



## 2020 - 2021 priorities

CEMEX Regions

**EMEAA**

# EMEAA CEMEX Priorities

## Main Achievements 2020



### Health & Safety

- 0 recordable fatalities. **1<sup>st</sup> time ever for Europe & AMEA**
- **Record low TRI** (Total Recordable Incidents); employees and contractors
- **COVID protocols in place**; operational continuity as an **essential industry**



### Customer Centricity

- **NPS record score at 62** (+21 points improvement over 2019)
- **CX Go full adoption** of core customers at 50% (+28 pp over 2019)
- **65% of digital invoices** (+25 pp over 2019)



### Sustainability

- Launched **1<sup>st</sup> carbon neutral concrete** in the industry (Vertua) – Net Zero vision 2050
- **AF new record in EUR at 61%** (ca. +15pp over EUR Industry average)
- ca. **35% reduction in CO2 emissions vs 1990** EUR (10yr. ahead of schedule)



### Innovation

- +400 ideas from **CX innovation program** (+200 over 2019)
- **+80 Operations Resilience** and other initiatives in our 4 core businesses
- **+100 growth projects in execution** (+\$200M investment, \$120M EBITDA/yr.)



### EBITDA Growth

- **Reached \$630M** (+2% vs 2019; offset significant COVID effect in key markets)
- +\$100m in **Operations Resilience & cost mitigation** measures
- Completed ca. \$750m **divestment process** (ca. \$80m EBITDA 2018-2020)



# EMEAA CEMEX Priorities

## Key Initiatives for 2021



### Health & Safety

- **Reduce Employee LTI rate** from 0.7 to 0.3
- Focus on reducing **Slips, Trips, and Falls; Take 5 / Stop and Think**
- Continue strict implementation of **COVID protocols, safe behaviors**



### Customer Centricity

- **Improve price realization** in Philippines and Egypt; sustain growth in Europe
- Strengthen product portfolio to capitalize on **Europe Renovation Wave**
- Further progress on **NPS, CX Go, Paperless, Service Centers** development



### Sustainability

- Execute on plan to **achieve 55% emissions reduction by 2030** (-3pp in 2021)
- **Increase AF to 66%** (+5pp); execute +30 sustainability initiatives/projects
- Advance plan to achieve **net zero in Rudersdorf by 2030**



### Innovation

- Timely **execute on +100 growth projects**
- Develop **additional growth opportunities** in key focus areas: **Special RMX products, mortars, AGG in central Europe, landfill & recycling, energy**



### EBITDA Growth

- **Base case EBITDA growth of +2%** (>+10% growth considering 2020 one-offs)
- **Optimistic EBITDA growth of +16%**. Upside from faster volumes growth in EUR, improving price realization in PH and Egypt; other operative efficiencies



**USA**

# USA CEMEX Priorities

## 2020 Highlights



### Health & Safety

- 1 Fatality vs. 0 in 2019
- 23 employee LTI's in 2020 vs. 21 in 2019 (+10%)
- 138 employee TRI's in 2020 vs. 117 in 2019 (+18%)
- COVID-19: 9.6% of workforce\* vs. 7.1%, fatality rate of 0.06% vs 1.4% in states where we operate



zero4Life

### Customer Centricity

- Highest revenue since 2007 for Cement, Ready Mix, and Aggregate businesses
- NPS dramatically improved in 2020 from an annual average of **39** to **66**
- Improved CRM & re-focused on most profitable segments & customers



### Sustainability

- Defined CO<sub>2</sub> roadmap for cement and concrete businesses in line with CEMEX 2030 and 2050 CO<sub>2</sub> targets
- Introduced Vertua in California, our global brand of low CO<sub>2</sub> concretes



### Innovation

- 99 Ideators submitted more than 150 ideas (+20% vs. 2019)
- More than 30 ideas presented to US Shark Tanks with 50% in development or implementation



