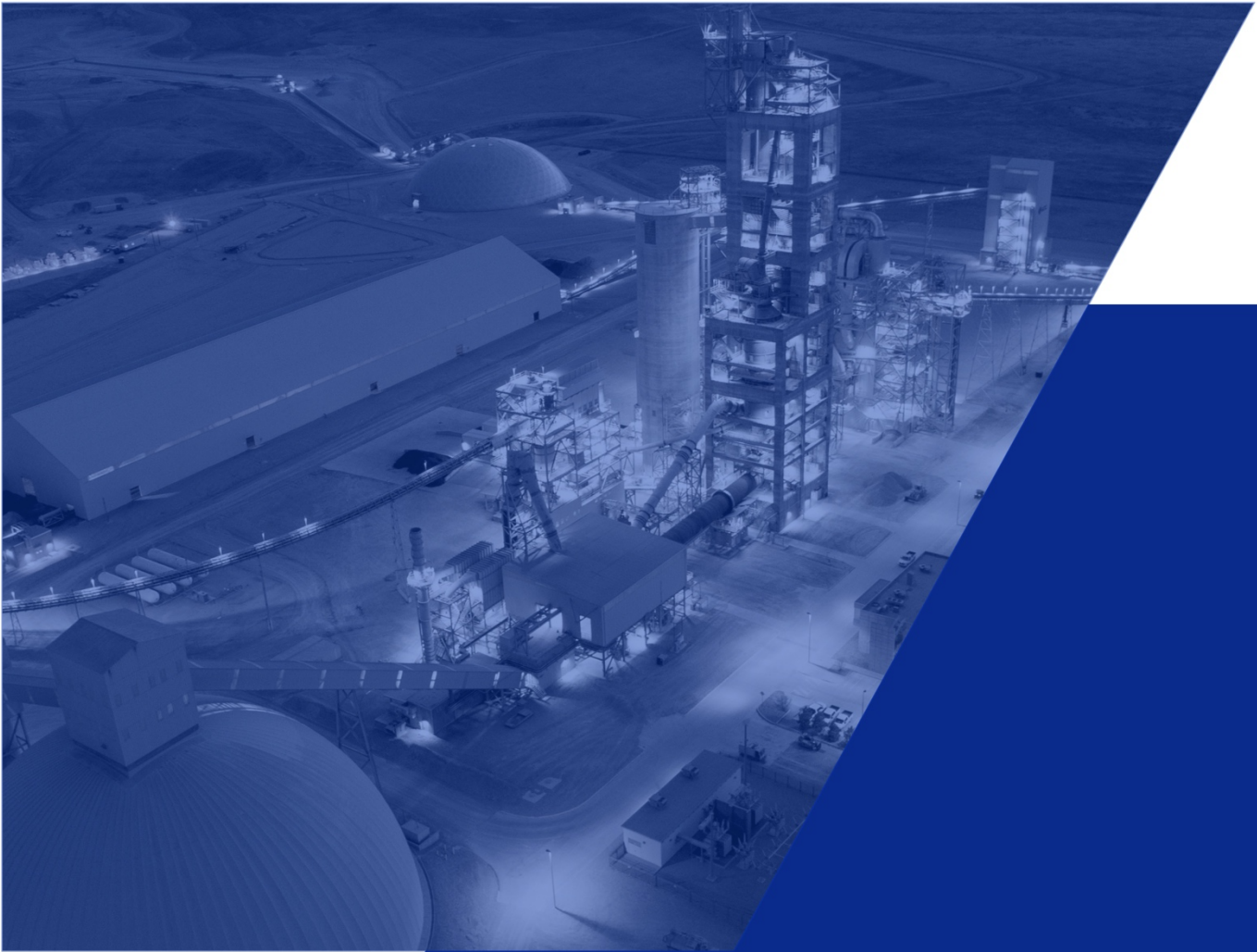




2022

FIRST QUARTER EARNINGS REPORT



FOR MORE INFORMATION: investors@gcc.com

GCC REPORTS FIRST QUARTER 2022 RESULTS

Chihuahua, Chihuahua, Mexico, April 26, 2022 – GCC, S.A.B. de C.V. (BMV: GCC*), a leading supplier and producer of cement and concrete in the United States and Mexico, today announced its results for the first quarter of 2022.

