

# HALF-YEAR 2023 REPORT



# Holcim delivered excellent results for the first half of 2023.



## HALF YEAR 2023 HIGHLIGHTS

CHF 13,067m

**+7.4%**<sup>1</sup>

Net sales

H1 2022: CHF 14,681m

CHF 2,043m

**+13.4%**<sup>1</sup>

Recurring EBIT

H1 2022: CHF 2,173m

CHF 2.19

**+15.3%**

Earnings per share

H1 2022: CHF 1.90

**-18.3%**

CO<sub>2</sub>/net sales<sup>2</sup>

<sup>1</sup> Organic growth in percentage compare half year 2023 and half year 2022.

The alternative performance measures used in this report are defined on page 41.

<sup>2</sup> Half year 2023 Scope 1 + Scope 2 CO<sub>2</sub> emission/net sales, compared to financial year 2022.

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Cover image:  
Iconic Tower, New Administrative Capital, EgyptECOPlanet  
low-carbon cement inside, with 60% lower CO<sub>2</sub> emissions

# SHAREHOLDERS' LETTER

Dear shareholders,

I thank all members of the Holcim family for delivering excellent results in H1. I am excited about our record EBIT margin in Q2, putting us well on track to deliver industry-leading margins in 2023. This confirms Holcim's strong positions across all markets, delivering superior profitability and growth with leading sustainable building solutions and brands.

Our excellent financial results, from net sales and recurring EBIT to our record earnings per share, confirm the strength of our strategy, with continued profitable expansion in the attractive North American market and accelerated green growth in Europe and Latin America. We continued the fast-paced execution of our transformation with 18 value-accretive acquisitions, continuing to expand our Solutions & Products business while strengthening our Aggregates and Ready-Mix segments.

"In line with our "Strategy 2025 - Accelerating Green Growth", we reduced our overall CO<sub>2</sub>/net sales by 18 percent while building billion-dollar brands with ECOPact and ECOPlanet. It's exciting to be at the forefront of decarbonizing Europe with three additional grants from the EU Innovation Fund for our Carbon Capture, Utilization and Storage projects, making us the first in our sector with five projects supported by the EU. We look forward to finishing the year strong and to further decarbonizing building."

## Excellent performance

Net sales of CHF 13,067 million for the first half of 2023 were up +7.4 percent on an organic basis compared to the prior year. Growth reflects the strengthened earnings profile of the Group as it moves its portfolio towards businesses with superior growth and profitability.

Recurring EBIT for H1 2023 grew over-proportionately compared to net sales, with organic growth of +13.4 percent compared to prior year, reaching CHF 2,043 million. Profitability increased sharply in Q2 2023 with a record recurring EBIT margin of 21.1 percent. Holcim is well on track to deliver an industry-leading margin of above 16 percent in 2023.

Holcim's earnings per share in H1 2023 were CHF 2.19, 15.3 percent higher than in the prior-year period, reaching an all-time high since the 2015 acquisition. Free cash flow after leases was CHF 79 million in H1 2023 compared to CHF 275 million in H1 2022.

## Continued investments in profitable growth

Holcim is continuing to invest in profitable growth with CHF 1.8 billion in the first half of 2023 for 18 value-accretive acquisitions – CHF 1.3 billion for eight acquisitions in the high-growth Solutions & Products segment and CHF 0.5 billion for ten highly synergistic acquisitions to grow Aggregates and Ready-Mix, focusing on Europe and North America.



Holcim is continuing to expand in the attractive North American market, on track to reach ~40 percent of Group net sales for 2023, or around USD 12 billion (pro forma). As North America's number-one in cement, number-two in commercial flat roofing and number-five in aggregates and ready-mix concrete, Holcim is best positioned for profitable growth. Targeting new growth opportunities from the Infrastructure Investment & Jobs Act and the Inflation Reduction Act, Holcim has already secured over 70 infrastructure projects for the 2023-2026 period to generate around 5 percent additional organic growth per year, benefitting all four business segments

With the acquisition of Duro-Last in H1 2023, Holcim has now fully established a leading growth platform in roofing with 30 production facilities throughout the US, completing its range of advanced roofing systems in North America. Holcim is now number-two in US commercial flat roofing and number-five in US residential roofing, with 80 percent of sales from system selling and 70 percent of sales from re-roofing. With ongoing demand normalization in commercial roofing and strong underlying demand in residential, we expect strong growth in H2 2023.

### Accelerating climate action

Holcim continued to make progress in sustainability, reducing its CO<sub>2</sub>/net sales by 18 percent<sup>1</sup> in the first half of 2023 compared to the full year 2022, well positioned to outperform its target reduction of at least 10 percent for the full year.

Scaling up sustainable solutions, Holcim is building billion-dollar brands with ECOPact low-carbon concrete and ECOPlanet low-carbon cement. ECOPact reached 18 percent of Ready-Mix Concrete net sales in H1 2023, on its way to delivering CHF 1 billion in total net sales for 2023 and on track to reach the strategic target of 25 percent of ready-mix sales by 2025, while Holcim's ECOPlanet range is on track to become a CHF 2 billion brand in 2023. Its most recent launch was ECOPlanet RC in Austria, offering a 50 percent lower carbon footprint versus standard cement, while also driving circular construction with 25 percent of ECOCycle® recycled construction demolition materials inside, including Holcim's proprietary recarbonation technology, RapidCarb.

In July, Holcim was selected for three grants from the European Union (EU) Innovation Fund for breakthrough Carbon Capture Utilization and Storage (CCUS) projects in Belgium, France and Croatia. The projects were selected for their highly scalable profile, mature technologies and advanced partnerships to advance the EU's Green Deal, putting clean technologies to work for a net-zero future. With these three grants, Holcim is now advancing five decarbonization projects with EU Innovation Fund support, adding to its ongoing CCUS projects in Germany and Poland. All five projects are an integral part of Holcim's net-zero roadmap, which includes over 50 CCUS projects worldwide with a commitment to invest CHF 2 billion by 2030.

### Outlook and guidance

The strong performance in the first half of the year confirms Holcim's positive guidance for the full year. Holcim expects demand across its markets to remain robust and to continue profitable growth with:

- Organic net sales growth of above 6 percent
- Over-proportional organic growth in recurring EBIT of above 10 percent
- Industry-leading recurring EBIT margin of above 16 percent
- Free cash flow after leases of around CHF 3 billion
- Reduction of CO<sub>2</sub> per net sales by over 10 percent



**Jan Jenisch**  
Chairman and CEO

26 July 2023

# MANAGEMENT DISCUSSION & ANALYSIS 2023

		H1 2023 Unaudited	H1 2022 Unaudited	±%	±% organic growth
Net sales	million CHF	<b>13,067</b>	14,681	-11.0%	+7.4%
Recurring Operating costs	million CHF	<b>(10,375)</b>	(11,728)	-11.5%	-6.8%
Recurring EBITDA after leases	million CHF	<b>2,839</b>	3,107	-8.6%	+9.3%
Recurring EBIT	million CHF	<b>2,043</b>	2,173	-6.0%	+13.4%
Recurring EBIT margin	%	<b>15.6</b>	14.8	+0.8 pp	
Operating profit (EBIT)	million CHF	<b>1,970</b>	2,067	-4.7%	
Net income Group share	million CHF	<b>1,261</b>	1,157	+9.0%	
Net income before impairment and divestments Group share	million CHF	<b>1,280</b>	1,304	-1.9%	
Earnings per share before impairment and divestments	CHF	<b>2.22</b>	2.14	+3.7%	
Earnings per share	CHF	<b>2.19</b>	1.90	+15.3%	
Cash flow from operating activities	million CHF	<b>930</b>	1,151	-19.2%	
Capex	million CHF	<b>676</b>	695	-2.7%	
Free Cash Flow after leases	million CHF	<b>79</b>	275	-71.1%	
Net financial debt	million CHF	<b>11,067</b>	13,365	-17.2%	

## H1 2023 Highlights

**CHF 13,067 M**

Net sales,  
up +7.4 percent organic

**CHF 2,043 M**

Recurring EBIT,  
up +13.4 percent organic

**CHF 2.19**

Record H1 EPS,  
up +15.3 percent

**RECORD Q2 RECURRING EBIT  
MARGIN; WELL ON TRACK TO  
DELIVER AN INDUSTRY LEADING  
MARGIN**

Q2 margin of 21.1 percent,  
up +2.2pp

**18 VALUE ACCRETIVE  
ACQUISITIONS IN H1,  
ACCELERATED M&A EXECUTION**

8 in Solutions & Products;  
10 in Aggregates & Ready-Mix

**CONTINUED EXPANSION IN THE  
ATTRACTIVE NORTH AMERICAN  
MARKET**

Best positioned to capture  
profitable growth

**ACCELERATING CLIMATE ACTION**

CO<sub>2</sub> per net sales reduction of  
18 percent<sup>1</sup> in H1 2023

CCUS: 3 projects selected for  
EU Innovation Fund grant

**GUIDANCE 2023 CONFIRMED**

Organic Net Sales growth above  
6 percent

Organic recurring EBIT growth  
above 10 percent

<sup>1</sup> Half year 2023 Scope 1 + Scope 2 CO<sub>2</sub> emission/net sales, compared to financial year 2022.

# BUSINESS REVIEW

## North America

		H1 2023
Net sales to external customers	million CHF	3,044
Organic growth	%	+15.8%
Recurring EBITDA after leases	million CHF	780
Organic growth	%	+16.9%
Recurring EBIT	million CHF	527
Organic growth	%	+25.7%

Net sales to external customers grew by 15.8 percent (organic) compared to 2022, driven by commercial excellence. Cement, Aggregates and Ready-Mix product lines experienced strong market demand in both the US and Canada. Holcim's order book remained strong across all segments, with opportunities arising from the Infrastructure Investment & Jobs Act and the Inflation Reduction Act. Growth potential is further strengthened by investments in the energy sector and on-shoring of manufacturing activities.

Three bolt-on acquisitions were completed in the first half of 2023: Tezak Heavy Equipment and Pioneer Landscape Centers in the US and Westridge Quarries in Canada. These value-accretive acquisitions expand Holcim's current operating footprint and product offerings, generating significant synergies.

