Press Release

L'Isle d'Abeau, 3 November 2021

Nine-month 2021 sales

- **Consolidated sales in the nine months to 30 September 2021 of €2,354 million, up +19.7% at constant scope and exchange rates**
- **Solid business growth in all regions**
- **In the third quarter, sales rose +8.5% at constant scope and exchange rates despite an unfavourable basis of comparison in certain regions**

Consolidated sales (€ million)	**Nine-months 2021**	Nine-months 2020	Change (reported)	Change (at constant scope and exchange rates)
France	**824**	713	+15.5%	+14.8%
Europe (excluding France)	**301**	317	-4.8%	+4.5%
Americas	**500**	471	+6.2%	+14.6%
Asia	**320**	245	+30.6%	+39.0%
Mediterranean	**166**	122	+36.3%	+64.3%
Africa	**242**	198	+22.3%	+22.4%
Total	**2,354**	2,066	+13.9%	+19.7%

Commenting on these figures, Guy Sidos, the Group's Chairman and CEO said: *"Vicat's performance in the nine months to 30 September reflects the dynamism of its markets amid the gradual recovery from the pandemic. The Group records solid growth when compared to the same period of 2020, but also compared to 2019 (+14.9% at reported rates). Business trends in the third quarter held up at a strong level, with the Group's sales posting another increase despite an unfavourable basis of comparison in France, the Americas and India. Against this backdrop, the Group continues to take financial and industrial measures to achieve its operational, environmental and social objectives."*

Disclaimer:

- *In this press release, and unless indicated otherwise, all changes are stated on a year-on-year basis (2021/2020), and at constant scope and exchange rates.*
- *The alternative performance measures (APMs), such as "at constant scope and exchange rates", "operational sales", "EBITDA", "EBIT", "net debt", "gearing" and "leverage" are defined in the appendix to this press release.*
- *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). 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).

The Vicat Group's consolidated sales in the **first nine months of 2021** totalled €2,354 million, up +13.9% on a reported basis and up +19.7% at constant scope and exchange rates compared with the same period of 2020. This increase on a reported basis reflects:

- a negative currency effect of -4.9% given the appreciation in the euro against all the other currencies to which the Group has exposure;
- a small negative scope effect resulting from the sale of Créabéton in Switzerland, partly offset by an acquisition in Concrete and Aggregates in France;
- and organic growth of +19.7%.

Over the first nine months of the year, the hike in selling prices fully offset the impact of higher energy costs.

In the third quarter of 2021, the Vicat Group's consolidated sales came to €794 million, up +4.2% on a reported basis and up +8.5% at constant scope and exchange rates compared with the same period of 2020. This performance confirms the strength of the Group's business trends in a quarter when the basis of comparison was highly unfavourable in France, the Americas and India. Last year, activity in the third quarter of 2020 was boosted by a catch-up in these regions after the pandemic had taken a heavy toll in the first six months of 2020. Against this backdrop, selling prices moved significantly higher in the third quarter of 2021, partly offsetting higher energy costs during the period.

1. Analysis of consolidated sales in the first nine months of 2021 by geographical region

1.1. France

(€ million)	**Nine-months 2021**	Nine-months 2020	Change (reported)	Change (at constant scope and exchange rates)
Sales	**824**	713	+15.5%	+14.8%

The Group's performance in France over the first nine months of the year improved substantially, boosted by significant growth in demand, compared not only with 2020 but also with 2019. Although the pandemic's effects again dragged down performance, the favourable basis of comparison for sales in the first six months of the year, the government measures and the steps taken by the Group enabled it to seize all the growth opportunities available and to report a strong performance across all its business areas in the first nine months of the year. In the third quarter, sales declined -3.3% at constant scope. This decline reflects an unfavourable basis of comparison reflecting the exceptionally strong recovery in the same period of 2020, which was only partially offset by a still highly supportive industry environment.

