



# 2018 Results



# Agenda

Market Backdrop & Trading Performance

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Financial Performance & Track Record

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Value Creation & Strategic Positioning

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Outlook & Key Takeaways

# Key Messages

- Record profit delivery  
... €3.4bn EBITDA (+7% YoY); margin ahead
- Strong financial discipline maintained  
... €2.4bn cash generation; 70% cash conversion  
... <2.1x net debt/EBITDA
- Continued focus on efficient capital management  
... share buyback programme continuing ... €800m in 2018  
... 6% increase in FY dividend
- Profit improvement programme progressing well



# 2018 Financial Highlights

## Sales

€26.8bn

+6%



LFL  
+3%

## EPS

€3.02

+33%



LFL  
+11%

## EBITDA

€3.4bn

+7%



+3%

## DPS

€0.72

+6%



## EBITDA Margin

12.6%

+10bps



in line

## Cash Flow

€2.4bn

+8%







Americas Market Backdrop & Trading Performance

# Americas Market Backdrop

- Favourable economic environment in 2018
- Continuing momentum in Infrastructure ... positive trends in Res & Non-Res markets
- Significant weather disruption & input cost pressures ... energy, labour & logistics
- Positive demand outlook for 2019



# Americas Materials – Trading Performance

- Sales & EBITDA ahead ... margins impacted by weather disruption & input cost pressures
- Positive pricing momentum
- North America cement integration progressing well
- 55% infrastructure ... favourable funding environment
- Strong backlogs ... volumes & margins ahead

2018	€m	Change vs. 2017	
			LFL
<b>Sales</b>	8,951	+12%	+4%
<b>EBITDA</b>	1,493	+18%	+2%
<b>Margin</b>	16.7%	+80bps	-30bps

# Americas Products – Trading Performance

- Strong growth in key regions & end-use markets
- Good progress in sales, EBITDA & margin
- Benefiting from cost reduction & performance initiatives
- Positive Q4 momentum ... continuing in 2019

2018	€m	Change vs. 2017	
		LFL	
<b>Sales</b>	4,433	+2%	+2%
<b>EBITDA</b>	603	+5%	+6%
<b>Margin</b>	13.6%	+40bps	+40bps





Europe & Asia Market Backdrop & Trading Performance

# Europe Market Backdrop

- Continued economic growth in 2018
- Solid underlying construction demand in Continental Europe
- UK impacted by political uncertainty
- Cost inflation headwinds ... energy & labour
- Expect further market growth in 2019



# Europe Heavyside – Trading Performance

- Good growth in sales & EBITDA ...  
... LFL margin maintained
- Major markets performing well ...  
UK impacted by Brexit-related uncertainty
- Cement volumes ahead ... positive pricing momentum
- Fels performing in line with expectations
- Encouraging start to 2019

2018	€m	Change vs. 2017	
			LFL
<b>Sales</b>	7,611	+10%	+4%
<b>EBITDA</b>	911	+9%	+4%
<b>Margin</b>	12.0%	-20bps	-

# Europe Lightside – Trading Performance

- Growth in all product areas
- Strong performance across Continental Europe ...  
UK stable
- Recovery of high input cost inflation
- Expanding global reach ... now ~15% ex-Europe

2018	€m	Change vs. 2017	
			LFL
<b>Sales</b>	1,508	+5%	+5%
<b>EBITDA</b>	152	+6%	+5%
<b>Margin</b>	10.1%	+20bps	-



# Europe Distribution – Trading Performance

- Major markets performing well ... improving trends in Switzerland in H2
- Divestment of DIY Benelux completed
- Margin impacted by divestments & non-recurrence of one-off gain in 2017
- Wider strategic review ongoing ... considering all options to maximise shareholder value

2018	€m	Change vs. 2017	
			LFL
<b>Sales</b>	3,856	-7%	-3%
<b>EBITDA</b>	181	-33%	-1%
<b>Margin</b>	4.7%	-180bps	+10bps

# Asia – Philippines Market Backdrop & Trading Performance

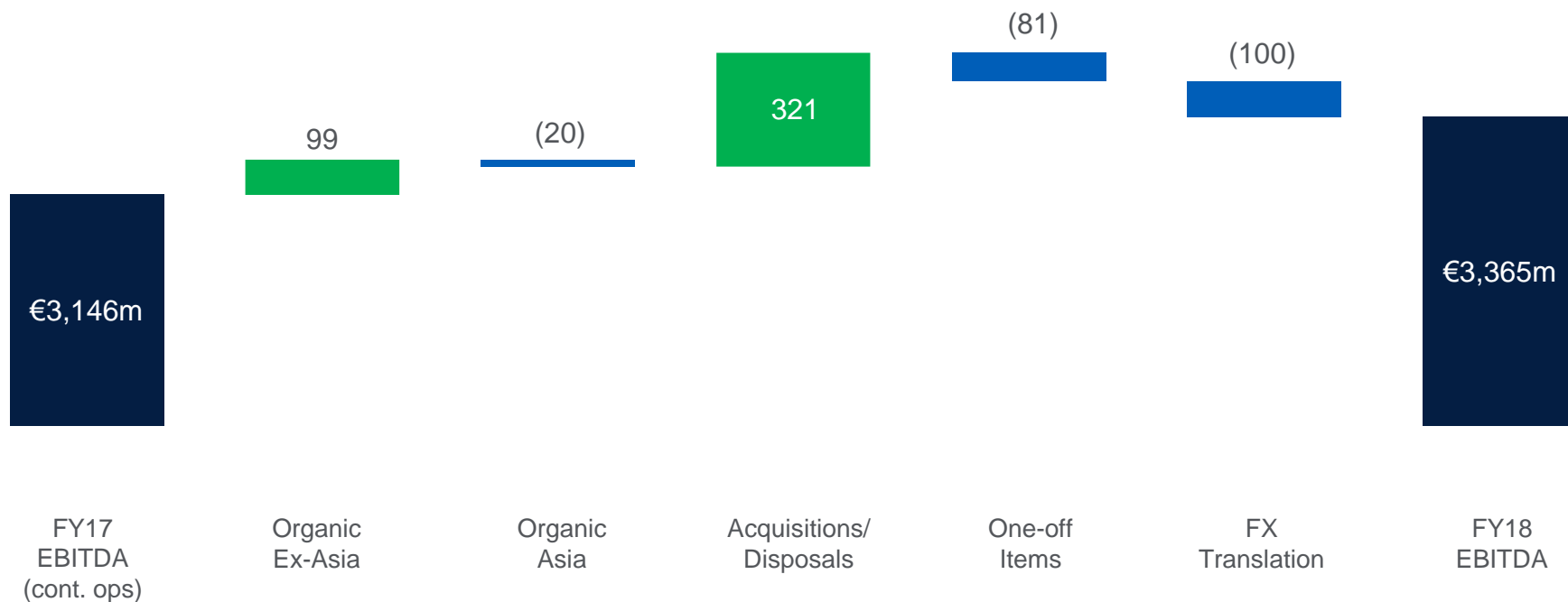
- Growing construction markets ... positive demand environment
- Volumes & prices ahead ... margins eroded by strong energy cost headwinds
- Operational improvements & cost reductions implemented ... profitability to increase in 2019

