



# CORPORATE PRESENTATION SEPTEMBER 2019





# 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:

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).

# INVESTMENT HIGHLIGHTS

TICKER: BMV: GCC

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- 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 FOUR YEARS OF OPERATIONAL AND FINANCIAL TRANSFORMATION

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

AS OF  
DECEMBER  
2018 VS 2014

Cement  
Capacity

+1.4mmt  
+33%

EBITDA  
Growth

+67%

EBITDA  
Margin

+864bp

Net Debt/  
EBITDA

2.28x →  
1.55x

Free Float

25% →  
48%

Share Price  
(07/30/19)

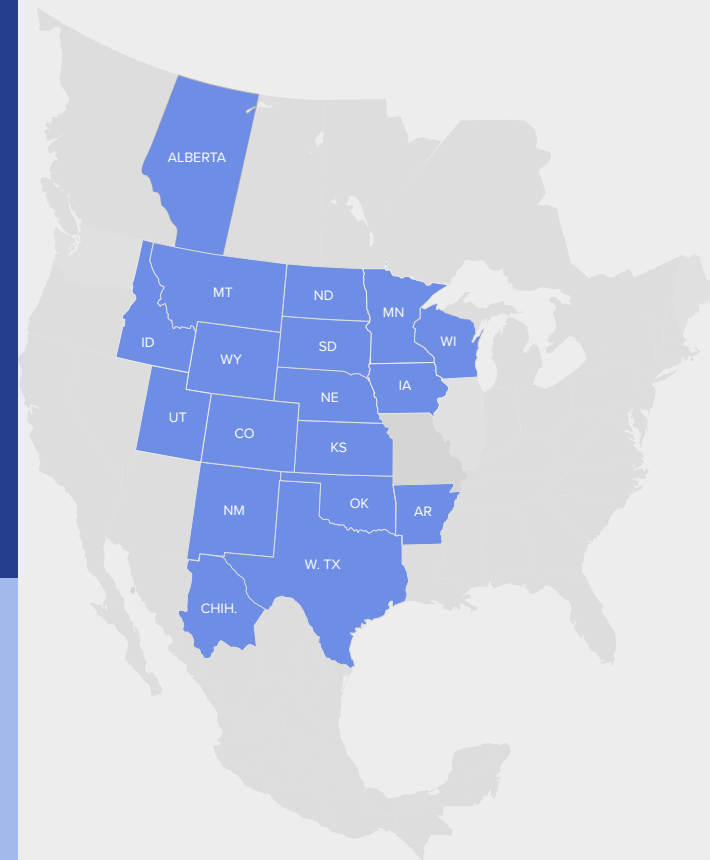
+170%



## GCC AT A GLANCE: A UNIQUE MARKET PRESENCE

- 5.8 MMT<sup>1</sup> 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

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



### KEY RESULTS LTM TO JUNE 2019

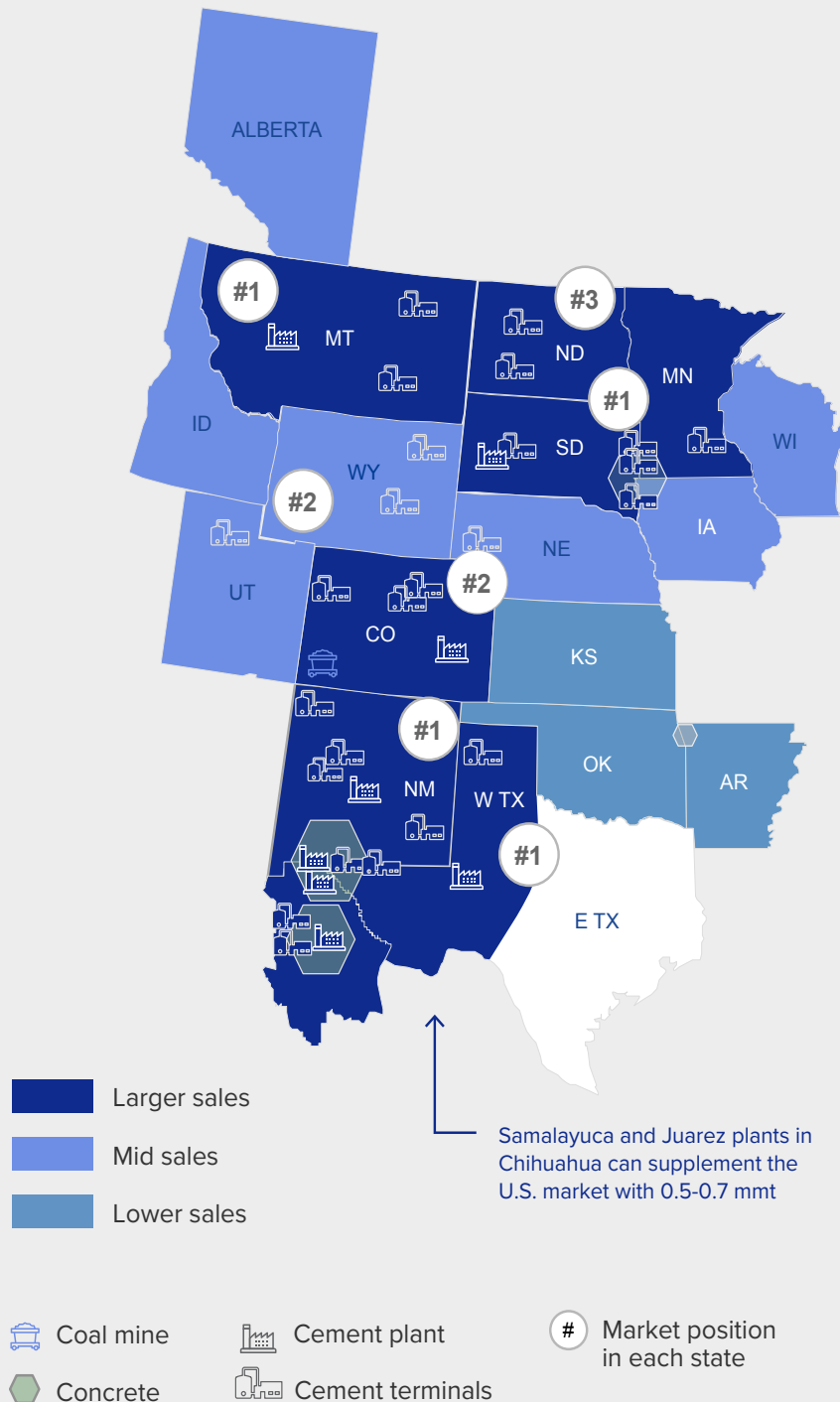
US\$ 888 million sales – 72% U.S. / 28% Mexico  
 US\$ 251 mm EBITDA – 63% U.S. / 37% Mexico  
 28.2% EBITDA margin

<sup>1</sup>MMT = million metric tons

## 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

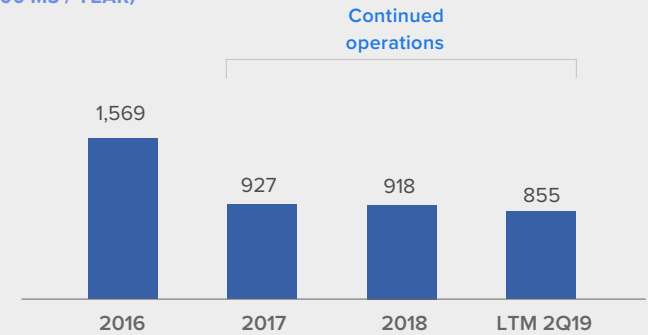
## GCC U.S. CEMENT SALES

('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)

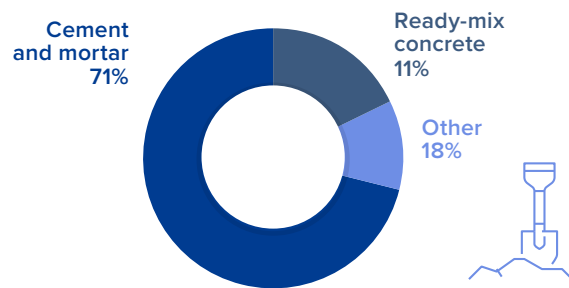


# WHERE GCC FACES FRAGMENTED COMPETITION AND HAS A DIVERSIFIED BUSINESS MIX

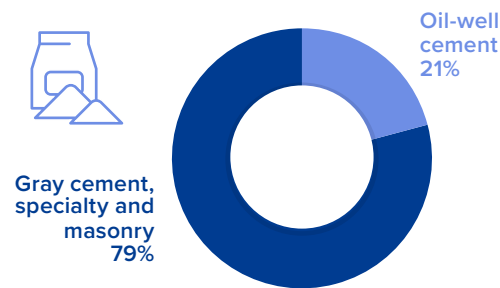
## GCC MARKET POSITION AND COMPETITORS IN CORE MARKETS

	COLORADO	N. MEXICO	N. DAKOTA	S. DAKOTA	W. TEXAS	WYOMING	MONTANA	
GCC market position	#2	#1	#3	#1	#1	#2	#1	* Refers to West Texas only
GCC cement plant in state	✓	✓	—	✓	✓	—	✓	** Aprox. 12 mmt of capacity in East and Central Texas
Competitor in-state plant	LHN, CX	NONE	NONE	NONE	BZU*	EXP	CRH	
Other principal competitors	EXP	LHN	HEI, LHN CRH	LHN, CRH	**	—	—	

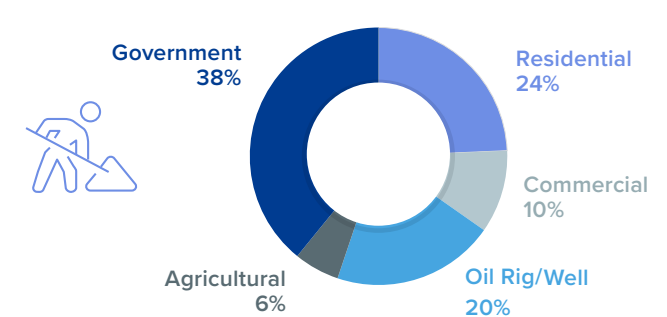
U.S. 2018 SALES MIX



U.S. 2018 VOLUME BY CEMENT TYPE



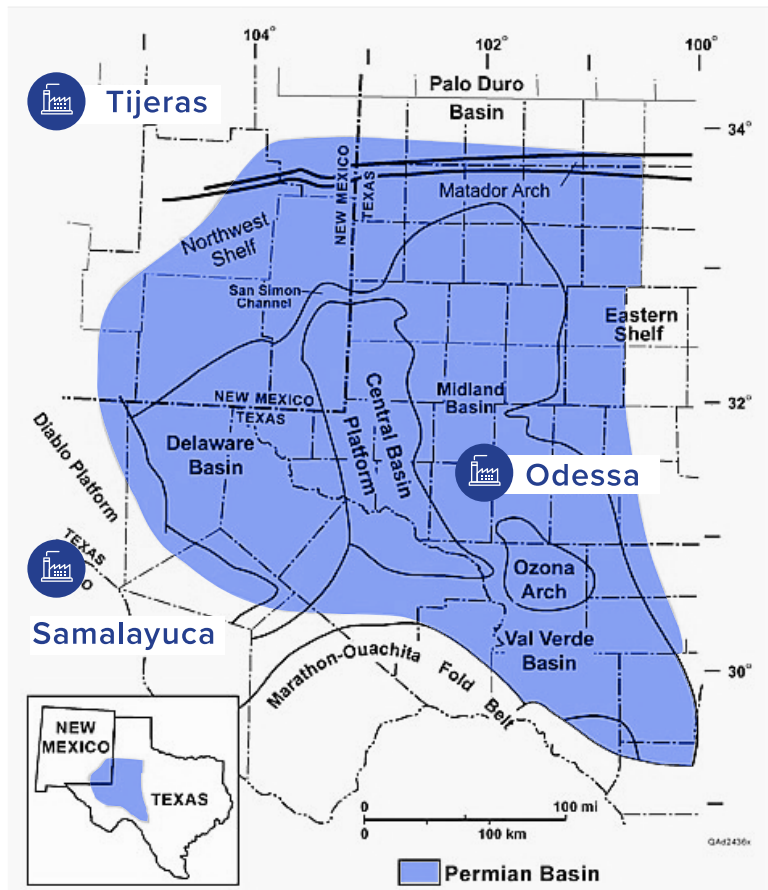
U.S. 2018 SECTORS<sup>1</sup>



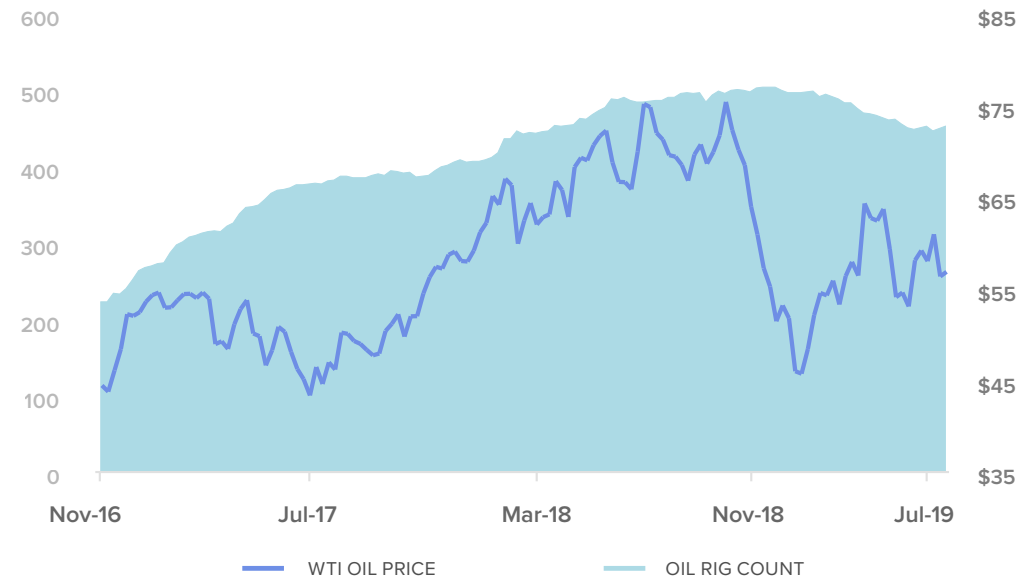
<sup>1</sup> Sales by segment, weighted GCC sales by state. PCA Winter forecast 2018



