

Zug | 24 February 2023

Ad hoc announcement pursuant to Art. 53 LR

## Record performance and successful transformation in 2022

- Record performance, from net sales of CHF 29,189m (+12.9% LFL) to Recurring EBIT of CHF 4,752m (+7.2% LFL)
- Record financial results with EPS of CHF 4.96<sup>1</sup> and Free cash flow<sup>2</sup> of CHF 3,544m
- Accelerated growth of Solutions & Products, already reaching 19% of Group net sales
- Expansion in the most attractive North American market representing 35%<sup>3</sup> of Group net sales
- Accelerating green growth with 21% reduction of CO<sub>2</sub> per net sales versus 2021
- Board proposes 14% increase in dividend to CHF 2.50 per share, strong 2023 outlook confirmed

### Performance overview

Group	2022	2021	±%	±%LFL
Net sales (CHFm)	29,189	26,834	+8.8	+12.9
Recurring EBIT (CHFm)	4,752	4,612	+3.0	+7.2
Recurring EBIT margin (%)	16.3	17.2		
Operating profit (CHFm)	3,221	4,401	-26.8	-18.4
Net income, Group share (CHFm)	3,308	2,298	+44.0	
Net income before impairment and divestments, Group share (CHFm)	2,218	2,448	-9.4	
EPS (CHF)	5.48	3.73	+46.9	
EPS before impairment and divestments (CHF) <sup>4</sup>	4.96	3.98	+24.6	
Free Cash Flow after leases (CHFm)	2,765	3,264	-15.3	

<sup>1</sup> Before impairment, divestments and resolution with the US Department of Justice (DOJ)

<sup>2</sup> After leases and before DOJ resolution

<sup>3</sup> Net sales to external customers, excluding trading activities

<sup>4</sup> Before DOJ resolution

Free Cash Flow <sup>2</sup> (CHFm)	3,544	3,264	+8.6	
Net financial debt (CHFm)	6,032	9,977	-39.5	

Jan Jenisch, CEO: “2022 was a record year for Holcim. My sincere thanks goes to our 60,000 colleagues worldwide who made this possible. They delivered record performance, navigating challenges from geopolitical uncertainty to inflationary pressure, to keep our customers running at all times. They successfully transformed our company to accelerate green growth, already reaching 19% of our net sales from Solutions & Products and expanding in the most attractive North American market. Advancing our leadership in sustainability, we reduced our CO<sub>2</sub> per net sales by 21% this year, and continued to expand our green building solutions with ECOPact reaching 13% of total ready-mix net sales.

“In 2022, we delivered record financial results with CHF 29.2 billion in net sales, CHF 4.8 billion in Recurring EBIT, 9.5% ROIC and a record leverage ratio of 0.9x. Holcim has never been stronger. This gives us the freedom to invest in our future and further accelerate green growth with continued acquisitions and the ongoing decarbonization and digitalization of our operations.

“As we enter 2023, we are continuing our fast pace. We’ve already made seven acquisitions in the first two months of the year, including Duro-Last, a roofing systems leader in the most attractive North American market. We also acquired German roofing leader FDT to expand our commercial roofing presence in Europe, as well as a range of bolt-ons across Europe and the US. I look forward to another year of continued profitable growth and fast-paced transformation, to become the global leader in innovative and sustainable building solutions.”

## Record net sales and Recurring EBIT

Net sales of CHF 29,189 million for 2022 were up +12.9% on a like-for-like basis compared to the prior year. The increase was driven by the fast expansion of Solutions & Products, which grew by 54% compared to the prior year.

Recurring EBIT reached a record CHF 4,752 million for 2022, up +7.2% on a like-for-like basis compared to the prior year. This record result was driven by very strong margins in the roofing business as well as positive price over cost for cement, aggregates and ready-mix combined.

Reported net income Group share reached CHF 3,308 million, up +44.0% compared to the prior year. Reported earnings per share reached CHF 5.48, up +46.9%.

Earnings per share before impairment and divestments and before the resolution with the US Department of Justice (DOJ) increased by a significant 24.6% at CHF 4.96.

Free Cash Flow after leases and before the DOJ resolution reached CHF 3,544 million, or a cash conversion ratio of 54%.

Holcim’s net financial debt was CHF 6,032 million at the end of 2022 for a record-low leverage ratio of 0.9x.

The Group’s return on invested capital for 2022 was 9.5%, in line with our Strategy 2025 target of 10%.

