Press Release
First-half 2023 results

L'Isle-d'Abeau, 26 July 2023

- **Strong increase in sales: resilient volumes across almost all cement markets and higher selling prices**
- **Recovery in profitability, especially with the gradual ramp-up in the Ragland plant's new kiln**
- **Tight grip on debt with the leverage ratio falling over the past year to 2.6x**
- **FY 2023 EBITDA is expected to rise towards a level appreciably above that recorded in 2021**

Condensed income statement approved by the Board of Directors on 25 July 2023

(€ million)	**H1 2023**	H1 2022	Change (reported)	Change (at constant scope and exchange rates)
Consolidated sales	**1,912**	1,755	+9.0%	**+16.5%**
EBITDA	**314**	269	+17.0%	**+21.6%**
Margin (%)	***16.4%***	*15.3%*		
Recurring EBIT	**166**	128	+29.4%	**+34.4%**
Margin (%)	***8.7%***	*7.3%*		
Consolidated net income	***109***	88	+24.5%	**+17.8%**
Margin (%)	***5.7%***	*5.0%*		
Net income, Group share	**94**	78	+20.9%	**+14.0%**
Cash flow from operations	**239**	218	+9.5%	**+10.1%**

Guy Sidos, the Group's Chairman and CEO commented:

"The Vicat Group recorded a solid set of first-half 2023 results. Demand for cement remained broadly favourable across all our markets, with pricing levels offsetting the cumulative effects of cost inflation, especially higher energy prices. Profitability moved higher in line with our expectations, with the ramp-up in the Ragland plant's new kiln in the United States, which will continue during the second half. However, the Group has not yet returned to its pre-crisis margins rates.

I'd like to thank all our teams for their unwavering commitment enabling us to reach our industrial, financial and climate targets. The Group has reduced its specific carbon emissions by 3.6% from the level of 591 kg CO_2 net per tonne of cement equivalent of a year ago and is on pace to reach its climate roadmap goal of 497 kg CO_2 net per tonne of cement equivalent by 2030."

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 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.*

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

The **Group's consolidated sales** grew in the first six months of 2023. This increase chiefly reflected:

- **growth in Cement volumes to an extent varying from market to market**, with a slowdown in certain developed markets (France, Switzerland) and positive momentum in the Mediterranean and, to a lesser extent, in Africa;
- **an increase in selling prices across almost all Vicat's markets** in an inflationary environment resulting mainly from energy costs.

Overall, the Group's **consolidated sales** totalled **€1,912 million**, up from €1,755 million in the first six months of 2023, representing a +9.0% rise on a reported basis. These trends reflected:

- organic growth of +16.5% at constant scope and exchange rates;
- an unfavourable currency effect of –7.5%, representing a negative impact of –€131 million over the period. Appreciation in the US dollar and Swiss franc against the euro offset only to a very limited extent the impact of depreciation in the Turkish lira and Egyptian pound against the euro;
- negligible changes in the scope of consolidation over the period.

The Group's **operational sales** totalled €1,938 million over the period, up +9.0% on a reported basis and up +16.3% at constant scope and exchange rates. Each of the Group's businesses contributed to this positive trend.

The Group's consolidated **EBITDA** came to €314 million in the first half of 2023, up +17.0% on a reported basis and up +21.6% at constant scope and exchange rates compared to the first half of 2022. The EBITDA margin on consolidated sales came to 16.4%, an increase of +110 basis points year-on-year. The trend in reported EBITDA reflects an unfavourable currency effect of –€12 million.

At constant scope and exchange rates, the EBITDA increase flowed from a year-on-year **price-cost differential** that was **favourable** owing to:

- **the ramp-up in the Ragland plant's new kiln**, whereas start-up operations had adversely affected results in the first half of 2022;
- **the impact of price increases introduced across almost all Group markets**, which tempered the increase in variable costs, especially energy. In the first half of 2023, energy costs grew +12% at constant volume to €327 million, up from €293 million in the first half of 2022;
- **greater use of alternative fuels**, which rose by +4.1 points relative to the same period of 2022, replacing fossil fuels;
- Lastly, the basis of comparison for EBITDA was made more favourable with a return to normal levels in maintenance costs in France.

