# CORPORATE PRESENTATION

## Q3 2020

JANUARY 2021

GCC

# SAFE HARBOR STATEMENT

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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:

Q3-20: 22.10 - Q2-19: 19.42

9M-20: 21.79 - 9M-19: 19.25

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

# ONE OF THE STRONGEST PLAYERS IN THE INDUSTRY

## REFLECTION OF THE STRATEGY EXECUTION SINCE 2016

Deleveraging as soon as possible

Maintaining a healthy cash balance

Refinancing bank debt and notes, extending maturities and reducing the average cost of debt

Swapping non-integrated ready-mix assets for Montana cement plant without increasing debt

Succesfully completing Rapid City cement plant expansion

Maintaining strict M&A criteria with a focus on value for purchase, at a cost within strict pre-determined parameters

## ACTION PLAN TO MITIGATE COVID-19 IMPACT

### PEOPLE AND BUSINESS CONTINUITY

- Developed specific health and safety protocols for each of GCC's operations
- Enacted "work from home" protocols for the majority of employees
- Established skeleton crews wherever possible
- Ensured that every employee receives their full salary and benefits
  *Continuously monitoring and assessing market demand, economic fundamentals and government regulations*
- Established contingency plans to ensure a safe operation and uninterrupted supply to customers, supported by GCC's robust manufacturing and distribution network
- Working closely with cement and concrete associations in both Mexico and the U.S.

# CASH, LIQUIDITY AND BALANCE SHEET

- Cost and expense reductions throughout the organization
  - Variable costs and distribution efficiencies
  - Identified US$20 million in savings
    *e.g. hiring freeze, not filling vacant positions and limiting external service providers*
  - US$ 7M deferral from the Cares Act
- Reduction of 2020 capex to US$45 million from US$70 million
- Deferred all non-essential projects
- Withdrew US$50 million of revolving credit lines in April 2020
  *Approximately US$25 million still available in revolving credit lines*
- Continue with dividend distribution, with flexibility in setting the payment date
  *A dividend of Ps. 0.94 per share was declared by the General Shareholders' Meeting and 50% was paid on August 7, 2020*
- Cash and equivalents totaled US$511 million in Q3-20
- Net debt/EBITDA decreased to 0.61x as of September 2020
- No significant debt maturities in 2020 nor in 2021
- Strong balance sheet, result of the strategy of maintaining an efficient and prudent capital structure

# 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. Increased free float and liquidity
5. Healthy balance sheet and strong free cash flow drive value creation

# MORE THAN FIVE YEARS OF OPERATIONAL AND FINANCIAL TRANSFORMATION

- Disciplined expansion
- Customer focus
- Operational excellence
- Prudent balance sheet management
- Increased shareholder value

## AS OF DECEMBER 2019 VS 2014

| Cement Capacity | EBITDA Growth | EBITDA Margin | Net Debt/ EBITDA | Free Float | Share Price (12/31/20) |
|---|---|---|---|---|---|
| +1.4mmt +33% | +90% | +1,087bp | 2.28x → 1.11x | 25% → 48% | +215% |

# 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, 24 terminals, 2 distribution centers and 95 ready-mix plants
- 79 years of operation – 26 in the U.S.
- Listed on Mexican Stock Exchange: GCC*
- Included in: S&P/BMV IPC
  MSCI Indexes
  FTSE Indexes
  FTSE BIVA

## KEY RESULTS
## LTM Q3 2020

US$934 million sales – 74% U.S. / 26% Mexico
US$313 million EBITDA – 74% U.S. / 26% Mexico
33.6% EBITDA margin
Net leverage of 0.61x

[1]MMT = million metric tons

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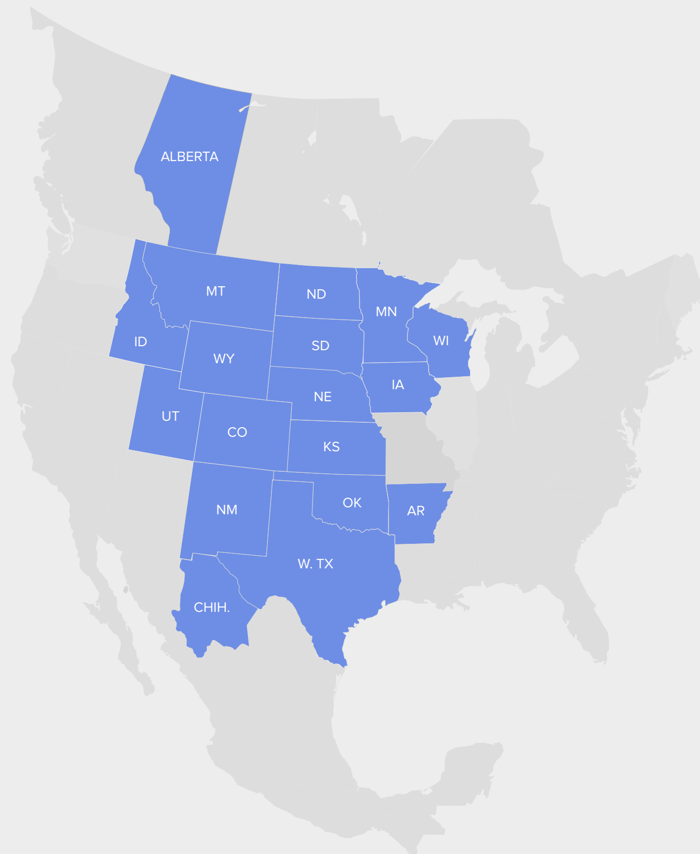
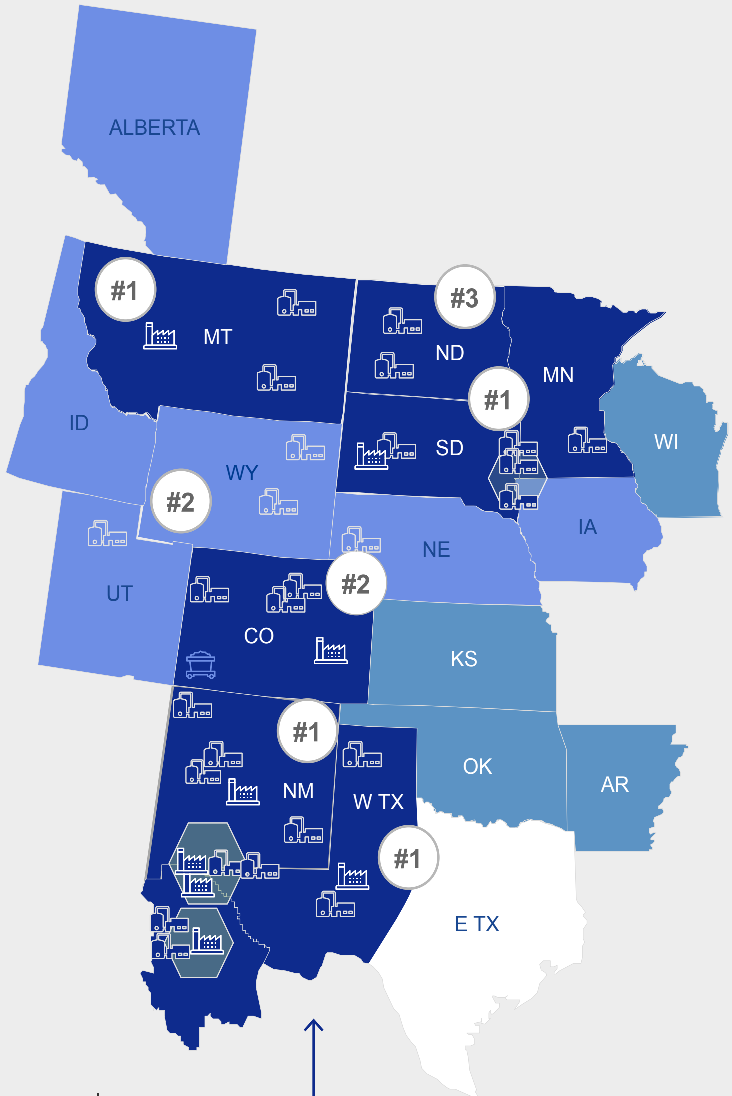
## CEMENT AND READY-MIX CONCRETE OPERATIONS ACROSS THE "CENTER CUT" OF NORTH AMERICA






Samalayuca and Juarez plants in Chihuahua can supplement the U.S. market with 0.5-0.7 mmt

Larger sales
Mid sales
Lower sales

Coal mine
Concrete
Cement plant
Cement terminals
# Market position in each state

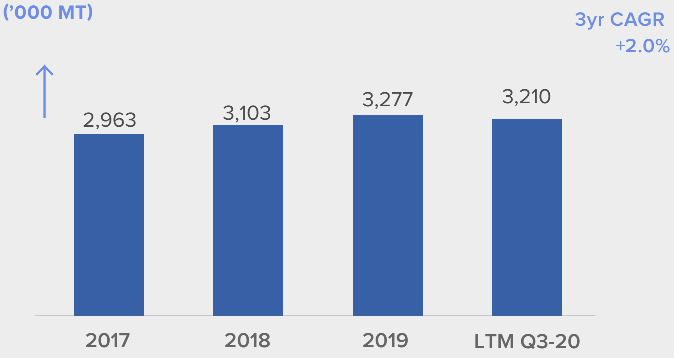
# REGIONAL LEADER IN U.S. MID-CONTINENT MARKETS

## WELL-POSITIONED TO CAPTURE U.S. GROWTH AND CONSTRUCTION INDUSTRY RECOVERY

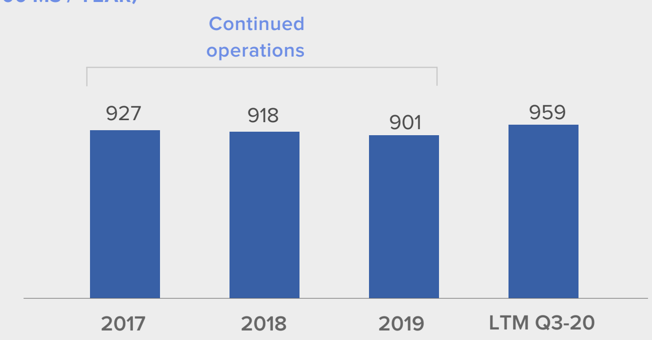
- Leadership position in 18 contiguous states
  - CO, SD, NM, W.TX, MT, MN and ND are our core markets, with 87% of U.S. sales
- No other producer competes with GCC across all our markets
- Diversified regional economies with low unemployment, offering clear upside to U.S. construction recovery
- Pricing upswing since 2013
  - Limited prospects for greenfield capacity expansion
  - Well-protected from seaborne imports
- Rapid City, SD plant expansion (+ 0.4 MMT) increased U.S. cement capacity to 3.5 MMT per year (finished 4Q18)
- Trident, MT cement plant acquisition (June 2018)

# MARKETS WITH DEMONSTRATED VOLUME AND PRICE RECOVERY

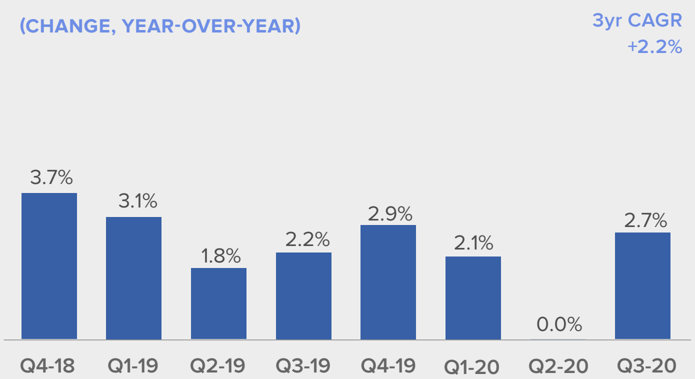
## GCC U.S. CEMENT SALES
('000 MT)