Holcim's clinker factor improved in H1 2023 with the ongoing shift to Portland Limestone cement, which represents about 80 percent of the cement Holcim produces in North America. Several decarbonization projects are under development.

Together, these factors supported outstanding over-proportional recurring EBIT growth of 25.7 percent (organic), which was also fueled by a value-driven commercial approach and strong demand.

## Latin America

		H1 2023
Net sales to external customers	million CHF	1,403
Organic growth	%	+23.7%
Recurring EBITDA after leases	million CHF	547
Organic growth	%	+16.2%
Recurring EBIT	million CHF	488
Organic growth	%	+16.4%

The Latin America region continued to deliver a strong profitable performance with double-digit net sales growth of 23.7 percent (organic) and robust recurring EBIT growth of 16.4 percent (organic). Price increases fully offset cost inflation. Cement demand across the region has been resilient despite macroeconomic and sociopolitical challenges.

The outlook in Mexico is encouraging as major infrastructure projects continue and the nearshoring trend accelerates. New Aggregates operations are being commissioned in Mexico, while the Ready-Mix segment is growing due to Holcim's participation in iconic infrastructure projects like the Dos Bocas Refinery, La Libertad Dam and the Maya Train.

Significant sustainability progress was made in the use of alternative fuels, the expansion of ECOPlanet cement, the launch of ECOPlanet Prime and the increased market penetration of ECOPact concrete. In addition, electric vehicles were introduced in Holcim's Cement and Ready-Mix operations in Latin America.



## Europe

		H1 2023
Net sales to external customers	million CHF	3,694
Organic growth	%	+10.1%
Recurring EBITDA after leases	million CHF	762
Organic growth	%	+20.7%
Recurring EBIT	million CHF	533
Organic growth	%	+32.8%

Strong execution resulted in Europe's excellent performance in the first half of 2023, delivering double-digit organic growth despite mixed developments in construction markets.

Net sales to external customers grew by 10.1 percent (organic), driven by high-value solutions. Recurring EBIT increased by 32.8 percent (organic) with strong positive price over cost. Europe's recurring EBIT margin expanded by 2.3 percentage points compared to the prior-year period to reach 13.8 percent. The growth in recurring EBIT was led by excellent performance across all business segments.

Holcim made seven bolt-on acquisitions in construction and demolition materials operations as well as Aggregates and Ready-Mix, supporting the Group's growth strategy. The strategy focuses on accelerating decarbonization with continued expansion of low-carbon products and complementing the portfolio with attractive assets having significant potential. Important transactions in H1 2023 include Sivyer Logistics in the UK, a technology leader in recycling and recovery. Sustainability and decarbonization remain at the forefront of Holcim's European strategy, with a focus on improving the share of green products and value-added solutions, recycling of Construction Demolition Materials, increasing the use of alternative raw materials and executing on the carbon capture roadmap.

## Asia, Middle East & Africa

		H1 2023
Net sales to external customers	million CHF	2,046
Organic growth	%	+9.5%
Recurring EBITDA after leases	million CHF	582
Organic growth	%	+8.5%
Recurring EBIT	million CHF	460
Organic growth	%	+15.2%

Asia, Middle East & Africa delivered excellent organic growth in the first half of 2023. Strong market dynamics in Australia and higher exports resulted in robust organic growth in net sales to external customers.

Commercial actions in the major markets continued to deliver over-proportional recurring EBIT growth. China is gradually recovering. The region continues to execute its sustainability and decarbonization roadmap by investing in decarbonization projects and by accelerating the sales of low-carbon products such as ECOPact and ECOPlanet. Continued momentum in pricing and effective cost management resulted in positive price over cost. Recurring EBIT improved by 15.2 percent (organic). Australia continued to drive the region's performance with margin expansion across all segments. Good development in Nigeria, Iraq and Bangladesh further contributed to profitable organic growth.

The Group's share of the joint-venture profits in the region was recognized in recurring EBIT and amounted to CHF 122 million compared to CHF 141 million in the first half of 2022.

## Solutions & Products

		H1 2023
Net sales to external customers	million CHF	2,590
Organic growth	%	-13.9%
Recurring EBITDA after leases	million CHF	339
Organic growth	%	-27.1%
Recurring EBIT	million CHF	234
Organic growth	%	-35.7%

In line with Strategy 2025 – “Accelerating Green Growth”, Holcim has adapted its reporting to reflect the global performance of the Solutions & Products segment.

Commercial roofing was challenged in North America by the normalization of buying patterns and destocking in distribution channels that began in Q4 2022 and continued in H1 this year. Residential roofing had a strong recovery in the second quarter, driven by resilient demand from re-roofing activities and destocking is therefore completed. In Europe, mortar solutions delivered solid growth with a strong commercial focus and effective cost management. Holcim continues its expansion of this segment to create a diversified platform and decarbonize building. Duro-Last, a US leader in commercial roofing systems, was acquired on 31 March 2023. It complements Holcim’s integrated roofing offer through its leading brands, proprietary technologies and custom-made solutions.

In Europe, Holcim closed three M&A transactions in Solutions & Products in H1 2023, ranging from thermoplastic roofs to precast using recycled aggregates. Four acquisitions were executed in Latin America’s Solutions & Products segment, strengthening its product range and value proposition. In addition, the region commissioned a new construction chemicals plant in Colombia and a mortar plant in Argentina, while the Disensa retail network expansion is progressing steadily, with more than 90 new stores opened in the first half of 2023.





# SUSTAINABILITY

With sustainability at the core of its strategy, Holcim is becoming a net-zero company with 1.5°C targets validated by the Science Based Targets initiative (SBTi). Holcim's approach to sustainability is oriented around four key pillars: climate, circular economy, nature and people.

In February, Holcim launched Europe's first calcined clay cement operation in its Saint-Pierre-la-Cour plant in France to deliver ECOPlanet green cement with 50 percent lower CO<sub>2</sub> footprint compared to standard cement (CEM I). This advanced production line, a world's first, running on Holcim's proprietary technology proxima Tech, will produce up to 500,000 tons of low-carbon cement per year. Its sustainable operations are powered with 100 percent biomass-based alternative fuels and waste heat recovery systems, making the manufacturing of calcined clay nearly carbon free and ultra-efficient.

In March, Holcim shared the acceleration of its net zero journey with the publication of its second climate report, including its upgraded 2030 climate targets aligned with the 1.5°C framework and validated by the Science Based Targets initiative. Accelerating its net zero ambition, Holcim aims to reach 420 kg CO<sub>2</sub> per ton of cementitious materials by 2030. Making progress in carbon capture utilization and storage (CCUS), Holcim commits to invest a cumulative CHF 2 billion by 2030 in mature technologies to capture more than 5 million tons of CO<sub>2</sub> per year. The report was put to an advisory vote at the Annual General Meeting on 4 May 2023, reflecting the company's commitment to give its shareholders a say on the company's climate strategy. The report passed with 95.8 percent shareholder approval.

In April, Holcim and the Norman Foster Foundation announced the launch of their Essential Homes Research Project in Venice on 17 May, during the 2023 Architecture Biennale. In this partnership, the Norman Foster Foundation designed essential housing to provide safety, comfort and wellbeing for displaced communities who can live in temporary settlements for over twenty years. Holcim built these essential homes with a range of its green solutions, from ECOPact low-carbon concrete to Elevate Insulation boards, to make sustainable building accessible to all.

In May, Holcim agreed to deploy up to 1,000 electric trucks from Volvo by 2030. Delivery for the first trucks will start in the fourth quarter of 2023. This is the largest commercial order to date for Volvo electric trucks.

Holcim also announced in May that it will work with the Science Based Targets Network (SBTN) to submit nature targets for validation in 2023, as part of a global initiative to set the world's first standards for ambitious and measurable corporate action for nature. Holcim was selected by SBTN among the first seventeen global companies and the only one in its industry, based on its advanced science-driven approach to nature. Holcim's biodiversity targets are based on its Biodiversity Indicator and Reporting System (BIRS) developed in partnership with IUCN to ensure a measurable and positive impact on biodiversity, as well as ambitious freshwater reduction and replenishment commitments. This work builds on Holcim's 1.5°C-aligned climate targets, validated by the Science Based Targets initiative (SBTi).

In July, Holcim announced its investment as a limited partner (LP) in Suffolk Technologies USD 110 million venture capital fund, supporting startups at the forefront of disruptive innovation in the building industry, from sustainability to AI. As part of this fund, Holcim is committed to supporting the most promising startups by giving them access to capital as well as its global technology, expertise and operations to maximize their growth and scale up potential.

On July 13, Holcim was selected for three grants from the European Union (EU) Innovation Fund for breakthrough Carbon Capture Utilization and Storage (CCUS) projects in Belgium, France and Croatia. The projects were selected for their highly scalable profile, mature technologies and advanced partnerships to advance the EU's Green Deal, putting clean technologies to work for a net-zero future. With these three grants, Holcim is now advancing five decarbonization projects with EU Innovation Fund support, adding to its ongoing CCUS projects in Germany and Poland. All five projects are an integral part of Holcim's net-zero roadmap, which includes over 50 CCUS projects worldwide with a commitment to invest CHF 2 billion by 2030.

# ACCELERATING CLIMATE ACTION

FIRST IN OUR SECTOR WITH FIVE GRANTS  
FROM THE EU INNOVATION FUND

## EU INNOVATION FUND 2022 GRANTS OF EUR 338 MILLION



### Carbon2Business

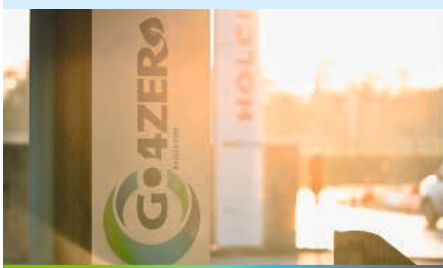
Lägerdorf, Germany  
1.2 Mt CO<sub>2</sub>  
Captured p.a. by 2029



### Go4ECOPlanet

Kujawy, Poland  
1.2 Mt CO<sub>2</sub>  
captured p.a. by 2027

## EU INNOVATION FUND 2023 SELECTED FOR 3 ADDITIONAL GRANTS



### GO4ZERO

Obourg, Belgium  
1.1 Mt CO<sub>2</sub>  
captured p.a. by 2028



### KOdeCO

Koromačno, Croatia  
0.4 Mt CO<sub>2</sub>  
captured p.a. by 2028



### eM-Rhône

Le Teil, France  
195 Kt CO<sub>2</sub>  
captured p.a. by 2028

Net-zero roadmap includes  
**OVER 50 CCUS PROJECTS** worldwide.

