



# 2019 Results



# Agenda

Market Backdrop & Trading Performance

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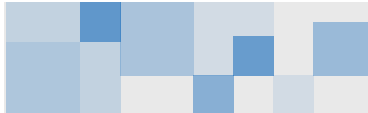
Financial Performance

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Strategy & Sustainability Update

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Outlook & Key Takeaways



# Key Messages



## Financial Delivery

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- Good profit performance & cash generation ...  
... significant balance sheet strength & capacity
- Continuing business improvement ...  
... delivering further margin expansion
- Increasing cash returns to shareholders  
... €0.8bn share buyback in 2019  
... 15% increase in FY dividend



## Business Developments


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- Active portfolio management  
... €0.7bn bolt-ons; €2.1bn divestments  
... €0.3bn divestment of Indian cement JV
- Raising our sustainability ambitions ...  
... setting new carbon reduction targets
- Changing reporting currency to US Dollar ...  
... aligning with primary currency exposure

# 2019 Financial Highlights

 **Sales**  
€28.3bn +6%  
+3% LFL

 **EBITDA**  
€4.2bn +25%  
+7% LFL

 **EBITDA Margin**  
14.8% +230bps  
+50bps LFL

 **EPS**  
€2.41 +25%  
(Continuing Ops)

 **Cash Flow**  
€3.5bn +83%

 **Net Debt/EBITDA<sup>1</sup>**  
1.7x



<sup>1</sup> Continuing Operations





Market Backdrop & Trading Performance

# Americas Materials – Market Backdrop

- Favourable economic backdrop ...  
... fundamentals remain supportive
- Solid underlying demand environment
- Positive momentum in Infrastructure activity ...  
... state & federal funding underpinned
- Good visibility into 2020 ... outlook positive



# Americas Materials – Trading Performance

- Strong financial & operational delivery
- Good demand ... disciplined pricing
- Performance improvement & cost focus driving margin expansion
- Ash Grove performing well ... good synergy delivery

| 2019   | €m     | Change vs. 2018 |         |
|--------|--------|-----------------|---------|
|        |        |                 | LFL     |
| Sales  | 10,385 | +16%            | +4%     |
| EBITDA | 1,960  | +31%            | +10%    |
| Margin | 18.9%  | +220bps         | +100bps |



# Europe Materials – Market Backdrop

- Positive construction demand in key markets
- Challenging UK construction market ...  
... expect stabilisation in 2020
- Progress in Western Europe ...  
... good growth in Eastern Europe
- Continued growth expected in 2020

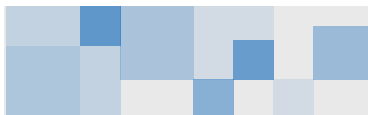




# Europe Materials – Trading Performance

- Good performance in 2019
- Margin progress offset by challenging UK market
- European cement volumes ahead ...  
... strongest growth in the East
- Pricing ahead in all markets ...  
... commercial discipline & cost recovery

| 2019   | €m    | Change vs. 2018 |        |
|--------|-------|-----------------|--------|
|        |       |                 | LFL    |
| Sales  | 8,494 | +6%             | +5%    |
| EBITDA | 1,079 | +15%            | +2%    |
| Margin | 12.7% | +110bps         | -30bps |



# Building Products – Market Backdrop

- Favourable demand environment in North America & Europe
- Core European markets performing well
- Improving US Residential outlook ...  
... further growth in key Non-Residential markets
- Continued positive momentum expected in 2020

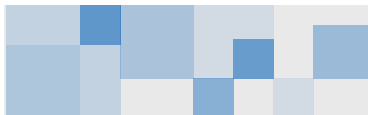


# Building Products – Trading Performance

- Strong underlying performance
- Margin expansion reflects continuing focus on operating efficiencies & commercial management
- Significant portfolio activity ... simpler & more focused
- Reallocating capital for enhanced value creation ...  
... 16 bolt-on acquisitions in 2019

| 2019   | €m    | Change vs. 2018 |        |
|--------|-------|-----------------|--------|
|        |       |                 | LFL    |
| Sales  | 6,250 | -               | +2%    |
| EBITDA | 961   | +22%            | +8%    |
| Margin | 15.4% | +280bps         | +70bps |

Continuing Operations



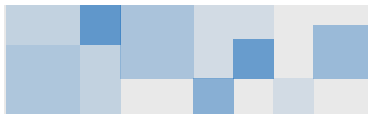
# Building Products – Positioned for Further Growth

- High-growth markets ...  
... addressing the changing needs of construction
- Delivering complete customer solutions ...  
... integrating materials, products & services
- Value-added ... 65% engineered concrete products
- Superior returns and cash generation ... low capital intensity
- Significant growth opportunities ...

