Press Release
First-half 2020 results

Paris, 30 July 2020

First-half 2020 results: controlled impact from Covid-19

- **Limited decrease in sales and in EBITDA, respectively -3.2% and -5.8% at constant scope and exchange rates, mainly in France and India**
- **Cash flow of €175 million: +3.5% at constant scope and exchange rates**
- **Stronger balance sheet position: stable net debt and leverage ratio* of 2.4x**
- **Setting up of a €175 million US private placement with a 15-year maturity**
- **Relocation of corporate headquarters in Isère (France)**

Audited condensed consolidated income statement:

(€ million)	**First half 2020**	First half 2019	Change (reported)	Change (at constant scope and exchange rates)
Consolidated sales	**1,304**	1,340	-2.7%	-3.2%
EBITDA**	**213**	228	-6.7%	-5.8%
Net margin (%)	*16.3*	*17.,0*		
EBIT***	**76**	97	-21.9%	-19.2%
Net margin (%)	*5.8*	*7.2*		
Consolidated net income	**29**	48	-38.8%	-30.7%
Net margin (%)	*2.3*	*3.6*		
Net income, Group share	**27**	46	-41.4%	-36.4%
Cash flow	**175**	173	+1.3%	+3.5%

*Leverage ratio: net debt/consolidated EBITDA
**EBITDA: sum of gross operating income and other income and expenses on ongoing business.
***EBIT: EBITDA less net depreciation, amortisation and provisions on ongoing business.

Commenting on these figures, *Guy Sidos, the Group's Chairman and CEO said:*
"In response to the pandemic, the Group has demonstrated its flexibility and its responsiveness by taking steps from the outset to protect its employees, its customers and its suppliers and by launching strong measures to cut costs, control the working capital requirement and lower capital expenditure. We limited the impact of the pandemic, demonstrating the resilience of Vicat's business model, including during a crisis. We kept our production activities running at almost all our sites to keep pace with market trends and seize any commercial opportunities by remaining close to our customers, which has helped to mitigate the impact of the crisis.
In this unprecedented environment, visibility on our full-year performance remains limited. Drawing on the experience gained in the first half, the Group is pursuing its efforts, remaining extremely attentive and reactive to any changes in the pandemic situation and to the potential macroeconomic consequences it may have across all the regions in which we operate."

Disclaimer:

- *In this press release, and unless indicated otherwise, all changes are stated on a year-on-year basis (2020/2019), and at constant scope and exchange rates.*
- *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 of these statements.*

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

1. Income statement for the first half of 2020

1.1. Consolidated income statement

First-half performance was significantly disrupted by the Covid-19 pandemic. All 12 countries in which the Group operates have been affected, but the impact varies considerably from one region to another. India, France and Italy recorded a sharp fall in their sales from the end of the first quarter followed by a rebound at the end of the first half, especially in France. Consolidated sales in the first six months of 2020 came to €1,304 million. That represents a decrease of -2.7% on a reported basis compared with the same period of 2019 and of -3.2% at constant scope and exchange rates.

The key factors driving consolidated sales were:

- a +1.1% scope effect, resulting in a positive impact of +€15 million owing notably to the consolidation of Ciplan in Brazil from 1 January 2020 (vs. from 24 January in 2019) and small acquisitions in the Concrete & Aggregates business in France and Switzerland;
- a slightly negative currency effect of -0.6%, representing a negative impact of -€8 million over the first half. Depreciation in the value of the Brazilian real, Turkish lira, Indian Rupee and the Kazakhstani tenge against the euro were only partly offset by appreciation in the US dollar, the Swiss franc and Egyptian pound; and
- lastly, sales recorded an organic contraction of -3.2%. The impact of the pandemic on the Group's business in France, India and Italy was partly offset by higher sales across all the other regions.

First-half operational sales by the Cement business rose +0.9% on a reported basis and +1.9% at constant scope and exchange rates. The Concrete & Aggregates business recorded a fall in operational sales of -4.9% on a reported basis and of -7.1% at constant scope and exchange rates. Lastly, the operational sales recorded by the Other Products & Services business fell by -7.7% on a reported basis and by -8.9% at constant scope and exchange rates.

The Group's consolidated **EBITDA** came to €213 million, down -6.7% on a reported basis and down -5.8% at constant scope and exchange rates. The EBITDA margin stood at 16.3% in the first half of 2020 compared with 17.0% in H1 2019. The first-half EBITDA performance reflected very minor positive scope effects (less than +€1 million), almost -€3 million in negative currency effects and an organic contraction of -€13 million.

