**CLH 1Q20 SCRIPT**

**SLIDE 1 – COVER PAGE**

**JESUS GONZALEZ:**

Good day, everyone. I hope that you are in good health and adapting in the best possible way to the extraordinary situation we are experiencing due to COVID-19.

Thank you for joining us for our first quarter 2020 call and webcast.

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

**SLIDE 2 – LEGAL DISCLAIMER**

**SLIDE 3 – CONSTRUCTION, FIRST TO REACTIVATE**

Before I start, I would like to thank the whole CLH family, especially our front-line employees who have kept us running during this crisis.

The world is going through an unprecedented time due to the COVID-19 pandemic. Construction activity across most of the markets in which we operate, is being impacted in varying degrees.

However, it is important to highlight that construction—together with our industry—is being prioritized to reactivate by governments in the geographies where we operate and around the world, because of two characteristics:

- First, construction activities can be performed with low risk of COVID-19 transmission. Construction work sites—as well as the production sites for our products—are tightly controlled and not open to the general public. Work is carried out in the outdoors, with low personnel density and aiming for the strictest health and safety standards, to prioritize the safety of workers.

- And second, its economic and social contribution. The construction industry provides essential infrastructure requirements to support the vital needs of the markets in which we operate. It is a critical component of local and national economies, and represents an important percentage of GDP. It is also a fundamental engine for reactivating economies and generating employment.

**SLIDE 4 – COVID-19, THREE MAIN PRIORITOES**

We have responded rapidly to the COVID-19 crisis, focusing on three main priorities:

## SLIDE 5 – COVID-19, #1 PRIORITY H&S

**First**, health and safety, our number one priority. We have complemented our existing protocols, by developing and implementing over 50 new protocols and guidelines designed to protect our employees, customers and communities, from the risks that COVID-19 presents.
As part of these measures:

- We have established a Rapid Response Team per country or cluster, designated to mitigate risks and ensure business continuity
- We have appointed a COVID-19 coordinator in all our sites
- We have applied strict hygiene protocols in all our operations and modified processes to implement physical distancing.
- We have made arrangements so that employees can work remotely, when possible; restricted travel; and enhanced our internal information campaigns on recommended practices for health, hygiene, and social interaction.
- We are developing, with the assistance of volunteer employees, several actions to support our surrounding communities. Among these are the delivery of groceries, drinking water, hand disinfectant and other essentials to vulnerable families. Additionally, we are mobilizing our ready-

mix trucks filled with a soap-and-water solution, to sanitize strategic open public areas. We have sanitized more than 340,000 square meters of areas such as hospital entrances, food markets, train stations, among others. As an example of our actions, the cover-page photo in this presentation was taken during the sanitization of “Corabastos” in Bogota, one of the biggest wholesale markets in the region.

## SLIDE 6 – COVID-19, #2 PRIORITY SUPPORTING CUSTOMERS

**Second**, we are trying to support our customers and suppliers as much as possible, in a responsible way. We have designed measures seeking to maintain business continuity and to reduce any disruptions in our business.

We are supporting our customer businesses through safe, digital means. With our CEMEX Go platform, we are uniquely positioned to protect not only our workers but also our customers. CEMEX Go facilitates physical distancing by allowing us to continue our sales, payments, and customer service operations, in a virtual and safe manner that eliminates any risk of virus transmission. Please note that, as of March, we are receiving about 80 percent of our total cement purchase orders through CEMEX Go.

Also, we are sharing to clients our world-class-safety protocols and other topics of interest through webinars and social media. In Colombia, for example, we are offering webinars about how to access government-supported loans to the construction sector and its supply chain, which has been impacted by the COVID-19.

**SLIDE 7 – COVID-19, #3 STRENGTHEN OUR CASH POSITION**

And **third**, to strengthen our cash position we have implemented the following measures:

On the operating side, we are suspending or reducing—with emphasis on the next three months—operating expenses, production and inventory levels, and corporate and global network activities. With respect to CAPEX, we are reducing total capital expenditures by 20 million dollars from our February guidance. This represents a reduction of around 60 percent in non-committed capex for the rest of the year.

