PRESS RELEASE

First-quarter 2019 sales

- **Sales of €600 million, up +4.7% and stable (+0.3%) at constant scope and exchange rates**
- **Increase in selling prices across almost all Vicat's regions**
- **Ciplan acquisition in Brazil finalised**
- **€290 million in refinancing completed successfully**

Paris La Défense, 6 May 2019: the Vicat Group (Euronext Paris: FR0000031775 – VCT) has today reported its sales for the three-month period to 31 March 2019 of €600 million, up +4.7% on a reported basis and up +0.3% at constant scope and exchange rates.

Consolidated sales by business segment:

(€ million)	**First quarter 2019**	First quarter 2018 (excl. Brazil)	Change (%)	
			Reported	At constant scope and exchange rates
Cement	**302**	**290**	+4.7%	-1.4%
Concrete & Aggregates	**225**	**211**	+6.6%	+2.8%
Other Products & Services	**73**	**72**	+0.7%	-0.1%
Total	**600**	**573**	+4.7%	+0.3%

Commenting on these figures, the Group's Chairman and CEO said: *"The pick-up in activity that began at end 2018 was confirmed in the first quarter of 2019. The Group's consolidated sales have increased with the integration of Ciplan in Brazil from February. This growth has led us to present our geographic zone reporting in line with this new organisation. The rise in prices across all zones has resulted in stable consolidated sales at constant scope and perimeter, despite strong volume erosions in Turkey as a result of the 2018 lira devaluation and of the consequences of highly adverse weather conditions in California. The integration of Ciplan in Brazil is on track amid conditions that are stabilising after several years of major consumption falls.*
The Group has successfully diversified its sources of financing by drawing on the German private market at attractive rate and maturity conditions. On the back of this dynamic momentum, the Vicat Group expects a marked improvement in its profitability."

CONTACTS

INVESTISSEURS VICAT :

STÉPHANE BISSEUIL
TÉL. +33 (0)1 58 86 86 13
stephane.bisseuil@vicat.fr

CONTACTS PRESSE VICAT :

ALIZEE REMAUD
TÉL. +33 (0)1 58 86 86 26
alizee.remaud@tbwa-corporate.com

SIÈGE SOCIAL :

TOUR MANHATTAN
6 PLACE DE L'IRIS
F-92095 PARIS - LA DÉFENSE CEDEX
TÉL : +33 (0)1 58 86 86 86
FAX : +33 (0)1 58 86 87 88

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

In this press release, and unless indicated otherwise, all changes are stated on a year-on-year basis (2019/2018), and at constant scope and exchange rates.

A breakdown of first-quarter operational sales between the Group's various businesses shows a slight dip in the contribution from the Cement business to 52.3% of operational sales, down from 52.6% in the first quarter of 2018. The Concrete & Aggregates business contributed 34.0% of operational sales, up from 33.1%, while the contribution from Other Products & Services sank to 13.7% of operational sales from 14.3% in the first quarter of 2018.

1. Geographical breakdown of first-quarter 2019 sales

1.1. France

(€ million)	**First quarter 2019**	First quarter 2018	Change (%)	
			Reported	At constant scope
Consolidated sales	**225**	208	+8.1%	+8.1%

Business trends in France were again very strong in France during the first quarter amid favourable macroeconomic and industry conditions supported by high activity levels in the infrastructure, industry and commercial segments, offsetting the contraction in the residential segment. These favourable conditions made it possible to raise prices in all the Group's main businesses in the region.

By business:

- *In Cement*, operational sales rose +5.1%. Amid favourable industry conditions, volumes rose and selling prices also moved significantly higher.
- *In Concrete & Aggregates*, operational sales grew by +10.9%. The top-line increase was driven by a significant improvement in the product mix and of a strong rise in concrete selling prices. Aggregates were underpinned by the strong momentum in the public works market, with higher selling prices.
- *In Other Products & Services*, operational sales climbed +6.0% thanks to the positive trends in the transportation and building chemicals businesses.

1.2. Europe (excluding France)

(€ million)	**First quarter 2019**	First quarter 2018	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	**75**	74	+2.0%	-0.6%

Business trends in Europe (excluding France) continued where they left off in late 2018. Sales in Switzerland fell with the contraction in the precast business, offset partly by an upturn in Cement and progressive stabilisation in Concrete & Aggregates. The Group's performance continued to improve in Italy.

