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## HeidelbergCement in a nutshell

1. HeidelbergCement in North America
2. Four strategic pillars
3. H1 2019 results
4. Outlook
HeidelbergCement with strong global market position

<table>
<thead>
<tr>
<th>Aggregates (mt)</th>
<th>Cement (mt)</th>
<th>RMC (mm³)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Globally #1</strong></td>
<td><strong>Globally #2</strong></td>
<td><strong>Globally #3</strong></td>
</tr>
<tr>
<td>308.1 H1 2018 LTM</td>
<td>127.5 H1 2018 LTM</td>
<td>47.6 H1 2018 LTM</td>
</tr>
<tr>
<td>309.9 H1 2019 LTM</td>
<td>129.1 H1 2019 LTM</td>
<td>50.4 H1 2019 LTM</td>
</tr>
</tbody>
</table>

+1%  +1%  +6%
We benefit from strong growth in developed markets...

* Last twelve months rolling figure as of June 2019

... while having upside from recovery in the emerging world

Group turnover*
- Developed: 78%
- Emerging: 22%

Top 10
- North America: 24%
- Northern Europe: 8%
- Australia: 7%
- France: 7%
- UK: 7%
- Germany: 6%
- Indonesia: 5%
- Benelux: 4%
- Italy: 3%
- India: 3%
Continuous improvement in financial metrics

<table>
<thead>
<tr>
<th>Revenue</th>
<th>EPS</th>
<th>Net debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td>17,084</td>
<td>17,266</td>
<td>18,075</td>
</tr>
<tr>
<td>+1%</td>
<td>+5%</td>
<td></td>
</tr>
<tr>
<td>18,075</td>
<td>18,075</td>
<td>18,075</td>
</tr>
<tr>
<td>+5%</td>
<td>+5%</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td>3.4</td>
<td>4.6</td>
<td>5.8</td>
</tr>
<tr>
<td>+36%</td>
<td>+25%</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td>8,999</td>
<td>8,695</td>
<td>8,367</td>
</tr>
<tr>
<td>-304</td>
<td>-328</td>
<td></td>
</tr>
</tbody>
</table>

DPS

<table>
<thead>
<tr>
<th>DPS</th>
<th>Return on capital invested</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td>1.6</td>
<td>1.9</td>
</tr>
<tr>
<td>+19%</td>
<td>+11%</td>
</tr>
</tbody>
</table>

Invested capital

<table>
<thead>
<tr>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>23,595</td>
<td>26,029</td>
<td>25,510</td>
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</tbody>
</table>

- WACC
- ROIC
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Well-balanced product portfolio and geographical footprint

Revenue by key market*

- Well-positioned in all key US & Canadian markets to capture market upswings

Operating geography

- Above-average NAM coverage & product portfolio compared to peers

Operating EBITDA by segment*

- Good balance of earnings, biased towards “upstream” product lines

* Last twelve months rolling figure as of June 2019.
Solid asset base and product portfolio in North America

**Well positioned in all key markets**
- Major urban centers in U.S. & Canada
- Broad coverage of 30 U.S. states & 6 Canadian Provinces
- Fast growth areas – Sunbelt, Texas, West Coast

**Excellent product portfolio**
- ~ 27.5 mt cement capacity*
- ~12bt aggregates reserves
- ~ 220 RMC and asphalt plants

**Vertically integrated business model**
- Well-established integrated positions in most Canadian cities and leading U.S. cities (e.g. Houston, San Diego, Seattle)
- Growing RMC positions in core new markets – Portland & Atlanta
- Growing ASP business (e.g. New York & Seattle)

**Unique asset base with solid future potential**
- Solid foundations in AGG & CEM assets in strong, long-term locations
- Robust logistics network to optimize footprint & maximize margins
- Further ability to optimize asset base with limited investments

*) Includes 8.5 mt import capacity and 50% JV positions in Texas Lehigh.
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<tr>
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<tbody>
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<td><strong>Four strategic pillars</strong></td>
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<tr>
<td>H1 2019 results</td>
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<tr>
<td>Outlook</td>
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</tbody>
</table>
Four strategic pillars

1. Vertical integration
   - All core business lines in key urban markets
   - Synergies between business lines

2. Sustainable growth
   - Follow UN’s Sustainable Development Goals
   - Focus on environment and society

3. Operational excellence
   - Focus on KPIs, savings, technology, innovation.
   - Continuous margin improvement

4. Digital transformation
   - Digital plants, customer experience, big data analytics
   - Further efficiency gains
Vertically integrated business model in fast-growing urban centers

Aggregates

Cement

Asphalt

Ready-mixed concrete

Infrastructure

Commercial

Housing
The benefits of vertical integration

- **Boost captive sales of cement and aggregates**
  - Be close to customers through ready-mix concrete operations and learn about their needs. Develop innovative or tailor-made concrete solutions.
  - Boosting RMC sales with a pull-through on captive supplies of cement and aggregates.

