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Amrize Ltd. (AMRZ)

Q2 2026 Earnings Call

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MANAGEMENT DISCUSSION SECTION

Operator: Welcome to Amrize's Second Quarter 2026 Earnings Conference Call. We ask that you please hold all questions until the completion of the formal remarks, at which time you will be given instructions for the question-and-answer session. Also, as a reminder, this conference is being recorded today. If you have any objections, please disconnect at this time.

I will now turn the call over to Baris Oran.

Baris Oran

Chief Financial Officer, Amrize Ltd.

Thank you, and good morning. Welcome to Amrize's second quarter 2026 earnings conference call. We released our second quarter financial results yesterday after the market closed. You can find both our earnings release and presentation for today's call in the Investor Relations section of our website at investors.amrize.com.

On the call with me today is Jan Jenisch, Chairman and CEO.

Before we begin, during the call and in our slide presentation, we reference certain non-GAAP financial measures which we believe provide useful information for investors. We include reconciliation of non-GAAP financial measures to US GAAP in our earnings release and slide presentation. As a reminder, today's call is being webcast live and recorded. A transcript and recording of this conference call will be posted to our website.

Any statements made about future results and performance, plans, expectations and objectives are forward-looking statements. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ from those presented during the call due to various factors, including, but not limited to those discussed in our 2025 Form 10-K and in other reports filed with the SEC. The company undertakes no obligation to publicly update or revise any forward-looking statements. Please also note that in today's presentation, certain prior-period financial information includes revisions that are not material to any previously issued consolidated financial statements. Additional information regarding these revisions can be found in our Form 8-K filed with the SEC yesterday after the US market close.

With that, I'll now turn the call over to Jan.

Jan Philipp Jenisch

Chairman & Chief Executive Officer, Amrize Ltd.

Thank you, Baris, and thank you, all, for joining us today. I will begin with our highlights and takeaways of the second quarter. We delivered strong revenue growth of 8.6%, driven by increased mega-project demand from data centers and energy to advanced manufacturing plants and infrastructure modernization. With the strength of our network and strategic footprint in the most attractive markets, we were able to achieve industry leading organic growth of 6.7%. We also grew net income by 14.4% and adjusted EBITDA by 5.8% with this strong customer demand, as well as leading aggregates pricing and excellent progress in our ASPIRE program.

Diluted earnings per share increased 14.7%, and adjusted diluted earnings per share grew 8.6%. Oil price-driven cost inflation drove higher freight, diesel, and raw materials costs, which we are proactively managing with pricing, fuel surcharges, and ASPIRE. In our Building Materials business, we had a strong quarter with above-market

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volume growth, premium cement pricing, and leading aggregates pricing growth. Our Building Envelope business achieved above-market sales momentum, driven by a strong pipeline of large-scale commercial projects and growth in residential roofing.

Segment pricing improved sequentially as increases phased in throughout the quarter. We are also successful in executing on our capital allocation strategy of investing for growth through CapEx and M&A while returning cash to our shareholders. We invested $241 million in CapEx in the quarter as we expand production and improve efficiency to best serve customers. We had excellent contributions from PB Materials, our recently acquired aggregates business in West Texas. And in July, we acquired Rapid Redi-Mix, bringing significant synergies of our cement and aggregates network in Texas. In the second quarter, we also returned $502 million to shareholders through dividends and our share repurchase program. Our board has also declared a second quarter dividend of $0.11 per share.

Let's now look to our market environment. We have a strong order backlog, led by commercial and infrastructure demand, and we are actively quoting new projects. In commercial construction, which makes up half of our business, the momentum with mega projects continues to drive demand for Building Materials. As we said last quarter, we are seeing the strong commercial new starts for Building Materials convert into new commercial roofing demand. The new AI-driven economy in North America not only needs data centers, but also energy, water, and transport infrastructure. Many of these projects have a significant run time that drive consistent long-term demand for our solutions.

The Dodge Construction Index shows there are more than 300 new data centers planned across North America, and our leading footprint and distribution network positions us to serve over 90% of these projects. Within infrastructure, demand continues to be strong across all levels of government and provides us with a steady multiyear running projects. The Infrastructure Act still has significant funding to be spent, and we are encouraged by its successor bill which should extend the infrastructure tailwind. The BUILD America 250 Act includes strong funding for cement and aggregates-intensive projects that are well in line to our footprint.

The overall policy environment supports locally made materials for infrastructure. America and Canada are prioritizing domestic materials, and Amrize is positioned exceptionally well for this with our local-to-local model and Made in America and Product of Canada offerings. As I discussed last quarter, our strategy is not to import, but to invest domestically, to expand production in local markets, to serve local business.

