



STRATEGY 2025 – “ACCELERATING GREEN GROWTH”

CAPITAL MARKETS DAY 2021 – 18 NOVEMBER 2021

JAN JENISCH, CEO



2021 CAPITAL MARKETS DAY

ACCELERATING GREEN GROWTH

Agenda

- 10:00** **Basel field trip**
- Introduction to Holcim's business in Switzerland
 - Site visit (Birsfelden exhibition, boat tour)

Speakers

- Simon Kronenberg
- Holcim Switzerland team

13:00 **Lunch**

14:00 **Strategy 2025 – Accelerating Green Growth**

- Jan Jenisch

- 14:45** **Break out sessions**
- Roofing Systems
 - Acceleration of Green Products
 - Leader in Circular Economy
 - Innovative Decarbonization across the value chain
 - Digital at scale
 - Delivering Superior Performance

- Jamie Gentoso / Samuel Poletti
- Miljan Gutovic / Carmen Diaz
- Magali Anderson / Berthold Kren
- Solomon Baumgartner / Alexander Scheld / Roze Wesby
- Philipp Leutiger / Celine Da Costa Coimbra
- Géraldine Picaud / Markus Unternährer

17:30 **Q&A and Closing remarks**

- Jan Jenisch

18:30 Departure to dinner location by buses

19:00 **Swiss Architecture Museum of Basel**
Apéro & Drinks
Closing Dinner at Kunsthalle restaurant



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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	

STRATEGY 2022 – “BUILDING FOR GROWTH”

A STRONG FOUNDATION FOR OUR NEXT CHAPTER OF GROWTH



Lean and agile **OPERATING MODEL** with fully **EMPOWERED P&L LEADERS** in the markets



Strong financial and operational performance with **OVER-PROPORTIONAL EBIT GROWTH** and **HIGH CASH CONVERSION**



SUSTAINABILITY and **ESG** at the core of what we do



Acquisition of **FIRESTONE BUILDING PRODUCTS**, a milestone in the development of our **Solutions & Products** segment



28 BOLT-ON ACQUISITIONS completed to date driving growth and bottom line

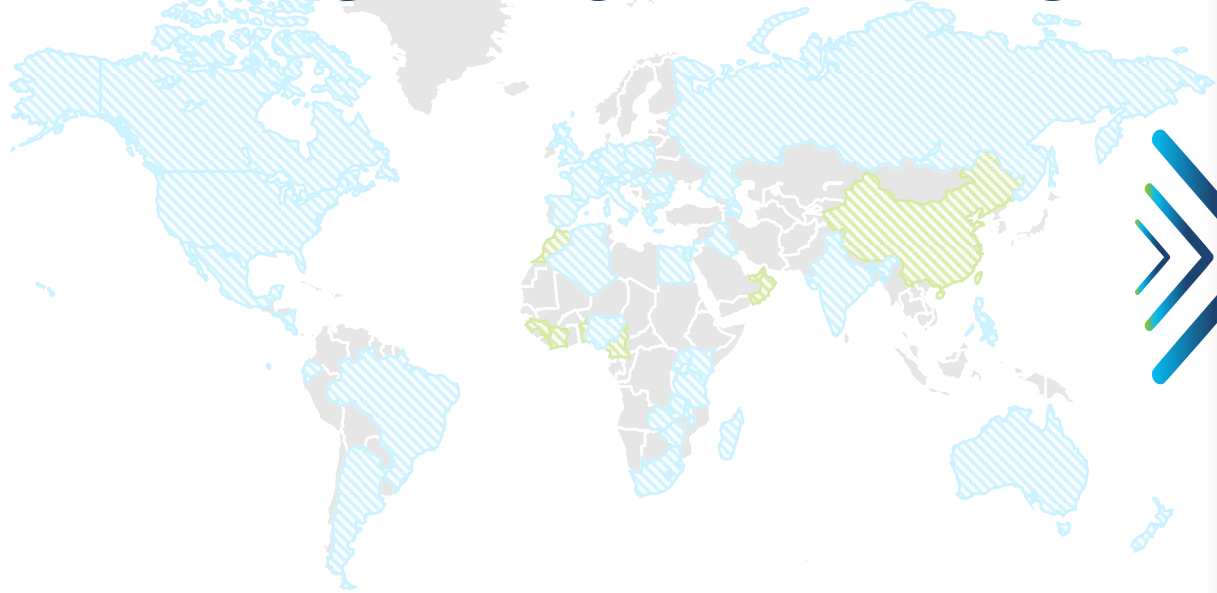


Achieved a new level of **FINANCIAL STRENGTH**

OUR NEXT CHAPTER OF GROWTH

BECOME THE GLOBAL LEADER IN INNOVATIVE & SUSTAINABLE BUILDING SOLUTIONS

FROM:
THE GLOBAL LEADER
IN BUILDING MATERIALS



TO:
THE GLOBAL LEADER
in **INNOVATIVE** and
SUSTAINABLE
building solutions



SIX MEGATRENDS DRIVING CONSTRUCTION

OUR MARKETS HAVE NEVER BEEN AS ATTRACTIVE

POPULATION GROWTH

From ~8 billion today to ~10 billion by 2050



URBANIZATION AND MEGACITIES

Approximately 2.5 billion more people are expected to live in cities by 2050



Higher demand for **SUSTAINABLE CONSTRUCTION SOLUTIONS** due to resource scarcity & climate change



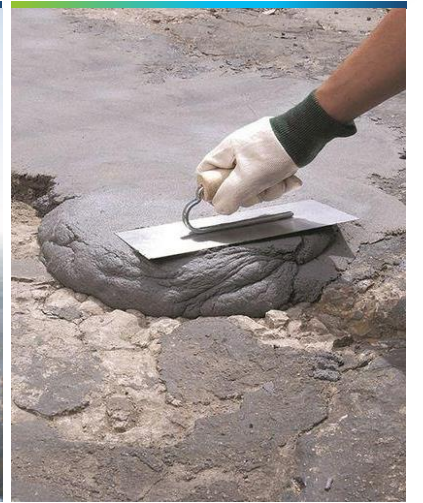
Increased demand for **BETTER LIVING STANDARDS** and more efficient infrastructure