## WITH A CENTRALIZED LOCATION TO SUPPLY THE BOOMING PERMIAN BASIN OIL PATCH OF W. TEXAS AND NEW MEXICO



ROTARY DRILLING RIG COUNT IN THE PERMIAN BASIN



- Permian basin has the lowest development cost of any field in the U.S. due to favorable geology, and existing and new pipeline infrastructure
- Rig count in the basin has increased nearly 230% since April 2016; from 134 to 443 rigs (July 2019)
- Odessa (fully dedicated), Tijeras and Chihuahua (supplementing) plants produce oil well cement; Samalayuca addresses Portland grey cement demand in W. Texas and New Mexico
- Permian Basin is becoming the world's largest oil patch<sup>1</sup>

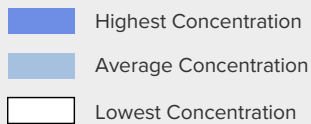
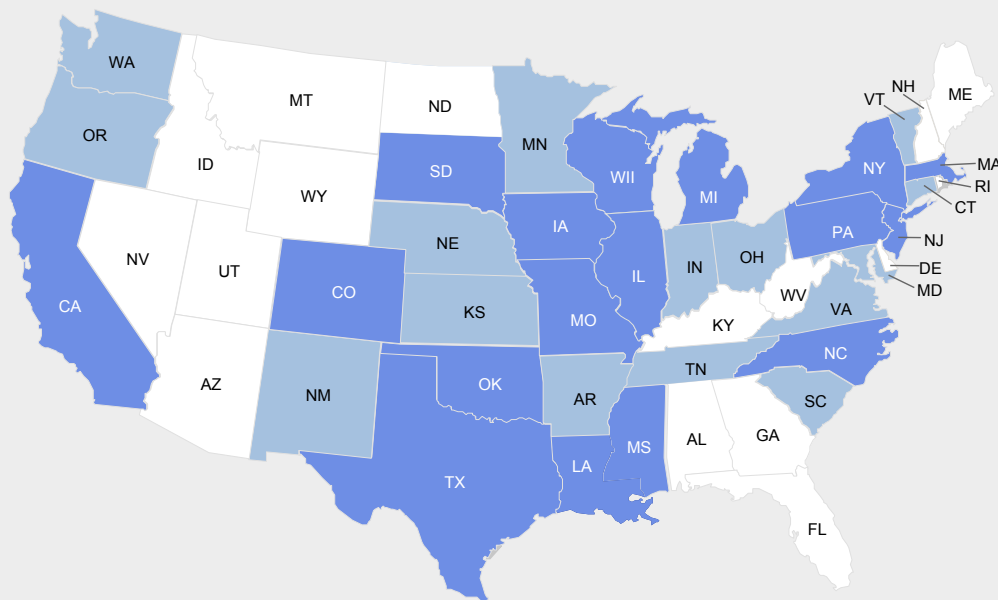
Sources: U.S. DOE (map); Baker Hughes, North American Rotary Rig Count. Retrieved from [www.bhge.com](http://www.bhge.com), [www.nytimes.com](http://www.nytimes.com)

<sup>1</sup>Bloomberg News, April 2018. Permian Basin is growing into the largest oil patch in the world.

# AND A CLEAR NEED FOR INCREASED INFRASTRUCTURE SPENDING

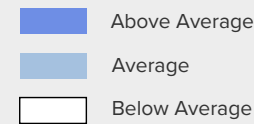
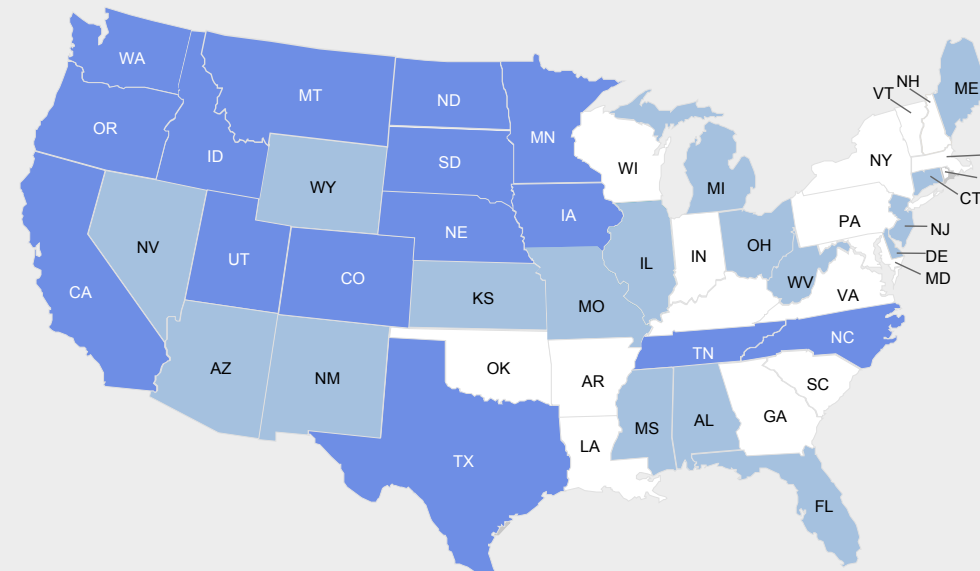
## DEFICIENT ROADS<sup>1</sup>

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



## CEMENT FUNDAMENTALS<sup>2</sup>

BASED ON PCA SECTOR COMPOSITE  
RANKINGS\*



<sup>1</sup>Source: PCA United States' Cement Outlook

<sup>2</sup>Source: PCA Market Intelligence

\*Res: Mortgage Delinquency and Unemployment Rates, Home Prices

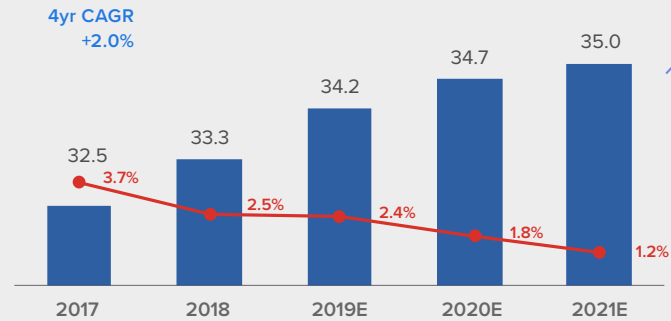
Non Res: Manufacturing, Office, Retail and Hospitality (Jobs Recovered)

Public: Fiscal Health, Transportation Capital Expenditures, Employment, Long-Term Public Debt

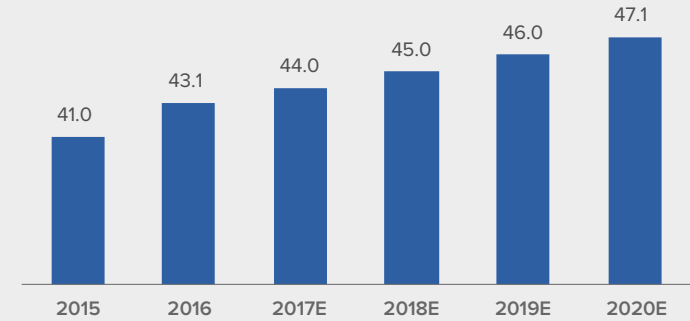


LEADING TO A  
POSITIVE OUTLOOK,  
DRIVEN BY AN  
EXPECTED INCREASE  
IN INFRASTRUCTURE  
SPENDING

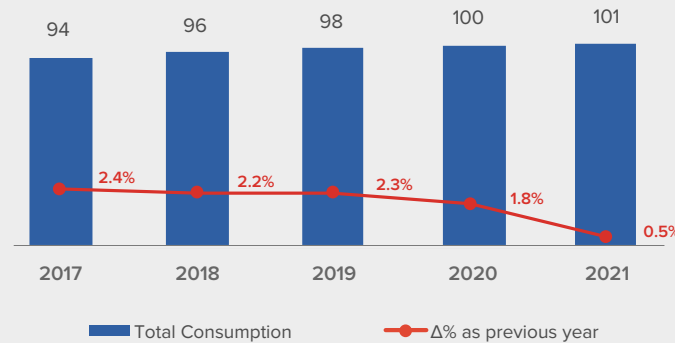
### FORECAST CEMENT CONSUMPTION IN ALL GCC U.S. MARKETS (MMT) <sup>2</sup>



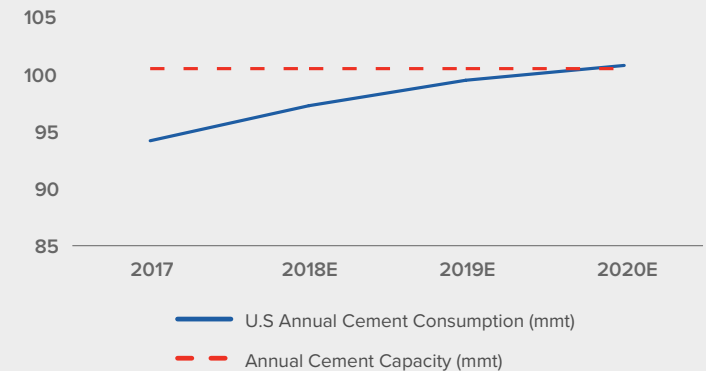
### HIGHWAY BUDGET AUTHORIZATIONS INCLUDED IN THE FAST<sup>1</sup> ACT (\$ BB)



### FORECAST TOTAL U.S. CEMENT CONSUMPTION (MMT)<sup>3</sup>



### U.S. CEMENT DEMAND WILL OUTPACE SUPPLY BY 2019 IMPORTS WILL BE A CRITICAL SOURCE OF SUPPLY



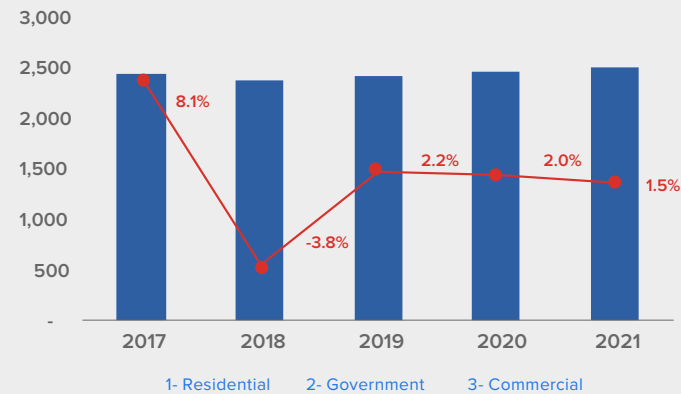
Sources: U.S. DOT Federal Highway Administration, PCA, and DBA | <sup>1</sup>Fixing America's Surface Transportation Act, signed into law 2015

<sup>2</sup>PCA Winter 2018 Forecast Analysis | <sup>3</sup>PCA Spring 2019 Forecast Analysis

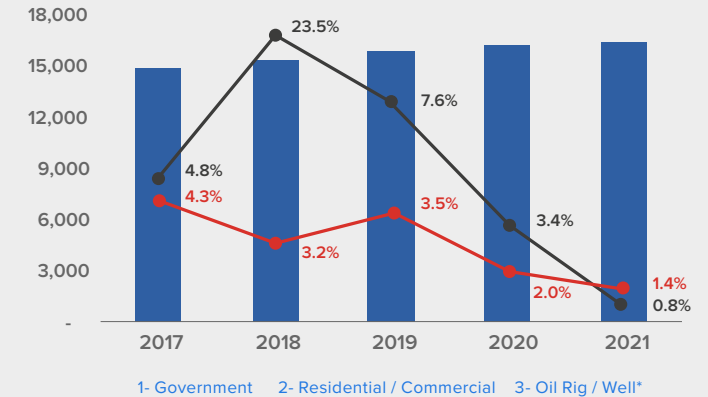
## PORTLAND CEMENT ASSOCIATION (PCA) SPRING 2019 FORECAST AND MAIN CONSUMERS

WITH A SOLID  
OUTLOOK IN KEY  
STATES

### COLORADO

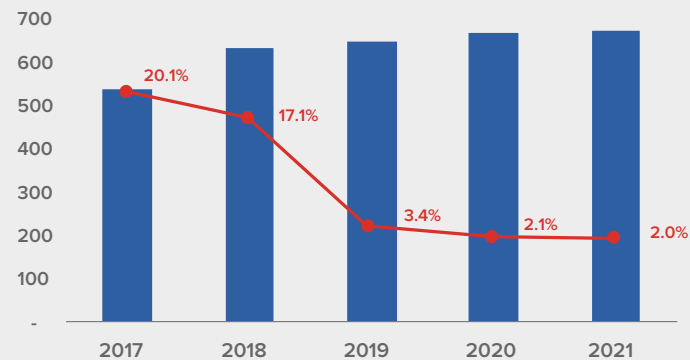


### TEXAS

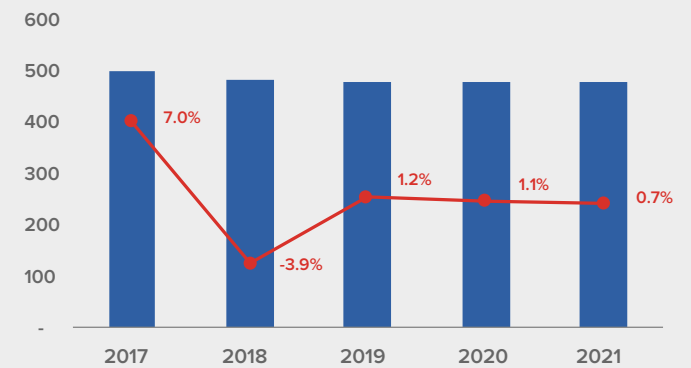


■ Total Consumption (000MT)    ● Δ% vs previous year    ● Δ% Oil Rig / Well Cement