Within the residential sector, new construction remained soft in the second quarter. However, within this environment, we were able to grow residential roofing market share and gain volumes. We expect that seasonal patterns will support stable roofing demand in the second half of the year, and over the long term. The need for housing in the US will drive significant growth opportunity. Overall, we see mega projects leading the way, growth trends from infrastructure modernization and ons-horing of manufacturing to data center expansion, and the digital economy have taken shape on the ground. And these projects have significant size and scale for Amrize.

Let me share some examples of these mega projects underway. Our Elevate roofing system, which is ideally suited to support data centers, is being installed at a massive new data center in West Texas, an area where we are also well positioned with our aggregates network. In Illinois, we are delivering aggregates and cement for a new data center built, and we have projects underway in virtually every region of our footprint. Advanced manufacturing and on-shoring is also driving growth. In Arizona, we are supplying building materials to a large-scale semiconductor manufacturing plant now under construction. In Louisiana, we are delivering materials to multiple LNG facilities as energy infrastructure builds up.

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Alongside these, we are supporting key transportation infrastructure projects across North America. In Canada, we are delivering to a massive multiyear modernization of Montreal's airport. And in New York, we are providing high-performance materials for the Hudson River Tunnel.

These are just some examples of – of our projects, and new ones are kicking off every month. Mega-projects require highest-performing materials, manufacturing scale, and the distribution network to deliver reliably. This is Amrize's strength and a key part of how we were able to achieve market-leading organic growth in the quarter. We are excited about the opportunities ahead, keep winning and delivering on new mega projects.

Let's talk about our ASPIRE program. As we deliver for our customers, we are also driving synergies and operational excellence with our ASPIRE program. We delivered $29 million of savings in the second quarter. We have hundreds of projects underway across raw materials, services, logistics, and equipment, and have now on-boarded over 650 new suppliers, optimizing our third-party spend with competition and scale. We are on track with our savings for this year of $80 million, as well as for our goal of $250 million through 2028.

Let's talk about our growth investments. We invested $241 million in CapEx projects in the second quarter, we expand production and to improve efficiency to best serve customers in the most attractive markets. We have completed a 660,000-ton capacity expansion at our flagship cement plant in Missouri, the largest market-leading plant in North America. With cement demand accelerating, this expansion comes online at an ideal time for us. We also broke ground on the modernization of our Saint Constant cement plant in Quebec to expand production by 300,000 tons and improve efficiencies.

In Texas, work is underway to add 100,000 tons of additional production capacity at our Midlothian cement plant in Dallas. In Alberta, we are adding 50,000 tons of capacity to our Exshaw cement plant outside of Calgary, where we are seeing growth driven by energy projects and new data center demand. In addition to our cement network, we are expanding and developing greenfield aggregate quarries across our footprint. And we currently have five quarry projects in multiple attractive markets across North America, adding more than 150 million tons of reserves. In Building Envelope, we are making progress on our new Malarkey shingles plant in India. This new plant will be state of the art and will allow us to expand our footprint into a highly attractive Midwest and Eastern markets.

Looking to our M&A, we are executing our strategy with a strong focus on synergies and growth markets. In July, we closed the acquisition of Rapid Redi-Mix, a fast-growing concrete producer in Dallas, Fort Worth. This acquisition is expected to be EPS value accretive this year. Rapid Redi-Mix has a network of modern batch plants and mixer fleets and brings significant synergies with our aggregates operations and cement network in the region, complementing the planned expansion of our Midlothian cement plant.

Our acquisition of PB Materials, the aggregates leader in West Texas, is proving to be an excellent addition and is exceeding our initial expectations. These actions show how we coordinate our M&A and CapEx investments to connect our network and focus on high growth markets such as Texas, where data centers, energy projects, infrastructure spending, and population growth are driving demand. We are also delivering cash to our shareholders and returned $502 million to shareholders in the second quarter alone.

We launched our $1 billion share repurchase program and repurchased $197 million worth of Amrize shares in the second quarter. Our dividend program is also running well. We paid $305 million of dividends, including the special dividend for 2025 and the first quarter dividend of $0.11 per share earlier this year. Adding to this, the Amrize board of directors has declared a dividend of $0.11 per share for the second quarter to be paid on August 26. Importantly, these dividends are paid out of capital contribution reserves and are not subject to Swiss

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withholding tax. I'm very pleased that our shareholder return program is executing well. We will continue delivering for our customers, investing for growth, and returning cash to our shareholders.

Now I'd like to turn it to Baris to review our quarterly financial results in more detail and discuss our full year guidance.

Baris Oran
Chief Financial Officer, Amrize Ltd.

A

Thank you, Jan.

As noted earlier, we delivered strong revenue growth of 8.6% in the quarter. As we saw increased megaproject demand, particularly from data centers and energy-related projects. At the Amrize level, 6.7% organic growth drove the majority of the top-line performance in the quarter. Volume growth was above industry trends for cement, aggregates, and roofing driven by our unique position in high-growth markets and successful commercial initiatives during the quarter. In addition to volume, we began seeing the benefit of price increases flow through during the quarter across our business segments.

