



# Financial Results – Full Year 2018

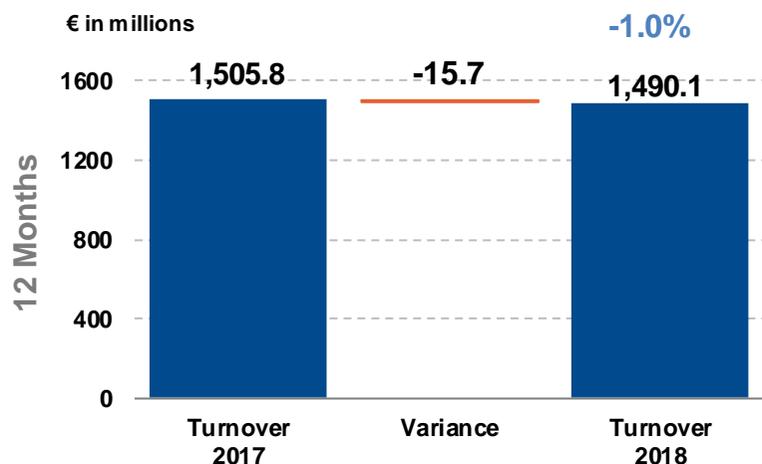
Investors' and Analysts' Presentation

Athens, 21 March 2019

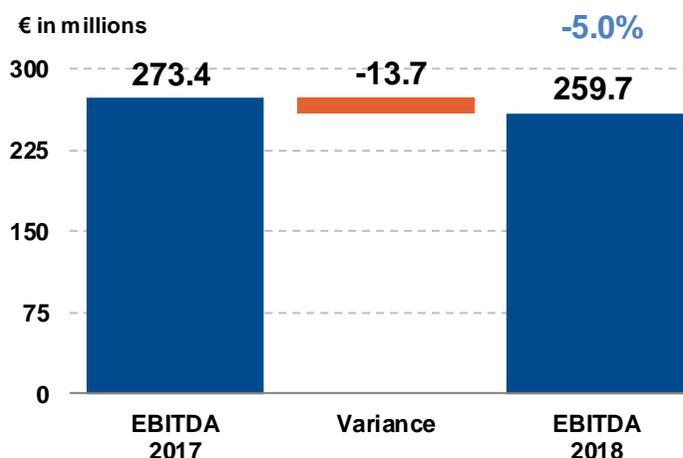
# 2018 Highlights

- ❑ In 2018 total Group sales revenues remained stable compared to last year at €1,490m (€1,506m in 2017), as the strong H2 performance (+6.2%) counterbalanced the slow H1 of the year.
- ❑ EBITDA decreased by 5% vs last year to €260m, a result of a weaker H1 due to lower US profitability (bad weather, extended maintenance, weak US\$) and increased energy costs over the year.
- ❑ NPAT improved in 2018 and reached €54m due to FX gains of €9.3m in contrast with €22.3m FX losses recorded in 2017 associated with intragroup € debt to the US and Egypt.
- ❑ Robust Group performance in Q4 in all regions except EMED contributed to Turnover and EBITDA growth by 7.5% and 6.6% respectively vs Q4 2017.
- ❑ USA Turnover in 2018 exceeded the \$1bn mark (\$1,015m, +3.0%) but marginally dropped in € (€860m, -1.5%). EBITDA (flat in US\$) decreased by 4% to €178m. Performance improved in H2. Outlook for positive growth.
- ❑ In Greece despite small volume growth in Q2-Q4, annual domestic demand stable at low levels. 2018 Turnover at €237m (-5%), while higher energy costs and pressure on prices resulted to a drop in EBITDA at €11m (-41%).
- ❑ In SEE volume growth across most markets led to €239m annual Turnover (+6%). Despite higher energy costs, EBITDA improved to €60m (+5%).
- ❑ EMED was impacted by softer market conditions in Egypt with lower volumes, higher costs and insufficient price increases. Adocim results were fully consolidated as of October 2018. Turnover and EBITDA in the region contracted to €154m and €11m respectively (down by 3% and 14%).
- ❑ Brazil: Improving market, higher sales volumes, stronger EBITDA.
- ❑ Net Debt at €772m, up by €49m y-o-y, affected by weaker year-end € and Adocim acquisition and consolidation.

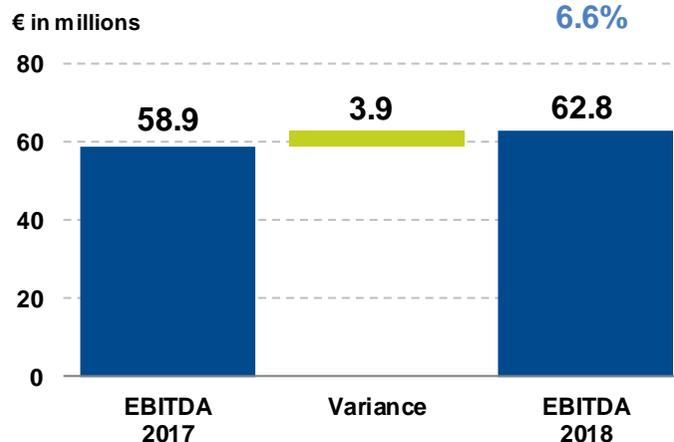
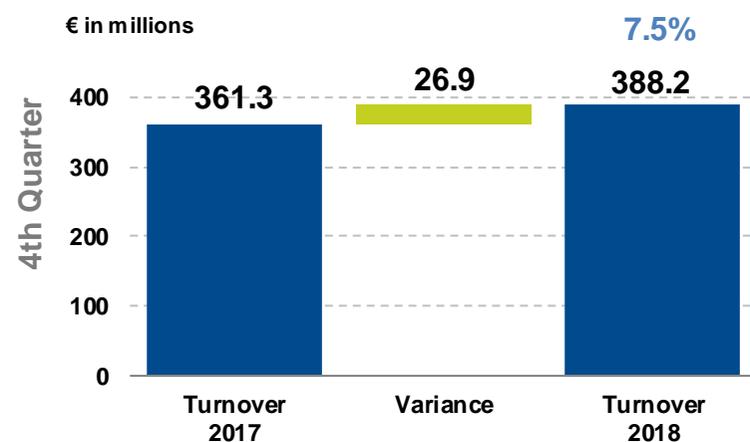
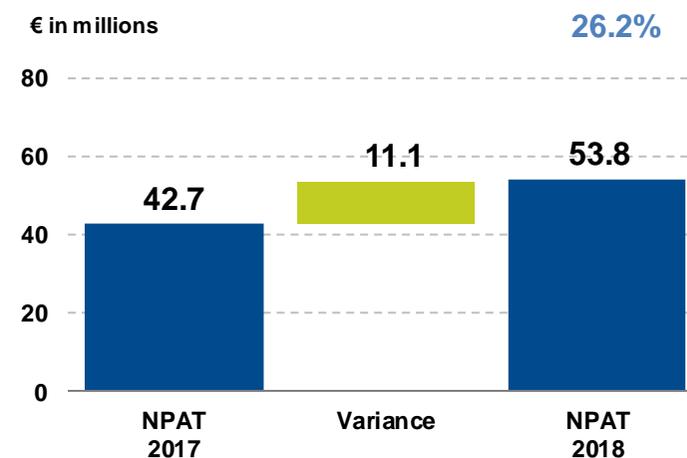
# Strong Q4 Performance Mitigates the Slow Start of the Year



