GCC

GCC ANALYST DAY

SEPTEMBER 20, 2019

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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$). 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:

2Q19: 19.12 - 2Q18: 19.39
1H19: 19.17 - 1H18: 19.07

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

LEADERSHIP TEAM

ENRIQUE ESCALANTE

CHIEF EXECUTIVE OFFICER

LUIS CARLOS ARIAS

CHIEF FINANCIAL OFFICER

AGENDA

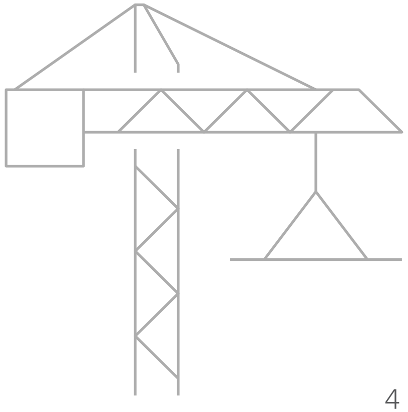
1. Keynote Speaker
   Ed Sullivan, Portland Cement Association SVP & Chief Economist

2. Strategy and Key Milestones
   Enrique Escalante, CEO

3. Break

4. Financial Overview
   Luis Carlos Arias, CFO

5. Closing Remarks
   Enrique Escalante, CEO



KEYNOTE SPEAKER

ED SULLIVAN, PORTLAND CEMENT ASSOCIATION
SVP & CHIEF ECONOMIST

STRATEGY AND KEY MILESTONES

ENRIQUE ESCALANTE, CEO

INVESTMENT HIGHLIGHTS

TICKER: BMV: GCC

1. Leading position in attractive U.S. regional markets and in Chihuahua, Mexico
2. Mexico operations also provide a strong base and add operational flexibility with export capacity
3. Vertically integrated, with state of the art production facilities and logistics
4. Healthy balance sheet and strong free cash flow drive value creation
5. Increased share free float and liquidity

GCC AT A GLANCE: A **UNIQUE** MARKET PRESENCE

- 5.8 MMT[1] cement production capacity
  - 3.5 MMT in U.S. + 2.3 MMT in Mexico
- #1 or #2 share in core markets
  - Landlocked states, insulated from seaborne competition
- 8 cement plants, 23 terminals, 2 distribution centers and 99 ready-mix plants
- 78 years of operation – 25 in the U.S.
- Listed on Mexican Stock Exchange: GCC*
- Included in: MSCI Indexes
  S&P/BMV IPC Index
  FTSE Indexes

KEY RESULTS
LTM TO JUNE 2019

US$ 888 million sales – 72% U.S. / 28% Mexico

US$ 251 million EBITDA – 63% U.S. / 37% Mexico

28.2% EBITDA margin

[1]MMT = million metric tons

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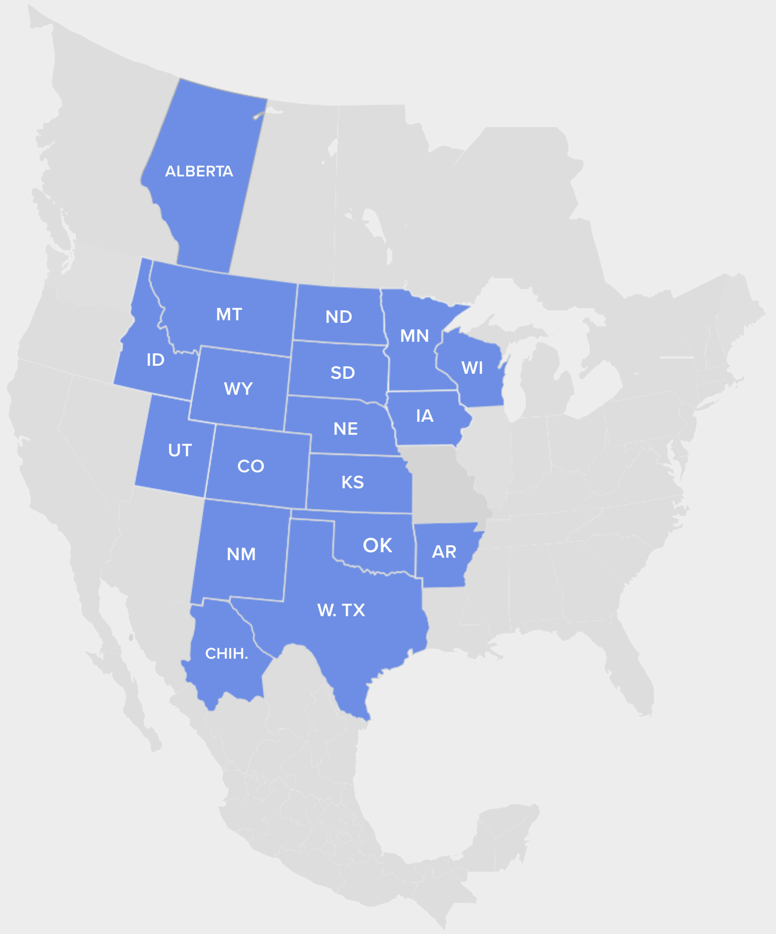
CEMENT AND READY-MIX CONCRETE OPERATIONS ACROSS THE "CENTER CUT" OF NORTH AMERICA



STAKEHOLDER VALUE CREATION

GCC

STRENGTHEN PROFITABILITY

- EBITDA margin increased from 17.3% in 2013 to 28.3% LTM
- Target: achieve GCC's 2007 34% EBITDA margin
- Strengthened assets portfolio
- One of the industry's healthiest balance sheets with a comfortable maturity profile

