

## OCP REPORTS EARNINGS FOR THE THIRD QUARTER AND NINE-MONTHS OF 2020

**Casablanca - Morocco, November 20, 2020** – OCP S.A. (“OCP” or the “Group”), a global leader in the fertilizer industry, today reported results for the third quarter and the nine-month period ending September 30, 2020.

### MANAGEMENT COMMENTARY

“OCP’s positive year-to-date performance demonstrated the Company’s fundamental strengths as well as its ability to navigate this period of challenging economic conditions and pandemic-related uncertainties. Through our industrial flexibility, we have been able to adapt our production to meet our customers’ changing needs; our commercial agility has afforded us a broad global customer base in high demand regions; and finally, our cost leadership continued to drive strong margins.

“Year-to-date revenues were broadly stable, reflecting significant growth in fertilizer export volumes, primarily to India, Latin America, Europe, and to a lesser extent Africa. Demand in key importing regions was driven by a broad range of factors, including favorable farmer economics in Brazil, exceptional consumption levels in India, higher consumption in Ethiopia and in Nigeria through improved application of specialty products. These trade flow trends illustrate OCP’s unmatched geographic footprint and the large and diversified customer base we serve,” noted Mr. Mostafa Terrab, Chairman and Chief Executive Officer.

### THIRD QUARTER KEY FIGURES

- Revenues were MAD 14,283 million (US\$ 1.53 billion) vs. MAD 14,872 million (US\$ 1.55 billion) in Q3 2019.
- Third quarter EBITDA increased to MAD 5,069 million (US\$ 552 million) compared to MAD 4,597 million (US\$ 478 million) in the year-ago period.
- Ebitda Margin improved to 36% compared with 31% for the same period a year ago.
- Third quarter Operating Profit increased to MAD 3,137 million (US\$ 327 million) compared to MAD 2,793 million (US\$ 291 million) in Q3 2019.

### YEAR-TO-DATE KEY FIGURES

- Nine-month 2020 revenues reached MAD 41,686 million (US\$ 4.34 billion), compared with MAD 42,454 million (US\$ 4.42 billion) in the same period of 2019.
- Nine-month EBITDA amounted to MAD 13,681 million (US\$ 1.42 billion), up from MAD 13,077 million (US\$ 1.36 billion) reported for the corresponding period in 2019.
- EBITDA margin improved to 33 % vs 31% in the prior-year period.
- Capital expenditures totaled MAD 6,410 million (US\$ 666 million), down from MAD 8,508 million (US\$ 886 million) of the same period last year.



## YEAR TO DATE OPERATING AND FINANCIAL RESULTS

For the nine months ended September 2020, OCP's revenues were lower by 2% year-over-year in local currency and totaled MAD 41,686 million (US\$ 4.34 billion). This performance was mainly attributable to lower prices across all product categories compared to the same period last year, which were largely offset by higher export volumes for fertilizers and to a lesser extent for rock.

Nine-month Fertilizer revenues increased by 5% year-over-year in local currency, mainly reflecting significantly higher export volumes, particularly to Latin America, Europe and India, which helped mitigate the impact of the year-on-year decline in fertilizer prices, which were on the same downward trend as rock and acid prices.

Lower prices and volumes resulted in a decline in Phosphoric acid revenues, which were down 23% compared to the same period last year. The decrease in sales volumes primarily resulted from lower acid exports to India, where the measures implemented to limit the spread of the pandemic resulted in reduced local fertilizer production.

For the period, rock revenues were down 5% mainly due to lower prices year over year. This price decline was partially offset by higher rock export volumes, which were directed mainly to Europe and the Americas.

OCP's performance benefited from lower year on year raw material prices – namely Sulfur and Ammonia- for which prices reached new lows due to higher product availability underpinned by increased production capacities.

Gross Profit for the period amounted to MAD 26,829 million (US\$ 2.79 billion) compared to MAD 26,987 million (US\$ 2.81 billion) a year earlier, as lower raw material costs, primarily Sulfur, were offset by lower prices across product categories.

EBITDA for the first nine months was up 4% in local currency and totaled MAD 13,681 million (US\$ 1.42 billion), compared to MAD 13,077 million (US\$ 1.36 billion) for the same period last year. EBITDA margin expanded to 33%, year-on-year, reflecting ongoing operating efficiencies.

2020 nine month Operating Profit amounted to MAD 4,008 million (US\$ 416 million), down from MAD 6,621 million (US\$ 689 million), in 2019, 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.

## SUMMARY AND OUTLOOK

A gradual improvement in pricing in the third quarter reflected positive market dynamics that are expected to continue in the fourth quarter of 2020. Demand across most importing regions remains strong, inventories are relatively low and input costs are rebounding, all pointing to a strong finish to 2020 and favorable trends heading into 2021.



# PRESS RELEASE

OCP's year-to-date performance is representative of the Group's ability to address changing business conditions, while continuing to consolidate our position globally and maintain cost control.

The Company highly appreciates the tireless efforts of its employees and leadership teams, who enabled OCP to remain operational throughout the pandemic and provide farmers with the resources they need to contribute into maintaining the security of the global food chain.

## CONTACT

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