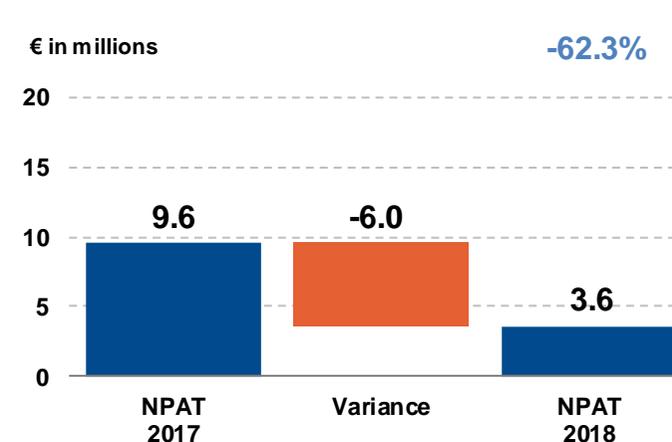
-€52m translation impact; 2.4% growth excl. fx



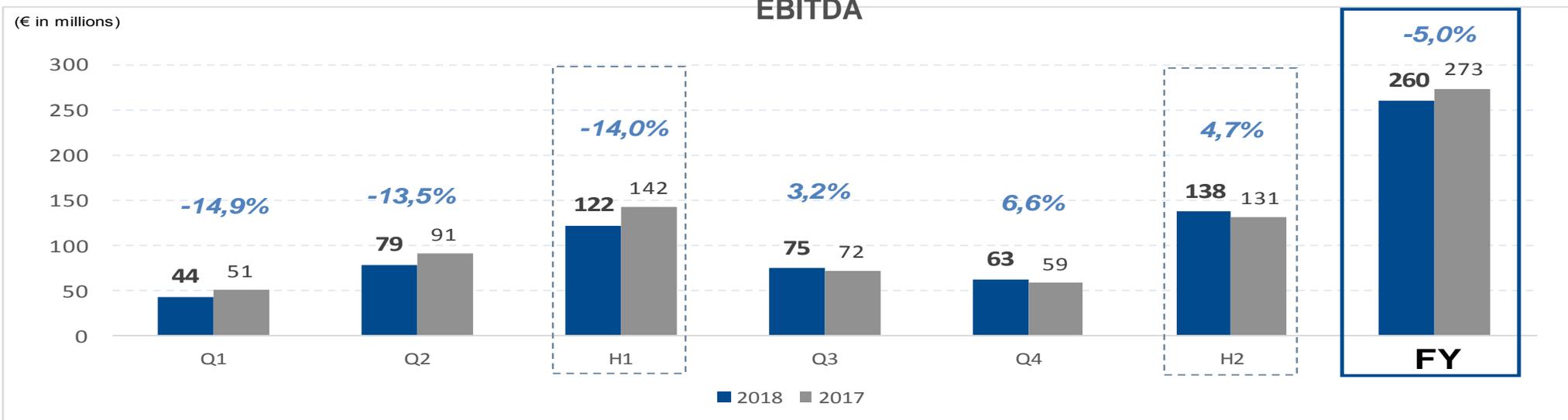
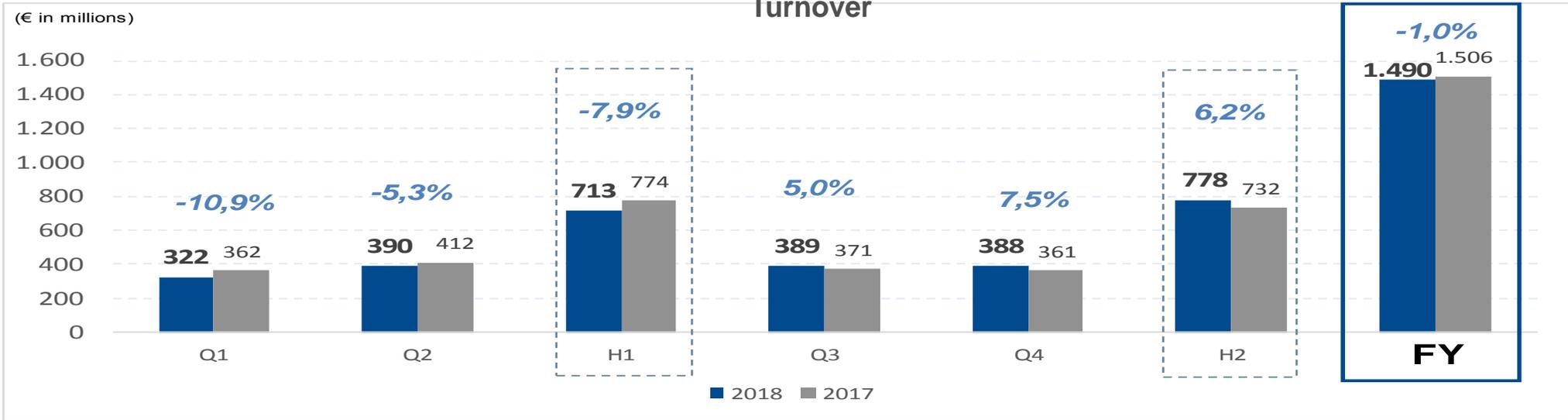
EBITDA Margin: 18.2% (2017) vs 17.4% (2018)  
 -€8m translation impact; 2.1% decrease excl. fx



EBITDA Margin: 16.3% (2017) vs 16.2% (2018)

