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2019

H1 RESULTS



Hugues Chomel
Chief Financial Officer

Stéphane Bisseuil
Investor relations Officer



VICAT

Disclaimer



- ▼ This presentation 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
- ▼ Figures for the first half of 2018 are presented on a proforma basis after taking account of effects relating to the application of IFRS 16, as disclosed on 29 April 2019 in the press release entitled “New Geographical Information and Impacts of IFRS 16”, available on the company’s website at www.vicat.fr.
- ▼ 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
- ▼ Throughout this analysis, and unless indicated otherwise, all changes are stated on a consolidated, year-on-year basis (2019/2018), and at constant scope and exchange rates
- ▼ The audited consolidated financial statements for the first half of 2019 and the notes are available in their entirety on the Company’s web site www.vicat.fr



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Highlights



Sales at **€1,340 million**



Solid cash flow of
€173 million



EBITDA at €228 million, up +3.1%

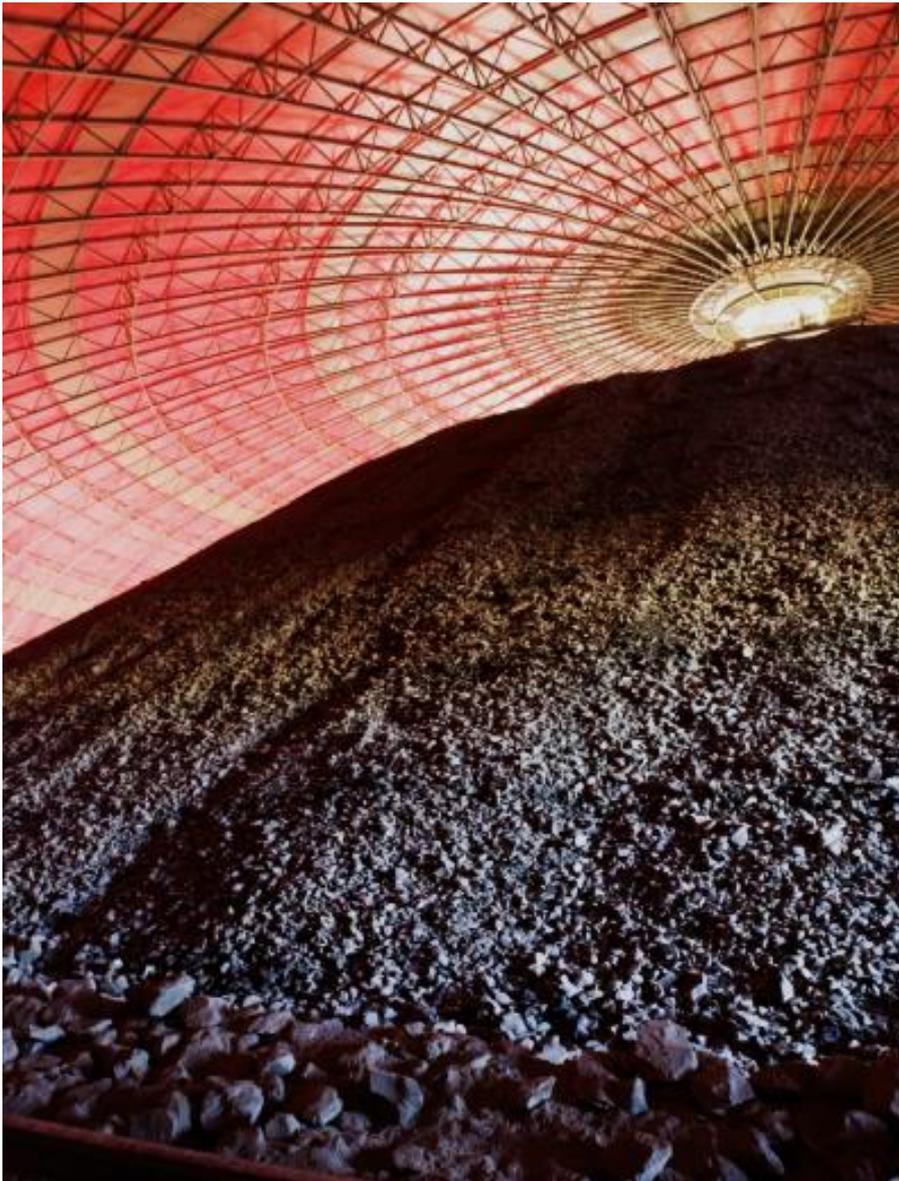
(at constant scope and exchange rates and
excluding a non-recurring settlement payment
booked in the US in the first half of 2018)



