Press Release

L'Isle d'Abeau, 11 October 2022

Updated FY 2022 Outlook

The Vicat Group today announced that it has updated its outlook for the fiscal year 2022 to take in account recent business developments, particularly the very sharp rise in electricity costs in Europe and the progressive ramp-up of the new Ragland plant in Alabama.

Given these factors, the Group's EBITDA in 2022 is now expected to be lower than in 2021 and to be at least equal to that generated in 2020.

The very sharp rise in electricity prices in the third quarter and expected for the end of the year, that remains more rapid than the increase in selling prices, has had a very unfavorable impact on the profitability of the Vicat Group's activities in France and Switzerland.
In response to the new environment in these two markets, and to offset the impact, the Group has announced further significant price increases of more than 20 euros in France as of November and 30 Swiss francs on January 1 in Switzerland.

In the United States, construction of a new kiln line at the Ragland plant in Alabama, which began in 2019, was completed in the second quarter of 2022.
However, the very gradual start-up took place throughout the third quarter of 2022.
In these circumstances production capacity and deliveries in this area were temporarily reduced, and generated a one-off increase in operating costs, which adversely affected the Group's profitability in this region in the third quarter of 2022.
The necessary adjustments for optimal operation of this new furnace are underway and its gradual ramp-up will continue in the last quarter of 2022, in a very dynamic market environment.

Finally, debottlenecking operations at the Kalburgi Cement plant in India increased the capacity of this furnace to more than 10,000 tonnes of cement per day, temporarily weighing on the capacity of this plant during the third quarter but enabling it, from hereon, to fully benefit from the market's dynamism.

All the other markets in which the Group operates are developing in line with the expectations detailed at the time of the publication of the half-yearly results on August 3, 2022.

To take account of this new environment, and in line with its debt reduction objectives, the Group will pay particular attention to reducing its capital expenditure from 2023 onwards, a trend which will accelerate in 2024. Thus, during these two years, the Group's efforts in this area will focus exclusively on maintenance investments, on investments linked to its strategy of reducing its greenhouse gas emissions offering a rapid return on investment, and finally, on the completion of projects in progress, in particular the construction of a new kiln line in Senegal, which will generate value.

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 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 on these statements.*

Conference call

To accompany this publication, the Vicat group is holding an information conference call in English on 12 October 2022 at 8:30 AM Paris time (7:30 AM London time and 2:30 AM 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
UK: +44 (0)33 0551 0200
US: +1 212 999 6659

A replay of the conference call will be immediately available for streaming via the Vicat website or by clicking here.

Next event:

Publication of third-quarter 2022 sales on Monday 7 November 2022.

Investor relations contact:

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

Press contacts:

Karine Boistelle-Adnet
Tel +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).
- **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 based on a company's profitability, calculated as net debt/consolidated EBITDA.