BELANGRIJKE MEDEDELING

DIT DOCUMENT EN DE INFORMATIE DIE HET BEVAT, WORDEN U VERSTREKT ALS AANDEELHOUDER VAN TESSENDERLO GROUP NV OVEREENKOMSTIG DE VEREISTEN VAN DE BELGISCHE WETGEVING EN ALLEEN IN UW HOEDANIGHEID VAN AANDEELHOUDER VAN DEZE VENNOOTSCHAP MET HET OOG OP DE UITOEFENING VAN UW STEMRECHTEN IN TESSENDERLO GROUP NV EN IN GEEN ENKELE ANDERE HOEDANIGHEID, EN KUNNEN NIET WORDEN GEBRUIKT OF AANGEWEND VOOR ENIG ANDER DOEL OF VOOR ENIGE ANDERE BESLISSING, MET INBEGRIP VAN EEN INVESTERINGSBESLISSING OM EFFECTEN TE VERWERVEN, TE KOPEN, EROP IN TE SCHRIJVEN, TE VERKOPEN OF TE RUILEN (OF ENIG AANBOD OF HET UITLOKKEN VAN EEN AANBOD OM DAT TE DOEN).

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Degroof Petercam | Investment Banking

Tessenderlo Group - Picanol

Independent financial expert report

Strictly confidential

October 13, 2022

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1. Introduction

Context

- Tessenderlo Group NV, a public limited company incorporated under the laws of Belgium, with registered office and administrative office at 1050 Brussels, Troonstraat 130, and at the *Kruispuntbank van Ondernemingen / Banque-Carrefour des Entreprises* under the number 0441.554.490, ("Tessenderlo Group" or the "Bidder"), has informed the Board of Directors of Picanol NV, a public limited company incorporated under Belgian law with is registered office at 8900 Ieper, Steverlyncklaan 15, and registered at the *Kruispuntbank van Ondernemingen / Banque-Carrefour des Entreprises* under the number 0405.502.362 ("Picanol" or the "Company"), about its intention to launch a voluntary public takeover bid on all the shares of Picanol by way of an exchange offer (the "Transaction") at an exchange ratio of 2.36 (the "Exchange Ratio") whereby 1 Picanol share can be exchanged for 2.36 Tessenderlo Group shares
- The voluntary public takeover bid is launched to ensure equal treatment of the shareholders of Picanol, whereby Tessenderlo Group will make an offer to acquire the shares of Picanol to all shareholders of Picanol, on the same terms and conditions as to which Luc Tack and Patrick Steverlynck have committed
- As Luc Tack is a controlling shareholder of both Tessenderlo Group and Picanol at the time of the announcement of the intention to launch a voluntary public takeover bid, the Transaction falls within the scope of articles 20 to 23 of the Royal Decree of 27 April 2007 (as amended) on public takeover bids (the "Royal Decree")
- In light thereof, the independent directors of Picanol have appointed us, Degroof Petercam Corporate Finance NV/SA, having its registered office at Guimardstraat 18, 1040 Brussels, Belgium and registered at the *Kruispuntbank van Ondernemingen / Banque-Carrefour des Entreprises* under the number 0864.424.606 ("DPCF"), as an independent financial expert with the request to prepare a report in accordance with article 23 of the Royal Decree (the "Report"). DPCF is a wholly owned subsidiary of Bank Degroof Petercam SA/NV, having its registered office at rue de l'Industrie 44, 1040 Brussels, Belgium and registered at the *Kruispuntbank van Ondernemingen / Banque-Carrefour des Entreprises* under the number 0403.212.172 ("Bank Degroof Petercam")
- The Report includes:
  - A description of the scope and tasks performed by DPCF;
  - A statement of independence;
  - An overview of the transaction;
  - A description of the main factual information regarding the Company, the Bidder and their financials;
  - A valuation of the Company and the Bidder, including an overview of the valuation methods applied;
  - Conclusions on our valuation analysis and subsequent exchange rate; and
  - An analysis of the valuation performed by the Bidder's financial advisor
- This Report will be attached to the prospectus which will be submitted by Tessenderlo Group to the FSMA in accordance with article 23 of the Royal Decree

Assignment scope

- DPCF has allocated five resources to prepare this Report, consisting of:
  - Erik De Clippel, Managing Partner;
  - Stefaan Genoe, Managing Partner;
  - Charlotte Van Vossel, Senior Vice President;
  - Edward Lecomte, Associate; and
  - Christophe Vertommen, Associate
- DPCF has a vast experience in financial expert assignments and provided numerous company valuations as well as fairness opinions as illustrated in Appendix F
- During our assignment carried out between July 7, 2022 and October 13, 2022(1), we have performed the following tasks:
  - Had several meetings and conference calls with the Company's management, the Bidder's management, the independent directors of the Company and the financial advisor of the Bidder. More specifically, we interacted with the following individuals from the Company and the Bidder:
    - Kurt Dejonkheere, Vice President Finance at Tessenderlo Group
    - Karen D'Hondt, Group Controller at Picanol
  - Collected and analysed detailed financial information on the Company and the Bidder;
  - Analysed publicly available documents regarding the historical financial performance of the Company and the Bidder as per the Valuation Date, broker reports and other external information sources;
  - Analysed the latest available business plan provided by the management of the Company and the Bidder and key assumptions;
  - Analysed the Transaction and its conditions in detail;
  - Performed an independent review of the exchange ratio by analysing the valuation of Picanol and Tessenderlo Group; and
  - Conducted an analysis of the valuation performed by the Bidder's financial advisor and subsequent exchange ratio
- Appendix A lists the documents we have received from the Company, the Bidder or its financial advisor
- Appendix B contains an analysis of the valuation performed by the Bidder
- In accordance with the engagement letter signed on July 13, 2022 between DPCF and Picanol, DPCF will have received a fixed fee of € 300,000 (excluding VAT) for the issuance of this Report

Note: (1) Submission date of the final version of the Report; Assignment continued until prospectus approval

Disclaimer

- The purpose of the Report is solely to comply with articles 20 to 23 of the Royal Decree
- Degroof Petercam Corporate Finance (“DPCF”) has assumed and relied upon, without independent verification, the accuracy and completeness of the historic financial, accounting, legal and fiscal information in respect of the Company or the Bidder, as the case may be, provided to DPCF by or on behalf of the Company or the Bidder, as the case may be, as requested by DPCF, and therefore we do not bear any responsibility relating to the accuracy or completeness of this information
- In addition, we have selected information from independent external sources of quality that we believe are relevant to the valuation of the securities subject to the Transaction (e.g. market research, comparable company information, valuation multiples of listed comparable companies and valuation multiples of transactions on comparable companies). DPCF assumes that information on market research, comparable companies and transactions on comparable companies provided by these external sources are in any respect, accurate, precise and complete. DPCF can not be held liable for the erroneous, inaccurate or incomplete nature of the above information
- DPCF confirms that the assumptions made and methods withheld in the Report are reasonable and relevant
- The preparation of this Report has been completed in final version for filing with the FSMA on October 13, 2022 and is based on market information as per June 30, 2022 (the “Valuation Date”) and information relating to the Company and Bidder as available on the date of this Report. Subsequent events may have had an impact on the Company and Bidder's estimated value. DPCF is under no obligation to amend this report or to confirm it beyond the aforementioned date. DPCF has not been informed of any events or new information that have arisen and which would have had a significant impact on the valuation between the Valuation Date and the prospectus approval, other than the ones included in this Report
- This Report may not be used for any other purpose, or reproduced, disseminated or quoted at any time and in any manner without prior written consent other than possibly in or as an attachment of the prospectus regarding the Transaction

2. Statement of independence

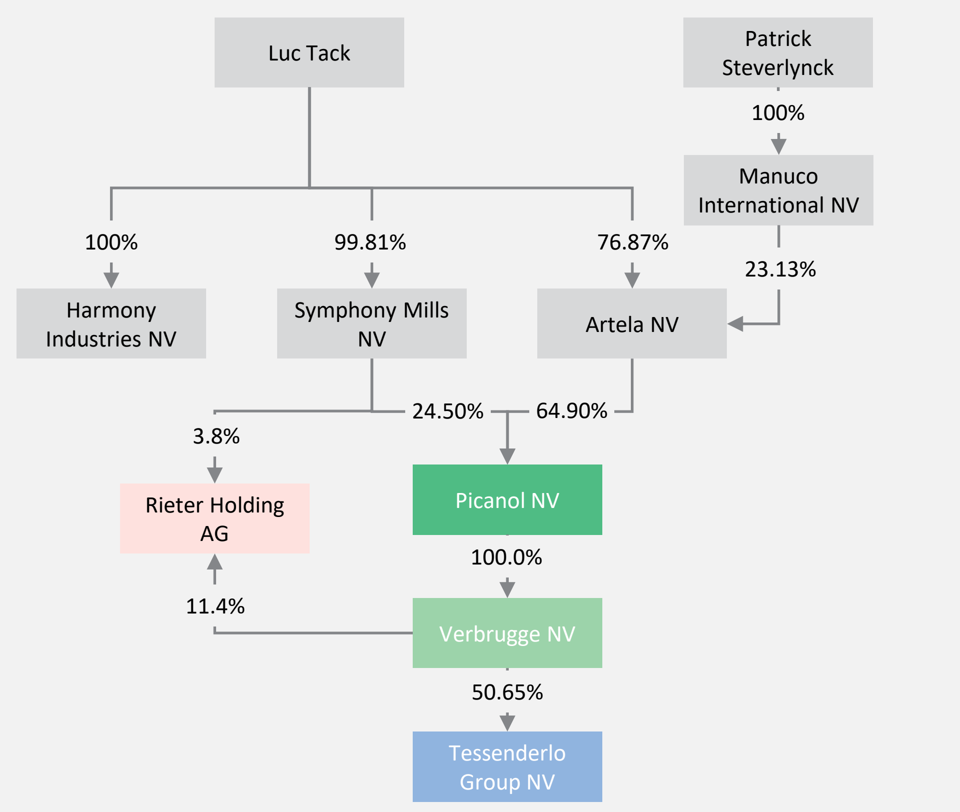
Independence of DPCF

- DPCF and Bank Degroof Petercam declare and warrant to be in an independent position towards the Bidder, the Company and any affiliated company, as per article 22 of the Royal Decree. More particularly, DPCF declares not to be in any of the situations described in article 22 of the Royal Decree
- Bank Degroof Petercam was founded in 1871. It is a global and integrated bank active in wealth and asset management and in investment banking through, amongst others, its 100% subsidiary DPCF. It is therefore actively involved in a large number of financial transactions for the account of its clients and for its own account
- Neither DPCF nor Bank Degroof Petercam have been mandated to advice or to assist in any manner any of the parties involved in the Transaction, with the exception of this assignment. In addition, DPCF has not been involved in any advice with regard to the terms of the Transaction
- Neither DPCF nor Bank Degroof Petercam have a financial interest in the Transaction other than the fixed remuneration that DPCF will receive for the issuance of this Report
- There is no legal or shareholding link between the Bidder, the Company or their affiliated companies and any entity of the Bank Degroof Petercam group. No member of the Bank Degroof Petercam group serves as director of the Bidder, the Company or their affiliated companies
- In the two years prior to the announcement of the Transaction, neither DPCF nor Bank Degroof Petercam performed any other assignment on behalf of the Bidder, the Company or the companies related to them
- DPCF confirms to have the requisite skills and experience to act as an independent expert and that its structure and organisation are adapted to execute such role as per article 22 §4 of the Royal Decree
- Finally, neither DPCF nor Bank Degroof Petercam are holding a receivable or debt towards the Bidder, the Company or any of their affiliated companies to the extent that such receivable or debt is creating or likely to create a situation of economical dependency

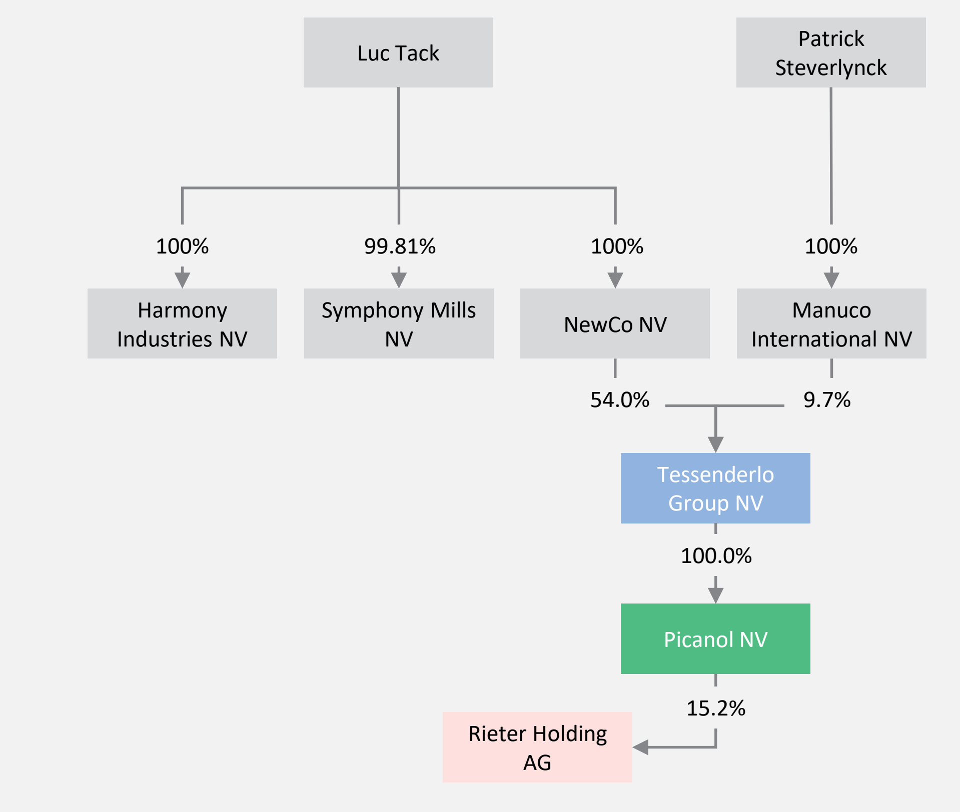
3. Overview of the transaction

Schematic presentation of the transaction

Current group structure



Envisaged group structure(1)



Step 1 – Simplification of the upper structure

Step 2 – Capital increase by contribution of shares Rieter Holding AG in Picanol NV

Step 3 – Capital increase by contribution of shares Picanol NV in Tessenderlo Group NV preceded by a takeover bid

Step 4 – Merger of Verbrugge NV with Picanol NV

Step 5 – Elimination of the cross participation between Picanol NV and Tessenderlo Group NV

Note: (1) Based on a 100% acceptance rate of the Exchange Offer

4. Valuation methods and considerations

Analysis and selection of valuation methods (1/3)

Valuation scope and basis

- The purpose of this Report is to determine the exchange ratio by valuing Picanol and Tessenderlo Group on a consolidated and going concern basis as per the Valuation Date
- DPCF has received from the management of Picanol the Business Plan covering the period 2022E-2027E as well as the H1 2022 financials, and from the management of Tessenderlo Group the Business Plan for the period 2022E-2026E as well as the historical financials for the period ending on June 30, 2022
- DPCF has reviewed and adjusted, where deemed necessary, the business plan. DPCF's review and adjustments are based on discussions with management as well as comparisons with the Company & Bidder’s historical performance and estimates prepared by brokers covering the Company and Bidder and listed comparable companies
- We have based our valuation analysis on the respective Business Plans and an extrapolation until 2030E

Primary valuation method

Discounted Cash Flow (“DCF”) Analysis

- We selected the DCF analysis as the leading valuation method for Picanol and Tessenderlo Group considering their specific outlook and ability to generate future cash flows
- We have assessed the assumptions underlying the projections in the Business Plan based on discussions with management and on the historical performance of the Company and the Bidder

Secondary valuation method

Comparable Company Analysis (“CCA”)

- Next to the DCF analysis, we have retained the CCA as an additional valuation method considering the availability of a relevant set of listed comparable companies active in the respective sectors of Picanol and Tessenderlo Group
- The CCA has been retained to reflect the current market environment, where valuations are under pressure due to increased uncertainty relating to economic growth and inflation as further discussed on slide 16
- As the listed peers report under different accounting policies, adjustments have been made to be able to compare companies reporting under different accounting standards. For companies reporting under Local GAAP, adjustments were made to determine the financials according to IFRS standards with regards to leases
- EV/EBITDA and EV/EBIT were retained as the most appropriate and usual indicators

Analysis and selection of valuation methods (2/3)

Other valuation references

Share Price Performance ("SPP")

- The analysis of the SPP is not considered a relevant valuation method in practice and is usually used as a benchmark for other retained methods
- The limited liquidity of both the Picanol and Tessenderlo Group share complicates the interpretation of this analysis

Brokers' Target Prices ("TP")

- The Brokers' TP provide a useful benchmark of Tessenderlo Group's value considering the coverage by 5 brokers, while only one broker covers Picanol, rendering this method less relevant
- As such we have used this as a mere reference point

Excluded valuation methods

Comparable Transaction Analysis ("CTA")

- The CTA has a very limited applicability considering the small sample of recent comparable transactions available of targets directly comparable with Picanol and Tessenderlo Group
- In addition, considering the specific context of this transaction and limited information available on the targets (including regarding the impact of IFRS 16) the CTA method has been excluded as a valuation method
- An indicative list of selected transactions is added in Appendix E for information purposes only, and also includes the selection criteria used (geography, time horizon, business profile, etc.)

Bid premium analysis

- The bid premium analysis provides a benchmark for the premium which has been paid in takeover bids
- DPCF has not selected the bid premium analysis given that the applicability is less obvious for an exchange offer

Net Asset Value ("NAV")

- DPCF has not selected the NAV analysis as it is a backward-looking approach and is more adequate for companies with significant tangible assets. This method does not assume a going concern and is thus rather used in case of liquidation scenarios

Dividend Discount Model ("DDM")

- DPCF has excluded the DDM approach, an equity-based valuation method based on assumed dividend distributions in the future, considering the lack of visibility on future dividends

Analysis and selection of valuation methods (3/3)

Excluded valuation methods	**Leveraged Buy Out ("LBO")** ▪ The LBO analysis is not relevant considering the Transaction context and the profile of the Bidder

Overview of valuation methods and references

Primary valuation method	Secondary valuation method	Other valuation references	
DCF	**CCA**	**Share price performance**	**Brokers' target prices**
▪ Calculating the present value of the unlevered free cash flows over a projection period and the terminal value, discounted at the expected rate of return ▪ Preliminary cash flow analysis based on the Business Plan ▪ Relies on several assumptions concerning valuation parameters (e.g. WACC, perpetual growth)	▪ Analysis based on market valuations of "comparable" publicly traded companies with similar activities, financial characteristics and risk profile ▪ Market multiples analysis applied to the respective operating results ▪ Valuation based on relative prices paid by minority shareholders for comparable companies	▪ Analysis of the share price performance and traded volumes of the Company and Bidder before announcement date vs. index benchmarks over a certain period	▪ Analysis of target prices published by research analysts covering the Company and Bidder's stock and based on selected methods
▪ Captures a company's future growth prospects and risk profile but accurately predicting medium to long term cash flows is complex ▪ Highly dependable on several assumptions (e.g. sales growth, costs evolution, etc.)	▪ Valuation is relative rather than absolute ▪ Does not include any control or synergies premium ▪ Assumes that similar companies share key business and financial characteristics, business drivers and risks		▪ Often insufficient/recent information is available to verify the valuation assumptions in detail ▪ Coverage of Tessenderlo Group (5 brokers) provides a comprehensive view on analyst valuations, yet Picanol is only covered by one broker
Valuation focus ●	◕	◑	◑

Additional remarks

Impact of the COVID crisis

- The COVID crisis caused a global recession in 2020 with a significant impact on the economy and stock markets. The share prices and financial projections (and thus the trading multiples) of comparable companies, as well as the forecasts for Picanol and Tessenderlo Group were affected by the COVID crisis
- It is impossible to quantify the exact short-term and long-term effects of the COVID crisis on stock prices and financial projections in addition to other macro-economic effects as well as the impact of sector and company specific developments
- Furthermore, there is currently no clear consensus on the impact of the COVID crisis on the world economy and the recovery for the coming years

Impact of the Ukraine war

- In February 2022 Russia invaded Ukraine, which had a widespread macro-economic effect by exacerbating supply and demand tensions and driving inflationary pressures which were already present due to the COVID crisis
- Consumer sentiment and the threatening global economic growth has an important impact on the stock market and financial outlook of companies, the impact of which remains unclear
- Uncertainty remains how the fallout of the conflict will further evolve yet it is expected to have a prolonged effect on the global economy

Additional remarks

General comments on IFRS 16

- DPCF has based its DCF analysis on pre-IFRS 16 figures of Tessenderlo Group and Picanol to correctly account for the cash impact of lease payments, while taking a similar approach to the net financial debt figures thereby excluding leases from the calculation
- For the CCA, DPCF has made consistent use of EBITDA, EBIT and net financial debt figures, for Tessenderlo Group, Picanol and comparable listed companies by making adjustments to be able to compare companies reporting on a pre-IFRS 16 and post-IFRS 16 basis, by translating the respective metrics to IFRS measures (including the impact of IFRS 16) as most of the peers report under IFRS
- The introduction of IFRS 16 improves the transparency of leasing policies and the comparability of listed companies:
  - The distinction between a financial and an operating lease disappears, making financial debts (including leases) a stronger measure of capital intensity (external resources used by a company to finance its operating assets). It is therefore no longer possible to hide part of the costs related to productive assets in operating costs by means of operating leases
  - All operating lease costs disappear from EBITDA, making EBITDA a more comparable measure of operational profitability. Differences in productivity (EBITDA / Invested Capital) become clearer as a result
- However, it should be noted that comparability under IFRS 16 will never be optimal because, inter alia, IFRS 16 provides scope for interpretation and subjectivity and differences in the terms of operating leases will create a higher/lower lease liability
- IFRS 16 thus has, according to DPCF, a positive impact on the comparability between companies in the context of an analysis of comparable listed companies (both for the valuation ratios and for the key data)

Determination of the value of the Rieter Holding stake

- For the Rieter Holding stake of 11.4% currently held by Picanol, DPCF has taken the same valuation as used for the contribution of the 3.8% stake in Rieter Holding held by Oostiep Group in Picanol i.e., the 3-month VWAP on June 30, 2022, which equals CHF 126.72 per share
- The Rieter Holding stake of 11.4% has been included in the Adjusted Net Financial Debt on slide 77

5. Valuation of Tessenderlo Group

5. Valuation of Tessenderlo Group

Business description of Tessenderlo Group

Description

- Initially founded as a chemical company in 1919, Tessenderlo Group has progressively expanded its activities and diversified into a large industrial group
- The company now counts four divisions focusing on (i) agricultural products, (ii) valorising bio-residuals, (iii) industrial water solutions and (iv) energy
- Through its different segments, the company is marketing its products and services worldwide via local branches in a.o. Europe, Asia and the Americas
- In 2021, Tessenderlo Group's revenue equalled approx. € 2.1bn with a REBITDA of € 356m

Key KPIs (2021)

Founded in **1919**

+4,800 employees

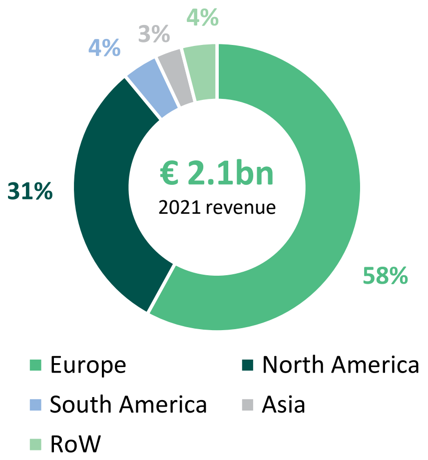
€ 2.1 billion 2021 revenue

+100 locations worldwide

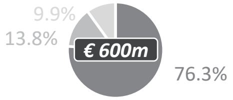
Listed on **Euronext Brussels**

€ 356m 2021 REBITDA[2]

Geographical split (2021)



Business overview

Segment	Revenue split	Business activities
AGRO[1] *36.3% of revenue*		● **Crop Vitality**: production of (sulphur-based) crop nutrition products ● **Kerley International**: producer of liquid, soluble and solid plant nutrition products ● **Novasource**: producer of crop protection products
BIO VALORISATION *31.2% of revenue*		● **PB Leiner**: supplies a complete range of high-quality gelatines and collagen peptides ● **Akiolis**: production of high-value proteins and fats derived from animal by-products
INDUSTRIAL SOLUTIONS *29.1% of revenue*		● **Dyka**: piping solutions for utilities, agricultural, building and civil engineering markets ● **Kuhlmann WT**: chemicals for the treatment of wastewater or purification of drinking water ● **Moleko**: specialized in sulphur chemistry for mining and industrial markets
T-POWER *3.4% of revenue*		● **T-Power**: production of electricity by means of a combined cycle gas turbine with a 425 MW capacity

Notes: (1) Violleau which focusses on organic fertilizers will be integrated in the Agro segment as of 2022 (before under the Bio Valorisation segment); (2) the difference compared to the € 354m Adjusted EBITDA reported by Tessenderlo Group in its annual report 2021 relates to descoped activities

Sources: Annual report 2021, Company website

5. Valuation of Tessenderlo Group

Analysis of key business plan drivers and assumptions (1/4)

Basis for preparation

- DPCF has constructed the extended business plan 2022E-2030E based on the Business Plan 2022E-2026E including the current outlook for 2022E(1), received from the management, as well as several interactions we had with the management
- The management of Tessenderlo Group has shared assumptions and drivers for the following metrics:
  - Revenue growth based on expected volumes and pricing;
  - Direct and indirect costs;
  - Depreciation and amortization;
  - Other cash items and adjustments;
  - Taxes;
  - Net working capital; and
  - Capex
- The Business Plan does not include any potential future acquisitions
- In order to reach a normalized FCFF, DPCF has forecasted four additional years (2027E - 2030E) per segment which are further described on slides 31-40

1

Revenue

Methodology

- The 2022E-2026E revenues for the different business units are forecasted bottom up based on pricing and volume drivers
- For 2022E the volumes and prices per product have been based on detailed input from the different business units which have been compared to overall market trends

Evolution

- Revenue is expected to grow by 25.8% in 2022E as a result of higher material prices which are passed on to customers, partly compensated by lower volumes as customers anticipated higher prices by increasing their orders at the end of 2021A
- Following a drop in 2023E of 11.3% as prices return to normal levels which already started slowly in the second half of 2022, revenue is expected to grow by a CAGR of 3.7% from 2023E to 2026E on the back of higher volumes
- Volume growth over the Business Plan is the result of debottlenecking initiatives (such as investments in storage tanks, expansion of supply sources, etc.) both in the AGRO and BIO (PB Leiner) segment which are expected to gradually lead to higher capacity in the different production sites
- Another growth area is the roll-out of the solid and liquid fertiliser business in Europe under the Kerley International business unit

Note: (1) Except for T-Power where the Business Plan of management until 2040E was used

Analysis of key Business Plan drivers and assumptions (2/4)

1

Revenue

- In addition, two new production sites, a plant focussing on liquid sulphur-based crop nutrition and sulphur chemistries in Defiance (US) and a Thio-Sul manufacturing plant in Geleen (Netherlands), are being constructed and are expected to become operational as from respectively the first quarter of 2024 and the third quarter of 2023. These will contribute to higher volumes
- Volume growth in liquid fertilisers in Eastern Europe is projected to remain limited as a result of pressure on the supply of MOP for which a number of initiatives have been launched for alternative sourcing
- DPCF has made a couple of adjustments to 2026E to reflect the slower ramp up of the Geleen plant and more gradual volume growth in the AGRO segment and added four additional years to account for a slowdown in growth towards 1.7% in 2030E

AGRO

- Revenue of AGRO is expected to increase by 29.6% in 2022E as the result of higher sales prices while order intake further declines over the year leading to lower revenue in H2 2022E compared to the first half of the year. Prices are expected to return to historical levels as from 2023E leading to a 9.2% decline followed by a CAGR of 3.6% over the period 2023E-2026E as a result of volume growth as two new plants become operational and as other plants reach full capacity compared to a CAGR of 5.8% over the period 2017A-2021A and (0.9%) over the period 2017A-2020A

BIO

- Revenue of BIO is forecasted to experience an increase of 28.6% in 2022E as a result of favourable price dynamics in both H1 2022A as well as H2 2022E and improvement in yield and value followed by a decline of 17.4% in 2023E as prices return to normal levels. Growth over the period 2023E-2026E is curbed by further pressure on volumes due to increased competition from suppliers which have started to process animal by-products themselves leading to a CAGR of 1.1% compared to a CAGR of 5.6% over the period 2017A-2021A and 3.6% over the period 2017A-2020A

INDU

- Revenue for INDU is expected to grow by 20.2% in 2022E as sales prices increase which will be partially reversed in H2 2022E as the market decelerates and to a larger extent in 2023E with a decline of 7.4% as prices and volumes come under pressure. For the period 2024E-2026E growth is expected to decrease from 5.8% in 2024E where different sales initiatives focused on customer intimacy are expected to contribute to higher revenue to 3.0% in 2026E (at a CAGR of 4.0% due to the trend towards sustainability and circularity) compared to a historical CAGR of 6.9% over the period 2017A-2021A and 2.1% over the period 2017A-2020A

T-POWER

- Revenue for T-POWER is forecasted to increase by 9.5% in 2022E followed by a decrease of 7.8%. Revenue is expected to remain stable until 2026E when the tolling agreement with RWE is terminated which will lead to higher revenues albeit at lower profitability

Note: The CAGR for the period 2017A-2021A and 2017A-2020A were both included to demonstrate the cyclicality of the business

Analysis of key Business Plan drivers and assumptions (3/4)

② **Gross profit**

- Gross profit margins are based on historical sales margin levels, future product mix and estimated evolution of the main raw material prices as well as the ability of the bidder to pass on these prices
- Gross profit is expected to decrease in 2023E to 23.7% from 26.6% in 2021A as a result of lower volumes mainly in the AGRO segment and a negative product mix effect (stronger growth of lower margin products) in the INDU segment
- Over the period 2023E-2026E gross profit is forecasted to range between 23.2% and 23.8% which is lower than the average gross profit over the period 2017A-2021A of 26.2% as a result of constant gross profit per ton combined with a higher price per ton
- The decrease in gross profit in 2026E is due to the termination of the tolling agreement between RWE and T-POWER in July 2026 for which management currently does not expect an extension after which the produced electricity will be marketed by Tessenderlo Group

③ **REBITDA**

- REBITDA margin decreases in 2022E as result of lower gross profit while indirect costs are expected to grow at a 2.0% rate
- Over the period 2023E-2026E, REBITDA margin is forecasted to range between 14.3% and 15.4%, the lower REBITDA in 2026E and 2027E

AGRO

- REBITDA margin is expected to decline in 2022E from 20.9% to 19.4% as a result of lower volumes (which is increasingly playing in the H2 2022) partly compensated by higher contribution margins due to price dynamics. In 2023 REBITDA margin is expected to further decrease before returning to a higher level of 17.8% in 2026E vs. an average of 20.7% over the period 2017A-2021A where the latter was higher due to favourable price dynamics in the last years

