Press Release L'Isle d'Abeau, 4 May 2022

First-quarter 2022 sales

- **First-quarter 2022 consolidated sales of €789 million, up +12.4% at constant scope and exchange rates**
- **Solid sales growth in all regions**
- **Higher selling prices, in line with the Group's expectations**
- **No impact from the conflict in Ukraine on the Group's activity in the first quarter of 2022**

Consolidated sales (€ million)	**First-quarter 2022**	First-quarter 2021	Change (reported)	Change (at constant scope and exchange rates)
France	**271**	255	+6.0%	+3.2%
Europe (excluding France)	**82**	87	-5.0%	+9.3%
Americas	**181**	142	+27.7%	+17.5%
Asia	**112**	100	+12.0%	+8.1%
Mediterranean	**53**	43	+23.6%	+68.0%
Africa	**90**	80	+12.4%	+11.9%
Total	**789**	707	+11.6%	+12.4%

Commenting on these figures, Guy Sidos, the Group's Chairman and CEO said: "Vicat's first-quarter sales performance reflects the dynamism of its markets despite a high basis of comparison. Recent geopolitical trends did not have any direct impact on the Group's business levels during the first quarter, and we recorded solid growth compared with the same period of 2021. All the regions where we operate posted growth in their sales at constant scope and exchange rates. In a global environment providing little visibility in the short term, especially as regards energy costs, we are executing our strategy to improve our production performance, make greater use of secondary fuels and implement a pricing policy tailored to this new environment in pursuit of our operational, environmental and societal targets."

Disclaimer:

- *In this press release, and unless indicated otherwise, all changes are stated on a year-on-year basis (2022/2021), 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 Universal Registration Document 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).

A solid recovery took place in the construction sector back in the first quarter of 2021, providing a high basis of comparison. In parallel, as fighting broke out in Ukraine during the first quarter of the year, the Group carefully monitored trends in demand across all the regions in which it operates to make sure it responds as rapidly and effectively as possible to this change in the environment. The Group does not have any assets in Ukraine or Russia, and no Group employees are directly involved in the current conflict. Given the impact of the war on energy prices, the Group is naturally adjusting its hedging policy and has taken major steps to expand the use of alternative fuels in order to adapt to the new environment.

In the first quarter of 2022, the Vicat Group's consolidated sales totalled €789 million, up +11.6% on a reported basis and up +12.4% at constant scope and exchange rates compared with the same period of 2021. This increase on a reported basis reflects:

- A positive currency effect of over €+3 million given depreciation in the euro against the US dollar, Brazilian real, and Indian rupee, partially offset by further depreciation in the Turkish lira;
- A negative scope effect of close to €-9 million resulting from the sale of Créabéton in Switzerland, partly offset by acquisitions in Concrete and Aggregates in France;
- And organic growth of +12.4%, **with price increases recorded during the quarter largely offsetting a slightly negative volume effect**.

1. Consolidated sales in the three months ended 31 March 2022 by geographical region

1.1. France

(€ million)	**First-quarter 2022**	First-quarter 2021	Change (reported)	Change (at constant scope and exchange rates)
Sales	**271**	255	+6.0%	+3.2%

During the first quarter of 2022, the Group's performance in France moved higher, supported by a small improvement in demand compared with 2021 despite an unfavourable basis of comparison.

- *In the Cement business*, operational sales rose +7.4% at constant scope in the first quarter. Given the unfavourable basis of comparison resulting from the French market's dynamic performance in the same period of last year, this increase reflects a slight pick-up in demand and a sharp rise in selling prices at the beginning of the year.
- The operational sales recorded by the *Concrete & Aggregates business* rose +6.1% at constant scope. This performance reflects further expansion in concrete and in aggregates, as well as a significant improvement in selling prices during the quarter.
- *In the Other Products & Services business*, operational sales advanced +7.7% at constant scope over the period. The Group is expected to complete the capacity increase at the Auneau plant in the Paris region, which specialises in building chemicals (Vicat Industrial Products). This investment, which is expected to enter service during the second quarter, will increase mortar production capacity by 150 thousand tonnes p.a., helping to meet the strong demand in the Paris market, as well as unlocking a significant reduction in logistics costs.

1.2 Europe (excluding France)

(€ million)	**First-quarter 2022**	First-quarter 2021	Change (reported)	Change (at constant scope and exchange rates)
Sales	**82**	87	-5.0%	+9.3%

Business trends in Europe (excluding France) were positive in the first quarter of 2022, supported by favourable conditions. The decline in sales on a reported basis reflects a scope effect resulting from the sale of the Créabéton precast business in Switzerland, which was finalised on 30 June 2021.

