

Full Year Results 2022

Brussels, 22 March 2023, 08:30 CET – Titan Cement International SA (Euronext Brussels, ATHEX and Euronext Paris, TITC) announces the fourth quarter and full year 2022 financial results.

Record sales and strong profitability growth in all markets, in a year marked by cost inflation and uncertainties.

- Second consecutive year of record Group sales of €2,282.2m, up 33.1%, following a very strong Q4. US and Greece represent over 70% of Group sales.
- EBITDA rose to €331.2m with all regions posting double-digit profitability increase. Recovering EBITDA margins with solid volumes, dynamic pricing, cost-efficiency actions, and favourable USD offset sharp rise in energy and distribution costs.
- Very strong Q4 2022 with EBITDA growth for third consecutive quarter. Q4 EBITDA at €96.7m vs €55.6m in 2021.
- Earnings per share increased by 24.4%. NPAT reached €109.7m (+19.3%), despite FX losses in Egypt. Hyperinflation accounting applied in Turkey with practically neutral NPAT impact after taking a €21.8m goodwill impairment charge.
- Net debt closed at €797.3m (+€84m) following record CapEx (€241.9m) to achieve growth, energy cost efficiencies, optimize logistics costs, and expand capacities, as well as for more working capital to support sales growth. Leverage ratio reduced to 2.4x.
- Highest annual specific CO₂ emissions reduction (-5%) recorded in the last decade with higher use of alternative fuels and lower clinker-to-cement ratio. Green products and solutions approaching 20% of sales volumes. High ESG ratings.
- Group digital transformation rolled out to more plants, with production efficiencies in the form of increased output and energy cost savings, as well as with machine failure prediction detection, results in significant financial benefits.
- Focus on shareholder returns. Over €60m paid in 2022 as capital reduction distribution to shareholders and for share buybacks. The Board proposes a dividend payment of €0.60 per share.
- Outlook remains positive given exposure to resilient markets in America as well as in Europe. Large growth and logistics investments to be finalized in 2023.

Marcel Cobuz, Chairman of the Group Executive Committee

“The great performance results highlight the Group's ability to adapt to market conditions and to activate effective growth strategies, driving positive financial performance mainly in US and Europe, where we serve the majority of our customers and have close to 90% of our sales. They also underscore the Group's resilience, adaptability and commitment of all our great teams to transform the Group commercially and technologically while digitizing our customer journey and decarbonizing aggressively, delivering long-term value to all our stakeholders.”

Michael Colakides, Managing Director of TCI & Group CFO

“We are proud we closed the year with record sales and the best EBITDA profitability performance for over a decade. All our regions posted double-digit profitability growth as our margins recovered, on the back of dynamic pricing and cost-efficiency actions outweighing the impact of cost inflationary pressures. Our improvement in debt leverage coupled with an active investment growth portfolio, continuous shares buyback and the proposed dividend increase show our confidence in the business model and growth profile of the company.”

<i>In million Euros, unless otherwise stated</i>	FY 2022	FY 2021	% YoY	Q4 2022	Q4 2021	% YoY
Sales	2,282.2	1,714.6	+33.1%	620.4	451.8	+37.3%
EBITDA	331.2	275.2	+20.3%	96.7	55.6	+73.9%
Net Profit after Taxes & Minorities	109.7	91.9	+19.3%	20.6	10.0	+106.1%
Earnings per Share (€/share)	1.53	1.23	+24.4%			

TITAN Group - Review of the year 2022

In 2022, Titan Cement Group successfully overcame inflation and supply chain challenges and achieved double-digit sales growth in all its markets. This was attributed to solid volumes, successful pricing strategies, and energy cost-efficiency actions which helped offset rising energy and overall production costs as well as transportation costs. Input and energy costs started increasing during the last quarter of 2021 and over the following twelve months those costs intensified further, reaching at times historical high levels. During the course of this period, we increased our prices, targeting to offset the overall increases in costs and to restore our declining margins. In the last quarter of 2022, energy costs improved as a result of cost-saving actions, more use of alternative fuels, and market conditions, allowing a recovery of EBITDA margins. On the customer front, the offering of green products and solutions was almost at 20% of production, serving amongst other iconic projects across our markets such as the Cairo Monorail in Egypt, the “Ellinikon” project and the new subway line 4 in Athens, Greece, and Virginia’s Thimble Shoals Tunnel in the US.