BIO

- REBITDA margin is forecasted to improve in 2022E-2024E to 14.5% as a result of higher production volumes. As from 2025E volumes level-off putting pressure on margins with REBITDA margin evolving to 12.9% in 2026E vs. an average of 10.3% over the period 2017A-2021A as a result of increased revenue due to favourable market conditions and realized efficiency improvements since 2020A

INDU

- REBITDA margin is expected to decrease from 14.1% in 2021A to 12.0% in 2022E and 10.0% in 2023E as a result of volume and product mix effects. As from 2024E REBITDA margin is expected to gradually improve towards 11.5% in 2026E as a result of economies of scale vs. an average of over the period 2017A-2021A 10.4% while EBITDA margin was higher in 2020A-2021A due to higher demand and increased production efficiency

Analysis of key Business Plan drivers and assumptions (4/4)

③ **REBITDA** *(cont'd)*

T-POWER

- Following an increase from 74.4% in 2021A to 76.5% in 2022E, REBITDA margin is expected to gradually return to lower levels in 2025E. In 2026E the termination of the tolling agreement with RWE will drive down profitability, the full year effect will only be visible in the period as of 2027E where REBITDA margin is expected to fluctuate between 11.1% and 13.3%

④ **Normalisation**

- The normalisation made to REBITDA relates to lease expenses which are recorded above normalised REBITDA to account for the cash impact of lease expenses
- Normalised REBITDA is used in the DCF while the CCA is based on the REBITDA excluding the lease expenses to retrieve a post-IFRS 16 measure in line with listed peers

⑤ **Taxes**

- Tessenderlo Group's effective tax rate of 26.0% is based on the theoretical income tax rates in the countries where it operates

⑥ **Capex**

- Capex levels are expected to remain elevated in 2022E-2024E due to investments in expansion capex across the different business units, including:
    - Investment in the Defiance and Geleen plant for the AGRO segment
    - Further improvements in the valorization process in the BIO segment
    - Investments in production capacity and production efficiency improvements within the INDU segment
- As from 2025E a normalised capex is assumed for the different segments except for T-Power where in 2026E € 16m in capex is included to reflect the necessary investment in maintenance to upgrade the production capacity as this gradually reduces over time

⑦ **Other**

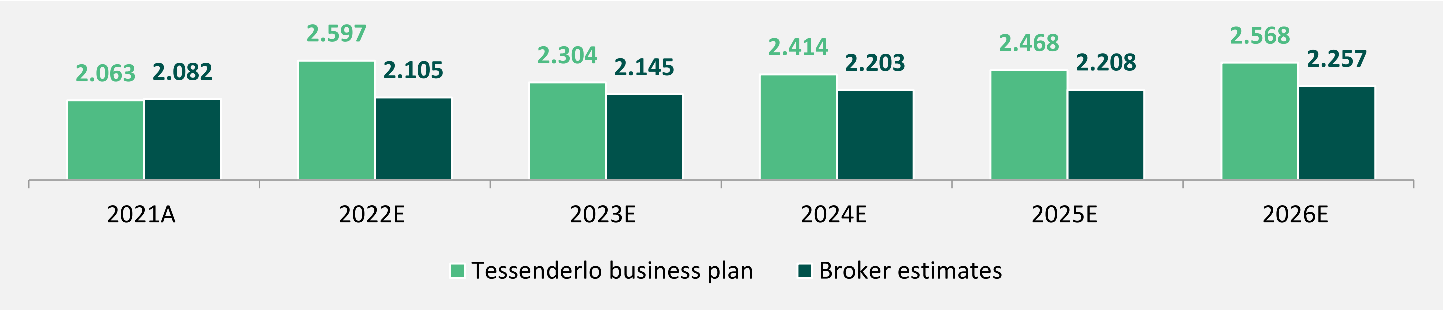
- Management forecasts for net working capital line items have been based on historical levels i.e. the working capital level in 2021 or the average over a longer period to reflect a normalised position over the business plan

Overview of the Business Plan

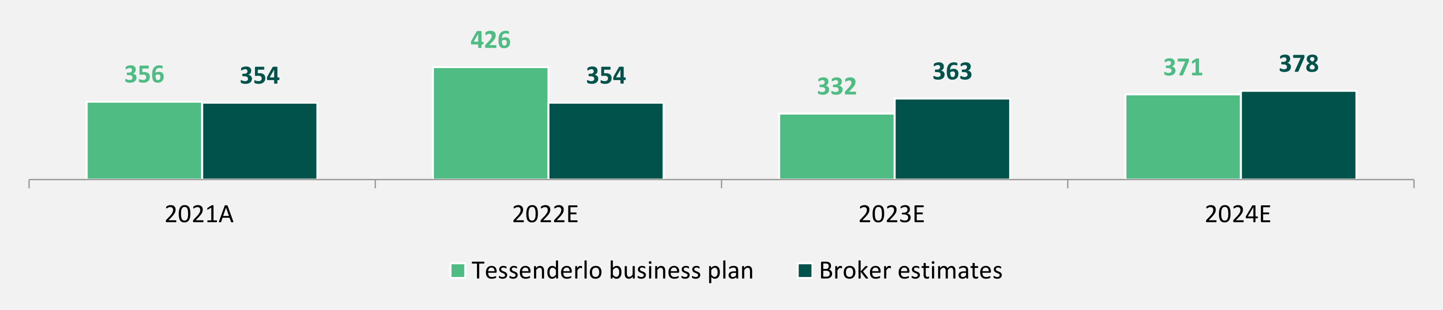
	Historical				Business plan						DP forecast			
FYE; 31/12 €m	**2019A**	**2020A**	**2021A**	**H1 2022A**	**H2 2022E**	**2022E**	**2023E**	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
Revenue	1,703	1,716	2,063	1,340	1,257	2,597	2,304	2,414	2,468	2,568	2,643	2,668	2,695	2,740
Growth	*5.0%*	*0.8%*	*20.2%*	*n.a.*	*n.a.*	*25.8%*	*(11.3%)*	*4.7%*	*2.3%*	*4.0%*	*2.9%*	*0.9%*	*1.0%*	*1.7%*
Gross profit	444	505	549	360	n.a.	n.a.	546	573	588	597	599	608	617	632
Margin	*26.1%*	*29.4%*	*26.6%*	*26.9%*	*n.a.*	*n.a.*	*23.7%*	*23.8%*	*23.8%*	*23.2%*	*22.7%*	*22.8%*	*22.9%*	*23.1%*
REBITDA	269	318	356	248	178	426	332	371	378	368	352	351	350	354
Margin	*15.8%*	*18.5%*	*17.3%*	*18.5%*	*14.1%*	*16.4%*	*14.4%*	*15.4%*	*15.3%*	*14.3%*	*13.3%*	*13.2%*	*13.0%*	*12.9%*
Normalised REBITDA	244	294	335	237	168	405	315	354	361	352	335	334	333	337
Margin	*14.3%*	*17.1%*	*16.2%*	*17.7%*	*13.4%*	*15.6%*	*13.7%*	*14.7%*	*14.6%*	*13.7%*	*12.7%*	*12.5%*	*12.3%*	*12.3%*
REBIT	138	188	226	183	108	291	193	212	220	222	217	218	220	226
Margin	*8.1%*	*10.9%*	*11.0%*	*13.6%*	*8.6%*	*11.2%*	*8.4%*	*8.8%*	*8.9%*	*8.6%*	*8.2%*	*8.2%*	*8.1%*	*8.3%*
Capex	(104)	(100)	(96)	(59)	(71)	(130)	(191)	(149)	(84)	(94)	(82)	(85)	(89)	(92)
As % of revenue	*6.1%*	*5.8%*	*4.6%*	*4.4%*	*5.6%*	*5.0%*	*8.3%*	*6.2%*	*3.4%*	*3.7%*	*3.1%*	*3.2%*	*3.3%*	*3.4%*
FCF	119	154	112	11	81	91	108	126	209	192	185	180	176	174

Business Plan versus broker estimates

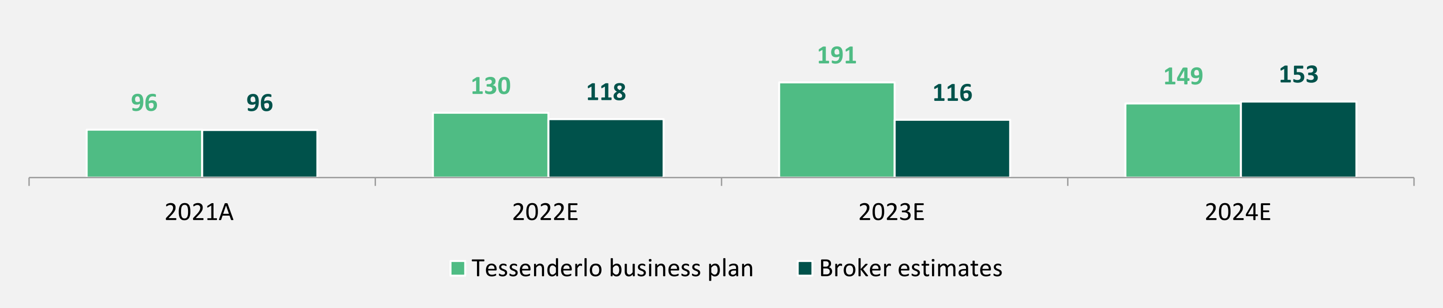
Revenues (€m)



REBITDA (€m)



Capex (€m)



- Broker consensus foresees a slightly increasing revenue over the period 2022E-2026E (CAGR 1.6%), while management forecasts a strong increase in revenue in 2023E on the back of higher material prices followed by a decline in 2023E and subsequent CAGR of 3.7% for 2024E-2026E leading to higher revenue estimates
- REBITDA is expected to follow a similar course, yet characterized by a lower REBITDA margin in 2022E and 2023E according to management as a result of lower volumes while brokers forecast a stable and higher REBITDA margin
- Management estimates capex to be higher in 2022E and 2023E as the company invests in future growth before converging to levels expected by research analysts in line with historical normalised levels

Sources: Broker reports, Bloomberg

DCF methodology (1/2)

DCF definition

The DCF method is an intrinsic valuation methodology, which is based on:

- Free Cash Flows to the Firm (“FCFF”) projections over a period between 2022E and 2030E, based on management forecasts in the Business Plan for H2 2022E to 2026E, including adjustments were required, and extrapolations made by DPCF for the period of 2027E to 2030E; and
- A discount rate: the Weighted Average Cost of Capital (“WACC”)

$$EV = \sum_{t=1}^{N} \frac{FCFF_t}{(1 + WACC)^T} +$$

Where:

- t = the specific year
- N = the number of projection years

FCFF

The FCFF has been computed as follows:

- **Normalized REBITDA:** Based on the Normalized REBITDA in the Business Plan including adjustments and extrapolations made by DPCF. The Normalized REBITDA disregards the impact of IFRS 16 and includes the lease payments as an expense
- **Taxes:** An effective nominal corporate tax rate of 26.0% as per management estimate
- **Capex:** In line with the Business Plan and forecasted to evolve towards a normalized level
- **(Change) in WC:** According to the Business Plan and forecasted in function of sales

For 2022E the FCFF expected to be generated in the second half of the year is included in the DCF

WACC

- The WACC has been estimated based on management information, our selection of listed peers and DPCF estimates where no size discount has been taken into account given that the Equity Value of Tessenderlo Group is in the same range as Picanol as shown in Appendix G

Perpetual growth rate

- With regard to the perpetual growth rate we have made assumptions per segment based on their respective growth expectations in the Business Plan period resulting from identified trends and capacity constraints and the assumption that capex is limited to maintenance capex. This leads to a lower growth rate for the different business units than the expected real GDP for the OECD countries of 1.26%(1) for the period 2030E-2060E plus inflation of 2%
- This compares to a long term growth rate applied by research analysts between 0.5% - 2.0% for Tessenderlo Group and the 1% growth rate applied by Tessenderlo Group

Note: (1) Based on OECD (2022), real GDP long-term forecast

DCF methodology (2/2)

Terminal value

- The terminal value has been estimated based on the following Gordon-Shapiro formula, assuming a perpetual growth rate per segment

$$\frac{Terminal\ free\ cash\ flow\ to\ the\ firm}{WACC\ -perpetual\ growth}$$

Present value & sensitivity analysis

- DPCF made the assumption that cash flows are evenly distributed over the year and used the mid-year convention, which means that the cash flows will be discounted on the following time factors: 0.25, 1.0, 2.0, etc. (in years)
- The DCF method is sensitive to the assumptions made. Consequently, we applied a sensitivity analysis on market parameters such as the WACC and the perpetual growth rate, as well as on company specific metrics i.e. the REBITDA margin and revenue growth in the period 2023-2030 and terminal value
- The sensitivities comprise a 2.00% range for the perpetual growth rate and WACC and a 1.00% range for the REBITDA margin and revenue growth with two lower and two higher increments vs. the retained midpoint

Weighted Average Cost of Capital (WACC) calculation

WACC calculations

	AGRO	BIO	INDU	T-POWER	Corporate
Cost of equity	**10.07%**	**10.03%**	**9.86%**	**8.21%**	
Risk free rate	1.66%	1.66%	1.66%	1.66%	
Unlevered beta	0.93	0.93	0.92	0.73 (1)	
Levered beta (4)	1.05	1.05	1.04	0.82	
Equity risk premium	7.98%	7.98%	7.98%	7.98%	
Cost of debt (after tax)	**2.14%**	**2.14%**	**2.14%**	**2.14%**	
Cost of debt	2.886%	2.886%	2.886%	2.886%	
IRS	1.781%	1.781%	1.781%	1.781%	
Spread	1.105%	1.105%	1.105%	1.105%	
Tax rate	26.00%	26.00%	26.00%	26.00%	
Gearing	**17.6%**	**17.6%**	**17.6%**	**17.6%**	
Equity	85.0%	85.0%	85.0%	85.0%	
Debt	15.0%	15.0%	15.0%	15.0%	
WACC	**8.9%**	**8.8%**	**8.8%**	**7.3% (2)**	**8.7%**

- Cost of Equity is calculated based on the Capital Asset Pricing Model ("CAPM") formula:
  - Risk free rate of 1.66% based on the French 10-year government bond;
  - Unlevered beta based on the betas of the respective peer group;
  - Equity risk premium of 7.98% as estimated by DPCF
- The cost of debt (pre-tax) is determined using market parameters:
  - IRS SWAP 5-year rate is used as a benchmark
  - An additional spread of 111 bps is added based on the average spread of BBB+ bonds from European industrials
- The capital structure is determined based on the current gearing of Tessenderlo Group of 8% (3) and the median gearing of 21% of the peer group
- A corporate WACC is calculated based on the relative weights of the four business units (in terms of enterprise value) and their WACCs

Notes: (1) Based on the beta in the Utility sector, more information can be found in Appendix C; (2) To account for the higher uncertainty inherent in the business plan following the termination of the RWE tolling agreement; as from 2026E a higher WACC is used in line with the corporate WACC; (3) Based on the Adjusted NFD (including IFRS 16) divided by the EV derived from the DCF exercise; (4) Levered beta = Unlevered beta x [1 + (1 – tax rate) x]

AGRO – Discounted Cash Flow

AGRO

	Actuals				Business Plan						DP Forecast				
(in €m)	**2019A**	**2020A**	**2021A**	**H1 2022A**	**H2 2022E**	**2022E**	**2023E**	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**TV**
Revenue	**603**	**583**	**749**	**546**	**425**	**971**	**882**	**927**	**958**	**981**	**1,006**	**1,026**	**1,045**	**1,065**	**1,085**
Growth (in %) YoY	*2.2%*	*(3.3%)*	*28.5%*	*n.a.*	*n.a.*	*29.6%*	*(9.2%)*	*5.1%*	*3.3%*	*2.5%*	*2.6%*	*1.9%*	*1.9%*	*1.9%*	*1.9%*
REBITDA	**127**	**133**	**156**	**126**	**63**	**189**	**142**	**159**	**167**	**174**	**179**	**182**	**185**	**188**	**191**
Margin (in %)	*21.1%*	*22.7%*	*20.9%*	*23.1%*	*14.7%*	*19.4%*	*16.1%*	*17.1%*	*17.5%*	*17.8%*	*17.8%*	*17.8%*	*17.7%*	*17.6%*	*17.6%*
Normalizations	(6)	(5)	(6)	(3)	(3)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)
Normalized REBITDA	**121**	**127**	**151**	**123**	**60**	**183**	**136**	**153**	**162**	**168**	**173**	**176**	**179**	**181**	**185**
D&A	(22)	(23)	(24)	(13)	(14)	(27)	(28)	(40)	(40)	(38)	(36)	(34)	(31)	(29)	(30)
REBIT	**98**	**104**	**126**	**110**	**45**	**156**	**108**	**112**	**122**	**130**	**137**	**143**	**148**	**152**	**155**
Margin (in %)	*16.3%*	*17.8%*	*16.9%*	*20.2%*	*10.7%*	*16.0%*	*12.3%*	*12.1%*	*12.7%*	*13.3%*	*13.6%*	*13.9%*	*14.1%*	*14.3%*	*14.3%*
Effective tax rate	16.3%	25.8%	18.5%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%
Taxes	(16)	(27)	(23)	(29)	(12)	(40)	(28)	(29)	(32)	(34)	(36)	(37)	(38)	(40)	(40)
CAPEX	(29)	(30)	(26)	(27)	(33)	(60)	(112)	(36)	(25)	(25)	(26)	(27)	(28)	(29)	(30)
Change in working capital	-	7	(46)	(54)	(12)	(66)	28	(7)	(3)	(1)	(8)	(7)	(6)	(6)	(6)
Unlevered Free Cash Flow to Firm (FCFF)					**3**	**16**	**24**	**81**	**102**	**108**	**104**	**105**	**106**	**107**	**109**
Discounted FCF to Firm					**3**		**22**	**68**	**79**	**77**	**68**	**63**	**59**	**54**	

Enterprise Value		
Total discounted FCF to Firm	493	38%
Discounted terminal value	794	62%
Enterprise Value	**1,288**	
EV/EBITDA 2021A	8.5x	
EV/EBITDA 2022E	7.0x	

- Valuation date June 30, 2022
- 2022E-2026E based on the Business Plan provided by management including adjustments in Crop Vitality to account for the more gradual growth and in Kerley International to correct for the slower ramp-up of the Geleen plant
- DPCF's assumptions post 2026E:
  - Stable revenue growth as of 2028E after reaching the maximum production capacity in 2027E
  - REBITDA margin decreases to 17.6%
  - Working capital remains stable as a percentage of sales
  - Capex is expected to evolve towards € 29m in 2030E

AGRO – Discounted Cash Flow sensitivity analysis

WACC vs. PGR

Enterprise Value (in €m)

		Terminal growth				
		0.9%	1.4%	1.9%	2.4%	2.9%
WACC	7.9%	1,362	1,432	1,513	1,610	1,726
	8.4%	1,265	1,324	1,392	1,471	1,565
	8.9%	1,181	1,231	1,288	1,353	1,430
	9.4%	1,107	1,149	1,197	1,253	1,316
	9.9%	1,041	1,077	1,119	1,165	1,219

Revenue growth vs. REBITDA margin(1)

Enterprise Value (in €m)

		Δ REBITDA margin per year				
		(0.50%)	(0.25%)	0.00%	0.25%	0.50%
Δ revenue growth per year	(0.50%)	1,133	1,156	1,179	1,202	1,225
	(0.25%)	1,184	1,208	1,231	1,255	1,279
	0.00%	1,238	1,263	1,288	1,312	1,337
	0.25%	1,297	1,322	1,348	1,374	1,399
	0.50%	1,360	1,386	1,413	1,440	1,466

Based on these sensitivities, the Enterprise Value ranges between € 1,119m and € 1,513m(2)

Notes: (1) Sensitivities on changes in REBITDA margin and revenue growth in the period 2023E-2030E and terminal value; (2) Based on the maximum and minimum within the shaded areas across sensitivities

BIO – Discounted Cash Flow

BIO

	Actuals				Business plan						DP Forecast				
(in €m)	2019A	2020A	2021A	H1 2022A	H2 2022E	2022E	2023E	2024E	2025E	2026 E	2027E	2028E	2029E	2030E	TV
Revenue	**543**	**576**	**643**	**377**	**450**	**827**	**683**	**708**	**710**	**706**	**705**	**706**	**708**	**712**	**717**
Growth (in %) YoY	*9.3%*	*6.0%*	*11.7%*	*n.a.*	*n.a.*	*28.6%*	*(17.4%)*	*3.6%*	*0.2%*	*(0.5%)*	*(0.2%)*	*0.1%*	*0.3%*	*0.6%*	*0.6%*
REBITDA	**61**	**86**	**83**	**52**	**61**	**113**	**92**	**103**	**97**	**91**	**88**	**84**	**82**	**79**	**80**
Margin (in %)	*11.3%*	*15.0%*	*12.9%*	*13.8%*	*13.5%*	*13.6%*	*13.4%*	*14.5%*	*13.7%*	*12.9%*	*12.4%*	*12.0%*	*11.5%*	*11.1%*	*11.1%*
Normalizations	(9)	(8)	(6)	(2)	(2)	(4)	(3)	(3)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Normalized REBITDA	**53**	**78**	**77**	**50**	**59**	**108**	**88**	**100**	**95**	**89**	**85**	**82**	**79**	**77**	**77**
D&A	(25)	(26)	(28)	(14)	(16)	(30)	(33)	(38)	(39)	(39)	(39)	(38)	(38)	(37)	(38)
REBIT	**28**	**52**	**49**	**36**	**43**	**79**	**56**	**61**	**56**	**50**	**47**	**44**	**42**	**39**	**40**
Margin (in %)	*5.1%*	*9.1%*	*7.6%*	*9.4%*	*9.5%*	*9.5%*	*8.1%*	*8.7%*	*7.9%*	*7.1%*	*6.6%*	*6.2%*	*5.9%*	*5.5%*	*5.5%*
Effective tax rate	16.3%	25.8%	18.5%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%
Taxes	(5)	(13)	(9)	(9)	(11)	(20)	(14)	(16)	(15)	(13)	(12)	(11)	(11)	(10)	(10)
CAPEX	(56)	(46)	(43)	(19)	(39)	(58)	(46)	(73)	(33)	(32)	(33)	(35)	(36)	(37)	(38)
Change in working capital	-	1	(10)	(16)	2	(14)	10	(12)	(7)	(7)	(0)	(1)	(2)	(3)	(3)
Unlevered Free Cash Flow to Firm (FCFF)				**6**	**11**	**17**	**37**	**(1)**	**40**	**37**	**40**	**35**	**31**	**27**	**27**
Discounted FCF to Firm					**11**		**34**	**(1)**	**31**	**27**	**26**	**21**	**17**	**14**	

Enterprise Value		
Total discounted FCF to Firm	179	52%
Discounted terminal value	165	48%
Enterprise Value	**344**	
EV/EBITDA 2021A	4.5x	
EV/EBITDA 2022E	3.2x	

- Valuation date June 30, 2022
- 2022E-2026E based on the Business Plan provided by management
- DPCF's assumptions post 2026E:
  - Revenue growth to gradually return to the terminal growth rate of 0.6% in 2030E reflecting the pressure on downstream activities due to increased competition as suppliers have started to process animal by-products themselves
  - REBITDA margin decreases further to 11.1%
  - Working capital remains stable as a percentage of sales
  - Capex is expected to evolve towards € 37m in 2030E

BIO – Discounted Cash Flow sensitivity analysis

WACC vs. PGR

Enterprise Value (in €m)

	Terminal growth				
WACC	(0.4%)	0.1%	0.6%	1.1%	1.6%
7.8%	362	374	388	404	423
8.3%	342	353	365	378	394
8.8%	325	334	344	356	369
9.3%	309	317	326	336	347
9.8%	295	302	309	318	328

Revenue growth vs. REBITDA margin(1)

Enterprise Value (in €m)

	Δ REBITDA margin per year				
Δ revenue growth per year	(0.50%)	(0.25%)	0.00%	0.25%	0.50%
(0.50%)	284	298	313	327	341
(0.25%)	298	313	328	343	358
0.00%	313	329	344	359	375
0.25%	329	345	361	377	393
0.50%	346	363	379	396	412

Based on these sensitivities, the Enterprise Value ranges between € 309m and € 388m(2)

Notes: (1) Sensitivities on changes in REBITDA margin and revenue growth in the period 2023E-2030E and terminal value; (2) Based on the maximum and minimum within the shaded areas across sensitivities

INDU – Discounted Cash Flow

INDU

	Actuals				Business plan						DP Forecast				
(in €m)	**2019A**	**2020A**	**2021A**	**H1 2022A**	**H2 2022E**	**2022E**	**2023E**	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**TV**
Revenue	**486**	**488**	**600**	**380**	**340**	**721**	**667**	**706**	**728**	**751**	**771**	**790**	**807**	**822**	**836**
Growth (in %) YoY	*3.0%*	*0.6%*	*22.8%*	*n.a.*	*n.a.*	*20.2%*	*(7.4%)*	*5.8%*	*3.1%*	*3.0%*	*2.7%*	*2.4%*	*2.1%*	*1.8%*	*1.8%*
REBITDA	**49**	**61**	**85**	**51**	**35**	**86**	**67**	**78**	**82**	**86**	**89**	**91**	**92**	**93**	**95**
Margin (in %)	*10.0%*	*12.6%*	*14.1%*	*13.4%*	*10.4%*	*12.0%*	*10.0%*	*11.0%*	*11.3%*	*11.5%*	*11.5%*	*11.5%*	*11.5%*	*11.4%*	*11.4%*
Normalizations	(8)	(9)	(9)	(5)	(4)	(9)	(7)	(7)	(7)	(7)	(7)	(8)	(8)	(8)	(8)
Normalized REBITDA	**40**	**53**	**76**	**46**	**31**	**77**	**60**	**70**	**75**	**79**	**81**	**83**	**85**	**85**	**87**
D&A	(19)	(18)	(18)	(8)	(10)	(19)	(22)	(24)	(25)	(25)	(25)	(25)	(25)	(25)	(25)
REBIT	**21**	**34**	**59**	**38**	**21**	**59**	**38**	**46**	**50**	**54**	**57**	**58**	**60**	**60**	**62**
Margin (in %)	*4.4%*	*7.0%*	*9.8%*	*10.0%*	*6.1%*	*8.2%*	*5.6%*	*6.5%*	*6.9%*	*7.2%*	*7.3%*	*7.4%*	*7.4%*	*7.4%*	*7.4%*
Effective tax rate	16.3%	25.8%	18.5%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%
Taxes	(3)	(9)	(11)	(10)	(5)	(15)	(10)	(12)	(13)	(14)	(15)	(15)	(16)	(16)	(16)
CAPEX	(18)	(16)	(23)	(13)	(25)	(38)	(31)	(39)	(24)	(21)	(22)	(23)	(24)	(25)	(25)
Change in working capital	-	(1)	(31)	(51)	26	(25)	9	(5)	(2)	(1)	(4)	(4)	(3)	(3)	(3)
Unlevered Free Cash Flow to Firm (FCFF)					**26**	**(1)**	**27**	**15**	**36**	**43**	**41**	**42**	**42**	**42**	**43**
Discounted FCF to Firm					**26**		**25**	**12**	**28**	**31**	**27**	**25**	**23**	**21**	

Enterprise Value		
Total discounted FCF to Firm	219	41%
Discounted terminal value	312	59%
Enterprise Value	**531**	
EV/EBITDA 2021A	7.0x	
EV/EBITDA 2022E	6.9x	

- Valuation date June 30, 2022
- 2022E-2026E based on the Business Plan provided by management
- DPCF's assumptions post 2026E:
  - Revenue growth to gradually evolve to the terminal growth rate of 1.8% in 2030E
  - REBITDA margin decreases to 11.4%
  - Working capital remains stable as a percentage of sales
  - Capex is expected to evolve towards € 25m in 2030E

INDU – Discounted Cash Flow sensitivity analysis

WACC vs. PGR

Enterprise Value (in €m)

	Terminal growth				
WACC	0.8%	1.3%	1.8%	2.3%	2.8%
7.8%	560	587	620	658	703
8.3%	522	545	572	603	640
8.8%	489	509	531	557	587
9.3%	460	477	496	517	542
9.8%	434	449	465	483	504

Revenue growth vs. REBITDA margin(1)

Enterprise Value (in €m)

	Δ REBITDA margin per year				
Δ revenue growth per year	(0.50%)	(0.25%)	0.00%	0.25%	0.50%
(0.50%)	448	465	483	501	518
(0.25%)	470	488	506	524	543
0.00%	493	512	531	550	569
0.25%	518	538	558	577	597
0.50%	545	566	586	607	628

Based on these sensitivities, the Enterprise Value ranges between € 465m and € 620m(2)

Notes: (1) Sensitivities on changes in REBITDA margin and revenue growth in the period 2023E-2030E and terminal value; (2) Based on the maximum and minimum within the shaded areas across sensitivities

T-POWER – Discounted Cash Flow

T-POWER

	Actuals				Business plan										
(in €m)	**2019A**	**2020A**	**2021A**	**H1 2022A**	**H2 2022E**	**2022E**	**2023E**	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**TV**
Revenue	**71**	**69**	**71**	**37**	**42**	**78**	**72**	**72**	**72**	**130**	**160**	**146**	**135**	**141**	**125**
Growth (in %) YoY	*278.9%*	*(2.2%)*	*2.5%*	*n.a.*	*n.a.*	*9.5%*	*7.8%*	*0.8%*	*(0.0%)*	*78.8%*	*23.5%*	*(8.6%)*	*(7.5%)*	*4.3%*	*(11.6 %)*
REBITDA	**52**	**55**	**53**	**28**	**32**	**60**	**53**	**54**	**53**	**39**	**20**	**17**	**15**	**19**	**17**
Margin (in %)	*73.1%*	*78.9%*	*74.4%*	*76.2%*	*76.9%*	*76.5%*	*74.2%*	*74.1%*	*73.8%*	*30.5%*	*12.3%*	*11.5%*	*11.1%*	*13.3%*	*13.3%*
Normalizations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Normalized REBITDA	**52**	**55**	**53**	**28**	**32**	**60**	**53**	**54**	**53**	**39**	**20**	**17**	**15**	**19**	**17**
D&A	(39)	(37)	(38)	(19)	(19)	(38)	(39)	(38)	(38)	(27)	(18)	(18)	(18)	(18)	(16)
REBIT	**13**	**17**	**15**	**9**	**13**	**22**	**15**	**16**	**16**	**12**	**1**	**(1)**	**(3)**	**1**	**0**
Margin (in %)	*18.0%*	*25.2%*	*21.6%*	*24.4%*	*31.1%*	*27.9%*	*20.3%*	*22.0%*	*21.9%*	*9.6%*	*0.8%*	*-1.0%*	*-2.4%*	*0.4%*	*0.4%*
Effective tax rate	16.3%	25.8%	18.5%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%
Taxes	(2)	(5)	(3)	(2)	(3)	(6)	(4)	(4)	(4)	(3)	(0)	0	1	(0)	(0)
CAPEX	-	(7)	(3)	-	-	-	-	-	-	(16)	(1)	(1)	(1)	(1)	(1)
Change in working capital	-	2	3	1	(3)	(2)	(10)	(0)	0	2	-	-	-	-	-
Unlevered Free Cash Flow to Firm (FCFF)					**25**	**52**	**40**	**50**	**49**	**22**	**18**	**16**	**15**	**18**	**16**
Discounted FCFF					**25**		**37**	**43**	**40**	**16**	**12**	**10**	**8**	**9**	