Net Debt at
€1.465 billion
versus €1 112
million at 30 June
2018



Net income, Group share of
€46 million



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Simplified income statement



(€ million)	H1 2019	H1 2018 restated	Change (reported)	Change (at constant scope and exchange rates)
Consolidated sales	1,340	1,281	+4.6%	-0.6%
EBITDA	228	224	+1.7%	-1.8%
EBIT	97	107	-9.4%	-8.0%
Consolidated net income	48	61	-21.5%	-17.4%
Net income, Group share	46	58	-20.7%	-19.0%

▼ **Sales down -0.6%**

▼ **EBITDA growth** of +3.1% at constant scope and exchange rates and excluding the impact of the settlement payment in the United States resulting from:

- substantial increases in EBITDA in India, France and Kazakhstan
- in the United States, a +3.4% increase (excluding the settlement payment)

These positive factors compensated for:

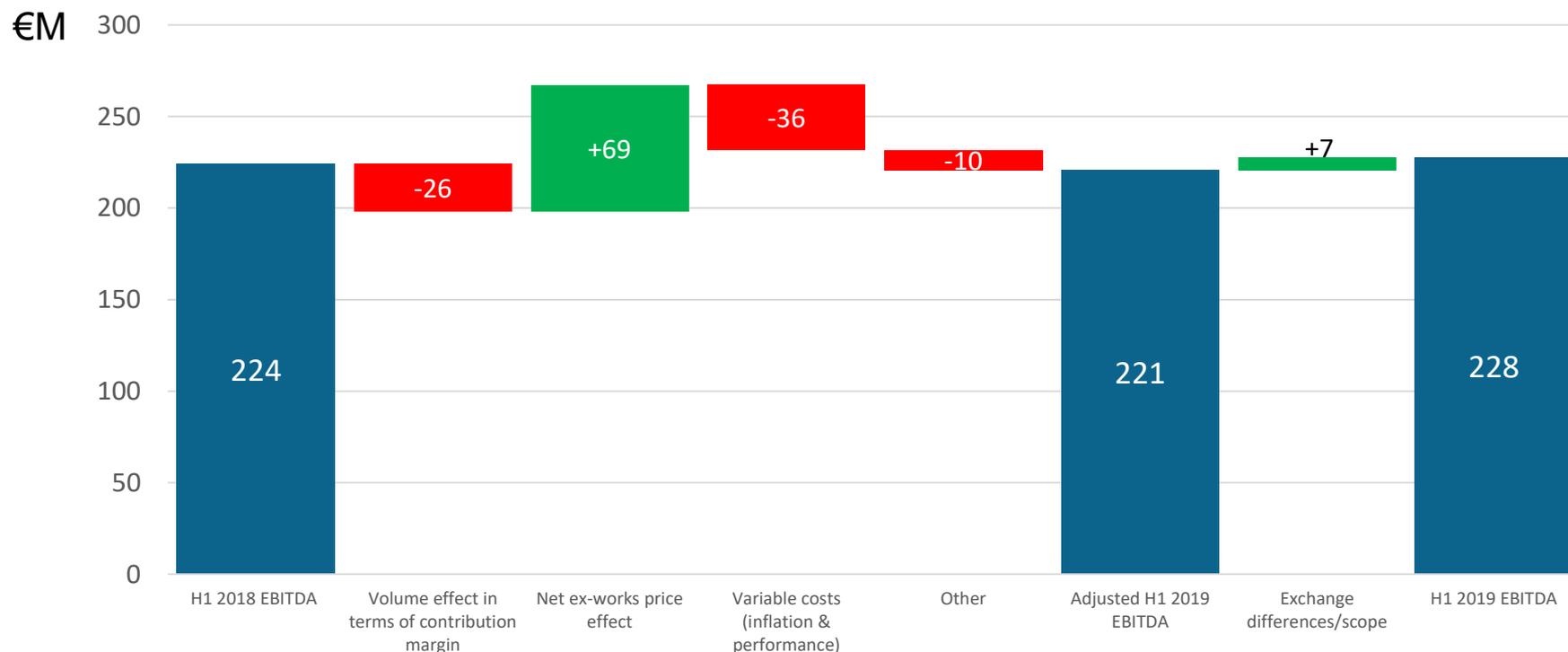
- sharp decrease in EBITDA in Turkey affected by large fall in volumes
- downturn in Switzerland, essentially due to lower business levels in Other Products & Services
- -45.8% decline in Egypt, where selling prices fell slightly while production and logistics costs rose sharply