OFFER CUSTOMERS EXCEPTIONAL TECHNICAL AND LOGISTICS SERVICES

- Ensure uninterrupted shipping despite disruptive events (i.e flooding and Rapid City tie-in delay)
- New terminals: Fort Stockton, TX and Salt Lake, UT, and 2 at planning stage
- Creation of the Corporate Technical and Operations Office (CTOO): best in class & best practices

BROADEN PRODUCT OFFERING THROUGH INNOVATIVE SOLUTIONS

- Walmart distribution center
- GCC + Deacero joint venture: Mexico City - Queretaro concrete highway repair project
- New product solutions which can be competitively applied outside Chihuahua

FOSTER SUSTAINABLE DEVELOPMENT

- Joined Global Cement and Concrete Association in 2018 after initial CSI commitment
  Increase use of alternative fuels - apply 14 years of AF use to all GCC cement plants

DEVELOP HUMAN CAPITAL

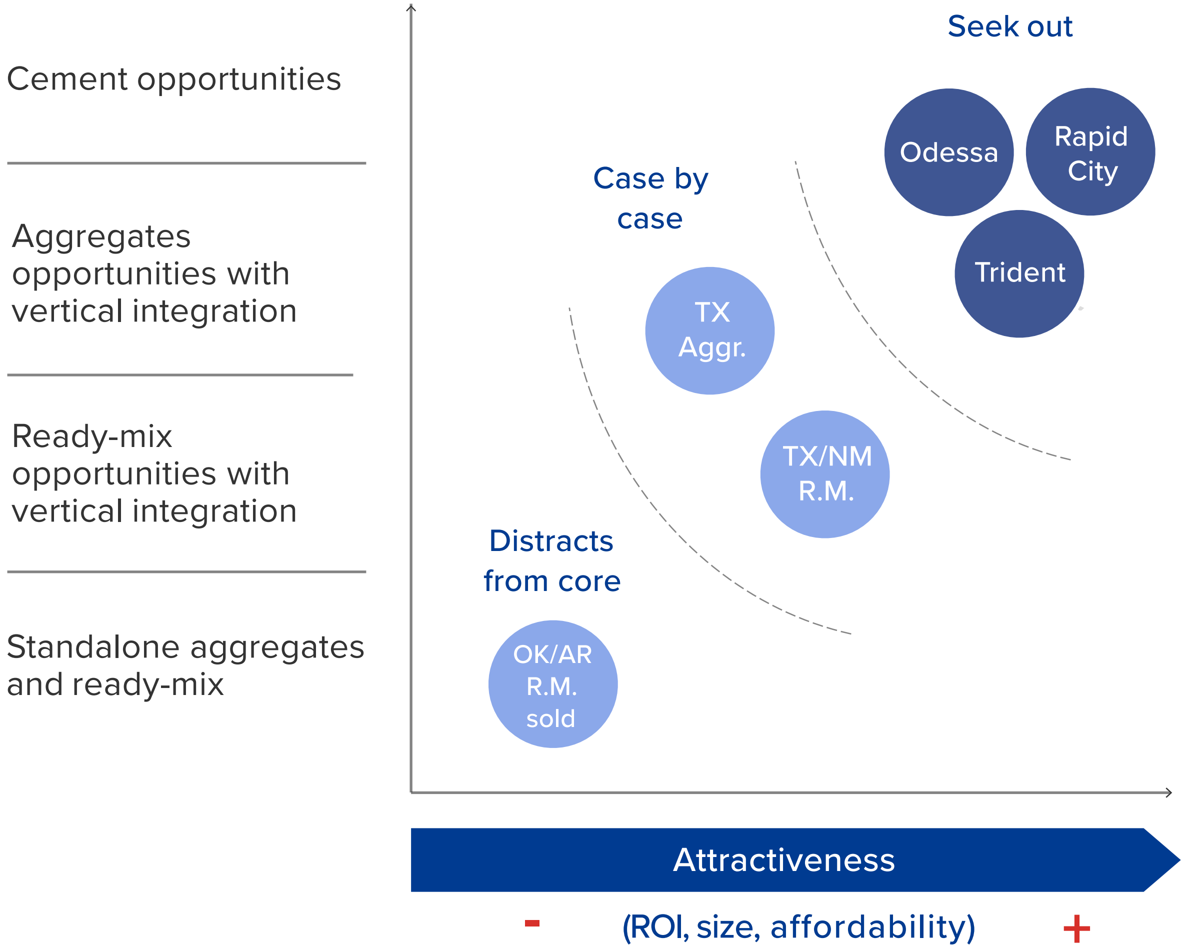
- Great Place to Work
- Talent development, succession and bench strength
- Annual bonus (KPI: EBITDA + EBITDA margin)
- Long term incentive plan (KPI: ROIC)

STAKEHOLDER VALUE CREATION

EXPAND OPERATIONS AND FOOTPRINT THROUGH DISCIPLINED CAPITAL ALLOCATION

- Well positioned for growth
- Be prepared to quickly capitalize on growth opportunities

STRATEGIC PRIORITIZATION AND EVALUATION OF ALTERNATIVES



PROGRESS TOWARD KEY MILESTONES

GCC

GROW CORE HIGH-PROFIT BUSINESSES, CEMENT

- **Odessa, TX:** +514 k mton, synergies extracted: switched to fully dedicated to produce oil well cement, boosted Samalayuca from 56% to 96% of capacity utilization in one year. Restarted kiln 2 at Chihuahua plant to export oil well cement
- **Trident, MT:** asset swap +315k mton, ongoing synergies, fully onboarded, Idaho and Canada new markets, plugged into our distribution network
- **Rapid City, SD:** +440k mton capacity expansion will reduce costs and improve distribution network. Ramp up stabilized

DIVEST NON-CORE, LOWER PROFIT BUSINESSES AND READY MIX

- Sold OK and AR non-integrated ready mix assets plus received US $11 million in cash difference from Trident asset swap