INNOVATION DRIVING BUILDING TECHNOLOGIES AND BUILDING EFFICIENCY accelerated by light and modular construction solutions



More **REPAIR & REFURBISHMENT** driving urban demand



THE OPPORTUNITIES WE HAVE ARE ENORMOUS AND WE ARE READY TO CAPTURE THEM

AT THE FOREFRONT OF INNOVATIVE & GREEN BUILDING SOLUTIONS

Making green building possible at scale for a Net Zero future

ECOPlanet **ECOPact**



ECOPact Ready-Mix Truck, Sydney

LEADING THE CIRCULAR ECONOMY & REDUCING OUR CARBON FOOTPRINT

Reduce, Reuse and Recycle across everything we do to “build more with less”



Circular Explorer, Hamburg

MOVING CLOSER TO CUSTOMERS WITH SOLUTIONS & PRODUCTS

A platform for innovation and above market growth across the construction value chain



Etihad Museum, UltraPly TPO, Dubai

CREATING SUPERIOR STAKEHOLDER VALUE

Delivering superior financial & ESG performance



Keppel Marina East, UltraPly TPO Green Roof, Singapore

STRATEGY 2025 – “ACCELERATING GREEN GROWTH”

TO BECOME THE GLOBAL LEADER IN INNOVATIVE & SUSTAINABLE BUILDING SOLUTIONS



Accelerating
GROWTH



Expanding
**SOLUTIONS &
PRODUCTS**



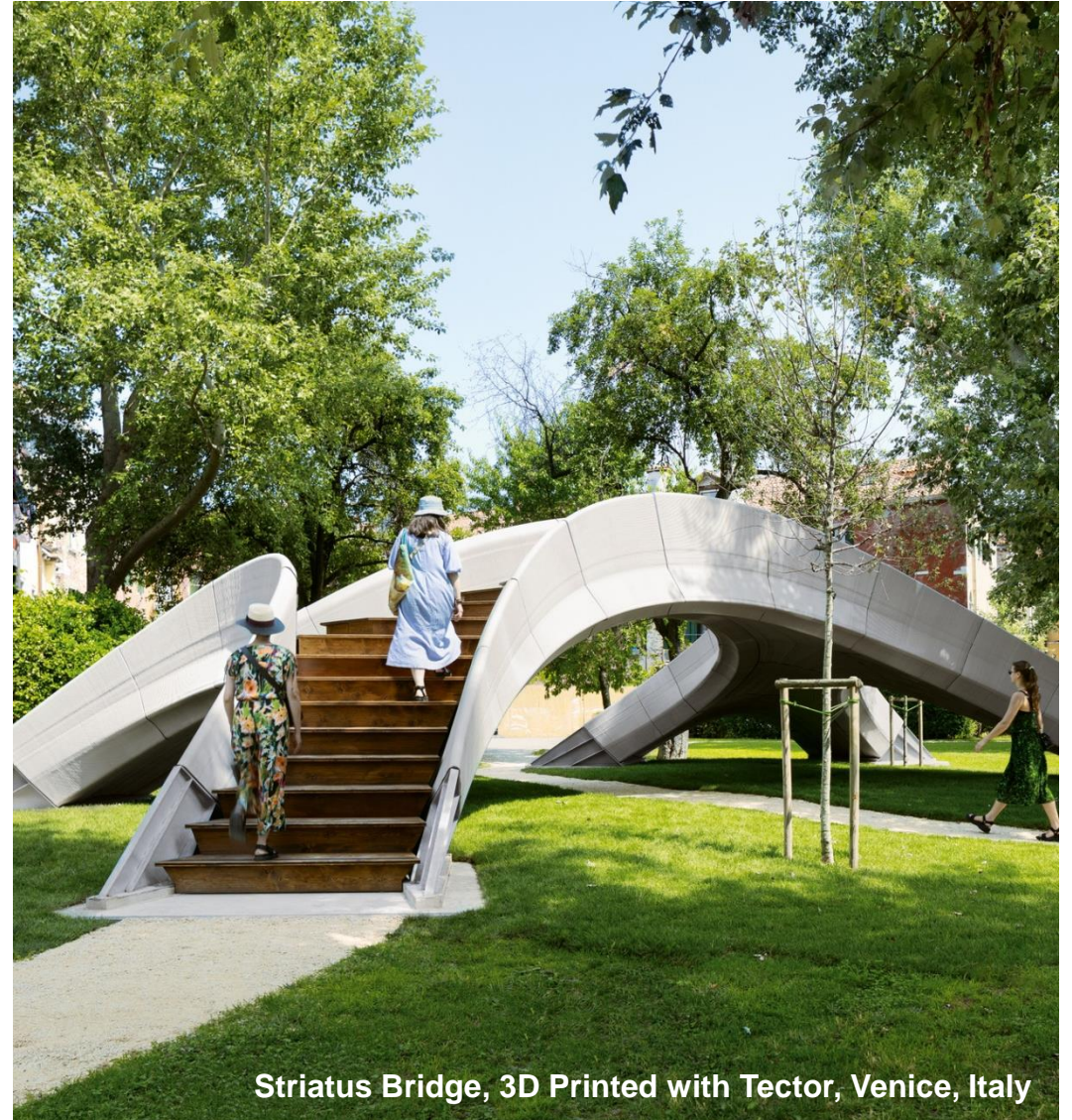
Leading in
**INNOVATION &
SUSTAINABILITY**



Delivering
**SUPERIOR
PERFORMANCE**



ACCELERATING **GROWTH**



Striatus Bridge, 3D Printed with Tector, Venice, Italy

ACCELERATING GROWTH

DELIVER PROFITABLE ABOVE MARKET GROWTH ACROSS OUR BUSINESSES



Fondation Louis Vuitton, Ductal, Paris, France

Capitalize on **MEGATRENDS** in construction

Accelerate growth in **SOLUTIONS & PRODUCTS** to reach **30% OF GROUP NET SALES** by 2025

