Davy Industrials Conference

New York – 05 September 2019

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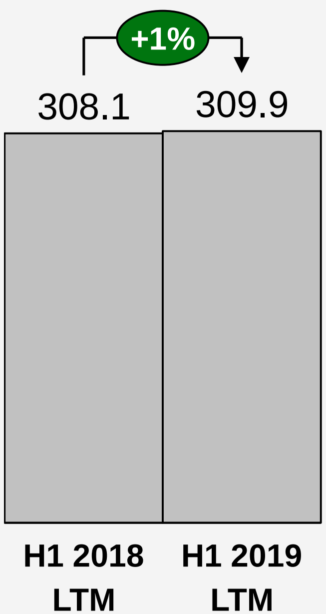
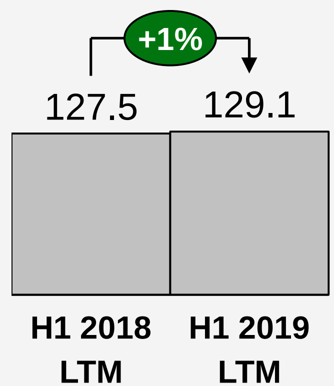
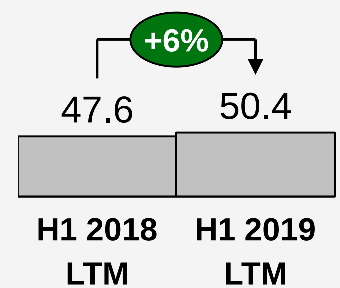
Table of contents

HeidelbergCement with strong global market position

Aggregates (mt)	Cement (mt)	RMC (mm^3)
Globally #1	Globally #2	Globally #3







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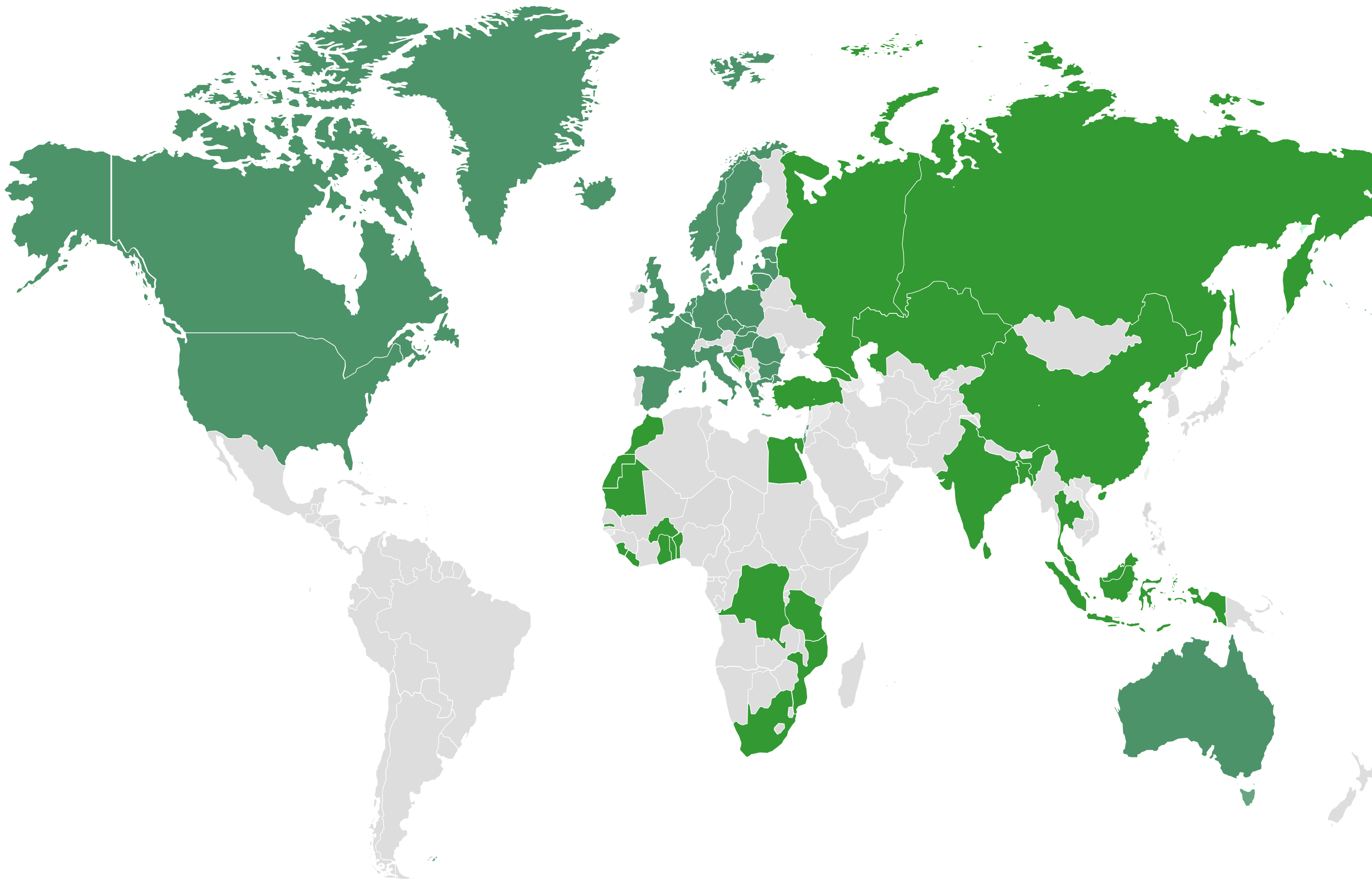
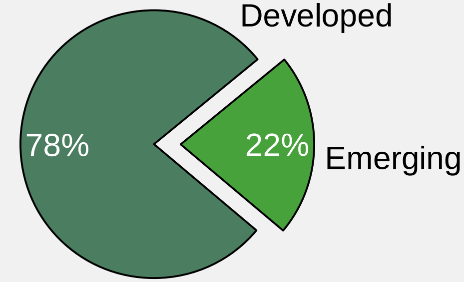
We benefit from strong growth in developed markets…



