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Israel Corporation Ltd.

Registrar Number: 520028010

**Form 121
Public**

Date of Transmission: May 6, 2021

Reference: 2021-01- 079209

To:

The Securities Authority

www.isa.gov.il

To:

The Tel Aviv Stock Exchange

www.tase.co.il

Immediate Report

The Event: ICL GROUP LTD – Investor Presentation Q1 2021

Attached is an immediate report Of ICL GROUP – Investor Presentation Q1 2021

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: May 6, 2021

Time: 09:00

Name of report authorized signatories who are authorized to sign in the name of the corporation:

	<i>Name of the signor</i>	<i>Position</i>
1	<i>Maya Alcheh Kaplan</i>	<i>Other</i> <i>Vice President, General Counsel and Company's Secretary</i>
2	<i>Sagi Kabla</i>	<i>CFO</i>

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: May 6, 2021

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.

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First Quarter 2021

Financial Results

Raviv Zoller

President and CEO

May 6, 2021



Important legal notes

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Included in this presentation are certain non-GAAP financial measures, such as adjusted operating income, adjusted EBITDA, adjusted net income, adjusted EPS, segment EBITDA, segment EBITDA margin and free cash flow, designed to complement the financial information presented in accordance with IFRS because management believes such measures are useful to investors. Please note other companies may calculate similarly titled non-GAAP financial measures differently than ICL Group and definitions of these measures may differ from those used by other companies or such companies may use other measures to evaluate their performance, which may reduce the usefulness of our non-GAAP financial measures as tools for comparison. These non-GAAP financial measures should be considered only as supplemental to, and not superior to, financial measures provided in accordance with IFRS. Please refer to the company's first quarter 2021 press release for the period ended March 31, 2021, and the appendix to this presentation for a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable financial measures prepared in accordance with IFRS.



1Q'21 Highlights



Industrial Products

Record quarter, driven by strong demand and high market prices and bolstered by **long-term** contracts



Potash

Record production in first quarter at the Dead Sea, completion of Iberia ramp project



Phosphate Solutions

Record food specialties and YPH results driven by **product innovation**, cost efficiencies and shift to specialties



Innovative Ag Solutions

Record results due to strong demand, higher volumes and improved mix **plus** strategic actions

All divisions contributed to strong quarterly results

Creating **impact** and sustainable growth

Committed to growing in our **target markets**



Industrial

- Investments in capacity expansions helping to meet long-term demand



Food

- Strategic additions to leadership and BoD reinforce commitment to food specialties growth



Agriculture

- Acquisitions expected to position ICL as Brazil's leading specialty plant nutrition company

Advancing through organic growth and M&A



Key financial metrics

Strong year-over-year improvement

Sales

US\$B

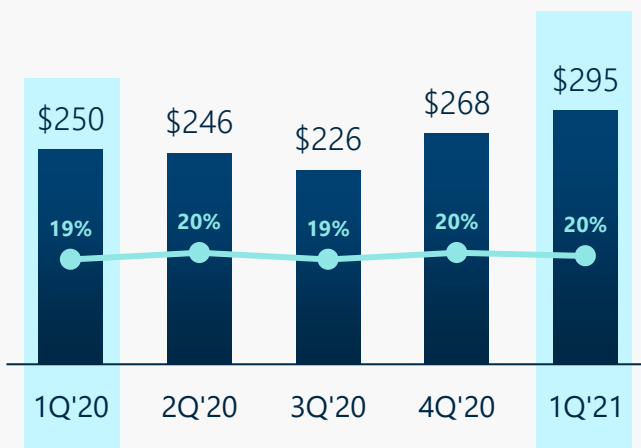
Up 14% YoY



EBITDA⁽¹⁾

US\$M

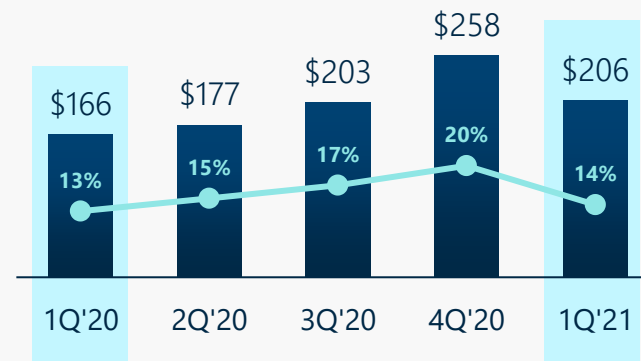
Up 18% YoY



Operating Cash Flow

US\$M

Up \$40M YoY



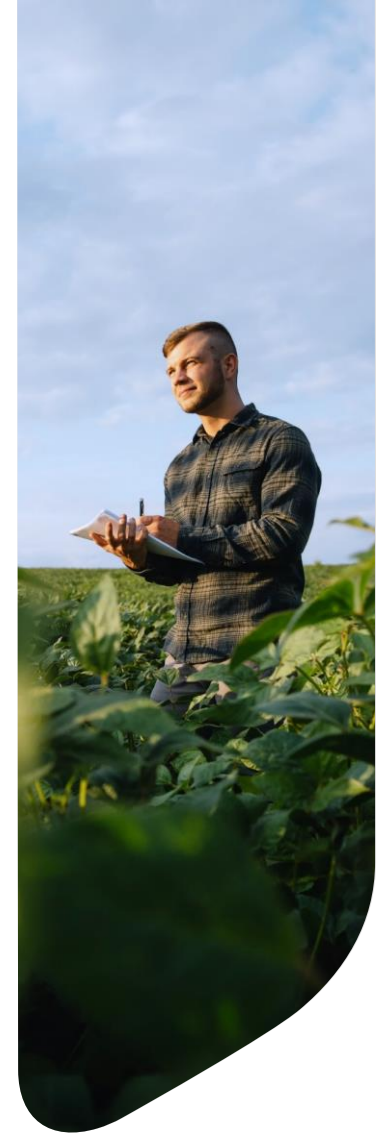
(1) EBITDA is a non-GAAP financial measure; see reconciliation tables in appendix.

First quarter 2021

Key financial highlights

US\$M	1Q'21	1Q'20	YoY Change
Sales	\$1,510	\$1,319	14%
Gross profit	\$495	\$400	24%
Gross margin	32.8%	30.3%	250 bps
Operating income	\$185	\$132	40%
Operating margin	12.3%	10.0%	230 bps
Net income, attributable	\$135	\$60	125%
EBITDA ⁽¹⁾	\$295	\$250	18%
EBITDA margin	19.5%	19.0%	50 bps
Diluted earnings per share	11.00¢	5.00¢	120%
Dividend per share	5.25¢	2.30¢	128%
Operating cash flow	\$206	\$166	24%

(1) EBITDA is a non-GAAP financial measure; see reconciliation tables in appendix.

