Conference call
4Q17 and FY17 results

Brussels, March 14, 2018

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

BUSINESS HIGHLIGHTS

Business highlights

In order to take full advantage of the opportunities of the collagen protein markets, PB Gelatins/PB Leiner expanded its collagen peptides production unit in Santa Fe (Argentina) in 2017.

In January 2017, Steve Azzarello joined Tessenderlo Kerley, Inc. (TKI) as CEO. He took over from Luc Tack, who became Executive President of TKI. The year 2017 also marked the 70th anniversary of Tessenderlo Kerley, Inc. in the US.

In June 2017, the AGM appointed Management Deprez bvba (perm. repres. by Ms. Deprez) and ANBA bvba (perm. repres. by Ms. Baeyaert) as independent, non-executive directors.
At an EGM, it was decided to change the company name to Tessenderlo Group.

Business highlights

In 2017, Tessenderlo Group successfully started the production of Thio-Sul® at its new liquid fertilizer plant in Rouen, France. The liquid fertilizer Thio-Sul® (ammonium thiosulfate) is used for broad-acre crops as well as arboricultural and vegetable crop cultivation.

Tessenderlo Group opened its new Thio-Sul® manufacturing plant in East Dubuque (Illinois, US) in October 2017. This new manufacturing facility of Tessenderlo Group's business unit Crop Vitality® will enable the more efficient delivery of the product to the Midwest agriculture community.

In November 2017, the BU's SOP Plant Nutrition and Kerley International joined forces in order to create one BU: Tessenderlo Kerley International. This BU brings together all of the experts, agronomists and commercial advisers from both previous BU's into one team that is characterized by a dedicated customer focus and which possesses an outstanding heritage.

Business highlights

SOTRA SEPEREF, which is a plastic pipe systems producer in France, began operating under the new trading name DYKA France in October 2017. At the same time, the company unveiled new growth investment plans, which include the expansion of its production hall and the purchase of a new extrusion line for plastic pipes.

Within the Plastic Pipe Systems (PPS) business unit, which provides high quality, value-added solutions in plastic pipe systems for the utilities, agricultural, building and civil engineering markets, DYKA celebrated its 60th anniversary during the first half of 2017.

JDP, which is one of the leading distributors of civils and drainage products in the UK, celebrated its 45th anniversary in 2017. JDP opened new branches in Cambridge and Norwich in 2017, which are the newest additions to a growing network.

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Business highlights

In December 2017, PB Gelatins/PB Leiner announced that it had decided to start the liquidation process of its plant in Wenzhou, P.R. China (PB Gelatins Wenzhou Co., Ltd.).

Construction works at the new membrane technology based production plant in Loos (France) were completed in 2017. The plant started production of sodium hydroxide (NaOH) in order to respond to new market developments.

The engineering and construction activities of Tessenderlo Kerley Services have been formalized into a new BU (S8 Engineering). The BU will focus on design, engineering, procurement and construction projects for internal/external customers in the refining, oil and gas, general chemical, mining and sulfur specialties markets.

