



GCC Analyst Day 2018



Denver – March 2018

Agenda

- 1. GCC's transformation and strategy**
- 2. Mexico overview**
- 3. U.S. overview**
- 4. Finance perspective**

Our team



Enrique Escalante
Chief Executive Officer



Ron Henley
U.S. Division President

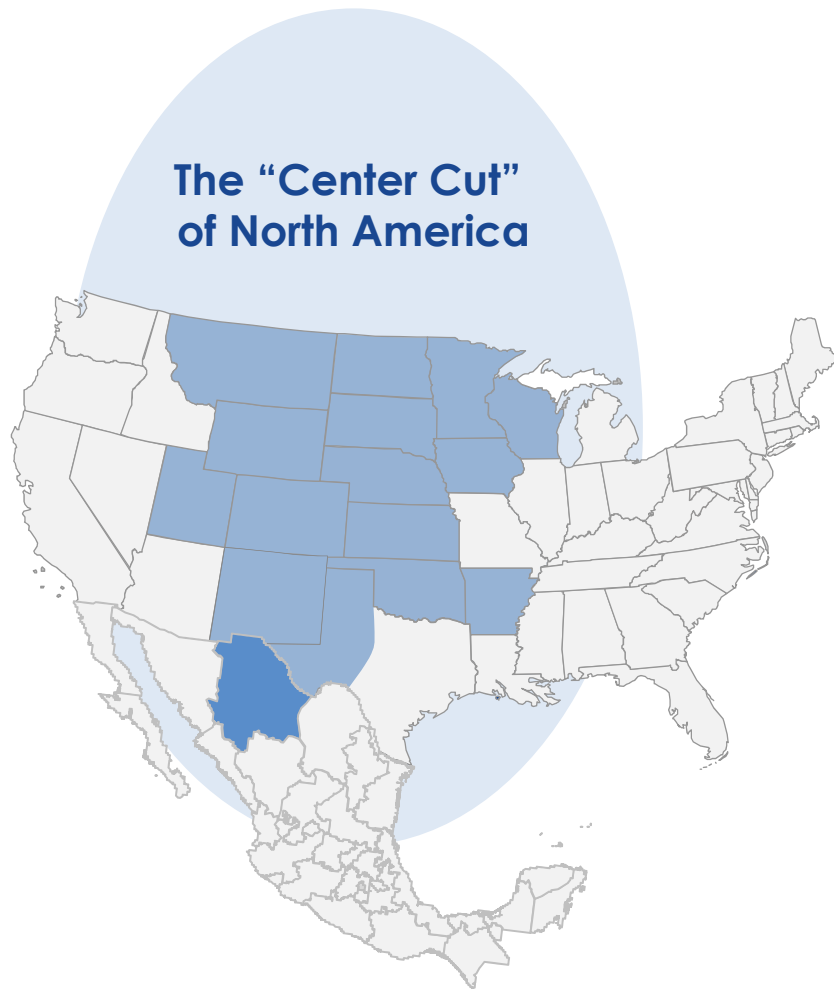


Luis Carlos Arias
Chief Financial Officer

GCC's transformation and strategy

Enrique Escalante
Chief Executive Officer

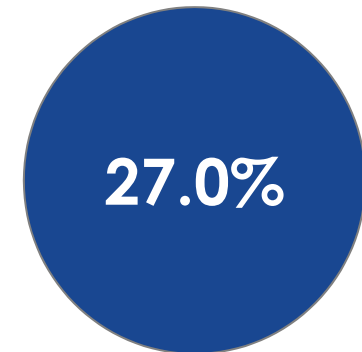
GCC at a glance: a unique market presence



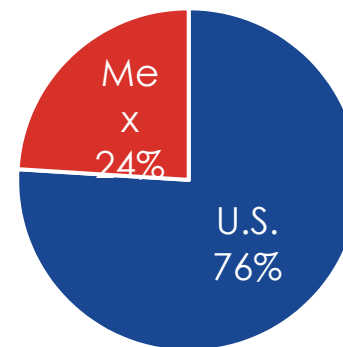
2017 Sales



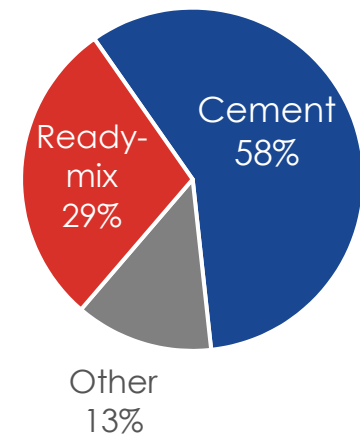
EBITDA Margin



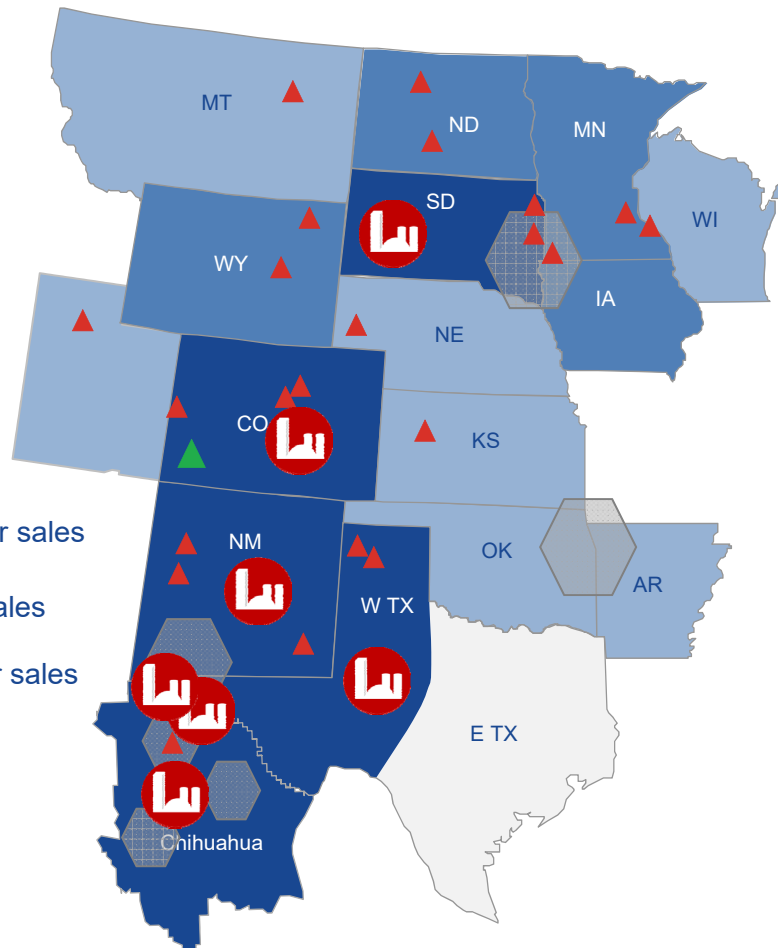
by Country



by Product



Coherent market footprint



"Center cut" of North America

**#1 or #2
in core markets**

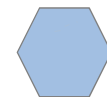
**Insulated from
seaborne
competition**



7 Cement plants



21 Cement terminals
+ 2 distribution centers



130 Ready-mix plants
in 6 markets



Coal
mine

Three years of operational and financial transformation

Disciplined expansion

**Prudent balance
sheet management**

Customer focus

**Increased
shareholder value**

**Operational
excellence**

3 year change: 2017 vs 2014

Cement
Capacity

+1.0mmt

Odessa
Rapid City

EBITDA
US\$

+62%

EBITDA
Margin

+660 bp

Leverage
Dec 2017

1.86x

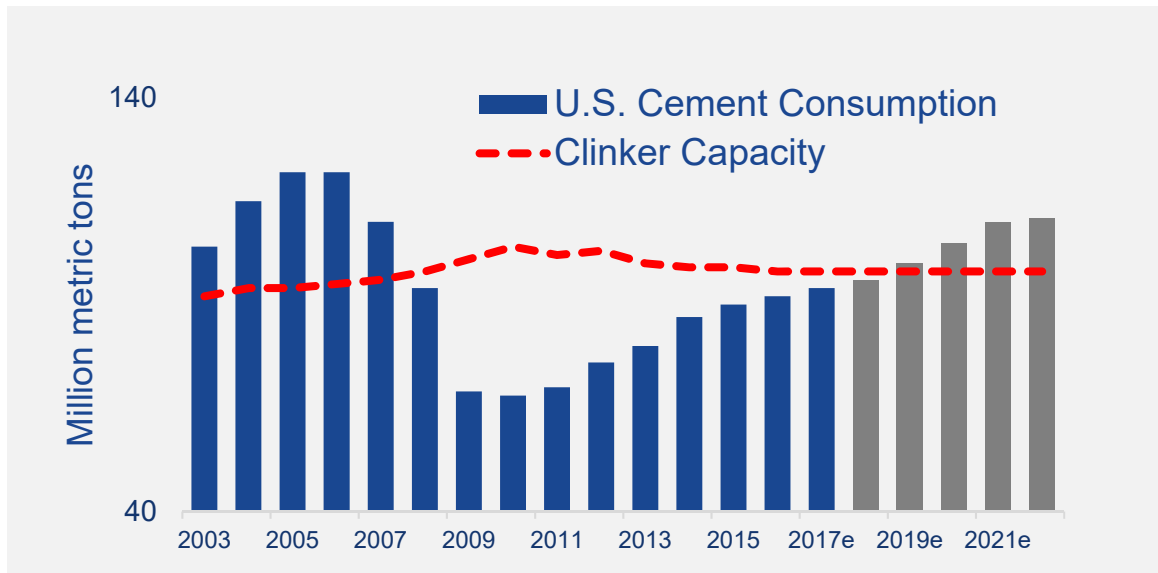
Free float

**25% →
48%**

Share Price
(3/2/18)

+166%

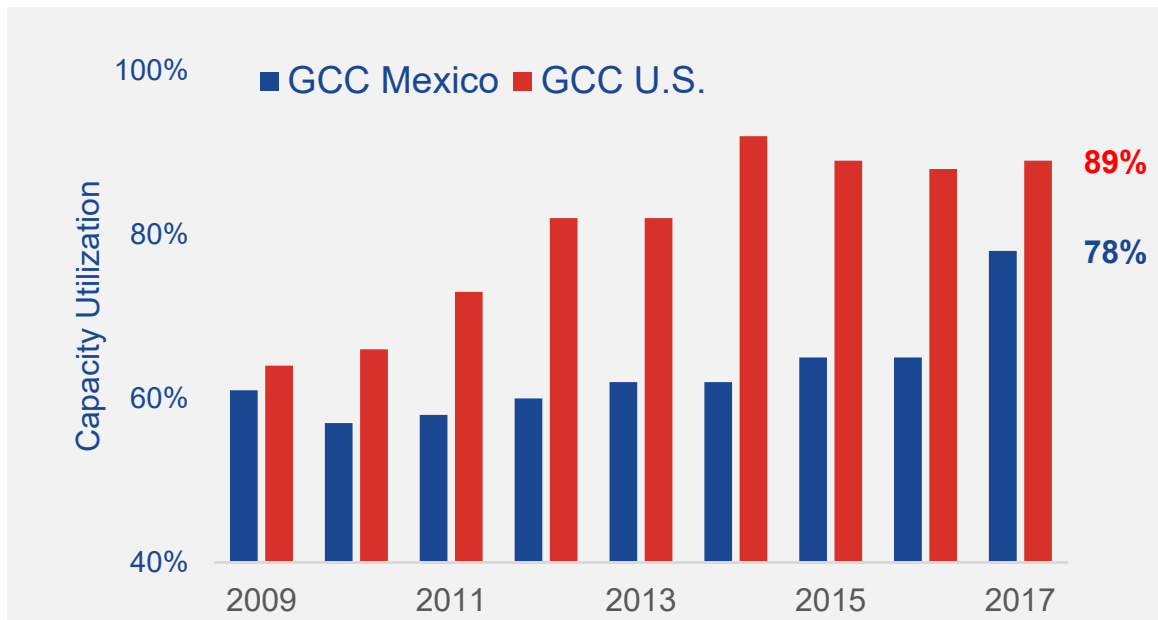
#1 Market driver: U.S. demand outpacing supply



