

Zug | 27 July 2023

Ad hoc announcement pursuant to Art. 53 LR

## Holcim delivers excellent performance in H1

- **+7.4% organic net sales growth in H1 2023**  
**+13.4% organic recurring EBIT growth**
- **Record Q2 recurring EBIT margin of 21.1% (+2.2 pp)**
- **Record EPS in H1 of CHF 2.19 (+15%)**
- **Reduction of CO<sub>2</sub> per net sales by 18%<sup>1</sup> in H1 2023**
- **Accelerated M&A execution with 18 value-accretive acquisitions**
- **Guidance 2023 confirmed with organic net sales growth above 6%, organic recurring EBIT growth above 10%**

Jan Jenisch, Chairman and CEO: “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% 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.”

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

## Performance overview H1

Group (in million CHF)	H1 2023	H1 2022	±%	Organic
Net sales	13,067	14,681	-11.0	+7.4
Recurring EBIT	2,043	2,173	-6.0	+13.4
Recurring EBIT margin (%)	15.6	14.8		
Operating profit	1,970	2,067	-4.7	
Net income, Group share	1,261	1,157	+9.0	
Net income before impairment and divestments, Group share	1,280	1,304	-1.9	
EPS (CHF)	2.19	1.90	+15.3	
EPS before impairment and divestments (CHF)	2.22	2.14	+3.7	
Free Cash Flow after leases	79	275	-71.1	
Net financial debt	11,067	13,365	-17.2	

## Excellent performance

Net sales of CHF 13,067 million for the first half of 2023 were up +7.4% 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% compared to prior year, reaching CHF 2,043 million. Profitability increased sharply in Q2 2023 with a record recurring EBIT margin of 21.1%. Holcim is well on track to deliver an industry-leading margin of above 16% in 2023.

Holcim's earnings per share in H1 2023 were CHF 2.19, 15.3% 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% 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% 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% of sales from system selling and 70% of sales from re-roofing. With ongoing demand normalization in commercial roofing and strong underlying demand in residential, the company expects 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%<sup>2</sup> in the first half of 2023 compared to the full year 2022, well positioned to outperform its target reduction of at least 10% 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% 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% 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% lower carbon footprint versus standard cement<sup>3</sup>, while also driving circular construction with 25% 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.

## Change in Executive Committee

The Board of Directors appointed Nollaig Forrest as Chief Sustainability Officer and member of the Group Executive Committee, effective 1 September 2023. Since joining Holcim in 2020, Nollaig has played an instrumental role in Holcim's net-zero transition, and she will continue advancing Holcim's leadership in sustainability in this new capacity.

She succeeds Magali Anderson who decided to pursue new career opportunities as a Board member and supporter of NGOs. The Board of Directors and Executive Committee sincerely thank Magali for her many contributions to the company as she led a new era of excellence in sustainability, innovation and health and safety at Holcim, from launching the sector's first net-zero roadmap to reaching a new level of performance in health and safety.

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<sup>2</sup> Scope 1 + Scope 2 CO<sub>2</sub>

<sup>3</sup> CEM I/ordinary portland cement

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

## Key Group figures

Group Q2	2023	2022	±%	Organic
Net sales (CHFm)	7,342	8,240	-10.9	+7.0
Recurring EBIT (CHFm)	1,550	1,559	-0.6	+13.9
Recurring EBIT margin (%)	21.1	18.9		

Group H1	2023	2022	±%	Organic
Net sales (CHFm)	13,067	14,681	-11.0	+7.4
Recurring EBIT (CHFm)	2,043	2,173	-6.0	+13.4
Recurring EBIT margin (%)	15.6	14.8		
Operating profit (CHFm)	1,970	2,067	-4.7	
Net income, Group share (CHFm)	1,261	1,157	+9.0	
Net income before impairment and divestments, Group share (CHFm)	1,280	1,304	-1.9	
EPS (CHF)	2.19	1.90	+15.3	
EPS before impairment and divestments (CHF)	2.22	2.14	+3.7	
Free Cash Flow after leases (CHFm)	79	275	-71.1	
Net financial debt (CHFm)	11,067	13,365	-17.2	

Group results by product H1	2023	2022	±%	Organic
Net sales of Cement (CHFm)	6,794	8,596	-21.0	+13.8
Recurring EBIT of Cement (CHFm)	1,472	1,563	-5.8	+23.4
Recurring EBIT margin of Cement (%)	21.7	18.2		
Net sales of Aggregates (CHFm)	2,116	1,974	+7.2	+11.3

