TITAN

Media Release

Regulatory Announcement

First Quarter 2023 Results

Further strong sales and profitability growth

Brussels, 10 May 2023, 18:30 CEST - Titan Cement International SA (Euronext Brussels, ATHEX and Euronext Paris, TITC) announces the first quarter 2023 summary financial results.

- **Very strong start to the year with sales reaching €588.1m, up 29.3%, in a seasonally low quarter, driven by increased demand in some key markets due to mild weather conditions and good pricing performance.**
- **EBITDA at €107.1m, up 131% versus a below-normal Q1 2022; margin expanded thanks to sales growth, cost performance reflecting benefits from investment projects, improved energy mix with higher alternative fuels usage and softer energy prices.**
- **Continuous drop in net specific CO_2 emissions; further progress digitalizing production & supply chain.**
- **Positive outlook, given supporting demand levels, firm pricing conditions in US and Europe and further performance improvement as investments are completed.**

TITAN Group - Overview of the first quarter

Q1 2023 marked a solid start to the year with increased demand across our products and improved pricing levels, mitigating the impact of continuously high input costs. Regional demand and good pricing performance was observed in the US, Greece continued enjoying healthy volume growth and market trends in Southeastern Europe remained solid. Demand recovered in Turkey but deteriorated in Egypt. Volume trends were positive across all main product lines, with cement volumes increasing by 2% reflecting solid markets in the US and Europe, supported by our strong footprint positions and mild weather conditions. Sales volumes of both aggregates and ready-mix increased, by 8% and 7% respectively. Higher volumes and firm pricing across products in the US and Europe (~90% of Group's sales) drove the overall sales of Q1 2023 to €588.1m, up 29.3% versus Q1 2022.

Profitability (EBITDA) recorded growth for the fourth quarter in a row. Group EBITDA over the past 12-month period (April 2022-March 2023) exceeded €390m. As a result of sales growth and improved cost performance, including higher use of alternative fuels but also as we start reaping the benefits of our capital investments, profitability margins returned to close to pre-Covid19 levels. EBITDA in Q1 2023 more than doubled to €107.1m, compared to €46.4m in Q1 2022. Net profit after taxes and minorities reached €44.3m, versus €1.3m in Q1 2022, thanks to robust EBITDA performance.

In million Euros, unless otherwise stated	**Q1 2023**	**Q1 2022**	***% yoy***
Sales	588.1	454.6	*29.3%*
EBITDA	107.1	46.4	*130.8%*
Net Profit after Taxes & Minorities	44.3	1.3	
CapEx	50.0	38.9	

The Group continued vigorously executing its Capital Expenditure program, with €50m in Q1 2023, mainly focusing on the growth potential of the US and Greece. Investments yielding both financial and environmental benefits are ongoing in all regions, focusing on further improvement of the energy mix/increase in alternative fuels and higher use of cementitious materials reducing the clinker-to-cement ratio. Group leverage improved further as the Net Debt to EBITDA ratio dropped to 2.1x. Operating free cash flow recorded a seasonal quarterly outflow of €19.7m due to the aforementioned CapEx projects and the higher working capital needs stemming from higher group sales. Group Net Debt at the end of March 2023 closed at €837.6m, €40.4m higher than December 2022.

In Q1 2023, TITAN has intensified its carbon reduction efforts reducing net specific CO_2 emissions to below 600 kg/tn cementitious product, a reduction close to 7% compared to same period last year. Digitization progress

continues as additional digital systems optimizing consumptions are gradually rolled out in the Group's plants, impacting positively our performance.
TCI ("TITC") was added on March 17th, 2023, to the FTSE Global MidCap and FTSE All-World indexes.