Compared with the first half of 2021, EBITDA moved +4.8% higher on a reported basis, in line with the outlook given by the Group at the beginning of the year. Nonetheless, the EBITDA margin was 280 basis points below the 19.2% level recorded in the first six half of 2021. Selling price increases offset the impact of cumulative higher costs but have not yet restored the Group's margins to their previous levels.

Recurring EBIT totalled €166 million in the first half of 2023 compared with €128 million in the same period of 2022. That represented an increase of +29.4% on a reported basis and of +34.4% at constant scope and exchange rates. The recurring EBIT margin on consolidated sales came to 8.7%, a year-on-year increase of +140 basis points.

The Group's **operating income** totalled €161 million, representing a rise of +25.7% on a reported basis and of +30.6% at constant scope and exchange rates.

The –€32 million movement during the first half of 2023 in **net financial income (expense)** relative to 2022 was attributable to:

- the –€22 million year-on-year increase in the cost of the net debt, including:
    - a –€11 million increase in interest expense, offset partially by €6 million in hedging gains;
    - the change in the method used to account for caps (designated as hedges from December, leading to a –€20 million impact relative to the first half of 2022).
- a negative currency effect of –€7 million (–€4 million increase compared with 2022), predominantly as a result of depreciation in the euro against the Egyptian pound and Turkish lira;

Tax expense declined €20 million compared with 2022. The effective tax rate was 12.4%, far lower than the first-half 2022 rate of 29.6%. A key factor was the cancellation of a €26 million non-recurring tax liability owing to a merger between entities in Brazil.

Consolidated net income totalled €109 million in the first half of 2023, up +17.8% at constant scope and exchange rates and up +24.5% on a reported basis relative to the same period of 2022.

Net income, Group share rose +14.0% at constant scope and exchange rates and +20.9% on a reported basis to €94 million. Non-controlling interest rose €5 million in the first half of 2023 related to the non-recurring deferred tax income resulting from the reorganisation in Brazil.

Cash flow from operations came to €239 million, up +9.5% on a reported basis and up +10.1% at constant scope and exchange rates.

1. Income statement analysed by geographical region

1.1. Income statement, France

(€ million)	**H1 2023**	H1 2022	*Change (reported)*	*Change (at constant scope and exchange rates)*
Consolidated sales	**630**	606	*+4.0%*	***+4.0%***
EBITDA	**106**	80	*+31.7%*	***+31.7%***
Recurring EBIT	**58**	31	*+85.8%*	***+85.8%***

The Group's sales in **France** were mixed during the first half of 2023, with cement volumes contracting slightly and a more significant slowdown in concrete and aggregates. Even so, the Group raised its selling prices, which offset the impact of the higher production costs, especially those linked to energy price inflation (up +12% in the first half of 2023 relative to the same period of 2022). As a result, EBITDA rose +31.7% in the first half of 2023. Although first-half EBITDA was slightly above its 2021 level, the EBITDA margin still lagged behind previous levels (16.8% in 2023 versus 18.5% in 2021).

- *Cement* – Operational sales rose +15.9% at constant scope. The selling price increases introduced since 2022 to curb the effects of inflation enabled to offset the slight decline in production volumes in France (lower residential construction and stable level of public works);
- *Concrete & Aggregates* – Operational sales declined –2.2% at constant scope. This performance was the product of lower concrete and aggregates volumes as a result of the slowdown in residential construction and roadworks sectors, partially offset by the hikes in selling prices to make up for the effects of inflation in the cost of raw materials and transport costs on margins. As a result, EBITDA generated in the period moved up +1.3% at constant scope.
- *Other Products & Services* – Operational sales edged up +0.5% at constant scope over the period. The EBITDA recorded by the business climbed +5.0% over the period.

1.2 Income statement for Europe (excluding France)

(€ million)	**H1 2023**	H1 2022	*Change (reported)*	***Change (at constant scope and exchange rates)***
Consolidated sales	**195**	184	*+6.4%*	***+2.1%***
EBITDA	**46**	41	*+11.6%*	***+7.7%***
Recurring EBIT	**29**	25	*+16.0%*	***+11.3%***

Sales in **Europe** (excluding France) rose in the first half of 2023, supported by favourable pricing conditions, which more than made up for the volume contraction in Switzerland. EBITDA moved up +11.6% during the period on a reported basis and up +7.7% at constant scope and exchange rates with the Swiss franc's appreciation against the euro.