▼ **Consolidated EBIT down -8% with EBIT margin at 7.2%**

- Increase in depreciation, amortisation and provisions following the acquisition of Ciplan in Brazil and the start of operations at the Vernon plant in California and the Mumbai terminal in India
- Non-recurrence of the settlement payment booked in the United States

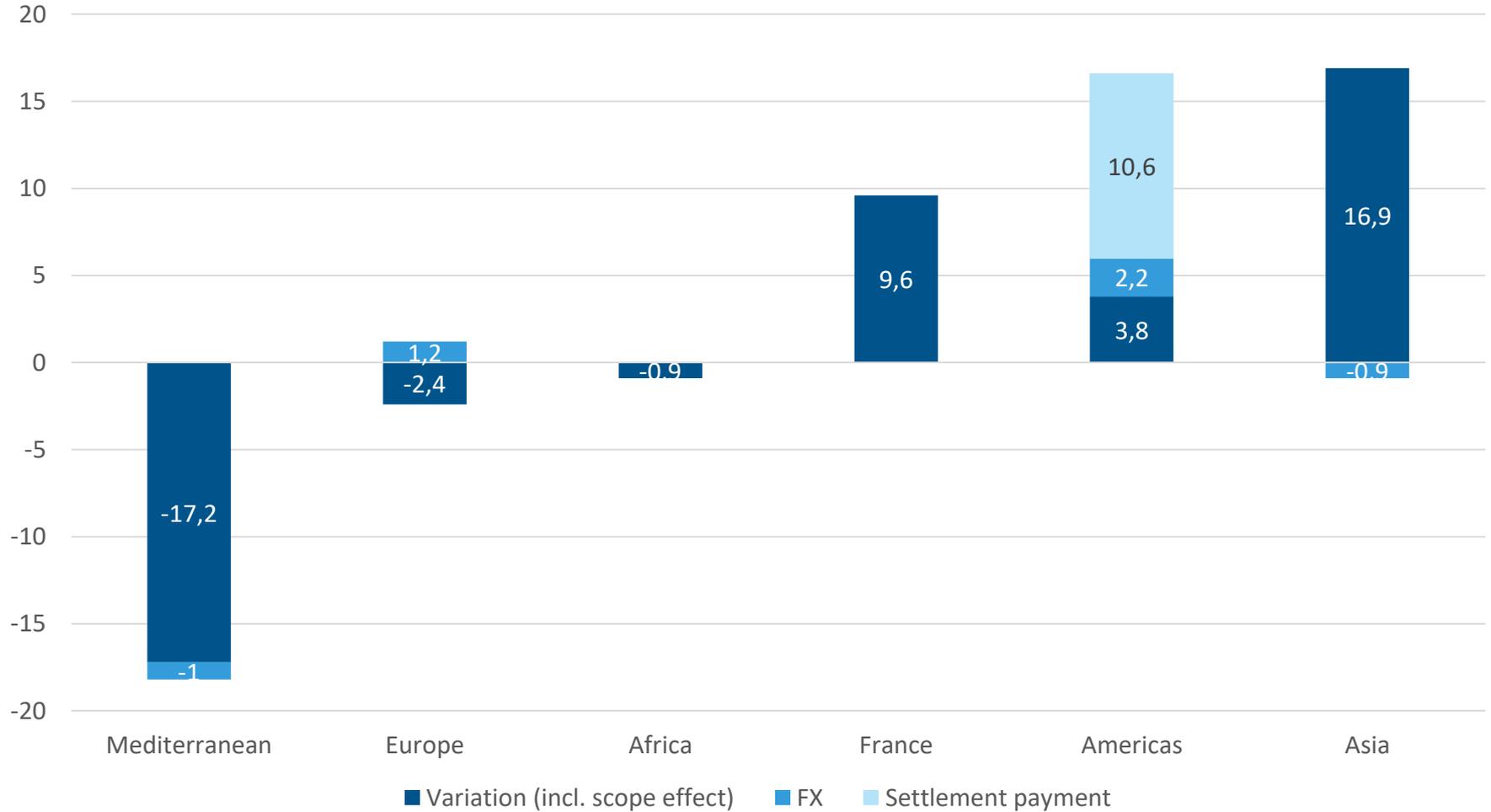
H1 2018/H1 2019 EBITDA bridge analysis

- ▼ **Positive impact** from higher selling prices throughout all activities
- ▼ **Increase in variable costs:** higher energy costs (+8%)
- ▼ **Negative volume effect:** strong decrease in Turkey, and, to a lower extent, in India
- ▼ **Other:** settlement payment booked in the first half of 2018 in the Cement activity in the US



H1 2018/H1 2019 EBITDA bridge analysis

€M





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Analysis by region

France



(€ million)	H1 2019	H1 2018 restated	Change (reported)	Change (at constant scope and exchange rates)
Sales	500	473	+5.8%	+5.1%
EBITDA	84	75	+12.8%	+12.4%
EBIT	44	34	+28.7%	+28.6%

▼ Buoyant business levels

- More favourable macroeconomic and sector environment
- Strong activity in the infrastructure, industrial and commercial markets offsetting the contraction in the residential market
- Price increases in all businesses

▼ EBITDA up +12.4%

▼ EBITDA margin up to 16.8% versus 15.8%

▼ *Cement*

- Operational sales up +4.0%
 - Stable volumes and higher average selling prices
 - Q2 operational sales up +3.0%
- EBITDA down -1.1%

▼ *Concrete & Aggregates*

- Operational sales up +8.1%
 - Increase in Concrete prices, with stable volumes
 - Higher prices in Aggregates, with higher volumes as well
- EBITDA up +54.1%
 - EBITDA margin up 350 basis points

▼ *Other Products & Services*

- Operational sales stable, up +2.5% in Q2
- EBITDA down -4.1%

Analysis by region

Europe (excluding France)



(€ million)	H1 2019	H1 2018 restated	Change (reported)	Change (at constant scope and exchange rates)
Sales	182	184	-1.2%	-4.4%
EBITDA	38	39	-3.1%	-6.3%
EBIT	19	22	-11.7%	-14.7%

SWITZERLAND