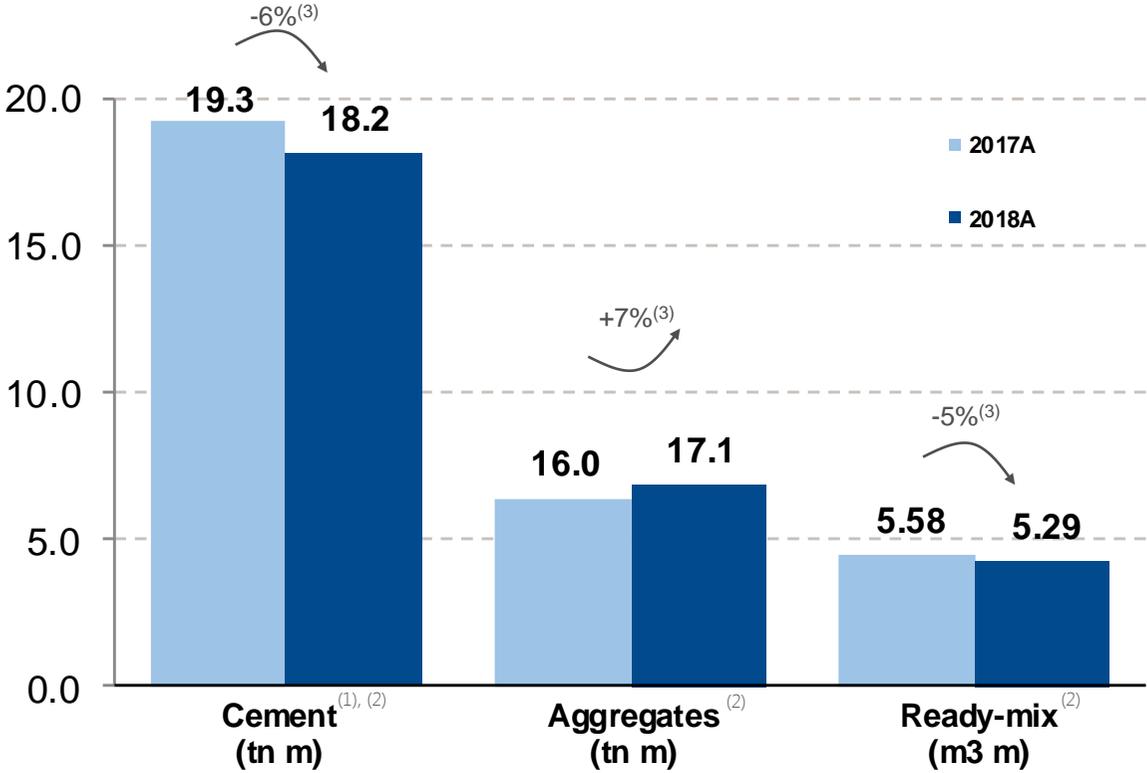


# Improved Turnover and EBITDA Performance in H2 2018



# Volumes Decline due to the Contraction in Egypt and Turkey, Particularly in H2 2018

FY 2018 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



# Stable Top Line Performance. Profitability Affected by Lower Sales Volumes and Higher Energy Costs.

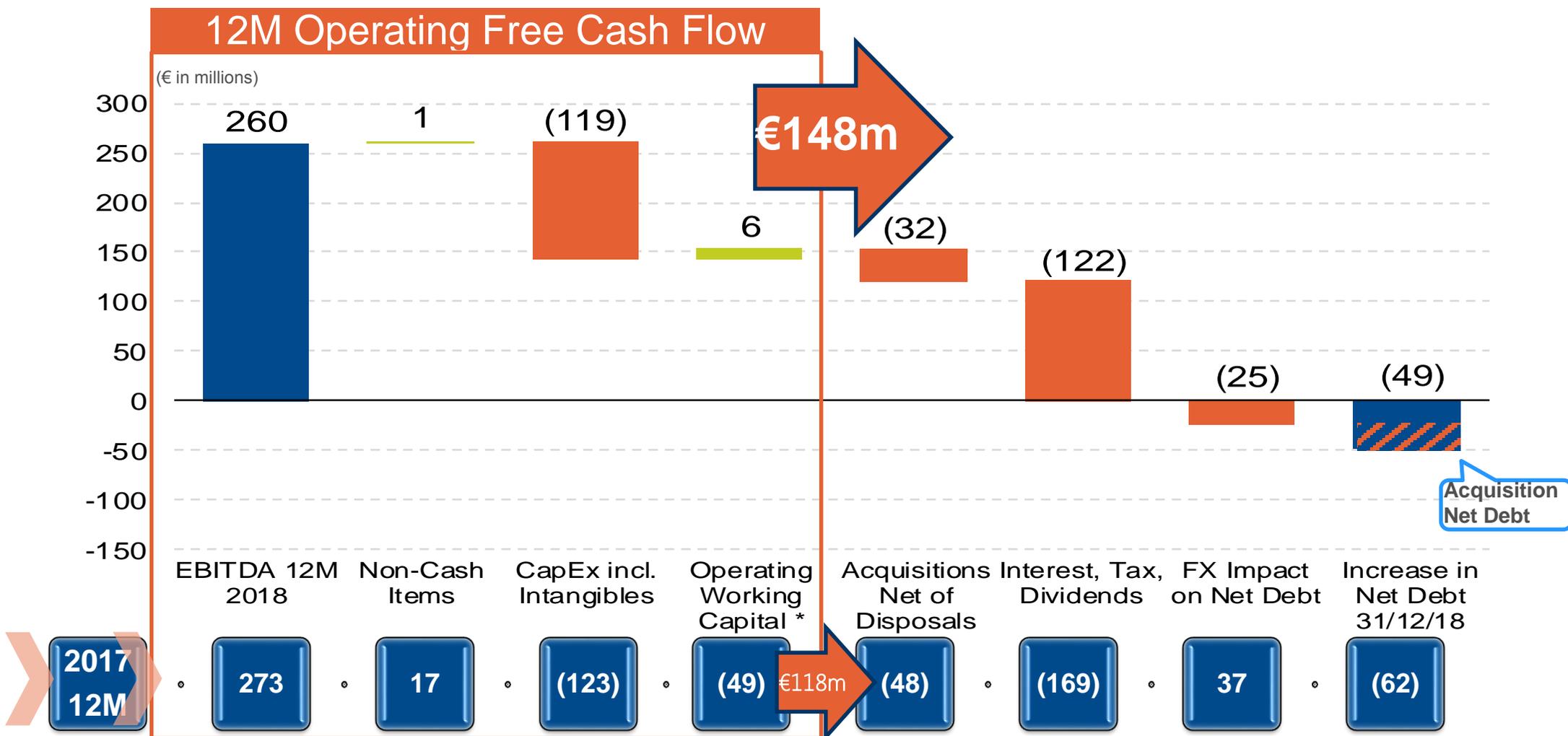
*In Million Euros, unless otherwise stated*