Regional review Q1 2023

In million Euros, unless otherwise stated	Sales Q1 2023	Sales Q1 2022	Sales % yoy	EBITDA Q1 2023	EBITDA Q1 2022	EBITDA % yoy
USA	362.9	265.5	** 37%*	66.3	*20.9*	*217%*
Greece & W. Europe	93.8	72.0	*30%*	17.5	*9.4*	*86%*
Southeast Europe	83.8	63.7	*32%*	18.0	*10.7*	*68%*
Eastern Mediterranean	47.5	53.4	*-11%*	5.4	*5.4*	*-1%*

* or 31% in $ terms

USA

The US economy continued to exhibit strength at the beginning of the year. Titan America attained higher levels of sales and profitability following the trend observed also in the past two quarters. Both markets of the Southeast and the Mid-Atlantic continued growing ahead of the national average, testifying to resilient economic conditions on the ground and investment confidence. Weather conditions in Q1 were also favourable for the season. Our cement sales volumes increased. In Florida record levels of internal migration have not only underscored household formation in the context of a shortage of residential properties but have also instigated a spur in commercial activity. Despite any drop in single-family residential in some locations, underlying demand is channelled to the multi-family residential which is recording growth, while growth is also observed in commercial and other non-residential construction. Healthy state finances and the US landmark infrastructure push translated into steadily increasing infrastructure demand for cement and a build-up of backlogs.
Profitability has also continued its growth trend as implemented price increases are contributing to the restoration of margins, responding to persistent cost challenges across all cost inputs. Group's growth investments in logistics in the two import terminals in the US are ongoing as, per the initial time plan. Titan America also enjoyed the benefits from cost improvements resulting from our investments in the digitalization of cement manufacturing and efficiencies in our logistics infrastructure.

Greece & W. Europe

Greece recorded a very strong first quarter with considerably higher sales and profitability across all products, capitalizing on our vertical integration position in the country. This performance was also attributed to mild weather conditions and compares favorably with a low first quarter in 2022.
Demand was supported by numerous public works across the mainland and by investments in the strong tourism-related sector, that traditionally intensify before the tourist season. Residential and renovation markets remained steady. Price increases came into effect at the beginning of the year across all product segments, enabling the Group to cover its elevated cost base due to persistent energy, raw materials and transportation cost challenges. On the export front, the bulk of cement exports were channeled to Titan America and to the Group's own European terminals, recording solid volumes and robust price growth. The landmark calciner investment in the Athens Kamari plant is complete and increased alternative fuel and alternative raw material utilization is expected as of the end of this month.

Southeastern Europe

The whole region of Southeast Europe is characterized by inflation rates of above 10% impacting all input categories. However, the resilience of demand during a mild winter allowed the Group to augment its sales and recover margins. Therefore, the strong performance across the region was attributed to higher volumes and cost-efficiency improvements. Demand drivers varied across markets, consisting of a mix of small private projects and renovation works to infrastructure and residential, depending on the country. Our plants continued to perform at high-reliability levels, while investments enabled us to increase the use of alternative fuels, thereby improving our energy mix and reducing costs.

Eastern Mediterranean

EMED performance held up as it entered the year, despite the prevalent volatile environment.
Egypt's inflation has reached even higher levels and reforms are progressing at a very slow pace. While the market regulation imposed by the government continues, private consumption has been depressed. Shortages of foreign currency and significant cuts to government capital spending weighed negatively on investment sentiment.
In Turkey, despite the macroeconomic challenges and the effects of hyperinflation, performance was solid. Both sales and profitability increased, underpinned by favorable weather, which supported building activity, while hyperinflation is absorbed and reflected in pricing levels. Consumption continued to be driven by private works against a curtailment of public investment with diverging trends across different micro markets in the country.

Brazil (Joint venture)

The prolonged period of heavy rains and the persistence of high-interest rates and inflation continued to have a dampening effect on the cement sector. Cement consumption declined by 1.2% in Q1 2023, compared to the same period in 2022, however cement consumption in the Group's home market increased by 1.4%. Apodi's sales in Q1 2023 reached €29.5m versus €22.5m in Q1 2022, while EBITDA increased to €3.5m compared to €2.7m in Q1 2022.

