
CEMEX
LATAM HOLDINGS
RESULTS
4Q19
February 12, 2020

Forward looking information

This presentation contains forward-looking statements. In some cases, these statements can be identified by the use of forward-looking words such as “may,” “assume,” “should,” “could,” “continue,” “would,” “can,” “consider,” “anticipate,” “estimate,” “expect,” “plan,” “believe,” “foresee,” “predict,” “potential” “target,” “strategy," and “intend” or other similar words. These forward-looking statements reflect CEMEX Latam Holdings, S.A.’s ("CLH") current expectations and projection s about future events based on CLH’s knowledge of present facts and circumstances and assumptions about future events, as well as CLH´s current plants based on such facts and circumstances. These statements necessarily involve risks and uncertainties that could cause actual results to differ materially from CLH’s expectations. Some of the risks, uncertainties and other important factors that could cause results to differ, or that otherwise could have an impact on CLH or its subsidiaries, include, but are not limited to, the cyclical activity of the construction sector; CLH’s exposure to other sectors that impact CLH’s business, such as, but not limited to, the energy sector; competition; availability of raw materials and related fluctuating prices; general political, social, economic and business conditions in the markets in which CLH operates or that affects its operations and any significant economic, political or social developments in those markets, including any nationalization or privatization of any assets or operations; the regulatory environment, including environmental, tax, antitrust and acquisition-related rules and regulations; CLH’s ability to satisfy its debt obligations and CEMEX, S.A.B. de C.V.’s (“CEMEX”) ability to satisfy CEMEX’s obligations under its material debt agreements, the indentures that govern CEMEX’s senior secured notes and CEMEX’s other debt instruments; expected refinancing of CEMEX’s existing indebtedness; availability of short-term credit lines, which can assist us in connection with market cycles; the impact of CEMEX’s below investment grade debt rating on CLH’s and CEMEX’s cost of capital; lost of reputation of our brands; CEMEX’s ability to consummate asset sales and fully integrate newly acquired businesses; achieve cost-savings from CLH’s cost-reduction initiatives and implement CLH’s pricing initiatives for CLH’s products; the increasing reliance on information technology infrastructure for CLH’s operations, sales in general, sales invoicing, procurement, financial statements and other processes that can adversely affect operations in the event that the infrastructure does not work as intended, experiences technical difficulties or is subject to cyber-attacks; weather conditions; changes in the economy that affect demand for consumer goods, consequently affecting demand for our products; weather conditions; trade barriers; including tariffs or import taxes and changes in existing trade policies or changes to, or withdrawals from free trade agreements; terrorist and organized criminal activities as well as geopolitical events; declarations of insolvency or bankruptcy or becoming subject to similar proceedings; natural disasters and other unforeseen events; and the other risks and uncertainties described in CLH’s public filings. Readers are urged to read these presentations and carefully consider the risks, uncertainties and other factors that affect CLH’s business. The information contained in these presentations is subject to change without notice, and CLH is not obligated to publicly update or revise forward-looking statements. Unless the context indicates otherwise, all references to pricing initiatives, price increases or decreases, refer to CLH’s prices for CLH’s products.

