



# RESULTS 3Q19

October 24, 2019

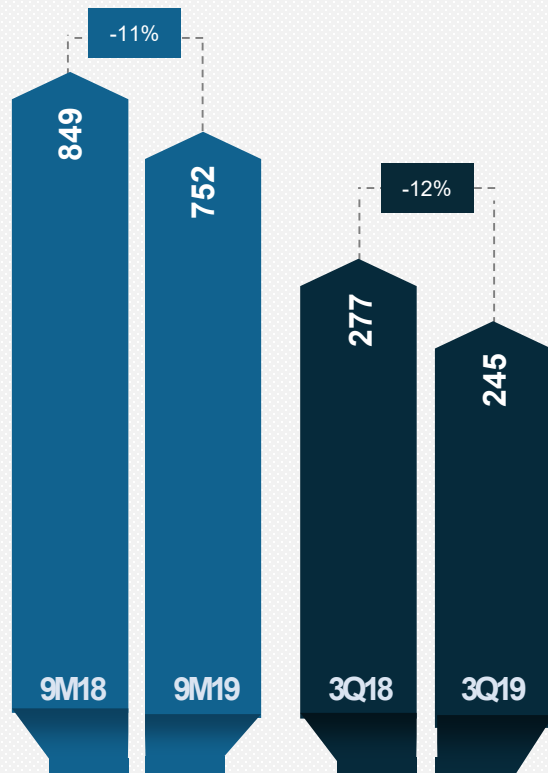
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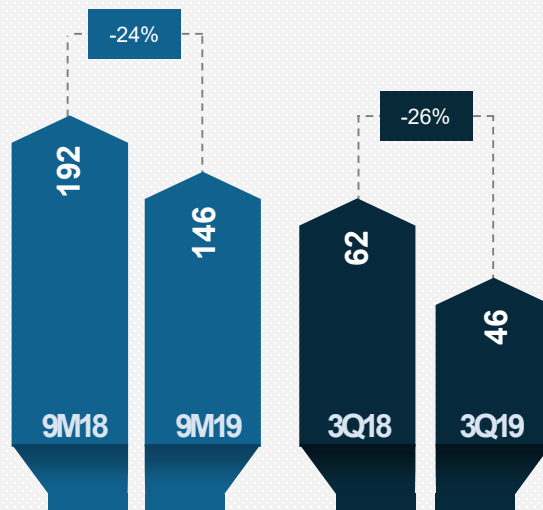
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# Financial Results Summary

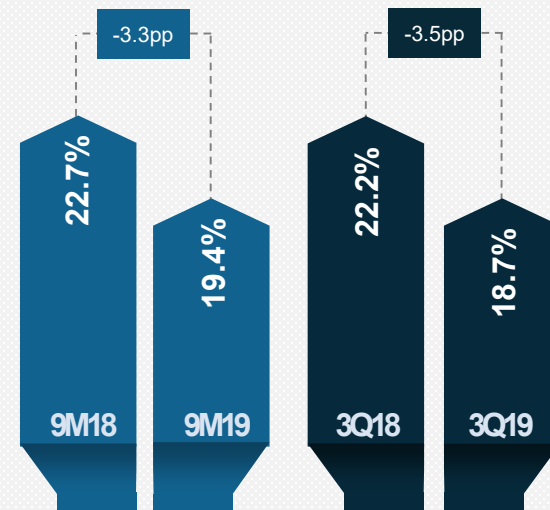
Net Sales  
(US\$M)



Operating EBITDA  
(US\$M)



Margin EBITDA  
(%)



# || Consolidated Volumes and Prices

## Domestic gray cement

	9M19 vs. 9M18	3Q19 vs. 3Q18	3Q19 vs. 2Q19
Volume	1%	1%	1%
Price (USD)	-8%	-9%	-3%
Price (LtL <sub>1</sub> )	-1%	-1%	-2%

## Ready-mix concrete

Volume	-6%	-9%	2%
Price (USD)	-10%	-11%	-3%
Price (LtL <sub>1</sub> )	-1%	-2%	-1%

