



CRH plc 2013 Results

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Chief Executive

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Trading Overview

Financial Overview

Portfolio Review

Outlook



Key Points – 2013

Challenging weather in H1, significantly better trading in H2

Marked regional & market differences

US – Moderate recovery... stronger res markets... improved profits & margins

Europe – Slowing declines... markets difficult, but stabilising

2013 trough earnings... recovery underway

CRH 2013 Results – Highlights

Sales

€18 Bn

EBITDA

€1.48 Bn

PBT / EPS

€540m / 59.5c
(pre-impairment)

Net debt

<€3.0 Bn

Development

€0.7 Bn

Dividend

maintained at 62.5c

EBITDA ahead of guidance... strong cash delivery

Trading Overview – CRH Group

€m	% chg	2013	2012
Sales	0%	18,031	18,084
EBITDA	-6%	1,475	1,563
EBITDA %	↓	8.2%	8.6%

EBITDA ahead of guidance

Continuing challenges in Europe

Progress in the US

Trading Overview – CRH Group

€m	% chg	2013	2012
Sales	0%	18,031	18,084
EBITDA	-6%	1,475	1,563
EBITDA %	↓	8.2%	8.6%

2013 v 2012	
Δ H1	Δ H2
-3%	+2%
-24%	+4%

Significant H1 weather impact... good H2 progress

Trading Overview – Europe Overall

€m	% chg	2013	2012
Sales	-3%	8,578	8,816
EBITDA	-19%	583	721
EBITDA %	↓	6.8%	8.2%

Materials... weather & markets headwinds

Products... continued focus on restructuring & rationalisation

Distribution... challenges remain in the Netherlands

Trading Overview – Europe Overall

€m	% chg	2013	2012
Sales	-3%	8,578	8,816
EBITDA	-19%	583	721
EBITDA %	↓	6.8%	8.2%

2013 v 2012	
Δ H1	Δ H2
-7%	+1%
-43%	-1%

Much improved H2 trends

Trading Overview – Europe Materials

€m	% chg	2013	2012
Sales	-5%	2,266	2,383
EBITDA	-21%	278	352
EBITDA %	↓	12.3%	14.8%

**90% of EBITDA from 4 countries
CH / FI / PL / UA**

Competitive pricing environment

Lower Pension & CO₂ gains (Δ€43m)

Trading Overview – Europe Materials

€m	% chg	2013	2012
Sales	-5%	2,266	2,383
EBITDA	-21%	278	352
EBITDA %	↓	12.3%	14.8%

2013 v 2012	
Δ H1	Δ H2
-13%	+3%
-54%	-2%

H1 cement volumes down 14%... H2 up 5%

Trading Overview – Europe Products

€m	% chg	2013	2012
Sales	-4%	2,376	2,477
EBITDA	-22%	119	152
EBITDA %	↓	5.0%	6.1%

**BE / NL / FR at all-time lows...
historically 50% of EBITDA**

Pressure on pricing & margins

On-going restructuring actions

Trading Overview – Europe Products

€m	% chg	2013	2012
Sales	-4%	2,376	2,477
EBITDA	-22%	119	152
EBITDA %	↓	5.0%	6.1%

2013 v 2012	
Δ H1	Δ H2
-8%	0%
-40%	+5%

2013 H2 margins ahead of 2012

Trading Overview – Europe Distribution

€m	% chg	2013	2012
Sales	-1%	3,936	3,956
EBITDA	-14%	186	217
EBITDA %	↓	4.7%	5.5%

GBM / SHAP / DIY (EBITDA)

45% : 25% : 30%

Weak consumer confidence in NL
30% of EBITDA

Good performance in
DE, FR & SHAP segments

Trading Overview – Europe Distribution

€m	% chg	2013	2012
Sales	-1%	3,936	3,956
EBITDA	-14%	186	217
EBITDA %	↓	4.7%	5.5%

2013 v 2012	
Δ H1	Δ H2
-3%	+2%
-31%	-2%

Improved H2 trends

Trading Overview – Americas Overall

€m	% chg	2013	2012
Sales	+2%	9,453	9,268
EBITDA	+6%	892	842
EBITDA %	↑	9.4%	9.1%

10% EBITDA growth in USD terms

Res up; Non-Res & Infra flat

Products the main growth driver

Trading Overview – Americas Overall

€m	% chg	2013	2012
Sales	+2%	9,453	9,268
EBITDA	+6%	892	842
EBITDA %	↑	9.4%	9.1%

2013 v 2012	
Δ H1	Δ H2
+1%	+3%
+4%	+7%

Stronger H2 trends with better weather

Trading Overview – Americas Materials

€m	% chg	2013	2012
Sales	-3%	4,721	4,886
EBITDA	0%	557	555
EBITDA %	↑	11.8%	11.4%

**Aggregates... modest price
& volume increases**

**Asphalt... lower volumes,
margins maintained**

Good acquisition contributions

Trading Overview – Americas Materials

€m	% chg	2013	2012
Sales	-3%	4,721	4,886
EBITDA	0%	557	555
EBITDA %	↑	11.8%	11.4%

2013 v 2012	
Δ H1	Δ H2
-7%	-1%
-27%	+4%

H2 EBITDA margin 16.8% (vs. 15.9% H2 2012)

Trading Overview – Americas Products

€m	% chg	2013	2012
Sales	+9%	3,068	2,806
EBITDA	+21%	246	204
EBITDA %	↑	8.0%	7.3%

Advances in all segments

Volumes up; Modest pricing benefit

Leverage on the way back up

Trading Overview – Americas Products

€m	% chg	2013	2012
Sales	+9%	3,068	2,806
EBITDA	+21%	246	204
EBITDA %	↑	8.0%	7.3%

2013 v 2012	
Δ H1	Δ H2
+9%	+10%
+19%	+23%

Good H1 & H2 margin progression

Trading Overview – Americas Distribution

€m	% chg	2013	2012
Sales	+6%	1,664	1,576
EBITDA	+7%	89	83
EBITDA %	-	5.3%	5.3%

EBITDA split... Ext 70% : Int 30%

Exterior Products:

