



# Financial Results – Full Year 2016

Investors' and Analysts' Presentation

Athens, 23 March 2016

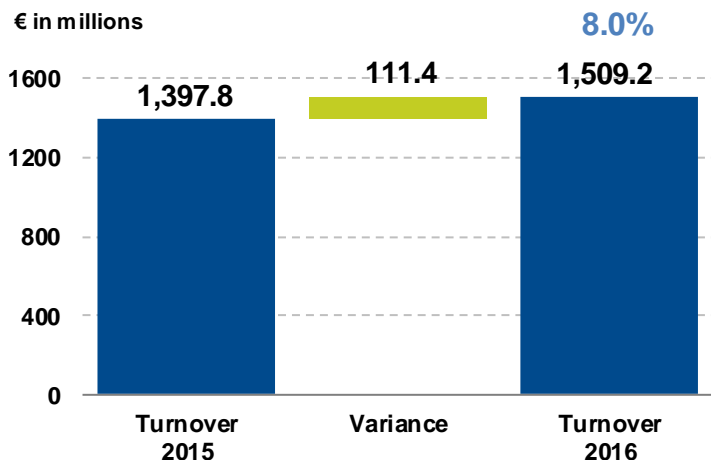
# 2016 Highlights

- Annual Group Turnover increased 8.0% yoy reaching €1,509.2m mainly due to US growth.
- Marked improvement in profitability. EBITDA steadily rising (+28.7% yoy) due to strong performance in the US and Egypt recovery. Full year 2016 EBITDA higher by €62.2m reaching €278.6m.
- NPAT in 2016 increased to €127.4m vs €33.8m in 2015 (after €89.6m US tax benefit and EGP FX loss of €32m).
- In the US, robust volume growth continued. Turnover and EBITDA rose to €794.4m (+17%) and €145.2m (+44%).
- In Greece, 2016 performance remained subdued. Turnover dropped, EBITDA down to €36.4m(-19%).
- In SEE, overall volumes increased under lower prices. Flat Turnover and EBITDA.
- In Egypt, flat € revenues, but 28% higher in EGP. EBITDA €40.8m (up 173%) benefiting from solid fuels conversion. In Q4, the major EGP devaluation against € caused significant FX losses.
- Concluded acquisition in Brazil €99m investment in JV in Cimento Apodi adding 2m MT to cement capacity.
- Net Debt increased to €661m. Net Debt to EBITDA ratio dropped to 2.30x (from 2.85x in Dec 2015).
- High 2016 profitability, encouraging prospects for 2017, decreased leverage and completion of €350m 2-year CAPEX plan, lead Board to propose the distribution of dividend of €0.10/share and return of capital of €1.00/share.

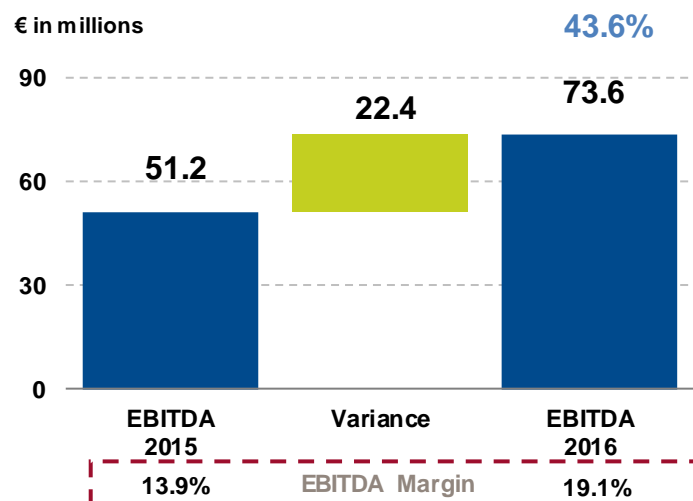
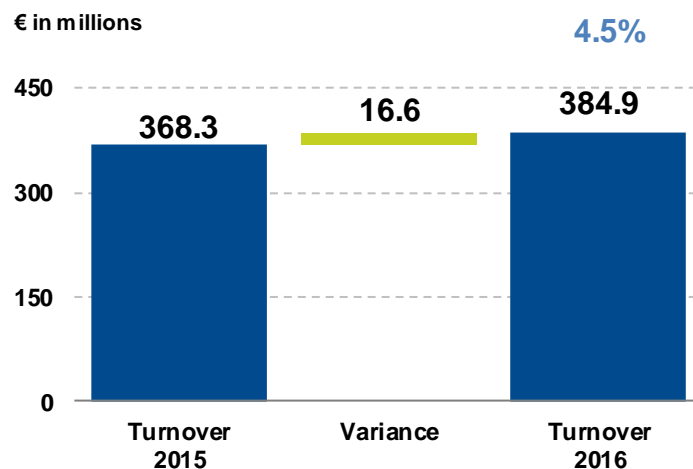
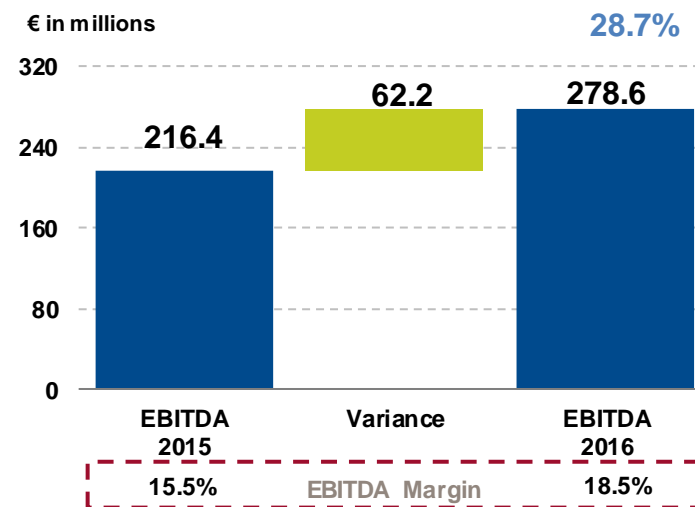


