



First-quarter 2021 sales

- **First-quarter 2021 consolidated sales of €707 million, up +22.1% at constant scope and exchange rates**
- **Solid business growth in all regions**
- **Pandemic situation still a concern, with limited impact on activity compared with the first quarter of 2020**

<i>Consolidated sales (€ million)</i>	First-quarter 2021	First-quarter 2020	Change (reported)	Change (at constant scope and exchange rates)
France	255	211	+21.0%	+20.7%
Europe (excluding France)	87	86	+0.5%	+2.6%
Americas	142	134	+6.3%	+22.8%
Asia	100	81	+24.0%	+37.4%
Mediterranean	43	33	+30.0%	+61.3%
Africa	80	71	+13.0%	+13.4%
Total	707	615	+14.9%	+22.1%

Commenting on these figures, Guy Sidos, the Group's Chairman and CEO said: *"The Vicat group's performance over the first three months of 2021 reflects the dynamic trends in our markets and once again demonstrates the effectiveness of our business strategy and our geographical portfolio. With the pandemic situation still a concern, the measures we have taken since the first half of 2020 have enabled us to seize growth opportunities in our markets and capitalise on governments' economic stimulus measures, especially those targeting the construction sector. Lastly, the Group benefited from a favourable base of comparison during the first quarter, especially in France, India and Italy.*

Against this backdrop, The Group continues to commit further technological and financial resources to accelerate its ecological and digital transition."

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 quarter of 2021 came to €707 million, up +14.9% on a reported basis and up +22.1% at constant scope and exchange rates compared with the same period of 2020. This reported increase reflects:

- a negative currency effect of -7.4% given the appreciation in the euro against all the other currencies to which the Group has exposure
- and, organic growth of +22.1%

It’s worth noting that:

- given the seasonal variations in Vicat’s business activities, first-quarter performance should not be considered as representative of the performance that the Group is likely to post over the full year;
- the Group reaped the benefit of a highly favourable base of comparison in the first quarter given the impact of the pandemic and the government measures taken to address it in March 2020, and more generally during the first six months of 2020, especially in France, India and Italy;
- the first-quarter performance not only exceeded that recorded in the same period of 2020, but also that reported in the first quarter of 2019, across all regions.

Progressions in operational sales by business were as follows:

- Cement posted a +15.1% increase on a reported basis and a +24.4% rise at constant scope and exchange rates;
- Concrete & Aggregates posted a +10.6% increase on a reported basis and a +16.6% increase at constant scope and exchange rates;
- and, lastly, Other Products & Services posted a +22.5% increase on a reported basis and a +24.4% rise at constant scope and exchange rates.

1. Consolidated sales in the three months ended 31 March 2021 by geographical region

1.1. France

(€ million)	First-quarter 2021	First-quarter 2020	Change (reported)	Change (at constant scope and exchange rates)
Sales	255	211	+21.0%	+20.7%

Over the first three months of the year, the Group's performance in France moved higher despite the pandemic, in line with the trend seen in late 2020. In addition, the base of comparison for the quarter was favourable given the very sharp slowdown in the first quarter of 2020 as a result of the government measures taken at the beginning of the first lockdown.

- *In the Cement business*, operational sales rose +16.3% at constant scope over the period as a whole as a result of the favourable base of comparison in the first quarter of 2020 and a supportive industry environment in the Group's markets. These factors helped offset the impact of the more unfavourable weather conditions and the fact there was one business day less than in the same period of 2020. This volume growth was accompanied by a hike in selling prices in the domestic market.
- The operational sales recorded by the *Concrete & Aggregates business* rose +21.9% at constant scope (up +22.6% on a reported basis). This performance was underpinned by volume growth in concrete and aggregates. Selling prices moved higher in aggregates and were stable in concrete.
- *In the Other Products & Services business*, operational sales advanced +24.1% at constant scope over the period.

1.2 Europe (excluding France)

(€ million)	First-quarter 2021	First-quarter 2020	Change (reported)	Change (at constant scope and exchange rates)
Sales	87	86	+0.5%	+2.6%

In Europe (excluding France), there was a stark contrast in activity trends between Switzerland and Italy. The Swiss market was barely affected by the pandemic during the first quarter of 2020 and posted a slight increase in the first quarter of this year. Conversely, trends in Italy, where the pandemic and macroeconomic situation was very challenging in the first quarter of 2020, were boosted by this highly favourable base of comparison.

