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PRESENTATION

Operator

Good morning and welcome to GCC's Third 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. 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.

This quarter, GCC marked its 85th anniversary. Over eight and a half decades, we have operated through economic cycles, high interest rates, energy shocks, and shifts in trade flows. What has allowed GCC to keep growing is not the ability to predict every change, but the way we have built the business: investing in the right markets, maintaining a flexible network, staying close to customers, and taking a long-term view.

The third quarter reflected both, this approach and the short-term variability of our markets.

We entered the quarter with good momentum. July and August developed well, with healthy activity and volume growth across much of our footprint. September then brought unusually heavy rainfall across several of our states where we operate during one of the strongest months of the construction season. Job sites paused, concrete pours were rescheduled, and some activity built through the summer shifted out of the quarter. Weather in September was the main reason for slower shipments in the quarter.

Importantly, the underlying demand has not disappeared. Projects remain in place, customer backlogs are healthy in the areas where we are most active, and year-to-date cement volumes are up 6% in the U.S. and 7.7% in Mexico.

Before discussing those markets in greater detail, let me begin with our **People** strategy.

Our 85th anniversary was an opportunity to recognize the generations of employees who built GCC and the teams who will lead the company forward. During the quarter, we conducted our Great Place to Work survey company-wide for the twelfth year in a row. The feedback gives us a direct view of what our people value, the areas to improve, and how it will help shape our talent priorities for 2027.

We are also strengthening the capabilities required to operate in an increasingly connected environment. As technology evolves, including the broader adoption of artificial intelligence, cybersecurity becomes even more important to protecting our operations and information. We continue enhancing our tools and expanding training across the company. This is a top priority for management and the Board.

Our anniversary also highlighted how closely GCC's history is tied to the communities that have grown alongside with us. We partnered with Fundación Grupo México and the Chihuahua State Government to support Dr. Vagón, a hospital on rails that provides free medical care, diagnostic services, and medicine to communities where access can be limited. This October, during Breast Cancer Awareness Month, the program

placed particular emphasis on women's health services, focused on prevention and early detection, an effort we are proud to support, as it brings essential care to some of the most economically vulnerable people in our communities.

Under our **Planet** strategy, we are advancing initiatives that improve environmental performance while strengthening our operations. Year to date, we have increased the use of natural gas and reduced coal in our energy mix, while continuing projects to expand access to natural gas and alternative fuels across the network.

These investments give our plants more flexibility as relative costs and operating conditions evolve. They also support the transition toward lower-carbon energy sources, improve supply reliability, and reduce our exposure to fuel-price volatility.

Turning now to our **Growth** strategy.

In the United States, cement volumes remained essentially flat during the quarter, while concrete volumes declined 18.6% against last year's exceptional windmills and paving projects activity. We had anticipated that high comparison in both our original outlook and the July guidance update, which assumed lower concrete volumes during the second half. Aside from the weather disruption, the quarterly results were in line with our expectations and therefore did not change our assessment of the underlying demand base.

Let me review the primary demand drivers, beginning with infrastructure.

Infrastructure remained our most active segment. Across Texas and the broader footprint, we continue supplying highway, paving and other transportation work. The backlog remains solid, and the longer-term U.S. policy direction continues to support investment in core transportation infrastructure.

Data centers are also contributing to current demand and remain an important source of opportunities. During the quarter, we worked on four data centers developments, including the Meta project in El Paso, and participated in related infrastructure and power-generation work. We continue tracking the pipeline closely and are well positioned to participate as additional projects move into construction.

Oil and gas activity remained at a good level throughout the third quarter. Although oil prices were elevated, customers largely followed the work programs established at the beginning of the year rather than materially expanding them. Oil-well cement therefore remained an important and steady source of demand across the Permian Basin and other western energy markets.

We are optimistic about the outlook for 2027. The additional Odessa capacity increases our ability to serve these markets from a plant located closer to demand, both for oil well and construction grade cements.

Wind energy remains one of our most important sources of demand. Over several years, we have built the mobile capacity, technical expertise, and customer relationships required to execute large projects across multiple states.

