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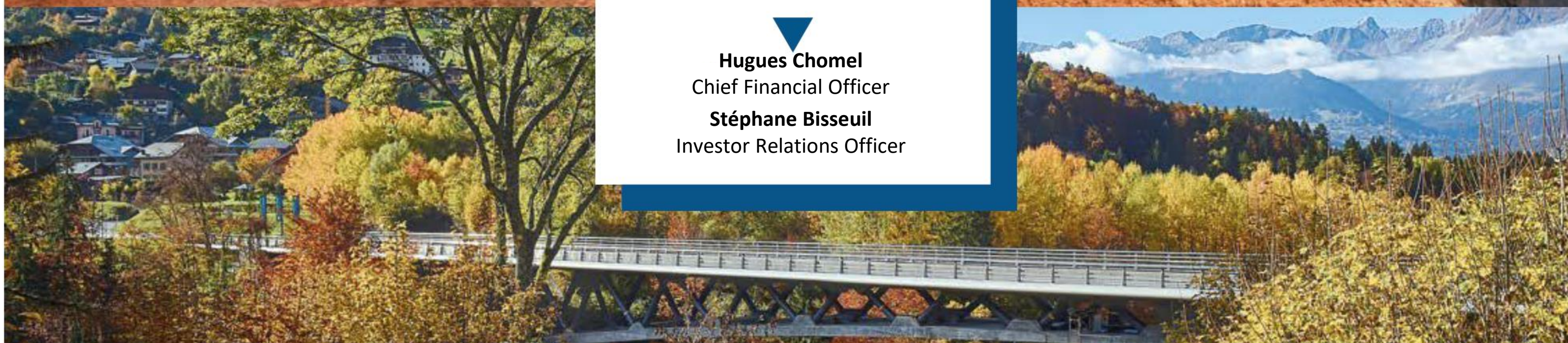
2020

Q1 sales

Hugues Chomel
Chief Financial Officer
Stéphane Bisseuil
Investor Relations Officer



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- This presentation 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.
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- This presentation 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.
- In this presentation, and unless indicated otherwise, all changes are based on the first 3 months of 2020 by comparison with the first 3 months of 2019, and are at constant scope and exchange rates
- Further information about Vicat is available from its website (www.vicat.fr).

Q1 2020 Highlights

Limited impact from Covid-19 over the quarter as a whole, but significant effects in France, Italy and India at the end of the period

Sales at €615 million up +2.6%

(+0.2%) at constant scope and exchange rates

Positive price trends overall

Analysis by region

France

(€ million)	31/03/2020	31/03/2019	Change (reported)	Change (at constant scope and exchange rates)
Sales	**211**	225	-6.5%	-8.0%

- Start to the year with strong trends under favourable macroeconomic and sector conditions
- Industrial activity never halted but commercial activity slowed drastically following the introduction of lockdown

- Cement, operational sales down -2.7%
  - Volumes > -6% lower over the period, with sharp slowing of business levels in the second half of March, a historically dynamic month
  - Selling prices higher in the domestic market, fell in export markets
- Concrete & Aggregates operational sales: -12.0%
  - Falls in volumes in Concrete and in Aggregates
  - Selling prices higher in both Concrete and Aggregates
- Other Products & Services sales: -6.8%

Analysis by region

Europe: Switzerland and Italy

(€ million)	**31/03/2020**	**31/03/2019**	Change (reported)	Change (at constant scope and exchange rates)
Sales	**86**	75	+14.7%	+7.4%

SWITZERLAND

- Consolidated sales up +9.1%
- Business continued as normal with no significant impact on sector conditions from the epidemic
  - *In Cement*, operational sales up +11.9% with solid growth in selling prices and volumes due to clement winter conditions
  - *In Concrete & Aggregates,* operational sales up +22.0% via significant volumes increase in Concrete and in Aggregates
    - Selling prices rise substantially in Aggregates
- In Precast, operational sales fell -2.6%
  - Stiff competition in standardised products
  - Resumption in orders from the national operator limited by an unfavourable product mix in the rail business

