



# 2012 Results

## CRH plc

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COO

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CEO

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FD



## Agenda

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Trading Overview

Financial Overview

Cost Savings

2013 Outlook



## Group

### 2012 Results

Resilient  
performance -  
challenging  
backdrop

**Sales €18.7Bn +3%**

Like-for-like -2%

FX impact +4%

**EBITDA €1.64Bn -1%**

Ahead of November  
guidance

**PBT / EPS**

PBT -5%

EPS -7%

**Net Debt under €3Bn**

€0.5Bn lower than  
end-2011

**Development**

€0.65Bn activity  
+0.6Bn tonnes reserves

**Dividend**

Maintained at  
62.5c



## Europe Materials

Good margin  
delivery  
despite lower  
volumes

€m	% chg	2012	2011
<b>Sales</b>	<b>-10%</b>	<b>2,685</b>	2,985
<b>EBITDA</b>	<b>-7%</b>	<b>405</b>	436
<b>Op. profit</b>	<b>-7%</b>	<b>246</b>	264
<b>EBITDA %</b>	<b>↑</b>	<b>15.1%</b>	14.6%
<b>Op. profit %</b>	<b>↑</b>	<b>9.2%</b>	8.8%

### FY 2012 CRH Cement Volumes

PL	-11%	UA	+32%	IE	-17%
FI	-6%	CH	-8%	CN*	-21%
TR*	flat	IN*	+19%		

\*Shareholding: India 50%, China 26%, Turkey 50%

### Volumes & Prices:

Volumes (l-f-l):	-7%
Prices (l-f-l):	+1%

### CO<sub>2</sub> / Pension Gains:

CO<sub>2</sub>: €31m (2011: €38m)  
Pension: €30m (€12m)

### Margins:

Similar to 2011 excluding  
CO<sub>2</sub> / Pension gains





## Europe Materials

### Key points

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#### **H1 / H2 Trends:**

- H1 volumes (l-f-l) -2%; activity recovered after slow weather-related start
- H2 volumes (l-f-l) -11%; mainly construction activity slowdown in PL

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#### **Operational Action:**

- Cement: Increased alternative fuel usage to 28%\*
- Procurement: Increased delivery from division-wide initiatives

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#### **Development / Disposals:**

- Downstream acquisition in Finland enhanced vertical integration
- Disposal of Secil JV (2012 impact Sales -€157m; EBITDA -€37m)



\* CRH subsidiaries

## Europe Products

Very tough  
backdrop,  
particularly in  
Netherlands

€m	% chg	2012	2011
<b>Sales</b>	<b>-6%</b>	<b>2,481</b>	2,648
<b>EBITDA</b>	<b>-22%</b>	<b>152</b>	194
<b>Op. profit</b>	<b>-73%</b>	<b>18</b>	66
<b>EBITDA %</b>	<b>↓</b>	<b>6.1%</b>	7.3%
<b>Op. profit %</b>	<b>↓</b>	<b>0.7%</b>	2.5%

### Excl. pension, restructuring, impairment

<b>EBITDA %</b>	<b>7.2%</b>	7.6%
<b>Op. profit %</b>	<b>2.8%</b>	3.3%

### Pension / Restructuring:

	2012	2011
Pension gain:	nil	€17m
Restruct.cost:	(€27m)	(€24m)
Net cost:	(€27m)	(€7m)

### Impairments:

	2012	2011
Total:	(€24m)	(€15m)
Mainly in Benelux		

### Reported margins:

Impacted by pension,  
restructuring & impairments



## Europe Products

### Key points

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#### **H1 / H2 Trends:**

- H1 sales (l-f-l) -5%; Severe early weather & deteriorating confidence
  - H2 sales (l-f-l) -4%; Slight moderation in negative first half trend
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#### **Operational Action:**

- Further rationalisation of production footprint in Concrete and Clay
  - Ongoing reconfiguration of organisation structures
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#### **Development / Disposals:**

- Acquisition: Expansion of RMI-focussed Shutters & Awnings segment
  - Successful divestment of European access control business
- 