At constant scope and exchange rates, the EBITDA decline was primarily attributable to:

- the pandemic's impact on EBITDA generated in France, India and Italy, and particularly the volume contraction across these three regions;
- a more competitive environment in Kazakhstan, particularly in the second quarter; and
- a persistently downbeat macroeconomic and industry environment in Turkey and Egypt.

These negative factors were offset partly by:

- the initial benefits of the cost-cutting plan implemented to address the first effects of the pandemic, with savings netting almost +€13 million in the first half of the year;
- a near -11% drop in energy costs in the Cement business, excluding volume and currency effects, reaching almost -€13 million;
- a very substantial improvement in EBITDA across the Americas, particularly in Brazil;
- significant growth in Africa, supported by the improvement in the cement plant performance in Senegal and the ramp-up in the grinder in Mali, robust market conditions and higher selling prices.

EBIT came to €76 million, down a significant -21.9% on a reported basis and down -19.2% at constant scope and exchange rates on the €97 million reported in the first half of 2019. The EBIT margin on consolidated sales was 5.8% compared with 7.2% in the first half of 2019. This contraction was mainly attributable to:

- the decline in EBITDA given the factors presented above;
- the increase in depreciation, amortisation and provisions following the commissioning of the new mill in Mali and various projects in India and France.

The +€6 million improvement in **net financial expense** to -€16 million mainly reflected the gain from discounting a tax credit recognised at Ciplan (Brazil) following a favourable court ruling (+€7.0 million), while the cost of debt increased slightly.

Tax expense declined by €7 million during the first half as a result of the fall in pre-tax income. The increase in the effective tax rate from 37.4% to 42.8% derived predominantly from the impact of variations in the results of companies not subject to income tax, lower dividend taxes and a non- deductible €11 million provision for depreciation.

Consolidated net income totalled €29 million, down -30.7% at constant scope and exchange rates and down -38.8% on a reported basis. Net income, Group share fell -36,4% at constant scope and exchange rates and -41.4% on a reported basis to €27 million.

Cash flow stood at €175 million, up +1.3% on a reported basis and up +3.5% at constant scope and exchange rates.

1.2. Income statement analysed by geographical region

1.2.1. Income statement, France

(€ million)	**First half 2020**	First half 2019	Change (reported)	Change (at constant scope and exchange rates)
Sales	**444**	500	-11.3%	-12.5%
EBITDA	**56**	84	-33.1%	-33.3%
EBIT	**14**	44	-68.9%	-68.1%

During the first half, the pandemic had a significant impact on the Group's performance in France. Following a very sharp slowdown in late March and throughout April, the situation gradually improved, with the Group recording solid business growth again in June.

Even so, EBITDA declined sharply over the period as a whole, with the positive impact of lower energy costs and the initial benefits of the cost-cutting plan failing to offset the downturn in business levels.

- *In the Cement business*, operational sales dropped -6.1% over the first half as a whole. The business contraction was caused by a volume decline of more than -9%, partly offset by an uptick in selling prices, particularly in the domestic market, and by lower energy costs. Against this backdrop, the Group's EBITDA recorded a contraction of -27.8%.
- *In the Concrete & Aggregates business*, operational sales moved -16.6% lower at comparable scope owing to volume decline of over -17% in both concrete and aggregates. Average selling prices rose sharply, however. As a result of these factors, EBITDA generated by this business in France was down -42.4% at constant scope compared with the first half of 2019.
- *In the Other Products & Services business*, operational sales dropped -11.5% over the period. The EBITDA recorded by the business fell back -34.6%.

1.2.2 Income statement for Europe excluding France

(€ million)	**First half 2020**	First half 2019	Change (reported)	Change (at constant scope and exchange rates)
Sales	**198**	182	+9.0%	+2.1%
EBITDA	**40**	38	+4.4%	-1.4%
EBIT	**20**	19	+1.9%	-3.8%

Activity in Europe (excluding France) in the first half of the year takes into account starkly contrasting trends in Switzerland and Italy.

The Swiss market was not significantly affected by the pandemic in the first half, with consolidated sales moving higher. In Italy, the Group recorded a very steep decline in its business over the first half as a whole as a result of the very challenging pandemic and macroeconomic situation there.