# Rising Profitability as EBITDA Increased by €62m (+28.7%) Driven by Strong Performance in the US and Recovery in Egypt

Turnover

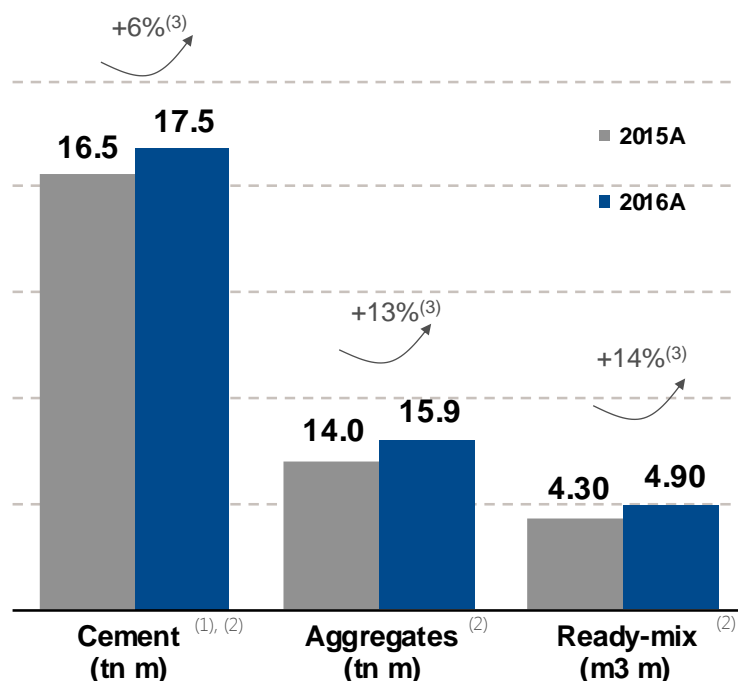


EBITDA

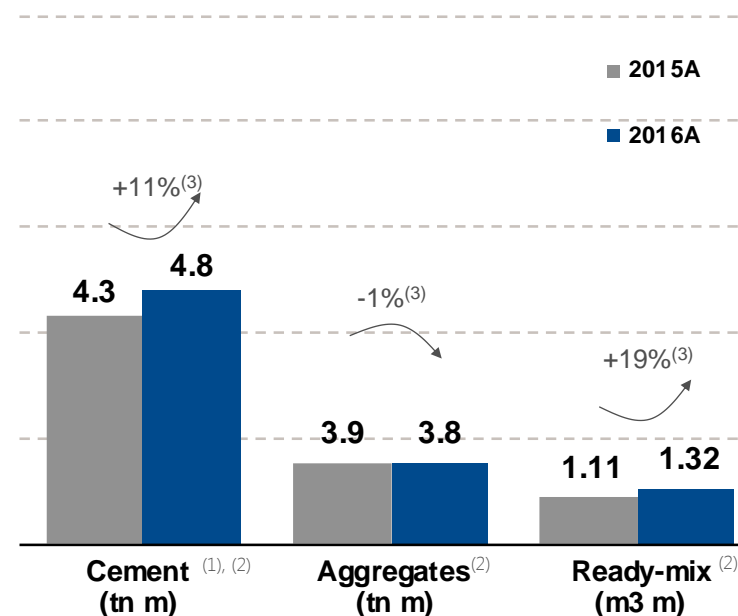


# Group Sales Volumes Increased Throughout 2016 Reflecting Growth in the US and Egypt

12 Months Sales Volume



4<sup>th</sup> Quarter Sales Volume



- \* 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

# Strong Q4 Performance and Cost Efficiencies Led to 28.7% Growth in YTD EBITDA (€279m)

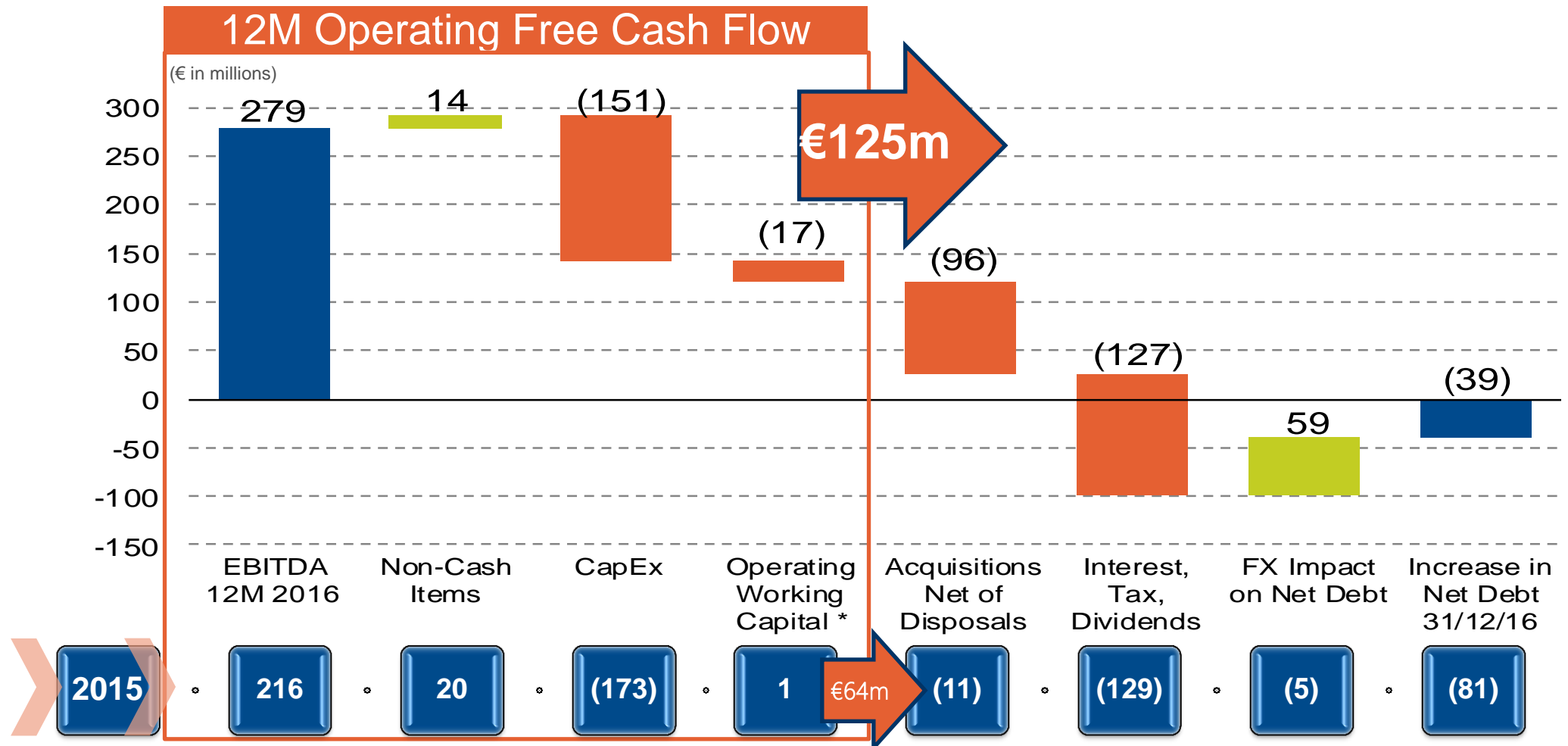
*In Million Euros, unless otherwise stated*

	FY 2016	FY 2015	Variance	Q4 2016	Q4 2015	Variance
<b>Net Sales</b>	<b>1,509.2</b>	<b>1,397.8</b>	8.0%	<b>384.9</b>	<b>368.3</b>	4.5%
<i>Cost of Goods Sold</i>	-1,072.1	-1,039.4	3.1%	-266.8	-270.6	-1.4%
<b>Gross Margin (before depreciation)</b>	<b>437.0</b>	<b>358.4</b>	21.9%	<b>118.1</b>	<b>97.7</b>	20.9%
<i>SG&amp;A</i>	-143.7	-135.4	6.2%	-35.9	-38.3	-6.2%
<i>Other Income / Expense</i>	-14.7	-6.6	123.5%	-8.6	-8.2	5.1%
<b>EBITDA</b>	<b>278.6</b>	<b>216.4</b>	28.7%	<b>73.6</b>	<b>51.2</b>	43.6%
<i>Depreciation/Impairments</i>	-127.1	-130.7	-2.7%	-37.6	-46.0	-18.2%
<i>Finance Costs - Net</i>	-62.5	-66.8	-6.5%	-12.1	-16.2	-25.2%
<i>FX Gains/Losses</i>	-26.0	17.4		4.0	8.9	
<i>Share of profit of associates &amp; JVs</i>	0.5	5.8		-4.3	2.0	
<b>Profit Before Taxes</b>	<b>63.5</b>	<b>42.1</b>		<b>23.6</b>	<b>-0.1</b>	
<i>Income Tax Net</i>	63.8	-6.8		-18.5	-2.3	
<i>Non Controlling Interest</i>	0.1	-1.5		0.4	-0.1	
<b>Net Profit after Taxes &amp; Minorities</b>	<b>127.4</b>	<b>33.8</b>		<b>5.5</b>	<b>-2.4</b>	
<b>Earnings per Share (€/share) – basic</b>	<b>1.561</b>	<b>0.413</b>		<b>0.070</b>	<b>-0.030</b>	

	31 Dec' 16	31 Dec' 15	Variance
<b>Net Debt</b>	<b>661</b>	<b>621</b>	6.3%
<b>Share Price</b>	<b>22.30</b>	<b>17.61</b>	26.6%
<b>ASE Index</b>	<b>643.64</b>	<b>631.35</b>	1.9%