Group turnover*



Top 10

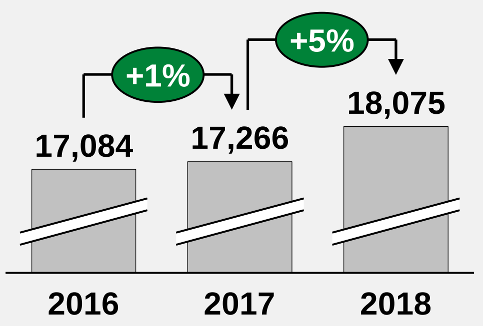
North America	24%
Northern Europe	8%
Australia	7%
France	7%
UK	7%
Germany	6%
Indonesia	5%
Benelux	4%
Italy	3%
India	3%

… while having upside from recovery in the emerging world

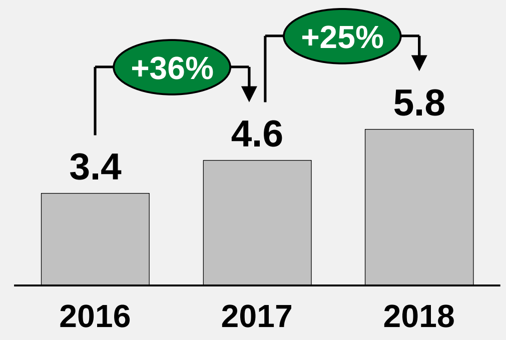
* Last twelve months rolling figure as of June 2019

Continuous improvement in financial metrics

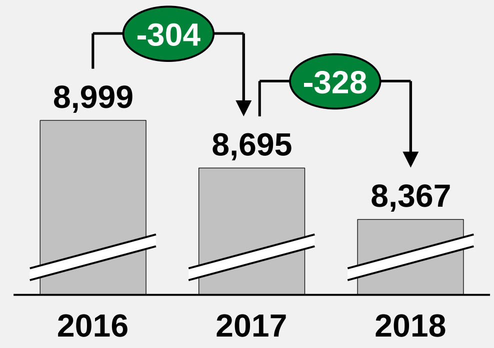
Revenue



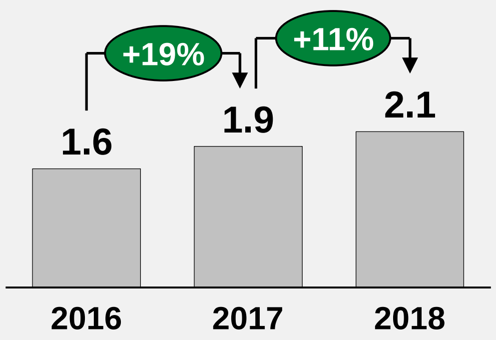
EPS



Net debt



DPS



Return on capital invested

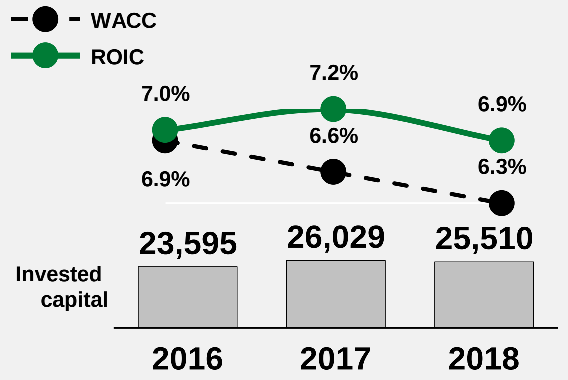


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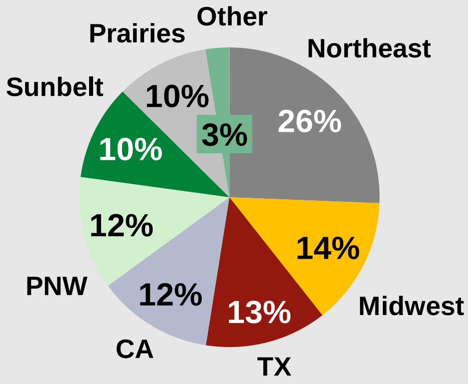
Table of contents