The operational EBITDA margin on consolidated sales dipped very slightly to 20.0% during the first half of the year from 20.9% in the first six months of 2019.

In **Switzerland**, the Group's consolidated sales rose by +11.0% on a reported basis and by +3.7% at constant scope and exchange rates in the first six months of 2020. EBITDA was stable at constant scope and exchange rates and rose +5.8% on a reported basis.

- *In the Cement business*, operational sales rose +2.6% at constant scope and exchange rates. After favourable weather conditions in the first quarter, second-quarter trends were a little less robust, with restrictive health and safety-related measures being introduced by certain Group customers. Even so, volumes and average selling prices trended higher during the first half. Overall, the EBITDA generated by the business rose +11.4% at constant scope and exchange rates.
- *In the Concrete & Aggregates business*, operational sales rose by +13.3% at constant scope and exchange rates over the first half as a whole. Concrete volumes rose significantly, albeit in a more competitive environment that saw selling prices erode. Aggregates volumes and selling prices rose. Overall, the EBITDA generated by the business rose +3.1% at constant scope and exchange rates in the first half.
- *The Precast business* posted stable operational sales (-0.5%) at constant scope and exchange rates. The competitive environment remained very unfavourable in consumer products, particularly as a result of imports. The rail sector picked up only very gradually, even though the order backlog points to an improvement in the business during the second half.

In **Italy**, as activity was totally stopped for several of weeks, consolidated sales declined -23.2%. However, selling prices rose sharply against a backdrop of falling volumes. As a result, EBITDA fell -31.7% in the first half.

1.2.3 Income statement for the Americas region

(€ million)	**First half 2020**	First half 2019	Change (reported)	Change (at constant scope and exchange rates)
Sales	**298**	275	+8.2%	+9.1%
EBITDA	**56**	39	+45.3%	+51.1%
EBIT	**26**	8	+239.6%	+265.6%

In both the United States and Brazil, activity levels continued to move in the right direction owing to the robust local markets in which the Group operates despite worrying health-related trends. Sales in the region were boosted by a solid increase in sales volumes, with the exception of concrete in the South-Eastern US, and higher average selling prices.

As a result of these factors, the Americas region's EBITDA posted a marked improvement of +45,3% on a reported basis and +51,1% at constant scope and exchange rates in the first half.

In the **United States**, conditions in the construction market remained broadly supportive despite the pandemic crisis. It is worth noting that California benefited from a favourable base of comparison for its first-quarter performance, which largely offset the impact of the severe weather conditions in the South-East. Against this backdrop, the Group successfully maintained the price increases it introduced in cement in 2019 and implemented further increases in the Concrete business. The Group's consolidated sales in the United States rose +8.2% on a reported basis and +5.5% at constant scope and exchange rates. EBITDA came to €41 million in the first half, up +25.8% on a reported basis and up +22.6% at constant scope and exchange rates.

It is worth noting that the investment launched during 2019 at the Ragland plant in Alabama to replace the existing kiln system with a new one, continued during the first half. The scheduled entry into service date of this new system remains unchanged (first half of 2022). This new installation will increase the plant's existing capacity and significantly reduce production costs.

- *In the Cement business*, operational sales grew +11.2% at constant scope and exchange rates. This performance derived from solid growth in volumes, particularly in California given the favourable base of comparison, as the South-East region was hit by poor weather conditions in the first quarter. Average selling prices rose across both areas as a result of the full impact of the hikes introduced in 2019. However, it is important to note that the price increases initially planned for the second quarter were postponed given the pandemic situation. They may be introduced over the summer, depending on how market conditions evolve. Against this backdrop and given the fall in energy costs during the first half, the EBITDA generated by the business grew +30.4% at constant scope and exchange rates.
- *In the Concrete business*, operational sales rose +2.6% at constant scope and exchange rates. The industry environment slowed down in the second quarter, as this business is more sensitive to the pandemic-related constraints, after an upbeat first quarter for exactly the same reasons as those reported for the Cement business. Over the first half as a whole, volumes declined slightly, with the performance recorded in California only partially making up for the contraction in the South-East region. Average selling prices rose sharply, however, in both California and the South-East region. Accordingly, the EBITDA generated by the business improved +1.7% at constant scope and exchange rates over the period as a whole.

