

OCP REPORTS EARNINGS FOR SECOND QUARTER AND FIRST HALF 2021

-- EFFICIENT EXECUTION AMID IMPROVED PRICING CONDITIONS DRIVES SIGNIFICANT MARGIN EXPANSION --

Casablanca, Morocco, September 21, 2021 – OCP S.A. (“OCP” or the “Group”), a global leader in the fertilizer industry, today reported results for the second quarter and first half, ended June 30, 2021.

MANAGEMENT COMMENTARY

“First half 2021 represented another period of strong financial and operating performance for OCP. We leveraged the strengths inherent in our business model amid improving market conditions to achieve double-digit growth across all key financial metrics, while continuing to invest in long term growth and sustainability programs,” noted Mostafa Terrab, Chairman and CEO.

“OCP’s industrial flexibility enabled us to successfully pivot to serve the dynamic needs of our customers, notably shifting a portion of our export volumes to acid to accommodate changing demand trends. The commercial agility, which we continuously build upon, has been a key factor in OCP’s ability to reinforce our export leadership position by addressing demand in high growth markets. These attributes, together with favorable pricing and our streamlined cost structure resulted in a 19% year-on-year increase in revenues and an 800 basis-point increase in our EBITDA margin to 39%, the highest level in the last decade. These strong results were achieved as OCP’s processed phosphate production increased from first half 2020 levels, representing higher demand for phosphoric acid, while fertilizer production comparisons were lower.

“Furthermore, I am pleased to report that on June 12, OCP successfully completed a new international bond issue for US\$1.5 billion comprised of two tranches with maturities of 10 and 30 years and respective interest rates of 3.750% and 5.125%. This new bond issue was almost 5 times oversubscribed, reflecting the confidence of international investors in OCP’s long-term growth plans. We utilized approximately two third of the net proceeds to repurchase a large portion of the Company’s existing international bonds to optimize our debt maturity profile. The remaining funds will be used to finance the next phase of our investment program.”

FIRST HALF 2021 KEY FIGURES

- First half 2021 revenues increased to MAD 32,479 million (US\$ 3.65 billion), compared with MAD 27,403 million (US\$ 2.80 billion) in the first half of 2020.
- EBITDA amounted to MAD 12,533 million (US\$ 1.41 billion), up from MAD 8,495 million (US\$ 868 million) for the same period last year, leading to an improved EBITDA margin of 39% compared with 31% a year earlier.
- Capital expenditures totaled MAD 4,301 million (US\$ 482 million), down from MAD 5,087 million (US\$ 520 million) reported in the year-ago period.



OPERATING AND FINANCIAL RESULTS

Market prices continued to strengthen throughout the first half of 2021, mainly supported by steady seasonal demand growth in key markets together with stable supply. Demand across most importing regions was supported by higher crop prices, especially in Brazil, along with favorable weather conditions and low inventory levels in the U.S.

For the first half of 2021, OCP's revenues grew by 19% year-over-year in local currency, to reach MAD 32,479 million (US\$ 3.65 billion) from MAD 27,403 million (US\$ 2.80 billion) in the year-ago-period, mainly attributable to improved market conditions, which more than offset somewhat lower sales volumes.

In fact, for the period, Rock revenues were up 11%, Phosphoric Acid sales increased by 27% and Fertilizer revenues were up 20% compared to the prior-year period in local currency, from last year's level. This revenue growth mainly reflected improved prices across all three products categories as well as higher Acid export volumes, which helped mitigate lower Rock and Fertilizer sales volumes.

Lower fertilizer volumes primarily resulted from OCP's depleted inventory levels at the start of 2021, given the high production and export volumes achieved in 2020, which included more than 11 million tons of fertilizers. Additionally, OCP shifted a portion of its exports to phosphoric acid to match market demand.

The Group's cost efficiencies along with the improved pricing environment more than offset the impact of higher sulfur and ammonia costs and resulted in a 21% increase in gross profit in local currency to MAD 21,177 million (US\$ 2.38 billion), ahead of MAD 17,487 million (US\$ 1.79 billion) a year earlier.

First half 2021 EBITDA rose by 48% year-over-year to reach MAD 12,533 million (US\$ 1.41), up from

MAD 8,495 million (US\$ 868 million) in the year-ago period. EBITDA margin expanded to a strong 39%, reflecting higher prices and ongoing efficiencies.

Operating profit amounted to MAD 8,059 million (US\$ 904 million), significantly higher than the MAD 871 million (US\$ 89 million) reported last year. First half 2020 operating profit was mainly impacted by the one-time expense of MAD 3 billion related to OCP's contribution to the Covid-19 Special National Fund in the second quarter of 2020.

BALANCE SHEET AND CASH FLOW

Available cash and cash equivalents amounted to MAD 15,085 million (US\$ 1.69 billion) as of June 30, 2021.

Net financial debt was MAD 48,351 million (US\$ 5.42 billion), and the Net Financial Debt to EBITDA ratio, was 2.13x (2.17x in USD) as of June 30, 2021, which compares to 2.80x (2.99x in USD) at the end of 2020.



SECOND QUARTER 2021 KEY FIGURES

- Second quarter revenues increased to MAD 18,191 million (US\$ 2.05 billion), up from MAD 15,133 million (US\$ 1.53 billion) in the prior-year period.
- Gross profit was MAD 11,910 million (US\$ 1.35 billion), compared to MAD 9,947 million (US\$ 1.00 billion) in the second quarter of 2020.
- Second quarter EBITDA increased to MAD 7,197 million (US\$ 809 million), from MAD 5,166 million, (US\$ 523 million) in the same period of 2020.
- Second quarter operating profit increased to MAD 4,917 million (US\$ 552 million), compared to MAD 2,899 million (US\$ 299 million) in the Q2 2020.

SUMMARY AND OUTLOOK

Market conditions are expected to remain very favorable in the second half of 2021, with strong agricultural fundamentals, a balanced supply/demand position and increasing raw material prices driving further pricing improvement, particularly in the third quarter ahead of primary application season in most countries. Specifically, OCP expects high demand in the Americas supported by solid corn and soybean prices and in India, where inventories remain low.

OCP's strong first half execution has laid the foundation for 2021 to be a year of substantial growth and profitability for the Group. Together with the broad-based financial and operating progress achieved in the first half, OCP further strengthened its financial position during the period, providing additional flexibility to ensure future growth. The Group continues to move forward with long term initiatives to expand OCP's portfolio of high-performance customized products and develop additional related services to give growers around the world the most efficient application results, while investing in the sustainability of its supply chain.

CONTACT

Mrs. Ghita LARAKI
Head of Investor Relations
Phone : (+212) 5 22 92 41 83
E-mail : G.laraki@ocpgroup.ma

