

TESSENDERLO GROUP CONFERENCE CALL HY23 RESULTS

Brussels, August 24, 2023



Tessenderlo Group
EVERY MOLECULE COUNTS



KEY EVENTS

First half of 2023

Combination Tessenderlo Group and Picanol Group

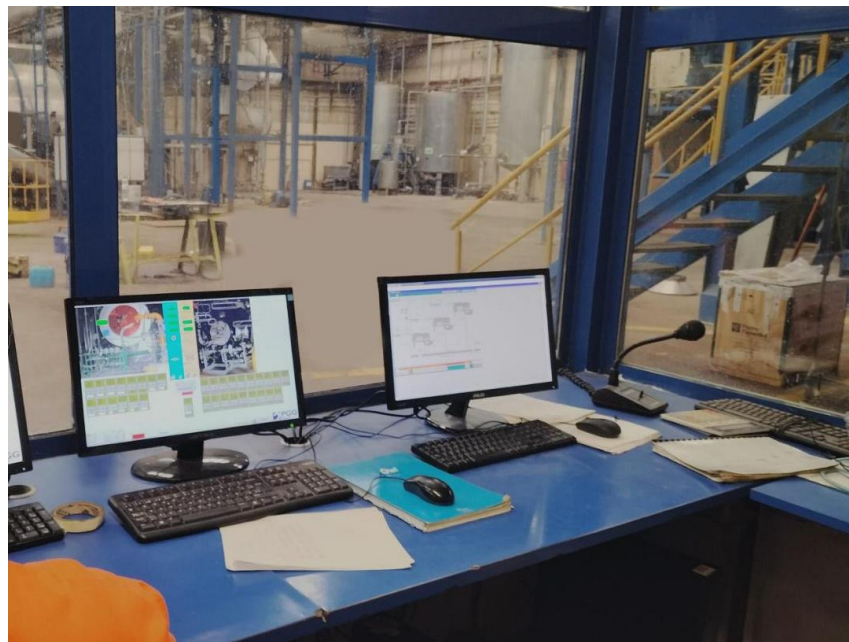


In January 2023, Picanol Group became a business unit in the Machines & Technologies segment of Tessenderlo Group.

Akiolis: acquisition of a Spanish rendering company

In January 2023, the Akiolis business unit (Biovalorization segment) acquired the real estate and production assets of a former Spanish rendering company (Ribera d'Ondara, Lleida, Spain). The plant specializes in pig and poultry rendering and is located in one of the most intensive pig and poultry farming regions in Spain.

Akiolis resumed operations in the first quarter of 2023 under the name Akiolis Iberia.



Tessengerlo Kerley International: acquisition of activities by Esseco

In January 2023, Tessenderlo Group signed an agreement for the acquisition of the marketing and sales activities for ammonium thiosulfate (ATS) fertilizers produced by Esseco Srl (part of Esseco Group) in Trecate, Italy.

The deal became operational in March 2023, and the fertilizers are marketed by the Tessenderlo Kerley International business unit (Agro segment).



PB Leiner: a joint venture in Brazil



In January 2023, Tessenderlo Group's PB Leiner business unit (Bio-valorization segment) finalized a new joint venture with D&D Participações Societárias, which is one of Brazil's leading tannery groups. D&D Participações Societárias acquired a 40% minority stake in PB Leiner's Brazilian plant (PB Brasil Industria e Comercio de Gelatinas Ltda).

The combined strength of the two companies will enable a long-term, sustainable supply of a premium bovine gelatin product range, based on PB Leiner's technology.

PB Leiner: a joint venture to produce fish collagen



In March 2023, Tessenderlo Group's business unit PB Leiner (Bio-valorization segment) held an inauguration ceremony to mark the start of PB Leiner (Hainan) Biotechnology Ltd. In November 2022, PB Leiner entered into a joint venture (80% owned by Tessenderlo Group) with Hainan Xiangtai Group for the production and sale of fish collagen peptides based on PB Leiner's technology.