## Europe Distribution

Challenging  
trading in  
Netherlands  
& Switzerland

€m	% chg	2012	2011
Sales	-5%	4,140	4,340
EBITDA	-14%	230	267
Op. profit	-19%	154	190
EBITDA %	↓	5.6%	6.2%
Op. profit %	↓	3.7%	4.4%

### B. Merchants / DIY:

Weak Dutch consumer  
confidence

### SHAP:

Good overall performance  
Margins maintained

### Margins:

H1 weather effects  
H2 EBITDA% stable at c.6%





## Europe Distribution

### Key points

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#### **H1 / H2 Trends:**

- H1 sales (l-f-l) -7%; Sharp NL market decline, CHF currency effect
- H2 sales (l-f-l) -6%; As in Products, slight H2 moderation

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#### **Operational Action:**

- Strict discipline in pricing and category management
- Procurement initiatives mitigated margin pressures

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#### **Development:**

- Further additions to Sanitary, Heating & Plumbing (SHAP) network
- Annualised SHAP sales now approaching €600m in DE, BE, CH



## Americas Materials

US\$ profits  
broadly  
in line with  
2011

€m	% chg	2012	2011
<b>Sales</b>	<b>+13%</b>	<b>4,971</b>	4,395
<b>EBITDA</b>	<b>+7%</b>	<b>566</b>	530
<b>Op. profit</b>	<b>+7%</b>	<b>282</b>	264
<b>EBITDA %</b>	<b>↓</b>	<b>11.4%</b>	12.1%
<b>Op. profit %</b>	<b>↓</b>	<b>5.7%</b>	6.0%

	Aggs	Asphalt	RMC	Const.
<b>Volumes* (I-f-I)</b>	-2%	-2%	flat	Sales* +1%
<b>Prices* (I-f-I)</b>	+2%	+5%	+1%	
<b>Unit var. cost</b>	+3%	+4%	+3%	
<b>Δ EBITDA</b>	—	↑	↓	—

### Results in US\$:

Sales:	+4%
EBITDA:	-1%
Op. Profit:	-1%

### Volumes & Prices:

Volumes (I-f-I):	-1%
Prices (I-f-I):	+2%

### Energy-related Costs:

Unchanged at c.24% of sales



## Americas Materials

### Key points

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#### **H1 / H2 Trends:**

- H1 sales (l-f-l) +8%; Reflecting benign early weather
- H2 sales (l-f-l) -3%; Slower highway contract awards & Hurricane Sandy

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#### **Operational Action:**

- Focussed commercial and cost initiatives
- Increased usage of Recycled Asphalt Paving & Warm Mix Asphalt

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#### **Development:**

- Significant move in NJ plus 15 bolt-on transactions
- Reserves now c.13Bn tonnes, equivalent to 100+ years of operation



## Americas Products

Good organic  
progress in  
competitive  
markets

€m	% chg	2012	2011
<b>Sales</b>	<b>+18%</b>	<b>2,806</b>	2,378
<b>EBITDA</b>	<b>+24%</b>	<b>204</b>	164
<b>Op. profit</b>	<b>+105%</b>	<b>86</b>	42
<b>EBITDA %</b>	<b>↑</b>	<b>7.3%</b>	6.9%
<b>Op. profit %</b>	<b>↑</b>	<b>3.1%</b>	1.8%

### Results in US\$:

Sales	+9%
EBITDA	+14%
Op. Profit	+90%

### Architectural:

Good early weather &  
improving Res demand

### Precast / B. Envelope:

Improved regional markets;  
energy / environmental /  
RMI demand



## Americas Products

### Key points

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#### **H1 / H2 Trends:**

- H1 sales (l-f-l) +9%; Activity pulled forward with good early weather
- H2 sales (l-f-l) +5%; Slower Q3 +4%, but strong finish in Q4 +7%

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#### **Operational Action:**

- Driving benefits from consolidated organisation structures
- Leveraging commercial capability across portfolio

