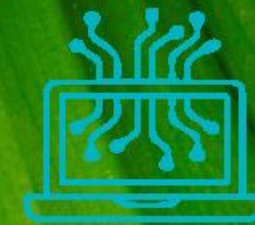


# Q3 2020 Results

Raviv Zoller

President & CEO

November 12, 2020





# Important Legal Notes

## Disclaimer and Safe Harbor for Forward-Looking Statements

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Because such statements deal with future events and are based on ICL Group'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, 2019, and in subsequent filings with the Tel Aviv Securities Exchange (TASE) and/or the U.S. Securities and Exchange Commission (SEC). Therefore actual results, performance or achievements of the Company could differ materially from those described in or implied by such forward-looking statements.

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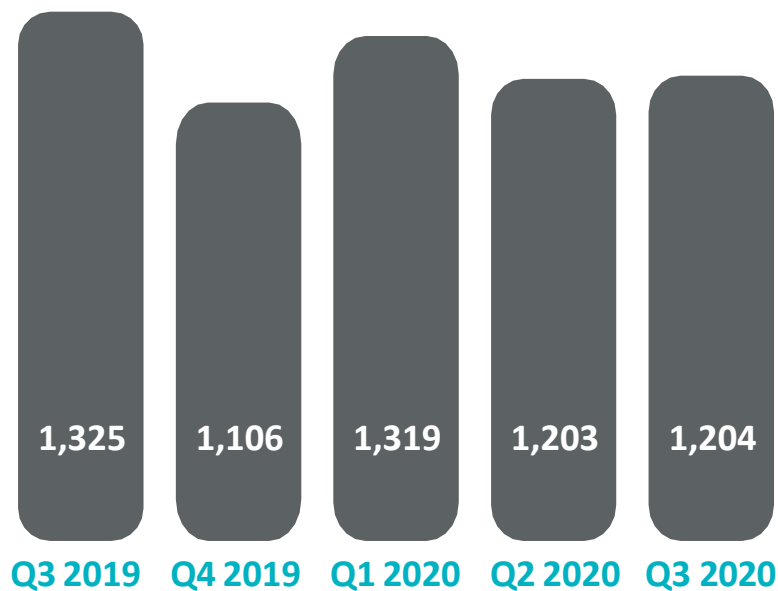
Included in this presentation are certain non-GAAP financial measures, such as adjusted operating income, adjusted EBITDA, adjusted net income, adjusted EPS, segment EBITDA, segment EBITDA margin and free cash flow, designed to complement the financial information presented in accordance with IFRS because management believes such measures are useful to investors. Please note that other companies may calculate similarly titled non-GAAP financial measures differently than ICL Group and that our 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 our Q3 2020 press release for the quarter ended September 30, 2020 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.

# Q3 2020: Resilient Performance Amid COVID-19 and Low Commodity Prices

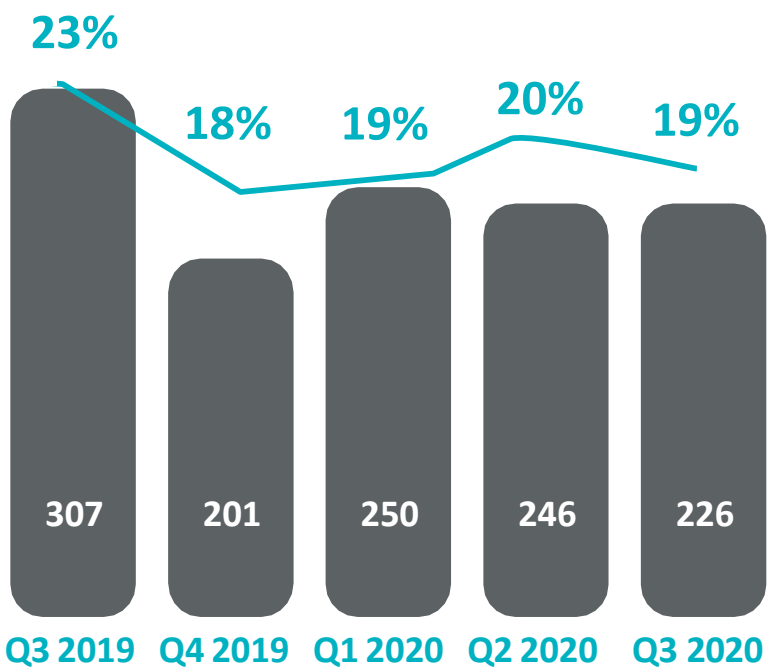
- **Continuous strong cash generation despite COVID-19 and commodity challenges:** operating cash flow and free cash flow of \$203 million and \$60 million, respectively
- **All operating divisions delivered positive profitability**
- **Record potash production** at the Dead Sea during first nine months of year
- **Record operating income** for phosphate specialties and YPH JV
- **Strategic cost reduction initiatives** progressing according to plan
- **Acquisition of Fertilaqua** supports execution of growth strategy
- **Quarterly dividend of \$29 million**, demonstrates commitment to shareholder returns and balanced capital allocation

# Key Financial Parameters

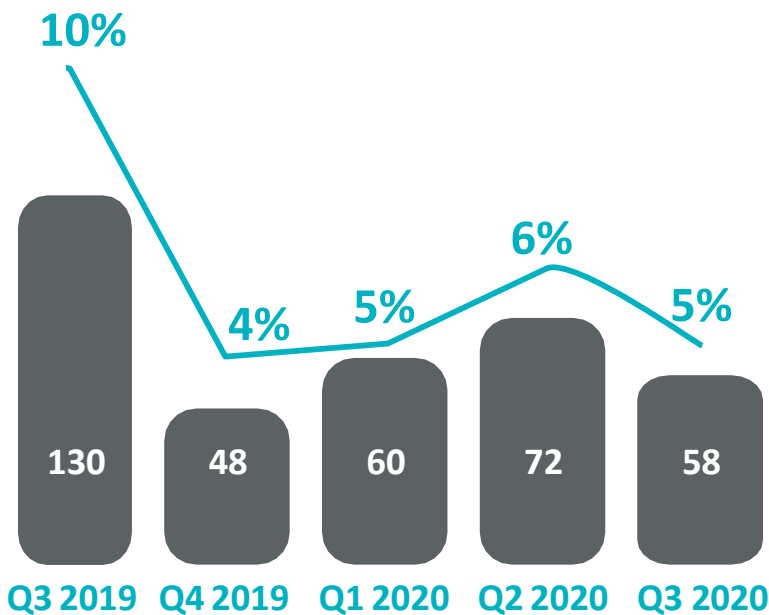
## Sales



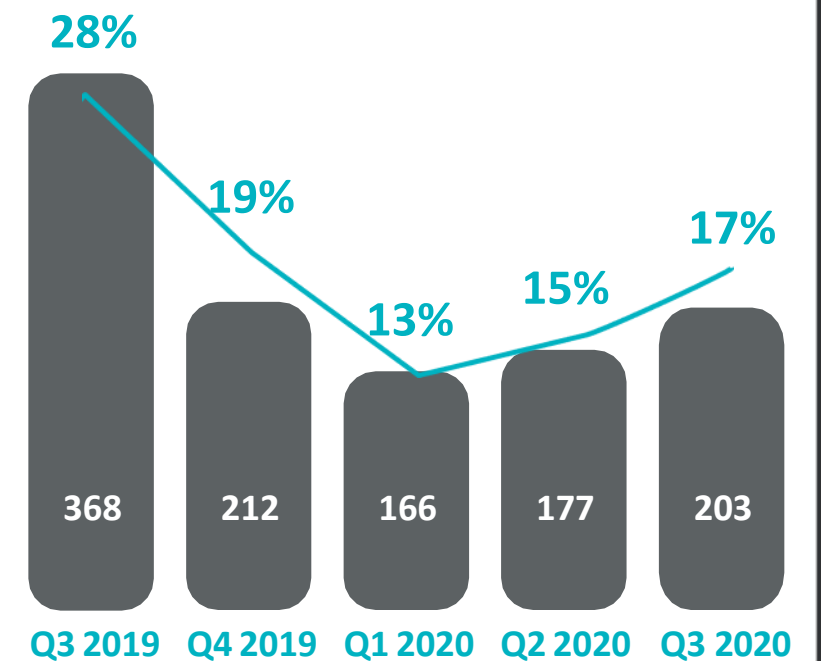
## Adjusted EBITDA<sup>(1)</sup>



## Adjusted Net Income<sup>(1)</sup>



## Operating Cash Flow



— % of sales

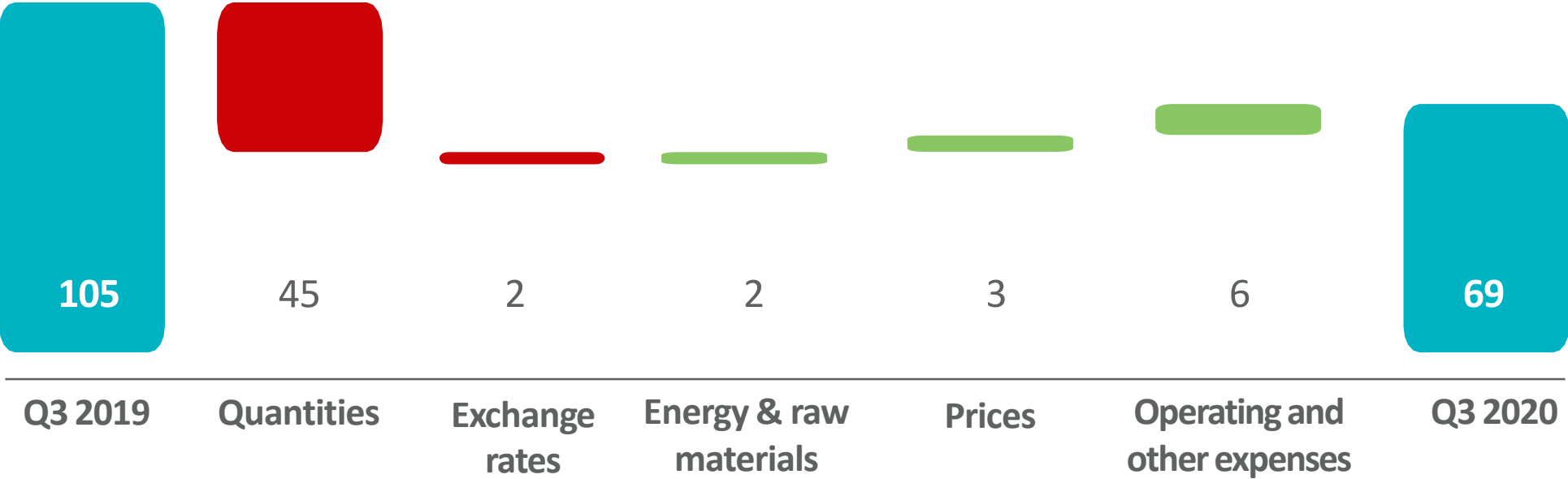
1. Adjusted EBITDA and adjusted net income are non-GAAP financial measures. See appendix to this presentation for reconciliation tables.