In **Brazil**, the pandemic struck just as the macroeconomic environment was starting to stabilise. While certain regions seem to have been hit harder by the pandemic, the Group has reaped the benefit of a fairly supportive industry environment and has been able to seize some growth opportunities by leveraging its efficient manufacturing base and the improvements made over the past 12 months. Sales in Brazil rose to €63 million, up +8.2% on a reported basis and +22.4% at constant scope and exchange rates.

- *In the Cement business*, operational sales came to €52 million, up from €45 million in 2019. Volumes and pricing moved above their prior-year levels in the business. Given the significant fall in energy costs, EBITDA thus came to €13 million over the period. That represents a significant increase on the first half of 2019 after taking into account a €5 million non-recurring tax benefit (following a favourable court ruling).

- *In the Concrete & Aggregates business*, operational sales came to €15 million, down -9.4% on a reported basis, but up +1.9% at constant scope and exchange rates. They were underpinned by higher volumes and average prices in both concrete and aggregates. Overall, EBITDA moved up +30.7% at constant scope and exchange rates.

1.2.4 Income statement for the Asia region (India and Kazakhstan)

(€ million)	**First half 2020**	First half 2019	Change (reported)	Change (at constant scope and exchange rates)
Sales	**149**	193	-22.8%	-20.2%
EBITDA	**38**	48	-21.0%	-18.3%
EBIT	**19**	31	-39.1%	-37.0%

The Asia region was affected by the pandemic crisis, which had a fairly significant impact on the macroeconomic and industry environment from the end of the first quarter onwards. Amid these tough conditions, the Group focused on implementing cost-cutting and protecting its margins.

India has been worst hit by the pandemic of all the countries in the Group's geographical portfolio. The strict lockdown measures imposed by the government led to the complete shutdown of the Group's manufacturing facilities for almost a month, before production and sales activities gradually resumed. The lockdown measures also had a very negative impact on the resumption of work on construction projects. These were affected by a labour shortage that prevented a more rapid and dynamic pick-up in the sector. As a result, the Group posted consolidated sales of €119 million in the first half of 2020, down -24.0% at constant scope and exchange rates. This trend reflects a volume decline of close to -22% and a contraction in average selling prices, especially during the first quarter. It is worth noting that the Group's volumes edged higher again in June compared with June 2019, while selling prices moved up slightly in the second quarter. The situation remains highly volatile, however.

Given this environment, the Group rapidly implemented a plan to cut and optimise its production costs in order to curb the impact of the pandemic crisis on the margin. Energy costs also dropped substantially in the first half. Taking these factors into account, although EBITDA declined -18.4% at constant scope and exchange rates, the EBITDA margin on consolidated sales widened over the period to 23.6% from 22.0% in the first half of 2019.

In **Kazakhstan**, after a sharp increase in activity in the first quarter, the operating environment deteriorated in the second quarter as the pandemic crisis affected both the domestic market and export markets. Consolidated sales were thus stable over the first half as a whole (down -0.2%) at constant scope and exchange rates. The volume increase offset the pressure on prices that was first seen in late 2019 and that continued into early 2020.

Taking these factors and the significant rise in energy costs into account, the EBITDA recorded in the period declined -18.0% at constant scope and exchange rates to reach €10 million, down from close to €13 million in the first half of 2019.

1.2.5 Income statement for the Mediterranean region (Egypt and Turkey)

(€ million)	First half 2020	First half 2019	Change (reported)	Change (at constant scope and exchange rates)
Sales	**75**	75	+0.3%	+6.2%
EBITDA	**-9**	-4	-118.1%	-96.3%
EBIT	**-18**	-14	-31.7%	-26.1%

The Mediterranean region was again hit by the persistently tough macroeconomic and industry conditions in Turkey and Egypt. The pandemic crisis aggravated the situation in both regions, although its precise impact could not be determined. Against this backdrop, the Group recorded negative EBITDA of -€9 million in the first half.

In **Turkey**, sales totalled €54 million, up +6.0% at constant scope and exchange rates and down -5.8% on a reported basis. After a first-quarter sales contraction of -1.4% at constant scope and exchange rates, activity levels improved during the second quarter, with sales moving up +11.2% at constant scope and exchange rates. The macroeconomic and industry environment was still dampened by the August 2018 devaluation, and the impact of this was probably exacerbated by the pandemic.

A breakeven EBITDA was recorded in the first half, down on the €2 million posted in the first half of 2019.