Continue successful **BOLT-ON ACQUISITIONS** strategy

Accelerate Growth in our **AGGREGATES** and **READY MIX BUSINESS**

Scaling up **DIGITAL** across our customers and our operations

BOLT-ON ACQUISITIONS

ACCELERATE OUR SUCCESSFUL BOLT-ON ACQUISITION STRATEGY



- **28 Bolt-on acquisitions** completed since 2018
- **Strong synergy delivery** leading to higher growth and margins
- Strengthens our **footprint** in local markets and leverages our **scale** and **margins**
- More **mature market focused** in Aggregates, Ready Mix and Solutions & Products businesses
- **Accelerate** growth through increased level of Bolt-on acquisitions



EXAMPLE: SCHOTTER TEUFEL

DESCRIPTION	SYNERGIES
<ul style="list-style-type: none">• 1x Aggregates quarry• 1x Ready Mix plant• 1x Ground Calcium Carbonate processing plant• 2x Recycling sites and mobile pick up• 1x Asphalt plant• Demolition and road construction business	<ul style="list-style-type: none">• Excellent fit into Holcim's Southern Germany Network• Cross supply of Cement & Aggregates to Ready Mix Business• Growth platform for green products & construction demolition waste• Acceleration of Circular Economy• Secure Aggregate Reserves

SCALING UP DIGITAL ACROSS OUR CUSTOMERS AND OPERATIONS



Our Customers



TARGETS

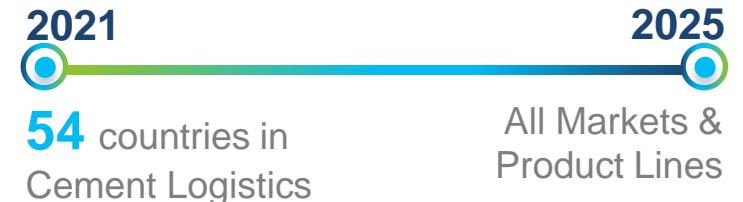


- Dynamic pricing
- Upselling
- Delivery planning
- BIM Integration
- E-commerce platforms
- Fintech (payment, credit, remittances)

Our Logistics



TARGETS

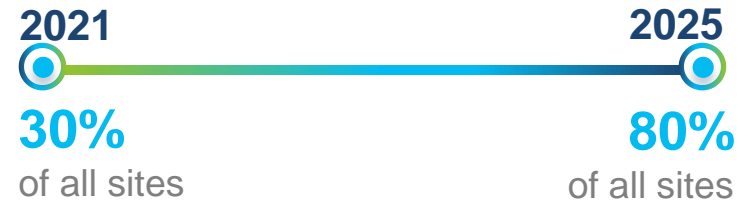


- Demand forecasting
- Network optimization
- Transport analytics
- Self Driving Vehicles
- E-Tendering & hauler market places
- Frontline worker communication
- Driver safety management