The first production batches of PB Leiner's SOLUGEL® premium fish collagen peptides were shipped in the second quarter of 2023.

Sale of Rieter participation



In April 2023, Tessenderlo Group sold 654,000 shares (which is equivalent to a participation of 14%) in Rieter Holding AG (SWX: RIEN).

The sale of this financial participation in Rieter Holding AG reflects Tessenderlo Group's intention to focus more on its core business.

Picanol: launch of the Ultimax rapier weaving machine

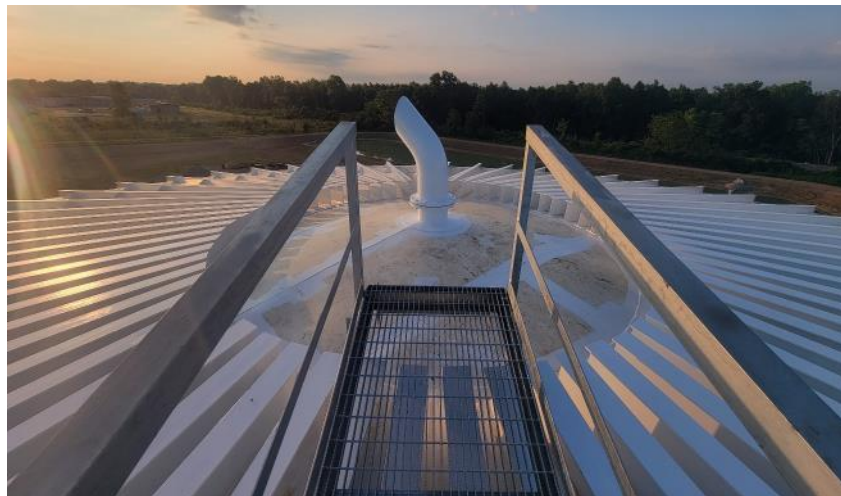
In June 2023, Picanol (Machines & Technologies segment) successfully participated in the 19th edition of ITMA in Milan, Italy. ITMA is the most important four-yearly textile machinery exhibition in the world and Picanol's new Ultimax rapier weaving machine was received with much acclaim. Picanol was once again able to present itself at the event as a technology leader in airjet and rapier weaving machines.



Construction works for the new plants are on schedule

The Defiance plant (Ohio, USA) will produce the leading liquid and sulfur-based fertilizers Thio-Sul[®], KTS[®], K-Row 23[®], and sulfite chemicals for industrial markets (Agro and Industrial Solutions segments).

The Defiance plant is scheduled to start operations by the end of 2024.



Construction works for the new plants are on schedule



The Thio-Sul® plant in Geleen, the Netherlands (Agro segment) is expected to be operational by mid-2024.

Construction works for new Picanol Group HQ are on track

As of June 2023, construction works on the new Picanol Group headquarters (Machines & Technologies segment) in Ieper (Belgium) remained on track.

The opening of the new headquarters is planned for 2024.





KEY EVENTS

After the balance sheet date

Violleau: new production line for organic fertilizers



In July 2023, Violleau put its new production line for organic fertilizers in Vénérolles (Aisne, France) into operation (Agro segment).

The new production line has been built on the site of the Akiolis plant in Vénérolles.

Share repurchase program

- In March 2023, a share repurchase program was started for an amount not exceeding 40 million EUR. As the share price was quoted below its book value, as well as taking into account the liquidity position of the group, the Board of Directors of Tessengerlo Group was of the opinion that it was opportune to proceed with the repurchase of its own shares.
- By the end of July 2023, Tessengerlo Group had acquired 344,806 of its own shares at an average price of 29.61 EUR per share, for a total amount of 10.2 million EUR.