Hurricane Sandy activity in H1
Some margin pressures in H2

Interior Products:

Benefiting from multi-family Res growth

Trading Overview – Americas Distribution

€m	% chg	2013	2012
Sales	+6%	1,664	1,576
EBITDA	+7%	89	83
EBITDA %	-	5.3%	5.3%

2013 v 2012	
Δ H1	Δ H2
+6%	+5%
+20%	+3%

Hurricane Sandy repair activity in H1

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Financial Results – Components of 2013 Performance

€m	Sales	EBITDA
2012	18,084	1,563
Translation	(404)	(36)
Acquisitions / Divestments	630	73
Restructuring	-	(11)
Pension / CO ₂ gains	-	(29)
Organic	(279)	(85)
2013	18,031	1,475

Good performance from 2012 acquisitions

Lower Pension / CO₂ gains in 2013

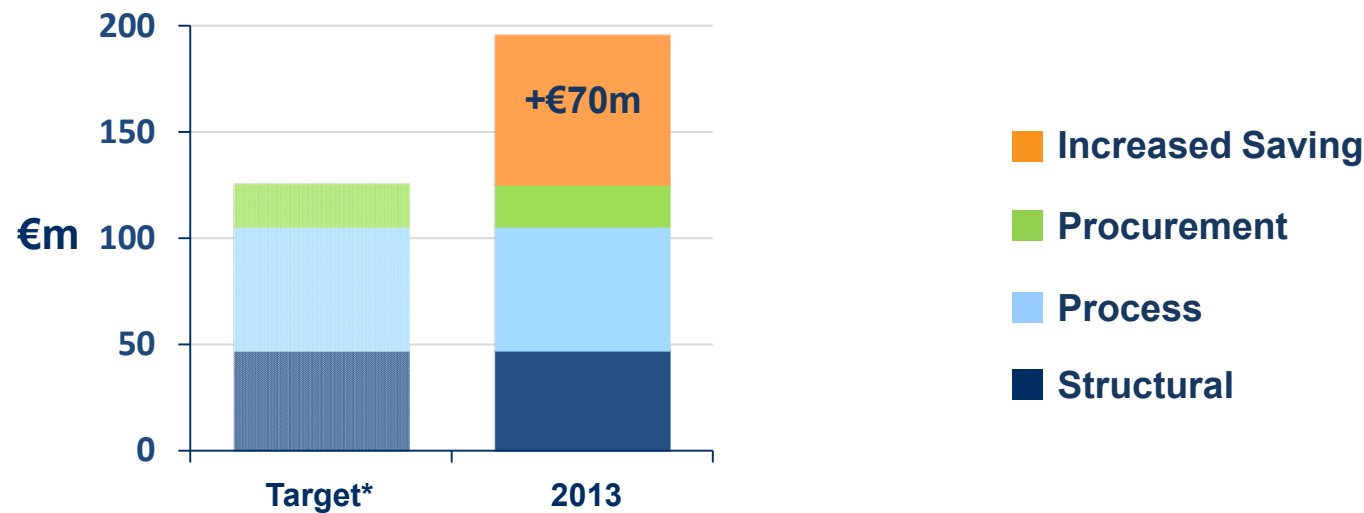
**H1 organic EBITDA down €105m
H2 progress, €20m ahead**

Financial Results – Excluding Impairment

€m	2013	2012
Operating profit	750	833
Profit on disposals	26	230
Net finance costs	(297)	(305)
Equity-accounted entities	61	62
Profit before tax	540	820

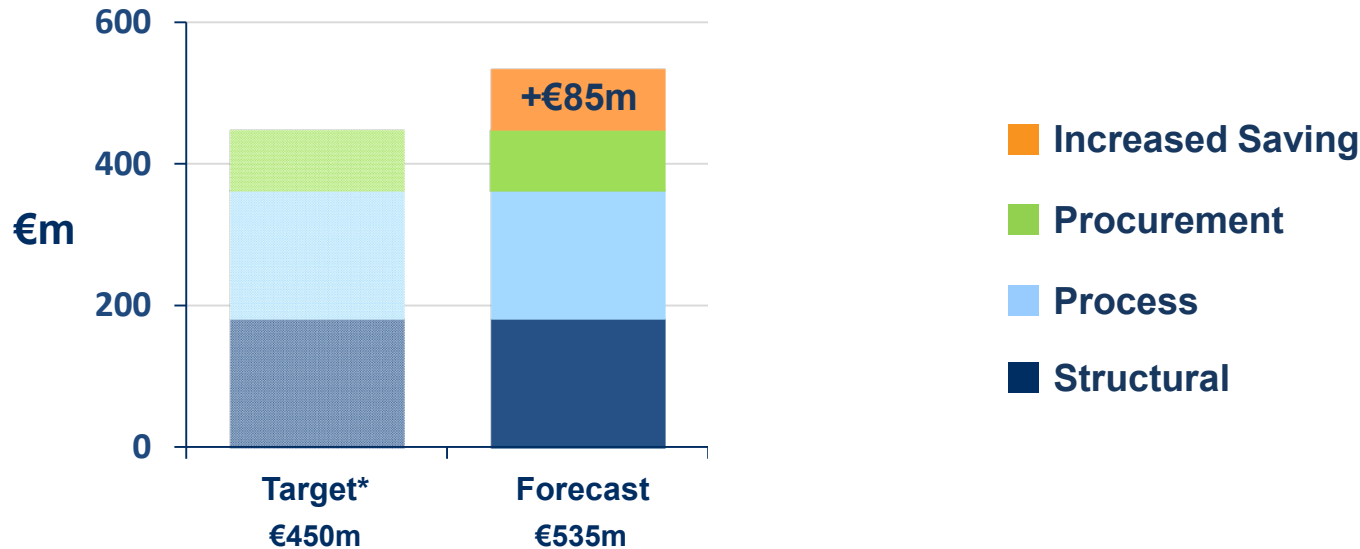
PBT before impairments	€m
2012	820
Secil / Magnetic disposal	(187)
Organic	(79)
Other	(14)
2013	540

