HeidelbergCement

2019 First Quarter Results

09 May 2019

Dr. Bernd Scheifele, CEO and Dr. Lorenz Näger, CFO

Groupe scolaire Anatole France in Sarcelles, France

Contents

Q1 2019 Overview

LfL Revenue up +15% *

LfL EBITDA up +26% *

Strong volume development

and solid order backlog

A strong start which signals a solid earnings growth for full year

Increase in margins in all

business lines

Disposals reach ~220 m€;

Net Debt 0.8 b€ below Mar18**

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

First quarter increases confidence to reach full year targets

Q1 2019 Overview

Key operational and financial highlights:

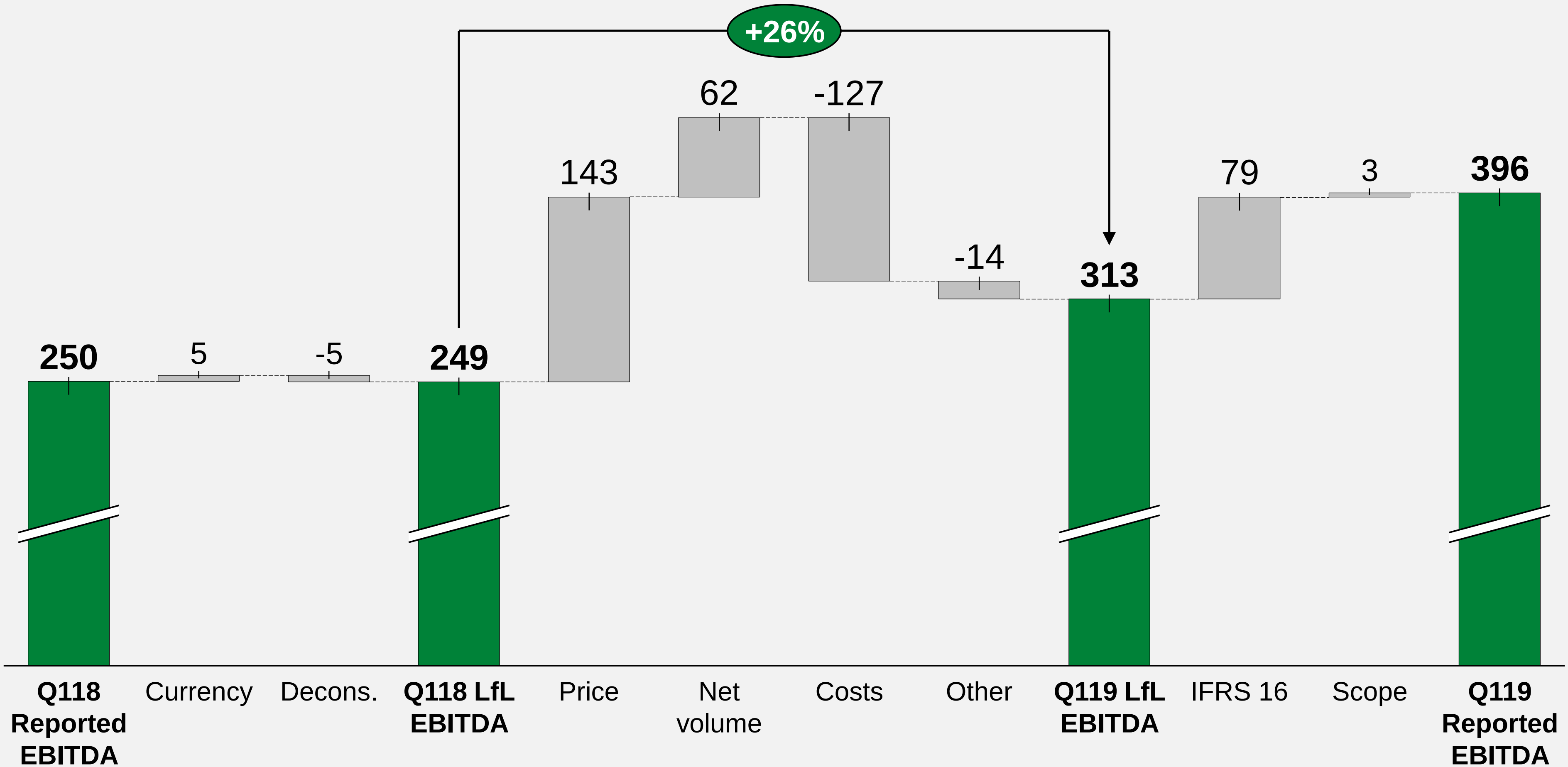
- Sales volumes increase in all business lines.
- **15% increase in revenues** driven by solid pricing and positive volume development.
- Margin improvement in all business lines leading to +**26% organic EBITDA growth**.
- Action plan on track. **More than 50m€ SG&A savings** already secured for 2019.
- Net debt 0.8b EUR below previous year; 2019 **disposals reach 217m EUR**.

m€	Mar 18	Mar 19	Change	%	IFRS 16	Cons.	Decons.	FX	LfL %
Cement volume ('000 t)	28,144	**28,581**	438	1.6%		3	-299		**2.6%**
Aggregate volume ('000 t)	59,521	**62,911**	3,390	5.7%		805	0		**4.3%**
Ready Mix volume ('000 m^3)	10,237	**11,341**	1,104	10.8%		166	0		**9.2%**
Asphalt volume ('000 t)	1,622	**1,845**	223	13.8%		221	0		**0.1%**
Revenue	3,626	**4,238**	613	16.9%	0	58	-59	68	**15.0%**
Operating EBITDA (*)	250	**396**	146	58.6%	79	3	-5	5	**25.8%**
in % of revenue	*6.9%*	***9.3%***	*+246 bps*	*0.0%*					***+64 bps***
Operating income (*)	-19	**60**	79	N/A	13	0	-4	-2	**N/A**
Cement EBITDA margin	11.2%	**13.0%**	+175 bps						**+33 bps**
Aggregates EBITDA margin	9.9%	**14.9%**	+503 bps						**+227 bps**
RMC+ASP EBITDA margin	-3.7%	**-1.0%**	+266 bps						**+73 bps**

(*) Previous year figures are adjusted due to change in accounting method for "Result from associates". Please see appendix for details.
LfL figures excluding currency, scope and IFRS 16 Leasing adjustment.

