



Q4 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:

4Q19: 19.27	-	4Q18: 19.84
2019: 19.26	-	2018: 19.24

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

AGENDA

- 1 2019 Highlights
- 2 Results by Region
- 3 Financial Results
- 4 2020 Full Year Guidance
- 5 Closing Remarks

2019 HIGHLIGHTS



- Strong full year results despite extraordinary winter weather, record snowfall in the U.S and delay on the spring construction startup delay due to extended rainy season
- A strong backlog, GCC's operational capabilities and extensive distribution network, along with favorable weather in 2H 2019, enabled us to recover volumes lost in US in 1H-19, exceeding guidance
- In Mexico, the specialty products segment continues to strengthen, offering a compelling and competitive product due to its unique specifications

2019 HIGHLIGHTS



GCC signed two long-term agreements with renewable energy suppliers for Odessa, TX, and Mexico operations

- ~ US\$ 3 million dollars in annual savings
- ~ 66,000 MTON reduction in CO₂ per year

Odessa's plant

- Solar and wind power supply
- 10-year agreement
- Takes effect beginning July 2022
- Covers 100% of electricity consumed
- ~22% decrease from current energy costs

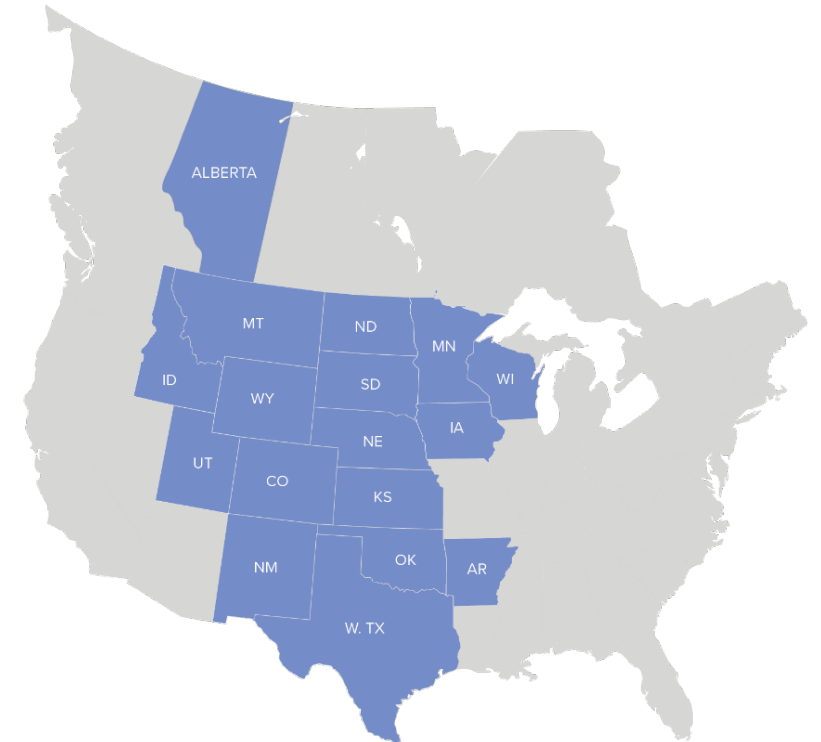
Mexico operations

- Solar energy supply
- 15-year agreement
- Takes effect beginning January 2021
- Covers 20% of the total operations' energy needs