Our Plants of Tomorrow



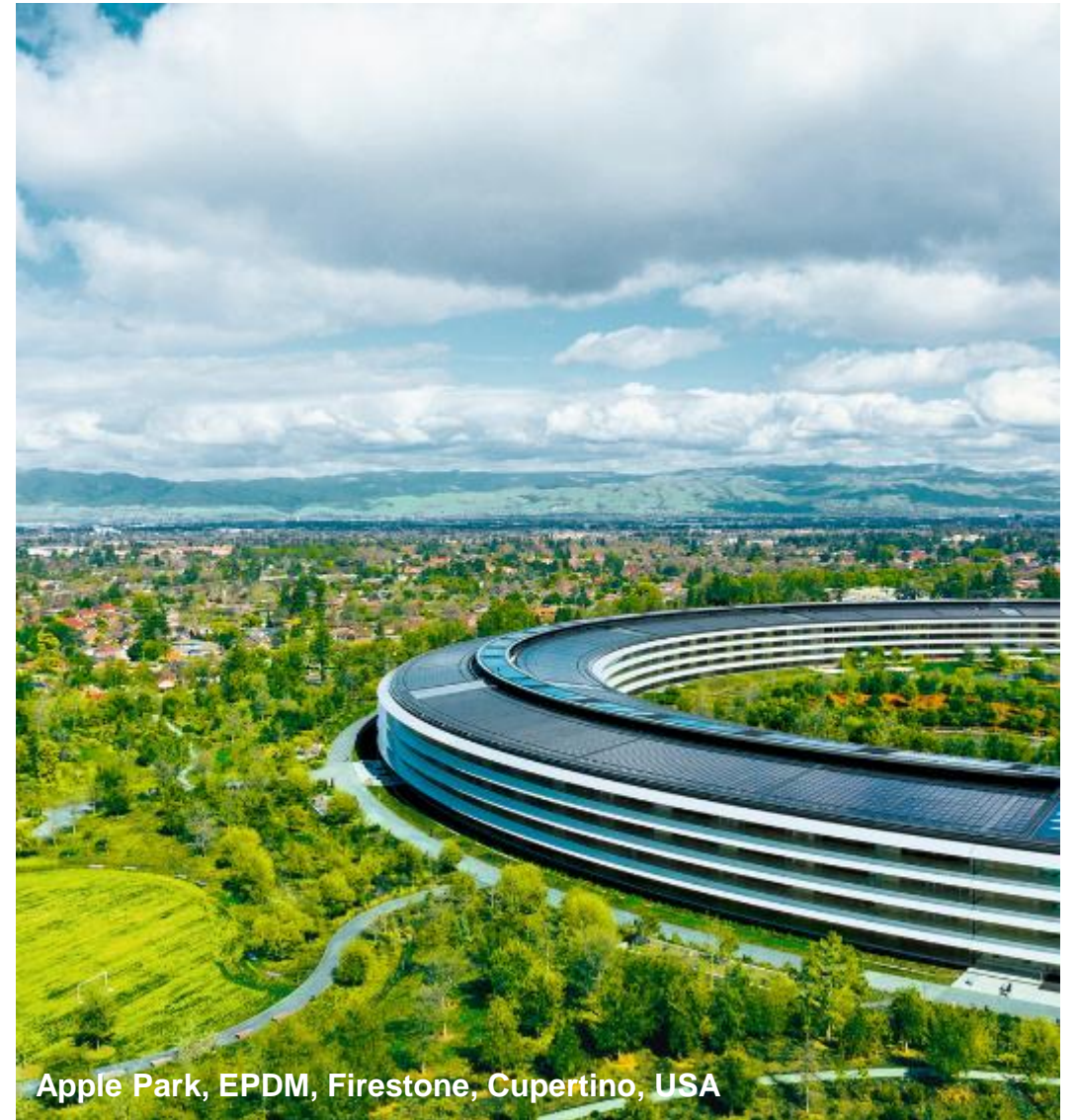
TARGETS



- Cement quality
- Predictive maintenance
- Energy optimization & modeling
- 3D printing
- Modular construction
- Environmental impact management



EXPANDING
**SOLUTIONS &
PRODUCTS**



Apple Park, EPDM, Firestone, Cupertino, USA

SOLUTIONS & PRODUCTS

EXPANDING IN MOST ATTRACTIVE MARKET SEGMENTS



Maggie Daley Park, Aggregates
Chicago, USA

Accelerate growth in **Solutions & Products** to reach **30% of Group Net Sales** by 2025

Breakthrough acquisition in **roofing systems** delivering **above market growth** and **synergies**

Strategic investments & acquisitions to **double roofing systems Net Sales** by 2025

Enter **new growth platforms** with above market growth and pricing power through acquisitions

SOLUTIONS & PRODUCTS

ATTRACTIVE MARKET SEGMENTS WITH ABOVE MARKET GROWTH & PRICING POWER



Continuous growth through **sustainability & innovation**



Growing and resilient demand in **repair** and **refurbishment**



Increased demand of value added products through **system** and **specification selling**



Technologies that offer solutions for **sustainability and reduction in carbon footprint**



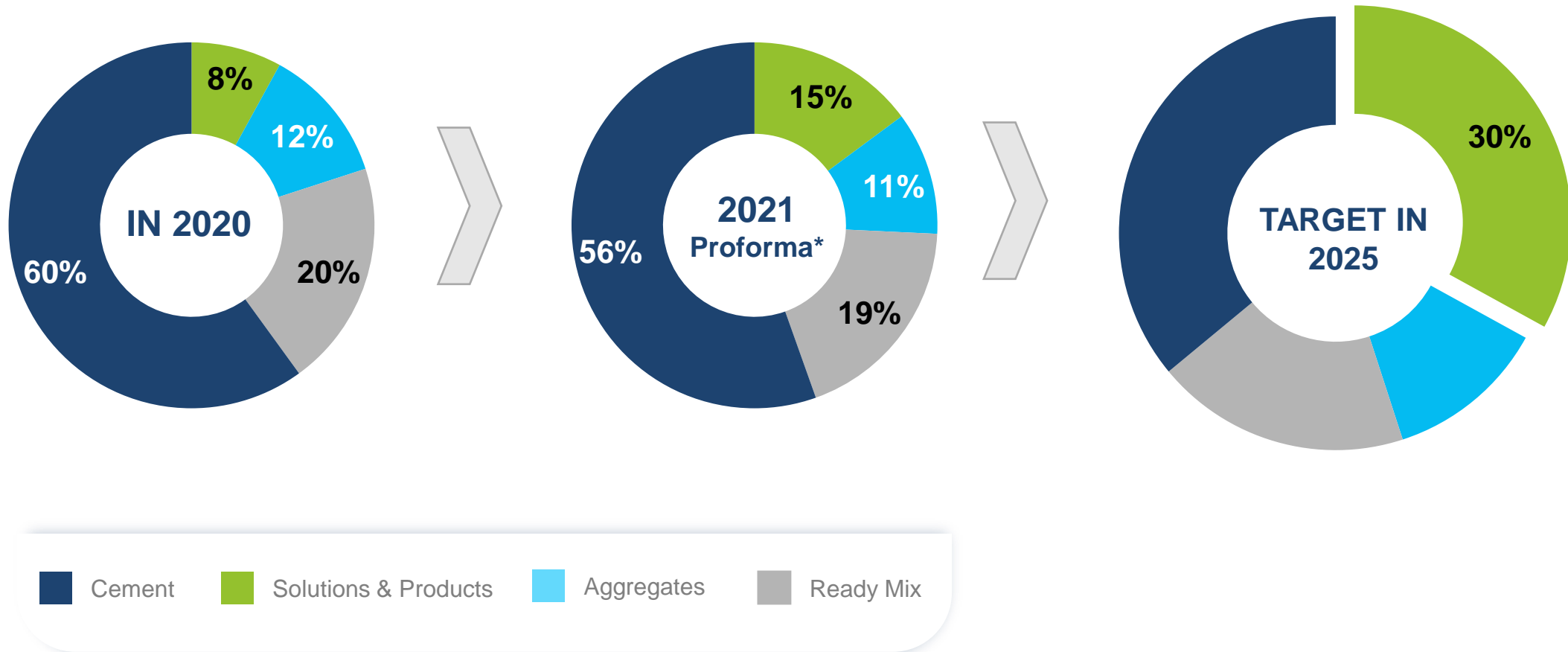
Higher cash conversion and **lower capital intensity**

SOLUTIONS & PRODUCTS

ACCELERATE GROWTH TO REACH 30% OF GROUP SALES BY 2025



NET SALES BY SEGMENT



LEADING IN ROOFING SYSTEMS

NEW PLATFORM DELIVERING SUSTAINABLE GROWTH AND SYNERGIES



HIGHLY MOTIVATED TEAM, winning in the market, delivering on price over cost and business synergies



LAUNCHED GACO INTO LATIN AMERICA starting with Mexico, Colombia, and Ecuador, fully leveraging Holcim's distribution channels