In **Switzerland**, the Group's consolidated sales were stable at constant scope and exchange rates (up +4.7% on a reported basis). EBITDA rose +7.3% at constant scope and exchange rates. The EBITDA margin on operational sales improved in the first half of 2023 to 24.3%.

- *Cement* – Operational sales grew +5.4% at constant scope and exchange rates in the first six months of 2023. This evolution reflects a small contraction in demand during the period, largely offset by a solid increase in selling prices. The EBITDA generated by the business rose +17.8% at constant scope and exchange rates.
- *Concrete & Aggregates* – Operational sales declined –7.0% at constant scope and exchange rates amid weaker demand in both concrete and aggregates. Selling prices moved higher, especially in concrete, but this rise was not sufficient to fully offset the inflationary pressures affecting inputs. As a result, the EBITDA generated by this business fell –20.6% at constant scope and exchange rates.
- *Other Products & Services* – Operational sales moved up +8.1% at constant scope. The EBITDA generated by the business grew.

In **Italy**, consolidated sales rose +24.6% at constant scope and exchange rates. Volumes rose and selling prices moved significantly higher. EBITDA grew +12.3% owing to the impact of the inflation in production costs.

1.3 Income statement for the Americas

(€ million)	**H1 2023**	H1 2022	*Change (reported)*	***Change (at constant scope and exchange rates)***
Consolidated sales	**450**	401	*+12.3%*	***+11.0%***
EBITDA	**84**	55	*+52.6%*	***+50.7%***
Recurring EBIT	**45**	22	*+102.1%*	***+99.6%***

Business grew across the **Americas**, with sales moving up +11.0% at constant scope and exchange rates, supported by a steady increase in selling prices and delivery volumes. The region benefited from the ramp-up in production and commercial operations at the Ragland plant's new kiln. As a result, EBITDA in the Americas rose +50.7% at constant scope and exchange rates in the first half of 2023 by comparison with the same period in 2022.

In the **United States**, the industry environment remained broadly positive, but performance varied from market to market, California was affected by heavy rainfall, which had an impact on the construction market for most of the period, while the South-East US region achieved strong growth, as the ramp-up in the Ragland plant's new kiln enabled the Group to capitalise on supportive market conditions. Price increases were introduced in the first half to offset the effects of inflation. Consolidated sales totalled €318 million, up +15.1% at constant scope and exchange rates. As a result of these factors and the low basis of comparison linked to the Ragland kiln's start-up in 2022, EBITDA totalled €56 million, up +59.5% at constant scope and exchange rates.

- *Cement* – Operational sales grew +19.2% at constant scope and exchange rates in the first six months of 2023. A significant increase in selling prices and the ramp-up in the Ragland's new kiln were the main drivers behind this increase. EBITDA rose +27.9% at constant scope and exchange rates.
- *Concrete & Aggregates* – Operational sales moved up +11.2% at constant scope and exchange rates, with mixed performance across the region as a whole. Torrential rain dampened demand in California, while the concrete business was boosted by the greater availability of cement in Alabama with the ramp-up in

the Ragland plant's new kiln. Selling prices moved higher in both the Group's markets. As a result, EBITDA soared +189% over the period.

In Brazil, consolidated sales totalled €132 million, up +2.0% at constant scope and exchange rates. Sales were held back by the slowdown in the Brazilian economy, but the hike in prices to offset the higher production costs made a positive contribution. As a result, EBITDA rose +35.5% at constant scope and exchange rates to €28 million in the first half of 2023.

- *Cement* – Operational sales were €103 million in the first half of 2023, in line with 2022 at constant scope and exchange rates. The increase in selling prices and improved industrial performance offset the impact of higher production costs and volume contraction. As a result, EBITDA rose +46.9% at constant scope and exchange rates.
- *Concrete & Aggregates business* – Operational sales came to €46 million, an increase of +12.8% at constant scope and exchange rates, supported by higher selling prices. EBITDA rose +2.7% at constant scope and exchange rates.

