

TESSENDERLO GROUP: 2023 RESULTS IN LINE WITH OUTLOOK – IMPROVED 2023 CASHFLOW FROM OPERATING ACTIVITIES DESPITE MORE CHALLENGING YEAR – PROPOSED GROSS DIVIDEND STABLE AT 0.75 EUR/SHARE.

1. KEY EVENTS

- In January 2023, Picanol Group became a business unit in the Machines & Technologies segment of Tessenderlo Group.
- In January 2023, the Akiolis business unit (Bio-valorization 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.
- 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).
- 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.
- In March 2023, Tessenderlo Group's business unit PB Leiner 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.
- 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 reflected Tessenderlo Group's intention to focus more on its core business.
- 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.
- 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.
- 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 Tessenderlo Group was of the opinion that it was opportune to proceed with the repurchase of its own shares. By the end of 2023, Tessenderlo Group had acquired 1,149,000 of its own shares at an average price of 28.21 EUR per share, for a total amount of 32.4 million EUR. Pursuant to the authorization granted by the extraordinary general meeting of May 10, 2022, the Board of Directors of Tessenderlo Group nv decided to cancel in December 2023 1,083,003 treasury shares purchased under the share repurchase program launched in March 2023.

¹ The enclosed information constitutes regulated information as defined in the Royal Decree of November 14, 2007, regarding the duties of issuers of financial instruments which have been admitted for trading on a regulated market.

- In the fourth quarter of 2023, Tessenderlo Group announced several senior leadership changes as part of a further succession planning for the group. In this context, an exit agreement was concluded with Mr. Stefaan Haspeslagh whereby his respective executive functions as CFO and COO ended on December 31, 2023. Mr. Haspeslagh will continue to serve as Director and Chairman of the Board of Directors until the next General Shareholders' Meeting on May 14, 2024.

After the balance sheet date

- On January 1, 2024, Mr. Miguel de Potter has joined Tessenderlo Group as the new Chief Financial Officer (CFO). Meanwhile, Mrs. Sandra Hoeylaerts, who started on September 27, 2023, as Chief HR Officer at Tessenderlo Group, has taken up the position of Chief Transformation Officer (CTO) as from January 1, 2024. The new ExCom is made up of Mr. Luc Tack (CEO), Mrs. Sandra Hoeylaerts (CTO), and Mr. Miguel de Potter (CFO) as from January 1, 2024, onwards.
- In March 2024, Kuhlmann Europe (Industrial Solutions segment) disclosed a strategic move by unveiling an investment of approximately 35 million EUR to expand its current ferric chloride production capacity for iron-based coagulants at its Loos site in France. This investment aims at fortifying Kuhlmann Europe's standing as a prominent coagulant manufacturer in Europe, solidifying the position of the Loos facility as the continent's largest ferric chloride production plant. The construction of the innovative chlorination installation is scheduled to commence by the end of 2024, with delivery anticipated in early 2026.
- Construction works on the new plants in Defiance (Ohio, US) and Geleen (The Netherlands) remain on schedule. The Defiance plant 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. Meanwhile, the Thio-Sul[®] plant in Geleen (Agro segment) is expected to be operational by mid-2024.
- 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 the end of 2024.

2H23	2H22	% Change as reported	2H22 Pro Forma	% Change compared to Pro Forma figures	Million EUR	2023	2022	% Change as reported	2022 Pro Forma ²	% Change compared to Pro Forma figures
1,301.8	1,248.0	4.3%	1,614.5	-19.4%	Revenue	2,928.3	2,587.5	13.2%	3,321.7	-11.8%
113.6	187.2	-39.3%	201.1	-43.5%	Adjusted EBITDA ³	318.7	434.8	-26.7%	467.0	-31.8%
13.3	117.6	-88.7%	100.7	-86.8%	Adjusted EBIT ⁴	120.1	300.1	-60.0%	271.3	-55.7%
31.0	63.2	-50.9%	37.6	-17.5%	Profit (+) / loss (-) for the period	114.4	226.8	-49.6%	161.5	-29.2%
15.1	49.6	-69.6%	23.0	-34.6%	Total comprehensive income	87.4	268.4	-67.4%	202.4	-56.8%
80.7	54.1	49.1%	66.2	21.8%	Capital expenditure	178.5	113.4	57.5%	134.0	33.2%
111.2	102.5	8.5%	115.6	-3.8%	Cash flow from operating activities	219.2	199.8	9.7%	219.3	-0.1%
					(Net financial debt) / Net cash position ⁵	10.1	-59.5	nm		

The half-year information included in the press release is unaudited. "Nm" is shown in the table when the % change is considered not to be meaningful. As the group 2H23 and 2023 results were not significantly impacted by foreign exchange effects, the group did not report key financial indicators excluding foreign exchange impact.