HY23 RESULTS

Operational key figures

Million EUR	HY23	HY22	% Change as reported	HY22 Pro forma	% change compared to pro forma figures
Revenue	1,626.5	1,339.6	21.4%	1,707.3	-4.7%
Adjusted EBITDA ¹	205.1	247.6	-17.1%	266.0	-22.9%
Adjusted EBIT ²	106.8	182.6	-41.5%	170.5	-37.4%
Profit (+) / loss (-) for the period	83.4	163.6	-49.0%	123.9	-32.7%
Total comprehensive income	72.3	218.8	-66.9%	179.4	-59.7%
Capital expenditure	97.9	59.3	65.1%	67.8	44.3%
Cash flow from operating activities	107.9	97.3	10.9%	103.7	4.1%
(Net financial debt) / Net cash position ³	13.3	-48.5	Not meaningful	-14.5	Not meaningful

The net cash position of 13.3 M EUR includes lease liabilities (-56.7 M EUR). The net cash position would have amounted to 69.9 M EUR, when excluding these lease liabilities.

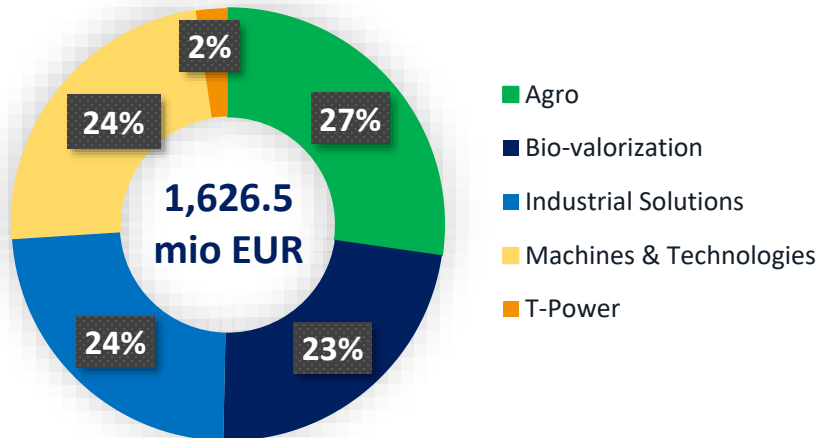
Adjusted EBITDA HY22	:	247.6 M EUR
FX effect	:	+0.3 M EUR
Change in consolidation scope	:	+48.3 M EUR
Internal growth	:	-91.0 M EUR
= Adjusted EBITDA HY23	=	205.1 M EUR

Remarks

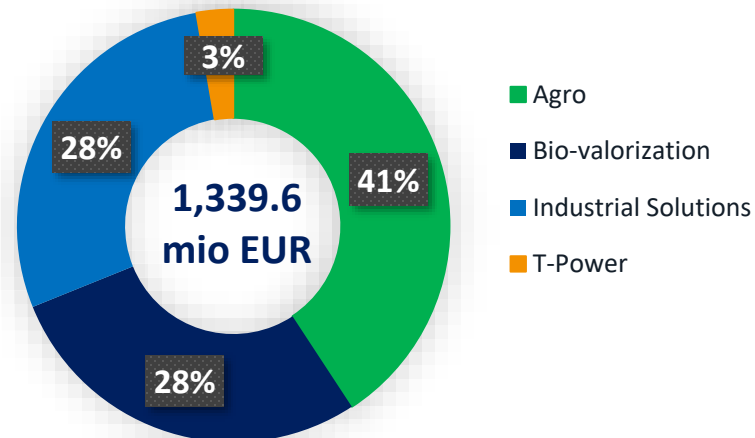
- Adjusted EBITDA equals adjusted EBIT plus depreciation and amortization.
- Adjusted EBIT is considered by the group to be a relevant performance measure in order to compare results over the period 2022-2023 as it excludes adjusting items from the EBIT (Earnings Before Interests and Taxes). EBIT adjusting items principally relate to restructuring, impairment losses, provisions, gains or losses on significant disposals of assets or subsidiaries and the effect of the electricity purchase agreement.
- (Net financial debt) / Net cash position equals cash and cash equivalents and long term investments minus non-current and current loans and borrowings and bank overdrafts.