INCREASE VISIBILITY AND LIQUIDITY

- NDR's & conferences: NY, Boston, Denver, Mexico City, Hong Kong, Singapore, Abu Dhabi and London
- Sell side coverage increased from 0 to 12, year to date
- Increase quality and quantity of information disclosed
- Annual analyst day
- Market maker (until 09/18)
- Buy back program (to increase liquidity)
- Index inclusion

PROGRESS TOWARD KEY MILESTONES

INCREASE CLEAN ENERGY USE AND REDUCE ENERGY COSTS

- **Mexico:** a new long term power generator is in the final negotiation stage, 15yr agreement, 100% renewable, expected ~20% rate reduction starting in 2021, ~US$ 140 million in savings in that period
- **Odessa:** renewable (solar and wind) fixed price 10 yr signed agreement, ~22% rate reduction starting on July 22, ~US$ 4.6 million in savings in that period
- Solar project at Samalayuca plant: renewable energy in progress

CAPITALIZE U.S. EXPOSURE: “ZIP CODE ISSUE”, ADR AND U.S. LISTING ANALYSIS

- Received several ADR proposal analyses from banks: splits liquidity and does not fit with current free float
- U.S. listing: no value without issuing more equity, tax and cost implications

STRENGTHENED BALANCE SHEET, WELL POSITIONED FOR GROWTH

- 100% bond and bank debt refinanced
- Reducing interest expenses and improving the maturity profile, no significant payments until 2022
- Significantly improved leverage ratio

GCC JOINED THE GLOBAL CEMENT AND CONCRETE ASSOCIATION

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MAIN GOAL

REDUCE NET
CO2 EMISSIONS
9% BY 2020 AND
31% BY 2030

CO2 emissions reductions are compared to our 2005 baseline

SDG

- 7 AFFORDABLE AND CLEAN ENERGY
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 11 SUSTAINABLE CITIES AND COMMUNITIES
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION

Sustainable Development Performance Targets

SUSTAINABLE DEVELOPMENT GOALS

- Climate & Energy
- Circular Economy
- Health & Safety
- Environment & Nature
- Social Responsibility
- Concrete
- Triple Bottom Line - Growth & Profitability
- Strategy & Execution

HOW?

- Energy efficiency
- Alternative fuels
- Blended cements
- New carbon capture technology

UN GLOBAL COMPACT

gcca

2018 ENERGY STAR CERTIFIED FACILITY
ENERGY STAR
www.energystar.gov

Great Place To Work.
Los Mejores Lugares Para Trabajar™
500 a 5000 colaboradores
MÉXICO 2018

ESR Empresa Socialmente Responsable

COMPENSATION PLAN

GOAL: CLOSELY ALIGN PAY WITH PERFORMANCE AND VALUE CREATION OVER THE SHORT AND LONG-TERM

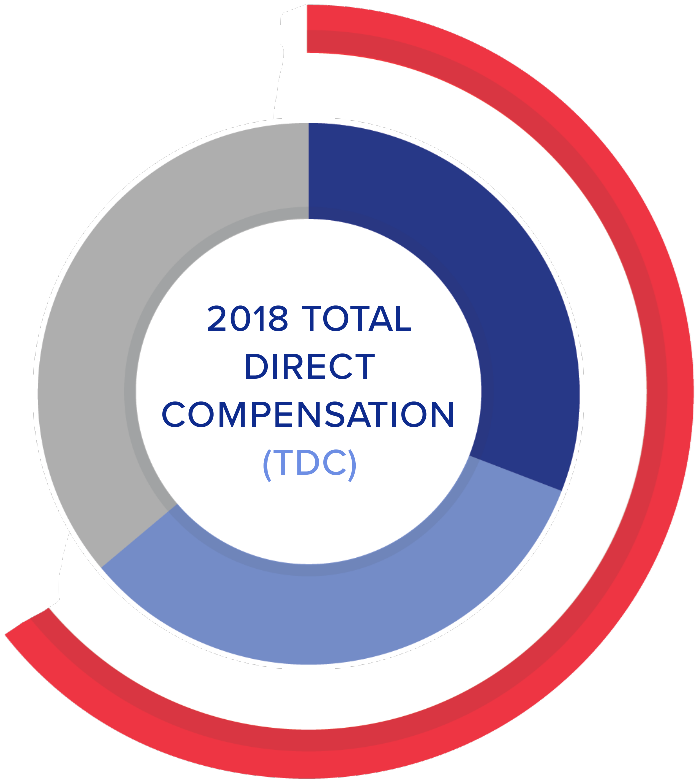
FIXED PAY

BASE SALARY

Smallest component of target TDC

CEO: ~31%

Key executives: 40% - 62%



69% PERFORMANCE BASED

VARIABLE PAY

ANNUAL INCENTIVE

Based on EBITDA:

- Budgeted growth
- EBITDA margin

Pays out between 0% and 205% of target

CEO: ~33%

Key executives: 18% - 28%

LONG-TERM INCENTIVE

Largest component of target

TDC Restricted stock

Based on ROIC

5 year vesting period

CEO: ~36%

Key executives: 15% - 34%

VISION: FIVE YEARS AND BEYOND

CEO'S VISION FOR THE MEDIUM AND LONG TERM

WE WILL MAINTAIN THE COURSE: GROW AND STRENGTHEN OUR CORE - CEMENT

- Expand to adjacent markets: generate synergies, solidify leadership position
- New opportunities in North America: new regions, new system
- Mexico, Central and South America: faster growth and higher profitability

BEST IN CLASS PHILOSOPHY:

- Low cost / highest efficiencies and best practices: CTOO office
- Optimize logistics and distribution in inland, low density population markets - barriers to entry
- Innovation arm: faster product development and agile early adopter