Cost Actions – 2013 Targets Exceeded



Achieved €195m cost savings in 2013

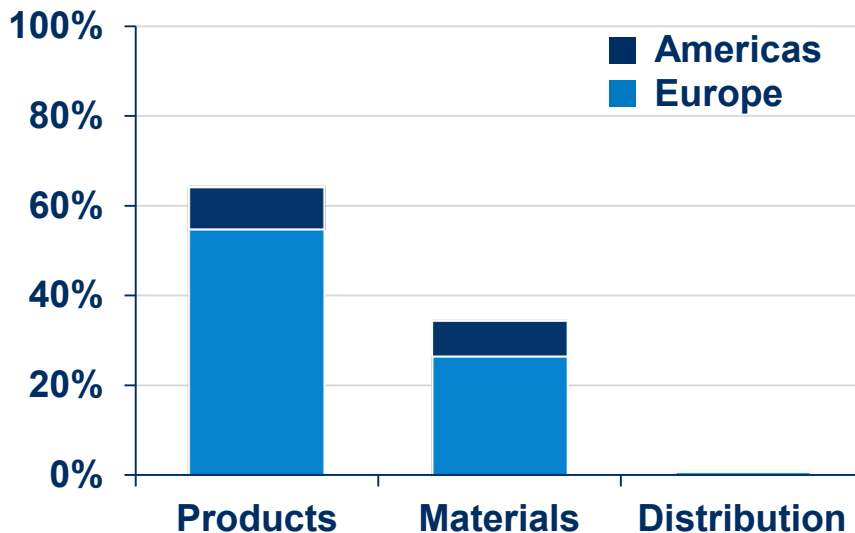
Cost Actions – Increasing Targets 2012-2015



~50% of savings to date are permanent in nature

Impairment – 2013

Impairment of €755m



Businesses impaired & identified for disposal

~3% of EBITDA

~10% of Assets

Disposal processes underway

Impairment exercise complete

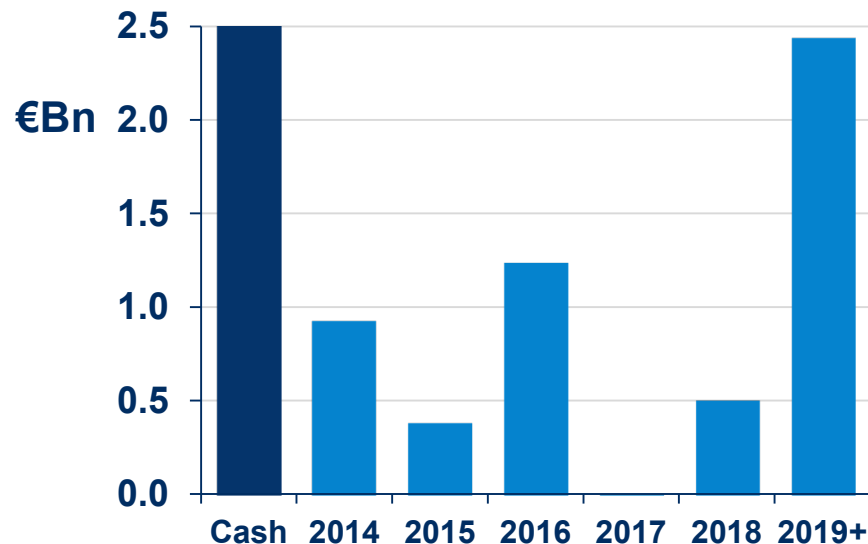
Cash Generation

€m	2013	2012
EBITDA	1,475	1,563
Capital expenditure	(497)	(544)
Working capital	118	5
Other, mainly interest & tax	(360)	(384)
Cash from operations	736	640

