

CAPITAL MARKETS DAY

2 September 2015

Andaz London Liverpool Street



Driving Returns and Value

Speaker

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Chief Financial Officer

By 2020 we have...



Clear leadership
in clean mobility
materials and
recycling



Doubled
the size of
the business in
terms of earnings



Rebalanced
the portfolio
and earnings
contributions



Turned
sustainability
into a greater
competitive edge

Framework for value creation



Strong growth

- Multiple growth drivers
- Supported by investments
- Privilege organic growth



Focus on returns

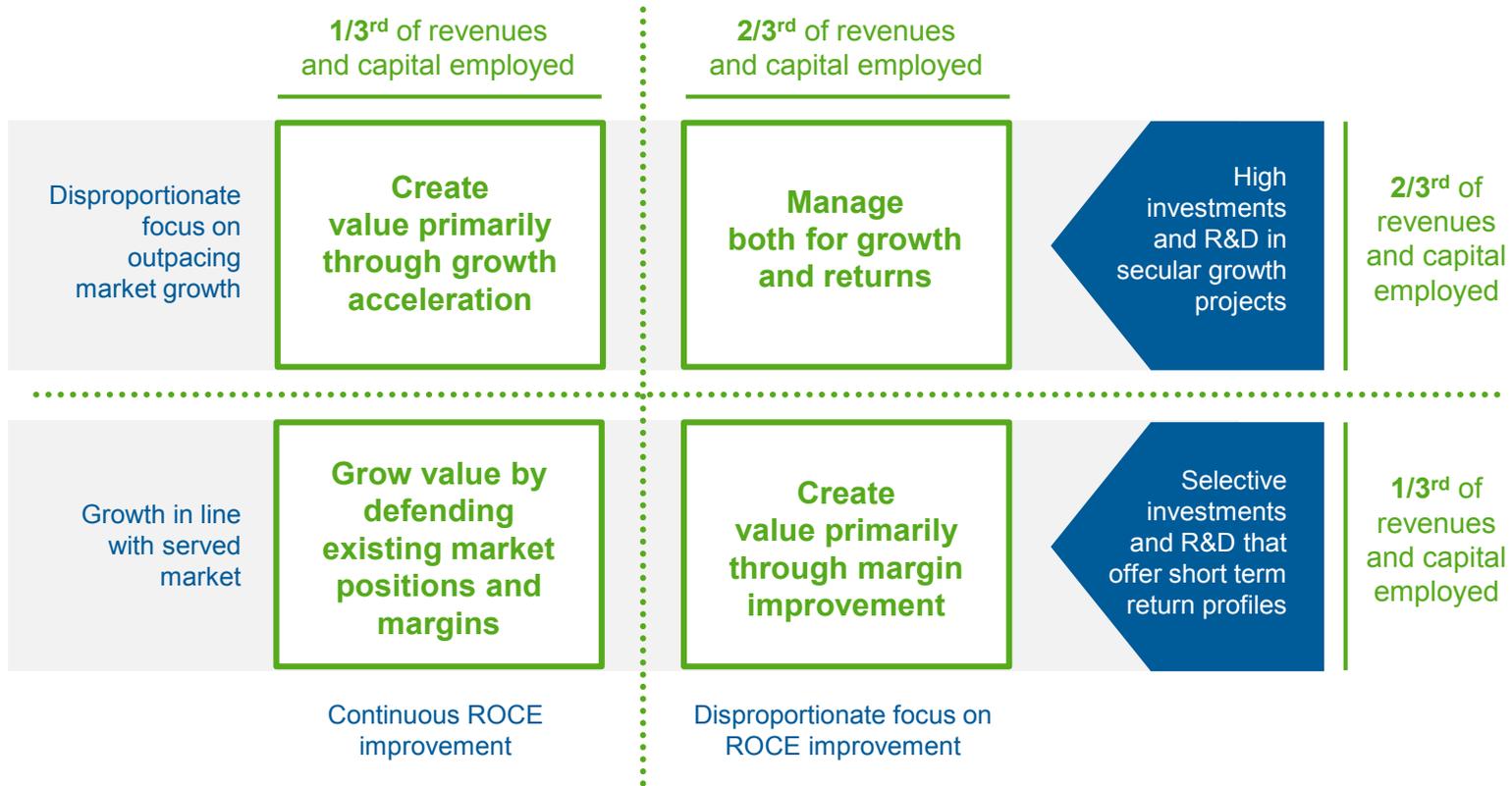
- Group and segment returns > cost of capital
- Confirm 15%+ ROCE target
- Value vs. ROCE optimization



