



InterCement 2Q19 Results Presentation

2Q19 Highlights

Variations from 2Q18 comparison



+25.5%

67 million Euros of adjusted EBITDA



+4.9 p.p.

19,6% of adjusted EBITDA Margin



(16.5%)

1,434 million Euros of NET Debt



+46.7%

(46) million Euros of Free Cash Flow



(1.4%)

4,831 thousand tons of Cement and Clinker Volume sold



(6.1%)

342 million Euros of Sales

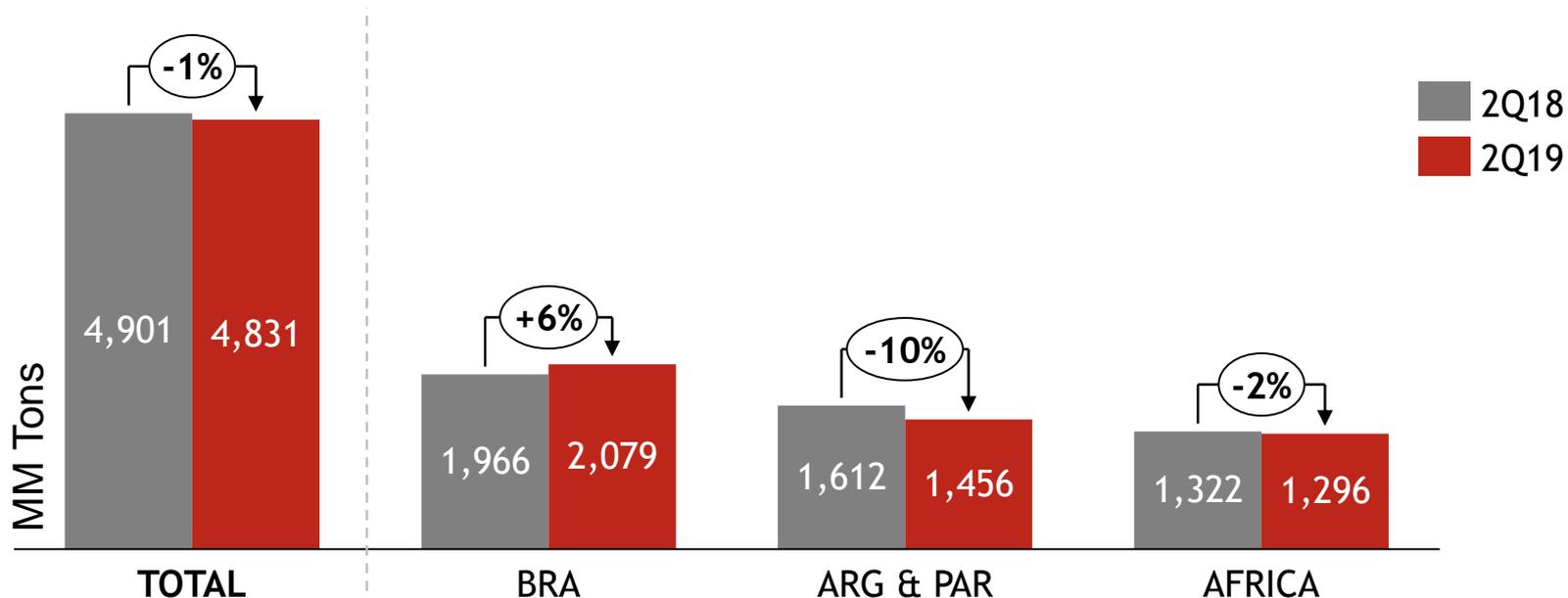
FX depreciation negatively impacted EBITDA generation by EUR€17.8MM

In Aug'19, additional EUR€20MM was received from PT & CV assets sale

Co-processing expanded 2.3 p.p. to 37.3%, boosted by significant increases on SAF, BRA & ARG

