

TITAN CEMENT GROUP S.A.

FIRST HALF 2019 RESULTS

In the first half of 2019, TITAN Group recorded growth in sales revenue in all Regions of operations, with the exception of the Eastern Mediterranean. Consolidated turnover for the Group reached €785.4m, recording a 10.2% increase compared to the same period of 2018. This is attributable to the strong performance of the US market, growth in demand witnessed in Southeastern Europe and a modest recovery of sales for the Greek operations. EBITDA remained flat to previous year's levels at €122.2m, as the persistent challenging conditions in both Egypt and Turkey caused a decline in revenues and an EBITDA drop that offset the other Regions' improved operational profitability. The Group's net profit after minority interests and taxes was €13.3m versus €24.8m in the first half of 2018, a drop related to the strength of the US dollar causing \$5m of forex hedging costs and higher depreciation costs.

Consolidated turnover for TITAN Group in the second quarter of 2019 reached €422.7m, recording an 8.4% increase compared to Q2 2018 while EBITDA at €77.8m posted a marginal decline of 1.1%. Net profit after minority interests and taxes was €19.5m, recording a 18.4% decline.

€ m.	Q2:2019	Q2:2018	% change	First Half 2019	First Half 2018	% change
Turnover	422.7	390.0	8.4%	785.4	712.5	10.2%
EBITDA	77.8	78.7	-1.1%	122.2	122.2	0.0%
Profit before tax	25.0	32.6	-23.5%	16.2	35.2	-53.9%
Net profit*	19.5	23.9	-18.4%	13.3	24.8	-46.3%

* after minority interests and the provision for taxes

REVIEW OF OPERATIONS

Activity in the USA continued strongly, reflecting the healthy state of both the economy and the market. Demand for building materials was higher, compared to the previous year, across all TITAN America markets, leading to volume and revenue growth across all products except fly ash. Profitability improved despite the higher costs of imported cement and logistics and the loss of fly ash revenues.

Turnover in the USA recorded a 13.9% increase (6.3% in US \$ terms) in the first half of 2019 reaching €471.8m and EBITDA at €84.2m increased by 4.9% compared to last year.

In Greece, the domestic market recorded a modest increase in volumes with demand rising due to tourism related projects and a higher level of private sector consumption. Commencement of major projects, which had been delayed, is now dependent on Government's initiatives.

Total turnover for Greece and Western Europe in the first half of 2019 increased by 7.6% to €123.3m while EBITDA increased by 88.1% to €9.9m. Profitability has also been assisted by the positive impact of a stronger US \$ on export revenues.

In the growing economies of Southeastern Europe, construction activity and demand for building materials continued to increase, combined with improved prices, this resulted in improved overall performance. As the Region's development improves, Turnover posted a 17.1% increase to €120.7m while EBITDA was up by 37.2%, reaching €32.9m.

In the Eastern Mediterranean, market conditions remained challenging. In Egypt, domestic demand shrunk by approximately 5% in the first half. Coupled with the existing surplus capacity, stagnant prices and rising

operating costs, profitability remains poor. The new mega plant operated by the public sector since last year has exacerbated the challenge. In Turkey, as anticipated, demand continued to decline rapidly and is expected to record a 30% decline year-on-year. Although prices increased in local currency, they were not sufficient to cover inflation and the weakening of the Turkish Lira.

Total turnover for Eastern Mediterranean reached €69.7m, recording a 13.5% decline (-32% on a like-for-like basis in Euros), while at EBITDA level, the Group recorded a €4.7m loss versus a positive €12.8m in the same period in 2018.

In Brazil, despite record wet weather, cement volumes at Apodi (our 50% JV), were broadly stable while revenue for the first half, increased by 7% reflecting better market dynamics.

FINANCING AND INVESTMENTS

Group net debt at the end of the first half stood at €839m, increased by €67m against the end of 2018. It should be noted that, €59m of the increase stem from the impact of adoption of IFRS 16 in 2019. Capex in the first half of 2019 was €53.3m versus €55.1m in 2018 and for their largest part regards investments in the Group's USA activities.

