



CRH Interim Results 2014

19 August 2014

Agenda

H1 2014 Results

Portfolio Review

Full Year Outlook

Q & A



Key Points – H1 2014

- Results in-line with guidance
- Modest if mixed recovery
- Strong operating leverage
- Portfolio Review progressing
- H1 dividend maintained



Trading Overview – CRH Group

€m	% chg	H1'14	H1'13
Sales	+4%	8,324	8,007
EBITDA	+27%	505	397
EBITDA %	↑	6.1%	5.0%

Contrasting weather patterns US/EU

Positive start; Solid growth (+5% LFL)

Strong operating leverage

Strong bottom-line delivery on moderate top-line growth

H1 2014 – Sales Trends (LFL)

Europe

Strong start ... easing trends

% chg	Jan/Apr	May/Jun	H1
Materials	+8%	+2%	+7%
Products	+16%	-	+9%
Distribution	+8%	-4%	+4%
Europe	+10%	-1%	+6%

Americas

Continued improvement

% chg	Jan/Apr	May/Jun	H1
Materials	+4%	+3%	+4%
Products	+3%	+5%	+5%
Distribution	-2%	+7%	+2%
Americas	+2%	+4%	+4%

Trading Overview – Europe Materials

CRH



€m	% chg	H1'14	H1'13
Sales	+9%	1,087	993
EBITDA	+75%	103	59
EBITDA %	↑	9.5%	5.9%

Significant volume growth

Pricing competitive

Strong margin advance

Strong operational leverage

Trading Overview – Europe Products

CRH



€m	% chg	H1'14	H1'13
Sales	+10%	1,261	1,147
EBITDA	+87%	101	54
EBITDA %	↑	8.0%	4.7%

UK/DE good markets

NL/BE stabilising; FR remains weak

Restructuring benefits

Stabilising economies ... good weather ... improved margins

Trading Overview – Europe Distribution

CRH



€m	% chg	H1'14	H1'13
Sales	+5%	1,922	1,837
EBITDA	+25%	79	63
EBITDA %	↑	4.1%	3.4%

GBM – significant profit growth

DIY – resilient RMI demand

SHAP – improvement in BE/DE

Benefits of leverage and profit improvement initiatives

Trading Overview – Americas Materials

CRH



€m	% chg	H1'14	H1'13
Sales	-	1,718	1,710
EBITDA	+21%	63	52
EBITDA %	↑	3.7%	3.0%

	H1 Volumes		Price
	Total	LFL	LFL
Aggs	+6%	+4%	+3%
Asphalt	+3%	+3%	-
RMC	+8%	+7%	+4%

US\$ sales (LFL) up +4%

Trading Overview – Americas Products

CRH



€m	% chg	H1'14	H1'13
Sales	+1%	1,575	1,562
EBITDA	-10%	131	145
EBITDA %	↓	8.3%	9.3%

LFL US\$ sales +5%

Res – Single vs Multi-family units

Non-Res – improving order backlogs

Weather-affected first half ... Good fundamentals

Trading Overview – Americas Distribution

CRH



€m	% chg	H1'14	H1'13
Sales	-	761	758
EBITDA	+17%	28	24
EBITDA %	↑	3.7%	3.2%

LFL US\$ Sales +2%

Exterior: Lower roofing activity
Tough price environment

Interior: Positive pricing
Multi-family Res growth

Benefits of balance ... Strong Interiors offsetting weaker Exteriors

H1 2014 – EBITDA Margins Ahead in 5 of 6 Divisions



EBITDA %	H1'14	H1'13	
Europe Materials	9.5%	5.9%	↑↑
Europe Products	8.0%	4.7%	↑↑
Europe Distribution	4.1%	3.4%	↑
Americas Materials	3.7%	3.0%	↑
Americas Products	8.3%	9.3%	↓
Americas Distribution	3.7%	3.2%	↑
Group	6.1%	5.0%	↑

H1 2014 – Components of Performance

€m	Sales	EBITDA
H1 2013	8,007	397
FX translation	(203)	(13)
Acquisitions/Divestments	130	6
Restructuring/CO ₂	-	16
Organic	390	99
H1 2014	8,324	505

