

Accelerated growth momentum with +5.8% in Net Sales LFL in Q3; Over-proportional increase in Recurring EBITDA of +8.1% LFL

- Strong Net Sales growth of 5.8% LFL in Q3
- All four business segments contributing
- Over-proportional increase in Recurring EBITDA of 8.1% LFL in Q3
- SG&A cost savings program delivering results ahead of target

Group	Q3 2018	Q3 2017 ²	±%	±% LfL
Net Sales of cement	4,707	4,628	1.7	6.5
Net Sales of aggregates	1,175	1,120	4.9	6.0
Net Sales of ready-mix concrete	1,454	1,408	3.3	3.8
Net Sales of Solutions & Products	737	694	6.2	5.6
Net Sales ¹	7,362	7,175	2.6	5.8
Recurring EBITDA	1,867	1,774	5.2	8.1

All figures expressed in millions CHF.

Jan Jenisch, CEO: "In Q3 we were able to increase our positive momentum and to continue delivering on our Strategy 2022 – "Building for Growth". Despite headwinds from steep cost inflation, we delivered stronger Net Sales and our earnings grew even faster. I am very satisfied with our growth in volumes, our solid pricing and the impact of our cost and efficiency programs. We are executing at full speed on our Strategy 2022 – "Building for Growth"."

PERFORMANCE OVERVIEW

Like-for-like Net Sales grew by 5.8 percent for the third quarter and by 5.1 percent in the first nine months of 2018 compared to the prior-year period. Growth was driven by increased demand as well as sales price increases. All four business segments contributed to the Net Sales increase.

¹ Net Sales shown after eliminations.

² Net Sales Q3 2017 restated by CHF 231m due to the reporting of Gross Sales from trading activities, following the application of the IFRS 15, effective 1 January 2018. This had no impact on Recurring EBITDA. Recurring EBITDA Q3 2017 restated by CHF 24m due to the reclassification of the Group share of net income of Huaxin to joint ventures.

Recurring EBITDA grew over-proportionally by a very strong 8.1 percent in Q3 compared to the prior-year period on a like-for-like basis, demonstrating strong momentum. Steep cost inflation in energy and logistics was more than offset by the company's volume growth as well as the effectiveness of its pricing and efficiency programs.

The North America region delivered a robust contribution supported by favorable market conditions and successful commercial initiatives. Results from the Latin America region were lower in Q3 2018 compared to the very strong performance in the prior-year period, impacted by weakening demand in several countries. The Europe region delivered positive results overall, with continued good momentum from most key markets. The Middle East Africa region showed signs of stabilization in key markets. The Asia Pacific region had another strong quarter, supported by contributions from China and India as well as improved performance in South East Asia.

STRATEGY 2022

The execution of Strategy 2022 – “Building for Growth” is at full speed and well on track on all four value drivers: Growth, Simplification & Performance, Financial Strength and Vision & People.

On Growth: to date four bolt-on acquisitions have already been completed in highly attractive markets, the most recent being the acquisition of Denver (US)-based ready-mix concrete manufacturer Metro Mix in August. The July 2018 acquisition of the Vritz sandpit (FR) helps secure reserves in a well-positioned market for the next three decades. The business segments Aggregates and Ready-Mix Concrete achieved improved margins, a significant step in the implementation of the company's Strategy 2022 – “Building for Growth”.

On Simplification & Performance: with the successful implementation of a new operating model based on a corporate-light structure and simple reporting lines, the company has achieved significant progress in its CHF 400 million SG&A savings program. The execution of this program is ahead of plan and has started to deliver results in Q3. The corporate offices in Singapore and Miami have been closed and the Zurich and Paris offices will be closed within Q1 2019.

On Financial Strength: since June 2018, more than CHF 1.3 billion has been successfully refinanced at attractive terms leading to an improved debt maturity profile and a decrease in financing costs. Progress towards the divestment target of CHF 2 billion has been made.

OUTLOOK

The accelerated sales growth and over-proportional increase in Recurring EBITDA demonstrates the strength of Strategy 2022 – “Building for Growth”. This positive momentum is expected to continue in Q4 with the following underlying market trends:

- Continued growth in North America
- Softer cement demand in Latin America
- Strong markets in Europe
- Challenging but stabilizing conditions in Middle East Africa
- Continued demand growth in Asia

Based on the above trends and positive momentum, the Net Sales guidance for 2018 is adjusted upwards to 4 to 6 percent on a like-for-like basis (compared to 3 to 5 percent as previously guided).

While continued headwinds from cost inflation remain challenging, the volume growth, solid pricing and efficiency programs are expected to result in further growth in Recurring EBITDA in Q4. The Recurring EBITDA growth guidance for 2018 is adjusted to 3 to 5 percent on a like-for-like basis.