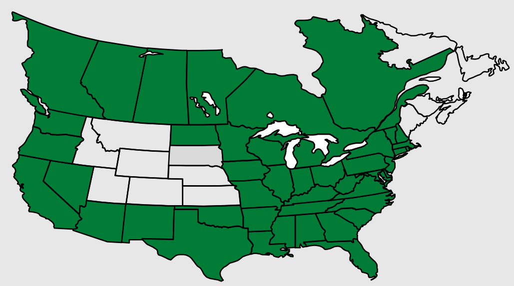
Well-balanced product portfolio and geographical footprint

Revenue by key market*



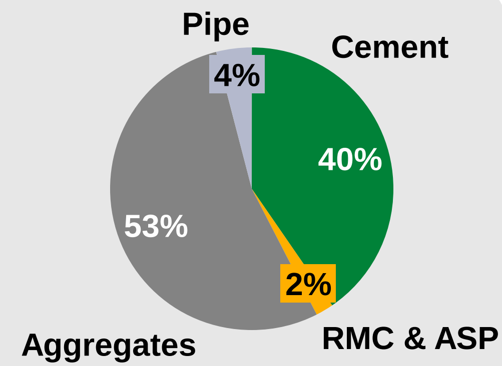
Well-positioned in all key US & Canadian markets to capture market upswings

Operating geography



Above-average NAM coverage & product portfolio compared to peers

Operating EBITDA by segment*



Good balance of earnings, biased towards "upstream" product lines

* Last twelve months rolling figure as of June 2019.

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Solid asset base and product portfolio in North America

Well positioned in all key markets	• Major urban centers in U.S. & Canada • Broad coverage of 30 U.S. states & 6 Canadian Provinces • Fast growth areas – Sunbelt, Texas, West Coast
Excellent product portfolio	• ~ 27.5 mt cement capacity*) • ~12bt aggregates reserves • ~ 220 RMC and asphalt plants
Vertically integrated business model	• Well-established integrated positions in most Canadian cities and leading U.S. cities (e.g. Houston, San Diego, Seattle) • Growing RMC positions in core new markets – Portland & Atlanta • Growing ASP business (e.g. New York & Seattle)
Unique asset base with solid future potential	• Solid foundations in AGG & CEM assets in strong, long-term locations • Robust logistics network to optimize footprint & maximize margins • Further ability to optimize asset base with limited investments

*) Includes 8.5 mt import capacity and 50% JV positions in Texas Lehigh.

Table of contents

Four strategic pillars

1. Vertical integration	2. Sustainable growth	3. Operational excellence	4. Digital transformation
All core business lines in key urban markets	Follow UN's Sustainable Development Goals	Focus on KPIs, savings, technology, innovation.	Digital plants, customer experience, big data analytics
Synergies between business lines	Focus on environment and society	Continuous margin improvement	Further efficiency gains