- *In the Cement business*, first-half operational sales rose +6.5% at constant scope and exchange rates. Following the -2.6% contraction in operational sales in the first quarter at constant scope and exchange rates, the business returned to growth in second quarter (rise of +12.8% at constant scope and exchange rates). Although volumes rose in both Konya and Bastas regions, average selling prices moved lower over the first half as a whole. Taking these factors and also higher energy costs into account, the EBITDA generated by this business was positive.
- *The operational sales recorded by the Concrete & Aggregates business* rose +12.5% at constant scope and exchange rates over the period. In the first half, volumes rose slightly in concrete and surged in aggregates. Selling prices edged lower over the period as a whole. As a result, EBITDA fell slightly in the first half.

In **Egypt**, consolidated sales totalled €21 million, up +7.0% at constant scope and exchange rates. The pandemic has exacerbated the effects of what was an already unfavourable situation, with macroeconomic trends barely improving, severe logistical constraints and fierce competition. Volumes rose by close to 21% over the period as whole but were still at a low level. Selling prices continued to fall as a result of the pressure brought by the Egyptian Army's new plant, however. The Group is pushing ahead with its work on both kilns to lift its operating performance. The Group recorded an EBITDA loss of -€9 million in the first half of 2020, compared with a loss of -€6 million in the first half of 2019.

1.2.6 Income statement for Africa

(€ million)	**First half 2020**	First half 2019	Change (reported)	Change (at constant scope and exchange rates)
Sales	**140**	**115**	+21.8%	+21.8%
EBITDA	**32**	**23**	+37.3%	+37.3%
EBIT	**15**	**8**	+80.2%	+80.3%

In **Africa**, the environment remained positive, despite the pandemic's substantial impact, which brought large government-funded projects in Senegal to a standstill. The Group's performance during the first half also benefited from a favourable base of comparison.

In the *Cement* business, consolidated sales advanced by +39.1% at constant scope and exchange rates. This increase reflected very strong growth in Cement volumes in Senegal thanks to the major improvement in the production performance of the Rufisque plant in Senegal and the ramp-up in the new mill in Mali. Selling prices also improved sharply as a result of the hike introduced in the third quarter of 2019. As a result of these factors and lower energy costs, the EBITDA generated by the business surged +122%.

Conversely, *the Aggregates business* in Senegal was held back by the stoppage of numerous government-funded projects amid the pandemic crisis. As a result, its consolidated sales declined -45.8% over the period as a result of a steep volume contraction. EBITDA thus fell a substantial -61.1% lower.

2. Balance sheet and cash flow statement

At 30 June 2020, the Group had a solid financial structure, with €2,404 million in shareholders' equity, compared with €2,461 million at 30 June 2019. It is important to note that the currency devaluation at the balance sheet date had a major impact on both assets and equity.
Net debt totalled €1,271 million compared with €1,290 million at 31 December 2019 and €1,465 million at 30 June 2019.
On this basis, gearing stood at 52.86% at 30 June 2020, compared with 49.71% at 31 December 2019 and 59.54% at 30 June 2019. The leverage ratio was 2.49x, compared with 2.45x at 31 December 2019 and 2.95x at 30 June 2019.
Adjusted for the impact of IFRS 16, which is used for the calculation of the covenants, gearing at 30 June 2020 stood at 43.8% compared with 40.36% at 31 December 2019 and 49.8% at 30 June 2019. The leverage ratio was 2.38x, compared with 2.28x at 31 December 2019 and 2.82x at 30 June 2019.

Based on these factors, the Group reiterated that:

- its borrowing needs at 30 June 2020 are covered by €442 million in undrawn, secured, available and sufficient credit lines to meet forthcoming repayments, in addition to the cash it has at its disposal.
- the covenants stated in its borrowing agreements have been met.

Its cash flow totalled €175 million during the first half, representing an increase of +3.5% at constant scope and exchange rates.

Capital expenditure during the first half came to €122 million. Close to a third of this amount relates to the construction of the new kiln-line at the Ragland plant in the United States.
Given recent macroeconomic trends across its various regions, the Group plans to resume certain investments that had been delayed as a result of the pandemic crisis. Capital expenditure is now expected to total around €280 million over the full year.

Lastly, the Group's free cash flow was €100 million during the first half, supported in particular by a strong reduction in working capital requirements. In the first half of 2019, free cash flow amounted to -€54 million.