GROUP AND REGIONAL FIGURES

Group	Q3 2018	Q3 2017	±%	±% LfL	9M 2018	9M 2017	±%	±% LfL
Sales of cement (million tonnes)	57.2	56.2	1.9	5.1	165.4	163.8	1.0	4.6
Sales of aggregates (million tonnes)	80.0	80.1	-0.1	3.0	205.3	208.1	-1.4	1.5
Sales of ready-mix concrete (million m ³)	13.5	13.3	1.2	1.1	38.0	37.7	0.9	1.3
Net Sales (million CHF)	7,362	7,175	2.6	5.8	20,634	20,093	2.7	5.1
Recurring EBITDA (million CHF)	1,867	1,774	5.2	8.1	4,351	4,356	-0.1	2.5

Asia Pacific	Q3 2018	Q3 2017	±%	±% LfL	9M 2018	9M 2017	±%	±% LfL
Sales of cement (million tonnes)	21.1	21.6	-2.3	5.7	66.6	68.2	-2.4	5.3
Sales of aggregates (million tonnes)	7.8	8.1	-4.1	-4.1	23.6	23.7	-0.5	-0.5
Sales of ready-mix concrete (million m ³)	3.2	3.4	-5.4	-5.4	9.3	9.5	-1.8	-1.4
Net Sales (million CHF)	1,770	1,787	-0.9	7.0	5,576	5,463	2.1	8.6
Recurring EBITDA (million CHF)	378	308	22.7	35.0	1,151	1,000	15.1	22.6

Europe	Q3 2018	Q3 2017	±%	±% LfL	9M 2018	9M 2017	±%	±% LfL
Sales of cement (million tonnes)	12.6	12.1	3.8	3.8	33.9	32.3	4.9	4.9
Sales of aggregates (million tonnes)	32.0	33.9	-5.7	1.1	91.0	93.9	-3.1	2.8
Sales of ready-mix concrete (million m ³)	5.0	4.6	9.9	8.8	14.3	13.5	6.2	5.4
Net Sales (million CHF)	2,027	1,883	7.7	6.9	5,692	5,209	9.3	4.6
Recurring EBITDA (million CHF)	480	450	6.6	4.4	1,079	1,000	7.9	2.7

GROUP AND REGIONAL FIGURES (continued)

Latin America	Q3 2018	Q3 2017	±%	±% LfL	9M 2018	9M 2017	±%	±% LfL
Sales of cement (million tonnes)	6.3	6.7	-5.1	-3.6	18.9	18.5	2.4	6.3
Sales of aggregates (million tonnes)	1.0	1.0	-4.4	6.7	2.7	3.3	-19.0	-1.5
Sales of ready-mix concrete (million m ³)	1.4	1.4	-3.7	4.4	4.2	4.4	-5.7	11.8
Net Sales (million CHF)	698	746	-6.5	7.8	2,126	2,205	-3.6	11.1
Recurring EBITDA (million CHF)	251	288	-13.0	-5.5	739	785	-5.8	1.2

Middle East Africa	Q3 2018	Q3 2017	±%	±% LfL	9M 2018	9M 2017	±%	±% LfL
Sales of cement (million tonnes)	9.2	8.8	5.1	5.1	26.9	26.9	0.0	0.0
Sales of aggregates (million tonnes)	2.6	2.7	-5.8	-5.8	6.7	8.0	-16.3	-16.3
Sales of ready-mix concrete (million m ³)	1.1	1.1	1.2	1.2	3.1	3.6	-13.6	-13.6
Net Sales (million CHF)	772	803	-3.8	-1.3	2,306	2,541	-9.2	-5.5
Recurring EBITDA (million CHF)	200	232	-13.6	-9.8	566	824	-31.3	-26.9

North America	Q3 2018	Q3 2017	±%	±% LfL	9M 2018	9M 2017	±%	±% LfL
Sales of cement (million tonnes)	6.1	5.9	4.0	4.0	14.9	14.4	3.7	3.7
Sales of aggregates (million tonnes)	36.8	34.4	6.9	6.9	81.3	79.2	2.7	2.7
Sales of ready-mix concrete (million m ³)	2.8	2.9	-2.5	-5.0	7.2	6.7	6.1	-1.1
Net Sales (million CHF)	1,891	1,790	5.6	4.7	4,366	4,194	4.1	3.3
Recurring EBITDA (million CHF)	643	621	3.5	2.9	1,113	1,093	1.8	2.5

ADDITIONAL INFORMATION

Non-GAAP definitions

Some non-GAAP measures are used in this release to help describe the performance of LafargeHolcim. A full set of these non-GAAP definitions can be found on our [website](#).

Analyst presentation

The analyst presentation of the third quarter update is available on our website at www.lafargeholcim.com

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ABOUT LAFARGEHOLCIM

LafargeHolcim operates four businesses segments: Cement, Aggregates, Ready-Mix Concrete and Solutions & Products, which includes precast concrete, asphalt, mortar and building solutions. LafargeHolcim's broad portfolio is focused on solving the toughest challenges that masons, builders, architects and engineers face, from urbanization to population growth and the demand for affordable housing. Headquartered in Switzerland, LafargeHolcim holds leading positions in all regions across the globe. It employs approximately 80,000 employees in around 80 countries and has a portfolio that is equally balanced between developing and mature markets. More information is available on www.lafargeholcim.com

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