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<<Analyst, Jefferies Group LLC>>

Good morning everyone. My name is Nick Cecero here with Jefferies Equity Research team, and it is my pleasure to introduce Kobi Altman, Chief Financial Officer, and there will be a Q&A after the presentation.

With that, I'll pass it over to Kobi.

<<Kobi Altman, Chief Financial Officer>>

Thank you, good morning, everyone. My name is Kobi Altman, and I'm the CFO for ICL. So, who is the ICL? This is a kind of an overview of the company. We just reported last week a great quarterly results, you can see there a 4% increase in top-line, a 23% increase in operating profit and 77% increase in net income.

We have just done a significant divestment a quarter ago of $1 billion of our fire safety business and in only one quarter, we managed to overcome the loss of this business and its contribution to the P&L. So, if you really compare in an apples-to-apples comparison, the businesses in the net income more than doubled versus last year, if you exclude from last year the divestment results. We can go over in the presentation the main contributions to these good results.

This quarter continue the good momentum we started to build up in 2017 and also in the first quarter of 2018. We are more or less $6.5 billion in market cap. Our net debt leverage is x2.2, significantly down due to the $1 billion divestment we have done three months ago. We are rated at an investment grade rating by S&P and Fitch, and we are paying dividend yield that is among the highest in our industry, it's around 3.3%, 3.5%.

In terms of the various business lines that we have, and we will go over the way we are structured and what we do and how do we do that, but what you can see there in these pie charts is that between industrial and agriculture, we are, more or less, balanced: 52% agriculture, targeting the agro market, and 48% industrial. And in terms of profitability, you can see that 60% of our profit last year came from industrial and 40% from agriculture. If you look at a slightly different dimension of the company - the exposures to commodities versus specialties, so I would add Specialty Fertilizer into the specialties and the industrial usages, so about two thirds of our profit last year came from specialties, and about one third was the exposure to the commodities, mainly potash.

In terms of our business model, so we have five resources of minerals that we are basing the company on. In the Dead Sea, we mainly produce potash and bromine. We have a potash mine in Spain, the UK mine used to be an old potash mine. Last quarter was the last quarter that we produced potash out of the UK, and we are converting this mine to be a fully polysulphate mine, which will be the long-term future of this mine. Polysulphate is a semi-specialty fertilizer.

We mine phosphate from two mines, one in the southern part of Israel in the Negev desert, and one in the southern part of China in Kunming area. We have various business line that you can see here in the in the graphs, and various products that are targeting the agro and industrial spaces.

So, the way we look at our company and the way that we have recently decided to organize ourselves internally in terms of the divisions, is around those three basic mineral chains. We have the potash value chains, all the way from potash production in the two mines, the long-term mines that we have in Spain and in the Dead Sea, going all the way into products around the potash. But in potash, we are mainly exposed to the commodity. Most of our potash is going and playing in the commodity markets of potash and we have more or less 5 million tons of potash that we produce every year. About 300,000 tons, 400,000 tons are going into our specialty businesses, but we plan to increase this further, still most of our potash will continue to be exposed to the commodity markets. Because of our competitiveness, this is something that we believe is to our benefit.

The second value chain is the bromine value chain, that's the industrial product, going all the way from the production of elemental bromine. We have the largest fleet of isotanks so we are able to ship our elemental bromines worldwide, as well as the largest facilities of bromine compounds, we are the global leader, we will see that in a bit.

Phosphate value chain, this is the value chain that goes all the way from the rock and the basic fertilizers to various industrial usages in the area of paints and coatings, industrial usages, food, to some extent also pharma et cetera. And the last chain that is close to the P-chain, but is unique is the Innovative Ag Solutions, mainly Specialty Fertilizers for specialty agriculture markets. I will elaborate on that in a minute.

So, if you look at our organizational structure, and the three mineral chains and our strategy in each of these mineral chains; Industrial Product is the bromine division. Here, we are the global leader. Our strategy is very simple, we want to continue to be the global leader in both the value over volume strategy that we have adopted and in trying to find more and more bromine-based solutions that will help us to increase the volume that we are producing. We have effectively infinite quantities of bromine in the Dead Sea. So, the more usages of bromine-based solutions that we will be able to find – the more quantities will be needed, and we will be the ones to benefit from that the most. So, this is the strategy of this division.

Second division is the potash division also here, the strategy is very simple. We like the exposure to the commodity markets, because we are very competitive, and our target is to continue to be in the top three most competitive players in each of the target market that we have for potash. Our target markets are China, India, Brazil and Europe, and we plan to continue to be an active player in these markets with the capacity that we have from Spain and from the Dead Sea.

