

First-quarter 2023 sales

- **First-quarter 2023 consolidated sales of €899 million, up +19.4% at constant scope and exchange rates**
- **Significant increase in average selling prices in broadly resilient markets**

Consolidated sales (€ million)	First- quarter 2023	First- quarter 2022	Change (reported)	Change (at constant scope and exchange rates)
France	297	271	+9.6%	+9.6%
Europe (excluding France)	81	82	-1.8%	-5.5%
Americas	198	181	+9.0%	+3.9%
Asia	112	112	+0.1%	+3.9%
Mediterranean	104	53	+93.8%	+191.3%
Africa	108	90	+20.9%	+20.3%
Total	899	789	+13.9%	+19.4%

Commenting on these figures, Guy Sidos, the Group's Chairman and CEO said: *"Vicat's first-quarter performance demonstrates the strong resilience of demand in its main markets, which translated into a sharp increase in its consolidated sales when compared to very good first-quarter 2022 figures.*

Amid changeable winter weather conditions, especially in California, the Group has pushed ahead with the ramp-up in its new installation in Alabama and accelerated its strategy of improving its manufacturing performance and shifting away from fossil fuels to achieve its operational, environmental and social objectives."

Disclaimer:

- *In this press release, and unless indicated otherwise, all changes are stated on a year-on-year basis (2023/2022), 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 on these statements.*

Further information about Vicat is available from its website (www.vicat.fr).

The construction sector had enjoyed strong momentum in the first quarter of 2022, a period not yet affected by the consequences of the start of the war in Ukraine and the surge in energy costs. Relative to this basis of comparison, the first quarter of 2023 was characterised by price increases in mixed, but broadly positive market conditions despite the vagaries of the weather conditions in California and the slowdown in the US office real estate sector. Accordingly, the Group is focusing on price increases and is resolutely pushing ahead with the transition to alternative energy sources to adapt to this new environment in which the first signs of stabilisation in energy prices at a high level are now appearing.

In the first quarter of 2023, the Vicat Group’s consolidated sales totalled €899 million, up +13.9% on a reported basis and up +19.4% at constant scope and exchange rates compared with the same period of 2022. This increase on a reported basis reflects:

- a negative currency effect of over €43 million given depreciation in the Turkish lira and the Egyptian pound;
- and organic growth of +19.4%, supported by the **large increases in prices** recorded during the quarter compared with the first quarter of 2022.

1. First-quarter 2023 consolidated sales by geographical region

1.1. France

(€ million)	First-quarter 2023	First-quarter 2022	Change (reported)	Change (at constant scope and exchange rates)
Sales	297	271	+9.6%	+9.6%

During the first quarter of 2023, the Group's sales in France moved higher, even by comparison with the strong performance recorded in the first quarter of 2022.

The increase in selling prices was the main factor driving the increase in sales, and it benefited all the Group's businesses, despite a clear reduction in the residential sector.

- In the *Cement business*, operational sales rose +20.8% at constant scope in the first quarter.
- The operational sales recorded by the *Concrete & Aggregates business* rose +1.6% at constant scope.
- In the *Other Products & Services business*, operational sales advanced +4.5% at constant scope over the period.

1.2 Europe (excluding France)

(€ million)	First-quarter 2023	First-quarter 2022	Change (reported)	Change (at constant scope and exchange rates)
Sales	81	82	-1.8%	-5.5%

Sales in Europe (excluding France) dipped slightly in the first quarter of 2023, mainly in Switzerland, as a result of the weather and sluggish market conditions in the Bernese Oberland.

Sales in Italy climbed +26.7%, with price increases providing support.

In **Switzerland**, the Group's consolidated sales declined –8.7% at constant scope and exchange rates.

- In the *Cement business*, operational sales posted a small increase of +1.7% at constant scope and exchange rates.
- In the *Concrete & Aggregates business*, operational sales declined –14.3% at constant scope and exchange rates.
- In the *Other Products and Services business*, operational sales fell –12.0% at constant scope and exchange rates.

1.3 Americas

(€ million)	First-quarter 2023	First-quarter 2022	Change (reported)	Change (at constant scope and exchange rates)
Sales	198	181	+9.0%	+3.9%

In the United States and in Brazil, the construction sector remained resilient in an environment characterised by a seasonal decline in volumes offset by a solid increase in selling prices.

