Press Release

First-quarter 2024 sales

L'Isle d'Abeau, 29 April 2024

- **Growth in organic sales: +7.9%**
- **Strong contribution from the United-States and emerging markets**
- **Confirmation of the outlook for 2024**

Consolidated sales by geographical region in the first quarter of 2024:

(€ million)	First-quarter 2024	First-quarter 2023	Change reported	Change lfl*
France	**270**	297	-8.8%	**-8.8%**
Europe (excluding France)	**92**	81	+14.2%	**+9.7%**
Americas	**222**	198	+12.5%	**+12.4%**
Asia	**120**	112	+6.8%	**+8.9%**
Mediterranean	**104**	104	+0.7%	**+58.9%**
Africa	**101**	108	-6.5%	**-5.5%**
Total	**911**	899	+1.2%	**+7.9%**

**like-for-like, i.e. at constant scope and exchange rates*

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

"The Vicat Group enters 2024 with organic growth of nearly 8%, driven by dynamic markets in the United States and emerging countries. The weakness of the French residential market should be gradually mitigated this year by the ramp-up of infrastructure projects awarded to the Vicat Group.

This strong performance in the first quarter enables us to confirm our full-year outlook for growth in sales and operating profitability.

As previously announced, the 'From Low Carbon to Zero Carbon' initiative is taking shape with the progress of our two ultimate decarbonisation projects in Montalieu, France, where discussions with stakeholders are progressing and technological choices are becoming clearer, and in Lebec, California, where the CCS project has been selected under the IRA for subsidies of up to $500 million, in addition to tax credits, which could exceed $1 billion over twelve years."

The **Group's sales** rose +1.2% on a reported basis to €911 million in the first quarter. Organic growth in sales came to **+7.9% at constant scope and exchange rates**. This performance was achieved as a result of:

- **+4.1% growth in Cement volumes to 6.9 million tons, with trends varying from one Group market to another, including:**
  - a slowdown in European markets, especially in France, attributable to weakness in the residential sector;
  - the increase in volumes in the United States as the Ragland plant reached full capacity and volumes rebounded in California;
  - growth in Asia owing to the strong increase in volumes in India and a favourable base of comparison for volumes in Kazakhstan;
  - dynamic trends in the Mediterranean region.
- **a +5.4% increase in concrete volumes to 2.2 million m^3**, especially in the United States and Turkey;
- a decrease in aggregate volumes of -6.8% to 5.1 million tons, notably in France;
- **a still resilient pricing environment in most markets with a favourable cost/price differential.**

The Group's sales were impacted by an unfavourable currency effect of –€60 million (–6.7%) chiefly arising from depreciation in the Turkish lira and Egyptian pound against the euro, which was very marginally offset by appreciation in the Swiss franc against the euro in the first quarter. There were no changes in the scope of consolidation during the year.

1. SALES BY GEOGRAPHICAL REGION

1.1. France

(€ million)	**First-quarter 2024**	First-quarter 2023	Change reported	Change lfl*
Consolidated sales	**270**	297	-8.8%	**-8.8%**

**like-for-like, i.e. at constant scope and exchange rates*

In the first quarter, sales in **France** were again impacted by the weak volumes caused by the contraction in the residential market.

The Cement business was affected by a further volume decline due to the contraction in the residential market. Nonetheless, the project to build the Lyon-Turin rail link that began in late 2023 is expected to progressively curb the effects of this slowdown in 2024. Hikes in cement prices at the beginning of the year made a positive contribution over the period. Cement operational sales fell –9.5% in the first quarter.

The Concrete & Aggregates business was also affected by the volume contraction despite a more favourable base of comparison than in Cement. The downturn in Concrete & Aggregates volumes began back in the first quarter of 2023, while Cement volumes were resilient in the early part of that year. Concrete & Aggregates operational sales fell –10.0% in the first quarter.
Other Products & Services sales posted a small decline.

1.2 Europe (excluding France)

(€ million)	**First-quarter 2024**	First-quarter 2023	Change reported	Change lfl*
Consolidated sales	**92**	81	+14.2%	**+9.7%**

**like-for-like, i.e. at constant scope and exchange rates*

In **Europe**, business rebounded in the first quarter of 2024. It was supported by the healthy performance of Altola (waste treatment and recycling) and Vigier Rail (precast business) in Switzerland and appreciation in the Swiss franc against the euro.

In **Switzerland**, operational sales moved up +10.7% at constant scope and exchange rates.

The Cement business in Switzerland was again impacted by the weakness of the residential market, with volumes declining in the first quarter. Price increases were introduced at the beginning of the year. Altola, a waste treatment and recycling subsidiary, made a positive contribution over the period.