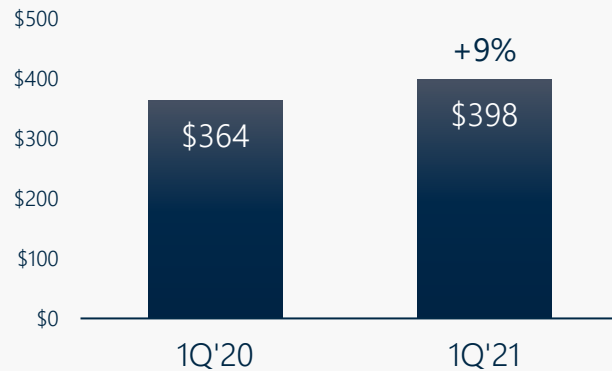


Industrial Products

End-market recovery continues

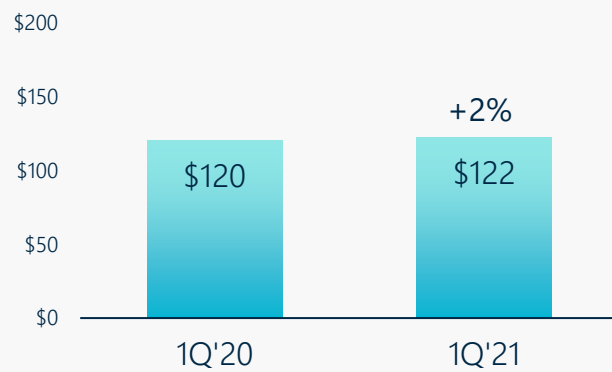
Sales

US\$M



EBITDA⁽¹⁾

US\$M



Key highlights

- **Record** sales and EBITDA, benefitting from continued strategic shift to long-term contracts
 - Higher bromine prices in China
 - Higher input costs, including shipping, as well as raw material constraints
- End market recovery continued, as electronics and construction remain strong
 - Automotive picking up, but oil and gas recovery lagging
- Specialty minerals' record profit driven by higher prices and MgCl sales
- Remained focused on value over volume
 - More than 50% of agreements are long-term
 - New TBBA plant at full capacity

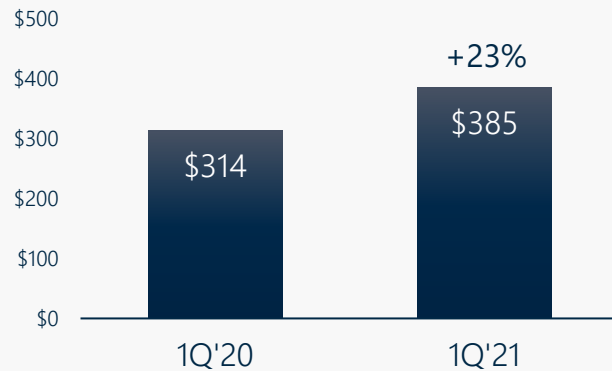
(1) Segment EBITDA is a non-GAAP financial measure; see reconciliation tables in appendix.

Potash

Global demand supported higher potash prices

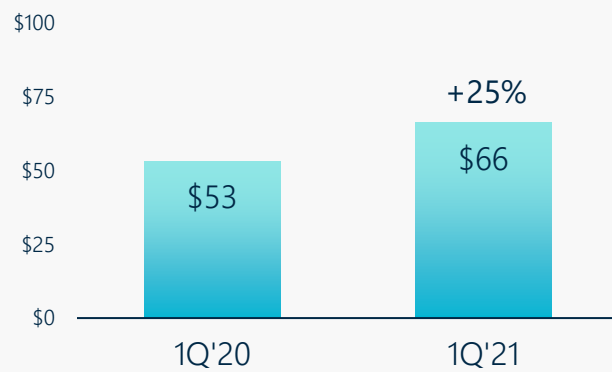
Sales

US\$M



EBITDA⁽¹⁾

US\$M



Key highlights

- Strong growth in sales and EBITDA
 - Grain price increases, due to strong global demand
 - Average realized price per ton up only 3% YoY
 - Signed agreement with IPL (India) in April for \$280 per ton, a \$50 increase YoY
- Dead Sea: **record** first quarter production of +1Mt, with annual one-week shutdown completed in April
- ICL Iberia: ramp between Cabanasses mine and Suria plant now operational, following three-week shutdown

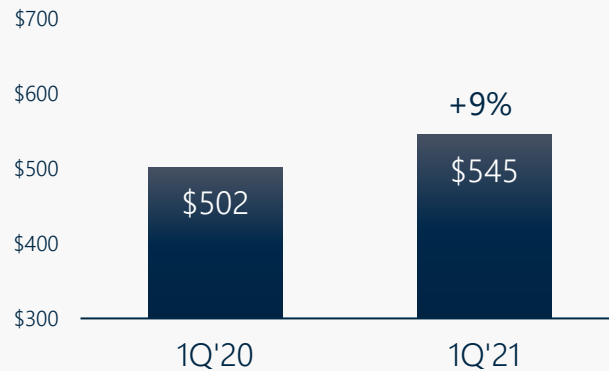
(1) Segment EBITDA is a non-GAAP financial measure; see reconciliation tables in appendix.

Phosphate Solutions

Strong food specialties growth and commodity upcycle

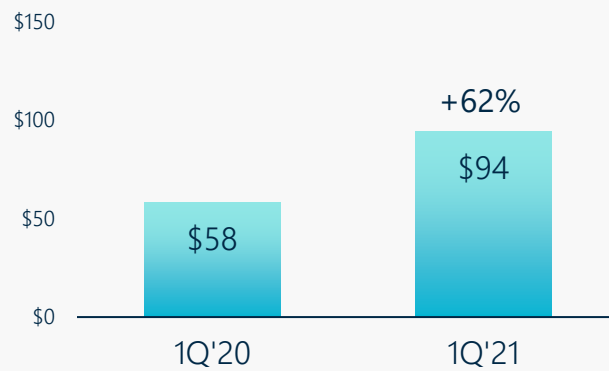
Sales

US\$M



EBITDA⁽¹⁾

US\$M



Key highlights

- **Record** sales and EBITDA
 - Phosphate fertilizer prices continued significant recovery across all markets
 - Major raw material prices increased, mainly sulfur
- **Strong** results for phosphate food specialties
 - Higher volume for food phosphates and acids, with lower operating costs and favorable FX
 - Food demand remained stable, with industrial end-market demand recovering
 - Benefitted from global presence, with regional production network
- **Record** quarter for YPH
 - Higher prices and volumes, combined with purchasing and production efficiencies

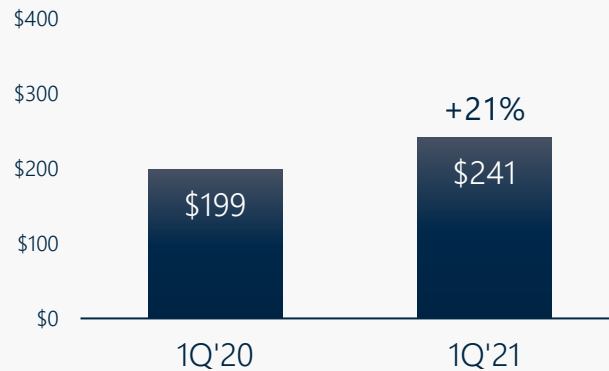
(1) Segment EBITDA is a non-GAAP financial measure; see reconciliation tables in appendix.

Innovative Ag Solutions

Strong demand and innovation driving record results

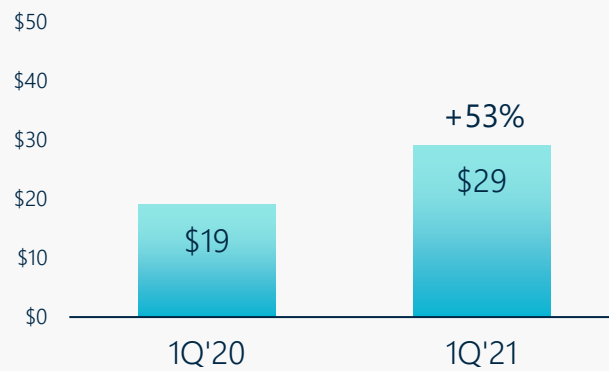
Sales

US\$M



EBITDA⁽¹⁾

US\$M



Key highlights

- **Record** sales and EBITDA
 - Strong demand in Europe, the U.S. and Asia
 - Higher volumes and improved product mix
 - Benefitted from unified sales and marketing organization
 - Geographic expansion and new product launches
- **Record** turf and ornamental sales up more than 25% YoY
- Specialty agriculture sales up **double-digits** YoY

(1) Segment EBITDA is a non-GAAP financial measure; see reconciliation tables in appendix.