We are comparing against an exceptional level of wind-related volumes in 2025, but this segment continues to generate strong sales this year. Current work remains active, and our 2027 backlog is already building up.

Residential remains the most challenged U.S. segment. Persistently high mortgage rates continue to constrain affordability and new project decisions, and we do not expect a meaningful change during the remainder of 2026. Importantly, our near-term plans do not depend on a residential recovery.

The industry has operated through conditions like these before, and we believe activity across our markets is approaching the low point of the current cycle.

From a commercial standpoint, the U.S. pricing environment remained challenging. Average cement prices were down during the quarter, reflecting the project and geographic mix effects we have discussed, together with a broader competitive supply environment.

Imported cement continues to influence pricing across the industry, including in inland markets that historically had less exposure. However, our inland footprint provides relative protection compared with more import-exposed regions, although it does not fully isolate us from the broader market effect. GCC enjoys a competitive advantage over producers located closer to the U.S. coasts and waterways, where exposure to imports is greater. We continue managing pricing market by market, prioritizing customer service supported by a robust-redundant distribution network, consistent product quality, and long-term relationships.

Against this backdrop, we have notified customers of US$12 per ton cement price increase for both construction and oil-well cement, effective January 1, 2027. We will also continue working through industry associations with US Commerce authorities to support fair trade and a level playing field.

The announced price increase should support our planned margin recovery. Higher diesel costs are an important consideration. We began applying fuel surcharges to cement and ready-mix deliveries where appropriate, helping align delivered pricing more closely with transportation costs and protect the economics of customer service.

Overall, the U.S. project base remains active, and healthy customer backlogs support our outlook for the coming months.

Turning to Mexico, the market followed a different pattern and again demonstrated the value of our geographic diversification. Sales grew during the quarter, supported by higher cement volumes and improved pricing. Rainfall affected activity during September, although to a lesser extent than in the United States.

Our retail channel, self-construction and residential demand were among the strongest segments. This activity exists independently of the federal housing initiative, which represents an additional source of potential growth. Projects under Vivienda para el Bienestar are beginning to move into construction, and we have contracted significant volumes of construction materials, as well as thousands of precast concrete houses, to participate as the program expands across the state.

Infrastructure also remained strong. Several major bridge projects moved into construction during the quarter, including projects where GCC is supplying concrete and precast products. Additional transportation projects are advancing toward execution, creating a solid pipeline into 2027.

Concrete volumes were softer, reflecting rainfall and the timing of several residential and industrial projects. Those projects remain in the market, and some are now moving forward.

Industrial conditions were broadly unchanged, with customers continuing to pace investment decisions carefully. We are not assuming a near-term acceleration, but the segment's longer-term opportunity remains attractive, and we are positioned to respond as projects advance.

Overall, Mexico enters the final part of the year with a broader demand base than twelve months ago, supported by housing, infrastructure, self-construction and a strong retail channel.

Let me now turn to capital allocation.

The quarter's most important operational milestone was the first customer sales from the new Odessa production line. We began shipping both construction and oil-well cement to customers and we expect its contribution to build progressively through 2027.

How we introduce that additional capacity matters. Sensitive to current market conditions and the broader supply environment, we are slowly pacing the ramp up of our new kiln in line with customer demand, rather than pushing incremental tons into the market simply to increase utilization. We followed a similar approach with previous expansions under difficult market conditions, with patience and long-term view, favoring stability and returns, over short-term market gains with lower margins.

As output increases, Odessa will progressively replace higher-cost shipments to Texas from more distant plants, improving freight economics and strengthening the network. Its contribution will build through 2027 and beyond, giving GCC greater capacity to serve oil and gas, infrastructure, and other end markets from a more efficient plant located closer to customers.

We also continued integrating the aggregates and downstream businesses we have added across Texas. In July, we completed another acquisition of concrete operations in Midland-Odessa, further strengthening our integrated position.

Together, these investments allow us to serve customers with cement, aggregates, and concrete, enhance the strategic value of the Odessa expansion, and create opportunities for operating and logistics synergies across the businesses.

