

Zug | July 30, 2021

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

Profitable growth continues, record results in H1

- Growth momentum continues, net sales +16.6% LFL
- Significant margin increase in all regions, Recurring EBIT +72.2% LFL
- Record Free Cash Flow¹ of CHF 814m, +9%
- 7 bolt-on acquisitions, successful start of Firestone Building Products
- Guidance for FY2021 Recurring EBIT growth upgraded to at least 18% LFL
- ECOPlanet launched globally and ECOPact now in all regions

Performance overview H1

Group (in million CHF)	H1 2021	H1 2020	±%	±%LFL
Net sales	12,556	10,693	+17.4	+16.6
Recurring EBIT	1,983	1,194	+66.1	+72.2
Recurring EBIT margin (%)	15.8	11.2		
Operating profit (EBIT)	1,794	1,005	+78.6	
Net income ²	839	347	+142.1	
Net income before impairment and divestments ²	881	501	+76.0	
EPS before impairment and divestments (CHF)	1.43	0.80	+77.8	
Free Cash Flow ¹	814	749	+8.6	
Net financial debt	12,438	10,652	+16.8	

Jan Jenisch, CEO: "As we close H1 under our new Group identity, I sincerely thank all members of the Holcim family for the teamwork and resilience they continue to demonstrate to navigate the challenges of the pandemic. I am proud of how our 70,000 colleagues around the world are protecting our people and communities, with health and safety top of mind, while supporting our customers.

"At this time last year I said that Holcim would emerge stronger from this crisis. These half-year results prove it. In the first half of 2021 we set new records in Recurring EBIT, free cash flow and earnings per share³. I congratulate our teams for this remarkable achievement and for giving me the confidence to revise our 2021 guidance for Recurring EBIT growth to at least 18% like for like.

"I'm pleased by the strong start of the Firestone business, with its double-digit volume growth and expansion into Latin America. Also, our growth momentum continued in mature markets, fueled by seven bolt-on acquisitions. Advancing our vision to become the global leader in innovative and sustainable building solutions, we launched our global green cement range ECOPlanet following the success of ECOPact green concrete, accelerating sustainable construction around the world."

¹ after leases

² Group share

³ before impairment and divestments

Record Recurring EBIT, EPS³ and Free Cash Flow¹ growth in H1

Net sales of CHF 12,556 million for the first half of 2021 were up 16.6% on a like-for-like basis (LFL) compared to the prior year. The record increase was driven by volume growth in all regions and segments. Net sales in the second quarter alone were CHF 7,194 million, or 25.5% higher LFL than the prior-year period.

Recurring EBIT reached a record CHF 1,983 million for the first half of 2021, up 72.2% on a like-for-like basis compared to the prior-year period. This record result was driven by significant margin improvement in all business segments.

Earnings per share³ increased by 77.8% to reach CHF 1.43 for the first half of 2021 versus CHF 0.80 for H1 2020.

Free Cash Flow after leases was at CHF 814 million in the first half of 2021 versus CHF 749 million in H1 2020, up 8.6%, as the measures taken to protect the business during the global pandemic continued to deliver efficiencies.

Firestone Building Products starts strong; 7 bolt-on acquisitions in H1 to fuel future growth

With the acquisition of Firestone Building Products officially closed as of 31 March 2021, the company experienced strong demand in all product lines and regions with volumes up 21% in Q2. Firestone Building Products has already begun to leverage the Holcim global procurement and sales network, notably in Latin America, where Holcim Mexico introduced GacoFlex TechoProtec. Holcim also continued to develop its portfolio through seven bolt-on acquisitions in the first half of 2021, building capacity in mature European and North American markets, primarily in aggregates and ready-mix concrete.

Pursuing its ongoing portfolio optimization, in H1 Holcim entered agreements to divest operations in Zambia, Malawi and the Indian Ocean. Closing of all transactions is expected by year-end.

Leadership in green building solutions continues with ECOPlanet and ECOPact

Holcim continued to progress in its sustainability ambitions by introducing ECOPlanet, an innovative range of green cement that delivers at least 30% lower carbon footprint with equal to superior performance. ECOPlanet will be distributed across 15 markets in 2021. This builds on the success of ECOPact, the world's broadest range of green concrete, which is now available in 24 markets across all regions.

