



# Financial Results – 1<sup>st</sup> Quarter 2018

Investors' and Analysts' Briefing



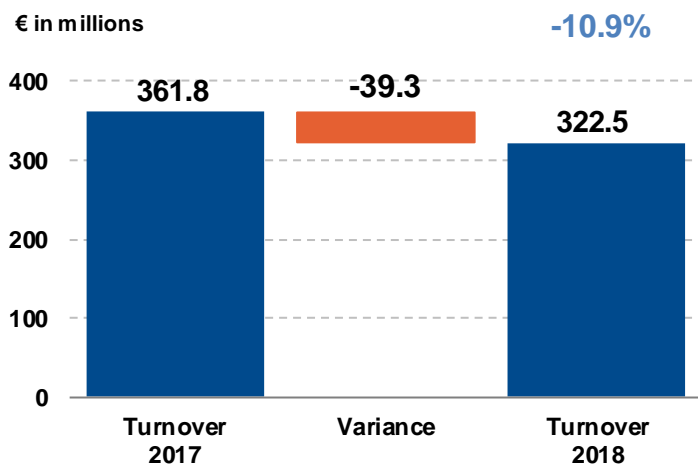
Athens, 24 May 2018

# 2018 Highlights

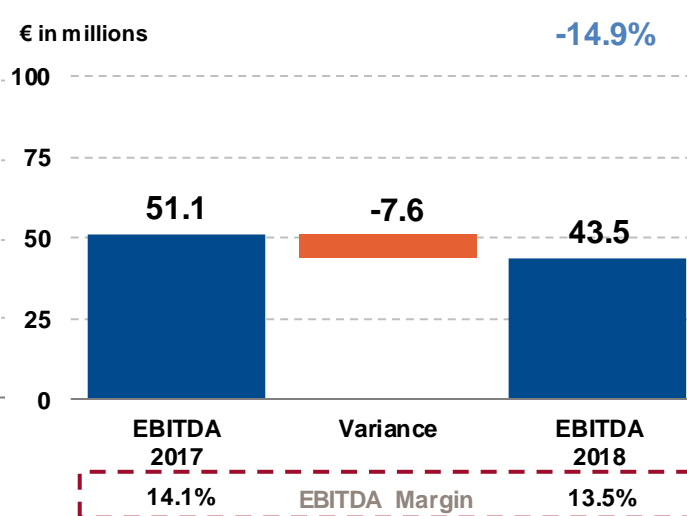
- ❑ Adverse weather in the US and SEE resulted to slow start to the year while the Q1 weakness of the USD resulted to a decline in Turnover to €323m (down €39m of which €36m from FX) and EBITDA to €44m (down €7.6m of which €5.7m from FX).
- ❑ In Q1 2018 the Group recorded Net Profit of €1m against Net Losses of €4m in Q1 2017.
- ❑ In the US, while pricing trends continue positive, Turnover and EBITDA were stable in \$ despite adverse weather and longer plant stoppages. Turnover dropped to €191m (-14%) and EBITDA declined to €29m (-15%) due to weaker \$. Lost growth in volumes expected to be captured within the year.
- ❑ In Greece, construction remained at low levels while export revenues were also impacted by the €/€ rate . Turnover decreased to €53m (-8%) and EBITDA was down to €2m (vs €4m in 2017).
- ❑ The SEE performance was softer versus last year primarily due to weather effect. Turnover declined to €34m (-10%), while EBITDA was slightly higher (+4%) to €4m.
- ❑ In Egypt, domestic prices rose significantly offsetting the FX translation impact and increased energy costs. Turnover and EBITDA almost flat at €45m and €8m respectively, much better than Q4 2017.
- ❑ Net Debt stood at €738m. In January 2018 TGF issued additional notes of €100m under the same terms of the €250m November 2017 issue (coupon 2.375% p.a. expiring November 2024).

