

Zug | 26 July 2024

Ad hoc announcement pursuant to Art. 53 LR

Record profitable growth in H1

- **Record recurring EBIT, up +12.7% in local currency, up +8.1% in CHF
Net sales up +1.6% in local currency**
- **Record recurring EBIT margin of 23.2% (+210 bps) in Q2 2024**
- **+10.0% growth in EPS before impairment and divestments**
- **Disciplined M&A execution continues with 11 value-accretive acquisitions and 4 divestments**
- **FY 2024 updated guidance: recurring EBIT margin increased to above 18.5% with low single-digit net sales growth in local currency**

Miljan Gutovic, CEO: “I thank all members of the Holcim family for delivering record profitability in the first half of 2024. With our deeply embedded performance culture, our teams focused on successfully meeting our customers’ needs. Our leading sustainable building solutions, from ECOPact low-carbon concrete, to Elevate energy-efficient roofing systems, position us as the partner of choice for large-scale projects like infrastructure and data centers.

“We delivered broad-based profitable growth in H1, achieving a superior earnings profile with a record recurring EBIT margin of 23.2% in Q2, and are well on course to deliver free cash flow of above CHF 3 billion in 2024. With our track record of creating superior value across all market conditions and economic cycles, we are committed to another year of record results, capitalizing on our markets’ strong fundamentals.

“Our disciplined M&A execution continued with 11 value-accretive acquisitions to accelerate circular construction and scale up our ECOCycle® technology, while expanding Solutions & Products and strengthening our aggregates and ready-mix businesses. Advancing climate action, we reduced CO₂ per net sales by 7%¹.”

¹ Half-year 2024 scope 1 + scope 2 CO₂ emissions / net sales, compared to half-year 2023.

Performance overview H1

Group H1	2024	2023	±%	±% LC growth	±% organic growth
Net sales (CHFm)	12,813	13,067	-1.9	+1.6	-0.3
Recurring EBIT (CHFm)	2,210	2,043	+8.1	+12.7	+12.3
Recurring EBIT margin (%)	17.2	15.6			
Operating profit (CHFm)	2,036	1,970	+3.3		
Net income, Group share (CHFm)	1,218	1,261	-3.4		
Net income before impairment and divestments, Group share (CHFm)	1,376	1,280	+7.5		
EPS (CHF)	2.16	2.19	-1.2		
EPS before impairment and divestments (CHF)	2.44	2.22	+10.0		
Free Cash Flow after leases (CHFm)	48	79	-39.1		
Net financial debt (CHFm)	10,862	11,067	-1.8		

Profitable growth continues

Net sales of CHF 12,813 million in H1 2024 were up +1.6% on a local currency basis compared to the prior year.

Recurring EBIT for H1 2024 grew over-proportionally compared to net sales to a record CHF 2,210 million, with a rise of 12.7% in local currency versus the prior-year period. Profitability increased sharply in Q2 2024 with a record recurring EBIT margin of 23.2%, reflecting our strategic focus on high-value solutions. Consequently, Holcim is well on track to again deliver industry-leading margins for the full year.

Holcim's earnings per share before impairment and divestments in H1 2024 were CHF 2.44, 10% higher than the prior-year period.

Free cash flow after leases was CHF 48 million in H1 2024, compared to CHF 79 million in H1 2023, on track to achieve full-year 2024 guidance of above CHF 3 billion.

Investing in the most attractive markets

Holcim is continuing to invest in profitable growth with 11 value-accretive acquisitions, predominantly family-owned businesses bringing significant synergy upside.

There were four highly-accretive acquisitions in Europe to accelerate circular construction - in Belgium, Switzerland, the UK and Germany - scaling up Holcim's ECOCycle® recycling technology; three acquisitions in Europe and Latin America to expand Solutions & Products; and bolt-on acquisitions in North America, Latin America and Europe to strengthen aggregates and ready-mix. Holcim also closed four divestments in H1.

Leading in sustainability

Customer demand for Holcim's sustainable building solutions increased. In H1, net sales of Holcim's low-carbon ECOPact concrete and low-carbon ECOPlanet cement accounted for 28% and 26% of ready-mix net sales and cement net sales, respectively, up significantly from 19% in each case at end-December 2023.