Strategic Acquisitions

Expected to position ICL as Brazil's **leading** specialty plant nutrition company

- Acquiring Compass Minerals América do Sul S.A. for ~US\$400M
- Fertiláqua integrated into ICL results, beginning in January 2021
- Compass overview
 - Broad range of solutions cover all key crops in Brazil
 - Existing presence in 25 out of 26 Brazilian states
 - Serves +32,000 farms directly and indirectly, with direct-to-farm ~50% of total sales
 - FY'20 net revenue of ~US\$284M, with EBITDA of ~\$46M
- Expands product portfolio and profitability and provides balance between hemispheres
- Expect benefits from combining ICL, Compass and Fertiláqua



Key takeaways

Building on strategic fundamentals

- Sales for 1Q'21 crossed \$1.5B for first time since 2014
 - ↳ Each business segment driving toward strategic targets
- Bromine capacity expansion meeting demand from shift to more profitable long-term contracts
 - ↳ Looking at additional investments and innovation
- Phosphate Specialties consistent growth over past 18 months
 - ↳ Growth shifting from traditional phosphates to specialties, including alternative proteins
- IAS 1Q'21 profitability greater than FY'19
 - ↳ Poised to accelerate growth, by leveraging acquisitions in Brazil
- Potash production record in 1Q'21
 - ↳ Additional capacity expected online in Iberia





First Quarter 2021

Financial Results

Kobi Altman

CFO

Financial strength

Continued growth in cash flow

Highlights for 1Q'21

- Liquidity of \$1.1B available
 - Funded Fertiláqua acquisition in January
- Operating cash flow of \$206M vs. \$166M in 1Q'20
- Free cash flow⁽¹⁾ of \$59M vs. \$28M in 1Q'20
- Net debt to EBITDA of 2.4 times
- No major principal debt repayments in short- or mid-term



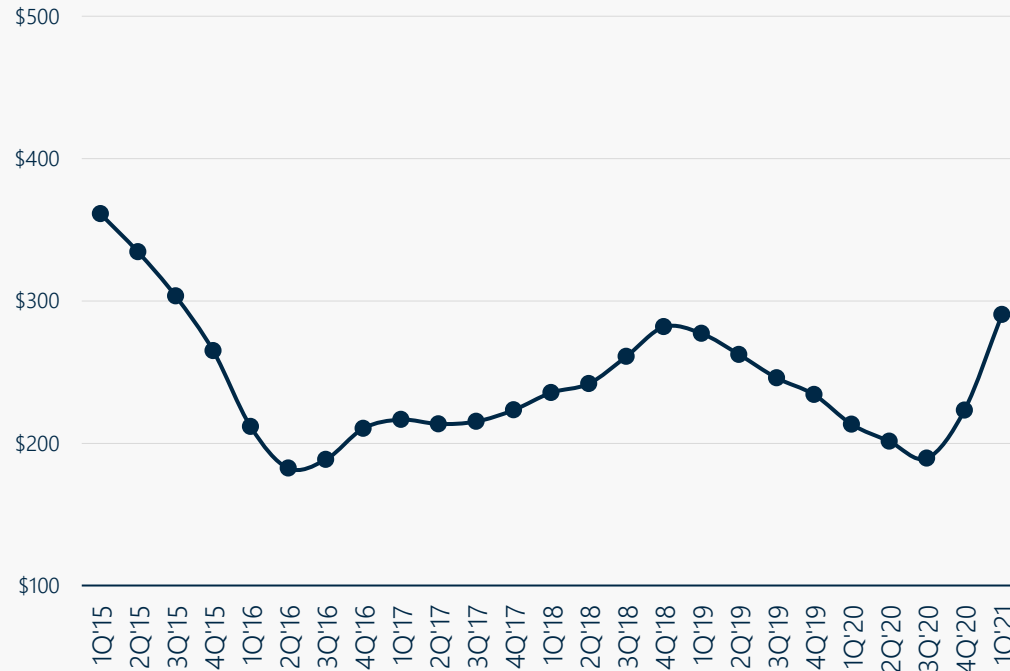
*(1) Free cash flow is a non-GAAP financial measure; see reconciliation tables in appendix.
Note: Liquidity is comprised of available credit facilities and cash and short-term deposits.*

