



# Financial Results – 1<sup>st</sup> Quarter 2019

## Investors' and Analysts' Presentation

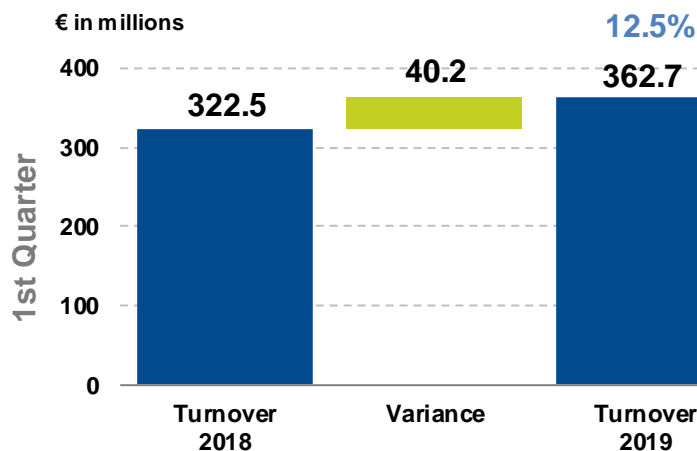
Athens, 23 May 2019

# Q1 2019 Highlights

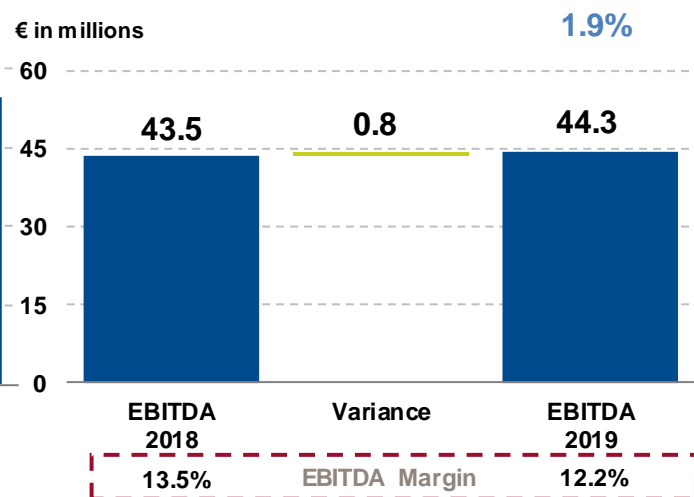
- ❑ **Group Turnover in Q1 2019 increased to €363m (+12.5% vs Q1 2018) and EBITDA reached €44m (+1.9% vs Q1 2018) despite weak results (-€5m) in EMED.**
- ❑ **Net Profit turned negative to -€6m in Q1 2019, due to higher depreciation (€3.2m from IFRS 16) and worse FX result.**
- ❑ **In the US, under positive market fundamentals, a strong Q1 2019 performance compared to a soft start in 2018, led to Turnover and EBITDA growth, up 8.5% and 30.6% in US \$ respectively.**
- ❑ **In Greece, revenue improved by 6% to €56m as domestic market increased albeit from very low levels. EBITDA was negative at -€1m, impacted by scheduled maintenance costs in the quarter.**
- ❑ **SEE posted significant growth in Q1 revenues (+41.4% vs 2018) reaching €48m, driven by mild weather conditions and market growth across all countries. EBITDA more than doubled to €9m.**
- ❑ **In EMED, both Egyptian and Turkish markets face significant challenges. Against a one off favorable Q1 2018, Turnover dropped by 23.5% to €34m. EBITDA inverted from €8.4m positive in Q1 2018 to -€5m after -€3m in Q4 2018.**
- ❑ **Net Debt at €889m after inclusion of €59m of IFRS 16 long term liabilities.**
- ❑ **TITAN Cement International S.A. (TCI), submitted a new VTO for the exchange of all the ordinary and preference shares issued by TITAN Cement Company S.A. with new shares of TCI. Success threshold at 75%.**
- ❑ **Titan AGM on June 7<sup>th</sup>. Ex-dividend date June 11<sup>th</sup>.**

