



LafargeHolcim divests activities in the Philippines

LafargeHolcim has signed an agreement with San Miguel Corporation for the divestment of its entire 85.7 percent shareholding in Holcim Philippines Inc. for an enterprise value of USD 2.15 billion, on a 100 percent basis. Closing of the transaction is expected in Q4 2019 and is subject to customary and regulatory approvals.

Holcim Philippines Inc. operates four integrated cement plants and one grinding plant. San Miguel Corporation is one of the Philippines' leading diversified conglomerates with operations in beverages, food, packaging, fuel and oil, power and infrastructure.

The proceeds of this transaction will allow LafargeHolcim to further improve its debt ratio by approximately 0.3 times. With the divestment of its activities in Indonesia, Malaysia, Singapore and the Philippines, LafargeHolcim exits South East Asia at a total enterprise value (EV) of USD 4.9 billion representing a 2018 EV/Recurring EBITDA multiple above 21 times. These transactions are highly value accretive and result in a significant deleverage of 0.6 times Net Debt to Recurring EBITDA ratio*.

Jan Jenisch, CEO: "With the divestment of our activities in the Philippines, we are completing our exit from the increasingly hyper competitive arena in South East Asia. While this decision is based on our strategic portfolio review, we have reached very attractive valuations allowing us to achieve a new level of financial strength. We will have over performed our target ratio of Net Debt to Recurring EBITDA of 2 times or less* by the end of 2019. We have delivered on the promised strengthening of our balance sheet and we are on track to accelerate the execution of our Strategy 2022 – 'Building for Growth'."

*Before application of IFRS 16, at constant foreign exchange and provided that the transaction is closed before end of 2019

About LafargeHolcim

LafargeHolcim is the global leader in building materials and solutions. We are active in four business segments: Cement, Aggregates, Ready-Mix Concrete and Solutions & Products.

With leading positions in all regions of the world and a balanced portfolio between developing and mature markets, LafargeHolcim offers a broad range of high-quality building materials and solutions. LafargeHolcim experts solve the challenges that customers face around the world, whether they are building individual homes or major infrastructure projects. Demand for LafargeHolcim materials and solutions is driven by global population growth, urbanization, improved living standards and sustainable construction. Around 75,000 people work for the company in around 80 countries.

More information is available on www.lafargeholcim.com
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About San Miguel Corporation

San Miguel Corporation, together with its subsidiaries, is one of the largest and most diversified conglomerates in the Philippines by revenues and total assets, with sales that accounts for about 5.9% of the Philippine gross domestic product in 2018.

Originally founded in 1890 as a single brewery in the Philippines, SMC has transformed itself from a market-leading beverage, food and packaging business with a globally recognized beer brand, into a diversified conglomerate with market-leading businesses in fuel and oil, energy, infrastructure, and investment in banking. SMC owns a portfolio of companies that is tightly interwoven into the economic fabric of its home market, benefiting from and contributing to, the development and economic progress of the Philippines.

More information is available on www.sanmiguel.com.ph

This media release contains inside information.