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ensemble

Nine-month 2024 sales

L'Isle d'Abeau, 4 November 2024

- **Organic sales growth of +3.3% over the first nine months**
- **Third quarter impacted by negative currency effects, especially in the Mediterranean region, and a high base of comparison**
- **2024 EBITDA targets confirmed: growth between +3% and +8% and debt reduction to leverage ratio of below 1.7x**
- **Strategic combination of VPI's construction chemicals activities with those of Cermix (Koramic group) in France**

Nine-month 2024 consolidated sales:

(€ million)	9M 2024	9M 2023	Change reported	Change lfl*
France	**879**	931	–5.6%	**–5.6%**
Europe (excluding France)	**307**	303	+1.5%	**+3.4%**
Americas	**756**	720	+4.9%	**+6.5%**
Asia	**345**	364	–5.1%	**–3.6%**
Mediterranean	**343**	349	–1.7%	**+32.1%**
Africa	**286**	294	–2.7%	**–1.8%**
TOTAL	**2,916**	2,960	–1.5%	**+3.3%**

**at constant scope and exchange rates*

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

"The Vicat Group posted solid organic growth over the first nine months of the year. Growth in the United States and resilience in emerging markets offset historically low levels of activity levels in Europe. Performance was more mixed in the third quarter as the base of comparison was high. We are leaving our EBITDA targets for the whole year unchanged based on this environment. The Group's three strategic priorities are unchanged:

- *restoring margins to above their 2021 levels;*
- *bringing down net debt in line with our 2025 deleveraging target;*
- *executing our climate roadmap and promoting our decarbonised range of cement and concrete.*

Achieving these targets will provide us with greater flexibility, enabling us to continue the development of an increasingly decarbonised group. I'd like to thank our employees for their unwavering commitment."

Activity report: third-quarter performance impacted by currency effects and an unfavourable base of comparison

The Vicat Group's consolidated third-quarter 2024 sales totalled €979 million, up +0.7% at constant scope and exchange rates and down –6.6% on a reported basis as a result of negative exchange rate fluctuations and an unfavourable base of comparison:

- Currency effects over the period came to €–73 million (or –7.0%), chiefly owing to depreciation in the Turkish lira, Egyptian pound and Brazilian real against the euro;
- Changes in the scope of consolidation had a negative effect of €–4 million (-0.4%) over the quarter;
- Back in the third quarter of 2023, the Group recorded growth of +26.8% at constant scope and exchange rates thanks to high activity levels, especially in the United States and in India.

During the quarter, volumes in the Cement business declined by –4.7%, particularly in India. Cement prices remained firm across most of the Group's regions.

Consolidated third-quarter 2024 sales:

(€ million)	Q3 2024	Q3 2023	Change reported	Change lfl*
France	**285**	301	–5.1%	**–5.1%**
Europe (excluding France)	**111**	108	+2.8%	**+5.4%**
Americas	**262**	270	–3.0%	**+1.2%**
Asia	**103**	131	–21.4%	**–19.0%**
Mediterranean	**129**	153	–15.9%	**+23.0%**
Africa	**89**	86	+3.7%	**+4.3%**
TOTAL	**979**	1,048	–6.6%	**+0.7%**

**at constant scope and exchange rates*

Analysis by geographical regions

In **France**, third-quarter activity was again impacted by weakness in the residential market, with cement volumes lower, but still showing a sequential improvement on the first-half levels. Prices remained resilient over the period. The TELT project, which is set to gain momentum over the coming months, made a positive contribution to the business.

In **Europe**, activity levels moved slightly higher in the third quarter, especially as a result of a strong performance by the rail business in Switzerland and the cement business in Italy. The Cement business in Switzerland was again impacted by the weakness of demand in the residential market.

In the **Americas**, business posted a moderate increase in the third quarter at constant scope and exchange rates as a result of Hurricane Helene, which struck the South-East US in late September, and slower activity in California despite a positive pricing environment. On a reported basis, third-quarter performance was held back by the translation effect on sales of depreciation in the US dollar and the Brazilian real against the euro.

In **Asia**, activity levels declined in Kazakhstan and especially in India, as volumes and prices both declined. The volume contraction in India during the quarter resulted from the monsoon, a post-election slowdown in public-sector projects and an unfavourable base of comparison. The competitive environment remains challenging in India.

In the **Mediterranean**, despite the persistent hyperinflation in Turkey, activity levels moved higher at constant scope and exchange rates with the growth in exports from Egypt. The region's contribution to consolidated sales was again affected by the strong fall in the value of the Turkish lira and Egyptian pound against the euro over the period.

In **Africa**, activity levels moved higher in cement in Senegal and Mauritania. The aggregates business in Senegal made particular progress over the period. The priority remains commissioning kiln 6, with its ramp-up phase due to begin in the first half of 2025 and a contribution to EBITDA expected from the second half of 2025.

A more detailed analysis of performance by geographical region is provided in the appendix to this press release.