Enterprise Value		
Total discounted FCF to Firm	200	83%
Discounted terminal value	40	17%
Enterprise Value	**240**	
EV/EBITDA 2021A	4.5x	
EV/EBITDA 2022E	4.0x	

- Valuation date June 30, 2022
- 2022E-2030E based on the projections provided by management
- An adjustment has been made for capex of € 16m in 2026E and in the years 2027E-2030E an amount of capex is foreseen to reflect the required maintenance investment of € 8m every 10 years
- Terminal value is based on the FCFF expected until 2040E (equivalent of a negative 11.6% terminal growth rate)
- Despite the decision to grant a permit for the construction of a second 900 MW gas plant, there is currently no certainty that the construction will take place

T-POWER – Discounted Cash Flow sensitivity analysis

WACC vs. PGR

Enterprise Value (in €m)

Terminal growth

WACC(2)	(12.6%)	(12.1%)	(11.6%)	(11.1%)	(10.6%)
6.3%	248	250	251	252	254
6.8%	243	244	246	247	248
7.3%	238	239	240	242	243
7.8%	233	234	235	237	238
8.3%	229	230	231	232	233

Revenue growth vs. REBITDA margin(1)

Enterprise Value (in €m)

Δ REBITDA margin per year

Δ revenue growth per year	(0.50%)	(0.25%)	0.00%	0.25%	0.50%
(0.50%)	232	234	236	237	239
(0.25%)	235	236	238	240	241
0.00%	237	239	240	242	244
0.25%	239	241	243	245	246
0.50%	242	243	245	247	249

Based on these sensitivities, the Enterprise Value ranges between € 231m and € 251m(3)

Notes: (1) Sensitivities on changes in REBITDA margin and revenue growth in the period 2023E-2030E and terminal value; (2) as from 2026E the change in WACC is applied to the higher WACC; (3) Based on the maximum and minimum within the shaded areas across sensitivities

Corporate – Discounted Cash Flow

Corporate

	Actuals				Business plan						DP Forecast				
(in €m)	2019A	2020A	2021A	H1 2022A	H2 2022E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	TV
REBITDA	**(20)**	**(17)**	**(21)**	**(9)**	**(13)**	**(22)**	**(21)**	**(22)**	**(22)**	**(23)**	**(23)**	**(24)**	**(24)**	**(25)**	**(25)**
Normalizations	(2)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Normalized REBITDA	**(22)**	**(19)**	**(22)**	**(10)**	**(13)**	**(23)**	**(22)**	**(23)**	**(23)**	**(24)**	**(24)**	**(25)**	**(25)**	**(26)**	**(26)**
D&A	(1)	(1)	(1)	(0)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
REBIT	**(23)**	**(20)**	**(23)**	**(10)**	**(14)**	**(24)**	**(23)**	**(24)**	**(24)**	**(25)**	**(25)**	**(26)**	**(26)**	**(27)**	**(27)**
Effective tax rate	16.3%	25.8%	18.5%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%
Taxes	4	5	4	3	4	6	6	6	6	6	7	7	7	7	7
CAPEX	(2)	(2)	(1)	(0)	27	26	(1)	(1)	(1)	(1)	(0)	(0)	(0)	(0)	(0)
Change in working capital	1	(1)	(4)	0	(1)	(1)	(3)	-	-	-	-	-	-	-	-
Unlevered Free Cash Flow to Firm (FCFF)					**16**	**8**	**(21)**	**(18)**	**(18)**	**(18)**	**(18)**	**(18)**	**(19)**	**(19)**	**(20)**
Discounted FCF to Firm					**15**		**(19)**	**(15)**	**(14)**	**(13)**	**(12)**	**(11)**	**(10)**	**(10)**	

- Valuation date June 30, 2022
- 2022E-2026E based on the Business Plan provided by management
- Degroof Petercam assumptions post 2026E:
  - REBITDA growth with 2.0%
  - Working capital remains stable
  - Maintenance capex assumed to grow with inflation of 2.0%

Corporate – Discounted Cash Flow sensitivity analysis

WACC vs. PGR

Enterprise Value (in €m)

		Terminal growth				
		1.00%	1.50%	2.0%	2.50%	3.00%
WACC	7.7%	(254)	(267)	(284)	(303)	(326)
	8.2%	(235)	(246)	(260)	(276)	(294)
	8.7%	(219)	(229)	(240)	(253)	(268)
	9.2%	(205)	(213)	(222)	(233)	(246)
	9.7%	(192)	(199)	(207)	(216)	(227)

Based on these sensitivities, the Enterprise Value ranges between (€ 207m) and (€ 284m)(1)

Note: (1) Based on the maximum and minimum within the shaded areas across sensitivities

Sum-of-the-Parts – Discounted Cash Flow

	Actuals		Business plan						DP Forecast				
(in €m)	**2021A**	**H1 2022A**	**H2 2022E**	**2022E**	**2023E**	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**TV**
Revenue	**2,063**	**1,340**	**1,257**	**2,597**	**2,304**	**2,414**	**2,468**	**2,568**	**2,643**	**2,668**	**2,695**	**2,740**	**2,763**
Growth (in %) YoY	*18.1%*	*n.a.*	*n.a.*	*25.8%*	*(6.4%)*	*4.7%*	*2.3%*	*4.0%*	*2.9%*	*0.9%*	*1.0%*	*1.7%*	*0.8%*
REBITDA	**356**	**248**	**178**	**426**	**332**	**371**	**378**	**368**	**352**	**351**	**350**	**354**	**357**
Margin (in %)	*17.3%*	*18.5%*	*14.1%*	*16.4%*	*14.4%*	*15.4%*	*15.3%*	*14.3%*	*13.3%*	*13.2%*	*13.0%*	*12.9%*	*12.9%*
Normalizations	(22)	(11)	(10)	(20)	(17)	(17)	(17)	(16)	(17)	(17)	(17)	(18)	(18)
Normalized REBITDA	**335**	**237**	**168**	**406**	**315**	**354**	**361**	**352**	**335**	**334**	**333**	**337**	**339**
D&A	(109)	(54)	(60)	(114)	(122)	(142)	(142)	(130)	(119)	(116)	(113)	(111)	(110)
REBIT	**226**	**183**	**108**	**291**	**193**	**212**	**220**	**222**	**217**	**218**	**220**	**226**	**230**
Margin (in %)	*11.0%*	*13.6%*	*8.6%*	*11.2%*	*8.4%*	*8.8%*	*8.9%*	*8.6%*	*8.2%*	*8.2%*	*8.1%*	*8.3%*	*8.3%*
Effective tax rate	18.5%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%
Taxes	(42)	(47)	(28)	(76)	(50)	(55)	(57)	(58)	(56)	(57)	(57)	(59)	(60)
CAPEX	(96)	(59)	(71)	(130)	(191)	(149)	(84)	(94)	(82)	(85)	(89)	(92)	(94)
Change in working capital	(89)	(119)	11	(108)	34	(24)	(12)	(8)	(12)	(12)	(11)	(11)	(11)
Unlevered Free Cash Flow to Firm (FCFF)			**81**	**92**	**108**	**126**	**209**	**192**	**185**	**180**	**176**	**174**	**175**

Enterprise Value	
Total discounted FCF to Firm	1,002
Discounted terminal value	1,162
Enterprise Value	**2,163**
EV/EBITDA 2021A	6.1x
EV/EBITDA 2022E	5.1x

Sum-of-the-Parts – Discounted Cash Flow sensitivity analysis

WACC vs. PGR

Enterprise Value (in €m)

Δ terminal growth

Δ WACC	(1.0%)	(0.5%)	0.0%	0.5%	1.0%
(1.0%)	2,278	2,375	2,488	2,621	2,780
(0.5%)	2,138	2,220	2,314	2,423	2,552
0.0%	2,014	2,084	2,163	2,255	2,361
0.5%	1,904	1,964	2,032	2,109	2,197
1.0%	1,806	1,858	1,916	1,982	2,056

Equity value per share (in €)(2)

Δ terminal growth

Δ WACC	(1.0%)	(0.5%)	0.0%	0.5%	1.0%
(1.0%)	49.8	52.1	54.7	57.8	61.4
(0.5%)	46.6	48.5	50.6	53.2	56.2
0.0%	43.7	45.3	47.1	49.3	51.7
0.5%	41.1	42.5	44.1	45.9	47.9
1.0%	38.9	40.1	41.4	42.9	44.7

Revenue growth vs. REBITDA margin(1)

Enterprise Value (in €m)

Δ REBITDA margin per year

Δ revenue growth per year	(0.50%)	(0.25%)	0.00%	0.25%	0.50%
(0.50%)	1,857	1,914	1,971	2,027	2,084
(0.25%)	1,946	2,005	2,064	2,122	2,181
0.00%	2,042	2,103	2,163	2,224	2,285
0.25%	2,144	2,207	2,270	2,333	2,396
0.50%	2,253	2,319	2,385	2,450	2,516

Equity value per share (in €m)(2)

Δ REBITDA margin per year

Δ revenue growth per year	(0.50%)	(0.25%)	0.00%	0.25%	0.50%
(0.50%)	40.1	41.4	42.7	44.0	45.3
(0.25%)	42.1	43.5	44.8	46.2	47.6
0.00%	44.3	45.7	47.1	48.6	50.0
0.25%	46.7	48.2	49.6	51.1	52.5
0.50%	49.2	50.8	52.3	53.8	55.3

Based on these sensitivities, the Enterprise Value ranges between € 1,916m and € 2,488m(3) and the Equity Value per Share between € 41.4 and € 54.7

Notes: (1) For the sensitivity on revenue growth and REBITDA margin, the EV of Corporate was held constant; (2) Equity value per share was determined by subtracting the Adjusted Net Financial Debt (pre-IFRS 16), i.e. € 129m and dividing by the number of shares issued, i.e. 43,154,979; (3) Based on the maximum and minimum within the shaded areas across sensitivities

From Enterprise Value to Equity Value per share

Valuation methods

Enterprise Value ("EV")

-

Short term debt (excluding IFRS 16)	163.1
Long term debt (excluding IFRS 16)	168.8
Financial debt	**331.9**
Cash & cash equivalents	(337.4)
Net financial debt	**(5.5)**
Long term investment	(1.2)
DTA on fiscal losses carried forward not recognized	(38.9)
DTA recognized	(33.5)
Loans granted	(10.9)
Other investments	(24.4)
Cash-like items	**(109.0)**
Minority interest	1.5
Derivative financial instruments	17.7
Environmental provisions	108.8
Net pension liabilities	12.8
Deferred tax liabilities	76.7
Provisions	20.2
Accrued interests	5.6
Debt-like items	**243.2**
Adjusted net financial debt (excluding IFRS 16)	**128.7**
Financial leases	54.0
Adjusted net financial debt (including IFRS 16)	**182.8**

= **Equity Value ("EqV")**

÷ **Number of shares issued: 43,154,979**

= **Equity Value per Share**

- The valuation method yields an estimate of Tessenderlo Group's Enterprise Value which is to be corrected with the Adjusted Net Financial Debt as per June 30, 2022, the result being the Equity Value
  - Financial debt excludes the impact of IFRS 16 in line with the treatment of lease expenses in the DCF
  - Adjustments include:
    - Deferred tax assets and liabilities
    - Financial assets including a loan granted to a JV and the book value of its JVs
    - Derivative financial instruments relating to interest rates and PPA
    - Provisions including environmental provisions and net pension liabilities where the latter has been revised based on the current interest rate environment
    - Accrued interests
  - For the CCA method we add back the financial lease liabilities in line with IFRS 16
- Tessenderlo Group has 43,154,979 issued shares as of June 30, 2022 including 31,503 in treasury shares

Peer group selection approach and trading multiples calculation methodology

- We have selected 20 relevant listed peers, divided over the three segments of Tessenderlo Group i.e. AGRO, BIO & INDU

AGRO

- We have selected 11 companies active in crop nutrients and crop protection generating revenue internationally
- We have retained companies which are, to a certain extent, active in liquid crop fertilizers based on sulphur, as this is a particular niche market in the sector

BIO

- We have retained two companies active in the collection & processing of animal by-products to gelatine, proteins and fats

INDU

- We have selected seven companies active in water management which generate the majority of their revenues in Europe and the US
- We have retained companies providing plastic piping systems or water treatment chemicals

- Even though the selected companies in our reference groups have certain similarities with Tessenderlo Group and its different segments, it should be noted that these companies are not fully comparable, in particular due to differences in geography, size, margin, financial structure and/or business model
- Based on the share price of these companies as of the Valuation Date, we have calculated their market capitalisations and enterprise values by summing the most recent available net financial debts, adjusted for minorities, preference shares, pension obligations, investments(1), non-operating provisions and other non-operating assets or liabilities
- We have calculated the trading multiples based on the EBITDA and EBIT forecasts estimated by research analysts for 2021A, 2022E, 2023E and 2024E
- We have retained EV/EBITDA and EV/EBIT as valuation multiples as we consider EBITDA and EBIT the most relevant financial metrics in the context of Tessenderlo Group, as they provide a direct comparison, regardless of capital structure and are typically less affected by accounting differences. While EV/EBITDA does not take into account differences in depreciation policies, it excludes the overall impact of maintenance capex needed to support the business going forward, which is incorporated in the EV/EBIT
- Trading multiples are calculated based on the local currency financials. For financials not reported in €, DPCF has used the exchange rate of (i) the Valuation Date for the market capitalisation, Net Financial Debt, Enterprise Value, and (ii) the closing date of the financial year for financials to show financials in €

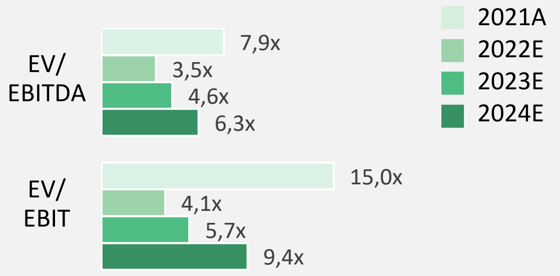
Note: (1) Investments consist of a.o. investments in non-consolidated companies (associates & affiliates), non-operational real estate and other financial assets

Comparable peers overview

Overview of reference groups and median multiples

AGRO

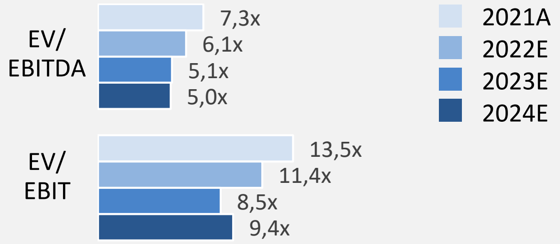
Compass Minerals
K+S
Nutrien
Mosaic
CF Industries
ICL
YARA
SQM
American Vanguard
Intrepid
SESODA



- Reference group consisting of companies active in the water-soluble fertilizers market and agrochem companies

BIO

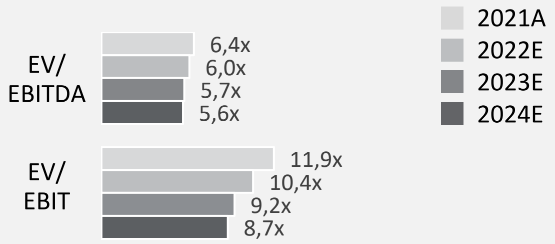
Nitta Gelatin
Darling Ingredients



- Reference group consisting of companies active in the collection & processing of animal by-products and production of gelatine

INDU

orbia
uponor
Wienerberger
Kemira
+GF+ Georg Fischer
Hawkins
Genuit Group



- Reference group consisting of companies active in the production of plastic pipes and companies producing water treatment chemicals

- We have not applied a CCA to T-POWER as we understood that the prospects following the termination of the tolling agreement with RWE are highly uncertain and the business is expected to have a finite life

Note: EV and EBITDA include pro forma impact of IFRS 16
Sources: Capital IQ as of 30 June, 2022; Bloomberg

AGRO – KPI Analysis

Company	Sales CAGR		EBITDA margin			EBIT margin			Capex as % sales		
	2019A-2021A	2022E-2024E	2021A	2022E	2023E	2021A	2022E	2023E	2021A	2022E	2023E
Tessenderlo Group EVERY MOLECULE COUNTS AGRO	11.5%	(2.3)%	20.9%	19.4%	16.1%	16.9%	16.0%	12.3%	3.5%	6.2%	12.8%
Compass Minerals	(15.3%)	2.2%	19.9%	18.6%	21.8%	9.0%	7.2%	12.7%	7.4%	9.2%	10.9%
K+S	(13.6%)	(15.1%)	28.0%	46.9%	39.0%	16.8%	39.5%	31.7%	12.6%	8.0%	8.2%
Nutrien	15.6%	(15.2%)	26.9%	37.5%	34.0%	19.3%	32.5%	27.1%	5.5%	5.2%	5.9%
CFIndustries	19.1%	(23.7%)	44.4%	53.5%	48.6%	33.9%	49.5%	48.5%	7.7%	4.6%	5.7%
YARA	12.4%	(12.6%)	17.8%	18.9%	17.2%	10.3%	14.8%	11.7%	6.0%	6.3%	6.2%
Mosaic	18.9%	(22.0%)	29.8%	37.5%	33.3%	21.9%	33.5%	28.0%	10.2%	6.1%	6.3%
SQM	18.2%	(12.8%)	38.6%	54.1%	50.6%	29.7%	51.5%	53.2%	17.1%	9.8%	7.7%
ICL	6.5%	(10.0%)	23.0%	37.2%	34.1%	16.1%	32.6%	28.9%	9.5%	6.7%	6.7%
INTREPID Essential Minerals for Success	12.7%	(18.6%)	30.3%	53.1%	42.8%	13.5%	44.6%	29.6%	8.6%	14.0%	10.5%
SESODA	5.1%	n.a.	26.6%	n.a.	n.a.	17.0%	n.a.	n.a.	n.a.	n.a.	n.a.
AMERICAN VANGUARD	7.5%	n.a.	11.9%	12.0%	12.5%	6.0%	7.8%	8.5%	n.a.	n.a.	n.a.
Median	**12.4%**	**(15.1%)**	**26.9%**	**37.5%**	**34.1%**	**16.8%**	**33.0%**	**28.4%**	**7.6%**	**6.7%**	**6.7%**

Note: EV and EBITDA include pro forma impact of IFRS 16
Sources: Capital IQ as of 30 June, 2022; Bloomberg

AGRO – Comparable Companies Analysis

Company	EV/EBITDA				EV/EBIT			
	2021A	2022E	2023E	2024E	2021A	2022E	2023E	2024E
Tessenderlo Group EVERY MOLECULE COUNTS	4,3x	4,3x	4,2x	4,0x	15,8x	12,9x	13,1x	9,9x
Compass Minerals	9,4x	9,0x	7,5x	6,3x	20,8x	23,2x	12,9x	9,6x
K+S	5,7x	1,8x	2,5x	4,0x	9,4x	2,2x	3,1x	5,7x
Nutrien	7,9x	3,6x	4,7x	6,6x	11,0x	4,1x	5,9x	9,2x
CF Industries	7,5x	3,5x	4,8x	7,7x	9,9x	3,7x	4,8x	9,5x
YARA	5,0x	3,2x	4,1x	4,7x	8,6x	4,1x	6,1x	7.5x
Mosaic	5,4x	2,5x	3,4x	5,6x	7,4x	2,8x	4,1x	9,4x
SQM	22,0x	4,8x	5,9x	6,5x	28,5x	5,1x	5,6x	6,7x
ICL	10,5x	3,7x	4,5x	7,9x	15,0x	4,3x	5,3x	10,0x
INTREPID Essential Minerals for Success	7,6x	2,7x	3,9x	5,7x	17,0x	3,2x	5,7x	9,5x
SESODA	11,0x	n.a.	n.a.	n.a.	17,2x	n.a.	n.a.	n.a.
AMERICAN VANGUARD	12,3x	10,6x	9,4x	n.a.	24,4x	16,1x	13,7x	n.a.
	Median 7.9x	Median 3.5x	Median 4.6x	Median 6.3x	Median 15.0x	Median 4.1x	Median 5.7x	Median 9.4x

Notes: EV and EBITDA include pro forma impact of IFRS 16; Median calculated excl. Tessenderlo Group
Sources: Capital IQ as of 30 June, 2022; Bloomberg

BIO – KPI Analysis

Company	Sales CAGR		EBITDA margin			EBIT margin			Capex as % sales		
	2019A-2021A	2022E-2024E	2021A	2022E	2023E	2021A	2022E	2023E	2021A	2022E	2023E
Tessenderlo Group EVERY MOLECULE COUNTS BIO	8.8%	(7.5%)	12.9%	13.6%	13.4%	7.6%	9.5%	8.1%	6.7%	7.0%	6.8%
DARLING INGREDIENTS	17.0%	(3.0%)	28.2%	25.2%	30.1%	19.0%	18.9%	23.5%	6.7%	5.3%	5.4%
Nitta Gelatin	(10.3%)	8.2%	9.0%	9.5%	10.0%	4.0%	3.9%	4.9%	7.9%	7.4%	6.2%
Median	**3.3%**	**2.6%**	**18.6%**	**17.4%**	**20.1%**	**11.5%**	**11.4%**	**14.2%**	7.3%	**6.3%**	**5.8%**

Notes: EV and EBITDA include pro forma impact of IFRS 16; Over 1/3rd of Darling Ingredients' EBITDA results from Bio-Diesel activities, explaining its higher EBITDA margin
Sources: Capital IQ as of 30 June, 2022; Bloomberg

BIO – Comparable Companies Analysis

Company	**EV/EBITDA**				**EV/EBIT**			
	2021A	**2022E**	**2023E**	**2024E**	**2021A**	**2022E**	**2023E**	**2024E**
Tessenderlo Group EVERY MOLECULE COUNTS	4,3x	4,3x	4,2x	4,0x	15,8x	12,9x	13,1x	9,9x
DARLING INGREDIENTS	7,6x	6,3x	5,2x	5,4x	11,3x	8,4x	6,6x	n.a.
Nitta Gelatin	7,0x	5,9x	5,1x	4,7x	15,7x	14,4x	10,4x	9,4x
	Median 7.3x	*Median 6.1x*	*Median 5.1x*	*Median 5.0x*	*Median 13.5x*	*Median 11.4x*	*Median 8.5x*	*Median 9.4x*

Notes: EV and EBITDA include pro forma impact of IFRS 16; Median calculated excl. Tessenderlo Group
Sources: Capital IQ as of 30 June, 2022; Bloomberg

INDU – KPI Analysis

Company	Sales CAGR		EBITDA margin			EBIT margin			Capex as % sales		
	2019A-2021A	2022E-2024E	2021A	2022E	2023E	2021A	2022E	2023E	2021A	2022E	2023E
Tessenderlo Group EVERY MOLECULE COUNTS **INDU**	11.1%	(1.0%)	14.1%	12.0%	10.0%	9.8%	8.2%	5.6%	3.8%	5.3%	4.7%
orbia	14.6%	(4.0%)	23.5%	19.6%	19.5%	16.2%	13.1%	12.7%	3.9%	5.0%	5.4%
Wienerberger	4.6%	2.4%	17.5%	16.7%	17.0%	10.5%	11.2%	10.6%	7.2%	6.3%	6.2%
uponor	7.5%	0.9%	15.9%	15.3%	15.0%	12.1%	11.7%	11.2%	3.5%	3.9%	3.9%
kemira	(0.7%)	(0.3%)	16.3%	14.3%	14.9%	8.7%	7.7%	7.8%	7.4%	6.5%	6.7%
+GF+ GEORG FISCHER	(1.9%)	4.5%	12.5%	12.0%	12.7%	7.4%	8.6%	9.4%	5.3%	4.7%	4.6%
GENUIT GROUP	13.4%	4.0%	20.3%	20.5%	20.6%	16.1%	16.6%	16.7%	6.0%	6.2%	5.2%
Hawkins	10.8%	n.a.	13.7%	11.6%	n.a.	9.7%	7.9%	n.a.	n.a.	n.a.	n.a.
Median	**7.5%**	**1.7%**	**16.3%**	**15.3%**	**16.0%**	**10.5%**	**11.2%**	**10.9%**	**5.7%**	**5.6%**	**5.3%**

Note: EV and EBITDA include pro forma impact of IFRS 16
Sources: Capital IQ as of 30 June, 2022; Bloomberg

INDU – Comparable Companies Analysis

Company	EV/EBITDA				EV/EBIT			
	2021A	2022E	2023E	2024E	2021A	2022E	2023E	2024E
Tessenderlo Group EVERY MOLECULE COUNTS	4,3x	4,3x	4,2x	4,0x	15,8x	12,9x	13,1x	9,9x
orbia	4,4x	5,1x	5,4x	5,5x	6,4x	7,6x	8,3x	8,1x
Wienerberger	5,3x	4,6x	4,4x	4,3x	8,9x	6,8x	7,1x	6,6x
uponor	5,5x	5,2x	5,3x	5,2x	7,3x	6,8x	7,2x	7,2x
kemira	6,4x	6,0x	6,0x	5,7x	11,9x	11,3x	11,4x	10,3x
+GF+ GEORG FISCHER	8,8x	8,5x	7,7x	6,9x	14,8x	12,0x	10,5x	9,3x
GENUIT GROUP	9,5x	8,5x	8,1x	7,4x	12,0x	10,4x	10,0x	9,3x
Hawkins	9,9x	9,9x	n.a.	n.a.	14,0x	14,4x	n.a.	n.a.
	Median 6.4x	*Median 6.0x*	*Median 5.7x*	*Median 5.6x*	*Median 11.9x*	*Median 10.4x*	*Median 9.2x*	*Median 8.7x*

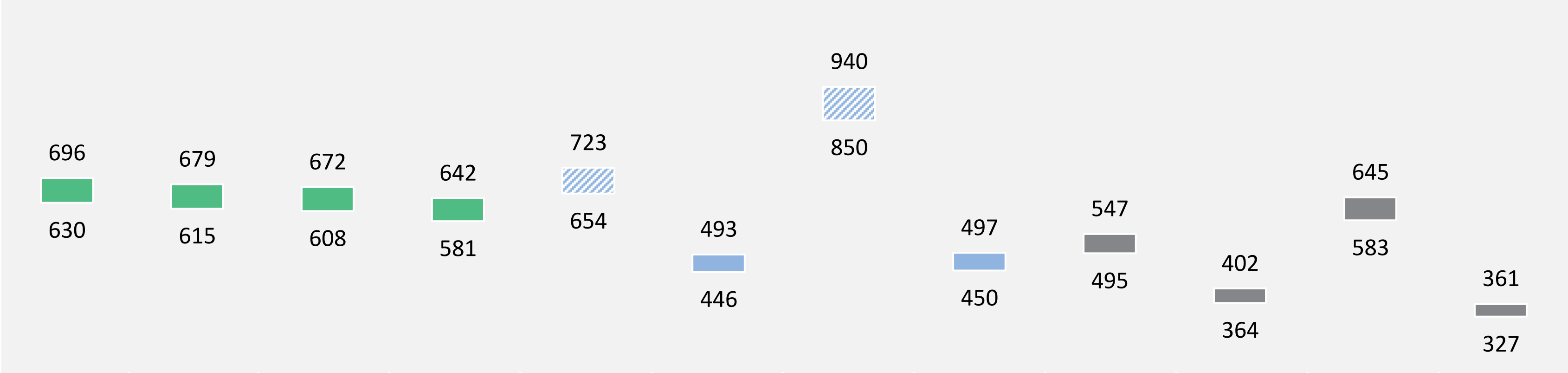
Notes: EV and EBITDA include pro forma impact of IFRS 16; Median calculated excl. Tessenderlo Group
Sources: Capital IQ as of 30 June, 2022; Bloomberg

Conclusion of Comparable Companies Analysis

Valuation based on CCA

	AGRO				BIO				INDU			
	EV/EBITDA 2022E	EV/EBITDA 2023E	EV/EBIT 2022E	EV/EBIT 2023E	EV/EBITDA 2022E	EV/EBITDA 2023E	EV/EBIT 2022E	EV/EBIT 2023E	EV/EBITDA 2022E	EV/EBITDA 2023E	EV/EBIT 2022E	EV/EBIT 2023E
KPI per segment	189	142	156	108	113	92	79	56	86	67	59	38
Multiple	3.5x	4.6x	4.1x	5.7x	6.1x	5.1x	11.4x	8.5x	6.0x	5.7x	10.4x	9.2x
Range (1)	3.3x - 3.7x	4.3x - 4.8x	3.9x - 4.3x	5.4x - 5.9x	5.8x - 6.4x	4.9x - 5.4x	10.8x - 12x	8.1x - 8.9x	5.7x - 6.4x	5.4x - 6x	9.9x - 11x	8.7x - 9.6x

Enterprise value (€m)



- DPCF has based its CCA on the median EV/EBITDA and EV/EBIT multiples of the selected comparable companies [2]:
  - For AGRO both 2022E and 2023E were retained, resulting in an estimated Enterprise Value of € 622m to € 688m with midpoint at € 655m based on the EV/EBITDA multiple and 595m to € 657m with midpoint at € 626m based on the EV/EBIT multiple
  - For BIO only 2023E was retained as this segment is expected to be particularly impacted in 2022E by the current market condition with an EBITDA increase of 36% in 2022E which is to a large extent reversed in 2023E (while a similar trend is not present at its peers), resulting in an estimated Enterprise Value of € 446m to € 493m with midpoint at € 469m based on the EV/EBITDA multiple and 450m to € 497m with midpoint at € 473m based on the EV/EBIT multiple
  - For INDU both 2022E and 2023E were retained, resulting in an estimated Enterprise Value of € 429m to € 475m with midpoint at € 452m based on the EV/EBITDA multiple and 455m to € 503m with midpoint at € 479m based on the EV/EBIT multiple

Notes: EV and EBITDA include pro forma impact of IFRS 16; (1) Ranges have been based by taking respectively 95% and 105% of the midpoint; (2) Ranges are determined by taking the average over 2022E and 2023E where relevant
Sources: Capital IQ as of 30 June, 2022; Bloomberg

