GRUPO CEMENTOS MOLINS | 90 ANIVERSARIO

Construyendo futuro

# Presentation of Results as of December 31 2018

This English version is a translation of the original in Spanish. In the event of any inconsistency or ambiguity, the Spanish original shall prevail

# Basis for the presentation of information

The Cementos Molins Group actively takes part in the management of the companies that it is part of via the equity method, whether this is in conjunction with another shareholder or by means of relevant participation in its decision-making bodies.

**Following the guidelines and recommendations of the European Securities and Markets Authority (ESMA),** whose objective is to promote the usefulness and transparency of the alternative performance measures that are included in the regulated information or in any other information submitted by the listed companies, **the information that is included in the following sections is based on the application of the proportionality principle in the consolidation method of its investees**, applying the final shareholding percentage in each one of them. This way, the Cementos Molins Group deems that the management of the businesses and the way that their results are assessed for the decision-making process are reflected in a suitable way.

Therefore, the following parameters are defined in the presentation as:

- "Income": Net turnover reported in the individual and consolidated financial statements of the various companies included in the consolidation perimeter, multiplied by the participation percentage held in each one of them.
- "EBITDA": Operating result before financial statements and taxes, amortisations, and results for the impairment and sale of assets of the different companies accounted for in the consolidation perimeter, multiplied by the shareholding percentage held in each one of them.
- "EBIT": Net result before financial results and taxes (operating result), multiplied by the shareholding percentage in each one of them.
- "Operating Cash Flow": Net cash flows from ordinary activities, minus the paid financial expenses and adding the collected financial income of the different companies included in the consolidation perimeter, multiplied by the shareholding percentage in each one of them.
- "Capex": Additions in fixed assets, property, plant equipment and intangible, of the different companies included in the consolidation perimeter, multiplied by the shareholding percentage in each one of them.
- "Net Financial Debt": Financial debt, after subtracting the treasury, temporary financial investments and long-term deposits, multiplied by the shareholding percentage in each one of them. Cash surpluses are indicated with a negative sign.
- "Volumes": Physical units that have been sold of portland cement and concrete from companies included in the consolidation perimeter (without withdrawing internal sales), multiplied by the shareholding percentage in each one of them.
- "Comparable variation %": It gathers the variation that the heading would have reported if the exchange rates (same exchange rates as previous period) or the consolidation perimeter had not changed and if the inflation adjustment in Argentina had not been applied (IAS 29).

The Information on the results as of 31 December 2018 issued by the Company for the Spanish National Securities Exchange Commission, includes the Group's Abbreviated Consolidated Financial Statements according to the International Financial Reporting Standards (IFRS-EU), as well as the reconciliation with the criteria implemented in this presentation.

