Nine-Month 2024 Results

Brussels, 7 November 2024, 08:30 CET - Titan Cement International SA (Euronext Brussels, ATHEX and Euronext Paris, TITC) announces the nine-month 2024 financial results.

Robust performance and positive outlook

- **Group Sales increased by 4.9% to €1,985m year-to-date with growth recorded across regions, thanks to higher volumes in all main products and overall improved pricing.**
- **Group EBITDA year-to-date reached €455m, increased by 14.6% like for like adjusted for €18m of non-recurring costs, of which €8m in Q3. EBITDA margin grew as a result of operating efficiencies, improved energy mix and softer energy fuel costs.**
- **Q3 EBITDA at €164m, up by 5% like for like. Strong contribution from Titan America achieving 2% sales growth and 10% EBITDA growth like for like despite the adverse weather.**
- **Net profit increased by 20%, to €238m year-to-date like for like; 9-month EPS at €3.19.**
- **Leverage ratio at 1.1x EBITDA, with Titan's credit rating upgraded by S&P to "BB+". Launched Sustainability-Linked Financing Framework.**
- **Group CapEx remains strong, reaching €181m year-to-date. Committed to Green Growth Strategy 2026, the Group signed a front-end Engineering Design contract in September for carbon capture technology related to carbon capture project IFESTOS in Greece.**
- **Year-to-date the Group has agreed terms for bolt-on acquisitions of 3 aggregates quarries, 1 clay quarry and 1 Ready-Mix unit.**
- **The process of listing the US operations on a New York stock exchange progresses according to plan. Significant steps have been completed and we are targeting to go to the market in 1Q25.**
- **Positive outlook for the remainder of the year, driven by solid pricing and overall healthy volumes.**

In million Euro, unless otherwise stated	**Q3 2024**	**Q3 2023**	**% yoy**	**9M 2024**	**9M 2023**	**% yoy**
Sales	**661.6**	663.2	-0.2%	**1,984.5**	1,892.2	4.9%
EBITDA (Like for Like)	**163.7** **[155.6*]**	155.5	5.3% [0.1%]	**454.5** **[437.0*]**	396.7	14.6% [10.2%]
Net Profit after Taxes & Minorities (Like for Like)	**81.9** **[75.9*]**	86.8	-5.6% [-12.6%]	**237.8** **[224.6*]**	197.6	20.3% [13.6%]

* Figures in brackets represent the reported EBITDA and NPAT before adjustments for non-recurring one-off costs of €18m year-to-date [€8m in Q3], related to the preparation of the US IPO and an early retirement program in Greece.

TITAN Group - Overview of the third quarter and nine months of 2024

The Group continued on its robust trajectory in the third quarter of this year, with sales reaching €662m, at similar levels to those of last year. This performance came as a result of sustained volumes and disciplined pricing, with the US and Greece increasing sales for another quarter, despite the serious disruptions caused by bad weather in the US. EBITDA for the quarter closed at €163.7m or +5.3% after non-recurring costs, against a strong 3Q23, with €8m one-off costs related to the IPO of the US business and an early retirement program in Greece. EBITDA margin for the quarter was maintained at elevated levels, thanks to continuous operational efficiency gains, improvements in the fuel mix and softer energy costs. Net Profit after Taxes & Minorities (NPAT) reached €81.9m. Building on the strong performance of the third quarter of 2024 and despite the recent challenges with lost sales due to hurricanes and heavy rainfall in the US, the Group continued to exhibit growth in the first nine months of 2024, achieving sales of €1,984.5m, up by 4.9%, with all regions of the Group posting topline growth. Sustained pricing dynamics and increased volumes in all product lines have supported performance, with domestic cement sales up by 3%, ready-mix up by 7% and aggregates up by 8%. Group EBITDA, at the end of the first nine months, reached €455m (+15% growth). Against the backdrop of higher sales, increasingly tangible operating efficiencies and inflation still affecting increased logistics, labor and raw materials costs, the Group's profitability margin expanded. Net profit after taxes and minority interests (NPAT) grew to €237.8m, up by 20%, compared to €197.6m achieved last year. The listing of the US operations on a New York stock exchange progresses according to plan, while significant steps have been completed and we remain on target to go to the market in 1Q25.