# OFCF Double, Elevated by the Rise in EBITDA. Positive FX Impact on Debt due to EGP Devaluation.

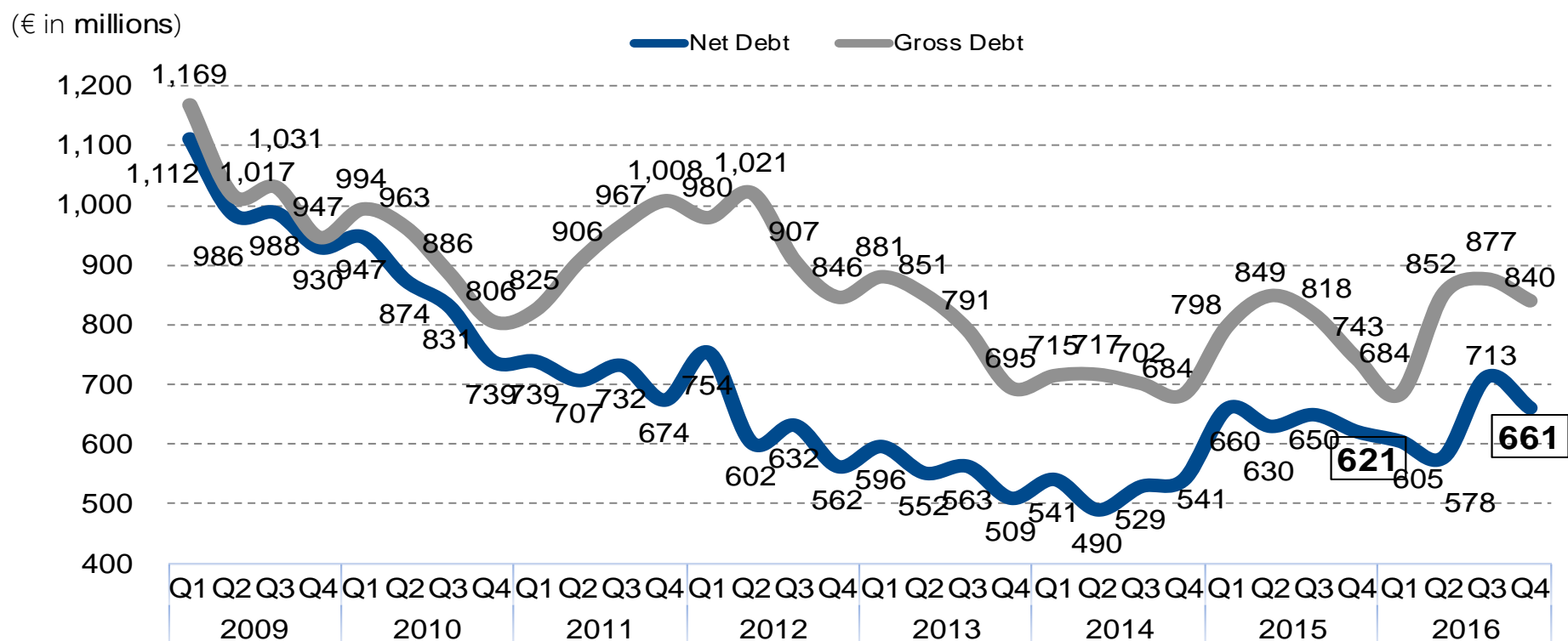
Sources and Uses of Cash



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

# Increase in Net Debt due to Brazil Acquisition is Partly Off-Set by Drop in EGP Loans due to Devaluation

Group Net and Gross Debt Evolution



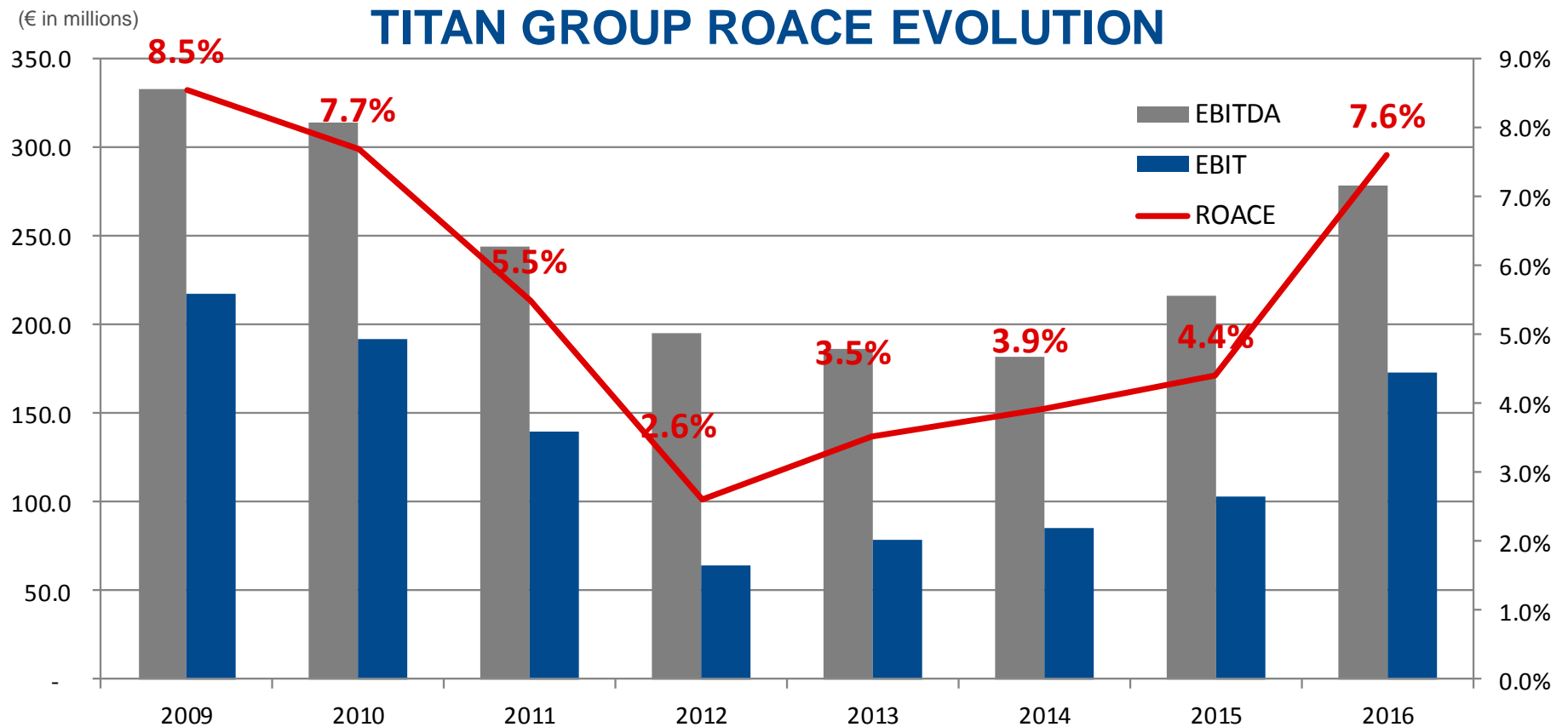
For comparability purposes all figures have been adjusted in order to exclude Turkey.

# Titan Group Balance Sheet (EGP Devaluation Impact)

<i>In Million Euros, unless otherwise stated</i>	31 Dec' 16	31 Dec' 15	Variance
<i>Property, plant &amp; equipment</i>	1,573.2	1,805.7	-232.5
<i>Intangible assets and goodwill</i>	375.1	456.3	-81.2
<i>Investments/Other non-current assets</i>	216.6	109.0	107.6
<b>Non-current assets</b>	<b>2,165.0</b>	<b>2,371.0</b>	<b>-206.0</b>
<i>Inventories</i>	248.9	286.8	-37.9
<i>Receivables and prepayments</i>	196.2	167.1	29.1
<i>Cash and liquid assets</i>	179.7	123.8	55.9
<b>Current assets</b>	<b>624.8</b>	<b>577.7</b>	<b>47.1</b>
<b>Total Assets</b>	<b>2,789.8</b>	<b>2,948.7</b>	<b>-158.9</b>
<i>Share capital and share premium</i>	361.4	361.4	-0.0
<i>Treasury shares</i>	-101.5	-79.1	-22.4
<i>Retained earnings and reserves</i>	1,216.4	1,304.6	-88.2
<i>Non-controlling interests</i>	76.5	118.4	-41.9
<b>Total equity</b>	<b>1,552.8</b>	<b>1,705.3</b>	<b>-152.5</b>
<i>Long-term borrowings</i>	711.0	716.8	-5.8
<i>Deferred income tax liability</i>	56.6	163.8	-107.2
<i>Other non-current liabilities</i>	62.4	59.9	2.4
<b>Non-current liabilities</b>	<b>830.0</b>	<b>940.5</b>	<b>-110.6</b>
<i>Short-term borrowings</i>	129.5	26.3	103.2
<i>Trade payables and current liabilities</i>	277.5	276.6	0.9
<b>Current liabilities</b>	<b>407.0</b>	<b>302.9</b>	<b>104.1</b>
<b>Total Equity and Liabilities</b>	<b>2,789.8</b>	<b>2,948.7</b>	<b>-158.9</b>



# Titan Group ROACE Improving Due to Profitability Growth



# International, Geographically Diversified Cement and Building Materials Producer

## USA

- 2 cement plants c.3.5m MT
- 3 import terminals
- 6 quarries
- 84 ready mix plants
- 9 concrete block plants
- 9 fly-ash processing plants
- Personnel: 1,976



USA

## Greece & Western Europe

- 3 cement plants c.6.5m MT
- 1 grinding plant
- 4 import terminals
- 26 quarries
- 29 ready mix plants
- 1 dry mortar plant
- Personnel: 1,148

Greece



UK



France



Italy

## Southeastern Europe

- 5 cement plants c.5.6m MT
- 17 quarries
- 7 ready mix plants
- Alternative fuels installation, GAEA
- Personnel: 1,432



Bulgaria



Serbia



Albania



F.Y.R.O.M.



Kosovo

## Eastern Mediterranean

- 3 cement plants c.7.5m MT
- 2 grinding plants
- 17 quarries
- 5 ready mix plants
- Personnel: 1,056

*Figures include Turkey*



Egypt



Turkey

## Group

Group cement capacity c.27m MT (includes cement plants, grinding plants and cementitious materials)



Brazil  
(Sep 2016)

5 year  
average  
(2011-2015)

Turnover



€447m

EBITDA



€36m

Turnover\*



€262m

EBITDA



€33m

Turnover



€220m

EBITDA



€67m

Turnover



€253m

EBITDA



€69m

Group  
Turnover/  
EBITDA

€1,181m/  
€205m

2016  
(Full Year)

Turnover



€794m

EBITDA



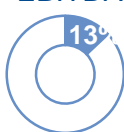
€145m

Turnover\*



€261m

EBITDA



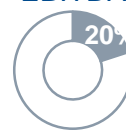
€36m

Turnover



€204m

EBITDA



€56m

Turnover



€249m

EBITDA



€41m

€1,509m/  
€279m

\*: Out of which 50% is exports

Eastern Mediterranean does not include Turkey  
Financials which are not consolidated.

