Nine-Month 2023 Results

Brussels, 9 November 2023, 08:30 CET - Titan Cement International SA (Euronext Brussels, ATHEX and Euronext Paris, TITC) announces the nine-month 2023 financial results.

Record earnings backed by robust sales in main markets

- **Group Sales increased by 14% to €1,892m year-to-date driven by increased volumes in all our regions and by solid pricing levels.**
- **Group EBITDA at €397m year-to-date, up by 72% as Group's margins restored. All regions recorded double-digit profitability growth on the back of increased sales volumes and pricing momentum, operational efficiencies including digitalization in manufacturing, improved energy mix and contained energy costs.**
- **Net profit more than doubled year-to-date, to €198m. EPS (9 months) at € 2.64.**
- **Leverage ratio at 1.5x and S&P credit rating revised upwards to "BB" with positive outlook. Rated "BB+" by Fitch.**
- **CapEx at €158m focusing on growth, energy efficiencies, and logistics infrastructure projects.**
- **New €20m share-buyback program to start upon the termination of the existing one.**
- **In Q3 the Group achieved a lower clinker-to-cement ratio (76.9% vs 78.4% last year) and a record high alternative fuel utilization (19.1%, +2 ppts) leading to a reduction of 2.1% in net specific CO_2 emissions y-o-y.**
- **MSCI recognized again TITAN as a leader in ESG, granting for 3rd year the ESG rating of "AA".**
- **Positive outlook maintained for the year, given the demand levels across our strategic geographical footprint along with firm pricing and further cost performance improvements.**

In million Euro, unless otherwise stated	Q3 2023	Q3 2022	% yoy	9M 2023	9M 2022	% yoy
Sales	**663.2**	626.3	5.9%	**1,892.2**	1,661.8	13.9%
EBITDA	**155.5**	95.0	63.6%	**396.7**	231.3	71.5%
Net Profit after Taxes & Minorities	**86.8**	43.9	97.7%	**197.6**	89.1	121.8%
CapEx	**40.8**	61.6		**158.0**	158.1	

TITAN Group - Overview of the third quarter and nine months of 2023

The Group has maintained its forward momentum in the third quarter of the year, recording strong results with Greece, the US and Southeast Europe leading the way. Sales during the third quarter grew by 5.9% to €663.2m compared to €626.3m last year while EBITDA registered a significant increase of 63.6% year-over-year to €155.5m. Higher volumes, supporting prices, operational efficiencies, better fuel mix and contained energy cost, have all factored into margin recovery. Despite some softening in energy costs such as fuels and electricity, compared to

the all-time high levels experienced in 2022, cost headwinds persisted, with cost factors such as labor, raw materials, and other production costs on the rise. However, the Group's dynamic positioning in markets exhibiting growth characteristics has upheld demand levels unabated in both Q3 and year-to-date.
As a result, Group Sales, for the first nine months of 2023, reached €1,892.2m up by 13.9% while the year-to-date EBITDA rose to €396.7m, growing by a notable 71.5% above 2022. Similarly, the Group's nine-month 2023 net profit after taxes and minority interests (NPAT) more than doubled reaching €197.6m, compared to the €89.1m recorded in the same period in 2022.

Investments and Financing

Following strong EBITDA levels of €397m and despite high, growth-oriented capital expenditure of €158m, focusing on effective capacity expansion, production cost savings, decarbonization, digitalization and logistics projects, operating free cashflow reached €160m in the first nine months of this year compared to an outflow of €73m last year.
The Group's Net Debt at the end of 3Q 2023 was reduced by €147m year-over-year, reaching €765m and coupled with high profitability levels, led to a Net Debt/EBITDA ratio of 1.5x, a ratio compatible with investment grade ratings. TCI was rated "BB+" by Fitch earlier this summer, while S&P also revised TCI's credit rating to "BB" with a positive outlook" in September 2023.

Resolution of Board of Directors

The Board of Directors at its meeting of November 8th, 2023, decided the initiation of a new share buyback program for a total value of €20m with an expected duration of 9 months. The new program will commence after the termination of the current one, which started in March 2023 for a total value of €10m and is expected to be completed by November 30th, 2023.