1.4 Asia (India and Kazakhstan)

(€ million)	**H1 2023**	H1 2022	*Change (reported)*	***Change (at constant scope and exchange rates)***
Consolidated sales	**233**	249	*–6.5%*	***–1.2%***
EBITDA	**32**	52	*–39.2%*	***–36.0%***
Recurring EBIT	**15**	35	*–56.1%*	***–54.0%***

In **India**, consolidated first-half 2023 sales came to €201 million, stable compared with 2022 at constant scope and exchange rates, but down –6.0% on reported basis. Amid robust demand and aggressive competition, especially in southern India, the Group introduced price increases, but these only partially offset the still high level of input costs in the first six months, especially energy costs. Volumes remained stable over the period.

EBITDA came to €26 million in the first half of 2023, down –27.4% at constant scope and exchange rates compared with the first half of 2022.

Consolidated sales in **Kazakhstan** came to €32 million, down –10.2% at constant scope and exchange rates. This performance reflects a contraction in delivery volumes towards the beginning of the year given the severe logistics disruption to the Kazakh rail operator and lower prices.
EBITDA came to €6 million, down -58.4% in the first half of 2023 at constant scope and exchange rates compared with the first half of 2022.

1.5 Mediterranean (Turkey and Egypt) income statement

(€ million)	**H1 2023**	H1 2022	*Change (reported)*	***Change (at constant scope and exchange rates)***
Consolidated sales	**196**	145	*+34.9%*	***+126.0%***
EBITDA	**21**	16	*+26.9%*	***+110.0%***
Recurring EBIT	**12**	9	*+24.9%*	***+105.9%***

Volumes picked up in the **Mediterranean** region, and selling prices achieved healthy momentum in local currency amid high inflation. However, performance was held back by the significant depreciation in the Turkish lira and Egyptian pound against the euro during the period.

In **Turkey**, the market grew sharply during the first six months thanks to an upbeat construction sector and better weather conditions at the beginning of the year. Hyperinflation and the strong depreciation in the Turkish lira against the euro were again the main factors influencing the macroeconomic environment. The Group maintained its strategy of firm support for prices to offset the effects of inflation on production costs. As a result, consolidated sales totalled €124 million in the first half of 2023, up +123% at constant scope and exchange rates and up +36.6% on a reported basis.
EBITDA moved higher in the first six months of 2023, totalling €17 million, despite a negative currency impact of -€11 million.

- *Cement* – The Group recorded a strong increase in volumes owing to the combined impact of favourable weather conditions and supportive demand from the construction sector despite the hyperinflationary environment. As a result, the Group's operational sales rose +128% at constant scope and exchange rates and +39.6% on a reported basis to reach €90 million. EBITDA also rose +90.5% at constant scope and exchange rates.
- *Concrete & Aggregates business* – Operational sales rose +102% at constant scope and exchange rates to €56 million thanks to growth in concrete and aggregates volumes. Significant price hikes were introduced, following the Cement business' lead. EBITDA moved up +81.9% at constant scope and exchange rates.

In **Egypt**, consolidated sales totalled €72 million, up +130% at constant scope and exchange rates and up +32.0% on a reported basis as the depreciation in the Egyptian pound against the euro had a negative impact. Amid sluggish conditions in the domestic market, business was boosted by an opportunity to export clinker. In the domestic market, where the market regulation agreement introduced by the authorities remains in place, selling prices continued to improve, which almost completely offset the impact of higher input costs. As a result, the EBITDA generated in Egypt recovered further in the first six months of 2023, almost reaching €4 million despite a negative currency impact of -€3 million.

1.6 *Africa (Senegal, Mali, Mauritania) income statement*

(€ million)	**H1 2023**	H1 2022	*Change (reported)*	***Change (at constant scope and exchange rates)***
Consolidated sales	**208**	170	*+22.2%*	***+21.7%***
EBITDA	**26**	24	*+11.0%*	***+10.3%***
Recurring EBIT	**7**	6	*+21.8%*	***+20.0%***

In **Africa**, the Group continued to reap the benefit of positive sector demand trends, 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.

