



# DELIVERING SUPERIOR PERFORMANCE

CAPITAL MARKETS DAY 2021

GÉRALDINE PICAUD / CHIEF FINANCIAL OFFICER

MARKUS UNTERNÄHRER / HEAD OF TREASURY



# AGENDA



**Financial targets 2022 over-achieved one year in advance**



**KPI 2025**



**Sustainability at the core of what we do**

# STRATEGY 2022 - “BUILDING FOR GROWTH”

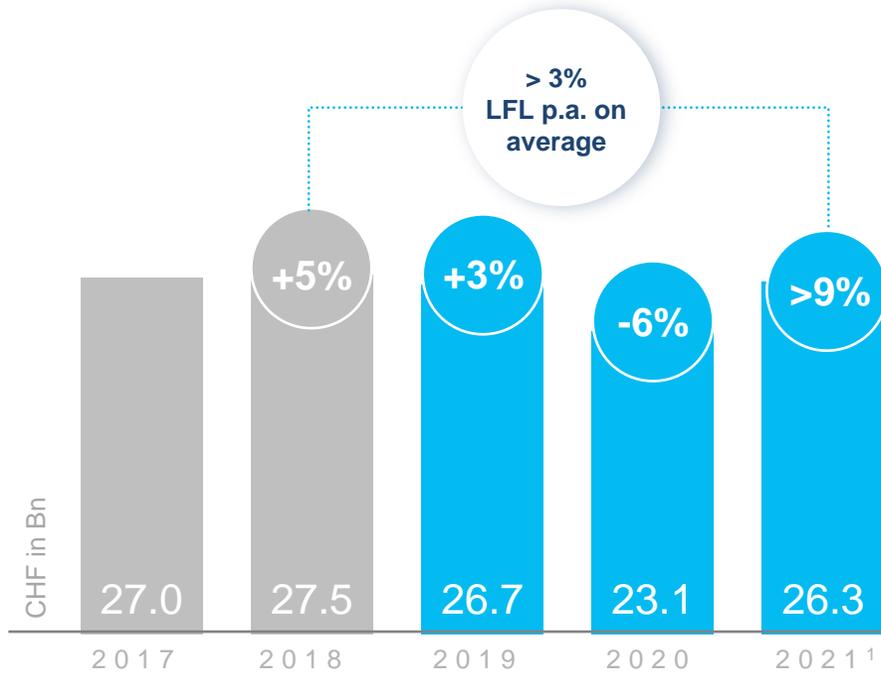
## WE DELIVERED WHAT WE PROMISED ONE YEAR IN ADVANCE

	STRATEGY 2022	2021 OUTLOOK
	NET SALES	3% - 5% LFL P.A. 
	RECURRING EBIT	AT LEAST 7% LFL P.A. 
	CASH CONVERSION	> 40% 
	ROIC	> 8% 
	LEVERAGE	BELOW 2X 

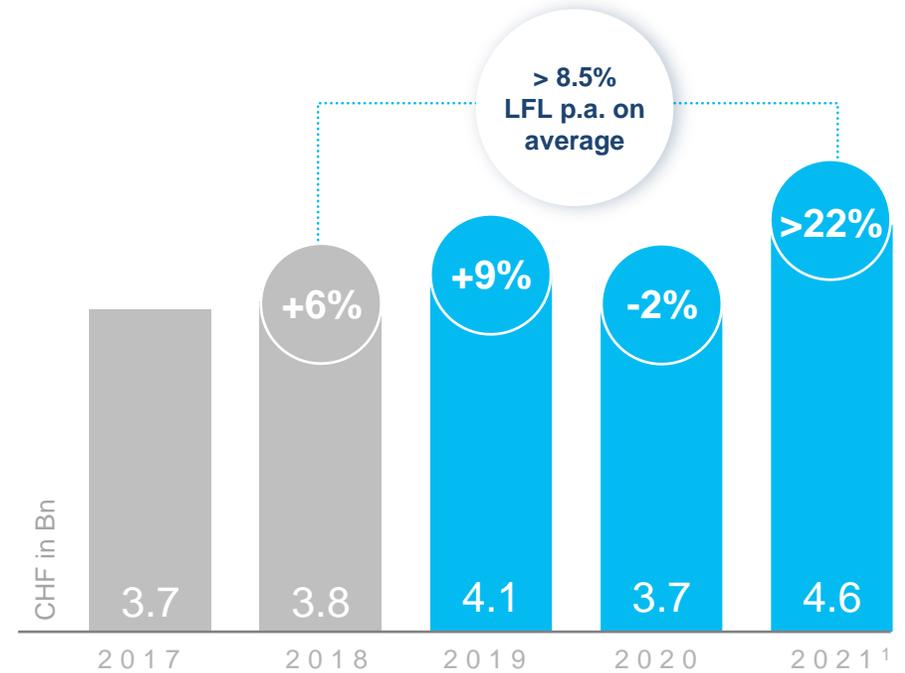
# FINANCIAL TARGETS 2022 OVER-ACHIEVED ONE YEAR IN ADVANCE

