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ICL Reports First Quarter 2024 Results

Delivers solid sequential quarterly improvement in sales of $1.7 billion and adjusted EBITDA of $362 million

Tel Aviv, Israel, May 9, 2024 – ICL (NYSE: ICL) (TASE: ICL), a leading global specialty minerals company, today reported its financial results for the first quarter ended March 31, 2024. Consolidated sales were $1.7 billion versus $2.1 billion in the first quarter of last year. Operating income was $203 million versus $465 million, while adjusted operating income was $215 million versus $480 million. Adjusted EBITDA was $362 million versus $610 million in the first quarter of last year. Diluted earnings per share were $0.08 versus $0.22, and adjusted diluted EPS was $0.09 versus $0.23.

"ICL delivered solid first quarter results, with sequential improvement in quarterly sales and adjusted EBITDA, as global demand stabilized and the majority of our end-markets began to show signs of recovery. Additionally, we have been able to limit the impact for most of the war-related disruptions," said Raviv Zoller, president and CEO of ICL. "During the first quarter, we continued to focus on innovation, expanding our specialties product portfolio and entering into new strategic partnerships, while executing consistently on our efficiency program and achieving further cost reductions. These efforts help us to provide consistent strong cash generation and industry leading dividend distributions to our shareholders."

The company reiterated its guidance for full year 2024, which calls for the specialties-driven segments adjusted EBITDA to be between $0.7 billion to $0.9 billion. For potash, the company continues to expect 2024 sales volumes to be between 4.6 million metric tons and 4.9 million metric tons. *(1a)*

Key Financials

First Quarter 2024

US$M Ex. per share data	1Q'24	4Q'23	1Q'23
Sales	$1,735	$1,690	$2,116
Gross profit	$557	$560	$846
Gross margin	32%	33%	40%
Operating income	$203	$149	$465
Adjusted operating income (1)	$215	$211	$480
Operating margin	12%	9%	22%
Adjusted operating margin (1)	12%	12%	23%
Net income attributable to shareholders	$109	$67	$280
Adjusted net income attributable to shareholders (1)	$118	$123	$292
Adjusted EBITDA (1,2)	$362	$357	$610
Adjusted EBITDA margin (1,2)	21%	21%	29%
Diluted earnings per share	$0.08	$0.05	$0.22
Diluted adjusted earnings per share (1)	$0.09	$0.10	$0.23
Cash flows from operating activities	$279	$415	$382

(1) Adjusted operating income and margin, adjusted net income attributable to shareholders, adjusted EBITDA and margin, and diluted adjusted earnings per share are non-GAAP financial measures. Please refer to the adjustments table and disclaimer.

(2) In 1Q'24, the company's adjusted EBITDA was positively impacted by an immaterial accounting reclassification. Please refer to the 6-K filing for additional details.

Industrial Products

First quarter 2024

- Sales of $335 million vs. $361 million.
- EBITDA of $72 million vs. $105 million.
- Sequential quarterly improvement, with sales up more than 10% and EBITDA up approximately 30%. Provisional anti-dumping measures were imposed by EU Commission on imports of certain alkyl phosphate esters from China, beginning mid-April.

Key developments

- Flame retardants: Sales increased year-over-year, as higher volumes for brominated solutions were partially offset by lower sales of phosphorous-related solutions and lower prices overall. While the electronics and construction end-markets remained challenging, key customer demand was maintained.
- Industrial solutions: Elemental bromine sales decreased year-over-year, as lower prices offset higher volumes.
- Oil and gas: Despite continued stable global demand for clear brine fluids, sales were lower year-over-year, due to a peak in the market at the beginning of 2023.
- Specialty minerals: Sales declined versus the prior year, but were up sequentially, with stable demand for pharmaceutical uses.

Potash

First quarter 2024

- Sales of $423 million vs. $600 million.
- EBITDA of $124 million vs. $298 million.
- Grain Price Index decreased 19.0% year-over-year, with rice up 1.4%, while corn, soybeans and wheat were down 35.3%, 21.4% and 29.5%, respectively. On a sequential basis, the Grain Price Index declined 2.2%, with rice up 6.8%, while corn, soybeans and wheat were down 9.7%, 8.2% and 6.3%, respectively.