- *Cement* – Operational sales in the Africa region grew +20.3% at constant scope and exchange rates. The increase in capacity currently underway will enable to reduce production costs and meet strong market demand. In Mali, the Group benefited from a favourable basis of comparison because of the closure of Mali's borders, which had impacted sales in the first half of 2022. Prices rose in Senegal with the increase in government cement price cap in September 2022. As a result, EBITDA moved up +16.1% over the period.
- *Aggregates* – In Senegal, aggregates sales were again underpinned by the public works sector as major projects went ahead. Operational sales climbed +19.7% at constant scope and exchange rates to €21 million. Selling prices remained stable over the period as a result of an unfavourable mix effect. EBITDA moved –13.4% lower at constant scope and exchange rates in the first half of 2023.

2. Changes in the Group's financial position at 30 June 2023

At 30 June 2023, the Group's financial structure remained solid, with a strong equity base and net debt under control. Consolidated equity totalled €2,853 million at that date, compared with €2,896 million at 30 June 2022.

(€ million)	**30 June 2023**	31 December 2022	30 June 2022
Gross financial debt	2,055	2,070	2,153
Cash	–463	–504	–481
Net financial debt	**1,592**	1,567	1,670
EBITDA (12-month rolling)	616	570	588
Leverage ratio (x)	***2.59***	*2.75*	*2.84*

Medium- to long-term borrowings are subject to special clauses (covenants) requiring certain financial ratios to be met. Given the level of Group's net debt and balance sheet liquidity, the bank covenants do not pose a risk for the Group's financial position.

The average interest rate on gross debt at 30 June 2023 was 3.6% – stable compared with at 31 December 2022. The average maturity of the Group's debt was 4.7 years at 30 June 2023.

3. Capital expenditure and free cash flow

Capital expenditure totalled €144 million in the first six months of 2023, up from €178 million in the equivalent period of 2022. These include amounts linked to the Group's strategic investments, including the Ragland plant's new kiln and the new kiln in Senegal.

Free cash flow amounted to €71 million, versus –€203 million in the first half of 2022. This improvement in free cash flow derived from the increase in EBITDA during the first six months of 2023 and a normalisation in the change in working capital requirement.

4. Climate performance

In February 2023, the Vicat Group announced a significantly more ambitious 2030 carbon emission reduction target: **Vicat now aims to reduce its emissions to 497 kg CO_2 net per tonne of cement equivalent by 2030** (versus the previous target 540 kg CO_2 net per tonne of cement equivalent), with a specific target for the Europe region of 430 kg CO_2 net per tonne of cement equivalent.

By the mid-point of 2023, Vicat is in line with its 2030 target, recording average Group-wide emissions of 591 kg net CO_2 per tonne of cement equivalent, which represents an improvement of –3.6% on the first-half 2022 level and –2.8% on the second-half 2022 level.

This performance was achieved through implementation of the Group's climate roadmap. Notable achievements included the 4.1-point increase in use of alternative fuels to 31.5% and a –0.5-point reduction in the clinker rate to 77.4%.

5. Recent events

With effect from 1 October 2023, Gianfranco Tantardini has been appointed Executive Vice-President in charge of the Asia and Mediterranean regions.

Pierre Pedrosa has been appointed as Director of Financial Communications and Investor Relations.

Pierre Pedrosa has joined the Vicat Group as Director of Financial Communications and Investor Relations in June 2023. He reports directly to Hugues Chomel, Executive Vice-President and Group Chief Financial Officer. An engineer by training, Pierre began his career in industry in operational roles. He has over 10 years' experience in finance, gained in institutional asset management and investor relations.

6. 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 benefit of:
- the full impact of the new kiln at the Ragland plant in the United States;
- elimination of the non-recurring costs incurred in 2022;
- a stabilisation in energy costs.

Taking these factors into account, the Group's 2023 EBITDA is **expected to rise towards a level appreciably above that recorded in 2021**.

Previously (3 May 2023): "towards a level at least equivalent to that recorded in 2021"

In 2023 and 2024, the Group plans to scale back its capital expenditure outlays to around €350 million in 2023 followed by another reduction 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.

