



# Press release

Casablanca, May 29, 2023

## OCP REPORTS FIRST QUARTER 2023 EARNINGS.

**-- Resilient first quarter results amid challenging market conditions and high year-on-year basis of comparison --**

OCP S.A. ("OCP" or the "Company"), a global leader in the fertilizer industry, today reported results for the first quarter ended March 31, 2023.

### FIRST QUARTER 2023 KEY FIGURES

- Revenues were MAD 18,281 million (US\$ 1.78 billion), compared with MAD 25,328 million (US\$ 2.67 billion) in the same period last year.
- EBITDA amounted to MAD 4,687 million (US\$ 455 million), compared with MAD 11,603 million (US\$ 1.23 billion) in the first quarter of 2022.
- EBITDA margin was 26%, compared with 46% in the prior year quarter.
- Capex disbursements amounted to MAD 5,641 million (US\$ 548 million), compared with MAD 2,988 million (US\$ 315 million) in Q1 2022.

### OPERATING AND FINANCIAL PERFORMANCE

Global fertilizer prices continued to decline in the first quarter of 2023, tied to a significant decrease in raw material prices as well, namely sulfur and ammonia, and reflecting reduced market demand in most regions, apart from Brazil and India. Despite improved affordability and the declining price environment, several markets were prone to delay their purchases in hope of further price drops.

2023 first quarter revenues were MAD 18,281 million (US\$ 1.78 billion) mainly reflecting lower selling prices and volumes across all product categories. First quarter 2022 was an exceptional period in terms of prices, resulting in lower-year-on-year comparisons, but compared to the same period of 2021, revenues increased by 28% in local currency.

Gross profit for the period amounted to MAD 9,076 million (US\$ 888 million), compared with MAD 15,888 million (US\$ 1.68 billion) a year earlier, as lower revenues and reduced absorption of fixed costs more than offset decreased input costs. The gross profit margin remained strong at 50%.

OCP's first quarter EBITDA amounted to MAD 4,687 million (US\$ 455 million), compared with MAD 11,603 million (US\$ 1.23 billion) in the year-ago period, resulting in an EBITDA margin of 26%.

Capital expenditures were MAD 5,641 million (US\$ 548 million) in the first quarter of 2023 compared with MAD 2,988 million (US\$ 315 million) disbursed in the similar 2022 period.

## **SUMMARY AND OUTLOOK**

OCP Group generated substantial profitability in the first quarter amid challenging market conditions, further demonstrating the resilience of its business model and the strength of its key competitive advantages, namely industrial flexibility, commercial agility, and cost leadership.

Improving demand trends support the Group's expectations for a strong second half of 2023, driven by low inventories in certain regions, favorable farmer economics, and application season being only few months ahead. These positive elements should be able to mitigate the impact of lower volumes in the first quarter, and together with lower raw material costs are expected to benefit margins. Additionally, TSP capacities from OCP will be deployed gradually in the second part of 2023, calibrated to demand recovery trends, while no other material industrywide capacity additions are planned.

## **CONFERENCE CALL**

In line with OCP's quarterly communications program, management will not be hosting a conference call to discuss the first quarter 2023 financial results. Regular quarterly conference calls will resume as of the second quarter of 2023. Institutional buyers, bondholders, securities analysts and market makers seeking further clarification on first quarter 2023 results are invited to contact Mrs. Ghita LARAKI, Investor Relations at [g.laraki@ocpgroup.ma](mailto: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](http://www.ocpgroup.ma)