# Strong US and SEE Performance Offset by Weak Market Conditions in Egypt and Turkey.

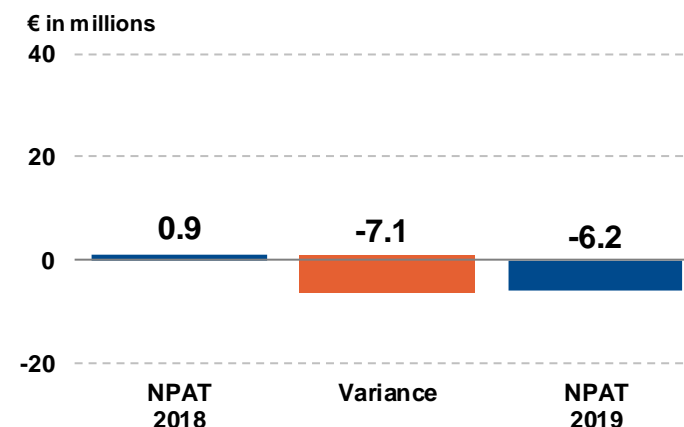
## Group Turnover



## Group EBITDA

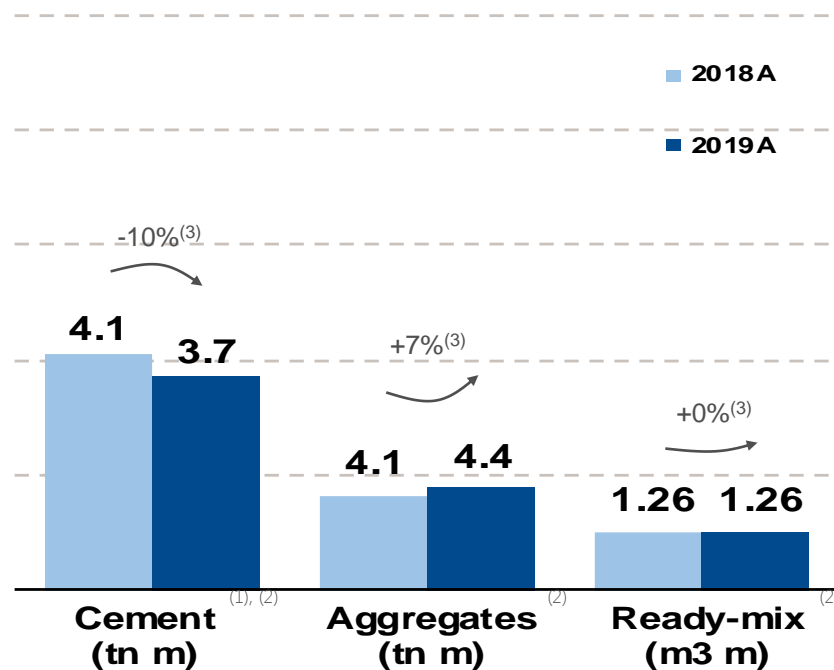


## Group NPAT



# Increased Sales Volume in USA, SEE and Greece. Sharp Drop in Egypt and Turkey.

1st Quarter Sales Volume



\* Intragroup product sales for processing are included in sales volumes

(1) Cement sales include clinker and cementitious materials

(2) Includes Turkey and Brazil, does not include Associates

(3) % represents performance versus last year

# Higher Depreciation Leads to Quarterly Net Loss

*In Million Euros, unless otherwise stated*

	2019	2018	Variance
<b>Net Sales</b>	<b>362.7</b>	<b>322.5</b>	12.5%
<i>Cost of Goods Sold</i>	-280.9	-244.7	14.8%
<b>Gross Margin (before depreciation)</b>	<b>81.8</b>	<b>77.7</b>	5.3%
<i>SG&amp;A</i>	-38.3	-35.0	9.4%
<i>Other Income / Expense</i>	0.8	0.7	13.0%
<b>EBITDA</b>	<b>44.3</b>	<b>43.5</b>	1.9%
<i>Depreciation/Impairments</i>	-33.5	-26.9	
<i>Finance Costs - Net</i>	-15.0	-14.0	
<i>FX Gains/Losses</i>	-3.1	2.0	
<i>Share of profit of associates &amp; JVs</i>	-1.4	-2.0	
<b>Profit Before Taxes</b>	<b>-8.7</b>	<b>2.6</b>	
<i>Income Tax Net</i>	1.4	-1.5	
<i>Non Controlling Interest</i>	1.2	-0.2	
<b>Net Profit after Taxes &amp; Minorities</b>	<b>-6.2</b>	<b>0.9</b>	
<b>Earnings per Share (€/share) – basic</b>	<b>-0.077</b>	<b>0.012</b>	

