



Q1 2020

TRADING UPDATE

April 30, 2020

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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

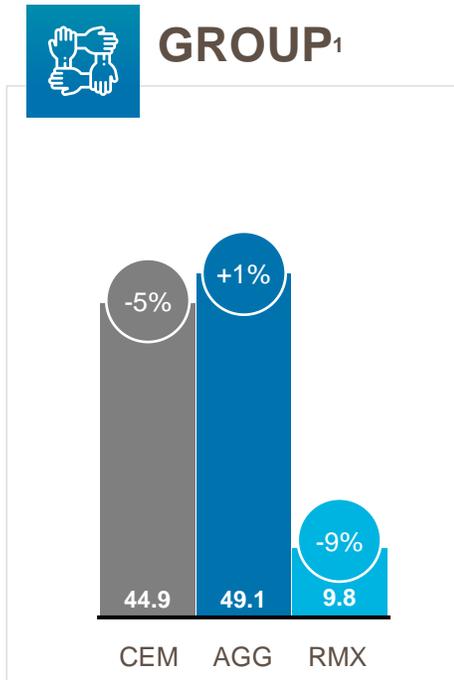
-3.3% LFL in Net Sales, **-2.6% LFL** in Recurring EBIT

Early implementation and execution of action plan **“HEALTH, COST & CASH”**

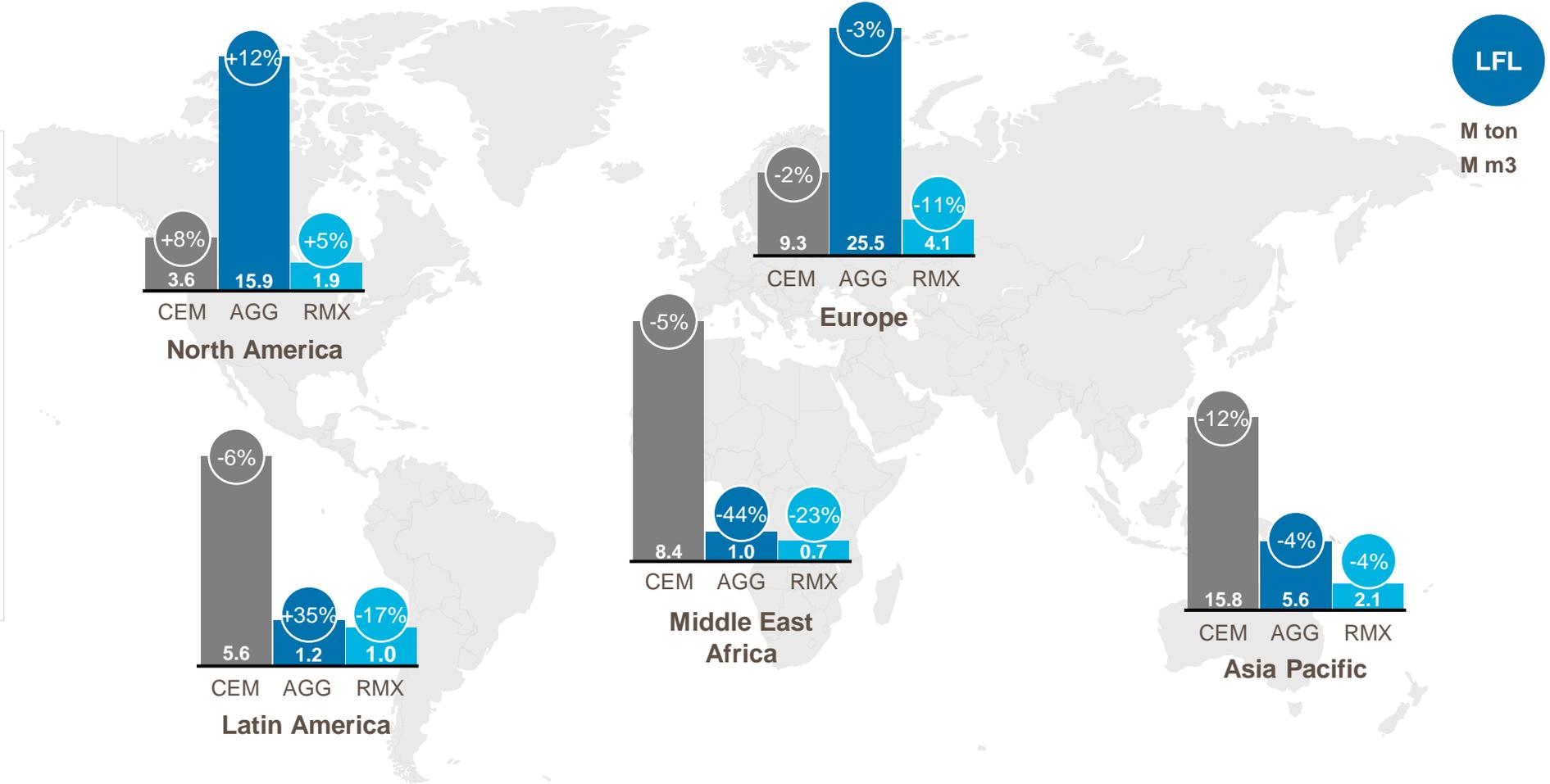
Strong balance sheet and **liquidity, well positioned** to weather the crisis

