

A blue geometric graphic, resembling a stylized 'L' or a corner of a square, is positioned to the left of the main title.

# FIRST HALF AND SECOND QUARTER 2020 EARNINGS CONFERENCE CALL PRESENTATION

SEPTEMBER 29<sup>TH</sup>, 2020

# SAFE HARBOR STATEMENT

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This presentation has been prepared by OCP S.A. ("OCP") strictly for discussion purposes, and contains certain statements that are, or may be deemed to be, "forward-looking statements" within the meaning of the safe harbor provisions set forth in the U.S. Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, liabilities, strategic, industrial, commercial plans and expected future financial and operating results such as revenue growth and earnings. They are based on the current beliefs, expectations and assumptions of OCP's management as of the date on which they are made in connection with past and/or future financial results, and are subject to significant uncertainties and risks, which OCP shall not be held liable for. These risks and uncertainties include, but are not limited to, risks and uncertainties arising from the future success of current and strategic plans and future financial and operating results and reserves; changes in such plans and results; any difficulty that OCP may experience with the realization of benefits and anticipated levels of capital expenditures for the second half of the year and beyond; the current and future volatility in the credit markets and future market conditions; OCP's strategy in connection with customer retention, growth, product development and market position; industry trends; volatility in commodity prices; changes in foreign currency, interest and exchange rates; international trade risks; changes in government policy and developments in judicial or administrative proceedings in jurisdictions which OCP is subject to; changes in environmental and other governmental regulation, including regulatory investigations and proceedings; any natural events such as severe weather, fires, floods and earthquakes or man-made or other disruptions of OCP's operating systems, structures or equipment; the effectiveness of OCP's processes for managing its strategic priorities; and OCP's belief that it has sufficient cash and liquidity and/or available debt capacity to fund future financial operations and strategic business investments. Actual results may differ from those set forth in the forward-looking statements contained in this presentation, and OCP undertakes no obligation to publicly update any of its forward-looking statements, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

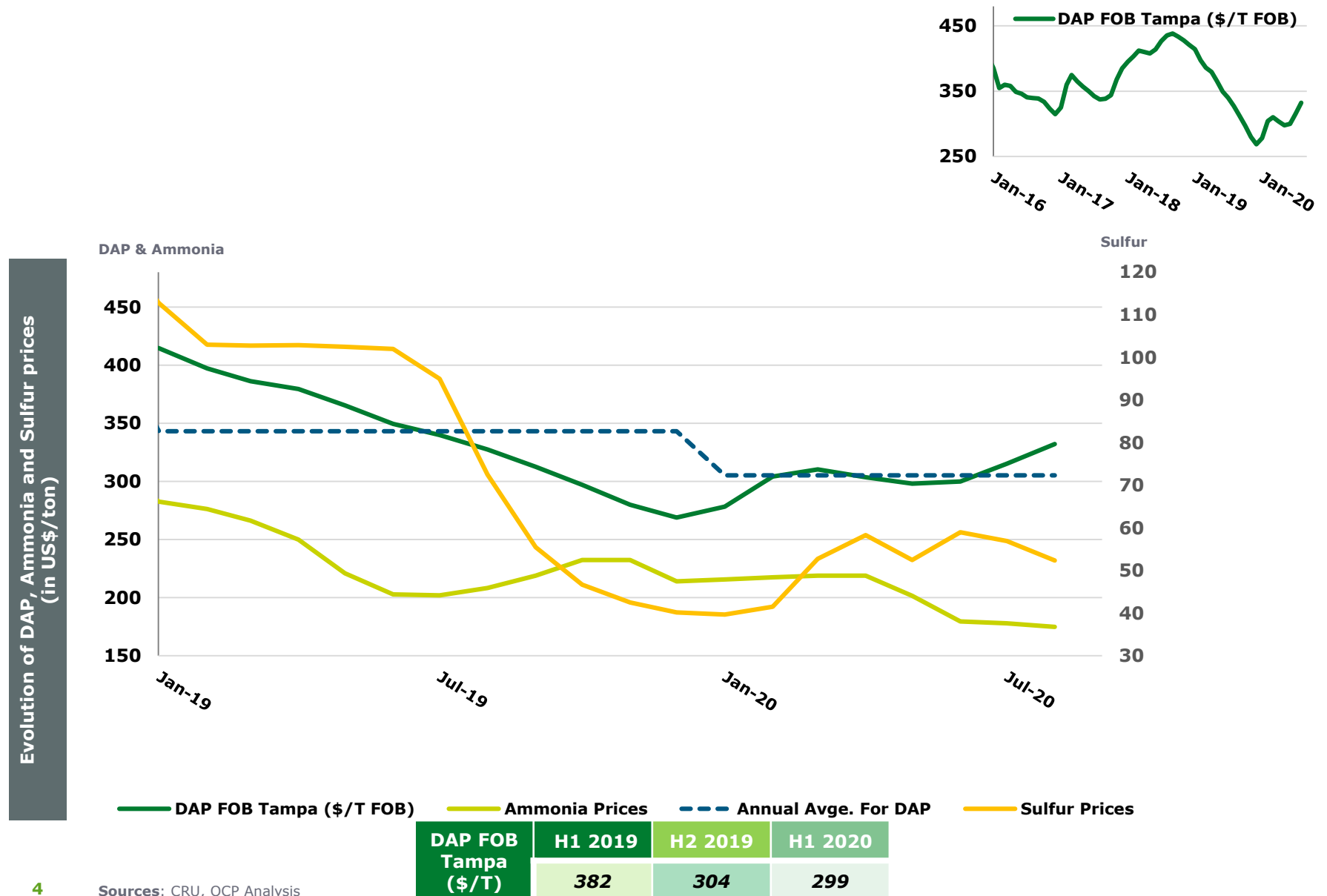
This presentation includes OCP's financial statements which are produced in Moroccan Dirhams (the local currency). For ease of presentation, financial information included in this presentation is translated into U.S. Dollars, and these translated figures have not been audited. For the purpose of such translated figures, OCP used the following exchange rate table, which sets forth the year average and year-end Dirham/U.S. Dollar exchange rates for the following periods:

USD/MAD	June 2020	June 2019	December 2019
Period End	9.7195	9.5718	9.5932
Average	9.7728	9.5990	9.6170



## Market Overview

# DESPITE A YEAR MARKED BY COVID-19 PANDEMIC, THE PHOSPHATE MARKET HAS PICKED UP SLIGHTLY SINCE END OF 2019



# HIGH FERTILIZER AFFORDABILITY DURING FIRST HALF 2020

*DAP Affordability Index (base 100 in Jan 2006)*

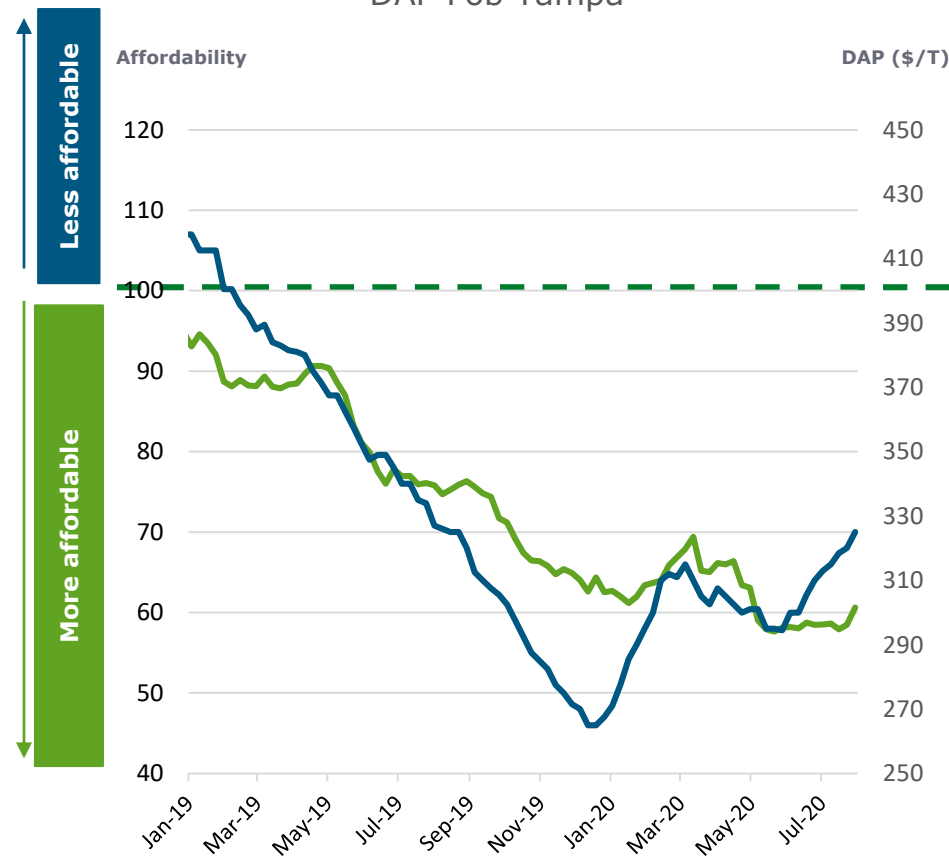
*US Corn and Soybeans prices evolution (c\$/Bu)*