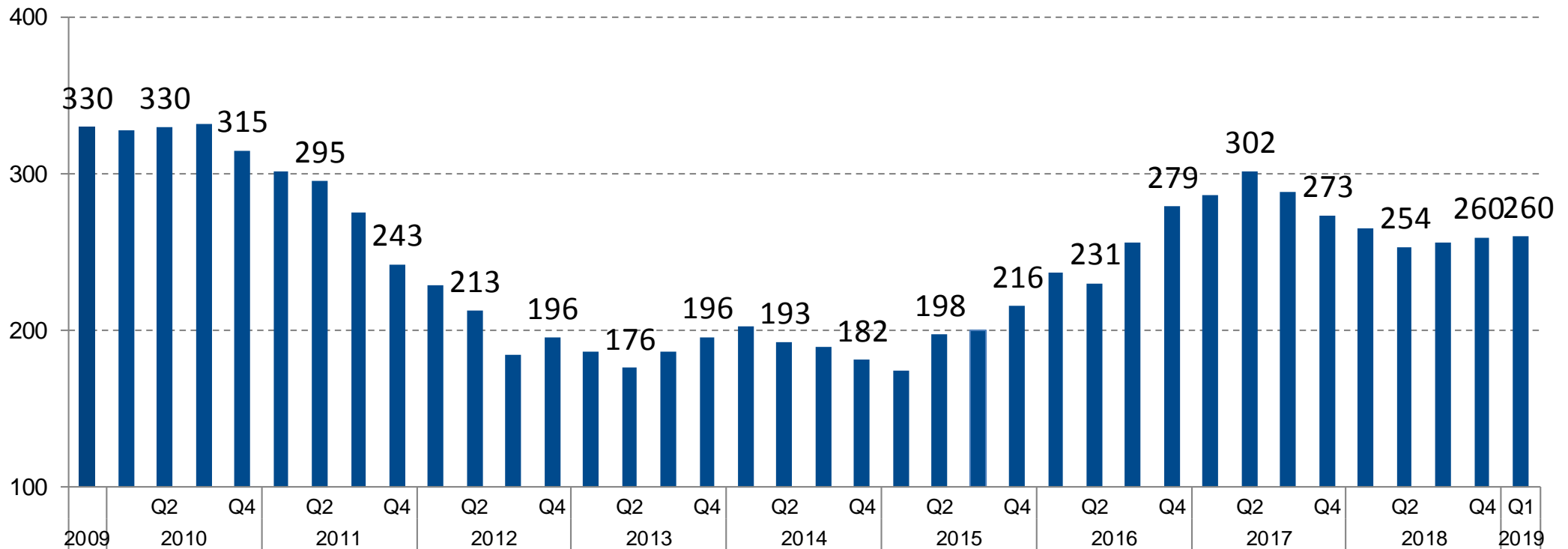
  

	31 Mar' 19	31 Dec' 18	Variance
<b>Net Debt</b>	<b>889</b>	<b>772</b>	15.1%
<b>Share Price</b>	<b>19.26</b>	<b>19.38</b>	-0.6%
<b>ASE Index</b>	<b>721.37</b>	<b>613.30</b>	17.6%

