COLAS
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PRESS RELEASE

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Results at end-September 2021

- **Order backlog: very high level at €9.6 billion, up 4% year-on-year at constant exchange rates**
- **Revenue: €9.8 billion as of September 30, 2021, up 8% at constant scope and exchange rates compared to end-September 2020**
- **Sharp growth in current operating income: up €109 million vs end-September 2020 and €10 million vs end-September 2019**
- **Net profit attributable to the Group: €127 million (+€107 million vs end-September 2020)**
- **Free cash flow: improves by €71 million vs end-September 2020 and €12 million vs end-September 2019**
- **Net debt is down sharply at €443 million, i.e., +€395 million vs end-September 2020**
- **Outlook confirmed as forecast**

The Board of Directors of Colas, chaired by Frédéric Gardès, met on November 9, 2021 to approve the financial statements at September 30, 2021 and outlook for the current year.

Consolidated key figures

in millions of euros	**9M 2019**	**9M 2020**	**9M 2021**	**Change vs 2020**	At constant scope and exchange rates
Revenue	**10,182**	**9,085**	**9,787**	**+8%**	**+8%**
of which France	*4,885*	*3,980*	*4,487*	*+13%*	*+13%*
of which International	*5,297*	*5,105*	*5,300*	*+4%*	*+5%*
Current operating profit	**223**	**124**	**233**	**+109**	
Current operating profit margin	*2.2%*	*1.4%*	2.4%	*+1.0 pt*	
Operating profit	**223**	**63**[(a)]	**233**	**+170**	
Net profit attributable to the Group	**140**	**20**	**127**	**+107**	
Free cash flow [(b)]	**273**	**214**	**285**	**+71**	
Net surplus cash/(Net debt)[(b)]	**(1,220)**	**(838)**	**(443)**	**+395**	

(a) Including €61 million in non-current expenses related to the reorganization of the Group's road business in France and the continued dismantling of the Dunkirk site.

(b) See definition in glossary on page 5.

Order backlog

The order backlog at the end of September 2021 was very high, standing at €9.6 billion, up 4% year-on-year at constant exchange rates.

In Mainland France, the order backlog was down 6% year-on-year at €3.1 billion, mainly in the Railway segment, while the order backlog in the Roads segment was up 4%.

Order backlog for International and French Overseas units stood at €6.5 billion, up 9% at constant exchange rates. In the third quarter, Colas secured major road contracts, in particular in Canada and Madagascar. Colas Rail's international order backlog is up, pending significant orders in the fourth quarter of 2021.

International and French Overseas units account for 68% of Colas' total order backlog.

Revenue

Consolidated revenue at September 30, 2021 amounted to €9.8 billion, up 8% compared to September 30, 2020. Revenue totaled €4.5 billion (+13%) in France and €5.3 billion in the international units (+4% and +5% at constant scope and exchange rates).

Business during the third quarter was stable compared to 2020, and down a slight 4% from the third quarter of 2019.

Roads:

Revenue for the Roads segment amounted to €8.8 billion at September 30, 2021, up 8% at constant scope and exchange rates year-on-year:

- In the France and Indian Ocean zone, revenue was up 13% compared with the end of September 2020, boosted by a favorable comparison basis with the same period in 2020 impacted by the Covid lockdown. Business was down 6% compared to the end of September 2019 reflecting the decline in invitations to bid in a post-election period in France.
- In the EMEA zone (Europe, Middle East, Africa), business improved slightly by 3% at constant scope and exchange rates, boosted by Europe.
- In the United States, revenue improved slightly year-on-year (+2% at constant scope and exchange rates) but it was impacted in the third quarter of 2021 by poor weather.
- In Canada, revenue was up 5% year-on-year at constant scope and exchange rates, where teams have profited from good weather conditions since the beginning of the year.
- Finally, in the Asia-Pacific region, revenue was up 3% year-on-year at constant scope and exchange rates.

Railways and Other Activities:

Revenue from the Railways and Other Activities was up 12% compared to the end of September 2020 (+14% at constant scope and exchange rates). Colas Rail's revenue was boosted by the good performance reported by its businesses in France and in the United Kingdom.

Financial performance

Current operating income at September 30, 2021 amounted to €233 million, an increase of €109 million compared to September 30, 2020. The current operating margin totaled 2.4%, an 0.2-point improvement compared with the end of September 2019, as performance was boosted by early resumption of activity in Canada, the initial effects of optimization plans in the industrial segments, and the new organization of Colas France.