— DAP Affordability Index

— DAP Fob Tampa

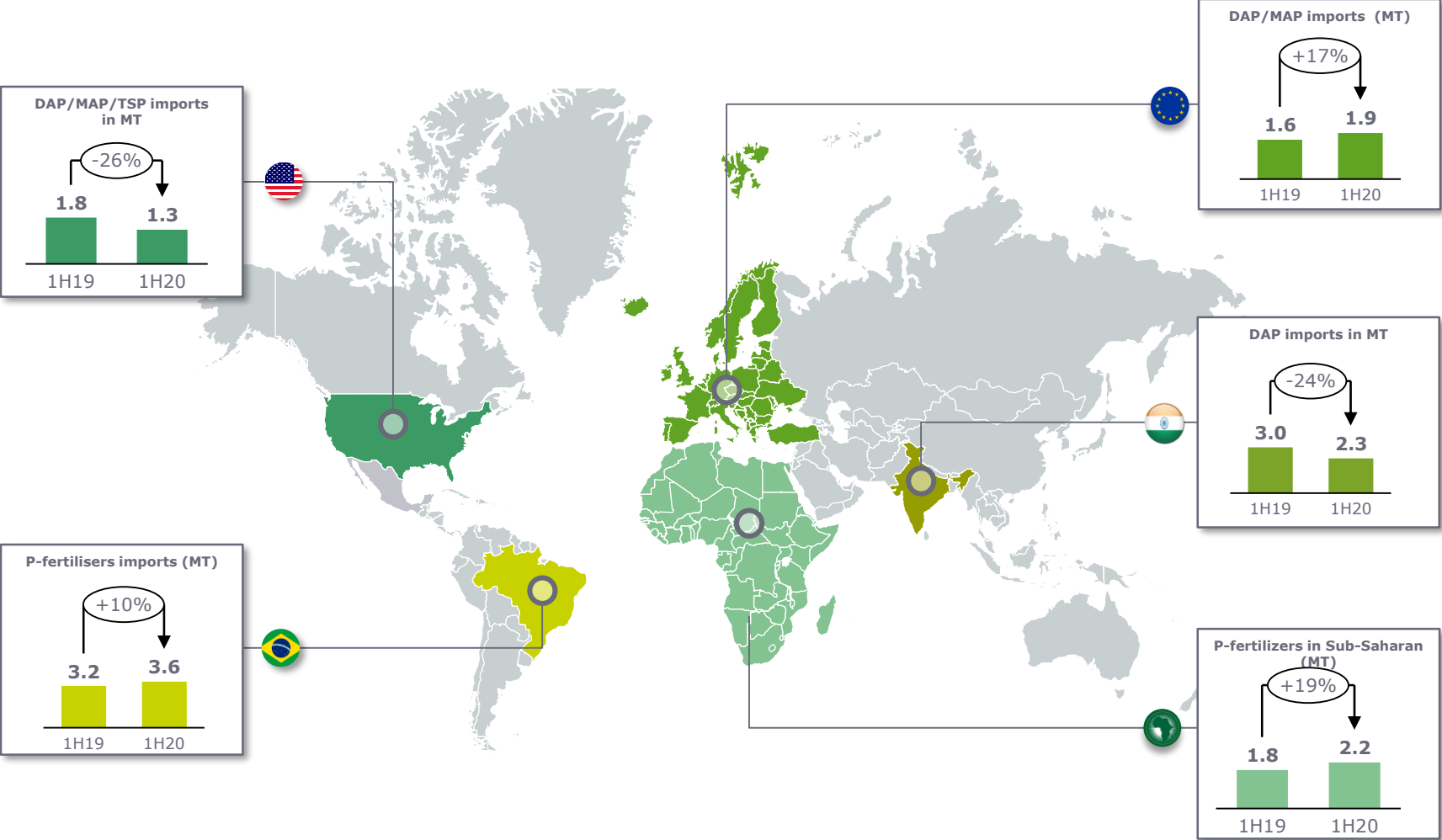
— US Corn

— US Soy



Source: CRU, DAP affordability is a ratio between DAP average FOB prices (Tampa, North Africa, Saudi and Baltic) and the crop prices index (weighted average crop prices).