In **Switzerland**, the Group's consolidated sales climbed +1.9% at constant scope and exchange rates (down -0.3% on a reported basis). Business in the country continued as normal with no significant impact on sector conditions arising from the pandemic.

- *In the Cement business*, operational sales grew by +4.4% at constant scope and exchange rates thanks to solid market trends as well as in the waste recovery activity. Selling prices dipped slightly as a result of an unfavourable customer mix.
- *In the Concrete & Aggregates business*, operational sales declined -12.7% at constant scope and exchange rates due to less favourable weather conditions than in the first quarter of 2020. Selling prices picked up in the first quarter, however.
- *The Other Products & Services business* recorded an +18.3% increase in sales at constant scope and exchange rates in a market that remains highly competitive.

In **Italy**, consolidated sales rose +14.4% over the period thanks to the favourable base of comparison created by the business shutdown for several days in the first quarter of 2020.

1.3 Americas

(€ million)	First-quarter 2021	First-quarter 2020	Change (reported)	Change (at constant scope and exchange rates)
Sales	142	134	+6.3%	+22.8%

Despite a still concerning pandemic situation, especially in Brazil, activity levels remained strong in both the United States and Brazil. Growth in Brazil that began from the third quarter of 2020 continued in the first quarter of 2021.

In the **United States**, the macroeconomic and sector environment remained supportive throughout the first quarter. The Group's consolidated sales rose +12.6% at constant scope and exchange rates to €107 million.

- *In the Cement business*, operational sales rose +7.6% at constant scope and exchange rates in the first quarter of 2021 on the back of solid trends in the Group's markets and increases in selling prices. To note, a new price increase was passed on April 1, 2021.
- *In the Concrete business*, operational sales rose +14.4% at constant scope and exchange rates thanks to solid market trends, especially in the South-East region, and in average selling prices, especially in California.

In **Brazil**, consolidated sales came to €35 million, up +18.1% on a reported basis and up +58.5% at constant scope and exchange rates. Business continued to grow at a rapid pace in a dynamic market despite a still very concerning pandemic situation. As a result, the safety of its employees, its suppliers and its customers remains the Group's priority.

- *In the Cement business*, operational sales posted a solid increase at €29 million, driven by a strong progression in demand and in selling prices.
- *In the Concrete & Aggregates business*, in line with the increase of the Cement business, operational sales settled at €10 million. The improvement in market conditions was accompanied by a rise in selling prices, both in concrete and in aggregates.

1.4 Asia (India and Kazakhstan)

<i>(€ million)</i>	First-quarter 2021	First-quarter 2020	Change (reported)	Change (at constant scope and exchange rates)
Sales	100	81	+24.0%	+37.4%

The Asia region continues to be severely affected by the pandemic crisis, which is impacting the macroeconomic and sector environment, but to a lesser extent than in the first quarter of 2020. While the industry situation in India remained more favourable in the first quarter of this year than it was in 2020, the country has been hit by a new and highly aggressive wave of the pandemic over the past few weeks. As things stand, the measures taken by the government to counter the situation have enabled the Group to continue operating free of any production- or business-related restrictions, unlike in the first half of 2020, when both the Group's plants had to shut down completely for 30 days. In this uncertain context, the Group remains focused on implementing measures to keep its employees, its suppliers and its customers safe.

Taking these factors into account and given the favourable base of comparison in the first quarter of 2020, business trends in **India** remained strong during the first quarter as a result of the supportive market environment. The Group recorded consolidated sales of €89 million in the first three months of the year, up +41.7% at constant scope and exchange rates, reflecting the resumption in large projects and the improvement in selling prices.

Consolidated sales in **Kazakhstan** came to €11 million, up +12.1% at constant scope and exchange rates. This performance was driven by solid trends in the domestic market, which made up for the contraction in exports. Given this favourable geographical mix and the dynamic trends in the domestic market, selling prices recorded a significant increase.