4Q17 & FY17 RESULTS

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Operational key figures

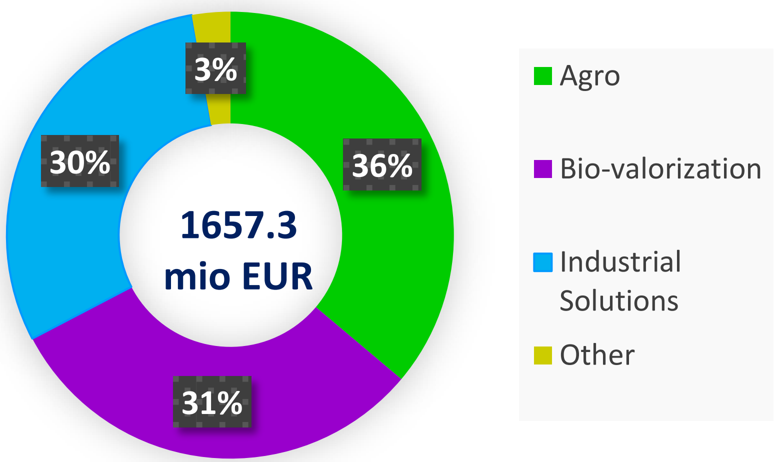
4Q17	4Q16	% change excluding fx effect	% Change as reported	Million EUR	2017	2016	% change excluding fx effect	% Change as reported
356.6	357.0	3.9%	-0.1%	Revenue Group	1,657.3	1,590.1	5.6%	4.2%
-5.0	-14.2			- Other revenue included in revenue Group	-46.0	-47.6		
351.6	**342.9**	**6.4%**	**2.6%**	**Revenue**	**1,611.3**	**1,542.5**	**5.8%**	**4.5%**
24.3	32.7	-17.2%	-25.6%	REBITDA Group	187.8	198.0	-3.8%	-5.2%
1.3	-0.9			- Other REBITDA included in REBITDA Group	-4.5	-2.5		
25.6	**31.8**	**-11.2%**	**-19.5%**	**REBITDA**	**183.3**	**195.5**	**-4.9%**	**-6.2%**
				REBIT Group	116.3	124.1	-4.7%	-6.3%
				- Other REBIT included in REBIT Group	-4.3	-2.3		
				REBIT	**112.0**	**121.8**	**-6.5%**	**-8.0%**
				Profit (+) / loss (-) for the period	**25.8**	**98.2**		**-73.7%**
				Total comprehensive income	**31.1**	**85.3**		**-63.5%**
				Capital expenditure	**90.4**	**94.0**		**-3.9%**
				Cash flow from operating activities	**184.2**	**109.4**		**68.3%**
				Operational free cash flow	**124.9**	**45.6**		**173.7%**

- **4Q17 REBITDA SLIGHTLY LOWER THAN EXPECTED BECAUSE OF:**
- a delay in execution of projects by Tessenderlo Kerley Services
- earlier than expected maintenance projects
- as well as by additional inventory write-offs. The 4Q17 REBITDA includes a write-off for inventory of -0.8 million EUR while there was a reversal of +1.8 million EUR included in the 4Q16 REBITDA.
- **2017: REDUCING NET DEBT FROM 136.6 MILLION EUR TO 58.7 MILLION EUR**

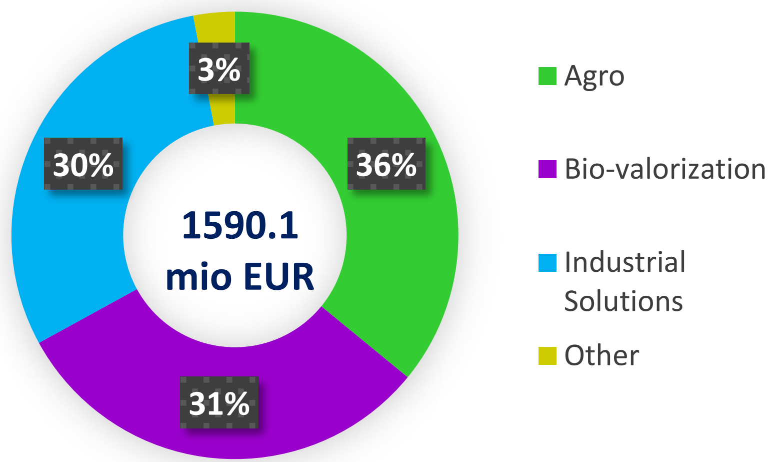
Remark: all quarterly information included is unaudited.

