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# KEY HIGHLIGHTS FROM ICL INVESTOR CONFERENCE

***- At TASE investor day for the Israeli market, ICL's management indicated the possibility of additional divestments of non-synergetic holdings and the formulation of its future strategy -***

***Tel Aviv, Israel, June 22, 2017* – ICL *(NYSE &TASE:ICL*)**, a leading global specialty minerals and specialty chemicals company, announced today, at an Investor Day held by the Company for the Israeli market at the Tel Aviv Stock Exchange, that it is exploring various opportunities to divest subsidiaries and\or assets that have a low synergy profile to ICL's mineral chain or portfolio for approximately $500 million or more as part of the Company's plan, among others, to create available sources of financing for further investments, inasmuch as such investments are decided upon, as well as to reduce the Company's current leverage level.

Leading the speakers at the Company's Investor Day was ICL Chairman, Johanan Locker, who revealed that its Board of Directors is currently formulating a new strategy to guide the future plans and operations of the company, as well as its leverage levels, growing the Company's Specialty Solutions division and further strengthening the competitiveness of the Company's commodity assets.

ICL's Acting CEO, Asher Grinbaum, discussed the strategic importance of ICL's Dead Sea operations as well as the Company's other competitive advantages, including its broad innovation capabilities. He also emphasized the importance of ICL's efforts to diversify its operations and achieve a proper balance between its commodities and specialties businesses, especially in light of current conditions in the commodities markets.

Among other management addressing the conference were Kobi Altman, ICL's CFO, who reviewed the Company's successful efficiency gains through operational excellence initiatives and cost-reduction efforts, resulting in a reduction in cost per tonne, as well as its strict Capex management and its strong free cash flow generation – necessary in order to remain competitive in a challenging business environment.

The investor presentation follows this announcement and can be also viewed on the Company's website at www.icl-group.com.

##

## About ICL

ICL is a global manufacturer of products based on specialty minerals that fulfill humanity's essential needs primarily in three markets: agriculture, food and engineered materials. ICL shares are dual listed on the New York Stock Exchange and the Tel Aviv Stock Exchange (NYSE and TASE: ICL). The company employs approximately 13,000 people worldwide, and its sales in 2016 totaled US$5.4 billion. For more information, visit the company's website at www.icl-group.com.

*תרגום נוחות – הנוסח המחייב הוא נוסח הדיווח באנגלית*

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# עיקרי הדברים מתוך כנס המשקיעים של כיל

**- בכנס משקיעים שערכה החברה לשוק ההון הישראלי ושהתקיים בבורסה לניירות ערך בת"א, עדכנה הנהלת כיל על אפשרות למימוש נכסים נוספים בעלי סינרגיה נמוכה ועל פיתוח האסטרטגיה העתידית של החברה**

**תל אביב, 22 ביוני 2017 – כיל** (***NYSE & TASE: ICL***), יצרנית עולמית מובילה של מינרלים וכימיקלים מיוחדים, הודיעה היום במהלך כנס משקיעים שקיימה בבורסה לניירות ערך בתל אביב, כי היא בוחנת הזדמנויות שונות למימוש חברות-בת ו/או נכסים שהנם בעלי סינרגיה נמוכה עם שרשרת המינרלים והפורטפוליו של החברה בסכום של כ-500 מיליון דולר או יותר. זאת, כחלק מתכנית החברה ליצור, בין השאר, מקורות זמינים למימון עבור השקעות נוספות, בכפוף להחלטות בנושא, וכן לצמצם את רמת המינוף הנוכחית של החברה.

יו"ר כיל, יוחנן לוקר, שהוביל את החברה בכנס המשקיעים, עדכן כי דירקטוריון החברה מנסח בימים אלו אסטרטגיה חדשה אשר תנחה את פעילותה ותכניותיה העתידיות של החברה, כמו גם את רמת המינוף שלה, תוך חיזוק חטיבת הפתרונות המיוחדים וכושר התחרותיות של נכסי הקומודיטי של החברה.

מ"מ מנכ"ל כיל, אשר גרינבאום, דן בחשיבותה האסטרטגית של פעילות החברה בים המלח עבור כיל, וכן ביתרונותיה היחסיים של החברה, ובכלל זה יכולותיה הייחודיות בתחום החדשנות. הוא גם הדגיש את חשיבות מאמציה של כיל לגוון את פעילותה ולהשיג איזון בין עסקי הקומודיטי ועסקי המוצרים המיוחדים, במיוחד לאור התנאים הנוכחיים בשווקי הקומודיטי.

בין מנהלי החברה הנוספים אשר נשאו דברים בכנס היה גם ה-CFO של החברה, קובי אלטמן, אשר סקר את תהליכי ההתייעלות המוצלחים של החברה באמצעות יוזמות מצוינות תפעולי ומאמצים לצמצם עלויות, אשר הובילו להורדת העלות לטון ולניהול מבוקר של ההוצאות ההוניות ויצירת תזרים מזומנים משמעותי – צעדים חיוניים על מנת להשאר תחרותיים בסביבה עסקית מאתגרת.

המצגות שהוצגו בכנס המשקיעים מצורפות לדיווח זה להלן וזמינות לעיון באתר החברה www.icl-group.com.

**אודות כיל**

כיל היא יצרנית גלובלית של מוצרים מבוססי מינרלים ייחודיים שמספקת את צרכיה החיוניים של האנושות בעיקר בשוקי המזון, החקלאות, והחומרים המורכבים. כיל הינה חברה ציבורית הנסחרת בבורסה בתל-אביב ובניו יורק (TASE AND NYSE:ICL). החברה מעסיקה כיום כ-13,000 עובדים ברחבי העולם. מכירותיה בשנת 2016 הסתכמו בכ- 5.4 מיליארד דולר. למידע נוסף בקרו באתר האינטרנט של החברה בכתובת WWW.ICL-GROUP.COM.

Where needs take us

# *ICL Israeli Investor Day*

*Tel Aviv*
*June 22nd, 2017*

# Safe Harbor

This Presentation (references to which and to any information contained herein shall be deemed to include information which has been or may be supplied in writing or orally in connection herewith or in connection with any further enquiries) is provided for the sole purpose of providing general information to assist the recipient in deciding whether it wishes to proceed with a further investigation for investing in Israel Chemicals Ltd. and/or its affiliates (hereinafter jointly referred to as the "**Company**" or "**ICL**"). This Presentation shall not form the basis of, or be relied upon in connection with, any contract or commitment whatsoever, and it does not purport to be comprehensive or to contain all the information that the recipient may need in order to evaluate the Company and/or its assets.

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These forward-looking statements and projections are not guarantees of future performance and are subject to a number of assumptions, risks, projections and uncertainties, many of which are beyond the Company's control, which could cause actual results, performance or achievements to differ materially from those described in or implied by such statements or projections. Because such statements deal with future events and are based on ICL's current expectations, they could be impacted or be subject to various risks and uncertainties, including those discussed in the "Risk Factors" section and elsewhere in our Annual Report on Form 20-F for the year ended December 31, 2016, and in subsequent filings with the Tel Aviv Securities Exchange (TASE) and/or the U.S. Securities and Exchange Commission (SEC). Although the Company believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, it can provide no assurance that expectations will be achieved. Except as otherwise required by law, ICL disclaims any intention or obligation to update or revise any forward-looking statements, which speak only as of the date hereof, whether as a result of new information, future events or circumstances or otherwise. Readers, listeners and viewers are cautioned to consider these risks and uncertainties and to not place undue reliance on such information.

Certain market and/or industry data used in this Presentation were obtained from internal estimates and studies, where appropriate, as well as from market research and publicly available information. Such information may include data obtained from sources believed to be reliable, however ICL disclaims the accuracy and completeness of such information which is not guaranteed. Internal estimates and studies, which we believe to be reliable, have not been independently verified. We cannot assure that such data is accurate or complete.

Included in this presentation are certain non-GAAP financial measures, such as Adjusted Operating income and Adjusted Net income, 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 Annual Report on Form 20-F for the year ended December 31, 2016 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 In Numbers

## 2016 SALES
**$5,363m**

## 2016 FREE CASH FLOW
**$346m**

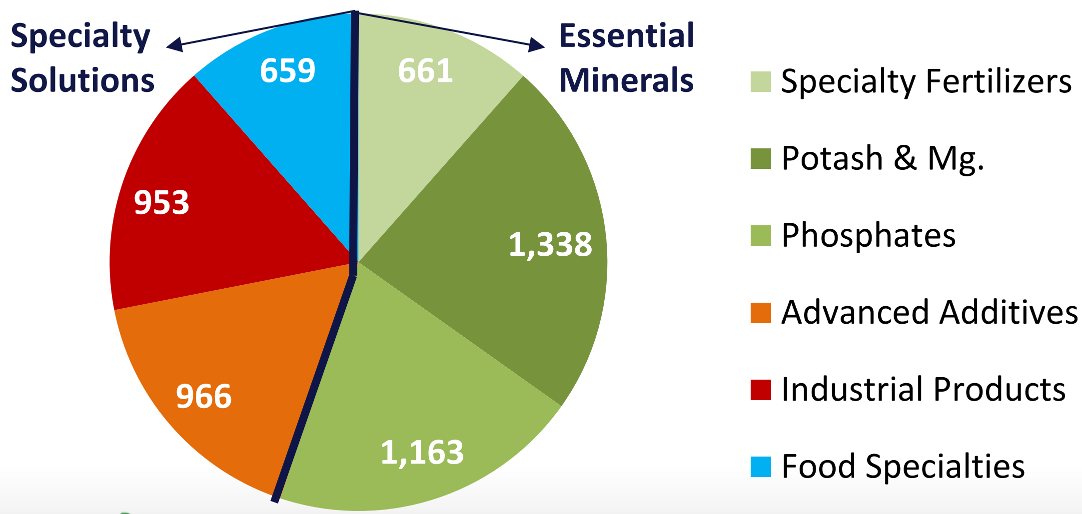
## EMPLOYEES – DEC 2016
**13,414**

## MARKET CAP (June 20)
**$5.7bn**

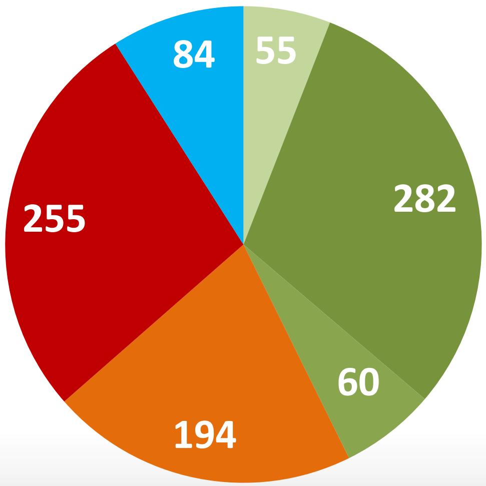
## 2016 ADJUSTED OPERATING INCOME
**$582m**