In **Switzerland**, the Group's consolidated sales declined -3.8% at constant scope and exchange rates (-1.1% on a reported basis).

- *In Cement*, operational sales rose +1.2% (+4.1% on a reported basis) driven by good activity trends.
- *In Concrete & Aggregates*, operational sales were almost stable, falling -0.4% at constant scope and exchange rates. Concrete volumes dipped slightly lower during the first quarter, but aggregates volumes rose as a result of the start-up of a number of small and medium-sized projects. Selling prices rose in concrete but were still below the levels recorded in the first quarter of 2018 in aggregates.
- *Precast* operational sales fell -14.1% at constant scope and exchange rates (-11.7% on a reported basis) amid fierce competition in consumer products and weak business volumes at the beginning of the year in the rail sector.

In **Italy**, consolidated sales grew +73.0%. The key factor driving this improvement was the reallocation of Vicat Prompt cement sales in Italy to the country. Nonetheless, the industry environment improved slightly.

1.3. Americas (United States and Brazil)

(€ million)	**First quarter 2019**	First quarter 2018	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	**115**	87	+31.8%	-3.7%

The Americas region was created following the recent acquisition of Ciplan in Brazil. Accordingly, the growth on a reported basis chiefly reflects the larger scope of consolidation.

In the United States, the macroeconomic and industry environment continued to improve. Even so, weather conditions were highly unfavourable in California at the beginning of the year, which drove down the region's sales volumes. Sales totalled €91 million, down -3.7% at constant scope and exchange rates compared with the first quarter of 2018 (+4.3% on a reported basis).

- *In Cement*, operational sales sank -6.2% at constant scope and exchange rates (+1.5% on a reported basis). This business contraction was chiefly attributable to the fall in sales volumes in California as a result of record storm activity over the period and a more moderate decline in the South-East. The industry environment remained upbeat in both regions. Selling prices continued to rise over the period, both in California and in the South-East.
- *In Concrete*, operational sales dropped -4.6% at constant scope and exchange rates (up +3.3% on a reported basis). Volume growth in the South-East did not suffice to make up for the significant fall in volumes in California caused by weather conditions. Selling prices recorded a healthy increase over the period, both in California and in the South-East.

In **Brazil**, sales of €23.9 million were generated following finalisation of the Ciplan acquisition on 21 January 2019. After downbeat macroeconomic conditions that lasted for several years, the situation is gradually stabilising.

- *In Cement*, operational sales totalled €19.3 million with close to 350,000 tonnes delivered. In this activity, volumes and prices have increased when compared to 2018.
- *In Concrete & Aggregates*, operational sales totalled €6.1 million. Concrete deliveries exceeded 78,000 cubic metres and aggregates deliveries 325,000 tonnes. This business has also recorded an increase in volumes on 2018's performance. Prices are well-oriented in Aggregates but are decreasing in Concrete.

1.4. Asia (India and Kazakhstan)

(€ million)	First quarter 2019	First quarter 2018	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	**90**	94	-4.3%	-2.5%

In **India**, the Group recorded consolidated sales of €81 million in the first quarter of 2019, down -6.3% at constant scope and exchange rates and down -7.4% on a reported basis in a fast-moving and competitive environment. Sales volumes fell more than -14% compared with the same period of the previous year to stand at close to 1.5 million tonnes in the first quarter, reflecting the priority announced by the Group of focusing on selling prices, which indeed rose significantly over the quarter.

In **Kazakhstan**, the industry environment remained dynamic at the beginning of the year in the domestic market, while export sales are expected to pick up from the second quarter onwards. Consolidated sales came to €8.8 million over the period, up +49.8% at constant scope and exchange rates and up +38.5% on a reported basis. Volumes rose by over 11% with more than 218,000 tonnes delivered during the quarter amid a sharp increase in selling prices.

1.5 Mediterranean (Turkey and Egypt)

(€ million)	First quarter 2019	First quarter 2018	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	**34**	49	-31.4%	-18.5%

In **Turkey**, consolidated sales came to €23.6 million, down -27.3% at constant scope and exchange rates (down -44.2% on a reported basis). This steep sales contraction reflects the impact of the August 2018 devaluation on macroeconomic and industry conditions and the very sharp slowdown in industrial activity in Turkey.

