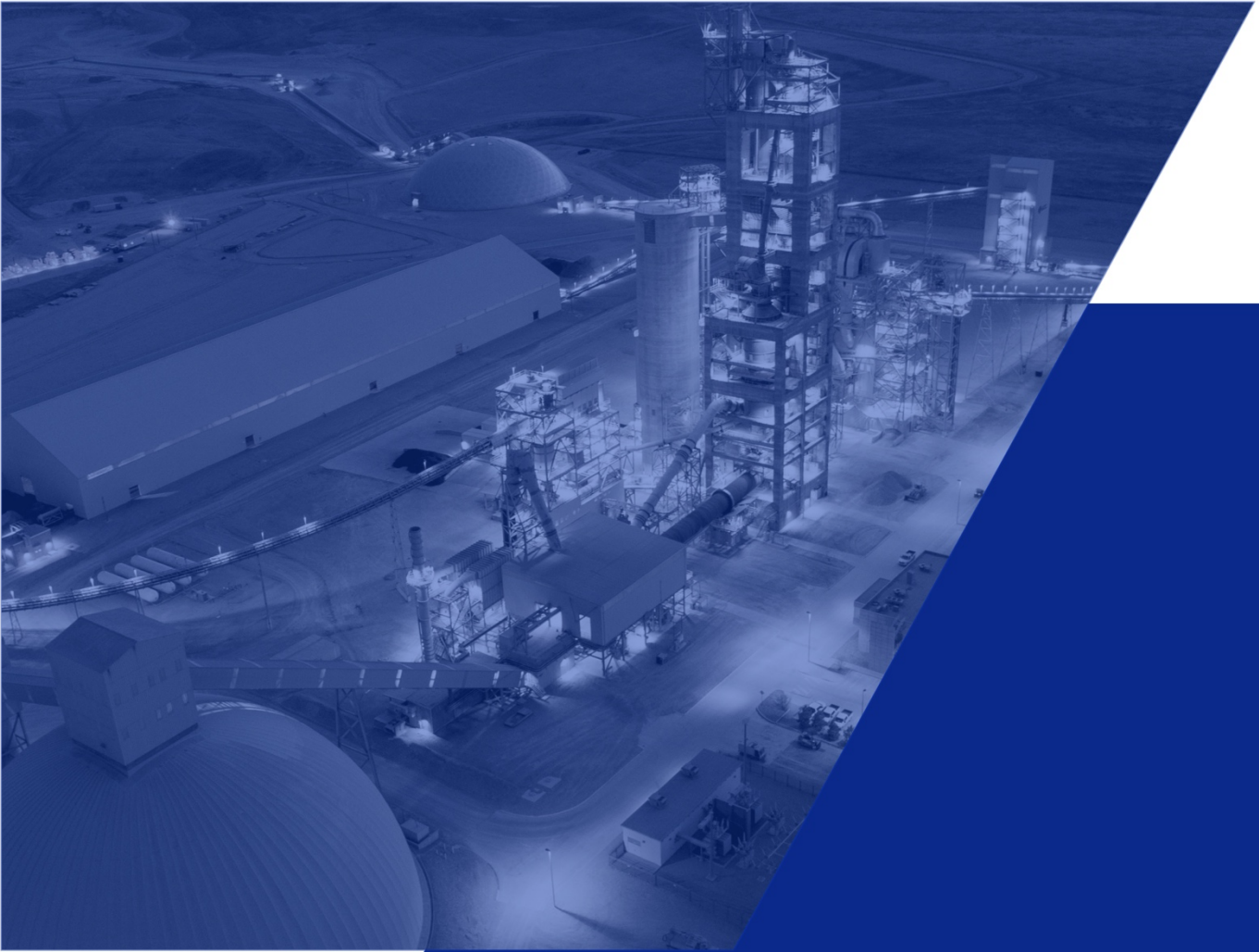


2022

THIRD QUARTER EARNINGS REPORT



FOR MORE INFORMATION: investors@gcc.com

GCC REPORTS THIRD QUARTER 2022 RESULTS

Chihuahua, Mexico, October 25, 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 third quarter of 2022.