## Aggregates

Volume	-9%	-9%	-2%
Price (USD)	-7%	-9%	2%
Price (LtL <sub>1</sub> )	2%	1%	5%

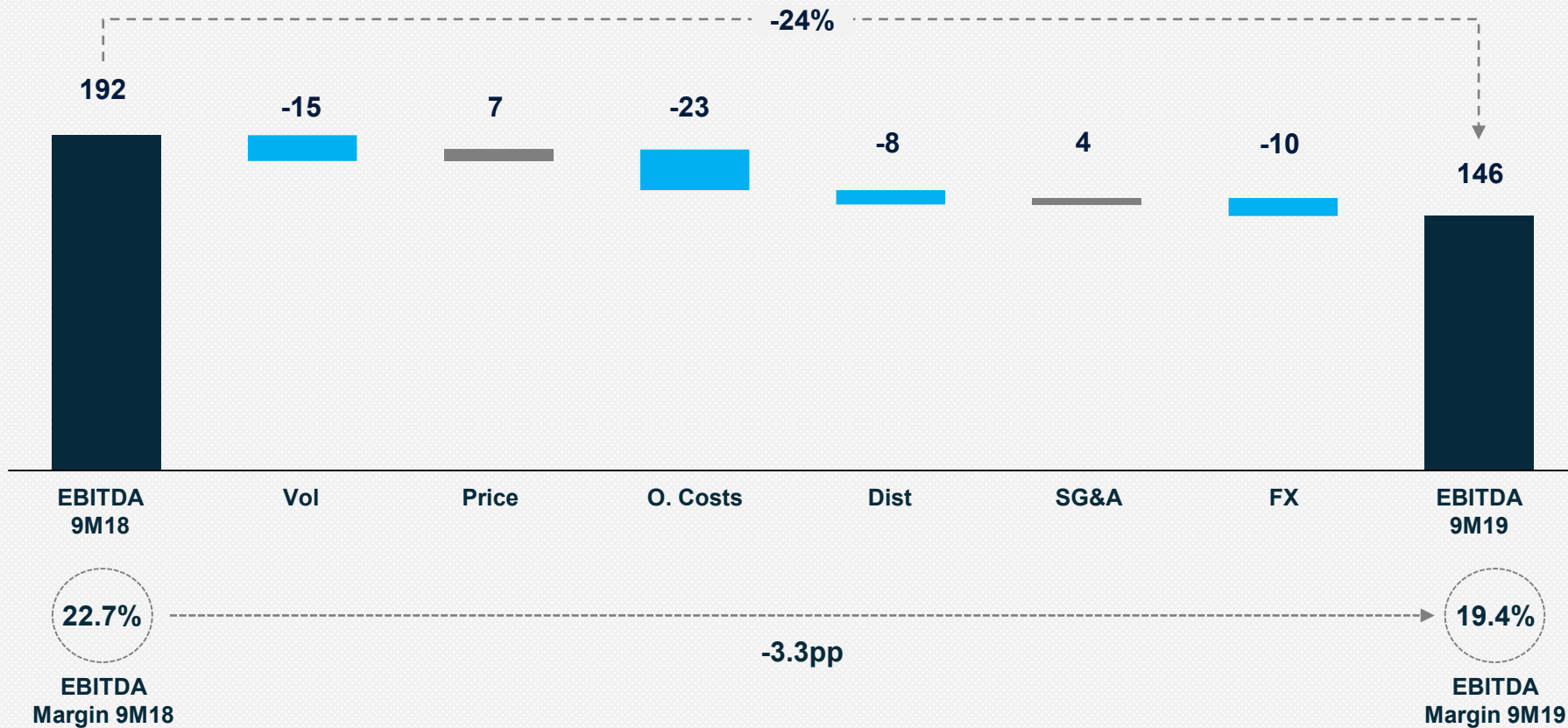
Domestic gray cement volumes during 3Q19 improved by 1% YoY

Improved quarterly cement prices in Colombia and Nicaragua were offset by lower prices in other operations, in local-currency terms on a year-over-year basis

The U.S.-dollar appreciated vs. the currencies of Colombia, Nicaragua and Guatemala during 3Q19 by 15%, 5% and 2%, respectively, YoY



## || EBITDA Variation 9M19





# REGIONAL HIGHLIGHTS

3Q19 Results





# Results Highlights Colombia

# || Colombia – Results Highlights

## Financial Summary US\$ Million

	9M19	9M18	% var	3Q19	3Q18	% var
Net Sales	376	399	-6%	127	134	-6%
Op. EBITDA	59	74	-20%	20	26	-25%
as % net sales	15.7%	18.5%	(2.8pp)	15.7%	19.7%	(4.0pp)