2018	€m	Change vs. 2017	
			LFL
<b>Sales</b>	431	-1%	+8%
<b>EBITDA</b>	25	-52%	-44%
<b>Margin</b>	5.8%	-610bps	-550bps



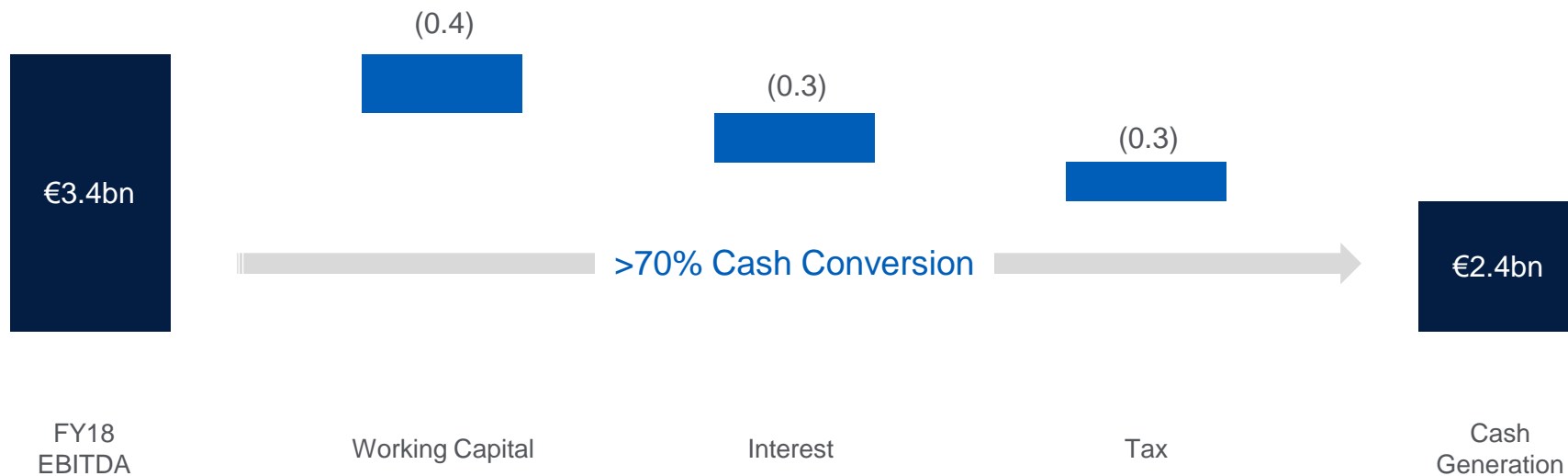
# Financial Performance

# Components of Financial Performance