HEIDELBERGCEMENT

Q1 Operating EBITDA Bridge (m€)



Solid pricing more than compensates cost inflation in the first quarter

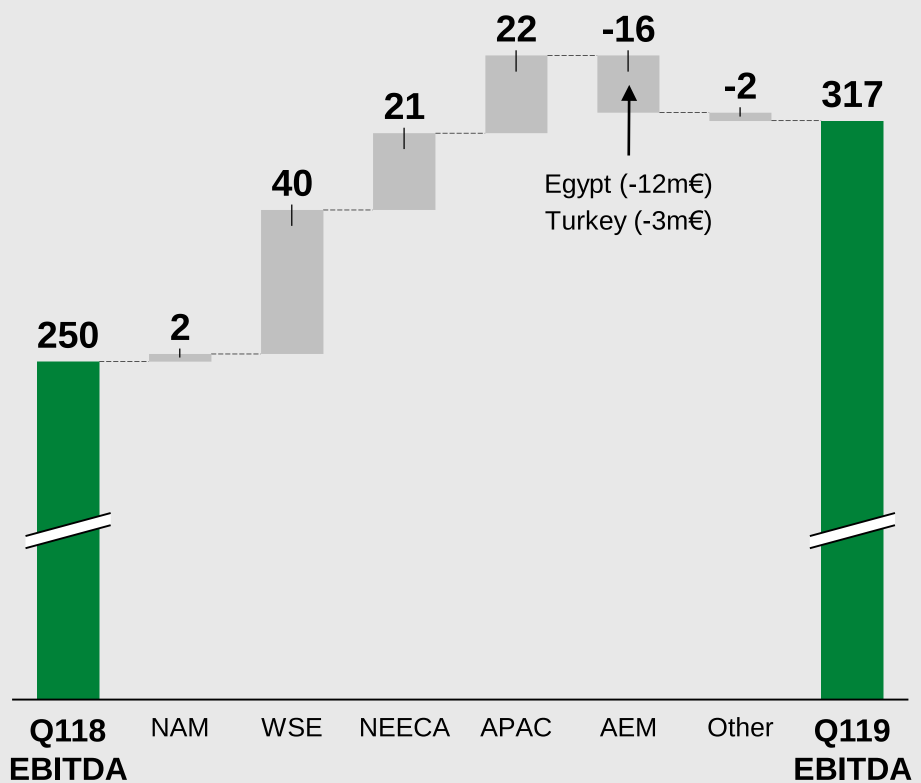
Previous year figures are adjusted due to change in accounting method for "Result from associates". Please see appendix for details.

HEIDELBERGCEMENT

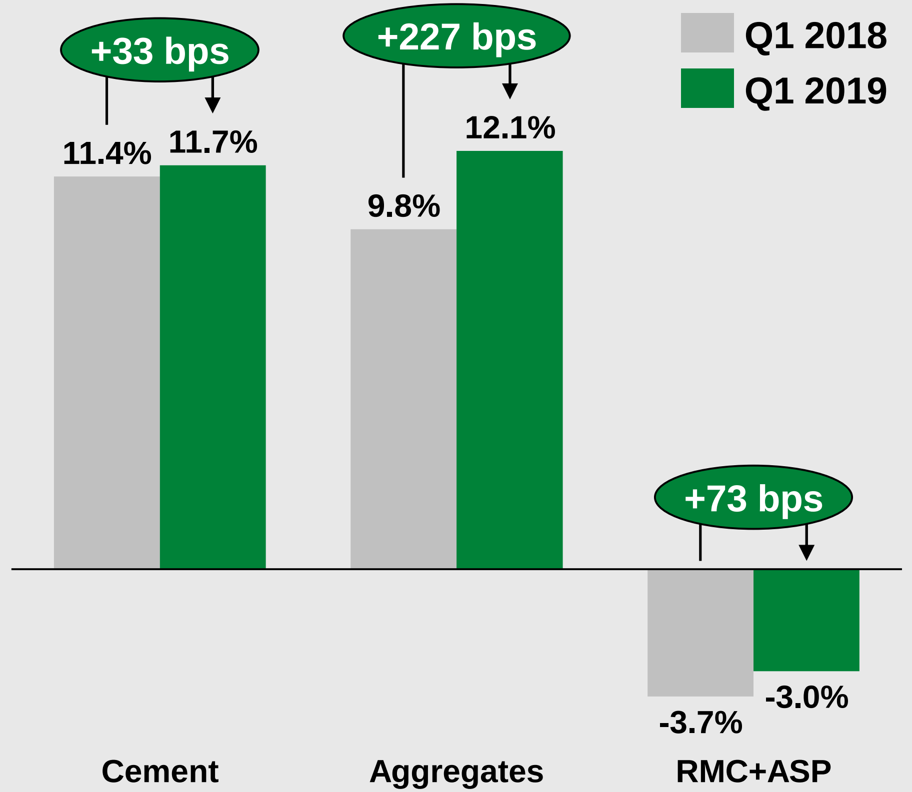
Operational performance / margin development

Regional EBITDA Development

Mio €; before IFRS 16 Leasing adjustments.



Business Line Margin Development *



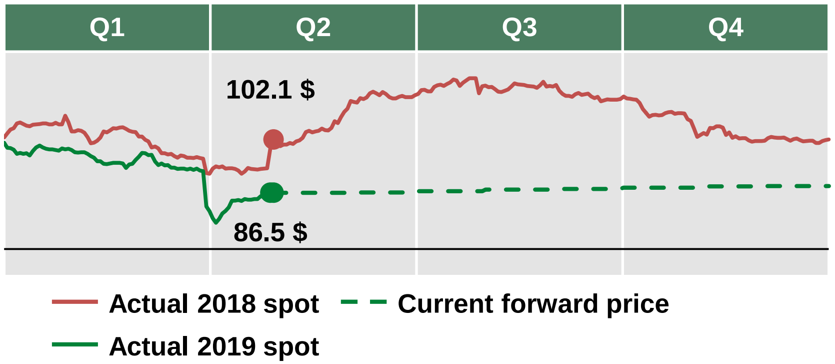
Previous year figures are adjusted due to change in accounting method for "Result from associates". Please see appendix for details.

* Margins based on LfL values excluding scope, currency and IFRS 16 impacts.

Energy costs – Clear tailwind for the rest of the year.

COAL Price Development

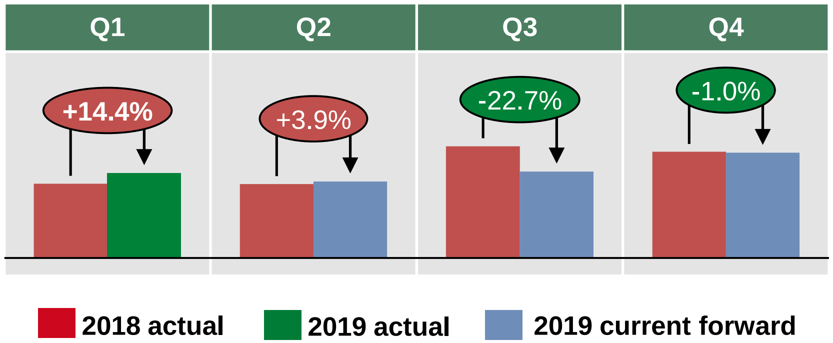
Example: Australia Coal (New Castle)



- Q1 spot prices slightly below prior year
- Current forward prices indicate clear tailwind in all international coal indexes

European Power Market Price Development

Example: Germany Power Price *(€/MWh)*



- Q1 prices in Europe double digit above prior year
- Price pressure will fade-out throughout the year
- Similar situation all across European countries

- Q1 fuel cost price decrease 1.7%; power price increase -5.7%; leading to total energy average price increase of -1.6%.
- Clear tailwind both in fuel and power costs for the rest of the year.
- Low single digit price increase expected for the full year.