Outlook

Global economic conditions appear to have tentatively stabilized with economic activity being more resilient than initially expected in both Europe and the US, suggesting stronger-than-expected demand. However, this may trigger monetary policy to tighten further or to stay tighter for longer. Such factors could affect investment and construction activity; therefore, caution is still required while looking ahead.
The US economy entered the year on a strong footing, confirming expectations that fundamentals are resilient. The strength of the economy is reflected in the very low levels of unemployment and attendant wage growth. Housing inventories remain low, below their long-run average and demand for multifamily housing covers the decline in single-family residential. Commercial, hospitality and healthcare construction demand is healthy in our markets. Infrastructure demand has been strong and the benefits from the IIJA program will begin to be more visible in 2H2023. Our privileged geographical footprint, our strong market positions and our improved cost competitiveness lead us to be optimistic for our performance in the US for 2023.
Greece appears to follow its own track of economic growth, buffered by the robustness of its tourism industry as well as the accelerated absorption of various tranches of EU funding. Major infrastructure projects are starting to draw more volumes, including the major urban development of "Ellinikon" in Athens.
Performance in Southeastern Europe should continue sustaining the levels of delivery witnessed over the last twelve months. The Group is well positioned to supply markets through its extensive regional network, with demand supported by a mix of residential and infrastructure according to local market dynamics.
In Egypt, cement consumption is expected to continue exhibiting some softness in the immediate term, while the increasing macroeconomic challenges are accentuating the pressure on the government to undertake structural reforms and revitalize the economy.
In Turkey, the significant need for rebuilding houses, transmission lines and infrastructure projects in the damaged areas and the necessity to provide housing for hundreds of thousands of displaced people, as a result of the earthquake, is expected to have a ripple effect on cement consumption in the next years.
The Group had a strong start to the year. This quarter's performance demonstrated the strength of our product offering and our regional footprint, capitalizing on our network synergies and vertical presence in our key markets of the US and Europe. Our aim is to continue delivering broad-based profitable growth, driven by sustainability, proximity to the customer and efficiency in the use of resources and means of production while we continue accelerating growth investments.

Summary of Interim Consolidated Income Statement

(all amounts in Euro thousands)	For the three months ended 31/3	
	2023	**2022**
Sales	588,060	454,638
Cost of sales	-461,716	-395,338
Gross profit	**126,344**	**59,300**
Other net operating income	1,846	1,459
Administrative and selling expenses	-56,912	-48,790
Operating profit	**71,278**	**11,969**
Finance income/costs	-12,029	-8,380
Fair value changes in interest rate swaps	-1,970	1,443
Losses from foreign exchange differences	-3,835	-2,902
Gain on net monetary position in hyperinflationary economies	2,743	-
Share of loss of associates and joint ventures	-536	-627
Profit before taxes	**55,651**	**1,503**
Income tax	-11,252	-781
Profit after taxes	**44,399**	**722**
Attributable to:		
Equity holders of the parent	44,271	1,311
Non-controlling interests	128	-589
	44,399	**722**
Basic earnings per share (in €)	**0.6262**	**0.0181**
Diluted earnings per share (in €)	**0.6255**	**0.0181**

Earnings before interest, taxes, depreciation, amortization and impairment (EBITDA)

(all amounts in Euro thousands)	For the three months ended 31/3	
	2023	**2022**
Operating profit	**71,278**	**11,969**
Depreciation and amortization	35,853	34,445
Earnings before interest, taxes, depreciation, amortization and impairment (EBITDA)	**107,131**	**46,414**

Summary of Interim Consolidated Statement of Financial Position

(all amounts in Euro thousands)	31/3/2023	31/12/2022
Assets		
Property, plant & equipment and investment property	1,649,619	1,675,714
Intangible assets and goodwill	357,695	364,707
Investments in associates and joint ventures	103,923	100,412
Other non-current assets	34,325	35,515
Deferred tax assets	3,081	5,730
Total non-current assets	**2,148,643**	**2,182,078**
Inventories	377,241	394,672
Receivables, prepayments and other current assets	361,655	311,846
Cash and cash equivalents	64,086	105,703
Total current assets	**802,982**	**812,221**
Total Assets	**2,951,625**	**2,994,299**
Equity and Liabilities		
Equity and reserves attributable to owners of the parent	1,390,598	1,394,533
Non-controlling interests	32,269	29,741
Total equity (a)	**1,422,867**	**1,424,274**
Long-term borrowings and lease liabilities	792,423	763,598
Deferred tax liability	129,437	130,113
Other non-current liabilities	102,905	102,466
Total non-current liabilities	**1,024,765**	**996,177**
Short-term borrowings and lease liabilities	109,286	139,366
Trade payables, income tax and other current liabilities	394,707	434,482
Total current liabilities	**503,993**	**573,848**
Total liabilities (b)	**1,528,758**	**1,570,025**
Total Equity and Liabilities (a)+(b)	**2,951,625**	**2,994,299**