# WORLDWIDE IMPORTS INCREASE WITH THE EXCEPTION OF INDIA AND USA WHERE GROWING CONSUMPTION IS SERVED IN PART BY STOCKS

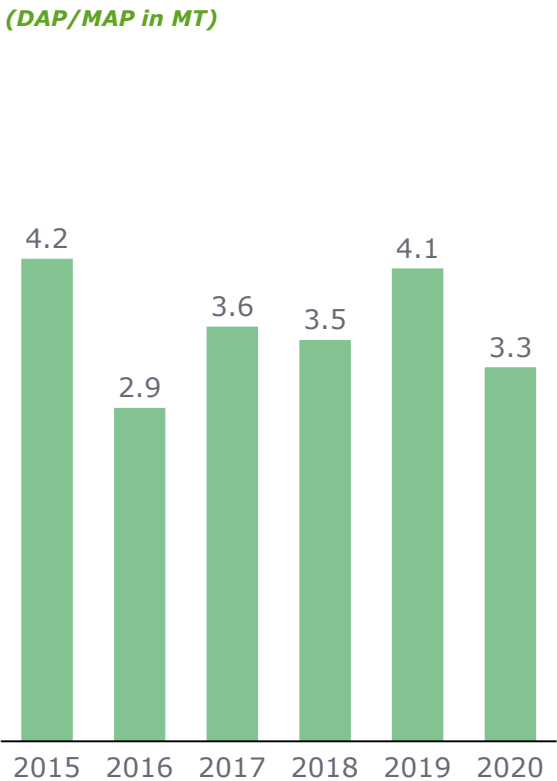


# INCREASED EXPORTS FROM MAIN PRODUCERS EXCEPT CHINA AMID COVID-19 PANDEMIC

DAP/MAP/NPS Phosphate Fertilizers trade Incremental Changes 1H20 vs 1H19



1H Chinese export evolution



Sources: Estimates OCP, Companies websites, GTIS, CRU  
China exports include only DAP/MAP



# OCP, A RESPONSIBLE PLAYER WITHIN THE CONTEXT OF COVID-19 PANDEMIC

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➤ The strategy set up by the group is based on 3 main goals :

Preserving OCP's employees' health and safety	Supporting Group's ecosystem	Ensuring a Business Continuity Plan
<ul style="list-style-type: none"><li>• Sanitary plans for prevention on work places</li><li>• Targeted sampling and testing</li><li>• Quality of life as well as employee's well being</li><li>• Remote work for functions which permit it</li></ul>	<ul style="list-style-type: none"><li>• Contribution, alongside other major domestic companies, to the COVID-19 Special Fund aimed at containing pandemic impact on the country</li><li>• Supporting cooperatives and local communities</li></ul>	<ul style="list-style-type: none"><li>• Continued Production at regular pace to meet customers' needs without interruption</li><li>• A proactive procurement strategy to face pandemic logistical headwinds</li><li>• An enhanced commercial agility based on daily market intelligence and monitoring to respond to market demand</li></ul>



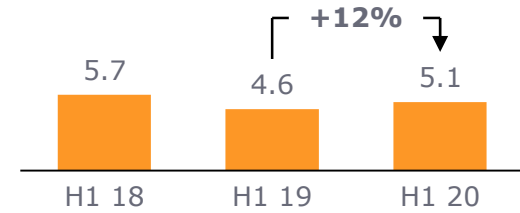
# STEADY GROWTH SUPPORTED BY OCP'S STRATEGY AND COMPETITIVE ADVANTAGES

## OCP priorities

## OCP achievements

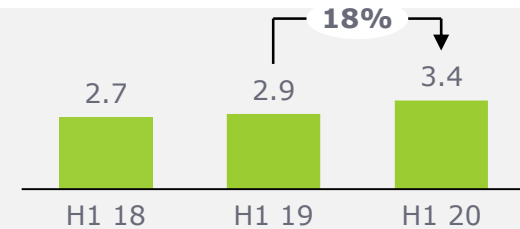
**Rock**

**Maintain rock export**



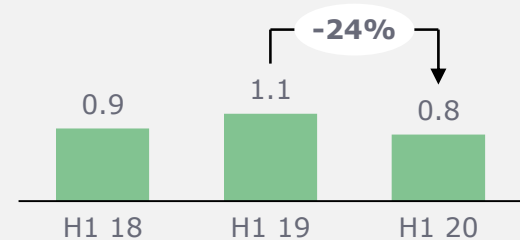
**Processed Phosphates**

**Optimize leadership thanks to industrial flexibility and commercial agility**



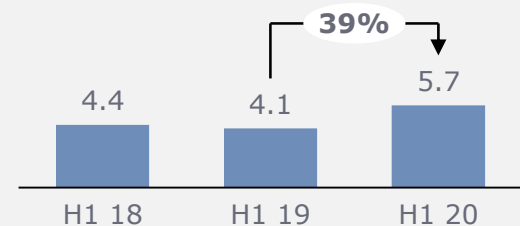
**Acid**

**Maintain leadership position on Acid while India demand was disturbed due to COVID-19**



**Fertilizers**

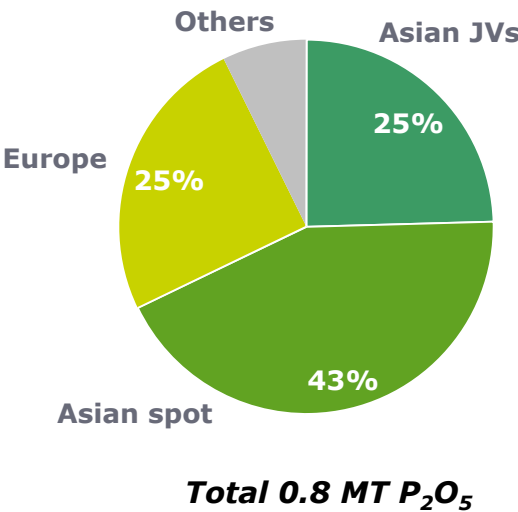
**Consolidate leadership position by focusing on growth market**