## Organic Performance (2014-2019)

|                      |   |             |                           |   |              |
|----------------------|---|-------------|---------------------------|---|--------------|
| Sales<br>+€1.0bn     | ↑ | CAGR<br>+4% | EBITDA<br>+€0.3bn         | ↑ | CAGR<br>+13% |
| <b>EBITDA Margin</b> |   |             | <b>Operating Leverage</b> |   |              |
| <b>+430bps</b>       |   |             | <b>30%</b>                |   |              |

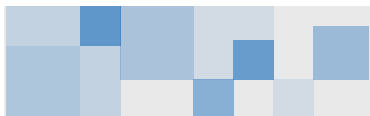
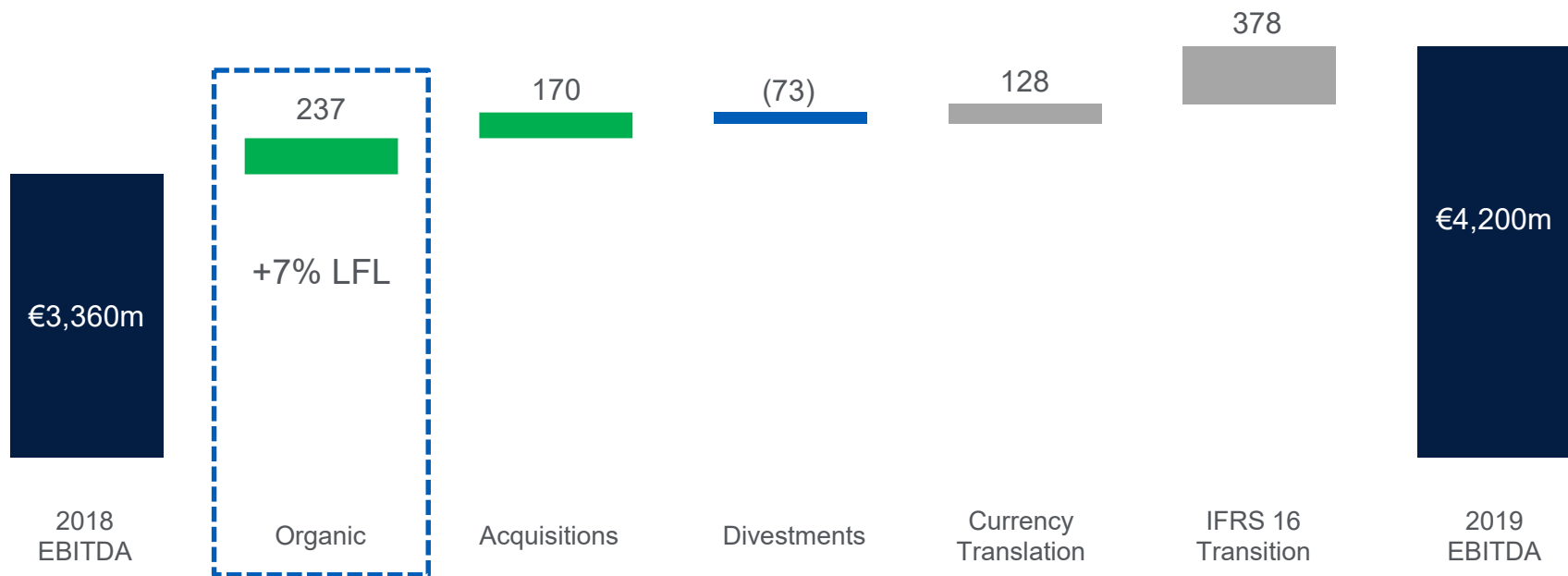
Excluding Europe Distribution