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#### **Development:**

- Renewed APG/Precast acquisition momentum as markets recover
- 9 bolt-ons including expansion in Ontario, Florida, Texas and California



## Americas Distribution

Overall sales  
and margin  
improvement

€m	% chg	2012	2011
Sales	+18%	1,576	1,335
EBITDA	+28%	83	65
Op. profit	+31%	59	45
EBITDA %	↑	5.3%	4.9%
Op. profit %	↑	3.7%	3.4%

### Results in US\$:

Sales	+9%
EBITDA	+18%
Op. Profit	+23%

### Exterior Products:

Mild winter; good start  
H2 more competitive

### Interior Products:

Good pricing pass-through  
plus cost savings benefits





## Americas Distribution

### Key points

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#### **H1 / H2 Trends:**

- H1 sales (l-f-l) +5%; Good start in both Exterior and Interior products
- H2 sales (l-f-l) flat; H1 pull-forward & Sandy effects in Exterior Products

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#### **Operational Action:**

- Ongoing consolidation of branch operating structures
- Continued strong response to supplier price increases

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#### **Development:**

- Quiet development year; focus on integration of 2011 acquisitions
- Selective greenfields to strengthen market positions in NJ, MA and CA



## Agenda

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## Financial Overview

EBITDA  
outturn  
ahead of  
guidance



<b>EBITDA change vs. 2011</b>	<b>Nov IMS Guidance</b>	<b>2012 Outturn</b>
Europe Materials (€)	Down c.10%	-7%
Europe Products (€)	Down < 25%	-22%
Europe Distribution (€)	Down c.15%	-14%
<b>Europe Total (€)</b>	<b>Down c.15%</b>	<b>-12%</b>
Americas Materials (\$)	Slightly lower	-1%
Americas Products (\$)	Up 10% to 15%	+14%
Americas Distribution (\$)	Up c.5%	+18%
<b>Americas Total (\$)</b>	<b>Similar</b>	<b>+4%</b>
<b>Group (€)</b>	<b>c.€1.6Bn</b>	<b>€1.64Bn</b>

## Financial Overview

Overall  
Group PBT  
€674m

€m	% chg	2012	2011
<b>Operating profit</b>	<b>-3%</b>	<b>845</b>	<b>871</b>
Profit on disposals		230	55
Net finance costs		(289)	(257)
Share of assoc. PAT		(112)	42
<b>Profit before tax</b>	<b>-5%</b>	<b>674</b>	<b>711</b>

### Disposal profits:

Businesses:	€187m
Fixed assets:	€43m

### Finance costs:

Net debt related:	€258m
Non-debt related:	€31m

### Associates impairment:

2012 Uniland:	€146m
2011 Trialis:	€11m



## Financial Overview

### Cashflow

Strong working capital management; significant disposal proceeds

€m	2012	2011
<b>Cash inflows (PBT + DA)</b>	<b>1,469</b>	<b>1,496</b>
Working capital	(31)	(161)
Capital expenditure	(575)	(576)
Dividends <i>(pre scrip)</i>	(450)	(445)
Other <i>(mainly tax, pensions)</i>	(331)	(347)
Acquisitions & investments	(526)	(610)
Disposals	859	492
Share issues <i>(incl. scrip)</i>	104	141
<b>Debt decrease / (increase)</b>	<b>519</b>	<b>(10)</b>