Q3 2022 HIGHLIGHTS

- Consolidated net sales increased 11.8%, to US\$352.8 million
- U.S. sales increased 10.4% as cement and concrete volumes increased 2.2% and 7.7%, respectively; cement volumes remained unchanged excluding oil well cement
- U.S. cement and concrete prices increased 12.2% and 4.2%, respectively
- Mexico sales increased by 16.8% reflecting a 2.4% increase in concrete volumes
- Mexico cement and concrete prices increased by 13.5% and 7.9%, respectively
- EBITDA increased 6.6% to US\$117.4 million with a 33.3% EBITDA margin
- Free cash flow increased 10.6% to US\$105.4 million with an 89.8% free cash flow conversion rate
- Earnings per share increased 19.2% year-on-year to US\$0.2111
- Cash and equivalents totaled US\$732 million
- Net leverage (net debt/EBITDA) ratio totaled -0.69x as of September 30, 2022
- GCC repurchased 0.6 million shares in the amount of US\$3.3 million

KEY FIGURES (millions of dollars)

	Q3 22	Q3 21	Q3 22 vs Q3 21	9M 22	9M 21	9M 22 vs 9M 21
Net sales	352.8	315.4	11.8%	879.8	780.9	12.7%
Operating income before other expenses, net	93.1	85.1	9.4%	200.2	183.8	8.9%
EBITDA*	117.4	110.1	6.6%	271.4	256.6	5.8%
EBITDA margin	33.3%	34.9%		30.9%	32.9%	
Free cash flow**	105.4	95.3	10.6%	169.7	155.0	9.5%
Net income	69.5	58.7	18.4%	135.8	121.7	11.6%
Earnings per share (US\$) ***	0.2111	0.1771	19.2%	0.4109	0.3674	11.8%

*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, said "Once again, we had an outstanding performance. Third quarter results reflect GCC's continued success in mitigating the impacts of today's extraordinary inflation, as well as industry and market headwinds. Our competitive advantages ensure our plants' steady operation with product availability to our customers, despite today's tight supply environment."

FINANCIAL RESULTS

Consolidated net sales for the third quarter of 2022 increased by 11.8% year on year, to US\$352.8 million from US\$315.4 million in the third quarter of 2021. This was primarily due to increased cement and concrete volumes in the United States, increased concrete volumes in Mexico and a favorable price environment in both markets. These were partially offset by decreased cement volumes in Mexico.

Nine months: Consolidated net sales increased by 12.7%, to US\$879.8 million. This was primarily due to increased cement and concrete volumes in the United States, increased concrete volumes in Mexico and a favorable price environment in both markets. These were partially offset by decreased cement volumes in Mexico.

NET SALES (millions of dollars)

	Q3 22	Q3 21	Q3 22 vs. Q3 21	9M 22	9M 21	9M 22 vs. 9M 21
Consolidated	352.8	315.4	11.8%	879.8	780.9	12.7%
United States	269.1	243.7	10.4%	642.3	566.7	13.3%
Mexico	83.7	71.7	16.8%	237.5	214.2	10.9%
	Q3 22 vs. Q3 21			9M 22 vs. 9M 21		
	Volumes	Prices*		Volumes	Prices*	
Cement						
United States	2.2%	12.2%		5.4%	11.0%	
Mexico	-3.2%	13.5%		-3.4%	12.5%	
Concrete						
United States	7.7%	4.2%		5.2%	1.9%	
Mexico	2.4%	7.9%		8.2%	8.1%	

*Prices in local currency

U.S. sales for the third quarter 2022 increased by 10.4% to US\$269.1 million and represented 76% of GCC's consolidated net sales. This was due to a 2.2% increase in cement volumes, a 7.7% increase in concrete volumes and a 12.2% and 4.2% increase in cement and concrete prices, respectively.

