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**Israel Corporation Ltd.**

Registrar Number: 520028010

**Form 121**  
**Public**

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To:

The Securities Authority

www.isa.gov.il

To:

The Tel Aviv Stock Exchange

www.tase.co.il

**Immediate Report**

The Event: ICL – Investor Presentation

Attached is an immediate report of Israel Chemicals Ltd.

The Company is not a shell company as defined in the Stock Exchange Regulations

The date when the event first became known to the corporation: December 18, 2019

Time: 22:30

Name of report authorized signatory and name of authorized signatory electronic signatory: Maya Alcheh-Kaplan

Position: Vice President, General Counsel and Company's Secretary

Signing Date: December 19, 2019

Name of Electronic Reporter: Maya Alcheh-Kaplan. Position: Vice President, General Counsel and Company's Secretary. Address: Aranha 23, Millennium Tower. Tel Aviv 61204. Phone – 03-6844517 Fax: 03-6844587.

E-mail: mayaak@israelcorp.com.



**AICL**



**DEBT ROAD SHOW PRESENTATION**  
December 2019



# IMPORTANT LEGAL NOTES

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Included in this presentation are certain non-GAAP financial measures, such as sales excluding divested businesses, adjusted operating income, adjusted operating income excluding divested businesses, adjusted EBITDA excluding divested businesses, adjusted net income excluding divested businesses, adjusted EPS excluding divested businesses and free cash flow, designed to complement the financial information presented in accordance with GAAP because management believes such measures are useful to investors. These non-GAAP financial measures should be considered only as supplemental to, and not superior to, financial measures provided in accordance with GAAP. Please refer to our Q3 2019 results report on Form 6-K for the third quarter ended September 30, 2019 filed with TASE and the SEC for a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable financial measures prepared in accordance with GAAP.

# ICL- AT A GLANCE



**\$5.6B**

Sales in 2018,  
with balanced  
product portfolio



**44**

Manufacturing plants  
in 13 countries  
worldwide



**~11,000**

Employees worldwide,  
4,500 in Israel



**TOP 3**

Leading supplier across  
most business lines and  
target markets



**\$5.8B**

Market Cap as of Dec 16, 2019  
Traded on TASE since 1992  
Traded on NYSE since 2014



**>4.0%<sup>(1)</sup>**

Industry leading  
dividend yield



**BBB-**

Investment grade rating &  
positive outlook (Fitch). Net  
debt to EBITDA reduced  
from 2.9 as of 2017 year-end  
to 1.8 as of Sep. 30, 2019



**#2**

Second largest public  
Israeli company in terms  
of sales

# SUSTAINABILITY

We are committed to disciplined, continuous improvement in all sustainability areas

Environmental  
Protection

Safety

**\$121M**

ICL's investments and expenditures on environmental projects and operations in 2018

**SILVER ranking**

for the 2018 EcoVadis sustainability assessment as a global supplier, receiving among the top 7% global scores

Sustainable  
Products

Fair and  
Diverse  
Employment

**Success in Emission Reduction**

Reduction rates for ICL Global air emissions between 2008 and 2018: 86% in NOx; 65% in PM; 57% in SOx; 21% in GHGs

**Sustainable Procurement**

ICL conducts sustainability assessments and audits for its suppliers, through the cooperative TFS (Together For Sustainability) program- a joint initiative of 23 global chemical companies

Business  
Ethics

Community  
Contribution

**Top-Tier Environmental & Safety Management**

Vast majority of production sites certified for ISO 14001 and OSHA 18001, or equivalent standards - 91% and 89% of sites for Environmental & Safety management standards respectively

**'Platinum+' Ranking**

The Highest 'Platinum+' score in the 2019 Maala Index, Israel's leading sustainability ranking for businesses

# DNA OF LEADERSHIP

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**#1**

Globally in bromine

**#3**

Most competitive  
globally in potash

**#1**

Globally in specialty  
phosphates

**#1**

Globally in phosphorus  
based flame retardants

**#1**

In western Europe in  
compound PK fertilizers

**#1**

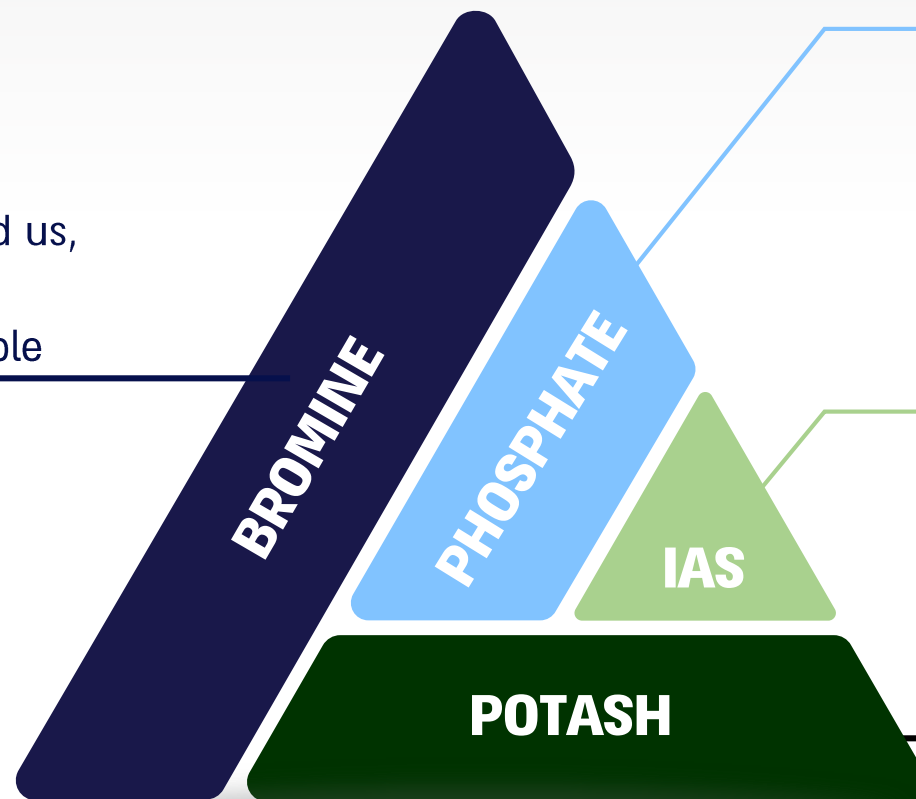
Globally in soluble  
phosphate based  
fertilizers

## LEADERSHIP STRATEGY

# PRESENT

### Industrial Products division

ICL's bromine solutions are all around us, making consumer goods safer and production more efficient & sustainable



### Phosphate Solutions division

ICL provides **essential ingredients** for various industrial and food applications

### IAS - Innovative Ag Solutions division

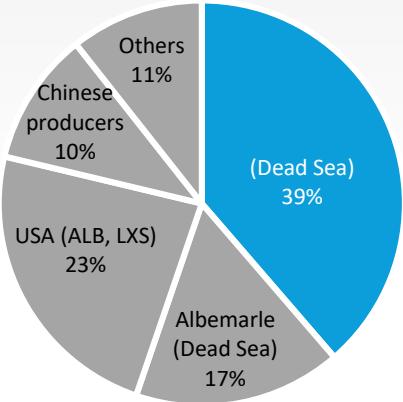
ICL specialty fertilizers provide growers with optimal plant nutrition solutions

### Potash division

ICL potash helps farmers increase yields and feed the world

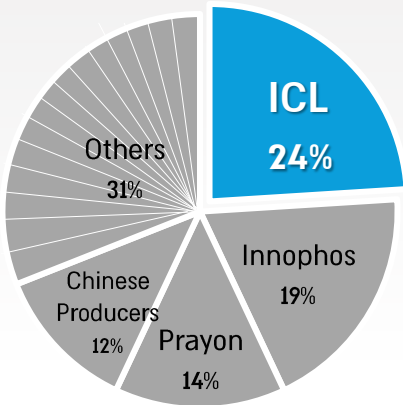
# ICL BUSINESS LEADERSHIP

Global Bromine Production Capacity<sup>1</sup>

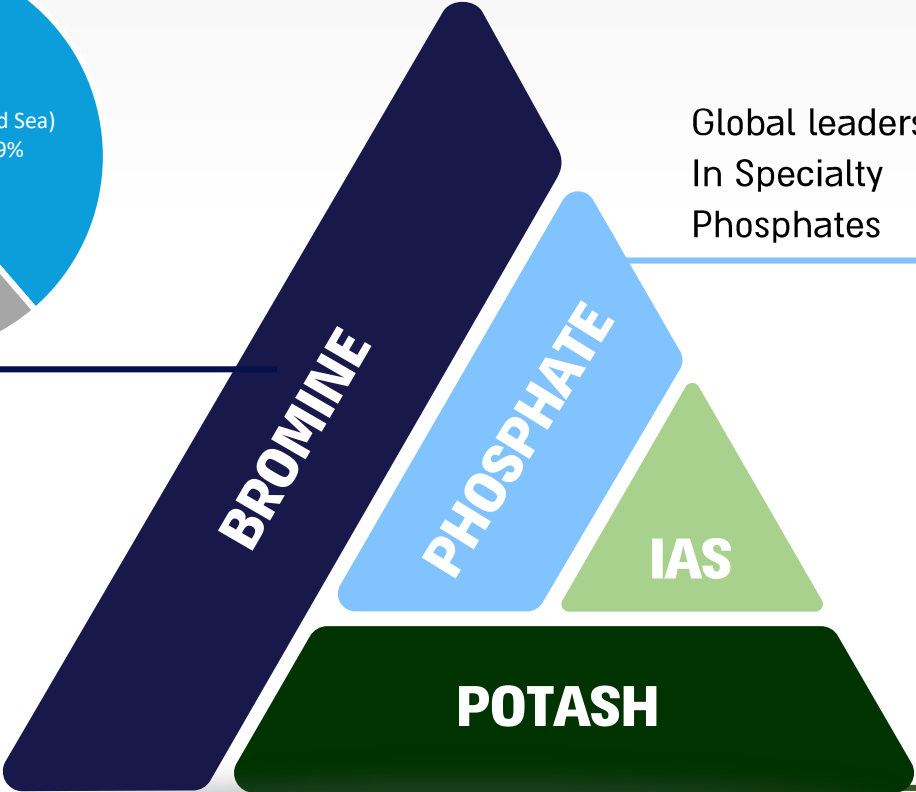


Global leadership  
In Bromine

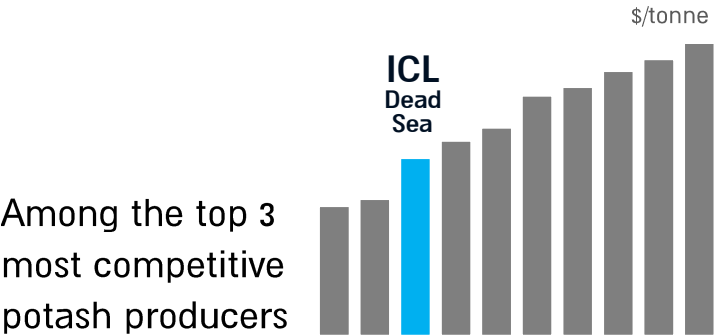
Market Share – Specialty Phosphates – Europe, NA, and LatAm<sup>1</sup>



Global leadership  
In Specialty  
Phosphates



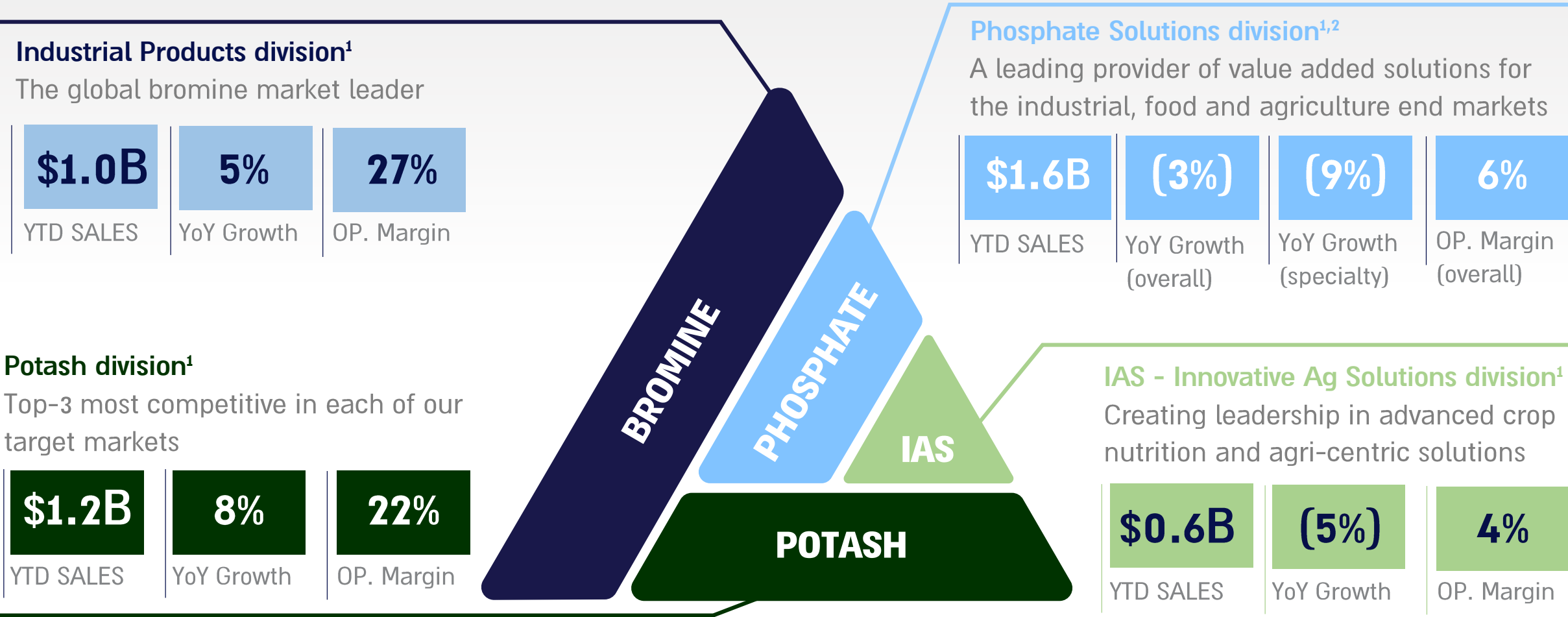
Potash business cost by Site and by Company<sup>2</sup>



Among the top 3  
most competitive  
potash producers

<sup>1</sup> ICL's estimates 2018  
<sup>2</sup> CRU September 2018

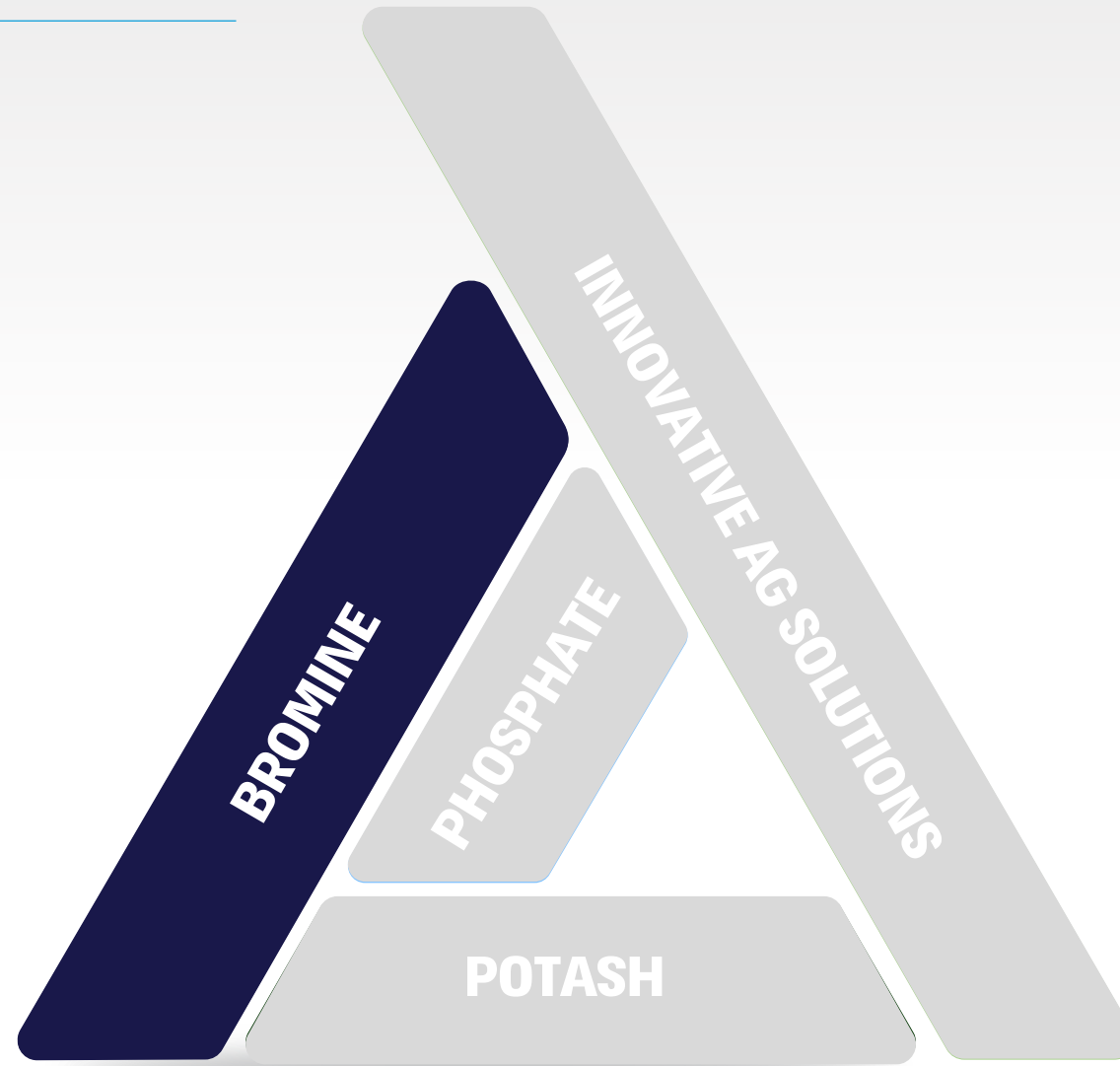
# ORGANIZATIONAL STRUCTURE ALIGNED WITH STRATEGY