# Group 12Month-Rolling EBITDA

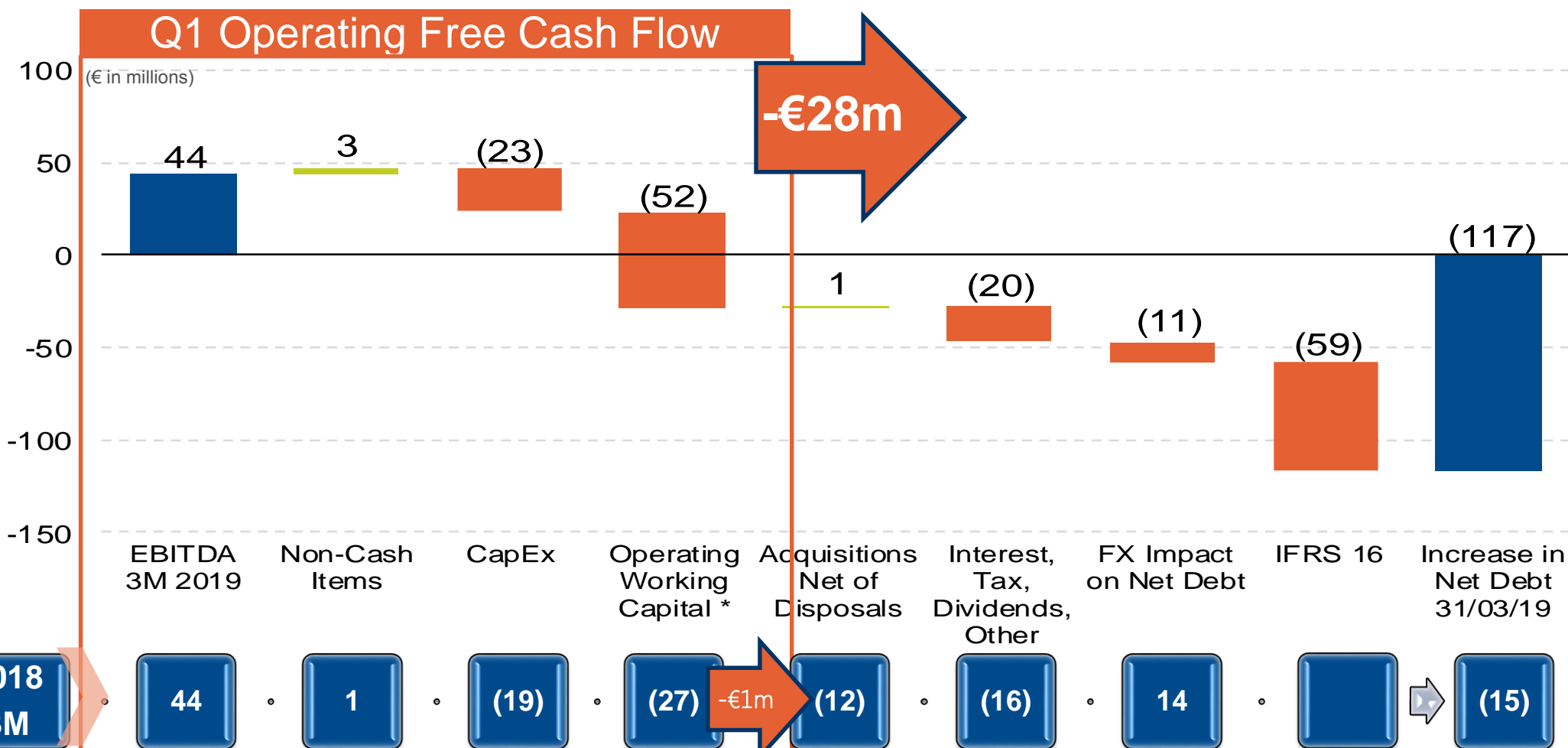
## TITAN Group

(€ in millions)



# €117m Higher Net Debt (vs Q4 2018) Due to Increased Seasonal WC Needs and €59m IFRS 16 Impact

Sources and Uses of Cash



\* Acquisitions, Interest and tax related payments are presented separately and excluded from Operating Working Capital cash movements

# Titan Group Balance Sheet

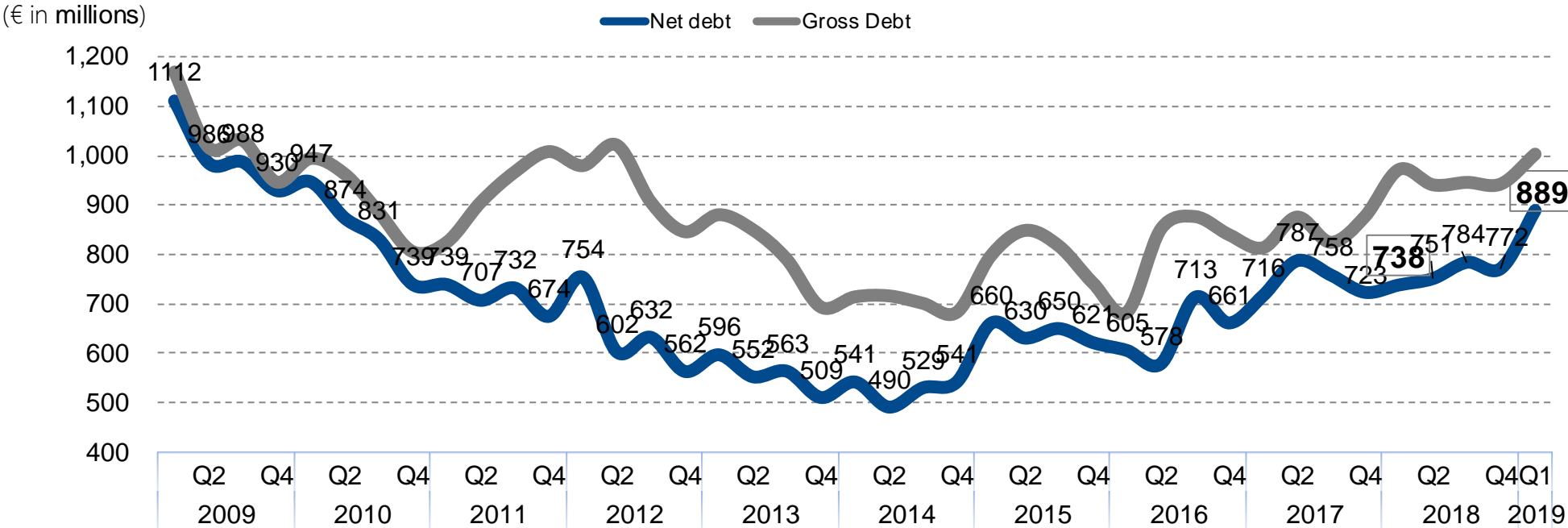
In Million Euros, unless otherwise stated

