PRESS RELEASE

Consolidated Financial Report

1ST QUARTER 2020

InterCement

Building sustainable partnerships

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Despite volume drop, operational improvements, mainly in Brazil, led Adj. EBITDA[1] to expand 10% YoY in 1Q20

1. 1Q20 Performance

- Cement and clinker volumes fell 10.7% in 1Q20, reaching 4.3 million tons, already affected by COVID-19 pandemic outbreak (see more details in Sections 5 and 6 below), mostly in Argentina and South Africa. Additionally, Paraguay (infrastructure slowdown) and Egypt (oversupply in a retracting environment) also posted declining YoY volumes in the quarter. Meanwhile, Mozambique and Brazil saw volume expansion of 10% and 1% in 1Q20, respectively.
- Total Sales amounted to 299 million euros, a 12.7% YoY decline in 1Q20, mostly affected by a decrease in volumes, but also due to significant depreciation of currencies on emerging countries in the period, mostly the Brazilian Real and Argentinian Peso in the period.
- Adjusted EBITDA reached 67 million euros, an expansion of 9.7% YoY, mostly driven by Brazil recovery, which has posted sequential significant operational improvement, and by a better cost efficiency in most countries, besides the help of local currencies devaluation. Thus, Adjusted EBITDA margin increased to 22.3% in 1Q20, a 4.6 p.p. expansion from 17.7% in 1Q19.
- Free Cash Flow to the Company was negative at 163 million euros, 11 million euros better than 1Q19, if we exclude the effect of the sale of Portugal and Cape Verde operations (456 million euros) in 1Q19, mostly due to operational improvements and better working capital management.
- Net Debt[2] totaled 1,504 million euros, an increase of 7% compared to Dec'19, as result of a cash reduction. Meanwhile the gross debt decreased 3% compared to Dec'19, due to the Company's focus on reducing indebtness and consequently strengthening its capital structure, besides positive impact of BRL devaluation in the period.

Note: The review of this report is not part of the scope review of the independent auditors, thus, this report was not reviewed by the independent auditors

1 – Adjusted EBITDA: it is a non-accounting metric and was not audited by independent auditors.

2 – Net Debt: gross debt (excluding interest payables), less cash and cash equivalents and securities

KEY FIGURES			
(mn €, unless otherwise expressed)	1Q20	1Q19 Restated	Var. %
Cement and Clinker Sales ('000 ton)	**4.301**	4.815	(10,7%)
Sales	**299**	342	(12,7%)
EBITDA	**60**	48	24,2%
Adjusted EBITDA[1]	**67**	61	9,7%
CAPEX	**-69**	-51	35,1%
Net Debt[2]	**1.504**	1.372	9,6%
Net Debt (31 Dec)	**-**	1.404	7,1%
FCF	**-164**	293	(156,0%)

[1] Adjusted EBITDA = EBITDA excluding non-recurring expenses, also taxes on financial transactions in Argentina

[2] Net Debt = gross debt (which excludes interest payable), less cash and cash equivalents and securities

2. Profit and Loss

INCOME STATEMENT			
	1Q20	1Q19 Restated	Var. %
Sales	**299**	**342**	**(13%)**
Net Operational Cash Costs	239	294	(19%)
Operational Cash Flow (EBITDA)	**60**	**48**	**24%**
Deprec. Amort. and Impairments	45	42	7%
Operating Income (EBIT)	**15**	**6**	**140%**
Financial Results	(17)	(42)	60%
Pre-tax Income	**(1)**	**(36)**	**96%**
Income Tax	15	3	408%
Net Inc. from continuing Operations	(16)	(39)	58%
Net Inc. from discontinuing Operations	-	314	(100%)
Net Income	**(16)**	**275**	**(106%)**
Attributable to:			
Shareholders	(25)	258	(110%)
Minority Interests	8	17	(51%)

Volumes Sold fell 10.7% in the quarter, mostly affected by: (i) declining volumes in Argentina, driven by macroeconomic contraction and by the preliminary COVID-19 impact in March (total lockdown implemented in March 20th); (ii) the slowdown of infrastructure construction and rising imports in Paraguay; (iii) cement oversupply in Egypt in a retracting construction environment; and, (iv) COVID-19 impact in South Africa in March (full lockdown implemented in March 25th). On the other hand, Brazil reached 1% growth in the period, in spite of social distancing measures, helped by reasonable economic conditions. Furthermore, Mozambique also saw rising volumes, 9.8% growth YoY, benefited by the country's economic recovery in the period.