## Volume

	9M19 vs. 9M18	3Q19 vs. 3Q18	3Q19 vs. 2Q19
Cement	11%	12%	7%
Ready mix	6%	6%	6%
Aggregates	1%	2%	-1%

## Price (Local Currency)

	9M19 vs. 9M18	3Q19 vs. 3Q18	3Q19 vs. 2Q19
Cement	3%	5%	2%
Ready mix	0%	2%	0%
Aggregates	5%	4%	4%

We are very pleased with our cement volume and price performance during 3Q19

Net sales increased by 8% in local-currency terms during 3Q19 YoY, due to higher volumes and prices in our 3 core products

Our EBITDA margin during 3Q19 declined by 4.0 pp, mainly due to a major maintenance performed to our Ibague Kiln 1





We estimate that cement-industry dispatches to the residential sector increased in the low-single digits during the 3Q19 YoY

Cement volumes to the self-construction segment improved during 3Q19, driven mainly by the economic recovery

In the social-housing segment, housing starts improved by 9.5% YTD August

During 4Q19 we expect cement-industry volumes to the residential sector to continue increasing in the low-single digits, supported by the self-construction and social-housing segments

The infrastructure sector continued its positive performance during 3Q19, increasing in the double digits

We continued dispatching our products to several 4G projects; our estimated participation for cement/ready-mix in these projects reached around 40%

The Bogota-Metro project was awarded last week; this project is a relevant milestone in the infrastructure development of the city that should detonate additional construction activity

**During 4Q19, we expect cement-industry volumes to the infrastructure sector to increase in the mid-single digits**





As disclosed last September, “Corantioquia” approved to remove the Maceo-project land from the “Integrated Management District”

This approval, as well as the agreement reached last April with the government agency “SAE”, represent relevant milestones in the process to commission the Maceo cement plant

We continue to work with the relevant authorities to increase the environmental-license capacity, among other pending procedures





# Results Highlights Panama



# || Panama – Results Highlights

## Financial Summary US\$ Million

	9M19	9M18	% var	3Q19	3Q18	% var
Net Sales	143	169	-16%	45	58	-22%
Op. EBITDA	38	52	-27%	14	17	-18%
as % net sales	26.8%	30.8%	(4.0pp)	30.7%	29.1%	1.6pp

## Volume

	9M19 vs. 9M18	3Q19 vs. 3Q18	3Q19 vs. 2Q19
Cement	-14%	-22%	-9%
Ready mix	-26%	-38%	-10%
Aggregates	-31%	-33%	-2%

## Price (Local Currency)

	9M19 vs. 9M18	3Q19 vs. 3Q18	3Q19 vs. 2Q19
Cement	-6%	-6%	-1%
Ready mix	-2%	0%	5%
Aggregates	-6%	-8%	9%

Cement demand remained weak during the quarter affected by high inventories in apartments and offices

Cement imports reached an estimated 8% participation during 3Q19

Our EBITDA margin improved by 1.6 pp during 3Q19 YoY, mainly due to the optimization of our ready-mix business, lower energy costs and SG&A savings

## || Panama – Sector Highlights



Next year, cement volumes should be driven by infrastructure projects and by the social-housing segment

In the infrastructure sector, the “Corredor de las Playas” highway and the Fourth Bridge over the canal, among other projects, should ramp-up volumes next year. Additionally, the new housing-subsidies law should improve construction activity in this sector

**We now expect our full year 2019 cement volumes in Panama to decline from 14% to 15%**





# Results Highlights Costa Rica

# || Costa Rica – Results Highlights

## Financial Summary US\$ Million

	9M19	9M18	% var	3Q19	3Q18	% var
Net Sales	80	112	-28%	25	33	-25%
Op. EBITDA	24	37	-36%	5	12	-58%
as % net sales	29.6%	33.0%	(3.4pp)	19.6%	34.9%	(15.3pp)

## Volume

	9M19 vs. 9M18	3Q19 vs. 3Q18	3Q19 vs. 2Q19
Cement	-23%	-14%	0%
Ready mix	-26%	-42%	-28%
Aggregates	-5%	-27%	-16%

## Price (Local Currency)

	9M19 vs. 9M18	3Q19 vs. 3Q18	3Q19 vs. 2Q19
Cement	-2%	-4%	-3%
Ready mix	4%	-4%	-8%
Aggregates	-8%	-15%	-17%

Cement demand remained weak during the quarter, affected by uncertainty related to the tax reform and by the slow execution of infrastructure projects

