



1 January – 31 March 2019

**Group of Titan Cement Company S.A.
Financial Summary Update**



Summary of Interim Consolidated Income Statement

(all amounts in Euro thousands)

	For the three months ended 31/3	
	2019	2018
Turnover	362.704	322.469
Cost of sales	-280.928	-244.721
Gross profit before depreciation, amortization and impairment	81.776	77.748
Other income	2.597	2.666
Administrative expenses	-31.880	-29.677
Selling and marketing expenses	-6.389	-5.296
Other expenses	-1.761	-1.926
Profit before interest, taxes, depreciation, amortization and impairment	44.343	43.515
Depreciation and amortization related to cost of sales	-30.444	-25.769
Depreciation and amortization related to administrative and selling expenses	-3.047	-1.166
Profit before interest and taxes	10.852	16.580
Finance income	420	292
Finance expense	-15.428	-14.336
(Losses)/gains from foreign exchange differences	-3.123	2.045
Share of loss of associates and joint ventures	-1.429	-1.975
(Loss)/profit before taxes	-8.708	2.606
Income tax	1.368	-1.463
(Loss)/profit after taxes	-7.340	1.143
Attributable to:		
Equity holders of the parent	-6.151	944
Non-controlling interests	-1.189	199
	-7.340	1.143
Basic (losses)/earnings per share (in €)	-0,0770	0,0117
Diluted (losses)/earnings per share (in €)	-0,0766	0,0117

Summary of Interim Consolidated Statement of Comprehensive Income

(all amounts in Euro thousands)

	For the three months ended 31/3	
	2019	2018
(Loss)/profit for the period	-7.340	1.143
Other comprehensive income/(loss):		
Exchange differences on translation of foreign operations	11.264	-23.359
Other comprehensive income/(loss)	4.318	-1.487
Deferred tax	-972	335
Net other comprehensive income/(loss)	3.346	-1.152
Total comprehensive income/(loss) for the period net of tax	14.610	-24.511
	7.270	-23.368
Attributable to:		
Equity holders of the parent	9.117	-23.066
Non-controlling interests	-1.847	-302
	7.270	-23.368

Summary of Interim Consolidated Statement of Financial Position

(all amounts in Euro thousands)

	31/3/2019	31/12/2018
Assets		
Property, plant & equipment and investment property	1.720.181	1.660.094
Intangible assets and goodwill	412.138	405.221
Investments in associates & joint ventures	117.052	117.567
Other non-current assets	13.095	13.190
Deferred tax asset	10.271	8.715
Non-current assets	2.272.737	2.204.787
Inventories	284.323	286.561
Receivables, prepayments and other current assets	240.502	207.582
Cash and cash equivalents	113.881	171.000
Current assets	638.706	665.143
Total Assets	2.911.443	2.869.930
Equity and Liabilities		
Share Capital 84,632,528 shares of €3.45	291.982	291.982
Share premium	22.826	22.826
Other equity	-114.229	-109.142
Other Reserves	752.499	738.487
Retained earnings	437.156	449.980
Equity attributable to equity holders of the parent	1.390.234	1.394.133
Non-controlling interests	75.605	77.157
Total equity (a)	1.465.839	1.471.290
Long-term borrowings	782.173	745.222
Deferred tax liability	96.940	94.414
Retirement benefit obligations	33.146	32.741
Provisions	30.348	28.373
Other non-current liabilities	5.890	5.687
Total non-current liabilities	948.497	906.437
Short-term borrowings	220.470	197.637
Trade, income tax and other payables	244.442	266.856
Current contract liabilities	22.377	15.944
Provisions	9.818	11.766
Total current liabilities	497.107	492.203
Total liabilities (b)	1.445.604	1.398.640
Total Equity and Liabilities (a+b)	2.911.443	2.869.930

Summary of Interim Consolidated Cash Flow Statement

(all amounts in Euro thousands)