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

<u>Outlook for 2023 by country:</u>

- 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 the South-East, the Group will reap the benefit of the commercial ramp-up in the new industrial facility, which is expected to continue in the second half and favourable price conditions. To recap, sales in the second and third quarters of 2022 were impacted in the South-East US region by the start-up of the Ragland plant's new kiln;
- in **Brazil**, business levels in the markets in which the Group operates may decline slightly over the year amid persistently fierce competition. The strong industrial performance should help bring down cost prices;
- In **India**, the macroeconomic environment is expected to remain favourable, with demand strengthening. Amid still aggressive competition, prices are expected to remain volatile, with energy prices set to head lower in the second part of the year;
- 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 still uncertain macroeconomic environment, the Group will 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 expected to remain in place, the Group anticipates stable demand and further improvement in selling prices, which will curb the effects of inflation. It also foresees further clinker export opportunities;
- in **West Africa**, trends in Cement are expected to remain dynamic as a result of a favourable sector environment, especially after the recent reopening of the border with Mali. With cement price controls still in place in Senegal, the full impact of cost increases is unlikely to be offset. Infrastructure project-led growth in the Aggregates business in Senegal is expected to continue.

Presentation meeting and conference call

To accompany this publication, the Vicat Group is holding an information conference call in English on 27 July 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: +1 786 697 3501

The conference call 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.

The presentation supporting the event will be available on Vicat's website or by clicking here from 10am.

Next event:

Third-quarter 2023 sales on 7 November 2023.

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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. The Vicat Group, 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.
- **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.

Income statement by business

Cement

(€ million)	H1 2023	H1 2022	Change (reported)	Change (at constant scope and exchange rates)
Volume (thousands of tonnes)	**13,967**	13,457	3.8%	
Operational sales	**1,236**	1,095	12.9%	23.5%
Consolidated sales	**1,058**	937	12.9%	24.1%
EBITDA	**224**	192	16.8%	22.0%
EBIT	**130**	105	23.9%	28.6%

Concrete & Aggregates

(€ million)	H1 2023	H1 2022	Change (reported)	Change (at constant scope and exchange rates)
Concrete volumes (thousands of m³)	**4,696**	4,957	–5.3%	
Aggregates volumes (thousands of tonnes)	**11,810**	12,049	–2.0%	
Operational sales	**708**	675	4.8%	9.1%
Consolidated sales	**691**	659	4.9%	9.1%
EBITDA	**74**	63	17.6%	21.6%
EBIT	**28**	18	58.2%	67.6%

Other Products & Services

(€ million)	H1 2023	H1 2022	Change (reported)	Change (at constant scope and exchange rates)
Operational sales	**232**	226	2.6%	4.5%
Consolidated sales	**163**	158	2.9%	2.4%
EBITDA	**16**	14	15.7%	16.1%
EBIT	**8**	6	39.6%	37.4%

Principal H1 2023 financial statements

The full set of consolidated financial statements for the first six months of 2023, together with the notes, are now available on the Company's website at: www.vicat.fr.

Consolidated income statement

(in thousands of euros)	Notes	June 30, 2023	June 30, 2022
Revenue	4	**1 912 294**	**1 754 520**
Raw materials and consumables used		(1 296 329)	(1 202 784)
Employees expenses	5	(279 802)	(260 382)
Taxes		(34 621)	(35 688)
Other operating income (expenses)	6	12 926	13 217
EBITDA		**314 469**	**268 883**
Net charges to operating depreciation, amortization and provisions	6	(148 227)	(140 389)
Recurring EBIT		**166 243**	**128 495**
Other non-operating income (expenses)	7	(4 842)	116
Net charges to non-operating depreciation, amortization and provisions	7	(352)	(540)
Operating profit (loss)		**161 049**	**128 071**
Cost of net financial debt		(24 523)	(2 333)
Other financial income		20 916	16 677
Other financial expenses		(38 055)	(24 074)
Financial income (expenses)	8	**(41 662)**	**(9 730)**
Share of profit (loss) of associates		4 706	4 439
Profit (loss) before tax		**124 093**	**122 780**
Income tax	9	(14 771)	(34 971)
Consolidated net income		**109 322**	**87 810**
Portion attributable to minority interests		15 274	10 027
Portion attributable to the Group		**94 048**	**77 783**
Earnings per share (in euros)			
Basic and diluted earnings per share		2.09	1.73

