Q2 2021 Results Report

Amsterdam, The Netherlands / 2 August 2021

OCI N.V. Reports Second Quarter 2021 Results

Highlights:

Financial and Outlook

- Revenues increased 67% to $1.5 billion and adjusted EBITDA increased 144% to a record $535 million in Q2 2021 as compared to Q2 2020
- Revenues increased 53% to $2.6 billion and adjusted EBITDA 139% to $987 million in H1 2021 versus H1 2020
- Adjusted net income was $121 million in Q2 2021 compared to adjusted net loss of $20 million in Q2 2020
- Net debt was $3.0 billion as of 30 June 2021, down $390 million from 31 March 2021 resulting in a total reduction of $697 million since 31 December 2020
- Trailing net debt / adjusted EBITDA was 2.1x as of 30 June 2021; based on the current outlook for volumes and pricing, we expect a drop in net leverage to below our target of 2x through the cycle by year-end 2021
- OCI anticipates being able to return capital to shareholders in 2022 given the current trajectory of product markets and company leverage

ESG and Business Updates

- ESG ratings: OCI has been double upgraded by Sustainalytics and MSCI to Medium and BBB, respectively, to be amongst the best performers in the nitrogen sector
- Fertiglobe has acquired an additional 15% stake in EBIC from a KBR-led consortium for $43 million in cash, bringing Fertiglobe's stake in EBIC to 75%, and further streamlining the group's ownership structure in the only world-scale dedicated ammonia export plant in Egypt
- OCI's current offering of low carbon products continues to expand with the ability to produce up to 365 ktpa blue ammonia in Texas and pursuit of additional near-term blue ammonia opportunities across its platform
- In June, OCI announced that Fertiglobe is joining TA'ZIZ, an ADNOC / ADQ platform, as partner in a 1 mpta world-scale blue ammonia project in Abu Dhabi, with FID in 2022 and start-up targeted for 2025
- FUREC, a partnership with RWE to purchase green and circular hydrogen from mixed waste gasification, was invited amongst the best ranked participants to submit its application for the 2nd stage of the EU Innovation Fund

Statement from the Chief Executive Officer – Ahmed El-Hoshy:

Record earnings, free cash flow accelerating, net debt reduced by a further $390 million

"We are pleased that our markets have recovered from a multi-year downturn at the same time that we have begun to fully benefit from the ramp-up of our state-of-the-art production platform. We have reported another record quarter and our FCF generation has accelerated. As a result, we are rapidly approaching our through-the-cycle target of 2x net leverage.

During the quarter we continued to benefit from our diversified stream of global revenues and our competitive position on the global cost curve, with around half of our total global gas requirement at fixed gas prices. We achieved particularly strong performance improvements at Fertiglobe with a significantly strengthened competitive position, and the methanol group driven by good onstream performance, volume growth of almost 70% YoY in Q2, strong pricing support and access to key European and US markets.

The outlook for OCI and our nitrogen and methanol end markets remains robust for the remainder of this year and beyond, supported by strong underlying demand for nitrogen fertilizers driven by healthy farm economics, and a continued recovery in our industrial markets for ammonia, methanol, melamine and DEF.

We continue to see strong demand for a wide range of downstream products used across various end markets including construction, automotive and textiles. Furthermore, the recovery in transportation applications increasingly bolsters demand for our products, keeping market conditions tight.

Shorter term, we have good visibility into Q3 with a healthy order book across our core markets and are benefiting from further increases in selling prices in Q3 compared to both Q2 2021 and Q3 2020.

Nitrogen markets have reached an inflection point

Nitrogen markets reached an inflection point this year following a five-year downturn, with sustainably higher prices compared to 2020, reflecting healthy farm economics, strong demand and limited new supply. Looking at the remainder of 2021 and 2022, nitrogen fundamentals and farm economics remain healthy, with positive prospects in all major agricultural markets and we expect to remain in a demand-driven pricing environment.

Summer seasonal weakness, which was pronounced in the past five years, has been muted in 2021, with support from very low global inventories for our products across the value chain, robust fertilizer demand, and a strong rebound in industrial demand. UAN summer fill, one of the indicators of the health of the nitrogen markets at this time of the year, was $285/st in mid-July, more than double that of last year, with purchasing incentivised by high grain prices and strong grower economics. Prices have continued to increase strongly since fill was announced several weeks ago.

A rally in crop prices has been a key driver of strong agricultural demand, which is expected to remain supported at least until the end of 2022 by continued high Chinese corn imports, a tightening of the global stocks-to-use ratio and lower corn exports from Brazil due to weather issues together with higher domestic demand for feed and ethanol use. Corn futures are $5-6/bushel and the soy-to-corn ratio favours corn, supporting increased plantings in major corn exporting regions.