# Bad Weather and Strong € Eroded Financial Performance. Stable Turnover and EBITDA Before FX Translation.

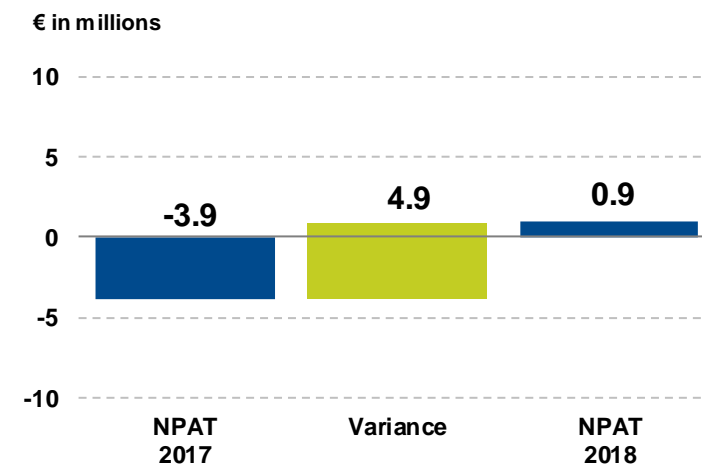
### Group Turnover



### Group EBITDA

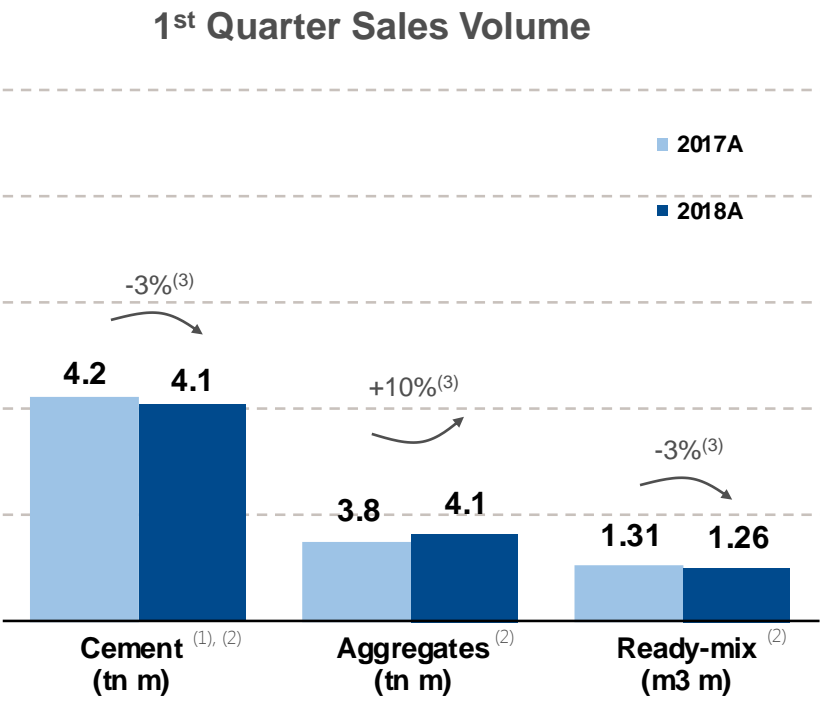


### Group NPAT



€-35.9m translation impact; flat excl. fx impact    €-5.7m translation impact; 3.8% drop excl. fx impact

# Mixed Sales Volume Performance Amongst Countries Affected by Weather Conditions



\* Intragroup product sales for processing are included in sales volumes  
 (1) Cement sales include clinker and cementitious materials  
 (2) Includes Turkey and Brazil, does not include Associates  
 (3) % represents performance versus last year