U.S. consumption up 38% since 2010

PCA forecasts 3.4% p.a. growth 2018-2022

U.S. demand and domestic production curves will cross in 2018-19



GCC U.S. capacity utilization recovered first

Mexico capacity utilization growing to supply U.S. customers

Disciplined investment strategy

Framework

Increase presence in existing markets

Increase productivity

Enter new U.S. markets

Value accretive M&A

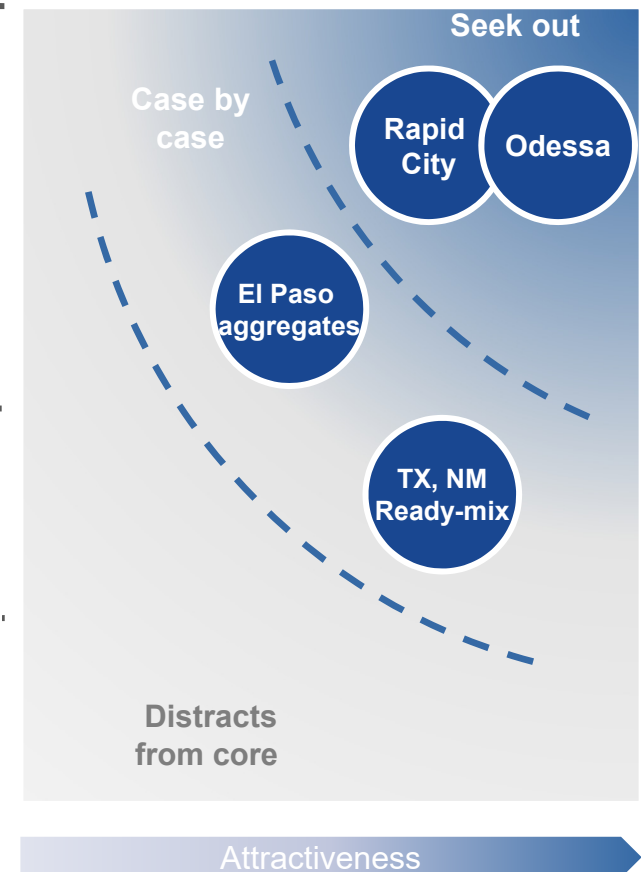
Priorities

Cement

Aggregates w/
vertical
integration

Ready-mix w/
vertical
integration

Aggregates
stand-alone



Investment strategy in action

**US\$ 410 million,
2016-2018**

Priority 1

Odessa, Rapid City
cement



Priority 2

El Paso aggregates



Priority 3

El Paso and Las Cruces
ready-mix



Customer focus: 2018 is Year of the Customer



High level engagement with customers

Act on customer feedback

Adjust and improve processes to best meet customer needs

New tools: Customer App

Tailored product solutions



Operational excellence: High Performance Organization

Safety

Highly efficient operation

Continuous improvement

Empowering our people

Teamwork

Vertically integrated operations

Cement network optimization

Sustainability

Human capital development

Operational excellence: Highly efficient operations

Continuous improvement

- Work team level
- Standardized methodology
- Quantitative indicators
- Prioritization and selection

Example: Increase availability of the conveyors for the aggregates crushing mills in Chihuahua



High Impact Ideas

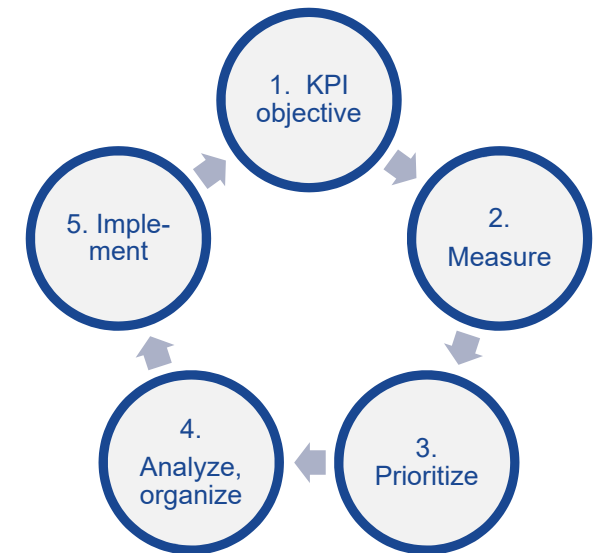
Encourage and reward proposals that yield incremental profits > US\$10K outside normal work area/responsibilities

Special Task Forces

Multi-disciplinary teams for specific projects or process improvements

Example: Odessa kiln stabilization

Knowledge management system



Vertical integration and cement network optimization

Thermal energy



Raw materials



Cement



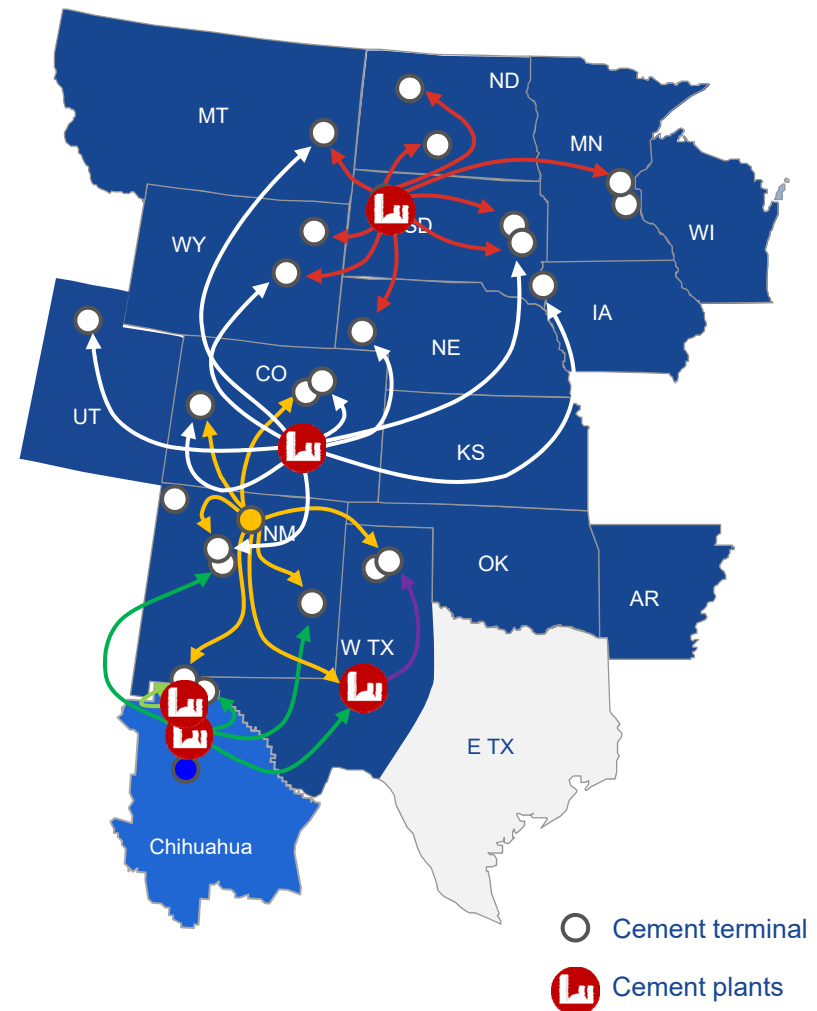
Ready-mix



Cement terminals



Transport



Sustainability: Transparency and cost savings

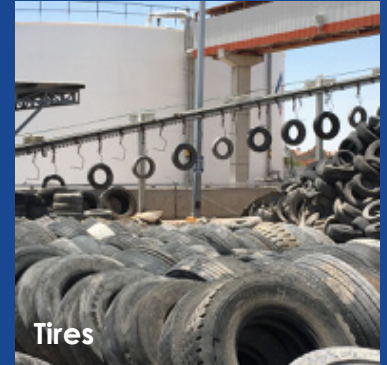
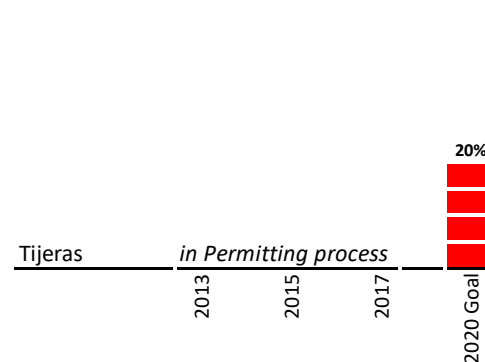
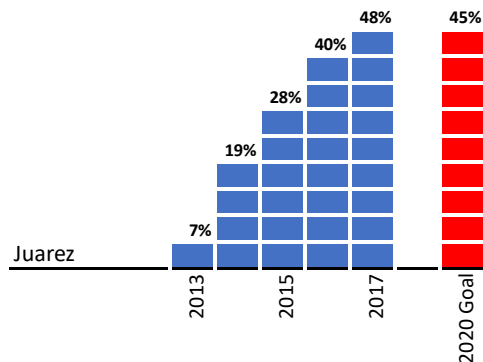
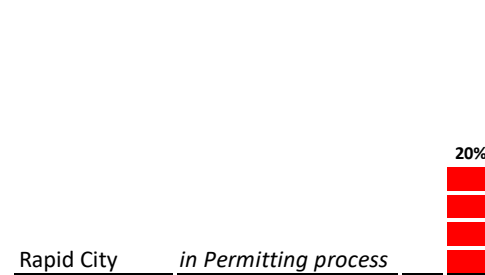
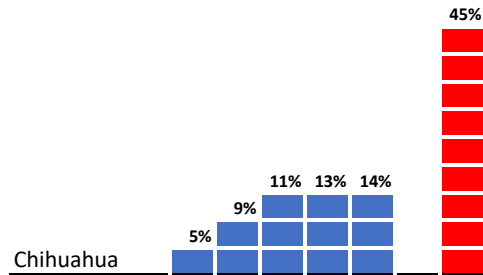
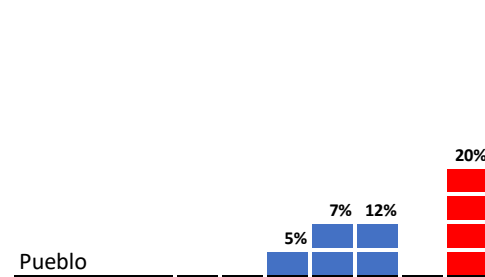
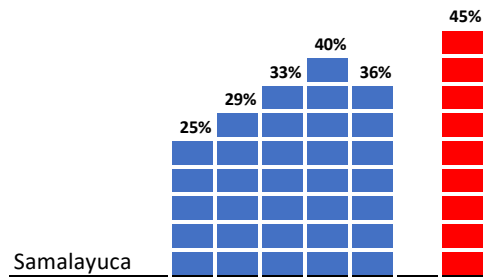


Transparency

Explicit goals

Progress

Alternative Fuels Expansion



Human capital development

“The Right People in the Right Place”

Talent development and succession planning in a sustainable context

GCC strategy defines talent needs

- From growth and/or retirement
- Skills requirements
- Leadership profiles

Critical position identification

- Succession planning
- Operational continuity needs
- Risk of personnel losses

Evaluation and Analytics

- Skills
- Future potential
- Performance

Actions

- Talent development
- Advancement opportunities and succession
- Mobility
- Recruitment
- Retirements

