Press release
Full-year 2021 results

L'Isle-d'Abeau, 15 February 2022

- **Strong increase in full-year results**
- **Dynamic markets and favourable pricing trends**
- **Solid cash generation and robust balance sheet**
- **Proposed dividend at €1.65 per share**

Condensed 2021 income statement approved by the Board of Directors on 11 February 2022

(€ million)	**2021**	2020	Change (reported)	Change (at constant scope and exchange rates)
Consolidated sales	**3,123**	2,805	+11.3%	**+16.2%**
EBITDA	**619**	557	+11.1%	**+14.5%**
Margin (%)	***19.8***	*19.9*		
EBIT	**360**	298	+20.8%	**+24.1%**
Margin (%)	***11.5***	*10.6*		
Consolidated net income	***222***	172	+29.1%	**+31.8%**
Margin (%)	***7.1***	*6.1*		
Net income, Group share	**204**	156	+30.9%	**+33.3%**
Cash flow	**488**	460	+5.9%	**+8.9%**

Commenting on these figures, Guy Sidos, the Group's Chairman and CEO said:

"The dedication of Vicat's teams supported the rise of the Group's results during a year that was contrasted in a mirror effect of the previous year.

Conditions in our markets remained dynamic, supported by favourable pricing trends in a context of sustained demand. This offsets the sharp rise in energy costs and wage increases.

Through innovation successes and relevant investment choices, focused on the decarbonisation of both its manufacturing processes and of its marketed products, the Vicat Group remains focused on achieving its objectives of reducing its carbon footprint and pursuing profitable growth."

Disclaimer:

- *In this press release, and unless indicated otherwise, all changes are stated on a year-on-year basis (2021/2020), 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 of these statements.*

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

In 2021, the Group's business grew sharply given the dynamic trends in its markets and a favourable pricing environment, almost completely offsetting the steep rise in energy costs recorded in the second half of the year. Certain markets continued to experience disruption as a result of the persistent pandemic situation in 2021, but the construction sector was able to continue operating as a result of the measures introduced.

Overall, the Group's **consolidated sales** totalled €3,123 million, up from €2,805 million in 2020, representing an +11.3% rise on a reported basis and a +16.2% increase at constant scope and exchange rates.

The trend in consolidated sales on a reported basis reflects:

- organic business growth of +16.2%, supported by dynamic market conditions across all the Group's business areas and supportive pricing trends;
- an unfavourable currency effect of -3.6%, representing a negative impact of €-102 million over the full year as a result of the appreciation of the average rate of the euro and the depreciation of the Turkish lira;
- and a scope effect of -1.2%, resulting in a negative impact of €-34 million, chiefly reflecting the sale of Créabéton Matériaux in Switzerland, partly offset by small acquisitions within concrete in France.

The Group's **operational sales** totalled €3,558 million, up +11.5% 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. In the Cement business, sales (€1,914 million) rose +14.4% on a reported basis and +18.8% at constant scope and exchange rates. In the Concrete & Aggregates business, operational sales (€1,191 million) rose by +10.0% on a reported basis and by +13.1% at constant scope and exchange rates. Lastly, the Other Products & Services business (€453 million) increased by +4.3% on a reported basis and up +14.8% at constant scope and exchange rates.

The Group's consolidated **EBITDA** totalled €619 million in 2021, representing an increase of +11.1% on a reported basis and of +14.5% at constant scope and exchange rates. EBITDA margin was 19.8%, stable versus 2020. Reported EBITDA reflects an unfavourable currency effect of nearly €-17 million, a negative scope effect of slightly over €-2 million and, lastly, organic growth of close to €+81 million.

At constant scope and exchange rates, the increase in EBITDA was driven by:

- dynamic business trends across all markets;
- generally favourable pricing trends, which largely offset the inflation in energy costs (+18% over the full year);
- a steep reduction in the operating loss previously recorded in Egypt.

EBIT totalled €360 million compared with €298 million in 2020. This represented an increase of +20.8% on a reported basis and of +24.1% at constant scope and exchange rates. The EBIT margin on consolidated sales came to 11.5%, an increase of +90 basis points (9.7% in 2019).

The Group's **operating profit** totalled €336 million, representing a rise of +21.2% on a reported basis and of +24.0% at constant scope and exchange rates. This performance was largely attributable to improvements in operating profitability at both EBITDA and EBIT levels. It also reflects an additional write-off of nearly €16 million on loans linked to investments in Egypt.

The €-5 million improvement in **net financial expense** (to €-30 million in 2021 from €-35 million in 2020) largely reflects the reduction in the Group's average cost of debt, as well as the positive change in hedging instruments, given the rise in interest rates over the last few months of 2021.

Tax expense rose by €-15 million as a result of the higher pre-tax income. The effective tax rate was lower than at 31 December 2020, falling from 30.7% to 29.1% in 2021. The key factors behind the reduction in the tax rate were the decline in the tax rate in France and a favourable country mix.