The resulting healthy farm economics coincide with a slowdown in new plants commissioning compared to the past five years. In addition, delays in commissioning of these new projects are highly likely as the pandemic has impacted construction globally, and utilization rates are expected to be slow to ramp up. At the same time, urea exports from China are declining, with exports in 2021 expected to be lower than the 5.5 Mt in 2020. Robust agricultural market fundamentals and a strong rebound in industrial end-uses have driven Chinese urea consumption to five-year highs combined with increasing permanent closures of coal-based plants due to stricter environmental regulations.

Globally, higher marginal costs are also providing support to markets, with feedstock prices resetting at higher levels from the low levels in 2020. Low gas storage levels in Europe and higher Asian demand for gas is maintaining high gas prices with TTF futures pointing to c.$14/MMBtu, raising the cost floor, lowering utilisation rates for marginal producers, and providing support for selling prices over the medium-term.

Global recovery to drive significant demand for our industrial products

We are also pleased to see continued improvement in our industrial businesses. Ammonia markets have been buoyed by a structural tightening in the past few months following a rebound in industrial demand, a significant slowdown in capacity additions and lower production from marginal producers in Trinidad and Europe. Merchant ammonia availability is expected to decline, with negligible net additions between 2021 to 2024, whereas merchant demand is expected to grow by more than 5 million metric tons over that same period.

Melamine markets have continued to tighten driven by a rebound in demand from home renovation and construction markets in Europe and the US. Quarterly contract prices increased 23% in Q2 and another 18% in Q3 2021. This has strengthened our global market-leading position and is driving an expected healthy improvement in financial performance for this business in 2021.

OCI's DEF sales in the US recorded another strong quarter with truck sales up sharply and freight activity broadly recovered to 2019 levels, which, combined with the higher urea sales prices, supports an improving trend for the balance of 2021 and 2022.

Methanol market fundamentals remain positive. US spot prices have been supported by delayed supply additions and unplanned outages. This has supported contract prices in the US with strong demand set to continue, as operating rates for major derivatives segments (both traditional and fuels) are reported to be near maximum rates and provides good visibility on our sales and prices in Q3.

Globally, methanol inventories are low, demand continues to recover robustly, planned and unplanned outages are reducing supply, and new supply has been delayed and is slow to ramp up. We expect demand from Methanol-to Olefins (MTO) plants in China to remain stable through Q3 stemming from higher energy and olefins prices. In the long term, supply and demand fundamentals are tightening with demand growth expected to exceed capacity growth.

Lower interest costs

We continue to significantly benefit from our recent refinancing activities with a reduction in recurring interest expense excluding debt restructuring costs of $29 million in H1 2021 versus H1 2020. The capital structure optimisation activities this year will provide further benefits in recurring interest expense and weighted average cost of debt in H2 2021. In addition, the strong deleveraging achieved in H1 2021 will deliver a 200bps reduction in the margin of our revolving credit facility from Q3 onwards from 3.5% to 1.5%.

ESG – decarbonization initiatives continue

We continue to prioritize high impact initiatives that achieve value enhancing results in a short time, and projects where we reduce carbon intensity of the value chain through long-term strategic partnerships, whilst maintaining a disciplined capital allocation policy. With our current offerings of up to 365 ktpa blue ammonia at OCI Beaumont in Texas and sustainable ammonia at OCI Nitrogen in the Netherlands we already have the ability to materially reduce the carbon intensity of our downstream customers along the value chain and across a wide range of industries spanning food, feedstock, and fuel.

We continue to evaluate blue and green projects across our platform which fit well in our strategy to decarbonize our global and regional platforms and grow our low carbon and clean fuels product offering.

Ammonia is a versatile and clean hydrogen carrier, with many applications across numerous sectors. These initiatives therefore create growth opportunities that will strengthen our market-leading position and help us capitalize on the huge potential that we expect ammonia to offer as part of the accelerated global shift to clean energy and as an enabler for the hydrogen economy.

As an early mover, Fertiglobe is uniquely placed to capitalize on low carbon ammonia opportunities, as it leverages its existing sizeable ammonia business and distribution and trading infrastructure, as well as its strategic location with ample access to low cost solar and wind resources and access to Europe and the Far East.

