



Q3 2019 EARNINGS CONFERENCE CALL

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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:

3Q19: 19.42 - 3Q18: 18.97

9M19: 19.25 - 9M18: 19.03

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

AGENDA

- 1 Q3 2019 Highlights
- 2 Results by Region
- 3 Financial Results
- 4 Full Year Guidance
- 5 Closing Remarks

Q3 HIGHLIGHTS

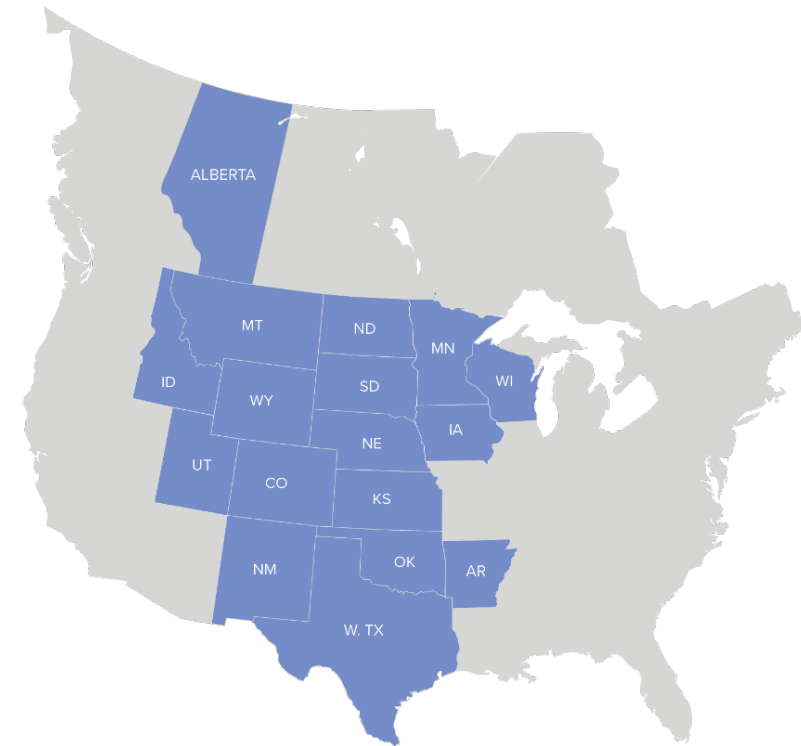


- Strong shipments across all of our U.S. markets
- U.S. cement volumes increased 9.8% representing a record high for the Company
- Improved weather enabled us to capitalize on pent-up demand
- We expect robust performance to continue in the next quarter assuming favorable weather conditions continue
- EBITDA increased 15.2% to US\$ 96.4 million, with a 31.9% EBITDA margin

U.S. OVERVIEW



- Growth in **El Paso, TX** driven by infrastructure works. No further delays at main projects
- Competitive environment in the **Permian Basin** led to adjustments in pricing strategy. Cement consumption demand remains strong despite challenges in the oil industry
- An additional US\$ 8 per metric ton price increase was announced and will come into effect across all our markets on April 1st, 2020
- Looking ahead, we expect to experience much less pushback in pricing than what we have been seeing this and previous years
- Solid demand from housing and public infrastructure projects in **Colorado**
- Demand in the **Dakotas and Iowa** driven by windfarm construction activity
- Increased activity in **Rapid City, ND** from oil well cement
- We continue to leverage Trident plant in **Montana** serving our Canadian customers
- **Rapid City's plant** is running well and has achieved near optimum levels



MEXICO OVERVIEW



- Another quarter of strong results on the back of both price and volume growth
- Market dynamics remain solid, outperforming the country as a whole
- Industrial maquiladora plants, warehouse construction and mining projects drive sales volumes
- In the northern cities, middle-income housing segment continued to show strong demand

