

Zug | 25 February 2022

Ad Hoc Announcement Pursuant to Art. 53 of the SIX Exchange Regulation Listing Rules

## Record Results, Strategy 2022 Achieved One Year In Advance

- Record financial performance with over-proportional Recurring EBIT growth of +25.7% LFL, EPS<sup>1</sup> of CHF 3.98, +30% and ROIC of 8.9%
- Record Free Cash Flow<sup>2</sup> at CHF 3,264m
- Board proposes 10% increase in dividend to CHF 2.20
- Expansion of Solutions & Products with milestone acquisitions of Firestone, Malarkey and PRB Group
- Outlook 2022: growth momentum to continue in all regions

### Performance overview

Group (in million CHF)	2021	2020	±%	±%LFL
Net sales	26,834	23,142	+16.0	+11.3
Recurring EBIT	4,612	3,676	+25.5	+25.7
Recurring EBIT margin (%)	17.2	15.9		
Net income, Group share	2,298	1,697	+35.4	
Net income before impairment and divestments <sup>3</sup>	2,448	1,900	+28.8	
EPS in CHF	3.73	2.74	+36.1	
EPS before impairment and divestments in CHF	3.98	3.07	+29.6	
Free Cash Flow <sup>2</sup>	3,264	3,249	+0.4	
Net financial debt	9,977	8,483	+17.6	

Jan Jenisch, CEO: “2021 was a record year for Holcim, reaching new levels of performance, across our financial and ESG targets. What makes me most proud is how we navigated the COVID pandemic with such extraordinary resilience and agility, working tirelessly to keep our people and communities safe.

“We delivered record financial performance across all our key metrics with net sales of CHF 26.8 billion and over-proportional Recurring EBIT growth of +25.7% LFL, reaching CHF 4.6 billion, and a debt leverage ratio of 1.4x. We achieved these unprecedented results, while accelerating the

<sup>1</sup> before impairment and divestments

<sup>2</sup> after leases

<sup>3</sup> Group share

expansion of Solutions & Products, advancing our vision to become the global leader in innovative and sustainable building solutions. We successfully welcomed Firestone Building Products into the Group in April and closed the year with double-digit growth. We also made good progress in the acquisitions of Malarkey and PRB Group, as further double-digit growth engines for the company.

“We delivered our Strategy 2022 one year in advance, setting solid foundations for our next era of growth. Putting sustainability at the core of our strategy, we accelerated the deployment of our green building solutions, from ECOPact green concrete and ECOPlanet green cement to smart roofing and energy efficiency systems. My sincere thanks goes to our 70,000 people who made all of this possible while keeping safety top of mind at all times.”

## Record Financial Performance

**Net Sales** of CHF 26,834 million for 2021 were up +11.3% on a like-for-like basis and +16.0% higher in Swiss francs, compared to the prior year. The record growth in net sales was driven by volume growth in all regions and business segments and strong pricing.

**Recurring EBIT** reached a record CHF 4,612 million for 2021, up +25.7% on a like-for-like basis and +25.5% higher in Swiss francs, compared to 2020. Recurring EBIT has grown over-proportionally in all regions and business segments.

**Earnings per share**<sup>1</sup> increased by +30% to reach CHF 3.98 for 2021 versus CHF 3.07 for 2020.

**Free Cash Flow** after leases amounted to CHF 3,264 million for 2021 versus CHF 3,249 million in 2020, for a cash conversion of 50%. This is the third consecutive year in which Free Cash Flow after leases has exceeded CHF 3 billion, generating CHF 9.5 billion in total over the last three years.

**Net debt** amounted to CHF 9,977 million. The company maintained its strong balance sheet with the ratio of net debt to Recurring EBITDA at 1.4 times despite the USD 3.4 billion acquisition of Firestone Building Products.

**Return on Invested Capital** was 8.9% in 2021, over-achieving Holcim’s Strategy 2022 target of above 8.0%.

## Accelerating Expansion of Solutions & Products

With the acquisition of Firestone Building Products (Firestone) closed as of 31 March 2021, net sales in the Solutions & Products segment increased by +90.8% in 2021 compared to the prior year to CHF 3,612 million. The Solutions & Products segment accounted for 13% of Group net sales to external customers in 2021, up from 8% in 2020. The Solutions & Products share of Group net sales to external customers is targeted to reach 30% by 2025 under “Strategy 2025 – Accelerating Green Growth”.