LONG TERM SUSTAINABILITY: TRIPLE BOTTOM LINE = PEOPLE + PLANET + PROFIT

- Prudent balance sheet management
- Long term perspective: patience to develop the right steps
- Focus on alternative fuels, renewable energy and lower clinker factor
- Early adopters of carbon capture and sequestration and/or technology break-throughs
- Local impact - community involvement - GCC Foundation

Q&A

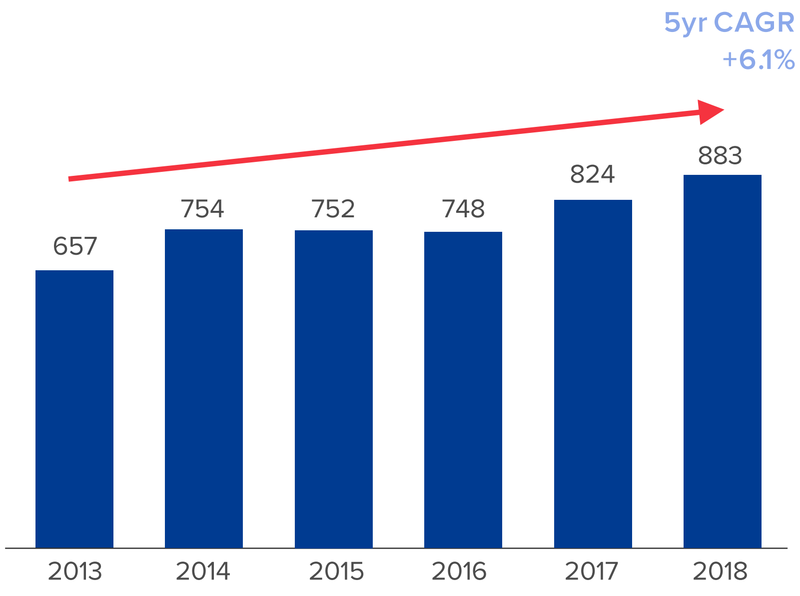
GCC

FINANCIAL OVERVIEW

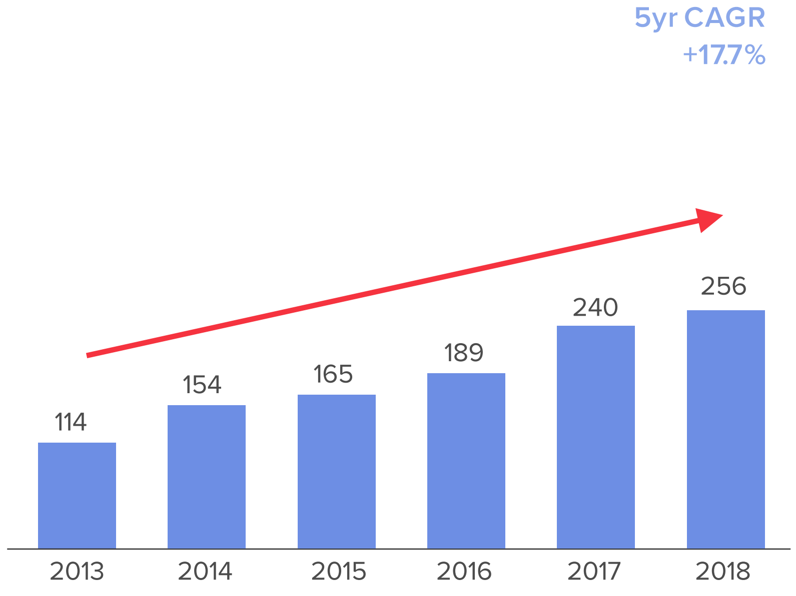
LUIS CARLOS ARIAS, CFO

FINANCIAL PERFORMANCE

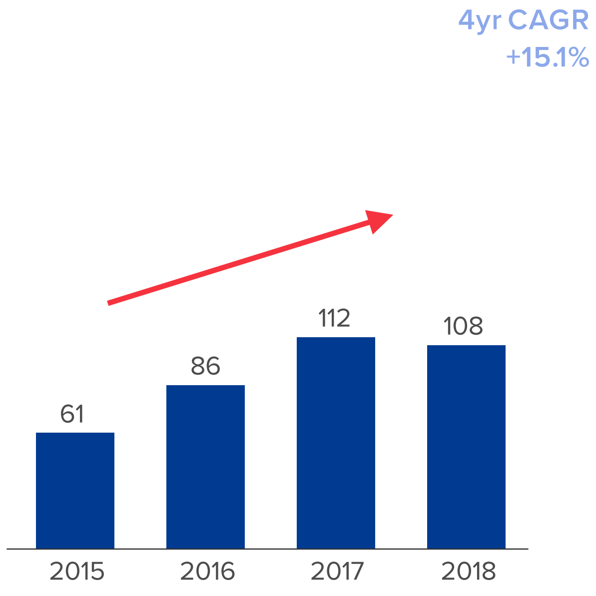
SALES (US$ MILLION)



EBITDA (US$ MILLION)



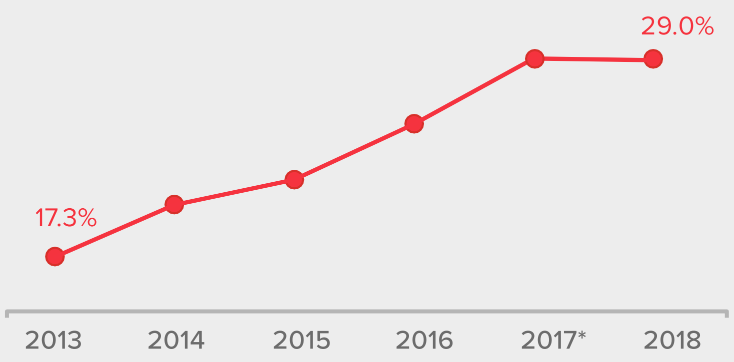
FREE CASH FLOW (US$ MILLION)