Change in Executive Committee

The Board of Directors appointed Matthias Gaertner as Head of Legal and Compliance and member of the Group Executive Committee, effective 1 September 2021.

Matthias Gaertner, previously General Counsel of Honeywell Building Technologies, is a proven senior legal leader in innovation-driven building solutions with a strong track record in international mergers & acquisitions and compliance.

He succeeds Keith Carr who decided to pursue new opportunities outside of Holcim. He will continue to serve the company until the end of the year to ensure a seamless transition. The Board and Executive Committee sincerely thank Keith for his many contributions to the company's success.

Outlook

Holcim expects the growth momentum to continue in all regions, supported as of H2 2021 from various stimulus programs. The company expects to continue the growth of Firestone Building Products and pursue further bolt-on acquisitions, while accelerating progress towards its 2030 sustainability targets.

For 2021 the company will deliver the following, with upgraded guidance on Recurring EBIT growth:

- Over-proportional growth in Recurring EBIT of at least 18% LFL (from at least 10% LFL previously)
- Capex less than CHF 1.4bn
- Return on invested capital above 8%

Moreover, Holcim expects to achieve all Strategy 2022 targets one year in advance.

Key Group figures

Group Q2	2021	2020	±%	±%LfL
Net sales (CHFm)	7,194	5,400	+33.2	+25.5
Recurring EBIT (CHFm)	1,455	932	+56.1	+55.8
Recurring EBIT margin (%)	20.2	17.3		

Group H1 (in million CHF)	2021	2020	±%	±%LfL
Net sales	12,556	10,693	+17.4	+16.6
Recurring EBIT	1,983	1,194	+66.1	+72.2
Recurring EBIT margin (%)	15.8	11.2		
Operating profit (EBIT)	1,794	1,005	+78.6	
Net income ²	839	347	+142.1	
Net income before impairment and divestments ²	881	501	+76.0	
EPS before impairment and divestments (CHF)	1.43	0.80	+77.8	
Free Cash Flow after leases	814	749	+8.6	
Net financial debt	12,438	10,652	+16.8	

Group results by segment	H1 2021	H1 2020	±%	±%LfL
Sales of cement (mt)	99.0	87.2	+13.5	+13.2
Net sales of Cement (CHFm)	7,932	7,029	+12.9	+20.3
Recurring EBIT of Cement (CHFm)	1,654	1,131	+46.3	+57.5
Recurring EBIT margin of Cement (%)	20.9	16.1		
Sales of aggregates (mt)	123.0	113.8	+8.1	+6.2
Net sales of Aggregates (CHFm)	1,864	1,699	+9.7	+7.2
Recurring EBIT of Aggregates (CHFm)	217	101	+115.2	+107.0
Recurring EBIT margin of Aggregates (%)	11.6	5.9		
Sales of ready-mix concrete (m m ³)	22.1	19.2	+15.6	+13.9
Net sales of Ready-Mix Concrete (CHFm)	2,462	2,103	+17.1	+14.3
Recurring EBIT of Ready-Mix Concrete (CHFm)	40	-47	+184.0	+183.9
Recurring EBIT margin of Ready-Mix Concrete (%)	1.6	-2.2		
Net sales of Solutions & Products (CHFm)	1,423	819	+73.8	+8.7
Recurring EBIT of Solutions & Products (CHFm)	72	6	n.m.	n.m.
Recurring EBIT margin of Solutions & Products (%)	5.1	0.8		

Regional H1 performance

Region Asia Pacific

The Recurring EBIT margin expansion for the first six months of 2021 of 5.7pp was the highest of all the regions. This strong performance was driven by robust cement volume growth across the region and the good performance in Australia, which benefited from government stimulus programs. India delivered outstanding margin improvement despite a second wave of COVID-19 infections and inflationary pressure. Marwar Mundwa cement capacity expansion in India will commence operations in Q3 2021.