### NEW MEXICO



### SOUTH DAKOTA

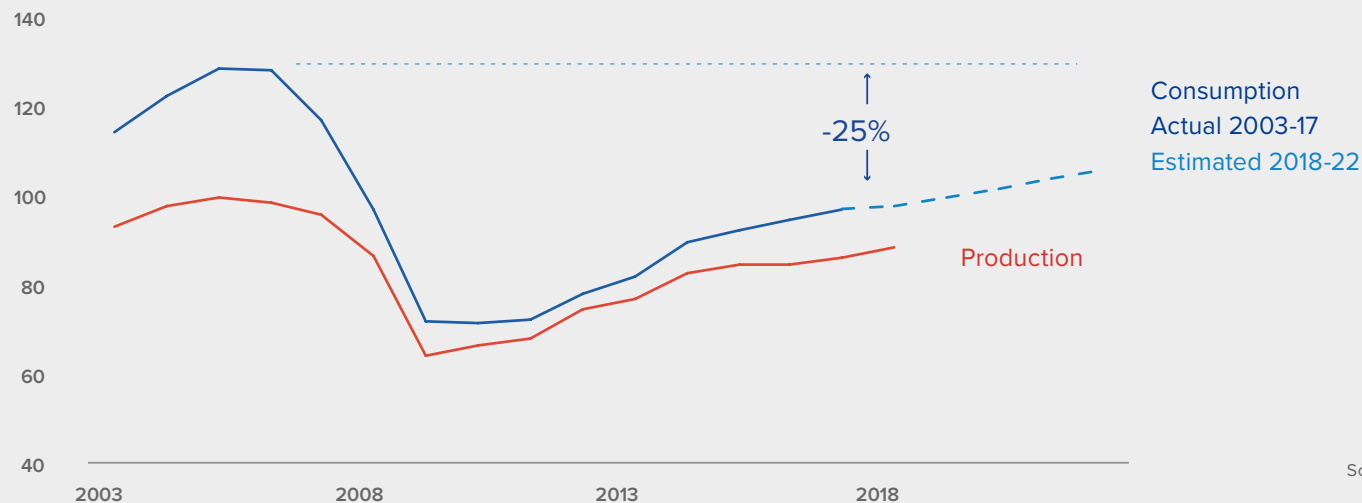


Source: PCA Spring 2019 Forecast Analysis  
\* Includes West and East Texas



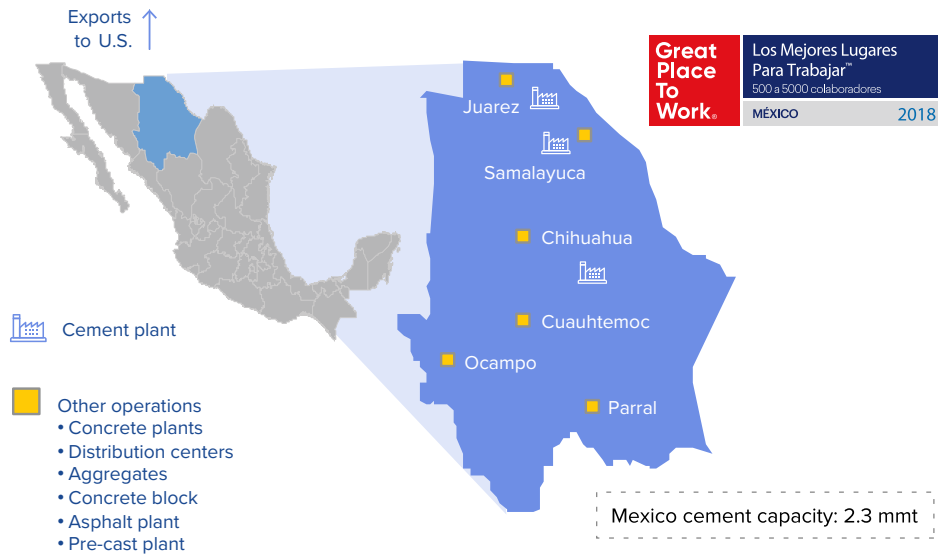
# WHILE IN A FAVORABLE PHASE OF THE U.S. CEMENT CYCLE

## U.S. CEMENT PRODUCTION AND CONSUMPTION



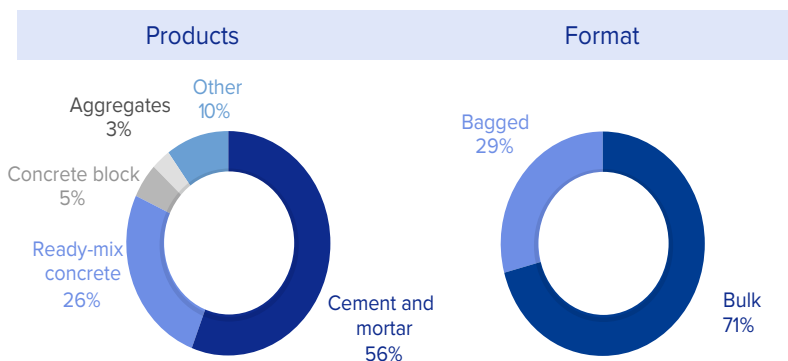
- 2018 U.S. apparent consumption is still 25% below 2005 peak
- Current expansion is 8 years and counting, compared to the median 13 year expansion in previous 4 cycles
- Import share is about 15% of consumption, compared to 25% share in 2006

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

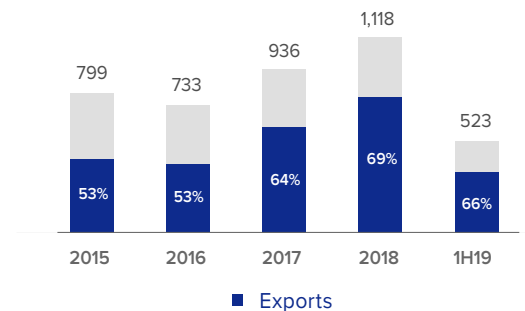


- GCC is sole producer of cement and the leading producer of ready-mix concrete in Chihuahua.
- Close economic ties between Chihuahua and the U.S.
  - Cyclical recovery benefit
  - Foreign direct investment target
- Demand growth driven by private sector
- Flexibility to supply Texas and New Mexico demand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

2Q19 SALES MIX

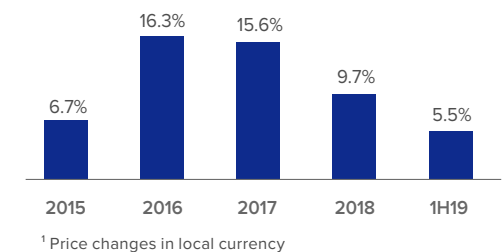


EXPORT SHARE OF SAMALAYUCA AND JUAREZ PRODUCTION ('000 MT)