## 2016 DIVIDEND YIELD
**4.27%**

## 2016 SALES BY BUSINESS LINE (US$ M)




## 2016 OPERATING INCOME BY BUSINESS LINE (US$ M)



# *Strategic Directions*

*Mr. Asher Grinbaum*
*Acting CEO*

# ICL Movie

# August 1973

# Who Is ICL?

# Risk Diversification and Balance

# Stable & Diversified Assets

**Essential Minerals**

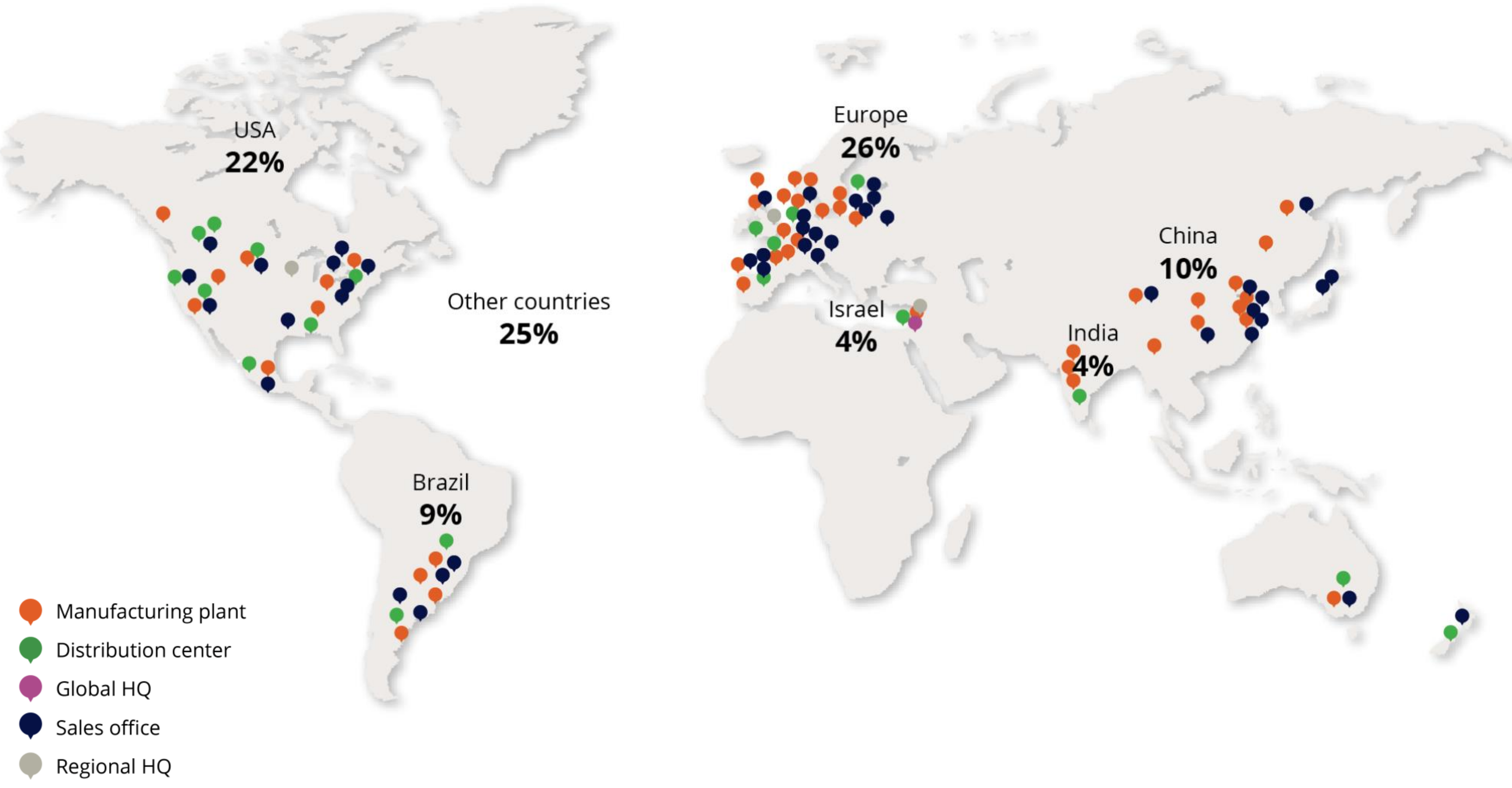
**Specialty Solutions**

# Commodities

ICL

# The Dead Sea

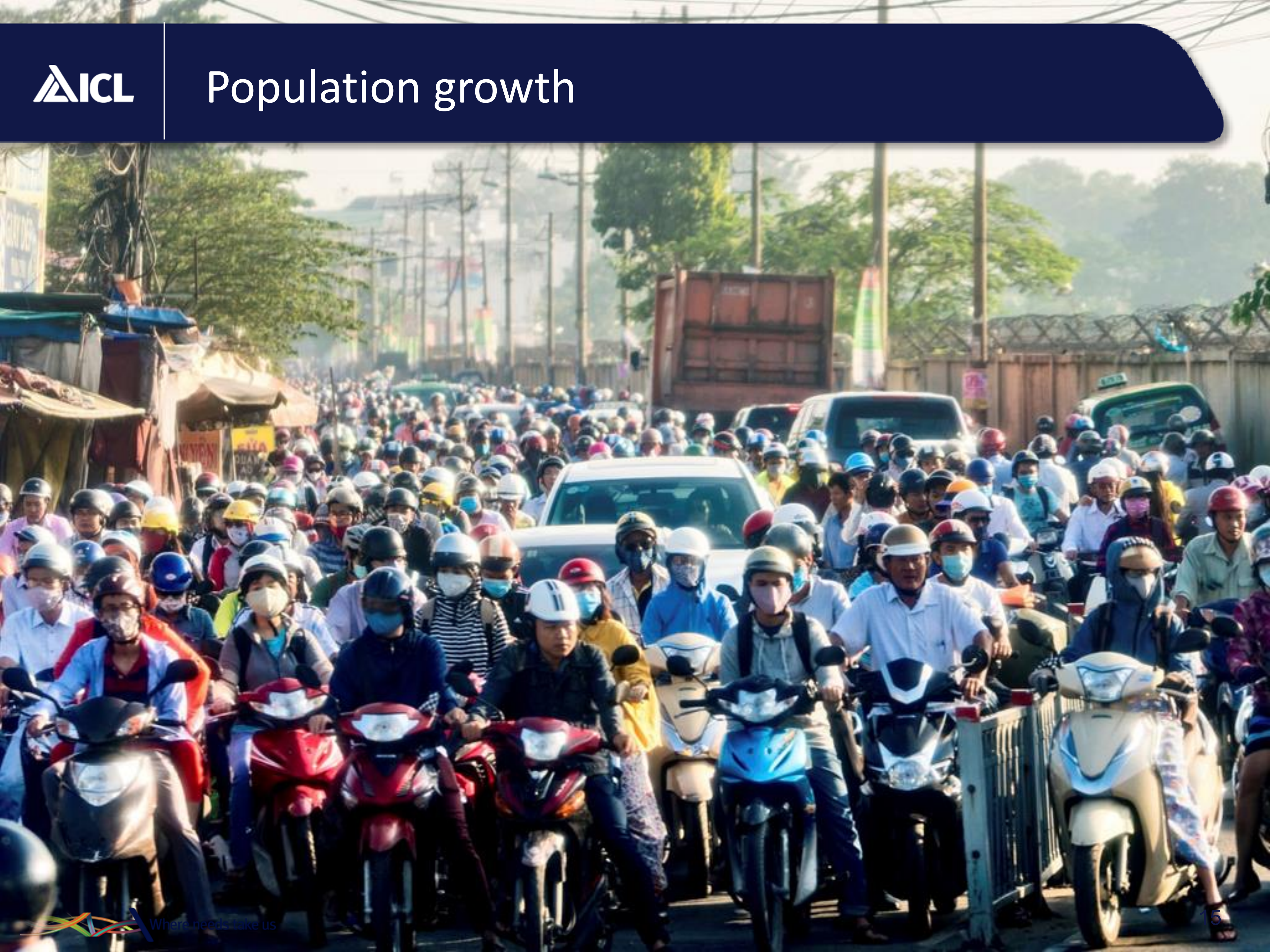
# Global Distribution



# Much More Than A Potash Company

# Innovation

# Population growth



# Profitability increase

# ICL's Top Management: Over 140 Years of Experience

**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

**Rani Loebenstein**,
SVP, Global CR
3 years in ICL

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

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

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

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

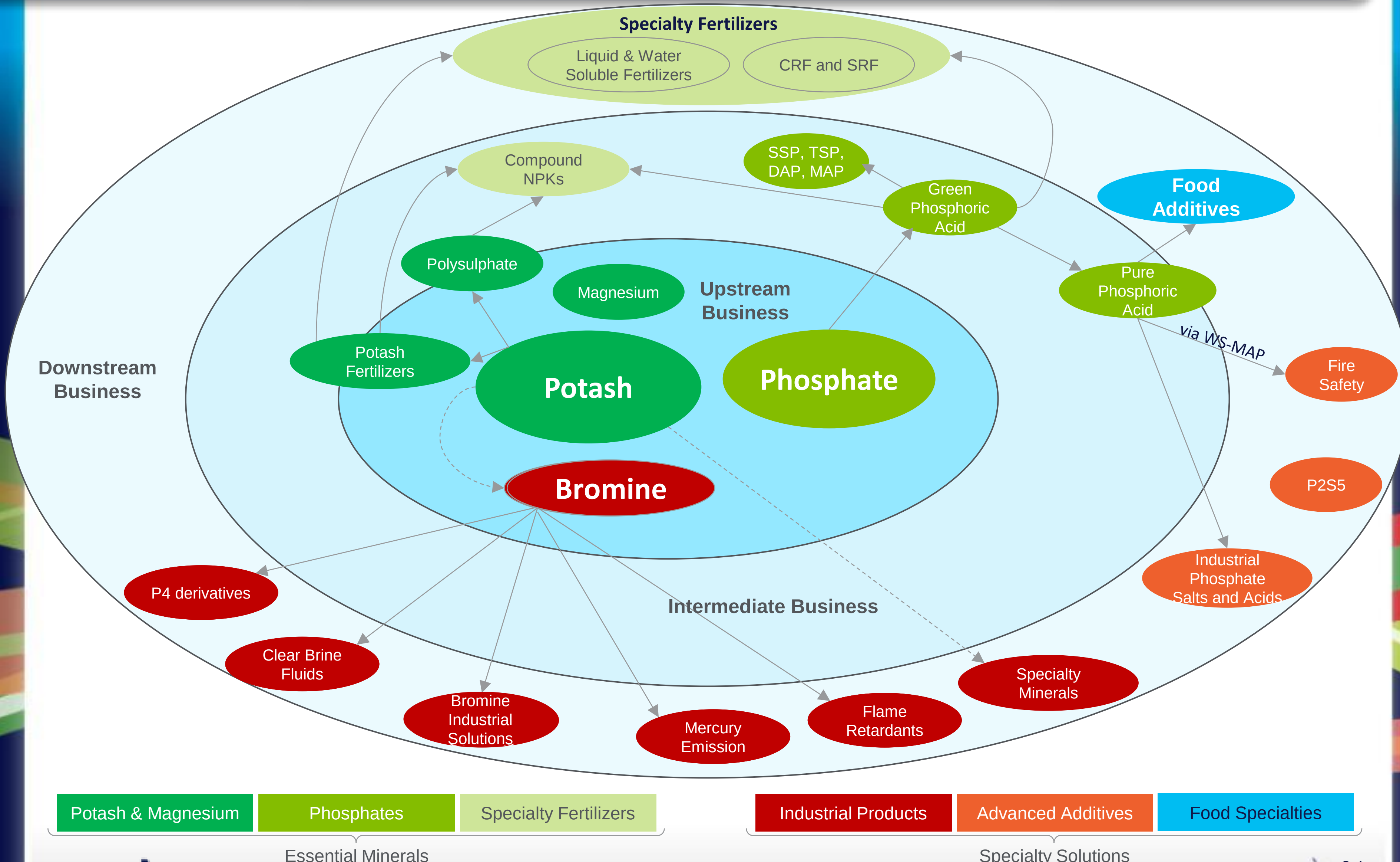
# Our home base – The Negev

# Our home base – The Community

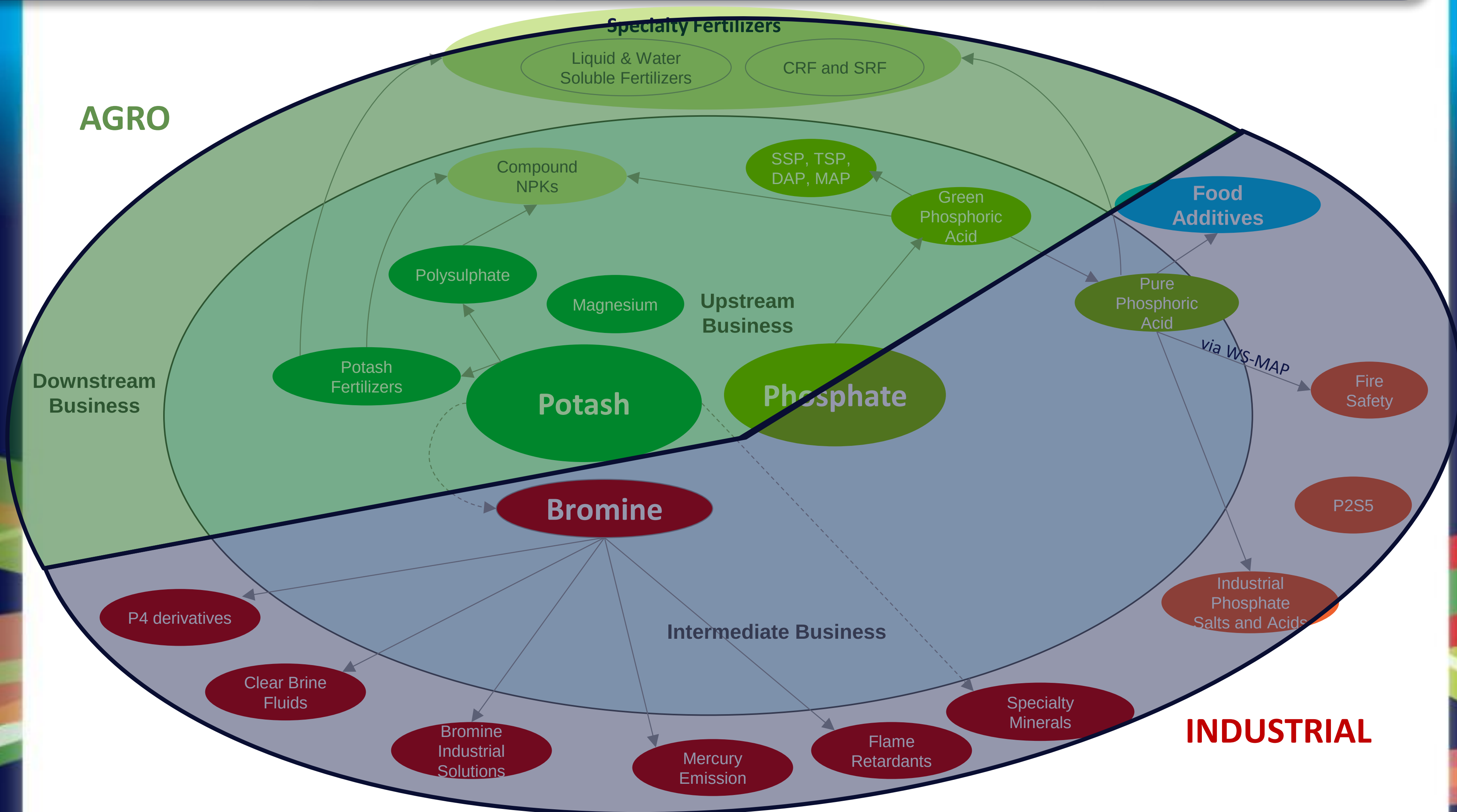
# *Financial Overview*

*Kobi Altman*
*CFO*

# ICL's Minerals Value Chains



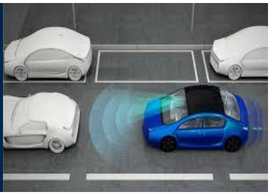
# ICL's Market Focus




Potash & Magnesium | Phosphates | Specialty Fertilizers — Essential Minerals

Industrial Products | Advanced Additives | Food Specialties — Specialty Solutions

# ICL Portfolio is Addressing Mega Trends

| | |
|---|---|
| Need for intensive food production |  |
| Changes in Food consumption behavior |  |
| High-Tech Growth |  |
| Ensuring access to affordable, sustainable and modern energy |  |
| Regulations to protect the environment |  |

## ICL Portfolio

- Potash
- Phosphate
- Specialty Fertilizers
- Food Ingredients
- Organic whey
- Bromine Flame Retardants
- Phosphorus Flame Retardants
- Electrolytes for Bromine Flow battery
- Merquel
- Biocides