Sales reached 299 million euros in 1Q20, a 12.7% YoY retraction in euros, affected by declining volumes and further harmed by local currencies depreciation, mainly Brazilian Real and Argentinian Peso.

Brazil posted significant improvement in 1Q20 (Adjusted EBITDA was up 73.2% % YoY), leading Adjusted **EBITDA** to increase 9.7% YoY in the period, totalling for 66.5 million euros. In contrast, we saw some margin compression in our operations in Paraguay and South Africa. Adjusted EBITDA margin came at 22.3%, expansion of 4.6 p.p. YoY, as consequence of increasing prices and cash cost improvements, mainly in Brazil (margin was up 5.6 p.p. to 12.2%) and Mozambique. Non-recurring items totalled 6.4 million euros, mostly explained by: (i) taxes on financial transactions in Argentina, reclassified from financial expense to operational expense; (ii) one-off expenses in Portugal; and (iii) non-recurring costs due to COVID-19 in Argentina.

Depreciation and Amortizations increased 7% YoY, totalling for 45 million euros, partially explained by IFRS16 impact.

Financial Results reduced 60% YoY in the quarter, reflecting the execution of InterCement Deleveraging and Liability Management Plan, and due to the reduction of the Brazilian Interest Rate (CDI) in the period to the lowest historical level.

Income taxes reached 15 million euros in 1Q20, an increase of 12 million euros, due to a variation on deferred taxes in the period (to 5.9 million euros, from negative 7.0 million euros), mostly on Argentina and Holdings.

Net Income registered a loss of 16 million euros in 1Q20, 58% lower than continuing operations in 1Q19 – mostly as result of operational performance improvement along with better financial results.

3. Free Cash Flow

Cash flow from operations was negative at 44 million euros, a 51% improvement over 1Q19, benefitted by better operational performance, and better management of working capital, which had a disbursement 33% lower than in 1Q19, mostly result of an improvement in Brazil, Mozambique and Egypt.

Interests paid in 1Q20 totalled 47 million euros, an increase of 44% when compared to interest paid in 1Q19 of 33 million euros, as consequence of the initiatives to stretch the amortization of debts included in the bank debt refinancing. Since the end of 2019, the Company entered in several agreements with lenders to postpone the debt amortization, allowing inclusion of such amounts in the new debenture issuance, resulting and early resets of interest and renewal fees, but without increasing interest expenses in the period – see more details in Section 4 below.

FREE CASH FLOW GENERATION MAP

	1Q20	1Q19
Adjusted EBITDA	67	61
Fluctuation in Operational Assets/Liabilities	(95)	(142)
Others	(16)	(9)
Operating Activities	**(44)**	**(90)**
Interests Paid & Derivative Unwinding	(47)	(33)
Income taxes Paid	(4)	(1)
Cash Flow before investments	**(95)**	**(124)**
CAPEX	(69)	(51)
Assets Sales / Others[1]	1	468
Free Cash Flow to the company	**(163)**	**293**
Borrowings, financing and debentures	119	26
Repayment of borrowings, financ. and debent.	(76)	(216)
Capital Increases/Decreases	-	-
Dividends	-	(47)
Other investment activities	(5)	(7)
Changes in cash, equivalents & securities	(125)	49
Exchange differences	(20)	(3)
Cash, equivalents and securities, End of the Period	167	448

[1] please refer to explanatory note 2.3 of Consolidated Financial Statement

CAPEX disbursement in 1Q20 amounted by 69 million euros, 35% higher than in 1Q19, mostly related to L'Amali project – already totalled 260 million euros in investments. Due to COVID restriction measures, L'Amali project had to be interrupted in March 20th, and since May the construction is back at a lower pace. The commissioning is expected towards the end of 2020.