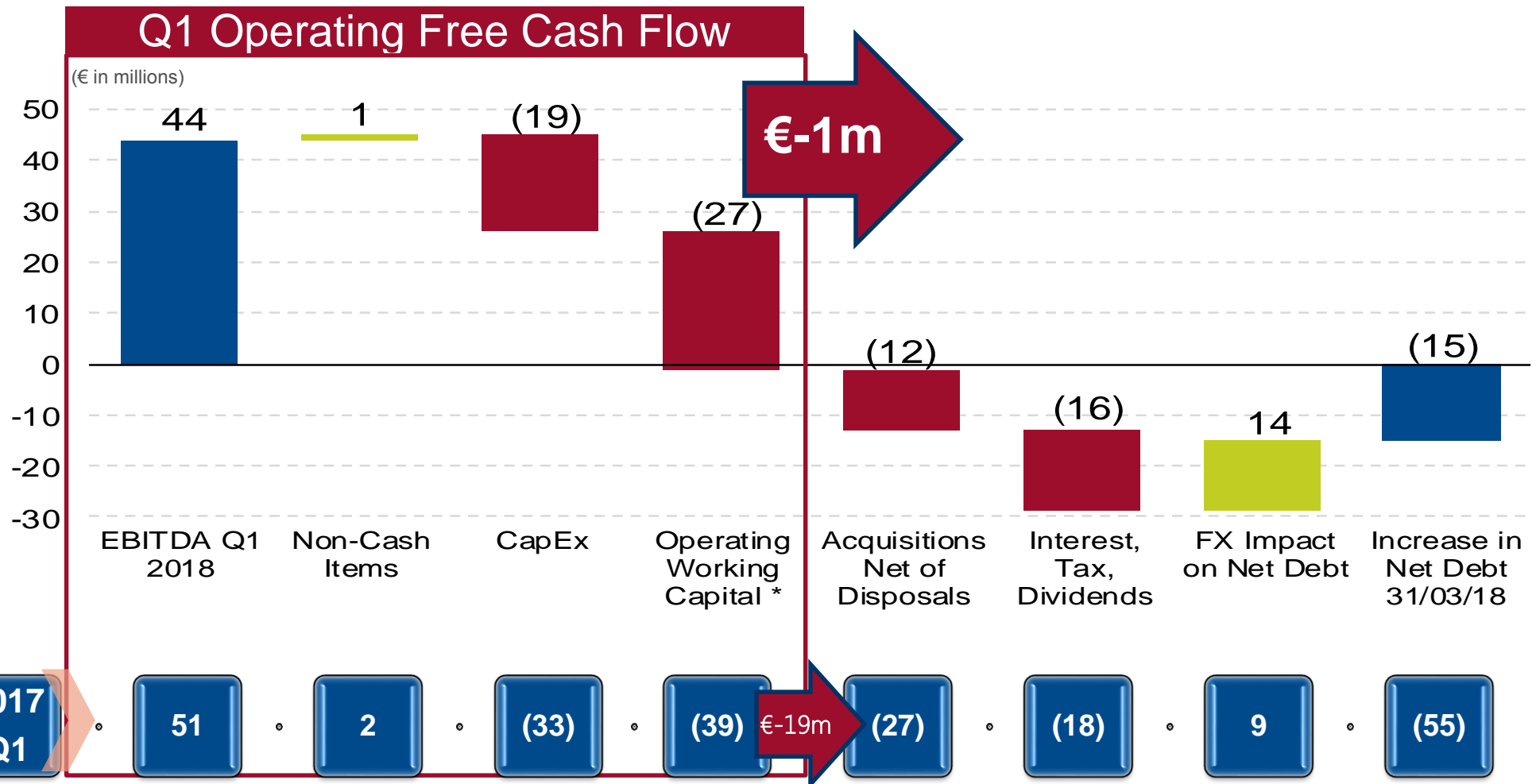


# Neutral OFCF, Lower CAPEX and Seasonal Increase in Working Capital

Sources and Uses of Cash

## Q1 Operating Free Cash Flow

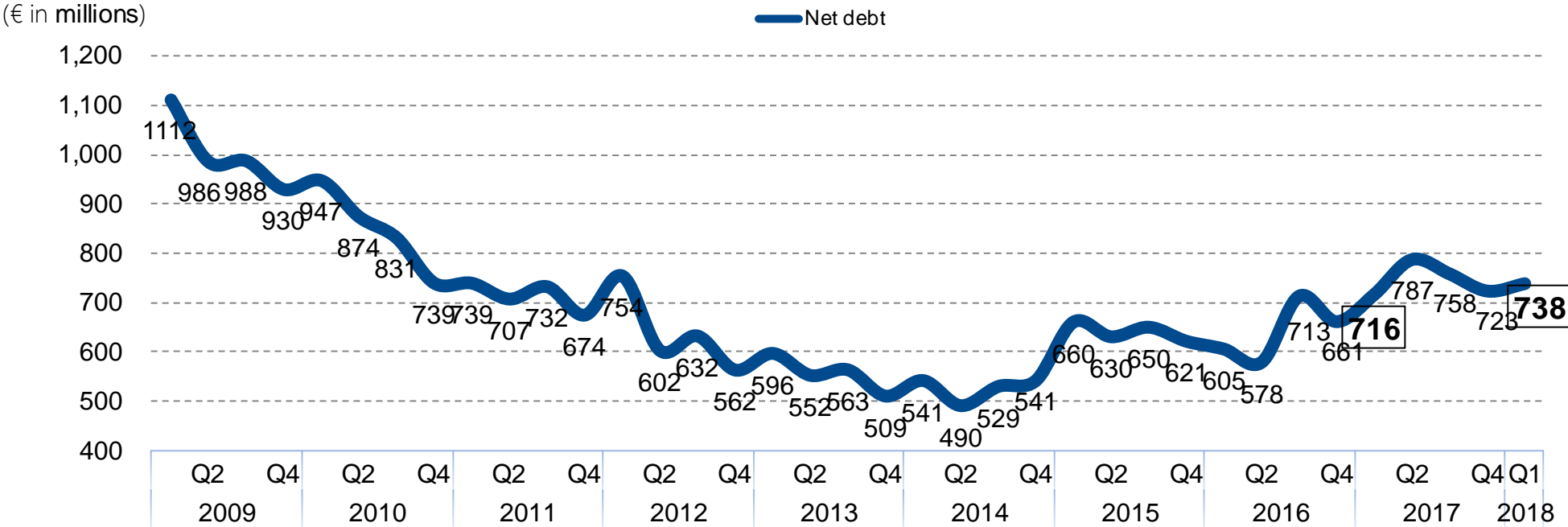
(€ in millions)