- In the *Cement business*, operational sales rose +10.8% at constant scope over the period as a whole. This performance is the result of a dynamic industry environment in all the Group's markets and a more favourable basis of comparison than in the first six months of 2020, which helped to make up for the expected volume contraction in the third quarter. Amid these supportive conditions, selling prices and volumes rose significantly during the first nine months of the year. In the third quarter, operational sales declined -9.3% at constant scope.
- The operational sales recorded by the *Concrete & Aggregates business* rose +19.5% at constant scope. This trend was underpinned by firmer activity trends in concrete and in aggregates. Selling prices moved higher in aggregates and were stable in concrete. In the third quarter, operational sales grew +2.6% at constant scope despite an unfavourable basis of comparison.
- In the *Other Products & Services business*, operational sales advanced +19.9% at constant scope over the period. In the third quarter, operational sales rose +1.8% at constant scope.

1.2 Europe (excluding France)

(€ million)	**Nine-months 2021**	Nine-months 2020	Change (reported)	Change (at constant scope and exchange rates)
Sales	**301**	317	-4.8%	+4.5%

The Swiss market, which was barely affected by the pandemic in 2020, recorded growth at the start of the year. Italy benefited from a highly favourable basis of comparison given the very challenging pandemic and macroeconomic situation in 2020. It delivered solid growth throughout the period thanks to strong demand. In the third quarter, business trends in Europe remained firm both in Switzerland and in Italy, with consolidated sales up +3.2% at constant scope and exchange rates.

In **Switzerland**, the Group's consolidated sales rose +3.6% at constant scope and exchange rates (down -6.0% on a reported basis). In the third quarter, consolidated sales increased by +3.2% at constant scope and exchange rates. On a reported basis, they fell -17.8% owing to the deconsolidation of Créabéton, the precast business sold on 30 June 2021.

- *In the Cement business*, operational sales grew +2.8% at constant scope and exchange rates thanks to the healthy market performance. In the third quarter, the operational sales recorded by this business declined by -3.2% at constant scope and exchange rates.
- *In the Concrete & Aggregates business*, operational sales declined -5.1% at constant scope and exchange rates as a result of less favourable weather conditions at the beginning of the year. In the third quarter, operational sales declined by -2.3% at constant scope and exchange rates.
- *In the Other Products and Services business*, operational sales rose by +10.2% at constant scope and exchange rates. Third-quarter operational sales rose +7.6% thanks to an encouraging level of deliveries by the Rail business to the state operator and a favourable product mix. On a reported basis, business declined -49.0% largely as a result of the sale of precast business on 30 June 2021.

In **Italy**, consolidated sales advanced by +25.4%. Business trends and selling prices moved significantly higher throughout the period. In the third quarter, the basis of comparison was significantly less supportive than it was in the first six months, but the industry environment remained upbeat, with selling prices continuing to move upwards. As a result, consolidated sales rose +4.9%.

1.3 *Americas*

(€ million)	**Nine-months 2021**	Nine-months 2020	Change (reported)	Change (at constant scope and exchange rates)
Sales	**500**	471	+6.2%	+14.6%

In the United States and in Brazil, construction sector trends remain upbeat, providing support for price increases. In the third quarter, consolidated sales rose +3.2% at constant scope and exchange rates despite a highly unfavourable basis of comparison after the exceptionally strong business upswing recorded in the same period of 2020.

In the **United States**, the macroeconomic and sector environment again remained supportive throughout the period. Trends in the second and third quarter were affected by an unfavourable basis of comparison in California and poor weather conditions in the South-East region. Nonetheless, consolidated sales recorded an increase at constant scope and exchange rates of +8.4% in the first nine months of the year and of +3.2% in the third quarter.

The construction of the new kiln line at the Ragland plant (Alabama) made progress during the year, and it is scheduled to enter service in the first quarter of 2022. The new installation will help meet the strong market demand by increasing the plant's capacity and sharply reducing production costs, and it will help lower the Group's CO_2 emissions.

