

Zug | 28 October 2022

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

## Continued record performance, successful transformation

- Record Q3 net sales of CHF 8,045m (+16.3% LFL)
- Record Q3 Recurring EBIT of CHF 1,551m (+7.7% LFL)
- Outlook 2022 upgraded: net sales growth to at least 12% (LFL), Recurring EBIT to mid-single digit growth (LFL)
- Debt leverage of around 1x in 2022
- Share buyback up to CHF 2bn

### Performance overview Q3

| Group (in million CHF) | Q3 2022 | Q3 2021 | ±%    | ±%LFL |
|------------------------|---------|---------|-------|-------|
| Net sales              | 8,045   | 7,286   | +10.4 | +16.3 |
| Recurring EBIT         | 1,551   | 1,534   | +1.2  | +7.7  |

### Performance overview 9M

| Group (in million CHF) | 9M 2022 | 9M 2021 | ±%    | ±%LFL |
|------------------------|---------|---------|-------|-------|
| Net sales              | 22,725  | 19,842  | +14.5 | +13.9 |
| Recurring EBIT         | 3,724   | 3,516   | +5.9  | +6.5  |

Jan Jenisch, CEO: "I thank all members of the Holcim family for delivering another quarter of record results while navigating challenging times.

"Q3 was a quarter of record performance and successful transformation for Holcim. We continued to expand Solutions & Products with four acquisitions and delivered ten bolt-ons in aggregates and ready-mix this year. We also completed the divestments of India and Brazil with cash proceeds of USD 7.3 billion. Solutions & Products is already reaching 25% of our net sales in 2022<sup>1</sup>, driven by the roofing business, which is delivering a record Recurring EBIT margin of 20%. We strengthened our footprint in the attractive North America market, accounting for 40% of sales and 41% of Recurring EBIT<sup>2</sup>.

"With these achievements we are accelerating our decarbonization and significantly improving our sustainability profile this year.

<sup>1</sup> On a pro forma basis

<sup>2</sup> On a pro forma basis, excluding corporate costs

“These record results give us the confidence to upgrade our 2022 guidance for net sales, Recurring EBIT and leverage, and launch a share buyback program.”

## Continued record performance

In Q3 2022, Holcim delivered another quarter of record results with net sales of CHF 8,045 million, up 16.3% on a like-for-like basis (LFL) compared to the prior year, or +10.4% of absolute growth. Net sales over the first nine months of 2022 were CHF 22,725 million, or 13.9% higher LFL than the prior-year period.

Recurring EBIT reached a record CHF 1,551 million in the third quarter of 2022, up 7.7% LFL compared to the prior-year period, or +1.2% of absolute growth. Recurring EBIT for the nine months was also a record at CHF 3,724 million, an increase of 6.5% LFL over the prior-year period.

## Successful transformation

Q3 was a quarter of successful transformation for Holcim, driven by its portfolio changes, the continued expansion of Solutions & Products, its strengthened geographic footprint and improved sustainability profile.

## Portfolio changes

This quarter, Holcim continued to transform its portfolio with four acquisitions in Solutions & Products. In Europe, the Group acquired Cantillana in Belgium and Izolbet in Poland, leaders in specialty building solutions. In the US, Holcim acquired SES Foam, a leader in bio-based insulation systems, and Polymers Sealants North America, a leader in coating, adhesive and sealant solutions. In addition, the company signed a total of ten bolt-on acquisitions in the nine-month period in its aggregates and ready-mix concrete segments. In Q3, Holcim also successfully closed the sale of its businesses in India and Brazil, resulting in cash proceeds of USD 7.3 billion.

## Expansion of Solutions & Products

With the expansion of Solutions & Products, Holcim is well-positioned to reach 25% of Group net sales in this segment for 2022 on a pro forma basis, on target to deliver 30% by 2025.

## Fast expansion in attractive North American market

In Q3, Holcim strengthened its footprint in the attractive North America region, representing 40% of the Group's net sales and 41% of Recurring EBIT<sup>3</sup>. With this fast expansion, Holcim's net sales in mature markets with resilient earnings profiles are projected to increase from 59%<sup>4</sup> in 2019 to 77% in 2022 on a pro forma basis.