U.S. OVERVIEW



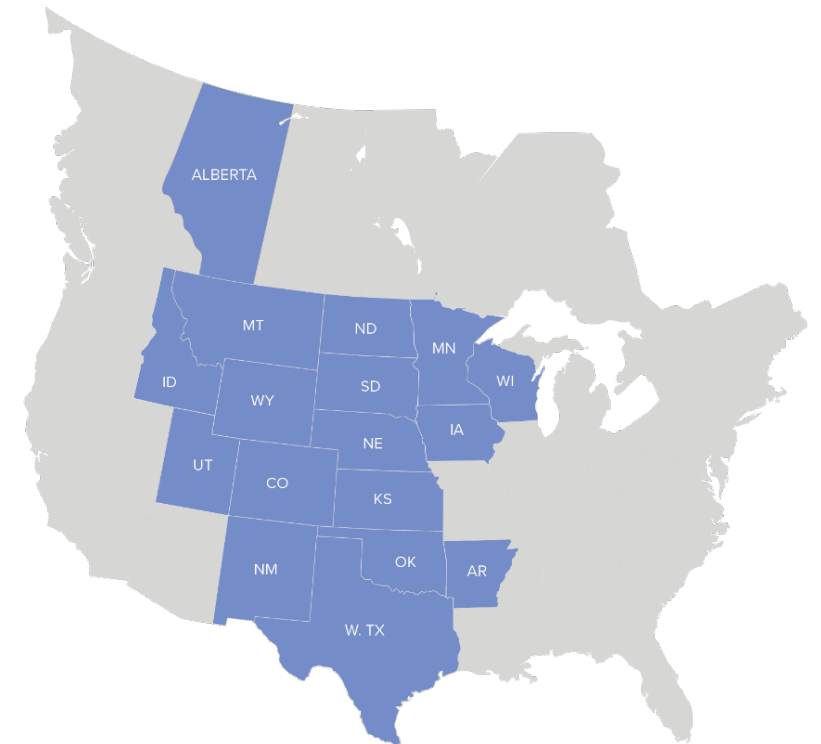
- U.S. cement volumes increased 12.3% in Q4-19, representing a record high for a fourth quarter
- Pricing dynamics in the U.S. were more challenging than expected for the industry as a whole
- Strong topline and bottom line growth, with EBITDA margin expansion and a strong free cash flow generation



U.S. OVERVIEW



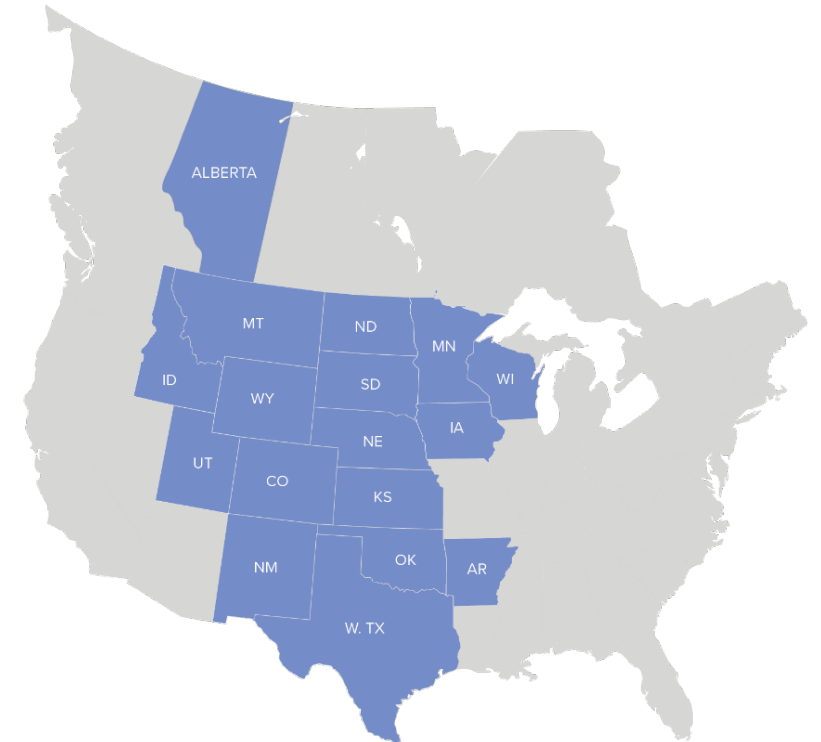
- Strong shipments in **El Paso, TX and Southern New Mexico**
- Cement consumption demand and shipments in the **Permian Basin** remain strong despite challenges in the oil industry
- GCC's Odessa plant is nearly sold out and being supplemented by Tijeras plant and by exports from Chihuahua. Odessa plant is expected to operate at full capacity in 2020
- An additional US\$ 8 per short ton price increase was announced and will come into effect across all GCC markets on April 1, 2020 excluding oil well cement which is being implemented in phases



U.S. OVERVIEW



- Solid demand from housing and public infrastructure projects in **Colorado**
- Demand in the **Dakotas and Iowa** driven by windfarm construction activity, reaching record high shipments to this area
- Solid demand in the **Dakotas** supported by favorable Bakken oil field market dynamics
- Strong demand in **Montana** with plant operating at full capacity. Making progress on sustainability: converted a project from traditional to blended cement in this market
- **Rapid City plant** is running well and has achieved near optimum levels