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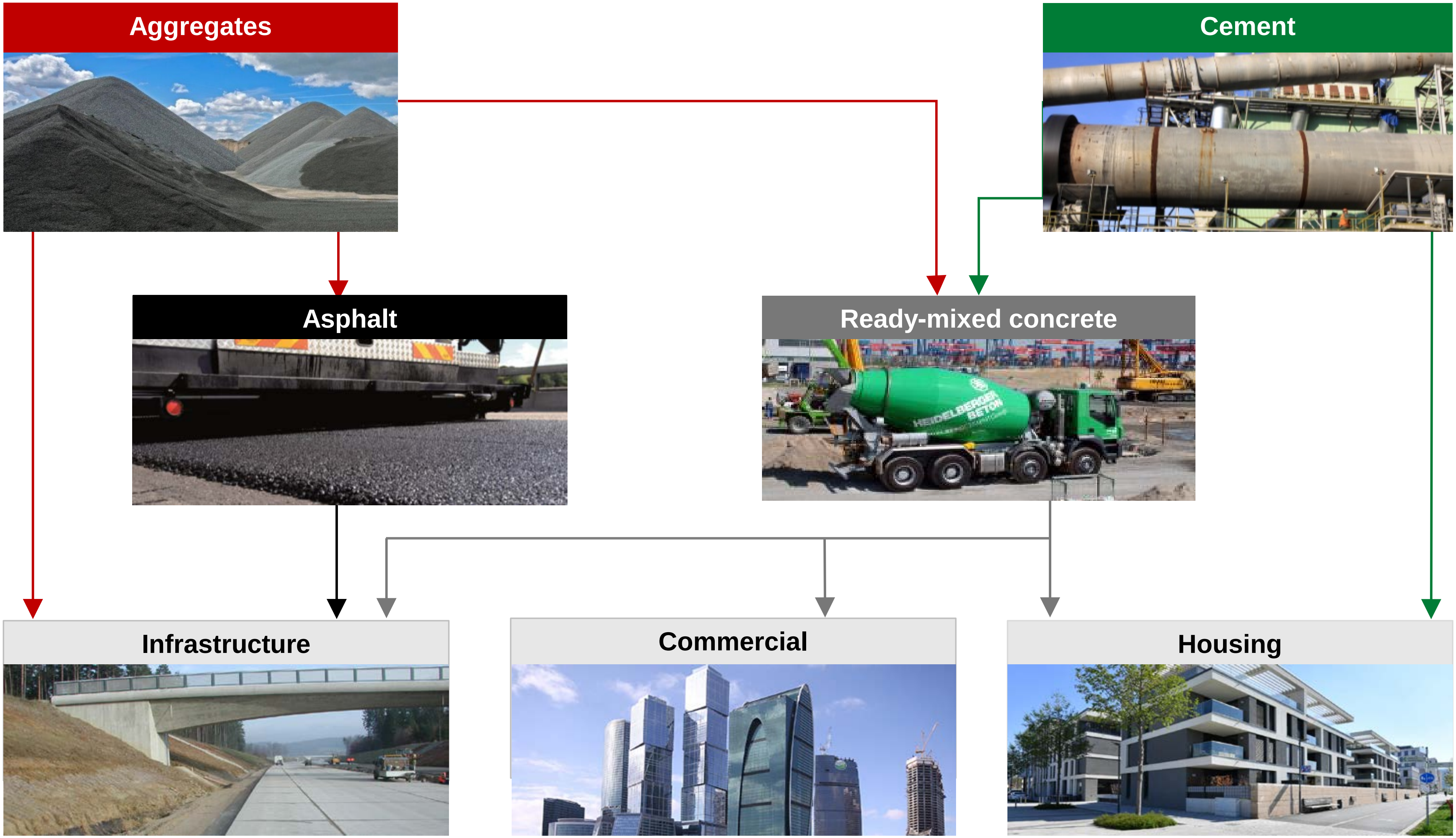
Vertically integrated business model in fast-growing urban centers



The benefits of vertical integration

Boost captive sales of cement and aggregates	• Be close to customers through ready-mix concrete operations and learn about theirs needs. Develop innovative or tailor-made concrete solutions. • Boosting RMC sales with a pull-through on captive supplies of cement and aggregates.
Benefit from a more stable cash flow	• Aggregates and asphalt are mainly supplied to infrastructure projects. • A strong infrastructure exposure helps the Group during a downturn since governments often use infrastructure spending as an economic stimulus.
Prevent cement imports	• Maintaining a big share in the RMC market in urban centers or along coast lines. • Cement imports are discouraged since finding a buyer for cement in such a market will be much more difficult.
Decrease slow-moving inventory in aggregates	• Adjust RMC recipes to match them to fractions produced in quarries. • Incorporate more of the slow-moving fractions in your recipes to decrease the inventory built-up.

We are the sustainability leader in the sector

Our “Sustainability Commitments 2030” are aligned with “UN Sustainable Development Goals”

SUSTAINABLE DEVELOPMENT GOALS

We are the first cement producer with a CO_2 reduction target verified by the Science Based Targets Initiative.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

We are labelled as “Prime” in ISS-oekom corporate rating.

Corporate Responsibility Prime
rated by ISS-oekom

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Our vision 2050: Carbon-neutral concrete

2030

Reduce by 30% specific net CO_2 emissions per ton of CEM*

- Upgrade kiln lines to increase energy efficiency
- Use more alternative fuels
- Lower the clinker ratio in cement