Conclusion of Comparable Companies Analysis

Calculation of Equity Value per share based on CCA methodology

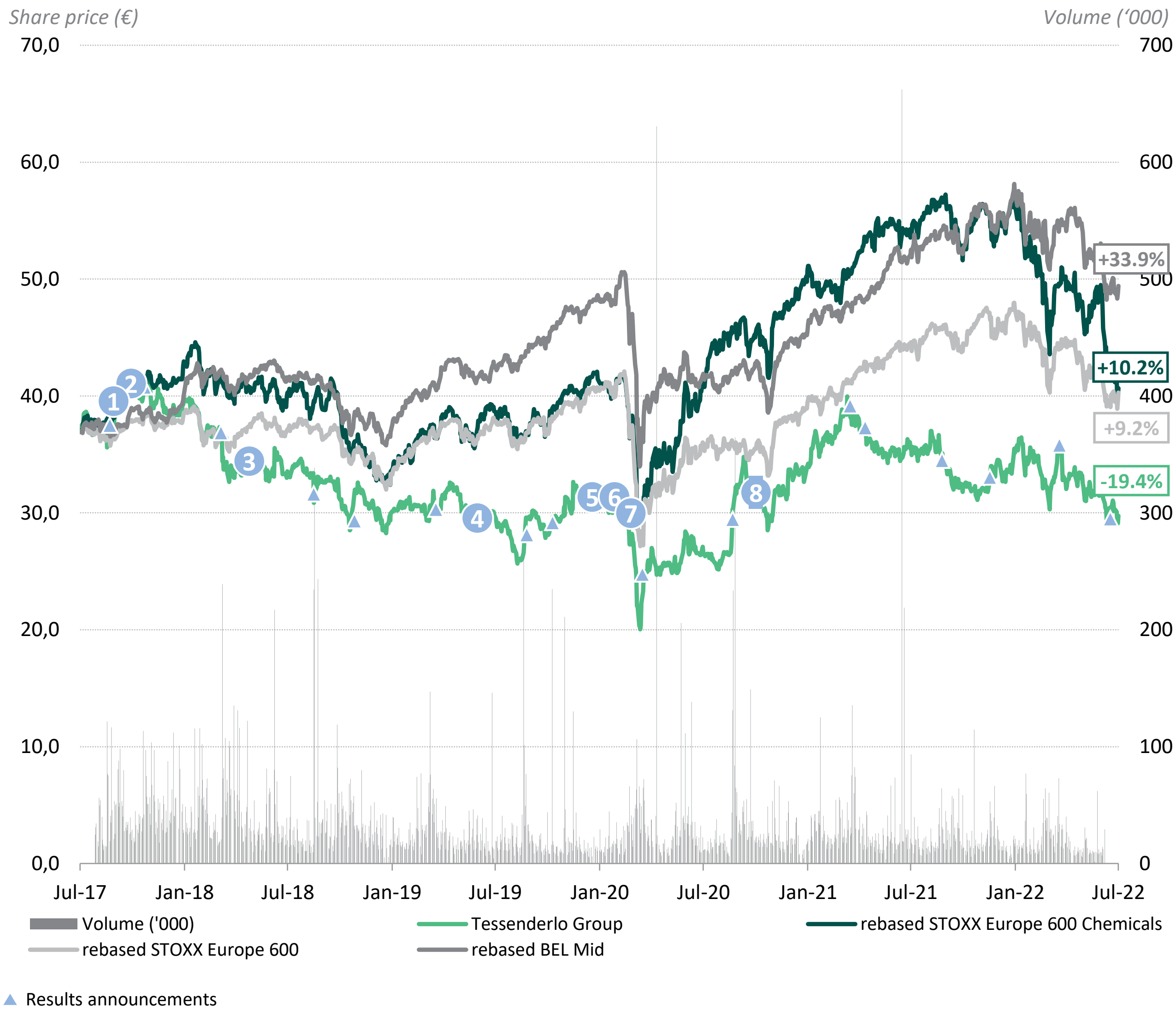
	EV/EBITDA 2022E	EV/EBITDA 2023E	EV/EBIT 2022E	EV/EBIT 2023E
KPI AGRO	189	142	156	108
Multiple AGRO	3.5x	4.6x	4.1x	5.7x
KPI BIO	n.r.	92	n.r.	56
Multiple BIO	6.1x	5.1x	11.4x	8.5x
KPI INDU	86	67	59	38
Multiple INDU	6.0x	5.7x	10.4x	9.2x
Enterprise Value (€m)[1]	**1,577**		**1,579**	
Range on retained multiple -5%	*1,519*		*1,521*	
Range on retained multiple +5%	*1,626*		*1,628*	
Adjusted Net Financial Debt	183		183	
Equity Value (€m)	**1,394**		**1,396**	
Range on retained multiple -5%	*1,336*		*1,338*	
Range on retained multiple +5%	*1,433*		*1,446*	
Number of shares issued (m)	43.2		43.2	
Equity Value per Share (€)	**32.3**		**32.3**	
Range on retained multiple -5%	*31.0*		*31.0*	
Range on retained multiple +5%	*33.4*		*33.5*	

Note: (1) For AGRO and INDU the average of 2022E and 2023E is taken while for BIO only 2023E is retained. In addition as the CCA methodology was not retained for T-POWER or Corporate we have taken their DCF valuation of respectively € 240m and (€ 240m) to determine the Enterprise Value of Tessenderlo Group

5. Valuation of Tessenderlo Group

Share performance analysis (1/3)

5-year share performance evolution (pre-announcement)



Sources: Capital IQ as of July 7, 2022; Press releases

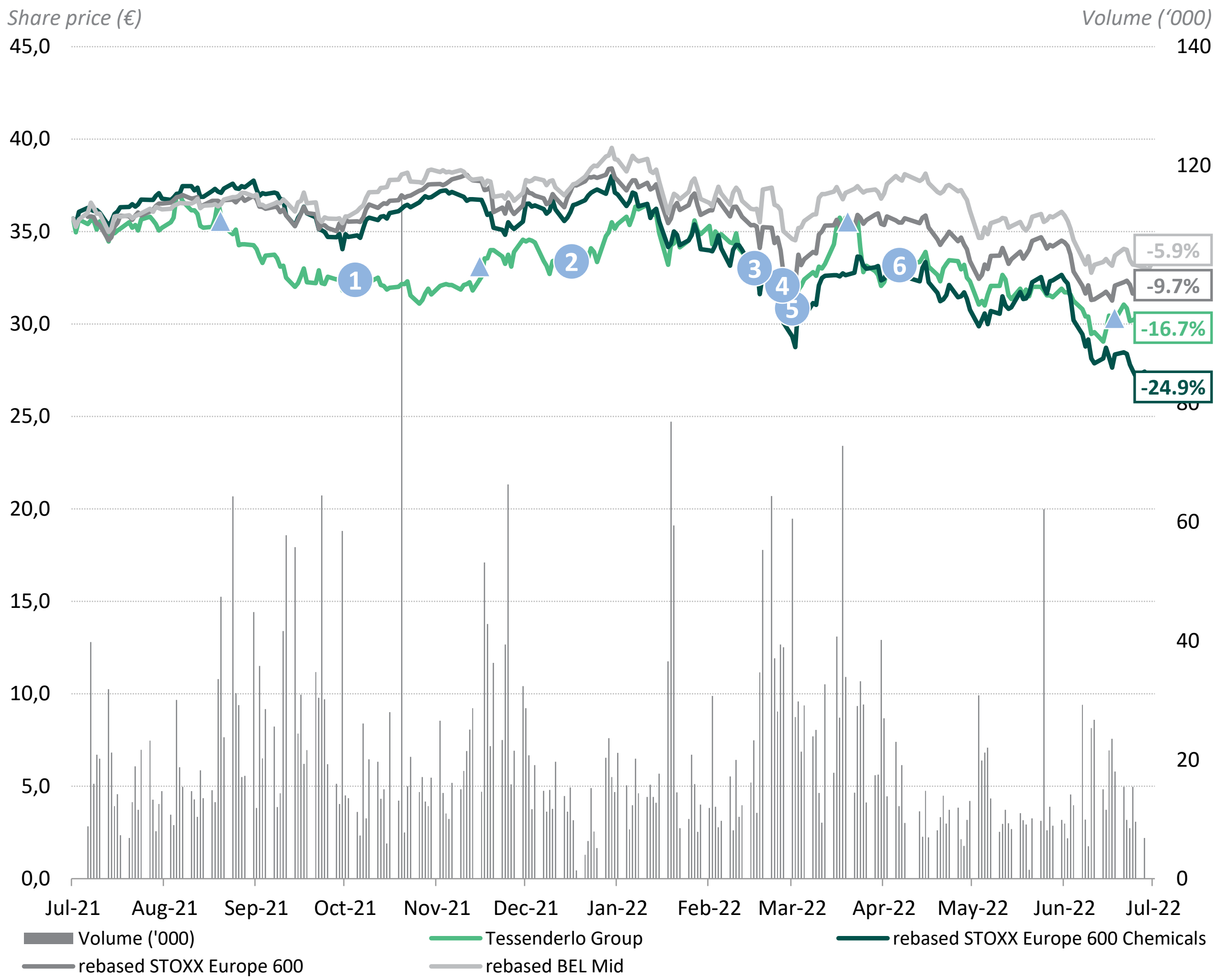
- Tessenderlo Group is listed on Euronext Brussels since 1937
- The graph shows the evolution of the stock market price of Tessenderlo Group as well as the volumes traded in the five years preceding the announcement by Tessenderlo Group on July 8, 2022 of its intention to launch a conditional voluntary public takeover bid on all the shares of Picanol that it does not yet own
- Over a 5-year period, Tessenderlo Group shares underperformed the different benchmarks

News flow

1	Start production of a new liquid fertilizer plant in France
2	Opening of a new liquid fertilizer manufacturing facility in the US
3	Acquisition of T-Power
4	Acquisition of Naes Belgium responsible for the operation of the T-Power 425 MW CCGT in Tessenderlo
5	Acquisition of REHAU Tube plant in France
6	Opening of a new SOLUGEL production facility in the US (PB Leiner)
7	Start of the COVID crisis
8	Start of a share repurchase program for up to € 5m

Share performance analysis (2/3)

1-year share performance evolution (pre-announcement)



▲ Results announcements

Sources: Capital IQ as of July 7, 2022; Press releases

- Over the last year preceding the announcement, Tessenderlo Group share price decreased by 16.7%, a stronger decrease than the more general benchmarks yet outperforming the STOXX Europe 600 Chemicals which experienced a 24.9% decrease over the same period
- On July 7, 2022, Tessenderlo Group's share price reached € 29.75, representing a market capitalisation of € 1,283m
- On July 8, 2022 pre-market, it was announced that the Exchange Ratio was set at 2.43 where Tessenderlo Group was valued for the purposes of the exchange offer at € 1,656m
- On September 7, 2022 a joint press release communicated an adjusted Exchange Ratio of 2.36, reflecting an equity value of € 1,751.5m for Tessenderlo Group

News flow

1	Tessenderlo was not selected to build the 900 MW gas-fired power plant
2	Investments in the US (new fertilizer plant) and the Netherlands (storage and transhipment assets)
3	Russian invasion of Ukraine
4	Acquisition of French piping activities from Wienerberger Group
5	New permit application for the construction of a new 900 MW CCGT power plant
6	Repurchase of shares as part of the senior management compensation plan

Share performance analysis (3/3)

Premium and liquidity analysis

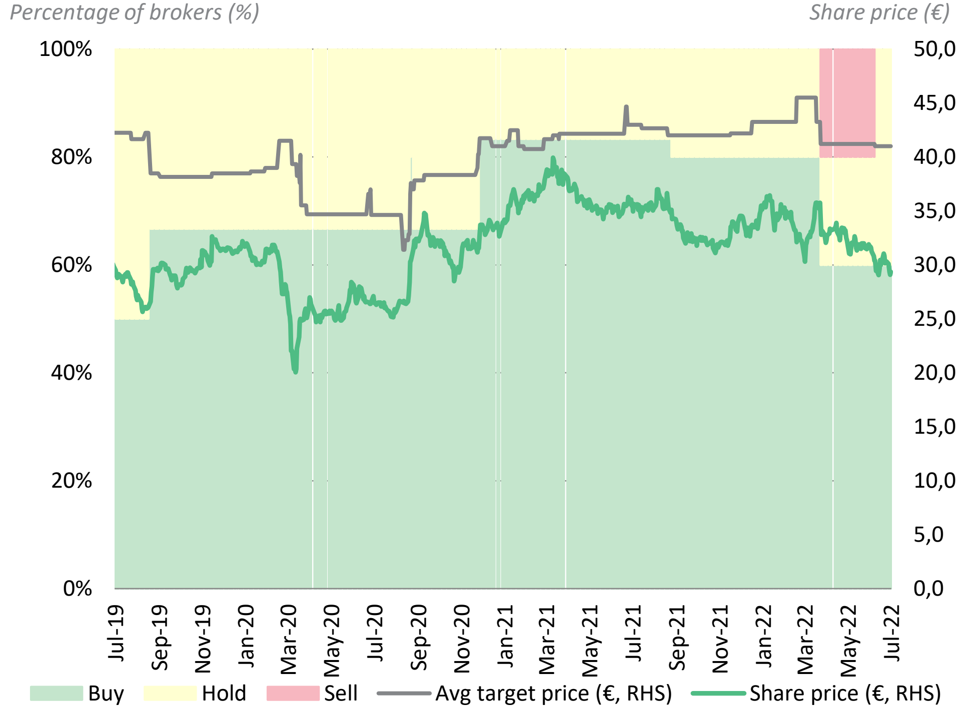
Share price (€) before the Announcement	Average	Max	Min	VWAP
Share price (€) as of 7-Jul-22	29.8	29.8	29.8	29.8
1 month	30.2	31.7	29.1	30.2
3 months	31.6	33.9	29.1	31.5
6 months	32.8	36.5	29.1	32.9
12 months	33.3	37.0	29.1	33.3
Implicit value per share (€)	**40.6**	**40.6**	**40.6**	**40.6**
Implied premium (%) of implicit value per share (€ 40.6)				
Share price (€) as of 7-Jul-22	36.4%	36.4%	36.4%	36.4%
1 month	34.2%	28.0%	39.7%	34.5%
3 months	28.4%	19.7%	39.7%	29.0%
6 months	23.7%	11.4%	39.7%	23.4%
12 months	21.9%	9.7%	39.7%	21.9%
Daily volumes ('000)				
1 month	14.69	29.25	5.46	-
3 months	13.59	62.17	1.50	-
6 months	19.21	76.89	1.50	-
12 months	20.42	114.42	1.38	-

- The table on the left shows a detailed analysis of the evolution of Tessenderlo Group's share price over the selected periods before the Announcement Date. For each period, the following elements were observed:
  - The average share price;
  - The highest share price;
  - The lowest share price; and
  - The volume weighted average share price ("VWAP")
- The implicit value per share based on the relative valuation of Tessenderlo Group for the purpose of the Exchange Ratio and as communicated on September 7, 2022 divided by the number of shares issued(1) was then compared to the different share prices aforementioned:
  - Compared to the closing share price on the Announcement Date, the implicit value represents a premium of 36.4%
  - Compared to the average 3-month VWAP on the Announcement Date, the implicit value represents a premium of 29.0%
  - Compared to the average 12-month VWAP on the Announcement Date, the implicit value represents a premium of 21.9%
- Over the last year preceding the Announcement Date, 5,289,410 shares were traded, representing c. 12.3% of the 43,123,475 (total share count minus treasury shares) outstanding shares ("NOSH")
- The average daily traded volume over the last 12 months was 20,422 shares, representing 0.05% of NOSH

Note: (1) Relative value of € 1,751.5m as communicated on September 7, 2022 divided by 43,154,979, the number of shares issued
Source: Capital IQ as of July 7, 2022

Brokers' target prices analysis

Historical evolution of broker outlook



Broker outlook at the day of the Announcement

Broker	Analyst	Target Price (€)	Recommendation	Date
Kepler Cheuvreux	Christian Faitz	32.00	Hold	29/06/2022
Kempen	Christophe Beghin	48.00	Buy	22/06/2022
KBC Securities	Wim Hoste	43.00	Accumulate	22/06/2022
Bank Degroof Petercam	Frank Claassen	40.00	Hold	24/03/2022
ING Bank	Stijn Demeester	44.00	Buy	24/03/2022
P25		**40.00**		
Median		**43.00**		
P75		**44.00**		

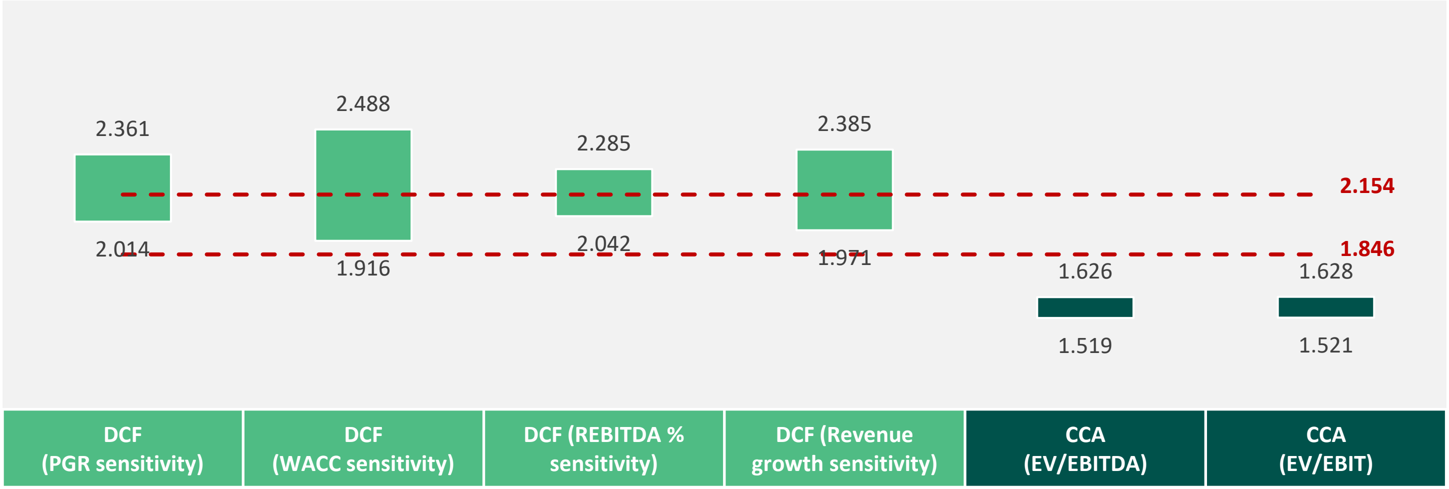
- **Median of all brokers' target prices is € 43.00**
- When retaining only the brokers who have issued a target price following the trading update on June 22, 2022, the median remains at € 43.00

Source: Bloomberg

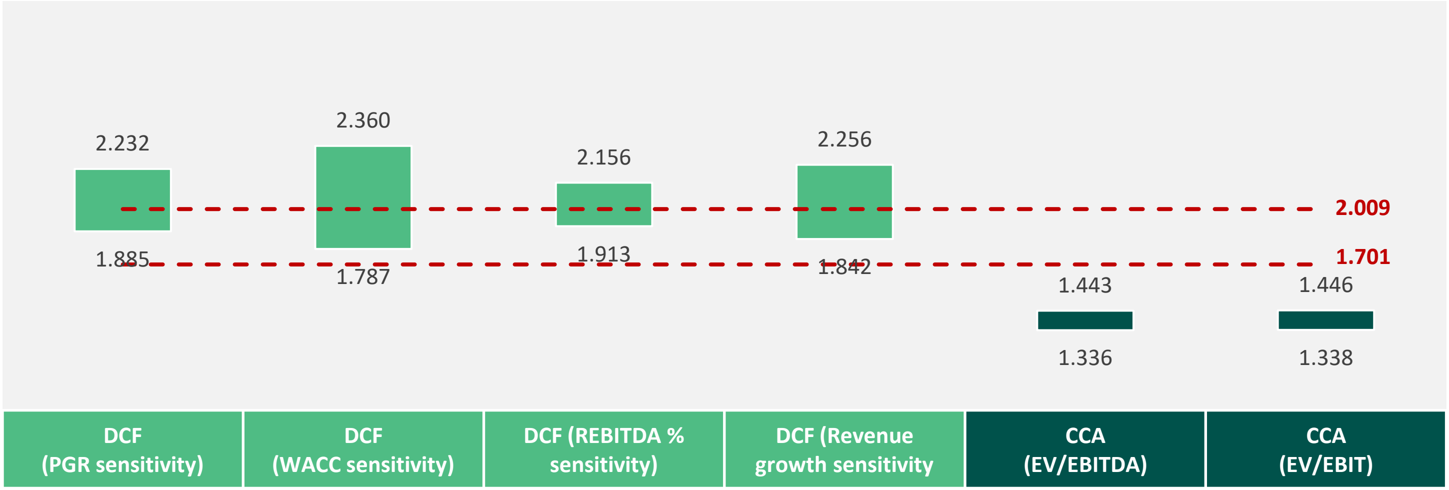
5. Valuation of Tessenderlo Group

Overview valuation

Enterprise Value (in €m)



Equity Value (in €m)

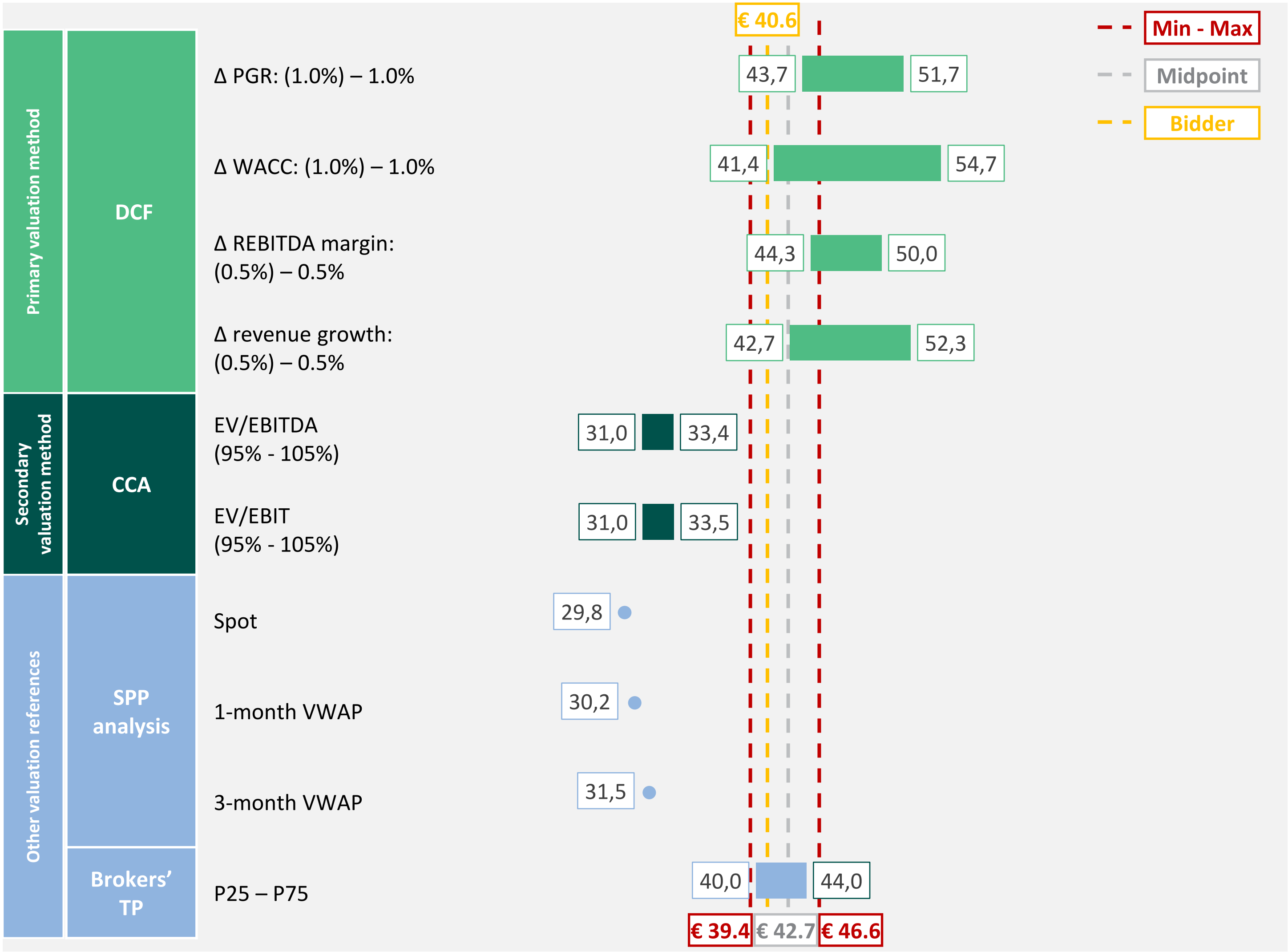


- Despite the difference in valuation based on the DCF and CCA, both methods have been retained as a result of their respective relevance as described on slide 12
- Based on our selected valuation methods, where a higher weight of 70% is given to the DCF, due to the elaborateness of the business plan and specific outlook of the different segments, we arrive at a relative enterprise value ranging between € 1,846m and € 2,154m and midpoint € 1,988m
- To determine the Equity Value, we have subtracted the Adjusted Net Financial Debt (pre-IFRS 16 for the DCF and post-IFRS 16 for the CCA), resulting in a range between € 1,701m and € 2,009m and midpoint € 1,843m

Note: The range as depicted by the red dotted line was determined by taking average maximum and minimum values of the valuation based on respectively the DCF and CCA and applying a weight of respectively 70% and 30%

Overview valuation per share

Overview valuation per share (in €)



- Based on this analysis, the implied equity value per share of Tessenderlo Group amounts to € 39.4 - € 46.6 mid € 42.7
- The range as mentioned above points to a premium vis-à-vis the share price of July 7, 2022 ranging from 32% to 56%
- The implicit share price of Tessenderlo Group as determined by the bidder is € 40.6

6. Valuation of Picanol

6. Valuation of Picanol

Business description of Picanol

Description

- Picanol is a Belgium-based developer and manufacturer of industrial weaving machinery and other engineering solutions
- Picanol is part of Picanol Group and recorded in the segment Machines & Technologies, next to the segments of Tessenderlo Group in which a majority stake is held
- Picanol has three production sites from which it supplies across the globe
- In 2021 Picanol generated € 660m in revenue and € 76m in REBITDA

Key KPIs (2021)

Founded in **1936**

+2,300 employees

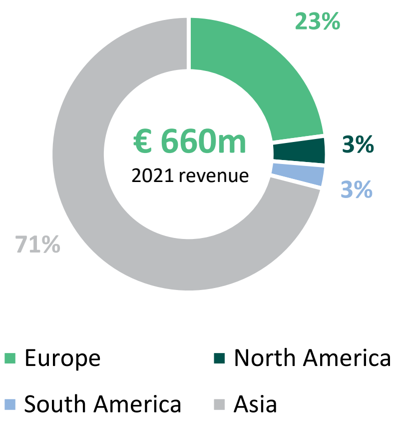
€ 660 million 2021 revenue

14 locations worldwide

Listed on **Euronext Brussels**

€ 76m 2021 REBITDA

Geographical split (2021)



Business overview

WEAVING MACHINES

Business unit engaged in developing and producing high-tech weaving machines where insertion is based on the airjet or rapier technology

PROFERRO

Proferro engages in the co-engineering, casting, machining and testing of mechanical components, supplying parts to original equipment manufacturers in various market segments worldwide

PSICONTROL

PsiControl develops and produces custom solutions including software, HMI, electronics, mechanics and actuators for customers in various industries

MELOTTE

The Melotte business unit engages in the development and manufacturing of innovative product solutions with Direct Digital Manufacturing (DDM) and Near-to-Net-Shape (NNSM) technologies

Sources: Annual report 2021, Company website

6. Valuation of Picanol

Analysis of key Business Plan drivers and assumptions (1/4)

Basis of preparation

- DPCF has constructed the extended business plan 2022E-2030E, starting from the Picanol management's Business Plan 2022E-2027E and followed by several interactions with the management
- The management of Picanol has shared assumptions and drivers for the following metrics:
  - Revenue growth based on expected volumes and pricing;
  - Direct and indirect costs;
  - Depreciation and amortization;
  - Other cash items and adjustments;
  - Taxes;
  - Net working capital; and
  - Capex
- The Business Plan does not include any potential future acquisitions
- In order to reach a normalized FCFF, DPCF has extrapolated three additional years (2028E - 2030E), which is further described on slide 75

Analysis of key Business Plan drivers and assumptions (2/4)

① **Revenue**

Methodology

- The 2022E-2027E revenue for the weaving machines activity is forecasted bottom-up using the expected number of looms as well as sales prices, taking into account price increases in 2023 and 2024
- The 2022E-2027E revenue for the industries activity is forecasted using expected yearly growth rates for Proferro and PsiControl adjusted for the impact of future material price increases

Evolution

- Revenue is expected to increase by 9.5% in 2022E as a result of higher sales prices which are expected to normalise in 2023E leading to a 11.6% decrease in revenues. In the period 2023E-2027E revenue is expected to grow with a CAGR of 5.3% as a result of the launch of new weaving machine types and growth in the industries segment (significantly better than the low historical CAGRs of (12.6%) for the period from 2017A to 2020A and (0.9%) between 2017A and 2021A as explained by the fact that revenue peaked in 2017A but was negatively affected thereafter in 2019A and 2020A by the US - China trade war and the COVID-19 pandemic)

Weaving

- In the weaving segment, a 6.9% increase in revenue in 2022E as a result of higher volumes is forecasted to be reversed as volumes decrease in 2023E, with revenue in line with the average over the last 5 years (including 2019A and 2020A in which there were tensions between the US and China). Revenue growth (CAGR of 5.1%) in the period 2023E-2027E, is realised by growth in volumes through the launch of new machines over the forecasted period (compared to lower CAGRs of (14.9%) between 2017A and 2020A and (2.1%) between 2017A and 2021A as explained by the aforementioned reasons)
- In addition to revenue related to the sale of weaving machines, the Business Plan foresees a recurring revenue stream from the digital IoT platform, PsiConnect within the weaving segment which is also expected to positively impact the sales margin by creating added value to customers
- Revenue related to the aftermarket is expected to return to a higher normalized level in 2022E as a result of higher volumes sold

Industries

- The revenue for the business units in the segment industries are forecasted bottom up with total revenue from Industries corresponding to a CAGR of 8.4% over the period 2021A-2027E as a result of the new production facility in Rasnov which is due to be commissioned in 2022 (CAGR between 2017A and 2020A equalled (7.0%) and 3.4% between 2017A and 2021A). Picanol’s management believes production capacity is the main constraint in this segment limiting the upside potential

Analysis of key Business Plan drivers and assumptions (3/4)

② **Contribution margin**

- Contribution margin in 2021A was at 26.9% (versus approximately 31% in 2019A-202A) and is expected to experience further downward pressure in 2022E towards 21.7% before returning to historical levels

Weaving

- In the weaving segment, the contribution margin has been under pressure in 2021A, continuing in 2022E, as a result of higher raw material prices which are passed on to customers with some delay. Recent and expected price increases negotiated with customers as a result of higher material prices will only start to pay off in 2023E
- Margins are expected to further improve in 2024E as a new rapier loom is launched, while the air loom will be revamped, with a new model expected to be launched in 2028E
- At the same time the contribution margin takes into account price dynamics mostly in air looms where Chinese competition puts pressure on prices compensated by a gradual improvement in margins due to increases in productivity and further automation and a decrease in material prices. Material prices are however expected to remain higher compared to historical level

Industries

- Contribution margin in the industries segment is expected to remain more or less stable despite a small dip in PsiControl in 2022E as a result of higher material prices

③ **REBITDA**

- In general costs are expected to grow by 2.0% with the exception of some items such as R&D which is required to support the strong growth in some business units over the Business Plan
- Corporate costs have been higher over the last couple of years due to investments in IT yet are expected to normalize in 2025E
- REBITDA margin is expected to decrease in 2022E to 5.6% from 11.6% in 2021A. From 2023E to 2027E REBITDA margin is expected to gradually recover to 13.6% in line with the average REBITDA level over the period 2017A-2021A (i.e. 13.4%). REBITDA margins were equal to 19.1% and 17.0% in 2017A and 2018A respectively, in line with the average of 18.1% between 2012A-2016A
- The improvement in REBITDA margin in the business plan is driven by higher margins in weaving machines as price increases are further renegotiated, new machines are launched, and volumes increase across the segments leading to higher operational efficiency

Analysis of key Business Plan drivers and assumptions (4/4)

