First Half 2022 Results

A strong Second Quarter Performance highlighted by hefty revenue growth and improved profitability

Brussels, 28 July 2022, 08:30 CEST – Titan Cement International SA (Euronext Brussels, ATHEX and Euronext Paris, TITC) announces the second quarter and half year 2022 results.

- **A strong Q2 performance with 29% Revenue growth vs Q2 2021 and recovery of profitability. Q2 EBITDA and NPAT above 2021 levels.**
- **Implemented price increases restored profitability as they caught up with cumulative cost increases.**
- **Group revenue growth 26% in H1 2022, with sales exceeding €1bn (€1,035.5m) as a series of price actions since late 2021 took effect. Strong USD added to growth.**
- **Q2 EBITDA at €92.7m was 7% higher than Q2 2021 while H1 2022 EBITDA at €139.1m was 2.5% below H1 2021**
- **IAS 29 hyperinflation accounting was applied in Turkey inflating non-monetary items. The goodwill gain was reversed through impairment.**
- **Digital end-to-end Real-Time Optimizers (RTOs) in cement manufacturing completed in both US plants leading to higher output, reduction in costs and improved product quality and environmental footprint.**
- **Significant reduction of specific CO_2 emissions by 5.6% in H1 2022, compared to the same period last year, driven by lower clinker-to-cement ratio.**
- **Resilience of demand in key markets leads to a cautiously optimistic outlook for the rest of the year while uncertainties and volatility of markets continue.**

TITAN Group - Overview of the first half of 2022

Helped by stronger Q2 2022 performance, the Group's consolidated revenue for H1 2022 surpassed the €1 billion threshold and reached €1,035.5m, up 26.1% versus the first half of 2021. This reflects solid demand across most markets coupled with price increases across countries and products. Top line growth was supported by stronger US$ and US$-linked currencies (in local currencies growth was 21.3%). EBITDA increased by 7.1% to €92.7m in Q2, while for H1 2022 it reached €139.1m, down by 2.5%, held back by the spike in energy costs and freight rates, as the effect of price increases was not yet fully in place in Q1. Net profit after taxes and minority interests was €43.9m in Q2, 2.9% higher than Q2 2021, while for H1 it reached €45.2m vs €58.0m last year, due to the weak Q1 result.

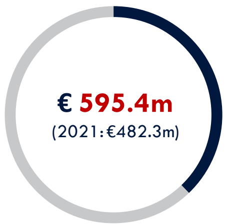
In Q2 2022, sales continued strongly in all regions of operation. The Group was able to move forward with price increases, announced at the end of 2021 and in the first half of 2022, in order to offset the continuously rising energy and input costs. The Group is constantly monitoring various input costs amidst this volatile environment and is following a dynamic pricing policy, safeguarding profitability levels.

In million Euros	H1 2022	H1 2021	% yoy
Revenue	1,035.5	821.1	26.1%
EBITDA	139.1	142.6	-2.5%
Net Profit after Taxes & Minorities	45.2	58.0	-22.0%

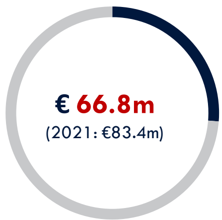
Regional review for the first half of 2022

USA

Revenue



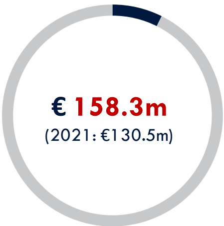
EBITDA



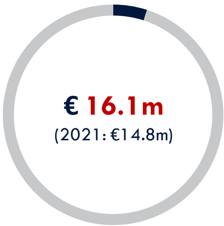
Titan operations in Q2 2022 in the US recorded a solid performance, supporting the view that market fundamentals are well in place underpinning demand in a strong economy. In both of the Group's main geographies demand remained at high levels. Residential build-up and continued infrastructure activity supported demand in the Mid-Atlantic, while Florida's economy is racing ahead at full steam. Florida's residential demand is burgeoning, while commercial resurgence reflects the move of considerable business activity to the region. A growing number of infrastructure investment programs are underway in both Florida and Mid Atlantic.
Amidst this positive environment, the Group has successfully realized price increases this year and managed to gradually restore profitability with Q2 EBITDA at €42.8m coming close to Q2 of 2021 (€44.9m). As the last implementation of price increases took place in June, further margin recovery is expected to materialize in Q3.
Wide adoption of type IL cement and generally lower-clinker cement products improve the Group's financial and environmental results.
Revenue in the USA recorded a 23.4% increase to €595.4m during the first six months of 2022 (11.7% increase in US $ terms), while EBITDA reached €66.8m versus €83.4m, a 20% drop vs H1 2021. The discrepancy is due to the relatively delayed effect of implemented price increases compared to the earlier and persistent pressure of high input costs, such as energy, logistics, labor, and raw materials.