	FY 2018	FY 2017	Variance	Q4 2018	Q4 2017	Variance
<b>Net Sales</b>	<b>1,490.1</b>	<b>1,505.8</b>	<b>-1.0%</b>	<b>388.2</b>	<b>361.3</b>	<b>7.5%</b>
<i>Cost of Goods Sold</i>	<i>-1,089.5</i>	<i>-1,070.3</i>	<i>1.8%</i>	<i>-288.6</i>	<i>-257.9</i>	<i>11.9%</i>
<b>Gross Margin (before depreciation)</b>	<b>400.6</b>	<b>435.5</b>	<b>-8.0%</b>	<b>99.5</b>	<b>103.3</b>	<b>-3.7%</b>
<i>SG&amp;A</i>	<i>-147.3</i>	<i>-148.0</i>	<i>-0.5%</i>	<i>-39.3</i>	<i>-38.1</i>	<i>3.3%</i>
<i>Other Income / Expense</i>	<i>6.4</i>	<i>-14.0</i>	<i>-145.6%</i>	<i>2.6</i>	<i>-6.4</i>	<i>-140.2%</i>
<b>EBITDA</b>	<b>259.7</b>	<b>273.4</b>	<b>-5.0%</b>	<b>62.8</b>	<b>58.9</b>	<b>6.6%</b>
<i>Depreciation/Impairments</i>	<i>-115.8</i>	<i>-116.4</i>		<i>-32.2</i>	<i>-31.0</i>	<i>3.7%</i>
<i>Finance Costs - Net</i>	<i>-67.0</i>	<i>-64.0</i>		<i>-19.2</i>	<i>-22.3</i>	<i>-14.1%</i>
<i>FX Gains/Losses</i>	<i>9.3</i>	<i>-22.3</i>		<i>4.0</i>	<i>-1.5</i>	
<i>Share of profit of associates &amp; JVs</i>	<i>-3.7</i>	<i>-7.5</i>		<i>1.2</i>	<i>0.1</i>	
<b>Profit Before Taxes</b>	<b>82.6</b>	<b>63.2</b>		<b>16.7</b>	<b>4.1</b>	
<i>Income Tax Net</i>	<i>-26.6</i>	<i>-18.9</i>		<i>-12.5</i>	<i>5.3</i>	
<i>Non Controlling Interest</i>	<i>-2.1</i>	<i>-1.6</i>		<i>-0.6</i>	<i>0.2</i>	
<b>Net Profit after Taxes &amp; Minorities</b>	<b>53.8</b>	<b>42.7</b>		<b>3.6</b>	<b>9.6</b>	
<b>Earnings per Share (€/share) – basic</b>	<b>0.671</b>	<b>0.529</b>		<b>0.046</b>	<b>0.119</b>	

	31 Dec' 18	31 Dec' 17	Variance
<b>Net Debt</b>	<b>772</b>	<b>723</b>	<b>6.7%</b>
<b>Share Price</b>	<b>19.38</b>	<b>22.90</b>	<b>-15.4%</b>
<b>ASE Index</b>	<b>613.30</b>	<b>802.37</b>	<b>-23.6%</b>

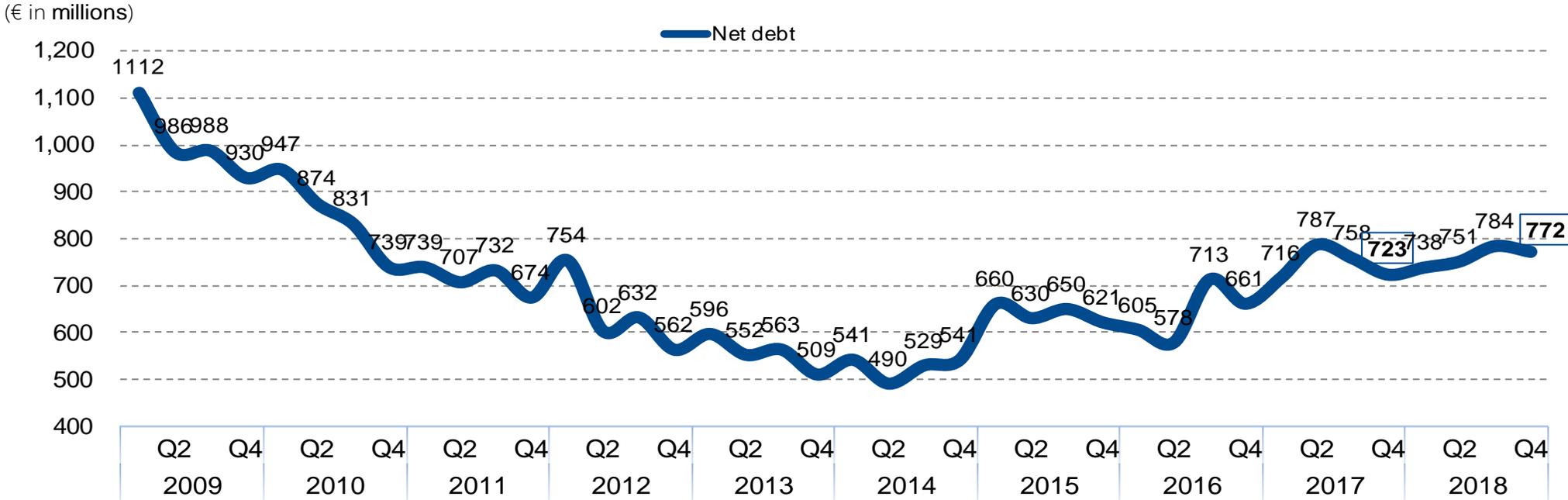
# €148m Operating Free Cash Flow. Improved WC Performance. Adverse FX Impact and Adocim Consolidation

Sources and Uses of Cash

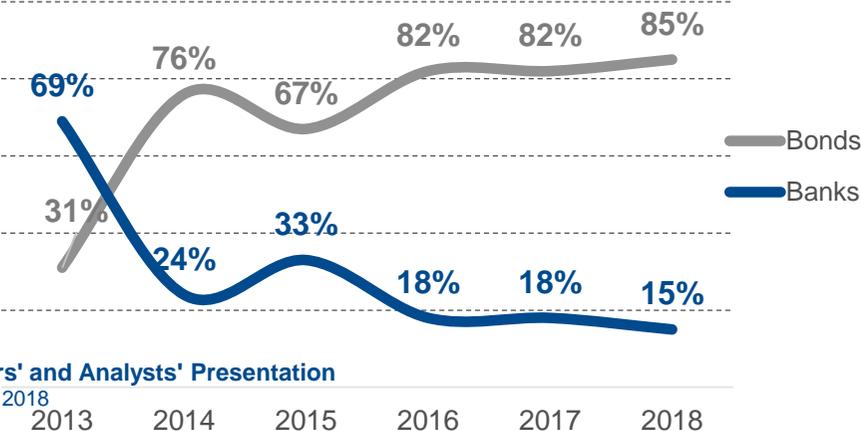


# Net Debt Grew in 2018 by €49m Affected by FX Rates and Acquisition and Consolidation of Adocim.

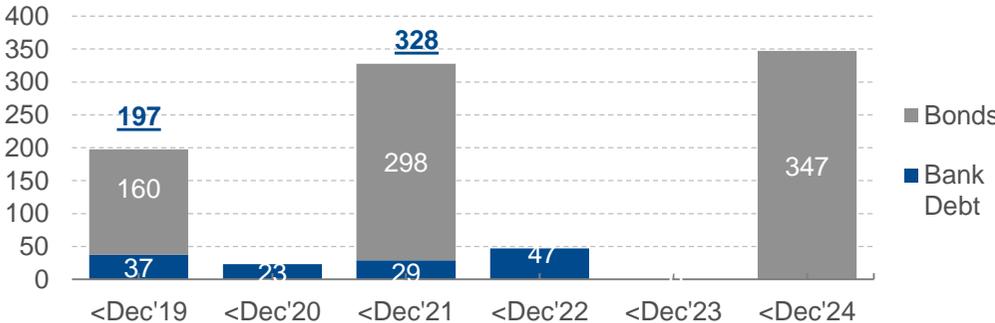
Group Net and Gross Debt Evolution



Group Debt Breakdown (Bonds/Banks)