Total Cash Flow represented a deficit of 125 million euros in 1Q20, a drop when compared to the surplus of 49 million euros in 2019, highly supported by proceedings from the sale of our operations in Portugal and Cape Verde in 1Q19.

Cash and Cash Equivalents, including financial instruments such as securities, totalled 167 million euros at March 2020, a decrease of 281 million euros when compared to 1Q19 (at 448 million euros).

4. Balance Sheet

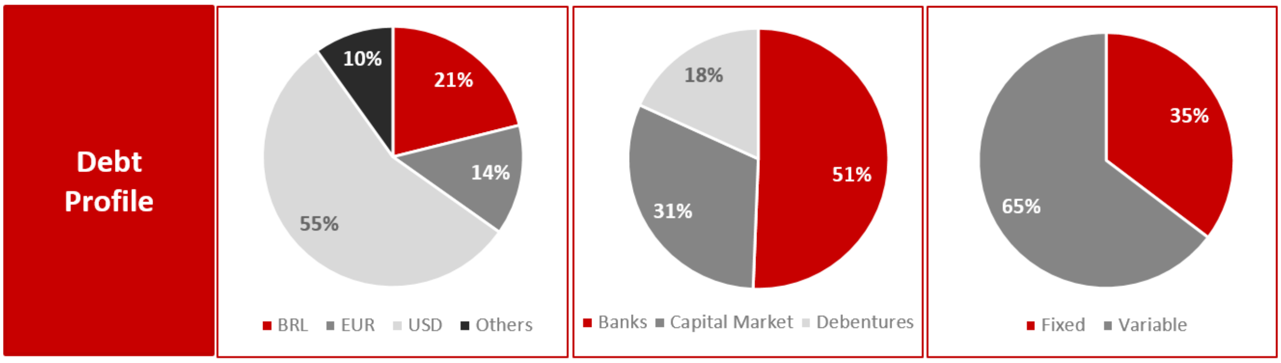
Total Assets amounted to 3,049 million euros at March 2020, a reduction of 490 million euros when compared to March 2019, mostly as result of FX devaluation in emerging countries' currencies during the quarter – especially Brazilian Real, South African Rand, Argentinian Peso and Mozambican Metical.

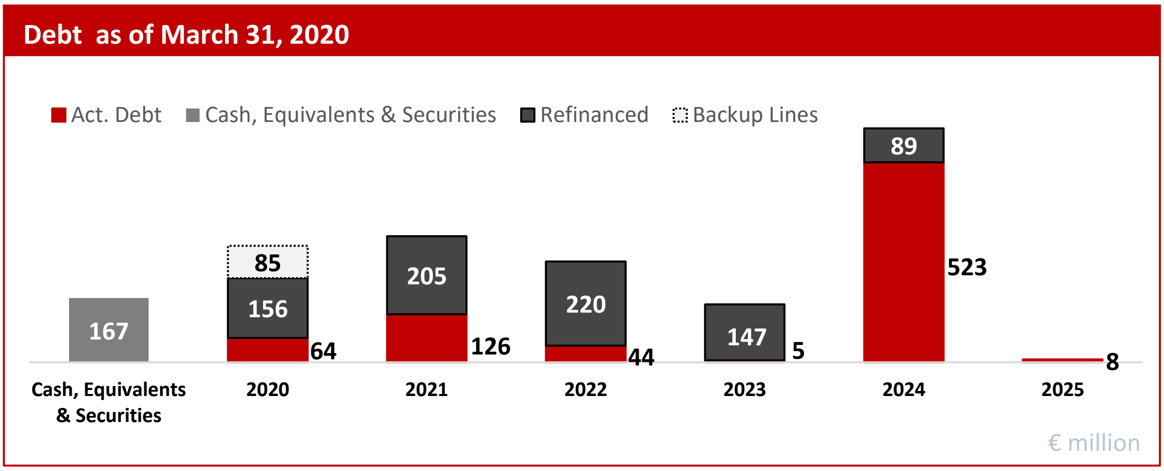
Gross Debt, registered 1,671 million euros, and net debt of 1,504 million euros, representing an increase of 100 million euros when compared to Dec'19, when net debt registered 1,404 million euros, mostly due to reduction on cash position in the period. Meanwhile, the gross debt had a reduction of 3% in the period, mostly due to Brazilian Reais and Argentinian Peso depreciation in the period.