# FINANCIAL INFORMATION



▲ HSG Learning Center, Switzerland Built with ECOPact, including 20% recycled construction demolition material



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### FINANCIAL INFORMATION

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## CONDENSED CONSOLIDATED STATEMENT OF INCOME OF HOLCIM

Million CHF	Notes	H1 2023 Unaudited	H1 2022 Unaudited
<b>Net sales</b>		<b>13,067</b>	<b>14,681</b>
Production cost of goods sold		(7,715)	(8,749)
<b>Gross profit</b>		<b>5,352</b>	<b>5,932</b>
Distribution and selling expenses		(2,908)	(3,372)
Administration expenses		(620)	(647)
Share of profit of joint ventures		146	155
<b>Operating profit</b>		<b>1,970</b>	<b>2,067</b>
Profit on disposals and other non-operating income	6	68	35
Loss on disposals and other non-operating expenses	7	(1)	(103)
Share of profit of associates		9	11
Financial income	8	94	52
Financial expenses	9	(328)	(285)
<b>Net income before taxes</b>		<b>1,811</b>	<b>1,777</b>
Income taxes	10	(474)	(475)
<b>Net income</b>		<b>1,336</b>	<b>1,302</b>
Net income attributable to:			
Shareholders of Holcim Ltd		1,261	1,157
Non-controlling interest		75	145
Earnings per share in CHF			
Earnings per share	11	2.19	1.90
Fully diluted earnings per share	11	2.18	1.89



## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF HOLCIM

Million CHF	Notes	H1 2023 Unaudited	H1 2022 Unaudited
<b>Net income</b>		<b>1,336</b>	<b>1,302</b>
Other comprehensive earnings			
Items that will be reclassified to the statement of income in future periods			
Currency translation effects			
– Exchange differences on translation		(383)	45
– Realized through statement of income		0	(5)
– Tax effect		(7)	6
Cash flow hedges			
– Change in fair value		27	310
– Realized through statement of income		(237)	32
– Tax effect		47	(63)
Net investment hedges in subsidiaries			
– Change in fair value		(7)	35
– Realized through statement of income		0	1
– Tax effect		0	(3)
<b>Subtotal</b>		<b>(561)</b>	<b>358</b>
Items that will not be reclassified to the statement of income in future periods			
Defined benefit plans			
– Remeasurements		(132)	143
– Tax effect		32	(42)
<b>Subtotal</b>		<b>(100)</b>	<b>101</b>
<b>Total other comprehensive earnings</b>		<b>(661)</b>	<b>459</b>
<b>Total comprehensive earnings</b>		<b>675</b>	<b>1,761</b>
Total comprehensive earnings attributable to:			
Shareholders of Holcim Ltd		646	1,665
Non-controlling interest		30	96

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF HOLCIM

Million CHF	Notes	30.06.2023 Unaudited	31.12.2022 Audited	30.06.2022 Unaudited
Cash and cash equivalents		3,654	9,824	4,399
Short-term derivative assets	13	23	118	322
Current financial receivables		110	128	513
Trade accounts receivables		4,025	2,674	4,221
Inventories		3,100	2,860	3,372
Prepaid expenses and other current assets		972	997	1,156
Assets classified as held for sale		213	183	93
<b>Total current assets</b>		<b>12,097</b>	<b>16,784</b>	<b>14,076</b>
Long-term financial investments and other long-term assets		495	459	913
Investments in associates and joint ventures		3,235	3,323	3,504
Property, plant and equipment		20,475	20,356	24,927
Goodwill	12	14,348	13,675	15,326
Intangible assets		2,263	1,769	1,696
Deferred tax assets		588	610	1,012
Pension assets		368	469	806
Long-term derivative assets	13	111	157	287
<b>Total non-current assets</b>		<b>41,882</b>	<b>40,819</b>	<b>48,470</b>
<b>Total assets</b>		<b>53,979</b>	<b>57,603</b>	<b>62,545</b>

Million CHF	Notes	30.06.2023 Unaudited	31.12.2022 Audited	30.06.2022 Unaudited
Trade accounts payable		4,300	4,269	4,582
Current financial liabilities		1,035	1,655	3,174
Current income tax liabilities		475	461	661
Other current liabilities		1,880	1,977	2,718
Short-term provisions	16	390	399	457
Liabilities directly associated with assets classified as held for sale		105	96	0
<b>Total current liabilities</b>		<b>8,186</b>	<b>8,857</b>	<b>11,593</b>
Long-term financial liabilities		13,818	14,475	15,199
Provision for pensions and other post-employment benefit plans		573	554	636
Long-term income tax liabilities		177	199	279
Deferred tax liabilities		2,225	2,187	2,698
Long-term provisions	16	1,693	1,718	1,853
<b>Total non-current liabilities</b>		<b>18,486</b>	<b>19,132</b>	<b>20,664</b>
<b>Total liabilities</b>		<b>26,671</b>	<b>27,989</b>	<b>32,258</b>
Share capital		1,158	1,232	1,232
Capital surplus		16,657	18,840	19,042
Treasury shares		(812)	(1,297)	(849)
Reserves		9,431	9,899	8,151
<b>Total equity attributable to shareholders of Holcim Ltd</b>		<b>26,434</b>	<b>28,674</b>	<b>27,577</b>
Non-controlling interest		874	940	2,711
<b>Total shareholders' equity</b>		<b>27,308</b>	<b>29,614</b>	<b>30,288</b>
<b>Total liabilities and shareholders' equity</b>		<b>53,979</b>	<b>57,603</b>	<b>62,545</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF HOLCIM

Million CHF	Share capital	Capital surplus	Treasury shares
<b>Equity as at 1 January 2023</b>	<b>1,232</b>	<b>18,840</b>	<b>(1,297)</b>
Net income			
Other comprehensive earnings			
<b>Total comprehensive earnings</b>			
Payout		<b>(1,414)</b>	
Subordinated fixed rate resettable notes <sup>1</sup>			
Hyperinflation			
Change in treasury shares <sup>3</sup>		<b>(747)</b>	<b>(1,515)</b>
Cancellation of shares	<b>(74)</b>		<b>2,000</b>
Share-based remuneration		<b>(22)</b>	
Acquisition / (Disposal) of participation in Group companies			
Change in participation in existing Group companies			
<b>Equity as at 30 June 2023 (Unaudited)</b>	<b>1,158</b>	<b>16,657</b>	<b>(812)</b>
<b>Equity as at 1 January 2022</b>	<b>1,232</b>	<b>20,386</b>	<b>(381)</b>
Net income			
Other comprehensive earnings			
<b>Total comprehensive earnings</b>			
Payout		<b>(1,330)</b>	
Subordinated fixed rate resettable notes <sup>1</sup>			
Hyperinflation			
Change in treasury shares			<b>(468)</b>
Share-based remuneration		<b>(13)</b>	
Acquisition / (Disposal) of participation in Group companies			
Change in participation in existing Group companies			
<b>Equity as at 30 June 2022 (Unaudited)</b>	<b>1,232</b>	<b>19,042</b>	<b>(849)</b>

<sup>1</sup> See more information in note 11

<sup>2</sup> Currency translation adjustments reserve as at 30 June 2023 includes CHF -134 million of currency translation adjustment relating to assets and directly associated liabilities classified as held for sale

<sup>3</sup> The change in treasury shares for the first half year 2023 mainly includes the share buyback program (see note 11).

Currency translation adjustments	Other Reserves and Retained earnings	Total equity attributable to shareholders of Holcim Ltd	Non-controlling interest	Total shareholders' equity
(17,440)	27,339	28,674	940	29,614
	1,261	1,261	75	1,336
(359)	(257)	(616)	(45)	(661)
(359)	1,005	646	30	675
		(1,414)	(67)	(1,480)
	(11)	(11)		(11)
	64	64	12	75
	756	(1,506)		(1,506)
	(1,926)			
		(22)		(22)
			2	2
(43)	46	3	(43)	(39)
(17 842) <sup>2</sup>	27,273	26,434	874	27,308
(17,435)	23,884	27,685	2,788	30,473
	1,157	1,157	145	1,302
140	368	508	(49)	459
140	1,525	1,665	96	1,761
		(1,330)	(182)	(1,512)
	(11)	(11)		(11)
	48	48	9	56
	(2)	(469)		(469)
		(13)		(13)
			1	1
	2	2		2
(17,294)	25,446	27,577	2,711	30,288

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS OF HOLCIM

Million CHF	Notes	H1 2023 Unaudited	H1 2022 Unaudited
<b>Net income</b>		<b>1,336</b>	<b>1,302</b>
Income taxes		474	475
(Profit) / Loss on disposals and other non-operating items		(67)	65
Share of profit of associates and joint ventures		(155)	(166)
Financial expenses net	8,9	234	233
Depreciation, amortization and impairment of operating assets		1,019	1,204
Employee benefits and other operating items		(1)	3
Change in inventories		(197)	(676)
Change in trade accounts receivables		(1,280)	(1,362)
Change in trade accounts payables		1	482
Change in other receivables and liabilities		17	(5)
<b>Cash generated from operations</b>		<b>1,382</b>	<b>1,555</b>
Dividends received		124	181
Interest received		97	43
Interest paid		(328)	(251)
Income taxes paid		(345)	(378)
<b>Cash flow from operating activities (A)</b>		<b>930</b>	<b>1,151</b>
Purchase of property, plant and equipment		(730)	(743)
Disposal of property, plant and equipment		54	48
Acquisition of participation in Group companies	3.1	(1,773)	(1,920)
Disposal of participation in Group companies	3.2	1	65
Purchase of financial assets, intangible and other assets		(118)	(142)
Disposal of financial assets, intangible and other assets		86	129
<b>Cash flow from investing activities (B)</b>		<b>(2,480)</b>	<b>(2,563)</b>
Payout on ordinary shares	11	(1,414)	(1,330)
Dividends paid to non-controlling interest		(56)	(162)
Net movement of treasury shares <sup>2</sup>		(1,609)	(504)
Coupon paid on subordinated fixed rate resettable notes		(7)	(7)
Net movement in current financial liabilities		29	120
Proceeds from long-term financial liabilities		3	1,771
Repayment of long-term financial liabilities		(1,311)	(715)
Repayment of long-term lease liabilities		(174)	(181)
Increase in participation in existing Group companies		(39)	0
<b>Cash flow from financing activities (C)</b>		<b>(4,577)</b>	<b>(1,007)</b>
<b>Decrease in cash and cash equivalents (A + B + C)</b>		<b>(6,128)</b>	<b>(2,419)</b>
<b>Cash and cash equivalents as at the beginning of the period (net)</b>		<b>9,757</b>	<b>6,615</b>
Decrease in cash and cash equivalents		(6,128)	(2,419)
Currency translation effects		(34)	(141)
<b>Cash and cash equivalents as at the end of the period (net)<sup>1</sup></b>		<b>3,595</b>	<b>4,055</b>

<sup>1</sup> Cash and cash equivalents at the end of the period include bank overdrafts of CHF 58 million (30 June 2022: CHF 344 million) disclosed in current financial liabilities.