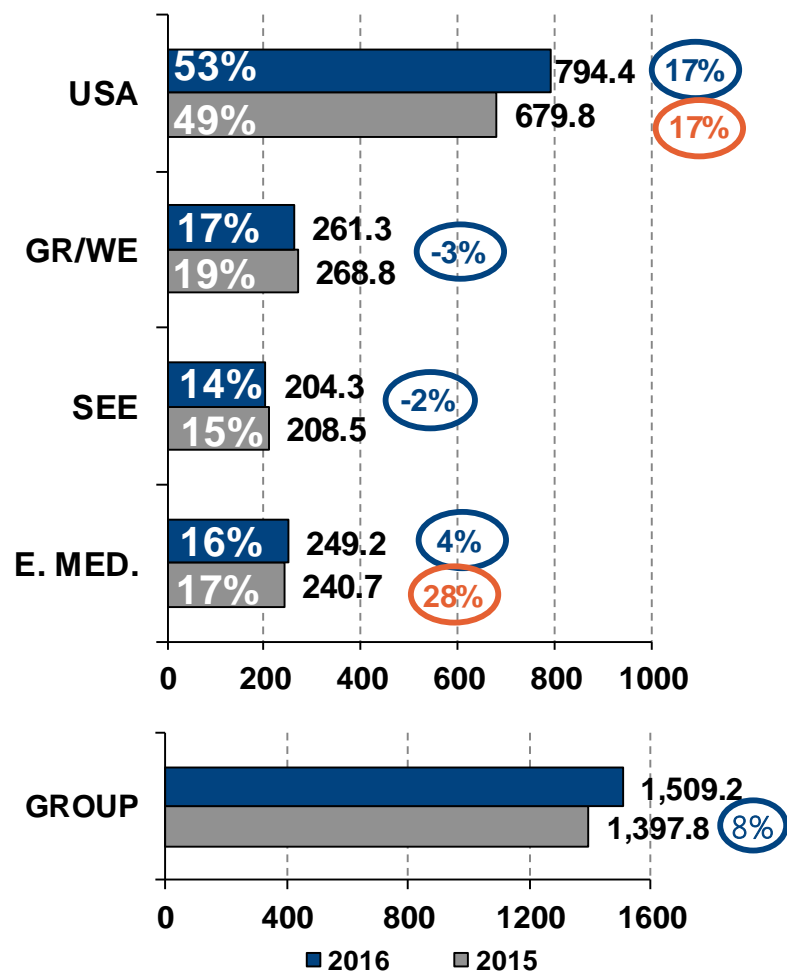


# Market Overviews

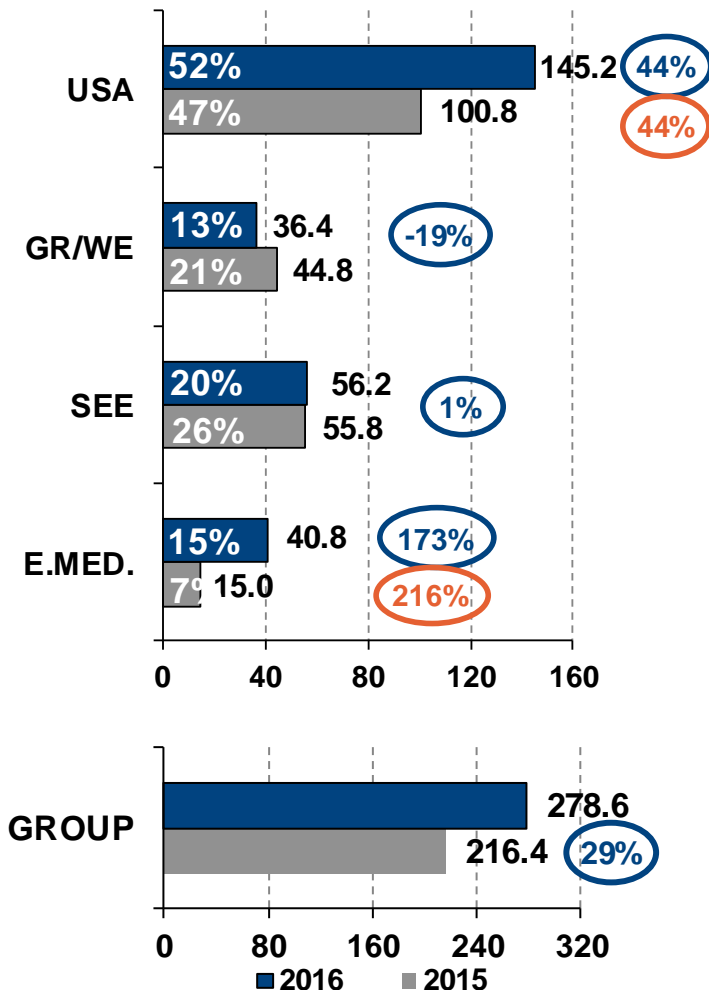


# Increase in Full Year Revenue, EBITDA and NPAT with US the Major Contributor

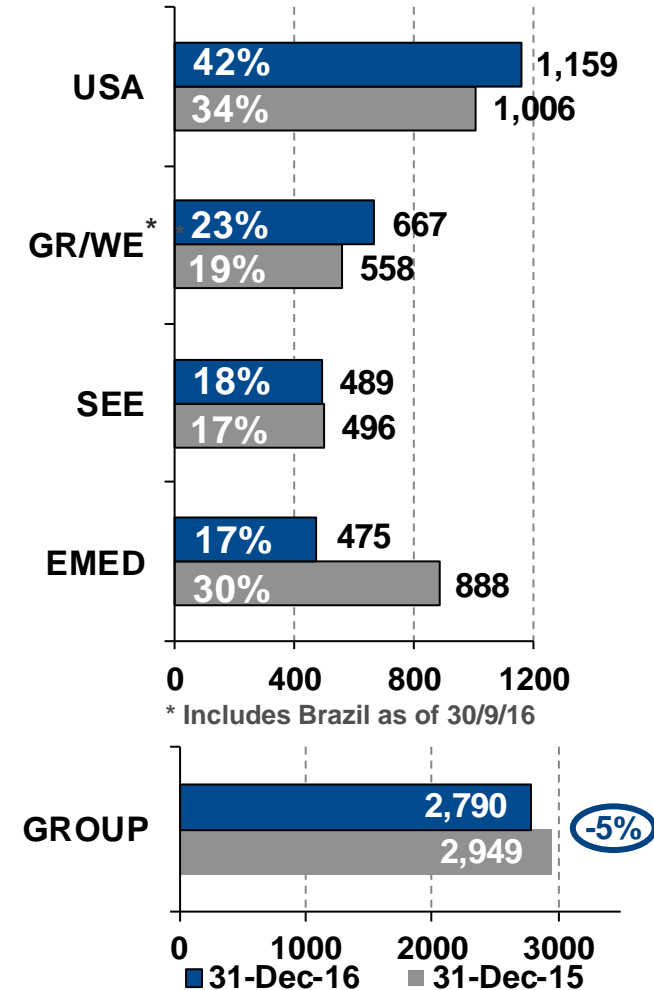
12M 2016 Turnover (€m)



12M 2016 EBITDA (€m)



Total Assets (€m)



\* Includes Brazil as of 30/9/16

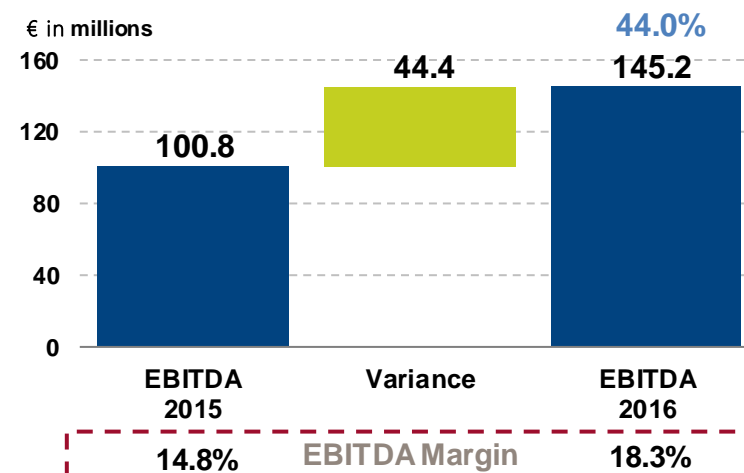
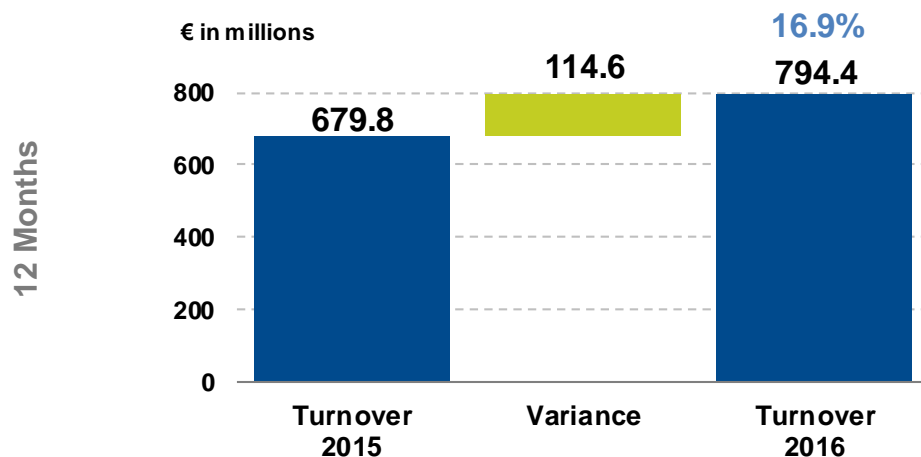
Regional Performance Includes Exports to 3<sup>rd</sup> Parties and Terminals