Consolidated net income was €222 million in 2021, representing a large rise of +31.8% at constant scope and exchange rates and of +29.1% on a reported basis.

Net income, Group share rose to €204 million, up by +33.3% at constant scope and exchange rates and +30.9% on a reported basis.

Cash flow came to €488 million, up +5.9% on a reported basis and up +8.9% at constant scope and exchange rates, reflecting the sharp increase in EBITDA generated over the year.

On the strength of these full-year 2021 results and given its confidence in the Group's ability to continue pursuing its development, the Board of Directors decided at its meeting on 11 February 2022 to propose the distribution **of a dividend of €1.65 per share**, at the Group's Annual General Meeting due to be held on 13 April 2022.

1. Income statement analysed by geographical region

1.1. Income statement, France

(€ million)	**2021**	2020	Change (reported)	Change (at constant scope and exchange rates)
Consolidated sales	**1,074**	963	+11.5%	+10.7%
EBITDA	**201**	171	+17.9%	+17.8%
EBIT	**118**	92	+27.8%	+28.4%

The Group's performance in France increased during the year, although the pandemic was once more a limiting factor. Strong growth in the first six months was followed by a moderate dip in the second half as a result of an unfavourable basis of comparison and the growing impact of a steep rise in energy costs. As a result, EBITDA posted an increase over the year as a whole, with a clear improvement in the EBITDA margin on consolidated sales to 18.7% from 17.7% in 2020.

- In the *Cement business*, operational sales rose +9.4% at constant scope. Underpinning this performance was strong growth in the first six months, which helped to offset the contraction recorded in the second six months of the year as a result of an unfavourable basis of comparison. Amid a still supportive sector environment, prices moved higher and the EBITDA generated by the business rose +12.2% over the year.
- The operational sales recorded by the *Concrete & Aggregates business* rose +13.7% at constant scope. This performance reflects higher deliveries of concrete and aggregates and sustained prices. Overall, the EBITDA generated by the business rose +21.8% at constant scope in 2021.
- In the *Other Products & Services business*, operational sales advanced +16.0% at constant scope over the period. The EBITDA recorded by the business climbed +48.5% over the year.

1.2 Income statement for Europe (excluding France)

(€ million)	**2021**	2020	Change (reported)	Change (at constant scope and exchange rates)
Consolidated sales	**394**	423	-7.1%	+3.8%
EBITDA	**89**	97	-8.7%	-5.2%
EBIT	**55**	55	0.0%	+1.4%

The Swiss market, barely affected by the pandemic in 2020, recorded solid growth in 2021. Italy, which benefited from a highly favourable basis of comparison at the start of the year given the very challenging pandemic and macroeconomic situation in the first six months of 2020, recorded a positive performance throughout the year, supported by favourable trends in the construction market. EBITDA for the region as a whole declined -5.2% at constant scope and exchange rates given a non-recurring item recorded in Switzerland during the first half of the year.

In **Switzerland**, the Group's consolidated sales rose +3.0% at constant scope and exchange rates (down -8.3% on a reported basis as a result of the sale of Créabéton Matériaux effective 30 June 2021). Business there continued as normal with no significant impact on sector conditions from the pandemic. The EBITDA margin on consolidated sales stood at 23.2%.

- In the *Cement business*, operational sales grew +1.5% at constant scope and exchange rates, supported by healthy performance of the markets and waste recovery activities. As a result of a non-recurring item recorded at the beginning of the year, the EBITDA generated by the business declined -13.5% at constant scope and exchange rates.
- In the *Concrete & Aggregates business*, operational sales declined -5.8% at constant scope and exchange rates due to less favourable weather conditions at the beginning of the year and lower prices, especially in aggregates. Overall, the EBITDA generated by the business fell -9.9% at constant scope and exchange rates.
- In the *Other Products and Services business*, operational sales rose +9.2% at constant scope and exchange rates (-23.0% on a reported basis, taking into account the sale of Créabéton Matériaux on 30 June 2021 and its deconsolidation in the second half). The EBITDA generated by the business rose +56.3% at constant scope and exchange rates.

In **Italy**, consolidated sales moved up +22.3% over the period. They were boosted by a favourable basis of comparison in the first half and a supportive environment throughout the year. Overall, business trends and prices improved throughout the year. EBITDA moved up +108.0% compared with 2020.

1.3 Income statement for the Americas

(€ million)	**2021**	2020	Change (reported)	Change (at constant scope and exchange rates)
Consolidated sales	**672**	636	+5.7%	+11.0%
EBITDA	**140**	141	-1.3%	+3.8%
EBIT	**84**	86	-3.3%	+2.0%

In the United States and in Brazil, business trends remained favourable despite a challenging pandemic situation. After a sharp acceleration in business trends in Brazil from the third quarter of 2020, the second half of 2021 saw a far less favourable basis of comparison. The sector environment remained supportive, however. Overall, the Americas region's sales and EBITDA both recorded growth.

