

A close-up photograph of a person's hand, wearing a red and white plaid shirt, gently touching a blade of green grass in a field. The background is a soft-focus field of similar grass under a bright sky.

TESSENDERLO GROUP
Conference call HY24 results
Brussels, August 21, 2024



Tessenderlo Group
EVERY MOLECULE COUNTS

KEY EVENTS



New ExCom

On January 1, 2024, Mr. Miguel de Potter has joined Tessengerlo Group as the new Chief Financial Officer (CFO). Meanwhile, Mrs. Sandra Hoeylaerts, who started on September 27, 2023, as Chief HR Officer at Tessengerlo 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.



Kuhlmann Europe keeps growing

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 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.

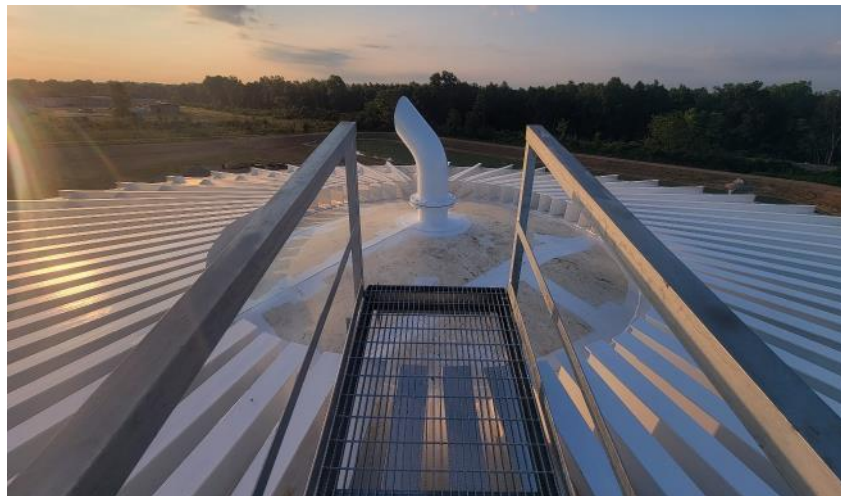
The construction of the innovative chlorination installation is scheduled to commence by the end of 2024, with delivery anticipated in early 2026.



Construction works for the Defiance plant progressing

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 in the first quarter of 2025.



Geleen plant operational in Q3/24



The construction of our Thio-Sul® plant in Geleen, the Netherlands is in its final stage and is expected to be operational in the third quarter of 2024.

KEY EVENTS AFTER THE BALANCE SHEET DATE



Share repurchase program

In March 2023, a share repurchase program was started for an amount not exceeding 40 million EUR. Under this program 1,346,200 of its own shares have been acquired (in the period March 2023 - February 2024), at an average price of 28.01 EUR per share, for a total amount of 37.7 million EUR. Pursuant to the authorization granted by the extraordinary general meeting of May 10, 2022, the Board of Directors of Tessengerlo Group nv decided to cancel in December 2023 1,083,003 treasury shares purchased under the share repurchase program launched in March 2023.

In early April 2024, a new share repurchase program was started for the repurchase of up to 2,300,000 shares of the company for a total amount not exceeding 69 million EUR. By August 9, 2024, the group had acquired 1,088,192 of its own shares at an average price of 24.18 EUR per share, for a total amount of 26.3 million EUR.

In 2023, the activities of Tessengerlo Group and Picanol Group were combined into one industrial group. In the moment of full consolidation, Picanol Group, through its wholly owned subsidiary Verbrugge nv, held 21,860,003 shares in Tessengerlo Group nv. As a further simplification of the group after the transaction, Verbrugge nv merged into Picanol nv in July, 2023. As already mentioned in the prospectus at the time of the transaction, the group intended to cancel these own shares in 2024.

As per August 9, 2024 the group was holding 23,242,895 of its own shares. Pursuant to the authorization granted by the extraordinary general meeting of May 10, 2022, the Board of Directors of Tessengerlo Group nv decided on August 20, 2024 to cancel 23,242,895 treasury shares held following the combination of Tessengerlo Group and Picanol Group, as well as those purchased under the share repurchase programs launched in March 2023 and April 2024.