MEXICO OVERVIEW



- GCC delivered strong price and volume growth
- Solid performance, particularly in Juarez-area industrial warehouse construction
- Mexico's low-income housing industry remained weak, as subsidies continue to contract
- Strong demand on the middle to high income housing segment
- Incremental state government infrastructure projects coming onstream
- The mining industry remains a strong driver, as GCC develops unique and innovative products and solutions designed to address mine-specific project challenges

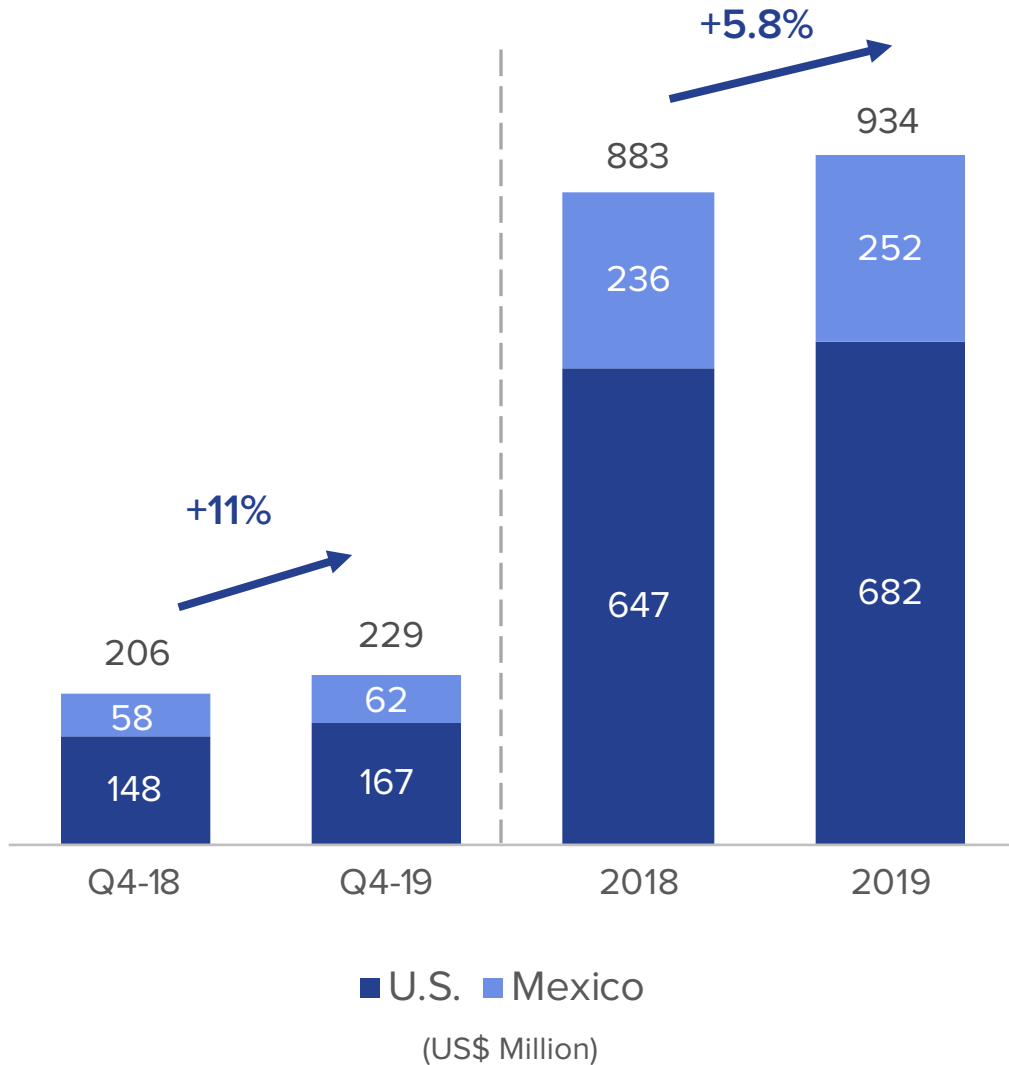




FINANCIAL RESULTS



NET SALES

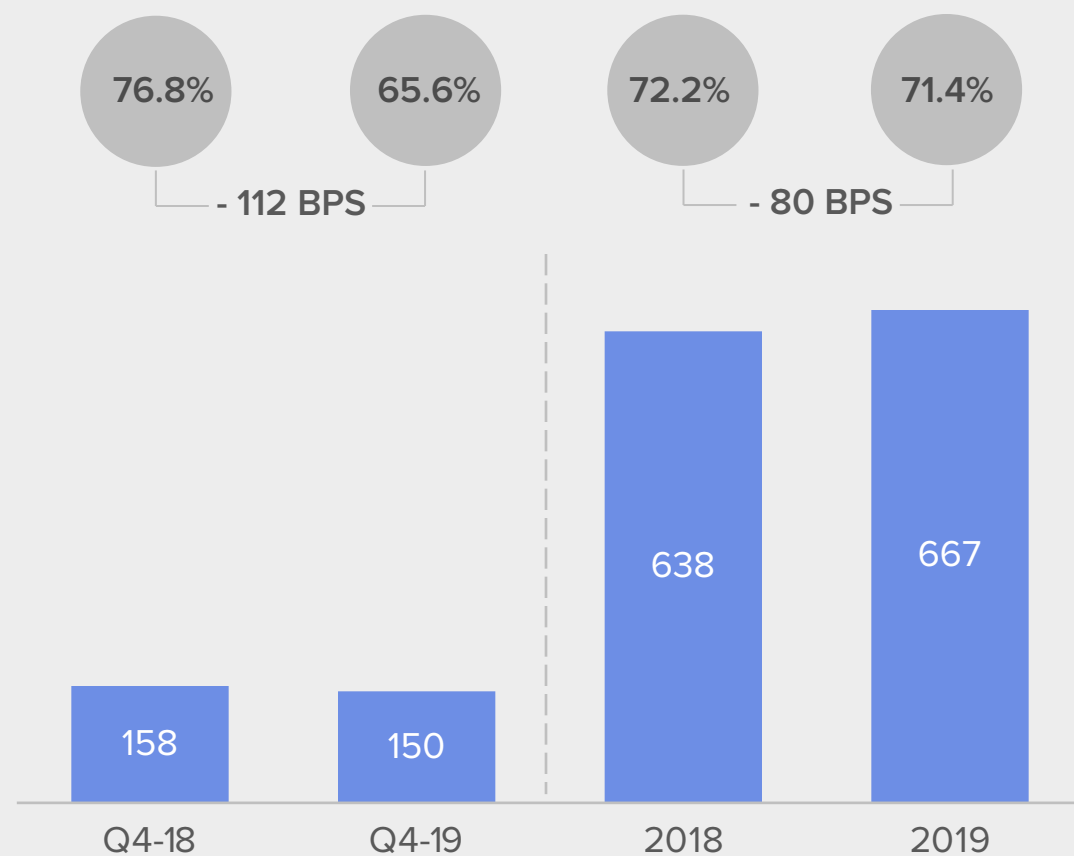


	Q4-19 vs. Q4-18		2019 vs. 2018	
	Volumes	Prices*	Volumes	Prices*
Cement				
United States	12.3%	2.9%	5.6%	2.6%
U.S. like-like	N.A.	N.A.	2.4%	3.1%
Mexico	-1.0%	2.8%	2.9%	4.7%
Concrete				
United States	11.3%	4.8%	-1.8%	5.7%
Mexico	4.7%	2.3%	4.7%	6.1%

