



Where needs take us

## ICL Strategy

*Hezi Israel,  
EVP BD & Strategy*

מטפחים את ההווה.

מפתחים את העתיד.

CULTIVATING THE PRESENT.

DEVELOPING THE FUTURE.



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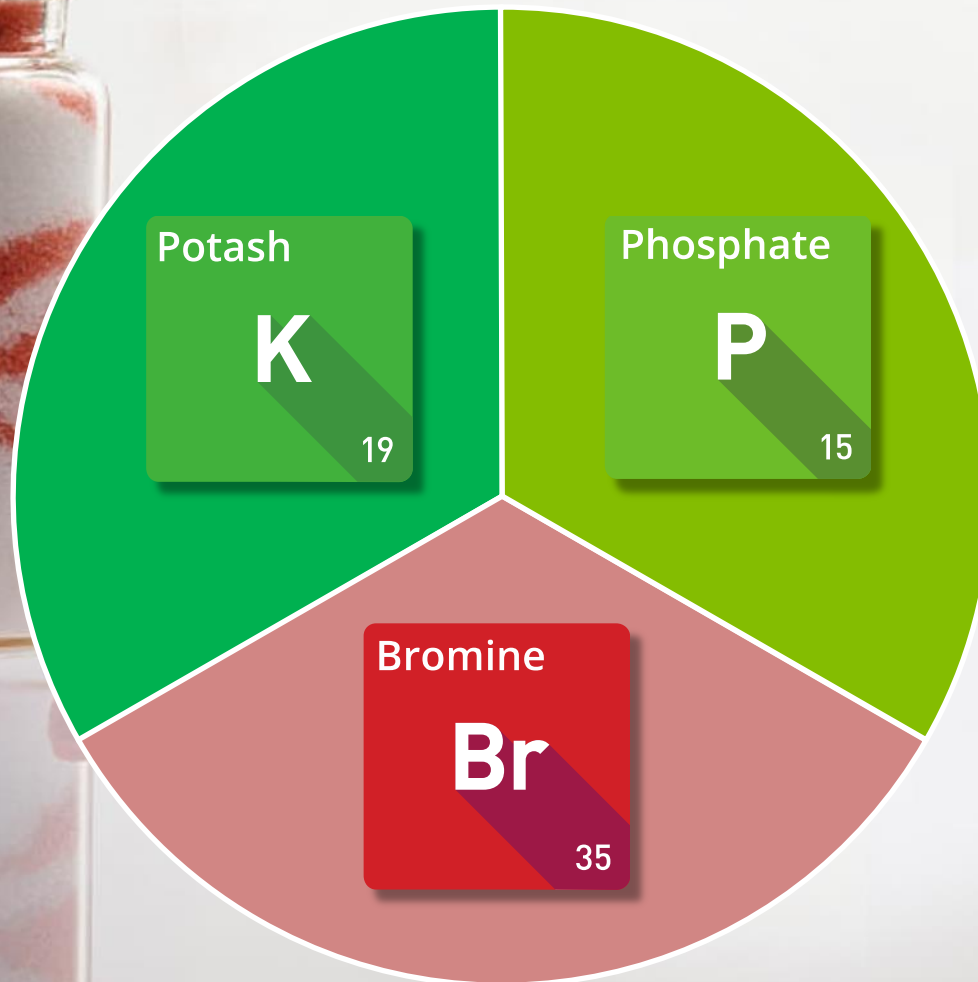
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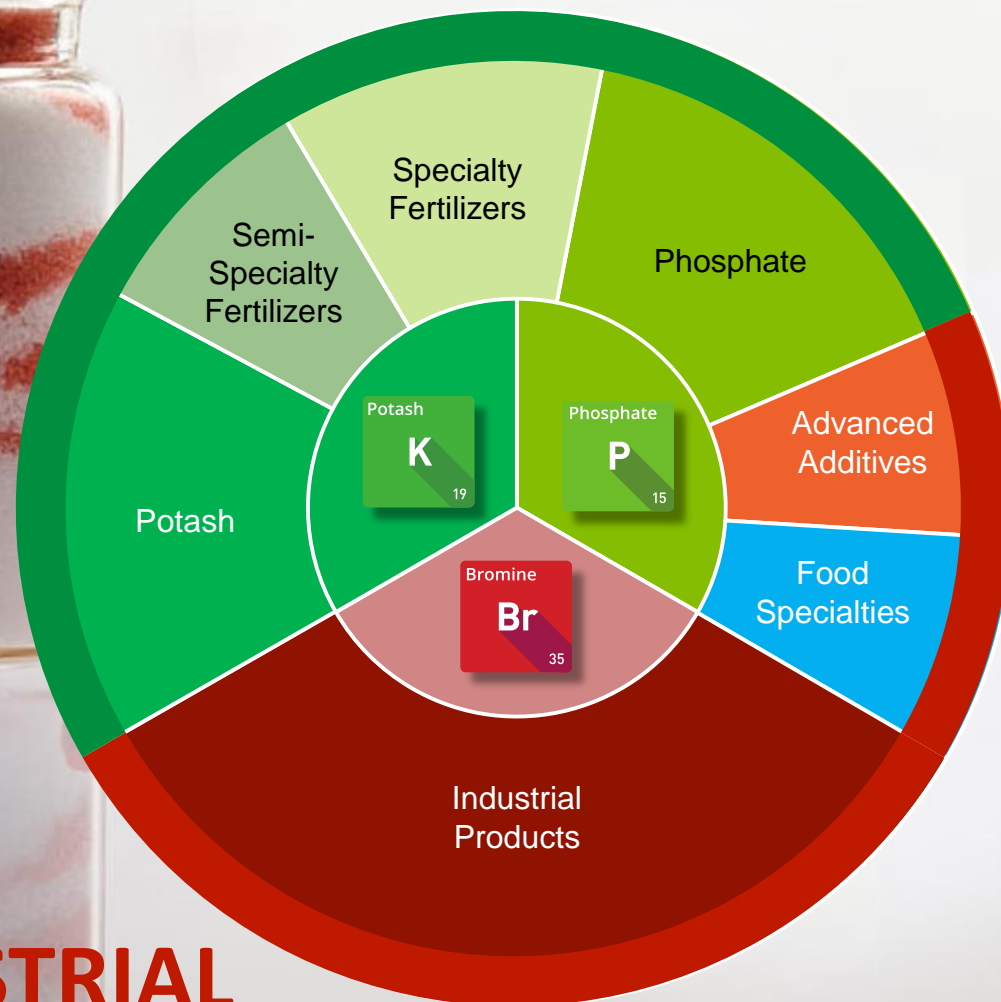


# ICL TODAY





## AGRICULTURE



## INDUSTRIAL

# Creating Value Along the Chain





**Where do we  
want to go?**

# Our Strategic Guiding Principles





# Upstream Vs. Downstream

## UPSTREAM

- Highly Capital Intensive
- Volatile Market

**OPTIMIZATION**

## DOWNSTREAM

- Successful track records in Phosphate & Bromine
- Show greater cycle resilience
- Higher ROI