Markets review of the nine months of 2023

	Sales			*EBITDA*		
In million Euro, unless otherwise stated	**9M 2023**	**9M 2022**	***% yoy***	**9M 2023**	**9M 2022**	***% yoy***
USA	**1,104.7**	956.7	**15.5%*	**219.0**	*127.6*	**71.7%*
Greece & W. Europe	**299.0**	241.7	*23.7%*	**52.0**	*26.4*	*96.7%*
Southeast Europe	**314.5**	278.4	*13.0%*	**107.6**	*65.6*	*64.1%*
Eastern Mediterranean	**174.0**	185.0	*-5.9%*	**18.1**	*11.8*	*53.4%*

*Sales at 18% in $ terms and EBITDA at 78.1% in $ terms.

USA

Performance in the quarter continued to display the dynamic levels recorded so far in 2023, namely resilient delivery amidst diverging market dynamics. Year to date, in the US region, price appreciations have absorbed the effects of variable production, distribution and labor costs. Moreover, the portfolio of significant value-adding projects has further contributed toward the US's improved bottom-line result. While the Fed continues to address inflation, cement consumption attributed to the residential segment and single-family in particular, has inevitably been affected although the Group's specific exposure to residential is more favorably conditioned by our presence in high-growth metropolitan areas in the Southeast. Conversely, exposure to various segments of commercial construction such as warehousing and incoming reshoring and reindustrialization investments, coupled with the continued flow of funding on the ground for public infrastructure works has translated in Group volumes holding up well in the quarter. Pricing levels continued trending upwards, reflecting the price increases carried out through the year on top of the carryover effect from increases in the previous year. On the cost side, cost headwinds from raw materials, labor and logistics continue to require vigilance. Nevertheless, the Group successfully pushed profitability to higher levels, capitalizing on sustained demand, a robust pricing cycle and significant operational leverage achieved by its extensive investments in supply chain and logistics, such as the -now operational- dome in Florida (Tampa's import terminal), investments in rail and truck loadout as well as the operational efficiencies accrued by its pioneering digitalization investments in manufacturing. Overall, sales in the US increased by 18.1% to $1,196m (15.5% to €1,104.7m) during the first nine months of 2023, while EBITDA reached $237.1m (€219m) versus $133.1m, a 78.1% increase compared to 2022.

Greece & W. Europe

Performance in Greece enjoyed another very strong quarter, while sales in Western Europe displayed slowdown. Construction activity in Greece continued unabated resulting in a double-digit volume growth in domestic consumption. Attica, the capital region surrounding Athens, where the Group enjoys a strong presence, recorded growth rates double to those of the rest of the country which however also followed by heightened activity across the Greek islands in the tourism-related sector, as well as major public infrastructure works across the mainland and smaller infrastructure projects in the periphery. Set against a solid top-line generation, improved fuel mix with increasing use of alternative fuels as well as higher export prices to the US and Europe, profitability increased further testifying not least to the Group's operational flexibility. Total sales in Greece and Western Europe in the first nine months of 2023 grew by 23.7% to €299m while EBITDA doubled, reaching €52m versus €26.4m in the same period last year.

Southeastern Europe

Performance in Southeastern Europe was aided by two significant forces: the dynamism of the markets, which continued to grow in the quarter and the benefit from milder electricity prices. Cement demand in the region as a whole recorded a healthy growth rate spurred by different segments across the individual countries ranging from single-family homes and multi-family residential developments to port infrastructure works and extensive road infrastructure projects interconnecting the region. Resilient pricing set against softer energy costs in most countries and the Group's optimized operation of its plants as well as continued increased utilization of alternative fuels, all contributed to a favorable price-over-cost performance. Sales for the region as a whole in the first nine months of 2023 increased by 13% to €314.5m compared to the same period in 2022, while EBITDA improved by 64.1% to €107.6m.

Eastern Mediterranean

The Eastern Mediterranean region continues going through a turbulence as both Egypt and Turkey are facing hard adjustments in their fiscal and macroeconomic situation.

In Turkey, macroeconomic policy appears determined to target high inflation while reconstruction and renovation works accelerated. Group cement volumes grew double-digit while prices continuously adjusting to absorb inflation have risen in tandem. As a result, our operations in Turkey recorded improved profitability.

In Egypt with a stalemate in macroeconomic conditions, volumes declined by high-single digits with cement consumption only supported by few public projects and large FDI projects in the field of energy. The quota system is now in place until August 2024. The Group continued to improve pricing and work on increasing the rates of use of alternative fuels which reached levels of more than 40% at the Alexandria plant, while similar project is already underway at the Group's second plant in the country, in Beni Suef.