The milestone acquisition of Firestone was followed by the acquisitions of Malarkey Roofing Products and PRB Group. Malarkey Roofing Products is a leading provider of residential roofing solutions in the US and is fully complementary to Firestone Building Products’ leadership in the commercial segment, positioning Holcim as a full roofing provider. This acquisition is expected to close in Q1 2022. PRB Group is the biggest independent specialty building solutions business in France. Its products and

solutions are highly complementary to Holcim's and will expand the company's reach in the high growth repair & refurbishment market. The acquisition of PRB Group is expected to close in Q2 2022. Both businesses will be part of the Solutions & Products segment.

Holcim continued to expand its aggregates and ready-mix concrete portfolio in mature European and North American markets with twelve bolt-on acquisitions in 2021. Further pursuing its ongoing portfolio optimization, Holcim has divested cement operations in Malawi, Zambia, the Indian Ocean and Northern Ireland and has signed an agreement to divest its business in Brazil.

## Further strengthening leadership in sustainability

In 2021, Holcim became the first company in its industry to have its 2050 net-zero targets validated by the Science Based Targets initiative, covering scope 1, 2 and 3 CO<sub>2</sub> emissions and cutting across its entire operations and value chain. Holcim also launched the industry's first sustainability-linked bonds in the Swiss franc market, raising a total of CHF 425 million. This represents a significant step toward the goal announced under "Strategy 2025 – Accelerating Green Growth" to link over 40% of financing agreements to the company's sustainability goals.

Holcim also made solid progress toward three other 2025 sustainability targets announced as part of its new strategy: 25% of ready-mix sales from ECOPact green concrete; 10 million tons of construction & demolition waste (CDW) per year recycled in its products and 75 million tons per year of recycled materials overall; and Green CAPEX of CHF 500 million per year by 2025. Since its global launch, the company has already sold more than 1 million m<sup>3</sup> of ECOPact green concrete with a global presence across 24 markets to date, on its way to 25% of ready-mix net sales by 2025. The company is scaling up circular construction, with a +17% increase in recycled materials, reaching 54 million tons in 2021 and 6.6 million tons of CDW recycled into new products.

## Change in Executive Committee

The Board of Directors appointed Toufic Tabbara, currently CEO US Cement, as Region Head North America and member of the Group Executive Committee, effective 1 March 2022.

Toufic joined the Group in 1998 as Director Strategy & Development in the US. He has a strong track record of leading Holcim's ready-mix concrete, aggregates and cement businesses in the United States, Canada, Egypt, Jordan, Lebanon, and Algeria. With his extensive experience, Toufic is well positioned to ensure profitable and sustainable growth across the North America region.

He succeeds René Thibault, who decided to pursue new opportunities outside of Holcim. The Board and Executive Committee sincerely thank René for his many contributions to the company's success.

## Outlook and Guidance 2022

Holcim expects growth momentum to continue in all regions with:

- Double-digit net sales growth in Solutions & Products
- Accelerated progress towards 2025 sustainability targets
- Growth in net sales of above 6% like-for-like

- Positive growth in Recurring EBIT like-for-like
- Free cash flow<sup>2</sup> above CHF 3 billion

In light of the company's record 2021 financial performance and confidence in the future, the Board of Directors proposes a 10% increase in dividend, equivalent to CHF 2.20 per registered share to be paid out from the foreign capital reserves from tax capital contributions, subject to approval by the shareholders at the Annual General Meeting on 4 May 2022. The distribution from the foreign capital reserves from tax capital contributions is not subject to Swiss withholding tax.