The Group delivered robust sales of €2,282.2m reflecting a solid 33.1% increase compared to the previous year. To be noted that sales as well as cost of sales were impacted by inflation and the strong USD. Despite the challenges posed by surging energy costs, the Group's actions to adopt a dynamic price increases strategy and enhance its energy mix, coupled with efficiency gains thanks to digitalization of its manufacturing process, have resulted in a significant EBITDA improvement. In 2022, the Group's EBITDA increased by 20.3% compared to 2021, reaching €331.2m. The Group's net result after taxes and minority interests also showed significant growth, reaching €109.7m, an increase of 19.3% from the €91.9m profit in 2021. Noted that IAS 29 for hyperinflation was applied in the operations in Turkey, leading to a gain on net monetary position of €26.3m and reducing the EBITDA by €3.4m. A goodwill impairment of €21.8m was recognized practically reversing the gain that resulted from hyperinflation.

Market dynamics remained favorable during 2022, allowing the Group to increase domestic volumes. At Group level, domestic cement, ready-mix, and fly-ash volumes increased for another consecutive year, while we have seen some slowdown in third-party cement exports, aggregates, and building light pre-cast volumes. Group domestic cement sales have increased by 2% (excluding exports) to 17.2m tons driven by higher volumes in the US, Greece, and Southeast Europe. Volumes in Ready-mix increased by 2%, reaching 5.6 million m³ mostly thanks to the continuous strength of the Greek market.

<i>million</i>	FY 2022	FY 2021	% YoY
Cement - domestic (metric tons) ⁽¹⁾	17.2	16.8	+2%
Ready-mix concrete (m ³)	5.6	5.5	+2%
Aggregates (metric tons)	19.1	20.2	-5%

*(1) Cement sales in domestic markets including clinker and cementitious materials
Includes Brazil, does not include Associates*

Investments & Financing

Group capital expenditures during the year reached a 15-year high at €241.9m compared to €126.0m in 2021. Growth, energy cost efficiencies, logistics costs' optimization, and capacity debottlenecking CapEx projects, mainly in US markets, increased during 2022. The Group invested in energy-saving projects, allowing higher use of lower-cost alternative fuels, improved cement production efficiencies through digital technology, expanded our warehouse capacity to accommodate larger production volumes, optimized logistics, and reduced carbon footprint, primarily in the US and EU. Those projects will result in incremental financial benefits for the Group starting in 2023 and more so in 2024. The significant group capital expenditures for 2022 were aligned with the Group's strategic objectives, demonstrating its continued commitment to sustainable and responsible business practices for long-term growth. It is noted that the cost of CapEx was also affected by prevailing inflation and the strength of the US dollar. More than 50% of the CapEx for 2022 was directed to the US, as part of the Group's \$300m growth investment program in the US during 2021-2023.

Working Capital increased in 2022 by €92m as a direct result of higher group sales, inflationary pressures on inventories, and higher inventory levels addressing supply chain disruptions.

Following an EBITDA increase to €331.2m (+€56.0m), higher capital expenditures and higher working capital needs to support sales growth, Operating Free Cash Flow (OFCF) for the year 2022 reached €18.8m versus €104.7m in 2021.

Year-end net debt increased by €84.1m to €797.3m (2021: €713.2m), while the leverage ratio of Net Debt/EBITDA ratio dropped to 2.4x thanks to the increased EBITDA. The Group has a low exposure to interest rate risk as more than 80% of its debt is either in fixed rates or covered by long-term interest rate hedges. There is no material debt maturity within the next 18 months.

In December 2022, Standard & Poor's re-affirmed its previous rating for Titan Cement International S.A. of "BB" with a stable outlook.

Post-balance sheet event: In early 2023, the Group took a participation in «Aegean Perlites», a company operating perlite and pozzolan quarries on the Greek island of Yali, thereby gaining direct access to a key raw material that will allow the enlargement of the Group's offering of low-carbon cementitious products and securing the long term pozzolan sourcing needs of the Group.

The Group completed the program that began in October 2021 and initiated two additional share buy-back programs in March and July 2022. Each program was for €10m and a duration of up to six months. Overall, in 2022, in the context of the aforementioned share buyback programs, 1,947,721 shares were acquired by the Group for an amount of €23.8m. A new share buyback program of €10 million, approved last January, was initiated on March 1st, 2023.