We saw strong aggregates pricing, growth broadly supported throughout our geographies. Our premium cement price in Q2 of more than $171 per short ton improved sequentially from Q1. Finally, PB Materials also contributed nicely to the results in the quarter driven by solid demand in the high-growth West Texas region.

Now, review our adjusted EBITDA performance. In the second quarter, we grew adjusted EBITDA by 5.8% to $986 million. Volume growth was the key driver of our adjusted EBITDA performance in the quarter as well as strong cement and aggregates pricing within our Building Materials segment. The strength of our sales volumes and pricing was particularly offset by higher-than-expected freight, diesel, and raw material costs. This relates to two factors. First, oil price driven inflation has resulted in a persistently higher cost environment.

Additionally, we have seen a significant spike in US freight rates over the past few months as capacity tightened in transport industry. While we had increased prices and added fuel surcharges, there has been a timing difference between price realization and oil price-driven cost inflation across our businesses in Q2. As realization of previous price increases reached full run rate and additional price increases take effect, we would expect better net price realization in the second half.

Overall, we expect the price over cost gap to improve in the second half and turn positive in Q4, with improving trends as we enter 2027. Meanwhile, our ASPIRE program continues to gain momentum as we enter a seasonally stronger quarter. $29 million of savings in Q2 partially offset the cost headwinds we experienced. Finally, our adjusted EBITDA performance in the quarter was impacted by $17 million of higher net insurance proceeds in the prior year.

Turning now to our results by segment; for Building Materials, we saw another quarter of strong cement and aggregate volumes driven by increasing activity across commercial end markets, particularly data centers and energy projects, as well as steady infrastructure activity. Revenues were $2.4 billion in the quarter, an increase of 8.2%. This increase in revenues was driven by organic growth of 5.6%. We saw above-market volume growth across our key product lines, demonstrating our unique exposure to the most attractive regions and end markets.

Contributions from the PB Materials acquisition and industry-leading aggregates pricing growth also nicely contributed to the revenue. During the quarter, cement volumes increased 5%, driven by healthy demand in our US markets. We saw double-digit volume growth in our supplementary cementitious materials during the quarter

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as we continued to invest in these raw material alternatives and cement additives. Aggregate volumes grew by 6.5%, driven by continued demand for aggregate-intensive, commercial, and infrastructure projects. It is worth noting that the volume growth for aggregates accelerated on a two-year stack basis for the second quarter in a row.

Cement pricing for Q2 was down 0.2% on a constant currency basis and grew 2.1% compared to Q1 as US cement increases were put in place in April. Overall, we continued to see favorable pricing dynamics across our network, supported by our inland positions in high-growth and attractive markets. We had strong aggregate pricing growth of 4% on a freight-adjusted basis during the quarter.

In April, aggregates price increases were successfully implemented, and we saw broad-based pricing growth throughout our geographies. Across both cement and aggregates, fuel surcharges were implemented in Q2 and partially offset the impact of oil price-driven cost inflation. Building Materials adjusted EBITDA was $793 million in the second quarter, up 5.2% compared to prior year. The increase in adjusted EBITDA was primarily due to continued volume growth, aggregate price increases, contributions from PB Materials, and ASPIRE savings. Our adjusted EBITDA performance in the quarter was impacted by higher freight and diesel costs. We also had a tougher comparison as we lapped $17 million of higher insurance proceeds in Q2 of last year, which were primarily related to claims in 2024.

As we look out to Q3, we expect to realize the full quarterly impact of price increases and fuel surcharges put in place during Q2 to continue expanding our markets. Additionally, our ready-mix operations will also put further price increase in the second half. We expect all these price increases to partially offset freight and diesel inflation in the back half of the year.

As a result, we would expect better price over cost performance in second half compared to first half. Meanwhile, given the momentum we have seen across our cement and aggregates volumes since Q3 of last year, we continue to expect strong volume growth for both businesses in this year. However, given a tougher comparison, we expect year-over-year volume growth to moderate in the second half relative to the first half.

Turning to Building Envelope, second quarter revenues were $1 billion, an increase of 9.4% compared to the prior year. The increase was largely driven by above-market volume. We saw strong commercial roofing volumes driven by increased system selling and large-scale projects, including data centers and warehousing.

We also continue to see resilient demand for commercial re-roofing activity. As we said last quarter, new commercial roofing demand typically lags broader commercial construction activity by 12 to 18 months. With strong new commercial construction in our Building Materials segment, we expect that to support an improvement in new commercial roofing demand as we move into second half, and we have begun seeing that trend in the early months of Q3.

Turning to residential, we saw above-market shingles growth driven by investments in our commercial sales teams as well as distributed inventory stocking. It is worth noting that the second quarter was the highest revenue quarter for our residential roofing business in our company history. We expect seasonal trends to support stable re-roofing activity in the back half of the year, and given the significant volume growth in Q2, we now expect our residential roofing volumes will be up high single digits this year.