² The 2022 Pro Forma figures correspond to those reported in note 31 - Subsequent events in the published consolidated financial statements of Tessenderlo Group for the year ended December 31, 2022, after including a -9.7 million EUR adjustment related to the goodwill that Picanol Group allocated to the operating segment T-Power. In 2022, Tessenderlo Group recognized an impairment loss for an amount of -37.6 million EUR on the assets of the cash-generating unit T-Power and consequently any related goodwill should be impaired as well.

³ Adjusted EBITDA equals Adjusted EBIT plus depreciation and amortization.

⁴ 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 and sale agreement.

⁵ (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.



2. REVENUE

2H23 revenue increased by +4.3% as reported compared to the same period last year and decreased by -19.4% compared to the Pro Forma 2H22 revenue (Agro: -18.3%, Bio-valorization: -17.0%, Industrial Solutions: -7.9%, T-Power: -13.5% and Machines & Technologies: -35.1%).

2023 revenue increased by +13.2% as reported, but decreased by -11.8% compared to the Pro Forma 2022 revenue. The revenue of all five segments decreased compared to the Pro Forma 2022 revenue (Agro: -18.5%, Bio-valorization: -9.2%, Industrial Solutions: -3.2%, T-Power: -4.7% and Pro Forma Machines & Technologies: -15.2%).

3. ADJUSTED EBITDA

The 2H23 Adjusted EBITDA amounted to 113.6 million EUR compared to a reported Adjusted EBITDA of 187.2 million EUR one year earlier (or -39.3%) and a Pro Forma Adjusted EBITDA of 201.1 million EUR (or -43.5%). The Adjusted EBITDA of all five segments decreased in 2H23 compared to 2H22 (Agro: -25.0%, Bio-valorization: -76.6%, Industrial Solutions: -16.1%, T-Power -17.2% and Pro Forma Machines & Technologies: -98.5%).

The 2023 Adjusted EBITDA amounts to 318.7 million EUR, compared to 434.8 million EUR in 2022 as reported (-26.7%). Compared to the Pro Forma 2022 Adjusted EBITDA of 467.0 million EUR, the 2023 Adjusted EBITDA decreased by -31.8%. While the Adjusted EBITDA of Agro decreased by -52.5% and Bio-valorization by -56.4%, T-Power could limit the decrease to -7.7%. The Adjusted EBITDA of Industrial Solutions remained stable (-1.5%) and the Adjusted EBITDA of Machines & Technologies amounted to 45.4 million EUR in 2023 compared to a Pro Forma Adjusted EBITDA of 32.2 million EUR in 2022.

4. ADJUSTED EBIT

The 2023 Adjusted EBIT amounts to 120.1 million EUR, compared to a reported 300.1 million EUR in 2022 and 271.3 million EUR in 2022 Pro Forma results. Picanol Group is fully consolidated as from January 2023. The gross carrying amount of the fair value adjustments recognized in January 2023 after the completion of the Picanol Group acquisition amounted to +364 million EUR. Depreciation and amortization expenses on these adjustments impacted the 2023 Adjusted EBIT by -46.7 million EUR (compared to a 2022 Pro Forma impact of -47.2 million EUR): -36.7 million EUR was recognized within Agro, -1.9 million EUR in Bio-valorization and -8.1 million EUR in Industrial Solutions. Please refer to note 4 - Acquisitions and disposals of the 2023 annual report for further details regarding the acquisition accounting of Picanol Group.