Solid cashflows

- Strong self-funding capacity
- Maintain strong balance sheet
- Return free cashflow to shareholders

Dedicated growth & return mandate per business unit

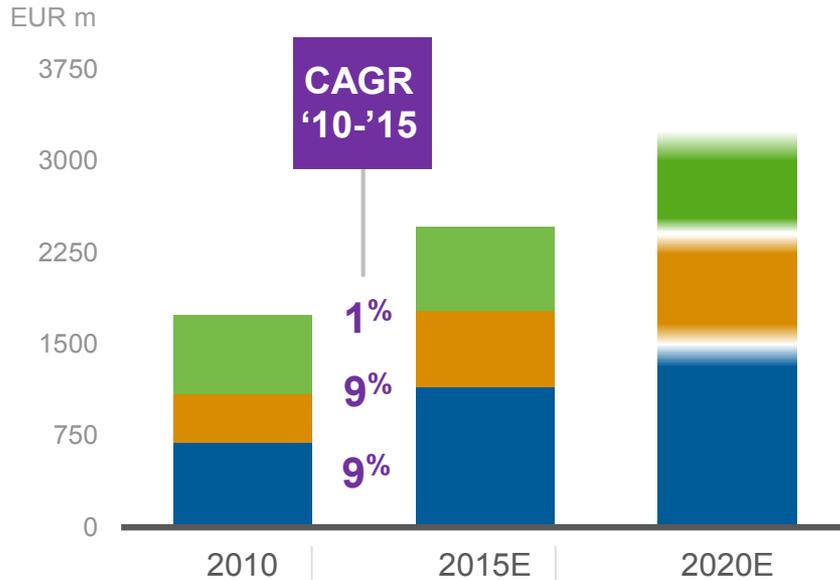


 Significant potential for disproportionate performance	Maximize value vs maximize growth / return 
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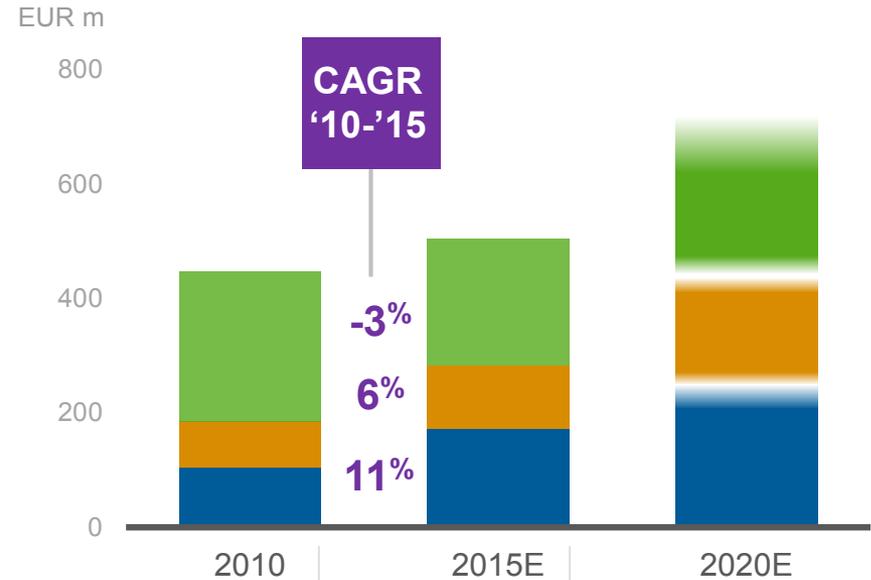
Note: Revenues and capital employed 1H15 excluding Discontinued operations and Corporate.