Strong commercial and residential volumes were partially offset by softer demand for weatherproofing products as they are more driven by new residential construction, which is down year-over-year. It is worth noting that these products represent about 10% of our Building Envelope business today. Building Envelope adjusted EBITDA was

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down 5.2%, representing a material improvement in a year-over-year trend compared to Q1. Year-over-year adjusted EBITDA performance was impacted by the timing differences between price realization and oil price-driven cost inflation, which included higher freight and raw material costs. This was partially offset by stronger volumes. We put price increases in place during April, May, and June, including several rounds for certain brands.

We have also announced additional price increases that took effect in July and others will be effective in August. These price increases affect new projects we are quoting on with a natural timing difference until they take full effect across the business. Pricing improved sequentially throughout the quarter but still remains down year-over-year.

We expect better price realization in the back half of the year as price increases continue to be realized on new projects. As a result, we expect better price over cost performance compared to the first half of this year. We have a strong balance sheet and investment-grade credit rating. As of June 30, 2026, our leverage ratio was 1.7 times. We had approximately $729 million of cash and cash equivalents with $4 billion of total available liquidity. This financial strength coupled with our investment-grade balance sheet gives us significant liquidity to deploy capital for growth projects, acquisitions, and return cash to shareholders.

Our net interest expense is lower year-over-year and we continue to expect our net interest expense to be roughly $340 million for the full year. Our track record of generating high free cash flow coupled with a strong balance sheet puts us in an excellent position to return cash to shareholders.

Moving to our full year guidance, let's review our key drivers. From a demand perspective, we are well positioned across our markets and in both business segments. Within Building Materials, we had a good first half of the year with strong revenue growth and 8.4% growth in adjusted EBITDA. For the full year, we continue to expect durable volume growth in cement and aggregates. We now expect cement pricing to be flat or up low single digits and we continue to expect aggregates pricing to be up mid-single digits on a rate-adjusted basis.

In Building Envelope, we improved revenue and operational performance as the first half of the year progressed. We continue to expect low single digits growth in commercial roofing volumes and now expect high single digit volume growth in residential roofing for the full year.

As discussed earlier, price increases are phasing in across the Building Envelope portfolio. Finally, the ASPIRE program remains a key priority and we are making excellent progress. We are on track with our targets and expect further savings in the second half, despite a demanding procurement environment.

Let's look at how these drivers will now play out in the second half of the year to reach our adjusted EBITDA range. The headline here is that while we expect stronger price momentum in the second half, the timing differences between price realization and oil price driven cost inflation will be a headwind to our full year 2026 earnings. For the full year, we are expecting a positive contribution from strong volumes of $150 million to $170 million, and on top, from the price increases we are putting in place throughout the year, $60 million to $80 million in price.

Due primarily to the rapid escalation and persistence of oil price-driven cost inflation, we are now expecting approximately $140 million to $170 million in higher cost. This shows up in high freight, diesel, and raw material costs. In both businesses, while additional price increases and fuel surcharges are expected to be realized in the second half and improved pricing over costs compared to the first half, the timing of price realization and surcharges will affect our overall profitability for the year.

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We expect both business segments to have a better price over cost performance in the second half compared to the first half and turn price over cost positive in the fourth quarter, with improving trends as we enter 2027. Our structural savings program ASPIRE will contribute approximately $80 million of ASPIRE savings, and M&A will be another $30 million to $50 million on top of that. Lastly, this year we are also lapping two significant insurance recoveries in the second and fourth quarter of 2025 that create a net headwind of approximately $55 million.

With all these factors combined, let's review our updated full year 2026 guidance. Given the strong demand and pricing environment, we are increasing our revenue guidance to $12.5 billion to $12.7 billion. As discussed, we are revising our adjusted EBITDA guidance to $3.1 billion to $3.2 billion. Overall, our business is in strong position. Cements and aggregates are in high demand. Our Building Envelope brands are improving performance as the year progresses. Pricing increases our building momentum. ASPIRE is kicking in and we are strengthening operational efficiency.

With that, we look forward to your questions and I will pass the mic over to our operator.

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] . Our first question will come from Anthony Pettinari with Citi. Please unmute your audio and ask your question.

Anthony James Pettinari
Analyst, Citigroup Global Markets, Inc.

Q

Hi, Jan. Your full year outlook indicates cement prices should rise in the second half and I'm just wondering if you could talk a little bit more about the confidence driving that given the lack of traction in the first half. And just to clarify, are these sort of new hikes that are going out or are these the sort of existing first half hike that is just being implemented more slowly?

Jan Philipp Jenisch
Chairman & Chief Executive Officer, Amrize Ltd.