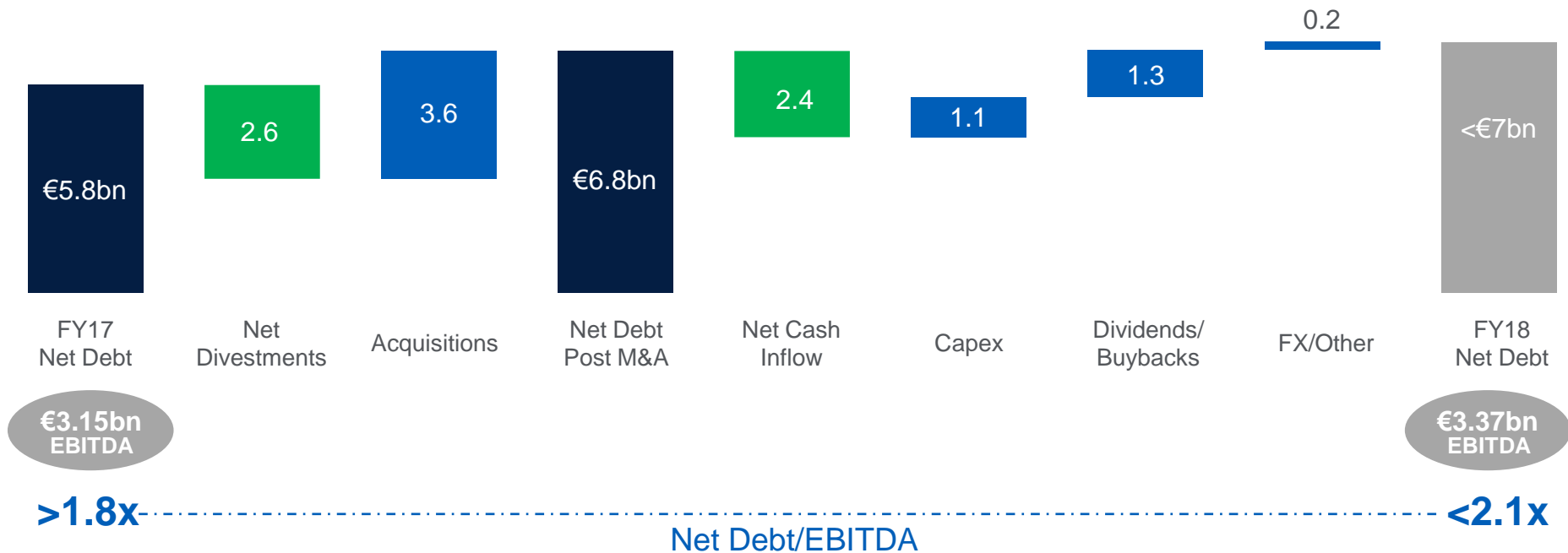




# Cash Generation



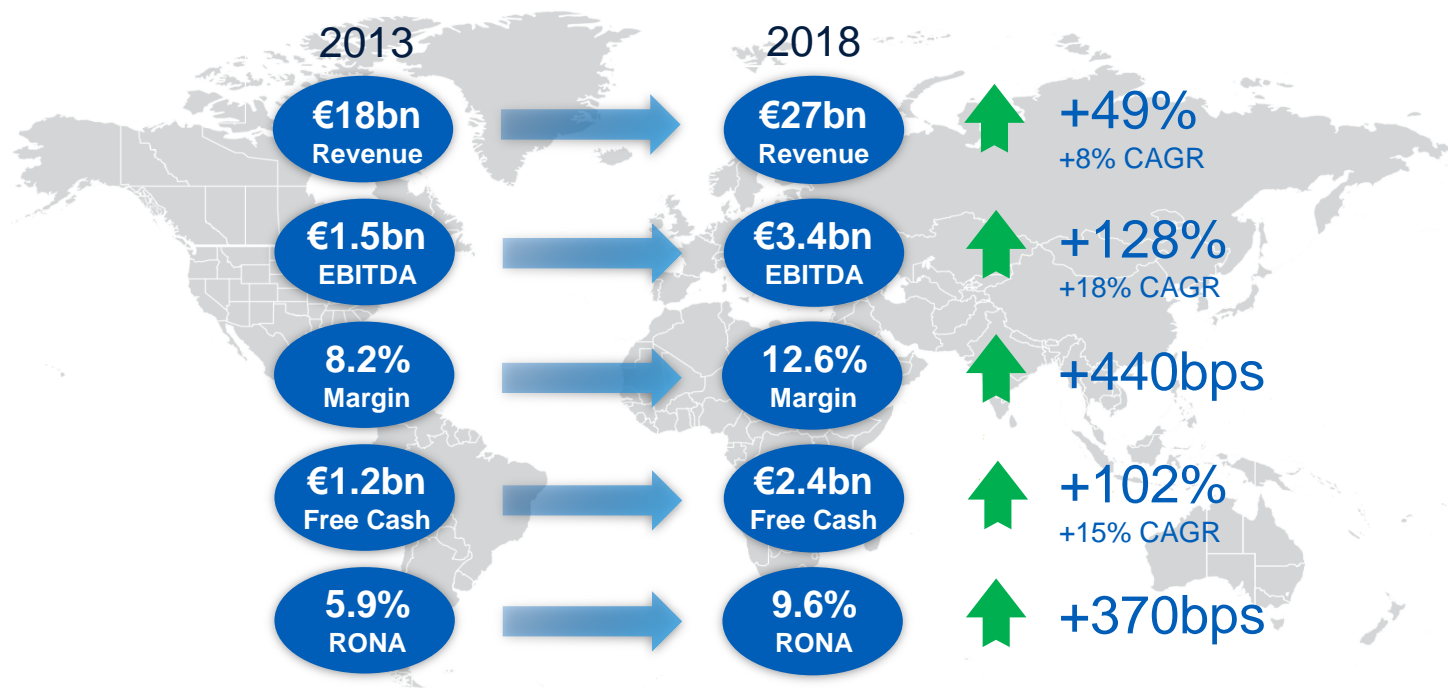
# 2018 Net Debt Performance





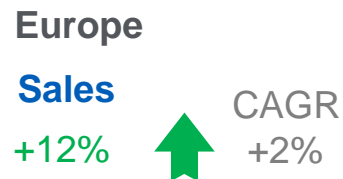
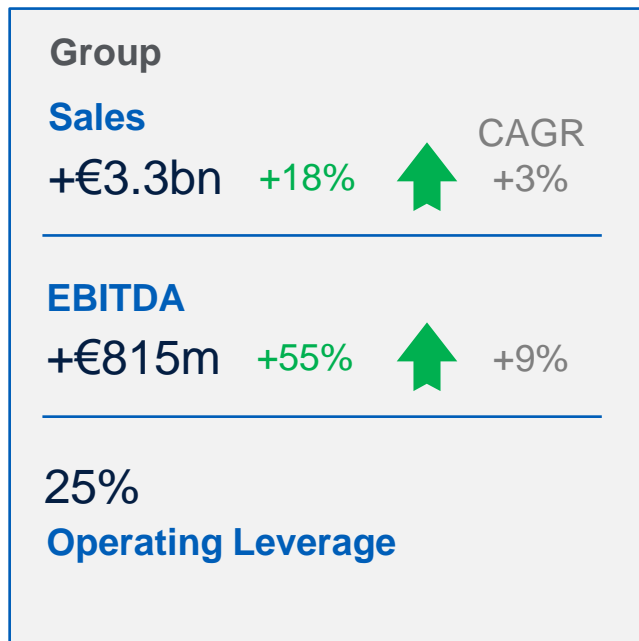
Focused Growth