Acceleration of growth

Revenues



Recurring EBITDA



- Recycling
- Energy & Surface Technologies
- Catalysis

**CAGR Group
excl Discontinued
operations**

Recurring EBIT



Note: 2015E = consensus

**Acceleration on
top and bottom line**

**Earnings leverage
effect going forward**

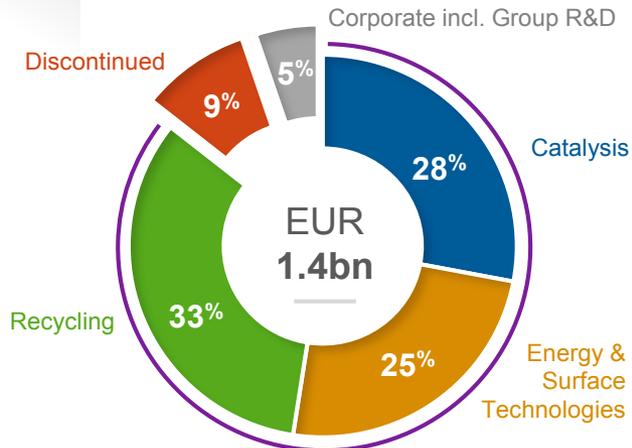
**Continued earnings
rebalancing**



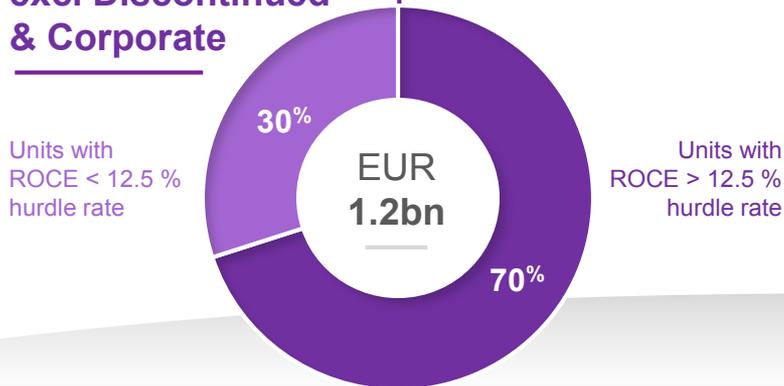
Investments focused on key growth areas



Capex 2010-2015E

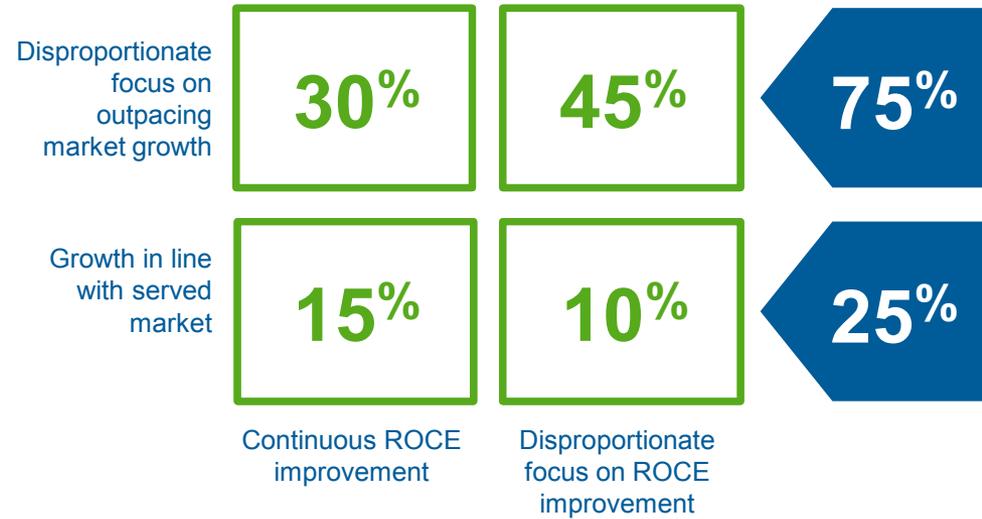


Capex 2010-2015E excl Discontinued & Corporate



Note: based on 1H15 ROCE

Capex 2010-2015E



Note: Excluding Discontinued operations and Corporate

- Significant investments for future growth
- Balanced investments across segments
- Selective allocations focused on strategic projects



Lower relative capital intensity as payback set to accelerate

2010-2012

2012-2015

2015+



Prepare



Focus



Accelerate



Investment focus

- Prepare for major growth initiatives

- Intensify investments in major growth areas

- Further investments in selected areas; return to a more normalized Group capital intensity

Average Capex

~ EUR 200m

~ EUR 250m

Average Capex/D&A

~ **1.4x**

~ **1.5x**

Average Capex/REBITDA

~ **40 %**

~ **55 %**

- On average Capex > depreciation but below 2010-2015 ratios. Profile depends on timing of growth projects.