Volume

Volumes 1% down affected by ARG drop, mitigated by BRA expansion



BRA: volumes increased, helped by market segmentation approach; industry grew 1.5% YoY in 1H19 while IC expanded 6.8%

ARG: challenging political and economic context continued to affect demand, leading to weak volumes

PAR: negatively impacted by heavier rains

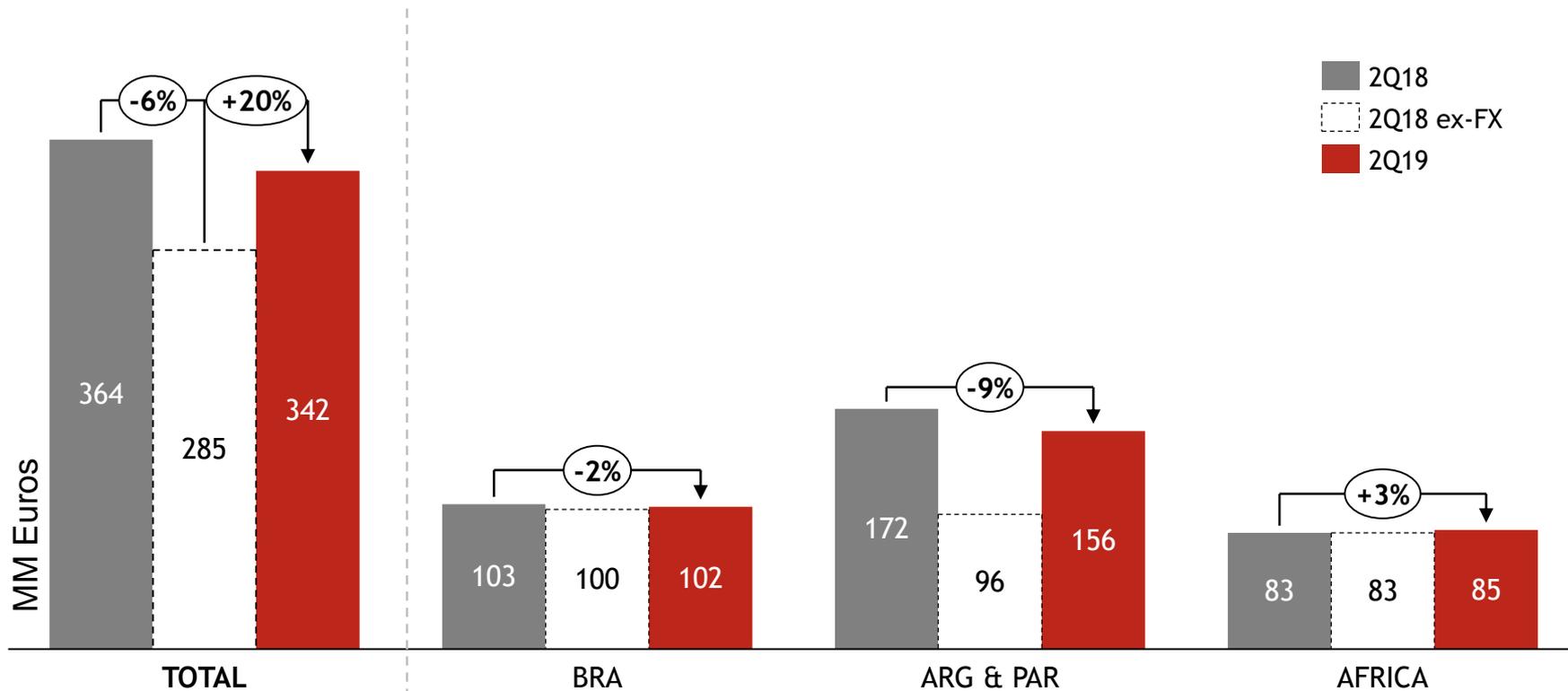
EGY: declining volumes due to weak demand, intensified by Ramadan holiday in June