Following improved profitability in 2022, the Board of Directors is proposing to the Annual General Assembly of Shareholders, scheduled to take place on May 11th, 2023, a dividend distribution of €0.60 per share. This represents an increase of 20% versus the previous year.

Regional review of the year 2022

USA



Titan America delivered a year of robust growth in 2022 as well as in the last quarter, both in terms of sales and profitability, the latter underscoring the full effect of successful price increases implemented throughout the year. Our markets grew again significantly above the US average, as our customers saw their activities expand and their backlogs increase.

Substantial progress was made on capital expenditure projects, including works at the Norfolk and Tampa import terminals and related rail logistics facilities, all designed to accommodate expected higher volumes and de-bottleneck logistics constraints. Our cement sales volume increased, especially in Florida where housing demand and related nonresidential and infrastructure construction spending continued to grow. The Group's operations in the US showed an improvement in the fuel mix and a reduction in the clinker-to-cement ratio, driven by the full conversion to lower-carbon Type IL cement. There was also a reduction of CO₂ (net Scope 1) emissions by 9%. The digitalization systems implemented in both cement plants (end-to-end RTOs in the cement production equipment and failure prediction detection solutions) provided significant efficiency improvements and financial benefits for Titan America. Persistent cost challenges across all cost inputs, including solid fuels, electricity, transportation, and labor were effectively counterbalanced by successful price increases and cost improvements along the year.

Florida had been one of the US states benefiting the most from internal population migration, supported by business relocation and corporate activity expansion. The Carolinas were also following suit in attracting business investment into the region while Virginia has been attracting those wishing to be in close proximity to the country's decision centers. Cement volumes in the Essex import terminal improved, supported by residential and commercial high-rises, while infrastructure projects have been strong across our regions.

Overall, Titan America sales in 2022 increased versus 2021, reaching \$1.4 billion. In euro terms, sales increased by 33.6% to €1,314.3 million. EBITDA also increased by 19.1% during the year, reaching €188.2 million (\$194.8 million, up 4.0%).

Greece & W. Europe



Greece closed the year on the positive trend recorded throughout. Higher domestic cement sales were recorded, marking a year of solid sales performance. Sales were in double-digits up both for the year and the last quarter, which was particularly strong aided by very mild weather conditions.

Despite higher energy, raw materials and transportation costs, regional profitability improved as price increases were realized on time to account for the increased cost. The combination of a series of actions -further increase in alternative fuel and alternative raw material utilization, lower clinker to cement ratio products, as well as successive operational efficiencies- also helped mitigate part of the increase in energy costs. Demand in the market continued to be fueled by large and smaller public projects, by real estate and non-residential developments across the country and by tourism-related investments. There is also a number of further major infrastructure projects in the pipeline that have not materialized yet. The residential market along with renovation has been growing in large urban centers and, overall, remained stable.

Net CO₂ emissions dropped significantly in 2022, while the construction of the pre-calciner, that will help to further increase the usage of alternative fuels, is near completion, expected to be operational in the first half of 2023.

Export volumes to third parties were reduced for the year, accommodating our CO₂ emissions optimization. The majority of cement exports were channeled to Titan America and the Group's own terminal network in Europe also recorded robust growth in terms of both volumes and prices.

Sales for Greece and Western Europe in 2022 increased by 22.0% to €326.4 million, while EBITDA increased by €4.9 million to €28.5 million.

Southeastern Europe



The Group's markets in Southeastern Europe moved along the patterns already witnessed throughout the year. The region as a whole has been hit exceptionally harsh by high energy prices and overall input costs which spilled over into construction sentiment translating into some softness in demand. Amid very tight market though in terms of supply, as some producers were hampered by the market adversities, Group volumes held up better than the overall market levels as we were able to effectively serve the whole region taking advantage of our strategic

geographic footprint covering the area extensively. Demand was sustained via big residential and commercial projects, as well as large infrastructure projects which have foreign financial backing. Pricing and efficiency gains covered the accumulated negative impact of the cost increases, reversing the negative trend of the first half of 2022 and leading to an improved EBITDA. Our plants performed at high reliability levels, covering temporary market shortages on the part of competitors and thereby increasing our overall market share. On the product side, the Group introduced successful high-performing, lower CO₂ cements across all countries, in line with our decarbonization blueprint for 2030.

Total sales for the Southeastern region in 2022 grew by 33% reaching €385.9 million versus €290.6 million in 2021. In terms of EBITDA price increases and cost efficiency measures covered the increase in energy, raw materials and logistics costs, thus leading to €95.0 million in 2022, up by 16% versus the previous year's €81.9 million.