<sup>2</sup> The net movement of treasury shares for the first half year 2023 is fully related to the share buyback program (see note 11).

## PRINCIPAL EXCHANGE RATES

The following table summarizes the principal exchange rates that have been used for translation purposes.

		Statement of income		Statement of financial position		
		Average exchange rates		Closing exchange rates		
		in CHF		in CHF		
		H1 2023	H1 2022	30.06.2023	31.12.2022	30.06.2022
		Unaudited	Unaudited	Unaudited	Audited	Unaudited
100 Argentine Peso	ARS	<b>0.18</b>	0.38	<b>0.18</b>	0.26	0.38
1 Australian Dollar	AUD	<b>0.62</b>	0.68	<b>0.60</b>	0.63	0.66
1 Canadian Dollar	CAD	<b>0.68</b>	0.74	<b>0.68</b>	0.68	0.74
1 Chinese Renminbi	CNY	<b>0.13</b>	0.15	<b>0.12</b>	0.13	0.14
100 Algerian Dinar	DZD	<b>0.67</b>	0.66	<b>0.67</b>	0.67	0.65
1 Euro	EUR	<b>0.99</b>	1.03	<b>0.98</b>	0.98	1.00
1 British Pound	GBP	<b>1.12</b>	1.23	<b>1.14</b>	1.11	1.16
100 Mexican Peso	MXN	<b>5.03</b>	4.66	<b>5.27</b>	4.72	4.73
100 Nigerian Naira	NGN	<b>0.12</b>	0.16	<b>0.12</b>	0.12	0.16
100 Philippine Peso	PHP	<b>1.65</b>	1.81	<b>1.63</b>	1.65	1.74
1 Poland Zloty	PLN	<b>0.21</b>	0.22	<b>0.22</b>	0.21	0.21
1 Romanian Leu	RON	<b>0.20</b>	0.21	<b>0.20</b>	0.20	0.20
100 Russian Rouble	RUB	<b>1.18</b>	1.27	<b>1.03</b>	1.27	1.78
1 US Dollar	USD	<b>0.91</b>	0.94	<b>0.90</b>	0.92	0.95

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As used herein, the terms “Holcim” or the “Group” refer to Holcim Ltd together with the companies included in the scope of consolidation.

### 1. Accounting policies

#### 1.1 Basis of preparation

The unaudited interim condensed consolidated financial statements of Holcim Ltd, hereafter “interim financial statements”, are prepared in accordance with IAS 34 *Interim Financial Reporting*. The accounting policies used in the preparation and presentation of the interim financial statements are consistent with those used in the consolidated financial statements for the year ended 31 December 2022 (hereafter “annual financial statements”) except for the amended standards adopted during the period (see note 1.2).

The interim financial statements should be read in conjunction with the annual financial statements as they provide an update of previously reported information.

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios and variances are calculated using the underlying amounts rather than the presented rounded amounts.

The preparation of interim financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities at the date of the interim financial statements. If in the future, such estimates and assumptions, which are based on management’s best judgment at the date of the interim financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate during the period in which the circumstances change.

The segment information corresponds to the information required by IAS 34 *Interim Financial Reporting*.

#### 1.2 Adoption of new and amended standards

In 2023, Holcim adopted the following new or amended standards relevant to the Group:

- IFRS 17 Insurance Contracts (including Amendments to IFRS 17 issued in June 2020 and Amendment to IFRS 17 – Initial Application of IFRS 17 and IFRS 9 – Comparative Information issued in December 2021)
- Amendments to IAS 8 – Definition of Accounting Estimates
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules

#### IFRS 17 Insurance Contracts

The Group does not have any contracts that meet the definition of insurance contracts as set out in IFRS 17.

#### Amendments to IAS 8 – Definition of Accounting Estimates

The adoption of the amendments to IAS 8 have not materially impacted the Group financial statements.

#### Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

The adoption of the amendments to IAS 1 have not materially impacted the Group financial statements.



### Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of the amendments to IAS 12 have not materially impacted the Group financial statements.

### Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules

The OECD has released international model rules aimed at ensuring that large corporate groups are subject to a minimum taxation at a 15 percent rate in each jurisdiction where they operate (Pillar Two Model Rules). The Group is in the scope of the Pillar Two Model Rules and has adopted the amendments to IAS 12 concerning “International Tax Reform – Pillar Two Model Rules” issued by the International Accounting Standards Board in May 2023.

## 2. Seasonality

Demand for cement, aggregates, ready-mix concrete, other construction materials and services, roofing, insulation tile adhesive and facade solutions, as well as asphalt and precast solutions is seasonal because climatic conditions affect the level of activity in the construction sector.

Holcim usually experiences a reduction in sales during the first and fourth quarters reflecting the effect of the winter season in its principal markets in Europe and North America and tends to see an increase in sales in the second and third quarters reflecting the effect of the summer season. This effect can be particularly pronounced in harsh winters.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

### 3. Changes in the scope of consolidation

#### 3.1 Acquisition of businesses

Million CHF	Duro-Last	Others <sup>1</sup>	H1 2023 Unaudited	Malarkey Roofing Products	Others <sup>1</sup>	H1 2022 Unaudited
Assets acquired and liabilities assumed at acquisition date:						
Cash and cash equivalents	10	31	41	77	27	105
Other current assets	118	129	247	123	145	268
Property, plant and equipment	68	247	314	128	350	478
Intangible assets	443	146	589	199	93	292
Other long-term assets	7	0	7	4	58	62
Bank overdrafts	0	(2)	(2)	0	(12)	(12)
Other current liabilities	(30)	(80)	(110)	(68)	(72)	(140)
Long-term provisions	0	(40)	(40)	(51)	(13)	(63)
Other long-term liabilities	(2)	(47)	(50)	(69)	(78)	(146)
<b>Fair value of net assets</b>	<b>613</b>	<b>384</b>	<b>997</b>	<b>343</b>	<b>500</b>	<b>843</b>
Goodwill acquired:						
Fair value of net assets	(613)	(384)	(997)	(343)	(500)	(843)
Non-controlling interest	0	2	2	0	0	0
<b>Fair value of net assets acquired</b>	<b>(613)</b>	<b>(382)</b>	<b>(995)</b>	<b>(343)</b>	<b>(500)</b>	<b>(843)</b>
Total purchase consideration	1,200	576	1,776	1,315	781	2,096
<b>Goodwill acquired</b>	<b>587</b>	<b>194</b>	<b>781</b>	<b>972</b>	<b>282</b>	<b>1,254</b>
Cash outflow on acquisitions:						
Total purchase consideration	1,200	576	1,776	1,315	781	2,096
Acquired cash and cash equivalents net of bank overdrafts	(10)	(29)	(38)	(77)	(16)	(93)
Deferred and advance considerations	0	36	36	4	(86)	(82)
<b>Cash outflow from acquisitions</b>	<b>1,190</b>	<b>583</b>	<b>1,773</b>	<b>1,242</b>	<b>679</b>	<b>1,920</b>

<sup>1</sup> Including purchase price allocation refinements from prior year acquisitions

#### Acquisition of Duro-Last in 2023

In February 2023, Holcim signed an agreement to acquire Duro-Last, a leading U.S. manufacturer of PVC roofing systems. The acquisition was completed on 31 March 2023 when Holcim acquired 100 percent of the voting equity shares for a consideration of CHF 1,200 million (USD 1,310 million) in cash.

The identifiable assets and liabilities of Duro-Last are recognized at fair value as at the effective date of the acquisition. The values of the identifiable assets acquired, and liabilities assumed, are provisional pending the finalization of their valuation within 12 months of the acquisition date. The excess of the consideration over the fair value is recorded as goodwill.

The provisional goodwill arising from the acquisition amounts to CHF 587 million. The goodwill is attributable to the favorable presence of synergies, industrial know-how, assembled workforce and economies of scale expected from the acquisition. The goodwill recognized is expected to be largely deductible for income tax purposes.

The provisional value of the intangible assets acquired amounts to CHF 443 million and mainly reflects the recognition of customer relationships, trademark and technology. Duro-Last contributed CHF 114 million to the Group net sales for the period from 1 April 2023 to 30 June 2023. If the acquisition had occurred on 1 January 2023, Duro-Last's contribution to Group net sales would have been CHF 205 million.

The contribution of Duro-Last to the Group net income after deducting the related acquisition costs is not material. The contribution to the Earnings Per Share is accretive from the first year. The fair value of the acquired receivables substantially equals the gross contractual amount to be collected.

The results of Duro-Last are reported within the operating segment of Solutions & Products.

### Acquisition of Malarkey Roofing Products in 2022

In December 2021, Holcim signed an agreement to acquire Malarkey Roofing Products (Malarkey), a leading company in the US residential roofing market. The acquisition was completed on 28 February 2022 when Holcim acquired 100 percent of the voting equity shares for a consideration of CHF 1,315 million (USD 1,425 million) in cash.