ITALY

- In **Italy**, consolidated sales fell -15.0%
  - Substantial drop in volumes, of over -16.0%
  - Selling prices increase slightly

Analysis by region

Americas: United States and Brazil

(€ million)	31/03/2020	31/03/2019	Change (reported)	Change (at constant scope and exchange rates)
Sales	**134**	115	+16.6%	+11.4%

UNITED-STATES

- Consolidated sales up +11.2%
  - Macroeconomic and sector environment remained favourable as strong performance in California more than offset unfavourable weather conditions in the South-East
  - Covid-19 had no significant impact on Group markets
- *In Cement*, operational sales up +14.8%
  - Volumes up > +12% with strong growth in California
  - Selling prices saw the full benefits of 2019 increase
- *In Concrete,* operational sales up +12.9%
  - Volumes up nearly 10% higher
  - Selling prices up in both California and the South-East

BRAZIL

- Consolidated sales at €30 million, up +11.9% (+24% on a reported basis)
  - Industry conditions improved gradually, in an environment not visibly affected by the health crisis during the period
- *In Cement*, operational sales were €24 million, an increase of +11.1%
  - Driven by a significant increase in prices
- *In Concrete & Aggregates*, operational sales were €8 million, up +16.1%
  - Concrete deliveries and Aggregates volumes increased largely year-on-year
  - Substantial increase in prices, particularly in Aggregates

Analysis by region

Asia: India and Kazakhstan

(€ million)	**31/03/2020**	**31/03/2019**	Change (reported)	Change (at constant scope and exchange rates)
Sales	**81**	90	-10.3%	-10.5%

INDIA

- Consolidated sales of €69 million: -15.1%
- Small increase in volumes at the beginning of the quarter
- Introduction of lockdown measures at end March resulted in total closure of Group business for about a month
- Volumes down nearly -10% over the quarter and selling prices down year-on-year

KAZAKHSTAN

- Consolidated sales of €12 million, up +32.1%
- Growth in volumes largely offsetting lower prices
- Inability of some operators to continue production operations, due to their Chinese workforces being under lockdown, allowed the Group to increase significantly its sales in the local market.

Analysis by region
Mediterranean: Turkey and Egypt

(€ million)	**31/03/2020**	**31/03/2019**	Change (reported)	Change (at constant scope and exchange rates)
Sales	**33**	34	-1.1%	+0.6%

TURKEY

- Sales at €21 million, down -1.4%
- Gradual stabilisation of macroeconomic and sector conditions slowed by sanitary measures
- *In Cement,* operational sales down -2.6%
  - Fall in volumes of over -6%, with average selling prices more or less stable over the period
- Operational sales in *Concrete & Aggregates* up +12.4%
  - Volumes up around +2% in both Concrete and in Aggregates
  - Selling prices significantly higher in Aggregates and stable in Concrete

EGYPT

- Sales totalled €12.2 million, up +5.3%
- Marked increase in volumes of over +18%
- Selling prices still lower than in the year earlier period

Analysis by region

Africa: Senegal, Mali and Mauritania

(€ million)	31/03/2020	31/03/2019	Change (reported)	Change (at constant scope and exchange rates)
Sales	**71**	61	+16.1%	+16.1%

- In the **Africa** region, the construction market and has been bolstered by the price increases seen in 2019
- Helped by improved operating conditions at the Rufisque plant, the Group was able to take full advantage of favourable sector conditions at the start of the year and the opening of its new mill in Mali

- *In Cement,* operational sales up +33.5%
  - Increase in Cement volumes of nearly +18%, with strong growth in Senegal
  - Greater increase in Mali following the start-up of the new mill
  - Selling prices in Senegal rose significantly
- In Senegal, Aggregates sales at €7 million down -46.3%
  - Volumes fell -43% due to temporary freeze on government contracts that began in the second half of 2019 and a transport strike in January and February
  - Selling prices fell slightly over the period