### Capex: 77% Depreciation

Continued tight discipline

### Disposals: €1.35bn '11-'12

Focus on cash generation

### Net debt: €519m reduction

31-Dec-12: €2,964m

31-Dec-11: €3,483m



## Financial Overview

Very strong and flexible financial position

Y/E 2012	€Bn
Gross debt	4.8
Gross cash	(1.8)
<b>Net debt</b>	<b>3.0</b>

### Liquidity:

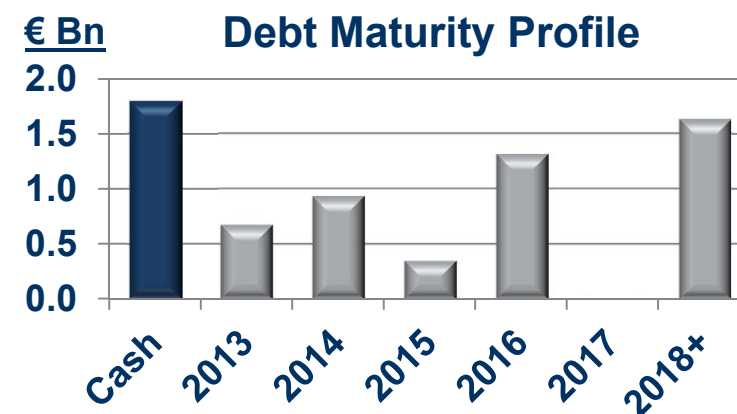
Y/E cash / undrawn facilities €3.6Bn

2013/14 debt maturities €1.6Bn

Balanced debt maturity profile

<b>Net debt/EBITDA</b>	<b>1.8x</b>
<b>EBITDA/Interest*</b>	<b>6.4x</b>

*\* Interest excluding non-debt related finance charges*

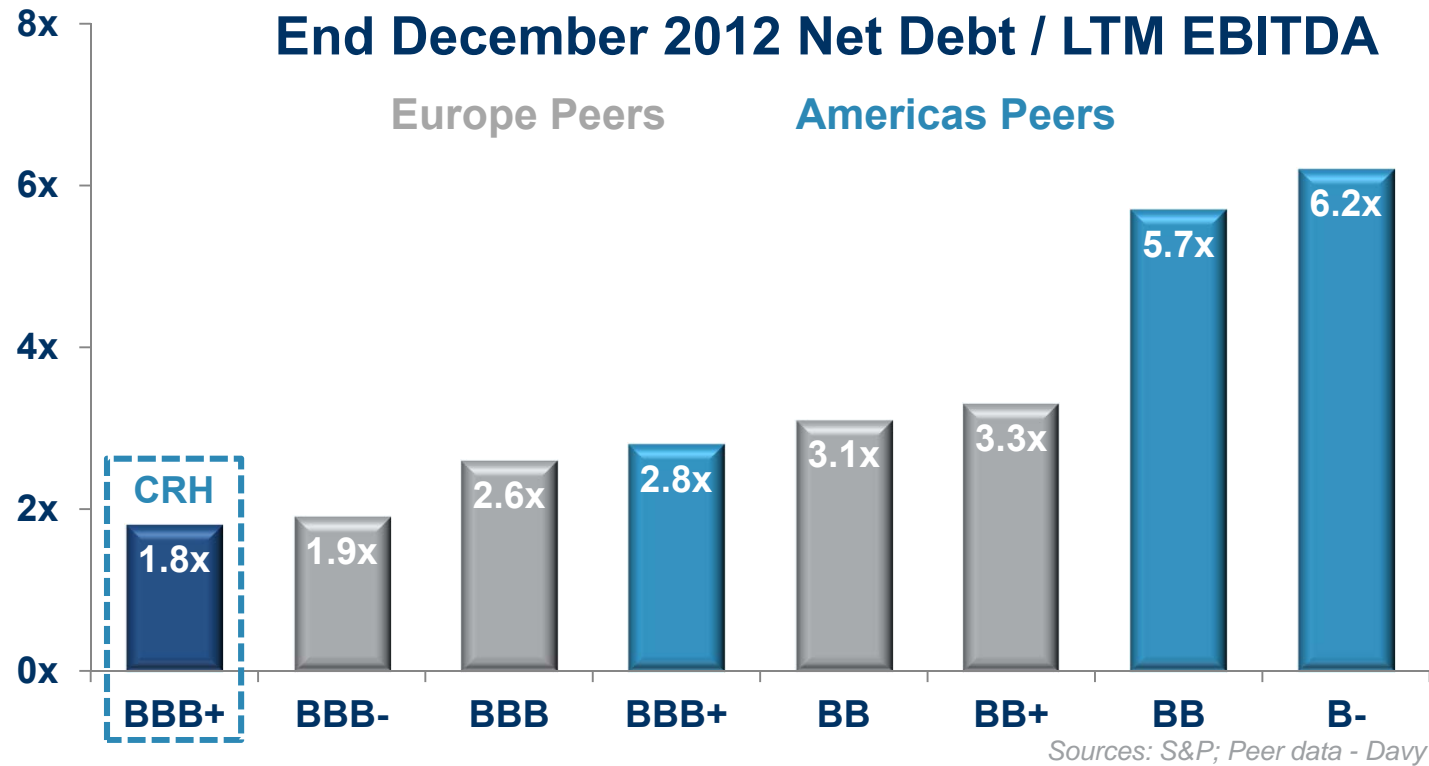




## Financial Overview

BBB+  
Credit rating  
unchanged  
through  
downturn

Best in sector



## Financial Overview

Changes in accounting standards - effective 2013

€m	2012 Reported	Joint Ventures	Pensions	Revised Unaudited
Revenue	18,659	(575)	-	18,084
EBITDA	1,640	(77)	-	1,563
Op. profit	845	(40)	-	805
Equity accounted	(112)	28	-	(84)
Net finance costs	(289)	2	(18)	(305)
PBT	674	(10)	(18)	646
EPS	76.5c	-	(1.9c)	74.6c
Net debt	2,964	(55)	-	2,909