- **Benefit from a more stable cash flow**
  - Aggregates and asphalt are mainly supplied to infrastructure projects.
  - A strong infrastructure exposure helps the Group during a downturn since governments often use infrastructure spending as an economic stimulus.

- **Prevent cement imports**
  - Maintaining a big share in the RMC market in urban centers or along coast lines.
  - Cement imports are discouraged since finding a buyer for cement in such a market will be much more difficult.

- **Decrease slow-moving inventory in aggregates**
  - Adjust RMC recipes to match them to fractions produced in quarries.
  - Incorporate more of the slow-moving fractions in your recipes to decrease the inventory built-up.
We are the sustainability leader in the sector

Our “Sustainability Commitments 2030” are aligned with “UN Sustainable Development Goals”

We are the first cement producer with a CO₂ reduction target verified by the Science Based Targets Initiative.

We are labelled as “Prime” in ISS-oekom corporate rating.
Our vision 2050: Carbon-neutral concrete

2030

Reduce by 30% specific net CO₂ emissions per ton of CEM*
- Upgrade kiln lines to increase energy efficiency
- Use more alternative fuels
- Lower the clinker ratio in cement

2050

Produce CO₂-neutral concrete
- Develop technologies for CO₂-capture and utilization (CCU)
- Develop technologies for CO₂-capture and storage (CCS)
- Return of CO₂ into the material cycle through re-carbonation

* As compared to the 1990 levels.
### Consistently improving operational efficiency

<table>
<thead>
<tr>
<th>Ongoing optimization</th>
<th>Hanson optimization</th>
<th>Recovery after financial crisis</th>
<th>Optimization after ITC acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>Hanson acquisition</strong></td>
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<td><strong>Financial crisis</strong></td>
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<td></td>
<td></td>
<td><strong>Italcementi acquisition</strong></td>
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</thead>
<tbody>
<tr>
<td>Revenue per employee (in € ’000)*</td>
<td>189</td>
<td>195</td>
<td>159</td>
<td>233</td>
<td>209</td>
<td>220</td>
<td>246</td>
<td>270</td>
<td>269</td>
<td>281</td>
<td>296</td>
<td>251</td>
<td>292</td>
<td>306</td>
<td></td>
</tr>
</tbody>
</table>

* IFRS view including ITC from 1 July 2016

... while having upside from recovery in the emerging world
Clear efficiency improvement roadmap: Action Plan 2020

- **Cost management**
  - SG&A program with a 100m€ saving target (2019-2020)

- **Margin improvement**
  - Aggressive commercial excellence initiatives

- **Cash generation**
  - Disposal program with a 1.5 b€ target (2018-2020)

- **Cash management**
  - Limit growth CapEx with total 700m€ (2019-2020)

**Savings of 80 m€ secured already for 2019.**

**A full action plan is already in place.**

**858 m€ cashed in until June 2019.**

**266 m€ spent until June 2019.**

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Slide 16 - Davy Industrials Conference
New York – 05 September 2019
### Disposals focused on three categories

<table>
<thead>
<tr>
<th>Non-core businesses</th>
<th>Weak market positions</th>
<th>Idle assets</th>
</tr>
</thead>
</table>
| • Business activities outside of core business lines: cement, aggregates, ready-mix concrete and asphalt. | • Countries with high risk.  
• Market positions with limited growth potential or loss-making companies. | • Depleted quarries and land.  
• Unused fixed assets.  
• Apartments, buildings etc. |

- Reduce complexity and SG&A costs.  
- Focus on businesses which we are best at.  
- Recover the initial investment outlay.  
- Re-invest proceeds in geographies with superior growth and FCF generation.  
- Cash in on assets that do not yield any return.  
- Improve ROIC, FCF and leverage.
### Transformation of the existing business (DTO)

<table>
<thead>
<tr>
<th>Remotely controlled &amp; maintained production units.</th>
<th>Big data analytics for concrete mix design &amp; workflow analysis</th>
<th>Digital exchange with suppliers and customers</th>
<th>Workflow automation</th>
</tr>
</thead>
</table>

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**Potential for enhanced efficiency and service**
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### Overview of H1 2019

#### Solid result improvement in H1

- **LfL revenue increase** +7%; **EBITDA** increase +6%; **adjusted EPS** increase **38%**.