Firestone

Firestone Building Products

First 6 months achievements
(Apr – Sept 2021)

NET SALES

USD 1.1 BILLION

GROWTH (vs PY)

15%

SYNERGY
DELIVERY

ON TRACK



Building for Growth with **NEW CAPACITY ADDITIONS** for production of PIR insulation in Salt Lake City and TPO Membranes in Alabama already underway



GROWING at record pace **THROUGH INNOVATIVE AND SUSTAINABLE PRODUCTS** with several new releases

SOLUTIONS & PRODUCTS

ACCELERATE GROWTH TO REACH 30% OF GROUP NET SALES BY 2025

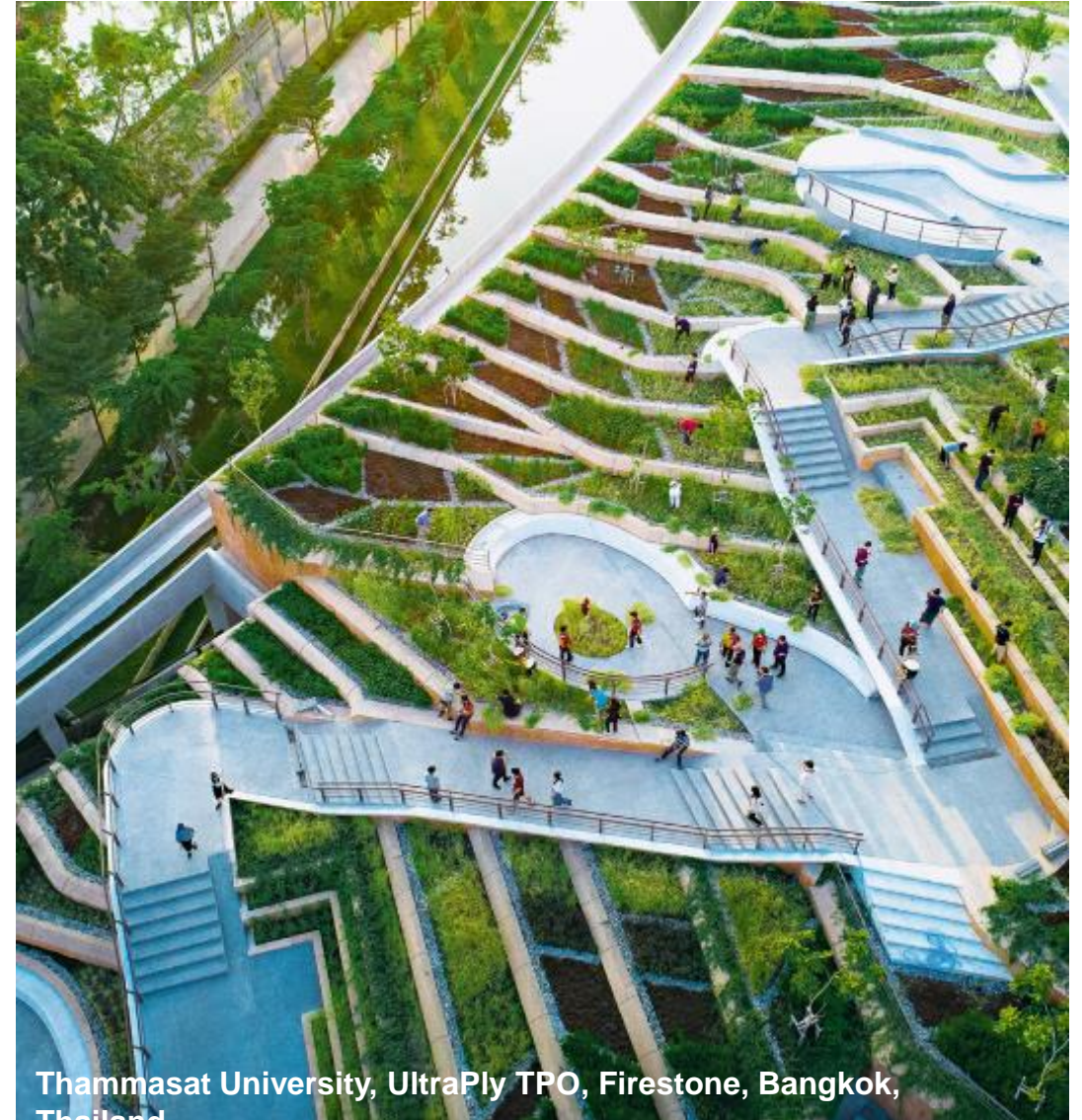


McLaren Technology Center, Firestone's RubberGard EPDM, UK

- **Strong growth** in **roofing market** driven by re-roofing, increasing demand, regulations for thermal performance and expanding lifespan of roofs
- Ambition to **double Net Sales** to USD 4 billion by 2025 in roofing systems
 - › Several **capital investment projects** under execution to drive growth and profitability
 - › **Strong pipeline for M&A** through Bolt-on acquisitions in North America and Europe in roofing and insulation
- Enter **new growth platforms** with above market growth and pricing power through acquisitions



