



Speaking live at a global employee townhall meeting

Q&A with CEO Jan Jenisch

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Q How did you experience this extraordinary year?

A For all of us at LafargeHolcim, 2020 proved the resilience of our business.

Our first priority was to protect our people and communities. Construction is an essential activity, so we also faced the responsibility to keep our business operating safely. Our teams were fast to mobilize, as early as January, to respond to the unfolding crisis. They swiftly implemented our HEALTH, COST & CASH action plan across all countries. My sincere congratulations go to our 70,000 colleagues across our 70 markets who made this possible.

It was a tsunami-type crisis for us, with the disruption to our business reaching its peak in April 2020. By the third quarter, our net sales were nearly back to previous year's levels. By the fourth quarter, we were back to growth with increased margins.

“I am very confident about the growth momentum we are taking into 2021.”

We closed 2020 on solid foundations. Our Recurring EBIT is close to last year's level, even with the appreciation of our reporting currency, the Swiss Franc. For the second year in a row we delivered a Free Cash Flow after leases above CHF 3 billion. Our net debt is CHF 1.6 billion lower than previous year and more than CHF 6 billion lower than in 2016. We are emerging stronger from the crisis, reaching a new level of performance.

We also maintained a sharp focus on driving our growth agenda, completing eight bolt-on acquisitions from Canada to Australia. In January 2021 we announced our acquisition of the iconic Firestone Building Products company, as a unique growth and technology platform for us to build on. This is a milestone in our transformation to become the global leader in innovative and sustainable building materials and solutions.

Q Can you tell us more about your vision for Firestone Building Products?

A My vision is clear: I want the whole world to know that “nobody covers you better than Firestone”. We aim to double this business over the next five years, to become the global leader in flat roofing systems.

Flat roofing is a champion segment in the construction industry; it is one of the most attractive, high-growth and resilient markets, estimated at USD 50 billion. Firestone Building Products (Firestone) is already a market leader in this segment in the United States, the world’s number one roofing market. By combining Firestone’s leading position in roofing with LafargeHolcim’s top position in cement in the United States, we will be the partner of choice, from a building’s rooftop to its foundations.

With its unique technologies and broad customer reach, Firestone is setting the standards in its segment. With 60% of a building’s energy lost through its roof, its insulating, cool, green and solar systems are technologies of choice for eco-conscious builders. That’s why Firestone’s portfolio has a leading level of LEED and other sustainable building certifications. My vision is to expand its leadership around the world, starting in Europe and Latin America.

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Q What sets LafargeHolcim apart?

A Our financial strength, rigor in execution, diverse global presence and commitment to sustainability at the heart of our strategy, really set us apart. In 2020, while the impact of lockdowns slowed activity in the mature markets, we performed well in India, Latin America and other markets where a significant share of business is in retail.



“Driving the circular economy, we recycled 46 million tons of materials across our business this year.”

Speaking to employees from Zug, Switzerland

Q&A with CEO Jan Jenisch Continued

We accelerated our sustainability agenda to be at the forefront of green building solutions. In 2020, we launched our green concrete ECOPact around the world to enable carbon neutral construction. I was encouraged to see how it has been adopted across 14 markets, starting in Europe and the Americas. We also rolled out our EcoLabel worldwide, transparently disclosing the environmental profile of our green products from lower carbon footprint to recycled content. Today, we have more than 90 EcoLabel products, making it easier for our customers to make sustainable choices.

Our commitment to driving the circular economy sets us apart in our industry. This year we recycled 46 million tons of materials across our business. Wherever possible, we convert construction and demolition waste into new products. For instance, in Switzerland our cement Susteno contains 20% recycled concrete. We also developed a unique lightweight floor system using over 50% recycled construction demolition waste in partnership with ETH Zürich. When you consider that over 200 billion square meters of floor space is expected to be built in the next three decades, such disruptive, ultra-low-carbon building solutions can make a big difference.

Q **Where do you see the growth coming from in the medium-term?**

A The megatrends underlying our business continue to grow – such as urbanization, population growth and infrastructure demand.

The world is set to build a new New York City every month for the next 30 years and it's clear that this needs to be done in a sustainable way. At the start of 2021, there is now a new driver of global demand: synchronized government stimulus measures across all regions to support the economic recovery from the pandemic. Trillions of dollars of construction-focused stimulus will bring

“We tripled our online transactions with our Concrete Direct App, throughout the pandemic.”

huge opportunities for our business over the next few years. This represents an unprecedented worldwide investment in infrastructure and we have a unique opportunity to accelerate the transition to sustainable building at scale.

For example, we are in a position to repair and refurbish America's building stock as well as build the green infrastructure that its people clearly demand. We are an ideal partner to green Germany's transport and energy infrastructure with the EUR 30 billion Package for the Future. We're also supporting China's Belt and Road Initiative abroad and its stimulus measures at home.

In other parts of the world, we see Kenya and Canada upgrading their rail networks; Brazil and Nigeria adding to their stock of affordable housing; India and Australia building up marine infrastructure. Governments everywhere are seeking to provide jobs, revive economic growth and build assets that last and we are in the ideal position to help.

Q **Once the pandemic is finally under control, what lasting impact do you foresee on your business?**

A Just like the individual homebuilder, we believe this experience has reinforced our customers' desire to work with trusted local partners such as ACC, Ambuja, Holcim, Lafarge, Bamburi and Aggregates Industries – and Firestone. Builders of all sizes want to work with members of the community who helped build emergency field hospitals, meet basic needs and champion health and safety when the work had to continue.