Group revenue per segment

HY23 revenue
(% of total)

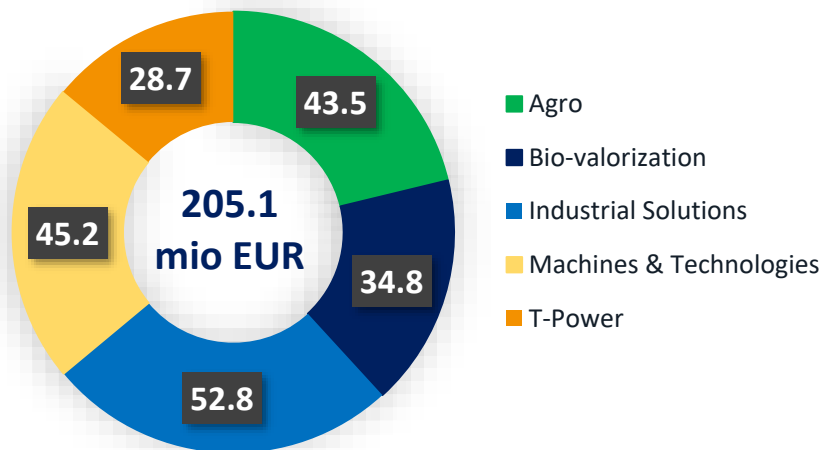


HY22 revenue
(% of total)

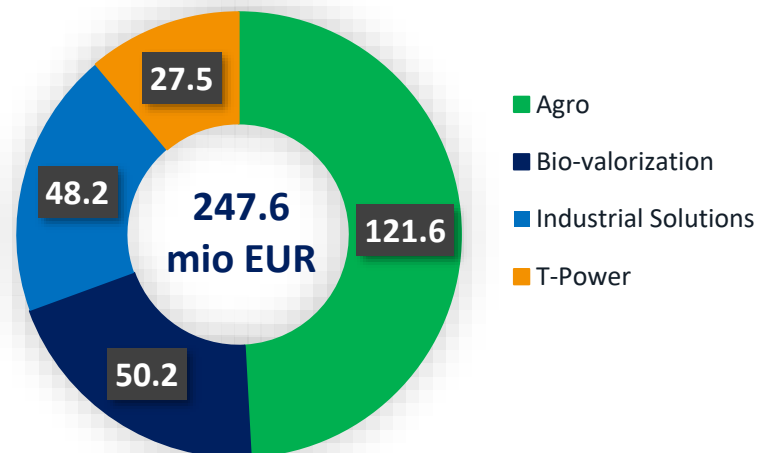


Group Adjusted EBITDA per segment

HY23 Adjusted EBITDA (Million EUR)



HY22 Adjusted EBITDA (Million EUR)



Agro segment

Million EUR	HY23	HY22	% change as reported	HY22 pro forma	% change compared to pro forma figures
Revenue	443.5	546.0	-18.8%	546.0	-18.8%
Adjusted EBITDA	43.5	121.6	-64.2%	121.6	-64.2%
Adjusted EBITDA margin	9.8%	22.3%		22.3%	
Adjusted EBIT	7.2	105.5	-93.2%	86.9	-91.7%
Adjusted EBIT margin	1.6%	19.3%		15.9%	

- The HY23 Agro revenue decreased by -18.8%, impacted by a decrease of volumes combined with lower selling prices.
- The Adjusted EBITDA decreased to 43.5 million EUR compared to 121.6 million EUR in prior year (-64.2%). The Adjusted EBITDA of Crop Vitality, Tessenderlo Kerley International and Violleau decreased because of lower sales volumes, while margins were under pressure following lower selling prices in combination with higher valued stock.
- The Adjusted EBITDA of NovaSource increased thanks to the contribution of the in 2H22 acquired Lannate® product line.