④ **Normalization**	▪ The normalization made to REBITDA relates to lease expenses which are recorded above normalized REBITDA to account for the cash impact of lease expenses ▪ Normalized REBITDA is used in the DCF while the CCA is based on the REBITDA excluding the lease expenses to retrieve a post-IFRS 16 measure in line with listed peers
⑤ **Taxes**	▪ Picanol’s effective tax rate of 22.0% is based on the theoretical income tax rates in the countries where it operates as per management input
⑥ **Capex**	▪ Capex is expected to remain elevated over the period 2022E-2024E (€ 25.0m per year vs. an average of € 13.8m over the period 2017A-2021A) as a result of investments in the new HQ and the new production facility in Rasnov before returning to a normalized levels of € 13m
⑦ **Other**	▪ Working capital is expected to track revenue growth with a correction in 2022E for the high inventory position due to supply issues which was already partly reversed over the first quarter of 2022

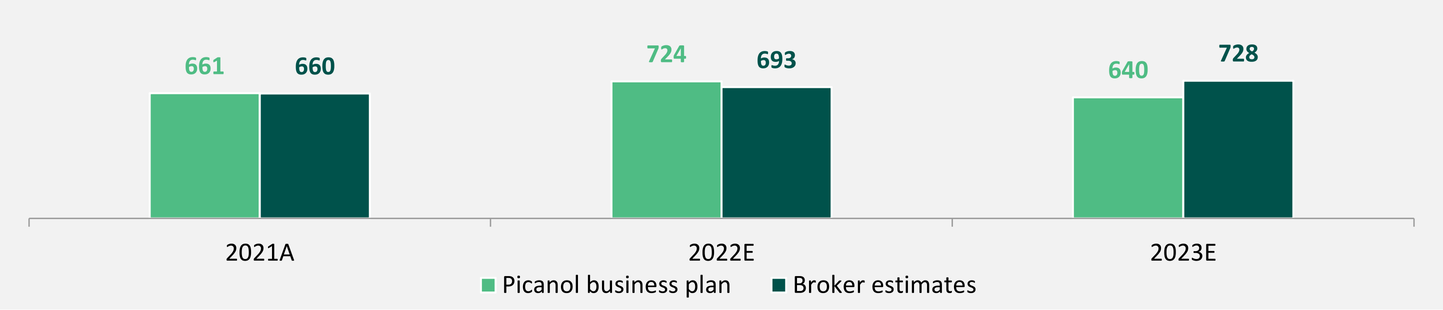
Overview of the Business Plan

	Historical				Business plan							DP forecast		
FYE; 31/12 €m	**2019A**	**2020A**	**2021A**	**H1 2022A**	**H2 2022E**	**2022E**	**2023E**	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
Revenue	478	457	661	368	356	724	640	683	741	763	787	808	826	841
Growth	*(28.3%)*	*(4.5%)*	*44.8%*	*n.a.*	*n.a.*	*9.5%*	*(11.6%)*	*6.8%*	*8.5%*	*3.0%*	*3.1%*	*2.7%*	*2.2%*	*1.8%*
Contribution margin	147	141	178	n.a.	n.a.	162	184	208	221	228	236	241	245	248
Margin	*30.7%*	*30.8%*	*26.9%*	*n.a.*	*n.a.*	*22.3%*	*28.8%*	*30.4%*	*29.9%*	*29.9%*	*29.9%*	*29.8%*	*29.6%*	*29.5%*
Gross profit	78	74	109	n.a.	n.a.	80	98	120	131	136	141	144	146	147
Margin	*16.2%*	*16.3%*	*16.5%*	*n.a.*	*n.a.*	*11.0%*	*15.4%*	*17.5%*	*17.7%*	*17.8%*	*17.9%*	*17.8%*	*17.7%*	*17.5%*
REBITDA	45	46	77	24	17	41	64	84	97	103	107	108	110	110
Margin	*9.4%*	*10.0%*	*11.6%*	*6.4%*	*4.8%*	*5.6%*	*10.0%*	*12.3%*	*13.1%*	*13.5%*	*13.6%*	*13.4%*	*13.3%*	*13.1%*
Normalised REBITDA	44	44	75	23	16	39	62	83	96	102	106	107	108	108
Margin	*9.1%*	*9.7%*	*11.4%*	*6.2%*	*4.6%*	*5.4%*	*9.7%*	*12.1%*	*12.9%*	*13.3%*	*13.4%*	*13.2%*	*13.1%*	*12.9%*
REBIT	33	36	66	12	10	21	49	68	80	86	90	90	92	94
Margin	*7.0%*	*8.0%*	*10.0%*	*3.2%*	*2.7%*	*2.9%*	*7.6%*	*10.0%*	*10.8%*	*11.2%*	*11.4%*	*11.2%*	*11.2%*	*11.1%*
Capex	(16)	(13)	(16)	(9)	(16)	(25)	(25)	(25)	(13)	(13)	(13)	(13)	(14)	(14)
As % of revenue	*3.3%*	*2.8%*	*2.5%*	*2.3%*	*4.6%*	*3.5%*	*3.9%*	*3.7%*	*1.8%*	*1.7%*	*1.7%*	*1.6%*	*1.6%*	*1.6%*
FCF	21	26	41	7	6	13	33	41	63	69	72	73	73	73

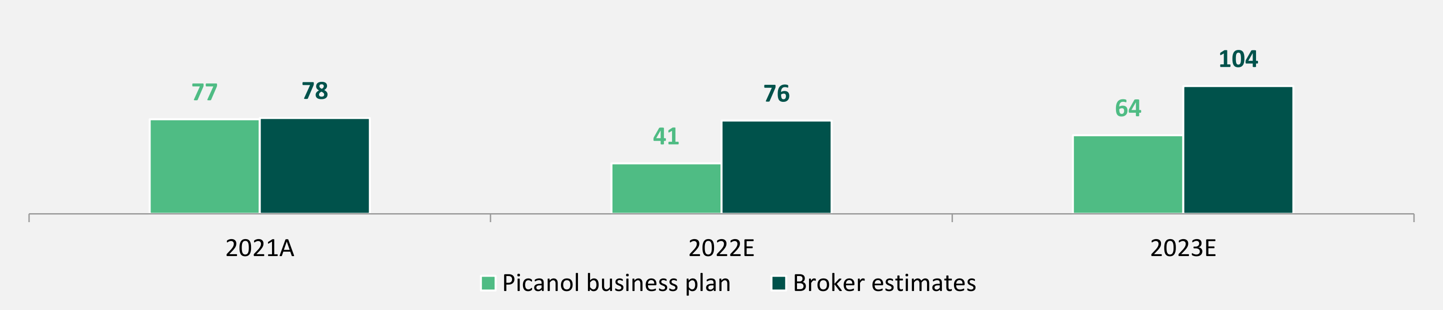
Note: The figures shown in the business plan are based on management reporting. Historical figures based on this management reporting might slightly vary from the IFRS reported figures of Picanol

Business Plan versus broker estimates

Revenues (€m)



REBITDA (€m)



- Broker estimates project 5% revenue growth both in 2022E and 2023E, while the management's Business Plan foresees a considerable increase in 2022E of 10% which is completely reversed in 2023E leading to a negative CAGR
- REBITDA broker estimates imply a small dip in 2022E in absolute and relative terms followed by an increase of the REBITDA margin of 14% in 2023E
- Management expects a larger drop in REBITDA in 2022E which is only partly compensated the year after leading to a REBITDA margin of 10%

Note: only one broker for Picanol, being KBC Securities (Wim Hoste)
Source: Broker reports

DCF methodology (1/2)

DCF definition

The DCF method is an intrinsic valuation methodology, which is based on:

- Free Cash Flows to the Firm ("FCFF") projections over a period between 2022E and 2030E, based on the forecasted financials of the Business Plan for 2022E to 2027E provided by management and extrapolations made by DPCF for the period of 2028E to 2030E; and
- A discount rate: the Weighted Average Cost of Capital ("WACC")

$$EV = \sum_{t=1}^{N} \frac{FCFF_t}{t} + \frac{Terminal\ Value}{(1+WACC)^N}$$

Where:

- t = the specific year
- N = the number of projection years

FCFF

The FCFF has been computed as follows:

- **Normalized REBITDA:** Based on the Normalized REBITDA in the Business Plan including extrapolations made by DPCF. The Normalized REBITDA disregards the impact of IFRS 16 and includes the lease expenses
- **Taxes:** An effective nominal corporate tax rate of 22.0%
- **Capex:** In line with the Business Plan and forecasted to grow by 2.0%
- **(Change) in WC:** According to the Business Plan and forecasted to further evolve in line with sales

For 2022E the FCFF expected to be generated in the second half of the year is included in the DCF

WACC

- The WACC has been estimated based on management information, our selection of listed peers and DPCF estimates where no adjustments were made for a potential size discount as already mentioned on slide 28

Perpetual growth rate

- With regard to the perpetual growth rate an assumption was made for the segment weaving and industries based on their respective growth expectations in the Business Plan period and the assumption that capex is limited to maintenance capex. This leads to a growth rate of 1.8% which compares to a long-term growth of real GDP for the OECD countries of 1.26%(1) for the period 2030E-2060E plus inflation of 2%

Note: (1) Based on OECD (2022), real GDP long-term forecast

DCF methodology (2/2)

Terminal Value	▪ The terminal value has been estimated based on the following Gordon-Shapiro formula, assuming a perpetual growth rate of 1.8% $\frac{Terminal\ free\ cash\ flow\ to\ the\ firm}{WACC\ - perpetual\ growth}$
Present value & sensitivity analysis	▪ DPCF made the assumption that cash flows are evenly distributed over the year and used the mid-year convention, which means that the cash flows will be discounted on the following time factors: 0.25, 1.0, 2.0, etc. (in years) ▪ The DCF method is sensitive to the assumptions made. Consequently, we applied a sensitivity analysis on market parameters such as the WACC and the perpetual growth rate, as well as on company specific metrics i.e. the REBITDA margin and revenue growth in the period 2023-2030 and terminal value ▪ The sensitivities comprise a 2.00% range for the perpetual growth rate and WACC and a 1.00% range for the REBITDA margin and revenue growth with two lower and two higher increments vs. the retained midpoint

Weighted Average Cost of Capital (WACC) calculation

WACC calculations

	Weaving	Industries
Cost of equity	**9.3%**	**9.3%**
Risk free rate	1.66%	1.66%
Unlevered beta	0.95	0.95
Levered beta (1)	0.95	0.95
Equity risk premium	7.98%	7.98%
Cost of debt (after tax)		
Cost of debt	**n.a.**	**n.a.**
IRS	n.a.	n.a.
Spread	n.a.	n.a.
Tax rate	22.00%	22.00%
Gearing		
Equity	100%	100%
Debt	0%	0%
WACC	**9.3%**	**9.3%**

- Cost of Equity is calculated based on the Capital Asset Pricing Model (“CAPM”) formula:
  - Risk free rate of 1.66% based on the French 10-year government bond;
  - Unlevered beta based on the betas of a group of peers;
  - Equity risk premium of 7.98% as estimated by DPCF
- The capital structure is determined based on the current gearing of Picanol (no debt)

Note: (1) Levered beta = Unlevered beta x [1 + (1 – tax rate) x]

Discounted Cash Flow

Picanol

	Actuals		Business plan							DP Forecast			
(in €m)	**2021A**	**H1 2022E**	**H2 2022E**	**2022E**	**2023E**	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**TV**
Revenue	**661**	**368**	**356**	**724**	**640**	**683**	**741**	**763**	**787**	**808**	**826**	**841**	**856**
Growth (in %) YoY	*44.8%*	*n.a.*	*n.a.*	*9.5%*	*(11.6%)*	*6.8%*	*8.5%*	*3.0%*	*3.1%*	*2.7%*	*2.2%*	*1.8%*	*1.8%*
REBITDA	**77**	**24**	**17**	**41**	**64**	**84**	**97**	**103**	**107**	**108**	**110**	**110**	**112**
Margin (in %)	*11.6%*	*6.4%*	*4.8%*	*5.6%*	*10.0%*	*12.3%*	*13.1%*	*13.5%*	*13.6%*	*13.4%*	*13.3%*	*13.1%*	*13.1%*
Normalizations	(1)	(1)	(1)	(2)	(1)	(1)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Normalized REBITDA	**75**	**23**	**16**	**39**	**62**	**83**	**96**	**102**	**106**	**107**	**108**	**108**	**110**
D&A	(9)	(11)	(7)	(18)	(14)	(15)	(16)	(16)	(17)	(16)	(15)	(15)	(14)
REBIT	**66**	**12**	**10**	**21**	**49**	**68**	**80**	**85**	**89**	**90**	**92**	**94**	**96**
Margin (in %)	*10.0%*	*3.2%*	*2.7%*	*2.9%*	*7.6%*	*10.0%*	*10.8%*	*11.2%*	*11.3%*	*11.2%*	*11.2%*	*11.1%*	*11.1%*
Effective tax rate	22.0%	33.0%	33.0%	33.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%
Taxes	(14)	(4)	(3)	(7)	(11)	(15)	(18)	(19)	(20)	(20)	(20)	(21)	(21)
CAPEX	(16)	(9)	(16)	(25)	(25)	(25)	(13)	(13)	(13)	(13)	(14)	(14)	(14)
Change in working capital	(5)	(4)	9	5	6	(2)	(2)	(1)	(1)	(1)	(1)	(1)	(1)
Unlevered Free Cash Flow to Firm (FCFF)	**41**	**7**	**6**	**12**	**33**	**41**	**63**	**69**	**72**	**73**	**73**	**73**	**75**
Discounted FCF to Firm			**6**		**30**	**35**	**48**	**48**	**46**	**43**	**39**	**36**	

Enterprise Value		
Total discounted FCF to Firm	332	40%
Discounted terminal value	488	60%
Enterprise Value	**820**	
EV/EBITDA 2021A	10.7x	
EV/EBITDA 2022E	20.2x	

- Valuation date June 30, 2022
- 2022E-2027E based on the Business Plan provided by management
- DPCF's assumptions post 2027E:
  - Revenue growth to gradually evolve to the terminal growth rate of 1.8% in 2030E
  - REBITDA margin decreases to 13.1%
  - Working capital remains stable as a percentage of sales (at 3.7%)
  - Capex is expected to grow with 2.0% inflation

Discounted Cash Flow sensitivity analysis

WACC vs. PGR

Enterprise Value (in €m)

Δ WACC	Δ terminal growth				
	(1.00%)	(0.50%)	0.00%	0.50%	1.00%
(1.00%)	872	909	952	1,002	1,061
(0.50%)	814	845	881	922	970
0.00%	763	790	820	854	894
0.50%	718	741	766	795	828
1.00%	677	697	719	744	771

Equity value (in €)(2)

Δ WACC	Δ terminal growth				
	(1.00%)	(0.50%)	0.00%	0.50%	1.00%
(1.00%)	982	1,019	1,062	1,112	1,171
(0.50%)	924	955	991	1,032	1,080
0.00%	873	900	930	964	1,004
0.50%	828	851	876	905	938
1.00%	787	807	829	853	881

Revenue growth vs. REBITDA margin (1)

Enterprise Value (in €m)

Δ revenue growth per year	Δ REBITDA margin per year				
	(0.50%)	(0.25%)	0.00%	0.25%	0.50%
(0.50%)	748	767	786	805	824
(0.25%)	764	784	803	822	841
0.00%	781	800	820	839	859
0.25%	797	817	837	857	877
0.50%	814	834	855	875	895

Equity value (in €)(2)

Δ revenue growth per year	Δ REBITDA margin per year				
	(0.50%)	(0.25%)	0.00%	0.25%	0.50%
(0.50%)	858	877	896	915	934
(0.25%)	874	894	913	932	951
0.00%	891	910	930	949	969
0.25%	907	927	947	967	987
0.50%	924	944	964	985	1,005

Based on these sensitivities, the Enterprise Value ranges between € 719m and € 952m and the Equity Value between € 829m and € 1,062m(3)

Notes: (1) Sensitivities on changes in REBITDA margin and revenue growth in the period 2023E-2030E and terminal value; (2) Equity value was determined by subtracting the Adjusted Net Financial Debt (pre-IFRS 16), i.e. € 110m; (3) Based on the maximum and minimum within the shaded areas across sensitivities

From Enterprise Value to Equity Value per share

Valuation methods

Enterprise Value (“EV“)

-

Short term debt (excluding IFRS 16)	0.9
Long term debt (excluding IFRS 16)	1.2
Financial debt	**2.1**
Cash & cash equivalents	(39.4)
Net financial debt	**(37.4)**
Deferred tax assets	(8.1)
Bank notes included in receivables	(11.0)
Other financial assets	(0.2)
Rieter Holding stake (11.4%)	(67.5)
Tessenderlo stake	p.m.
Cash-like items	**(86.9)**
Provisions	4.0
Net pension liabilities	4.2
Deferred tax liabilities	6.0
Dividend	-
Debt-like items	**14.3**
Adjusted net financial debt (excluding IFRS 16)	**(110.0)**
Financial leases	2.0
Adjusted net financial debt (including IFRS 16)	**(108.0)**

= **Equity Value (“EqV”)**

÷ **Number of shares issued: 17,700,000**

= **Equity Value per Share**

- The valuation method yields an estimate of Picanol's Enterprise Value which is to be corrected with the Adjusted Net Financial Debt as per June 30, 2022, the result being the Equity Value
  - Financial debt excludes the impact of IFRS 16 in line with the treatment of lease expenses in the DCF
  - Adjustments include:
    - Deferred tax assets and liabilities
    - Bank notes for an amount of € 11.0m included in receivables
    - Other financial assets including assets held for sale and tax receivables
    - Value of the 533,047 shares (11.4%) in Rieter Holding at the 30-day VWAP of € 126.72 (CHF 126.72) as of June 30, 2022
    - Stake in Tessenderlo Group is not included as a cash-like item in this table in order to value Picanol on a standalone basis
    - Non-operational provisions
  - For the CCA method we add back the financial lease liabilities in line with IFRS 16
- Number of shares outstanding as of June 30, 2022 amounts to 17,700,000

Peer group selection approach and trading multiples calculation methodology

Overview of reference groups and median multiples

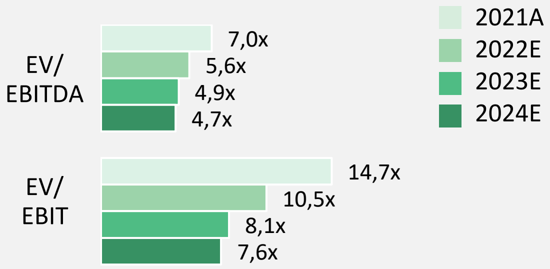
- We have selected two relevant listed peers active in weaving machinery development and manufacturing
- Even though the selected companies in our peer group have certain similarities with Picanol, it should be noted that these companies are not fully comparable, in particular due to differences in geography, size, margin, financial structure and/or business model
- Based on the share price of these companies as of the Valuation Date, we have calculated their market capitalisations and enterprise values by summing the most recent available net financial debts, adjusted for minorities, preference shares, pension obligations, investments, non-operating provisions and other non-operating assets or liabilities
- We have calculated the trading multiples based on the EBITDA and EBIT forecasts estimated by research analysts for 2021A, 2022E, 2023E and 2024E
- We have retained EV/EBITDA and EV/EBIT as valuation multiple as we consider EBITDA and EBIT as the most relevant financial metrics in the context of Picanol, as they provide a direct comparison, regardless of capital structure and are typically less affected by accounting differences. While EV/EBITDA does not take into account differences in depreciation policies, it excludes the overall impact of maintenance capex needed to support the business going forward, which is incorporated in the EV/EBIT
- Trading multiples are calculated based on the local currency financials. For financials not reported in €, DPCF has used the exchange rate of (i) the Valuation Date for the market capitalisation, Net Financial Debt, Enterprise Value, and (ii) the closing date of the financial year for financials to show financials in €

Overview of median multiples

Picanol

oerlikon

RIETER



- Reference group consisting of companies active in weaving machinery development and manufacturing

Picanol – KPI Analysis

Company	Sales CAGR		EBITDA margin			EBIT margin			Capex as % sales		
	2019A-2021A	2022E-2024E	2021A	2022E	2023E	2021A	2022E	2023E	2021A	2022E	2023E
PICANOL	17.6%	(2.9%)	11.6%	5.6%	10.0%	10.0%	3.7%	7.6%	2.5%	3.5%	3.9%
RIETER	12.9%	1.0%	8.8%	8.3%	10.4%	3.9%	4.4%	6.8%	3.2%	3.1%	3.0%
SCHWEITER TECHNOLOGIES	2.0%	2.5%	12.1%	11.9%	12.8%	9.0%	8.6%	9.7%	3.6%	3.2%	2.9%
JUKI	2.0%	n.a.	6.7%	n.a.	n.a.	n.a.	n.a.	n.a.	1.0%	n.a.	n.a.
SHIMA SEIKI	(14.3%)	n.a.	n.a.	n.a.	1.6%	n.a.	n.a.	n.a.	3.5%	5.4%	9.5%
oerlikon	0.7%	3.3%	16.5%	17.0%	17.1%	8.7%	9.1%	9.8%	4.7%	5.5%	5.9%
Median	**2.0%**	**1.8%**	**11.6%**	**10.1%**	**10.4%**	**8.8%**	**6.5%**	**8.6%**	**3.4%**	**3.5%**	**3.9%**

Note: EV and EBITDA include pro forma impact of IFRS 16
Sources: Capital IQ as of 30 June, 2022, Bloomberg

Picanol – Comparable Companies Analysis

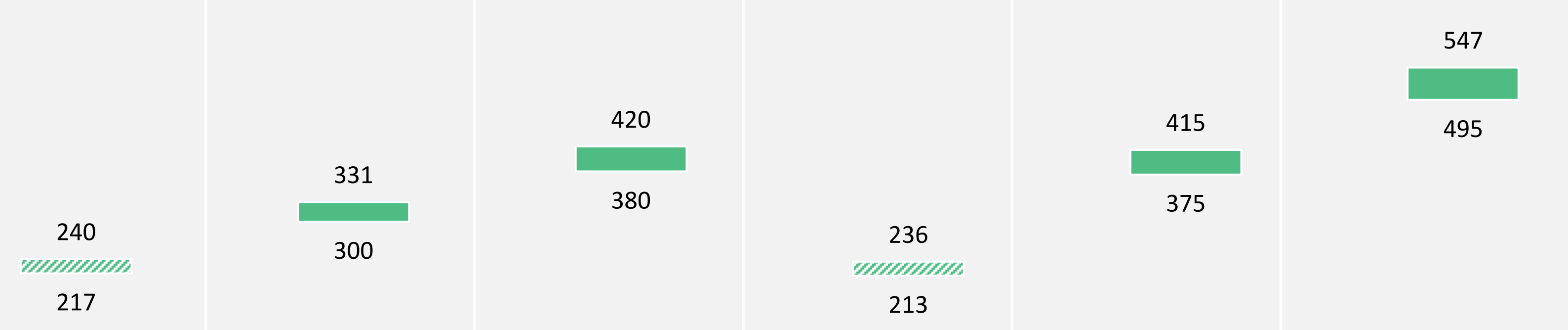
Company	**EV/EBITDA**				**EV/EBIT**			
	2021A	**2022E**	**2023E**	**2024E**	**2021A**	**2022E**	**2023E**	**2024E**
RIETER	7,5x	5,4x	4,2x	4,1x	16,8x	10,1x	6,5x	6,3x
SCHWEITER TECHNOLOGIES	8,5x	8,4x	7,6x	7,0x	11,5x	11,6x	10,1x	9,2x
JUKI	12,3x	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SHIMA SEIKI	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
oerlikon	6,6x	5,9x	5,6x	5,4x	12,6x	11,0x	9,8x	9,0x
Median all peers (1)	**8.0x**	**5.9x**	**5.6x**	**5.4x**	**12.6x**	**11.0x**	**9.8x**	**9.0x**
Median retained peers (2)	**7.0x**	**5.6x**	**4.9x**	**4.7x**	**14.7x**	**10.5x**	**8.1x**	**7.6x**

Notes: (1) Includes peers retained for the beta calculation on page 74; (2) For CCA only Rieter and Oerlikon were retained. Juki and Shima Seiki were excluded from the analysis due to missing broker estimates, while Schweiter Technologies was excluded due to the sale of its textile machinery manufacturing division in 2017 (the company was retained for the beta calculation as its relative inherent business cyclicality has not changed and to expand the sample size for beta calculation); EV and EBITDA include pro forma impact of IFRS 16; Sources: Capital IQ as of 30 June, 2022, Bloomberg

Conclusion of Comparable Companies Analysis

Valuation based on CCA (in €m)

	Picanol					
	EV/EBITDA 2022E	**EV/EBITDA 2023E**	**EV/EBITDA 2024E**	**EV/EBIT 2022E**	**EV/EBIT 2023E**	**EV/EBIT 2024E**
KPI per segment	41	64	84	21	49	68
Multiple	5.6x	4.9x	4.7x	10.5x	8.1x	7.6x
Range (1)	5.3x - 5.9x	4.7x - 5.2x	4.5x - 5.0x	10.0 - 11.1x	7.7 - 8.6x	7.3x - 8.0x
Enterprise value (€m)	240 217	331 300	420 380	236 213	415 375	547 495



- DPCF has based its CCA on the median EV/EBITDA and EV/EBIT multiples of the selected comparable companies for the years 2023E and 2024E. The difference in choice from retained multiples versus Tessenderlo (where 2022E and 2023E multiples were retained) is to be explained by the fact that Picanol's 2022E EBITDA and EBIT have been severely impacted by non-recurring elements (i.e. increasing raw materials and energy prices that were not immediately passed on to customers), while this was not the case for the peers (as can be observed by the margin evolutions on slide 79). In addition, DPCF has included the 2024E accounts for the further business normalisation that is expected due to further price negotiations where price increases are expected in 2023E and 2024E
- This results in an estimated Enterprise Value of € 340m to € 376m with midpoint at € 358m based on the EV/EBITDA multiple and € 435m to € 481m with midpoint at € 458m based on the EV/EBIT multiple

Notes: EV and EBITDA include pro forma impact of IFRS 16; (1) Ranges have been based by taking respectively 95% and 105% of the midpoint
Sources: Capital IQ as of June 30, 2022, Bloomberg

Conclusion of Comparable Companies Analysis

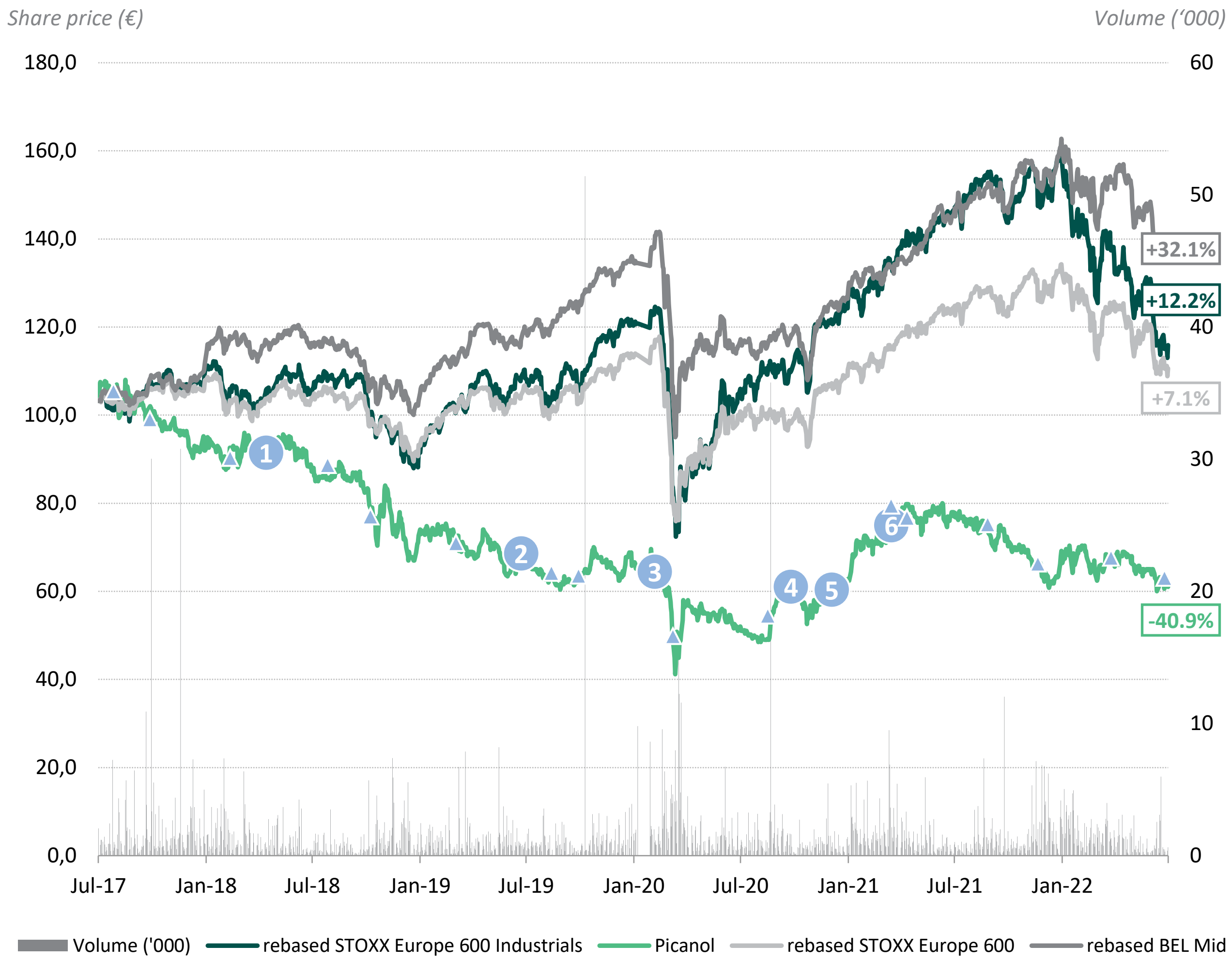
Calculation of Equity Value per share based on CCA methodology

	EV/EBITDA 2023E	**EV/EBITDA 2024E**	**EV/EBIT 2023E**	**EV/EBIT 2024E**
KPI Picanol	64	84	49	68
Multiple	4.9x	4.7x	8.1x	7.6x
Enterprise Value (€m)	**358**		**458**	
Range on retained multiple -5%	340		435	
Range on retained multiple +5%	376		481	
Adjusted Net Financial Debt (post-FIRS16)	*(108)*		*(108)*	
Equity Value (€m)	**466**		**566**	
Range on retained multiple -5%	448		543	
Range on retained multiple +5%	484		589	

6. Valuation of Picanol

Share performance analysis (1/3)

5-year share performance evolution (pre-announcement)



- In 1966, Picanol became listed on Euronext Brussels
- Over a 5-year period, Picanol's share price dropped by over 40% with benchmark indices having performed significantly better over the same period