# CRH ... Performance & Growth 2013-2018

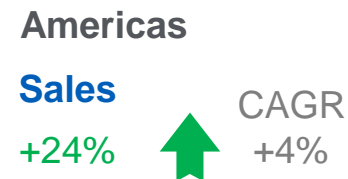




# CRH ... Organic Growth 2013-2018

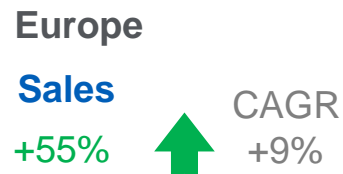


19%  
**Operating Leverage**

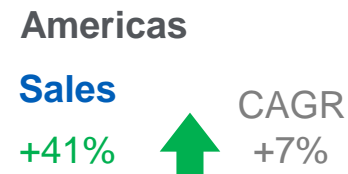


30%  
**Operating Leverage**

# CRH ... Acquisition Growth 2013-2018



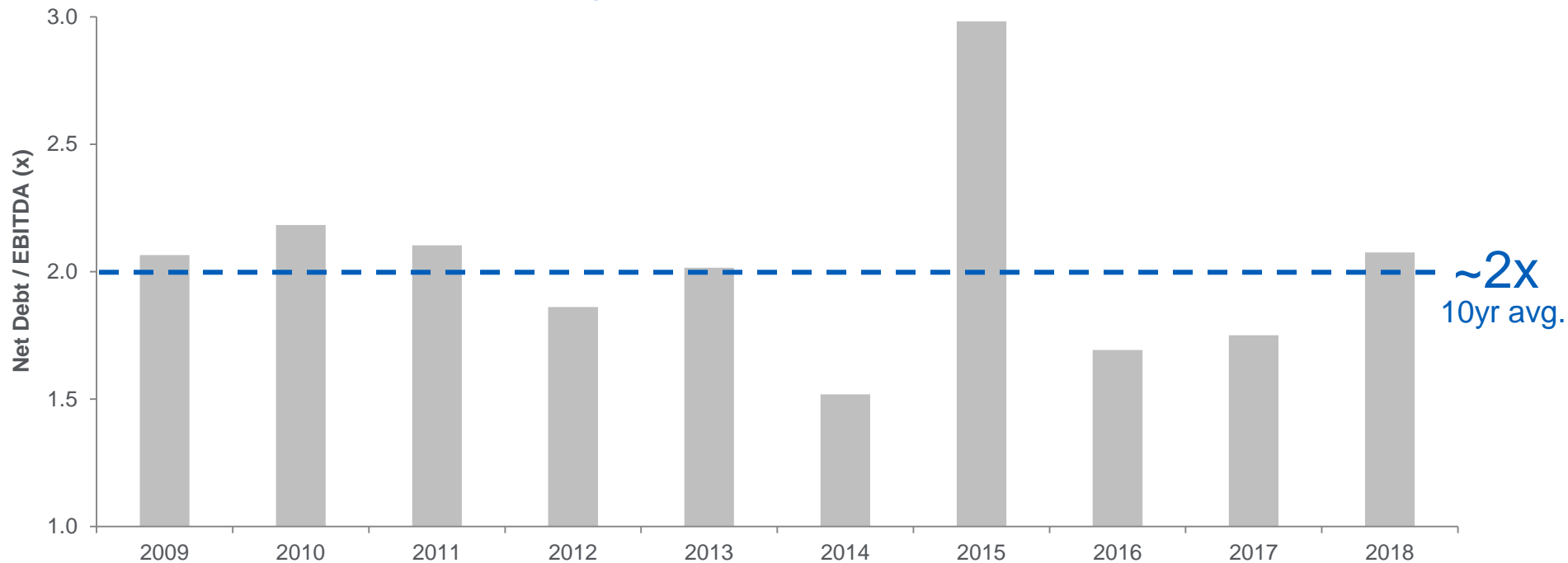
13%  
**EBITDA Margin**



17%  
**EBITDA Margin**

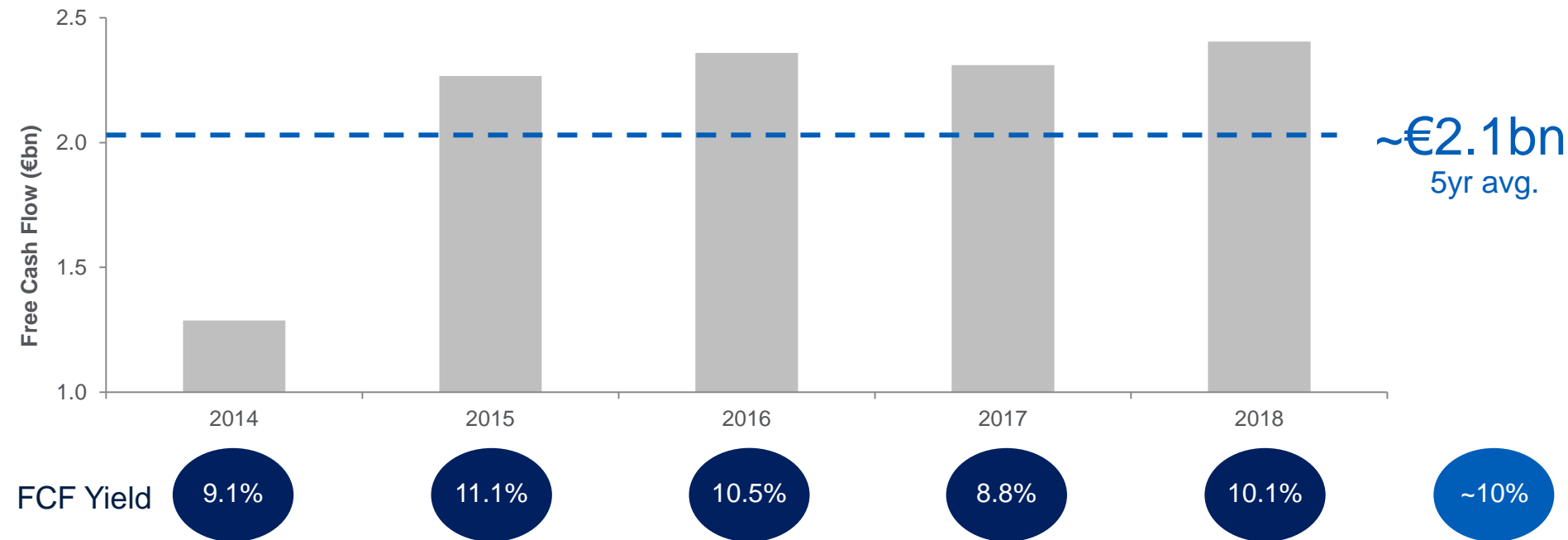
# Strong Financial Discipline ...

~2x Net Debt / EBITDA maintained through the cycle



# Free Cash Flow Generation

~€2.1bn of FCF per annum ... ~80% EBITDA conversion ... ~10% FCF Yield





Strategy Update

# Our Strategic Objectives ...

## Portfolio Management ...

*Re-shaping our business for higher growth & more sustainable returns*

## Capital Allocation ...

*Maximising shareholder value through the efficient use of capital*

## Continuous Business Improvement ...

*Making businesses better through internal self-help initiatives*

**... delivering structurally higher margins, cash & returns**



# Significant Progress ...



## Portfolio Management

- Continuous portfolio review
- Narrower & deeper across 3 divisions
- ~35% of assets divested in last 5 years; ~50% acquired
- Further €1.5-2bn divestment programme underway



## Capital Allocation

- ~€3bn returned to shareholders past 5 years
- Strong balance sheet ... consistent discipline ... ~2.1x Net Debt/EBITDA
- Disciplined & patient ... acquisitions & divestments



## Continuous Business Improvement

- Targeting further 300bps EBITDA margin improvement
- Initiatives underway ... ~70% internal self-help
- Improved operating leverage & synergy delivery

*Last 5 years ... EBITDA margin +440bps ... RONA +370bps*

# Profit Improvement Programme

- Group-wide initiative ...  
managed centrally, delivered locally
- Business improvement & growth ...  
higher margins, returns & cash
