



# Q1 2017 Results

Asher Grinbaum | Acting CEO

May 10, 2017



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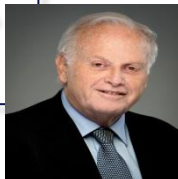
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# ICL's Highly Experienced Management Team

**Asher Grinbaum,**  
Acting CEO  
42 years in ICL



**Kobi Altman,**  
CFO  
2 years in ICL



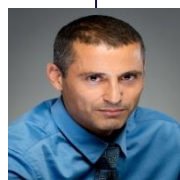
**Charles Weidhas,**  
COO  
10 years in ICL



**Ofer Lifshitz,**  
President, ICL  
Essential Minerals  
21 years in ICL



**Eli Glazer,**  
President, ICL  
Specialty Solutions  
34 years in ICL



**Yakir Menashe,**  
EVP Global HR  
11 years in ICL



**Lisa Haimovits,**  
General Counsel &  
Company Secretary  
8 years in ICL



**Rani Loebenstein,**  
Head of Global CR  
3 years in ICL



**Hezi Israel,**  
EVP BD & Strategy  
10 years in ICL

**Over 140 years of ICL experience**

- Growth in the Specialty Solutions division continues to provide a solid balancing effect on our operations
- Modest sequential recovery in potash prices and year over year volumes despite commodity downturn cycle
- Continued reduction of G&A expenses , CapEx and increased free cash flow shows management's strict focus on cash generation

\$ millions	Q1 17	Q1 16	% change	Q4 16	% change
Sales	1,295	1,265	2%	1,338	(3%)
Adjusted operating income	116	115	1%	140	(17%)
Net income	68	66	3%	32	113%
Adjusted net income	68	85	(20%)	114	(40%)
Free Cash flow	104	38	174%	127	(18%)
External potash sales (thousand tonnes)	942	893	5%	1,632	(4%)
Average potash selling price - FOB	216	235	(8%)	202	7%

See Q1 2017 press release for a reconciliation of Adjusted operating income to operating income and Adjusted net income to net income.

## External factors

- Delay in Chinese contract
- Exchange rate impact
- Freight rates (seaborne)
- Commodity fertilizer prices



## Internal factors

- Strong FCF
- Strong specialties performance
- YPH JV operational improvement
- G&A expenses reduction
- Reduced CapEx
- ICL UK production outage



## Specialty Solutions

\$ million	Q1 2017	Q1 2016	% change
Sales*	613	584	5%
Division O/I**	115	106	8%

- Continued strong performance of ICL's **bromine business** supported by a **focus on value**, continued **cost reduction** and **long-term commercial engagements** with customers
- Solid performance and operating margin improvement** in ICL Advanced Additives
- Decline in dairy protein sales volumes in our Food business **due to a customer's destocking activity**, partially offset by an **increase in phosphate based food additives** in Europe and a **40% growth** in new accelerated growth products

## Essential Minerals

\$ million	Q1 2017	Q1 2016	% change
Sales*	734	723	2%
Division O/I**	66	93	(30)%

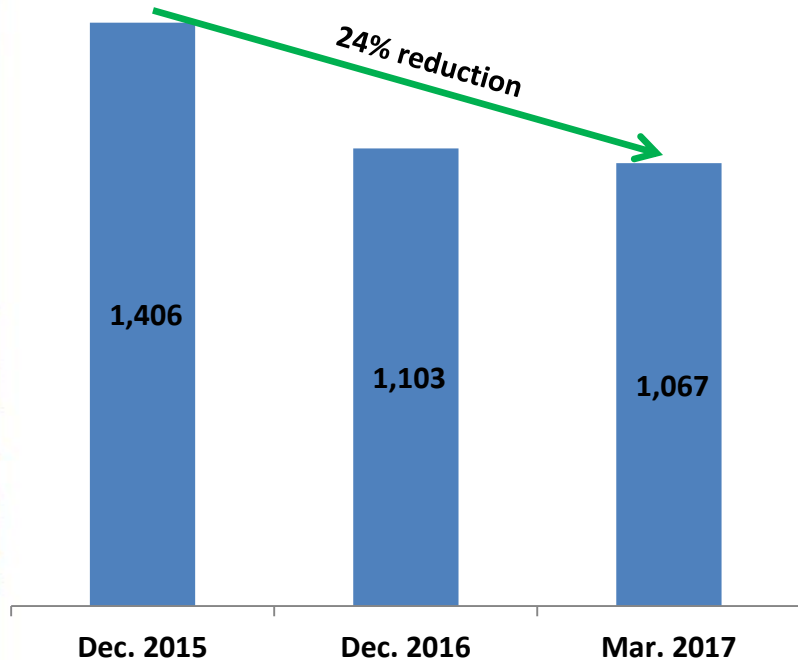
- Moderate **increase in potash volumes** vs. Q1 2016
- Potash operating income negatively impacted** by ICL UK production outage due to operational breakdown in December 2016 and increased seaborne transportation cost
- Commodity phosphate fertilizer market continues to operate under **challenging business environment**
- Continued efficiency and cost reduction efforts result in a **sequential decrease in operating loss at our YPH JV**
- Strong growth in Latin America and China, operational efficiency and cost reduction initiatives, resulted in **solid performance of our specialty fertilizers business**.