The oil and gas sector were the quarter's most dynamic market segments.

Nine months: U.S. sales increased by 13.3%, to US\$642.3 million. This was primarily due to a 5.4% and 5.2% increase in cement and concrete volumes, respectively, and an 11% and 1.9% increase in cement and concrete prices.

Mexico sales increased by 16.8% in the third quarter 2022 to US\$83.7 million and represented 24% of GCC's consolidated net sales. This was due to a 2.4% increase in concrete volumes and a 13.5% and 7.9% increase in cement and concrete prices, respectively, which were partially offset by a 3.2% decrease in cement volumes.

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

Nine months: Mexico sales increased by 10.9% to US\$237.5 million, due to an 8.2% increase in concrete volumes and a 12.5% and 8.1% increase in cement and concrete prices, respectively. These were partially offset by a 3.4% decrease in cement volumes.

Cost of sales totaled US\$236 million for the third quarter 2022, representing 66.9% of total sales, compared to 65.5% in the third quarter of 2021; a 1.4 percentage-point increase. This increase was primarily due to increased cost of production, higher fuel price in Mexico, as well as increased freight costs and an unfavorable sales mix. These were partially offset by favorable cement selling prices and operating leverage.

Nine months: Cost of sales was 69.3% of revenues; a 1.1 percentage-point increase from the same period in 2021, reflecting variables also impacting the third quarter 2022 as described.

Selling, general and administrative expenses totaled US\$23.6 million in the third quarter of 2022, equivalent to 6.7% of consolidated net sales; an 80 basis-point decrease.

Nine months: Selling, general and administrative expenses totaled US\$69.7 million. These were equivalent to 7.9% of sales; a 40 basis-point decrease.

Operating income before other expenses increased 9.4% to US\$93.1 million in the third quarter.

Nine months: Operating income before other expenses increased 8.9% to US\$200.2 million.

Other expenses totaled US\$0.2 million in the third quarter of 2022.

Nine months: Other expenses were US\$0.5 million, compared to US\$0.6 million in the prior year period.

Operating income increased 9.4% to US\$93 million in the third quarter of 2022.

Nine months: Operating income increased 9% to US\$199.7 million.

As a result, third quarter 2022 **EBITDA** increased by 6.6% to US\$117.4 million. EBITDA margin was 33.3%; a 160 basis-point decrease.

83% of third quarter 2022 EBITDA was generated by the Company's U.S. operations and 17% by its Mexico operations.

Nine months: EBITDA increased 5.8% to US\$271.4 million, while the EBITDA margin decreased two percentage points to 30.9%.

GCC's U.S. operations generated 78% of EBITDA and Mexico generated 22% of EBITDA.

Net financial expenses totaled US\$0.1 million in the third quarter, compared to US\$5.7 million in the prior year period. This was due to a combination of higher financial income, a decrease in effective interest rate and a lower debt balance.

Nine months: Net financial expenses decreased by 13.3% to US\$18.2 million reflecting variables also impacting the third quarter 2022 described as well as costs related to the prepayment of the Company's 2024 Notes and the bank debt.

Income tax totaled US\$24.2 million for the third quarter of 2022, compared to US\$21.2 million in the prior year's period. This was mainly due to increased income before taxes, partially offset by improved U.S. pre-tax income results, which have a lower associated income tax rate on the Company's consolidated results.

Nine months: Income tax totaled US\$48.3 million; a 13.9% year-on-year increase, due to higher income before taxes.

Consolidated net income was US\$69.5 million for the third quarter of 2022, an 18.4% increase compared to US\$58.7 million in the third quarter 2021.

Nine months: Consolidated net income increased 11.6% and totaled US\$135.8 million in the first nine months of 2022, compared to US\$121.7 million for the same period of 2021.

Earnings per share was US\$0.2111, compared to US\$0.1771 in Q3 21; a 19.2% increase.

Nine months: Earnings per share reached US\$0.4109, as compared to US\$0.3674 in the prior year period; an 11.8% year on year increase.

