



# 2018 consolidated nine-month sales

Wednesday November 7, 2018

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- ▼ In this presentation, and unless indicated otherwise, all variations are based on the first nine months of 2018 by comparison with the first nine months of 2017, and are **at constant scope and exchange rates**
- ▼ Further information about Vicat is available from its website ([www.vicat.fr](http://www.vicat.fr)).



# 2018 nine-months main points

- ▼ Growth of +7.6% in consolidated sales over the first nine months of the year on a like-for-like basis
- ▼ Very strong currency headwinds leading to a negative impact of -€125 million at end September
- ▼ All countries delivered growth on a like-for-like basis except for Egypt and Switzerland
- ▼ Increase of +4.0% in third-quarter sales on a like-for-like basis



# Geographical breakdown of sales France

(€ million)	30/09/2018	30/09/2017	Variation (%)	
			Published	At constant scope
Consolidated sales	709	665	+6,6%	+6,4%

Q3 sales at €236 million, up +6.9%

- ▼ 9 months **Cement** operational sales up +3.8%
  - ▼ Volumes rose by over +3% despite sharp fall in export sales
  - ▼ Selling prices edged up in domestic market and more significantly in export markets
  - ▼ **Q3** operational sales up +4.5%
    - ▼ Volume growth of close to +3%, selling prices rose again in domestic market
- ▼ 9 months **Concrete & Aggregates** operational sales up +3.1%
  - ▼ Rise in Concrete selling prices largely offsetting the decline in volumes
  - ▼ Aggregates volumes rose close to +3%, prices firmed up
  - ▼ **Q3** operational sales up +5.5%
    - ▼ Volumes stable in Concrete and up over +3% in Aggregates, Selling prices rose significantly in both activities
- ▼ In the **Other Products & Services** business, 9 months operational sales up +11.7%



# Geographical breakdown of sales Europe (excluding France)

( <i>€ million</i> )	30/09/2018	30/09/2017	Variation (%)	
			Published	At constant scope
Consolidated sales	292	315	-7,1%	-3,0%

Q3 sales down -8.1% (-8.3% reported basis)

▼ In **Switzerland**, 9 months consolidated sales down -3.4% (-7.7% reported basis)

▼ In the **Cement** business, operational sales declined -5.9%

▼ -10% dip in volumes

▼ Selling prices firmed up very slightly

▼ **Q3** operational sales fell back -5.4% (Volumes -8% and selling prices very slightly lower)

▼ In the **Concrete & Aggregates** business, operational sales dropped -5.8%

▼ -11% Concrete volume drop, over -10% in Aggregates

▼ Selling prices moved higher in both Concrete and Aggregates

▼ **Q3** operational sales fell -4% (Volumes -11% in Concrete and -7% in Aggregates. Prices stable in Aggregates with tangible increase in Concrete)

▼ **Precast business** up +1.4% (down -15% in Q3)

▼ In **Italy**, consolidated sales +10.9%

▼ **Q3** sales up +41.7% with strong increases in volumes and prices



# Geographical breakdown of sales United-States

(€ million)	30/09/2018	30/09/2017	Variation (%)	
			Published	At constant scope
Consolidated sales	307	297	+3,4%	+11,0%

- ▼ The US maintains growth momentum in a still upbeat macroeconomic environment supportive for the construction sector
  - ▼ **Q3 sales** up +7.4%
- ▼ 9 months **Cement** operational sales grew +11.9%
  - ▼ Volumes up over +6% in the South-Eastern US through more favourable weather conditions
  - ▼ Selling prices rose in both zones
  - ▼ **Q3** operational sales rose +10.6%
    - ▼ Volumes grew by close to +5%, with contraction in California offset by strong growth in the South-East
    - ▼ Selling prices moving significantly higher in both zones
- ▼ 9 months **Concrete** operational sales up +6.7%
  - ▼ Volumes up +1% with small downturn in California and healthy growth in South-Eastern US
  - ▼ Selling prices moved higher in both regions
  - ▼ **Q3** operational sales stable
    - ▼ Volumes declined by close to -7% with contraction in California only partly offset by volume growth in the South-East
    - ▼ Average selling prices recorded a tangible increase, especially in California



# Geographical breakdown of sales Asia

(€ million)	30/09/2018	30/09/2017	Variation (%)	
			Published	At constant scope
Consolidated sales	440	426	+3,1%	+22,6%

