ELEMENTIA ANNOUNCES FIRST QUARTER 2020[1] RESULTS

Mexico City, April 29, 2020 - Elementia, S.A.B. de C.V. (BMV: ELEMENT*) ("the Company", or "Elementia") announced today its financial and operating results for the first quarter ("1Q20"). Figures in this report are unaudited and have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). Figures are stated in Mexican pesos ($).

Main Highlights

- During 1Q20, Elementia reported declines in consolidated revenues and EBITDA of 2% and 23%, respectively vs 1Q19; however, compared to the previous quarter, these increased 4% and 20%, respectively.
- The spin off process is in "stand-by" until market conditions improve, however, operationally we are ready.
- Regarding the sale of our cement assets in Pennsylvania, the process continues, but approval by the anti-trust authority is still pending; we expect this to be concluded by the end of the third quarter of 2020.
- As an effect of the preventive measures decreed by the different governments related to COVID-19, we stopped operations beginning in mid-March in Peru, Bolivia, Ecuador, Colombia and El Salvador.
- Leverage ratio for 1Q20 was 5.14x.

The Company´s strategic focus for 2020 will be, first, the generation of cash flow to overcome the crisis caused by the pandemic, followed by the following objectives:

1)	Inventory Reduction	• Delay vs plan; security inventories were created for contingency and in preparation for high season
2)	Cement U.S. – sustained growth	• Advances according to plan: EBITDA 157% vs 1Q19
3)	Building Systems U.S. – growth and cash flow generation	• In process: EBITDA 83% lower than 1Q19, increase of 15% in sales for the same period
4)	Metal Products – return to profitability and cash **flow generation**	• In process: EBITDA 59% lower than 1Q19, 150% higher than 4Q19

[1] Elementia ´s 1Q20 earnings conference call will take place on April 30, 2020. Dial-in information can be found in the annexes of this document. The report, transcript and audio of the results can be downloaded at www.elementia.com.

Operating and financial highlights

MXN millions	First quarter 2020	2019	Δ%
Consolidated Cement BU volume	1,084,000	1,220,914	(11%)
Consolidated Metal products BU volume	12,022	14,544	(17%)
Consolidated Building systems BU volume	186,826	185,982	0%
Net Sales	6,382	6,516	(2%)
Cost of sales	5,072	5,073	(0%)
Gross profit (loss)	1,310	1,443	(9%)
% of net sales	21%	22%	(1.6 pp)
Operating expenses	1,179	1,113	6%
Operating income (loss)	131	330	(60%)
% of net sales	2%	5%	(3.0 pp)
EBITDA	661	856	(23%)
% of net sales	10%	13%	(2.8 pp)
Comprehensive financing result, net	(205)	(309)	(34%)
Income (loss) before income taxes	(74)	21	(452%)
Income tax	228	157	45%
Income (loss) from continued operations	(302)	(136)	122%
Income (loss) from discontinued operations			0%
Net loss	(302)	(136)	122%
Working Capital	4,491	4,429	1%
Recievables, net	3,938	3,095	27%
Inventories, net	5,762	5,228	10%
Payables	5,209	3,894	34%
Free Cash Flow	1,202	(450)	367%
Operating	2,196	228	863%
Investments	(282)	(305)	8%
Financing	(712)	(373)	91%
Cash and cash equivalents	1,365	1,966	(31%)
Total Debt	17,662	15,380	15%
Employees	6,327	6,314	0%

Net sales

MXN millions	1Q20	1Q19	Δ% Year/Year
Cement Mexico	1,213	1,277	(5%)
Cement United States	1,127	979	15%
Cement Central America	105	107	(2%)
Metal Products	1,843	2,089	(12%)
Building Systems United States	1,053	913	15%
Building Systems LatAm	898	949	(5%)
Total Elementia [1]	6,239	6,314	(1%)

1) Does not include holding and eliminations

MXN millions	1Q20	1Q19	Δ% Year/Year
United States	2,765	2,469	12%
Mexico	2,647	2,948	(10%)
Central America	315	303	4%
South America	592	658	(10%)
Rest of the World	63	138	(54%)
Total Elementia [1]	6,382	6,516	(2%)

1) Does not include holding and eliminations

Consolidated net sales for 1Q20, reached $6,382 million which represents a decline of 2% compared to $6,516 million in 1Q19. The increase in sales in the United States for both Cement and Construction Systems were not enough to offset the drop in Latin America because of the measures taken by the different governments.