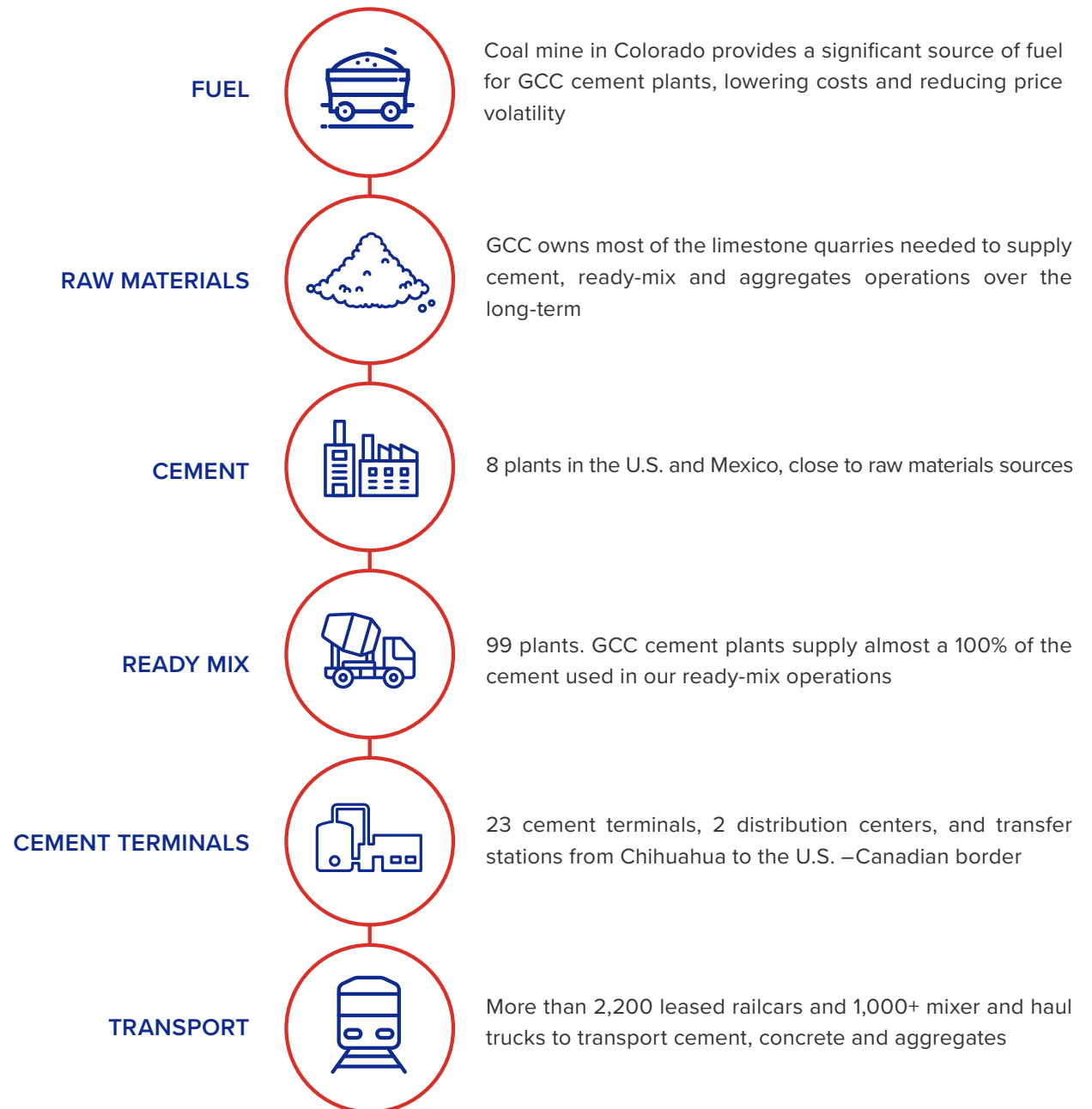
CEMENT PRICING TRENDS

(% CHANGE YEAR-ON-YEAR)<sup>1</sup>



# VERTICALLY INTEGRATED OPERATIONS

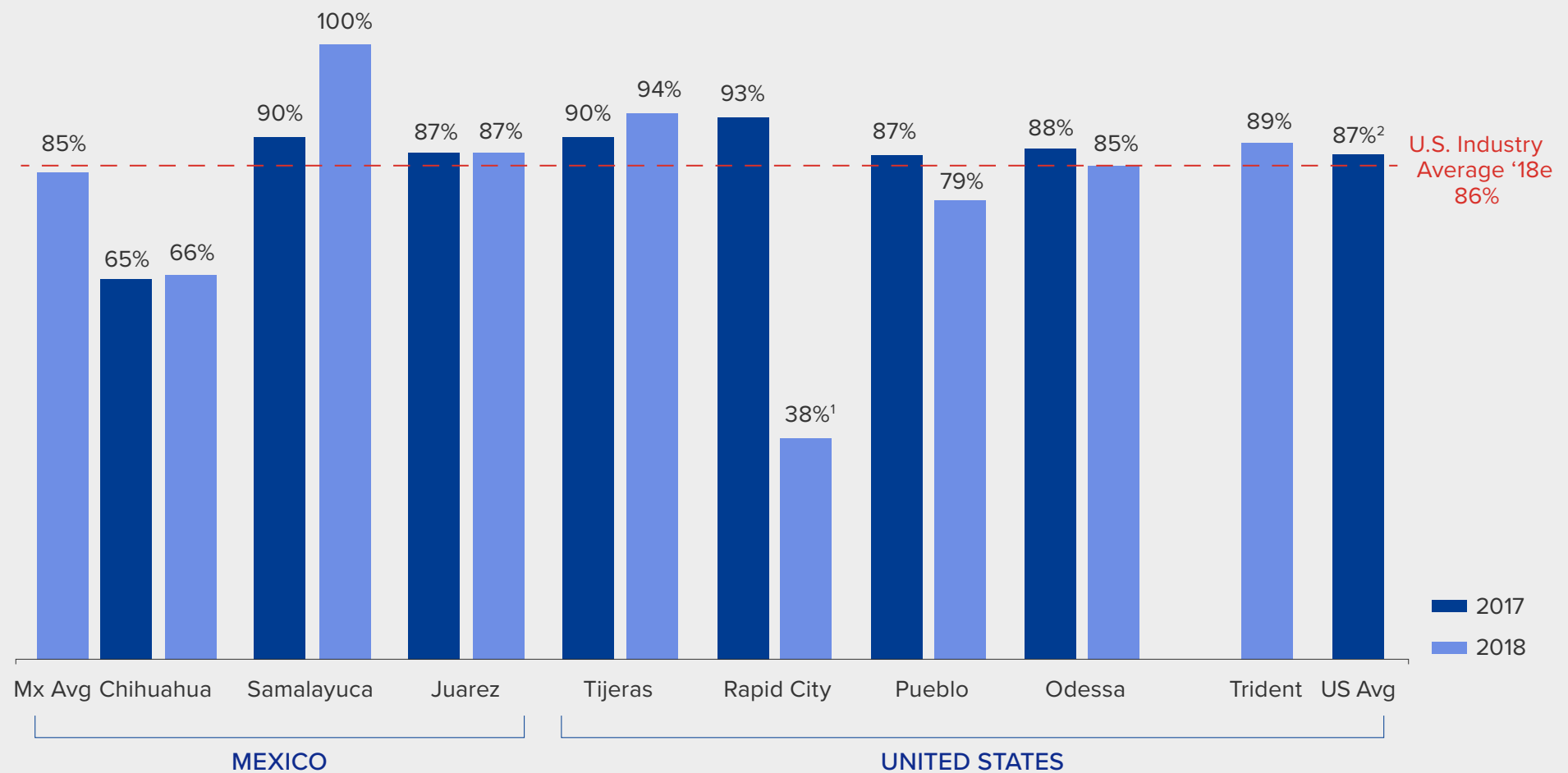
GCC IS PRESENT AT ALL  
STAGES OF THE CEMENT AND  
READY-MIX SUPPLY CHAIN



# WITH STATE OF THE ART PRODUCTION FACILITIES



# OPERATING AT NEAR-OPTIMAL CAPACITY UTILIZATION LEVELS



<sup>1</sup>Expansion shutdown

<sup>2</sup>Excludes Rapid City



# 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



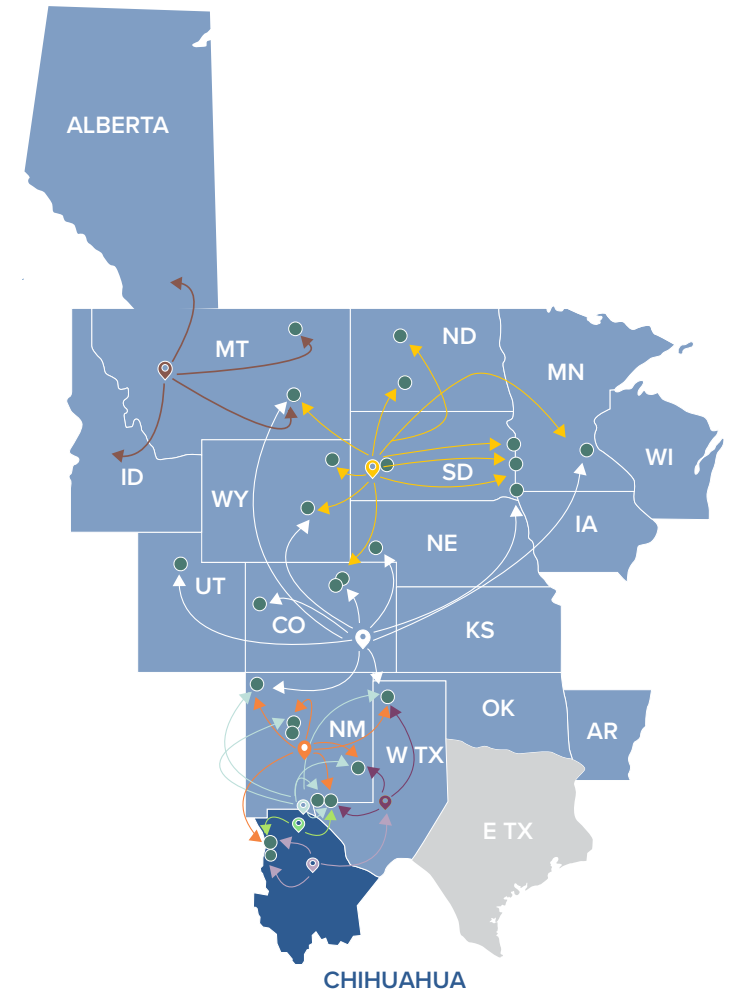
23 cement terminals, 2 distribution centers, and transfer stations



2,200 leased rail cars



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



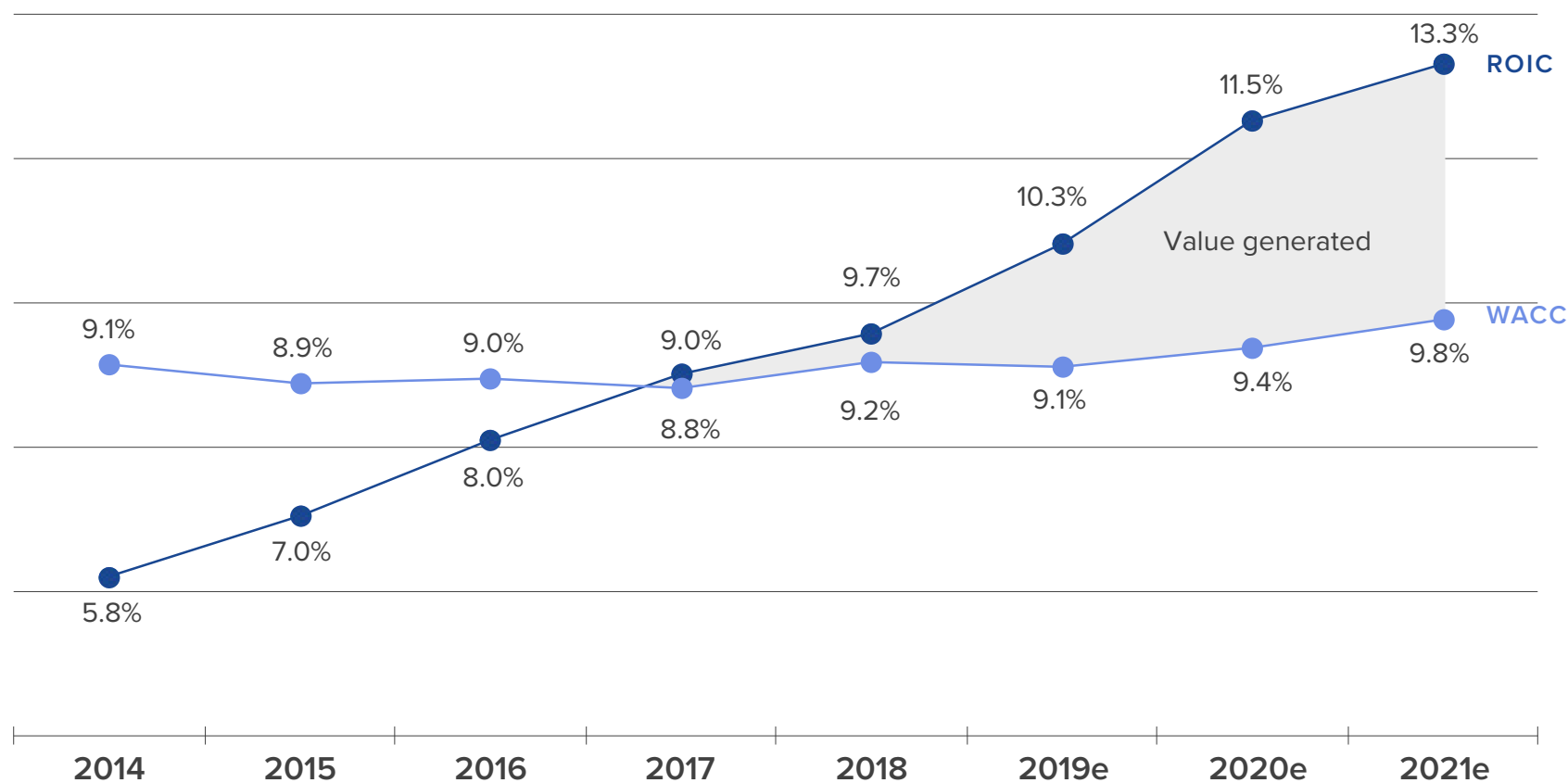
● Cement terminal



● Cement plants

→ Denotes sale of cement from origin state to destination state

# OPTIMIZING OPERATIONS FOR VALUE GENERATION

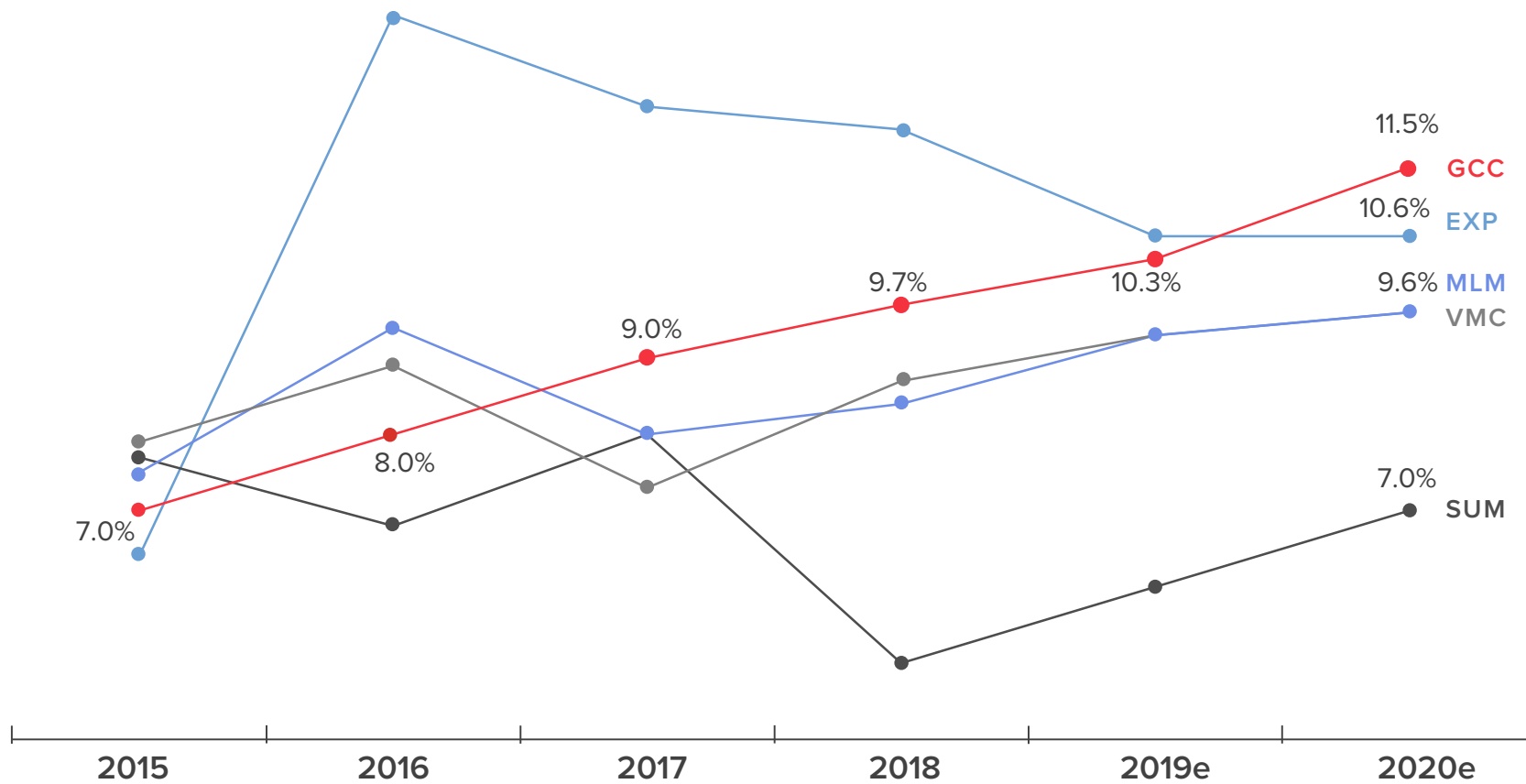


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ROIC = NOPAT / Avg. Invested Capital