Free cash flow was US\$105.4 million in the third quarter of 2022; a 10.6% increase compared to US\$95.3 million for the same period in 2021. This was due to increased EBITDA generation with reduced interest expense and working capital requirements. These were partially offset by higher cash taxes and maintenance CapEx.

Nine months: Free cash flow was US\$169.7 million; a 9.5% increase compared to US\$155 million in the first nine months of 2021. This increase was primarily due to increased EBITDA generation, as well as reduced interest expenses, working capital requirements and maintenance CapEx during the first nine months of 2022.

FREE CASH FLOW (millions of dollars)

	Q3 22	Q3 21	Var	9M 22	9M 21	Var
Operating income before other expenses	93.1	85.1	9.4%	200.2	183.8	8.9%
Depreciation and amortization	24.3	25.0	-2.9%	71.3	72.8	-2.1%
EBITDA	117.4	110.1	6.6%	271.4	256.6	5.8%
Interest (expense)	5.7	(0.4)	n.m.	1.0	(8.9)	n.m.
Decrease (increase) in working capital	8.4	5.5	52.8%	(22.2)	(29.5)	-24.5%
Taxes	(2.2)	0.0	n.m.	(10.3)	(9.7)	5.5%
Prepaid expenses	(5.3)	(1.6)	n.m.	(1.5)	2.2	n.m.
Accruals and other accounts	(0.9)	(1.0)	-9.4%	(27.8)	(11.8)	134.7%
Operating leases (IFRS16 effect)	(4.1)	(4.7)	-12.6%	(12.3)	(14.0)	-12.3%
Operating cash flow	119.0	107.9	10.3%	198.4	184.9	7.3%
Maintenance CapEx	(13.6)	(12.5)	8.5%	(28.6)	(29.9)	-4.1%
Free cash flow	105.4	95.3	10.6%	169.7	155.0	9.5%
Strategic & Growth CapEx	(12.8)	(0.4)	n.m.	(43.9)	(2.0)	n.m.
Shares repurchase, net	(3.3)	0.0	n.m.	(20.6)	(0.1)	n.m.
Debt amortization, net	0.0	(36.0)	-100.0%	(40.0)	(56.0)	-28.6%
Dividends paid	0.0	(16.7)	-100.0%	(19.1)	(24.5)	-22.0%
FX effect	(2.6)	(3.2)	-20.1%	2.9	(2.4)	n.m.
Initial cash balance	645.3	593.2	8.8%	683.0	562.1	21.5%
Final cash balance	732.0	632.1	15.8%	732.0	632.1	15.8%
FCF conversion rate*	89.8%	86.6%		62.5%	60.4%	

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

Total debt was US\$500 million as of September 30, 2022, based on contractual balances; a 13.2% year-on-year decrease.

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

As of September 30, 2022, 100% of GCC's debt was denominated in U.S. dollars.

Net leverage (net debt/EBITDA) at the end of the third quarter 2022 was -0.69 times, compared to -0.44 as of June 30, 2022, in accordance with GCC's contractual obligations.

INTEREST-BEARING DEBT* (millions of dollars)

	September 2022	September 2021	2022 vs. 2021
Total	500.0	576.0	-13.2%
Short-term	0.0	160.0	-100.0%
Long-term	500.0	416.0	20.2%

*Excludes amortizable commissions and issuance expenses

REVISED OUTLOOK FOR 2022

United States		
Volumes	Cement	Mid-single digit
	Concrete	Low- to mid-single digit
Prices (US\$)	Cement	Double digit
	Concrete	Low-single digit
Mexico		
Volumes	Cement	Flat
	Concrete	High-single to double digit
Prices (US\$)	Cement	Mid- to high-single digit
	Concrete	
Consolidated		
EBITDA Growth		High-single to double digit
FCF Conversion Rate*		> 60%
Total CapEx		US\$140 million
	Growth	\$60
	Maintenance	\$65
	2021 carry-over	\$15
Net Debt / EBITDA, year-end		Negative

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 reporting 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
Third quarter average	20.2408	20.0167
As of September 30	20.3058	20.3060
Accumulated average	20.2671	20.1284

Unless otherwise stated, all percentage changes refer to the third quarter (or nine 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 announced Odessa, Texas cement plant expansion**

GCC will execute a capacity expansion at the plant located in Odessa, Texas. The project will increase annual cement production capacity by over one million metric tons and lower the plant's greenhouse gas intensity by 13%.