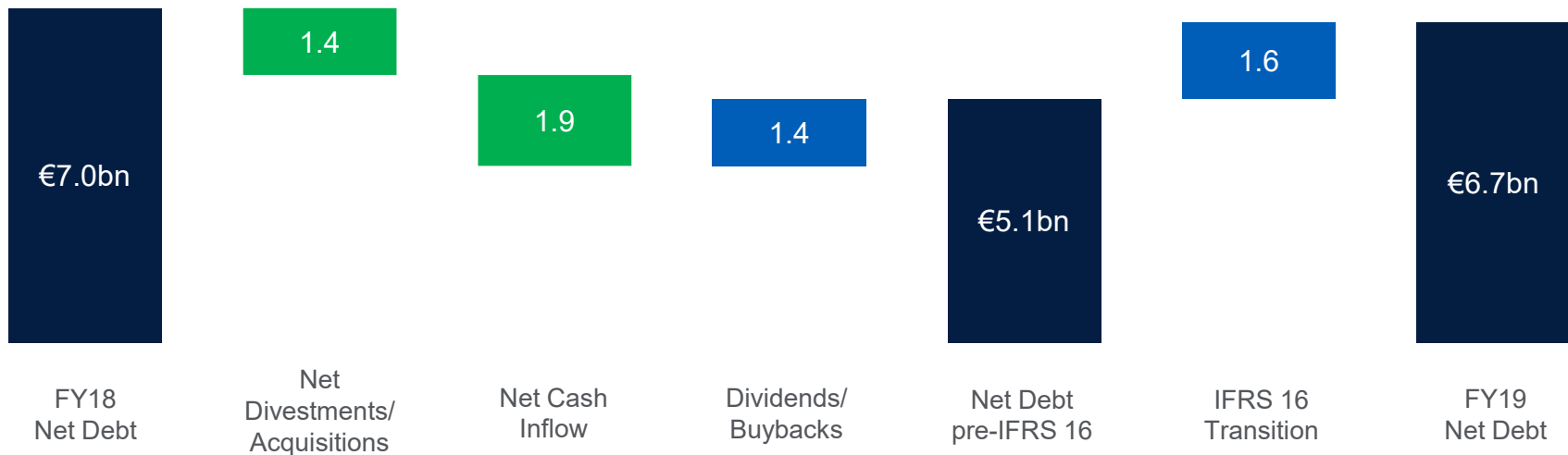


# Financial Performance

# Components of Financial Performance



# 2019 Net Debt Performance



**2.1x**

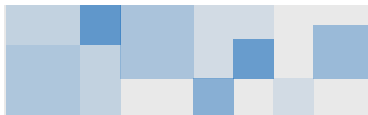
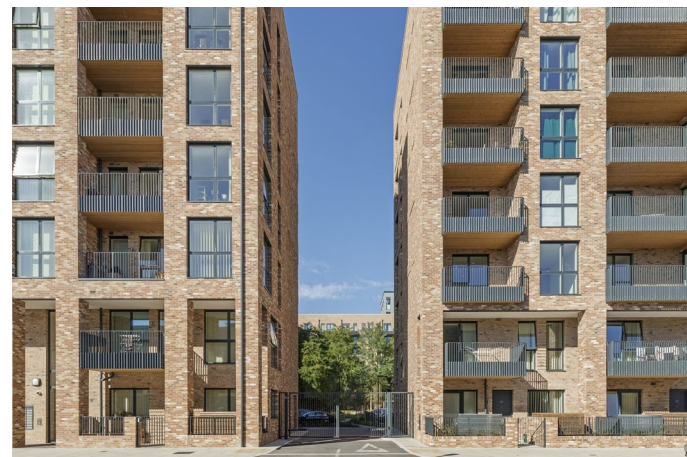
Net Debt / EBITDA

**1.7x**

(Continuing Operations)

# Increasing Cash Returns to Shareholders

- Significant balance sheet strength & flexibility
- Consistent focus on shareholder value & efficient capital allocation
- Share buyback programme ongoing ...  
... €0.8bn in 2019; further €0.2bn underway
- Resetting dividend to higher level (+15% in 2019) ...  
... reflecting sustainably higher profit & cash generation

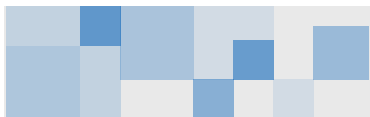
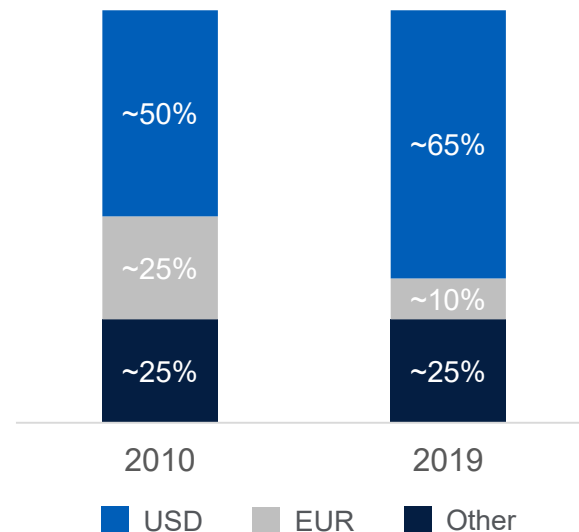