<sup>1</sup> Including inter-division sales, segment G&A expenses.  
<sup>2</sup> Phosphate Solutions division sales after setoffs of intra-division sales and profit, and excluding divested businesses  
Sales numbers are rounded to the nearest \$10M

# LEADERSHIP STRATEGY

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# INDUSTRIAL PRODUCTS SOLID LEADERSHIP

## THE GLOBAL BROMINE MARKET LEADER



**175K TONNES**

of bromine were produced in 2018



**NO.1**

World's leading elemental bromine producer, with 40% of market production capacity



**240K TONNES**

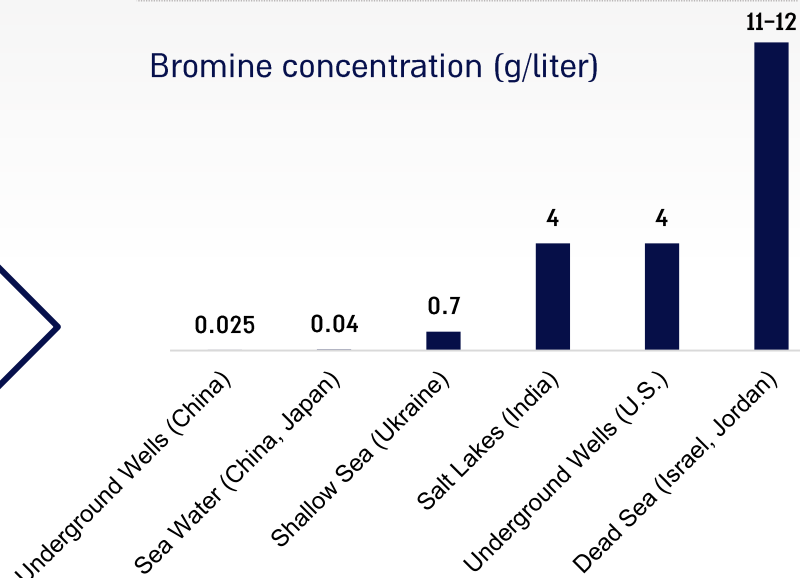
of bromine compounds and 90k tonnes of phosphorus compounds sold in 2018



**NO.1**

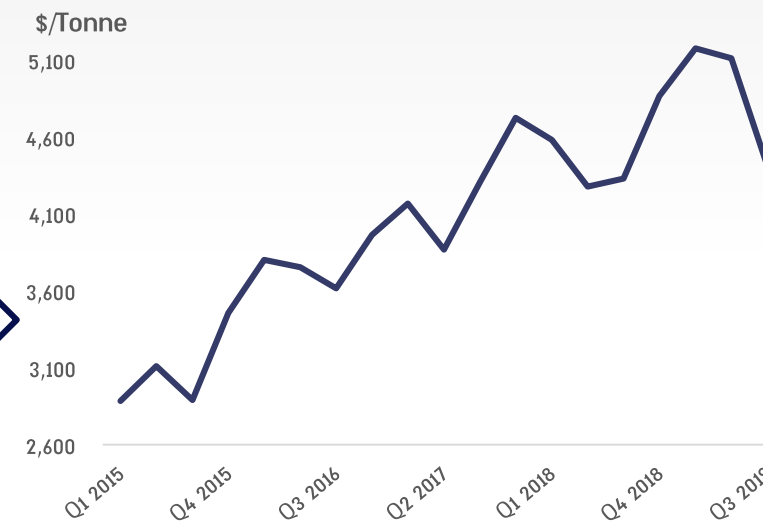
Largest isotank fleet.  
Unparalleled knowledge and experience of handling all safety and environmental aspects

## UNIQUE ADVANTAGE



The Dead Sea has the highest concentration of bromine globally and is practically the only resource in the world that is not depleting

## BROMINE PRICES IN CHINA

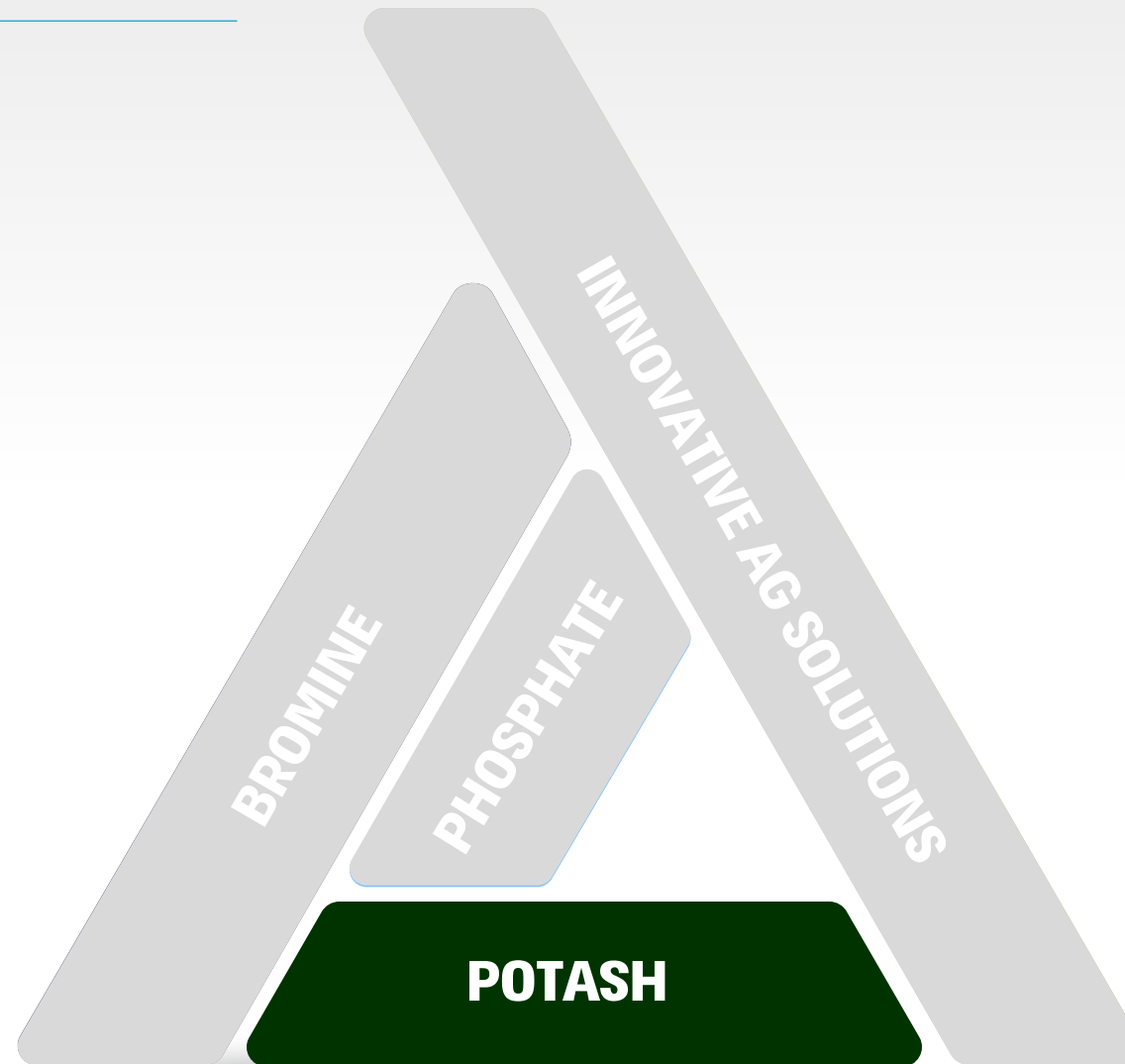


Source: Bloomberg

Strict enforcement of environmental and safety regulations in China, the depletion of Chinese resources and our superior quality enable us to capitalize on our leading market position

# LEADERSHIP STRATEGY

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# POTASH ICL'S UNIQUE POSITION

## STRONG POSITION



**4.9 MILLION TONNES**  
of potash were produced in 2018



## 80% PRODUCED FROM THE DEAD SEA

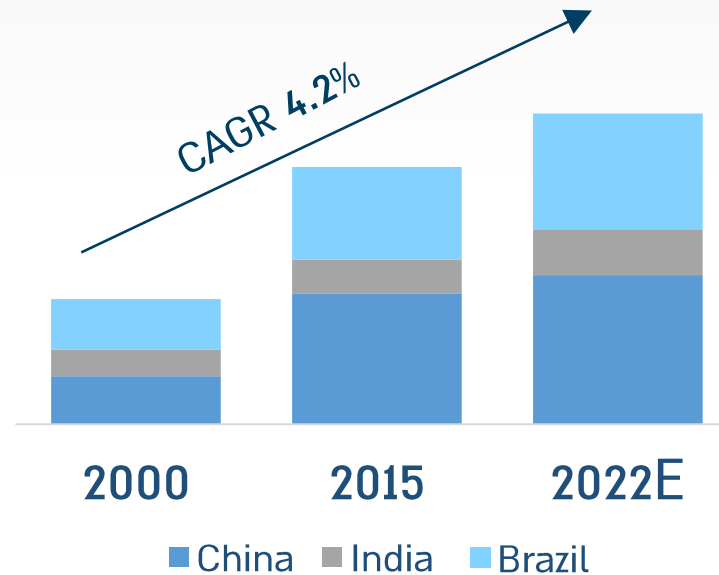
One of the world's lowest cost sites due to evaporation process and logistic advantages



**NO.6**

Potash manufacturer in the world  
The sole producer of polysulphate

## WELL ESTABLISHED IN GROWING MARKETS



China, India and Brazil are about  
80% of ICL's target markets

Source: CRU

## LOWER COST AND FASTER TIME-TO-MARKET



Shorter mine-to-port distances  
and shorter shipping routes to  
emerging markets



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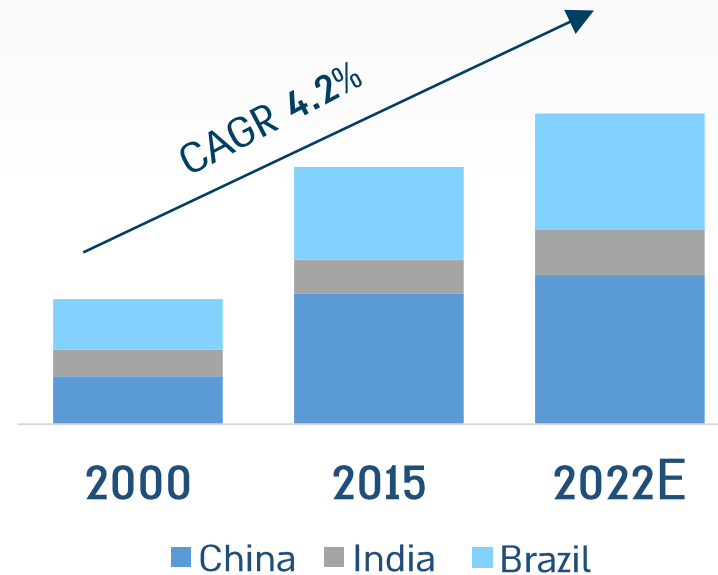
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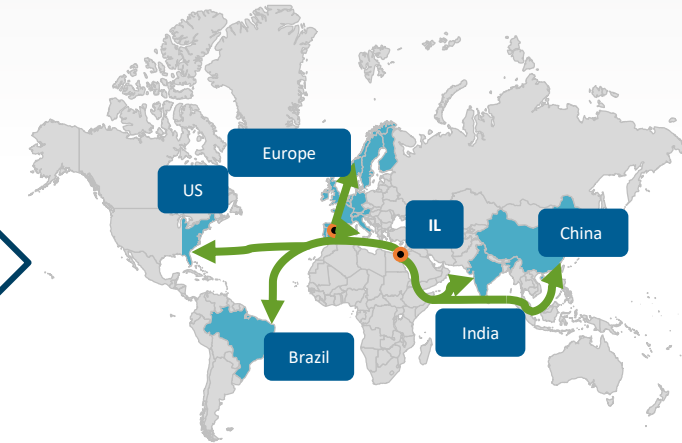
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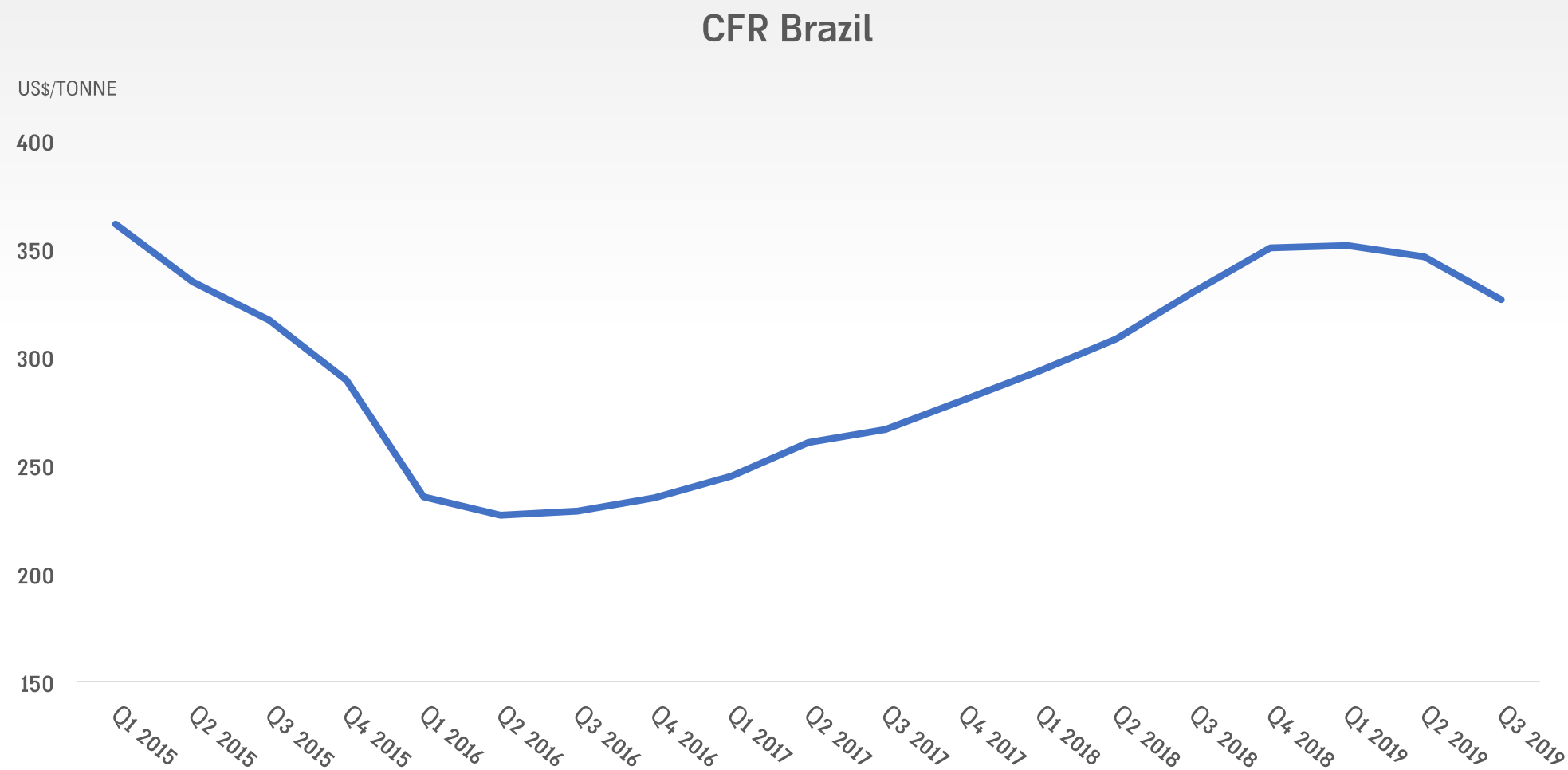
Source: CRU