In the **United States**, the macroeconomic and sector environment remained favourable during the year. It should be noted that first-half 2021 performance in California was impacted by an unfavourable basis of comparison given the record volumes delivered during the same period of 2020. In all, the Group's consolidated sales rose +4.9% at constant scope and exchange rates to €485 million over the full year. EBITDA totalled €96 million for the year, up +1.4% at constant scope and exchange rates.

The construction of a new 5,000-tonne/day kiln at the Ragland plant in Alabama continued in 2021. The new line, due to be commissioned in the first half of 2022, will increase the plant's capacity and therefore help meet the strong market demand, significantly reduce production costs and play a real role in reaching the Group's carbon emission targets.

- *In the Cement business*, operational sales rose +1.8% at constant scope and exchange rates in 2021 thanks to upbeat trends in the markets in which the Group operates, especially the South-East, and a steep rise in prices over the period. Against this backdrop, the EBITDA generated by the business grew +2.3% at constant scope and exchange rates.
- *In the Concrete business*, operational sales rose +8.6% at constant scope and exchange rates thanks to a supportive sector environment, especially in the South-East region, and to higher average selling prices. The EBITDA generated by the business edged down -1.4% at constant scope and exchange rates during the year given the inflation in costs, especially transport costs as a result of the steep hike in fuel prices.

In Brazil, consolidated sales reached €187 million, up +29.7% at constant scope and exchange rates. Even though the pandemic situation was critical, and the basis of comparison was unfavourable in the second half, business trends remained dynamic. EBITDA recorded solid growth throughout the year, rising to reach €43 million, up by +9.1% at constant scope and exchange rates.

- In the Cement business, operational sales totalled €151 million, up from €128 million in 2020, representing an increase of +27.6% at constant scope and exchange rates. This performance reflects the dynamic conditions in the markets in which the Group operates and positive pricing trends. Overall, given the steep increase in energy costs during the second half, EBITDA reached €37 million over the year compared with €38 million in 2020, a shift which represents a rise of +5.5% at constant scope and exchange rates.
- In the Concrete & Aggregates business, operational sales reached €55 million, an increase of +42.6% at constant scope and exchange rates. The improvement in market conditions was accompanied by a rise in prices, both in concrete and in aggregates. Overall, the EBITDA generated in the period moved up +36.3% at constant scope and exchange rates.

1.4 Asia (India and Kazakhstan)

(€ million)	**2021**	2020	Change (reported)	Change (at constant scope and exchange rates)
Consolidated sales	**428**	348	+23.0%	+27.9%
EBITDA	**122**	103	+18.4%	+23.2%
EBIT	**88**	68	+28.7%	+34.0%

The Asia region, and particularly India, was again affected by the pandemic, which was a drag on the macroeconomic and sector environment.

In **India**, after a first half boosted by a highly favourable basis of comparison, the second half brought a macroeconomic environment which continued to be favourable, but was affected by very strong cost inflation, especially in energy prices, and more volatile pricing trends towards the end of the year. As a result, the Group posted consolidated sales of €363 million over 2021 as a whole, up +31.0% at constant scope and exchange rates.

Overall, EBITDA came to €100 million, representing an increase of +25.3% at constant scope and exchange rates. The EBITDA margin on consolidated sales reached 27.5%.

Consolidated sales in **Kazakhstan** came to €65 million, up +13.6% at constant scope and exchange rates. This performance was achieved through further expansion in the Group's business in its domestic market, which made up for the drop in exports. Given this favourable geographical mix and the dynamic trends in the Kazakh market, prices rose significantly.

EBITDA moved up +15.1% at constant scope and exchange rates to reach €22 million during the year.

1.5 Mediterranean (Egypt and Turkey) income statement

(€ million)	**2021**	2020	**Change (reported)**	**Change (at constant scope and exchange rates)**
Consolidated sales	**228**	173	+31.8%	+59.2%
EBITDA	**3**	-11	n.s.	n.s.
EBIT	**-15**	-29	+49.8%	+51.2%

The Mediterranean region, hit by the adverse macroeconomic and sector conditions, recorded growth in both Turkey and Egypt. Overall, taking these factors into account, the Group recorded an improvement in its EBITDA in 2021.

In **Turkey**, even though the steady depreciation and very high volatility in the Turkish lira since August 2018 continued to impact the macroeconomic and sector environment, the construction market recovered further. Consolidated sales totalled €150 million, up +58.0% at constant scope and exchange rates. EBITDA recorded a significant increase over the year as a whole to €13 million, up from €8 million in 2020.

- In the *Cement business*, the improvement in the sector environment since the end of 2020 carried through into 2021 with activity volumes and prices recording a clear increase. As a result, operational sales totalled €109 million, up +58.5% at constant scope and exchange rates. Overall, the EBITDA generated by the business came to €10 million, representing an increase of +63.1% at constant scope and exchange rates. The increase in prices helped make up for the strong cost inflation, reflecting currency depreciation and the substantial spike in energy costs.
- The operational sales recorded by the *Concrete & Aggregates business* came to €70 million, up +62.7% at constant scope and exchange rates. The business was boosted during the year by the continuing improvement in market conditions and a steady and significant price increase. EBITDA, which had been at breakeven point in 2020, reached €2 million in 2021.