Total sales in the Eastern Mediterranean reached €174m in the first nine months of 2023, dropping by 5.9% year on year (+55% in local currencies) while EBITDA reached €18.1m versus €11.8m in the same period in 2022, an increase of 53.4% (+153% in local currencies).

Brazil (Joint venture)

Domestic cement consumption in Brazil declined by 2% in the first nine months of the year versus the same period in 2022. Cement consumption has been dampened by high interest rates, the restriction of credit and lower disposable incomes. Recently key economic indicators have turned slightly more positive, pointing to both an improvement in employment conditions and a relative cooling of inflation. In the nine months of the year, Apodi posted increased sales of €96.9m, versus €83.4m in the first nine months of 2022, while EBITDA increased to €15.4m versus €12.2m in the same period in 2022.

Outlook

Despite signs of resilience in 2023, the impact of policy tightening to reduce inflation is expected to temporarily cool economic activity within different regions in the world presenting diverging growth prospects. Recent geopolitical developments have further disrupted economic market trends and visibility again remains limited.

While the US economy has displayed significant resilience thus far, the Fed's relentless pursuit of inflation will probably lead to a slowdown in economic growth at the end of 2023 and most likely through the first part of 2024. The effects of higher rates and credit tightening are already evident in residential construction; however, the demographic fundamentals in the US high-growth metropolitan areas, especially in the Southeast, coupled with a severe lack of housing inventory are expected to make this slowdown rather temporary against the longer-term trends. Infrastructure and non-residential investments are set to continue owing to the sustained flow of funds and the rebalancing and refocusing of the US economy towards industrial onshoring, while the nature of these investments stretches their benefits beyond any near-term slowdown. The Group is well positioned in both the geographies and the segments set to benefit from these trends and this is reflected in the Group's performance evolution.

Greece is poised for continued strong performance, with €8bn-worth of public investments in ongoing infrastructure projects across the country budgeted against the backdrop of a healthy macroeconomic environment. The benefits of the recent investments in alternative fuels should become more evident by the beginning of 2024. The Group will continue developing more value-adding products for its strong customer base and invest in green products for growth, as well as increase its operational excellence through digitalization.

The market in Southeastern Europe should maintain the improved performance recorded this year as the investment sentiment remains fairly optimistic. The region however is closely interrelated to the broader European conditions, meaning that investments are affected by the macroeconomic backdrop, remittances, foreign direct investments and tourism.

The market in both Egypt and Turkey will in the short-term be conditioned by the tight macroeconomic environment and weak currencies. Set against these, the fundamental drivers of population growth and attendant infrastructure development are being muted by the macroeconomic weaknesses. Until the situation stabilizes, the Group will meet domestic demand in Turkey, which is in a better condition, whilst also utilizing its export outlet on the Black Sea to flexibly manage capacity. In Egypt, the Group is accelerating efficiency and decarbonization investments to increase the use of alternative fuels aiming to improve its cost base.

The Group will continue to pursue its Strategy 2026 priorities for capturing growth in the following years based on its performance-driven local operating model and supported by fast-paced execution. The Group's priorities remain on further building on its strong local positions through the expansion of its logistics and distribution network and the strengthening of its presence across the value chain, accelerating growth with new materials and service models offering new green products as well as innovative high-performance products and applying technology as a critical enabler for growth through end-to-end digital manufacturing and by offering a dynamic logistics and customer experience.

Summary of Interim Consolidated Income Statement

(all amounts in Euro thousands)	For the nine months ended 30/9	
	2023	**2022**
Sales	1,892,218	1,661,816
Cost of sales	-1,425,800	-1,386,482
Gross profit	**466,418**	**275,334**
Other net operating income	4,084	3,647
Administrative and selling expenses	-183,782	-153,323
Profit before impairment losses on goodwill, interest and taxes	**286,720**	**125,658**
Impairment losses on goodwill	-	-10,390
Gain on net monetary position in hyperinflationary economies	14,286	21,651
Finance income/costs	-36,599	-26,588
Loss from foreign exchange differences	-11,121	-2,044
Share of gain/loss of associates and joint ventures	598	-254
Profit before taxes	**253,884**	**108,033**
Income tax	-55,121	-18,868
Profit after taxes	**198,763**	**89,165**
Attributable to:		
Equity holders of the parent	197,639	89,092
Non-controlling interests	1,124	73
	198,763	**89,165**
Basic earnings per share (in €)	**2.6424**	**1.1705**
Diluted earnings per share (in €)	**2.6399**	**1.1693**

