.

The first quarter was a strong start to the year and a good example of how GCC performs when market conditions and execution come together across the network. We delivered strong top- and bottom-line growth, supported by favorable weather and strong project activity across both the United States and Mexico.

More importantly, the quarter reinforces the strengths of our business model: a flexible network, a diversified customer base, and the ability to allocate volumes where demand is strongest while continuing to serve customers reliably.

That execution begins with the capabilities we build across the organization. Our **People** strategy reinforces operations consistency, capability building and readiness that underpin the business.

Safety remains our top priority, and we continue to make progress across the company, with no serious injuries recorded during the quarter. This reflects the consistency of our safety culture and the discipline with which it is applied across the organization.

We also continue to invest in developing our teams, with training programs focused on strengthening operational capabilities across our cement and ready-mix operations. During the quarter, we advanced training plans across key areas such as maintenance, production, quality, and raw materials, with a wide range of topics within each of these themes. This focus strengthens stable day-to-day operations, and ensures our teams are prepared to integrate new capacity as we move into the next phase of growth.

Under our **Planet** strategy, we continue to make progress through a pragmatic approach focused on improving efficiency, strengthening operations, and managing costs.

During the quarter, we increased the share of biomass in our fuel mix and continued to expand the use of blended cements across our network. Blended cement production now represents approximately 76% of total cement volumes, reaching 84% in Mexico, reflecting steady progress in optimizing our product mix.

We are also strengthening our fuel flexibility by building natural gas pipeline infrastructure at select cement plants, improving access to lower-cost energy sources and enhancing supply reliability. These efforts support a more efficient and flexible operating model and position us to manage fuel price volatility more effectively over time.

Turning now to our **Growth** strategy. This is where our focus on execution and network strength translates directly into competitive advantage and better performance across our key markets.

The quarter in the United States benefited from favorable weather conditions in our regions, allowing the construction season to begin earlier than usual. This supported activity across our markets, where customers continue to report healthy backlogs, providing visibility into the coming months.

By segment, infrastructure remains at a sustained level of activity. We continue to participate in multiple projects across our footprint, and during the quarter we added an additional interstate highway project in Texas, further strengthening our position in this segment.

Residential activity remains under pressure. Mortgage rates increased during the quarter, and affordability continues to be a constraint, which is reflected in current activity levels.

Ready-mix was again a key driver of performance in the quarter and continues to illustrate the strength of our integrated operating model. In energy-related construction, wind farm activity continues at a strong level this year. While we are comparing against an exceptional level of activity in 2025, we continue to participate in significant projects across Texas, Colorado and North Dakota.

During the quarter, we no longer had the contribution from the SunZia project, which was completed last year, but activity in other segments allowed us to offset that volume, reinforcing the diversification of our demand base.

We continue seeing growing interest in data center development across our markets. At this stage, we are supplying products for two projects and tracking a broader pipeline of opportunities. While most projects are still in early stages, we are following the segment closely and are well positioned to participate as activity advances.

In oil and gas, customer sentiment is improving, supported by the current price environment. Customer conversations suggest a more constructive outlook, and they are accelerating activity that was originally planned for the second half of the year. We continue to monitor how conditions evolve but remain prudent and at this stage we are not changing our full year outlook for the segment.

Operationally, volumes also benefited from the contribution of our newer terminals in Texas and Arizona, which were not present in the prior-year period. These assets continue to enhance our ability to serve customers more efficiently and expand our reach across the network.

From a commercial standpoint, pricing in the U.S. continues to reflect product, project, and geographic mix dynamics, consistent with what we discussed last quarter. Pricing actions originally planned for the start of the year are now being implemented progressively through the second quarter.

Overall, performance in the United States reflects the effectiveness of our commercial strategy and our ability to capture opportunities across multiple segments, supporting continued momentum into the year.

Turning to Mexico, the first quarter showed a clear improvement compared to last year with volume growth supported by stronger activity across segments and a normalized comparison base. What we are seeing in the market is a broader recovery in activity, particularly in housing, self-construction and infrastructure, which gives us a constructive view for the year.

In housing, private demand remains strong. The federal housing initiative has also started in certain regions, and while execution has progressed more gradually than initially anticipated, we are prepared to scale shipments as activity expands, particularly in key markets such as Juárez and Chihuahua, where a significant portion of the program within the state will be concentrated. Nonetheless, important projects already started in smaller cities like Delicias and Jimenez.

Infrastructure is also showing solid momentum. We are actively participating in a broad set of bridge projects, and additional paving projects have been announced at the state level, supporting a favorable outlook as execution accelerates through the year and into 2027.

In the industrial segment, activity remains in the early stages of recovery, but customer behavior is moving in the right direction. Land preparation, permitting, and early development work continue to advance, and confidence around activity in the coming months is improving. There are approximately 20 new industrial buildings and warehouses under planning and construction phases as we speak, and we continue to expect this segment to strengthen in the second half of the year as visibility improves.

As discussed in our last call, a price increase was announced at the beginning of the year, and it has been successfully implemented mostly in every segment and region across the state.