Pricing across mineral value chain

Commodity price upcycle

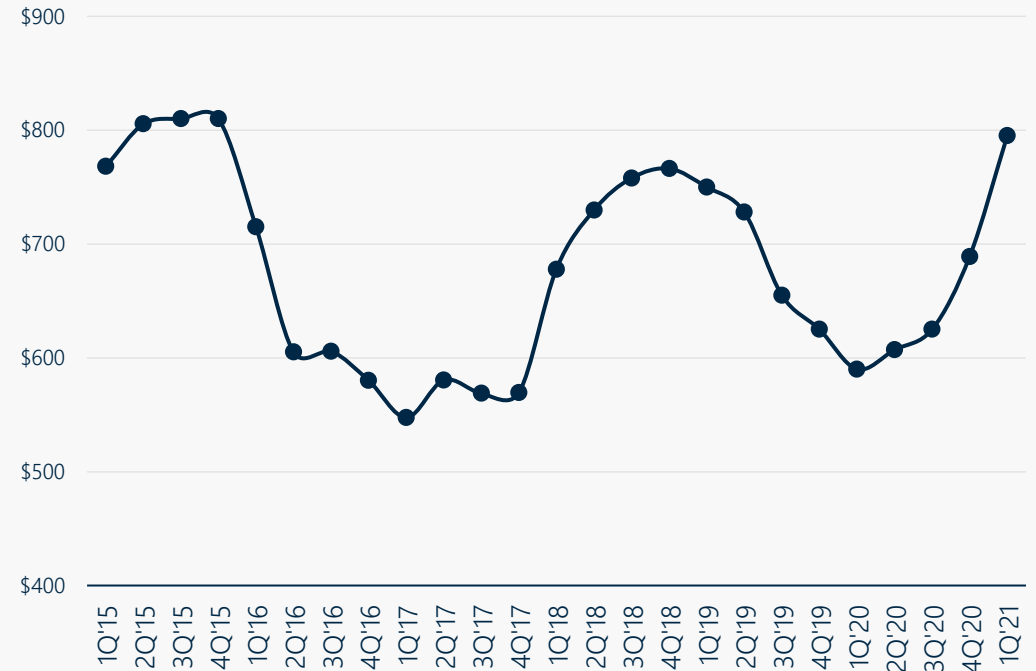
GMOP FOB NOLA

US\$/ton



Phosphoric acid

CFR contract India US\$/ton



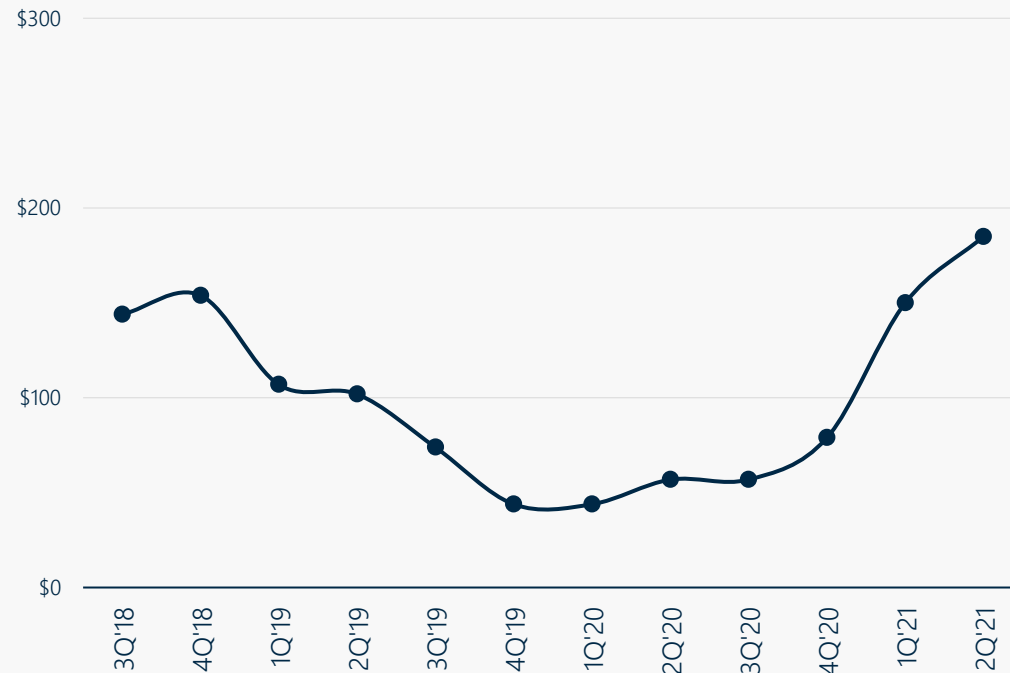
Sources: CRU and Bloomberg, as of 3.31.21.