Comprehensive income

(in thousands of euros)	June 30, 2023	June 30, 2022
Consolidated net income	**109 322**	**87 810**
Other items not recycled to profit and loss:		
Remeasurement of defined benefit	(2 690)	89 612
Tax on non-recycled items	665	(18 579)
Other items recycled to profit and loss:		
Changes in currency translation adjustments	(65 128)	106 490
Cash flow hedge instruments	9 551	(1 776)
Tax on recycled items	1 208	505
Other comprehensive income (after tax)	**(56 394)**	**176 252**
TOTAL COMPREHENSIVE INCOME	**52 928**	**264 062**
Portion attributable to minority interests	10 107	18 909
Portion attributable to the Group	**42 821**	**245 153**

Consolidated statement of financial position

ASSETS

(in thousands of euros)	Notes	June 30, 2023	December 31, 2022
Goodwill	10.1	1 197 466	1 204 814
Other intangible assets	10.2	180 917	183 066
Property, plant and equipment	10.3	2 500 127	2 504 926
Right of use related to leases	10.4	184 848	193 122
Investment properties		31 949	32 124
Investments in associated companies		82 426	80 804
Deferred tax assets		118 166	126 212
Receivables and other non-current financial assets	11	264 512	269 651
Total non-current assets		**4 560 411**	**4 594 719**
Inventories and work-in-progress	12.1	542 553	560 795
Trade and other receivables	12.2	567 007	464 216
Income tax receivables		3 609	45 201
Other current assets		207 645	204 690
Assets held for sale		17 133	21 780
Cash and cash equivalents	13	462 723	503 597
Total current assets		**1 800 670**	**1 800 279**
TOTAL ASSETS		**6 361 080**	**6 394 998**

SHAREHOLDERS' EQUITY AND LIABILITIES

(in thousands of euros)	Notes	June 30, 2023	December 31, 2022
Share capital		179 600	179 600
Additional paid-in capital		11 207	11 207
Treasury shares		(41 654)	(47 097)
Consolidated reserves		3 035 292	3 003 393
Translation reserves		(603 259)	(558 838)
Shareholders' equity, Group share		**2 581 186**	**2 588 265**
Minority interests		**272 102**	**274 529**
Total shareholders' equity	14	**2 853 288**	**2 862 794**
Provisions for pensions and other post-employment benefits	15.1	87 766	86 355
Other provisions more than 1 year	15.2	128 832	123 413
Financial debts and put options more than 1 year	16.1	1 563 520	1 672 772
Lease liabilities	16.1	155 296	161 045
Deferred tax liabilities	9	287 910	325 188
Other non-current liabilities		20 755	21 594
Total non-current liabilities		**2 244 079**	**2 390 367**
Other provisions less than 1 year	15.2	12 108	12 570
Financial debts and put options at less than one year	16.1	342 258	242 161
Lease liabilities at less than one year	16.1	45 135	47 537
Trade and other accounts payable	17	528 350	540 374
Income tax payables		20 776	14 814
Other liabilities		315 085	284 381
Total current liabilities		**1 263 713**	**1 141 837**
Total liabilities	0	**3 507 791**	**3 532 204**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**6 361 080**	**6 394 998**