Overall, we are optimistic about the outlook in Mexico and are positioning the business to capture the opportunities that are developing across housing, infrastructure, and industrial activity.

Turning to operations and cost management, fuel costs are increasing at some of our plants in line with our expectations. However, our flexible fuel strategy continues to be a key advantage in managing this environment. We actively optimize our fuel mix across operations to support cost efficiency.

Turning to growth and capital allocation, the Odessa expansion is nearing completion. We are approaching the start-up phase, with commissioning activities underway as we prepare to fire up the kiln and begin ramping up production.

As we have discussed, 2026 represents a transition into this next phase. The ramp-up will introduce incremental freight costs during the second quarter as we ship additional cement from Pueblo and Samalayuca into the market to maintain uninterrupted supply and protect customer service as new capacity is brought online. This initial temporary increase will be offset by network permanent freight optimization in the later part of the year.

Our M&A approach remains focused and disciplined. We continue to evaluate cement opportunities in the U.S., while maintaining our strategic and financial criteria. In the current environment, our priority is to remain patient, with greater emphasis on bolt-on opportunities that strengthen our downstream presence and expand our footprint in attractive markets. We also continue actively searching for aggregates opportunities, both organic and inorganic, to further grow and enhance our presence in this segment.

During the quarter, we completed the acquisition of aggregates, asphalt, and ready-mix operations in El Paso, Texas, and Southern New Mexico, reinforcing our presence in key markets and expanding our downstream capabilities. This transaction enhances our ability to serve customers more efficiently, supports long-term supply through high-quality reserves, positioning us better for opportunities in the data centers space. These acquisitions are expected to contribute positively to cash flow generation during the second half of the year.

In summary, the first quarter reflects a good start to the year, supported by favorable operating conditions, strong execution, and improving activity across our markets. Our focus remains on delivering reliable service to customers, bringing Odessa online successfully, and positioning GCC to capture the opportunities developing across our network.

With that, let me turn the call over to Maik for a review of the financial results.

Maik Strecker

Thank you, Enrique, and good morning to everyone.

Starting with consolidated performance, we delivered sales of US$295 million in the first quarter, an increase of 19.8% compared to the same period last year, reflecting stronger activities across both the United States and Mexico.

In the United States, revenues increased 15.9%, supported by favorable weather conditions and volume growth in both cement and concrete. Cement volumes increased 10.6%, while concrete volumes increased 15.9%. Cement pricing declined by 2.6%, consistent with the product, project, and geographic mix dynamics discussed previously. Overall, the quarter reflects stronger activities, the contribution from new terminals, and continued execution across multiple demand segments.

In Mexico, revenues increased 28.2%, supported by volume growth in both cement and concrete. Cement volumes increased 12.8%, while concrete volumes increased 5.9%. Cement pricing decreased slightly, reflecting a lower share of specialty products, while ready-mix pricing increased 1.2%. Results reflect a stronger comparison base and improving activities across housing and infrastructure segments.

From a cost perspective, cost of sales as a percentage of sales increased by 70 basis points, reflecting higher fuel and power costs, a lower contribution from oil well cement, and higher transfer freight associated with supporting the Odessa ramp-up, as well as additional transfer freight associated with the new terminals. As Enrique mentioned, these logistics costs are part of a deliberate effort to maintain uninterrupted supply to customers while new capacity is brought online in a controlled manner and as we continue expanding our reach across the network.

SG&A expenses increased to US$3 million, driven primarily by the appreciation of the Mexican peso against the U.S. dollar and the annual salary adjustments.

As a result, EBITDA for the quarter totaled US$87 million, an increase of 18.3% compared to the prior year period, with an EBITDA margin of 29.5%. As expected, margins declined slightly year over year, reflecting the cost and mix effects discussed earlier.

Free cash flow for the quarter totaled negative US$10 million, primarily due to working capital requirements and higher cash taxes.

In terms of capital allocation, we continued to fund strategic investments, with capital expenditures totaling US$38 million during the quarter, related mainly to the Odessa expansion. We also returned US$5 million to shareholders through share buybacks.

We ended the quarter with a strong balance sheet, with cash and equivalents of US$857 million and net debt to EBITDA of negative 0.47x, preserving flexibility to support growth investments and maintain disciplined capital allocation.

In summary, the quarter confirms that volume growth, expense discipline, and capital deployment are supporting the next phase of growth, even as the Odessa transition introduces temporary cost pressure.

With that, I will turn the call back to Enrique.

Enrique Escalante

As we look ahead, our expectations for the full year remain unchanged. The first quarter was a good start to the year, and our forecast for 2026 continues to reflect the same market assumptions we outlined previously.

Our focus now is on executing the priorities already in front of us, with Odessa representing the most important operational milestone of the year. Bringing the new capacity online successfully, while continuing to support customers and manage the network, is central to how we are building the next phase of growth.

With clear levers within our control, we remain confident in our ability to execute through the remainder of the year.

Thank you for your continued support. We will now open the call for questions.

Q&A

Sahory Ogushi

Thank you again for your time and continued interest in GCC. We look forward to speaking with you again soon.

Operator

You may disconnect your lines at this time. Thank you for your participation and enjoy the rest of your day.