HY24 RESULTS



Operational key figures

Million EUR	HY24	HY23	% Change as reported
Revenue	1,389.1	1,626.5	-14.6%
Adjusted EBITDA ¹	150.7	205.1	-26.5%
Adjusted EBIT ²	51.5	106.8	-51.8%
Profit for the period	61.4	83.4	-26.3%
Total comprehensive income	73.5	72.3	1.6%
Capital expenditure	75.4	97.9	-23.0%
Cash flow from operating activities	172.5	107.9	59.8%
Net cash position ³	32.6	13.3	nm

Adjusted EBITDA HY23	: 205.1 M EUR
FX effect	: -0.7 M EUR
Internal growth	: -53.7 M EUR
= Adjusted EBITDA HY24	= 150.7 M EUR

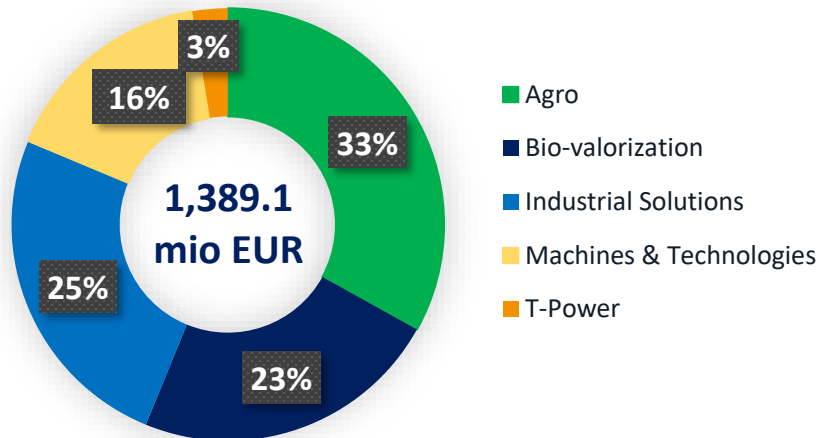
The net cash position of 32.6 M EUR includes lease liabilities (-57.2 M EUR). The net cash position would have amounted to 89.8 M EUR, when excluding these lease liabilities.

Remarks:

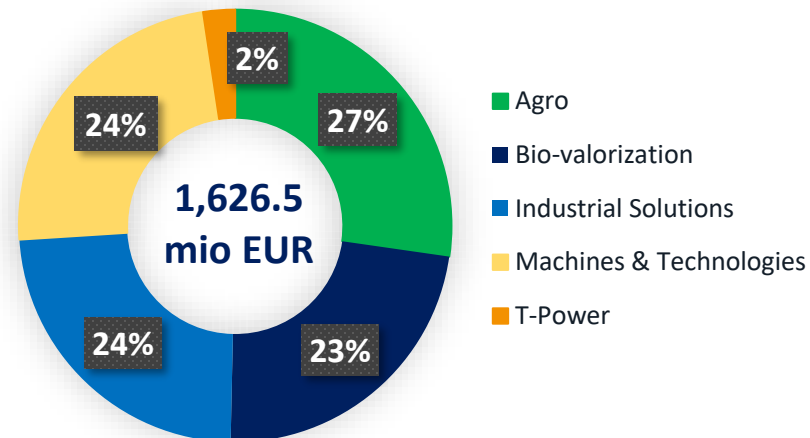
- Adjusted EBITDA equals adjusted EBIT plus depreciation and amortization.
- Adjusted EBIT is considered by the group to be a relevant performance measure in order to compare results over the period 2023-2024 as it excludes adjusting items from the EBIT (Earnings Before Interests and Taxes). EBIT adjusting 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.
- 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