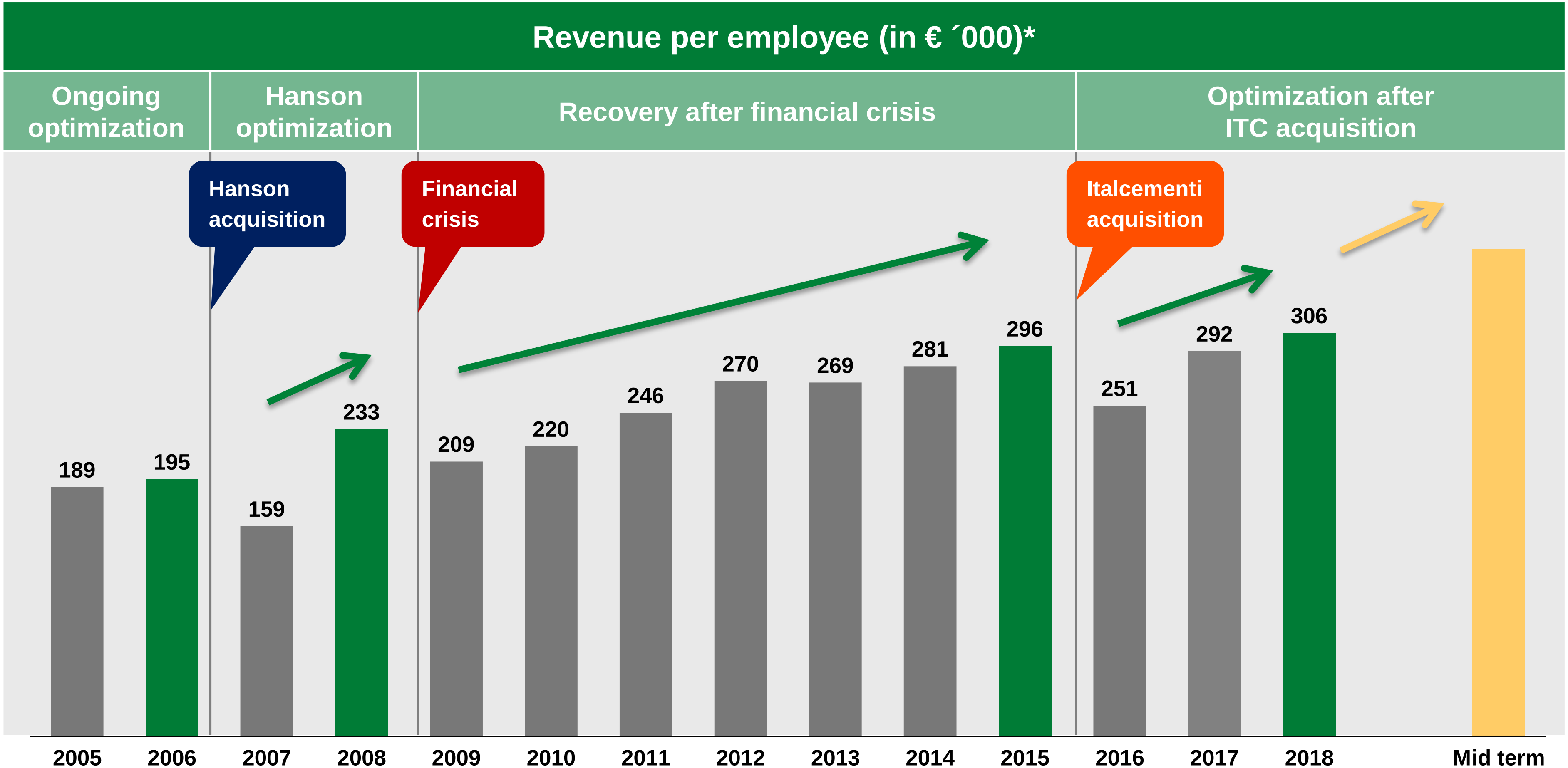
2050

Produce CO_2-neutral concrete

- Develop technologies for CO_2-capture and utilization (CCU)
- Develop technologies for CO_2-capture and storage (CCS)
- Return of CO_2 into the material cycle through re-carbonation

* As compared to the 1990 levels.

Consistently improving operational efficiency



* IFRS view including ITC from 1 July 2016

… while having upside from recovery in the emerging world

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Clear efficiency improvement roadmap: Action Plan 2020

Cost management	Margin improvement	Cash generation	Cash management
SG&A program with a 100m€ saving target (2019-2020)	Aggressive commercial excellence initiatives	Disposal program with a 1.5 b€ target (2018-2020)	Limit growth CapEx with total 700m€ (2019-2020)
Savings of 80 m€ secured already for 2019.	A full action plan is already in place.	858 m€ cashed in until June 2019.	266 m€ spent until June 2019.

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Disposals focused on three categories

Non-core businesses

- Business activities outside of core business lines: cement, aggregates, ready-mix concrete and asphalt.

✓ Reduce complexity and SG&A costs.
✓ Focus on businesses which we are best at.

Weak market positions

- Countries with high risk.
- Market positions with limited growth potential or loss-making companies.

✓ Recover the initial investment outlay.
✓ Re-invest proceeds in geographies with superior growth and FCF generation.

Idle assets

- Depleted quarries and land.
- Unused fixed assets.
- Apartments, buildings etc.

✓ Cash in on assets that do not yield any return.
✓ Improve ROIC, FCF and leverage.