- *In Cement*, the Group's operational sales sank -27.1% at constant scope and exchange rates (down -44.0% on a reported basis). This contraction reflects a drop of close to -41% in volumes still only partially offset by the steep price hikes.
- The operational sales recorded by the *Concrete & Aggregates business* sank -24.2% at constant scope and exchange rates (down -41.8% on a reported basis). Trends in the business were similar to those seen in Cement with major projects being halted as a result of a shortage of public funds. Accordingly, volumes declined close to -36% in concrete and -45% in aggregates. Selling prices increase significantly in both concrete and aggregates, but insufficiently to make up for the impact of the fall in volumes.

In **Egypt**, consolidated sales totalled €10.1 million, up +35.9% at constant scope and exchange rates and up 47.5% on a reported basis. This growth reflects a favourable base of comparison since performance in the first quarter of 2018 had been affected by the February 2018 military operations in North Sinai, which prompted the plant to be shut down for two months. Sales thus remained at low levels as a result of a challenging macroeconomic environment and of substantial logistical constraints in the region where military operations are ongoing. Against this backdrop, average selling prices fell back slightly during the first quarter.

1.6. Africa (Senegal, Mali and Mauritania)

(€ million)	**First quarter 2019**	First quarter 2018	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	**61**	61	+0.5%	+0.1%

In Africa, business trends were supported by a positive industry environment. The construction of new homes and continuing public infrastructure projects helped to boost industry momentum.

In Cement, sales volumes slipped close to -6% across Africa. Selling prices firmed up slightly in Senegal but moved lower in Mali and Mauritania.

Aggregates sales in Senegal recorded a substantial increase thanks to fresh volume growth (close to +14%) and a rise in selling prices.

2. Changes in Vicat's consolidated financial position at 31 March 2019

It is worth noting that historically the first quarter has not been representative of the Group's full-year financial performance.

After including the effects arising from the first-time adoption of IFRS 16, net debt stood at 57.4% of consolidated equity at 31 March 2019, up from 37.6% (pro forma) at 31 March 2018. This increase follows on from the completion of the Ciplan acquisition in January 2019.

Given the level of the Group's net debt, bank covenants do not pose a threat to either the Group's financial position or its balance sheet liquidity. At 31 March 2019, Vicat complied with all the financial ratios required by covenants in the financing agreements.

3. Recent events

The Vicat group successfully completed a €290 million Schuldscheindarlehen issue (German private placement) on 26 April 2019 to refinance its debt while lowering its average borrowing costs, extending its average debt maturity and diversifying its funding sources.

This financing consists of 5-year, 7-year and 10-year maturities, combining fixed- and floating rate tranches. The placement's average maturity worked out at 6.24 years, and its average interest rate is 1.3%.

The size of the Schuldscheindarlehen issue was increased from €150 million to €290 million as a result of strong investor demand, and it was placed with a very broad base of banks and European and Asian institutional investors.

4. Outlook

In 2019, the macroeconomic context is likely to include broadly firm economic growth, although certain emerging-market regions will continue to face an uncertain political and sector environment. The Group expects strong seasonal variations in 2019.
Consumed energy prices are likely to show a further increase in early 2019, before the situation becomes more favourable in the second half given the recent decline in energy prices, the Group's policy of hedging its energy requirements and its industrial strategy of fossil fuel substitution.
Against this background, the Group expects a marked improvement in its profitability.

The Group is providing the following guidance concerning its regional markets:

In **France**, the decrease in building permits may be offset by very healthy trends in the public works, commercial and industry sectors, with prices heading upwards.

In **Switzerland**, the macroeconomic environment is likely to improve very slightly and the Group anticipates a gradual improvement in volumes and selling prices in Cement, Concrete and Aggregates. Competition in the Precast business is likely to remain tough.

In **Italy**, the Group's performance should benefit from an ongoing upturn in the macroeconomic and sector background.

In the **United States**, the macroeconomic and sector context should remain favourable. The Group expects an improvement in volumes, with a stronger increase in California than in the South-East, and a further rise in prices.

In **Turkey,** the sharp deterioration in the macroeconomic and sector environment following the devaluation of the Turkish lira in August 2018 is likely to have an impact throughout 2019, particularly the first half because of the very high base for comparison. The expected increase in selling prices is likely to offset the combined impact caused by lower volumes and higher production costs. In this context, the Group nevertheless expects its performance in Turkey to deteriorate sharply in 2019 as a whole.