HEIDELBERGCEMENT

Key financial messages Q1 2019

➢ Significant improvements in Net Debt and Free Cash Flow

➢ **Additional ordinary result:**
- Q1 2019: Close to zero due to lower gains from disposals;
- Full year: Closing of Ukraine disposal will result in a significant non-cash loss in Q2 2019 which will be compensated to a large extent by other positive income over the year.

➢ **Net financial result:**
- Slightly higher expense mainly due to reclassification of leasing payments (IFRS 16). Interest for debt financing is declining as expected.

➢ **Income taxes:**
- Q1 2019 in line with expectations. Full year guidance for actual taxes 20-25%.

➢ **Share of minorities in profit** increases in Q1 2019 due to improved results from Indonesia, Thailand and Egypt (minority share in gain from sale of El Minya Cement plant).

➢ **Free Cash Flow (LTM) rises to almost 1.3 bn€ in Q1 2019.**

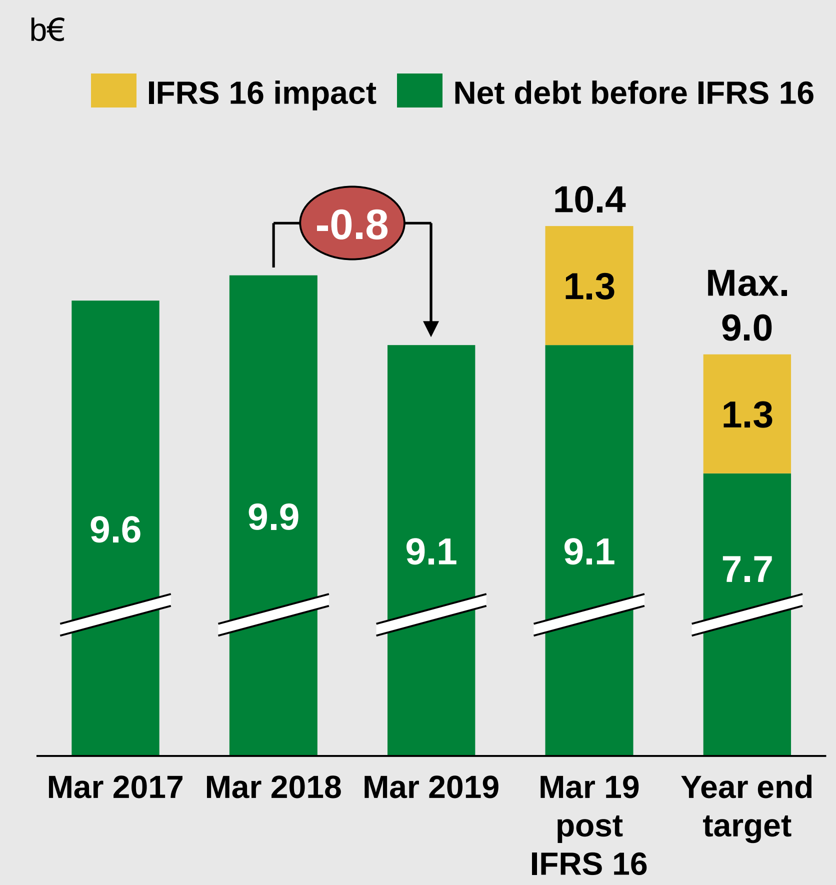
➢ **Net Debt reduced by 0.8 bn€ vs. Q1 2018.** HC is well on track to achieve the Net Debt target for the end of the year of 7.7 bn€ (before IFRS 16).

Strong cash generation and reduction in Net Debt is expected to continue

HEIDELBERGCEMENT

Net Debt and Portfolio Optimization

Net Debt by the end of period



Well on track to reach year-end target 7.7 billion EUR Net Debt

Portfolio optimization continues

2018 Disposals: ~600m EUR

- ✓ US White Cement
- ✓ German Sand Lime Brick
- ✓ Saudi Arabia
- ✓ Georgia
- ✓ Syria
- ✓ Ciment Quebec
- ✓ Other asset sales

Disposals in Q1 2019: ~220m EUR

- ✓ Morocco minority stake
- ✓ El Minya Plant (Helwan / Egypt)
- ✓ Other asset sales

Already closed transactions:

- ✓ Spoleto cement plant (Italy)
- ✓ Ukraine
- ✓ Sri Lanka cement terminal
- ✓ Baustoffwerke Dresden in Germany
- + Agreement is signed for Testi cement plant (Italy)

Portfolio optimization in 2019 has practically no impact on EBITDA

HEIDELBERGCEMENT

Contents

Overview of Group Areas

North America	• **Solid order book with positive price momentum.** • Revenue +7%: EBITDA +38%. • Inventory draw down both in cement (full silos at end 2018) and aggregates (annual repairs) impacts margins. Recovery started in Q2.
West & South Europe	• **Significant improvement in result driven by price increases.** • Revenue +15%: EBITDA turns to +56m€ from -10m€. • Order book looks solid with further price increases to come.
North & East Europe	• **Strong pricing across the region compensates cost inflation.** • Revenue +15%: EBITDA +120%. • Demand continues to increase driven by infrastructure and housing.
Asia Pacific	• **Positive price momentum across the region.** • Revenue +5%: EBITDA +14%. • Clear margin increase as Indonesia result starts to improve.
Africa / East Med.	• **Solid results in Morocco & Sub-Sahara; Egypt & Turkey challenging.** • Revenue +1%: EBITDA -15%. • Results expected to improve as cost base eases throughout the year.

Revenue & EBITDA developments excluding currency, scope and IFRS 16 Leasing adjustment.