EBITDA & NPAT amounts mentioned in this report are on a like-for-like basis after adjustments for non-recurring one-off costs.

Investments and Financing

In the nine months of 2024, the Group generated an operating free cash inflow of €186m. CapEx hiked to €180.5m, fuelled by investments that target the optimization of the Group's cement plants' capacity and productivity across the US and Europe, and the expansion of the use of alternative fuels in all operations. During the first nine months, further progress was made with the finalization of some key strategic investments including among others the value-accretive acquisitions of quarries in the US and Greece for the extension of aggregates reserves, including supplementary cementitious materials (SCMs) as well as the installation of ready-mix units offering a foothold in key locations. During this year, the Group has agreed terms for bolt-on acquisitions of 3 aggregates quarries, 1 clay quarry and 1 ready-mix unit. The Group signed a Front-End Engineering Design (FEED) contract with thyssenkrupp Polysius for its large-scale carbon capture project IFESTOS, while record levels of alternative fuels' utilization have been reached, exceeding the 20% threshold. Group Net Debt at the end of the third quarter closed at €670m, down by €95m compared to September 2023. The continuous improvement in Group Net Debt levels, coupled with the achieved profitability have been reflected in the Group's steady deleveraging, closing the third quarter of 2024 with a Net Debt/EBITDA ratio of 1.12x. The Group's next bond maturity is on November 16th, 2024, and it will be repaid via the Group's own liquidity reserves and bank lines. In August, S&P Global Ratings upgraded TITAN's long-term issuer credit rating by one notch from "BB with positive outlook" to "BB+ with stable outlook", reflecting the solid operating performance; the credit rating upgrade confirms TITAN's ongoing capability to finance its 2026 Green Growth Strategy. On August 25th, 2024, a new €20m share buyback program commenced and as of September 30th, 2024, the Group owned 3,949,808 treasury shares representing 5.04% of total voting rights. Moreover, a Sustainability-Linked Financing Framework was launched, paving the way for the future issuance of sustainability-linked notes tied to TITAN's sustainability performance targets.

Markets review of the nine months of 2024

In million Euro, unless otherwise stated	Sales 9M 2024	Sales 9M 2023	Sales % yoy	EBITDA (Like for Like) 9M 2024	EBITDA (Like for Like) 9M 2023	EBITDA (Like for Like) % yoy
USA	**1,151.3**	1,104.7	*4.2%*	**262.3 [248.7*]**	219.0	*19.8% [13.6%]*
Greece & W. Europe	**324.0**	299.0	*8.4%*	**49.7 [45.8*]**	52.0	*-4.5% [-12.0%]*
Southeast Europe	**326.8**	314.5	*3.9%*	**128.3**	107.6	*19.2%*
Eastern Mediterranean	**182.5**	174.0	*4.8%*	**14.3**	18.1	*-21.2%*

***** Figures in brackets represent the reported EBITDA and NPAT before adjustments for non-recurring one-off costs of €18m year-to-date [€8m in Q3], related to the preparation of the US IPO and an early retirement program in Greece.