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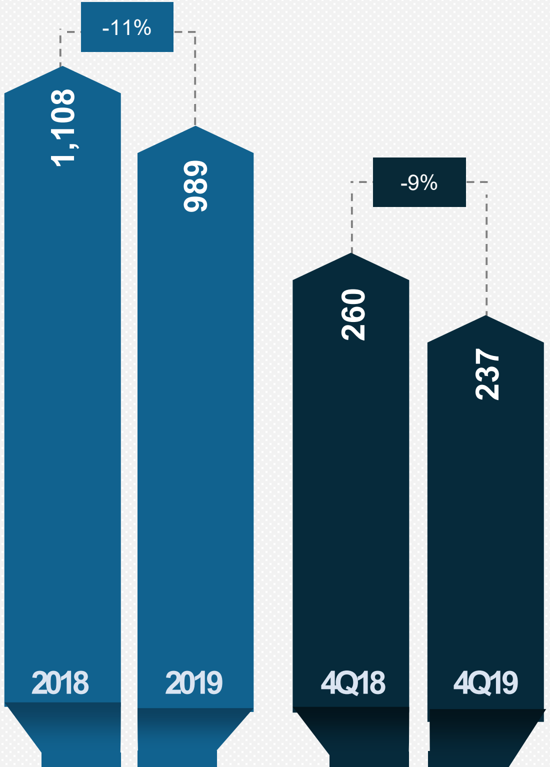
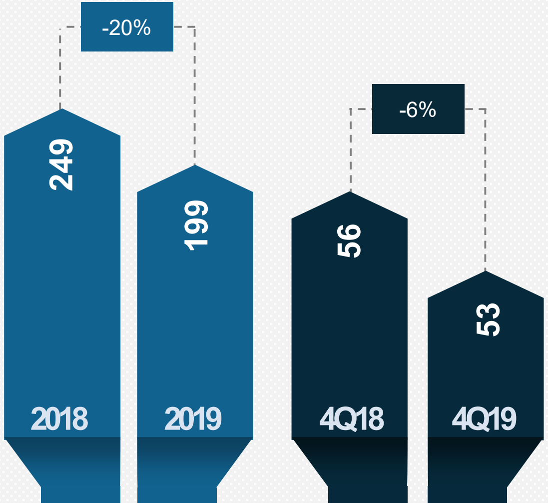
Financial Results Summary

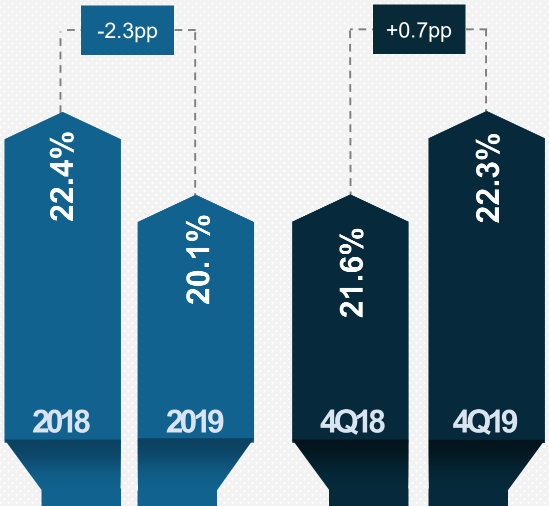
Net Sales
(US$M)



Operating EBITDA
(US$M)



Margin EBITDA
(%)



Consolidated Volumes and Prices

		2019 vs. 2018	4Q19 vs. 4Q18	4Q19 vs. 3Q19
Domestic gray cement	Volume	0%	-3%	-2%
	Price (USD)	-7%	-2%	0%
	Price (LtL_1)	-1%	1%	1%
Ready-mix concrete	Volume	-8%	-13%	-5%
	Price (USD)	-9%	-7%	-1%
	Price (LtL_1)	-2%	-4%	-1%
Aggregates	Volume	-9%	-10%	-7%
	Price (USD)	-6%	-3%	-1%
	Price (LtL_1)	2%	1%	-1%