Eastern Mediterranean



EMED performance improved in a volatile environment. In Egypt, the market regulation agreement put in place by the government in July 2021 was extended and continued to balance supply and demand, resulting in healthier price levels. Cement demand was on a positive trend for a second consecutive year, with stronger construction activity stemming from state infrastructure projects and affordable housing. Cement consumption in the country was up, while TITAN recorded volume growth and a significant sales increase supported by higher prices and expansion into new cement products. However, Egypt's economy was significantly hit by the consequences of the war in Ukraine. Depending both on wheat imports as well as tourism revenue, the country suffered under tremendous foreign exchange shortages, that resulted to ca. 50% devaluation of the Egyptian Pound and a spike in interest rates. In December, Egypt agreed to a \$3 billion financial support package with the IMF, committing to a broad range of monetary and fiscal reforms as well as a greater role for the private sector. Implementation of this plan is moving slowly.

In Turkey, domestic cement volumes have declined as the country is in a tight macroeconomic spot and suffers from hyperinflation (reached the level of 90% at its peak). Many government projects have stopped, and overall investment activity remains muted. Across different micro markets in the country however, diverging trends can be observed: areas which are attractive tourist destinations or popular internal migration havens, i.e., the Marmara region, have witnessed a growth in consumption in the year, while others, like more inland and eastward regions have witnessed a slowdown in demand. Capitalizing on the recent launch of its new cement export terminal in the Black Sea port of Samsun, the Group started channeling production of Type IL cement to the US. Significant price increases have successfully offset production costs hikes, also affected by the international energy turbulences.

Total sales for the Eastern Mediterranean for 2022 grew by 48% to reach €255.6 million versus €172.8 million in 2021 and EBITDA improved by 66% to €19.6 million versus €11.8 million both testifying to a better performance and successful demand and cost mitigation strategies.

Brazil (Joint Venture)

In Brazil, after three consecutive years of growth, cement demand declined by 2.8% in 2022. The decline was attributed to slower economic growth and higher interest rates, which increased the cost of real estate financing, thereby negatively affecting housing starts. Cement consumption in the northeast, Apodi's natural market, declined by a higher rate due to above-average wet weather during the year and lower disposable income levels prevalent in the region. Apodi managed to offset the lower sales volumes and increasing input cost by focusing on product mix and pricing. Sales expanded in the more lucrative bulk cement segment, serving the pre-cast industry, the expansion of the Fortaleza airport and the growing regional wind park sector.

As a result, Apodi posted a significant increase in sales to €115.9 million versus €83.8 million in 2021, while EBITDA reached €21.1 million versus €19.5 million in 2021.

Digital Transformation

Digitalization is a strategic objective for TITAN and Industry 4.0 provides TITAN with a great opportunity. As such, and in the course of 2022, the Group continued with its strategy of rolling out a growth-oriented, streamlined, digitally empowered operating model for Titan Group. The focus of activities, projects and ongoing investments cover all pillars of the Group's operating architecture, namely manufacturing, supply chain integration, and customer experience.

On the manufacturing side, the Group continued the rollout of AI-based Real Time Optimizer (RTO) solutions for its cement manufacturing lines and developed new ones. As of 2022, the Group has installed RTOs in 8 plants in the USA, Greece, Brazil and Southeastern Europe. With the use of RTOs, the Group realizes an increase in the clinker and cement output, owing both to process optimization and breakdown avoidance, as well as significant savings in thermal energy and electricity consumption. In addition, TITAN is rolling out a machine-learning-based failure prediction system tailored to the operating environment of cement plants, thus increasing their reliability and reducing the cost of downtime and unplanned maintenance. As of 2022, this system has been installed in plants in the USA, Egypt and Southeastern Europe. Titan has capitalized on its machine learning failure prediction solutions offering and set up its first digital business "CemAI" which makes the digital service available to global external customers. Having just launched in 2022, CemAI already has two paying customers on board and a healthy sales pipeline in place.

Focus was also placed on further developing the Group's distribution network optimization advanced analytics solution, using the power of supply chain data and digital twins technology. The technology allows for spare parts inventory optimization (rollout already completed in Titan America) and management of such diverse sourcing and production inputs as Next Generation demand forecasting and Refractory Lifetime forecasting, enabling a more cost-efficient supply chain. At the same time, the Group is working on improving and digitalizing the way the Group interacts with its customers, to both improve customer experience and create a more efficient commercial operating model. To that end, as of 2022, TITAN has deployed digital customer applications in business units in the USA and Europe.

