



Sales of Cementos Molins reduced by 3% during the first quarter affected by impact of COVID-19

The Group is committed to safeguarding the health and safety of its employees and to ensuring business continuity and customer service.

Net profit remains on a par with that obtained during the first quarter of 2019 but it is expected a deterioration in the next months.

30th April 2020_Cementos Molins announced its results for the first quarter 2020 today, marked by the good start to the year until the sudden change in the global situation in mid-March as a result of COVID-19 and the measures adopted by each country to mitigate the pandemic. These measures involved drops in markets and plant stoppages.

Since the spread of COVID-19, Cementos Molins has implemented plans to safeguard the health and safety of its employees, which is the Group's top priority, and to ensure business continuity and customer service, in line with the indications of the authorities in each country where the Group operates. Cementos Molins has applied the teleworking model to all areas of the company where it can be applied. However, a large part of the facilities have been forced to a standstill or to a reduction in activity during the second half of March, although with a limited impact on the results of the first quarter 2020.

Cementos Molins obtained revenues of 193 million euros, which is a slight drop of 3% in comparison with the same period last year. The sudden fall and stoppage of activity in mid-March led to lower volumes of cement and concrete and this, together with the negative effect of the exchange rate, has affected sales (without any change in exchange rate, sales would have grown by 5%).

Net profit stood at 24 million euros, on a par with the same period last year. The improved results in Mexico and Bangladesh offset the drop in Argentina, the lower contribution from Spain and the effects of the exchange rate. In comparable terms of exchange rates and adjustment for the hyperinflation of Argentina, the net profit to March would have increased by 13%.

EBITDA reached 48 million euros, slightly down on the same period last year (+9% in comparable terms with no variation in the exchange rate). The positive effect of price management and the results of cost efficiency plans were offset by the lower volume of sales and the negative effect of the exchange rate. EBITDA margin amounted to 24.7% on a par with the first quarter last year.

Net financial debt at March 31st 2020 decreased to 152 million euros, which is a 16% reduction in comparison with December 31st 2019 and 19% in comparison with March 31st 2019. The Net Financial Debt/EBITDA ratio continued to fall to 0.8x.

Effects on the year

Although the impact of COVID-19 has been limited over the first quarter, it is likely to be bigger until the end of the year. However, at a time when it is impossible to predict the evolution of the pandemic, the length and severity of preventive measures, and the impact it has on construction, it is not currently possible to make any reasonable forecasts for 2020.

In order to mitigate the economic and financial impact, Cementos Molins has adopted a series of measures that consists of limiting investments strictly to those required for maintenance and digitalisation, significantly reducing operating and general costs, and keeping its financial strength by maximising treasury and financing lines.

For Julio Rodríguez, CEO of Cementos Molins, the good start to the year in terms of company figures must be highlighted, although most relevant is the high degree of awareness and commitment shown by its employees. *“Our priority has been to ensure the health and safety of our employees, who have once again proven their commitment and ability to excel in light of adverse circumstances. The global spread of the pandemic is generating new challenges, but I am sure that with the great people at Cementos Molins and our financial strength, we will use the time wisely when the markets recover and attract new opportunities to overcome this new challenge and become even stronger after the COVID-19 crisis.”*

In accordance with the guidelines of the European Securities Markets Authority (ESMA) on Alternative Performance Measures (APM), which are of obligatory application for regulated information, the information and breakdowns relative to the APM used in this Press Release are included in the presentation of “2020 First Quarter Results”, issued by the Company to the Spanish National Securities Commission.

About Cementos Molins *Cementos Molins has been creating products and developing innovative, sustainable solutions for the construction sector for over 90 years. This enables us to contribute towards the development of society and people’s quality of life. We currently operate in Spain, Argentina, Uruguay, Mexico, Bolivia, Colombia, Tunisia, Bangladesh and India. Our integrated model includes aggregates, clinker, cement, concrete, mortar, precast solutions and waste management businesses. Our long history has been possible thanks to our workforce of almost 5,000 employees spread around nine countries and four continents, all sharing the same bloodline: working every day with passion, respect and integrity, in a non-conforming and efficient manner.*