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

# Stable Net Debt Levels

Group Net Debt Evolution

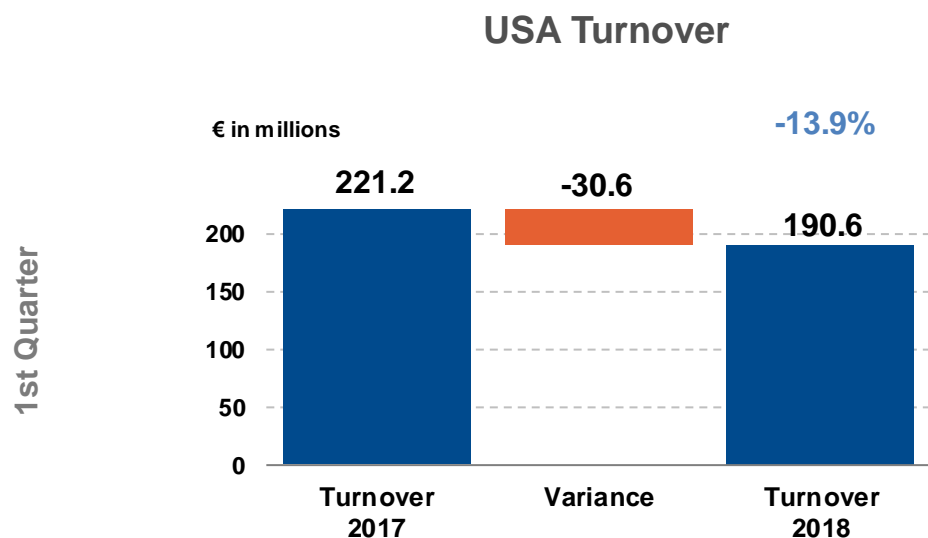


For comparability purposes all figures have been adjusted in order to exclude Turkey.