Highlights

On 2 October 2024, Vicat and Belgian group Koramic announced the strategic combination of their construction chemicals activities in France through the integration of their respective subsidiaries VPI and Cermix. The goal is to create a French leader in finishing works (based on tiling, standard masonry, special mortars and façade coatings) with close to €200 million in annual sales. The combined entity, which will be 60%-owned by Vicat and 40%-owned by Koramic, will be consolidated and operated by the Vicat group. The two companies form a good fit in terms of their industrial and geographical coverage, product offering and customer base. The link-up will give rise to a network of seven industrial sites in France possessing a combined production capacity of 800,000 tonnes and two strong brands in the French market, with R&D and logistics synergies in particular set to be unlocked. This transaction will have no impact on the Group's net financial debt.

Outlook for 2024

In 2024, the Group expects **limited sales growth at constant exchange rates**, supported by growth in the United States and the resilience of emerging markets, even taking into account the residential sector's weakness in Europe and the persistent downturn in emerging currencies, chiefly in the Mediterranean region.

For the full year, the Group confirms its target of:

An increase in 2024 EBITDA of between +3% and +8%

This objective takes into account further operational savings at the Ragland plant, an easing in energy cost inflation over the period and a less favourable base of comparison in the second half of the year across most of the Group's regions.

In 2024, the **net capital expenditure committed** by the Group is likely to total around €325 million.

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 ratio to below 1.7x by year-end 2024 and has confirmed its year-end 2025 objective of below 1.3x.

Presentation meeting and conference call

To accompany this publication, the Vicat Group is holding an information conference call in English on 5 November 2024 at 3 p.m. Paris time (2 p.m. London time and 9 a.m. 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 12 p.m. CET on Vicat's website.

Next event:

Full-year 2024 results on 18 February 2025 after the market close.

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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 family. Committed to a trajectory that aims to make the company 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.

Disclaimer

- In this press release, and unless indicated otherwise, all changes are stated on a year-on-year basis (2024/2023), 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 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 financial debt** represents gross financial 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 calculated as net financial debt divided by consolidated EBITDA.

Groupe Vicat – Annexes

Consolidated sales by geographical regions

1. France

(€ million)	Q3 2024	Change reported	Change lfl*	9m 2024	Change reported	Change lfl*
Consolidated sales	**285**	–5.1%	**–5.1%**	**879**	–5.6%	**–5.6%**

**at constant scope and exchange rates*

During the third quarter, the pace of the volume decline affecting the Cement business in **France** slowed slightly. The project to build the TELT Lyon-Turin rail link gradually started to contribute to the Cement business during the period. Cement prices again showed resilience following the price increase introduced in the first quarter. Cement operational sales declined by –8.1% in the third quarter.

The Concrete & Aggregates business stabilised with a very slight decline in Concrete volumes and expansion in the Aggregates business, especially with the boost provided by TELT-related activities (reception of excavated materials). Concrete & Aggregates operational sales fell –2.3% in the third quarter.

Other Products & Services sales posted an increase of +2.8% in the third quarter given the ramp-up in the TELT project benefiting SATM Grands Travaux's business.

2. Europe (Switzerland and Italy)

(€ million)	Q3 2024	Change reported	Change lfl*	9m 2024	Change reported	Change lfl*
Consolidated sales	**111**	+2.8%	**+5.4%**	**307**	+1.5%	**+3.4%**

**at constant scope and exchange rates*

The Cement business in **Switzerland** was again impacted by the weakness of the residential market, with volumes declining slightly during the quarter. Major infrastructure projects (construction of the Gléresse tunnel and refurbishment of the Weissenstein tunnel) should support activity over the next few months. Prices were stable over the period. Cement operational sales rose +1.3% at constant scope and exchange rates in the third quarter. The key factor contributing was the strong performance of Altola (waste recovery).

In the Concrete & Aggregates business, operational sales declined -5.9% at constant scope and exchange rates in the third quarter. Other Products & Services operational sales improved +32.6% at constant scope and exchange rates as a result of the strong performance by Vigier Rail's business.

In **Italy**, consolidated sales rose +11.8% at constant scope in the third quarter amid an increase in both volumes and average selling prices.

3. Americas (USA and Brazil)

(€ million)	Q3 2024	Change reported	Change lfl*	9m 2024	Change reported	Change lfl*
Consolidated sales	**262**	–3.0%	**+1.2%**	**756**	+4.9%	**+6.5%**

**at constant scope and exchange rates*

In the **United States**, the Cement business continued to expand in the third quarter. Volumes grew slightly despite a downturn in activity during September. Hurricane Helene significantly disrupted operations in the South-East US during late September. The situation has now reverted to normal. In California, volumes declined slightly over the quarter owing to the weakness of residential demand. The downtrend in interest rates is likely to help support the rebound over the coming months. The pricing environment remained favourable and benefited from the carryover effect of the September 2023 price increases and further price hikes introduced in California during the second quarter of 2024. Cement operational sales rose +3.7% at constant scope and exchange rates in the third quarter.

Concrete operational sales in the United States were stable in the third quarter (up +0.9% at constant scope and exchange rates) as a result of dynamic pricing trends.