	31 Mar' 19	31 Mar' 18	31 Dec' 18	Variance 31 Mar '19 vs 31 Mar '18
<i>Property, plant &amp; equipment and inv. Property</i>	1,720.2	1,450.6	1,660.1	269.6
<i>Intangible assets and goodwill</i>	412.1	338.9	405.2	73.2
<i>Investments/Other non-current assets</i>	140.4	181.6	139.5	-41.2
<b>Non-current assets</b>	<b>2,272.7</b>	<b>1,971.1</b>	<b>2,204.8</b>	<b>301.6</b>
<i>Inventories</i>	284.3	263.3	286.6	21.0
<i>Receivables and prepayments</i>	240.5	196.8	207.5	43.7
<i>Cash and liquid assets</i>	113.9	233.8	171.0	-119.9
<b>Current assets</b>	<b>638.7</b>	<b>693.9</b>	<b>665.1</b>	<b>-55.2</b>
<b>Total Assets</b>	<b>2,911.4</b>	<b>2,665.0</b>	<b>2,869.9</b>	<b>246.4</b>
<i>Share capital and share premium</i>	314.8	276.7	314.8	38.1
<i>Treasury shares</i>	-114.2	-106.7	-109.1	-7.5
<i>Retained earnings and reserves</i>	1,189.6	1,110.4	1,188.4	79.2
<i>Non-controlling interests</i>	75.6	62.1	77.2	13.5
<b>Total equity</b>	<b>1,465.8</b>	<b>1,342.5</b>	<b>1,471.3</b>	<b>123.3</b>
<i>Long-term borrowings</i>	782.2	920.1	745.2	-137.9
<i>Deferred income tax liability</i>	96.9	40.6	94.4	56.3
<i>Other non-current liabilities</i>	69.4	69.8	66.8	-0.4
<b>Non-current liabilities</b>	<b>948.5</b>	<b>1,030.5</b>	<b>906.4</b>	<b>-82.0</b>
<i>Short-term borrowings</i>	220.5	51.8	197.6	168.7
<i>Trade payables and current liabilities</i>	276.6	240.1	294.6	36.5
<b>Current liabilities</b>	<b>497.1</b>	<b>291.9</b>	<b>492.2</b>	<b>205.2</b>
<b>Total Equity and Liabilities</b>	<b>2,911.4</b>	<b>2,665.0</b>	<b>2,869.9</b>	<b>246.4</b>



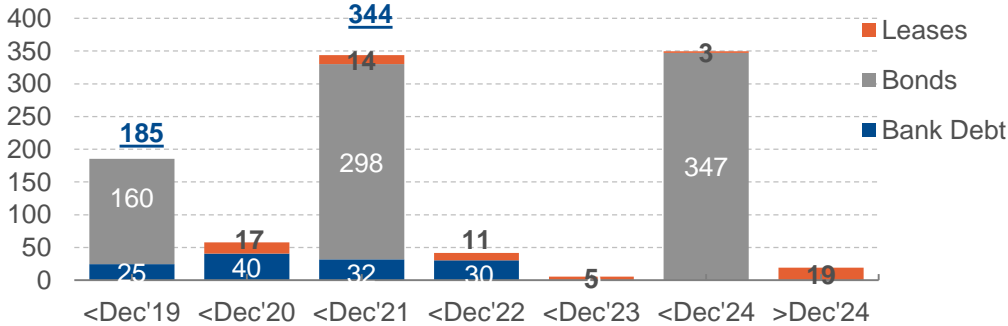
# Seasonal Q1 Increase in Net Debt Levels Affected by the Adoption of IFRS 16

Group Net and Gross Debt Evolution



2019 figures affected by adoption of IFRS 16.

Maturity Profile (€m)



# New Voluntary Share Exchange Tender Offer made by Titan Cement International (“TCI”) to all shareholders of TITAN

## Summary

Significant milestone in the dynamic growth path of TITAN Group, fully reflecting its international outlook

### Principal Objectives

- ❑ To enhance the international nature of TITAN Group's business activities
- ❑ Link TITAN Group with a large international stock exchange and a broader and deeper investor base
- ❑ Broaden TITAN Group's capital markets and banking funding sources, enabling the Group to fund growth under more competitive terms

### Squeeze-Out & Sell-Out

- ❑ The squeeze-out and sell-out rights may be exercised only for the class of the TITAN shares in respect of which the 90% threshold has been reached
- ❑ The exercising ordinary shareholders can elect to receive either ordinary shares of TCI or €19.64 in cash & the exercising preference shareholders can elect to receive either ordinary shares of TCI or €18.98 in cash

### The Offer & Conditions

- ❑ Titan shareholders will receive new ordinary shares in TCI as consideration
- ❑ Exchange ratio of one TCI share for each TITAN ordinary or preference share
- ❑ 75% minimum acceptance condition
- ❑ Upon the listing of its shares on Euronext Brussels, TCI will adopt the corporate governance code of Belgium