## LOWER COST AND FASTER TIME-TO-MARKET



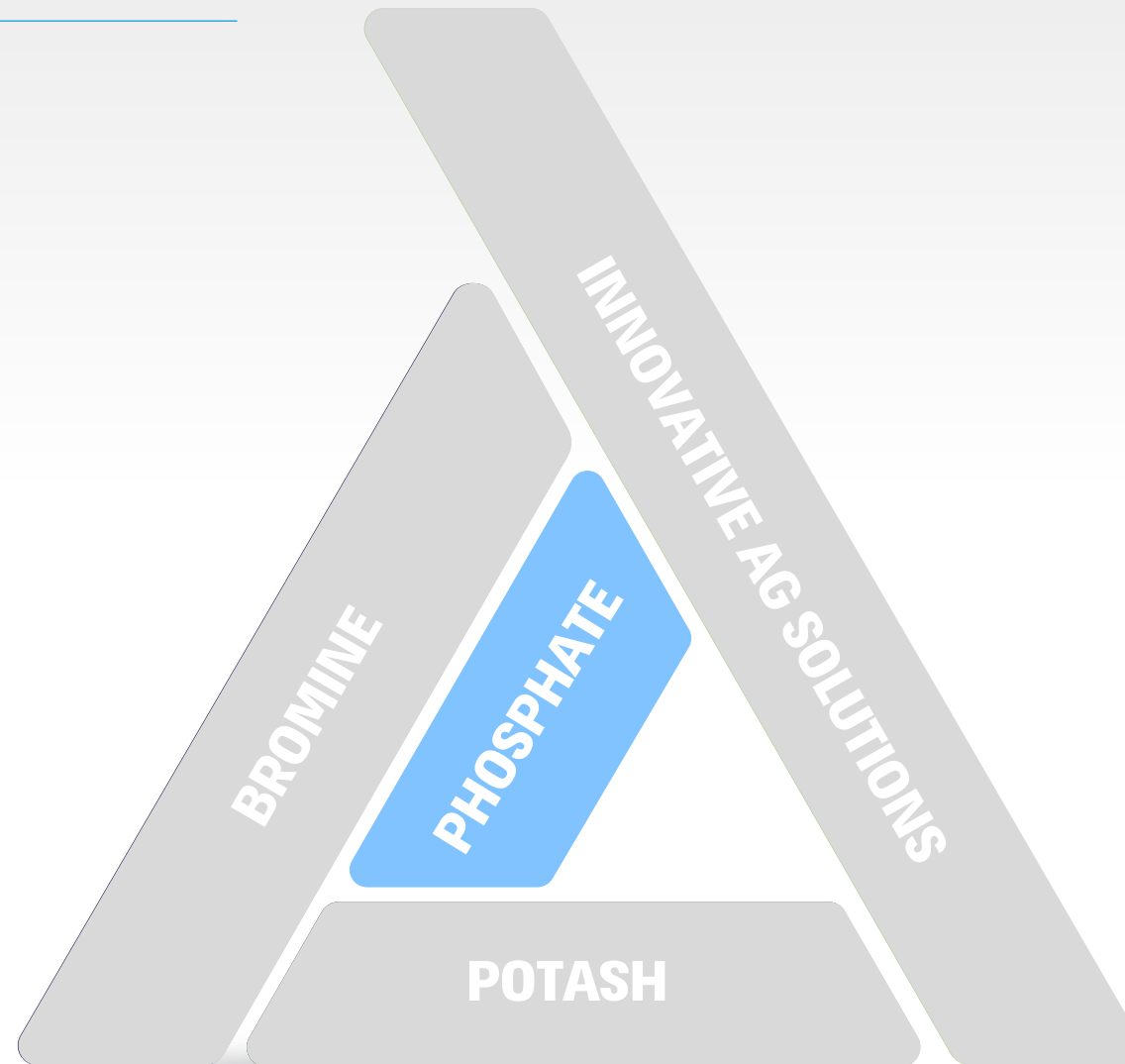
Shorter mine-to-port distances  
and shorter shipping routes to  
emerging markets

# Potash Pricing trend



# LEADERSHIP STRATEGY

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# PHOSPHATE SOLUTIONS ICL'S RECIPE FOR LEADERSHIP

## UNIQUE BACKWARD INTEGRATION MODEL



### 5M TONNES

of phosphate rock and 2,300K tonnes of fertilizers produced in 2018



### Over 90% of phosphate rock

used internally for fertilizers and specialty products



### 1.2M TONNES

of green phosphoric acid produced in 2018

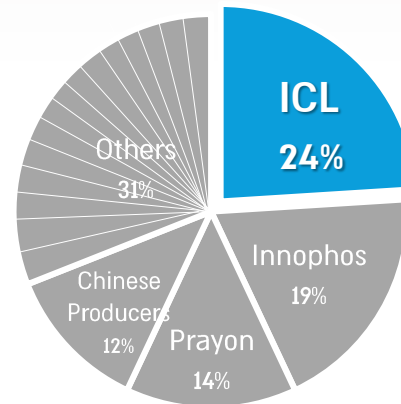


### 290K TONNES

of purified phosphoric acid produced in 2018

## WITH A LEADING MARKET POSITION

Market Share – Specialty Phosphates – Europe, NA, and LatAm<sup>1</sup>



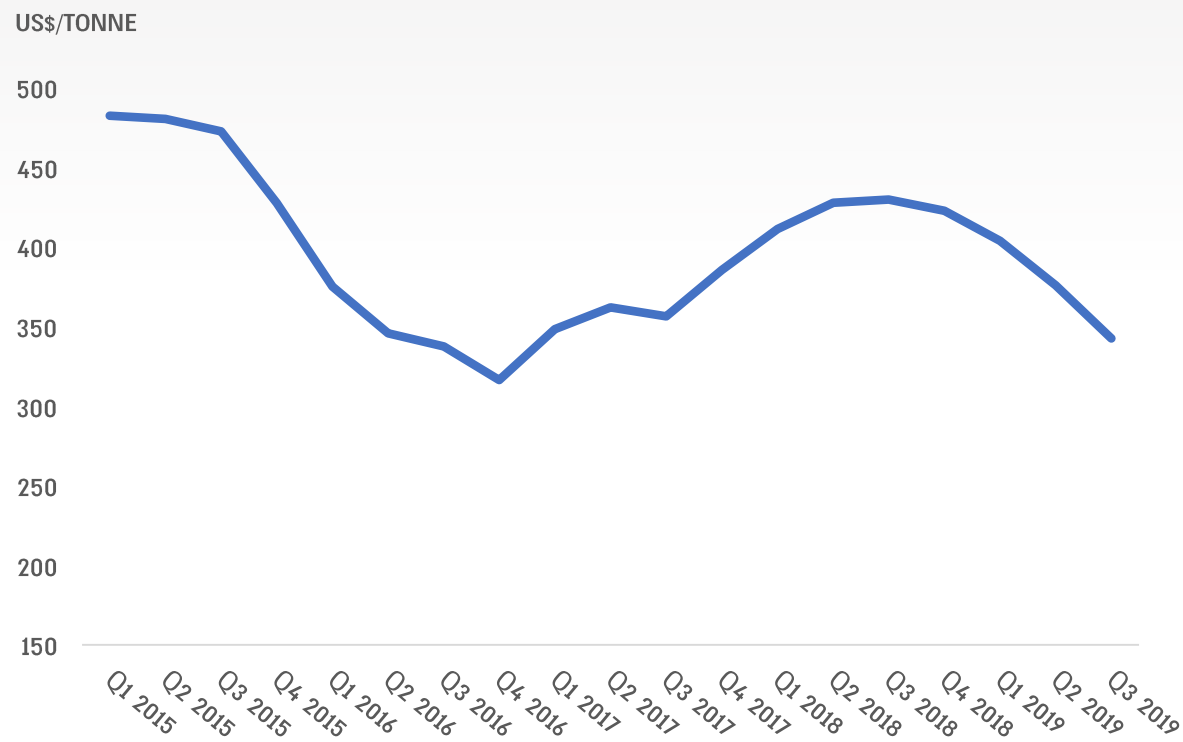
Source: ICL estimates (2017)

## AND VALUABLE INNOVATIVE PRODUCTS

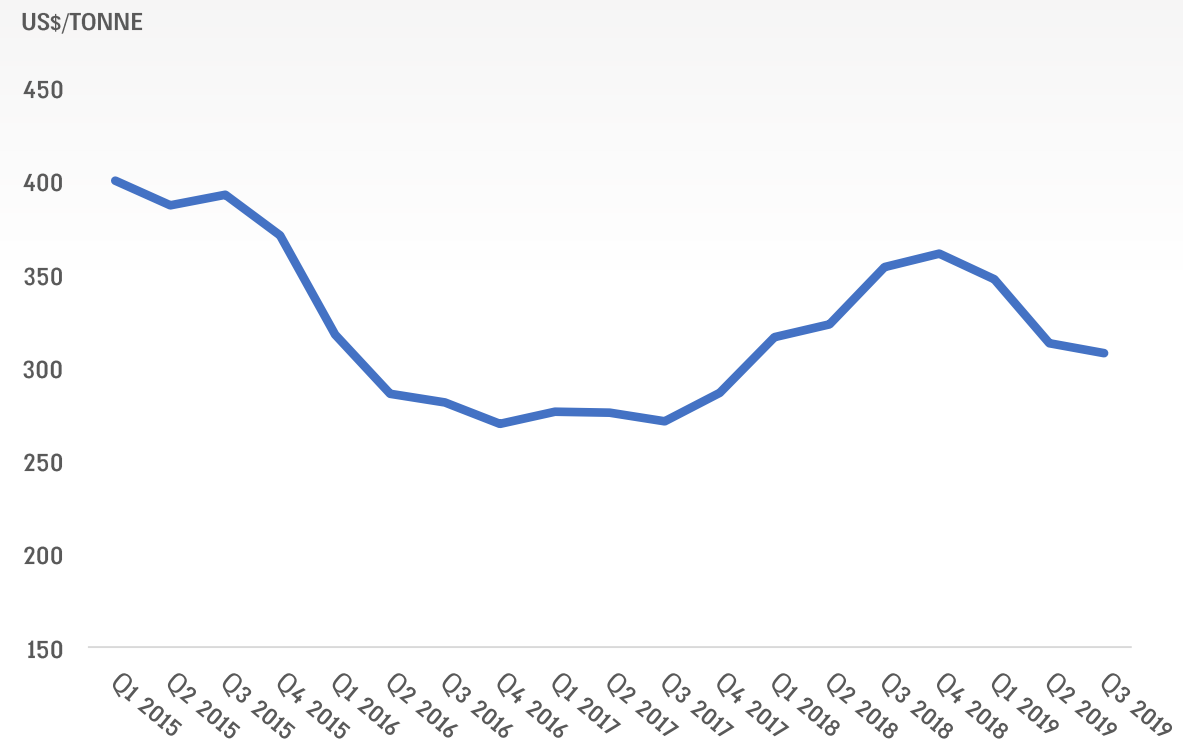
ICL is focused on value proposition - high-end solutions, original patents and creative proposals for food and industrial manufacturers

# Phosphate Commodities Pricing Trends

DAP CFR INDIA<sup>1</sup>

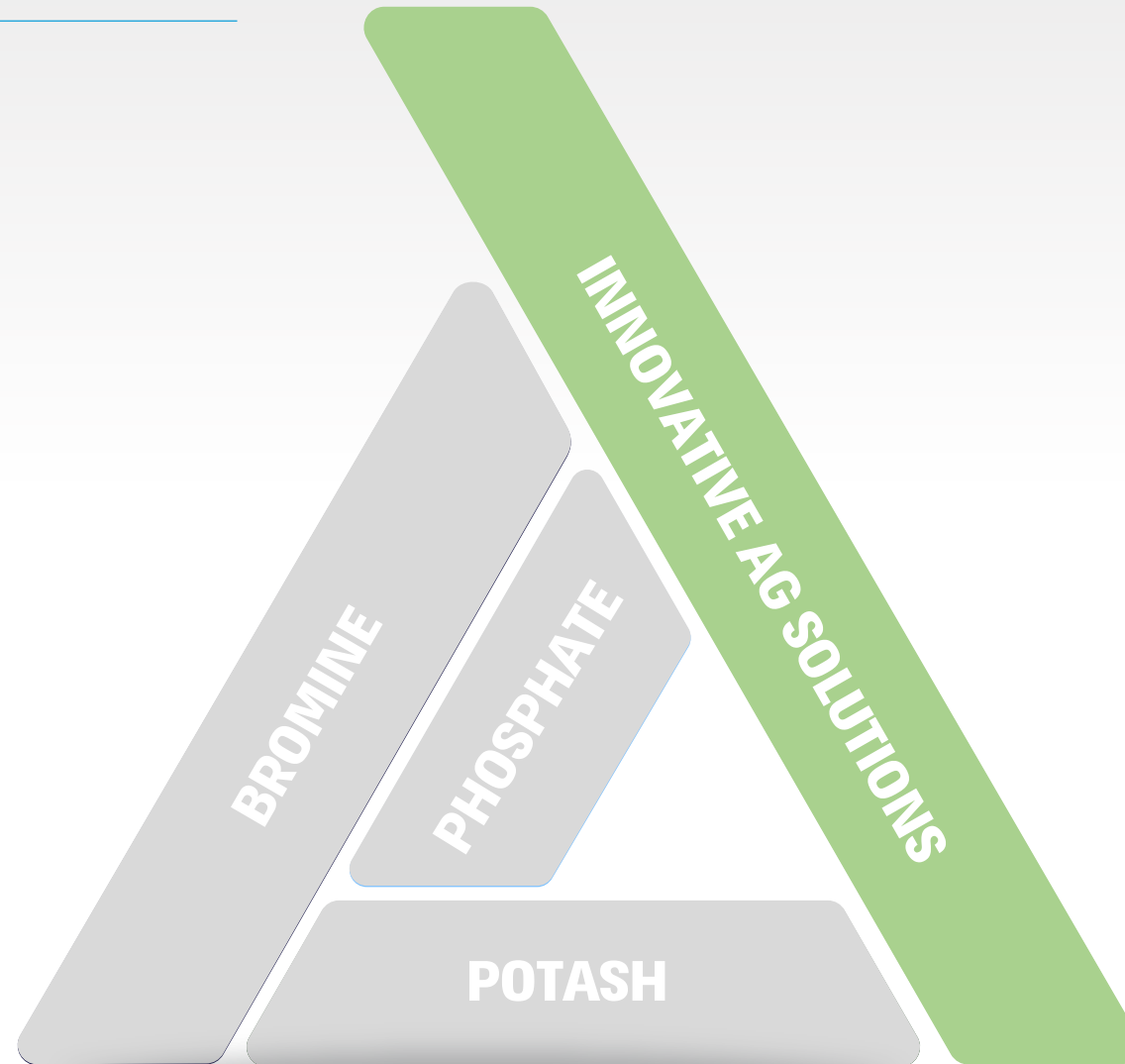


TSP FOB MOROCCO<sup>1</sup>



# LEADERSHIP STRATEGY

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# INNOVATIVE AG SOLUTIONS **CREATING LEADERSHIP**

## SPECIALTY FERTILIZERS - THE FOUNDATION FOR THE FUTURE



**~850K TONNES**

of soluble, liquid and controlled release fertilizer capacity



**OVER 300**

agronomists in sales and customer support



**25 YEARS**

of experience, know-how accumulation and R&D capability building



**FASTEST GROWING**

segment of the fertilizer market

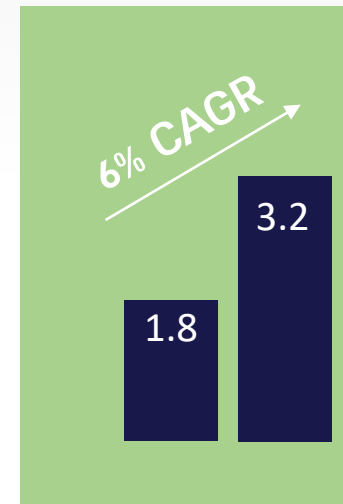
## FAST GROWING INDUSTRY

Market Dynamics 2006- 2016 (Mt)<sup>1</sup>



Controlled Release Fertilizers

Potential market in 2026<sup>1</sup>: 4.5 Mt (10% CAGR)



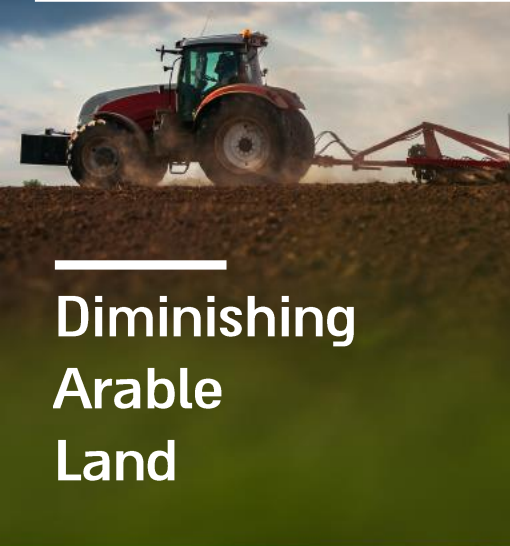
Soluble Fertilizers

Potential market in 2026<sup>1</sup>: 5.7 Mt (10% CAGR)

## DIVERSIFIED PORTFOLIO

|          | Coated Fertilizers |     | Solubles / Straights |          |        |     | Liquids      |                |
|----------|--------------------|-----|----------------------|----------|--------|-----|--------------|----------------|
|          | SRF                | CRF | Soluble NPK          | MAP/ MKP | SOP/CN | NOP | Bulk Liquids | Foliar Liquids |
| ICL-SF   | ▲                  | ▲   | ▲                    | ▲        |        |     | ▲            | ▲              |
| Compo    | ▲                  | ▲   | ▲                    |          |        |     |              | ▲              |
| Haifa    |                    | ▲   | ▲                    | ▲        |        | ▲   |              |                |
| YARA     |                    |     | ▲                    |          | ▲      |     |              | ▲              |
| SQM      |                    | ▲   | ▲                    |          | ▲      | ▲   |              |                |
| Kingenta |                    | ▲   | ▲                    | ▲        |        | ▲   |              |                |

# Translating Megatrends and Unmet Needs Into New Innovation Initiatives



Diminishing  
Arable  
Land



Renewable  
Energy



5G



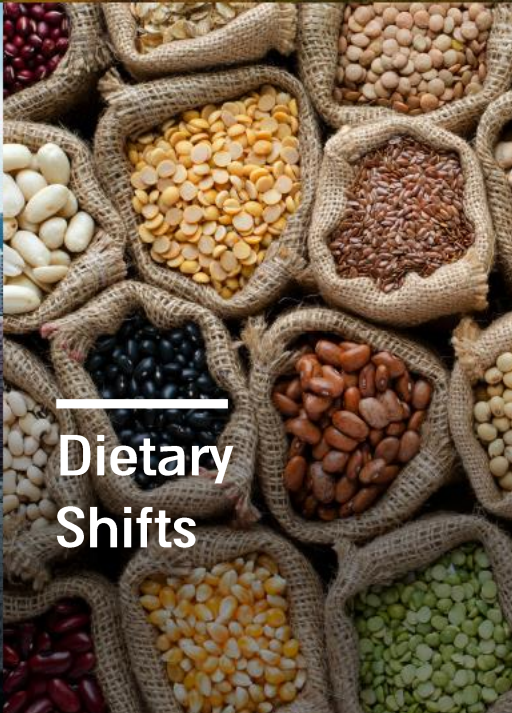
Electrification



Growing  
Population



Urbanization



Dietary  
Shifts



Regulations and  
Environmental



Circular  
Economy



Artificial  
Intelligence

# INNOVATION AT ICL

## R&D and Innovation Snapshot



**850** granted patents



**40** innovation projects with universities & startups  
within the last 5 years



**20** R&D centers globally



**300** FTEs



**\$55M** in 2018

## Areas of innovation

- New Applications for ICL minerals
- Products and formulations
- Process efficiency
- Technology
- Machine learning