# Industrial Products Segment



## SEGMENT EBITDA <sup>(1)</sup>

\$ millions



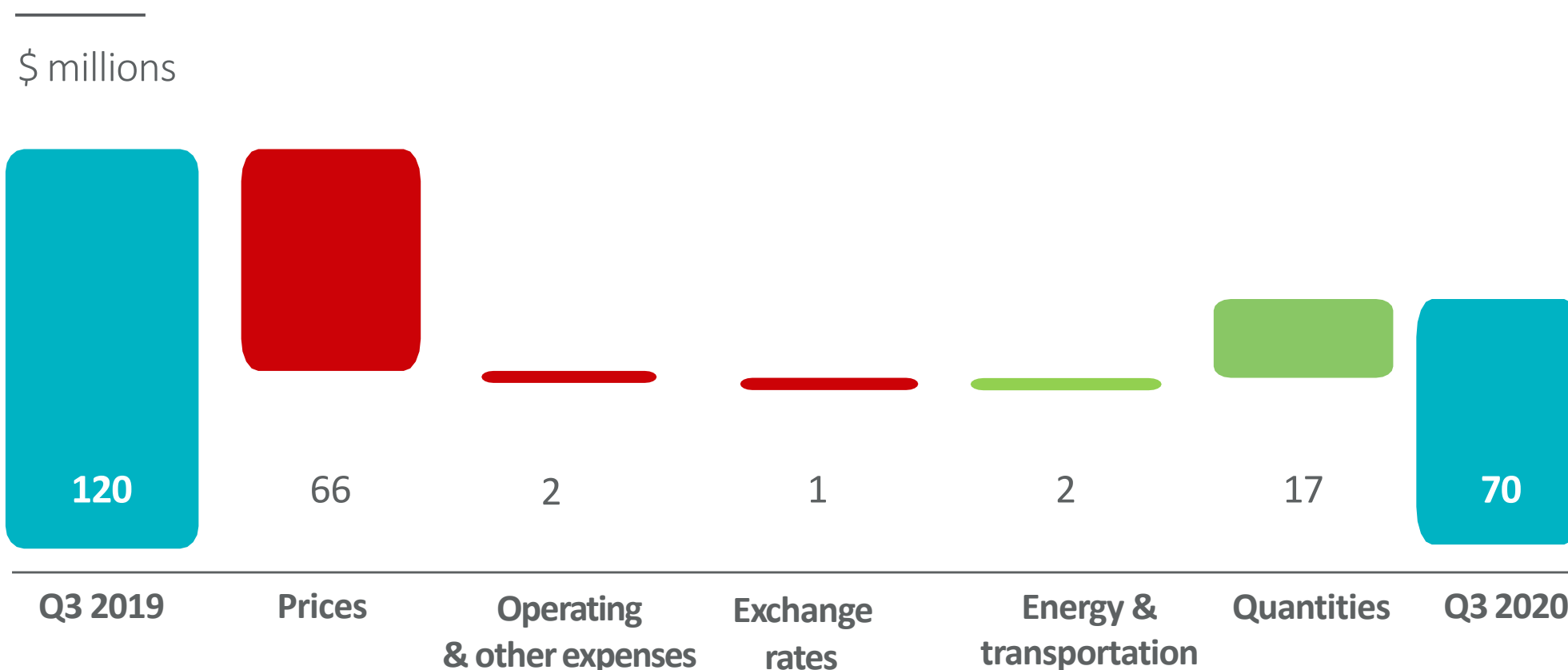
- Global economic slowdown related to COVID-19 impacted demand for clear brine fluids and bromine-based flame retardants
- Bromine prices in China increased towards end of quarter
- Demand for flame retardants recovering, mainly in construction and electronics industries
- Increased sales and market share of phosphorus-based flame retardants

(1) Segment EBITDA is a non-GAAP financial measure and is calculated as segment profit net of depreciation and amortization. See reconciliation tables in the appendix to this presentation.

# Potash Segment



## SEGMENT EBITDA<sup>(1)</sup>



- Average realized price dropped by \$64 per tonne, 23% lower than Q3 2019
- On track to achieve record annual potash production at the Dead Sea
- Vilafruns site closure on track
- Sales mix expected to improve in Q4 2020, leading to higher average realized price

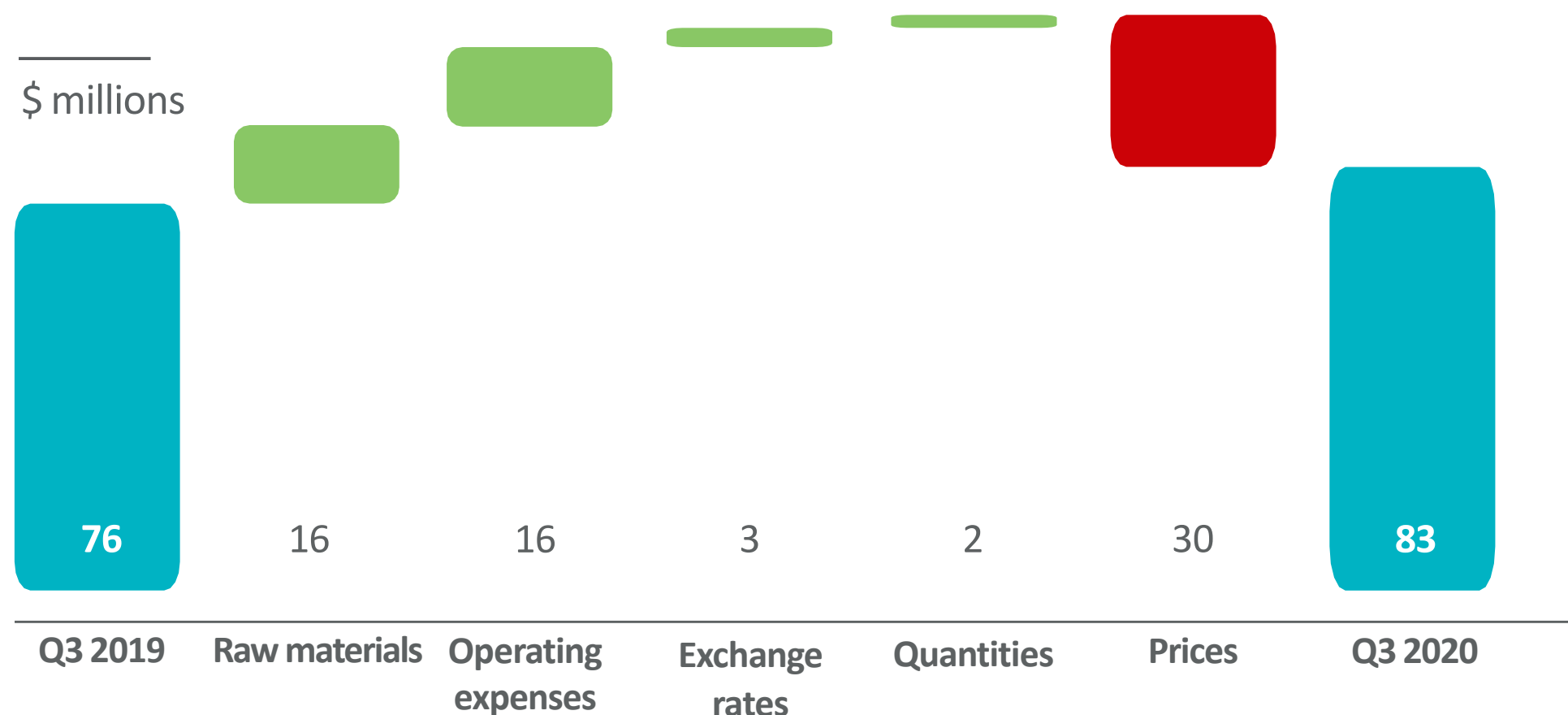
(1) Segment EBITDA is a non-GAAP financial measure and is calculated as segment profit net of depreciation and amortization. See reconciliation tables in the appendix to this presentation.

# Phosphate Solutions Segment



## SEGMENT EBITDA<sup>(1)</sup>

\$ millions



Record operating income from phosphate specialties

Record operating income for YPH JV in China

Improved performance of commodity phosphates due to better sales mix and cost reduction initiatives

Seasonality expected to negatively impact Q4 2020

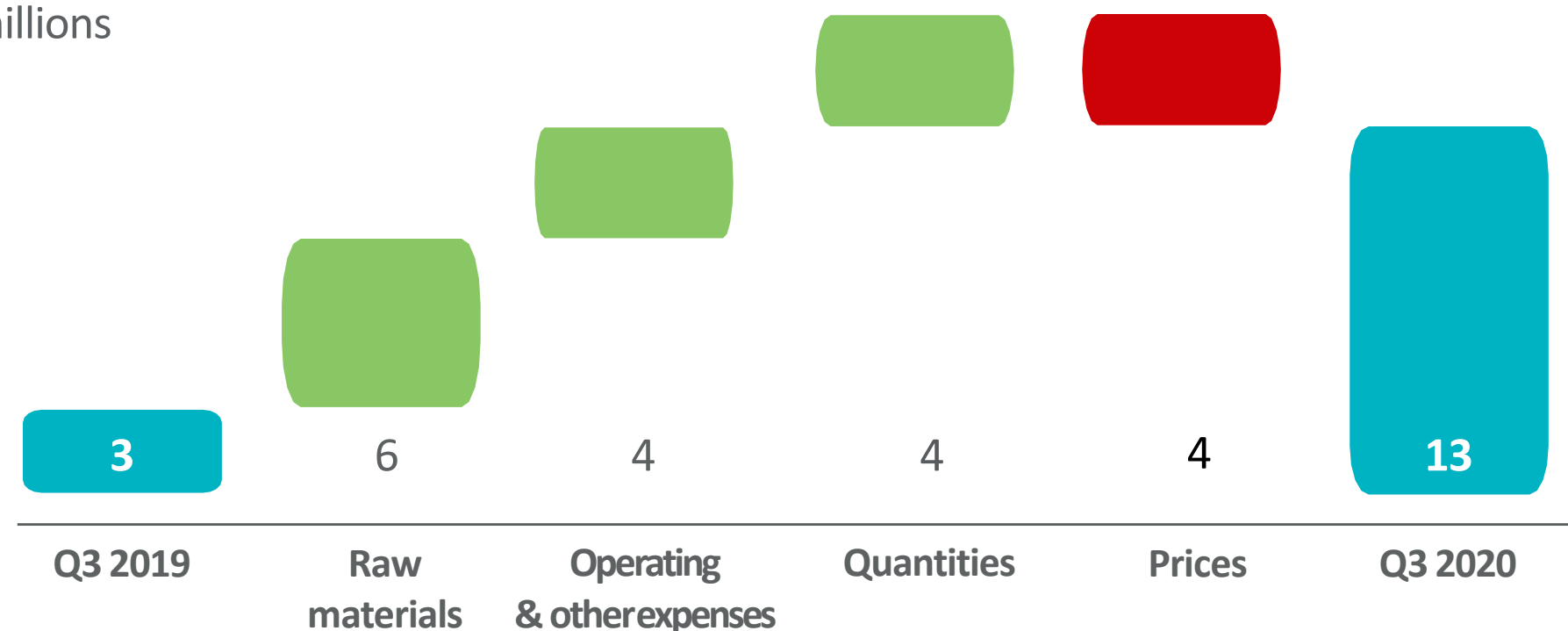
(1) Segment EBITDA is a non-GAAP financial measure and is calculated as segment profit net of depreciation and amortization. See reconciliation tables in the appendix to this presentation.