Cost input pricing

Significant increases in raw materials and freight rates

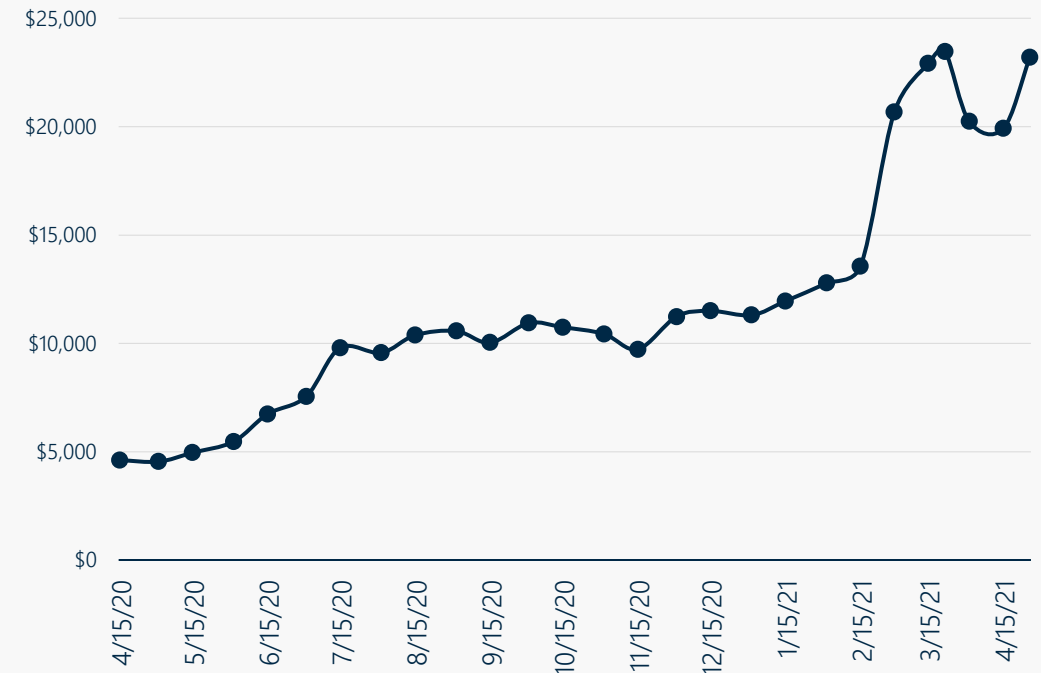
Sulfur Bulk FOB Middle East Spot

US\$/ton



Supramax Timecharter Average

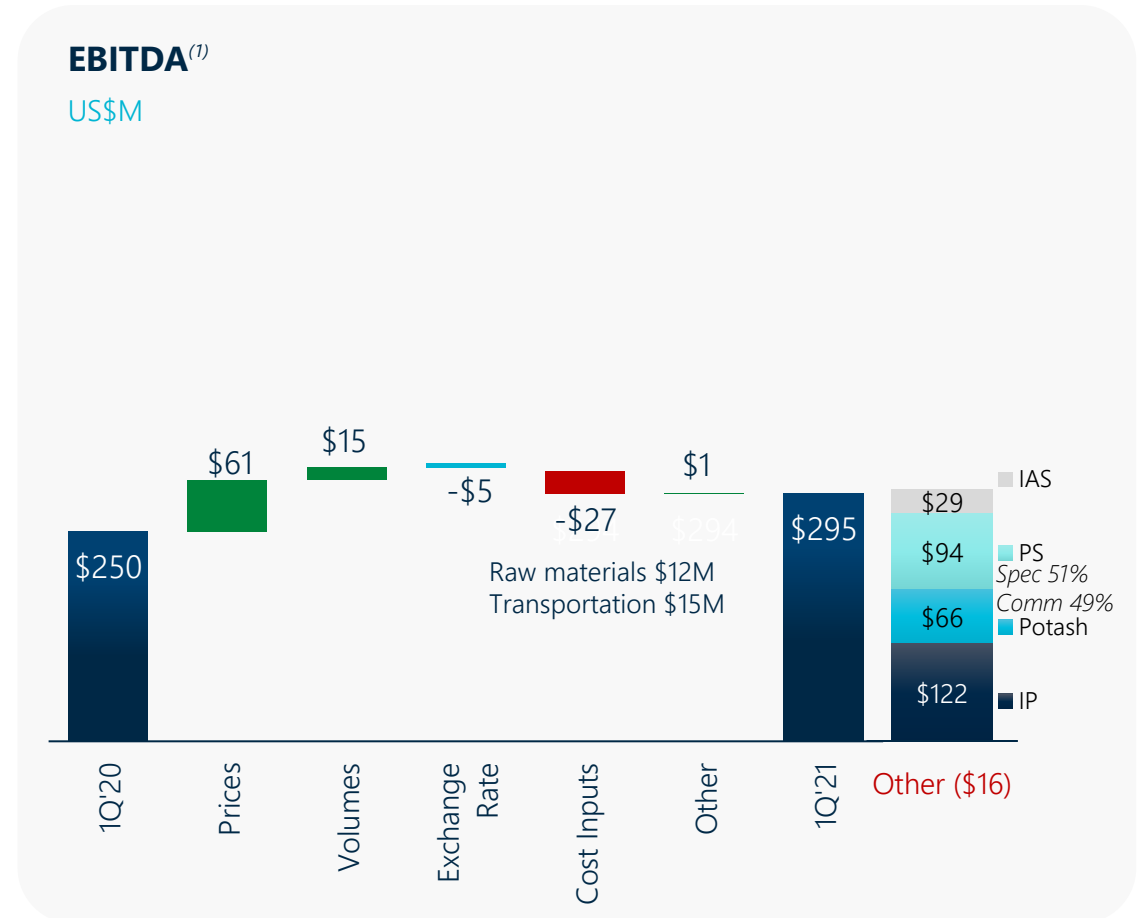
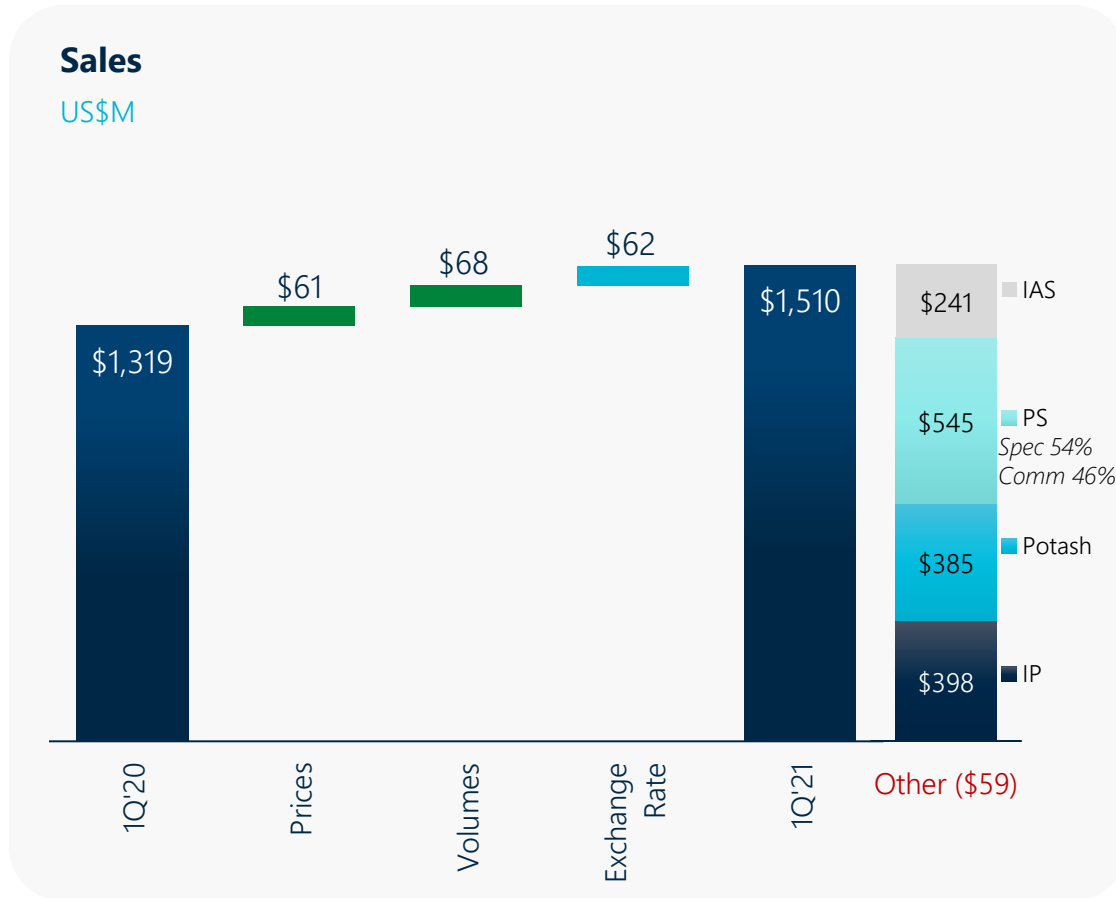
US\$/day



Sources: CRU, as of 4.22.21; Baltic Exchange, as of 4.26.21

First quarter 2021

Sales and profit bridges



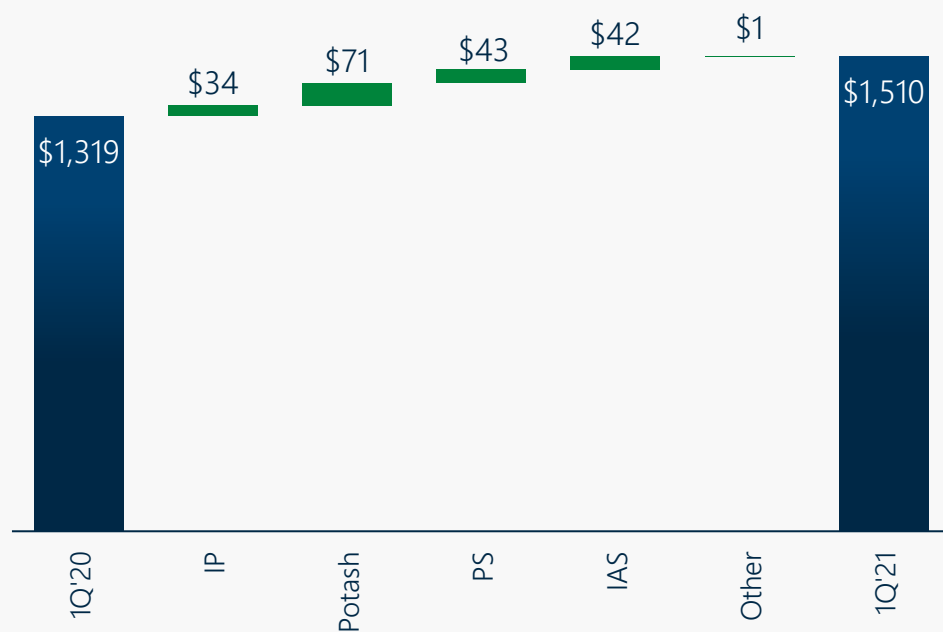
(1) EBITDA is a non-GAAP financial measure; see reconciliation tables in appendix.
Note: Numbers rounded to closest million; Other includes intercompany eliminations.

First quarter 2021

Results by segment

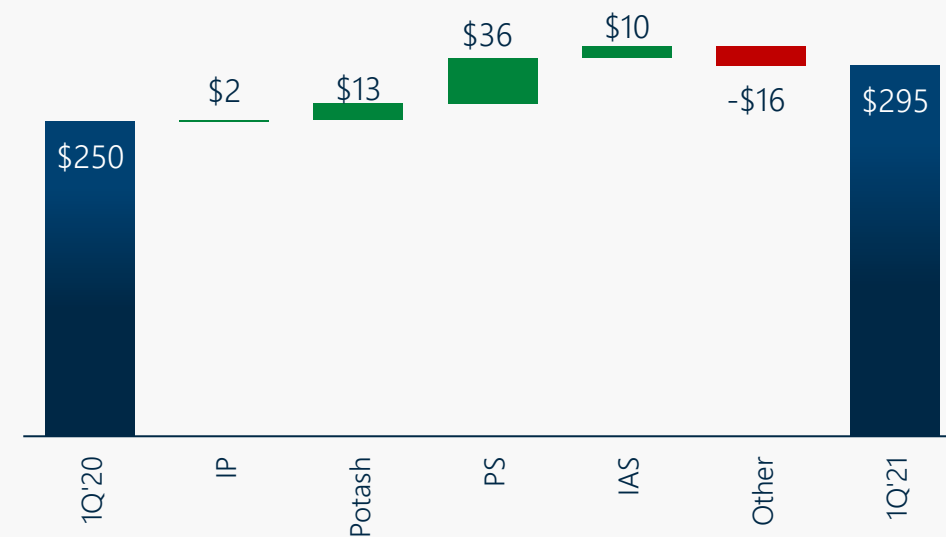
Sales

US\$M



EBITDA⁽¹⁾

US\$M



(1) EBITDA is a non-GAAP financial measure; see reconciliation tables in appendix.
Note: Numbers rounded to closest million.