## GROWTH ACHIEVED DESPITE COVID, RECORD PROFITABILITY

### NET SALES



### RECURRING EBIT



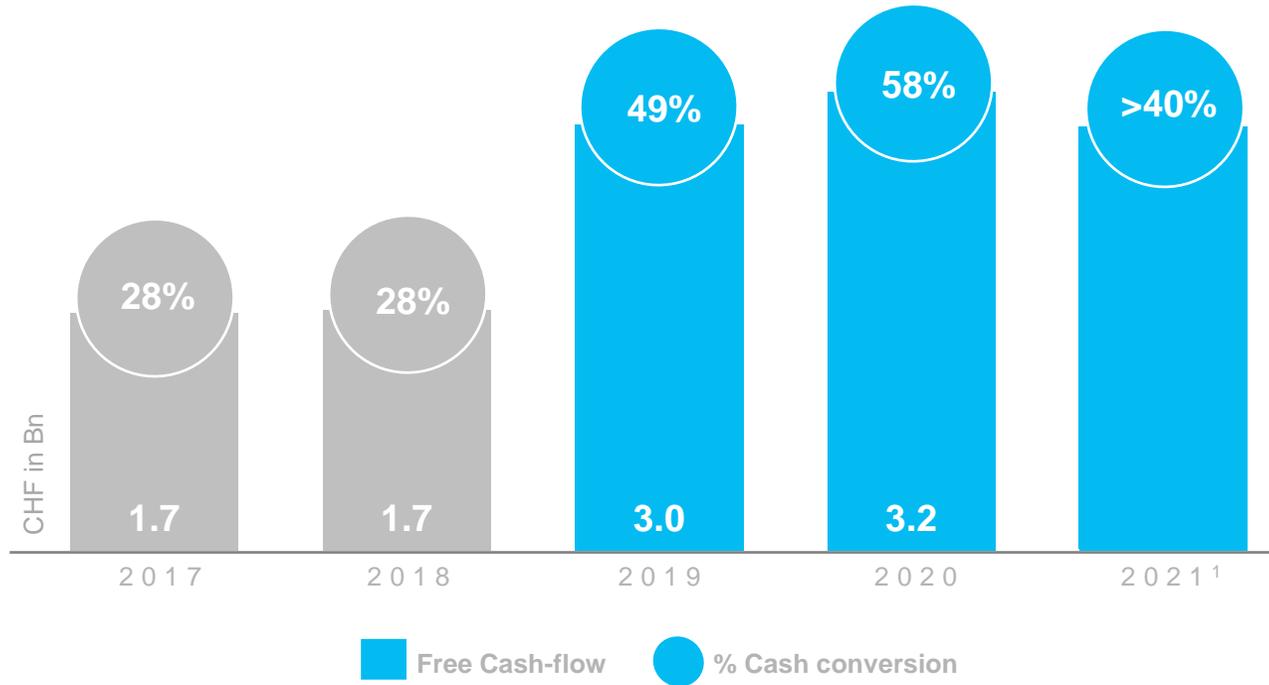
 % LFL

<sup>1</sup> Based on FY 2021 company collected consensus as of October, 2021

# FINANCIAL TARGETS 2022 OVER-ACHIEVED ONE YEAR IN ADVANCE

## IMPROVED FREE CASH FLOW GENERATION, CASH CONVERSION > 40%

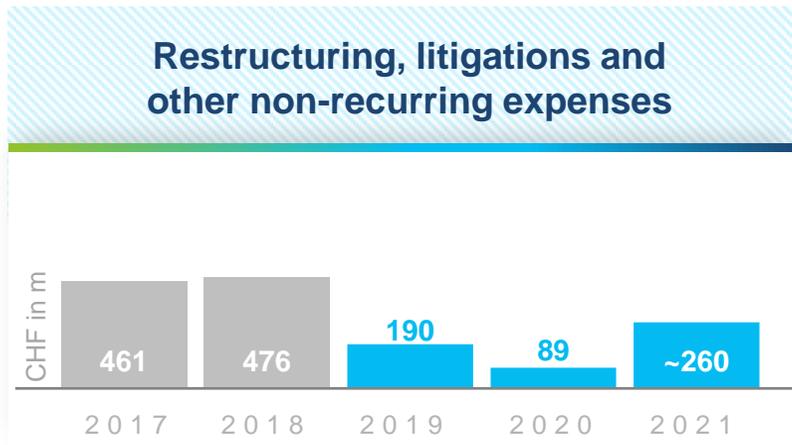
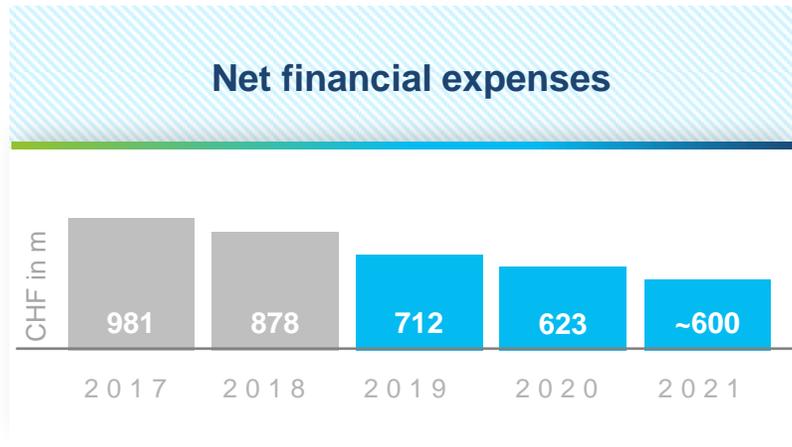
### FREE CASH FLOW



<sup>1</sup> Based on FY 2021 company collected consensus as of October, 2021