Group revenue per segment

2017 revenue
(% of total)



2016 revenue
(% of total)



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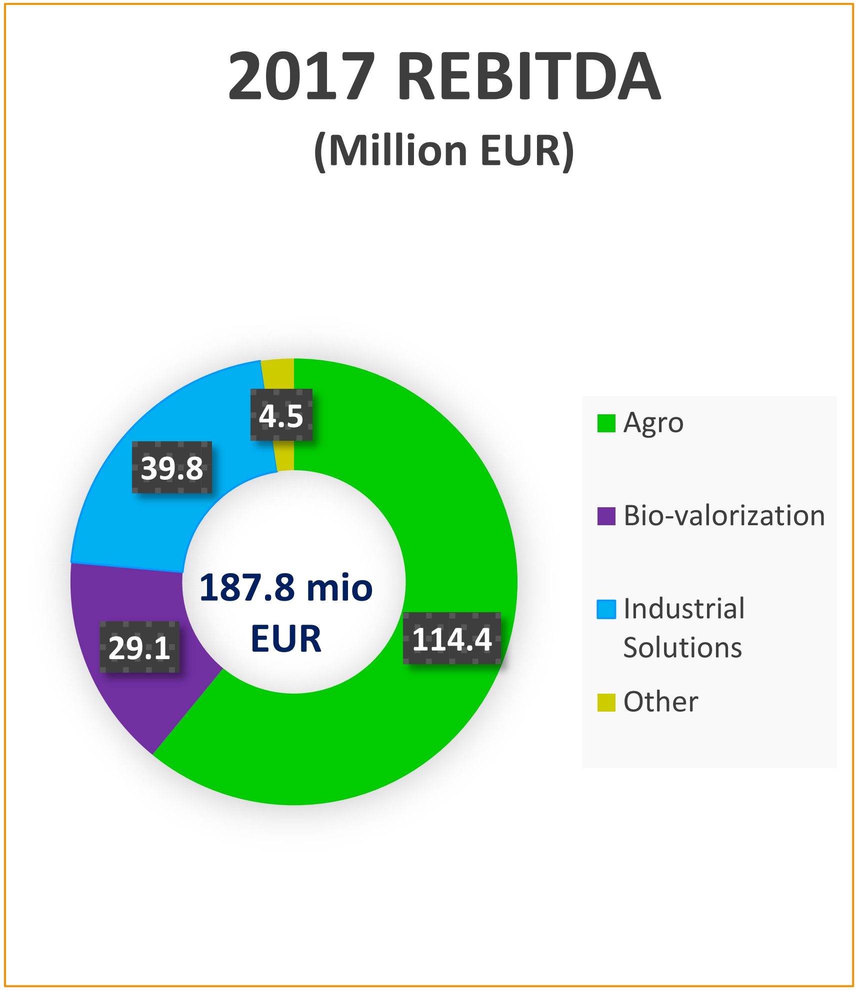
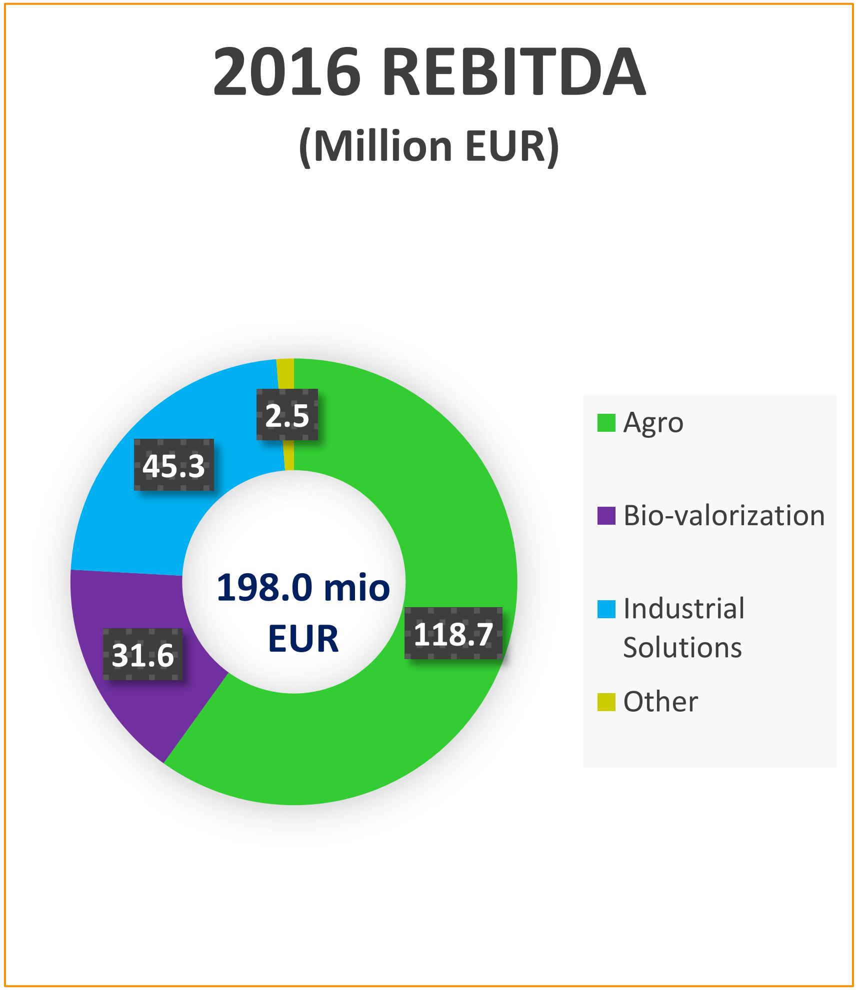
Group REBITDA per segment