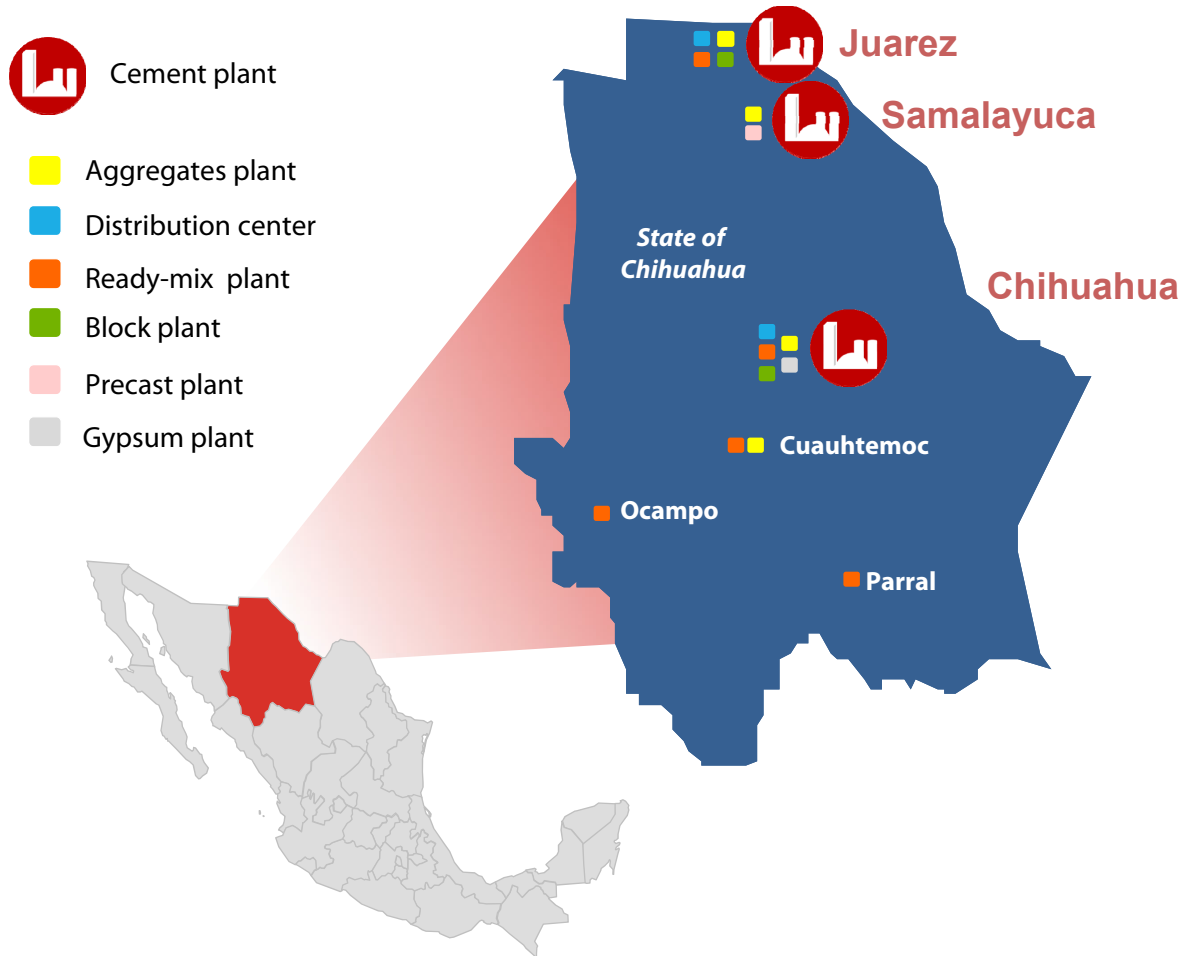


successfact[♥]rs[™]
An SAP Company

Mexico Division Overview

Enrique Escalante
Chief Executive Officer

The market leader in the state of Chihuahua



Cement Plants

3 Plants
2.3 mmt capacity
2017 utilization rate: 73%

Distribution Centers

2 Centers

Ready-mix Operations

3 Regions
40 Plants

Transport Fleet

300+ Tractors, bulk trucks, and other

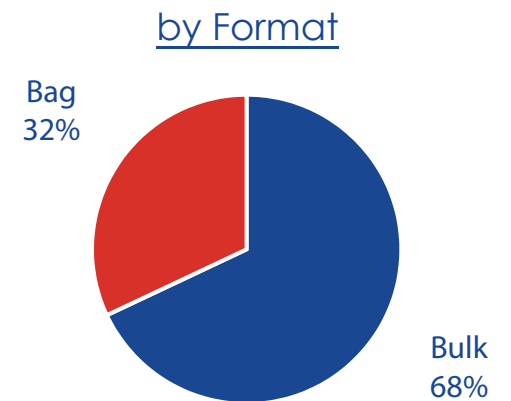
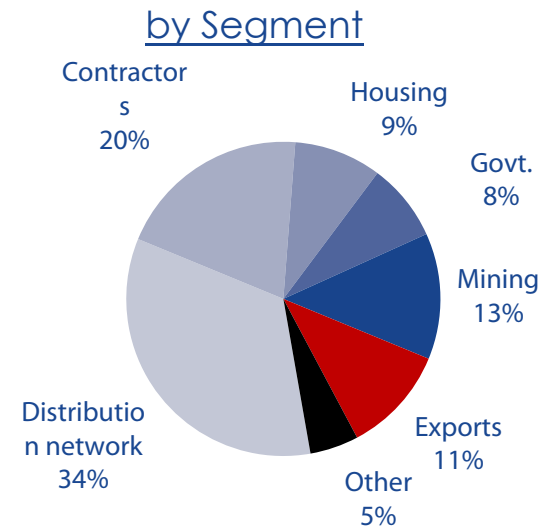
Other Operations

5 Aggregate plants
6 Block plants
2 Precast plants
1 Gypsum plant

Mexico Division serves three distinct markets

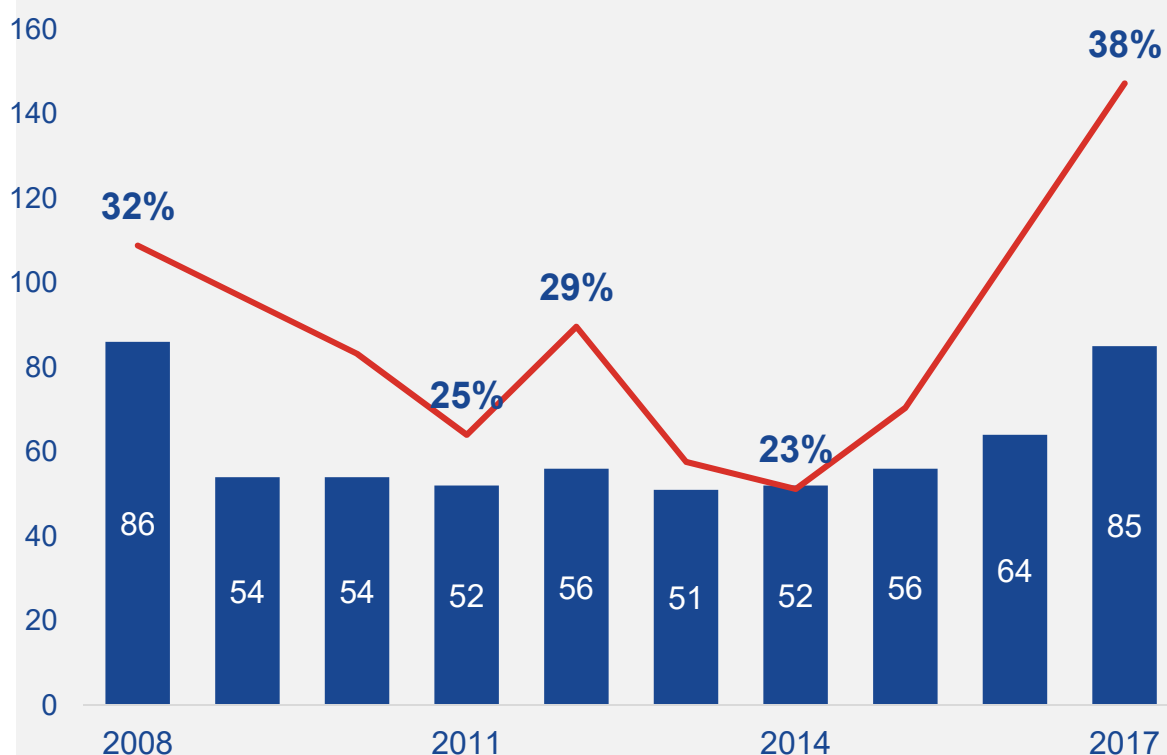


2017 volumes, including exports



Improved pricing and operating efficiencies have improved profitability

Mexico Division EBITDA (US\$ mm) and EBITDA Margin



Cement Sales

Volumes
3yr CAGR
+8.5%

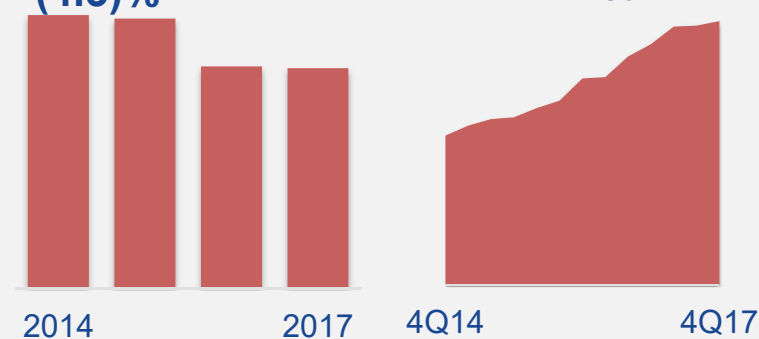
Prices
3yr CAGR
+16.1%



Concrete Sales

Volumes
3yr CAGR
(4.3)%

Prices
3yr CAGR
+14.6%



Innovation and customer focus: New technology for highway repair

Joint Venture Deacero-GCC

Deacero engineered welded wire mesh +
GCC Fraguamax hydraulic concrete
technology

Repaired concrete roads reopen <12 hours

First time solution approved for use in Mexico

Technovia Express was just awarded its first contract

Repair of the Mexico City – Queretaro
highway
6,200 mt specialty cement

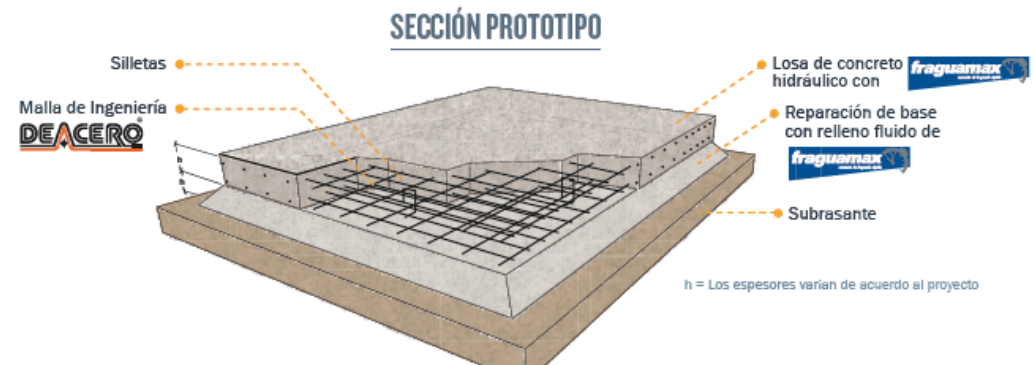
New products solution that can be competitively applied anywhere in Mexico

**Technovia
Express**

DEACERO

GCC
Grupo Cementos de Chihuahua

G
Grupo Constructor
Transportieren



Innovation and Customer focus: Santa Eulalia mine rescue

Grupo Mexico's Santa Eulalia mine in Chihuahua was forced to close by flooding

26,000 gal./min. of water from an aquifer overwhelmed pumps
Santa Eulalia is rich in silver, lead and zinc

A multi-national team developed a rescue plan

Divert the water flow
Build a containment wall to prevent future breaches

As part of rescue, GCC proposed using Dinamix rapid-setting concrete, specially formulated for Santa Eulalia's conditions:

Flowing water
Temperatures >40 C
Capable of being pumped long distances

Our solution was specifically crafted for the unique conditions in the flooded mine