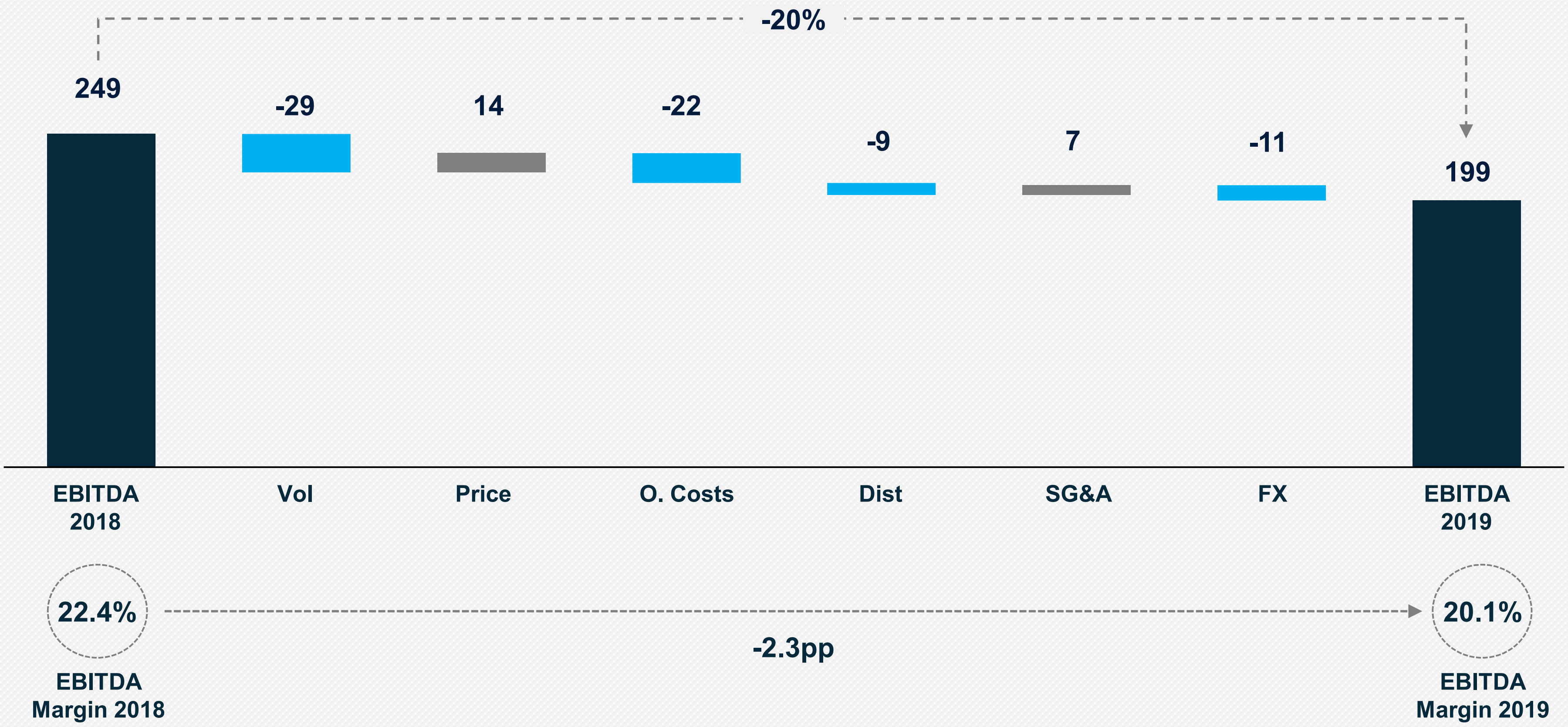
Cement volumes remained flat during 2019; improved volumes in Colombia and El Salvador were offset by declines in other operations

Our quarterly cement prices improved by 1% in local-currency terms, both QoQ and YoY

