



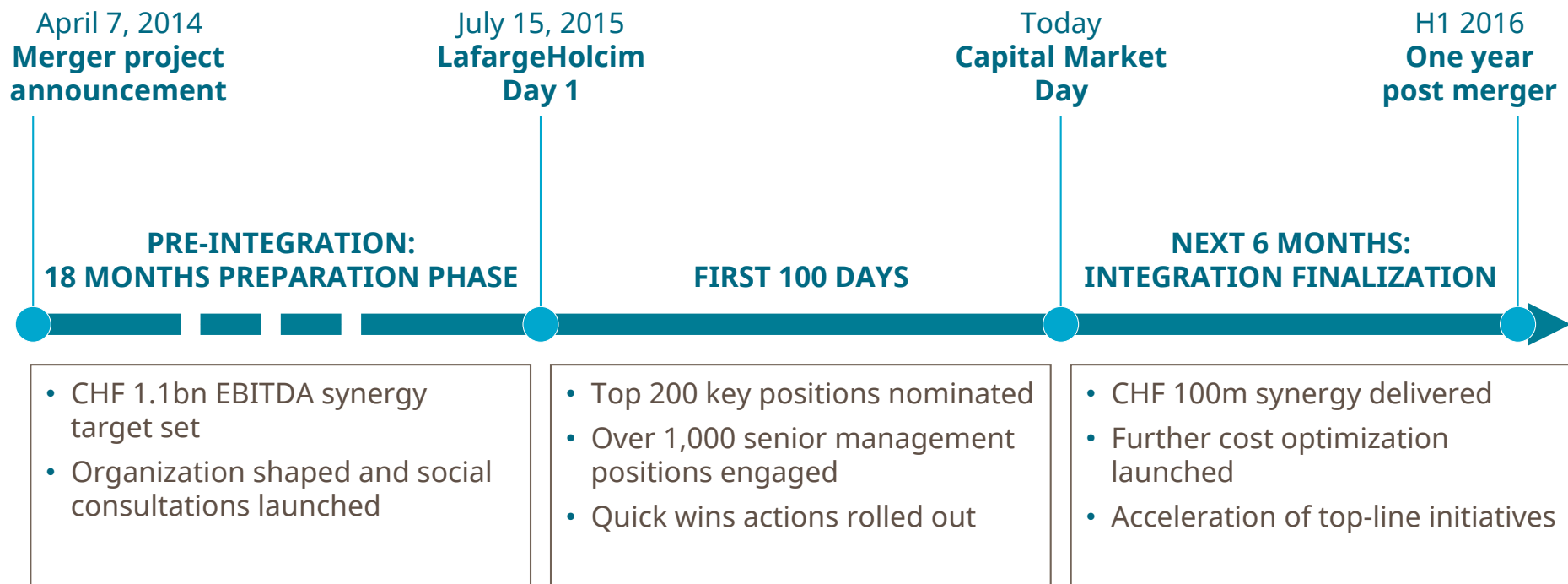
LafargeHolcim

# LafargeHolcim Capital Markets Day 2015

## Integration and synergies

J.J. Gauthier | Chief Integration Officer – Organization and Human Resources | December 1<sup>st</sup>, 2015

# Our integration journey well under way – expected to be completed by H1 2016



# Great momentum and engagement – three examples



**MAJOR OVERLAPPING COUNTRY**  
UNITED STATES

**Effective and structured approach**

- Top 200 managers building synergy action plans
- Validation with top 50 customers for smooth transition



**MEDIUM NON-OVERLAPPING COUNTRY**  
LEBANON

**Swift transition to the new organization**

- Culture and strategy roundtables to align on key priorities
- Implementation of synergies quick wins (e.g. G&A, petcoke supply optimization, industrial projects)



**SMALL OVERLAPPING COUNTRY**  
SRI LANKA

**Prioritization of culture integration**

- Organization completed reflecting a more customer centric approach
- Strong joint engagement with the two distributor networks

