Press Release
First-Half 2021 Results

L'Isle d'Abeau, 28 July 2021

- **Strong growth in results over the first half**
- **Dynamic markets and selling prices well oriented**
- **New low-carbon product line "DECA"**
- **Strong cash flow generation over the period**

(€ million)	**30 June 2021**	30 June 2020	Change (reported)	Change (at constant scope and exchange rates)
Consolidated sales	**1,560**	1,304	+19.6%	**+26.2%**
EBITDA	**300**	213	+41.0%	**+48.3%**
EBITDA margin (%)	***19.2%***	*16.3%*		
EBIT	**171**	76	+126.3%	**+137.4%**
EBIT margin (%)	***11.0%***	*5.8%*		
Consolidated net income	***102***	29	+247.0%	**+260.9%**
Net margin (%)	***6.5%***	*2.3%*		
Net income, Group share	**94**	27	+246.3%	**+256.1%**
Cash flow	**240**	175	+36.8%	**+43.9%**

Commenting on these figures, Guy Sidos, the Group's Chairman and CEO, said: *"Leveraging the dynamism of its markets, Vicat's financial results continue their progression. The Group once again demonstrates its responsiveness and ability to adapt and confirms the relevance of its industrial and commercial strategy. Focused on its carbon footprint reduction targets, the Group has accelerated the commercialisation of its low-carbon product lines, adapted to the global climate challenge."*

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 Group enjoyed strong sales growth in the **first half of 2021** as buoyant markets combined with a favourable basis of comparison. The Group's business was hit particularly hard in the second quarter of 2020, particularly in India and France, by the spread of Covid 19 and the governmental measures introduced to tackle it. Although the pandemic has continued into the early part of this year, and whilst certain markets remain disrupted, the measures introduced have allowed activity to continue in the construction sector.

As a result, the Group's **consolidated sales** were €1,560 million, from €1,304 million in the first half of 2020, an increase of 19.6% on a reported basis and of 26.2% at constant scope and exchange rates.

Movements in consolidated sales on a reported basis resulted from:

- organic sales growth of +26.2%, driven by strong markets in all of the Group's regions and a favourable basis of comparison;
- a negative currency effect of -6.8%, corresponding to a loss of reported sales of €89 million over the first half, due to the appreciation of the euro;
- and lastly, a positive scope effect of +0.3%, adding €3 million to sales, resulting primarily from small acquisitions in Concrete and Aggregates in France.

The Group's **operational sales** amounted to €1,771 million, up +19.8% on a reported basis and +26.4% at constant scope and exchange rates. Each of the Group's business areas contributed to this positive trend. The Cement business (€938 million) posted growth of +20.7% on a reported basis and +29.1% at constant scope and exchange rates. Operational sales in Concrete & Aggregates (€585 million) were up by +16.5% on a reported basis and +22.1% at constant scope and exchange rates. Finally, the Other Products & Services business area (€249 million) saw growth of +24.7% on a reported basis and +26.6% at constant scope and exchange rates.

Consolidated EBITDA was €300 million for the first half of 2021, up +41.0% on a reported basis and +48.3% at constant scope and exchange rates. As a result, the EBITDA margin was 290 basis points higher at 19.2%. The reported change in EBITDA reflects a negative currency effect of €16 million together with organic growth of €103 million.

At constant scope and exchange rates, EBITDA growth came from:

- strong business levels across all markets;
- a widespread upward movement in selling prices, which offset cost inflation;
- a favourable basis of comparison, given the health situation in the first half of 2020.

EBIT came to €171 million, from €76 million in the first half of 2020, an increase of +126.3% on a reported basis and of +137.4% at constant scope and exchange rates, after inclusion of a €6.8 million net reversal of provisions relating to the end of the Article 39 pension scheme. As a result, the EBIT margin on consolidated sales rose 520 basis points to 11.0%. This performance reflected a very strong improvement in operating profitability in France, and the Americas, Asia and Africa zones. The Europe (excluding France) and Mediterranean zones were more or less stable over the period at constant scope and exchange rates.

Operating income reaches €161 million, up +161.4% on a reported basis and +174.3% at constant scope and exchange rates. This performance was primarily the result of improvements in operating margins at both the EBITDA and EBIT levels, together with additional impairment of €11 million on receivables relating to investment in Egypt.