As at 31 December 2022, the purchase price allocation (PPA) was completed with no material refinements. The final fair value of the net assets acquired was CHF 355 million.

### Other acquisitions in the current reporting period

- Chrono Chape, a provider of on-site self-levelling screeds, France (January 2023)
- Nicem, a leader in grounded calcium carbonate, Italy (January 2023)
- Pioneer Landscape Centers, sand and aggregates quarries, United States (January 2023)
- Ol-Trans, a ready-mix concrete supplier, Poland (January 2023)
- INDAR, a hardware wholesaler, Mexico (January 2023)
- HM Factory, a provider of precast concrete solutions, Poland (February 2023)
- FDT Flachdach Technologie GmbH, a manufacturer of thermoplastic roofs, Germany (March 2023)
- Sivyer Logistics, a producer of recycled construction and demolition materials, United Kingdom (March 2023)
- Tezak Heavy Equipment, an aggregate producer, USA (March 2023)
- Stones Business Development, an aggregate producer, Romania (March 2023)
- Westridge Quarries, an aggregate producer, Canada (April 2023)
- PASA, a producer of roofing and waterproofing solutions, Mexico (April 2023)
- Quitam (Quimexur), a producer of liquid membranes for roofing and waterproofing applications, Argentina (May 2023)
- Besblock Ltd, a supplier of precast materials, United Kingdom (May 2023)
- Minerales y Agregados, a producer of advanced mortars and adhesive, Guatemala (May 2023)
- Klaus Heinz Group, a ready-mix concrete supplier and aggregates producer, Germany (May 2023)
- Larsinos, an aggregate producer, Greece (May 2023)

All other acquisitions aggregated contributed CHF 125 million to the Group net sales in the first half of 2023. If the acquisitions had occurred on 1 January 2023, the contribution to Group net sales would have been CHF 188 million.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

### Other acquisitions in the previous comparative period

- Concrecar, a ready-mix concrete supplier in Quintana Roo, Mexico (March 2022)
- FAMY Group, an aggregates supplier in France (April 2022)
- PRB Group, the biggest independent manufacturer of specialty building solutions in France (May 2022)
- The remaining 70 percent of Transport Stroy, a ready-mix concrete supplier based in Bulgaria resulting in the Group obtaining the control of its associate (May 2022)
- Cajun Ready Mix Concrete, a ready-mix concrete supplier in the Baton Rouge metropolitan area, Louisiana USA (May 2022)
- General Beton, a ready-mix concrete and aggregates supplier in Romania (June 2022)
- The aggregate and asphalt business segments of Mathers Group in Montreal, Quebec, Canada (June 2022)

### 3.2 Disposals of Businesses

Million CHF	H1 2023 Unaudited	H1 2022 Unaudited
Other current assets	0	28
Property, plant and equipment	3	25
Other long-term assets	0	62
Other current liabilities	(2)	(10)
Long-term provisions	(2)	(0)
Other long-term liabilities	0	(3)
<b>Net (liabilities) / assets</b>	<b>(1)</b>	<b>102</b>
Non-controlling interest	0	1
<b>Net assets disposed of</b>	<b>(1)</b>	<b>103</b>
Goodwill disposed	0	20
Net gain (loss) on disposals before taxes	6	(75)
Tax and other expenses	0	22
<b>Total disposal consideration</b>	<b>5</b>	<b>69</b>
Deferred consideration	(4)	(4)
<b>Cash inflow from disposals</b>	<b>1</b>	<b>65</b>

### Divestments in the current reporting period

In the first half of 2023, Holcim had no material divestments.

### Divestments in the previous comparative period

- The sale of its Northern Ireland cement business to Cookstown Cement Ltd (January 2022)
- The sale of its investment in a joint venture in Cuba (May 2022)

### 3.3 Significant Pending Transactions

#### Lafarge South Africa

On 19 June 2023, the Group signed an agreement to sell Lafarge South Africa to Afrimat Limited. Closing of the transaction is subject to regulatory approvals.

#### Russia

On 29 March 2022, the Holcim Board of Directors decided to initiate the process to exit the Russian market in line with the company's values to operate in the most responsible manner.

On 13 December 2022, the Group signed an agreement to sell its business in Russia to the local management team and consequently classified the assets and the related liabilities as held for sale. Closing of the transaction is subject to regulatory approvals.

The assets to be divested comprised largely of three integrated cement plants and one grinding station in the reportable segment Europe. An impairment of CHF 623 million of which CHF 580 million in property, plant and equipment, CHF 9 million in intangible assets and CHF 34 million in current assets has been charged in the financial year 2022.

Effective from 1 March 2022, Russia is excluded from Holcim key performance indicators (notably net sales, Recurring EBIT and Free Cash Flow after leases). The operating profit generated by the Russian operations since 1 March 2022 is therefore included in the line "Profit on disposals and other non-operating income" (see note 6), cash in Russia is shown as restricted cash in current financial receivables before the classification as held for sale as of 30 June 2023.

### 4. Information by reportable segment

Due to the development and growth of the segment Solutions & Products, Holcim's segment reporting was changed in 2023 and adapted to the Strategy 2025 "Accelerating Green Growth". Holcim continues to expand the Solutions & Products portfolio, from roofing, insulation tile adhesive and facade solutions, as well as asphalt and precast solutions. The change of segments has therefore been aligned with the internal management structure, reflecting the way Holcim's chief operating decision maker is regularly reviewing the operating results. The four geographical segments of Asia, Middle East & Africa, Europe, Latin America and North America now include only the products cement, aggregates and ready-mix concrete. The separate segment of Solutions & Products is now reported globally. The corresponding information for 2022 have been restated.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

H1 (unaudited)	Asia Middle East Africa <sup>4</sup>		Europe <sup>3</sup>	
	2023	2022	2023	2022
Statement of income (Million CHF)				
Net sales to external customers	2,046	4,151	3,694	3,483
Net sales to other segments	141	109	178	165
<b>TOTAL NET SALES</b>	<b>2,187</b>	<b>4,260</b>	<b>3,872</b>	<b>3,648</b>
Recurring EBITDA after leases	582	958	762	661
Recurring EBITDA after leases margin in %	26.6	22.5	19.7	18.1
Recurring EBIT	460	710	533	418
Recurring EBIT margin in %	21.0	16.7	13.8	11.5
<b>OPERATING PROFIT (LOSS)</b>	<b>410</b>	<b>719</b>	<b>533</b>	<b>331</b>
Operating profit (loss) margin in %	18.8	16.9	13.8	9.1
Reconciliation of measures of profit and loss to the consolidated statement of income				
Recurring EBITDA after leases	582	958	762	661
Depreciation and amortization of property, plant and equipment, intangible and long-term assets	(122)	(248)	(229)	(243)
Recurring EBIT	460	710	533	418
Impairment of operating assets	(50)			(88)
Restructuring, litigation and other non-recurring costs		9		1
<b>OPERATING PROFIT (LOSS)</b>	<b>410</b>	<b>719</b>	<b>533</b>	<b>331</b>
Profit on disposals and other non-operating income				
Loss on disposals and other non-operating expenses				
Share of profit of associates				
Financial income				
Financial expense				
<b>NET INCOME BEFORE TAXES</b>				
Statement of financial position (Million CHF) <sup>1</sup>				
Investments in associates and joint ventures	2,960	3,061	221	207
Goodwill	1,072	1,092	3,464	3,389
Intangible assets	91	97	200	176
Property, plant and equipment	4,003	4,291	6,799	6,677
Reconciliation of measures of Statement of financial position (Million CHF)				
Cash and cash equivalents				
Short-term derivative assets				
Current financial receivables				
Trade accounts receivable				
Inventories				
Prepaid expenses and other current assets				
Assets classified as held for sale				
Long-term financial investments and other long-term assets				
Deferred tax assets				
Pension assets				
Long-term derivative assets				
<b>Total assets</b>				

<sup>1</sup> Prior-year figures as of 31 December 2022.

<sup>2</sup> The results of Duro-Last and Malarkey are reported in the product line Solutions & Products

<sup>3</sup> Russia is excluded from the key performance indicators since 1 March 2022 (see note 3.3)

<sup>4</sup> The Board of Directors has decided to integrate key markets that share similar growth dynamics into one Asia, Middle East & Africa (AMEA) region. Martin Kriegner, Region Head Asia Pacific in 2022, was appointed to take over the responsibility of the broader AMEA region. The corresponding information for half year 2022 have been restated. On 15 September 2022, Holcim divested 63.11% stake in Ambuja Cement and the 4.48% direct stake in ACC Limited, which is the main variance between half year 2023 and 2022.