Our quarterly cement volume performance reflects a high base of comparison in 3Q18

The EBITDA margin during the quarter declined by 15.3pp, mainly due to a major maintenance performed to our cement kiln during this period



## || Costa Rica – Sector Highlights



We expect our cement volumes to decline from 21% to 22% during 2019

Next year, cement demand should be driven by the expected reactivation of construction activity in the private sector, and the current pipeline of infrastructure projects which has been delayed this year





Results  
Highlights  
Rest of CLH

## || Rest of CLH – Results Highlights

### Financial Summary US\$ Million

	9M19	9M18	% var	3Q19	3Q18	% var
Net Sales	164	180	-9%	51	56	-9%
Op. EBITDA	46	58	-20%	14	16	-15%
as % net sales	28.3%	32.4%	(4.1pp)	27.1%	29.1%	(2.0pp)

### Volume

	9M19 vs. 9M18	3Q19 vs. 3Q18	3Q19 vs. 2Q19
Cement	-5%	-7%	-9%
Ready mix	-43%	-36%	18%
Aggregates	-38%	79%	33%

### Price (Local Currency)

	9M19 vs. 9M18	3Q19 vs. 3Q18	3Q19 vs. 2Q19
Cement	1%	1%	-1%
Ready mix	6%	8%	1%
Aggregates	22%	37%	15%

Cement volumes declined due to lower construction activity in Nicaragua

Quarterly cement prices in local-currency terms increased by 1% YoY

EBITDA during the quarter in local-currency terms declined by 13%, mainly due to lower volumes in Nicaragua and to increased purchased-clinker costs in Guatemala



## || Nicaragua – Sector Highlights



The socio-political crisis remains unsolved and continues to affect construction activity

Our cement volumes during the quarter declined by 20% YoY. Going forward the self-construction sector should continue supporting cement consumption in the country

For 2019, we expect our volumes to decline by 20%, in line with the industry



After the 2<sup>nd</sup> round of the presidential elections held in August, Alejandro Giammattei from a center-right party resulted president elect. There is optimism in the country with the results of the elections

Our quarterly cement volumes in the country remained stable YoY

We are optimistic in Guatemala going forward as cement-industry volumes are expected to grow in the low-single digits, in line with the expected GDP growth

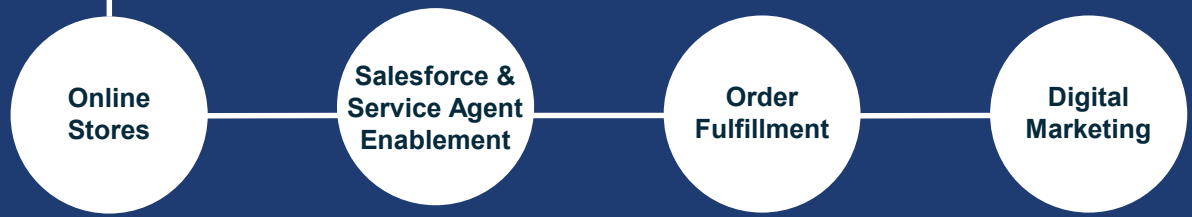


# OTHER INFORMATION

3Q19 Results



Our digital solutions are evolving to offer customers a superior **omnichannel experience**



As of September, we are receiving about 77% of cement-purchase orders through CEMEX Go

Services like the invoice administration and the electronic proof of delivery, reached adoption levels of 77% and 70%, respectively

CEMEX Go is improving our customer service and reducing our cost to serve, while allowing our sale force to focus more on consulting and prospecting



## Free Cash Flow

US\$ Million		9M19	9M18	% var	3Q19	3Q18	% var
<b>Operating EBITDA</b>		<b>146</b>	<b>192</b>	<b>-24%</b>	<b>45</b>	<b>62</b>	<b>-27%</b>
	- Net financial expense	40	44		13	14	
	- Maintenance Capex	30	29		13	11	
	- Change in working cap	-9	10		-4	1	
	- Taxes paid	35	40		12	19	
	- Other cash items (net)	-1	32		2	2	
	- Free cash flow discontinued operations	0	1		0	-1	
<b>Free Cash Flow</b> After Maintenance Capex		<b>52</b>	<b>35</b>	<b>46%</b>	<b>11</b>	<b>16</b>	<b>-33%</b>
	- Strategic Capex	1	0		0	-1	
<b>Free Cash Flow</b>		<b>50</b>	<b>35</b>	<b>43%</b>	<b>11</b>	<b>17</b>	<b>-37%</b>