Group profitability performance in Q1 2020

- Given the current circumstances, the Group has elected to provide, **on an exceptional basis**, figures for its profitability over the first quarter of 2020. It is important to note that historically, and given the highly seasonal nature of the Group's business, EBITDA in the first quarter has always been lower than in subsequent quarters

- Group EBITDA in the first quarter was €57 million, from €58 million in the same period of 2019, a decline of -1.6% on reported figures and -2.9% at constant scope and exchange rates

- This performance reflects improvements in operating profitability in most regions, limited by the significant impact of the health crisis in France and India during March

Financial position at 31 March 2020

- **Group's shareholders' equity** was €2,486 million and net debt stood at €1,394 million, from €1,410 million at 31 March 2019

- **Excluding IFRS 16**, the reference still used for the calculation of covenants
  - **Gearing was 46.62%,** from 47.45% at 31 March 2019
  - **Leverage was 2.53x**, from 2.67x at 31 March 2019

- **Taking account IFRS 16**
  - **Gearing was 56.07%** compared to 57.44% at 31 March 2019
  - **Leverage was 2.65x,** compared to 2.85x at 31 March 2019

- **The Group had confirmed available financing lines of €399 million** at 31 March 2020, sufficient to cope with forthcoming repayments due

Adjustment measures for current circumstances (1/2)

Cost-cutting programme and optimisation of working capital

- The Group has rapidly deployed a package of cost-cutting measures in countries where business levels were significantly affected by the Covid-19 epidemic
- Thus, in France, India and Senegal, the initial measures in the reduction of fixed costs have already netted approximately €24 million
- Depending on the course of the epidemic, and its effects on economic activity, similar or additional measures are likely to be implemented at pace in affected regions
- Also, the full year impact of the decrease in fuel prices costs (excluding volume effect) is expected to be around €23 million
- Lastly, with regard to working capital, optimisation measures implemented will significantly reduce working capital at 30 June 2020 when compared to 30 June 2019.

Adjustment measures for current circumstances (2/2)

Deferral of non-strategic investment

- At present, the Group has put a freeze on its new investment projects, it is nevertheless continuing its existing strategic investments, notably in terms of fuel substitution rates and renewals of industrial facilities
- The new kiln project at Ragland is continuing
- Other investments have been suspended for the time being, pending better visibility on future conditions in each of the regions concerned
- Considering all of these factors, the cash outflow for industrial investment, is expected to be at a comparable level to that of 2019

2020 outlook (1/3)

- In 2020, macroeconomic conditions in all of the countries where the Group is active are likely to be significantly affected by the Covid-19 crisis, to varying degrees depending on health conditions and the governmental responses

- At present, business is conducted within the strict framework of the procedures adapted to the public health conditions in each country where the Group is present. Within this framework, it is important to note that:
  - The twelve countries where the Group operates have been affected by the Covid-19 epidemic, sometimes with differences in the timing of the impact's intensity
  - Business levels are highly volatile
  - The sharing of experience between countries allows good practice and operating modes to be introduced to help meet the demands of the situation in each country and ensure business continuity where this is allowed

2020 outlook (2/3)

- The gradual upturn in activity, particularly in France and India, falling energy costs, the introduction of an ambitious cost-cutting programme, the close attention paid to working capital and, lastly, the scaling back of the initial capital expenditure plan, are all factors that will help limit the impact that this crisis will have on the Group's results and its financial situation

- Given all of these factors, the lack of visibility and the high-level of volatility created by current conditions, the Group expects a decrease in EBITDA over the full year

2020 outlook (3/3)

- The detailed information concerning the 2020 outlook for the Group's various markets is available in the Q1 2020 press release on our website www.vicat.com