Also, CLH's Board of Directors voluntarily waived 25 percent of their allowances from May through July, while the senior executive team and I voluntarily waived 15 and 25 percent of our salaries, respectively, for the same period. Other salaried employees voluntarily deferred 10 percent of their salaries for the next three months. I would like to take this opportunity to thank my colleagues for their support in these challenging times.

We are taking additional measures to respond to the crisis, such as lowering fees and expenses, hiring and salary freezes, maintenance adjustments, collective vacations, among others. As of today, the total savings of these measures are expected to reach around 8 million dollars during 2020.

Later during the presentation, I will address the financing measures we have taken to strengthen our cash position.

**SLIDE 8 – FINANCIAL RESULTS SUMMARY**

Regarding our financial results, we came into 2020 with favorable demand momentum in Colombia, Nicaragua, Guatemala and El Salvador, and a stabilizing trend in Costa Rica. These positive developments began to be impacted in March, as the COVID-19 pandemic spread, and governments started implementing restrictions.

Our consolidated sales during the quarter declined by 11 percent in local-currency terms, and by 17 percent in U.S.-dollar terms. During March, our consolidated sales declined by 27 percent due to the impact of COVID-19.

Our EBITDA during the quarter declined by 12 and 16 percent in local currency and U.S.-dollar terms, respectively.

Our consolidated EBITDA margin during the quarter increased by 0.2 percentage points year-over-year, to 21.4 percent. This improvement was due to higher cement prices and lower energy costs, as well as our efforts in SG&A and fixed-costs optimization, despite lower volumes.

**SLIDE 9 – CONSOLIDATED VOLUMES AND PRICES**

During the quarter, our consolidated gray cement, ready-mix and aggregates volumes, declined by 11, 25 and 33 percent, respectively.

Our cement volumes during January and February were in line with our estimates. However, they declined by 27 percent during March, on a year-over-year basis.

Quarterly consolidated prices in local-currency terms for cement and aggregates improved by 3 and 11 percent, respectively, while ready-mix prices declined by 1 percent, on a year-over-year basis. Sequentially, our quarterly cement, ready-mix and aggregates prices improved, by 3, 2, and 8 percent, respectively, in local-currency terms.

In the cement business, Colombia was the main driver of the price improvement, as our prices in this country increased by 9 percent year-over-year, and by 2 percent sequentially.

**SLIDE 10 – EBITDA VARIATION 2020**

The EBITDA decline during the quarter, was mainly due to lower volumes, increased distribution costs and the appreciation of the U.S. dollar. These impacts were partially offset by a positive price effect, as well as lower operational costs and SG&A savings.

Most of the negative foreign-exchange effect was due to the 17-percent appreciation of the U.S. dollar versus the Colombian peso during the quarter on a year-over-year basis.

**SLIDE 11 – REGIONAL HIGHLIGHTS**

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

**SLIDE 12 – COLOMBIA SECTION**

**SLIDE 13 – COLOMBIA – RESULTS HIGHLIGHTS**

Activity in Colombia was strong before the impact of COVID-19. Industry volumes improved by around 7 percent year-to-date February, with an estimated 30 percent decline during March.

The Government of Colombia announced an initial period of quarantine from March 25 to April 13, period in which we halted our operations.

During the quarter, our cement volumes declined by 15 percent, while our cement prices in local-currency terms improved by 9 percent year-over-year and by 2 percent sequentially.

The cement price improvement on a sequential basis, reflects our price increases implemented during the quarter.

Regarding our financial results, net sales during the quarter declined by 8 percent in local currency and by 21 percent in U.S.-dollar terms. The decline was due to lower volumes, despite increased prices in our 3 core products, in local-currency terms.

Our EBITDA during the quarter declined in local currency and U.S.-dollar terms by 14 and 24 percent, respectively.

Quarterly EBITDA margin declined by 0.8 percentage points, to 16.3 percent. The margin impact of higher prices resulted in a 5-

percentage-points improvement, which was offset by lower volumes and higher distribution costs, which accounted for declines of 2 and 3 percentage points, respectively. The negative impact in distribution was mainly due to lower productivity, the annual inflation effect, and to roadblocks in some of our strategic routes.