\* Including inter-business lines' sales

\*\* Excluding G&A, unallocated expenses and eliminations

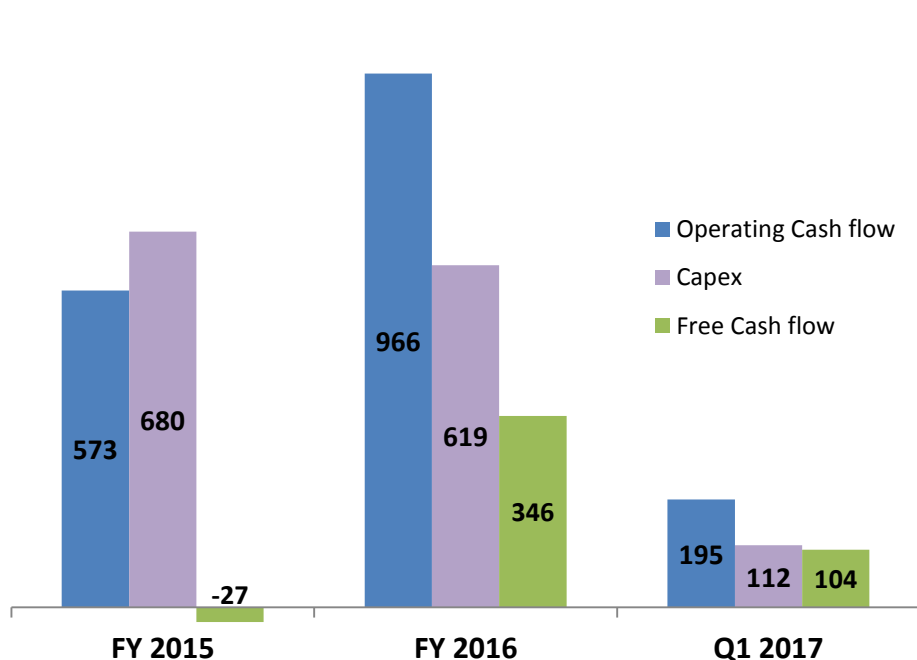
## Working capital\*\*

\$ Millions



## Cash flow\* & CapEx\*\*\*

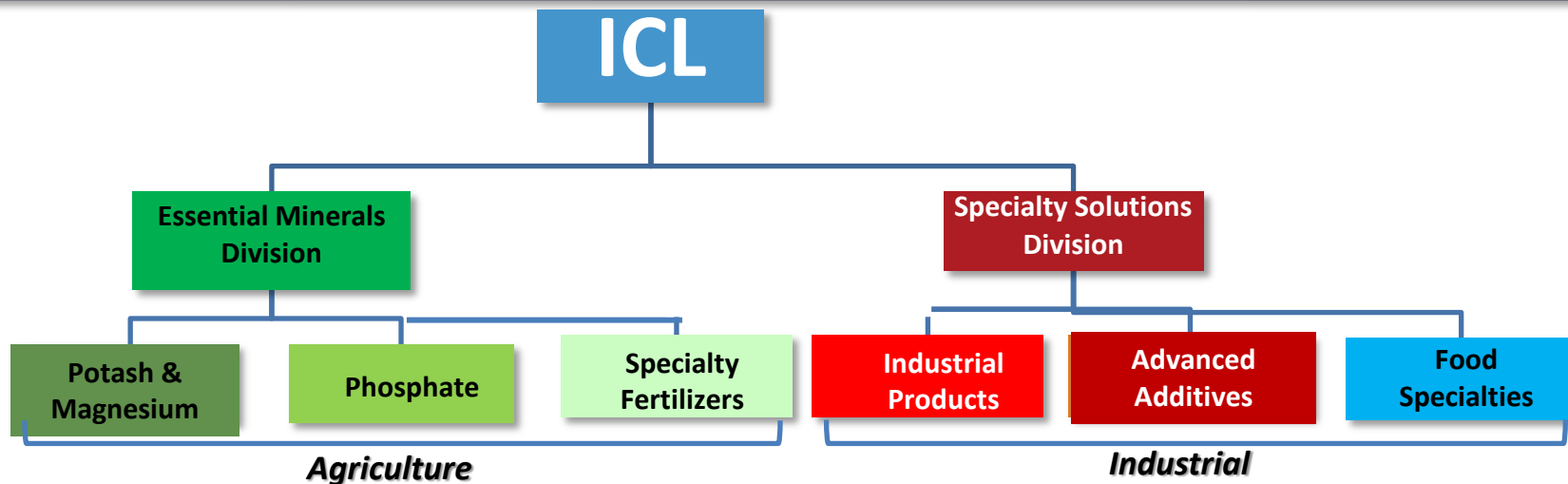
\$ Millions



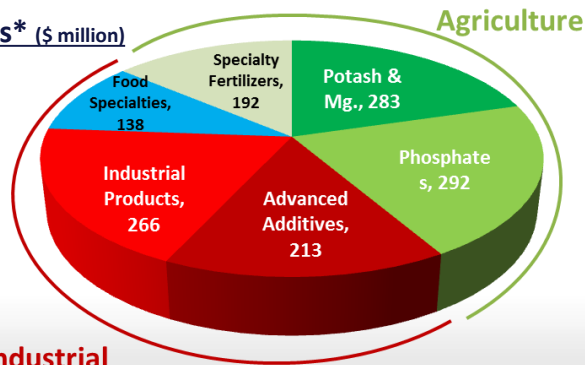
\* Free cash flow - cash flow from operations and dividend from investees net of CapEx