The pandemic has driven interest among people to do more to advance low-carbon and circular construction. For me, green building solutions are critical to our future.

We also experienced an acceleration of our digital tools, from online orders to receipts, enabling us to keep on serving our customers, while respecting social distancing and other safety measures. For instance in the United States, we tripled our online transactions with our Concrete Direct App, throughout the pandemic.

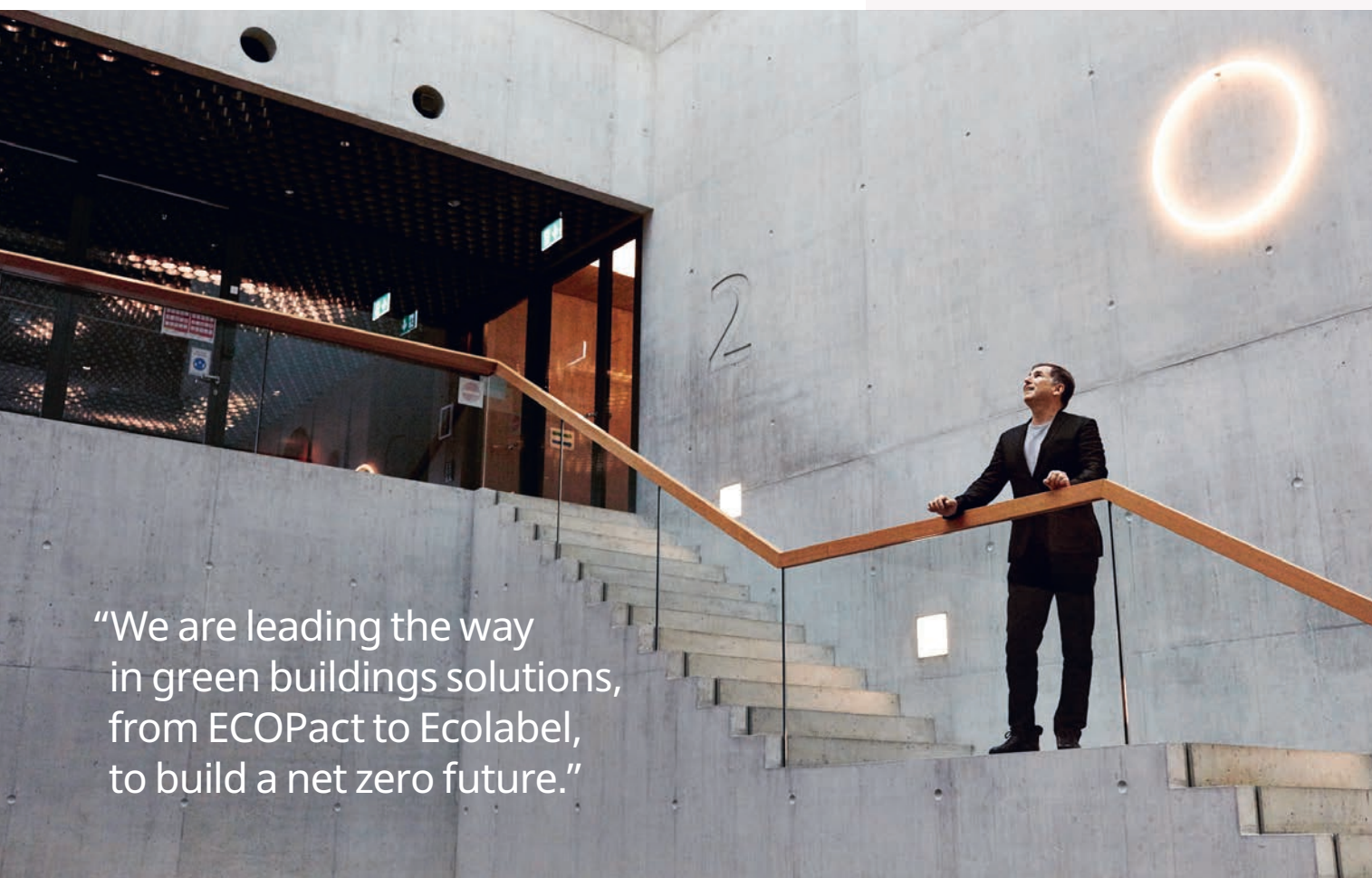
Q How is LafargeHolcim positioned for 2021?

A I am very confident about the growth momentum we are taking into 2021, with positive demand trends in all regions.

With infrastructure and climate action on top of governments' priorities – and an unprecedented wave of stimulus packages being deployed around the world to drive the recovery – we are ready to play our part, starting with the United States economic recovery 'Build Back Better' plan.

— The future of building At the cutting edge

We proudly support the NEST (pictured below), a laboratory for the future of buildings. The NEST is also host to the HiLo project, which is led by LafargeHolcim Board Member and professor at ETH Zürich Philippe Block. Holcim Switzerland partnered with ETH Zürich to develop ultra-low-embodied-carbon materials for the HiLo's unique lightweight floor system, using over 50% recycled construction demolition waste in its concrete.



“We are leading the way in green buildings solutions, from ECOPact to Ecolabel, to build a net zero future.”