Key developments

- Potash price: $324 per ton (CIF).
  - Down 6% sequentially and approximately 40% year-over-year.
- Potash sales volumes: 1,084 thousand metric tons.
  - Increased more than 120 thousand metric tons year-over-year and were down approximately 95 thousand metric tons on a sequential basis.
- ICL Dead Sea
  - Completed successful annual maintenance in March.
- ICL Iberia
  - Strong production execution, with significant year-over-year improvement.
- Metal Magnesium
  - Increase in production versus the first quarter of 2023.

Phosphate Solutions

First quarter 2024

- Sales of $559 million vs. $675 million.
- EBITDA of $131 million vs. $171 million.
- Sequential quarterly improvement in sales, even as phosphate prices were at a crossroad. While pricing remained stable in the first quarter, supply dynamics are expected to influence future quarters.

Key developments

- White phosphoric acid: Sales declined year-over-year, as prices were lower globally and volumes were mixed by region.
- Industrial phosphates: Sales decreased, as prices and volumes both declined year-over-year. Productivity was good overall, with consistent demand from the cleaning supply and water treatment end-markets. European demand was positive, while North America was weaker.
- Food phosphates: Sales decreased with lower prices and volumes. Demand in Europe was up slightly, on an annual basis, while South America was softer and North American customers faced competitive challenges.
- Battery materials: Construction of customer innovation and qualification center (CIQC) in St. Louis remained on-track.
- Commodity phosphates: Sequential sales improvement, on higher fertilizer sales, volumes and prices.

- Regions: Increased competition for most markets, as expected, including North and South America, China and Europe.

Growing Solutions

First quarter 2024

- Sales of $479 million vs. $564 million.
- EBITDA of $42 million vs. $45 million.
- Sequential quarterly improvement in EBITDA, up approximately 180%, with improved inventory position and continued efficiency efforts.

Key developments

- Brazil: Sales decreased versus the prior year, but product optimization helped deliver higher gross margin.
- Europe: Sales ahead of expectations and higher year-over-year, while profit was negatively impacted by lower prices and higher logistics costs.
- North America: Sales improved year-over-year on higher volumes, while profits were softer, due to lower prices and some logistics challenges.
- Asia: Due to challenging market conditions, sales declined year-over-year, with weaker volumes and lower prices contributing to lower profitability.
- Product trends: Specialty agriculture sales decreased versus the prior year, as stronger volumes were offset by lower prices. Turf and ornamental saw a recovery in ornamental horticulture, with good demand throughout the quarter, while turf saw some impact from a wet spring in Europe. The polysulphate market remained challenging, as lower prices impacted profitability in Europe and North America, due to lower overall volumes and higher logistics costs.

Financial Items

Financing Expenses

Net financing expenses for the first quarter of 2024 were $35 million, down versus $44 million in the corresponding quarter of last year.

Tax Expenses

Reported tax expenses in the first quarter of 2024 were $42 million, reflecting an effective tax rate of 25%, compared to $127 million in the corresponding quarter of last year, reflecting an effective tax rate of 30%. The lower tax rate reflected a lower surplus profit levy and increased profits in regions with lower effective tax rates.

Available Liquidity

ICL's available cash resources, which are comprised of cash and deposits, unutilized revolving credit facility, and unutilized securitization, totaled $1,704 million, as of March 31, 2024.

Outstanding Net Debt

As of March 31, 2024, ICL's net financial liabilities amounted to $2,022 million, a decrease of $73 million compared to December 31, 2023. In January of 2024, the company repaid $145 million in a

private placement bond, and in March, it repaid approximately $108 million of its Series E Bond – both as scheduled.

Dividend Distribution

In connection with ICL's first quarter 2024 results, the Board of Directors declared a dividend of 4.57 cents per share, or approximately $59 million, versus 11.32 cents per share, or approximately $146 million, in the first quarter of last year. The dividend will be payable on June 20, 2024, to shareholders of record as of June 6, 2024.