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

(all amounts in Euro thousands)	For the nine months ended 30/9	
	2023	**2022**
Profit before impairment losses on goodwill, interest and taxes	**286,720**	**125,658**
Depreciation and amortization	107,797	105,550
Impairment of tangible and intangible assets	2,151	-
Earnings before interest, taxes, depreciation, amortization and impairment (EBITDA)	**396,668**	**231,208**

Summary of Interim Consolidated Statement of Financial Position

(all amounts in Euro thousands)	**30/9/2023**	**31/12/2022**
Assets		
Property, plant & equipment and investment property	1,707,158	1,675,714
Intangible assets and goodwill	362,458	364,707
Investments in associates and joint ventures	107,525	100,412
Other non-current assets	39,654	35,515
Deferred tax assets	4,342	5,730
Total non-current assets	**2,221,137**	**2,182,078**
Inventories	392,256	394,672
Receivables, prepayments and other current assets	380,688	311,846
Cash and cash equivalents	87,528	105,703
Total current assets	**860,472**	**812,221**
Total Assets	**3,081,609**	**2,994,299**
Equity and Liabilities		
Equity and reserves attributable to owners of the parent	1,516,229	1,394,533
Non-controlling interests	30,559	29,741
Total equity (a)	**1,546,788**	**1,424,274**
Long-term borrowings and lease liabilities	752,791	763,598
Deferred tax liability	149,145	130,113
Other non-current liabilities	105,751	102,466
Total non-current liabilities	**1,007,687**	**996,177**
Short-term borrowings and lease liabilities	99,954	139,366
Trade payables, income tax and other current liabilities	427,180	434,482
Total current liabilities	**527,134**	**573,848**
Total liabilities (b)	**1,534,821**	**1,570,025**
Total Equity and Liabilities (a)+(b)	**3,081,609**	**2,994,299**

Summary of Interim Consolidated Cash Flow Statement

(all amounts in Euro thousands)	For the nine months ended 30/9	
	2023	**2022**
Cash flows from operating activities		
Profit after taxes	**198,763**	**89,165**
Taxes	55,121	18,868
Depreciation and amortization of assets	109,948	105,550
Impairment of goodwill	-	10,390
Interest and related expenses	34,394	28,546
Provisions	21,825	6,329
Hyperinflation adjustments	-13,617	-16,880
Other non-cash items	13,235	480
Income tax paid	-38,237	-13,854
Changes in working capital	-102,044	-157,535
Net cash generated from operating activities (a)	**279,388**	**71,059**
Cash flows from investing activities		
Net payments for property, plant & equipment and intangible assets	-153,059	-156,104
Payments for acquisition of associate	-3,400	-
Net (payments)/proceeds for other investing activities	-205	99
Net cash flows used in investing activities (b)	**-156,664**	**-156,005**
Cash flows from financing activities		
Dividends paid and share capital returns	-45,721	-38,612
Net (payments)/proceeds of credit facilities	-49,578	175,243
Interest and other related charges paid	-33,796	-25,474
Payments for shares bought back	-10,224	-18,824
Other proceeds/(payments) for financing activities	820	246
Net cash flows (used in)/from financing activities (c)	**-138,499**	**92,579**
Net (decrease)/increase in cash and cash equivalents (a)+(b)+(c)	**-15,775**	**7,633**
Cash and cash equivalents at beginning of the year	105,703	79,882
Effects of exchange rate changes	-2,400	649
Cash and cash equivalents at end of the period	**87,528**	**88,164**

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	Profit before impairment losses on goodwill, interest and taxes 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
Profit before impairment losses on goodwill, interest and taxes	Profit before income tax, share of gain or loss of associates and joint ventures, net finance costs and impairment losses on goodwill	Provides a measure of operating profitability that is comparable over time

Financial calendar

13 March 2024	Publication of the fourth quarter and full year 2023 results
28 March 2024	Publication of the Integrated Annual Report 2023
9 May 2024	Publication of the first quarter 2024 results
9 May 2024	Annual General Meeting of Shareholders
31 July 2024	Publication of the second quarter and half-year 2024 results
7 November 2024	Publication of the third quarter and nine months 2024 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 CET (9/11/2023), please see: https://87399.themediaframe.eu/links/titan231109.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.