Innovation updates

TITAN continued to invest in research, development, and innovation activities in 2022 across all markets. Innovation thematic fields selected by the Group refer to decarbonization of construction and use of new mix technologies. Our H2CEM project is the only Greek project to have been approved for state aid as part of the Important Project of Common European Interest (IPCEI) Hy2Use, following rigorous assessment by the European Commission. With the goal to enhance the substitution of fossil fuels with green hydrogen and other sustainably sourced fuels, H2CEM concerns the production of green hydrogen through electrolysis, powered by renewable energy sources. During the year we successfully also tested novel carbon-capture and utilization technologies, proceeding with two pilot demonstrations at our Kamari cement plant in collaboration with our partners in the EU Horizon2020 projects RECODE and CARMOF.

ESG Performance review

The Group is well on track to achieve its ESG targets for 2025 and beyond, having made tangible progress in all focus areas: decarbonization, growth-enabling work environment, positive local impact and responsible sourcing, all underpinned by good governance, transparency, and business ethics. Our overall ESG Performance has been acknowledged by world-leading rating agencies. In 2022, we received an MSCI ESG Rating of “AA” for a second consecutive year, an improved ESG Risk Rating of 26.9 from Sustainalytics as well as an improved score of 2 for environment by the ISS QualityScore.

Decarbonization

Addressing climate change remains at the top of the Group’s sustainability agenda. TITAN was among the first three cement companies in the world to have its greenhouse gas (GHG) emissions reduction targets approved by the Science Based Targets initiative (SBTi) as being aligned with the 1.5oC pathway. The Group also received a top “A” score on climate action from CDP, making it one of only three cement companies globally to achieve this level in 2022. This recognition acknowledges the Group’s leadership in corporate transparency and performance on climate change. In 2022 the Group reduced its specific net emissions to 619 kg CO₂ per tonne of cementitious product, recording a 5% reduction compared to 2021 levels, which corresponds to a reduction of CO₂ per euro of sales of more than 25%. This achievement, which marks the largest annual reduction rate achieved by the Group in the last decade, was driven by record-high utilization of alternative fuels and a historically low clinker content in our cement products. The Group reduced the carbon footprint of its products by enhancing its offering of lower-carbon cements. Green products and solutions offered to customers represent 19.5% of our total cement production, with this share projected to increase to over 60% by 2030. In 2022, Titan America became the first US-based cement company to fully transition to the production of the lower-carbon Type IL Portland-limestone cement. TITAN Group has a very low exposure to CO₂ cost, with only 24% of the Group sales subject to the EU’s Emissions Trading Systems (EU ETS). Moreover, the Group remains long on carbon credits.

Growth-enabling work environment

The Lost Time Injuries Frequency Rate (LTIFR) decreased to 0.63 and 1.43 LTIs per million worked hours among own personnel and contractors respectively, continuing a downward trend observed since 2017, while focus on contractors will be strengthened in the near future. In 2022, we continued to focus on protecting the health and well-being of our people and communities, with 366 well-being initiatives in place across the Group. To cultivate an inclusive work culture that embraces and celebrates diversity, we established the Group Diversity, Equity and Inclusion Council (DE&I), which seeks to actively sponsor DE&I at Board and Management level and across the Group. Also, our 2025 ESG target to achieve at least one-third representation of women on the Board of Directors has already been met. The share of women in management increased to 19.4% in 2022 from 16.5% in the base year of 2020.

Positive local impact

In 2022, we maintained our strong performance in air emissions. Additionally, 83% of our active quarries located in high biodiversity value areas have biodiversity management plans in place. Aiming to maximize our positive local impact, we implemented 212 community initiatives across all countries, with the engagement of at least 6,000 participants, a third of whom were TITAN employees. As per our commitment to ensure that 2/3 of our total spend is directed to local suppliers and communities, we exceeded our overall local spend target, reaching an average of 67.6% at Group level.