About ICL

ICL Group Ltd. is a leading global specialty minerals company, which creates impactful solutions for humanity's sustainability challenges in the food, agriculture and industrial markets. ICL leverages its unique bromine, potash and phosphate resources, its global professional workforce, and its sustainability focused R&D and technological innovation capabilities, to drive the company's growth across its end markets. ICL shares are dual listed on the New York Stock Exchange and the Tel Aviv Stock Exchange (NYSE and TASE: ICL). The company employs more than 12,000 people worldwide, and its 2023 revenue totaled approximately $7.5 billion.

For more information, visit ICL's website at icl-group.com.
To access ICL's interactive CSR report, visit icl-group-sustainability.com.
You can also learn more about ICL on Facebook, LinkedIn, YouTube, X and Instagram.

Guidance

(1a) The company only provides guidance on a non-GAAP basis. The company does not provide a reconciliation of forward-looking adjusted EBITDA (non-GAAP) to GAAP net income (loss), due to the inherent difficulty in forecasting, and quantifying certain amounts that are necessary for such reconciliation, in particular, because special items such as restructuring, litigation, and other matters, used to calculate projected net income (loss) vary dramatically based on actual events, the company is not able to forecast on a GAAP basis with reasonable certainty all deductions needed in order to provide a GAAP calculation of projected net income (loss) at this time. The amount of these deductions may be material, and therefore could result in projected GAAP net income (loss) being materially less than projected adjusted EBITDA (non-GAAP). The guidance speaks only as of the date hereof. The company undertakes no obligation to update any of these forward-looking statements to reflect events or circumstances after the date of this news release or to reflect actual outcomes, unless required by law. The company provides guidance for specialties-driven adjusted EBITDA, which includes Industrial Products, Growing Solutions and Phosphate Solutions, as the Phosphate Solutions business is now predominantly specialties focused. For the Potash business, the company is providing sales volume guidance. The company believes this information provides greater transparency, as these new metrics are less impacted by fertilizer commodity prices, given the extreme volatility in recent years.

Non-GAAP Statement

The company discloses in this quarterly report non-IFRS financial measures titled adjusted operating income, adjusted net income attributable to the company's shareholders, diluted adjusted earnings per share, and adjusted EBITDA. Management uses adjusted operating income, adjusted net income attributable to the company's shareholders, diluted adjusted earnings per share, and adjusted EBITDA to facilitate operating performance comparisons from period to period. The company calculates adjusted operating income by adjusting operating income to add certain items, as set forth in the reconciliation table under "Adjustments to reported operating, and net income (non-GAAP)" below. Certain of these items may recur. The company calculates adjusted net income attributable to the company's shareholders by adjusting net income attributable to the company's shareholders to add certain items, as set forth in the reconciliation table under "Adjustments to reported operating, and net income (non-GAAP)" below, excluding the total tax impact of

such adjustments. The company calculates diluted adjusted earnings per share by dividing adjusted net income by the weighted-average number of diluted ordinary shares outstanding. Adjusted EBITDA is calculated as net income before financing expenses, net, taxes on income, share in earnings of equity-accounted investees, depreciation and amortization, and certain adjustments presented in the reconciliation table under "Consolidated adjusted EBITDA, and diluted adjusted earnings per share for the periods of activity" below, which were adjusted for in calculating the adjusted operating income.

You should not view adjusted operating income, adjusted net income attributable to the company's shareholders, diluted adjusted earnings per share or adjusted EBITDA as a substitute for operating income or net income attributable to the company's shareholders determined in accordance with IFRS, and you should note that the company's definitions of adjusted operating income, adjusted net income attributable to the company's shareholders, diluted adjusted earnings per share, and adjusted EBITDA may differ from those used by other companies. Additionally, other companies may use other measures to evaluate their performance, which may reduce the usefulness of the company's non-IFRS financial measures as tools for comparison. However, the company believes adjusted operating income, adjusted net income attributable to the company's shareholders, diluted adjusted earnings per share, and adjusted EBITDA provide useful information to both management, and investors by excluding certain items that management believes are not indicative of ongoing operations. Management uses these non-IFRS measures to evaluate the company's business strategies and management performance. The company believes these non-IFRS measures provide useful information to investors because they improve the comparability of financial results between periods and provide for greater transparency of key measures used to evaluate performance.