Advancing climate action, Holcim reduced CO₂ per net sales by 7% compared to the prior-year period. In Q2, Holcim broke ground with its partners on two large-scale carbon capture, utilization and storage (CCUS) projects, in Germany and Belgium.

Outlook and guidance

Holcim's strategy continues to deliver superior performance. Building on its record Q2 recurring EBIT margin, Holcim updates its full-year guidance for 2024, with:

- Low single-digit net sales growth in local currency
- Over-proportional growth in recurring EBIT
- Increase in recurring EBIT margin to above 18.5%
- Free cash flow of above CHF 3 billion
- 20% growth in recycled Construction Demolition Materials to 10 million tons
- Progress towards U.S. listing of North American business

The planned listing of Holcim's North American business in the U.S. is on track to be completed in the first half of 2025, with the aim of unlocking a new era of value creation for all stakeholders.

Holcim launched its previously announced share buyback on 18 March 2024 to purchase up to CHF 1 billion until year-end. By 30 June 2024, 5.2 million shares had been repurchased for CHF 413 million. Holcim remains committed to a strong investment grade credit rating.

Key Group figures

Group Q2	2024	2023	±%	±% LC growth	±% organic growth
Net sales (CHFm)	7,227	7,342	-1.6	+0.2	-0.6
Recurring EBIT (CHFm)	1,678	1,550	+8.2	+11.4	+11.0
Recurring EBIT margin (%)	23.2	21.1			

Group H1	2024	2023	±%	±% LC growth	±% organic growth
Net sales (CHFm)	12,813	13,067	-1.9	+1.6	-0.3
Recurring EBIT (CHFm)	2,210	2,043	+8.1	+12.7	+12.3
Recurring EBIT margin (%)	17.2	15.6			
Operating profit (CHFm)	2,036	1,970	+3.3		
Net income, Group share (CHFm)	1,218	1,261	-3.4		
Net income before impairment and divestments, Group share (CHFm)	1,376	1,280	+7.5		
EPS (CHF)	2.16	2.19	-1.2		
EPS before impairment and divestments (CHF)	2.44	2.22	+10.0		
Free Cash Flow after leases (CHFm)	48	79	-39.1		
Net financial debt (CHFm)	10,862	11,067	-1.8		

Group Results by Product Line H1	2024	2023	±%	±% LC growth	±% organic growth
Net sales of Cement (CHFm)	6,425	6,794	-5.4	-1.0	-0.3
Recurring EBIT of Cement (CHFm)	1,593	1,472	+8.2	+13.3	+13.5
Recurring EBIT margin of Cement (%)	24.8	21.7			
Net sales of Aggregates (CHFm)	2,028	2,116	-4.2	-1.8	-3.1
Recurring EBIT of Aggregates (CHFm)	277	265	+4.6	+7.9	+7.5
Recurring EBIT margin of Aggregates (%)	13.7	12.5			
Net sales of Ready-Mix Concrete (CHFm)	2,757	2,896	-4.8	-2.5	-4.9
Recurring EBIT of Ready-Mix Concrete (CHFm)	73	91	-19.7	-18.2	-25.7
Recurring EBIT margin of Ready-Mix Concrete (%)	2.7	3.2			
Net sales of Solutions & Products (CHFm)	2,878	2,601	+10.6	+13.3	+5.4
Recurring EBIT of Solutions & Products (CHFm)	267	215	+23.9	+28.1	+26.7
Recurring EBIT margin of Solutions & Products (%)	9.3	8.3			

Segment performance

North America

North America reached a new level of profitability, with an increase in H1 recurring EBIT margin of 240 basis points to 19.4%. There are strong market fundamentals in place, with Holcim having secured more than 100 infrastructure projects between 2023 and 2026. Strong performance is expected in 2024.