- 70% to be internally delivered ...  
procurement, process & structural
- Progressing well ... regular updates to market as  
delivery unfolds



# Profit Improvement Programme – Procurement

- Driving centralised procurement across the Group
- Broadening scope & depth ... 2% to 4% savings
- Key categories ... raw materials; energy; logistics; production services; consumables; mobile plant
- €100m+ savings already identified



# Profit Improvement Programme – Process

- Leveraging Group expertise to drive local improvements
- Increasing vertical integration & self-supply
- Reducing fuel & energy usage ...  
transport & logistics efficiencies
- Optimising production footprint ...  
improved scheduling, throughput & maintenance



# Profit Improvement Programme – Structural

- A more focused & leaner business ...  
... 7 divisions to 3
- Integrated platforms of scale
- Reorganising management structures,  
support functions & regional office footprint
- ~€100m of cost savings identified ...  
implementation in process







Strategic Positioning



# CRH in 2019 ...

Three core businesses ...  
integrated platforms for growth



Leading market positions ...  
Europe & North America



A unique business model ...  
driving returns from the centre



Strong & flexible balance sheet ...  
industry-leading cash generation

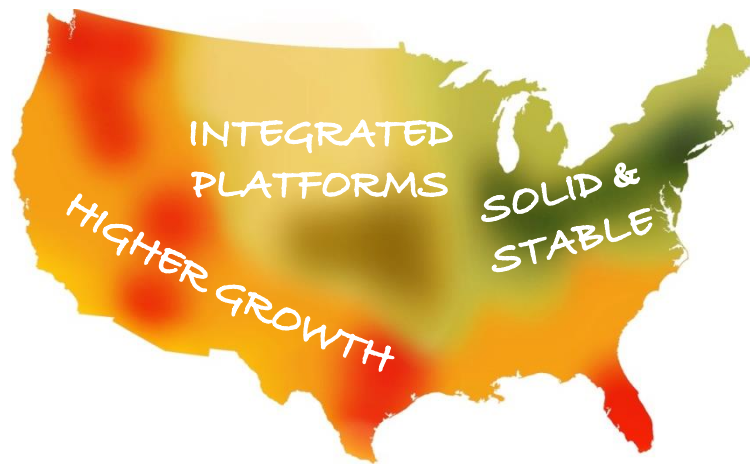


... relentless focus on performance & delivery

# Americas Materials ...

- #1 building materials business in North America ... national footprint; unrivalled reserves
- Attractive regional exposures ...  
**North** – core base; steady growth ... Infra RMI focus  
**South/West** – strong growth ... new-build Res/Non-Res  
**Central** – stable markets ... integrated platforms
- Vertically integrated with leading market positions ... aggregates, asphalt, RMC ... and now cement
- Unconsolidated market ... significant growth potential