MOZ: volume expansion driven by the reconstruction of areas hit by tropical cyclones during 1Q19

SAF: volumes raised benefitted by specific initiatives to compete with imports

Sales

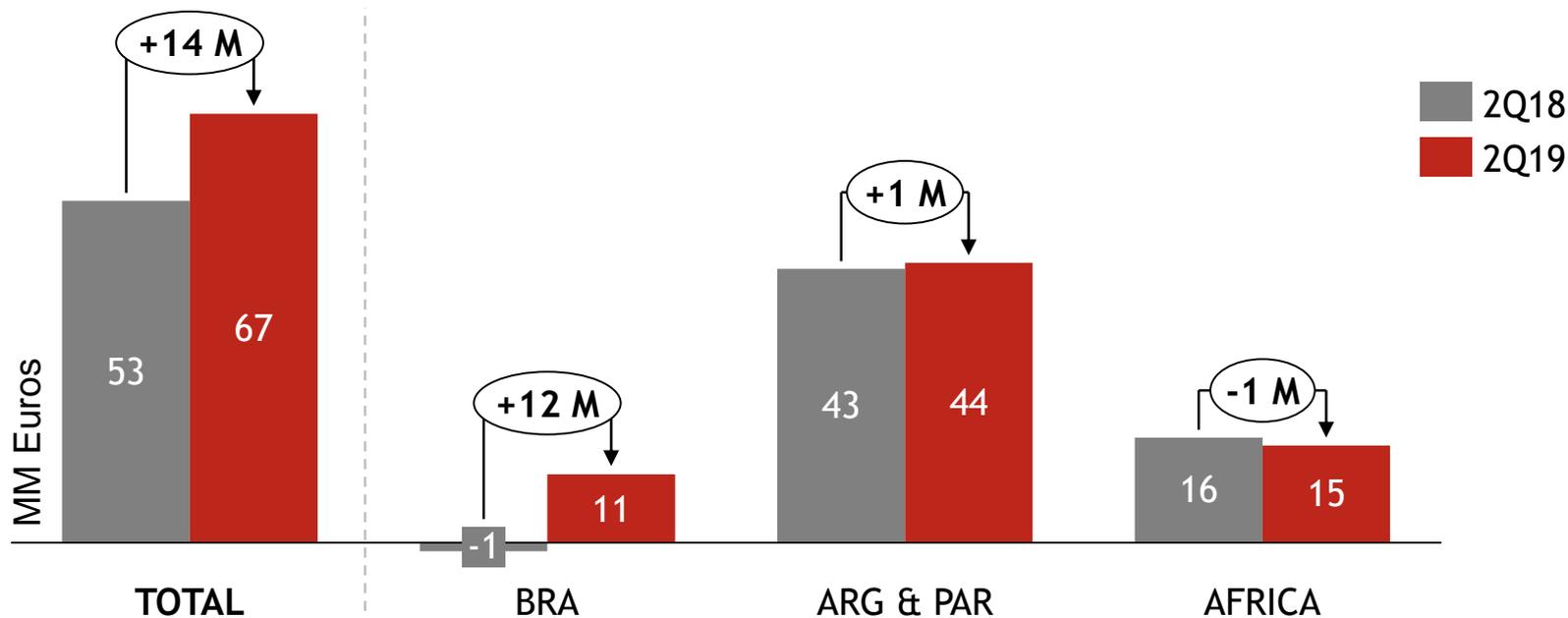
Fell 6% in EUR€; excluding FX impact would have raised 20%



- Mainly affected by ARS devaluation of 77% in the period (ARS\$49/EUR€ in 2Q19 vs ARS\$28/EUR€ in 2Q18)