	For the three months ended 31/3	
	2019	2018
Cash flows from operating activities		
Profit before interest, taxes, depreciation, amortization and impairment	44.343	43.515
Non-cash adjustments	3.061	1.199
Adjusted profit before changes in working capital	47.404	44.714
Decrease/(increase) in inventories	6.599	-7.417
Increase in trade and other receivables	-30.507	-19.626
(Decrease)/increase in trade and other payables (excluding banks)	-27.634	633
Cash (used in)/generated from operations	-4.138	18.304
Income tax paid	-3.571	-2.165
<i>Net cash flows (used in)/from operating activities</i>	-7.709	16.139
Cash flows from investing activities		
Payments for tangible and intangible assets	-23.114	-19.208
Proceeds from sale of tangible and intangible assets	488	767
Proceeds from dividends	512	312
Net proceeds/(payments) from increase in investments to affiliates or equity instruments and other investing activities	368	-12.279
<i>Net cash flows used in investing activities</i>	-21.746	-30.408
Cash flows from financing activities		
Net payments of interest and other related charges	-11.398	-12.005
Net payments for purchase of treasury shares	-5.188	-1.343
Other payments of financing activities	-64	-1.050
Net (payments)/proceeds from borrowings	-12.841	109.601
<i>Net cash flows (used in)/from financing activities</i>	-29.491	95.203
Net (decrease)/increase in cash and cash equivalents	-58.946	80.934
Cash and cash equivalents at start of period	171.000	154.247
Effects of exchange rate changes	1.827	-1.412
Cash and cash equivalents at end of period	113.881	233.769

1. Summary of Segment information

(all amounts in Euro thousands)

Information by operating segment

Period from 1/1-31/3	Greece and Western Europe		North America		Southeastern Europe		Eastern Mediterranean		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	31/3/2019	31/12/2018	31/3/2019	31/12/2018	31/3/2019	31/12/2018	31/3/2019	31/12/2018	31/3/2019	31/12/2018
Gross revenue	75.325	65.940	223.997	190.604	48.408	35.312	34.241	44.766	381.971	336.622
Inter-segment revenue	-19.213	-13.018	-54	-50	-	-1.085	-	-	-19.267	-14.153
Revenue from external customers	56.112	52.922	223.943	190.554	48.408	34.227	34.241	44.766	362.704	322.469
(Loss)/profit before interest, taxes, depreciation, amortization and impairment	-775	2.095	41.227	29.069	9.139	3.926	-5.248	8.425	44.343	43.515
Depreciation, amortization and impairment	-5.341	-5.029	-17.995	-13.853	-5.803	-5.527	-4.352	-2.526	-33.491	-26.935
(Loss)/profit before interest and taxes	-6.115	-2.934	23.232	15.216	3.336	-1.601	-9.601	5.899	10.852	16.580
Total assets of segments excluding Joint Ventures	546.332	563.634	1.126.484	1.054.947	489.174	492.607	641.651	650.607	2.803.641	2.761.795
Total assets of Joint Ventures									107.802	108.135
Total assets									2.911.443	2.869.930
Total liabilities	386.798	392.250	612.735	556.579	130.881	132.695	315.190	317.116	1.445.604	1.398.640

Information by business activities

Period from 1/1-31/3	Cement		Ready mix concrete, aggregates and building blocks		Other		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	192.423	171.934	169.221	148.316	1.060	2.219	362.704	322.469
Turnover								

2. Summary financial information for Joint Ventures

(all amounts in Euro thousands)

Period from 1/1-31/3	Companhia Industrial De Cimento Apodi		Adocim Cimento Beton Sanayi ve Ticaret A.S.	
	2019	2018	2019	2018
	18.092	16.855	-	10.099
Turnover				
Profit before interest, taxes, depreciation, amortization and impairment	1.800	3.109	-	1.489

On 11 October 2018, the Group acquired an additional 25% of the joint venture Adocim Cimento Beton Sanayi ve Ticaret A.S. and since that date, it is consolidated in the Group's financial statements with the full consolidation method instead of the equity method.

3. Expenses by nature

(all amounts in Euro thousands)

For the three months ended 31/3

	2019	2018
Staff costs and related expenses	-75.341	-65.698
Raw materials and consumables used	-91.014	-83.636
Energy cost	-56.237	-52.787
Changes in inventory of finished goods and work in progress	-5.004	3.418
Distribution expenses	-44.170	-34.823
Third party fees	-31.671	-30.792
Other expenses	-15.760	-15.376
Total expenses by nature	-319.197	-279.694

Included in:

Cost of sales	-280.928	-244.721
Administrative expenses	-31.880	-29.677
Selling and marketing expenses	-6.389	-5.296
	-319.197	-279.694