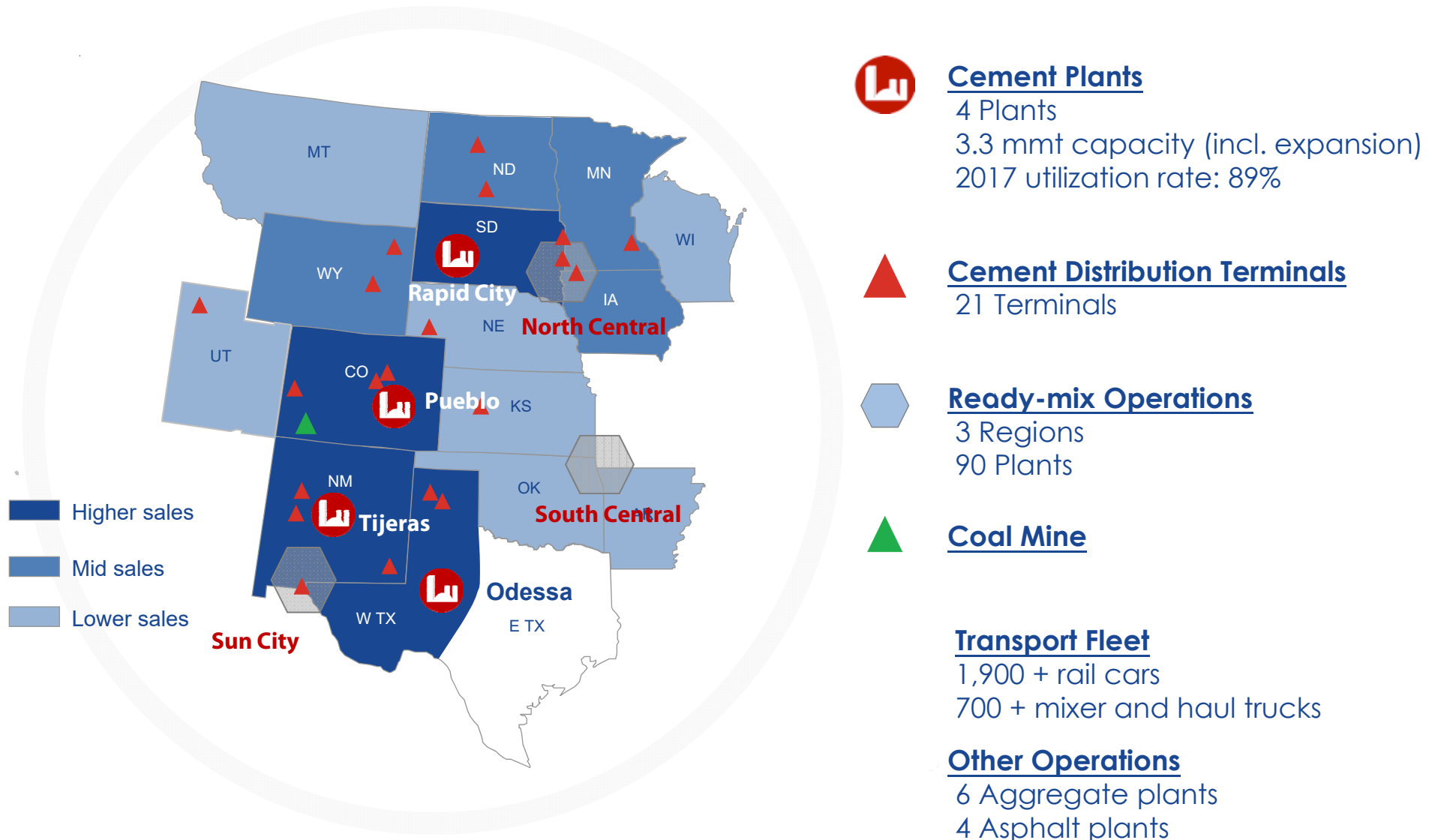
GCC's edge: Our passion for safety, quality and performance



U.S. Division overview

Ron Henley
U.S. Division President

Regional leader in the “center cut” of North America



#1 or #2 in core markets

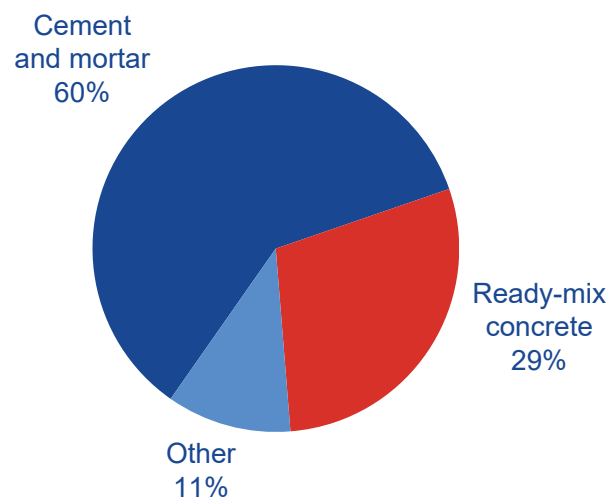
GCC market position in core markets

	Colorado	N Mexico	N Dakota	S Dakota	W Texas	Wyoming
GCC market position	#2	#1	#3	#1	#1	#2
GCC cement plant in state	✓	✓	—	✓	✓	
Competitor in-state plant	LHN, CX	none	none	none	BZU*	EXP
Other principal competitors	EXP	LHN	HEI, LHN, AG	LHN, AG	**	—

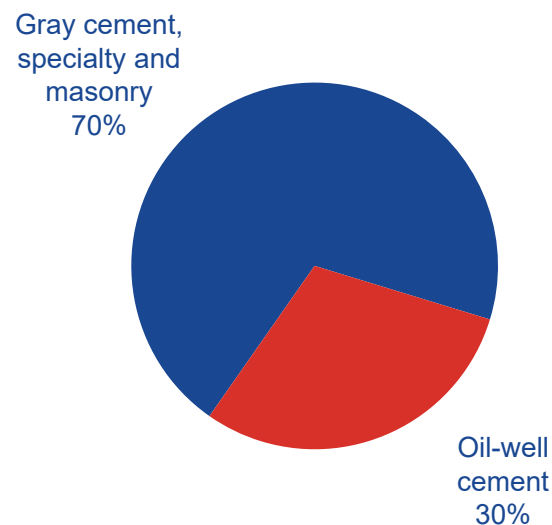
* Refers to West Texas only

** Aprox. 12 mmt of capacity in E and Central Texas

U.S. division 2017 sales mix

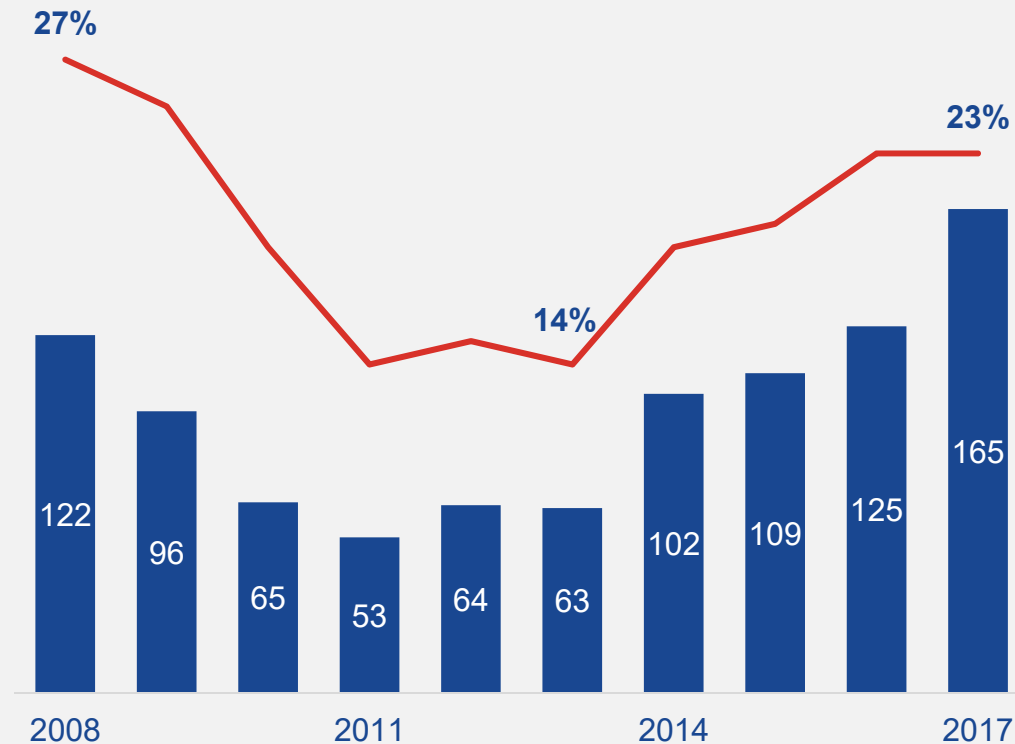


U.S. 2017 volume by cement type

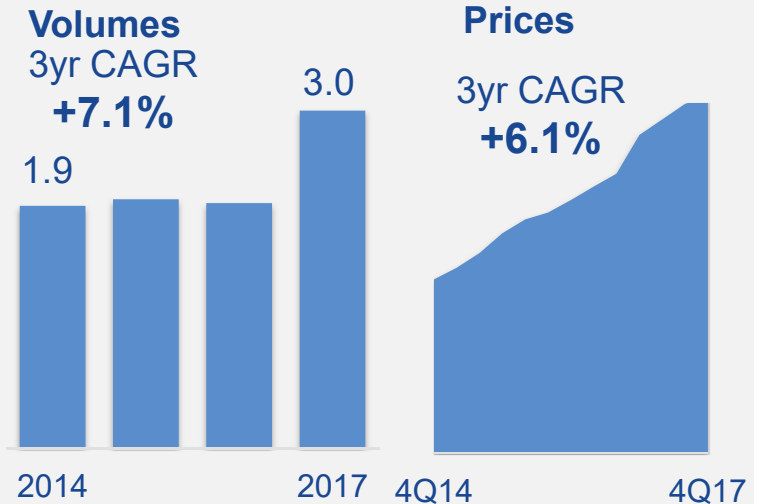


Sustained price and volume recovery in the U.S.

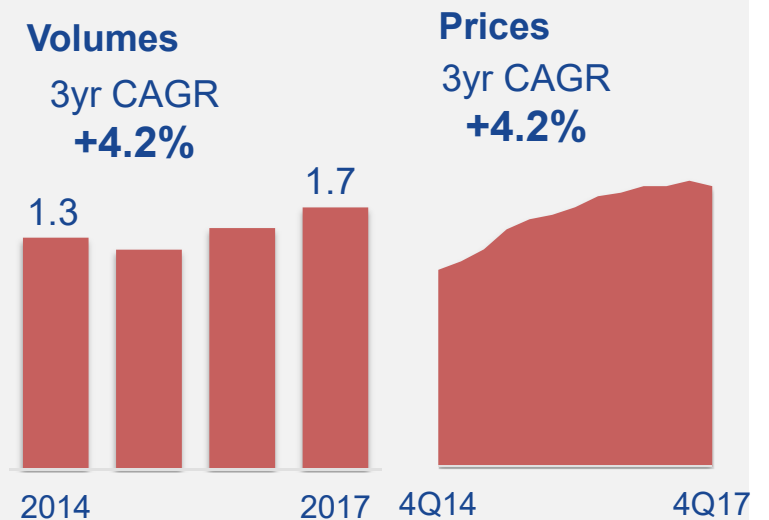
U.S. Division EBITDA (US\$ mm) and EBITDA Margin