# INNOVATION AT ICL

## Translating Megatrends and Unmet Needs Into New Innovation Initiatives

### Renewable Energy

- Bromine based flow batteries
- Magnesium Hydride for Hydrogen Storage
- Materials for Li-ion batteries
- Molten salts for solar power

### Increase Crop Yields

- FertilizerpluS™ product lines
- Increase availability of phosphates to plants
- Plant Biostimulants
- Nitrogen fixation for crops
- Digital platform to manage & share Ag information

### Advanced Materials

- Scratch and abrasion resistant paints & coatings
- Next generation of sustainable FRs
- New Bromine applications

### Increased Health Awareness

- Patent-protected Meatless Meat solution
- Natural, non-toxic magnesia-based deodorant
- New biocides

### Safety, Environment & Circular Economy

- Fertilizer based on recycled phosphates
- Li-ion batteries recycling (Urban mining)
- Biodegradable coating for controlled release fertilizers
- PSLoop consortium for polystyrene insulatin recycling
- SAFR®-A Systematic Assessment for Flame Retardants

### Operational Excellence

- Industry 4.0 - Improve operational performance based on innovative technologies and creative thinking

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# **FINANCIAL SUMMARY**

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# Q3 2019 Highlights

- ✓ Solid results with record cash generation
- ✓ Sales of \$1,325 million were 3% lower than Q3 2018, mainly due to delays in the signing of potash supply contracts in Asia
- ✓ Operating income was slightly higher at \$201 million
- ✓ EPS of \$0.10, in line with Q3 2018
- ✓ Adjusted EBITDA was up by 4% to \$307 million. YTD adjusted EBITDA increased by 18%
- ✓ 6-year record quarterly operating cash flow of \$368 million, 88% higher compared to Q3 2018. YTD operating cash flow almost doubled to \$780 million
- ✓ A dividend of ¢5 per share, reflecting a dividend yield<sup>(1)</sup> of more than 4%
- ✓ Important strategic milestones achieved by Industrial Products and Phosphate Solutions divisions, supporting ICL's future growth

# Q3 2019 Results Summary

| \$ millions                                           | Q3 2019 | Q3 2018 | % change | 1-9/2019 | 1-9/2018 | % change |
|-------------------------------------------------------|---------|---------|----------|----------|----------|----------|
| Sales                                                 | 1,325   | 1,371   | (3%)     | 4,165    | 4,146    | –        |
| Sales<br>excluding divested businesses <sup>(1)</sup> | 1,325   | 1,371   | (3%)     | 4,165    | 4,096    | 2%       |
| Operating income                                      | 201     | 196     | 3%       | 668      | 1,353    | (51%)    |
| Adjusted operating income                             | 201     | 200     | 1%       | 672      | 539      | 25%      |
| Adjusted EBITDA                                       | 307     | 295     | 4%       | 997      | 842      | 18%      |
| Net income                                            | 130     | 129     | 1%       | 427      | 1158     | (63%)    |
| Adjusted net income                                   | 130     | 134     | (3%)     | 431      | 353      | 22%      |
| EPS <sup>(2)</sup> (Presented in US dollars)          | 0.10    | 0.10    | –        | 0.33     | 0.91     | (64%)    |
| Adjusted EPS (Presented in US dollars)                | 0.10    | 0.10    | –        | 0.34     | 0.28     | 21%      |
| Operating cash flow                                   | 368     | 196     | 88%      | 780      | 396      | 97%      |

Adjusted operating income, adjusted EBITDA and operating cash flow for Q3 2019 include a positive impact of the new IFRS 16 accounting standard in the amounts of \$2 million, \$15 million and \$10 million respectively.

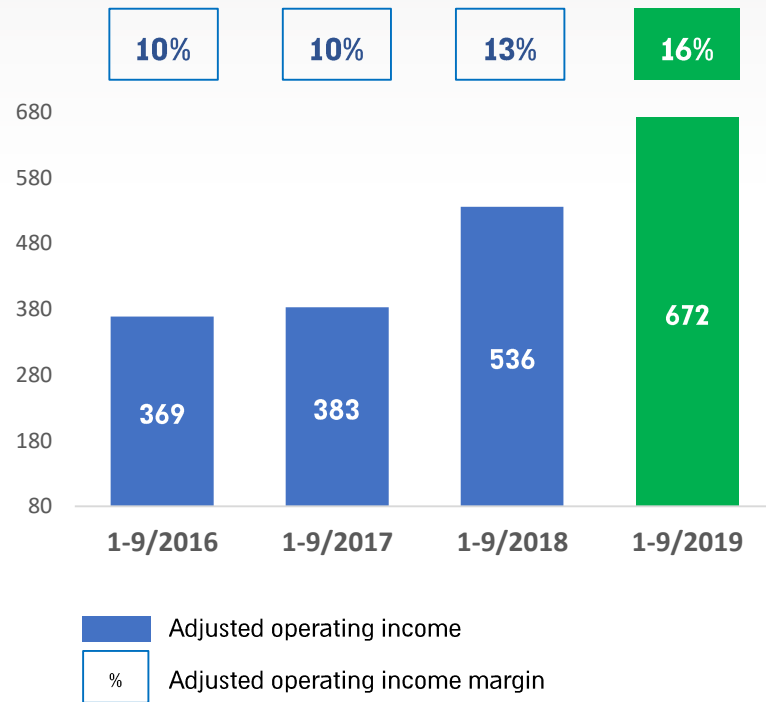
(1) Excluding contributions from divested businesses of Rovita (divested in Q3 2018)

(2) EPS and adjusted EPS are calculated as net income and adjusted net income, respectively, divided by weighted-average diluted number of ordinary shares outstanding. See reconciliation table in the appendix of this presentation.

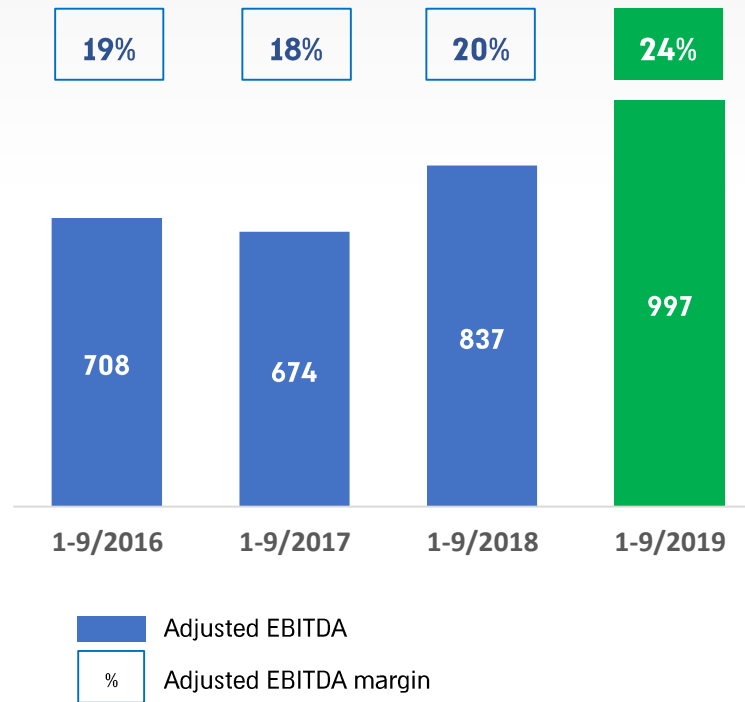
# Growth trend in Most Main Operational Parameters – YTD View

\$ millions

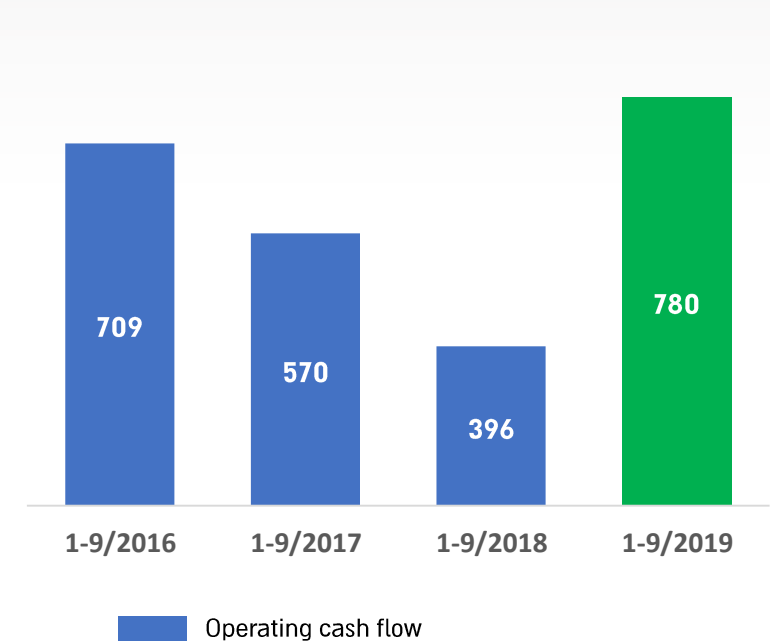
## Adjusted operating income excluding divested businesses<sup>(1)</sup>



## Adjusted EBITDA excluding divested businesses<sup>(1)</sup>



## Operating cash flow



Adjusted operating income, adjusted EBITDA and operating cash flow for Q3 2019 include the impact of the new IFRS 16 accounting standard in the amounts of \$2 million, \$15 million and \$10 million respectively.

(1) Adjusted operating income and adjusted EBITDA excluding divested businesses are non-GAAP financial measures. See Appendix to this presentation for reconciliation tables.

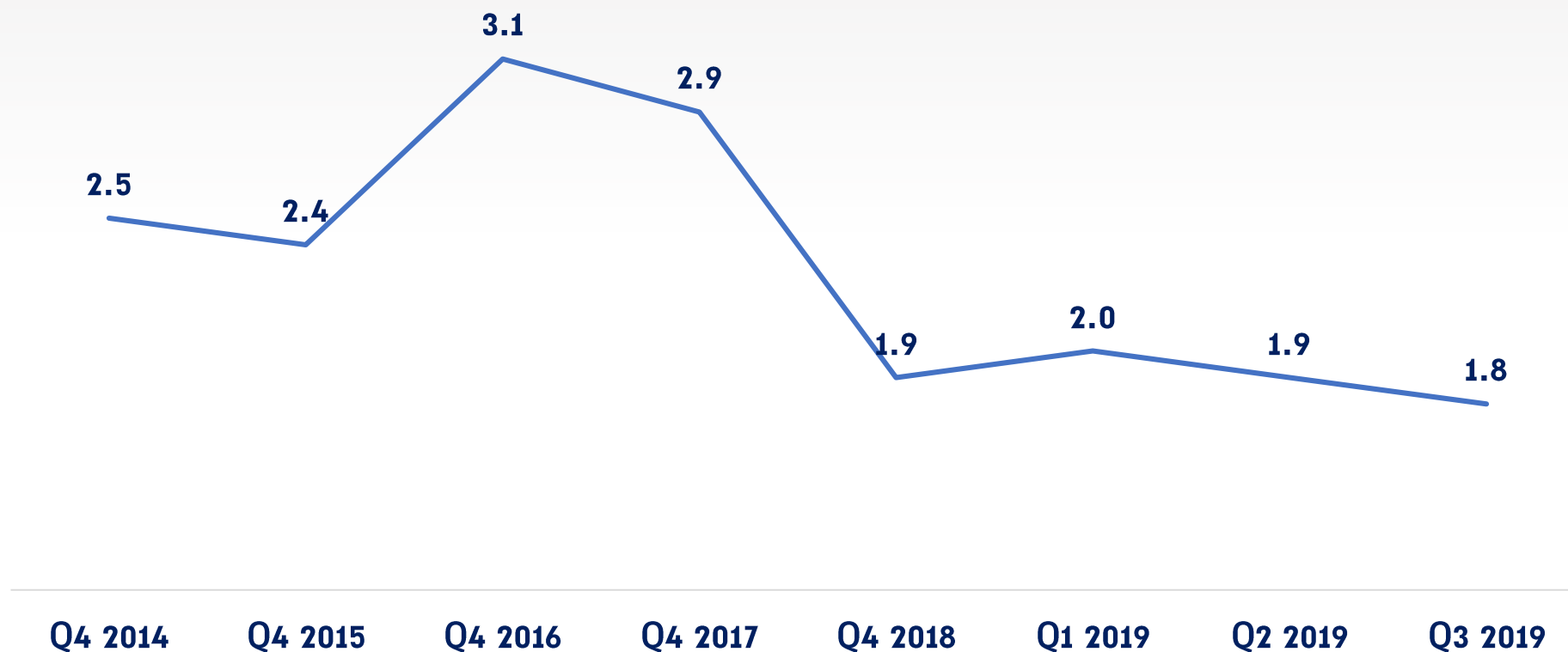
# Current Debt Summary

| USD million                             | FY 2017      | FY 2018      | Q1 2019 <sup>1</sup> | Q2 2019 <sup>1</sup> | Q3 2019 <sup>1</sup> |
|-----------------------------------------|--------------|--------------|----------------------|----------------------|----------------------|
| Long term loans from banks and others   | 872          | 352          | 589                  | 654                  | 599                  |
| Debentures                              | 1,516        | 1,463        | 1,483                | 1,491                | 1,502                |
| Short term credit from banks and others | 822          | 610          | 638                  | 598                  | 476                  |
| <b>Total financial liabilities</b>      | <b>3,210</b> | <b>2,425</b> | <b>2,710</b>         | <b>2,743</b>         | <b>2,577</b>         |
| Financial assets                        | (173)        | (213)        | (183)                | (219)                | (187)                |
| <b>Net financial liabilities</b>        | <b>3,037</b> | <b>2,212</b> | <b>2,527</b>         | <b>2,524</b>         | <b>2,390</b>         |
| EBITDA                                  | 1,059        | 1,164        | 1,263                | 1,307                | 1,319                |
| Net Debt/EBITDA                         | 2.9          | 1.9          | 2.0                  | 1.9                  | 1.8                  |

<sup>1</sup> Including liabilities due to implementation of the IFRS 16 accounting standard

# Decreasing Net Debt/EBITDA Ratio

Net debt/ Adj. EBITDA<sup>(1)</sup>



<sup>1</sup> Net debt calculated as short term credit + long term debt & debentures – cash & cash equivalents – short term investments & deposits

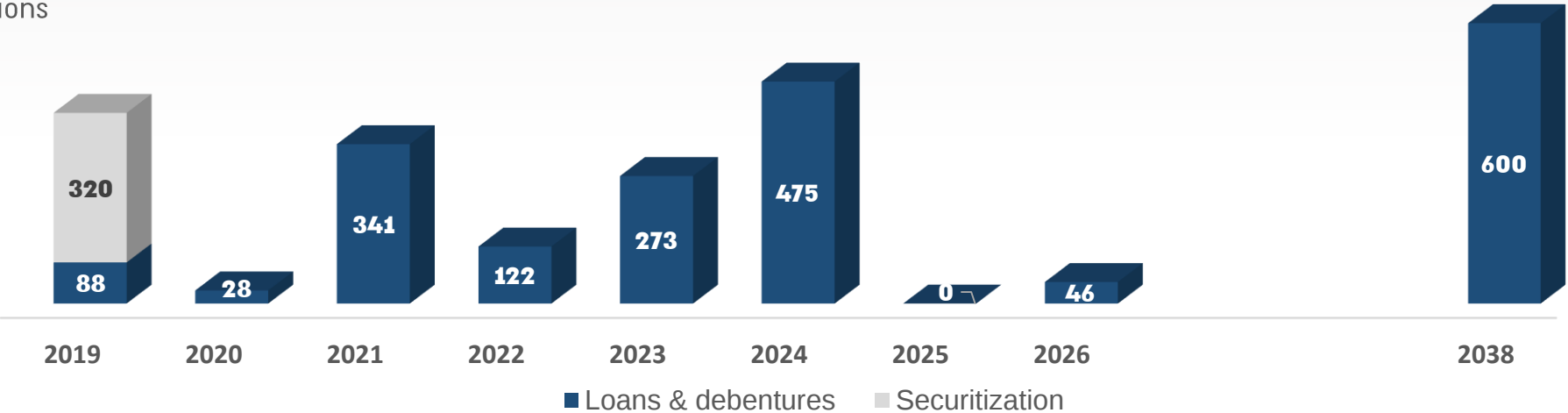
# Successful Optimization of Debt Structure

## Maturities as of September 30, 2019

Available credit facilities as of September 30, 2019 amounts to \$1.1 billion

Gross debt as of September 30, 2019: \$2.3bn<sup>(1)</sup> Average interest rate: 4.2%