In the **United States**, the macroeconomic and industry environment broadly remained positive despite a particularly unfavourable basis of comparison in California given the high level of demand in the first quarter of 2022 and exceptionally adverse weather at the beginning of the year. The downturn in the region was offset by the ramp-up in the new Ragland kiln and significant price increases in both California and the South-East region.

The office real estate sector has been badly affected by post-COVID trends in society, but these same trends have boosted logistics, a particularly dynamic sector in the large metropolitan areas in which we operate.

- In the *Cement business*, operational sales posted an increase of +4.5% at constant scope and exchange rates over the period.
- In the *concrete business*, operational sales declined –5.0% at constant scope and exchange rates.

In Brazil, consolidated sales totalled €62 million, up +13.6% at constant scope and exchange rates. Against a backdrop of high inflation and a rapid increase in interest rates, demand dipped slightly in the Group's markets in a still positive pricing environment in the first quarter.

- In the *Cement business*, operational sales were €48 million, an increase of +12.1% at constant scope and exchange rates.
- In the *Concrete & Aggregates business*, operational sales were €22 million, an increase of +21.4% at constant scope and exchange rates, in line with the trends seen in the Cement business.

1.4 Asia (India and Kazakhstan)

(€ million)	First-quarter 2023	First-quarter 2022	Change (reported)	Change (at constant scope and exchange rates)
Sales	112	112	+0.1%	+3.9%

Sales in **India** grew throughout the period. In a high-inflation environment, prices rose significantly, but remained highly volatile, especially towards the end of the quarter, which is also the end of tax year. Overall, the Group posted consolidated sales of €101 million in the first quarter of 2023, up +6.8% at constant scope and exchange rates.

Consolidated sales in **Kazakhstan** came to €10 million, down –21.0% at constant scope and exchange rates. The key factor at work was a significant decline in delivery volumes given the substantial logistics disruption to the Kazakh rail operator, which restricted all market players' access to end markets. Nevertheless, selling prices again held up well.

1.5 Mediterranean (Egypt and Turkey)

(€ million)	First-quarter 2023	First-quarter 2022	Change (reported)	Change (at constant scope and exchange rates)
Sales	104	53	+93.8%	+191.3%

In the Mediterranean region, sales moved sharply higher in both countries.

In **Turkey**, the macroeconomic and sector environment was again dominated by high inflation.

First-quarter 2023 consolidated sales totalled €65 million (versus €27 million in the first quarter of 2022), up +220.6% at constant scope and exchange rates. All the businesses posted increases.

- In the Cement business, operational sales climbed +259.0% at constant scope and exchange rates.
- In the *Concrete & Aggregates business*, operational sales rose +165.8% at constant scope and exchange rates.

In **Egypt**, consolidated sales totalled €39 million, up +161.5% at constant scope and exchange rates. The market regulation agreement that has remained in force since July 2021 between the Egyptian government and all producers helped selling prices in the domestic market to pick up during the first quarter, supported by stronger demand.

1.6 Africa

(€ million)	First-quarter 2023	First-quarter 2022	Change (reported)	Change (at constant scope and exchange rates)
Sales	108	90	+20.9%	+20.3%

In Africa, the Group continued to reap the benefit of positive sector demand, especially with the sharp recovery in the Malian market after the political crisis, which had significantly cut deliveries to the country during the first six months of 2022 and the resumption of government projects in Senegal.

- In the Cement business, operational sales in the Africa region grew +16.0% at constant scope and exchange rates.
- In Senegal, aggregates sales moved up +41.3% at constant scope and exchange rates.

2. Changes in Vicat's consolidated financial position at 31 March 2023

At 31 March 2023, the Group's shareholders' equity was €2,836 million, up from €2,675 million at 31 March 2022. The Group's net debt was €1,695 million, versus €1,546 million at 31 March 2022 given the significant increase in the working capital requirement with the growth in sales and the impact of inflation on inventories.

3. Outlook for 2023

In 2023, the Group is targeting further significant sales growth, with its markets overall expected to display resilience and reflect the full benefit of the price hikes in selling prices implemented in 2022 and the fresh increases introduced in 2023. In addition, performance in 2023 will reap the full benefit of the new Ragland kiln, elimination of the non-recurring costs incurred in 2022 and the stabilisation in energy costs, with the increase in these now reflected by higher selling prices. Taking these factors into account, the Group's 2023 EBITDA is expected to rise towards a level at least equivalent to that recorded in 2021.