CRH Market Heat Map

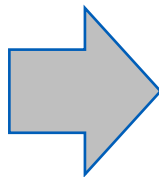
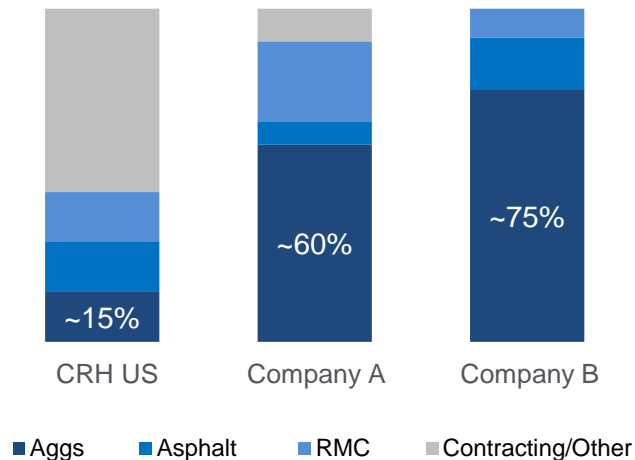


... uniquely balanced to deliver long-term growth

# Americas Materials – Operating Model

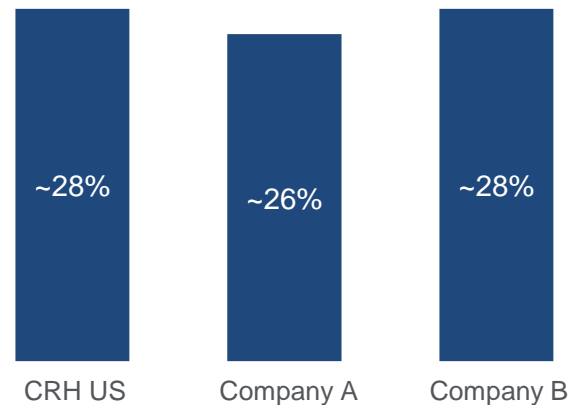
## Uniquely integrated approach ...

Revenue by Product



## ... best-in-class operators

Aggregates GM%



... delivering higher overall returns & cash

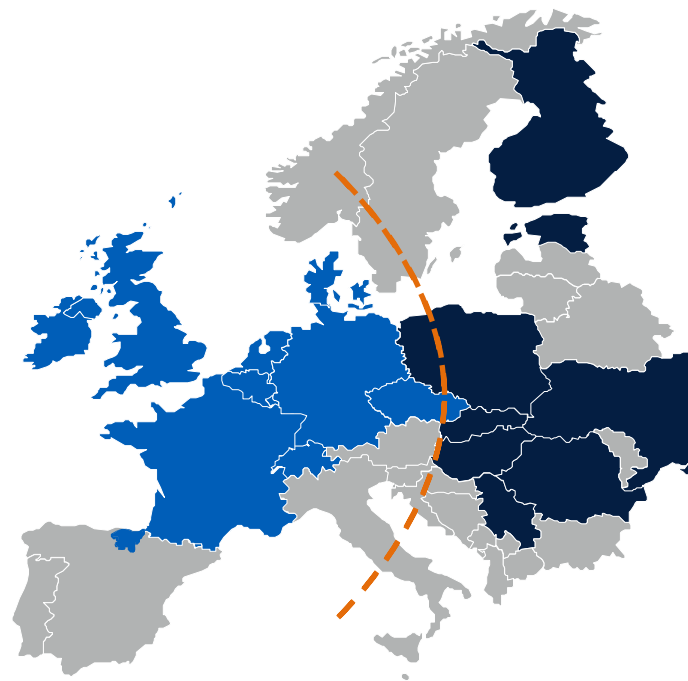
# North America Cement Update

- North America Cement platform established ... integration progressing well ...
- Further \$10m Ash Grove synergies identified ... year 3 run-rate increased to ~\$110m
- Strengthened market footprint ... strong overlap with existing businesses ...
- Significant self-supply, downstream & development opportunities



# Europe Materials ...

- Integrated platform of heavyside building materials businesses ... #1 in Europe
- Attractive geographic footprint ...  
... **West** – stable market; RMI focus (+1% to 2% p.a.)  
... **East** – strong new-build growth (+5% p.a.)
- Top 3 in all major markets ...  
no exposure to Southern Europe

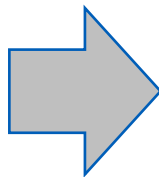
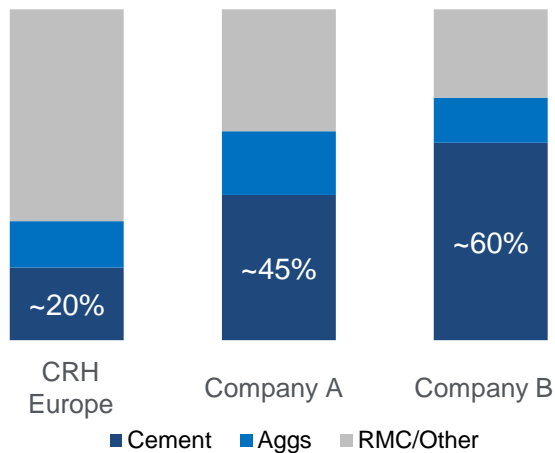


... well positioned in growing markets

# Europe Materials – Operating Model

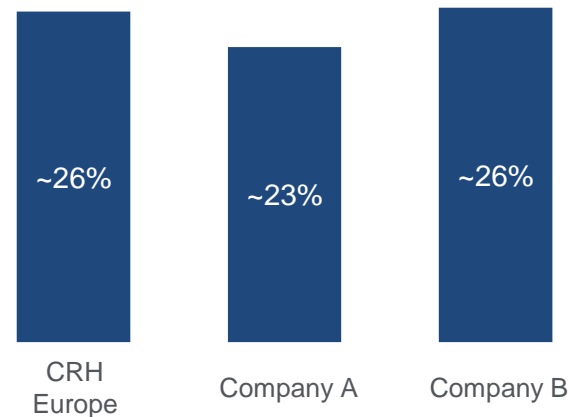
## Uniquely integrated approach ...