**SLIDE 14 – COLOMBIA – INFRASTRUCTURE OUTLOOK**

In Colombia, the initial period of quarantine from March 25 to April 13 was extended until April 26; however, infrastructure-related activity was allowed during the extension, and we partially resumed operations. Subsequently, the quarantine was extended again until May 11; however, the construction sector in general, and its supply chain, is expected to resume activities during this period, although gradually and with some restrictions.

It is very encouraging that the construction sector was prioritized to restart activities in Colombia.

As mentioned, infrastructure activity resumed operations starting in April 13, and 4G projects were among the first to reactivate. We are dispatching our products to several 4G projects, including “Pasto-Rumichaca”, “Autopista Mar 2” and “Autopista Mar 1”, among others.

We expect total ready-mix demand from this program to reach 1.2 million cubic meters during 2020, an increase of more than 50 percent compared with that of the previous year. We expect to maintain a level of participation on this program of around 40 percent this year.

With respect to the infrastructure sector in Bogotá, we expect projects already awarded to continue. Among these are 3 hospitals, 2 community centers and a water-treatment plant. However, projects which have not been awarded yet are at risk of delays.

Other regional projects could also be delayed in the short term, as mayors and governors are redirecting resources—previously budgeted for infrastructure projects—to fight the COVID-19 crisis.

**SLIDE 15 – COLOMBIA – RESIDENTIAL OUTLOOK**

Regarding demand from the self-construction sector—while is typically resilient during times of crisis—it could be impacted in coming months by an expected increase in unemployment, lower remittances, and economic uncertainty.

With respect to formal construction in the residential and industrial-and-commercial sectors—which were allowed to resume activities earlier this week—we expect ongoing projects to gradually reactivate.

On formal housing, ongoing projects should restart soon. Low-income housing is supported by guaranteed government subsidies and lower interest rates. However, new projects could be delayed until there is more economic visibility.

In the industrial-and-commercial sector, projects should also gradually restart. Nevertheless, new project starts will depend on the presence of the right conditions for investment. Furthermore, lower oil prices could impact business sentiment and delay industrial investments.

With respect to our volume expectations for the rest of the year, it is still too early to assess the speed of recovery in the construction industry.

**SLIDE 16 – PANAMA SECTION**

**SLIDE 17 – PANAMA RESULTS HIGHLIGHTS**

In Panama, the COVID-19 crisis intensified an already weakened demand environment. We estimate that industry volumes were around 30 percent lower during the quarter, on year-over-year basis.

The Government of Panama announced an initial period of quarantine from March 25 to April 25, period in which we suspended operations.

Cement demand continued to be affected by infrastructure-project delays, high inventories in apartments and offices, as well as by the deceleration of the economy.

Our cement volumes during the quarter declined by 30 percent, while our cement prices declined by 1 percent sequentially.

During the quarter, our sales and EBITDA declined by 31 and 25 percent, respectively, on a year-over-year basis.

EBITDA margin increased by 2.3 percentage points, reaching 30 percent during the quarter. This improvement was driven by our efforts to optimize variable, fixed and SG&A costs, despite lower sales and increased distribution costs.

**SLIDE 18 – PANAMA – 2020 EXPECTATIONS**

With respect to cement imports, we are encouraged by the government announcement to implement a temporary 30 percent tariff to imported cement, which started earlier this month and will be in place for the rest of the year. This temporary measure is to protect employment in the local cement and construction industries during the crisis.

Regarding the status of our operations, after the initial period of quarantine from March 25 to April 25, the government extended the suspension of the construction industry until May 24. During this extension, only public projects with exemptions can continue construction activities.

For the rest of this year, visibility for cement demand is very limited because of COVID-19. However, it is encouraging that the government has stated that the infrastructure sector will be prioritized to restart, as this sector represents a countercyclical measure to reactivate the economy. Among the projects that we expect could restart soon are: the Fourth Bridge over the canal and the "Corredor de las Playas" highway. Additionally, other relevant projects in the pipeline are: the third line of the metro and the metro-line-one extension, among others.