5. NET FINANCIAL DEBT / NET CASH POSITION

As per year-end 2023, the net cash position of the group amounts to +10.1 million EUR, compared to a net financial debt of -59.5 million EUR as per year-end 2022. Significant cashflow impacts during 2023 include:

- The 2023 cash flow from operating activities and capital expenditure for an amount of +219.2 million EUR and -178.5 million EUR respectively.
- The impact of the change in consolidation scope, following the acquisition of Picanol Group, amounts to +34.0 million EUR (including cash and cash equivalents for +39.3 million EUR).
- The sale of 654,000 shares in Rieter Holding AG (SWX: RIEN) for an amount of +80.7 million EUR. After this sale the group still holds 54,262 shares (or 1.17% of the total number of outstanding shares of Rieter Holding AG).
- The dividend paid over the financial year 2022, leading to a 2023 cash outflow of -39.9 million EUR. As per December 31, 2023, 7.7 million EUR of the 2022 dividend was still outstanding (related to the 2022 dividend withholding taxes) and was paid in January 2024.
- The repurchase of own shares in 2023 (cash outflow of -32.4 million EUR).

6. PROFIT (+) / LOSS (-) FOR THE PERIOD

The 2023 profit amounts to 114.4 million EUR compared to 226.8 million EUR in 2022. The 2023 result compared to the 2022 result was impacted by the following items:

- The decrease of the 2023 Adjusted EBIT (120.1 million EUR) compared to the 2022 Adjusted EBIT (300.1 million EUR). The Adjusted EBIT was positively impacted by the first time contribution of Picanol Group (Machines & Technologies segment) for 30.3 million EUR while it was negatively impacted by amortization/depreciation expenses on fair value adjustments (as described above) for -46.7 million EUR.
- 2023 income tax expenses amounted to -2.0 million EUR compared to -62.4 million EUR in 2022, impacted by lower current tax expenses following the lower operational results as well as by the recognition of additional deferred tax assets on tax losses carried forward.
- EBIT adjusting items amounted to -12.0 million EUR in 2022, impacted by impairment losses on T-Power goodwill and property, plant and equipment, compared to +0.5 million EUR in 2023.
- The impact of exchange losses, mainly on non-hedged intercompany loans and cash and cash equivalents in USD, amounted to -14.8 million EUR in 2023 compared to an exchange gain of +5.4 million EUR in 2022.
- The gain realized on the sale of 654,000 shares of Rieter Holding AG (+11.3 million EUR).

7. CAPITAL EXPENDITURE

The group's capital expenditure amounts to 178.5 million EUR (2022 as reported: 113.4 million EUR). The major capital expenditure projects relate to:

- The acquisition of, and further investments in, the real estate and production assets of a former Spanish rendering company (Ribera d'Ondara, Lleida, Spain) (Bio-valorization segment).
- The acquisition of production assets for the fish collagen peptides plant in Hainan (China) by PB Leiner (Hainan) Biotechnology Co Ltd. (Bio-valorization segment).
- The ongoing construction of a new Thio-Sul[®] manufacturing plant in Geleen, the Netherlands (Agro segment) and a new liquid fertilizer and industrial products plant in Defiance, US (Agro and Industrial Solutions segments). These factories are scheduled to be operational by mid-2024 and the end of 2024 respectively.
- The ongoing construction of a new headquarter office for Picanol Group in Ieper, Belgium (Machines & Technologies segment).
- Investments in a gasification installation of category 1 meat meals in Saint-Langis (France) by Akiolis (Bio-valorization segment) and a new organic fertilizer production line in Vénérolles (France) by Violleau (Agro segment).
- Further investments in production efficiency improvements, as well as in supply chain assets within DYKA Group (Industrial Solutions segment).
- The replacement of equipment and vehicles, which were previously leased, through purchase.

8. CASHFLOW FROM OPERATING ACTIVITIES

The 2023 cashflow from operating activities amounts to 219.2 million EUR, compared to 199.8 million EUR in 2022 as reported. Lower working capital needs (-72.8 million EUR in 2023 compared to -176.2 million EUR in 2022) were able to offset the lower operational results (the 2023 Adjusted EBITDA decreased by -116.1 million EUR compared to the reported 2022 Adjusted EBITDA, partially offset by a 28.7 million EUR lower payment of income taxes).

Outlook

The following statements are forward-looking and actual results may differ materially.

The group anticipates a continued high level of economic uncertainty in 2024. Based on currently available information, the group expects that the 2024 Adjusted EBITDA will be in line with the 2023 Adjusted EBITDA of 318.7 million EUR.