The Annual General Meeting of Shareholders held on June 7, 2019, decided the distribution of dividend of a total amount of €12,694,879.20 (€0.15 per share).

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On 17th July 2019, TITAN Cement International SA (TCI) announced the successful outcome of the voluntary share exchange tender offer that was submitted on 16 April 2019 to acquire all of the ordinary and preference shares issued by TITAN Cement Company S.A. (TITAN), in consideration for new ordinary shares issuable by TCI at an exchange ratio of one TCI share for each TITAN share. During the acceptance period of the tender offer, 93% of TITAN's ordinary shares and 92.36% of TITAN's preference shares were tendered. Given the successful outcome of the tender offer, TCI became the parent company of the TITAN Group and its shares were listed on July 23rd, 2019 on Euronext Brussels, the Athens Exchange and Euronext Paris. As the acceptance rate for both the ordinary and preference shares exceeded 90% of the ordinary and preference shares of TITAN, the TITAN shareholders who did not tender their TITAN shares are entitled to exercise their sell-out right and TCI is entitled to exercise its squeeze-out rights, whereby it will acquire all the remaining TITAN shares under the terms prescribed in the public offer.

2019 OUTLOOK

Looking ahead, the Group outlook is favorable in most of its markets of operation. There is good potential for further demand growth in the USA, more dynamic growth in Southeastern Europe and positive expectations for Greece as well as for Brazil. Countering these, conditions in the near term are expected to remain challenging in Egypt and Turkey.

In the USA, construction trends remain favourable in the regions where the Group is active. The Portland Cement Association (PCA) forecast that cement consumption will increase by 2.3% in 2019 and by approximately 2% per annum over the period 2019-2024. TITAN Group is well positioned to take advantage of this growth, having a strong presence in expanding metropolitan areas and the operating leverage to meet growing demand.

In Greece, the restart of major projects is now expected to take place towards the end of the year or the beginning of the next, sustaining expectations of a medium-term pickup in construction activity. Works pertaining to tourism-related activities should maintain their positive evolution as well as the rise in private consumption. All in all, there are signs of optimism that the market has finally left the worst behind.



In the countries of Southeastern Europe, continuing economic growth is having a positive effect on the construction activity. The consumption of cement has increased and profitability margins have improved. The Group's plants can increase their output by utilizing excess capacity to cover additional demand. Thanks to recent investments, their competitiveness has increased through greater use of alternative fuels, to the benefit of the Group's operations as well as of the local communities.

In Egypt, demand is expected to post a moderate decline for 2019. Initiatives to contain input costs continue to be implemented, but increases of external costs such as the recent increase of electricity tariffs combined with stagnant price levels, compress operating results at least in the short-term.

In Turkey, the deterioration in macroeconomic indicators, is leading to a significant reduction in demand for building materials in the short term. The longer-term prospects of the construction sector, however, remain attractive. Adocim is well prepared to face the anticipated downturn, owing to its modern asset base, competitive cost structure and low gearing.

Last, in Brazil, political stability increases expectations for growth in construction and a lift in the cement market. Cement demand in Northeastern Brazil, where the Group is present, is showing positive prospects which are driven by demographic growth and private building activity.

About TITAN Group

Tracing its history back to 1902, when it started operating in Greece, TITAN has expanded to become a global company. The Group is operating cement plants in 10 countries (USA, Greece, Albania, Bulgaria, North Macedonia, Kosovo, Serbia, Egypt, Turkey and Brazil), with an annual capacity of 27 million metric tons of cement and cementitious materials, and has presence in more than 15. The Group employs about 5,500 people worldwide.

By actively participating in global collaborations and international organizations Titan aims to address global sustainability challenges, under the framework of the UN Sustainable Development Goals for 2030.