Latin America		North America		Solutions & Products <sup>2</sup>		Corporate/ Eliminations		Total Group	
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
1,403	1,428	3,044	2,732	2,590	2,595	290	292	13,067	14,681
14	22	54	52	11	18	(398)	(366)		
1,416	1,450	3,099	2,784	2,601	2,613	(108)	(74)	13,067	14,681
547	532	780	696	339	411	(171)	(151)	2,839	3,107
38.6	36.7	25.2	25.0	13.0	15.7			21.7	21.2
488	452	527	439	234	337	(200)	(183)	2,043	2,173
34.4	31.2	17.0	15.8	9.0	12.9			15.6	14.8
486	449	523	440	220	328	(203)	(199)	1,970	2,067
34.3	31.0	16.9	15.8	8.5	12.5			15.1	14.1
547	532	780	696	339	411	(171)	(151)	2,839	3,107
(59)	(80)	(253)	(257)	(104)	(75)	(28)	(32)	(795)	(934)
488	452	527	439	234	337	(200)	(183)	2,043	2,173
				(0)				(50)	(88)
(2)	(3)	(4)	0	(14)	(9)	(3)	(16)	(23)	(18)
486	449	523	440	220	328	(203)	(199)	1,970	2,067
								68	35
								(1)	(103)
								9	11
								94	52
								(328)	(285)
								1,811	1,777
3	3	52	52					3,235	3,323
924	888	3,875	3,901	4,990	4,381	22	23	14,348	13,675
22	20	231	114	1,628	1,288	91	75	2,263	1,769
1,603	1,509	6,603	6,534	1,423	1,316	43	29	20,475	20,356
								3,654	9,824
								23	118
								110	128
								4,025	2,674
								3,100	2,860
								972	997
								213	183
								495	459
								588	610
								368	469
								111	157
								53,979	57,603

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 5. Information by product line

Million CHF	Cement <sup>1</sup>		Aggregates	
H1 (unaudited)	2023	2022	2023	2022
Statement of income				
Net sales to external customers	6,013	7,893	1,588	1,446
Net sales to other segments	781	702	528	528
<b>Total net sales</b>	<b>6,794</b>	<b>8,596</b>	<b>2,116</b>	<b>1,974</b>
– of which Asia, Middle East & Africa <sup>4</sup>	1,505	3,557	337	312
– of which Europe <sup>3</sup>	2,215	2,033	994	966
– of which Latin America	1,181	1,272	21	25
– of which North America	1,789	1,585	764	671
– of which Corporate/Eliminations	103	149		
<b>Recurring EBITDA after leases</b>	<b>1,968</b>	<b>2,215</b>	<b>405</b>	<b>373</b>
<b>Recurring EBIT<sup>5</sup></b>	<b>1,472</b>	<b>1,563</b>	<b>265</b>	<b>236</b>
– of which Asia, Middle East & Africa <sup>4</sup>	369	634	71	65
– of which Europe <sup>3</sup>	395	283	118	111
– of which Latin America	459	437	2	2
– of which North America	396	326	100	85
– of which Corporate	(146)	(118)	(26)	(26)
<b>Recurring EBIT margin in %</b>	<b>21.7</b>	<b>18.2</b>	<b>12.5</b>	<b>11.9</b>

<sup>1</sup> Cement, clinker and other cementitious materials.

<sup>2</sup> Precast, concrete products, asphalt, mortars, roofing systems and contracting and services. The results of Duro-Last and Malarkey are reported in the product line Solutions & Products (for more information see note 4).

<sup>3</sup> Russia is excluded from the key performance indicators since 1 March 2022 (see note 3.3)

<sup>4</sup> The Board of Directors has decided to integrate key markets that share similar growth dynamics into one Asia, Middle East & Africa (AMEA) region. Martin Kriegner, Region Head Asia Pacific in 2022, was appointed to take over the responsibility of the broader AMEA region. The corresponding information for half year 2022 have been restated. On 15 September 2022, Holcim divested 63.11% stake in Ambuja Cement and the 4.48% direct stake in ACC Limited, which is the main variance between half year 2023 and 2022.

<sup>5</sup> Recurring EBIT is including corporate costs and trading



Ready-mix concrete		Solution & Products <sup>2</sup>		Corporate/ Eliminations		Total Group	
2023	2022	2023	2022	2023	2022	2023	2022
2,877	2,747	2,590	2,595			13,067	14,681
19	17	11	18	(1,340)	(1,265)		
2,896	2,764	2,601	2,613	(1,340)	(1,265)	13,067	14,681
475	549	136	145	(137)	(171)	2,315	4,391
1,186	1,134	794	748	(635)	(604)	4,554	4,277
337	246	89	37	(125)	(94)	1,503	1,484
898	836	1,613	1,731	(408)	(361)	4,657	4,462
		(32)	(48)	(34)	(35)	38	66
144	118	322	402			2,839	3,107
91	52	215	323			2,043	2,173
20	11	15	14			476	724
21	24	48	52			581	470
27	13	(0)	2			488	454
31	29	171	269			699	709
(8)	(25)	(19)	(14)			(200)	(183)
3.2	1.9	8.3	12.4			15.6	14.8

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

### 6. Profit on disposals and other non-operating income

Million CHF	H1 2023 Unaudited	H1 2022 Unaudited
Dividends earned	1	2
Gain on disposal before taxes	33	7
Other	34	27
<b>Total</b>	<b>68</b>	<b>35</b>

In 2023, the position “Gain on disposal before taxes”, mainly includes current and deferred gain on disposals of group companies (see note 3.2).

In 2022, the position “Gain on disposal before taxes”, includes several gains on disposal of property, plant and equipment.

In 2023 and 2022, the position “Other” mainly includes the operating profit generated by the Russian operations since 1 March 2022 (see note 3.3).

### 7. Loss on disposals and other non-operating expenses

Million CHF	H1 2023 Unaudited	H1 2022 Unaudited
Loss on disposals before taxes	(1)	(98)
Other	0	(5)
<b>Total</b>	<b>(1)</b>	<b>(103)</b>

In 2022, the position “Loss on disposal before taxes” mainly relates to the disposal of Group companies (see note 3.2). The position “Other” includes expenses incurred in connection with assets which are non-operating, abandoned, or otherwise not part of the operating business cycle.

### 8. Financial income

Million CHF	H1 2023 Unaudited	H1 2022 Unaudited
Interest earned on cash and cash equivalents	82	34
Other financial income	13	18
<b>Total</b>	<b>94</b>	<b>52</b>

The position “Other financial income” relates primarily to interest income from loans and receivables.

### 9. Financial expenses

Million CHF	H1 2023 Unaudited	H1 2022 Unaudited
Interest expenses	(241)	(179)
Interest expenses on lease liabilities	(29)	(26)
Net interest expense on retirement benefit plans	(5)	(6)
Other financial expenses	(52)	(74)
<b>Total</b>	<b>(328)</b>	<b>(285)</b>

The position “Interest expenses” relates primarily to financial liabilities measured at amortized cost.

The position “Other financial expenses” includes commitment fees on credit facilities, bank charges, accruals for interest related to ongoing legal and tax cases and foreign exchange impact.

## 10. Taxes

Excluding impairment and divestments, the Group's effective tax rate is 26 percent for the six months ended 30 June 2023 (26 percent for the six months ended 30 June 2022).

In June 2023, Swiss voters approved the adoption of the "International Tax Reform – Pillar Two Model Rules", aimed at implementing minimum taxation of large corporate groups at a 15 percent rate. With the positive vote, Switzerland is able to adopt the 15 percent minimum tax and legislation is expected to enter into force on 1 January 2024. Furthermore, on 30 June 2023, Pillar Two legislation became substantially enacted in the United Kingdom. As of June 30, 2023, the Group has applied the mandatory temporary exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two Model Rules.

## 11. Earnings per share / Equity

	H1 2023 Unaudited	H1 2022 Unaudited
<b>Basic earnings per share in CHF</b>	<b>2.19</b>	<b>1.90</b>
Adjusted net income attributable to shareholders of Holcim Ltd (in million CHF)	1,252	1,148
Weighted average number of shares outstanding	572,612,837	605,250,629
<b>Diluted earnings per share</b>	<b>2.18</b>	<b>1.89</b>
Adjusted net income used to determine diluted earnings per share (in million CHF)	1,252	1,148
Weighted average number of shares for diluted earnings per share	574,037,064	606,096,840
<b>Reconciliation of weighted average number of share outstanding</b>		
Weighted average number of shares outstanding	572,612,837	605,250,629
Adjustment for assumed exercise of share options and performance shares	1,424,227	846,211
Weighted average number of shares for diluted earnings per share	574,037,064	606,096,840
<b>Reconciliation of net income attributable to shareholders of Holcim Ltd</b>		
Net income attributable to shareholders of Holcim Ltd – as per statement of income (in million CHF)	1,261	1,157
Adjustment for net interest of hybrid bonds (in million CHF) <sup>1</sup>	(9)	(9)
Adjusted net income attributable to shareholders of Holcim Ltd (in million CHF)	1,252	1,148

<sup>1</sup> Holcim issued two perpetual subordinated notes: EUR 500 million at an initial fixed coupon of 3 percent in April 2019 and CHF 200 million at an initial fixed coupon of 3.5 percent in November 2018.

In conformity with the decision taken at the annual general meeting of shareholders on 4 May 2023, a dividend of CHF 2.50 per registered share for the financial year 2022 was paid out of the foreign capital reserves from tax capital contributions on 12 May 2023.

### Share buyback program

The annual general meeting also approved the cancellation of shares repurchased under the share buyback program announced in November 2022 and completed in May 2023. Through this program, Holcim repurchased 36,804,453 shares, this is equivalent to 6.0 percent of its share capital, for a total amount of CHF 2,000 million at an average purchase price of CHF 54.3 per share.

Swiss tax regulations prescribe to use at least 50 percent from the Capital Contribution reserves for shares purchased back to be liquidated. The nominal value of CHF 2 per share is tax exempt. For the shares bought back as of 30 June 2023, the domestic capital contribution reserves are affected by a reduction of CHF 963 million (CHF 747 million in the first half year 2023; CHF 216 million in financial year 2022).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

### 12. Goodwill

The table below summarizes the changes in goodwill for the period 1 January 2023 until 30 June 2023:

Million CHF	Goodwill
<b>2023</b>	
At cost of acquisition	15,289
Accumulated amortization/impairment	(1,615)
<b>Net book value as at 1 January</b>	<b>13,675</b>
Acquisitions <sup>1</sup>	781
Hyperinflation	10
Currency translation effects	(118)
<b>Net book value as at 30 June</b>	<b>14,348</b>
At cost of acquisition	15,935
Accumulated amortization/impairment	(1,587)
<b>Net book value as at 30 June</b>	<b>14,348</b>

<sup>1</sup> Mainly related to the acquisition of Duro-Last (see note 3.1)

Million CHF	Goodwill
<b>2022</b>	
At cost of acquisition	15,985
Accumulated amortization/impairment	(2,030)
<b>Net book value as at 1 January</b>	<b>13,954</b>
Acquisitions <sup>1</sup>	1,571
Divestments <sup>2</sup>	(1,481)
Hyperinflation	13
Currency translation effects	(383)
<b>Net book value as at 31 December</b>	<b>13,675</b>
At cost of acquisition	15,289
Accumulated amortization/impairment	(1,615)
<b>Net book value as at 31 December</b>	<b>13,675</b>

<sup>1</sup> Mainly related to the acquisition of Malarkey (see note 3.1)

<sup>2</sup> Mainly related to the divestment of India and Brazil in September 2022

### 13. Financial assets and liabilities recognized and measured at fair value

The following tables present the Group's financial instruments that are recognized and measured at fair value as of 30 June 2023 and as of 31 December 2022. No changes in the valuation techniques of the items below have occurred since the last annual financial statements.