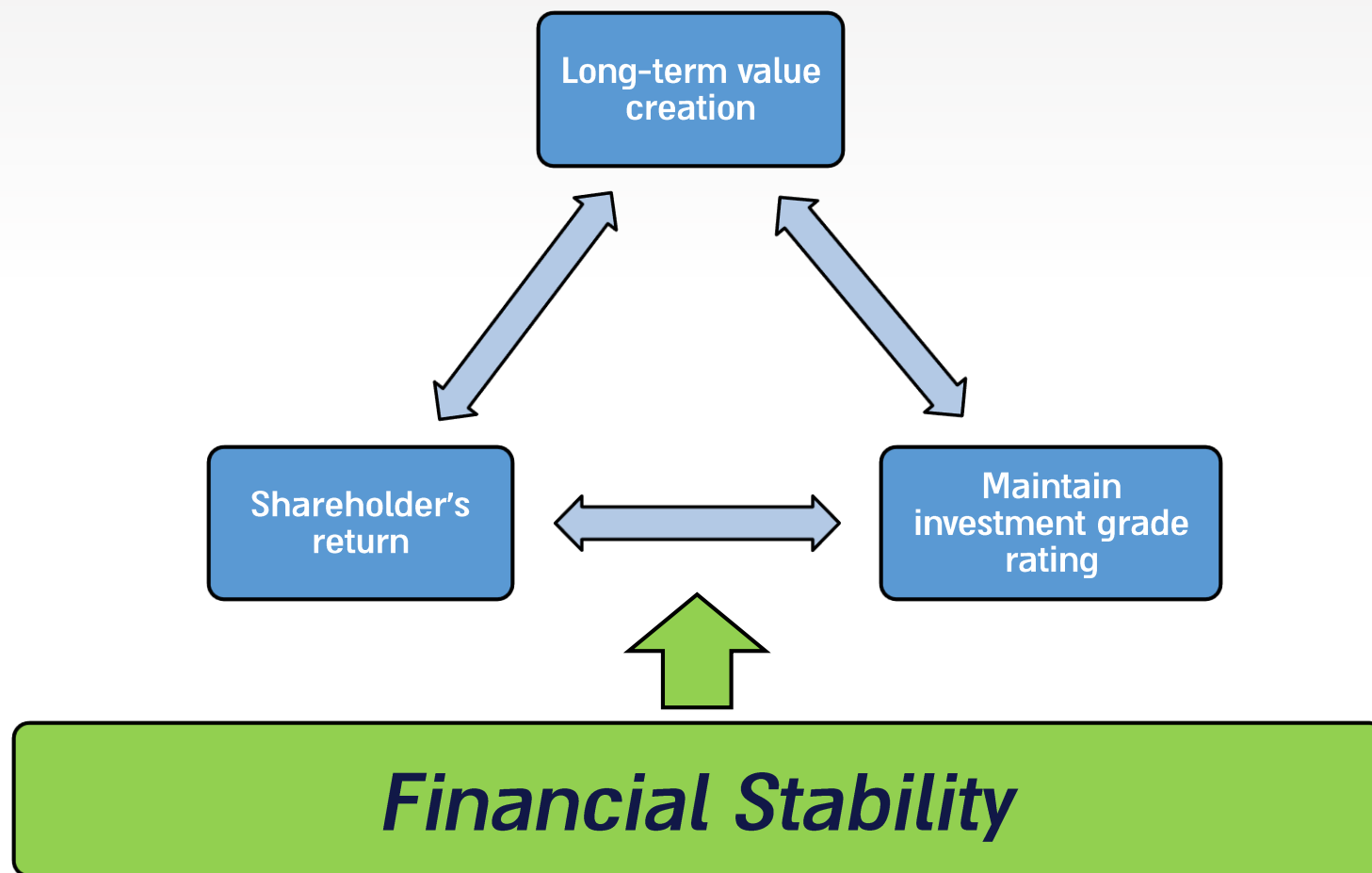
\$ millions



<sup>1</sup> Not including ~\$300 million leasing liability due to implementation of IFRS16 accounting standard

# Capital Allocation Approach

Maintaining a balanced relationship between long-term growth, investment grade rating and shareholders' return

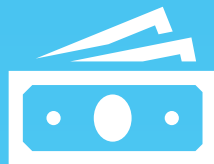


# KEY TAKEAWAYS

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*SOLID PERFORMANCE IN  
AN INCREASINGLY  
CHALLENGING  
ENVIRONMENT*



*STRONG CASH  
GENERATION*



*STRATEGIC MILESTONES  
STRENGTHEN ICL'S  
LEADERSHIP POSITIONS,  
CREATING LONG-TERM  
VALUE*



***THANK YOU***

visit us at [www.icl-group.com](http://www.icl-group.com)



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# Appendix

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# ICL- 90 YEARS OF HISTORY

## Establishing & growing operations in Israel 1920s – 1970s

Establishment of potash & bromine production at the Dead Sea

Establishment of Dead Sea Bromine and Negev Phosphates



## Consolidating & expanding globally 1970s – 2014

### Global M&A

|                         |                                         |                                                   |                   |
|-------------------------|-----------------------------------------|---------------------------------------------------|-------------------|
| Amfert –<br>Netherlands | BK Guilini –<br>Germany<br>Astaris – US | Iberpotash –<br>Spain<br>Cleveland<br>Potash – UK | YPH JV –<br>China |
|-------------------------|-----------------------------------------|---------------------------------------------------|-------------------|

### Phosphates

### Potash

### Phosphates

Establishment of Rotem Amfert Negev & Bromine Compounds

Global expansion of bromine, phosphorous, magnesia and salts activities

The State of Israel issues 25% of ICL in the Tel Aviv Stock Exchange and sells 52% to Israel Corp

Listing of shares on the NYSE



## Focusing on innovation and solidifying leadership 2000s –

Focus on value added solutions

Growth of specialty fertilizers

Transformation of YPH JV into production of specialty phosphates

ICL UK transition to exclusive production of polysulphate

Creation of the FertilizerspluS platform

Enhancement of global leadership and creation of innovative solutions



# LEADING GLOBAL COMPANY



# ICL – STRATEGIC ADVANTAGES



## UNIQUE ASSETS

**Low cost** evaporation process at the Dead Sea with the **highest mineral concentration globally**. Only producer of polysulphate worldwide



## STRATEGIC LOCATIONS

provide competitive logistic advantage through **proximity to ports & customers**



## KNOW-HOW

of chemistry, agronomy, synergy utilization and customer requirements **accumulated over decades**



## STARTUP NATION

Access to the globally leading high-tech and agri-tech eco-system in Israel driving **innovation**

# CORE VALUES

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**LEVERAGING TECHNOLOGY  
AND INDUSTRIAL KNOW  
HOW TO MEET THE NEEDS OF  
OUR CUSTOMERS**



**ADOPTING BEST PRACTICES  
FOR CORPORATE  
GOVERNANCE**



**TOP TIER SAFETY  
PERFORMANCE AND  
ENVIRONMENTAL  
RESPONSIBILITY**



**EMPLOYER OF  
CHOICE**

---

# Industrial Products

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# INDUSTRIAL PRODUCTS

Enabling a variety of industries to enjoy safer products as well as more efficient and sustainable production



Standard of living



ENERGY



Population



ELECTRONICS



Regulation & environmental awareness



AUTOMOTIVE



BIOCIDES



PHARMA & NUTRACEUTICAL



CONSTRUCTION



AGRICULTURE



# Industrial Products Geographical Sales Distribution



27%



34%



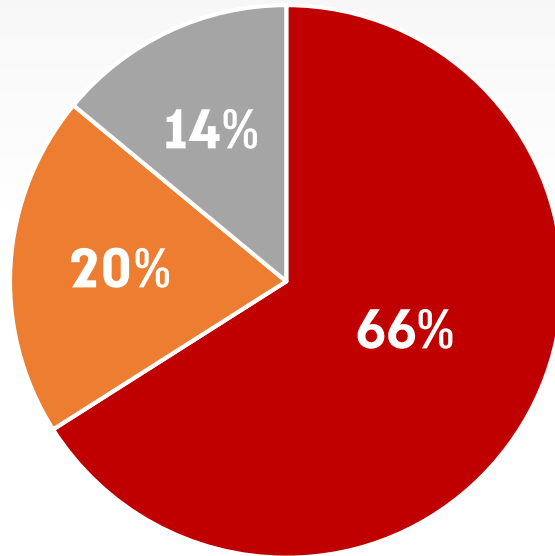
31%

*Percentage of 2018 sales*



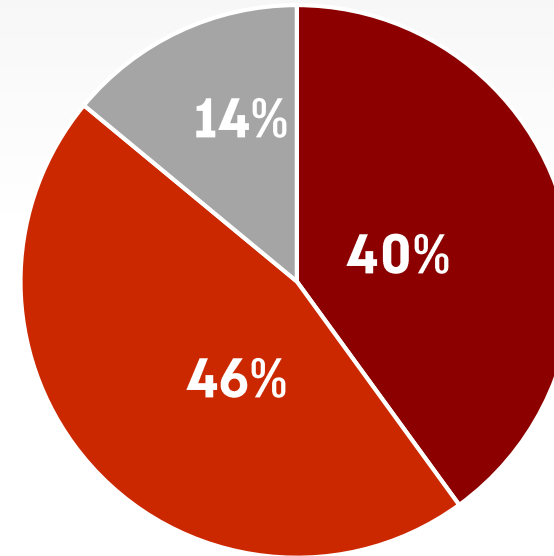
# Industrial Products Sales Distribution

By Minerals



■ Bromine ■ Phosphorus ■ Specialty Minerals

By Business

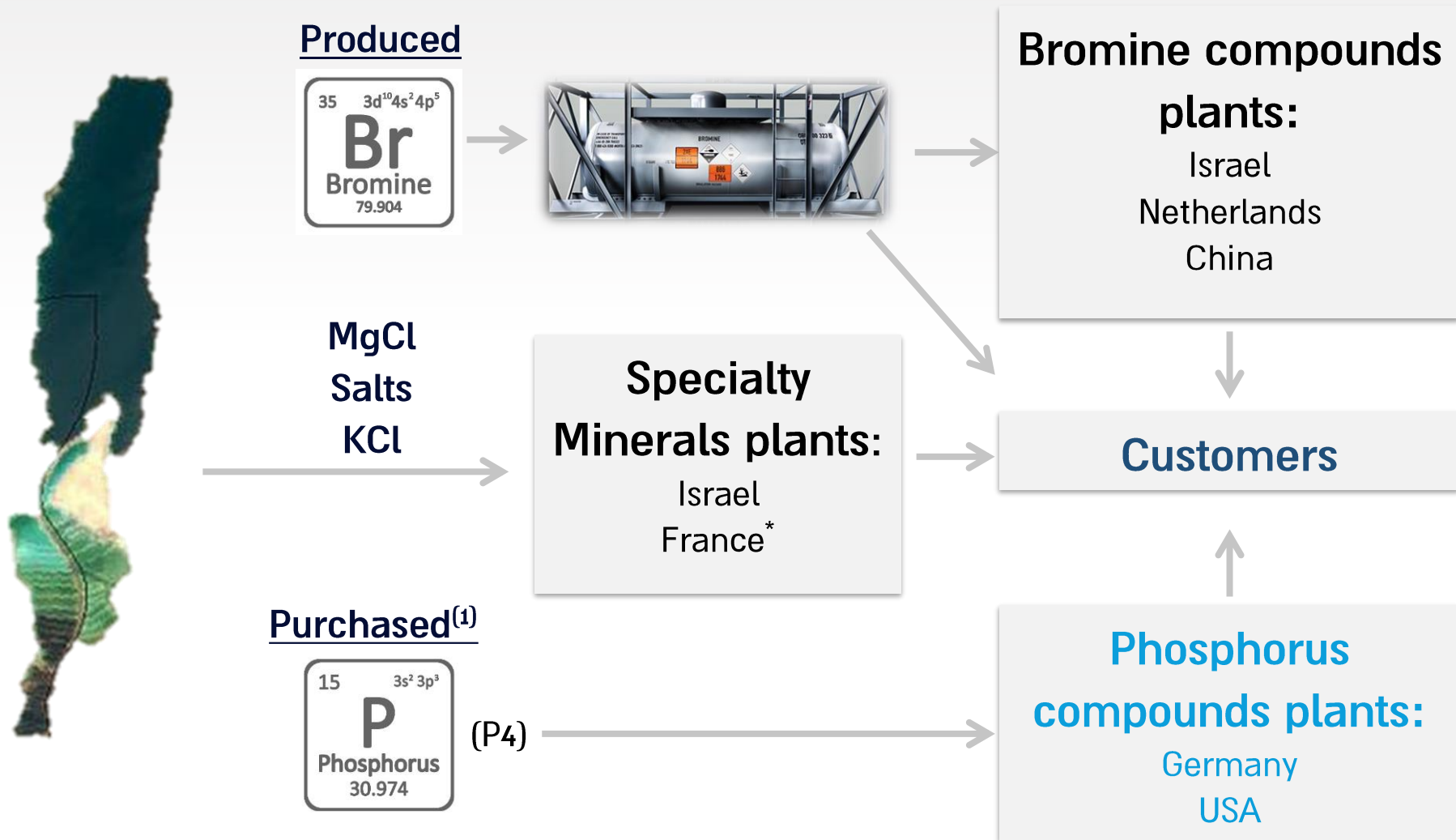


■ Flame Retardants ■ Industrial Solutions ■ Specialty Minerals

Percentage of 2018 sales



# Industrial Products Supply Chain

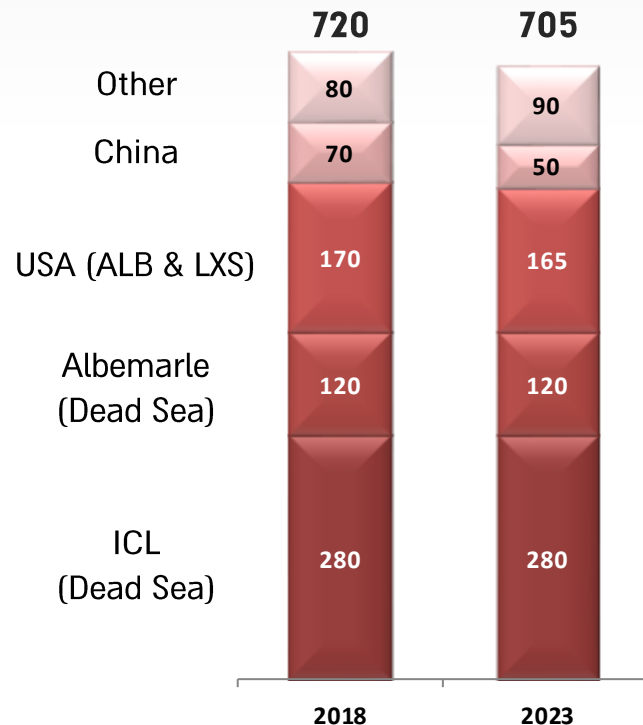




# Industrial Products Leading the Global Bromine Market

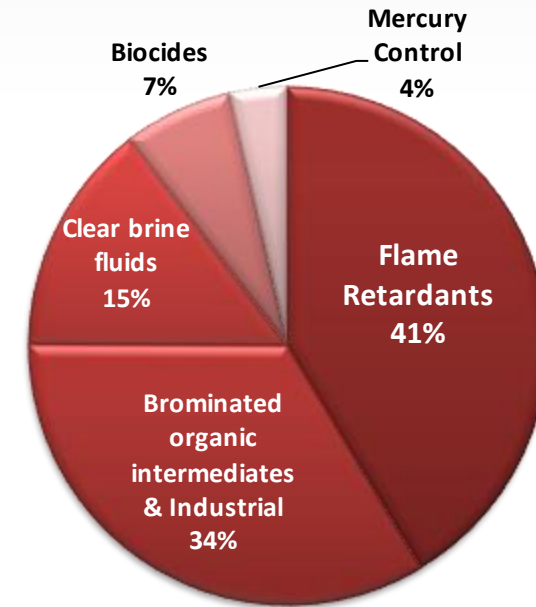
## ICL-IP holds the largest bromine capacity

Global bromine capacity by producer (KMT)