### Indicative Timetable

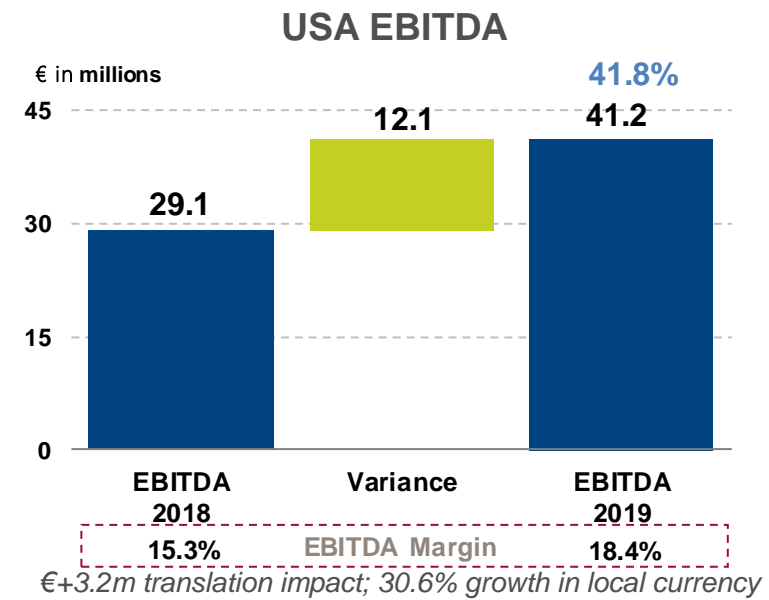
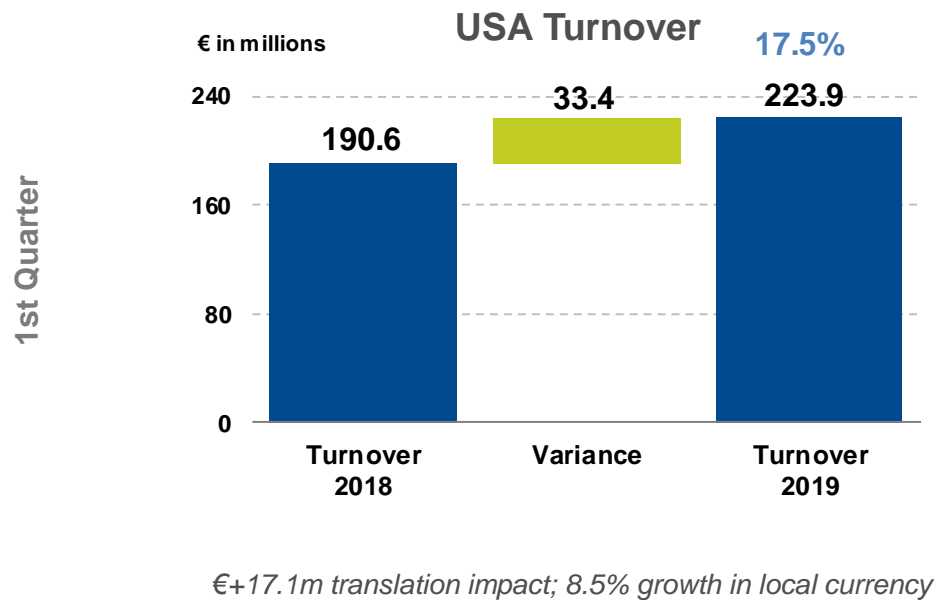
- ❑ **April-19:** Announcement of VTO by TCI
- ❑ **Mid May-19:** Prospectus approval by the FSMA
- ❑ **Late May-19:** Publication of the Information Circular following approval by the HCMC & Start of acceptance period
- ❑ **Late June-19:** Announcement of results of exchange offer; Admission of TCI shares to trading on Euronext Brussels, ATHEX and Euronext Paris & Commencement of squeeze out process, if applicable



# Performance by Region



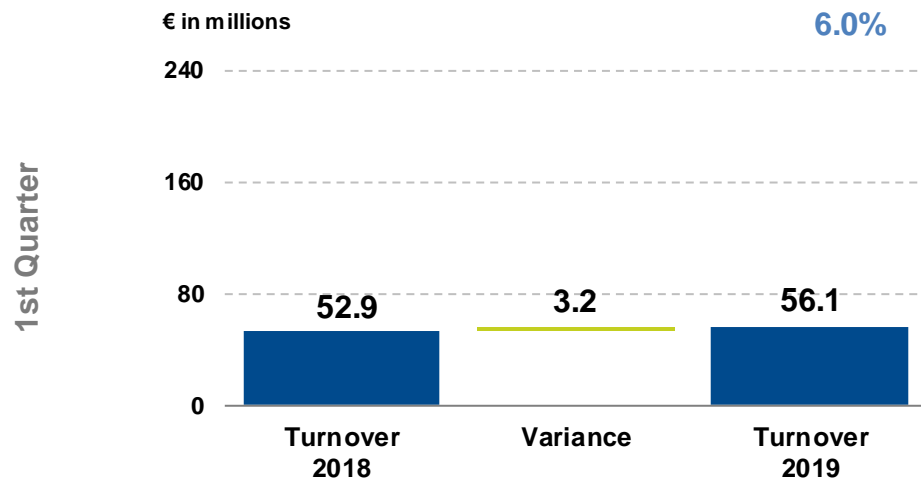
# US Solid Growth in Q1 2019, Compared to Soft Q1 2018. Positive Market Environment on the East Coast.