# FINANCIAL TARGETS 2022 OVER-ACHIEVED ONE YEAR IN ADVANCE

## CONTINUOUS SAVINGS IN NON-OPERATIONAL COSTS



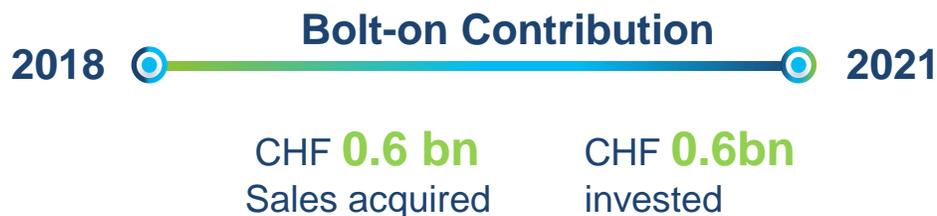
2017 and 2018 Pre IFRS16, all figures before impairment and divestments

# FINANCIAL TARGETS 2022 OVER-ACHIEVED ONE YEAR IN ADVANCE

## VALUE CREATED THROUGH BOLT-ON AND FIRESTONE DISCIPLINED ACQUISITIONS

### BOLT-ON

**28 Bolt-on acquisitions** completed to date since start of Strategy 2022  
Mainly Aggregates and Ready-Mix in mature markets