USA

Sales of Titan America in Q3 recorded year-over-year growth and profitability marked a new rise although operations were significantly affected by hurricanes and bad weather that persisted throughout most of the quarter. In August, Hurricane Debby caused widespread flooding across the Southeastern US, while in September Hurricane Helene swept through the southeast, with its effects lingering for several weeks. While our assets were not damaged, the storms led to work suspensions and severe disruptions at worksites, due to flooding and power outages from damaged local infrastructure, severely curtailed business, weakening 2024 cement consumption. Multi-family residential development and non-residential sectors were the most affected, while the "IIJA" continued to support higher volumes in public infrastructure and heavy non-residential activities related to industrial reshoring investments. Thanks to the effectiveness of our vertically integrated business model, providing strategic flexibility and omnichannel access to end-users and against adverse weather conditions, we achieved a solid quarter performance. Cement prices remained stable and prices for other product lines increased, resulting in a 2% increase in sales during the third quarter, representing the 14th consecutive quarter of y-o-y top-line growth. Profitability margins have strengthened assisted by efficiency gains, supply chain and logistics improvements as well as thanks to the lower cost of imported cement. During the quarter, the Group finalized the acquisition of a sand and clay reserves quarry, providing valuable input to be utilized in the first-of-its-kind calcined clay production line being developed at the Virginia plant with the support of a $62m grant from the US Department of Energy. In 3Q, sales in the US grew by 2%, reaching €376.6m, while EBITDA also grew by 10.4%. Year-to-date, sales in the US increased by 4.2% to €1,151.3m and EBITDA grew by 13.8% reaching $269.9m (€248.7m), despite ca. $14m one-off costs related to the US IPO preparation.

Greece & W. Europe

Greece experienced another robust quarter, with both domestic consumption and Group volumes growing double digits. However, export sales in our Western Europe terminals slowed down, reflecting the decline in the construction sector in our European export markets. The Greek domestic growth dynamics extended downstream, with aggregates, ready-mix, and mortars all also increasing double digits. The residential segment continued to drive demand, while the infrastructure segment picked up speed amid the seasonal slowdown of tourism-related investments. Large public and private projects advanced across the Greek mainland. To meet the increased demand, the Group established two more ready-mix concrete units during the quarter: one to support the project pipeline in the Peloponnese and another exclusively for the Ellinikon project, Europe's largest urban regeneration project, in Athens. Cement pricing remained firm, with price increases realized in the downstream segments. All Group exports were directed to our own terminal operations, mainly in the US. Exports recorded low profitability due to lower prices compared to recent historic highs, and as a result, the profitability of the region declined.

Thermal substitution rates at the Kamari plant continued to increase, aiming to reach the target level of 70% by next year. Total sales for the region in the first nine months of 2024 grew by 8.4% to €324.0m, while EBITDA reached €45.8m, versus €52.0m last year.

Southeastern Europe

The Southeast Europe region experienced a slight slowdown in the third quarter, following a very strong performance in the first half of 2024 and a record-high third quarter in 2023. This slowdown varied across different construction segments, depending on the specific market dynamics of each country. It was largely driven by a reduced flow of remittances into the region, highlighting the close interdependence of these economies with larger western and northern European economies. High interest rates and tight lending standards also limited activity on the ground. Despite these temporary adverse market conditions and lower profitability due to reduced sales, Group margins have strengthened. Recent investments in renewable energy sources and alternative fuels have continued to improve the Group's cost structure. Encouraged by the positive effects on operations and cost structure from alternative fuel investments in Bulgaria and North Macedonia, the permitting application process in Serbia is underway to maximize the benefits of alternative fuel utilization. Sales for the region in the first nine months of 2024 increased by 3.9% compared to the same period in 2023, reaching €326.8m, while EBITDA improved by 19.2% to €128.3m.

Eastern Mediterranean

In the Eastern Mediterranean region, the structural adjustments needed for a return to macroeconomic normalcy are impacting real economic activity in both countries. In Egypt, while cement consumption remains stable, local currency prices have recorded increases, indicating a shift towards a more rational approach to safeguarding the sector's financial health after the recent shocks from high inflation and currency devaluation. Although public infrastructure investment has paused due to significantly reduced public spending, other demand components show promising signs of growth. Egypt continues to be the top destination for FDI in Africa, improving its external liquidity outlook and offering a pipeline of construction mega projects. In Egypt, the Group continues to maximize its production efficiencies and its cement and clinker export capabilities.