**HY24 revenue
(% of total)**

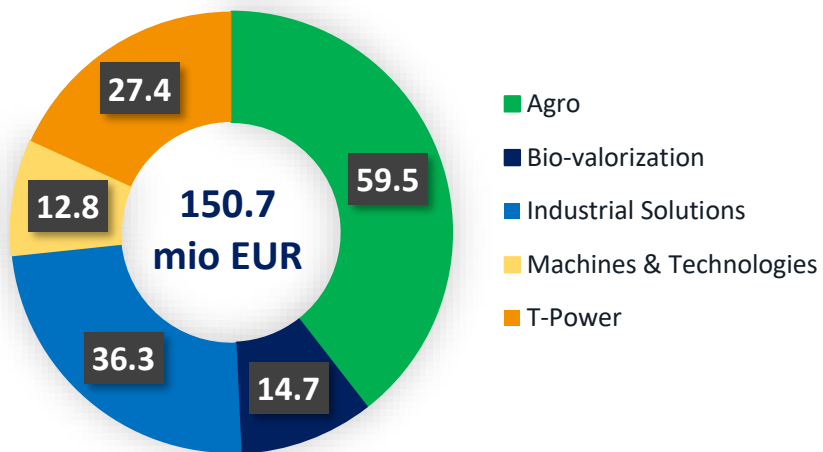


**HY23 revenue
(% of total)**

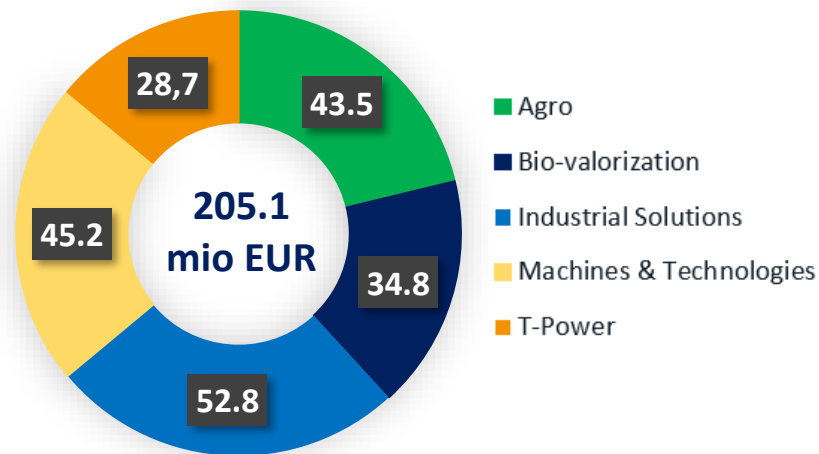


Group Adjusted EBITDA per segment

HY24 Adjusted EBITDA (Million EUR)



HY23 Adjusted EBITDA (Million EUR)



Agro segment

Million EUR	HY24	HY23	% Change as reported
Revenue	459.2	443.5	3.5%
Adjusted EBITDA	59.5	43.5	36.8%
Adjusted EBITDA margin	13.0%	9.8%	
Adjusted EBIT	23.4	7.2	225.1%
Adjusted EBIT margin	5.1%	1.6%	

The HY24 Agro revenue increased by +3.5%, impacted by an increase of sales volumes, which was able to offset lower selling prices.

The Adjusted EBITDA of the Agro operating segment increased by +36.8% to 59.5 million EUR. Despite higher sales volumes, the Adjusted EBITDA of Crop Vitality decreased as margins remained under pressure because of lower selling prices in combination with remaining high valued stock. The Adjusted EBITDA of Tessengerlo Kerley International increased thanks to higher sales volumes, whereas lower selling prices could be offset by lower raw material prices. The Adjusted EBITDA of NovaSource decreased slightly, mainly due to phasing of customer demand, while the Adjusted EBITDA of Violleau had no material impact.

Bio-valorization segment

Million EUR	HY24	HY23	% Change as reported
Revenue	323.1	375.2	-14.4%
Adjusted EBITDA	14.7	34.8	-57.7%
Adjusted EBITDA margin	4.6%	9.3%	
Adjusted EBIT	-4.8	15.6	nm
Adjusted EBIT margin	-1.5%	4.2%	

HY24 Bio-valorization revenue decreased by -14.4% compared to prior year. The increase of sales volumes could not offset the impact of lower selling prices for the different products (gelatin, collagen, fats and proteins).

The HY24 Adjusted EBITDA decreased compared to prior year by -57.7% to 14.7 million EUR. Higher sales volumes were insufficient to compensate the margin pressure due to decreasing selling prices in combination with high valued stock, still a consequence of higher 2023 raw material and energy costs. Per year-end 2023, less favorable market circumstances led to significant inventory write-offs in order to adjust the cost of finished goods to a lower net realizable value, implying the HY24 sale of these adjusted inventory items were made without contribution to the Adjusted EBITDA. No further inventory write-offs to net realizable value were deemed necessary as per June 2024. Moreover, the in 2023 acquired assets by Akiolis Iberia (Spain) did not yet contribute positively to the HY24 Adjusted EBITDA.

Industrial Solutions segment

Million EUR	HY24	HY23	% Change as reported
Revenue	348.9	384.7	-9.3%
Adjusted EBITDA	36.3	52.8	-31.3%
Adjusted EBITDA margin	10.4%	13.7%	
Adjusted EBIT	17.6	35.1	-50.0%
Adjusted EBIT margin	5.0%	9.1%	

Industrial Solutions revenue decreased by -9.3% in HY24. DYKA Group revenue was negatively impacted by a lower construction market demand, while Kuhlmann Europe and moleko revenue was in line with last year.

The Adjusted EBITDA of Industrial Solutions decreased by -16.5 million EUR to 36.3 million EUR (-31.3%), mainly negatively impacted by DYKA Group, while the decrease within Kuhlmann Europe and moleko was less outspoken. More challenging market conditions led to a lower DYKA Group and moleko result, while the result of Kuhlmann Europe decreased because of less favorable market circumstances for one of its products (caustic soda).