Bio-valorization segment

Million EUR	HY23	HY22	% change as reported	HY22 pro forma	% change compared to pro forma figures
Revenue	375.2	376.8	-0.4%	376.8	-0.4%
Adjusted EBITDA	34.8	50.2	-30.6%	50.2	-30.6%
Adjusted EBITDA margin	9.3%	13.3%		13.3%	
Adjusted EBIT	15.6	33.5	-53.3%	32.5	-51.9%
Adjusted EBIT margin	4.2%	8.9%		8.6%	

- HY23 Bio-valorization revenue remained stable compared to prior year. Lower sales volumes and a decrease of the fat market prices could be offset by higher sales prices for gelatin products, which were increased compared to HY22 to compensate the higher raw material, energy, and transportation costs.
- The HY23 Adjusted EBITDA decreased compared to prior year (-30.6%). Lower sales volumes, less favorable market circumstances for fats, as well as start-up expenses for the newly acquired operations by Akiolis Iberia (Spain) negatively impacted the result.

Industrial Solutions segment

Million EUR	HY23	HY22	% change as reported	HY22 pro forma	% change compared to pro forma figures
Revenue	384.7	380.3	1.1%	380.3	1.1%
Adjusted EBITDA	52.8	48.2	9.6%	48.2	9.6%
Adjusted EBITDA margin	13.7%	12.7%		12.7%	
Adjusted EBIT	35.1	35.1	0.1%	31.0	13.3%
Adjusted EBIT margin	9.1%	9.2%		8.2%	

- Industrial Solutions revenue remained stable in HY23. Despite challenging market conditions, DYKA Group revenue remained stable in HY23 thanks to an improved product mix, the contribution of the production plant in Gaillon (France) acquired in 2H22 and higher sales prices compared to HY22 (during 2022 price increases were implemented to compensate the higher raw material, energy and transportation costs). The revenue of moleko decreased, impacted by the expiration of the customer agreement with Barrick Gold at year-end 2022, while the revenue of Kuhlmann Europe increased in HY23, thanks to favorable market circumstances.
- The Adjusted EBITDA increased by +4.6 million EUR (or +9.6%). Challenging market conditions led to a lower DYKA Group result while Kuhlmann Europe was positively impacted by favorable market circumstances. Moleko was able to offset the negative impact of the expiration of the customer agreement with Barrick Gold by an improved performance of its other products.

Machines & Technologies segment

Million EUR	HY23	HY22	% change as reported	HY22 pro forma	% change compared to pro forma figures
Revenue	384.5	-	Not meaningful	367.7	4.5%
Adjusted EBITDA	45.2	-	Not meaningful	18.4	146.0%
Adjusted EBITDA margin	11.8%	-		5.0%	
Adjusted EBIT	37.7	-	Not meaningful	11.6	226.1%
Adjusted EBIT margin	9.8%	-		3.2%	

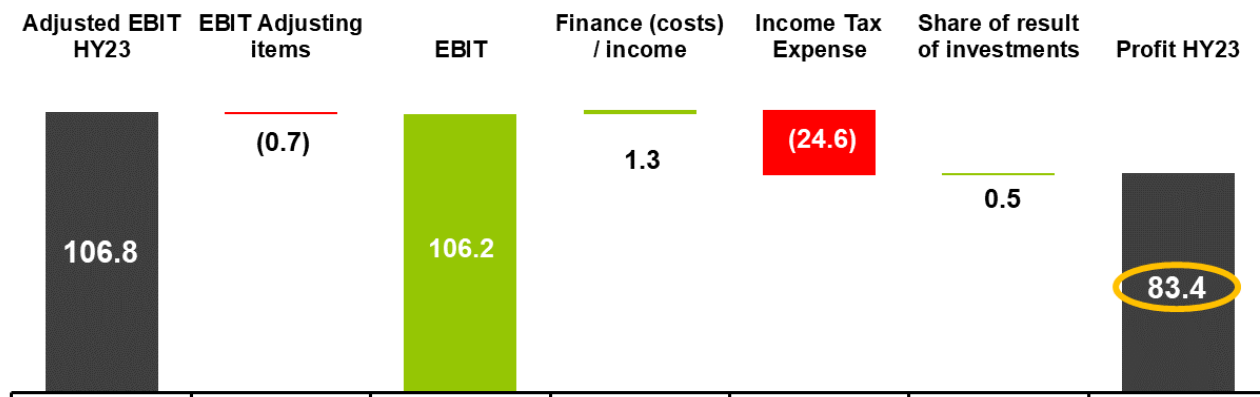
- The HY23 revenue of Machines & Technologies amounted to 384.5 million EUR or +4.5% compared to the HY22 Pro Forma revenue of 367.7 million EUR. Revenue increased in Proferro (foundry and mechanical finishing) and Psicontrol (development and production of electronics), while the while the revenue of Picanol (weaving machines) decreased as a lower volume could not be fully offset by an increase of sales prices.
- The HY23 Adjusted EBITDA increased to 45.2 million EUR (compared to the HY22 Pro Forma Adjusted EBITDA of 18.4 million EUR), thanks to an increase of the results of all three activities. The Adjusted EBITDA of Picanol increased significantly in HY23 compared to HY22, as improved margins were able to offset the lower sales volume in HY23. The HY22 Adjusted EBITDA of Picanol was negatively impacted by rising raw material prices, transportation costs and back order costs which could not be translated into higher sales prices, partially due to the large order book.