In **Egypt**, consolidated sales totalled €78 million, up +62.3% at constant scope and exchange rates. Following the market regulation agreement by the Egyptian government with all the manufacturers that entered force in July 2021, the sector environment became healthier during the second half, paving the way for a steady increase in prices amid favourable market trends. While these factors seem to be the first signs of a long-awaited reversal in trend, the EBITDA recorded in Egypt was again €-10 million in negative territory over the full year (versus €-19 million in 2020), reflecting a clear improvement in the second half.

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

(€ million)	2021	2020	Change (reported)	Change (at constant scope and exchange rates)
Consolidated sales	**327**	262	+25.1%	+24.9%
EBITDA	**65**	56	+15.2%	+15.0%
EBIT	**30**	25	+20.0%	+19.8%

In Africa, the Group continues to benefit from a favourable sector environment, without any impact from regional geopolitical crises, supported by performance improvements at the Rufisque plant and by the commercial ramp-up in Mali.

- In the Cement business, operational sales in the region grew +25.1% at constant scope and exchange rates, with a boost provided by the dynamic trends in the West African market. Prices in Senegal were stable over the year as a whole. They are increasing in Mali and Mauritania. Given these factors, the EBITDA generated by the business moved up +14.3% at constant scope and exchange rates in 2021.
- The Aggregates business in Senegal recorded consolidated sales of €30 million, up +23.6% over the period as a result of the gradual resumption of major government construction projects amid positive pricing trends. As a result of these factors, EBITDA increased by +19.9%.

2. Changes in the Group’s financial position at 31 December 2021

At 31 December 2021, the Group’s finances remained in good shape, with a strong equity base and net debt under control. At the same date, total equity totalled €2,606 million, compared with €2,420 million at 31 December 2020 on a pro forma basis (the 2020 figures have been restated following the IFRS IC decision on attributing benefits to periods of service under certain defined benefit plans).

Net debt totalled €1,318 million at 31 December 2021 compared with €1,202 million at 31 December 2020.

On this basis, the Group’s leverage ratio stood at 2.13x (versus 2.16x at 31 December 2020) and its gearing at 50.6% (versus 49.7% at 31 December 2020 on a pro forma basis) at 31 December 2021.

The average interest rate of gross debt as of 31 December 2021 is stable at 3.1%, as is the average maturity of 5.0 years.

Given the level of Group’s net debt and its balance sheet liquidity, the existence of covenants in the medium- and long-term borrowing agreements do not pose a threat to the Group’s financial position. At 31 December 2021, the Group was compliant with all financial ratios required by covenants included in financing agreements.

3. Capital expenditure and free cash flow

For the sake of greater clarity, capital expenditure and free cash flow will now be presented with a distinction made between “maintenance” capex and “strategic” capex linked to operational business development decisions, which can thereby be adjusted to fit cyclical trends.

“Maintenance” capex represents investments made every year to maintain the technical performance of the Group’s existing manufacturing base.

"Strategic" capex can be broken down into two categories:

- Capex to reduce the Group's carbon footprint and committed to pursue the Climate strategy outlined at the Capital Markets Day on 16 November 2021. These are investments intended to help meet the targets of reducing greenhouse gas emissions;
- Growth capex linked to global projects, including expanding capacity, such as the new Ragland kiln. Even so, it's worth noting that the proportion of these projects directly attributable to reducing the carbon footprint is classified under the first category of "capex to reduce the carbon footprint".

(€ million)	**2021**	2020	2019
Maintenance capex	155	129	162
Strategic capex	232	190	76
o/w capex to reduce the carbon footprint	*75*	*51*	*23*
o/w growth capex	*156*	*139*	*52*
Total outlays of capital expenditure	**387**	**319**	**238**

Free cash flow (before strategic capex)	**295**	**418**	**234**
Free cash flow (calculated based on all capital expenditure)	63	228	159

Maintenance capex amounted to €155 million in 2021, compared with €129 million in 2020.

On this basis, **free cash flow** (before strategic capex) came to €295 million, compared with €418 million in 2020 and €234 million in 2019.

A large portion of the €156 million in *growth capex* committed in 2021 reflects the continuing construction of the new Ragland kiln in the United States.

Lastly, the Group's *capex to reduce the carbon footprint* totalled €75 million in 2021, reflecting a steady rise since 2019 as it accelerated the pace of projects launched as part of the Climate strategy. In this regard, the Group can restate that the amount of capital expenditure to be committed to reducing its carbon footprint is estimated at €800 million until 2030, or €80 million p.a. on average.

4. Financial investments

4.1 *Increased stake in Ciplan*

The Vicat Group has increased its stake in CIPLAN (Brazil) by an additional 8%, increasing it to 74.13%. This additional stake corresponds to the realisation of the liability guarantee of the previous majority shareholder.

