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2019

Q3 sales



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VICAT

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- ▼ 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.
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Q3 2019 Highlights



Consolidated sales up **+5.7%**
and stable (-0,7%) at constant
scope and exchange rates
to €2,059 million



Sales up +8% in Q3
(-1%) at constant scope and
exchange rates



**Increase in selling
prices across all
regions, bar Egypt**



Lower energy costs

Analysis by region

France



(€ million)	30/09/2019	30/09/2018	Change (reported)	Change (at constant scope and exchange rates)
Sales	750	709	+5.9%	+4.7%

▼ Favourable market trends

- Sound macroeconomic and industry conditions
- High activity levels in the infrastructure, industry and commercial markets, offsetting contraction in the residential segment
- Prices increases in all main businesses
- Q3 consolidated sales up +4,0%

▼ *In Cement, operational sales rise +3.7%*

- Stable volumes
- Strong selling prices increase in the domestic market
- Q3 Operational sales up +3.2%

▼ *In Concrete & Aggregates, operational sales rise +6.5%*

- Solid increase in prices in Concrete, along with a near +2% rise in volumes
- In Aggregates, volumes up almost +5%, and prices improve slightly
- Q3 sales up +3.4%
 - Volumes rose more than +4% in Concrete and almost +3% in Aggregates
 - Selling prices rose in both segments

▼ *In Other Products & Services, operational sales up +3.6%*

- Q3 operational sales rose +5.9%

Analysis by region

Europe: Switzerland and Italy



(€ million)	30/09/2019	30/09/2018	Change (reported)	Change (at constant scope and exchange rates)
Sales	294	292	+0.5%	-3.0%

SWITZERLAND

- ▼ Consolidated sales fell -4.6% like-for-like
 - Q3 sales down -1.1% at constant exchange rates
- ▼ *In Cement, operational sales grew +1.5%*
 - Higher volumes and stable selling prices
 - Q3 operational sales up +3.6% at constant exchange rates
 - Volumes rose slightly with solid increase in selling prices
- ▼ *In Concrete & Aggregates, operational sales fell -4.7%*
 - Volumes down -5% in Concrete and -3% in Aggregates, with selling prices up slightly in Concrete and down in Aggregates.
 - Q3 operational sales down -2.9%
 - Concrete volumes rebounded by almost +4% but Aggregates volumes fell again by more than -8%
 - Selling prices fell in both Concrete and Aggregates

- ▼ *In the Precast business, operational sales fell -10.7%*
 - Stiff competition in standardised products and lower order levels in the rail business
 - Q3 operational sales down -3.6% with an upturn in rail orders

ITALY

- ▼ Consolidated sales grew +37.3%
 - Volume growth of almost +29% with increase in selling prices, resulting to a large extent from a change in the product mix

Analysis by region

Americas: United States and Brazil



(€ million)	30/09/2019	30/09/2018	Change (reported)	Change (at constant scope and exchange rates)
Sales	442	307	+44.0%	+5.4%

UNITED-STATES

- ▼ Consolidated sales up +5.4% (+7.3% in Q3)
 - Favourable macroeconomic and sector environment
- ▼ *In Cement, operational sales grew by +2.1%*
 - Volumes fell by more than -2%
 - Selling prices rose substantially in both regions
 - Q3 operational sales up +5.1%. Volumes up almost +2%, with strong growth in California. Selling prices rose substantially in both US regions, and more sharply in the South-East
- ▼ *In Concrete, operational sales moved up +8.8%*
 - Volumes grew more than +4% with both US regions posting increases in volumes and prices
 - Q3 operational sales up +13.1%. Lower volumes in the South-East, with much higher volumes in California. Average selling prices increased in both California and the South-East

BRAZIL

- ▼ Consolidated sales generated since the Ciplan acquisition at €98 million
 - Improved macroeconomic and sector situation and the Group is focusing on raising its selling prices
- ▼ *In Cement, operational sales at €75.6 million*
 - Volumes down slightly, selling prices rose
 - Q3 operational sales at €27,8 million
- ▼ *In Concrete & Aggregates, operational sales at €28.2 million*
 - Concrete deliveries at almost 355,000 cubic meters and Aggregates volumes amounted to almost 1.5 million tonnes, a large year-on-year increase, especially in the Concrete business
 - Solid increase in selling prices, particularly in Aggregates