Million CHF 30.06.2023 (unaudited)	Fair value level 1	Fair value level 2	Total
<b>Financial assets</b>			
Fair value through other comprehensive earnings			
- Strategic equity investments		140	140
Fair value through profit and loss			
- Derivatives held for hedging		129	129
- Derivatives held for trading		4	4
<b>Financial liabilities</b>			
Derivatives held for hedging		1,227	1,227
Derivatives held for trading		12	12

Million CHF 31.12.2022 (audited)	Fair value level 1	Fair value level 2	Total
<b>Financial assets</b>			
Fair value through other comprehensive earnings			
- Strategic equity investments		137	137
Fair value through profit and loss			
- Derivatives held for hedging		256	256
- Derivatives held for trading		19	19
<b>Financial liabilities</b>			
Derivatives held for hedging		1,215	1,215
Derivatives held for trading		5	5

### 14. Lease Liabilities

As of 30 June 2023, the current portion of the lease liabilities included in the position "current financial liabilities" amounts to CHF 283 million (31 December 2022: CHF 277 million) and the long-term portion of the lease liabilities included in the position "long-term financial liabilities" amounted to CHF 1,118 million (31 December 2022: CHF 1,074 million).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

### 15. Bonds

#### Early repaid / redeemed

On 30 January 2023, Holcim International Finance Ltd early repaid USD 28 million (CHF 26 million) of floating rate Schuldschein issued on 29 October 2018, originally due on 29 April 2024.

On 30 January 2023, Holcim International Finance Ltd early repaid USD 60 million (CHF 55 million) of floating rate Schuldschein issued on 29 October 2018, originally due on 29 October 2025.

On 11 May 2023, Holcim International Finance Ltd redeemed USD 15 million (CHF 14 million) of Schuldschein with an interest rate of 3.2% issued on 11 May 2016.

On 11 May 2023, Holcim Finance (Luxembourg) S.A. redeemed EUR 152 million (CHF 150 million) of Schuldschein with an interest rate of 1.46% issued on 11 May 2016.

On 26 May 2023, Holcim Finance (Luxembourg) S.A. redeemed a EUR 869 million (CHF 856 million) bond with a coupon of 1.375% issued on 26 May 2016.

### 16. Provisions and contingencies

At 30 June 2023, provisions amounted to CHF 2,083 million (31 December 2022: CHF 2,117 million).

At 30 June 2023, the Group's contingencies amounted to CHF 703 million (31 December 2022: CHF 615 million).

The criminal proceedings in France against Lafarge SA related to its legacy operations in Syria during the country's civil war in 2013 and 2014 are pending with the investigating judges in Paris. The Court of Appeal decided on 7 November 2019 to drop one of the charges, complicity in crimes against humanity. The Supreme Court reviewed the Court of Appeal's decision and decided on 7 September 2021 to refer the case back to the Court of Appeal who decided on 18 May 2022 to uphold the charge. Lafarge SA appealed the decision which is now again being reviewed by the Supreme Court. These decisions are not rulings on the merits of the case, which is still at the investigation phase and Lafarge SA continues to cooperate fully with the French judicial authorities.

In December 2022 and January 2023, two civil lawsuits were filed in the U.S. District Court for the Eastern District of New York against Lafarge SA by the heirs and family members of U.S. nationals who were killed in terrorist attacks in Syria, Iraq, Libya, Jordan, France and Spain from 2015 to 2016. The lawsuits assert claims under the U.S. Antiterrorism Act, including allegations that Lafarge SA aided and abetted the terrorist organizations that committed, planned or authorized these attacks. Neither of the lawsuits have specified the amount of the damages claimed. It is difficult to predict at this early stage the outcome of these matters, including the timing or any possible impact on Lafarge SA. There is also a risk that additional plaintiffs will join these lawsuits or commence separate actions based on the same conduct. Lafarge SA is aggressively defending the actions and brought a motion to dismiss.

At 30 June 2023, the Group's guarantees issued in the ordinary course of business amounted to CHF1,032 million (31 December 2022: CHF 850 million). The increase is mainly due to surety bonds.

At 30 June 2023, the Group's commitments amounted to CHF 2,806 million (31 December 2022: CHF 2,696 million). The increase is mainly related to various purchase commitments.

### 17. Events after the reporting period

There are no significant events after the reporting period.

### 18. Authorization of the interim financial statements for issue

The interim condensed financial statements were authorized for issuance by the Board of Directors of Holcim Ltd on 26 July 2023.

To the Board of Directors of  
Holcim Ltd, Zug

Zurich, 26 July 2023

## Report on the review of Interim Condensed Consolidated Financial Statements



### Introduction

We have reviewed the Interim Condensed Consolidated Financial Statements (the condensed consolidated statement of income, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows and notes, pages 16 to 38) of Holcim Ltd (the Company) and its subsidiaries (the Group) for the period from 01 January 2023 to 30 June 2023. The Board of Directors is responsible for the preparation and presentation of these Interim Condensed Consolidated Financial Statements in accordance with International Financial Reporting Standard IAS 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this Interim Condensed Consolidated Financial Statements based on our review.



### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Condensed Consolidated Financial Statements are not prepared, in all material respects, in accordance with International Financial Reporting Standard IAS 34 “Interim Financial Reporting”.

Ernst & Young Ltd

Jacques Pierres  
Licensed audit expert  
(Auditor in charge)

Daniel Zaugg  
Licensed audit expert

## DEFINITION OF ALTERNATIVE PERFORMANCE MEASURES

### Like-for-like / Organic Growth

Like-for-like / Organic Growth information is information factoring out changes in the scope of consolidation (such as divestments and acquisitions occurring in the current year and the prior year and currency translation effects (current year figures are converted with prior year exchange rates in order to calculate the currency effects).

### Recurring operating costs

The recurring operating costs is an indicator representing all recurring costs. It is defined as:

- +/- Recurring EBITDA after leases;
- Net sales; and
- Share of profit of joint ventures.

### Recurring EBITDA

The Recurring EBITDA (earnings before interest, tax, depreciation and amortization) is an indicator to measure the performance of the Group excluding the impacts of non-recurring items. It is defined as:

- +/- Operating profit/loss (EBIT);
- Depreciation, amortization and impairment of operating assets; and
- Restructuring, litigation and other non-recurring costs.

### Recurring EBITDA margin

The Recurring EBITDA margin is an indicator to measure the profitability of the Group excluding the impacts of non-recurring items. It is defined as the Recurring EBITDA divided by net sales.

### Recurring EBITDA after leases

The Recurring EBITDA after leases (earnings before interest, tax, depreciation and amortization) is an indicator to measure the performance of the Group including the impacts of lease depreciation and excluding the impacts of non-recurring items. It is defined as the Recurring EBITDA less the depreciation of right-of-use assets.

### Recurring EBIT

The Recurring EBIT is defined as Operating profit/loss (EBIT) adjusted for restructuring, litigation and other non-recurring costs and for impairment of operating assets.

### Recurring EBIT margin

The Recurring EBIT margin is an indicator to measure the profitability of the Group excluding the impacts of non-recurring items. It is defined as the Recurring EBIT divided by net sales.

### Restructuring, litigation and other non-recurring costs

Restructuring, litigation and other non-recurring costs comprise significant items that, because of their exceptional nature, cannot be viewed as inherent to the Group's ongoing performance, such as strategic restructuring, major items relating to antitrust fines and other business-related litigation cases.

### Profit (loss) on disposals and other non-operating items

Profit (loss) on disposals and non-operating items comprise capital gains or losses on the sale of Group companies and of material property, plant and equipment and other non-operating items that are not directly related to the Group's operating activities such as revaluation gains or losses on previously held equity interests, indemnification provisions, disputes with minority shareholders.

### Operating profit/loss (EBIT) before impairment

The Operating profit/loss (EBIT) before impairment is an indicator that measures the profit earned from the Group's core business activities excluding impairment charges which, because of their exceptional nature, cannot be viewed as inherent to the Group's ongoing activities. It is defined as:

- +/- Operating profit/loss;
- impairment of goodwill and long-term assets.



#### Net income/loss before taxes, impairment and divestments

Net income/loss before taxes, impairment and divestments excludes impairment charges and capital gains and losses arising on disposals of investments which, because of their exceptional nature, cannot be viewed as inherent to the Group's ongoing activities. It is defined as:

- +/- Net income/loss before taxes;
- Gains and losses on disposals of Group companies; and
- Impairment of goodwill and long-term assets.

#### Net income/loss before impairment and divestments

Net income/loss before impairment and divestments excludes impairment charges and capital gains and losses arising on disposals of investments which, because of their exceptional nature, cannot be viewed as inherent to the Group's ongoing activities. This indicator is net of taxation and it is defined as:

- +/- Net income/loss;
- Gains and losses on disposals of Group companies; and
- Impairment of goodwill and long-term assets.

#### EPS (Earnings Per Share) before impairment and divestments

The EPS (Earnings Per Share) before impairment and divestments is an indicator that measures the theoretical profitability per share of stock outstanding based on a net income/loss before impairment and divestments. It is defined as Net income/loss before impairment and divestments attributable to the shareholders of Holcim Ltd divided by the weighted average number of shares outstanding.

#### Capex or Capex Net (Net Maintenance and Expansion Capex)

The Capex or Capex Net (Net Maintenance and Expansion Capex) is an indicator to measure the cash spent to maintain or expand its asset base. It is defined as:

- + Expenditure to increase existing or create additional capacity to produce, distribute or provide services for existing products (expansion) or to diversify into new products or markets (diversification);
- + Expenditure to sustain the functional capacity of a particular component, assembly, equipment, production line or the whole plant, which may or may not generate a change of the resulting cash flow; and
- Proceeds from sale of property, plant and equipment.

#### Employee benefits and other operating items

Employee benefits and other operating items reflect the non-cash impact on the operating profit of the employee benefits schemes net of any cash payments, the non-cash impact of the specific business risks provisions net of any cash payments, the non-cash share based compensation expenses and any other non-cash operating expenses.