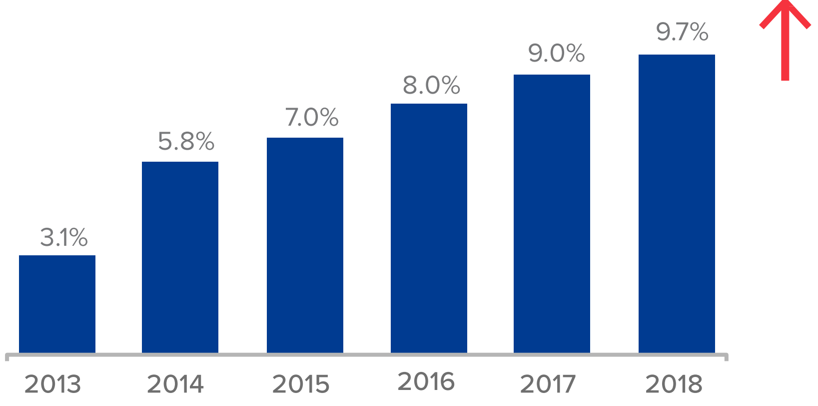
Free cash flow excludes capital expenditures for growth and expansion

DEBT AND CAPITAL EFFICIENCY INDICATORS STEADILY IMPROVING

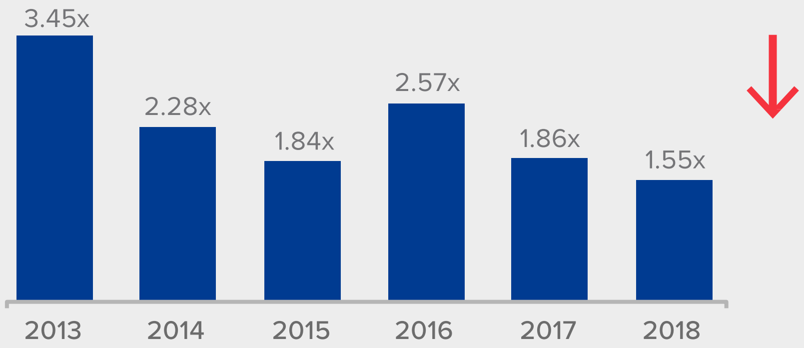
EBITDA MARGIN



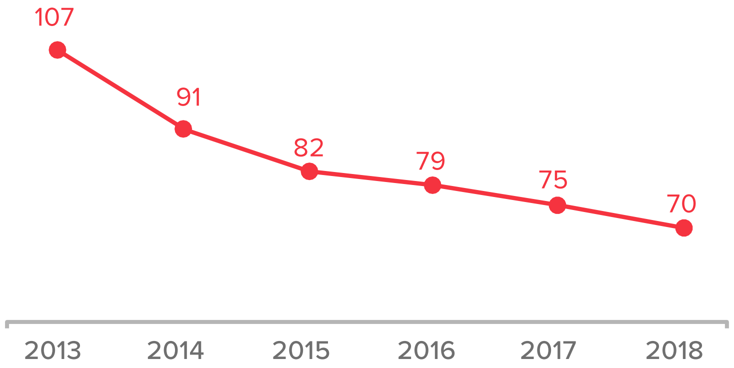
ROIC (NOPAT / Avg. Invested Capital)



NET LEVERAGE RATIO (Net Debt / EBITDA)