LEADING IN
**INNOVATION &
SUSTAINABILITY**



Thammasat University, UltraPly TPO, Firestone, Bangkok, Thailand

AT THE FOREFRONT OF GREEN BUILDING SOLUTIONS WITH ECOPACT

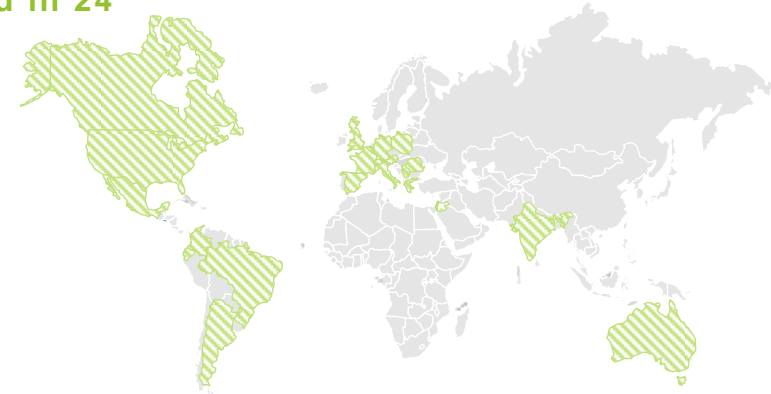
INDUSTRY'S LARGEST RANGE OF GREEN CONCRETE ADDRESSING GREEN DEMAND



ECOPact

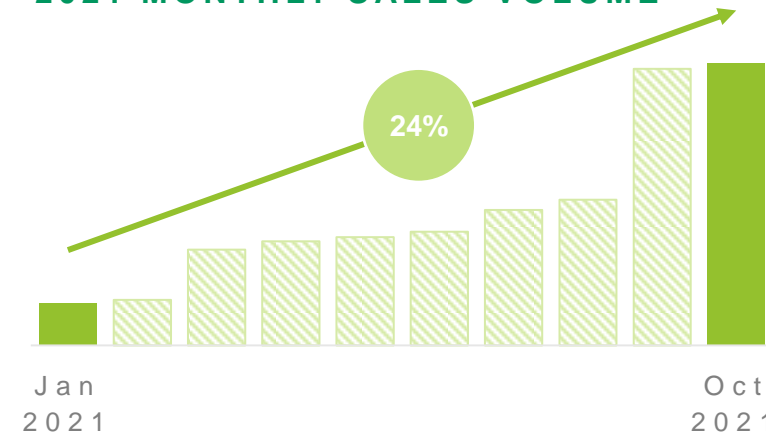


Launched in 24 Markets



- Low carbon concrete with CO₂ reduction of 30% to 100%
- Largest range of branded Green Concrete
- High performance, sustainable & circular designed for all applications
- Low carbon properties include:
 - Upcycled construction and demolition waste
 - Low CO₂ binders
 - Supplementary cementitious materials
 - Innovative mix design & optimization technology

2021 MONTHLY SALES VOLUME



Target 2025

>25%

of Ready Mix Net Sales

OUR JOURNEY TO NET ZERO

FIRST COMPANY WITH 2050 TARGETS APPROVED BY SBTI



	CLINKER FACTOR AND ALTERNATIVE FUELS	Maximize usage of alternative fuels and mineral components in cement
	RENEWABLE ENERGY	Expanding wind turbines, solar panel farms, waste heat recovery systems
	GREEN PRODUCTS	Accelerating Green Solutions
	PLANTS OF TOMORROW	Driving efficiency from automation to artificial intelligence
	CIRCULAR ECONOMY	Including use of Construction Demolition Waste in Cement & Concrete
	CARBON CAPTURE	Getting ready to scale up CCUS technologies
	NEXT GENERATION TECHNOLOGIES INCL. SOLUTIONS & PRODUCTS	New technologies that offer solutions to sustainability and reduction in carbon footprint
	ACTING ACROSS THE VALUE CHAIN	First Movers Coalition focusing on green procurement and supply chain

AT THE FOREFRONT OF GREEN BUILDING SOLUTIONS

INNOVATING TO ACCELERATE GREEN GROWTH



Low Carbon



ECOPACT
The Green concrete



ECOPLANET
The Green cement



MAESTRO
Low carbon cement designed for high-quality masonry jobs



TERRAFLOW
Green cement for efficient backfilling

Circular Economy



SUSTENO
Cement with recycled demolition waste



AGGNEO
Recycled aggregates from construction demolition waste



GEOCYCLE PLANET
Socially-driven waste collection for plastic neutrality



ROOFING RECYCLING
Membranes & ISO boards used as Alternative Fuels

Build More with Less



DYNAMAX
The Ultimate Performance Concrete



DUCTAL
Ultra light weight & High Performance Concrete



3D PRINTING
Building more & faster with less



BASE VIAL
Cement for improved and stabilized soils

Buildings Efficiency



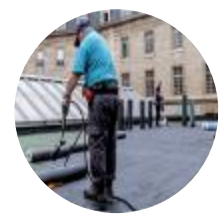
FIRESTONE
Building Products roofing membranes and ISO boards for cool, green and solar roofs



AIRIUM
Insulating foam for energy efficiency



THERMEDIA
Concrete solution reducing heat loss



HYDROMEDIA
Permeable concrete

LEADER IN CIRCULAR ECONOMY

OUR INTEGRATED BUSINESS MODEL RECYCLING OVER 46 MILLION TONS



Repair mortars
Addressing refurbishment markets



Cool roofs, green roofs extending lifetime of roofing membranes and systems

Extend lifetime of buildings

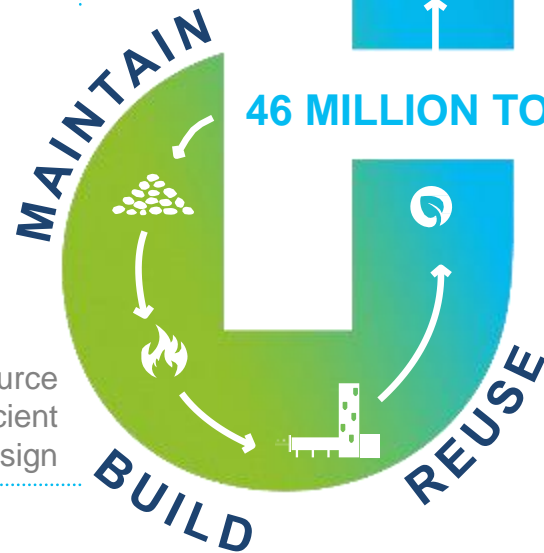
3D Printing
Building more with less

BIM
Virtual co-construction of building and infrastructure projects



Global material platform transforming road construction towards resources efficiency & sustainability