North America Q2	2024	2023	±%	±% LC growth	±% organic growth
Net sales to external customers (CHFm)	1,780	1,841	-3.3	-2.5	-2.5
Recurring EBIT (CHFm)	541	492	+10.0	+12.8	+12.8
Recurring EBIT margin (%)	29.7	26.2			

North America H1	2024	2023	±%	±% LC growth	±% organic growth
Net sales to external customers (CHFm)	2,913	3,044	-4.3	-1.6	-1.8
Recurring EBIT (CHFm)	576	527	+9.2	+12.2	+12.6
Recurring EBIT margin (%)	19.4	17.0			

Latin America

Latin America delivered its 16th consecutive quarter of profitable growth, with an outstanding H1 recurring EBIT margin of 35.6%. The region benefited from its leading Disensa retail distribution network with more than 2,000 stores. Nearshoring trends across the region are driving infrastructure and commercial investments.

Latin America Q2	2024	2023	±%	±% LC growth	±% organic growth
Net sales to external customers (CHFm)	756	717	+5.4	+2.6	+2.6
Recurring EBIT (CHFm)	267	245	+8.8	+5.9	+5.9
Recurring EBIT margin (%)	35.2	33.7			

Latin America H1	2024	2023	±%	±% LC growth	±% organic growth
Net sales to external customers (CHFm)	1,447	1,403	+3.1	+0.7	+0.7
Recurring EBIT (CHFm)	519	488	+6.3	+5.1	+5.1
Recurring EBIT margin (%)	35.6	34.4			

Europe

This was Europe's seventh consecutive quarter of profitable growth. H1 recurring EBIT margin expanded significantly by 240 basis points to 16.2%, with sustainability driving profitable growth. There were 6 bolt-on acquisitions, in aggregates, ready-mix, construction demolition materials and recycling solutions. The strong earnings momentum is expected to continue.

Europe Q2	2024	2023	±%	±% LC growth	±% organic growth
Net sales to external customers (CHFm)	2,004	2,006	-0.1	0.0	-2.1
Recurring EBIT (CHFm)	490	436	+12.4	+13.5	+11.8
Recurring EBIT margin (%)	23.6	20.8			

Europe H1	2024	2023	±%	±% LC growth	±% organic growth
Net sales to external customers (CHFm)	3,599	3,694	-2.6	-1.1	-3.2
Recurring EBIT (CHFm)	606	533	+13.8	+15.3	+13.3
Recurring EBIT margin (%)	16.2	13.8			

Asia, Middle East & Africa

Good market dynamics in North Africa leading to a double-digit increase in H1 recurring EBIT and a 240 basis points expansion in H1 recurring EBIT margin to 23.5%. There was continued portfolio management with three divestments closed. The earnings momentum is expected to continue in H2 2024.

Asia, Middle East & Africa Q2	2024	2023	±%	±% LC growth	±% organic growth
Net sales to external customers (CHFm)	899	1,030	-12.7	-2.1	+3.5
Recurring EBIT	264	269	-1.8	+10.0	+12.3
Recurring EBIT margin (%)	27.5	24.4			

Asia, Middle East & Africa H1	2024	2023	±%	±% LC growth	±% organic growth
Net sales to external customers (CHFm)	1,773	2,046	-13.4	+0.3	+2.5
Recurring EBIT	444	460	-3.5	+11.1	+11.9
Recurring EBIT margin (%)	23.5	21.0			

Solutions & Products

Solutions & Products reported the strongest H1 net sales growth of the segments, driven by roofing. There was a significant expansion of the recurring EBIT margin in H1 by 100 basis points, driven by scale, and three acquisitions in Europe and Latin America. There is a strong outlook for the year.

Solutions & Products Q2	2024	2023	±%	±% LC growth	±% organic growth
Net sales to external customers (CHFm)	1,677	1,588	+5.6	+6.8	+2.6
Recurring EBIT (CHFm)	231	207	+11.9	+14.5	+12.8
Recurring EBIT margin (%)	13.7	13.0			

Solutions & Products H1	2024	2023	±%	±% LC growth	±% organic growth
Net sales to external customers (CHFm)	2,867	2,590	+10.7	+13.4	+5.4
Recurring EBIT (CHFm)	287	234	+22.6	+26.5	+24.7
Recurring EBIT margin (%)	10.0	9.0			

Reconciliation to Group accounts

Reconciling measures of profit and loss to the Holcim Group's consolidated statement of income:

Million CHF	H1 2024 Unaudited	H1 2023 Unaudited
Net sales	12,813	13,067
Recurring operating costs	(9,911)	(10,375)
Share of profit of joint ventures	105	146
Recurring EBITDA after leases	3,007	2,839
Depreciation and amortization of property, plant and equipment, intangible and other long-term assets	(797)	(795)
Recurring EBIT	2,210	2,043
Restructuring, litigation and other non-recurring costs	(78)	(23)
Impairment of operating assets	(96)	(50)
Operating profit	2,036	1,970

Million CHF	H1 2024 Unaudited	H1 2023 Unaudited
Recurring EBITDA after leases	3,007	2,839
Depreciation of right-of-use assets	188	173
Recurring EBITDA	3,195	3,012

Million CHF	H1 2024 Unaudited	H1 2023 Unaudited
Net income before taxes, impairment and divestments	1,858	1,830
Impairment of goodwill and long-term assets	(96)	(51)
Gain (loss) on disposals of Group companies	(58)	32
Net income before taxes	1,704	1,811

Million CHF	H1 2024 Unaudited	H1 2023 Unaudited
Net income before impairment and divestments, Group share	1,376	1,280
Net income before impairment and divestments, Non-controlling interests	55	75
Net income before impairment and divestments	1,431	1,355
Impairment of goodwill and long term assets*	(71)	(48)
Gain (loss) on disposals of Group companies*	(80)	30
Net income	1,280	1,336
EPS before impairment and divestments in CHF	2.44	2.22

* Adjustments disclosed net of taxation.

Reconciliation of Free Cash Flow after leases to the Holcim Group's Consolidated Statement of Cash Flows:

Million CHF	H1 2024 Unaudited	H1 2023 Unaudited
Cash flow from operating activities	1,003	930
Purchase of property, plant and equipment	(807)	(730)
Disposal of property, plant and equipment	40	54
Repayment of long-term lease liabilities	(188)	(174)
Free Cash Flow after leases	48	79

Reconciliation of Net financial debt to the Holcim Group's consolidated statement of financial position:

Million CHF	H1 2024 Unaudited	H1 2023 Unaudited
Current financial liabilities	2,049	1,035
Long-term financial liabilities	12,351	13,818
Cash and cash equivalents	(3,490)	(3,654)
Short-term derivative assets	(36)	(23)
Long-term derivative assets	(12)	(111)
Net financial debt	10,862	11,067

Additional information

Alternative Performance definitions

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

Analyst presentation and 2024 Half-Year Report

The [analyst presentation](#) of the Half-Year 2024 Results and the [2024 Half-Year Report](#) are available on our website.

Media conference (webcast): 09:00am CEST **Analyst conference (webcast):** 10:00am CEST

In order to participate in the analyst's conference, please register [here](#).

About Holcim

Holcim is a global leader in innovative and sustainable building solutions with net sales of CHF 27.0 billion in 2023. Driven by its purpose to build progress for people and the planet, its 63,448 employees are on a mission to decarbonize building, while improving living standards for all. The company empowers its customers across all regions to build better with less, with its broad range of low-carbon and circular solutions, from ECOPact and ECOPlanet to our circular technology platform ECOCycle®. With its innovative systems, from Elevate roofing to PRB insulation, Holcim makes buildings more sustainable in use, driving energy efficiency and green retrofitting. With sustainability at the core of its strategy, Holcim is becoming a net-zero company with 1.5°C targets validated by SBTi.

Learn more about Holcim on www.holcim.com, and by following us on [LinkedIn](#).

Sign up for Holcim's Building Progress newsletter [here](#) and follow our journey to a net-zero future.

Important disclaimer – forward-looking statements:

This document contains forward-looking statements. Such forward-looking statements do not constitute forecasts regarding results or any other performance indicator, but rather trends or targets, as the case may be, including with respect to plans, initiatives, events, products, solutions and services, their development and potential. Although Holcim believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions as at the time of publishing this document, investors are cautioned that these statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are difficult to predict and generally beyond the control of Holcim, including but not limited to the risks described in the Holcim's annual report available on its website (www.holcim.com) and uncertainties related to the market conditions and the implementation of our plans. Accordingly, we caution you against relying on forward-looking statements. Holcim does not undertake to provide updates of these forward-looking statements.