The €2 million increase in **net financial expense** (which rose from €16 million in the first half of 2020 to €18 million) was the net result of a reduction of nearly €2 million in the cost of net financial debt, following the refinancing of part of the debt in 2020 and, on the other hand, a fall in other financial income and expense caused by the recognition of a non-recurring income item in Brazil in 2020.

Tax expense increased by €25 million, the result of growth in pre-tax income. The apparent tax rate fell from 42.8% at 30 June 2020 to 30.7% in 2021. This reduction in the tax rate came mainly from reductions in the tax rates in France and Switzerland, a favourable country mix and the reversal of deferred taxation relating to the final signature of the amendment to the mining agreement in Senegal.

Consolidated net income was €102 million in the first half of 2021, an increase of €73 million on the €29 million reported for the same period of 2020, giving growth of +260.9% at constant scope and exchange rates and +247.0% on a reported basis.

Net income, Group share was €94 million, an increase of +256.1% at constant scope and exchange rates and +246.3% on a reported basis.

Cash flow came to €240 million, up +36.8% on a reported basis and +43.9% at constant scope and exchange rates, as a result of the strong growth in EBITDA over the semester.

1. Income statement broken down by geographical region

1.1. Income statement, France

(€ million)	**30 June 2021**	30 June 2020	Change (reported)	Change (at constant scope and exchange rates)
Consolidated sales	**562**	444	+26.5%	+25.7%
EBITDA	**104**	56	+83.9%	+83.7%
EBIT	**66**	14	+379.8%	+380.5%

Over the first six months of the year, in line with the trend seen in the second half of 2020, and given a highly favourable basis of comparison, the Group's performance in France improved strongly. Although the effects of the health crisis weighed over this first part of the year, government measures, along with steps taken by the Group, allowed it to seize growth opportunities and report a strong performance across all business areas.

Under these circumstances, EBITDA grew strongly throughout the period, despite a slight increase in energy costs and an unfavourable basis of comparison relating to the non-recurrent effects of the cost-cutting plan introduced at the end of the first quarter of 2020 to address the impact of lockdown measures.

- *In the Cement business*, operational sales rose +23.0% at constant scope over the period as a whole as a result of the favourable base of comparison of the first half of 2020 and a supportive industry environment in the Group's markets. These factors helped to more than offset the impact of the less favourable weather conditions, with the sector seeing significant growth throughout the period. Against this positive background, selling prices increased. EBITDA rose by +63.8%, and the EBITDA margin on operational sales in this business area rose by 600 basis points.
- *The Concrete & Aggregates business* increased its operational sales by +29.6% at constant scope. This growth was the result of increased business levels in both concrete and aggregates. Selling prices moved higher in aggregates and were stable in concrete. As a result, EBITDA in this business area grew by +106.1% at constant scope over the period, producing a 450 basis-point increase in EBITDA margin on operational sales.

In the Other Products & Services business, operational sales rose +30.9% at constant scope over the period. EBITDA in this business grew by +154.5% over the period, with the EBITDA margin on operational sales gaining 320 basis points.

1.2 Income statement for Europe excluding France

(€ million)	**30 June 2021**	30 June 2020	Change (reported)	Change (at constant scope and exchange rates)
Consolidated sales	**203**	198	+2.5%	+5.3%
EBITDA	**39**	40	-1.9%	+0.8%
EBIT	**19**	20	-0.9%	+1.8%

Activity in Europe (excluding France) covers Switzerland and Italy. The Swiss market, which was only slightly affected by the pandemic during the first half of 2020, saw modest growth in the first half of the current year. Meanwhile, Italy benefited from a very favourable basis of comparison given the particularly difficult health and macroeconomic situations in the first half of 2020. EBITDA, for the region as a whole, was stable (+0.8%) at constant scope and exchange rates and -1.9% lower on a reported basis.

In **Switzerland**, the Group's consolidated sales rose by +3.9% at constant scope and exchange rates (+1.0% on a reported basis). Business in this country continued as normal with no significant impact on sector conditions from the epidemic. The EBITDA margin on consolidated sales was down -80 basis points at 19.5%.

