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EBITDA

We define EBITDA as consolidated net income after adding back or subtracting, as the case may be: (1) depreciation and amortization; (2) net financing expense; (3) other non-operating expenses; (4) taxes; and (5) share of earnings in associates. In managing our business, we rely on EBITDA as a means of assessing our operating performance. We believe that EBITDA enhances the understanding of our financial performance and our ability to satisfy principal and interest obligations with respect to our indebtedness as well as to fund capital expenditures and working capital requirements. We also believe EBITDA is a useful basis of comparing our results with those of other companies because it presents results of operations on a basis unaffected by capital structure and taxes. EBITDA, however, is not a measure of financial performance under IFRS or U.S. GAAP and should not be considered as an alternative to net income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. Our calculation of EBITDA may not be comparable to other companies’ calculation of similarly titled measures.

Currency translations / physical volumes

All monetary amounts in this presentation are expressed in U.S. Dollars ($ or US$). Currency translations from pesos into U.S. dollars use the average monthly exchange rates published by Banco de México.

These translations do not purport to reflect the actual exchange rates at which cross-currency transactions occurred or could have occurred. The average exchange rates (Pesos per U.S. dollar) used for recent periods are:

2Q19: 19.12 - 2Q18: 19.39
1H19: 19.17 - 1H18: 19.07

Physical volumes are stated in metric tons (mt), millions of metric tons (mmt), cubic meters (m3), or millions of cubic meters (mm3).
LEADERSHIP TEAM

ENRIQUE ESCALANTE
CHIEF EXECUTIVE OFFICER

LUIS CARLOS ARIAS
CHIEF FINANCIAL OFFICER
AGENDA

1. Keynote Speaker
   Ed Sullivan, Portland Cement Association SVP & Chief Economist

2. Strategy and Key Milestones
   Enrique Escalante, CEO

3. Break

4. Financial Overview
   Luis Carlos Arias, CFO

5. Closing Remarks
   Enrique Escalante, CEO
KEYNOTE SPEAKER

ED SULLIVAN, PORTLAND CEMENT ASSOCIATION
SVP & CHIEF ECONOMIST
STRATEGY AND KEY MILESTONES
ENRIQUE ESCALANTE, CEO
INVESTMENT HIGHLIGHTS

TICKER: BMV: GCC

1. Leading position in attractive U.S. regional markets and in Chihuahua, Mexico
2. Mexico operations also provide a strong base and add operational flexibility with export capacity
3. Vertically integrated, with state of the art production facilities and logistics
4. Healthy balance sheet and strong free cash flow drive value creation
5. Increased share free float and liquidity
GCC AT A GLANCE: A UNIQUE MARKET PRESENCE

- 5.8 MMT¹ cement production capacity
  - 3.5 MMT in U.S. + 2.3 MMT in Mexico
- #1 or #2 share in core markets
  - Landlocked states, insulated from seaborne competition
- 8 cement plants, 23 terminals, 2 distribution centers and 99 ready-mix plants
- 78 years of operation – 25 in the U.S.
- Listed on Mexican Stock Exchange: GCC*
- Included in: MSCI Indexes
  - S&P/BMV IPC Index
  - FTSE Indexes

KEY RESULTS
LTM TO JUNE 2019

US$ 888 million sales – 72% U.S. / 28% Mexico
US$ 251 million EBITDA – 63% U.S. / 37% Mexico
28.2% EBITDA margin

¹ MMT = million metric tons
STAKEHOLDER VALUE CREATION

STRENGTHEN PROFITABILITY
- EBITDA margin increased from 17.3% in 2013 to 28.3% LTM
- Target: achieve GCC’s 2007 34% EBITDA margin
- Strengthened assets portfolio
- One of the industry’s healthiest balance sheets with a comfortable maturity profile

OFFER CUSTOMERS EXCEPTIONAL TECHNICAL AND LOGISTICS SERVICES
- Ensure uninterrupted shipping despite disruptive events (i.e. flooding and Rapid City tie-in delay)
- New terminals: Fort Stockton, TX and Salt Lake, UT, and 2 at planning stage
- Creation of the Corporate Technical and Operations Office (CTOO): best in class & best practices

BROADEN PRODUCT OFFERING THROUGH INNOVATIVE SOLUTIONS
- Walmart distribution center
- GCC + Deacero joint venture: Mexico City - Queretaro concrete highway repair project
- New product solutions which can be competitively applied outside Chihuahua

FOSTER SUSTAINABLE DEVELOPMENT
- Joined Global Cement and Concrete Association in 2018 after initial CSI commitment
  Increase use of alternative fuels - apply 14 years of AF use to all GCC cement plants

DEVELOP HUMAN CAPITAL
- Great Place to Work
- Talent development, succession and bench strength
- Annual bonus (KPI: EBITDA + EBITDA margin)
- Long term incentive plan (KPI: ROIC)
EXPAND OPERATIONS AND FOOTPRINT THROUGH DISCIPLINED CAPITAL ALLOCATION

- Well positioned for growth
- Be prepared to quickly capitalize on growth opportunities

STRAIGHTGOALSTRATEGIC PRIORITIZATION AND EVALUATION OF ALTERNATIVES

- Cement opportunities
- Aggregates opportunities with vertical integration
- Ready-mix opportunities with vertical integration
- Standalone aggregates and ready-mix

STAKEHOLDER VALUE CREATION

Attractiveness

- (ROI, size, affordability)
GROW CORE HIGH-PROFIT BUSINESSES, CEMENT

- **Odessa, TX:** +514 k mton, synergies extracted: switched to fully dedicated to produce oil well cement, boosted Samalayuca from 56% to 96% of capacity utilization in one year. Restarted kiln 2 at Chihuahua plant to export oil well cement.