Cement Sales



Concrete Sales



Solid state level outlook for GCC market area

U.S. Market Drivers

Continued growth in GDP and income

Domestic demand > domestic production

Oil and commodity price increases

Residential construction expansion

Highway infrastructure development

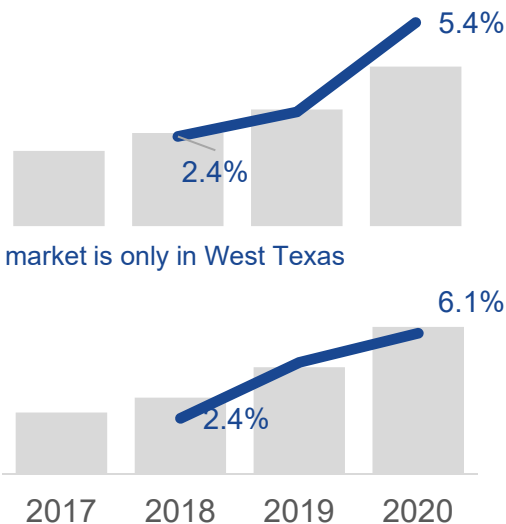
PCA Winter 2017 Forecast

■ Total Consumption
— Δ% Y-O-Y

Texas *

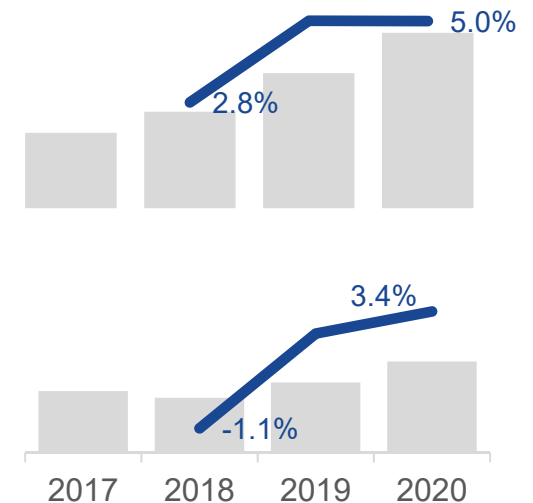
14.9 mmt
+11% in 3y

* Entire state. GCC market is only in West Texas



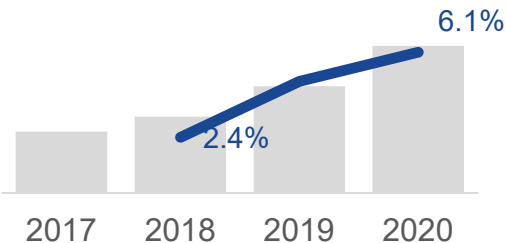
Colorado

2.4 mmt
+13% in 3y



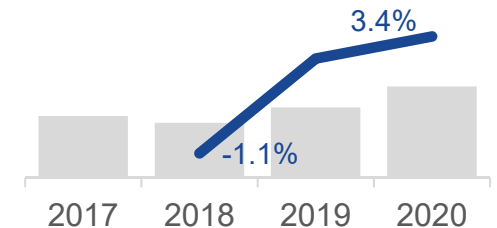
New Mexico

535k mt
+14% in 3y

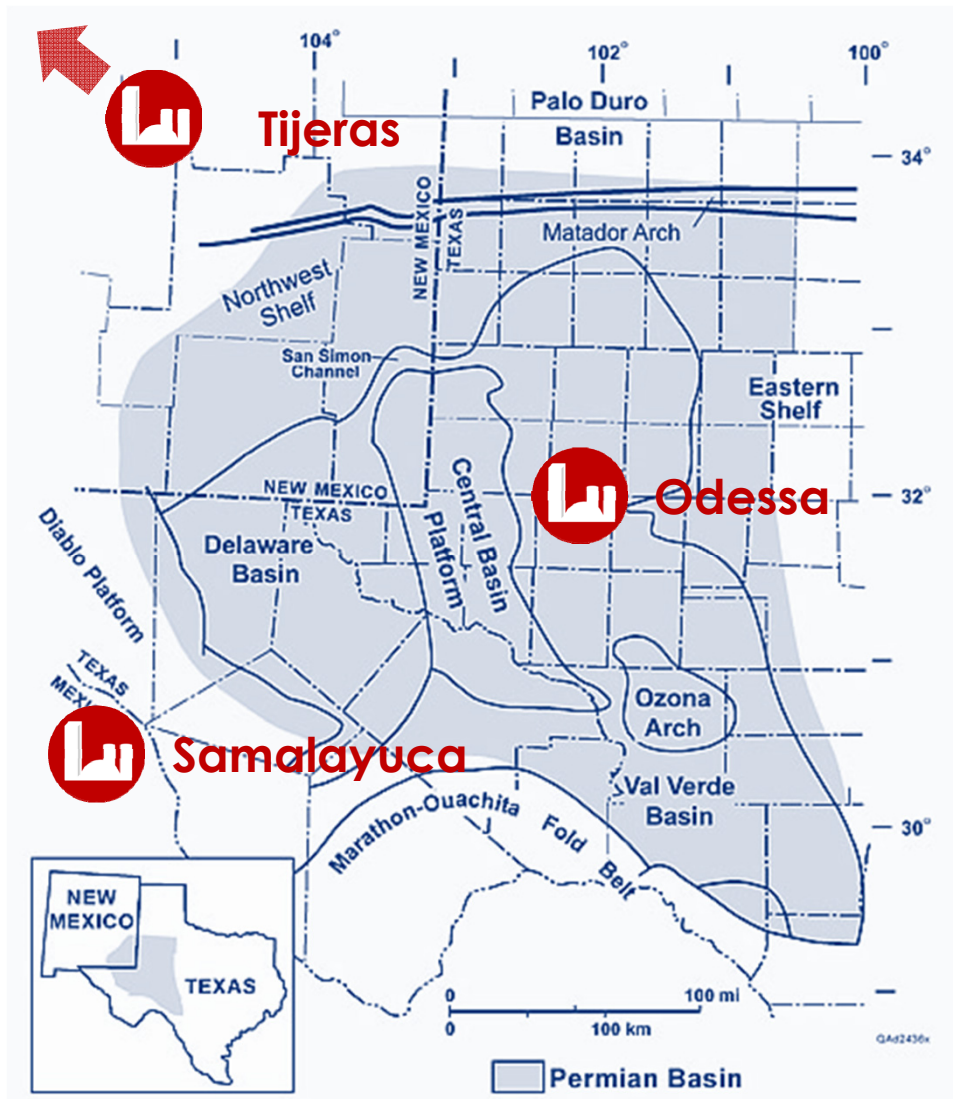


South Dakota

500k mt
+5% in 3y

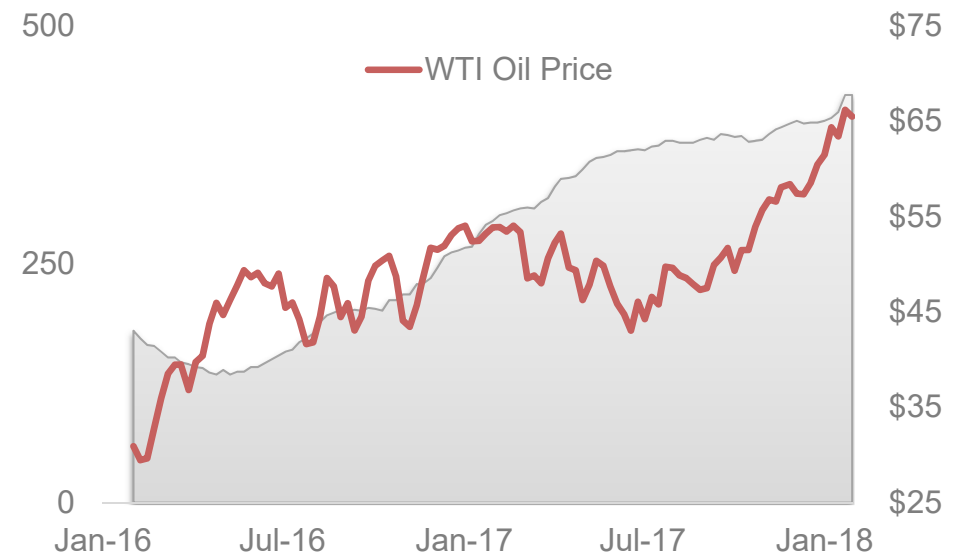


Seizing market opportunities: Oil well cement in Permian Basin



- Odessa plant 100% dedicated to oil well cement
- Tijeras plant supports additional volume
- Permian basin rig count +220% since 2Q16
- Samalayuca exports meet W. Texas demand for construction cement

Permian Basin rig count



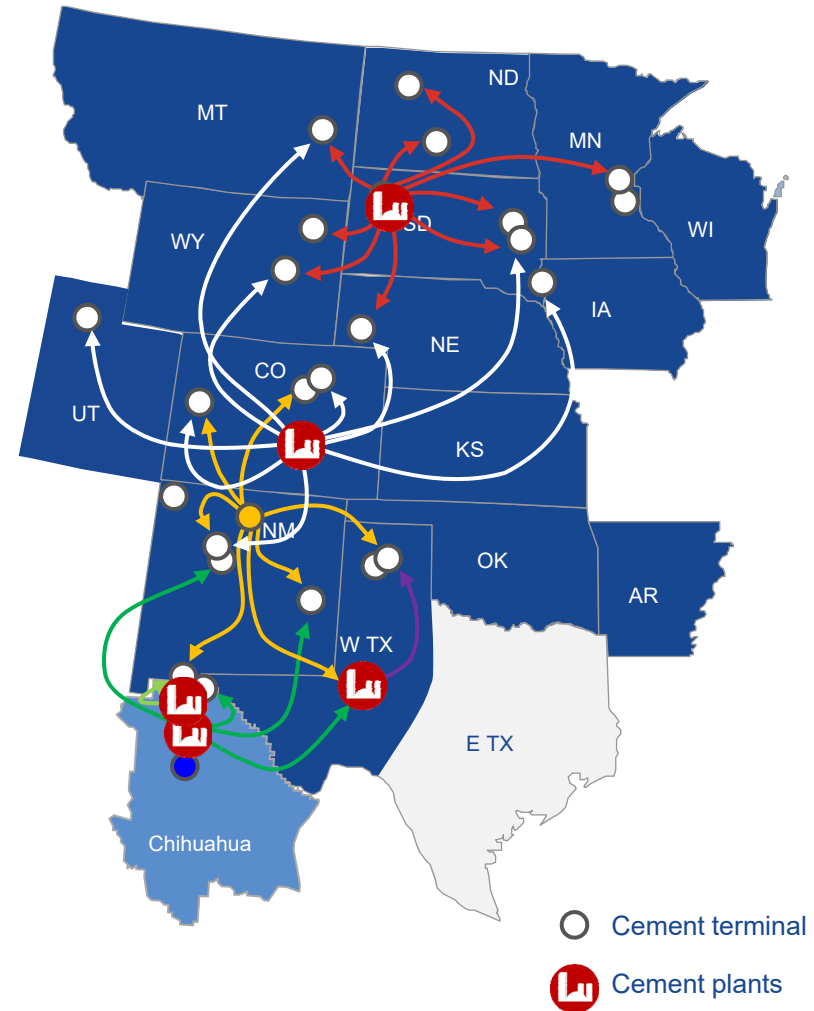
A unique cement network

Better customer service

Ensure delivery to clients
when and where they need it

Optimize production
decisions

Reduce costs



Cement network optimization – Post merger integration

Objective: Maximize profits by optimizing freight and movement costs in sourcing the markets we serve



- ← Nov 2016: Odessa's production supplied ready-mix markets in El Paso, Las Cruces, Odessa, and other parts of West Texas
- ← 1. GCC shifts cement supply of El Paso – Las Cruces RM plants to Samalayuca
- ← 2. Supply all Type I-II cement in Odessa market from Samalayuca
- ← 3. Dedicate Odessa 100% to Permian Basin oil well cement market
- ← 4. Supplement Texas panhandle markets from Tijeras and Pueblo, using existing and new terminals
- ← 5. Supplement Type C in Amarillo and Odessa markets from Tijeras, with additional Type I/II from Tijeras to Odessa market

Rapid City expansion project to meet future cement demand

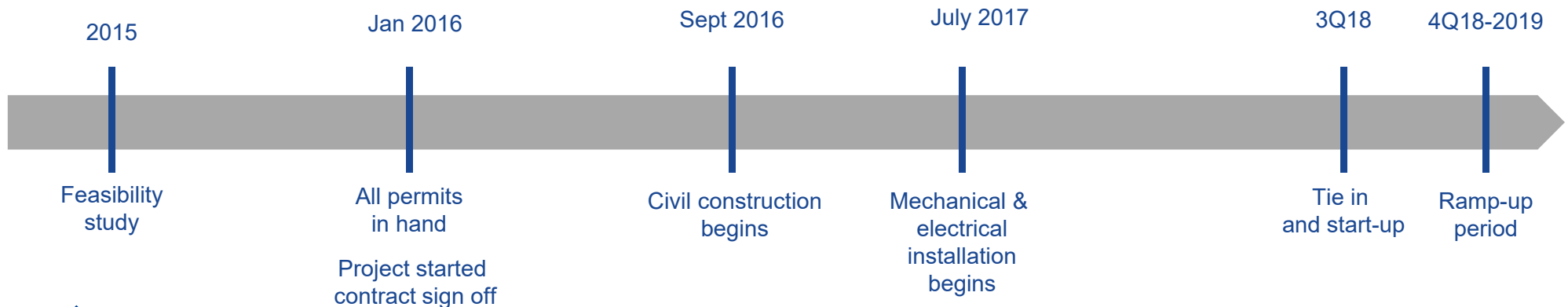


+ 440,000 mt cement capacity

US\$104 mm budget

3Q18 tie-in and start-up

75% completed (Dec 2017)



Customer focused: Supplying wind farms

GCC collaborates with wind energy leader M.A. Mortenson on 10 wind power projects

Iowa, Minnesota, North Dakota, and South Dakota

2,000+ MW

1,000+ turbines

400,000 cubic yards of concrete poured

100,000 cubic yards additional quoted in partnership with Mortenson for 2018

GCC's edge: Our passion for safety, quality and performance

Our portable ready-mix plants supplied by our cement network reduce costs and ensures reliable supply across multiple dispersed rural sites