4. Summary of borrowings

(all amounts in Euro thousands)

	31/3/2019	31/12/2018
Current		
Bank borrowings	9.605	15.132
Bank borrowings in non euro currency	33.354	19.328
Debentures	160.433	160.298
Lease liabilities	17.078	2.879
	220.470	197.637
Non-current		
Bank borrowings	21.563	24.849
Bank borrowings in non euro currency	62.723	66.014
Debentures	645.671	645.365
Lease liabilities	52.216	8.994
	782.173	745.222
Total borrowings	1.002.643	942.859

Maturity of non-current borrowings and non-current finance lease liabilities:

(all amounts in Euro thousands)

	31/3/2019	31/12/2018
Between 1 and 2 years	63.641	21.007
Between 2 and 3 years	321.635	328.440
Between 3 and 4 years	25.901	46.592
Between 4 and 5 years	2.599	114
Over 5 years	368.397	349.069
	782.173	745.222

The Group has the following undrawn borrowing facilities:

(all amounts in Euro thousands)

	31/3/2019	31/12/2018
Floating rate:		
- Expiring within one year	223.615	232.662
- Expiring beyond one year	332.997	323.991

On 31 March 2019, Group's ratio of fixed to floating interest rates, taking into account outstanding cross currency swaps and interest rate swaps, stood at 89%/11% (31 December 2018: 89%/11%).

5. Foreign exchange differences

The variance of €5.2 mil. in the account "(losses)/gains from foreign exchange differences" in the summary of interim consolidated income statement for the period ended 31 March 2019 compared to the three months of the previous year is mainly due to the valuation of loans and other liabilities (including intercompany loans) in Euro, recorded by the Group's subsidiaries that operate in Egypt, Albania and US that have other functional currency. The volatility arising from foreign exchange rate fluctuations will continue to affect the Group's performance until the full repayment of the respective loans.

6. Summary of contingencies and commitments

(all amounts in Euro thousands)

Contingent liabilities

Bank guarantee letters
Other

	31/3/2019	31/12/2018
Bank guarantee letters	17.925	18.469
Other	815	1.020
	18.740	19.489

Contingent assets

Bank guarantee letters for securing trade receivables
Other collaterals against trade receivables

Bank guarantee letters for securing trade receivables	25.543	24.481
Other collaterals against trade receivables	8.485	8.835
	34.028	33.316
Collaterals against other receivables	1.802	1.635
	35.830	34.951

Capital commitments

Capital commitments contracted for at the balance sheet date but not recognized in the financial statements are as follows:

(all amounts in Euro thousands)

Property, plant and equipment

	31/3/2019	31/12/2018
Property, plant and equipment	1.979	1.945

Purchase commitments

Energy supply contracts (electricity etc.)

(all amounts in Euro thousands)

Not later than 1 year

	31/3/2019	31/12/2018
Not later than 1 year	1.229	-

In addition to the aforementioned purchase commitments, the Group's US subsidiaries have entered a contract to purchase raw materials and manufacturing supplies as part of their on-going operations in Florida. This includes a contract to buy construction aggregates through a multi-year agreement at prevailing market prices.

7. Events after the reporting period

On 16 April 2019, TITAN Cement International S.A. (TCI) announced, in accordance with Law 3461/2006, the submission of a voluntary share exchange tender offer to acquire all of the common and preference shares of the Company, in consideration for new shares issuable by TCI at an exchange ratio of one TCI share for each common or preference TITAN share. The purpose of the tender offer of TCI is to facilitate the listing of TITAN Group on Euronext Brussels, one of the largest European stock exchanges. Pursuant to the Tender Offer, TCI seeks to become the direct parent company of TITAN and the ultimate parent company of TITAN Group. TCI has already applied for the secondary listing of its shares on Euronext Paris. Also it intends to apply for the secondary listing and admission for trading of its shares on the Athens Exchange.

8. Reclassifications

In order the consolidated income statement of the first quarter of 2018 to be comparable with the corresponding period of 2019, the accounts: 1) "cost of sales" decreased by €72 thousand, 2) "administrative expenses" increased by €206 thousand, 3) "selling and marketing expenses" increased by €87 thousand and 4) "other expenses" decreased by €221 thousand, without changing the "profit before interest, taxes, depreciation, amortization and impairment" and the "(loss)/profit before taxes".