Revenue by Product



## ... best-in-class operators

Cement EBITDA Margin %



... delivering higher overall returns & cash

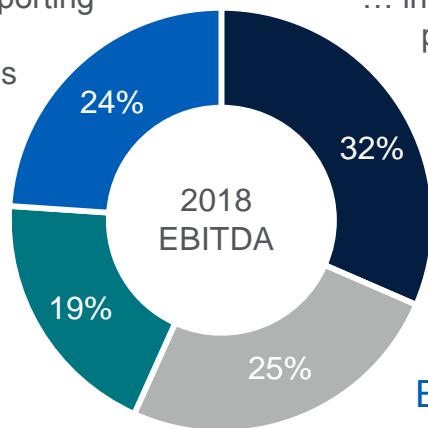


# Building Products Overview ...

Supplier of value-added products & integrated solutions for the construction industry

## Infrastructure Products ...

... protecting & transporting  
vital utilities &  
infrastructure services



## Architectural Products...

... innovative & value-added  
products for the modern  
built environment

## Distribution ...

... of general  
building materials

## Building Envelope ...

... custom glass & glazing  
systems for Non-Res & Res markets

	2013	2018		
Sales	€8.3bn	€9.8bn	↑	+18%
EBITDA	€532m	€936m	↑	+76%
EBITDA Margin	6.4%	9.6%	↑	+320bps
RONA	5.9%	12.4%	↑	+650bps

# Building Products – Evolving Trends

- Evolving trends in global construction markets  
... ease & speed of construction; less labour intensive  
... demand for more integrated & value-added solutions  
... regulatory & environmental factors
- Proven buy & build capability ... established leadership positions in high-growth product segments
- Opportunity now to combine regional products businesses into one global platform



# Building Products – Rationale

- Global division established  
... leveraging our scale & capabilities  
... increased vertical integration  
... de-layering management & costs
- Core businesses ...  
clusters of excellence; narrower & deeper
- Attractive end-use markets ... higher growth &  
greater balance through the cycle
- Low capital intensity ... superior returns  
& cash characteristics



# Building Products – Value Creation

- Addressing the changing needs of construction
  - ... increased integration with our materials businesses
  - ... bundling products, logistics & services
  - ... value-added solutions for increasingly global customers
- Increased collaboration ... across regions, materials & products
- Significant value creation opportunities
  - ... achieve full potential in existing markets
  - ... building out from core platforms
- Aligned with CRH's proven buy, build & performance capability





Going Forward ...



# Efficient Use of Capital

- Highly cash generative business ... 70% conversion
- Strong & flexible balance sheet
- Focused & disciplined approach to capital deployment
- Value-accretive capex and M&A
- Continued share buybacks & progressive dividends



... relentless focus on shareholder value



# 2019 Expectations

## Market Outlook

- **Americas** – favourable market dynamics expected
- **Europe** – continued progress in key markets
- **Group** – positive Q4 momentum continuing into 2019

## Strategy

- Relentless focus on continuous business improvement ... margins, cash & returns
- Continued strong financial discipline ... efficient allocation of capital



... another year of progress for CRH

# Key Takeaways

*Record profit delivery ...  
margin ahead*

*Strong track record of delivery  
... organic & acquisition*

*Continuous improvement ...  
margins, cash & returns*

*€2.4bn cash generation ...  
strong financial discipline*

*Share buyback programme  
continuing ... €800m in 2018*

*Uniquely positioned for further  
growth*



# Appendices

# Key Components of 2018 Performance (Continuing Operations)

€ million	Sales revenue	EBITDA	Operating profit	Profit/(loss) on disposals	Finance costs (net)	Assoc. and JV PAT <sup>1</sup>	Pre-tax profit
<b>2017</b>	<b>25,220</b>	<b>3,146</b>	<b>2,095</b>	<b>56</b>	<b>(349)</b>	<b>65</b>	<b>1,867</b>
Exchange effects	(682)	(100)	(68)	(2)	9	(2)	<b>(63)</b>
<b>2017 at 2018 rates</b>	<b>24,538</b>	<b>3,046</b>	<b>2,027</b>	<b>54</b>	<b>(340)</b>	<b>63</b>	<b>1,804</b>
<i>Incremental impact in 2018 of:</i>							
- 2017/2018 acquisitions	1,855	357	226	-	(57)	-	<b>169</b>
- 2017/2018 divestments	(348)	(36)	(26)	(72)	2	-	<b>(96)</b>
- Swiss pension past service credit <sup>2</sup>	-	(81)	(81)	-	-	-	<b>(81)</b>
- Early bond redemption	-	-	-	-	17	-	<b>17</b>
- Organic	745	79	31	(6)	27	(3)	<b>49</b>
<b>2018</b>	<b>26,790</b>	<b>3,365</b>	<b>2,177</b>	<b>(24)</b>	<b>(351)</b>	<b>60</b>	<b>1,862</b>

<sup>1</sup> CRH's share of after-tax profits of joint ventures and associated undertakings.