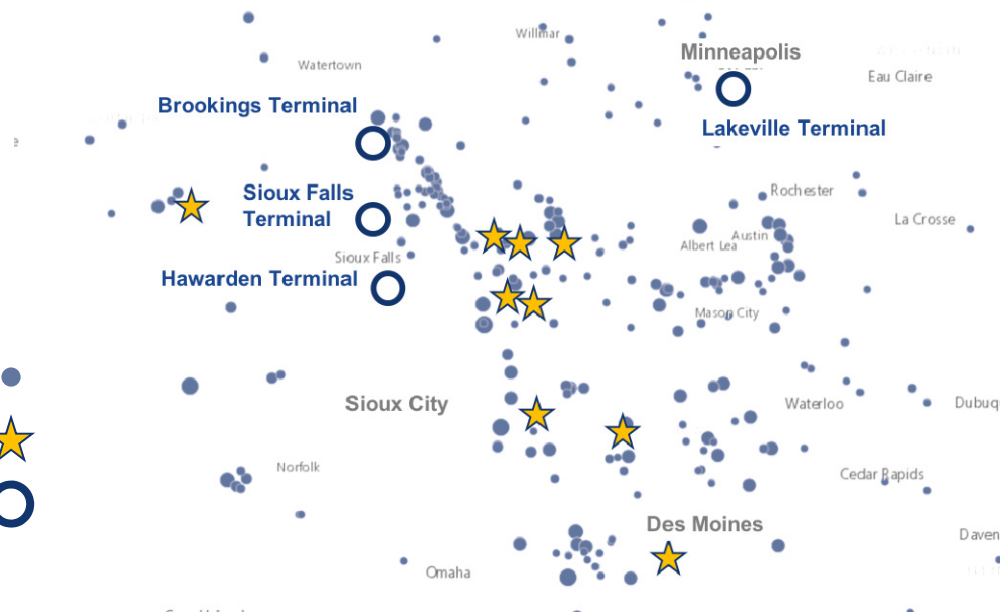
Wind power projects

Mortenson sites with GCC

GCC cement terminals



Wind Power Projects in Iowa, Minnesota, and South Dakota



Customer focused: Innovative solution for improved supply

Knife River Corporation is a long-standing GCC customer for their operations across the norther tier

Their St. Joseph, MN ready-mix plant had a disused terminal and rail spur

Previous efforts to use or adapt the terminal had failed

GCC Logistics proposed and successfully retrofitted our Stage 1 terminal system

GCC now ships cement in rail cars directly to the St. Joseph plant

Reduced truck transport

Avoid Twin Cities traffic congestion

Cost savings for both Knife River and GCC

GCC's edge: Going beyond the usual supplier relationship to deliver extra cost savings

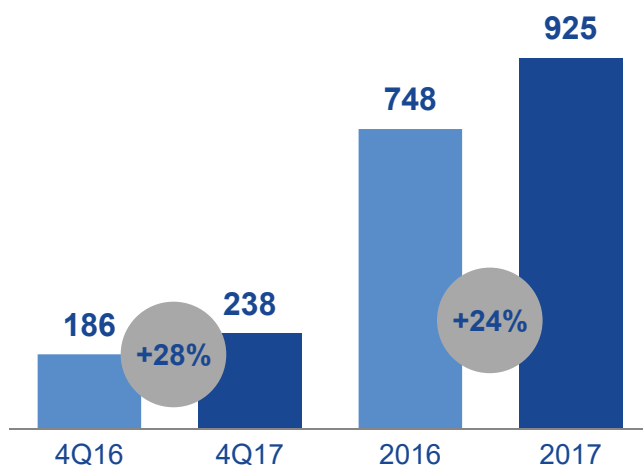


Finance perspective

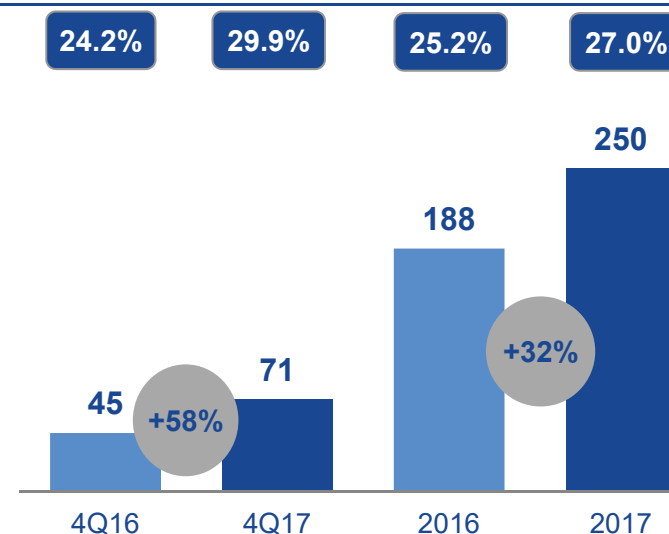
Luis Carlos Arias
Chief Financial Officer

Solid 4Q17 and 2017 results

Sales (US\$ million)



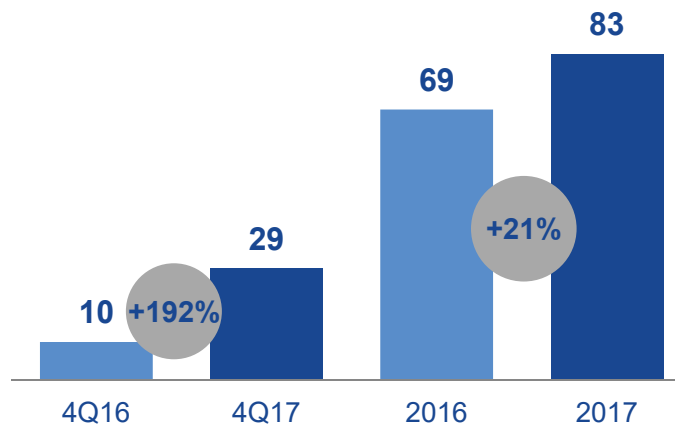
EBITDA and EBITDA margin (US\$ million)



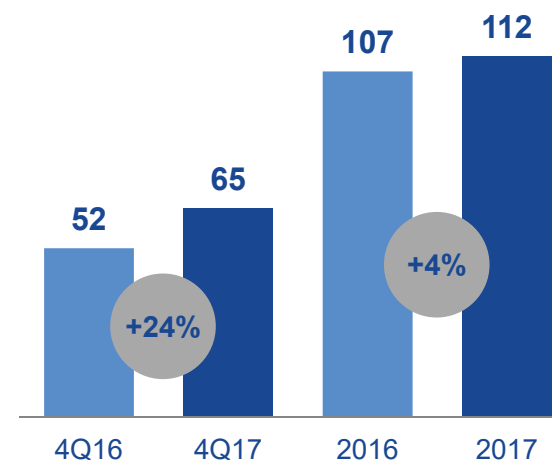
Price and Volume, full year

	Volume	Price
U.S.		
Cement	+29%	+6%
Ready-mix	+9%	0%
Mexico		
Cement	(2%)	+16%
Ready-mix	(1%)	+15%

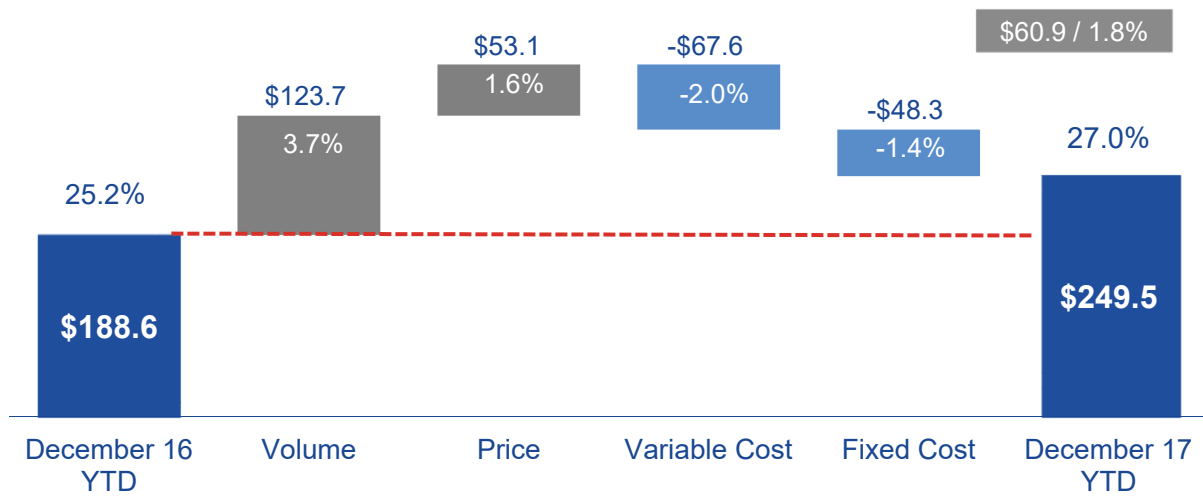
Net Income (US\$ million)



Free Cash Flow (US\$ million)



Factors driving increased margins



Prices and Volumes

++

Unit transport costs

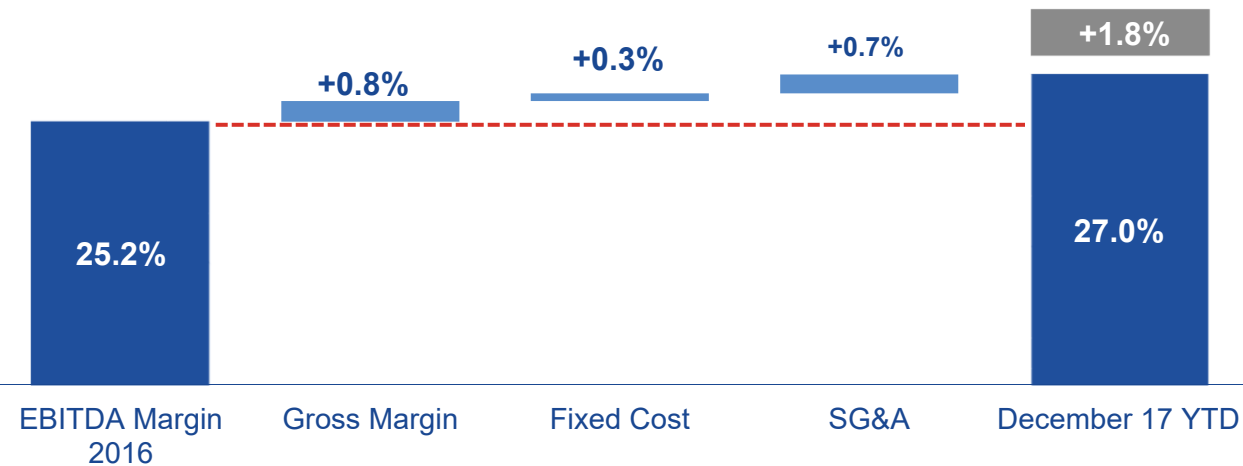
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Alternative fuels

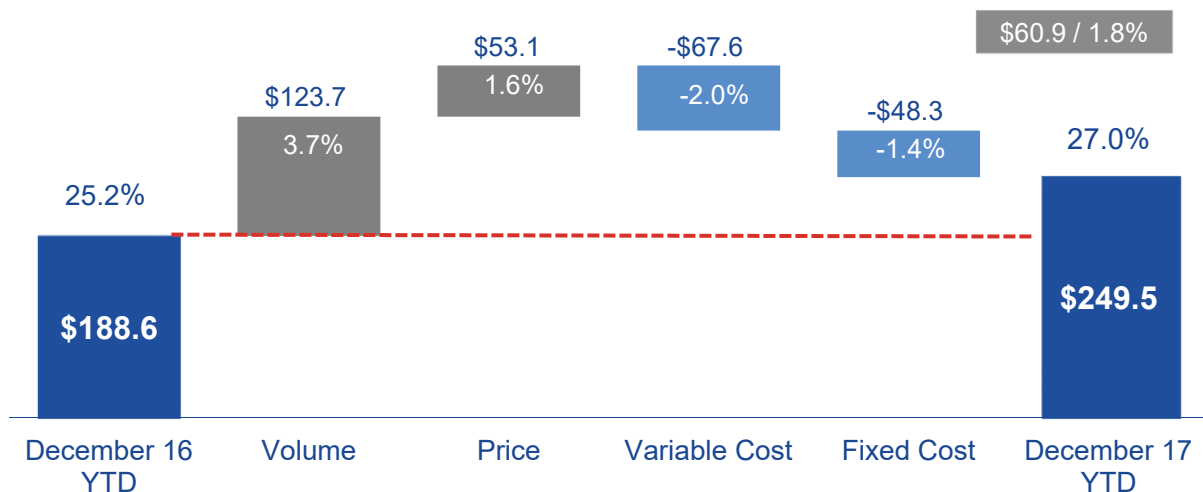
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Maintenance