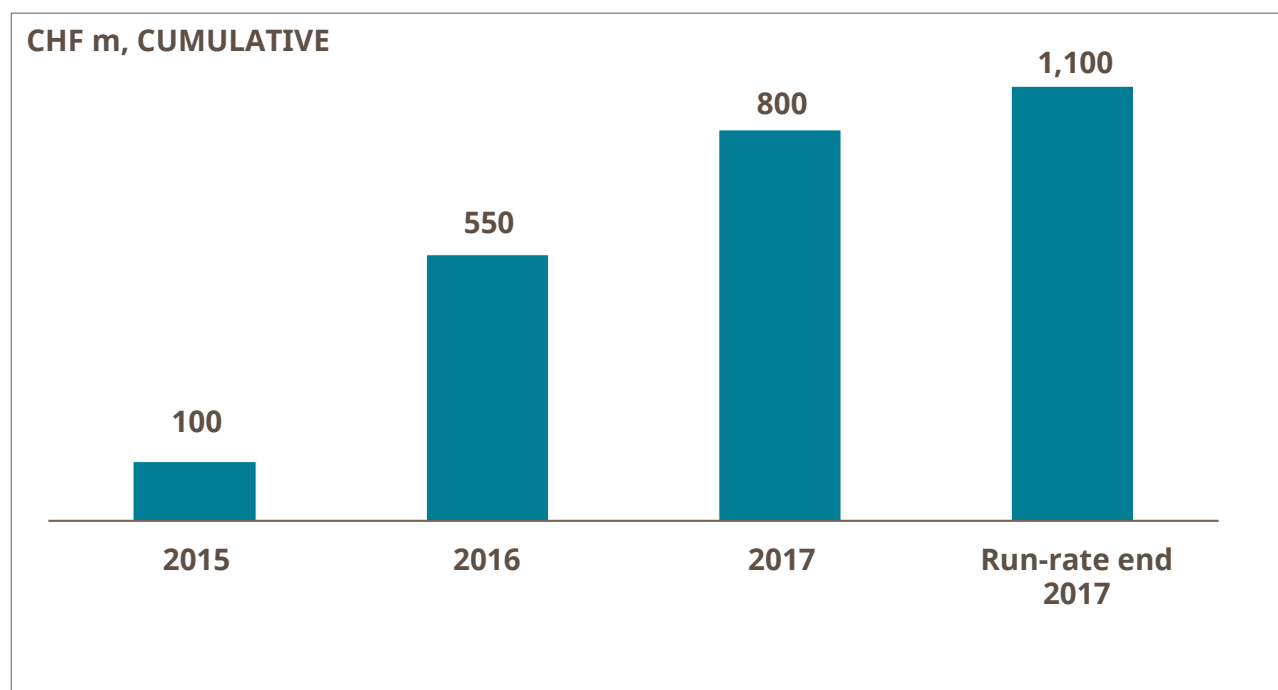


Colombo Office

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# 2016 synergies expected above initial target

## EVOLUTION OF SUSTAINABLE OPERATING EBITDA SYNERGY CONTRIBUTION

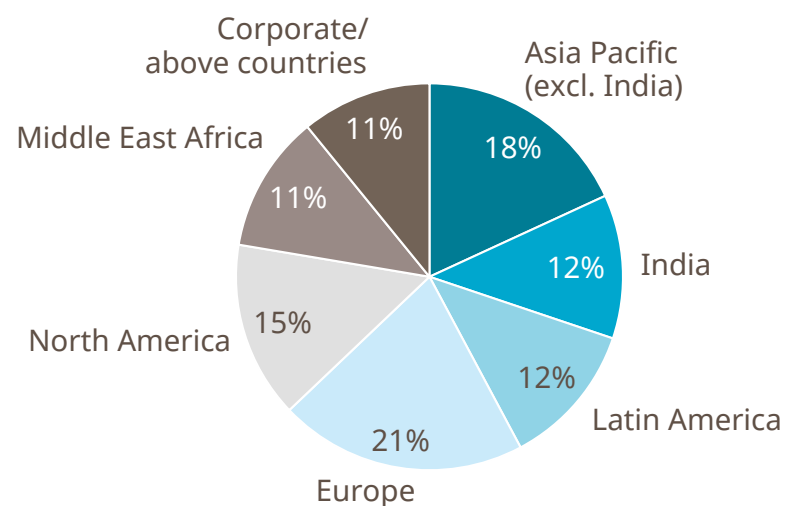


- 2016 synergies expected above initial target
- CHF 1.1bn implementation cost confirmed
- 7 Global Initiatives launched to accelerate synergy capture