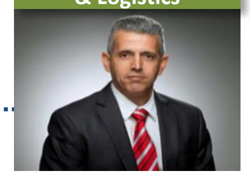
# Organizational Structure

## ICL

### Essential Minerals Division

Ofer Lifshitz

Sales, Marketing & Logistics



Alon Gil

#### Potash & Magnesium

Noam Goldstein

#### Phosphate

Yakov Kahlon

#### Specialty Fertilizers

Eli Amon

### Specialty Solutions Division

Eli Glazer

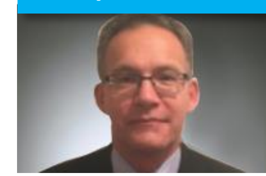
#### Industrial Products

Anat Tal

#### Advanced Additives

James Moffatt

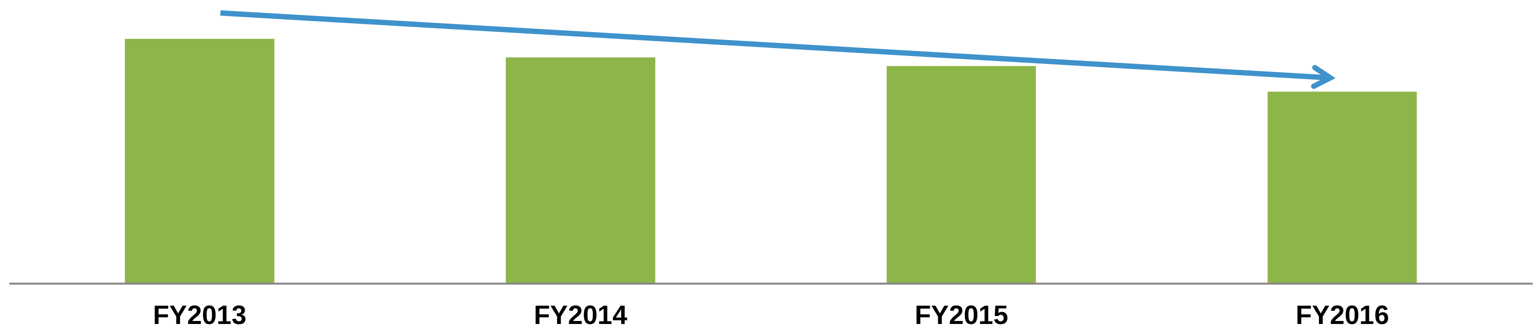
#### Food Specialties



Rene Krebs

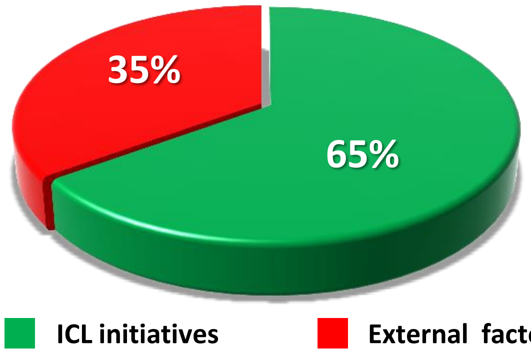
# Cost Reduction

## Cost per tonne reduction

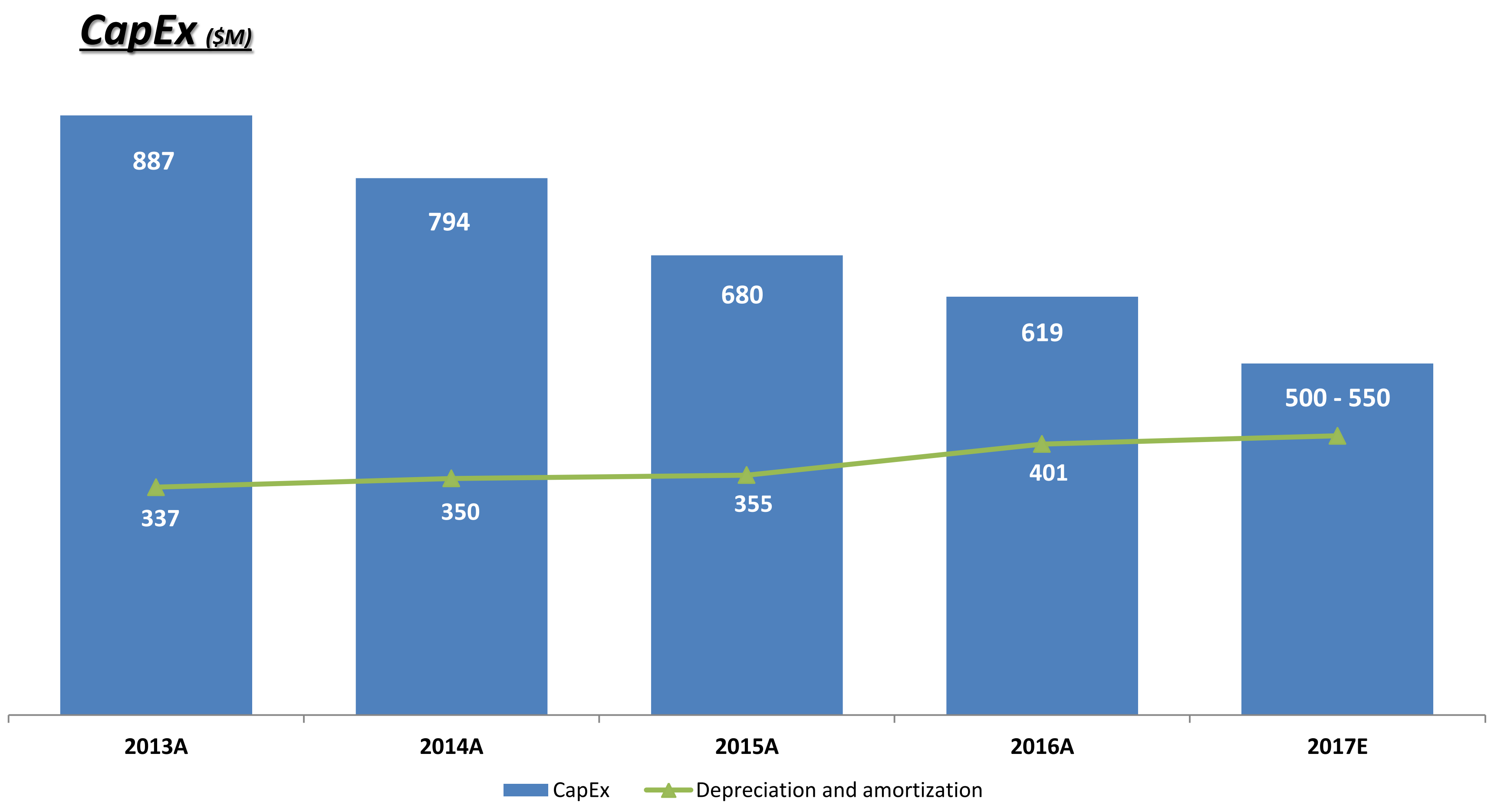



## Efficiency gains contribution breakdown

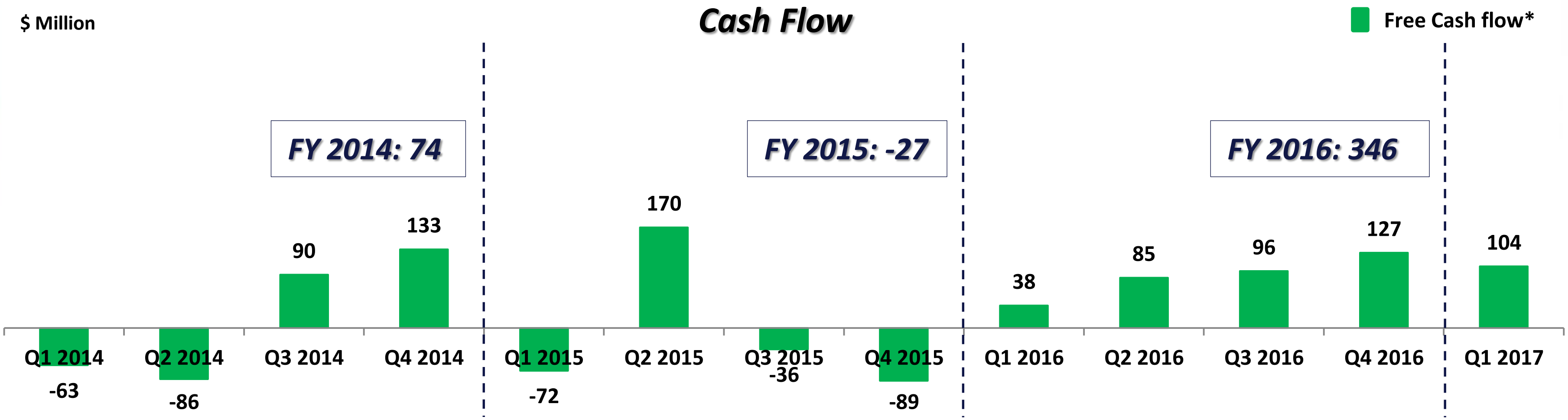

## 2016 vs. 2015 cost/tonne reduction breakdown

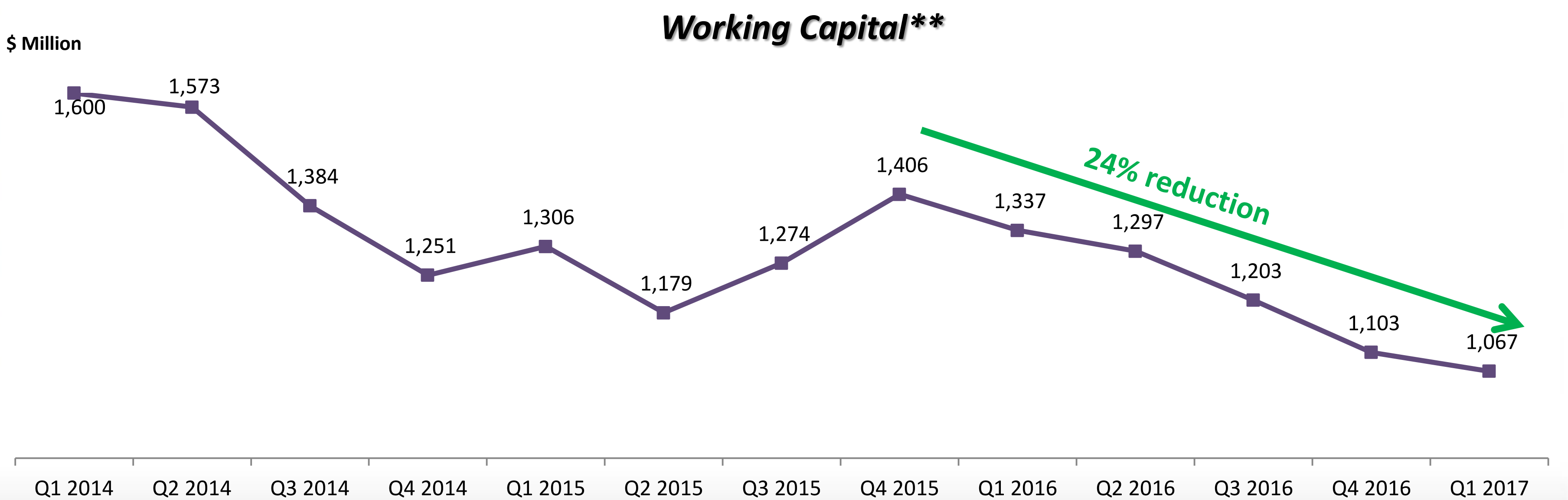


# Strict CapEx Management while still Investing in Future Growth



# Improving Working Capital Management and Cash Flow Generation



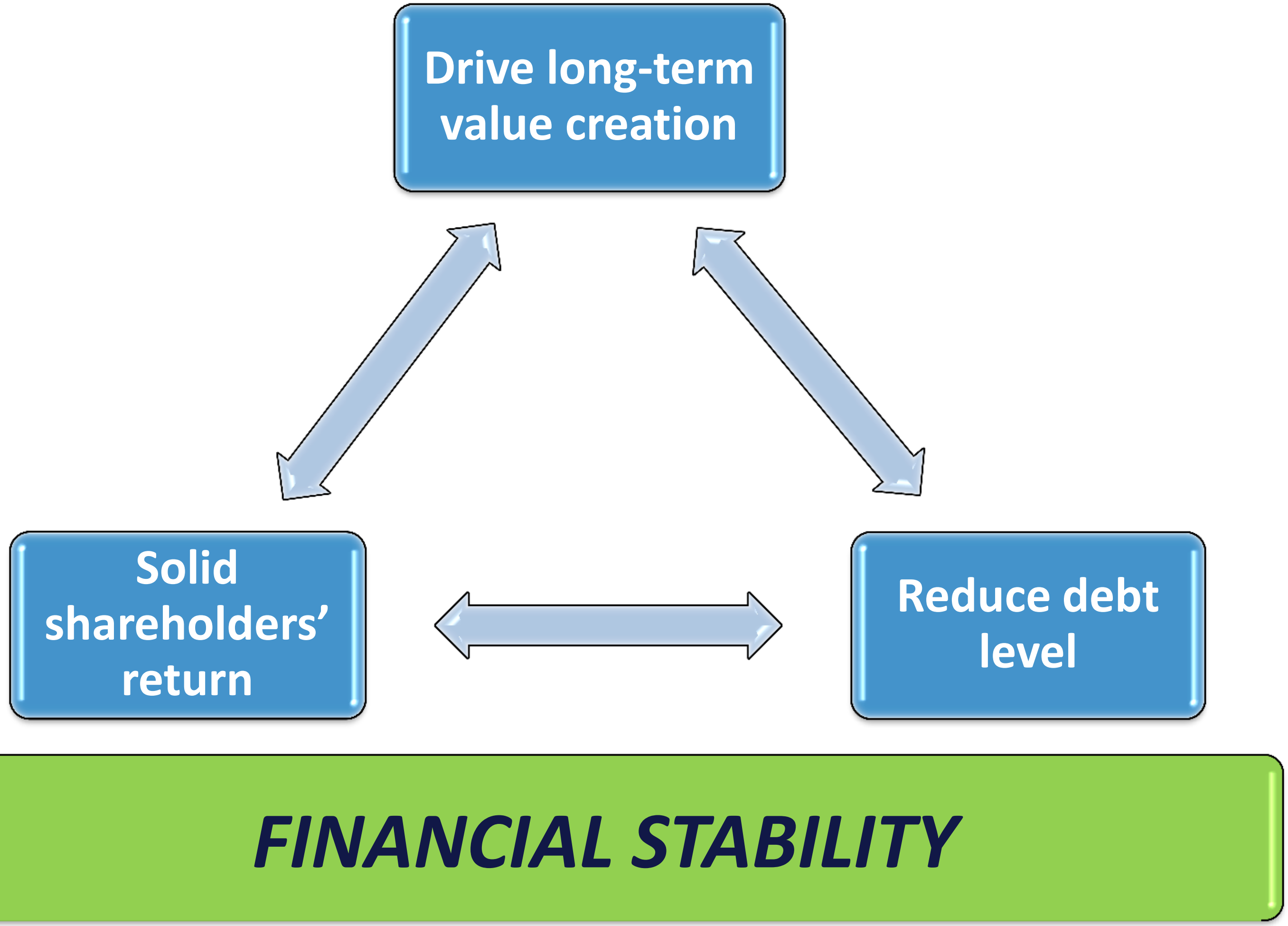




Where needs take us

* 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)

# Capital Allocation Approach



# Key Takeaways

***Commodity business environment continues to be challenging***

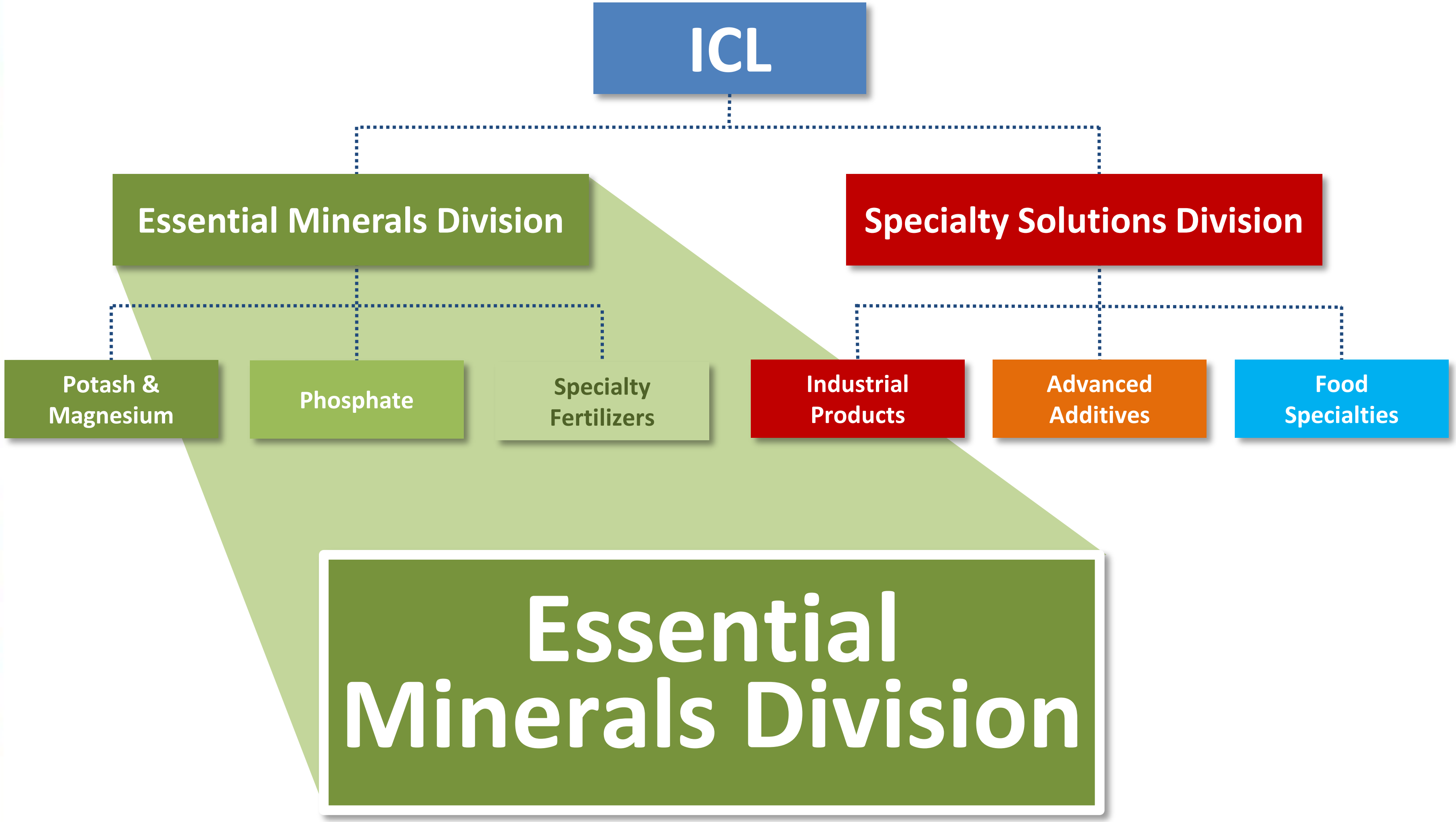
***ICL's underlying performance is solid and improving***

***ICL's balanced structure strategy is bearing fruits***

# *Essential Minerals Division*

*Ofer Lifshitz*
*President ICL Essential Minerals*

# Organizational Structure



# ICL Essential Minerals Profile

**2016 Sales***

**$ 3,200 M**

**2016 Adjusted Operating Income****

**$ 400 M**

**Employees Worldwide**

**~ 8,000**

**Global Presence**


**Safety**

First Priority

**Environment**

Full compliance

**2016 Sales Volume**

| | |
|---|---|
| Potash | 5,160 K ton |
| Fertilizers | 2,660 K ton |
| Polysulphate | 200 K ton |

**2016 Production**

| | |
|---|---|
| Potash | 5,300 K ton |
| Phos. Rock | 5,750 K Ton |
| Fertilizers | 2,730 K Ton |

* Before setoffs and eliminations
** Before G&A expenses
All numbers are rounded

# ICL Essential Minerals - Organizational Structure

**President, ICL Essential Minerals Division**

**Ofer Lifshitz**

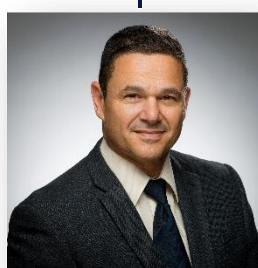
**21 years in ICL**

- Business Development
- HR
- Finance

**Potash & Magnesium**

**Noam Goldstein**

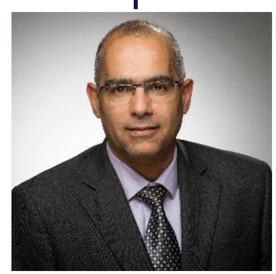
**31 years in ICL**



**Phosphate**

**Yakov Kahlon**

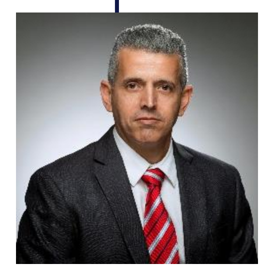
**22 years in ICL**



**Specialty Fertilizers**

**Eli Amon**

**26 years in ICL**

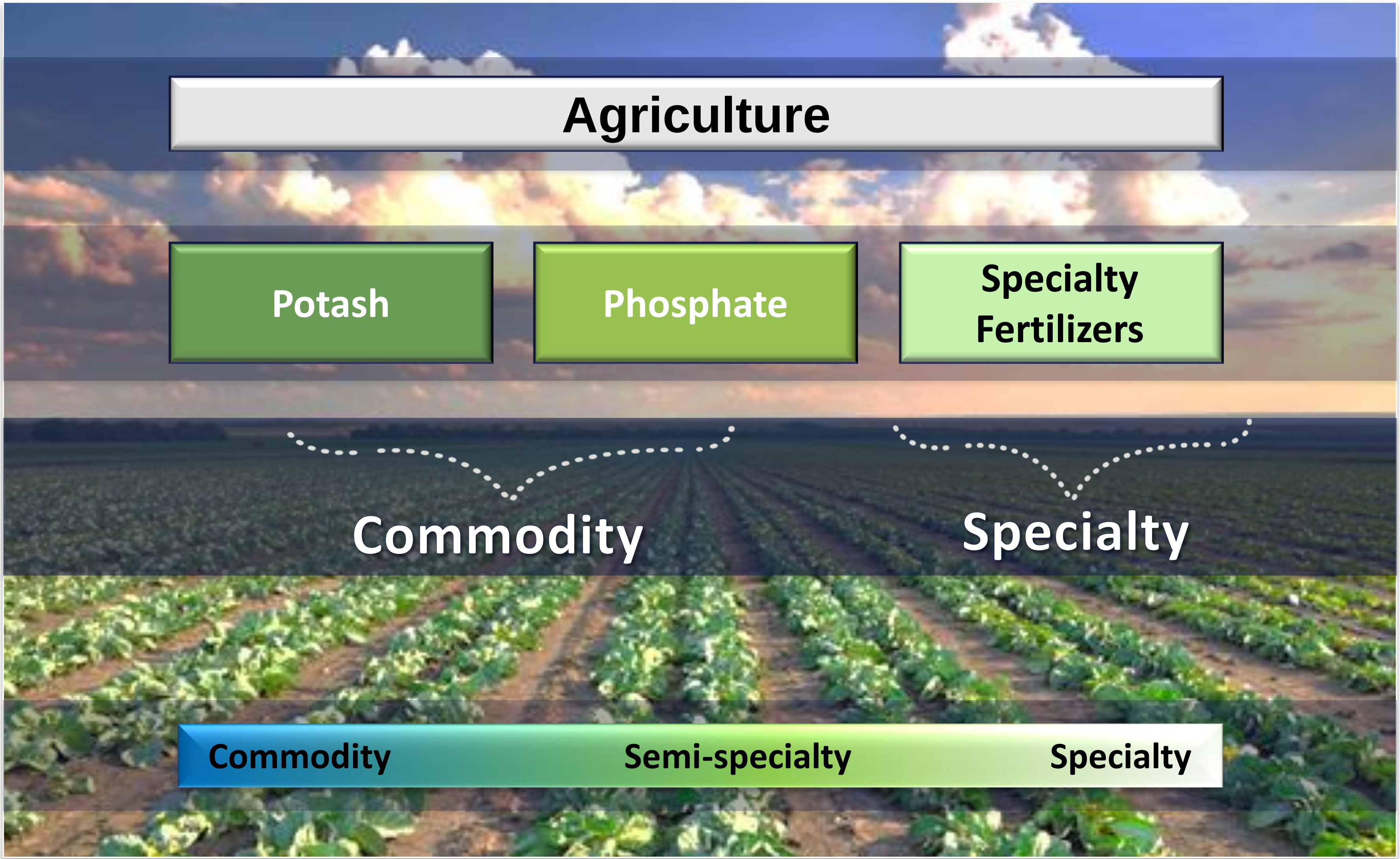


**Sales, Marketing & Logistics**

**Alon Gil**

**23 years in ICL**

# ICL Essential Minerals Division



# More people want more…

**Demand for fertilizers is closely linked to the demand for food and fuel crops**

**Growing population**

**Dietary shifts**

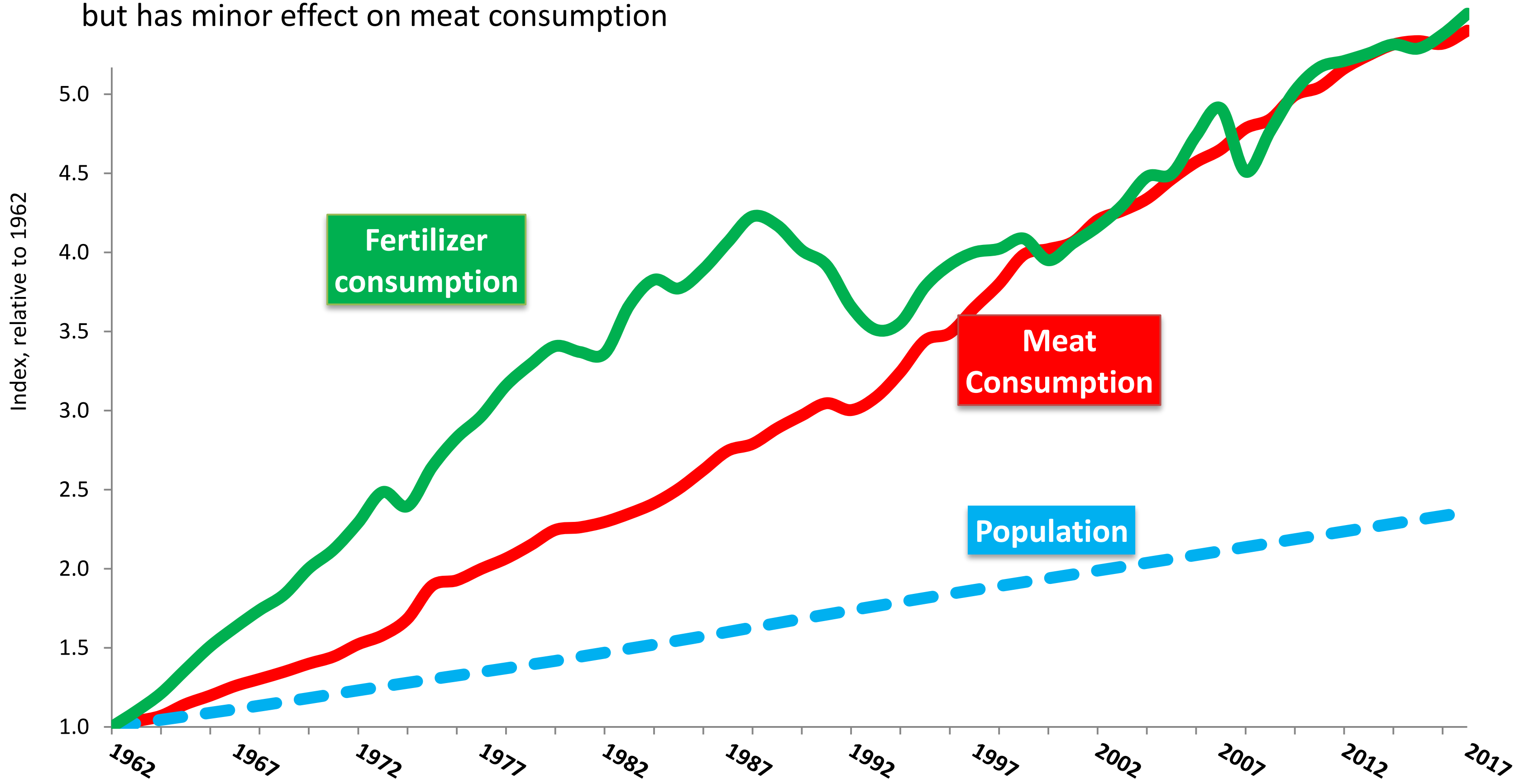
**More grains**
**Increased yields**
**More fertilizers**