Greece & W. Europe

Revenue



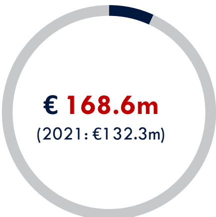
EBITDA



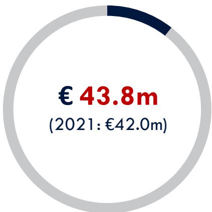
The Greek domestic market continued evolving well in the first half of the year with increased volume of sales. Two successive price increases - one in the last quarter of 2021 and a second one towards the end of the first quarter of the year, have been implemented to cover the cost increases recorded across production inputs. Similarly, on the export front, price increases have been implemented across all export destinations in order to cover higher production and freight costs. In terms of activity, the large urban clusters of Athens and Thessaloniki as well as those of Crete in the periphery account for the lion's share of activity with major projects starting to pull in volumes while renovation and small private projects are somewhat softer reflecting the uncertainties of the current cost environment. On the operational front, the group has continued pursuing its decarbonization and digitalization initiatives across installations in order to reduce its carbon footprint as well as to navigate more efficiently through the turbulence generated by the tight cost environment.
Total revenue for region Greece and Western Europe in the first half of 2022 grew by 21.3% to €158.3m while EBITDA improved to €16.1m versus €14.8m.

Southeastern Europe

Revenue



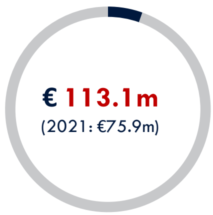
EBITDA



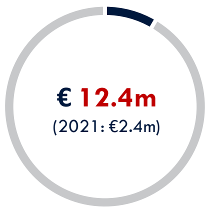
The region of Southeast Europe has exhibited high revenue growth in the first half of the year, despite volatile political circumstances, with variations across different markets. Tight supply conditions in the region coupled with significant production input cost increases served as the backdrop for price increases in all markets and have helped maintaining profitability close to previous year in most of the countries in the region. Real estate activity continues, also serving as a safe haven for investors in the current volatile cost and interest rate environment. Infrastructure projects continue to contribute a significant part of cement consumption in most countries in the region. Substantial progress has been made in the Group's decarbonization efforts through the introduction of lower clinker cement types across more countries. In order to improve its efficiency and manage its cost base, the Group is investing further in alternative fuel utilization, debottlenecking, alternative energy sources as well as in digitalizing further its operations.
Revenue for the region as a whole in the first semester of 2022 increased by 27.5% to €168.6m while EBITDA increased by 4.2% to €43.8m.

Eastern Mediterranean

Revenue



EBITDA



In Egypt, construction activity remains well-oriented despite the country's macroeconomic challenges. The pricing environment has significantly improved, retaining the momentum achieved as a result of the rationalization of the country's domestic supply situation, which is still in place. Public housing development and infrastructure projects already underway continue to account for the bulk of cement demand. The country is also in step with the overall trend towards the adoption of more blended cement types, a positive development in ameliorating both the carbon footprint and the cost base.

In Turkey, the economic environment has rapidly deteriorated with the country reaching hyper-inflation levels, not seen in 20 years. Domestic volumes have declined as a result of severely curtailed public investment activity and a particularly harsh winter at the beginning of the year weighing on first half volumes. Amidst this predicament, prices have increased to cover inflation as producers moved swiftly to mitigate their risks. Moreover, the current macroeconomic turmoil has elevated real estate into the most preferred investment, spurring a surge in new real estate developments to accommodate needs for relative stability. IAS 29 for hyperinflation was applied in Turkey, increasing depreciation cost by €1.6m, tax charged by €1.7m and realizing an equity gain of €14.6m. A goodwill impairment of €10.4m was recognized by management in order to reverse the gain in goodwill that resulted by indexation.

Total revenue in the Eastern Mediterranean reached €113.1m in the first half of 2022. an increase of 48.9% year on year, while EBITDA increased significantly, reaching €12.4m versus €2.4m.