(X%) Variance vs last year (X%) Variance vs last year – local currency

(X%) Weight contribution to total

# Strong Momentum in the US Continued with Robust Growth of Revenue and Profitability

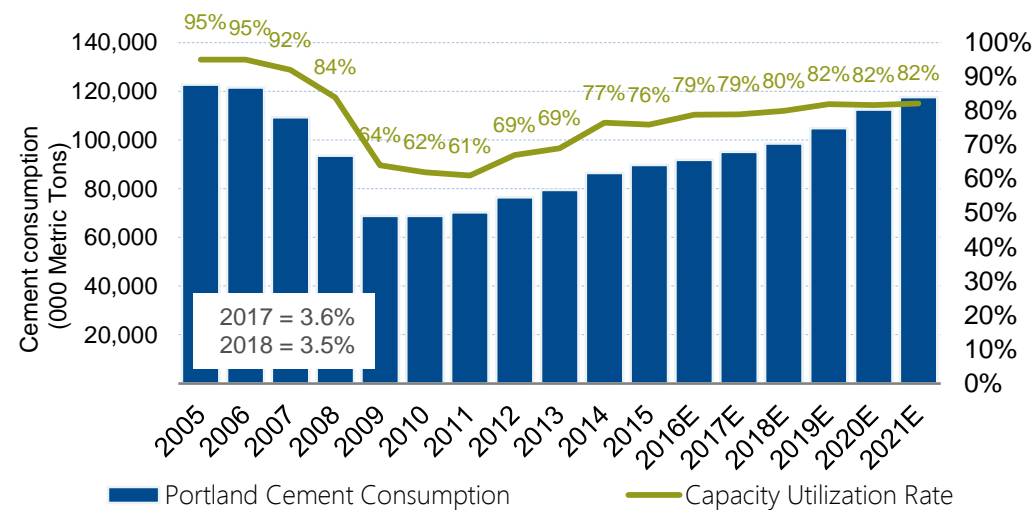
- Strong growth in US Revenues and EBITDA throughout all quarters across all our vertically integrated activities.
- Strong volume growth supported by positive pricing environment in all markets and products. Titan's key operating regions ranked amongst fastest growing in the US (Cement consumption-PCA: Florida +10%, Virginia +10%, Carolinas +22% yoy).
- Turnover rose to €794.4m (+17%) and EBITDA to €145.2m (+44%) leading to a 5-year high EBITDA margin of 18.3%.
- Exceptional NPAT increase partly due to 2016 deferred tax credit recognition of €89.6m. Strong operating Free Cash Flow due to rising EBITDA and lower CAPEX.
- Growth in demand in conjunction with the benefits from the \$200m 2-year CAPEX program strengthened Titan's market position and profitability.





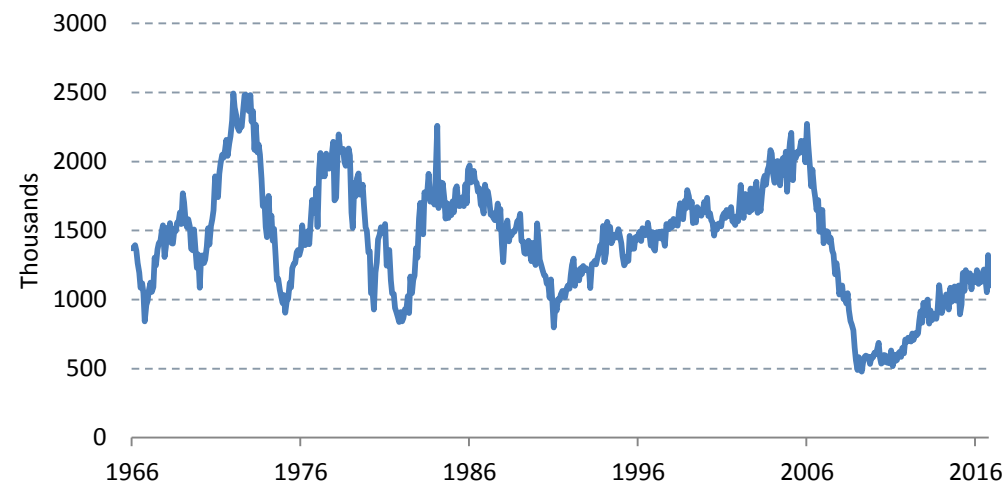
# Favorable Fundamentals in the US Cement Industry

PCA expects robust U.S.A. consumption growth and increased capacity utilization with Mid-Atlantic and Florida rising faster than national average



Source: PCA, Spring 2017 Forecast

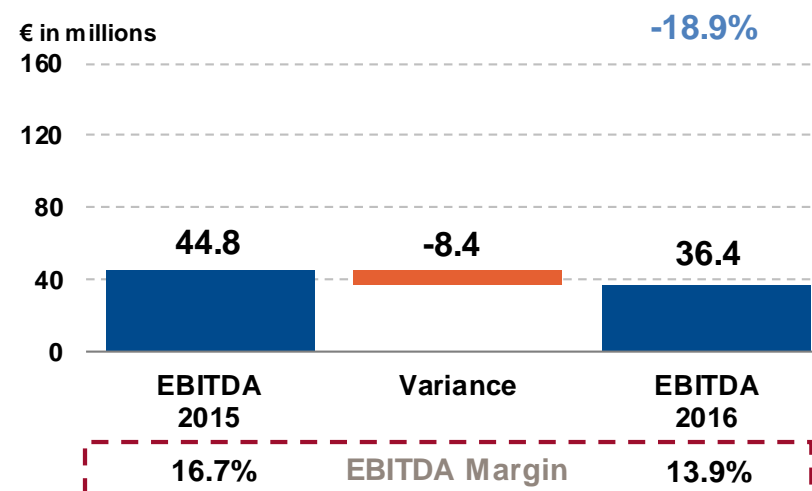
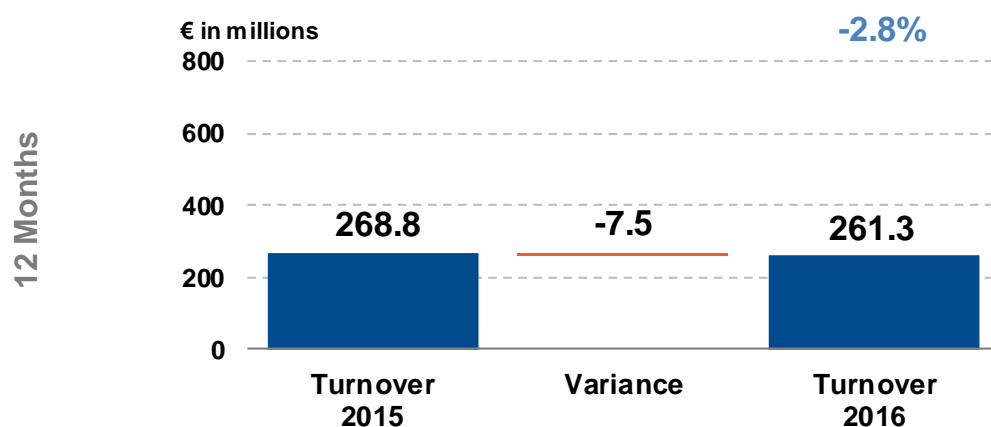
50 Year US housing starts show gains since 2010, but remain below average and well below the peak of 2005 despite population growth



