Media Release

Regulatory Announcement

13 May 2021

First Quarter 2021 Results

Positive start to the year and rise in profitability

Brussels, 13 May 2021, 08:00 CEST – Titan Cement International SA (Euronext Brussels, ATHEX and Euronext Paris, TITC) announces the first quarter 2021 summary financial results.

- **Positive start to the year with resilient underlying demand & pricing progress across key markets. Group revenue at €371m, down 3.6% due to weaker US$ vs Q1 2020; up by 3.2% in local currencies;**
- **EBITDA at €56.1m driven by sales volume growth and deferred maintenance shutdowns;**
- **Net profit after tax growth to €15.3m, a €31m improvement vs a €15.8m loss in Q1 2020. Benefit from higher EBITDA, lower finance costs and FX gains;**
- **2021 outlook maintained, supported by the encouraging prospects of the Group's markets;**

TITAN Group - Overview of the first quarter

TITAN Group consolidated revenue reached €371m, down 3.6% versus Q1 2020, penalized by the weaker US$ and US$ linked currencies, against otherwise solid organic growth trends. Revenue growth was 3.2% in local currencies. The progressive normalization of conditions amidst the Covid-19 context, the Group's operational agility and deferred maintenance works in the US, resulted in EBITDA growth to €56.1m vs €40.6m in 2020. On a comparable basis Q1 2021 EBITDA would be about $10m lower to account for the estimated maintenance cost deferred to Q2. In Q1 2021 net profit after taxes and minority interests grew to €15.3m, a €31m improvement against a €15.8m loss in Q1 2020 (which included €9m one-off mark to market losses on US$ interest rate hedges).

Q1 2021 marked a positive start to the year with robust demand in the US particularly during March, solid market trends in Southeastern Europe, a continuation of healthy market development in Greece and some improvement in the Eastern Med.

Sales volume trends were positive across all product lines. Group cement and clinker sales increased by 3% supported by higher demand across most markets. Aggregates and ready-mix sales volumes increased by 3% and 1% respectively.

In million Euros, unless otherwise stated	Q1 2021	Q1 2020	%yoy
Revenue	370.7	384.8	-3.6%
EBITDA	56.1	40.6	38.3%
Net Results after Taxes & Minorities	15.3	-15.8	

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Regional review Q1 2021

USA

Revenue

EBITDA

The year started with good volume development in the US, especially in the Mid-Atlantic region. Solid price trends testified to the pent-up demand and a more confident restarting of activity which reflects the economy's robust growth. Demand was stable in Florida, with divergent trends depending on geographies, while even a slow recovery was witnessed in New York which had seen the brunt of the slowdown due to the pandemic. Overall continuing residential and commercial demand is supported by low interest rates, the prevailing low housing stock and increased demand for housing.
Revenue in the USA recorded a 3.8% increase in US $ terms in the first quarter of 2021 but was down 4.9% in Euro terms at €226m. EBITDA increased to €37.7m, enhanced by an estimated $10m due to the deferral of maintenance shutdown of the Pennsuco plant to Q2 2021.

Greece & W. Europe

Revenue

EBITDA

In Greece, the encouraging trends recorded in 2020, have continued into 2021 with the market continuing to grow and sales up in Q1 2021 versus Q1 2020. The domestic market is being driven by many peripheral construction projects and private investments. Exports to the Group's European terminals also increased during the quarter, testifying to broader pick up of activity in Europe. Export sales denominated in US $ were however penalized by the weaker US $ and were lower compared to the previous year.
Total revenue for region Greece and Western Europe in Q1 remained stable at 0.9% reaching €57.9m. On the operating level, EBITDA reached €6.8m versus €1.4m in Q1 2020, mainly due to improved sales mix.

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Southeastern Europe

Southeastern Europe continued delivering well with solid pricing and volumes against a backdrop of construction confidence in the region. Higher maintenance costs and energy costs spikes in the quarter however curtailed profitability.
Revenue for the region as a whole increased by 2.2% to €49m while EBITDA declined by €0.7m to €11.3m compared to the first quarter of the previous year.

Eastern Mediterranean

In Egypt, our Q1 2021 sales volumes were flat at Q4 2020 levels, starting with lower sales in January and February. By March however, the market witnessed an uptick in both volumes and prices, which continued in April. Turkey once again recorded growth in domestic sales and prices, with notable regional differences across the country. Drivers of consumption were private housing and small-scale business and industrial projects. As the Turkish lira lost 32% of its value vs the Euro between Q1 2020 and Q1 2021, the improved performance of the Turkish operations had a limited impact on Group profitability.
Total revenue in the Eastern Mediterranean reached €37.7m, a decline of 9.3% year on year, though at +3.9% in local currency. EBITDA turned positive at €0.2m in the quarter versus a €0.4m loss in Q1 2020.