- **Trident, MT:** asset swap +315k mton, ongoing synergies, fully onboarded, Idaho and Canada new markets, plugged into our distribution network.

- **Rapid City, SD:** +440k mton capacity expansion will reduce costs and improve distribution network. Ramp up stabilized.

DIVEST NON-CORE, LOWER PROFIT BUSINESSES AND READY MIX

- Sold OK and AR non-integrated ready mix assets plus received US $11 million in cash difference from Trident asset swap.

INCREASE VISIBILITY AND LIQUIDITY

- NDR’s & conferences: NY, Boston, Denver, Mexico City, Hong Kong, Singapore, Abu Dhabi and London.

- Sell side coverage increased from 0 to 12, year to date.

- Increase quality and quantity of information disclosed.

- Annual analyst day.

- Market maker (until 09/18).

- Buy back program (to increase liquidity).

- Index inclusion.
PROGRESS TOWARD KEY MILESTONES

INCREASE CLEAN ENERGY USE AND REDUCE ENERGY COSTS

- **Mexico**: a new long term power generator is in the final negotiation stage, 15yr agreement, 100% renewable, expected ~20% rate reduction starting in 2021, ~US$ 140 million in savings in that period
- **Odessa**: renewable (solar and wind) fixed price 10 yr signed agreement, ~22% rate reduction starting on July 22, ~US$ 4.6 million in savings in that period
- Solar project at Samalayuca plant: renewable energy in progress

CAPITALIZE U.S. EXPOSURE: “ZIP CODE ISSUE”, ADR AND U.S. LISTING ANALYSIS

- Received several ADR proposal analyses from banks: splits liquidity and does not fit with current free float
- U.S. listing: no value without issuing more equity, tax and cost implications

STRENGTHENED BALANCE SHEET, WELL POSITIONED FOR GROWTH

- 100% bond and bank debt refinanced
- Reducing interest expenses and improving the maturity profile, no significant payments until 2022
- Significantly improved leverage ratio
CO2 emissions reductions are compared to our 2005 baseline.
COMPENSATION PLAN
GOAL: CLOSELY ALIGN PAY WITH PERFORMANCE AND VALUE CREATION OVER THE SHORT AND LONG-TERM

FIXED PAY

BASE SALARY
Smallest component of target TDC
CEO: ~31%
Key executives: 40% - 62%

VARIABLE PAY

ANNUAL INCENTIVE
Based on EBITDA:
- Budgeted growth
- EBITDA margin
Pays out between 0% and 205% of target
CEO: ~33%
Key executives: 18% - 28%

2018 TOTAL DIRECT COMPENSATION (TDC)

LONG-TERM INCENTIVE
Largest component of target
TDC Restricted stock
Based on ROIC
5 year vesting period
CEO: ~36%
Key executives: 15% - 34%

69% PERFORMANCE BASED
VISION: FIVE YEARS AND BEYOND
CEO’S VISION FOR THE MEDIUM AND LONG TERM

WE WILL MAINTAIN THE COURSE: GROW AND STRENGTHEN OUR CORE - CEMENT

- Expand to adjacent markets: generate synergies, solidify leadership position
- New opportunities in North America: new regions, new system
- Mexico, Central and South America: faster growth and higher profitability

BEST IN CLASS PHILOSOPHY:

- Low cost / highest efficiencies and best practices: CTOO office
- Optimize logistics and distribution in inland, low density population markets - barriers to entry
- Innovation arm: faster product development and agile early adopter

LONG TERM SUSTAINABILITY: TRIPLE BOTTOM LINE = PEOPLE + PLANET + PROFIT

- Prudent balance sheet management
- Long term perspective: patience to develop the right steps
- Focus on alternative fuels, renewable energy and lower clinker factor
- Early adopters of carbon capture and sequestration and/or technology break-throughs
- Local impact - community involvement - GCC Foundation
Q&A

GCC
**FINANCIAL PERFORMANCE**

**SALES (US$ MILLION)**

2013: 657  
2014: 754  
2015: 752  
2016: 748  
2017: 824  
2018: 883

5yr CAGR +6.1%

**EBITDA (US$ MILLION)**

2013: 114  
2014: 154  
2015: 165  
2016: 189  
2017: 240  
2018: 256

5yr CAGR +17.7%

**FREE CASH FLOW (US$ MILLION)**

2015: 61  
2016: 86  
2017: 112  
2018: 108

4yr CAGR +15.1%

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Free cash flow excludes capital expenditures for growth and expansion.
DEBT AND CAPITAL EFFICIENCY INDICATORS
STEADILY IMPROVING