Year to date, we have deployed approximately US$104 million in acquisitions and returned US$54 million to shareholders through dividends and share repurchases, while maintaining negative net leverage.

Our balance sheet provides substantial financial flexibility, but that does not change our investment criteria. We continue following the approach that has driven GCC's growth from the beginning: deploying capital ahead of demand, building around markets we understand well, and maintaining a long-term perspective.

The quarter included short-term weather disruption, but it also marked an important transition. Odessa is now serving customers, our integrated platform is expanding, Mexico is gaining momentum, and the project base for 2027 is taking shape.

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, third-quarter sales totaled US$433 million, a decrease of 1.2% compared with the same period last year. The weather effect Enrique described was concentrated in the United States, while Mexico offset part of the decline through higher cement volumes and pricing, together with the appreciation of the Mexican peso against the U.S. dollar.

For the first nine months, consolidated sales increased 9.3% to US$1.1 billion, reflecting the contribution from acquired businesses and newer terminals, as well as strong volume performance during the first half of the year.

In the United States, third-quarter revenues decreased 4.7%. Cement volumes declined 0.5%, while concrete volumes decreased 18.6%.

Pricing also affected the comparison. Cement prices declined 2.8% year-over-year, reflecting project and geographic mix and the competitive environment Enrique discussed. Concrete prices decreased 2.2% as the project mix shifted away from last year's higher-value wind related projects. This concrete comparison was already reflected in our July guidance update. Year to date, U.S. revenues increased 6.2%.

In Mexico, third-quarter revenues increased 11.5%, with volume and pricing contributing to growth. Cement volumes increased 4.7%, while local-currency cement pricing rose 3.2%. Concrete volumes declined 7.8%, while concrete pricing increased 2.7%. For the first nine months, Mexico revenues increased 18.6%.

Turning to costs, third-quarter cost of sales as a percentage of sales increased 2.4 percentage points to 66.1%. The change reflected lower U.S. cement pricing, the ongoing cost profile of the businesses acquired this year, higher diesel prices, and additional logistic costs.

During the quarter, higher diesel prices increased delivery and internal transportation costs across our network. Transfer freight also remained elevated as we moved cement from plants in both the United States and Mexico to maintain uninterrupted customer supply during the Odessa ramp-up and support our newer terminals. We deliberately used the broader network to protect customer service during this transition.

We are beginning to shift production and distribution flows during the fourth quarter as Odessa assumes more of the markets it was designed to serve. Some logistics efficiencies should begin to emerge as that transition progresses, but we expect the benefit to become more visible through 2027 as production stabilizes and the network moves toward its intended configuration. Over time, these changes should increasingly be reflected in freight costs and margins.

SG&A expenses for the quarter totaled US$34 million, an increase of 13.6%. The change primarily reflects the appreciation of the Mexican peso, which increases the reported dollar value of our Mexico expenses, as well as the acquired operations and annual salary adjustments. Importantly, the structural savings achieved in 2025 remain embedded in our cost base, and spending in the areas addressed by those initiatives has remained stable.

Taken together, these revenue and cost dynamics resulted in third-quarter EBITDA of US$148 million, with a margin of 34.3%, compared with 35.9% in the prior-year period.

The margin change primarily reflects shipment timing, pricing and product mix, and the additional freight associated with the Odessa project. These factors do not change our view of the underlying economics of the network. For the first nine months, EBITDA increased 5.5% to US$368 million.

Net income for the quarter totaled US$59 million. The year-over-year comparison also reflects a tax self-correction in Mexico related to prior periods, and higher income taxes during the quarter. Interest income was also lower as rates declined in Mexico.

Free cash flow for the quarter totaled US$121 million, representing a conversion rate of 82%. Higher cash taxes and lower EBITDA were partially offset by lower working capital requirements and maintenance capital expenditures. The resulting conversion rate remained strong, demonstrating the business's ability to generate cash even in a softer operating quarter.

On capital allocation, growth capital expenditures totaled US$27 million during the quarter and were down year to date. With Odessa moving beyond its investment phase, capital intensity is beginning to decline.