Brazil (Joint venture)

The market in the North East of Brazil grew by 18% in the quarter confirming the momentum witnessed in 2020. Sales of our joint venture Apodi increased based on stronger demand coming from the residential and commercial sectors. In Q1 Apodi posted an increase in Revenue to €18.3m (vs €16.3m in 2020) as well as in EBITDA at €4.9m vs €2.5m in 2020, despite the weakening of the local currency.

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Financial Review

Group net debt at the end of March 2021 closed at €759m higher by €74m against the end of 2020, but lower by €119m compared to end of March 2020. Early payment of the last installment of €40.8m to IFC for the acquisition of its minority stakes in Egypt and Southeastern Europe, raised debt levels in the quarter.
Capex in Q1 2021 reached €22m versus €21m in Q1 2020.
On March 23, 2021 the Board of Directors decided the return of capital of €0.40 per share to all shareholders of the Company on record on April 29, 2021. The date of payment will be July 2nd 2021.
On April 22, 2021 TITAN Cement International S.A. purchased 4,122,393 of own shares from TITAN Cement Company S.A. This transaction is part of the execution process for the cancellation of 4,122,393 own shares (5% of TCI's total shares) as approved by the company's Board. This process is expected to be completed by the end of Q2 2021, according to the procedure provided by Belgian law.

ESG Performance

TITAN Cement Group published its 2020 Integrated Annual Report and released its Environmental, Social and Governance (ESG) targets for 2025 and beyond, underscoring its enduring commitment to sustainability and value creation for all. The targets include an updated, more ambitious, CO_2 reduction goal at -35% for 2030 compared to 1990 levels, bringing our Scope 1 emissions (net) down to 500kg/t cementitious products. This goal is aligned with our commitment to the COP21 Paris agreement and the GCCA 2050 Climate Ambition to deliver society with carbon-neutral concrete by 2050. Furthermore, in the first quarter we rolled out our Scope 3 CO_2 emissions monitoring to all of our cement operations across the Group.
Among the highlights of achievements of Q1 2021 in our commitment to reduce our carbon footprint, Separation Technologies, a Group subsidiary based in the US, commissioned the world's first industrial-scale plant to reclaim, dry and electrostatically separate landfilled fly ash. Through this innovative process, an unusable waste material is converted into high-quality, green end-products used in the cement, concrete and power generation industries. Resulting benefits include a lower carbon footprint and a solution for the cleanup and remediation of fly ash landfills and ponds.

Outlook

The market trends and developments in the first quarter of the year, confirm that market fundamentals remain promising, and the key drivers of demand are in place to support operational growth in 2021 and beyond. At the same time in 2021 we are facing headwinds in terms of energy, commodity and logistics costs.
Titan America's solid backlogs and the growth of the US economy point to rising activity levels and profitability. Our other markets also demonstrate positive trends and improving prospects. As economies reopen and confidence returns with the improving health situation across our markets, as the pace of vaccinations picks up, we maintain our positive outlook for the year as released with our full year 2020 results.

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Summary of Interim Consolidated Income Statement

(all amounts in Euro thousands)	For the three months ended 31/3	
	2021	2020
Revenue	370,735	384,763
Cost of sales	-306,521	-338,082
Gross profit	**64,214**	**46,681**
Other net operating (expenses)/income	-198	579
Administrative and selling expenses	-40,544	-41,878
Operating profit	**23,472**	**5,382**
Finance income and expenses	-9,565	-12,686
Fair value changes in interest rate swaps	441	-9,000
Gains/(losses) from foreign exchange differences	5,473	-2,814
Share of profit/(loss) of associates and joint ventures	780	-303
Profit/(loss) before taxes	**20,601**	**-19,421**
Income tax	-5,583	3,126
Profit/(loss) after taxes	**15,018**	**-16,295**
Attributable to:		
Equity holders of the parent	15,312	-15,799
Non-controlling interests	-294	-496
	15,018	**-16,295**
Basic earnings/(losses) per share (in €)	**0.1990**	**-0.2035**
Diluted earnings/(losses) per share (in €)	**0.1982**	**-0.2021**

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

(all amounts in Euro thousands)	For the three months ended 31/3	
	2021	2020
Operating profit	**23,472**	**5,382**
Depreciation and amortization	32,624	35,185
Earnings before interest, taxes, depreciation, amortization and impairment (EBITDA)	**56,096**	**40,567**