News flow

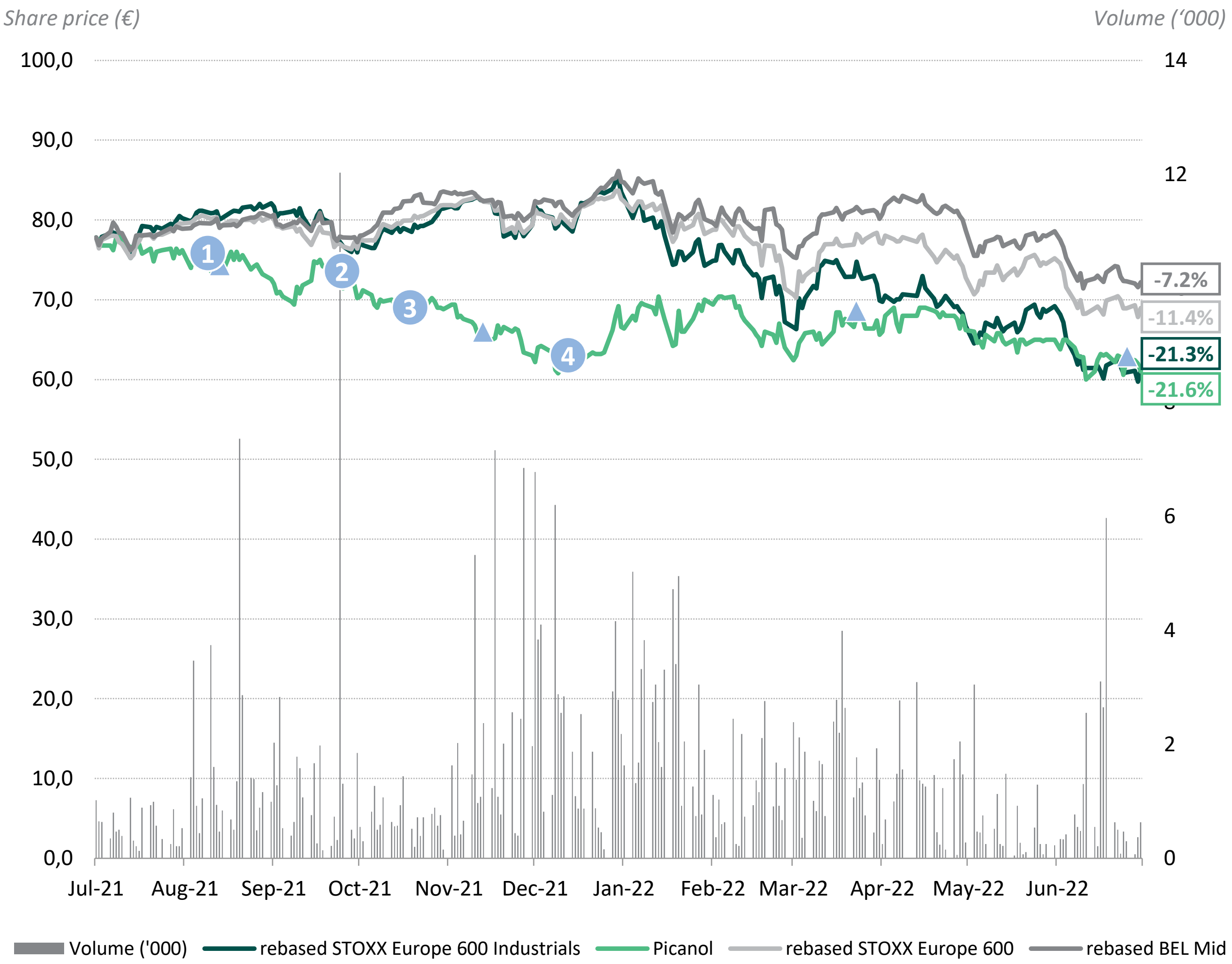
1	Announcement of a € 25 million expansion and robotization investment in its factory in Ieper
2	Launch of a new airjet weaving machine OmniPlus-i
3	Start of the COVID crisis
4	Launch of TerryPlus-i, a new airjet weaving machine for terry weaving
5	Start of the construction of a new PsiControl factory in Romania expected to be finished by the end of 2021
6	Acquisition of a minority stake in Switzerland-based Rieter Holding

▲ Results announcements

Sources: Capital IQ as of July 7, 2022, Press releases

Share performance analysis (2/3)

1-year share performance evolution (pre-announcement)



▲ Results announcements

Sources: Capital IQ as of July 7, 2022, Press releases

- The year prior to the announcement by Tessenderlo Group on July 8, 2022 of its intention to launch a conditional voluntary public takeover bid on all the shares of Picanol that it does not yet own, the Picanol's share price decreased with 21.6%, which is in line with the performance of the STOXX Europe 600 Industrials
- On July 7, 2022, Picanol's share price reached € 61.80, representing a market capitalisation of € 1,094m
- On July 8, 2022 pre-market, it was announced that the preliminary Exchange Ratio was set at 2.43 where Picanol standalone excluding the shares it holds in Tessenderlo Group and the additional 3.8% shareholding in Rieter Holding was valued for the purposes of the exchange offer at € 830.8m. On September 7, 2022 an adjusted exchange ratio was communicated of 2.36

News flow

① Picanol reacts on the press release by Rieter Holding regarding allegations

② Picanol introduces PicConnect, a new digital services platform

③ Launch of a new weaving machines of the generation "Connect"

④ Announcement of the intention to build a new HQ

Share performance analysis (3/3)

Premium and liquidity analysis

Implicit value per share calculation		
Picanol equity value (excl.Tessenderlo stake; incl. CiK) (€m)	830.6	*As per latest press releases (7-Sept-2022)*
Tessenderlo stake (€m)	887.1	*As per latest press releases (7-Sept-2022)*
Picanol equity value (€m)	1,717.7	
Number of shares (m)	17.9	*Number of Picanol shares post CiK*
Implicit value per share (€)	**95.8**	

Share price (€) before the Announcement	**Average**	**Max**	**Min**	**VWAP**
Share price (€) as of 7-Jul-22	61.8	61.8	61.8	61.8
1 month	62.6	65.0	60.0	62.6
3 months	65.0	69.0	60.0	65.2
6 months	66.1	70.4	60.0	66.4
12 months	68.2	78.2	60.0	67.7
Implicit value per share (€)	**95.8**	**95.8**	**95.8**	**95.8**

Implied premium (%) of implicit value per share (€ 95.8)				
Share price (€) as of 7-Jul-22	55.0%	55.0%	55.0%	55.0%
1 month	53.1%	47.4%	59.6%	53.0%
3 months	47.3%	38.8%	59.6%	46.8%
6 months	45.0%	36.1%	59.6%	44.2%
12 months	40.4%	22.5%	59.6%	41.5%

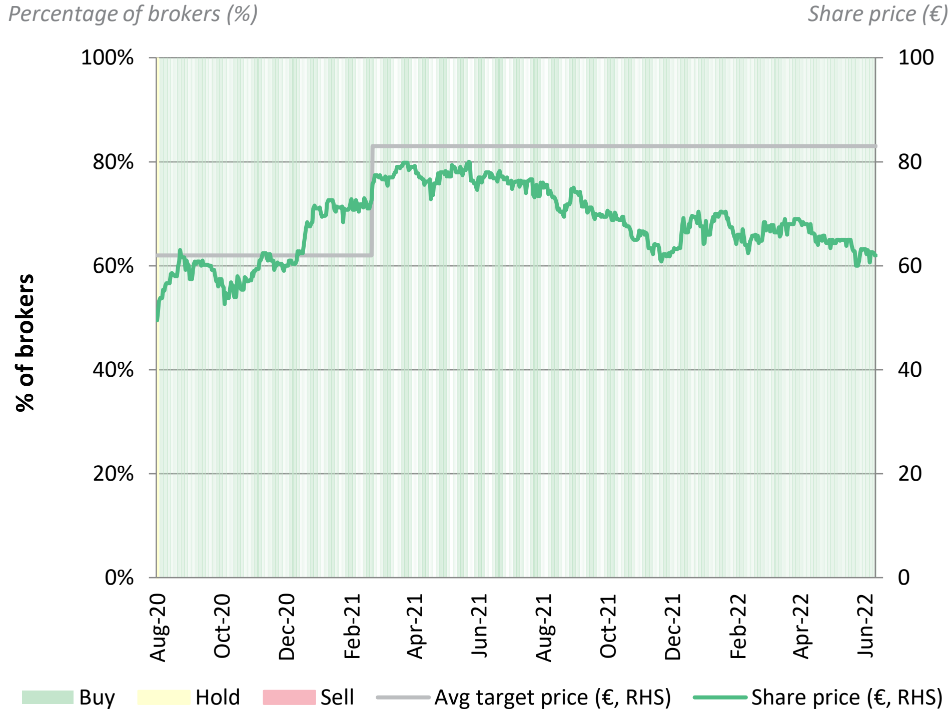
Daily volumes ('000)				
1 month	1.05	5.97	0.07	-
3 months	0.95	5.97	0.05	-
6 months	1.34	5.97	0.05	-
12 months	1.43	12.03	0.05	-

Source: Capital IQ as of July 7, 2022

- The table on the left shows a detailed analysis of the evolution of Picanol's share price over the selected periods before the Announcement Date. For each period, the following elements were observed:
  - The average share price;
  - The highest share price;
  - The lowest share price; and
  - The volume weighted average share price ("VWAP")
- The implicit value per share is calculated as the valuation of Picanol used to determine the exchange ratio as communicated during the latest press releases on 7 September 2022, divided by number of shares post-CiK of Rieter shares
- The value per share implicit in the Exchange Ratio was then compared to the different share prices aforementioned
  - Compared to the closing share price on the Announcement Date, the implicit value represents a premium of 55.0%
  - Compared to the average 3-month VWAP on the Announcement Date, the implicit value represents a premium of 46.8%
  - Compared to the average 12-month VWAP on the Announcement Date, the implicit value represents a premium of 41.5%
- Over the last year preceding the Announcement Date, 366,810 shares were traded, representing c. 2.1% of the 17,700,000 outstanding shares
- The average daily traded volume over the last 12 months was 1,427 shares, representing 0.01% of shares outstanding

Brokers' target prices analysis

Historical evolution of broker outlook



Current broker outlook

Broker	Analyst	Target Price (€)	Recommendation	Date
KBC Securities	Wim Hoste	83.0	Buy	22/06/2022

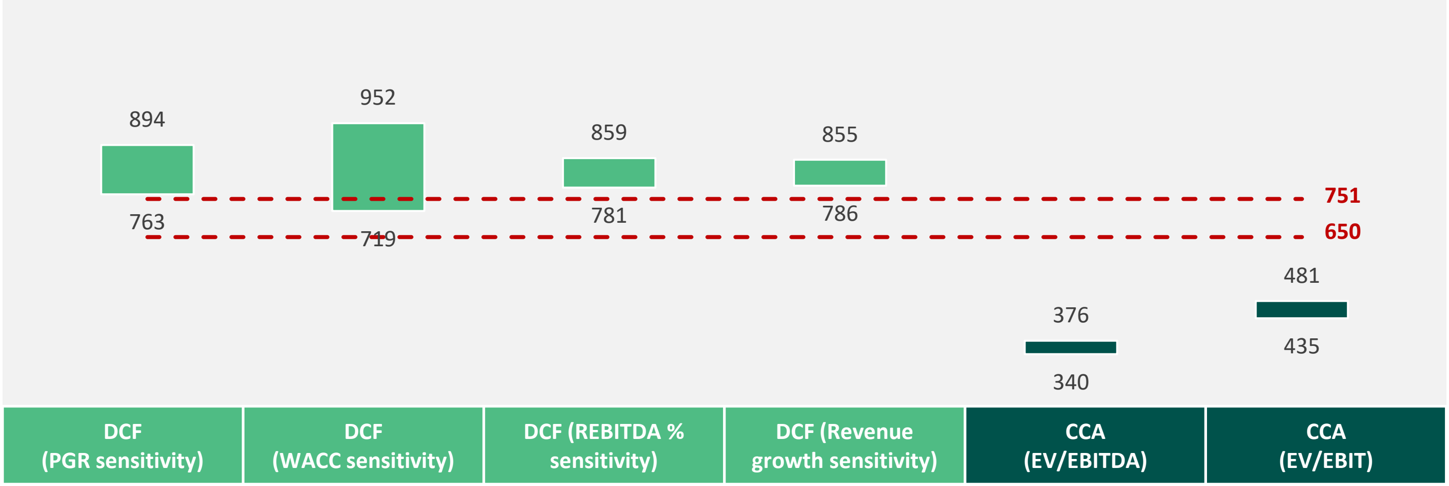
- **Only one broker covers the stock of Picanol with a target price of € 83.0**

Source: Bloomberg

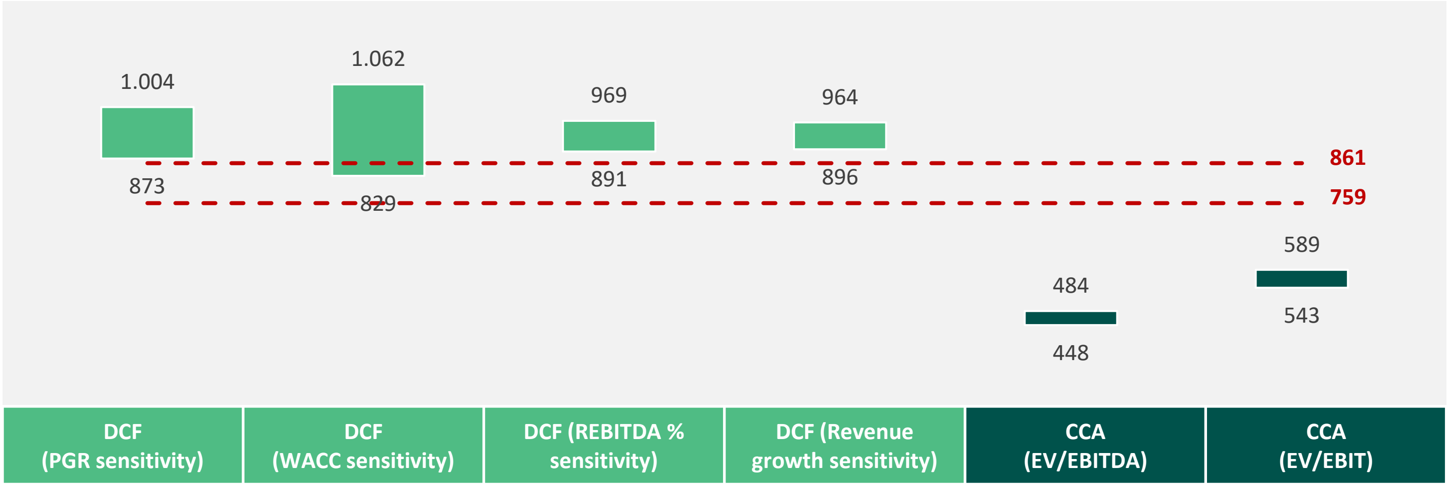
6. Valuation of Picanol

Overview valuation

Enterprise Value (in €m)



Equity Value (in €m) (excluding Tessenderlo stake and CiK of 3.8% Rieter Holding)

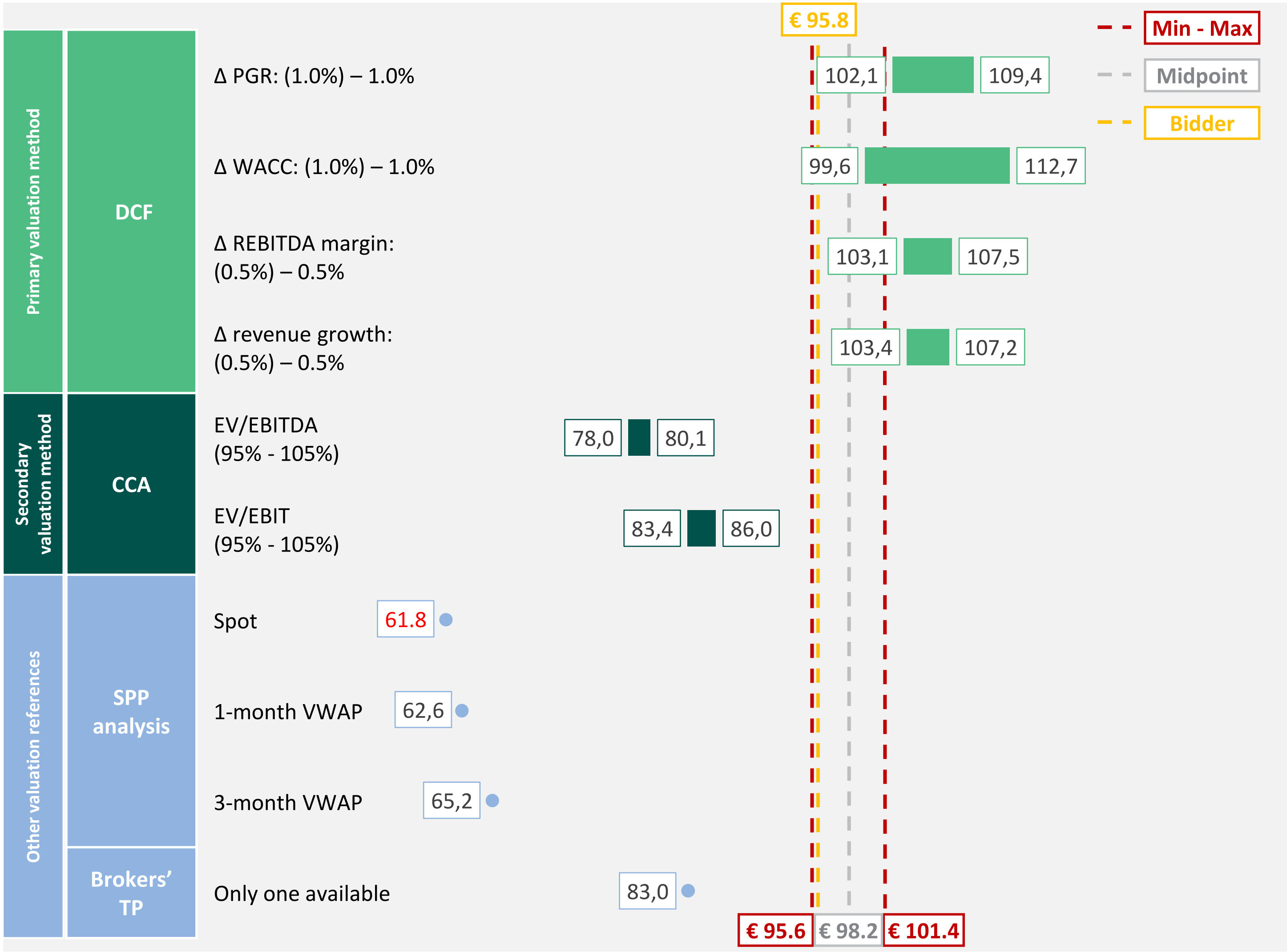


- Even though the obtained valuations from both DCF and CCA significantly differ, DPCF retained both methodologies (cfr. the selection and motivation of retained methods on page 12)
- Based on our selected valuation methods, where a higher weight is given to the DCF (for reason of the elaborateness of the business plan and specificity of the outlook of the different business segments), we arrive at an enterprise value ranging between € 650m and € 751m with a midpoint at € 696m
- To determine the Equity Value, we have subtracted the Adjusted Net Financial Debt (pre-IFRS 16 for the DCF and post-IFRS 16 for the CCA), resulting in a range of € 759m - € 861m with a midpoint at € 806m, which excludes the Tessenderlo stake and the 3.8% participation in Rieter Holding which is expected to be contributed in kind

Note: The range as depicted by the red dotted line was determined by taking average maximum and minimum values of the valuation based on respectively the DCF and CCA and applying a weight of respectively 70% and 30%

Overview valuation per share

Overview valuation per share (excluding the 3.8% CiK of Rieter Stake) (in €)



- Based on this analysis, the implied equity value per share excluding the CiK of the 3.8% stake in Rieter Holding of Picanol amounts to € 95.6 - € 101.4 mid € 98.2
- The prices per share take into account the value of Picanol's stake in Tessenderlo Group at the midpoint valuation of € 1,843m equity value but exclude the CiK of the 3.8% stake in Rieter
- The range as mentioned above points to a premium vis-à-vis the share price of July 7, 2022 ranging from 55% to 64%
- The implicit share price of Picanol as determined by the bidder is € 95.8

7. Determination exchange ratio and conclusion

Valuation summary – Overview valuation

Tessenderlo Group
EVERY MOLECULE COUNTS

PICANOL

Notes: (1) Excluding Tessenderlo Group's stake and CiK of 3.8% stake in Rieter Holding for Picanol; Red dotted lines display (the averages of) lower and upper boundaries of the valuation methodologies, taking into account the respective weights (i.e. 70% for the DCF method and 30% for the CCA method)

Valuation summary – Implicit share price

Tessenderlo group

Tessenderlo as of June 30,2022	Low	Mid	High
Equity value (in €m)	1,701	1,843	2,009
Number of shares (in m)	43.2	43.2	43.2
Price per share (in €)	39.4	42.7	46.6

Picanol

Picanol as of June 30,2022	Low	Mid	High
Equity value (excl CiK Rieter & Tessenderlo Group) (in €m)	759	806	861
Stake Tessenderlo Group (in €m) (1)	933	933	933
CiK Rieter (3.8% stake) (in €m)(2)	22.2	22.2	22.2
Equity value (in €m)	1,715	1,761	1,816
Number of shares (pre-CiK) (in m)	17.7	17.7	17.7
Number of shares (post-CiK) (in m)(3)	17.9	17.9	17.9
Price per share (in €)	95.6	98.2	101.3

Notes: (1) Based on the midpoint of the valuation of Tessenderlo Group i.e. € 1,843m equity value; (2) The 3.8% stake of Rieter was valued at the 30-day VWAP as of June 30, 2022, i.e. € 126.72; (3) The number of shares created (i.e. 231,766 new shares) through the contribution in kind was determined based on the value of € 126.72 per share for Rieter Holding and € 95.80 per share of Picanol

Valuation summary – Exchange ratio

Exchange ratio[1]

Share price Picanol

Share price Tessenderlo Group

Exchange ratio (# shares Tessenderlo per share Picanol)	94.2	94.7	95.2	95.7	96.2	96.7	97.2	97.7	98.2	98.7	99.2	99.7	100.2	100.7	101.2	101.7	102.2
37.2	2.53	2.55	2.56	2.57	2.59	2.60	2.61	2.63	2.64	2.65	2.67	2.68	2.69	2.71	2.72	2.73	2.75
37.7	2.50	2.51	2.53	2.54	2.55	2.57	2.58	2.59	2.61	2.62	2.63	2.64	2.66	2.67	2.68	2.70	2.71
38.2	2.47	2.48	2.49	2.51	2.52	2.53	2.54	2.56	2.57	2.58	2.60	2.61	2.62	2.64	2.65	2.66	2.68
38.7	2.43	2.45	2.46	2.47	2.49	2.50	2.51	2.52	2.54	2.55	2.56	2.58	2.59	2.60	2.62	2.63	2.64
39.2	2.40	2.42	2.43	2.44	2.45	2.47	2.48	2.49	2.51	2.52	2.53	2.54	2.56	2.57	2.58	2.59	2.61
39.7	2.37	2.39	2.40	2.41	2.42	2.44	2.45	2.46	2.47	2.49	2.50	2.51	2.52	2.54	2.55	2.56	2.57
40.2	2.34	2.36	2.37	2.38	2.39	2.41	2.42	2.43	2.44	2.46	2.47	2.48	2.49	2.51	2.52	2.53	2.54
40.7	2.31	2.33	2.34	2.35	2.36	2.38	2.39	2.40	2.41	2.43	2.44	2.45	2.46	2.47	2.49	2.50	2.51
41.2	2.29	2.30	2.31	2.32	2.34	2.35	2.36	2.37	2.38	2.40	2.41	2.42	2.43	2.44	2.46	2.47	2.48
41.7	2.26	2.27	2.28	2.30	2.31	2.32	2.33	2.34	2.36	2.37	2.38	2.39	2.40	2.42	2.43	2.44	2.45
42.2	2.23	2.24	2.26	2.27	2.28	2.29	2.30	2.32	2.33	2.34	2.35	2.36	2.37	2.39	2.40	2.41	2.42
42.7	2.21	2.22	2.23	2.24	2.25	2.26	2.28	2.29	2.30	2.31	2.32	2.34	2.35	2.36	2.37	2.38	2.39
43.2	2.18	2.19	2.20	2.22	2.23	2.24	2.25	2.26	2.27	2.29	2.30	2.31	2.32	2.33	2.34	2.35	2.37
43.7	2.16	2.17	2.18	2.19	2.20	2.21	2.22	2.24	2.25	2.26	2.27	2.28	2.29	2.30	2.32	2.33	2.34
44.2	2.13	2.14	2.15	2.17	2.18	2.19	2.20	2.21	2.22	2.23	2.24	2.26	2.27	2.28	2.29	2.30	2.31
44.7	2.11	2.12	2.13	2.14	2.15	2.16	2.17	2.19	2.20	2.21	2.22	2.23	2.24	2.25	2.26	2.28	2.29
45.2	2.08	2.10	2.11	2.12	2.13	2.14	2.15	2.16	2.17	2.18	2.20	2.21	2.22	2.23	2.24	2.25	2.26
45.7	2.06	2.07	2.08	2.09	2.11	2.12	2.13	2.14	2.15	2.16	2.17	2.18	2.19	2.20	2.21	2.23	2.24
46.2	2.04	2.05	2.06	2.07	2.08	2.09	2.10	2.12	2.13	2.14	2.15	2.16	2.17	2.18	2.19	2.20	2.21
46.7	2.02	2.03	2.04	2.05	2.06	2.07	2.08	2.09	2.10	2.11	2.12	2.14	2.15	2.16	2.17	2.18	2.19
47.2	2.00	2.01	2.02	2.03	2.04	2.05	2.06	2.07	2.08	2.09	2.10	2.11	2.12	2.13	2.14	2.15	2.17
47.7	1.98	1.99	2.00	2.01	2.02	2.03	2.04	2.05	2.06	2.07	2.08	2.09	2.10	2.11	2.12	2.13	2.14
48.2	1.95	1.97	1.98	1.99	2.00	2.01	2.02	2.03	2.04	2.05	2.06	2.07	2.08	2.09	2.10	2.11	2.12

Note: (1) The range was determined based on the ranges on slide 93, where the shaded areas represent the higher probability that a higher value of Tessenderlo Group would lead to a higher value of Picanol as a result of its participation in Tessenderlo Group

Valuation summary – Conclusion

- Based on a detailed, quantitative and consistent approach, we have determined a comprehensive and well-founded valuation for both Picanol and Tessenderlo Group in order to assess the fairness of the Exchange Offer
- In order to determine this valuation, DPCF has retained the DCF analysis as primary valuation method as it reflects the intrinsic value of Picanol and Tessenderlo Group, while the CCA was retained as a secondary valuation method and provides an important market-based metric
- We are of the opinion that the above valuation methods are the most relevant metrics in the context of the Exchange Offer, and that the underlying assumptions have a reasonable basis
- Based on a weighted average in which we attribute a higher weight to the DCF (as explained on slide 60 and 89), we estimate the Equity Value per share of Picanol within the range of € 95.6 to € 101.3 with a midpoint of € 98.2(1) and the Equity Value per share of Tessenderlo Group within the range of € 39.4 to € 46.6 with a midpoint of € 42.7(1)
- Based on the midpoint of the respective valuation ranges we arrive at an exchange ratio of 2.30x compared to the Exchange Ratio of 2.36x
- Hence, in the context of the intended Exchange Offer by Tessenderlo Group on all the shares of Picanol, and based on the aforementioned valuation ranges, and subsequent exchange ratio, we are of the opinion that the Exchange Ratio does not disregard the interests of the shareholders of Picanol and can be considered fair for the shareholders of Picanol

Note: (1) Size/illiquidity discount, consortium discount and the presence of a controlling shareholder were not taken into account as they would apply equally to both Picanol and Tessenderlo Group

Appendices

Appendices

List of information received

- In the context of our assignment, we received the following information:
  - Presentation regarding the rationalization of the corporate structure made by the legal advisor of the Bidder;

  For Tessenderlo Group:
  - Business plan for the period 2022E-2026E and the latest 2022E outlook including the main assumptions and drivers per business unit and product, forecasts of all cash flow items and items impacted by IFRS 16;
    - forecasts consisted of key financial metrics (sales, contribution, gross profit EBITDA EBIT, capex, evolution in net working capital) per business unit Crop Vitality, Kerley International, NovaSource, Violleau, PB Leiner, Akiolis, Dyka Group, Kuhlmann Europe and moleko
  - Executive Committee presentation regarding the YTD performance as of May 31, 2022;
  - Audit Committee presentation regarding the YTD performance as of June 30, 2022;
  - Details of material non-recurring items impacting the financial statements;
  - Historical financials; and
  - Historical breakdown of capital expenditure

  For Picanol:
  - Business plan for the period 2022E-2027E including the main assumptions and drivers per business unit and product, forecasts of all cash flow items and items impacted by IFRS 16;
    - forecasts consisted of Picanol's key financial metrics (sales, contribution, EBITDA EBIT, capex, evolution in net working capital) per segment i.e. weaving machines (CRT, T&O, AMSS and ACCES) and industries (Proferro, Psicontrol & Melotte)
  - Financials as of June 30, 2022;
  - Balance sheet as of March 31, 2022;
  - Details of material non-recurring items impacting the financial statements;
  - Historical financials; and
  - Historical breakdown of capital expenditure
- DPCF has also analysed the following publicly available documents:
  - Annual reports of 2019, 2020 and 2021;
  - 2021A results presentation and webcasts, if available;
  - Reports of equity research analysts;
  - Annual reports of 2021 of publicly listed comparable companies; and
  - Quarterly reports of 2022 (Q1, Q2) of publicly listed comparable companies, if available

Appendices

Analysis of the valuation performed by the Bidder

Side-by-side comparison of valuation methodologies used

DPCF applied significance of methods			KBC relevance
Primary valuation method	**Discounted Cash Flow Analysis**	●	**High**
Secondary valuation method	**Comparable Company Analysis**	◕	**Medium to low**
Other valuation references	**Comparable Transactions Analysis**	○	**Low**
	Share Price Performance	◐	
	Brokers’ Target Prices	◐	

- This section includes DPCF’s view on the valuation performed by the Bidder together with its advisor, KBC Securities (“KBC”), in support of the Exchange Ratio
- We received the valuation report of KBC on July 11, 2022. Furthermore, DPCF had several conference calls with KBC to discuss their approach, the underlying assumptions and the methods they retained to support the Exchange Ratio
- The valuation methods used by DPCF and KBC are broadly the same. However, DPCF considers to the extent possible the same methods for both Tessenderlo Group & Picanol, while KBC makes a selection per segment/company based on the specific relevance of each method

Tessenderlo Group - Analysis of the valuation performed by the Bidder (1/5)

Adjusted Net Financial Debt

- The difference between DPCF and KBC’s calculation of Adjusted Net Financial Debt stems from the following item~~s~~:
    - DTA on fiscal losses carried forward not recognized in the balance sheet exhibits a small divergence given a difference in WACC used to discount the amount to the present