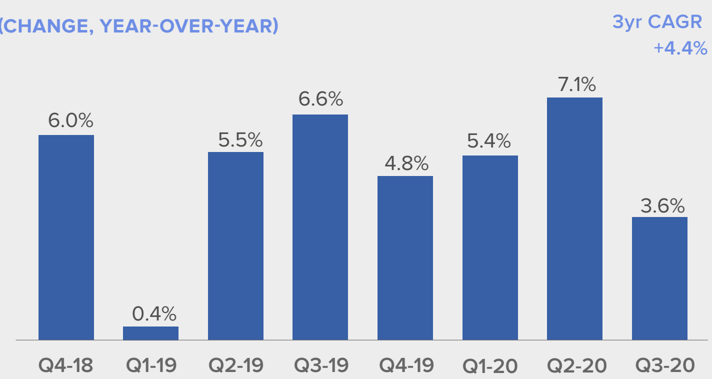

## GCC U.S. CONCRETE SALES
('000 M3 / YEAR)




## GCC U.S. CEMENT PRICES
(CHANGE, YEAR-OVER-YEAR)




## GCC U.S. CONCRETE PRICES
(CHANGE, YEAR-OVER-YEAR)



# WHERE GCC FACES FRAGMENTED COMPETITION AND HAS A DIVERSIFIED BUSINESS MIX

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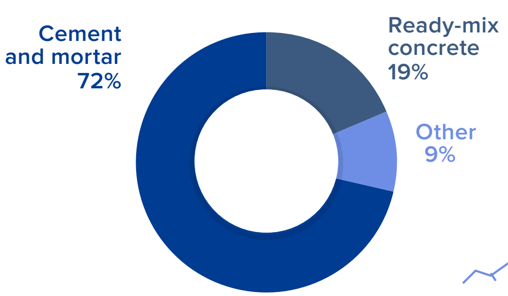
## GCC MARKET POSITION AND COMPETITORS IN CORE MARKETS

| | COLORADO | N. MEXICO | N. DAKOTA | S. DAKOTA | W. TEXAS | WYOMING | MONTANA |
|---|---|---|---|---|---|---|---|
| GCC market position | #2 | #1 | #3 | #1 | #1 | #2 | #1 |
| GCC cement plant in state | ✓ | ✓ | — | ✓ | ✓ | — | ✓ |
| Competitor in-state plant | LHN, CX | NONE | NONE | NONE | BZU* | EXP | CRH |
| Other principal competitors | EXP | LHN | HEI, LHN CRH | LHN, CRH | ** | — | — |

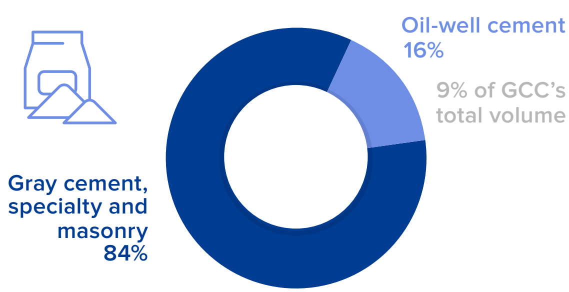
* Refers to West Texas only

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

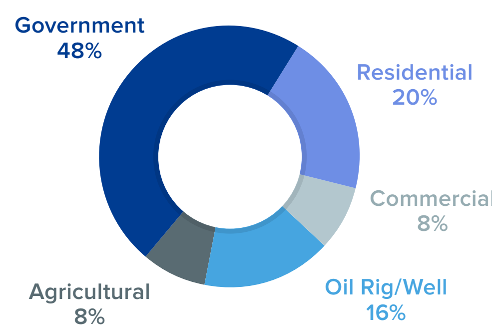
### U.S. 2019 SALES MIX




### U.S. 2019 VOLUME BY CEMENT TYPE




### U.S. 2019 SECTORS[1]

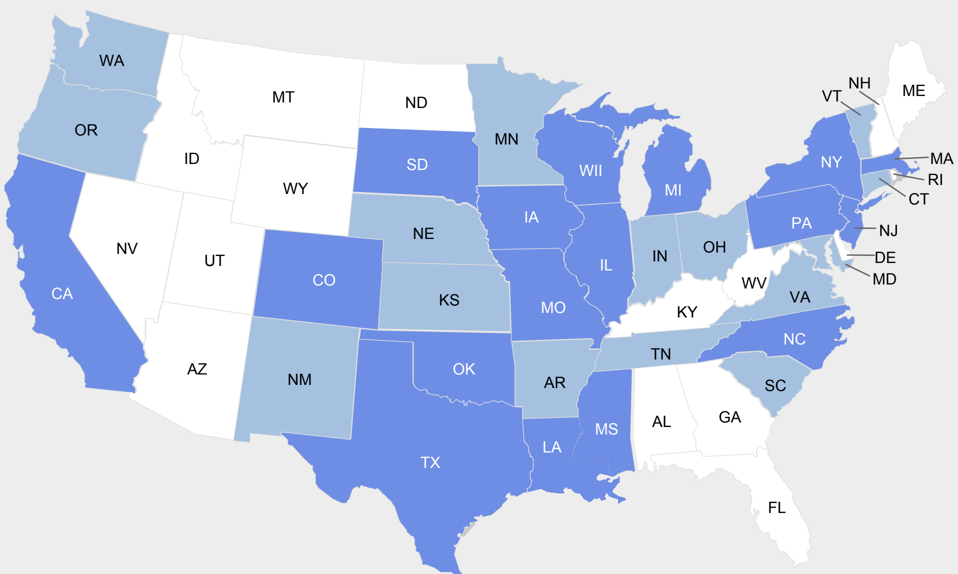



[1] Sales by segment, weighted GCC sales by state. PCA Winter forecast 2019

# AND A CLEAR NEED FOR INCREASED INFRASTRUCTURE SPENDING

## DEFICIENT ROADS[1]

LANE MILES RATED 'POOR'
AS A SHARE OF TOTAL LANE MILES



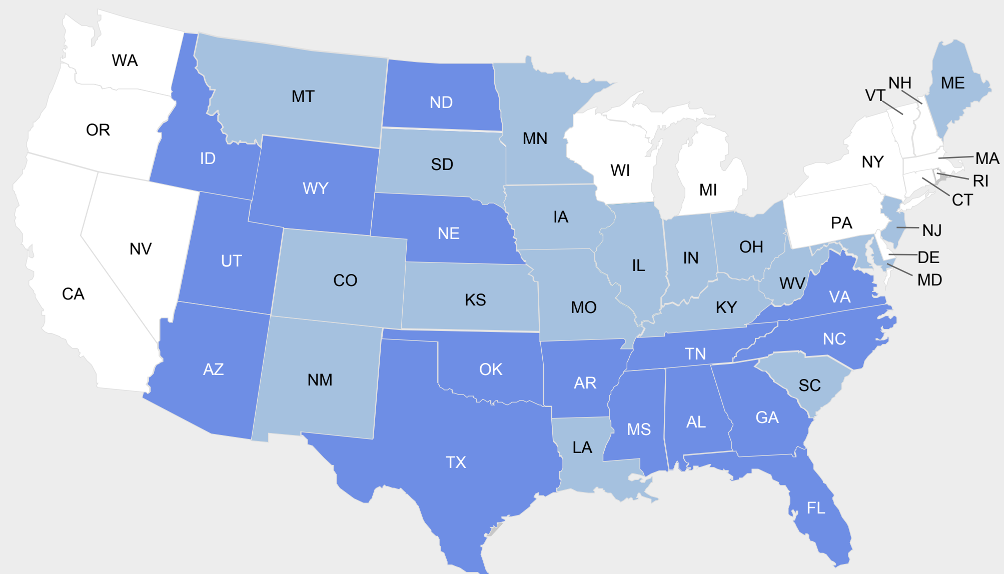

Highest Concentration

Average Concentration

Lowest Concentration

## CEMENT FUNDAMENTALS[2]

BASED ON PCA SECTOR COMPOSITE
RANKINGS*




Above Average

Average

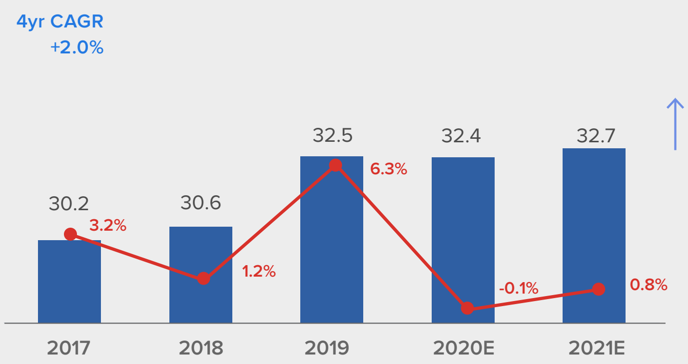
Below Average

[1]Source: PCA United States' Cement Outlook
[2]Source: PCA Market Intelligence, Regional Analysis (July 2020)

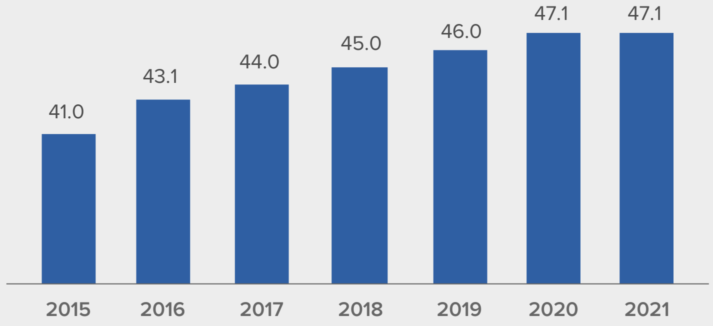
*Res: Mortgage Delinquency and Unemployment Rates, Home Prices
Non Res: Manufacturing, Office, Retail and Hospitality (Jobs Recovered)
Public: Fiscal Health, Transportation Capital Expenditures, Employment, Long-Term Public Debt

# LEADING TO A POSITIVE OUTLOOK, DRIVEN BY AN EXPECTED INCREASE IN INFRASTRUCTURE SPENDING

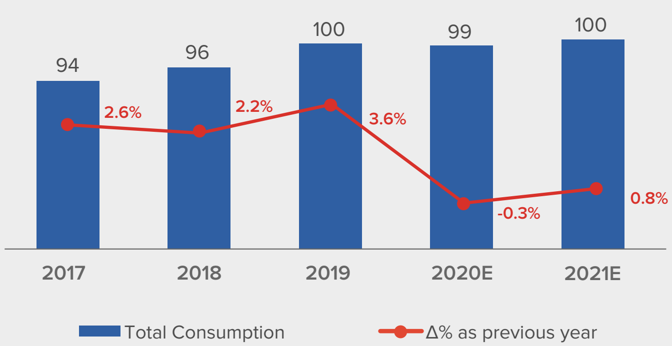
## FORECAST CEMENT CONSUMPTION IN ALL GCC U.S. MARKETS (MMT) [1]



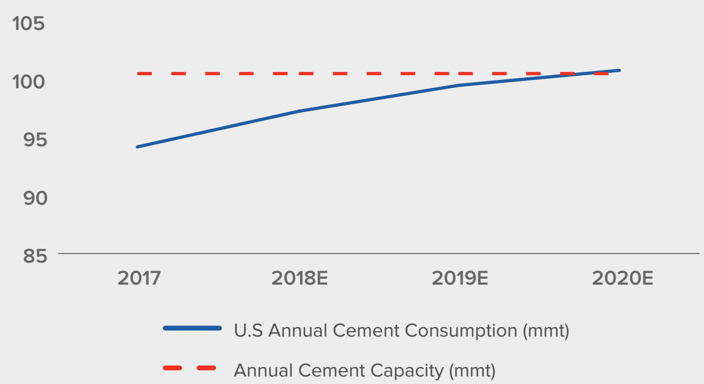

## HIGHWAY BUDGET AUTHORIZATIONS INCLUDED IN THE FAST ACT ($ BB) [2]




## FORECAST TOTAL U.S. CEMENT CONSUMPTION (MMT)[3]




## U.S CEMENT DEMAND WILL OUTPACE SUPPLY BY 2020 IMPORTS WILL BE A CRITICAL SOURCE OF SUPPLY




Sources: U.S. DOT Federal Highway Administration, PCA, and DBA | [1] PCA Summer 2020 Forecast Analysis
[2] Fixing America's Surface Transportation Act, signed into law 2015 | [3] PCA Winter 2020 Forecast