During the quarter, we also funded the Midland-Odessa concrete acquisition and repurchased US$6 million in shares. We remain confident in the strength of the business and its long-term outlook, and given current market conditions, we are evaluating the opportunity for additional share repurchases. Any decision will remain consistent with our broader capital allocation priorities and our disciplined approach to deploying capital.

We ended the quarter with cash and equivalents of US$888 million and net debt to EBITDA of negative 0.51x. This position gives us substantial flexibility to pursue those priorities without changing our conservative financial profile.

In summary, the quarter was shaped by weather-related shipment timing and the temporary costs of transitioning the network around Odessa. Year-to-date results remain solid and our balance-sheet position is stronger.

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

Enrique Escalante

Thank you, Maik. Before we open the call to questions, let me update how we are thinking about the balance of the year.

Third-quarter performance was below our expectations, and we are therefore updating selected elements of our full-year outlook.

In the United States, we now expect cement volumes to increase mid-single digit, reflecting the third-quarter performance and the weather effects we discussed today.

For concrete pricing, we now expect a low single digit increase in the United States, reflecting the project mix and market conditions seen through the third quarter.

Taking these assumptions into account, together with the third-quarter performance, we now expect consolidated EBITDA to increase low-single digit for the full year.

We are also lowering our 2026 capital expenditure guidance to US$220 million, from US$270 million previously. Maintenance capital expenditures remain unchanged at US$70 million, with the revision concentrated in strategic and growth investments. The reduction primarily reflects approximately US$50 million in savings achieved on the Odessa expansion.

All other elements of the guidance we provided in July remain unchanged.

While the third quarter changes our full-year expectations, it does not change how we view the underlying business. Customer backlogs remain healthy, the projects affected by weather remain in place, and the demand base across our core markets remains active.

Our priorities are clear: continue a disciplined ramping of Odessa in line with customer demand, maintain stability in a competitive environment, capture the benefits of the network we have built, and continue allocating capital where we see attractive long-term returns.

The investments are already in place to strengthen GCC's earnings and cash-generation potential as we move into 2027. We will continue executing to deliver strong results.

With that, we will open the call for questions. Operator, please proceed.

Q&A

Operator

Our first question will come from Mario Simplicio with Morgan Stanley.

Mario Simplicio

Hi, GCC team. Thank you for taking my question. I have two. The first one is how are you seeing room for price in 2027 and feedback from customers so far to the announced increase, especially considering we are seeing positive volume trends across your markets when we adjust for the weather impacts this quarter? The second one in support to that is how are you seeing the trend for energy costs next year? Thank you.

Enrique Escalante

Hi, Mario. Thank you for your question. This is Enrique Escalante. We see a very, very probable effect of the announced US$12 price increase starting January 1. We think the market conditions and our need to recover cost inflation in the past are evident to every customer and they are sensitive to it. We see that with optimism, and we will stay very focused on achieving that.

I will ask Maik to take the second question on energy trends.

Maik Strecker

Yes. Hi, Mario. This is Maik. Yeah, regarding the energy and the input for us, we see around fuel, natural gas, specifically, at the moment, relatively stable pricing. We're monitoring that very closely, but at the moment, relatively stable. On power, we see a little bit of pressure. The power costs have been increasing already this year. There's a lot of demand for power. On power, we're a little bit more conservative. We see some inflation effects there going into 2027. Then on diesel, we all see it. Diesel has been elevated and has impacted us in the third quarter. At the moment, we still see the diesel prices elevated and we're watching that also very carefully. That's our current assessment when it comes to fuel and power for the rest of this year and looking at 2027.

Mario Simplicio

That's super clear. Thank you.

Maik Strecker

Mario, one item I would like to add is, as Enrique mentioned, we have implemented a fuel surcharge across the business, very focused, very diligent, lots of communication with customers explaining, A, the rationale, but also the mechanics. So far, we received good feedback. Again, our customers, of course, see the same inflation dynamics. Specifically, around that diesel topic, we're trying to manage that very proactively via these types of tools.

Mario Simplicio

That's great. Thank you.

Operator

Our next question will come from Adrian Huerta with JP Morgan.