* Prices in local currency

COST OF SALES

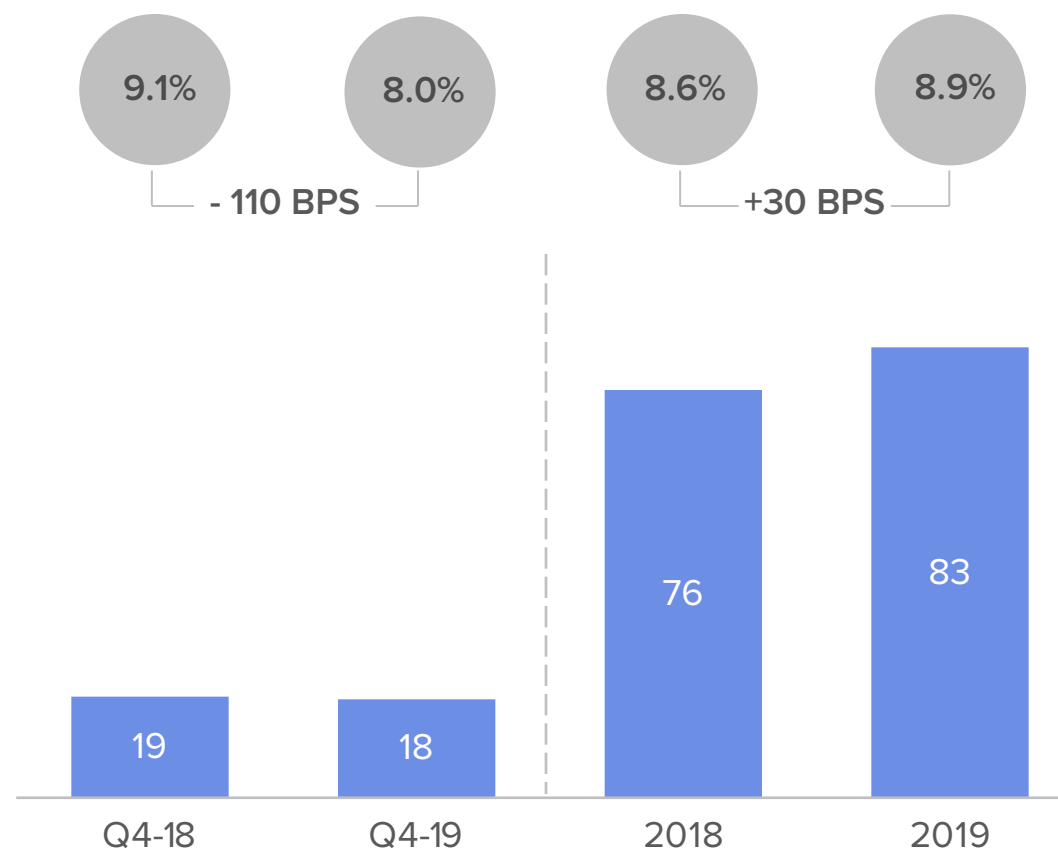
As a % of sales



(US\$ Million)