- *In the Cement business*, operational sales rose +2.0% at constant scope and exchange rates over the first nine months of the year thanks to upbeat trends in the markets in which the Group operates and a rise in selling prices over the period. In the third quarter, operational sales declined by -3.5% at constant scope and exchange rates. The downturn in business during the quarter was the result of an unfavourable basis of comparison in 2020 in California and poor weather conditions in the South-East region. Selling prices rose in both regions during the quarter.
- *In the Concrete business*, operational sales rose +13.7% at constant scope and exchange rates as further upbeat market conditions provided a boost, especially in the residential and commercial sectors. Against this backdrop, selling prices moved significantly higher. Business trends in the third quarter were again solid despite the storms in the South East region. Operational sales moved up +11.3% at constant scope and exchange rates, supported by a steady increase in selling prices and delivery volumes.

In Brazil, consolidated sales totalled €136 million, up +34.4% at constant scope and exchange rates. In the third quarter, consolidated sales rose +10.4% at constant scope and exchange rates despite the highly unfavourable basis of comparison arising from the dynamic sales performance of 2020.

- *In the Cement business*, operational sales totalled €111 million, up from €93 million in the first nine months of 2020 and up +33.3% at constant scope and exchange rates. This performance reflects the dynamic market conditions in which the Group operates and positive pricing trends. In the third quarter, operational sales rose +6.2% at constant scope and exchange rates against the unfavourable basis of comparison, supported by the increase in selling prices.

- *In the Concrete & Aggregates business*, operational sales were €39 million, an increase of +44.1% at constant scope and exchange rates, mirroring trends in the Cement business. The improvement in market conditions was accompanied by a rise in prices, both in concrete and in aggregates. In the third quarter, operational sales rose by +7.4% at constant scope and exchange rates on the back of a solid increase in selling prices and sales volumes in concrete.

1.4 Asia (India and Kazakhstan)

(€ million)	**Nine-months 2021**	Nine-months 2020	Change (reported)	Change (at constant scope and exchange rates)
Sales	**320**	245	+30.6%	+39.0%

The Asia region, and particularly India, was again severely affected by the pandemic, but to a far lesser extent than in 2020. Contrary to early 2020, the measures taken by the Indian government to address the situation enabled the Group to continue operating.

In the third quarter, business trends remained brisk across the region, with consolidated sales up +20.1% at constant scope and exchange rates despite a high basis of comparison.

Business in **India** grew sharply throughout the period, supported by strong demand supported by government contracts. As a result of these conditions, prices held up well during the period and the Group posted consolidated sales of €268 million in the first nine months of 2021, up +45.7% at constant scope and exchange rates. In the third quarter, sales rose +22.1% at constant scope and exchange rates despite an unfavourable basis of comparison.

Consolidated sales in **Kazakhstan** came to €52 million, up +13.4% at constant scope and exchange rates. This performance was achieved through further expansion in the Group's business in its domestic market, which helped to make up for the fall in exports. Given this favourable geographical mix and the dynamic trends in the Kazakh market, prices recorded a significant increase. In the third quarter, sales rose +12.6%, with the hike in prices making up for a slight decline in sales volumes.

1.5 Mediterranean (Egypt and Turkey)

(€ million)	**Nine-months 2021**	Nine-months 2020	Change (reported)	Change (at constant scope and exchange rates)
Sales	**166**	122	+36.3%	+64.3%

The Mediterranean region remains affected by a downbeat macroeconomic and sector situation with reduced visibility, although the environment and market conditions are gradually improving in both Turkey and Egypt. The trend carried through into the third quarter, with consolidated sales rising +52.9% at constant scope and exchange rates.

In **Turkey**, while the macroeconomic and sector environment remains uncertain, the recovery in the construction market remains on track. Consolidated sales in the first nine months of 2021 totalled €113 million, up +63.2% at constant scope and exchange rates. In the third quarter, the environment continued to improve, with consolidated sales rising by +51.4% at constant scope and exchange rates.

- *In the Cement business*, the firmer trends observed since the end of 2020 carried through into the first nine months of this year. As a result, business trends and selling prices posted a significant increase compared with the same period of 2020, paving the way for an increase in operational sales of +64.6% at constant scope and exchange rates. Operational sales moved up +52.7% at constant scope and exchange rates in the third quarter.
- *In the Concrete & Aggregates business*, operational sales rose +62.2% at constant scope and exchange rates. The business was boosted by the ongoing improvement in market and weather conditions in the first nine months of the year supporting higher prices. Operational sales moved up +58.4% at constant scope and exchange rates in the third quarter.