Maturity Profile (€m)



# Total Assets Growth by Full Consolidation of Adocim and Stronger US\$ on 31 December 2018.

*In Million Euros, unless otherwise stated*

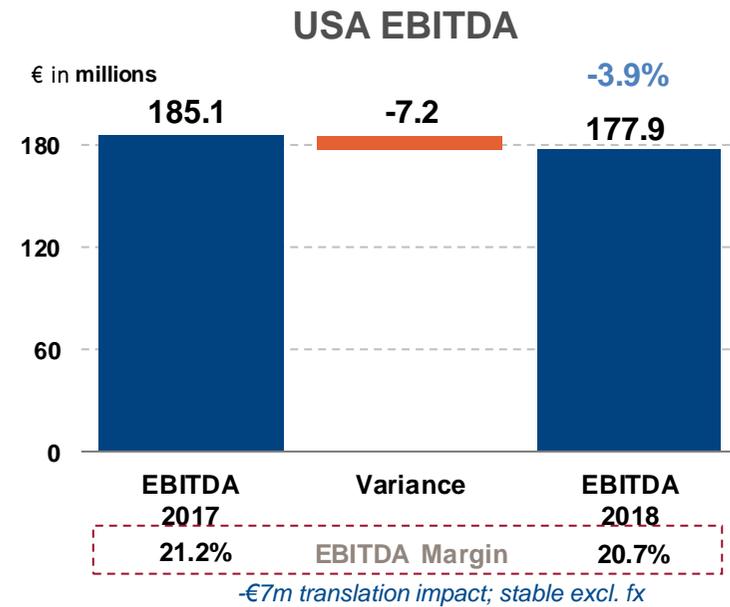
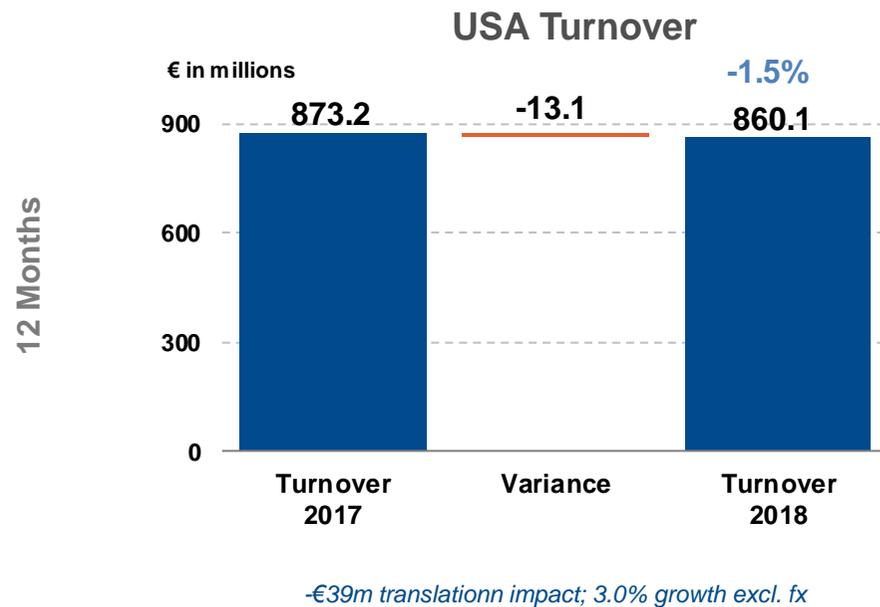
	31 Dec' 18	31 Dec' 17	Variance 31 Dec '18 vs 31 Dec '17
<i>Property, plant &amp; equipment and inv. Property</i>	1,660.1	1,478.2	181.9
<i>Intangible assets and goodwill</i>	405.2	346.0	59.2
<i>Investments/Other non-current assets</i>	139.5	177.2	-37.7
<b>Non-current assets</b>	<b>2,204.8</b>	<b>2,001.4</b>	<b>203.4</b>
<i>Inventories</i>	286.6	258.2	28.4
<i>Receivables and prepayments</i>	207.6	181.7	25.9
<i>Cash and liquid assets</i>	171.0	154.2	16.8
<b>Current assets</b>	<b>665.2</b>	<b>594.1</b>	<b>71.1</b>
<b>Total Assets</b>	<b>2,870.0</b>	<b>2,595.5</b>	<b>274.5</b>
<i>Share capital and share premium</i>	314.8	276.7	38.1
<i>Treasury shares</i>	-109.1	-102.4	-6.7
<i>Retained earnings and reserves</i>	1,188.5	1,132.9	55.6
<i>Non-controlling interests</i>	77.2	62.5	14.7
<b>Total equity</b>	<b>1,471.4</b>	<b>1,369.7</b>	<b>101.7</b>
<i>Long-term borrowings</i>	745.2	820.4	-75.2
<i>Deferred income tax liability</i>	94.4	39.6	54.8
<i>Other non-current liabilities</i>	66.8	69.3	-2.5
<b>Non-current liabilities</b>	<b>906.4</b>	<b>929.3</b>	<b>-22.9</b>
<i>Short-term borrowings</i>	197.6	56.8	140.8
<i>Trade payables and current liabilities</i>	294.6	239.6	55.0
<b>Current liabilities</b>	<b>492.2</b>	<b>296.4</b>	<b>195.8</b>
<b>Total Equity and Liabilities</b>	<b>2,870.0</b>	<b>2,595.5</b>	<b>274.5</b>



# Market Overviews



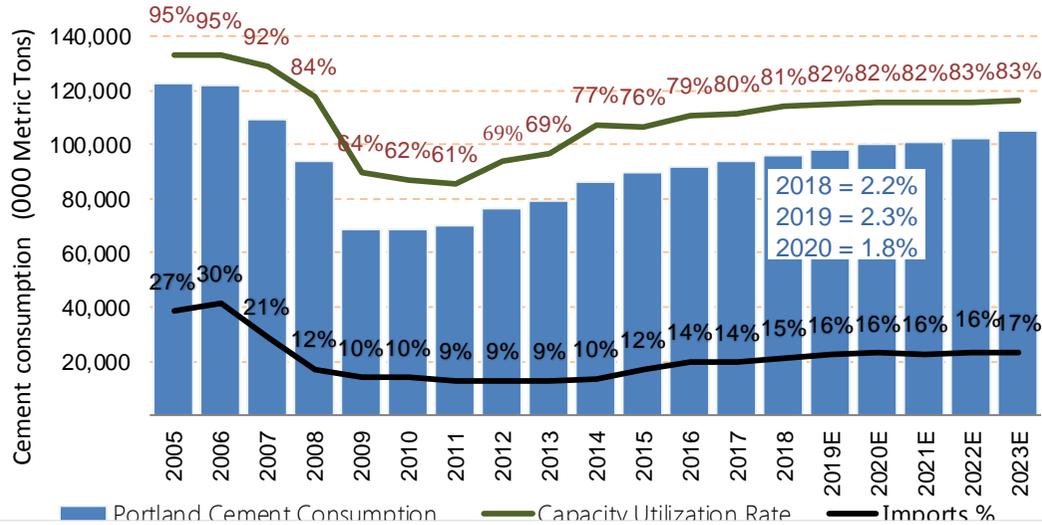
# In USA, Florida Growth Offsets Record Wet Mid-Atlantic Weather and Increased Competition in NY/NJ