- *In the Cement business*, operational sales grew by +6.3% at constant scope and exchange rates, bolstered by strong markets and waste processing activities. Selling prices were down over the first half, due to an unfavourable client mix. As a result of these factors and given a non-recurring element in the first half, EBITDA in this business fell -19.9% at constant scope and exchange rates, with the EBITDA margin on operational sales coming in at 25.3% versus 33.6% in the first half of 2020.
- *In the Concrete & Aggregates business,* operational sales were down -6.7% at constant scope and exchange rates due to less favourable weather conditions, particularly in the first quarter, and a slight decline in selling prices. In contrast, the recycling business saw a solid increase in prices. As a result of these factors, EBITDA generated by this business rose +3.5% at constant scope and exchange rates, with EBITDA margin on operational sales gaining 180 basis points over the first half.
- *In Other Products & Services*, operational sales were up +11.9% at constant scope and exchange rates. EBITDA from this business was once again significantly positive over the first half, at nearly €4 million, whereas it was around break-even in the same period of 2020. The EBITDA margin on operational sales was 5.7%. Meanwhile, the Group completed the disposal of Creabeton Matériaux (lightweight precast products) on 30 June 2021.

In Italy, given the shutdown of the business for 30 days in the first half of 2020, consolidated sales rose +36.7% over the period. Business levels and selling prices were both significantly higher over the first half. As a result, EBITDA grew by +44.5% over the period. EBITDA margin on consolidated sales thus improved by 60 basis points compared to the first half of 2020.

1.3 Income statement for the Americas

(€ million)	**30 June 2021**	30 June 2020	**Change (reported)**	**Change (at constant scope and exchange rates)**
Consolidated sales	**319**	298	+7.1%	+20.1%
EBITDA	**70**	56	+24.9%	+41.2%
EBIT	**43**	26	+63.3%	+86.0%

Despite a concerning pandemic situation, especially in Brazil, activity levels remained strong in both the United States and Brazil. The acceleration in the pace of growth seen in Brazil since the third quarter of 2020 continued strongly through the first half of this year. As a result, there was strong growth in both sales and EBITDA in the Americas region.

In the **United States**, the macroeconomic and sector environment remained favourable in the first half. It should be noted that in California the second quarter was affected by an unfavourable basis of comparison, given the record level of delivery volumes in this period in 2020, particularly in May and June. Even so, consolidated sales in the United-States grew by +11.1% at constant scope and exchange rates, taking them to €238 million. EBITDA was €46 million, an increase of +21.5% at constant scope and exchange rates.

The construction of a 5,000 tonnes per day kiln line at Ragland, Alabama, begun in 2019, continued. This new facility will come into service in the first quarter of 2022. It will increase the plant's capacity, thus helping to meet strong market demand, significantly reduce production costs and make an active contribution to the Group's targets in terms of reducing CO_2 emissions.

- *In the Cement business*, operational sales rose +4.9% at constant scope and exchange rates in the first half of 2021, on the back of solid trends in the Group's markets and increases in selling prices over the period. EBITDA generated in this business rose by +16.7% at constant scope and exchange rates. As a result, the EBITDA margin on consolidated sales improved by 290 basis points.
- *In the Concrete business*, operational sales rose +14.9% at constant scope and exchange rates again thanks to solid market trends, especially in the South-East region, and increases in average selling prices. EBITDA saw strong growth over the period, with an increase of +37.9% at constant scope and exchange rates. As a result, the EBITDA margin on operational sales rose by 130 basis points.

In Brazil, consolidated sales were €81 million, an increase of +53.1% at constant scope and exchange rates. Growth in this area was strong, despite continued concerns over the health situation. EBITDA grew solidly over the first half, reaching €24 million, from €15 million in the same period in 2020. The EBITDA margin improved by 660 basis points.

- *In the Cement business*, operational sales were €67 million, from €52 million in the first half of 2020, an increase of +55.1% at constant scope and exchange rates. This performance was driven by the strength of the markets in which the Group is active and positive price trends that allowed higher costs, particularly for energy, to be passed on in full. EBITDA amounted to €22 million in the first half of 2021, from €13 million in the same period in 2020; EBITDA margin on operational sales was 32.6%.
- *In the Concrete & Aggregates business,* operational sales were €23 million, an increase of +80.9% at constant scope and exchange rates, in line with the growth recorded in the Cement business. The improvement in market conditions was accompanied by a rise in prices, both in concrete and in aggregates. EBITDA was +54.6% higher at constant scope and exchange rates.

