



# Press release

— Casablanca, November 29<sup>th</sup>, 2022 —

---

## OCP reports earnings for the period ending september 2022.

**-- Higher Pricing and Efficient Execution Drive Record Year-to-Date Margin Performance --**

OCP S.A. ("OCP" or the "Group"), a global leader in the fertilizer industry, today reported results for the nine-month period ending September 30, 2022.

### Management commentary

"OCP's year-to-date results demonstrate our ability to fully leverage the benefits of higher prices to achieve record operating and financial performance. Our industry-leading EBITDA margin of 48% reflects the industrial flexibility that enables seamless shifts in production across the three product categories as well as our commercial agility, through which we have re-directed exports to high-growth markets worldwide. By strengthening our cost leadership through production and other operating efficiencies, OCP has a streamlined business model that has positioned the Group to outperform the industry average under a host of pricing and economic scenarios.

"In line with our expectations, we end the first nine months of this year with third quarter pricing dipping sequentially, as demand was muted by record high first half prices and high inventory levels in certain regions, together with adverse weather conditions in others. Within this operating environment, the Group increased EBITDA by 76% in local currency on 55% revenue growth, reflecting the significant operating leverage inherent in our business model.

"Fertilizer continue to represent a bigger part of sales, as they accounted for 65% of total year-to-date revenues, up from 60% last year, with the high demand markets of South America, Asia and Africa accounting for 87% of nine-month exports.

### Year-to-date keys figures

- Revenues reached MAD 89,538 million (US\$ 8.96 billion), compared with MAD 57,646 million (US\$ 6.45 billion) in the same period last year.
- Nine-month EBITDA amounted to MAD 42,964 million (US\$ 4.31 billion), up from MAD 24,478 million (US\$ 2.74 billion) reported in 2021.
- EBITDA margin expanded to 48% from 42% in the prior-year period.
- Capital expenditures totaled MAD 15,226 million (US\$ 1.53 billion), compared to MAD 7,126 million (US\$ 798 million) in the year-ago period.



## Year to date operating and financial results

Market conditions remained strong throughout the first nine months of 2022, mainly reflecting a tight supply situation relating to the Russia-Ukraine war and reduced Chinese exports. However, global fertilizer prices gradually eased throughout the second half of 2022, resulting from lower demand in most key markets, notably in Brazil, where inventory levels were high and in Europe and the US, which experienced adverse weather conditions. Additionally, sharply lower sulfur prices added momentum to the price decline.

For the first nine months of 2022, OCP achieved a 55% revenue increase year-over-year in local currency to reach MAD 89,538 million (US\$ 8.96 billion), thanks to higher prices across all product categories, which more than offset lower volumes compared to the same period last year.

For the period, rock revenues were up 74% compared to the year-ago-period in local currency, owing primarily to higher rock prices, which largely offset the decrease in export volumes.

Phosphoric acid revenues slightly decreased by 6% year-over-year as lower export volumes, mainly to Europe and India, largely offset the increase of phosphoric acid prices. The drop in volumes to India primarily resulted from a shift from acid to fertilizers.

Nine-month fertilizer revenues increased by 68% compared to the prior-year period in local currency, thanks to higher fertilizer prices, which mitigated the effect of lower export volumes.

Gross profit for the period reached MAD 56,246 million (US\$ 5.61 billion) up from MAD 37,875 million (US\$ 4.23 billion) a year earlier, reflecting a strong pricing environment that more than offset the impact of increased raw material costs, namely ammonia and sulfur.

Year-to-date EBITDA increased significantly, up 76% year-over-year in local currency, to reach MAD 42,964 million (US\$ 4.31 billion), up from MAD 24,478 million (US\$ 2.74 billion) in the year ago period. EBITDA margin expanded to 48%, benefiting from strong revenue growth and continued operating efficiencies.

Operating profit amounted to MAD 36,328 million (US\$ 3.65 billion), significantly ahead of MAD 17,735 million (US\$ 1.99 billion) reported a year earlier.

## Summary and outlook

Product pricing in the remainder of 2022 is expected to remain similar to third quarter levels, with the increased affordability of phosphates for farmers resulting in a recovery in demand heading into 2023, buoyed by low to stable inventory levels in key importing regions. At the same time, Chinese exports should remain low at least through the first quarter of 2023, and, with the exception of OCP's additional TSP capacity, which will ramp up progressively in 2023; new supplies are expected to remain limited.

OCP is firmly on track to deliver record results across all financial metrics for full year 2022. This performance will reinforce the Group's leadership and provide the resources to further strengthen its operations by accelerating investments in sustainability projects, digitization, expanding R&D programs and customizing the production system.

Furthermore, OCP will continue to invest in its people and communities as well as in its long-term commitment to food security and sustainable production and agriculture.

## Contact

- Mrs. Ghita LARAKI  
Head of Investor Relations  
E-mail : G.laraki@ocpgroup.ma