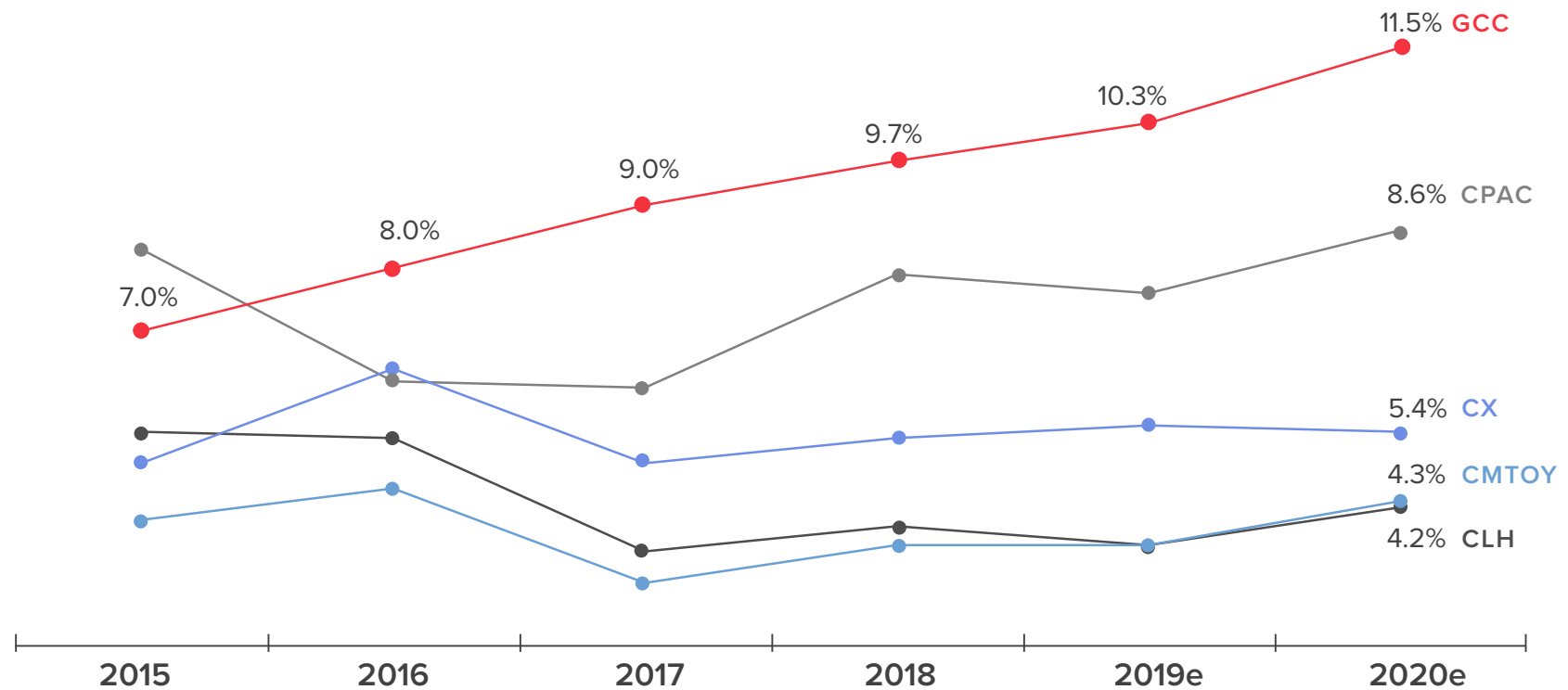
WACC = (Cost of debt x Percentage of financing that is debt) + (Cost of equity x Percentage of financing that is equity)

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

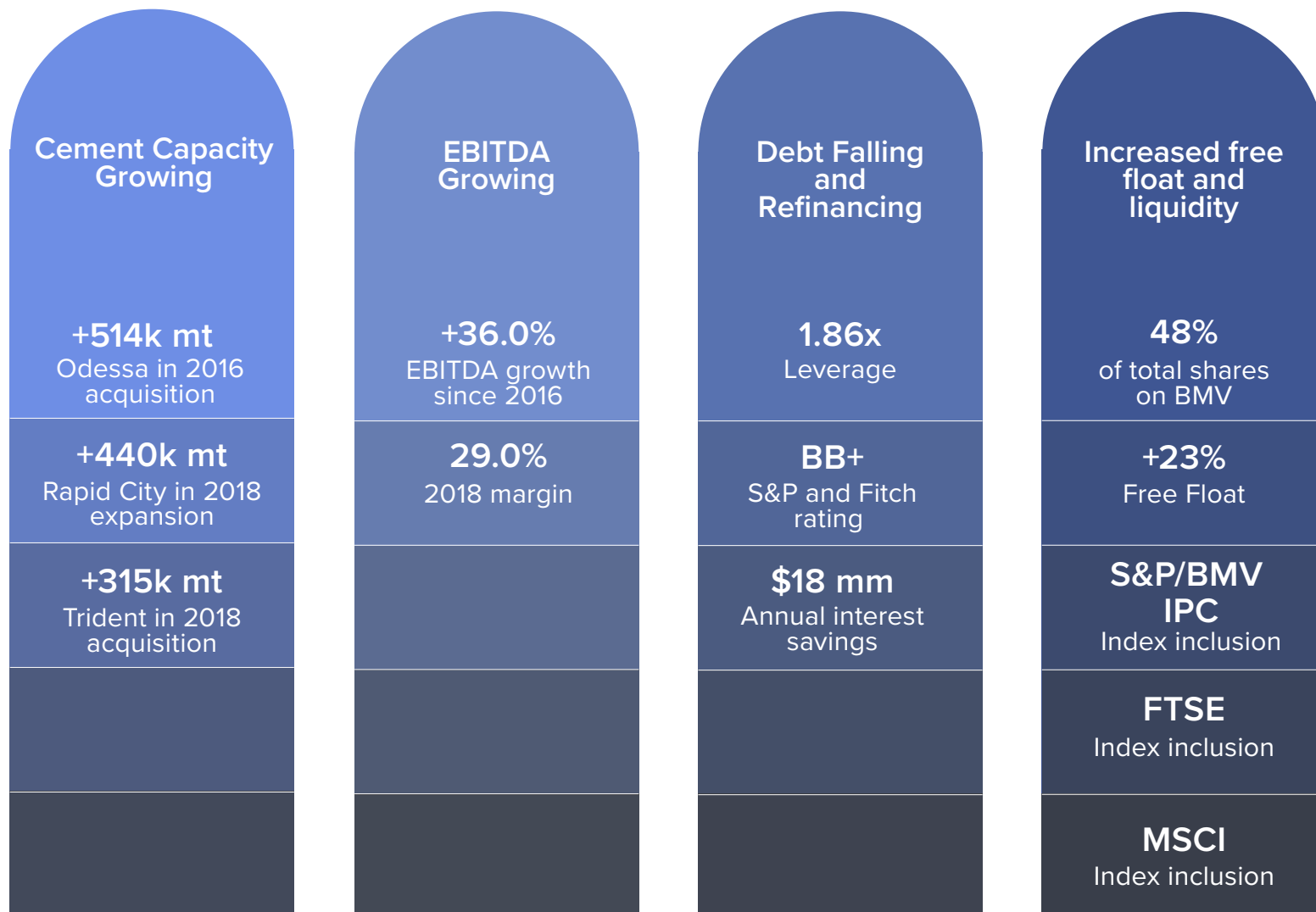


<sup>1</sup>Source: Company and J.P. Morgan estimates. US Construction Materials. North America Equity Research (March 21, 2019)

## ... AS WELL AS ITS LATAM PEERS

<sup>1</sup>Source: Company and UBS estimates.

# RECENT DEVELOPMENTS ENHANCE GCC'S VALUE PROPOSITION





# BOND AND BANK DEBT REFINANCING STRENGTHEN 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	05/18
FITCH			02/19

## DEBT COMPOSITION (JUNE 2019, US\$ MILLION)

SECURITIES DEBT	BANK DEBT
Notes due 2024 \$260	2018 Refinancing \$400

## INTEREST RATES

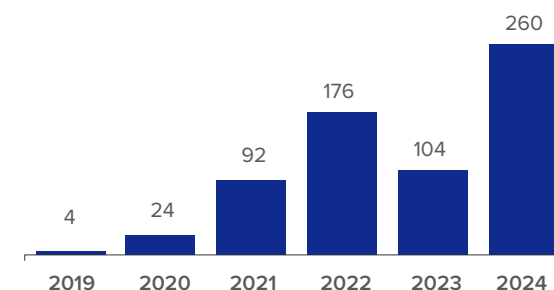
5.25%

5y Libor + 1.75% (variable)

Blended: 4.67%

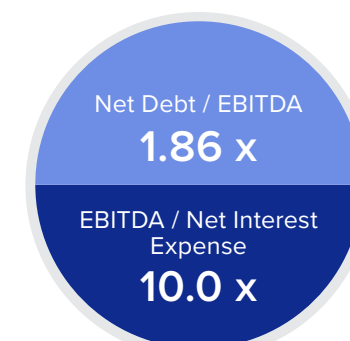
## MATURITY PROFILE

(US\$ million)



## DEBT RATIOS

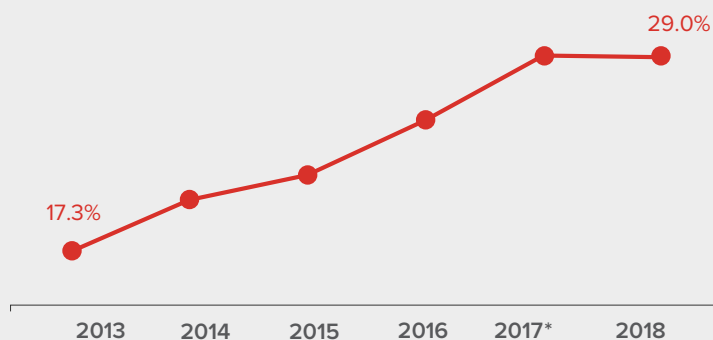
(June 30, 2019)



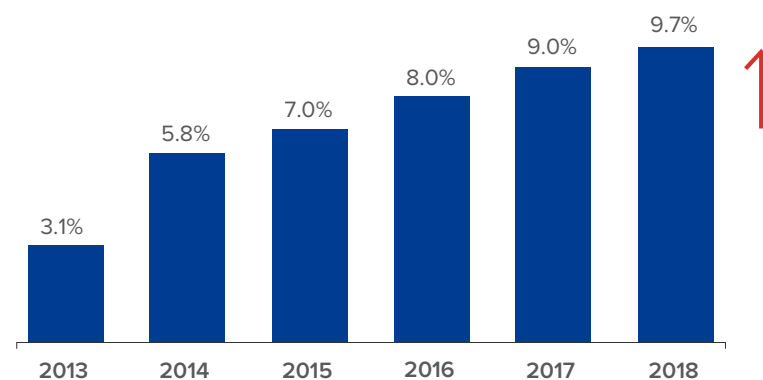
Debt amounts based on loan contract amounts. IFRS balance sheet values slightly lower

# DEBT AND CAPITAL EFFICIENCY INDICATORS STEADILY IMPROVING

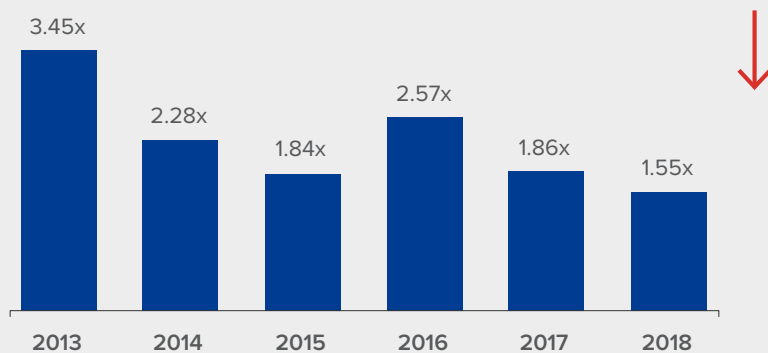
## EBITDA MARGIN



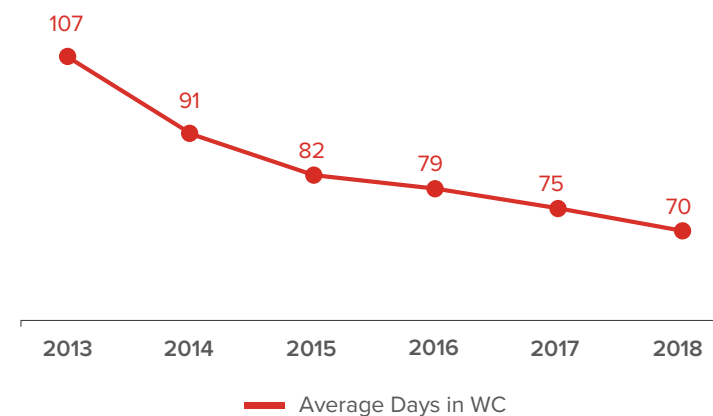
## ROIC (NOPAT / Avg. Invested Capital)