North America

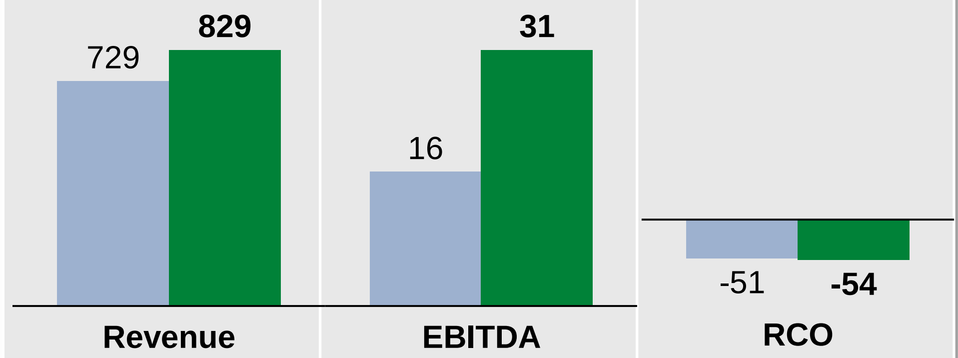
Q118 Q119

Q1 Market overview

- **North:** Strong volumes on a weather-affected comparison base. Efficient cost management compensates the price pressure in North Atlantic.
- **South:** Solid volumes driven by the commercial sector and strong demand in FL. Price increases announced for April.
- **West:** Harsh winter, especially in February. Strong March could not fully compensate. Price increases executed.
- **Canada:** Heavy precipitation (West Coast) and winter weather (Prairies). Solid price increases executed.
- **Overall solid order book with positive price momentum.**

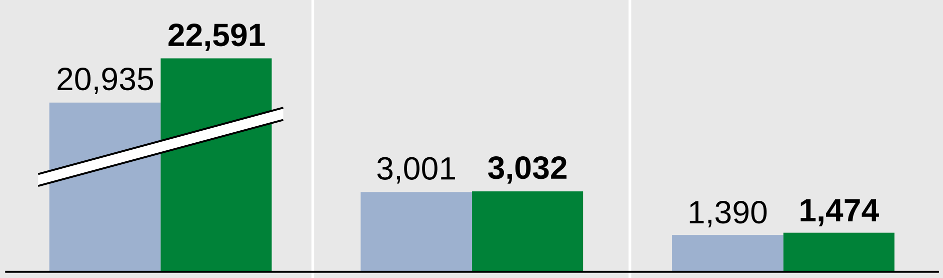
Q1 Operational result (m€)

Revenue	EBITDA	RCO
LfL: +7.4%	LfL: +38.4%	LfL: +7.3%



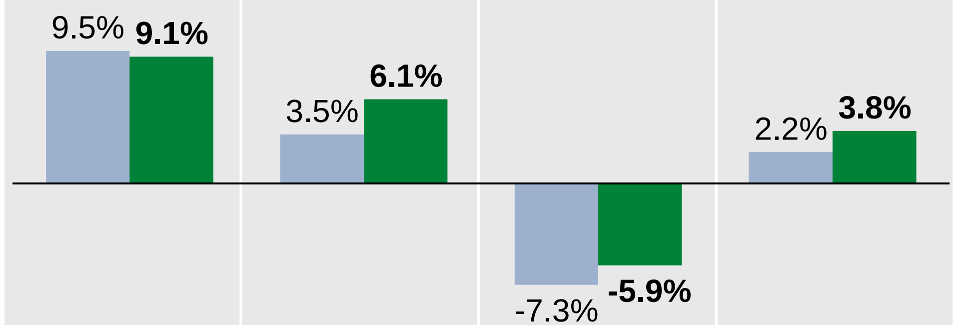
Q1 Volumes

Aggregates ('000t)	Cement ('000t)	RMC ('000 m³)
LfL: +7.1%	LfL: +6.1%	LfL: +2.4%



Q1 Operating EBITDA margin (%)

Aggregates	Cement	RMC+ASP	Total
LfL -109 bps	LfL +181 bps	LfL -76 bps	LfL +52 bps



Previous year figures are adjusted due to change in accounting method for "Result from associates". Please see appendix for details.
LfL figures excluding currency, scope and IFRS 16 Leasing adjustment.

HEIDELBERGCEMENT

Western and Southern Europe

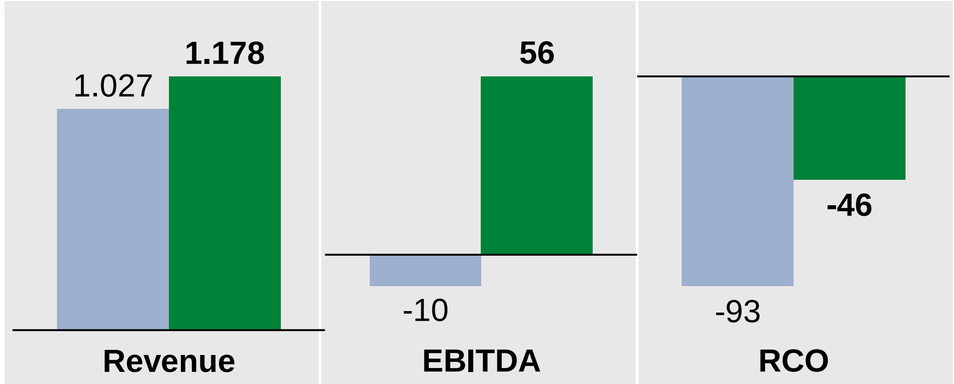
Q118 Q119

Q1 Market overview

- Strong volume development in all countries driven by mild winter, more working days and solid underlying trends.
- Cement price increases implemented mainly already in January compensate cost pressure and lead to margin improvement in all business lines.
- Electricity/energy costs is a headwind as we run against a difficult Q1 2018, which will ease throughout the year.
- **Solid order book and pricing outlook.**

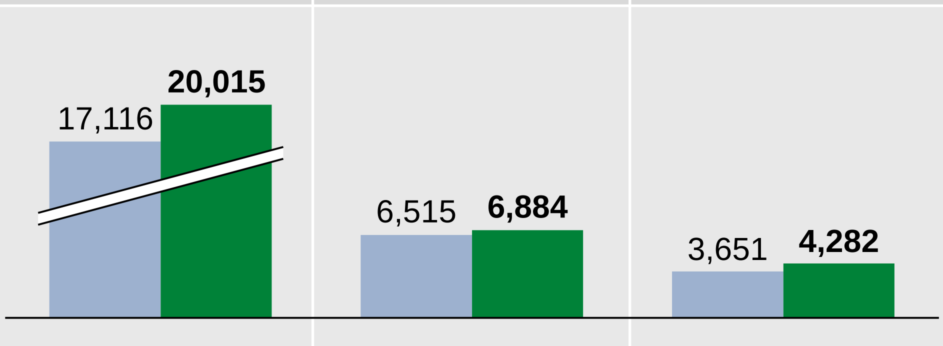
Q1 Operational result (m€)

LfL: +15.2%	LfL: N/A	LfL: +46.9%



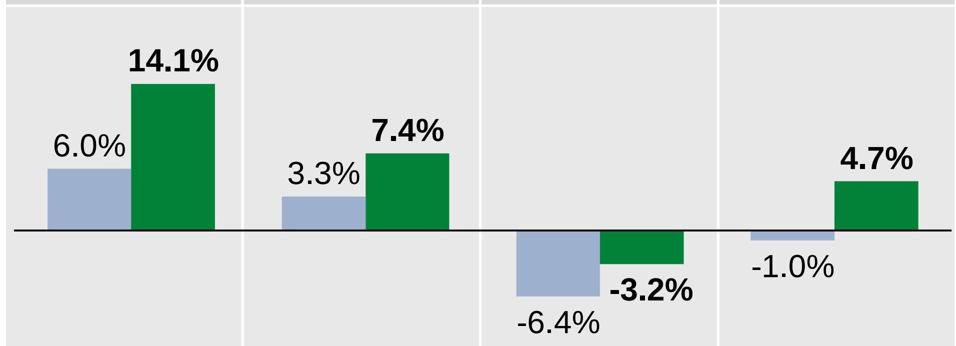
Q1 Volumes

Aggregates ('000t)	Cement ('000t)	RMC ('000 m^3)
LfL: +13.2%	LfL: +7.3%	LfL: +17.3%



Q1 Operating EBITDA margin (%)

Aggregates	Cement	RMC+ASP	Total
LfL +623 bps	LfL +215 bps	LfL +175 bps	LfL +334 bps



Previous year figures are adjusted due to change in accounting method for "Result from associates". Please see appendix for details.
LfL figures excluding currency, scope and IFRS 16 Leasing adjustment.

