



*New York City One World Trade Center, built with Holcim advanced concrete with recycled materials inside*

# **FULL-YEAR 2023 RECORD RESULTS ACHIEVING STRATEGY 2025 AHEAD OF PLAN**

JAN JENISCH – CHAIRMAN AND CEO | STEFFEN KINDLER – CFO | MILJAN GUTOVIC – CEO DESIGNATE

FEBRUARY 28, 2024



01.

# HIGHLIGHTS AND KEY DEVELOPMENTS

JAN JENISCH | CHAIRMAN AND CEO



*Alamein Downtown Towers, Egypt  
Built with ECOPlanet, the low-carbon cement*



# 2023 HIGHLIGHTS

## ACHIEVING STRATEGY 2025 AHEAD OF PLAN

### Record results 2023

- Recurring EBIT of **CHF 4'760 million** +14.7% organic growth
- Free Cash Flow of **CHF 3'705 million**
- EPS<sup>1</sup> of **CHF 5.42** per share, +9%<sup>2</sup>
- Proposed dividend of **CHF 2.80** per share, +12%
- New share buyback of **CHF 1 billion** in 2024

### Outlook 2024

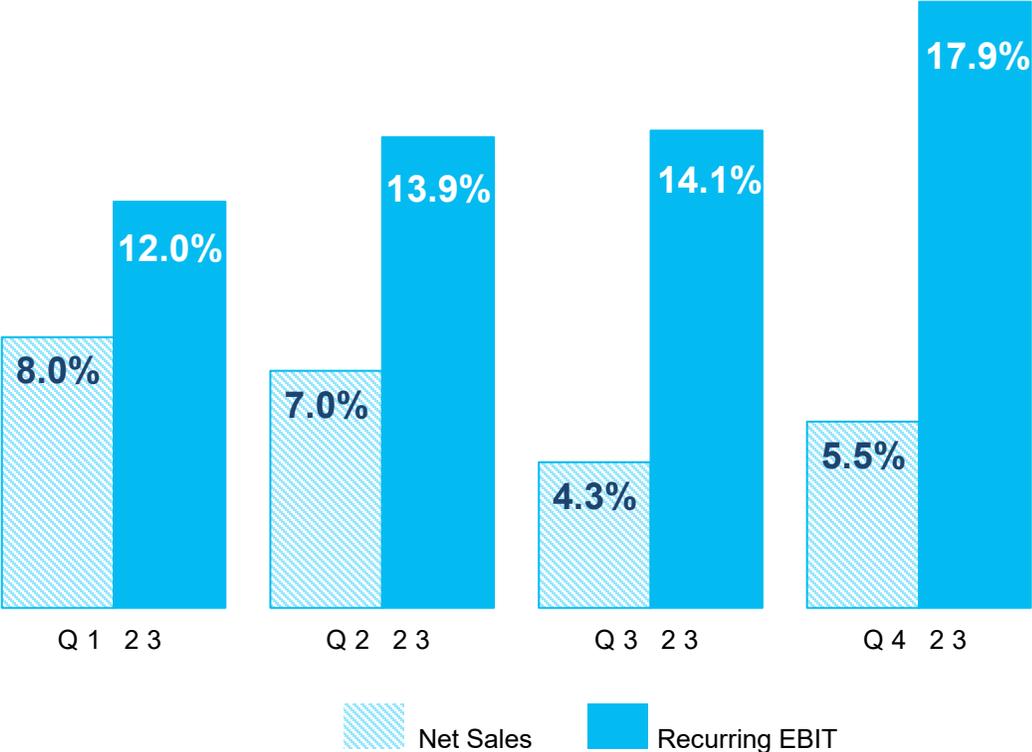
- Organic Net Sales growth of **above 4%**, additional growth from M&A of **above 2%**
- Increase in recurring EBIT margin to **18%**
- Free Cash Flow **above CHF 3 billion**

### Achieving Strategy 2025 ahead of plan

- Industry-leading margins with **17.6% in recurring EBIT** and **13.7% in Free Cash Flow**
- Financial strength from Balance Sheet to credit rating
- 97 value accretive transactions between 2018-2023
- Rapid expansion of Solutions & Products
- Decarbonization driving profitable growth
- Fast paced growth in circular construction
- 30% of Sales from advanced branded solutions
- Empowered leadership with strong performance culture

# RECORD RESULTS IN 2023 DELIVERING SUPERIOR PERFORMANCE QUARTER BY QUARTER

ORGANIC NET SALES AND RECURRING EBIT GROWTH



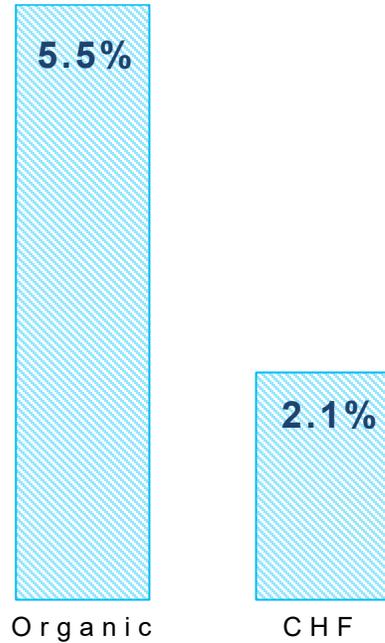
Boston University, Center for Computing & Data Sciences, USA  
Built with ECOPact low carbon concrete



# RECORD RESULTS IN 2023 PROFITABLE GROWTH MORE THAN OFFSETTING STRONG CHF IN Q4

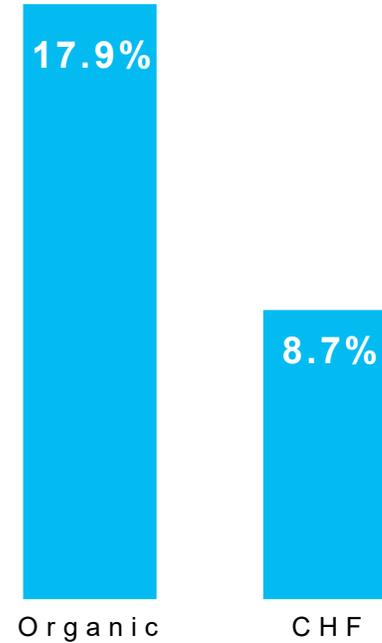
## NET SALES GROWTH

Q4 2023



## RECURRING EBIT GROWTH

Q4 2023



*New York City One World Trade Center  
Built with Holcim advanced concrete with  
recycled materials inside*



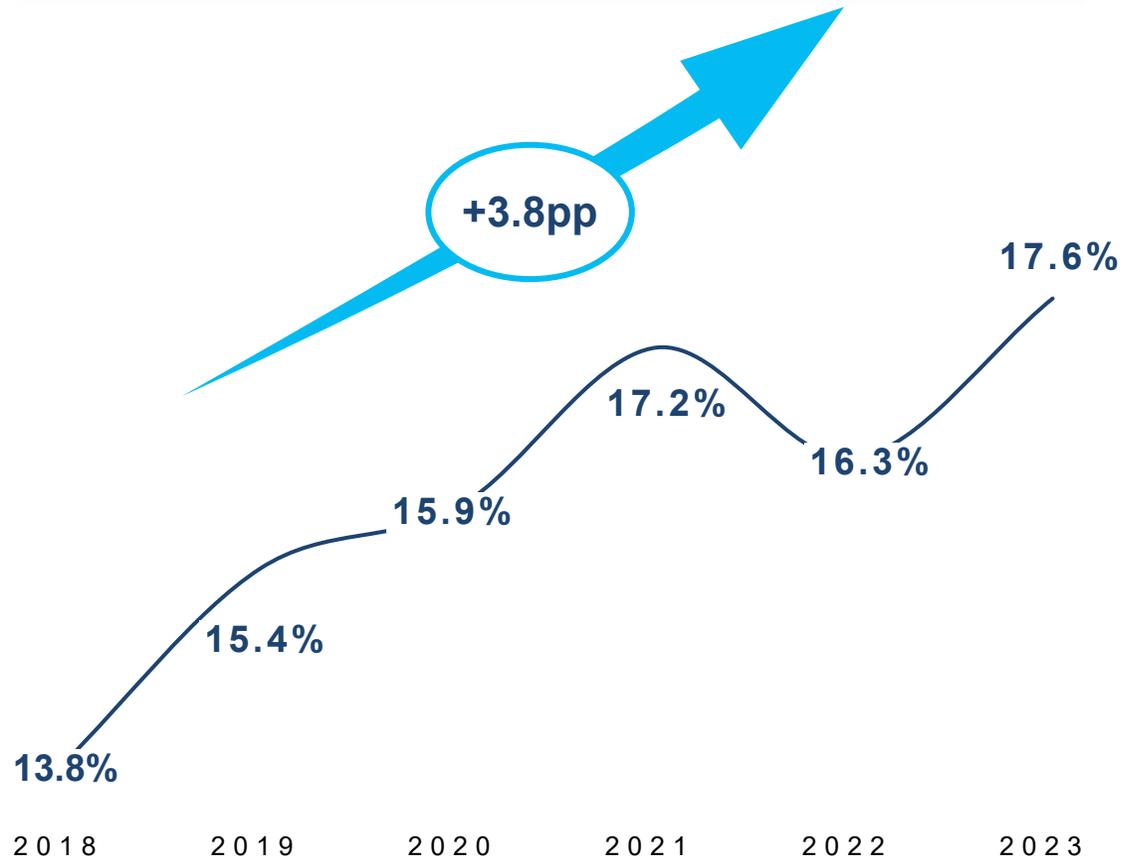
# STRATEGY 2025 “ACCELERATING GREEN GROWTH”

## FINANCIAL TARGETS ACHIEVED 2 YEARS AHEAD OF PLAN

STRATEGY 2025		2023	
	Net Sales Growth	3 - 5% organic p.a.	+6.1% organic 
	Recurring EBIT Growth	OVER PROPORTIONAL TO NET SALES GROWTH ANNUALLY	+14.7% organic 
	Accelerate Growth in Solutions & Products	30% IN % OF GROUP NET SALES	21% <span>On track</span>
	Cash Conversion	45%	58% 
	ROIC	10%	10.6% 
	Net Financial Debt to recurring EBITDA	BELOW 1.5x	1.2x 