Q1 2020 VOLUMES DEVELOPMENT

STRONG VOLUME GROWTH IN NORTH AMERICA



¹ Includes volumes from Trading activities

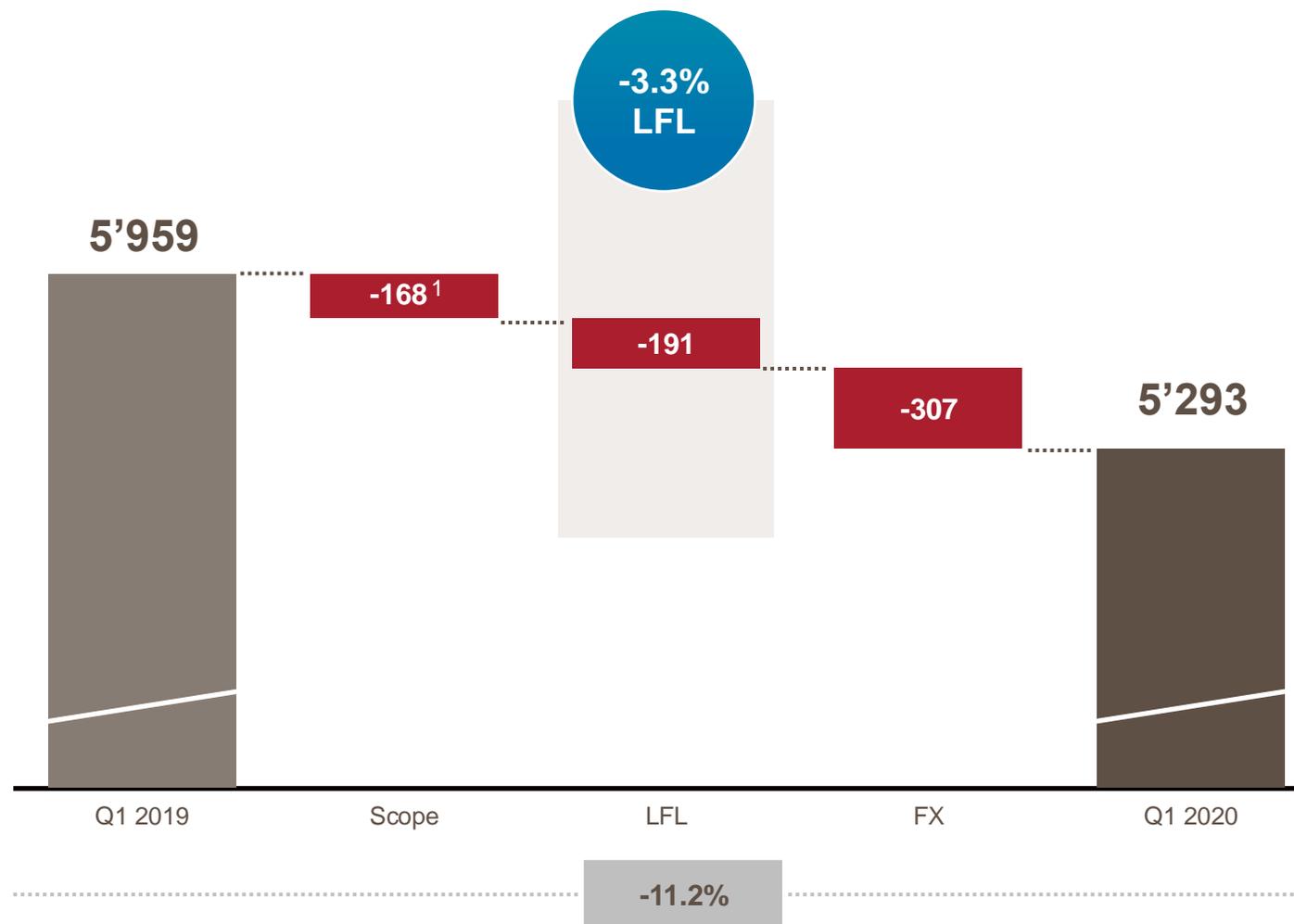


LFL

M ton
M m3

Q1 2020 NET SALES BRIDGE

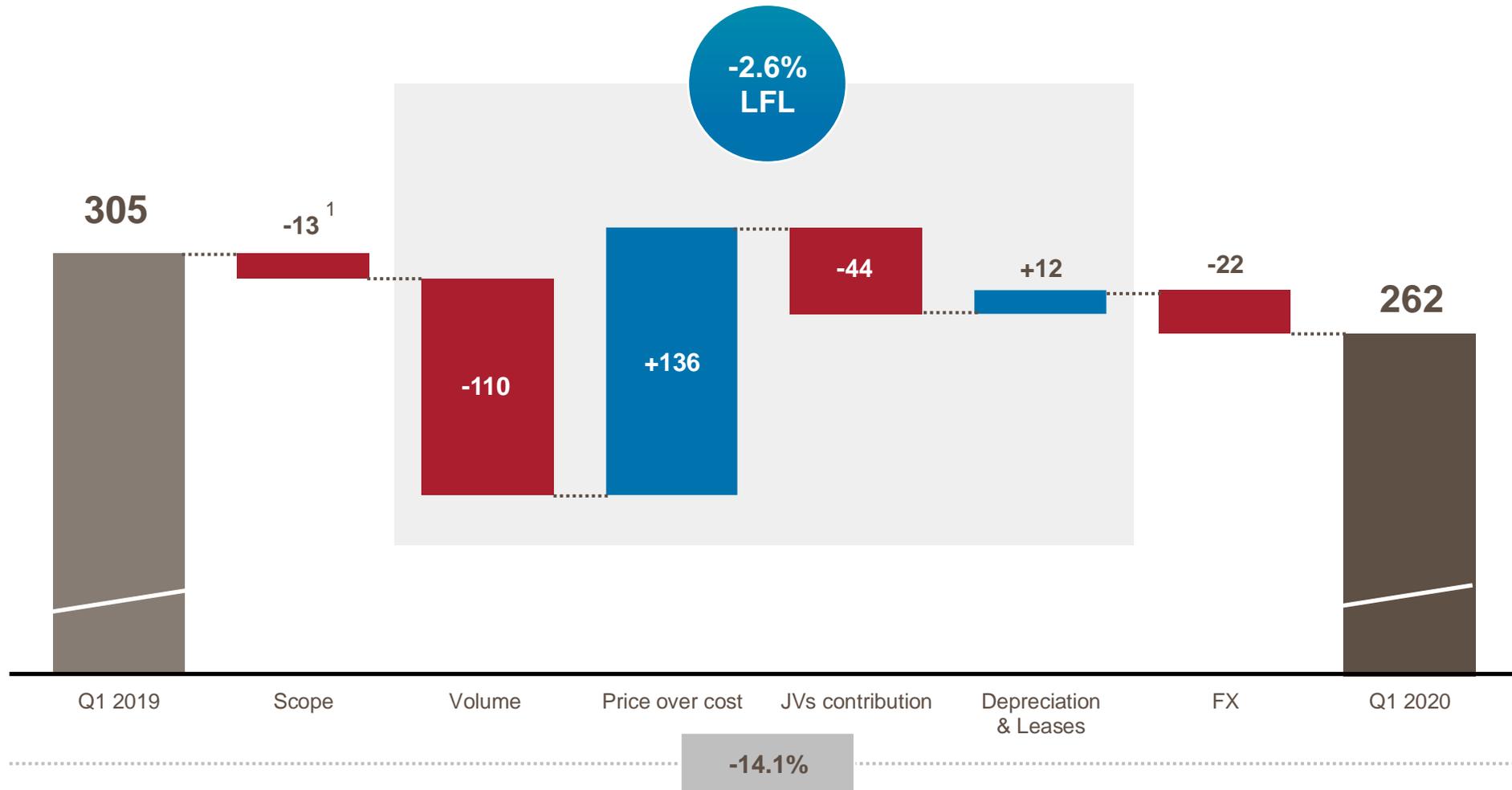
NET SALES DECREASE OF 3.3% LFL



CHF M | ¹ Including divestments of Indonesia, Malaysia and Singapore

Q1 2020 RECURRING EBIT BRIDGE

RESILIENT RECURRING EBIT, SLIGHT DECREASE OF 2.6% LFL



CHF M | ¹ Including divestments of Indonesia, Malaysia and Singapore

NORTH AMERICA

STRONG VOLUME GROWTH AND SOLID PERFORMANCE

<i>CHF M</i>	Q1 2020	Q1 2019	LFL
Net Sales ¹	1'019	951	+10.0%
Recurring EBIT	-76	-114	+31.5%

¹ Net Sales to external customers

- Strong volume growth in all business segments
- Solid operational performance
- Minor impact from COVID-19 in the quarter



LATIN AMERICA RESILIENT PERFORMANCE

<i>CHF M</i>	Q1 2020	Q1 2019	LFL
Net Sales ¹	565	636	-0.5%
Recurring EBIT	159	176	-2.7%