Acquisitions – Seasonal impact

Cost action – Cumulative benefits

Organic – Mainly Europe

Strong organic delivery on modest sales growth

H1 2014 – Debt Position



€bn	30 June 14
Gross Debt	4.8
Gross Cash	1.1
<hr/>	
Net Debt	3.7

EBITDA/Interest 6.2x

S&P BBB+ ... Moody's Baa2

Cash/undrawn facilities* of €4.3bn

Net Debt €0.5bn lower than June 2013

H1 2014 – Operating Cash Movements



- Investment in Working Capital ↓ 13%
- Capital Expenditure reduced ↓ 26%

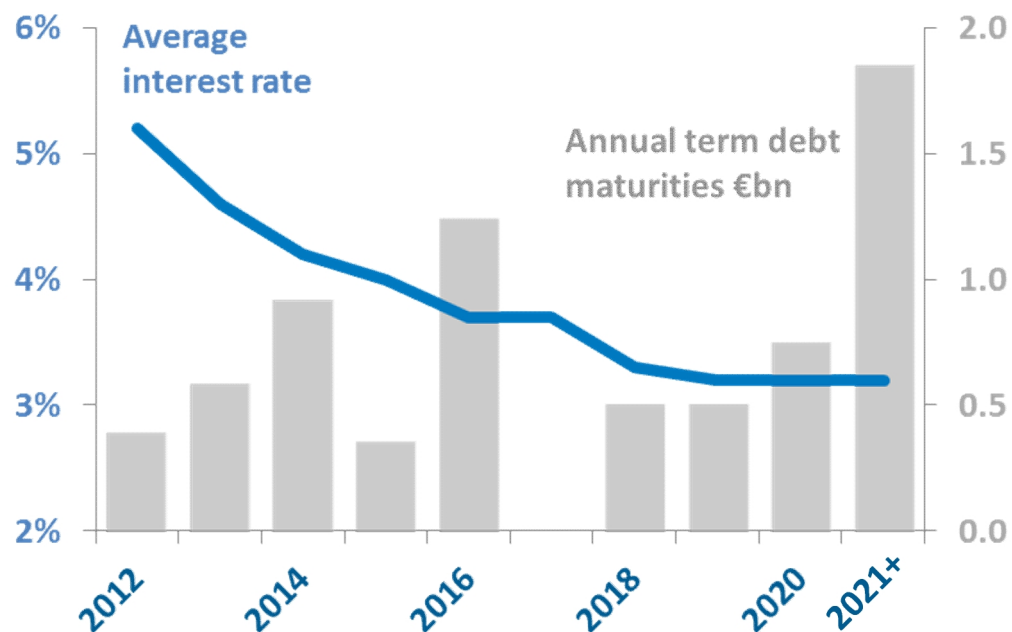
€m	H1'14	H1'13
WC outflow	579	668
CapEx	213	287

Delivered €0.3bn improvement in Operating Cash Flow vs. H1 2013

Tight cash management

CRH – Financial Discipline

CRH



Active debt management

Balanced maturity profile

Reduced cost of debt

Lowering the cost of capital supporting value creation

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Portfolio Review – Update

Optimise portfolio ... reset CRH for growth

Focus on core businesses ... c80% of net assets; c90% of EBITDA

Likely divestments ... €1.5bn - €2bn

Orderly multi-year programme

Active portfolio management

Restoring margins and returns to peak

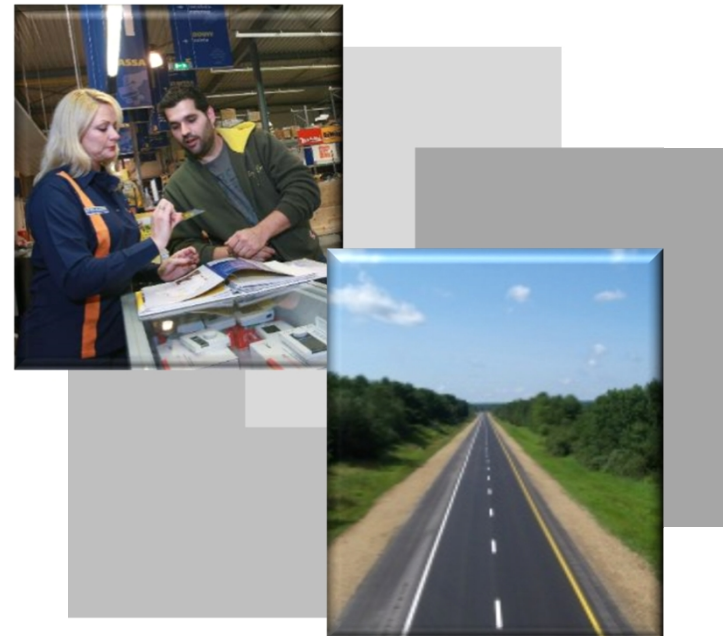
Portfolio Review – Concentrating on the Core

Strong strategic platforms

Proven value creation capability

Opportunities for acquisition

Organic growth potential



A narrower, deeper, balanced portfolio ...