1.4 Asia (India and Kazakhstan)

(€ million)	**30 June 2021**	30 June 2020	Change (reported)	Change (at constant scope and exchange rates)
Consolidated sales	**206**	149	+38.5%	+51.2%
EBITDA	**58**	38	+51.3%	+65.4%
EBIT	**40**	19	+114.4%	+134.5%

The Asia region, particularly India, continues to be severely affected by the pandemic crisis, which is affecting the macroeconomic and sector environment to a lesser extent than in the first half of 2020. The measures taken by the Indian government to counter the situation have enabled the Group to continue operating, unlike in the first half of 2020, when both the Group's plants had to shut down completely for a month.

In the light of these factors, and given the favourable basis of comparison from the first half of 2020, activity in **India** saw strong growth in the first half, on the back of strong demand and the effects of the government's recovery programmes. The shortage of labour in major urban areas, triggered by the latest restrictions introduced by some states in response to the pandemic, have had an impact particularly for major infrastructure works over this period, but now seem to be easing gradually. Under these conditions, prices have remained strong over the period. Thus, the Group posted consolidated sales of €177 million in the first half of 2021, an increase of +60.5% at constant scope and exchange rates.

Given these trends, EBITDA was €49 million, an increase of +87.6% at constant scope and exchange rates. EBITDA margin on consolidated sales rose 400 basis points to 27.6%.

In **Kazakhstan** the Group posted consolidated sales of €30 million in the first half of 2021, an increase of +13.9% at constant scope and exchange rates. This reflected further growth for the Group in the Kazakh domestic market, which offset the fall in exports. Given this favourable geographical mix and the dynamic trends in the domestic market, prices recorded a significant increase.

EBITDA was +2.7% higher at constant scope and exchange rates, at €9 million.

1.5 Income statement for the Mediterranean region (Egypt and Turkey)

(€ million)	**30 June 2021**	30 June 2020	Change (reported)	Change (at constant scope and exchange rates)
Consolidated sales	**103**	75	+37.4%	+71.5%
EBITDA	**-6**	-9	+35.5%	+35.4%
EBIT	**-16**	-18	+11.3%	-0.5%

The Mediterranean region remains affected by the deterioration in the macroeconomic and sector situation, although this is gradually improving, most notably in Turkey. In Egypt, the security situation and the competitive environment remained a challenge in the first half. This being the case, the Group once again reported negative EBITDA in this region in the six months to 30 June 2021.

In **Turkey**, while the ongoing depreciation of 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 were €69 million, an increase of +71.0% at constant scope and exchange rates. EBITDA improved significantly over the first half, reaching €2 million, having posted a very small loss in the first half of 2020.

- *In the Cement business*, the firmer trends observed since the end of 2020 carried through into the first half of 2021, with favourable weather conditions at the beginning of the year providing a boost. Business levels and selling prices were both significantly higher than in the first half of 2020. Operational sales were €50 million, an increase of +72.6% at constant scope and exchange rates. Given these factors, EBITDA at constant scope and exchange rates increased by a factor of seven over the period. However, price increases only partially offset the sharp inflation in costs resulting from the depreciation of the currency.
- *In the Concrete & Aggregates business,* operational sales rose +64.5% at constant scope and exchange rates to €31 million. This business benefited over the first half from continued improvements in market conditions and favourable weather conditions which resulted in price rises. EBITDA from this business was slightly positive in the first half, compared to a small loss in the same period of 2020.

In Egypt, consolidated sales came to €34 million, up +72.7% at constant scope and exchange rates. Given the difficult conditions that have existed for a number of years, which have affected the whole sector, it should be noted that the first half of 2021 brought the conclusion of a market regulation agreement between the Egyptian government and all producers. This agreement, which came into force in July 2021, was approved by the Competition Authority and aims to create a more rational framework for the various market participants by limiting (to around 65% of their capacity) sales from all factories into the domestic market for a period of one year. As a result, market prices for cement saw, in the first half of 2021, their first increase since the third quarter of 2018, even though their average over the first half of this year was still slightly lower than for the first half of 2020.

Although this marks the first signs of a long-awaited change, EBITDA in Egypt remained negative, at €-8 million over the first half of 2021 (from €-9 million in the first half of 2020).