In **Switzerland**, the Group's consolidated sales climbed +7.7% at constant scope and exchange rates.

- *In the Cement business*, operational sales moved up +4.1% at constant scope and exchange rates. This performance reflects stable demand during the quarter and a solid increase in selling prices.
- *In the Concrete & Aggregates business,* operational sales moved up +3.7% at constant scope and exchange rates. Volumes declined in concrete but moved sharply higher aggregates.
- *In the Other Products & Services business*, operational sales rose by +5.8% at constant scope and exchange rates, supported by a healthy level of deliveries in the rail sector and a favourable product mix.

In **Italy**, consolidated sales grew by +35.6%. Business trends and selling prices moved significantly higher throughout the period.

1.3 *Americas*

(€ million)	**First-quarter 2022**	First-quarter 2021	Change (reported)	Change (at constant scope and exchange rates)
Sales	**181**	142	+27.7%	+17.5%

In the United States and in Brazil, construction sector trends remain dynamic, supported by higher selling prices.

In the **United States**, the macroeconomic and sector environment remained favourable during the first quarter. Consolidated sales rose +12.9% at constant scope and exchange rates.

The construction of the new kiln line at the Ragland plant (Alabama) made progress and is due to enter service in the next few weeks. The new installation will help meet the strong market demand by increasing the plant's capacity, significantly reduce its production costs and help to lower the Group's carbon emissions.

- *In the Cement business*, operational sales in the region grew +18.4% at constant scope and exchange rates during the period, reflecting the momentum of the construction market in the regions in which the Group operates and the introduction of a substantial price increase. It's worth noting that, consecutively to a regulatory evolution, demand for "blended" cement or "limestone cement" is emerging. This major trend is likely to reduce by over 10% the proportion of clinker in the cement the Group delivers, to increase cement production capacity and to cut production costs and carbon emissions per tonne of cement produced.
- *In the Concrete business*, operational sales rose +8.2% at constant scope and exchange rates as market conditions remained positive, especially in the residential and commercial sectors. Against this backdrop, selling prices moved significantly higher.

In Brazil, consolidated sales totalled €52 million, up +31.6% at constant scope and exchange rates. Against a backdrop of rapid inflation despite higher interest rates, demand remains strong in the Group's markets, in line with the trends seen in recent quarters.

- *In the Cement business*, operational sales were €41 million, an increase of +25.6% at constant scope and exchange rates. In a dynamic market environment, selling prices posted a significant increase compared with the same period of 2021.
- *In the Concrete & Aggregates business*, operational sales were €17 million, an increase of +53.9% at constant scope and exchange rates, in line with the trends seen in the Cement business. The steady improvement in market conditions was accompanied by a rise in prices, both in concrete and in aggregates.

1.4 Asia (India and Kazakhstan)

(€ million)	**First-quarter 2022**	First-quarter 2021	Change (reported)	Change (at constant scope and exchange rates)
Sales	**112**	100	+12.0%	+8.1%

Business in **India** grew throughout the period, supported by solid demand, especially in the government sector. In a high-inflation environment, prices rose significantly, especially at the end of the quarter. Overall, the Group posted consolidated sales of €100 million in the first quarter of 2022, up +8.1% at constant scope and exchange rates.

Consolidated sales in **Kazakhstan** came to €12 million, up +7.9% at constant scope and exchange rates. This performance was achieved through a significant increase in selling prices, which largely offset a temporary decline in volumes delivered over the winter period.

1.5 Mediterranean (Egypt and Turkey)

(€ million)	**First-quarter 2022**	First-quarter 2021	Change (reported)	Change (at constant scope and exchange rates)
Sales	**53**	43	+23.6%	+68.0%

In the Mediterranean region, sales moved sharply higher in both countries as a result of contrasting situations.

In **Turkey**, although the macroeconomic and sector environment remains upbeat, the winter conditions significantly affected demand during the first quarter without that representing a change in trends. Overall, first-quarter 2022 consolidated sales totalled €27 million (versus €28 million in the first quarter of 2021), up +67.9% at constant scope and exchange rates.

- *In the Cement business*, the far less favourable weather conditions than in the first quarter of 2021 impacted business trends. As a result, volumes delivered were much lower during the period, even though demand remains solid. In a high-inflation environment, significant price increases were introduced, which offset the fall in deliveries to a large extent. As a result, operational sales in the business climbed +47.2% at constant scope and exchange rates.
- *In the Concrete & Aggregates business*, operational sales rose +113.3% at constant scope and exchange rates. As in the Cement business, tough weather conditions at the beginning of the year dragged down concrete and aggregates deliveries during the quarter, even though the impact of these reductions was very largely offset by the significant rise in selling prices.