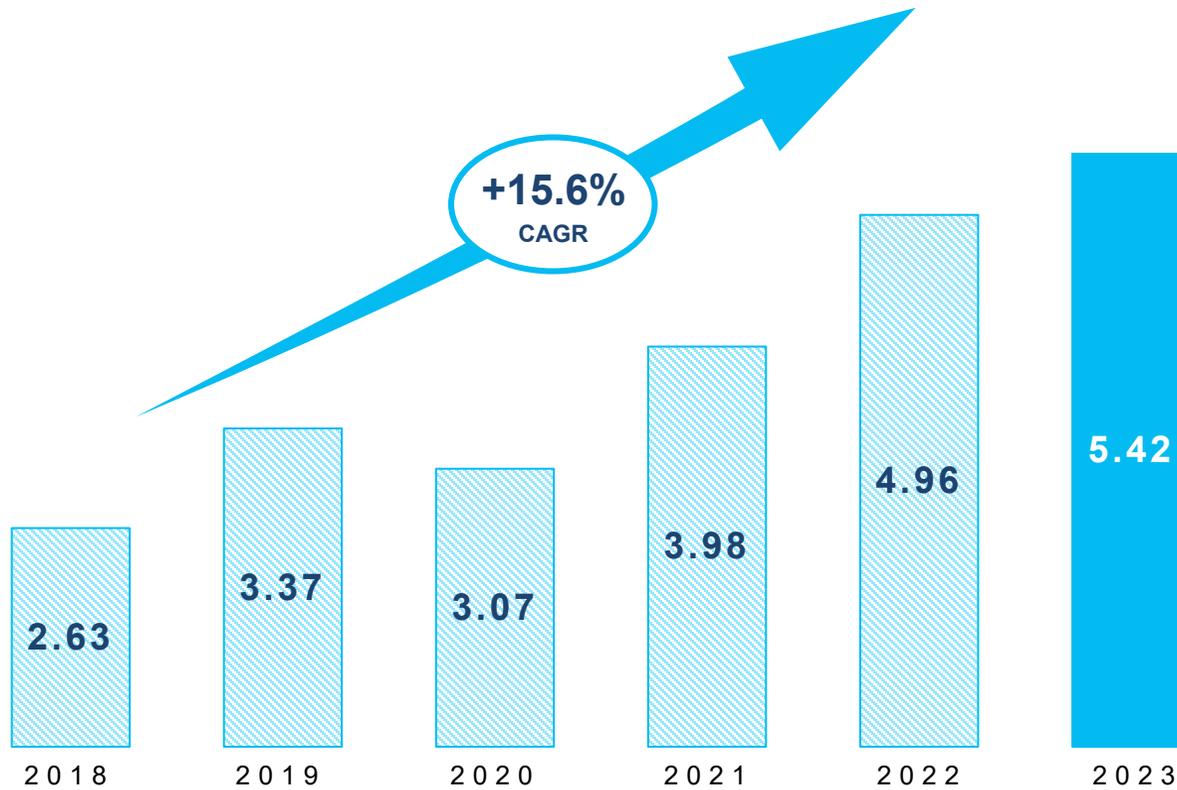
# ACHIEVING STRATEGY 2025 AHEAD OF PLAN INDUSTRY-LEADING EBIT MARGIN OF 17.6%

## RECURRING EBIT MARGIN



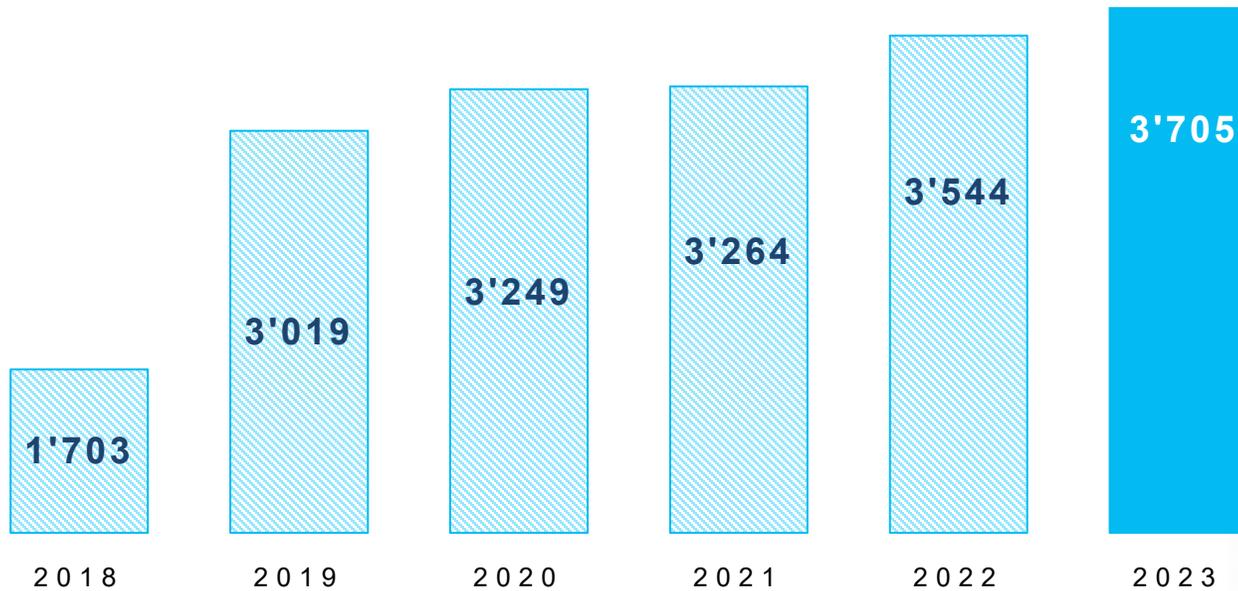
# ACHIEVING STRATEGY 2025 AHEAD OF PLAN OUTSTANDING GROWTH IN EARNINGS

## EARNINGS PER SHARE In CHF, before impairment and divestments



# ACHIEVING STRATEGY 2025 AHEAD OF PLAN RECORD FREE CASH FLOW GENERATION AND CASH CONVERSION

## FREE CASH FLOW in CHF million



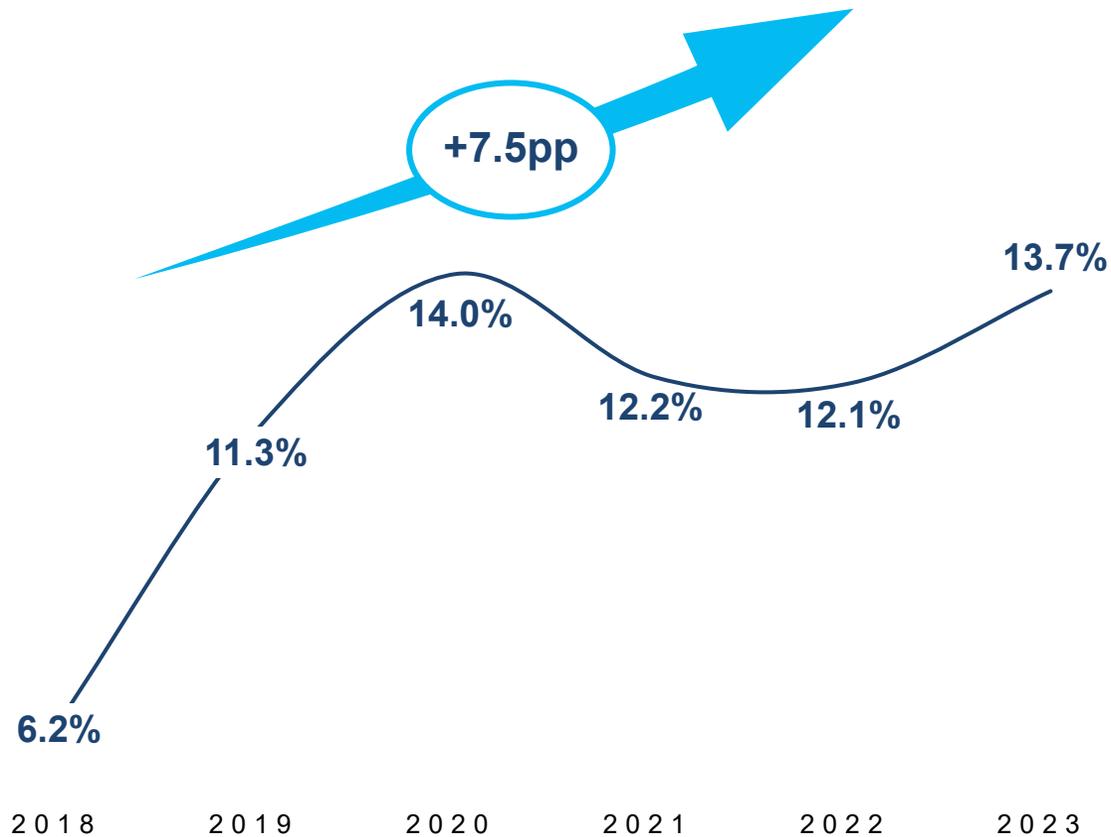
**Cash Conversion** - Free Cash Flow divided by Recurring EBITDA (after leases)



Generali Tower, Milan, Italy  
Built with Holcim low-carbon materials  
to achieve LEED certification