HEIDELBERGCEMENT

Northern and Eastern Europe - Central Asia

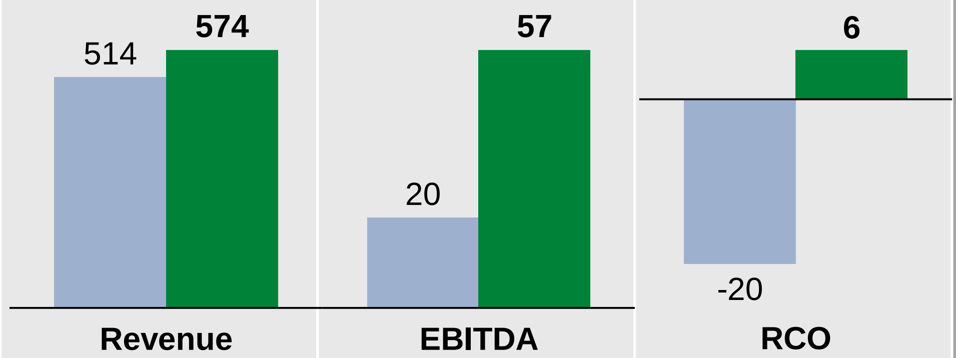
Q118 Q119

Q1 Market overview

- **Eastern Europe:** Strong underlying demand driven by infrastructure and housing. Mild winter and more working days further drove the volumes.
- **Nordics:** Lower volumes as a result of delayed infrastructure projects and prolonged winter.
- Strong pricing across the region leading to solid results for the quarter in all countries, despite electricity cost headwind.
- **Result improvement continues in the region.**

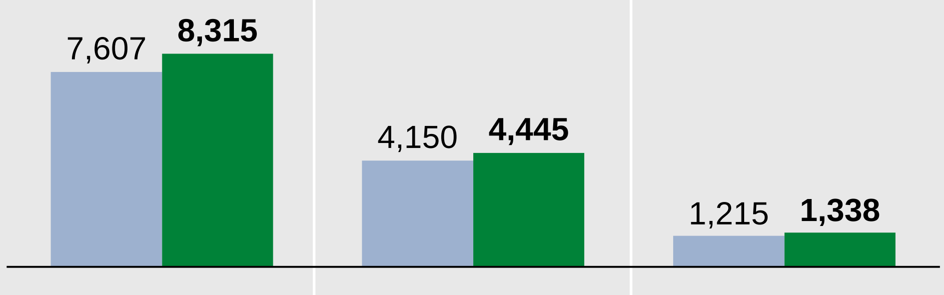
Q1 Operational result (m€)

Revenue	EBITDA	RCO
LfL: +15.1%	LfL: +120.3%	LfL: N/A



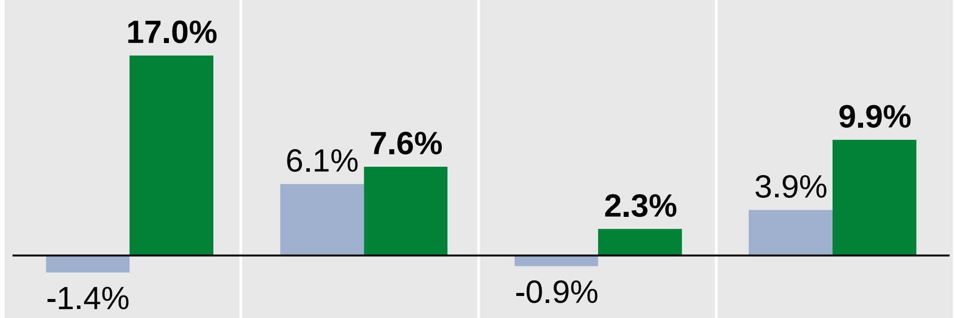
Q1 Volumes

Aggregates ('000t)	Cement ('000t)	RMC ('000 m^3)
LfL: +9.3%	LfL: +7.1%	LfL: +10.1%



Q1 Operating EBITDA margin (%)

Aggregates	Cement	RMC+ASP	Total
LfL +969 bps	LfL +12 bps	LfL +153 bps	LfL +343 bps



Previous year figures are adjusted due to change in accounting method for "Result from associates". Please see appendix for details.
LfL figures excluding currency, scope and IFRS 16 Leasing adjustment.