Digitalization: Improving processes & customer experience

Transformation of the existing business (DTO)			
Remotely controlled & maintained production units.	Big data analytics for concrete mix design & workflow analysis	Digital exchange with suppliers and customers	Workflow automation
			

Potential for enhanced efficiency and service

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Table of contents

Overview of H1 2019

Solid result improvement in H1

- LfL revenue increase **+7%**; EBITDA increase **+6%**; adjusted EPS increase **38%**.
- **Strong margin improvements in Asia and Europe** more than compensate the weather driven pressure in North America and weak demand in Egypt and Turkey.
- SG&A saving program goes full speed. **80 m€ already secured** for the full year.
- **Net debt 0.8 bn€ below** prior year*. Positive trend continues.
- Portfolio optimization on track. Total **disposals reach 290 m€** for the current year.

LfL figures excluding currency, scope and IFRS 16 Leasing adjustment.
* Before IFRS 16 leasing impact.

H1 2019 performance well in-line with full year targets

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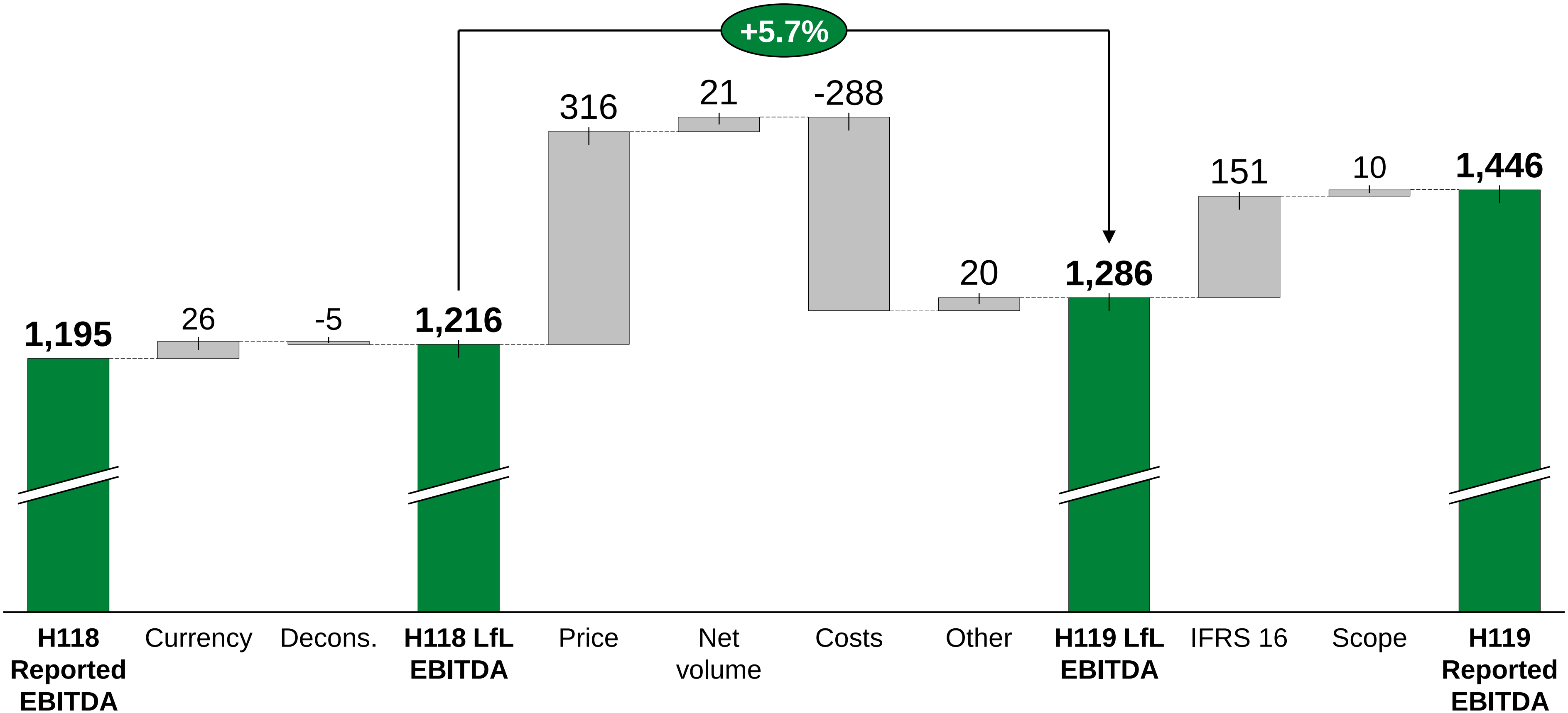
H1 2019 operational EBITDA bridge

