



Q1 2021 EARNINGS CONFERENCE CALL

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risks, including, but not limited to, broad trends in business and finance, legislation affecting our securities, exchange rates, interest rates, inflation, foreign trade restrictions, and market conditions, which may cause the actual financial and other results to be materially different from the results expressed or implied by such projections.

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:

Q1 21: 20.33 - Q1 20: 19.91

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

HIGHLIGHTS

- Encouraging backlog and market trends
- GCC's results reflect
 - Positive momentum in our industry
 - Early signs of a new phase of the industry's cycle
- Focused on producing and supplying for pent-up demand
- Experience gained
 - Financial, operational and with our teammates
- Room for improvement, innovation and adaptation

GCC steps into 2021 construction
season even stronger

Q1 2021 HIGHLIGHTS



US\$49.5M

EBITDA



9%

27.7%

EBITDA Margin



2.2 ppt

US\$17.7M

Free Cash Flow



59%

- Q1 volumes are not a strong indicator of the full-year shipments
 - Less than 20% of full-year volumes
 - 1:3 ratio against Q3 volumes
- Full-year backlog is encouraging in every sector
- Q1 2020
 - No COVID-19 economic effects
 - Strong shipments
- Tough comps in oil well cement
- Performance and market conditions were better than expected

- Challenging weather conditions
- Gas and electricity outages in Texas
- Cement volumes grew 6%, excluding oil well cement
- Bidding new projects and shipping at strong levels
- U.S. competitors suffered from cement shortages
- Markets gains above expectations
- Taking advantage of spare capacity to supplement increased demand
 - Fire up all of Chihuahua's kilns to produce and export construction and oil well cement
 - Every kiln at GCC will be up and running

	Q1 21 vs. Q1 20	
	Volumes	Prices
Cement	-8%	3%
Concrete	-33%	6%

U.S. OVERVIEW

INFRASTRUCTURE

- Projects running at a steady pace with more in the pipeline
- Upside in the short and mid-term
- Economic stimulus package
 - Limited information on the infrastructure bill for roads and bridges
 - Incremental funding of 30% to 50% over Fast Act
 - Increase in cement demand would take 12 to 18 months after the proposal is approved
- Indirect benefits
 - Less uncertainty
 - Support consumer confidence with unemployment checks
 - State and local governments infrastructure spending

U.S. OVERVIEW

RESIDENTIAL

- Home-buying surge
- Limited housing supply, favorable demographics and low interest rates support positive trends
- Supply and demand imbalance will not be rectified before 2022
- Fed's comments to keep interest rates low
- Strong outlook for the mid-term

NON-RESIDENTIAL & COMMERCIAL

- Mixed demand again
- U.S. economic recovery and government's stimulus funds support this market

U.S. OVERVIEW

OIL WELL CEMENT



- Competitors exiting the West Texas market to supply the shortage in the Texas triangle
 - Equipment failure at a competitor cement plant
 - Deep freeze in mid-February
- Opportunity to increase market share
 - Captured by Odessa and Chihuahua cement plants

PRICING

- US\$8/s ton increase - January with a few markets sliding into April
- No significant pushback
 - Tight supply
 - High industry utilization levels
- Price environment and dynamics will remain favorable
- Increase only applies to volumes currently committed
 - Additional volumes or new customer agreements subject to different pricing

Prices	Q1 21 vs. Q1 20
Cement	3%
Concrete	6%

MEXICO OVERVIEW

	Q1 21 vs. Q1 20	
	Volumes	Prices
Cement	6%	-1%
Concrete	8%	3%

- The State of Chihuahua continues a V-shaped recovery
- Sales in Mexico division increased almost 8%
 - Industrial warehouse construction
 - Mining & self-construction projects
 - Reactivation of public works projects in Juarez
- 2021 began with a strong demand for cement and ready mix
- Constructed retail store network filled demand of bagged cement across the state
- Private investment drives economic fundamentals in Chihuahua
- Growth strongly tied to the U.S. economy and recovery
- Chihuahua is an important part of the manufacturing supply chain
- Market trends remain positive