GCC will execute the project at the Odessa plant since the market is developing faster in the U.S. and represents large freight savings, compared to the plant located in Chihuahua, Mexico. This expansion will optimize the cost structure and GCC's cement network by relocating cement shipped today to this region from Samalayuca, Chihuahua and Pueblo plants to other markets the Company serves with optimized freight cost. In addition, the capacity expansion will allow GCC to prepare and participate in the upcoming growth associated with the Infrastructure Investment and Jobs Act.

For the past year, GCC had been assessing the West Texas cement market to define the optimized scope of equipment and technology, as well as working with original equipment manufacturers and construction suppliers. Furthermore, the Company had been negotiating with vendors and progressing on the project. The capacity will come online by mid-2025.

Enrique Escalante, GCC's Chief Executive Officer, mentioned "We remain strongly committed to delivering strong stakeholder value, while investing in the future growth of our business. With the expansion of the Odessa plant, we will ensure GCC will be prepared for a new phase of the industry cycle."

The project will be funded with internal cash flow and has a double-digit investment return, representing strong value creation compared to the much lower weighted average cost of capital (WACC).

GCC signed market maker agreement

GCC signed a market maker agreement with BTG Casa de Bolsa, S.A. de C.V., which trades the shares listed on the Mexican Stock Exchange under the ticker GCC* for a 12-month period beginning October 10, 2022.

GCC seeks to promote the Company's stock liquidity, in compliance with applicable laws and regulations.

CONFERENCE CALL

GCC, S.A.B. de C.V. will host its earnings conference call on October 26, 2022.

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

Conference ID: **13725701**

Dial in

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

International: 1-201-689-8562

Replay (through November 2, 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)

	Q3 2022	%	Q3 2021	%	Q22 / Q21
Net sales	352,780	100.0%	315,421	100.0%	11.8%
USA sales	269,070	76.3%	243,730	77.3%	10.4%
Mexico sales	83,710	23.7%	71,691	22.7%	16.8%
Cost of sales	236,046	66.9%	206,659	65.5%	14.2%
Gross income	116,734	33.1%	108,762	34.5%	7.3%
Selling, general and administrative expenses	23,594	6.7%	23,644	7.5%	-0.2%
Operating income before other expenses, net	93,140	26.4%	85,118	27.0%	9.4%
Other (income) expenses	174	0.0%	151	0.0%	15.2%
Operating income	92,966	26.4%	84,967	26.9%	9.4%
Financial income	6,263	1.8%	1,975	0.6%	217.1%
Financial expenses	(6,861)	-1.9%	(8,240)	-2.6%	-16.7%
Exchange gain (loss), net	469	0.1%	522	0.2%	-10.2%
Net financing expenses	(129)	0.0%	(5,743)	-1.8%	-97.8%
Share of profit of associates and joint venture	927	0.3%	672	0.2%	37.9%
Income before income taxes	93,764	26.6%	79,896	25.3%	17.4%
Income taxes (benefit)	24,236	6.9%	21,190	6.7%	14.4%
Consolidated net income	69,528	19.7%	58,706	18.6%	18.4%
Controlling interest	69,528	19.7%	58,704	18.6%	18.4%
Non-controlling interest	-	0.0%	-	0.0%	0.0%
EBITDA	117,392	33.3%	110,104	34.9%	6.6%
Free cash flow	105,430	29.9%	95,336	30.2%	10.6%

Cumulative Income Statement to September

(Thousands of dollars)