HEIDELBERGCEMENT

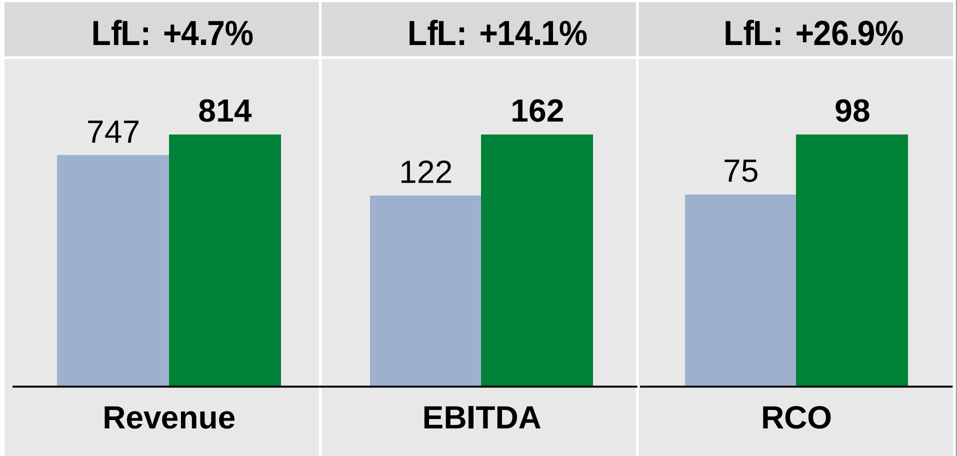
Asia Pacific

Q118 Q119

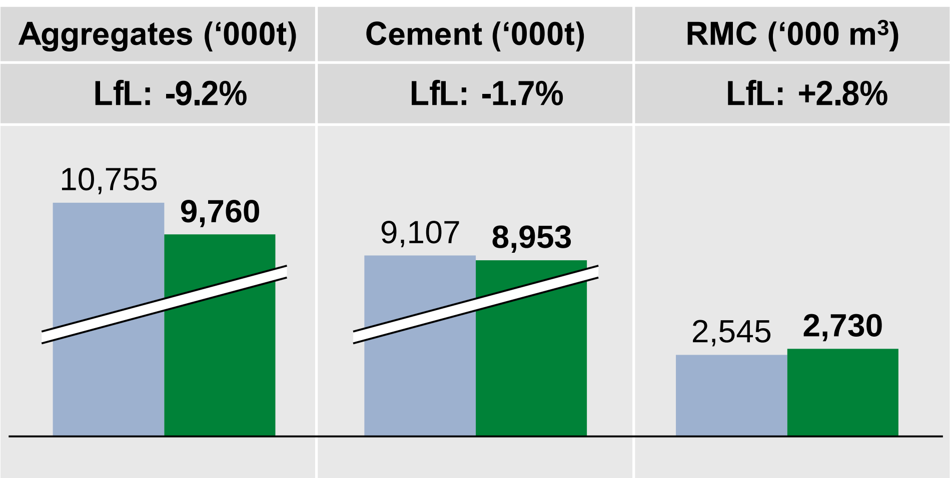
Q1 Market overview

- **Australia:** Large infrastructure projects compensating for decline in residential. SG&A savings contribute to the result.
- **Indonesia**: Pricing at a very strong level since Q4 2018 leading to margin expansion despite high coal prices.
- **Thailand**: Pricing outpacing inflation. Domestic volumes are sluggish ahead of elections but exports are clearly up.
- **India**: Weaker volumes due to elections are more than compensated by strong pricing in Central India and improved pricing in South.

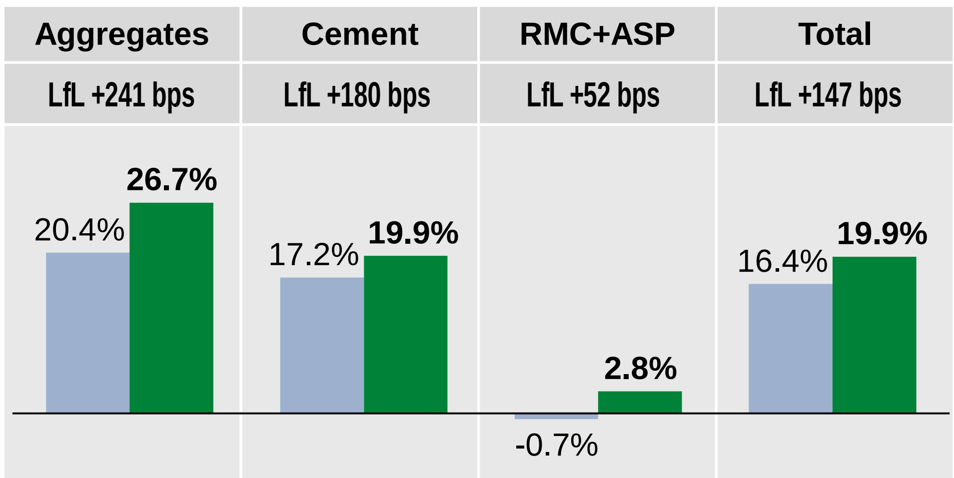
Q1 Operational result (m€)



Q1 Volumes



Q1 Operating EBITDA margin (%)



Previous year figures are adjusted due to change in accounting method for "Result from associates". Please see appendix for details.
LfL figures excluding currency, scope and IFRS 16 Leasing adjustment.

Africa - Eastern Mediterranean Basin

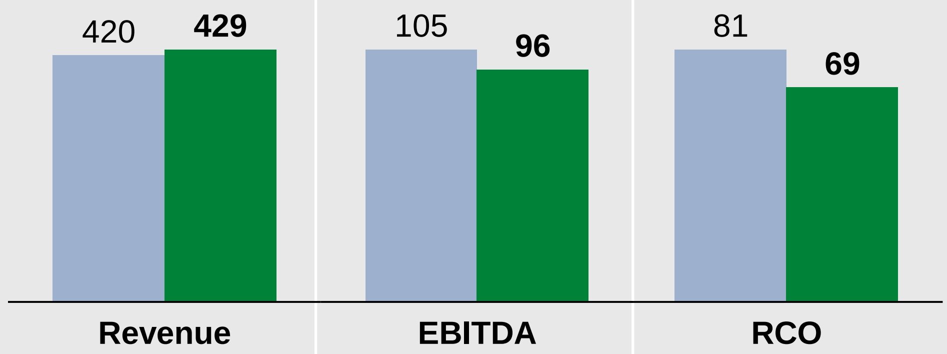
Q118 Q119

Q1 Market overview

- **Sub Saharan Africa:** Strong contribution supported by demand growth and commercial initiatives.
- **Morocco:** Solid result due to efficient cost management.
- **Egypt:** Difficult quarter as a result of increased competition in metropolitan areas and cement inflows from the Sinai Peninsula.
- **Israel:** Expiry of an aggregates quarry license partially compensated by cement sales and vertical integration.

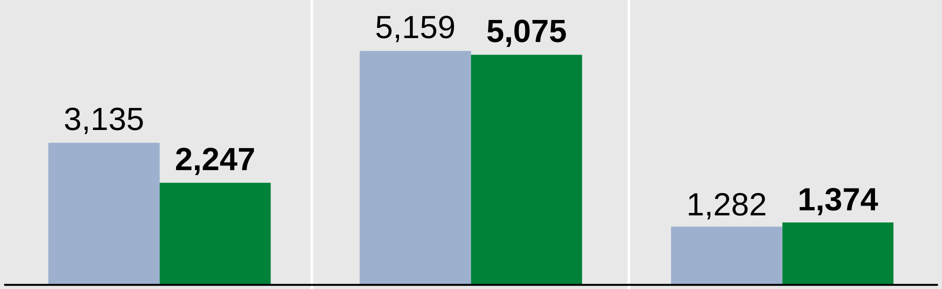
Q1 Operational result (m€)

LfL: +0.9%	LfL: -15.5%	LfL: -20.5%



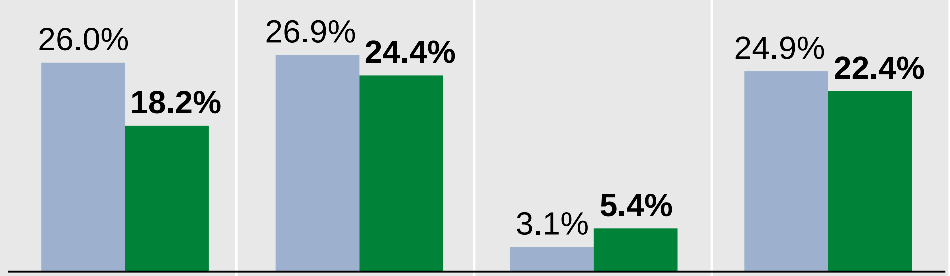
Q1 Volumes

Aggregates (‘000t)	Cement (‘000t)	RMC (‘000 m³)
LfL: -28.3%	LfL: -0.7%	LfL: +7.2%



Q1 Operating EBITDA margin (%)

Aggregates	Cement	RMC+ASP	Total
LfL -1,257 bps	LfL -397 bps	LfL +56 bps	LfL -402 bps



Previous year figures are adjusted due to change in accounting method for “Result from associates”. Please see appendix for details.
LfL figures excluding currency, scope and IFRS 16 Leasing adjustment.