Continuing tight Capex & Working capital management

Debt – Liquidity & Debt Profile

Debt Maturity Profile



Liquidity

Y/E undrawn facilities €1.95Bn

€1.5Bn bond issues, record low coupons

Y/E 2013 cash of €2.5Bn

Net Debt €2.97Bn

Net Debt / EBITDA 2.0x

Well positioned to fund future growth

Financial Overview – Key Points in 2013

**Tight capex &
working capital
control**

**Good cash
generation**

**Strong
liquidity**

**Increased
cost savings**

**Dividend
maintained**

**Impairment
exercise
complete**

Trading Overview

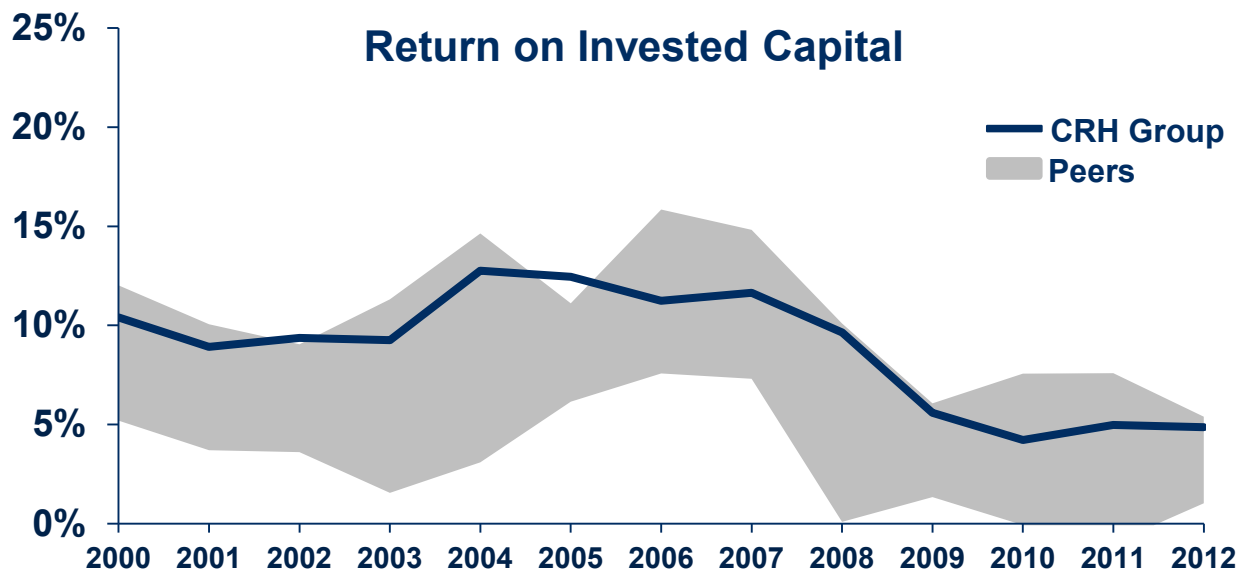
Financial Overview

Portfolio Review

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Portfolio Review – Context



Industry-leading returns... through the cycle

Portfolio Review – Context

CRH strong long-term track record of performance & growth

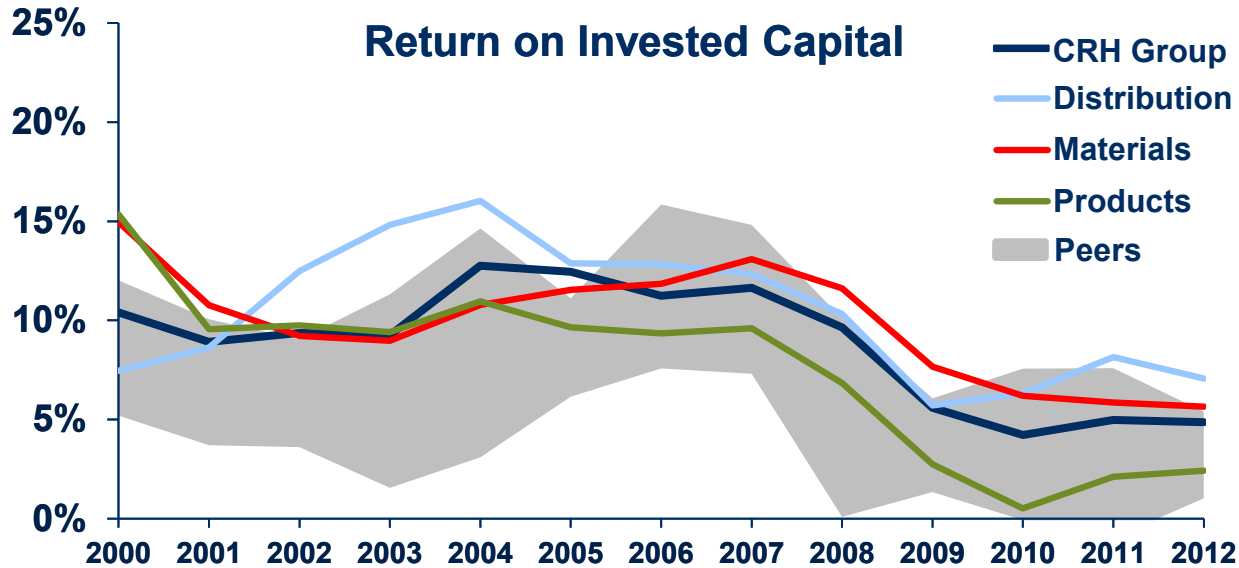
Sustainable model for operational improvement

Relentless focus on returns

Bolt-on acquisition strategy

***Resulting legacy... a strong portfolio of businesses
However, the crisis has highlighted some concerns***

Portfolio Review – Context



Variable delivery across divisions

Portfolio Review – Why?

Early 2000s... strong construction growth

Easy credit... all acquisitions delivered returns

Investment in some unsustainable trends

Fundamental review... lessons learned

Disposal candidates identified... impairments taken

Portfolio Review – Why Now?

Significant cyclical swings since 1995...

Cycle	Construction Growth (CAGR)		
	1995-06	2006-13	2013-16
Europe	+2.0%	-3.5%	1% - 2%
US	+2.5%	-5.0%	7% - 9%

New cycle... New trends

Portfolio Review – Objective

Re-setting CRH for growth in the coming cycle...