Agro segment

AGRO (Million EUR) - FY17				
	2017	2016	% change excl. FX effect	% change as reported
Revenue	598.9	571.4	6.1%	4.8%
REBITDA	114.4	118.7	-1.8%	-3.6%
REBITDA margin	19.1%	20.8%		

- Negative (USD) foreign exchange effect of -2.1 M EUR.
- 2017 REBITDA of the different activities in line with 2016.
- Construction of new Thio-Sul® plants in East Dubuque (US) and Rouen (F) finalized and operations started; start-up costs -3.3 M EUR in 2017 (2016: -1.8 M EUR).

AGRO (Million EUR) - HY2				
	HY2 2017	HY2 2016	% change excl. FX effect	% change as reported
Revenue	236.2	224.8	11.4%	5.1%
REBITDA	38.1	39.8	6.1%	-4.4%
REBITDA margin	16.1%	17.7%		

- Negative (USD) foreign exchange effect of -4.2 M EUR.
- Increase of volumes within the different activities was only partially offset by lower selling prices.
- Start-up costs: -1.1 M EUR (2016: -1.3 M EUR).

AGRO (Million EUR) - HY1				
	HY1 2017	HY1 2016	% change excl. FX effect	% change as reported
Revenue	362.7	346.6	2.7%	4.7%
REBITDA	76.4	78.9	-5.8%	-3.2%
REBITDA margin	21.1%	22.8%		

- Positive (USD) foreign exchange effect of +2.1 M EUR.
- Impact of higher sulfates volumes only partially offset by lower selling prices.
- REBITDA decrease mainly a consequence of Crop Vitality impacted by lower margins, while REBITDA of other Agro activities remained stable compared to previous year.
- Start-up costs: -2.2 M EUR (2016: -0.4 M EUR)

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Bio-valorization segment

BIO-VALORIZATION (Million EUR) - FY17	2017	2016	% change excl. FX effect	% change as reported
Revenue	517.0	494.4	6.1%	4.6%
REBITDA	29.1	31.6	-8.0%	-7.8%
REBITDA margin	5.6%	6.4%		

- Revenue increase through higher volumes (Gelatins).
- Impact of gelatin margin pressure in the Americas more than offsets operational improvements and results of continuous investments/ongoing maintenance programs.
- 2017 Akiolis results in line with prior year.
- Inventory write-off reversal of +3.2 M EUR in 2017 compared to -0.5 M EUR in 2016.