# Changing Reporting Currency to US Dollar

- Significant shift in portfolio & business mix ...  
... structurally higher USD exposure
- Benefits of change to USD reporting ...
  - ✓ Reduced volatility of reported earnings
  - ✓ More accurate reflection of underlying performance
  - ✓ Closer alignment with earnings & asset base
- Change effective 1 January 2020

EBITDA by currency

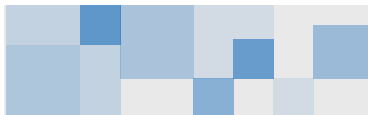




# Group Strategy Update

# A Simpler & More Focused Business

- Continuing to re-shape & refine our portfolio to maximise shareholder value ...  
... 40%+ of assets divested in last 5 years
- Completed €0.3bn divestment of Indian cement JV
- Active portfolio management in 2019  
... divesting at 11x EBITDA  
... acquiring at 8x EBITDA



# Reallocating Capital for Further Value Creation

- Disciplined approach to capital deployment
- Focused on developed markets with attractive fundamentals & sustainable growth prospects
- Leveraging our core strengths & capabilities in operating integrated & value-adding businesses
- Significant opportunities to deliver growth & value through acquisition



# Continuous Business Improvement

## Implementation ...

- Group-wide focus ...  
... coordinated centrally
- Focused on improving efficiency & productivity
- Incremental business improvement & cost saving measures

## Progress ...

- Initiatives underway across all businesses
- Good delivery in 2019 despite certain market challenges
- LFL margin **+50bps** ...  
ahead of original expectations

## Further Delivery ...

- Detailed plans in place for further improvement
- Positive momentum to continue ... 2020 & beyond
- Delivering higher margins year on year

*Delivering structurally higher margins, returns & cash generation*



# Sustainability Update

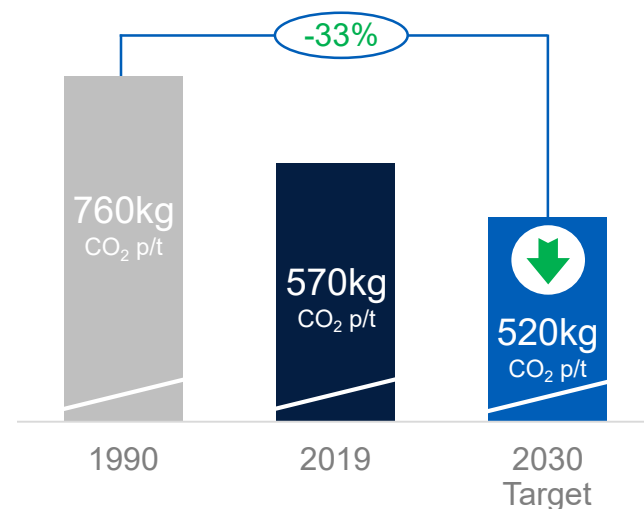
# CRH ... Building our World in a More Sustainable Way

- Our products build our world ... essential for modern living
- 30+ years collaborating, innovating & engaging with our industry
- Focused on ...
  - ✓ Reducing carbon emissions
  - ✓ Increasing the use of recycled materials
  - ✓ Reducing the impact of construction on our world



# Leading the Industry in Reducing Cement Carbon Emissions

- Founding member of Global Cement & Concrete Association ...  
... leading a coordinated industry response to a global issue
- Significant progress to date ...  
... 2020 targets achieved ahead of schedule
- Key areas of focus ...
  - ✓ Recycled fuels
  - ✓ Clinker substitution
  - ✓ Alternative raw materials
  - ✓ Kiln economy & power optimisation