-



Factors driving increased margins



Prices and Volumes

++

Unit transport costs

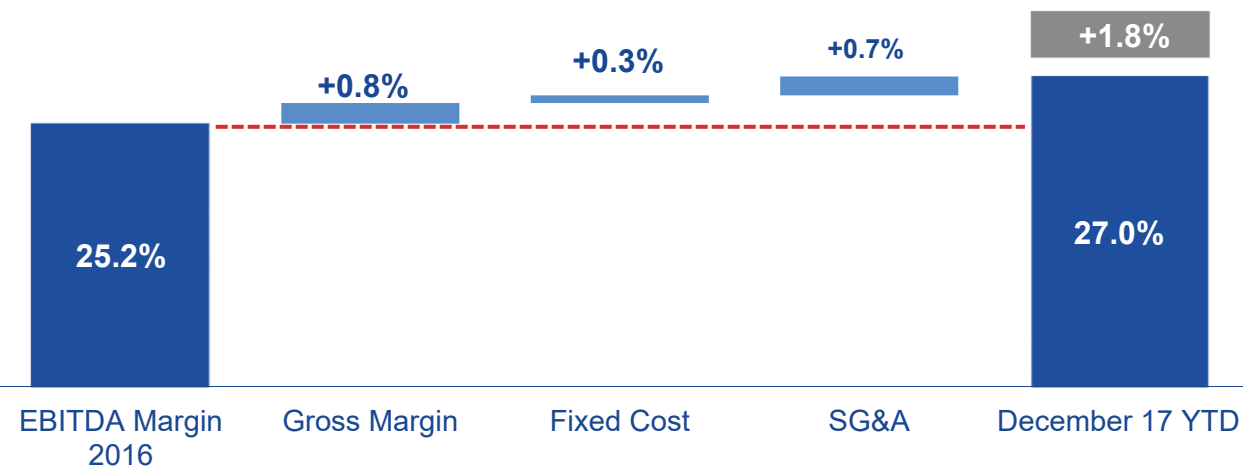
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Alternative fuels

+

Maintenance

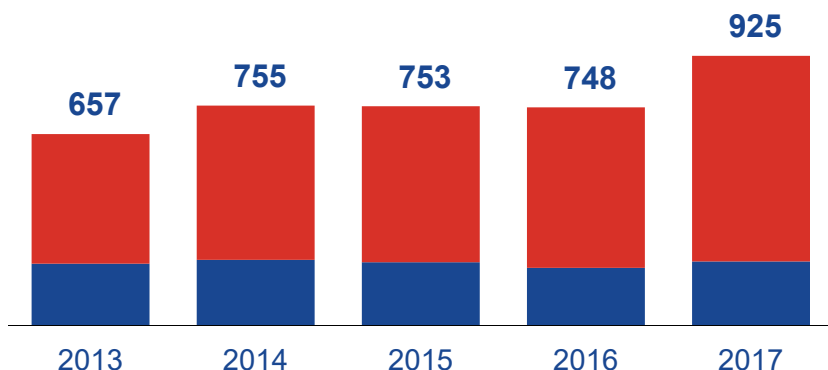
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Historical financial performance

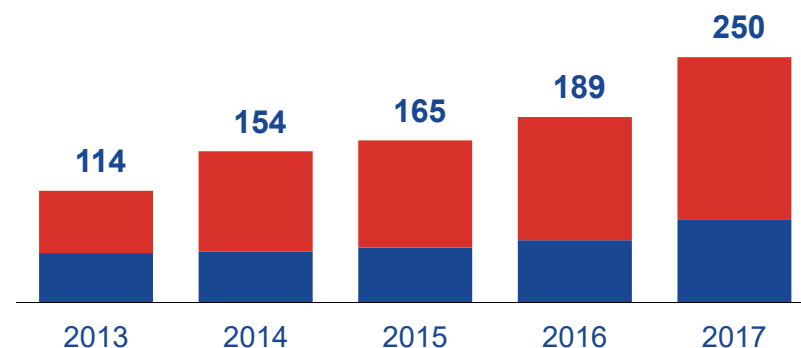
Sales (US\$ million)

■ Mexico ■ U.S.

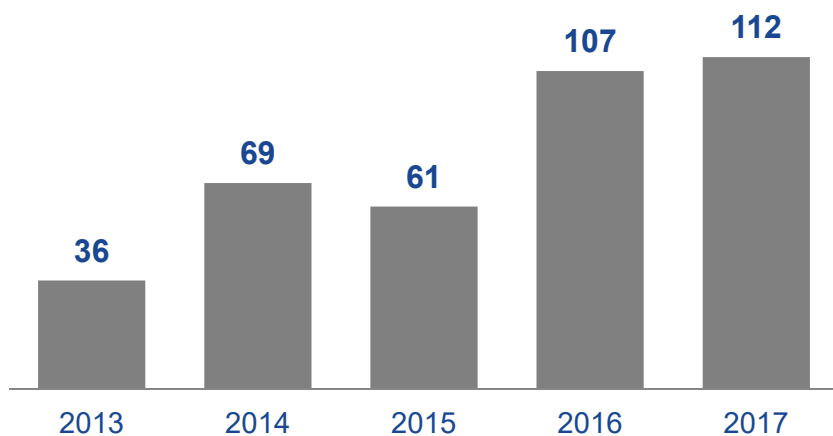


EBITDA (US\$ million)

■ Mexico ■ U.S.

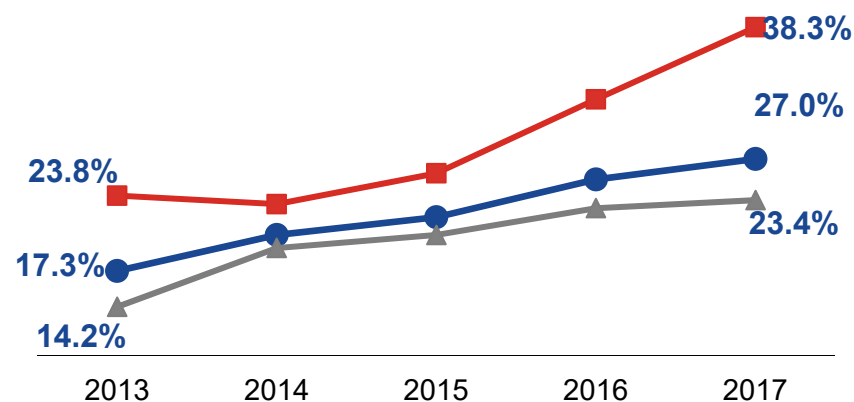


Free Cash Flow* (US\$ million)



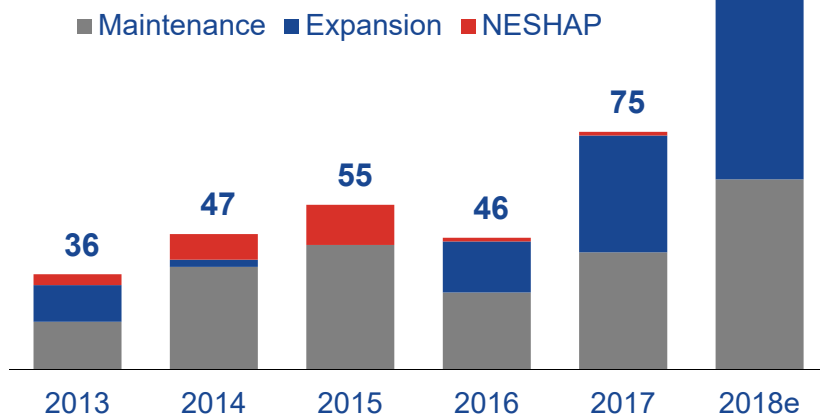
EBITDA Margin (US\$ million)

■ Mexico ■ GCC Consolidated ■ U.S.



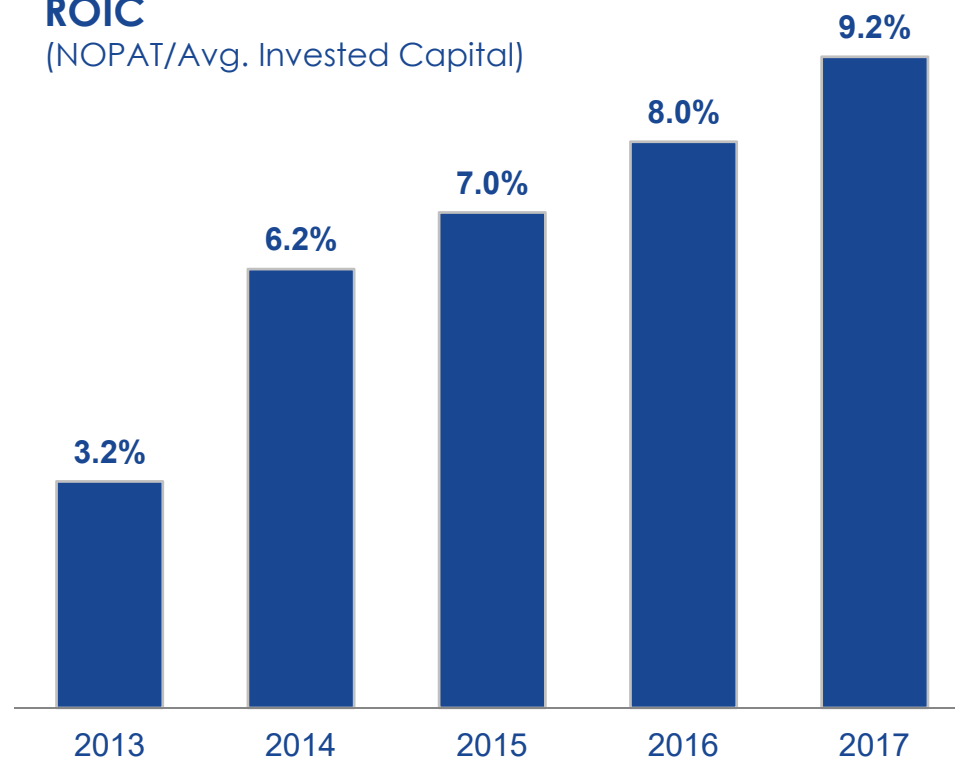
Effective capital management improves returns

CAPEX (US\$ million)
Excluding acquisitions

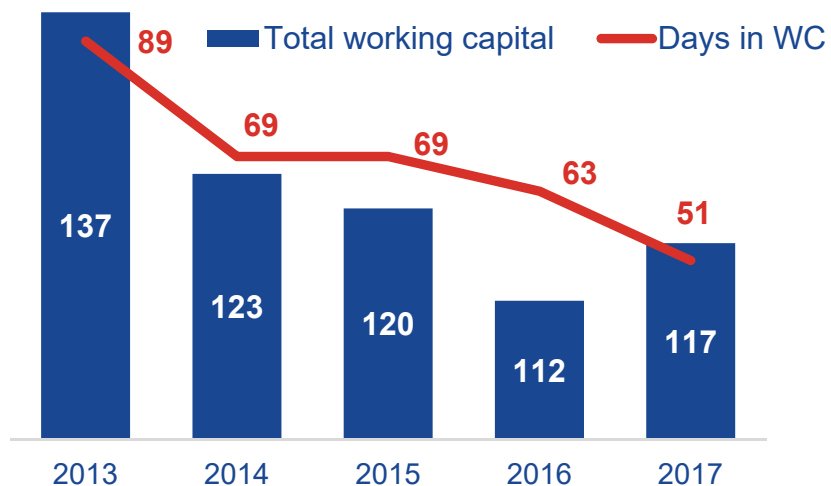


ROIC

(NOPAT/Avg. Invested Capital)



Working Capital (US\$ million)



Financial transformation alongside operational transformation

Major financial transactions 2016-2017

Reorganize corporate structure
(Sep 2016)