CONSOLIDATED BALANCE SHEET SUMMARY

(€ million)	1Q20	4Q19	Var. %
Assets			
Non-current Assets	2.461	2.817	(12,6%)
Derivatives	5	6	(15,8%)
Current Assets			
Cash and Equivalents	167	314	(46,8%)
Derivatives	-	-	0,0%
Other Current Assets	415	401	3,5%
Assets classified as held for sale	-	-	0,0%
Total Assets	**3.049**	**3.539**	**(13,8%)**
Shareholders' Equity attributable to:			
Equity Holders	411	703	(41,4%)
Minority Interests	293	301	(2,6%)
Total Shareholders' Equity	**705**	**1.004**	**(29,8%)**
Current Liabilities			
Loans & Obligations	456	355	28,3%
IFRS 16	17	27	(38,0%)
Other Current Liabilities	313	419	(25,2%)
Non-Current Liabilities			
Loans & Obligations under finance leases	1.215	1.363	(10,8%)
IFRS 16	32	35	(9,0%)
Provisions & Employee benefits	70	72	(2,6%)
Other Liabilities	241	264	(8,8%)
Liabilities assoc. w/ assets classified as held for	-	-	0,0%
Total Liabilities	**2.344**	**2.535**	**(7,5%)**
Total Liabilities and Shareholders' Equity	**3.049**	**3.539**	**(13,8%)**

The profile of Debt as of March 31, 2020 was as follows:





As a subsequent event, on June 8, 2020 we completed our refinancing through debentures issuance at InterCement Participações and InterCement Brasil, in an aggregate principal amount of BRL 4.7 billion (equivalent to €818 million), addressing our outstanding loans and old debentures scheduled to mature from 2020 until 2024.

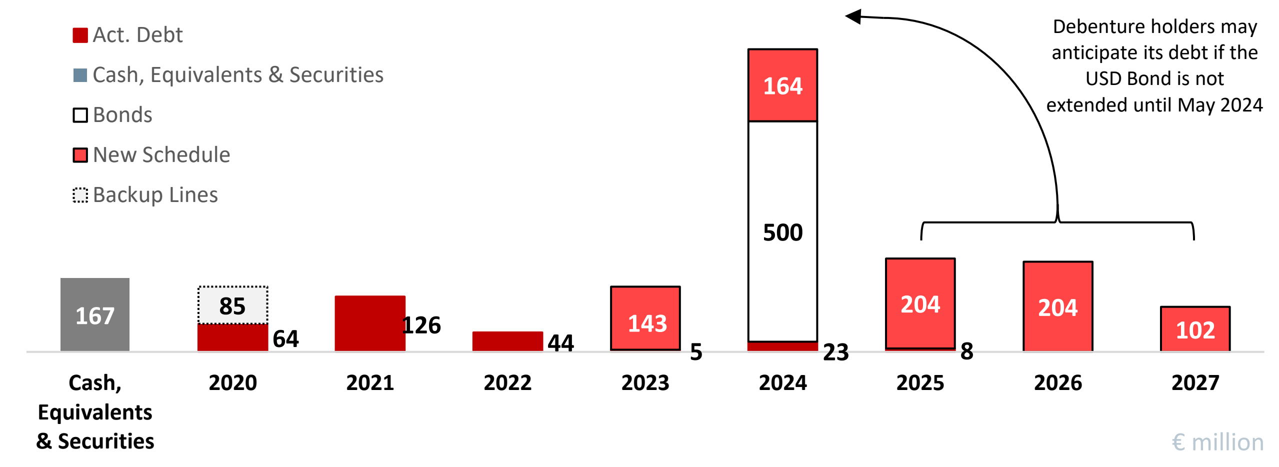
This represents an additional and important step of InterCement's comprehensive liability management plan, together with the October 2017 IPO of Loma Negra CIASA, our subsidiary in Argentina, and the January 2018 sale of its assets in Portugal and Cape Verde.