Asia Pacific	H1 2021	H1 2020	±%	±%LFL
Sales of cement (mt)	35.8	28.0	+27.9	+28.0
Sales of aggregates (mt)	16.9	13.1	+28.4	+12.5
Sales of ready-mix concrete (m m ³)	3.9	3.6	+8.6	+8.6
Net sales to external customers (CHFm)	2,998	2,413	+24.3	+25.9
Recurring EBIT (CHFm)	713	437	+63.1	+65.8
Recurring EBIT margin (%)	23.8	18.1		

Region Europe

The good momentum continued, with strong recovery in the UK, solid demand in France and continuous growth in Eastern European markets. Market demand was robust in all business segments, driving significant over-proportional Recurring EBIT growth. Plant modernization in Martres, France, remains on track to expand the opportunities for further growth.

Europe	H1 2021	H1 2020	±%	±%LFL
Sales of cement (mt)	22.2	20.9	+6.2	+6.2
Sales of aggregates (mt)	56.1	51.9	+8.2	+8.6
Sales of ready-mix concrete (m m ³)	9.9	8.3	+20.1	+17.9
Net sales to external customers (CHFm)	3,886	3,274	+18.7	+14.2
Recurring EBIT (CHFm)	469	288	+62.9	+58.5
Recurring EBIT margin (%)	11.9	8.7		

Region Latin America

The region delivered another quarter of outstanding performance for a record first half of the year. Outstanding volume growth in all business segments drove strong improvement in the Recurring EBIT margin. The company is positioned to capture continued growth in the Mexican market with the opening of a new grinding station in Merida and the launch of Firestone-branded products to be sold across the country's Disensa retail network.

Latin America	H1 2021	H1 2020	±%	±%LFL
Sales of cement (mt)	13.3	10.4	+28.3	+28.3
Sales of aggregates (mt)	2.9	2.2	+33.8	+33.8
Sales of ready-mix concrete (m m ³)	2.3	1.6	+39.1	+39.1
Net sales to external customers (CHFm)	1,269	980	+29.5	+48.8
Recurring EBIT (CHFm)	425	275	+54.5	+78.7
Recurring EBIT margin (%)	33.2	27.9		

Region Middle East Africa

Strong performance, particularly in Nigeria and Iraq, supported a record Recurring EBIT margin improvement of 4.8 percentage points, with strong volume growth across all business segments. The East Africa region experienced broad recovery, with Kenya benefitting especially from infrastructure spending.

Middle East Africa	H1 2021	H1 2020	±%	±%LFL
Sales of cement (mt)	17.8	15.6	+14.6	+11.7
Sales of aggregates (mt)	2.0	1.4	+43.3	+43.3
Sales of ready-mix concrete (m m ³)	1.4	1.2	+17.2	+8.0
Net sales to external customers (CHFm)	1,162	1,177	-1.3	+15.1
Recurring EBIT (CHFm)	198	137	+44.6	+76.7
Recurring EBIT margin (%)	16.2	11.5		

Region North America

The region showed good momentum to deliver a strong margin improvement overall, with strong market demand in the US and good recovery in Canada West. In Canada East demand was supported by key projects in Montreal and Toronto. Volumes grew in all business segments in the second quarter and pricing was positive.

North America	H1 2021	H1 2020	±%	±%LFL
Sales of cement (mt)	9.1	8.9	+2.3	+2.3
Sales of aggregates (mt)	45.2	45.2	-0.1	-0.9
Sales of ready-mix concrete (m m ³)	4.7	4.5	+3.8	+3.0
Net sales to external customers (CHFm)	2,984	2,566	+16.3	+1.4
Recurring EBIT (CHFm)	380	260	+46.4	+31.7
Recurring EBIT margin (%)	12.6	10.1		

Reconciliation to Group accounts

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

In million CHF	H1 2021 (unaudited)	H1 2020 (unaudited)
Net sales	12,556	10,693
Recurring operating costs	(9,834)	(8,717)
Share of profit of joint ventures	207	176
Recurring EBITDA after leases	2,928	2,152
Depreciation and amortization of property, plant and equipment, intangible and long-term assets	(945)	(958)
Recurring EBIT	1,983	1,194
Restructuring, litigation and other non-recurring costs	(175)	(39)
Impairment of operating assets	(13)	(151)
Operating profit	1,794	1,005

In million CHF	H1 2021 (unaudited)	H1 2020 (unaudited)
Recurring EBITDA after leases	2,928	2,152
Depreciation of right-of-use assets	176	185
Recurring EBITDA	3,105	2,337

