3Q19 - TALKING POINTS

SLIDE #1 – COVER PAGE

JESUS GONZALEZ:

Good day, everyone. Thank you for your continued support of CLH and for joining us for our third-quarter-2019 call and webcast.

It is a pleasure for me to speak with you on my first earnings call as the CEO of CLH.

I will be happy to take your questions after my initial remarks.

SLIDE #2 – LEGAL DISCLAIMER

SLIDE #3 – FINANCIAL RESULTS SUMMARY

- As commented in our second-quarter-results conference call, we are operating under challenging market conditions, particularly in Central America, that are putting pressure on our EBITDA generation.

- In Colombia, the positive volume and price trends continued during the quarter. We are very pleased with the 8-percent growth in sales, in local-currency terms, achieved during this period. However, increased maintenance, energy and logistics costs, as well as a negative foreign-exchange effect, prevented us from improving our EBITDA in the country.

- Additionally, challenging market conditions continued in Panama, Costa Rica and Nicaragua.

- During the quarter, the U.S.-dollar appreciated versus the currencies of Colombia, Nicaragua and Guatemala by 15, 5 and 2 percent, respectively, on a year-over-year basis. The average Colombian-peso rate per dollar in this period reached 3,395, a quarterly record-high level.

- In this context, our consolidated net sales during the quarter declined by 12 percent in U.S.-dollar terms, or by 4 percent in local currency. Improved sales in Colombia and El Salvador were more than offset by decreases in the rest of our countries, in local-currency terms.

- Our EBITDA during the quarter in U.S.-dollar and local-currency terms declined by 26 and 20 percent, respectively.

- Our consolidated EBITDA margin during the quarter declined by 3.5 percentage points on a year-over-year basis, to 18.7 percent. This margin decline was mainly due to increased maintenance expenses and logistics cost, as well as to lower sales, which accounted for 2.5, 1 and 1 percentage points, respectively, partially offset by SG&A savings related to our Stronger CEMEX plan. Regarding maintenance, during the quarter we had 6.2 million dollars in maintenance-related operational expenses, compared with none during the same period of last year.

SLIDE #4 – CONSOLIDATED VOLUMES AND PRICES

- During the quarter, our consolidated gray-cement volumes improved by 1 percent, while both our ready-mix and aggregates volumes decreased by 9 percent, on a year-over-year basis. We saw improvement in our gray-cement volumes mainly in Colombia.

- Consolidated prices during the quarter for cement and ready-mix declined by 1 and 2 percent, respectively, while aggregates prices increased by 1 percent, in local-currency terms on a year-over-year basis.

- Our quarterly cement prices in Colombia and Nicaragua increased by 5 and 6 percent, respectively, in local-currency terms on a year-over-year basis. These improvements were more than offset by lower prices in other operations, mainly in Panama and Costa Rica.

SLIDE #5 – EBITDA VARIATION 9M19

- Our EBITDA during the first nine months of the year declined by 46 million dollars, mainly due to increased variable costs, lower volumes, and the appreciation of the U.S. dollar. These impacts were partially offset by higher prices, and lower SG&A from our Stronger CEMEX plan initiatives.

- Regarding the increase in variable costs, the main impacts were seen in Colombia, where we faced higher energy and distribution costs, and in Guatemala, where we had increased imported-clinker costs. Also, please note that year-to date, we had additional 4.4-million-dollars maintenance-related operational expenses, on a year-over-year basis.

- Most of the negative foreign-exchange effect was due to the 16-percent appreciation of the U.S. dollar versus the Colombian peso during the first nine months of the year, on a year-over-year basis.

- In this very challenging environment, we continue working relentlessly to manage our cost base as efficiently as possible, among the most relevant initiatives are:
    - First, under our Stronger CEMEX plan, we identified 16 million dollars in recurring savings for 2019, out of which we already realized 12 million during the first nine months of the year. These savings relate mainly to SG&A reductions, supply-chain improvements and our low-cost sourcing initiative
    - Second, we expect to reduce our costs through alternative-fuels substitution projects, while we also capture opportunities in the primary fuel and electricity markets

        - In Costa Rica, we are working on a project to increase alternative-fuels substitution to more than 35 percent, by processing used tires in our kiln. This project provides adequate disposal for this waste while also reducing our costs.
        - In Panama, we recently switched from coal to pet coke taking advantage of lower international prices. Also, we are working on a project to increase our alternative-fuel substitution to more than 20 percent by processing waste oil from ships in our kilns. Additionally, we recently signed a new electric-power-supply contract that should save us 2 million dollars per year in our electricity bill from January 2020 onwards.
    - Third, we are optimizing our ready-mix business across all our countries, reducing costs and focusing on locations with growth potential. For example, in Panama, EBITDA from our ready-mix business improved by 5 million dollars year to date, despite a 26-percent reduction in volumes.