# ACHIEVING STRATEGY 2025 AHEAD OF PLAN SUSTAINABLE INDUSTRY-LEADING FREE CASH FLOW MARGIN

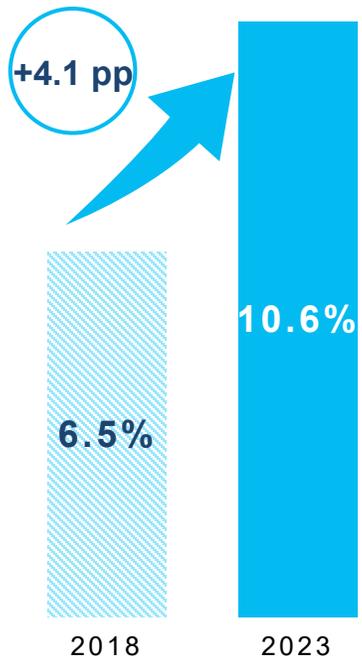
FREE CASH FLOW MARGIN<sup>1</sup>



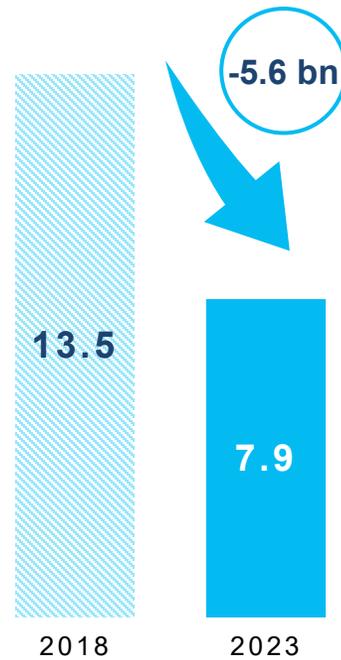
# ACHIEVING STRATEGY 2025 AHEAD OF PLAN

## FINANCIAL STRENGTH FROM BALANCE SHEET TO CREDIT RATING

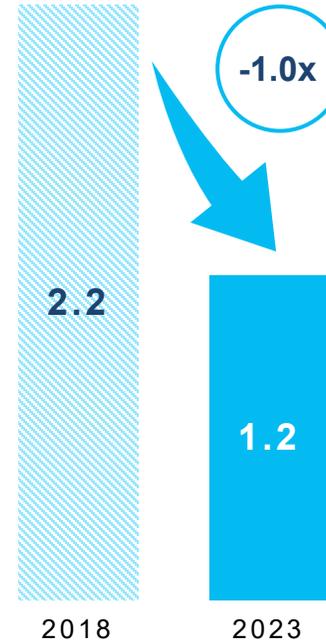
ROIC



NET DEBT  
in CHF billion



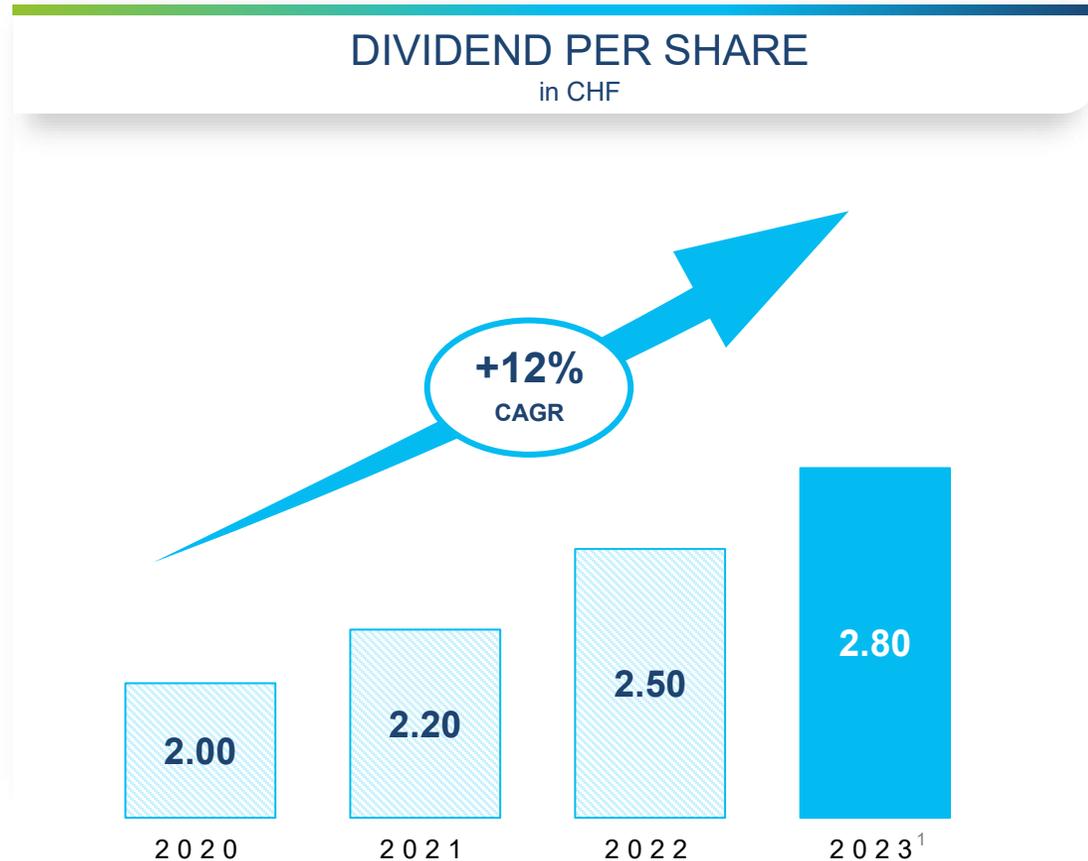
DEBT LEVERAGE  
Net Debt / recurring EBITDA



CREDIT RATING

2018	2023
BBB   Baa2	BBB+   Baa1
Outlook negative	Outlook stable

# ACHIEVING STRATEGY 2025 AHEAD OF PLAN DELIVERING SUPERIOR SHAREHOLDER RETURNS



- Delivering **superior shareholder returns with 12% annual growth in dividends** since 2020
- Dividends paid out of foreign capital contribution reserves and **not subject to Swiss withholding tax**