3. Recent events

On 30 July 2020, the Group entered into a €175 million financing agreement structured as a US private placement with a leading US investor.
The credit line will be drawn down on 30 November 2020 to repay the maturing US private placement established in 2010.
Given the fixed interest rate agreed of 2.07%, this 15-year borrowing facility will deliver significant financial expense savings for the Group from 2021 onwards.

4. Outlook for 2020

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 timing differences in the intensity of its impact;
- 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;
- Given the current environment, business levels are highly volatile.

The Group thus continues to operate its business at a level that varies according to the local constraints:

- In France, business levels have continued to improve after reaching a low point in early April and can now be regarded as dynamic;
- In Switzerland, business has remained on a growth trajectory in Cement and in Concrete & Aggregates;
- In West Africa, the strong business trends in Cement are supported by volumes and prices moving in the right direction. The sharp slowdown in public infrastructure projects in Senegal continues to hold back the Aggregates business there;
- In the US, activity levels have held up well since the start of the pandemic crisis in terms of both volumes and selling prices. The increase in cement selling prices initially scheduled for the spring has been postponed owing to the pandemic;
- In Brazil, activity levels have been firm in terms of both volumes and selling prices;
- In Turkey and Egypt, the persistently tough macroeconomic and competitive environment remains a drag on activity levels, but this cannot be specifically attributed to the Covid-19 pandemic;
- In Kazakhstan, the lockdown and the competitive environment have had a slight impact on volumes and selling prices, after an especially strong start to the year;
- Activity is picking up again very gradually in India given the fresh lockdown measures introduced recently. Operations there had been halted completely for a period during the second quarter.

The upturn in activity levels, particularly in France and India, the decrease in costs for a total amount of -€51 million for the full year, mainly linked to the drop in energy costs expected to exceed -8% (excluding volume and currency effects) representing a total impact of -€23 million, the introduction of a structural cost-cutting programme now expected to deliver -€28 million in savings, a clear focus on the working capital requirement and, lastly, a scaling-down of the original capital expenditure plans, should help curb the crisis' impact on the Group's results and financial position.

Taking all these factors, the lack of visibility and the high level of volatility linked to the current situation into account, the Group anticipates a moderate decline in EBITDA over the full year subject to the effects that any second wave of the pandemic might have.

Conference call

To accompany the publication of the Group's first-half 2020 results, Vicat is holding a conference call in English on **Friday, 31 July 2020 at 3pm** Paris time (2pm London time and 9am New York time).

To take part in the conference call live, dial one of the following numbers:
France: +33 (0)1 76 77 22 57
UK: +44 (0)330 336 9411
USA: +1 323 994 2131

To listen to a playback of the conference call, which will be available until 7 August 2020, dial one of the following numbers:
France: +33 (0) 1 70 48 00 94
UK: +44(0) 207 660 0134
USA: +1 719 457 0820
Access code: 8492441#

Next report:

Third-quarter 2020 sales on **3 November 2020** after the market close.

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About Vicat

The Vicat Group has over 9,000 employees working in three core divisions, Cement, Concrete & Aggregates and Other Products & Services, which generated consolidated sales of €2.740 billion in 2019. The Group operates in twelve countries: France, Switzerland, Italy, the United States, Turkey, Egypt, Senegal, Mali, Mauritania, Kazakhstan, India and Brazil. Some 64% of its sales are generated outside France.

The Vicat 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) plus operating subsidies.
- **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**: 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 reflecting a company's profitability, which is calculated as net debt/consolidated EBITDA.

Consolidated financial statements for the six-month period to 30 June 2020 approved by the Board of Directors on 27 July 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS *(in thousands of euros)*	Notes	June 30, 2020	December 31, 2019
NON CURRENT ASSETS			
Goodwill	3	1,160,379	1,224,430
Other intangible assets	4	171,331	187,046
Property, plant and equipment	5	1,977,426	2,031,781
Rights of use relating to leases	6	192,224	219,066
Investment properties		14,967	15,125
Investments in associated companies		84,420	85,212
Deferred tax assets		89,907	89,938
Receivables and other non-current financial assets	7	224,643	236,142
Total non-current assets		**3,915,297**	**4,088,740**
CURRENT ASSETS			
Inventories and work-in-progress		400,846	401,551
Trade and other accounts		415,640	416,568
Current tax assets		63,692	72,811
Other receivables		222,834	192,776
Cash and cash equivalents (see. note 6)	8	382,575	398,514
Total current assets		**1,485,587**	**1,482,220**
TOTAL ASSETS		**5,400,884**	**5,570,960**