## WITH A SOLID OUTLOOK IN KEY STATES

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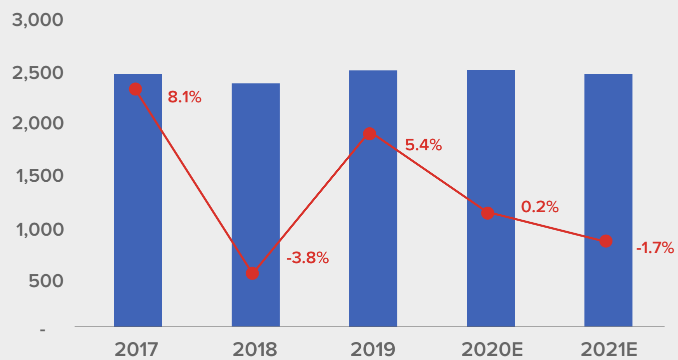
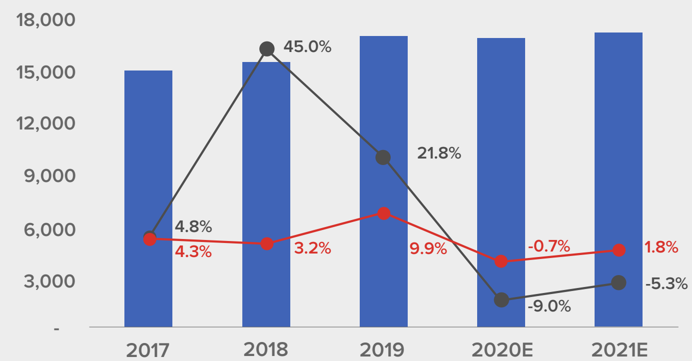
# PORTLAND CEMENT ASSOCIATION (PCA) SUMMER 2020 FORECAST AND MAIN CONSUMERS

### COLORADO




1- Government 2- Residential 3- Commercial

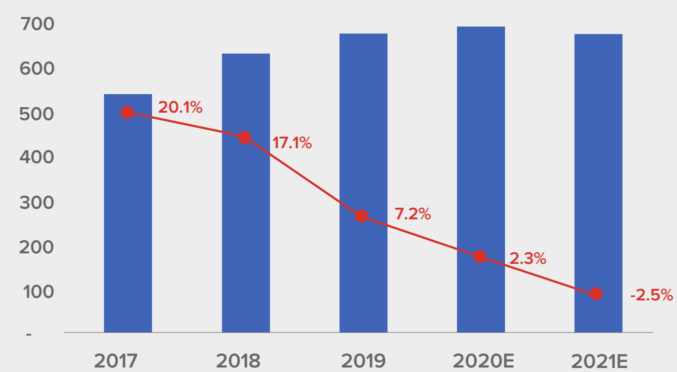
### TEXAS*




1- Government 2- Residential 3- Agricultural

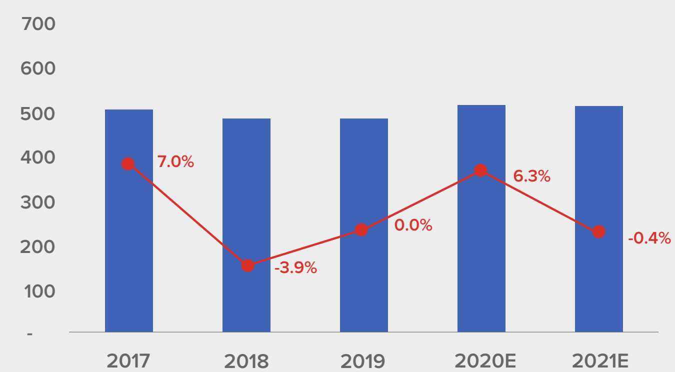
Total Consumption (000MT) Δ% vs previous year Δ% Oil Rig/Well Cement

### NEW MEXICO




1- Government 2- Residential 3- Agricultural

### SOUTH DAKOTA

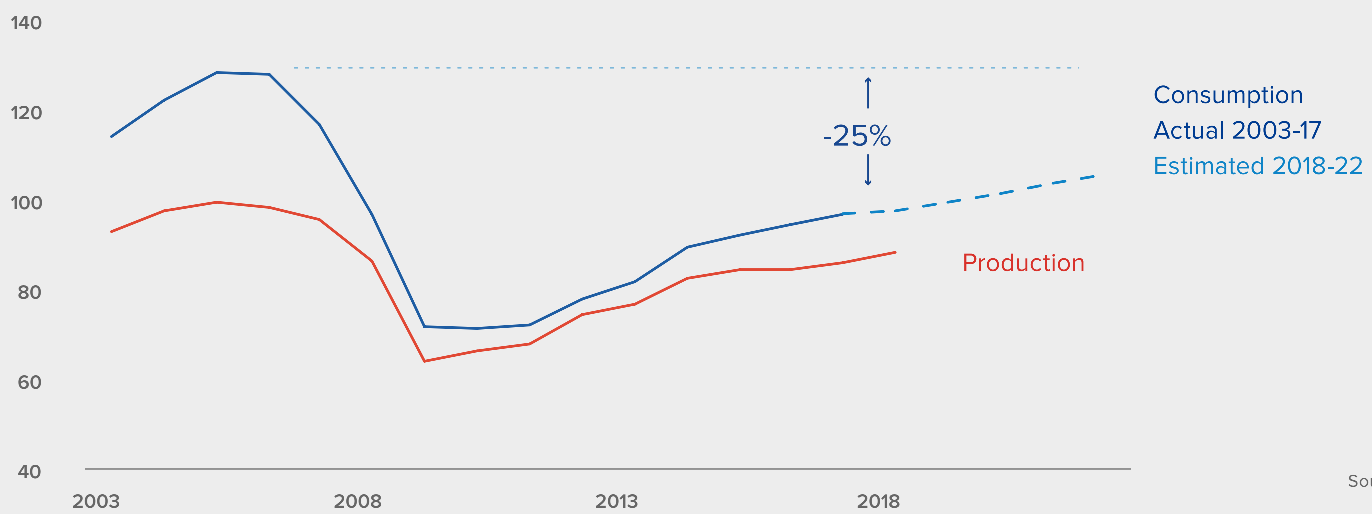



1- Government 2- Residential 3- Commercial

Source: PCA Summer 2020 Forecast Analysis
* Includes West and East Texas

# WHILE IN A FAVORABLE PHASE OF THE U.S. CEMENT CYCLE

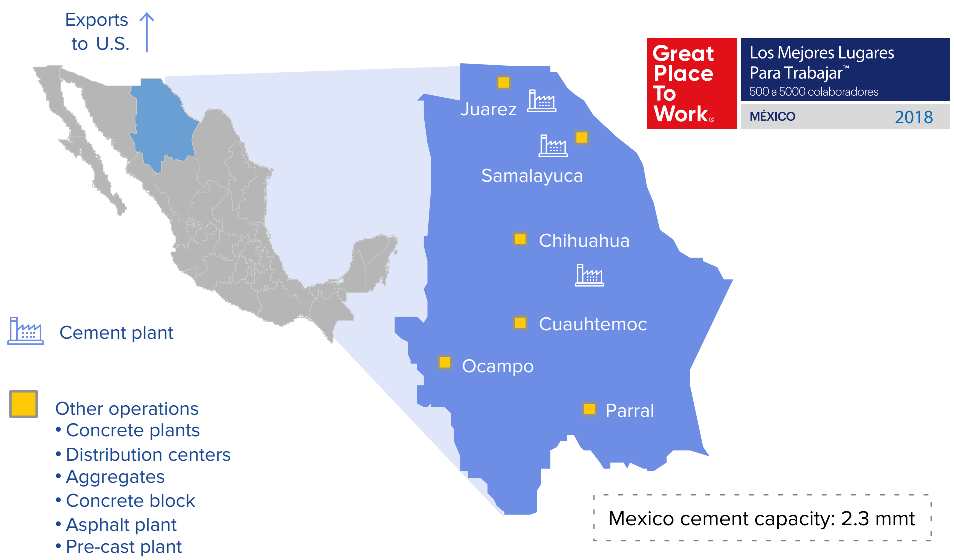
## U.S. CEMENT PRODUCTION AND CONSUMPTION




Source: USGS, GCC

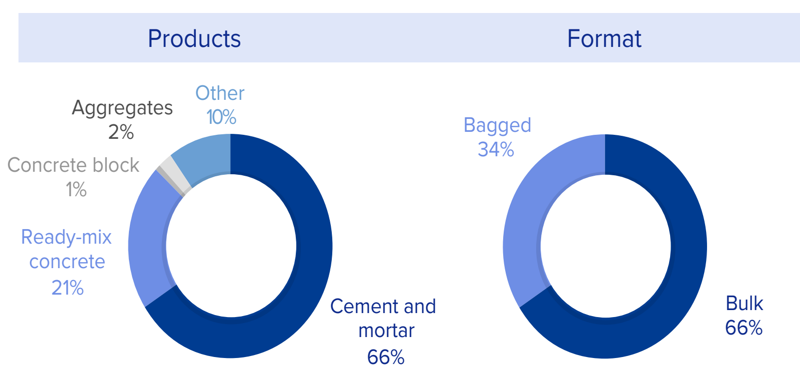
- 2019 U.S. apparent consumption is still 25% below 2005 peak
- Current expansion is 8 years and counting, compared to the median 13 year expansion in previous 4 cycles
- Import share is about 15% of consumption, compared to 25% share in 2006

# GCC IS THE LEADING PRODUCER IN THE STATE OF CHIHUAHUA, WITH SIGNIFICANT EXPORT CAPACITY

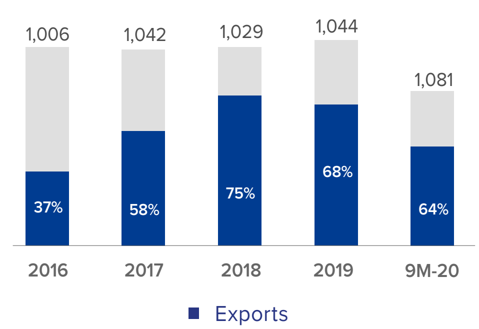



- GCC is sole producer of cement and the leading producer of ready-mix concrete in Chihuahua.
- Close economic ties between Chihuahua and the U.S.
  - Cyclical recovery benefit
  - Foreign direct investment target
- Demand growth driven by private sector
- Flexibility to supply Texas and New Mexico demand from Samalayuca and Juarez plants

## 9M-20 SALES MIX

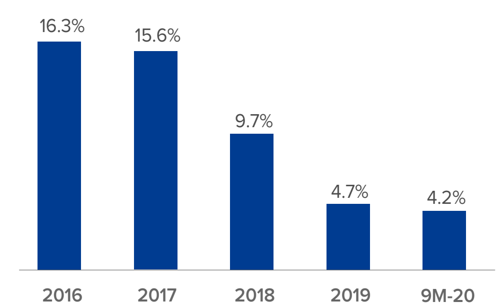



## EXPORT SHARE OF SAMALAYUCA AND JUAREZ PRODUCTION ('000 MT)




## CEMENT PRICING TRENDS

(% CHANGE YEAR-ON-YEAR)[1]