Operating Income

In 1Q20, operating income was $131 million, representing a decline of 60% compared to $330 million in 1Q19 as a result of a 6% increase in operating expenses derived from the lower absorption of fixed costs in plants that stopped operations, the negative effect on inventories of the downward trend in the price of copper, the contraction in demand and industrial activity related to COVID-19, as well as extraordinary expenses related to the reduction of personnel.

EBITDA per business unit

MXN millions	1Q20	1Q19	Δ% Year/Year
Cement Mexico	501	540	(7%)
Cement United States	36	(63)	157%
Cement Central America	28	29	(3%)
Metal Products	54	131	(59%)
Building Systems United States	15	89	(83%)
Building Systems LatAm	46	115	(60%)
Total Elementia [1]	680	841	(19%)

1) Does not include holding and eliminations

Consolidated EBITDA showed a decrease of 19% in 1Q20 mainly due to the decrease of the Building Systems unit. The EBITDA margin on net sales remains close to 10%.

Financing Result

MXN millions	First quarter 2020	Δ%
Interest income	(9)	(18%)
Interest expense	307	(9%)
Bank commissions	21	40%
Net exchane loss (profit)	(114)	245%
Total comprehensive financing cost, net	205	(34%)

Integral cost of financing net as of March 31, 2020 registered a 34% decline compared to the same period of 2019, as a result of lower interest expenses and higher profit from foreign exchange hedges.

Net Income/Loss

In 1Q20 we reported a net loss of $302 million, 122% higher than in 1Q19, mainly due to lower operating income and higher taxes derived from the end of the "fiscal deconsolidation" program in Mexico.

Cash Flow

MXN millons	January - March 2020	Δ%
EBITDA	**661**	**(23%)**
Change in working capital	(62)	(136%)
Cash taxes	(283)	90%
Interest, net	(403)	(11%)
Bank comisions	(21)	40%
Cash flow before Capex	**(108)**	**(126%)**
% of EBITDA	-16%	(64.5 pp)
CAPEX	(292)	(6%)
Free cash flow before financing	**(400)**	**(496%)**
Incurred (paid) debt	(201)	(291%)
Increase (decrease) in capital	(63)	600%
Sale (buy) stock buyback	(36)	500%
Free cash flow	**(700)**	**(466%)**

In the first quarter of 2020, the cash flow before capital investments represented -16% of EBITDA and decreased by $508 million compared to the same period of the previous year. This mainly derived from an extraordinary tax payment related to the end of the program of "fiscal deconsolidation" in Mexico, as well as consumption of cash flow for working capital.

CAPEX decreased by 6% from $311 million in 2019 to $292 million in 2020.

The operation of the share repurchase fund increased by $30 million compared to the first quarter of the previous year.

Balance Sheet

MXN millions	March 2020	Δ%
Cash and cash equivalents	1,365	(31%)
Receivables, net	3,938	27%
Inventories, net	5,762	10%
Other receivables and currents assets	6,375	32%
Current assets	**17,440**	**15%**
Other receivables, net		(100%)
Investment in associated companies and others	3	0%
Property, plant and equipment, net	29,030	8%
Right of use asset	798	100%
Intangible assets, net	4,831	11%
Deferred assets Tax	710	(44%)
Other assets	920	349%
Non- current assets	**36,292**	**8%**
Total assets	**53,732**	**11%**
Short term debt	998	(49%)
Payables	5,209	34%
Other current liabilities	2,440	(5%)
Current liabilities	**8,647**	**3%**
Long term debt	16,664	24%
Deferred taxes	2,786	(5%)
Other long term liabilities	2,506	18%
Long term liabilities	**21,956**	**19%**
Total liabilities	**30,603**	**14%**
Shareholders' Equity	**23,129**	**6%**
Equity attributable to owners of the Entity	**21,909**	**6%**
Capital stock	8,725	0%
Additional paid-in capital	7,579	0%
Retained earnings	3,630	(7%)
Other comprehensive income	1,975	321%
Non- controlling interest	**1,220**	**13%**
Total liabilities and shareholders' equity	**53,732**	**11%**

Current assets presented an increase of 15% in 1Q20 mainly due to the increase in customers and inventories, both also affected by currency effects. During the first 3 months of 2020, short-term debt registered a 49% decrease and long-term debt increased 24%, mainly due to exchange rate effects.