1.6 Income statement for Africa (Senegal, Mali, Mauritania)

(€ million)	30 June 2021	30 June 2020	Change (reported)	Change (at constant scope and exchange rates)
Consolidated sales	**167**	140	+19.4%	+19.7%
EBITDA	**35**	32	+11.4%	+11.8%
EBIT	**18**	15	+20.8%	+21.5%

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

- *In the Cement business*, operational sales in the Africa region grew +20.1% 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 of the new mill in Mali. Selling prices in Senegal were lower than in the first half of 2020 given the introduction of the new tax on cement in May 2020. It should be noted that this unfavourable comparison effect has now come to an end and that prices in May and June were slightly higher than in the same period of 2020. Pricing conditions in Mali and Mauritania are positive. As a result of these factors, EBITDA generated by this business rose +10.4% at constant scope and exchange rates, with EBITDA margin on operational sales 170 basis points lower over the first half, at 19.0%.
- In Senegal, the *Aggregates* business posted consolidated sales of €15 million in the first half of 2021, an increase of +16.8% at constant scope and exchange rates, driven by the gradual resumption of major government projects against the background of favourable pricing trends. As a result of these factors, EBITDA generated by this business rose +21.0%, and EBITDA margin on operational sales was up 110 basis points.

2. Financial position at 30 June 2021

At 30 June 2021, the Group had a solid financial structure, with substantial equity and well-controlled borrowing. At this date, shareholders' equity was €2,459 million, from €2,411 million at 31 December 2020.

Meanwhile, debt was €1,320 million at 30 June 2021, from €1,202 million at 31 December 2020.

On this basis the Group's leverage ratio was 2.05x (from 2.16x at 31 December 2020 and 2.49x on 30 June 2020) and its gearing was 53.7% (from 49.9% at 31 December 2020 and 52.9% at 30 June 2020).

Given the levels of the Group's net debt and liquidity, the covenants included in medium- or long-term financing contracts do not pose a threat to the Group's financial position. At 30 June 2021, the Group complied with all financial ratios required by covenants in its borrowing agreements.

In the first-half of 2021, net capital expenditure stood at 170 million euros and was for a large part related to the continued construction of the new kiln in Ragland in the United-States.

Finally, free-cash flow this first-half stood at -52 million euros.

3. Recent events

Completion of disposal of Creabeton Matériaux in Switzerland:

On 30 June 2021, the Vicat Group's Swiss subsidiary, Vigier Holding SA, finalised the disposal of Creabeton Matériaux SA to Müller Steinag Holding, based in Switzerland.

Creabeton Matériaux SA, specialises in precast concrete products; it has 380 employees and had sales of SFR91 million in 2020. Vigier Holding SA has retained the Rail business, which has critical mass in its specific sector.

With this acquisition, the Müller Steinag Holding Group, which has been the joint owner of the Creabeton brand since 2002, will be able to strengthen its positions in precast products, its core business, and gain access to new markets. Creabeton Matériaux SA meanwhile will receive the backing of a leading company with critical mass in a highly competitive sector and have access to the resources necessary to continuing its successful development.

Organisation of a Capital Markets Day:

The Group will organise a Capital Markets Day on 16 November 2021 to present its strategy, roadmap and ambitions for reducing CO_2 emissions.

Further details regarding the organisation of this event will be provided in the near future and will take into account evolutions in the public health situation.

4. 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 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 on the best possible terms;
- 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, which will have a significant impact in the second half. Over the year as a whole, energy costs are expected to increase by around +9%;
- Lastly, given the recovery in activity seen in France, India and Italy in the third quarter of 2020, the basis of comparison will be unfavourable in the third quarter and, to a lesser extent, the fourth quarter of 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 its market and lower logistics costs;
- And, lastly, the ramp-up in projects to meet the carbon footprint reduction targets.