In **Egypt**, consolidated sales totalled €26 million, up +68.3% at constant scope and exchange rates. Following the market regulation agreement that entered force in July 2021 between the Egyptian government and all producers, selling prices in the domestic market continued to improve during the first quarter, supported by a solid increase in demand.

1.6 Africa

(€ million)	**First-quarter 2022**	First-quarter 2021	Change (reported)	Change (at constant scope and exchange rates)
Sales	**90**	80	+12.4%	+11.9%

In Africa, the Group continues to reap the benefit of a dynamic sector environment despite the political crisis in Mali.

- *In the Cement business*, operational sales in the Africa region grew +8.5% at constant scope and exchange rates, reflecting the strong momentum of the markets in Senegal and Mauritania, which offset the decline in Mali, where the market was disrupted by policies restricting imports. Selling prices rose in both these regions.
- In Senegal, the *Aggregates business*, supported by the gradual resumption of major government construction projects, recorded operational sales of €8 million, up +10.3% at constant scope and exchange rates.

2. Changes in Vicat's consolidated financial position at 31 March 2022

At 31 March 2022, the Group's shareholders' equity was €2,675 million, up from €2,458 million at 31 March 2021. The Group's net debt was €1,546 million, versus €1,270 million at 31 March 2021 given the significant increase in the working capital requirement with the growth in sales and the impact of inflation on inventories.

3. Recent events

3.1 *Situation caused by the conflict in Ukraine:*

The Vicat group does not have any industrial or commercial operations in Ukraine or Russia. As a result, no Group assets and no employees have been directly impacted by the current conflict. As things stand, there has been no impact on the Group's business. That said, the conflict is likely to affect growth in Europe and worldwide, and thus the Group's operations in potentially exposed countries.

3.2 *Situation in Egypt:*

In Egypt, the fierce competition seen for several years has improved since an industry-wide agreement was reached between the authorities and cement sector players. As a result of this agreement, which has temporarily curbed utilisation rates, prices have recovered sharply, bringing EBITDA back to breakeven point in the second half of 2021 and early 2022.

In addition, the freeze put on Sinai Cement's capital increase since 2018 prompted the Group to launch an arbitration procedure against the Egyptian government. Negotiations led to the signature on 21 March of an agreement, enabling the capital increase to go ahead and confirming Vicat's rights to hold and to consolidate on its majority ownership. The Group has thus consolidated its shareholding through a simplified public tender offer, raising its equity interest from 56.2% at 31 December 2021 to 67.2% at 30 April 2022.

3.3 ***Update on energy costs:***

Energy costs totalled around €400 million in 2021, 57% of which relate to the use of fuel. Of these fuel sources, coal accounted for around 46%, alternative fuels for 26%, petcoke 24% and gas around 3%.

The Group's hedging policy provides a degree of visibility on its energy costs over the short term (around six to nine months).

Given this policy, the Group estimates that at current energy prices it would need to raise its prices by +15% in the Cement activity over the full year to fully cover the increase in its energy costs. As things stand at 31 March 2022, further price hikes are thus needed in France, Switzerland, Senegal and Brazil to meet this objective, all other factors remaining equal. Accordingly, the Group remains focused and confident of its ability in the current environment to introduce the requisite increases in selling prices to cover the inflation in its energy costs, situation permitting.

Naturally, this estimate is likely to be reviewed based on:

- Energy price trends in its local markets and, more generally, the worldwide market
- The Group's conservative hedging policy
- Arbitrage opportunities within its mix of conventional fuels
- And, lastly, by increasing the proportion of alternative fuels used to replace its conventional fuels.

4. Outlook 2022

In 2022, the Group anticipates a strong increase in its sales underpinned by an increase in its activity levels and a sharp progression in selling prices. EBITDA generated by the Group in 2022 is likely to grow, but not by as much as in 2021. In light of these elements, the Group expects erosion in its EBITDA margin in 2022.

In 2022, the Group will keep up its investment drive, focusing chiefly on:

- finalisation of construction work at the new Ragland kiln in the United States, which is expected to start up in May 2022;
- start of construction work on the new kiln (Kiln 6) in Senegal;
- the ramp-up in projects to meet carbon footprint reduction targets;
- 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.

