



# Press release

Casablanca, November 26<sup>th</sup>, 2024

## OCP Reports Nine Month Earnings

**-- Strong third quarter and year-to-date performance reflects OCP's market leadership and substantial operating leverage --**

OCP S.A. ("OCP" or the "Group"), the world leader in plant nutrition solutions and phosphate-based fertilizers, today reported results for the nine-month period ending September 30, 2024.

### Management commentary

"OCP Group once again delivered robust operating and financial performance, demonstrating our leadership in developing and delivering new products and our success in achieving production and operational efficiencies. We converted a 13% increase in year-to-date revenues into 57% growth in EBITDA and achieved an industry-leading 39% EBITDA margin, reflecting the significant operating leverage inherent in the Group's business model.

"Third quarter industry dynamics remained similar to those of the second quarter, characterized by strong demand amid stable supply. In this market environment, OCP continues to leverage its industrial flexibility and commercial agility to serve the diverse needs of its global customer base, increasing its year-to-date fertilizer and acid revenues at double-digit rates, while opening new markets for its phosphate-rich TSP production. The Group's ability to deliver large quantities of product on a just-in-time basis is another attribute that has enabled OCP to capture incremental demand from key importing regions," noted Mostafa Terrab, Chairman and CEO of OCP Group.

### Year-to-date key figures

- Revenues reached MAD 69,046 million (US\$ 6.95 billion), up from MAD 61,035 million (US\$ 6.03 billion) in the same period of 2023.
- Nine-month EBITDA rose to MAD 27,006 million (US\$ 2.72 billion), significantly higher than the MAD 17,179 million (US\$ 1.70 billion) reported last year, achieving an EBITDA margin of 39%, well above the 28% recorded in the same period last year.
- Capital expenditures totaled MAD 29,788 million (US\$ 3.0 billion), compared to MAD 17,830 million (US\$ 1.76 billion) in the year-ago period.

### Operating and financial results

Global phosphate fertilizer prices continued to rise in the third quarter of 2024, driven by ongoing supply constraints from China and strong demand across key markets,

particularly in Europe and Africa. In contrast, demand in India remained subdued, although the rest of Asia, including Pakistan and Oceania, saw significant growth in demand for phosphate fertilizers. Additionally, Brazil experienced a notable rebound in demand compared to the second quarter, showing a slight year-over-year increase as farmers largely caught up on earlier purchasing delays.

For the first nine months of 2024, OCP Group's revenue reached MAD 69,046 million (US\$ 6.95 billion), up from MAD 61,035 million (US\$ 6.03 billion) in the same period last year. This growth was primarily driven by higher export volumes across all product categories.

Nine-month fertilizer revenue rose by 15% in local currency compared to the same period last year, primarily supported by stronger export volumes. Strong growth was recorded in Triple Super Phosphate (TSP) volumes which rebounded by 54% year-on-year, particularly as the Group expands its supply of fertilizers customized to the specific needs of local crops and soils, promoting more efficient, precision agriculture to enhance crop yields and soil health.

Acid revenues saw substantial growth, rising by 52% year-over-year in local currency, fueled by increased export volumes to key regions, notably Europe and India.

Conversely, rock revenue for the period declined by 39% year-over-year in local currency, largely reflecting reduced overall sales volumes compared to 2023. That said, export volumes to customers in Europe and South America increased substantially.

Gross profit for the period rose to MAD 44,490 million (US\$ 4.48 billion), a notable increase from MAD 32,186 million (US\$ 3.18 billion) a year earlier, thanks to strong revenue growth and lower raw material costs, particularly for ammonia and sulfur, combined with effective cost management.

Year-to-date EBITDA amounted to MAD 27,006 million (US\$ 2.72 billion), compared to MAD 17,179 million (US\$ 1.70 billion) in the same period last year. The EBITDA margin increased to 39%, reflecting the Group's strong performance, enhanced production capabilities, and operational efficiencies across the value chain.

## Recent corporate highlights

### **- Partnership with ENGIE**

On October 28, 2024, OCP Group and ENGIE signed a strategic partnership aimed at accelerating OCP Group's energy transition and actively contributing to Morocco's energy transformation. This Joint Development Agreement is a major step toward launching several ambitious projects in renewable energy, energy storage, green hydrogen and ammonia, power infrastructure and sustainable desalination, alongside a Research & Innovation agenda focused on these areas.

### **- Financing**

In November 2024, the European Bank for Reconstruction and Development provided a EUR 200 million loan to OCP Group to strengthen water security through the development of new desalination facilities in Morocco. The loan will finance the construction of two desalination facilities for OCP Group, at its key industrial complexes in El Jadida (Jorf Lasfar) and Safi. These new facilities, with a capacity of approximately 35 million m<sup>3</sup>, will support the production of fertilizers essential for global food security, enabling OCP

Group to meet the increasing demand for sustainable agricultural solutions. These new facilities will also contribute to reinforcing water security in Morocco, by providing desalinated water for industrial use and preserving natural freshwater resources for local drinking water supplies.

Additionally, in September 2024, the International Finance Corporation announced a EUR 100 million loan to OCP Group, to increase the supply of sustainable water for fertilizer production, farmers and households in Morocco. The loan will support the construction of a 219-kilometer water pipeline and pumping station to transport desalinated water from OCP Group's existing and planned desalination plants in Jorf Lasfar to the company's production operations in Khouribga. Construction is already well-advanced and, when completed, the pipeline will have a total annual capacity of 80 million m<sup>3</sup>. This project reflects OCP Group's commitment to sustainable development and innovation. By securing a reliable source of desalinated water, it supports the growth of OCP Group's operations while providing essential resources to local communities, aligning perfectly with the company's vision of fostering resilience and food security across Africa.

## Summary and outlook

The Group's outlook for the remainder of 2024 and into early 2025 remains unchanged. Low stock-to-use ratios for oilseeds and grains together with low phosphate fertilizer inventories in key markets are expected to drive strong import demand. OCP has already seen increased demand from India and steady demand from Brazil for fourth quarter deliveries. Stable pricing along with the increased affordability of nitrogen and potassium are supporting increased demand, while supply is expected to remain stable. Raw material supply and demand, particularly for ammonia and sulfur, are projected to remain balanced into early 2025.

OCP expects to continue performing strongly in the fourth quarter, benefitting from increased capacity, its proven ability to effectively match product output to demand trends, and its continuous improvements in production and operational efficiencies. The Group continues to advance its sustainable growth strategy. This includes expanding production capacities to support global food security and investing in key areas such as water management, renewable energy, and the production of green ammonia and green hydrogen.

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