Brazil (Joint venture)

In Brazil, the testing state of the national economy, marked by high interest rates, high inflation, and the compression of private disposable income all affected cement consumption which declined by 2.7% in the first half of the year. As in other markets, input costs increased across the board, in terms of energy, raw materials and transport while cement price increases rose at a slower pace. On the other hand, there is a drive, especially ahead of this year's general elections in October, in public housing and infrastructure investments, as well as government efforts to address affordability concerns.

In the first half of the year, Apodi posted an increase in revenue to €50.5m, versus €36.7m in the first half of 2021, while EBITDA reached €3.6m versus €8.8m in 2021.

Financing and Investments

Operating free cash flow for the first six months of the year recorded a net outflow of €49m compared to a net inflow of €60.5m in the first half of 2021. Cash flow generation has been affected by the extensive CAPEX program (€96m in H1 2022 vs €54m in2021) in progress, mainly in the US, as well as by fuel inventories purchased at higher prices compared to last year and trade receivables at higher levels, as a result of higher revenue levels.

Group's net finance costs in H1 2022 were reduced to €14.6m, while the Group net debt at the end of the first six months of 2022 was €795m, higher by €81m from the end of 2021.

On March 16, 2022, the Board of Directors decided the return of capital of €0.50 per share to all shareholders of the Company on record on April 28, 2022, which was paid on July 5th, 2022.

The Group has been implementing consecutive share buy-back programs and in the period from January 1st until June 30th, 2022, has purchased 943,076 shares on Euronext Brussels and the Athens Exchange (ATHEX) for a total consideration of €12.2 million. On June 30th, the Group owned treasury shares representing 3.10% of total voting rights. A new buy-back program of €10m was decided by the Board of Directors on July 27th 2022. The new program will begin following the end of the current running program and will be up to €10 million with a duration of up to six months. TCI will keep the market fully informed of the progress of the relevant transactions in line with applicable regulations.

Financial Results of the second quarter of 2022

Trading in the second quarter has been stronger than that of the first quarter, showcasing the impact of price increases in all markets during an environment of continuously high production and transportation costs amidst signs of resilient demand. In the prevailing volatile environment, cement sales in the domestic markets showed resilience.

Group consolidated revenue for the second quarter of 2022, reached €580.9m, a 29% increase over the second quarter of 2021, with all regions displaying growth rates in excess of 20%. Reversing the trend of previous quarters, EBITDA improved by 7.1% as price increases caught up with the cumulative increase in key cost elements such as energy, raw materials, logistics and transportation impacting all geographies. Net Profit after Tax (NPAT) for the quarter reached €43.9m versus €42.6m in the second quarter of 2021.

In million Euros	Q2 2022	Q2 2021	% yoy
Revenue	580.9	450.3	29.0%
EBITDA	92.7	86.5	7.1%
Net Profit after Taxes & Minorities	43.9	42.6	2.9%

Digital Transformation

Being an early adopter and leader of digital innovation in the cement industry, TITAN continued to record progress and cross new milestones as it rolls out a growth-oriented, streamlined and digitally empowered operating model for the Group.

The first half of the year saw our second cement plant in the US going live with end-to-end real-time optimizers (RTOs) meaning that now the cement manufacturing at both our plants in the US, using a unique mix of proprietary licensed software, have digital applications that enhance the plants' output, reduce the energy consumption, provide alerts for operational or process anomalies and closely monitor the quality of the end product. As a result, the Group realizes an increase in clinker and cement output owing both to process optimization and breakdown avoidance. Moreover, RTOs help the Group to achieve lower levels of energy consumption, higher environmental performance, and increase our products' quality. RTOs are now live in five Group plants and will be eventually rolled out across the Group's asset base by end of 2023.

The Group is now moving ahead with another pioneering step: Titan has acquired from its technology partner, Precognize, the global rights of the machine learning failure detection solution for the cement industry sector. Titan has set up CemAI, an affiliate company that will serve the global building materials sector with this unique AI predictive maintenance solution, based on the remote service center concept.

Climate Performance

In the first half of the year, TITAN recorded substantial progress towards its sustainability goals.
CO_2 emissions[1] declined by 38 kg per tonne of cementitious product (-5.6%) on a year-on-year basis, driven by a significant reduction in the clinker-to-cement ratio. Titan America is well on its way to reach its target of 100% of its cement sales to be in lower clinker products by December 2022. In addition, the Group is introducing similar products to more markets in the other regions.
In Greece, a €25 million upgrade of the Kamari plant, near Athens, which will enable the increase of alternative fuels substitution in the range of 80%, is progressing according to schedule and will be operational in 2023.
Meanwhile, a pilot carbon capture unit was installed at the same plant, in the context of the EU Funded Carbon Capture and Utilization (CCU) project RECODE. The project involves the production of value-added chemicals and materials by utilizing the captured CO_2.
Furthermore, TITAN Cement Group joined decarbonization and electrification investment leaders Breakthrough Energy Ventures and Energy Impact Partners to invest in Rondo Energy, a start-up company aiming to provide new solutions for decarbonizing cement manufacturing and other industries through its innovative "heat battery" technology.