\*\* Working capital = trade and other receivables + inventories - trade and other payables (recalculated for prior years)

\*\*\* CapEx - additions to property plant and equipment and intangible assets not including PPA adjustments (recalculated for prior years)



Q1 2017 Sales\* (\$ million)



\* Before elimination of inter-business lines' sales

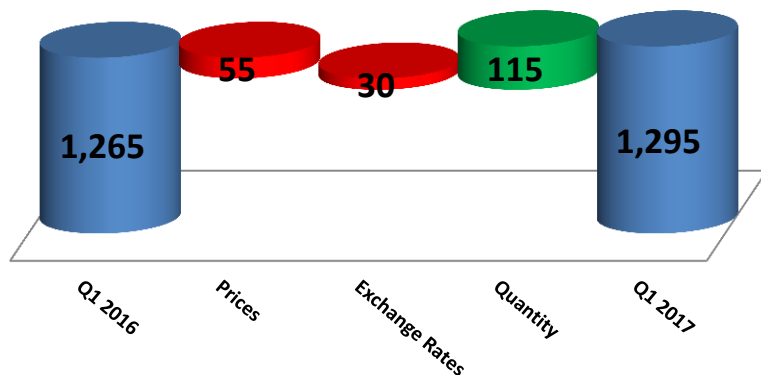
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# Financial Results

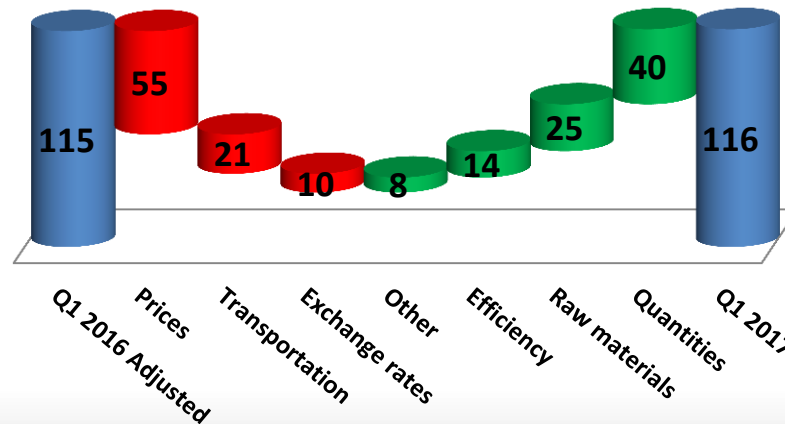
Kobi Altman  
CFO

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Adjusted operating income	116	115	1%	140	(17%)
Net income	68	66	3%	32	113%
Adjusted net income	68	85	(20%)	114	(40%)
Cash flow from operations	195	222	(12%)	257	(24%)
Capital Expenditures	112	163	(31%)	138	(20%)
Free cash flow	104	38	174%	127	(18%)