Growth & earnings profile

- Profitability recovery to 2007-2008 levels from existing operations

- Capture initial pay-offs from new growth investments

- Acceleration of (profit) growth as major investments contribute

Average ROCE ~ 18%

Average ROCE ~ 13%

Average ROCE > 15%



List of recent investments still to yield full contribution

Business Group	Business Unit		Location	Start-up (expected)
 Catalysis	AC	New production facility	Nowa Ruda, Poland	Q4 2015
		New technology development center	Incheon, South Korea	H2 2015
		New production facility	Hemaraj, Thailand	H2 2016
 Energy & Surface Technologies	RBM	Production capacity expansion	Cheonan, South Korea	H1 2016
		Production capacity expansion	Jiangmen, China	H1 2016
	CSM	Expansion for Co fine powders	Olen, Belgium	2015
 Recycling	PMR	Expansion of capacity by 40%	Hoboken, Belgium	2016

Total Capex: EUR 220m



Privilege organic growth with M&A as accelerator

Acquisition criteria



Strategic fit



Financials

Materials focus

Competence fit

Leadership and innovation

Sustainability

Integration and synergy value

Cash and EPS accretive
in short term

Value creative (synergies)

Stay investment grade

M&A to
complement growth

Meaningful
firepower

Continue disciplined
acquisition process



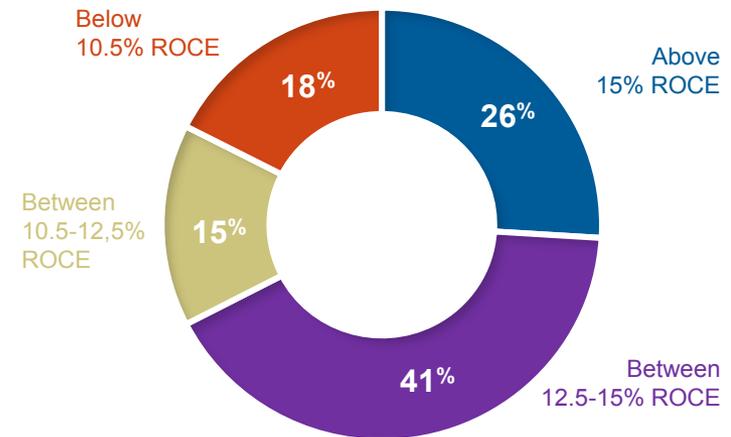
Consistent and broad base for value creation



Post tax value creation
(excl Discontinued operations)



1H15 ROCE distribution
based on Capital Employed
(excl Corporate & Discontinued operations)



Note: calculated as difference between effective post tax return on capital employed and 8.5 % post tax hurdle rate