## NET LEVERAGE RATIO (Net Debt / EBITDA)



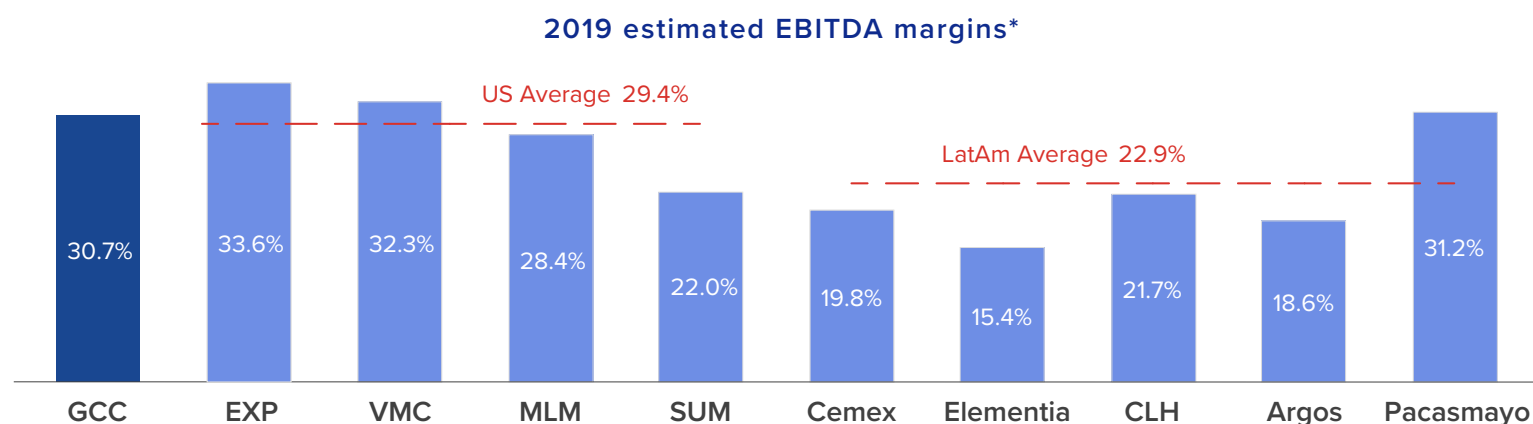
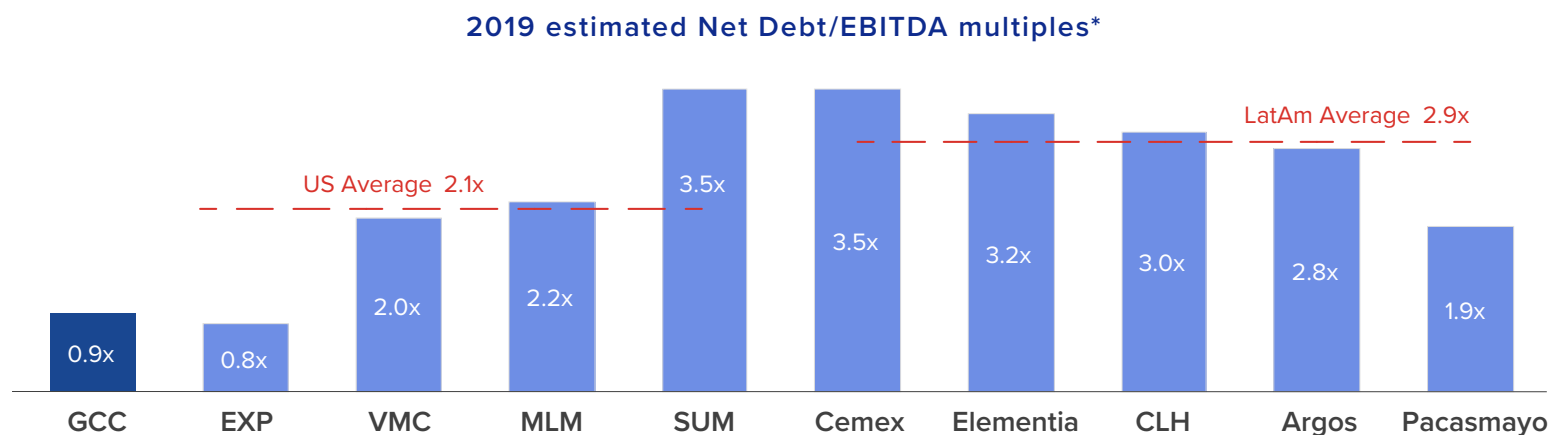
## WORKING CAPITAL



\* Proforma after asset swap

\*\* Explained partially by Rapid City plant's expansion shutdown

# STRENGTHENED MARGINS AND LOWER INDEBTEDNESS THAN MOST OF OUR PEERS



\*Sources: LatAm: UBS Estimates. Only Cemex numbers are IFRS16 adjusted  
 US: J.P. Morgan estimates. US Construction Materials. North America Equity Research (March 21, 2019)

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

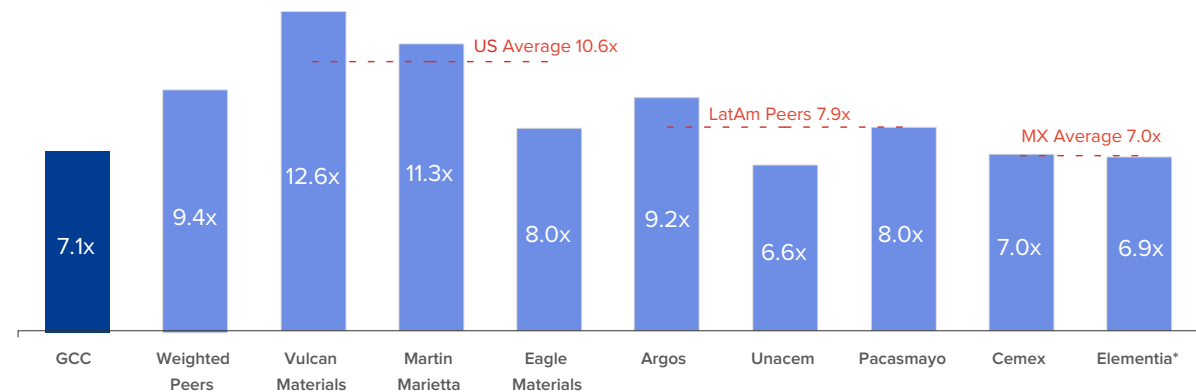
## TRANSACTIONS BENEFIT PUBLIC MARKET SHAREHOLDERS

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

## SHARES STILL TRADE BELOW PEER GROUP MULTIPLES

- Even after 50% price increase since 2017
- Trading at a 25% discount to weighted peers<sup>2</sup>
- 33% discount to U.S. average
- 11% discount to LatAm average

## 2019 ESTIMATED EV/EBITDA MULTIPLES<sup>1</sup>



<sup>1</sup> Source: Santander and Bloomberg estimates. 01/08/19

<sup>2</sup> Weighted implies: 67% US Peers + 33% Mexican Peers

\* Elementia includes only Cement Operations via SOP valuation Multiples PO MXN \$155

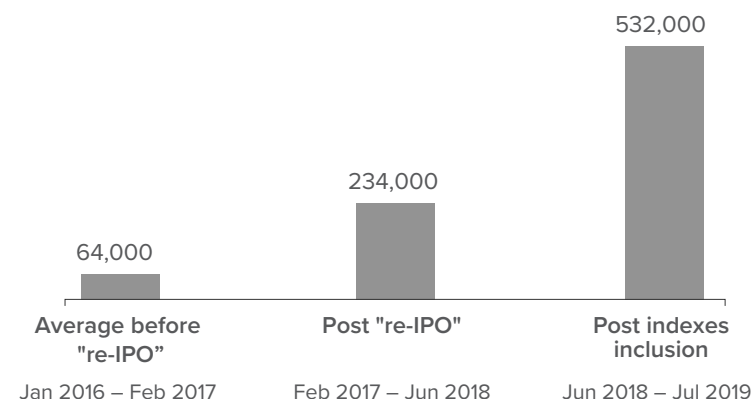
## LIQUIDITY HAS INCREASED SIGNIFICANTLY AS A RESULT OF CORPORATE DEVELOPMENTS AND STOCK MARKET POSITIONING

### LIQUIDITY ENHANCING EVENTS

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



AVERAGE DAILY TRADING VOLUME, SHARES<sup>1</sup>



	Coverage	2019 Target Price	Rating
1	Actinver	\$155	Buy
2	Bank of America	\$140	Buy
3	Banorte	\$125	Buy
4	Data Based Analysis	Not Authorized	Not Authorized
5	GBM	\$150	Outperformer
6	Invex	\$122	Buy
7	Itaú	\$147	Outperformer
8	JP Morgan	\$130	Overweight
9	Nau Securities	\$146	Buy
10	Santander	\$150	Buy
11	Scotiabank	\$165	Outperformer
12	UBS	\$135	Buy
	<b>Average</b>	<b>\$142</b>	<b>Buy</b>

#### Indexes

MSCI  
S&P/BMV IPC  
FTSE

<sup>1</sup> Source: BMV; GCC calculations.

<sup>1</sup> 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  
31% BY 2030



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

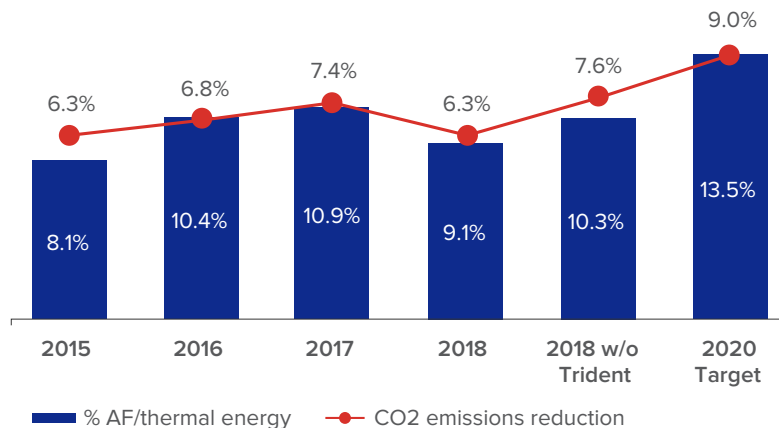
CO2 emissions reductions are compared to our 2005 baseline



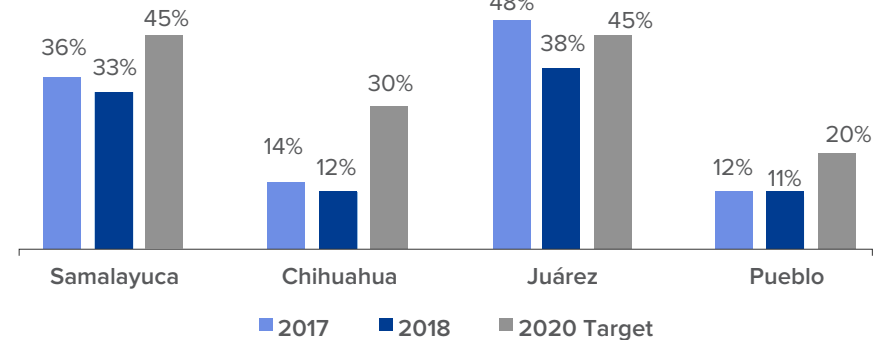
# SUPPORTED BY SUSTAINABILITY INITIATIVES RESULTING IN DIRECT ECONOMIC AND ENVIRONMENTAL BENEFITS



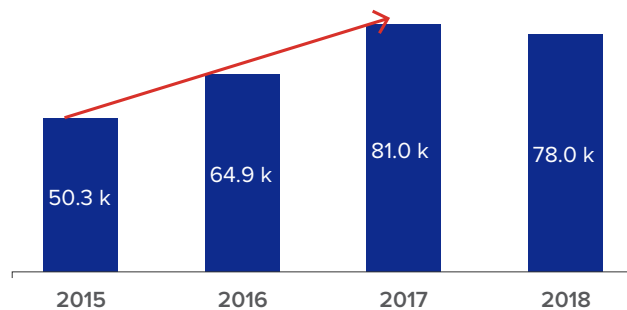
**ALTERNATIVE FUELS (AF) USAGE AND CO2 EMISSIONS REDUCTION<sup>1</sup>**



**AF USAGE BY PLANT**



**USAGE OF AF (MT)**



**AF PROVIDE SIGNIFICANT COST ADVANTAGES**

- In 2018, AF provided 9.1% of total thermal energy and reduced CO2 emissions by 6.3%
- GCC saved more than US\$4 million using AF in 2018
- AF is 50% cheaper than coal, on average
- In 2018, GCC expanded the Pueblo plant's AF capability
- In 2017, GCC secured a flexible fuel-permit for Odessa
- Rapid City and Tijeras fuel permits in the final stages

<sup>1</sup>2005 is the baseline year for CO2 emissions reduction

## 2018 ESG MAIN ACHIEVEMENTS

- Use of biomass fuel at the Juárez 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 scored a 100/100 Energy Star evaluation
- 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 30<sup>th</sup> from 75<sup>th</sup>
- 14<sup>th</sup> 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; 19 years in industry



