

Conference call 4Q18 and FY18 results

Brussels, March 14, 2019



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

BUSINESS HIGHLIGHTS



Business highlights 2018



Within DYKA Group, which provides high quality, value-added solutions in plastic pipe systems for the utilities, agricultural, building and civil engineering markets, DYKA opened new branches in Tilburg and Amsterdam (the Netherlands) and JDP opened a new branch in Bolton (UK) in the second quarter of 2018.



Tessenderlo Group received an award in April 2018, in recognition of it being one of the best Belgian investors in France. Specifically, the award for the most innovative investment related to our new electrolysis plant in Loos. The award event was organized by the Chamber of Commerce and Industry (CCI) France Belgium.



In April 2018, the Tessenderlo Innovation Center celebrated its 30th anniversary. From a history that began in pharmaceutical and organic chemistry R&D activities, the Tessenderlo Innovation Center has successfully transformed itself into an innovation facility with a broad range of capabilities and competences.

Business highlights 2018



Based on the growth of its activities, Tessenderlo Kerley, Inc. (TKI) purchased a new headquarters building in Phoenix (Arizona, US) in Q3 2018. TKI plans to move into its new headquarters in autumn 2019.



In September 2018, Tessenderlo Group held a ceremony to mark the inauguration of its new membrane electrolysis production facility at the site of PC Loos (Produits Chimiques de Loos, France). This marked a new milestone in the history of the group, as the new plant provides state-of-the-art technology to produce chlorine, sodium hydroxide (NaOH) and potassium hydroxide (KOH).



Within DYKA Group, BT, BTH and Nyloplast have changed their brand names to BT Nyloplast with effect from October 4, 2018, in order to further combine their knowledge and strengths. This name change will also enable us to realize its ambition of becoming an acknowledged specialized fittings supplier in the European market.



Business highlights 2018



The business unit PB Gelatins/PB Leiner changed its brand name to PB Leiner with effect from mid-October 2018. The name was carefully chosen to reflect the combined 200 years of history.



In October 2018, Tessengerlo Group completed the acquisition of the remaining 80% of the shares of T-Power nv, which is a gas-fired 425 MW power plant in Tessengerlo. Tessengerlo Group has invested 313 million EUR in the acquisition of the remaining shares in T-Power nv, including 131 million EUR that was paid out to the selling shareholders and 182 million EUR of net financial debt that was taken over.



After the balance date

- Produits Chimiques de Loos has announced its intention to increase the production capacity for water treatment coagulants.