[1] Price changes in local currency

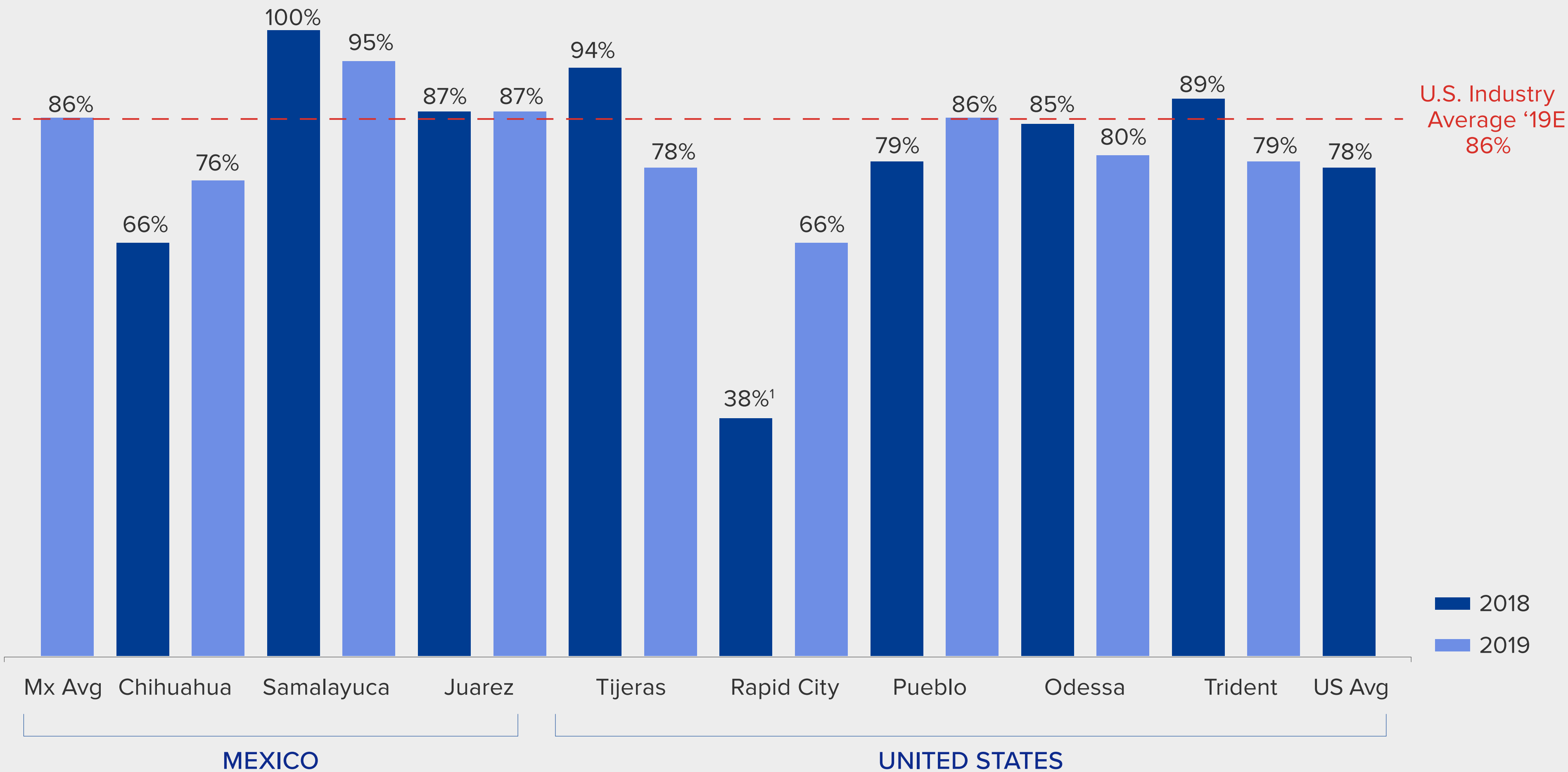
# VERTICALLY INTEGRATED OPERATIONS

GCC IS PRESENT AT ALL STAGES OF THE CEMENT AND READY-MIX SUPPLY CHAIN

| | |
|---|---|
| **FUEL** | Coal mine in Colorado provides a significant source of fuel for GCC cement plants, lowering costs and reducing price volatility |
| **RAW MATERIALS** | GCC owns most of the limestone quarries needed to supply cement, ready-mix and aggregates operations over the long-term |
| **CEMENT** | 8 plants in the U.S. and Mexico, close to raw materials sources |
| **READY MIX** | 95 plants. GCC cement plants supply almost a 100% of the cement used in our ready-mix operations |
| **CEMENT TERMINALS** | 24 cement terminals, 2 distribution centers, and transfer stations from Chihuahua to the U.S. –Canadian border |
| **TRANSPORT** | More than 2,200 leased railcars and 1,000+ mixer and haul trucks to transport cement, concrete and aggregates |

# WITH STATE OF THE ART PRODUCTION FACILITIES

# OPERATING AT NEAR-OPTIMAL CAPACITY UTILIZATION LEVELS




[1]Expansion shutdown

# LINKED BY SOPHISTICATED DISTRIBUTION NETWORK THAT LEVERAGES CONTIGUOUS MARKET FOOTPRINT

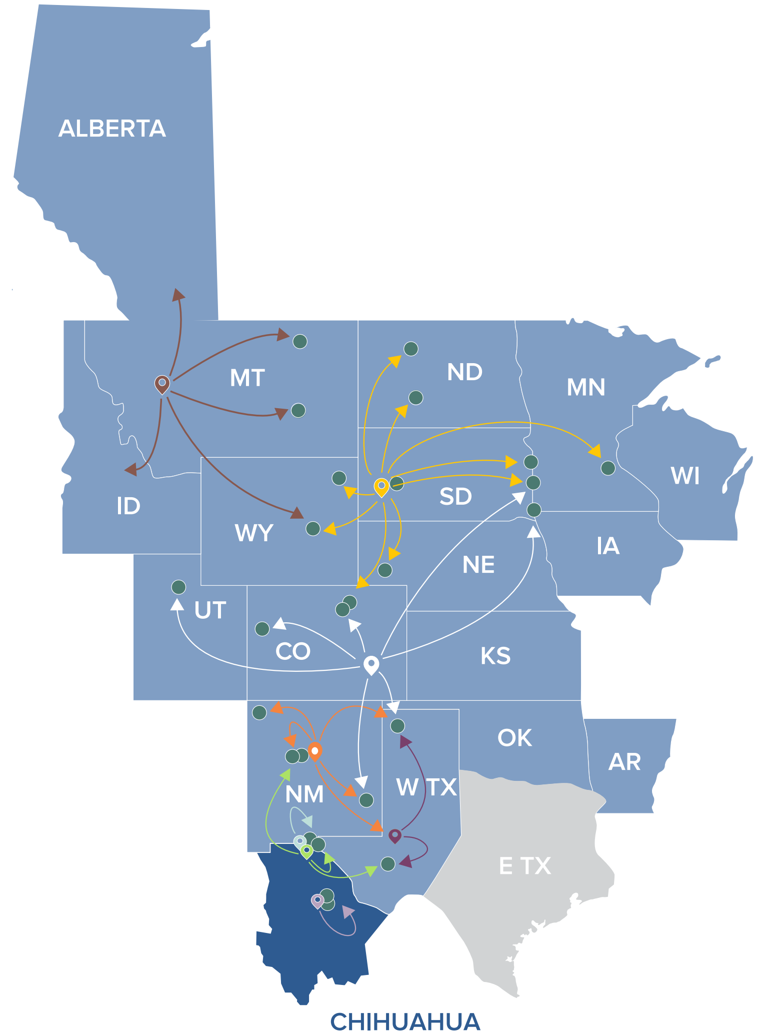
## ROBUST LOGISTICS PLATFORM STRETCHES FROM NORTHERN MEXICO TO THE U.S. BORDER WITH CANADA

- Operational flexibility
- Cost efficiency
- Faster delivery time
- Advanced logistics
- Reduced supply disruption risk
- Hard to replicate
- Brand loyalty and client trust
- Redundancy

24 cement terminals, 2 distribution centers, and transfer stations

+2,200 leased rail cars

95 ready-mix plants, 1,000+ mixer and haul trucks

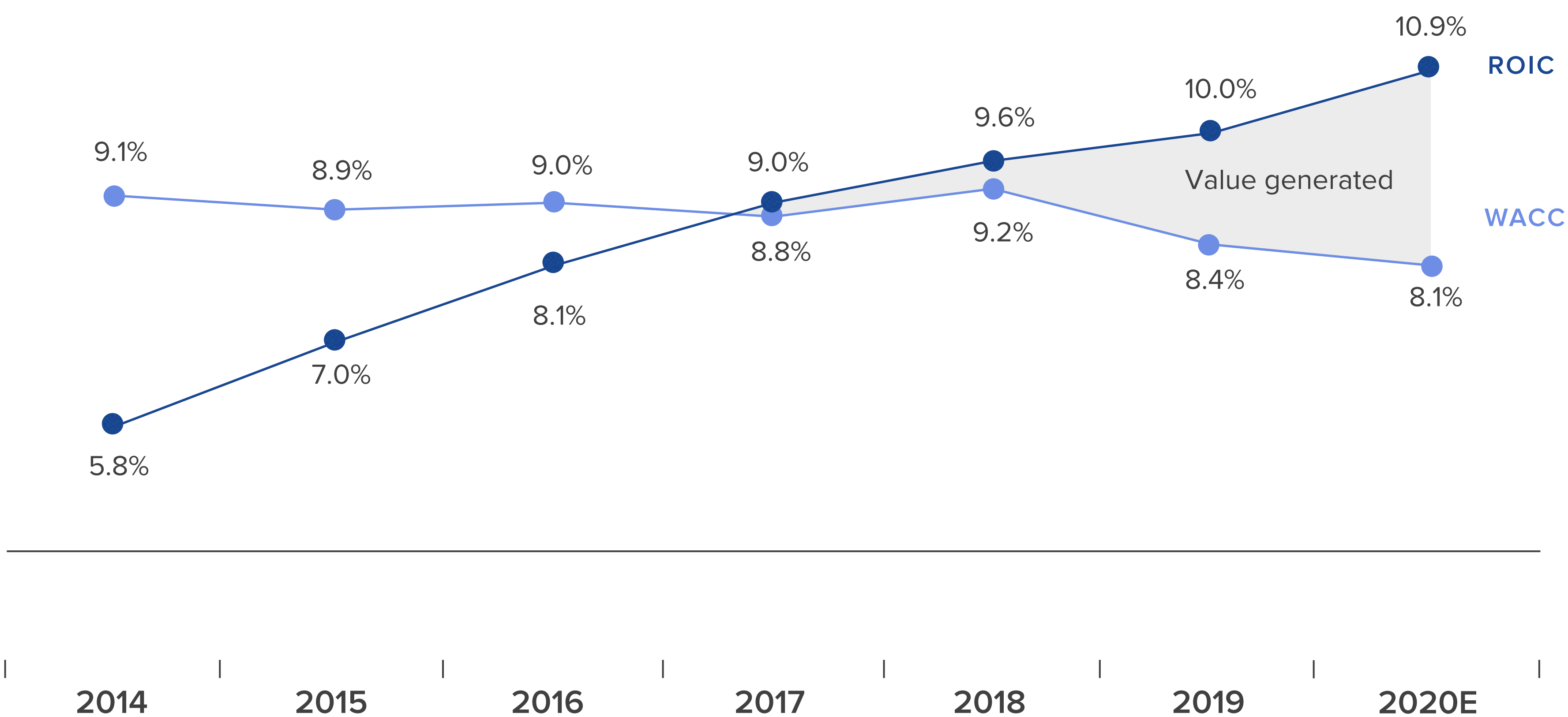



Cement terminal

Cement plants

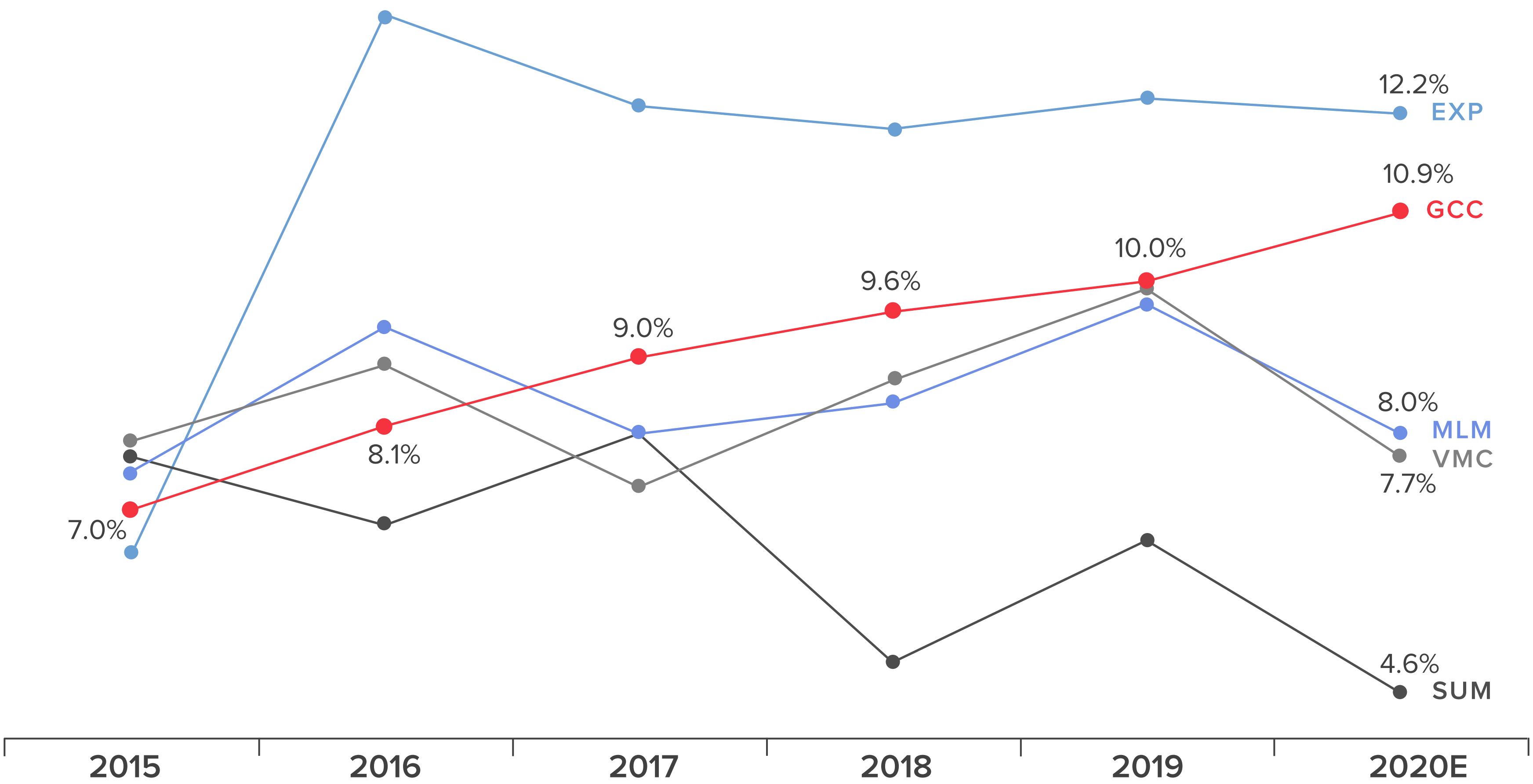
Denotes sale of cement from origin state to destination state

