



Resilient Q1 2020 results amid COVID-19 impact

- **Early priorities on health measures for employees, partners and communities**
- **Resilient results despite COVID-19 outbreak in China in January; other key markets disrupted as of mid-March**
- **-3.3% LFL in net sales, -2.6% LFL in Recurring EBIT**
- **Early implementation and execution of action plan “HEALTH, COST & CASH”**
- **Well positioned to weather the crisis, strong balance sheet and liquidity**

Performance Q1 2020

Group (Million CHF)	Q1 2020	Q1 2019	±%	±%LfL
Net sales	5,293	5,959	-11.2	-3.3
Recurring EBIT	262	305	-14.1	-2.6

Jan Jenisch, CEO: “We are confronting an unprecedented health crisis with COVID-19 that is changing how we live and how we work in many ways. Keeping our employees healthy and safe is our number one priority and core value. In early January, when the first signs of the pandemic emerged, we were quick to respond and take all the necessary measures to protect the health of our people while supporting our partners and communities, in full alignment with local authorities across our markets.

I am very proud of how our people have gone above and beyond to engage in relief work worldwide. Building on our long tradition of working closely with our communities, our teams are actively supporting health efforts around the world - from participating in the rapid construction of emergency field hospitals to sanitizing public spaces and disposing of medical waste all the way to providing critical supplies such as personal protective equipment.

This crisis highlights how essential construction is to keep society running. I would like to extend my sincere gratitude to all our people around the world whose swift response to our new reality has been exemplary. It has allowed us to maintain vital business continuity so that we can play our role to address this crisis. I applaud the determination of all our front-line workers who are providing critical materials and services in challenging lockdown circumstances.

Our Q1 results show how resilient we are as a business. With our significantly strengthened balance sheet, we are in a very strong position to weather this storm. We are currently successfully executing our action plan “HEALTH, COST & CASH” in all countries, setting the company up for the recovery of our markets. I am confident that LafargeHolcim will emerge from this pandemic as an important contributor to economic recovery as building activity gets back to normal.”

STRONG PERFORMANCE IN CHANGING MARKET CONDITIONS

The company had a strong start to the year as Q1 performance remained well ahead of last year’s results until Mid-March, when the impact of COVID-19 spread beyond China into all business regions. Nevertheless Q1 results remained resilient with net sales of -3.3% and Recurring EBIT -2.6% compared to the prior-year period, both on a like-for-like basis.

Europe delivered solid results despite disruptions in key markets, with good market growth in Eastern Europe and resilient performances in Switzerland and Germany. Volumes in France, the UK and Spain were impacted by COVID-19. Recurring EBIT improved on a like-for-like basis as a result of operational efficiencies.

North America delivered excellent improvement in volume growth across all business segments. The region showed a continuation of strong cement demand trends from 2019, further supported by favorable weather, while aggregate volume improvement of 12% in the quarter was driven by megaprojects along the Mississippi River. The US and Canadian operations both delivered solid industrial performances, with only minor impact from COVID-19 in the quarter.

Latin America delivered a resilient performance, led by a solid performance in Mexico. Brazil, Argentina, Ecuador and Colombia were impacted by COVID-19 lockdown measures since mid-March. The Recurring EBIT margin was resilient thanks to effective price and cost management.

Performance of Asia Pacific was impacted by the COVID-19 outbreak, with China significantly impacted in Q1. There was strong profitability improvement in India despite lockdown measures towards the end of March. The market slowdown in Australia continued.

Middle East Africa delivered an over-proportional increase in Recurring EBIT with turnaround initiatives offsetting COVID-19 impact in the region. Nigeria, Algeria and Iraq were solid contributors, while South Africa and Lebanon were impacted by lockdown measures.

CREDIT RATING CONFIRMED, STRONG LIQUIDITY SECURED

LafargeHolcim has a strong balance sheet and liquidity, with a ratio of Net Financial Debt to Recurring EBITDA of 1.5x as at the end 2019. As at the end of the quarter the company had secured strong liquidity of CHF 8 billion in cash and unused committed credit lines.

These strengths were recently confirmed on March 27, 2020, when S&P re-affirmed its BBB / outlook stable credit rating of LafargeHolcim, then again on April 20, 2020, when Moody’s re-affirmed its rating of Baa2 / outlook stable.

The company also executed successful re-financing in April 2020 by issuing a two-year, CHF 250 million 1.05% bond and a five-year, EUR 500 million 2.375% bond.

ACTION PLAN “HEALTH, COST & CASH”

Since the beginning of the COVID-19 pandemic, LafargeHolcim has taken all necessary measures to protect its employees and partners. The company is closely monitoring all markets according to the evolving situation and to the guidance provided by the authorities in each country.

The development of the COVID-19 pandemic and its implications for the business remains volatile and very different from country to country. With a sharp focus on business resilience, the action plan “HEALTH, COST & CASH” is in full execution to meet the following targets:

- Reduction of CAPEX by at least CHF 400 million compared to 2019
- Reduction in fixed costs by CHF 300 million in 2020
- Realization of the reduction in energy prices and review of all third party products and services
- Reduction of Net Working Capital at least in line with the level of activity

SUPPORTING PREVENTION AND MITIGATION OF COVID-19

To promote the health and well-being of the communities where it operates, LafargeHolcim has been implementing an extraordinary range of measures at country level from the very start of the pandemic, to support health efforts around the world. Services include:

- Supplying concrete and other building materials for emergency field hospitals and other public health infrastructure
- Driving public hygiene, from disposing of medical waste to sanitizing public spaces
- Leading awareness campaigns with employees, partners and communities
- Providing critical products such as masks, gloves and sanitizer gels
- Delivering basic goods such as prepared meals and water

In Wuhan and surrounding cities, for example, thousands of tons of cement have been donated for the rapid construction of makeshift hospitals. Reaching out to local authorities proactively to offer their support, local teams managed to execute on tight delivery schedules despite severe limitations on the movement of people and equipment, thus enabling the facilities’ ultra-fast construction. Local teams further supported public authorities with the disposal of COVID-19 related medical waste, while leading prevention awareness campaigns and donating personal protective equipment and basic goods.