**IDENTIFY GROWTH OPPORTUNITIES**



## AGRICULTURE

Essential Minerals

Potash & Magnesium

Phosphates

Specialty Fertilizers

## INDUSTRIAL

Specialty Solutions

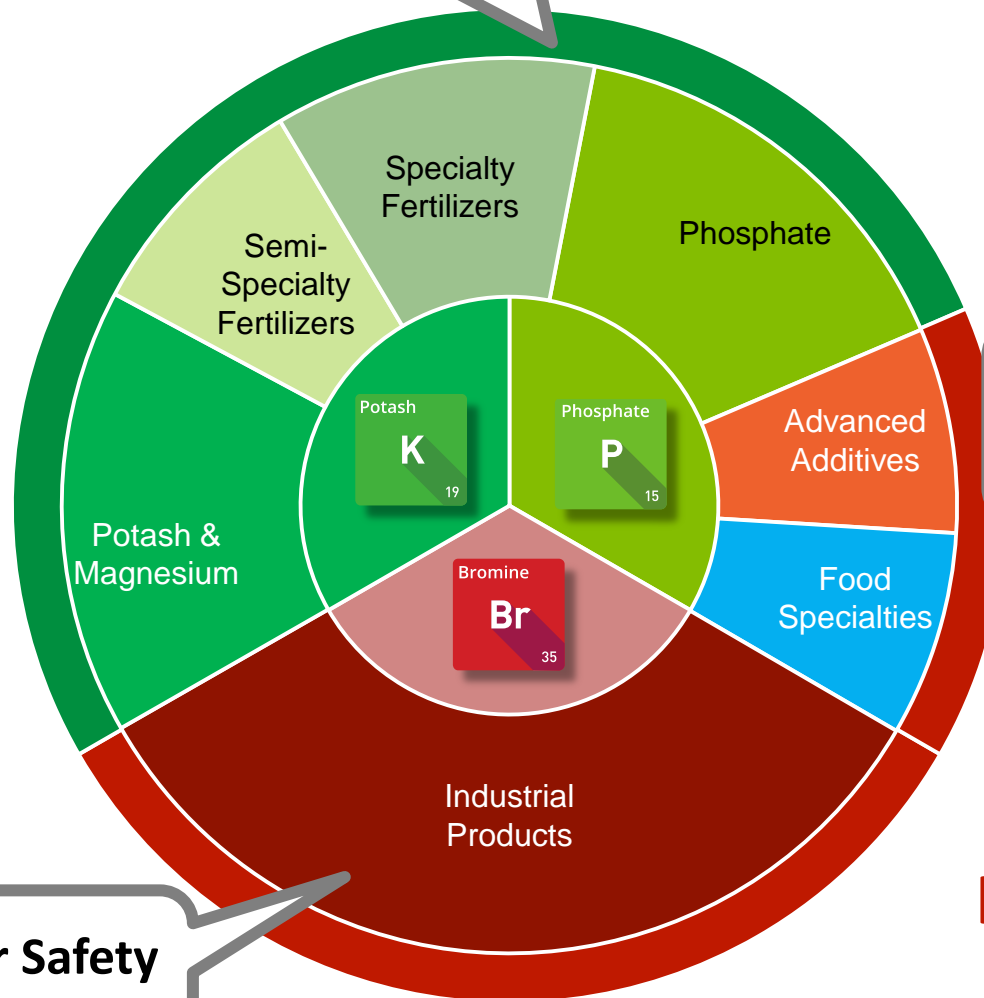
Industrial Products

Advanced Additives

Food Specialties

## AGRICULTURE

Platform for Agro  
Solutions?



Platform for Food  
Ingredients?

Platform for Safety  
Solutions?

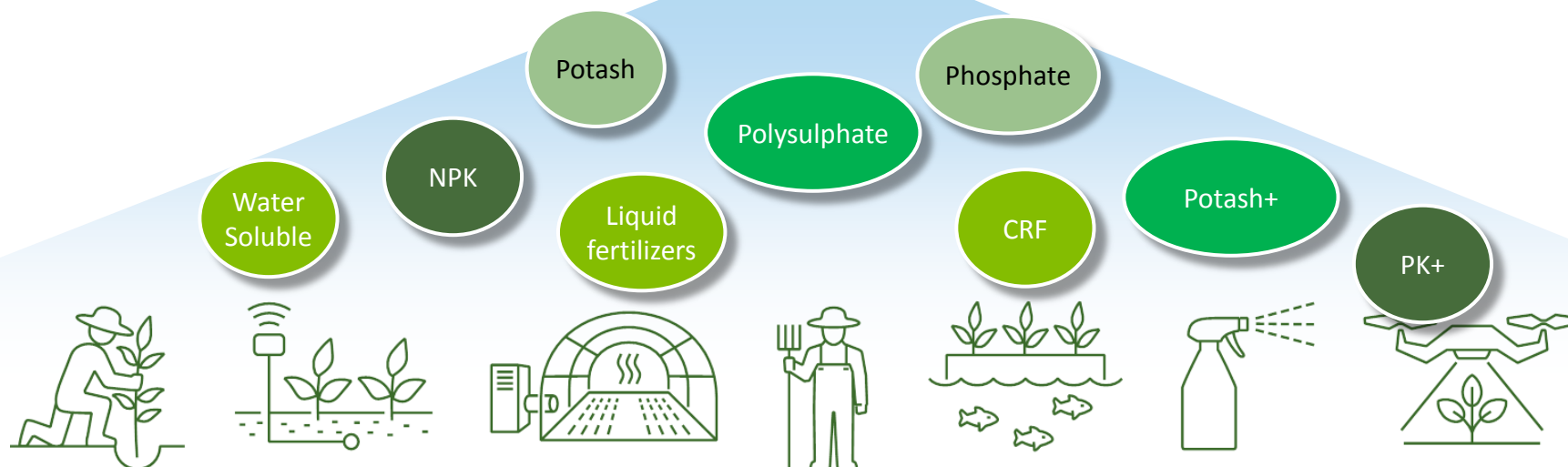
## INDUSTRIAL

# Where to Focus Our Downstream Growth?

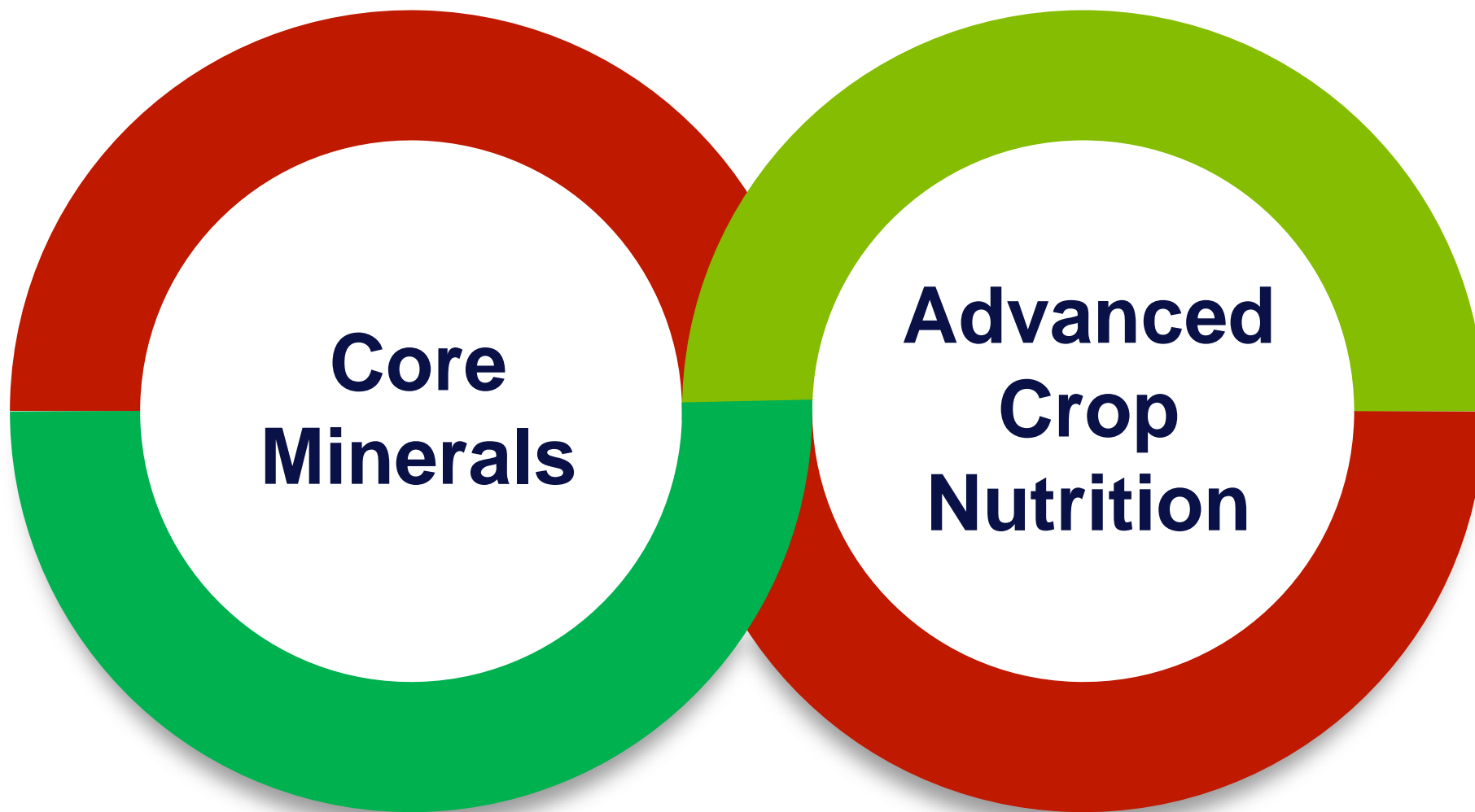
-  Israel Agro-Tech
-  Healthy Nutrition
-  Environmental Awareness
-  Effective Agriculture