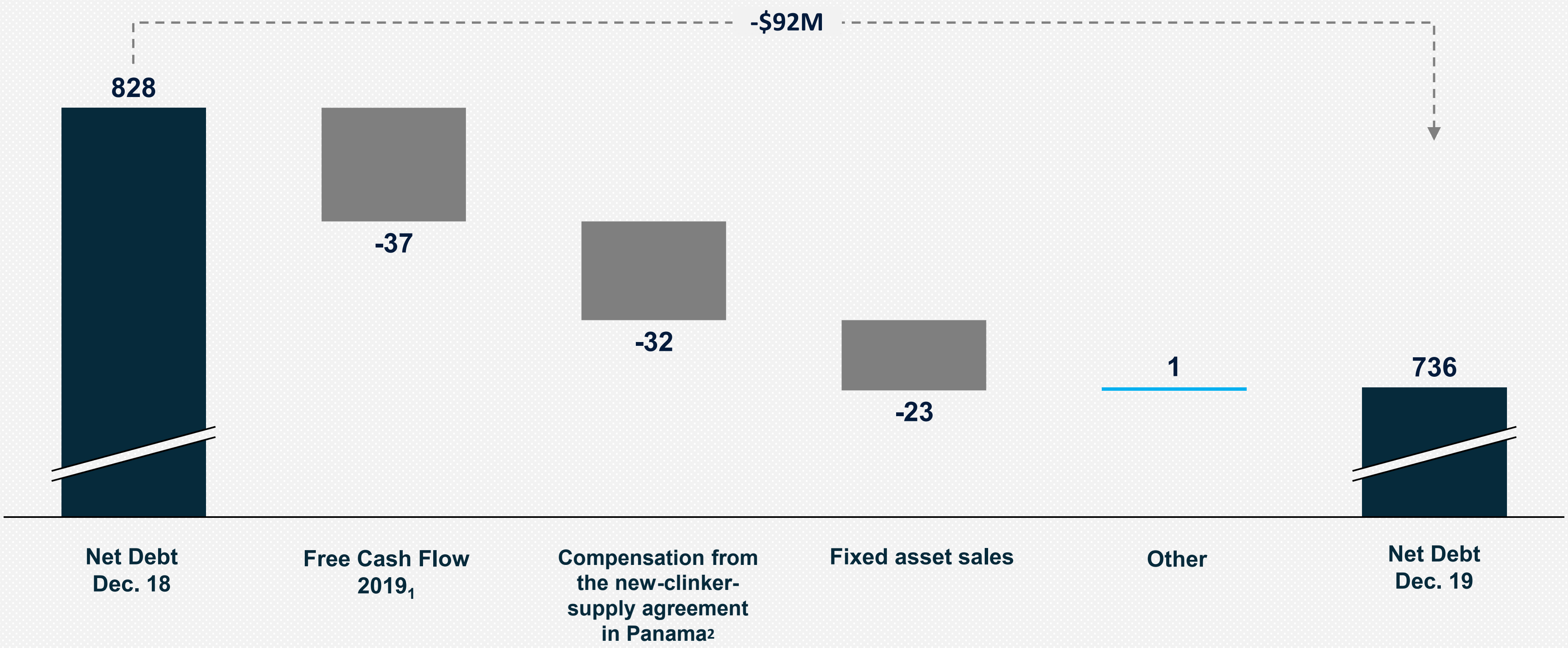
The U.S.-dollar appreciated vs. the Colombian peso by 11% during 2019

(1) Like-to-like prices adjusted for foreign-exchange fluctuations

EBITDA Variation 2019



Net debt was reduced by 11% during 2019



(1) Excludes the compensation related to the new-clinker-supply agreement in Panama and the fixed-asset-sales proceeds
(2) For more information on this transaction, please refer to page 13 of our 4Q19 Quarterly Report

CEMEX | LatAm Holdings

REGIONAL HIGHLIGHTS

4Q19 Results

Results Highlights Colombia

Colombia – Results Highlights

CEMEX LatAm Holdings

Financial Summary
US$ Million

	2019	2018	% var	4Q19	4Q18	% var
Net Sales	504	524	-4%	128	125	2%
Op. EBITDA	91	97	-6%	32	23	38%
as % net sales	18.0%	18.5%	(0.5pp)	24.9%	18.4%	6.5pp

Volume

	2019 vs. 2018	4Q19 vs. 4Q18	4Q19 vs. 3Q19
Cement	9%	4%	-2%
Ready mix	5%	0%	-3%
Aggregates	1%	-1%	-3%

Price
(Local Currency)

	2019 vs. 2018	4Q19 vs. 4Q18	4Q19 vs. 3Q19
Cement	5%	10%	3%
Ready mix	0%	1%	1%
Aggregates	4%	4%	0%

Our quarterly cement volumes and prices improved by 4% and 10%, respectively, YoY

During the full year 2019, net sales and EBITDA improved by 7% and 3%, respectively, in local-currency terms

Our EBITDA margin during the quarter reached 24.6%, improving by 6.5pp, mainly due to higher prices, as well as to SG&A and other corporate expenses savings

|| Colombia – Residencial Sector

During 2020, we expect national cement volumes to the residential sector to continue increasing in the low-single digits, supported by the self-construction and social-housing segments

We estimate that national cement dispatches to this sector increased in the low-single digits during 4Q19 and full year, YoY

Cement volumes to the self-construction segment improved during 2019, fueled by the economic recovery and remittances