# IAS Segment



## SEGMENT EBITDA (1)

\$ millions



- Sales increased by 8%, due to higher sales volumes in most product lines, despite seasonal weakness
- Cost reductions, including lower cost of raw materials, led to significant increase in EBITDA
- Generated operating cash flow of \$38mn, a 60% improvement over Q3 2019
- Sales continued to increase in fast-growing emerging markets
- Signed an agreement to acquire Fertilaqua

(1) Segment EBITDA is a non-GAAP financial measure and is calculated as segment profit net of depreciation and amortization. See reconciliation tables in the appendix to this presentation.



# Acquisition of FERTILÁQUA

## Executing on our Growth Strategy



### Executing Growth Strategy in Crop Nutrition

- Significant foothold for ICL's Crop Nutrition business in the high growth, high margin Brazilian agriculture market
- Strong sales platform and access to a broad customer base to expand ICL's specialty and commodity fertilizer penetration into the Brazilian market
- Provides incremental R&D capabilities to generate additional innovative products
- Further expands ICL's product portfolio with higher growth, higher margin products
- Balance ICL's crop nutrition sales seasonality

### Company info

- Biostimulants company providing plant nutrition, stimulation and soil revitalization solutions
- Broad product portfolio of 100+ products spanning full crop lifecycle
- Base of 500+ customers include ag-input retailers, cooperatives and large farms
- Active across all key Brazilian crops including soybean, corn, sugarcane, coffee, fruits & vegetables and other

# Summary & Outlook

## *Notable achievements despite market challenges:*

- **Resilient results** amid COVID-19 and commodity challenges
- Continued **solid cash generation** fueled by cross-company cost saving initiatives
- **Record nine months potash production** at the Dead Sea
- **Record operating income** for phosphate specialties
- **Record operating income** for YPH JV in China
- Continued **improved results for IAS**
- **Acquisition of Fertilaqua** supports execution of growth strategy

## *Improving market conditions and business environment:*

- **Demand for bromine-based flame retardants recovering**
- Commodity prices **trending higher**
- **Solid demand for fertilizers** expected to continue

# Kobi Altman

## CFO

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# Key Financial Metrics

	Q3 2020	Q3 2019	% change	Q2 2020	% change
Sales	1,204	1,325	(9%)	1,203	~
Operating income	100	201	(50%)	(169)	NA
Adjusted operating income <sup>(1)</sup>	106	201	(47%)	128	(17%)
Adjusted EBITDA <sup>(1)</sup>	226	307	(26%)	246	(8%)
Net income	54	130	(58%)	(168)	NA
Adjusted net income <sup>(1)</sup>	58	130	(55%)	72	(19%)
Operating cash flow	203	368	(45%)	177	15%
Free cash flow <sup>(2)</sup>	60	221	(73%)	20	200%

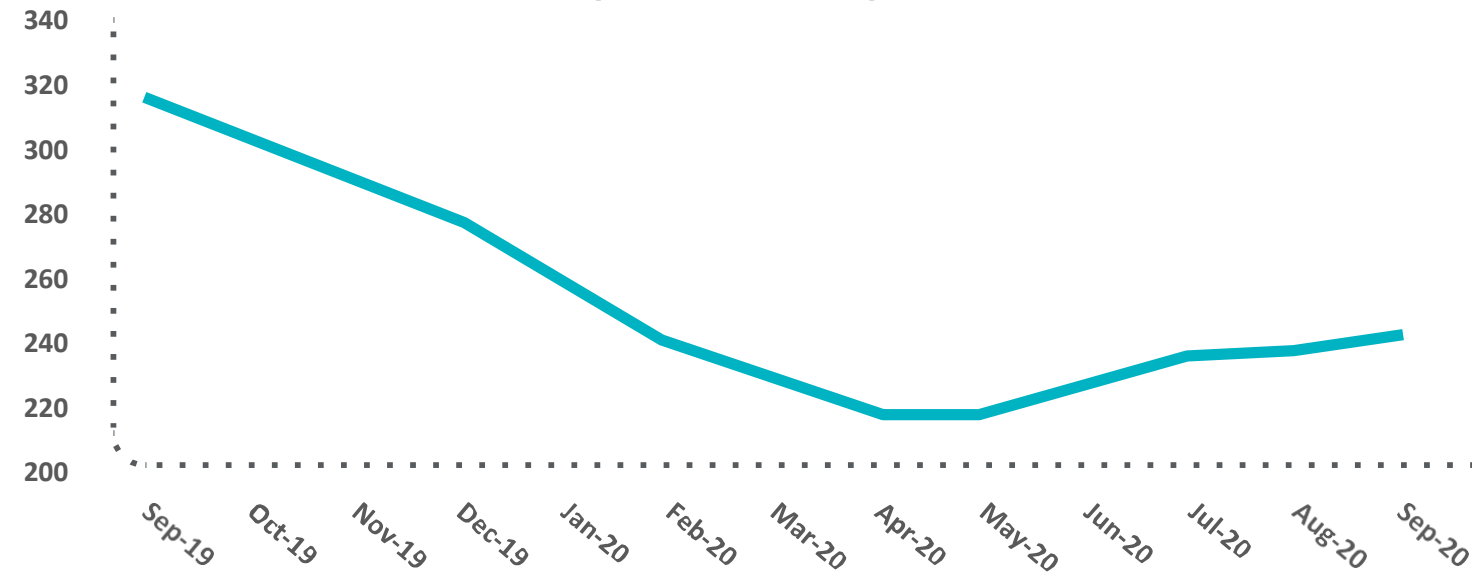
1.Adjusted operating income, adjusted EBITDA and adjusted net income are non-GAAP financial measures. See reconciliation tables in the appendix to this presentation.

2.Free cash flow is a non-GAAP financial measure. See reconciliation tables in the appendix to this presentation.

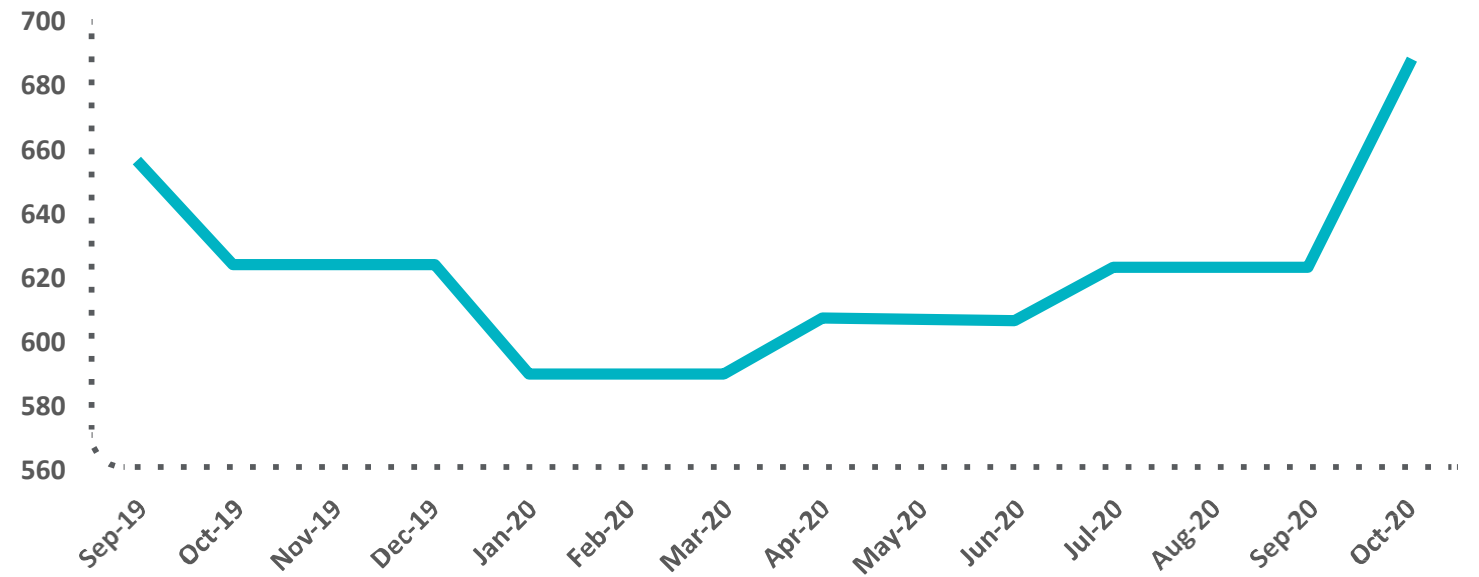
All figures shown in US \$ millions

# Positive Pricing Momentum Across Mineral Value Chains

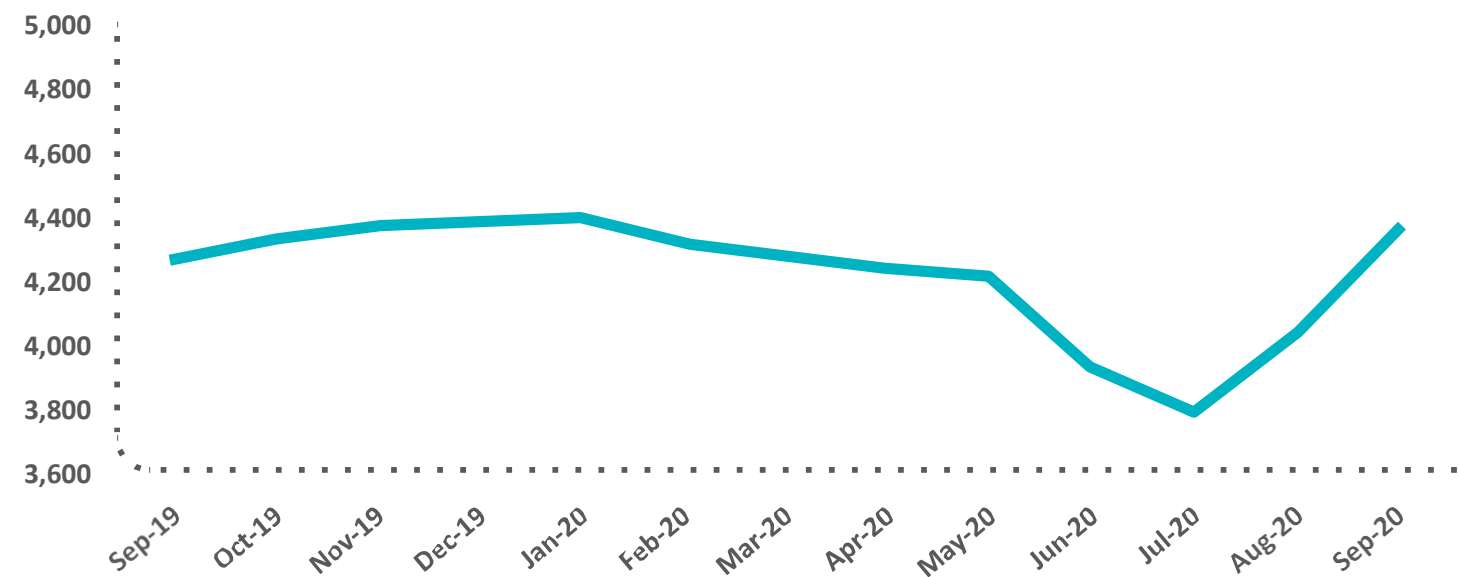
## GMOP, CFR Brazil (\$/tonne)