With macroeconomic adjustments underway, cement consumption in Turkey during the third quarter was largely driven by earthquake reconstruction efforts, which continue to draw a significant portion of domestic cement production. The remaining production is directed toward rehabilitating existing building stock against future disasters and large private residential development projects. Overall, sales were softer compared to the third quarter of 2023 due to decreased exports this year. Prices continued to follow inflation, while our new biomass unit allowed us to keep alternative fuel utilization rates above 30%. Sales in the Eastern Mediterranean reached €182.5, up by 4.8% y-o-y (+50% in local currencies), while EBITDA closed at €14.3m, versus €18.1m in the same period in 2023 (+8.1% in local currencies).

Brazil (Joint venture)

Domestic cement consumption increased by 4.1% year-to-date, while in the Northeast, the region where our JV Apodi operates, a 6.4% increase was recorded. The extensive affordable housing program underway and associated roadworks helped sustain demand against elevated interest rates, lower disposable income and macroeconomic uncertainty. In the nine months of the year, Apodi posted sales of €86.4m versus €96.9m last year, while EBITDA increased by 18% to €18.1m versus €15.4m in the same period in 2023.

Outlook

Inflation pressures, monetary tightening and geopolitical uncertainties continue to condition the global economy and challenge the outlook. At the same time, sectors such as technology, green energy and infrastructure show resilience. In the US, while inflation is gradually easing, high interest rates still dampen consumer spending and investment. Greece is expected to maintain moderate growth while smaller economies in the Balkans may face slower growth due to external vulnerabilities. Egypt's economy will likely remain strained by inflation, a weakened currency and fiscal imbalances. Turkey faces a challenging macroeconomic environment, hampering near-term recovery despite efforts to stabilize the Lira and attract investments.

Economic growth in the US continues to run at a sturdy pace. Growth should remain resilient and eventually be released through a gradually relaxing monetary policy. While high mortgage rates cause some near-term pressure on residential development, housing demand remains solid benefiting from a favorable demand/supply backdrop, as supply remains relatively tight. Improvements are expected in the housing market as of the second half of 2025 and are reflected in the firm stock prices of the biggest US homebuilders. Activity in the industrial/non-res sector should remain strong supported by onshoring investments related to the Chips and Inflation Reduction Acts, while public construction activity continues unabated and the longer planning horizons ensure that cement demand growth stretches well into the medium-term forecast period. In the aftermath of hurricanes and once weather and credit conditions normalize and pent-up demand is released, activity should regain its momentum and pick up in the first half of 2025 leading to stronger growth in the second half of next year. The Group enjoys exposure to key economies with resilient demand for construction and an expected strong population growth, benefiting from state-funded infrastructure spending.

In Greece, the economy has proven to be resilient and economic growth for 2024 is expected to once again come in above the eurozone average, driven by private consumption and investment. Except for real estate, inflationary pressures have eased, purchasing power has improved and coupled with rising employment those elements support private consumption. Levers supporting the economy remain significant with EU funding allocated to the country by the Recovery and Resilience Facility (RRF) still plentiful with a total of €18.2bn in grants having been received to date.

The recent performance of the Southeast Europe region showed the dependence of the economies on their western neighbors. The envisaged slow recovery in the EU is likely to remain a drag on overall growth affecting export markets as well as remittance flows. Nevertheless, each economy has its characteristics: in Serbia the ambitious development plan “Leap into the future - Serbia EXPO 2027” includes projects in the transport and the energy sectors, suggesting a steady pipeline of infrastructure works that should continue until 2028. In Bulgaria, the prolonged political uncertainty has been a key reason for the country’s under-investment and the delays in EU funds’ absorption. However, easing inflation has helped sustain private consumption growth which is expected to maintain its momentum. In Albania, the progress with accession negotiations should help accelerate economic convergence with the EU, the country’s largest trading partner. In the other economies of the region, growth in fixed investment is set to gain momentum, with the public sector holding the lead role (e.g. highway project connecting North Macedonia with Albania, Bulgaria and Greece) and the private sector following suit as financing conditions ease.