Phosphate solutions: taking the phosphate rock and converting that into the various specialty businesses. In terms of top-line, this is the unit that sells the most, this is the value change that sold over $1 billion in the first six months of 2018. In terms of profit, this we believe that will continue to expand in the future and will be more or less in line with the other two divisions going forward.

Innovative Ag Solutions, this is the smallest leg in the company today, but this is where we see the highest growth potential. We would like to take our specialty fertilizer business, which is a business that we are already operating for the last 25 years, we've built that business, we are selling today close to $700 million of specialty fertilizers. We want to take this business line and augment it with other solutions, products and offerings to the farmer, adding technology into that, benefiting from what we believe will be the technology boom that is approaching the ag sector and we want to benefit from that and to continue to expand in this space.

So, quickly about our mineral base and what we are doing. In the Dead Sea we have a very low-cost production facility, because of the nature of our production there. We are producing potash not in an underground mine, but using evaporation ponds, so the energy profile of this process is very effective and this is what helps us to be highly competitive in terms of our cost structure. We also have some significant logistic advantages. We are located in the Dead Sea about 100 miles from the Ashdod Port and the Eilat Port. The Eilat Port goes, we can ship from there to China and to India in very cost competitive prices, because this is relatively near if we compare ourselves to peers in Canada that needs to ship in land over 1000 miles to the port and then they have long routs all the way to their customers. We are benefiting significantly. So, for example, when transportation costs are increasing, usually commodity prices are catching up, but while for most other producers, the catch up in the prices is only covering their increase in cost of transportation, we are able, when something like that happens, to generate more to our bottom line, because of our competitive advantage in logistics.

In Spain and in the UK, I'll start with Spain. What we are doing in Spain; we are in a process of consolidating two mines into one. Today, we have in Spain two mines that produce half a million ton each. This operation, in two mines that are relatively small, is not efficient enough to compete for the long-term in the commodity prices, and be competitive at any price. So, this is why we are consolidating the two mines into one. We are about to shut down next year one mine and we are in a process of finishing a ramp that will go all the way into the mine with a conveyor belt that will help us to move the ore from the mining area all the way up to the production area above the ground. This will enable us to ramp up of this existing mine from 500,000 ton per year to 1 million and even more than 1 million in about two years. So, we are now in a transition period in Spain. We are investing money there, in building this ramp, building a port facility, improving logistics channels and at the end of this process, we will be able to have a competitive site that will be able to compete in the market at any price condition, because we are price takers in the potash, our strategy again, is to be competitive in terms of our cost structure, and this will ensure that we will, at any given time in the cycle, make money. So, this is what we are doing in Spain. This will also help to improve our financial results, because last year, the Spanish mine did not make money, this year already starting to be profitable. Next year as we will continue, we will finish the ramp and we will start to operate it, it will have better results, and once around 2020, we will be able to ramp it up to 1 million ton, this will finish the significant cost reduction and the profit level that this mine will generate, will be very solid.

Lastly in phosphates; ICL Rotem is in the southern part of Israel and YPH is the joint venture in China, here the focus is converting more and more of our ore and basic fertilizer into specialty products. We are doing some small investments around the white phosphoric acid facilities in China to help us to move more and more into the specialty offering of the phosphate facilities.

So, the main focus of our mineral assets is optimizations, it is in the Dead Sea to continue to be most competitive site and continue with operational excellence. In the UK, I mentioned before, the move to the police of faith targeting 1 million ton run rate by the end of 2020, this will put the site on its feet; polysulphate is an organic fertilizer that we plan to introduce into the market at around 1 million ton. Longer-term, it can go up to 3 million ton. Today, it is doing pretty nicely and every year, we are increasing by around 50% our production and sales from this mine.

Giving you a little bit of a snapshot of our performance in each of our divisions and what we are doing, so we'll start with the potash value chain, you see that we had a good performance this quarter, a 10% in the top-line, 25% increase in the bottom-line of this division. This is coming from two main factors: one is the continuous improvement in the performance of the UK and in Spain, as well as the increase in the top-line, the average potash prices; you can see here $247/t was our average FOB price in the second quarter 14% up from last year.

In terms of production, we are more or less around 4.7 - 4.8 million ton per year, and in about two years, we will be back again to 5 million ton. The reduction for this year and next year is coming from the shutdown in the UK and before we see the ramp up in Spain. So, our long-term target is the 5 million ton with a further reduction of 10% to 15% in cost per ton and you have here some information about polysulphate and the specific ingredients that we have in this interesting mineral.