A

Hi, Anthony. Yes, I mean it was our target to have a traction on the cement pricing this year. We had a slow start with the year and you remember that we have our majority of price increases executing on April 1st and we see traction while on Q2 year-over-year we are slightly down I think 0.2%. We have a 2.1% increase in prices over Q1. So that makes me quite confident that we will see good and improved pricing in the second half of the year. You also notice when you follow some of the other publications of peers that the 0.2% decrease in pricing Q2 year-over-year is the best mark in the industry, mostly others reporting minus 1% to minus 3%. We're not happy with this and now we have a sequential price increase 2.1%, and I believe we will be guiding now for a flat to a low single digit pricing, but I am confident we will have a low single digit cement pricing in the second half of the year.

Operator: Our next question will come from Adrian Huerta with JP Morgan. Please unmute your audio and ask your question. Adrian, your line is open please unmute your audio and ask your question.

Adrian E. Huerta
Analyst, JPMorgan Casa de Bolsa SA de CV

Q

Can you hear me?

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Jan Philipp Jenisch
Chairman & Chief Executive Officer, Amrize Ltd.

A

Yes, Adrian.

Adrian E. Huerta
Analyst, JPMorgan Casa de Bolsa SA de CV

Q

Hi, Jan. How are you?

Jan Philipp Jenisch
Chairman & Chief Executive Officer, Amrize Ltd.

A

Updating the office. What is your question, Adrian?

Adrian E. Huerta
Analyst, JPMorgan Casa de Bolsa SA de CV

Q

Thank you and thank you for the additional color that you're bringing into the quarter that we did not have before. We really appreciate that. My question has to do with the how do you see the M&A outlook, Jan? Do – you guys are working already on something? How do you see the pipeline over the next 6 to 12 months on M&A? That's my question. Thank you.

Jan Philipp Jenisch
Chairman & Chief Executive Officer, Amrize Ltd.

A

Yes, Adrian. Thanks for the question. You know we're always working on potential transactions, so happy also to see that there's quite some M&A activity in the sector. Our pipeline is healthy and growing across both Building Materials and Building Envelopes, and I expect more M&A to come. I think we bought two great companies. We have the PB Materials beginning of the year, fantastic market leader in West Texas, growing above expectations and already a significant contribution to this year's results. And we just signed on the 31st of July, we closed the deal with Rapid Redi-Mix and Dallas-Fort Worth complementing our network when it comes to cement and aggregate. So, with our deals, as you know, we are very value accretive. So, I'm very happy with these two deals and expect we are working on more deals to come.

Operator: Our next question will come from Trey Grooms with Stephens. Please unmute your audio and ask your question.

Trey Grooms
Analyst, Stephens, Inc.

Q

Hey. Good morning, everyone. So, my question is on Building Envelope. So, the residential side of Building Envelope looks like it's holding in very well and performing very well. I wanted to first get your thoughts on kind of the volume there. Is it share wins or just the drivers there and then you've talked about price realization in April, May, and June. You've got additional increases it sounds like that are coming in as well, July and August. So, you're going to have better price realization in the second half. But I guess the question there is at what point do you think you'll get to kind of that price/cost neutral position in Building Envelope. I know we were targeting I think 3Q. It sounds like it might be pushed out a little bit. Anyway, if you could just talk about those two both the demand side of things as well as price/cost in Building Envelope. Thank you.

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Jan Philipp Jenisch
Chairman & Chief Executive Officer, Amrize Ltd.

A

Yeah. Hi, Trey. Thank you for the questions. Look, first of all I'm very happy that we achieved more than 9% sales growth in the second quarter in Building Envelope. As you know, we had tough quarter four, tough quarter one with negative volumes. I'm very happy that our people based on a lot of commercial initiatives went back to growth and even gained market share. That was important to us.

Then second, we are working very hard to be price over cost positive. It's – as you know, it's an uphill battle when you have those very steep oil-related inflation so suddenly so we fill it in transportation heavily but then also the raw materials for the input cost. So, you have already a few price increases out there. We have more price increases to come and then plus the transportation surcharges. So, we're working very hard.

We saw a sequential improvement in our prices coming into effect from Q2 over Q1. And now with the further announced price increases in July and August, we expect that positive trajectory in price and cost to continue into H2.

Operator: Your next question will come from Bryan Blair with Oppenheimer. Please go ahead with your question.

Bryan F. Blair
Analyst, Oppenheimer & Co., Inc.

Q

Thank you. Good morning. Thanks for taking my question.

Something that we could level set a bit more on price/cost assumptions specifically versus your prior guidance framework. How much of the incremental headwind is driven by lower price realization versus higher cost? And how should we think about the impact by segment going forward? Thank you.

Jan Philipp Jenisch
Chairman & Chief Executive Officer, Amrize Ltd.

A

Hi, Bryan. You know I think Baris made a very good analysis on the bridge here for margins EBITDA. Maybe Baris, you want to take the question and give us some more details on the segments and overall Amrize.