Leverage CRH strengths

... where we add value

Capture growth trends

... with focus & capital discipline

Maximise cash generation

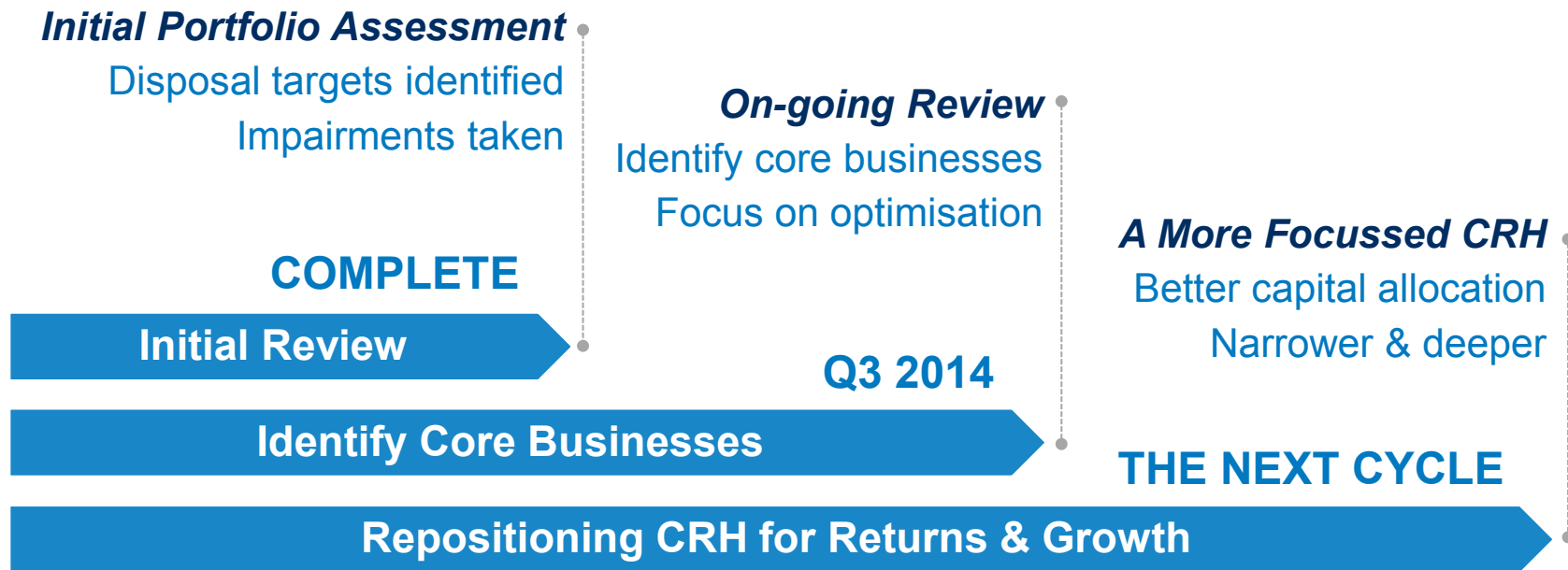
... for re-investment & growth

Optimise portfolio

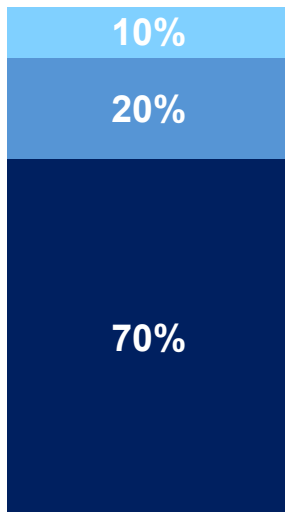
... narrower & deeper

Return ROIC and Margins to peak in the coming cycle

Portfolio Review – Programme Overview



Portfolio Review – Initial Findings



~10% Sell

Will not meet return & growth requirements... to be disposed

~20% Still under review

Fix / Invest / Grow / Exit

~70% "Core"

Fundamental to CRH future... key to restoring returns

Building strong positions across the Group
Focus where we have proven delivery

Portfolio Review – Other considerations

Returning ROIC & Margins to peak

Portfolio Review... only part of the solution

Market growth & price recovery will be key

Sustainable model of business improvement

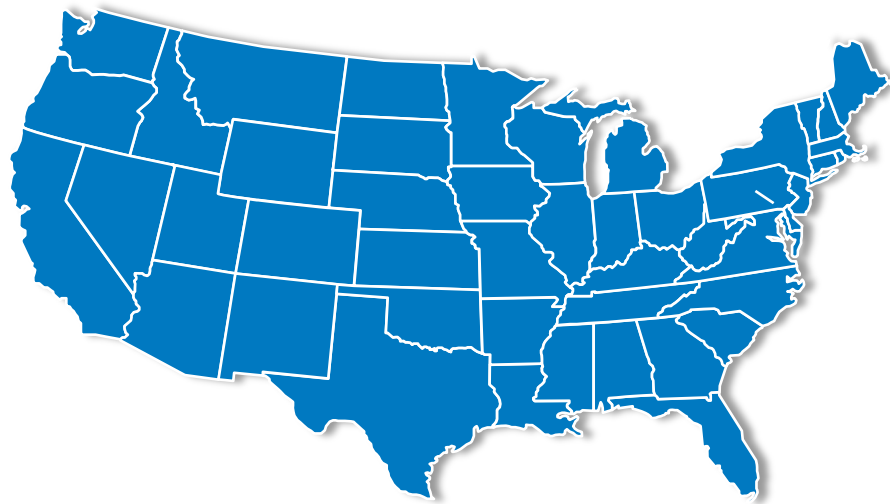
- Commercial synergies
- Operational improvements
- Leverage network benefits

Building better businesses

Portfolio Review looks beyond our own businesses...

