Nine-Month 2022 Results

Brussels, 10 November 2022, 08:30 CET – Titan Cement International SA (Euronext Brussels, ATHEX and Euronext Paris, TITC) announces the nine-month 2022 financial results.

Strong sales and EBITDA growth

- **Group sales increased by 31.6% to €1,661.8m year-to-date, with a very strong Q3 growth at 41.8% vs the same period of last year.**
- **Sales growth came as a result of higher volumes and strong price performance offsetting energy and transportation cost pressures and supported by a stronger USD.**
- **EBITDA rebound in Q3 to €95.4m, up by 23.9% vs Q3 2021, margins improved compared to previous quarters. Year-to-date EBITDA in 2022 is at €234.5m, up 6.8% vs 2021.**
- **Successful low-carbon product rollout in the US market, brought the overall percentage of green products and solutions to 19% of the Group's volumes.**
- **Growth and Decarbonization Capex projects continued with spending at €158m for the first 9 months.**
- **Acceleration in digitizing manufacturing and customer interfaces in US and other main markets, including the market launch of predictive maintenance AI-powered solutions.**
- **Significant reduction of direct CO_2 emissions by 5.5%, 90 ongoing projects, new CO_2 targets announced in line with 1.5°C climate framework.**

In million Euros, unless otherwise stated	Q3 2022	Q3 2021	% yoy	9 M 2022	9 M 2021	% yoy
Sales	626.3	441.7	41.8%	1,661.8	1,262.8	31.6%
EBITDA	95.4	77.0	23.9%	234.5	219.6	6.8%
Net Profit after Taxes & Minorities	43.9	24.0	83.0%	89.1	81.9	8.7%

TITAN Group - Overview of the nine months of 2022

In the first nine months of 2022, all of TITAN Group's markets recorded strong sales growth, stemming from solid volumes, especially in cement, and from the realization of strong price increases. The price increases were able to offset the persistent rise in energy and transportation costs. The strong sales performance was supported by the robust demand drivers in the markets in the US where we operate, and the continuing recovery of the construction activity in Greece. In Southeast Europe, very high energy costs have hit the region impacting demand and profitability in some markets. The macroeconomic volatility in Turkey persisted with stronger local pricing and increased exports from our operations, volumes increased in Egypt while Brazil recorded a decline this year.

As a result, Group consolidated sales for the first nine months of 2022 reached €1,661.8m posting a 31.6% increase. Energy costs have seen their highest levels during the early part of the 3rd quarter of 2022. However, the Group was able to both increase prices as well as work on improving the energy mix achieving EBITDA improvement. In Q3 EBITDA recorded a strong increase of 23.9% vs 2021 to €95.4m, while year-to-date EBITDA increased to €234.5m, 6.8% above 2021.

The Group's nine-month 2022 net result after taxes and minority interests was up to €89.1m compared to a profit of €81.9m in the same period of 2021, higher by 8.7%.

Financing and Investments

This year, in an environment characterized by external macroeconomics, inflation, and high energy headwinds, we are recording improving operating results and financial performance. Our focus remains firmly on serving the customers, improving cost positions, and strengthening our core market positions.
We pursued investments in digitizing manufacturing, improving logistics set-up, and decarbonizing fuel usage mainly in US and Greece.
Group Capex YTD was €158.1m. Higher sales and inflation increased our Working Capital by €157.5m at the end of September. As a result, the Group's net debt at the end of Q3 is €177m higher than in September 2021 and is expected to decline in Q4. The Group has no material maturities over the next two years and over 80% of its debt is either in fixed rates or covered by long-term interest rate hedges. The Group's net finance costs year-to-date amount to €26.6m and are €1.3m lower vs 2021.

Resolution of the Board of Directors

The Board of Directors of Titan Cement International at its meeting of 9th November 2022 decided to appoint Mr. Marcel Constantin Cobuz as an executive member of the Board effective January 1st, 2023, in place of Mr. Efstratios-Gerorgios (Takis) Arapoglou. Mr. Efstratios-Gerorgios (Takis) Arapoglou will step down from his position as a Board member as of that date. Mr. Marcel Constantin Cobuz is appointed to serve for the remaining term completing Mr. Efstratios-Gerorgios (Takis) Arapoglou's mandate. As already announced, in June 2022, Mr. Dimitris Papalexopoulos will assume the position of the Chairman of the Board of Directors on January 1st, 2023.