# Results as of 31 December 2018

## Main parameters
## Proportionality principle

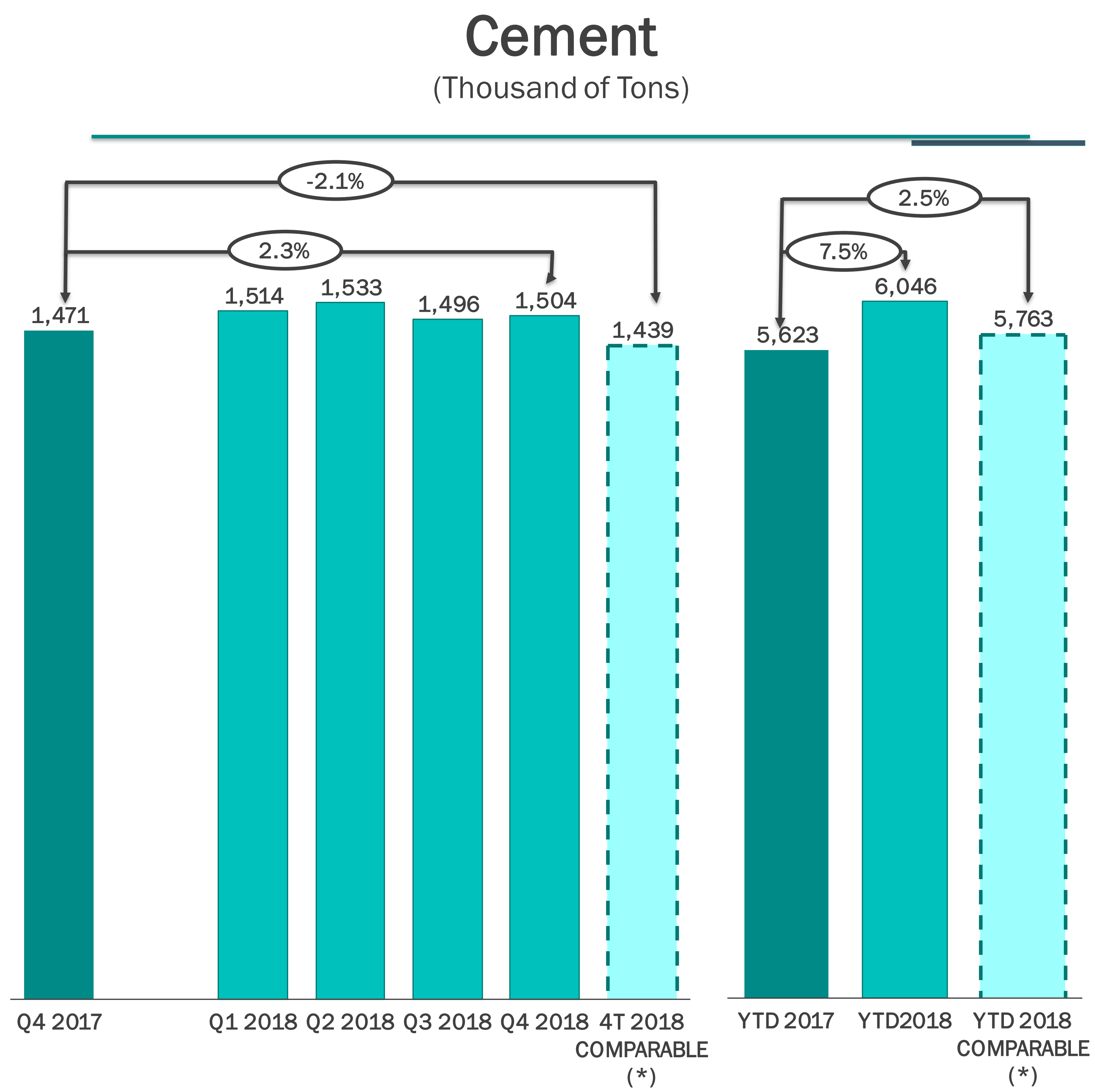
| *M EUR* | Q4 2018 | Q4 2017 | change % | change % comparable | 12M 2018 | 12M 2017 | change % | change % comparable (*) |
|---|---|---|---|---|---|---|---|---|
| **Income** | **214.7** | **192.9** | **11.3%** | **20.6%** | **764.5** | **779.2** | **(1.9%)** | **14.8%** |
| **EBITDA** | **46.4** | **43.3** | **7.1%** | **19.4%** | **181.1** | **192.9** | **(6.2%)** | **12.0%** |
| EBITDA margin | 21.6% | 22.4% | | | 23.7% | 24.8% | | |
| **EBIT** | **33.3** | **33.1** | **0.7%** | **22.6%** | **134.5** | **146.1** | **(7.9%)** | **17.5%** |
| **Net result** | **21.3** | **21.0** | **1.1%** | **37.0%** | **85.3** | **89.1** | **(4.2%)** | **37.1%** |
| **Operating Cash Flow** | 30.8 | 46.9 | (34.3%) | | 111.1 | 122.1 | (9.0%) | |
| **Capex** | 46.0 | 23.3 | 97.2% | | 133.3 | 63.0 | 111.6% | |
| **Earnings per share (€)** | | | | | 1.29 | 1.35 | | |
| | | | | | 31/12/2018 | 31/12/2017 | | |
| **Net financial debt** | | | | | **178.8** | **145.8** | **22.6%** | |
| **Volums** (thousand) | Q4 2018 | Q4 2017 | | | 12M 2018 | 12M 2017 | | |
| Cement (t) | 1,504 | 1,471 | 2.2% | (2.1%) | 6,046 | 5,623 | 7.5% | 2.5% |
| Concrete (m3) | 400 | 374 | 7.0% | | 1,504 | 1,575 | (4.5%) | -- |