Guidance

Full year 2021

Raising expectations

- Expect adjusted EBITDA range of \$1,090 million to \$1,175 million⁽¹⁾
- Improved market conditions combined with prompt execution in 1Q'21
- Probability of achieving high-end of original guidance has risen considerably

*(1) See guidance and non-GAAP financial measures in appendix.
Note: Adjusted EBITDA is a non-GAAP measure, see appendix for calculation.*





Thank you

Contact Peggy.ReillyTharp@icl-group.com for more information on ICL

View our interactive data tool at <https://investors.icl-group.com/interactive-data-tool/default.aspx>





Appendix

First Quarter 2021

Financial Results



Industrial Products

First quarter 2021

Industrial Products <i>US\$M</i>	1Q'21	1Q'20
Segment sales	\$398	\$364
Sales to external customers	\$394	\$361
Sales to internal customers	\$4	\$3
Segment profit	\$105	\$103
Depreciation and amortization	\$17	\$17
Capital expenditures	\$17	\$21
Segment EBITDA	\$122	\$120

<i>US\$M</i>	Sales
1Q'20	\$364
Quantities	\$20
Prices	\$7
Exchange rates	\$7
1Q'21	\$398

<i>US\$M</i>	Segment EBITDA
1Q'20	\$120
Quantities	\$4
Prices	\$7
Exchange rates	(\$1)
Raw materials	(\$3)
Energy	\$1
Transportation	(\$2)
Operating and other expenses	(\$4)
1Q'21	\$122

Note: Segment EBITDA is a non-GAAP financial measure; see reconciliation tables.



Potash

First quarter 2021

Potash US\$M	1Q'21	1Q'20
Segment sales	\$385	\$314
Sales to external customers	\$254	\$226
Sales to internal customers	\$22	\$23
Other and eliminations ⁽¹⁾	\$109	\$65
Gross profit	\$138	\$96
Segment profit	\$29	\$14
Depreciation and amortization	\$37	\$39
Capital expenditures	\$65	\$61
Average realized price ⁽²⁾	\$257	\$250
Segment EBITDA	\$66	\$53

Potash production and sales 000s of tons	1Q'21	1Q'20
Production	1,152	1,145
Total sales, including internal sales	1,075	996
Closing inventory	353	563

Note: Segment EBITDA is a non-GAAP financial measure; see reconciliation tables.

(1) Primarily includes salt produced in the UK and Spain, Polysulphate and Polysulphate-based products, magnesium-based products, and sales of electricity produced in Israel; (2) Potash average realized price (USD per ton) is calculated by dividing total potash revenue by total sales quantities. The difference between FOB price and average realized price is primarily marine transportation costs.

US\$M	Sales
1Q'20	\$314
Quantities	\$37
Prices	\$22
Exchange rates	\$12
1Q'21	\$385
US\$M	Segment EBITDA
1Q'20	\$53
Quantities	\$10
Prices	\$22
Exchange rates	(\$7)
Energy	\$1
Transportation	(\$9)
Operating and other expenses	(\$4)
1Q'21	\$66



External potash metrics

Average market prices and imports

Average prices	1Q'21	1Q'20	YoY Change	4Q'20	QoQ Change
Granular potash – Brazil <i>CFR spot US\$ per ton</i>	\$283	\$245	15.5%	\$248	14.1%
Granular potash – Northwest Europe <i>CIF spot/contract € per ton</i>	\$235	\$255	(7.8%)	\$234	0.4%
Standard potash – Southeast Asia <i>CFR spot US\$ per ton</i>	\$248	\$258	(3.9%)	\$240	3.3%
Potash imports <i>in millions of tons</i>					
To Brazil	2.2	1.6	37.5%	2.9	(24.1%)
To China	2.6	2.1	23.8%	2.0	29.4%
To India	0.75	0.69	8.7%	1.1	(31.8%)

Sources: CRU (Fertilizer week Historical Price: April 2021), FAI, Brazil and Chinese customs data.



Phosphate Solutions

First quarter 2021

Phosphate Solutions US\$M	1Q'21	1Q'20
Segment sales	\$545	\$502
Sales to external customers	\$525	\$483
Sales to internal customers	\$20	\$19
Segment profit	\$40	\$9
Depreciation and amortization	\$54	\$49
Capital expenditures	\$51	\$61
Segment EBITDA	\$94	\$58

Phosphate Solutions US\$M	1Q'21	1Q'20
Segment sales	\$545	\$502
Specialty	\$294	\$279
Commodity	\$251	\$223
Segment profit	\$40	\$9
Specialty	\$35	\$28
Commodity	\$5	(\$19)
Segment EBITDA	\$94	\$58
Specialty	\$48	\$43
Commodity	\$46	\$15

Note: Segment EBITDA is a non-GAAP financial measure; see reconciliation tables.

US\$M	Sales
1Q'20	\$502
Quantities	(\$12)
Prices	\$30
Exchange rates	\$25
1Q'21	\$545

US\$M	Segment EBITDA
1Q'20	\$58
Quantities	(\$2)
Prices	\$30
Exchange rates	\$3
Raw materials	(\$11)
Energy	\$2
Transportation	(\$4)
Operating and other expenses	\$18
1Q'21	\$94





External phosphate metrics

Commodities market



Average prices	1Q'21	1Q'20	YoY Change	4Q'20	QoQ Change
DAP CFR India spot	\$455	\$302	51%	\$369	23%
TSP CFR Brazil spot	\$408	\$252	62%	\$262	56%
SSP CPT Brazil inland 18% to 20% P ₂ O ₅ spot	\$206	\$185	11%	\$179	15%
Sulfur Bulk FOB Adnoc Monthly contract	\$138	\$44	214%	\$74	86%

Sources: CRU (Fertilizer week Historical Price: April 2021).



Innovative Ag Solutions

First quarter 2021

Innovative Ag Solutions US\$M	1Q'21	1Q'20
Segment sales	\$241	\$199
Sales to external customers	\$238	\$196
Sales to internal customers	\$3	\$3
Segment profit	\$22	\$14
Depreciation and amortization	\$7	\$5
Capital expenditures	\$4	\$3
Segment EBITDA	\$29	\$19

Note: Segment EBITDA is a non-GAAP financial measure; see reconciliation tables.

US\$M	Sales
1Q'20	\$199
Quantities	\$24
Prices	\$1
Exchange rates	\$17
1Q'21	\$241

US\$M	Segment EBITDA
1Q'20	\$19
Quantities	\$6
Prices	\$1
Exchange rates	\$2
Raw materials	\$3
Energy	\$0
Transportation	\$0
Operating and other expenses	(\$2)
1Q'21	\$29



Consolidated results analysis

First quarter 2021

US\$M	Sales	Expenses	Operating Income	Notes
1Q'20	\$1,319	(\$1,187)	\$132	
Prices	\$61	-	\$61	Positive – \$7 increase in average realized price per ton of potash YoY Positive – higher selling prices for phosphate commodities, FertilizerspluS products and elemental bromine
Volumes	\$68	(\$53)	\$15	Positive – higher sales of bromine-based flame retardants Positive – higher sales of potash, acids and IAS segment products Negative – lower sales volumes of clear brine fluids and phosphate fertilizers
Exchange rates	\$62	(\$67)	(\$5)	Negative – appreciation of average exchange rate for Israeli shekel vs. U.S. dollar increased operational costs
Raw materials		(\$12)	(\$12)	Negative – higher prices of sulfur consumed during quarter
Energy		\$3	\$3	
Transportation		(\$15)	(\$15)	Negative – higher marine transportation rates
Operating and other expenses		\$6	\$6	Positive – increased production at Rotem Israel and YPH JV, cost reduction initiatives
1Q'21	\$1,510	(\$1,325)	\$185	