Business Plan

- KBC uses the Business Plan 2022E-2026E received from management without any adjustments, supplemented with extrapolation assumptions (e.g. to normalize capex and D&A in the calculation of the terminal values)
- DPCF has used the same Business Plan 2022E-2026E, yet has made some small adjustments in the year 2026E to correct the higher growth in the Business Plan received from management and to the net working capital to gradually evolve to the long term level in 2026E following the high net working capital position in 2022E
- While KBC has included a four-year extrapolation period from 2027E to 2031E, DPCF has limited its extrapolation period to 2030E. Differences throughout the extrapolation period and the subsequent terminal value period include:
    - Growth rate 2027E-2030E: KBC has taken a constant growth rate of 2.00% for AGRO and INDU while DPCF has taken the assumption that the growth rate will gradually evolve towards the long-term growth rate. For BIO a similar approach is used by letting the growth rate converge to the long-term growth rate yet with a small difference in the latter as discussed under PGR
    - Perpetual Growth Rate (PGR): KBC uses a 1.26% growth rate for AGRO and INDU vs. respectively 1.90% and 1.80% as per DPCF. For BIO a PGR of 0.75% is assumed by KBC while 0.60% was applied by DPCF. DPCF has based its PGR on the growth in the last year of the extrapolation period which was based on the growth expectations of the different business units which were inherent in the period 2023E-2026E, with some business units expected to remain stable while others expected to grow in line with long-term inflation of 2.00%. KBC has based its PGR for AGRO and INDU on the real GDP long-term forecast for Europe
    - REBITDA margin: DPCF has forecasted a decreasing margin over the extrapolation period while KBC has included a downwards correction in 2027E after which margins are forecasted to remain stable, which results in a slightly higher margin for AGRO and lower margin for BIO in the DPCF model as a result of increasing pressure on margins resulting from growing competition and in line with the lower REBITDA margin of 10% in 2017A-2020A. REBITDA margin for INDU is the same for both DPCF and KBC
    - Terminal value: Both KBC as DPCF have used the Gordon-Shapiro method to calculate the terminal value for the segments AGRO, BIO, INDU and Corporate. While DPCF has used a similar approach for T-POWER to account for the FCF expected to be generated until 2040E as per management projections, KBC has not accounted for a terminal value for T-POWER as cash flows are expected to be highly unsecure following the termination of the current contract with RWE
    - Capex levels: Both DPCF and KBC have not taken expansion capex into account when forecasting the capex after 2026E. DPCF assumes that capex will evolve to normalized levels after 2026E in line with historical capex levels (average of c. 90m over the period 2012A-2021A while non-growth capex was around 2.7% of revenue) given the limited growth expectations which Tessenderlo Group should be able to realize without further expansion investments

Tessenderlo Group - Analysis of the valuation performed by the Bidder (2/5)

Business Plan
(cont'd)

  - Capex levels: KBC has also determined a normalised level in line with the average capex as % of revenue over the period 2018A-2020A which results in a higher capex for the different segments in KBC's model. For T-Power KBC has assumed a € 6m capex in 2026E, which is lower than the € 16m foreseen by DPCF, as they expect only five additional years of FCFs
  - Taxes: While KBC assumes a 20.2% tax rate based on historical levels, DPCF uses a 26.0% tax rate as per management input in line with the theoretical tax rate in 2021A and as DTA and DTL have been accounted for in the calculation of Adjusted NFD
  - NWC: Both DPCF and KBC have forecasted NWC to evolve in line with revenue while KBC expects NWC to normalize in 2023E, DPCF has taken a more gradual approach of evolving to the 2026E normalised NWC levels following the high inventory level and as such net working capital in 2022E
- Overall, the previously described assumptions result in different forecasted FCFFs and terminal value for the different segments and for Tessenderlo Group in aggregate
  - The FCFFs for AGRO of DPCF are lower as they start from a lower base in 2026E as a result of the adjustments to revenue and REBITDA which is partly compensated by a higher CAGR over the extrapolation period as well as a higher REBITDA margin and lower capex from 2027E-2030E
  - The FCFF forecasts of DPCF for BIO are lower over the extrapolation period due to lower margins only partly compensated by lower capex
  - For INDU DPCF forecasts higher FCFFs as a result of a higher CAGR over the period 2026E-2030E and lower capex
  - For T-POWER differences in FCFFs are due to the difference in capex projections and some smaller differences in NWC
  - For Corporate there are only small differences between the FCF projections in both models

Discounted Cash Flow analysis

- The discount rate applied to the FCFFs is different between KBC and DPCF, as the former uses an end-of-year convention while DPCF uses a mid-year convention discounting the FCFFs as if they were evenly distributed over the year
- With regards to the WACC, both the Bidder and DPCF calculate the Capital Asset Pricing Model (CAPM) for each segment separately. When looking at the components used in the CAPM calculations the following differences can be observed:
  - The Bidder uses a lower risk-free rate of 1.36% (1.66% for DPCF). Additionally, the Bidder applies an equity risk premium of 5.5% (vs. 8.0% for DPCF). The difference is caused by the different sources used (German 10-year government bond and Equity Risk Premium based on KPMG research by KBC and the French 10-year government bond & internal estimates based on the Euro Stoxx 600 for the Equity Risk Premium by DPCF)

Tessenderlo Group - Analysis of the valuation performed by the Bidder (3/5)

Discounted Cash Flow analysis *(cont'd)*

  - In terms of unleveraged betas KBC has based its estimates on industry betas published by Damodaran. DPCF on the other hand has used the median adjusted unlevered beta of the peer group selected for the CCA to serve as the best proxy given the specificity of the industries in which each segment is active, leading to the same beta for INDU, a higher beta for BIO and a lower beta for AGRO, while for T-POWER, DPCF has corrected the beta for convergence to the long-term beta of 1.0 in line with the correction made to the betas of the peers to determine the unlevered beta of the other segments, leading to slightly higher beta. Taking into account the different gearing ratio as described below the levered beta of DPCF is higher for the different segments
  - The Bidder has applied a country risk premium for Belgium (country of listing) based on Damodaran (not the case for DPCF given that our market premium has been based on the EUROSTOXX which represents a relevant benchmark in terms of geography and geographical diversification which DPCF deems relevant for both Tessenderlo Group and Picanol)
  - The Bidder includes a size discount based on research by Duff & Phelps (not the case for DPCF given that both entities would merit a similar size discount)
  - DPCF estimates the cost of debt based on the IRS 5-year and a spread equal to the average spread on BBB+ rated paper as retrieved from Bloomberg, while KBC uses the German 10-year bond as the risk-free rate and adds a spread equal the spread between the existing Tessenderlo Group bond and the German 5-year bond. The yield on the Tessenderlo Group bond was not considered by DPCF given its limited liquidity
  - In terms of target gearing KBC uses the gearing of 90.0% in line with management forecast while DPCF expects the capital structure to move towards the median gearing of the peer group (21%). This capital structure consistently includes the impact of IFRS 16
- KBC retains a WACC of 8.91% (AGRO), 8.64% (BIO), 8.70% (INDU), 6.68% (T-POWER) & 8.62% (ODD) the latter weighted based on the FCF in 2026E vs. 8.88% (AGRO), 8.84% (BIO), 8.79% INDU, 7.30% (T-POWER) and 8.69% (Corporate) the latter weighted based on the EV per segment for DPCF
- Both KBC and DPCF have applied a higher WACC to the forecasts of T-Power beyond 2025E to take into account the uncertainty regarding cash flows after termination of the contract with RWE
- This results in the following differences in the enterprise valuation of the different segments:
  - For AGRO DPCF's DCF leads to a valuation at the midpoint of € 1,288m vs. € 1,222m for KBC mainly as a result of higher margins, lower capex and a higher perpetual growth rate
  - For BIO DPCF's DCF leads to a valuation at the midpoint of € 344m vs. € 424m for KBC predominantly due to lower margins and a lower perpetual growth rate

Tessenderlo Group - Analysis of the valuation performed by the Bidder (4/5)

Discounted Cash Flow analysis *(cont'd)*

  - For INDU DPCF's DCF leads to a valuation at the midpoint of € 531m vs. € 477m for KBC driven by lower capex and a higher perpetual growth rate
  - For T-POWER DPCF arrives at a midpoint of € 240m vs. € 223m for KBC largely due to the fact that no FCF are expected in the KBC model post-2031E
  - For Corporate the outcome of the DCF is similar i.e. (€ 240m) for DPCF and (€ 243m) for KBC
- The Sum-of-the-Parts of both exercises lead to an EV of € 2,163m for DPCF and € 2,104m for KBC, a difference of 2.8%

Comparable Company analysis

- The approach for the CCA of KBC and DPCF is both based on the EV/EBITDA and EV/EBIT multiples
- In terms of peer group selection, KBC retains the following additional peers per segment:
  - AGRO: Bayer which has a broader offering and OCI which focusses on urea and ammonium targeting different crops than Tessenderlo Group
  - INDU: Geberit, whose main focus is sanitary products, which while subject to the same construction market has nevertheless a different business model, BASF, which is highly diversified and Arkema, which is mostly active in adhesive and coating solutions and advanced materials, with only limited activities in water treatment
  - T-POWER: KBC has selected peers active in utilities, while this method was not retained for T-POWER by DPCF because of the limited comparability with listed companies and the finite life of the business
- On the other hand DPCF has retained Intrepid Potash for the AGRO segment and Hawkins for the INDU segment based on the selection criteria retained as discussed on slide 44
- Computational variations might occur as DPCF includes all IFRS 16-related leases in the Adjusted Net Financial Debt calculation of the peers, while also using IFRS 16 EBITDA figures for each peer. Secondly, DPCF relies on the equity research consensus of CapIQ for financial forecasts. Both the IFRS 16 methodology, where KBC uses pre-IFRS financials and the used data source are different vs. KBC (using Refinitiv). However it is expected that the consistent application of pre-IFRS multiples and financials (EBITDA, EBIT, and NFD) should yield to the same Equity Value. Lastly, it should be noted that the reporting of the comparable companies often includes insufficient detail in order to make an educated judgement with regards to certain exceptional non-operational assets and liabilities. As such, a level of interpretation and/or subjectivity might cause a small difference in the calculated Adjusted Net Financial Debt
- KBC has considered the CCA for the segments AGRO and INDU based on financials 2022E and 2023E in line with the approach of DPCF yet has not considered the CCA in the determination of the valuation of BIO and T-POWER. DPCF has applied the CCA method to the BIO segment as well, yet has only used the 2023E figures as discussed on slide 52
- For AGRO KBC has taken the top of the range (i.e. median multiple +1.0x) to reflect the AGRO's strong track record and pressure on multiples, while DPCF has taken the median market valuation (cf. the other segments) as future prospects are covered in their DCF

Tessenderlo Group - Analysis of the valuation performed by the Bidder (5/5)

Determination range

- DPCF has determined the range of the EV as a weighted average of the DCF and the CCA (for AGRO, BIO and INDU) where a weight of respectively 70% and 30% has been applied
- KBC has taken a separate approach per segment, which leads to a lower midpoint for AGRO and INDU and a higher midpoint for BIO
- In total DPCF arrives at a midpoint equity value of € 1,843m while KBC arrives at an equity value of € 1,752m at the midpoint as the higher valuation for BIO is compensated by a lower valuation of AGRO, INDU and T-POWER

Comparable Transactions Analysis

- DPCF and the Bidder have not retained this method as they are of the opinion that its relevance is limited given the low coefficient of determination of historical multiples vs. current valuation levels in the sector and the market in general
- The selected sample of transactions retained by KBC and DPCF differs as:
    - DPCF only includes transactions for which an EV/EBITDA multiples was disclosed and with an EV value > € 50m
    - DPCF has not retained any transactions before 2017 as older transactions are assumed to be less relevant
    - For AGRO, DPCF has excluded two transactions as they relate to targets with different market dynamics
- In addition DPCF looks both at the EV/EBITDA and EV/EBIT multiples in line with the approach for the CCA, while KBC only shows at the EV/EBITDA multiple
- Both DPCF and the bidder have used a control discount of 20%

Share Price Performance

- DPCF has analysed the evolution of the historical share price and the traded volumes of Tessenderlo Group over different time periods similar to KBC
- A small difference regarding the benchmark indices can be observed: KBC compares the SPP of Tessenderlo Group with the Bel20, while DPCF looks at the STOXX Europe 600, STOXX Europe 6000 Chemicals and the Bel Mid
- Both KBC and DPCF have not considered this as a separate valuation method given its low relevance

Brokers' Target Prices

- KBC and DPCF use the same universe of brokers and use the median of the target prices as this eliminates the impact of outliers
- Both KBC and DPCF have opted to use this data solely as a benchmark for valuation methodologies

Picanol - Analysis of the valuation performed by the Bidder (1/4)

Adjusted Net Financial Debt

- KBC and DPCF both calculate Adjusted Net Financial Debt on a pre-IFRS 16 basis
- The difference between DPCF and KBC's calculation of Adjusted Net Financial debt stems from the following :
  - Financial debt is already corrected by DPCF for the leases, while KBC includes the € 2.0m of financials leases as a correction to arrive at a pre-IFRS measure
  - For the provisions DPCF has only included non-operational provisions and pension liabilities
  - Finally KBC includes the 3.8% stake in Rieter Holding already as a cash-like item while DPCF excludes this to value Picanol on June 30, 2022 when the contribution in kind has not taken place yet

Business Plan

- KBC uses the Business Plan 2022E-2027E received from management, supplemented with extrapolation assumptions (e.g. to normalize capex and D&A in the calculation of the terminal values)
- DPCF has included a three-year extrapolation period from 2028E to 2030E, the same approach as KBC. Differences throughout the extrapolation period and the subsequent terminal value period include:
  - Growth rate extrapolation period: While DPCF has chosen to decrease revenue growth linearly to reach the Perpetual Growth Rate in 2030E, KBC only reaches the Perpetual Growth Rate in 2031E
  - Perpetual Growth Rate (PGR): KBC uses a 1.26% growth rate based on the long-term real GDP forecast as published by the OECD. DPCF has based its PGR on the growth in the last year of the extrapolation period which was based on DPCF's growth expectations of the different activities in 2030E (Weaving: 1.70%; and Industries: 2.00%)
  - REBITDA margin: Both DPCF and KBC have forecasted a decreasing margin over the extrapolation period, reaching 12.8% for KBC and 13.1% for DPCF
  - Terminal value: Both KBC as DPCF have used the Gordon-Shapiro method to calculate the terminal value
  - Capex levels: KBC and DPCF have made different assumptions to forecast capex, in the Business Plan, the extrapolation period and the terminal year
    - DPCF has assumed elevated capex levels of € 25m in 2023E and 2024E in line with management expectations, while KBC assumed € 30m (as a result of delayed capex in H2 2022, which was not foreseen in the DPCF model, however this results in a mere timing difference) and € 25m capex in 2023E and 2024E respectively
    - From 2025E until 2027E, DPCF assumed € 13m capex per year based on the historical average(1) compared to € 11m assumed by KBC, which is slightly lower as it is based on historical investment budgets for maintenance and renewal of PPE. In the extrapolation period, DPCF lets capex evolve to € 14m, while KBC assumes a € 12m capex in the terminal year

Note: (1) The average capex of the last five years equals € 12.7m

Picanol - Analysis of the valuation performed by the Bidder (2/4)

Business Plan *(cont'd)*

  - NWC: DPCF used the management NWC forecast based on revenue growth. KBC has used an explicit DPO, DSO and DIO forecast to calculate NWC. Therefore, small differences in NWC forecast exist
- Overall, the previously described assumptions lead to similar FCFFs for KBC and DPCF in each forecasted year with deviations to a large extent attributable to different capex assumptions. Both KBC and DPCF foresee significant increases in FCFFs between 2023E and 2030E (especially as of 2025E due to strong CAPEX reductions following the completion of the new HQ and production facility in Rasnov)

Discounted Cash Flow

- The discount rate applied to the FCFFs is different between KBC and DPCF, as the former uses an end-of-year convention while DPCF uses a mid-year convention discounting the FCF as if they were evenly distributed over the year
- With regards to the WACC, both the Bidder and DPCF use the Capital Asset Pricing Model (CAPM) for the calculation of the cost of equity. When looking at the components used in the WACC calculations the following differences can be observed:
  - KBC uses a lower risk-free rate of 1.36% (1.66% for DPCF). Additionally, the Bidder applies an equity risk premium of 5.50% (vs. 8.0% for DPCF). The difference is caused by the different sources used (German 10-year government bond and Equity Risk Premium based on KPMG research by KBC and the French 10-year government bond & internal estimates based on the Euro Stoxx 600 for the equity risk premium by DPCF)
  - In terms of unleveraged beta's KBC has based its estimates on industry betas published by Damodaran. DPCF on the other has used the unlevered beta of a selection of peers
  - The Bidder has applied a country risk premium for Belgium (country of listing) based on Damodaran (not the case for DPCF given that our market premium has been based on the EUROSTOXX which represents a relevant benchmark in terms of geography and geographical diversification which DPCF deems relevant for both Tessenderlo Group and Picanol)
  - The Bidder includes a size discount based on research by Duff & Phelps (not the case for DPCF given that both entities would merit a similar size discount)
  - KBC and DPCF have not retained a cost of debt as the gearing ratio is assumed to be 100% equity
- KBC arrives at a WACC of 9.99% compared to 9.28% for DPCF
- This results in an midpoint enterprise value of € 820m vs. € 698m for KBC mainly as the result of different capex assumptions and perpetual growth rate

Picanol - Analysis of the valuation performed by the Bidder (3/4)

Determination range

- DPCF has determined the range of the EV as a weighted average of the DCF and the CCA where a weight of respectively 70% and 30% has been applied while KBC has only retained the DCF method
- In total DPCF arrives at a midpoint equity value of € 806m while KBC arrives at an equity value of € 831m at the midpoint as a result of a lower market valuation used to determine the range in the DPCF model

Comparable Company Analysis

- KBC has included the CCA as a reference point only, while DPCF has retained this as one of the valuation methods, in order to conduct a similar valuation method for Picanol and Tessenderlo Group
- In terms of peer group selection, KBC retains the following additional peers per segment: Juki, Shima Seiki and Lakshmi Machine works
  - DPCF has not retained these stocks are only covered by a limited number of research analyst, leading to low relevancy of key valuation metrics
- Computational variations might occur as DPCF includes all IFRS 16-related leases in the Adjusted Net Financial Debt calculation of the peers, while also using IFRS 16 EBITDA figures for each peer. Secondly, DPCF relies on the equity research consensus of CapIQ for financial forecasts. Both the IFRS 16 methodology, where KBC uses pre-IFRS financials and the used data source are different vs. KBC (using Refinitiv). However it is expected that the consistent application of pre-IFRS multiples and financials (EBITDA, EBIT, and NFD) should yield to the same Equity Value. Lastly, it should be noted that the reporting of the comparable companies often includes insufficient detail in order to make an educated judgement with regards to certain exceptional non-operational assets and liabilities. As such, a level of interpretation and/or subjectivity might cause a small difference in the calculated Adjusted Net Financial Debt
- KBC has considered the CCA based on 2021A, 2022E and 2023E financials, while DPCF uses 2023E and 2024E financials for the valuation of Picanol

Comparable Transactions Analysis

- DPCF and KBC consider the CTA as a reference point only as they are of the opinion that the applicability of CTA is limited given the low relevance of historical multiples to determine the current valuation levels in the sector given the cyclicality of the business
- The selected sample of transactions retained by KBC contains three transactions compared to five in the sample retained by DPCF. Differences stem from the fact that:
  - DPCF only retained transactions for which an EV/EBITDA multiple was disclosed
  - DPCF selected three additional transactions compared to KBC. KBC did not consider these transactions as they only looked at majority transactions of European targets
- DPCF has used the same approach as KBC in applying a control discount of 20%

Picanol - Analysis of the valuation performed by the Bidder (4/4)

Share Price Performance

- DPCF has analysed the evolution of the historical share price and the traded volumes of Tessenderlo Group over different time periods similar to KBC
- A small difference regarding the benchmark indices can be observed: KBC compares the SPP of Picanol with the Bel20, while DPCF looks at the STOXX Europe 600, STOXX Europe 600 Industrials and the Bel Mid
- Both KBC and DPCF have not considered this as a separate valuation method given its low relevance

Brokers’ Target Prices

- KBC and DPCF both consider the target price by KBC’s research analyst only
- Both KBC and DPCF have opted to use this data as a benchmark for valuation methodologies

Appendices

Beta overview Tessenderlo Group peers

Overview of betas

	D/(D+E)	Adjusted beta unlevered	R²
		5 year weekly	
AGRO			
Compass Minerals	27.0%	0.89	30.8%
K+S	30.0%	0.93	19.0%
Nutrien	26.5%	0.87	36.1%
CF Industries	27.0%	1.09	29.1%
Yara International	23.0%	n.a.	n.a.
Mosaic	27.0%	1.26	36.4%
SQM	26.0%	1.29	31.1%
ICL Group	23.0%	n.a.	n.a.
Intrepid Potash	27.0%	1.41	15.8%
Sesoda	20.0%	0.67	13.4%
American Vanguard	27.0%	0.93	21.1%
Median		**0.93**	
BIO			
Darling Ingredients	27.0%	1.19	41.8%
Nitta Gelatin	30.9%	0.67	31.1%
Median		**0.93**	
INDU			
Orbia	30.0%	n.a.	n.a.
Wienerberger	25.0%	0.91	38.6%
Uponor	20.0%	0.93	20.4%
Kemira	20.0%	0.72	33.8%
Georg Fischer	18.0%	1.00	48.9%
Genuit Group	19.0%	0.65	21.2%
Hawkins	27.0%	0.94	26.0%
Median		**0.92**	

- Based on a selection of peers used in the CCA, market betas are derived for AGRO, BIO and INDU
- A 5-year weekly beta was withheld, based on the R² regression between weekly share prices and the relevant benchmark
- The beta has been adjusted based on the assumption that a security's beta moves towards the market average over time, resulting in an:
  - Unlevered beta AGRO of 0.93;
  - Unlevered beta BIO VAL of 0.93;
  - Unlevered beta IND SOL of 0.92
- In absence of relevant listed peers for T-Power, the beta was based on Damodaran research for the utilities sector, adjusted for the convergence of the beta to the market average of 1.00
- The betas were then levered using the target capital structure of Tessenderlo Group

Sources: Capital IQ as of June 30, 2022

Beta overview Picanol peers

Overview of betas

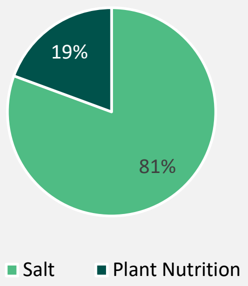
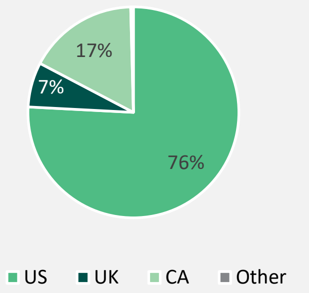
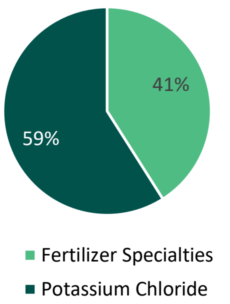
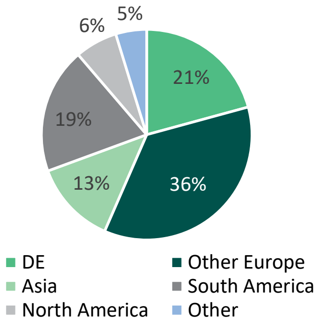
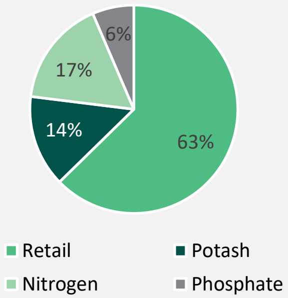
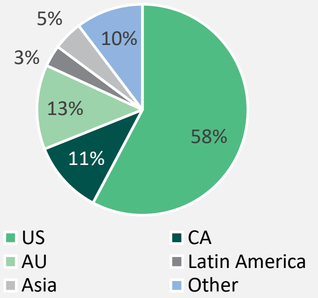
	D/(D+E)	Adjusted beta unlevered	R²
		5 year weekly	
Rieter Holding	44.5%	0.72	23.6%
Schweiter Technologies	3.1%	0.95	40.7%
Juki Corporation	76.4%	0.60	25.0%
Shima Seiki	3.6%	1.08	28.7%
OC Oerlikon	29.8%	0.96	48.8%
Median		**0.95**	

- Based on a selection of peers the market beta was derived
- A 5-year weekly adjusted beta unlevered was withheld, based on the R² regression between weekly share prices and the relevant benchmark
- An unlevered beta of 0.95 was derived by taking the peer group's median

Sources: Capital IQ as of June 30, 2022

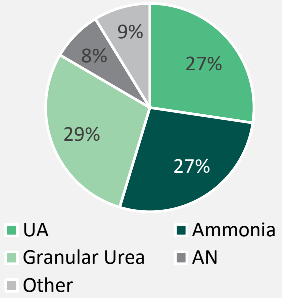
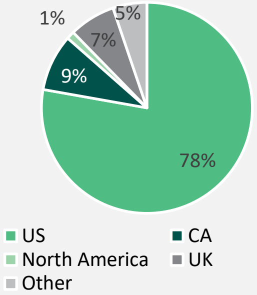
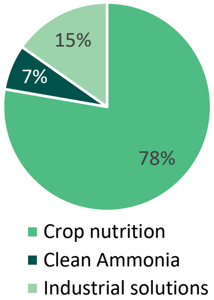
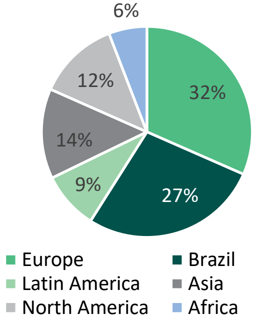
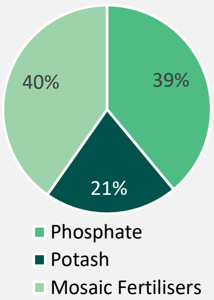
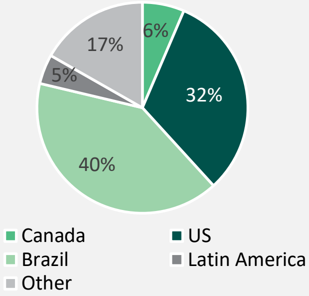
Appendices

Description of selected AGRO peers (1/4)

Company	Financials (€m)	Business description	Products	Activities split	Geographic split
Compass Minerals	**Market cap**: 1,156 **Adj. NFD**: 793 **Sales 2021A:** 1,040 **EBITDA 2021A:** 207 **Capex 2021A:** 77	Compass Minerals produces and sells essential minerals	▪ Sodium chloride ▪ Magnesium chloride ▪ Sulfate specialty fertilizers ▪ Potash specialty fertilizers		
K+S	**Market cap**: 4,439 **Adj. NFD**: 444 **Sales 2021A:** 3,084 **EBITDA 2021A:** 864 **Capex 2021A:** 390	K+S operates as a supplier of mineral products (Potash, magnesium and salt products) for the agricultural, industrial, consumer, and community segments	▪ Potassium Chloride ▪ Potash ▪ Magnesium ▪ Salt products		
Nutrien	**Market cap**: 54,061 **Adj. NFD**: 13,439 **Sales 2021A:** 31,770 **EBITDA 2021A:** 8,550 **Capex 2021A:** 1,755	Nutrien provides crop inputs and services, including potash, nitrogen and phosphate products for agricultural, industrial and feed customers	▪ Potash ▪ Nitrogen ▪ Phosphate ▪ Sulphate		

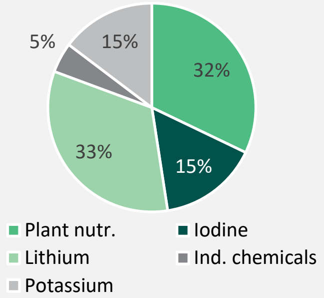
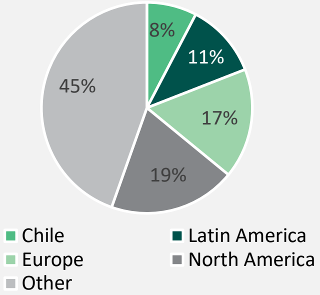
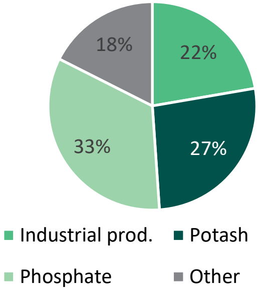
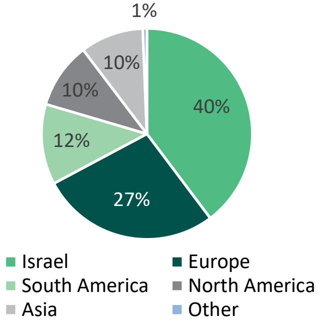
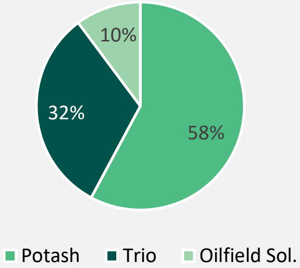
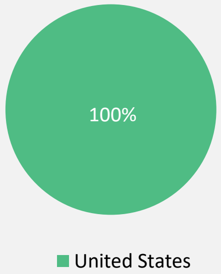
Notes: Financials are calendarised; Market cap as of June 30, 2022; Sales, EBITDA and Capex 2021A figures as reported (including adjustment for IFRS 16 if applicable)
Sources: Capital IQ as of 30 June, 2022, Company info

Description of selected AGRO peers (2/4)

Company	Financials (€m)	Business description	Products	Activities split	Geographic split
CFIndustries	**Market cap**: 17,107 **Adj. NFD**: 3,681 **Sales 2021A:** 6,211 **EBITDA 2021A:** 2,755 **Capex 2021A:** 479	CF Industries manufactures and sells hydrogen and nitrogen products for energy, fertilizer, emissions abatement, and other industrial activities	▪ Hydrogen ▪ Ammonia ▪ Derivative fertilizer products such as urea, urea ammonium nitrate		
YARA	**Market cap**: 10,152 **Adj. NFD**: 2,886 **Sales 2021A:** 14,753 **EBITDA 2021A:** 2,630 **Capex 2021A:** 891	Yara International provides environmental and agricultural solutions	▪ Nitrogen ▪ Phosphorus ▪ Potassium ▪ Calcium ▪ Magnesium		
Mosaic	**Market cap**: 16,355 **Adj. NFD**: 2,957 **Sales 2021A:** 11,907 **EBITDA 2021A:** 3,545 **Capex 2021A:** 1,211	The Mosaic Company produces and markets concentrated phosphate and potash crop nutrients	▪ Potash ▪ Phosphate		

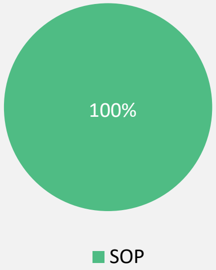
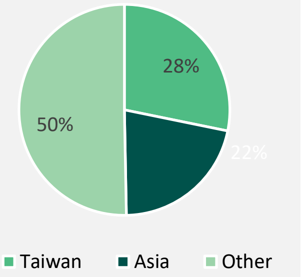
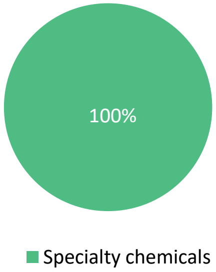
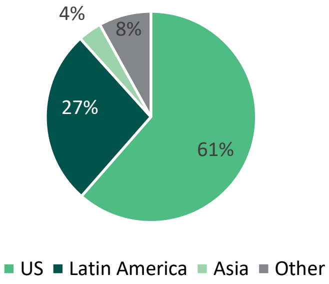
Notes: Financials are calendarised; Market cap as of June 30, 2022; Sales, EBITDA and Capex 2021A figures as reported (including adjustment for IFRS 16 if applicable)
Sources: Capital IQ as of 30 June, 2022, Company info