The group wishes to emphasize that it currently operates in a volatile geopolitical, economic, and financial environment.

OPERATING SEGMENTS PERFORMANCE REVIEW

GROUP KEY FIGURES - SECOND HALF YEAR					
Million EUR	2H23	2H22	% Change as reported	2H22 Pro forma	% Change compared to Pro Forma figures
Revenue Group	1,301.8	1,248.0	4.3%	1,614.5	-19.4%
Agro	350.3	428.6	-18.3%	428.6	-18.3%
Bio-valorization	351.2	423.2	-17.0%	423.2	-17.0%
Industrial Solutions	324.2	352.2	-7.9%	352.2	-7.9%
Machines & Technologies	237.9	-	nm	366.5	-35.1%
T-Power	38.1	44.0	-13.5%	44.0	-13.5%
Adjusted EBITDA Group	113.6	187.2	-39.3%	201.1	-43.5%
Agro	38.8	51.8	-25.0%	51.8	-25.0%
Bio-valorization	15.0	64.0	-76.6%	64.0	-76.6%
Industrial Solutions	30.9	36.9	-16.1%	36.9	-16.1%
Machines & Technologies	0.2	-	nm	13.8	-98.5%
T-Power	28.7	34.6	-17.2%	34.6	-17.2%
Adjusted EBIT Group	13.3	117.6	-88.7%	100.7	-86.8%
Agro	2.2	33.3	-93.3%	14.7	-85.0%
Bio-valorization	-4.8	45.8	nm	44.8	nm
Industrial Solutions	12.3	22.9	-46.3%	18.8	-34.8%
Machines & Technologies	-7.5	-	nm	6.7	nm
T-Power	11.1	15.6	-29.2%	15.6	-29.2%
EBIT adjusting items	1.2	-21.6	nm	-31.5	nm
EBIT	14.4	96.0	-85.0%	69.2	-79.2%

The half-year information included in the press release is unaudited.

GROUP KEY FIGURES - FULL YEAR					
Million EUR	2023	2022	% Change as reported	2022 Pro forma	% Change compared to Pro Forma figures
Revenue Group	2,928.3	2,587.5	13.2%	3,321.7	-11.8%
Agro	793.9	974.5	-18.5%	974.5	-18.5%
Bio-valorization	726.4	799.9	-9.2%	799.9	-9.2%
Industrial Solutions	708.9	732.5	-3.2%	732.5	-3.2%
Machines & Technologies	622.4	-	nm	734.2	-15.2%
T-Power	76.7	80.6	-4.7%	80.6	-4.7%
Adjusted EBITDA Group	318.7	434.8	-26.7%	467.0	-31.8%
Agro	82.3	173.4	-52.5%	173.4	-52.5%
Bio-valorization	49.8	114.2	-56.4%	114.2	-56.4%
Industrial Solutions	83.8	85.1	-1.5%	85.1	-1.5%
Machines & Technologies	45.4	-	nm	32.2	41.2%
T-Power	57.4	62.2	-7.7%	62.2	-7.7%
Adjusted EBIT Group	120.1	300.1	-60.0%	271.3	-55.7%
Agro	9.4	138.7	-93.2%	101.6	-90.7%
Bio-valorization	10.8	79.2	-86.4%	77.3	-86.0%
Industrial Solutions	47.4	57.9	-18.2%	49.8	-4.9%
Machines & Technologies	30.3	-	nm	18.3	65.1%
T-Power	22.2	24.2	-8.4%	24.2	-8.4%
EBIT adjusting items	0.5	-12.0	nm	-21.8	nm
EBIT	120.6	288.1	-58.1%	249.4	-51.7%



AGRO					
Million EUR	2023	2022	% Change as reported	2022 Pro forma	% Change compared to Pro Forma figures
Revenue	793.9	974.5	-18.5%	974.5	-18.5%
Adjusted EBITDA	82.3	173.4	-52.5%	173.4	-52.5%
Adjusted EBITDA margin	10.4%	17.8%		17.8%	
Adjusted EBIT	9.4	138.7	-93.2%	101.6	-90.7%
Adjusted EBIT margin	1.2%	14.2%		10.4%	

2023 Agro revenue decreased by -18.5%. While the revenue of the first half of 2023 was negatively impacted by both volumes and selling prices, 2H23 was mainly impacted by lower selling prices.