## Strengthened sustainability profile

Strengthening its sustainability profile, Holcim's carbon emissions per million of net sales will be 30% lower in 2022 on a pro forma basis compared to prior year.

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<sup>3</sup> On a pro forma basis, excluding trading and corporate costs

<sup>4</sup> Excluding trading

## Accelerating green growth

Accelerating green growth in Q3, Holcim reached 15% of the Group's total sales of ready-mix concrete with ECOPact, the world's broadest range of green concrete. Sales of ECOPlanet green cement also grew significantly and is now available in 26 markets worldwide. In Europe, the EU Innovation Fund awarded Holcim two grants for carbon capture, utilization and storage projects in Germany and Poland.

At New York Climate Week in September, Holcim announced the launch of the world's first 1.5°C science-based framework to decarbonize its industry, resulting from its partnership with the Science Based Targets initiative (SBTi). This framework was independently developed by the SBTi, in collaboration with an Expert Advisory Group representing academia, civil society and industry.

Building better with less with its proprietary 3D concrete printing technology, Holcim's 14Trees won the Financial Times / International Finance Corporation Transformational Business Award for its work in 3D printing homes and schools in Africa using advanced materials and technologies. The award highlights ground-breaking, long-term private sector solutions to major development challenges like bridging the world's infrastructure gap sustainably.

## Profitable growth to continue with attractive returns

With the cash proceeds of USD 7.3 billion from the divestments of India and Brazil, Holcim will fund profitable growth and continued acquisitions while maintaining strict value discipline. The cash will also be used to maintain a strong balance sheet, targeting debt leverage of around 1x in 2022, and deliver attractive returns for its shareholders, with the launch of a share buyback program.

This share buyback program of up to CHF 2 billion will start in November 2022, subject to the necessary regulatory approvals. Under this program, Holcim plans to repurchase up to 40 million shares until May 2023, to be approved for cancellation at the Annual General Meeting on 4 May 2023. The share buyback will be executed on a 2<sup>nd</sup> trading line on the SIX Swiss Exchange. The share buybacks will depend on market conditions.

## Changes in Group organization

In line with "Strategy 2025 – Accelerating Green Growth," Holcim is further evolving the efficiency of its organizational model. The Board of Directors has decided to integrate key markets that share similar growth dynamics into one Asia, Middle East & Africa (AMEA) region. Martin Kriegner, current Region Head Asia Pacific, is appointed to take over the responsibility of the broader AMEA region.

Miljan Gutovic will continue to lead the Europe region. In addition, he will take over the Group's Operational Excellence organization, with a focus on decarbonization. In this capacity he will lead the company's increase of renewable and green energy use; the expansion of green formulation with innovative low-emission raw materials such as calcined clay and construction & demolition waste; the acceleration of green mobility to improve efficiencies and reduce the environmental impact of logistics; and the deployment of next-generation technologies such as carbon capture utilization and storage as well as the digitalization of plants.

The company's profit & loss responsibility is now assigned to the five leaders of Region AMEA, Region Europe, Region North America, Region Latin America and the Solutions & Products Global Business Unit.

## Outlook and guidance 2022

Holcim upgrades its 2022 net sales and Recurring EBIT guidance with:

- Net sales growth guidance upgraded from at least 10% like-for-like to at least 12% like-for-like, net sales reaching CHF 29 billion
- Double-digit net sales growth in Solutions & Products upgraded to achieve net sales of above CHF 5.5 billion
- Recurring EBIT guidance upgraded from positive growth like-for-like to mid-single digit growth like-for-like
- Free Cash Flow<sup>5</sup> above CHF 3 billion before divestments and resolution with the US Department of Justice
- Debt leverage of around 1x
- Strengthened sustainability profile with reduction in CO<sub>2</sub> per million of net sales by 30% in 2022<sup>6</sup>

