

Conference call

Acquisition of T-Power nv + 1Q18 results

Brussels, April 27, 2018



Tessenderlo Group
EVERY MOLECULE COUNTS



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

Acquisition of T-Power nv

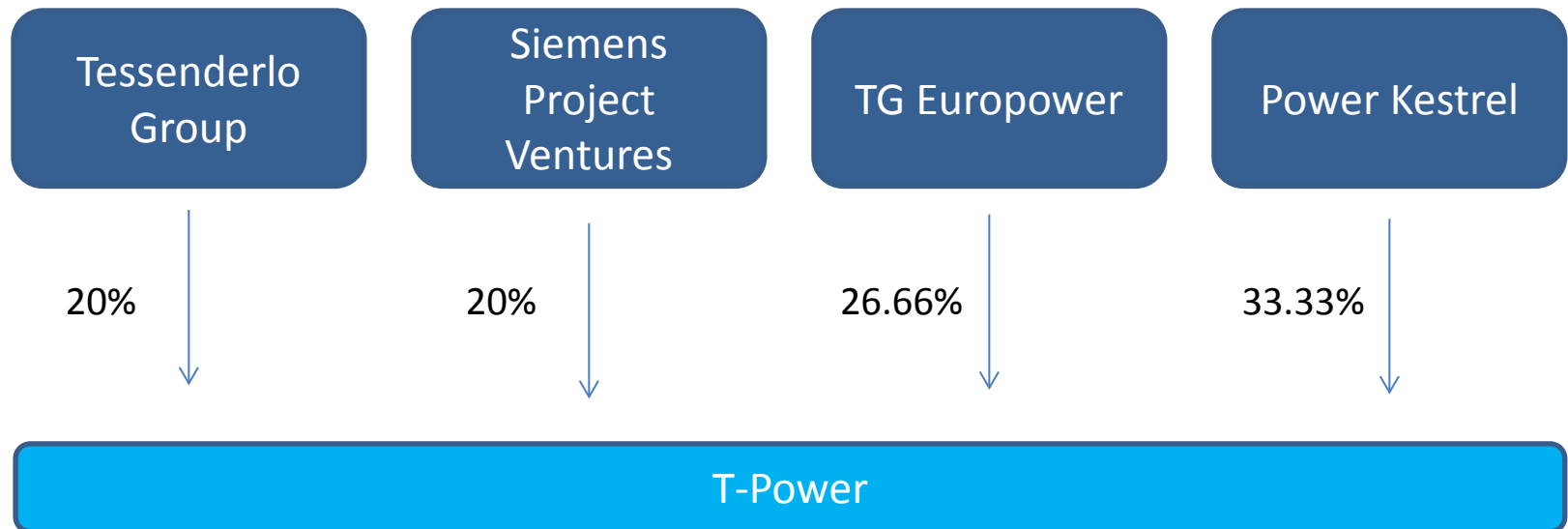


T-Power: a 425 MW combined-cycle power plant



T-Power: legal structure

- T-Power nv is jointly owned by 4 shareholders:



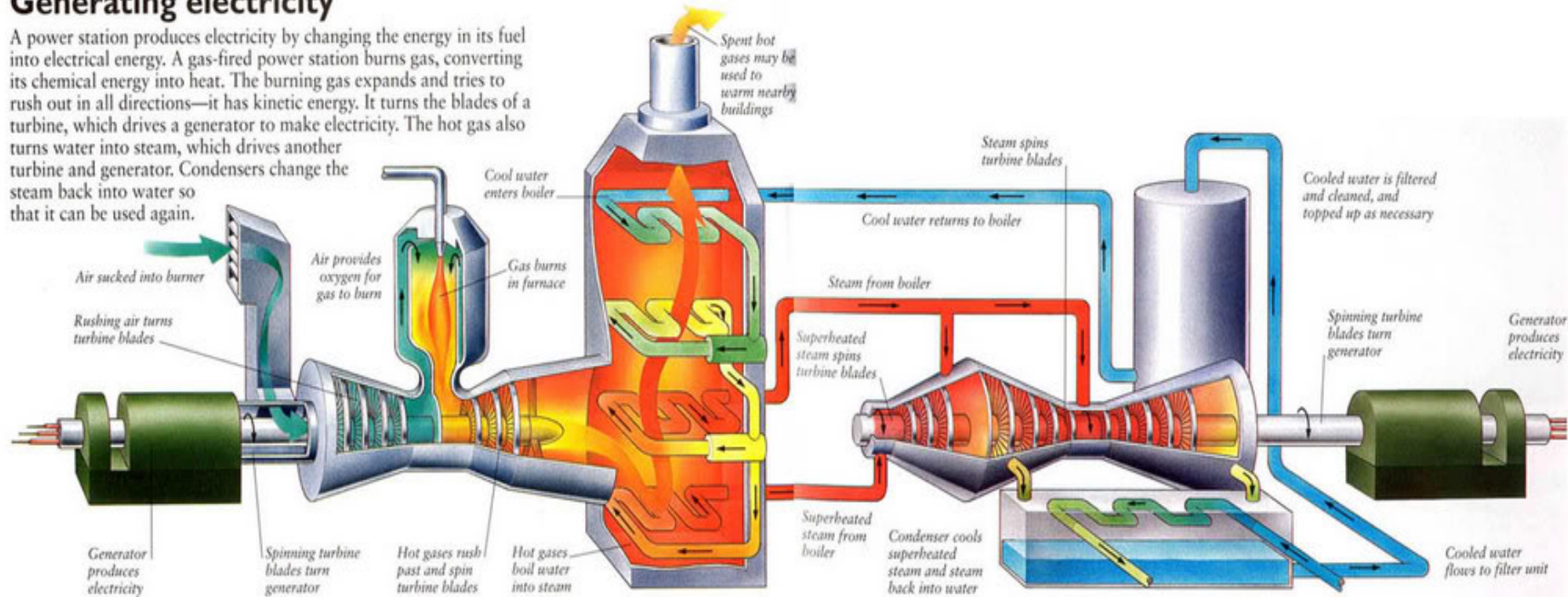
T-Power: a 425 MW combined-cycle power plant