Responsible sourcing

Recognizing that energy efficiency is a key prerequisite to addressing climate change but also to preserving resources, 86% of the Group’s total clinker production is now covered by ISO 50001 or energy audits, exceeding the 85% target set for 2025. In the context of the global transition towards a circular economy, the Group has worked steadily to reduce landfill waste. As a result, 55% of the Group’s total clinker production is now covered by “Zero Waste to Landfill” certification, exceeding the target of 50% set for 2025. Seeking to empower business ecosystems to incorporate sustainability considerations in their decision making, TITAN updated its Group Code of Conduct for Procurement and put in place ESG criteria to be used for the evaluation of its “key suppliers”.

Good governance, transparency, and business ethics

During 2022, we placed special attention on ensuring compliance with global sanctions. To this end, we implemented the Third-Party Due Diligence System, which consists of a set of control activities supported by a fully automated, world-class data-driven engine. We also launched training sessions on Global Sanctions, the Third-Party Due Diligence System, and Anti-Fraud Awareness. TITAN’s approach to sustainability remains focused on the dynamic materiality process. In preparation for our next materiality assessment cycle, we validated our material issues with key stakeholders at all business units through open and structured communication.

Outlook

Global conditions remain challenging and while risks of a deep recession appear to have been avoided for the time being, any growth outlook remains unclear and is highly dependent on variables such as energy costs, the evolution of inflation, and the monetary authorities trying to balance fighting inflation and the risks of a recessionary economy. At the same time, unprecedented levels of government support and initiatives, on both sides of the Atlantic, generate investment and demand for our products, giving cause for cautious optimism.

The US economy remains in a strong state, and while inflationary pressures and attendant monetary tightening raise concerns of a slowdown. Housing starts remain below their historic levels while the deficit in housing persists. Light non-residential and industrial activity is expected to remain solid, supporting in turn the investment boom witnessed in the Group's key markets. Positive momentum from the IIJA, the IRA, and the CHIPS Act is starting to flow, with material impact expected in the second half of the year, providing a healthy run rate for the years ahead. Proposed DoT budgets for the next couple of years look robust, and high levels of spending are also set to provide long-term tailwinds for activity on the ground. Despite a softening of the single-family residential market, the multi-family and the commercial segments remain very strong with numerous investments in data centers, high-tech investment development as well as retail warehousing. Home improvement is also very strong, accounting for the growth in both retail cement and the Group's building products segment. Strong state finances are slowly translating into increased public infrastructure works, needed to support the attendant investment development across our geographic footprint.

In Greece, the local market has enjoyed a solid start to the year and the country appears not to have been debased by the global macroeconomic turbulence, buffered by the robustness of its tourism industry which is set for another record year as well as the influx of various tranches of EU funding promoting digitalization, energy efficiency and upgrade of related infrastructure. Growth is spread throughout the country either via residential development, small-scale industrial as well as municipal development, and of course tourism-related infrastructure and facilities. Mega infrastructure development and urban regeneration projects are also in the pipeline, offering good traction in the years ahead. Continuous breakthrough investments at the Group's plants allow for considerable efficiencies and operational optimization accruing financial benefits to our results.

The region of Southeastern Europe, consistent with its track record, is expected to hold up to the levels recorded in 2022. While not expecting any substantial volume growth, solid margins should be maintained, especially considering the Group's success in effectively supplying the whole regional market. Demand should be supported by road, rail and infrastructure projects which are slated to commence in the year. In what will remain a tight market, the Group has the capacity through its regional network to meet demand, satisfying any supply gaps.

In Egypt, with the new agreement and support program with the IMF, the much-needed structural reforms to revamp its domestic economy may take some time to materialize. Amidst the macroeconomic uncertainty, consumption will probably suffer. The continuation of the cement production quota for another year does provide a buffer however in sustaining cement production and profitability of operations. Concurrently, the Group is investing to expand its alternative fuel utilization facilities that will lead to considerable efficiencies in its cost performance.

In Turkey, the recent tragic events of the massive earthquake ravaging the south of the country and the tremendous needs for reconstruction arising, will affect cement consumption for the years to come, as demand at national level will shoot up. In this context and amidst the political uncertainty highlighted by the upcoming Presidential and parliamentary elections, volatility remains. The Group aims to improve its cost competitiveness embarking on an ambitious alternative fuel investment which will see it become the first cement producer in Turkey to burn biomass, resulting in considerable cost savings. Utilization of the export terminal in Samsun will provide an additional sales opportunity for Titan.