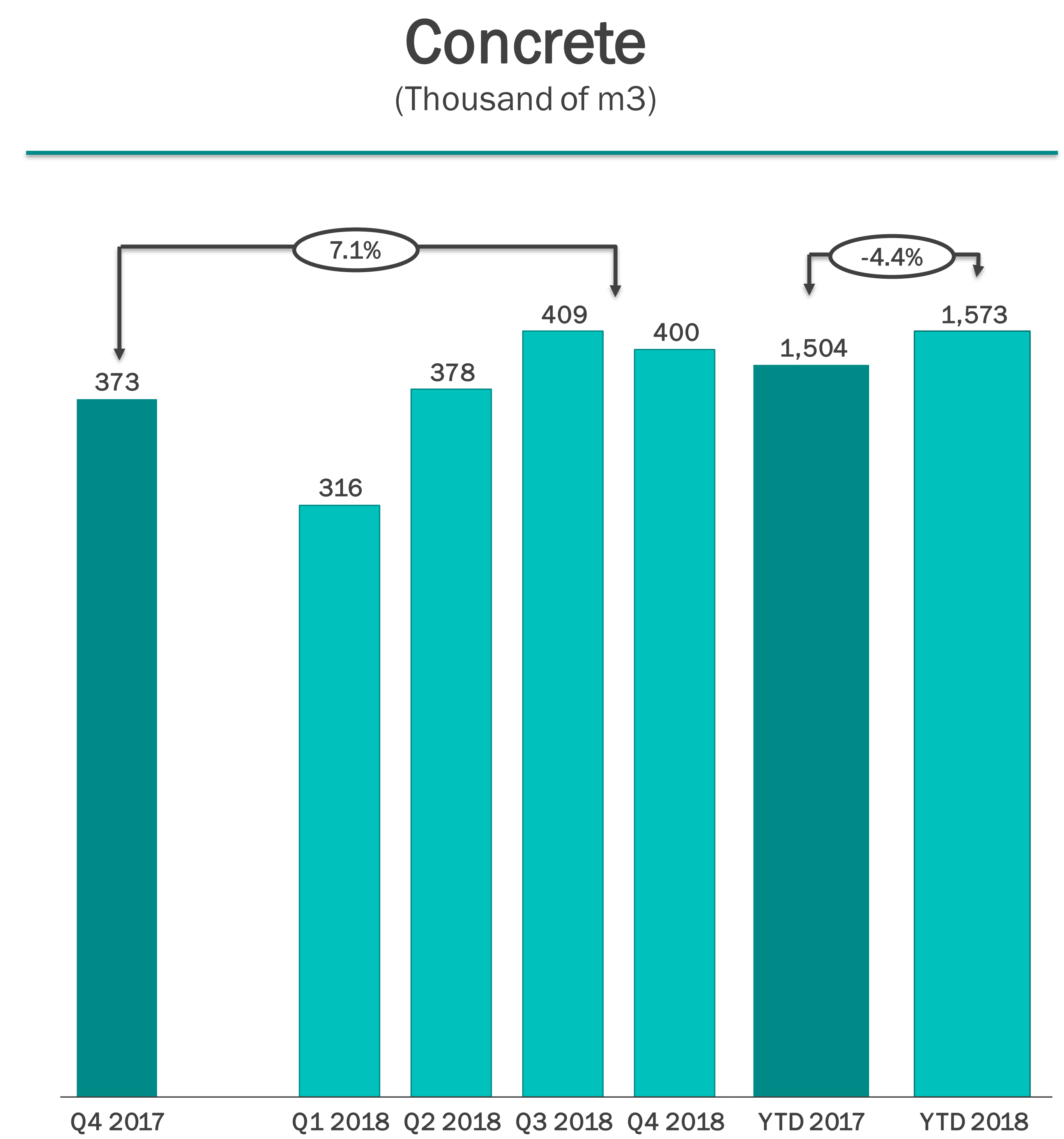
(*) comparable variation %: variation that would have been reported in the current period if exchange rates had not varied or the consolidation perimeter and the inflation adjustment had not been applied in Argentina.