The company presents a discussion in the period-to-period comparisons of the primary drivers of change 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 on the company's businesses. The company has based the following discussion on its financial statements. You should read such discussion together with the company's financial statements.

Forward Looking Statements

This announcement contains statements that constitute "forward-looking statements," many of which can be identified by the use of forward-looking words such as "anticipate," "believe," "could," "expect," "should," "plan," "intend," "estimate," "strive," "forecast," "targets" and "potential," among others. The company is relying on the safe harbor provided in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, in making such forward-looking statements.

Forward-looking statements appear in a number of places in this announcement and include, but are not limited to, statements regarding intent, belief or current expectations. Forward-looking statements are based on management's beliefs and assumptions and on information currently available to management. Such statements are subject to risks and uncertainties and actual results may differ materially from those expressed or implied in the forward-looking statements due to various factors, including, but not limited to:

Loss or impairment of business licenses or mineral extractions permits or concessions; volatility of supply and demand and the impact of competition; the difference between actual reserves and reserve estimates; natural disasters and cost of compliance with environmental regulatory legislative and licensing restrictions including laws and regulation related to, and physical impacts of climate change and greenhouse gas emissions; failure to "harvest" salt which could lead to accumulation of salt at the bottom of the evaporation Pond 5 in the Dead Sea; litigation, arbitration and regulatory proceedings; disruptions at seaport shipping facilities or regulatory restrictions affecting the ability to export products overseas; changes in exchange rates or prices compared to those the company is currently experiencing; general market, political or economic conditions in the countries in which the company operates; price increases or shortages with respect to principal raw materials; pandemics may create disruptions, impacting sales, operations, supply chain and customers; delays in termination of engagements with contractors and/or governmental obligations; the inflow of significant amounts of water into the Dead Sea which could adversely affect production at the plants; labor disputes, slowdowns and strikes involving employees; pension and health insurance liabilities; changes to governmental incentive programs or tax benefits, creation of new fiscal or tax related legislation;

and/or higher tax liabilities; changes in evaluations and estimates, which serve as a basis for the recognition and manner of measurement of assets and liabilities; failure to integrate or realize expected benefits from mergers and acquisitions, organizational restructuring and joint ventures; currency rate fluctuations; rising interest rates; government examinations or investigations; information technology systems or breaches of the company, or its service providers', data security; failure to retain and/or recruit key personnel; inability to realize expected benefits from the company's cost reduction program according to the expected timetable; inability to access capital markets on favorable terms; cyclicality of the businesses; the company is exposed to risks relating to its current and future activity in emerging markets; changes in demand for its fertilizer products due to a decline in agricultural product prices, lack of available credit, weather conditions, government policies or other factors beyond the company's control; disruption of the company, or its service providers', sales of magnesium products being affected by various factors that are not within the company's control; volatility or crises in the financial markets; hazards inherent to mining and chemical manufacturing; the failure to ensure the safety of the company's workers and processes; exposure to third party and product liability claims; product recalls or other liability claims as a result of food safety and food-borne illness concerns; insufficiency of insurance coverage; war or acts of terror and/or political, economic and military instability in Israel and its region, including the current state of war declared in Israel and any resulting disruptions to supply and production chains; filing of class actions and derivative actions against the company, its executives and Board members; closing of transactions, mergers and acquisitions; and other risk factors discussed under "Item 3 - Key Information— D. Risk Factors" in the company's Annual Report on Form 20-F for the year ended December 31, 2023, filed with the U.S. Securities and Exchange Commission (SEC) on March 14, 2024 (the Annual Report).