## Q1 2017 Sales (\$M)

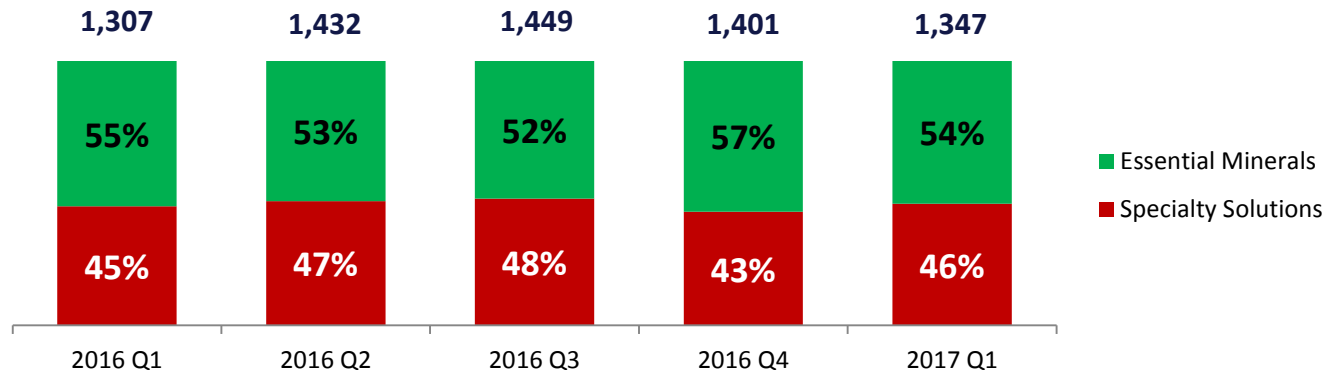


## Q1 2017 Adjusted operating income (\$M)

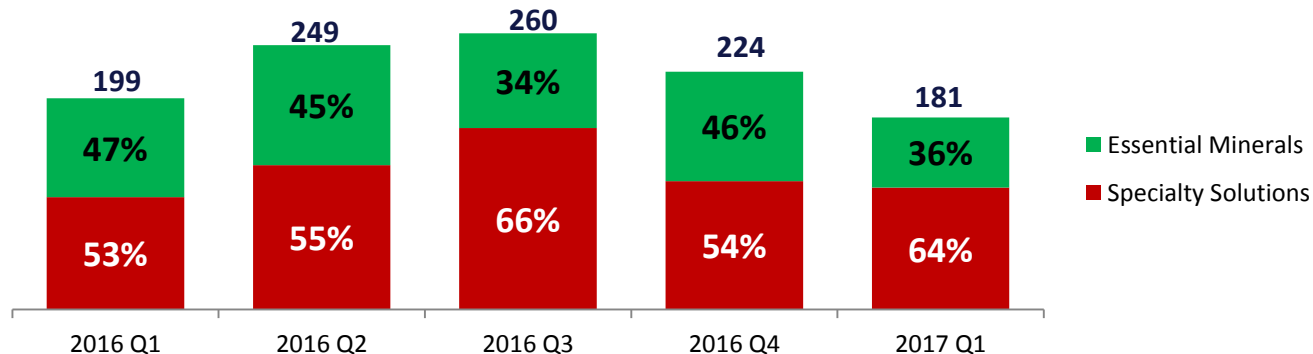


# Focus on Specialty Solutions Promoting Stability Despite Fertilizer Cycle

## Sales (\$M)\*



## Segment Operating Income (\$M)\*\*

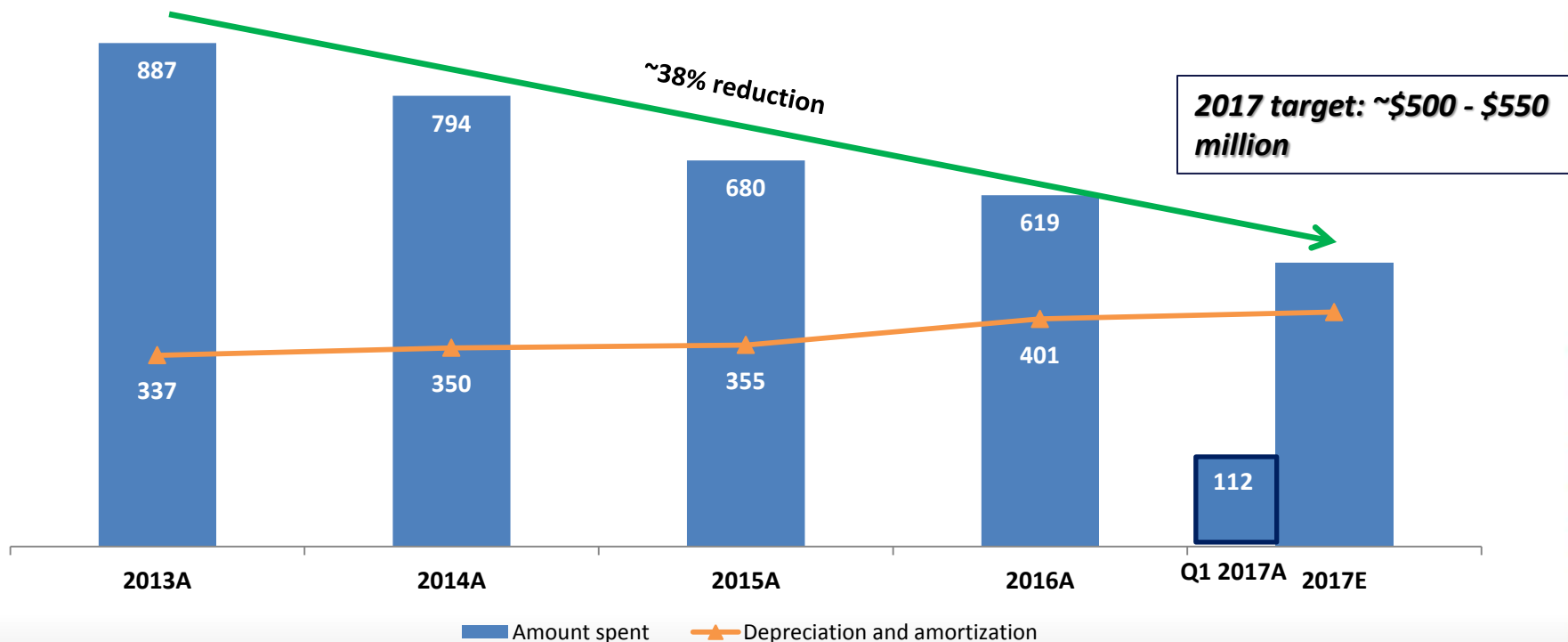


Numbers are restated for prior years as Specialty Fertilizers business line was transferred to Essential Minerals