Description of selected AGRO peers (3/4)

Company	Financials (€m)	Business description	Products	Activities split	Geographic split
SQM 🇨🇱	**Market cap**: 22,824 **Adj. NFD**: (607) **Sales 2021A:** 2,622 **EBITDA 2021A:** 1,011 **Capex 2021A:** 448	SQM produces and distributes specialty plant nutrients, iodine and its derivatives, lithium and its derivatives, potassium chloride and sulphate, industrial chemicals, and other products and services	▪ Specialty crop nutrition ▪ Lithium and derivatives ▪ Iodine & derivatives ▪ Potassium ▪ Industrial chemicals		
ICL 🇮🇱	**Market cap**: 39,020 **Adj. NFD**: 8,937 **Sales 2021A:** 19,923 **EBITDA 2021A:** 4,574 **Capex 2021A:** 1,891	ICL Group operates as a specialty minerals and chemicals company for the global food, agriculture, and industrial markets	▪ Bromine ▪ Potash ▪ Phosphate		
INTREPID Essential Minerals for Success 🇺🇸	**Market cap**: 573 **Adj. NFD**: (54) **Sales 2021A:** 226 **EBITDA 2021A:** 68 **Capex 2021A:** 19	Intrepid Potash engages in the extraction and production of the potash	▪ Potash		

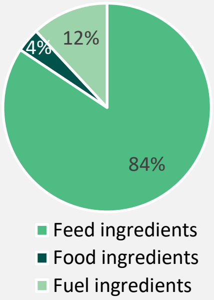
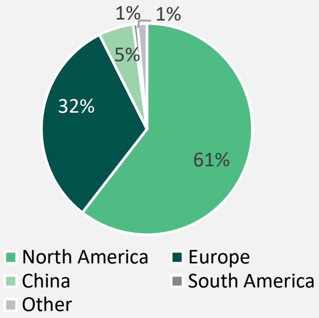
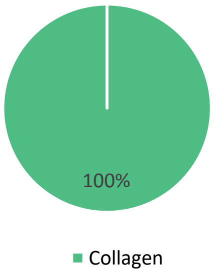
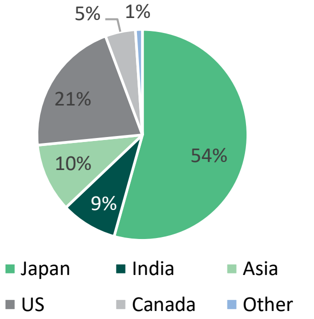
Notes: Financials are calendarised; Market cap as of June 30, 2022; Sales, EBITDA and Capex 2021A figures as reported (including adjustment for IFRS 16 if applicable)
Sources: Capital IQ as of 30 June, 2022, Company info

Description of selected AGRO peers (4/4)

Company	Financials (€m)	Business description	Products	Activities split	Geographic split
SESODA	**Market cap**: 363 **Adj. NFD**: 87 **Sales 2021A:** 154 **EBITDA 2021A:** 41 **Capex 2021A:** n.a.	Sesoda manufactures and markets sulphate of potash (SOP)	- Potassium sulphate		
AMERICAN VANGUARD	**Market cap**: 659 **Adj. NFD**: 98 **Sales 2021A:** 520 **EBITDA 2021A:** 62 **Capex 2021A:** n.a.	American Vanguard develops, manufactures, and markets specialty chemicals for agricultural, commercial, and consumer uses	- Agricultural chemicals		

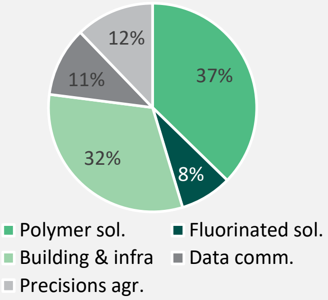
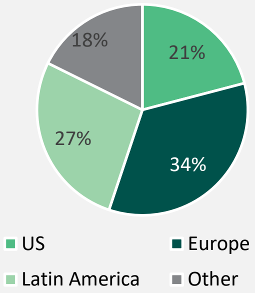
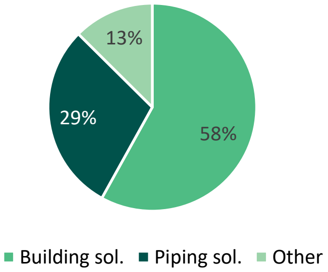
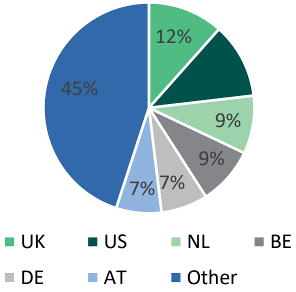
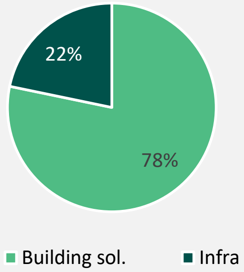
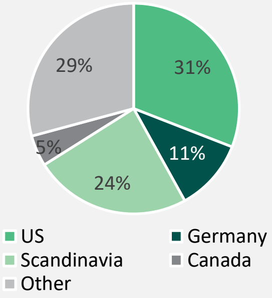
Notes: Financials are calendarised; Market cap as of June 30, 2022; Sales, EBITDA and Capex 2021A figures as reported (including adjustment for IFRS 16 if applicable)
Sources: Capital IQ as of 30 June, 2022, Company info

Description of selected BIO peers (1/1)

Company	Financials (€m)	Business description	Products	Activities split	Geographic split
DARLING INGREDIENTS	**Market cap**: 9,239 **Adj. NFD**: 310 **Sales 2021A:** 4,429 **EBITDA 2021A:** 1,250 **Capex 2021A:** 298	Darling Ingredients develops, produces, and sells natural ingredients from edible and inedible bio-nutrients	- Collagen - Gelatine		
Nitta Gelatin	**Market cap**: 78 **Adj. NFD**: 58 **Sales 2021A:** 214 **EBITDA 2021A:** 19 **Capex 2021A:** 17	Nitta Gelatin engages in the production and sale of edible gelatine, pharmaceutical gelatine, and photographic gelatine	- Gelatine		

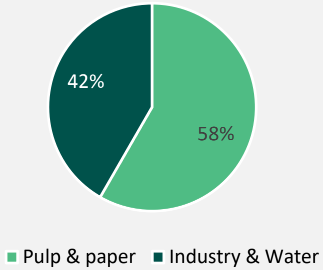
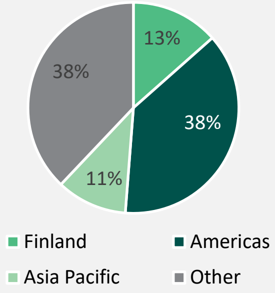
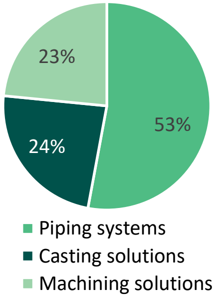
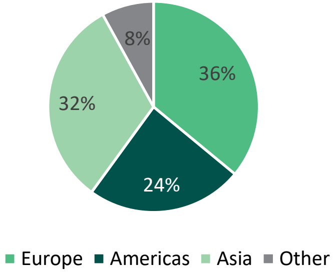
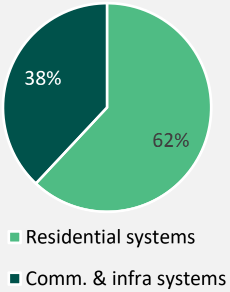
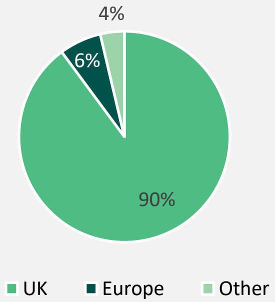
Notes: Financials are calendarised; Market cap as of June 30, 2022; Sales, EBITDA and Capex 2021A figures as reported (including adjustment for IFRS 16 if applicable)
Sources: Capital IQ as of 30 June, 2022, Company info

Description of selected INDU peers (1/3)

Company	Financials (€m)	Business description	Products	Activities split	Geographic split
orbia	**Market cap**: 87,970 **Adj. NFD**: 85,854 **Sales 2021A:** 166,986 **EBITDA 2021A:** 39,184 **Capex 2021A:** 6,530	Orbia provides products and solutions for precision agriculture, building and infrastructure, fluor, polymer, and data communications sectors	▪ Polymer solutions ▪ Building & infra (pipes, water collection and management & heating and cooling systems) ▪ Precision agriculture ▪ Data communication ▪ Fluorinated solutions		
Wienerberger	**Market cap**: 2,240 **Adj. NFD**: 1,314 **Sales 2021A:** 3,824 **EBITDA 2021A:** 669 **Capex 2021A:** 276	Wienerberger produces and sells bricks, roof tiles, concrete pavers, and pipe systems	▪ Walls, facades, roofs & pavers ▪ Plastic pipes ▪ Ceramic pipes		
uponor	**Market cap**: 957 **Adj. NFD**: 174 **Sales 2021A:** 1,281 **EBITDA 2021A:** 204 **Capex 2021A:** 45	Uponor provides plumbing, indoor climate, and infrastructure solutions	▪ Building solutions ▪ Infrastructure solutions ▪ Water monitoring services		

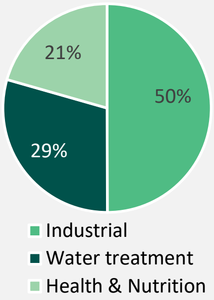
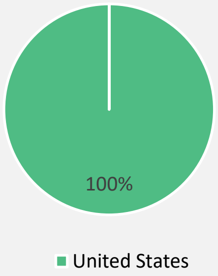
Notes: Financials are calendarised; Market cap as of June 30, 2022; Sales, EBITDA and Capex 2021A figures as reported (including adjustment for IFRS 16 if applicable)
Sources: Capital IQ as of 30 June, 2022, Company info

Description of selected INDU peers (2/3)

Company	Financials (€m)	Business description	Products	Activities split	Geographic split
kemira	**Market cap**: 1,788 **Adj. NFD**: 931 **Sales 2021A:** 2,624 **EBITDA 2021A:** 427 **Capex 2021A:** 194	Kemira operates as a chemicals company	- Pulp & paper - Water treatment (incl. biobased polymers)		
+GF+ GEORG FISCHER	**Market cap**: 3,850 **Adj. NFD**: 89 **Sales 2021A:** 3,595 **EBITDA 2021A:** 449 **Capex 2021A:** 189	Georg Fischer provides piping systems, and casting and machining solutions.	- Piping systems - Casting & machining solutions		
GENUIT GROUP	**Market cap**: 1,106 **Adj. NFD**: 193 **Sales 2021A:** 672 **EBITDA 2021A:** 136 **Capex 2021A:** 41	Genuit Group develops, manufactures, and sells water, climate, and ventilation management solutions	- Water management - Climate management - Ventilation management		

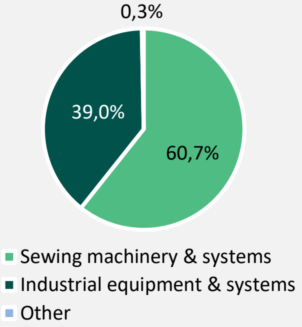
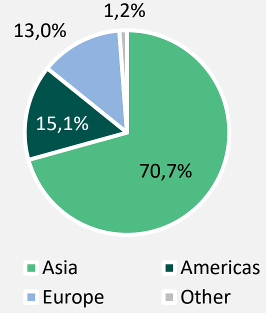
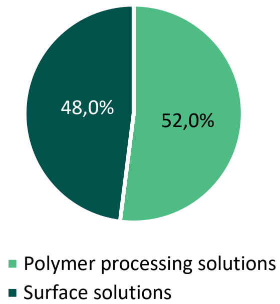
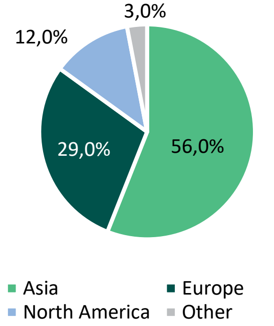
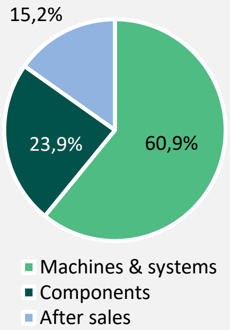
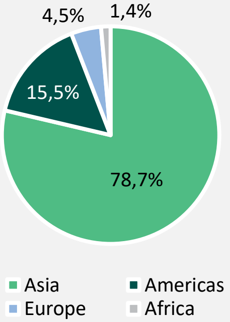
Notes: Financials are calendarised; Market cap as of June 30, 2022; Sales, EBITDA and Capex 2021A figures as reported (including adjustment for IFRS 16 if applicable)
Sources: Capital IQ as of 30 June, 2022, Company info

Description of selected INDU peers (3/3)

Company	Financials (€m)	Business description	Products	Activities split	Geographic split
Hawkins	**Market cap**: 730 **Adj. NFD**: 127 **Sales 2021A:** 634 **EBITDA 2021A:** 87 **Capex 2021A:** n.a.	Hawkins blends, manufactures, and distributes chemicals and other specialty ingredients	▪ Water treatment ▪ Industrial chemicals ▪ Nutritional ingredients		

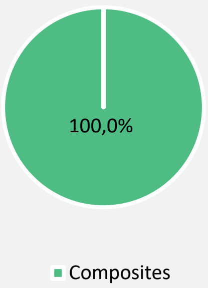
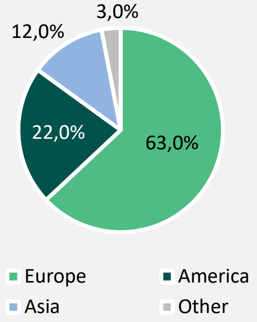
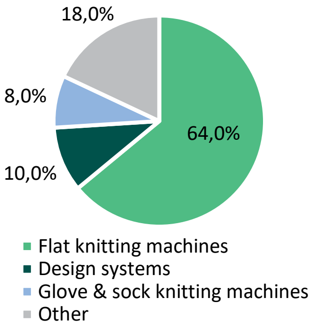
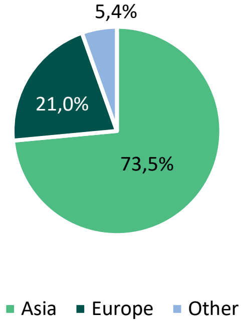
Notes: Financials are calendarised; Market cap as of June 30, 2022; Sales, EBITDA and Capex 2021A figures as reported (including adjustment for IFRS 16 if applicable)
Sources: Capital IQ as of 30 June, 2022, Company info

Description of selected Picanol peers (1/2)

Company	Financials (€m)	Business description	Products and services	Activities split	Geographic split
JUKI	**Market cap**: 145 **Adj. NFD**: 443 **Sales 2021A:** 713 **EBITDA 2021A:** 48 **Capex 2021A:** 7	Juki manufactures and sells industrial sewing machines, surface mount technology (SMT) systems, and household sewing machines	▪ Sewing machinery ▪ Industrial equipment		
oerlikon	**Market cap**: 2,262 **Adj. NFD**: 628 **Sales 2021A:** 2,644 **EBITDA 2021A:** 437 **Capex 2021A:** 124	Oerlikon provides advanced materials, surface technologies, processing equipment and related services	▪ Polymer processing solutions ▪ Advanced materials ▪ Surface coatings		
RIETER	**Market cap**: 514 **Adj. NFD**: 126 **Sales 2021A:** 971 **EBITDA 2021A:** 86 **Capex 2021A:** 31	Rieter Holding supplies systems for short-staple fibre spinning	▪ Spinning systems ▪ Machinery components ▪ After sales services		

Notes: Financials are calendarised; Market cap as of June 30, 2022; Sales, EBITDA and Capex 2021A figures as reported (including adjustment for IFRS 16 if applicable)
Sources: Capital IQ as of 30 June, 2022, Company info

Description of selected Picanol peers (2/2)

Company	Financials (€m)	Business description	Products and services	Activities split	Geographic split
Schweiter Technologies	**Market cap**: 1,300 **Adj. NFD**: (9) **Sales 2021A:** 1,256 **EBITDA 2021A:** 152 **Capex 2021A:** 45	Schweiter Technologies produces extruded and cast plastic sheets, composite panels, and core materials for composite structures	▪ Composites solutions		
SHIMA SEIKI	**Market cap**: 505 **Adj. NFD**: (152) **Sales 2021A:** 200 **EBITDA 2021A:** (27) **Capex 2021A:** 9	Shima Seiki produces computerized flat knitting machines	▪ Flat knitting machines ▪ Glove & sock knitting machines ▪ Design software		

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Sources: Capital IQ as of 30 June, 2022, Company info

Appendices

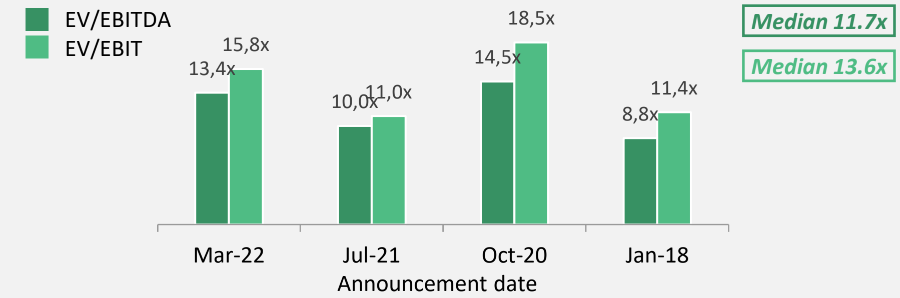
CTA methodology Tessenderlo

- We have analysed a broad sample of transactions in related sectors, selecting those with acquired companies active in the same industries as Tessenderlo Group and taking into account following criteria:
  - We have retained transactions with target companies that have a significant part of their activities in common with the different segments of Tessenderlo Group to ensure maximum relevancy
  - We have only retained transactions for which EV/EBITDA multiples are publicly available
  - We have excluded transactions prior to 2017
- We have identified a very limited group of transactions for which sufficient financial information was available to determine the valuation multiples
- Moreover, it should be emphasized that most transaction multiples are not directly applicable to Tessenderlo Group and its different segments as they can be influenced by various factors such as:
  - Potential control premium, if the transaction involves predominant control
  - Recent financial performance and current growth profile of the acquired company
  - Business characteristics of the target company such as its business activity, product and service mix and geographical presence
  - Potential synergies (partially) included in the price paid by the acquirer
  - Structuring of the transaction price
  - Time of the transaction, which is most relevant given the current market environment
- In addition, as the targets in these transactions are mostly private companies with significant differences in accounting policies, it is impossible to determine consistent figures in terms of EBITDA and net financial debt figures
- The CTA method is therefore not retained as a valuation method

Comparable transactions overview

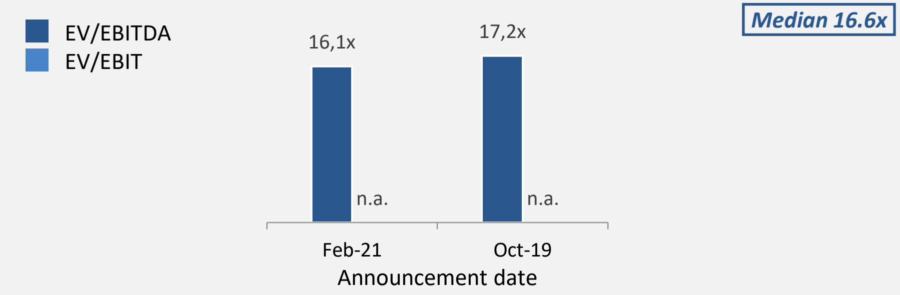
Overview of reference groups and median multiples

AGRO



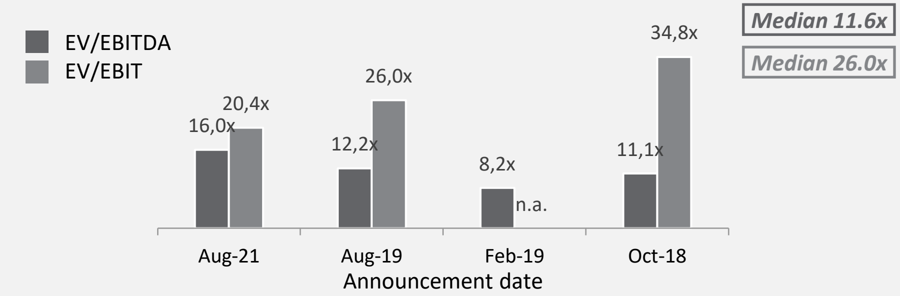
- Precedent transactions consisting of targets active in the production of fertilizers over the last 5 years

BIO



- Precedent transactions consisting of targets active in recovery, rendering and recycling of animal by-products over the last 5 years

INDU



- Precedent transactions consisting of targets providing water management products and drainage solutions over the last 5 years

Sources: Mergermarket, Capital IQ, Amadeus, Company info

AGRO - Comparable Transactions Analysis

Announc. Date	Bidder	Target	Target country	Acquired stake	Target description	EV (€m)	EV/ EBITDA	EV/ EBIT
Mar-22	EuroChem Group	**Fertilizantes Heringer**	Brazil	51%	Producer of fertilizers	381	**13.4x**	**15.8x**
Jul-21	Stirling Square Capital	**Sustainable Agro Solutions**	Spain	100%	Producer of nutritional solutions and bio stimulants	150	**10.0x**	**11.0x**
Oct-20	Syngenta International	**Valagro**	Italy	100%	Producer of bio stimulants and specialty nutrients for agricultural use and animal feed ingredients	500	**14.5x**	**18.5x**
Jan-18	Nutrien	**Agrium**	Canada	Merger	Producer and distributor of agricultural products, services and solutions (nutrients and fertilizers)	16,335	**8.8x**	**11.4x**
					Median *Before 20% control discount*		**11.7x**	**13.6x**
					Median *After 20% control discount*		**9.4x**	**10.9x**

Note: The EV is calculated for 100.0% of the company and if the financial data is denominated in a currency other than the €, the EV and financial metrics are converted to € on the basis of the exchange rates prevailing on the date of the announcement of the acquisition
Sources: Mergermarket, Capital IQ, Amadeus, Company info

BIO - Comparable Transactions Analysis

Announc. Date	Bidder	Target	Target country	Acquired stake	Target description	EV (€m)	EV/ EBITDA	EV/ EBIT
Feb-21	IFF	**DuPont Nutrition & Biosciences**	USA	100%	Produces food and beverage ingredients, enzymes and bio-based solutions	23,568	**16.1x**	-
Oct-19	Symrise	**American Dehydrated Foods, International Dehydrated Foods, IsoNova Technologies**	USA	100%	Company processing and supplying premium poultry ingredients, manufacturer of digestible protein, producer of pet food		686	**17.2x**	-
					Median *Before 20% control discount*		**16.6x**	-
					Median *After 20% control discount*		**13.3x**	-

Note: The EV is calculated for 100.0% of the company and if the financial data is denominated in a currency other than the €, the EV and financial metrics are converted to € on the basis of the exchange rates prevailing on the date of the announcement of the acquisition
Sources: Mergermarket, Capital IQ, Amadeus, Company info

INDU - Comparable Transactions Analysis

Announc. Date	Bidder	Target	Target country	Acquired stake	Target description	EV (€m)	EV/ EBITDA	EV/ EBIT
Aug-21	Canada Pension Plan	**Advanced Drainage Systems**	USA	5%	Manufacturer of pipe, providing a suite of water management products and drainage solutions	8,806	**16.0x**	**20.4x**
Aug-19	Advanced Drainage Systems	**Infiltrator Water Technologies**	USA	100%	Manufacturer of plastic leachfield drainage chambers for environmental onsite wastewater solutions	977	**12.2x**	**26.0x**
Feb-19	Keppel Infra	**Ixom**	Australia	100%	Manufacturer and distributor of water treatment chemicals	707	**8.2x**	**-**
Oct-18	Bain Capital	**Italmatch Chemicals**	Italy	100%	Specialized in performance additives for water treatment	700	**11.1x**	**34.8x**
					Median *Before 20% control discount*		**11.6x**	**26.0x**
					Median *After 20% control discount*		**9.3x**	**20.8x**

Note: The EV is calculated for 100.0% of the company and if the financial data is denominated in a currency other than the €, the EV and financial metrics are converted to € on the basis of the exchange rates prevailing on the date of the announcement of the acquisition
Sources: Mergermarket, Capital IQ, Amadeus, Company info

CTA methodology Picanol

- We have analysed a broad sample of transactions in related sectors, selecting those with acquired companies active in manufacturing of weaving machinery and its components and taking into account following criteria:
  - We have retained transactions with target companies that have a significant part of their activities in common with Picanol to ensure maximum relevancy
  - We have only retained transactions for which EV/EBITDA multiples are publicly available
  - We have excluded transactions prior to 2017
- We have identified a very limited group of five comparable transactions for which sufficient financial information was available to determine the valuation multiples
- Moreover, it should be emphasized that most transaction multiples are not directly applicable to Picanol as they can be influenced by various factors such as:
  - Potential control premium, if the transaction involves predominant control
  - Recent financial performance and current growth profile of the acquired company
  - Business characteristics of the target company such as its business activity, product and service mix and geographical presence
  - Potential synergies (partially) included in the price paid by the acquirer
  - Structuring of the transaction price
  - Time of the transaction, which is an important consideration given the cyclicality of the business
- In addition, as the targets in these transactions are mostly private companies with significant differences in accounting policies, it is impossible to determine consistent figures in terms of EBITDA and net financial debt figures
- Therefore, the CTA method is not retained as a valuation method and solely used as reference point

Comparable Transactions Analysis

Announc. Date	Bidder	Target	Target country	Acquired stake	Target description	EV (€m)	EV/ EBITDA	EV/ EBIT
Sep-21	Tikehau Capital Partners	**Euro Group**	Italy	30%	Manufacturer of steel components used in electrical rotating machines	280	**7.0x**	40.7x
May-21	Vandewiele	**Savio Macchine Tessili**	Italy	100%	Engaged in projecting, producing and marketing yarn finishing machines	267	**12.4x**	n.m.
Oct-19	Autokiniton	**Tower International**	United States	100%	Manufacturer of engineered structural metal components, automotive metal structural components and assemblies	758	**5.5x**	8.5x
May-18	Private Investors	**OC Oerlikon**	Switzerland	23%	Manufacturer of specialized equipment for information technology, surface components and special systems	4,509	**12.9x**	24.1x
Jun-17	Rieter Holding	**SSM Textile Machinery**	Switzerland	100%	Manufacturer of machines for yarn processing and precision winding	91	**7.9x**	8.6x
					Median (minority transactions only)		**9.9x**	**32.4x**
					Median (majority transactions only) *Before 20% control discount*		**7.9x**	**8.6x**
					Median (majority transactions only) *After 20% control discount*		**6.3x**	**6.8x**
					Median (all transactions) *After 20% control discount*		**7.0x**	**15.5x**

Note: The EV is calculated for 100.0% of the company and if the financial data is denominated in a currency other than the €, the EV and financial metrics are converted to € on the basis of the exchange rates prevailing on the date of the announcement of the acquisition
Sources: Mergermarket, Capital IQ, Amadeus, Company info

Appendices

Past experience in fairness opinion assignments (1/2)

Business Services

EMAKINA GROUP

Public takeover bid and squeeze-out by

<epam>

November 2021

Real Estate

LEASINVEST REAL ESTATE

merged with

extensa

July 2021

Industrials

SIOEN

Public takeover bid and squeeze-out by

Sihold

May 2021

Technology

zenitel

Public takeover bid and squeeze-out by

3d investors

May 2021

Technology

orange™ Belgium

Conditional tender offer by

orange™ Group

April 2021

Food & Beverage

bpifrance

sold a minority stake in

Avril Pôle végétal

advisor to the Board regarding the public takeover bid

January 2020

Technology

IPTE

acquired

CONNECT GROUP INTEGRATED SUBCONTRACTORS

advisor to the Board regarding the public takeover bid

June 2019

Healthcare

OCP

acquired

PCB

advisor to the Board regarding the public takeover bid

March 2019

Real Estate

vastned Venues for Premium Shopping

acquired

vastned Retail Belgium

advisor to the Board regarding the public takeover bid

April 2018

Business Services

CGG

advisor to the Board on the relative treatment of Senior Noteholder and Convertible Bondholders
€ 2,800 million

December 2017

Energy & Utilities

FLUXYS

advisor to the Board in the framework of Article 524 Belgian Company Code

September 2017

Food & Beverage

GREENYARD FOODS

advisor to the Board in the framework of Article 524 Belgian Company Code

March 2017

Past experience in fairness opinion assignments (2/2)

Technology

bpifrance

acquired a minority stake in

ST life.augmented

advisor to the Board regarding the public takeover bid

November 2016 🇫🇷

Materials & Chemicals

bpifrance

sold a minority stake in

eramet

advisor to the Board regarding the public takeover bid

August 2016 🇫🇷

Consumer & Retail

Perennitas SA

acquired

PAIRI DAIZA

advisor to the Board regarding the public takeover bid

February 2016 🇧🇪

Materials & Chemicals

TESSENDERLO GROUP

Contribution agreement w/

PICANOL GROUP

advisor to the Board regarding the public takeover bid

December 2015 🇧🇪

Materials & Chemicals

PICANOL GROUP

Capital increase by means of rights issue by

TESSENDERLO GROUP

advisor to the Board regarding the public takeover bid

September 2014 🇧🇪

Financial Services

Union Financière Boël

acquired

Henex

advisor to the Board regarding the public takeover bid

December 2013 🇧🇪

Energy & Utilities

nostrum Oil & Gas

advisor to the Board regarding the public takeover bid

October 2013 🇧🇪

Industrials

bencis capital partners

Gimv

acquired

XEIKON

advisor to the Board regarding the public takeover bid

August 2013 🇧🇪

Financial Services

GBL

advisor to the Board regarding the subscription by GBL to the Sagard III fund promoted by Power Corporation of Canada

February 2013 🇧🇪

Financial Services

GBL

advisor to the Board regarding promotion and subscription of/to Alladin Credit Fund by GBL in partnership with Sagard III fund

February 2013 🇧🇪

Technology

Canon

acquired

IRIS Document to Knowledge

advisor to the Board regarding the public takeover bid

September 2012 🇧🇪

Materials & Chemicals

Auriga Finance SA

acquired

VPK Packaging Group

advisor to the Board regarding the public takeover bid

September 2012 🇧🇪

Appendices

Size discount

Equity value	
Range	Premium
€ 1m - € 7m	13.72%
€ 7m - € 15m	9.28%
€ 15m - € 27m	6.75%
€ 27m - € 41m	5.30%
€ 41m - € 63m	4.32%
€ 63m - € 99m	3.55%
€ 99m - € 153m	2.95%
€ 153m - € 227m	2.53%
€ 227m - € 341m	2.25%
€ 341m - € 543m	2.05%
€ 543m - € 835m	1.93%
€ 835m - € 1,411m	1.86%
€ 1,411m - € 2,423m	1.80%
€ 2,423m - € 4,589m	1.70%
€ 4,589m - € 10,525m	1.44%
€ 10,525m - € 69,863m	(0.49%)

Equity value between € 1,411m to € 2,423m leads to a size discount of 1.80% (1)

Note: (1) Based on the midpoint of the equity value of € 1,843m and € € 1,761m for respectively Tessenderlo Group and Picanol as shown on slide 93
Source: Duff & Phelps international Guide to Cost of Capital (2018)

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