Our free cash flow improved to US\$50 million YTD September

Financial expenses during 3Q19 were US\$1.6 million lower than those of 3Q18

Our average working capital days during 3Q19 improved to negative 22 vs. negative 18 during 3Q18

# Income Statement

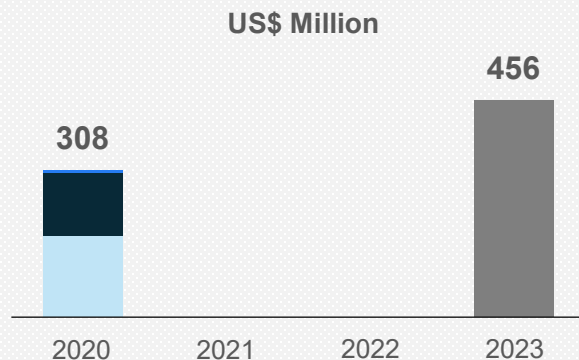
US\$ Million	9M19	9M18	% var	3Q19	3Q18	% var
Net sales	752	849	-11%	245	277	-12%
- Cost of sales	462	501		149	162	
Gross profit	290	347	-16%	96	114	-16%
- Operating expenses	203	217		68	73	
Operating earnings before other expenses, net	87	131	-33%	27	42	-34%
- Other expenses, net	12	1		4	-5	
Operating earnings	75	130	-42%	23	47	-50%
- Financial expenses	40	44		13	14	
- Other income (expenses), net	23	-10		17	-5	
Net income before income taxes	13	96		-6	38	
- Income tax	5	33		-3	10	
Profit of continuing operations	8	63		-4	28	
- Discontinued operations	0	9		0	9	
Consolidated net income	8	53		-4	20	
- Non-controlling Interest	0	0		0	0	
Net Income	8	53		-4	19	
Controlling Interest Net Income	8	53	-86%	-4	19	N/A

Our Net Income during the quarter was a US\$4 million loss

The Other-Expenses-Net line was negative US\$4 million during 3Q19. During 3Q18, this line benefited from the reversal of a US\$12.5-million provision

The Other-Income-and-Expenses-Net line, was negative US\$17 million during 3Q19, mainly due to a FX effect from the Colombian-peso depreciation from June to September 2019

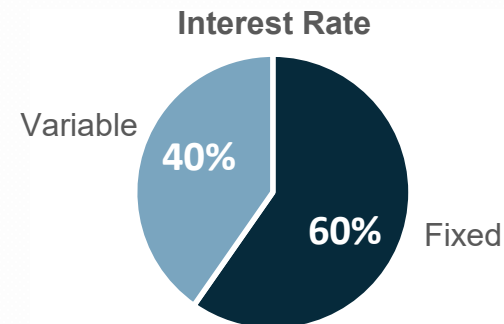
## || Consolidated debt as of September 30, 2019



**US\$788 M total debt.**  
 The loans due next year are mostly with CEMEX S.A.B. de C.V. subsidiaries, and we are comfortable with the refinancing prospects

**3.8x Net Debt / EBITDA**

Type	Currency	Cost	US\$ M
Banks	COP	9.21%	6
Intercompany	USD	6ML + 250 bps	130
Intercompany	USD	6ML + 255 bps	172
Intercompany	USD	Fixed 5.65%	456
Other debt (Leases)			24
<b>Average Cost / Total</b>	<b>USD</b>	<b>5.28%<sub>1</sub></b>	<b>788</b>



(1) Average Cost of USD denominated debt

The term "Intercompany" refers to debt with subsidiaries of CEMEX, S.A.B. de C.V.



## Volume YoY%

### Colombia

Cement	Ready - Mix	Aggregates
8% to 9%	3% to 4%	0% to 1%

### Panama

Cement	Ready - Mix	Aggregates
-15% to -14%	-27% to -26%	-25% to -24%

### Costa Rica

Cement	Ready - Mix	Aggregates
-22% to -21%	-30% to -29%	-9% to -8%

## Consolidated volumes:

Cement:	-2% to -1%
Ready-mix:	-8% to -7%
Aggregates:	-9% to -8%

Total CAPEX	US\$50 M
Maintenance	US\$45 M
Strategic	US\$5 M

Cash Taxes	US\$60 M
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October 24, 2019



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### **Stock Information**

Colombian Stock Exchange

CLH