**Arable land per capita**

**Biofuels**

# Population, Meat and Fertilizers [Base 1962]

- Fertilizer demand increases faster than population growth
- Correlates better to improved dietary consumption
- Economic crisis affects fertilizer consumption short term, but has minor effect on meat consumption

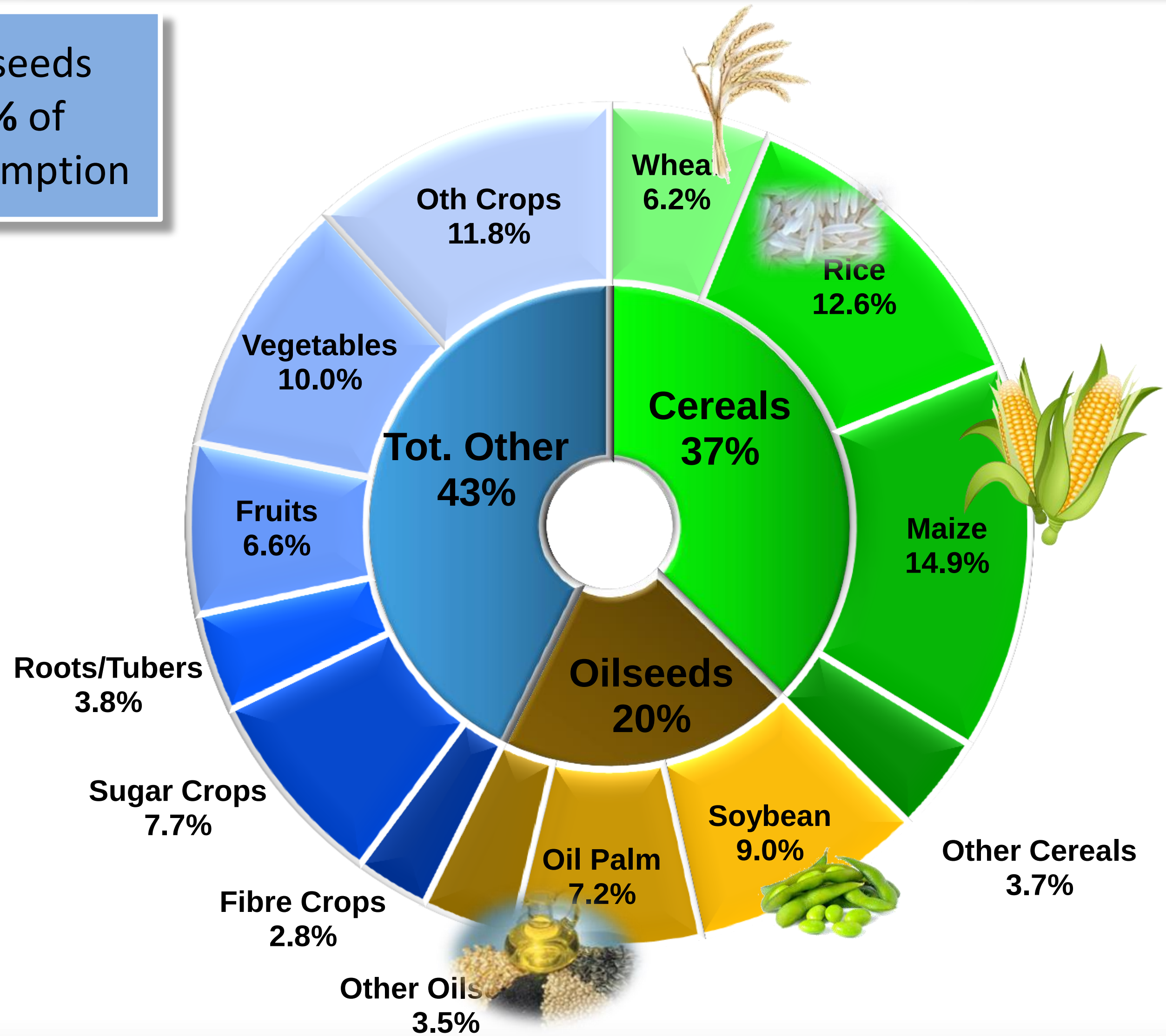





Source: IFA, USDA, USA Census

# Total Fertilizer Use by Crop at Global Level

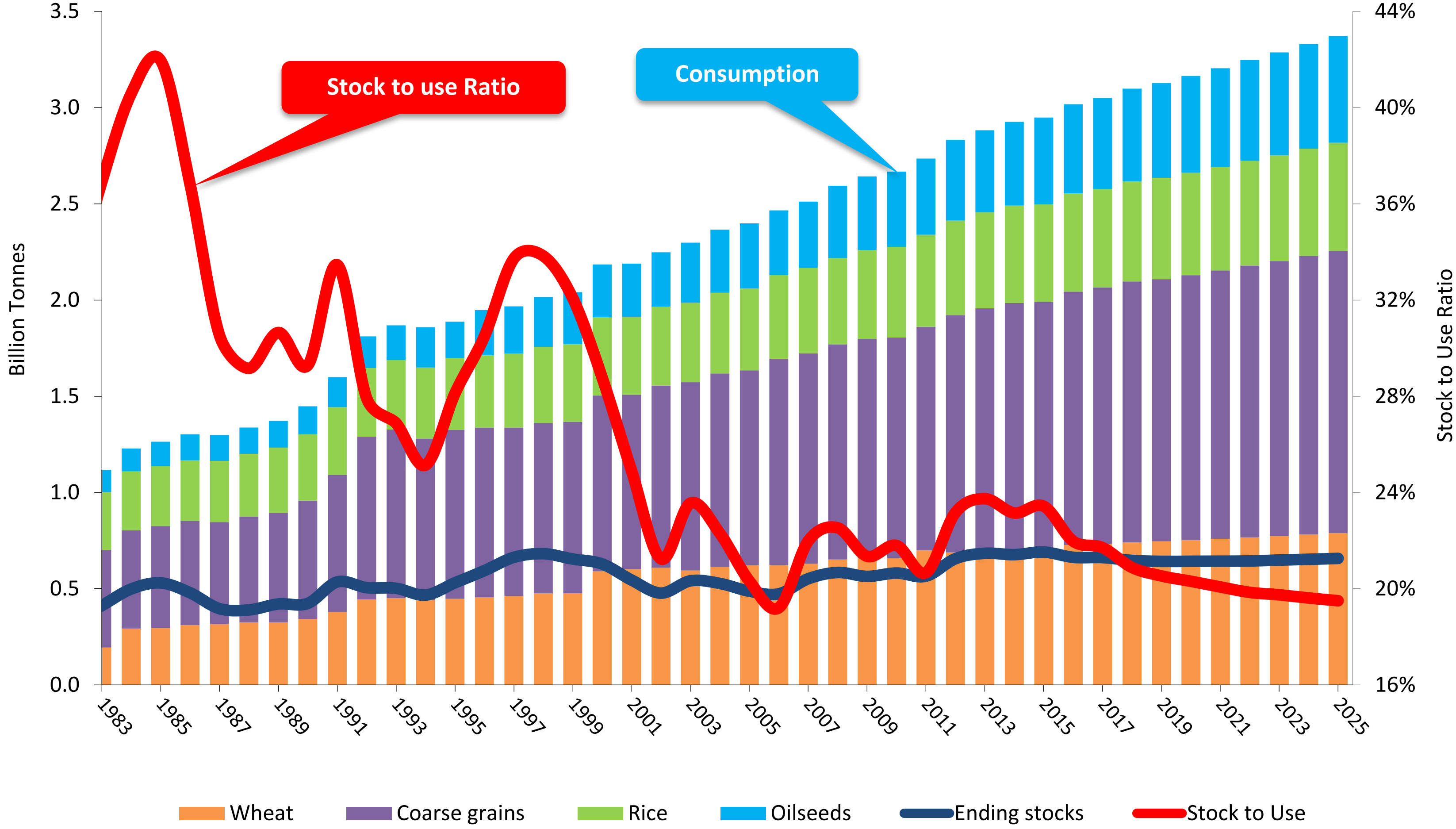
Cereals and Oilseeds Account for **62%** of Fertilizer Consumption





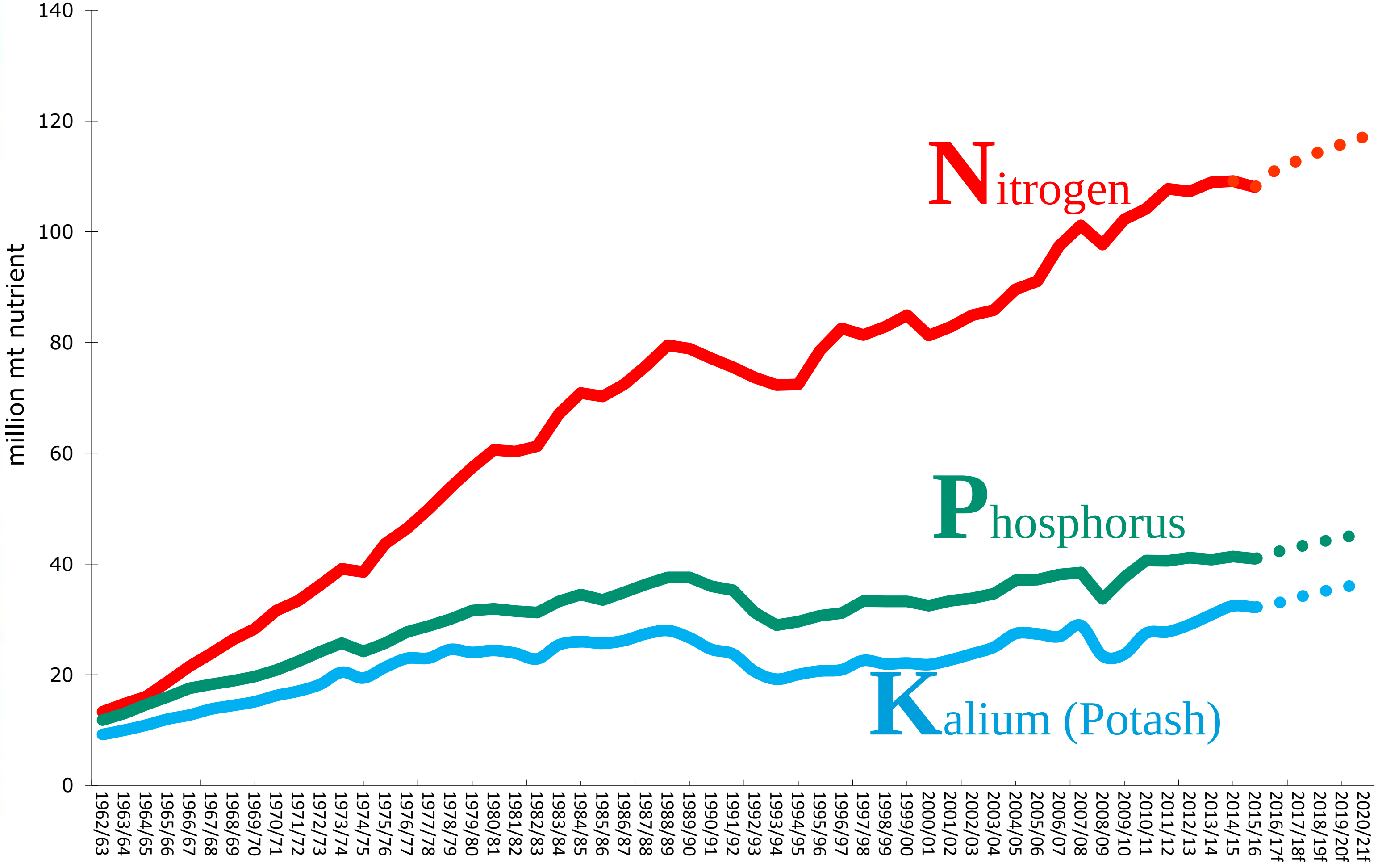

Source: IFA- Assessment of Fertilizer Use by Crop at the Global Level

# World Main Crops Long Term Forecast Consumption, Stock and Stock to Use Ratio




Source: OECD-FAO Agricultural Outlook 2016-2025 (Jul 2016)

# Global Fertilizer Consumption




ICL Global market share

–

4%

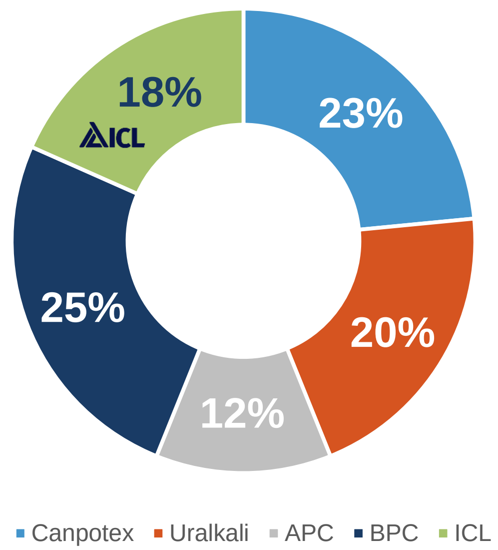
9%

IFA – Medium Term Outlook for World Agriculture and Fertilizer Demand (June 2016)

# Potash Market Share

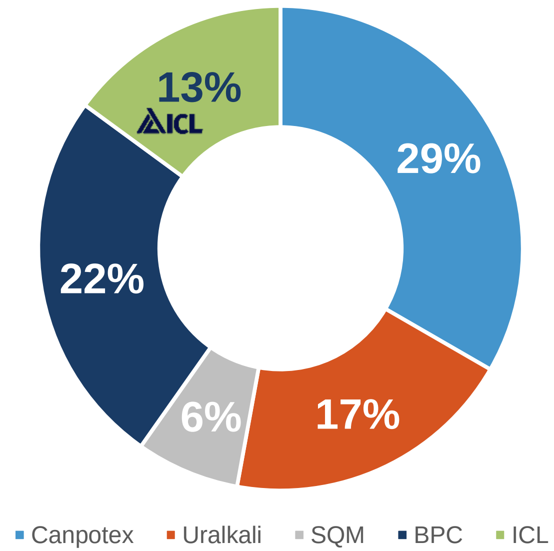
## India

**3.8 Mt**



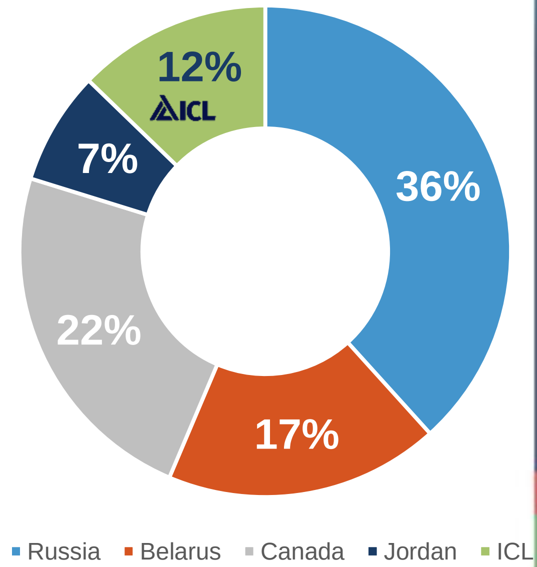

## Brazil

**8.8 Mt**




## China

**6.8 Mt**

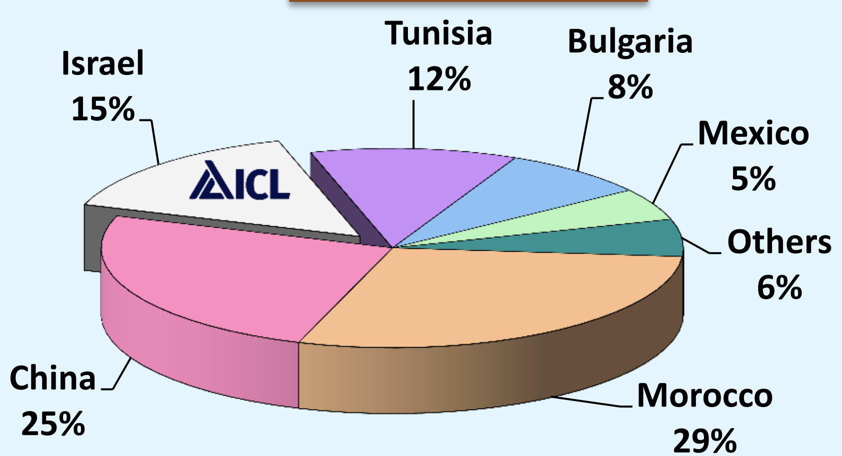



**Total Import 2016**

# TSP Trade 2016

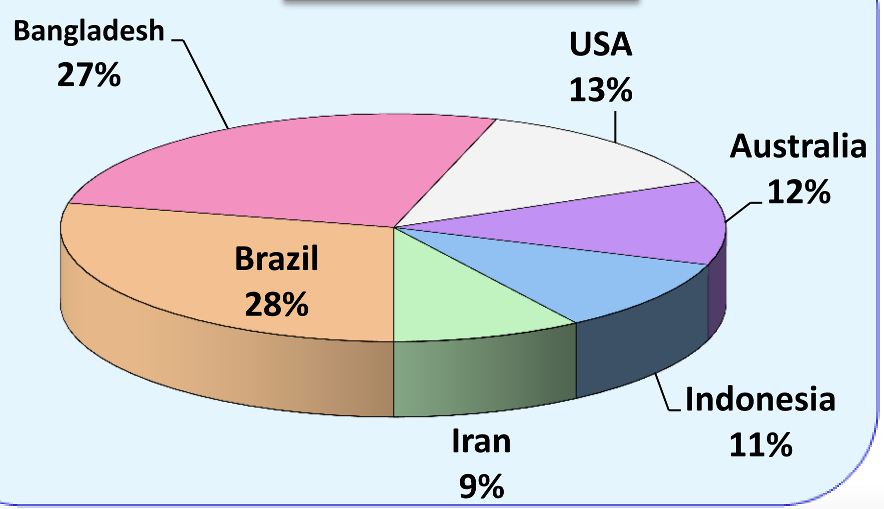
Source: CRU Phosphate Rock Outlook (Apr. 2017)

