

GHR advised CEMEX on the repayment of its 2017 Facilities and its new U.S.\$3.25 billion Credit Agreement

GHR Rechtsanwälte represented CEMEX, S.A.B. de C.V. (NYSE: CX) in the repayment of its loans under its 2017 facilities agreement and in connection with CEMEX's new U.S.\$3.25 billion syndicated unsecured credit agreement with an ESG component. The transaction closed November 8, 2021.

The new credit agreement consists of a U.S.\$1.5 billion, five-year amortizing term loan and a \$1.75 billion, five-year committed revolving credit facility. The committed facility is roughly U.S.\$600 million higher than the previous facilities agreement. The proceeds were used to repay CEMEX's previous facilities agreement and are further intended to be used for general corporate purposes.

The credit agreement contains financial covenants equivalent to an investment grade capital structure, with a maximum leverage ratio of 3.75x over the life of the loan and a minimum interest coverage ratio of 2.75x. It is denominated solely in U.S. dollars and contains an interest margin that is, on average, approximately 25 basis points lower than the previous facilities agreement.

The joint bookrunners and joint lead arrangers are BofA Securities Inc., BNP Paribas, Citigroup Global Markets Inc. and JPMorgan Chase Bank, N.A. The sustainability structuring agent is ING Capital LLC.

The credit agreement is guaranteed by CEMEX Concretos, S.A. de C.V., CEMEX Operaciones México, S.A. de C.V., Cemex Innovation Holding AG and CEMEX Corp. The new guarantor structure has been replicated in all of CEMEX's senior notes.

The credit agreement is the first debt issued under CEMEX's recently released sustainability-related financing framework, which is aligned with the company's Future in Action strategy and its ultimate vision of a carbon-neutral economy. Annual performance against the three criteria outlined in the framework may result in an overall interest margin adjustment of plus or minus 5 basis points, consistent with other sustainability-related loans from investment grade borrowers.

CEMEX is one of the largest cement companies in the world based on annual installed cement production capacity and one of the largest ready-mix concrete companies worldwide. CEMEX primarily engages in the production, distribution, marketing, and sale of cement, ready-mix concrete, aggregates, and clinker.

GHR worked with CEMEX's in-house counsel in Mexico (Roger Saldaña Madero, Guillermo F. Hernandez and Gabriel Deschamps Saiz).

The GHR team consisted of partners Marc Grüninger (Lead, Corporate/M&A, Finance), Markus Brühlhart (Corporate/M&A, Finance) and Gerhard Roth (Tax), associate Jil Suter (Corporate/M&A, Finance) and junior associate Michelle Wolf.

Skadden, Arps, Slate, Meagher & Flom LLP (New York) advised CEMEX on the new credit agreement and Slaughter and May (London) advised the company on the repayment of the 2017 facilities. Cleary Gottlieb Steen & Hamilton LLP (New York) and Galicia Abogados, S.C. (Mexico) advised the bookrunners and lead arrangers.

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GHR Rechtsanwälte AG

Seidengasse 13, P.O. Box, CH-8021 Zurich/Switzerland

Tavelweg 2, P.O. Box, CH-3074 Bern Muri/Switzerland

T +41 58 356 5000

info@ghr.ch

F +41 58 356 5009

www.ghr.ch