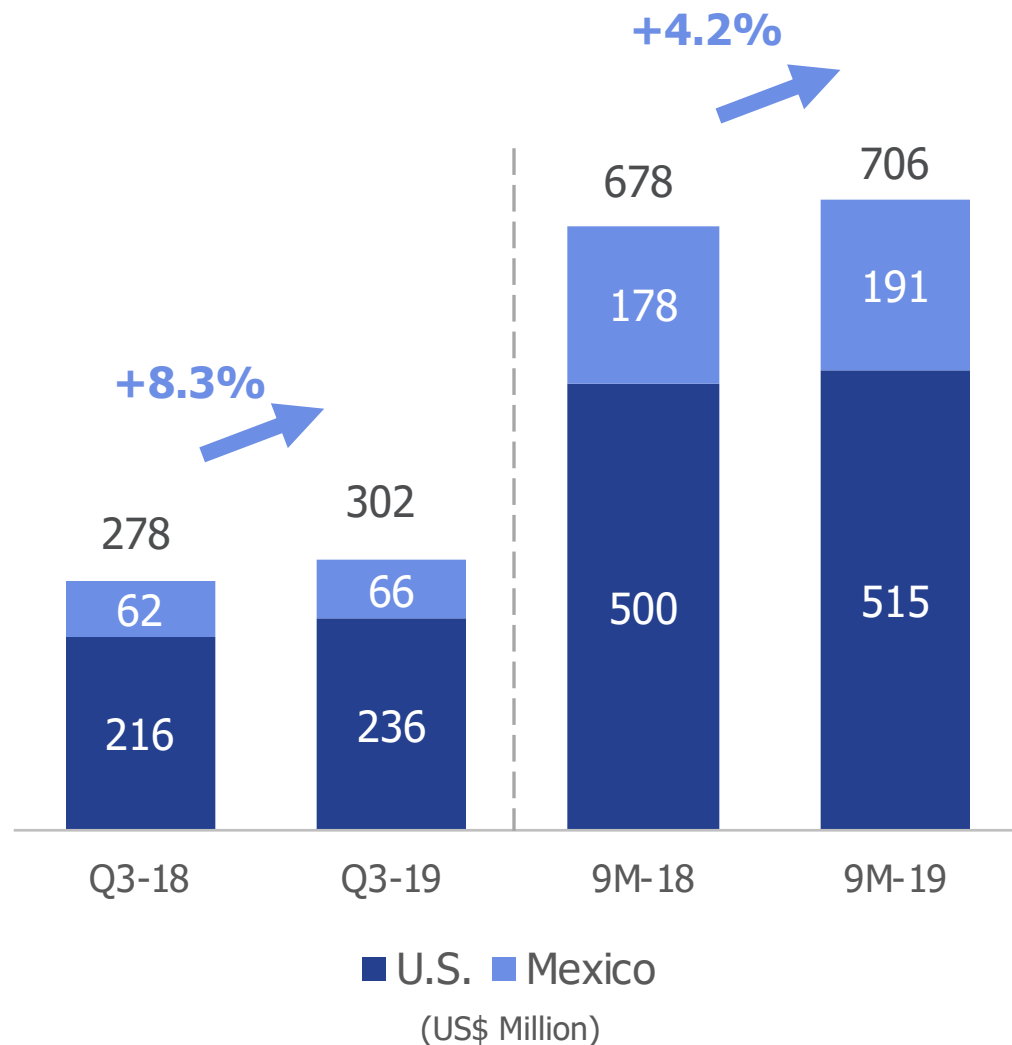




FINANCIAL RESULTS



NET SALES

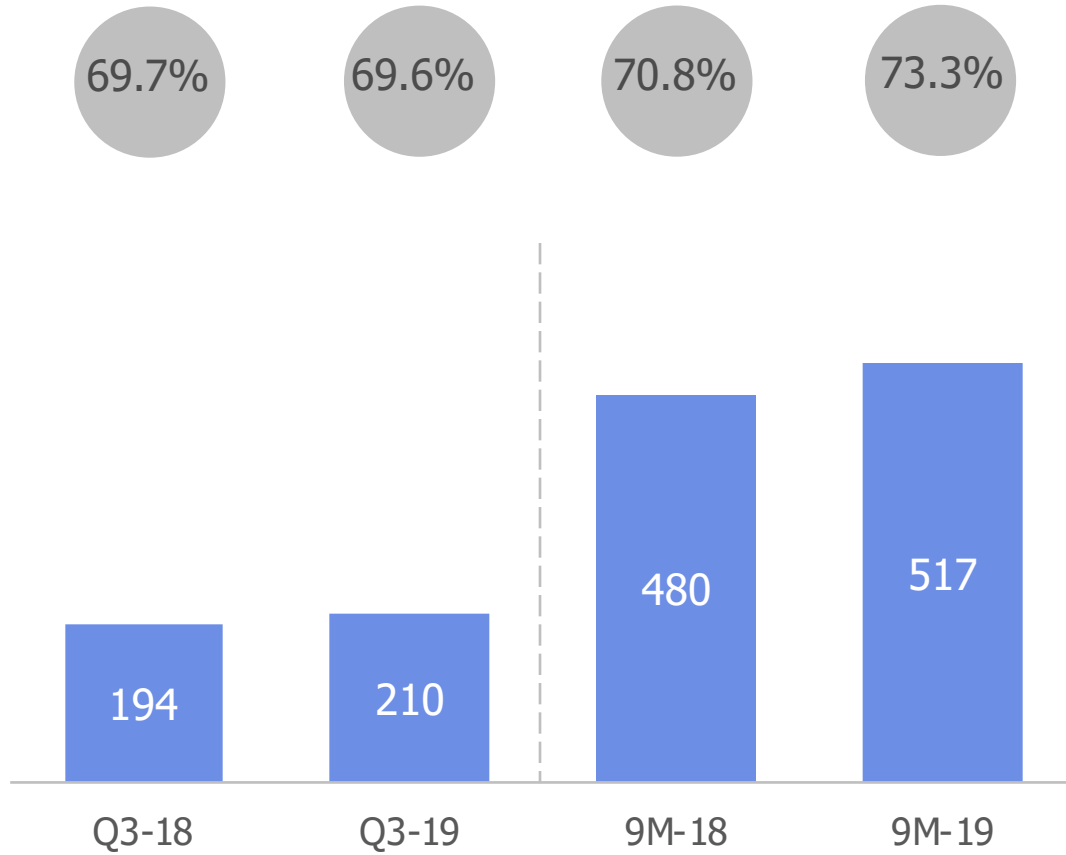


	Q3-19 vs. Q3-18		9M-19 vs. 9M-18	
	Volumes	Prices*	Volumes	Prices*
Cement				
Unites States	9.8%	2.2%	3.6%	2.5%
U.S. like-like	10.7%	1.9%	-0.7%	3.3%
Mexico	4.1%	5.2%	4.3%	5.4%
Concrete				
Unites States	1.6%	8.2%	-5.5%	6.6%
Mexico	6.9%	3.7%	4.6%	7.4%