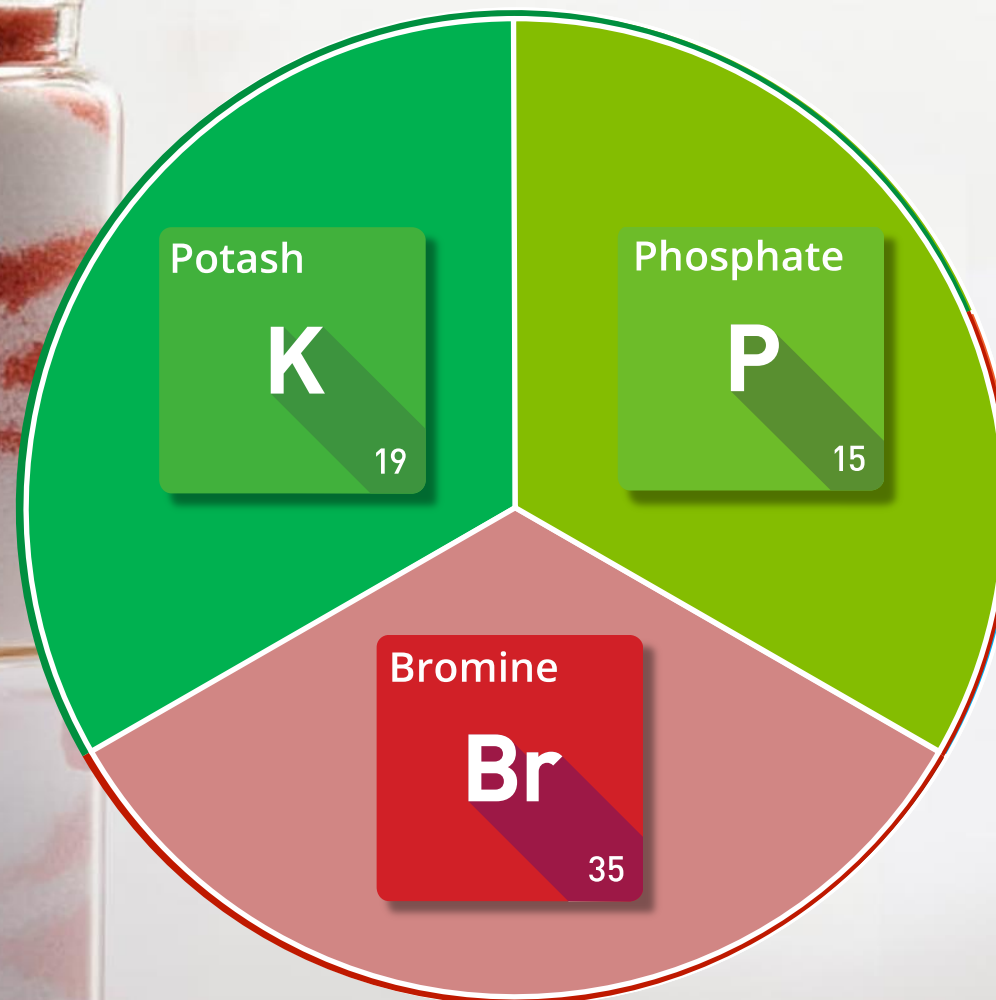


## ADVANCED CROP NUTRITION









# Optimization of our Mineral Assets

## Operational Excellence In the Dead Sea and Rotem

- Production process improvement
- Early retirement plan
- Rock production optimization
- Energy efficiency
- Maintenance optimization

## ICL UK – full shift to Polysulphate in progress

- ~ 50% reduction in workforce
- Targeting 1M tonnes by 2020
- Significant reduction in loss expected in 2018, profitability expected from 2020

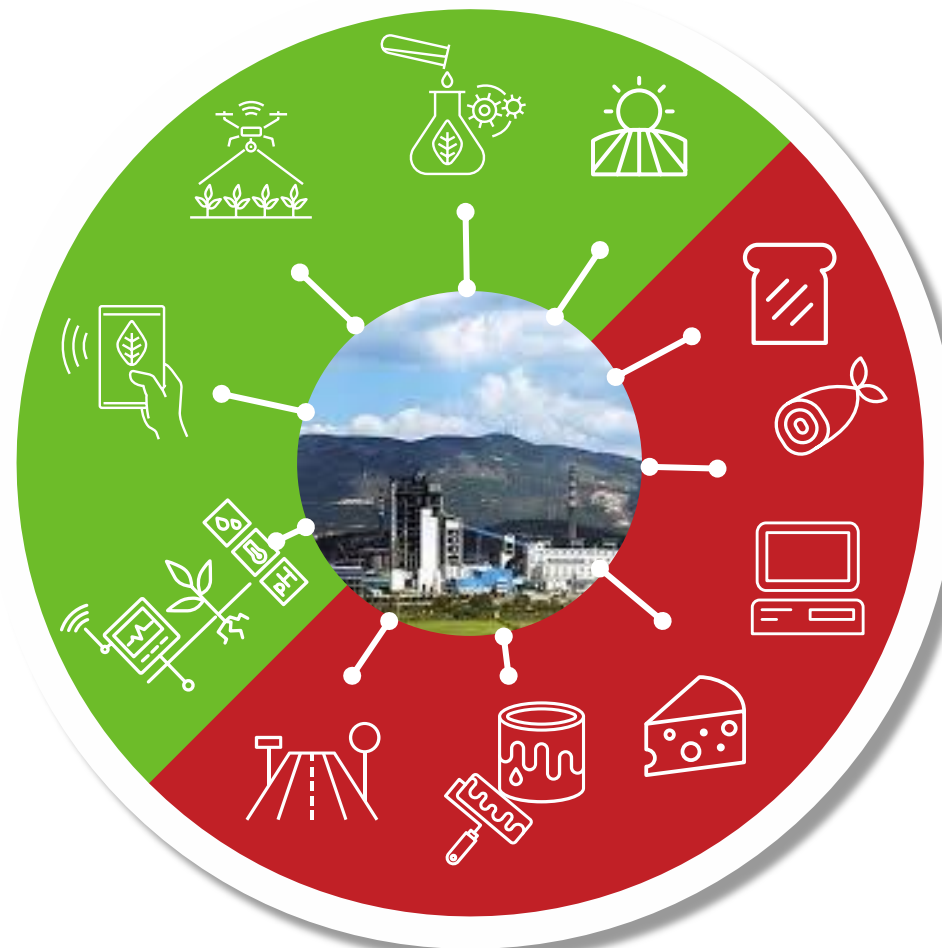
## ICL Iberia – mine consolidation & logistics upgrade