In **Egypt**, consolidated sales totalled €53 million, up +67.3% at constant scope and exchange rates. The market regulation agreement between the Egyptian government and all producers entered force in July 2021. It paved the way for an improvement in selling prices in the domestic market during the third quarter as consolidated sales increased by +57.5% at constant scope and exchange rates, with selling prices well above the levels recorded in the third quarter of 2020.

1.6 *Africa*

(€ million)	**Nine-months 2021**	Nine-months 2020	Change (reported)	Change (at constant scope and exchange rates)
Sales	**242**	198	+22.3%	+22.4%

In Africa, the Group continues to reap the benefit of favourable sector demand despite the pandemic, backed up by improvements in performance at the Rufisque plant and by the ramp-up of the new mill in Mali. Sales moved up +28.9% at constant scope and exchange rates in the third quarter.

- *In the Cement business*, operational sales in the Africa region grew +23.3% at constant scope and exchange rates, with a boost provided by the dynamic trends in the West African market, especially in Senegal, and the ramp-up in the new mill in Mali. Selling prices in Senegal were consistently lower than in the year-earlier period given the introduction of the new tax on cement in May 2020. It should be noted that this unfavourable basis of comparison came to an end in the second quarter of 2021. Pricing conditions in Mali and Mauritania are positive. In the third quarter, operational sales moved up +31.2% at constant scope and exchange rates.
- The *Aggregates business* in Senegal recorded consolidated sales of €21 million, up +18.0% at constant scope and exchange rates over the period as a result of the gradual resumption of major government projects. In the third quarter, sales rose +21.3% at constant scope and exchange rates.

2. Financial position at 30 September 2021

The dynamic business trends recorded across the various markets, the positive trend in selling prices and a persistently tight grip on costs helped to offset the rise in energy costs throughout the period. Operating profitability improved significantly over the first nine months of the year.

At 30 September 2021, the Group's shareholders' equity was €2,544 million, up from €2,381 million at 30 September 2020. The Group's net debt came to €1,269 million, compared with €1,265 million at 30 September 2020.

3. Outlook for 2021

Over 2021 as a whole, the Group anticipates an increase in its full-year EBITDA based on its performance in the first nine months of 2021 and the following factors:

- The dynamic market conditions in which the Group is operating, with a significant rise in sales volumes
- Positive trends in average prices

These factors will help to offset:

- Unfavourable currency effects. The Group wishes to reiterate that its currency risk is predominantly a currency translation risk;
- A significant increase in energy costs in the second half, which are expected to increase by around +14% over the year as a whole, compensated by a marked increase in selling prices over the full year.

During 2021, the Group is keeping up its investment drive focusing chiefly on:

- The construction of the new kiln at the Ragland plant in the United States;
- A drive to incrementally boost capacity at production facilities in India and to invest in new terminals to expand its market and lower logistics costs;
- And, lastly, the ramp-up in projects to meet the carbon footprint reduction targets and in line with its environmental actions.

Accordingly, capital expenditure committed to production facilities is expected to be higher than in 2020 at around €410 million, with the Group adjusting the pace of its investment projects to its cash generation trends.

The Group is issuing the following guidance about the performance expected over the full year in the various countries in which it operates. It wishes to make clear that these trends are intimately linked to developments in the pandemic crisis and the latter's impact on each of them:

- In France, activity levels are expected to remain on a growth trajectory over the year as a whole. The Group expects less dynamic growth in the second half than in the first, given the very strong recovery seen in the second half of 2020;
- In Switzerland, the Cement and the Concrete & Aggregates businesses should reap the benefit of upbeat conditions in the construction sector. The Other Products & Services business will of course be affected by the deconsolidation of the Precast business, following completion of the latter's disposal on 30 June 2021;
- In the United States, activity levels are expected to keep growing as a result of higher selling prices, despite volumes coming up against an unfavourable basis of comparison in the third quarter. The roll-out of the economic stimulus plan presented by the new US administration is unlikely to have much of an impact until 2022;
- In Brazil, the environment is expected to remain supportive. That said, given the basis of comparison for the second half of 2020, the Group expects its performance there to stabilise progressively in 2021;
- In India, subject to developments in the pandemic, the Group expects to reap the benefit of the market growth forecast in 2021. Amid these supportive conditions, pricing trends are expected to be positive, but volatile;
- In Kazakhstan, performance in 2020 provides a high basis of comparison, but market conditions are forecast to remain favourable nonetheless;
- In Turkey, given the stabilisation in the industry environment and the stirrings of a recovery in Turkey seen in 2020, the situation is expected to continue improving gradually in the second half, despite the persistent currency weakness;
- In Egypt, the uptrend in volumes and selling prices from the second quarter onwards is likely to make further progress in the new regulatory framework established for the industry;
- In West Africa, business trends are expected to remain strong in Cement. The basis of comparison for prices will be more favourable in the second half and is likely to be supported by further growth in sales volumes. The Aggregates business in Senegal is likely to continue its recovery;

Conference call

To accompany the publication of its nine-month 2021 sales, the Vicat group is organising a conference call in English on **4 November 2021** at **3pm CET** (2pm London time and 9am New York time).

To take part in the conference call live, dial one of the following numbers:

France:	+33 (0)1 70 37 71 66
United Kingdom:	+44 (0)33 0551 0200
USA:	+1 212 999 6659

You may also access a live audio webcast of the conference, together with the presentation, on the Vicat website or simply by clicking here.
A replay of the conference call will be immediately available for streaming via the Vicat website or by clicking here.

Next report:

2021 results on 15 February 2022 after the market close.

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About Vicat

The Vicat Group has over 9,000 employees working in three core divisions, Cement, Concrete & Aggregates and Other Products & Services, which generated consolidated sales of €2.805 billion in 2020. The Group operates in twelve countries: France, Switzerland, Italy, the United States, Turkey, Egypt, Senegal, Mali, Mauritania, Kazakhstan, India and Brazil. Some 64% of its sales are generated outside France.

The Vicat Group is the heir to a family 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.

About the Louis Vicat Foundation

Created in 2017 on the occasion of the bicentenary of the invention of artificial cement, the Foundation's objectives are: the promotion of scientific and technical culture, the preservation and enhancement of heritage, education and solidarity. To this end, in 2020 the Foundation carried out a series of inclusive actions for the benefit of people with disabilities and those far from employment. The year 2021 will be the Year of Women.

Vicat group – Financial data – Appendix

Definition of alternative performance measures (APMs):

- Performance **at constant scope and exchange rates** is used to determine the organic growth trend in P&L items between two periods and to compare them by eliminating the impact of exchange rate fluctuations and changes in the scope of consolidation. It is calculated by applying exchange rates and the scope of consolidation from the prior period to figures for the current period.
- A geographical (or a business) segment's **operational sales** are the sales posted by the geographical (or business) segment in question less intra-region (or intra-segment) sales.
- **Value-added**: value of production less consumption of materials used in the production process.
- **Gross operating income**: value-added, less staff costs, taxes and duties (other than on income and deferred taxes) plus operating subsidies.
- **EBITDA** (earnings before interest, tax, depreciation and amortisation): sum of gross operating income and other income and expenses on ongoing business.
- **EBIT:** (earnings before interest and tax): EBITDA less net depreciation, amortisation, additions to provisions and impairment losses on ongoing business.
- **Cash flow from operations**: net income before net non-cash expenses (i.e., predominantly depreciation, amortisation, additions to provisions and impairment losses, deferred taxes, gains and losses on disposals and fair value adjustments).
- **Free cash flow:** net operating cash flow after deducting capital expenditure net of disposals.
- **Net debt** represents gross debt (consisting of the outstanding amount of borrowings from investors and credit institutions, residual financial liabilities under finance leases, any other borrowings and financial liabilities excluding options to sell and bank overdrafts), net of cash and cash equivalents, including remeasured hedging derivatives and debt.
- **Gearing** is a ratio reflecting a company's financial structure calculated as net debt/consolidated equity.
- **Leverage** is a ratio reflecting a company's profitability, which is calculated as net debt/consolidated EBITDA.