In the third quarter of 2021, current operating income amounted to €333 million, a 7% decrease from Q3 2019, due in particular to a decline in business in France and the United States.

The **share of income from joint ventures and associates** totaled €11 million, down €21 million compared to the end of September 2020. Tipco Asphalt's €14-million contribution was €11 million lower than at the end of September 2020.

Net profit attributable to the Group stood at €127 million euros, compared with €20 million at the end of September 2020, and €140 million at the end of September 2019.

Net debt

Net debt at September 30, 2021 was €443 million euro, compared with net debt of €838 million euro at the end of September 2020. The change was made possible by improved results, good management of working capital requirements and tight control of investments.

CSR commitments

The Group's greenhouse gas (GHG) reduction targets have been validated by the Science Based Targets initiative (SBTi).

SBTi has validated the fact that the Group's targets are aligned with the Paris Agreement, opening the way to changes that will keep global warming below 2°C. The objectives and actions undertaken by Colas include its value chain, which accounts for over 80% of its carbon footprint.

Outlook

The recovery recorded since the second quarter means that revenue for 2021 is expected to be significantly higher than in 2020, but without actually reaching the same level as in 2019.

The current operating profit margin for 2021 is expected to rise compared to 2019 (3.2% of consolidated revenue), and a target of 4% has been set for 2023.

The outlook above is understood to exclude any further deterioration in the Covid-19 health crisis.

FOR FURTHER INFORMATION :

Fabienne BOULOC Tel. : +33 6 67 06 90 21
fabienne.bouloc@colas.com

Agathe DUCELLIER Tel. : +33 7 62 12 58 69
agathe.ducellier@colas.com

Marine ALLEMANDOU Tel. : +33 1 47 61 74 52

Mélodie LAMIAUX Tel. : +33 1 47 61 75 61
contact-investors@colas.fr

Condensed consolidated income statement for Q3 2021

in millions of euros	**Q3 2019**	**Q3 2020**	**Q3 2021**	**Change vs 2020**	At constant scope and exchange rates
Revenue	4,348	4,215	4,196	0%	0%
Current operating profit	359	428	333	-95	
Operating profit	359	412	333	-79	
Net profit attributable to the Group	242	315	239	-76	

Revenue at September 30, 2021 by business segment

in millions of euros	**9M 2019**	**9M 2020**	**9M 2021**	**Change vs 2020**	At constant scope and exchange rates
Roads France – Indian Ocean	4,478	3,724	4,211	+13%	+13%
Roads EMEA	1,635	1,585	1,640	+3%	+3%
Roads United States	1,372	1,327	1,270	-4%	+2%
Roads Canada	1,317	1,310	1,402	+7%	+5%
Roads Asia - Pacific	288	262	286	+9%	+3%
Total Roads	9,090	8,208	8,809	+7%	+8%
Railways and Other Activities	1,072[(a)]	867	971	+12%	+14%
Parent company	20	10	7	ns	ns
TOTAL	10,182[(a)]	9,085	9,787	+8%	+8%

(a) As a reminder, Smac, which was deconsolidated in the 2nd quarter of 2019, contributed to the amount of €141 million in the 1st quarter of 2019.

Glossary

Order backlog: the amount of work still to be done on projects for which a firm order has been taken, i.e. the contract has been signed and has taken effect (after notice to proceed has been issued and suspensory clauses have been lifted).

Changes in revenue at constant scope and exchange rates:

- at constant exchange rates: change after translating foreign-currency sales for the current period at the exchange rates for the comparative period;

- at constant scope: change in revenue for the periods compared, adjusted as follows:

  - for acquisitions, by deducting from the current period those sales of the acquired entity that have no equivalent during the comparative period;
  - for divestments, by deducting from the comparative period those sales of the divested entity that have no equivalent during the current period.

Free Cash Flow: Net cash flow (determined after (i) cost of net debt, (ii) interest expense on lease obligations and (iii) income taxes paid), minus net capital expenditure and repayments of lease obligations. It is calculated before changes in WCR (working capital requirement).

Net surplus cash/(Net debt): the aggregate of cash and cash equivalents, overdrafts and short-term bank borrowings, non-current and current debt, and financial instruments. Net surplus cash/(Net debt) does not include non-current and current lease obligations. A positive figure represents net surplus cash and a negative figure represents net debt.