Q1 2022 HIGHLIGHTS

- Consolidated net sales increased 15.7% to US\$206.9 million
- U.S. sales increased 20.6% as cement and concrete volumes increased 10.3% and 15.7%, respectively
- Mexico cement and concrete prices increased 11.7% and 8.1%, respectively
- Mexico sales increased 7.5% as concrete volumes increased 9.1%
- U.S. cement and concrete prices rose 10.3% and 1.3%, respectively
- EBITDA increased 10.2% to US\$54.5 million with a 26.4% EBITDA margin
- Cash and equivalents totaled US\$640 million
- Net leverage (net debt/EBITDA) ratio totaled -0.43x as of March 2022
- The share buyback program will be reactivated

KEY FIGURES (millions of dollars)

	Q1 22	Q1 21	Q1 22 vs Q1 21
Net sales	206.9	178.8	15.7%
Operating income before other expenses, net	31.4	25.5	23.1%
EBITDA*	54.5	49.5	10.2%
EBITDA margin	26.4%	27.7%	
Free cash flow**	(1.0)	17.7	n.m.
Net income	13.1	15.3	-14.3%
Earnings per share (US\$)***	0.0396	0.0463	-14.4%

*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, said "GCC is off to an excellent start this year. We are pleased with the results delivered during this quarter and of the way we are overcoming a high inflation environment amid global challenges.

One of our top priorities is being extremely vigilant in offsetting cost pressures as we capitalize on market opportunities and focus our efforts in maximizing production and terminal outputs.

Market trends and full-year backlogs are encouraging for 2022; therefore, we expect to end the year in line with our high-single to double-digit EBITDA growth guidance."

FINANCIAL RESULTS

Consolidated net sales for the first quarter of 2022 increased by 15.7% to US\$206.9 million from US\$178.8 million in the first quarter of 2021. This was primarily due to higher cement and concrete volumes in the United States, increased concrete volumes in Mexico and a favorable price environment in both markets. Those were partially offset by lower cement volumes in Mexico.

For comparative purposes, consolidated net sales, excluding the depreciation of the Mexican peso against the U.S. dollar during the quarter, increased by 16.1%.

NET SALES (millions of dollars)

	Q1 22	Q1 21	Q1 22 vs. Q1 21
Consolidated	206.9	178.8	15.7%
United States	135.4	112.3	20.6%
Mexico	71.4	66.4	7.5%
Q1 22 vs. Q1 21			
	Volumes	Prices*	
Cement			
United States	10.3%	10.3%	
Mexico	-4.7%	11.7%	
Concrete			
United States	15.7%	1.3%	
Mexico	9.1%	8.1%	

*Prices in local currency

U.S. sales represented 65% of GCC's 2022 first quarter consolidated net sales and increased by 20.6% to US\$135.4 million. This was due to an increase in cement and concrete volumes of 10.3% and 15.7%, respectively, and an increase in cement and concrete prices of 10.3% and 1.3% respectively.

The most dynamic market segments during the quarter were industrial warehouse construction and the oil and gas sector.

Mexico sales, which represented 35% of GCC's consolidated net sales, increased 7.5% in the first quarter 2022 to US\$71.4 million. This was due to a 9.1% increase in concrete volumes and an increase of 11.7% and 8.1% in cement and concrete prices, which were partially offset by a 4.7% decline in cement volumes .

Mexico sales during the quarter were primarily driven by demand related to industrial maquiladora plants and warehouse construction.

Cost of sales totaled US\$152.9 million in the first quarter, representing 73.9% of total sales, compared to 74.6% in the first quarter of 2021. This decrease was primarily due to favorable selling prices and operating leverage in both divisions, partially offset by unfavorable cost of production and sales mix, higher freight costs and higher supplementary oil well cement shipments from Chihuahua to the Odessa Plant, which have a lower margin than the rest of cement sales.

Selling, general and administrative expenses totaled US\$22.6 million in the first quarter of 2022, equivalent to 10.9% of consolidated net sales; a 20 basis-point decrease.

Operating income before other expenses increased 23.1% to US\$31.4 million in the first quarter.

Other expenses remain unchanged at US\$0.03 million.

Operating income increased 23.1% to US\$31.4 million in the first quarter.

As a result, **EBITDA** increased 10.2% to US\$54.5 million. EBITDA margin was 26.4%; a 130 basis-point decrease.

In the first quarter of 2022, 69% of EBITDA was generated by the U.S. operations and 31% by the Mexico operations.

Net financial expenses totaled US\$14.2 million in the first quarter, compared to US\$5.4 million in the prior year period. This was due to costs related to the prepayment of the 2024 Notes and the bank debt.