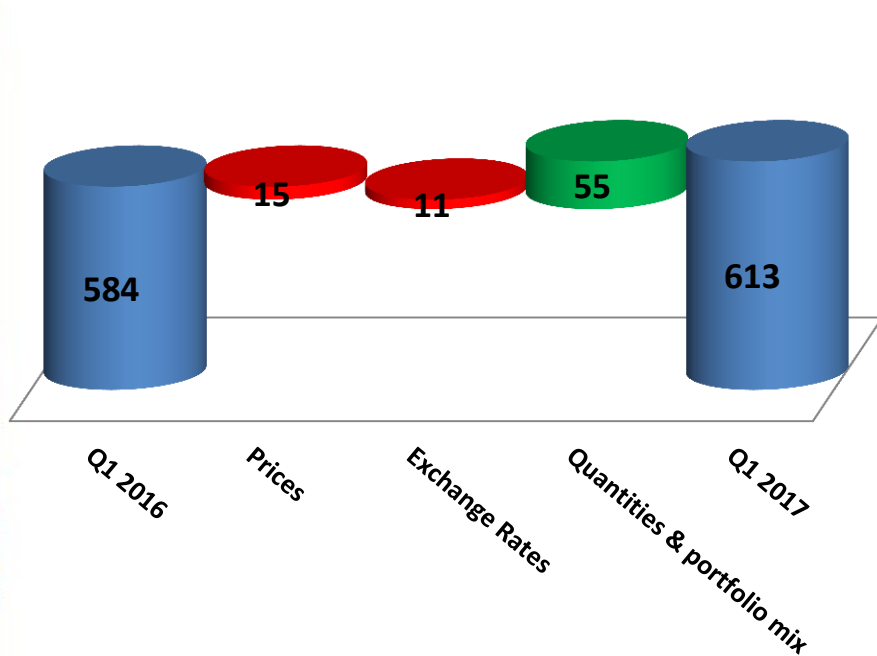
\* Before elimination of inter-business lines' sales

\*\* Excluding G&A, unallocated expenses and eliminations

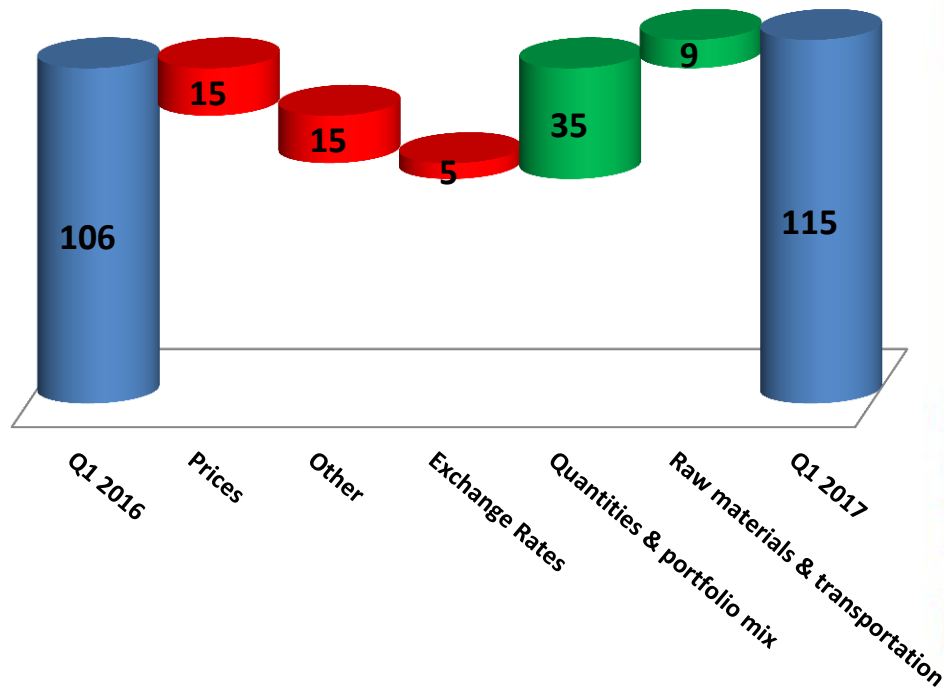
## CapEx\* (\$M)