Resource efficient design



Construction & Demolition Waste

Virgin materials extraction

Fossil free energy & decarbonated materials



High quality aggregate from 100% recycled content



Ready Mix Concrete enabling circular and carbon-neutral construction



The world's 1st circular cement with 20% CDW inside



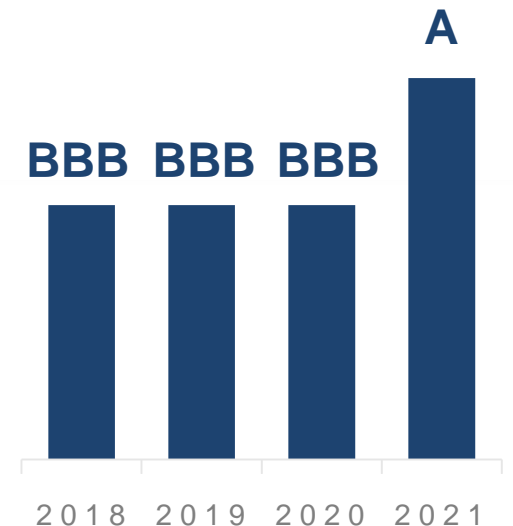
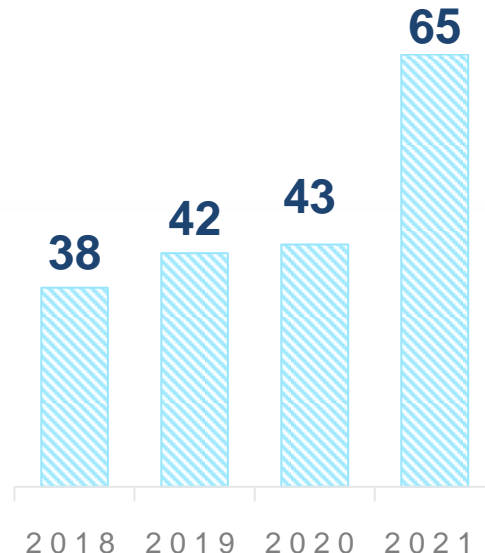
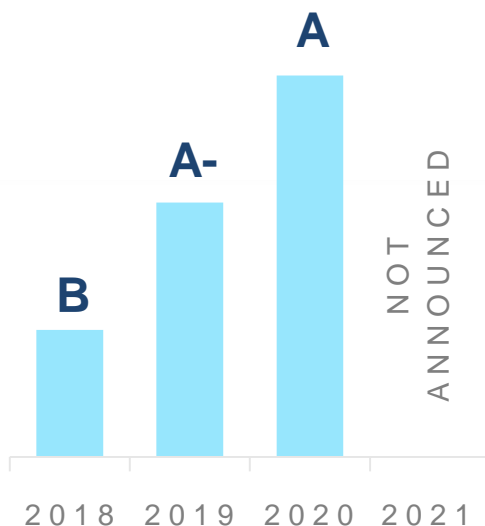
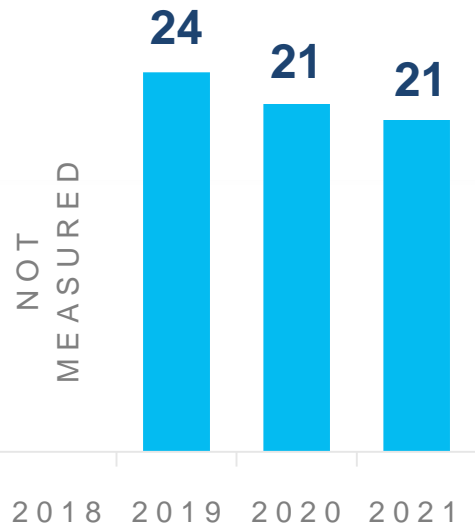
Roofing membranes and ISO waste used as alternative fuels