HEIDELBERGCEMENT

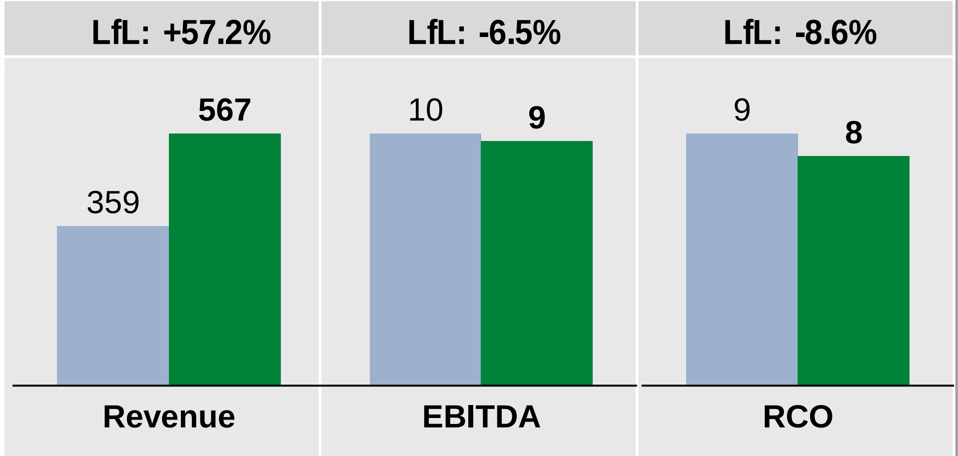
Group Services

Q118 Q119

Q4 Market overview

- Clinker surplus rises in the Mediterranean Basin driven by Turkey, as well as Algeria and Tunisia.
- Clinker imports create a vacuum impact in Eastern China, which leads to higher prices and limited surplus in the region.
- International coal market were in a downward trend during Q1; coal indices went down by more than 20%. Petcoke prices remained steady.
- Freight market that saw a drastic drop until mid-Feb 2019 partially recovered.

Q1 Operational result (m€)



Previous year figures are adjusted due to change in accounting method for “Result from associates”. Please see appendix for details.
LfL figures excluding currency, scope and IFRS 16 Leasing adjustment.

HEIDELBERGCEMENT

Contents

2019: Solid result improvement and debt reduction

North America

Solid result driven by price and demand growth; new state infrastructure spending in most of the key states.

Europe

Solid EBITDA growth as a result of continued recovery and price increases.

Africa

Improvement in results, especially in Sub-Saharan Africa markets.

Asia Pacific

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

- Volume increase in all business lines
- Clear tail-wind from energy cost inflation
- Further margin improvement by SG&A cost savings
- Strong free cash flow generation
- Net growth CapEx < 0

Solid Revenue, EBITDA, EPS growth

and

Significant Net Debt reduction*

* Before application of IFRS 16.

Contents

Change in accounting (IFRS16-Leasing & Result from associates)

IFRS16 – Leasing (m€)	Q1 2019 EBITDA	Q1 2019 Depreciation	Q1 2019 Opr. Income
North America	13	-10	3
West / South Europe	25	-23	3
North / East Europe	15	-14	1
Asia Pacific	18	-16	2
Africa / Med. Basin	8	-3	5
Group Service	0	0	0
HC GROUP	**79**	**-66**	**13**

Result from associates (now included in EBITDA) m€	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019
North America	-2	-6	5	6	**4**	-5
West / South Europe	-5	10	9	6	**20**	-4
North / East Europe	0	0	1	0	**2**	0
Asia Pacific	0	0	0	0	**1**	0
Africa / Med. Basin	3	3	3	2	**11**	3
Group Service	1	2	1	1	**5**	1
HC GROUP	**-3**	**10**	**19**	**16**	**42**	**-5**

HEIDELBERGCEMENT

Currency & Scope Impacts

NAM	IFRS 16	Cons.	Decon.	Curr.
Volume				
Cement volume ('000 t)		3.3	-147.8	
Aggregates volume ('000 t)		172.9	0.0	
Ready mix volume ('000 m3)		51.4	0.0	
Asphalt volume ('000 t)		155.2	0.0	
Total				
Revenue		24.2	-31.9	52.7
Operating EBITDA	12.8	-0.2	-4.1	1.1
Operating income	2.5	-1.6	-3.7	-3.9

WSE	IFRS 16	Cons.	Decon.	Curr.
Volume				
Cement volume ('000 t)		0.0	-101.1	
Aggregates volume ('000 t)		632.0	0.0	
Ready mix volume ('000 m3)		0.0	0.0	
Asphalt volume ('000 t)		0.0	0.0	
Total				
Revenue		6.5	-12.9	3.6
Operating EBITDA	25.3	0.1	2.2	0.0
Operating income	2.7	-0.4	2.7	-0.2

NECA	IFRS 16	Cons.	Decon.	Curr.
Volume				
Cement volume ('000 t)		0.0	0.0	
Aggregates volume ('000 t)		0.0	0.0	
Ready mix volume ('000 m3)		0.0	0.0	
Asphalt volume ('000 t)		0.0	0.0	
Total				
Revenue		0.0	0.0	-14.7
Operating EBITDA	15.3	0.0	0.0	-1.1
Operating income	1.5	0.0	0.0	0.0

ASPAC	IFRS 16	Cons.	Decon.	Curr.
Volume				
Cement volume ('000 t)		0.0	0.0	
Aggregates volume ('000 t)		0.0	0.0	
Ready mix volume ('000 m3)		115.0	0.0	
Asphalt volume ('000 t)		65.9	0.0	
Total				
Revenue		27.5	-7.5	12.4
Operating EBITDA	17.6	3.5	-1.3	2.2
Operating income	1.5	2.1	-1.1	0.9

AFMED	IFRS 16	Cons.	Decon.	Curr.
Volume				
Cement volume ('000 t)		0.0	-50.2	
Aggregates volume ('000 t)		0.0	0.0	
Ready mix volume ('000 m3)		0.0	0.0	
Asphalt volume ('000 t)		0.0	0.0	
Total				
Revenue		0.0	-6.9	12.6
Operating EBITDA	7.7	0.0	-1.9	2.2
Operating income	4.7	0.0	-1.6	1.3