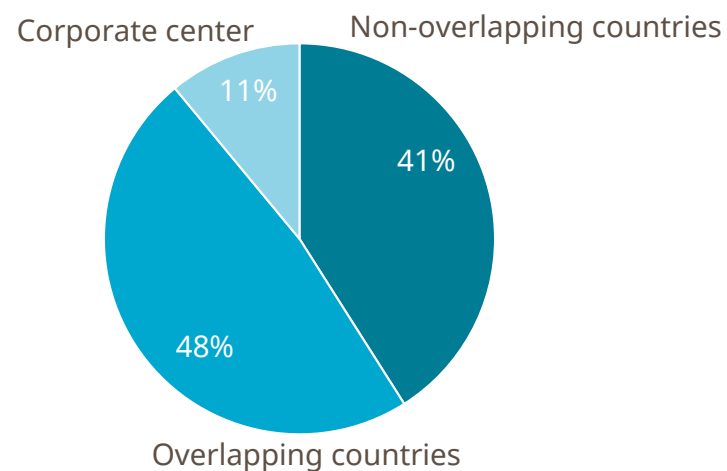
# Synergies owned by each Region and Corporate

BREAKDOWN OF SYNERGIES (TOTAL 1,100), CHF m

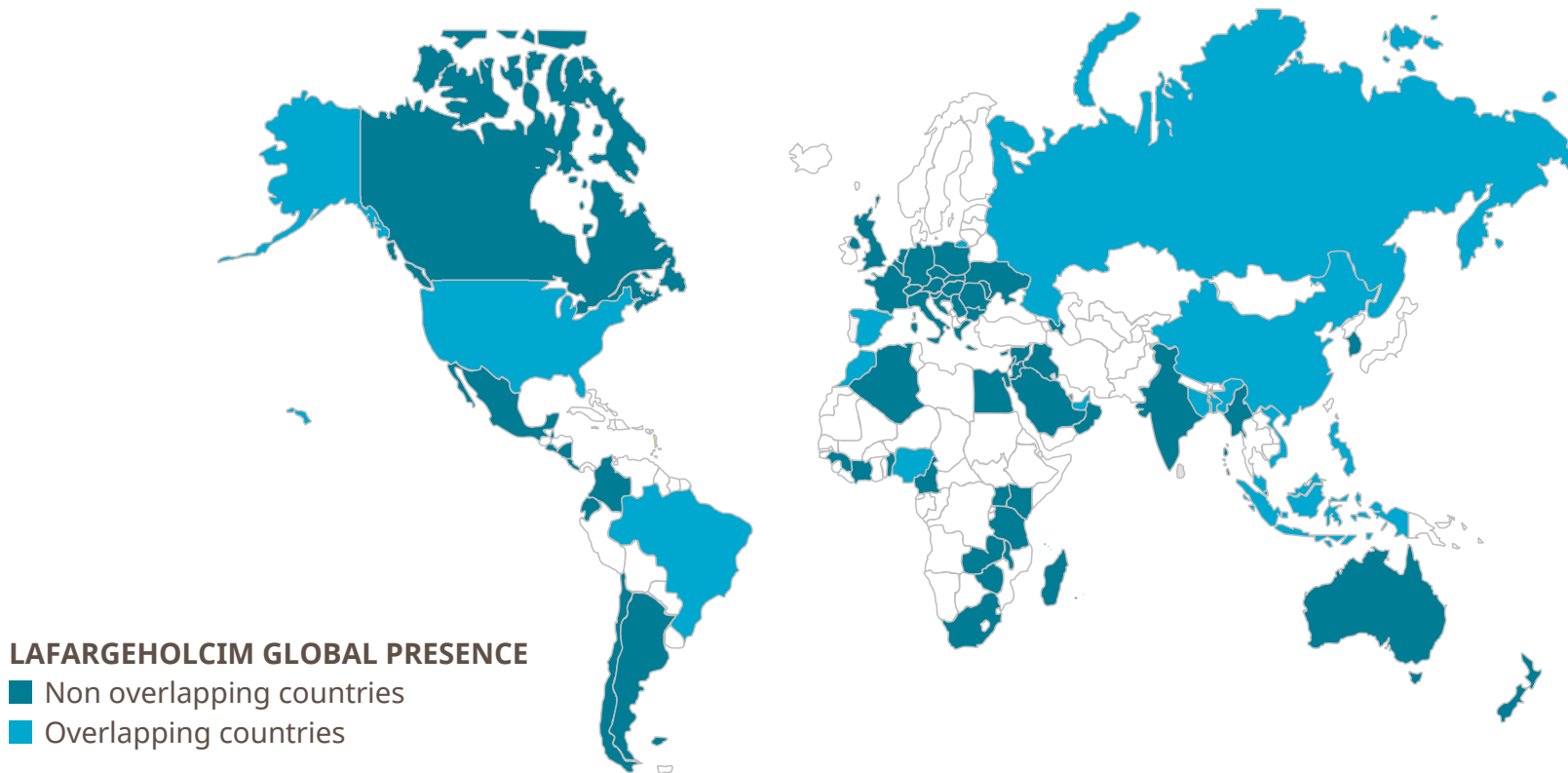
## BY REGION



## OVERLAPPING