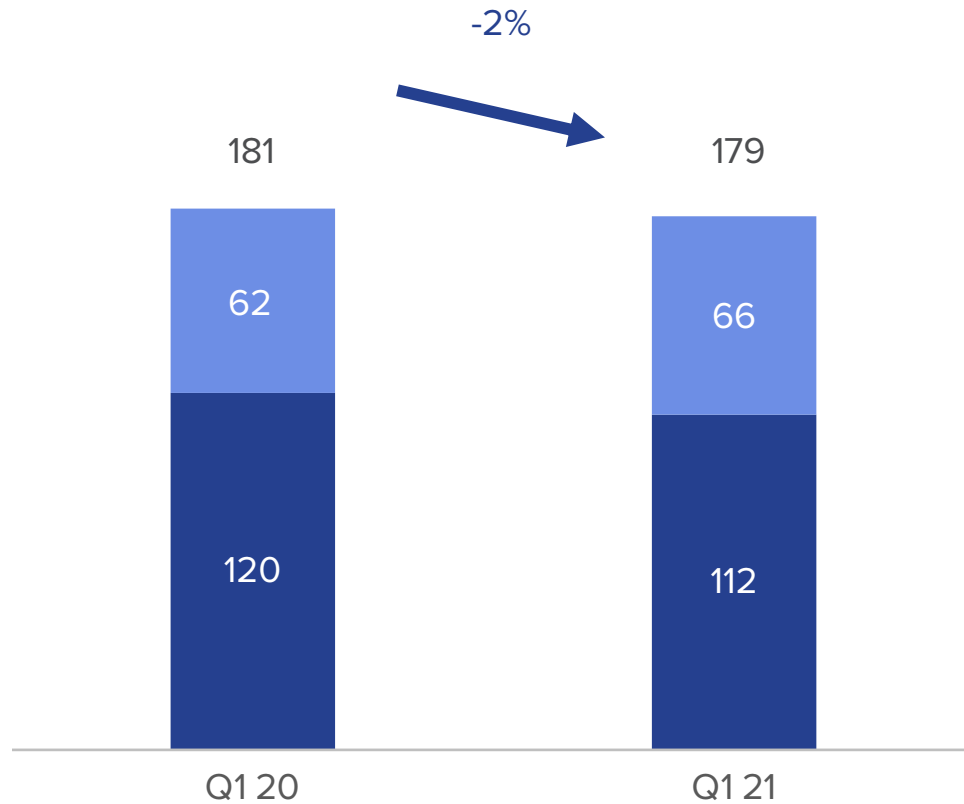


FINANCIAL RESULTS

LUIS CARLOS ARIAS, CFO



CONSOLIDATED NET SALES



(US\$ Million)

● United States

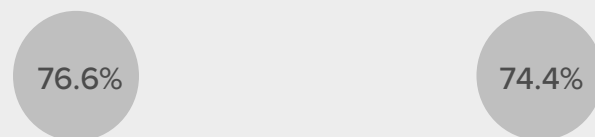
● Mexico

	Q1 21 vs. Q1 20	
	Volumes	Prices*
Cement		
United States	-8%	3%
Mexico	6%	-1%
Concrete		
United States	-33%	6%
Mexico	8%	3%