## Agenda

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Cost Savings

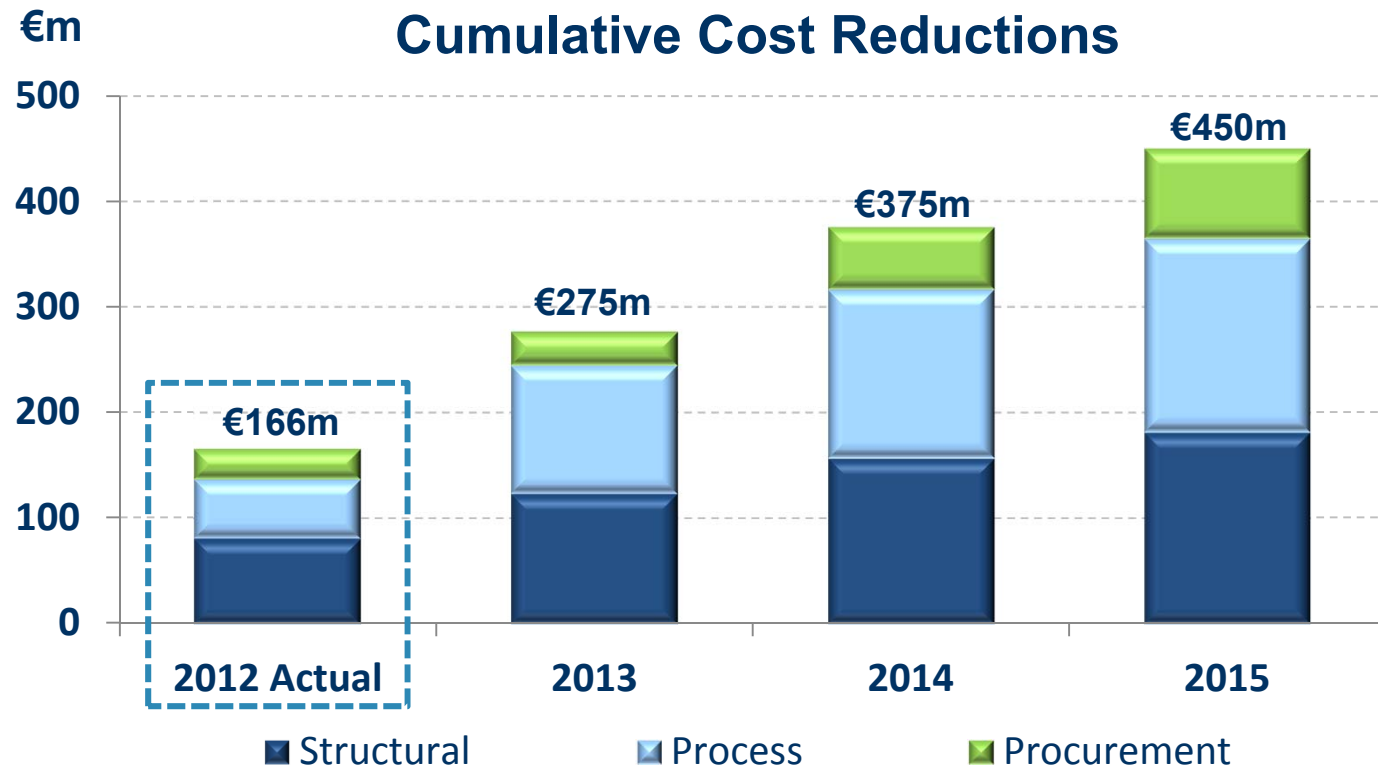
2013 Outlook



## Cost Savings

€450m  
incremental  
savings  
targeted  
2012-2015F

€2.5Bn  
cumulative  
savings by  
end 2015



## Cost Savings

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€166m  
delivered  
in 2012

### Examples

#### Europe Materials

- Alternative Fuels (AF) usage increased to 28%\*; co-ordinated procurement

#### Europe Products & Distribution

- Consolidated organisational structures

#### Americas Materials

- Recycled Asphalt Paving (RAP) increased to 20% of total volume

#### Americas Products & Distribution

- Streamlined back office processes



## Cost Savings

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Further  
€0.3Bn by  
end-2015

### Structural

- Ongoing consolidation of production footprints
- Admin rationalisation and further back office pooling
- Reduced manning levels

### Process

- Sustainability focus (AF and RAP)
- Energy use (Warm Mix Asphalt, cement kiln efficiency)
- Improved operational throughput and yield

### Procurement

- Group led procurement initiative
- Dedicated resources
- Specific programmes...Energy, Mobile Plant, Logistics





## Agenda

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## Group

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### 2013 Outlook

#### Americas

- Expect positive momentum in US economy