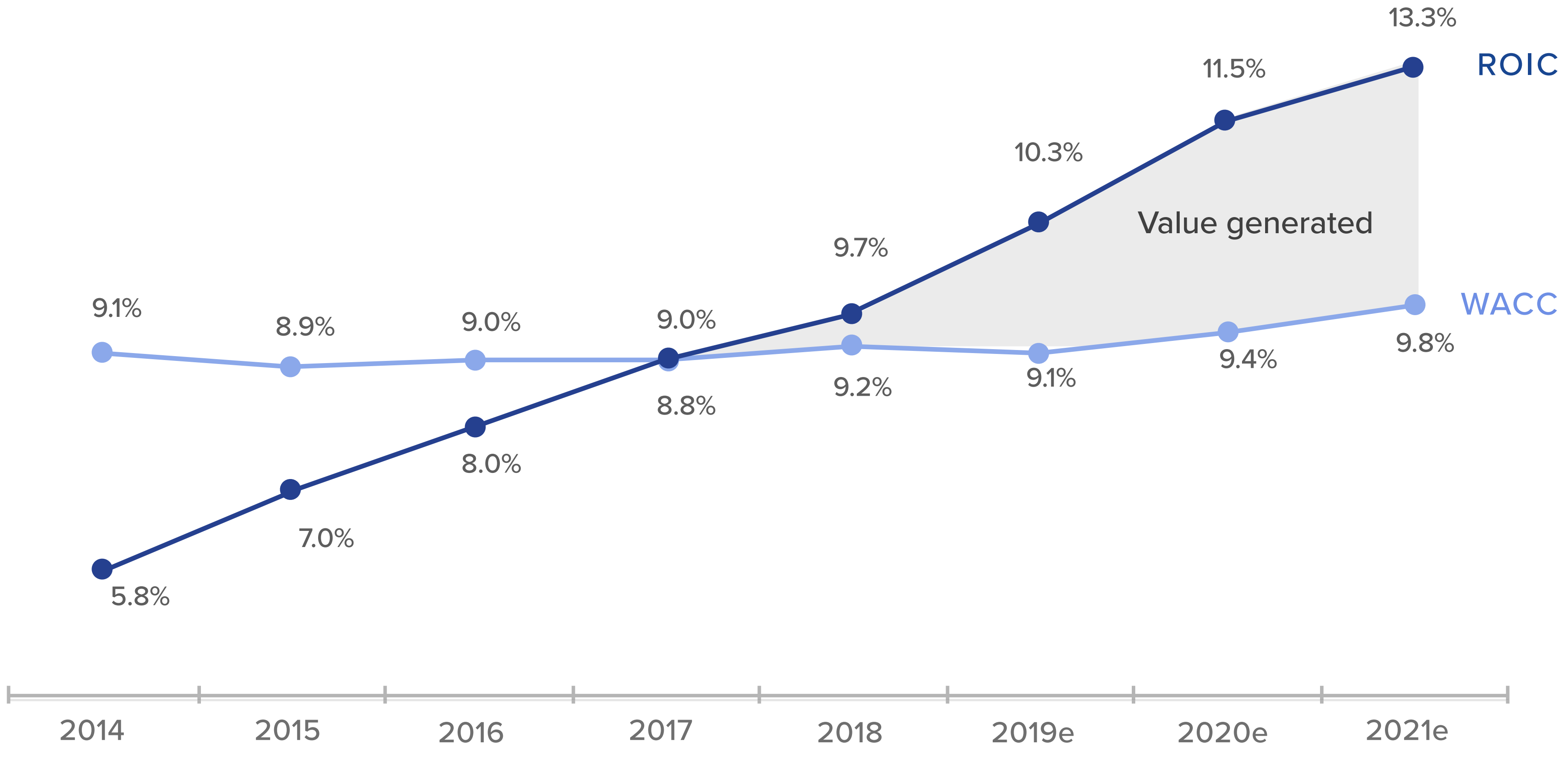


WORKING CAPITAL



* Proforma after asset swap

OPTIMIZING OPERATIONS FOR VALUE GENERATION



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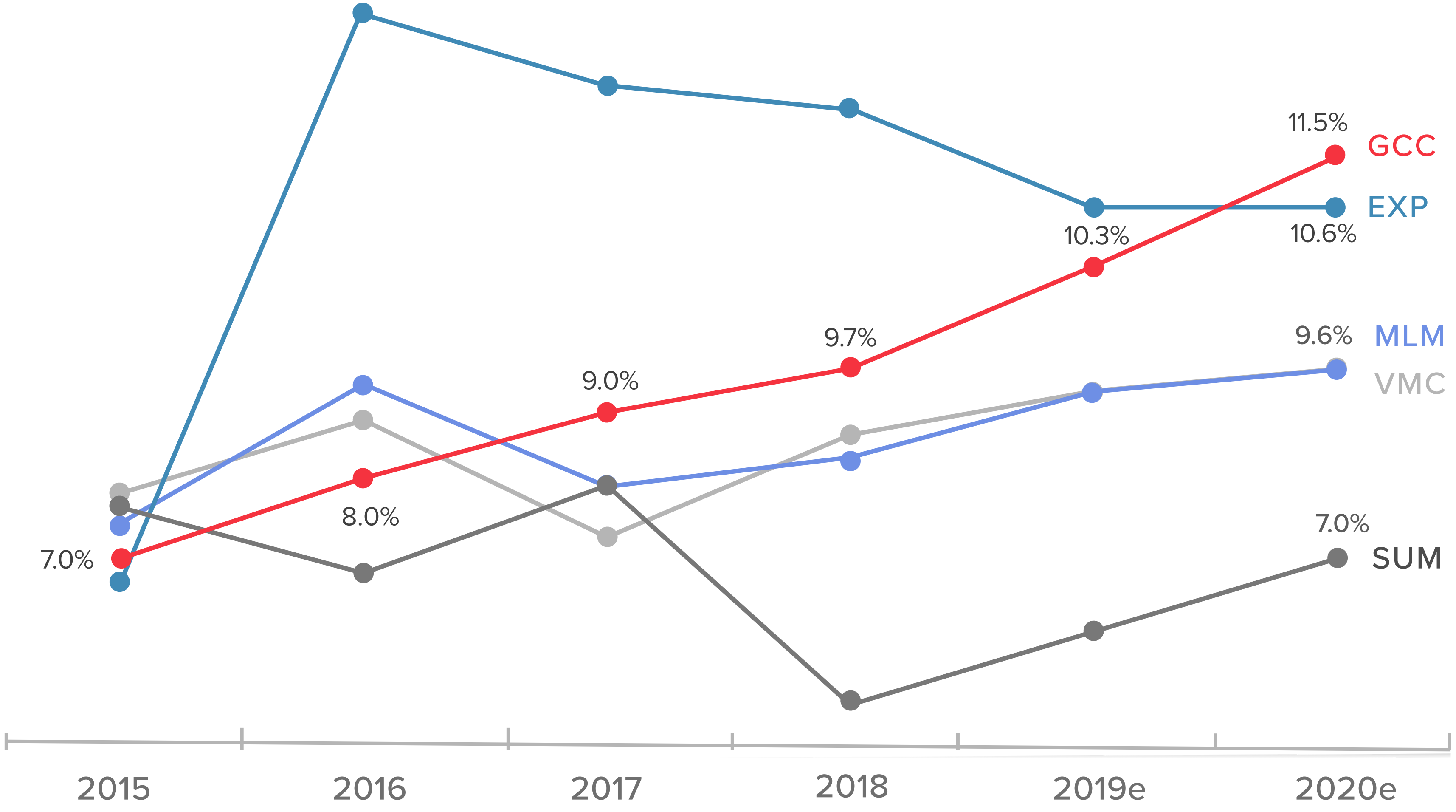