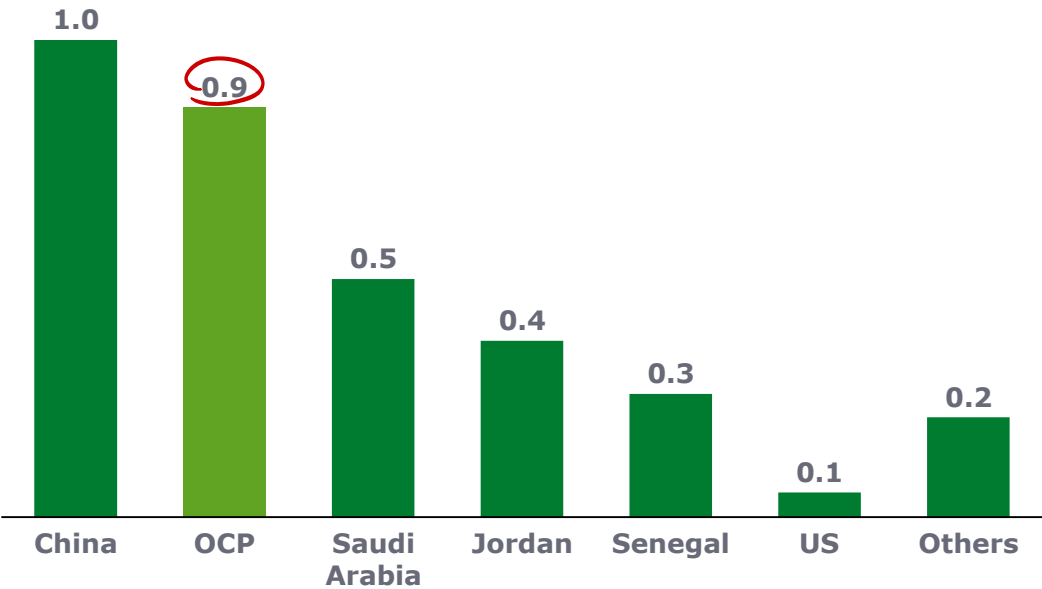
# LEVERAGING ON PHOSPHORIC ACID TO CONSOLIDATE OCP'S LEADERSHIP IN ASIA

► Differentiation through Acid leadership: In Asia, OCP is the 2nd largest concentrated phosphates supplier

OCP's Acid export in 1H 2020  
*In million tons  $P_2O_5$*

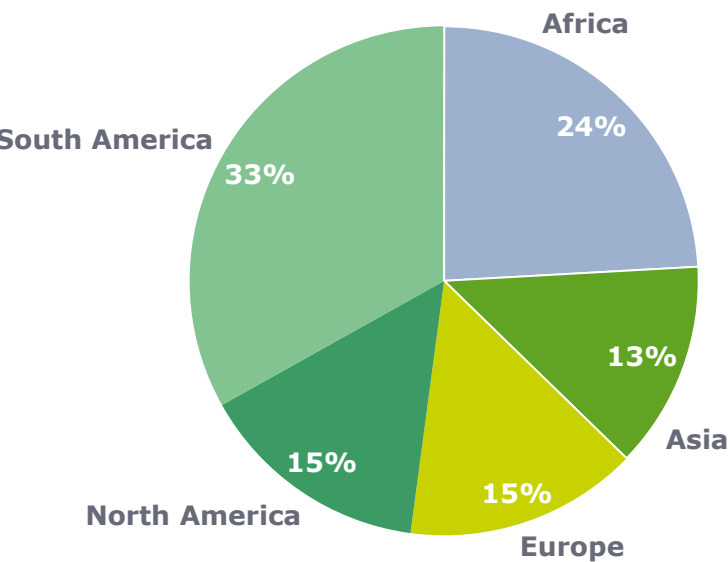


South Asia P2O5\* imports in 1H 2020  
*In million tons  $P_2O_5$  equivalent Processed Phosphates*