Baris Oran
Chief Financial Officer, Amrize Ltd.

A

Sure, Jan. Our guidance is entirely related to duration and magnitude of oil-driven cost inflation and timing of the price realization. This impacts both segments. What gives us confidence is the strong volume momentum as well as the realization of price increases in Q2 so far. If you look at our guidance change, there are primarily three factors that are driving it. First, the impact from the lag between Building Envelope pricing and cost inflation of both raw materials and freight was more pronounced than we have initially expected. This represents roughly a third of the guidance change. Second, in Building Materials, our cement pricing expectations for the full year were a little bit lower than previously expected. This represents another – a third of the guidance change. We had geographical mix impact in Q2 that resulted in slightly impact on a year-over-year basis, but we are confident that we have the best pricing out there.

Third, finally in Building Materials, fuel surcharges have been realized and helped offset the diesel impact, but have not fully offset the incremental impact from the higher freight rates. As you know, the freight has been going

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up quite robustly in the US, the freight costs. This represents the final third of the guidance change. While we expect strong price momentum in the second half and the timing differences between these price realizations and cost inflation will be the headwind to our 2026 earnings. Again, a third coming from Building Envelope and two-thirds is coming from Building Materials.

Operator: Our next question will come from Keith Hughes with Truist. Please unmute your audio and ask your question.

Keith Hughes
Analyst, Truist Securities, Inc.

Q

Great. Thank you. Question is in Building Envelope. Your guidance seems to imply kind of a flattish revenue number in the second half of the year and with what sounds like some pretty good residential business coming in that would imply there'd be some pressure on volumes in the second half of the year. Am I reading that right? Would we expect volumes to be a little lighter particularly after such a good second quarter?

Jan Philipp Jenisch
Chairman & Chief Executive Officer, Amrize Ltd.

A

Hi, Keith. Actually to be precise in commercial, we expect some growth from our project pipeline and the backlog to continue. So, the commercial project which broke ground in 2025 will lead to an increase in roofing volumes for us in H2. So, our full year guidance is low single digit overall from commercial roofing volumes and that remains unchanged. In residential, we have quite some momentum at the moment. We expect also a normal seasonal pattern to support stable re-roofing in the second half. And so, we now expect volumes to be higher than originally to be up high single digit for the full year compared to flat volume forecast we gave earlier this year.

Operator: Your next question will come from Martin Hüsler with ZKB. Please unmute and ask your question.

Martin Hüsler
Analyst, Zürcher Kantonalbank

Q

Yes. Thank you. And I hope you can hear me. So, my question is about the volume trend which I think is a bit better than what you expected end of April. However the margin trend is a bit more negative. I wonder if you also see a certain let's say mix deterioration as you might go for larger projects which have a negative impact on margins, obviously, mainly for Building Materials.

Jan Philipp Jenisch
Chairman & Chief Executive Officer, Amrize Ltd.

A

Hi, Martin. First of all, we are very excited. I think especially the organic growth rate of 6.7% the second quarter is I would say clearly above our expectations. And also the backlog we have and the active quoting we do for new projects gives us great confidence for the future. We don't have a negative mixed effect to make it short. If you look at our pricing, we have the stable cement pricing year-over-year. As I mentioned before, we have a sequential price increase, 2.1% the second quarter over Q1. I think that's excellent. And then the same in aggregates, I think we have a reporting of 4% aggregates price increase in the second quarter year-over-year. And here we stick to our full-year guidance of mid-single digits. So, we have excellent pricing.

I think Martin, if you look at the bridges we provide, let's say that the EBITDA is not growing over proportional to the sales growth. It's really based on the oil-driven cost inflation. If we didn't have that geopolitical disturbance starting in March, we would have a very healthy EBITDA margins for the second quarter.

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Operator: Our next question comes from Pujarini Ghosh with Bernstein. Please unmute your audio and ask your question. Pujarini, your line is open. You may unmute your audio and ask your question.

Pujarini Ghosh
Analyst, Bernstein Autonomous LLP

Q

Can you hear me?

Jan Philipp Jenisch
Chairman & Chief Executive Officer, Amrize Ltd.

A

Hi, Pujarini.

Pujarini Ghosh
Analyst, Bernstein Autonomous LLP

Q

Hi, hi. Sorry for that and thanks for taking my question.

So, can you talk about the one-off insurance proceeds that you highlighted as a headwind this year? So, are you saying that the 2025 EBITDA was artificially inflated or should we think about it as you know maybe some of your plants had an outage and these insurance proceeds were to offset that which would imply that your volumes would have been lower last year than a normal year? And so, in this year, we can think of the bridge as the volume increase is higher than what we should have seen had the – had last year been normal in terms of – or not had any plant outages, and then probably not have these insurance payouts as well. So, is that the right way to think about it?

And if I can just follow up on the previous question, what is your cement pricing expectations for the next three to five years?