### EBITDA Growth

- Highest EBITDA since 2007
- EBITDA increase by +\$126MM, +20% vs. 2019 and 9% vs. budget
- Captured \$54M through turn-around and improvement levers



# USA CEMEX Priorities

## Key Initiatives for 2021



### Health & Safety

- Safety Skills Institute and CEMEX USA Driver Training Program
- Guidelines for operational management to improve contractor Management
- CEMEX USA COVID-19 Prevention and Management Protocols in place and Continue facility inspections



### Customer Centricity

- NPS –Target of 60 and increased response rates
- 100% internal drivers using Driver App and Electronic Proof of Delivery and increase customer adoption rate
- 100% paperless invoice



### Sustainability

- Increase production of IL (limestone) cement and higher market penetration
- Increase usage of Alternative Fuels through development of supply sources
- Introduce Vertua in remaining markets and increase sales



### Innovation

- Digitalization of warehouses in Cement,
- Credit approval and order placement in 15 minutes or less
- Centralization of hiring and recruiting



### EBITDA Growth

- Ensure fair pricing of Cement, Aggregates and Ready Mix + \$98MM
- Increase Cement OE% to 89%
- LCC and National Negotiations savings of \$9MM
- Growth of Transport +\$3.2MM, Admix +\$2.4MM and Block +\$1.7MM



**MEX**



# MEX CEMEX Priorities

## Main Achievements 2020



### Health & Safety

- **Lowest Employee LTI Rate** (1.8) since 2017, and **TRI rate** (1.8) in the past five years
- **Rigorous implementation of COVID** preventive measures leading to a well below average fatality rate (1%)
- Kept **all operations running steadily** despite COVID impact on personnel availability



### Customer Centricity

- **Record high NPS '20** of 76 (+13 pp vs '19) supported by a well received remote interaction scheme with clients
- **Meaningful reduction of service complaints (-26%)**; effectively closed >70% on-time (+22pp vs '19)
- New **Service Center remote operation model** successfully implemented (250+ service agents)
- **Improve CEMEX Go RMX connection reach** ; 57 markets enabled (85%) & Paperless with 86% jobsite adoption



### Sustainability

- Achieved **91.2% Operating Efficiency**, highest since 2015: also, realized **record low clinker factor** (72.3%)
- **Launch of VERTUA Concrete** in 10 markets
- **100%** of our cement plants with **Continuous Emissions Monitoring** (CEM's)



### Innovation

- **Growing employees' engagement hit record high** idea generation: 623 entries vs. 300 (2019), 100 (2018)
- Rolled out **events to further boost innovation**: 11 CEMEX Talks (+3,000 viewers), 2 Hackathons (+400 participants), a revamped Innovation day (+1,500 viewers),
- Assembled a **portfolio of +70 promising innovation initiatives**, incubated across the organization



### Growth

- **Significant FCF generation of 851 M USD** (+90 M vs '19) after successful plan to tackle COVID
- **OCF sound growth in LC** (+6%) and steady OCF generation in USD (\$935) despite FX impact (100 M USD)
- **Price resiliency in LC** (+2%); **well underway to recover USD price roadmap** (Dec '20: \$123 vs \$125 Tgt)
- **Highest annual cement volume growth** since '06 (+6% vs '19), overcoming COVID demand shock
- Accomplished **\$46M USD of savings under "Operation Resilience"**; most of it to be carried over (80%)



# MEX CEMEX Priorities

## Key Initiatives for 2021



### Health & Safety

- **50% reduction in employee frequency rate** (< 0.1) and contractor LTI (< 6)
- **COVID-19 vaccination covering 100%** of employees
- **Complete contractor certification program** (CLEVER) across all operations
- **Decrease mobile equipment rollovers** (own and contractor fleet) from 37 in '20 to <10 in '21



### Customer Centricity

- Deliver a **consistent omnichannel experience** with our customers
- **Evolve service KPI** for superior customer experience
- Effective **measurement of Cost to Serve** from lead to cash
- **Enhance One CEMEX Commercial Model** in all the organization