* Prices in local currency

COST OF SALES

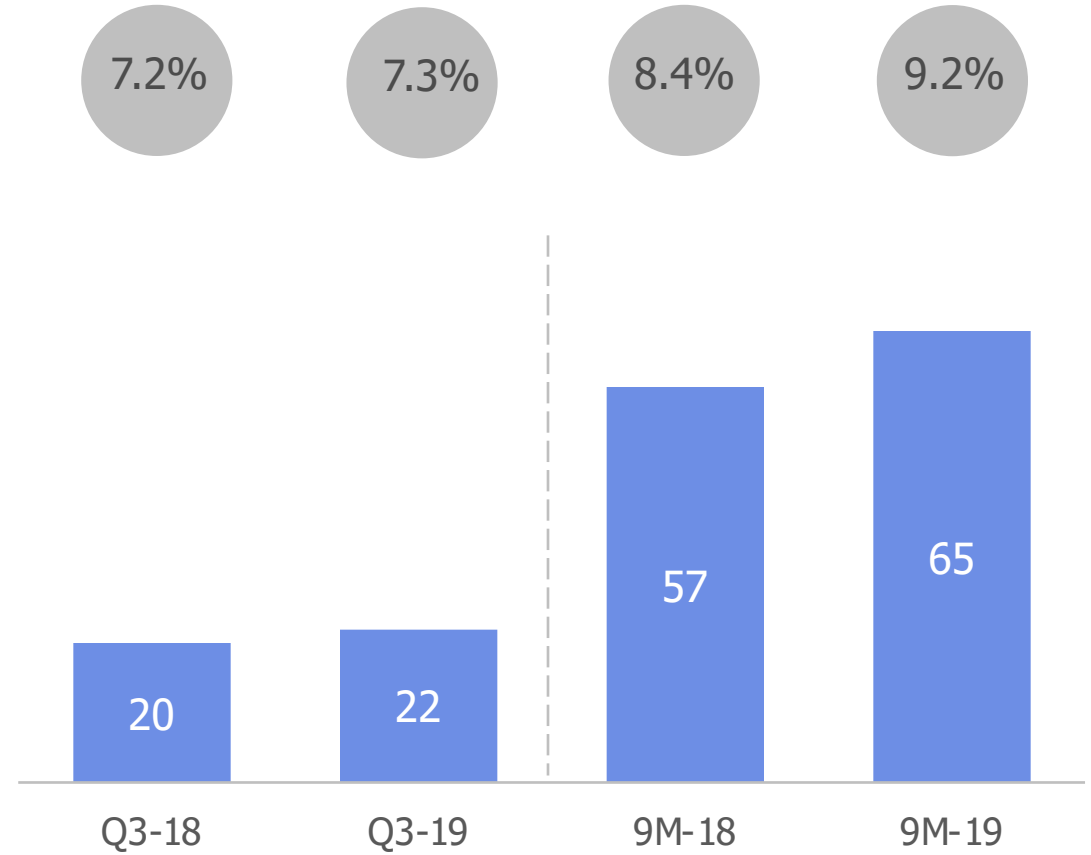
As a % of sales



(US\$ Million)