- Our operations to show progress in 2013

#### Europe

- Will be another challenging year
- Internal action to counteract market pressures

#### Overall

- US improvements to outweigh pressures in Europe



## Group

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### CRH Strengths

#### **Proven Business Model**

Responsible approach  
to sustainable  
long-term value creation

#### **Financial Strength**

Strong liquidity  
BBB+ credit rating

#### **Dividend Delivery**

Unique  
sector record

#### **Acquisition Capability**

Substantial capacity  
for appropriate  
development opportunities





# 2012 Results

## CRH plc

*Sustainable, Responsible, Ethical*  
*International Leader In Building Materials*

## Appendices

### Group

### Performance components

€m	Sales	EBITDA	Op. profit	Profit on disposals	Finance costs	Associates PAT	PBT
<b>2011</b>	<b>18,081</b>	<b>1,656</b>	<b>871</b>	<b>55</b>	<b>(257)</b>	<b>42</b>	<b>711</b>
Exchange	748	68	32	2	(12)	3	25
2011/2012 Acquisitions	603	60	33	-	(3)	-	30
2011/2012 Divestments	(389)	(46)	(23)	160	2	-	139
Restructuring costs	-	1	1		-	-	1
Impairment costs	-	-	(7)		-	(135)	(142)
Ongoing operations	(384)	(99)	(62)	13	(19)	(22)	(90)
<b>2012</b>	<b>18,659</b>	<b>1,640</b>	<b>845</b>	<b>230</b>	<b>(289)</b>	<b>(112)</b>	<b>674</b>
% change	3%	-1%	-3%				-5%

*Note: Includes restructuring costs €60m (2011: €61m) and impairment €174m (2011: €32m)*