The 2023 Adjusted EBITDA decreased by -52.5% to 82.3 million EUR (2022: 173.4 million EUR), because of lower volumes and margin pressure due to decreasing selling prices in combination with high valued inventory.

The Adjusted EBITDA of NovaSource increased in 2023, helped by the contribution of the in 2H22 acquired Lannate® product line.

BIO-VALORIZATION					
Million EUR	2023	2022	% Change as reported	2022 Pro forma	% Change compared to Pro Forma figures
Revenue	726.4	799.9	-9.2%	799.9	-9.2%
Adjusted EBITDA	49.8	114.2	-56.4%	114.2	-56.4%
Adjusted EBITDA margin	6.9%	14.3%		14.3%	
Adjusted EBIT	10.8	79.2	-86.4%	77.3	-86.0%
Adjusted EBIT margin	1.5%	9.9%		9.7%	

2023 Bio-valorization revenue decreased by -9.2% to 726.4 million EUR, mainly because of a lower revenue in the second half of 2023 as sales volumes and sales prices decreased (for both PB Leiner and Akiolis).

The 2023 Adjusted EBITDA of Bio-valorization decreased by -56.4% to 49.8 million EUR compared to prior year. Lower sales volumes, less favorable market circumstances for fats, gelatin and collagen (resulting in inventory write-offs for -15.3 million EUR in 2023 compared to -0.5 million EUR in 2022) as well as start-up expenses for the newly acquired operations by Akiolis Iberia (Spain) negatively impacted the 2023 result.

In November 2022, the group announced that PB Leiner reached an agreement in Brazil with D&D Participações Societárias, which is one of the country's leading tannery groups. Under the terms of this agreement, which was closed in January 2023, D&D Participações Societárias acquired a 40% minority stake in the shares of PB Brasil Industria e Comercio de Gelatinas Ltda.

INDUSTRIAL SOLUTIONS					
Million EUR	2023	2022	% Change as reported	2022 Pro forma	% Change compared to Pro Forma figures
Revenue	708.9	732.5	-3.2%	732.5	-3.2%
Adjusted EBITDA	83.8	85.1	-1.5%	85.1	-1.5%
Adjusted EBITDA margin	11.8%	11.6%		11.6%	
Adjusted EBIT	47.4	57.9	-18.2%	49.8	-4.9%
Adjusted EBIT margin	6.7%	7.9%		6.8%	

Industrial Solutions revenue decreased by -3.2% in 2023. While 1H23 revenue remained stable, revenue in 2H23 decreased by -7.9% as lower DYKA Group sales volumes, following challenging market circumstances, could no longer be fully offset by an improved product mix and the full year contribution of the production plant in Gaillon (France) which was only acquired in 4Q22.



The revenue of moleko decreased in 2023, impacted by the expiration of the customer agreement with Barrick Gold at year-end 2022, while the 2023 revenue of Kuhlmann Europe increased thanks to favorable market circumstances.

The 2023 Adjusted EBITDA remained stable and amounted to 83.8 million EUR (-1.5%). The increase of the Kuhlmann Europe results, thanks to favorable market circumstances, was able to offset the lower DYKA Group results, which were impacted by a lower construction market demand. In 2023, 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					
Million EUR	2023	2022	% Change as reported	2022 Pro forma	% Change compared to Pro Forma figures
Revenue	622.4	-	nm	734.2	-15.2%
Adjusted EBITDA	45.4	-	nm	32.2	41.2%
Adjusted EBITDA margin	7.3%	-		4.4%	
Adjusted EBIT	30.3	-	nm	18.3	65.1%
Adjusted EBIT margin	4.9%	-		2.5%	

The 2023 revenue of Machines & Technologies amounted to 622.4 million EUR or -15.2% compared to the 2022 Pro Forma revenue of 734.2 million EUR. The revenue of Picanol (weaving machines) decreased as a lower volume could not be offset by an increase of sales prices. Proferro (foundry and mechanical finishing) revenue remained stable in 2023, while the revenue of Psicontrol (development and production of electronics) increased, although both were impacted by more challenging market circumstances in the second half of 2023.