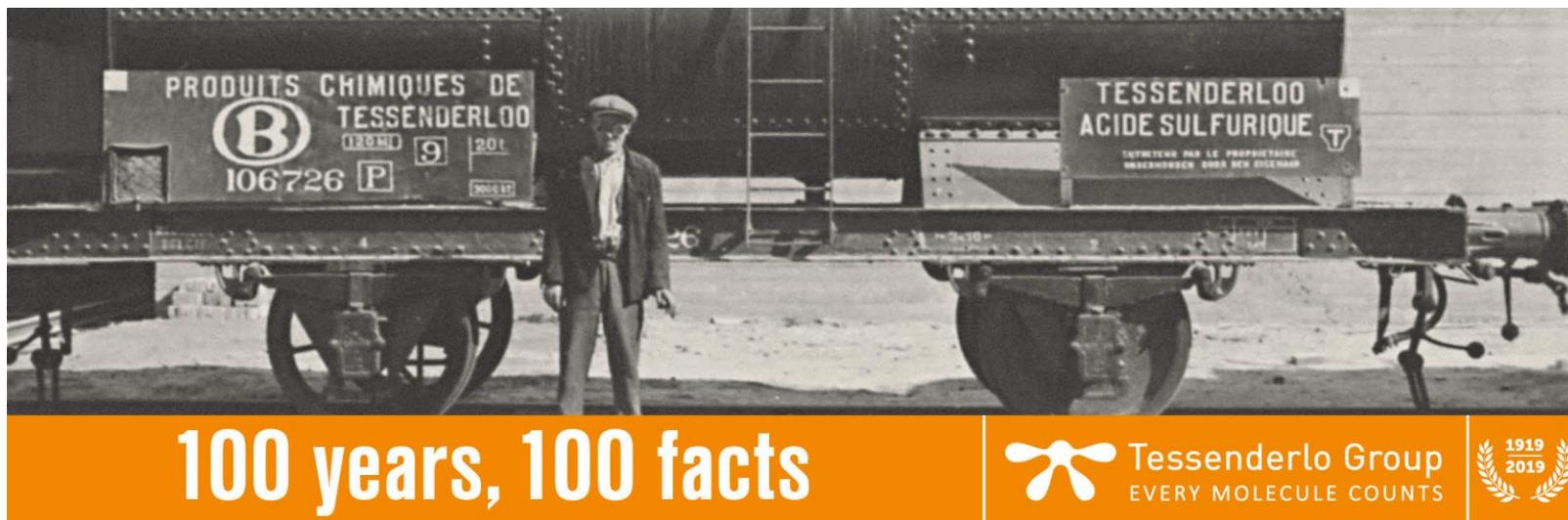
After the balance date

- DYKA opening new branches in Anderlecht (Belgium) and Třeboň (Czech Republic).



100 years

- 2019 marks the 100th anniversary of Tessenderlo Group. To commemorate this impressive milestone, we are proud to announce the launch of a new website, which highlights 100 remarkable facts relating to the history of Tessenderlo Group: www.100yearstessenderlo.com.



4Q18 and FY18 RESULTS



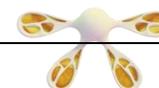
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Operational key figures

4Q18	4Q17	% Change excluding fx effect	% Change as reported	Million EUR	2018	2017	% Change excluding fx effect	% Change as reported
401.4	356.6	10.9%	12.5%	Revenue	1,620.9	1,657.3	-0.5%	-2.2%
-18.8	-			- T-Power revenue	-18.8	-		
-0.1	-5.0			- S8 Engineering revenue	-5.1	-46.0		
382.5	351.6	7.1%	8.8%	Revenue excluding T-Power and S8 Engineering	1,597.1	1,611.3	0.8%	-0.9%
44.7	24.3	75.8%	83.6%	Adjusted EBITDA	177.8	187.8	-2.3%	-5.3%
-13.5	-			- T-Power Adjusted EBITDA	-13.5	-		
1.7	1.3			- S8 Engineering Adjusted EBITDA	5.5	-4.5		
32.8	25.6	20.8%	28.3%	Adjusted EBITDA excluding T-Power and S8 Engineering	169.7	183.3	-4.2%	-7.4%
				Adjusted EBIT	98.5	116.3	-11.9%	-15.3%
				- T-Power Adjusted EBIT	-4.3	-		
				- S8 Engineering Adjusted EBIT	5.6	-4.3		
				Adjusted EBIT excluding T-Power and S8 Engineering	99.8	112.0	-7.1%	-10.9%
				Profit (+) / loss (-) for the period	92.1	25.8		256.5%
				Total comprehensive income	97.5	31.1		213.4%
				Capital expenditure	83.4	90.4		-7.7%
				Cash flow from operating activities	107.6	184.2		-41.6%
				Operational free cash flow	56.6	124.9		-54.6%

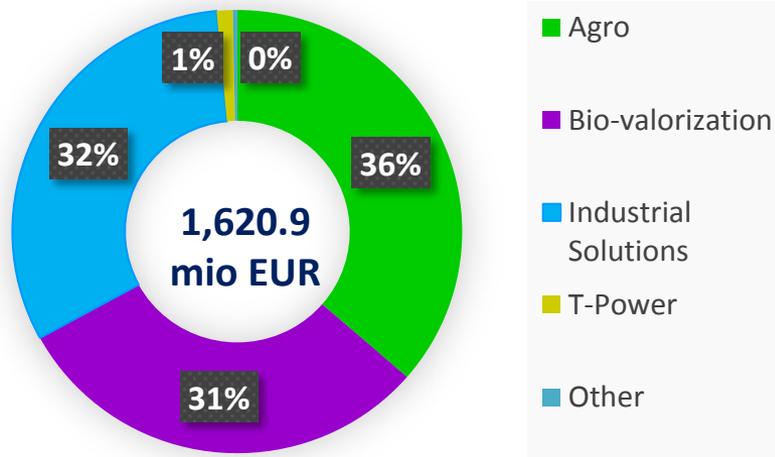
Remarks:

- 1) On October 2, 2018, Tessenderlo Group closed the acquisition of the remaining 80% shares of T-Power nv, which is a gas-fired 425 MW power plant in Tessenderlo (Belgium). In order to improve the comparability with 2017 figures, T-Power results are presented separately.
- 2) The subsidiary S8 Engineering (former Tessenderlo Kerley Services Inc.) has executed specific engineering and construction activities for the joint-venture Jupiter Sulphur LLC. In order to improve the comparability of figures, the entire S8 Engineering results are presented separately for both reported periods.
- 3) Adjusted EBITDA equals adjusted EBIT plus depreciation and amortization. Adjusted EBIT is considered by the group to be a relevant performance measure in order to compare results over the period 2017-2018 as it excludes adjusting items from the EBIT (Earnings Before Interests and Taxes). EBIT adjusting items principally relate to restructuring, impairment losses, provisions, gains or losses on significant disposals of assets or subsidiaries and the effect of the electricity purchase agreement.
- 4) Operational free cash flow equals to Adjusted EBITDA minus capital expenditure minus change in trade working capital.

