Integrated Annual Report 2019

2019 was a milestone year for the TITAN Group as it was strategically repositioned in a way that better reflects its expanding international footprint, while greatly enhancing its financial competitiveness, with the listing of its parent company, Titan Cement International S.A. on Euronext Brussels, Paris and on the Athens Exchange.

2019 Performance highlights

TITAN made good progress at all fronts and is well placed to simultaneously navigate the market cycles of its business and participate in the major transformational changes that will affect the cement sector and beyond, focusing on operational excellence and profitability, as well as on adaptability, agility and long- term sustainability.

Financial

€1,609.8m
Revenue

€267.1m
EBITDA
(Earnings before interest, tax, depreciation and amortization)

€50.9m
NPAT
(Net profit after tax)

"BB"
on a stable outlook
Credit rating (S&P)

€1,409.8m
Total Group Equity

Non-Financial

5,400
Employees,
(as at 31 December 2019)

769
New hires across the Group

1.44
Lost time injuries frequency rate (LTIFR) for employees

675.7
Specific net direct CO_2 emissions (kg/$t_{product}$)*

14.7
Specific dust emissions (g/$t_{clinker}$)

255.9
Specific water consumption (lt/t_{cement})

* Product means cementitious product as defined by Global Cement and Concrete Association (GCCA).

Principal product sales in 2019

Building on 117 years of industry experience and driven by its commitment to sustainable growth, TITAN has become an international cement and building materials producer, serving customers in more than 25 markets worldwide through a network of 14 cement plants in 10 countries, as well as quarries, ready-mix plants, terminals and other production and distribution facilities.

Cement

17 million metric tons

Ready mix concrete

5.2 million m^3

Aggregates

18 million metric tons

Contributing to the UN SDGs 2030

Among the 17 SDGs 2030, we have identified in 2015 four as most relevant to our business and eight as complementary to our main priorities, as per the table below, and we have linked our 2015 material issues and 2020 sustainability targets to most of them. Following the materiality assessment outcomes in 2019 we work on setting targets for all material issues, in alignment with SDGs 2030.

SDGs most relevant to our business

3 GOOD HEALTH AND WELL-BEING
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
17 PARTNERSHIPS FOR THE GOALS

SDGs complementary to our main priorities

4 QUALITY EDUCATION
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES
15 LIFE ON LAND

TITAN

Delivering value for all

We draw on, transform and add to our capital resources to provide our products and services and achieve sustainable business growth, creating value for all our stakeholders and contributing to the attainment of the global sustainable development goals.

Our capital resources

Financial capital
We use our economic resources efficiently to support our business growth and safeguard our international competitiveness.

Manufactured capital
We manufacture our products using best available techniques in a network of 14 cement plants in 10 countries, as well as quarries, ready-mix plants and other production facilities and we distribute them reliably to our customers through dedicated terminals.

Intellectual capital
We use our R&D capabilities, our core competence, and our deep knowledge of the building materials industry to enhance our offerings and further improve our performance.

Human capital
We value our people's contribution to our achievements, continuously supporting their professional development in an engaging, inclusive and collaborative working environment.

Social and Relationship capital
We engage with our stakeholders building long-term relationships of trust and working together in collaborative projects to make a positive impact on society and local communities.

Natural capital
We source materials responsibly and we preserve natural resources and biodiversity in the areas where we operate. We contribute to circular economy, by applying the principles of "reduce, recycle, reuse, recover".

The value[1] we created in 2019

€598.0m
Value added[2]

€458.3m
Net Value added[3]

€1,020.0m
Total spend to suppliers, local national and international for goods and services

€90.7m
Taxes to national and local authorities

€13.7m
Payments in cash, as dividends and other type, to shareholders and minorities

€2.5m
Total spend to donations and social engagement initiatives

€26.6m
Green Investment

269,665t
Alternative fuels

€315.1m
Salaries, (contributions to) pensions, and social benefits, including additional benefits beyond those provided by law

€0.9m
Investments for training of direct employees, as total expenditures[4] on Group level

396
interns

€7.9m
R&D and Innovation Collaborative efforts

€109.3m
Investments for the Group's future growth

(1) The economic value created and distributed to key stakeholders has been calculated using the United Nations – UNCTAD "Guidance on Core indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals" (latest publication in 2019).

(2) Revenue minus costs of bought-in materials, goods and services (Gross Value Added, GVA, according to the UNCTAD).

(3) Revenue minus costs of bought-in materials, goods and services and minus depreciation on tangible assets (Net Value Added, NVA , according to the UNCTAD).

(4) Total expenditures including the direct and indirect costs of training for direct employees and mainly costs such as trainers' fees. For more details, see Table 2.1. Value Creation Core Indicators Index in Non-financial Statements.