The 2023 Adjusted EBITDA increased to 45.4 million EUR (compared to a 2022 Pro Forma Adjusted EBITDA of 32.2 million EUR). The Picanol Adjusted EBITDA increased in 2023, however improved margins could only offset the lower sales volume in the first half of 2023. The 2023 Adjusted EBITDA of Proferro and Psicontrol remained stable compared to the 2022 Pro Forma Adjusted EBITDA, although both were impacted by the lower Picanol activity.

T-POWER					
Million EUR	2023	2022	% Change as reported	2022 Pro forma	% Change compared to Pro Forma figures
Revenue	76.7	80.6	-4.7%	80.6	-4.7%
Adjusted EBITDA	57.4	62.2	-7.7%	62.2	-7.7%
Adjusted EBITDA margin	74.8%	77.2%		77.2%	
Adjusted EBIT	22.2	24.2	-8.4%	24.2	-8.4%
Adjusted EBIT margin	28.9%	30.0%		30.0%	

The 2023 revenue of T-Power decreased to 76.7 million EUR, while the Adjusted EBITDA decreased to 57.4 million EUR because of contractual impacts. The 2022 results were positively impacted by higher efficiency payments linked to gas prices. However the 2023 results were in line with expectations, as T-Power fulfilled all tolling agreement requirements. The group was informed that the 5-year extension option for the tolling agreement, starting July 2026, will not be exercised. The group is assessing various options for the long-term utilization of the T-Power plant as a safe and reliable partner in the current energy mix.



CONSOLIDATED FINANCIAL INFORMATION AT DECEMBER 31, 2023

CONSOLIDATED INCOME STATEMENT			
Million EUR	2023	2022	2022 Pro Forma ⁶
Revenue	2,928.3	2,587.5	3,321.7
Cost of sales	-2,370.1	-1,919.5	-2,599.8
Gross profit	558.2	668.1	721.9
Distribution expenses	-157.8	-147.9	-165.1
Sales and marketing expenses	-97.6	-70.8	-91.4
Administrative expenses	-150.8	-130.4	-160.1
Other operating income and expenses	-32.0	-18.8	-34.1
Adjusted EBIT	120.1	300.1	271.3
EBIT adjusting items	0.5	-12.0	-21.8
EBIT (Profit (+) / loss (-) from operations)	120.6	288.1	249.4
Finance costs	-43.8	-41.5	-83.3
Finance income	40.2	37.8	46.9
Finance (costs) / income – net	-3.6	-3.8	-36.5
Share of result of equity accounted investees, net of income tax	-0.5	4.8	4.8
Profit (+) / loss (-) before tax	116.4	289.2	217.8
Income tax expense	-2.0	-62.4	-56.3
Profit (+) / loss (-) for the period	114.4	226.8	161.5
Attributable to:			
- Equity holders of the company	109.5	226.9	nm
- Non-controlling interest	4.9	-0.1	nm
Basic earnings per share (EUR)	1.74	5.26	nm
Diluted earnings per share (EUR)	1.74	5.26	nm

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
Million EUR	2023	2022	2022 Pro Forma ⁶
Profit (+) / loss (-) for the period	114.4	226.8	161.5
Translation differences	-21.5	14.6	14.1
Net change in fair value of derivative financial instruments, before tax	-2.0	5.8	5.8
Other movements	0.0	-0.0	-0.0
Income tax on other comprehensive income	0.5	-1.5	-1.5
Items of other comprehensive income that are or may be reclassified subsequently to profit or loss	-23.1	18.9	18.5
Remeasurements of the net defined benefit liability, before tax	-4.3	27.1	26.9
Income tax on other comprehensive income	0.4	-4.4	-4.4
Items of other comprehensive income that will not be reclassified subsequently to profit or loss	-3.9	22.7	22.5
Other comprehensive income, net of income tax	-27.0	41.6	40.9
Total comprehensive income	87.4	268.4	202.4
Attributable to:			
- Equity holders of the company	82.0	268.4	nm
- Non-controlling interest	5.4	-0.0	nm