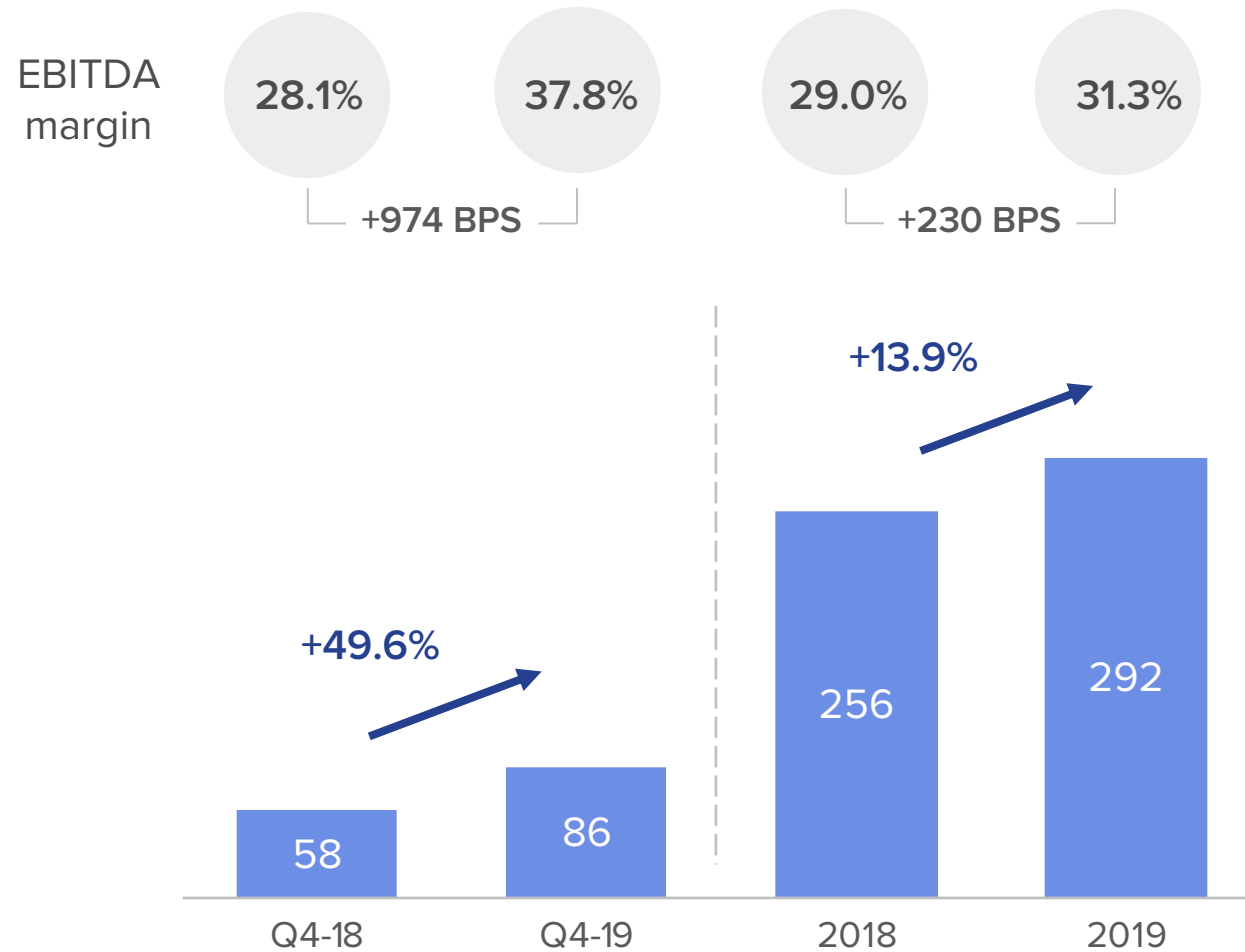
SG&A

As a % of sales



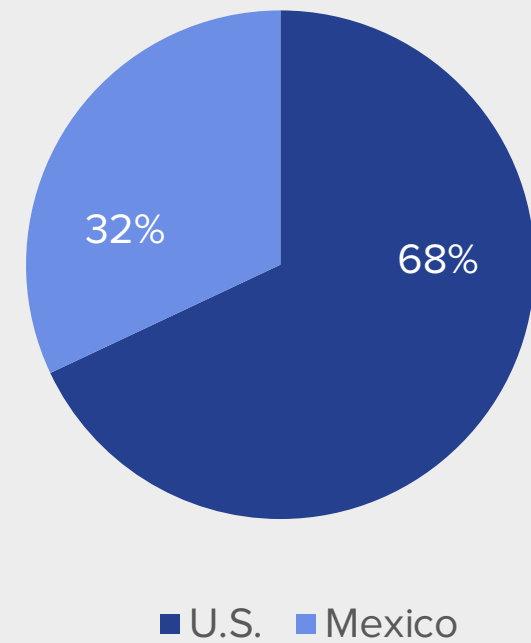
(US\$ Million)

EBITDA



(US\$ Million)