SLIDE #6 – REGIONAL HIGHLIGHTS

- Now, I will discuss the main operating and financial results in our markets.

SLIDE #7 – COLOMBIA SECTION

SLIDE #8 – COLOMBIA – RESULTS HIGHLIGHTS

- We are encouraged by the positive cement-demand trend in Colombia driven by the infrastructure and the self-construction sectors. We estimate that cement-industry demand increased by 7 percent during the third quarter and by 4 percent year-to-date September.

- Additionally, we are very pleased with our cement volume and price performance. Our cement volumes during the quarter and year-to-date

September increased by 12 and 11 percent, respectively. Our prices during the quarter increased by 2 percent sequentially and by 5 percent year-over-year, in Colombian-pesos terms. The sequential price increase reflects the cement-price increases implemented during the quarter.

- Furthermore, our cement prices from December 2018 to September 2019 increased by 8 percent in local-currency terms.

- Our estimated market position during the quarter remained relatively stable, compared to that of the previous quarter and the fourth quarter of 2018. After a decline in our market position last year because of our pricing leadership, we regained our position during the fourth quarter of 2018.

- Regarding our financial results in Colombia, net sales during the quarter increased by 8 percent in local-currency terms due to higher volumes and prices in all our 3 core products. In U.S.-dollar terms, net sales declined by 6 percent.

- Our EBITDA during the quarter in local-currency and U.S.-dollar terms declined by 12 and 25 percent, respectively. EBITDA margin declined by 4 percentage points, to 15.7 percent, mainly due to a major maintenance performed during the quarter not performed in the same period of last year.

- Regarding the margin variation, higher sales and SG&A savings accounted for an improvement of 4.5 and 0.7 percentage points, respectively. These margin gains were more than offset by increased variable-and-fixed costs, which in total accounted for a decline of 8.5 percentage points, as well as increased freight costs which accounted for a drop of 0.5 percentage points.

- Now, the 8.5-percentage-point impact in variable costs breaks down as follows:
    - First, we performed major maintenance to our Ibagué kiln number 1 during the quarter, with a 3.3-million-dollar cost and a 2.5-percentage-point margin impact. Please note that the

    maintenance works in our Cucuta plant expected for the third quarter were postponed.
  - Second, increased coal and electricity costs accounted for 2 percentage points. Although quarterly coal costs declined sequentially, these were still higher on a year-over-year basis.
  - An additional 2.8 percentage points of the margin decline is due to the consumption of imported clinker in our cement mill in Clemencia. We re-commissioned this plant earlier this year to support higher cement dispatches.

SLIDE #9 – COLOMBIA – RESIDENTIAL

- Regarding the residential sector, we estimate that cement-industry dispatches to this sector increased in the low-single digits during the quarter on a year-over-year basis, driven by the self-construction and social housing segments.

- Improved volumes to the self-construction segment during the quarter were driven by the economic recovery, increased remittances and potentially, by the effect of immigration from Venezuela to the country.

- In the social-housing segment, starts and permits improved in the double-digits year-to-date August, according to "Camacol" data. We are optimistic on this segment due to the low levels of inventory and the recently announced government measures to support subsidy programs.

- The mid- to high-income housing segment continued to adjust during the quarter. According to "Camacol" data, housing starts and permits in this segment declined by 16 and 5 percent, respectively, year-to-date August. However, housing sales stabilized during this period. If a positive trend in housing sales is confirmed in coming months, the relatively high inventory in this segment of about 14 months should begin to be absorbed.

- During this fourth quarter, 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.

SLIDE #10 – COLOMBIA – INFRASTRUCTURE

- The infrastructure sector continued its positive performance during the quarter. We estimate that cement-industry volumes to this sector increased in the double digits during this period.

- Our volumes to this sector were supported by 4G projects, as well as projects in Bogotá such as the "Salitre" water-treatment plant and the "CETIC" Hospital, among other projects across the country.

- We continued dispatching our products to several 4G projects, including "Autopista Mar 1", "Neiva-Girardot", "Pasto-Rumichaca", "Puerta de Hierro" and "Autopista Mar 2", which announced its financial closure in late July. We estimate that our participation in the 4G-projects program reached around 40 percent and that volumes will peak in 2021.

