Trading Update - First Quarter 2024

Strong start of the year with sales growth and improved profitability

Brussels, 8 May 2024, 17:30 CEST - Titan Cement International SA (Euronext Brussels, Euronext Paris and ATHEX, "TITC") announces the first quarter 2024 summary financial results.

First quarter 2024 Highlights

- **Strong sales start to the year for all regions, with sales up by 6.1%, at €623.7m, in a quarter with increased demand across all our products and pricing resilience.**
- **EBITDA at €109.8m, posting the 8th consecutive quarter of EBITDA growth.**
- **High NPAT growth of 18.4% to €52.4m while debt leverage is at low 1.2x EBITDA.**
- **Positive outlook for the year, thanks to resilient demand, firm pricing, improved performance in energy cost management and operational efficiencies.**
- **Accelerated CAPEX program and good momentum in the execution of Strategy 2026 marked by three additional bolt-on acquisitions in cementitious materials & aggregates, and continued effort of decarbonization, including the flagship carbon capture and storage project in Greece and the first calcined clay project in West Virginia, US.**
- **Titan's stock ("TITC") was added to the FTSE Russell Large Cap index in March 2024.**

TITAN Group - Review of the first quarter

Q1 2024 represented a robust kick-off to the year, characterized by increased sales volumes for all our products and by firm pricing levels. In the US, positive pricing trends and healthy volume levels were seen for another quarter, while domestic sales in Greece grew at double-digit levels. Thanks to a mild winter, Southeast Europe started the year with increased volumes coupled with higher profitability margins, though East Med sales increased while profitability was hit by currency devaluations. Volume increases were recorded across all the Group's products, with domestic cement volumes growing by 3%, ready mix by 7% and aggregates by 2%. In a seasonal, for the industry, low quarter, the Group exhibited a 6.1% sales growth on a year-over-year basis, registering sales of €623.7m. EBITDA in Q1 2024 reached €109.8m, increasing by 2.5%, compared to a record Q1 2023, despite higher electricity costs in Greece and East Mediterranean, earlier planned maintenance outages in the US and devaluation of the currencies in the East Mediterranean. Net profit after taxes and minorities rose considerably to €52.4m, up by 18.4%, supported by the increased EBITDA results, decreased finance costs and a better foreign exchange result.

In million Euro, unless otherwise stated	**Q1 2024**	**Q1 2023**	**% YoY**
Sales	**623.7**	588.1	6.1%
EBITDA	**109.8**	107.1	2.5%
Net Profit after Taxes & Minorities	**52.4**	44.3	18.4%
CapEx	**52.5**	50.0	

The Group continued to execute its growth-related investments, with €52.5m CapEx. As per the Group's strategy, investments in the further improvement of the energy mix, with increased use of alternative fuels and raw materials and higher use of supplementary cementitious materials (SCMs) reducing the clinker/cement ratio, have continued unabated. Digitalization initiatives have also progressed as planned, targeting the further roll-out of digital systems in the Group's plants, resulting in further improved performance. Within 2024, and for a second consecutive year, Titan received the top 'A' score on climate action from CDP and the 'Prime' status in the ISS ESG Corporate Rating, while was also recently recognized as one of Europe's Climate Leaders in the list published by the Financial Times. We are also accelerating the execution of our Strategy 2026 by increasing access to reserves of supplementary cementitious materials (SCMs) by completing acquisitions and partnerships in Greece and Turkey and by signing a quarry acquisition in the US. Operating Free Cash Flow posted seasonal quarterly inflows of €14m. Group net debt closed at €684 versus €660 at the end of 2023 and the leverage ratio is at 1.2x. Titan's stock ("TITC") was added to the FTSE Russell Large Cap index in March 2024.

Regional review Q1 2024

	Sales			*EBITDA*		
In million Euro, unless otherwise stated	**Q1 2024**	**Q1 2023**	***% yoy***	**Q1 2024**	**Q1 2023**	***% yoy***
USA	**370.6**	362.9	*2.1%*	**62.2**	66.3	*-6.2%*
Greece & W. Europe	**103.5**	93.8	*10.3%*	**11.8**	17.5	*-32.7%*
Southeast Europe	**95.0**	83.8	*13.4%*	**32.9**	18.0	*83.1%*
Eastern Mediterranean	**54.6**	47.5	*15.0%*	**2.9**	5.4	*-45.8%*