For more information on our response to COVID-19, please visit the dedicated section on our website, www.lafargeholcim.com.

OUTLOOK

LafargeHolcim is well-positioned to weather the crisis. The company is supported by a strong balance sheet, with a ratio of Net Financial Debt to Recurring EBITDA at 1.5x as at the end of 2019. The company has secured strong liquidity of CHF 8 billion and both credit ratings were recently confirmed.

Early implementation and execution of the action plan “HEALTH, COST & CASH” will further strengthen business resilience.

The biggest impact from COVID-19 is expected in Q2. The full impact of the crisis on the company's 2020 results cannot be assessed at this point. Given the encouraging April data on the rebound of activity in China, the company looks forward with confidence. More fundamentally, the building industry is resilient and expected to benefit from future recovery plans from governments and central banks.

GROUP AND REGIONAL FIGURES

Group	Q1 2020	Q1 2019	±%	±%LfL
Sales of cement (mt)	44.9	50.1	-10.4	-5.2
Sales of aggregates (mt)	49.1	49.6	-1.1	0.5
Sales of ready-mix concrete (m m ³)	9.8	11.4	-13.8	-8.5
Net sales (CHFm)	5,293	5,959	-11.2	-3.3
Recurring EBIT (CHFm)	262	305	-14.1	-2.6

Asia Pacific	Q1 2020	Q1 2019	±%	±%LfL
Sales of cement (mt)	15.8	20.9	-24.3	-12.3
Sales of aggregates (mt)	5.6	6.6	-14.7	-4.3
Sales of ready-mix concrete (m m ³)	2.1	2.9	-27.7	-3.8
Net sales to external customers (CHFm)	1,327	1,745	-23.9	-9.2
Recurring EBIT (CHFm)	169	243	-30.3	-20.7

Europe	Q1 2020	Q1 2019	±%	±%LfL
Sales of cement (mt)	9.3	9.5	-2.3	-2.3
Sales of aggregates (mt)	25.5	26.2	-3.0	-2.8
Sales of ready-mix concrete (m m ³)	4.1	4.6	-10.5	-11.0
Net sales to external customers (CHFm)	1,569	1,703	-7.9	-3.9
Recurring EBIT (CHFm)	27	22	23.3	9.3

Latin America	Q1 2020	Q1 2019	±%	±%LfL
Sales of cement (mt)	5.6	5.9	-5.9	-5.9
Sales of aggregates (mt)	1.2	0.9	34.9	34.9
Sales of ready-mix concrete (m m ³)	1.0	1.2	-16.5	-16.5
Net sales to external customers (CHFm)	565	636	-11.2	-0.5
Recurring EBIT (CHFm)	159	176	-9.6	-2.7

Middle East Africa	Q1 2020	Q1 2019	±%	±%LfL
Sales of cement (mt)	8.4	8.8	-4.8	-4.8
Sales of aggregates (mt)	1.0	1.7	-43.6	-43.6
Sales of ready-mix concrete (m m ³)	0.7	1.0	-23.2	-23.2
Net sales to external customers (CHFm)	650	736	-11.6	-7.2
Recurring EBIT (CHFm)	74	75	-2.1	3.3

North America	Q1 2020	Q1 2019	±%	±%LfL
Sales of cement (mt)	3.6	3.4	8.0	8.0
Sales of aggregates (mt)	15.9	14.2	11.5	11.9
Sales of ready-mix concrete (m ³)	1.9	1.8	7.6	5.5
Net sales to external customers (CHFm)	1,019	951	7.2	10.0
Recurring EBIT (CHFm)	-76	-114	33.9	31.5

RECONCILIATION TO GROUP ACCOUNTS

Reconciling measures of profit and loss to the consolidated statement of income of LafargeHolcim

Million CHF	Q1 2020	Q1 2019
Recurring EBITDA	838	920
Depreciation of right-of-use assets	-97	-107
Recurring EBITDA after leases	741	813
Depreciation and amortization	-479	-508
Recurring EBIT	262	305
Restructuring, litigation, implementation and other non-recurring costs	-13	-18
Impairment of operating assets	-4	1
Operating profit	244	288

ADDITIONAL INFORMATION

Non-GAAP definitions

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

Analyst presentation

The analyst presentation of the first quarter trading update is available on our website at www.lafargeholcim.com.

Media conference: 09:00 CEST

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Analyst conference: 10:00 CEST

ABOUT LAFARGEHOLCIM

LafargeHolcim is the global leader in building materials and solutions and active in four business segments: Cement, Aggregates, Ready-Mix Concrete and Solutions & Products. Its ambition is to lead the industry in reducing carbon emissions and shifting towards low-carbon construction. With the strongest R&D organization in the industry, the company seeks to constantly introduce and promote high-quality and sustainable building materials and solutions to its customers worldwide - whether individual homebuilders or developers of major infrastructure projects. LafargeHolcim employs over 70,000 employees in over 70 countries and has a portfolio that is equally balanced between developing and mature markets.

More information is available on www.lafargeholcim.com

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 LafargeHolcim 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 LafargeHolcim, including but not limited to the risks described in the LafargeHolcim's annual report available on its website (www.lafargeholcim.com) and uncertainties related to the market conditions and the implementation of our plans. Accordingly, we caution you against relying on forward-looking statements. LafargeHolcim does not undertake to provide updates of these forward-looking statements.