In the social-housing segment, indicators such as permits, launches and sales improved in the double digits during the last 6 months

|| Colombia – Infrastructure Sector

During 2020, we expect national cement volumes to the infrastructure sector to increase in the mid-single digits

Infrastructure was the best-performing sector during 2019, increasing in the double digits

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

We expect national cement/ready-mix demand from the 4G program to increase more than 50% in 2020

Results Highlights Panama

Panama – Results Highlights

Financial Summary
US$ Million

	2019	2018	% var	4Q19	4Q18	% var
Net Sales	181	222	-18%	38	53	-27%
Op. EBITDA	49	66	-26%	10	13	-23%
as % net sales	26.8%	29.6%	(2.8pp)	27.1%	25.6%	1.5pp

Volume

	2019 vs. 2018	4Q19 vs. 4Q18	4Q19 vs. 3Q19
Cement	-15%	-20%	-12%
Ready mix	-28%	-35%	-13%
Aggregates	-29%	-21%	-2%

Price
(Local Currency)

	2019 vs. 2018	4Q19 vs. 4Q18	4Q19 vs. 3Q19
Cement	-6%	-9%	-3%
Ready mix	-3%	-8%	-6%
Aggregates	-8%	-16%	-12%

National cement demand was weak during 2019 affected by high inventories in apartments and offices, as well as by the deceleration of the economy

Cement imports during the quarter remained relatively stable at around 9% market participation

Our EBITDA margin improved by 1.5pp during 4Q19 YoY, mainly due to lower variable, fixed and SG&A costs

|| Panama – Sector Highlights

During 2020, we expect our cement volumes to decline from 11% to 13%, due to potential delays in the execution of infrastructure projects, the divestment of certain ready-mix assets to Cementos Progreso, and to challenging competitive dynamics

We expect a moderation in the rate of decline in cement demand, driven by infrastructure projects and the social-housing segment

In the infrastructure sector, the "Corredor de las Playas" highway and the Fourth Bridge over the canal should gradually ramp-up volumes

Additionally, projects for a total of US$4 billion are expected to start. These projects include the third line of the metro, the new-electric-transmission line, the metro-line-one extension, among others

Results Highlights Costa Rica

Costa Rica – Results Highlights

CEMEX LatAm Holdings

Financial Summary
US$ Million

	2019	2018	% var	4Q19	4Q18	% var
Net Sales	102	139	-27%	22	27	-20%
Op. EBITDA	30	45	-33%	7	9	-22%
as % net sales	29.8%	32.7%	(2.9pp)	30.5%	31.5%	(1.0pp)

Volume

	2019 vs. 2018	4Q19 vs. 4Q18	4Q19 vs. 3Q19
Cement	-21%	-13%	-13%
Ready mix	-30%	-44%	-10%
Aggregates	-13%	-38%	-26%

Price
(Local Currency)

	2019 vs. 2018	4Q19 vs. 4Q18	4Q19 vs. 3Q19
Cement	-3%	-7%	-2%
Ready mix	2%	-7%	1%
Aggregates	-9%	-14%	6%

National cement demand was weak during 2019, affected by uncertainty related to the implementation of the fiscal reform and the slow execution of infrastructure projects

Our cement volume performance during 2019 reflects a high base of comparison in 2018

The EBITDA margin during 4Q19 declined by 1pp. SG&A efficiencies were not enough to offset lower sales and increased distribution costs

|| Costa Rica – Sector Highlights

During 2020, we expect our cement volumes to decline from 3% to 5%, in line with national demand

We expect a gradual stabilization in national cement demand, driven by anticipated reactivation of private construction activity and the current pipeline of infrastructure projects

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”

Results Highlights Rest of CLH

Rest of CLH – Results Highlights

Financial Summary
US$ Million

	2019	2018	% var	4Q19	4Q18	% var
Net Sales	217	239	-9%	52	59	-11%
Op. EBITDA	60	77	-21%	14	18	-25%
as % net sales	27.9%	32.2%	(4.3pp)	26.6%	31.5%	(4.9pp)

Volume

	2019 vs. 2018	4Q19 vs. 4Q18	4Q19 vs. 3Q19
Cement	-6%	-8%	6%
Ready mix	-46%	-55%	-7%
Aggregates	-27%	39%	-14%