- ▼ Slowdown related to a decline in the Precast and Concrete business
- ▼ Sales down -6.7% and EBITDA down -6.5%
 - Stable EBITDA margin
- ▼ *Cement*
 - Stable operational sales: stable volumes but lower selling prices due to change in product & client mix
 - EBITDA down -0.5%, EBITDA margin down 30 basis points

▼ *Concrete & Aggregates*

- Operational sales down -5.8%:
 - lower volumes in Concrete and stable Aggregates
 - higher prices in Concrete, falling in Aggregates
- EBITDA down -4.3% and EBITDA margin up 30 basis points

▼ *Precast*

- Sales down -15.0% due to delays in rail projects, EBITDA down -41.7%

ITALY

- ▼ Inclusion of quick-setting cement sales
- ▼ Consolidated sales up +51.9%
- ▼ EBITDA stable (-0.6%)

Analysis by region

Americas



(€ million)	H1 2019	H1 2018 restated	Change (reported)	Change (at constant scope and exchange rates)
Sales	275	194	+42.0%	+4.2%
EBITDA	39	40	-3.9%	-23.8%
EBIT	8	21	-63.0%	-55.3%

UNITED STATES

- ▼ **Macroeconomic and sector environment remained favourable**
 - Challenging weather conditions in California
- ▼ **Sales up +4.2%**
- ▼ **EBITDA up +3,4%, excl. H1 2018 settlement payment (€10,6 million)**
 - Including the settlement, EBITDA down -23.8%
- ▼ **Cement**
 - Operational sales stable in H1 (up +5.5% in Q2)
 - Volumes were down by -5% due to rainfall while prices rose substantially across the region
 - EBITDA was down -7.6% when adjusted
 - Down -35.6% including H1 2018 settlement

▼ Concrete

- Operational sales up +6.4%
 - Volumes rose slightly, but strong increase in selling prices, especially in California
- EBITDA up +49.3% with EBITDA margin, up 190 basis points

BRAZIL

▼ Situation is improving gradually

- Sales of €59 million with EBITDA of €6million generated since the Ciplan acquisition was completed on 21 January 2019
- *In the Cement business*
 - operational sales at €45 million with volumes and prices up
- *In the Concrete & Aggregates business*
 - operational sales at €17 million with volumes up, and selling prices up in Aggregates but down in Concrete