**EBITDA MARGIN**

- 2013: 17.3%
- 2014: 19.4%
- 2015: 21.3%
- 2016: 24.2%
- 2017*: 29.0%
- 2018: 27.4%

**ROIC (NOPAT / Avg. Invested Capital)**

- 2013: 3.1%
- 2014: 5.8%
- 2015: 7.0%
- 2016: 8.0%
- 2017: 9.0%
- 2018: 9.7%

**NET LEVERAGE RATIO (Net Debt / EBITDA)**

- 2013: 3.45x
- 2014: 2.28x
- 2015: 1.84x
- 2016: 2.57x
- 2017: 1.86x
- 2018: 1.55x

**WORKING CAPITAL**

- 2013: 107
- 2014: 91
- 2015: 82
- 2016: 79
- 2017: 75
- 2018: 70

* Proforma after asset swap
Any projections have been prepared based on GCC’s views as of the date of this presentation and include estimates and assumptions about future events which may prove to be incorrect or may change over time. ROIC = NOPAT / Avg. Invested Capital

WACC = (Cost of debt x Percentage of financing that is debt) + (Cost of equity x Percentage of financing that is equity)
GCC GENERATES A HIGHER ROIC THAN MOST OF ITS U.S. PEERS...

Source: see appendix
... AS WELL AS ITS LATAM PEERS

Source 2: see appendix
STRENGTHENED MARGINS AND LOWER INDEBTEDNESS THAN MOST PEERS

**2019 ESTIMATED NET DEBT/EBITDA MULTIPLES**

- GCC: 0.9x
- EXP: 0.8x
- VMC: 2.0x
- MLM: 2.2x
- SUM: 3.5x
- Cemex: 3.5x
- Elementia: 3.2x
- CLH: 3.0x
- Argos: 2.8x
- Pacasmayo: 1.9x

US Average: 2.1x
LatAm Average: 2.9x

**2019 ESTIMATED EBITDA MARGINS**

- GCC: 30.7%
- EXP: 33.6%
- VMC: 32.3%
- MLM: 28.4%
- SUM: 22.0%
- Cemex: 19.8%
- Elementia: 15.4%
- CLH: 21.7%
- Argos: 18.6%
- Pacasmayo: 31.2%

US Average: 29.4%
LatAm Average: 22.9%

Source 3: see appendix
GROWTH POTENTIAL

ASSUMPTIONS

- Net leverage ratio 3.0x
- Acquisition EV/EBITDA multiple 8x or 10x
- The acquisition occurs at the end of the period
- All scenarios are mutually exclusive

All numbers are rounded and for explanatory purposes

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CAPITAL ALLOCATION PRIORITIES
GIVEN THE STRONG CASH GENERATION AND THE HIGH CONVERSION RATE

1. CASH ON BALANCE SHEET ENABLES FUTURE GROWTH (OPTIONS)
   - **Organic:** Chihuahua plant \{\sim 1 \text{ mmt} \text{on additional capacity} \} \text{ Investment } \sim \text{US$ 120 - 140 million} \}
     - Samalayuca plant \text{ Odessa plant 0.5 mmton additional capacity, US$ 120 million} \rightarrow \text{ Environmental permits on hand}
     - Both to serve mainly southern U.S. markets, Chihuahua would free up Samalayuca, increase exports

   - **Inorganic:** based on the strategy described: focus on U.S. cement assets which could expand GCC’s footprint.
     - Additionally grow into Mexico, Central and South America to potentially participate in faster developing economies, regional diversification, counter-cyclical cash flow only under very specific conditions

   - Take advantage of industry’s average indebtedness and any potential divestment/spin off plans

   - Or be prepared to quickly capitalize on growth opportunities in more resilient markets

     - 2008 downturn GDP decreases: MI -9.4%, FL -5.7%, NY -4.6%, CA -3.5% vs CO -2.7%, NM -2.0%, SD -1.3%, IA -0.5%

2. PAY DOWN DEBT
   - Should an M&A opportunity not materialize by the end of 2019-20: prepay \sim \text{US$ 100 - 150 million} in bank debt, resulting in \sim \text{US$ 3.4 million annual interest savings}

3. CONTINUE PAYING DIVIDENDS AT HISTORICAL RATE (NO SPECIAL DIVIDEND)
CLOSING REMARKS

• Focused on stakeholder and shareholder value

• Important progress on key milestones to focus on high-profit business-cement

• Strengthened profitability, balance sheet and assets portfolio - position GCC for growth with disciplined capital allocation

• Prioritize human capital and compensation to drive performance and value creation

• Implementing global best practices in sustainability: successfully migrating towards clean energy goals and less fossil fuels

• Five year vision will strengthen and expand core cement business
THANK YOU!

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2.- Company and UBS estimates (August 23, 2019)

3.- UBS Estimates. Only Cemex numbers are IFRS16 adjusted