- The accumulated income of M12 2018 has decreased by 2%, as a result of the decreases in Argentina due to currency depreciation and Mexico, due to a lower turnover and the depreciation of the currency. By removing the variation by exchange rate, perimeter and adjustment for inflation, the income would increase by 15%.
- The accumulated Net Result of the M12 2018 has been 4% lower than that registered in the M12 in 2017. The Group's international companies results have decreased compared to the same period of the previous financial year mainly because of the lower results in Mexico, the depreciation of the Argentine peso and the application of the inflation adjustment in Argentina, while the results of the companies in Spain improve significantly.
- The net financial debt increases in 33 M€. The leverage ratio is 0.99 times the EBITDA.
- Investments in this period amount to 133 M€, emphasising the construction of the new plants in Colombia and San Luis (Argentina).

# Sales volumes

## Proportionality Principle




(*) Volume that would have been registered in the current period without the tones contributed by the acquisition of Holcim Bangladesh Ltd. (HBL) in 2018.

- The accumulated cement sales volume of M12 2018 has grown by 8% (in comparable terms by 3%) with a positive contribution from all countries, except for Mexico and Argentina.
- Concrete sales have decreased by 4% due to the decrease in Mexico despite the improvement in the rest of countries.

# Results as of 31 December 2018

## Income and EBITDA (millions of euros)

## Proportionality principle

INCOME

| M€ | Q4 2018 | Q4 2017 | change % | change % comparable | 12M 2018 | 12M 2017 | change % | change % comparable (*) |
|---|---|---|---|---|---|---|---|---|
| Spain | 69.5 | 60.2 | 15.6% | - | 259.8 | 233.8 | 11.1% | - |
| Argentina | 53.4 | 46.1 | 15.8% | 55.5% | 134.2 | 175.6 | (23.6%) | 42.7% |
| Uruguay | 10.8 | 8.7 | 23.7% | 34.0% | 40.2 | 34.8 | 15.5% | 29.0% |
| Mexico | 48.0 | 51.9 | (7.5%) | (6.3%) | 209.4 | 232.3 | (9.9%) | (4.3%) |
| Bolivia | 7.0 | 5.3 | 33.2% | 28.1% | 23.4 | 19.3 | 21.7% | 25.7% |
| Bangladesh | 13.3 | 9.7 | 36.6% | 2.8% | 49.7 | 34.3 | 45.1% | 10.3% |
| Tunisia | 12.6 | 11.0 | 14.4% | 30.4% | 47.7 | 49.1 | (2.8%) | 12.1% |
| Others | - | - | - | - | - | - | - | - |
| Total | 214.6 | 192.9 | 11.3% | 20.5% | 764.4 | 779.2 | (1.9%) | 14.8% |

EBITDA

| M€ | Q4 2018 | Q4 2017 | change % | change % comparable | 12M 2018 | 12M 2017 | change % | change % comparable (*) |
|---|---|---|---|---|---|---|---|---|
| Spain | 7.6 | 5.7 | 32.3% | - | 33.1 | 25.4 | 30.6% | - |
| Argentina | 12.7 | 11.0 | 15.5% | 61.4% | 30.3 | 43.4 | (30.1%) | 30.8% |
| Uruguay | 1.9 | 2.3 | (15.0%) | (8.1%) | 10.9 | 8.5 | 27.4% | 42.8% |
| Mexico | 20.1 | 23.9 | (16.1%) | (14.9%) | 96.1 | 109.8 | (12.5%) | (6.9%) |
| Bolivia | 1.5 | 0.6 | 148.3% | 140.6% | 4.6 | 3.0 | 52.9% | 60.0% |
| Bangladesh | 4.4 | 1.8 | 144.8% | 121.3% | 11.4 | 6.6 | 73.7% | 61.1% |
| Tunisia | 2.6 | 1.8 | 42.0% | 61.4% | 10.2 | 8.3 | 22.7% | 41.6% |
| Others | (4.4) | (3.8) | (13.9%) | (14.9%) | (15.5) | (12.1) | (29.2%) | (28.3%) |
| Total | 46.4 | 43.3 | 7.1% | 19.4% | 181.1 | 192.9 | (6.2%) | 12.0% |

(*) comparable variation %: variation that would have been reported in the current period if exchange rates had not varied or the consolidation perimeter and the inflation adjustment had not been applied in Argentina.