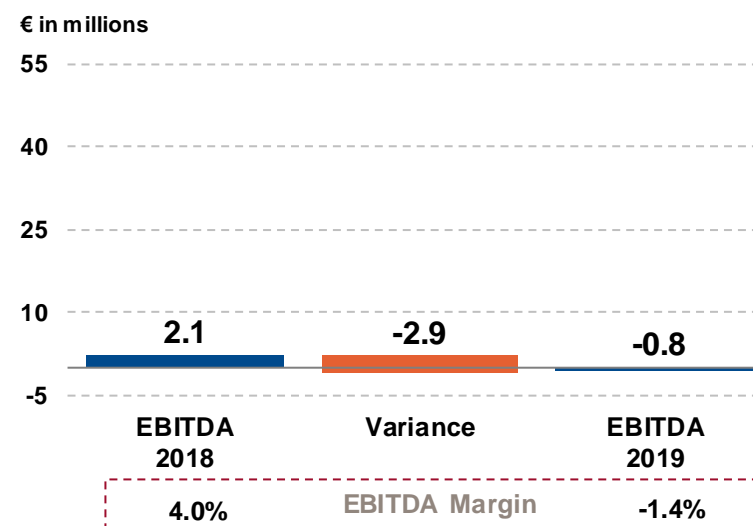
- US Turnover improved by 17.5% (+8.5% in \$ terms) and EBITDA increased by 41.8% (+30.6% in \$ terms) in Q1 2019, to €224m and €41m respectively, supported by strengthening of US\$.
- Cement sales grew in both Florida and Mid-Atlantic. Pricing initiatives implemented successfully.
- Residential growth mild. Stronger demand for single family housing.
- Continued growth in all segments. Expectations for increased infrastructure spending, at both State and Federal levels.
- Cement consumption expected to improve in Florida by 2.3% in 2019 and 2.6% in 2020 and in Mid-Atlantic (North & South Carolina, Virginia) by 3.3% in 2019 and 1.4% in 2020 (PCA Spring Forecast).

# In Greece Domestic Cement and Ready-Mix Sales Improved

Greece Turnover

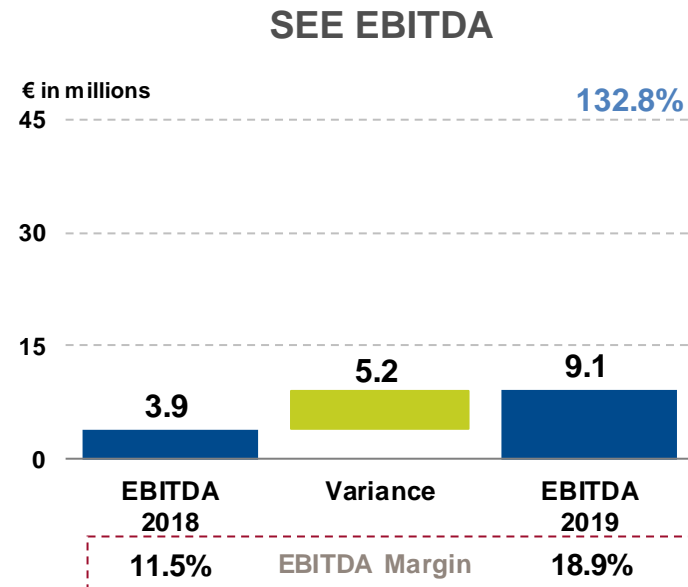
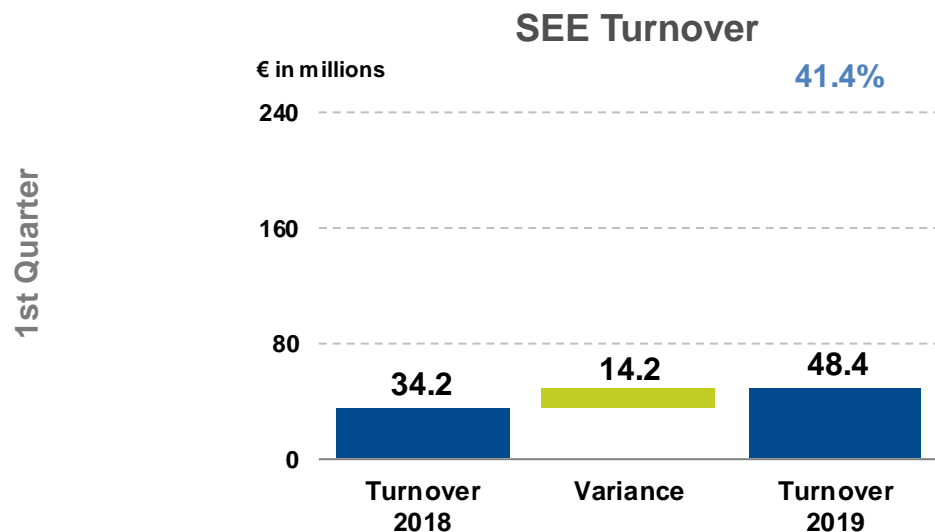


Greece & Corporate EBITDA



- ❑ Greece & WE Turnover up by 6.0% to €56m while EBITDA negative at -€1m in Q1 2019.
- ❑ Domestic market higher in the quarter albeit from very low levels.
- ❑ Stable pricing environment.
- ❑ New infrastructure projects not expected to affect cement market demand until late 2019.
- ❑ Significant annual maintenance in Q1 2019 in all plants weighed on results.