The world, and our industry, are undergoing a structural transition which will see economic production shifting to greener, more efficient, new and innovative ways of producing goods, more smartly utilizing resources, with digital technology and material innovation at the forefront. As such, our Group has recognized the opportunities and challenges ahead and is working towards the direction of transforming its business and offering in a manner that is sustainable, closer to the customer, more efficient in its use of resources and means of production and in the end more profitable for all stakeholders of the Group.

Consolidated Income Statement

(all amounts in Euro thousands)

	Year ended 31 December	
	2022	2021
Sales	2,282,207	1,714,623
Cost of sales	-1,889,522	-1,403,728
Gross profit	392,685	310,895
Other operating income	8,058	10,728
Administrative expenses	-188,319	-153,951
Selling and marketing expenses	-28,654	-26,391
Net impairment losses on financial assets	-3,974	-1,722
Other operating expenses	-2,166	-831
Operating profit before impairment losses on goodwill	177,630	138,728
Impairment losses on goodwill	-21,799	-
Operating profit	155,831	138,728
Finance income	7,567	4,255
Finance expenses	-41,969	-37,835
Loss from foreign exchange differences	-12,416	-73
Gain on net monetary position in hyperinflationary economies	26,307	-
<i>Net finance costs</i>	<i>-20,511</i>	<i>-33,653</i>
Share of profit of associates and joint ventures	1,876	3,291
Profit before taxes	137,196	108,366
Income tax	-26,715	-16,811
Profit after taxes	110,481	91,555
Attributable to:		
Equity holders of the parent	109,655	91,923
Non-controlling interests	826	-368
	110,481	91,555
Basic earnings per share (in €)	1.5286	1.2290
Diluted earnings per share (in €)	1.5275	1.2242

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

(all amounts in Euro thousands)

	Year ended 31 December	
	2022	2021
Operating profit before impairment losses on goodwill	177,630	138,728
Depreciation and amortization	152,339	136,481
Impairment of tangible and intangible assets	1,233	-
Earnings before interest, taxes, depreciation, amortization and impairment (EBITDA)	331,202	275,209

Condensed Consolidated Statement of Financial Position

<i>(all amounts in Euro thousands)</i>	2022	2021
Assets		
Property, plant & equipment and investment property	1,675,714	1,556,362
Intangible assets and goodwill	364,707	363,430
Investments in associates and joint ventures	100,412	88,753
Other non-current assets	35,515	27,229
Deferred tax assets	5,730	8,867
Total non-current assets	2,182,078	2,044,641
Inventories	394,672	305,131
Receivables, prepayments and other current assets	311,846	248,987
Cash and cash equivalents	105,703	79,882
Total current assets	812,221	634,000
Total Assets	2,994,299	2,678,641
Equity and Liabilities		
Equity and reserves attributable to owners of the parent	1,394,533	1,321,626
Non-controlling interests	29,741	15,260
Total equity (a)	1,424,274	1,336,886
Long-term borrowings and lease liabilities	763,598	687,465
Deferred tax liability	130,113	113,604
Retirement benefit obligations	20,217	22,063
Provisions	52,209	56,001
Other non-current liabilities	30,040	21,796
Total non-current liabilities	996,177	900,929
Short-term borrowings and lease liabilities	139,366	105,620
Trade, income tax and other payables	419,988	322,895
Provisions	14,494	12,311
Total current liabilities	573,848	440,826
Total liabilities (b)	1,570,025	1,341,755
Total Equity and Liabilities (a+b)	2,994,299	2,678,641

Condensed Consolidated Cash Flow Statement

(all amounts in Euro thousands)

	Year ended 31 December	
	2022	2021
Cash flows from operating activities		
Profit after taxes	110,481	91,555
Depreciation, amortization and impairment of assets	175,371	136,481
Interest and related expenses	39,143	35,972
Other non-cash items	27,565	10,733
Changes in working capital	-91,911	-43,978
Cash generated from operations	260,649	230,763
Income tax paid	-16,679	-12,172
Net cash generated from operating activities (a)	243,970	218,591
Cash flows from investing activities		
Payments for intangible assets, property, plant & equipment	-241,893	-126,044
Proceeds from sale of PPE, intangible assets and investment property	5,748	8,694
Proceeds from dividends	1,180	934
Net proceeds from changes in investments to affiliates and other investing activities	893	826
Net cash flows used in investing activities (b)	-234,072	-115,590
Net cash flows after investing activities (a)+(b)	9,898	103,001
Cash flows from financing activities		
Acquisition of non-controlling interests	-	-40,814
Payments due to share capital decreases	-	-767
Dividends paid and share capital returns	-38,618	-31,985
Payments for shares purchased back	-23,814	-3,230
Net (payments)/proceeds for financing activities	-572	1,181
Interest and other related charges paid	-35,646	-36,153
Net proceeds from drawn downs/(repayments) of credit facilities and derivatives	119,519	-121,148
Net cash flows from/(used in) financing activities (c)	20,869	-232,916
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	30,767	-129,915
Cash and cash equivalents at beginning of the year	79,882	206,438
Effects of exchange rate changes	-4,946	3,359
Cash and cash equivalents at end of the year	105,703	79,882