## Key Group figures

| Group 9M (in million CHF) | 2022   | 2021   | ±%    | ±%LFL |
|---------------------------|--------|--------|-------|-------|
| Net sales                 | 22,725 | 19,842 | +14.5 | +13.9 |
| Recurring EBIT            | 3,724  | 3,516  | +5.9  | +6.5  |

| Group results by segment 9M                     | 2022   | 2021   | ±%    | ±%LFL |
|---|--------|--------|-------|-------|
| Sales of cement (mt)                            | 139.3  | 150.0  | -7.2  | -0.8  |
| Net sales of Cement (CHFm)                      | 12,956 | 12,203 | +6.2  | +13.9 |
| Recurring EBIT of Cement (CHFm)                 | 2,580  | 2,786  | -7.4  | -1.4  |
| Recurring EBIT margin of Cement (%)             | 19.9   | 22.8   |       |       |
| Sales of aggregates (mt)                        | 199.5  | 201.4  | -0.9  | -2.1  |
| Net sales of Aggregates (CHFm)                  | 3,164  | 3,018  | +4.8  | +5.7  |
| Recurring EBIT of Aggregates (CHFm)             | 467    | 456    | +2.3  | +2.9  |
| Recurring EBIT margin of Aggregates (%)         | 14.8   | 15.1   |       |       |
| Sales of ready-mix concrete (m m <sup>3</sup> ) | 36.6   | 34.6   | +5.9  | +4.1  |
| Net sales of Ready-Mix Concrete (CHFm)          | 4,336  | 3,846  | +12.8 | +13.2 |
| Recurring EBIT of Ready-Mix Concrete (CHFm)     | 114    | 101    | +12.9 | +18.8 |
| Recurring EBIT margin of Ready-Mix Concrete (%) | 2.6    | 2.6    |       |       |

<sup>5</sup> After leases

<sup>6</sup> On a pro forma basis

|   |       |       |        |        |
|---|-------|-------|--------|--------|
|   |       |       |        |        |
| Net sales of Solutions & Products (CHFm)          | 4,283 | 2,566 | +66.9  | +26.0  |
| Recurring EBIT of Solutions & Products (CHFm)     | 563   | 173   | +225.3 | +125.7 |
| Recurring EBIT margin of Solutions & Products (%) | 13.2  | 6.7   |        |        |

## Regional performance Q3

### Region Asia Pacific

The India divestment was successfully closed in the third quarter. The region was challenged by high inflation, with negative price over cost. China experienced softer demand amid COVID lockdowns. The region accelerated its increase in the use of alternative fuels.

| Asia Pacific Q3                                 | 2022  | 2021  | ±%    | ±%LFL |
|---|-------|-------|-------|-------|
| Sales of cement (mt)                            | 11.8  | 15.9  | -25.9 | -2.6  |
| Sales of aggregates (mt)                        | 8.4   | 9.0   | -5.7  | -5.7  |
| Sales of ready-mix concrete (m m <sup>3</sup> ) | 1.8   | 2.0   | -10.8 | +0.2  |
| Net sales to external customers (CHFm)          | 1,147 | 1,404 | -18.3 | +3.0  |
| Recurring EBIT (CHFm)                           | 141   | 307   | -53.9 | -44.8 |

### Region Europe

Performance was resilient despite softer volumes, with positive price over cost helping to offset inflation. The region significantly increased materials recycled and alternative fuel use while continuing to expand its specialty building solutions business.

| Europe Q3                                       | 2022  | 2021  | ±%    | ±%LFL |
|---|-------|-------|-------|-------|
| Sales of cement (mt)                            | 10.1  | 12.8  | -21.0 | -5.9  |
| Sales of aggregates (mt)                        | 28.7  | 30.8  | -6.7  | -8.8  |
| Sales of ready-mix concrete (m m <sup>3</sup> ) | 5.1   | 5.1   | +0.3  | -3.7  |
| Net sales to external customers (CHFm)          | 2,127 | 2,156 | -1.3  | +10.2 |
| Recurring EBIT (CHFm)                           | 360   | 414   | -13.1 | +1.0  |