Adrian Huerta

Thank you. Hi, Enrique. I just wanted to see if you can share with us a little bit how you're seeing opportunities for investment and what we could expect on that over the next 12 to 18 months.

Enrique Escalante

Adrian, thank you for the question. This is Enrique. Again, here also, we continue to be optimistic and active in searching for growth opportunities for the Company, pretty much focused on aggregates as we've been doing this last month. We're constantly discussing opportunities with the strategy that we have outlined of trying to grow around the network with small to medium-sized opportunities to continue building progressively that business. Very active there.

Of course, we are seeing some activity in the cement market also. We know a couple of opportunities are coming on the market. We stay very close to that all the time. No changes in the strategy at all. We have a very strong balance sheet that we are determined to use as opportunities that are right in line with our return criteria, of course.

Adrian Huerta

Thank you, Enrique.

Operator

Moving next to Francisco Suarez with Scotiabank.

Francisco Suarez

Hi. Good morning. Thank you for the call, gents. The question that I have relates with your very interesting remarks towards imports. I was surprised that it actually, you saw some increased competition inland in your footprint. Can you elaborate a little bit further on where exactly is that more present? What do you think about your additional price hikes for beginning in January? Because at the end of the day, that will ultimately attract more imports for these guys, isn't it? On a related question, the second question I have is on Odessa's utilization rates. What are your overall expectations of these utilization rates by the end of 2026 and by the end of 2027, if I may? Thank you.

Enrique Escalante

Francisco, thank you for your questions. Again, Enrique here. On the imports, we have recognized throughout the last year that there have been very, very low-price imports into the market. That's why I referred to the industry efforts, talking to commerce authorities to try to establish a level playing field. This is a more medium-term effect that we're expecting could materialize to protect the industry from an unfair competition. But aside from that, in the meantime, yes, imported prices at those levels have resulted in shipments of cement, of imported cement in markets that we traditionally haven't seen before.

However, now trying to answer your question in terms of the price effect of those imports, energy and fuel costs, it's obviously the base for cement manufacturing and transportation, and that also affects significantly imports. We have recently seen or heard some importers also announcing price increases because they're also, of course feeling the pressure, the same pressure on their cost side. We think that from now on, probably the situation in terms of competitiveness can have some slight improvements for us. If you couple that with our market position where we're far from coastlines and waterways, we think that we have a very strong position to defend our network.

Now, let me turn to Odessa. We've been mentioning several times that the Company is very experienced in putting a new capacity online under adverse market conditions. Out of the four last increases or expansions of capacity of the Company, three have been during challenging economic times. Starting with the Pueblo introduction during the Great Recession, then after our expansion in Rapid City the conditions were not very favorable either. Now, of course, we're seeing these challenging situations, including this import comment that we just made for Odessa. With the exception of Samalayuca, a few years ago, market conditions were better.

In that context, the Company has learned to be patient and long-term oriented. We are introducing our capacity of this kiln 3 new line in Odessa, probably with a very different approach than what we forecasted two, three years ago when we were in the planning and execution of the construction project. We are flexible in the Company to pivot towards facing current market conditions. That doesn't change in any way significantly the returns we expect from this great investment that we've made over the medium term. We'll continue to increase capacity slowly but diligently as market conditions evolve. It's stronger for our new capacity. We're not prepared to give you an exact number at this moment. We're precisely in the budgeting process, reviewing carefully customer by customer to our sales teams. In the next few weeks, we're going to have some more specific numbers where we can share that with all of you.

Francisco Suarez

Got it. I think that it makes sense to, while that happens, your plans to enhance your overall platform by the integration that you talk about, it will continue, isn't it? Of course, on the back of the strong balance that you have.

Enrique Escalante

Yes, sir. We'll continue consistently and permanently.

Francisco Suarez

Thank you.

Operator

Our next question will come from Daniel Rojas with Bank of America.

Daniel Rojas

Enrique, Maik, thank you for taking my question. I was hoping you could elaborate on your comments on the backlog for the data center industry. I would love to understand if you're seeing with everything that's happening in terms of the cautiousness of the market, in terms of if the build-out of the data centers is slowing down, will pause, or will continue to grow exponentially. From your side, are you seeing the backlog increase significantly? Do you think it has paused? Anything you can give us, it will be welcomed. Thank you.