## Successful transformation

Holcim is making strong progress on its portfolio transformation with 23 M&A transactions in the year: six acquisitions in Solutions & Products, 13 bolt-ons in Aggregates and Ready-Mix Concrete, and four divestments, notably India and Brazil. The Solutions & Products segment reached 19% of the Group's total net sales, up from 8% for 2020, putting the company on track to reach its strategic goal of 30% of net sales from Solutions & Products by 2025.

## Continued expansion in roofing

With the announced acquisition of Duro-Last in February 2023, roofing and insulation businesses are on track to reach pro-forma net sales of USD 4 billion in 2023, or 10% of the USD 40 billion North American roofing market.

In this fast-growing North America roofing market, Holcim is focused on the most attractive segments, delivering above-market profitable growth with system and specification selling. From Elevate's (formerly Firestone Building Products) self-adhering membranes to Malarkey's circular roofing shingles, Holcim has generated a significant increase in profitability, with a Recurring EBIT margin of 19% in roofing in 2022.

Delivering high value, system selling represents around 80% of Holcim's sales, from full roof design and insulation to installation systems. Holcim is positioned for continued growth in the resilient repair & refurbishment market, with over 70% of sales from re-roofing. With the successful integration of its roofing acquisitions, Holcim has generated a significant profitability increase in this business leading to an enterprise value to EBITDA multiple<sup>5</sup> of 7x.

## Leading in sustainability

Holcim continued to advance its leadership in sustainability with the reduction of CO<sub>2</sub> per net sales of 21% in 2022, with a target to reduce it by over 10% in 2023. It continues to expand its green building solutions with ECOPact low-carbon concrete reaching 13% of Ready-Mix Concrete net sales in 2022, on target to reach 25% by 2025. ECOPlanet low-carbon cement also delivered net sales growth and is now available in 27 markets. Scaling up its ECOPlanet range, Holcim launched Europe's first calcined clay cement operation in France, with a proprietary technology enabling 48% lower CO<sub>2</sub>. Driving circular construction, Holcim recycled 6.8 million tons of construction & demolition waste in its products in 2022, on track to reach 10 million tons by 2025.

Recognizing the scalability of its technologies, Holcim was selected for two investments from the European Union Innovation Fund for its breakthrough Carbon Capture Utilization and Storage projects in Germany and Poland, for a total of EUR 328 million. The company was recognized as a global sustainability leader with a CDP "Double-A" ranking in Climate and Water, one of 15 companies in Europe out of 15,000. Its ESG profile reached an industry-leading ranking with Moody's, placing first in its sector with a score of 71/100. Continuing to invest in sustainability, Holcim's Green CAPEX reached CHF 403 million, 15% higher than in 2021 and 28% of the 2022 total. Continuing its rigorous science-driven approach, Holcim upgraded its 2030 net-zero targets to be in line with the 1.5°C scenario, and validated them with the Science Based Targets initiative (SBTi).

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<sup>5</sup> 2022 EBITDA on a pro forma basis, for Elevate, Malarkey, SES and PSNA

## Dividend increase and strong outlook confirmed

In light of the company's record 2022 financial performance and confidence in the future, the Board of Directors proposes a 14% increase in dividend to CHF 2.50 per registered share.

Holcim has started 2023 with continued fast pace, with seven acquisitions in the first two months and is confident that it will continue the fast-paced execution of its Strategy 2025 – Accelerating Green Growth, delivering superior performance, successful transformation and leadership in sustainability.

Holcim expects continued profitable growth with:

- Net sales growth of 3%-5% like-for-like (LFL)
- Over-proportional growth in Recurring EBIT (LFL)
- Free Cash Flow after leases of around CHF 3 billion
- Reduction of CO<sub>2</sub> per net sales by over 10%

## Key Group figures

Group Q4	2022	2021	±%	±%LfL
Net sales (CHFm)	6,463	6,992	-7.6	+9.5
Recurring EBIT (CHFm)	1,028	1,096	-6.2	+9.7
Recurring EBIT margin (%)	15.9	15.7		

Group Full Year	2022	2021	±%	±%LfL
Net sales (CHFm)	29,189	26,834	+8.8	+12.9
Recurring EBIT (CHFm)	4,752	4,612	+3.0	+7.2
Recurring EBIT margin (%)	16.3	17.2		
Operating profit (EBIT) (CHFm)	3,221	4,401	-26.8	-18.4
Net income, Group share (CHFm)	3,308	2,298	+44.0	
EPS (CHF)	5.48	3.73	+46.9	
EPS before impairment and divestments (CHF)	3.66	3.98	-8.0	
EPS before impairment, divestments and DOJ resolution (CHF)	4.96	3.98	+24.6	
Free Cash Flow after leases (CHFm)	2,765	3,264	-15.3	
Net financial debt (CHFm)	6,032	9,977	-39.5	