USA

Against the backdrop of the resilient economy, the Group's delivery in the US during the first quarter remained solid, underpinned by the strong demand fundamentals. In what is customarily a seasonally low quarter in our industry, the Group's performance was impacted by the heavy rainfalls and adverse weather. However, sales increased and volumes kept up well while pricing momentum was maintained. Planned annual maintenance shutdowns in the two cement plants were carried out earlier this year compared to 2023 and Q1 results were burdened with more costs (EBITDA growth would have been 9.2% excluding these costs). Order books are full and we experience strong demand backlogs in both public works and private investments. The Infrastructure Bill is increasingly manifesting itself on the ground while the CHIPS Act is key in transforming the US industrial sector. As the residential market remains subdued, expectations are for the Fed to ease its monetary stance later in the year and for residential activity to pick up. In line with our path towards decarbonization, we have signed an acquisition agreement for a quarry, increasing our aggregates and calcined clay reserves, while Titan America's Roanoke plant has been selected to receive up to $61.7 million in funding from the DoE to support the first-of-a-kind deployment of a calcined clay production line. Following the upgrades in our import terminals, the Group has now both the Tampa and Norfolk terminals supplying our footprint in the Southeast and the Mid-Atlantic with sufficient materials to meet increased demand.

Greece & W. Europe

The year started strongly in Greece with volumes recording growth ahead of the market across all main products. Alongside this continued growth, the Group benefits significantly from its vertical integration and positioning in the high-demand areas across both urban centers and the hospitality-driven periphery of the country. Domestic pricing levels exhibited a sustained dynamic, however, increased electricity costs impacted profitability. Export prices were lower compared to the previous year adding another factor impacting profitability, while cement exports to the US remained strong. Following the commissioning of the pre-calciner investment at the Kamari plant, usage of alternative fuels at the plant has reached higher levels of thermal substitution rates and continues to record improvements. Leveraging our robust local presence, we expanded our operational capacity by acquiring a quarry in Attica in January 2024, which holds more than 40 million tons of reserves. This acquisition is part of our strategy to augment our reserves, following other recent expansions in the country, aimed at addressing the growing local demand. Regarding IFESTOS, our flagship carbon capture and storage project in Greece, following the signing of the Grant Agreement with the EU Innovation Fund last December, we have been working closely with authorities, technology providers, suppliers and value chain partners to mature the project across all dimensions.

Southeastern Europe

Southeastern Europe enjoyed a very strong start to the year. Volumes recorded a high single-digit growth and profitability increased, signifying the resilience of pricing and a much-improved underlying cost structure, coupled with efficiencies obtained in terms of operational optimization. Growth across the region is diverse in origin, depending on the country, ranging from extensive land development projects encompassing infrastructure and residential redevelopment, to road works, industrial investments as well as extensive upgrading of the existing building stock, also supported by substantial EU aid which flows into the region in addition to international and domestic investment. The successful establishment of lower-clinker cement products has allowed us to effectively augment our capacity to serve the market while achieving the aim of reducing our carbon footprint thereby delivering a dual benefit to the Group. Thermal substitution rates continue to increase while the Group maximizes its access to the varying types of alternative fuel sources available in each market.

Eastern Mediterranean

While sales in the region increased by 15%, profitability was hit by currency weaknesses. In Egypt, the domestic market in Q1 remained subdued and any projects moving were those enjoying foreign financing. Amidst this fragile market environment, the Group has been actively pursuing exports, which further enhanced in the year. While Egypt's economic challenges are still prevalent, the country may be finally embarking on a path to normalization following the significant currency devaluation in March and the release of the IMF and EU financing. Despite inflation remaining high, signs of easing have lately been seen. Following last year's investments, thermal substitution rates at the Alexandria plant have reached record levels, optimizing performance and reducing our carbon footprint. Demand in Turkey increased in the first quarter, supported by a mild winter, leading to double-digit growth in our sales volumes, which allowed for price increases. The reconstruction efforts following last year's earthquake continue to mark the main large public works in the country. The integration of a new biomass unit has enhanced the use of alternative fuels and the decrease in the clinker-to-cement ratio in our blended cements underscores our commitment to sustainability.

Brazil (Joint Venture)

The prolonged period of intense rain in several regions of the country, impacted sales, with cement consumption declining by 3.3% in 1Q 2024 compared to 1Q 2023. However, thanks to positive volume growth achieved in our markets, our joint venture's sales increased by 9.9%, reaching €32.4m, and EBITDA reached €4.2m; up by 22.6%.

Outlook

The global economic scenario for 2024 suggests a cautious optimism. Potential challenges still derive from inflation, as well as new commodity price spikes due to ongoing geopolitical tensions.

The outlook for the US economy is optimistic, with expectations of continued growth, albeit at a slower pace, influenced by external geopolitical events, policy decisions and changing consumer dynamics. Regarding the construction industry, indicators remain positive, supporting high volumes. Investments in renewables, roads, bridges, transit and water, should continue to grow and pricing levels should remain supportive, amidst a continuous tight supply environment and with the carryover momentum of previous price increases.