# ACHIEVING STRATEGY 2025 AHEAD OF PLAN

## 97 VALUE ACCRETIVE TRANSACTIONS 2018-2023

### Solutions & Products

6 major acquisitions

**Firestone**

Firestone Building Products

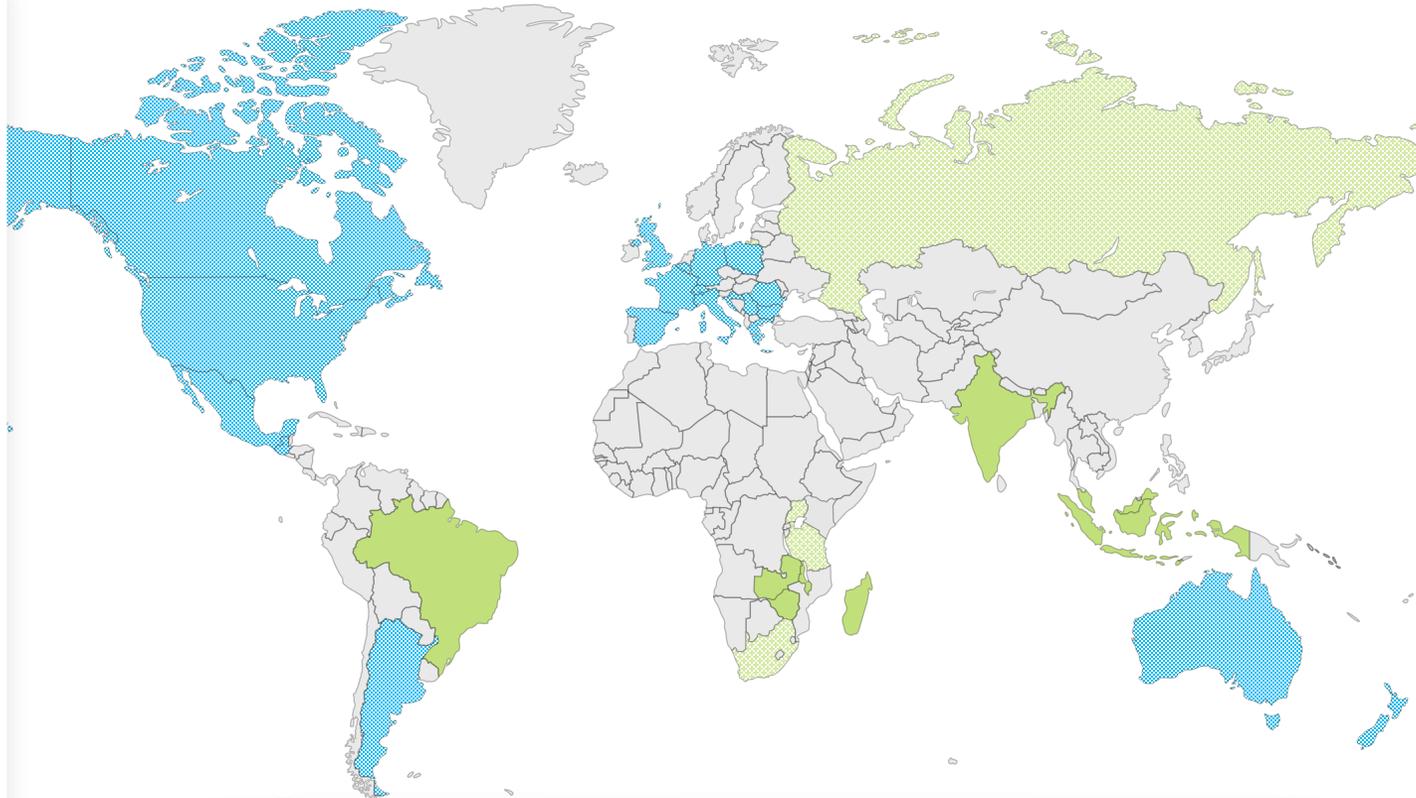
**Malarkey**  
Roofing Products

**DURO-LAST**  
THE WORLD'S BEST ROOF.

**ITW**  
Polymers Sealants  
North America

**SES**  
polyurethane systems

**IPRIB**  
Produits de Revêtement du Bâtiment



### Bolt-ons

72 acquisitions

Europe 41

North America 22

Latin America 5

Asia Pacific 4

80% family-owned businesses

### Divestments

19 divestments including  
India, Indonesia, Brazil, Malaysia

Acquisitions / Bolt-ons

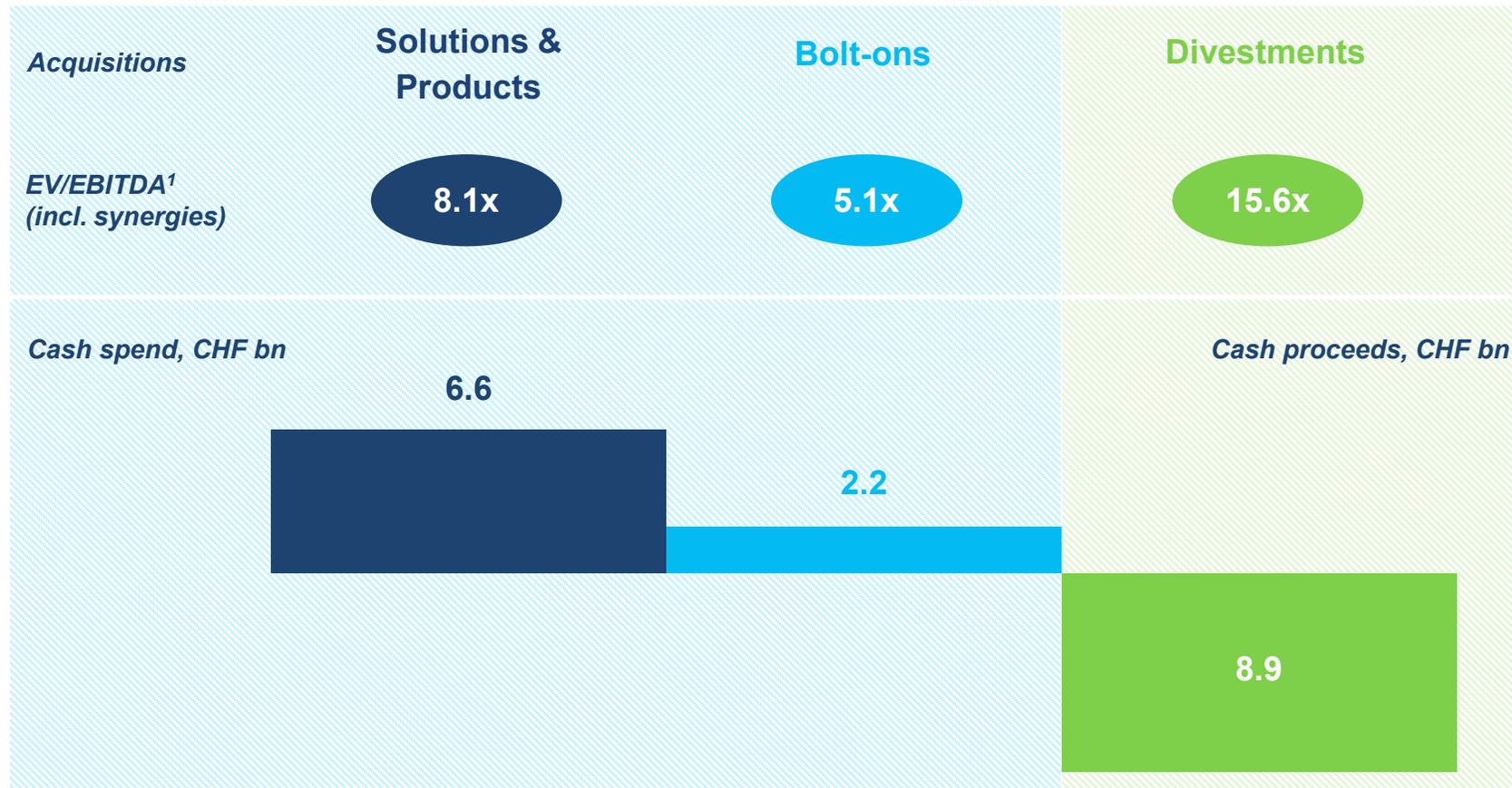
Divested

Divestment signed

# ACHIEVING STRATEGY 2025 AHEAD OF PLAN

## DISCIPLINED M&A FOR SUPERIOR VALUE CREATION

### EV MULTIPLES, CASH SPEND AND DIVESTMENT PROCEEDS (2018-2023)



# ACHIEVING STRATEGY 2025 AHEAD OF PLAN VALUE ACCRETIVE AND DISCIPLINED M&A PROCESS



**Growing momentum with 28 acquisitions** in 2023  
Representing **4% of Net Sales** on a pro forma basis



**80% of bolt-on acquisitions** are **family-owned** companies with significant synergy upside



**Disciplined M&A process** with average time from signing to closing of **4 months**



Full **accountability of local management** for integration and synergy delivery



Successful track record of value creation  
**EPS accretive** from year 1 and **ROIC accretive** in year 3

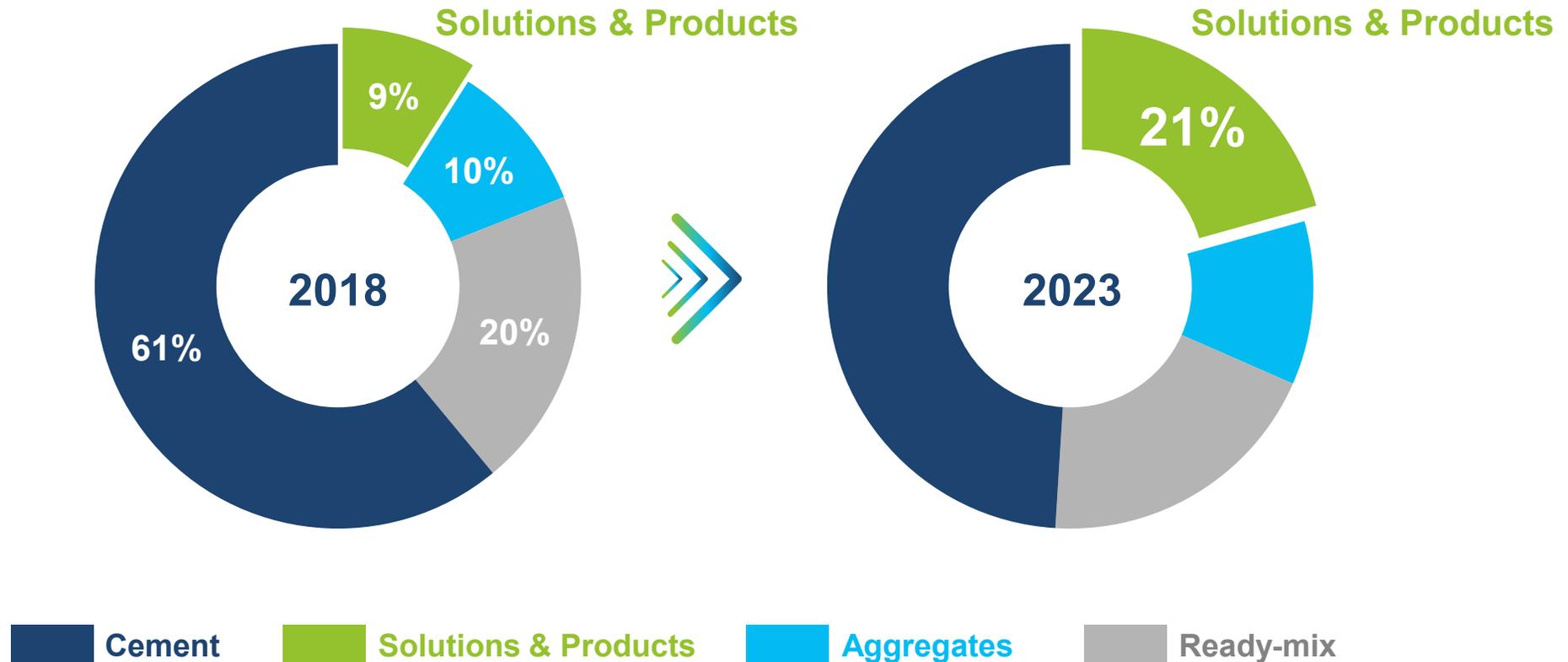


Parque La Mexicana, Mexico  
Built with Fuerte high-strength cement



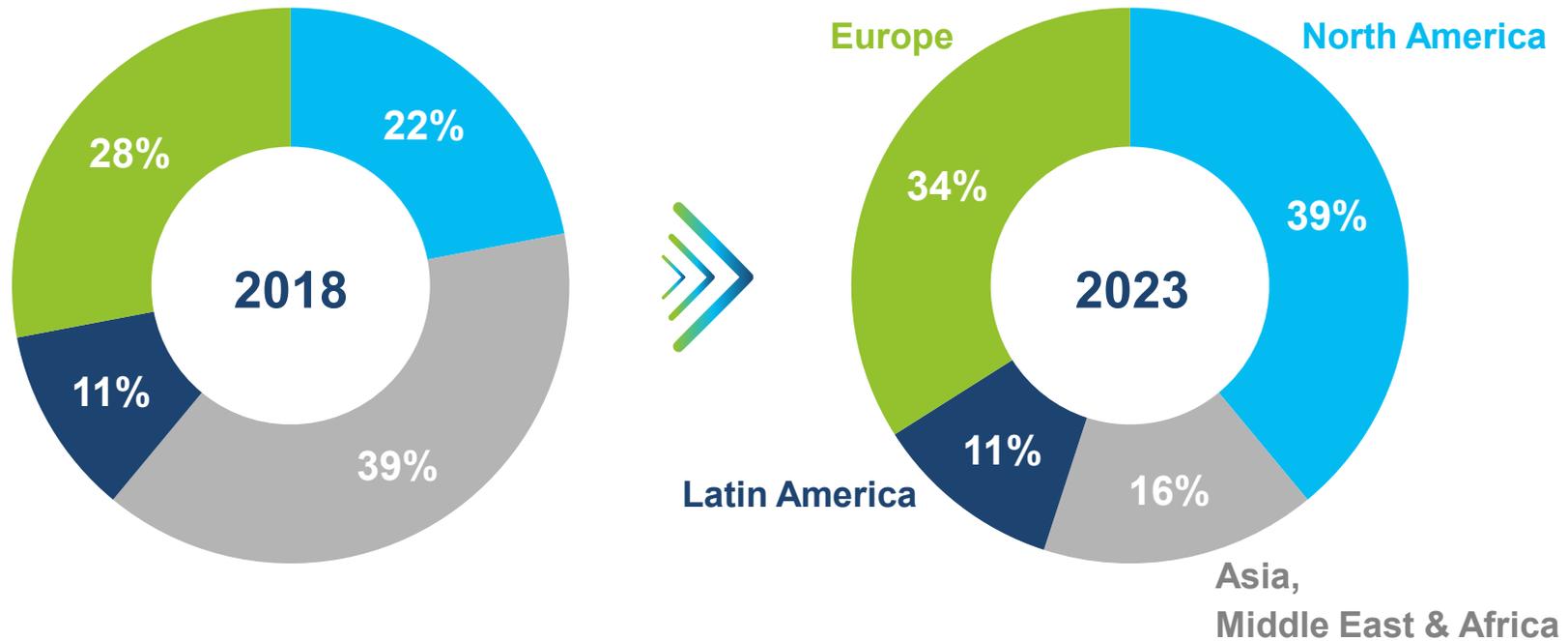
# ACHIEVING STRATEGY 2025 AHEAD OF PLAN RAPID EXPANSION OF SOLUTIONS & PRODUCTS

## NET SALES BY BUSINESS SEGMENT



# ACHIEVING STRATEGY 2025 AHEAD OF PLAN FAST GROWTH IN MOST ATTRACTIVE MARKETS

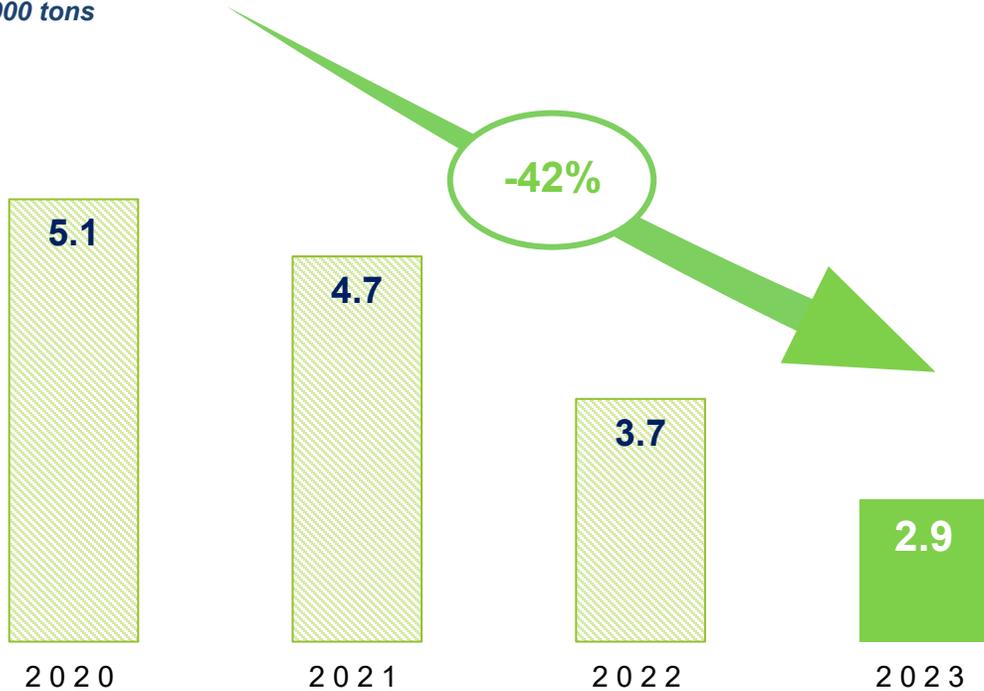
## NET SALES<sup>1</sup> BY MARKET



# ACHIEVING STRATEGY 2025 AHEAD OF PLAN DECARBONIZATION DRIVING PROFITABLE GROWTH

## CO<sub>2</sub> PER MILLION OF NET SALES

000 tons



Essential Homes Research project  
Holcim and the Norman Foster Foundation  
Built with ECOPact, ECOCycle and Elevate inside