⁶ The 2022 Pro Forma figures correspond to those reported in note 31 - Subsequent events in the published consolidated financial statements of Tessenderlo Group for the year ended December 31, 2022, after including a -9.7 million EUR adjustment related to the goodwill which Picanol Group allocated to the operating segment T-Power. In 2022, Tessenderlo Group recognized an impairment loss for an amount of -37.6 million EUR on the assets of the cash-generating unit T-Power and consequently any related goodwill should be impaired as well.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Million EUR	31/12/2023	31/12/2022	31/12/2022 Pro Forma ⁷
ASSETS			
Total non-current assets	1,657.2	1,147.5	1,679.4
Property, plant and equipment	1,156.1	888.7	1,091.6
Goodwill	31.8	32.1	32.5
Intangible assets	286.9	107.0	357.6
Investments accounted for using the equity method	23.6	26.2	26.2
Other investments and guarantees	12.2	10.9	86.0
Deferred tax assets	50.2	18.2	19.5
Trade and other receivables	26.1	14.5	16.1
Long term investments	70.0	50.0	50.0
Derivative financial instruments	0.3	-	-
Total current assets	1,257.3	1,153.3	1,412.3
Inventories	604.5	566.9	674.4
Trade and other receivables	457.0	412.9	518.7
Current tax assets	15.9	16.8	23.2
Derivative financial instruments	3.0	0.6	0.6
Cash and cash equivalents	177.0	156.1	195.4
Assets classified as held for sale	0.2	-	0.2
Total assets	2,914.7	2,300.9	3,091.9
EQUITY AND LIABILITIES			
Total equity	1,948.7	1,403.2	1,909.6
Equity attributable to equity holders of the company	1,930.9	1,401.8	1,908.1
Issued capital	428.3	216.2	428.3
Share premium	1,743.6	238.0	1,743.6
Reserves and retained earnings	-241.0	947.6	-263.8
Non-controlling interest	17.9	1.5	1.5
Total liabilities	966.0	897.6	1,182.4
Total non-current liabilities	476.0	444.0	541.8
Loans and borrowings	175.3	209.3	212.1
Employee benefits	45.0	40.1	43.1
Provisions	119.0	121.3	121.3
Trade and other payables	6.8	6.9	6.9
Derivative financial instruments	3.4	10.1	10.1
Deferred tax liabilities	126.5	56.3	148.3
Total current liabilities	490.0	453.6	640.6
Bank overdrafts	0.1	0.1	0.1
Loans and borrowings	61.4	56.2	58.7
Trade and other payables	405.5	383.2	561.9
Derivative financial instruments	6.1	1.6	1.6
Current tax liabilities	2.1	1.9	3.7
Employee benefits	0.8	0.7	1.3
Provisions	13.9	9.8	13.3
Total equity and liabilities	2,914.7	2,300.9	3,091.9

⁷ The 2022 Pro Forma figures correspond to those reported in note 31 - Subsequent events in the published consolidated financial statements of Tessengerlo Group for the year ended December 31, 2022, after including a -9.7 million EUR adjustment related to the goodwill which Picanol Group allocated to the operating segment T-Power. In 2022, Tessengerlo Group recognized an impairment loss for an amount of -37.6 million EUR on the assets of the cash-generating unit T-Power and consequently any related goodwill should be impaired as well.