- Building access ramp, expand capacity in Suria
- New port terminal



# YPH: Hub for Our Specialty Businesses in China

- Significant reduction in operating loss in 2017
- Operating break even expected in 2018
- Accelerated shift towards specialty



# Optimization



TARGET

~10-15%

Reduction in potash cost  
per tonne over 5 Years

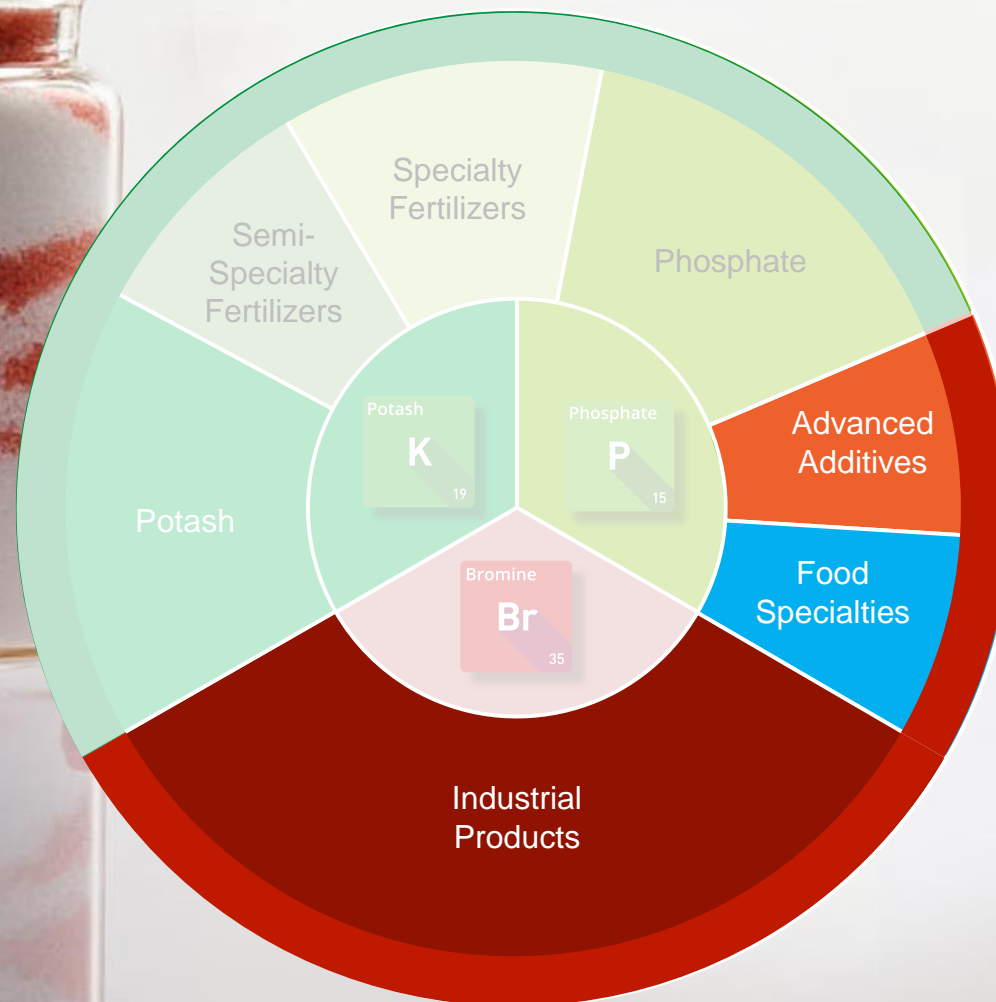
~5M Tonne

Maintain stable  
Potash production

Shift

Phosphate and UK  
to Specialty

**Maintain Strength.  
Provide Stability.**





# Strong Market Position - A Robust base for Our Future

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 in  
food ingredients





# Continuous Quest for Global Opportunities

- Value over volume in phosphate specialties as done in the bromine value chain
- Potential in China – dilution of bromine resources and environmental regulation; grow WPA and salts
- Drive innovation based on global trends
- Bolt on acquisitions



# Maintain strength Provide stability.



TARGET

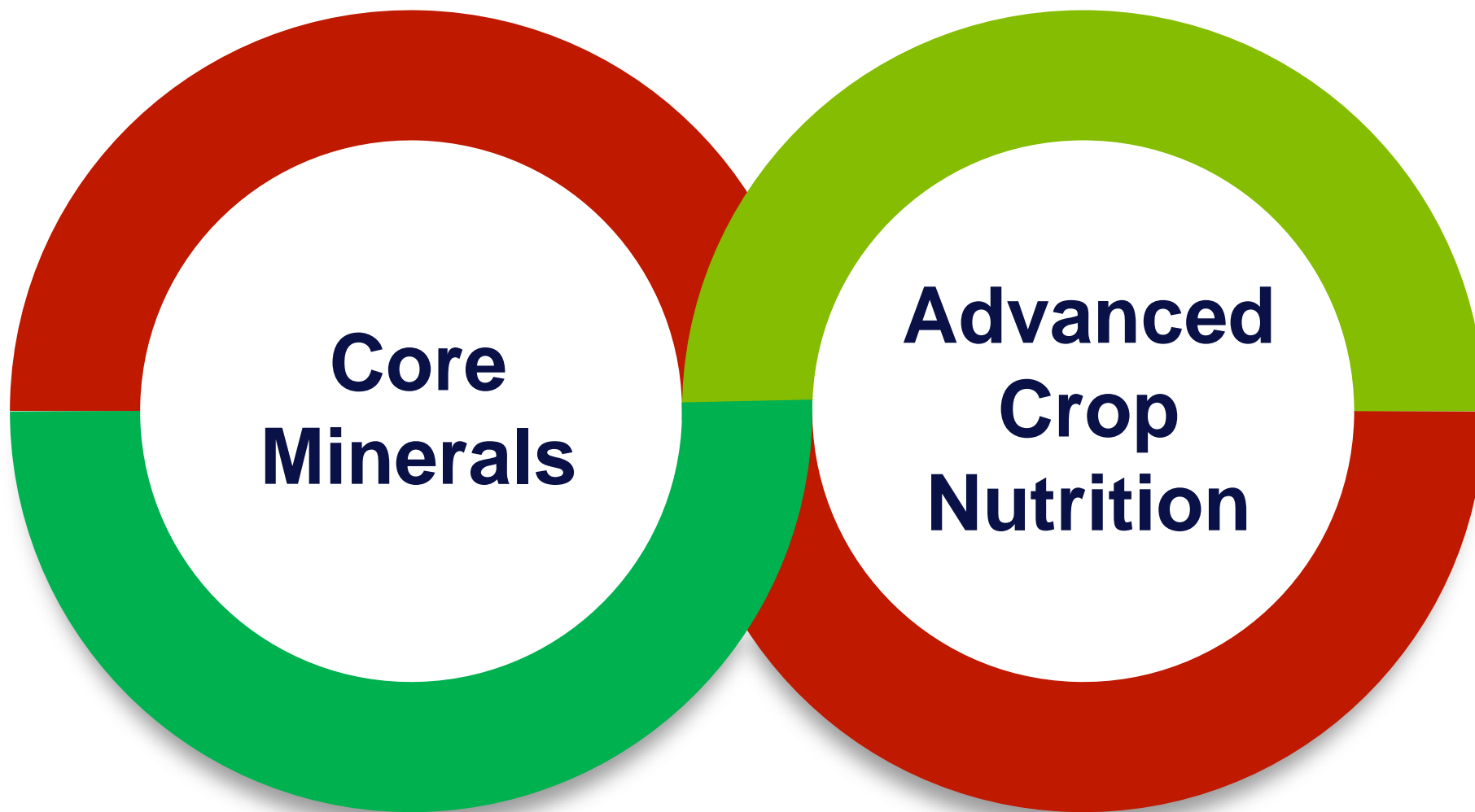
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Outgrow  
the market