Markets review of the nine months of 2022

US

SALES

EBITDA

The US remains the Group's largest market in terms of sales and profitability. TITAN operations in the US experienced a very strong 3rd quarter, capitalizing on the market's continued strong momentum and backlog activity, which allowed the successful implementation of price increases, addressing the persisting cost challenges.
Florida presents a thriving business environment, benefits from record new investments, recorded the highest payroll gains among all US states in September, and enjoys demographic and economic growth. Market drivers exhibited no changes in the 3rd quarter as Florida's economy continued growing and hurricane Ian's impact on our operations has been limited. Infrastructure investment programs continued, with growing demand for heavy materials used in marine applications. Multi-family residential build-up and infrastructure activity underpin demand in the Mid-Atlantic market. CAPEX program continues, aiming to capture the anticipated market growth of the following years by expanding supply capacity and achieving operating efficiencies while optimizing logistics operations. Sales of Type IL (low carbon) cement have been accelerated, reaching almost 100% of our sales in our US markets.
During the first nine months of the year price increases have been implemented, contributing to the recovery of the profitability after the decline in the second half of 2021. EBITDA in the 3rd quarter reached €63.5m, posting an increase of 46.9% versus the same quarter last year (€43.2m); In US$ terms the achieved increase was 25.6%.
Overall, sales in the US, aided by the strong US$, increased by 31.7% to €963.3m during the first nine months of 2022, while EBITDA reached €130.4m versus €126.7m, a 2.9% increase compared to 2021.

Greece & Western Europe

SALES

EBITDA

Trends in the Greek domestic market remained positive, broadly along the same lines witnessed so far in the year: sales volumes moved further upwards, while increased prices addressing input cost inflation allowed for restoring of profitability margins. Regarding exports, successful price increases have been implemented, offsetting higher transportation and production costs, given the robustness of our end markets, domestically and abroad. Major construction projects in Athens and Thessaloniki continue driving the markets and large infrastructure works have picked up the pace. New ready-mix units, serving major project worksites, have also allowed us to capitalize on our market presence around growing urban agglomerations. Energy mix improving actions and production cost efficiencies have been accelerated to address the volatile input costs.
Total Sales for markets in Greece and Western Europe in the first nine months of 2022 grew by 20.9% to €235.1m, while EBITDA improved to €23.6m versus €20.4m, therefore increasing by 15.4%.

Southeast Europe

SALES

EBITDA

The challenging economic conditions, directly reflected by much higher energy prices impacted our markets recording a softness in activity in the third quarter. However, the regional tight supply situation has allowed the Group to record volume gains and offered the backdrop for price increases in all markets. Large-scale residential development projects drive the market counteracting the softness of small private projects. The introduction of low-carbon cements across more markets continued in the quarter, as did the investments in alternative fuel utilization and in digitization which allow the Group to improve its efficiency and address cost pressures.
Sales for the region as a whole in the first nine months of 2022 increased by 29.7% to €278.4m compared to the same period in 2021, while EBITDA declined by 5.0% to €65.6m.

Eastern Mediterranean

SALES

EBITDA

€ 185.0m
(2021: €122.4m)

€ 15.0m
(2021: €3.5m)

In Egypt, the cement market continued to grow at a rate of 4%, reflecting the country's extensive infrastructure and housing needs, despite domestic macroeconomic challenges. In this market environment, prices continued to increase. The government decided to extend the application of the market-regulating production quota mechanism for another year, concurrently increasing allocated capacity across producers. We continued to offer to our customers more blended cement types and accelerate investments in the use of alternative fuels.

Turkey is facing an acute macroeconomic crisis, exacerbated by the current international environment. Against this backdrop, domestic cement volumes have declined as government projects are slowing down and overall investment activity declined. Real estate investment remains a perceived safe outlet for capital, thereby supporting building activity. The government has also launched a subsidized housing building program which will benefit cement consumption. Exports provide a stable outlet for the country and in the course of the period, our Group completed and launched operations at its purpose-built new cement export terminal in the Black Sea port of Samsun, which successfully started shipping low-alkali cement to the USA. Prices continue to increase to address the inflation of costs. As of last June, TITAN Group applied IAS 29 for hyperinflation for its operations in Turkey.

Total sales in the Eastern Mediterranean reached €185.0m in the first nine months of 2022, an increase of 51.2% year on year, while EBITDA reached €15.0m versus €3.5m in the same period in 2021.

Brazil (Joint venture)

High interest rates in Brazil coupled with lower disposable incomes negatively affected building activity. Ripples from the global environment impacted the levels of energy input prices and raw materials, all of which have been trending higher. In this environment, total domestic cement volumes in our market declined by 2.9% in the first nine months of the year and price increases were not sufficient to cover cost inflation.

In the first nine months of the year, Apodi joint venture posted an increase in sales to €83.4m, versus €60.6m in the first nine months of 2021, while EBITDA reached €12.2m versus €14.4m in 2021.