## Phosphoric acid contract, CFR India (\$/tonne)

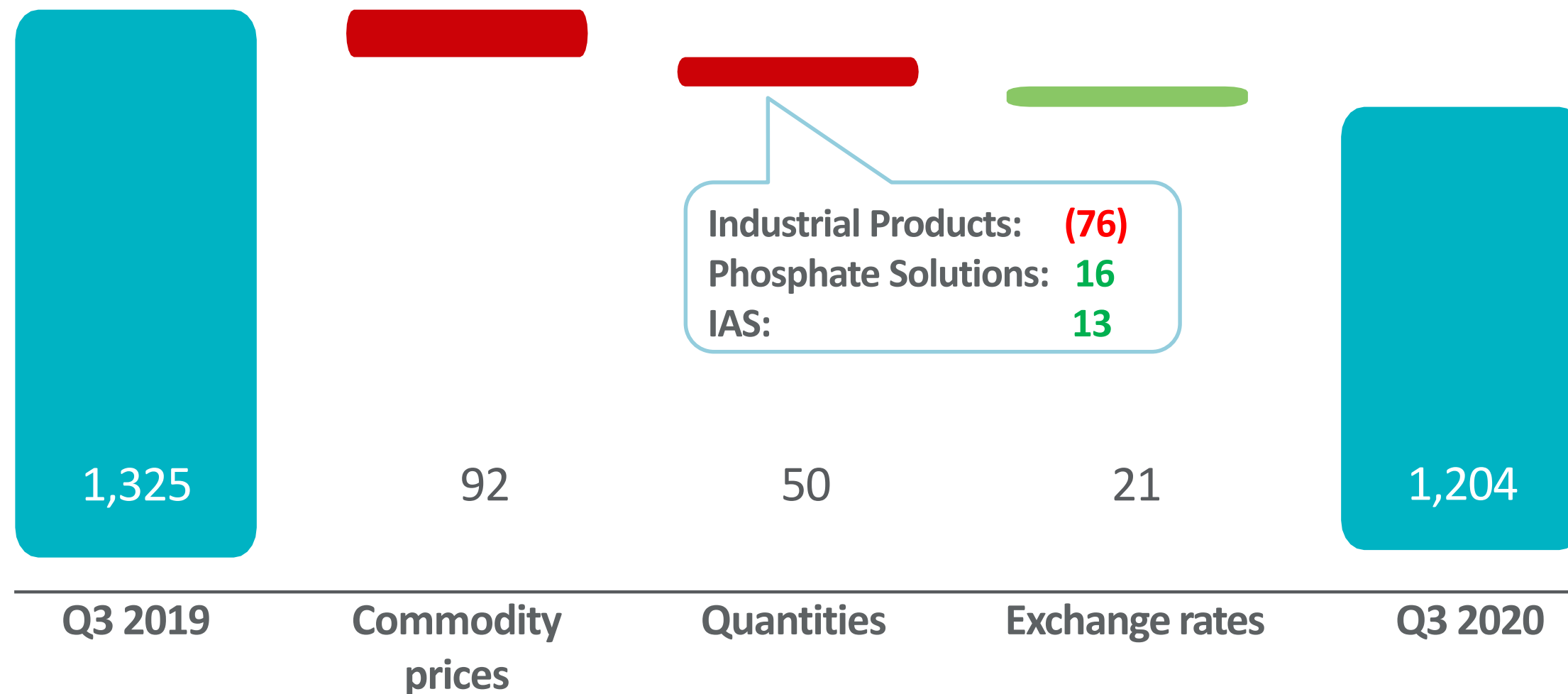


## Elemental bromine, China (\$/tonne)



# Sales Impacted by COVID-19 and Cyclical Low Commodity Prices

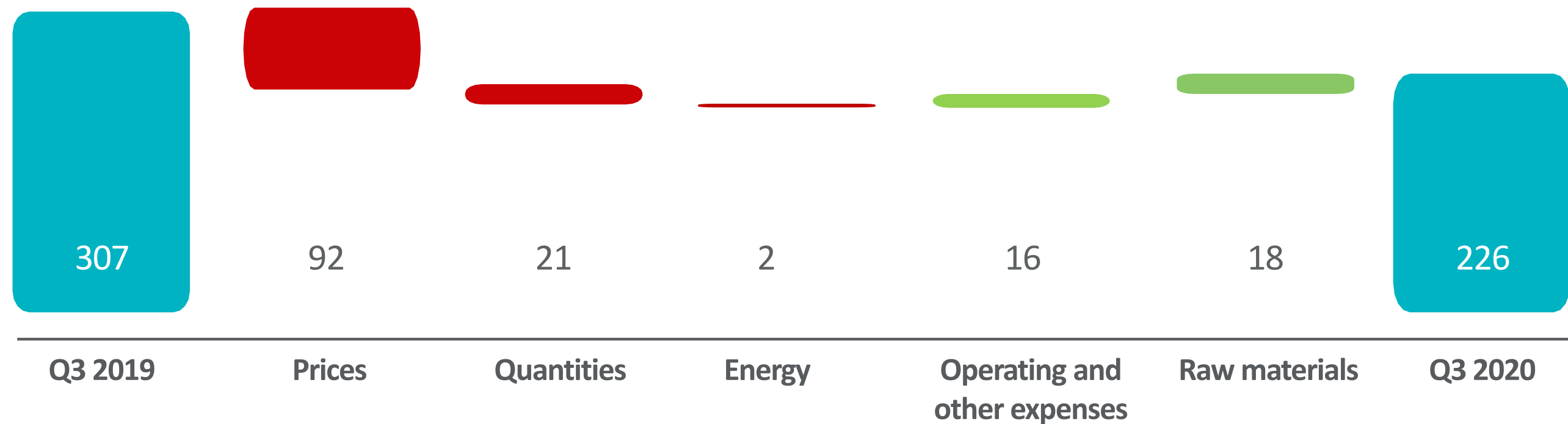
Sales





# Profitability Impacted by Commodity Prices

Adjusted EBITDA <sup>(1)</sup>



1. Adjusted EBITDA is a non-GAAP financial measure. See appendix to this presentation for reconciliation tables.

Number may not add to rounding and set offs

All figures shown in US \$ millions

# Strong Cash Generation and Liquidity

- Renewal of **\$300Mn** Securitization
- **\$900Mn** credit facility extended to 2025
- No major maturities in the near-term
- Q3 2020 dividend yield<sup>(1)</sup> **3.2%**

Operating cash flow

**\$203Mn**

Free cash flow<sup>(2)</sup>

**\$60Mn**

Net Debt to adjusted EBITDA<sup>(2)</sup>

**2.6X**

Immediately available liquidity of over

**\$1.2Bn**

1. Based on last four dividend distributions and LTM average share price

2. Adjusted EBITDA and free cash flow are non-GAAP financial measures. See appendix to this presentation for reconciliation tables

# Key Takeaways

## *Notable achievements despite market challenges:*

- **Resilient results** amid COVID-19 and commodity challenges
- Continued **solid cash generation** fueled by cross-company cost saving initiatives
- **Record nine months potash production** at the Dead Sea
- **Record operating income** for phosphate specialties
- **Record operating income** for YPH JV in China
- Continued **improved results for IAS**
- **Acquisition of Fertilaqua** supports execution of growth strategy

## *Improving market conditions and business environment:*

- **Demand for bromine-based flame retardants recovering**
- Commodity prices **trending higher**
- **Solid demand for fertilizers** expected to continue
- Fourth quarter results are expected to reflect the **usual end of the year seasonality**



# Thank You

AICL		Interactive Analyst Center™			
		ESG Metrics (Y)			
Financial	ESG	Description	FY 17	FY 18	FY 19
		Period Ended On (MM/DD/YYYY)	12/27/2017	12/31/2018	12/31/2019
		Company Information			
	\$ Million	Sales	5,418	5,556	5,271
	\$ Million	Operating income (loss)	629	1,519	756
	\$ Million	Community Spending	5.0	7.9	7.4
		Environmental Performance			
		Environmental Protection Spending			
	\$ Million	Investments	33.9 R	43.8 R	51.1
	\$ Million	Expenditures	51.9 R	67.2 R	62.3
		Certifications			
	Actual	ISO 14001 or an eqv.standard for environmentalma...	89%	91%	93%
	Actual	ISO 50001 or an eqv.standard for energy (% of pro...	32%	32%	35%
		Energy			
	Million	Total energy use (GJ)	30.8	34.9 R	36.5
	Million	Direct (GJ)	23.0	28.5 R	31.1
	Million	Indirect (GJ)	7.9 R	6.4 R	5.4
	Million	Electricity (GJ)	7.2	5.7 R	4.2
	Million	Natural gas (GJ)	19.8	25.8	29.8
		Water			
	Million	Total water use (m3)	70.9 R	72.1 R	71.9
	Million	Potable (m3)	20.2	19.2	18.5
	Million	Non-potable (m3)	50.7 R	53.0 R	53.4
	Million	Grid (Municipal) water use (m3)	18.6	17.4	16.7
	Million	Wastewater discharge (m3)	24.4	24.4	23.2
		GHG			
	Thousand	Total GHG emissions (CO2e tonnes)	3,162	3,323	3,194
	Thousand	Scope 1 (CO2e tonnes)	1,932	2,278	2,496
	Thousand	Scope 2 (CO2e tonnes)	1,140	952	612
	Thousand	Scope 3 (CO2e tonnes)	90	93	86

Visit our new Interactive Data Tool at  
[WWW.ICL-GROUP.COM](http://WWW.ICL-GROUP.COM)





The background of the entire image is a close-up photograph of vibrant green leaves, likely from a plant like a peace lily. The leaves are long, lance-shaped, and have prominent parallel veins. They are layered and curved, creating a sense of depth and texture. The lighting is soft, highlighting the natural sheen of the leaf surfaces.