## Bromine demand by industry

Average market utilization rate of 70-80%



# Major Trends and ICL Solutions

## Trends



## ICL's Solutions

Clean Air  
Mercury Emissions Control

MERQUEL®



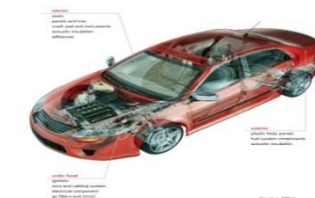
Renewable energy  
Energy storage

Electrolytes for  
Bromine Flow battery



Electric car/  
Autonomous car

New generation  
polymeric FRs



Home automation

New generation  
polymeric FRs



Water shortage and  
treatment

New Biocides





# INDUSTRIAL PRODUCTS MAIN GOALS

---

## A WORLD LEADER AND BEYOND

CONCRETING OUR GLOBAL LEADERSHIP OF THE BROMINE MARKET



Increasing Demand  
via new bromine  
applications



Advocacy  
& Regulation



Value over  
volume



Enhancing  
complementary  
business

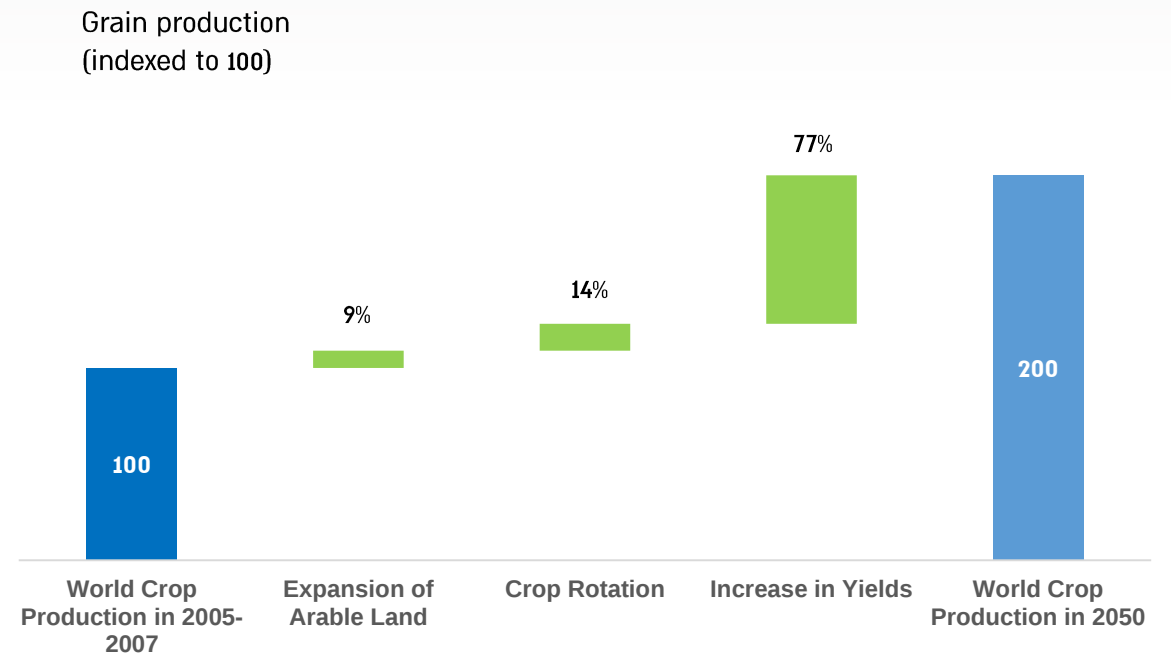
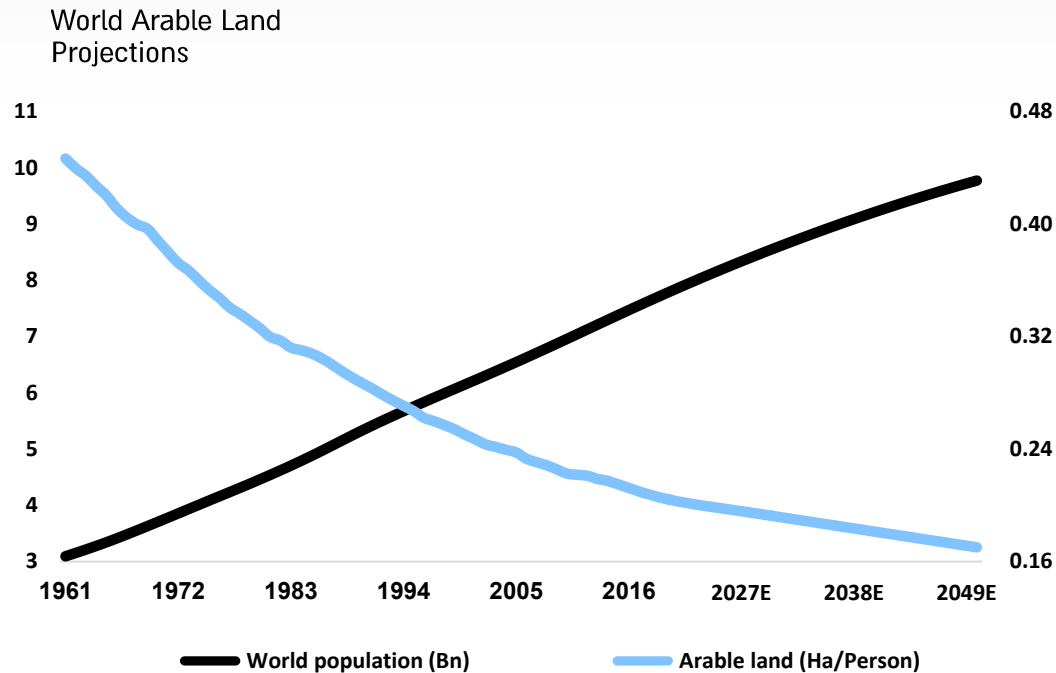
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# Potash

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## MEETING THE GLOBAL NEED TO FEED THE WORLD'S GROWING POPULATION

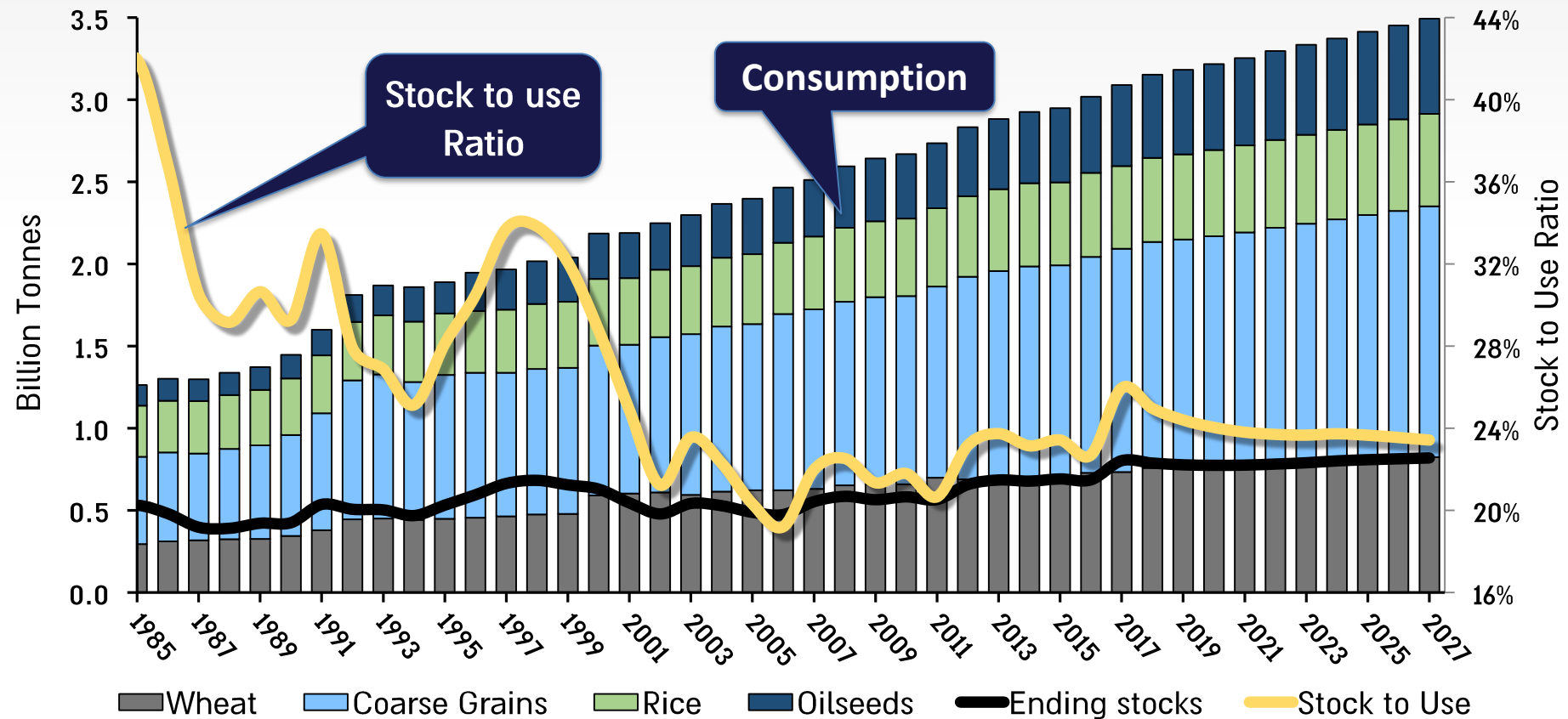
Without an improvement in crop yields, the demand for food will far outpace production



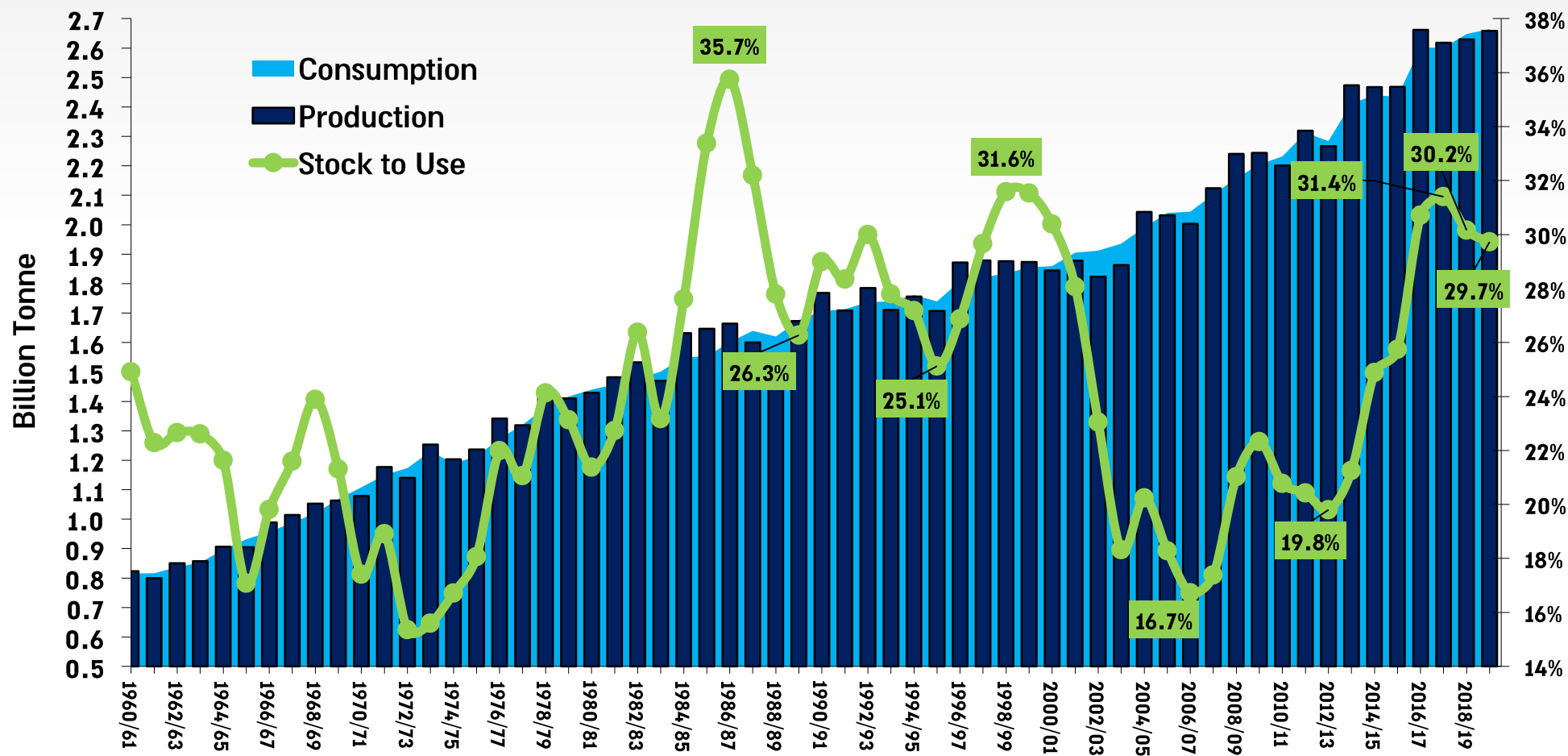
Source: FAO

# World Main Crops Long Term Forecast

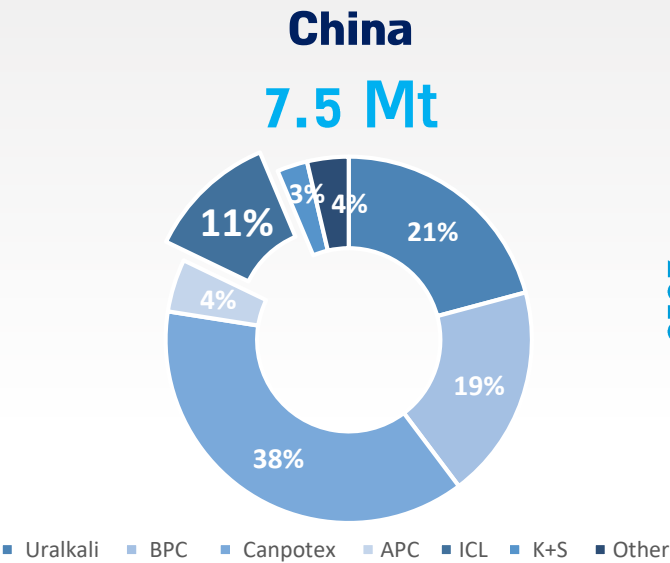
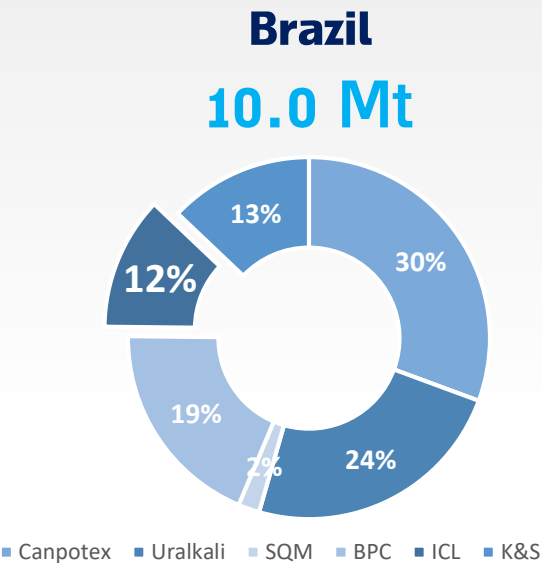
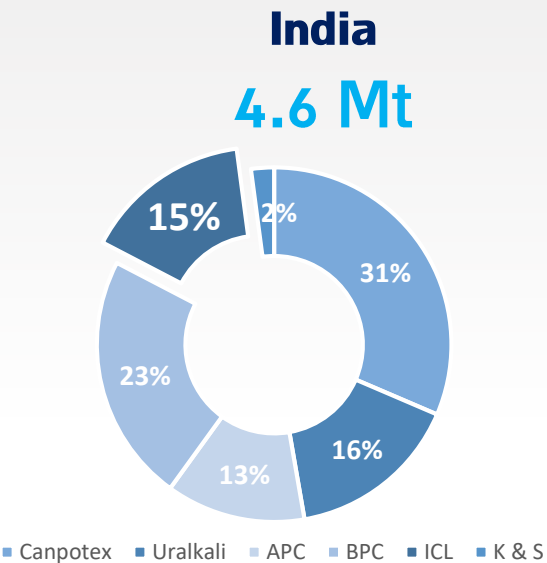
## Consumption, Stock and Stock to Use Ratio



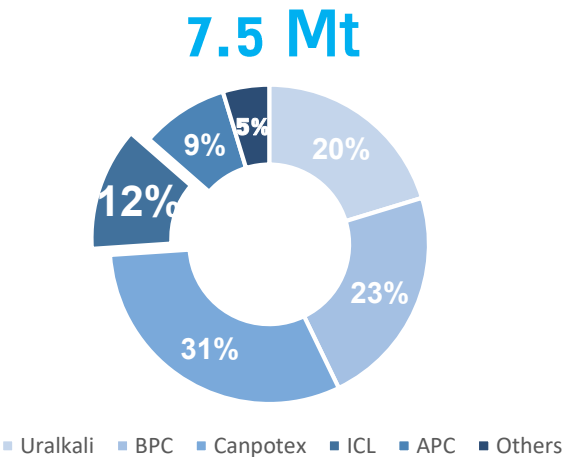
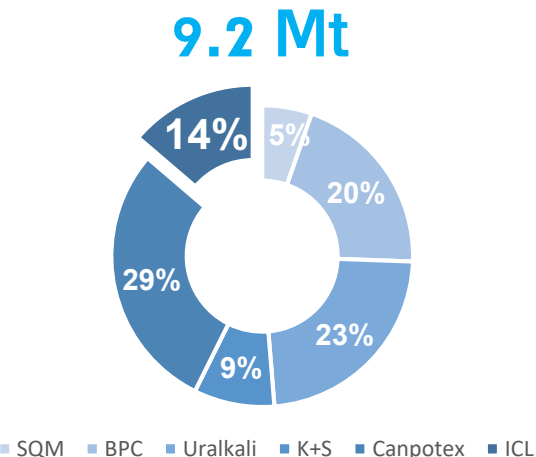
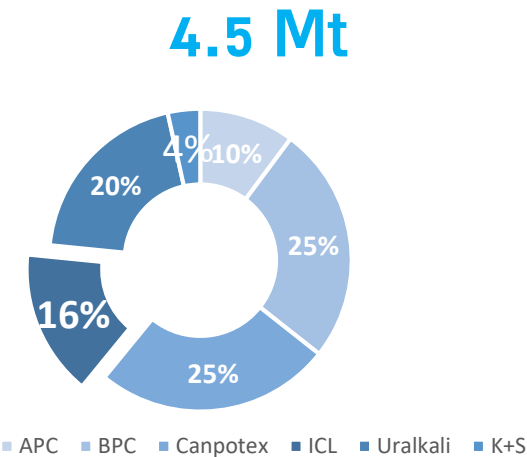
# World Grains Production & Consumption: Current Stock to Use Ratio



# ICL's Potash Market Share in Fast Growing Markets



Total Import  
2018

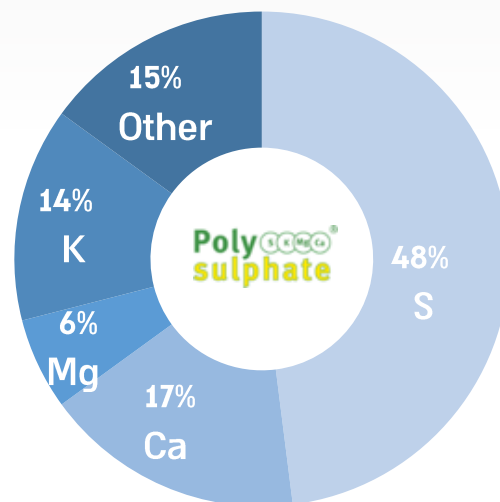


Total Import  
2017

# ICL UK: The World's Only Producer of Polysulphate

A PREMIUM NICHE FERTILIZER WITH UNIQUE BENEFITS

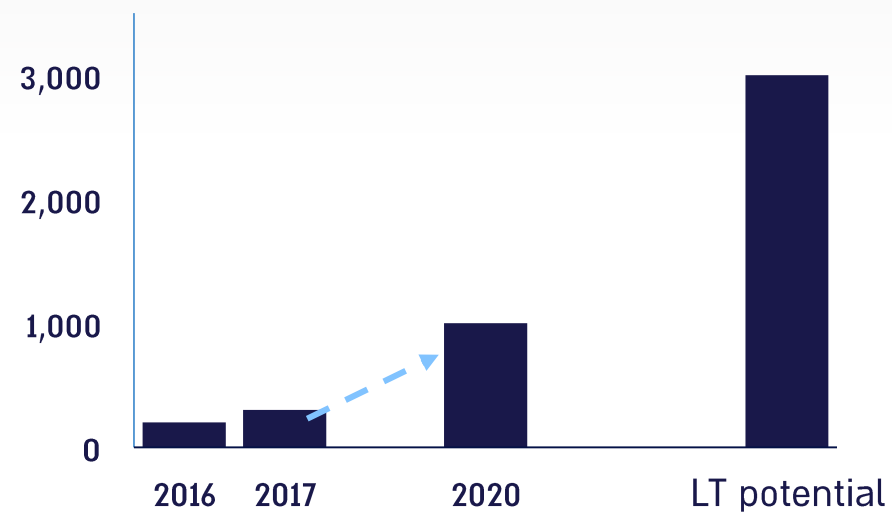
## Mineral Attributes



- Multi-nutrients
- Extended Availability
- Natural fertilizer

## ICL's Advantages

Market Demand Outlook (million tonnes)