- OCI and Fertiglobe are pursuing several initiatives to scale up blue ammonia production capabilities and have a pilot project in concept phase to produce green ammonia at EBIC in Egypt using attractively priced wind/solar energy
- This follows closely the recent announcement that Fertiglobe will join TA'ZIZ as partner in a new 1 million metric tons per annum blue ammonia project in Abu Dhabi, the first world-scale blue ammonia facility in the MENA region. The TA'ZIZ project leverages OCI's and Fertiglobe's world leading ammonia capabilities and builds on ADNOC's low carbon fuels leadership and extensive experience in carbon capture and storage. The project benefits from its location in the purpose-built TA'ZIZ Industrial Chemicals Zone, adjacent to the Ruwais Industrial Complex which will supply the project with attractive hydrogen and nitrogen feedstocks. Final Investment Decision is expected in 2022, and start-up is targeted for 2025."

Consolidated Financial Results at a Glance[1]

Financial Highlights ($ million unless otherwise stated)

$ million unless otherwise stated	Q2 2021	Q2 2020	% Δ	H1 2021	H1 2020	% Δ
Revenue	**1,462.9**	**875.4**	**67%**	**2,582.5**	**1,686.5**	**53%**
Gross Profit	404.6	126.7	219%	745.0	204.0	265%
Gross profit margin	27.7%	14.5%		28.8%	12.1%	
Adjusted EBITDA[2]	**535.4**	**219.5**	**144%**	**987.2**	**412.5**	**139%**
EBITDA	502.7	221.4	127%	933.5	397.5	135%
EBITDA margin	34.4%	25.3%		36.1%	23.6%	
Adjusted net income (loss) attributable to shareholders[2]	**121.1**	**(19.9)**	**nm**	**215.5**	**(101.9)**	**nm**
Reported net income (loss) attributable to shareholders	146.3	(2.4)	nm	244.9	(83.8)	nm
Earnings / (loss) per share ($)						
Basic earnings per share	0.697	(0.011)	*nm*	1.167	(0.400)	nm
Diluted earnings per share	0.693	(0.011)	*nm*	1.160	(0.400)	nm

	30-June-21	31-Dec-20	% Δ
Total Assets	9,168.6	9,097.0	*1%*
Gross Interest-Bearing Debt	4,020.8	4,416.6	*(9%)*
Net Debt	3,033.6	3,730.3	*(19%)*

	Q2 2021	Q2 2020	% Δ	H1 2021	H1 2020	% Δ
Free cash flow[2, 3]	397.7	175.8	*126%*	723.3	81.5	787%
Capital expenditure	30.7	68.1	*(55%)*	87.6	163.8	(47%)
Of which: Maintenance Capital Expenditure	29.5	51.9	*(43%)*	85.4	142.6	(40%)
Sales volumes ('000 metric tons)						
OCI Product Sold[4]	3,231.3	3,264.7	*(1%)*	6,221.9	6,002.6	4%
Third Party Traded	803.0	683.3	*18%*	1,335.2	1,235.6	8%
Total Product Volumes	4,034.3	3,948.0	*2%*	7,557.1	7,238.2	4%

1) Unaudited

2) OCI presents certain financial measures when discussing OCI's performance, that are not measures of financial performance under IFRS. These non-IFRS measures of financial performance (also known as non-GAAP or alternative performance measures) are presented because management considers them important supplemental measures of OCI's performance and believes that similar measures are widely used in the industry in which OCI operates.

3) Free cash flow is an APM that is calculated as cash from operations less maintenance capital expenditures less distributions to non-controlling interests plus dividends from equity accounted investees, and before growth capital expenditures and lease payments.

4) Fully consolidated, not adjusted for OCI ownership stake in plants, except OCI's 50% share of Natgasoline volumes.

Operational Highlights

Highlights

- 12-month rolling recordable incident rate to 30 June 2021 0.31 incidents per 200,000 manhours
- Own product sales volumes were relatively flat at 3.2 million metric tons during Q2 2021:
  - *Total own-produced nitrogen product volumes were down 9%, due to phasing of sales between quarters, in particular for CAN, as well as turnarounds at EFC in Egypt, offsetting strong growth in ammonia, melamine and DEF*
  - *Fertiglobe total own-produced volumes increased 6%, driven by a strong increase in ammonia volumes*
  - *Total own-produced methanol sales volumes increased 69% due to a significant step-up in production*
- Selling prices improved significantly year-on-year for all our products
- In Europe, significantly higher gas prices in Q2 2021 versus Q2 2020 resulted in a negative impact of c.$108 million
- In the US higher gas prices in Q2 2021 compared to a year ago resulted in a negative impact of around $15 million

Product Sales Volumes (‘000 metric tons)