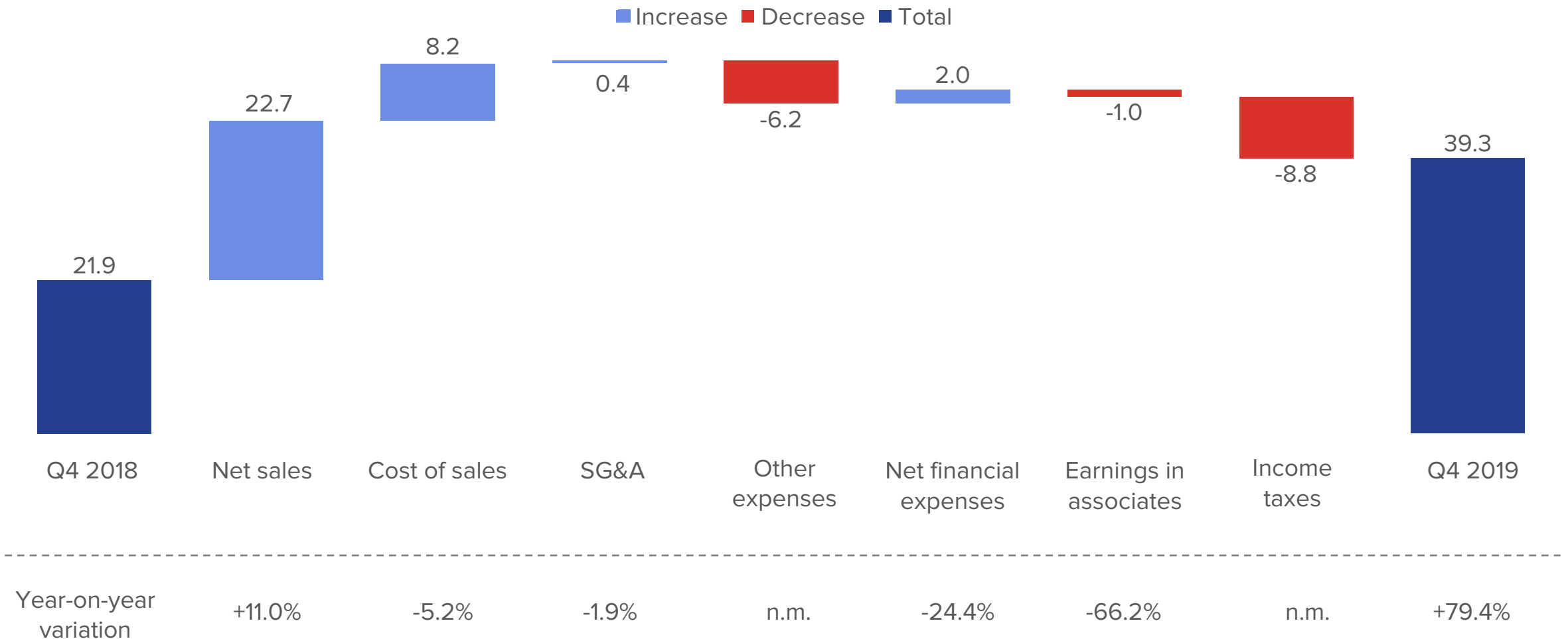
Q4 2019 EBITDA BY DIVISION



OPERATING RESULTS



Q4 2019 INCOME BEFORE DISCONTINUED OPERATIONS (US\$ Million)



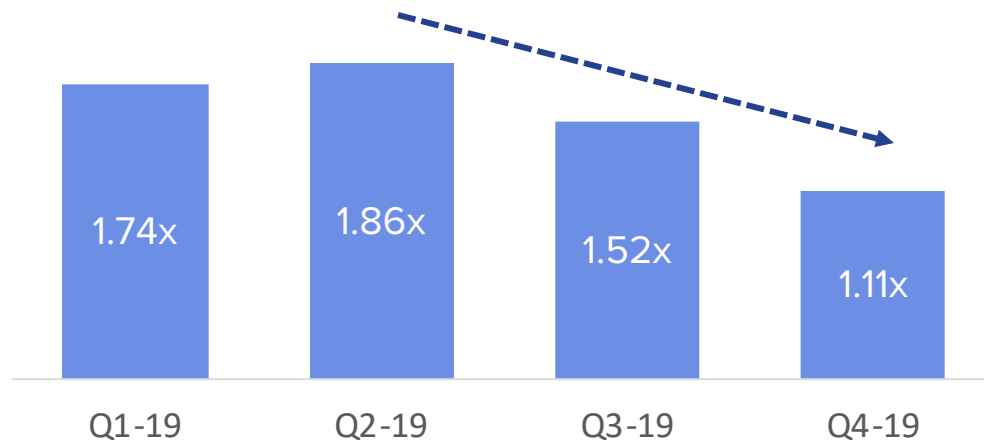
CASHFLOW AND BALANCE SHEET



Strong balance sheet and efficient capital structure

- Dividend payment of Ps. 0.8189 per share made in 2019; a 15% year-on-year increase
- Net debt/EBITDA ratio of 1.11x as of December 2019
- Fitch Ratings raised GCC's credit rating to BB+