[1] *Refers to net direct CO_2 emissions (Scope 1)*

Outlook

The macroeconomic turmoil manifesting itself since the beginning of this year has elevated volatility and unpredictability to key determining factors; much depends on how the war evolves in Ukraine, its duration, and its aftermath on the global economy. At the same time, central monetary authorities around the world are facing the dilemma of preventing the economy from further overheating while avoiding stomping out growth altogether.
In this environment, TITAN is focusing on the levers at its disposal to safeguard production, protect margins, improve efficiencies and continue with its carbon mitigation strategies. Decarbonization projects are underway in all regions, lower-clinker types of cement are being rolled out in all markets and meeting with very good uptake, while digitalization investments across the stages of production translate into cost savings and improved production output. As cost pressures are expected to persist across geographies, the Group will continue to address global cost headwinds by adjusting pricing, in a dynamic manner in order to safeguard its performance.
In the US, fundamentals remain solid. Residential activity is robust, despite concerns of rising interest rates and affordability, while the supply of cement is tight. With state budgets at historic highs, construction activity from public projects is expected to continue until the new infrastructure package starts in 2023 to boost infrastructure spending further. It should be emphasized that the Group is present in some of the USA's top growing regions which outpace the rest of the US economy. TITAN, especially after the current round of investments in the USA, will be in a prime position to capitalize on the growth of the market.
European economies remain more affected by the crisis owing to their geographical proximity and more direct exposure to the disrupted energy networks. While Europe is stepping up its efforts to address its energy security and maintain growth rates in the region, the outlook for construction remains positive but does carry significant uncertainty. The ongoing war and duration of steep energy costs could impact underlying demand in the second half.
In Greece activity should continue to be supported by the large investment projects now commenced which offer a supply horizon for several years ahead. Moreover, with the conclusion of what appears to be another strong tourism season, projects related to the sector should start by the end of the season in preparation for the following year. Market demand is subject to uncertainties related to the macroeconomic developments. Lack of available skilled labor in construction sites may be a factor affecting the pace of works, a phenomenon alas recorded in markets across Europe and the US.
Activity in southeastern Europe is expected to continue to reflect differences across markets while overall levels of activity should be maintained. The evolution of costs in the second half of the year will very much determine

overall levels of profitability as well. Otherwise, the Group will continue to utilize its strategic regional positioning to serve market needs in the most efficient manner.

In Egypt, the market should withstand the macroeconomic challenges considering the importance of the construction sector in this large country. Moreover, a continuation of the cement production quota, not finalized yet, safeguards healthy prices and the recovery of profitability levels.

In Turkey, volumes will continue to decline so long as the economy does not stabilize. Elections currently slated to take place in 2023 might offer some respite, while the market has been adept in managing the crisis through both dynamic pricing and the full exploitation of Turkey's considerable export outlet potential.

Brazil is another country with a large and young population and feeling the brunt of inflationary pressures. The cement market may soften somewhat, especially as the government wishes to maintain the momentum of its housing program and ameliorate affordability concerns in what is a critical election year.

Summary of Interim Consolidated Income Statement

(all amounts in Euro thousands)	For the six months ended 30/6	
	2022	**2021**
Revenue	1,035,500	821,068
Cost of sales	-869,822	-661,553
Gross profit	**165,678**	**159,515**
Other net operating income	3,903	879
Administrative and selling expenses	-100,509	-83,402
Operating profit before gain on goodwill restatement in hyperinflationary economies and impairment losses on goodwill	**69,072**	**76,992**
Gain on goodwill restatement in hyperinflationary economies	10,390	-
Impairment losses on goodwill	-10,390	-
Operating profit	**69,072**	**76,992**
Finance income/costs	-14,575	-15,718
(Loss)/gain from foreign exchange differences	-1,921	3,159
Gain on net monetary position in hyperinflationary economies	4,248	-
Share of (loss)/profit of associates and joint ventures	-2,800	1,144
Profit before taxes	**54,024**	**65,577**
Income tax	-8,617	-7,565
Profit after taxes	**45,407**	**58,012**
Attributable to:		
Equity holders of the parent	45,202	57,961
Non-controlling interests	205	51
	45,407	**58,012**
Basic earnings per share (in €)	**0.6257**	**0.7551**
Diluted earnings per share (in €)	**0.6249**	**0.7520**