Accordingly, industrial capital expenditure is expected to be higher than in 2020 at around €385 million. The Group maintains the possibility to adjust its investment plans in line with evolutions in its markets and in 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. 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, business in Cement and in Concrete & Aggregates should reap the benefit of upbeat conditions in the construction sector. The Other Products & Services business will clearly be affected by the removal of the Precasting business from its scope, following completion of its disposal on 30 June 2021. It should be noted that the disposal of this business will enhance the profitability of this business area as well as the Group’s overall results in Switzerland. In the retained Rail business, the gradual recovery seen in the first half is likely to continue;
- 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 a gradual stabilisation of growth 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, selling prices, though well-oriented in the first half, may however remain volatile;
- In Kazakhstan, the 2020 performance constitutes a high basis of comparison in a context that should nevertheless remain favourable, but with a competitive environment which could see greater pressure in the second half;
- 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 over the second half despite the persistent weakness of the currency;
- In Egypt, visibility is still limited on the outlook for the construction market, which remains subject to the effective implementation of government decisions aimed at restoring a viable market environment;
- In West Africa, activity trends are expected to remain strong in Cement. The comparison base for prices will be more favourable in the second half and this is likely to come alongside continued growth in sales volumes. The Aggregates business in Senegal is likely to continue its gradual recovery.

Given all of these factors, the Group expects an increase in EBITDA 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

As part of this publication, Vicat will be holding a conference call in English that will take place on **Wednesday 28 July at 4:30pm CET** (3:30pm London time and 10:30am New York time).

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

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

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:

Third quarter 2021 sales on **Wednesday 3 November 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.

Main financial statements for the first-half of 2021.

The full financial statements for the first-half of 2021 are available for download, together with the annex, at www.vicat.fr

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	June 30, 2021	June 30, 2020
Sales revenues	**13**	**1,559,667**	**1,303,695**
Goods and services purchased		(992,025)	(820,485)
Added value	**1.23**	**567,642**	**483,210**
Personnel costs		(250,214)	(245,721)
Taxes		(34,644)	(38,552)
Gross Operating Income	**1.23**	**282,784**	**198,937**
Other operating income (expense)	15	17,248	13,916
EBITDA	**1.23**	**300,032**	**212,853**
Net charges to operating depreciation, amortization and provisions	14	(128,844)	(137,206)
EBIT	**1.23**	**171,188**	**75,647**
Other non-operating income (expense)	15	(17,592)	132
Net charges to non-operating depreciation, amortization and provisions	14	7,483	(14,161)
Operating income (expense)		**161,079**	**61,618**
Cost of net financial debt	17	(16,647)	(18,141)
Other financial income	17	7,403	9,129
Other financial expenses	17	(8,519)	(6,635)
Net financial income (expense)	**17**	**(17,763)**	**(15,647)**
Earnings from associated companies		3,154	3,066
Profit (loss) before tax		**146,470**	**49,037**
Income tax	18	(44,589)	(19,676)
Consolidated net income		**101,881**	**29,361**
Portion attributable to minority interests		8,339	2,351
Portion attributable to the Group		**93,542**	**27,010**
Earnings per share *(in euros)*			
Basic and diluted Group share of net earnings per share	9	2.08	0.60

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	June 30, 2021	June 30, 2020
Consolidated net income	**101,881**	**29,361**
<u>Other comprehensive income</u>		
Items not recycled to profit or loss :		
Remeasurement of the net defined benefit liability	8,656	(6,606)
Tax on non-recycled items	(2,336)	1,900
Items recycled to profit or loss :		
Net income from change in translation differences	29,862	(149,563)
Cash flow hedge instruments	1,075	6,592
Tax on recycled items	(278)	(1,703)
Other comprehensive income (after tax)	**36,979**	**(149,380)**
Total comprehensive income	**138,860**	**(120,019)**
Portion attributable to minority interests	12,826	(19,944)
Portion attributable to the Group	**126,034**	**(100,075)**