'000 metric tons	Q2 2021	Q2 2020	% Δ	H1 2021	H1 2020	% Δ
Own Product						
Ammonia	517.9	346.8	49%	1,104.9	888.3	24%
Urea	1,137.6	1,240.7	(8%)	2,240.8	2,357.0	(5%)
Calcium Ammonium Nitrate (CAN)	318.4	670.6	(53%)	646.8	840.8	(23%)
Urea Ammonium Nitrate (UAN)	443.9	496.1	(11%)	723.8	836.1	(13%)
Total Fertilizer	**2,417.8**	**2,754.2**	**(12%)**	**4,716.3**	**4,922.2**	**(4%)**
Melamine	32.8	29.3	12%	67.0	59.8	12%
DEF	186.0	129.0	44%	336.8	269.4	25%
Total Nitrogen Products	**2,636.6**	**2,912.5**	**(9%)**	**5,120.1**	**5,251.4**	**(3%)**
Methanol[1)]	594.7	352.2	69%	1,101.8	751.2	47%
Total Own Product Sold	**3,231.3**	**3,264.7**	**(1%)**	**6,221.9**	**6,002.6**	**4%**
Traded Third Party						
Ammonia	80.2	70.3	14%	121.2	144.6	(16%)
Urea	501.9	297.8	69%	722.4	455.9	58%
UAN	6.9	6.7	3%	20.5	12.5	64%
Methanol	20.7	88.6	(77%)	99.4	188.4	(47%)
AS	114.1	169.6	(33%)	232.6	328.2	(29%)
DEF	79.2	50.3	57%	139.1	106.0	31%
Total Traded Third Party	**803.0**	**683.3**	**18%**	**1,335.2**	**1,235.6**	**8%**
Total Own Product and Traded Third Party	**4,034.3**	**3,948.0**	**2%**	**7,557.1**	**7,238.2**	**4%**

1) Including OCI’s 50% share of Natgasoline volumes

Benchmark Prices

			Q2 '21	Q2 '20	% Δ	Q1 '21	% Δ	H1 '21	H1 '20	% Δ
Ammonia	NW Europe, FOB	$/mt	**527**	250	111%	374	41%	**451**	259	74%
Ammonia	US Gulf Tampa contract	$/mt	**545**	231	136%	362	51%	**453**	241	88%
Granular Urea	Egypt, FOB	$/mt	**390**	226	73%	367	6%	**378**	236	60%
CAN	Germany, CIF	€/mt	**252**	164	54%	228	11%	**240**	169	42%
UAN	France, FOT	€/mt	**239**	150	59%	209	14%	**224**	151	48%
UAN	US Midwest, FOB	$/mt	**370**	198	87%	282	31%	**325**	190	71%
Melamine	Europe contract	€m/t	**1,965**	1,393	41%	1,595	23%	**1,780**	1,399	27%
Methanol	USGC Contract, FOB	$/mt	**533**	316	69%	492	8%	**512**	347	48%
Methanol	Rotterdam FOB Contract	€/mt	**418**	255	64%	395	6%	**407**	263	55%
Natural gas	TTF (Europe)	$/mmBtu	**9.2**	1.7	441%	6.0	53%	**7.9**	2.4	229%
Natural gas	Henry Hub (US)	$/mmBtu	**3.0**	1.7	76%	2.7	11%	**2.9**	1.8	61%

Source: CRU, MMSA, ICIS, Bloomberg

Operational Performance

COVID-19 has not had a direct impact on OCI's operations, and all OCI's products have been deemed as essential to ensure uninterrupted supply of food and other essential products. Supply chains and distribution channels continue to perform resiliently.

Nitrogen Segments Performance in Q2 2021

Total own-produced nitrogen sales volumes decreased by 9% during the second quarter of 2021 compared to the same period last year, due to timing of sales between quarters, and due to turnarounds in EFC and OCI Nitrogen. However, this was more than offset by higher nitrogen pricing during the quarter. The adjusted EBITDA for the nitrogen business increased 115% from $208 million in Q2 2020 to $448 million in Q2 2021.

Nitrogen US segment

- The adjusted EBITDA in the Nitrogen US segment increased by 49% in Q2 2021 compared to Q2 2020. The significant increase in selling prices more than offset lower total production and sales volumes. DEF volumes recorded another quarter of growth, with higher volumes achieved compared to Q2 2020 and strong trajectory for the rest of 2021 and 2022 as freight activity indicators in the US remain bullish. The adjusted EBITDA also improved significantly compared to the first quarter of 2021 on an operating basis (despite significant gains from physical and financial gas hedges in Q1 2021).