Concrete & Aggregates operational sales grew appreciably as a result of a price hike and favourable base of comparison effects over the period.

Other Products & Services operational sales posted a strong increase thanks to an improvement in the product mix of the precast business (Vigier Rail).

In **Italy**, operational sales remained stable in the first quarter.

1.3 Americas

(€ million)	**First-quarter 2024**	First-quarter 2023	Change reported	Change lfl*
Consolidated sales	**222**	198	+12.5%	**+12.4%**

**like-for-like, i.e. at constant scope and exchange rates*

Sales in the **Americas** rose significantly in the first quarter of 2024 as a result of volume growth in the United States amid favourable pricing trends, despite a business contraction in Brazil.

In the **United States**, the California and South-East US regions recorded dynamic business trends. Volumes grew strongly in California in the first quarter, boosted by a favourable base of comparison effect since highly adverse weather conditions depressed volumes in the first half of 2023. Volumes at the Ragland plant also rose as production reached full capacity. The pricing environment remains favourable in both regions, with the carryover effect of the price increases introduced in 2024. Cement operational sales rose +19.2% in the United States at constant scope and exchange rates.

Concrete sales rose strongly in the United States with dynamic market trends both in California, as a result of a catch-up effect linked to a highly favourable base of comparison, and in the South-East. Selling prices again moved higher in both regions. Concrete operational sales rose +28.8% in the United States at constant scope and exchange rates.

In Brazil, operational sales in Brazil fell –10.0% at constant scope and exchange rates amid a stable macroeconomic environment compared with 2023.
The Group's Cement business slowed down with volumes and prices falling in the first quarter. The commercial environment in the Mid-West region where Ciplan operates has worsened as a result of fiercer competition.

The Concrete & Aggregates business showed greater resilience, with aggregates and concrete volumes declining, but selling prices moving higher.

1.4 Asia (India and Kazakhstan)

(€ million)	First-quarter 2024	First-quarter 2023	Change reported	Change lfl*
Consolidated sales	**120**	112	+6.8%	**+8.9%**

**like-for-like, i.e. at constant scope and exchange rates*

The Group’s business in **Asia** expanded in the first quarter thanks to solid performance in Kazakhstan and India.

Business grew in **India** during the first quarter, with volumes up sharply as a result of strong demand and a positive base of comparison effect. The improvement in price/cost differentials since the second half of 2023 has boosted competitiveness. In a competitive environment, selling prices moved slightly lower over the period. Operational sales in India moved up +8.8% at constant scope and exchange rates.

Sales in **Kazakhstan** rose in the first quarter in an expanding market. Volumes experienced strong growth over the period as a result of dynamic performance in the Almaty region and a favourable base of comparison. Sales in the first quarter of 2023 were seriously disrupted by issues affecting the rail supply chain, which held back volumes. Prices fell back slightly over the period amid fiercer competition. As a result, operational sales grew +12.1% in Kazakhstan at constant scope and exchange rates.

1.5 Mediterranean (Turkey and Egypt)

(€ million)	First-quarter 2024	First-quarter 2023	Change reported	Change lfl*
Consolidated sales	**104**	104	+0.7%	**+58.9%**

**like-for-like, i.e. at constant scope and exchange rates*

The Group’s sales trends in the **Mediterranean** region were positive, with volume growth in Turkey and export opportunities in Egypt, even though visibility remains limited. The region’s contribution to consolidated sales was affected by the strong fall in the value of the Turkish lira and Egyptian pound against the euro over the period.

Despite a persistently hyperinflationary macroeconomic environment, the Cement business in **Turkey** posted solid volume growth in the first quarter as a result of the support provided by the government to the construction sector and a favourable base of comparison. First-quarter 2023 sales were impacted by the earthquake in South-East Turkey. Selling prices were hiked to make up for the effects of inflation on production costs. As a result, Cement operational sales in Turkey grew +2.6% (up +77.0% at constant scope and exchange rates).

The Concrete & Aggregates business in Turkey expanded in the first quarter as a result of strong growth in concrete volumes and higher selling prices. As a result, operational sales grew +42.0% (up +145.0% at constant scope and exchange rates).

The Cement business in **Egypt** experienced sluggish domestic market conditions, with volumes declining, especially during Ramadan. These factors were offset partially by growth in cement and clinker volumes for export to the Mediterranean region and to Africa. Prices rose during the first quarter in a market regulated by the authorities. Overall, Cement operational sales in Egypt declined by –6.3% at constant scope and exchange rates.