Adj. EBITDA

Increased €14M driven by BRA +€12M improvement



BRA: EBITDA margin improvement led by lower fixed costs in the period

ARG & PAR: margins expansion mainly driven by industrial continuous improvement

SAF: higher fuel costs affected variable costs

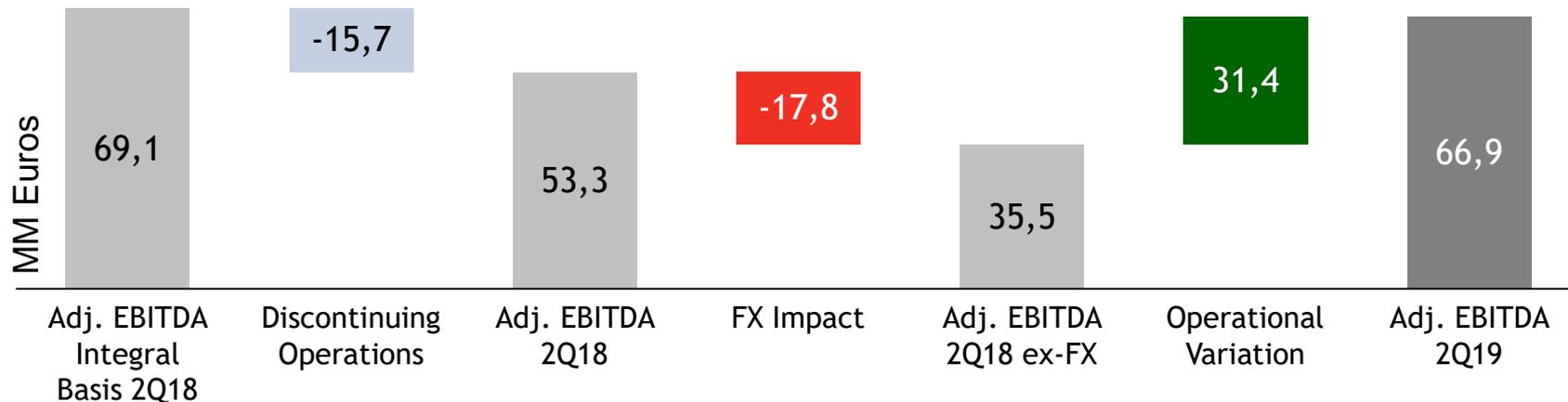
MOZ: rising costs mainly related to energy