**LUIS CARLOS ARIAS, CFO**  
GCC since 1996; 23 years in industry



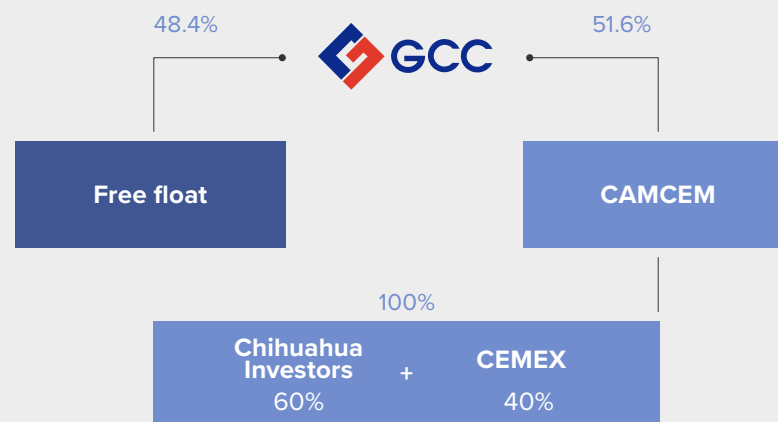
**RON HENLEY, U.S. DIVISION PRESIDENT**  
GCC since 2012; 33 years in industry



**MARCOS RAMÍREZ, MEXICO DIVISION PRESIDENT**  
GCC since 1990; 28 years in the industry

GCC's senior management team averages ~26 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 authorization by GCC's Board



BOARD OF DIRECTORS	Proprietary, Chihuahua investors	6
	Proprietary, Cemex	4
	Independent	4

### AUDIT AND CORPORATE PRACTICES COMMITTEE

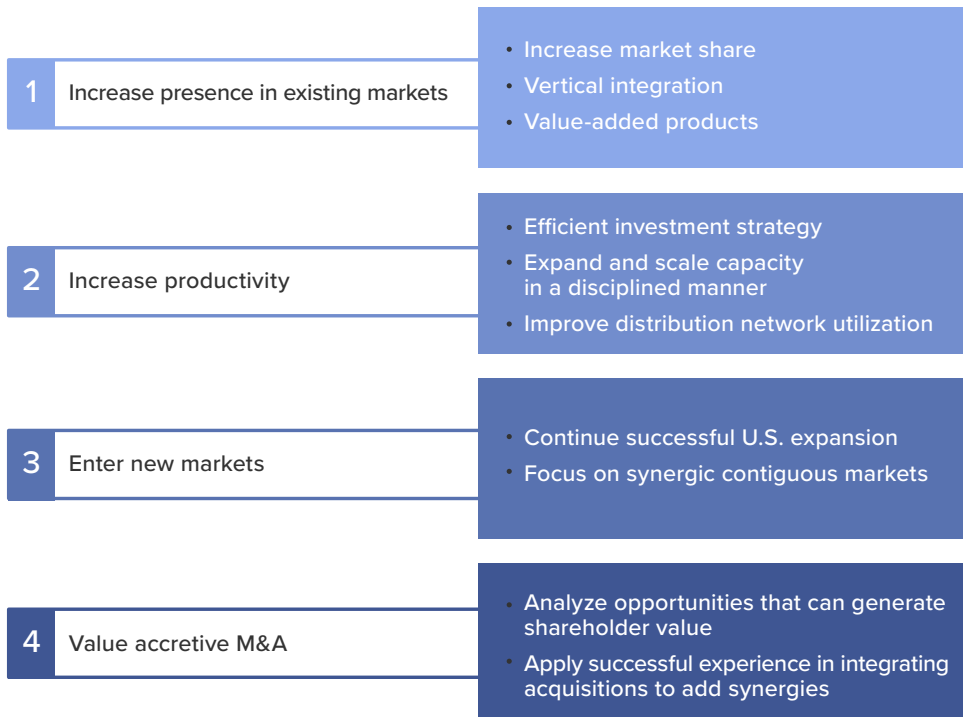
All 3 committee members are independent

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

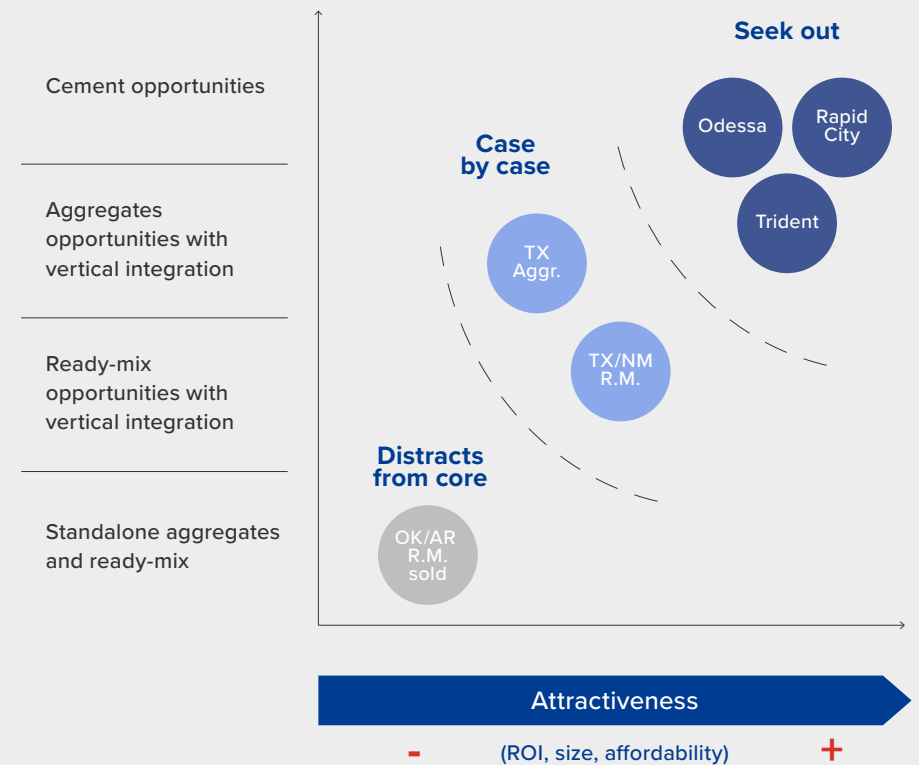
Monitors compliance with internal policies and applicable laws and regulations regarding related party transactions and significant transactions

## WITH A DISCIPLINED APPROACH TO ACQUISITION AND GROWTH INVESTMENTS

### FRAMEWORK

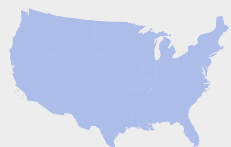


### STRATEGIC PRIORITIZATION AND EVALUATION OF ALTERNATIVES





## REINFORCING A POSITIVE 2019 OUTLOOK



### UNITED STATES

#### VOLUMES

- Cement, like-to-like 1% - 3%
- Cement 3% - 5%
- Concrete flat

#### PRICES

- Cement 4% - 5%
- Concrete 2% - 4%



### MEXICO

#### VOLUMES

- Cement flat
- Concrete flat

#### PRICES

- Cement 3% - 5%
- Concrete 3% - 5%

### CONSOLIDATED

EBITDA growth 15% - 17%

EBITDA growth without IFRS-16 7% - 9%

FCF Conversion Rate > 40%

Working capital investment: slight decrease

Total CAPEX: US\$ 70 million

- Maintenance US\$ 60 million
- 2018 carry-over US\$ 10 million

Net Debt / EBITDA, by end-2019 ~ 1.1x



# ENRIQUE ESCALANTE, CEO 2Q 2019 QUOTE

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

*"While GCC's U.S. operations continued to be adversely impacted during the second quarter by an above-average precipitation and below-average temperatures and construction labor shortages, the substantial backlog at our U.S. operations underscores strong demand for our products. We've begun to reap the benefits early in the third quarter, as the U.S. weather has finally cleared.*

*This quarter, we successfully leveraged GCC's newest acquisition - our Trident plant in Montana - to serve our Canadian customers, while addressing the robust demand we're seeing in both Montana and Idaho. As part of our original strategy, we continue looking for the best sales mix in order to optimize our profitability in this region.*

*I'm pleased to note that the stabilization process at our Rapid City, South Dakota, cement plant improved significantly during the second quarter, reaching current production levels that will now enable us to successfully meet our 2019 full year demand.*

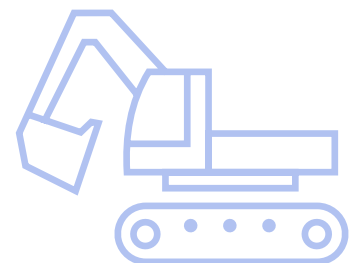
*Further, despite prior oil well cement testing and approval process delays at our Chihuahua plant, we began shipment of oil well cement to GCC's new Fort Stockton, Texas terminal which today is fully operational. This will increase our exported volumes; attracting additional customers to the region while improving product availability to current ones.*

*Pricing dynamics in the U.S. continue to be favorable, the additional eight U.S. dollar per ton increase is in place since April 1<sup>st</sup> in all our markets excluding the oil well cement segment. While we have experienced some pushback, we have achieved an average of five U.S. dollar per ton increase.*

*Second quarter sales in Mexico increased by 8.4%, and by 8.2% for the first half of the year, despite a challenging environment, due to continued strength in pricing and volumes, which were again supported by the mining and construction sectors."*

*Mr. Escalante continued, "We remain focused on containing expenses ahead of strong anticipated demand in the second half. And while we're cautiously optimistic that our performance will strengthen in the coming semester, we have revised certain areas of our guidance based on our results thus far."*

*He added, "Further, we continued our progress during the quarter securing long-term supply from a power generator, while we identify opportunities to tap renewable energy as part of GCC's ongoing commitment to the environment and sustainability. Along these lines, in April we released GCC's 2018 Sustainability Report which details the many aspects of our Company's efforts in this area, as we build a more sustainable company and a more sustainable Earth."*



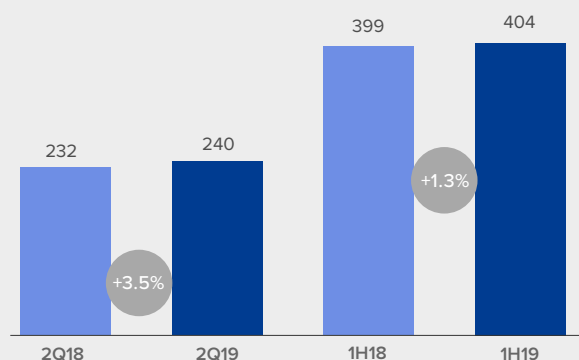
A photograph of an industrial facility, likely a refinery or chemical plant. In the foreground, there are large, horizontal, cylindrical storage tanks or reactors, painted in a light tan color. They are supported by a metal framework with yellow safety railings. In the background, a tall, multi-story concrete building with many rectangular windows rises against a clear blue sky. The right side of the image is partially covered by a dark blue overlay containing text and a logo.

# APPENDIX: 2Q19 RESULTS

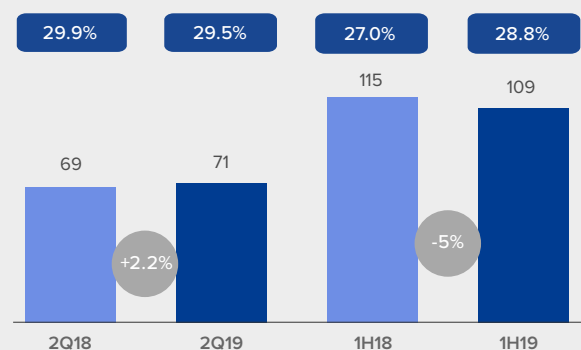


# 2Q19 AND SIX MONTH 2019 RESULTS

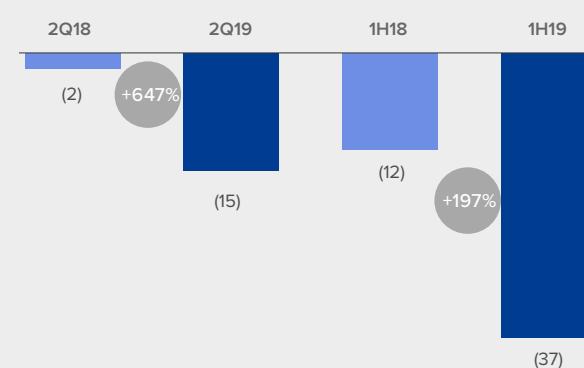
SALES (US\$ MILLION)



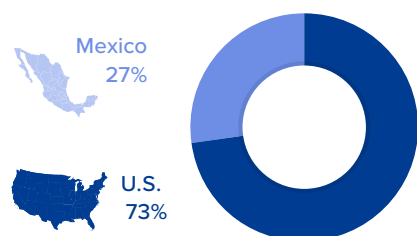
EBITDA & EBITDA MARGIN (US\$ MILLION)



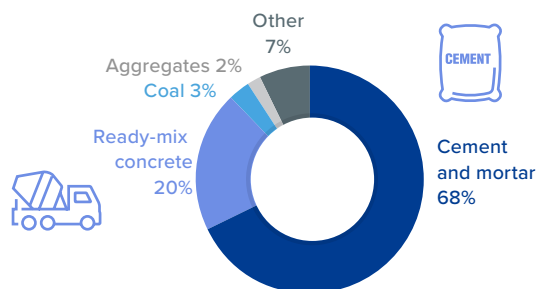
FREE CASH FLOW (US\$ MILLION)<sup>1</sup>



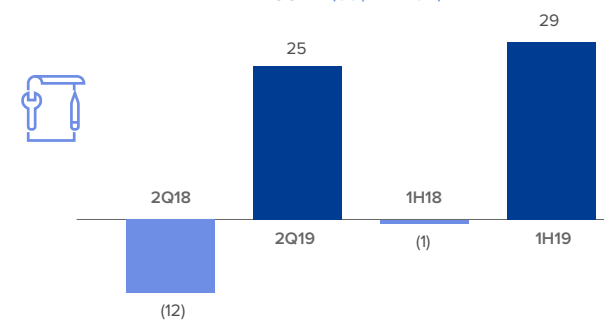
NET SALES BY COUNTRY



SALES MIX



NET INCOME (US\$ MILLION)



## 2Q19 RESULTS HIGHLIGHTS

Millions of dollars	2Q19	2Q18	Var	1H19	1H18	Var
Net sales	240.5	232.3	3.5%	403.9	398.8	1.3%
Operating Income before other expenses	42.5	50.4	-15.8%	53.5	76.4	-30.0%
EBITDA	70.9	69.4	2.2%	109.2	115.0	-5.0%
<i>EBITDA Margin</i>	<i>29.5%</i>	<i>29.9%</i>		<i>27.0%</i>	<i>28.8%</i>	
Consolidated Net Income	25.1	(12.0)	n.m.	29.0	(0.6)	n.m.