1.6 Africa (Senegal, Mali, Mauritania)

(€ million)	First-quarter 2024	First-quarter 2023	Change reported	Change lfl*
Consolidated sales	**101**	108	-6.5%	**-5.5%**

**like-for-like, i.e. at constant scope and exchange rates*

In the first quarter, the Group's business in **Africa** was hit by power cuts in Mali, while it contracted very slightly in Senegal and grew in Mauritania.

The Cement business in **Senegal** showed resilience in the first quarter, with volumes declining slightly, chiefly as a result of Ramadan. In a political environment dominated by the presidential elections, sales did not experience any major disruption. Conditions remain dynamic in the domestic market, which is supported by strong residential demand and infrastructure projects. Prices have been stable since the beginning of the year. Cement operational sales in Senegal fell –3.8% at constant scope.

Aggregates operational sales in Senegal posted growth of +4.7%, thanks to a continuing boost from the major public works projects in progress.

Cement sales in **Mali** were seriously affected by power supply issues. As a result, operational sales fell –18.6%.

Cement operational sales rose +8.6% in **Mauritania** at constant scope and exchange rates as a result of dynamic business trends.

2. OUTLOOK FOR 2024

In 2024, the Group expects a **continued increase in its sales**, supported by growth in the United States and the resilience of emerging markets, even taking into account the residential sector's weakness in Europe.

Based on the significant increase in the first quarter, the Group is reiterating the EBITDA trend expected over the year as a whole.

EBITDA generated by the Group in 2024 should be higher than the 2023 level.

This objective takes into account further operational savings at the Ragland plant and an easing in energy cost inflation over the period, with a favourable base of comparison effect in the first half of the year.

In 2024, the Group's capex is likely to total around €325 million following delays to investments in a new kiln in Senegal, which will now take place in 2024.

The increase in EBITDA, tight grip on the working capital requirement and disciplined investment approach will pave the way for a further decrease in the Group's net debt.
As a result, the Group has set a target of lowering its leverage to below 1.3x by year-end 2025.

Outlook by country:

In **France**, business trends are expected to be held back by the marked slowdown in residential construction, offset partially by demand from the infrastructure segment. The progressive start-up in a large rail infrastructure project in the South-East region should support the business in the future.

In **Switzerland**, stable business trends are expected, with volumes holding steady at a low level amid a resilient pricing environment.

In the **United States**, the growth in sales in the South-East US should continue with the operation of kiln 2 at the Ragland plant at full capacity over a full year. In addition, business trends in California should benefit from a favourable base of comparison effect relative to the first half of 2023. The increased use of alternative fuels and more widespread uptake of “1L”-type cement, which consumes less clinker, should support margin improvement.

In a stabilising market in **Brazil** with a lower level of sales, results are expected to be close to the levels seen in 2023. Production performance improvements should provide a further boost.

In **India**, the market should continue to grow, especially in the first half thanks to a favourable base of comparison effect and the impact of cost reductions over the full year amid a fiercely competitive environment.

In **Kazakhstan**, the more competitive environment and saturation of the production facilities are expected to curb the growth in volumes and prices.

In **Turkey**, the macroeconomic environment is likely to remain dominated by inflation and the weakness of the Turkish lira. Business trends are expected to draw strength from the reconstruction drive after the February 2023 earthquake and the pre-electoral environment in the first six months of the year. The Group will continue to pursue a pricing policy intended to at least cover the strong inflation in costs.

In **Egypt**, domestic market conditions are expected to remain sluggish in a competitive environment still regulated by the authorities. As in 2023, the Group plans to pursue opportunities to export clinker and cement.

In **West Africa**, visibility is declining with mounting political instability in the region, the impact of which is hard to gauge as things stand. In **Senegal**, the Cement business will remain hampered until kiln 6 starts up amid a pricing environment regulated by the government.

3. CLIMATE PERFORMANCE

The Vicat Group has announced its climate roadmap and the 2030 target of reducing its direct specific carbon emissions to 497 kg CO_2 net per tonne of cement equivalent and to 430 kg CO_2 net per tonne of cement equivalent in Europe. This objective is solely based on existing proven technologies and does not rely on any technological breakthroughs, such as carbon capture and storage/use.

The Group has accelerated its decarbonisation roadmap and **its net-zero carbon goal with the launch of the “Low carbon to Zero carbon” initiative**.

This programme involves two final decarbonisation projects – to capture carbon by storing it or using it to manufacture synthetic fuels at the Montalieu (France) and Lebec (California) plants.

The “VAIA” project at Montalieu, designed to capture and store 1.2 million tons of CO2 per year, is advancing. Talks are underway with the French authorities and with the European Union with a view to securing subsidies. The decisions on which technologies to use have been made, and the partner ecosystem for the project is taking shape.