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Expand  
margins





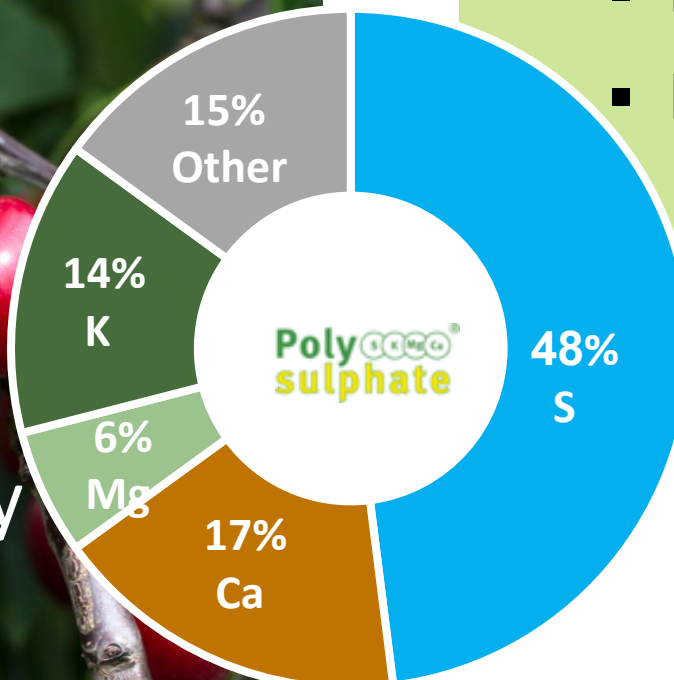
**GROWTH**



## A PREMIUM NICHE FERTILIZER WITH UNIQUE BENEFITS

### Mineral Attributes

- Multi-nutrients
- Extended Availability
- Natural fertilizer



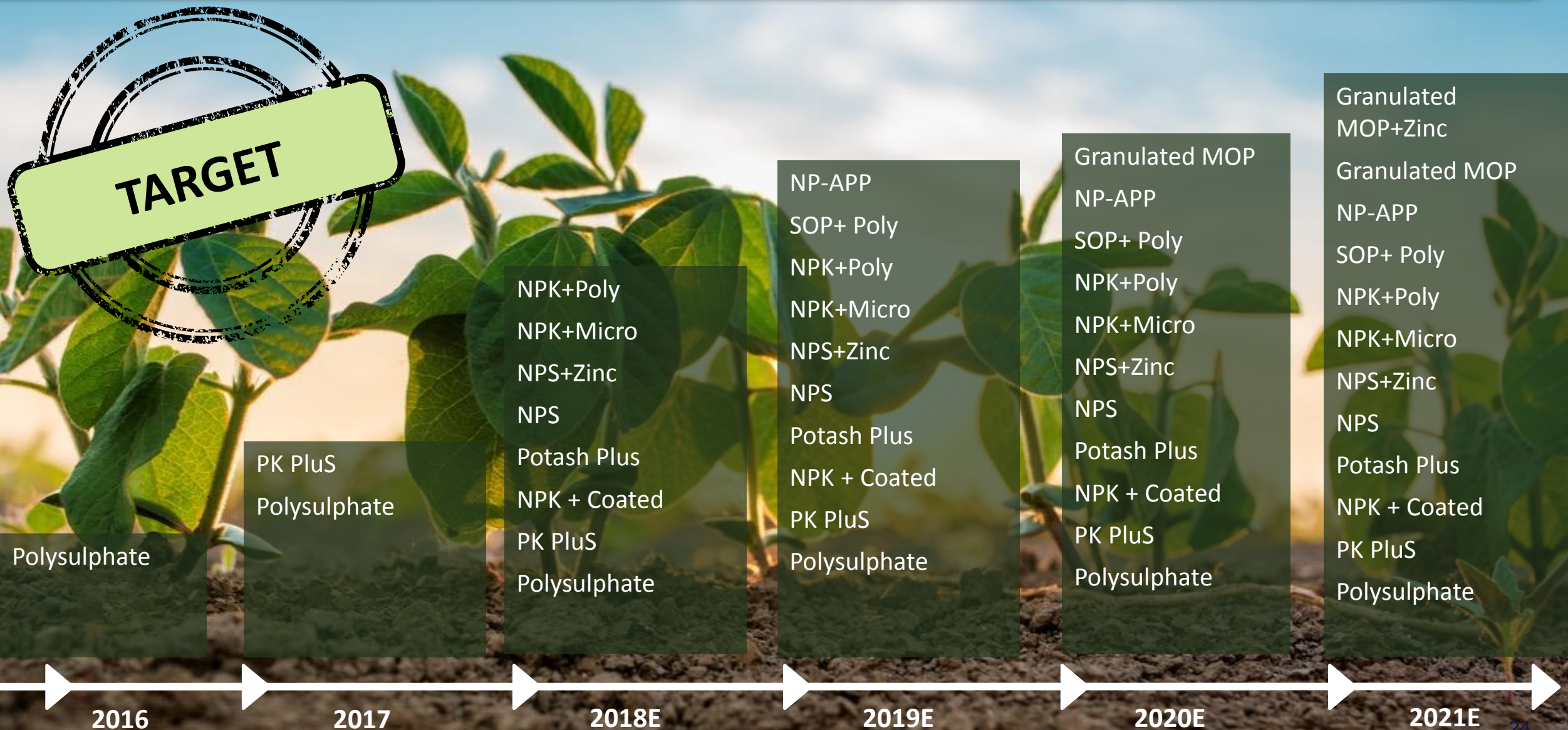
### ICL's Advantages

- Sole producer
- Existing infrastructure
- Market position



# From One Mineral to A World of Value Added Products

**TARGET**





# Growth in Semi-Specialty

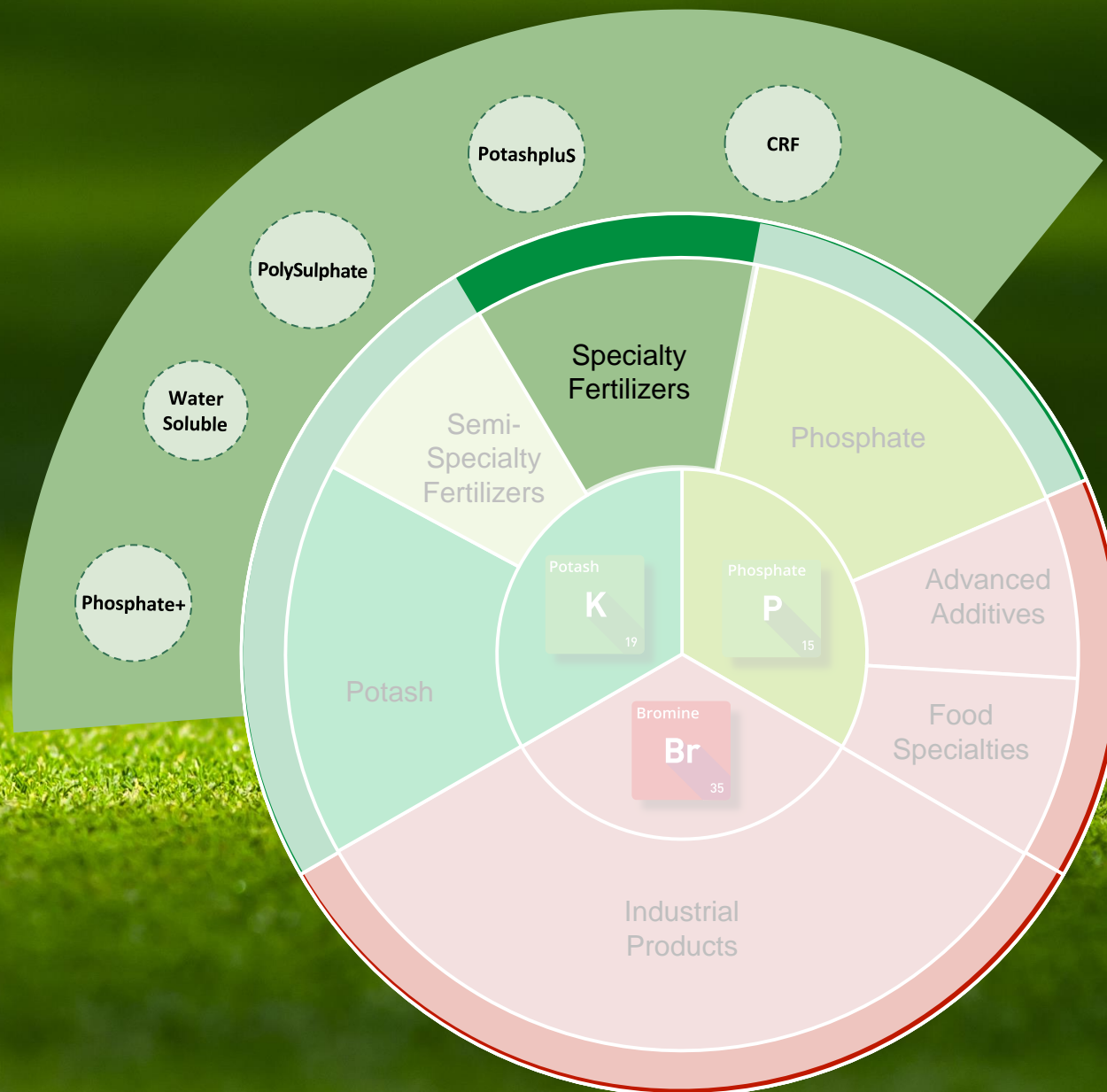
A hand is shown pouring a stream of small, light-colored seeds into dark brown soil. To the right of the hand, a small green seedling with two leaves is growing. In the upper right corner, there is a green