Looking ahead to 2023 and 2024, the Group plans to scale back its capital expenditure outlays to €350 million in 2023, with a further increase in 2024.

Over the period as a whole, this capital expenditure will focus on:

- completion of the construction work on the new kiln in Senegal;
- investment projects to meet the carbon footprint reduction targets; and
- maintenance capex and property right investments.

The Group does not plan to launch any further strategic growth capex projects until the leverage ratio has been brought down below 2.0x.

The Group wishes to make clear that these anticipated trends per country are highly dependent on how the war in Ukraine plays out, and especially how its consequences affect energy costs:

- in France, demand may tail off slightly during the year, with conditions affected by inflation and interest rate hikes. Selling prices are expected to rise further, however, to offset cost inflation, particularly in energy costs;
- in Switzerland, the market is expected to contract over the full year, stabilising progressively in the second half. As in France, selling prices are expected to move higher, after the increases introduced at the beginning of the year;
- in the United States, business trends are expected to remain strong and favour logistics over office real estate. In this market, the Group will reap the benefit of the commercial ramp-up in the new industrial facility commissioned in 2022 amid favourable price conditions;
- in Brazil, business levels in the markets in which the Group operates are expected to remain broadly stable over the year amid a dynamic competitive environment;
- In India, the macroeconomic and sector environment is expected to remain favourable. With prices still volatile, the rise in energy costs is only likely to be offset gradually;

- In Kazakhstan, despite a persistently high basis for comparison and fiercer competition, market conditions are expected to remain favourable provided efficient rail logistics are restored;
- in Turkey, amid a macroeconomic and political environment that reduces visibility, the Group will fully mobilise its production facilities to meet demand arising from the reconstruction drive and will continue to pursue a pricing policy geared to the hyperinflationary environment;
- In Egypt, the economic and monetary effects of the Ukrainian crisis have caused the overall outlook and the country's currency to deteriorate. With the sector agreement in force since July 2021 remaining in place, the Group expects stable demand and further improvement in selling prices, which will curb the effects of inflation;
- in West Africa, trends in Cement are expected to remain upbeat as a result of a favourable sector environment, especially after the recent reopening of Mali's borders. With cement price controls still in place in Senegal, the full impact of cost increases is unlikely to be offset. The Aggregates business in Senegal is expected to continue growing thanks to infrastructure projects.

4. Recent event

Vicat is announcing that Stéphane Bisseuil, the Group's Head of Investor Relations and of its Financial Communications department since 2007, will leave his post on 30 June 2023.

Pending the arrival of a successor, Hugues Chomel, Deputy Chief Executive Officer and Chief Financial Officer, will handle the Group's investors relations.

The Vicat Group would like to place on record its gratitude to Stéphane Bisseuil for the contribution he has made over the past 16 years and wishes him every success for the next stage in his career.

5. Conference call

To accompany the publication of its first-quarter 2023 sales, the Vicat Group is organising a conference call in English that will take place on **4 May 2023 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
United States:	+1 212 999 6659

An audio feed of the conference call, together with the presentation, will also be livestreamed from the Vicat website or by clicking [here](#).

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

Next event:

First-half 2023 results on 26 July 2023 after the close.

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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 €3.642 billion in 2022. 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.

First-quarter 2023 sales by business

Cement

<i>(€ million)</i>	First-quarter 2023	First-quarter 2022	Change (reported)	Change (at constant scope and exchange rates)
Volume (thousands of tonnes)	6,614	6,228	+6.2%	
Operational sales	596	499	+19.6%	+28.0%
Consolidated sales	516	429	+20.3%	+29.6%

Concrete & Aggregates

<i>(€ million)</i>	First-quarter 2023	First-quarter 2022	Change (reported)	Change (at constant scope and exchange rates)
Concrete volume (thousands of m ³)	2,093	2,190	-4.4%	
Aggregates volume (thousands of tonnes)	5,500	5,403	+1.8%	
Operational sales	320	297	+7.4%	+9.0%
Consolidated sales	311	290	+7.0%	+8.4%

Other Products & Services

<i>(€ million)</i>	First-quarter 2023	First-quarter 2022	Change (reported)	Change (at constant scope and exchange rates)
Operational sales	107	102	+5.0%	+6.4%
Consolidated sales	73	70	+3.5%	+3.2%