- Sole producer
- Existing infrastructure
- Market position



# POTASH OUR GOALS



## TOP-3

To be Among the Top-3 most competitive players in in our strategic markets



## 5MT

Maintain stable production of about 5 million tonnes per year



## 10%

Improve cost competitiveness by 10% within 5 years



## 1M

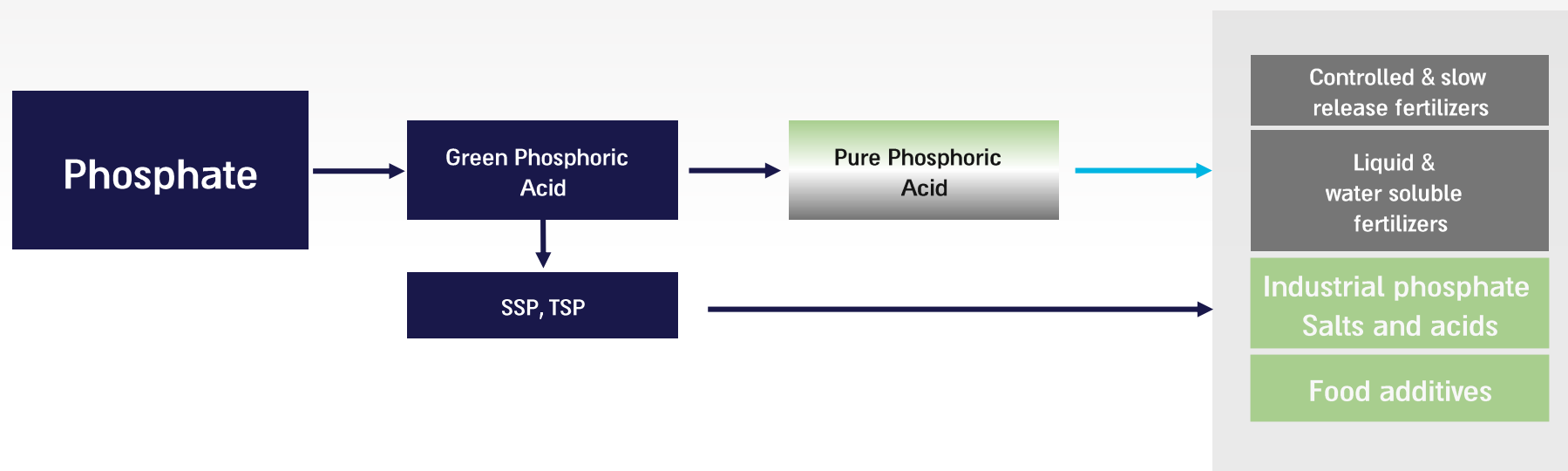
Produce 1 million tonnes of polysulphate in the UK by 2020

---

# Phosphate Solutions

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# Phosphate Solutions: Backward Integrated Value Chain





# PHOSPHATE SOLUTIONS - FOOD

Essential ingredient for the food industry

We enrich sports  
drinks with

**ESSENTIAL  
MINERALS**



We help  
Cola drinks

**BITE**



We enhance

**TASTE &  
MOUTH FEEL**

of meat and meatless products



We help Dairy  
Products have the  
right

**TEXTURE &  
LAST LONGER**



We help  
bakery  
products

**RISE**



# Food Specialties: Markets and Competition

## Food Phosphates, Blends & Multi-Blends



## Dairy and Protein



## Spices





# PHOSPHATE SOLUTIONS - INDUSTRIAL

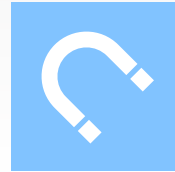
Serving a wide range of industrial markets



Oil drilling



Oral care



Metals



Mining



Cleaning  
products



Leather



Construction



Paints & coatings



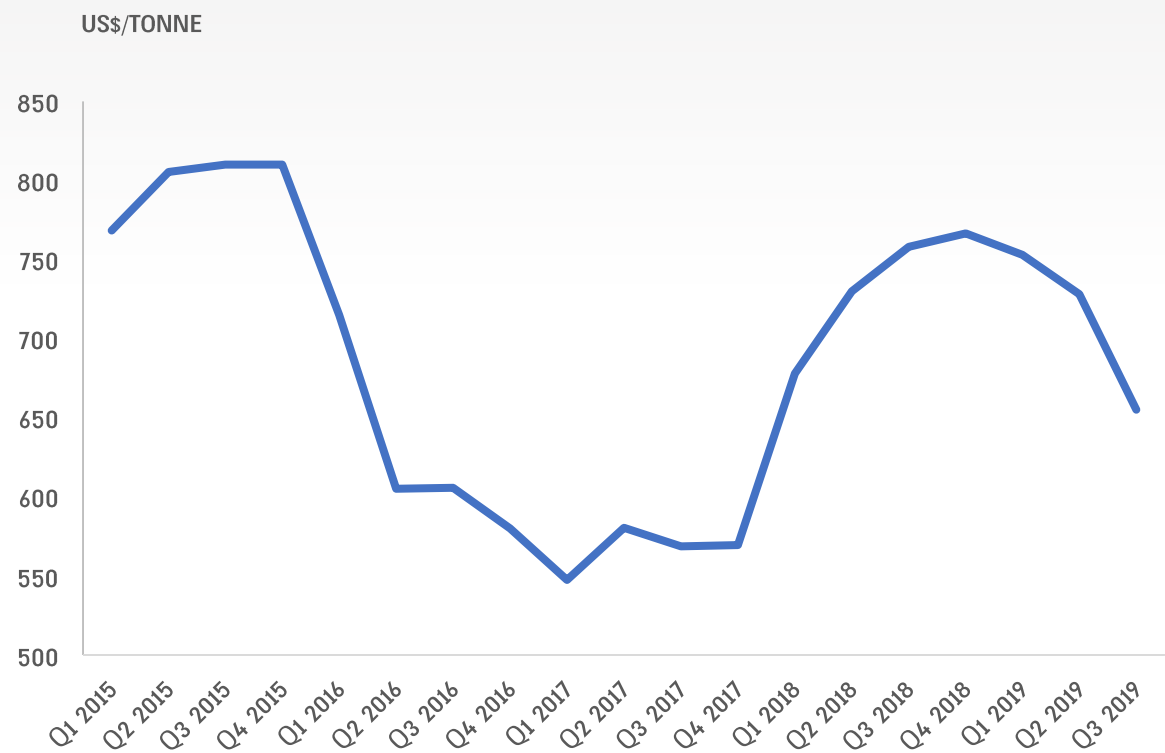
Asphalt



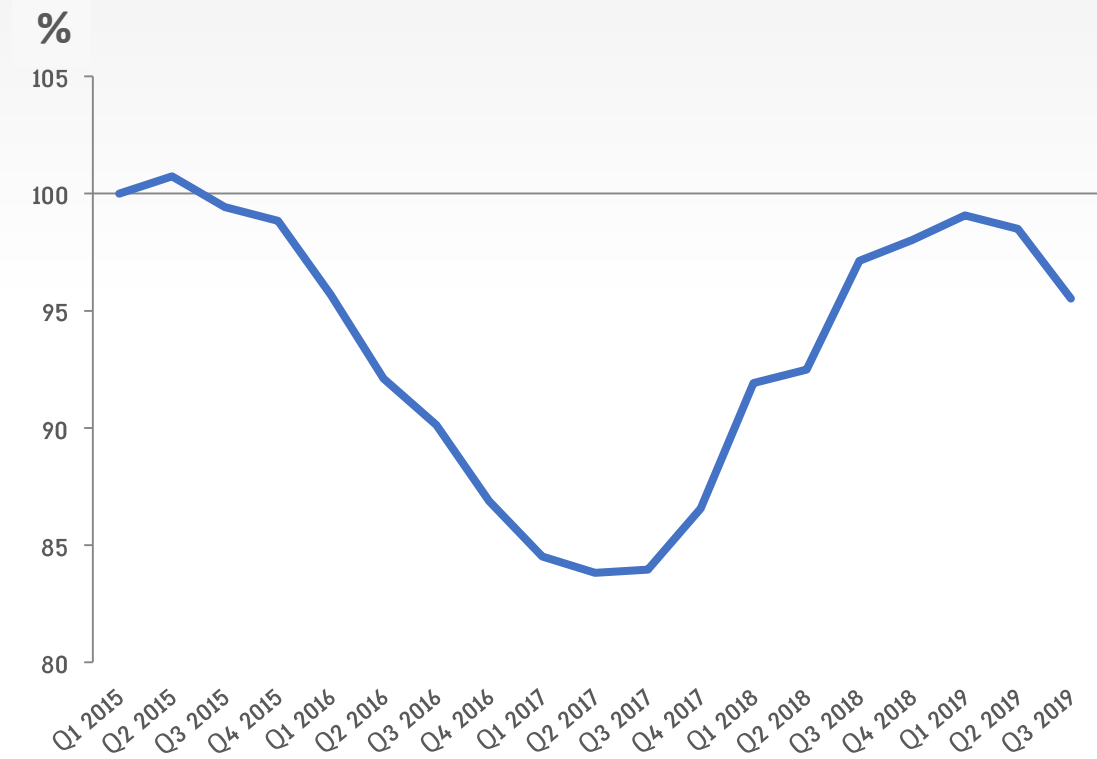
Water  
treatment

# Phosphoric Acid Pricing Trends

PHOSPHORIC ACID CFR INDIA<sup>1</sup>



WHITE PHOSPHORIC ACID PRICE INDEX<sup>2</sup>



<sup>1</sup> Source: CRU

<sup>2</sup> Global price index for Food Grade White Phosphoric Acid, from ICL internal sources. Prices are indexed to Q1 2015 average

# YPH JV – ICL's Integrated Phosphate Platform in China

## UNIQUE BACKWARD INTEGRATION MODEL



**2.5M TONNES**

of phosphate rock production capacity



**480K TONNES**

Of fertilizers were produced during 2018



**630K TONNES**

of green phosphoric acid were produced in 2018



**65K TONNES**

of purified phosphoric acid were produced in 2018

## GROWING PRODUCTION AND FINANCIAL METRICS

Growth in production, improving market conditions and efficiency measures resulted in a positive operating income<sup>1</sup> in 2018

| \$ million                    | Q3'19 YTD | 2018 | 2017 | 2016 |
|-------------------------------|-----------|------|------|------|
| Sales                         | 273       | 387  | 363  | 377  |
| Operating income <sup>1</sup> | 19        | 9    | (19) | (76) |

<sup>1</sup> Excluding a \$6 million inventory write-off

## TARGETING A SHIFT TOWARDS SPECIALTIES

- Top line growth targeted through a shift to specialties by, among other things, the construction of a Purified Phosphoric acid facility with a 70KT P<sub>2</sub>O<sub>5</sub> capacity
- Shift to specialties & continuous focus on efficiencies expected to further drive margin expansion

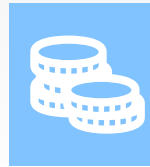


# PHOSPHATE SOLUTIONS OUR GOALS

A leading provider of value added solutions for the industrial, food and agriculture end markets



Increase capacity of purified phosphoric acid, the base raw material for our downstream specialty products & solutions



Value based product positioning



Innovation new applications & solutions



Geographic expansion



Outgrow the market

---

# **Innovative Ag Solutions**

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# ICL's Leadership in the Specialty Fertilizers Market



# ICL Specialty Fertilizers: Our Strengths



- Leader in Key Markets
- Access to P and K resources, unique access to Polysulphate
- Wide Portfolio with well established brands & unique products
- Profound agronomic knowledge & strong professional sales force
- Advanced P and K chemistry
- Advanced and flexible manufacturing technologies
- Efficient Supply Chain
- Leveraging on supporting global trends

# Our Core Markets and Products Today



**68%**  
OF 2018 SALES<sup>(1)</sup>

**Specialty Agriculture**  
Fruit, vegetables & arable crops



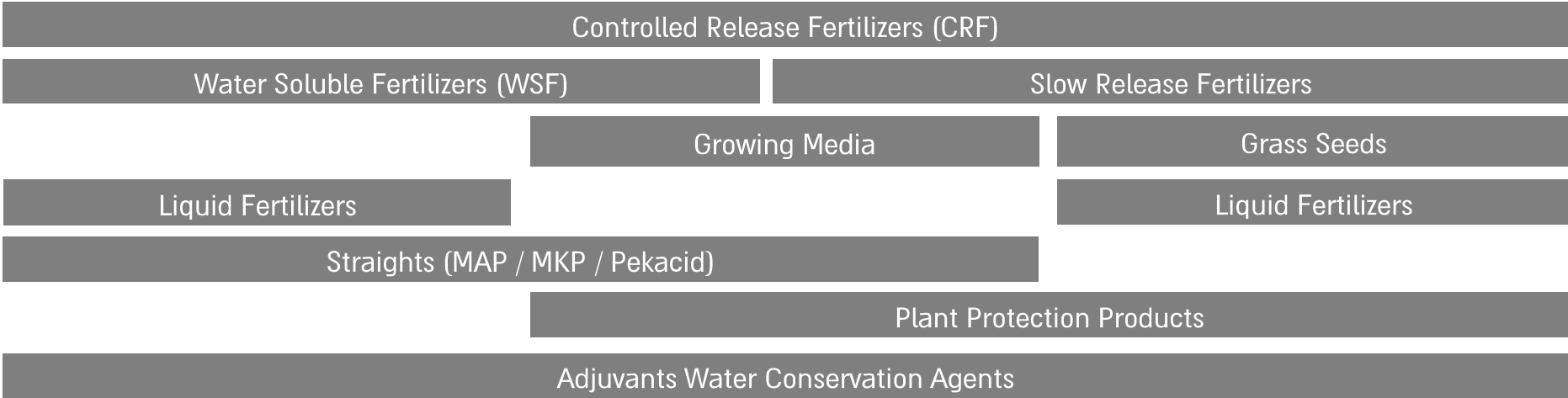
**23%**  
OF 2018 SALES<sup>(1)</sup>

**Ornamental Horticulture**  
Nursery stock, perennials, pot & bedding plants



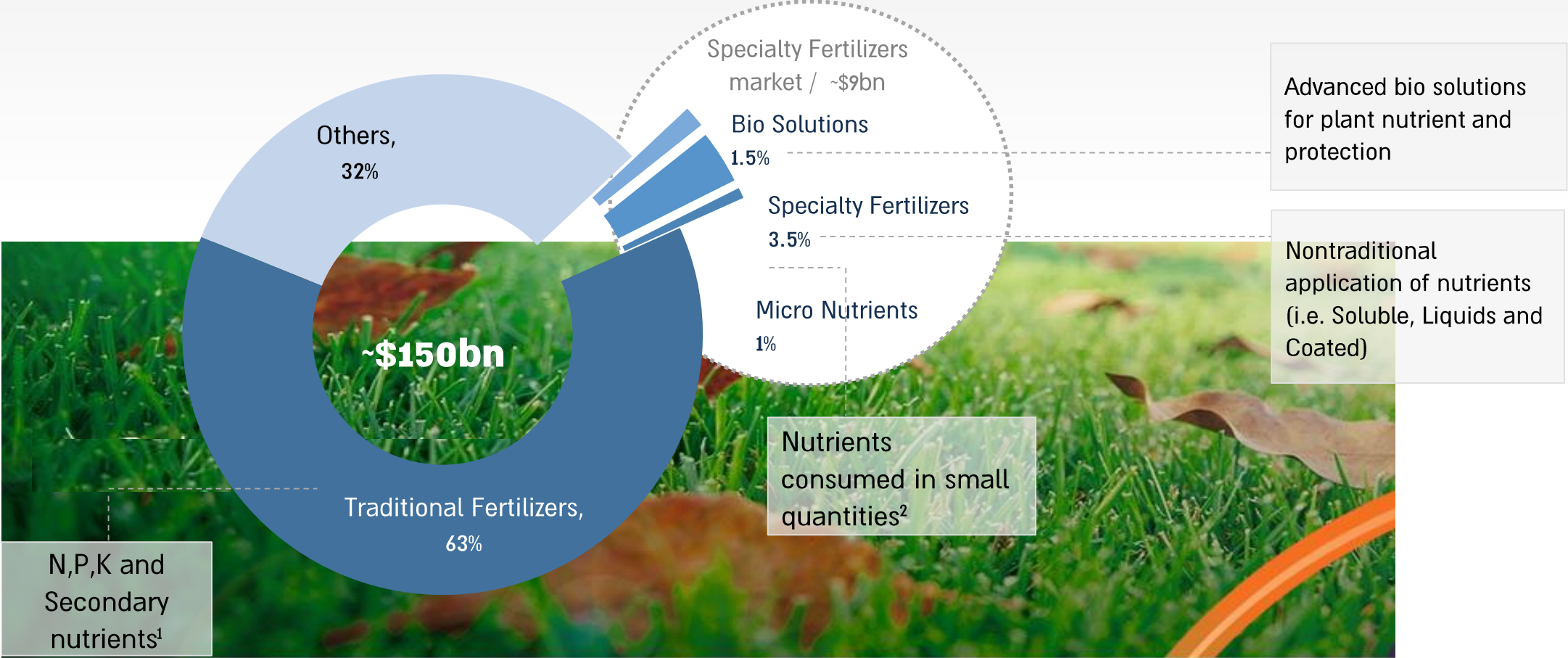
**9%**  
OF 2018 SALES<sup>(1)</sup>

**Turf & Landscape**  
Golf courses, sports fields & landscape



(1) Excluding sales of traded chemicals

# Specialty Fertilizers and Bio Solutions Have Become An Important Part of the Ag Input



<sup>1</sup> Calcium, Magnesium and Sulfate  
<sup>2</sup> Iron, cobalt, chromium, copper, iodine, manganese, selenium, zinc and molybdenum



