



Trading Update

November 2018



Agenda

Key Messages & Market Backdrop

Trading Performance

Value Creation

Key Messages & Financial Highlights

- 9M trading ... continuation of H1 trends despite significant Q3 weather disruption
- Ash Grove integration ... in line with expectations
- €1bn share buyback programme ... €700m returned to-date
- FY EBITDA expected to be ~€3.35bn ... expect YE net debt of ~€7bn ... ~2.1x EBITDA

9M Sales
€19.9bn  **+6%**
+3% LFL

9M EBITDA
€2.5bn  **+8%**
+2% LFL

Americas Market Backdrop

- Economic activity remains robust
- Solid underlying demand ... Res, Non-Res & Infra
- Significant Q3 weather disruption
- Cost inflation & labour constraints



Europe Market Backdrop

- Positive economic momentum continuing
- Western & Eastern European construction markets performing well
- Political uncertainty in UK





Trading Performance

Trading Overview

- **Americas** – continuation of H1 trends ... adverse weather in key markets
- **Europe** – positive momentum despite political uncertainty
- **Asia** – challenging energy cost environment
- **Group** – satisfactory performance amid market challenges

LFL	Sales		EBITDA	
YoY change	H1	9M	H1	9M
Americas	+3%	+4%	+3%	+3%
Europe	+1%	+1%	+1%	+2%
Asia	-2%	+3%	-59%	-44%
Group	+2%	+3%	+1%	+2%

Americas Trading

- **Materials** – adverse weather in Q3 ... positive pricing in inflationary environment
- **Products** – Sales & EBITDA ahead ... strong performance in engineered building products
- Ash Grove integration progressing as planned ... performing in line with expectations

LFL	Sales		EBITDA	
YoY change	H1	9M	H1	9M
Materials	+4%	+5%	+1%	+2%
Products	+1%	+2%	+6%	+6%
Americas	+3%	+4%	+3%	+3%

Europe Trading

- Positive momentum despite inflationary input cost pressures
- Volumes & prices ahead
- Good growth in major markets ... some uncertainty in the UK

LFL	Sales		EBITDA	
YoY change	H1	9M	H1	9M
Heavyside	+2%	+4%	+2%	+2%
Lightside	+5%	+5%	+7%	+5%
Distribution	-3%	-4%	-4%	-4%
Europe	+1%	+1%	+1%	+2%

Asia Trading

- **Philippines** – Q3 volumes and prices ahead ...
input cost & competitive pressures persist
- **India** – Q3 volumes strong ...
pricing behind amid competitive pressure
- **China** – Q3 volumes behind ...
pricing ahead amid inflationary environment

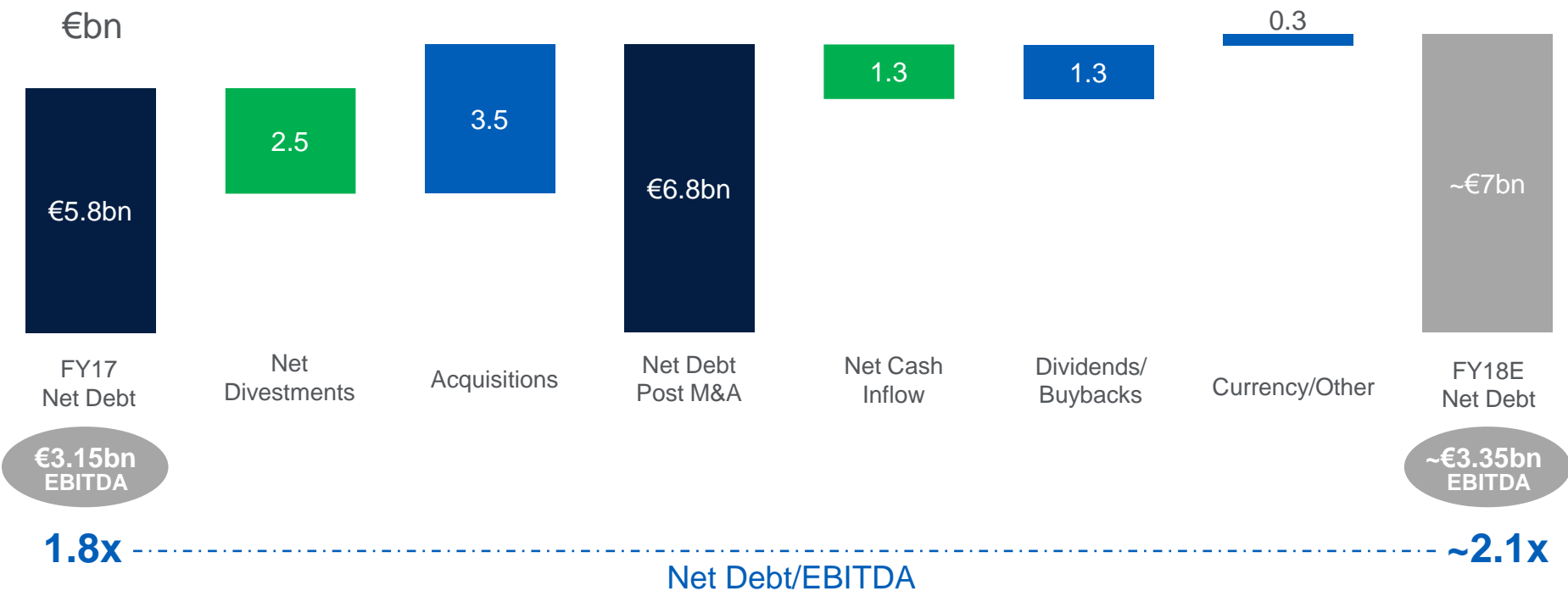
LFL	Sales		EBITDA	
YoY change	H1	9M	H1	9M
Philippines	-2%	+3%	-59%	-44%