Waste management solutions

CONTINUED PROGRESS IN ESG RATINGS

RECOGNITION OF ESG EFFORTS BY GLOBAL RATING AGENCIES



SUSTAINABILITY TARGETS 2025

ACCELERATING GREEN GROWTH



ECO Pact

25%

% OF READY MIX NET SALES

Circular Economy

75

MILLION TONS

Construction Demolition Waste

10

MILLION TONS

Green Capex

0.5

BILLION CHF

Fresh Water Withdrawal

-25%

LITRES / TON IN CEMENT

Diversity

+40%

MORE WOMEN IN SENIOR MANAGEMENT

Climate

520

KG NET CO₂ / TON CEMENT

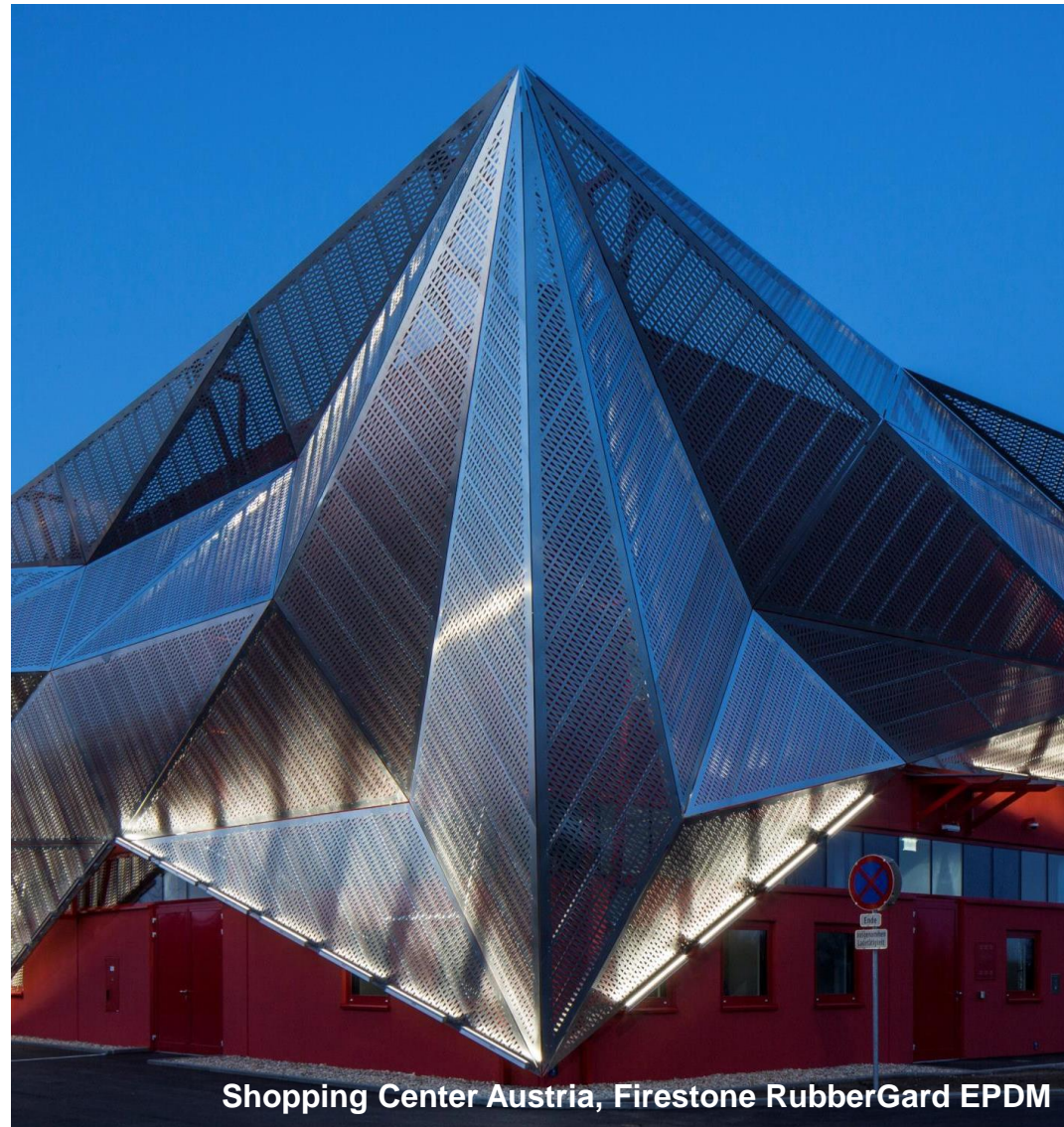
Sustainable Financing

> 40%

LINKED TO CLIMATE, WATER & SAFETY GOALS



DELIVERING
**SUPERIOR
PERFORMANCE**



Shopping Center Austria, Firestone RubberGard EPDM

CEMENT

LEADING THE GREEN TRANSFORMATION



Renovation of Gioia 22 with ECOPact, Milan, Italy

- Leading **market positions** with **strong profitability** and **cash flows**
- Accelerate our **Solutions** and **Green Products** offering across all markets
- **First company** in the industry with **2050 targets** approved by **SBTi**
- **Innovative technologies** to lead **decarbonization** across the value chain
- **Scaling** up our **digital** solutions across our customers and operations

AGGREGATES

ATTRACTIVE BUSINESS FUNDAMENTALS WITH STRONG GROWTH & PROFITABILITY



Lynwood Quarry, Aggregates Holcim Australia

- **Excellent business fundamentals** from above inflation **pricing**, increasing **regulations**, limited **import threat** and limited **substitutes**
- Focus established with dedicated **P&L leaders** driving growth and performance
- Continue to **close the gap** to best in class
- Tremendous opportunity to deliver on growing need for **sustainable** and **circular offering** including **recycled aggregates**
- Target more **bolt-on acquisitions** and **greenfield investments** to strengthen our footprint and margins

READY MIX CONCRETE

“THE GREEN CONCRETE COMPANY”



ECCoPact Green Concrete, Affordable Housing Project, Ecuador

- **Concrete is the best and most sustainable building material** based on its durability, strength, design, safety, cost effectiveness & links to circular economy
- Accelerate our **green products offering** across all local markets
- Ensure **innovation** & **product development** activities are at local market level
- **Leverage digital platforms** for new level of process efficiency and operational performance
- Target **bolt-on acquisitions and growth investments** to strengthen our footprint and margins

SOLUTIONS & PRODUCTS

BUILD UP MARKET SEGMENTS WITH ABOVE MARKET GROWTH



Firestone Roofing, EPDM, USA

- Accelerate growth in Solutions & Products to reach **30% of Group Net Sales** by 2025
- Breakthrough **acquisition** in **roofing systems** delivering **above market growth** and **synergies**
- Strategic **investments** and **acquisitions** to **double roofing systems** Net Sales by 2025
- Enter **new growth platforms** with above market growth and pricing power through acquisitions
- Continue to develop the existing Solutions & Products businesses through **organic growth and bolt-on acquisitions**

EMPOWERING OUR PEOPLE

A BASIS FOR A HIGH PERFORMANCE ORGANIZATION GEARED FOR GROWTH



	TALENT & SUCCESSION	DIVERSITY & INCLUSION	LEARNING FOR GROWTH	PERFORMANCE CULTURE
AMBITION	<p>Talent oriented organization based on the empowerment and accountability of people</p>	<p>Improved Diversity and established inclusive organization</p>	<p>Continuous Learning model</p>	<p>High performance organization inspired by continuous improvement</p>
MEASUREMENT	<ul style="list-style-type: none">• Organization based on more than 500 empowered leaders• Solid Succession pools and people planning• >70% internal promotion	<ul style="list-style-type: none">• +40% more women in senior management• Highly engaged people: voluntary turnover <5%	<ul style="list-style-type: none">• Business School for senior and emerging leaders.• Early Career Leaders Program nurturing development of future leaders	<ul style="list-style-type: none">• Lean performance management model• “Leading for Growth”• Competitive reward for performance approach



STRATEGY

2025 TARGETS



Bosco Verticale Milan, Green Concrete
Holcim Italy

STRATEGY 2025 – TARGETS

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

SUSTAINABILITY TARGETS 2025

ACCELERATING GREEN GROWTH

ECO Pact

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Sustainable Financing

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LINKED TO
CLIMATE, WATER &
SAFETY GOALS



HOLCIM