CONSOLIDATED STATEMENT OF CASH FLOWS

Million EUR	31/12/2023	31/12/2022	31/12/2022 Pro Forma ⁸
OPERATING ACTIVITIES			
Profit (+) / loss (-) for the period	114.4	226.8	161.5
Depreciation, amortization and impairment losses on tangible assets, goodwill and intangible assets	198.7	172.4	243.1
Changes in provisions	-4.8	-16.8	-18.8
Finance costs	43.8	41.5	83.3
Finance income	-40.2	-37.8	-46.9
Loss / (profit) on sale of non-current assets	-0.0	-0.8	-1.5
Share of result of equity accounted investees, net of income tax	0.5	-4.8	-4.8
Income tax expense	2.0	62.4	56.3
Other non-cash items	2.9	-1.0	-1.3
Changes in inventories	25.7	-160.6	-179.6
Changes in trade and other receivables	58.9	-36.3	-53.4
Changes in trade and other payables	-157.4	20.7	51.4
Change in accounting estimates – inventory write off	28.4	10.3	14.6
Net change in emission allowances recognized within intangible assets	-2.8	1.2	1.2
Revaluation electricity forward contracts	-3.8	-7.4	-7.4
Liquidation of dormant UK subsidiaries	-1.1	-	-
Bargain purchase recognized following the acquisition of the activities of DYKA Réseaux	-	-2.7	-2.7
Settlement loss UK pension fund	-	7.3	7.3
Cash generated from operations	265.2	274.5	302.4
Income tax paid	-46.0	-74.6	-83.1
Cash flow from operating activities	219.2	199.8	219.3
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	-177.1	-112.8	-133.4
Acquisition of intangible assets	-1.4	-0.6	-0.7
Acquisition of shares of other investments	-	-	-1.6
Acquisition of businesses, net of cash acquired	39.3	-42.1	-42.1
Cash deposit paid for prequalification CRM auction (T-Power)	-	-16.2	-16.2
Cash deposit reimbursed for prequalification CRM auction (T-Power)	-	16.2	16.2
Proceeds from the sale of property, plant and equipment	0.2	1.6	1.6
Dividends received from other investments	0.8	-	1.3
Proceeds from the sale of other investments	80.7	-	-
Liquidation of PB Shengda (Zhejiang) Biotechnology Co. Ltd	0.9	-	-
Proceeds from sale of short term investments	-	10.0	10.0
Acquisition of long term investments	-70.0	-50.0	-50.0
Proceeds from sale of long term investments	50.0	-	-
Cash flow from investing activities	-76.7	-194.0	-214.8
FINANCING ACTIVITIES			
Repurchase of own shares	-32.4	-0.6	-4.1
Proceeds from the sale of shares to a non-controlling interest	9.8	-	-
Payment of lease liabilities	-20.7	-20.7	-22.1
Proceeds from new borrowings	5.8	60.0	62.9
Reimbursement of borrowings	-43.7	-198.0	-199.4
Interest paid	-10.4	-13.8	-16.2
Interest received	8.5	0.9	4.9
Other finance costs paid	-0.8	-1.6	-1.6
Decrease/(increase) of long-term receivables	3.6	1.8	1.8
Capital increase by non-controlling interests	-	0.1	0.1
Dividends paid to shareholders	-39.9	-	-3.5
Cash flow from financing activities	-120.3	-171.8	-177.2
Net increase / (decrease) in cash and cash equivalents	22.2	-165.9	-172.7
Effect of exchange rate differences	-1.3	1.7	1.3
Cash and cash equivalents less bank overdrafts at the beginning of the period	156.0	320.2	366.7
Cash and cash equivalents less bank overdrafts at the end of the period	176.9	156.0	195.3

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9. DIVIDEND

The Board of Directors will propose to the shareholders, at the annual shareholders' meeting of May 14, 2024, to approve a gross dividend per share of 0.75 EUR.

10. STATEMENT OF THE STATUTORY AUDITOR

The statutory auditor, KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises, represented by Joachim Hoebeek, has confirmed that the audit procedures, which have been substantially completed, have not revealed any material misstatement in the accounting information included in the Company's annual announcement.

11. FINANCIAL CALENDAR

The annual report for the 2023 financial year and the sustainability report will be available with effect from April 5, 2024, on the corporate website www.tessenderlo.com

- Annual General Meeting of shareholders May 14, 2024
- Half year 2024 results August 21, 2024

Agenda for March 27, 2024:

3pm CET/2pm UK - conference call and webcast for analysts and investors.

Registration details are available at: www.tessenderlo.com.

About Tessenderlo Group

Tessenderlo Group is an industrial group that focuses on agriculture, valorizing bio-residuals, machinery, mechanical engineering, electronics, energy, and providing industrial solutions with a focus on water. With its headquarters in Belgium, the group is active in over 100 countries and it has a global team of more than 7,500 employees. Its belief that "Every Molecule Counts" is at the heart of the strategy of the group: Tessenderlo Group continually strives to valorize its products and processes to the maximum and to add value to everything it does. In 2023, Tessenderlo Group recorded a consolidated revenue of 2.9 billion EUR. Tessenderlo Group is listed on Euronext Brussels and is part of the Next 150 and BEL Mid indices. Financial News wires: Bloomberg: TESB BB - Reuters: TESB.BR - Datastream: B:Tes. For more information about Tessenderlo Group, its people, its brands, and its results, please visit www.tessenderlo.com.

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This press release is available in **Dutch and English** on the website www.tessenderlo.com.

Disclaimer

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