# OPTIMIZING OPERATIONS FOR VALUE GENERATION



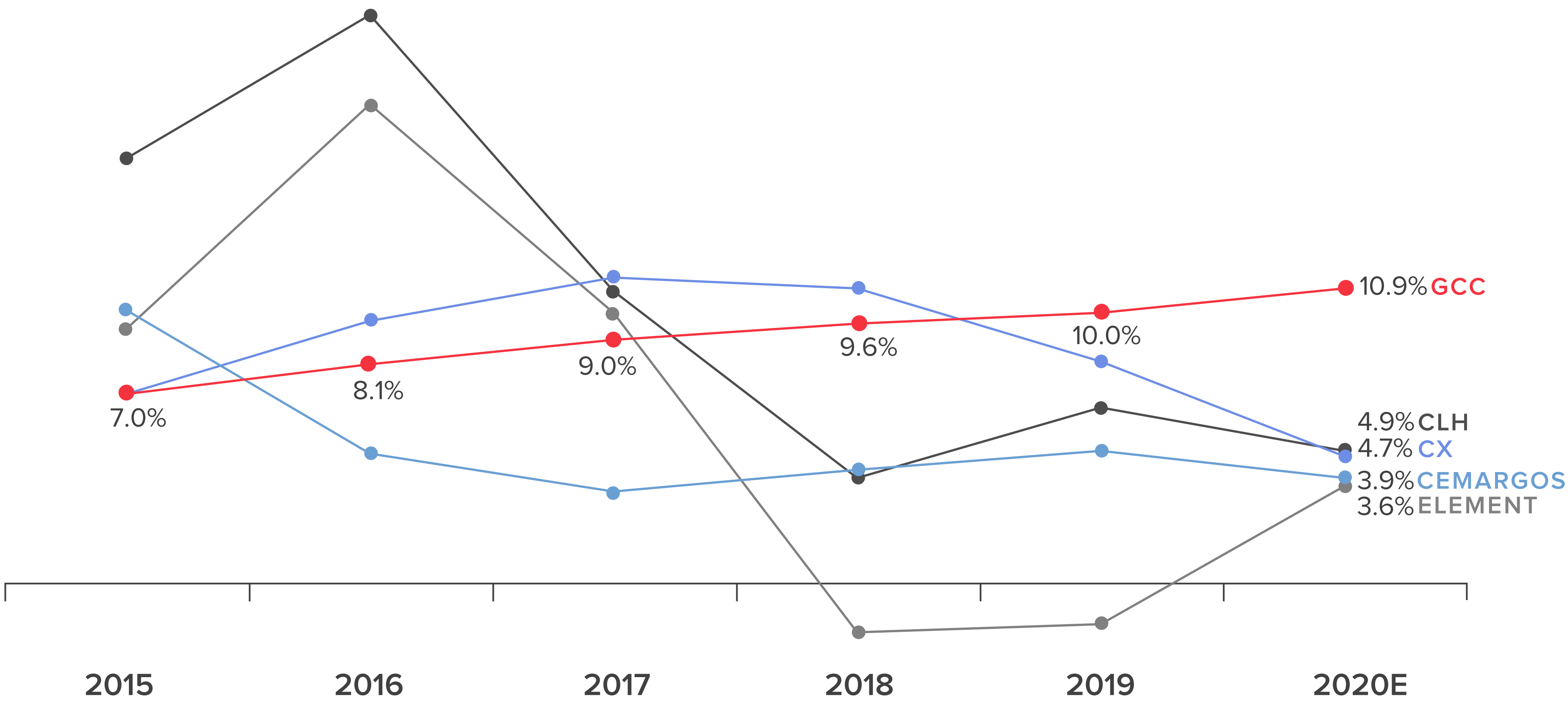

Any projections have been prepared based on GCC's views as of the date of this presentation and include estimates and assumptions about future events which may prove to be incorrect or may change over time
ROIC = NOPAT / Avg. Invested Capital
WACC = [Cost of Equity x (Market Value of the Company's Equity ÷ Total Market Value of the Company)] + [Cost of Debt x (Market Value of the Company's Debt ÷ Total Market Value of the Company)]

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




Source: Company and J.P. Morgan estimates

# … AS WELL AS ITS LATAM PEERS




Source: Company and Morgan Stanley estimates

# RECENT DEVELOPMENTS ENHANCE GCC'S VALUE PROPOSITION

| Cement Capacity Growing | EBITDA Growing | Debt Falling and Refinancing | Increased free float and liquidity |
|---|---|---|---|
| **+514k mt** Odessa in 2016 acquisition | **+55.0%** EBITDA growth since 2016 | **0.61x** Leverage | **48%** of total shares on BMV |
| **+440k mt** Rapid City in 2018 expansion | **31.3%** 2019 margin | **BB+** S&P and Fitch rating | **+23%** Free Float |
| **+315k mt** Trident in 2018 acquisition | | **$18 mm** Annual interest savings | **S&P/BMV IPC** Index inclusion |
| | | | **FTSE** Index inclusion |
| | | | **MSCI** Index inclusion |
| | | | **FTSE BIVA** Index inclusion |

## BOND AND BANK DEBT REFINANCING STRENGHTEN FINANCIAL POSITION

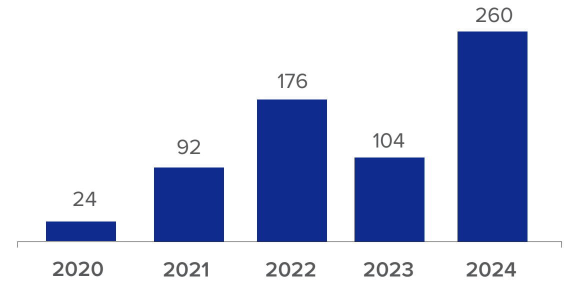
### REDUCTION OF ANNUAL INTEREST EXPENSES BY US$18M

- Bond interest coupon decreased to 5.250% from 8.125% (June 2017)
  - Savings on financial expenses = ~ US$ 8 million per year
  - Extended maturity 4 years
- Bank debt refinancing yields an estimated US$ 10 million in annualized interest expense savings (June 2018)

| AGENCY | RATING | OUTLOOK | DATE |
|---|---|---|---|
| S&P | BB+ | Stable | 05/19 |
| FITCH | BB+ | Stable | 02/20 |

### MATURITY PROFILE

(US$ million)




### DEBT COMPOSITION (SEPTEMBER 2020, US$ MILLION)

| SECURITIES DEBT | BANK DEBT |
|---|---|
| Notes due 2024 $260 | 2018 Refinancing $382 |
| | Revolving facility $50 |

### DEBT RATIOS

(September30, 2020)

Net Debt / EBITDA
**0.61x**

EBITDA / Net Interest Expense
**14.69x**

### INTEREST RATES

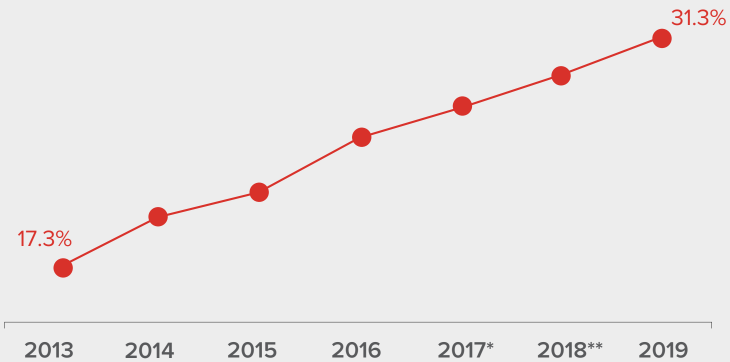
5.25% LIBOR + 1.73% (variable)

Blended: 3.27%

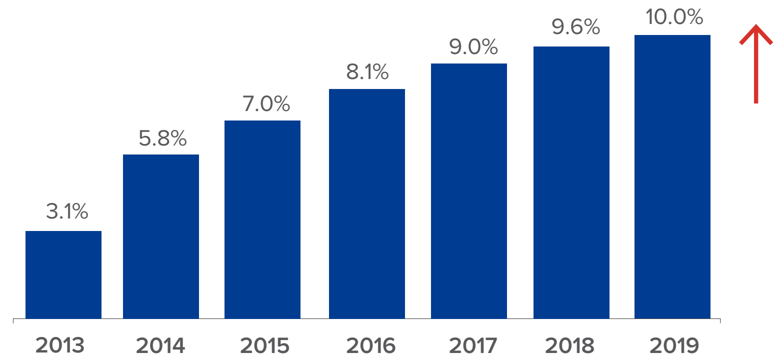
Debt amounts based on loan contract amounts. IFRS balance sheet values slightly lower

