

Conference call

2Q17 and HY17 results

Brussels, August 23, 2017





A replay of the webcast will be available on our website www.tessenderlo.com

BUSINESS HIGHLIGHTS



Tessenderlo Kerley, Inc.

East Dubuque (Illinois, US)

- Construction of the Thio-Sul[®] plant is on track. The plant will be commissioned in HY2 2017.



Tessenderlo Kerley International

Rouen (FR)

- Construction of the Thio-Sul[®] plant is on track. The plant will be commissioned in HY2 2017.



Performance Chemicals

Loos (FR)

- Construction works of the new electrolysis plant in Loos are also on schedule. The plant will be commissioned in HY2 2017.



2Q17 & HY17 RESULTS



Tessenderlo Group
EVERY MOLECULE COUNTS

Operational key figures

2Q17	2Q16	% Change	Million EUR	HY17	HY16	% Change
477.4	444.1	7.5%	Revenue Group	924.6	855.1	8.1%
-13.8	-9.1		- Other revenue included in revenue Group*	-29.7	-18.2	
463.6	435.0	6.6%	Revenue	894.9	836.8	6.9%
66.7	72.6	-8.1%	REBITDA Group	122.9	120.4	2.0%
-0.9	-0.3		- Other REBITDA included in REBITDA Group*	-2.3	-0.2	
65.7	72.3	-9.1%	REBITDA	120.6	120.2	0.3%
			REBIT Group	86.6	82.9	4.5%
			- Other REBIT included in REBIT Group*	-2.2	-0.1	
			REBIT	84.4	82.8	1.9%
			Profit (+) / loss (-) for the period	17.1	40.3	-57.6%
			Total comprehensive income	22.9	29.1	-21.5%
			Capital expenditure	39.5	47.3	-16.5%
			Cash flow from operating activities	142.6	72.9	95.5%

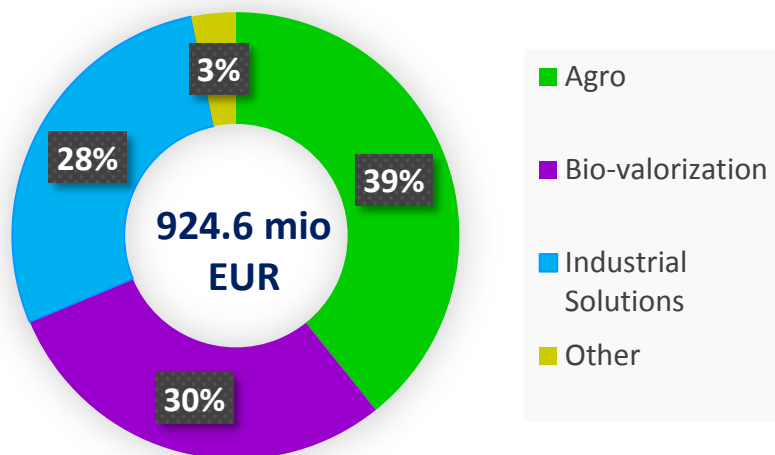
Remark: all quarterly information included is unaudited.

*The line "Other" refers to engineering and construction activities of the subsidiary Tessenderlo Kerley Services Inc., for the joint venture Jupiter Sulphur LLC.

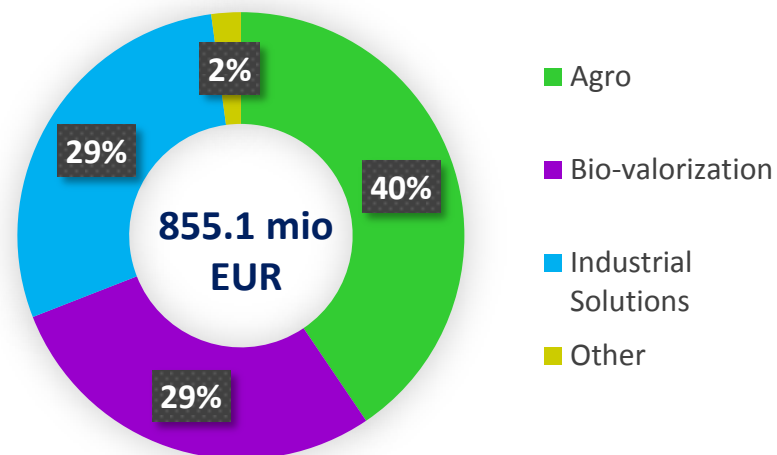


Group revenue per segment

H17 revenue (% of total)