# ACHIEVING STRATEGY 2025 AHEAD OF PLAN GROWING MULTI-BILLION BRANDS TO MEET CUSTOMERS' NEEDS

30% OF NET SALES FROM ADVANCED BRANDED SOLUTIONS IN 2023

**ECOPlanet**  
The Low-Carbon Cement



A “2+ Billion CHF”  
Brand

19% of Cement Net Sales

2022: 7%

**ECO Pact**  
The Low-Carbon Concrete



A “1+ Billion CHF”  
Brand

19% of Ready-mix Net Sales

2022: 13%

**ECO Cycle**



Leader in circular construction

8.4 Mt, +24% recycled

Construction Demolition Materials versus 2022

**FUERTE** **APASCO**



“1+ Billion CHF”  
Brands

Flagship brands in Latin  
America

**OneCem**



A “2+ Billion CHF”  
Brand

Leading cement brand in  
the US

**ELEVATE**



A “2 Billion CHF”  
Brand

#1 most advanced system  
selling roofing brand

in North America

# ACHIEVING STRATEGY 2025 AHEAD OF PLAN EMPOWERED LEADERSHIP WITH STRONG PERFORMANCE CULTURE



Deeply embedded performance culture with **500+ P&L Leaders** empowered for customer-centric decision making



Transparent and accountable performance management with focus on **Group targets**



Proven track record in **value accretive acquisitions** with **full accountability** of local management



High employee engagement with a **world-class participation rate of 90%** in Gallup survey



Well established **Business School** from early career to leadership development with **85%** internal promotion rate



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# FINANCIAL HIGHLIGHTS

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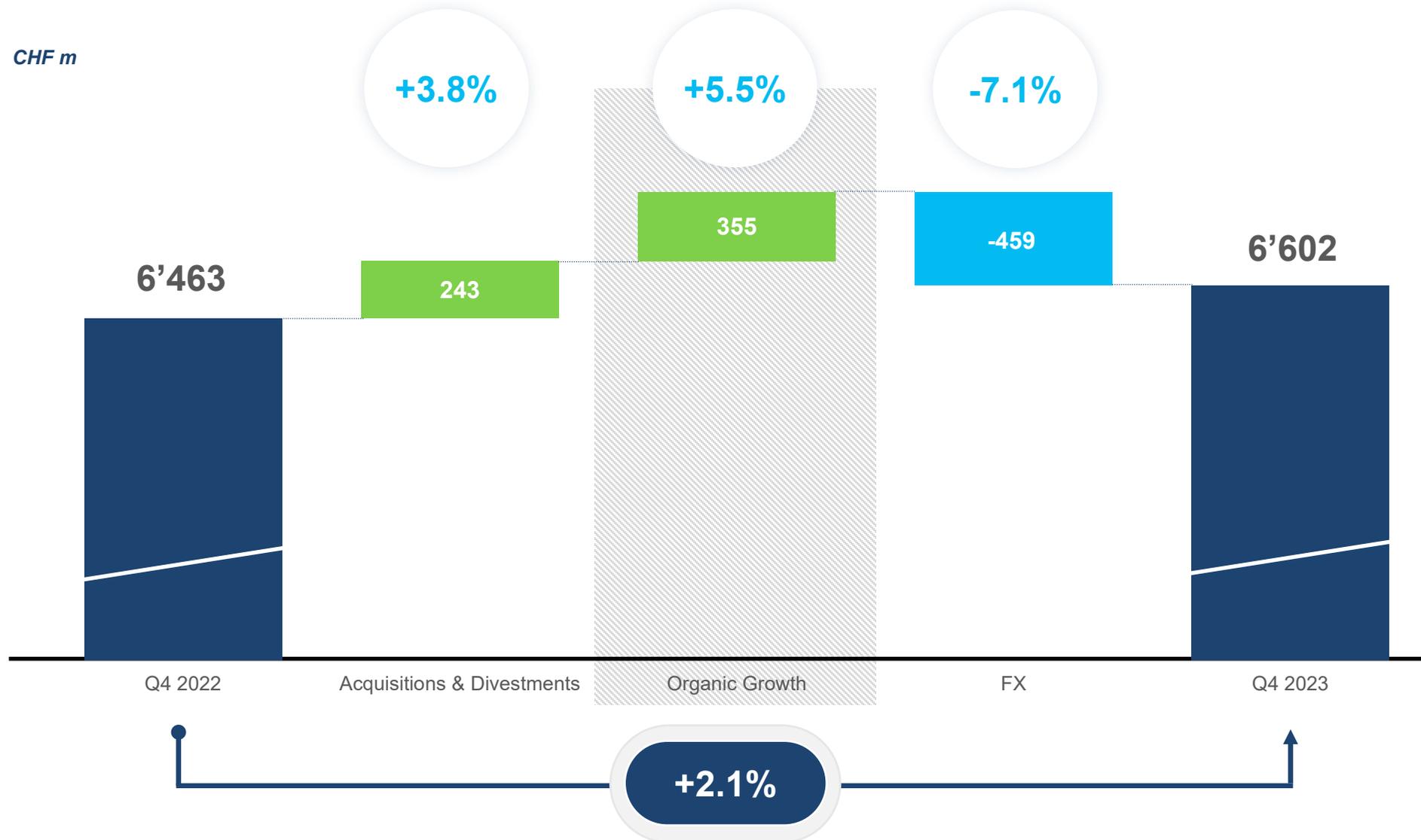
STEFFEN KINDLER | CHIEF FINANCIAL OFFICER