LIABILITIES *(in thousands of euros)*	Notes	June 30, 2020	December 31, 2019
SHAREHOLDERS' EQUITY			
Capital	9	179,600	179,600
Additional paid in capital		11,207	11,207
Consolidated reserves		1,974,659	2,140,361
Shareholders' equity		**2,165,466**	**2,331,168**
Minority interests		**238,103**	**264,767**
Total shareholders' equity and minority interests		**2,403,569**	**2,595,935**
NON CURRENT LIABILITIES			
Provisions for pensions and other post-employment benefits	10	155,912	141,235
Other provisions	10	117,315	140,243
Financial debts and put options	11	1,124,965	1,109,769
Lease liabilities	11	159,671	178,398
Deferred tax liabilities		231,165	246,086
Other non-current liabilities		48,813	52,072
Total non-current liabilities		**1,837,841**	**1,867,803**
CURRENT LIABILITIES			
Provisions	10	9,986	10,635
Financial debts and put options at less than one year	11	373,656	391,594
Lease liabilities at less than one year		52,963	59,864
Trade and other accounts payable		380,028	354,652
Current taxes payable		48,742	49,162
Other liabilities		294,099	241,315
Total current liabilities		**1,159,474**	**1,107,222**
Total liabilities		**2,997,315**	**2,975,025**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**5,400,884**	**5,570,960**

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	June 30, 2020	June 30, 2019
Sales revenues	**13**	**1,303,695**	**1,339,758**
Goods and services purchased		(820,485)	(851,775)
Added value	**1.22**	**483,210**	**487,983**
Personnel costs		(245,721)	(234,553)
Taxes		(38,552)	(38,329)
Gross Operating Income	**1.22**	**198,937**	**215,101**
Other operating income (expense)	15	13,916	13,046
EBITDA	**1.22**	**212,853**	**228,147**
Net charges to operating depreciation, amortization and provisions	14	(137,206)	(131,247)
EBIT	**1.22**	**75,647**	**96,900**
Other non-operating income (expense)	15	132	12,685
Net charges to non-operating depreciation, amortization and provisions	14	(14,161)	(15,115)
Operating income (expense)		**61,618**	**94,470**
Cost of net financial debt	16	(18,141)	(17,173)
Other financial income	16	9,129	7,028
Other financial expenses	16	(6,635)	(11,804)
Net financial income (expense)	**16**	**(15,647)**	**(21,949)**
Earnings from associated companies		3,066	2,601
Profit (loss) before tax		**49,037**	**75,122**
Income tax	17	(19,676)	(27,148)
Consolidated net income		**29,361**	**47,974**
Portion attributable to minority interests		2,351	1,854
Portion attributable to the Group		**27,010**	**46,120**
Earnings per share *(in euros)*			
Basic and diluted Group share of net earnings per share	9	0.60	1.03

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	June 30, 2020	June 30, 2019
Consolidated net income	**29,361**	**47,974**
Other comprehensive income		
Items not recycled to profit or loss :		
Remeasurement of the net defined benefit liability	(6,606)	(16,661)
Tax on non-recycled items	1,900	4,157
Items recycled to profit or loss :		
Net income from change in translation differences	(149,563)	15,152
Cash flow hedge instruments	6,592	7,741
Tax on recycled items	(1,703)	(2,000)
Other comprehensive income (after tax)	**(149,380)**	**8,389**
Total comprehensive income	**(120,019)**	**56,363**
Portion attributable to minority interests	(19,944)	6,436
Portion attributable to the Group	**(100,075)**	**49,927**