¹ Net Sales to external customers

- Solid performance of Mexico
- Brazil, Argentina, Ecuador and Colombia impacted by COVID-19 lockdown measures since mid-March
- Resilient recurring EBIT margin thanks to effective price and cost management



EUROPE

SOLID RESULTS DESPITE DISRUPTIONS IN KEY MARKETS

<i>CHF M</i>	Q1 2020	Q1 2019	LFL
Net Sales ¹	1'569	1'703	-3.9%
Recurring EBIT	27	22	+9.3%

¹ Net Sales to external customers

- Good market growth in Eastern Europe, resilient performance in Switzerland and Germany
- Volumes in France, UK and Spain impacted by COVID-19
- Solid performance as a result of operational efficiency



MIDDLE EAST AFRICA OVER-PROPORTIONAL INCREASE OF REC EBIT

CHF M	Q1 2020	Q1 2019	LFL
Net Sales ¹	650	736	-7.2%
Recurring EBIT ²	74	75	+3.3%

¹ Net Sales to external customers

² Contribution from share of net income from JVs: CHF 14 m in Q1 2020 vs. CHF 18 m in Q1 2019

- Solid performance in Nigeria, Algeria and Iraq
- South Africa and Lebanon impacted by COVID-19 lockdown measures
- Turnaround initiatives offsetting COVID-19 impact in the region



ASIA PACIFIC PERFORMANCE IMPACTED BY COVID-19 OUTBREAK

CHF M	Q1 2020	Q1 2019	LFL
Net Sales ¹	1'327	1'745	-9.2%
Recurring EBIT ²	169	243	-20.7%

¹ Net Sales to external customers

² Contribution from share of net income from JVs: CHF 32 m in Q1 2020 vs. CHF 78 m in Q1 2019

- China significantly impacted by COVID-19 outbreak in Q1
- Strong profitability improvement in India despite lockdown measures since last week of March
- Continued market slowdown in Australia



FINANCIAL STRENGTH

CREDIT RATINGS CONFIRMED, STRONG LIQUIDITY SECURED



STRONG LIQUIDITY

- CHF **8 bn** of cash and unused **committed** credit lines
- All credit lines **without financial covenants** and material adverse change clauses



STRONG BALANCE SHEET

- NFD / Recurring EBITDA of **1.5x** as of end of 2019
- **Maturities 2020-2021** well covered with available liquidity



CREDIT RATINGS

Credit ratings confirmed

MOODY'S

Baa2, outlook stable, confirmed on April 20, 2020

S&P

BBB, outlook stable, confirmed on March 27, 2020



SUCCESSFUL RE-FINANCING

- **2 year CHF 250million** 1.05% bond and
- **5 year EUR 500million** 2.375% bond issued in April 2020

ACTION PLAN “HEALTH, COST & CASH” IN FULL EXECUTION



HEALTH

Safeguard the
Health and Safety
of our staff, partners and communities

Early establishment of **Business Resilience teams**
Projects to **support communities** in all our markets ¹



COST

Reduction in fixed cost by CHF

300million

In 2020

Realization of
reduction in energy prices
Review of all
3rd party products and services



CASH

Reduction of CAPEX by at least CHF

400million

Compared to 2019

Reduction of
Net Working Capital
at least in line with level of activity

¹ for more information, please visit dedicated COVID-19 section on our website

WELL POSITIONED TO WEATHER THE CRISIS



Early implementation and execution of action plan
“HEALTH, COST & CASH”



Reduction of **fixed costs by CHF 300 m**, reduction of
CAPEX by at least CHF 400 m, reduction of **NWC**¹



Strong balance sheet with NFD / Recurring EBITDA of
1.5x as of end of 2019



Strong liquidity with CHF 8 bn, both credit ratings
recently confirmed



Overall biggest financial **impact from COVID-19 expected**
in Q2, encouraging **China rebound** in April



Building industry is resilient and expected to benefit from
future recovery plans from governments and central banks



¹ at least in line with level of activity

UPCOMING EVENTS 2020

MAY 12, 2020

Annual General Meeting

JULY 30, 2020

Half-Year 2020 Results

OCTOBER 30, 2020

Q3 2020 Trading Update

APPENDIX



Q1 2019 RECURRING EBIT BY REGION

<i>CHF M</i>	Asia Pacific	Europe	Latin America	Middle East Africa	North America	Corporate & Trading	Group
Recurring EBITDA	356	188	227	171	46	-68	920
Depreciation of right of use assets	-18	-32	-7	-18	-30	-3	-107
Recurring EBITDA after lease	339	156	220	153	16	-71	813
D&A PPE, intangible and long-term assets	-96	-134	-44	-78	-131	-26	-508
Recurring EBIT	243	22	176	75	-114	-97	305

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