rectangular stamp with the word 'TARGET' in white, tilted upwards. The stamp is surrounded by several concentric, hand-drawn white circles.

TARGET

From ~\$100M to ~\$400M

Increase in Semi-Specialty sales within 5 years

**Leadership in Advanced  
Crop Nutrition solutions**

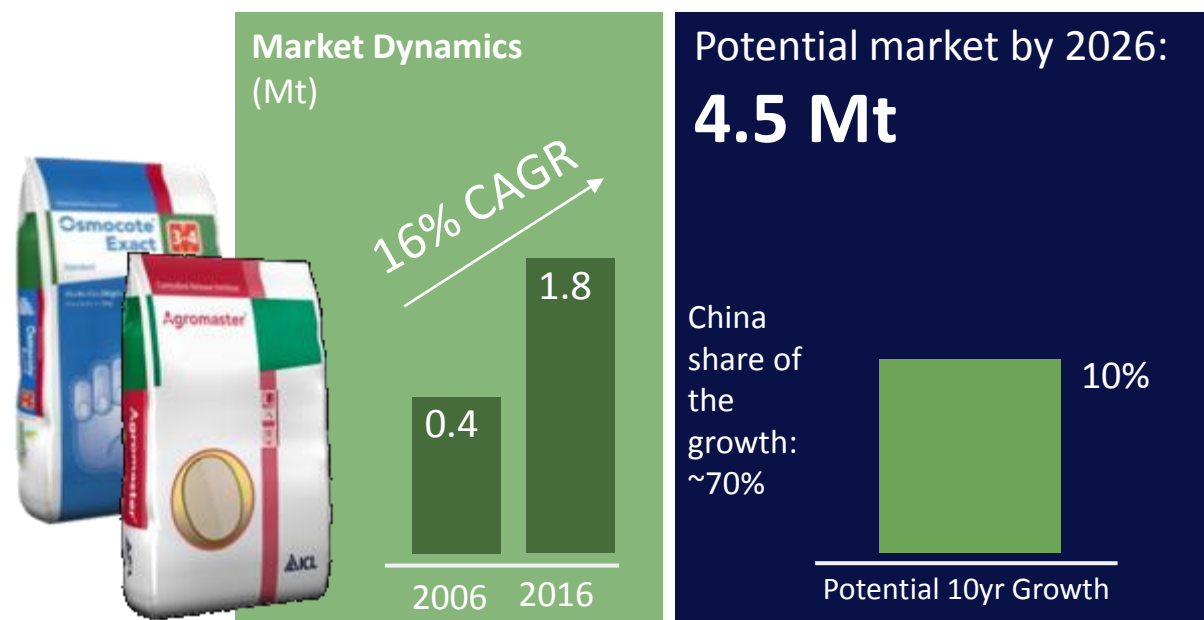




# Our Strengths

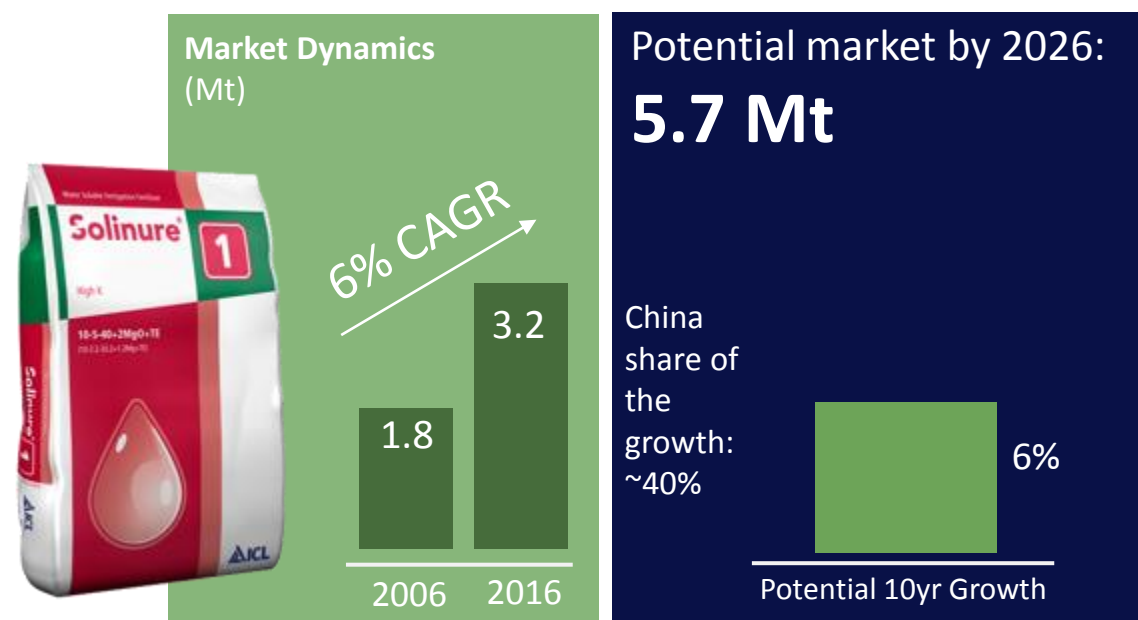
- Leader in Key Markets
- Access to P and K resources, unique access to Polysulphate
- Wide Portfolio with well established brands & unique products
- Profound agronomic knowledge & strong professional sales force
- Advanced P and K chemistry
- Advanced and flexible manufacturing technologies
- Efficient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