Group Full Year Results by Segment	2022	2021	±%	±%LfL
Net sales of Cement (CHFm)	16,340	16,399	-0.4	14.0
Recurring EBIT of Cement (CHFm)	3,301	3,587	-8.0	1.0
Recurring EBIT margin of Cement (%)	20.2	21.9		

Net sales of Aggregates (CHFm)	4,195	4,037	3.9	5.2
Recurring EBIT of Aggregates (CHFm)	646	618	4.4	5.8
Recurring EBIT margin of Aggregates (%)	15.4	15.3		
Net sales of Ready-Mix Concrete (CHFm)	5,748	5,167	11.2	12.5
Recurring EBIT of Ready-Mix Concrete (CHFm)	137	155	-11.5	-5.5
Recurring EBIT margin of Ready-Mix Concrete (%)	2.4	3.0		
Net sales of Solutions & Products (CHFm)	5,550	3,612	53.7	18.5
Recurring EBIT of Solutions & Products (CHFm)	668	252	165.6	99.1
Recurring EBIT margin of Solutions & Products (%)	12.0	7.0		

## Regional performance

### Region Asia Pacific

The Asia Pacific region faced challenging markets in India and China, with high cost inflation in India and softer demand in China amid COVID lockdowns. These factors were partly offset by good performance in Australia. The region accelerated its increase in alternative fuel use.

Asia Pacific Full Year	2022	2021	±%	±%LFL
Net sales to external customers (CHFm)	4,842	5,947	-18.6	3.7
Recurring EBIT (CHFm)	789	1,330	-40.7	-32.7
Recurring EBIT margin (%)	16.3	22.4		

### Region Europe

The Europe region delivered strong results with good profitability despite softer volumes with a strong pricing more than offsetting cost inflation. Demand for low-carbon products is high across Europe, and the region is accelerating its decarbonization.

Europe Full Year	2022	2021	±%	±%LFL
Net sales to external customers (CHFm)	8,393	8,032	4.5	11.2
Recurring EBIT (CHFm)	1,091	1,114	-2.1	9.9
Recurring EBIT margin (%)	12.8	13.7		

### Region Latin America

Latin America delivered strong profitable growth. Mexico, Colombia and El Salvador all delivered good performance. The region overall is benefitting from an excellent pipeline of infrastructure projects, strong growth in ready-mix concrete. Latin America is also improving significantly in materials recycling and alternative fuel use.

<b>Latin America Full Year</b>	<b>2022</b>	<b>2021</b>	<b>±%</b>	<b>±%LFL</b>
Net sales to external customers (CHFm)	2,926	2,611	12.1	19.5
Recurring EBIT (CHFm)	956	865	10.4	13.6
Recurring EBIT margin (%)	32.2	32.7		

## Region Middle East Africa

The Middle East Africa region generated over-proportional Recurring EBIT growth on a like-for-like basis, with good demand in key markets and positive price over cost. The region increased alternative fuel use and completed the divestment of Zimbabwe in December 2022.

<b>Middle East Africa Full Year</b>	<b>2022</b>	<b>2021</b>	<b>±%</b>	<b>±%LFL</b>
Net sales to external customers (CHFm)	2,400	2,430	-1.2	14.1
Recurring EBIT (CHFm)	381	388	-1.8	20.1
Recurring EBIT margin (%)	14.6	15.2		

## Region North America

North America delivered an outstanding performance and successful transformation, with growth led by Solutions & Products. Market demand was strong, with over-proportional Recurring EBIT growth for 2022. North America is accelerating its shift to low-carbon building products.

<b>North America Full Year</b>	<b>2022</b>	<b>2021</b>	<b>±%</b>	<b>±%LFL</b>
Net sales to external customers (CHFm)	10,002	7,316	36.7	17.5
Recurring EBIT (CHFm)	1,902	1,333	42.7	27.7
Recurring EBIT margin (%)	18.8	18.1		

## Other Profit & Loss Items

**Restructuring, litigation and other non-recurring costs** stood at CHF 846 million, impacted by the resolution with the US Department of Justice (DOJ), compared to CHF 194 million in 2021.

**Net financial expenses** for 2022 showed double-digit improvement this year, at CHF 459 million versus CHF 556 million in the prior year.

The **income tax rate excluding the DOJ resolution and before impairment and divestments** was 25%.