## Sales (\$M)



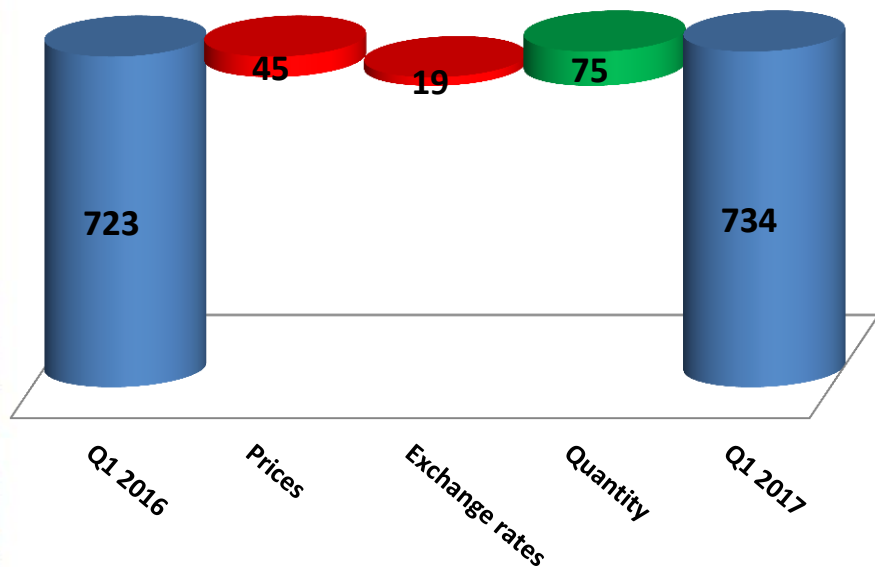
## Segment operating income (\$M)



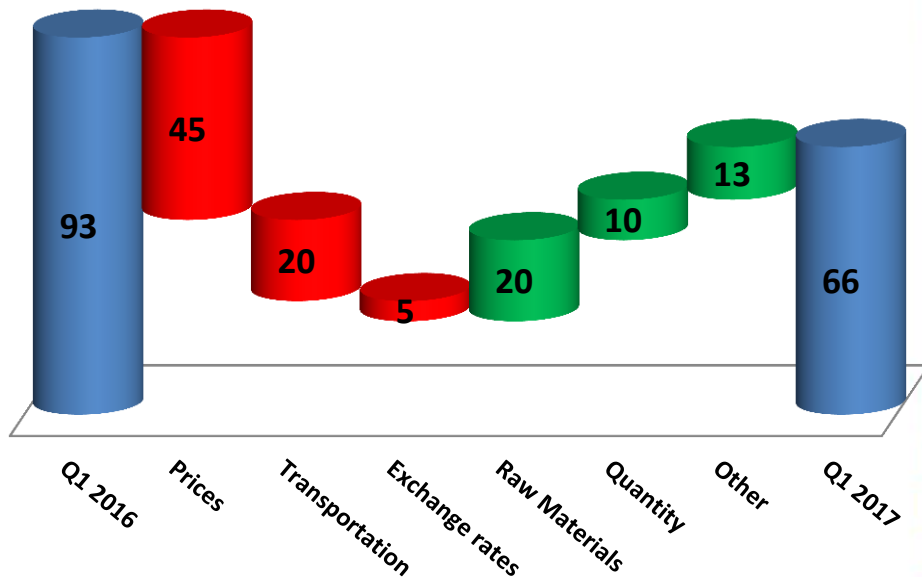
Excluding G&A and unallocated expenses

Numbers may not add due to rounding and set offs

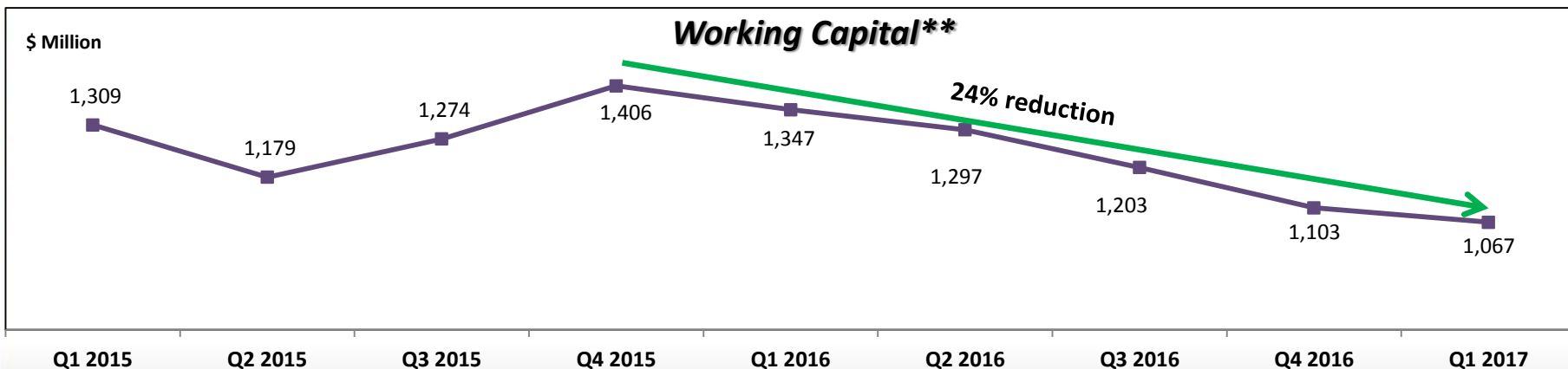
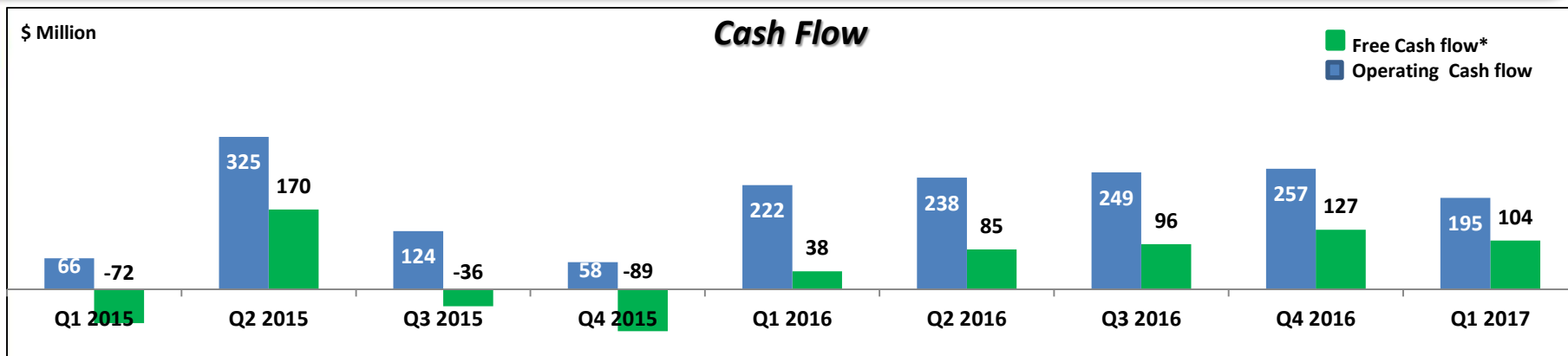
## Sales (\$M)