### Region Latin America

The region delivered a continued strong performance with good demand in Argentina, Colombia and El Salvador, while demand in Ecuador slowed. ECOPact and ECOPlanet products have now been successfully launched in all markets. Looking forward, the company has an excellent pipeline of infrastructure projects across the region and has made significant investments in materials recycling and alternative fuel use.

| Latin America Q3                                | 2022 | 2021 | ±%    | ±%LFL |
|---|------|------|-------|-------|
| Sales of cement (mt)                            | 6.6  | 7.2  | -8.1  | +1.0  |
| Sales of aggregates (mt)                        | 2.1  | 1.8  | +16.6 | +38.9 |
| Sales of ready-mix concrete (m m <sup>3</sup> ) | 1.6  | 1.2  | +28.1 | +27.1 |

|  |     |     |       |       |
|--|-----|-----|-------|-------|
| Net sales to external customers (CHFm) | 802 | 675 | +18.8 | +24.6 |
| Recurring EBIT (CHFm)                  | 273 | 238 | +14.7 | +18.2 |

## Region Middle East Africa

The region showed continued profitable growth with positive price over cost offsetting inflation for the quarter. The successful turnaround in Egypt was complemented by solid market demand in Nigeria and Algeria. Alternative fuel use in the region increased strongly.

| Middle East Africa Q3                           | 2022 | 2021 | ±%    | ±%LFL |
|---|------|------|-------|-------|
| Sales of cement (mt)                            | 8.5  | 9.3  | -8.6  | -2.0  |
| Sales of aggregates (mt)                        | 1.3  | 1.2  | +8.0  | +16.2 |
| Sales of ready-mix concrete (m m <sup>3</sup> ) | 0.9  | 1.0  | -11.8 | -5.2  |
| Net sales to external customers (CHFm)          | 580  | 653  | -11.2 | +6.8  |
| Recurring EBIT (CHFm)                           | 91   | 102  | -10.3 | +17.3 |

## Region North America

Continued outstanding performance in the region was driven by strong market demand in both the US and Canada and strong pricing across all segments. Three bolt-on acquisitions were closed for the year to date and the region accelerated the shift to low-carbon building products. Net sales from Solutions & Products reached 38% of the region's total for the year to date.

| North America Q3                                | 2022  | 2021  | ±%    | ±%LFL |
|---|-------|-------|-------|-------|
| Sales of cement (mt)                            | 6.7   | 6.0   | +12.0 | +12.0 |
| Sales of aggregates (mt)                        | 36.2  | 35.6  | +1.9  | -1.1  |
| Sales of ready-mix concrete (m m <sup>3</sup> ) | 3.5   | 3.1   | +14.0 | +8.3  |
| Net sales to external customers (CHFm)          | 3,200 | 2,291 | +39.7 | +25.9 |
| Recurring EBIT (CHFm)                           | 772   | 568   | +35.8 | +28.4 |

## Regional performance 9M

| Asia Pacific 9M                                 | 2022  | 2021  | ±%    | ±%LFL |
|---|-------|-------|-------|-------|
| Sales of cement (mt)                            | 47.2  | 51.7  | -8.8  | -1.6  |
| Sales of aggregates (mt)                        | 24.5  | 25.8  | -5.0  | -5.0  |
| Sales of ready-mix concrete (m m <sup>3</sup> ) | 5.8   | 5.9   | -1.8  | +2.0  |
| Net sales to external customers (CHFm)          | 4,245 | 4,402 | -3.6  | +3.7  |
| Recurring EBIT (CHFm)                           | 666   | 1,020 | -34.7 | -31.6 |

| Europe 9M                                       | 2022  | 2021  | ±%    | ±%LFL |
|---|-------|-------|-------|-------|
| Sales of cement (mt)                            | 30.2  | 35.0  | -13.7 | -2.3  |
| Sales of aggregates (mt)                        | 85.2  | 86.9  | -2.0  | -3.5  |
| Sales of ready-mix concrete (m m <sup>3</sup> ) | 15.2  | 15.0  | +1.5  | -0.9  |
| Net sales to external customers (CHFm)          | 6,350 | 6,043 | +5.1  | +12.3 |