Source: US Census Bureau

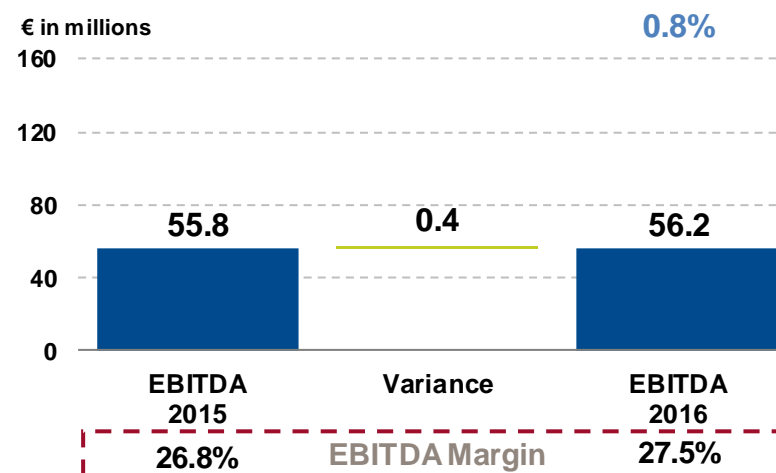
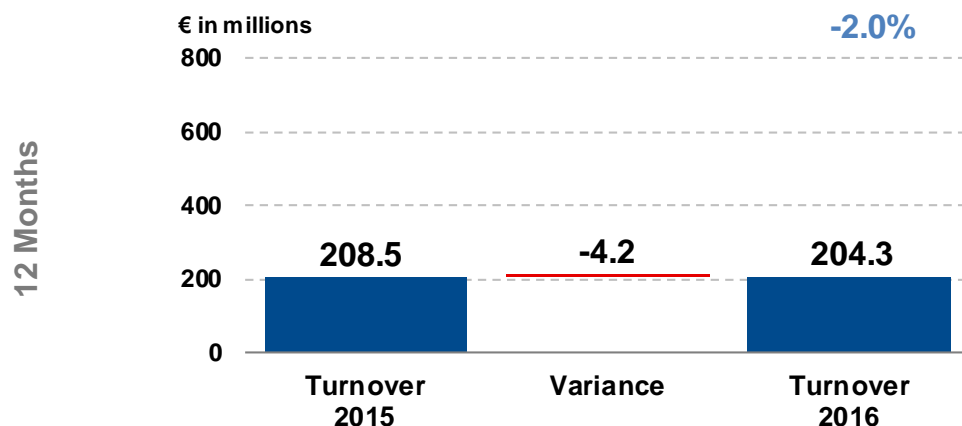
# Greece Revenue Remained Low due to Distressed Economy and Intensified Competition in Exports

- Greece Turnover and EBITDA remained weak with no signs for recovery in the short term.
- Domestic cement sales (6% of total Group cement sales volumes in 2016) remained flat vs 2015. Public works are diminishing.
- Cement export volumes account for largest share of Greek production. Export prices under pressure.
- Significant energy cost savings.



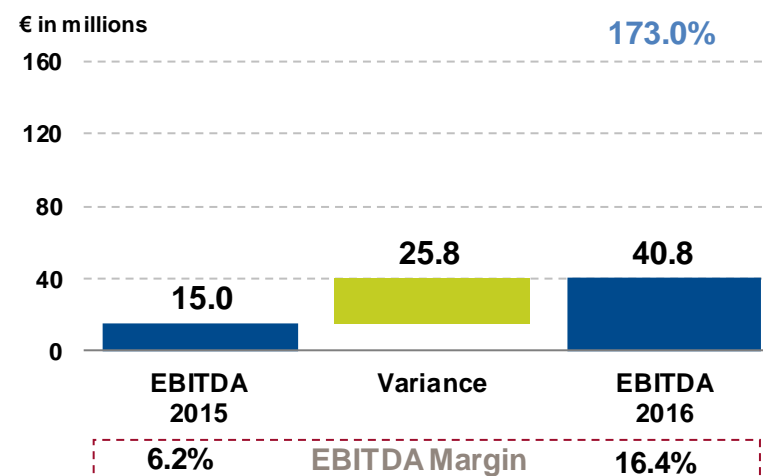
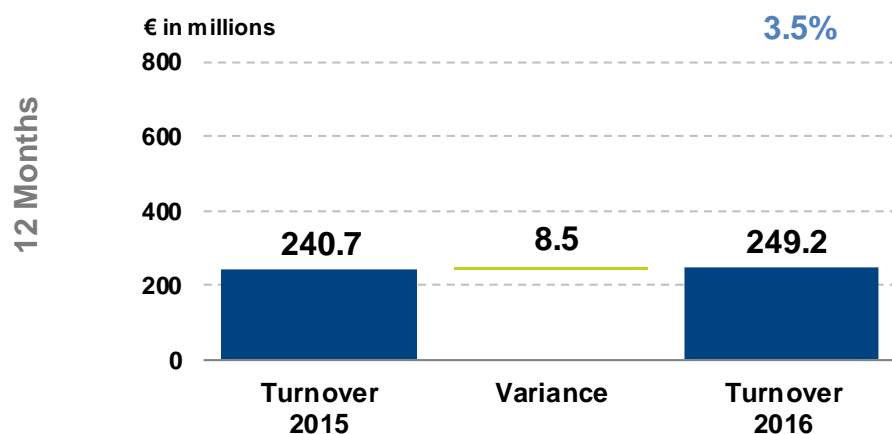
# Healthy Performance in SEE as Sales Volumes and Margins were Resilient

- ❑ Overall regional performance stable despite prices continuing to be under pressure. Flat Turnover of €204.3m and EBITDA of €56.2m.
- ❑ Regional variations in sales volumes with Central Balkans recording growth while decline in East and West.
- ❑ EBITDA margin improved to 27.5% supported by lower fuel costs and higher use of alternative fuels (mainly in Bulgaria).
- ❑ Cement demand considerably below Group's plants capacity.



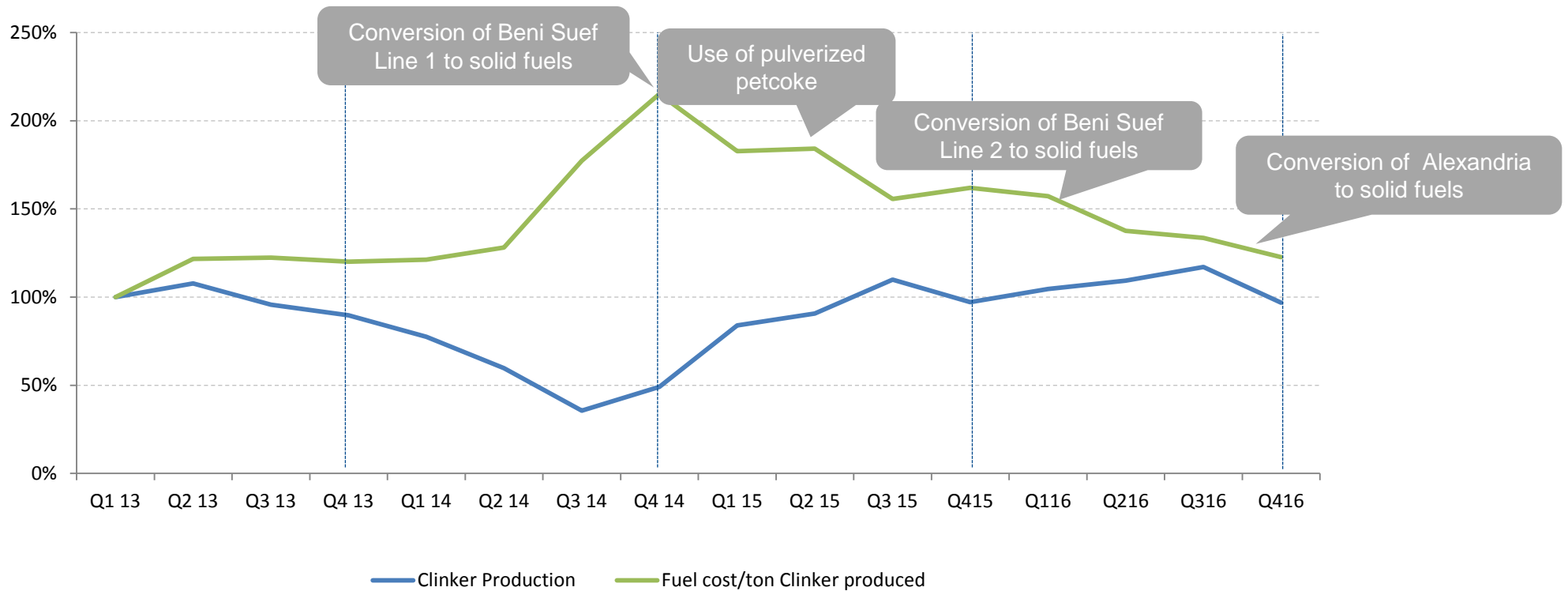
# Egypt Posted High Growth in Sales Volumes and EGP Revenues. EBITDA Recovery.