Debt Profile

MXN millions	March 2020
Short-term debt	998
Long-term debt	16,664
Total debt	17,662
Cash and cash equivalents	1,365
Net debt	16,297
Net financial expense	298
EBITDA LTM	3,173
Leverage ratio	5.14x
Interest coverage ratio	2.29x

	First quarter
Currency denomination	**2020**
MXN	52%
USD	48%
Interest rate	
Fixed	77%
Variable	23%

As of 1Q20, Elementia's net debt increased by $2,883 million mainly due to an exchange rate effect coupled with a lower result and a reduction in cash of $601 million. The Leverage Ratio was 5.14x, which is above what is established in our covenants, therefore, the corresponding waivers have been requested.

Approximately 94% of total debt is long-term with a comfortable maturity profile.

Results by Business Unit

Cement Business Unit – Mexico

MXN millions	First quarter 2020	Δ%
Net sales	1,213	(5%)
Operating income (loss)	348	(13%)
% of net sales	29%	(2.8 pp)
EBITDA	501	(7%)
% of net sales	41%	(1.0 pp)
Δ% in sales volume	(5%)	

During 1Q20, net sales totaled $1,213 million, a decrease of 5% compared to 1Q19. EBITDA decreased by $39 million or 7% compared to the same period in 2019, mainly due to the slowdown in demand as a trend in the second half of 2019.

Cement Business Unit – United States

	First quarter	
MXN millions	**2020**	**Δ%**
Net sales	1,127	15%
Operating income (loss)	(117)	(53%)
% of net sales	(10%)	(15.3 pp)
EBITDA	36	157%
% of net sales	3%	9.6 pp
Δ% in sales volume	(25%)	

Net sales growth was 15% compared to 1Q19 derived from a combined increase in volume and average sales price.

EBITDA for 1Q20 was $36 million, an increase of 157% compared to the same quarter of the previous year, driven mainly by the cost and expense rationalization strategy.

Cement Business Unit – Central America

	First quarter	
MXN millions	**2020**	**Δ%**
Net sales	105	
Operating income	24	
% of net sales	23%	(1.4 pp)
EBITDA	28	
% of net sales	27%	(0.4 pp)
Δ% in sales volume	(3%)	

Net sales totaled $105 million with EBITDA of $28 million in 1Q20, down 2% and 3%, respectively. EBITDA margin remained at 27%, the same as that of 1Q19, showing a recovery compared to 4Q19. It is important to mention that in dollars we have growth in both sales and EBITDA (6% and 13%, respectively).

Metal Products Business Unit

MXN millions	First quarter 2020	Δ%
Net sales	1,843	(12%)
Operating income (loss)	(41)	(198%)
% of net sales	(2%)	(4.2 pp)
EBITDA	54	(59%)
% of net sales	3%	(3.3 pp)
EBITDA en USD / TON	233	
Δ% in sales volume	(17%)	
Δ% in average price (USD)	3%	

In the first three months of 2020, the Metal Products Business Unit recorded sales 12% lower than in 1Q19, mainly affected by the contraction of the market in Mexico and the downward trend in the price of the international copper benchmark.

EBITDA for 1Q20 was 54% lower than the same period of 2019, mainly due to the decrease in volume, higher costs in raw material due to the low availability of some specific grades, and the effect of the decrease in the price of copper on inventories.

Building Systems Business Unit – U.S.

MXN millions	First quarter 2020	Δ%
Net sales	1,053	15%
Operating income (loss)	(36)	(168%)
% of net sales	(3%)	(9.2 pp)
EBITDA	15	(83%)
% of net sales	1%	(8.3 pp)
Δ% in sales volume	11%	
Δ% in average price (USD)	1%	

Net sales for 1Q20 were $1,053 million, an increase of 15% compared to 1Q19. However, EBITDA during the quarter decreased 83%, or $74 million mainly due to the Indiana plant not reaching its break-even point, as well as provisions made for the Class Action process.

Building Systems Business Unit – LatAm

MXN millions	First quarter 2020	Δ%
Net sales	898	(5%)
Operating income (loss)	(24)	(153%)
% of net sales	(3%)	(7.4 pp)
EBITDA	46	(60%)
% of net sales	5%	(7.0 pp)
Δ% in sales volume	(9%)	
Δ% in average price	2%	

In 1Q20, net sales were $898 million compared to $949 million in 1Q20, a decrease of 5% mainly as a result of the stoppages decreed by the different governments of the countries in which we have operations and the general contraction in demand.