# DEBT AND CAPITAL EFFICIENCY INDICATORS STEADILY IMPROVING

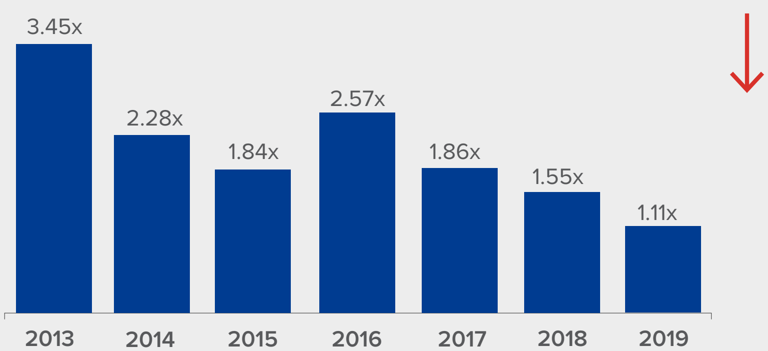
## EBITDA MARGIN



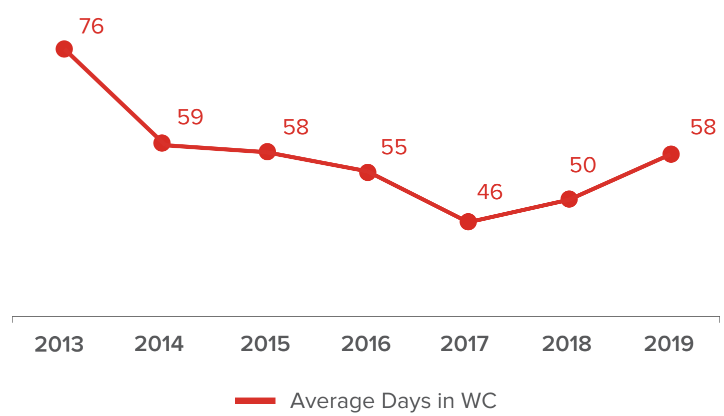

## ROIC (NOPAT / Avg. Invested Capital)




## NET LEVERAGE RATIO (Net Debt / EBITDA)



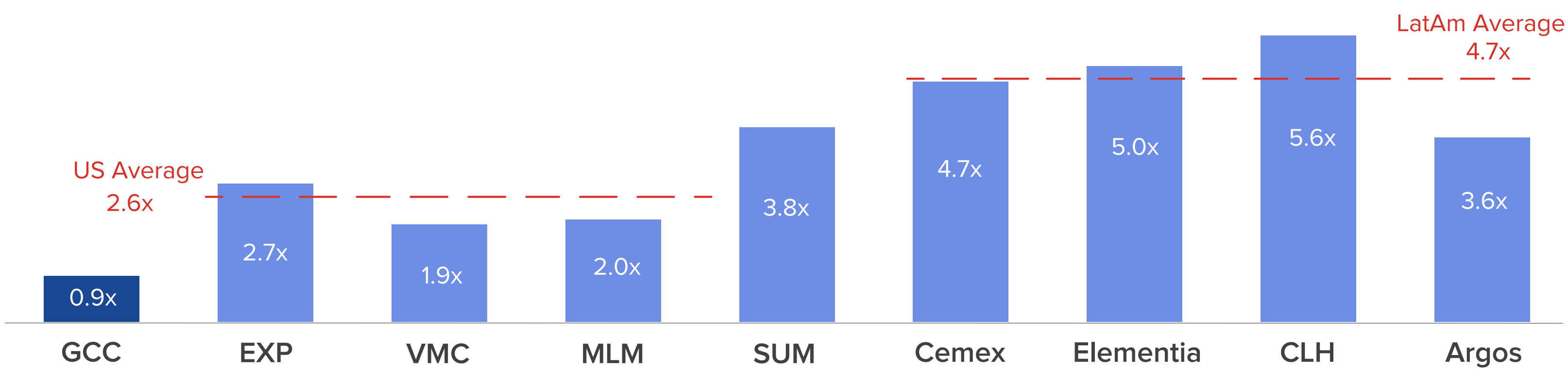

## WORKING CAPITAL (Based on sales)



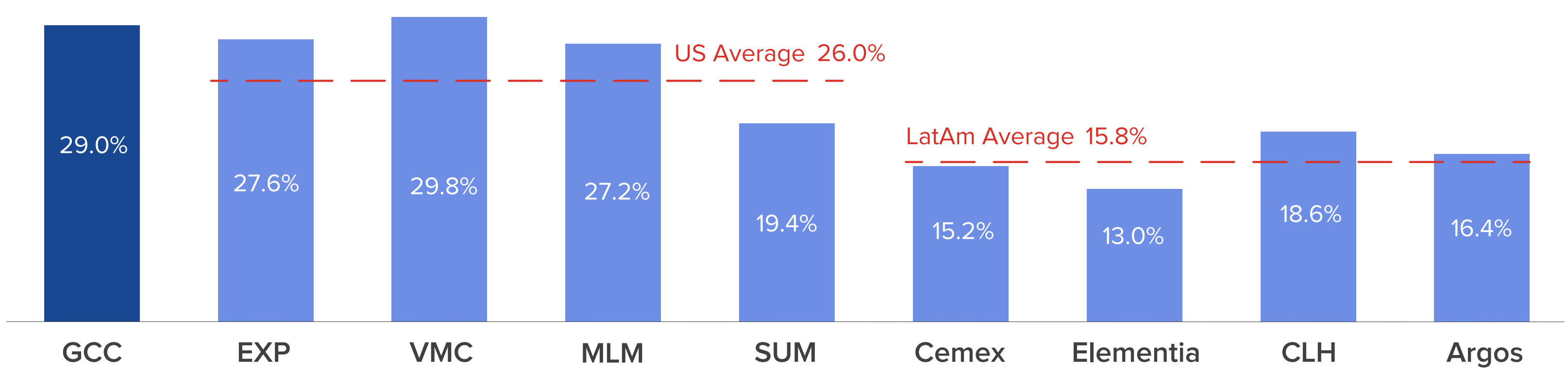

* Proforma after asset swap **Explained partially by Rapid City plant's expansion shutdown

# STRENGTHENED MARGINS AND LOWER INDEBTEDNESS THAN MOST OF OUR PEERS

### 2020 estimated Net Debt/EBITDA multiples*




### 2020 estimated EBITDA margins*




*Sources: J.P. Morgan (May 2020) and Morgan Stanley (August 2020) estimates

# CAPITAL MARKETS TRANSACTIONS INCREASED SHARE FLOAT AND LIQUIDITY; VALUATION REMAINS ATTRACTIVE

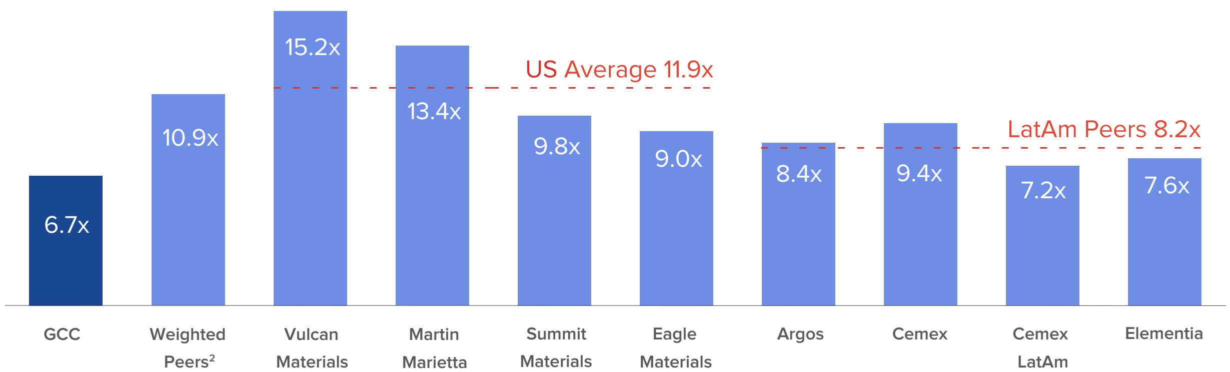
## TRANSACTIONS BENEFIT PUBLIC MARKET SHAREHOLDERS

- Transparent control group shareholdings
- Float increased to 48% of shares
- Increased liquidity

## SHARES STILL TRADE BELOW PEER GROUP MULTIPLES

- Even after 56% price increase since 2017
- Trading at a 38% discount to weighted peers[2]
- 43% discount to U.S. average
- 15% discount to LatAm average

## 2020 ESTIMATED EV/EBITDA MULTIPLES[1]



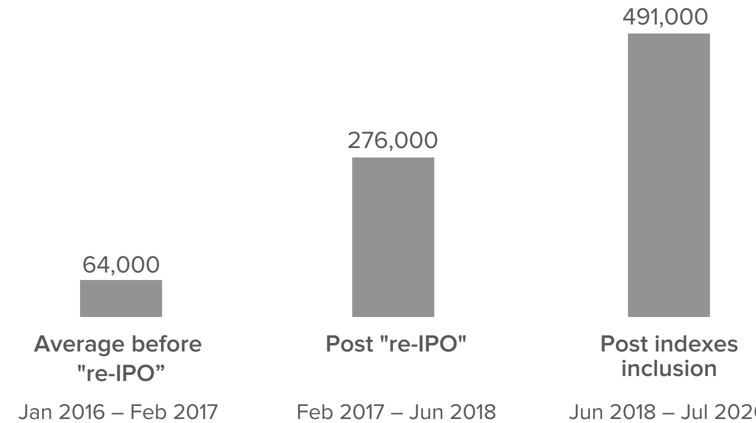

[1] Source: J.P. Morgan (May 2020) and Morgan Stanley (July 2020) estimates
[2] Weighted peers implies: 73% US peers + 27% LatAm peers

# LIQUIDITY ENHANCING EVENTS

## LIQUIDITY HAS INCREASED SIGNIFICANTLY AS A RESULT OF CORPORATE DEVELOPMENTS AND STOCK MARKET POSITIONING

- “Re-IPO,” February 2017
- MSCI Index inclusion, June 2018
- IPC Index inclusion
  *(September 2018 - April 2020)*
- FTSE Index inclusion, March 2019
- Shareholder’s partial early termination of equity forward, September 2018

**AVERAGE DAILY TRADING VOLUME, SHARES[1]**




| | Coverage | Rating |
|---|---|---|
| 1 | Actinver | Buy |
| 2 | Bank of America | Neutral |
| 3 | Banorte | Buy |
| 4 | Data Based Analysis | Not Authorized |
| 5 | GBM | Outperformer |
| 6 | HSBC | Buy |
| 7 | Invex | Buy |
| 8 | Itaú | Outperformer |
| 9 | JP Morgan | Overweight |
| 10 | Morgan Stanley | Overweight |
| 11 | Nau Securities | Buy |
| 12 | Santander | Buy |
| 13 | Scotiabank | Outperformer |
| 14 | UBS | Buy |
| 15 | Ve por Más | Buy |
| | **Average** | **Buy** |



**Indexes**

- FTSE
- FTSE BIVA
- MSCI
- S&P/BMV IPC

1 Source: BMV; GCC calculations
1 Averages exclude trading volumes at time of re-IPO and partial early termination of equity forward

# GCC JOINED THE GLOBAL CEMENT AND CONCRETE ASSOCIATION IN 2018

## MAIN GOAL

REDUCE NET CO2 EMISSIONS **9%** BY 2020 AND **22%** BY 2030

## GCCA GOAL

COLLECTIVE AMBITION FOR CARBON NEUTRAL CONCRETE BY 2050

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

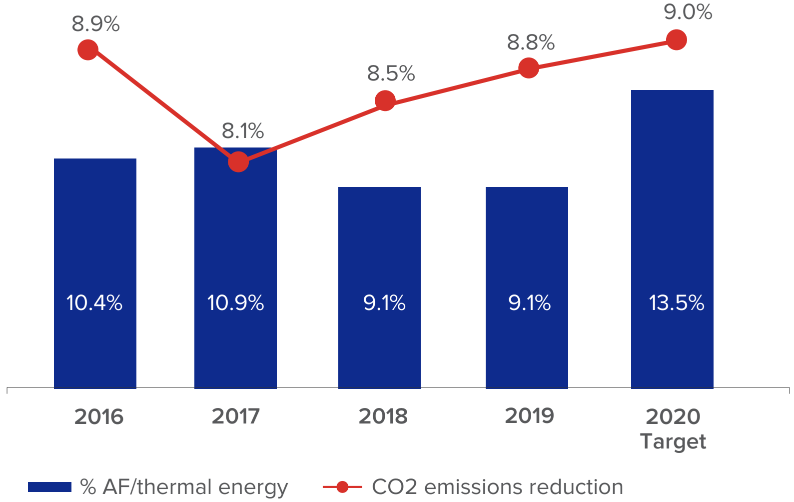
### HOW?

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

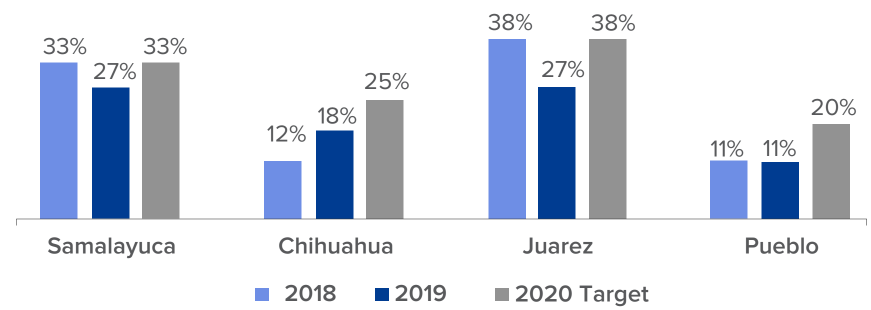
CO2 emissions reductions are compared to our 2005 baseline for 2020 target and to our 2018 baseline for 2030 target

# SUPPORTED BY SUSTAINABILITY INITIATIVES RESULTING IN DIRECT ECONOMIC AND ENVIRONMENTAL BENEFITS

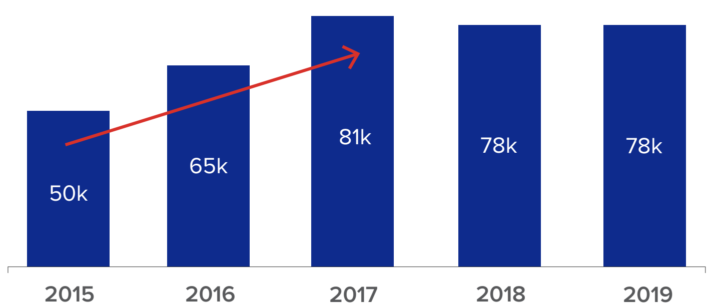
### ALTERNATIVE FUELS (AF) USAGE AND CO2 EMISSIONS REDUCTION[1]




### AF USAGE BY PLANT




### ALTERNATIVE FUELS USAGE (MT)




### AF PROVIDE SIGNIFICANT COST ADVANTAGES

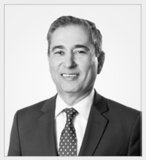
- In 2019, AF provided 9.1% of total thermal energy and reduced CO2 emissions by 8.8%
- In 2018, GCC saved more than US$4 million using AF
- AF are 50% cheaper than coal, on average
- In 2019, GCC received permit to co-process AF at Rapid City
- In 2018, GCC expanded the Pueblo plant´s AF capability
- In 2017, GCC secured a flexible fuel-permit for Odessa
- Tijeras fuel permit is in the final stages