**Major Exporters**

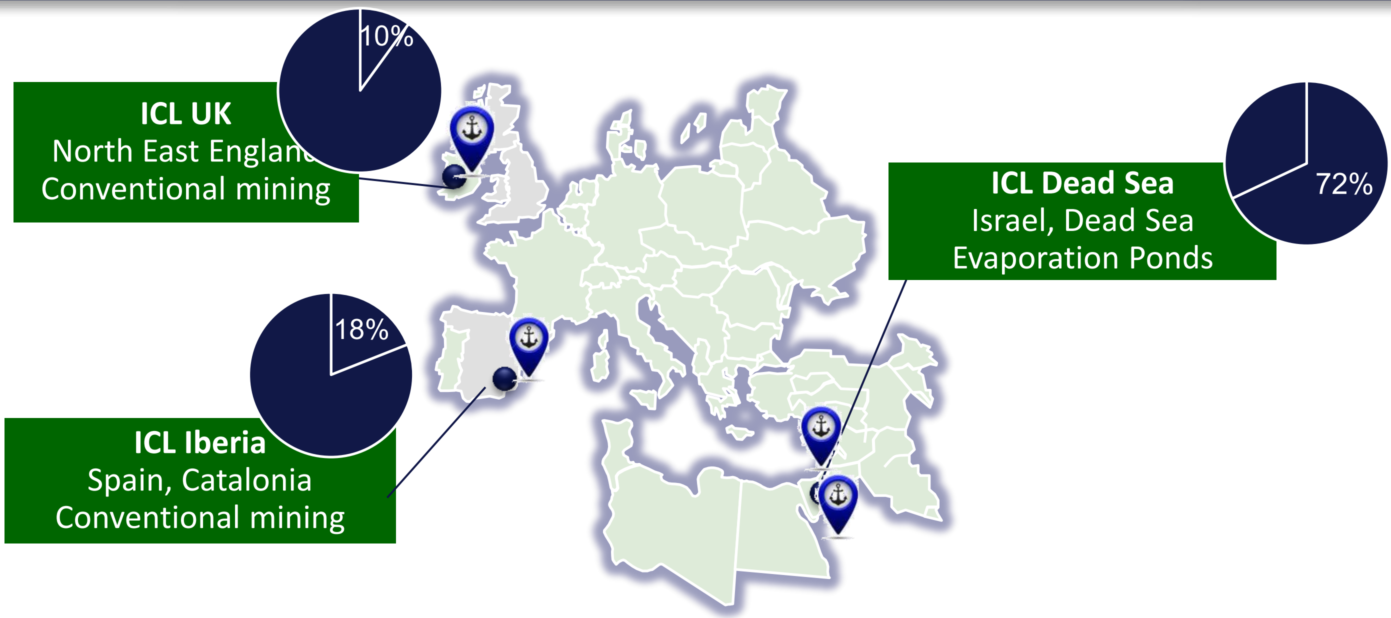



**Total Global Trade = ~1.4 Mt $P_2O_5$**

**Major Importers**



# Potash - Operational advantages




- **Vast raw material source** (Israel, Spain)
- **Unlimited open-air stockpiling capacity** (Israel)
- **Low production cost** (Israel)
- **Synergy with other plants in Sdom site.**

---

- **Logistic advantages**
  - Geographic locations
  - Access to deep water ports
- **Synergy within the Business unit.**

% **2016 Production (~5,300 K Tons)**

# Phosphate - Operational advantages

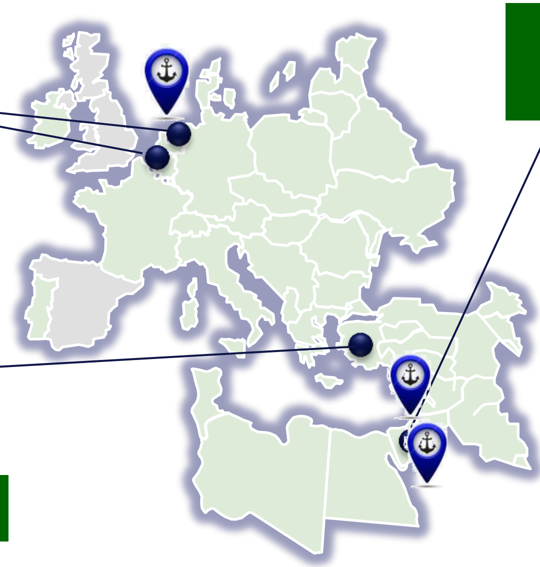
## The operational advantages of Phosphate, starting with the **$P_2O_5$ value chain**

**Phosphate** → **Green Phosphoric Acid** → **Pure Phosphoric Acid** →

**Green Phosphoric Acid** ↓ **SSP, TSP** →

- Food additives
- Controlled & slow release fertilizers
- Liquid & water soluble fertilizers
- Industrial phosphate Salts and acids
- P2S5, fire safety

# Phosphate - Operational advantages




- **Logistic advantages.**
  - Geographic locations
  - Hub center in Europe (Amfert)
- **Synergy within the production sites.**
- **Production optimization between the sites.**
- **Captive use for ICL internal products.**

# Improving our competitiveness

**Operational Excellence**

**Efficiency program in all sites**

**Tight cost control**

**Utilize synergies within ICL**

# Operational Excellence

## Leading to Organizational Culture of Continuous Improvement

- World class operational standards
- Workforce Empowerment
- Innovation – Industry 4.0
- Best practice sustainability

# Operational Excellence

## Hundreds of single initiatives

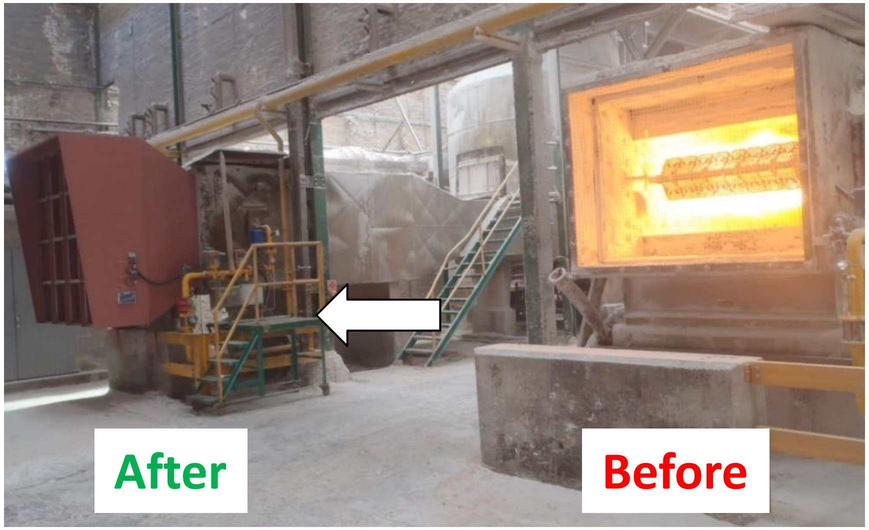
## i.e. – Energy Saving

**Energy Saving 2016**

**~ $ 15 M**

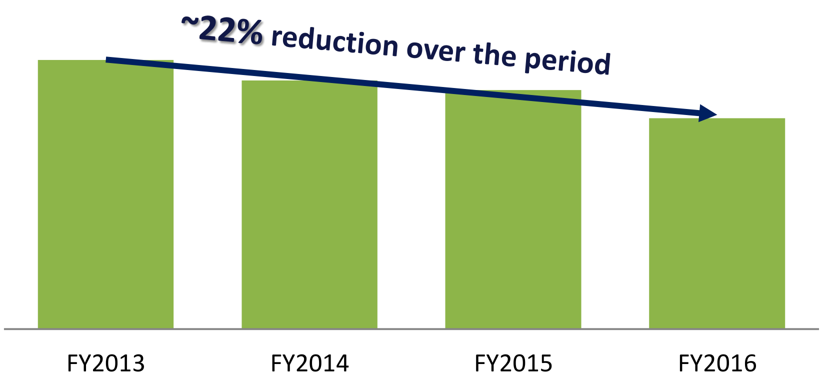
**Accumulated Energy Savings since 2012**

**~ $ 81 M**

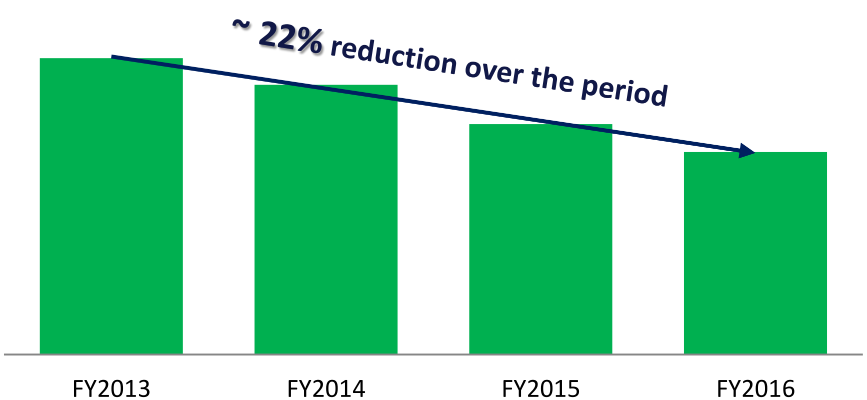


# Improved Competitiveness

## Potash average realized full cost per tonne



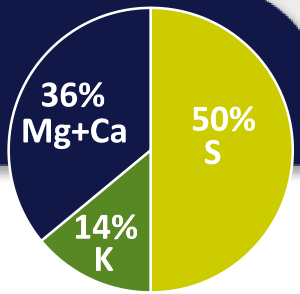

## Green phosphoric Acid Cost $/tonne FOB




***2017 Efficiency and Value Creation Target***

***~$100 million***
***For ICL***

# Polysulphate™: The Future of ICL UK




**Readily available** - new natural fertilizer in the market

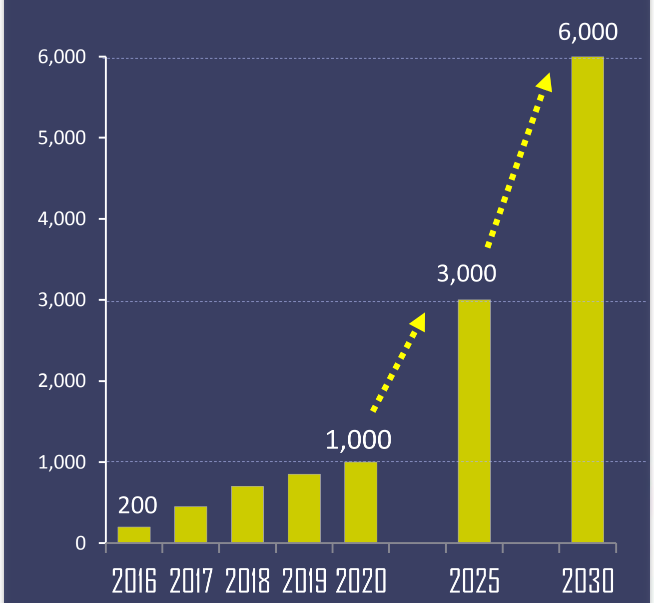
1 billion ton reserves

Business advantages

Environmentally friendly

Developing continuous products and applications

**Polysulphate Sales plan, K Tonnes**



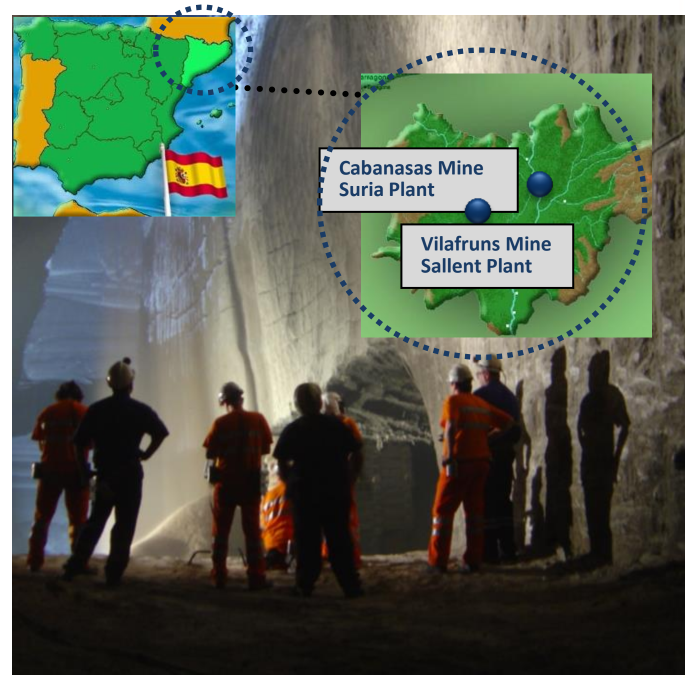

Commodity | Semi-specialty | Specialty

## Moving from 2 production centers to one production center while reducing the cost per tonne

Building access ramp

Vacuum Salt Plant

New Dock in the port




Operational improvements and reduction in cost per tonne
In the next step – increase production capacity

# YPH

## YPH – JV of ICL and YTH since end 2015

### Objectives:

- To become a player in the Chinese market.
- Establish the same Value Chain as in Rotem.



### ICL has history of more than 20 years of activity in China

### What was done till now ?

- Integration
- Operational excellence
- Moving from Commodity to Specialty.

# Specialty Fertilizers – highlights

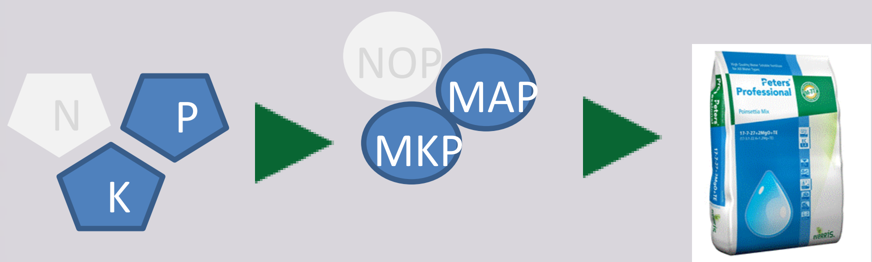
**Specialty Agriculture** — Fruit, vegetables & arable crops

**Horticulture** — Container Nursery & Greenhouse potting plants

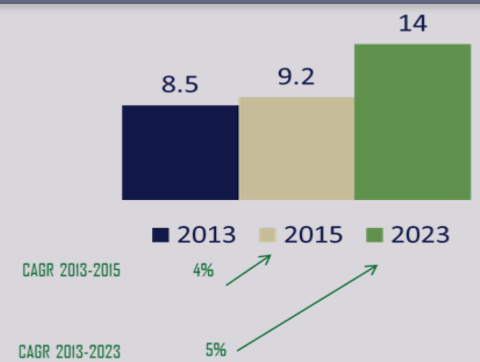
**Turf &Landscape** — Sport pitches, golf courses and municipal areas

- **Growing Markets**
- **Strong Sales Network**
- **Best-in-Class R&D / Technology**

## Creating Value to ICL




## Specialty Fertilizers Market ($ B)




**Commodity** — **Semi-specialty** — **Specialty**

# Key takeaways

**Significant potash presence in emerging markets**

**Low production cost**

**New semi-specialty activity**

**Great potential growth for the SF BU**

**$P_2O_5$ value chain in Israel and in China**

**Experienced management team**

# *Specialty Fertilizers*

*Eli Amon*
*ICL Specialty Fertilizers' Manager*

# Organizational Structure

- **ICL**
  - **Essential Minerals Division**
    - Potash & Magnesium
    - Phosphate
    - Specialty Fertilizers
  - **Specialty Solutions Division**
    - Industrial Products
    - Advanced Additives
    - Food Specialties

## Specialty Fertilizers

# Global needs evolve

**Population is constantly growing**

A new report predicts the world's population is growing faster than we thought

# Global needs evolve

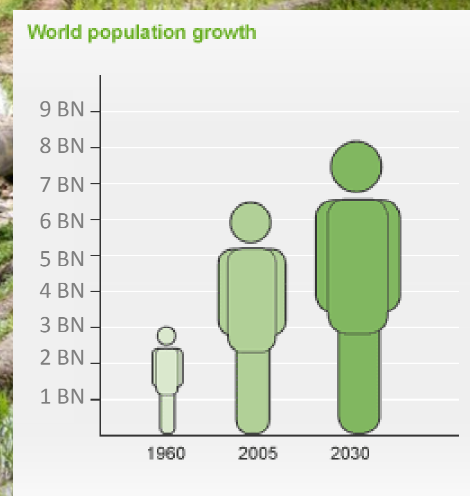
## Urbanization keeps on spreading

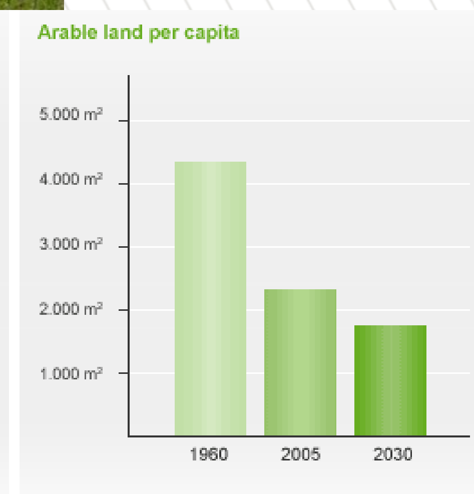
In 1950
**30%**
of population lived in cities

In 2050
**70%**
of population will live in cities

# Global needs evolve

## Arable land per capita is diminishing



# Specialty Fertilizers and Bio solutions became an important part of the Ag input


1 Calcium, Magnesium and Sulfate
2 iron, cobalt, chromium, copper, iodine, manganese, selenium, zinc and molybdenum

# Global Trends & Needs will drive development towards specialty fertilizers

| Regulatory Pressure | Environmental Trends | Changing Food Chain | New Grower Practice |
|---|---|---|---|

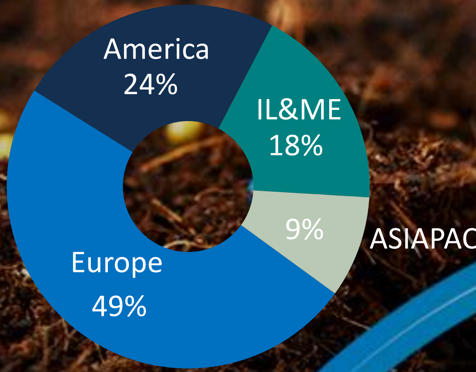
Zero growth Fertilizers 2020

EU Nitrate Directive

**Expected Nutrient use efficiency growth : + 4-7 % per year**

# A Global Manufacturer of Products that Fulfills Essential Needs in the Agriculture Market

~$660m sales in 2016, 13% of ICL's Rev ($5,363m)
~$55m Operating Profit in 2016




~1,000 Employees Worldwide

# ICL SF has a broad offer of unique specialty fertilizer technologies

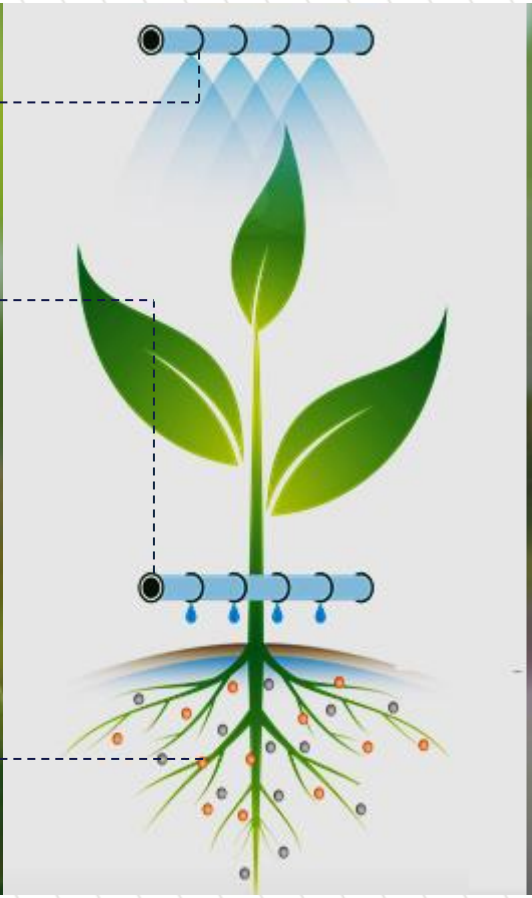
**Optimal Plant Nutrition**
**Less is more!**