- With respect to Bogotá, we are encouraged by the awarding of the Metro project last week. We estimate that consumption of building materials should start late next year and that the project will require about 1.3 million cubic meters of ready-mix over 5 years of construction. This project is a very relevant milestone in the infrastructure development of the city, and we believe that it should detonate additional construction activity in coming years.

- During this fourth quarter, we expect cement-industry volumes to the infrastructure sector to increase in the mid-single digits.

<u>Industrial and commercial **(no slide)**</u>

- In the industrial-and-commercial sector, we estimate that cement-industry volumes to this sector remained relatively stable during the quarter, an improvement from previous quarters.

- During this fourth quarter, we expect better dynamics in this sector supported by investments in the oil segment, increased industrial production and high business confidence.

- Because of all of this, we believe that Colombian-cement demand might increase in the mid-single digits during 2019. Considering our volume performance during the first nine months of the year, we now estimate our cement volumes to increase from 8 to 9 percent for the full year 2019.

SLIDE #11 – COLOMBIA MACEO

- Now, I would like to give you an update of our Maceo cement-plant project. As already disclosed, last month the "Corantioquia" board of directors approved to remove the Maceo-project land from the "Integrated Management District".

- This favorable decision, as well as the agreement reached last April with the government agency "Sociedad de Activos Especiales", represent very relevant milestones in the process to commission the Maceo plant.

- Currently, we continue to work with the relevant authorities to increase the environmental-license capacity to at least 950,000 tons of cement per year, among other procedures, and are optimistic that we may obtain them in the following months. Once these procedures are completed, we expect to start building the remaining sections of the access road to the plant.

SLIDE #12 – PANAMA SECTION

SLIDE #13 – PANAMA RESULTS HIGHLIGHTS

- In Panama, cement demand was very weak during the quarter. We estimate that cement-industry demand declined by 10 percent during this period and by 7 percent year-to-date September.

- Cement demand continued to be affected by high inventories in apartments and offices, as well as by the consolidation of the new government. In the infrastructure sector, cement consumption from the "Corredor de las playas" project was slower than expected, and the Fourth Bridge over the Canal has not started cement consumption yet. Projects such as the new windfarm, the Northern Corridor highway, and the "Via Transistmica", did provide volume support during the quarter.

- We estimate that cement imports reached an 8-percent participation during the third quarter, compared to 3 percent during the same period of 2018, and 6 percent during the second quarter of 2019.

- Our cement volumes during the quarter declined by 22 percent on a year-over-year basis. Our cement prices declined by 1 percent sequentially due to challenging competitive dynamics in a weak demand environment.

- Our sales and EBITDA during the quarter declined by 22 and 18 percent, respectively. Our EBITDA margin improved by 1.6 percentage points during this period.

- Regarding our margin improvement, the optimization of our ready-mix business, lower energy costs and SG&A savings accounted for 4.5, 2 and 1 percentage points, respectively. These positive effects were partially offset by lower sales and increased freight costs.

SLIDE #14 – PANAMA – 2019 EXPECTATIONS

- Considering our year-to-date cement-volume performance, as well as the slower-than-expected start of infrastructure projects, we now expect our full year cement volumes in Panama to decline from 14 to 15 percent.

- Next year, cement volumes should be driven by infrastructure projects and by the social-housing segment. In recent months, the government implemented several actions to reactivate construction activity such as: the payment of overdue bills to construction companies and banks, the approval of a public-private-partnership law, and a housing-subsidies-law reform.

    - In the infrastructure sector, the "Corredor de las Playas" highway and the Fourth Bridge over the canal should ramp-up volumes. Additionally, projects worth 4 billion dollars are expected to start. These projects include the 2.6-billion-dollar third line of the metro, the 500-million water-discharge structure for the canal and a 300-million-dollar transmission line.
    - In the residential sector, the new law now allows interest rate subsidies to homes with prices up to 180 thousand dollars, value previously capped at 120 thousand dollars.

SLIDE #15 – COSTA RICA SECTION

SLIDE #16 – COSTA RICA – RESULTS HIGHLIGHTS

- In Costa Rica cement-industry demand remained weak during the quarter. We estimate that it declined by 7 percent during this period and by 11 percent year-to-date September.

- Cement demand continued to be affected by the uncertainty related to the implementation of the fiscal reform, as well as by the slow execution of infrastructure projects.