Portfolio Review – In Summary

Continuous Process

... on-going portfolio management

Capital Discipline

... with dynamic capital re-allocation

Balance

... right markets; right companies

Value Creation

... returning to peak returns

Active portfolio management ... Delivering returns and growth

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2014 – Full Year Outlook

- Modest if mixed economic recovery
- H2'14 somewhat ahead of H2'13 (€1.08bn)
 - H2 Europe ... broadly in line
 - H2 Americas ... ahead
- Full Year 2014 ... a year of profit growth

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Appendices

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Key Components of H1 2014 Group Performance



Appendices

€ million	Sales revenue	EBITDA (i)	Operating profit	Profit on disposals	Finance costs	Assoc. and JV PAT	Pre-tax (loss)/profit
First half 2013 as reported	8,007	397	41	18	(146)	16	(71)
Exchange effects	(203)	(13)	(4)	(1)	3	(1)	(3)
Incremental impact in 2014 of:							
- 2013/2014 acquisitions	136	6	-	-	-	-	-
- 2013/2014 divestments	(6)	-	-	-	-	2	2
- Restructuring costs (ii)	-	11	11	-	-	-	11
- Pension curtailment and CO ₂ gains	-	5	5	-	-	-	5
- Organic	390	99	118	-	(7)	6	117
First half 2014	8,324	505	171	17	(150)	23	61

(i) EBITDA is defined as earnings before interest, taxes, depreciation, amortisation, asset impairment charges, profit on disposals and the Group's share of equity accounted investments' profit after tax.

(ii) Restructuring costs of €9 million were incurred in H1 2014 (H1 2013: €20 million), resulting in an incremental saving in 2014 of €11 million. No impairment charges were recorded in the first half of 2014 (H1 2013: €nil).

Equity Accounted Investments



Appendices

€ million	H1'14	H1'13
Sales	685	671
EBITDA	80	69
Operating Profit	46	33
<i>Share of Joint Ventures' Profit After Tax</i>	9	9
<i>Share of Associates' Profit After Tax</i>	14	7
Share of Equity Accounted Investments' Profit After Tax	23	16

Prior to adoption of IFRS 11 'Joint Arrangements' in 2013, joint ventures were previously proportionately consolidated.

Europe Materials – Performance components



Appendices

Analysis of change

€ million	% Chg	H1'14	H1'13	Change	Organic	Acquisitions	Restructuring	Pensions/CO ₂	Exchange
Sales revenue	+9%	1,087	993	+94	+69	+34	-	-	(9)
EBITDA*	+75%	103	59	+44	+37	+2	+1	+5	(1)
Operating profit/(loss)*	n/m	35	(10)	+45	+40	(1)	+1	+5	-
EBITDA/sales		9.5%	5.9%						
Op.profit-(loss)/sales		3.2%	-1.0%						

*EBITDA and operating profit/(loss) exclude profit on disposals

No pension restructuring gains were recorded (H1 2013: €2 million)

Restructuring costs amounted to €2 million (H1 2013: €3 million)

Gains from CO₂ amounted to: €10 million (H1 2013: €3 million)

Europe Products – Performance components



Appendices

Analysis of change

€ million	% Chg	H1'14	H1'13	Change	Organic	Acquisitions	Divestments	Restructuring	Exchange
Sales revenue	+10%	1,261	1,147	+114	+105	+6	-	-	+3
EBITDA*	+87%	101	54	+47	+37	-	-	+10	-
Operating profit*	n/m	57	3	+54	+44	-	-	+10	-
EBITDA/sales		8.0%	4.7%						
Op. profit/sales		4.5%	0.3%						

*EBITDA and operating profit exclude profit on disposals

No restructuring costs were incurred (H1 2013: €10 million)

Europe Distribution – Performance components



Appendices

Analysis of change

€ million	% Chg	H1'14	H1'13	Change	Organic	Acquisitions	Divestments	Restructuring	Exchange
Sales revenue	+5%	1,922	1,837	+85	+72	+9	-	-	+4
EBITDA*	+25%	79	63	+16	+18	-	-	(2)	-
Operating profit*	+65%	43	26	+17	+19	-	-	(2)	-
EBITDA/sales		4.1%	3.4%						
Op. profit/sales		2.2%	1.4%						

*EBITDA and operating profit exclude profit on disposals

Restructuring costs amounted to €3 million (H1 2013: €1 million)

Americas Materials – Performance components



Appendices

Analysis of change

€ million	% Chg	H1'14	H1'13	Change	Organic	Acquisitions	Divestments	Restructuring	Exchange
Sales revenue	-	1,718	1,710	+8	+62	+17	-	-	(71)
EBITDA*	+21%	63	52	+11	+9	+2	-	+2	(2)
Operating loss*	+23%	(61)	(79)	+18	+12	+1	-	+2	+3
EBITDA/sales		3.7%	3.0%						
Op. loss/sales		-3.6%	-4.6%						