- Egypt 2016 full year EBITDA exceeded €40m (+173% vs 2015) due to strong growth in production and sales volumes and a sharp reduction in production costs. Turnover up 28% in EGP, or 3.5% in € terms at €249m.
- Higher 2016 production volumes resulted in cost efficiencies. Significant cost savings in fuel cost (fuel cost/ton down by >40%).
- Strong improvement in Operating Free Cash Flow driven by higher EBITDA and lower CAPEX.
- The major EGP devaluation against € (-15% till Q3, -40% in Q4) resulted in cumulative FX losses of -€32m. Balance Sheet shrunk by about 50% due to devaluation. While fixed assets real value (in € terms) remains virtually unchanged, there was a significant benefit (€ 59m) from the reduction in the Euro-value of EGP loans.
- In Turkey, Adocim 2016 Net Profits at €7.2m (vs €8.0m in 2015), due to the Turkish Lira sliding.



# Egypt – Production Volume and Fuel Cost Dynamics

Index: Q1 2013 = 100





# Outlook



# Outlook 2017

## USA

- Short and medium term prospects continue to improve.
- Focus on delivering higher profitability, capitalizing on recent investments.

## Greece

- Gap in public works pipeline causes headwinds.
- Focus on cost competitiveness and optimization of exports profitability.

## S.E. Europe

- Political volatility weighs on growth prospects.
- Focus on synergies and efficiencies.

## Eastern Med

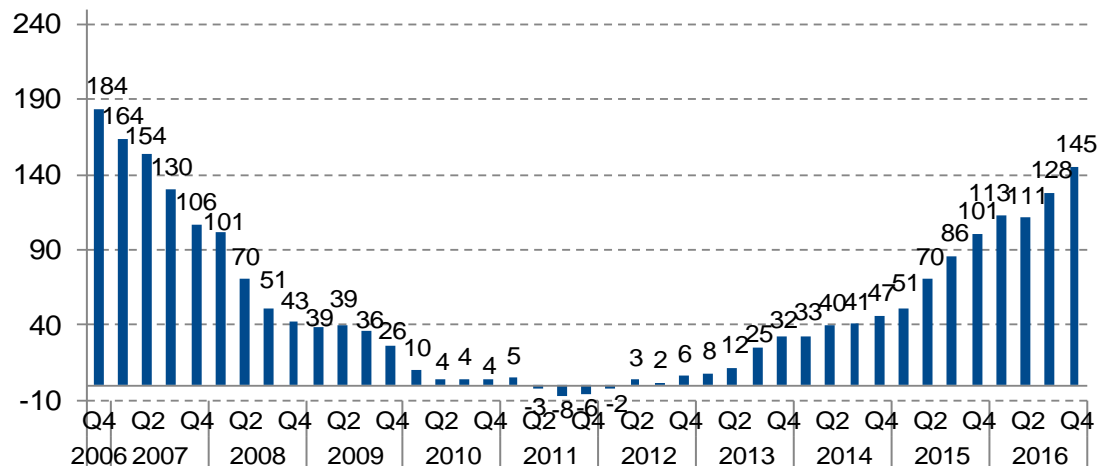
- Egypt post-devaluation difficulties curtail demand growth.
- Focus on price recovery and cost containment.
- Turkish market resilience tested by political situation.