In **India**, the impact of government reforms should continue, benefiting the entire economy and the construction sector in particular. Against that background, cement consumption should see further substantial growth in 2019 and the competitive context is likely to improve gradually as all market players see their utilisation rates rise. Although selling prices may remain highly volatile, particularly at the start of the year, they should rise sharply over the year as a whole.

In **Kazakhstan**, the 2018 performance constitutes a high-basis of comparison in a context that should nevertheless remain favourable.

In **Egypt**, the security situation is likely to remain tense and operating costs are expected to remain high. The steady improvement in market conditions and the investments that the Group is planning in order to improve its performance should take effect very gradually, particularly in the second half of the year.

In **West Africa**, the construction market is expected to grow, while the operating environment is likely to remain competitive. The Group expects Cement to see positive volume trends across the region as a whole, and selling prices to increase sharply.

In Brazil, after several years characterised by a very sharp drop in cement consumption, the latter has stabilised gradually in the last 24 months to reach 54 million tonnes in 2018. Given recent political developments and planned reforms, 2019 should show the first signs of a gradual upturn in volumes and pricing.

5. Conference call

To accompany the publication of its sales at 31 March 2019, the Vicat Group is organising a conference call in English that will take place on Tuesday, 7 May 2019 at 3pm Paris time (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 76 77 22 88
United Kingdom:	+44 (0)330 336 9127
United States:	+1 323 994 2082

To listen to a playback of the conference call, which will be available until 10 May 2019, dial one of the following numbers:

France:	+33 (0)1 70 48 00 94
United Kingdom:	+44 (0) 207 660 0134
United States:	+1 719 457 0820
Access code:	2655169#

Next report: First-half 2019 results on 1 August 2019 after the close.

Investor relations contact:
Stéphane Bisseuil:
Tel: +33 (0)1 58 86 86 05
stephane.bisseuil@vicat.fr

Press contacts:
Alizee Remaud:
Tel: +33 (0)1 58 86 86 26
alizee.remaud@tbwa-corporate.com

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 €2,582 million** in 2018. The Group **operates in twelve countries:** France, Switzerland, Italy, the United States, Turkey, Egypt, Senegal, Mali, Mauritania, Kazakhstan, India and Brazil. Over 63% 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.

Vicat Group – Financial data – Appendices

Breakdown of first-quarter 2019 sales by business & geographical region

	Cement	Concrete & Aggregates	Other Products & Services	Inter-sector eliminations	**Consolidated sales**
France	90	112	67	(44)	**225**
Europe (excluding France)	34	30	20	(9)	**75**
Americas	67	62	-	(14)	**115**
Asia	88	1	2	(1)	**90**
Mediterranean	27	11	3	(7)	**34**
Africa	48	13	-	(0)	**61**
Operational sales	**353**	**229**	**92**	**(75)**	**600**
Inter-sector eliminations	(51)	(5)	(19)	75	**-**
Consolidated sales	**302**	**225**	**73**	**-**	**600**

Breakdown of first-quarter 2019 sales by business

Cement

(€ million)	**First-quarter 2019**	First-quarter 2019	Change (%)	
			Reported	At constant scope and exchange rates
Volume (thousands of tonnes)	**5,000**	5,206	-4.0%	
Operational sales	**353**	342	+3.3%	-1.5%
Eliminations	**(51)**	(52)		
Consolidated sales	**302**	290	+4.3%	-1.4%

Concrete & Aggregates

(€ million)	**First-quarter 2019**	First-quarter 2019	Change (%)	
			Reported	At constant scope and exchange rates
Concrete volumes (thousands of m^3)	**1,807**	2,020	-10.5%	
Aggregates volumes (thousands of tonnes)	**5,156**	5,188	-0.6%	
Operational sales	**229**	215	+6.7%	+3.0%
Eliminations	**(4)**	(4)		
Consolidated sales	**225**	211	+6.6%	+2.8%

Other Products & Services

(€ million)	**First-quarter 2019**	First-quarter 2019	Change (%)	
			Reported	At constant scope and exchange rates
Operational sales	**92**	**93**	-0.6%	-0.3%
Eliminations	**(19)**	(21)		
Consolidated	**73**	72	+0.7%	-0.1%