Income tax totaled US\$4.7 million in the first quarter of 2022, compared to US\$5.2 million in the prior year's period. This was mainly due to lower income before taxes, as well as better results of the U.S. pre-tax income in the consolidated results, which carries a lower income tax rate.

Consolidated net income was US\$13.1 million for the first quarter of 2022, compared to US\$15.3 million in Q1 21; representing a 14.3% decrease.

Earnings per share was US\$0.0396, compared to US\$0.0463 in Q1 21, a 14.4% decrease.

Free cash flow was negative US\$1 million in the first quarter of 2022, compared to US\$17.7 million for the same period in 2021. This reflects higher maintenance CapEx, interest expenses and working capital requirements. These were partially offset by higher EBITDA generation and lower cash taxes.

FREE CASH FLOW (millions of dollars)

	Q1 22	Q1 21	Var
Operating income before other expenses	31.4	25.5	23.1%
Depreciation and amortization	23.1	24.0	-3.5%
EBITDA	54.5	49.5	10.2%
Interest (expense)	(6.8)	(1.1)	500.2%
Decrease (increase) in working capital	(9.0)	(7.9)	14.6%
Taxes	(0.3)	(1.3)	-78.8%
Prepaid expenses	2.2	2.7	-18.0%
Accruals and other accounts	(25.9)	(14.6)	77.2%
Operating leases (IFRS16 effect)	(3.9)	(4.5)	-12.9%
Operating cash flow	10.9	22.8	-52.3%
Maintenance CapEx	(11.8)	(5.1)	131.9%
Free cash flow	(1.0)	17.7	n.m.
Strategic & Growth CapEx	(6.5)	(1.5)	328.5%
Debt amortization, net	(40.0)	(10.0)	300.0%
Dividends paid	0.0	(7.8)	-100.0%
FX effect	4.8	(3.6)	n.m.
Initial cash balance	683.0	562.2	21.5%
Final cash balance	640.3	556.9	15.0%
FCF conversion rate*	0.0%	35.7%	

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

Total debt was US\$500 million as of March 31, 2022, based on contractual balances; a 19.6% year-on-year decrease.

Long-term debt represented 100% of the total debt.

As of March 31, 2022, 100% of GCC's debt was denominated in U.S. dollars.

Net leverage (net debt/EBITDA) at the end of the first quarter 2022 was -0.43 times, compared to -0.44 as of December 31, 2021, in accordance with GCC's contractual obligations.

INTEREST-BEARING DEBT* (millions of dollars)

	March 2022	March 2021	2022 vs. 2021
Total	500.0	622.0	-19.6%
Short-term	0.0	118.0	-100.0%
Long-term	500.0	504.0	-0.8%

*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)

	2022	2021
First quarter average	20.5154	20.3269
As of March 31	19.9942	20.6047

Unless otherwise stated, all percentage changes refer to the first quarter (or three months) of 2022 compared to the corresponding periods of 2021.

ANALYST COVERAGE

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

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

MATERIAL EVENTS

GCC successfully completes the issuance of a sustainability-linked bond

GCC announced that it completed the issuance of a US\$500 million sustainability linked bond with an interest coupon of 3.614% and a maturity date of April 2032 (the "SLB").

The net proceeds obtained from the SLB issuance will be used to pay for the redemption of the entire amount of the GCC 5.250% notes due in 2024, partially refinance bank debt maturities, and the remainder, if any, for general corporate purposes.

The SLB has been rated BBB- outlook stable by Standard & Poor's and Fitch Ratings and is aligned with the Sustainability-Linked Bond Principles leveraging a core, relevant and material sustainability performance target such as CO2 intensity reduction.

The SLB will contribute to the sustained growth of GCC while reducing interest expenses and improving the company's maturity profile.

Enrique Escalante, GCC's CEO said, "We recognize the role of sustainable finance in supporting the transition to a low-carbon and more resource-efficient economy and hope our issuance of sustainability-linked bond will inspire other companies to do the same."

CONFERENCE CALL

GCC, S.A.B. de C.V. will host its earnings conference call on April 27, 2022.