SG&A

As a % of sales

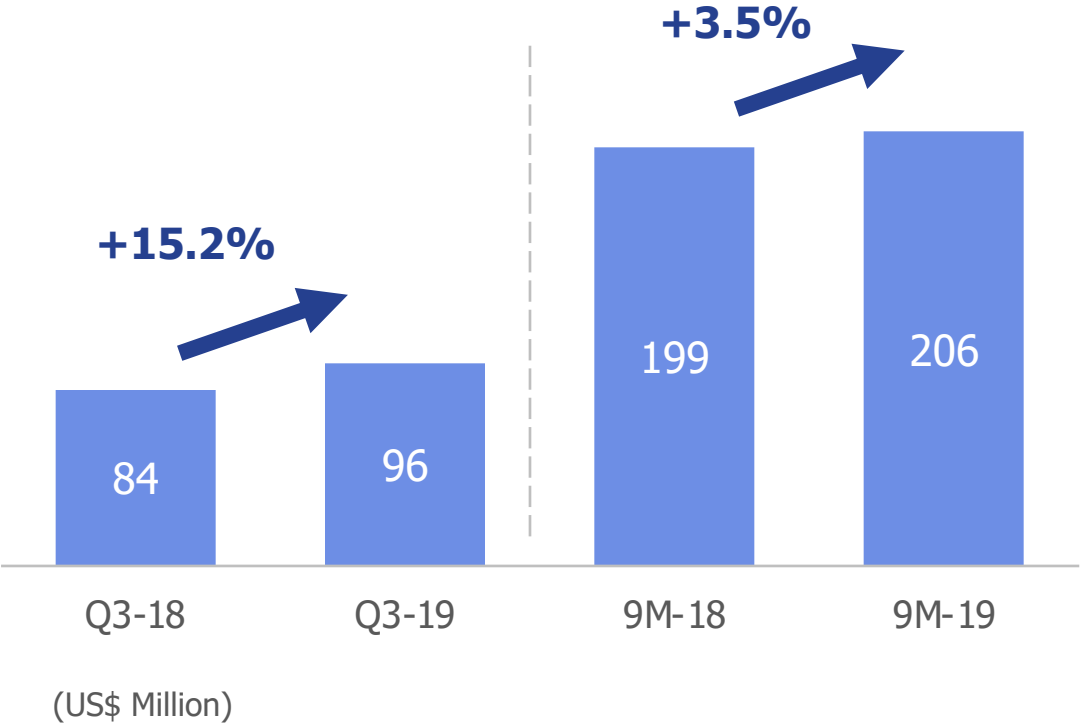


(US\$ Million)