Machines & Technologies segment

Million EUR	HY24	HY23	% Change as reported
Revenue	223.1	384.5	-42.0%
Adjusted EBITDA	12.8	45.2	-71.8%
Adjusted EBITDA margin	5.7%	11.8%	
Adjusted EBIT	5.5	37.7	-85.4%
Adjusted EBIT margin	2.5%	9.8%	

The HY24 revenue of Machines & Technologies amounted to 223.1 million EUR compared to 384.5 million EUR in HY23 (-42.0%). The revenue of Picanol (weaving machines), Proferro (foundry and mechanical finishing) and Psicontrol (development and production of electronics) decreased, as challenging market circumstances were faced in the first six months of 2024, negatively impacting sales volumes.

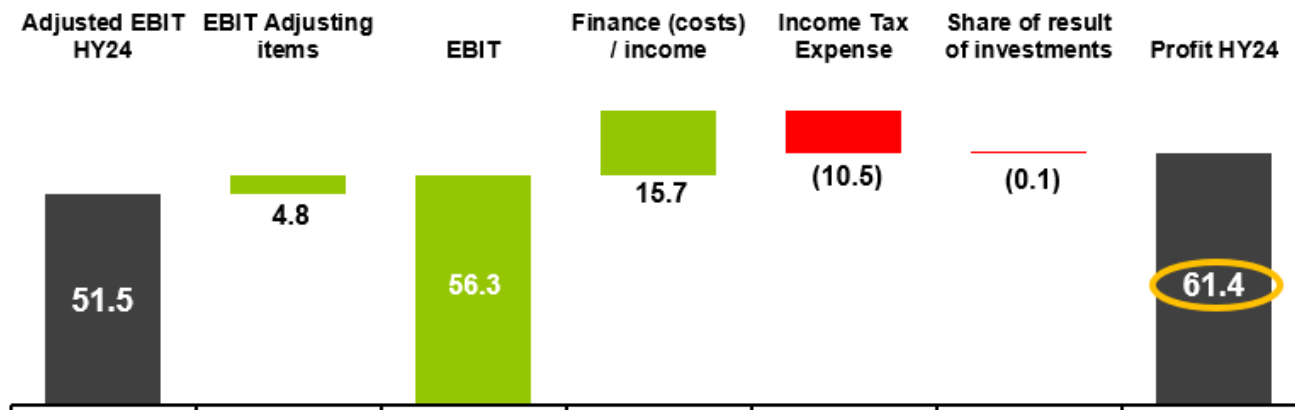
The HY24 Adjusted EBITDA decreased from 45.2 million EUR in HY23 to 12.8 million EUR in HY24 (-71.8%). The Adjusted EBITDA of all three activities decreased in the first half of 2024 following lower sales volumes.

T-Power segment

Million EUR	HY24	HY23	% Change as reported
Revenue	36.6	38.6	-5.3%
Adjusted EBITDA	27.4	28.7	-4.5%
Adjusted EBITDA margin	74.9%	74.3%	
Adjusted EBIT	9.8	11.1	-11.4%
Adjusted EBIT margin	26.9%	28.7%	

The revenue of T-Power decreased to 36.6 million EUR (-5.3%), while the Adjusted EBITDA decreased to 27.4 million EUR (-4.5%) because of contractual impacts. These results were in line with expectations, as T-Power nv fulfilled all tolling agreement requirements. As the 5-year extension option for the tolling agreement, starting July 2026, will not be exercised, the group is currently assessing various options for the long-term utilization of the T-Power plant as a safe and reliable partner in the current energy mix.

HY24 Adjusted EBIT to profit details (Million EUR)



Net finance result amounts to +15.7 million EUR and mainly includes:

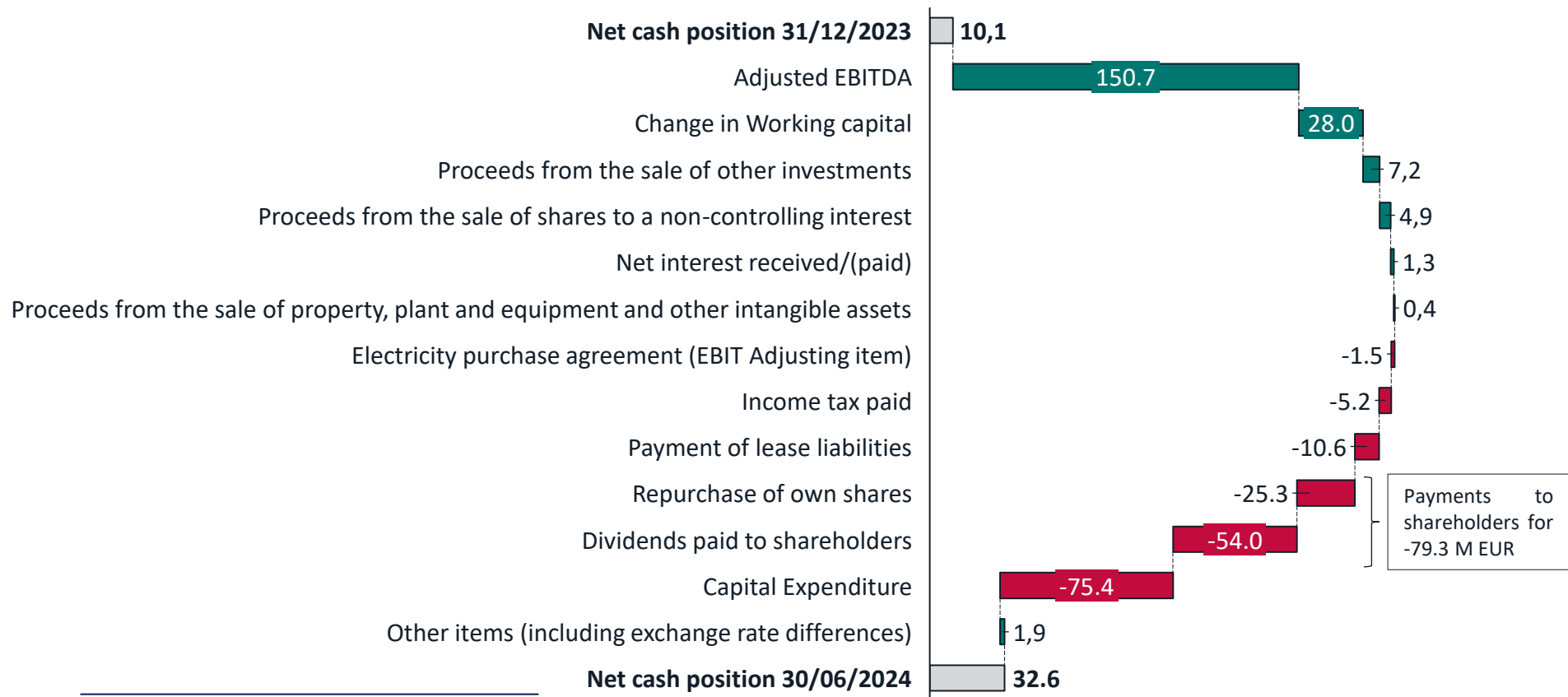
- Borrowing costs for -3.4 million EUR (HY23: -3.5 million EUR)
- Interest income for +5.0 million EUR (HY23: +5.2 million EUR)
- Net foreign exchange gains and losses for +15.5 million EUR (HY23: -8.6 million EUR), mainly explained by unrealized foreign exchange gains on intercompany loans and cash and cash equivalents (mainly in USD), which are not hedged.
- The sale of the remaining 54,262 Rieter Holding AG shares resulted in the recognition of a gain of +2.0 million EUR in the first half of 2024 (HY23: +11.3 million EUR following the sale of 654,000 Rieter Holding AG shares).

Income tax expense amounts to -10.5 million EUR in HY24 (-24.6 million EUR in HY23) and mainly relates to the activities in the United States.

As per June 2024, the theoretical aggregated tax rate amounted to 26.0%, while the effective tax rate amounted to only 14.6%. The effective tax rate is mainly impacted by the recognition of additional deferred tax assets on previously unrecognized tax losses carried forward and adjustments of current tax expenses of previous periods, mainly following the decision to apply Belgian tax consolidation between Tessenderlo Group nv and T-Power nv ("group relief") for the 2023 accounting year.

The HY24 profit amounts to 61.4 million EUR (of which 60.4 million EUR attributable to equity holders of the company) compared to 83.4 million EUR in HY23 (of which 80.4 million EUR attributable to equity holders of the company).

2023 - HY24 Net cash position reconciliation (Million EUR)



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 2024, putting the development of customer demand and sales margin still under pressure.

Based on currently available information, the group expects the Adjusted EBITDA of the second half of 2024 to be higher than the Adjusted EBITDA of the second half of 2023, however this increase will not be able to compensate the lower first half 2024 results.

As a result, the 2024 Adjusted EBITDA is expected to be 5% to 10% lower than the Adjusted EBITDA achieved in 2023.

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

Financial calendar

2024 results

March 26, 2025



THANK YOU