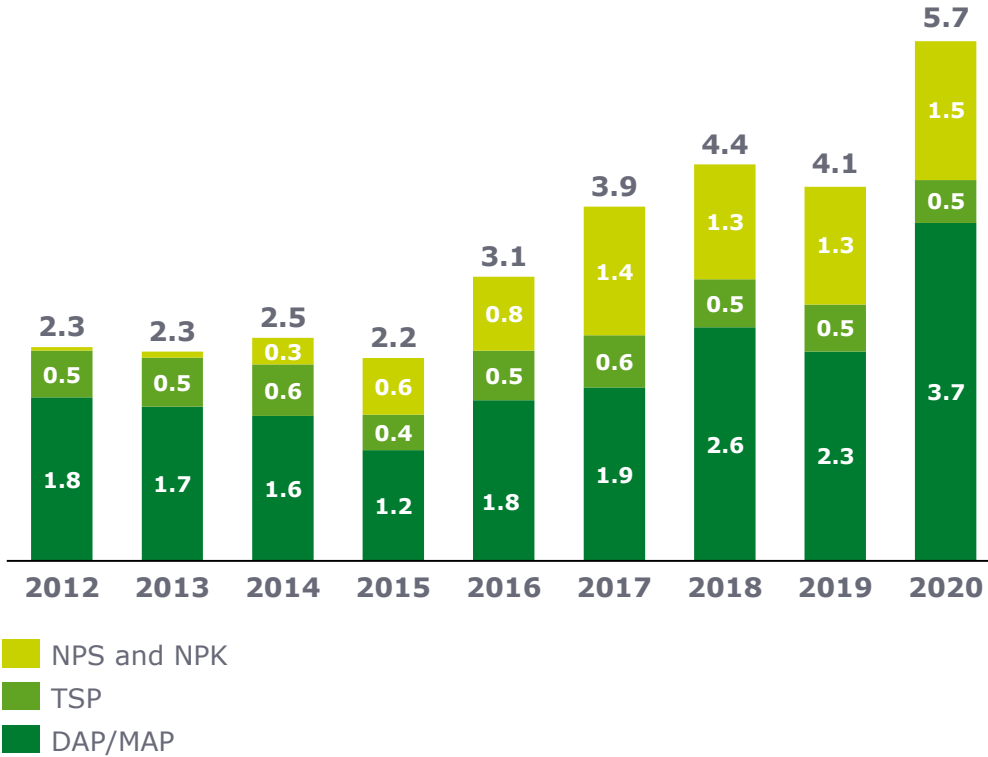
# MAJOR INCREASE OF FERTILIZER EXPORTS WITH A DIVERSIFIED CUSTOMER BASE AND PRODUCT PORTFOLIO

OCP's fertilizer export breakdown in 1H 2020  
*In %*



- ✓ Largest global exporter of phosphate fertilizers
- ✓ Diversified regional portfolio

Fertilizer Exports volumes evolution in 1H since 2012  
*In million tons*



► Breakdown of the increase in fertilizer exports for 2020: +0.7 MT in South America, +0.5 MT in Asia, and +0.3 MT in Europe.

# MARKET DYNAMICS IN 2H 2020



## Demand

- Fertilizer prices to remain firm due to healthy seasonal demand across all regions:
  - Raising demand from India thanks to a good monsoon,
  - Imports to continue in Brazil on the back of healthy soybean exports
  - Enhanced weather conditions in the US should prompt higher application levels
  - Potential disruptions in Western Europe demand due to poor farmer's economics
  - And Improved Chinese domestic demand



→ **Balanced market as a whole that supports the upward price trend**



## Supply

- No specific additional supply other than Egypt while Chinese export are expected to remain low



→ **Likely less oversupply in 2H vs. 1H**



## Feedstock

- Softening Raw materials
  - Expected ammonia prices to drop as a result of S/D
  - Stable to increase of sulfur prices on the back of firm demand from importers