- Highly attractive markets (business and geographical complementarity)
- Fast integration and synergies delivery
- Significant value creation (ROIC achieving double digit Year 3), EPS accretive from Year 1

### FIRESTONE

**Firestone**  
Firestone Building Products

**Roofing Systems**  
Closed March 31<sup>st</sup> 2021  
**USD 1.8bn Sales** in 2020  
87% US business

#### Metrics

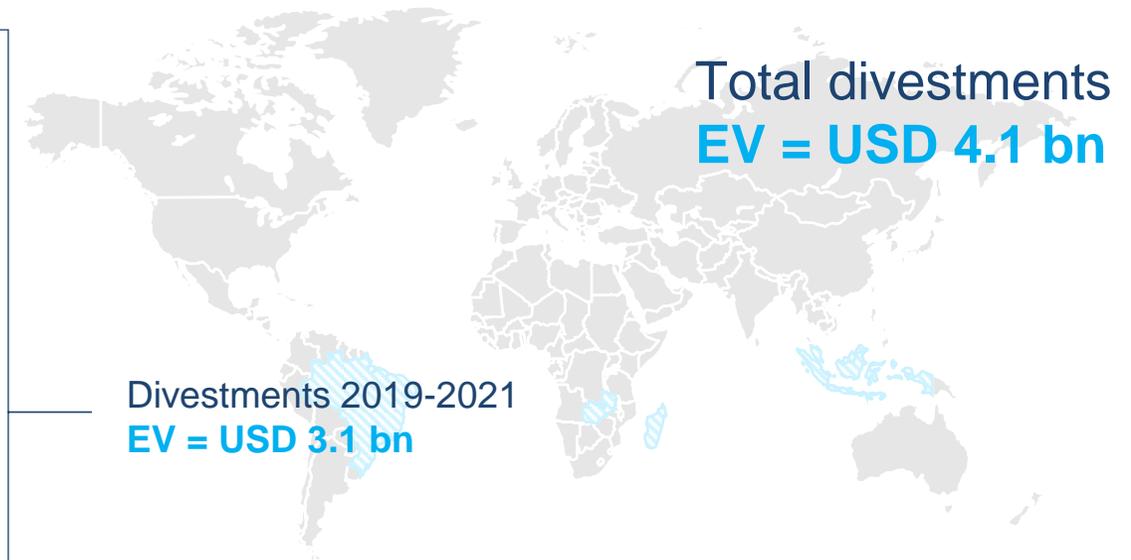
- ✓ USD 1.1bn Sales in **Apr-Sep 2021 (6 months)**
- ✓ **15% Organic growth vs PY**
- ✓ Synergies implementation on track
- ✓ USD **3.4bn** EV

- Potential for geographical expansion (GACO launch in Latam)
- Operational efficiencies opportunities with Holcim Group
- Platform for growth through investment in future Roofing Systems bolt-ons and addition of new capacities

# FINANCIAL TARGETS 2022 OVER-ACHIEVED ONE YEAR IN ADVANCE

## DIVESTMENTS OF USD 4.1 BN ACHIEVED

	DIVESTMENT YEAR	ENTERPRISE VALUE 100%, USD m
INDONESIA	2019	1'750
MALAYSIA	2019	990
SINGAPORE	2019	68
MALDIVES	2020	9
INDIAN OCEAN	2021	143
ZAMBIA & MALAWI	expected end of 2021	160
BRAZIL	expected 2022	1'025