- Unusually heavy precipitation and colder-than-average temperatures adversely impacted most markets in the U.S. and disrupted GCC's distribution network
- Consolidated Net Sales increased 3.5% to US\$240.5 million in 2Q19, mainly driven by higher cement volumes and improved pricing in both countries
- Net sales rose 8.4% in Mexico and 1.8% in the U.S. due to volume and price increases
- EBITDA increased 2.2%, to US\$ 70.9 million with a 29.5% EBITDA margin
- Excluding the effect of IFRS-16, EBITDA would have decreased 5.7% on a pro forma basis
- Net leverage (Net debt/EBITDA) ratio was 1.86x as of June 2019
- Earnings per share totaled US\$ 0.0754
- A dividend of Ps. 0.8189 per outstanding share will be paid on August 15, 2019
- Rapid City stabilization process has improved significantly, reaching production levels to successfully meet FY 2019 demand
- A new terminal was opened in Fort Stockton, Texas
- All GCC businesses have a strong backlog



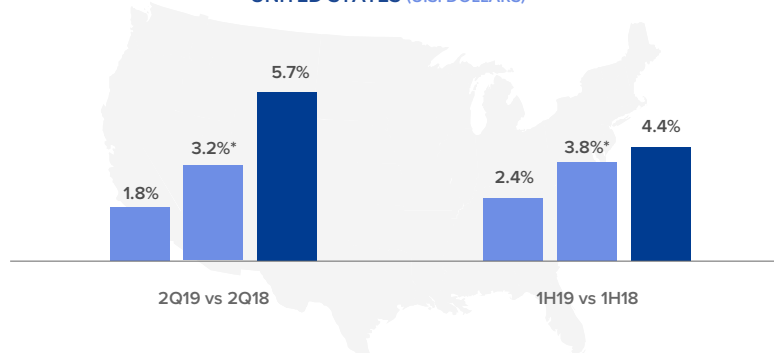
# SALES VOLUMES AND PRICES

	2Q19	2Q18	Var	1H19	1H18	Var
<b>Cement sales ('000 mt)</b>	<b>1,172.0</b>	<b>1,128.1</b>	<b>3.9%</b>	<b>2,013.2</b>	<b>1,998.8</b>	<b>0.7%</b>
U.S.	836.0	807.7	3.5%	1,361.5	1,374.4	-0.9%
U.S. like-to-like	757.2	801.3	-5.5%	1,253.6	1,368.0	-8.4%
Mexico	336.1	320.4	4.9%	651.7	624.5	4.4%
<b>Concrete sales ('000 m3)</b>	<b>474.4</b>	<b>490.0</b>	<b>-3.2%</b>	<b>776.2</b>	<b>806.1</b>	<b>-3.7%</b>
U.S.	239.0	267.9	-10.8%	318.5	363.6	-12.4%
Mexico	235.4	222.2	6.0%	457.7	442.4	3.4%

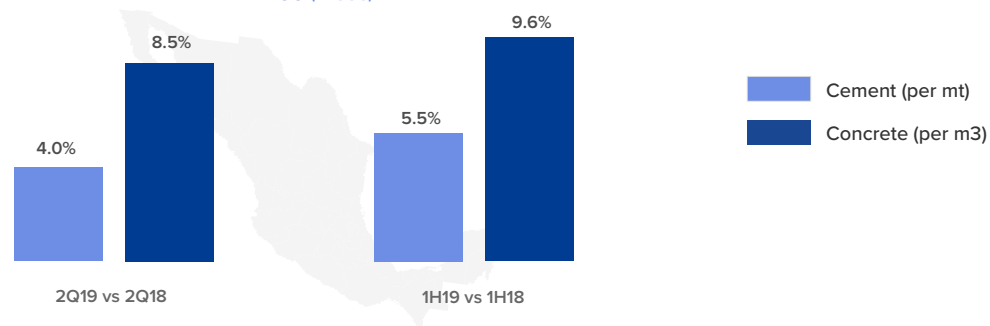
- U.S. cement sales volumes were adversely impacted by an extended rainy season which resulted in flooding in some markets. The weather delayed the start of the construction season and affected the distribution of products. 2Q19 was also affected by slower project execution due to the construction labor shortage.
- The primary contributors to 2Q19 Mexico sales included demand related to: industrial warehouse construction, mining projects and middle-income housing at the northern cities.

## GCC AVERAGE SELLING PRICES, % CHANGE

UNITED STATES (U.S. DOLLARS)



MEXICO (PESOS)



\* Excludes Trident plant

Percentage changes are based on actual results, before rounding.

# SALES

Million dollars	2Q19	2Q18	Var	1H19	1H18	Var
Consolidated	240.5	232.3	3.5%	403.9	398.8	1.3%
U.S.	175.4	172.3	1.8%	278.8	283.2	-1.6%
U.S like to like	164.8	172.3	-4.3%	264.8	283.2	-6.5%
Mexico	65.0	60.0	8.4%	125.1	115.6	8.2%

## U.S SALES



Cement sales volumes were adversely impacted by an extreme rainy season, characterized by cold heavy rain which resulted in flooding in some markets, delaying the start of the construction season and affecting the distribution of GCC products.

## MEXICO SALES



Projects supporting demand included industrial warehouse construction, mining projects and middle-income housing at the northern cities.



# INCOME STATEMENT (MILLION DOLLARS)



	2Q19	2Q18	Var	1H19	1H18	Var
<b>Net Sales</b>	<b>240.5</b>	<b>232.3</b>	<b>3.5%</b>	<b>403.9</b>	<b>398.8</b>	<b>1.3%</b>
U.S.	175.4	172.3	1.8%	278.8	283.2	-1.6%
Mexico	65.0	60.0	8.4%	125.1	115.6	8.2%
Cost of sales	176.7	164.2	7.6%	307.5	285.6	7.7%
Operating expenses	21.3	17.6	20.7%	42.9	36.8	16.6%
Other expenses, net	0.6	7.2	-90.6%	0.5	7.3	-93.1%
<b>Operating Income</b>	<b>41.8</b>	<b>43.3</b>	<b>-3.4%</b>	<b>53.0</b>	<b>69.1</b>	<b>-23.3%</b>
Operating margin	17.4%	18.6%		13.1%	17.3%	
Net financing (expense)	(12.6)	(15.6)	-19.3%	(21.2)	(26.7)	-20.9%
Earnings in associates	0.5	0.9	-38.2%	1.1	1.3	-19.8%
Income taxes	4.7	0.4	n.m.	3.9	3.7	4.1%
<b>Income from continuing operations</b>	<b>25.1</b>	<b>28.2</b>	<b>-11.0%</b>	<b>29.0</b>	<b>40.0</b>	<b>-27.4%</b>
Discontinued operations	0.0	(40.2)	100.0%	0.0	(40.6)	100.0%
<b>Consolidated net income</b>	<b>25.1</b>	<b>(12.0)</b>	<b>n.m.</b>	<b>29.0</b>	<b>(0.6)</b>	<b>n.m.</b>
<b>EBITDA</b>	<b>70.9</b>	<b>69.4</b>	<b>2.2%</b>	<b>109.2</b>	<b>115.0</b>	<b>-5.0%</b>
EBITDA margin	29.5%	29.9%		27.0%	28.8%	

\*Percentage changes are based on actual results, before rounding.

# FREE CASH FLOW (MILLION DOLLARS)

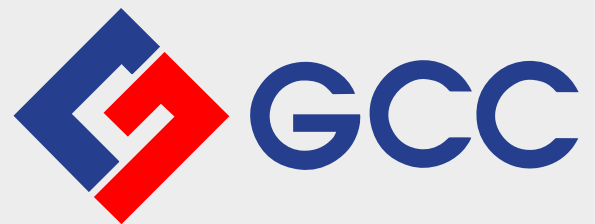
	2Q19	2Q18	Var	1H19	1H18	Var
Operating income before other expenses	42.5	50.4	-15.8%	53.5	76.4	-30.0%
Depreciation and amortization	28.5	19.0	50.0%	55.7	38.5	44.6%
<b>EBITDA</b>	<b>70.9</b>	<b>69.4</b>	<b>2.2%</b>	<b>109.2</b>	<b>115.0</b>	<b>-5.0%</b>
Interest income (expense)	(9.8)	(23.4)	-57.9%	(12.4)	(28.0)	-55.6%
(Increase) in working capital	(42.3)	(14.7)	186.8%	(73.7)	(54.0)	36.6%
Taxes	(18.0)	(13.7)	30.8%	(18.5)	(14.6)	26.2%
Other	0.5	(5.0)	n.m.	(5.9)	(1.8)	228.3%
Operating Leases (IFRS 16 effect)	(5.5)	0.0	100.0%	(10.5)	0.0	100.0%
<b>Flow from continuing operations, net</b>	<b>(4.1)</b>	<b>12.6</b>	<b>n.m.</b>	<b>(11.8)</b>	<b>16.6</b>	<b>n.m.</b>
Flow from discontinued operations	0.0	1.4	-100.0%	0.0	1.7	-100.0%
<b>Operating cash flow</b>	<b>(4.1)</b>	<b>13.9</b>	<b>m.n.</b>	<b>(11.8)</b>	<b>18.3</b>	<b>n.m.</b>
Maintenance Capex*	(11.1)	(16.0)	-30.5%	(25.1)	(30.8)	-18.5%
<b>Free cash flow</b>	<b>(15.2)</b>	<b>(2.0)</b>	<b>647.2%</b>	<b>(36.9)</b>	<b>(12.5)</b>	<b>194.6%</b>
Growth capex and related	(4.1)	(11.7)	-65.0%	(11.6)	(22.8)	-49.2%
Sale of assets	0.0	118.5	-100.0%	0.0	118.5	-100.0%
Purchase of assets	0.0	(107.5)	-100.0%	0.0	(107.5)	-100.0%
Debt amortizations, net	(0.4)	(33.1)	98.8%	(0.4)	(34.9)	-98.9%
FX effect	1.0	(3.4)	n.m.	2.0	0.2	727.5%
Initial cash balance	223.3	213.2	4.7%	251.8	232.9	8.1%
<b>Final cash balance</b>	<b>204.6</b>	<b>173.9</b>	<b>17.7%</b>	<b>204.6</b>	<b>173.9</b>	<b>17.7%</b>

- Decrease in Free Cash Flow in 2Q19 reflects:
  - Lower expenses and provisions
  - Lower EBITDA
  - Higher working capital requirements due to higher inventories in preparation for peak construction season
  - Higher cash taxes
  - Lower financial expenses
  - Lower maintenance CapEx
- Decrease in Free Cash Flow in 1H19 was a result of the same reasons as the the second quarter

# BALANCE SHEET (MILLION DOLLARS)

	Jun-19	Jun-18	Var
<b>Total Assets</b>	<b>1,963.7</b>	<b>1,824.3</b>	<b>7.6%</b>
<b>Current Assets</b>	<b>559.8</b>	<b>486.6</b>	<b>15.0%</b>
Cash	204.6	173.9	17.7%
Other current assets	48.4	50.7	-4.5%
<b>Non-current assets</b>	<b>1,404.0</b>	<b>1,337.8</b>	<b>4.9%</b>
Plant, property, & equipment	1,022.4	964.2	6.0%
Goodwill and intangibles	316.9	356.1	-11.0%
<b>Other non-current assets</b>	<b>19.4</b>	<b>5.7</b>	<b>243.2%</b>
Deferred taxes	0.0	0.0	0.0%
<b>Total Liabilities</b>	<b>973.1</b>	<b>916.5</b>	<b>6.2%</b>
<b>Current Liabilities</b>	<b>185.1</b>	<b>159.7</b>	<b>15.9%</b>
Short-term debt	9.4	0.4	n.m.
Other current liabilities	175.7	159.3	10.3%
<b>Long-term liabilities</b>	<b>788.0</b>	<b>756.7</b>	<b>4.1%</b>
Long-term debt	642.5	648.0	-0.9%
Other long-term liabilities	98.7	69.9	41.3%
Deferred taxes	46.8	38.8	20.4%
<b>Total equity</b>	<b>990.6</b>	<b>907.9</b>	<b>9.1%</b>

- Rapid City stabilization process has improved significantly, reaching production levels to successfully meet FY 2019 demand
- A dividend of Ps. 0.8189 per outstanding share will be paid on August 15, 2019
- A new terminal was opened in Fort Stockton, TX
- All GCC businesses have strong backlog
- Net leverage (Net debt/EBITDA) ratio increased to 1.86x in June 2019 from 1.77x in June 2018



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