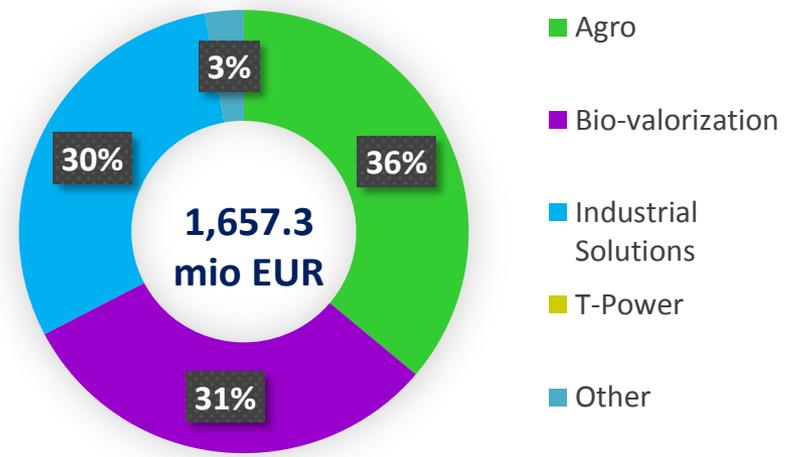


Group revenue per segment

FY18 revenue
(% of total)

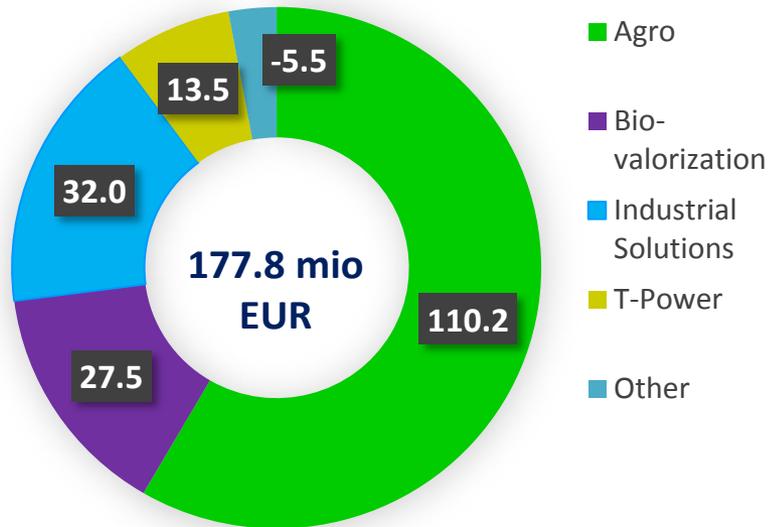


FY17 revenue
(% of total)

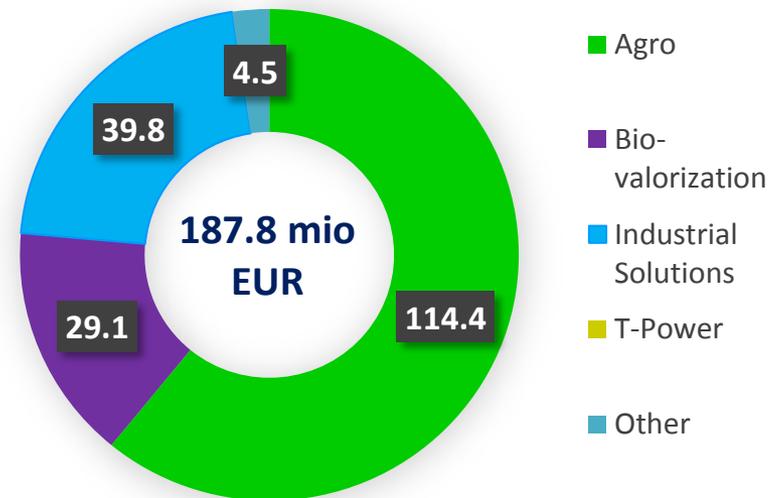


Group Adjusted EBITDA per segment

FY18 Adjusted EBITDA (Million EUR)