EGY: margins relatively stable, despite declining top line

FX Impact

Operational performance more than offset ARS depreciation

FX Impact over Adjusted EBITDA 2Q19

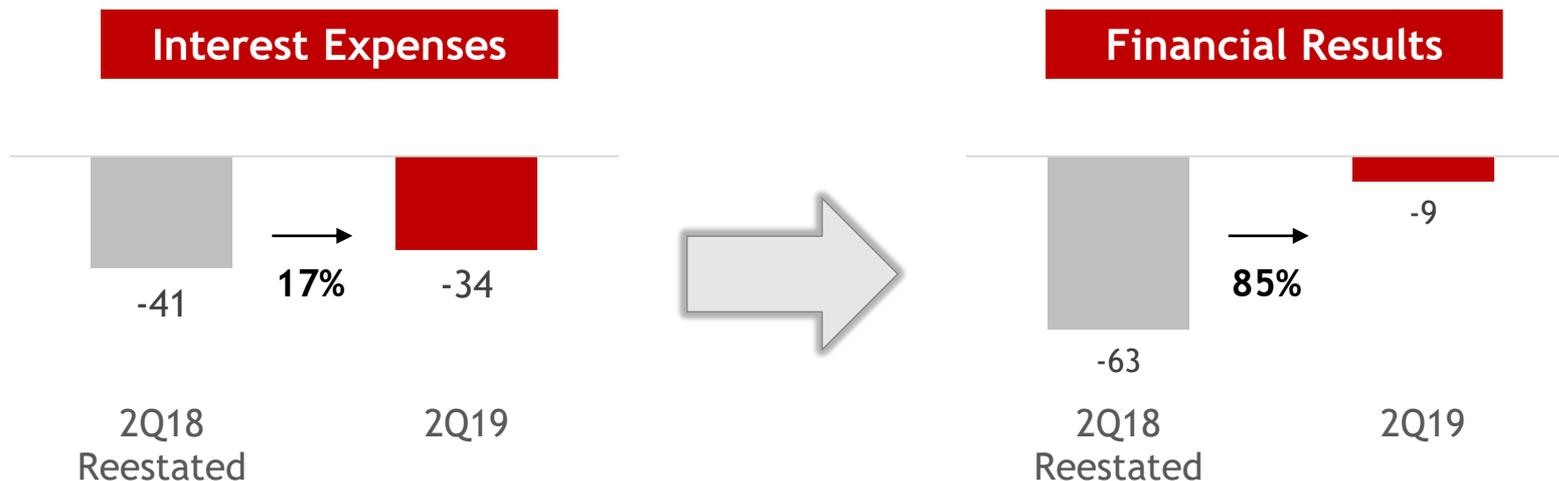


- Excluding FX impact, Adj. EBITDA would have increased by €31.4MM YoY
- FX impact was mostly result of ARS significant devaluation in the period
- Discounting operations are related to the sale of Portugal and Cape Verde operations

Financial Results

Financial Expenses declined due to Debt Reduction & Liability Management Plan

€ million



Interest Expenses in the period decreased due to company's deleverage, as result of Liability Management Plan

Positive impacts from (i) lower interest expenses, and (ii) FX variation among USD and EUR (~50% of the debt denominated in USD)

Liability Management Plan

Imbalance of the capital structure through 4 pillars

1
Credit enhancement initiatives

- Cost cuttings, G&A reduction, working capital optimization, plant hibernation, non-core assets monetization etc.



2
Gross debt reduction and amortization schedule stretch

- Loma Negra IPO of US\$1,1 Billion
- Reduce, stretch and rebalance the debt profile by partial prepayments
- Overpass the debt wall of 2018 and 2019



3
Asset Sale

- Portugal and Cape Verde Asset sale by €707MM, amortizing debt over € 420M
- Reprofile debt, until year end 2019



4
Issue new debt and increase average life

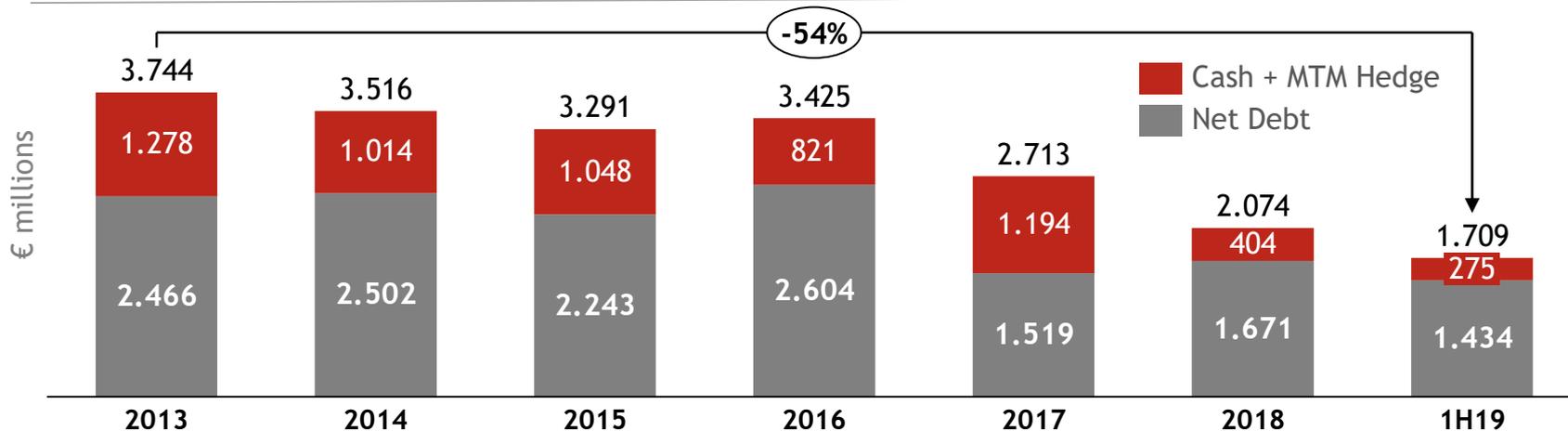
- New Bond Issuance increasing the average debt life
- Issuance subject to market conditions