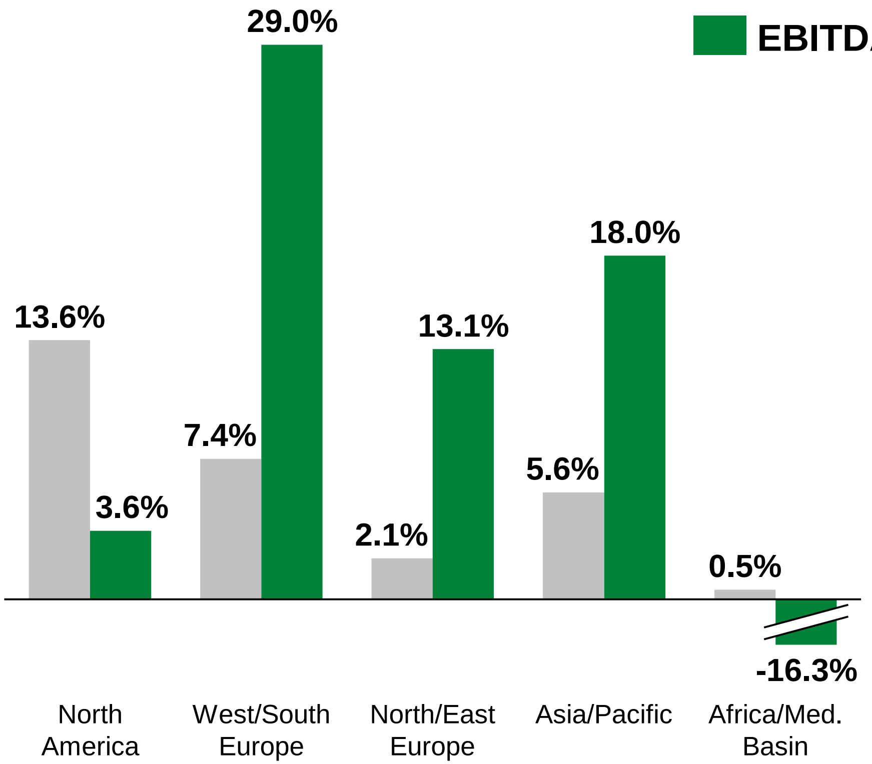


Solid organic EBITDA growth in H1

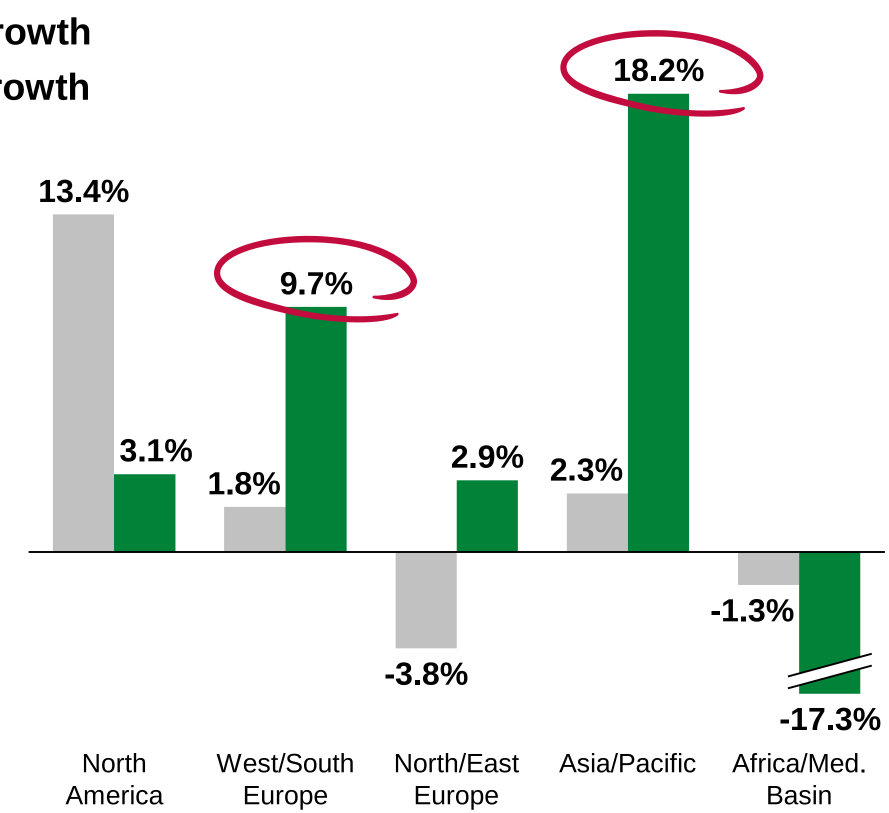
Previous year figures are adjusted due to change in accounting method for “Result from associates”. Please see appendix for details.