ESG Performance Indicators

		2022	2021
Decarbonization			
Scope 1 specific net CO ₂ emissions ^{1,2}	kg/t cementitious product	619.0	651.6
Scope 2 specific CO ₂ emissions ^{1,2}	kg/t cementitious product	47.0	49.3
Scope 3 specific CO ₂ emissions ^{1,2}	kg/t cementitious product	116.7	102.8
Alternative fuel substitution rate ¹	% Heat	17.5	15.5
Clinker to cement ratio ¹	%	78.4	81.0
Green products	% cement production	19.5	16.2
Taxonomy-aligned CapEx	million €	38.6	n/a
Investment in Research & Innovation	million €/year	11.7	10.7
Growth-enabling work environment			
Fatalities	#	1	0
Employee Lost Time Injuries Frequency Rate (LTIFR)	#/10 ⁶ h	0.63	0.91
Wellbeing initiatives ¹	#	366	129
Share of women in management	%	19.4	17.6
Share of women in new hires	%	16.6	17.2
Average training hours per employee	h/employee	22.7	20.4
Positive local impact			
Dust emissions	g/t clinker	21.7	16.6
NOx emissions	g/t clinker	1,251	1,263
SOx emissions	g/t clinker	257.4	245.0
Quarries with biodiversity management plans	%	83	83
Total number of Community Initiatives ¹	#	212	149
Internships	#	482	391
Social investment (in cash and in kind)	m€	1.7	1.3
Employees from local community	%	83.8	83.3
Local spend	%	67.6	65.1
Responsible sourcing			
Water consumption	l/t cementitious product	240.4	245.7
Water demand covered by recycled water	%	68.0	66.1
Percentage of production covered by ISO 50001 or energy audits	%	86	86
Good governance, transparency, and business ethics			
Female representation on the Board of Directors	#	1/3	1/5
Independent Board members	#	10/16	8/15

Notes

¹ Including our joint venture in Brazil

² Scope 1: direct CO₂ emissions ; Scope 2: indirect CO₂ emissions from electricity; Scope 3: indirect CO₂ emissions of the supply chain

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

Financial Calendar

- 06 April 2023** Publication of the Integrated Annual Report 2022
- 11 May 2023** Publication of the first quarter 2023 results
- 11 May 2023** Annual General Meeting of Shareholders
- 27 July 2023** Publication of the second quarter and half year 2023 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, please see: <https://87399.themediaframe.eu/links/titan230322.html>
- The statutory auditor, PwC Bedrijfsrevisoren BV, represented by Mr Didier Delanoye, has confirmed that the audit, which is substantially complete, has not to date revealed any material misstatement in the draft consolidated financial statements of TCI, and that the accounting data reported in the press release is consistent, in all material respects, with the draft consolidated financial statements from which it has been derived.

***DISCLAIMER:** This report may include forward-looking statements. Forward-looking statements are statements regarding or based upon our management's current intentions, beliefs or expectations relating to, among other things, TITAN Group's future results of operations, financial condition, liquidity, prospects, growth, strategies or developments in the industry in which we operate. By their nature, forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results or future events to differ materially from those expressed or implied thereby. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this report regarding trends or current activities should not be taken as a report that such trends or activities will continue in the future. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on any such forward-looking statements, which speak only as of the date of this report. The information contained in this report is subject to change without notice. No re-report or warranty, express or implied, is made as to the fairness, accuracy, reasonableness or completeness of the information contained herein and no reliance should be placed on it. In most of the tables of this report, amounts are shown in € million for reasons of transparency. This may give rise to rounding differences in the tables presented in the trading update. This trading update has been prepared in English and translated into French and Greek. In the case of discrepancies between the two versions, the English version will prevail.*

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 CO₂ 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.