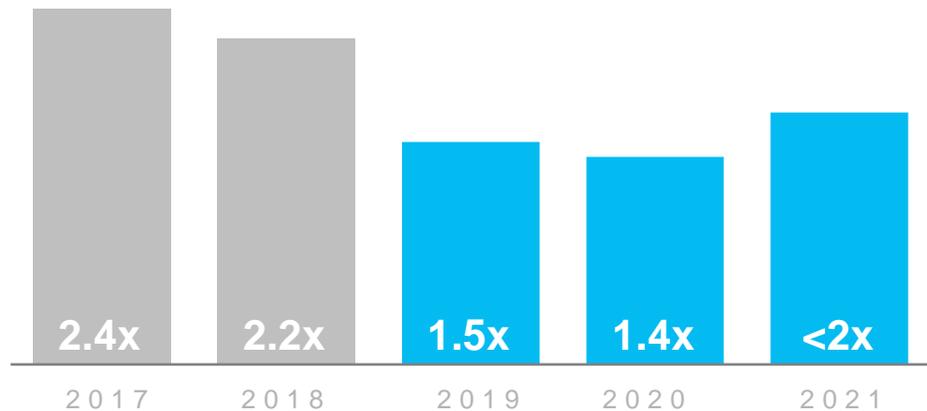


Divestments signed for 2022  
EV = USD 1.0 bn

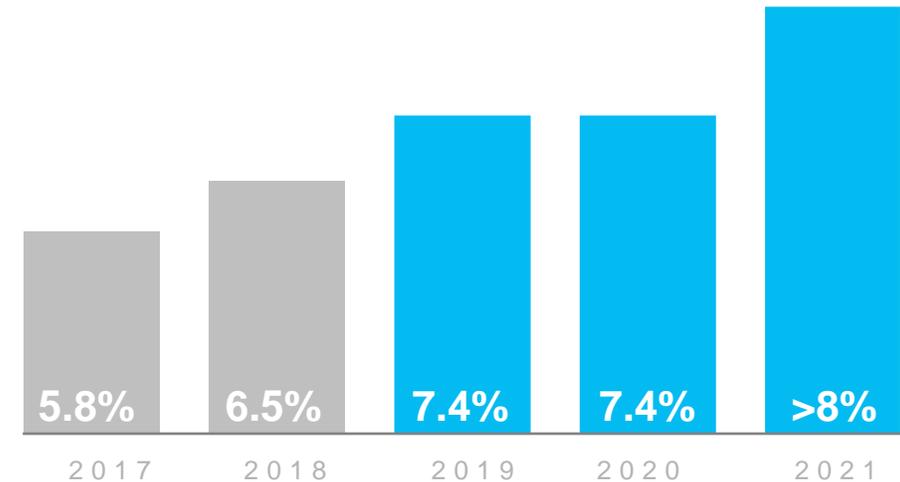
# FINANCIAL TARGETS 2022 OVER-ACHIEVED ONE YEAR IN ADVANCE

## BALANCE SHEET STRENGTHENED AND CAPITAL EFFICIENCY ACHIEVED

### LEVERAGE RATIO



### ROIC



Credit Rating from BBB Negative Outlook to BBB Positive Outlook

# AGENDA



**Financial  
targets 2022  
over-achieved  
one year  
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**KPI 2025**



**Sustainability  
at the core  
of what we do**

# KPI 2025

## BEST IN CLASS



Accelerate growth in **Solutions & Products** business segment to reach **30%** of the Group's Net Sales by 2025