Enrique Escalante

Thanks, Daniel. Some comments on the backlog. Precisely, yesterday after our Board meeting, we conducted our usual call with all our managers throughout the Company where we exchanged precisely comments and questions for the quarter. I was asking our sales team from the U.S. about their most current perspective for next year. I was pleasantly surprised with the answers because it seems we continue to build the backlog in every segment, with the exception, as we mentioned, of the residential segment. With numbers they are telling me that next year can be better for us than 2026, definitely. We're very optimistic that that's going to happen.

More specifically, on the data centers, we have several projects that are on pause. Some of them, we understand that it's kind of political reasons waiting for mostly and more than fairly local elections in different states. This is how much support and much opposition they will have in the continuation of building some of those data centers. We cannot predict what's going to happen with the elections next year, of course, next week. But we are optimistic that as soon as that uncertainty disappears after elections, there are many projects that are going to restart and many others that are going to continue moving forward from the planning to construction phases. Again, cautiously optimistic, but we think that there is a strong future demand there in data centers.

Daniel Rojas

Thank you, Enrique. If I may follow up, moving on to Mexico and Vivienda para el Bienestar, the Claudia Sheinbaum housing program, we're seeing home builders reporting the volumes increasing significantly. I was just curious if you can give us some color on what you're seeing and if you think this is something that will move the needle significantly in 2027.

Operator

Ladies and gentlemen, please stand by. It appears that our speaker line has disconnected. Please stay on the line while we reconnect. Okay, your line is reconnected. We can commence the Q&A session. Daniel Rojas has an open line currently.

Enrique Escalante

Daniel, we apologize for the interruption. We're disconnected and struggling to reconnect. But I think that you can hear us now, correct?

Daniel Rojas

Yes, I can.

Enrique Escalante

Okay. I don't know if you heard me. I'll try to answer again your question on the Vivienda para el Bienestar. I was saying that we are very bullish now because there was a delay in the start of the projects, especially in Juarez, with the lack of water infrastructure for one of major sites for this housing project. That has now been resolved. Everywhere in the state, we're participating strongly and we have basically started now in many projects. From now and until the end of the year, we expect a very, very dynamic and robust demand and shipments to those projects that will continue at least for the first half of 2027.

Very bullish and very comfortable with our position for these projects. Customers are trying to expedite the results in every site. They have been sending us significant down payments for many of the projects. It looks pretty good. We will have, for later calls, more granular information on project by project or site by site where you can follow up and estimate that better what that represents to us.

Daniel Rojas

Gracias, Enrique. That's very clear.

Enrique Escalante

Thank you, Daniel.

Operator

Our next question will come from Emilio Fuentes with GBM.

Emilio Fuentes

Hi. Thank you for taking my question. Can you hear me there?

Enrique Escalante

Yes, we can, Emilio.

Emilio Fuentes

Thank you. I have two questions. First is, what can we expect for fourth quarter '26 on the development of the incremental breaking logistic costs from serving the Texas market while Odessa continues to ramp up? The second one, I wanted to pick your brain on how were you thinking about buybacks comparatively with your other capital allocation initiatives such as M&A, especially at the current valuation that the stock currently trades? Thank you.

Maik Strecker

Okay. Emilio, this is Maik. Let me start with the logistics question. As we mentioned earlier, we still see some pressure on the fuel cost, diesel specifically, which impacts our network transportation, which impacts the transportation to the customers. We also see a slow kind of move into the optimal network setup for that. All that said means we probably still see some elevated logistics costs throughout that fourth quarter. Although, as I mentioned earlier, there will be some areas where we see some opportunities and improvements. Really, the positive impact you can expect is 2027, when we balance the production and really go into that optimal stage for the network. That's on logistics.

Then regarding the buyback, as we mentioned, we have been active throughout the year. Of course, we see the current opportunity with the share price. We're evaluating how to participate in that fourth quarter buyback program and also into 2027. We see that as an opportunity and it's part of our capital allocation.