These two new debentures will strengthen our balance sheet, by allowing the Group to lengthen its scheduled debt amortization, with principal payments commencing in 2023 and final maturity in May 2027. These debentures will bear interest linked to the Brazilian base interest rate (CDI) plus a spread of 3.75% per annum and also will enable the Group to match its expected cash flow generation with its debt currency profile. The debentures will be mandatorily redeemable in May 2024 if the Group is unable to refinance its existing notes due 2024.

With the closing of the issuance of the debentures and the related refinancing, more than 50% of the Group's consolidated indebtedness is now denominated in BRL, with approximately 35% denominated in USD. These new debentures are secured by the shares of Loma Negra CIASA owned by the Group and are not convertible into equity.

In the figure below we present the resulting amortization, considering the final maturity in 2027, as the Company expects to be able to refinance the 2024 bonds before May 2024.

Debt Pro-Forma Liability Management impact as of March 31, 2020



5. Operations in-depth look – 1Q20

Brazil

Before the COVID-19 outbreak, cement volume in Brazil remained on its positive trend during the quarter, backed by the pick-up of the launches in housing sector. In the first two months total market volume accelerated at a pace of around +4% YoY, then affected by COVID-19, growth in quarter slowed to +1% YoY. InterCement's performance was in line with the market in the period, expanding +1% YoY in 1Q20. Pricing trend had improved, as Mar20 prices were 2.6% higher than Jan20, helped by a better economic dynamic throughout the year.

EBITDA in 1Q20 totalled 11.1 million euros, driven by stronger volume, better price and lower cash costs, leading EBITDA to expand by 5.0 million euros in the period, and margins to reach 11.9% (up 5.7 p.p. YoY). Excluding non-recurrent expenses, adjusted EBITDA registered an expansion of 4.8 million euros YoY, to 11.4 million euros from 6.6 million euros in 1Q19. Thus, adjusted EBITDA margin reached 12.2% from 6.7%.

Argentina & Paraguay

Argentina and Paraguay business unit registered a decline of 4.6% YoY in Adjusted EBITDA in 1Q20, reaching 47 million euros, mainly affected by declining volumes in the region. However, improvement on costs led margins to raise 5.6 p.p. to 36.9%.

Argentina political and economic challenging context in addition to the COVID impact (full lockdown implemented in March 20th) led cement and clinker sales to shrink 26.9% YoY in the 1Q20 (a decline equivalent to 369k tons). On the other hand, prices and better cash costs helped Adj. EBITDA to decrease only 2% YoY, while margin improved significantly, expanding 6.5 p.p..

Paraguayan cement and clinker sales fell 13% vs. 1Q19, due to infrastructure slowdown and higher imports, driving Adjusted EBITDA to decrease 19.8% YoY and pressuring margins – fell 2.3 p.p. YoY.

Africa

InterCement's African operations posted a 10.2% YoY decrease on cement and clinker volumes sold in 1Q20, mostly as consequence of a competitive environment in Egypt that remains fierce and due to declining volumes in South Africa due to weaker demand. On the other hand, Mozambique saw rising volumes, benefited by the increasing economic activity in the country.

In Mozambique, volumes sold persisted on a recovery trend, driven by economic activity pick up and the resume of infrastructure projects, leading cement volumes to expand by 9.8% YoY in the period. Additionally, prices also expanded during the year, benefiting top line. Adjusted EBITDA increased 44.7% YoY in the period.

South Africa sales were down 3% YoY, affected by COVID-19 as social isolation measures were implemented during March, with the total lockdown implemented in March 27th. Sales were up 14% YoY in 2M20, while posting a fall of 25% YoY in March. Additionally higher costs persisted during the quarter, leading Adj. EBITDA to drop by 16% in 1Q20 while margins fell by 1.4 p.p.