- ▼ A negative €83 million exchange rate impact over the full period
  - ▼ Q3 Asia sales up +10.7%
- ▼ In **Turkey**, 9 months consolidated sales came to €134 million, up +17.9%. Q3 sales were stable due to knock-on effects of devaluation on macroeconomic and industry environment
  - ▼ In Cement, 9 months operational sales rose +18.1%
    - ▼ Volumes up slightly with sharp increase in selling prices
    - ▼ Q3 operational sales rose +2.6% (Volume down -11% and healthy increase in selling prices).
  - ▼ In Concrete & Aggregates, operational sales +17.6%
    - ▼ Volumes in Concrete declined by around -2% and close to -20% in Aggregates
    - ▼ Selling prices moved higher in both Concrete and Aggregates
    - ▼ Q3 operational sales down -0.6% (-18% decline in Concrete volumes and -39% in Aggregates, Higher prices in Concrete and in Aggregates)
- ▼ In **India**, consolidated sales of €254 million in the first nine months of 2018, up +23.6%
  - ▼ Volumes up by close to +29% with over 4.9 million tonnes delivered
  - ▼ Decrease in selling prices
  - ▼ Q3 sales up +15.2% with volumes up close to +19%, fall in selling prices, but to a lesser extent than in previous quarters
- ▼ In **Kazakhstan**, 9 months sales of €52 million, up +34.3%
  - ▼ Sharp rise in selling prices combined with volume growth of +15%
  - ▼ Q3 sales: +28.6% with significant rise in selling prices in both domestic market and export markets, stable volumes (+1%)



# Geographical breakdown of sales Africa and Middle-East

(€ million)	30/09/2018	30/09/2017	Variation (%)	
			Published	At constant scope
Consolidated sales	200	218	-8,4%	-7,3%

Q3 sales down -5.8% to €63 million

## ▼ In **Egypt**, 9 months sales at €27 million, down -39.4%

- ▼ Volumes down more than -50% due to March – April plant shutdown and to a lesser extent, the slowdown in Egypt's construction market as a result of the economic downturn
- ▼ Selling prices up sharply, but increase still not sufficient to make up for the very strong cost inflation caused by devaluation
- ▼ **Q3** sales down -5.9%
  - ▼ Volumes down -21%, selling prices up significantly but not enough to cover cost increase

## ▼ In **West Africa**, 9 months sales up +1.6% to €173 million

- ▼ Cement volumes stable across the region as a whole
- ▼ Selling prices stable in Senegal
- ▼ In Senegal, the Aggregates business grew +9.1%
- ▼ **Q3** sales down -5.8%
  - ▼ Volume contraction in Cement of over -12%, owing partly to delay in wintering
  - ▼ Aggregates in Senegal up +8% leveraging the increase in capacity and in prices
  - ▼ Selling prices increase in Senegal in Cement due to favourable geographic mix



# Financial situation

## Balance Sheet

- ▼ At 30 September 2018, net debt represents 37.1% of consolidated equity compared with 38.1% at 30 September 2017
- ▼ Leverage ratio (net debt/EBITDA) was 1.97x at 30 September 2018 vs. 2.01x at 30 September 2017

# Acquisition of a majority shareholding in Ciplan in Brazil

- ▼ Vicat has entered into an agreement with the shareholders of Ciplan (Cimento do Planalto) to acquire a majority shareholding in the latter's share capital
  - ▼ This deal is structured as a reserved capital increase of €290 million, which would give Vicat a majority stake of approximately 65%
  - ▼ The proceeds will be used to repay the lion's share of Ciplan's existing debt
  - ▼ It is important to note that certain conditions precedent still need to be satisfied before the deal can go ahead
- ▼ A further step forward under Vicat's strategy of selective external growth and geographical diversification, establishing Vicat in a new emerging market with a strong growth outlook



# Unwinding of cross-shareholdings

- ▼ In line with the Group's debt reduction objective, SOPARFI, one of the family holding companies of Vicat, has decided to unwind its cross-shareholding via the cancellation of 22.46% of its shares held by Vicat Group subsidiaries
- ▼ Upon completion of the transaction, Vicat and its subsidiaries will no longer hold any SOPARFI shares
- ▼ The valuation of the cancelled SOPARFI shares is €98 million euros
  - ▼ Valuation provided by an independent international audit firm
- ▼ The overall after-tax capital gain is **€67 million** to be recognised in Vicat's consolidated equity and will thus contribute to the process of deleveraging the Group



# Outlook

- ▼ In 2018, the macroeconomic environment is characterised by:
  - ▼ Brisk economic growth, mitigated by political uncertainties in certain emerging markets
  - ▼ Sharp appreciation in the euro against most currencies
  - ▼ Energy prices have headed higher
- ▼ For 2018, the Group expects an improvement in its EBITDA at constant scope and exchange rates by:
  - ▼ Implementing a proactive, but balanced commercial policy:
    - ▼ focus on expanding its sales volumes
    - ▼ raising its selling prices where the competitive environment permits
  - ▼ Continuing to pursue its policy of optimising production costs
- ▼ Given the very strong currency headwinds affecting performance in euros, full year 2018 EBITDA on a reported basis is likely to be broadly stable compared with FY 2017

The detailed information concerning the outlook for the Group's various markets is available in the press release for the Q3 2018 sales on the company's website [www.vicat.com](http://www.vicat.com)