1.5 Mediterranean (Egypt and Turkey)

<i>(€ million)</i>	First-quarter 2021	First-quarter 2020	Change (reported)	Change (at constant scope and exchange rates)
Sales	43	33	+30.0%	+61.3%

The Mediterranean region remains affected by the deterioration in the macroeconomic and sector situation, although this is gradually improving in Turkey. In Egypt, the security situation and the competitive environment remained a challenge in the first quarter.

In **Turkey**, while the continuing depreciation in the Turkish lira since August 2018 and the pandemic crisis continued to affect the macroeconomic and sector environment, the recovery in the construction market remains on track. Consolidated sales totalled €28 million, up +77.4% at constant scope and exchange rates (up 34.3% on a reported basis). Due to the strong seasonality in activity in this region, it's important to note that first quarter progressions should not be considered as representative of an expected performance for the full-year.

- *In the Cement business*, the firmer trends observed since the third quarter of 2020 carried through into the first quarter of 2021, with favourable weather conditions also providing a boost. The level of activity and selling prices posted an increase compared with the first quarter of 2020. On this basis, operational sales rose markedly to 21 million euros.
- The operational sales recorded by *the Concrete & Aggregates business* rose to 13 million euros this quarter on the back of an improvement in market conditions and more favourable weather that paved the way for higher selling prices.

In **Egypt**, consolidated sales totalled €15 million, up +33.5% at constant scope and exchange rates (up +22.8% on a reported basis). The growth in activity observed in the last quarter of 2020 continued early in the year supported by a market progression. To note, an increase in selling prices has been initiated towards the end of the period; pricing levels however still lower than during the same period of 2020.

1.6 Africa

(€ million)	First-quarter 2021	First-quarter 2020	Change (reported)	Change (at constant scope and exchange rates)
Sales	80	71	+13.0%	+13.4%

In Africa, the Group continues to benefit from a favourable sector environment despite the pandemic crisis, from improvements in performance at its Rufisque plant and from the ramp-up in its new mill in Mali.

- *In the Cement business*, operational sales in the Africa region grew +15.9% 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. Net selling prices in Senegal were lower than in the first quarter of 2020 given the introduction of the new tax on cement in May 2020.
- In Senegal, the *Aggregates business* recorded consolidated sales of €7.4 million, up +4.2% at constant scope and exchange rates over the period on the back of renewed growth following the gradual resumption of government infrastructure projects.

2. Financial position at 31 March 2021

The strong activity levels in its markets, the favourable trends in pricing levels and continued focus on controlling costs led to a strong increase in operating profitability during the first quarter. As a reminder, due to the seasonal nature of its activity, the first quarter is not representative of full-year trends.

At 31 March 2021, the Group's shareholders' equity was €2,458 million, down from €2,486 million at 31 March 2020.

The Group's net debt came to €1,270 million, compared with €1,394 million at 31 March 2020.

3. Outlook for 2021

In 2021, macroeconomic conditions in all of the countries where the Group operates are still likely to be affected by the Covid-19 pandemic to varying degrees depending on the pandemic situation and the governmental responses.

At present, business is conducted within the strict framework of the procedures adapted to the public health conditions in each country where the Group is present. Within this framework, it is important to note that:

- The twelve countries where the Group operates have been affected by the Covid-19 epidemic, sometimes with timing differences in the intensity of its impact;
- The sharing of experience between countries allows good practice and operating modes to be introduced to help meet the demands of the situation in each country and ensure business continuity where this is allowed;
- Given the current environment, business levels are highly volatile.

In addition, three factors are likely to have an impact on the Group's financial performance and its evolution throughout 2021:

- The unfavourable exchange rate trends recorded in 2020 will have a negative impact on 2021 as a whole. The Group wishes to reiterate that its currency risk is predominantly a currency translation risk;
- Energy costs are expected to rise, leading to a more limited impact on the first half, but a larger one in the second half;
- Lastly, the Group expects to reap the benefit of a favourable base of comparison in the first six months owing to the pandemic's major impact in the same period of 2020, especially in France, India and Italy. Conversely, given the rebound in activity and catch-up effect in these countries during the third quarter of 2020, comparisons against the third quarter are likely to be unfavourable in 2021.