BIO-VALORIZATION (Million EUR) - HY2	HY2 2017	HY2 2016	% change excl. FX effect	% change as reported
Revenue	244.5	250.4	0.6%	-2.3%
REBITDA	8.3	18.1	-53.9%	-54.1%
REBITDA margin	3.4%	7.2%		

- Continued gelatin margin pressure in the Americas.
- Lower Akiolis volumes.
- Inventory write-off reversal of +0.9 M EUR (2016: +1.8 M EUR).

BIO-VALORIZATION (Million EUR) - HY1	HY1 2017	HY1 2016	% change excl. FX effect	% change as reported
Revenue	272.5	244.0	11.7%	11.7%
REBITDA	20.8	13.4	53.8%	54.6%
REBITDA margin	7.6%	5.5%		

- Revenue increase through higher volumes (Gelatins) and changed mix in upstream/ downstream Akiolis markets.
- Inventory write-off reversal (+2.3 million EUR), while impact was negative in HY16 (-2.3 million EUR).
- Operational improvements + results of continuous investments/ongoing maintenance programs in different Gelatins plants offset by increased raw material prices in the Americas; Akiolis could benefit from a changed mix in upstream/ downstream markets.

Industrial Solutions segment

INDUSTRIAL SOLUTIONS (Million EUR) - FY17				
	2017	**2016**	**% change excl. FX effect**	**% change as reported**
Revenue	495.3	476.8	5.1%	3.9%
REBITDA	39.8	45.3	-10.9%	-12.1%
REBITDA margin	8.0%	9.5%		

- Revenue positively impacted by PPS and Mining & Industrial.
- 2017 solid performance of M&I and positive outcome following the expiration of a contract within ECS are more than offset by a REBITDA decrease in the other activities because of:
  - higher raw material prices within PPS
  - unfavorable market conditions within Performance Chemicals (Sulfur and KOH markets).
  - Inventory write-offs for -1.6 M EUR (2016: +0.2 M EUR).
- Construction works at the new electrolysis plant in Loos (F) are finalized (2017 start-up costs: -1.4 M EUR, 2016: nihil).

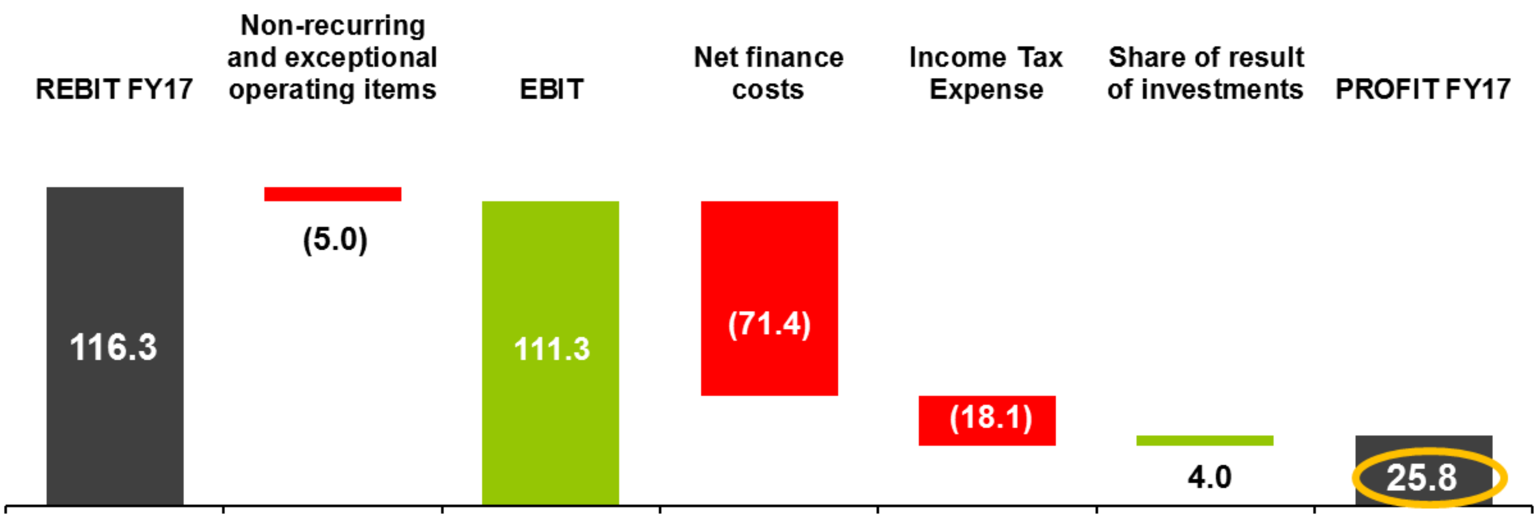
INDUSTRIAL SOLUTIONS (Million EUR) - HY2				
	HY2 2017	**HY2 2016**	**% change excl. FX effect**	**% change as reported**
Revenue	235.6	230.5	3.5%	2.2%
REBITDA	16.4	17.4	-1.6%	-5.6%
REBITDA margin	7.0%	7.5%		

