

OCP REPORTS EARNINGS FOR FOURTH QUARTER AND FULL YEAR 2018

CASABLANCA - Morocco, 25th March 2019 – OCP S.A. (“OCP” or the “Group”), a global leader in the fertilizer industry, today reported results for the fourth quarter and the full year ended December 31, 2018.

MANAGEMENT COMMENTARY

“OCP reported strong growth in 2018, consistent with the positive results achieved throughout the year, and representing substantial improvement across all key metrics. This was achieved thanks to the benefits of our investment program, which drove productivity gains and has transformed OCP over the last decade, providing sustained operating excellence as well as leading position in the industry.

Full year results benefited from an improved market environment, with higher prices for phosphate-based products. Favorable pricing and product mix resulted in strong performance in 2018, supported by cost efficiencies that were attained despite higher sulfur prices. As a result, we achieved full year EBITDA growth of 34% and an EBITDA margin of 31%, significantly ahead of the industry average. We have continued to gain agility with well-balanced exports amongst the world’s regions, which helped us generate higher revenues for the year.

OCP’s effective strategy continues to unfold as anticipated and is evolving gradually into a more customized market with a focus on farmer centricity and innovation.” said Mr. Mostafa Terrab, Chairman and Chief Executive Officer.

KEY FIGURES

- Full Year 2018

- Revenues reached MAD 55,906 million (US\$ 5.95 billion), up from 2017’s MAD 48,503 million (US\$ 5.00 billion).
- EBITDA amounted to MAD 17,076 million (US\$ 1.82 billion), ahead of MAD 12,722 million (US\$ 1.31 billion) for 2017.
- EBITDA margin was 31 % vs. 26 % in 2017.
- Capital expenditures were MAD 10,801 million (US\$ 1.15 billion).

- Fourth Quarter 2018

- Revenues amounted to MAD 14,806 million (US\$ 1.55 billion), up from MAD 12,514 million (US\$ 1.32 billion) in the comparable quarter of 2017.
- EBITDA was MAD 4,247 million (US\$ 446 million), compared to MAD 2,626 million (US\$ 280 million) in the fourth quarter 20.
- EBITDA margin reached 29%.



OPERATING AND FINANCIAL RESULTS

- Full Year 2018

Full year 2018 revenues increased by 15% from the year ago period reaching MAD 55,906 million (US\$ 5.95 billion).

OCP's strong performance was underpinned by higher volumes and prices in both the phosphoric acid and fertilizer segments, while metrics were stable for phosphate rock. These positive results further strengthened the Group's position as the largest global exporter of phosphate fertilizers, while it has maintained its market leading positions in phosphoric acid and rock.

For the year, fertilizer revenues grew by 20% compared to the previous year and accounted for 55% of total revenues in 2018, compared to 45% in 2014. Fertilizer exports continued to be well diversified geographically and were sustained by higher imports from key regions with 24% of OCP's export volumes destined to North America, 23% to Latin America, 22% to Africa, 16% to Asia and 15% to Europe.

Rock and phosphoric acid each represented 18% of total revenues. The rock segment remained stable, while phosphoric acid sales grew 39% reflecting higher volumes and prices as a result of increased input costs. Demand for acid was mainly driven by Asia, Latin America and Europe.

The Group's cost efficiencies along with the improved pricing environment more than offset higher sulfur and ammonia costs and resulted in an 18% increase in gross profit to MAD 37,181 million (US\$ 3.96 billion), ahead of MAD 31,604 million (US\$ 3.26 billion) a year earlier.

EBITDA increased at a rate that was significantly ahead of other metrics, reaching 34% year-on-year growth to MAD 17,076 million (US\$ 1.82 billion), resulting in an EBITDA margin of 31%. This compares to EBITDA of MAD 12,722 million (US\$ 1.31 billion) and EBITDA margin of 26% in 2017.

Net financial debt was MAD 35,193 million (US\$ 3.68 billion) and the leverage ratio was 2.02 as of December 31, 2018.

- Fourth Quarter 2018

Revenues for the fourth quarter of 2018 increased to MAD 14,806 million (US\$ 1.55 billion) from MAD 12,514 million (US\$ 1.32 billion) in Q4 2017 driven by higher sales volumes.

Gross profit increased to MAD 9,397 million (US\$ 988 million) from MAD 8,005 million (US\$ 847 million) in Q4 2017.

Fourth quarter EBITDA amounted to MAD 4,247 million (US\$ 446 million), representing a 62% increase from MAD 2,626 million (US\$ 280 million) for Q4 2017 resulting in an EBITDA margin of 29 % vs. 21 % for Q4 2017.



SUMMARY AND OUTLOOK

2018 was a year of substantial growth and achievement for OCP. Within an environment of progressively improving pricing conditions, OCP maintained its disciplined approach, utilizing its industrial flexibility to consolidate its leading positions across the value chain.

Looking ahead, demand and consumption are expected to continue to increase in 2019, led by a stronger spring application season in North America, improved weather conditions in Europe, a pick-up in Brazil, and higher demand from Africa. Additionally, the ramp-up of new ammonia capacities should slightly reduce prices in 2019 and higher availability of sulfur should result in relatively stable - to slightly lower pricing for much of the year. Global supply and demand appear balanced heading into 2019, but Chinese phosphate export levels remain a key factor to monitor, given that exports trended up in the 2018 fourth quarter.

OCP's performance continues to reflect its competitive strengths, namely its large reserve base, substantial production capacity and flexibility, and its cost leadership and the Group's growth strategy remains based on the positive long-term fundamentals on the horizon for the industry.

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