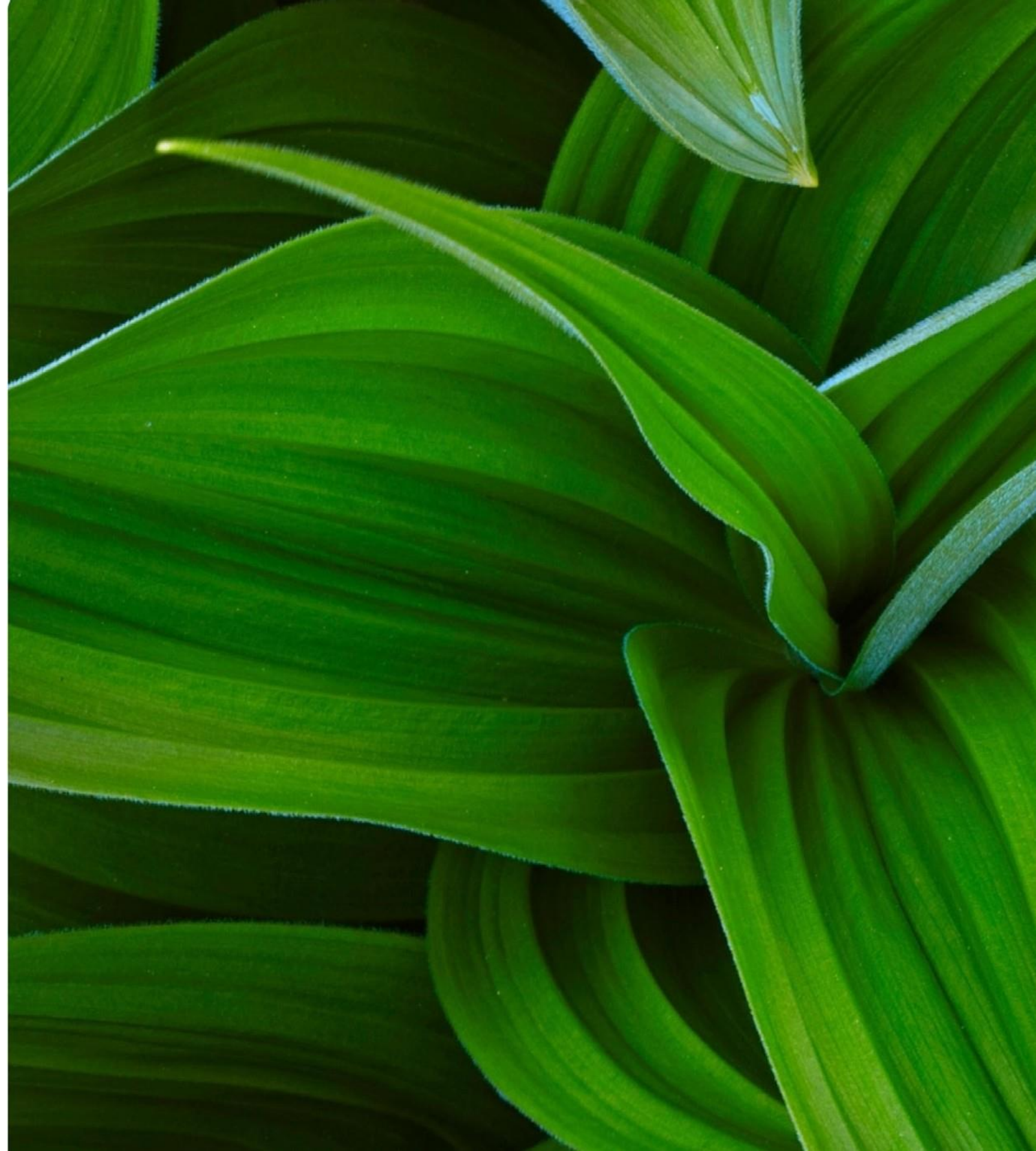
THANK  
YOU

**AICL**



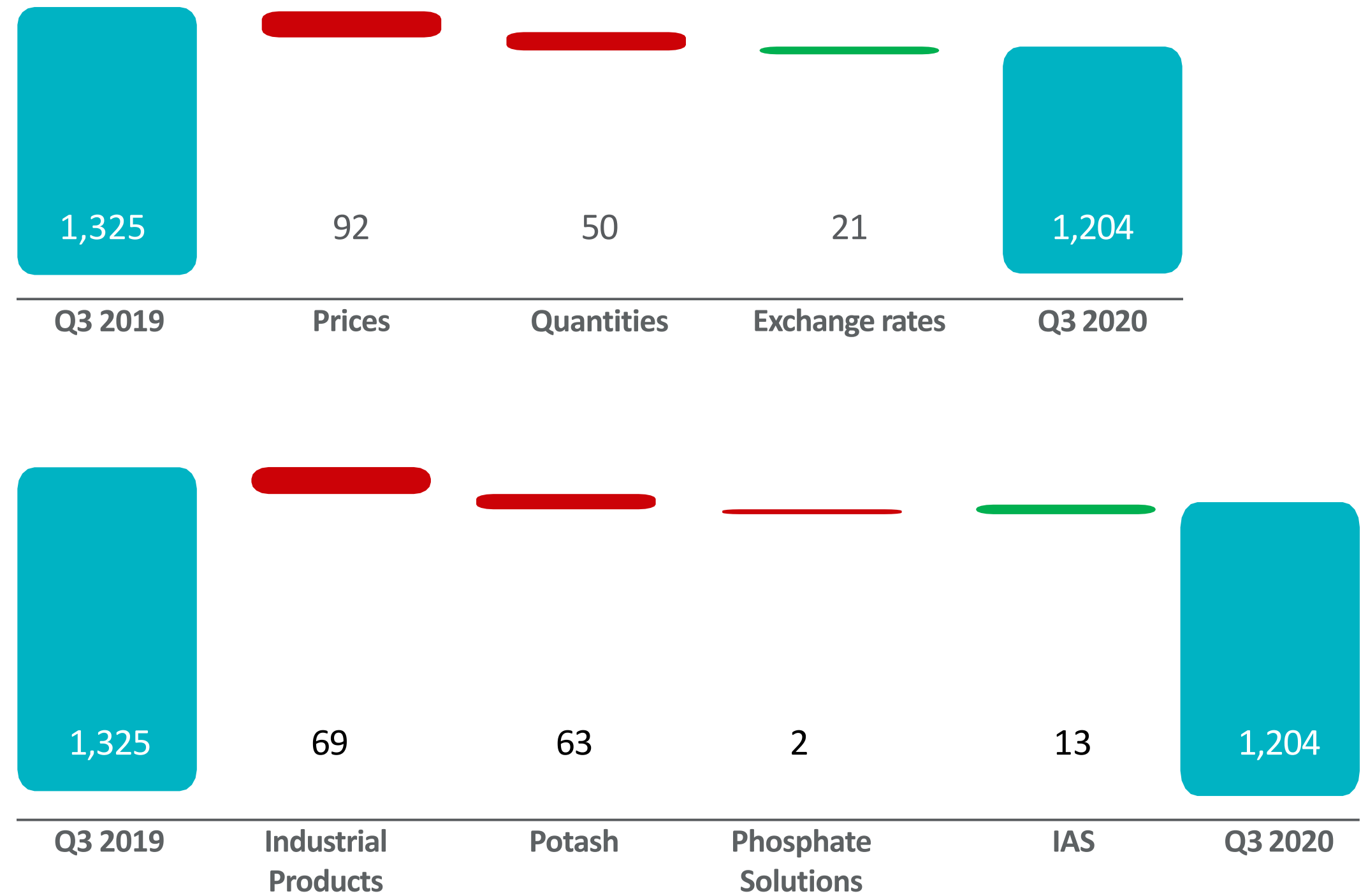
# APPENDIX

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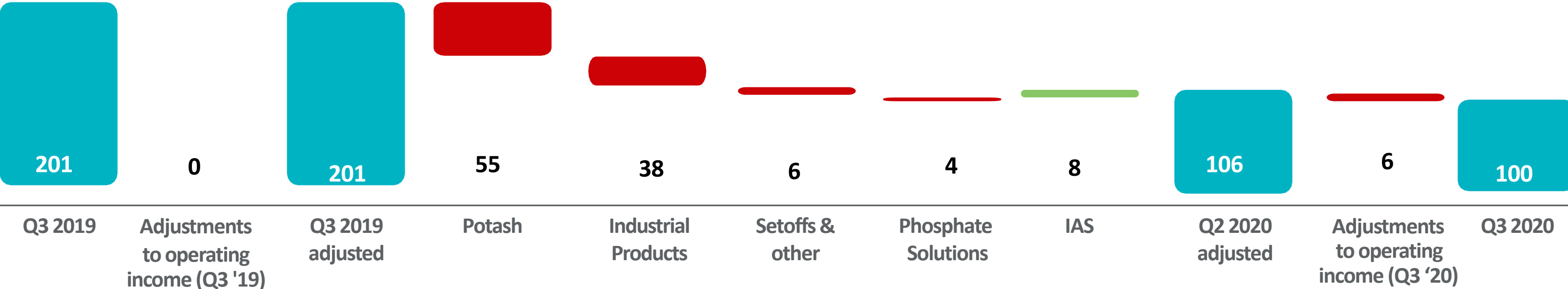


# Q3 2020 sales



Numbers may not add due to rounding and set offs. All figures shown in US \$ millions