VS. NON-OVERLAPPING COUNTRIES



## Overlapping countries represent around 40% of our total revenue

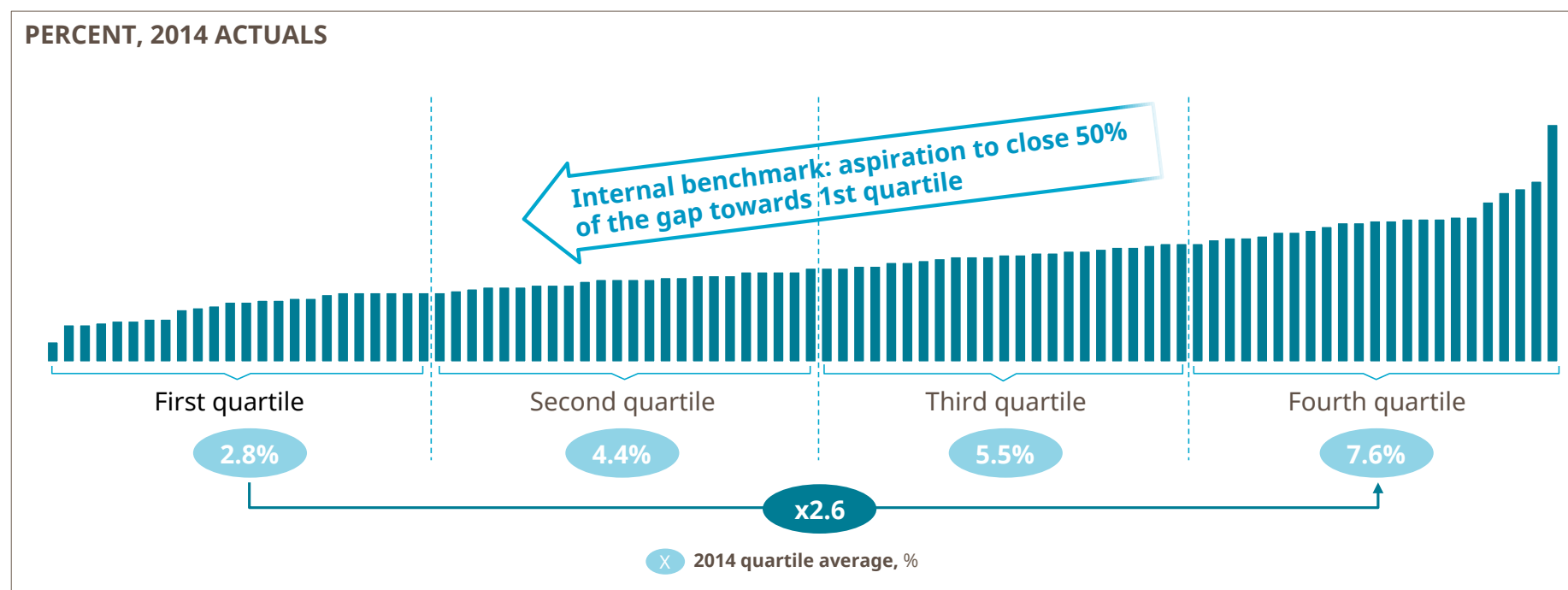


Note: Based on 2014 LafargeHolcim pro-forma net sales (post-divestment)