## Segment operating income (\$M)



Excluding G&A and unallocated expenses



\* Free cash flow - cash flow from operations and dividend from investees net of CapEx

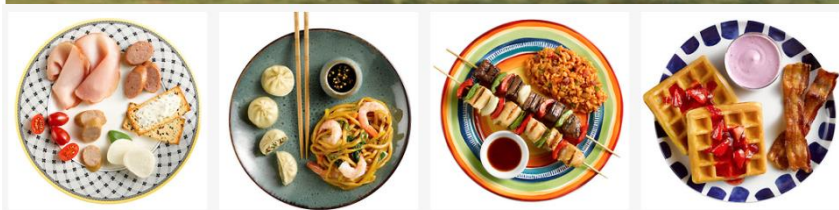
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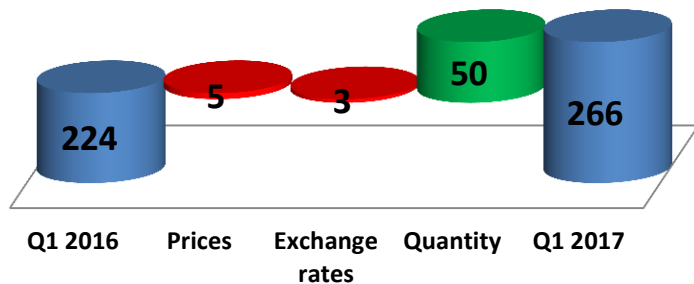
Thank You

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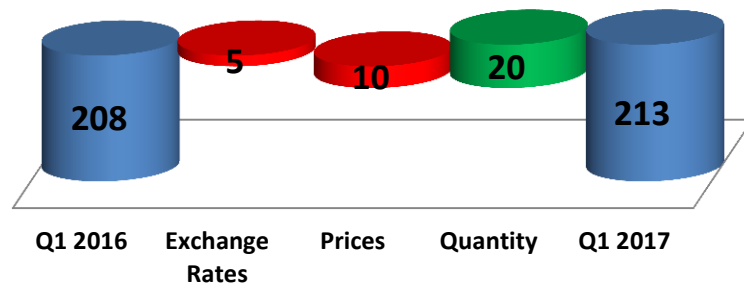
# Appendix