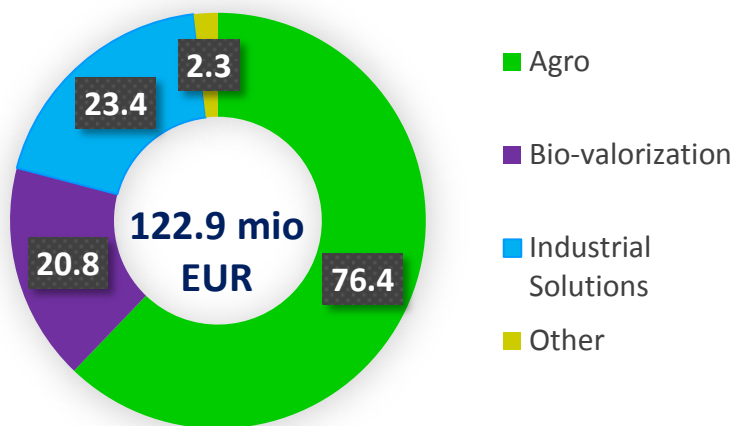
H16 revenue (% of total)



Group REBITDA per segment

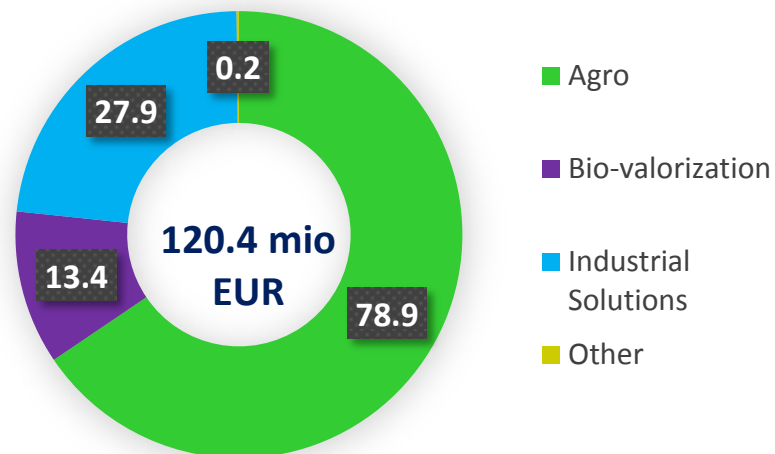
H17 REBITDA

(Million EUR)



H16 REBITDA

(Million EUR)



Agro segment

AGRO			
Million EUR	HY17	HY16	% Change
Revenue	362.7	346.6	4.7%
REBITDA	76.4	78.9	-3.2%
REBITDA margin	21.1%	22.8%	
REBIT	63.9	66.7	-4.2%
REBIT margin	17.6%	19.2%	

- Impact of higher sulphates volumes only partially offset by lower selling prices in HY17 compared to HY16.
- REBITDA decrease mainly a consequence of Crop Vitality impacted by lower margins, while the REBITDA of the other Agro activities remained stable compared to previous year.
- Construction works at the new Thio-Sul[®] plants in East Dubuque (US) and Rouen (France) are on schedule to start operations in HY2 2017.



Bio-valorization segment

BIO-VALORIZATION			
Million EUR	HY17	HY16	% Change
Revenue	272.5	244.0	11.7%
REBITDA	20.8	13.4	54.6%
REBITDA margin	7.6%	5.5%	
REBIT	7.3	-2.4	nm
REBIT margin	2.7%	-1.0%	

- Revenue increase through higher volumes within Gelatin, as well as a changed mix in the upstream and downstream Akiolis markets.
- HY17 result positively impacted by inventory write-off reversal (+2.3 million EUR), while impact was negative in HY16 (-2.3 million EUR).
- Operational improvements and results of continuous investments/ongoing maintenance programs in the different gelatin plants were offset by increased raw material prices in the Americas, while Akiolis could benefit from a changed mix in the upstream and downstream markets.