4.2 *Increased vertical integration in France and Switzerland*

During 2021, the Group continued its vertical integration strategy in the Concrete and Aggregates business, making small, targeted acquisitions in France and Switzerland to strengthen its local network.

4.3 *Acquisition of Béton Direct in France*

On 22 December 2021, Vicat became a majority shareholder in Béton Direct, a website selling ready-mix concrete that exclusively targets individual consumers and craftsmen. This acquisition supports the Vicat's strategy in France on two fronts: net zero emissions and the digital transformation. The acquisition of this advanced e-commerce technology represents an opportunity for the Vicat group and Béton Direct to increase their position in direct sales to consumers, a segment in which demand is rising. The cost of the transaction has not been disclosed, but should not be regarded as material given the size and financial strength of the Vicat Group.

5. Recent events

5.1 *Continuing the construction of the Ragland kiln in the United States*

The investment in a new 5,000-tonne/day kiln at the Ragland plant in Alabama, which began in 2019, continued in 2021. In line with the original plan, the new manufacturing facility employing the latest cement production technologies is due to be commissioned during the first half of 2022. It's a "global" project with multiple dimensions:

- the new kiln will provide the additional capacity needed to meet the needs of the Group's markets in the South-East region of the United States, by increasing the plant's capacity to 1.8 million tonnes p.a., from 1.2 million tonnes previously;
- the technology used, highly energy-efficient, will help reduce production costs by 30% per tonne produced;
- lastly, the new kiln, which works without coal, will actively help the Group to meet its carbon emission reduction targets.

5.2 *Launch of construction of a new kiln in Senegal*

The Group, via its subsidiary SOCOCIM Industries, has decided to launch a €240 million investment plan with a view to building a new kiln line in order to meet the following targets:

- a doubling of the Group's capacity in the sub-region which will reach 7 million tonnes per year. This increase will help to meet demand in the Senegalese market, which is poised for strong growth over the next few years, as well as supplying clinker to its subsidiaries' cement grinding plants;
- a very significant improvement in the manufacturing performance of all its operations in Senegal thanks to the adoption of the latest cement technologies. This greater efficiency, especially energy efficiency, will enable a significant reduction in production costs;
- lastly, the new kiln will actively help the Group to meet its carbon emission reduction targets, as it has the ability to use a significant mix alternative fuels.

The new production facility is scheduled for commissioning in 2024.

5.3 *Industrial partnership with and investment in Haffner Energy*

The Vicat Group and the Haffner Energy group have entered into an industrial agreement, which has been confirmed with the acquisition of a stake in Haffner Energy in the context with the latter's IPO on 15 February 2022. Under this agreement, Vicat and Haffner Energy are pooling their expertise to develop decarbonisation solutions as part of the Vicat Group's overall strategy to reduce its carbon footprint. Haffner Energy designs and supplies technologies and services for producing decarbonised hydrogen from the thermolysis and steam reforming of sustainable biomass thanks to its HYdrogen NO CArbon ("Hynoca®") process. This process can produce hydrogen at a highly competitive price while sequestering 16 kg of CO_2 per kg of hydrogen produced.

5.4 *Development of the first zero-carbon binder*

On 12 January, the Vicat Group announced it had developed a binder that retains all the properties and uses of traditional cement with the benefit of a carbon footprint corresponding to a net emissions level of less than 0 kg of CO_2 equivalent per tonne.

Including verified Environmental Information Modules, this new binder reaches the following emission levels net of CO_2:

- binder 0133H, with a technical performance similar to that of a 42.5 R cement, has a value of -15 kg of CO_2 per tonne;
- binder 2402H, with a technical performance similar to that of a 32.5 R cement, has a value of -310 kg of CO_2 per tonne

Initially, this innovative new binder is intended for the French market to meet the existing and future requirements of the new RE2020 building regulations.

In the context of its deployment, several prerequisites before it can go on sale in France will be addressed:

- Demonstrator projects will go ahead during spring 2022;
- It will then be made available to the first construction sites from 2022, once the technical assessment for experimentation (ATEX) has been obtained;
- An application for a technical opinion (ATEC) would then be submitted and obtained from 2024;
- Lastly, when the ATEC is secured, distribution on an industrial scale could begin in the French market during 2024.

Note that this low-carbon binder will be subject to a standardisation procedure that may take several years in France (around 5 years) and in Europe (around 10 years). However, this stage is not a prerequisite for its launch on the market once the ATEX and ATEC permits have been granted.

6. Outlook for 2022

In 2022, the Group anticipates another increase in its activity levels and an improvement in its financial performance. As a result, the EBITDA generated by the Group in 2022 is likely to grow, but not by as much as in 2021.

The Group will be supported by a macroeconomic and sector environment that is expected to remain broadly favourable, with an anticipated price hike that should help offset the steep rise in energy costs, currently estimated at around 30%.

Even so, strong seasonal effects are likely to be a factor during the year, with:

- an unfavourable basis of comparison in the first half, mainly as a result of the significant increase in energy costs expected over the period;
- a clear improvement in the second half as energy costs gradually stabilise and the full impact of the expected hike in selling prices feeds through.