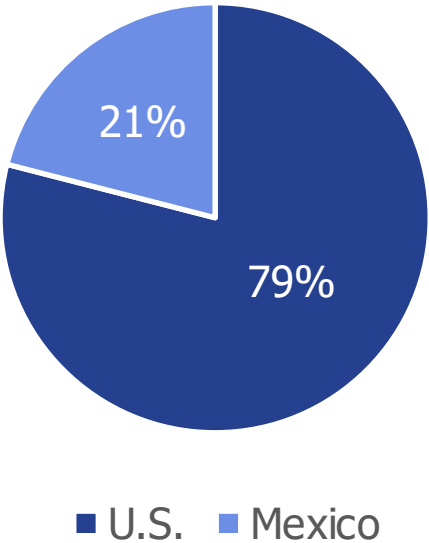
CONSOLIDATED EBITDA



EBITDA
margin



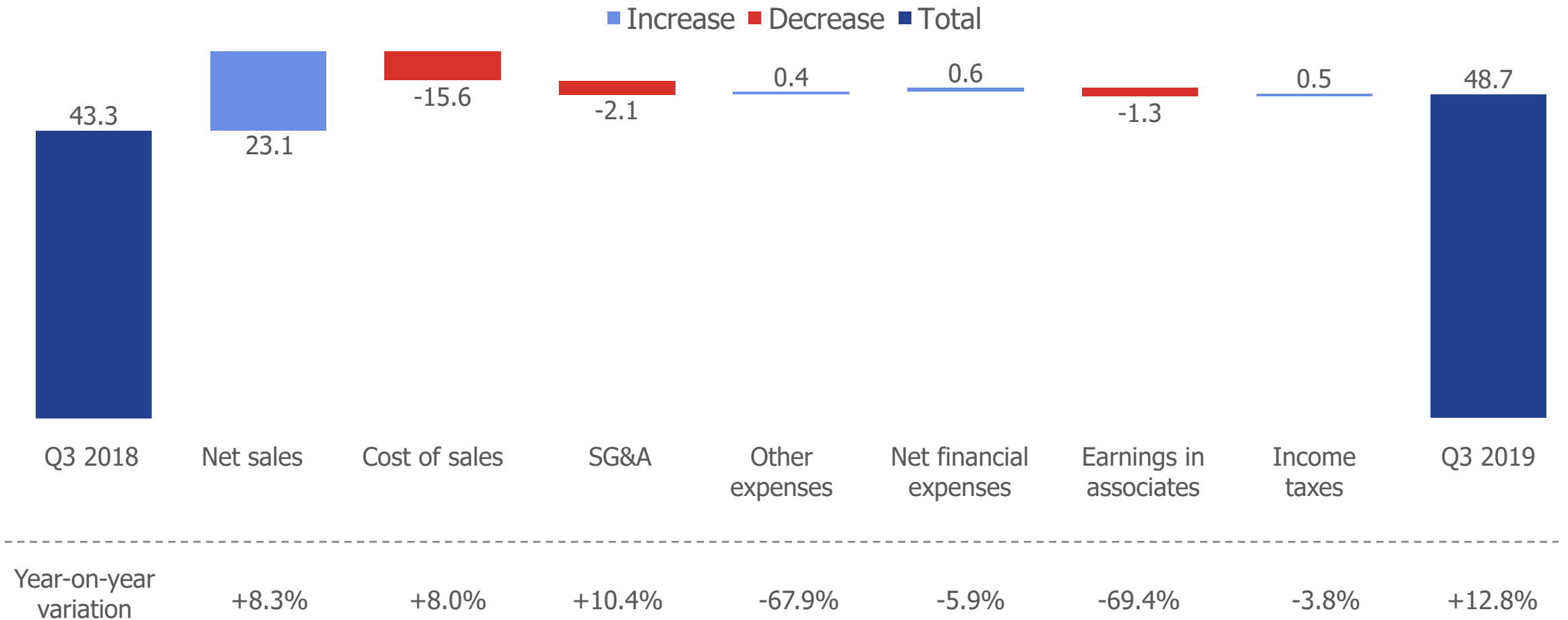
Q3 2019 EBITDA BY DIVISION



OPERATING RESULTS



Q3 2019 INCOME BEFORE DISCONTINUED OPERATIONS (US\$ Million)

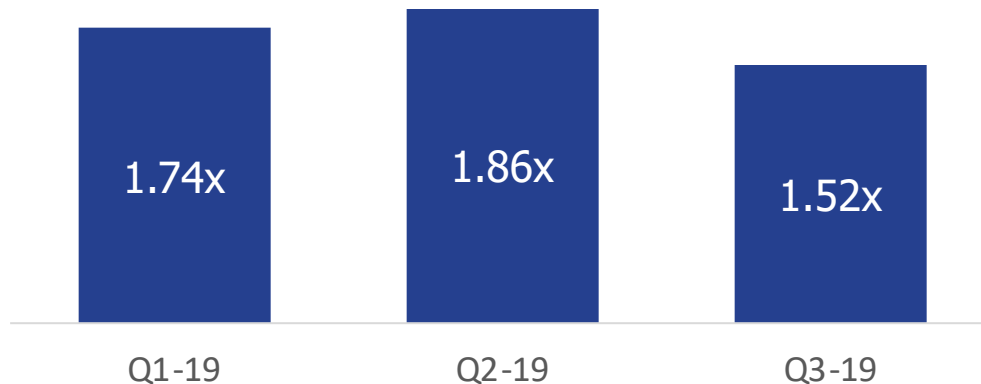


CASHFLOW AND BALANCE SHEET



- Strong balance sheet and efficient capital structure
 - Dividend payment of Ps. 0.8189 per share made on August 15, 2019
 - Net debt/EBITDA ratio of 1.52x as of September 2019

NET LEVERAGE RATIO



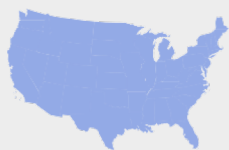
FREE CASH FLOW

Million dollars	Q3-19	Q3-18	Var	9M-19	9M-18	Var
EBITDA	96.4	83.7	15.2%	205.6	198.6	3.5%
Interest (expense)	(2.5)	(3.5)	-27.7%	(15.6)	(38.2)	-59.1%
(Increase) Decrease in Working Capital	2.1	6.7	-69.2%	(71.6)	(47.3)	51.6%
Taxes	(1.5)	(0.9)	74.6%	(20.0)	(15.5)	28.9%
Accruals and other accounts	10.9	1.5	609.4%	5.3	6.4	-17.0%
Operating Leases (IFRS 16 effect)	(5.5)	0.0	100.0%	(16.0)	0.0	100.0%
Flow from Continuing Operations, net	99.8	87.5	14.0%	87.7	104.1	-15.8%
Flow from Discontinued Operations	0.0	0.0	0.0%	0.0	1.7	-100.0%
Operating Cash Flow	99.8	87.5	14.0%	87.7	105.8	-17.1%
Maintenance CapEx*	(9.2)	(11.4)	-18.7%	(34.4)	(42.2)	-18.5%
Free Cash Flow	90.6	76.2	18.9%	53.3	63.6	-16.2%
FCF conversion rate	94.0%	91.1%		25.9%	32.0%	