FY 2018 EBITDA Expectations

LFL % Chg	Americas	Europe	Asia	Group
H1	+3%	+1%	-59%	+1%
9M	+3%	+2%	-44%	+2%
FY 2018E	+3%	+2%	-50%	~€3.35bn



FY 2018 Balance Sheet Expectations





Value Creation

Continued Focus on Long-Term Value Creation

- Long-term value has always been a core focus
- Returns & cash ... 2 key metrics for delivering shareholder value
- Near-term and long-term value creation
- Delivering superior returns and cash for shareholders through the cycle



Repositioning CRH

- 2014 portfolio review ...
facilitated the repositioning of our business
- €4bn+ divestments in last 4 years
- Core capabilities in vertically integrated materials
- Focusing on attractive long-term market dynamics ...
Europe & North America
- Changing face of construction ...
opportunities to build out Products platform



Investing for Growth

- €13bn acquisitions in last 4 years ... integrated platforms for growth and value creation
- Aligning core competencies with attractive market dynamics
- Focusing on higher growth opportunities to deliver superior returns & cash



Building a Simpler & More Focused Business

- Moving from 7 divisions to 3 ... Europe Materials, Americas Materials & Building Products
- A more focused, leaner business ... narrower & deeper
- Driving value from the centre
 - ... business improvement initiatives
 - ... customer & market management
 - ... strategy development
 - ... synergy delivery

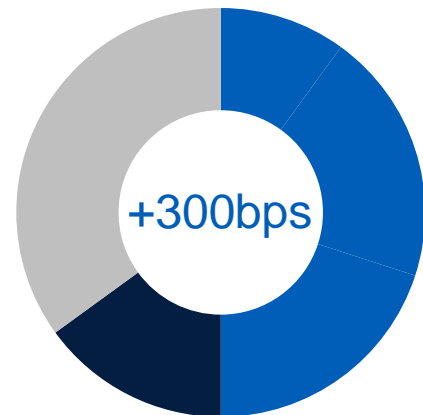


... delivering the scale benefits of an integrated Group

Now Positioned for the Next Phase

- Aggressive growth plan in place
- Enabled by leaner organisational structure
- Focusing on improving efficiency & productivity
- Targeting 300bps EBITDA margin improvement ...
€7bn financial capacity

**300bps EBITDA margin
improvement target**

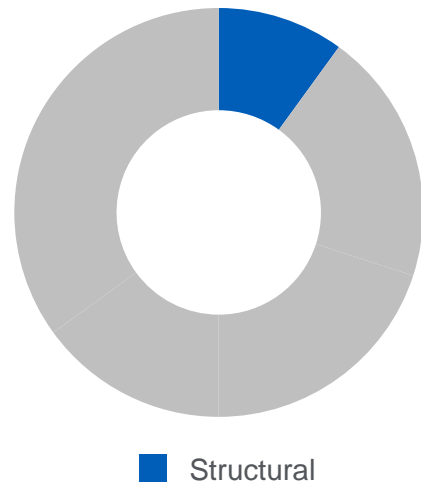


- Business Improvement Initiatives
- Synergies
- Growth & Operating Leverage

Business Improvement Initiatives – Structural

- De-layering management structures
- Consolidating sub-regional support functions into centralised hubs
- Rationalising regional office footprint
- ~€100m of cost savings identified