In California, the Lebec Net Zero (LNZ) project, designed to capture and store 0.9 million tons of CO2 per year, has been selected by the US Department of Energy to receive a grant, for 50% of the investment, up to $500 million (announced on 25 March 2024) covering in particular an industrial-scale carbon capture and storage installation. In addition, an inflation-linked tax incentive of $85 per tonne sequestered may be available for a 12-year period. This announcement represents a major step forward, demonstrating the project’s credibility. Talks are set to continue with the project partners to lay down the implementation arrangements.

4. HIGHLIGHTS

29 February 2024 – Vicat’s involvement in the Athletes Village of Paris 2024.

Vicat has supplied low-carbon concrete for the Athletes Village from its on-site concrete plant, operated by its BETON VICAT subsidiary. The use of DECA low-carbon cement plant, including CEM4 (pozzolan cement) from the Créchy cement plant and the CARAT carbon-negative binder, lowered emissions by over 30% compared with traditional solutions for the 70,000 m^3 of concrete supplied. Over the project as a whole, almost 4,500 tons of CO_2 equivalent was avoided.

7 March 2024 – Vicat joins the SBF 120 index

The Vicat Group has announced its entry to the SBF 120, a key index of the Paris Stock Exchange that includes the top 120 shares listed on Euronext Paris in terms of liquidity and market capitalisation. This decision, made by the Euronext Scientific Council on 7 March 2024, following the quarterly review of the Euronext Paris indices, has been effective since 18 March 2024.

16 April 2024 – Vicat arranged a €50 million bilateral line based on the Sustainability Linked Loan format with Bank of America, a new banking counterparty

The Vicat Group has announced it has arranged a €50 million bilateral line based on the Sustainability Linked Loan format with Bank of America. The new line is aligned with the Vicat Group’s 2030 decarbonisation indicators and objectives. The Group continues to reinforce its liquidity.

PRESENTATION MEETING AND CONFERENCE CALL

To accompany this publication, the Vicat Group is holding an information conference call in English on 30 April 2024 at 3pm Paris time (2pm London time and 9am New York time).

To take part in the conference call live, dial in on one of the following numbers:

France: +33 (0)1 70 37 71 66
United Kingdom: +44 (0) 33 0551 0200
United States: +1 786 697 3501

The conference call will also be livestreamed from the Vicat website or by clicking here. A replay of the conference call will be immediately available for streaming via the Vicat website or by clicking here.

The presentation supporting the event will be available from 12pm CET on Vicat's website.

NEXT EVENT

First-half 2024 results after the close on 25 July 2024

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ABOUT THE VICAT GROUP

For 170 years, Vicat has been a leading player in the mineral and biosourced building materials industry. Vicat is a group listed on the Euronext Paris market, part of the SBF 120 Index, and is under the majority control of the founding Merceron-Vicat family. Committed to a trajectory that will make it carbon-neutral across its value chain by 2050, the Vicat Group now operates three core lines of business: Cement, Ready-Mixed Concrete and Aggregates, as well as related activities. The Vicat Group is present in 12 countries spanning both developed and emerging markets. It has close to 10,000 employees and generated consolidated sales of €3,937 million in 2023. With its strong regional positions, Vicat is developing a circular economy model beneficial for all and consistently innovating to reduce the construction industry's environmental impact.

Vicat Group – Appendix

DISCLAIMER

- In this press release, and unless indicated otherwise, all changes are stated on a year-on-year basis (2023/2022), and at constant scope and exchange rates.
- The alternative performance measures (APMs), such as "at constant scope and exchange rates", "operational sales", "EBITDA", "recurring EBIT", "net debt" 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 Universal Registration Document 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.

More comprehensive information about Vicat is available on its website (www.vicat.fr).

DEFINITION OF ALTERNATIVE PERFORMANCE MEASURES (APMS):

- Performance **at constant scope and exchange rates** is used to determine the organic growth trend in P&L items between two periods and to compare them by eliminating the impact of exchange rate fluctuations and changes in the scope of consolidation. It is calculated by applying exchange rates and the scope of consolidation from the prior period to figures for the current period.
- A geographical (or a business) segment's **operational sales** are the sales posted by the geographical (or business) segment in question less intra-region (or intra-segment) sales.
- **EBITDA** (earnings before interest, tax, depreciation and amortisation): sales less purchases used, staff costs and taxes adjusted for other income and expenses on ongoing business.
- **Recurring EBIT**: (earnings before interest and tax): EBITDA less net depreciation, amortisation, additions to provisions and impairment losses on ongoing business.
- **Free cash flow:** net operating cash flow after deducting capital expenditure net of disposals and financial investments and before the dividend payment.
- **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.
- **Leverage** is a ratio based on a company's profitability, calculated as net debt/consolidated EBITDA.