<sup>2</sup> 2018 includes the impact of the non-recurrence of a one-off past service credit of €81 million in 2017 due to changes in the Group's pension scheme in Switzerland.

# Americas Materials

€ million	Analysis of change					2018	% Change
	2017	Exchange	Acquisitions	Divestments	Organic		
Sales revenue	7,970	-356	+1,026	-26	+337	8,951	+12%
EBITDA	1,270	-56	+267	-12	+24	1,493	+18%
Operating Profit	858	-37	+176	-9	+21	1,009	+18%
EBITDA/sales	15.9%					16.7%	
Operating profit/sales	10.8%					11.3%	

# Americas Products

€ million	Analysis of change					2018	% Change
	2017	Exchange	Acquisitions	Divestments	Organic		
Sales revenue	4,327	-187	+193	-2	+102	4,433	+2%
EBITDA	573	-25	+21	+1	+33	603	+5%
Operating Profit	435	-19	+12	+1	+30	459	+6%
EBITDA/sales	13.2%					13.6%	
Operating profit/sales	10.1%					10.4%	

# Europe Heavyside

€ million	Analysis of change						2018	% Change
	2017	Exchange	Acquisitions	Divestments	Pension credit <sup>1</sup>	Organic		
Sales revenue	6,902	-54	+511	-53	-	+305	7,611	+10%
EBITDA	839	-9	+65	-1	-20	+37	911	+9%
Operating Profit	478	-6	+36	-	-20	+13	501	+5%
EBITDA/sales	12.2%						12.0%	
Operating profit/sales	6.9%						6.6%	

<sup>1</sup> Swiss pension plan past service credit of €20 million in 2017.



# Europe Lightside

€ million	Analysis of change					2018	% Change
	2017	Exchange	Acquisitions	Divestments	Organic		
Sales revenue	1,440	-11	+16	-12	+75	1,508	+5%
EBITDA	143	-1	+2	+1	+7	152	+6%
Operating Profit	102	-1	+1	+1	+7	110	+8%
EBITDA/sales	9.9%					10.1%	
Operating profit/sales	7.1%					7.3%	

# Europe Distribution

€ million	Analysis of change						2018	% Change
	2017	Exchange	Acquisitions	Divestments	Pension credit <sup>2</sup>	Organic		
Sales revenue <sup>1</sup>	4,145	-38	+109	-255	-	-105	3,856	-7%
EBITDA	269	-2	+2	-25	-61	-2	181	-33%
Operating Profit	207	-1	+1	-19	-61	-15	112	-46%
EBITDA/sales	6.5%						4.7%	
Operating profit/sales	5.0%						2.9%	

<sup>1</sup> Reported 2018 sales were impacted by the change in treatment of certain direct sales at General Builders Merchants to an agency (net commission) basis following the adoption of the new revenue accounting standard, IFRS 15. Excluding the adjustment (c. €175 million), like-for-like sales were 2% ahead of 2017.

<sup>2</sup> Swiss pension past service credit of €61 million in 2017.

# Asia

€ million	Analysis of change			2018	% Change
	2017	Exchange	Organic		
Sales revenue	436	-36	+31	431	-1%
EBITDA	52	-7	-20	25	-52%
Operating Profit	15	-4	-25	-14	-193%
EBITDA/sales	11.9%			5.8%	
Operating profit/sales	3.4%			-3.2%	

# Cement Volumes & Pricing

YoY % Change	Volumes	Price (LC)
Finland	-	=
France	=	+
Germany <sup>1</sup>	+	+
Hungary	++	+
Ireland	+	+
Poland	++	+
Romania	=	+
Serbia	++	=

YoY % Change	Volumes	Price (LC)
Slovakia	=	=
Spain	--	+
Switzerland	++	--
Ukraine	-	++
United Kingdom <sup>1</sup>	-	=
Canada	-	=
Philippines	++	+
Brazil	=	++

Legend	
>5%	++
2% to 5%	+
-1% to +1%	=
-5% to -2%	-
-5%<	--

<sup>1</sup> Volumes in the UK and Germany have been adjusted to exclude the impact of acquisition-related supply arrangements.

# Americas Materials Volumes & Prices

YoY % Change	Total		Heritage	
	Volumes	Price	Volumes	Price
Aggregates	+8%	+2%	+1%	+3%
Asphalt	-2%	+9%	-3%	+10%
RMC	+29%	+3%	-1%	+4%

# Disclaimer

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This document contains statements that are, or may be deemed to be forward-looking statements with respect to the financial condition, results of operations, business, viability and future performance of CRH and certain of the plans and objectives of CRH. These forward-looking statements may generally, but not always, be identified by the use of words such as “will”, “anticipates”, “should”, “could”, “would”, “targets”, “aims”, “may”, “continues”, “expects”, “is expected to”, “estimates”, “believes”, “intends” or similar expressions. These forward-looking statements include all matters that are not historical facts or matters of fact at the date of this document.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future and reflect the Company's current expectations and assumptions as to such future events and circumstances that may not prove accurate.

A number of material factors could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, certain of which are beyond our control, as detailed in the section entitled “Risk Factors” in our 2017 Annual Report on Form 20-F as filed with the US Securities and Exchange Commission.

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The forward-looking statements in this document do not constitute reports or statements published in compliance with any of Regulations 6 to 8 of the Transparency (Directive 2004/109/EC) Regulations 2007.





A modern, multi-story office building with a dark facade and large glass windows, illuminated from within at night. The building is situated in an urban environment with trees and a paved area in the foreground. The sky is a deep blue.

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