## Appendices

### Europe Materials

### Performance components

€m	% chg	2012	2011	Change	Analysis of change				
					Organic	Acquisitions	Divest.	Restruct.	Exchange
Sales	-10%	2,685	2,985	(300)	(222)	+78	(182)	-	+26
EBITDA	-7%	405	436	(31)	(11)	+14	(40)	+6	-
Op. profit	-7%	246	264	(18)	(8)	+9	(24)	+6	(1)
EBITDA %	↑	15.1%	14.6%						
Op. profit %	↑	9.2%	8.8%						

*Note: Includes restructuring costs €13m (2011: €19m); gains from CO<sub>2</sub> trading €31m (2011: €38m) and gains from pension curtailments €30m (2011: €12m)*



## Appendices

### Europe Products

### Performance components

					Analysis of change				
€m	% chg	2012	2011	Change	Organic	Acquisitions	Divest.	Restruct.	Exchange
Sales	-6%	2,481	2,648	(167)	(111)	+125	(207)	-	+26
EBITDA	-22%	152	194	(42)	(51)	+15	(6)	(3)	+3
Op. profit	-73%	18	66	(48)	(48)	+9	+1	(12)	+2
EBITDA %	↓	6.1%	7.3%						
Op. profit %	↓	0.7%	2.5%						

*Note: Includes restructuring costs €27m (2011: €24m), impairment €24m (2011: €15m)  
and gains from pension curtailments € nil (2011: €17m)*



## Appendices

### Europe Distribution

### Performance components

					Analysis of change				
€m	% chg	2012	2011	Change	Organic	Acquisitions	Divest.	Restruct.	Exchange
Sales	-5%	4,140	4,340	(200)	(294)	+65	-	-	+29
EBITDA	-14%	230	267	(37)	(42)	+2	-	+1	+2
Op. profit	-19%	154	190	(36)	(42)	+1	-	+3	+2
EBITDA %	↓	5.6%	6.2%						
Op. profit %	↓	3.7%	4.4%						

*Note: Includes restructuring costs €3m (2011: €4m) and impairment € nil (2011: €2m)*





## Appendices

### Americas Materials

### Performance components

€m	% chg	2012	2011	Change	Analysis of change				
					Organic	Acquisitions	Divest.	Restruct.	Exchange
Sales	+13%	4,971	4,395	+576	+40	+168	-	-	+368
EBITDA	+7%	566	530	+36	(25)	+20	-	(5)	+46
Op. profit	+7%	282	264	+18	(12)	+12	-	(5)	+23
EBITDA %	↓	11.4%	12.1%						
Op. profit %	↓	5.7%	6.0%						

*Note: Includes restructuring costs €14m (2011: €9m)*



## Appendices

### Americas Products

### Performance components

€m	% chg	2012	2011	Change	Analysis of change				
					Organic	Acquisitions	Divest.	Restruct.	Exchange
Sales	+18%	2,806	2,378	+428	+174	+67	-	-	+187
EBITDA	+24%	204	164	+40	+21	+5	-	+2	+12
Op. profit	+105%	86	42	+44	+39	+1	-	+2	+2
EBITDA %	↑	7.3%	6.9%						
Op. profit %	↑	3.1%	1.8%						

*Note: Includes restructuring costs €2m (2011: €4m) and impairment €4m (2011: €4m)*



## Appendices

### Americas Distribution

### Performance components

					Analysis of change				
€m	% chg	2012	2011	Change	Organic	Acquisitions	Divest.	Restruct.	Exchange
Sales	+18%	1,576	1,335	+241	+29	+100	-	-	+112
EBITDA	+28%	83	65	+18	+9	+4	-	-	+5
Op. profit	+31%	59	45	+14	+9	+1	-	-	+4
EBITDA %	↑	5.3%	4.9%						
Op. profit %	↑	3.7%	3.4%						