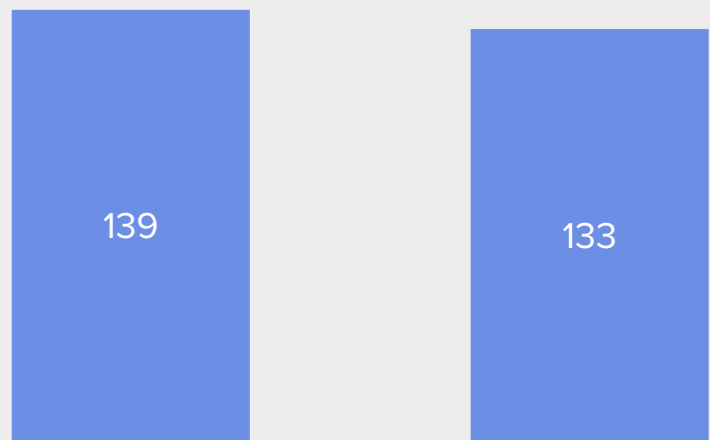
* Prices in local currency

COST OF SALES ↓

% of sales



- 220 BPS



Q1 20

Q1 21

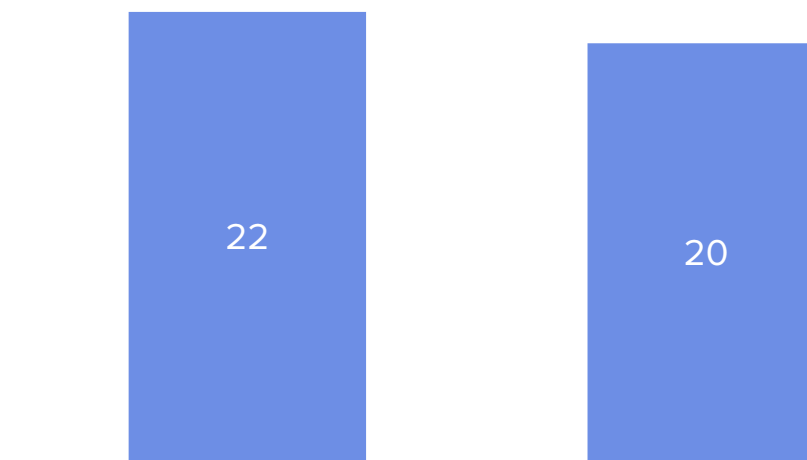
(US\$ Million)