Analysis by region

Asia: India and Kazakhstan



(€ million)	30/09/2019	30/09/2018	Change (reported)	Change (at constant scope and exchange rates)
Sales	286	307	-6.4%	-6.5%

INDIA

- ▼ Consolidated sales of €233 million down -9.8%
 - A near -18.3% decrease in Cement volumes, with 4 million tonnes delivered
 - In line with Group's strategy, sharp increases in selling prices over the period as a whole
- ▼ Q3 sales in India fell -18.2%
 - Late and very intense monsoon season, with temporary slowdown in economic growth following elections, particularly in the infrastructure sector
 - Decrease in volumes of more than -23%
 - Solid improvement in average selling prices

KAZAKHSTAN

- ▼ Consolidated sales of €53.7 million, up +9.3%
 - Fall in volumes of more than -3%
 - Sharp increase in selling prices
- ▼ Q3 sales fell -1.6% to €22.7 million
 - Volumes down -2%

Analysis by region

Mediterranean: Turkey and Egypt



(€ million)	30/09/2019	30/09/2018	Change (reported)	Change (at constant scope and exchange rates)
Sales	126	161	-21.8%	-14.6%

TURKEY

- ▼ Consolidated sales at €96 million, down -17.1%
 - Impact of the late August 2018 devaluation on the macroeconomic environment, along with the deterioration in the sector situation as a whole
 - Q3 sales at -2.1% as base for comparison was slightly more favourable and consumption levels in the market gradually stabilised at a low level
- ▼ *In the Cement business, operational sales: -29.4%*
 - Near-35% fall in volumes, partly offset by a large increase in average selling prices
 - Q3 operational sales fell -6.0% with near -27% drop in volumes and a solid increase in selling prices
- ▼ *Operational sales in Concrete & Aggregates fell -11.3%*
 - Volumes sold fell sharply in both Concrete and Aggregates
 - Selling prices increased in both business lines
 - Q3 operational sales up +7.5% as volumes fell by -12% in Concrete and -7% in Aggregates. Prices rose substantially in both Concrete and Aggregates

EGYPT

- ▼ Consolidated sales at €29.3 million, down -1.7%
 - Volumes rose more than +4%, whereas selling prices were still lower than in 2018
 - With the high operating costs and the current competitive situation, price evolutions failed to make up for the sharp rise in costs caused by devaluation

Analysis by region

Africa: Senegal, Mali and Mauritania

(€ million)	30/09/2019	30/09/2018	Change (reported)	Change (at constant scope and exchange rates)
Sales	161	173	-6.8%	-7.0%

▼ First nine-months positive macroeconomic environment despite:

- Elections in Senegal
- A more severe rainy season than usual
- A strike by road hauliers in Q3

▼ *Cement*

- Volumes fell by close to -5% across the region as a whole
- Limited by Sococim plant production issues
- Average selling prices were stable in Senegal, lower in Mali and higher in Mauritania

▼ *Aggregates* business levels fell

- High base for comparison
- Rainy season
- Road hauliers' strike also had a negative impact
- Strong slowdown of infrastructure work after election

▼ Q3 sales in West Africa fell -9.4%

– *Cement*: sales decline by more than -1%

- Volumes were stable
- In August, there was a sharp increase in selling prices in the Cement business, which should have its full impact towards the end of 2019

– *Aggregates*: severity of the rainy season and the road hauliers' strike affected the Aggregates business, with sales down more than -38%

Financial position at 30 September 2019



- ▼ **Gearing (net debt/equity)** was 54,9% at 30 September 2019, versus 46.4% at 30 September 2018 on an adjusted basis
- ▼ **Leverage ratio (net debt/EBITDA)** was 2.8x at 30 September 2019 as opposed to 2.23x at 30 September 2018
- ▼ **Excluding IFRS 16**, the reference still used for the calculation of covenants,
 - Gearing at 30 September 2019 was 45.4% compared with 37.1% at 30 September 2018
 - Leverage ratio was 2.61x compared to 1.97x at 30 September 2018

2019 outlook



- ▼ 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 becoming 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 an improvement in its EBITDA

2019 outlook



- ▼ The detailed information concerning the 2019 outlook for the Group's various markets is available in the Q3 2019 press release on our website www.vicat.com