

OCP REPORTS FIRST QUARTER 2020 EARNINGS

Casablanca, Morocco, May 29, 2020 – OCP S.A. (“OCP” or the “Company”), a global leader in the fertilizer industry, today reported results for the first quarter ended March 31, 2020.

FIRST QUARTER 2020 KEY FIGURES

- Revenues reached MAD 12,270 million (US\$ 1.27 billion), compared to MAD 12,422 million (US\$ 1.29 billion) in the same period last year.
- EBITDA amounted to MAD 3,329 million (US\$ 345 million), down from MAD 4,287 million (US\$ 448 million) in the first quarter of 2019.
- EBITDA margin was 27%.
- Capex disbursements amounted to MAD 2,125 million (US\$ 220 million).

OPERATING AND FINANCIAL PERFORMANCE

Ever since the beginning of the Covid-19 outbreak, OCP has implemented specific measures to ensure a secure work environment for its employees on all sites, which enabled it to maintain operations at a regular pace with no disruptions or direct impacts on production. Therefore, 2020 first quarter revenues were underpinned by strong export volumes and reached MAD 12,270 million (US\$ 1.27 billion), slightly lower than the MAD 12,422 million (US\$ 1.29 billion) reported in the year-ago period. Higher fertilizer exports to key markets were offset by lower product prices compared to first quarter 2019. Revenues increased 5% Vs 4Q 2019 mainly due to higher sales volumes and a slight recovery in prices at the beginning of the year reflecting improved demand.

Gross profit was MAD 7,539 million (US\$ 781 million), compared with MAD 8,372 million (US\$ 872 million) in the first quarter of 2019, and gross profit margin was 61% down from 67% in 1Q 2019. This decrease is mainly due to lower fertilizer prices for the period, which were only partially mitigated by lower sulfur and ammonia prices.

OCP’s first quarter EBITDA reached MAD 3,329 million (US\$ 345 million), down from MAD 4,287 million (US\$ 448 million) in the year-ago period, and the Group sustained a strong EBITDA margin at 27%. EBITDA rose 48% from fourth quarter 2019 levels thanks to higher sales volumes and improved fertilizer prices.

Capital expenditures were MAD 2,125 million (US\$ 220 million) in the first quarter of 2020, below the MAD 2,448 million (US\$ 256 million) disbursed in the similar 2019 period.



SUMMARY & MARKET REVIEW

As anticipated, market fundamentals improved slightly at the beginning of the year, with higher demand in most regions and prices trending up slightly compared to year-end of 2019 levels.

In Brazil, higher imports were driven by a good agricultural season and supported by record crop exports for the period. European demand recovered from last year's levels due in part to higher imports in anticipation of potential impacts on supply channels from COVID-19 related lockdown measures. In Africa, demand was up year-on-year with increased imports led mainly by Nigeria and Ethiopia. Conversely, demand in India was lower year on year reflected in lower imports in anticipation of the government's decision on subsidies.

On the supply side, Chinese exports were broadly stable in the period compared to first quarter 2019, and Russian supply was mainly directed to the local market, tied to higher domestic consumption.

In the current global economic context, the Group continues to focus on its ongoing strategy of cost competitiveness. To that end, the Group has identified further opportunities to reduce operating expenses through continued operational improvements, consolidation and cost control. These measures to improve its competitive advantages will further strengthen OCP's financial position and cost leadership in the coming periods.

OCP remains strongly committed to supporting the world's food security. Since the onset of the COVID-19 pandemic, the Company has implemented its business continuity plan, and has taken measures to ensure the safety and health of its employees and minimize any operational and business disruptions and risks. As a result, the Group is fully operational and continues to seamlessly serve its customers around the globe.

CONFERENCE CALL

In line with OCP's quarterly communications program, management will not be hosting a conference call to discuss the first quarter 2020 financial results. Regular quarterly conference calls will resume as of the second quarter of 2020. Institutional buyers, bondholders, securities analysts and market makers seeking further clarification on first quarter 2020 results are invited to contact Mrs. Ghita LARAKI, Investor Relations at g.laraki@ocpgroup.ma



ABOUT OCP

OCP is the largest phosphate producer in the world and a leading global fertilizer player, backed by a century of production history. OCP has exclusive access to the world's largest phosphate rock reserve base. It is one of the lowest cost producers of phosphate rock in the industry and has become a leading player in production and trade volumes across the phosphate value chain. OCP employs approximately 20,000 people and contributes to regional development through its mining and fertilizer operations, and through its sustainability program.

For more information visit: www.ocpgroup.ma

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