#### Change in other receivables and liabilities

Change in other receivables and liabilities includes the net change of other receivables and liabilities that are not already disclosed separately in the consolidated statement of cash flows or that are not of a tax or of a financial nature.

#### Free Cash Flow after leases

The Free Cash Flow after leases is an indicator to measure the level of cash generated by the Group after spending cash to maintain or expand its asset base. It is defined as:

- +/- Cash flow from operating activities;
- Net Maintenance and Expansion Capex; and
- Repayment of long-term lease liabilities.

## DEFINITION OF ALTERNATIVE PERFORMANCE MEASURES CONTINUED

### Net financial debt ("Net debt")

The Net financial debt ("Net debt") is an indicator to measure the financial debt of the Group after deduction of the cash. It is defined as:

- + Financial liabilities (short-term and long-term) including derivative liabilities;
- Cash and cash equivalents; and
- Derivative assets (short-term and long-term).

### Debt leverage

The Net financial debt to Recurring EBITDA ratio is used as an indicator of financial risk and shows how many years it would take the Group to pay back its debt.

### Working Capital days on sales (countback)

The Working Capital days on sales is an efficiency ratio which measures the level of trade accounts receivable, trade accounts payable and inventories in comparison to sales of the current month and the previous months until the respective balance is covered. It is defined as:

- + Days sales outstanding;
- + Days inventories outstanding;
- Days payables outstanding.

### Invested Capital

The Invested Capital is an indicator that measures total funds invested by shareholders, lenders and any other financing sources.

It is defined as:

- + Total shareholders' equity;
- + Net financial debt;
- Assets classified as held for sale;
- + Liabilities classified as held for sale;
- Current financial receivables; and
- Long-term financial investments and other long-term assets.

### Net Operating Profit/loss After Tax ("NOPAT")

It is defined as:

- +/- Net Operating Profit/loss (being the Recurring EBIT and share of profits of associates)
- Standard Taxes (being the taxes applying the Group's tax rate to the Net Operating Profit/loss as defined above)

### ROIC (Return On Invested Capital)

The ROIC (Return On Invested Capital) measures the Group's ability to efficiently use invested capital. It is defined as Net Operating Profit/loss After Tax (NOPAT) divided by the average Invested Capital. The average is calculated by adding the Invested Capital at the beginning of the period to that at the end of the period and dividing the sum by 2 (based on a rolling 12-month calculation). In case of material change in scope during the year, the opening invested capital is adjusted pro rata temporis.

### Cash conversion

The cash conversion is an indicator that measures the Group's ability to convert profits into available cash. It is defined as Free Cash Flow after leases divided by Recurring EBITDA after leases.

### Personnel (FTE)

Personnel (FTE) measures the number of full time equivalent own personnel (FTE) assigned to functions and tasks.

### Net CO<sub>2</sub> emissions (kg per ton of cementitious material)

Net CO<sub>2</sub> emissions are CO<sub>2</sub> emissions from the calcination process of the raw materials and the combustion of traditional kiln and non-kiln fuels. Cementitious materials refer to clinker production volumes, mineral components consumed in cement production and mineral components processed and sold externally.

### CO<sub>2</sub> per net sales

The absolute CO<sub>2</sub> (thousand metric tons) emissions Scope 1 and Scope 2 divided by millions of net sales.

### Freshwater withdrawal (liter per ton of cementitious material)

Total volume of freshwater withdrawn by the cement plant divided by the total production of cementitious material.

### Lost time injury frequency rate (LTIFR)

Number of on-the-job injuries that require a person to stay away from work for a day or more per one million hours worked.

### Green Capex

The Sustainability Capital Expenditures with significant positive impact on Process Decarbonization, Clean Energy, Carbon Efficient Construction, Circular Economy, Biodiversity, Air & Water and Communities such as but not limited to carbon capture, waste heat recovery, 3D printing, electrical fleet, calcined clay technology, alternative fuels & raw materials installations.

### Waste derived resources

Waste derived resources is the sum of all waste raw materials and fuels consumed in the production processes as well as recycled materials processed sold externally. This includes: alternative raw materials, alternative fuels, industrial mineral components, return concrete, recycled aggregates and asphalt. Construction and Demolition Materials are included in waste derived resources.

### Construction and Demolition Materials (CDM) recycled

CDM recycled volume is generated from construction, renovation, repair and demolition of houses, large building structures, roads, bridges, piers and dams. This includes alternative raw materials, recycled aggregates, asphalt and return concrete reused in Cement, Aggregates, Ready-mix concrete, Asphalt and Concrete Products. CDM is equivalent to construction and demolition waste (CDW) as defined by the EU Waste Framework Directive.

### Contribution in Social Initiatives

Any initiatives Holcim puts in place to address social issues and to contribute to society that are not primarily motivated by generating a direct financial return to the Group's business such as but not limited to housing & infrastructure, health, education & skills, environment, cultural and recreational.

### Sustainable financing

Any committed financing instrument drawn and undrawn with a sustainability feature which includes performance-based (sustainability KPI, ESG linked) or use-of-proceed-based products (green, social, transition bonds) incurred by the parent company or consolidated entities.

### Thermal Substitution Rate (TSR)

Thermal substitution rate (TSR) corresponds to the relation of thermal energy consumption of alternative fuels to the total amount of thermal energy consumption in the cement kiln system.

### Ton

Refers to a Metric ton, or 1,000 kg.

This set of definitions can be found on the Group's website:

[holcim.com/alternative-performance-measures](https://www.holcim.com/alternative-performance-measures)

## RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

### Reconciling measures of profit and loss to the Holcim Group's consolidated statement of income

Million CHF	H1 2023 Unaudited	H1 2022 Unaudited
<b>Net sales</b>	<b>13,067</b>	<b>14,681</b>
Recurring Operating costs	(10,375)	(11,728)
Share of profit of joint ventures	146	155
<b>Recurring EBITDA after leases</b>	<b>2,839</b>	<b>3,107</b>
Depreciation and amortization of property, plant and equipment, intangible and long-term assets	(795)	(934)
<b>Recurring EBIT</b>	<b>2,043</b>	<b>2,173</b>
Restructuring, litigation and other non-recurring costs	(23)	(18)
Impairment of operating assets	(50)	(88)
<b>Operating profit</b>	<b>1,970</b>	<b>2,067</b>

Million CHF	H1 2023 Unaudited	H1 2022 Unaudited
<b>Recurring EBITDA</b>	<b>3,012</b>	<b>3,289</b>
Depreciation of right-of-use assets	(173)	(182)
<b>Recurring EBITDA after leases</b>	<b>2,839</b>	<b>3,107</b>

Million CHF	H1 2023 Unaudited	H1 2022 Unaudited
Net income before impairment and divestments Group share	1,280	1,304
Net income before impairment and divestments Non Controlling interests	75	145
<b>Net income before impairment and divestments</b>	<b>1,355</b>	<b>1,449</b>
Impairment of goodwill and long-term assets	(48)	(58)
Gain / (loss) on disposals of Group companies	30	(89)
<b>Net income</b>	<b>1,336</b>	<b>1,302</b>
<b>EPS before impairment and divestments in CHF</b>	<b>2.22</b>	<b>2.14</b>

Adjustments disclosed net of taxation

### Reconciling measures of the Holcim Group's consolidated statement of cash flows to the Free Cash Flow after leases

Million CHF	H1 2023 Unaudited	H1 2022 Unaudited
<b>Cash flow from operating activities</b>	<b>930</b>	<b>1,151</b>
Purchase of property, plant and equipment	(730)	(743)
Disposal of property, plant and equipment	54	48
Repayment of long-term lease liabilities	(174)	(181)
<b>Free Cash Flow after leases</b>	<b>79</b>	<b>275</b>

### Reconciling measures of Net financial debt to the Holcim Group's consolidated statement of financial position

Million CHF	30.06.2023 Unaudited	31.12.2022 Audited	30.06.2022 Unaudited
Current financial liabilities	1,035	1,655	3,174
Long-term financial liabilities	13,818	14,475	15,199
Cash and cash equivalents	(3,654)	(9,824)	(4,399)
Short-term derivative assets	(23)	(118)	(322)
Long-term derivative assets	(110)	(157)	(287)
<b>Net financial debt</b>	<b>11,067</b>	<b>6,032</b>	<b>13,365</b>

## RESPONSIBILITY STATEMENT

We certify that, to the best of our knowledge and having made reasonable inquiries to that end, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, and of the financial position and results of the Company and of its consolidated subsidiaries, and that this interim report provides a true and fair view of the evolution of the business, results and financial condition of the Company and of its consolidated subsidiaries.

Zug, 26 July 2023



**Jan Jenisch**  
Chairman and CEO



**Steffen Kindler**  
Chief Financial Officer

## ADDITIONAL INFORMATION

### Holcim securities

The Holcim shares (security code number 12214059) are traded on the SIX Swiss Exchange under the ticker symbol HOLN. The corresponding code under Bloomberg is HOLN:SW. The market capitalization of Holcim Ltd amounted to CHF 35 billion as at 30 June 2023.

### Cautionary statement regarding forward-looking statements

This document contains forward-looking statements. Such forward-looking statements do not constitute forecasts regarding results or any other performance indicator, but rather trends or targets, as the case may be, including with respect to plans, initiatives, events, products, solutions and services, their development and potential.

Although Holcim believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions as at the time of publishing this document, investors are cautioned that these statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are difficult to predict and generally beyond the control of Holcim, including but not limited to the risks described in the Holcim's annual report available on its website ([www.holcim.com](http://www.holcim.com)) and uncertainties related to the market conditions and the implementation of our plans. Accordingly, we caution you against relying on forward-looking statements. Holcim does not undertake to provide updates of these forward-looking statements.

### FINANCIAL CALENDAR

Q3 2023 Trading Update  
27 October 2023

Full Year 2023 Results  
28 February 2024

Q1 2024 Trading Update  
25 April 2024

Half Year 2024 Results  
26 July 2024



▲ Morana tower, Mexico, with Dynamax, the ultra high performance concrete and ECOPact low-carbon concrete reducing CO<sub>2</sub> by 30%.

**Holcim Ltd**

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