*EBITDA and operating loss exclude profit on disposals

Restructuring costs amounted to €3 million (H1 2013: €5 million)

Americas Products – Performance components



Appendices

Analysis of change

€ million	% Chg	H1'14	H1'13	Change	Organic	Acquisitions	Divestments	Restructuring	Exchange
Sales revenue	+1%	1,575	1,562	+13	+71	+47	(6)	-	(99)
EBITDA*	-10%	131	145	(14)	(7)	+2	-	-	(9)
Operating profit*	-9%	80	88	(8)	(2)	-	-	-	(6)
EBITDA/sales		8.3%	9.3%						
Op. profit/sales		5.1%	5.6%						

*EBITDA and operating profit exclude profit on disposals

Restructuring costs amounted to €1 million (H1 2013: €1 million)

Americas Distribution – Performance components



Appendices

Analysis of change

€ million	% Chg	H1'14	H1'13	Change	Organic	Acquisitions	Divestments	Restructuring	Exchange
Sales revenue	-	761	758	+3	+11	+23	-	-	(31)
EBITDA*	+17%	28	24	+4	+5	-	-	-	(1)
Operating profit*	+31%	17	13	+4	+5	-	-	-	(1)
EBITDA/sales		3.7%	3.2%						
Op. profit/sales		2.2%	1.7%						

*EBITDA and operating profit exclude profit on disposals

No restructuring costs were incurred (H1 2013: nil)

Analysis by segment



Appendices

Sales € m	% Chg	H1'14	H1'13
Europe Materials	+9%	1,087	993
Europe Products	+10%	1,261	1,147
Europe Distribution	+5%	1,922	1,837
Americas Materials	-	1,718	1,710
Americas Products	+1%	1,575	1,562
Americas Distribution	-	761	758
Group	+4%	8,324	8,007

EBITDA € m	% Chg	H1'14	H1'13
Europe Materials	+75%	103	59
Europe Products	+87%	101	54
Europe Distribution	+25%	79	63
Americas Materials	+21%	63	52
Americas Products	-10%	131	145
Americas Distribution	+17%	28	24
Group	+27%	505	397

Analysis by segment



Appendices

Operating Profit € m	% Chg	H1'14	H1'13
Europe Materials	n/m	35	(10)
Europe Products	n/m	57	3
Europe Distribution	+65%	43	26
Americas Materials	+23%	(61)	(79)
Americas Products	-9%	80	88
Americas Distribution	+31%	17	13
Group	+317%	171	41

Profit on Disposal € m	H1'14	H1'13
Europe Materials	6	1
Europe Products	3	7
Europe Distribution	-	1
Americas Materials	6	9
Americas Products	1	-
Americas Distribution	1	-
Group	17	18

H1 2014 acquisition activity €130m



Appendices

Acquisitions €130m		
3 Europe deals	3 Distribution	€11m
8 Americas deals	4 Materials; 4 Products	€109m
Other investments		€10m
		<hr/> €130m

Euroconstruct estimates June 2014



Appendices

Construction Output 2014	% chg		Construction Output 2014	% chg	
Belgium	+0.3%	↑	Poland	+4.2%	↑
Denmark	+2.5%	↑	Portugal	+0.0%	↑
Finland	+0.8%	↑	Spain	-5.0%	↓
France	-1.2%	↓	Switzerland	+2.0%	↑
Germany	+2.9%	↑	United Kingdom	+4.4%	↑
Ireland	+9.7%	↑	Western Europe (EC-15)	+1.2%	↑
Netherlands	-0.7%	↓	Eastern Europe (EC-4)	+2.2%	↑

PCA Spring Forecast 2014



Appendices

Construction Put-in-place	% chg		Construction Put-in-place	% chg	
New housing	+23.2%	↑	Industrial	+11.1%	↑
Single family	+24.6%	↑	Office	+9.7%	↑
Multi family	+16.1%	↑	Hotels, motels	+14.6%	↑
Improvements	+2.8%	↑	Total Non-residential	+8.7%	↑
Total Residential	+8.3%	↑	Highways & Streets	+0.9%	↑
Real GDP	+2.8%	↑	Total Public	+1.0%	↑
Construction Put-in-place	+8.3%	↑	Public Utility & Other	+4.3%	↑
Cement consumption	+7.9%	↑	Farm Non-residential	+1.4%	↑

Contact Us

CRH

CRH plc
Investor Relations
Belgard Castle
Clondalkin
Dublin 22
Ireland

Phone: + 353 1 404 1000
Fax: + 353 1 404 1007
Email: ir@crh.com
Website: www.crh.com



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