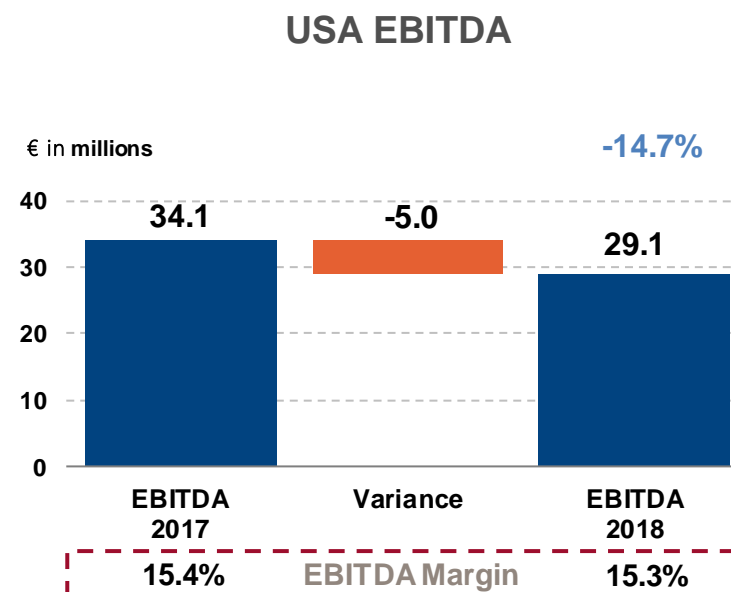


# Market Overviews

# US Performance Affected by Adverse Weather. Demand Fundamentals and Pricing Trends Remain Positive.



€-29.5m translation impact; flat in local currency



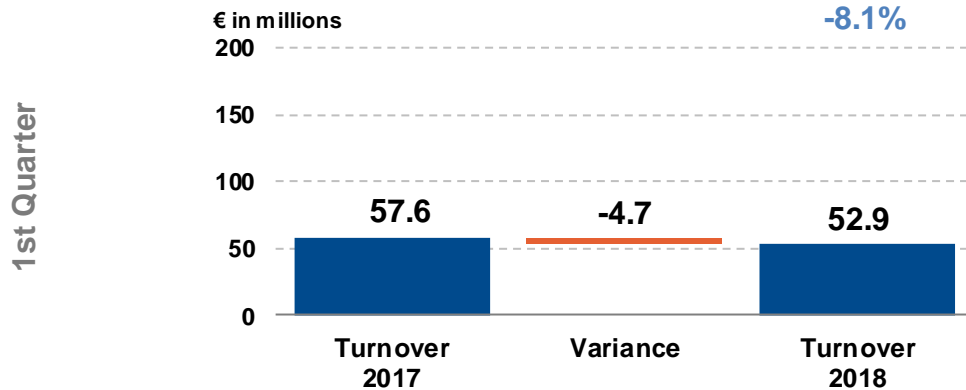
€-4.5m translation impact; flat in local currency

- ❑ US Revenues and EBITDA flat in US\$ as volume growth momentum lost due to adverse weather and longer plant stoppages for maintenance. About 30% of Ready-Mix working days lost due to weather.
- ❑ Lost volume growth expected to be recaptured throughout the year thanks to healthy residential demand and higher public spend. Improved pricing environment.
- ❑ Indicators for residential and infrastructure activity continue positive. Housing starts +7% y-o-y, housing permits +8% y-o-y (US Census Bureau), Highways and streets cement consumption forecasts +3.5% in Florida and +6.5% in Virginia (PCA 2018).