→ **Stable to Sliding Raw material prices**

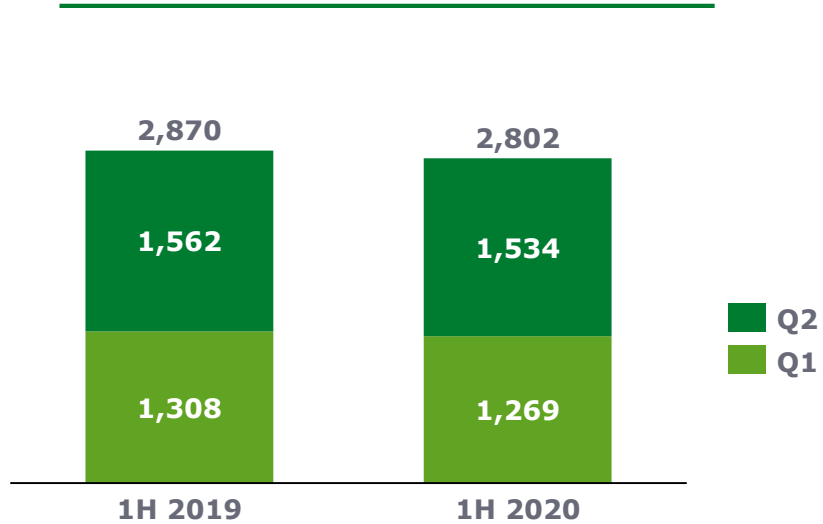


## Financial Overview

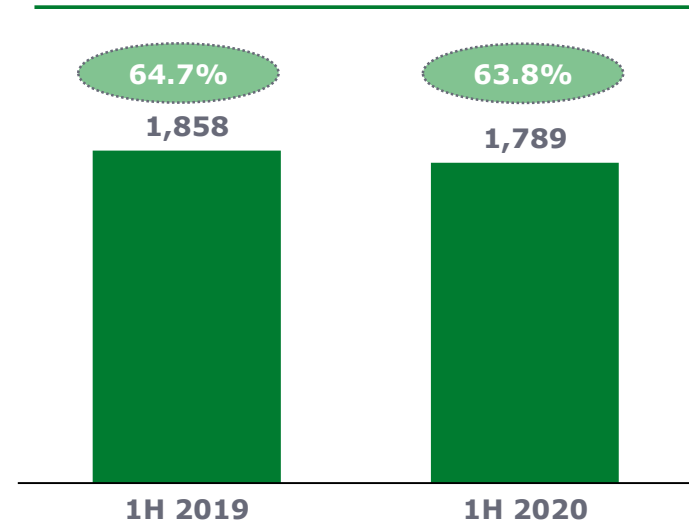
# FINANCIAL PERFORMANCE SNAPSHOT

In US\$m

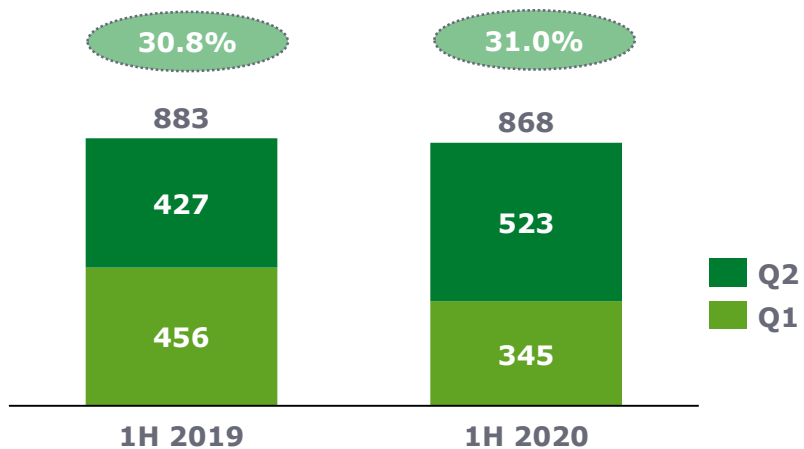
## Revenues



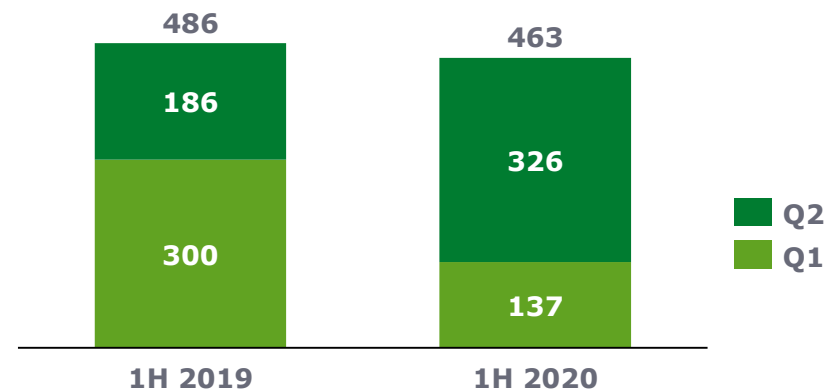
## Gross profit & Margin (%)