|                       |     |     |      |      |
|-----------------------|-----|-----|------|------|
| Recurring EBIT (CHFm) | 830 | 883 | -6.0 | +4.8 |
|-----------------------|-----|-----|------|------|

| <b>Latin America 9M</b>                         | <b>2022</b> | <b>2021</b> | <b>±%</b> | <b>±%LFL</b> |
|---|-------------|-------------|-----------|--------------|
| Sales of cement (mt)                            | 19.9        | 20.5        | -2.9      | +0.2         |
| Sales of aggregates (mt)                        | 5.9         | 4.7         | +26.2     | +34.5        |
| Sales of ready-mix concrete (m m <sup>3</sup> ) | 4.3         | 3.5         | +23.1     | +21.9        |
| Net sales to external customers (CHFm)          | 2,266       | 1,944       | +16.5     | +18.1        |
| Recurring EBIT (CHFm)                           | 726         | 663         | +9.5      | +10.9        |

| <b>Middle East Africa 9M</b>                    | <b>2022</b> | <b>2021</b> | <b>±%</b> | <b>±%LFL</b> |
|---|-------------|-------------|-----------|--------------|
| Sales of cement (mt)                            | 25.8        | 27.2        | -5.0      | -2.1         |
| Sales of aggregates (mt)                        | 3.4         | 3.2         | +9.1      | +12.7        |
| Sales of ready-mix concrete (m m <sup>3</sup> ) | 2.6         | 2.4         | +8.2      | +2.6         |
| Net sales to external customers (CHFm)          | 1,770       | 1,815       | -2.5      | +11.8        |
| Recurring EBIT (CHFm)                           | 291         | 299         | -3.0      | +17.8        |

| <b>North America 9M</b>                         | <b>2022</b> | <b>2021</b> | <b>±%</b> | <b>±%LFL</b> |
|---|-------------|-------------|-----------|--------------|
| Sales of cement (mt)                            | 16.7        | 15.1        | +10.5     | +10.5        |
| Sales of aggregates (mt)                        | 80.4        | 80.8        | -0.4      | -2.3         |
| Sales of ready-mix concrete (m m <sup>3</sup> ) | 8.7         | 7.8         | +11.8     | +7.5         |
| Net sales to external customers (CHFm)          | 7,614       | 5,275       | +44.3     | +22.0        |
| Recurring EBIT (CHFm)                           | 1,480       | 948         | +56.1     | +36.5        |

## Reconciliation to Group accounts

Reconciling measures of profit and loss:

| In million CHF                      | 9M 2022<br>(unaudited) | 9M 2021<br>(unaudited) |
|-------------------------------------|------------------------|------------------------|
| <b>Recurring EBITDA</b>             | <b>5,371</b>           | <b>5,201</b>           |
| Depreciation of right-of-use assets | (270)                  | (270)                  |
| Recurring EBITDA after leases       | 5,101                  | 4,931                  |
| Depreciation and amortization       | (1,377)                | (1,414)                |
| <b>Recurring EBIT</b>               | <b>3,724</b>           | <b>3,516</b>           |

## Alternative Performance Measures

Some Alternative Performance Measures are used in this release to help describe the performance of Holcim.

A full set of these Alternative Performance Measures definitions can be found on our [website](#).

## Additional information

### Analyst presentation

The analyst presentation of the results is available on our website at [www.holcim.com/investors](http://www.holcim.com/investors).

**Media conference:** 09:00 am CEST

**Analyst conference:** 10:00 am CEST

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The media conference at 09:00 am CEST and analyst's conference at 10:00 am CEST will be held virtually.

In order to participate in the analyst's conference, please go to <https://www.holcim.com/investors>.

### 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 circular construction as a world leader in recycling to build more with less. 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).