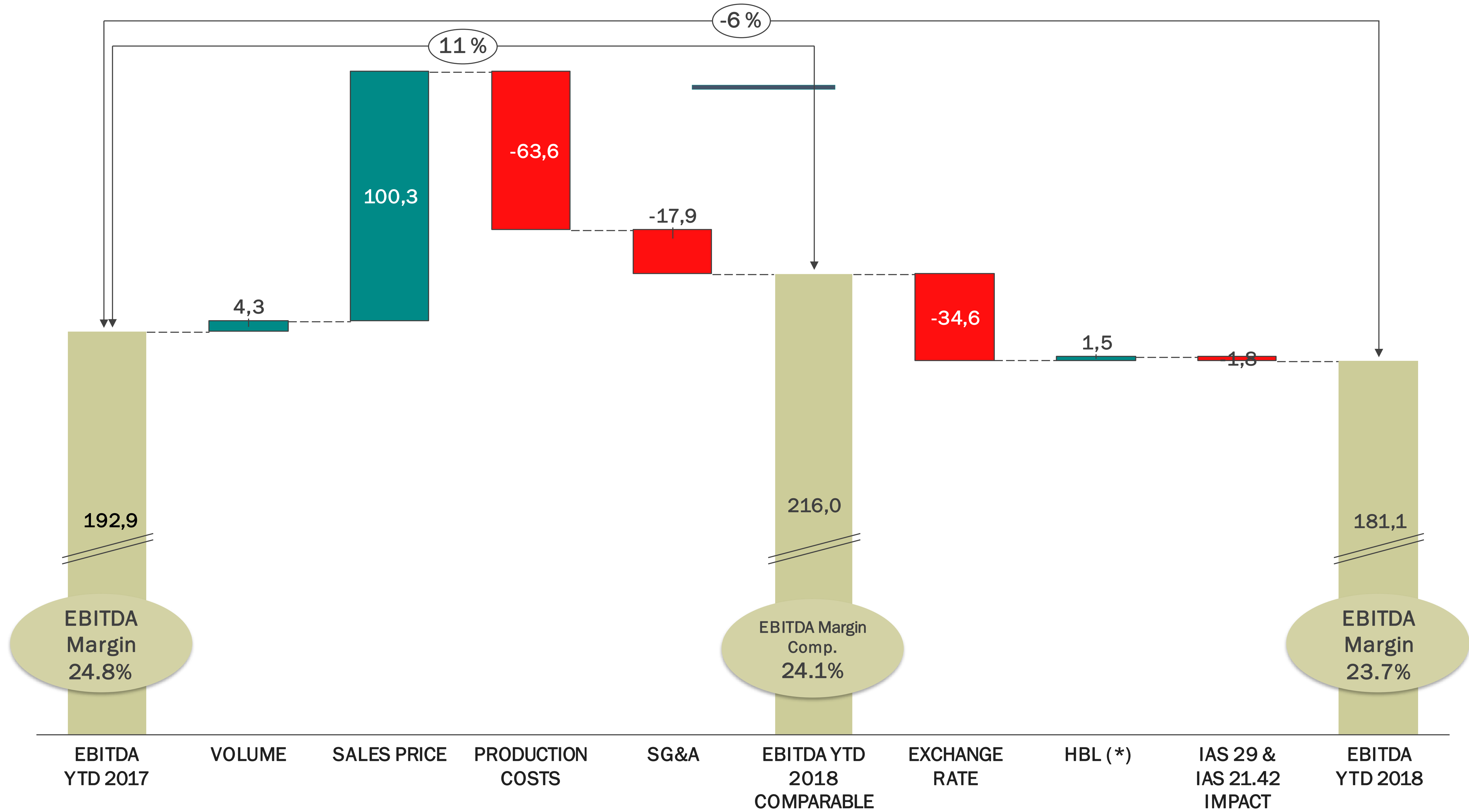
The accumulated EBITDA of M12 2018 has decreased by 6%, while in comparable terms it would increase by 12% compared to the same period of the previous year:

- Improvement in local currency in all the countries, except in Mexico due to the decrease in volume and increase in energy costs.
- Increase of the EBITDA in Spain mainly due to an improvement in the cement and precast business.
- Negative impact of the currency depreciation of 35 M€ in EBITDA, mainly in Argentina.

