Annual General Meeting

May 14, 2025, 9.00 a.m.
Bossard Arena, General-Guisan-Strasse 4
6300 Zug, Switzerland

Speech by the Chief Financial Officer

Check against delivery

Steffen Kindler, Chief Financial Officer

Thank you, Miljan, and good morning from my side.

Verehrte Aktionärinnen und Aktionäre,
Chers Actionnaires,
Dear Shareholders

In my role as Group CFO, I thank you for attending our AGM today, and I'd like to extend a warm welcome to all who have made it to Zug to be with us in person.

As Miljan said, Holcim once again achieved record performance in the 2024 fiscal year. Our results mean we are well-positioned for future success.

In my presentation to you today, I will demonstrate how we create shareholder value at Holcim - a key focus for us and something we have delivered successfully and consistently for a number of years.

Let's look first at profitability. Here you can see the consistent progression of our recurring EBIT, or earnings before interest and tax, and of our industry-leading recurring EBIT margin, also dem EBIT im Verhältnis zum Umsatz, on a rolling 12-month basis over consecutive quarters.

This is a reflection of the resilience of our local-for-local business model that Miljan mentioned, across all market conditions and economic cycles.

The consistent recurring EBIT margin expansion is grounded in Holcim's rigorous focus on our high-value strategy, from continuing to advance Sustainable Building Solutions, to decarbonization and circular construction driving profitable growth, all the way to our empowered leadership with its strong Performance Culture.

The effect of these profitability drivers can be seen in the compound growth in our earnings per share, also dem Nettogewinn pro Aktie. Our EPS rose 5% in 2024 versus a year ago to a record 5.70 Swiss francs.

We have been able to grow earnings per share consistently over several years.

Another indicator of our progressive value creation is Holcim's free cash flow generation. In 2024, this rose to a record 3.8 billion Swiss francs, which is roughly CHF 100m higher than in 2023.
We did that even while making 1.5 billion of Capex, or capital expenditure, investments.

The strength of our balance sheet gives us the basis for our acquisitions as well as for returning cash to shareholders where that makes sense. We spent a net half a billion on acquisitions last year after disposals, and a slightly lesser amount on a hybrid bond repayment.

Nonetheless, we kept our net financial debt leverage at the same level as in 2023, while returning a total of 2.6 billion Swiss francs in cash to Holcim shareholders.

Again this is a consistent story that has played out over several years - we have taken our net debt leverage ratio down from 2.2x in 2018 to its current 1.2x level, prioritizing a strong investment grade credit rating from the rating agencies.

Next, return on invested capital, or ROIC, which reached a new record at 11.2%. This is proof of careful capital management - both in CAPEX and M&A - an efficient use of our existing asset base as well as increased profitability. This is another important indicator of performance that we have increasingly improved over the years.

I would now like to turn to our dividends. This is the fourth year in a row that the Board is able to propose a double-digit increase in dividends per share. That increase takes it to a record CHF 3.10, up 11% from 2023. This amounts to 12% annual growth in dividends since 2020, demonstrating our ability to drive superior shareholder value.

Remember, too, that these dividends are paid out of our foreign capital reserves and are thus exempt from Swiss withholding tax.

You'll note that in December we completed our latest share buyback program for a total 1 billion Swiss francs, which was for about 2.1% of our total shares issued.

We were able to purchase the shares at an average price of 81.64 Swiss francs per share, significantly below the current market price. This is of course another way in which we drive superior shareholder value.

Finally, I'd like to spend a moment on capital allocation. It illustrates how we have a balanced yet agile approach to capital deployment.

About 40% of the 33 billion Swiss francs of capital allocated over the last seven years went to growth investments – that's mergers and acquisitions, and growth capex.

35% has been returned to shareholders – through progressive dividends and share buybacks.

And 25% has been for debt repayment – a demonstration of our commitment to our strong investment grade credit rating.

I trust that the metrics I have walked you through today demonstrate Holcim's excellent track record in creating shareholder value.

It is this proven track record of growth, performance and value creation that gives us the optimal platform to take the next step to unlock value by creating two champion companies.

With that, it gives me great pleasure to hand you over to Sam Poletti, Project Management Office lead for the planned listing of our North American business.