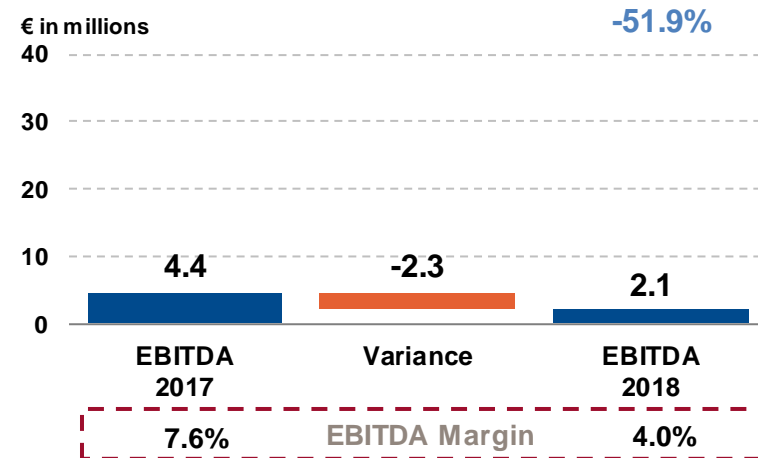


# Greece Further Impacted by Weak Domestic Demand and Lower Export US\$ Revenues

Greece Turnover

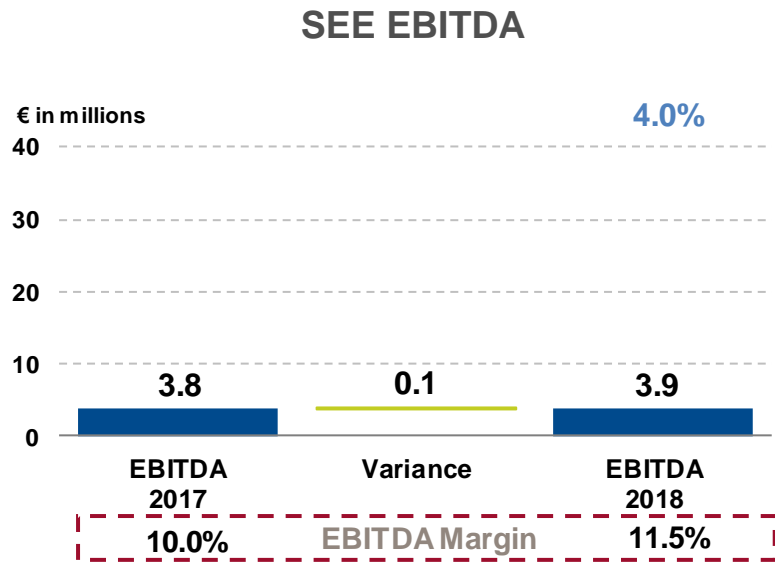
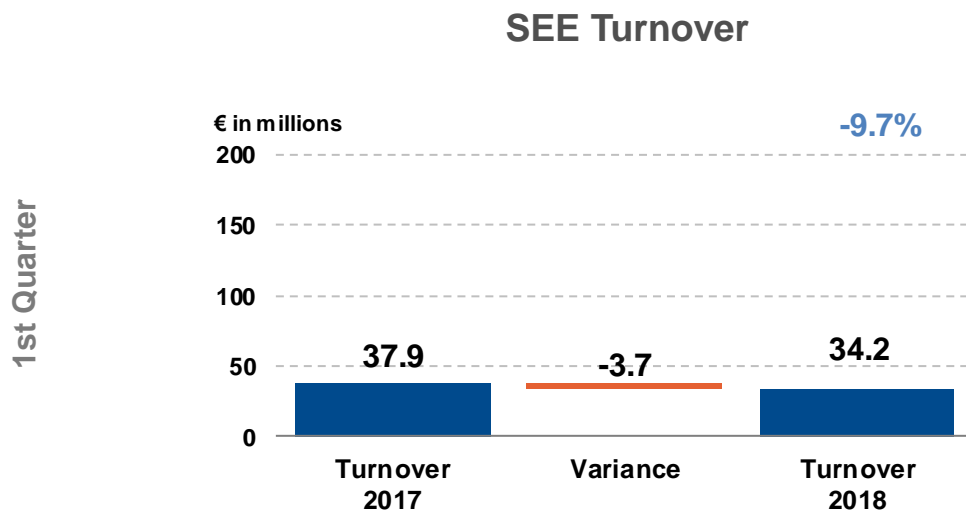


Greece & Corporate EBITDA



- ❑ Lower Greece Turnover (€52.9m, -8%) and EBITDA (€2.1m, -52%).
- ❑ Residential construction at very low levels, delays in recently announced infrastructure projects.
- ❑ Export prices and revenues affected by weak \$.

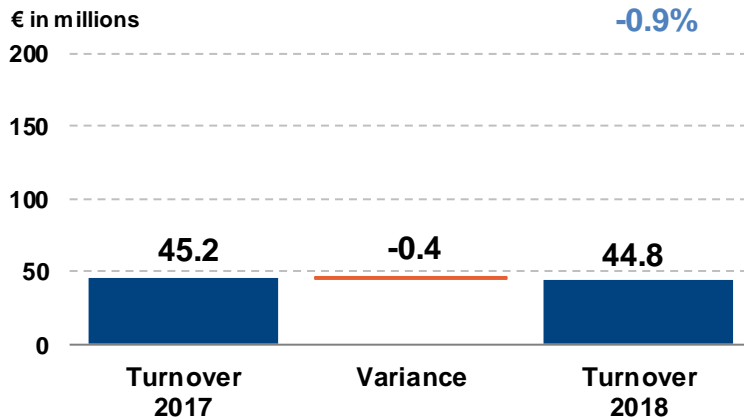
# SEE Q1 Volatile Demand Affected by Unfavorable Weather.



- ❑ In SEE Turnover declined (€34m, -10%) compared to 2017 which experienced mild weather conditions.
- ❑ EBITDA was unchanged at €4m due to increased production and lower maintenance costs.
- ❑ Market weaker in South/Southwest Balkans, stable pricing trends in the region.
- ❑ Infrastructure projects support market demand.