Bromine value chain again, we are the global leader here, we had an exceptional quarter in the second quarter of 2018, 14% up in sales, 24% up in profit, that continues the momentum that we have built over the last two to three years. Quarter-after-quarter, this business is generating nice and solid profit and profit growth and margin expansion. This quarter was really very, very high, but already for the last year and a half, this is the division that is contributing highest profit in ICL portfolio. In the bottom part of the slide, we gave you here few elements to understand the supply, the demand and what is happening in the market. So, in terms of the supply, you can see here that on the left, the concentration of bromine in the Dead Sea is the highest in the world. This is why while other resources are depleting and are much less efficient, we are able to introduce bromine in a very, very competitive price, because of the highest concentration of bromine in the water. In terms of the global capacity, more or less 700,000 tons per year, this is the world capacity, three big players, western players, we are the largest one. We have adopted value over volume strategy. So, we are producing less than our capacity, you see that our potential capacity is 280, but we are producing lower than that in order to help with our value of the volume strategy and you see that we have done over the last four years some significant price increases you have it in the chart, the bromine, elemental bromine prices in China, because this is an available source that you can see also in Bloomberg and you can follow that. Usually, the trend is in the beginning of the summer, the price is going down a little bit, because Chinese producers are coming in and are reducing the price. This year, the price reduction was much smoother compared to previous years.

Phosphate value chain, you can see also doing good. In terms of volume, not significant increase in this overall sales of this division in the first part of the year, because we are switching from commodity products into specialty products. So, the overall top-line is not changing significantly, but you see 45% increase in the profitability of this division, because of the change and the move from commodity players more and more into specialty players, also some help we got from some recovery of phosphate commodity prices in the market.

In terms of where we play and whom do we play with, you can see here that we are market leaders and the other peers, some Chinese, some Western players that are working in this space and about 43% of our products goes into the food industry, acid is about one third and over 22% are industrial phosphate, and this brings us to $1 billion.

Specialty fertilizers, which are the base of our Innovative Ag Solutions division, what you can see here is it is still smaller compared to the other big three legs of the company, but doing very nicely in terms of growth; 13% growth in sales, 23% growth in profit. Volumes continue to expand as the demand to our products continue to be very healthy. But here, we want to also try to look into inorganic moves. This is where we believe that we will put more of our emphasis around inorganic moves, because we want this leg to become at least in par with our other three legs.

Few words about our financial overview and summarizing the quarter, we had very strong sales and continues the trend of margin expansion as our profit is growing much higher than our top-line growth. Operating income increased, if we adjust it excluding the divested businesses, we saw 47% increase year-over-year and net income that is more than doubled. We have a very strong balance sheet, I will show you that our debt progress and debt level in a minute. We continue to have solid operating cash flow generation that helps us not only to sponsor our regular CapEx but also, in the next two years, the significant investments that we are doing mainly in our potash division that helps us to ensure the long-term efficiencies of our operation and the competitiveness in our cost structure and organizational structure that we have around those three mineral chains and the Innovative Ag Solutions.

The numbers here speak for themselves, very good quarter in Q1 2018 followed by an excellent quarter, the second quarter of 2018 with a very nice progress in all of our business line, which is what makes us pleased with our results, because it's not only one division that is taking the company forward, it's all the business lines that are contributing through the nice results of the company.

What we have done in our debt structure, this is the picture that we had at the end of March just after we have finished the divestment, we got $1 billion from this divestment of the fire safety business and at the end of March, we still saw gross debt of $3.2 billion and the two towers that you see here in 2022 and 2024. During this second quarter, what we have done, we mark these lines, we have paid down the debt and what we also did is a buyback of $600 million from our 2024 bonds and we reissued $600 million for 20 years. This moves to 2038 and this puts us today in a situation that we have over $1.8 billion of variable credit facilities. Our gross debt is down to $2.5 billion and for their foreseen future, we don't have any significant principal debt that we need to fund and this gives us the very strong balance sheet that helps us to see that we can promote our strategy – our growth strategy and help also mainly the two visions that where we are targeting inorganic moves, the P-chain and the Innovative Ag Solutions. We now have the right balance sheet also to help us capture opportunities if and when they come.

So, the company with a new CEO that joined us two months ago is on the verge of tipping point in our view, very good business momentum coming from all of our business lines and business units and divisions, also the market around us in the commodity prices is helping and we see also this backwind of the commodities markets and the prices in their market. A very significant overhang was removed at the beginning of the year when Nutrien were able to sell overnight their 14% stake in ICL and a lot of speculations that kind of shadowed over our share price that was very evident in 2017, has been removed in January 18, and since then we saw a significant increase in the liquidity of the company, the free flow and also share performance.