***... includes analysing the potential of
CRH's key regions, markets & market structures***

US – Fundamentals



Positive fundamentals

Changing face of energy

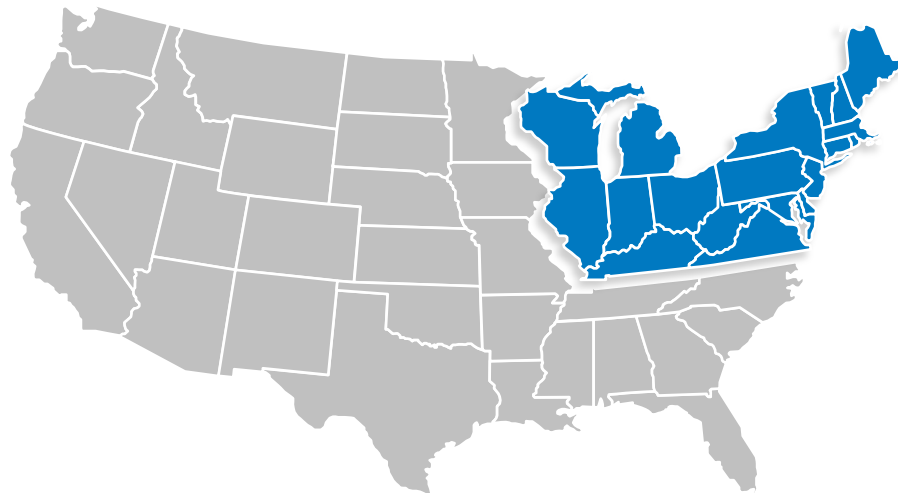
Pop. growth & good demographics

Funded infrastructure programmes

Significant potential in all end-use markets

CRH #1 in Building Materials... largely unconsolidated market

US – North East



Market Characteristics

Densely populated / Wealthy economy

35% US roads... 95% Asphalt

Short road-repair cycle... ~90% RMI

CRH Positions

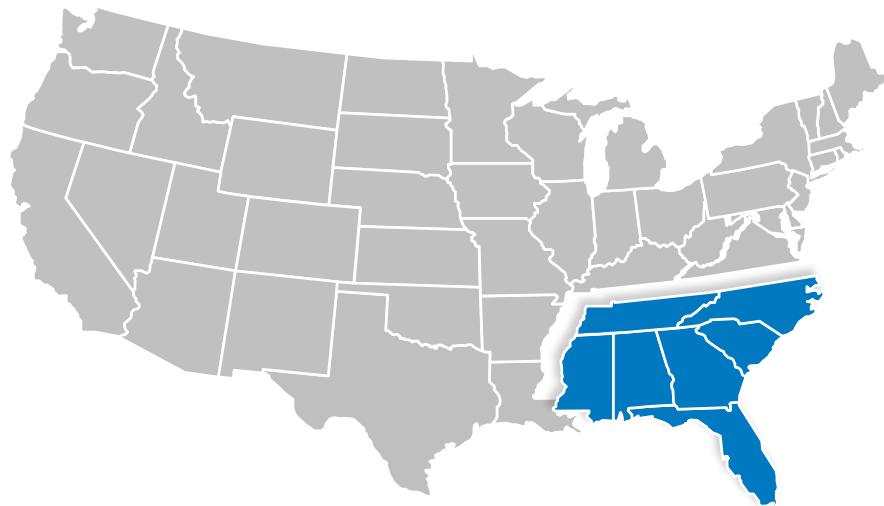
~40% of US Sales

#1 Aggregates; #1 Asphalt

#1 Building Products; #1 Distribution

CRH strong established positions

US – South East



Market Characteristics

Fastest growing region in USA (pop.)

25% total US Res construction

Fastest growing Res/Non-Res 2013-18

CRH Broad Business Base

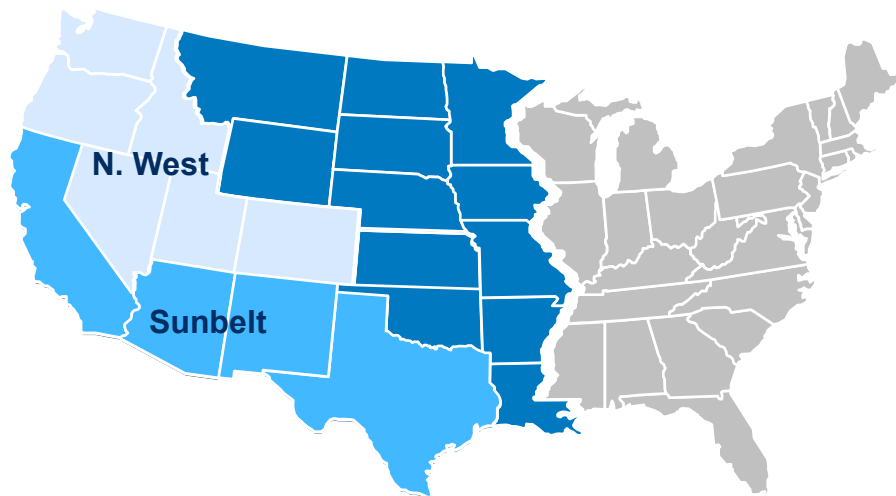
#1 Building Products; 90% Res/Non-Res

#1 Asphalt

#1 Aggregates Distribution

CRH #1 position in largest & fastest growth Res/Non-Res markets in US

US – West



Market Characteristics

6 Key States*... ~65% Construction Spend

Sunbelt... 30% of all US Immigration

N. West... Pop. growth rate 1.6x US avg.

CRH Present in All States, All Businesses

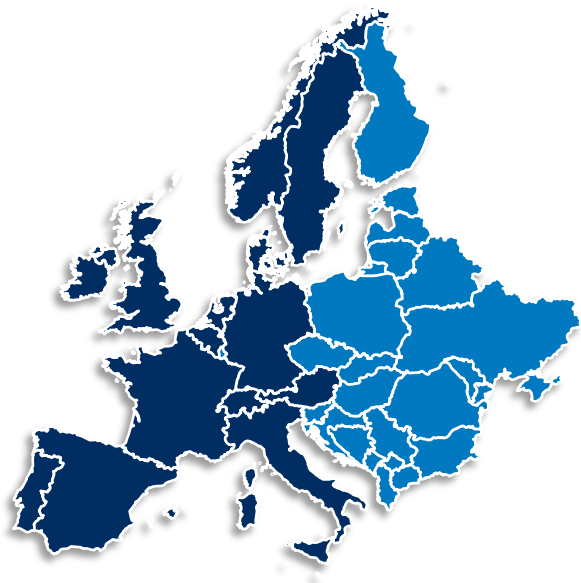
6 Key States*... 60% of sales

Sunbelt... 65% of Products sales

N. West... 40% of Materials sales

Strong regional markets... significant room to grow

Europe – Fundamentals



Largest economic bloc

Solid developed markets in West

Growth potential in East

Solid governance structure

Growing population

Europe West / Europe East... different dynamics

Europe – West



Market Characteristics

Debt levels remain high...in some countries

Same GDP as the United States

Shifting to RMI... ~55% of total construction

CRH Established Player

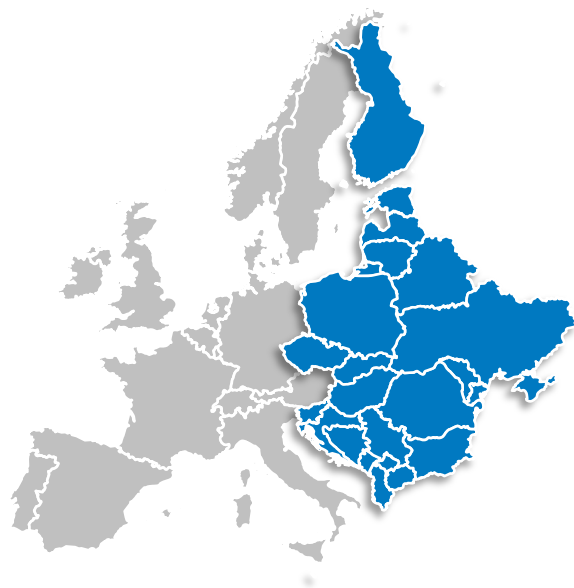
3 countries*... ~65% of EBITDA

Heavyside... benefits of Materials network

Distribution... #2 in Continental Europe

Leverage heavyside networks... growth in RMI

Europe – East



Market Characteristics

Key market growth (+5% p.a.)