In 2022, the Group will keep up its investment drive, focusing chiefly on:

- finalisation of construction work at the new Ragland kiln in the United States, which is expected to start up in the first six months of this year;
- start of construction work on the new kiln (Kiln 6) in Senegal;

- the ramp-up in projects to meet carbon footprint reduction targets;
- a drive to incrementally boost capacity at production facilities in India and to invest in new terminals to expand its market and lower logistics costs.

Accordingly, capital expenditure is expected to be higher than in 2021 at around €400 million, including 130 million in "maintenance" investments and 270 million in "strategic" investments. The Group reserves the right to adjust its investment plans, by reducing, if necessary, the proportion of its “growth” capex, to match the shifting trends in its markets and its cash-flow generation.

The Group is issuing the following elements of appreciation about the performance expected in the various countries in which it operates. It wishes to make clear that these trends are highly dependent on the latest developments in the pandemic and the latter’s impact on each of them:

- In France, activity levels are expected to remain on a growth trajectory throughout the year, supported by a macroeconomic environment that should be favourable for the construction sector. As a result, the Group expects its volumes to rise slightly and its prices to rise markedly to offset the impact of higher energy costs, especially electricity;
- In Switzerland, the Cement and the Concrete & Aggregates businesses should reap the benefit of upbeat conditions in the construction sector;
- In the United States, both volumes and selling prices are expected to continue increasing. The impact of the economic stimulus plan being rolled by the US administration is likely to make itself felt gradually from the second half of this year. In this market, the Group is expected to reap the benefit of the commissioning of the new Ragland kiln from the end of the first half;
- In Brazil, business and profitability levels in 2021 have set a high basis of comparison in a market in which trends are expected to remain nonetheless favourable. As a result, the Group expects stable business levels over the year as a whole, supported by the continued rise in prices;
- In India, the macroeconomic and sector environment is expected to remain favourable. The rise in energy costs is gradually expected to stabilise with prices remaining highly volatile;
- In Kazakhstan, 2021 performance levels set a high basis of comparison. While the market environment is expected to remain supportive, this will remain contingent on developments in the political and social situation;
- In Turkey, the situation is expected to keep improving gradually in 2022, subject to trends in the Turkish lira and interest rates. The price increase should help offset the rise in energy costs;
- In Egypt, amid a gradually improving industry environment, a clear improvement in the Group’s performances over the year as a whole is anticipated provided that the measures implemented by the government to restore a healthier market environment are left in place;
- In West Africa, trends in Cement are expected to remain dynamic, with support from a favourable sector environment in terms of volumes and prices. The Aggregates business in Senegal is likely to continue its recovery.

Presentation meeting and conference call

To accompany this publication, the Vicat Group is organising an information meeting in French at 10:00 am on 16 February 2022 at Pavillon Ledoyen, 8 avenue Dutuit, 75008 Paris.

In addition, Vicat is holding a conference call in English on 16 February 2022 at 3 pm Paris time (2 pm London time and 9 am 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
UK: +44 (0)33 0551 0200
US: +1 212 999 6659

The conference call will also be livestreamed from the www.vicat.fr website. 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 10:00 am.

Next event:

Annual General Meeting, 13 April 2022

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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 €3.123 billion in 2021. The Group operates in twelve countries: France, Switzerland, Italy, the United States, Turkey, Egypt, Senegal, Mali, Mauritania, Kazakhstan, India and Brazil. Vicat, a family-owned group, is the heir to an industrial tradition dating back to 1817, when Louis Vicat invented artificial cement. Founded in 1853, the Vicat Group now operates three core lines of business: Cement, Ready-Mixed Concrete and Aggregates, as well as related activities.

Vicat group – Financial data – Appendix

Definition of alternative performance measures (APMs):

- Performance **at constant scope and exchange rates** is used to determine the organic growth trend in P&L items between two periods and to compare them by eliminating the impact of exchange rate fluctuations and changes in the scope of consolidation. It is calculated by applying exchange rates and the scope of consolidation from the prior period to figures for the current period.
- A geographical (or a business) segment's **operational sales** are the sales posted by the geographical (or business) segment in question less intra-region (or intra-segment) sales.
- **Value-added**: value of production less consumption of materials used in the production process.
- **Gross operating income**: value-added, less staff costs, taxes and duties (other than on income and deferred taxes) 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.

Income statement by business

The full 2021 consolidated financial statements, together with the notes, are now available on the Company's website at: www.vicat.fr.