	2022	%	2021	%	2022 / 2021
Net sales	879,753	100.0%	780,892	100.0%	12.7%
USA sales	642,278	73.0%	566,739	72.6%	13.3%
Mexico sales	237,475	27.0%	214,153	27.4%	10.9%
Cost of sales	609,873	69.3%	532,461	68.2%	14.5%
Gross income	269,880	30.7%	248,431	31.8%	8.6%
Selling, general and administrative expenses	69,704	7.9%	64,592	8.3%	7.9%
Operating income before other expenses, net	200,176	22.8%	183,839	23.5%	8.9%
Other (income) expenses	483	0.1%	623	0.1%	-22.5%
Operating income	199,693	22.7%	183,216	23.5%	9.0%
Financial income	13,512	1.5%	5,180	0.7%	160.8%
Financial expenses	(31,650)	-3.6%	(26,897)	-3.4%	17.7%
Exchange gain (loss), net	(27)	0.0%	760	0.1%	n.m.
Net financing expenses	(18,165)	-2.1%	(20,957)	-2.7%	-13.3%
Share of profit of associates and joint venture	2,518	0.3%	1,813	0.2%	38.9%
Income before income taxes	184,046	20.9%	164,072	21.0%	12.2%
Income taxes (benefit)	48,264	5.5%	42,365	5.4%	13.9%
Consolidated net income	135,782	15.4%	121,707	15.6%	11.6%
Controlling interest	135,781	15.4%	121,707	15.6%	11.6%
Non-controlling interest	1	0.0%	-	0.0%	0.0%
EBITDA	271,428	30.9%	256,631	32.9%	5.8%
Free cash flow	169,719	19.3%	154,979	19.8%	9.5%

Statement of Financial Position

(Thousands of dollars)

	September 2022	September 2021	Variation
Total assets	2,372,067	2,227,556	6.5%
Current Assets	1,064,501	944,014	12.8%
Cash and cash equivalents	731,964	632,130	15.8%
Accounts receivable, net	146,008	138,676	5.3%
Other accounts receivable, net	34,309	34,283	0.1%
Due from related parties	4,433	4,317	2.7%
Inventories	95,791	88,302	8.5%
Urban land	37,373	35,999	3.8%
Prepaid expenses	14,623	10,307	41.9%
Non-current assets	1,307,566	1,283,542	1.9%
Investment in associates	21,412	21,043	1.8%
Property, machinery and equipment, net	971,211	937,393	3.6%
Long term right of use assets	23,276	22,398	3.9%
Goodwill	212,594	212,594	0.0%
Intangible assets, net	58,205	63,092	-7.7%
Other non-current assets	20,868	27,022	-22.8%
Total liabilities	957,486	948,170	1.0%
Current liabilities	239,203	357,779	-33.1%
Current portion of long term debt	-	160,000	-100.0%
Trade accounts payable	147,870	116,636	26.8%
Due to related parties	3,780	2,690	40.5%
Short term - employee benefits	34,566	35,596	-2.9%
Accrued expenses and taxes other than income taxes	40,375	25,067	61.1%
Provisions	2,939	963	205.2%
Short term right of use liabilities	9,673	16,827	-42.5%
Long-term liabilities	718,283	590,391	21.7%
Long term debt	496,610	415,192	19.6%
Long term right of use liabilities	13,685	3,227	324.1%
Employee benefits	34,833	42,990	-19.0%
Provision for environmental restoration	25,334	21,034	20.4%
Other long-term liabilities	1,974	2,507	-21.3%
Income taxes payable	-	686	-100.0%
Deferred income taxes	145,847	104,755	39.2%
Total equity	1,414,581	1,279,386	10.6%
Controlling interest	1,413,623	1,278,755	10.5%
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	1,401,020	1,251,028	12.0%
Consolidated net income	135,781	121,707	11.6%
Other comprehensive income	(326,272)	(297,074)	-9.8%
Non-controlling interest	958	631	51.8%
Total Liabilities and Equity	2,372,067	2,227,556	6.5%

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.