In million CHF	H1 2021 (unaudited)	H1 2020 (unaudited)
Net income before impairment and divestments	1,114	601
Net income before impairment and divestments, Non-controlling interests	233	100
Net income before impairment and divestments, Group share	881	501
Impairment	(10)	(143)
Profit/(loss) on divestments	(32)	(11)
Net income	1,072	447

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	H1 2021 (unaudited)	H1 2020 (unaudited)
Cash flow from operating activities	1,457	1,330
Purchase of property, plant and equipment	(519)	(442)
Disposal of property, plant and equipment	51	30
Repayment of long-term lease liabilities	(176)	(169)
Free Cash Flow after leases	814	749

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

In million CHF	H1 2021 (unaudited)	H1 2020 (unaudited)
Current financial liabilities	2,536	2,736
Long-term financial liabilities	13,465	11,697
Cash and cash equivalents	3,465	3,736
Short-term derivative assets	63	14
Long-term derivative assets	36	31
Net financial debt	12,438	10,652

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
Like-for-like	Factors out changes in the scope of consolidation (such as divestments and acquisitions occurring in 2021 and 2020) and currency translation effects (2021 figures are converted with 2020 exchange rates in order to calculate the currency effects).
Recurring fixed costs	Recurring fixed costs refer to all recurring costs not directly related to volumes such as maintenance, personnel cost in production, administration, marketing and sales expenses, third party services and depreciation of right-of-use assets. Recurring fixed costs are part of the Recurring operating costs.
Recurring variable costs	Recurring variable costs include recurring operating costs directly related to volumes such as raw materials and finished goods purchases, inventory variation, energy, quarry outsourcing and distribution costs. The addition of Recurring fixed costs and Recurring variable costs equals the total Recurring operating costs.
Recurring operating costs	It is defined as: +/- Recurring EBITDA after leases - Net sales and - Share of profit of joint ventures.

Recurring EBITDA	It is defined as: +/- Operating profit/loss (EBIT) - Depreciation, amortization and impairment of operating assets and - Restructuring, litigation, implementation and other non-recurring costs.
Recurring EBITDA after leases	The Recurring EBITDA after leases is defined as Recurring EBITDA less the depreciation of right-of-use assets.
Recurring EBIT	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.
Recurring EBIT Margin	Recurring EBIT divided by net sales.
Restructuring, litigation and other non-recurring costs	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.
Profit/loss on disposals and other non-operating items	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 normal operating activities such as revaluation gains or losses on previously held equity interests, impairment losses recognized by applying the Fair value less cost of disposal methodology and cost related to other non business-related litigation cases.
Operating profit/loss (EBIT) before impairment	It is defined as: +/- Operating profit/loss - Impairment of goodwill and long-term assets.
Net income before impairment and divestments	It is defined as: +/- Net income/loss - Gains and losses on disposals of Group companies and - Impairment of goodwill and long-term assets.
EPS (Earnings Per Share) before impairment and divestments	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.
“Capex” or “Capex Net” (Net Maintenance and Expansion Capex)	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.
Free Cash Flow after leases	It is defined as: +/- Cash flow from operating activities – Net Maintenance and expansion Capex and – Repayment of long-term lease liabilities.
Cash conversion	Cash conversion is defined as: Free Cash Flow after leases divided by Recurring EBITDA after leases.
Net financial debt (“Net debt”)	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).

Debt leverage	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.
Invested Capital	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
Net Operating Profit/loss After Tax (“NOPAT”)*	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)
ROIC (Return On Invested Capital)	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)
Ton	Ton refers to a Metric ton, or 1,000 kg.

Additional information

Analyst presentation

The analyst presentation of the results and our 2021 half-year report are available on our website at www.holcim.com.

Media conference: 09:00 CEST

Analyst conference: 10:00 CEST

Switzerland: +41 (0) 58 310 50 00

France: +33 (0) 1 7091 8706

UK: +44 (0) 207 107 06 13

US: +1 (1) 631 570 56 13

Due to restrictions caused by COVID-19, the media conference at 09:00am CEST and analyst's conference at 10:00am CEST will be held virtually.

In order to participate in the analyst's conference, please go to <https://www.holcim.com/h1-2021-events>

The financial statements are based on IFRS can be found on the Holcim website.

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.

More information is available on www.holcim.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 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) 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.