T-Power segment

Million EUR	HY23	HY22	% change as reported	HY22 pro forma	% change compared to pro forma figures
Revenue	38.6	36.5	5.8%	36.5	5.8%
Adjusted EBITDA	28.7	27.5	4.2%	27.5	4.2%
Adjusted EBITDA margin	74.3%	75.4%		75.4%	
Adjusted EBIT	11.1	8.6	29.6%	8.6	29.6%
Adjusted EBIT margin	28.7%	23.5%		23.5%	

- The revenue of T-Power increased to 38.6 million EUR, thanks to contractual impacts, while the Adjusted EBITDA increased to 28.7 million EUR. These results were in line with expectations, as T-Power fulfilled all tolling agreement requirements.

HY23 Adjusted EBIT to profit details (Million EUR)



EBIT adjusting items (-0.7 million EUR) include:

- The impact and revaluation of an electricity purchase agreement (the Purchase Power Agreement), for which the own-use exemption under IAS 39 is not applicable anymore.
- Further expenses related to the transaction to combine the industrial activities of Tessenderlo Group and Picanol Group into one large industrial group.

Net finance income (+1.3 million EUR) mainly includes:

- Borrowing costs for -3.5 million EUR.
- Net foreign exchange gains and losses for -8.6 million EUR, mainly explained by unrealized foreign exchange losses on intercompany loans and cash and cash equivalents (mainly in USD), which are not hedged.
- The realized gain on the sale of 654,000 Rieter Holding Ag shares. These shares were sold for an amount of 80.7 million EUR, leading to a gain of +11.3 million EUR. The remaining investment in Rieter Holding Ag consists of 54,262 shares.

Income tax expense amounts to -24.6 million EUR in HY23 and mainly relates to the operations in the United States, Belgium and France.

The HY23 profit amounts to 83.4 million EUR (of which 80.4 million EUR attributable to equity holders of the company) compared to 163.6 million EUR in HY22 (of which 163.6 million EUR attributable to equity holders of the company).

Outlook

- The following statements are forward-looking and actual results may differ materially.
- The group anticipates a continued high level of economic uncertainty in the second half of 2023, putting the development of customer demand and sales margin more under pressure. Based on currently available information, the group expects that the 2023 Adjusted EBITDA will be 20% to 30% lower than the record Adjusted EBITDA achieved in 2022. The Pro Forma 2022 Adjusted EBITDA amounted to 467.0 million EUR, being the sum of the Tessenderlo Group 2022 Adjusted EBITDA (434.8 million EUR) and the 2022 Picanol Group (Machines and Technologies segment) Adjusted EBITDA (32.2 million EUR).
- The group wishes to emphasize that it currently operates in a volatile geopolitical, economic, financial, and health environment.

Financial calendar

2023 results

Annual general meeting of shareholders

March 27, 2024

May 14, 2024





THANK YOU