Continue consistent value creation

Maintain 15%+ ROCE target rate

Value-based resource allocation

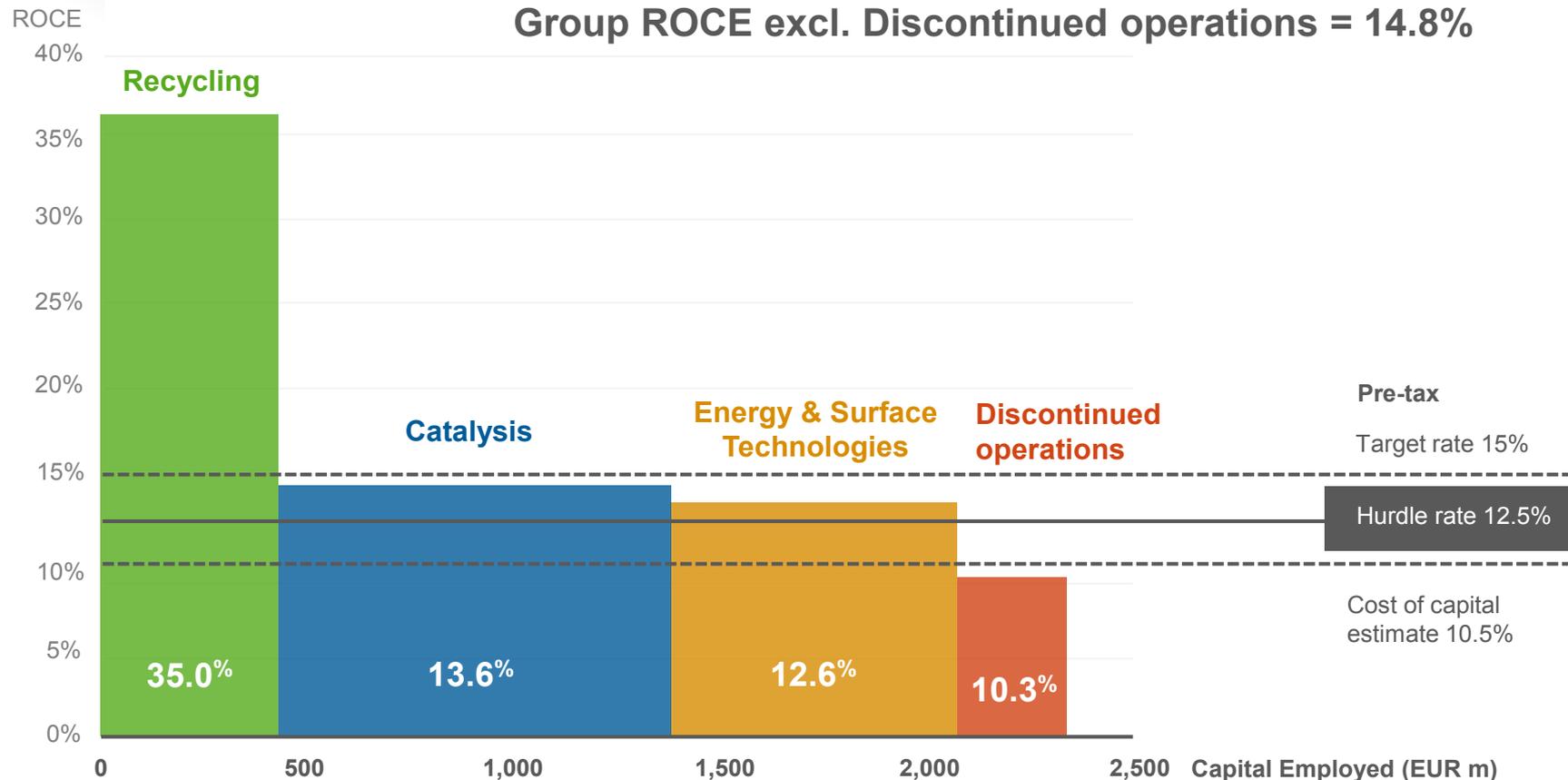


Restoring return balance and potential outside of Recycling



Group ROCE 1H15 = 14.4%

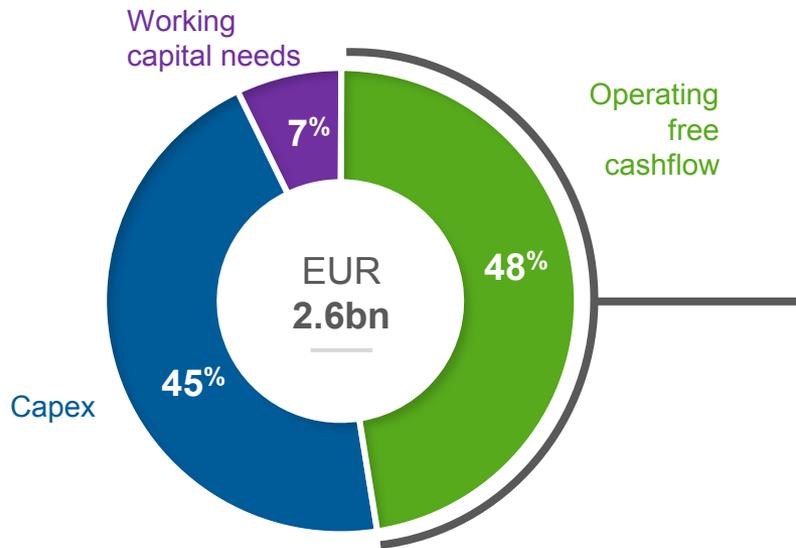
Group ROCE excl. Discontinued operations = 14.8%