## Key Group figures

Group Q4 (in million CHF)	2021	2020	±%	±%LfL
Net sales	6,992	5,994	+16.7	+8.6
Recurring EBIT	1,096	1,037	+5.6	+1.3
Recurring EBIT margin (%)	15.7	17.3		

Group Full Year (in million CHF)	2021	2020	±%	±%LfL
Net sales	26,834	23,142	+16.0	+11.3
Recurring EBIT	4,612	3,676	+25.5	+25.7
Recurring EBIT margin (%)	17.2	15.9		
Net income, Group share	2,298	1,697	+35.4	
Net income before impairment and divestments <sup>3</sup>	2,448	1,900	+28.8	
EPS before impairment and divestments (CHF)	3.98	3.07	+29.6	
Cash flow from operating activities	5,045	4,618	+9.3	
Free Cash Flow after leases	3,264	3,249	+0.4	
Net financial debt	9,977	8,483	+17.6	

Group results by segment (in million CHF)	2021	2020	±%	±%LfL
Sales of cement (mt)	200.8	190.4	+5.5	+5.0
Net sales of Cement	16,399	15,043	+9.0	+13.3
Recurring EBIT of Cement	3,587	3,112	+15.3	+20.3
Recurring EBIT margin of Cement (%)	21.9	20.7		
Sales of aggregates (mt)	269.9	256.3	+5.3	+3.9
Net sales of Aggregates	4,037	3,713	+8.7	+6.1
Recurring EBIT of Aggregates	618	432	+43.0	+39.8
Recurring EBIT margin of Aggregates (%)	15.3	11.6		
Sales of ready-mix concrete (m <sup>3</sup> )	46.5	42.3	+10.0	+7.3
Net sales of Ready-Mix Concrete	5,167	4,610	+12.1	+8.8

Recurring EBIT of Ready-Mix Concrete	155	32	+389.0	+439.2
Recurring EBIT margin of Ready-Mix Concrete (%)	3.0	0.7		
Net sales of Solutions & Products	3,612	1,893	+90.8	+10.1
Recurring EBIT of Solutions & Products	252	100	+151.1	+13.8
Recurring EBIT margin of Solutions & Products (%)	7.0	5.3		

## Regional performance

### Region Asia Pacific

The Asia Pacific region delivered an excellent performance in 2021, with strong results in India and the successful expansion of the aggregates business in China. The positive price over cost in the region for the full year was partially offset by energy cost inflation in Q4. In India, new production lines opened in Marwar Mundwa and Ametha.

Asia Pacific	2021	2020	±%	±%LFL
Sales of cement (mt)	69.7	63.0	+10.7	+10.7
Sales of aggregates (mt)	34.6	28.1	+23.3	+12.2
Sales of ready-mix concrete (m m <sup>3</sup> )	7.9	7.4	+6.0	+6.0
Net sales to external customers (CHFm)	5,947	5,243	+13.4	+13.5
Recurring EBIT (CHFm)	1,330	1,103	+20.5	+19.9
Recurring EBIT margin (%)	22.4	21.0		

### Region Europe

The Europe region delivered higher profitability, with good demand overall in Western Europe and strong growth in Eastern Europe. Strong pricing helped to achieve positive price over cost for the full year and to contain power inflation in Q4. Growth in the region was further fueled by bolt-on acquisitions.

Europe	2021	2020	±%	±%LFL
Sales of cement (mt)	46.0	44.6	+3.3	+3.3
Sales of aggregates (mt)	115.9	111.9	+3.5	+3.6
Sales of ready-mix concrete (m m <sup>3</sup> )	20.0	18.1	+10.2	+7.6
Net sales to external customers (CHFm)	8,032	7,061	+13.8	+9.2
Recurring EBIT (CHFm)	1,114	927	+20.2	+17.7
Recurring EBIT margin (%)	13.7	13.0		

### Region Latin America

The Latin America region achieved strong profitable growth on the back of good market demand driven by residential and infrastructure in all key markets. Pricing was strong, with positive price over cost for the year and in Q4. New production lines started in Mexico and Argentina, while the rollout of roofing products continued through the Disensa retail network.