# Results as of 31 December 2018

EBITDA VARIATION ANALYSIS (millions of euros)

Proportionality principle




(*) Variation in the EBITDA of the current period due to the acquisition of Holcim Bangladesh Ltd. (HBL) in 2018.

- Positive effect on the volume in most countries, with the exception of Mexico and, to a lesser extent, Argentina.
- The positive evolution in prices has permitted to offset increases in cost. In Argentina, strong inflation in costs has negatively affected the margin of EBITDA on sales, as well as the lower results in Mexico.
- During M12 2018, production costs have been increasing, in particular those related to energy.
- The impact of depreciation of the currencies stems mainly from Argentina.
- At the beginning of the year the Holcim Bangladesh Ltd. (HBL) mill business was acquired by our Bangladeshi subsidiary. The contribution to EBITDA in M12 2018 has been 1.5 M€.

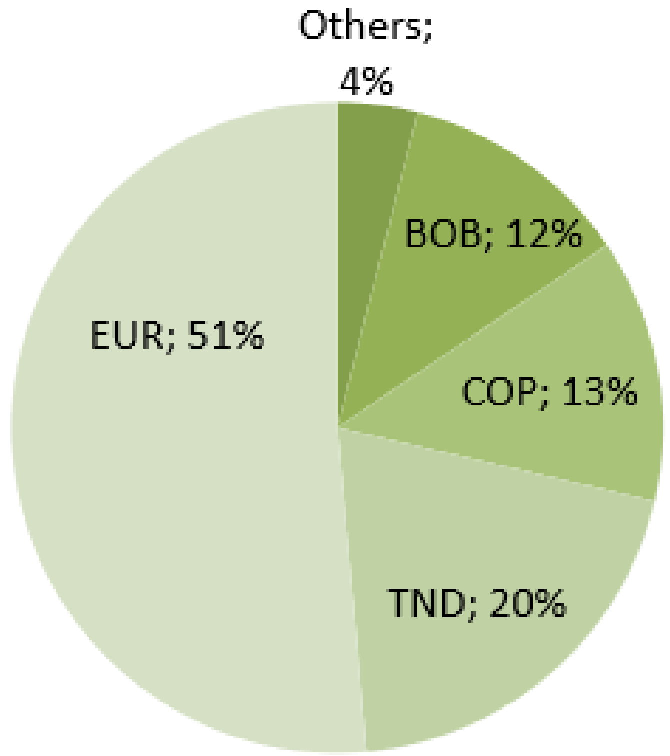
# Net financial debt as of 31 December 2018

Proportionality principle (millions of euros)