Cement

(€ million)	2021	2020	Change (reported)	Change (at constant scope and exchange rates)
Volume (thousands of tonnes)	*28,141*	*25,043*	*+12.4%*	
Operational sales	*1,914*	*1,673*	*+14.4%*	*+18.8%*
Consolidated sales	*1,633*	*1,421*	*+14.9%*	*+19.4%*
EBITDA	*456*	*415*	*+9.9%*	*+13.2%*
EBIT	*300*	*264*	*+13.5%*	*+16.9%*

Concrete & Aggregates

(€ million)	2021	2020	Change (reported)	Change (at constant scope and exchange rates)
Concrete volumes (thousands of m³)	*10,472*	*9,309*	*+12.5%*	
Aggregates volumes (thousands of tonnes)	*23,998*	*22,713*	*+5.7%*	
Operational sales	*1,191*	*1,083*	*+10.0%*	*+13.1%*
Consolidated sales	*1,158*	*1,050*	*+10.3%*	*+13.2%*
EBITDA	*133*	*121*	*+10.4%*	*+12.3%*
EBIT	*49*	*34*	*+45.8%*	*+47.2%*

Other Products & Services

(€ million)	**2021**	2020	Change (reported)	Change (at constant scope and exchange rates)
Operational sales	*453*	*434*	*+4.3%*	*+14.8%*
Consolidated sales	*332*	*334*	*-0.6%*	*+11.9%*
EBITDA	*30*	*21*	*+39.0%*	*+51.9%*
EBIT	*11*	*0*	*n.s.*	*n.s.*

Principal 2021 financial statements

Consolidated income statement

	2021	**2020**
Revenue	**3,122,940**	**2,805,162**
Goods and services purchased	(2,002,119)	(1,720,244)
Added value	**1,120,821**	**1,084,918**
Employees expenses	(483,699)	(489,921)
Taxes	(56,968)	(62,078)
Gross operating income	**580,154**	**532,919**
Other operating income (expenses)	38,964	24,396
EBITDA	**619,118**	**557,315**
Net charges to operating depreciation, amortization and provisions	(259,196)	(259,467)
EBIT	**359,922**	**297,848**
Other non-operating income (expenses)	(28,291)	(6,080)
Net charges to non-operating depreciation, amortization and provisions	4,793	(14,207)
Operating income (expense)	**336,424**	**277,561**
Cost of net financial debt	(28,442)	(36,870)
Other financial income	19,363	20,671
Other financial expenses	(20,919)	(18,630)
Financial income	**(29,998)**	**(34,829)**
Share of profit (loss) of associates	5,156	4,021
Profit (loss) before tax	**311,582**	**246,753**
Income tax	(89,398)	(74,609)
Consolidated net income	**222,184**	**172,144**
Portion attributable to minority interests	18,005	16,149
Portion attributable to the Group	**204,179**	**155,995**
EARNINGS PER SHARE (in euros)		
Basic and diluted earnings per share	4.55	3.47

Balance sheet

ASSETS

(in thousands of euros)	December 31, 2021	December 31, 2020 (1)
Goodwill	1,157,232	1,118,874
Other intangible assets	173,653	170,812
Property, plant and equipment	2,169,041	1,987,852
Right of use related to leases	195,112	186,829
Investment properties	32,218	14,831
Investments in associated companies	92,774	77,873
Deferred tax assets	68,012	68,965
Receivables and other non-current financial assets	219,241	239,176
Total non-current assets	**4,107,283**	**3,865,212**
Inventories and work-in-progress	429,243	354,937
Trade and other accounts	436,219	440,874
Current tax assets	6,947	3,328
Other receivables	206,475	152,496
Cash and cash equivalents	527,393	422,843
Total current assets	**1,606,277**	**1,374,478**
TOTAL ASSETS	**5,713,560**	**5,239,690**

SHAREHOLDERS’ EQUITY AND LIABILITIES

(in thousands of euros)	December 31, 2021	December 31, 2020 (1)
Capital	179,600	179,600
Additional paid-in capital	11,207	11,207
Treasury shares	(52,194)	(53,587)
Consolidated reserves	2,800,755	2,689,713
Translation reserves	(579,950)	(640,805)
Shareholders’ equity, Group share	**2,359,418**	**2,186,128**
Minority interests	**246,681**	**234,310**
Total shareholders’ equity	**2,606,099**	**2,420,438**
Provisions for pensions and other post-employment benefits	108,529	125,860
Other provisions	104,974	116,764
Financial debts and put options	1,291,434	1,270,162
Lease liabilities	159,883	157,563
Deferred tax liabilities	219,800	214,196
Other non-current liabilities	23,927	37,999
Total non-current liabilities	**1,908,547**	**1,922,544**
Provisions	10,381	13,522
Financial liabilities and put options at less than one year	371,119	165,375
Lease liabilities at less than one year	55,502	47,382
Trade and other accounts payable	459,647	375,329
Current taxes payable	27,558	24,557
Other liabilities	274,707	270,543
Total current liabilities	**1,198,914**	**896,708**
Total liabilities	**3,107,461**	**2,819,252**
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY	**5,713,560**	**5,239,690**

(1) 2020 figures have been restated based on IFRS IC about the periods of service to which a company attributes benefit for a particular type of defined benefit plan.