Digital Transformation

Progress on digitizing operations continued this quarter as more solutions successfully moved from the "proof of concept" phase to the actual roll-out and implementation across the Group's industrial units.

After full deployment in both plants in the US, the accelerated roll-out of real-time optimizers (RTOs) continued in the quarter with the mills at the Group's plant in North Macedonia and with the kiln in Kamari, Greece. 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. According to our accelerated roll-out program, RTOs are expected to be deployed across the Group's entire asset base by the end of 2023.

The Group's distribution network optimization advanced analytics solution, using the power of supply chain data and digital twins technology, was successfully deployed in additional product lines and regions of our Titan America business, enabling a more cost-efficient supply chain, coupled with superior and more flexible customer service.
After setting up our dedicated subsidiary CemAI earlier in the year, this quarter Titan launched the full commercial service of its new digital service business, offering machine learning failure detection solutions to the global cement industry. This unique service, already deployed to international customers, combines cutting-edge digital technologies with the deep domain experience of cement industry experts.

ESG Performance

TITAN Group updated its CO_2 targets in line with 1.5°C and submitted them to SBTi for validation, just after the launch of the Cement Science Based Target Setting framework in September this year. In the first nine months of the year, direct CO_2 emissions declined by 5.5% on a year-on-year basis, driven by a significant increase in carbon-reduced cements and higher waste used as fuel. TITAN increased green product sales in almost all markets, in line with its commitment to grow the share of green products in its portfolio to over 50% by 2030.
TITAN's H2CEM innovative project for the production and use of green hydrogen in the cement industry was included in the second Important Project of Common European Interest (IPCEI "Hy2Use"). H2CEM, is currently the only project in the second IPCEI that involves the use of hydrogen for cement production. Overall, more than 90 projects are ongoing to accelerate decarbonization.
Serving as an acknowledgment of our continuous efforts in the field of ESG, TITAN received a "AA" rating for a second consecutive year in the MSCI ESG Ratings, which puts us among the leaders with the highest scores in our peer group.

Outlook

The elevated energy costs, higher interest rates, and the risk of a recession do pose challenges to the growth of the building industry. On the other hand, the fundamental underlying drivers of cement and heavy materials demand, in the form of economic and population growth, are still there in addition to stimulus infrastructure programs in our key markets.
TITAN is well prepared to deal with short-term uncertainties given its proven resilience and our teams maintain a relentless focus on ensuring positive pricing over cost and managing our assets for cash, as well as further increasing the positive customer experience.
The positive outlook for the remainder of the year in our US markets remains well in place. Order books and backlogs are solid. Housing inventories remain at very low levels, although higher mortgage rates have somewhat dampened buyers' sentiment with regard to single-family housing in particular. At the same time, activity in the multi-family segment shows resilience. Infrastructure activity, with both state and federal funding, is strong and is expected to kick-in in full force in the second half of 2023. While demand remains structurally solid, inflation, consumer confidence, and supply chain disruptions are expected to soften momentum in the short term. The Group remains confident in the underlying long-term fundamentals and prospects of the US market and will continue to strengthen its core, improve manufacturing and logistics efficiencies and continue its growth investment program.
The investment drive recorded in Greece is positive for our business. With increased activity across infrastructure projects, the Group is well-placed through its market presence in the key areas of development and growth. In tandem, the burgeoning tourism sector also adds to the pool of work from one

season to the next as it builds up capacity to augment services and facilities in this growing sector. While market demand under the current global conditions is subject to uncertainties, the Group continues to fortify operations, and in the course of the next twelve months expects to see the commissioning of decarbonization and digitization projects at its plants which will allow for efficiency gains, cost savings, carbon abatement and increased production of greener products.

Activity in Southeastern Europe should remain challenged by the significant production input cost increases and the related uncertainty generated by current global economic conditions which act as a dampener to investment in the region. In this volatile environment, the evolution of energy costs will continue to determine overall levels of profitability as well.

In Egypt, the very recent signing of a new agreement and support program with the IMF should assist the country to resolve its macroeconomic challenges. The continuation of the cement production quota for another year at increased rates provides a buffer for the Group's sustained cement production and profitability of operations while improving cost performance.

In Turkey, the rapid deterioration of the economic environment and record levels of hyperinflation will impact construction activity. Nevertheless, the continuous application of dynamic pricing and the ramping up of the Group's new export positioning should improve the profitability.

While maintaining the focus on safeguarding the resilience of our operations in these challenging times, we will continue to build a sustainable, greener profile for the Group, having already launched game-changing decarbonization and digitalization initiatives that will help us get even closer to customers, grow our business, build talent for the future and continuously improve sales and margin performance.