# Substantial G&A upside potential across our countries

## G&A COST DIVIDED BY NET SALES



# Large pipeline of synergy initiatives on-going – selected examples

<b>OPERATIONAL BEST PRACTICES</b>	<div data-bbox="539 539 624 587"></div> <div data-bbox="669 523 1335 560"> <b>Clinker supply optimization in Malaysia</b> </div> <div data-bbox="669 576 1290 612"> <ul style="list-style-type: none"> <li>• Internal supply vs. external purchase</li> </ul> </div> <div data-bbox="1787 544 1944 576"> <b>~ CHF 2m</b> </div>
<b>FIXED COST AND SG&amp;A</b>	<div data-bbox="539 730 624 778"></div> <div data-bbox="669 687 1357 724"> <b>Fixed cost and SG&amp;A reduction in Nigeria</b> </div> <div data-bbox="669 740 1599 826"> <ul style="list-style-type: none"> <li>• Resizing of plant teams and country central organization</li> <li>• Harmonization of compensation and benefits</li> </ul> </div> <div data-bbox="1787 730 1944 762"> <b>~ CHF 9m</b> </div>
<b>PROCUREMENT</b>	<div data-bbox="539 919 624 967"></div> <div data-bbox="669 911 1704 986"> <b>Consolidation of coal suppliers in China with short term focus</b>  on overlapping areas and plants and further roll-out to all areas </div> <div data-bbox="1769 948 1944 979"> <b>~ CHF 14m</b> </div>
<b>INNOVATION DEPLOYED ON A LARGER SCALE</b>	<div data-bbox="539 1107 624 1155"></div> <div data-bbox="669 1102 1682 1177"> <b>Develop further points of sales</b> to better address and increase  self-builder market penetration in Mexico </div> <div data-bbox="1787 1129 1944 1161"> <b>~ CHF 7m</b> </div>



## A systematic, rigorous process in place



Accountability in place to deliver synergies in each country and Group function

Systematic monitoring and tracking process and tools

Long-term incentives built around synergy achievements

Strict implementation cost control

# Upcoming break-outs on synergies

Agenda	Speakers	Presentation mode
<b>09:00-10:30</b> <b>Building a new leader for a new world</b> Strategic plan Financials	Eric Olsen	<ul style="list-style-type: none"> <li>Plenary presentation</li> </ul>
<b>10:30-10:45</b> <b>Coffee Break</b>		
<b>10:45-12:15</b> <b>Regional perspectives: Break-outs</b> Asia Pacific Europe North America Middle East & Africa Latin America India	Ian Thackwray Roland Köhler Alain Bourguignon Saâd Sebbar Pascal Casanova Bernard Terver	<ul style="list-style-type: none"> <li>Break-outs (all Regions presented, audience to choose 4 out of 6 Regions; ~20 min per presentation)</li> </ul>
<b>12:15-13:00</b> <b>Q&amp;A</b>	Eric Olsen	<ul style="list-style-type: none"> <li>Q&amp;A in plenary room</li> </ul>
<b>13:00-14:00</b> <b>Lunch break</b>		
<b>14:00-14:20</b> <b>Integration and synergies</b>	Jean-Jacques Gauthier	<ul style="list-style-type: none"> <li>Plenary presentation</li> </ul>
<b>14:20-15:20</b> <b>Synergy cases: break-outs</b> Procurement Cement Operations Trading Country example: United States Country example: Malaysia	Uwe Wehnes Andreas Halbleib Xavier Blondot John Stull Bi Yong Chungunco	<ul style="list-style-type: none"> <li>Break-outs (all topics presented, audience to choose 3 out of 5; 15 min per presentation)</li> </ul>
<b>15:20-15:35</b> <b>Coffee Break</b>		
<b>15:35-15:55</b> <b>Lean Capital spending</b>	Urs Bleisch	<ul style="list-style-type: none"> <li>Plenary presentation</li> </ul>
<b>15:55-16:15</b> <b>Commercial synergies and transformation</b>	Gérard Kuperfarb	<ul style="list-style-type: none"> <li>Plenary presentation</li> </ul>
<b>16:15-17:00</b> <b>Q&amp;A and closing remarks</b>	Eric Olsen	<ul style="list-style-type: none"> <li>Plenary presentation</li> </ul>
<b>17:00</b> <b>Cocktail reception</b>		