- Revenue record exceeding the \$1bn milestone (\$1,015m, +3%). Decreased by 1.5% in € terms in 2018 to €860m while EBITDA declined by 3.9% (stable in US\$) to €178m. Resilient EBITDA margin at 21%.
- Strong Performance in Q4 led to Turnover and EBITDA growth by 7.2% and 8.0% respectively (vs Q4 2017).
- Favorable pricing across all products and regions.
- Higher revenues in Florida, partly offsets weather-affected weak Ready-Mix deliveries in Mid-Atlantic and increased competition and lower sales of the Essex import terminal in the NY/NJ area.
- In its latest Spring 2019 Forecast, PCA expects total US cement consumption to increase by 2.3% in 2019. Winter estimates for 2019 market growth of 3.6% in Florida, 2.7% in Virginia and 3.1% in Carolinas.

# USA - Steady Growth and Promising Mid-Term Outlook

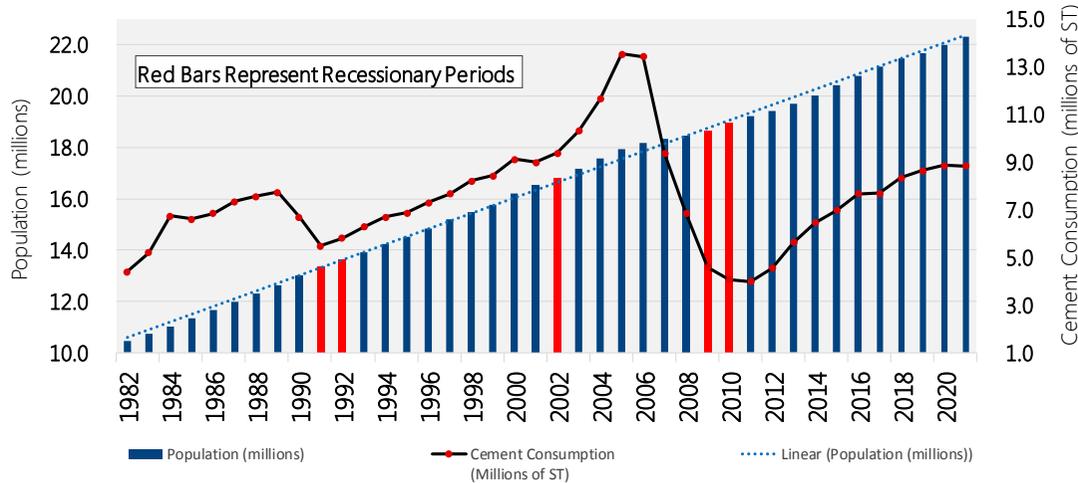
## US cement demand at national level



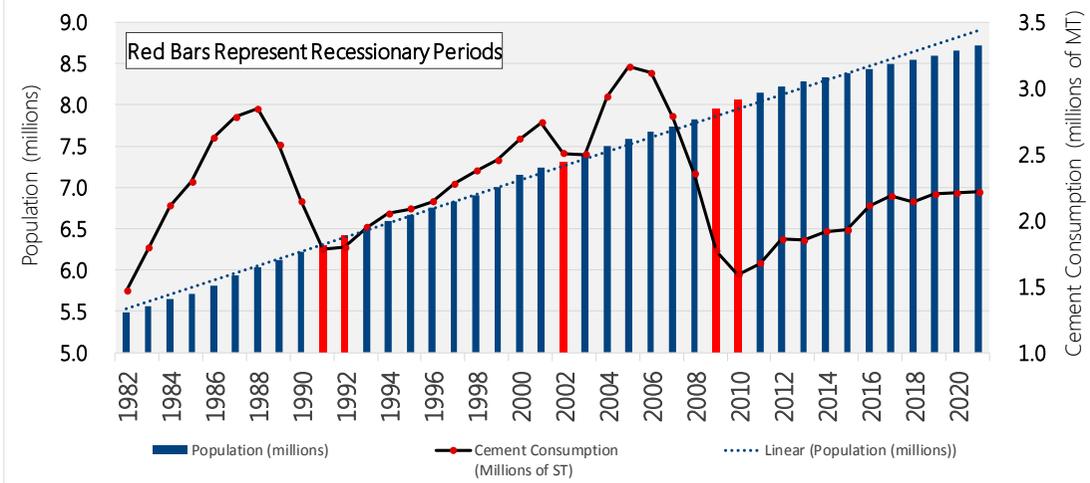
## US housing starts



## Florida - Population & Cement Consumption (ST) (1982 - 2021)

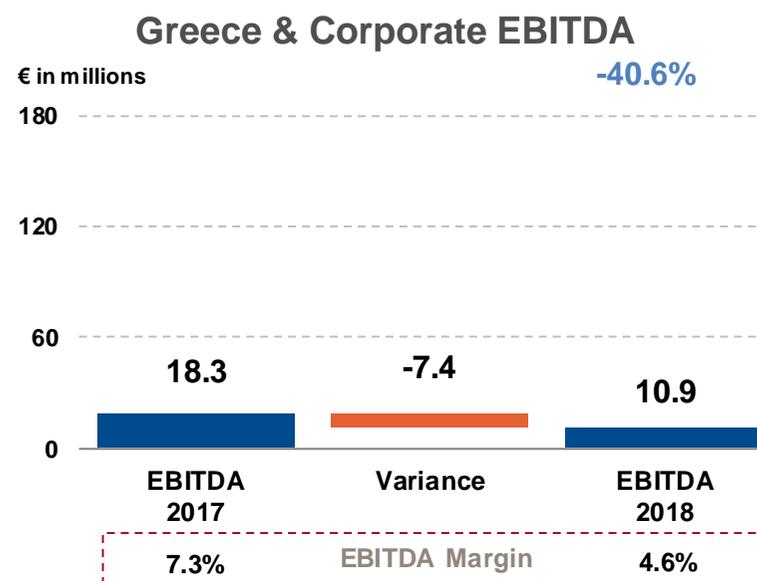
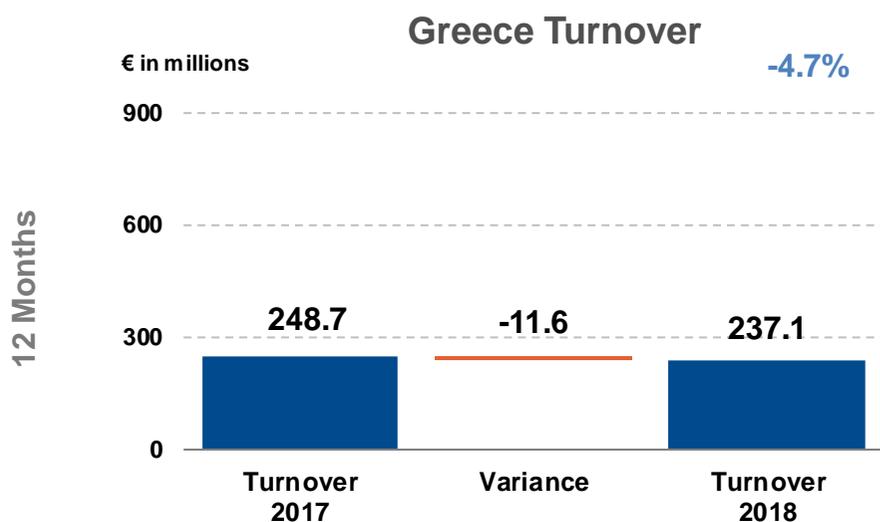