**Solutions & Products' growth** to be executed and funded by M&A

**SUSTAINABILITY** at the core of our capital allocation

Financial KPI  
**Best in Class**

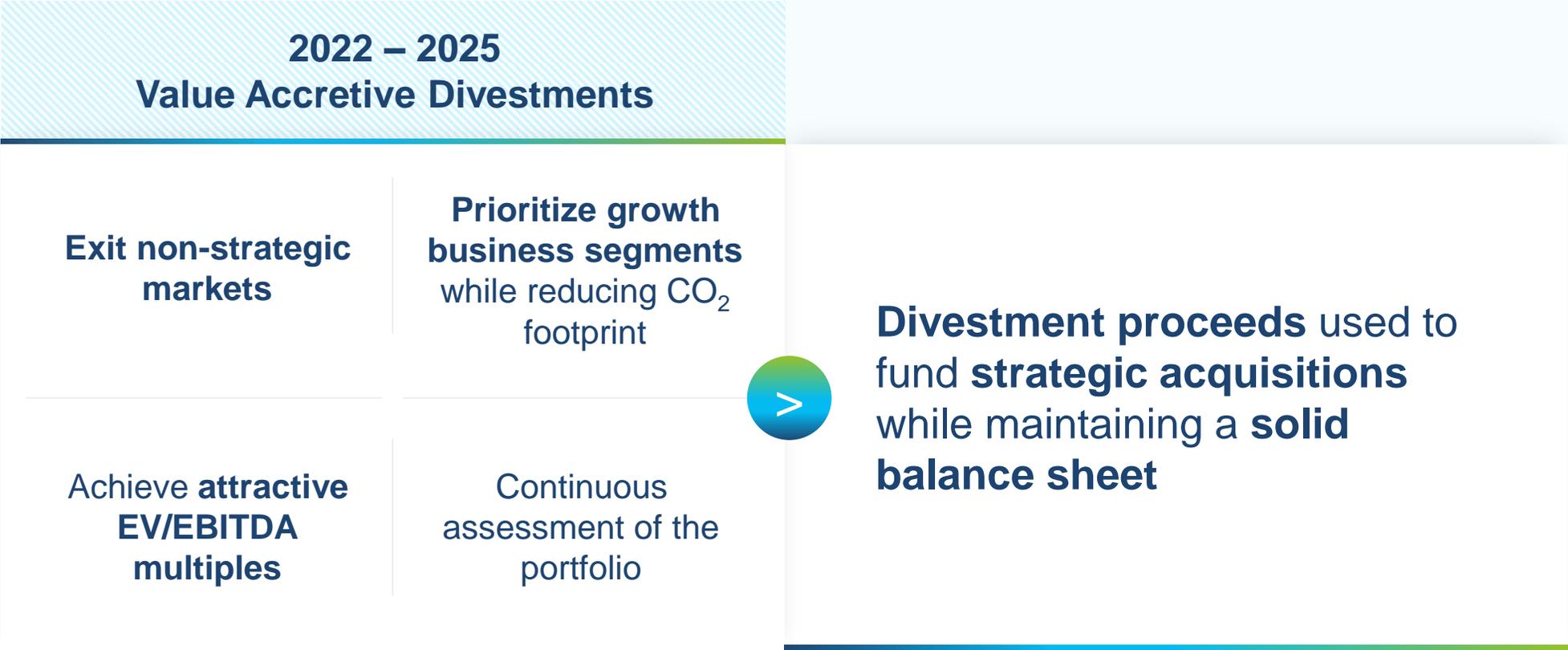
# KPI 2025

## INVESTMENTS TO FUEL SUSTAINABLE GROWTH



# KPI 2025

## DIVESTMENTS TO FUND STRATEGIC ACQUISITIONS



# KPI 2025

## ACCELERATING GREEN GROWTH AND DELIVERING SUPERIOR PERFORMANCE



**Accelerate Growth in Solutions & Products**

**30%**

IN % OF GROUP NET SALES



**Net Sales Growth**

**3% - 5%**

ANNUALLY



**Recurring EBIT Growth**

Over Proportional

TO NET SALES GROWTH ANNUALLY



**Sustainability**

**Accelerate Leadership**



**Cash Conversion**

**45%**



**ROIC**

**10%**



**Net Financial Debt to EBITDA**

**< 1.5x**

# AGENDA



**Financial  
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**KPI 2025**



**Sustainability  
at the core  
of what we do**

# SUSTAINABILITY AT THE CORE OF WHAT WE DO

## ESG TARGETS 2025 IN FINANCE



COMMITMENT TO **> 40%** OF SUSTAINABLE FINANCING BY 2025



FURTHER IMPROVEMENT IN **ESG RATINGS**



**GREEN CAPEX** INCREASED TO **> CHF 0.5 BN** by 2025

# SUSTAINABILITY AT THE CORE OF WHAT WE DO

> 40% SUSTAINABLE FINANCING BY 2025

1

## SYNDICATED EUR 3BN RCF

EUR 3 bn syndicated credit line linked to **Climate** and **Safety**. **Cost of facility** will depend on **achievement of annual targets**

2

## SUSTAINABILITY LINKED BONDS

EUR 850 m issued in November 2020 & USD 100 m in September 2021, based on **2030 CO2 reduction target**