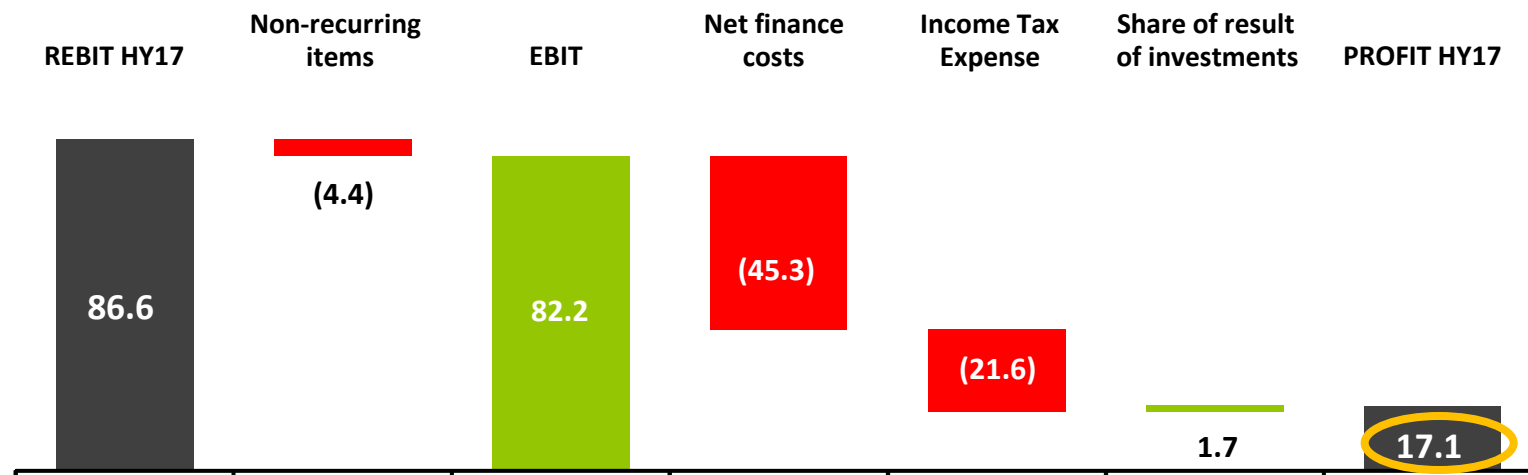
Industrial Solutions segment

INDUSTRIAL SOLUTIONS			
Million EUR	HY17	HY16	% Change
Revenue	259.7	246.3	5.4%
REBITDA	23.4	27.9	-16.2%
REBITDA margin	9.0%	11.3%	
REBIT	13.2	18.6	-29.0%
REBIT margin	5.1%	7.5%	

- Revenue positively impacted by the Plastic Pipe Systems and Mining & Industrial activities.
- The solid performance of Mining & Industrial was more than offset by a REBITDA decrease in the other activities which can be explained by:
 - higher raw material prices within PPS,
 - current unfavorable market conditions within Performance Chemicals,
 - the expiration of a contract within Environmentally Clean Systems which is currently under dispute.
- Construction works at the new electrolysis plant in Loos (France) are on schedule. The plant is expected to commence production in the second half of 2017.

HY17 REBIT to profit details

Million EUR



The non-recurring items mainly include:

- the impact of an electricity purchase agreement, for which the own-use exemption under IAS 39 is not applicable anymore,
- the recognition of a restructuring provision within the operating segment Bio-valorization following an announced reorganization of the Akiolis activities at the Pontivy plant (France) and
- several other individually insignificant items.

The net finance costs (-45.3 million EUR) include net foreign exchange losses (on intercompany loans and cash and cash equivalents which are no longer hedged) for -40.6 million EUR. Regular finance cost amounts to -4.7 million EUR.

Tax expenses amount to -21.6 million EUR in HY17, versus a tax expense of -21.4 million EUR in the same period last year. The income tax expenses mainly relate to the operations in the United States within the operating segment Agro.



Outlook

- Notwithstanding the challenging market conditions and taking into account the fact that Tessenderlo Group generates a significant share of its REBITDA in USD, and the recent currency volatility, the group anticipates that the 2017 REBITDA will be in line with the REBITDA of 198.0 million EUR in 2016.
- The group would like to emphasize that it currently operates in a volatile political, economic and financial environment.

Financial calendar

- Third quarter 2017 trading update
- Full year results 2017

October 26, 2017

March 14, 2018





Thank you



Tessenderlo Group
EVERY MOLECULE COUNTS