Cash flows

(in thousands of euros)	Notes	June 30, 2023	June 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated net income		**109 322**	**87 810**
Share of profit (loss) of associates		(4 706)	(4 439)
Dividends received from associated companies		2 465	2 345
Elimination of non-monetary items:			
- depreciation, amortization and provisions		154 010	140 124
- deferred taxes		(27 316)	1 315
- net gain (loss) on disposal of assets		(2 559)	(1 959)
- unrealized fair value gains (losses)		1 976	(12 662)
- other non-monetary items (1)		5 578	5 445
Cash flows from operating activities		**238 766**	**217 979**
Changes in working capital		(24 086)	(242 102)
Net cash flows from operating activities (2)	**18.1**	**214 680**	**(24 123)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash-out related to acquisitions of non-current assets:			
- tangible and intangible assets		(147 159)	(182 507)
- financial investments		(9 480)	(21 481)
Cash-in related to disposals of non-current assets:			
- tangible and intangible assets		3 329	4 031
- financial investments		0	1 463
Changes in consolidation scope		(346)	(40 034)
Net cash flows from investing activities	**18.2**	**(153 656)**	**(238 528)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(86 250)	(78 820)
Increases/decreases in share capital			
Proceeds from borrowings	16	182 725	373 269
Repayments of borrowings	16	(158 931)	(33 129)
Repayment of lease liabilities	16	(24 987)	(28 815)
Purchase of treasury shares		(7 274)	(11 525)
Disposals on treasury shares		9 943	13 346
Net cash flows from financing activities		**(84 773)**	**234 326**
Currency translation effect on net cash and cash equivalents		(11 622)	2 475
Change in cash position		**(35 372)**	**(25 850)**
Net cash and cash equivalents - opening balance	13.2	471 347	430 442
Net cash and cash equivalents - closing balance	13.2	435 977	404 700

(1) : - Including the effect of the application of IAS 29 € (2.3) millions as at June 30, 2023.
(2) : - Including cash flows from income taxes: € (23.8) million as of June 30, 2023 and € (45.2) million as June 30, 2022.
- Cash flows from interests paid and received: € (22.5) million as of June 30, 2023 including € (4.9) million for financial expenses on IFRS16 leases and € (18.1) million as of June 30, 2022 including € (4.8) million for interest expenses on IFRS16 leases.

Statement of changes in consolidated shareholder's equity

(in thousands of euros)	Share capital	Additional paid-in capital	Treasury shares	Consolidated reserves	Translation reserves	**Shareholders' equity, Group share**	Minority interests	**Total shareholders' equity**
At January 1st, 2022	**179 600**	**11 207**	**(52 018)**	**2 800 579**	**(579 950)**	**2 359 418**	**246 681**	**2 606 099**
Half year net income	0	0	0	77 783	0	**77 783**	10 027	**87 810**
Other comprehensive income (1)	0	0	0	61 511	105 859	**167 370**	8 882	**176 252**
Total comprehensive income	*0*	*0*	*0*	*139 294*	*105 859*	***245 153***	*18 909*	***264 062***
								0
Dividends paid	0	0	0	(72 613)	0	**(72 613)**	(8 981)	**(81 594)**
Net change in treasury shares	0	0	3 154	(1 378)	0	**1 776**	0	**1 776**
Change in consolidation scope and additional acquisitions	0	0	0	(6 889)	0	**(6 889)**	(3 170)	**(10 059)**
Application of IAS29	0	0	0	85 201	0	**85 201**	10 894	**96 095**
Other changes	0	0	0	4 149	0	**4 149**	15 566	**19 715**
At December 31, 2022	**179 600**	**11 207**	**(48 864)**	**2 948 343**	**(474 091)**	**2 616 195**	**279 899**	**2 896 094**
At January 1st, 2023 published	**179 600**	**11 207**	**(47 097)**	**3 003 393**	**(558 838)**	**2 588 265**	**274 529**	**2 862 794**
Net income	0	0	0	94 048	0	**94 048**	15 274	**109 322**
Other comprehensive income (1)	0	0	0	(6 805)	(44 422)	**(51 227)**	(5 167)	**(56 394)**
Total comprehensive income	*0*	*0*	*0*	*87 243*	*(44 422)*	***42 821***	*10 107*	***52 928***
Dividends paid	0	0	0	(73 233)	0	**(73 233)**	(15 033)	**(88 266)**
Net change in treasury shares	0	0	5 443	(2 832)	0	**2 611**	0	**2 611**
Changes in scope of consolidation and additional acquisitions	0	0	0	(306)	0	**(306)**	81	**(225)**
Application of IAS29	0	0	0	20 251	0	**20 251**	2 454	**22 705**
Other changes	0	0	0	777	0	**777**	(36)	**741**
At June 30, 2023	**179 600**	**11 207**	**(41 654)**	**3 035 293**	**(603 260)**	**2 581 186**	**272 102**	**2 853 288**

(1) Breakdown by nature of other comprehensive income:
Other comprehensive income includes mainly cumulative translation adjustments from 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.