## EBITDA & Margin (%)



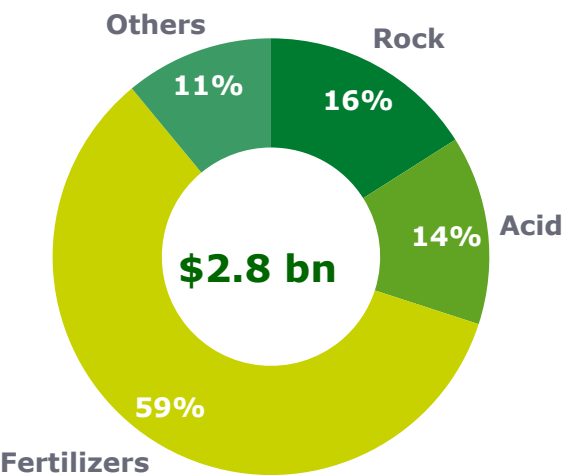
## EBIT



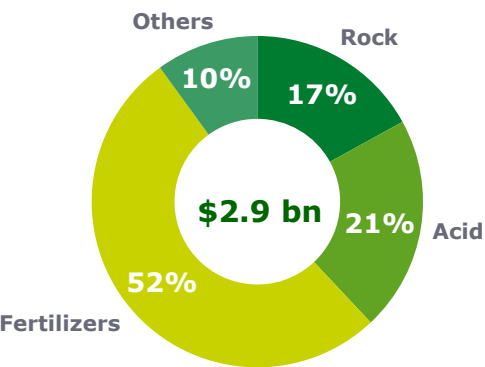
# REVENUE BREAKDOWN BY PRODUCT CATEGORY

In US\$m

## Revenue breakdown in 1H 2020



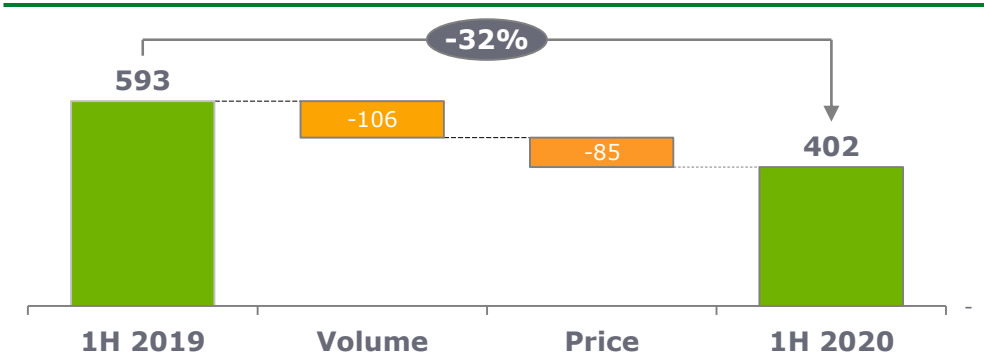
## Revenue breakdown in 1H 2019



## ROCK



## ACID



## FERTILIZERS

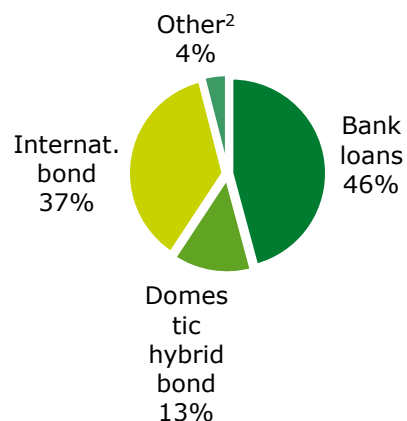




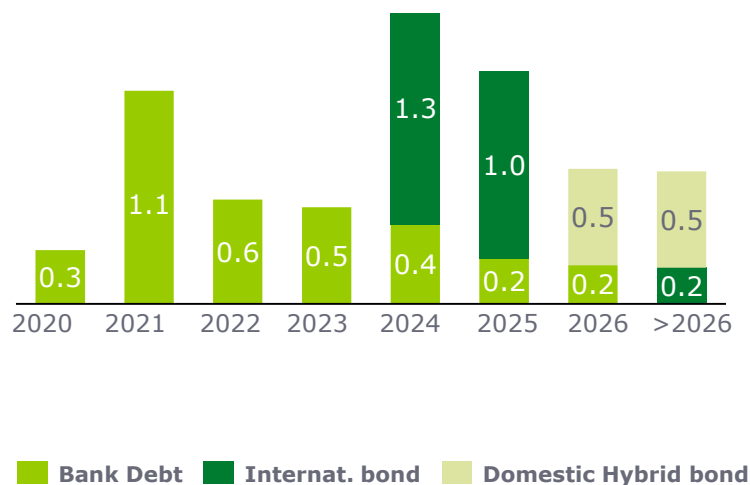
# LIQUIDITY & LEVERAGE SNAPSHOT

In US\$m

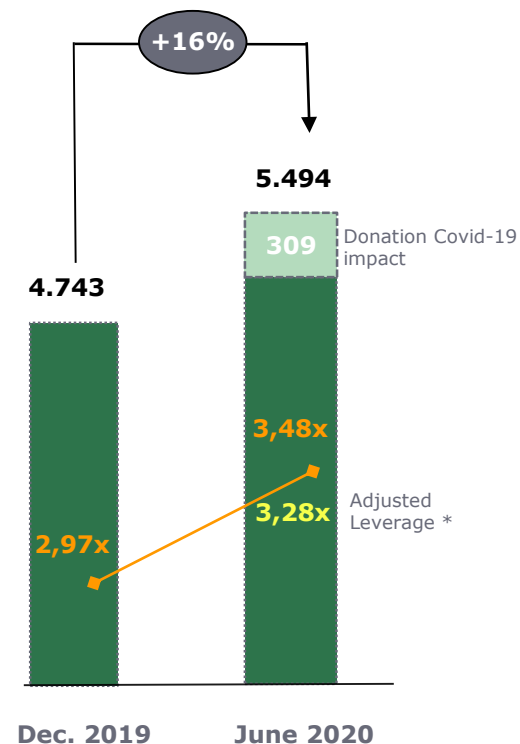
## Debt Profile Snapshot<sup>1</sup>



## Debt Maturity Schedule



## Net Financial Debt & Leverage



Source: OCP

1. USD/MAD exchange rates of 9.7195 as of 30/06/2020

2. As at 30 June 2020, "Other" includes accrued interests, Sovereign guaranteed bank loan, Finance lease liabilities

\* Adjusted for COVID Donation



**THANK YOU**