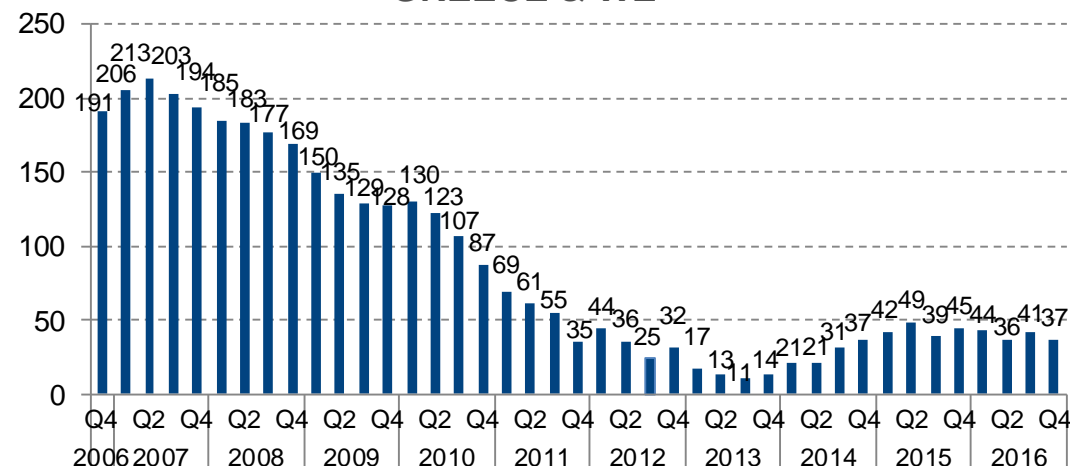


# EBITDA 12Month-Rolling Quarterly Analysis by Region (2006-2016)

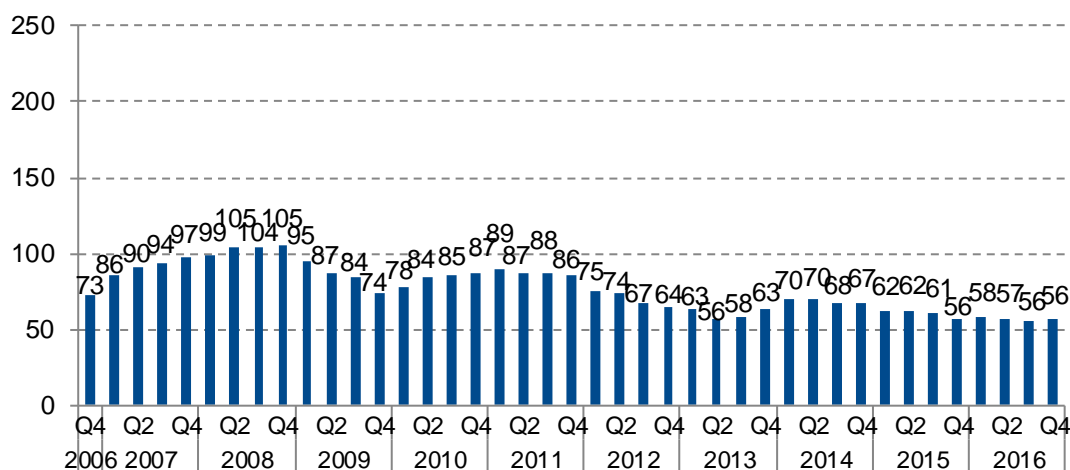
USA



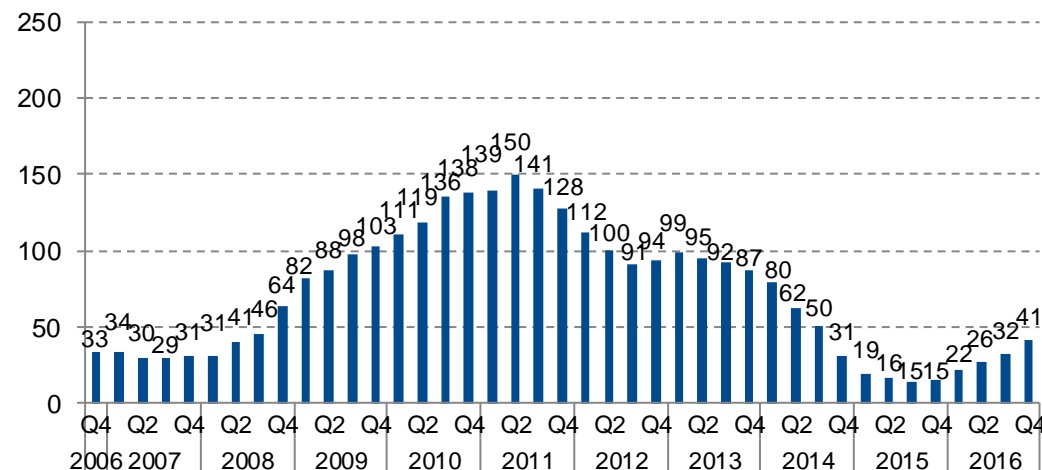
GREECE & WE



SOUTH EASTERN EUROPE



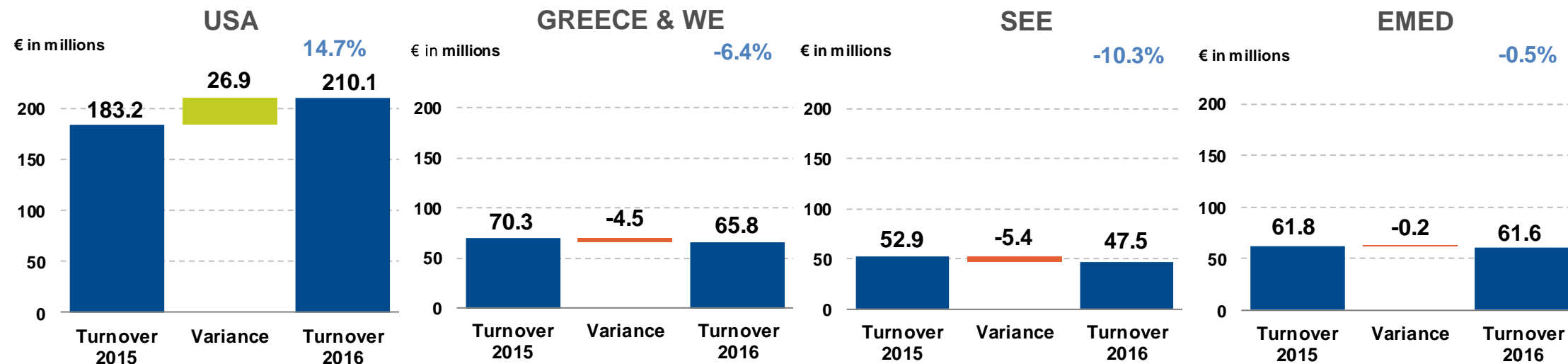
EASTERN MEDITERRANEAN



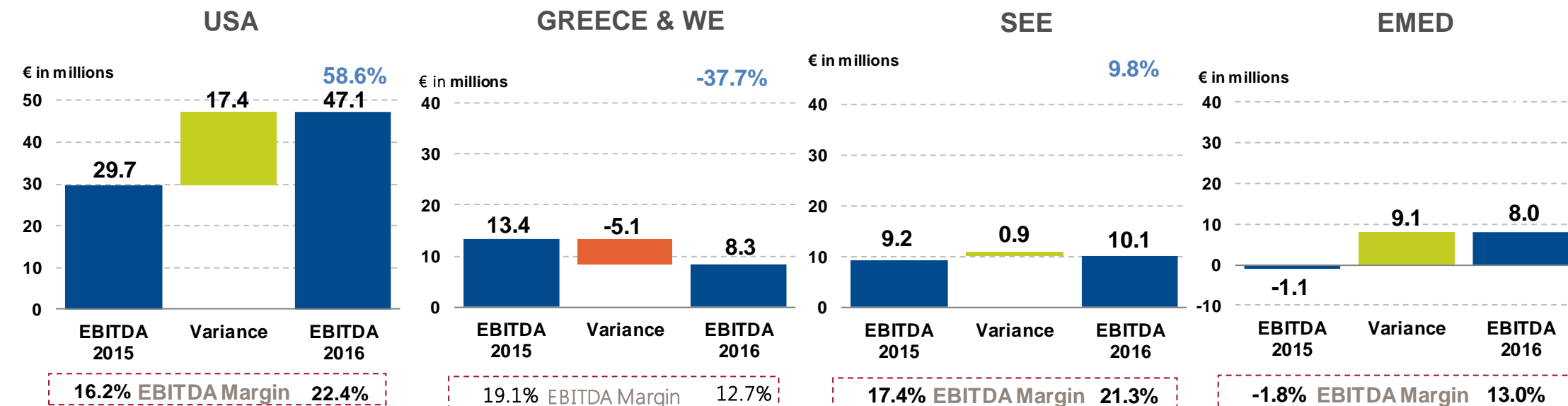


# Q4 Sales and Profitability by Region

## Turnover



## EBITDA

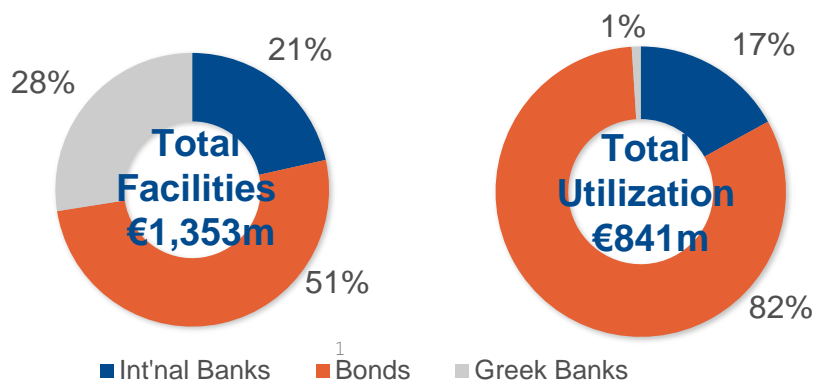




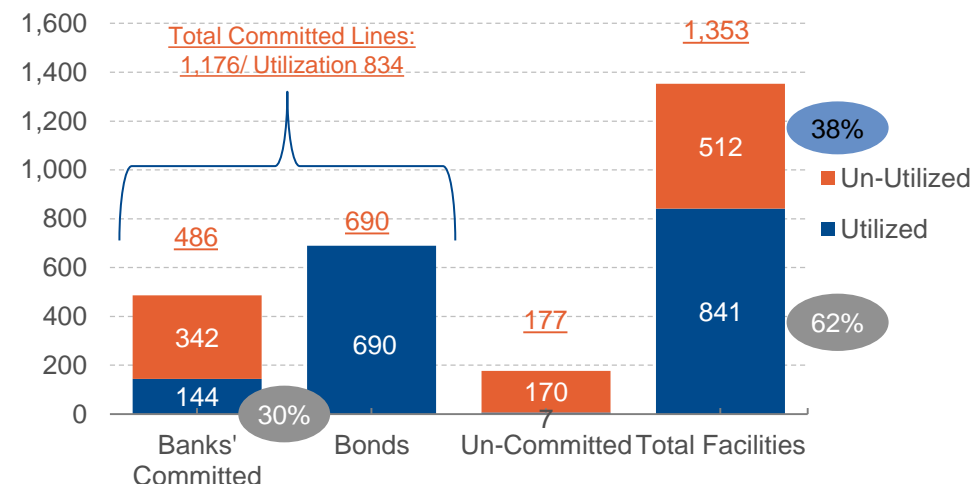
# Debt & Liquidity Profile

## December 2016

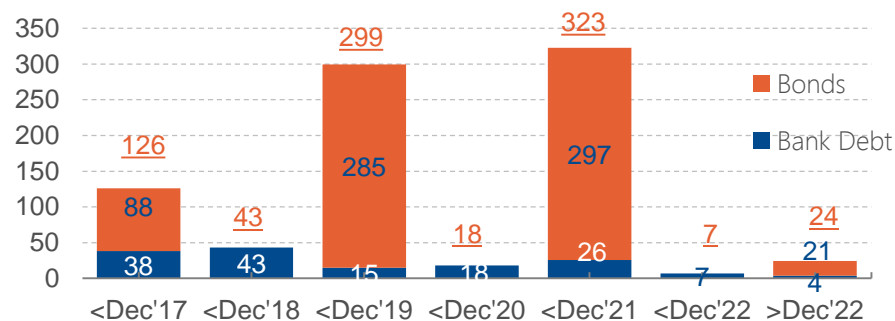
### Facilities / Utilization by Lender



### Facilities by Type / Utilization (€m)

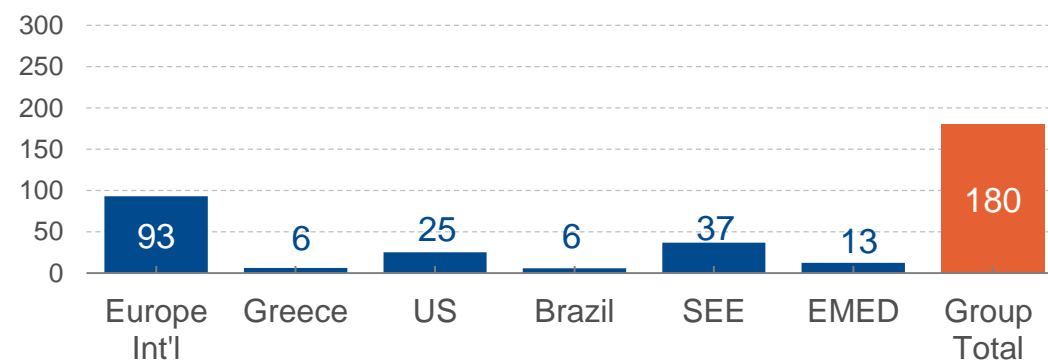


### Maturity Profile (€m)



Note: Utilized includes loan fees/ Bonds include US IRBs; Un-utilized without loan fees

### Liquid Assets by location (€m)



# Disclaimer

- 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.
- Such statements may be subject to a number of risks, uncertainties and other important factors, such as but not limited to:
  - Competitive pressures
  - 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
  - Technical development
  - Litigation
  - Adverse publicity and news coverage, which would cause actual development and results to differ materially from the statements made in this document
- TITAN assumes no obligation to update or alter such statements whether as a result of new information, future events or otherwise.

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