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Summary of Interim Consolidated Statement of Financial Position

(all amounts in Euro thousands)	**31/03/2021**	**31/12/2020**
Assets		
Property, plant & equipment and investment property	1,562,698	1,540,963
Intangible assets and goodwill	361,638	352,292
Investments in associates and joint ventures	83,088	85,610
Other non-current assets	18,450	19,248
Deferred tax assets	12,864	15,201
Total non-current assets	**2,038,738**	**2,013,314**
Inventories	259,922	248,586
Receivables, prepayments and other current assets	240,692	210,595
Cash and cash equivalents	128,271	206,438
Total current assets	**628,885**	**665,619**
Total Assets	**2,667,623**	**2,678,933**
Equity and Liabilities		
Equity and reserves attributable to owners of the parent	1,273,449	1,242,693
Non-controlling interests	22,320	23,990
Total equity (a)	**1,295,769**	**1,266,683**
Long-term borrowings and lease liabilities	672,605	666,993
Deferred tax liability	109,444	102,078
Other non-current liabilities	102,274	97,930
Total non-current liabilities	**884,323**	**867,001**
Short-term borrowings and lease liabilities	214,502	223,850
Trade payables, income tax and other current liabilities	273,029	321,399
Total current liabilities	**487,531**	**545,249**
Total liabilities (b)	**1,371,854**	**1,412,250**
Total Equity and Liabilities (a+b)	**2,667,623**	**2,678,933**

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Summary of Interim Consolidated Cash Flow Statement

(all amounts in Euro thousands)	For the three months ended 31/3	
	2021	**2020**
Cash flows from operating activities		
Profit/(loss) after taxes	**15,018**	**-16,295**
Depreciation, amortization and impairment of assets	32,624	35,185
Interest and related expenses	9,436	12,491
Other non-cash items	4,918	13,186
Income tax (paid)/received	-2,887	531
Changes in working capital	-51,670	-40,741
Net cash generated from operating activities (a)	**7,439**	**4,357**
Cash flows from investing activities		
Net payments for property, plant & equipment and intangible assets	-21,668	-20,820
Net proceeds from changes in investments to affiliates	49	766
Net cash flows used in investing activities (b)	**-21,619**	**-20,054**
Cash flows from financing activities		
Acquisition of non-controlling interests	-40,812	-86
Other proceeds from financing activities	117	-
Payments for shares purchased back	-	-2,186
Interest and other related charges paid	-7,235	-5,698
Net proceeds from drawn downs/(repayments) of credit facilities and derivatives	-20,690	71,356
Net cash flows (used in)/from financing activities (c)	**-68,620**	**63,386**
Net (decrease)/increase in cash and cash equivalents (a)+(b)+(c)	**-82,800**	**47,689**
Cash and cash equivalents at beginning of the year	206,438	90,388
Effects of exchange rate changes	4,633	636
Cash and cash equivalents at end of the period	**128,271**	**138,713**

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General Definitions

CAPEX

CAPEX is defined as acquisitions of property, plant and equipment, right of use assets, investment property and intangible assets.

EBITDA

EBITDA corresponds to operating profit before impairment losses on goodwill plus depreciation, amortization and impairment of tangible and intangible assets and amortization of government grants.

Net Debt

Net debt corresponds to the sum of long-term borrowings and lease liabilities, plus short-term borrowings and lease liabilities (collectively gross debt), minus cash and cash equivalents.

NPAT

NPAT is defined as profit after tax attributable to equity holders of the parent.

Operating Free Cash Flow

Operating free cash flow is defined as cash generated from operations minus payments for CAPEX.

Operating profit

Operating profit is defined as profit before income tax, share of gain or loss of associates and joint ventures, gains or losses from foreign exchange differences, net finance costs and other income or loss.

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Financial calendar

02 July 2021	Date of payment of capital return
29 Jul 2021	Publication of financial results for the First Half 2021
11 Nov 2021	Publication of financial results for the Nine Months 2021

- 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 13:00 CEST, please see: https://87399.themediaframe.eu/links/titan210513.html

About Titan Cement International SA

Titan Cement International is a multiregional cement and building materials producer. Business activities cover the production, transportation and distribution of cement, concrete, aggregates, fly ash, mortars and other building materials. The Group employs about 5,500 people and is present in 15 countries, operating cement plants in 10 of them, the USA, Greece, Albania, Bulgaria, North Macedonia, Kosovo, Serbia, Egypt, Turkey and Brazil. Throughout its history, the Group has aspired to serve the needs of society, while contributing to sustainable growth with responsibility and integrity.