Accordingly, capital expenditure is expected to be higher than in 2021 at around €400 million, including 130 million in "maintenance" investments and 270 million in "strategic" investments. The Group reserves the right to adjust its investment plans, by reducing, if necessary, the proportion of its "growth" capex, to match the shifting trends in its markets and its cash-flow generation.

The Group is issuing the following elements of appreciation about 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 and on the conflict in Ukraine and on their impact on each of them:

- In France, activity levels are expected to remain on a growth trajectory throughout the year, supported by a macroeconomic environment that should be favourable for the construction sector. As a result, the Group expects its volumes to rise slightly and its prices to rise markedly to offset the impact of higher energy costs, especially electricity;
- In Switzerland, the Cement and the Concrete & Aggregates businesses should reap the benefit of upbeat conditions in the construction sector. As in France, the Group expects a sharp increase in electricity costs

compensated by higher selling prices.

- In the United States, both volumes and selling prices are expected to continue increasing. The impact of the economic stimulus plan being rolled by the US administration is likely to make itself felt gradually from the second half of this year. In this market, the Group is expected to reap the benefit of the commissioning of the new kiln of the Ragland plant from the end of the first half;
- In Brazil, business and profitability levels in 2021 have set a high basis of comparison in a market in which trends are expected to remain nonetheless favourable. As a result, the Group expects a slight increase in business levels over the year as a whole, supported by the continued rise in prices;
- In India, the macroeconomic and sector environment is expected to remain favourable. With prices remaining highly volatile, the strong rise in energy costs should only be partially compensated;
- In Kazakhstan, 2021 performance levels set a high basis of comparison. While the market environment is expected to remain supportive, this will remain contingent on developments in the political and social situation;
- In Turkey, the situation is expected to keep improving gradually in 2022, subject to trends in the Turkish lira and interest rates. The price increase should help offset the rise in energy costs;
- In Egypt, amid a gradually improving industry environment, the Group's performances over the year remains subject to the maintaining of the measures implemented by the government to restore a healthier market environment.
- In West Africa, trends in Cement are expected to remain dynamic, with support from a favourable sector environment. To note, the currently political crisis in Mali is concerning and may dampen activity levels in this country. The Aggregates business in Senegal is likely to continue its recovery.

Conference call

To accompany the publication of its first-quarter 2022 sales, the Vicat Group is organising a conference call in English that will take place on **5 May 2022 at 3pm** Paris time (2pm London time and 9am New York time).

To take part in the conference call live, dial in on 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

An audio feed of the conference call, together with the presentation, can be livestreamed from the Vicat website or accessed by clicking here.
The replay of the conference call will be immediately available for streaming via the Vicat website and by clicking here.

Next event:

First-half 2022 results on 27 July 2022 after the close.

Investor relations contact:

Stéphane Bisseuil :
Tél. + 33 (0)1 58 86 86 05
stephane.bisseuil@vicat.fr

Press contacts:

Karine Boistelle-Adnet
Tél. +33 (0)4 74 27 58 04
karine.boistelleadnet@vicat.fr

About Vicat

The Vicat Group has close to 9,500 employees working in three core divisions, Cement, Concrete & Aggregates and Other Products & Services, which generated consolidated sales of €3.123 billion in 2021. The Group operates in twelve countries: France, Switzerland, Italy, the United States, Turkey, Egypt, Senegal, Mali, Mauritania, Kazakhstan, India and Brazil. Vicat, a family-owned 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 – 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**: 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 based on a company's profitability, which is calculated as net debt/consolidated EBITDA.

Breakdown of first-quarter 2022 sales by business

Cement

(€ million)	**First-quarter 2022**	First-quarter 2021	Change (reported)	Change (at constant scope and exchange rates)
Volume (thousands of tonnes)	**6,228**	6,535	-4.7%	
Operational sales	**499**	431	+15.8%	+15.0%
Consolidated sales	**429**	374	+14.4%	+13.1%

Concrete & Aggregates

(€ million)	**First-quarter 2022**	First-quarter 2021	Change (reported)	Change (at constant scope and exchange rates)
Concrete volume (thousands of m3)	**2,190**	2,232	-1.9%	
Aggregates volume (thousands of tonnes)	**5,403**	5,288	+2.2%	
Operational sales	**297**	258	+15.2%	+13.7%
Consolidated sales	**290**	250	+16.0%	+14.1%

Other Products & Services

(€ million)	**First-quarter 2022**	First-quarter 2021	Change (reported)	Change (at constant scope and exchange rates)
Operational sales	**102**	110	-7.2%	+8.3%
Consolidated sales	**70**	82	-14.4%	+4.5%