EBITDA during this quarter reached $46 million vs. $115 million, or a 60% decrease compared to the same period in 2019, mainly affected by the lower absorption of fixed costs in the plants that stopped operations, the contraction in demand and extraordinary expenses related to personnel reduction.

Relevant Events

- On March 20, 2020, the Company announced the preventive measures for the spread of Covid-19 and announced the closure of operations in Peru, Bolivia and Ecuador.

- On March 30, 2020, the Company announced the closure of operations in El Salvador and Colombia, as well as the declaration of Essential Industry in the United States.

- On April 13, 2020, the death of Jaime Ruiz sacristan, member of the Board of Directors, was reported with deep sadness.

Analyst Coverage

- BBVA
- HSBC
- Morgan Stanley
- Santander
- Bank of America Merrill Lynch
- Citi
- UBS

Annexes

MXN millons	Juanuary - March 2020	Δ%
Net loss	**(302)**	**122%**
Other items unrealized		
Depreciation and amortization	530	1%
Gain on disposal of fixed assets		(100%)
Interest income	(9)	(18%)
Interest expense	307	(9%)
Exchange loss (gain)	2,470	(1615%)
Other items	(241)	(214%)
Non cash figures	**2,755**	**261%**
Net cash flow provided by (used in) working capital	**(559)**	**4%**
Increase in accounts receivable	(844)	97%
Increase in inventories	(534)	(393%)
Increase in other receivables and other current assets	(797)	125%
Increase in trade accounts payable	1,316	216%
Decrease in other liabilities	300	(185%)
Net cash flow provided by operating activities	**2,196**	**863%**
Other payments for joint ventures		-
Acquisition of property, machinery and equipment	(292)	(6%)
Other assets	10	67%
Net cash flow used in investing activities	**(282)**	**(8%)**
Incurred (paid) debt	(201)	(291%)
Increase (decrease) in capital	(36)	500%
Bank loans and others, net	(475)	1%
Net cash used in financing activities	**(712)**	**91%**
Net increase (decrease) in cash and cash equivalents	**1,202**	**(367%)**
Effects differences on translating foreign operations	(1,803)	(1554%)
Cash and cash equivalents at the beginning of the period	1,966	(7%)
Cash and cash equivalents at the end of the period	1,365	(24%)

Earnings Conference Call Details

elementia

Thursday, April 30, 2020

ELEMENTIA (BMV: ELEMENT*)

1Q20 Earnings Conference Call

12:00 p.m. (Mexico City) / 1:00 p.m. (EST)

HOSTED BY:

Fernando Ruíz Jacques
Chief Executive Officer

Juan Francisco Sánchez Kramer
Chief Financial Officer

A Q&A session will follow the presentation.
Participants will be able to ask questions via telephone.

Dial-in Number:
1-877-830-2576 (USA)
+1-785-424-1726 (International)
Conference ID: ELEMENTIA

Webcast

https://webcasts.eqs.com/elementia20200430/en

Participants are requested to connect 15 minutes prior to the call

Elementia will release its 1Q20 results on
Wednesday, April 29, 2020

A replay of this call will be available on April 30, 2020 at 4:00 p.m. EST for 7 days, and will also be available at www.elementia.com in the Investor Relations section

ELEMENT

April 30, 2020
Conference Replay:

1 (844) 488-7474 (USA)
+1 (862) 902-0129 (International)

Conference Replay ID:

35968710

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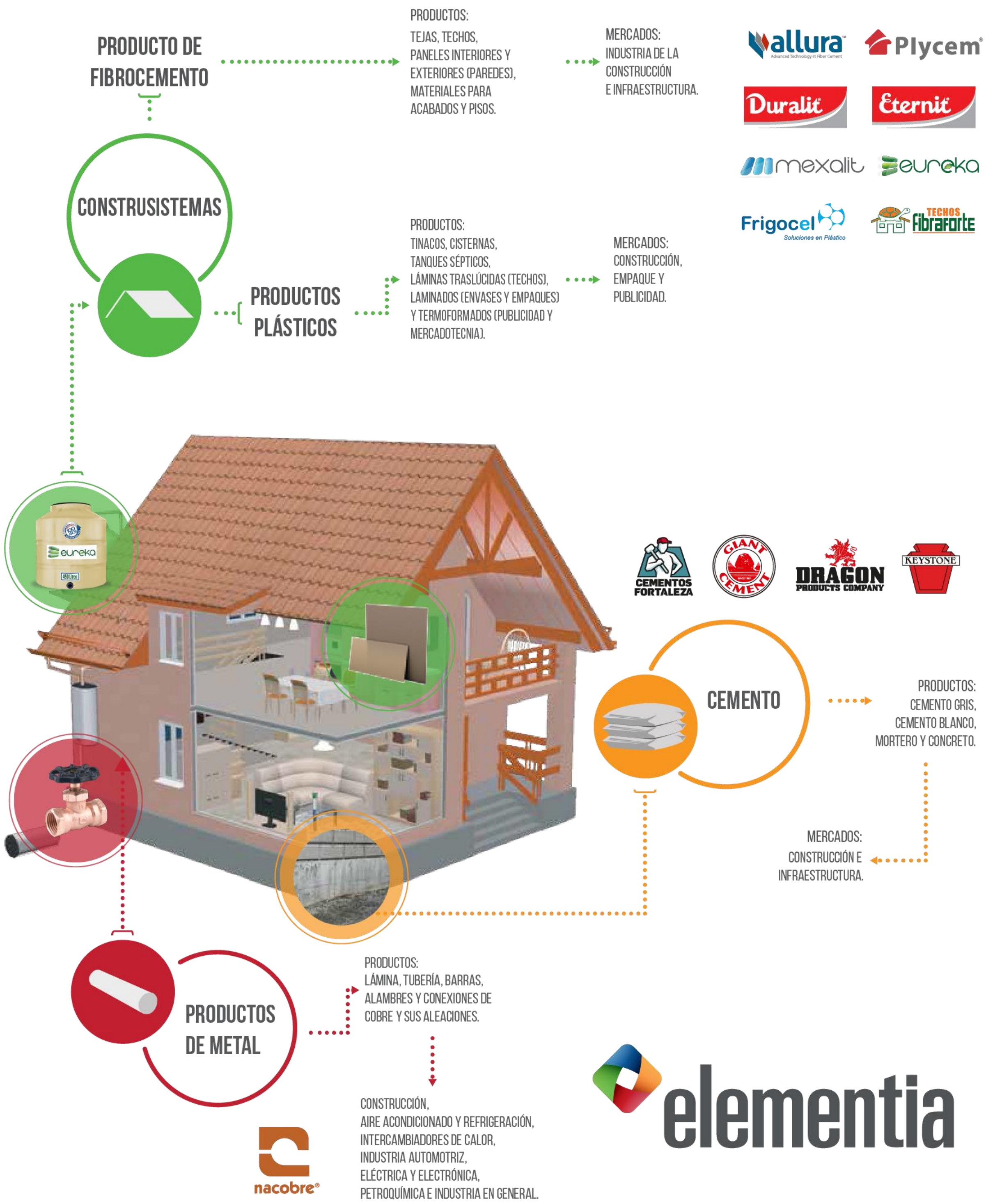
PRODUCTO DE FIBROCEMENTO
PRODUCTOS:
TEJAS, TECHOS, PANELES INTERIORES Y EXTERIORES (PAREDES), MATERIALES PARA ACABADOS Y PISOS.
MERCADOS:
INDUSTRIA DE LA CONSTRUCCIÓN E INFRAESTRUCTURA.
allura
Plycem
Duralit
Eternit
mexalit
eureka
Frigocel
Soluciones en Plástico
TECHOS Fibraforte
CONSTRUSISTEMAS
PRODUCTOS PLÁSTICOS
PRODUCTOS:
TINACOS, CISTERNAS, TANQUES SÉPTICOS, LÁMINAS TRASLÚCIDAS (TECHOS), LAMINADOS (ENVASES Y EMPAQUES) Y TERMOFORMADOS (PUBLICIDAD Y MERCADOTECNIA).
MERCADOS:
CONSTRUCCIÓN, EMPAQUE Y PUBLICIDAD.
CEMENTOS FORTALEZA
GIANT CEMENT
DRAGON PRODUCTS COMPANY
KEYSTONE
CEMENTO
PRODUCTOS:
CEMENTO GRIS, CEMENTO BLANCO, MORTERO Y CONCRETO.
MERCADOS:
CONSTRUCCIÓN E INFRAESTRUCTURA.
PRODUCTOS DE METAL
PRODUCTOS:
LÁMINA, TUBERÍA, BARRAS, ALAMBRES Y CONEXIONES DE COBRE Y SUS ALEACIONES.
CONSTRUCCIÓN,
AIRE ACONDICIONADO Y REFRIGERACIÓN,
INTERCAMBIADORES DE CALOR,
INDUSTRIA AUTOMOTRIZ,
ELÉCTRICA Y ELECTRÓNICA,
PETROQUÍMICA E INDUSTRIA EN GENERAL.
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Disclaimer on forward-looking statements

