



## Announcement of a major acquisition in Brazil

- Purchase of a majority stake in Ciplan, a Brazilian cement operator
- Pursuit of Vicat's geographical diversification in a region with robust growth potential
- A cement company benefitting from an efficient industrial asset base, coupled with strong brand awareness and a solid presence in its regional markets
- A vertically integrated player into ready-mixed concrete and aggregates



**Paris La Défense, October 5<sup>th</sup>, 2018:** The Vicat Group (Euronext Paris: FR0000031775 - VCT) announces today the signing of a binding agreement with Cimento Planalto ("Ciplan") shareholders. This transaction has been structured through a reserved capital increase of €290 million corresponding to a majority stake of approximately 65%. Proceeds will be used to settle a vast majority of Ciplan's existing debt. It is to be noted that this transaction will be debt funded and its closing is subject to the fulfillment of certain conditions precedent.

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S.A. AU CAPITAL DE 179.600.000 EUROS  
IDENTIFICATION CEE: FR 92 - 057 505 539  
RCS NANTERRE

Ciplan operates a modern plant, in the vicinity of Brasilia, with a total installed cement capacity of 3.2 million tons per year. It is backed by high quality and abundant mineral resources. The Company also boasts 9 ready-mixed concrete plants and 5 aggregates quarries.

Considering the implementation of a vast multi-annual investment program launched in 2011 and focused on the modernization and expansion of its capacities, Ciplan counts, nowadays, with a highly performing industrial asset base supported by a seasoned and professional management team.

As a result, Ciplan generated a cement EBITDA margin of around 45% in 2013 (ca. 35% EBITDA margin for the total acquired activities), a high cycle year, based on a utilization rate of ca. 90%. In 2017, in a difficult market environment, the cement EBITDA margin stood at around 24% (ca. 16% EBITDA margin for the total acquired activities), with a utilization rate of 66%.

On the basis of its current 3.2 million tons cement capacity, and in light of the transaction's parameters, the Enterprise Value per ton of cement is €145, without assigning any valuation to concrete and aggregates activities.

With this acquisition, Vicat pursues its targeted external growth and geographical diversification strategy, through the incursion into a new emerging market benefitting from strong growth perspectives. In order to fully capture the Brazilian market's growth potential, Vicat will leverage a performing industrial asset base, coupled with strong brand awareness, abundant quarry reserves and a solid competitive position in its local markets.

Alvarez & Marsal (due diligence) and Pinheiro Neto Advogados (legal) acted as advisers to Vicat. EDNAM Capital and BR Partners acted as financial advisers to Ciplan. Lefosse Advogados acted as legal counsel to Ciplan.

# PRESS RELEASE



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## AVERTISSEMENT

This press release may contain forward-looking statements. Such forward-looking statements do not constitute forecasts regarding results or any other performance indicator, but rather trends or targets. These statements are by their nature subject to risks and uncertainties as described in the Company's annual report available on its website ([www.vicat.fr](http://www.vicat.fr)). These statements do not reflect the future performance of the Company, which may differ significantly. The Company does not undertake to provide updates of these statements.

Further information about Vicat is available from its website ([www.vicat.fr](http://www.vicat.fr)).

## ABOUT VICAT

The Vicat Group has **over 8,000 employees** working in three core divisions, Cement, Concrete & Aggregates and Other Products & Services, which generated **consolidated sales of €2,563 million** in 2017. The Group **operates in eleven countries**: France, Switzerland, Italy, the United States, Turkey, Egypt, Senegal, Mali, Mauritania, Kazakhstan and India. Almost 68% of its sales are generated outside France.

The Vicat Group is the heir to an industrial tradition dating back to 1817, when Louis Vicat invented artificial cement. Founded in 1853, the Vicat Group now operates **three core lines** of business: **Cement, Ready-Mixed Concrete** and **Aggregates**, as well as related activities.