The outlook on the Greek construction market is also positive, supported by the launch of numerous infrastructure projects with a combined budget of ca. €8bn. The new highway in Southwest Greece, the new airport and a highway connecting east to west in Crete, as well as several other projects across the mainland, are expected to drive significant activity over the next three years. Additionally, by expanding our ready-mix distribution network, we aim to boost profitability within this growing market, which is buoyed by developments in residential, commercial and tourism-related projects.

Southeastern Europe has exhibited economic resilience and sentiment continues to improve, amidst easing inflationary pressure and improved consumer confidence, while political instability and the wider geopolitical uncertainty, cast a shadow of caution over the region. The dynamics for further market development are in place and the Group enjoys a strong network presence in the region. Maintaining operational efficiencies and continuing the decarbonization investments strengthen our presence and future profitability.

The liberalization of the exchange market in Egypt and the tightening of the Central Bank’s monetary stance, coupled with a very significant increase in foreign direct investment all bode favorably for the country’s future. These developments, alongside Egypt's stated commitment to stick to ambitious budgetary consolidation targets, are shoring up confidence in Egypt's economy. While improvement will be gradual, the Group holds reserved optimism that the market has troughed and the country’s underlying dynamics will eventually translate into renewed demand. In Turkey, with local elections now in the past and a commitment to economic orthodoxy remaining intact, prospects look positive. Private investment continues unabated while reconstruction works post the 2023 earthquake should maintain their momentum for the following years.

The Group enjoyed a robust start to the year, exhibiting solid performance across its core markets, attributed to the strategic integration of our regional footprints and product offerings and the enhancement of our market presence through network synergies. With a focus on sustainability, customer proximity and efficient resource use, we are pushing forward with growth investments aimed at expanding our operations and enhancing margins. Our 2024 outlook remains positive, driven by resilient volumes, sustained pricing and the successful completion of growth-oriented projects.

Summary of Interim Consolidated Income Statement

(all amounts in Euro thousands)	For the three months ended 31/3	
	2024	**2023**
Sales	623,667	588,060
Cost of sales	-486,066	-461,716
Gross profit	**137,601**	**126,344**
Other net operating income	1,195	1,846
Administrative and selling expenses	-66,505	-56,912
Profit before impairment losses on goodwill, net finance costs and taxes	**72,291**	**71,278**
Gain on net monetary position in hyperinflationary economies	3,149	2,743
Finance costs/income	-11,074	-13,999
Gain/(loss) from foreign exchange differences	1,289	-3,835
Net finance costs	***-6,636***	***-15,091***
Share of loss of associates and joint ventures	-900	-536
Profit before taxes	**64,755**	**55,651**
Income taxes	-12,980	-11,252
Profit after taxes	**51,775**	**44,399**
Attributable to:		
Equity holders of the parent	52,432	44,271
Non-controlling interests	-657	128
	51,775	**44,399**

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

(all amounts in Euro thousands)	For the three months ended 31/3	
	2024	**2023**
Profit before impairment losses on goodwill, net finance costs and taxes	**72,291**	**71,278**
Depreciation and amortization	37,488	35,853
Earnings before interest, taxes, depreciation, amortization and impairment (EBITDA)	**109,779**	**107,131**

Summary of Interim Consolidated Statement of Financial Position

(all amounts in Euro thousands)	31/3/2024	31/12/2023
Assets		
Tangible, intangible assets and goodwill	2,062,057	2,053,560
Other non-current assets	146,646	136,522
Total non-current assets	**2,208,703**	**2,190,082**
Inventories	385,840	395,477
Receivables, prepayments and other current assets	373,013	351,356
Cash, cash equivalents and bank term deposit	182,578	274,525
Total current assets	**941,431**	**1,021,358**
Total Assets	**3,150,134**	**3,211,440**
Equity and Liabilities		
Equity and reserves attributable to owners of the parent	1,569,564	1,552,403
Non-controlling interests	32,625	30,720
Total equity (a)	**1,602,189**	**1,583,123**
Long-term borrowings and lease liabilities	466,871	541,025
Other non-current liabilities	259,790	241,227
Total non-current liabilities	**726,661**	**782,252**
Short-term borrowings and lease liabilities	399,721	393,364
Other current liabilities	421,563	452,701
Total current liabilities	**821,284**	**846,065**
Total liabilities (b)	**1,547,945**	**1,628,317**
Total Equity and Liabilities (a)+(b)	**3,150,134**	**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).

Financial Calendar

9 May 2024	Annual General Meeting of Shareholders
25 June 2024	Ex-dividend date
26 June 2024	Record date
3 July 2024	Dividend payment date
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 consulted 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, please see: https://87399.themediaframe.eu/links/titan240509.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 6,000 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.