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 the market they can serve and lower logistics costs;
- And, lastly, the ramp-up in projects to meet the carbon footprint reduction targets.

Accordingly, investments industrial capex are expected to be higher than in 2020 at around €365 million. The Group reserves the right to adjust its investment plans to the shifting trends in its markets and its cash generation.

The Group is issuing the following elements to appreciate the performance expected in the various countries in which it operates. It wishes to make clear that these trends are highly dependent on the latest 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.

Given the pandemic's impact on the first six months of 2020, the base of comparison is set to be favourable for the first part of the year. Conversely, the Group anticipates a less dynamic performance in the third quarter as a result of the very strong rebound in the same period of 2020;

- In Switzerland, business in Cement and in Concrete & Aggregates should reap the benefit of upbeat conditions in the construction sector. The Precast business is likely to remain under pressure, albeit with a gradual upturn in the rail sector;
- In the United States, activity levels are expected to keep growing in terms of both volumes and selling prices. The roll-out of the economic stimulus plan presented by the new US administration is unlikely to have much of an impact until late in the year and will be more of a factor from 2022 onwards;
- In Brazil, the environment is expected to remain favourable. That said, given the high base of comparison set in 2020, the Group expects its a gradual stabilisation of its progression in 2021;
- In India, remaining subject to evolutions in the pandemic, the Group expects to reap the benefit of the market growth forecast in 2021 and a favourable base of comparison. Amid these supportive conditions, selling prices, though well-oriented in the first quarter, may however remain volatile;
- In Kazakhstan, 2020 performance levels set a high base of comparison, although conditions are expected to remain favourable, albeit potentially with a fiercer competitive environment;
- In Turkey, Given the stabilisation in the industry environment and the stirrings of a recovery in 2020, the situation is expected to continue improving gradually despite the persistent weakness in the currency.
- In Egypt, visibility is still limited on the outlook for the construction market that remains subject to the implementation of government decisions aimed at restoring a viable market environment;
- In West Africa, activity trends are expected to remain strong in Cement. The base of comparison for prices will remain unfavourable in the first six months but should be offset by further improvement in volumes sold and positive pricing trends in the second half. The Aggregates business in Senegal is likely to return to growth progressively after the sharp slowdown in public infrastructure projects since mid-2019.

Given all these factors, the Group expects solid growth in its first-half EBITDA and an increase at constant scope and exchange rates over the full year. Naturally, this expectation is subject to change during the year depending on pandemic-related developments and their impact on the macroeconomic and industry environment in the countries in which the Group operates.

Conference call

To accompany the publication of the Group's first-quarter sales, Vicat is holding a conference call in English that will take place on **6 May 2021 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:

- USA: +1 212 999 6659
- France: +33 (0) 1 7037 7166
- UK (Standard International Access): +44 (0) 33 0551 0200

You may also access a live audio webcast of the conference, together with the presentation, on the Vicat website or simply by clicking [here](#).

The replay of the conference call will be immediately available for streaming via the Vicat website and by clicking [here](#).

Next report:

First-half 2021 sales on **29 July 2021** 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.

Breakdown of first-quarter 2021 sales by business

Cement

<i>(€ million)</i>	First-quarter 2021	First-quarter 2020	Change (reported)	Change (at constant scope and exchange rates)
Volume (thousands of tonnes)	6,535	5,290	+23.5%	
Operational sales	431	374	+15.1%	+24.4%
Consolidated sales	374	319	+17.4%	+27.2%

Concrete & Aggregates

<i>(€ million)</i>	First-quarter 2021	First-quarter 2020	Change (reported)	Change (at constant scope and exchange rates)
Concrete volume (thousands of m3)	2,232	1,874	+19.1%	
Aggregates volume (thousands of tonnes)	5,288	4,505	+17.4%	
Operational sales	258	233	+10.6%	+16.6%
Consolidated sales	250	228	+9.8%	+15.5%

Other Products & Services

<i>(€ million)</i>	First-quarter 2021	First-quarter 2020	Change (reported)	Change (at constant scope and exchange rates)
Operational sales	110	90	+22.5%	+24.4%
Consolidated sales	82	69	+19.9%	+20.8%