Price
(Local Currency)

	2019 vs. 2018	4Q19 vs. 4Q18	4Q19 vs. 3Q19
Cement	1%	-1%	-1%
Ready mix	6%	7%	-3%
Aggregates	19%	8%	-17%

CEMEX LatAm Holdings

Cement volumes declined during 2019 due to lower construction activity in Nicaragua

During the full year 2019, prices for our 3 core products improved in local-currency terms

Our EBITDA was impacted by lower volumes and increased electricity costs in Nicaragua, as well as to increased purchased-clinker costs and third-party-cement purchases in Guatemala

|| Nicaragua – Sector Highlights

During 2020, we expect our cement volumes to decline in the mid teens, in line with national demand, due to the low visibility in government’s ability to execute infrastructure projects

National cement demand was weak during 2019 impacted by the socio-political crisis

Our cement volumes during 4Q19 and the full year declined by 20% and 16%, respectively, in line with national demand. However, our quarterly cement volumes improved by 6% sequentially, due to the reactivation of some highway projects and a hospital

|| Guatemala – Sector Highlights

We expect our cement volumes to grow in the low-single digits during 2020, in line with national demand. There is general optimism with Alejandro Giammattei, the new pro-business president

National cement demand improved in the mid-single digits during 2019, driven by the residential and industrial-and-commercial sectors

Our cement volumes remained flat during 2019 and declined by 3% during the quarter. The decline during 4Q19 was due to a lower-market participation from our ready-mix business, as we focused on the most-profitable projects, and to increased imports


CEMEX | LATAM HOLDINGS
OTHER INFORMATION
4Q19 Results

Free Cash Flow improved by 68% during 2019

US$ Million	2019	2018	% var	4Q19	4Q18	% var
Operating EBITDA	**199**	**249**	**-20%**	**53**	**56**	**-6%**
- Net financial expense	52	61		12	16	
- Maintenance Capex	43	46		12	17	
- Change in working cap	-30	-5		-21	-15	
- Taxes paid	52	58		17	18	
- Other cash items (net)	-14	31		-12	-1	
- Free cash flow discontinued operations	0	2		0	1	
Free Cash Flow After Maintenance Capex	**96**	**56**	**71%**	**45**	**20**	**130%**
- Strategic Capex	3	1		2	1	
Free Cash Flow	**93**	**55**	**68%**	**44**	**19**	**129%**

Our free cash flow reached US$93 million during 2019, a 68% increase YoY, despite the EBITDA decline

During 4Q19 our free cash flow was boosted by the US$32 million related to the new supply agreement in Panama, as well as by US$15 million related to fixed-asset sales

Working capital during 2019 reached a record level of negative 12 average days

Income Statement

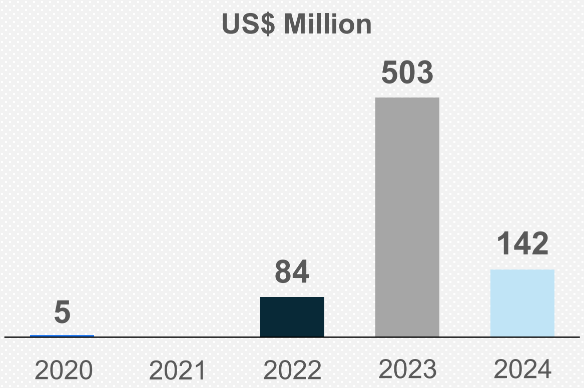
US$ Million	2019	2018	% var	4Q19	4Q18	% var
Net sales	989	1108	-11%	237	260	-9%
- Cost of sales	606	648		144	147	
Gross profit	383	460	-17%	92	113	-18%
- Operating expenses	267	290		64	73	
Operating earnings before other expenses, net	116	170	-32%	29	39	-27%
- Other expenses, net	13	-4		1	-4	
Operating earnings	103	174	-41%	28	44	-36%
- Financial expenses	52	61		12	16	
- Other income (expenses), net	17	4		-6	14	
Net income before income taxes	34	109		21	13	
- Income tax	29	37		24	3	
Profit of continuing operations	4	72		-3	10	
- Discontinued operations	0	-10		0	0	
Consolidated net income	4	63		-3	10	
- Non-controlling Interest Net Income	0	0		0	0	
Controlling Interest Net Income	**4**	**62**	**-93%**	**-3**	**9**	**n/a**