## Virginia - Population & Cement Consumption (ST) (1982 - 2021)



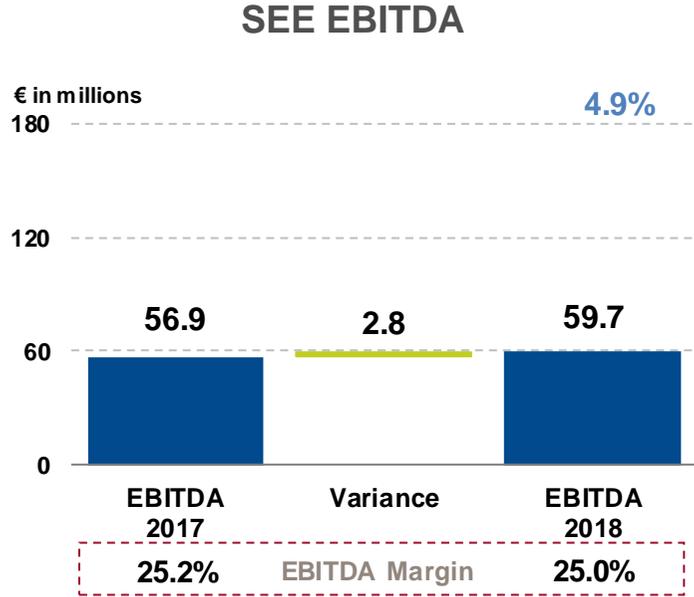
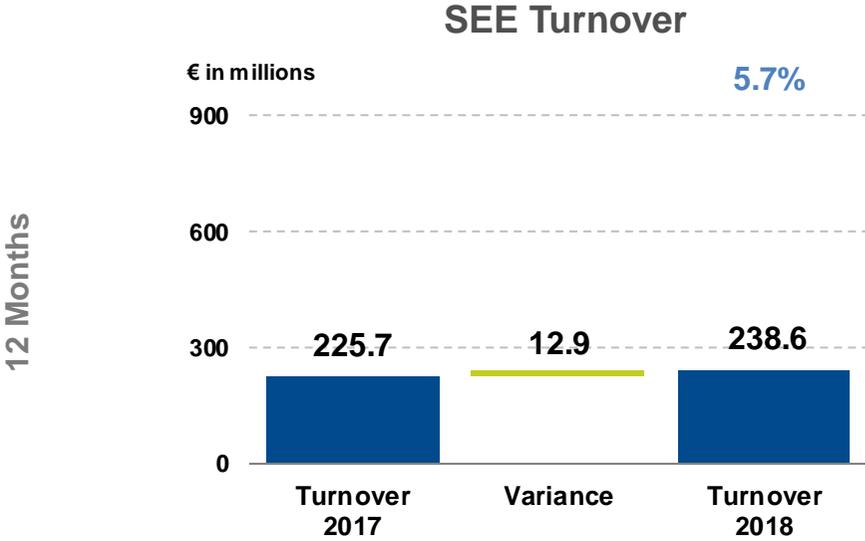
- Real GDP Growth of 2.5% in 2019, low unemployment, increase in wages and home values and tax reforms positively affect construction spending.
- US cement consumption rising but still remains 23% below its peak at 99 million tons in 2018, compared with 128 million tons in 2005 (US Geological Survey, PCA). Growth rates are projected to be lower. Forecast 2019-2023 CAGR at national level at 1.6%
- 50 Year US housing starts show gains since 2010, but remain below average and well below the peak of 2005.

# In Greece Cement Consumption at Low Levels. Signs of Modest Rising Demand in Recent Quarters.



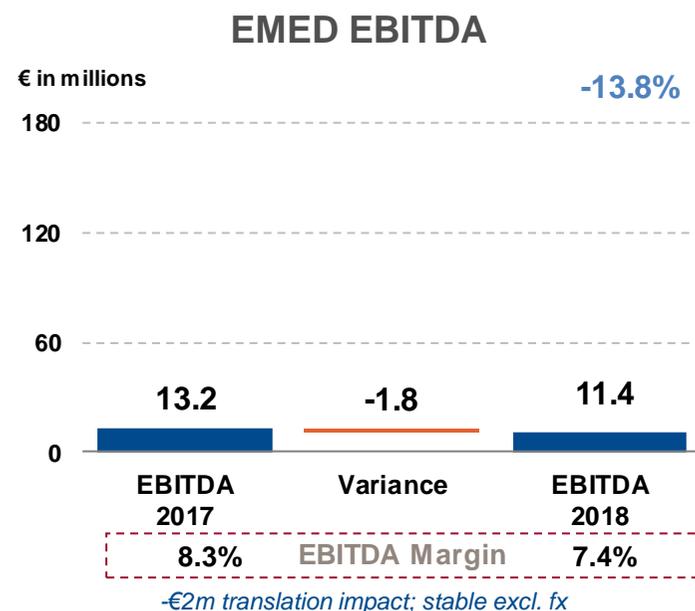
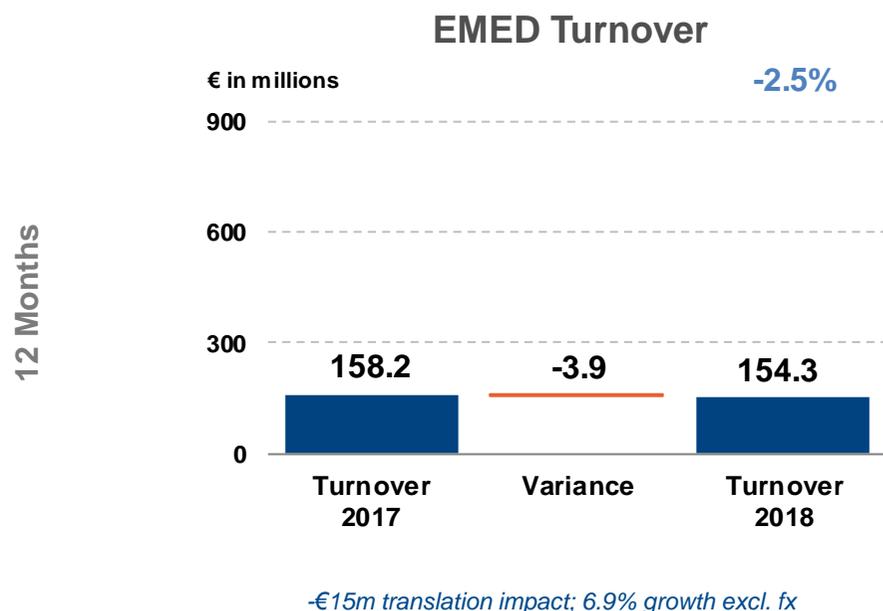
- ❑ Greece Turnover decreased in 2018 to €237m (-5%) due to lower clinker exports and cement price pressures.
- ❑ Domestic cement market remained stable at low levels as infrastructure projects were further postponed. Market demand in recent quarters shows signs of modest growth.
- ❑ US the major destination of export volumes.
- ❑ 2018 EBITDA declined to €11m, impacted by lower revenues and higher energy costs, due to higher petcoke prices and electricity charges.