Forward-looking statements speak only as of the date they are made, and, except as otherwise required by law, the company does not undertake any obligation to update them in light of new information or future developments or to release publicly any revisions to these statements, targets or goals in order to reflect later events or circumstances or to reflect the occurrence of unanticipated events. Investors are cautioned to consider these risk and uncertainties and to not place undue reliance on such information. Forward-looking statements should not be read as a guarantee of future performance or results and are subject to risks and uncertainties, and the actual results may differ materially from those expressed or implied in the forward-looking statements.

This report for the first quarter of 2024 should be read in conjunction with the Annual Report of 2023 published by the company on Form 20-F, as of and for the year ended December 31, 2023, including the description of events occurring subsequent to the date of the statement of financial position, as filed with the U.S. SEC.

Appendix

Condensed Consolidated Statements of Income (Unaudited)

$ millions	Three-months ended		Year ended
	March 31, 2024	March 31, 2023	December 31, 2023
Sales	1,735	2,116	7,536
Cost of sales	1,178	1,270	4,865
Gross profit	557	846	2,671
Selling, transport and marketing expenses	273	264	1,093
General and administrative expenses	64	68	260
Research and development expenses	17	18	71
Other expenses	3	34	128
Other income	(3)	(3)	(22)
Operating income	203	465	1,141
Finance expenses	60	87	259
Finance income	(25)	(43)	(91)
Finance expenses, net	35	44	168
Share in earnings of equity-accounted investees	-	-	1
Income before taxes on income	168	421	974
Taxes on income	42	127	287
Net income	126	294	687
Net income attributable to the non-controlling interests	17	14	40
Net income attributable to the shareholders of the Company	109	280	647
Earnings per share attributable to the shareholders of the Company:			
Basic earnings per share (in dollars)	0.08	0.22	0.50
Diluted earnings per share (in dollars)	0.08	0.22	0.50
Weighted-average number of ordinary shares outstanding:			
Basic (in thousands)	1,289,530	1,289,238	1,289,361
Diluted (in thousands)	1,290,362	1,290,938	1,290,668

Condensed Consolidated Statements of Financial Position as of (Unaudited)

$ millions	March 31, 2024	March 31, 2023	December 31, 2023
Current assets			
Cash and cash equivalents	**363**	552	420
Short-term investments and deposits	**121**	129	172
Trade receivables	**1,492**	1,631	1,376
Inventories	**1,630**	2,116	1,703
Prepaid expenses and other receivables	**301**	316	363
Total current assets	**3,907**	4,744	4,034
Non-current assets			
Deferred tax assets	**155**	155	152
Property, plant and equipment	**6,285**	6,066	6,329
Intangible assets	**897**	867	873
Other non-current assets	**242**	213	239
Total non-current assets	**7,579**	7,301	7,593
Total assets	**11,486**	12,045	11,627
Current liabilities			
Short-term debt	**623**	704	858
Trade payables	**914**	967	912
Provisions	**54**	79	85
Other payables	**849**	985	783
Total current liabilities	**2,440**	2,735	2,638
Non-current liabilities			
Long-term debt and debentures	**1,883**	2,278	1,829
Deferred tax liabilities	**492**	442	489
Long-term employee liabilities	**352**	385	354
Long-term provisions and accruals	**218**	239	224
Other	**57**	68	56
Total non-current liabilities	**3,002**	3,412	2,952
Total liabilities	**5,442**	6,147	5,590
Equity			
Total shareholders' equity	**5,762**	5,631	5,768
Non-controlling interests	**282**	267	269
Total equity	**6,044**	5,898	6,037
Total liabilities and equity	**11,486**	12,045	11,627

Condensed Consolidated Statements of Cash Flows (Unaudited)