CONSOLIDATED STATEMENT OF CASH FLOW

(in thousands of euros)	Notes	June 30, 2020	June 30, 2019
Cash flows from operating activities			
Consolidated net income		**29 361**	**47 974**
Earnings from associated companies		(3 066)	(2 601)
Dividends received from associated companies		1 296	1 482
Elimination of non cash and non-operating items:			
- depreciation, amortization and provisions		148 490	146 578
- deferred tax		2 518	(3 875)
- net (gain) loss from disposal of assets		(997)	(1 790)
- unrealized fair value gains and losses		108	210
- other		(2 598)	(15 159)
Cash flows from operating activities	**1.22**	**175 112**	**172 819**
Change in working capital requirement		44 980	(139 899)
Net cash flows from operating activities (1)	**19**	**220 092**	**32 920**
Cash flows from investing activities			
Outflows linked to acquisitions of non-current assets:			
- Tangible and intangible assets		(122 497)	(90 120)
- Financial investments		(12 848)	(54 873)
Inflows linked to disposals of non-current assets:			
- Tangible and intangible assets		2 239	2 920
- Financial investments		1 576	6 821
Impact of changes in consolidation scope		0	(291 774)
Net cash flows from investing activities	**20**	**(131 530)**	**(427 026)**
Cash flows from financing activities			
Dividends paids		(70 866)	(73 142)
Increases/decreases in capital			500
Proceeds from borrowings	11	48 117	1 018 155
Repayments of borrowings	11	(33 461)	(549 469)
Repayement of lease liabilities	11	(24 548)	(21 016)
Acquisitions of treasury shares		(4 931)	(2 368)
Disposals or allocations of treasury shares		4 303	4 807
Net cash flows from financing activities		**(81 386)**	**377 467**
Impact of changes in foreign exchange rates		(16 547)	3 921
Change in cash position		**(9 371)**	**(12 718)**
Net cash and cash equivalents - opening balance	21	328 674	261 969
Net cash and cash equivalents - closing balance	21	319 303	249 251

(1) :
- Including cash flows from income taxes: €(9.0) million in 2020 and €(45.0) million in 2019.
- Including cash flows from interest paid and received: € (19.3) million in 2020 including € (5.2) million for financial expenses on IFRS 16 leases and € (16.4) million in 2019 including € (5.4) million for interest expense on IFRS 16 leases.

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDER'S EQUITY

(in thousands of euros)	Capital	Additional paid in capital	Treasury shares	Consolidated reserves	Translation reserves	**Shareholders' equity**	Minority interests	**Total shareholders' equity and minority interests**
At January 1, 2019	**179,600**	**11,207**	**(56,144)**	**2,524,952**	**(400,348)**	**2,259,267**	**221,474**	**2,480,741**
Half year net income				46,120		**46,120**	1,854	**47,974**
Other comprehensive income (1)				(6,435)	10,241	**3,806**	4,582	**8,388**
Total comprehensive income				*39,685*	*10,241*	***49,926***	*6,436*	***56,362***
Dividends paids				(66,435)		**(66,435)**	(7,030)	**(73,465)**
Net change in treasury shares			4,402	(1,456)		**2,946**		**2,946**
Changes in consolidation scope and additional acquisitions							(6,440)	**(6,440)**
Other changes				620		**620**	238	**858**
At June 30, 2019	**179,600**	**11,207**	**(51,742)**	**2,497,366**	**(390,107)**	**2,246,324**	**214,678**	**2,461,002**
At January 1, 2020	**179,600**	**11,207**	**(52,416)**	**2,598,620**	**(405,843)**	**2,331,168**	**264,767**	**2,595,935**
Net income				27,010		**27,010**	2,351	**29,361**
Other comprehensive income (1)				(3,513)	(123,572)	**(127,085)**	(22,295)	**(149,380)**
Total comprehensive income				*23,497*	*(123,572)*	*(100,075)*	*(19,944)*	*(120,019)*
Dividends paids				(66,373)		**(66,373)**	(5,042)	**(71,415)**
Net change in treasury shares			1,733	(1,751)		**(18)**		**(18)**
Changes in consolidation scope and additional acquisitions								
Other changes				764		**764**	(1,678)	**(914)**
At June 30, 2020	**179,600**	**11,207**	**(50,683)**	**2,554,757**	**(529,415)**	**2,165,466**	**238,103**	**2,403,569**

1) Breakdown by nature of other comprehensive income:

Other comprehensive income includes mainly cumulative conversion differences 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.

Group translation reserves are broken down by currency as follows at June 30, 2020 and 2019:

(in thousands of euros)	June 30 , 2020	June 30, 2019
US Dollar	44,208	38,134
Swiss franc	215,065	187,275
Turkish new lira	(283,139)	(265,413)
Egyptian pound	(126,675)	(124,896)
Kazakh tengue	(95,957)	(85,699)
Mauritanian ouguiya	(11,789)	(6,755)
Brazilian real	(91,337)	(1,915)
Indian rupee	(179,791)	(130,838)
	(529,415)	**(390,107)**