SERVICE	IFRS 16	Cons.	Decon.	Curr.
Volume				
Cement volume ('000 t)		0.0	0.0	
Aggregates volume ('000 t)		0.0	0.0	
Ready mix volume ('000 m3)		0.0	0.0	
Asphalt volume ('000 t)		0.0	0.0	
Total				
Revenue		0.0	0.0	1.5
Operating EBITDA	0.1	0.0	0.0	0.2
Operating income	-0.2	0.0	0.0	0.2

Sales volumes & revenues per business line

Cement sales volumes (mt)	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19
North America	3,001	7,436	12,136	16,187	3,032
West / South Europe	6,515	15,079	23,002	30,794	6,884
North / East Europe	4,150	11,522	19,259	25,579	4,445
Asia Pacific	9,107	17,529	27,282	36,903	8,953
Africa / Med. Basin	5,159	9,888	14,894	19,693	5,075
Intercompany / Other	212	411	437	777	192
HC GROUP	**28,144**	**61,865**	**97,010**	**129,932**	**28,581**

Aggregates sales volumes (mt)	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19
North America	20,935	55,332	93,237	123,419	22,591
West / South Europe	17,116	39,282	60,406	81,331	20,015
North / East Europe	7,607	23,024	38,749	51,326	8,315
Asia Pacific	10,755	22,038	32,860	43,410	9,760
Africa / Med. Basin	3,135	5,584	7,816	10,137	2,247
Intercompany / Other	-27	-88	-155	-223	-17
HC GROUP	**59,521**	**145,172**	**232,913**	**309,400**	**62,911**

Ready Mix sales volumes (mm^3)	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19
North America	1,390	3,287	5,331	7,106	1,474
West / South Europe	3,651	8,425	12,866	17,467	4,282
North / East Europe	1,215	3,158	5,075	6,961	1,338
Asia Pacific	2,545	5,263	8,267	11,622	2,730
Africa / Med. Basin	1,282	2,519	3,854	5,278	1,374
Intercompany / Other	154	297	428	566	143
HC GROUP	**10,237**	**22,948**	**35,820**	**49,000**	**11,341**

Asphalt sales volumes (mt)	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19
North America	321	1,535	3,210	4,146	416
West / South Europe	762	1,728	2,722	3,572	874
North / East Europe	0	0	0	0	0
Asia Pacific	400	969	1,523	2,096	464
Africa / Med. Basin	139	263	393	505	91
Intercompany / Other	0	0	0	0	0
HC GROUP	**1,622**	**4,495**	**7,848**	**10,320**	**1,845**

Cement sales revenues (m€)	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19
North America	313	782	1,301	1,748	333
West / South Europe	531	1,237	1,890	2,536	599
North / East Europe	259	710	1,177	1,566	288
Asia Pacific	419	813	1,257	1,717	454
Africa / Med. Basin	328	649	972	1,293	338
Intercompany / Other	-17	-29	-43	-60	-14
HC GROUP	**1,832**	**4,163**	**6,553**	**8,800**	**1,998**

Aggregates sales revenues (m€	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19
North America	269	703	1,197	1,603	318
West / South Europe	226	517	795	1,064	267
North / East Europe	84	244	397	523	96
Asia Pacific	138	295	447	592	141
Africa / Med. Basin	27	49	71	96	23
Intercompany / Other	-5	-13	-23	-30	-6
HC GROUP	**739**	**1,794**	**2,885**	**3,848**	**839**

RMC & ASP sales revenues (m€	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19
North America	179	467	811	1,091	213
West / South Europe	384	888	1,365	1,845	466
North / East Europe	119	294	461	639	129
Asia Pacific	246	541	847	1,204	280
Africa / Med. Basin	81	161	248	338	89
Intercompany / Other	10	20	29	38	10
HC GROUP	**1,019**	**2,370**	**3,760**	**5,155**	**1,187**

Vision: Carbon neutral concrete by 2050

Levers

Reduce CO_2 content of clinker
- Improve energy efficiencies of plants
- Increase use of alternative fuels (biomass), raw materials and binder concepts

Lower CO_2 content of cement and concrete
- Use low-CO_2 clinker and secondary cementitious materials in cement production
- Optimize concrete recipes with limestone filler material

Capture process CO_2 and recycle through carbonation
- Process integrated CO2-sequestration in clinker production
- Carbonation of recycled concrete fines and other mineral waste

HeidelbergCement best positioned to realize carbon neutral concrete vision
- Leading in R&D: Alternative binder concepts, Carbon Capture technologies, Carbonation
- Technical expertise and investment in modern plant upgrades (e.g. Masterplan Germany)
- Leading vertically integrated player with activities along the value chain

Concrete has the potential to become the most sustainable building material

Contact information and event calendar

Date	Event
30 July 2019	H1 Results
7 November 2019	Q3 Results

Contact Information

Investor Relations

Mr. Ozan Kacar
Head of Investor Relations
Phone: +49 (0) 6221 481 13925

Mr. Piotr Jelitto
Phone: +49 (0) 6221 481 39568

ir-info@heidelbergcement.com

Corporate Communications

Mr. Andreas Schaller
Phone: +49 (0) 6221 481 13249

info@heidelbergcement.com

Disclaimer

Unless otherwise indicated, the financial information provided herein has been prepared under International Financial Reporting Standards (IFRS).

This presentation contains forward-looking statements and information. Forward-looking statements and information are statements that are not historical facts, related to future, not past, events. They include statements about our believes and expectations and the assumptions underlying them. These statements and information are based on plans, estimates, projections as they are currently available to the management of HeidelbergCement. Forward-looking statements and information therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

By their very nature, forward-looking statements and information are subject to certain risks and uncertainties. A variety of factors, many of which are beyond HeidelbergCement's control, could cause actual results to defer materially from those that may be expressed or implied by such forward-looking statement or information. For HeidelbergCement particular uncertainties arise, among others, from changes in general economic and business conditions in Germany, in Europe, in the United States and elsewhere from which we derive a substantial portion of our revenues and in which we hold a substantial portion of our assets; the possibility that prices will decline as result of continued adverse market conditions to a greater extent than currently anticipated by HeidelbergCement's management; developments in the financial markets, including fluctuations in interest and exchange rates, commodity and equity prices, debt prices (credit spreads) and financial assets generally; continued volatility and a further deterioration of capital markets; a worsening in the conditions of the credit business and, in particular, additional uncertainties arising out of the subprime, financial market and liquidity crises; the outcome of pending investigations and legal proceedings and actions resulting from the findings of these investigations; as well as various other factors. More detailed information about certain of the risk factors affecting HeidelbergCement is contained throughout this presentation and in HeidelbergCement's financial reports, which are available on the HeidelbergCement website, www.heidelbergcement.com. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the relevant forward-looking statement or information as expected, anticipated, intended, planned, believed, sought, estimated or projected.