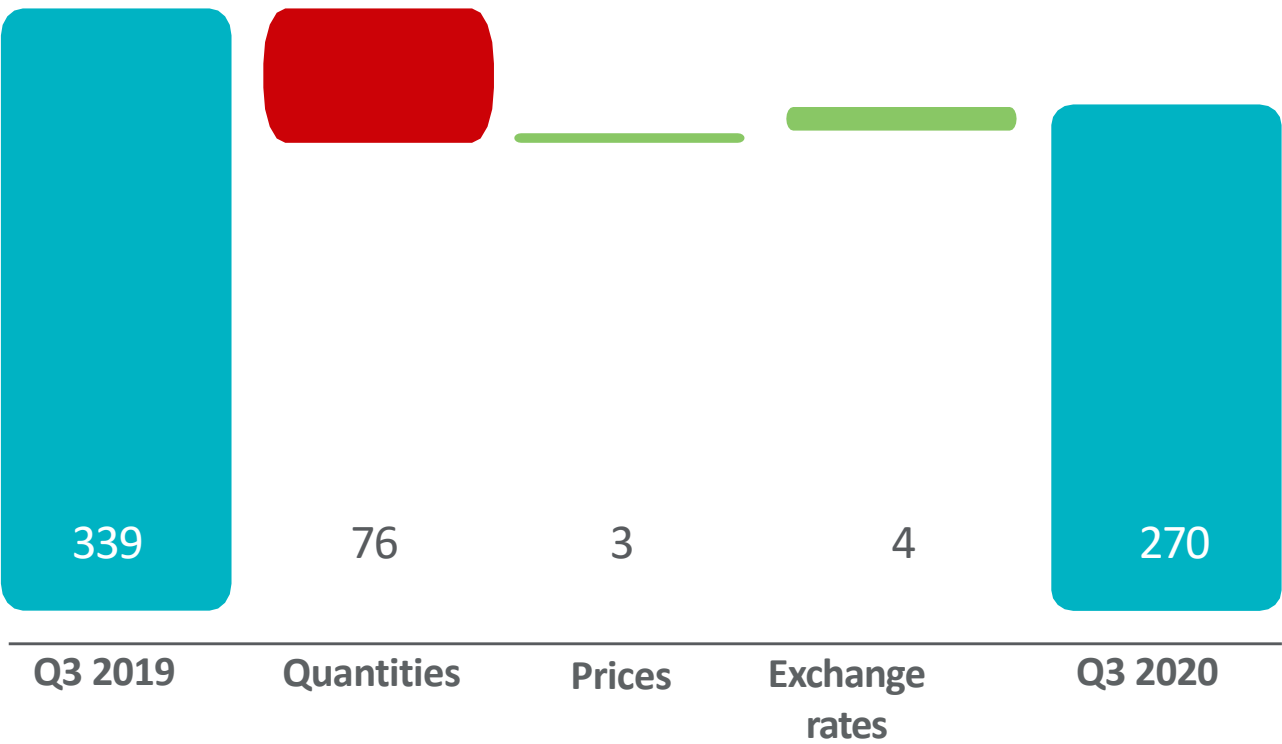
# Q3 2020 Operating Income



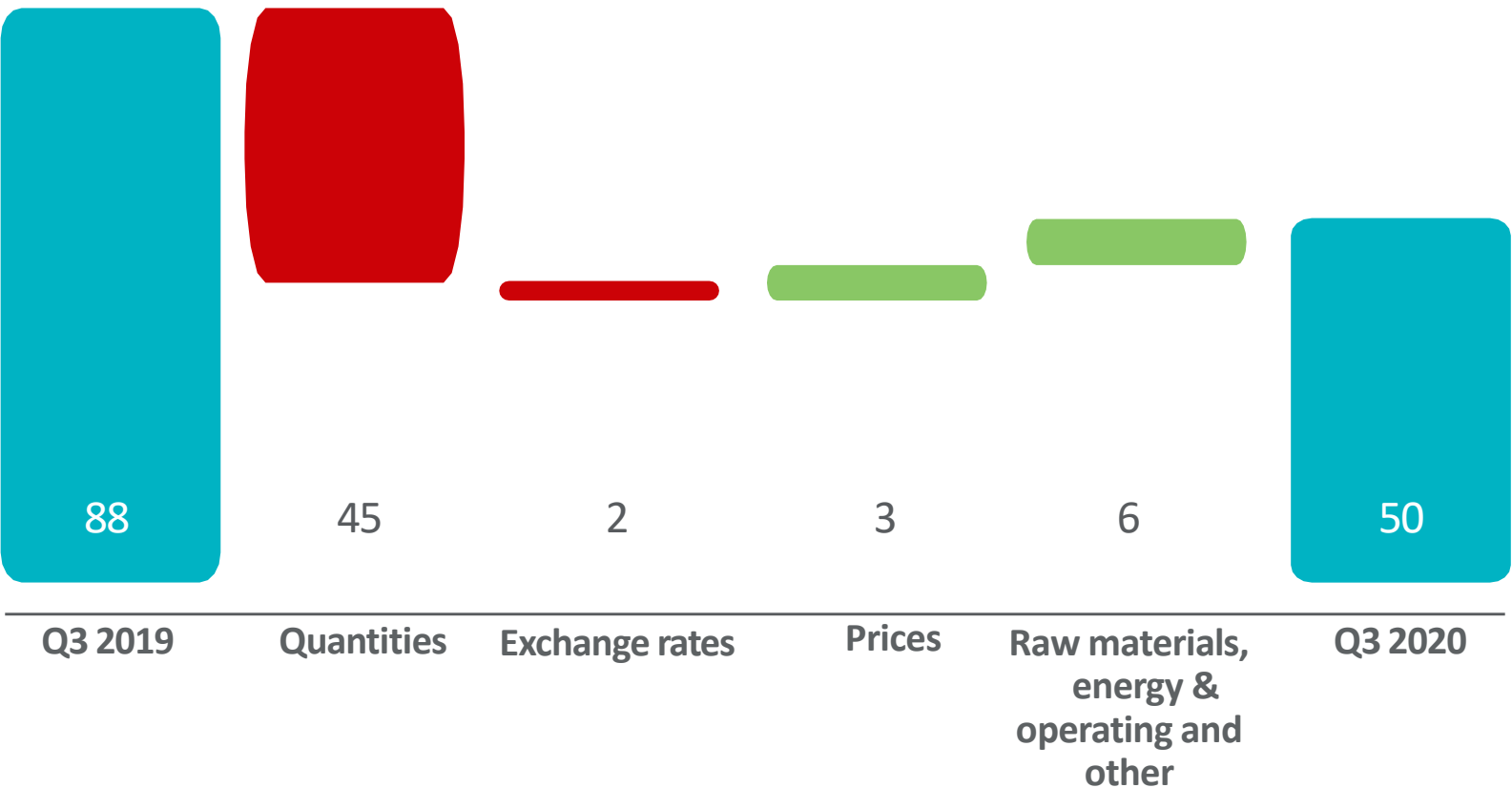
# Q3 2020 Industrial Products

## Sales and Segment Profit Analysis

SEGMENT SALES



SEGMENT PROFIT

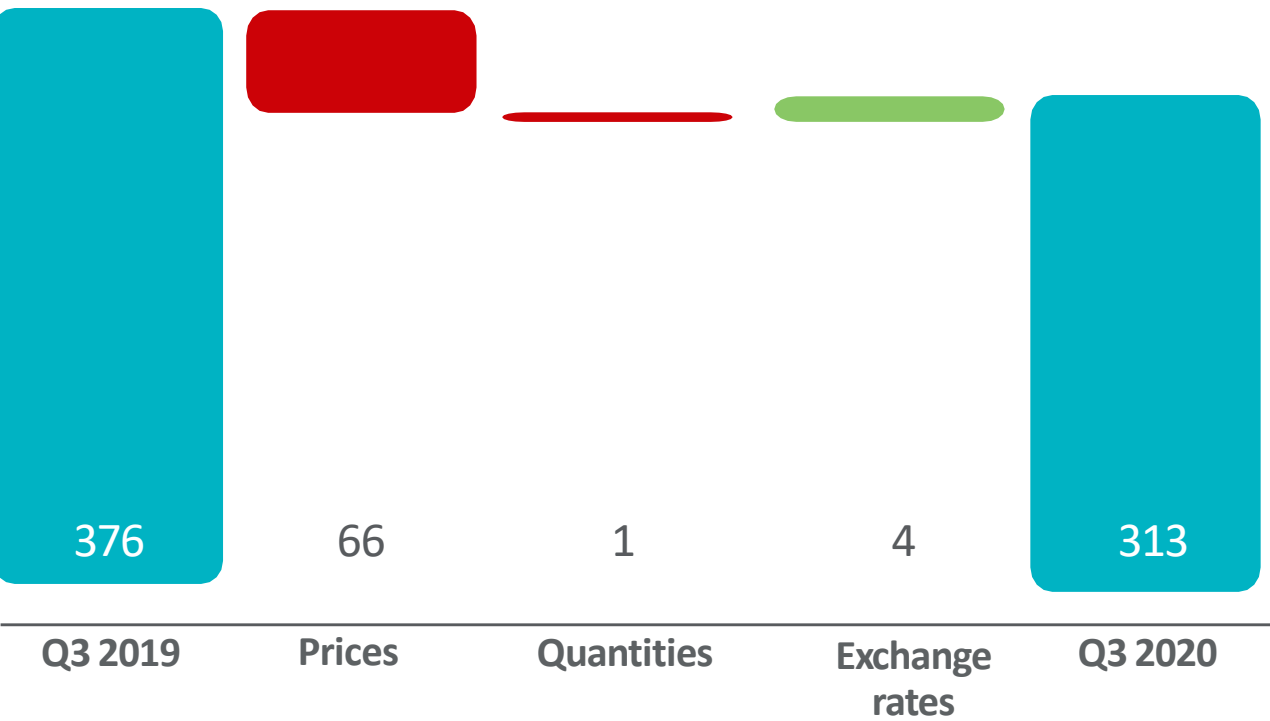


Numbers may not add due to rounding and set offs. All figures shown in US \$ millions