### Sustainability

- **Increase AF substitution** (>30%); completion of CAPEX on pending facilities
- **VERTUA comprehensive rollout**: concrete consolidation and bagged cement label launch
- **Reduce by 7pp our CO<sub>2</sub> emissions** (> 20% reduction vs baseline)
- Consolidate **cement sector's CO<sub>2</sub> Roadmap with FICEM**



### Innovation

- Trigger a **wider base of employees** across areas to explore their potential to innovate
- Ignite generation of **more disruptive initiatives** to multiply high-value proposals
- **Accelerate execution** of initiatives to deliver tangible value and enhance people's engagement



### Growth

- **Revamp pricing strategy** to firm up our price roadmap goals
- **Continue to grow our volumes** building up on formal sector recovery and self-construction strength
- **Grow our Urbanization Solutions leg**: scaling up existing high potential businesses and exploring new fronts
- **Further redefine our cost structure** enhancing our Op. Resilience program (>\$16M USD in new savings)



**SCAC**

# SCAC CEMEX Priorities

## Main Achievements 2020



### Health & Safety

- LTI Employee Record (0.22 ; -0.49) ; TRI Employee Record (0.64 ; -0.66)
- LTI employees Reduction of 70% and 75% in contractors
- TRI employees Reduction of 37% and 42% in contractors
- 40% of business units (at site level) have 5 or more years without LTIs Employees and Contractors



### Customer Centricity

- NPS Record in SCA&C (69;+13pts) ; RDO: 73 ; PR: 80 ; PER: 92 : COL: 65
- CEMEX Go records: % Adoption Orders (71%) ; % Jobsites (63%) ; % EPOD 74%
- On Time Delivery RMX 2020 (85%) ; On Time Delivery Cement 2020 (94%)



### Sustainability

- Women in Senior Management Positions (25% , +12pp)
- WEx Survey participation (96% , +2pp) Commitment Index (93%, +1pp)
- Kilns Operating Efficiency record (87.8%) ; Mills Utilization record (89.8%)
- Clinker Factor Record (74.1%) ; Alternative Fuels Substitution record (11.5%)



### Innovation

- Number of clusters participating in the process (5 clusters)
- In COL we carried out more than 30 Innovation Circles with the participation of more than 100 people



### EBITDA Growth

- OCF Records: RDO: \$86.8M, SAL: \$4.6M, BAH: \$3.5M, HAI: \$4.3M, JAM: \$59M
- FCF Records: RDO: \$86.2M, SAL: \$5.5M, PRC: 10.0M
- OPEX Historic record (\$111.5M)
- Working Capital Record: Balance (-\$134.6M) and days (-30.4 días)



# SCAC CEMEX Priorities

## Key Initiatives for 2021



### Health & Safety

- Improve safety until we achieve our Zero for life target
- Close monitoring COVID-19 focusing on our employees, contractors and their families
- Establish indicators to monitoring contractor H&S requirements compliance



### Customer Centricity

- Support our customers' business continuity, adapting our value propositions to the new reality
- Improve our cost to serve leveraged on our digital platforms
- Continue the One CEMEX Commercial Model roll out
- Complete centralization of Commercial Process in TCL



### Sustainability

- Capitalize on Alternative Fuels + Clinker Factor projects aligned to our CO2 emissions roadmap
- Promote development of Vertua Concrete and Cement in the region



### Innovation

- Foster innovation and recognize talent and initiative across the different levels of our organization through Smart Innovation Process



### EBITDA Growth

- Leverage on Urbanizations Solutions and Metropolises initiatives
- Continue to strengthen our EBITDA Growth Projects pipeline development and execution
- Continue hard-stop policy of non-essential activities. Minimum travel expenses
- Micro-market based Pricing Strategy
- Capture benefits from Concrete and Aggregates footprint optimization