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

(all amounts in Euro thousands)	For the six months ended 30/6	
	2022	**2021**
Operating profit before gain on goodwill restatement in hyperinflationary economies and impairment losses on goodwill	**69,072**	**76,992**
Depreciation and amortization	69,999	65,599
Earnings before interest, taxes, depreciation, amortization and impairment (EBITDA)	**139,071**	**142,591**

Summary of Interim Consolidated Statement of Financial Position

(all amounts in Euro thousands)	**30/06/2022**	**31/12/2021**
Assets		
Property, plant & equipment and investment property	1,688,919	1,556,362
Intangible assets and goodwill	390,282	363,430
Investments in associates and joint ventures	97,836	88,753
Other non-current assets	42,757	27,229
Deferred tax assets	6,049	8,867
Total non-current assets	**2,225,843**	**2,044,641**
Inventories	364,637	305,131
Receivables, prepayments and other current assets	333,285	248,987
Cash and cash equivalents	87,897	79,882
Total current assets	**785,819**	**634,000**
Total Assets	**3,011,662**	**2,678,641**
Equity and Liabilities		
Equity and reserves attributable to owners of the parent	1,425,859	1,321,626
Non-controlling interests	27,886	15,260
Total equity (a)	**1,453,745**	**1,336,886**
Long-term borrowings and lease liabilities	728,944	687,465
Deferred tax liability	133,694	113,604
Other non-current liabilities	113,023	99,860
Total non-current liabilities	**975,661**	**900,929**
Short-term borrowings and lease liabilities	153,482	105,620
Trade payables, income tax and other current liabilities	428,774	335,206
Total current liabilities	**582,256**	**440,826**
Total liabilities (b)	**1,557,917**	**1,341,755**
Total Equity and Liabilities (a+b)	**3,011,662**	**2,678,641**

Summary of Interim Consolidated Cash Flow Statement

(all amounts in Euro thousands)

	For the six months ended 30/6	
	2022	**2021**
Cash flows from operating activities		
Profit after taxes	**45,407**	**58,012**
Depreciation and amortization of assets	69,999	65,599
Impairment of goodwill	10,390	-
Interest and related expenses	17,122	15,439
Provisions	5,103	2,104
Hyperinflation adjustments	-14,841	-
Other non-cash items	8,410	3,039
Income tax paid	-8,969	-4,037
Changes in working capital	-94,140	-29,350
Net cash generated from operating activities (a)	**38,481**	**110,806**
Cash flows from investing activities		
Net payments for property, plant & equipment and intangible assets	-95,487	-52,823
Net (payments)/proceeds from other investing activities	-1,059	276
Net cash flows used in investing activities (b)	**-96,546**	**-52,547**
Cash flows from financing activities		
Acquisition of non-controlling interests	-	-40,817
Net proceeds/(payments) of credit facilities	94,367	-113,953
Interest and other related charges paid	-15,511	-18,133
Payments for shares bought back	-12,196	-
Other payments from financing activities	-70	-230
Net cash flows from/(used in) from financing activities (c)	**66,590**	**-173,133**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	**8,525**	**-114,874**
Cash and cash equivalents at beginning of the year	79,882	206,438
Effects of exchange rate changes	-510	2,131
Cash and cash equivalents at end of the period	**87,897**	**93,695**

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 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 a measure of operating profitability
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 a measure of operating profitability that is comparable over time

Financial calendar

10 Nov 2022 Publication of financial results for the Nine Months 2022

- 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 first half results will be discussed in a live conference call on Thursday, July 28, 2022 at 15:00 CEST. The conference call will be in English. Please register in advance of the conference using the following link: https://87399.themediaframe.eu/links/titan220728.html. The conference call will be available for replay from July 28, 2022 15:00 CEST.

The statutory auditor, PwC Réviseurs d'entreprise SA, represented by Didier Delanoye, has executed a review of the Interim Condensed Consolidated Financial Statements of Titan Cement International SA. The statutory auditor has no comments. For the statutory report, please refer to the Interim Condensed Consolidated Financial Statements of Titan Cement International S.A. on our website, https://ir.titan-cement.com/en/investor-information/financial-results

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.