<b>Latin America</b>	<b>2021</b>	<b>2020</b>	<b>±%</b>	<b>±%LFL</b>
Sales of cement (mt)	27.3	23.9	+14.1	+14.1
Sales of aggregates (mt)	6.4	4.8	+31.8	+31.8
Sales of ready-mix concrete (m m <sup>3</sup> )	4.7	4.0	+19.8	+19.8
Net sales to external customers (CHFm)	2,611	2,225	+17.4	+30.2
Recurring EBIT (CHFm)	865	696	+24.3	+38.9
Recurring EBIT margin (%)	32.7	31.0		

### Region Middle East Africa

A strong performance in the Middle East Africa region was driven by strong market growth in Nigeria and Kenya. Positive price over cost for the year and in Q4 was driven by good price momentum in the region. Cost management drove improvement in Recurring EBIT margin.

<b>Middle East Africa</b>	<b>2021</b>	<b>2020</b>	<b>±%</b>	<b>±%LFL</b>
Sales of cement (mt)	36.2	33.3	+8.7	+4.1
Sales of aggregates (mt)	4.2	3.5	+21.9	+23.2
Sales of ready-mix concrete (m m <sup>3</sup> )	3.5	2.7	+28.8	+8.5
Net sales to external customers (CHFm)	2,430	2,349	+3.5	+14.0
Recurring EBIT (CHFm)	388	330	+17.4	+37.9
Recurring EBIT margin (%)	15.2	13.8		

### Region North America

North America achieved an outstanding performance in Q4. Good market growth in the region supported volume growth across all business segments. Price over cost remained positive in Q4, with strong margin expansion across all business segments and a full order book for 2022.

<b>North America</b>	<b>2021</b>	<b>2020</b>	<b>±%</b>	<b>±%LFL</b>
Sales of cement (mt)	20.6	19.8	+3.8	+3.8
Sales of aggregates (mt)	108.8	108.0	+0.8	+0.1
Sales of ready-mix concrete (m m <sup>3</sup> )	10.4	10.0	+3.6	+2.6
Net sales to external customers (CHFm)	7,316	5,749	+27.3	+4.6
Recurring EBIT (CHFm)	1,333	1,033	+29.1	+16.5
Recurring EBIT margin (%)	18.1	18.0		

### Other Profit & Loss Items

**Restructuring, litigation and other non-recurring costs** stood at CHF 194 million, compared to CHF 89 million in 2020.

**Net financial expenses** for 2021 showed double-digit improvement this year, at CHF 556 million versus CHF 623 million in the prior year.

The **income tax rate** excluding impairment and divestments was 25%, stable compared to 2020.

**Net income** (Group share) increased by +35.4% to CHF 2,298 million and **EPS**, excluding impairment and divestments, was up +30% to CHF 3.98 for 2021.

**Net capital expenditure** for 2021 was CHF 1.4 billion. **Free Cash Flow** after leases stood at CHF 3,264 million, up +0.4% compared to 2020. This led to a ratio of cash conversion, defined as Free Cash Flow after leases relative to Recurring EBITDA after leases, of 50% in 2021.

## Reconciliation to Group accounts

Reconciling measures of profit and loss to the Holcim' Group's consolidated statement of income:

In million CHF	2021	2020
Net sales	26,834	23,142
Recurring operating costs	(20,747)	(17,974)
Share of profit of joint ventures	474	448
Recurring EBITDA after leases	6,562	5,616
Depreciation and amortization of property, plant and equipment, intangible and long-term assets	(1,949)	(1,940)
Recurring EBIT	4,612	3,676
Restructuring, litigation and other non-recurring costs	(194)	(89)
Impairment of operating assets	(17)	(215)
Operating profit	4,401	3,371

In million CHF	2021	2020
Recurring EBITDA after leases	6,562	5,616
Depreciation of right-of-use assets	370	360
Recurring EBITDA	6,932	5,976

In million CHF	2021	2020
Net income	2,681	2,002
Impairment of goodwill and long-term assets*	(14)	(203)
Loss on disposals of Group companies*	(135)	(14)
Net income before impairment and divestments	2,830	2,218
Net income before impairment and divestments, Non-controlling interests	382	318
Net income before impairment and divestments, Group share	2,448	1,900
EPS before impairment and divestments in CHF	3.98	3.07

\*Adjustments disclosed net of taxation.