New Build market (~65%)

Acquisition opportunities

CRH Positions for Growth

3 countries...~90% EBITDA

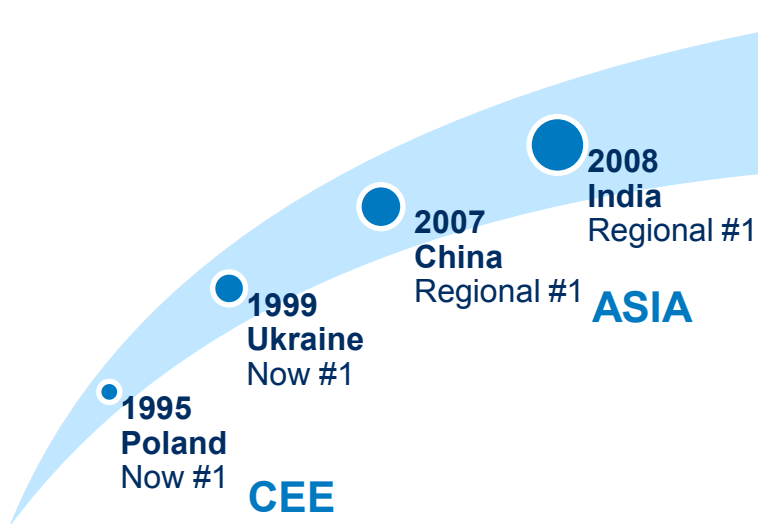
Poland... #1 integrated Materials

Finland... #1 integrated Materials

Ukraine... #1 Cement

Clear drivers for long-term construction growth

Market Review – Emerging Markets



Leading regional positions

Resource-backed assets

Measured, disciplined approach

Returns & profitable growth

Investing through the cycle... Balancing returns & long-term growth

Portfolio – Current Thinking

US

Broadly positive on our businesses, market positions and outlook; potential for some regional or product trimming

Europe

Some strong businesses, but changing trends; review on-going

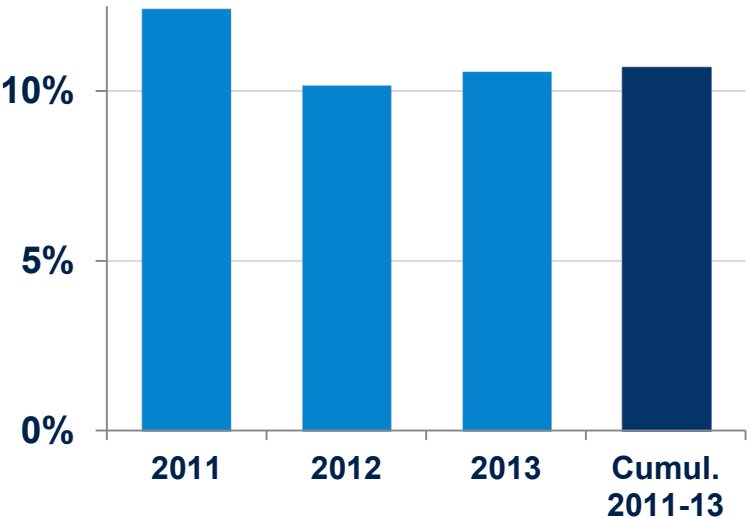
Emerging Markets

Retain measured, progressive approach

Further update with AGM in May

CRH – Value-Adding Acquisitions (2010-2012)

Return on Net Assets (RONA*)



Strict capital discipline

Europe : US	50:50
Materials	60%
Distribution	20%
Products	20%

95 deals, ~€1.6bn spend, returns ~11%

CRH – Portfolio Review

A unique process in the history of CRH...

Approach	Status	Target
<ul style="list-style-type: none">• Detailed analysis• External consultants• Capital discipline	<ul style="list-style-type: none">• Impairment exercise concluded• Complete portfolio review Q3 2014• Orderly disposal of impaired assets	<ul style="list-style-type: none">• Leverage regional operations• Focus where we add value• Return ROIC & margins to peak over next cycle

Returning CRH to its roots & core competencies

CRH – At the Core of Our Success



A well-developed & proven strategy that continues to evolve...

A business model of continuous improvement

A strong centre with a relentless focus on returns

Strict capital discipline

Dynamic allocation & re-allocation of resources

Drive growth & bring ROIC back to peak levels

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CRH – 2014 Outlook

US

Continuing positive momentum

Res and Non-Res improving; Infra stable

Europe

Signs of stabilisation – challenges remain

Positive H2 - 2013 trends continuing

Portfolio Review

Disposal process underway

2013 trough in profits... 2014 a year of profit growth

Wrap Up

**US recovery
underway**

**Europe
stabilising**

**Operational
leverage**

**Financial
Strength**

**Portfolio
Review**

**Growth and
Returns**



2013 Results Supplementary Information



Group Performance Components

Appendices



€m	Sales	EBITDA	EBIT	Profit on Disposals	Finance costs	Equity Accounted	PBT
2012 as restated	18,084	1,563	805	230	(305)	(84)	646
Exchange effects	(404)	(36)	(19)	(1)	5	(2)	(17)
Acquisitions	672	73	43	-	(3)	3	43
Divestments	(42)	-	2	(191)	(2)	4	(187)
Restructuring costs	-	(11)	(11)	-	-	-	(11)
Impairment charges	-	-	(622)	-	-	41	(581)
Pension/CO ₂ gains	-	(29)	(29)	-	-	-	(29)
Organic	(279)	(85)	(69)	(12)	8	(6)	(79)
2013	18,031	1,475	100	26	(297)	(44)	(215)

Note: All 2012 numbers presented in this Report for comparative purposes have been restated to reflect the impact of new accounting rules for joint ventures and for pensions.