*Al Nahr, the Zeena tower, Beirut, Lebanon  
Built with Ductal®*

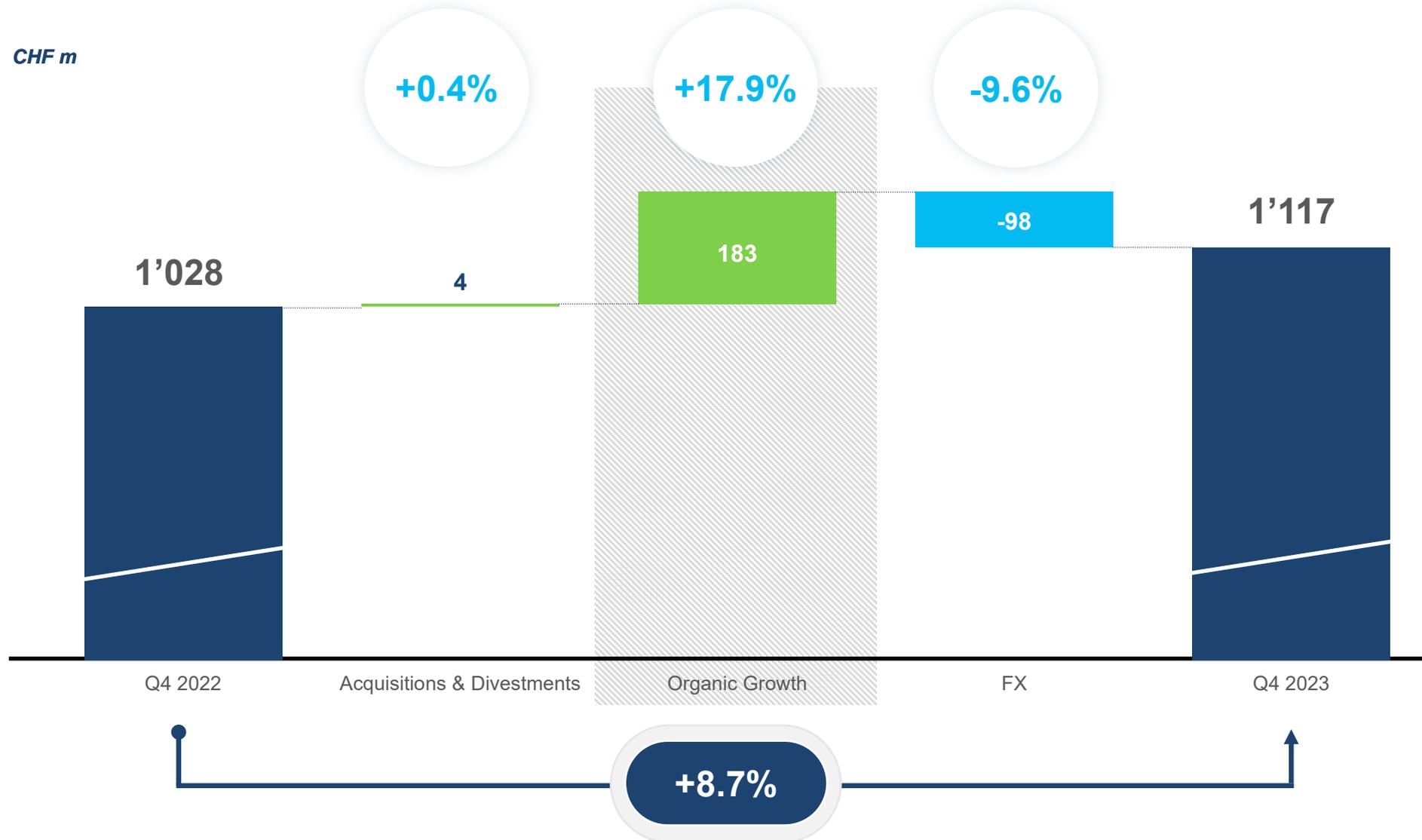
# Q4 2023 NET SALES BRIDGE

## ORGANIC NET SALES GROWTH OF +5.5%, +2.1% IN CHF



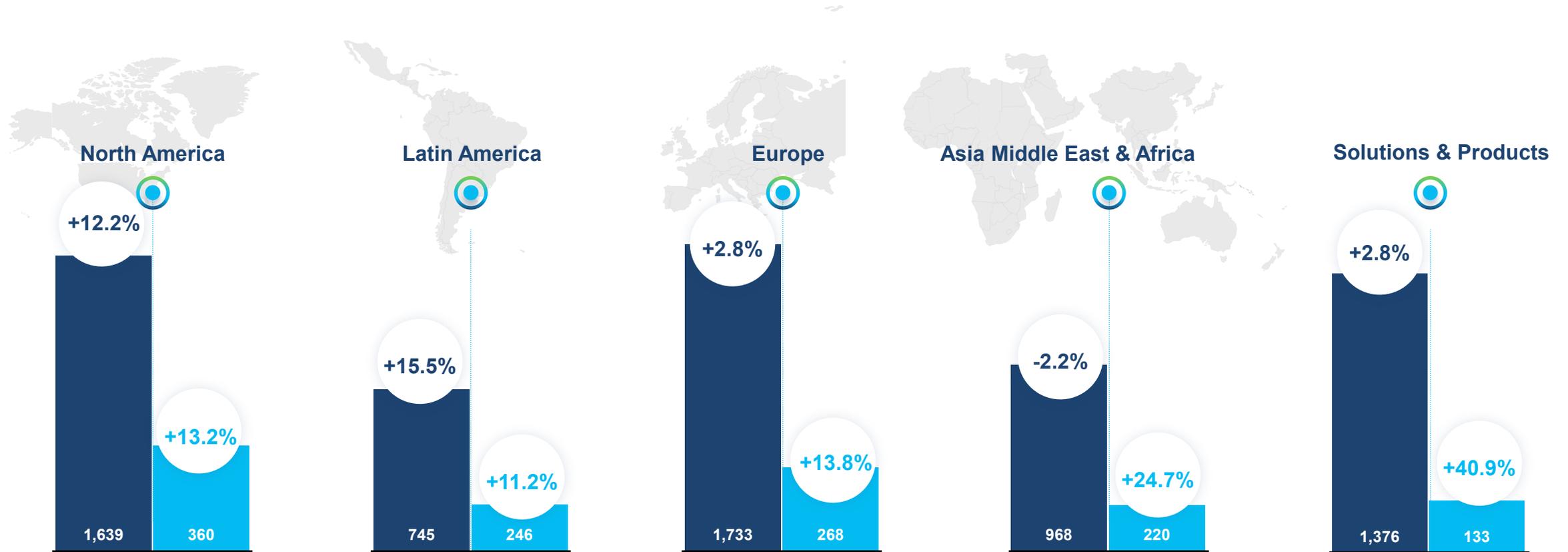
# Q4 2023 RECURRING EBIT BRIDGE

## PROFITABLE GROWTH MORE THAN OFFSETTING STRONG CHF



# Q4 2023 SEGMENT PERFORMANCE

## PROFITABLE GROWTH ACROSS ALL REGIONS



**NET SALES**  
to external customers (CHF m)

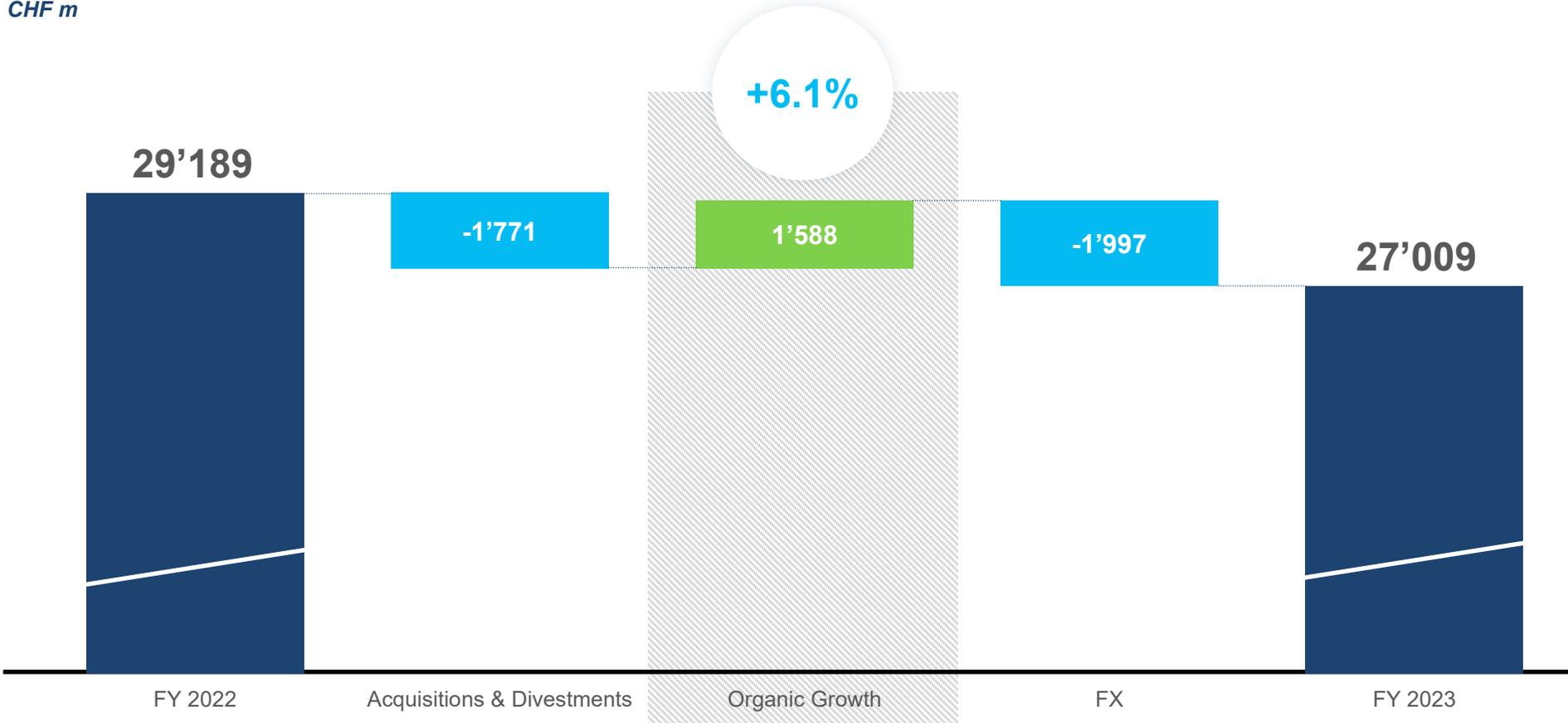
**RECURRING EBIT**  
(CHF m)