Reconciliation of Free Cash Flow after leases to the Holcim Group's Consolidated Statement of Cash Flows

In million CHF	2021	2020
Cash flow from operating activities	5,045	4,618
Purchase of property, plant and equipment	(1,532)	(1,114)
Disposal of property, plant and equipment	112	88
Repayment of long-term lease liabilities	(362)	(342)
Free Cash Flow after leases	3,264	3,249

Reconciliation of Net financial debt to the Holcim Group's consolidated statement of financial position:

In million CHF	2021	2020
Current financial liabilities	2,391	2,064
Long-term financial liabilities	14,514	11,710
Cash and cash equivalents	(6,682)	(5,190)
Short-term derivative assets	(186)	(30)
Long-term derivative assets	(59)	(70)
Net financial debt	9,977	8,483

## Non-GAAP definitions

Some non-GAAP measures are used in this release to help describe the performance of Holcim. A full set of these non-GAAP definitions can be found on our [website](#).

Measures	Definition
<b>Like-for-like</b>	Factors out changes in the scope of consolidation (such as divestments and acquisitions occurring in the current and the prior year) and currency translation effects (current year figures are converted with prior year exchange rates in order to calculate the currency effects).
<b>Recurring operating costs</b>	It is defined as: +/- Recurring EBITDA after leases - Net sales and - Share of profit of joint ventures.
<b>Recurring EBITDA</b>	It is defined as: +/- Operating profit/loss (EBIT) - Depreciation, amortization and impairment of operating assets and - Restructuring, litigation and other non-recurring costs.
<b>Recurring EBITDA after leases</b>	The Recurring EBITDA after leases is defined as Recurring EBITDA less the depreciation of right-of-use assets.
<b>Recurring EBIT</b>	The Recurring EBIT is defined as Operating profit/loss (EBIT) adjusted for restructuring, litigation and other non-recurring costs and for impairment of operating assets.



<b>Recurring EBIT Margin</b>	Recurring EBIT divided by net sales.
<b>Restructuring, litigation and other non-recurring costs</b>	Significant items that, because of their exceptional nature, cannot be viewed as inherent to the Group's ongoing performance, such as strategic restructuring, major items relating to antitrust fines and other business-related litigation cases.
<b>Profit/loss on disposals and other non-operating items</b>	Comprises capital gains or losses on the sale of Group companies and of material property, plant and equipment and other non-operating items that are not directly related to the Group's operating activities such as revaluation gains or losses on previously held equity interests, indemnification provisions, disputes with non-controlling interest and major lawsuits.
<b>Operating profit/loss (EBIT) before impairment</b>	It is defined as: +/- Operating profit/loss - Impairment of goodwill and long-term assets.
<b>Net income before impairment and divestments</b>	It is defined as: +/- Net income/loss - Gains and losses on disposals of Group companies and - Impairment of goodwill and long-term assets.
<b>EPS (Earnings Per Share) before impairment and divestments</b>	It is defined as: Net income/loss before impairment and divestments attributable to the shareholders of Holcim Ltd divided by the weighted average number of shares outstanding.
<b>“Capex” or “Capex Net” (Net Maintenance and Expansion Capex)</b>	It is defined as: + Expenditure to increase existing or create additional capacity to produce, distribute or provide services for existing products (expansion) or to diversify into new products or markets (diversification) + Expenditure to sustain the functional capacity of a particular component, assembly, equipment, production line or the whole plant, which may or may not generate a change of the resulting cash flow - Proceeds from sale of property, plant and equipment.
<b>Free Cash Flow after leases</b>	It is defined as: +/- Cash flow from operating activities - Net Maintenance and expansion Capex and - Repayment of long-term lease liabilities.
<b>Cash conversion</b>	Cash conversion is defined as: Free Cash Flow after leases divided by Recurring EBITDA after leases.
<b>Green Capex (million CHF)</b>	The Sustainability Capital Expenditures with significant positive impact on Process Decarbonization, Clean Energy, Carbon Efficient Construction, Circular Economy, Biodiversity, Air & Water and Communities such as but not limited to carbon capture, waste heat recovery, 3D printing, electrical fleet, calcined clay technology, alternative fuels & raw materials installations.
<b>Construction and Demolition Waste (CDW) Recycled (million tons)</b>	CDW Recycled volume is generated from construction, renovation, repair and demolition of houses, large building structures, roads, bridges, piers and dams. This includes alternative raw materials, recycled aggregates, asphalt and return concrete reused in Cement, Aggregates, Ready-mix concrete, Asphalt and Concrete Products.
<b>Net financial debt (“Net debt”)</b>	It is defined as: + Financial liabilities (short-term and long-term) including derivative liabilities - Cash and cash equivalents - Derivative assets (short-term and long-term).