## Controlled Release Fertilizers



Source: IFA publications, RAMS & Co analysis

## Soluble Fertilizers





# Global Trends Driving Shift Towards Specialty Fertilizers

Regulatory  
Pressure

Environmental  
Trends

Changing  
Food Chain

Population growth,  
urbanization &  
reduction in arable land  
per capita

New Grower Practices



# Building Leadership in Advanced Crop Nutrition Solutions



**R&D**

**Infrastructure**

**Precision  
Ag**

**Business  
Development**

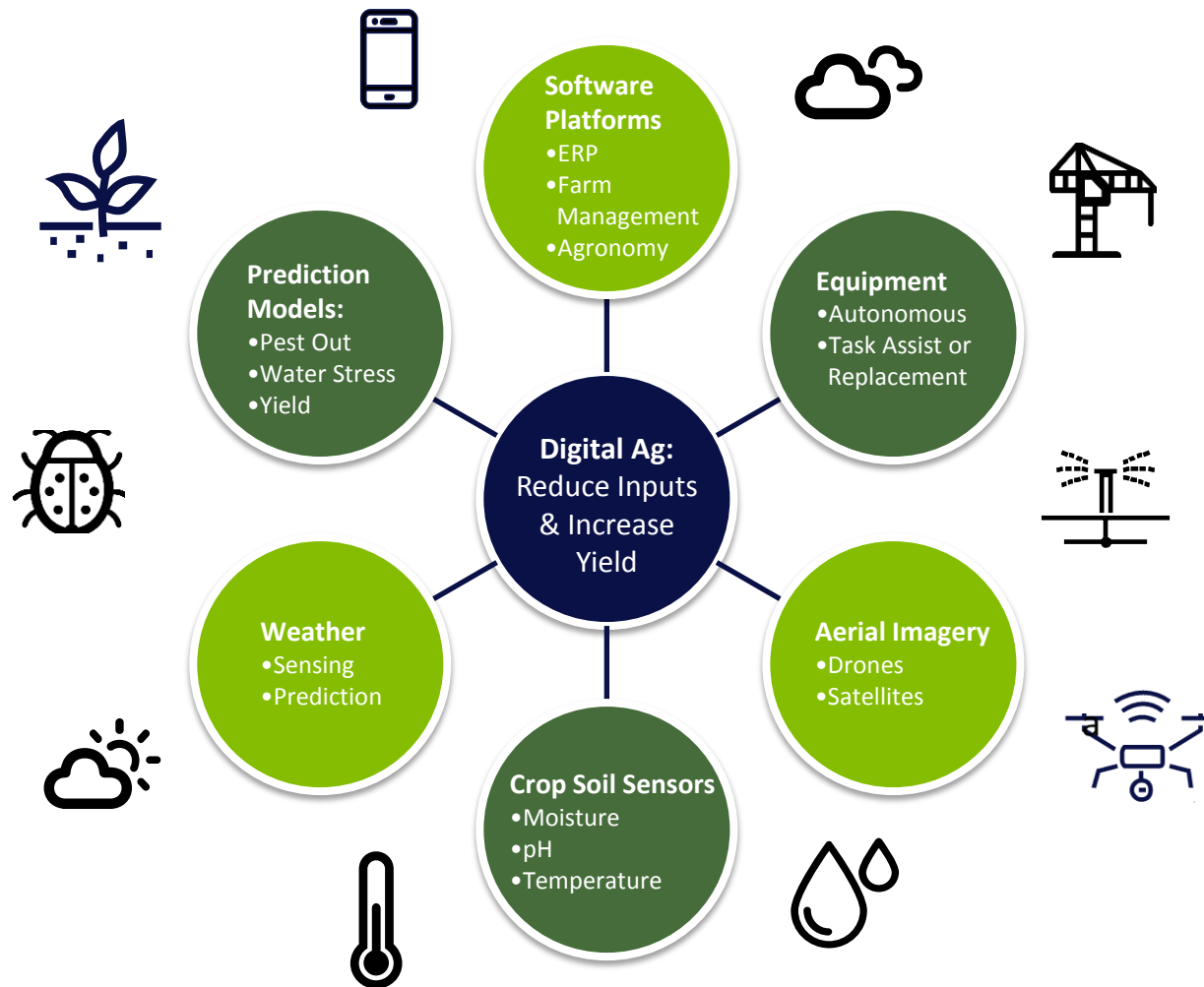
# Leverage PrecisionAg to Grow sales

Digitization of Farms -Sensing,  
Analytics and Connectivity Solutions

Big data insights

New products  
New customers

More sales





# Digital Package to Enhance Sales



Mobile App



Integration of  
data to an  
Ag platform



Remote sensing  
of nutrient  
deficiencies



In-soil  
temperature  
sensor



Data analytics used  
to offer tailored  
products



Prescription tool:  
what fertilizer to  
apply when?