Recurring EBIT of Aggregates (CHFm)	265	236	+12.3	+17.2
Recurring EBIT margin of Aggregates (%)	12.5	11.9		
Net sales of Ready-Mix Concrete (CHFm)	2,896	2,764	+4.8	+13.0
Recurring EBIT of Ready-Mix Concrete (CHFm)	91	52	+76.1	+66.7
Recurring EBIT margin of Ready-Mix Concrete (%)	3.2	1.9		
Net sales of Solutions & Products (CHFm)	2,601	2,613	-0.5%	-14.0%
Recurring EBIT of Solutions & Products (CHFm)	215	323	-33.4%	-37.8%
Recurring EBIT margin of Solutions & Products (%)	8.3	12.4		

## Segment performance

In line with Strategy 2025 “Accelerating Green Growth,” Holcim has evolved its segment reporting in 2023 to disclose Solutions & Products globally as a separate segment. Therefore, the results of Holcim’s four regions – Asia, Middle East Africa; Europe; Latin America and North America – now represent Cement, Aggregates and Ready-Mix and exclude Solutions & Products. The corresponding Half Year 2022 results have been restated accordingly.

### North America

An outstanding performance was delivered with strong demand in the US and Canada. Growth was underpinned by on-shoring activities and investments in the energy sector. With significant over-proportional recurring EBIT growth, the region’s good performance is expected to continue in H2 2023.

<b>North America Q2</b>	<b>2023</b>	<b>2022</b>	<b>±%</b>	<b>Organic</b>
Net sales to external customers (CHFm)	1,841	1,716	+7.3	+14.0
Recurring EBIT (CHFm)	492	446	+10.3	+15.7
Recurring EBIT margin (%)	26.2	25.4		

<b>North America H1</b>	<b>2023</b>	<b>2022</b>	<b>±%</b>	<b>Organic</b>
Net sales to external customers (CHFm)	3,044	2,732	+11.4	+15.8
Recurring EBIT (CHFm)	527	439	+20.0	+25.7
Recurring EBIT margin (%)	17.0	15.8		

### Latin America

Latin America delivered its 12<sup>th</sup> consecutive quarter of profitable organic growth, with a broad-based contribution across the region. Strong performance in Mexico was driven by an excellent pipeline of infrastructure projects. The region showed a significant improvement in the use of alternative fuels and low-carbon formulation. Latin America expects a strong H2 with continued out-performance.

<b>Latin America Q2</b>	<b>2023</b>	<b>2022</b>	<b>±%</b>	<b>Organic</b>
Net sales to external customers (CHFm)	717	765	-6.3	+22.1
Recurring EBIT (CHFm)	245	233	+5.3	+22.0
Recurring EBIT margin (%)	33.7	29.8		

<b>Latin America H1</b>	<b>2023</b>	<b>2022</b>	<b>±%</b>	<b>Organic</b>
Net sales to external customers (CHFm)	1,403	1,428	-1.8	+23.7
Recurring EBIT (CHFm)	488	452	+7.9	+16.4
Recurring EBIT margin (%)	34.4	31.2		

## Europe

All key countries contributed to Europe's broad-based increase in profitability. Strong margin expansion was driven by high-value solutions and disciplined cost management, with further growth expected from seven bolt-on acquisitions in aggregates, ready-mix concrete and construction demolition material recycling operations. Europe expects a strong H2 2023 with accelerated progress in decarbonization.

<b>Europe Q2</b>	<b>2023</b>	<b>2022</b>	<b>±%</b>	<b>Organic</b>
Net sales to external customers (CHFm)	2,006	1,919	+4.6	+7.6
Recurring EBIT (CHFm)	436	359	+21.5	+26.5
Recurring EBIT margin (%)	20.8	17.9		

<b>Europe H1</b>	<b>2023</b>	<b>2022</b>	<b>±%</b>	<b>Organic</b>
Net sales to external customers (CHFm)	3,694	3,483	+6.0	+10.1
Recurring EBIT (CHFm)	533	418	+27.4	+32.8
Recurring EBIT margin (%)	13.8	11.5		

## Asia, Middle East & Africa

Asia, Middle East & Africa delivered an outstanding margin expansion of 4.4 percentage points in H1 2023. The region's profitable organic growth was driven by strong performance in Australia and Nigeria. The divestment of South Africa was signed in Q2 2023. Strong momentum is expected to continue in H2 2023.