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

Conference ID: **13725699**

Dial in

U.S. (toll free): 1-877-407-0789

International: 1-201-689-8562

Replay (through May 4, 2022, 11:59 p.m.):

U.S. (toll free): 1-844-512-2921

International: 1-412-317-6671

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

Income Statement

(Thousands of dollars)

	Q1 2022	%	Q1 2021	%	Q22 / Q21
Net sales	206,873	100.0%	178,756	100.0%	15.7%
U.S. sales	135,438	65.5%	112,326	62.8%	20.6%
Mexico sales	71,435	34.5%	66,430	37.2%	7.5%
Cost of sales	152,880	73.9%	133,377	74.6%	14.6%
Gross income	53,993	26.1%	45,379	25.4%	19.0%
Selling, general and administrative expenses	22,585	10.9%	19,865	11.1%	13.7%
Operating income before other expenses, net	31,408	15.2%	25,514	14.3%	23.1%
Other (income) expenses	26	0.0%	26	0.0%	0.0%
Operating income	31,382	15.2%	25,488	14.3%	23.1%
Financial income	3,307	1.6%	1,529	0.9%	116.3%
Financial expenses	(16,748)	-8.1%	(7,999)	-4.5%	109.4%
Exchange gain (loss), net	(739)	-0.4%	1,076	0.6%	n.m.
Net financing expenses	(14,180)	-6.9%	(5,394)	-3.0%	162.9%
Share of profit of associates and joint venture	663	0.3%	483	0.3%	37.3%
Income before income taxes	17,865	8.6%	20,577	11.5%	-13.2%
Income taxes (benefit)	4,733	2.3%	5,249	2.9%	-9.8%
Consolidated net income	13,132	6.3%	15,328	8.6%	-14.3%
Controlling interest	13,131	6.3%	15,328	8.6%	-14.3%
Non-controlling interest	1	0.0%	-	0.0%	0.0%
EBITDA	54,547	26.4%	49,487	27.7%	10.2%
Free cash flow	(955)	n.m.	17,682	9.9%	n.m.

Statement of Financial Position

(Thousands of dollars)

	March 2022	March 2021	Variation
Total assets	2,203,261	2,116,617	4.1%
Current Assets	928,287	824,539	12.6%
Cash and cash equivalents	640,333	556,903	15.0%
Accounts receivable, net	95,090	79,203	20.1%
Other accounts receivable, net	27,787	32,561	-14.7%
Due from related parties	4,044	1,813	123.1%
Inventories	113,251	109,039	3.9%
Urban land	37,121	35,190	5.5%
Prepaid expenses	10,661	9,830	8.5%
Non-current assets	1,274,974	1,292,078	-1.3%
Investment in associates	20,083	19,444	3.3%
Property, machinery and equipment, net	940,349	943,452	-0.3%
Long-term right of use assets	22,647	24,849	-8.9%
Goodwill	212,597	212,590	0.0%
Intangible assets, net	61,538	66,848	-7.9%
Other non-current assets	17,760	24,895	-28.7%
Total liabilities	873,580	940,902	-7.2%
Current liabilities	193,780	291,804	-33.6%
Current portion of long-term debt	-	118,000	0.0%
Trade accounts payable	128,693	97,901	31.5%
Due to related parties	1,788	1,415	26.4%
Short-term - employee benefits	30,524	30,324	0.7%
Accrued expenses and taxes other than income taxes	22,462	25,228	-11.0%
Provisions	2,697	1,706	58.1%
Short-term right of use liabilities	7,616	17,230	-55.8%
Long-term liabilities	679,800	649,098	4.7%
Long-term debt	496,576	501,595	-1.0%
Long-term right of use liabilities	13,106	5,009	161.6%
Employee benefits	38,707	49,102	-21.2%
Provision for environmental restoration	23,693	19,567	21.1%
Other long-term liabilities	2,349	2,672	-12.1%
Income taxes payable	696	4,165	-83.3%
Deferred income taxes	104,673	66,988	56.3%
Total equity	1,329,681	1,175,715	13.1%
Controlling interest	1,328,725	1,174,763	13.1%
Capital stock	32,070	32,070	0.0%
Additional paid-in capital	148,365	148,365	0.0%
Reserves	22,659	22,659	0.0%
Retained earnings	1,401,146	1,279,012	9.5%
Consolidated net income	13,131	15,328	-14.3%
Other comprehensive income	(288,646)	(322,671)	10.5%
Non-controlling interest	956	952	0.4%
Total Liabilities and Equity	2,203,261	2,116,617	4.1%

ABOUT GCC

GCC is a leading supplier and producer of cement, concrete, aggregates and construction-related services in the United States and Mexico. The Company has 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 earnings report. 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.