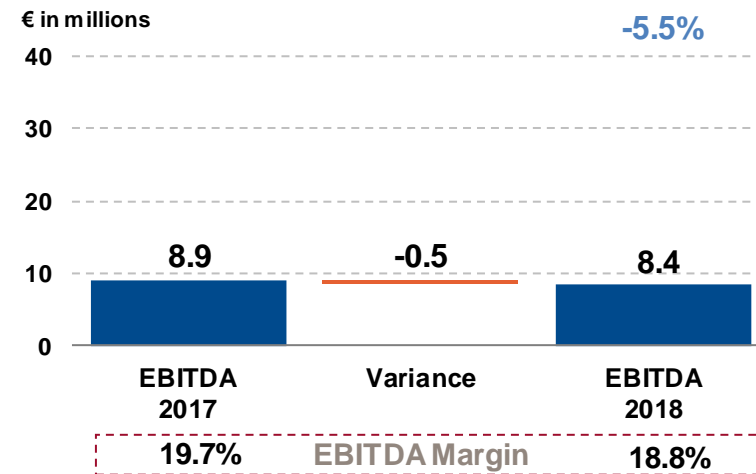
# Egypt's Results Recovered Due to Higher Prices

## EMED Turnover



€-5.9m translation impact; 12.2% growth in local currency

## EMED EBITDA



€-1.3m translation impact; 8.9% growth in local currency

Note: Financial results of Adocim Cimento Beton AS reported under Joint Ventures

- ❑ Cement consumption in Egypt increased by around 3% in Q1.
- ❑ Domestic cement prices increased by close to 20% vs Q4 2017 partially offsetting the slide of the EGP against the €. Turnover at €45m (-1%, up +12% in EGP).
- ❑ EBITDA decreased to €8.4m (-6%, up +9% in EGP vs Q1 2017) due to higher energy costs. Q1 2018 EBITDA quadrupled compared to Q4 2017.
- ❑ Competitive volumes from new capacity likely to impact as of Q2.
- ❑ In Egypt € denominated cement prices remain at low levels, below €35/ton.

# Q1 2018 – Joint Ventures’ Performance

- ❑ Market in Brazil in early stages of recovery. Apodi recorded growth in sales volumes and BRL revenues.
- ❑ Prices in Apodi region increased 15% y-o-y in BRL, stable in € terms.
- ❑ In Turkey market demand relying on large infrastructure projects. Price increases in local currency offset €/TRY weakening rate in Q1 2018 (16.1% devaluation y-o-y).
- ❑ Adocim Turnover (in €) and cement sales volumes up by 19%, recovering weather-affected Q1 2017 performance.

## 1<sup>st</sup> Quarter 2018 Performance

|               | Apodi<br>(100%) |      | Adocim<br>(100%) |      |
|---------------|-----------------|------|------------------|------|
|               | 2018            | 2017 | 2018             | 2017 |
| Turnover (€m) | 16.9            | 17.2 | 10.1             | 8.5  |
| NPAT (€m)     | -2.9            | -8.5 | -1.1             | -0.9 |

*Note: Joint Ventures consolidated under the Equity method.*

# Outlook



# Outlook 2018

## USA

- Short and medium term prospects for construction continue strong. Tax reform providing boost.
- Focus on delivering high profitability, capitalizing on recent investments.

## Greece

- Domestic demand at very low levels despite improving macros.
- Focus on cost competitiveness and optimization of exports profitability.

## S.E. Europe

- Overall, stable to positive outlook.
- Focus on synergies and efficiencies.

## Eastern Med

- Demand projected to grow slowly. Short term supply shock expected.
- Focus on price recovery, market presence and further cost reductions.

## Joint Ventures

- In Turkey, high levels of demand. Increasingly uncertain environment.
- In Brazil, economic growth creates expectations for recovery in construction activity.