Jan Philipp Jenisch
Chairman & Chief Executive Officer, Amrize Ltd.

A

Hi, Pujarini. Let me take the second question and I make an intro for the insurance, and then Baris can take a bit more detail.

So, look, first of all, I'm quite pleased first of all with the cement volumes. Cement is in high demand. You see our strategy to further unlock and invest in our existing cement plants most recently the 660 million tons capacity expansion of our largest plant at the Mississippi. So that comes at the right time to see the growth we are having on the pricing side. I'm happy again that we are able now to get traction on pricing in cement, and I'm positive also for the years to come. I think again cement is a precious material for all those large key projects we discuss about and we're very confident that our unparalleled footprint of the 18 cement plants and especially our network with 141 cement terminals throughout the country will deliver superior margins going forward.

Now on the insurance claims, it's just important to note that you have insurance payments, you have land sales, you have a couple of those things. They come every quarter, sometimes more, sometimes less. I think we felt obliged to just be fully transparent and give you a picture here, and maybe Baris, you want to give a bit more color on this one?

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Baris Oran
Chief Financial Officer, Amrize Ltd.

A

Sure. We have about $55 million proceeds that was in prior years. All that we highlighted $17 million in Q2 that was related to fully about an event that happened in 2024, but the collection was happening in Q2 of 2025, and we'll have another lumpiness in Q4. As Jan highlighted land sales insurance proceeds, they do happen in our industry. It is common, and it creates lumpiness throughout the quarters. As a new standalone public company, we will continue to refine our process and share appropriate details to help you in your modeling.

Operator: [Operator Instructions] . Our next question will come from Timna Tanners with Wells Fargo. Your line is open. Please unmute and ask your question.

Timna Tanners
Analyst, Wells Fargo Securities LLC

Q

Yeah, hey. Good morning. I thought I would probe a little bit more about the M&A trends. So, obviously, PB Materials was focused more on aggregates. Rapid Redi-Mix seems like a bit more downstream or a departure from that. So, just wondering going forward is this pace of M&A kind of a good cadence for you? And also should we expect aggregates-led still or are you thinking more broadly about your M&A strategy? Thank you.

Jan Philipp Jenisch
Chairman & Chief Executive Officer, Amrize Ltd.

A

Hi, Timna. Thanks for the question. You know, we – of course, we are ready to do a lot of M&A. You see our balance sheet is strong. However, we are value-focused on all those acquisitions you mentioned. We did a fantastic one in West Texas, not only aggregates-led, but also in one of the best-growing markets with a lot of synergies from our cement network and our other aggregates and ready-mix network. So, I think this was very well done.

Now, the latest one, ready-mix, ready-mix is important for certain markets. So, the Dallas-Fort Worth market is one of our – probably our most dense market in the entire US. And here, we believe that some sort of network integration is key for us in the future. You hear that, a lot of market observers talk about competition got a little bit intense in Texas or something. And this is something – and not so much for us. We have very good results and very good growth in Texas also this year. And this is just another acquisition which makes sense to have synergies between our aggregates and cement network. So, you don't have to expect us to become – to necessarily make ready-mix acquisitions all over the country, but we will do so in specific markets where we have significant synergies.

Operator: Our next question will come from Will Jones with Rothschild and Co. Redburn. Please go ahead with your question.

Will Jones
Analyst, Rothschild & Co Redburn

Q

Thank you. Morning. My question is a general one really around Building Materials. If you can just comment on how significant the regional variations are on either pricing and volume as you look either within the US or particularly with Canada in mind compared to the US. Thank you.

Jan Philipp Jenisch
Chairman & Chief Executive Officer, Amrize Ltd.

A

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Hi, Will. Well, that's – the color we can give us that our pricing is really broad based across all the regions. So, we have specific markets maybe a bit more growing, a bit more attractive, but overall it's very, very broad based throughout our footprint. We see strength in Canada in certain commercial categories like energy projects and also some data centers especially in the west of Canada; and throughout the US we're really very happy with our footprint as you see from our high organic growth number we're really able to benefit with all those key projects we are about 90% of them are without our reach.

Operator: Our next question comes from Cedar Ekblom with Morgan Stanley. Please go ahead with your question.

Cedar Ekblom

Analyst, Morgan Stanley & Co. International Plc

Q

Thanks very much. Hi, gentlemen. My question is around the guidance. I want to push you just a little bit. So, in the first half of the year, you obviously had a very strong top line, but ultimately those volumes came at a lower incremental margin. You effectively made less money on those volumes. And in the guidance, you're essentially implying that your 100 basis points of margin compression in the first half essentially swings to flat roughly year-over-year. And you obviously did have the shutdown in roofing in the first quarter; so, we know that that was a drag. But you're also talking about a slightly more modest level of volume growth in the second half, which obviously implies operating leverage.