# THE PERFECT STORM

Positions ICL's Ag businesses on a path for growth



POPULATION GROWTH

**2B MORE PEOPLE  
WITHIN 20 YEARS**



AGRICULTURE MUST  
FIND A WAY TO

**GROW MORE  
WITH LESS**



FOOD COMPANIES  
WILL DRAMATICALLY

**CHANGE**



STARTUP COMPANIES  
CREATE

**GROUNDBREAKING  
SOLUTIONS**



# INNOVATIVE AG SOLUTIONS

Creating leadership in advanced crop nutrition and farmer centric solutions



## PORTFOLIO

Develop new advanced specialty fertilizers, including niche products, to expand our Value-added product portfolio



## GROWTH

Grow specialty fertilizers sales from \$ 700 million to \$ 1 billion in five years while Improving operating margins



## UNIQUE R&D CAPABILITIES

Rely on decades of chemical and industrial knowledge to establish ICL as an agro-tech solution leader



## GET CLOSER TO GROWER

Through expansion of our offering and our geographical footprint.  
Utilize M&A and partnerships potential



## INNOVATION

Leveraging technology and industrial know how via collaboration with agronomists and scientists in order to benefit our customers



## DIGITAL TRANSFORMATION

Leveraging precision agriculture in order to offer farmers advanced digital solutions



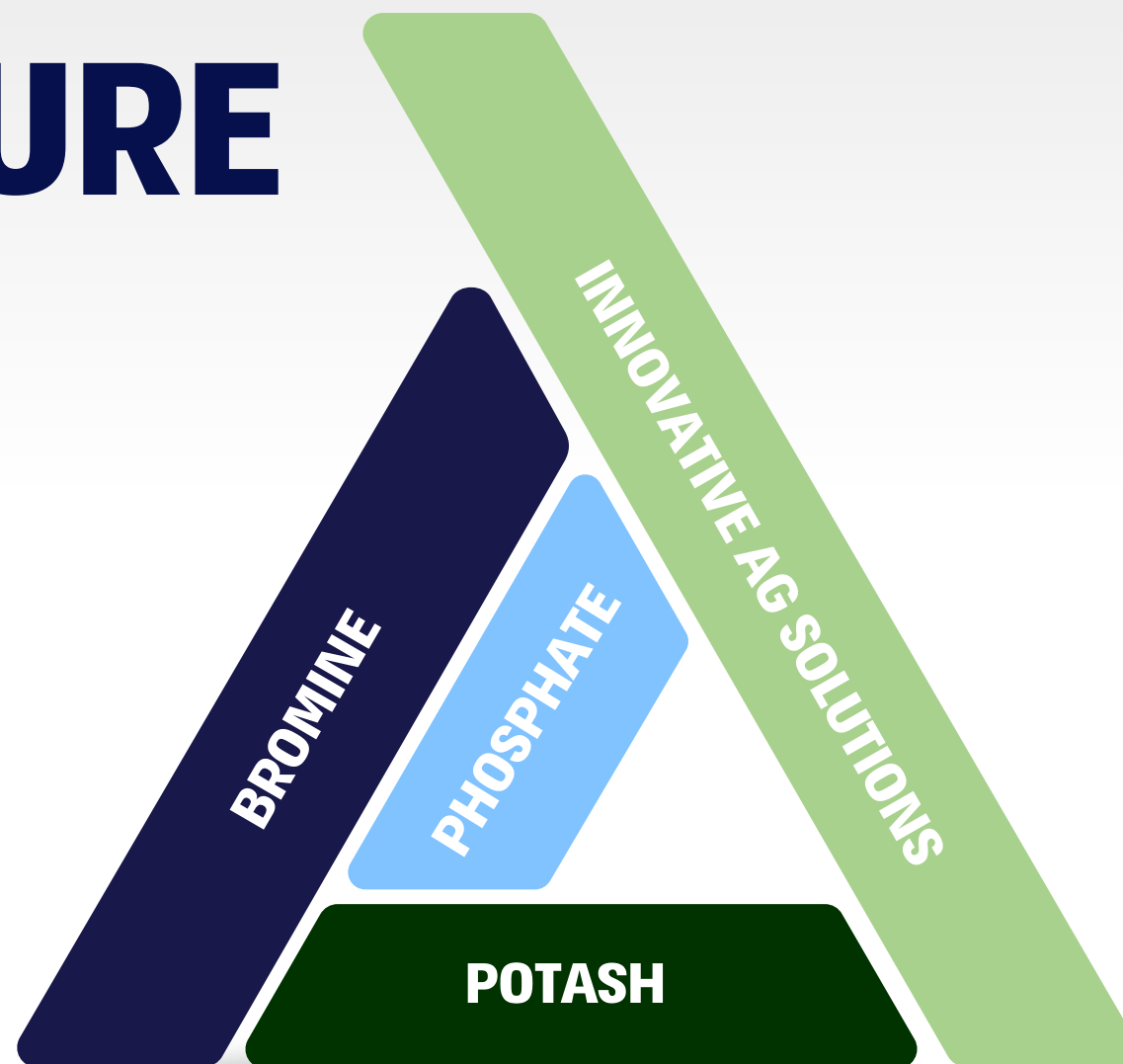
# ICL AIMS TO OFFER FARMERS CUTTING-EDGE SOLUTIONS

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**LEADERSHIP STRATEGY**

# **PRESENT & FUTURE**





***THANK YOU***

visit us at [www.icl-group.com](http://www.icl-group.com)



# Segment Profit Before and After G&A Expenses

Starting from Q1 2019, ICL's management will measure, and accordingly present in its reports, the results of its business divisions (operating segments) after allocation of general and administrative (G&A) expenses per each division. The purpose of the table below is to assist investors and analysts to prepare accordingly for the publication of the Company's results for the first quarter of 2019. The updated reporting format of the division results will also assist investors who are interested in calculating the EBITDA for each segment separately, and not merely on the corporate level. It should be noted that the allocation of G&A expenses with respect to comparison periods was made for convenience purposes only, and changes may occur in the allocation methodology in future periods.

| Operating Income                                     | Q1 2017    | Q2 2017    | Q3 2017    | Q4 2017    | FY 2017    | Q1 2018    | Q2 2018    | Q3 2018    | Q4 2018    | FY 2018    | Q1 2019    | Q2 2019    | Q3 2019    |
|------------------------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Industrial Products (Bromine)</b>                 |            |            |            |            |            |            |            |            |            |            |            |            |            |
| Profit before allocated G&A expenses                 | 77         | 76         | 77         | 73         | 303        | 78         | 94         | 95         | 83         | 350        | 108        | 105        | 99         |
| Allocated G&A expenses (income)                      | 11         | 17         | 14         | 14         | 56         | 12         | 13         | 12         | 13         | 50         | 11         | 12         | 11         |
| Segment profit                                       | 66         | 59         | 63         | 59         | 247        | 66         | 81         | 83         | 70         | 300        | 97         | 93         | 88         |
| <b>Potash</b>                                        |            |            |            |            |            |            |            |            |            |            |            |            |            |
| Profit before allocated G&A expenses                 | 37         | 61         | 65         | 119        | 282        | 62         | 76         | 97         | 158        | 393        | 98         | 123        | 99         |
| Allocated G&A expenses (income)                      | 21         | 21         | 21         | 21         | 84         | 19         | 20         | 19         | 20         | 78         | 19         | 18         | 16         |
| Segment profit                                       | 16         | 40         | 44         | 98         | 198        | 43         | 56         | 78         | 138        | 315        | 79         | 105        | 83         |
| <b>Phosphate Solutions</b>                           |            |            |            |            |            |            |            |            |            |            |            |            |            |
| Profit before allocated G&A expenses                 | 37         | 37         | 52         | 23         | 149        | 52         | 55         | 63         | 38         | 208        | 63         | 58         | 57         |
| Allocated G&A expenses (income)                      | 26         | 22         | 24         | 24         | 96         | 24         | 24         | 23         | 24         | 95         | 28         | 26         | 25         |
| Segment profit                                       | 11         | 15         | 28         | (1)        | 53         | 28         | 31         | 40         | 14         | 113        | 35         | 32         | 32         |
| <b>Innovative Ag Solutions</b>                       |            |            |            |            |            |            |            |            |            |            |            |            |            |
| Profit before allocated G&A expenses                 | 20         | 19         | 9          | 8          | 56         | 25         | 23         | 7          | 2          | 57         | 21         | 21         | 6          |
| Allocated G&A expenses (income)                      | 7          | 6          | 7          | 7          | 27         | 7          | 7          | 8          | 6          | 28         | 8          | 9          | 8          |
| Segment profit                                       | 13         | 13         | 2          | 1          | 29         | 18         | 16         | (1)        | (4)        | 29         | 13         | 12         | (2)        |
| <b>Other &amp; elimination</b>                       |            |            |            |            |            |            |            |            |            |            |            |            |            |
| Profit before allocated G&A expenses                 | 2          | -          | (4)        | (3)        | (5)        | (2)        | 4          | 2          | (5)        | (1)        | 14         | (12)       | 2          |
| Allocated G&A expenses (income)                      | 1          | (1)        | (6)        | 4          | (2)        | 8          | (2)        | 1          | (1)        | 6          | (3)        | -          | 2          |
| Segment profit                                       | 1          | 1          | 2          | (7)        | (3)        | (10)       | 6          | 1          | (4)        | (7)        | 17         | (12)       | -          |
| <b>ICL</b>                                           |            |            |            |            |            |            |            |            |            |            |            |            |            |
| Total adjusted operating income before G&A expenses  | 173        | 193        | 199        | 220        | 785        | 215        | 252        | 264        | 276        | 1,007      | 304        | 295        | 263        |
| G&A expenses                                         | 66         | 65         | 60         | 70         | 261        | 70         | 62         | 63         | 62         | 257        | 63         | 65         | 62         |
| <b>Adjusted operating income - excl. divestments</b> | <b>107</b> | <b>128</b> | <b>139</b> | <b>150</b> | <b>524</b> | <b>146</b> | <b>190</b> | <b>200</b> | <b>214</b> | <b>750</b> | <b>241</b> | <b>230</b> | <b>201</b> |
| Divested businesses' contribution*                   | 9          | 25         | 76         | 18         | 128        | 5          | (2)        | -          | -          | 3          | -          | -          | -          |
| <b>Adjusted operating income</b>                     | <b>116</b> | <b>153</b> | <b>215</b> | <b>168</b> | <b>652</b> | <b>151</b> | <b>188</b> | <b>200</b> | <b>214</b> | <b>753</b> | <b>241</b> | <b>230</b> | <b>201</b> |

# Reconciliation Tables (1/3)

| Calculation of adjusted income before tax (\$ millions)                                        | Q3 19             | Q3 18             | FY2018            |
|------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|
| Adjusted operating income                                                                      | 201               | 200               | 753               |
| Finance expenses                                                                               | (32)              | (23)              | (158)             |
| Share in earnings (losses) of equity-accounted investees and adjustments to financial expenses | -                 | 2                 | 13                |
| <b>Adjusted income before tax</b>                                                              | <b><u>169</u></b> | <b><u>179</u></b> | <b><u>608</u></b> |

| Calculation of adjusted net income excluding divested businesses to net income               | Q3 2019            | Q3 2018            | Q1-Q3 2019         | Q1-Q3 2018         |
|----------------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Net income attributable to the shareholders of the Company</b>                            | <b>130</b>         | <b>129</b>         | <b>427</b>         | <b>1,158</b>       |
| Total adjustments to operating income <sup>(1)</sup>                                         | -                  | 4                  | 4                  | (814)              |
| Adjustments to finance expenses <sup>(1)</sup>                                               | -                  | 3                  | -                  | 3                  |
| Total tax impact of the above operating income & finance expenses adjustments <sup>(1)</sup> | -                  | (2)                | -                  | 6                  |
| Contribution from divested businesses                                                        | -                  | -                  | -                  | 1                  |
| <b>Total adj. net income excluding divested businesses - shareholders of the Company</b>     | <b><u>130</u></b>  | <b><u>134</u></b>  | <b><u>431</u></b>  | <b><u>354</u></b>  |
| Weighted-average diluted number of ordinary shares outstanding                               | 1,283,675          | 1,278,780          | 1,283,401          | 1,276,564          |
| <b>Adjusted EPS excluding divested businesses (US dollar)</b>                                | <b><u>0.10</u></b> | <b><u>0.10</u></b> | <b><u>0.34</u></b> | <b><u>0.28</u></b> |

# Reconciliation Tables (2/3)

| Calculation of adjusted operating income and adjusted operating income excluding divested businesses | Q1-Q3 2019        | Q1-Q3 2018        | Q1-Q3 2017        | Q1-Q3 2016        |
|------------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Operating income                                                                                     | 668               | 1,353             | 440               | (75)              |
| Capital gain                                                                                         |                   | (841)             | (6)               | 1                 |
| Impairment loss (reversal)                                                                           | (10)              | 19                | 18                | 489               |
| Provision for early retirement and dismissal of employees                                            | -                 | 7                 | 15                | 26                |
| Provision for legal claims                                                                           | 14                | 1                 | 11                | 7                 |
| Provision for electricity charges                                                                    | -                 | -                 | -                 | (16)              |
| Provision in respect of prior periods resulting from an arbitration decision                         | -                 | -                 | 6                 | 10                |
| <b>Total adjustments<sup>(1)</sup></b>                                                               | <b>4</b>          | <b>(814)</b>      | <b>44</b>         | <b>517</b>        |
| Divested businesses' profit                                                                          | -                 | (3)               | 101               | 73                |
| <b>Adjusted operating income excluding divested businesses</b>                                       | <b><u>672</u></b> | <b><u>536</u></b> | <b><u>383</u></b> | <b><u>369</u></b> |

| Calculation of adjusted EBITDA excluding divested businesses to net income | Q1-Q3 2019        | Q1-Q3 2018        | Q1-Q3 2017        | Q1-Q3 2016        |
|----------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Net income attributable to the shareholders of the Company                 | 427               | 1,158             | 209               | (154)             |
| Depreciation and Amortization                                              | 330               | 296               | 286               | 306               |
| Financing expenses, net                                                    | 104               | 92                | 99                | 113               |
| Taxes on income                                                            | 132               | 110               | 145               | 5                 |
| <b>Adjustments<sup>(1)</sup></b>                                           | <b>4</b>          | <b>(814)</b>      | <b>44</b>         | <b>517</b>        |
| Contribution from divested businesses                                      | -                 | (5)               | (109)             | (79)              |
| <b>Adjusted EBITDA excluding divested businesses</b>                       | <b><u>997</u></b> | <b><u>837</u></b> | <b><u>674</u></b> | <b><u>708</u></b> |

# Reconciliation Tables (3/3)

| Calculation of adjusted operating income and adjusted operating income excluding divested businesses (\$ millions) | Q3 19             | Q2 19             | Q1 19             | Q4 18             | Q3 18             | Q2 18             | Q1 18             |
|--------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Operating income                                                                                                   | 201               | 240               | 227               | 166               | 196               | 172               | 985               |
| Capital gain                                                                                                       | -                 | -                 | -                 | -                 | -                 | -                 | (841)             |
| Impairment loss (reversal)                                                                                         | -                 | (10)              | -                 | -                 | 3                 | 16                | -                 |
| Provision for early retirement and dismissal of employees                                                          | -                 | -                 | -                 | -                 | -                 | -                 | 7                 |
| Provision for legal claims                                                                                         | -                 | -                 | 14                | 30                | 1                 | -                 | -                 |
| Provision for closure costs                                                                                        | -                 | -                 | -                 | 18                | -                 | -                 | -                 |
| Total adjustments <sup>(1)</sup>                                                                                   | -                 | (10)              | 14                | 48                | 4                 | 16                | (834)             |
| <b>Adjusted operating income</b>                                                                                   | <b>201</b>        | <b>230</b>        | <b>241</b>        | <b>214</b>        | <b>200</b>        | <b>188</b>        | <b>151</b>        |
| Divested businesses' profit                                                                                        | -                 | -                 | -                 | -                 | -                 | 2                 | (5)               |
| <b>Adjusted operating income excluding divested businesses</b>                                                     | <b><u>201</u></b> | <b><u>230</u></b> | <b><u>241</u></b> | <b><u>214</u></b> | <b><u>200</u></b> | <b><u>190</u></b> | <b><u>146</u></b> |
| Calculation of adjusted EBITDA excluding divested businesses to net income (\$ millions)                           | Q3 19             | Q2 19             | Q1 19             | Q4 18             | Q3 18             | Q2 18             | Q1 18             |
| Net income attributable to the shareholders of the Company                                                         | 130               | 158               | 139               | 82                | 129               | 101               | 928               |
| Depreciation and Amortization                                                                                      | 110               | 109               | 111               | 107               | 94                | 105               | 97                |
| Financing expenses, net                                                                                            | 32                | 37                | 35                | 66                | 23                | 54                | 15                |
| Taxes on income                                                                                                    | 35                | 46                | 51                | 19                | 45                | 20                | 45                |
| Adjustments <sup>(1)</sup>                                                                                         | -                 | (10)              | 14                | 48                | 4                 | 16                | (834)             |
| Contribution from divested businesses                                                                              | -                 | -                 | -                 | -                 | -                 | 2                 | (7)               |
| <b>Adjusted EBITDA excluding divested businesses</b>                                                               | <b><u>307</u></b> | <b><u>340</u></b> | <b><u>350</u></b> | <b><u>322</u></b> | <b><u>295</u></b> | <b><u>298</u></b> | <b><u>244</u></b> |