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 Fourth Quarter 2025 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.

At GCC, we manage the company with a long-term view. Our markets are cyclical and can move quarter to quarter, but our strategy is firm and gives us flexibility to adapt to short term conditions, without changing our mid- and long-term view. We focus on disciplined execution, operational reliability, and capital allocation across cycles, and this approach guided our decisions throughout the year.

During 2025, we operated in an environment where external conditions influenced the pace and timing of customer decisions. As conditions evolved, we revised our expectations in the summer. From that point forward, our focus sharpened, with an increased emphasis on cost management and operational discipline, and we delivered record sales for the full year of US$1.4 billion, reflecting the strength of our operating model, disciplined execution across the network, and particularly strong performance in the United States.

These results demonstrate the resilience of demand across our markets. From an earnings standpoint, it is also important to keep perspective. 2024 set a record benchmark for margins and returns, and that level remains the reference point for where we expect the business to operate over the cycle. While we did not replicate those record levels in 2025, we came close, and we continue to position the company to move closer over time as efficiencies, cost actions, commercial initiatives, and network investments take us to new records.

The fourth quarter did not introduce new dynamics. Instead, it confirmed the trajectory we outlined earlier in the year. Our operations were reliable, customer relationships remained strong, and performance reflected the same mix and activity dynamics we managed throughout 2025, with improved execution translating into record quarterly results.

Our **People** strategy remained a constant source of strength in 2025.

We continued to invest in safety, training, and leadership development, reinforcing a culture of operational discipline and accountability. Safety performance improved again in the fourth quarter, and full-year results reflect continued progress across key indicators, with recordable incidents, including lost-time incidents, declining 10.5% year over year.

Our continued recognition as a Great Place to Work further reflects the strength of our culture and employee engagement, and the consistency with which we have integrated these values across the organization.

Training is embedded across the company, with structured programs aligned to specific plant and functional needs. Through the GCC Training Institute, we delivered more than 15,000 hours of training during the year. This investment supports reliability today and prepares our teams for the ramp-up of Odessa and the next phase of growth.

Progress under our **Planet** strategy continued steadily.

In 2025, we increased blended cement production, expanded the share of alternative fuels in our fuel mix, and continued to reduce our clinker factor. These actions support cost efficiency and operational resilience, while contributing to incremental progress in environmental performance.

In addition, our Pueblo and Rapid City plants once again received ENERGY STAR certification, placing them among the top 25% of cement facilities nationwide for electricity efficiency.

As we move into 2026, our focus remains on executing these initiatives pragmatically, prioritizing efficiency, reliability, and long-term value creation.

Turning now to our **Growth** strategy. Our focus on execution and network strength is reflected in how the business performs across our key markets.

In the United States, ready-mix was the primary driver of growth in 2025, supported by strong project activity. This project-led demand generated consistent downstream pull for cement and reinforced the strength of our integrated operating model.

Ready-mix volumes reached record levels in 2025, increasing 31.5%, while cement volumes increased by 2.6% during the year.

As a result, we outperformed the U.S. cement market in 2025, driven by disciplined project execution and commercial management.

Operationally, this translated into high utilization across our concrete operations, supported by investments in mobile capacity and execution capabilities. Energy-related projects, including wind farms and associated transmission, continued to provide volume support throughout the year.

Infrastructure activity remained stable through the quarter and continues to provide visibility into 2026, supported by multi-year funding programs and ongoing execution at the state and local level. As we enter the new year, we remain proactive and focused in identifying project opportunities, reinforcing the depth and visibility of our commercial pipeline.

Residential construction remains under pressure. Mortgage rates have not sustainably broken below 6% since September 2022. As a result, we do not expect a meaningful improvement in residential activity during the first half of 2026.

Oil and gas activity softened during the year and continued to soften in the fourth quarter, reflecting the current oil price environment. This segment is expected to soften further in the near term before improving. While this affects mix, it does not alter our long-term positioning within the network, as we rely on the flexibility of our plants to ship different types of cement and adapt to market demand.

Throughout the year, our commercial focus remained on protecting margins and returns. While market conditions limited pricing momentum during 2025, the pricing increases announced entering 2026 reinforce our focus on offsetting cost inflation and improving profitability over time.

In Mexico, fourth-quarter performance was in line with our expectations.

Residential demand and bagged cement continued to provide stability, supporting margins. The federal housing initiative is beginning to take shape in certain regions, and as projects move into execution, we expect to be able to quickly increase shipments as its impact materializes during the first quarter of 2026.

Infrastructure in Mexico is an area of growing optimism. Historically, the first year following elections is complex, but during the quarter we saw projects advance, with a more meaningful contribution expected in 2026 as execution accelerates.

In addition, mining-related comparisons normalized in November, removing a headwind that affected volumes last year. We expect the segment to perform broadly in line with 2025 levels going forward.

Industrial customers remained cautious, advancing projects gradually and using this period to prepare to move more decisively as visibility improves. We are cautiously optimistic about industrial activity improving in the second half of 2026, as trade discussions become clearer.

Capital allocation in 2025 remained consistent with our long-term priorities. We continue to focus on ensuring that recent investments in cement distribution and aggregates operations across our network reach their full potential, allowing us to ship product to more destinations, easing the pressure to rely on single markets with larger volumes. In parallel, the Odessa expansion continues to progress on schedule and within budget.

Our M&A posture remains unchanged. We continue to evaluate opportunities that strengthen the existing network and meet our strategic and financial criteria, while maintaining balance sheet strength and flexibility.