CONSOLIDATED STATEMENT OF CASH FLOW

(in thousands of euros)	Notes	June 30, 2021	June 30, 2020
Cash flows from operating activities			
Consolidated net income		**101,881**	**29,361**
Earnings from associated companies		(3,154)	(3,066)
Dividends received from associated companies		1,073	1,296
Elimination of non cash and non-operating items:			
- depreciation, amortization and provisions		121,010	148,490
- deferred tax		5,261	2,518
- net (gain) loss from disposal of assets		(3,437)	(997)
- unrealized fair value gains and losses		62	108
- other (1)		17,128	(2,598)
Cash flows from operating activities	**1.23**	**239,824**	**175,112**
Change in working capital requirement		(122,035)	44,980
Net cash flows from operating activities (2)	**19**	**117,789**	**220,092**
Cash flows from investing activities			
Outflows linked to acquisitions of non-current assets:			
- Tangible and intangible assets		(177,339)	(122,497)
- Financial investments		(8,839)	(12,848)
Inflows linked to disposals of non-current assets:			
- Tangible and intangible assets		7,033	2,239
- Financial investments		657	1,576
Impact of changes in consolidation scope		9,915	0
Net cash flows from investing activities	**20**	**(168,573)**	**(131,530)**
Cash flows from financing activities			
Dividends paids		(73,974)	(70,866)
Increases/decreases in capital			
Proceeds from borrowings	11	151,673	48,117
Repayments of borrowings	11	(29,315)	(33,461)
Repayement of lease liabilities	11	(25,865)	(24,548)
Acquisitions of treasury shares		(11,543)	(4,931)
Disposals or allocations of treasury shares		14,073	4,303
Net cash flows from financing activities		**25,049**	**(81,386)**
Impact of changes in foreign exchange rates		3,848	(16,547)
Change in cash position		**(21,887)**	**(9,371)**
Net cash and cash equivalents - opening balance	21	359,159	328,674
Net cash and cash equivalents - closing balance	21	337,271	319,303

(1)
- Including non operating net charges as of June 30, 2021

(2) :
- Including cash flows from income taxes: €(45.5) million in 2021 and €(9.0) million in 2020.
- Cash flows from interest paid and received: € (14.9) million in 2021 including € (5.6) million for financial expenses on IFRS 16 leases and € (19.3) million in 2019 including € (5.2) million for interest expense on IFRS 16 leases.

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDER'S EQUITY

(in thousands of euros)	Capital	Additional paid in capital	Treasury shares	Consolidated reserves	Translation reserves	Shareholders' equity	Minority interests	Total shareholders' equity and minority interests
At January 1, 2020	**179,600**	**11,207**	**(52,416)**	**2,598,620**	**(405,843)**	**2,331,168**	**264,767**	**2,595,935**
Half year net income				27,010		**27,010**	2,351	**29,361**
Other comprehensive income (1)				(3,513)	(123,572)	**(127,085)**	(22,295)	**(149,380)**
Total comprehensive income				*23,497*	*(123,572)*	***(100,075)***	*(19,944)*	***(120,019)***
Dividends paids				(66,373)		**(66,373)**	(5,042)	**(71,415)**
Net change in treasury shares			1,733	(1,751)		**(18)**		**(18)**
Changes in consolidation scope and additional acquisitions								
Other changes				764		**764**	(1,678)	**(914)**
At June 30, 2020	**179,600**	**11,207**	**(50,683)**	**2,554,757**	**(529,415)**	**2,165,466**	**238,103**	**2,403,569**
At January 1, 2021	**179,600**	**11,207**	**(53,587)**	**2,679,297**	**(640,130)**	**2,176,387**	**234,306**	**2,410,693**
Net income				93,542		**93,542**	8,339	**101,881**
Other comprehensive income (1)				9,066	23,426	**32,492**	4,487	**36,979**
Total comprehensive income				*102,608*	*23,426*	*126,034*	*12,826*	*138,860*
Dividends paids				(66,187)		**(66,187)**	(7,876)	**(74,063)**
Net change in treasury shares			1,808	507		**2,315**		**2,315**
Changes in consolidation scope and additional acquisitions				(13,327)		**(13,327)**	(3,057)	**(16,384)**
Other changes				(2,701)		**(2,701)**	(90)	**(2,791)**
At June 30, 2021	**179,600**	**11,207**	**(51,779)**	**2,700,197**	**(616,704)**	**2,222,521**	**236,109**	**2,458,630**

1) Breakdown by nature of other comprehensive income:
Other comprehensive income includes mainly cumulative conversion differences from year end 2003. To recap, applying the option offered by IFRS 1, the conversion differences accumulated before the transition date to IFRS were reclassified by allocating them to retained earnings as at that date.

Group translation reserves are broken down by currency as follows at June 30, 2021 and 2020:

(in thousands of euros)	**June 30 , 2021**	**June 30, 2020**
US Dollar	19,754	44,208
Swiss franc	186,194	215,065
Turkish new lira	(304,901)	(283,139)
Egyptian pound	(124,233)	(126,675)
Kazakh tengue	(95,164)	(95,957)
Mauritanian ouguiya	(8,837)	(11,789)
Brazilian real	(82,556)	(91,337)
Indian rupee	(206,961)	(179,791)
	(616,704)	**(529,415)**