SG&A ↓

% of sales



- 70 BPS

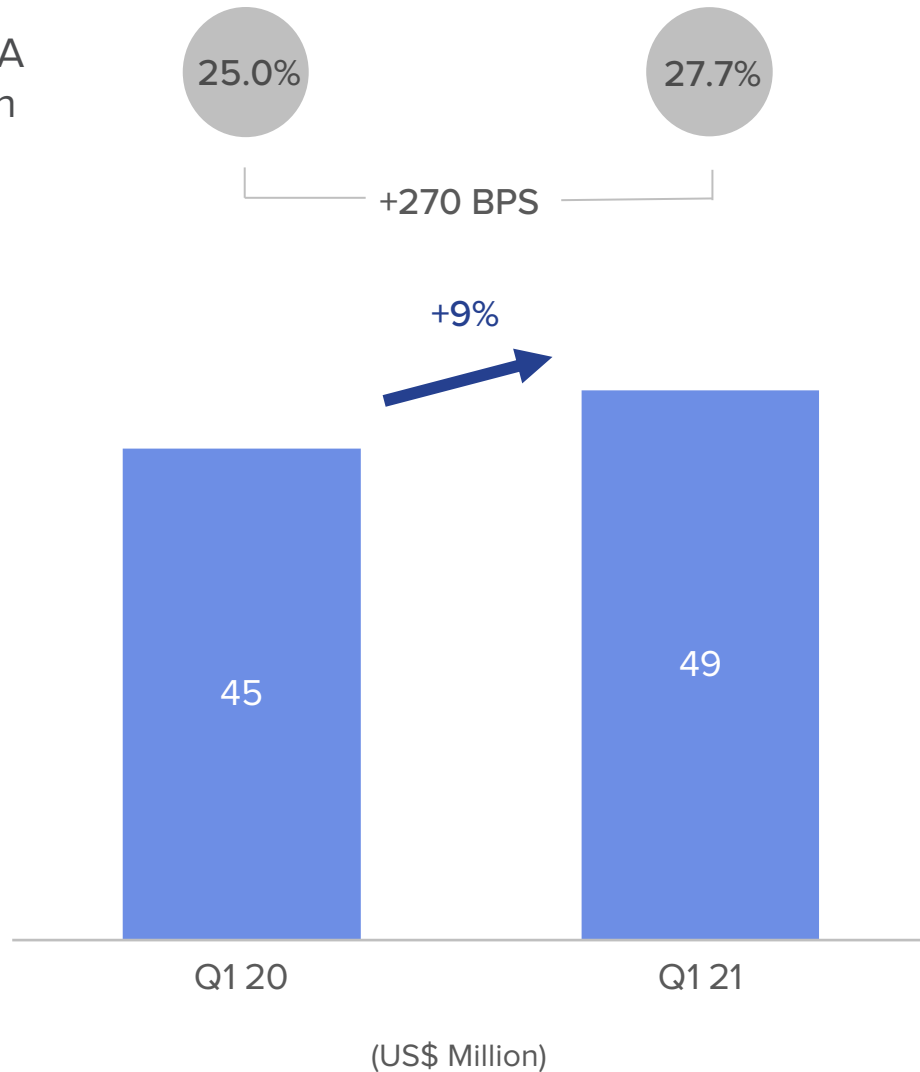


Q1 20

Q1 21

(US\$ Million)

EBITDA
margin



- Focused on increasing profitability
- Compensate for US\$14 million of cost and expenses saved in 2020
- 2020 cost and expenses reduction plan
 - Totaled US\$24 million
- Expect to maintain US\$10 million
 - Sweet spot between short- and long-term profitability
 - Without compromising our operations, employees' safety or taking unnecessary risks

NET FINANCIAL
EXPENSES ↑

US\$5.4M

Q1 2021
Expenses

VS.

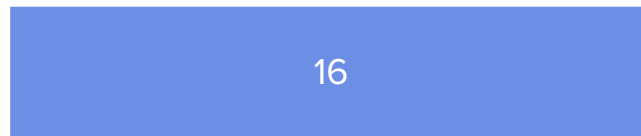
US\$0.2M

Q1 2020
Income

NET INCOME ↓ (7%)

Net income as
% of sales

Q1 2020

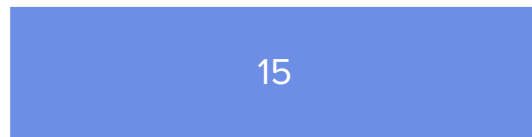


16

EPS = US\$0.0495

9.1%

Q1 2021



15

EPS = US\$0.0463

8.6%

- 50 BPS

(US\$ Million)

CASH FLOW



Million US\$	Q1 21	Q1 20	Var
EBITDA	49	45	9%
Interest (Expense)	(1)	(2)	-53%
(Increase) Decrease in Working Capital	(8)	(11)	-29%
Taxes	(1)	(3)	-58%
Prepaid expenses	3	1	127%
Accruals and other accounts	(15)	(6)	154%
Operating Leases (IFRS 16 effect)	(5)	(5)	-4%
Operating Cash Flow	23	20	16%
Maintenance CapEx	(5)	(8)	-40%
Free Cash Flow	18	11	59%
FCF conversion rate	36%	25%	