[1] 2005 is the baseline year for CO2 emissions reduction

## LATEST ESG ACHIEVEMENTS

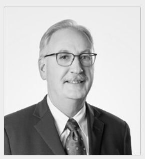
- GCC joined the *Science Based Targets initiative* to reduce CO2 emissions
- Three long-term agreements were signed with renewable energy suppliers covering approximately 20%, 100% and 50% of the electricity consumed at Mexico's operations, Odessa plant and Rapid City plant, respectively
- GCC joined GCCA's research network, Innovandi
- Use of biomass fuel at the Juarez plant reduced CO2 emissions by 38%
- Rapid City has permanently shut down two wet kilns
- Two U.S. cement plants earned EPA Energy Star certification
- Pueblo plant earned the Energy Star certification for second year in a row
- PCA recognized Odessa plant for outstanding environmental efforts
- Zero fatalities
- Lost time accidents decreased by 27%
- GCC Foundation focuses on sustainable living projects throughout Chihuahua
- Mexico Great Place to Work® ranking increased to 14th from 30th
- U.S. Division was certified as a Great Place to Work®
- 15th consecutive year awarded Mexican Center for Philanthropy (CEMEFI) Socially Responsible Company distinction

# EXPERIENCED MANAGEMENT TEAM, WITH SOUND CORPORATE GOVERNANCE



**ENRIQUE ESCALANTE, CEO**
GCC since 1999; 21 years in the industry

**LUIS CARLOS ARIAS, CFO**
GCC since 1996; 24 years in the industry



**RON HENLEY, U.S. DIVISION PRESIDENT**
GCC since 2012; 34 years in the industry

**MARCOS RAMÍREZ, MEXICO DIVISION PRESIDENT**
GCC since 1990; 30 years in the industry

GCC's senior management team averages ~27 years cement industry experience

Note that GCC currently has an ownership threshold of 3% or more of GCC's total outstanding shares; a position greater than 3% requires prior autorization by GCC's Board

GCC

48.2% Free float

51.8% CAMCEM

100%

Chihuahua Investors 60% + CEMEX 40%

| | | |
|---|---|---|
| **BOARD OF DIRECTORS** | Proprietary, Chihuahua investors | 6 |
| | Proprietary, Cemex | 4 |
| | Independent | 4 |

**AUDIT AND CORPORATE PRACTICES COMMITTEE**

All 3 committee members are independent

Assists the Board in carrying out its oversight duties and conducting corporate practices in accordance with the Mexican Securities Market Law

Monitors compliance with internal policies and applicable laws and regulations regarding related party transactions and significant transactions

# COMPENSATION PLAN

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

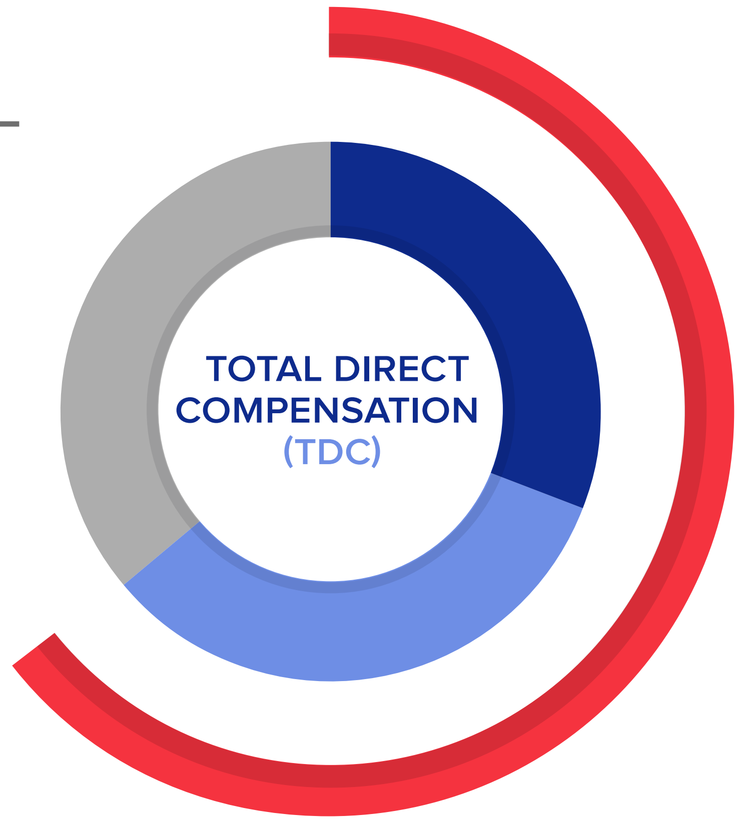
## FIXED PAY

### 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

4 year vesting period

**CEO:** ~ 36%

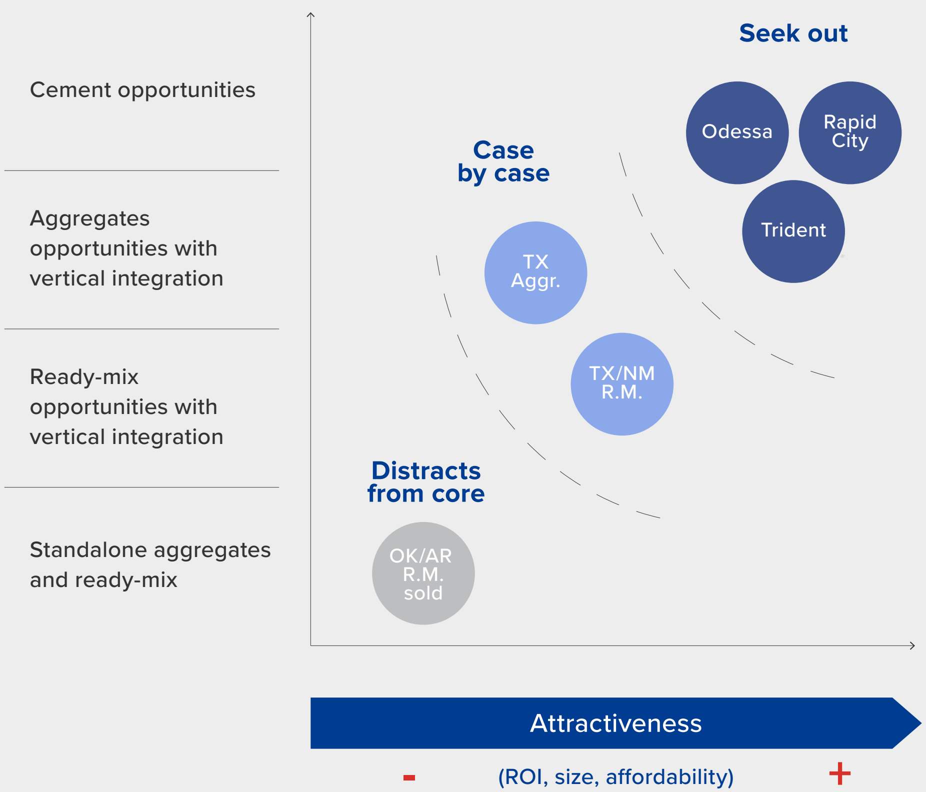
**Key executives:** 15% - 34%

# WITH A DISCIPLINED APPROACH TO ACQUISITION AND GROWTH INVESTMENTS

## FRAMEWORK

| | | |
|---|---|---|
| 1 | Increase presence in existing markets | • Increase market share<br>• Vertical integration<br>• Value-added products |
| 2 | Increase productivity | • Efficient investment strategy<br>• Expand and scale capacity in a disciplined manner<br>• Improve distribution network utilization |
| 3 | Enter new markets | • Continue successful U.S. expansion<br>• Focus on synergic contiguous markets |
| 4 | Value accretive M&A | • Analyze opportunities that can generate shareholder value<br>• Apply successful experience in integrating acquisitions to add synergies |

## STRATEGIC PRIORIZATION AND EVALUATION OF ALTERNATIVES



# ENRIQUE ESCALANTE

## CEO Q3 2020 QUOTE

**Enrique Escalante, GCC's Chief Executive Officer, commented:**

*"GCC had a steady EBITDA growth, a strong free cash flow generation & margin expansion, showing once again, the continued and successful execution of a comprehensive plan to reduce costs and expenses.*

*We experienced mixed demand for our products in most of our markets in Mexico and the U.S; however, both exceeding our expectations from the beginning of the COVID-19 pandemic.*

*Looking forward, our backlog remains encouraging, while overall macro conditions show mixed signs, and short-term uncertainty prevails, mainly COVID-19 outbreaks and weather. Therefore, our goal is to maintain our financial strength, keep people safe and employed, and to continue to serve GCC's life blood - our invaluable customers.*

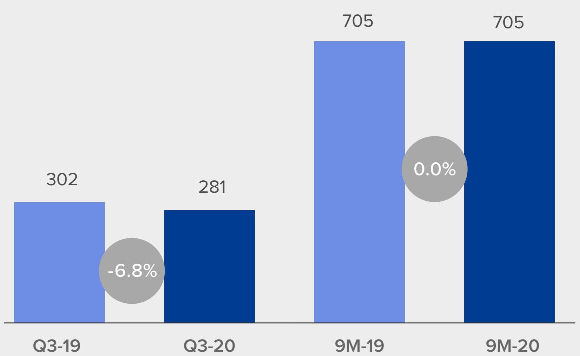
*Mr. Escalante continued, "We delivered better than expected results, but we are not completely satisfied yet. We will continue looking intensely at efficiencies, costs and expenses; always focusing on liquidity and our people's health as a top priority."*

# APPENDIX

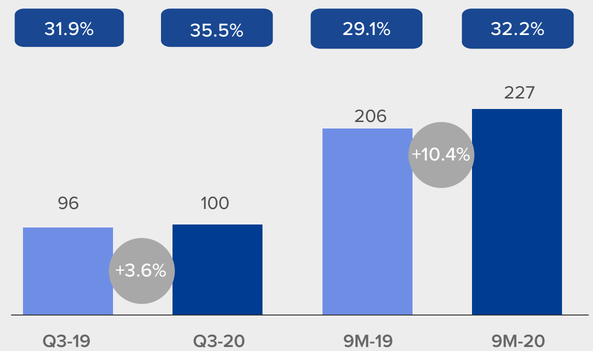
## Q3 2020 RESULTS

# Q3 2020 RESULTS

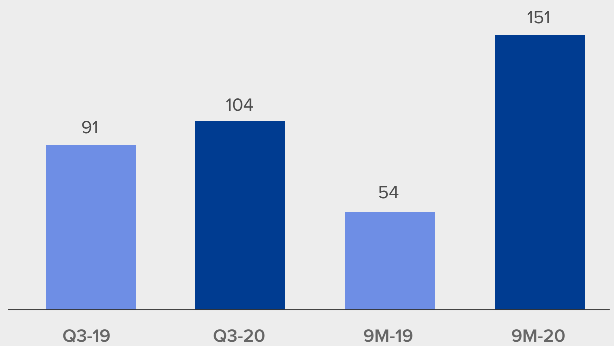
**SALES** (US$ MILLION)



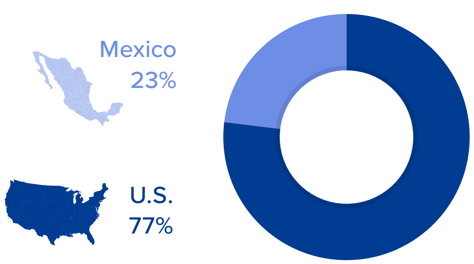

**EBITDA & EBITDA MARGIN** (US$ MILLION)



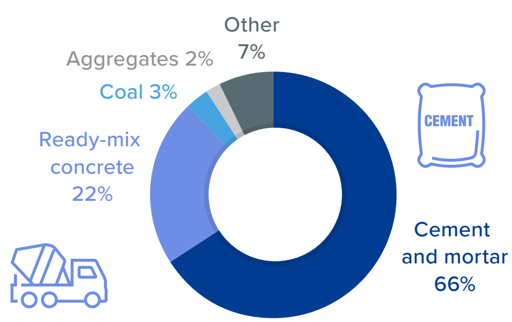

**FREE CASH FLOW** (US$ MILLION)[1]



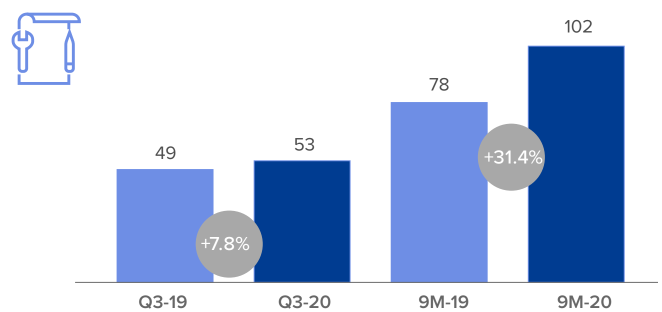

**NET SALES BY COUNTRY**




**SALES MIX**




**NET INCOME** (US$ MILLION)



# Q3 2020 RESULTS HIGHLIGHTS

| Millions of dollars | Q3-20 | Q3-19 | Var | 9M-20 | 9M-19 | Var |
|---|---|---|---|---|---|---|
| Net sales | 281.1 | 301.7 | -6.8% | 705.3 | 705.5 | 0.0% |
| Operating Income before other expenses | 75.7 | 69.7 | 8.7% | 154.7 | 123.2 | 25.6% |
| EBITDA | 99.9 | 96.4 | 3.6% | 227.0 | 205.6 | 10.4% |
| *EBITDA Margin* | *35.5%* | *31.9%* | | *32.2%* | *29.1%* | |
| Consolidated Net Income | 52.6 | 48.8 | 7.8% | 102.2 | 77.8 | 31.4% |