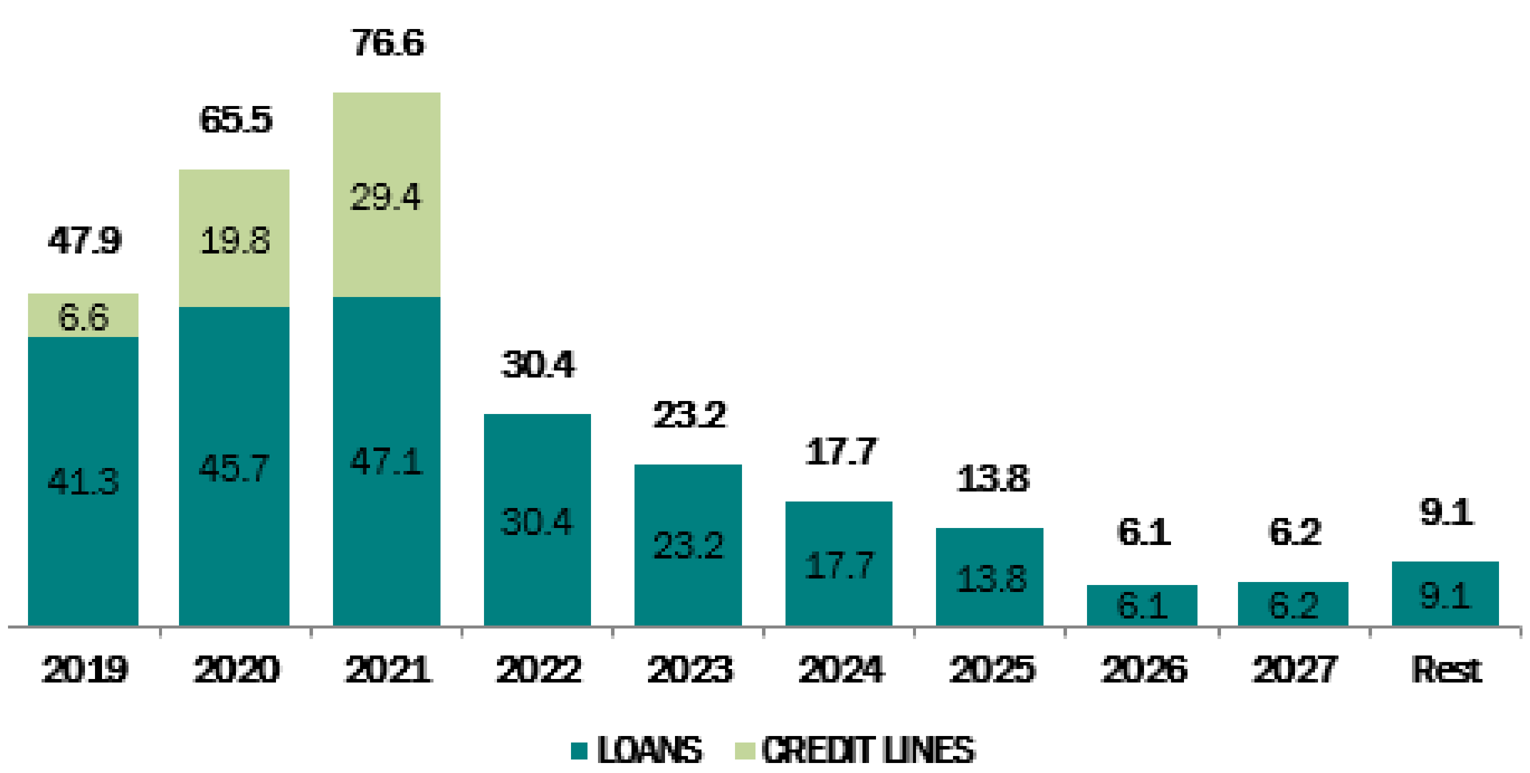
## EVOLUTION OF THE NET DEBT

| *M EUR* | 31/12/2018 | 31/12/2017 | change % |
|---|---|---|---|
| **Financial liabilities** | **296.6** | **358.1** | **(17.2%)** |
| Current financial liabilities | 47.9 | 73.2 | (34.6%) |
| Non-current financial liabilities | 248.7 | 284.9 | (12.7%) |
| **Long term deposits** | **(0.2)** | **(0.3)** | **(42.3%)** |
| **Long term loans group companies** | **(8.9)** | **-** | **.0%** |
| **Short term financial investments** | **(4.2)** | **(1.2)** | **259.9%** |
| **Cash and equivalent liquid assets** | **(104.5)** | **(210.9)** | **(50.4%)** |
| **NET FINANCIAL DEBT** | **178.8** | **145.8** | **22.6%** |