As we look ahead, 2026 will be a pivotal year for GCC. With Odessa completing construction and entering ramp-up, the company moves into a new phase focused on integrating capacity, optimizing logistics, and strengthening earnings power across the 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.

For the full year 2025, we delivered record consolidated sales of US$1.4 billion, an increase of 3% year over year, driven primarily by volume growth in the United States. Fourth-quarter sales totaled US$360 million, up 7% year over year, consistent with the operating trends discussed earlier.

During the year, the depreciation of the Mexican peso created some headwinds which reduced consolidated sales by approximately US$18 million on a reported basis.

In the United States, ready-mix volumes increased by 31% for the full year and 27% in the fourth quarter, driven by strong activity tied to wind farm and infrastructure projects. Cement volumes increased 2.6% for the full year and 1.4% in the fourth quarter, supported by strong ready-mix activity and contributions from infrastructure and commercial projects across our network.

Average cement pricing in the U.S. decreased by 1.2% during the year, reflecting product, project and geography mix dynamics.

The aggregates business performed well and delivered the results we expected when we acquired the assets, contributing positively to EBITDA and reinforcing the strategic rationale for advancing our aggregates growth strategy.

In Mexico, cement volumes decreased 3% for the full year and increased 11% in the fourth quarter, supported by normalized demand in the mining segment and early execution of infrastructure and housing projects.

On the cost side, full-year cost of sales as a percentage of sales increased by 2.5 percentage points, reflecting factors discussed earlier in the year, including the absence of the natural gas liability benefit recognized in 2024, higher fuel and power costs, a lower contribution from oil well cement, and increased transfer freight as we shipped product to new terminals.

In addition, during the year we incurred higher freight costs as product was supplied from the Pueblo plant to support customers during the period in which the Rapid City plant was offline. While this resulted in higher transfer costs, it allowed us to meet customer commitments, preserve volumes, and demonstrate the flexibility and competitive advantage of our distribution network.

In the fourth quarter, cost performance benefited from disciplined inventory management, which offset the unfavorable inventory impacts recorded during the first nine months of the year.

SG&A expenses declined modestly as a percentage of sales for the full year, reflecting a reduction in consulting services as part of our cost and expenses optimization initiatives, partially offset by higher operating expenses. As we move into 2026, we are placing renewed emphasis on cost discipline, particularly third party spent, fixed cost and staffing optimization, while maintaining our standards for reliability and safety.

As a result, full-year EBITDA totaled US$492 million, with an EBITDA margin of 34.9%. Importantly, the fourth quarter delivered a record EBITDA margin of 39.6%, up 3.4 percentage points, with EBITDA increasing to US$142 million, reflecting improved operating execution as the year progressed.

The depreciation of the Mexican peso reduced EBITDA by approximately US$6 million on a reported basis during the year.

Free cash flow for the full year totaled US$349 million, representing a conversion of 71% of EBITDA, with a strong fourth quarter contribution of US$156 million, driven by higher EBITDA generation.

On capital allocation, we returned US$45 million to shareholders through a combination of share buybacks and dividends. During the fourth quarter we, deployed seven million dollars in buybacks. We remain disciplined and opportunistic in balancing shareholder returns with investment for growth and financial flexibility.

Strategic capital expenditures totaled US$309 million in 2025, reflecting continued investment in Odessa and logistics across the network. As of year-end, we have invested approximately US$600 million in Odessa and associated logistics capabilities, with the remaining US$150 million planned for 2026.

We ended the year with a strong balance sheet, with cash and equivalents of US$969 million and net debt to EBITDA of negative 0.7x, preserving flexibility as we prepare for the next phase of growth and the ability to act decisively on future opportunities.

In summary, 2025 reflected a year in which we delivered record sales, absorbed mix and one-off impacts, maintained strong operating discipline, and continued to invest in strengthening the network.

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

Enrique Escalante

As we look ahead, our guidance reflects a year focused on stabilization and execution, consistent with our strategy. We are entering 2026 with a clearer operating backdrop, a stronger network, and defined levers within our control.

In the United States, we expect cement volumes to grow at a high single-digit rate, driven primarily by the contribution from new markets and the initial ramp-up of Odessa. Cement pricing is expected to be flat, reflecting product, project and geography mix dynamics.

In ready-mix concrete, volumes are expected to decline at a high single-digit rate, reflecting a high comparison base in 2025, while pricing is expected to be flat, reflecting product mix and the broader distribution of volumes across new markets.

In Mexico, cement and concrete volumes are expected to grow at a low single-digit rate, supported by increased infrastructure and residential activity. Pricing for both products is also expected to increase at a low single-digit rate.

At the consolidated level, EBITDA is expected to grow at a mid-single-digit rate, driven primarily by higher sales volumes. During the year, incremental logistics costs associated with the ramp-up will continue to weigh on margins, while cost discipline and efficiency initiatives will help manage this transition.

Turning to capital allocation, capital expenditures in 2026 are expected to be US$270 million as the Odessa expansion nears completion and we will continue with logistic investments across the network. Free cash flow conversion is expected to remain strong and consistent with historical levels.

In closing, we remain focused on restoring margins toward the levels achieved in 2024, executing the Odessa ramp-up in a controlled manner, and maintaining financial flexibility. While the pace of improvement will vary by segment and geography, we believe the actions we are taking position GCC to deliver resilient and improving performance through the cycle.

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.