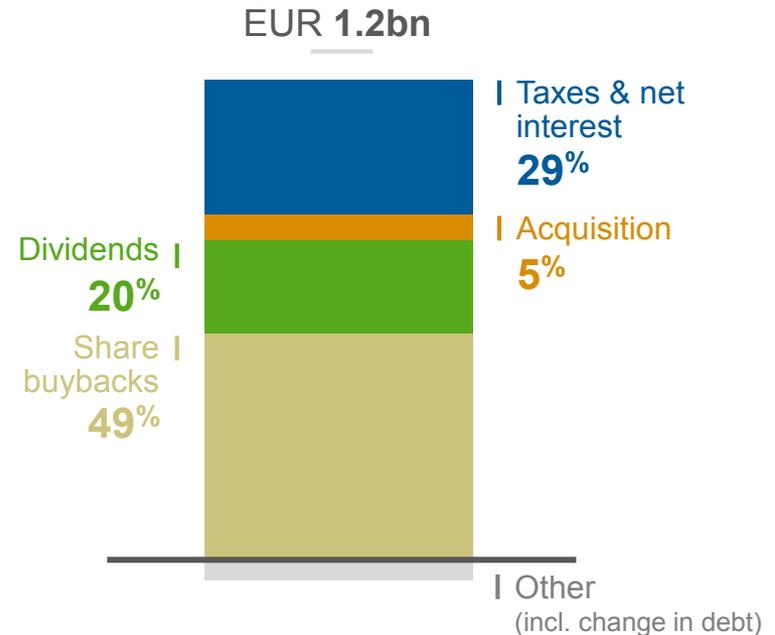


Balanced cash use: growth investments versus shareholder returns

Use of operating cashflow 2010-1H15



Use of operating free cashflow 2010-1H15



Note: operating cashflow = cashflow generated from operations before change in working capital requirement plus dividend and grants received

Significant free cash conversion despite growth investments

Free operating cashflow distributed to shareholders

Balance sheet to fund external growth



Strong capital structure supports growth and cash returns



Maintained robust capital structure despite sizeable growth investments and cash returns to shareholders

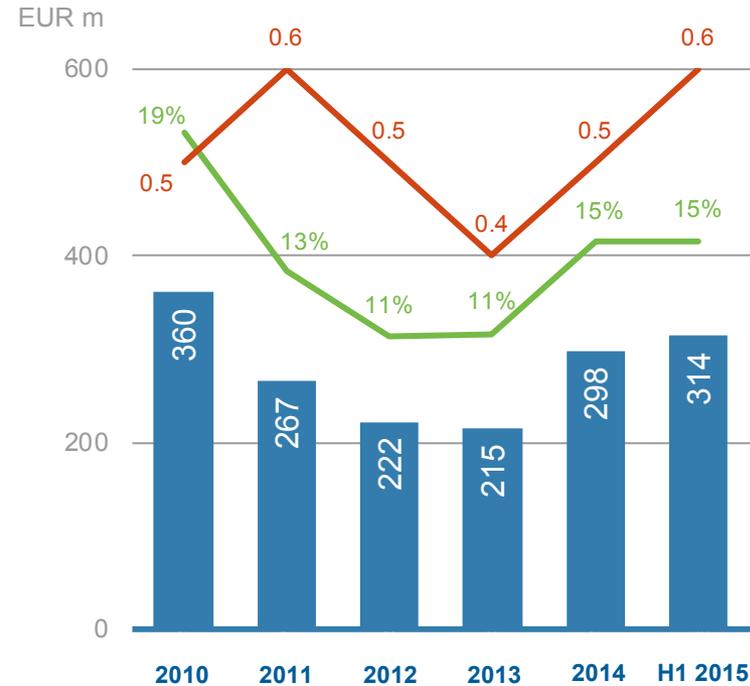


Substantial headroom to fund organic and external **growth going forward**



Maintain **investment grade**

Net financial debt



- Net financial debt
- Gearing ratio (net debt / net debt + equity)
- Average net debt / recurring EBITDA

How we will achieve our 2020 goals



Strong
growth profile



Investment
in key growth
areas



Focus
on returns



Solid
cashflows