- **Strong margin improvements in Asia and Europe** more than compensate the weather driven pressure in North America and weak demand in Egypt and Turkey.

- **SG&A saving program** goes full speed. **80 m€ already secured** for the full year.

- **Net debt 0.8 bn€ below** prior year*. Positive trend continues.

- **Portfolio optimization** on track. Total **disposals reach 290 m€** for the current year.

LfL figures excluding currency, scope and IFRS 16 Leasing adjustment.

* Before IFRS 16 leasing impact.
Solid organic EBITDA growth in H1

Previous year figures are adjusted due to change in accounting method for “Result from associates”. Please see appendix for details.
Revenue and EBITDA overview

**H1 2019 vs. H1 2018**

- **North America**: 13.6%
- **West/South Europe**: 7.4%
- **North/East Europe**: 13.1%
- **Asia/Pacific**: 18.0%
- **Africa/Med. Basin**: 0.5%

**Q2 2019 vs. Q2 2018**

- **North America**: 13.1%
- **West/South Europe**: 3.1%
- **North/East Europe**: 1.8%
- **Asia/Pacific**: 9.7%
- **Africa/Med. Basin**: 
  - **Revenue growth**: -16.3%
  - **EBITDA* growth**: 18.2%

*Before IFRS 16 leasing adjustment*

**Strong EBITDA growth in Europe & Asia Pacific**

Slide 22 - Davy Industrials Conference
New York – 05 September 2019
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<tr>
<td><strong>Outlook</strong></td>
</tr>
</tbody>
</table>
# 2019 outlook and targets

<table>
<thead>
<tr>
<th>Operations</th>
<th>• Volume increase in all business lines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance</td>
<td>• Margin improvement</td>
</tr>
<tr>
<td>Result</td>
<td>• Solid revenue, EBITDA, EPS growth</td>
</tr>
<tr>
<td>Portfolio</td>
<td>• 500 m€ disposal; net growth CAPEX* below 0</td>
</tr>
<tr>
<td>Leverage</td>
<td>• Net debt reduction to 7.7 billion EUR**</td>
</tr>
</tbody>
</table>

* Net growth CAPEX = Gross growth CAPEX minus disposals.
** Before application of IFRS 16.
2019: Solid results improvement in most regions

- **North America**: Strong infrastructure demand to drive the volumes. Favorable pricing development.
- **Europe**: Solid EBITDA growth as a result of very strong pricing and an easing cost base.
- **Africa**: Sub-Saharan to compensate pressure in Egypt
- **Asia Pacific**: Clear improvement in earnings in Indonesia; solid results from Australia and India.

Full-year EBITDA to grow between +3% and +9% on a like-for-like basis
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 November 2019</td>
<td>Q3 Results</td>
</tr>
</tbody>
</table>

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Disclaimer

Unless otherwise indicated, the financial information provided herein has been prepared under International Financial Reporting Standards (IFRS).

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By their very nature, forward-looking statements and information are subject to certain risks and uncertainties. A variety of factors, many of which are beyond HeidelbergCement’s control, could cause actual results to defer materially from those that may be expressed or implied by such forward-looking statement or information. For HeidelbergCement particular uncertainties arise, among others, from changes in general economic and business conditions in Germany, in Europe, in the United States and elsewhere from which we derive a substantial portion of our revenues and in which we hold a substantial portion of our assets; the possibility that prices will decline as result of continued adverse market conditions to a greater extent than currently anticipated by HeidelbergCement’s management; developments in the financial markets, including fluctuations in interest and exchange rates, commodity and equity prices, debt prices (credit spreads) and financial assets generally; continued volatility and a further deterioration of capital markets; a worsening in the conditions of the credit business and, in particular, additional uncertainties arising out of the subprime, financial market and liquidity crises; the outcome of pending investigations and legal proceedings and actions resulting from the findings of these investigations; as well as various other factors. More detailed information about certain of the risk factors affecting HeidelbergCement is contained throughout this presentation and in HeidelbergCement’s financial reports, which are available on the HeidelbergCement website, www.heidelbergcement.com. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the relevant forward-looking statement or information as expected, anticipated, intended, planned, believed, sought, estimated or projected.