# Improved SEE Results Due to Favorable Market Conditions and Volume Growth



- In SEE Turnover further increased in 2018 to €239m (+6%). Healthy economic indicators, higher sales volumes and strong performance in the region.
- As a result of higher sales revenue, 2018 EBITDA also improved at €60m despite higher energy costs.

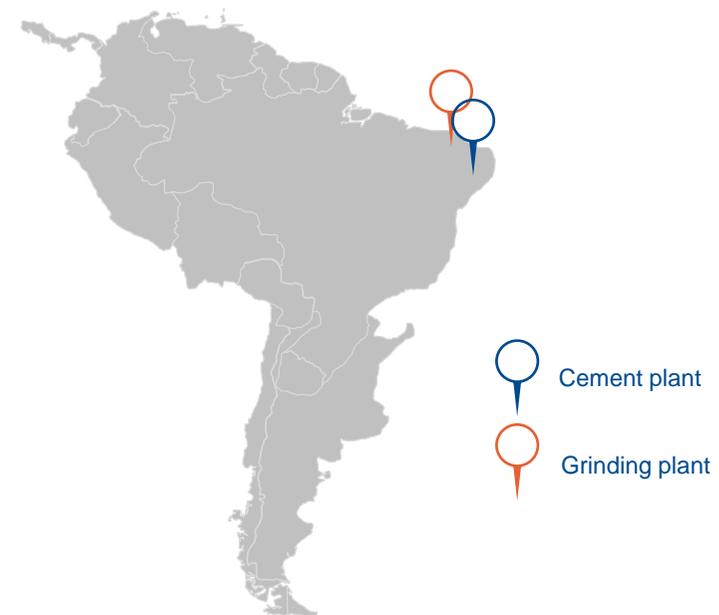
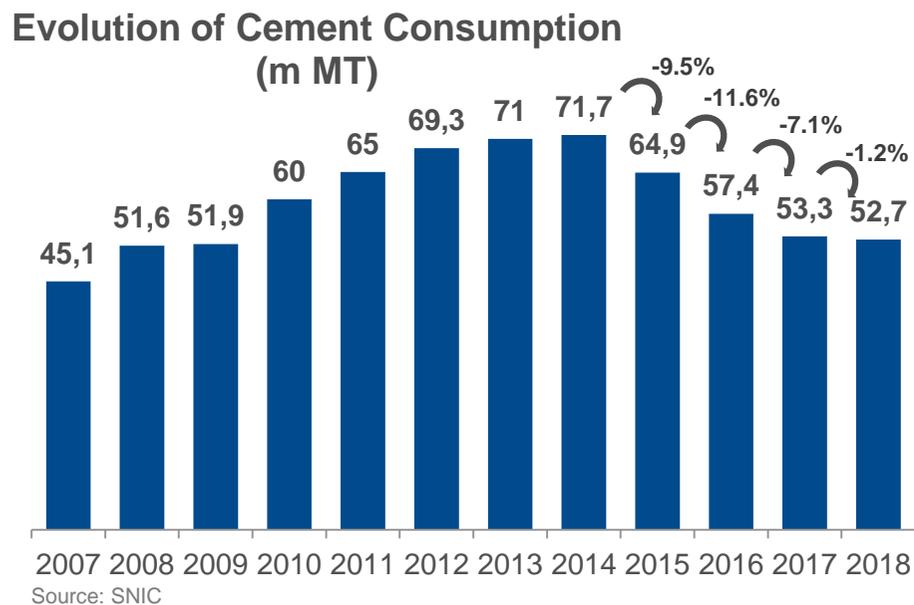
# EMED Impacted by Increased Cement Capacity and Softer Market Demand in Egypt in H2 2018



- ❑ Turnover declined by 3% in 2018 to €154m, despite the full consolidation of Adocim in Q4 2018 (€5m effect).
- ❑ EBITDA dropped by 14% to €11m due to increased fuel and electricity costs as well as higher clay tax.
- ❑ In Egypt cement consumption dropped by c. 6% y-o-y in an environment of overcapacity, exacerbated by new entrant in Q2 2018.
- ❑ Prices in EGP increased by 13% y-o-y, lagging domestic inflation and production cost escalation.
- ❑ As of October 2018 Adocim in Turkey is fully consolidated.

# FY 2018 – Brazil Joint Venture Performance

- ❑ In Brazil the economy grew by 1% for a second consecutive year. Falling inflation and lower interest rates have stimulated consumer spending. The new government's economic agenda focuses on reducing fiscal deficit and social security reform.
- ❑ Cement consumption in Brazil reached 52.7 million metric tons, a yoy decline of 1.2%. The National Union of Cement Industry (SNIC) expects cement demand growth in 2019, driven by both residential construction and government investments in infrastructure.
- ❑ Apodi managed for the third consecutive year to increase its sales volume. Although transportation costs have increased, Operating profitability has improved, mainly driven by better pricing and operational efficiencies. EBITDA more than doubled.





# Outlook

# Outlook 2019

## USA

- Positive demand outlook maintained.
- Focus on growth, performance and profitability.

## Greece

- Expectations of a modest pick up in construction activity.
- Focus on cost competitiveness and optimization of exports profitability.

## S.E. Europe

- Improvement in cement market dynamics supported by economic growth.
- Focus on capturing synergies and efficiencies.

## Eastern Med

- Challenging environment in both Egypt and Turkey.
- Focus on cost containment, price recovery, operating cash-flow.

## Brazil JV

- Expectations for the launch of a new growth cycle in the cement market.

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- risks inherent to operating in emerging markets;
- risks related to minority interests, minority participations and joint ventures;
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