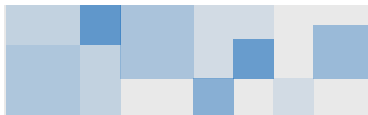


*Setting the most demanding targets in the industry for the next decade*



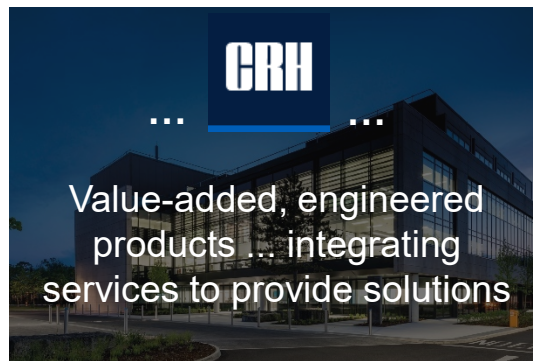
# Sustainability is at the Core of our Thinking

- Delivering excellence in sustainable manufacturing
- Recognised as an industry leader by major rating agencies
- 30+ years focused on sustainable innovation in our industry ...
  - ✓ 33% of fuels in our cement plants ... recycled materials
  - ✓ 20%+ of every road we build ... recycled materials
  - ✓ The largest recycler of building materials in North America

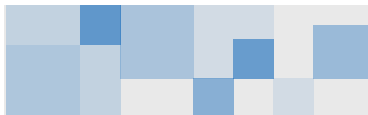


# Innovating & Delivering Sustainable Solutions

- CRH, uniquely ... integrating ... materials, products & services
- A leading manufacturer of the world's most sustainable building material ... concrete



*... Reducing the Impact of Construction on our World ...*

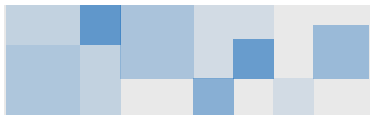




Outlook

# CRH in 2020 ... Well Positioned

- Leading positions in attractive developed markets with **sustainable growth** prospects
- **Continuous business improvement** ... higher margins, returns & cash generation year after year
- Strong pipeline of value-accretive **acquisition opportunities** ... disciplined & focused approach
- Significant **balance sheet strength & flexibility**
- **Allocating capital** to enhance value ... active portfolio management & cash returns to shareholders



# 2020 Expectations ...

- **Americas Materials** – positive demand to continue
- **Europe Materials** – further growth in key markets
- **Building Products** – continuing positive momentum



... another year of progress



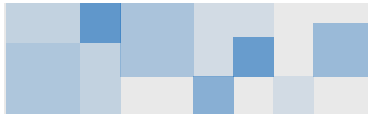
# Key Takeaways

*Strong financial delivery ...  
... well positioned for 2020*

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

*Enhancing value through  
active portfolio management*

*Increasing cash returns ...  
... dividends & buybacks*



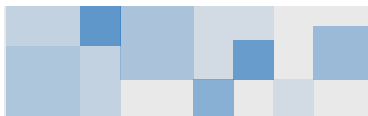


Appendices

# Key Components of 2019 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>2018</b>                           | <b>23,241</b> | <b>3,216</b> | <b>2,071</b>     | <b>-27</b>                 | <b>-351</b>         | <b>48</b>                      | <b>1,741</b>   |
| Exchange effects                      | 764           | 127          | 91               | 1                          | -12                 | 2                              | 82             |
| <b>2018 at 2019 rates</b>             | <b>24,005</b> | <b>3,343</b> | <b>2,162</b>     | <b>-26</b>                 | <b>-363</b>         | <b>50</b>                      | <b>1,823</b>   |
| <i>Incremental impact in 2019 of:</i> |               |              |                  |                            |                     |                                |                |
| - 2018/2019 acquisitions              | 923           | 164          | 70               | -                          | -44                 | -                              | 26             |
| - 2018/2019 divestments               | -629          | -52          | -18              | 34                         | 2                   | -                              | 18             |
| - Leases                              | -             | 311          | 40               | -                          | -62                 | -                              | -22            |
| - Organic                             | 830           | 234          | 240              | -9                         | 29                  | 10                             | 270            |
| <b>2019</b>                           | <b>25,129</b> | <b>4,000</b> | <b>2,494</b>     | <b>-1</b>                  | <b>-438</b>         | <b>60</b>                      | <b>2,115</b>   |