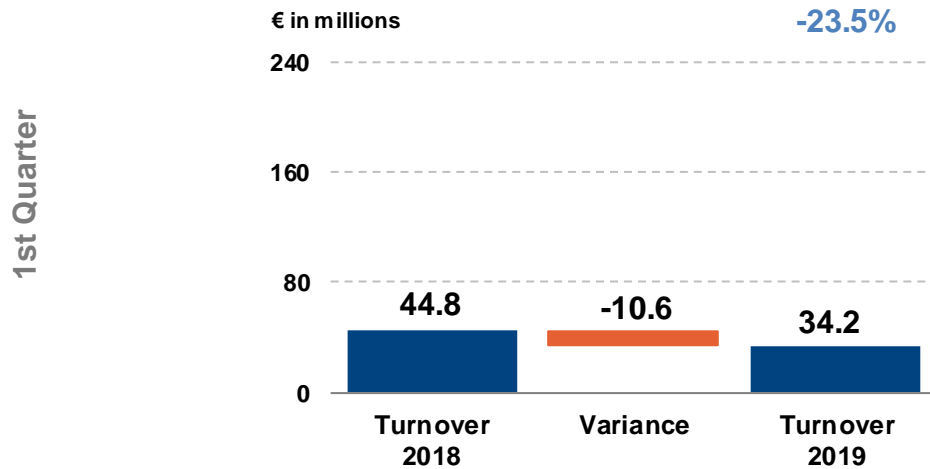
# Strong SEE Growth in Q1 2019 Following Good Market Conditions and Mild Weather



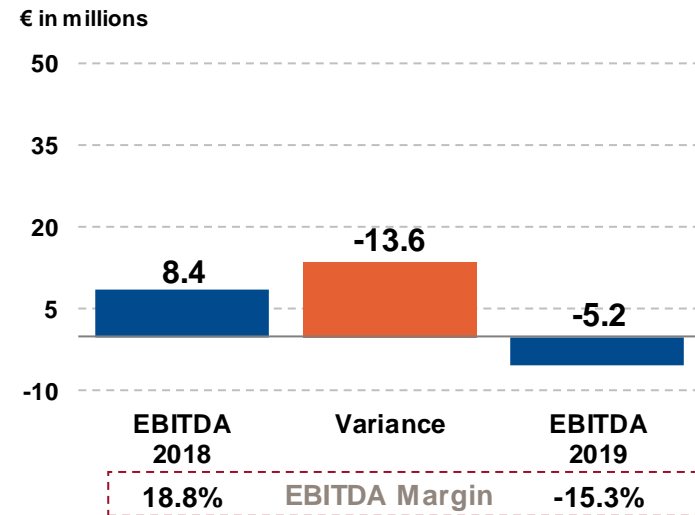
- ❑ In SEE Turnover and EBITDA increased to €48m (up 41.4%) and €9m (up 132.8%) respectively.
- ❑ Sales volume rose across all countries supported by favorable weather conditions and overall market growth in Q1 2019.
- ❑ Improved pricing environment in most markets.
- ❑ Costs contained by use of alternative fuels and improved plant utilization.
- ❑ Positive market conditions expected in 2019, growth expected to continue.

# EMED Markets Under Pressure as Egypt and Turkey Face Challenges

EMED Turnover



EMED EBITDA



- ❑ EMED Turnover in Q1 2019 dropped by 23.5% to €34m (-37% on a like-for-like basis), while EBITDA turned negative at -€5m (after -€3m in Q4 2018).
- ❑ In Egypt revenue decreased due to market slowdown, increased competition and drop in domestic prices. Negative EBITDA also hit by higher electricity cost and clay taxes.
- ❑ Continued efforts for cost containment. Current price levels not sufficient to cover operating costs.
- ❑ In Turkey the cement market contracted by 45%. Prices increased below inflation levels, further impacted by significant weakening of the Turkish Lira. Demand arising mainly from tourism sector, while public works consumption has decreased.
- ❑ Adocim full consolidation in Q1 2019.

# Q1 2019 – Joint Venture Performance

- ❑ In Brazil, cement market grew by 1.2% in the Northeast (Apodi's market).
- ❑ Reversal of trend of 4 years decline.
- ❑ Positive price environment supported Turnover growth.
- ❑ Rising costs, especially distribution expenses impacted profitability.





# Outlook

# Outlook 2019

## USA

- Bottom-up analysis strongly supports continued growth prospects.
- Focus on delivering on both growth and profitability.

## Greece

- Slowly improving outlook for domestic demand.
- Focus on cost competitiveness and optimization of exports profitability.

## S.E. Europe

- Overall, positive outlook.
- Focus on capturing synergies and efficiencies.

## Eastern Med

- Managing supply shock in Egypt, down in Turkey.
- Focus on price recovery, market presence and further cost reductions.

## Joint Ventures

- Brazil: Pace of recovery improving.

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- fluctuations and risks of business interruptions, including as a result of natural disasters;
- fluctuations in distribution costs;
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