Restructuring costs amounted to €71 million (2012: €60 million) and impairment charges amounted to €755 million (2012: €174 million)

Analysis of change

€ million	% change	2013	2012	Change	Organic	Acquisitions	Divestments	Restructuring / Impairment	Pensions / CO ₂	Exchange
Sales	-5%	2,266	2,383	(117)	(188)	+111	(8)	-	-	(32)
EBITDA	-21%	278	352	(74)	(40)	+7	+1	+6	(43)	(5)
EBITDA/Sales	↓	12.3%	14.8%							
Operating profit	-82%	39	217	(178)	(40)	-	+3	(95)	(43)	(3)

EBITDA and operating profit exclude profit on disposals

*Restructuring costs amounted to €7 million (2012: €13 million)
Impairment charges of €101 million were incurred (2012: nil)*

Analysis of change

€ million	% change	2013	2012	Change	Organic	Acquisitions	Divestments	Restructuring / Impairment	Pensions	Exchange
Sales	-4%	2,376	2,477	(101)	(100)	+47	(28)	-	-	(20)
EBITDA	-22%	119	152	(33)	(28)	+4	(1)	(9)	+3	(2)
EBITDA/Sales	↓	5.0%	6.1%							
Operating profit	n/m	-406	19	(425)	(28)	+1	(1)	(399)	+3	(1)

EBITDA and operating profit exclude profit on disposals

*Restructuring costs amounted to €36 million (2012: €27 million)
Impairment charges of €414 million were incurred (2012: €24 million)*

Analysis of change

€ million	% change	2013	2012	Change	Organic	Acquisitions	Divestments	Restructuring / Impairment	Pensions	Exchange
Sales	-1%	3,936	3,956	(20)	(175)	+180	-	-	-	(25)
EBITDA	-14%	186	217	(31)	(47)	+7	-	(1)	+11	(1)
EBITDA/Sales	↓	4.7%	5.5%							
Operating profit	-27%	106	145	(39)	(48)	+4	-	(5)	+11	(1)

EBITDA and operating profit exclude profit on disposals

*Restructuring costs amounted to €4 million (2012: €3 million)
Impairment charges of €4 million were incurred (2012: nil)*

Analysis of change

€ million	% change	2013	2012	Change	Organic	Acquisitions	Divestments	Restructuring / Impairment	Exchange
Sales	-3%	4,721	4,886	(165)	(147)	+141	-	-	(159)
EBITDA	0%	557	555	+2	(15)	+33	-	+2	(18)
EBITDA/Sales	↑	11.8%	11.4%						
Operating profit	-19%	226	279	(53)	(12)	+26	-	(58)	(9)

EBITDA and operating profit exclude profit on disposals

*Restructuring costs amounted to €12 million (2012: €14 million)
Impairment charges of €60 million were incurred (2012: nil)*

Analysis of change

€ million	% change	2013	2012	Change	Organic	Acquisitions	Divestments	Restructuring / Impairment	Exchange
Sales	+9%	3,068	2,806	+262	+219	+166	(6)	-	(117)
EBITDA	+21%	246	204	+42	+37	+21	-	(9)	(7)
EBITDA/Sales	↑	8.0%	7.3%						
Operating profit	-21%	68	86	(18)	+49	+12	-	(76)	(3)

EBITDA and operating profit exclude profit on disposals

*Restructuring costs amounted to €11 million (2012: €2 million)
Impairment charges of €71 million were incurred (2012: €4 million)*

Analysis of change

€ million	% change	2013	2012	Change	Organic	Acquisitions	Divestments	Restructuring	Exchange
Sales	+6%	1,664	1,576	+88	+112	+27	-	-	(51)
EBITDA	+7%	89	83	+6	+8	+1	-	-	(3)
EBITDA/Sales	-	5.3%	5.3%						
Operating profit	+14%	67	59	+8	+10	-	-	-	(2)

EBITDA and operating profit exclude profit on disposals

Restructuring costs amounted to €1 million (2012: €1 million)

2013 Development Activity €0.72Bn

Appendices



<u>€Bn</u>	<u>H1 2013</u>	<u>H2 2013</u>	<u>Full Year</u>
Eur / Asia	0.24	0.15	0.39
Americas	0.23	0.10	0.33
Group	0.47	0.25	0.72

Transactions:

- **11 Europe deals** (7 Materials; 1 Products; 3 Distribution)
 - **17 Americas deals** (10 Materials; 4 Products; 3 Distribution)
-

Analysis by Segment

Appendices



Sales (€m)	% chg	2013	2012
Europe Materials	-5%	2,266	2,383
Europe Products	-4%	2,376	2,477
Europe Distribution	-1%	3,936	3,956
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Group	0%	18,031	18,084

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Group	-6%	1,475	1,563

Analysis by Segment

Appendices



Op. profit (€m)	% chg	2013	2012
Europe Materials	-82%	39	217
Europe Products	n/m	(406)	19
Europe Distribution	-27%	106	145
Americas Materials	-19%	226	279
Americas Products	-21%	68	86
Americas Distribution	+14%	67	59
Group	-88%	100	805

Profit on disposals (€m)	2013	2012
Europe Materials	7	148
Europe Products	5	54
Europe Distribution	(2)	3
Americas Materials	19	24
Americas Products	(3)	1
Americas Distribution	-	-
Group	26	230

Construction Output 2013	% chg	
Belgium	-1.3%	⬇️
Denmark	+2.4%	⬆️
Finland	-2.7%	⬇️
France	-2.8%	⬇️
Germany	+0.3%	⬆️
Ireland	-3.5%	⬇️
Netherlands	-5.0%	⬇️

Construction Output 2013	% chg	
Poland	-8.9%	⬇️
Portugal	-16.5%	⬇️
Spain	-23.0%	⬇️
Switzerland	+2.8%	⬆️
United Kingdom	-1.1%	⬇️
Western Europe (EC-15)	-2.7%	⬇️
Eastern Europe (EC-4)	-7.7%	⬇️

PCA (US) Estimates 2013

Appendices



Real GDP	+2.3%	↑
Construction Put-in-place	+1.3%	↑
Cement consumption	+4.5%	↑

Construction Put-in-place	% chg	
New Housing	+17.9%	↑
Single family	+16.6%	↑
Multi family	+25.7%	↑
Improvements	-1.0%	↓
Total Residential	+9.3%	↑

Construction Put-in-place	% chg	
Industrial	+2.8%	↑
Office	+5.3%	↑
Hotels, Motels	+20.4%	↑
Total Non-residential	-2.4%	↓
Highways & Streets	-5.9%	↓
Total Public	-2.4%	↓
Public Utility & Other	-7.5%	↓
Farm Non-residential	-3.5%	↓

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