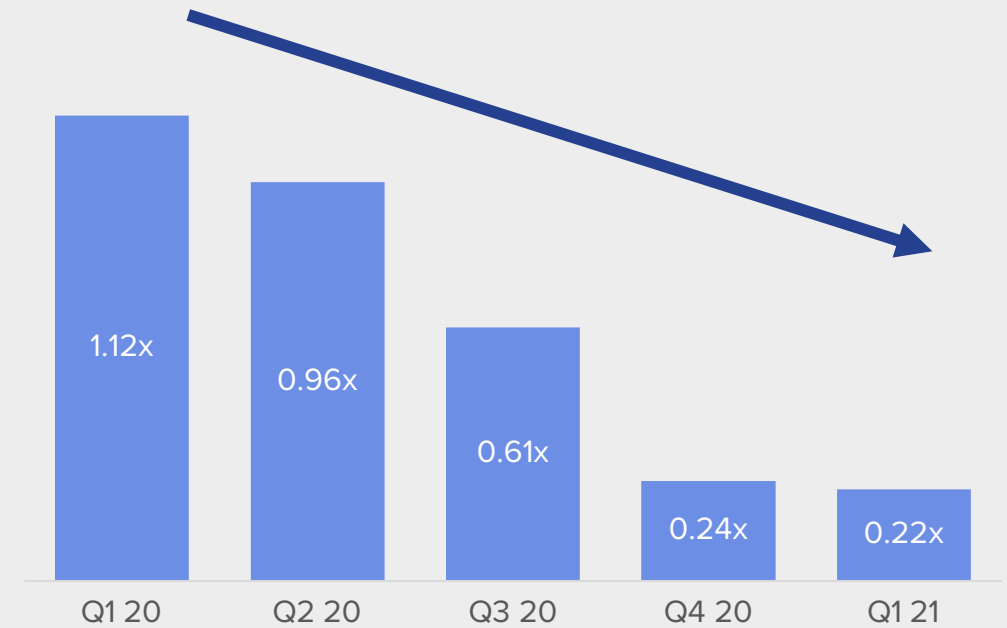
BALANCE SHEET

- Reduced working capital days from 59 to 47
- Cash and equivalents totaled US\$557M

Fitch and S&P Global Ratings recognized our operating performance and solid financial results

- Credit rating raised to BBB-
- Stable outlook
- GCC reached investment grade

NET LEVERAGE RATIO



- Professional team fully dedicated and actively looking for growth opportunities, both organic or inorganic
 - Focused on cement plants that could be plugged into our system
 - Expanding to adjacent markets where synergies can be generated
- Maintain our prudent capital allocation strategy, growing in an orderly manner
- Focus on generating value while investing strategically in our business
- If we do not find an appropriate asset, we will pay down debt to save on interest expenses



- Expect positive momentum to continue
- Underlying trends remain very solid
- Temporary market supply shortage
- Short-term visibility improved substantially
 - Projected COVID death rates are declining
 - U.S. government stimulus measures boost the economic recovery
 - U.S. vaccine rollouts are a game changer



2021 GUIDANCE



United States		
Volumes	Cement	2% - 4%
	Concrete	(10%) - (13%)
Prices	Cement	4% - 5%
	Concrete	
Mexico		
Volumes	Cement	2% - 4%
	Concrete	3% - 5%
Prices	Cement	2% - 3%
	Concrete	

Consolidated		
EBITDA growth		4% - 9%
FCF Conversion Rate		> 60%
Total CapEx		US\$ 75M
	Maintenance	US\$ 60M
	2020 carry over	US\$ 15M
Net Debt/EBITDA Year end		Negative

CORPORATE NAME

Grupo Cementos de Chihuahua → GCC

2025 VISION

To be the best cement company in North America with the proper balance of people, profit and the planet



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QUESTIONS

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APPENDIX



INCOME STATEMENT



Million dollars	Q1 21	Q1 20	Var
Net Sales	178.8	181.4	-1.5%
Cost of sales	133.0	139.0	-4.3%
SG&A	20.2	21.7	-6.9%
Other expenses, net	0.0	0.2	-87.5%
Operating Income	25.5	20.4	24.8%
Operating margin	14.3%	11.3%	
Net financing (expense)	(5.4)	0.2	n.m.
Earnings in associates	0.5	0.5	-10.6%
Income taxes	5.2	4.7	11.7%
Consolidated net income	15.3	16.5	-6.9%
EBITDA	49.5	45.3	9.2%
EBITDA margin	27.7%	25.0%	

BALANCE SHEET



Million dollars	March 2021	March 2020	Var
Total Assets	2,116.6	1,968.2	7.5%
Current Assets	824.5	627.0	31.5%
Cash and equivalents	556.9	338.7	64.4%
Other current assets	267.6	288.4	-7.2%
Non-current assets	1,292.1	1,341.1	-3.7%
Plant, property & equipment	943.5	962.9	-2.0%
Goodwill and intangibles	279.4	305.7	-8.6%
Other non-current assets	69.2	72.5	-4.6%
Total liabilities	940.9	908.9	3.5%
Short-term Liabilities	291.8	193.8	50.6%
Short-term debt	118.0	33.4	253.0%
Other current liabilities	173.8	160.4	8.4%
Long-term liabilities	649.1	715.1	-9.2%
Long-term debt	501.6	615.6	-18.5%
Other long-term liabilities	80.5	90.5	-11.0%
Deferred taxes	67.0	9.0	649.8%
Total equity	1,175.7	1,059.3	11.0%