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

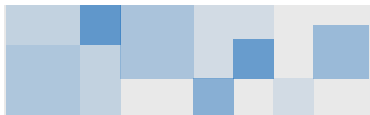




# Americas Materials

## Analysis of change

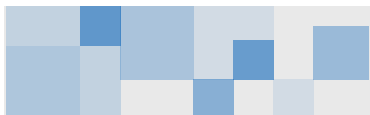
| € million              | 2018  | Exchange | Acquisitions | Divestments | Leases | Organic | 2019   | % Change |
|------------------------|-------|----------|--------------|-------------|--------|---------|--------|----------|
| Sales revenue          | 8,951 | +460     | +657         | -26         | -      | +343    | 10,385 | +16%     |
| EBITDA                 | 1,493 | +84      | +135         | -5          | +98    | +155    | 1,960  | +31%     |
| Operating profit       | 1,009 | +60      | +61          | -4          | +9     | +136    | 1,271  | +26%     |
| EBITDA/sales           | 16.7% |          |              |             |        |         | 18.9%  |          |
| Operating profit/sales | 11.3% |          |              |             |        |         | 12.2%  |          |



# Europe Materials

## Analysis of change

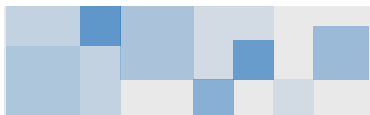
| € million              | 2018  | Exchange | Acquisitions | Divestments | Leases | Organic | 2019  | % Change |
|------------------------|-------|----------|--------------|-------------|--------|---------|-------|----------|
| Sales revenue          | 8,042 | +70      | +35          | -27         | -      | +374    | 8,494 | +6%      |
| EBITDA                 | 936   | +10      | +2           | +1          | +113   | +17     | 1,079 | +15%     |
| Operating profit       | 487   | +6       | -1           | +2          | +16    | +45     | 555   | +14%     |
| EBITDA/sales           | 11.6% |          |              |             |        |         | 12.7% |          |
| Operating profit/sales | 6.1%  |          |              |             |        |         | 6.5%  |          |



# Building Products (Continuing Operations)

## Analysis of change

| € million              | 2018  | Exchange | Acquisitions | Divestments | Leases | Organic | 2019  | % Change |
|------------------------|-------|----------|--------------|-------------|--------|---------|-------|----------|
| Sales revenue          | 6,248 | +234     | +231         | -576        | -      | +113    | 6,250 | +0%      |
| EBITDA                 | 787   | +33      | +27          | -48         | +100   | +62     | 961   | +22%     |
| Operating profit       | 575   | +25      | +10          | -16         | +15    | +59     | 668   | +16%     |
| EBITDA/sales           | 12.6% |          |              |             |        |         | 15.4% |          |
| Operating profit/sales | 9.2%  |          |              |             |        |         | 10.7% |          |



# Cement Volumes & Pricing

| YoY % Change | Volumes | Price (LC) |
|--------------|---------|------------|
| Finland      | -       | =          |
| France       | =       | +          |
| Germany      | -       | +          |
| Hungary      | --      | ++         |
| Ireland      | ++      | +          |
| Poland       | ++      | ++         |
| Romania      | ++      | ++         |
| Serbia       | ++      | +          |

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

## Legend

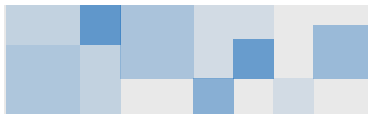
|            |    |
|------------|----|
| >5%        | ++ |
| 2% to 5%   | +  |
| -1% to +1% | =  |
| -5% to -2% | -  |
| <-5%       | -- |

<sup>1</sup> Proforma basis to account for partial year ownership of US cement acquisitions in 2018.



# Americas Materials Volumes & Prices

| YoY % Change | Total   |       | Heritage |       |
|--------------|---------|-------|----------|-------|
|              | Volumes | Price | Volumes  | Price |
| Aggregates   | +5%     | +4%   | +1%      | +5%   |
| Asphalt      | -1%     | +5%   | -1%      | +5%   |
| RMC          | +9%     | +4%   | +2%      | +4%   |



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In order to utilise the “Safe Harbor” provisions of the United States Private Securities Litigation Reform Act of 1995, CRH public limited company (the “Company”), and its subsidiaries (collectively, “CRH” or the “Group”) is providing the following cautionary statement.

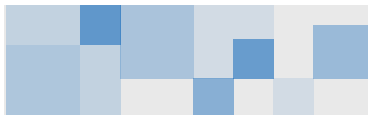
This document contains statements that are, or may be deemed to be forward-looking statements with respect to the financial condition, results of operations, business, viability and future performance of CRH and certain of the plans and objectives of CRH. These forward-looking statements may generally, 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.

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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 2018 Annual Report on Form 20-F as filed with the US Securities and Exchange Commission.

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