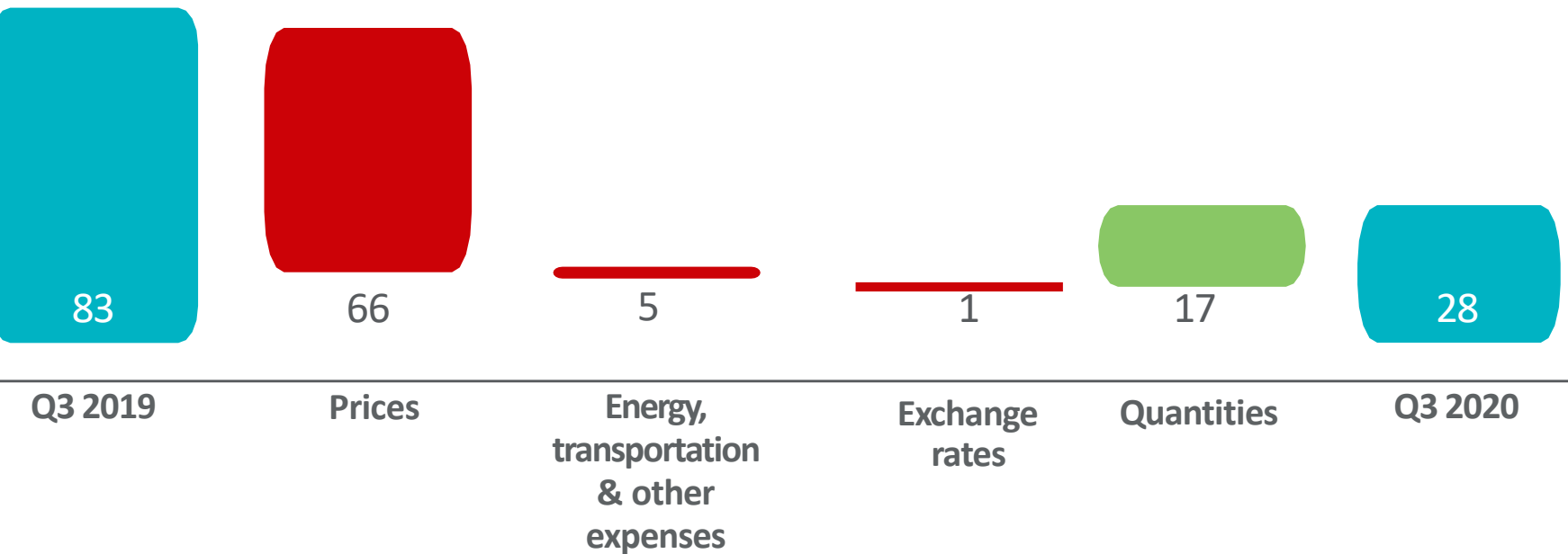
# Q3 2020 Potash

## Sales and Segment Profit Analysis

SEGMENT SALES



SEGMENT PROFIT

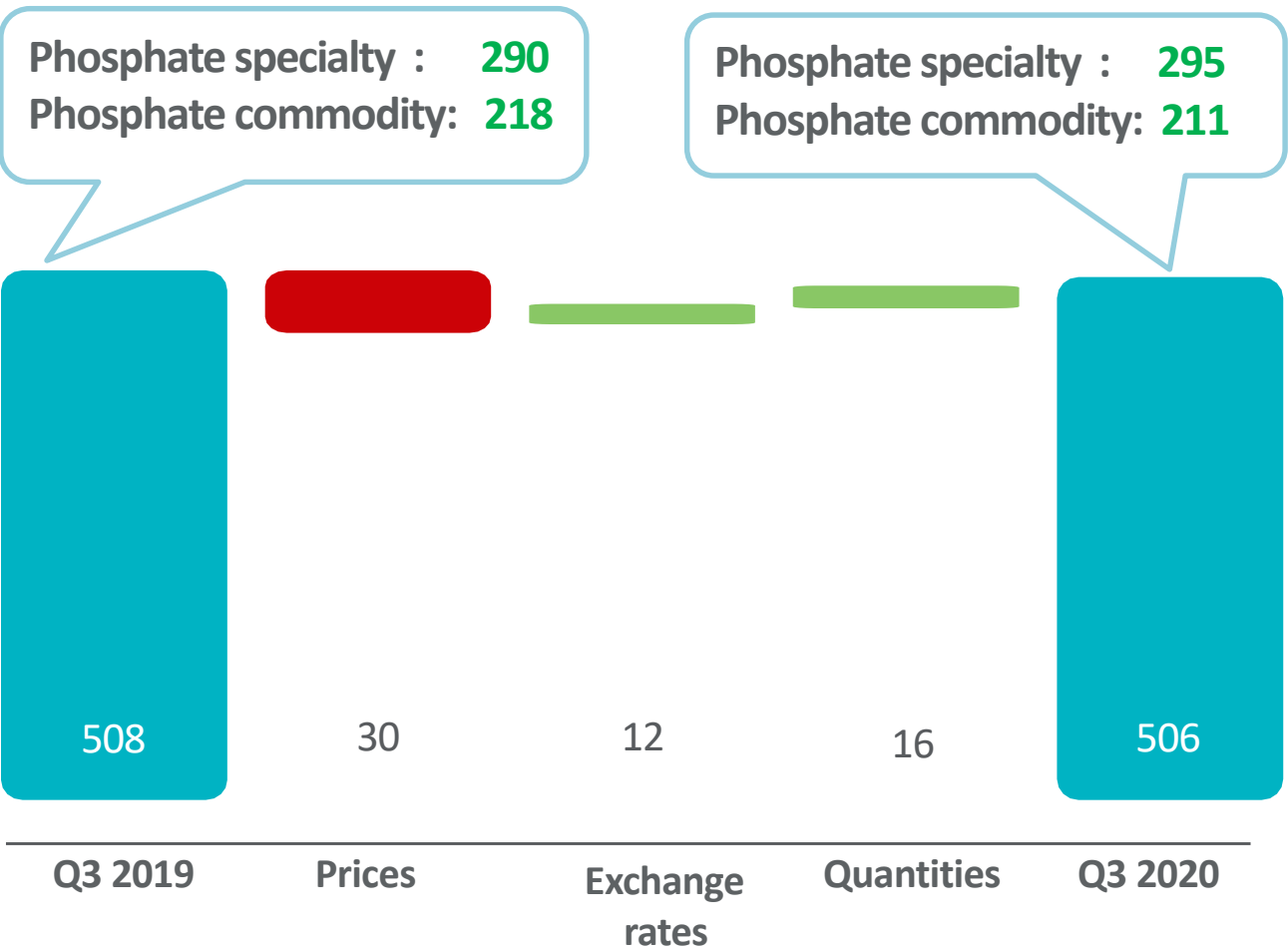


Numbers may not add due to rounding and set offs. All figures shown in US \$ millions