ICLSF has developed specialized fertilizer products that match application technique: foliar, drip or soil applied

**Foliar Fertilizer**

**Fertigation/ Soluble Fertilizers**

**Controlled Released Fertilizers**



# Our Core Market


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

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

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

# Our Core Markets and Products


Controlled Release Fertilizers (CRF)

Water Soluble Fertilizers (WSF)

Slow Release Fertilizers

Growing Media

Grass Seeds

Liquid Fertilizers

Liquid Fertilizers

Straights (MAP / MKP / Pekacid)

Plant Protection Products

Adjuvants Water Conservation Agents

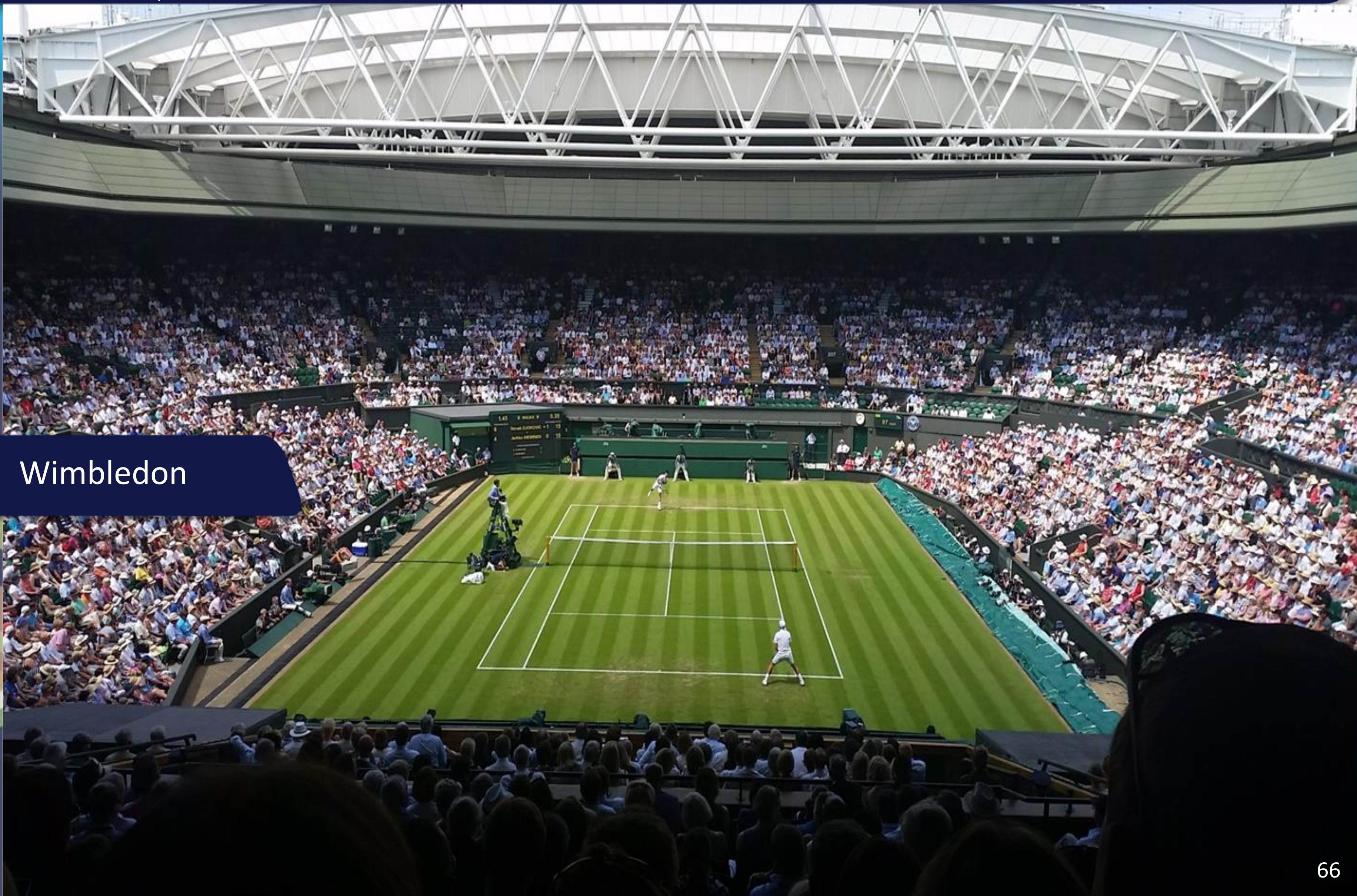
* 2016 Revenues ($660M)

# Our Core Markets and Products / Turf

Most stadiums of “La Liga” use ICL products (fertilizers& seeds)

Camp Nou

# Our Core Markets and Products / Turf



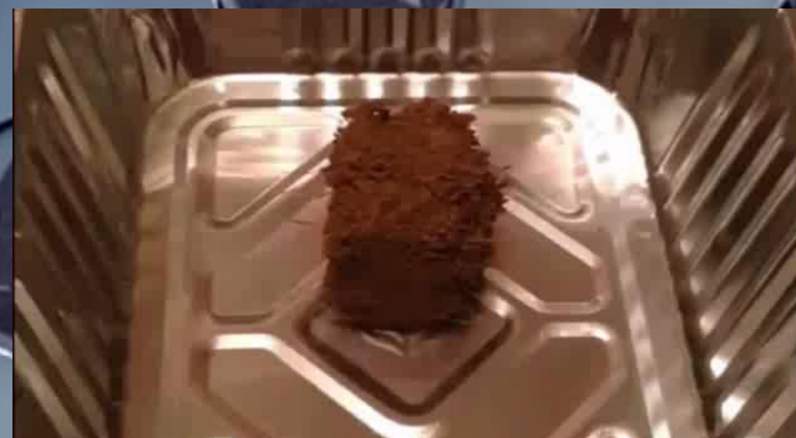
Wimbledon

# Our Core Markets and Products / Turf


Cardiff

# Our Core Markets and Products / Water Conservation Agents

**H2Flow**



# ICL Specialty Fertilizers is a leader in the market


1993

NOVAPEAK

2010

דשנים וחומרים כימיים בע"מ

2011

everris.

04
2011

Fuentes
FERTILIZANTES
MEMBER OF ICL

05
2012

Xcalibur
(USA)

11
2012

NuB

09
2014

AMEGA
SCIENCES

# ICLSF is a leader in the market

## Turf, Ornamental Horticulture & Landscape

- Leader in Turf in Europe & Middle East
- # 1 in CRF/Solubles in Ornamental


Osmocote®

# Strong positioning in the Spec-Ag market

## Specialty Agriculture

- # 1 in Crystaline PK solubles
- #1 in Liquids in Spain and Israel
- Top 3 in Fertigation

# Global players by Product Categories

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

ICL-SF

Compo

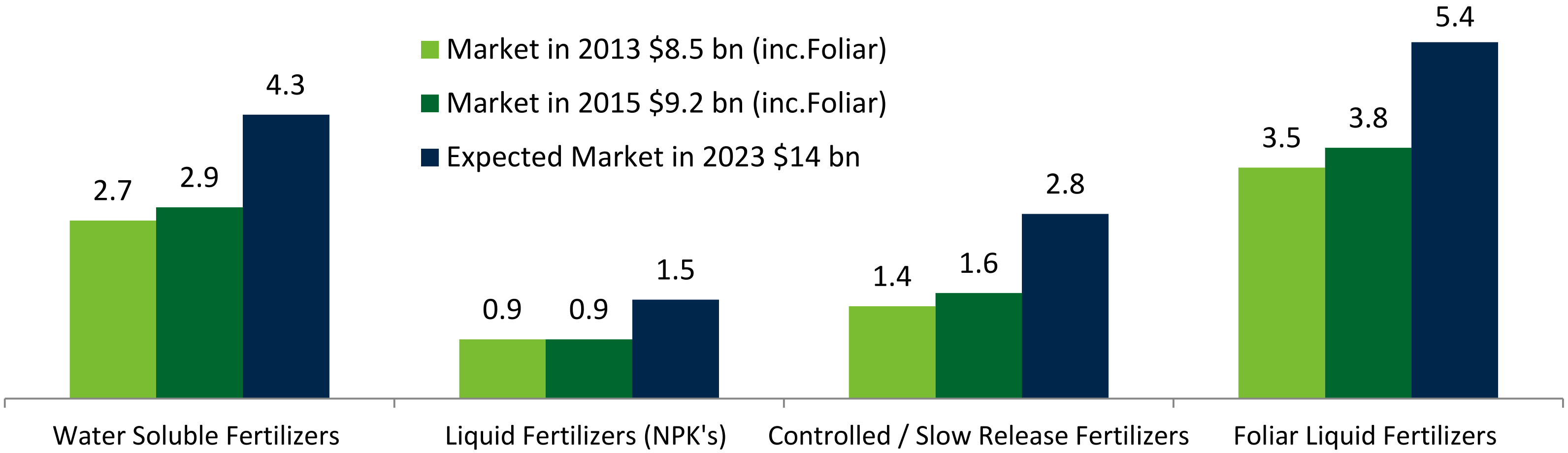
Haifa

SQM

YARA

Kingenta

# World Market Trends in the key segments




CAGR 2013-2023 5% ↗ 5% ↗ 7% ↗ 4% ↗

Reduce cost of production

Expand Product Portfolio

Establish production in attractive markets

New cost efficient coating generation

New production plants with focus on emerging markets

Grow with R&D and new Strategic Partners

**SpecAg / Main growth driver**

# From Mine to Advice


https://www.youtube.com/watch?v=D-MX63DXllM

# Key Takeaways

## ICL Specialty Fertilizers
## An attractive investment opportunity

- Fast Growing Industry Driven by Global Trends
- Leader in Key Markets
- Well Positioned for Growth with Wide Portfolio
- Efficient Supply Chain and Strong Professional Sales Force
- Established Brands
- End User Inspired Innovation

Thanks for listening

# *Specialty Solutions Division*

*Eli Glazer*
*President, ICL Specialty Solutions*

# Organizational Structure

- ICL
  - Essential Minerals Division
    - Potash & Magnesium
    - Phosphate
    - Specialty Fertilizers
  - Specialty Solutions Division
    - Industrial Products
    - Advanced Additives
    - Food Specialties

**Specialty Solutions Division**

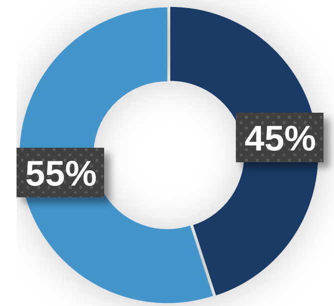
# Specialty Solutions Profile

**$2.6B** ANNUAL SALES*

**$530M** ADJ. OPERATING INCOME**

## OF ICL SALES IN 2016*

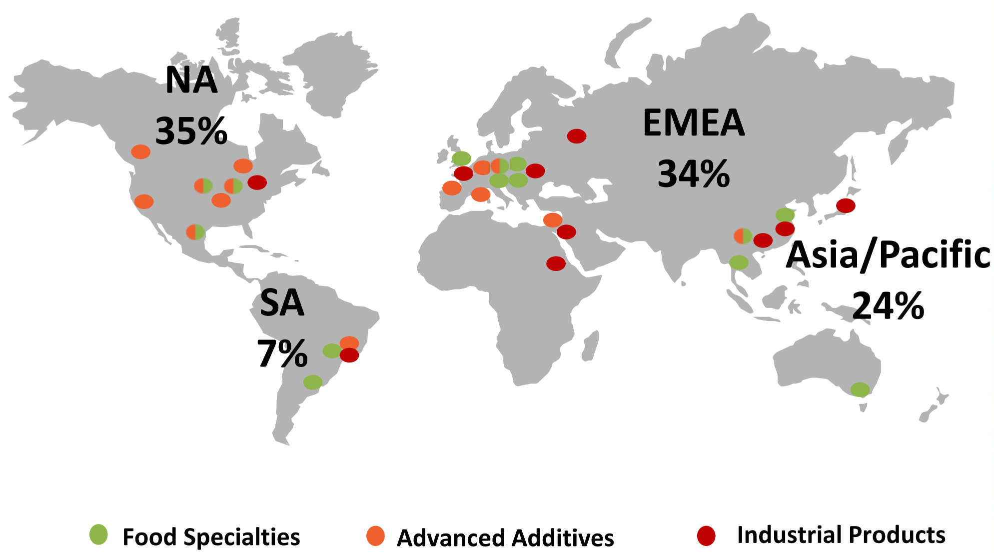
**45%**




## % SALES BY BUSINESS UNIT (2016)

| | |
|---|---|
| Food Specialties | 26% |
| Industrial Products | 37% |
| Advanced Additives | 37% |

## SPECIALTY SOLUTIONS SALES DISTRIBUTION




## EMPLOYEES WORLDWIDE

~ 4,000

* Before setoffs and eliminations
** Before G&A expenses
All numbers are rounded

# Specialty Solutions' Organizational Structure

## Specialty Solutions Division

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

| Industrial Products | Advanced Additives | Food Specialties |
| --- | --- | --- |
|  |  |  |
| **Anat Tal**, EVP Industrial Products, 25 in ICL | **James Moffatt,** EVP Advanced Additives 12 years in ICL | **Rene Krebs**, EVP Food 3 years in ICL |

ICL

# Specialty Solutions: Main Strategic Goals

## Expand through differentiation

- Innovation
- Demonstrated success

## Cost optimization: Lean & Reliable

- Simple and lean organisation
- Operational cost reduction

## Geographic Expansion

- Asia Pacific
- Latin America

# Global Leaders

Highest concentration of Bromine in the World

Full phosphate chain from Rock to Salts: largest global merchant marketer of Purified Phosphoric acid

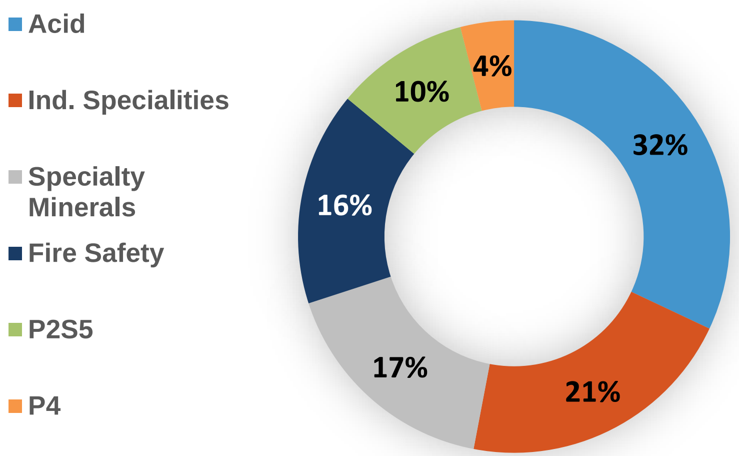
Variety of single, multi blends and agglomeration technology

# Advanced Additives Profile

**$1.0B** ANNUAL SALES*

**$194M** OPERATING INCOME*

## BUSINESS LINES SALES DISTRIBUTIONS 2016

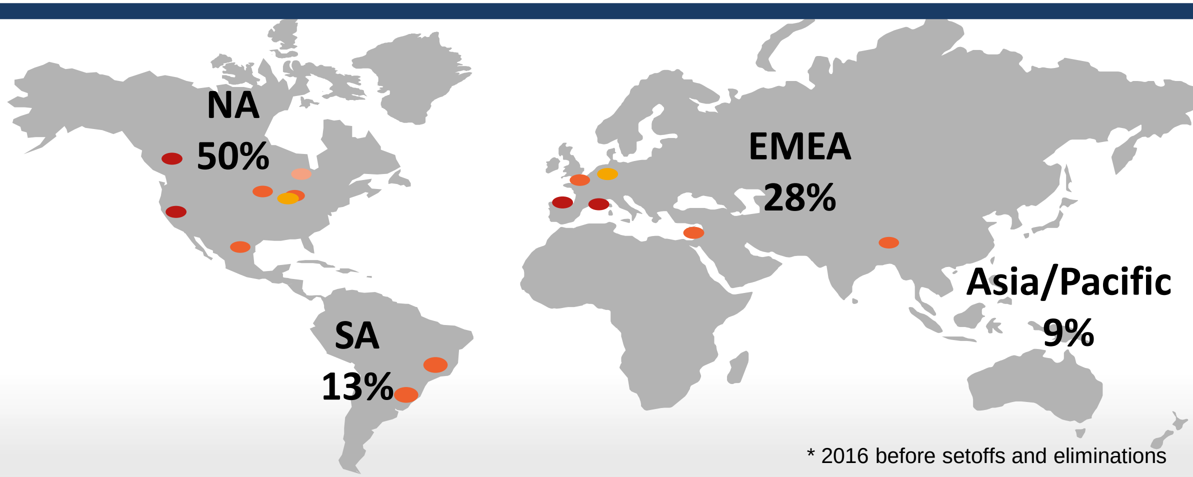



## EMPLOYEES WORLDWIDE

**~1,400**

## ADVANCED ADDITIVES SALES DISTRIBUTION

Fire Safety | P2S5
P-Salts, Acids | P&C




* Before setoffs and eliminations
** Before G&A expenses
All numbers are rounded

* 2016 before setoffs and eliminations

# Advanced Additives – A Stable Portfolio With Broad Applications



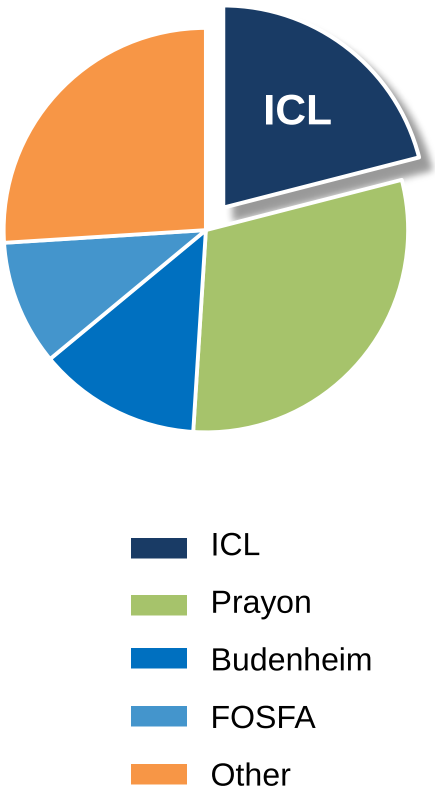




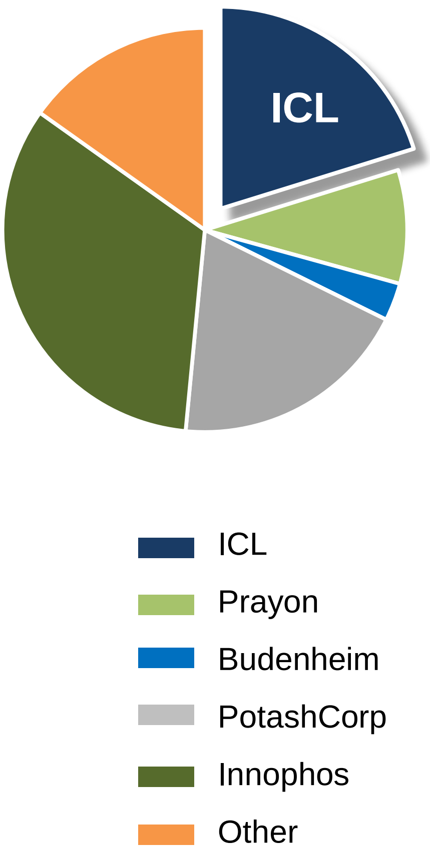
# Advanced Additives Trends and Opportunities