**SLIDE 19 – COSTA RICA SECTION**

**SLIDE 20 – COSTA RICA – RESULTS HIGHLIGHTS**

In Costa Rica, we estimate that industry volumes declined by 4 percent during the quarter.

The Government has taken decisive actions to limit the spread of the coronavirus, while avoiding a complete shutdown of the economy. So far, these measures have been effective.

Economic and construction activity were showing signs of recovery before the COVID-19 containment measures, which were implemented in mid-March. For instance, construction permits and consumer confidence improved year-to-date February.

Our cement volumes declined by 4 percent during the quarter, and by 9 percent during March. Quarterly volumes were supported by a reactivation in the residential sector and infrastructure projects. In the infrastructure sector, projects such as “Circunvalación Norte”, “Ruta 32: Río Frío – Limón”, “Rio Virilla” bridge and the “Garantías Sociales” bridge, provided volume support.

Regarding cement pricing, our quarterly prices in local-currency terms declined by 9 percent year-over-year and by 2 percent sequentially, reflecting challenging competitive dynamics.

Net sales during the quarter declined by 9 percent in U.S.-dollar terms and by 13 percent in local-currency terms. EBITDA declined by 21 and 24 percent in U.S. dollar and local-currency terms, respectively, during this period.

The EBITDA margin during the quarter declined by 4.7 percentage points on a year-over-year basis, to 30.9 percent, mainly due to lower volumes and prices, as well as to increased distribution costs.

Our alternative-fuel-substitution project in Costa Rica is showing significant progress. Our substitution rate in the country reached 33 percent during the quarter, from 24 percent in the full year 2019. Going forward, this project will allow us to reduce our fuel costs.

**SLIDE 21 – COSTA RICA – 2020 EXPECTATIONS**

Cement demand prospects were improving before COVID-19. Construction permits increased by 7 percent year-to-date February. Permits for offices, as well as for industrial-and-commercial buildings, improved in the double digits during this period.

Building activity has not stopped so far; however, some private-investment projects which were about to start are temporarily on hold.

In the infrastructure sector, ongoing projects should continue supporting cement volumes. Additionally, relevant projects such as: “Ruta 1: Limonal-Barranca” which was recently awarded, and the “Taras-La Lima” overpass, should start soon.

We are encouraged by the recent government announcement of a new public-private-partnership program of 2 billion dollars for infrastructure projects. This program is designed to act as a countercyclical measure to reactivate the economy.

The impact of COVID-19 in the Costa Rican tourism industry is a relevant risk for the country, as tourism represents a mid- to high-single-digit percentage of GDP. However, if the coronavirus remains under control, we expect a relatively milder impact in the economy, as shutdowns have so far been avoided.

**SLIDE 22 – REST OF CLH SECTION**

**SLIDE 23 – REST OF CLH – RESULTS HIGHLIGHTS**

In the Rest of CLH region, our cement volumes improved by 5 percent during the quarter, on a year-over-year basis. Higher cement volumes were observed in all 3 countries of this region. Cement volumes increased by 7, 5 and 2 percent in Guatemala, El Salvador and Nicaragua, respectively.

Quarterly regional cement prices declined by 2 percent year-over-year and remained stable sequentially, in local-currency terms.

Net sales during the quarter in local currency and U.S.-dollar terms improved by 3 and 1 percent, respectively.

EBITDA during the quarter improved by 4 percent in local-currency terms, or by 2 percent in U.S.-dollar terms, driven by increased volumes and lower SG&A.

**SLIDE 24 – NICARAGUA**

In Nicaragua, our cement volumes improved by 2 percent during the quarter. This is the first year-over-year increase since the fourth quarter of 2017. Our volume performance was better than expected, driven by a mild reactivation of the self-construction sector, as well as by government-sponsored projects, such as a hospital, highways, and a social-housing complex.

Activity remains relatively normal in the country, as schools, shops and sporting events have remained open. As this relative normality implies higher risk of coronavirus transmission, we have reinforced all our protocols in the country seeking to protect the health of our employees, surrounding communities, and others interacting with our operations.