In Egypt, economic momentum will likely not strengthen materially in the short term, reflecting the impact of high inflation and tight financing conditions. Looking further ahead and assuming no further shocks, private consumption should remain the engine of economic growth. Turkey, on its part, braces for a soft landing, as tight financing conditions take hold and public purse strings tighten. The impact of the strict monetary policy tightening should be felt for some time, weighing on domestic demand. Against this backdrop, GDP growth is set to continue slowing down, mainly due to weaker private consumption and deteriorating confidence.

Our efforts at operational excellence have so far borne fruit as illustrated by the consecutive quarters of robust Group performance. We expect a strong performance in the next quarters, resulting in another consecutive year of record sales and profitability. Early indications for 2025 suggest an increased level of sales with higher growth levels in the second half of the year. The expected listing of the US operations in the first quarter of 2025 should further allow us to deploy capital into growth opportunities and further boost growth both in the US and in Europe. Delivering on the Green Growth Strategy 2026 will remain TITAN’s focus, driving long-term value creation with meaningful decarbonization initiatives that align with our vision for a sustainable future.

Summary of Interim Consolidated Income Statement

(all amounts in Euro thousands)	For the nine months ended 30/9	
	2024	**2023**
Sales	1,984,510	1,892,218
Cost of sales	-1,449,144	-1,425,800
Gross profit	**535,366**	**466,418**
Other net operating income	6,462	4,084
Administrative and selling expenses	-221,758	-183,782
Profit before impairment losses on goodwill, net finance costs and taxes	**320,070**	**286,720**
Gain on net monetary position in hyperinflationary economies	7,279	14,286
Finance costs/income	-32,183	-36,599
Loss from foreign exchange differences	-3,929	-11,121
Net finance costs	***-28,833***	***-33,434***
Share of profit of associates and joint ventures	806	598
Profit before taxes	**292,043**	**253,884**
Income taxes	-66,855	-55,121
Profit after taxes	**225,188**	**198,763**
Attributable to:		
Equity holders of the parent	224,581	197,639
Non-controlling interests	607	1,124
	225,188	**198,763**

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

(all amounts in Euro thousands)	For the nine months ended 30/9	
	2024	**2023**
Profit before impairment losses on goodwill, net finance costs and taxes	**320,070**	**286,720**
Depreciation and amortization	116,925	107,797
Impairment of tangible and intangible assets	-	2,151
Earnings before interest, taxes, depreciation, amortization and impairment (EBITDA)	**436,995**	**396,668**

Summary of Interim Consolidated Statement of Financial Position

(all amounts in Euro thousands)	30/9/2024	31/12/2023
Assets		
Tangible, intangible assets and goodwill	2,090,917	2,053,560
Other non-current assets	135,283	136,522
Total non-current assets	**2,226,200**	**2,190,082**
Inventories	406,169	395,477
Receivables, prepayments and other current assets	386,098	351,356
Cash, cash equivalents and bank term deposit	200,149	274,525
Total current assets	**992,416**	**1,021,358**
Total Assets	**3,218,616**	**3,211,440**
Equity and Liabilities		
Equity and reserves attributable to owners of the parent	1,669,460	1,552,403
Non-controlling interests	34,956	30,720
Total equity (a)	**1,704,416**	**1,583,123**
Long-term borrowings and lease liabilities	470,229	541,025
Other non-current liabilities	229,585	241,227
Total non-current liabilities	**699,814**	**782,252**
Short-term borrowings and lease liabilities	399,416	393,364
Other current liabilities	414,970	452,701
Total current liabilities	**814,386**	**846,065**
Total liabilities (b)	**1,514,200**	**1,628,317**
Total Equity and Liabilities (a)+(b)	**3,218,616**	**3,211,440**

Alternative Performance Measures (APM)

For more information regarding the APMs shown above, kindly refer to Titan Cement Group Integrated Report 2023 (section 'Glossary', page 254).

- 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 CET, please see: https://87399.themediaframe.eu/links/titan241107.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 developed markets, the Group employs over 5,700 people and operates in more than 25 countries, holding prominent positions in the US, Europe, including 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.