In **Brazil**, the volume contraction affecting the Cement business was smaller than in the first half, with volumes having rebounded in September. The Mid-West region where Ciplan is based was again affected by an unfavourable competitive environment. As a result, the Group prioritised a “price over volume” strategy, which allowed it to achieve stable average selling prices over the quarter. Overall, Cement operational sales declined by –3.2% at constant scope and exchange rates in the third quarter.

Concrete & Aggregates operational sales rose +3.8% in Brazil at constant scope and exchange rates in the third quarter, with prices and aggregates volumes moving higher.

4. Asia (India and Kazakhstan)

(€ million)	Q3 2024	Change reported	Change lfl*	9m 2024	Change reported	Change lfl*
Consolidated sales	**103**	–21.4%	**–19.0%**	**345**	–5.1%	**–3.6%**

**at constant scope and exchange rates*

After a solid first half, activity levels declined in **India** as a result of the monsoon and a more unfavourable base of comparison (volumes had rebounded strongly in the third quarter of 2023 owing to renewed cost competitiveness). The post-election environment also weighed on construction activity, with the temporary weakness of public spending, especially in the State of Andhra Pradesh. Volumes declined in the third quarter, except at Maharashtra (Kalburgi Cement serves Mumbai via a rail terminal). Prices declined over the period despite a slight rebound in September. Operational sales declined by –22.0% at constant scope and exchange rates in the third quarter.

Activity levels in **Kazakhstan** were affected by a decline in volumes against an unfavourable base of comparison. Prices rebounded in the third quarter, after a downtrend in the first half. Operational sales declined by –5.7% at constant scope and exchange rates in the third quarter.

5. Mediterranean (Turkey and Egypt)

(€ million)	Q3 2024	Change reported	Change lfl*	9m 2024	Change reported	Change lfl*
Consolidated sales	**129**	–15.9%	**+23.0%**	**343**	–1.7%	**+32.1%**

**at constant scope and exchange rates*

The Cement business in **Turkey** was impacted by a volume contraction in the third quarter as a result of the economic slowdown, accentuated by more sluggish public-sector construction activity after last spring's municipal elections. Prices rose at the same pace as in the first six months of the year to make up for the effects of inflation on production costs. As a result, Cement operational sales in Turkey grew +4.9% at constant scope and exchange rates in the third quarter (the decline worked out at –26.3% on a reported basis owing to the strong depreciation in the Turkish lira against the euro over the period).

Concrete & Aggregates operational sales in Turkey grew +3.0% at constant scope and exchange rates in the third quarter as selling prices moved higher, despite a contraction in concrete volumes (the decline worked out at –28.9% on a reported basis owing to the strong depreciation in the Turkish lira against the euro over the period).

The Cement business in **Egypt** recorded lower domestic market volumes, but these factors were more than offset by growth in cement and clinker volumes for export to the Mediterranean and Africa regions. Prices rose substantially in the domestic market, although export prices, which are denominated in US dollars, remained higher. Operational sales rose +106.8% at constant scope and exchange rates in the third quarter and +31.3% on a reported basis.

6. Africa (Senegal, Mali, Mauritania)

(€ million)	Q3 2024	Change reported	Change lfl*	9m 2024	Change reported	Change lfl*
Consolidated sales	**89**	+3.7%	**+4.3%**	**286**	–2.7%	**–1.8%**

**at constant scope and exchange rates*

The Cement business in **Senegal** posted growth in the third quarter, with a slight increase in volumes owing to improved weather conditions amid a stable pricing environment. Cement operational sales rose +0.6% in Senegal in the third quarter. The Group's priority remains commissioning kiln 6, with its ramp-up phase due to begin in the first half of 2025 and a contribution to EBITDA expected from the second half of 2025.

Aggregates operational sales rose +30.1% in Senegal in the third quarter following the disruption in the second quarter. This performance was driven by an improvement in volumes and prices during the third quarter.

Cement operational sales in **Mali** declined by –3.9% as a result of a small volume contraction, while prices remained stable in the third quarter.

Cement operational sales rose +11.6% in **Mauritania** at constant scope and exchange rates as a result of strong volume growth.

9-month 2024 sales by business activities

Cement

(€ million)	Nine-month 2024	Nine-month 2023	Change reported	Change lfl*
Volume (thousands of tonnes)	**21,312**	21,535	–1.0%	
Operational sales	**1,837**	1,902	–3.4%	+2.2%
Consolidated sales	**1,562**	1,623	–3.8%	+2.1%

**at constant scope and exchange rates*

Concrete & Aggregates

(€ million)	Nine-month 2024	Nine-month 2023	Change reported	Change lfl*
Concrete volumes (thousands of m^3)	**7,034**	7,406	–5.0%	
Aggregates volumes (thousands of tonnes)	**17,063**	18,209	–6.3%	
Operational sales	**1,134**	1,124	+0.9%	+5.7%
Consolidated sales	**1,095**	1,096	+0.0%	+4.5%

**at constant scope and exchange rates*

Other Products & Services

(€ million)	Nine-month 2024	Nine-month 2023	Change reported	Change lfl*
Operational sales	**362**	349	+3.8%	+5.4%
Consolidated sales	**259**	242	+7.1%	+6.7%

**at constant scope and exchange rates*