Revenue and EBITDA overview

H1 2019 vs. H1 2018



Q2 2019 vs. Q2 2018



Strong EBITDA growth in Europe & Asia Pacific

* Before IFRS 16 leasing adjustment

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Table of contents

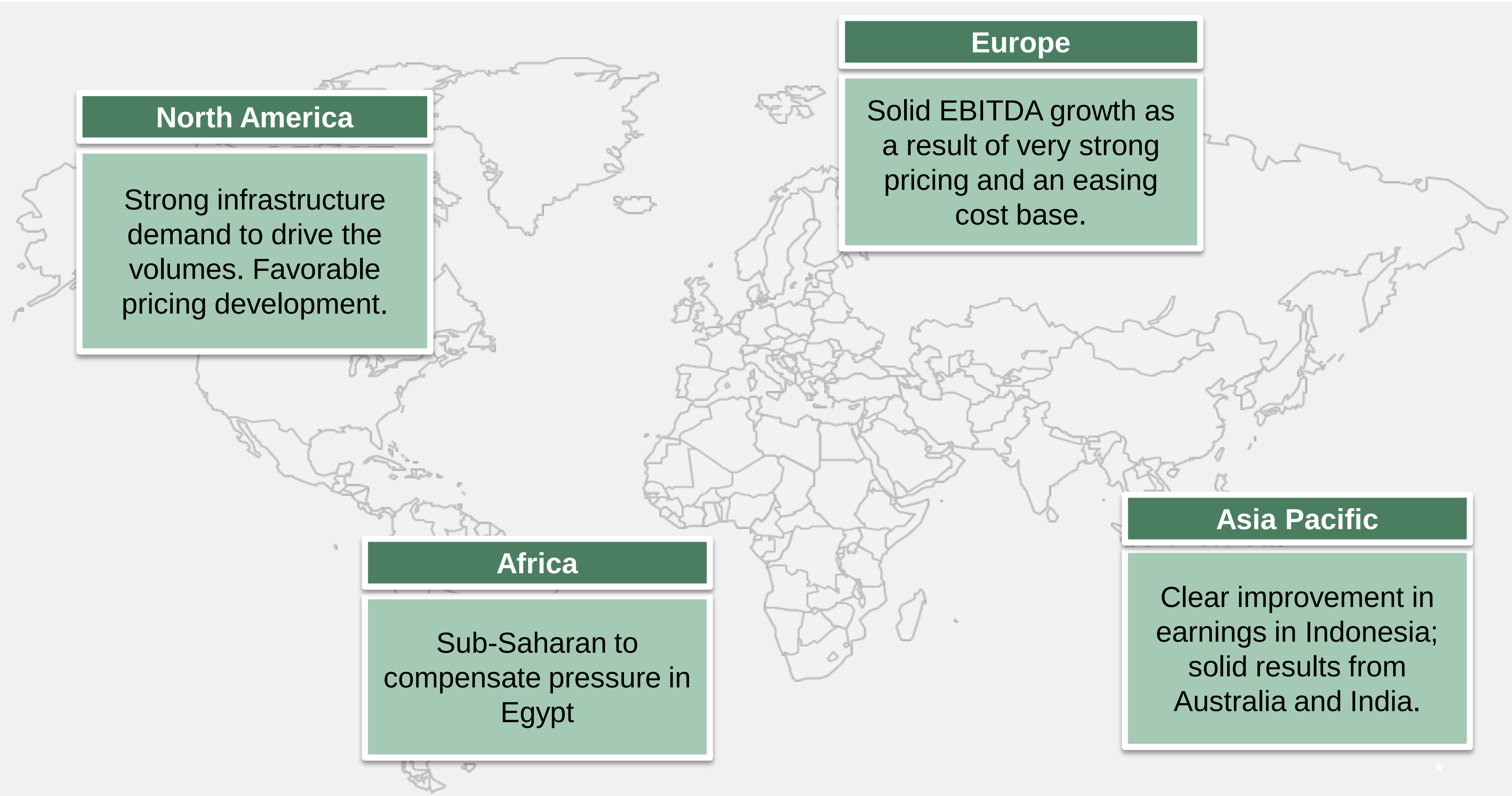
2019 outlook and targets

Operations	• Volume increase in all business lines
Performance	• Margin improvement
Result	• Solid revenue, EBITDA, EPS growth
Portfolio	• 500 m€ disposal; net growth CAPEX* below 0
Leverage	• Net debt reduction to 7.7 billion EUR**

* Net growth CAPEX = Gross growth CAPEX minus disposals.

** Before application of IFRS 16.

2019: Solid results improvement in most regions



North America

Strong infrastructure demand to drive the volumes. Favorable pricing development.

Europe

Solid EBITDA growth as a result of very strong pricing and an easing cost base.

Africa

Sub-Saharan to compensate pressure in Egypt

Asia Pacific

Clear improvement in earnings in Indonesia; solid results from Australia and India.

Full-year EBITDA to grow between +3% and +9% on a like-for-like basis

Like-for-like: before FX, scope effects and the application of IFRS 16.

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Contact information

Date	Event
7 November 2019	Q3 Results

Contact Information

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