Analysis by region

Asia



(€ million)	H1 2019	H1 2018 restated	Change (reported)	Change (at constant scope and exchange rates)
Sales	193	200	-3.2%	-2.3%
EBITDA	48	32	+49.6%	+52.4%
EBIT	31	16	+93.8%	+98.4%

INDIA

- ▼ Sales of €162 million down -5.8%
 - In line with Group strategy of focusing on raising prices rather than volumes
 - Volumes down almost -16% to approximately 2.8 million tonnes
 - Selling prices up sharply
- ▼ EBITDA at €36 million, up +53%, despite energy cost inflation,
 - EBITDA margin at 22.0% compared with 13.5%

KAZAKHSTAN

- ▼ Sales up +18.4%
 - Volumes redirected to export markets offering more attractive prices
 - Volumes down by almost -5%
 - Selling prices rise sharply in both the domestic and export markets
- ▼ Despite substantial increase in energy costs, EBITDA up +50% at €13 million
 - EBITDA margin up to 41.0% from 32.3%

Analysis by region Mediterranean



(€ million)	H1 2019	H1 2018 restated	Change (reported)	Change (at constant scope and exchange rates)
Sales	75	109	-31.8%	-18.5%
EBITDA	-4	14	n/a	n/a
EBIT	-14	4	n/a	n/a

TURKEY

- ▼ In **Turkey**, sales at €57 million, down -23% due to impact of 2018 devaluation
- ▼ EBITDA at €2 million
- ▼ *Cement business*
 - operational sales down -24.2%
 - Substantial fall in volumes partly offset by strong increase in average selling prices
 - EBITDA down -78.6%
- ▼ *Concrete & Aggregates*
 - operational sales down -18.2%
 - Volumes down -32.3% in Concrete and -34.3% in Aggregates.
 - Selling prices rose substantially in both Concrete and Aggregates
 - Break even EBITDA vs €5 million in 2018

EGYPT

- ▼ Sales at €18 million, up +12.6%
 - Volumes rose +18.6% due to low base for comparison in the first quarter
 - Selling prices erosion: competitive environment remains difficult
- ▼ EBITDA loss of -€6 million, compared with a loss of -€4 million in 2018

Analysis by region

Africa



(€ million)	H1 2019	H1 2018 restated	Change (reported)	Change (at constant scope and exchange rates)
Sales	115	122	-5.7%	-5.9
EBITDA	23	24	-3.7%	-3.8%
EBIT	8	9	-11.6%	-11.6%

- ▼ Positive macroeconomic and sector environment even if affected by elections in Senegal, Mali and Mauritania
- ▼ *Cement:*
 - Sales fell -7.4%
 - Lower volumes (-7%) due to production constraints
 - Selling prices almost unchanged
 - EBITDA -18.2%: increase in production costs
- ▼ *Aggregates (Senegal):*
 - Sales stable
 - EBITDA rise of +21.0%



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▶ **Balance sheet and cash flow statement**

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Financial position

Cash flow



Cash flow of €173 million
compared to €171 million at end-June 2018

-

Capital expenditure of €108 million
compared to €94 million at end-June 2018

-

Net financial investments of €340 million
mainly due to the Ciplan acquisition in Brazil

Financial position

Balance-sheet items (under IFRS 16)



Net debt of €1,465 million
versus €1,112 million at end-June 2018

Consolidated equity of €2,461 million
compared with €2,329 million at end-June 2018

Gearing of 59.6% based on consolidated equity
versus 47.8% at end-June 2018

Leverage of 2,95x
as opposed to 2,32x at end-June 2018



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- ▼ In 2019, the macroeconomic context is likely to include **broadly firm economic growth**, although certain emerging-market regions will continue to face an uncertain political and sector environment.
- ▼ Finally, **consumed energy prices are likely to become much more favourable in the second half** given the recent decline in energy prices, the Group's policy of hedging its energy requirements and its industrial strategy of replacing fossil fuels
- ▼ Against this background, the Group expects **a marked improvement in its EBITDA and an increase in its net income over the full year**

2019 outlook



- ▼ The detailed information concerning the 2019 outlook for the Group's various markets is available in the H1 2019 press release on our website www.vicat.com