



TITAN CEMENT

Outlook:

Following the announcement of Titan's HY17 results, we retain our thesis regarding the Group's Fair Estimated Price to 23.50Euros/Share as well as our FV rating.

Titan's first semester recorded a stellar top-line performance in the U.S. region that led to significant operating profitability. Additionally, the South East Europe (SEE) region revenues showed an 11% increase with a slight deceleration in operating earnings. In contrast, the European sector's revenues were down by 3,20% mainly due to lower overall demand and the termination of public infrastructure projects. Finally, the East Mediterranean region is still facing serious operating challenges stemming from the problematic macroeconomic environment that hurts both revenues and overall profitability.

For yet another fiscal period the US sector is the key fundamental growth driver of the Group: On a half-year-basis, the sector's revenues came up at 456mn. Euros, +22.4% than the previous period paired with an extraordinary operating performance as depicted in the reported EBITDA (92.4mn.Euros, 72% up from the previous period). Titan's management expects comparable growth for the second semester as the housing activity remains solid and the Group's pricing power is ameliorating.

On the other hand, the main challenges for the Group in the East Mediterranean region (ongoing deteriorating macroeconomic terms which are reflected in the volatility of the Egyptian pound) remain and hurt bottom line results: the region's sales further dropped by 33% in Euro terms and the operating profits (EBITDA) followed the same direction (-42%).

The European operating sector is facing a slight deceleration in terms of revenues due to the freeze of public infrastructure projects in Greece and the flat overall housing activity. The housing activity in the Hellenic market does not show any signs of recovery and the demand for cement is in record low levels.

Date: 02/08/17

FAIR ESTIMATED PRICE: **23,50Euros/Share**

Investment Thesis: **FV**

Key Statistics:

Valuation	3/8/2017
Share Price	23,86
Price High 52 week	26,75
Price Low 52 week	19,57
Current num. of shares	77.063.568
Trailing P/E	14,80
Market Cap.	1.838.736.732
EPS (Trailing)	1,61
DPS(Proposed)	N/A
<i>*Closing Price as 02/08/2017</i>	

In summary, we to retain the main assumptions of our valuation model, incorporating the preservation of a substantial EBITDA margin, moderate CAPEX and the improvement of the WACC due to the further gradual de-risking of the Hellenic economy as depicted in the 10YGGB.

Additionally, we remain confident in our projections regarding the growth of the U.S. operations (albeit taking into account the evidenced weakness of the USD), satisfied from the performance of the European regions (SEE and Central Europe) and cautious for the Middle East region performance due to the ongoing deterioration of the macro environment in Egypt.

As a result, we rectify our projections for the Group's total Revenues for FY17 to 1.58bn.Euros from 1.66bn.Euros previously (a change that reflects the poor performance of Egypt), EBITDA gains of 300.00mn.Euros and bottom line earnings of 75mn.Euros.

Based on the above we maintain our previously reported thesis regarding TITAN's Fair Estimated Price to 23.50Euros/Share and we continue to include the TITAN in our Top Picks list from the Hellenic Equities Universe.

Ρήτρα Περιορισμού Ευθύνης:

Απαγορεύεται η αναδημοσίευση του παρόντος χωρίς την άδεια της Ν. ΧΡΥΣΟΧΟΪΔΗΣ ΧΡΗΜΑΤΙΣΤΗΡΙΑΚΗΣ Α.Ε.Π.Ε.Υ. Οι απόψεις που περιέχονται βασίζονται σε πηγές που θεωρούνται αξιόπιστες, ωστόσο η Ν. ΧΡΥΣΟΧΟΪΔΗΣ ΧΡΗΜΑΤΙΣΤΗΡΙΑΚΗ Α.Ε.Π.Ε.Υ. δεν ευθύνεται για την εγκυρότητα, ορθότητα ή αξιοπιστία τους και διατηρεί το δικαίωμα αλλαγής τους χωρίς πρότερη ειδοποίηση. Τόσο η Ν. ΧΡΥΣΟΧΟΪΔΗΣ ΧΡΗΜΑΤΙΣΤΗΡΙΑΚΗ Α.Ε.Π.Ε.Υ. όσο και οι διευθύνοντες και υπάλληλοι της δεν φέρουν ουδεμία ευθύνη για οποιαδήποτε συνέπεια των πληροφοριών αυτών. **Το παρόν δεν αποτελεί προσφορά, προτροπή ή επενδυτική πρόταση για αγορά ή πώληση μετοχών ή άλλων κινητών αξιών. Οι επενδύσεις που αναφέρονται ενδέχεται να μην είναι οι ενδεδειγμένες για ορισμένους επενδυτές.**

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Σημειώσεις/Notes

P:	Τρέχουσα Τιμή	Market Price
MCAP:	Κεφαλαιοποίηση	Capitalization
EPS:	Καθαρά Κέρδη Ανά Μετοχή	Earnings per Share
P/E:	Λόγος Τιμής προς Κέρδη	Price/Earnings Ratio
P/S:	Λόγος Τιμής προς Πωλήσεις	Price/Sales Ratio
D/A:	Συνολικός Δανεισμός προς Παθητικό	Total Debt/Assets Ratio
DY:	Απόδοση Μερίσματος	Dividend Yield
ROE:	Απόδοση Ιδίων Κεφαλαίων	Return on Equity
FV:	Τιμή Σωστής Αποτίμησης	Fair Value Price

Οδηγός Συστάσεων/Ratings

UV	Χαμηλή Αποτίμηση/ Χαμηλός Κίνδυνος	Underpriced/ Small Risk
UV1	Χαμηλή Αποτίμηση/ Κίνδυνος	Stock Price < 20% of Fair Underpriced/ Risk
FV	Σωστή Αποτίμηση/ Χαμηλός Κίνδυνος	Stock Price < 10% of Fair Fairly Priced/ Small Risk
OV1	Σωστή Αποτίμηση/ Κίνδυνος	10% < Stock Price < 10% Fairly Priced/ Risk
OV	Υπερτιμημένη Μετοχή	Stock Price > 10% of Fair Overvalued
NR	Μη Αποτιμημένη Μετοχή	Stock Price > 20% of Fair Not Rated

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