- Engaged in the production of electricity by means of a Siemens built combined cycle gas turbine (CCGT) with 425MW capacity;
- Located in Tessenderlo (BE);
- T-Power is the first Independent Power Producer (IPP) and first tolling project in Belgium;
- T-Power has the most efficient and environment friendly CCGT in Belgium;
- Since June 15, 2011 T-Power has started commercial operations under a tolling agreement with RWE group, for a minimum period of 15 years;
- T-Power employs about 30 people;
- In 2017 T-Power realized a turnover of 69 million EUR, a REBITDA of 52 million EUR and a net result of 19 million EUR.

T-Power: a 425 MW combined-cycle power plant

Generating electricity

A power station produces electricity by changing the energy in its fuel into electrical energy. A gas-fired power station burns gas, converting its chemical energy into heat. The burning gas expands and tries to rush out in all directions—it has kinetic energy. It turns the blades of a turbine, which drives a generator to make electricity. The hot gas also turns water into steam, which drives another turbine and generator. Condensers change the steam back into water so that it can be used again.



T-Power in the market

- Modern CCGT's are:
 - Very reliable either for base-load or intermittent operations
 - Very flexible in use
 - Highly efficient and environment-friendly;
- CCGT's are the ideal partners of renewable energies to achieve the Energy Transition;
- With the closing of Belgian nuclear power plants in 2025, CCGT's are the preferred production method to compensate the lost capacity (in combination with renewables).

T-Power: rationale of the transaction

- New opportunity for growth for Tessenderlo Group;
- Build on existing shareholding and T-Power's experience in operations and project management;
- GTA in place that allows to enter the merchant period as a low cost player;
- A strong embedment in Belgium.

T-Power: details of the transaction

- Tessenderlo Group pays approx. 138 million EUR for 80% of the T-Power shares and approx. 190 million EUR net financial debt;
- The acquisition of T-Power will add approx. 328 million EUR of net financial debt to Tessenderlo Group's consolidated balance sheet based on the situation as per March 31, 2018;
- The exact amount of the net financial debt added to the consolidated balance sheet depends on the timing of the closing and the cash flow of T-Power between the signing and the closing of the transaction but is expected to be somewhat lower than 190 Million EUR.

T-Power: timing of the transaction

- The transaction is subject to the fulfilment of a number of customary conditions precedent such as approval by the Belgian competition authorities, financial institutions, the Minister of Energy, and the finalizing of the required legal and financial documentation
- The transaction is expected to be completed by the end of September 2018.

Business highlights



Best Investor Award (PMI) from the Chamber of Commerce and Industry (CCI) France Belgium



DYKA celebrated the opening of its new branch in Tilburg (the Netherlands)



Tessenderlo Innovation Center celebrated its 30th anniversary



1Q18 Trading update



Market update

- In the Agro segment, the first quarter of 2018 was significantly affected by severe winter weather conditions, which led to a slower start to the season and lower fertilizer volumes.
- Within the Bio-valorization segment, prices for finished products (mainly fats) decreased in the first quarter and this put pressure on margins.
- The impact of bad weather conditions also restricted construction activity in Europe, which had an unfavorable influence on our plastic pipes business (BU PPS). The Industrial Solutions segment was also faced with higher raw material costs (mainly caustic soda) in the first quarter of this year. Meanwhile, PVC prices in this same period remained stable, although at a much higher level than in the first quarter of 2017.



Operational key figures

Million EUR	1Q18	1Q17	% change excluding fx effect	% Change
Revenue Group	386.4	447.2	-8.8%	-13.6%
- Other revenue included in revenue Group	-2.8	-15.9		
Revenue	383.6	431.3	-6.2%	-11.1%
REBITDA Group	36.4	56.2	-26.9%	-35.2%
- Other REBITDA included in REBITDA Group	1.4	-1.4		
REBITDA	37.8	54.8	-22.2%	-31.1%
Net debt	79.1	110.4		

- 1Q18 REBITDA decreased from 54.8 M EUR to 37.8 M EUR (-17.0 M EUR or -12.2 M EUR when excluding the foreign exchange effect).
- REBITDA negatively influenced by:
 - Agro: lower volumes (mainly due to unfavorable weather conditions) and lower margins.
 - Bio-valorization: lower pricing within Akiolis (downstream markets), which could not be compensated by a stable gelatin activity.
 - Industrial solutions: lower volumes in Mining and Industrial, further start-up costs for the NaOH production (Performance Chemicals), and unfavorable weather conditions and continued margin pressure within Plastic Pipe Systems.

The line "Other" refers to engineering and construction activities of the subsidiary S8 Engineering (former Tessenderlo Kerley Services Inc.), for the joint venture Jupiter Sulphur LLC.



Outlook

- Despite the lower 1Q18 results, the group confirms its previous forecast to realize a 2018 REBITDA in line with the 2017 REBITDA (excluding the expected T-Power REBITDA contribution), although this is dependent on the further 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.



Thank you