$ millions	Three-months ended		Year ended
	March 31, 2024	March 31, 2023	December 31, 2023
Cash flows from operating activities			
Net income	**126**	294	687
Adjustments for:			
Depreciation and amortization	**147**	130	536
Exchange rate, interest and derivative, net	**59**	18	24
Tax expenses	**42**	127	287
Change in provisions	**(42)**	(15)	(32)
Other	**2**	4	29
	208	264	844
Change in inventories	**51**	51	465
Change in trade receivables	**(141)**	(35)	252
Change in trade payables	**26**	(37)	(101)
Change in other receivables	**18**	(6)	26
Change in other payables	**10**	(23)	(210)
Net change in operating assets and liabilities	**(36)**	(50)	432
Interest paid, net	**(13)**	(17)	(115)
Income taxes paid, net of refund	**(6)**	(109)	(253)
Net cash provided by operating activities	**279**	382	1,595
Cash flows from investing activities			
Proceeds (payments) from deposits, net	**50**	(44)	(88)
Purchases of property, plant and equipment and intangible assets	**(145)**	(164)	(780)
Proceeds from divestiture of assets and businesses, net of transaction expenses	**15**	3	4
Business combinations	**(22)**	-	-
Other	**-**	1	1
Net cash used in investing activities	**(102)**	(204)	(863)
Cash flows from financing activities			
Dividends paid to the Company's shareholders	**(61)**	(178)	(474)
Receipt of long-term debt	**198**	258	633
Repayments of long-term debt	**(386)**	(170)	(836)
Receipts (repayments) of short-term debt	**17**	37	(25)
Receipts from transactions in derivatives	**3**	6	5
Dividend paid to the non-controlling interests	**-**	-	(15)
Net cash used in financing activities	**(229)**	(47)	(712)
Net change in cash and cash equivalents	**(52)**	131	20
Cash and cash equivalents as of the beginning of the period	**420**	417	417
Net effect of currency translation on cash and cash equivalents	**(5)**	4	(17)
Cash and cash equivalents as of the end of the period	**363**	552	420

Adjustments to Reported Operating and Net Income (non-GAAP)

$ millions	Three-months ended	
	March 31, 2024	March 31, 2023
Operating income	**203**	465
Charges related to the security situation in Israel [1]	**12**	-
Write-off of assets and provision for site closure [2]	**-**	15
Total adjustments to operating income	**12**	15
Adjusted operating income	**215**	480
Net income attributable to the shareholders of the Company	**109**	280
Total adjustments to operating income	**12**	15
Total tax adjustments [3]	**(3)**	(3)
Total adjusted net income - shareholders of the Company	**118**	292

(1) For 2024 and 2023, reflects charges relating to the security situation in Israel related to the war, which commenced on October 7, 2023.

(2) For 2023, reflects mainly a write-off of assets related to restructuring at certain sites, including site closures and facility modifications, as part of the Company's global efficiency plan.

(3) For 2024 and 2023, reflects the tax impact of adjustments made to operating income.

Consolidated EBITDA for the Periods of Activity

$ millions	Three-months ended	
	March 31, 2024	March 31, 2023
Net income	**126**	294
Financing expenses, net	**35**	44
Taxes on income	**42**	127
Operating income	**203**	465
Depreciation and amortization	**147**	130
Adjustments [1]	**12**	15
Total adjusted EBITDA [2]	**362**	610

(1) See "Adjustments to Reported Operating and Net income (non-GAAP)" above.

(2) In Q1 2024, the Company's adjusted EBITDA was positively impacted by an immaterial accounting reclassification. Please refer to the 6-K filing for additional details.

Calculation of Segment EBITDA

	Industrial Products		Potash		Phosphate Solutions [1]		Growing Solutions	
	Three-months ended							
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024 [2]	March 31, 2023	March 31, 2024	March 31, 2023
Segment operating income	59	90	62	254	84	119	23	32
Depreciation and amortization	13	15	62	44	47	52	19	13
Segment EBITDA	**72**	**105**	**124**	**298**	**131**	**171**	**42**	**45**

(1) In alignment with the Company's efficiency plan, which includes a change of reporting responsibilities as of January 2024, the results of a non-phosphate related business were allocated from the Phosphate Solutions segment to Other Activities. Comparative figures have been restated to reflect the organizational change in the reportable segments

(2) For Q1 2024, Phosphate Specialties comprised $320 million of segment sales, $44 million of operating income, $12 million of D&A and represented $56 million of EBITDA, while Phosphate Commodities comprised $239 million of segment sales, $40 million of operating income, $35 million of D&A and represented $75 million of EBITDA.