**% Total organic growth / decline**

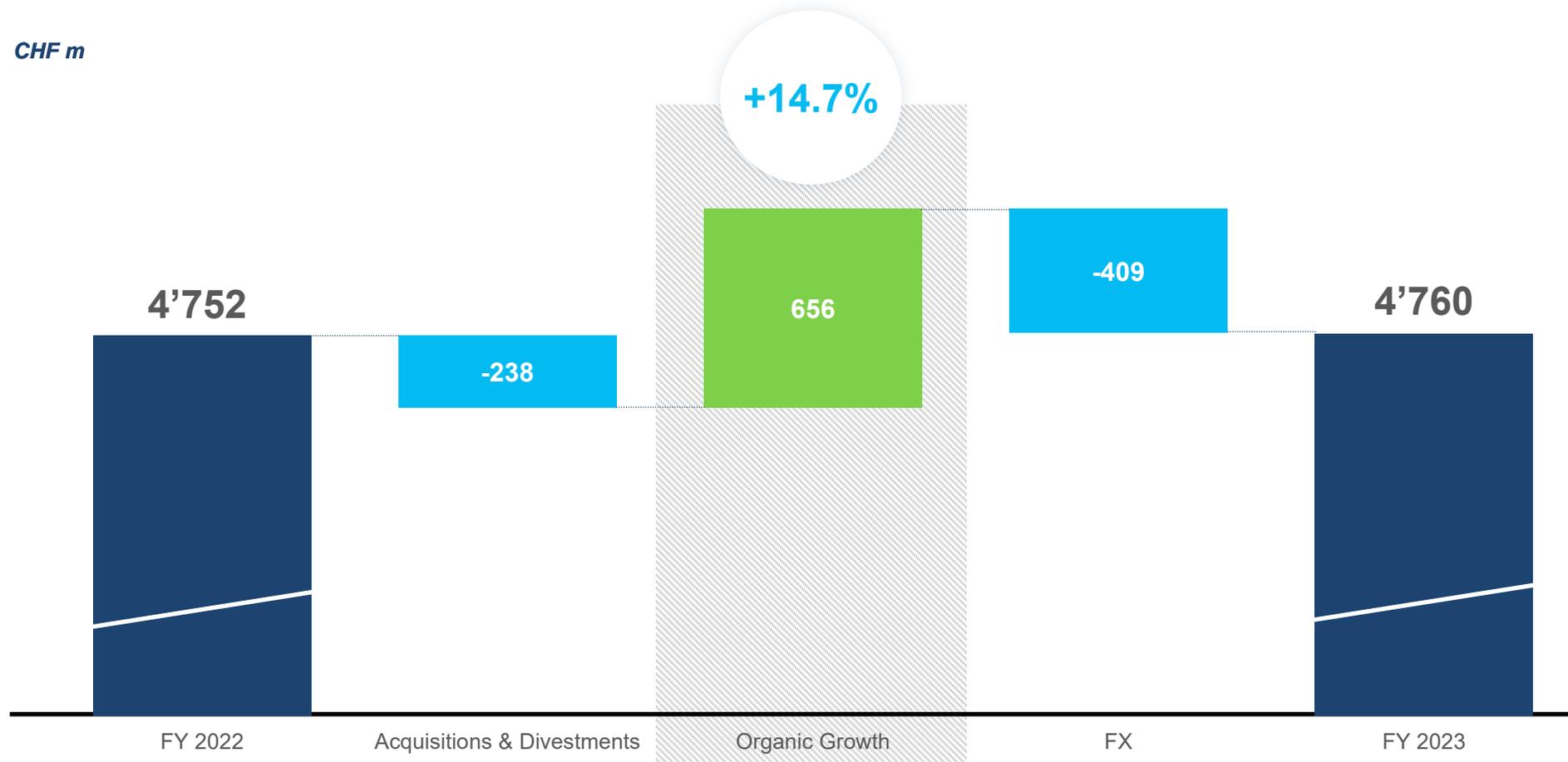
# 2023 NET SALES BRIDGE

## ORGANIC NET SALES GROWTH OF +6.1%

CHF m

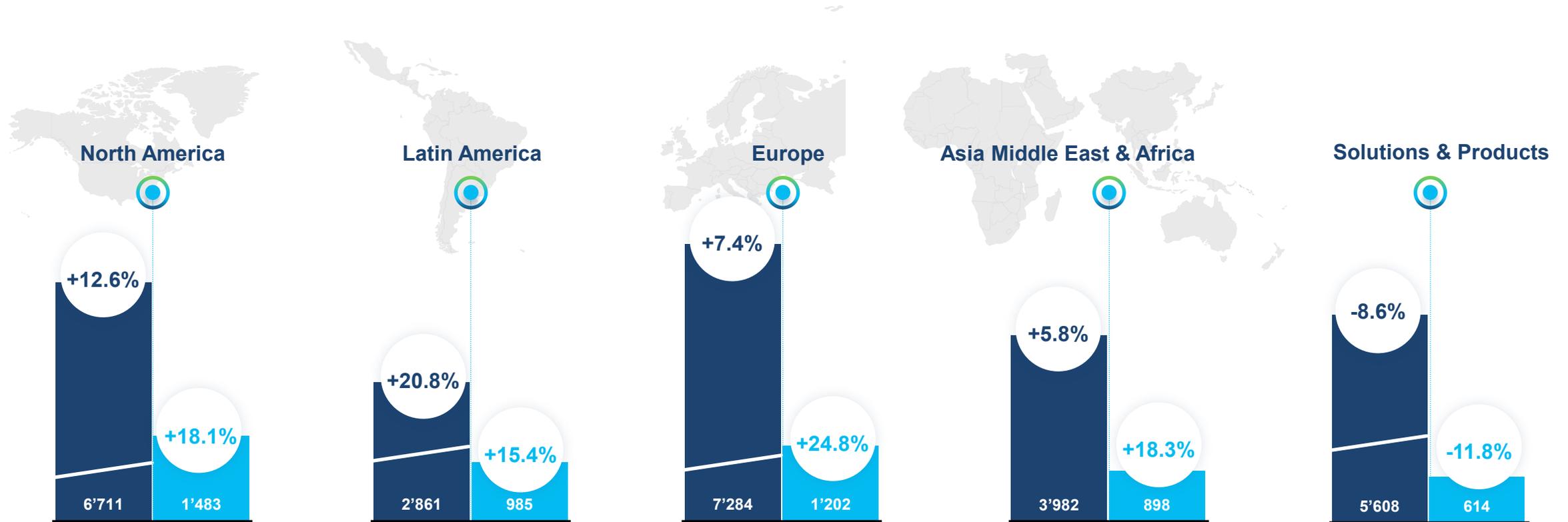


# 2023 RECURRING EBIT BRIDGE ORGANIC GROWTH OF +14.7%, RECORD RECURRING EBIT IN CHF



# 2023 SEGMENT PERFORMANCE

## STRONG EARNINGS PROFILE WITH BROAD-BASED GROWTH



**NET SALES**  
to external customers (CHF m)

**RECURRING EBIT**  
(CHF m)

**% Total organic growth / decline**

# NORTH AMERICA RECORD RESULTS



<sup>1</sup> Net Sales to external customers

- Record in Net Sales and recurring EBIT**  
 Strong margin of 21.7%
- Strong cement sales**  
 accelerated optimized distribution
- Significant price over cost**  
 across all segments
- 3 bolt-on acquisitions** in  
 Aggregates and Ready-mix



Populus Hotel, Denver, USA  
 Built with ECOPact low-carbon concrete

# LATIN AMERICA A YEAR OF RECORD PROFITABILITY



<sup>1</sup> Net Sales to external customers



**14th consecutive quarter of profitable organic growth**



**Strong performance across the region led by Mexico**



**Record recurring EBIT**  
Strong margin of 34.1%



**Significant CO<sub>2</sub> reduction** with increased use of alternative fuels and **low carbon products**



Moranta tower, Mexico  
Built with ECOPact low-carbon concrete

# EUROPE RECORD PERFORMANCE IN 2023



<sup>1</sup> Net Sales to external customers

## Record in Net Sales and recurring EBIT

Strong margin of 15.8%

90+ recycling centers across Europe, leading in circularity

12 bolt-on acquisitions in Aggregates, Ready-mix and Construction Demolition Materials

Accelerating decarbonization from low carbon formulations to CCUS



Finsbury Tower, London, UK  
Built with Ductal® high-performance concrete

# ASIA MIDDLE EAST & AFRICA SIGNIFICANT INCREASE IN MARGIN



<sup>1</sup> Net Sales to external customers

<sup>2</sup> Contribution from share of net income from JVs: CHF 252 m in 2023 vs. CHF 273 m in 2022



**Strong margin of 21.2%**  
Margin expansion of +5.3pp



**2 bolt-on acquisitions** in  
Australia and New Zealand



**Strong results** across the  
region **led by Australia**



**Divestments of South  
Africa, Uganda and Tanzania**  
signed



Wasl Tower, Dubai, UAE  
Built with Airium insulation system

# SOLUTIONS & PRODUCTS DEMAND RECOVERY IN Q4



<sup>1</sup> Net Sales to external customers

Positive growth momentum in Q4 to continue into 2024

Strong growth in advanced mortars in Europe

Margin expansion in Q4

11 acquisitions including iconic brand **Duro-Last**



Gare Maritime, Belgium

Built with Elevate RubberGard EPDM copyright: © Filip Dujardin

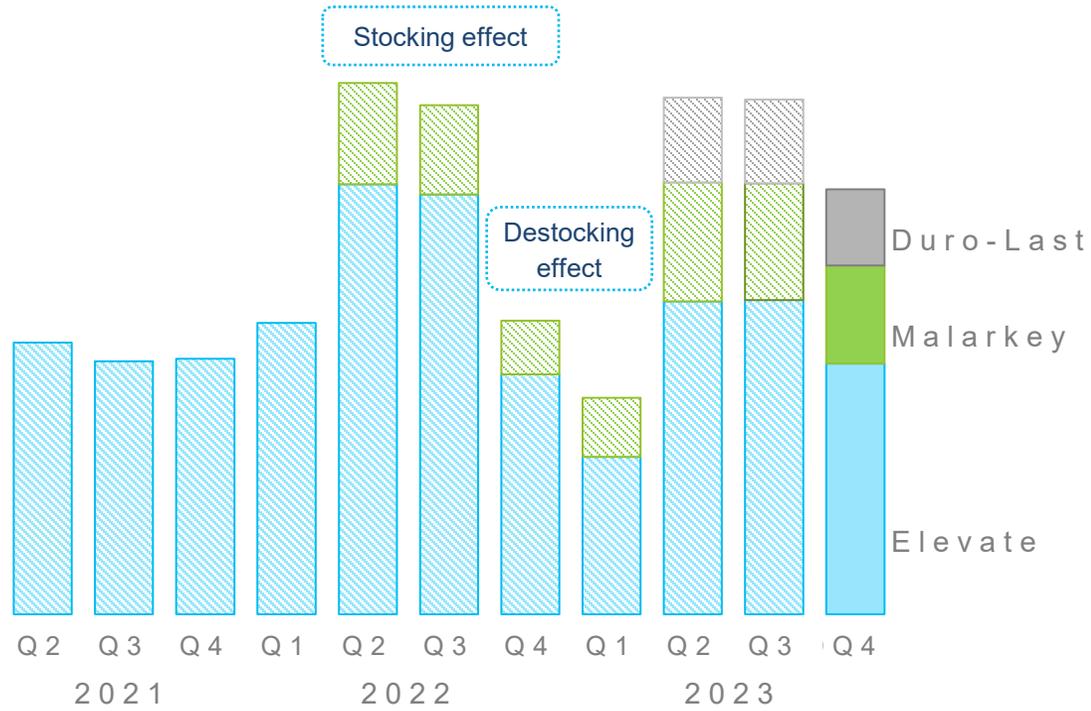


# SOLUTIONS & PRODUCTS

## DESTOCKING OVER, GOOD DEMAND AHEAD

### Roofing Systems – Net Sales

In USD



Architectural Shingles on a residential home, USA  
 Built with Malarkey's NEX® sustainable shingle technology

# 2023 FINANCIAL PERFORMANCE

## RECORD EPS OF CHF 5.42, UP 9.2%

CHF m

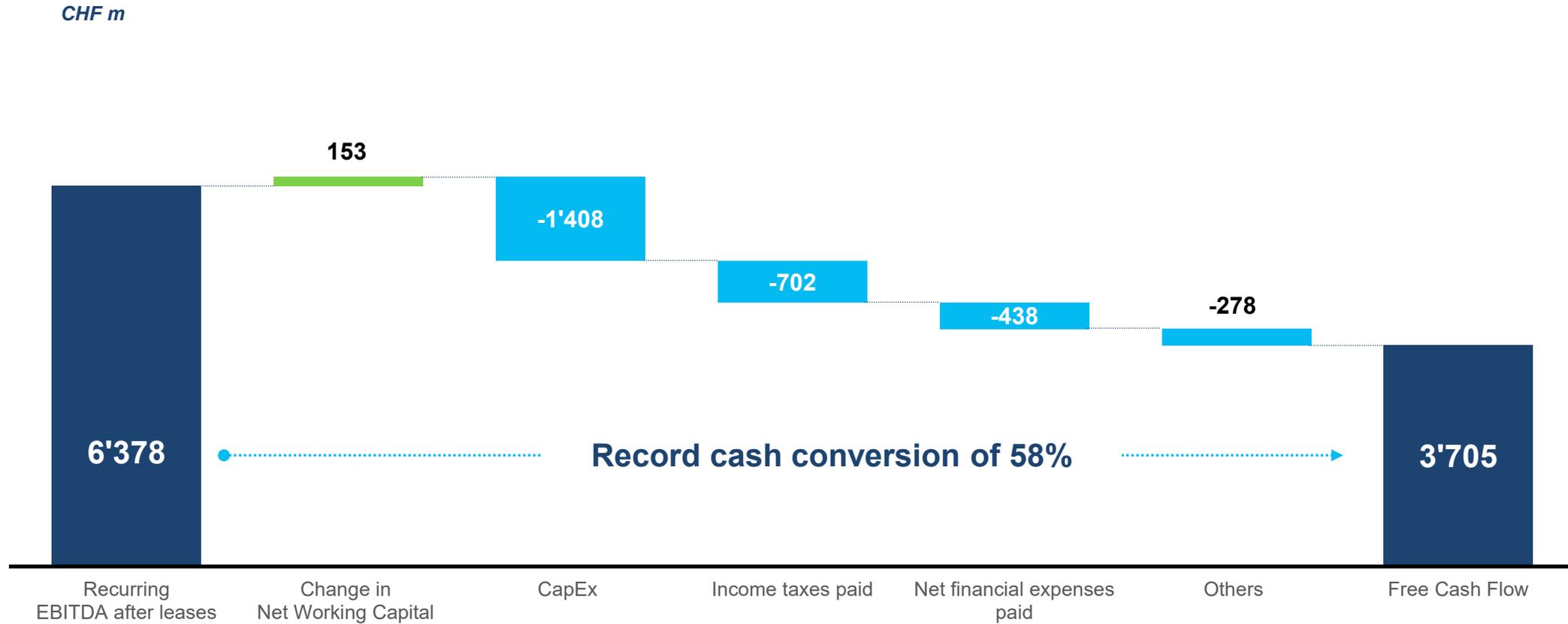
	2022	2023	CHANGE
<i>Before impairment, divestments &amp; DOJ resolution</i>			
Net Sales	29'189	27'009	-2'180
<b>RECURRING EBIT</b>	<b>4'752</b>	<b>4'760</b>	<b>8</b>
Restructuring, litigation and others	-66	-84	-18
<b>OPERATING PROFIT (EBIT)</b>	<b>4'686</b>	<b>4'676</b>	<b>-10</b>
Profit on disposals and other non-operating items	48	17	-31
Share of profit of associates	17	23	6
Net financial expenses	-459	-499	-40
<b>NET INCOME BEFORE TAXES</b>	<b>4'293</b>	<b>4'218</b>	<b>-75</b>
Income taxes	-1'067	-1'012	55
Effective Tax Rate (ETR)	25%	24%	
<b>NET INCOME</b>	<b>3'226</b>	<b>3'205</b>	<b>-21</b>
Net Income, Non-controlling interests	228	116	-112
<b>NET INCOME GROUP SHARE</b>	<b>2'998</b>	<b>3'089</b>	<b>91</b>
<b>EPS (CHF)</b>	<b>4.96</b>	<b>5.42</b>	<b>0.46</b>