## SLIDE 25 – GUATEMALA

In Guatemala, our cement volumes improved by 7 percent during the quarter, showing a double-digit increase year-to-date February, and a low-single-digit decline during March.

The Guatemalan Government—in coordination with the private sector—has been proactive dealing with the COVID-19 crisis without paralyzing the economy. Since early March, the government announced mobility and other restrictions, and a one-week quarantine starting on March 22.

During the quarter, our cement volumes were supported by the self-construction sector, as well as by industrial-and-commercial projects in Guatemala City and other main cities.

Going forward, a steep decline in remittances is a relevant risk for the economy and cement demand of Guatemala, as well as for Nicaragua and El Salvador. However, in the case of Guatemala, we expect a milder impact in the economy and construction activity.

## SLIDE 26 – OTHER INFORMATION

## SLIDE 27 – FCF GENERATION

Our quarterly free cash flow after maintenance capex was 2 million dollars, compared with 17 million dollars in the same period of last year.

The free cash flow decline is mainly explained by lower EBITDA, and higher working-capital investment.

Our financial expenses were 13 million dollars during the quarter, 4 percent lower on a year-over-year basis, driven by our debt-reduction efforts.

**SLIDE 28 – INCOME STATEMENT**

We had a Controlling Interest Net loss of 30 million dollars during the quarter, compared with an income of 16 million dollars during the same period of last year.

This net loss was mainly due to lower sales, and a negative effect in the Other-Financial-Income-and-Expenses-net line. These effects were partially offset by lower cost of sales and taxes.

The Other-Financial-Income-and-Expenses-Net line reflects an expense of 39 million dollars during the quarter, compared with an income of 3 million dollars during the same period of last year. The impact was due to a negative-foreign-exchange effect on the financial balances, mainly from the 24 percent appreciation of the U.S. dollar versus the Colombian peso, from December 2019 to March 2020.

**SLIDE 29 – DEBT PROFILE**

As of March, our debt-maturity profile is manageable, and we do not have material maturities until December 2022.

Our net-debt-to-EBITDA ratio increased to 3.9 times in March, from 3.7 times in December, mainly due to lower EBITDA.

In order to strengthen our cash position during the following months, and as a precautionary measure, we are tapping our financing capabilities in local currency. During April, CLH subsidiaries in Colombia and Panama obtained bank financings for the equivalent of 29 million dollars, with a maturity of 3 to 6 months. Furthermore, we are currently negotiating additional financings with banks in Colombia, Panama, Costa Rica and Guatemala.

Please note that, in addition to our local financing capabilities, we have 457 million dollars in available credit under our current loan facilities with CEMEX, our parent company.

**SLIDE 30 – GUIDANCE**

Now, I would like to discuss our 2020 guidance.

Given the continued uncertainty due to COVID-19, it is difficult to resume our 2020 volume guidance at this point. However, we are providing estimates on some of the items below the EBITDA line that we consider we have more control.

Our total capital expenditures are expected to reach 30 million dollars, 25 million dollars in maintenance and 5 million dollars in strategic. As mentioned, this represents a 20-million-dollar reduction compared with that of our previous guidance, and a reduction of about 60 percent in the non-committed capex for the rest of the year.

We expect no significant change in cash taxes compared to our previous guidance. Full year taxes should reach around 50 million dollars.

Regarding our cement-plant-maintenance activities, we expect around 9 million dollars in operational expenses this year, mostly during the third quarter, compared with 14 million dollars during 2019.

Given the challenging and uncertain times caused by this pandemic, we will continue to monitor developments and act decisively seeking to:

- Ensure the health and safety of our employees, customers and communities;

- Serve and support our customers in these difficult times; and

- Strengthen our cash position

Thank you for your attention and I would like to take this opportunity to wish everybody good health and to please keep safe.

**SLIDE 31 – LEGAL DISCLAIMER**

Before we go into our Q&A session, 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. In addition, unless the context indicates otherwise, all references to pricing initiatives, price increases or decreases, refer to prices for our products.

**SLIDE 32 – 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 at any time.