# Phosphate Value Chain - Markets and Competition

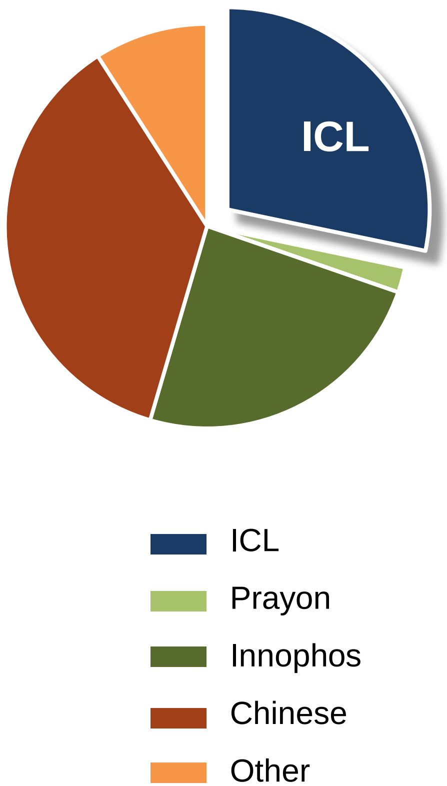
## EUROPE
(ICL - $420-440M)




## NORTH AMERICA
(ICL - $400-420M)




## LATIN AMERICA
(ICL - $150-170M)






Source: market size (acid/salts) via internal analysis, published data & other market reports

# Food Specialties Profile

**$660M**

**ANNUAL SALES***

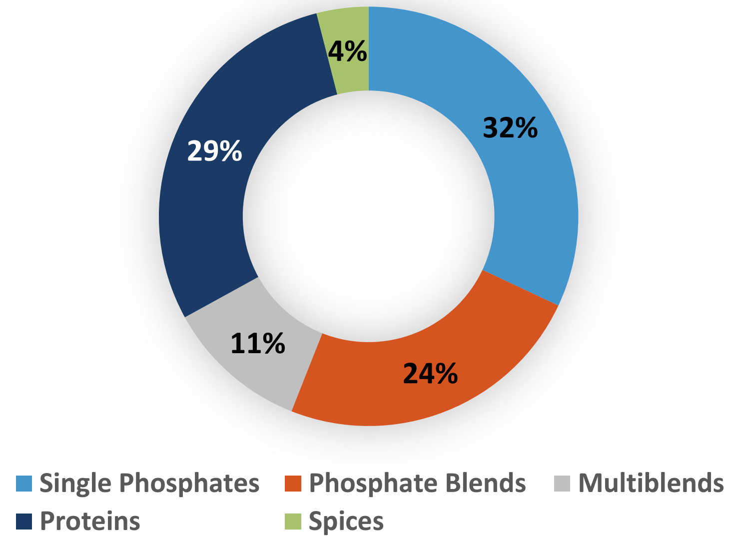
**$84M**

**OPERATING INCOME***

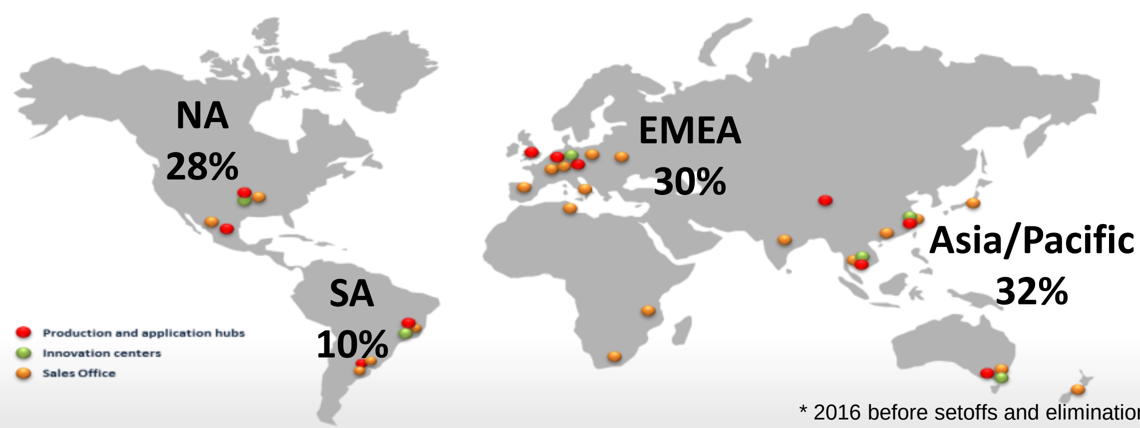
**EMPLOYEES WORLDWIDE**

**~900**

## 2016 ANNUAL SALES BREAKDOWN




## FOOD GLOBAL PRESENCE




* Before setoffs and eliminations
** Before G&A expenses
All numbers are rounded

* 2016 before setoffs and eliminations

# Food Specialties Business Model

Dairy Protein

Phosphates

**Ingredients**
***(backward integrated)***

**Co-production of unique formulations**

**Sourced ingredients Fibers & hydrocolloids, emulsifiers**

Starches & Fibers

Soy & Pea Protein

**Basic ingredients**

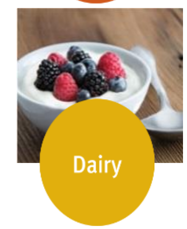
**Integrated solutions for texture & stability**

**Customized portfolio**

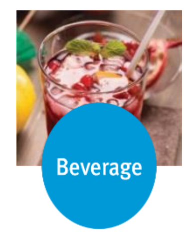
**Joint development**

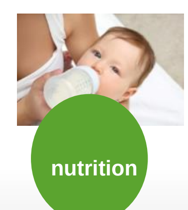
**Tailored solutions for each customer**

**Nutrition**
**Taste**
**Shelf-life**
**Convenience**





# Food Specialties Accelerated Growth Engine

## Market Trends

### Follow key industry trends

- Growing middle class in emerging markets
- Increase Processed food consumption
- Longer shelf- life
- “On the go”
- “Cleaner label”
- Health and Nutrition (gluten free, reduced salt)

## Growth Opportunities

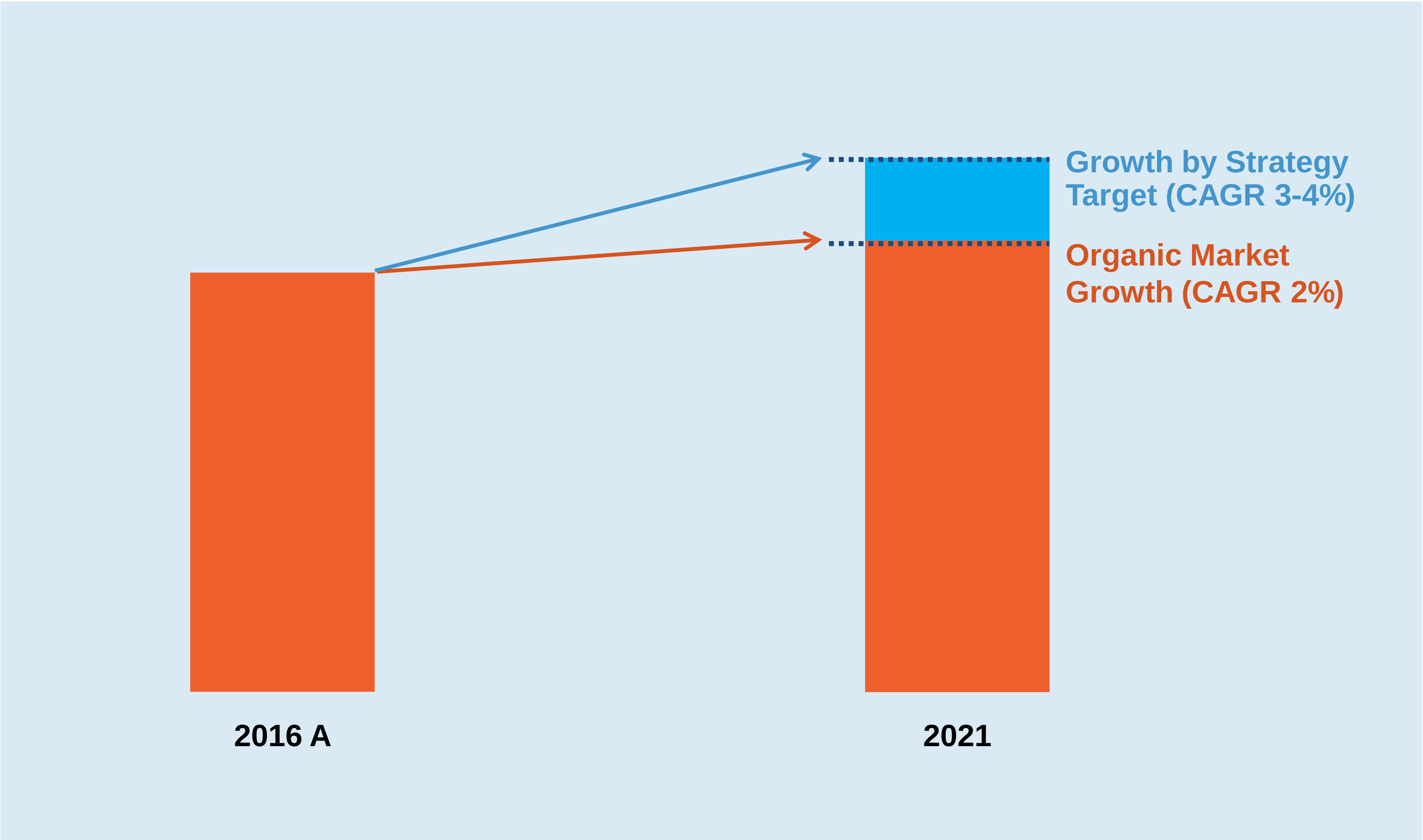
- High-growth new applications in Meat and Dairy
- Expand portfolio through tailored solutions
- Local presence in growing emerging markets

ICL

# Food Specialties: Markets and Competition

| Meat, Poultry and Seafood – $180-200M | Dairy and Protein- $250-280M | Bakery and Other $150-180M |
|---|---|---|
| Budenheim | Budenheim | Budenheim |
| Innophos | Innophos | Innophos |
| PRAYON | PRAYON | PRAYON |
| WIBERG | Arla | 瓮福集团 WENGFU GROUP |
| FRUTAROM FOUNDED 1933 | Fonterra | CXPC 澄星集团 CHENGXING GROUP |

# Specialty Solutions Revenue Summary 2016A – 2021P



# Main Takeaways for Advanced Additives & Food

**Backward integration**

**Innovation capabilities & human capital**

**The only Global player with worldwide presence**

**Growing sales and margins despite competitive market environment**

# *Industrial Products*

*Anat Tal*
*ICL Industrial Products Manager*

# Organizational Structure

- ICL
  - Essential Minerals Division
    - Potash & Magnesium
    - Phosphate
    - Specialty Fertilizers
  - Specialty Solutions Division
    - Industrial Products
    - Advanced Additives
    - Food Specialties