**Net income** (Group share) increased by +44.0% to CHF 3,308 million and **EPS**, before impairment, divestments and resolution with the DOJ, was up +24.6% to CHF 4.96 for 2022.

**Net capital expenditure** for 2022 was CHF 1,435 million.

## Reconciliation to Group accounts

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

in million CHF	2022	2021
<b>Net sales</b>	<b>29,189</b>	<b>26,834</b>
Recurring operating costs	(22,942)	(20,747)
Share of profit of joint ventures	308	474
<b>Recurring EBITDA after leases</b>	<b>6,554</b>	<b>6,562</b>
Depreciation and amortization of property, plant and equipment, intangible and long-term assets	(1,802)	(1,949)
<b>Recurring EBIT</b>	<b>4,752</b>	<b>4,612</b>
Restructuring, litigation and other non-recurring assets	(846)	(194)
Impairment of operating assets	(685)	(17)
<b>Operating profit</b>	<b>3,221</b>	<b>4,401</b>

In million CHF	2022	2021
<b>Recurring EBITDA after leases</b>	<b>6,554</b>	<b>6,562</b>
Depreciation of right-of-use assets	358	370
<b>Recurring EBITDA</b>	<b>6,912</b>	<b>6,932</b>

In million CHF	2022	2021
<b>Net income before taxes, impairment and divestments</b>	<b>3,513</b>	<b>3,795</b>
Impairment of goodwill and long-term assets	(719)	(17)
Gain (loss) on disposals of Group companies	1,761	(134)
<b>Net income before taxes</b>	<b>4,555</b>	<b>3,644</b>

In million CHF	2022	2021
Net income before impairment and divestments, Group share	2,218	2,448
Net income before impairment and divestments, non-controlling interests	228	382
<b>Net income before impairment and divestments</b>	<b>2,446</b>	<b>2,830</b>
Impairment of goodwill and long term assets, net of taxation	(682)	(14)
Gain (loss) on disposals of Group companies, net of taxation	1,764	(135)
<b>Net income</b>	<b>3,528</b>	<b>2,681</b>
<b>EPS before impairment and divestments in CHF</b>	<b>3.66</b>	<b>3.98</b>

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

In million CHF	2022	2021
<b>Cash flow from operating activities</b>	<b>4,562</b>	<b>5,045</b>
Purchase of property, plant and equipment	(1,549)	(1,532)
Disposal of property, plant and equipment	114	112
Repayment of long-term lease liabilities	(362)	(362)
<b>Free Cash Flow after leases</b>	<b>2,765</b>	<b>3,264</b>

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

In million CHF	2022	2021
Current financial liabilities	1,655	2,391
Long-term financial liabilities	14,475	14,514
Cash and cash equivalents	(9,824)	(6,682)
Short-term derivative assets	(118)	(186)
Long-term derivative assets	(157)	(59)
<b>Net financial debt</b>	<b>6,032</b>	<b>9,977</b>

## Alternative Performance Measures 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](#).

Measures	Definition
<b>Like-for-like</b>	Factors out changes in the scope of consolidation (such as divestments and acquisitions occurring in the current and the prior year) and currency translation effects (current year figures are converted with prior-year exchange rates in order to calculate the currency effects).
<b>Recurring operating costs</b>	It is defined as: +/- Recurring EBITDA after leases - Net sales and - Share of profit of joint ventures.
<b>Recurring EBITDA</b>	It is defined as: +/- Operating profit/loss (EBIT) - Depreciation, amortization and impairment of operating assets and - Restructuring, litigation and other non-recurring costs.
<b>Recurring EBITDA after leases</b>	The Recurring EBITDA after leases is defined as Recurring EBITDA less the depreciation of right-of-use assets.
<b>Recurring EBIT</b>	The Recurring EBIT is defined as Operating profit/loss (EBIT) adjusted for restructuring, litigation and other non-recurring costs and for impairment of operating assets.