- HY2 positive impact of outcome of the ECS contract expiration was offset by inventory write-off of -1.1 M EUR, while the 2016 impact was nihil, and start-up costs for the new electrolysis plant in Loos (France) for -1.3 M EUR (2016: nihil).

INDUSTRIAL SOLUTIONS (Million EUR) - HY1				
	HY1 2017	**HY1 2016**	**% change excl. FX effect**	**% change as reported**
Revenue	259.7	246.3	6.5%	5.4%
REBITDA	23.4	27.9	-16.6%	-16.2%
REBITDA margin	9.0%	11.3%		

- Revenue positively impacted by PPS and M&I.
- The solid performance of M&I was more than offset by a REBITDA decrease in the other activities because of :
  - higher raw material prices within PPS
  - unfavorable market conditions within Performance Chemicals (Sulfur and KOH markets).
  - The expiration of a contract within ECS that is currently under dispute.

2017 REBIT to profit details (in million EUR)



Non-recurring and exceptional operating items (-5.0 million EUR) mainly include:

- The impact of an electricity purchase agreement, for which the own-use exemption under IAS39 is not applicable anymore;
- The recognition of restructuring provisions within Bio-valorization following an announced reorganization of the Akiolis activities at the Pontivy plant (F) and following the announced closure of the gelatin plant of PB Gelatins Wenzhou Co., Ltd. (PRC). In December 2017, the decision was made to dissolve this subsidiary and to start the liquidation process of the company of which the total net non-recurring result is insignificant; and
- Several other individually insignificant items.

The net finance costs (-71.4 million EUR) include net foreign exchange losses (mainly on intercompany loans and cash and cash equivalents which are no longer hedged) for -63.5 million EUR. The regular finance costs amount to -7.9 million EUR .

Tax expenses amount to -18.1 million EUR (2016: -23.6 million EUR), and mainly related to the operations in the United States within Agro. The net impact of corporate income tax reforms on the recognized deferred taxes amounts to 4.7 million EUR in 2017 (deferred tax assets and liabilities mainly impacted in the US and Belgium).

Outlook

- The group anticipates the 2018 REBITDA to be in line with the 2017 REBITDA, although this is dependent on the evolution of the EUR/USD exchange rate and raw material prices.

- The group would like to emphasize that it currently operates in a volatile political, economic and financial environment.

Dividend

- The Board of Directors will propose to the shareholders, at the annual shareholders’ meeting of May 8, 2018, not to pay out a dividend for the 2017 financial year.

Annual report

- The annual report 2017 will be available as from March 30, 2018, on www.tessenderlo.com.

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Sustainability report

- This year, Tessenderlo Group will launch a sustainability report for the first time, which marks a new step towards making our sustainability efforts more visible to all stakeholders.

  The sustainability report will be available as from March 30, 2018, on www.tessenderlo.com.

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Financial calendar

▪ First quarter 2018 trading update	May 7, 2018
▪ Annual General Meeting of shareholders	May 8, 2018
▪ Half year 2018 results	August 22, 2018
▪ Third quarter 2018 trading update	October 25, 2018


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Thank you

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