\$254 mm bank acquisition
financing (Nov 2016)

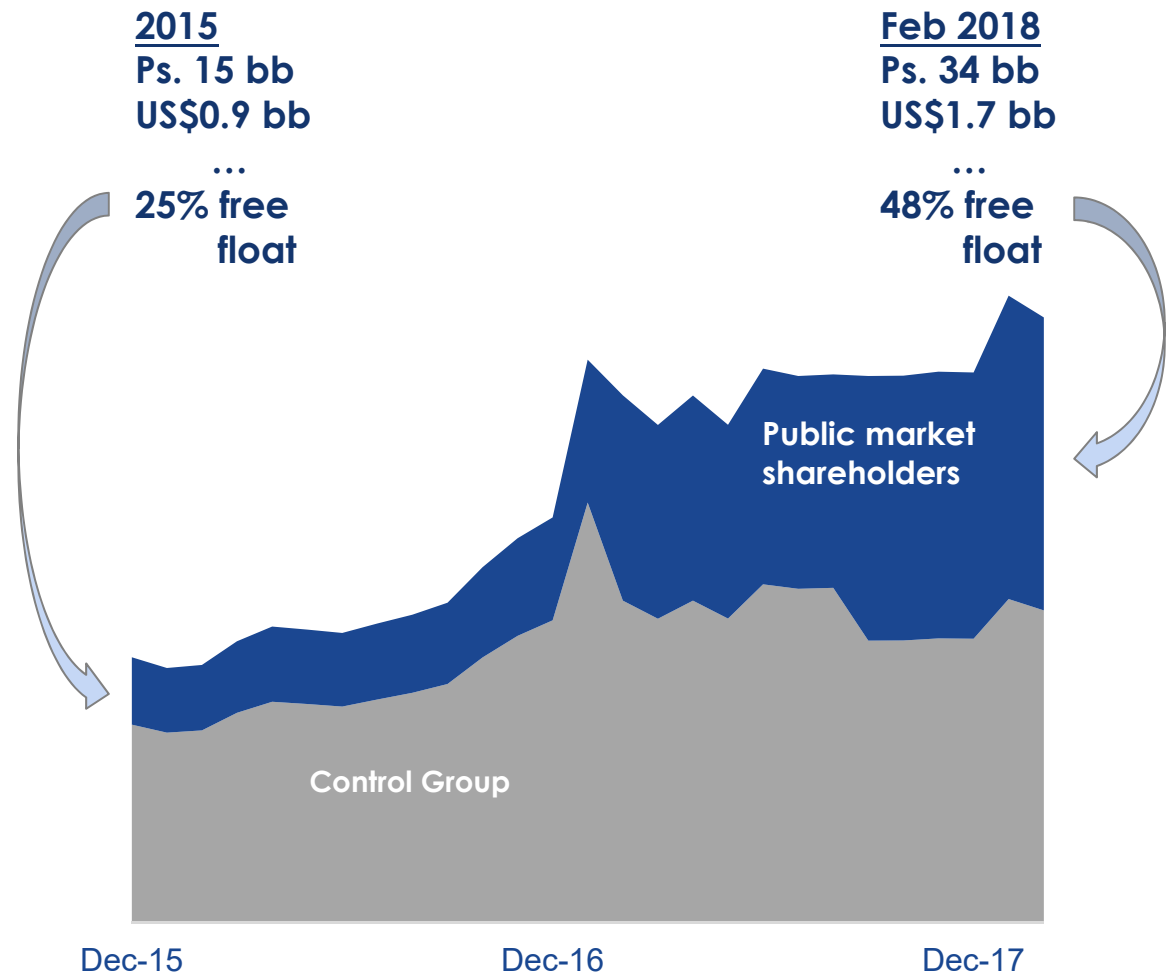
\$185 mm bank refinancing
(Nov 2016)

"Re-IPO" – 45 mm shares
offered on BMV (Feb 2017)

\$260 mm bond refinancing
(Jun 2017)

Additional shares sold; equity
forward; Free float = 48%
(Sep 2017)

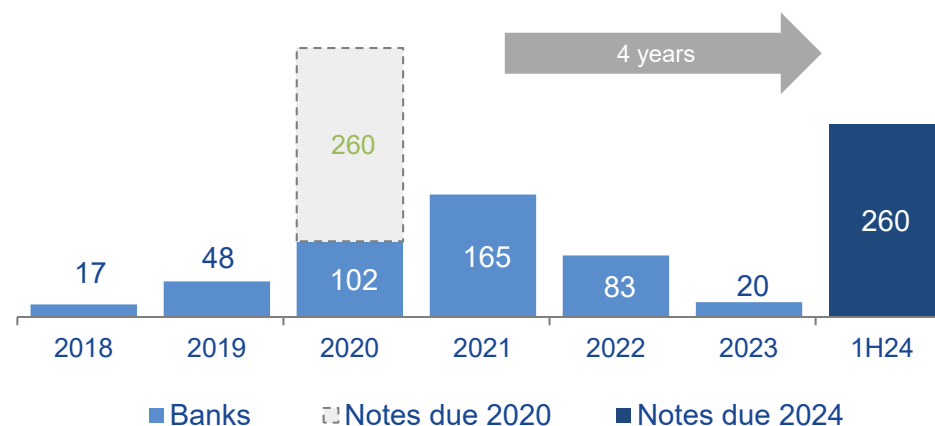
Market Capitalization and Float



Bond refinancing in 2017 improves financial position

- 2020 Notes called; 2024 Notes issued
- Coupon: 8.125% → 5.25%
- Rating: BB
- Maturity: 2020 → 2024

Maturity Profile (US\$ million)



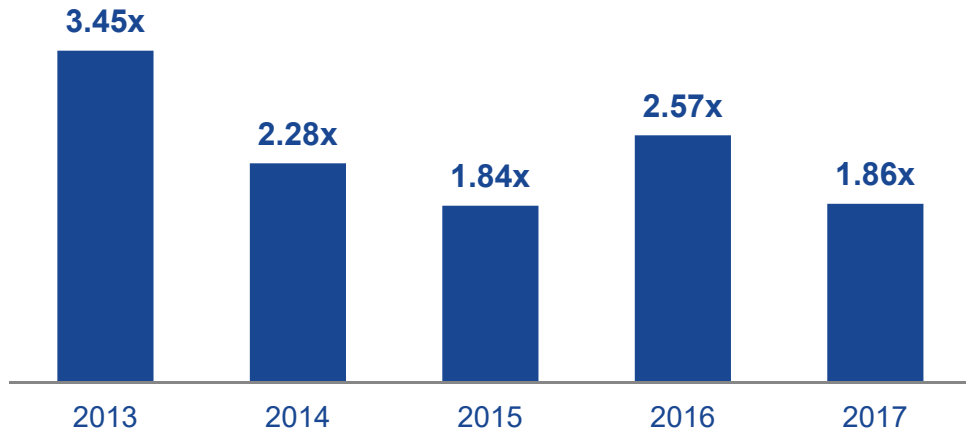
Debt Composition (December 31, 2017, US\$ million)

Securities Debt	Bank Debt		Total \$695
Notes due 2024, 260	2016 Refinancing, 185	2016 Acquisition Financing, 250	

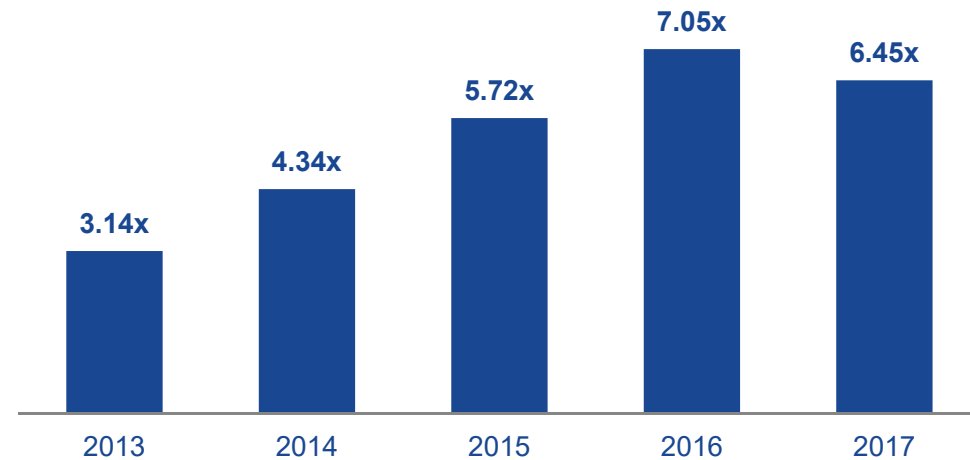
Blended average interest rate:, 4Q2017: **5.46%**

Proven track record of balance sheet management

Net leverage ratio (Net Debt / EBITDA)

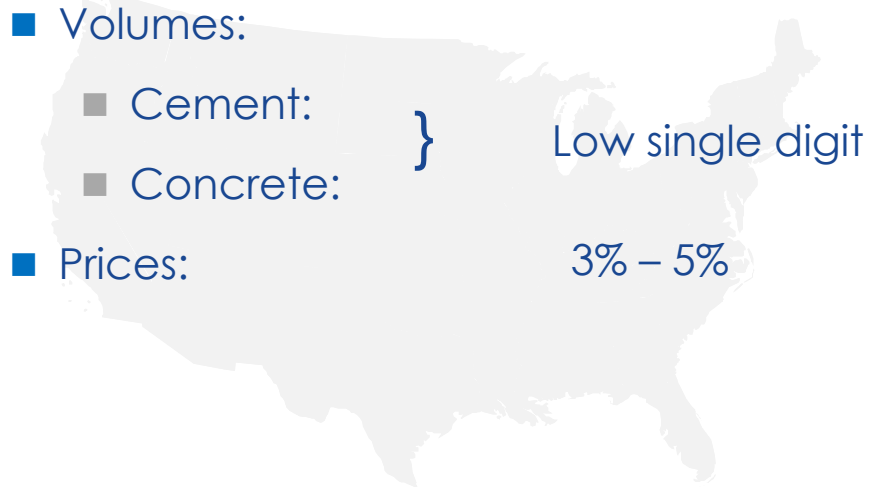


Net interest coverage ratio (EBITDA / Net interest expense)



2018 outlook

United States



- EBITDA growth: Mid-single digit
- Working capital: Slight decrease
- Total CAPEX: US\$ 120 million
 - Maintenance and carryover: 60
 - Rapid City expansion: 60
- Net Debt / EBITDA ≤ 2.0

Mexico



Investment highlights

- 
- 1 Leading position in attractive U.S. regional markets and Chihuahua, Mexico
 - 2 Mexico operations also provide a strong base, and add operational flexibility and export capacity
 - 3 Vertically integrated, with state of the art production facilities and network
 - 4 Experienced management team with track record of successful integration of new operations and solid business plan
 - 5 Increased free float and stronger balance sheet improve positive outlook for value realization

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EBITDA

We define EBITDA as consolidated net income after adding back or subtracting, as the case may be: (1) depreciation and amortization; (2) net financing expense; (3) other non-operating expenses; (4) taxes; and (5) share of earnings in associates. In managing our business, we rely on EBITDA as a means of assessing our operating performance. We believe that EBITDA enhances the understanding of our financial performance and our ability to satisfy principal and interest obligations with respect to our indebtedness as well as to fund capital expenditures and working capital requirements. We also believe EBITDA is a useful basis of comparing our results with those of other companies because it presents results of operations on a basis unaffected by capital structure and taxes. EBITDA, however, is not a measure of financial performance under IFRS or U.S. GAAP and should not be considered as an alternative to net income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. Our calculation of EBITDA may not be comparable to other companies’ calculation of similarly titled measures.

Currency translations / physical volumes

All monetary amounts in this presentation are expressed in U.S. Dollars (\$) or US\$). GCC’s financial statement are prepared in Mexican Pesos (Ps.). Currency translations from pesos into U.S. dollars use the average monthly exchange rates published by Banco de México. These translations do not purport to reflect the actual exchange rates at which cross-currency transactions occurred or could have occurred.

The average exchange rates (Pesos per U.S. dollar) used for recent periods are: 4Q17: 18.95 - 4Q16: 19.84 - 2017: 18.93 – 2016: 18.66

Physical volumes are stated in metric tons (mt), millions of metric tons (mmt), cubic meters (m³), or millions of cubic meters (mm³).