Our Net Income during 2019 was US$4 million

During 4Q19, the Other-Expenses-Net line was negative US$1 million, compared with positive US$4 million during 4Q18. During 4Q18, this line benefited from the reversal of some provisions

The Other-Income-and-Expenses-Net line, was an income of US$6 million during 4Q19, mainly due to a favorable FX effect from the Colombian-peso appreciation from September to December 2019

Consolidated debt as of December 31, 2019



Borrower	Lender	Currency	Cost	US$ M	Maturity
CEMEX Colombia S.A. [1]	Local Banks	COP	Variable 9.21%	5	Nov-2020
Cementos Bayano S.A. [1]	Lomez International B.V[3]	USD	6ML + 360 bps	84	Dec-2022
CCL[2]	Lomez International B.V[3]	USD	Fixed 5.65%	503	Feb-2023
CEMEX Colombia S.A. [1]	CEMEX España S.A.[3]	USD	6ML + 277 bps	142	Dec-2024
Other debt (Leases)				25	
Average Cost / Total		**USD**	**5.45%[4]**	**758**	

(1) Subsidiary company of CEMEX Latam Holdings S.A.

(2) Refers to “Corporación Cementera Latinoamericana”. Subsidiary company of CEMEX Latam Holdings S.A.

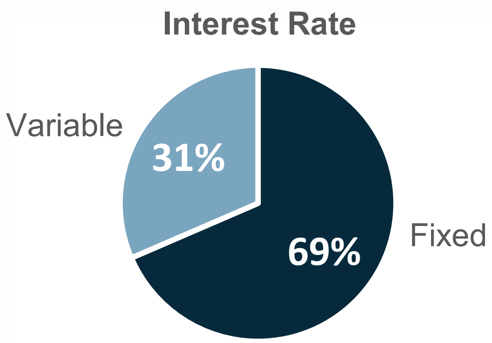
(3) Subsidiary company of CEMEX, S.A.B. de C.V.

(4) Average Cost of U.S. dollar denominated debt

US$758 M total debt

In December we refinanced the loans which matured in 2020. Now, our debt-maturity profile is more manageable and we do not have material debt maturities until December 2022

3.7x Net Debt / EBITDA



2020 Guidance

Volume YoY%

Colombia

Cement	Ready - Mix	Aggregates
-6% to -4%	1% to 3%	1% to 3%

Panama

Cement	Ready - Mix	Aggregates
-13% to -11%	-3% to -1% [1]	-5% to -3%

Costa Rica

Cement	Ready - Mix	Aggregates
-5% to -3%	11% to 13%	6% to 8%

Consolidated volumes:

Cement:	-6% to -4%
Ready-mix [1]:	3% to 5%
Aggregates:	-1% to 1%

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

Cash Taxes	US$50 M

(1) On a pro-forma basis adjusting for the ready-mix plants sold to Cementos Progreso in Panama during December 2019

CLH was recognized for its climate-protection efforts

We are pleased to announce that CDP[1] raised its rating of CEMEX and CLH from B in 2018 to A in 2019, in recognition of our climate-protection efforts

We are working on all technical levers available in the cement sector to reduce our carbon footprint, which include:

- Investing in energy efficiency
- Using alternative fuels, where we reached a 13% substitution rate in 2019 and resulted in savings of about US$2.5 million
- Expanding our use of renewable energy. During 2019, 64% of our power consumption in cement came from renewable energy
- Decreasing our clinker factor in cement production, clinker factor reached 73% in 2019, from 79% in 1990
- Offsetting emissions from our vehicle fleet by planting and maintaining trees

As a result, in 2019 we reduced net CO2 emissions per cementitious product by more than 20% from 1990 levels, equivalent to the emissions generated by 100,000 cars

(1) CDP is a not-for-profit organization that runs a global disclosure system for companies to manage their environmental impact

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Stock Information

Colombian Stock Exchange
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