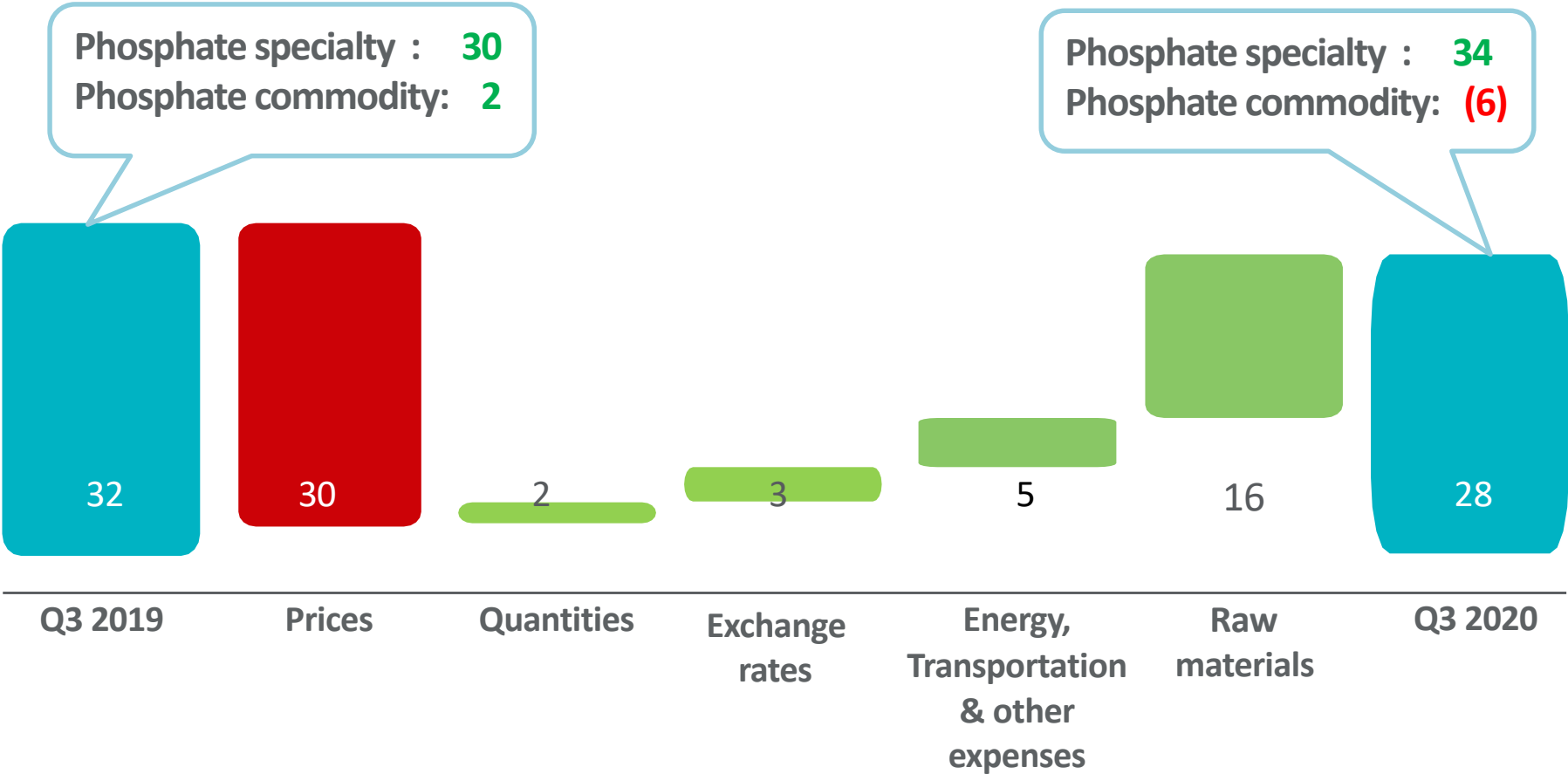
# Q3 2020 Phosphate Solutions

## Sales and Segment Profit Analysis

SEGMENT SALES



SEGMENT PROFIT



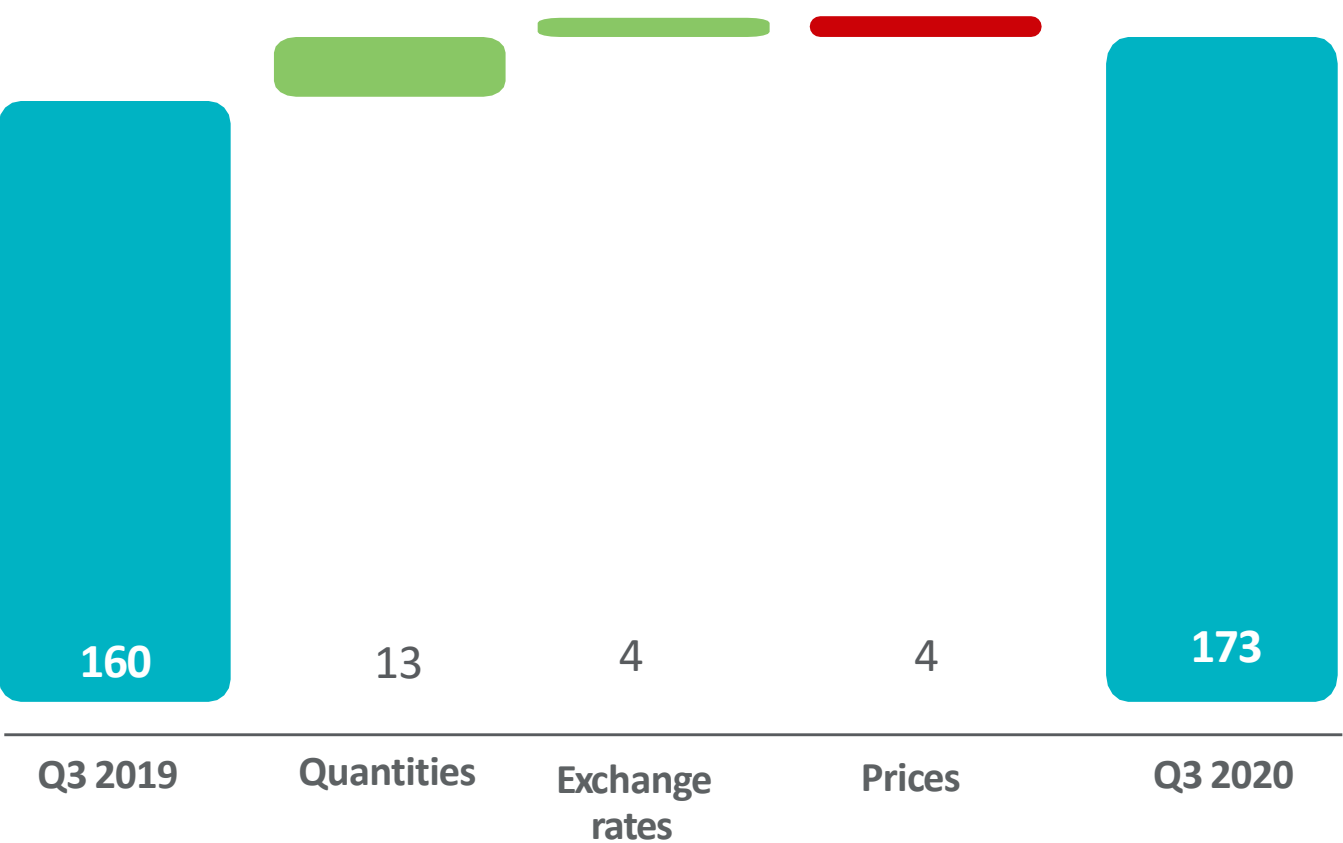
Numbers may not add due to rounding and set offs. All figures shown in US \$ millions



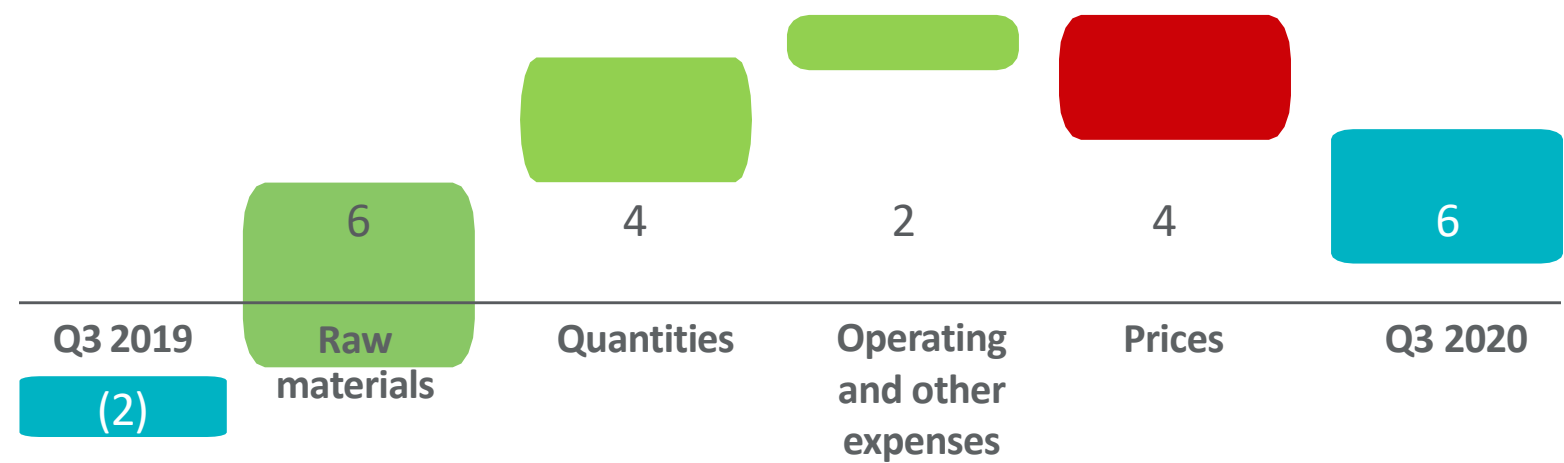
# Q3 2020 Innovative Ag Solutions

## Sales and Segment Profit Analysis

SEGMENT SALES



SEGMENT PROFIT



Numbers may not add due to rounding and set offs. All figures shown in US \$ millions

# Finance Expenses

\$ millions	Q3 2020	Q3 2019
Liabilities(1)	2,825	2,650
Interest rate	3.7%	4.2%
Interest expenses	26	28
Interest capitalization	(6)	(4)
<b>Interest expenses, net</b>	<b>20</b>	<b>24</b>
Total hedging transactions, balance sheet revaluation & other	3	(6)
Interest & exchange rate impact on long term liabilities of leasing and employees	6	14
<b>Net financial expenses</b>	<b>29</b>	<b>32</b>

1. Average liabilities during the given quarter

Numbers may not add due to rounding and set offs. All figures shown in US \$ millions

# Effective Tax Rate

\$ millions	Q3 2020	Q3 2019
Adjusted income before tax <sup>(1)</sup>	79	169
Normalized tax rate	20%	21%
<b>Normalized tax expenses</b>	<b>16</b>	<b>36</b>
Carryforward losses not recorded for tax purposes	(1)	(6)
Exchange rate impact and other items	1	5
<b>Adjusted tax expenses</b>	<b>16</b>	<b>35</b>
<b>Adjusted effective tax rate</b>	<b>20%</b>	<b>21%</b>
Tax adjustments	(2)	-
<b>Reported provision for income taxes</b>	<b>14</b>	<b>35</b>

1. See calculation in the appendix of this presentation

Numbers may not add due to rounding and set offs. All figures shown in US \$ millions

# Reconciliation Tables (1/3)

## Calculation of adjusted income before tax

Adjusted operating income<sup>(1)</sup>

Finance expenses

Share in earnings (losses) of equity-accounted investees and adjustments to financial expenses

**Q3 2020**

**Q3 2019**

106

201

(29)

(32)

1

-

**Adjusted income before tax**

**79**

**169**

## Calculation of segment EBITDA and margin

	Industrial Products		Potash		Phosphate Solutions		IAS	
	Q3 2020	Q3 2019	Q3 2020	Q3 2019	Q3 2019	Q3 2019	Q3 2019	Q3 2019
Segment profit	50	88	28	83	28	32	6	(2)
Depreciation and amortization	19	17	42	37	55	44	7	5
<b>Segment EBITDA</b>	<b>69</b>	<b>105</b>	<b>70</b>	<b>120</b>	<b>83</b>	<b>76</b>	<b>13</b>	<b>3</b>
Segment EBITDA margin	26%	31%	22%	32%	16%	15%	8%	2%

Numbers may not add due to rounding. All figures shown in US \$ millions

1. See detailed reconciliation table "Adjustments to reported operating and net income (Non-GAAP)" in the corresponding quarters' PR and 6-K



# Reconciliation Tables (2/3)

## Calculation of adjusted EBITDA

	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Net income attributable to the shareholders of the Company	54	(168)	60	48	130
Depreciation and Amortization	123	119	118	113	110
Financing expenses, net	29	31	52	25	32
Taxes on income	14	(33)	20	15	35
Adjustments <sup>(1)</sup>	6	297	-	-	-
<b>Adjusted EBITDA</b>	<b>226</b>	<b>246</b>	<b>250</b>	<b>201</b>	<b>307</b>

## Net debt to adjusted EBITDA

	Q3 2020
Net debt	2,425
Adjusted EBITDA	923
<b>Net debt to adjusted EBITDA</b>	<b>2.6X</b>

Numbers may not add due to rounding. All figures shown in US \$ millions

1. See detailed reconciliation table "Adjustments to reported operating and net income (Non-GAAP)" in the corresponding quarters' PR and 6-K

2. Last 4 quarters EBITDA

# Reconciliation Tables (3/3)

## Calculation free cash flow

	Q3 2020	Q3 2019	Q2 2020
Cash flow from operations	59	134	177
Additions to property plant and equipment and dividends from equity-accounted investees <sup>(2)</sup>	1	87	(157)
<b>Free cash flow</b>	<b>60</b>	<b>221</b>	<b>20</b>

## Calculation of adjusted net income to net income

	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Net income attributable to the shareholders of the Company	54	(168)	60	48	130	158
Total adjustments to operating income <sup>(1)</sup>	6	297	-	-	-	(10)
Adjustments to finance expenses <sup>(1)</sup>	-	-	-	-	-	--
Total tax impact of the above operating income & finance expenses adjustments <sup>(1)</sup>	(2)	(57)	-	-	-	3
<b>Total adjusted net income - shareholders of the Company</b>	<b>58</b>	<b>72</b>	<b>60</b>	<b>48</b>	<b>130</b>	<b>151</b>

## Calculation of adjusted operating income

	Q3 2020	Q2 2019	Q2 2020
<b>Operating income</b>	<b>100</b>	<b>201</b>	<b>(169)</b>
Impairment loss (reversal)	6	-	187
Provision for early retirement and dismissal of employees	-	-	78
Provision for prior periods waste removal and site restoration costs	-	-	32
<b>Total adjustments</b>	<b>6</b>	<b>-</b>	<b>297</b>
<b>Adjusted operating income</b>	<b>106</b>	<b>201</b>	<b>128</b>

Numbers may not add due to rounding. All figures shown in US \$ millions

1. See detailed reconciliation table "Adjustments to reported operating and net income (Non-GAAP)" in the corresponding quarters' PR and 6-K

2. Also includes proceeds from sale of Property, Plants & Equipment (PP&E)

# Non-GAAP Financial Measures

We disclose in this Quarterly Report 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 present 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 above and 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 above and in the reconciliation table "Adjustments to reported operating and net income (Non-GAAP)" in the accompanying press release, excluding the total tax impact of such adjustments and adjustments attributable to the non-controlling interests. We calculate our adjusted EBITDA by adding back to the adjusted operating income the depreciation and amortization. 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 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 that such non-GAAP measures provide useful information to both management and investors by excluding certain expenses that management believes are not indicative of our ongoing operations. In particular for free cash flow, we adjust our Capex to include any Proceeds from 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 that 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 following discussion on our financial statements. You should read the following discussion together with our financial statements.



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