Summary of Interim Consolidated Cash Flow Statement

(all amounts in Euro thousands)	For the three months ended 31/3	
	2023	2022
Cash flows from operating activities		
Profit after taxes	**44,399**	**722**
Depreciation and amortization	35,853	34,445
Interest and related expenses	11,586	8,253
Hyperinflation adjustments	-3,556	-
Other non-cash items	24,337	11,595
Income tax paid	-2,881	-2,118
Changes in working capital	-82,148	-50,546
Net cash generated from operating activities (a)	**27,590**	**2,351**
Cash flows from investing activities		
Net payments for property, plant & equipment and intangible assets	-49,090	-38,712
Net payments for other investing activities	-4,619	-1,276
Net cash flows used in investing activities (b)	**-53,709**	**-39,988**
Cash flows from financing activities		
Net payments for transactions with own shares	-3,502	-6,714
Interest and other related charges paid	-10,808	-6,155
Net proceeds from drawn downs/(repayments) of credit facilities and derivatives	2,096	42,858
Net cash flows (used in)/from financing activities (c)	**-12,214**	**29,989**
Net decrease in cash and cash equivalents (a)+(b)+(c)	**-38,333**	**-7,648**
Cash and cash equivalents at beginning of the year	105,703	79,882
Effects of exchange rate changes	-3,284	-1,875
Cash and cash equivalents at end of the period	**64,086**	**70,359**

General Definitions

Measure	Definition	Purpose
CapEx	Acquisitions/additions of property, plant and equipment, right of use assets, investment property and intangible assets	Allows management to monitor the capital expenditure
EBITDA	Operating profit plus depreciation, amortization and impairment of tangible and intangible assets and amortization of government grants	Provides a measure of operating profitability that is comparable among reportable segments consistently
Net debt	Sum of long-term borrowings and lease liabilities, plus short-term borrowings and lease liabilities (collectively gross debt), minus cash and cash equivalents	Allows management to monitor the indebtedness
NPAT	Profit after tax attributable to equity holders of the parent	Provides a measure of total profitability that is comparable over time
Operating free cash flow	Cash generated from operations minus payments for CapEx	Measures the capability of the Group in turning profit into cash through the management of operating cash flow and capital expenditure
Operating profit	Profit before income tax, share of gain or loss of associates and joint ventures and net finance costs	Provides a measure of operating profitability that is comparable over time

Financial calendar

28 June 2023	Ex-dividend date
29 June 2023	Record date
05 July 2023	Dividend payment date
27 July 2023	Publication of the second quarter and half year 2023 results
09 Nov 2023	Publication of the third quarter and nine months 2023 results

— This press release may be accessed on the website of Titan Cement International SA via this link https://ir.titan-cement.com

— For further information, please contact Investor Relations at +30 210 2591 257

— An analyst call will be held at 15:00 CEST (11/5/2023), please see: https://87399.themediaframe.eu/links/titan230511.html

About Titan Cement International SA

TITAN Group is a leading international business in the building and infrastructure materials industry, with passionate teams committed to providing innovative solutions for a better world. With most of its activity in the USA, the Group employs over 5,000 people and operates in more than 25 countries, holding prominent positions in the USA, Greece, the Balkans, and the Eastern Mediterranean. The Group also has a joint venture in Brazil. With a 120-year history, TITAN has always fostered a family- and entrepreneurial-oriented culture for its employees and works tirelessly with its customers to meet the modern needs of society while promoting sustainable growth with responsibility and integrity. TITAN has set a net-zero goal for 2050 and has its CO_2 reduction targets validated by the Science Based Targets initiative (SBTi). The company is listed on Euronext and the Athens Exchange. For more information, visit our website at www.titan-cement.com.