# Appendix

# Titan Group Income Statement

*In Million Euros, unless otherwise stated*

|  | 2018          | 2017          | Variance      |
|--|---------------|---------------|---------------|
| <b>Net Sales</b>                               | <b>322.5</b>  | <b>361.8</b>  | <b>-10.9%</b> |
| <i>Cost of Goods Sold</i>                      | <i>-244.8</i> | <i>-275.2</i> | <i>-11.1%</i> |
| <b>Gross Margin (before depreciation)</b>      | <b>77.7</b>   | <b>86.6</b>   | <b>-10.3%</b> |
| <i>SG&amp;A</i>                                | <i>-34.7</i>  | <i>-35.7</i>  | <i>-2.9%</i>  |
| <i>Other Income / Expense</i>                  | <i>0.5</i>    | <i>0.3</i>    | <i>105.9%</i> |
| <b>EBITDA</b>                                  | <b>43.5</b>   | <b>51.1</b>   | <b>-14.9%</b> |
| <i>Depreciation/Impairments</i>                | <i>-26.9</i>  | <i>-28.5</i>  |               |
| <i>Finance Costs - Net</i>                     | <i>-14.0</i>  | <i>-13.8</i>  |               |
| <i>FX Gains/Losses</i>                         | <i>2.0</i>    | <i>-5.0</i>   |               |
| <i>Share of profit of associates &amp; JVs</i> | <i>-2.0</i>   | <i>-4.5</i>   |               |
| <b>Profit Before Taxes</b>                     | <b>2.6</b>    | <b>-0.7</b>   |               |
| <i>Income Tax Net</i>                          | <i>-1.5</i>   | <i>-3.2</i>   |               |
| <i>Non Controlling Interest</i>                | <i>-0.2</i>   | <i>0.1</i>    |               |
| <b>Net Profit after Taxes &amp; Minorities</b> | <b>0.9</b>    | <b>-3.9</b>   |               |
| <b>Earnings per Share (€/share) – basic</b>    | <b>0.012</b>  | <b>-0.048</b> |               |

|                    | 31 Mar' 18    | 31 Dec' 17    | Variance      |
|--------------------|---------------|---------------|---------------|
| <b>Net Debt</b>    | <b>738</b>    | <b>723</b>    | <b>2.1%</b>   |
| <b>Share Price</b> | <b>20.15</b>  | <b>22.90</b>  | <b>-12.0%</b> |
| <b>ASE Index</b>   | <b>780.50</b> | <b>802.37</b> | <b>-2.7%</b>  |



# Titan Group Balance Sheet

| <i>In Million Euros, unless otherwise stated</i> | 31 Mar' 18     | 31 Dec' 17     | Variance     |
|--|----------------|----------------|--------------|
| <i>Property, plant &amp; equipment</i>           | 1,438.4        | 1,466.0        | -27.6        |
| <i>Intangible assets and goodwill</i>            | 338.9          | 346.0          | -7.1         |
| <i>Investments/Other non-current assets</i>      | 193.8          | 189.4          | 4.4          |
| <b>Non-current assets</b>                        | <b>1,971.1</b> | <b>2,001.4</b> | <b>-30.3</b> |
| <i>Inventories</i>                               | 263.3          | 258.2          | 5.1          |
| <i>Receivables and prepayments</i>               | 196.8          | 181.7          | 15.1         |
| <i>Cash and liquid assets</i>                    | 233.8          | 154.2          | 79.6         |
| <b>Current assets</b>                            | <b>693.9</b>   | <b>594.1</b>   | <b>99.8</b>  |
| <b>Total Assets</b>                              | <b>2,665.0</b> | <b>2,595.5</b> | <b>69.5</b>  |
| <i>Share capital and share premium</i>           | 276.7          | 276.7          | -            |
| <i>Treasury shares</i>                           | -106.7         | -105.4         | -1.3         |
| <i>Retained earnings and reserves</i>            | 1,110.4        | 1,135.9        | -25.5        |
| <i>Non-controlling interests</i>                 | 62.1           | 62.5           | -0.4         |
| <b>Total equity</b>                              | <b>1,342.5</b> | <b>1,369.7</b> | <b>-27.2</b> |
| <i>Long-term borrowings</i>                      | 920.1          | 820.4          | 99.7         |
| <i>Deferred income tax liability</i>             | 40.6           | 39.6           | 1.0          |
| <i>Other non-current liabilities</i>             | 69.8           | 69.3           | 0.5          |
| <b>Non-current liabilities</b>                   | <b>1,030.5</b> | <b>929.3</b>   | <b>101.1</b> |
| <i>Short-term borrowings</i>                     | 51.8           | 56.8           | -5.0         |
| <i>Trade payables and current liabilities</i>    | 240.2          | 239.6          | 0.6          |
| <b>Current liabilities</b>                       | <b>292.0</b>   | <b>296.4</b>   | <b>-4.4</b>  |
| <b>Total Equity and Liabilities</b>              | <b>2,665.0</b> | <b>2,595.5</b> | <b>69.5</b>  |

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- **This document contains forward-looking statements relating to the Group's future business, development and economic performance. It also includes statements from sources that have not been independently verified by the Company.**
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  - **Legislative and regulatory developments**
  - **Global, macroeconomic and political trends**
  - **Fluctuations in currency exchange rates and general financial market conditions**
  - **Delay or inability in obtaining approvals from authorities**
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