**Industrial Products**

# Agenda

**ICL-IP in a snapshot**

ICL-IP Strategy

Future opportunities

Key takeaways

# ICL-IP snapshot

**$953* million sales in 2016**

**11 Manufacturing sites WW**

**1,705 Employees**

**3 R&D centers**



* Excluding Specialty Minerals

# ICL-IP snapshot

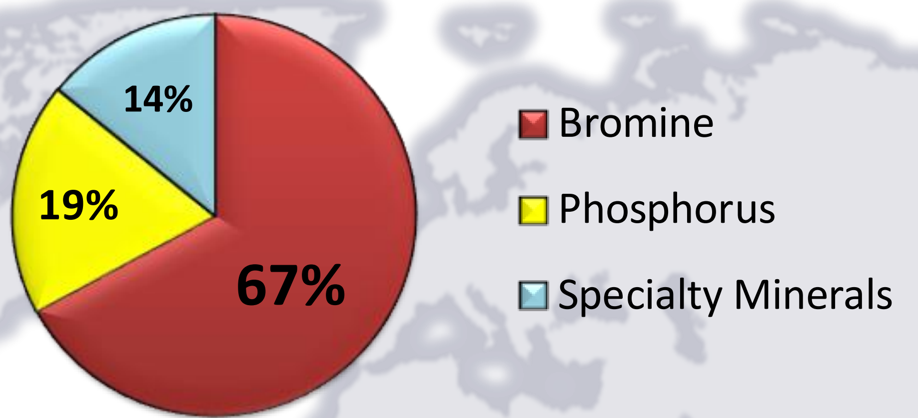
33%

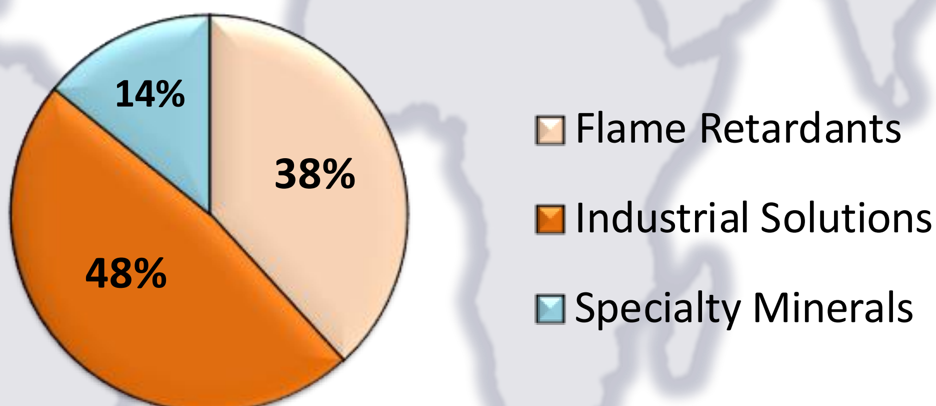
39%

25%

% of Q1 2017 Sales

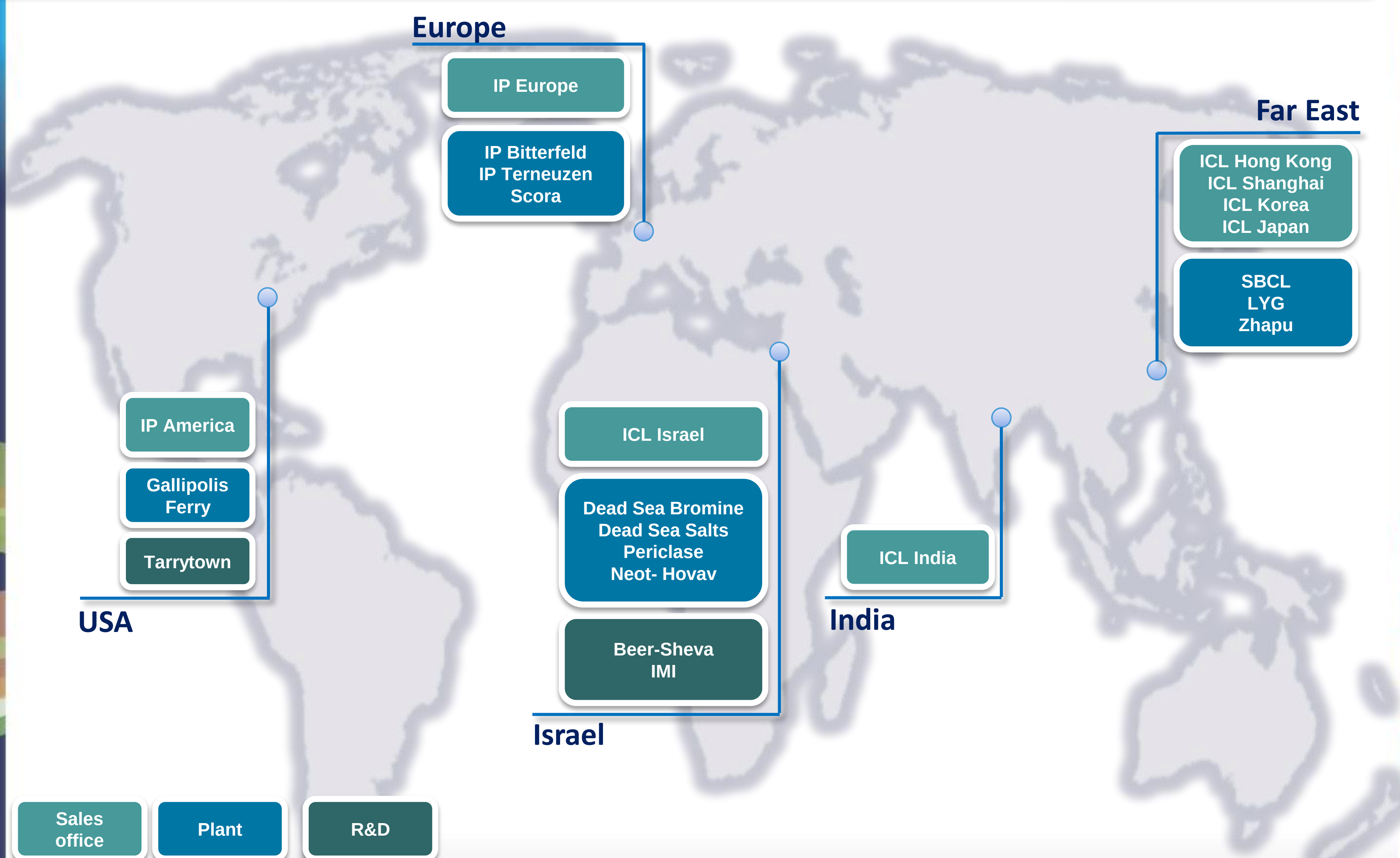
# ICL-IP snapshot




% of Q1 2017 Sales

# Global presence



# ICL-IP Product Supply Chains

**Produced**

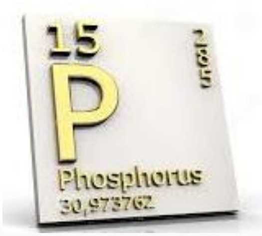

**Bromine compounds plants:**
Israel
Netherlands
China

**MgCl**
**Salts**
**KCl**

**Specialty Minerals plants:**
Israel
France*

**Customers**

**Purchased**



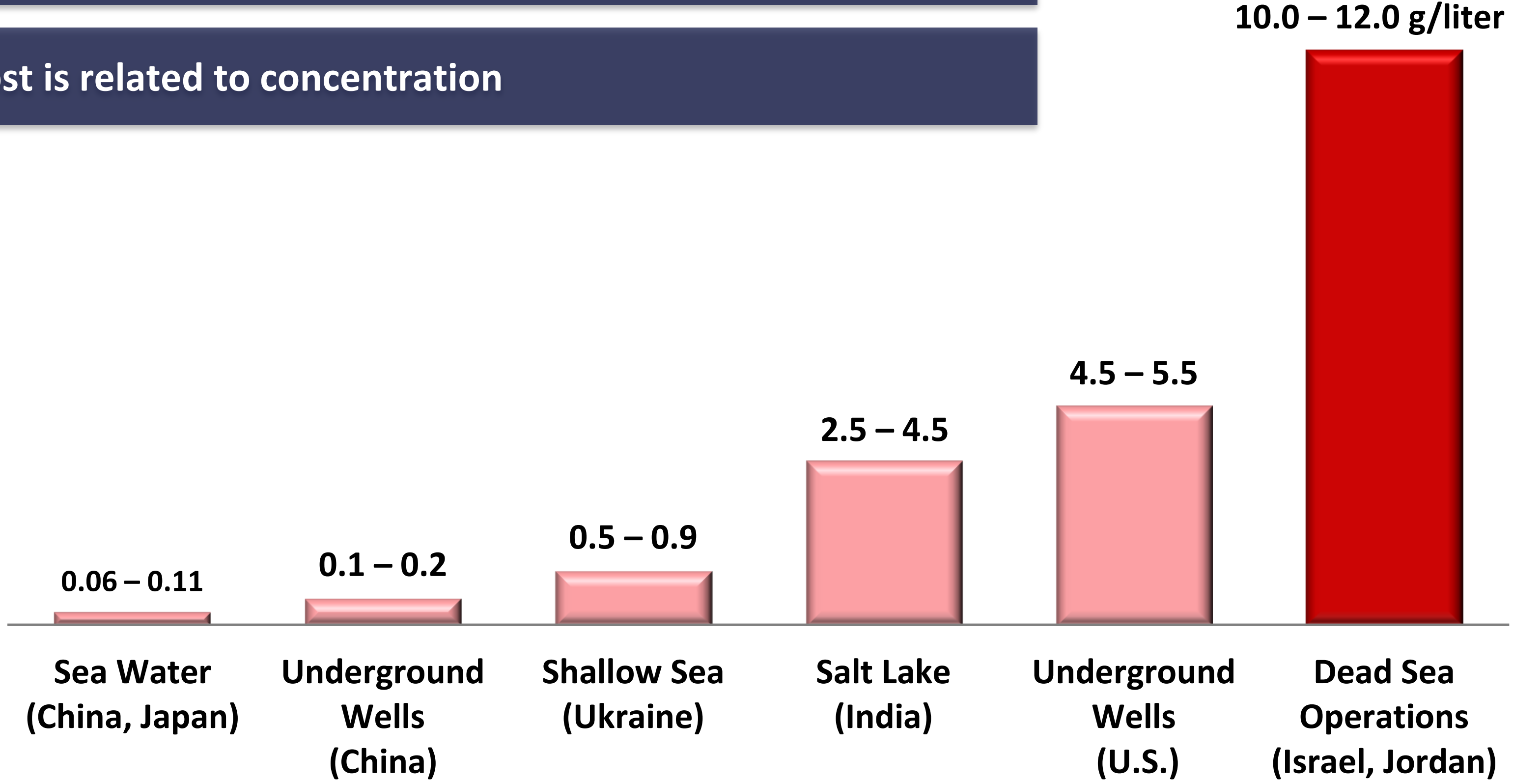

**Phosphorus compounds plants:**
Germany
USA



** RM sourced from 3rd parties*

# Global Leader in Bromine

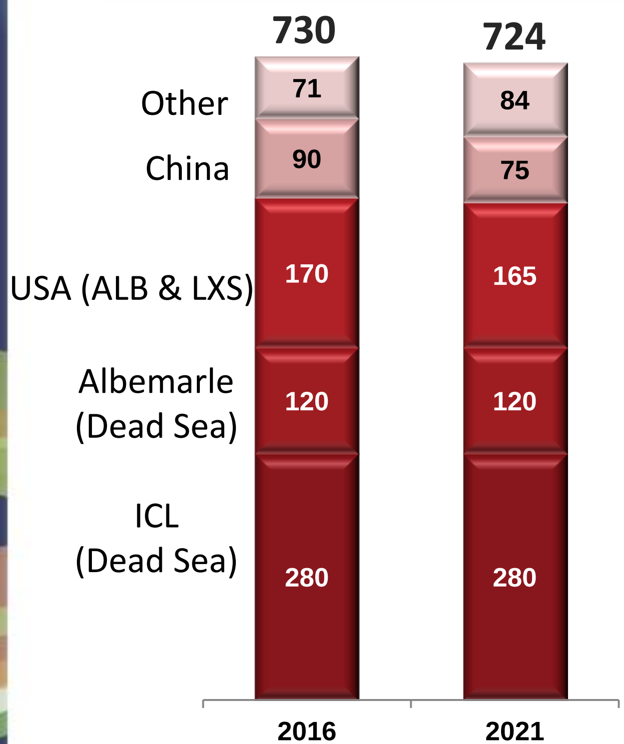
- The Dead Sea provides the highest concentration of Bromine
- Abundant supply
- Cost is related to concentration



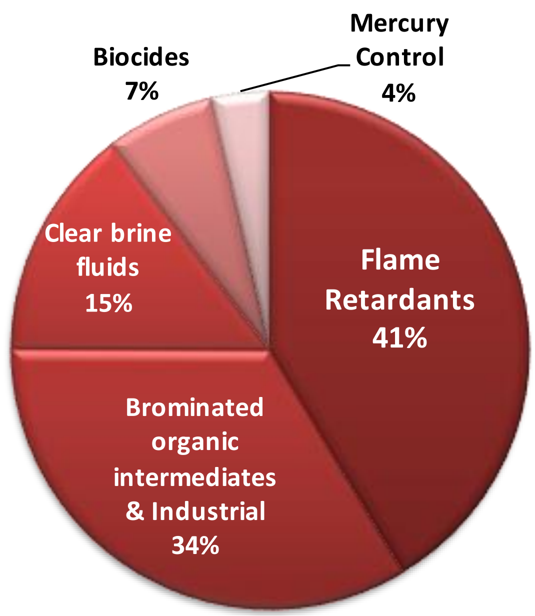

**Source:** ICL estimates, MarketsandMarkets

# A Global Leader

**ICL holds the largest capacity (KMT)**
Global Bromine Capacity, by producer




**Bromine demand by industry - 2016**
Market utilization rates: 70-80%




**Source:** ICL estimates, MarketsandMarkets

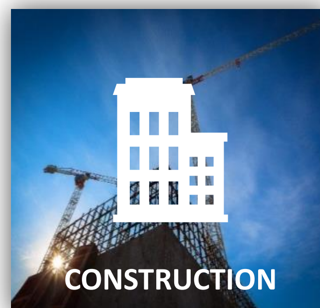
# Global Trends and major End Markets

Standard of living

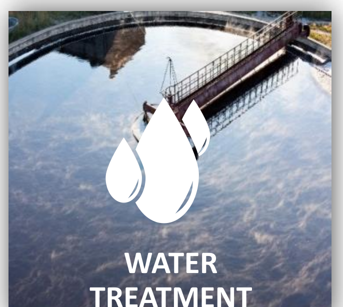
Population

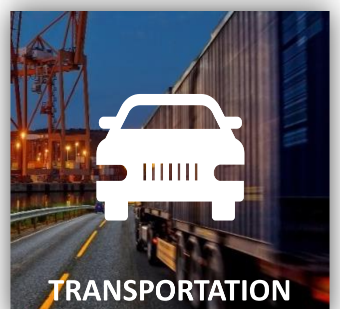
Regulation & Environmental

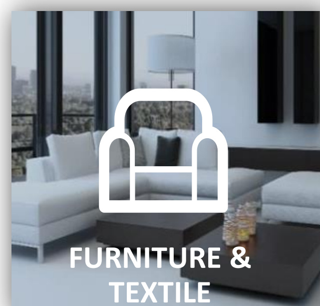


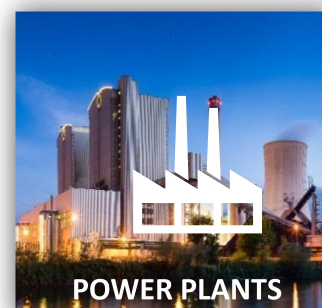






# ICL-IP Market Leadership

**in Flame Retardants**

**in Bromine capacity**

**in Bromine compounds plant**

**in Bromine Iso-tank fleet**

**in Brominated biocides**

**in Phosphorus FRs**

**in Clear Brine Fluids**

**in Self-extinguishing Hydraulic fluids**

**in Solid MgCl**

**in Magnesia for Nutraceutical market**

# Agenda

ICL-IP in a snapshot

**ICL-IP Strategy**

Future opportunities

Key takeaways

# ICL-IP 4 Pillars strategy

## Grow the Core business:
- Organic growth
- Value strategy
- Portfolio management
- Expansions

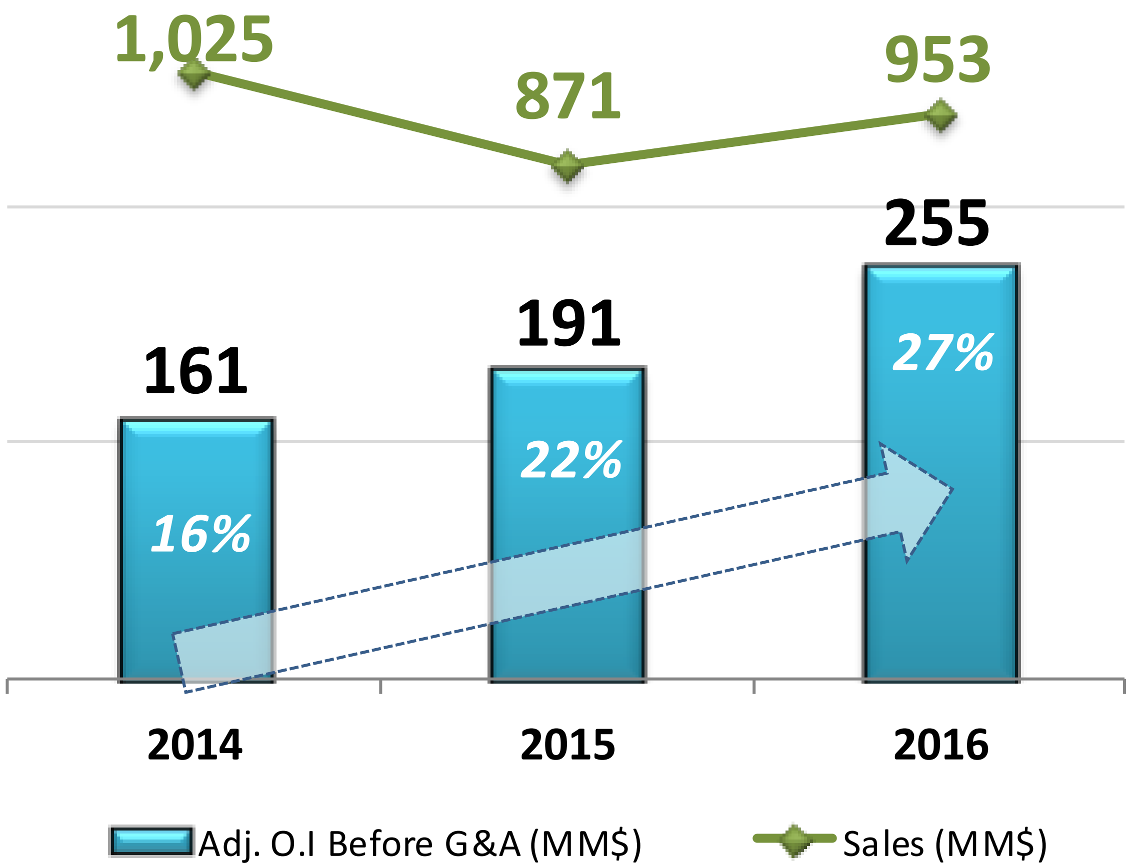
## Cost reduction:
- Operational excellence
- Reduction of total costs

## Advocacy:
- FR Standards
- SAFR™
- Merquel® in China/EU
- Chemistry ban defense

## Grow the Portfolio:
- New solutions focused on un-met needs.
- Outside technical and business collaborations

ICL

# Proven strategy results




- *Excluding Specialty Minerals*
- *Source: ICL 20-F report 2016*

# Agenda

- ICL-IP in a snapshot
- ICL-IP Strategy
- **Future opportunities**
- Key takeaways

# Major Trends and ICL Solutions

**Trends** → **ICL's Solutions**

Clean Air
Mercury Emissions Control

| Regulation | | | |
|---|---|---|---|
| New target | 1-7 | Yet to follow | 1.3 |
| Existing | 1-30 | 30 | |

Comparison of Hg Emission limits (µgr/m3)

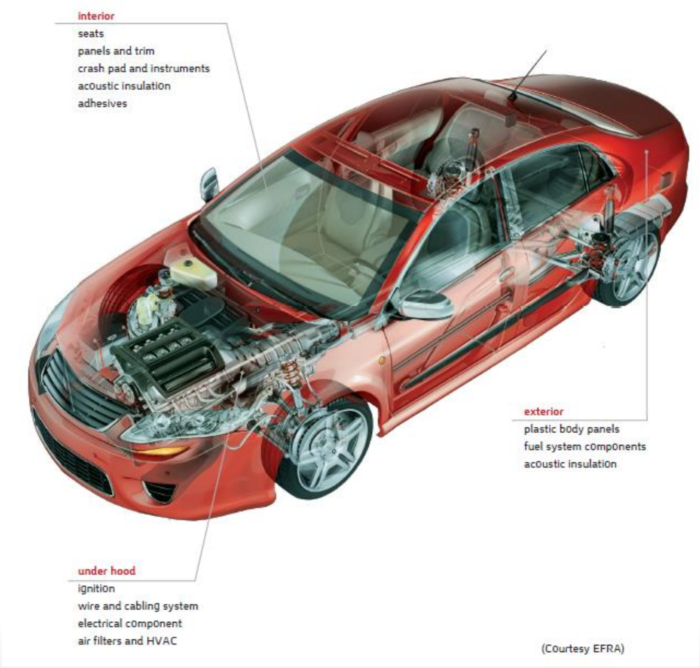
MERQUEL®

# Major Trends and ICL Solutions

| Trends | ICL's Solutions |
| --- | --- |
| Renewable energy<br>Energy storage | Electrolytes for Bromine<br>Flow battery |

# Major Trends and ICL Solutions

| Trends | ICL's Solutions |
|---|---|
| Electric car/ Autonomous car | New generation polymeric FRs |



# Major Trends and ICL Solutions

**Trends** → **ICL's Solutions**

Home automation

New generation polymeric FRs


# Major Trends and ICL Solutions

Trends

ICL's Solutions

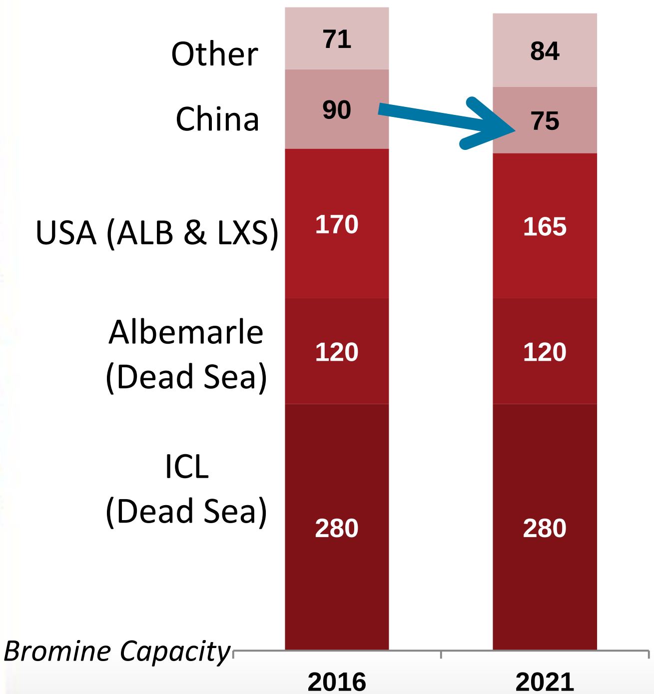
Water shortage and treatment

New Biocides

# Major Trends and ICL Solutions

## Trends

Depletion of Bromine in China




## ICL's Solutions

**Secured capacity of:**

- Bromine
- Bromine Compounds
- Isotanks
- Other services

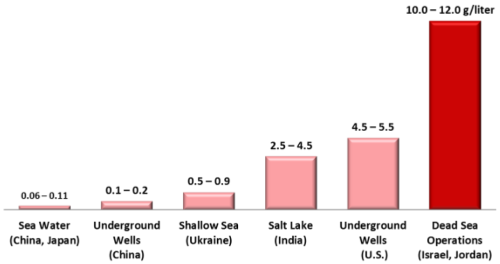
Where needs take us

**Source:** ICL estimates, MarketsandMarkets

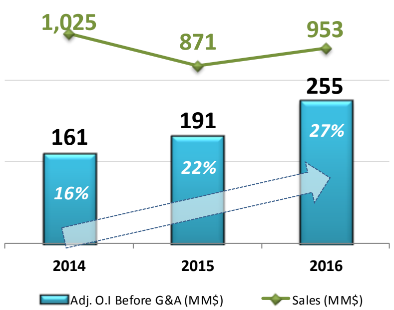
# Agenda

- ICL-IP in a snapshot
- ICL-IP Strategy
- Future opportunities
- **Key takeaways**

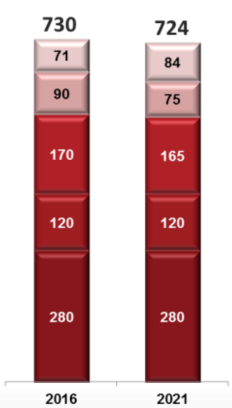
# Key takeaways




A leader in the Bromine industry




Clear, proven, value based strategy (16 VS 14 O.I increased by 58%)




Well positioned for future opportunities

# Live


LIVE - Our products are all around you.
SWITCH ON
MOVE
THINK
ENJOY
IMAGINE
LOVE
RENEW
REST
LEISURE WORLD
EVERYWHERE. EVERYDAY.

*Thank You*