FY17 Adjusted EBITDA (Million EUR)



Agro segment

AGRO				
Million EUR	2018	2017	% Change excluding fx effect	% Change as reported
Revenue	589.8	598.9	1.1%	-1.5%
Adjusted EBITDA	110.2	114.4	0.3%	-3.7%
Adjusted EBITDA margin	18.7%	19.1%		
Adjusted EBIT	86.3	89.9	0.3%	-4.0%
Adjusted EBIT margin	14.6%	15.0%		

- 2018 revenue increased by +1.1%, when excluding the foreign exchange effect, as lower volumes within Tessenderlo Kerley International were compensated by the other Agro activities.
- The 2018 Adjusted EBITDA remained stable when excluding the foreign exchange effect.
- Slight improvement within Crop Vitality and NovaSource, however offset by a lower Tessenderlo Kerley International Adjusted EBITDA. Lower volumes and production issues in Ham (Belgium) and Rouen (France), which have been solved in the meantime, could not be compensated by the contribution of the new Thio-Sul[®] plant (production started in Rouen in 3Q17) and lower maintenance expenses.



Bio-valorization segment

BIO-VALORIZATION				
Million EUR	2018	2017	% Change excluding fx effect	% Change as reported
Revenue	496.9	517.0	-2.3%	-3.9%
Adjusted EBITDA	27.5	29.1	-3.4%	-5.3%
Adjusted EBITDA margin	5.5%	5.6%		
Adjusted EBIT	2.4	2.2	4.6%	7.4%
Adjusted EBIT margin	0.5%	0.4%		

- 2018 revenue decreased by -2.3%, when excluding the foreign exchange effect, because of lower volumes and decreased fat prices.
- The Adjusted EBITDA decreased by -3.4%, when excluding the foreign exchange effect.
- The 2018 impact of inventory write-offs is nihil, while in 2017 a reversal of inventory write-offs was recognized for +3.2 million EUR.
- Akiolis Adjusted EBITDA decreased due to lower fat prices in the downstream markets, which were not compensated by the upstream markets.
- PB Leiner Adjusted EBITDA increased compared to 2017, mainly thanks to increased collagen peptides volumes.



Industrial Solutions segment

INDUSTRIAL SOLUTIONS				
Million EUR	2018	2017	% Change excluding fx effect	% Change as reported
Revenue	510.4	495.3	3.7%	3.0%
Adjusted EBITDA	32.0	39.8	-17.8%	-19.6%
Adjusted EBITDA margin	6.3%	8.0%		
Adjusted EBIT	11.2	20.0	-41.8%	-43.9%
Adjusted EBIT margin	2.2%	4.0%		

- 2018 revenue increased by +3.7%, when excluding the foreign exchange effect. A revenue increase could be noted in the different segment activities.
- The 2018 Adjusted EBITDA decreased by -17.8%, when excluding the foreign exchange effect, as the revenue increase did not result in a higher Adjusted EBITDA.
- DYKA Group remained stable as the revenue increase was offset by start-up costs for new branches.
- Further start-up expenses for the NaOH production as well as unforeseen technical issues at the production plant in Loos (France) negatively impacted Performance Chemicals.
- Mining & Industrial was negatively impacted by lower volumes.
- Furthermore, Environmentally Clean Systems was positively impacted in 2017 by the outcome following the expiration of a contract.