Sales by geographic location

First quarter 2021

Sales <i>US\$M</i>	 Industrial Products		 Potash		 Phosphate Solutions		 Innovative Ag Solutions		Other Activities		Reconciliations		Consolidated	
	1Q'21	1Q'20	1Q'21	1Q'20	1Q'21	1Q'20	1Q'21	1Q'20	1Q'21	1Q'20	1Q'21	1Q'20	1Q'21	1Q'20
Europe	\$144	\$127	\$180	\$148	\$187	\$188	\$129	\$107	\$7	\$8	(\$19)	(\$18)	\$628	\$560
Asia	\$130	\$106	\$75	\$65	\$142	\$108	\$41	\$32	-	-	(\$4)	(\$3)	\$384	\$308
North America	\$95	\$107	\$57	\$19	\$114	\$98	\$31	\$26	\$1	-	(\$3)	(\$1)	\$295	\$249
South America	\$13	\$11	\$29	\$34	\$58	\$62	\$10	\$5	-	-	(\$1)	-	\$109	\$112
Rest of world	\$16	\$13	\$44	\$48	\$44	\$46	\$30	\$29	-	-	(\$40)	(\$46)	\$94	\$90
Total	\$398	\$364	\$385	\$314	\$545	\$502	\$241	\$199	\$8	\$8	(\$67)	(\$68)	\$1,510	\$1,319

Finance expenses

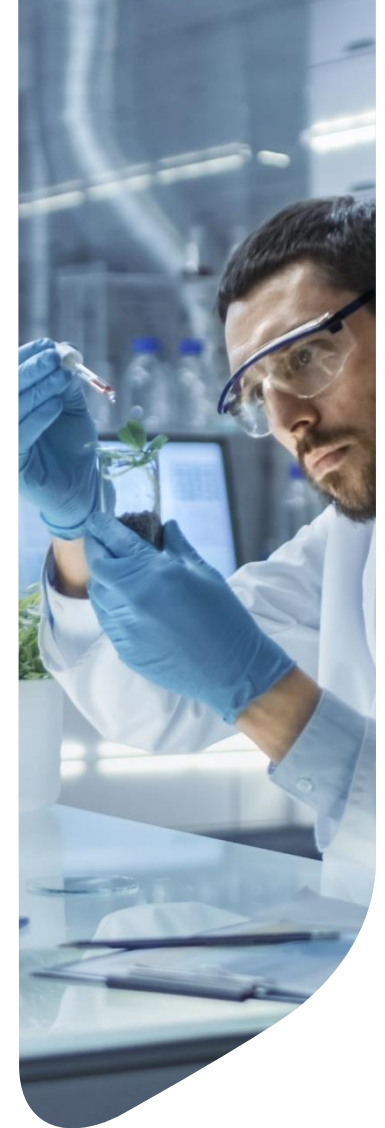
First quarter 2021

US\$M	1Q'21	1Q'20
Average net debt ⁽¹⁾	\$2,770	\$2,684
Weighted average interest rate	<u>3.8%</u>	<u>4.0%</u>
Interest expenses	\$26	\$26
Interest capitalization	<u>(\$6)</u>	<u>(\$5)</u>
Interest expenses, net	\$20	\$21
Total hedging and balance sheet revaluation	\$12	\$38
Interest and exchange rate impact on LT liabilities of leasing and employees and other ⁽²⁾	(\$12)	(\$7)
Net financial expenses	\$20	\$52

(1) Average liabilities during given quarter.

(2) Other for 1Q'20 includes \$4 million, due to shekel revaluation vs. U.S. dollar.

Note: Numbers may not add, due to rounding and set-offs.



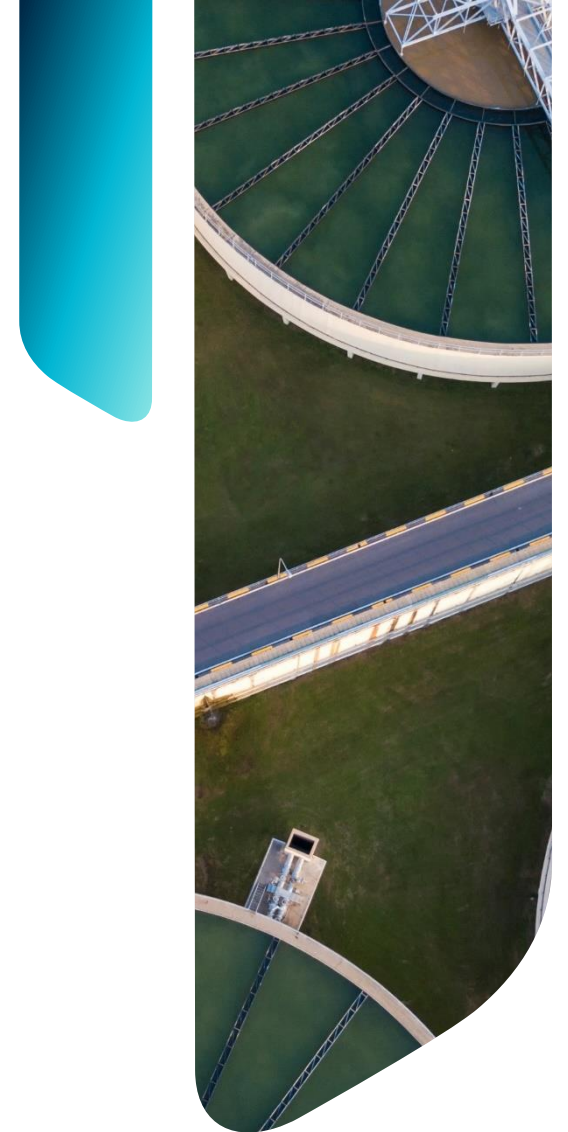
Effective tax rate

First quarter 2021

US\$M	1Q'21	1Q'20
Income before tax ⁽¹⁾	\$165	\$81
Normalized tax rate	<u>20%</u>	<u>21%</u>
Normalized tax expenses	\$34	\$17
Carryforward losses not recorded for tax purposes and other	\$3	\$6
Exchange rate impact	<u>(\$14)</u>	<u>(\$3)</u>
Tax expenses	\$23	\$20
Effective tax rate	14%	25%
Tax adjustments	-	-
Reported provision for income taxes	\$23	\$20

(1) See reconciliation table.

Note: Numbers may not add, due to rounding and set-offs.



Reconciliation tables

Slide one of two



Calculation of segment EBITDA and margin US\$M	 Industrial Products		 Potash		 Phosphate Solutions		 Innovative Ag Solutions	
	1Q'21	1Q'20	1Q'21	1Q'20	1Q'21	1Q'20	1Q'21	1Q'20
Segment profit	\$105	\$103	\$29	\$14	\$40	\$9	\$22	\$14
Depreciation and amortization	\$17	\$17	\$37	\$39	\$54	\$49	\$7	\$5
Segment EBITDA	\$122	\$120	\$66	\$53	\$94	\$58	\$29	\$19
Segment EBITDA margin	31%	33%	17%	17%	17%	12%	12%	10%

Calculation of free cash flow US\$M	1Q'21	1Q'20
Cash flow from operations	\$206	\$166
Additions to PP&E and dividends from equity-accounted investees ⁽¹⁾	(\$147)	(\$138)
Free cash flow	\$59	\$28

Calculation of income before tax US\$M	1Q'21	1Q'20
Operating income	\$185	\$132
Finance expenses	(\$20)	(\$52)
Share in earnings (losses) of equity-accounted investees and adjustments to financial expenses	-	\$1
Income before tax	\$165	\$81

(1) Also includes proceeds from sale of property, plants and equipment (PP&E).
Note: Numbers may not add, due to rounding and set-offs..