Regarding the priorities, as we mentioned as well, we have a pipeline of M&A opportunities that will remain our top priority. We believe acquiring new businesses, enhancing the network, strengthening our aggregate position. But also, as Enrique mentioned, looking at some cement and cementitious opportunities, that's our top priority. We see some good momentum there. Then the buyback program. Then when we enter next year, of course, our dividends policy on dividends. Those are the three priorities when it comes to capital allocation, including the buyback program.

Emilio Fuentes

Thank you. Very clear.

Operator

We'll go next to Arthus Piot with On Field Investment Research.

Arthus Piot

Hi. Thank you very much for taking my questions. I actually have three of them. First, could you please explain the drop in cement volume in Q3 following the double-digit growth in H1? Did Texas slow down or was it mainly driven by weaknesses in the Midwest and mountain region as seen in the RMC volumes? Have you seen any improvement in activity in October?

My second one is on the Odessa ramp progressing. What is your commercial strategy to push additional volumes into a market with limited growth? Can you gain market share without offering more attractive commercial terms than competitors? How much cement does your recent RMC acquisition in Texas consume annually? If—could further vertical integration help secure additional volumes?

The last one, we saw Cemex and Holcim announcing a 5% increase in bagged cement prices in Mexico in October. Are you implementing a similar increase? If yes, would this be enough to offset higher petcoke and USD-denominated cost given the weaker peso? Thank you.

Enrique Escalante

This is Enrique. Thanks for the questions. Let me start with your third question first in Mexico. Definitely, our plans are obviously a price increase for Mexico, too. Obviously, we've had the same cost inflation effects that I mentioned before in this location. We are very optimistic that the market is going to take that price increase, most likely in the first part of the year. That's another question.

In terms of our market share in Texas, as I mentioned, our priority is not to just take market share to increase capacity utilization of the plant. Again, we prefer to be sensitive to local market conditions in each market and how we optimize the network in lieu of improving margins in comparison to just increasing market share. That's why I said we're going to pace the entry of that new capacity based on customer demand and not just an internal strategy to try to move volume. That's why it's important for us to continue also integrating the network in Texas and we've been active in some M&A projects there, some around the Midland-Odessa plant, but some others in other regions of Texas and we'll continue to do that in the future.

Maik Strecker

Yeah, and on that last point, we see that as a stabilizing factor, the integration of these ready-mix businesses. Although at this stage, they're relatively small in the scale of our operations in Texas. Similar to what we said about cement, we're going to look at how do we focus, grow those businesses, participate in projects, take advantage of the expertise that we have built around wind projects and mobilizing for more complex opportunities around data centers and so on.

Also important, these acquisitions were really aggregates led. The key focus there was to enhance our aggregate network that we had started building in late '24. The impact that we foresee in the coming years is really also very important, aggregates driven to build out that network.

Arthus Piot

All right, thanks. Just to bounce back here, because I didn't really understand your answer on the volumes in Q3. Did Texas slow down?

Maik Strecker

The volumes, yeah, the volumes in Q3, again, the main impact came really from that September month, the weather we faced, specifically in the U.S. where it was concentrated. That then related to specific projects that have been pushed. We actually see some of that backlog now materializing in the month of October. As we said, we expect a good fourth quarter. It's really more timing, mainly driven by weather. Again, we expect to see that being catching up throughout the fourth quarter.

Enrique Escalante

Just to support what Maik has been saying about that third quarter, I think we can say that in October shipments, the month it's almost ending, and we can say that shipments are very strong, very strong, well beyond our expectations. I can say that it was reported to me yesterday that last week shipments have been a record for the week in GCC's history. That backs up very well about the solid backlog and underlying demand that I would have been saying that it's still there for us.

Arthus Piot

All right, amazing. Thank you very much.

Operator

Thank you. Ladies and gentlemen, that concludes our question-and-answer session. I'll turn the floor back to Ms. Ogushi.

Sahory Ogushi

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

Operator

Ladies and gentlemen, thank you for your participation. This does conclude today's teleconference. You may disconnect your lines and have a wonderful day.

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