- Our quarterly cement volume performance reflects a high base of comparison in the same period of last year, as the new competitor commissioned its cement-grinding mill in July of 2018 and ramped-up volumes gradually.

- During the quarter, our volumes were supported by infrastructure projects such as “Circunvalación Norte”, “Ruta 32: Rio Frio–Limon” and the “Garantías Sociales” bridge.

- Regarding cement pricing, our quarterly prices in local-currency terms declined by 4 percent on a year-over-year basis and by 3 percent sequentially, reflecting weak demand and challenging competitive dynamics.

- Our net sales during the quarter declined by 25 and 24 percent in U.S. dollar and local-currency terms, respectively, due to lower volumes and prices.

- Our EBITDA during the quarter declined by 6.6 million dollars, to 4 million dollars. Please note that we had 2.9 million dollars in maintenance-related operational expenses during the quarter, compared with none during the same period of last year.

- The EBITDA margin during the quarter declined by 15.3 percentage points. This drop was due to lower sales, which accounted for 5.8 percentage points, and the major maintenance performed to our cement kiln, which accounted for most of the additional margin decline.

SLIDE #17 – COSTA RICA – 2019 EXPECTATIONS

- For the full year 2019, we estimate that cement-industry volumes will decrease around 12 percent, mainly due to the impact related to the tax reform and to infrastructure-project delays.

- Considering the expected cement demand performance as well as the presence of the new competitor for the full year, we expect our volumes to decline from 21 to 22 percent during 2019.

- Next year, domestic 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. Among the most relevant infrastructure projects are: “Ruta 1: Cañas-Limonal”, “Ruta 1: Limonal-Barranca”, “Ruta 32: San Jose-Rio Frio” and the extension of “Ruta 27”.

SLIDE #18 – REST OF CLH SECTION

SLIDE #19 – REST OF CLH – RESULTS HIGHLIGHTS

- In the Rest of CLH, our cement volumes declined by 7 percent during the quarter. Increased cement volumes in El Salvador were more than offset by lower volumes in Nicaragua.

- Quarterly cement prices in local-currency terms increased by 1 percent on a year-over-year basis and declined by 1 percent sequentially. Cement prices in U.S.-dollar terms declined by 2 percent on a year-over-year basis.

- Net sales during the third quarter in U.S.-dollar and local-currency terms declined by 9 and 6 percent, respectively.

- EBITDA during the quarter in U.S.-dollar and local-currency terms declined by 15 and 13 percent, respectively, mainly due to lower volumes in Nicaragua and to increased purchased-clinker costs in Guatemala. EBITDA margin declined by 2 percentage points during the quarter on a year-over-year basis.

SLIDE #20 – NICARAGUA

- In Nicaragua, the socio-political crisis remains unsolved and continues to take a toll in economic activity, including cement demand.

- Our cement volumes during the quarter declined by 20 percent year-over-year, and by 17 percent sequentially. Most of the highway projects sponsored by the government were in final construction stages and have not been replaced by new projects. Going forward, the self-construction sector should continue supporting cement consumption in the country.

- For 2019, we expect a 20-percent decline in our volumes, in line with the industry.

SLIDE #21 – GUATEMALA

- In Guatemala, the second round of the presidential elections took place in August and Alejandro Giammattei—from the center-right party "Vamos"—became president elect. There is optimism in the country with the results of the elections, which could translate into a boost in private investment in coming months.

- Our quarterly cement volumes in the country remained flat on a year-over-year basis. In the ready-mix business, volumes declined due to a high base of comparison in the same period of last year, when some relevant projects were still under construction, and to our focus on the most profitable projects.

- We are optimistic in Guatemala going forward as cement-industry volumes should continue growing in the low-single digits, in line with the expected GDP growth.

SLIDE #22 – CEMEX GO UPDATE

- Before discussing our free cash flow, I'm pleased to share with you an update of the implementation of CEMEX Go.

- As of September, we are receiving about 77 percent of cement-purchase orders and 61 percent of orders for all our products through CEMEX Go. In the industrial-customer segment, 81 percent of the orders are now done digitally. Services like the invoice administration and the electronic proof of delivery—or EPOD—reached adoption levels of 77 and 70 percent, 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 new business.

SLIDE #23 – OTHER INFORMATION

Now I would like to discuss our free cash flow generation

SLIDE #24 – FCF GENERATION

- We are pleased with our free cash flow generation during the first nine months of the year. Our free cash flow reached 50 million dollars during this period, compared with 35 million dollars during the same period of 2018. This improvement was mainly due to a positive effect in working capital, the impact of the 25-million-dollar fine paid in Colombia during 2018, as well as to lower financial expenses and taxes. Additionally, our free cash flow improved by 7 million dollars due to proceeds from idle-land sales in Colombia. All the above more than offset the EBITDA decline during this period.