NET LEVERAGE RATIO



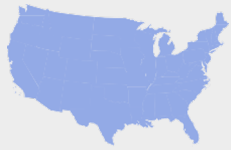
FREE CASH FLOW

Million dollars	Q4-19	Q4-18	Var	2019	2018	Var
EBITDA	86.4	57.7	49.6%	292.0	256.4	13.9%
Interest (expense)	(9.0)	(9.9)	-9.4%	(24.6)	(48.1)	-48.9%
(Increase) Decrease in Working Capital	52.7	36.3	45.2%	(19.0)	(11.0)	72.8%
Taxes	(1.2)	(0.5)	174.7%	(21.2)	(15.9)	33.1%
Accruals and other accounts	(35.2)	(30.3)	16.1%	(29.0)	(23.9)	21.6%
Operating Leases (IFRS 16 effect)	(4.8)	0.0	100.0%	(20.8)	0.0	100.0%
Flow from Continuing Operations, net	88.8	53.3	66.6%	177.4	157.4	12.6%
Flow from Discontinued Operations	0.0	0.0	0.0%	0.0	1.7	-100.0%
Operating Cash Flow	88.8	53.3	66.6%	177.4	159.1	11.4%
Maintenance CapEx*	(6.3)	(9.3)	-32.1%	(40.4)	(52.8)	-23.5%
Free Cash Flow	82.5	44.0	87.6%	137.0	106.4	28.8%
FCF conversion rate	95.5%	76.1%		46.9%	41.5%	

FULL YEAR 2020 GUIDANCE



UNITED STATES



VOLUMES

- Cement 1% – 3%
- Concrete

PRICES

- Cement 3% – 5%
- Concrete 2% – 4%

MEXICO



VOLUMES

- Cement 1% – 3%
- Concrete

PRICES

- Cement 2% – 4%
- Concrete 3% – 4%

CONSOLIDATED

EBITDA growth	6% – 9%
FCF Conversion Rate	>50%
Total CAPEX	US\$ 70 million
• Maintenance	US\$ 60 million
• 2019 carry-over	US\$ 10 million
Net Debt / EBITDA, by year-end	~ 0.5x

- GCC joined the Science Based Targets initiative (SBTi)
 - GCC is committed to establishing science-based emission reduction targets in line with United Nations Paris Agreement goals to keep global temperature increase well-below 2 degrees Celsius
- GCC's goal is to reduce our CO2 emissions by 9% in 2020
- GCC again recognized by “Great Place to Work”
 - GCC Mexico's Great Place to Work ranking is in the top 30
 - GCC US Division was certified as a Great Place to Work for the first time



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QUESTIONS

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APPENDIX



INCOME STATEMENT



Million dollars	Q4-19	Q4-18	Var	2019	2018	Var
Net Sales	228.6	205.9	11.0%	934.1	883.2	5.8%
Cost of sales	149.8	158.1	-5.2%	667.2	637.9	4.6%
SG&A	18.3	18.7	-1.9%	83.3	75.5	10.4%
Other expenses, net	6.6	0.4	n.m.	7.3	8.3	-12.6%
Operating Income	53.8	28.6	87.8%	176.3	161.5	9.2%
Operating margin	23.5%	13.9%		18.9%	18.3%	
Net financing (expense)	(6.3)	(8.3)	-24.4%	(36.3)	(44.5)	-18.4%
Earnings in associates	0.5	1.6	-66.2%	2.2	4.7	-54.5%
Income taxes	8.8	0.0	n.m.	25.1	16.7	50.5%
Income from continuing operations	39.3	21.9	79.4%	117.0	105.1	11.3%
Discontinued operations	0.0	1.0	-100.0%	0.0	(40.1)	100.0%
Consolidated net income	39.3	22.9	71.7%	117.0	65.0	79.9%
EBITDA	86.4	57.7	49.6%	292.0	256.4	13.9%
EBITDA margin	37.8%	28.1%		31.3%	29.0%	

BALANCE SHEET



Million dollars	Dec-19	Dec-18	Var
Total Assets	2,057.9	1,902.5	8.2%
Current Assets	656.0	534.2	22.8%
Cash	350.5	251.8	39.2%
Other current assets	59.0	59.3	-0.6%
Non-current assets	1,401.9	1,368.4	2.4%
Plant, property & equipment	1,015.9	1,027.8	-1.2%
Goodwill and intangibles	309.1	320.1	-3.5%
Other non-current assets	18.1	4.9	n.m.
Total liabilities	985.2	930.3	5.9%
Short-term Liabilities	195.2	163.3	19.5%
Short-term debt	25.4	4.4	n.m.
Other current liabilities	169.8	158.9	6.8%
Long-term liabilities	790.0	767.0	3.0%
Long-term debt	624.6	645.9	-3.3%
Other long-term liabilities	103.6	77.3	34.0%
Deferred taxes	61.9	43.8	41.3%
Total equity	1,072.6	972.2	10.3%



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