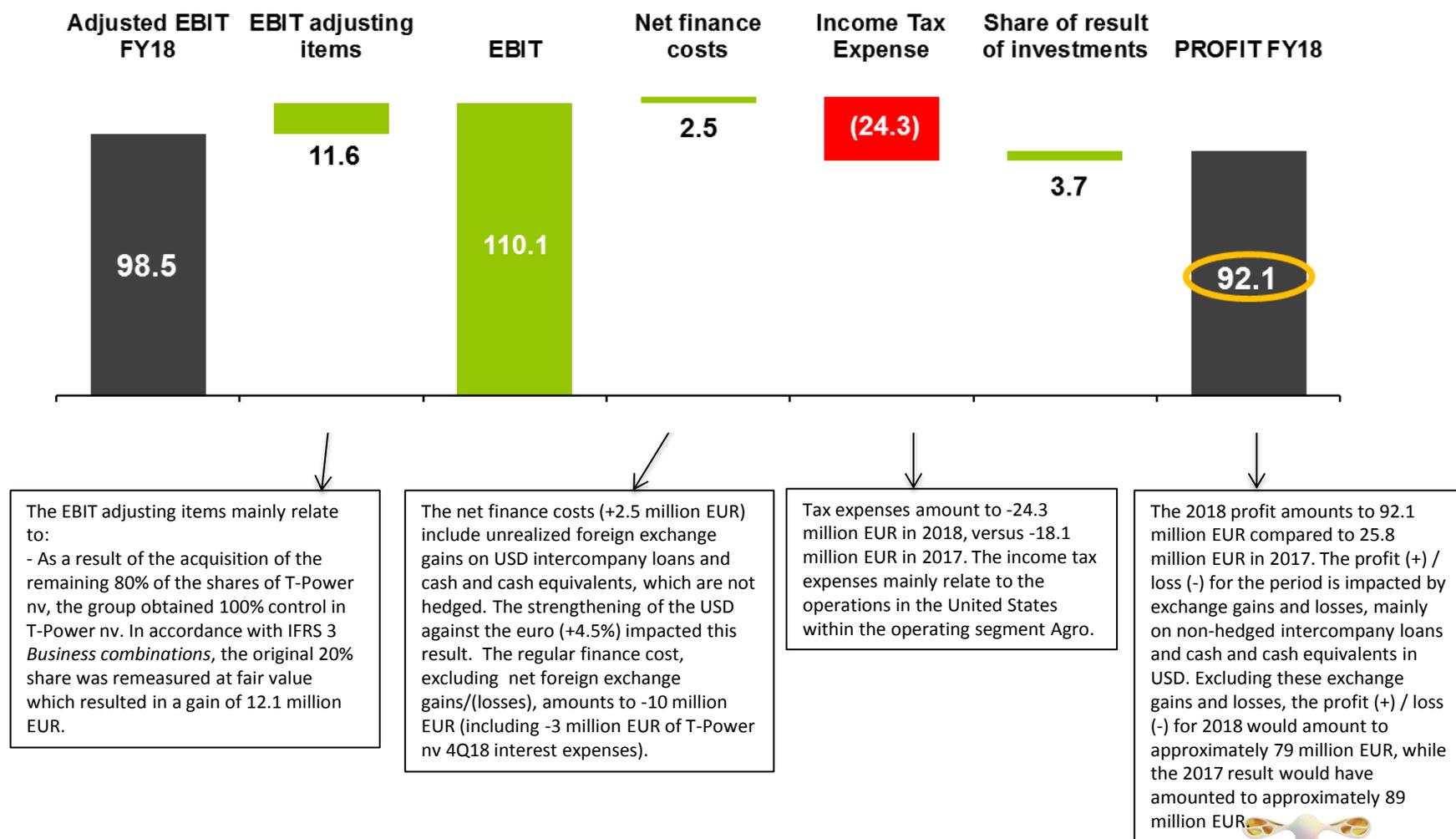
T-Power segment

T-POWER				
Million EUR	2018	2017	% Change excluding fx effect	% Change as reported
Revenue	18.8	-	nm	nm
Adjusted EBITDA	13.5	-	nm	nm
Adjusted EBITDA margin	72.2%	-		
Adjusted EBIT	4.3	-	nm	nm
Adjusted EBIT margin	22.9%	-		

- T-Power contributed in the fourth quarter of 2018 18.8 million EUR to the revenue and 13.5 million EUR to the Adjusted EBITDA of the Group.
- These results were in line with expectations, as T-Power fulfilled all tolling agreement requirements.
- The group is currently reviewing the T-Power financing structure, which is expected to lead to a future reduction of the finance costs.



FY18 Adjusted EBIT to profit details (Million EUR)



Outlook

- The following statements are forward looking and actual results may differ materially.
- In addition to the full-year contribution of T-Power, which is expected to amount to approximately 50 million EUR, and the implementation of IFRS 16 Leases, which will lead to an additional Adjusted EBITDA of around 20 million EUR, the group anticipates that the 2019 Adjusted EBITDA will be higher compared to 2018.
- The group would like to emphasize that it currently operates in a volatile political, economic and financial environment.



Dividend

- The Board of Directors will propose to the shareholders, at the annual shareholders' meeting of May 14, 2019, not to pay out a dividend for the 2018 financial year.
- The group currently believes that more shareholder value can be created through further investing available funds in the growth of the company, rather than via the distribution of dividends.



Annual report

- The annual report 2018 will be available as from April 1, 2019, on www.tessenderlo.com.



Sustainability report

- The sustainability report will be available as from April 1, 2019, on www.tessengerlo.com.



Financial calendar

- Annual shareholder's meeting May 14, 2019
- Half-year 2019 results August 26, 2019





Thank you



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