3

## COMMITTED BILATERAL LINES

All committed Corporate bilateral facilities amended to **link cost with our ESG Sustainability performance**

4

## COMMERCIAL PAPER PROGRAM

EUR 3 bn commercial paper program established for **issuance of ESG notes**



- Commitment of **> 40% sustainable financing by 2025**
- Sustainable financing linked to Holcim's **Climate, Water and Safety goals**
- **Sustainability-linked Financing Framework** aligned with **Holcim's Sustainability Strategy**

# SUSTAINABILITY AT THE CORE OF WHAT WE DO

## HOLCIM'S FOCUS ON ESG RECOGNIZED BY MAJOR AGENCIES



Holcim achieved  
**Upgraded ESG rating of 'A'**  
**Top 19% ranking** within  
Construction Materials Universe  
in August 2021



Holcim achieved  
**Highest rating of 'A1+'**  
**Top 2% ranking** worldwide  
Best Energy Transition  
score within the industry



Holcim recognized as a  
**Global Climate Leader**  
Entering the CDP's prestigious  
**'A List'** for tackling climate  
change



Holcim achieved  
**Upgraded ESG rating of 'B-'**  
**PRIME** status enhanced  
**Top 10%** ranking within  
Construction Materials Industry  
in October 2021



Holcim ranked  
**Top 6% in ESG Risk Rating**  
and the **Strongest score** in the  
industry for the management of  
material ESG issues



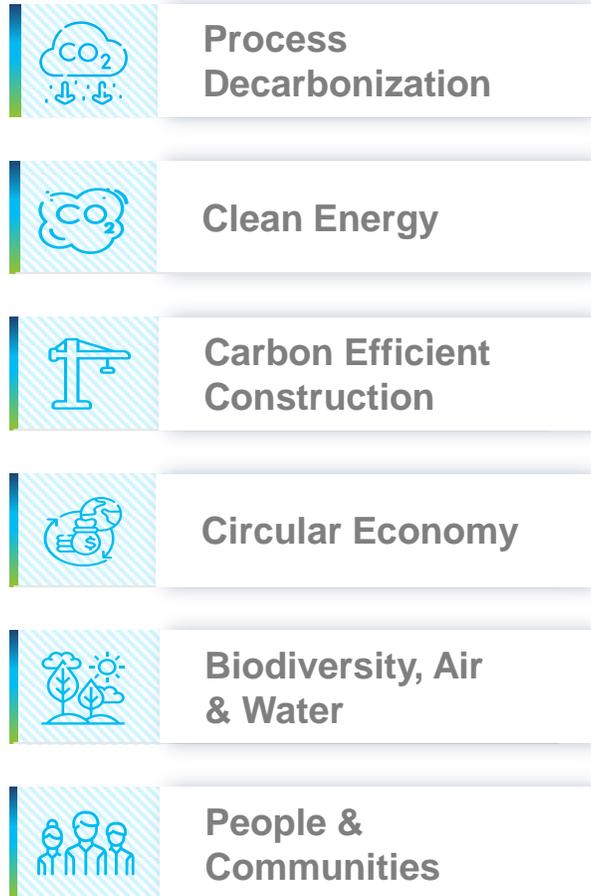
FTSE4Good

Holcim  
has been a **Constituent of the**  
**FTSE4Good** Index series for  
more than 10 years

# SUSTAINABILITY AT THE CORE OF WHAT WE DO

## ALLOCATING MORE TO GREEN CAPEX

# Green Capex



**Green Capex allocation**  
increased year on year

By allocating **more Capex** to  
**Green projects**, we will further  
**boost returns**

# IN A NUTSHELL

## SUSTAINABLE GROWTH ACHIEVED WITH SUPERIOR PERFORMANCE



TARGETS 2022 **OVER-ACHIEVED**



READY FOR THE NEXT CHAPTER  
OF **GROWTH** WITH FOCUS ON  
**SUSTAINABILITY**



KPI 2025 **BEST IN CLASS**



**HOLCIM**