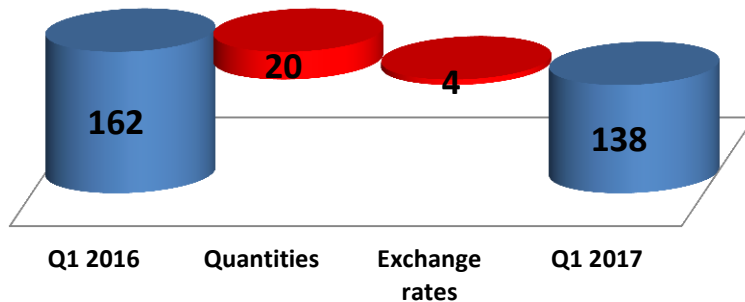
## Industrial Products



## Advanced Additives

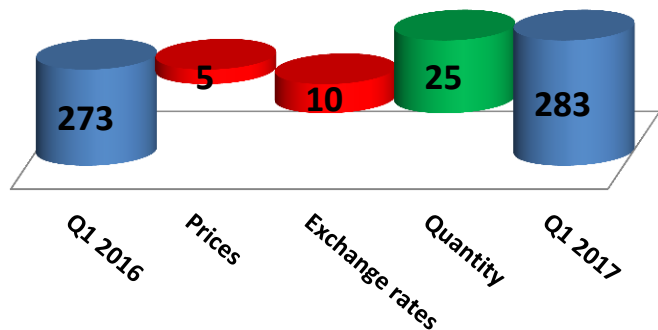


## Food Specialties

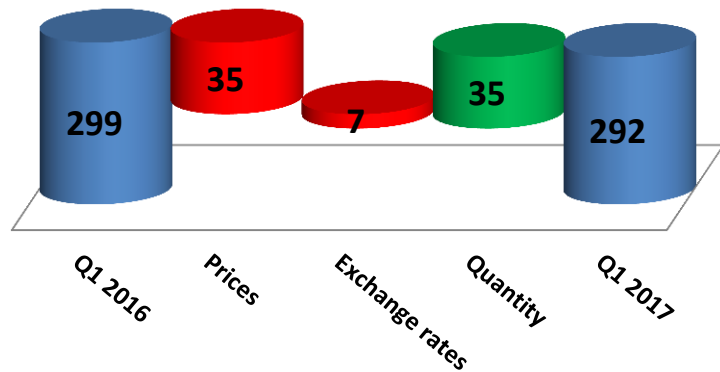




## Potash & Magnesium



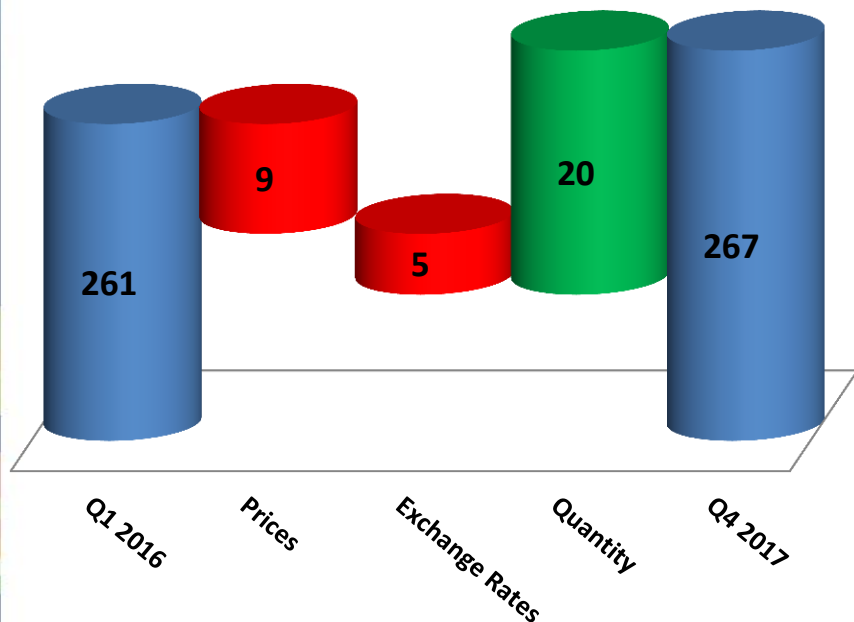
## Phosphates



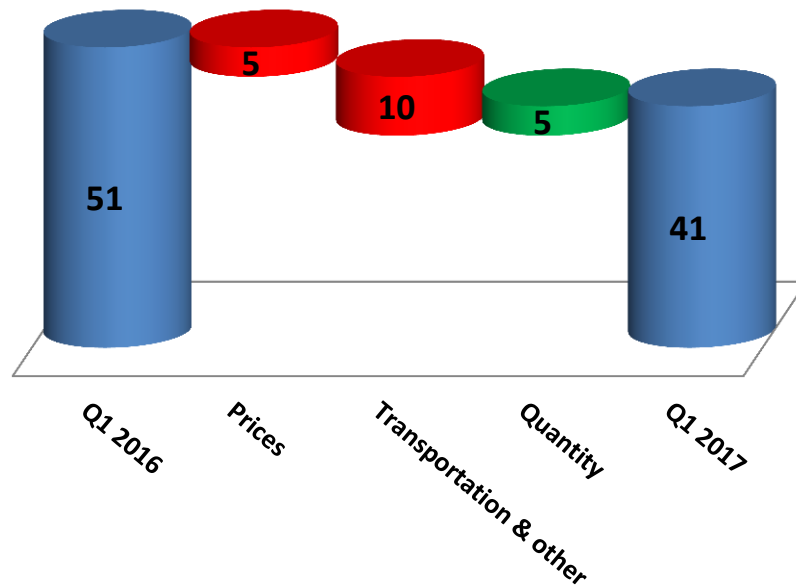
## Specialty Fertilizers



## Sales (\$M)



## Business unit operating income (\$M)



Excluding G&A and unallocated expenses

See Q1 2017 financial reports for a reconciliation of Adjusted operating income to operating income and Adjusted net income to net income.