# Growth through Leadership in Advanced Crop Nutrition solutions

TARGET

Create

best-in-class  
innovative platform

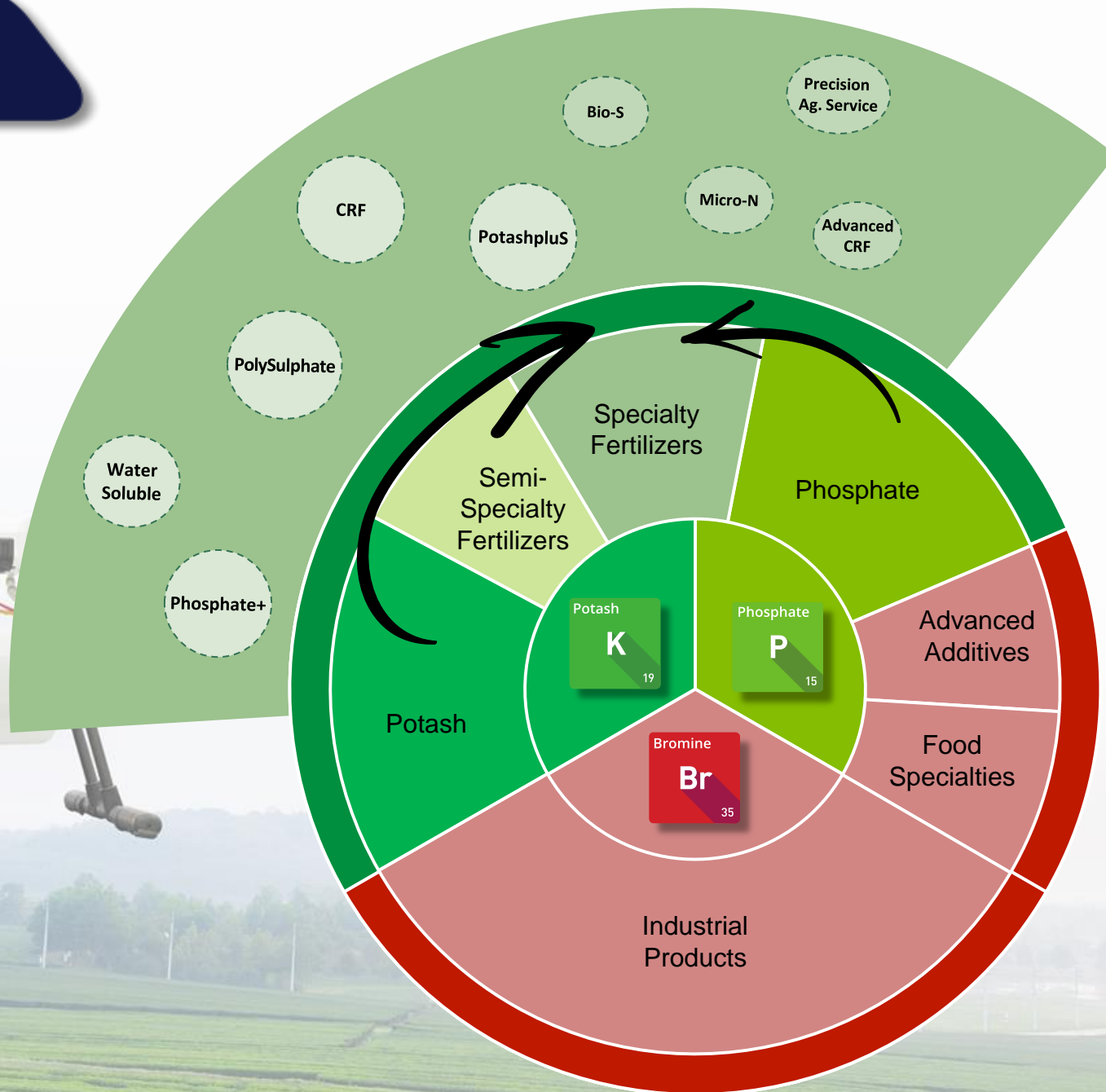
Over \$1BN

Sales within 5 Years

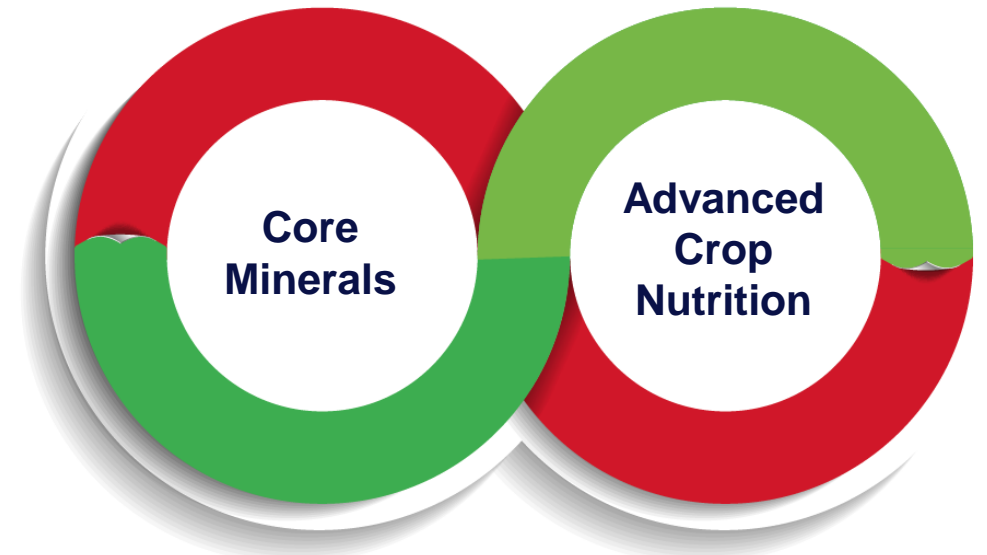
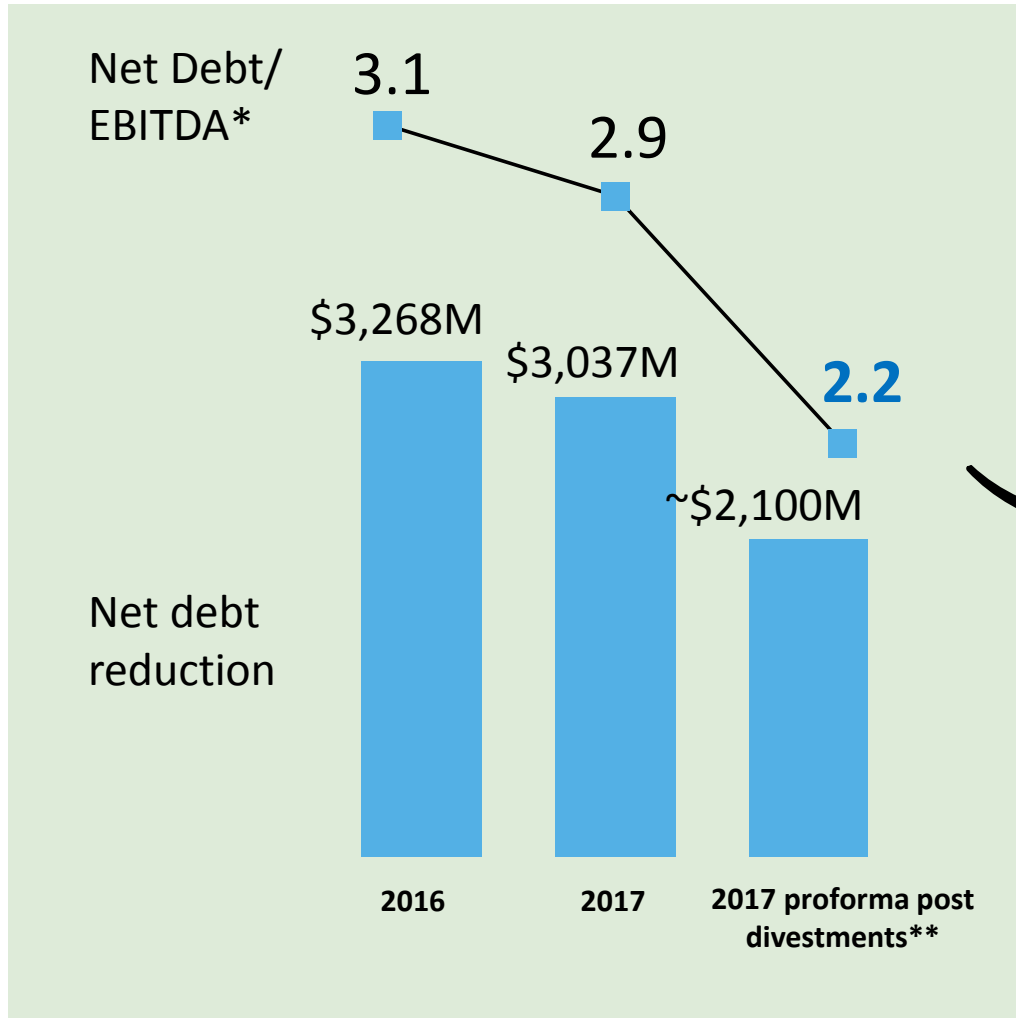
Improve

Operating Margin





# Supportive Financial Position to Implement Our Strategy



- **Support M&A and growth**
- **Infrastructure development and improvements** – from on-going operating cash flow generation

\* EBITDA is proforma of the divested businesses of Fire Safety and Oil Additives

\*\* Calculated as: 2017 net debt - ~\$900M expected net proceeds from divestments



# Key Strategic Targets



**Optimization**

**TARGET**

**~10-15%**  
Reduction in potash cost per tonne over 5 Years

**~5M Tonne**  
Maintain stable Potash production

**Shift**  
Phosphate and UK to Specialty



**Maintain Strength. Provide Stability.**

**TARGET**

**Outgrow the market**

**Expand margins**



**Growth in Semi-Specialty**

**TARGET**

**From ~\$100M to ~\$400M**  
Increase in Semi-Specialty sales within 5 years



**Growth through leadership in Advanced Crop Nutrition**

**TARGET**

**Create**  
best-in-class innovative platform

**Over \$1BN**  
Sales within 5 Years

**Improve**  
Operating Margin



# Cultivating the Present. Developing the Future.