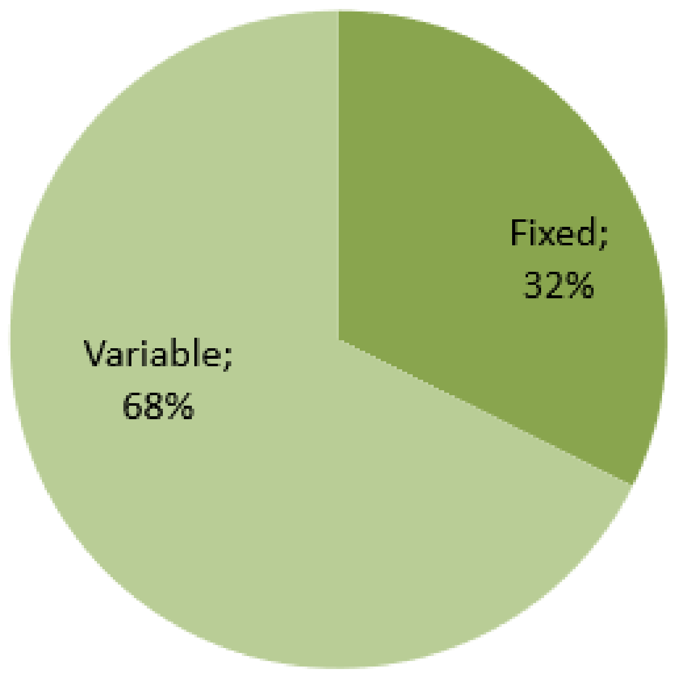
## DEBT BY CURRENCY




## MATURITY SCHEDULE




## DEBT BY RATE

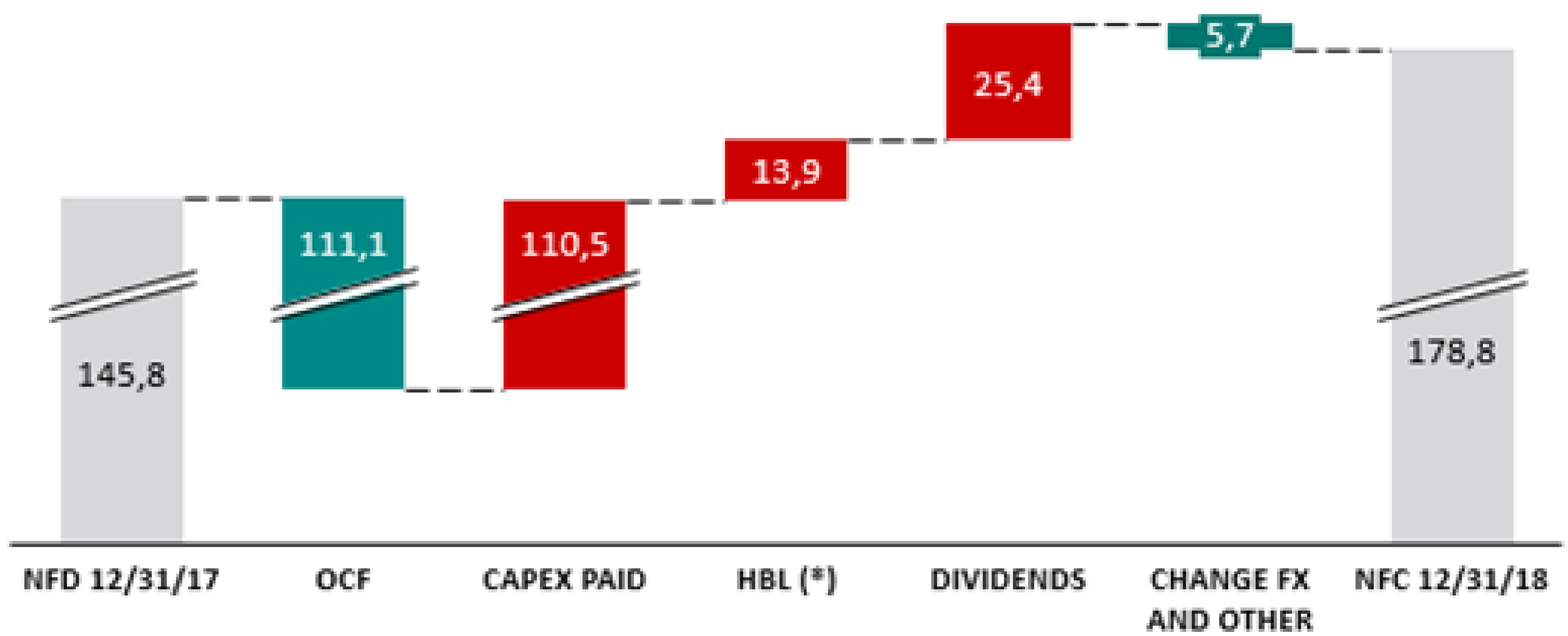


# Net financial debt as of 31 December 2018

Proportionality principle (millions of euros)

## VARIATION OF THE NET FINANCIAL DEBT

The variation factors of the net financial debt as of 31 December 2018 compared to those as of 31 December 2017 are shown below, in millions of euros:




* Variation in the net financial debt of the current period due to the acquisition of Holcim Bangladesh Ltd (HBL) in 2018.

# Legal Notice

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All of what has been set out in this document should be taken into consideration by all of those persons or entities that may have to buy or sell, develop or disseminate opinions relating to securities issued by the Company and, in particular, by analysts and investors.

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