Summary of Interim Consolidated Income Statement

(all amounts in Euro thousands)	For th
Sales	1,6
Cost of sales	-1,3
Gross profit	**2**
Other net operating income	
Administrative and selling expenses	-1
Operating profit before gain on goodwill restatement in hyperinflationary economies and impairment losses on goodwill	**1**
Gain on goodwill restatement in hyperinflationary economies	
Impairment losses on goodwill	-
Operating profit	**1**
Finance income/costs	-
(Losses)/gains from foreign exchange differences	
Gain on net monetary position in hyperinflationary economies	
Share of (loss)/profit of associates and joint ventures	
Profit before taxes	**1**
Income tax	-
Profit after taxes	
Attributable to:	
Equity holders of the parent	
Non-controlling interests	

	2022	2021
Basic earnings per share (in €)	**1.2376**	1
Diluted earnings per share (in €)	**1.2361**	**1.0814**

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

(all amounts in Euro thousands)	**For the nine months ended 30/**	
	2022	**2021**
Operating profit before gain on goodwill restatement in hyperinflationary economies and impairment losses on goodwill	**128,939**	**119,826**
Depreciation and amortization	105,550	9
Impairment of tangible assets	-	40
Earnings before interest, taxes, depreciation, amortization and impairment (EBITDA)	**234,489**	**219,603**

Summary of Interim Consolidated Statement of Financial Position

(all amounts in Euro thousands)	**30/09/2022**	**31/12/2021**
Assets		
Property, plant & equipment and investment property	1,779,406	1,556,362
Intangible assets and goodwill	405,967	363,430
Investments in associates and joint ventures	103,253	88,753
Other non-current assets	48,800	27,229
Deferred tax assets	6,678	8,867
Total non-current assets	**2,344,104**	**2,044,641**
Inventories	425,551	305,131
Receivables, prepayments and other current assets	380,692	248,987
Cash and cash equivalents	88,164	79,882
Total current assets	**894,407**	**634,000**
Total Assets	**3,238,511**	**2,678,641**
Equity and Liabilities		
Equity and reserves attributable to owners of the parent	1,513,438	1,321,626
Non-controlling interests	28,230	15,260
Total equity (a)	**1,541,668**	**1,336,886**
Long-term borrowings and lease liabilities	857,765	687,465
Deferred tax liability	145,788	113,604
Other non-current liabilities	120,973	99,860

Total non-current liabilities	**1,12**
Short-term borrowings and lease liabilities	14
Trade payables, income tax and other current liabilities	42
Total current liabilities	**57**
Total liabilities (b)	**1,69**
Total Equity and Liabilities (a+b)	**3,23**

Summary of Interim Consolidated Cash Flow Statement

(all amounts in Euro thousands)	**For the n**
Cash flows from operating activities	
Profit after taxes	**8**
Depreciation, amortization and impairment of tangible assets	10
Impairment of goodwill	1
Interest and related expenses	2
Hyperinflation adjustments	-1
Other non-cash items	2
Income tax paid	-1
Changes in working capital	-15
Net cash generated from operating activities (a)	**7**
Cash flows from investing activities	
Net payments for property, plant & equipment and intangible assets	-15
Net proceeds from other investing activities	
Net cash flows used in investing activities (b)	**-15**
Cash flows from financing activities	
Acquisition of non-controlling interests	
Dividends paid and share capital returns	-3
Payments due to share capital transactions	
Net (payments)/proceeds from transactions with own shares	-1

Interest and other related charges paid	
Net proceeds from drawn downs/(repayments) of credit facilities and derivatives	
Net cash flows from/(used in) financing activities (c)	
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	
Cash and cash equivalents at beginning of the year	
Effects of exchange rate changes	
Cash and cash equivalents at end of the period	

Operating profit before gain on goodwill restatement in hyperinflationary economies and impairment losses on goodwill	Profit before income tax, share of gain or loss of associates and joint ventures, gains or losses from foreign exchange differences, net finance costs, other income or loss, gain on goodwill restatement in hyperinflationary economies and impairment losses on goodwill	Provides operatin
Operating profit	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	Provides operatin compara

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

Financial calendar

22 March 2023	Publication of the fourth quarter and full year 2022 results
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
9 November 2023	Publication of the third quarter and nine months 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

— Titan's nine-month results will be discussed in a live conference call on Thursday, November 10, 2022, at 15:00 CET. The conference call will be in English. Please register in advance of the conference using the following link: https://87399.themediaframe.eu/links/titan221110_web.html. The conference call will be available for replay from November 10, 2022, 17:00 CET.

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 5,400 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.