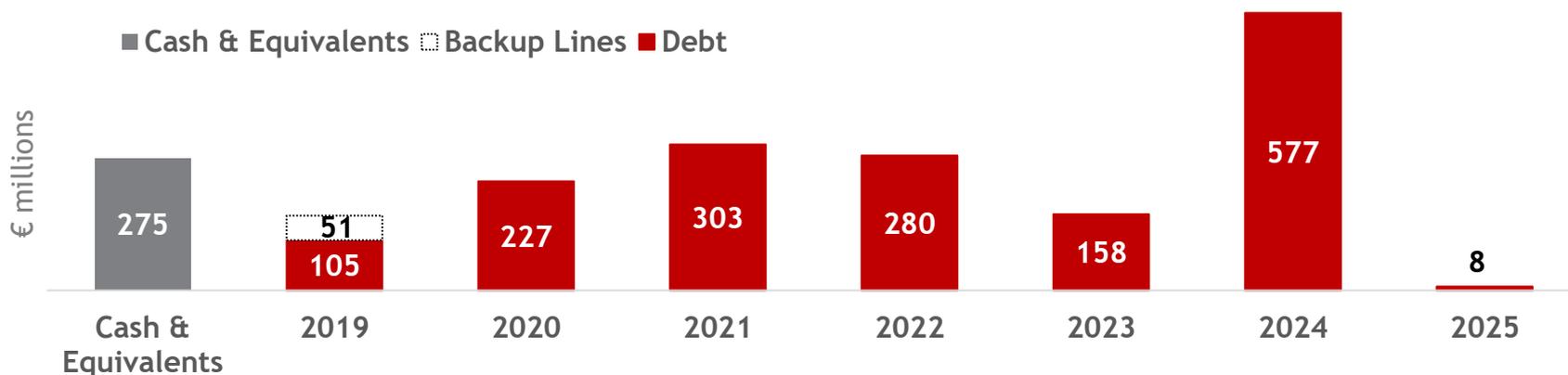
Capital Structure

Deleverage as result of Liability Management plan, still in progress

Debt level continued on a downward trend



Debt Maturity Schedule



Cash Flow

Free Cash Flow benefitted from the asset sale

FREE CASH FLOW GENERATION MAP	2Q19	2Q18 ¹	1H19	1H18 ¹
Operating Activities	37	19	(60)	(63)
Interests Paid & Derivative Unwinding	(33)	(56)	(66)	(111)
Income taxes Paid	(13)	(14)	(14)	(22)
Cash Flow before investments	(9)	(51)	(140)	(196)
CAPEX	(74)	(35)	(128)	(106)
Assets Sales / Others ²	37	1	621	4
Payments to carved-out companies	0	0	(117)	0
FCF to the company	(46)	(85)	236	(298)
Borrowings, financing and debentures	64	11	91	21
Amortizations	(128)	(237)	(344)	(561)
Capital Increases/Decreases	(67)	0	(67)	0
Dividends	0	0	(47)	0
FX Variation and Others	3	(1)	3	2
Changes in cash and cash equivalents	(176)	(317)	(130)	(807)
Cash and cash equivalents, EoP	275	328	275	328

¹ Integral Basis

² Please refer to explanatory note 2.4 of Interim Consolidated Financial Statement for details

Cash flow improvement mainly related to lower interest payments reflecting the Liability Management Plan and the net proceeds received from PT & CV assets sale.