<b>Asia, Middle East &amp; Africa Q2</b>	<b>2023</b>	<b>2022</b>	<b>±%</b>	<b>Organic</b>
Net sales to external customers (CHFm)	1,030	2,103	-51.0	+11.2
Recurring EBIT (CHFm)	269	378	-28.8	+15.1
Recurring EBIT margin (%)	24.4	17.5		

<b>Asia, Middle East &amp; Africa H1</b>	<b>2023</b>	<b>2022</b>	<b>±%</b>	<b>Organic</b>
Net sales to external customers (CHFm)	2,046	4,151	-50.7	+9.5

Recurring EBIT (CHFm)	460	710	-35.1	+15.2
Recurring EBIT margin (%)	21.0	16.7		

<i>Of which Asia Pacific Q2</i>	2023	2022	±%	Organic
Net sales to external customers (CHFm)	528	1,521	-65.3	+14.4
Recurring EBIT (CHFm)	148	270	-45.2	+2.1
Recurring EBIT margin (%)	27.9	17.7		

<i>Of which Asia Pacific H1</i>	2023	2022	±%	Organic
Net sales to external customers (CHFm)	1,055	2,981	-64.6	+14.6
Recurring EBIT (CHFm)	243	516	-52.8	+1.6
Recurring EBIT margin (%)	22.9	17.3		

<i>Of which Middle East Africa Q2</i>	2023	2022	±%	Organic
Net sales to external customers (CHFm)	502	581	-13.6	+8.1
Recurring EBIT (CHFm)	121	108	+12.0	+35.3
Recurring EBIT margin (%)	21.2	16.9		

<i>Of which Middle East Africa H1</i>	2023	2022	±%	Organic
Net sales to external customers (CHFm)	992	1,170	-15.3	+5.0
Recurring EBIT (CHFm)	217	194	+11.8	+34.2
Recurring EBIT margin (%)	19.3	15.2		

## Solutions & Products

Solutions & Products recorded solid growth momentum in Q2 2023 in residential roofing. Solutions & Products made eight acquisitions in H1 2023 for further growth, notably Duro-Last, which was consolidated as of April 2023. Destocking in commercial roofing is completed, supporting Holcim's solid outlook in H2 2023.

<b>Solutions &amp; Products Q2</b>	2023	2022	±%	Organic
Net sales to external customers (CHFm)	1,588	1,559	+1.9	-9.4
Recurring EBIT (CHFm)	207	242	-14.7	-22.7
Recurring EBIT margin (%)	13.0	15.5		

<b>Solutions &amp; Products H1</b>	2023	2022	±%	Organic
Net sales to external customers (CHFm)	2,590	2,595	-0.2	-13.9
Recurring EBIT (CHFm)	234	337	-30.4	-35.7
Recurring EBIT margin (%)	9.0	12.9		

## Reconciliation to Group accounts

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

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

In million CHF	H1 2023 (unaudited)	H1 2022 (unaudited)
Recurring EBITDA	3,012	3,289
Depreciation of right-of-use assets	(173)	(182)
Recurring EBITDA after leases	2,839	3,107

In 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
Net income before impairment and divestments	1,355	1,449
Impairment of goodwill and long term assets*	(48)	(58)
Gain / (loss) on disposals of Group companies*	30	(89)
Net income	1,336	1,302
EPS before impairment and divestments in CHF	2.22	2.14

\*Adjustments disclosed net of taxation.



Reconciliation of Free Cash Flow after leases to the Holcim Group's Consolidated Statement of Cash Flows:

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

Reconciliation of Net financial debt to the Holcim Group's consolidated statement of financial position:

In million CHF	H1 2023 (unaudited)	H1 2022 (unaudited)
Current financial liabilities	1,035	3,174
Long-term financial liabilities	13,818	15,199
Cash and cash equivalents	(3,654)	(4,399)
Short-term derivative assets	(23)	(322)
Long-term derivative assets	(110)	(287)
Net financial debt	11,067	13,365

## Alternative Performance Measure definitions

Some Alternative Performance Measures are used in this release to help describe the performance of Holcim. A full set of these Alternative Performance Measure definitions can be found on our [website](#).

### Analyst presentation and Half Year 2023 Report

The [analyst presentation](#) of the Half-Year 2023 Results and the [Half-Year 2023 Report](#) are available on our website.

**Media conference:** 09:00 CEST

**Analyst conference:** 10:00 CEST

In order to participate in the analyst's conference, please register [here](#).

#### About Holcim

Holcim is a global leader in innovative and sustainable building solutions with net sales of CHF 29.2 billion in 2022. Driven by its purpose to build progress for people and the planet, its 60,000 employees are on a mission to decarbonize building, while improving living standards for all. The company empowers its customers across all regions to build better with less, with its broad range of low-carbon and circular solutions, from ECOPact to ECOPlanet. With its innovative systems, from Elevate roofing to PRB's insulation, Holcim makes buildings more sustainable in use, driving energy efficiency and green retrofitting. 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).

Learn more about Holcim on [www.holcim.com](http://www.holcim.com), and by following us on [LinkedIn](#).

Sign up for Holcim's Building Progress newsletter [here](#) and follow our journey to a net-zero future.

**Important disclaimer – 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.