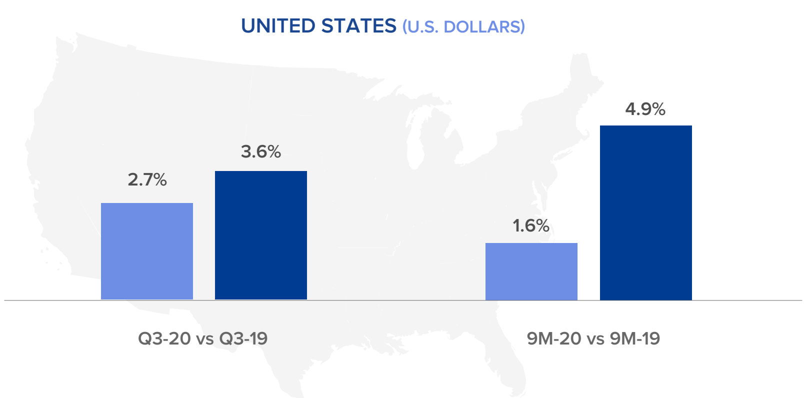
- Mexico cement volumes increased 8.1%
- Consolidated net sales decreased 6.8%, to US$281.1 million
- EBITDA increased 3.7% to US$99.9 million, with a 35.5% EBITDA margin; a 3.6 percentage points increase
- Free cash flow totaled US$104.2 million, with a 104% conversion rate from EBITDA
- Net leverage (net debt/EBITDA) ratio dropped to 0.61x as of September 2020
- Earnings per share increased 8.3% year-on-year, to US$0.1587
- A dividend of Ps. 0.94 per share was declared in the Annual Shareholders' Meeting; 50% of it was paid on August 7, and the remaining dividend will be paid on January 11, 2021

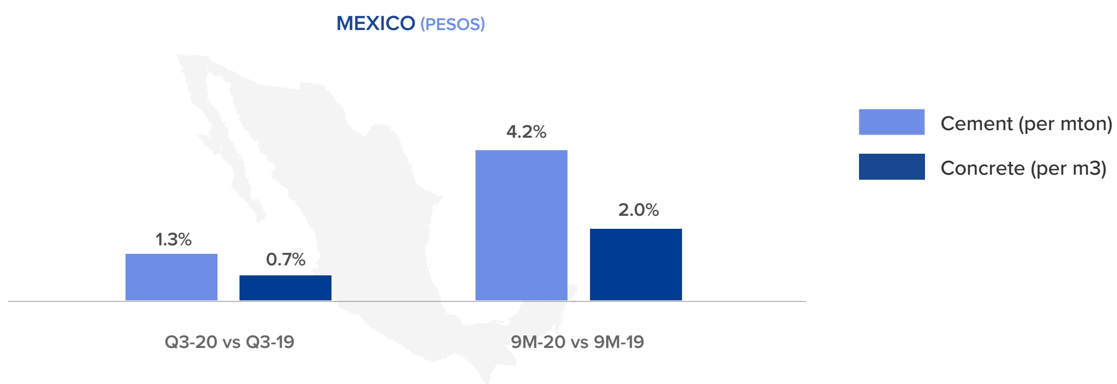
# SALES VOLUMES AND PRICES

| | Q3-20 vs Q3-19 | 9M-20 vs 9M-19 |
|---|---|---|
| **Cement sales** | | |
| U.S. | -14.6% | -2.7% |
| Mexico | 8.1% | 0.1% |
| **Concrete sales** | | |
| U.S. | 0.1% | 8.6% |
| Mexico | -4.0% | -8.8% |

- The decrease in U.S. cement volumes was primarily due to a tough comparison against an all-time-high third quarter and a global drop in oil well cement volumes.
- Excluding the shortfall felt from the oil well market, as of September, our U.S. construction cement volumes are up 4% against last year's levels.
- A strong and stable return in cement volumes across our Mexican markets reflects a V-shaped recovery.
- On-going quarantines and work from home triggered self-construction projects which increased bagged cement sales.

## GCC AVERAGE SELLING PRICES, % CHANGE




Percentage changes are based on actual results, before rounding

# SALES

| Million dollars | Q3-20 | Q3-19 | Var | 9M-20 | 9M-19 | Var |
|---|---|---|---|---|---|---|
| Consolidated | 281.1 | 301.7 | -6.8% | 705.3 | 705.5 | 0.0% |
| U.S. | 217.3 | 236.0 | -8.0% | 528.0 | 514.8 | 2.5% |
| Mexico | 63.9 | 65.6 | -2.7% | 177.3 | 190.7 | -7.0% |

## U.S SALES

Experienced mixed demand for our products all across our markets. Results in the U.S. were mainly impacted by a tough comparison against an all-time-high third quarter and a global drop in oil well cement volumes.

## MEXICO SALES

On-going quarantines and work from home triggered self-construction projects which increased bagged cement sales.

Depreciation of the Mexican peso against the U.S. dollar reduced Mexico´s sales by ~US$8 million.

Exluding the FX effect, Mexico's sales would have increased 9%.

Percentage changes are based on actual results, before rounding

# INCOME STATEMENT (MILLION DOLLARS)

| | Q3-20 | Q3-19 | Var | 9M-20 | 9M-19 | Var |
|---|---|---|---|---|---|---|
| **Net Sales** | **281.1** | **301.7** | **-6.8%** | **705.3** | **705.5** | **0.0%** |
| U.S. | 217.3 | 236.0 | -8.0% | 528.0 | 514.8 | 2.5% |
| Mexico | 63.9 | 65.6 | -2.7% | 177.3 | 190.7 | -7.0% |
| Cost of sales | 186.2 | 209.8 | -11.3% | 491.3 | 517.4 | -5.0% |
| SG&A expenses | 19.2 | 22.1 | -13.1% | 59.4 | 65.0 | -8.7% |
| Other expenses, net | 6.5 | 0.2 | n.m. | 11.5 | 0.7 | n.m. |
| **Operating Income** | **69.2** | **69.5** | **-0.5%** | **143.1** | **122.5** | **16.8%** |
| Operating margin | 24.6% | 23.0% | | 20.3% | 17.4% | |
| Net financing (expenses) | (8.0) | (8.8) | -9.0% | (17.3) | (30.0) | -42.2% |
| Earnings in associates | 0.4 | 0.6 | -21.3% | 1.3 | 1.6 | -21.6% |
| Income taxes (benefit) | 9.0 | 12.5 | -27.5% | 24.9 | 16.4 | 52.0% |
| **Consolidated net income** | **52.6** | **48.8** | **7.8%** | **102.2** | **77.8** | **31.4%** |
| **EBITDA** | **99.9** | **96.4** | **3.7%** | **227.0** | **205.6** | **10.4%** |
| EBITDA margin | 35.5% | 31.9% | | 32.2% | 29.1% | |

*Percentage changes are based on actual results, before rounding

# FREE CASH FLOW (MILLION DOLLARS)

| | Q3-20 | Q3-19 | Var | 9M-20 | 9M-19 | Var |
|---|---|---|---|---|---|---|
| Operating income before other expenses | 75.7 | 69.7 | **8.7%** | 154.7 | 123.2 | 25.6% |
| Depreciation and amortization | 24.2 | 26.7 | -9.4% | 72.4 | 82.4 | -12.2% |
| **EBITDA** | **99.9** | **96.4** | **3.7%** | **227.0** | **205.6** | **10.4%** |
| | | | | | | |
| Interest income (expense) | (1.9) | (2.5) | -24.2% | (12.9) | (15.6) | -17.4% |
| (Increase) in working capital | 11.6 | 2.1 | 465.1% | (25.7) | (71.6) | -64.1% |
| Taxes | (0.8) | (1.5) | -44.7% | (12.9) | (20.0) | -35.5% |
| Prepaid expenses | (1.8) | (0.2) | 824.5% | 1.8 | 0.4 | 365.5% |
| Accruals and other accounts | 9.8 | 11.1 | -11.2% | 10.6 | 5.8 | 81.3% |
| Operating Leases (IFRS 16 effect) | (4.9) | (5.5) | -10.7% | (14.6) | (16.0) | -8.5% |
| | | | | | | |
| **Operating cash flow** | **111.9** | **99.8** | **12.1%** | **173.2** | **88.6** | **95.6%** |
| Maintenance CapEx* | (7.7) | (9.2) | -16.2% | (22.0) | (34.5) | -36..1% |
| **Free cash flow** | **104.2** | **90.6** | **15.0%** | **151.2** | **54.1** | **179.5%** |
| Growth & strategic CapEx | (0.4) | (0.7) | **-36.8%** | (1.7) | (12.1) | -86.3% |
| Share repurchase, net | (0.0) | (0.0) | 0.0% | (5.2) | (0.9) | 504.8% |
| Revolving credit line | 0.0 | 0.0 | 100.0% | 50.0 | 0.0 | 100.0% |
| Debt amortizations, net | (10.0) | (2.0) | 400.0% | (15.4) | (2.4) | 542.7% |
| Dividends paid | (7.0) | (13.9) | -49.6% | (7.0) | (13.9) | -49.6% |
| FX effect | 1.9 | (1.7) | n.m. | (11.5) | 0.3 | n.m. |
| Initial cash balance | 422.3 | 204.6 | 106.4% | 350.5 | 251.8 | 39.2% |
| **Final cash balance** | **510.9** | **276.9** | **84.5%** | **510.9** | **276.9** | **84.5%** |
| **FCF conversion rate**** | **104.3%** | **94.0%** | | **66.0%** | **26.3%** | |

* Excludes growth and strategic capital expenditures

** Free cash flow conversion rate = free cash flow after maintenance CapEx / EBITDA

Increase in Free Cash Flow in Q3-20 reflects:

- Higher EBITDA generation
- Lower interest expenses
- Lower cash taxes
- Lower working capital requirements
- Lower maintenance CapEx

Increase in Free Cash Flow in 9M-20 reflects:

- Higher EBITDA generation
- Lower interest expenses
- Lower cash taxes
- Lower maintenance CapEx
- Lower working capital requirements

# BALANCE SHEET (MILLION DOLLARS)

| | Sep-20 | Sep-19 | Var |
|---|---|---|---|
| **Total Assets** | **2,126.0** | **2,014.0** | **5.6%** |
| **Current Assets** | **817.5** | **613.5** | **33.3%** |
| Cash | 510.9 | 276.9 | 84.5% |
| Other current assets | 306.5 | 336.5 | -8.9% |
| **Non-current assets** | **1,308.6** | **1,400.6** | **-6.6%** |
| Plant, property, & equipment | 941.2 | 1,003.9 | -6.3% |
| Goodwill and intangibles | 297.6 | 315.0 | -5.5% |
| **Other non-current assets** | 69.8 | 81.7 | -14.5% |
| **Total Liabilities** | **1,021.6** | **975.6** | **4.7%** |
| **Current Liabilities** | 304.2 | 187.0 | 62.7% |
| Short-term debt | 116.0 | 17.4 | 565.7% |
| Other current liabilities | 188.2 | 169.6 | 11.0% |
| **Long-term liabilities** | **717.4** | **788.6** | **-9.0%** |
| Long-term debt | 571.8 | 633.5 | -9.7% |
| Other long-term liabilities | 83.7 | 99.7 | -16.0% |
| Deferred taxes | 61.9 | 55.4 | 11.8% |
| **Total equity** | **1,104.5** | **1,038.4** | **6.4%** |

- Net leverage (net debt/EBITDA) dropped to 0.61x as of September 2020
- A dividend of Ps. 0.94 per share was declared in the Annual Shareholders' Meeting; 50% of it was paid on August 7 and the remaining dividend will be paid on January 11, 2021

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