<b>Debt leverage</b>	The Net financial debt to Recurring EBITDA ratio is used as an indicator of financial risk and shows how many years it would take the Group to pay back its debt.
<b>Invested Capital</b>	It is defined as: + Total shareholders' equity + Net financial debt – Assets classified as held for sale + Liabilities classified as held for sale – Current financial receivables and – Long-term financial investments and other long-term assets
<b>Net Operating Profit/loss After Tax (“NOPAT”)*</b>	It is defined as: +/- Net Operating Profit/loss (being the Recurring EBIT and share of profits of associates) – Standard Taxes (being the taxes applying the Group's tax rate to the Net Operating Profit/loss as defined above)
<b>ROIC (Return On Invested Capital)</b>	It is defined as: Net Operating Profit/loss After Tax (NOPAT) divided by the average Invested Capital. The average is calculated by adding the Invested Capital at the beginning of the period to that at the end of the period and dividing the sum by 2 (based on a rolling 12-month calculation). In case of material change in scope during the year, the opening invested capital is adjusted pro rata temporis.
<b>Ton</b>	Ton refers to a Metric ton, or 1,000 kg.

## Additional information

### Analyst presentation and Integrated Annual Report

The analyst presentation of the results and the Holcim 2021 Integrated Annual Report are available on [www.holcim.com](http://www.holcim.com). The financial statements are based on IFRS and can be found on the Holcim website.

The Full Year 2021 Results Media conference at 09:00am CET and the Full Year 2021 Results Analysts and investors conference at 11:00am CET will be held virtually.

In order to participate in the **media conference** please register through this link:

[https://ccwebcast.eu/links/holcim220225\\_0900/index1.html](https://ccwebcast.eu/links/holcim220225_0900/index1.html)

In order to participate in the **analysts and investors conference** please register through this link:

[https://ccwebcast.eu/links/holcim220225\\_1100/index1.html](https://ccwebcast.eu/links/holcim220225_1100/index1.html)

## About Holcim

Holcim builds progress for people and the planet. As a global leader in innovative and sustainable building solutions, Holcim is enabling greener cities, smarter infrastructure and improving living standards around the world. With sustainability at the core of its strategy Holcim is becoming a net zero company, with its people and communities at the heart of its success. The company is driving the circular economy as a world leader in recycling to build more with less. Holcim is the company behind some of the world's most trusted brands in the building sector including ACC, Aggregate Industries, Ambuja Cement, Disensa, Firestone Building Products, Geocycle, Holcim and Lafarge. Holcim is 70,000 people around the world who are passionate about building progress for people and the planet through four business segments: Cement, Ready-Mix Concrete, Aggregates and Solutions & Products.

Learn more about Holcim on [www.holcim.com](http://www.holcim.com), and by following us on [LinkedIn](#) and [Twitter](#).

## Important disclaimer – forward-looking statements:

This document contains forward-looking statements. Such forward-looking statements do not constitute forecasts regarding results or any other performance indicator, but rather trends or targets, as the case may be, including with respect to plans, initiatives, events, products, solutions and services, their development and potential. Although Holcim believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions as at the time of publishing this document, investors are cautioned that these statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are difficult to predict and generally beyond the control of Holcim, including but not limited to the risks described in the Holcim's annual report available on its website ([www.holcim.com](http://www.holcim.com)) and uncertainties related to the market conditions and the implementation of our plans. Accordingly, we caution you against relying on forward-looking statements. Holcim does not undertake to provide updates of these forward-looking statements.

This document contains inside information within the meaning of the Market Abuse Regulation (EU) (No 596/2014).