Reconciliation tables

Slide two of two

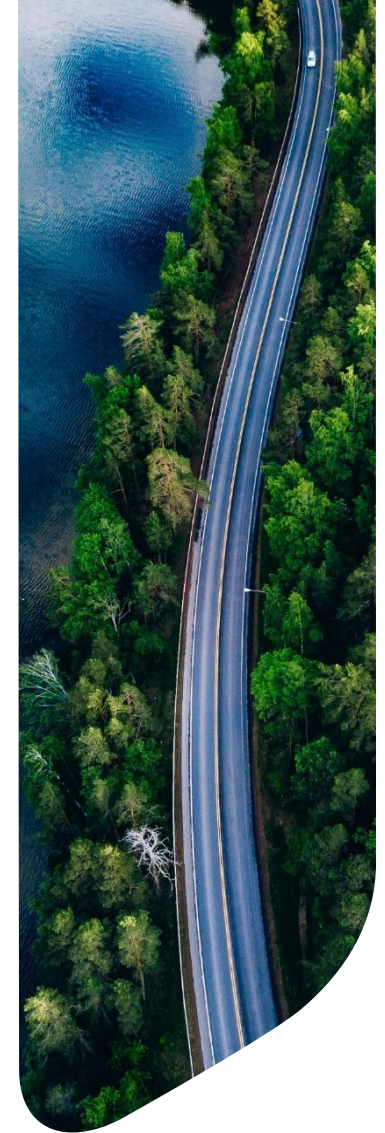
Calculation of adjusted EBITDA US\$M	1Q'21	4Q'20	3Q'20	2Q'20	1Q'20	FY'20	FY'19	FY'18
Net income attributable to shareholders of the company	\$135	\$65	\$54	(\$168)	\$60	\$11	\$475	\$1,240
Financing expenses, net	\$20	\$46	\$29	\$31	\$52	\$158	\$129	\$158
Taxes on income	\$23	\$24	\$14	(\$33)	\$20	\$25	\$147	\$129
Minority and equity profit, net	\$7	\$4	\$3	\$1	-	\$8	\$5	(\$8)
Operating income	\$185	\$139	\$100	(\$169)	\$132	\$202	\$756	\$1,519
Minority and equity profit, net	(\$7)	(\$4)	(\$3)	(\$1)	-	(\$8)	(\$5)	\$8
Depreciation and amortization	\$117	\$129	\$123	\$119	\$118	\$489	\$443	\$403
Adjustments ⁽¹⁾	-	\$4	\$6	\$297	-	\$307	\$4	(\$766)
Adjusted EBITDA	\$295	\$268	\$226	\$246	\$250	\$990	\$1,198	\$1,164

Net debt to EBITDA ⁽²⁾ US\$M	1Q'21
Net debt	\$2,482
EBITDA	\$1,035
Net debt to EBITDA	2.4

(1) See detailed reconciliation table – adjustments to reported operating and net income (non-GAAP) – in corresponding quarters' earnings release.

(2) Quarterly net debt to EBITDA ratio was calculated by dividing net debt by past four quarters adjusted EBITDA.

Note: Numbers may not add, due to rounding and set-offs.



Guidance and non-GAAP financial measures

Guidance

The company only provides guidance on a non-GAAP basis. We do not provide a reconciliation of forward-looking adjusted EBITDA (non-GAAP) to GAAP net income (loss), due to the inherent difficulty in forecasting and quantifying certain amounts necessary for such a reconciliation, in particular because special items, such as restructuring, litigation and other matters, used to calculate projected net income (loss) vary dramatically based on actual events, the company is not able to forecast on a GAAP basis with reasonable certainty all deductions needed in order to provide a GAAP calculation of projected net income (loss) at this time. The amount of these deductions may be material and, therefore, could result in projected GAAP net income (loss) being materially less than projected adjusted EBITDA (non-GAAP). Our guidance speaks only as of the date hereof. We undertake no obligation to update any of these forward-looking statements to reflect events or circumstances after the date of this presentation or to reflect actual outcomes, unless required by law.

Non-GAAP financial measures

We disclose in this presentation non-IFRS financial measures titled: adjusted operating income, adjusted net income attributable to the company's shareholders, adjusted EBITDA, adjusted EPS, segment EBITDA, segment EBITDA margin and free cash flow. Our management uses such non-GAAP measures to facilitate operating performance comparisons from period to period and presents free cash flow to facilitate a review of our cash flows. We calculate our adjusted operating income by adjusting our operating income to add certain items, as set forth in the reconciliation table "Adjustments to reported operating and net income." Certain of these items may recur. We calculate our adjusted net income attributable to the company's shareholders by adjusting our adjusted operating income, net income attributable to the company's shareholders to add certain items, as set forth in the reconciliation table "Adjustments to reported operating and net income (Non-GAAP)" in our quarterly earnings release, excluding the total tax impact of such adjustments. We calculate our adjusted EBITDA by adding depreciation and amortization back to adjusted operating income. Adjusted EPS is calculated as adjusted net income divided by weighted-average diluted number of ordinary shares outstanding as provided in the reconciliation table under "Calculation of adjusted EPS." We calculate our segment EBITDA by adding back to our segment profit the depreciation and amortization for each segment. We calculate our segment EBITDA margin by dividing segment EBITDA by revenue. We calculate our free cash flow as our cash flows from operating activities net of our purchase of property, plant, equipment and intangible assets, and adding proceeds from the sale of property, plant and equipment, and dividends from equity-accounted investees during such period as presented in the reconciliation table under "Calculation of free cash flow." You should not view adjusted operating income, adjusted net income attributable to the company's shareholders, adjusted EPS or adjusted EBITDA as a substitute for operating income or net income attributable to the company's shareholders determined in accordance with IFRS, adjusted EPS as a substitute for EPS, or free cash flow as a substitute for cash flows from operating activities and cash flows used in investing activities, and you should note that our definitions of adjusted operating income, adjusted net income attributable to the company's shareholders, adjusted EBITDA and free cash flow may differ from those used by other companies. However, we believe such non-GAAP measures provide useful information to both management and investors by excluding certain expenses management believes are not indicative of our ongoing operations. In particular, for free cash flow, we adjust our CAPEX to include any proceeds from the sale of property, plant and equipment because we believe such amounts offset the impact of our purchase of property, plant, equipment and intangible assets. We further adjust free cash flow to add dividends from equity-accounted investees because receipt of such dividends affects our residual cash flow. Free cash flow does not reflect adjustment for additional items that may impact our residual cash flow for discretionary expenditures, such as adjustments for charges relating to acquisitions, servicing debt obligations, changes in our deposit account balances that relate to our investing activities and other non-discretionary expenditures. Our management uses these non-IFRS measures to evaluate the company's business strategies and management's performance. We believe these non-IFRS measures provide useful information to investors because they improve the comparability of the financial results between periods and provide for greater transparency of key measures used to evaluate our performance. We present a discussion in the period-to-period comparisons of the primary drivers of changes in the company's results of operations. This discussion is based, in part, on management's best estimates of the impact of the main trends in its businesses. We have based the preceding discussion on our financial statements. You should read the preceding discussion together with our financial statements.