- During the quarter, financial expenses reached 13 million dollars, 1.6 million dollars lower than those of the same period of last year.

- We are pleased with our working capital management. Our average working capital days during the quarter were reduced to negative 22, from negative 18 during the same period of last year.

- Taxes paid during the quarter were 12 million dollars, compared with 19 million dollars during the same period of 2018.

SLIDE #25 – INCOME STATEMENT

- During the quarter, our Controlling Interest Net Income was negative 4 million dollars, compared with positive 19 million dollars during the same period of 2018. The reduction in Net Income was due to lower Operating Earnings Before Other Expenses, as well as to higher Other Expenses, and higher Other Financial Expenses. These effects were partially offset by lower Financial Expenses and a positive effect in Income Taxes.

- The Other-Expenses-Net line was negative 4 million dollars during the quarter, mainly due to differences in the results of the valuation of fixed assets. Please note that during the same quarter of last year, this line benefited from the reversal of a 12.5-million-dollars provision related to the "Laserna" case in Colombia.

- The Other-Financial-Income-and-Expenses-Net line, was negative 17 million dollars during the quarter, compared with positive 5 million dollars during the same period of last year. The negative impact during the third quarter of 2019 was due to a foreign-exchange effect on the financial balances, mainly from the U.S.-dollar appreciation versus the Colombian peso from June to September.

- The income-taxes line during the quarter was positive 3 million dollars compared with negative 10 million during the same period of last year.

SLIDE #26 – DEBT PROFILE

- During the first nine months of this year, our free cash flow was mainly used to pay debt. Our net debt was reduced by 62 million dollars during this period, from 827 million as of December 2018, to 765 million as of September.

- During the quarter, the net-debt-to-EBITDA ratio increased to 3.8 times mainly due to lower EBITDA.

- With regards to our debt, a significant portion of the loans due next year are with subsidiaries of our parent company CEMEX and we are confident with our refinancing prospects. We are analyzing the options to extend these maturities and will inform you as soon as we decide on the best way to proceed.

SLIDE #27 – GUIDANCE

- Now, I would like to discuss our guidance.

- We expect our consolidated cement volumes to decline from 1 to 2 percent during 2019.

- We estimate to pay 60 million dollars in cash taxes for the full year.

- Our total capital expenditures are expected to reach 50 million dollars, 45 million dollars in maintenance and 5 million in strategic.

- Regarding working capital, we don't expect to have any significant variation in working capital investment during 2019.

- With respect to our cement operations, during the quarter we executed maintenance-related operational expenses for 6.2 million dollars, 3.3 in Colombia and 2.9 in Costa Rica. For the fourth quarter, we expect to spend 0.4 million in Colombia. In total, this year we will spend around 14.4 million dollars, 4.3 million more than that of 2018, due to difference in timing of maintenances in our kilns across our operations.

- Now, with respect to the recent declaration of tax-reform invalidity in Colombia. The Constitutional Court declared the tax reform invalid, implying that the previous tax regime will become effective as of January 1, 2020, provided that a new bill is not approved by Congress by year end. In our case, we estimate that the potential impact during this year of going back to the previous tax regime is mainly in the accounting recognition of deferred taxes. The deferred taxes amount might be recalculated using the 33-percent rate of the previous regime, compared with the 30-percent rate of the current regime. This change potentially represents an increase of approximately 26 million dollars in the deferred-tax-liabilities line of the balance sheet, and an increase of 6 million dollars related to tax-expense in the income statement. For further information on this topic, please refer to the note included in our quarterly report.

- As I mentioned at the beginning of my remarks, we will continue to focus on the variables we control under this challenging environment.

SLIDE #28 – LEGAL DISCLAIMER

- Now, I would like to remind you that any forward-looking statements we make today are based on our current knowledge of the markets in which we operate and could change in the future due to a variety of factors beyond our control. Unless the context otherwise requires it, all references to prices means our prices for our products.

SLIDE #29 – COVER PAGE

- And now I will be happy to take your questions.

Operator…

[Final comments after Q&A]

Thank you very much.

In closing, I would like to thank you all for you time and attention. We look forward to your continued participation in CEMEX Latam Holdings. Please feel free to contact us directly or visit our website www.cemexlatam.com at any time.