Consolidated statement of cash flow

(in thousands of euros)	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net income	**222,184**	**172,144**
Share of profit (loss) of associates	(5,156)	(4,021)
Dividends received from associated companies	1,208	4,860
Elimination of non-cash and non-operating items:		
- depreciation, amortization and provisions	255,811	276,796
- deferred taxes	5,717	5,086
- net gain (loss) from disposal of assets	(7,622)	(5,114)
- unrealized fair value gains (losses)	(3,625)	128
- others	19,070	10,693
Cash flows from operating activities	**487,587**	**460,572**
Change in working capital	(48,674)	67,647
Net cash flows from operating activities (1)	**438,913**	**528,219**
CASH FLOWS FROM INVESTING ACTIVITIES		
Outflows linked to acquisitions of non-current assets:		
- tangible and intangible assets	(386,570)	(319,370)
- financial investments	(40,157)	(23,613)
Inflows linked to disposals of non-current assets:		
- tangible and intangible assets	10,759	18,946
- financial investments	4,105	4,912
Impact of changes in consolidation scope	(31,005)	(2,992)
Net cash flows from investing activities	**(442,868)**	**(322,117)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(74,116)	(74,282)
Increases/decreases in capital	0	250
Proceeds from borrowings	331,443	210,729
Repayments of borrowings	(140,122)	(209,432)
Repayment of lease liabilities	(52,963)	(62,198)
Acquisitions of treasury shares	(22,887)	(7,555)
Disposals or allocations of treasury shares	24,701	4,423
Net cash flows from financing activities	**66,056**	**(138,065)**
Impact of changes in foreign exchange rates	9,182	(37,552)
Change in cash position	**71,283**	**30,485**
Net cash and cash equivalents - opening balance	359,159	328,674
Net cash and cash equivalents - closing balance	430,442	359,159

(1) :

- Of which cash flows from income taxes: (€84.3 million) in 2021 and (€34.5 million) in 2020.

- Of which cash flows from interest paid and received: (€27 million) in 2021 including (€10.2 million) for financial expenses on IFRS 16 leases and (€36 million) in 2020 including (€9.7 million) for financial expenses 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, Group share**	Minority interests	**Total shareholders' equity**
At January 1, 2020 (1)	**179,600**	**11,207**	**(52,416)**	**2,606,610**	**(405,786)**	2,339,215	**264,767**	2,603,982
Net income				155,995		**155,995**	16,149	**172,144**
Other comprehensive income (1) (2)				(3,394)	(234,959)	**(238,353)**	(36,719)	**(275,072)**
Total comprehensive income	*0*	*0*	*0*	*152,601*	*(234,959)*	***(82,358)***	*(20,570)*	***(102,928)***
Dividends paid				(66,369)		**(66,369)**	(8,232)	**(74,601)**
Net change in treasury shares			(1,171)	(1,455)		**(2,626)**		**(2,626)**
Other changes				(1,674)	(60)	**(1,734)**	(1,655)	**(3,389)**
At December 31, 2020 (1)	**179,600**	**11,207**	**(53,587)**	**2,689,713**	**(640,805)**	**2,186,128**	**234,310**	**2,420,438**
At January 1, 2021	**179,600**	**11,207**	**(53,587)**	**2,689,713**	**(640,805)**	2,186,128	**234,310**	**2,420,438**
Net income				204,179		**204,179**	18,005	**222,184**
Other comprehensive income (2)				5,387	60,855	**66,242**	7,666	**73,908**
Total comprehensive income	*0*	*0*	*0*	*209,566*	*60,855*	***270,421***	*25,671*	***296,092***
Dividends paid				(66,314)		**(66,314)**	(7,890)	**(74,204)**
Net change in treasury shares			1,569	174		**1,743**		**1,743**
Changes in scope of consolidation and additional acquisitions				(26,024)		**(26,024)**	(5,328)	**(31,352)**
Other changes				(6,535)		**(6,535)**	(82)	**(6,617)**
AT DECEMBER 31, 2021	**179,600**	**11,207**	**(52,018)**	**2,800,580**	**(579,950)**	**2,359,419**	**246,681**	**2,606,099**

(1) 2020 figures have been restated based on IFRS IC about the periods of service to which a company attributes benefit for a particular type of defined benefit plan .

(2) 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.

Comprehensive income

in thousands of euros)	2021	2020 (1)
Consolidated net income	**222,184**	**172,144**
Other comprehensive income		
Items not recycled to profit or loss:		
Remeasurement of the net defined benefit liability	7,350	3,328
Other items not recycled to profit and loss	(2,127)	0
Tax on non-recycled items	(2,574)	(547)
Items recycled to profit or loss:		
Changes in currency translation adjustments	69,699	(281,574)
Cash flow hedge instruments	1,946	4,878
Tax on recycled items	(386)	(1,157)
Other comprehensive income (after tax)	**73,908**	**(275,072)**
TOTAL COMPREHENSIVE INCOME	**296,092**	**(102,928)**
Portion attributable to minority interests	25,671	(20,570)
Portion attributable to the Group	**270,421**	**(82,358)**

(1) 2020 figures have been restated based on IFRS IC about the periods of service to which a company attributes benefit for a particular type of defined benefit plan.