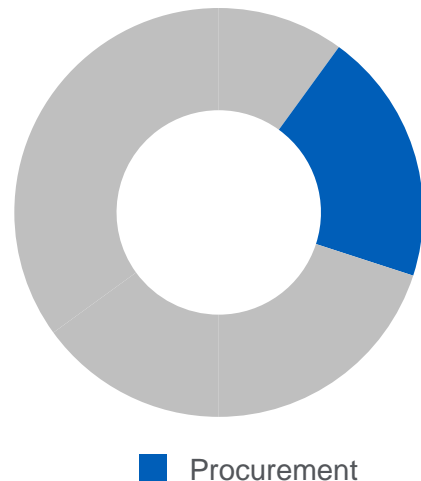
300bps EBITDA margin improvement target



Business Improvement Initiatives – Procurement

- ~€18bn of products & services procured annually ...
~€9bn currently managed centrally
- Largest purchaser of cement in the world ...
~€3bn purchaser of fuels & logistics
- Now extending our procurement programmes throughout the Group ... co-ordinated from the centre
- Expanding scope & increasing savings yield on existing purchases

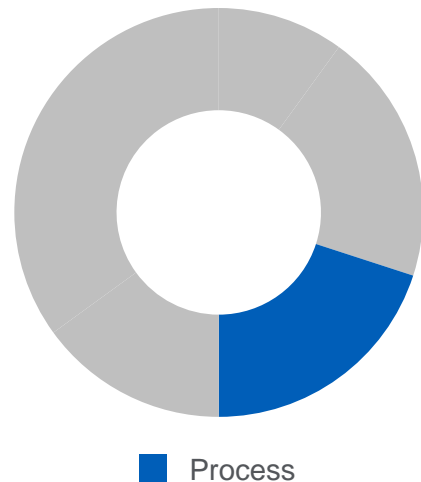
300bps EBITDA margin improvement target



Business Improvement Initiatives – Process

- Leveraging Group expertise and best practice
- Accelerating commercial & operational initiatives
 - ... vertical integration benefits
 - ... fuel & power optimisation
 - ... increasing use of alternative fuels
 - ... centralised pricing control

**300bps EBITDA margin
improvement target**



Synergies

- Significant integration benefits from recent acquisitions
... Ash Grove, Florida Assets & Fels
- Leveraging Group-level cement expertise for synergy delivery
- Year 3 run-rate synergies ~€130m

300bps EBITDA margin improvement target



Cash Generation & Financial Discipline

- Continued strong cash generation ... & conversion
- Committed to maintaining normalised debt metrics
- Aggressive growth plan in place ... significant optionality for further value creation
- Uniquely positioned to deliver long-term value for shareholders

€2bn+

Free Cash Flow p.a.
over last 4 years

€7bn

Financial Capacity
by 2021

Key Takeaways

*2018 EBITDA ~€3.35bn ...
net debt / EBITDA ~2.1x*

*Aggressive growth plan ...
300bps margin improvement &
€7bn financial capacity*

*Delivering near-term and
long-term shareholder value*

*2019 outlook ...
positive underlying
market dynamics*





Appendices

Cement Volumes & Pricing

9M YoY % Change	Volumes	Price (LC)
Finland	=	=
France	=	+
Germany ¹	+	=
Hungary	++	+
Ireland	=	+
Poland	+	+
Romania	=	+
Serbia	+	=

9M YoY % Change	Volumes	Price (LC)
Slovakia	=	=
Spain	--	+
Switzerland	++	--
Ukraine	--	+
United Kingdom ¹	-	=
Canada	-	-
Philippines	+	+
Brazil	-	++

Legend

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

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

Americas Materials Volumes & Prices

9M YoY % Change	Total		Heritage	
	Volumes	Price	Volumes	Price
Aggregates	+8%	+2%	+1%	+3%
Asphalt	0%	+9%	-2%	+9%
RMC	+28%	+3%	0%	+4%

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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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