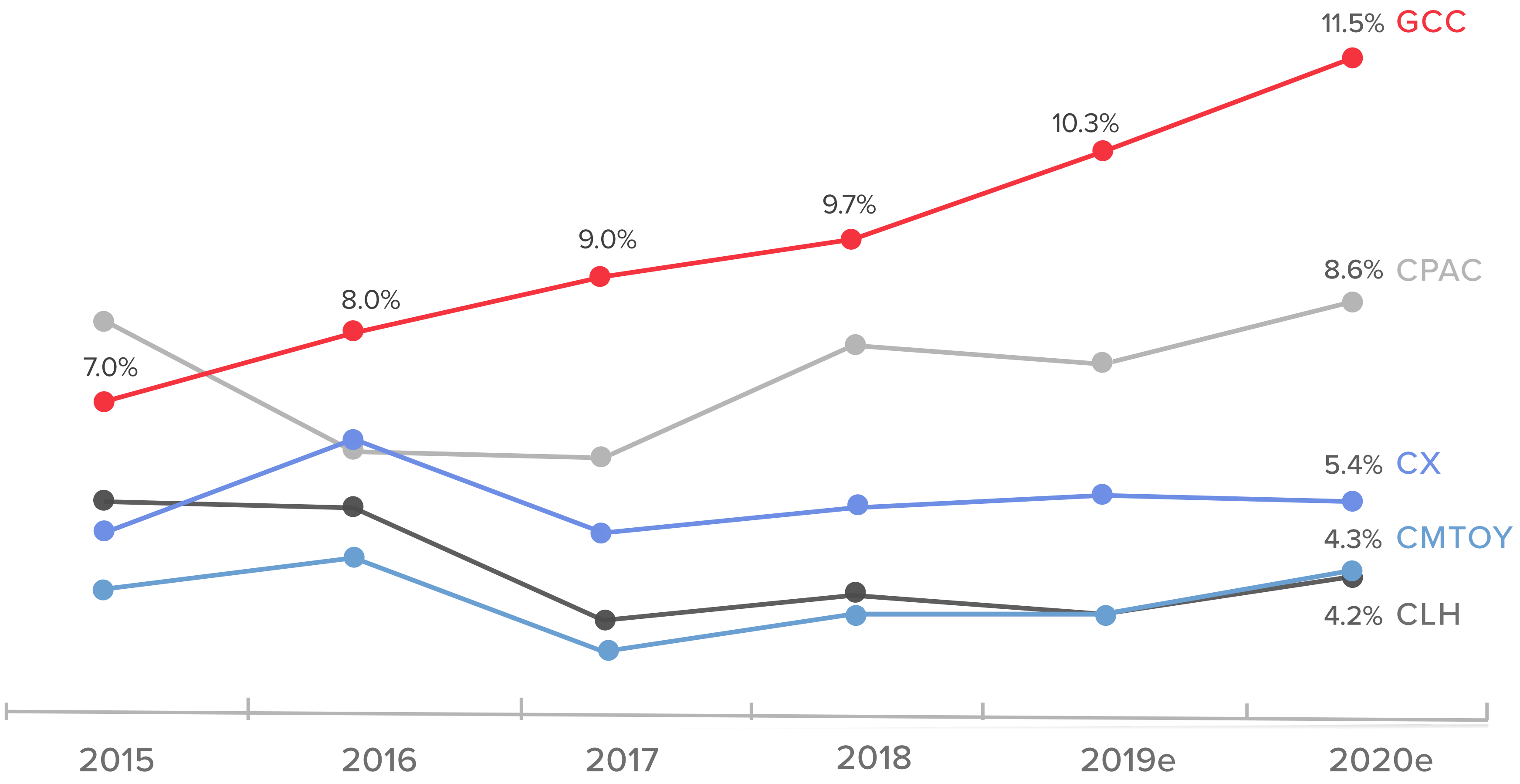
WACC = (Cost of debt x Percentage of financing that is debt) + (Cost of equity x Percentage of financing that is equity)

GCC GENERATES A HIGHER ROIC THAN MOST OF ITS U.S. PEERS...