Record recurring EBIT

Record EPS of CHF 5.42 up +9.2%

# 2023 FREE CASH FLOW BRIDGE

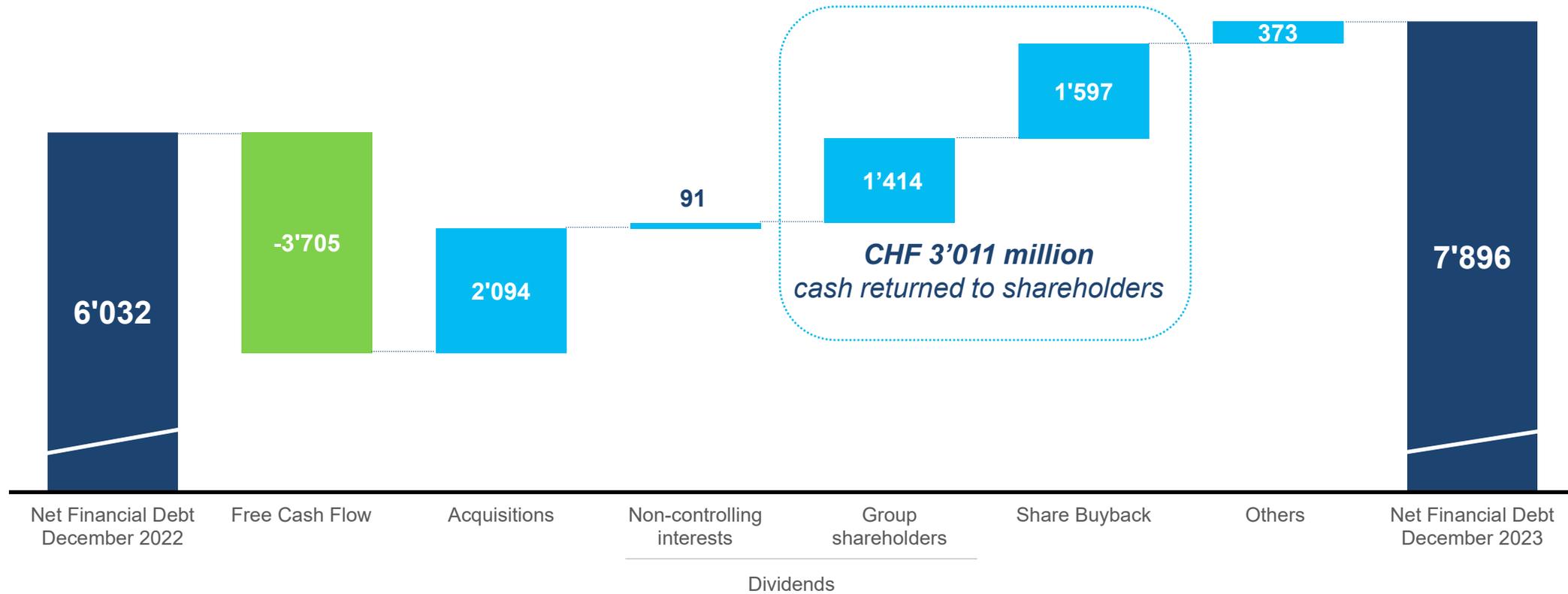
## RECORD FREE CASH FLOW OF CHF 3'705 MILLION



# NET FINANCIAL DEBT

## CHF 3'011 MILLION CASH RETURNED TO SHAREHOLDERS IN 2023

CHF m

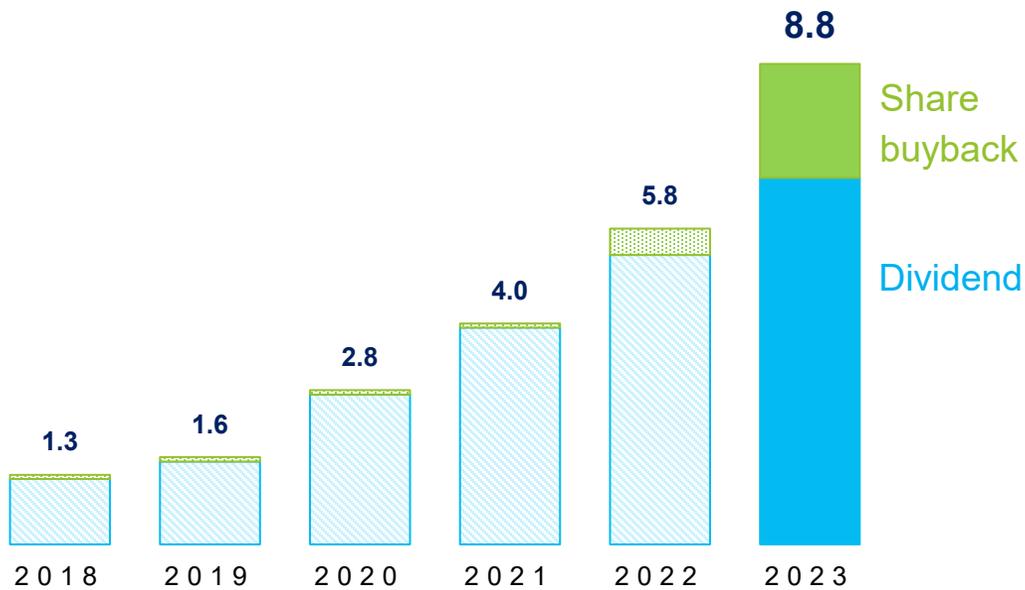


# CAPITAL ALLOCATION ATTRACTIVE SHAREHOLDER RETURNS

## INCREASING SHAREHOLDER RETURNS...

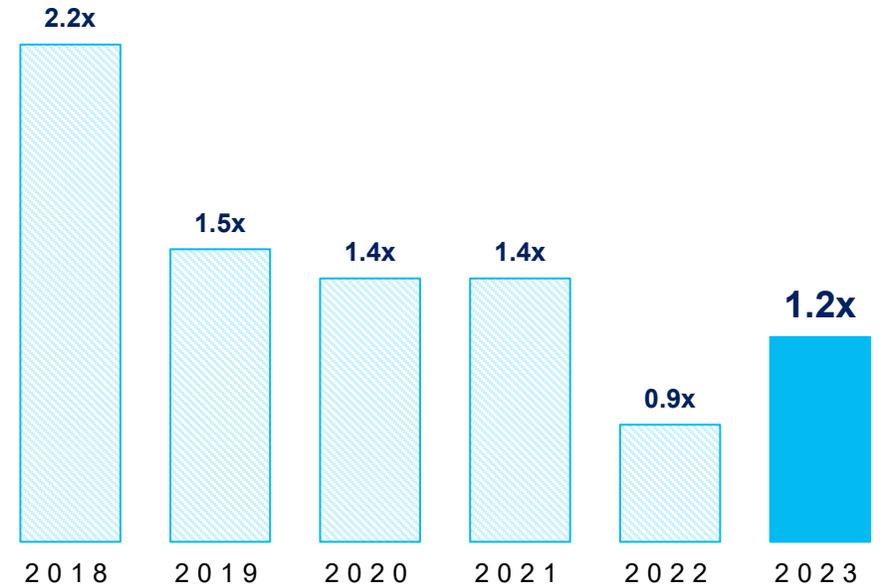
**CHF 8.8 billion cash returned to shareholders** since 2018

*Cumulative cash returned to shareholders, CHF bn*



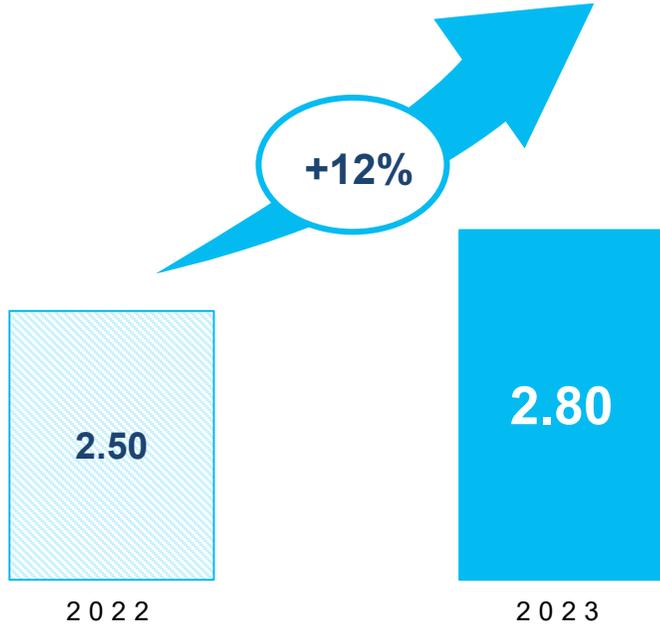
## ...WHILE STRENGTHENING THE BALANCE SHEET

*Net Financial Debt / Recurring EBITDA*



# CAPITAL ALLOCATION DELIVERING INCREASING DIVIDEND

## DIVIDEND PER SHARE in CHF



- **12% increase in dividend** vs 2022 to **CHF 2.80** per share to be proposed at AGM on May 8, 2024
- Dividend to be paid out of foreign capital contribution reserves and **not subject to Swiss withholding tax**

# CAPITAL ALLOCATION INITIATING A NEW SHARE BUYBACK

1 RECORD FREE CASH FLOW AND POSITIVE OUTLOOK

2 STRONG BALANCE SHEET

3 ATTRACTIVE SHAREHOLDER RETURNS

## LAUNCH OF NEW SHARE BUYBACK PROGRAM

- New share buyback of CHF 1 billion in 2024
- Share buyback program to be executed on a 2nd trading line at SIX Swiss Exchange
- Shares cancellation to be approved at the AGM in 2025



*Arlington Memorial Bridge, Washington D.C., USA  
Rehabilitation with Holcim materials*

03.

# OUTLOOK AND GUIDANCE 2024

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MILJAN GUTOVIC | CEO DESIGNATE



*Eleven on the river, Minneapolis, USA  
Built with ECOPact, the low-carbon concrete*

# OUTLOOK AND GUIDANCE 2024

## CONTINUED PROFITABLE GROWTH AND STRONG CASH GENERATION



*San Raffaele Hospital, Milan, Italy  
Built with Holcim's innovative building solutions*



- Organic Net Sales growth of above 4%**  
**Additional growth from M&A of above 2%**
- Over proportional growth in recurring EBIT**
- Increase in recurring EBIT margin to 18%**
- Free Cash Flow of above CHF 3 billion**
- 20% growth in recycled Construction Demolition Materials to 10 Mt**
- Progress towards US listing of North American business**

# UPCOMING EVENTS



<b>APRIL 25, 2024</b>	Q1 2024 Trading Update
<b>MAY 8, 2024</b>	Annual General Meeting
<b>JULY 26, 2024</b>	Half Year 2024 Results
<b>OCTOBER 25, 2024</b>	Q3 2024 Trading Update
<b>FEBRUARY 28, 2025</b>	Full Year 2024 Results

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