We have a very clear growth strategy and growth ambitions. We have optimized our debt level to ensure that we have also the balance sheet that can support this growth strategy and we have aligned recently our organization hopefully to help you understand us better, follow better on our strategy, seeing each of the various divisions how do we make up with our promises and how do we execute our strategy.

I will finish with that just to give you a few minutes for questions. Happy to take them.

Q&A

<Q>: So maybe, I'll just start off. So, with respect to China, these environmental reforms that seem to be expanding and taking effect, how does that affect your business over the longer-term? You've seen some uplift in the phosphorus-based flame retardants? and does it affect any other part of your portfolio?

<A – Kobi Altman>: Yes. So, what is happening in China is helping us significantly in our bromine division, because we see more and more Chinese producers going away from this market and this gives us the ability also to increase the volume of our production. in the phosphate, P-chain, the P2O5 value chain we see an increased demand of specialty products and solutions both in the industrial front as well as the agriculture front that we can benefit and we

see more and more of the move of our production in the joint venture we have in Kunming (China) into the specialty businesses.

<Q>: There were issues around, I think, taxes and licensing and the assets in Israel, has that been fully resolved at this point?

<A – Kobi Altman>: Yeah. There is a new tax regime in Israel, taxing the natural resources, that is already in place for the last two years. This quarter, we had exceptionally low effective tax rate of 18%, because of the changes in the Israeli Shekel/US dollar exchange rate, we believe that this is exceptionally low. Our longer-term tax rate is around 25% and this is a combination of the corporate income tax as well as the natural resources tax that we pay in Israel. If and when potash prices will continue to go up significantly, we can see a further increase in the effective tax rate of the company to around the level of 30%, because the tax base of this Natural Resources Tax is based on return on asset up to a level of return on asset you don't pay taxes when the return on asset is going up, you will start to pay higher taxes and this is why if potash prices will continue to increase significantly, this can change the mixture of our effective tax rate.

<Q>: So you spoke about, on the bromine side, a value-based approach over volume, can you just elaborate on that and what that looks for in terms of the pricing strategy?

<A – Kobi Altman>: Yeah. So, as the global leader, we took the lead also in the value over volume strategy and we are generating price increases when we can. We are careful in doing that and we are very disciplined in the way we do that. Mainly on the elemental bromine side, because in the elemental bromine what we don't want to happen is to incentivize switches from bromine-based solutions to other solutions, if the prices of the elemental bromine will become overly high, or the price increases will be too sharp and too fast, this can happen. Also we don't want to incentivize those more Chinese players if the prices will be too high, they can start to invest in their facilities to overcome these environmental burden that the government is now imposing on them. If the prices will become too high, they might start to invest.

So, we have been very carefully in doing that. The main opportunity that we believe that we have and we will continue to have is around the bromine compounds. In the bromine compounds, we are coming to the market with modern products, more sophisticated offering that other Chinese players do not have and here most of the times, the price sensitivity of our customers to our product is not very high. It's in the area of flame retardants, large screens, electronics and autonomous cars that will have significant amount of flame retardants in them. The price sensitivity of those customers, is not very, very high and this is where we see opportunities to continue to lead also in the value.

<Q>: Can you give us a sense for this year and then going forward maybe over the next six months or so, give us a sense for what's driving the prices of the different products?

<A – Kobi Altman>: Yeah. So, we are mostly exposed to commodities in the potash market, where we saw year-over-year increase of $30 in the FOB of potash. This is a combination of where we sell and the overall spot or contract prices in the countries where we sell. Due to the significant increases in the spot prices in Brazil, we targeted more volumes into Brazil. This helps us to increase the mix,.and we are expecting also some significant increases in the coming contracts in Asia; in China and India. So we believe that the second part of the year can be more or less in line with the first part, maybe slightly higher. Why is that? We will see more production that is being shipped to China and India, which means lower price even after those anticipated increases. So, more or less the $247/t is a good estimate for the second part of the year or might be a little bit higher than that. looking into next year, we see, on average, we believe that next year can be or should be slightly better than this year, because this year, at least the first half, was still with the relatively lower 2017 contract prices. So next year, we'll benefit from this year's contracts, which are anticipated to be higher.

<<Analyst, Jefferies Group LLC>>

Okay, great time. Thank you very much.

<<Kobi Altman, Chief Financial Officer>>

Thank you.