<b>Recurring EBIT Margin</b>	Recurring EBIT divided by net sales.
<b>Restructuring, litigation and other non-recurring costs</b>	Significant items that, because of their exceptional nature, cannot be viewed as inherent to the Group's ongoing performance, such as strategic restructuring, major items relating to antitrust fines and other business-related litigation cases.
<b>Profit/loss on disposals and other non-operating items</b>	Comprises capital gains or losses on the sale of Group companies and of material property, plant and equipment and other non-operating items that are not directly related to the Group's operating activities such as revaluation gains or losses on previously held equity interests, indemnification provisions, disputes with minority shareholders.
<b>Operating profit/loss (EBIT) before impairment</b>	It is defined as: +/- Operating profit/loss - Impairment of goodwill and long-term assets.
<b>Net income before taxes, impairment and divestments</b>	It is defined as: +/- Net income/loss before taxes - Gains and losses on disposals of Group companies; and - Impairment of goodwill and long-term assets.
<b>Net income before impairment and divestments</b>	It is defined as: +/- Net income/loss - Gains and losses on disposals of Group companies, net of taxation; and - Impairment of goodwill and long-term assets, net of taxation.
<b>EPS (Earnings Per Share) before impairment and divestments</b>	It is defined as: Net income/loss before impairment and divestments attributable to the shareholders of Holcim Ltd divided by the weighted average number of shares outstanding.
<b>“Capex” or “Capex Net” (Net Maintenance and Expansion Capex)</b>	It is defined as: + Expenditure to increase existing or create additional capacity to produce, distribute or provide services for existing products (expansion) or to diversify into new products or markets (diversification) + Expenditure to sustain the functional capacity of a particular component, assembly, equipment, production line or the whole plant, which may or may not generate a change of the resulting cash flow - Proceeds from sale of property, plant and equipment.
<b>Free Cash Flow after leases</b>	It is defined as: +/- Cash flow from operating activities - Net Maintenance and expansion Capex and - Repayment of long-term lease liabilities.
<b>Cash conversion</b>	Cash conversion is defined as: Free Cash Flow after leases divided by Recurring EBITDA after leases.
<b>Green Capex</b>	The Sustainability Capital Expenditures with significant positive impact on Process Decarbonization, Clean Energy, Carbon Efficient Construction, Circular Economy, Biodiversity, Air & Water and Communities such as but not limited to carbon capture, waste heat recovery, 3D printing, electrical fleet, calcined clay technology, alternative fuels & raw materials installations.
<b>Construction and Demolition Waste (CDW) Recycled</b>	CDW Recycled volume is generated from construction, renovation, repair and demolition of houses, large building structures, roads, bridges, piers and dams. This includes alternative raw materials, recycled aggregates, asphalt and return concrete reused in Cement, Aggregates, Ready-mix concrete, Asphalt and Concrete Products.

<b>CO2 per net sales</b>	The absolute CO <sub>2</sub> (thousand metric tons) emissions Scope 1 and Scope 2 divided by millions of net sales.
<b>Net financial debt ("Net debt")</b>	It is defined as: + Financial liabilities (short-term and long-term) including derivative liabilities – Cash and cash equivalents – Derivative assets (short-term and long-term).
<b>Debt leverage</b>	The Net financial debt to Recurring EBITDA ratio is used as an indicator of financial risk and shows how many years it would take the Group to pay back its debt.
<b>Invested Capital</b>	It is defined as: + Total shareholders' equity + Net financial debt – Assets classified as held for sale + Liabilities classified as held for sale – Current financial receivables and – Long-term financial investments and other long-term assets
<b>Net Operating Profit/loss After Tax ("NOPAT")</b>	It is defined as: +/- Net Operating Profit/loss (being the Recurring EBIT and share of profits of associates) – Standard Taxes (being the taxes applying the Group's tax rate to the Net Operating Profit/loss as defined above)
<b>ROIC (Return On Invested Capital)</b>	It is defined as: Net Operating Profit/loss After Tax (NOPAT) divided by the average Invested Capital. The average is calculated by adding the Invested Capital at the beginning of the period to that at the end of the period and dividing the sum by 2 (based on a rolling 12-month calculation). In case of material change in scope during the year, the average invested capital is adjusted pro rata temporis.
<b>Working Capital days on sales (countback method)</b>	The Working Capital days on sales is an efficiency ratio which measures the level of trade accounts receivable, trade accounts payable and inventories in comparison to sales of the current month and the previous months until the respective balance is covered. It is defined as: + Days sales outstanding; + Days inventories outstanding; – Days payables outstanding.
<b>Ton</b>	Ton refers to a Metric ton, or 1,000 kg.

## 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 Integrated Annual Report

The [analyst presentation](#) of the results and the Holcim 2022 [Integrated Annual Report](#) are available on our website.

**Media conference:** 09:00 CET

**Analyst conference:** 11:00 CET

## About Holcim

Holcim is a global leader in innovative and sustainable building solutions. Driven by its purpose to build progress for people and the planet, its 60,000 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 to ECOPlanet. With its innovative systems, from Elevate's roofing to PRB's 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](http://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](http://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.