You're also saying that the price/cost stays negative in the third quarter. And so, I really just struggle to see how we get a scenario where your margin goes from being down to being flat, unless you're assuming more price increases from here. And so, I suppose the question is, is how do we get more price increases if volume growth moderates a bit, and if the inflationary backdrop – who knows what happens in the oil market, but if the inflationary backdrop maybe has peaked, I'm just really struggling to square how we go with margins being down a lot in the first half to margins getting to flat in the second half, particularly when we have that negative price/cost still in place in the third quarter. So, if you could help me with the maths, I would be very grateful. Thank you.

Jan Philipp Jenisch

Chairman & Chief Executive Officer, Amrize Ltd.

A

Hi, Cedar. Hi, Cedar; good to hear you. I make the intro and then maybe Baris, you want to talk a bit more detail how you calculate all this, but overall, Cedar, I think I'm very confident. I mean, the best thing is that we have our very high customer demand. This is great to see. It's great to see we are winning a lot of these very large projects, not only data centers, but infrastructure, energy projects. That's really key to me.

Then, second, I'm very positive with the pricing we put in place now, 4% aggregates pricing, we guide to mid-single digit. So, we believe there's more pricing to come for the second half. And also in cement, we turn positive in Q2 over Q1. So, also here, we are positive. And then we have a little bit of a battle with the timing in Building Envelope, where obviously, we were hit by this very sudden oil price-driven inflation for transportation and for raw materials, which we will now cover if all those price increases and transportation surcharges.

Additionally, we have our ASPIRE programs. You have noticed that we had already $29 million of effective savings in Q2, and we are now guiding $80 million of total savings for the full year. So, I think you will see that all those drivers will play together and we're going to reach the guidance, which, as you mentioned, is requiring that we improve the margins in the second half of the year.

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Baris Oran
Chief Financial Officer, Amrize Ltd.

A

Going over the pricing mechanisms and realization; so far, our pricing, as Jan mentioned, has been executed really well. Half of our business in Building Envelope, if you talk about Building Envelope first is quoted in advance. Our Building Materials also have a similar price quote mechanism, but less than a quarter of its total size of the business. For example, our Building Envelope price increases may experience a 30-day to 90-day lag; and within Building Envelope, we have large-scale projects that we have previously quoted before the price increases were announced. We continue to work through those committed quotes; and therefore, our price – our product price increases are realized over time as customers put in new purchase orders on the new rates.

Secondly, our fuel surcharges across Building Materials and Building Envelope are at least do – at least have a 30-day lag. And we expect the benefit of our pricing actions in Q2 to continue building into Q3 and additional pricing in July and August, especially in Building Envelope will benefit our Q3 and Q4. So, that's the definition of our time lag in our pricing.

On the cost side, what has been included in our raw material cost and oil price assumption, we assume that in Q3, this elevated levels of cost will continue and there will be some moderation in Q4, and that's the base for our cost assumptions for the entire year.

Operator: Our next question will come from Yassine Touahri with On Field Investment Research. Please go ahead with your question.

Yassine Touahri
Analyst, On Field Investment Research LLP

Q

Yes. Good morning. Thank you very much for taking my question. I think I primarily have a question on your cost inflation guidance. So, if I look at your bridge in the second quarter, you had a $75 million negative impact from cost, but for the full year, you're expecting only I think between $140 million to $170 million. So, it seems to imply that you will see a deceleration a sharp deceleration in cost inflation in the second half versus the first half, and it's a little bit counterintuitive. Am I missing something?

Jan Philipp Jenisch
Chairman & Chief Executive Officer, Amrize Ltd.

A

Hey, Yassine. Thanks for the question I think Baris was just touching on this that he is expecting an easing of the cost inflation for the fourth quarter. Is that correct, Baris?

Baris Oran
Chief Financial Officer, Amrize Ltd.

A

Yes exactly.

Jan Philipp Jenisch
Chairman & Chief Executive Officer, Amrize Ltd.

A

So, you want to explain this? Baris, go ahead, please.

Baris Oran
Chief Financial Officer, Amrize Ltd.

A

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We assumed, I mean in Q2, specifically, we have seen a very escalated cost levels not only at the raw material and diesel, but also on the freight rates in the US. As you know, there's a lot of capacity that's been taken out of the freight markets and freight rates are very high. We expect that conditions to continue in Q3. It is very high elevated levels and moderately improved in Q4 and that was the base case of our assumption set.

Operator: Thank you this concludes our Q&A session for today. I will turn the call back over to Jan Jenisch for closing remarks.

Jan Philipp Jenisch

Chairman & Chief Executive Officer, Amrize Ltd.

A

Thank you all for joining us today for the second quarter 2026 earnings call. I look very much forward to speaking with you soon especially after reporting of the third quarter. Thank you.

Operator: This concludes the Amrize Q2 2026 earnings conference call. You may now disconnect.

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