*Note: Includes restructuring costs €1m (2011: €1m)*



## Financial Overview

Changes in accounting standards – effective 2013

€m	2012 Reported	Joint Ventures	Revised Unaudited
Non-current assets	14,168	(71)	14,097
Current assets	7,000	(191)	6,809
<b>Total assets</b>	<b>21,168</b>	<b>(262)</b>	<b>20,906</b>
Non-current liabilities	6,781	(165)	6,616
Current liabilities	3,814	(97)	3,717
<b>Total liabilities</b>	<b>10,595</b>	<b>(262)</b>	<b>10,333</b>
<b>Equity</b>	<b>10,573</b>	<b>-</b>	<b>10,573</b>
<b>Decrease in net debt</b>	<b>519</b>	<b>(93)</b>	<b>426</b>



## Appendices

2012  
Acquisition  
Activity  
c.€0.65Bn

<u>€Bn</u>	<u>H1 2012</u>	<u>H2 2012</u>	<u>Full Year</u>
Eur / Asia	0.18	0.13	0.31
Americas	0.08	0.26	0.34
Group	0.26	0.39	0.65

### Acquisitions: €0.65Bn

- 11 Europe deals (4 Materials; 4 Products; 3 Distribution)
- 25 Americas deals (16 Materials; 9 Products)



## Appendices

### Analysis by segment

Sales (€m)	% chg	2012	2011	EBITDA (€m)	% chg	2012	2011
Europe Materials	-10%	2,685	2,985	Europe Materials	-7%	405	436
Europe Products	-6%	2,481	2,648	Europe Products	-22%	152	194
Europe Distribution	-5%	4,140	4,340	Europe Distribution	-14%	230	267
Americas Materials	13%	4,971	4,395	Americas Materials	7%	566	530
Americas Products	18%	2,806	2,378	Americas Products	24%	204	164
Americas Distribution	18%	1,576	1,335	Americas Distribution	28%	83	65
<b>Group</b>	<b>3%</b>	<b>18,659</b>	<b>18,081</b>	<b>Group</b>	<b>-1%</b>	<b>1,640</b>	<b>1,656</b>



## Appendices

### Analysis by segment

Op. profit (€m)	% chg	2012	2011	Profit on disposal (€m)	2012	2011
Europe Materials	-7%	246	264	Europe Materials	148	14
Europe Products	-73%	18	66	Europe Products	54	20
Europe Distribution	-19%	154	190	Europe Distribution	3	7
Americas Materials	7%	282	264	Americas Materials	24	14
Americas Products	105%	86	42	Americas Products	1	-
Americas Distribution	31%	59	45	Americas Distribution	-	-
<b>Group</b>	<b>-3%</b>	<b>845</b>	<b>871</b>	<b>Group</b>	<b>230</b>	<b>55</b>



## Appendices

### Euroconstruct estimates 2012

Construction Output 2012	% chg		Construction Output 2012	% chg	
Belgium	0.2%	↑	Poland	1.6%	↑
Denmark	0.5%	↑	Portugal	(14.6%)	↓
Finland	(3.4%)	↓	Spain	(30.8%)	↓
France	0.3%	↑	Switzerland	1.1%	↑
Germany	(0.2%)	↓	United Kingdom	(6.6%)	↓
Ireland	(15.0%)	↓	Western Europe (EC-15)	(4.8%)	↓
Netherlands	(6.9%)	↓	Eastern Europe (EC-4)	(2.1%)	↓





## Appendices

### PCA (US) estimates 2012

Real GDP	2.2%	↑	<b>Construction Put-in-place</b>	<b>% chg</b>	
Construction Put-in-place	6.2%	↑	Industrial	10.1%	↑
Cement consumption	9.0%	↑	Office	16.7%	↑
<b>Construction Put-in-place</b>			Hotels, motels	26.3%	↑
<b>% chg</b>			<b>Total Non-residential</b>	<b>9.5%</b>	↑
New housing	25.5%	↑	Highways & Streets	(3.0%)	↓
Single family	23.2%	↑	<b>Total Public</b>	<b>(5.4%)</b>	↓
Multi family	41.7%	↑	<b>Public Utility &amp; Other</b>	<b>17.8%</b>	↑
Improvements	(2.2%)	↓	<b>Farm Non-residential</b>	<b>0.5%</b>	↑
<b>Total Residential</b>	<b>11.9%</b>	↑			



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