Source 1: see appendix

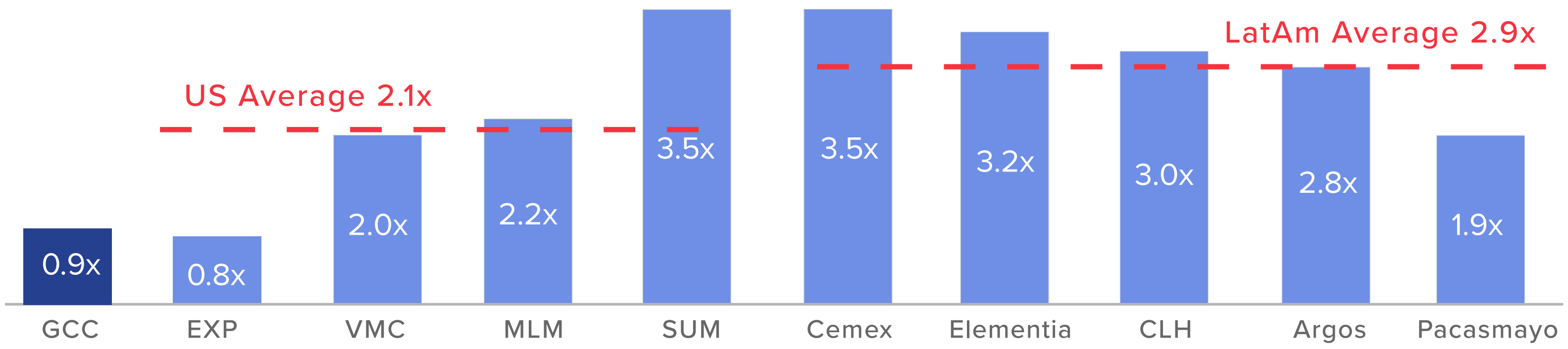
… AS WELL AS ITS LATAM PEERS



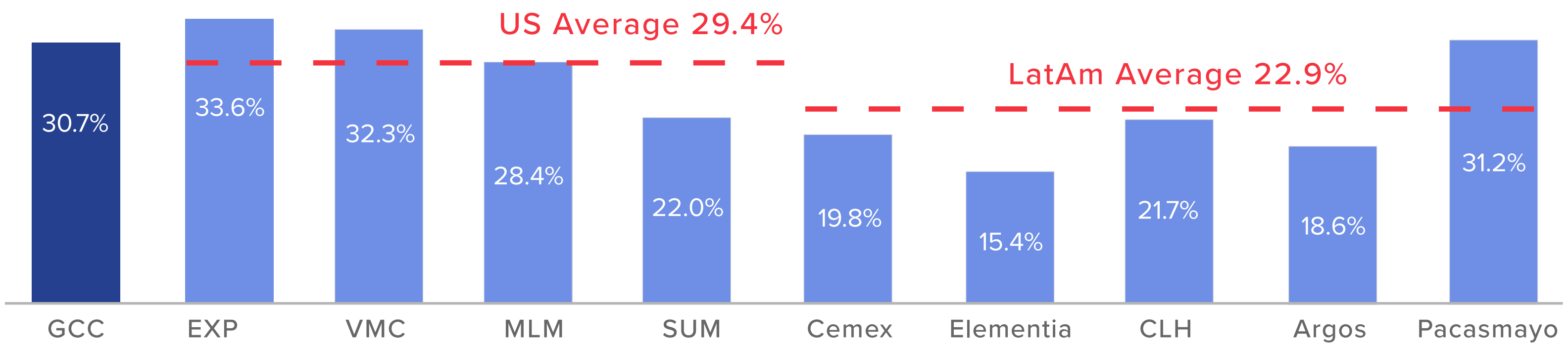
Source 2: see appendix

STRENGTHENED MARGINS AND LOWER INDEBTEDNESS THAN MOST PEERS

2019 ESTIMATED NET DEBT/EBITDA MULTIPLES



2019 ESTIMATED EBITDA MARGINS



Source 3: see appendix

GROWTH POTENTIAL

ASSUMPTIONS

- Net leverage ratio 3.0x
- Acquisition EV/EBITDA multiple 8x or 10x
- The acquisition occurs at the end of the period
- All scenarios are mutually exclusive

All numbers are rounded and for explanatory purposes

LEVERAGE RATIO: 3.0X
EV/EBITDA: 10X

Million dollars	2019	2021	2023
Acquisition value	$756	$1,572	$2,320
Δ EBITDA	$76	$157	$232

LEVERAGE RATIO: 3.0X
EV/EBITDA: 8X

Million dollars	2019	2021	2023
Acquisition value	$848	$1,761	$2,608
Δ EBITDA	$106	$220	$326

CAPITAL ALLOCATION PRIORITIES

GCC

GIVEN THE STRONG CASH GENERATION AND THE HIGH CONVERSION RATE

1 CASH ON BALANCE SHEET ENABLES FUTURE GROWTH (OPTIONS)

- **Organic:** Chihuahua plant; Samalayuca plant — ~ 1 mmton additional capacity; Investment ~US$ 120 - 140 million — Both to serve mainly southern U.S. markets, Chihuahua would free up Samalayuca, increase exports

  Odessa plant 0.5 mmton additional capacity, US$ 120 million → Environmental permits on hand

- **Inorganic:** based on the strategy described: focus on U.S. cement assets which could expand GCC's footprint.
  Additionally grow into Mexico, Central and South America to potentially participate in faster developing economies, regional diversification, counter-cyclical cash flow <u>only under very specific conditions</u>

- Take advantage of industry's average indebtedness and any potential divestment/spin off plans

- Or be prepared to quickly capitalize on growth opportunities in more resilient markets

  ↳ 2008 downturn GDP decreases: MI -9.4%, FL -5.7%, NY -4.6%, CA -3.5% vs CO -2.7%, NM -2.0%, SD -1.3%, IA -0.5%

2 PAY DOWN DEBT

- Should an M&A opportunity not materialize by the end of 2019-20: prepay ~US$ 100 - 150 million in bank debt, resulting in ~US $3.4 million annual interest savings

3 CONTINUE PAYING DIVIDENDS AT HISTORICAL RATE (NO SPECIAL DIVIDEND)

Q&A

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CLOSING REMARKS

- Focused on stakeholder and shareholder value
- Important progress on key milestones to focus on high-profit business-cement
- Strengthened profitability, balance sheet and assets portfolio - position GCC for growth with disciplined capital allocation
- Prioritize human capital and compensation to drive performance and value creation
- Implementing global best practices in sustainability: successfully migrating towards clean energy goals and less fossil fuels
- Five year vision will strengthen and expand core cement business

→ **TRIPLE BOTTOM LINE**

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THANK YOU!

CONTACT:

Luis Carlos Arias, Chief Financial Officer
larias@gcc.com

Ricardo Martinez, Head of Investor Relations
rmartinezg@gcc.com

+52 (614) 442 3176
+ 1 (303) 739 5943

SOURCES

1.- Company and J.P. Morgan estimates. US Construction Materials. North America Equity Research (March 21, 2019)

2.- Company and UBS estimates (August 23, 2019)

3.- UBS Estimates. Only Cemex numbers are IFRS16 adjusted

U.S.: J.P. Morgan estimates. US Construction Materials. North America Equity Research (March 21, 2019)