FULL YEAR GUIDANCE: REVISED OUTLOOK



UNITED STATES



VOLUMES

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

PRICES

- Cement 2% – 3%
- Concrete 2% – 4%

MEXICO



VOLUMES

- Cement 1% – 3%
- Concrete 1% – 3%

PRICES

- Cement 3% – 5%
- Concrete 3% – 5%

CONSOLIDATED

EBITDA growth 8% – 10%

EBITDA growth without IFRS-16 0% - 2%

FCF Conversion Rate >40%

Working Capital Investment slight decrease

Total CAPEX US\$ 65 million

- Maintenance US\$ 55 million

- 2018 carry-over US\$ 10 million

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

- GCC signed a long-term agreement with a solar and wind power provider for Odessa's plant
 - The 10-year agreement takes effect beginning in July 2022 and represents an ~22% decrease from the current electricity price
 - US\$ 4.6 million dollars in savings
 - 45,000 mton reduction in CO2 per year



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QUESTIONS

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APPENDIX



INCOME STATEMENT



Million dollars	Q3-19	Q3-18	Var	9M-19	9M-18	Var
Net Sales	301.7	278.6	8.3%	705.5	677.4	4.2%
Cost of sales	209.8	194.2	8.0%	517.4	479.8	7.8%
SG&A	22.1	20.0	10.4%	65.0	56.8	14.4%
Other expenses, net	0.1	0.6	-67.9%	0.7	7.9	-91.3%
Operating Income	69.5	63.7	9.0%	122.5	132.8	-7.8%
Operating margin	23.0%	22.9%		17.4%	19.6%	
Net financing (expense)	(8.8)	(9.4)	-5.9%	(30.0)	(36.1)	-17.0%
Earnings in associates	0.5	1.8	-69.4%	1.6	3.2	-48.7%
Income taxes	12.5	13.0	-3.8%	16.4	16.7	-2.0%
Income from continuing operations	48.8	43.2	12.8%	77.8	83.2	-6.6%
Discontinued operations	0.0	(0.4)	100.0%	0.0	(41.0)	100.0%
Consolidated net income	48.8	42.8	13.9%	77.8	42.2	84.4%
EBITDA	96.4	83.7	15.2%	205.6	198.6	3.5%
EBITDA margin	31.9%	30.0%		29.1%	29.3%	

BALANCE SHEET



Million dollars	Sep-19	Sep-18	Var
Total Assets	2,014.0	1,901.3	5.9%
Current Assets	613.5	537.1	14.2%
Cash	276.9	223.8	23.7%
Other current assets	52.3	58.7	-10.9%
Non-current assets	1,400.6	1,364.2	2.7%
Plant, property & equipment	1,003.9	989.9	1.4%
Goodwill and intangibles	315.0	354.4	-11.1%
Other non-current assets	19.6	5.2	n.m.
Total liabilities	975.6	934.6	4.4%
Current Liabilities	187.0	157.5	18.7%
Short-term debt	17.4	2.4	n.m.
Other current liabilities	169.6	155.1	9.3%
Long-term liabilities	788.6	777.1	1.5%
Long-term debt	633.5	647.0	-2.1%
Other long-term liabilities	99.7	78.0	27.8%
Deferred taxes	55.4	52.0	6.5%
Total equity	1,038.4	966.7	7.4%



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