Figures are stated in nominal Mexican pesos ($) and all comparisons are made against the same period of the previous year, unless otherwise specified. Figures are stated in nominal Mexican pesos ($) in accordance to IFRS. As a result of figures roundup, totals may not exactly match the sum of the figures presented. The Audit Committee and the Board of Directors are aware about modification of the IFRS (IFRS9 and IFRS 16) reflected in the figures.

This document contains certain forward-looking statements and information related to Elementia, S.A.B. Of C.V. ("Elementia") that reflect the vision and / or expectations of Elementia and its management team in relation to its performance, business and future events. Forward-looking statements may include, but are not limited to, statements that could predict, project, indicate or imply certain future results, performance or achievements, and may include words "anticipate", "believe," "estimate, "expect", "project", "plan", "predict", "foresee", "forecast", "reach" or any other word or phrase with a similar meaning, which may be given orally or in writing.

The presented results may materially differ from those projected as a result of factors beyond Elementia's control. These factors may include, but are not limited to: economy in general; political and business conditions in Mexico and other markets where we operate; international capital and securities markets performance, as well as economic crises; our ability to refinance our financial obligations; if necessary; competition in the sector and markets; management's expectations and estimates in regards to the Company's future financial performance and financing plans / programs; limited access to financing sources with competitive terms, and compliance with clauses to which we are bound to; our ability to meet debt obligations; our investment plans; currency fluctuations, interest rates or inflation, as well as currency conversion; changes in government legislation and regulation, including environmental regulation, and obligations arising therefrom, and judicial or administrative judgments against us; procurement policies and interpretations; increase in insurance premiums; changes in market prices, customer demand and preference, and competitive conditions; cyclicity and seasonality in our operating results; our ability to implement the corporate strategy; increase in prices of goods and / or services supplied to us, and fluctuations in the prices of the raw material; the imposition of price controls on the products we sell; trade barriers; technological innovation; costs uncertainty and regulation applicable to company mergers and acquisitions or strategic alliances; our ability to make acquisitions for regulatory or other issues, and successfully integrate the operations of the acquired businesses; liability claims including claims related to health, safety and environmental protection issues, as well as claims arising from joint lawsuits in Mexico or other jurisdictions in which we operate; failures in our information obtained from our technology systems, including data and communication systems; the impact by changes in accounting principles, new legislation, actions by regulatory authorities, government announcements and monetary or fiscal policy in Mexico, or in other markets in which we operate; decrease in the sale of our products by independent distributors; our ability to retain qualified personnel and rehire key personnel; our ability to extract synergies from our business mergers and acquisitions activities; delays by suppliers or lack of ability to obtain, under conditions acceptable to us, inputs required by us to produce the products we sell; investigations by federal authorities; and other risk factors.

Forward-looking statements and statements included in this document are subject to various risks, uncertainties and assumptions. In any circumstance these statements only refer to their date of elaboration and Elementia has no obligation to update or revise any of them, whether for new information, future events, among others, unless required by law. Therefore, caution should be exercised when using future projections. The document and its contents belong to the Company and may not be reproduced or distributed as a whole or as part of without prior written consent by Elementia.

About Elementia

Elementia is a unique platform that manufactures and commercializes building materials for the construction industry and adds value to all stages of this industry. The Company has grown, both organically and through strategic mergers and acquisitions, consolidating operations in 9 countries in the Americas, showing strong growth in its Cement business unit,while maintaining its leadership in the Metals business, and through our Building Systems unit, we offer lightweight construction products, which is the main building trend in the market. This has been possible thanks to the passion and dedication of its more than 7,000 employees and leadership of its main brands, including: Cementos Fortaleza®, Giant®, Keystone® and Dragon®; Nacobre®; Allura®, Mexalit®, Plycem®, Eternit®, Duralit® y Fibraforte®.