In Egypt, volumes sold decreased 19.6% YoY in 1Q20, affected by a competitive environment that remains fierce, along with weak demand. Adjusted EBITDA in 1Q20 registered an expansion of 3.6 million euros, as consequence of negative revisions on 1Q19 results, leading to a great expansion in 1Q20.

CEMENT AND CLINKER VOLUMES SOLD

	1Q20	1Q19 Restated	Var. %
BRA	1.969	1.957	0,6%
ARG & PAR	1.134	1.522	(25,5%)
AFRICA	1.199	1.335	(10,2%)
Consolidated Total	**4.301**	**4.815**	**(10,7%)**

NET REVENUES

(€ million)	1Q20	1Q19 Restated	YoY
BRA	93	99	(5,6%)
ARG & PAR	127	157	(19,2%)
AFRICA	77	81	(4,6%)
Others	3	6	(56,4%)
Sub-Total	**299**	**342**	**(12,5%)**
Intra-Group Eliminations	(1)	-	0,0%
Consolidated Total	**299**	**342**	**(12,7%)**

ADJ. EBITDA - BU OPENING			
(€ million)	1Q20	1Q19 Restated	Var. %
BRA	11	7	73,2%
ARG & PAR	47	49	(4,6%)
AFRICA	12	7	61,9%
Others	(3)	(2)	56,0%
Consolidated Total	**67**	**61**	**9,7%**
EBITDA Margin	**22,3%**	**17,7%**	**4,6 p.p.**

6. Corporate and subsequent events

Refinancing of Debts

In June 2020, the Company concluded its Debt refinancing program that the Management designed with the Company's main lenders, where approximately €818 million of its debt were extended by the issuance of two Debentures, one by InterCement Participações S.A. (€521 million) and other by InterCement Brasil S.A (€297 million) – see more details in Section 4 above.

Corona virus

As detailed in the Note 1 of our Consolidated Financial Statements, a new virus (Corona Virus) spread out across the globe in the first quarter of 2020 and to contain the dissemination several actions were taken by authorities from different countries. Among others, the action taken restricted travels and any kind of agglomeration.

The global market were severed impacted, resulting in volatility and uncertainties in several perspectives and also about Global Gross Domestic Product ("GDP") in 2020 and upcoming years.

Management quickly responded to the situation and created committees to respond to the situation with the purpose to prevent labors contamination and implement measures to mitigate or reduce the impact in Company´s business, clients, suppliers, credits and community.

The committees have constantly being in communication with Company´s board and current and future impacts in economy and society are closely monitor by this multi-task team and decisions are being taking as deemed necessary.

In the regions the Company operations, only Argentina and South Africa determined a lockdown as of the issuance of this financial statements. Only South Africa did not consider cement industry as essential product and services, therefore, it was the business segment mostly impacted.

Disclaimer:

This announcement contains forward-looking statements within the meaning of federal securities law that are subject to risks and uncertainties. These statements are only predictions based upon our current expectations and projections about possible or assumed future results of our business, financial condition, results of operations, liquidity, plans and objectives. In some cases, you can identify forward-looking statements by terminology such as "believe," "may," "estimate," "continue," "anticipate," "intend," "should," "plan," "expect," "predict," "potential," "seek," "forecast," or the negative of these terms or other similar expressions.

The forward-looking statements are based on the information currently available to us. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements, including, among others things: changes in general economic, political, governmental and business conditions globally, changes in inflation rates, fluctuations in the exchange rate of the peso, the level of construction generally, changes in cement demand and prices, changes in raw material and energy prices, changes in business strategy and various other factors.

You should not rely upon forward-looking statements as predictions of future events. Although we believe in good faith that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this release to conform these statements to actual results or to changes in our expectation.

It is also important to bear in mind that independent auditors have not audited non-financial data and non-accounting metrics, such as EBITDA and Adjusted EBITDA.