Nitrogen Europe segment

- In the Nitrogen Europe segment, selling prices were up significantly which combined with higher ammonia and melamine volumes resulted in an increase in adjusted EBITDA YoY. This was partially offset by high natural gas prices and some downtime, lowering UAN volumes.
- CAN volumes in H1 2020 were at record highs given higher inventory build-up at the end of 2019 compared to 2020. In addition, first half sales in 2021 have been more equally split between the quarters, and some sales in Q2 2021 were pushed into July to take advantage of the higher pricing and delayed demand from grassland areas.

Fertiglobe

Fertiglobe, a 58%/42% OCI and Abu Dhabi National Oil Company (ADNOC) partnership, continues preparations for a potential IPO in Abu Dhabi, subject to market conditions.

Recovery of nitrogen end markets beneficial to Fertiglobe

With attractive long-term fixed gas price arrangements in place, the recovery of nitrogen end markets is benefitting Fertiglobe in particular, as its competitive position strengthens in light of higher feedstock pricing in other regions, Europe in particular.

As the largest seaborne exporter of nitrogen products globally with 6.6 mtpa sellable ammonia and urea capacity, the largest net ammonia trader in the MENA region and top 3 globally, with attractive long-term fixed gas price arrangements, and a high-quality young asset base with high gas efficiency and high reliability, it is at the low end of the global cost curve.

Fertiglobe also benefits from significant economies of scale and a global reach, which enables the company to service large-sized orders and achieve preferential shipping rates and freight costs, contributing to higher netback prices. As such, the company benefits from structurally higher realised prices relative to other exporting regions due to low freight costs, duty free access to key importing markets and a direct-to-customer strategy.

The company's scale, complemented with its strong distribution capabilities and international warehouse network, including nearly 1 million tons storage capacity, offers unique market insight into global demand and price trends and therefore the ability to consistently place volumes in the highest netback markets.

As a result, Fertiglobe achieved a significant increase in its financial performance in Q2 2021:

- Fertiglobe's total own-produced volumes increased by 6% in Q2 2021 versus Q2 2020, driven by:
  - a doubling of ammonia own-produced sales volumes from 158kt to 316kt
  - partially offset by a 6% drop in urea own-produced sales volumes from 1,192kt to 1,120kt
- In H1 2021, Fertiglobe's total own-produced volumes increased by 8% from 2,726kt to 2,943kt
  - ammonia own-produced sales volumes increased 48% from 495kt to 734kt
  - urea volumes were flat YoY (2,209kt in H1 2021 versus 2,232kt in H1 2020)
- Fertiglobe's adjusted EBITDA increased 219% compared to Q2 2020 and by 31% compared to Q1 2021. As a result, Fertiglobe's adjusted EBITDA margin expanded from 26% in Q2 2020 to 42% in Q2 2021.

Fertiglobe Product Sales Volumes ('000 metric tons)

Sales volumes ('000 metric tons)	2018	2019	2020	H1 2020	H1 2021
Own Product					
Ammonia[1)]	1,219	1,131	896	495	734
Urea[1)]	4,930	4,381	4,565	2,232	2,209
Total Own Product Sold	**6,149**	**5,512**	**5,460**	**2,726**	**2,943**
Traded Third-Party					
Ammonia	215	80	130	51	64
Urea	166	21	563	270	458
Total Traded Third-party Product	**381**	**101**	**693**	**322**	**522**
Total Own Product and Traded Third-party	**6,530**	**5,613**	**6,154**	**3,048**	**3,465**

1) 2018 and 2019: urea includes Fertil and OCI MENA volumes; ammonia are OCI MENA volumes

Methanol Segments Performance in Q2 2021

Own-produced methanol sales volumes increased by 69% in Q2 2021 compared to the same period last year:

- This was driven by a good onstream performance and a significant step-up in production at OCI Beaumont and Natgasoline since the unusual winter weather shutdowns in Q1
- Our methanol facility in the Netherlands continued to achieve high and steady utilization rates at both production lines in April and May resulting in a significant increase in our European methanol sales volumes, but it was decided to temporarily shut down the facility from June 2021 onwards due to the high gas price environment

The adjusted EBITDA of the methanol business was significantly higher in Q2 2021 due to the increase in volumes, higher methanol prices, offsetting higher gas prices in the Netherlands and US compared to a year ago.

The adjusted EBITDA also improved significantly compared to the first quarter of 2021 on an operating basis (excluding significant gains from physical and financial gas hedges in Q1 2021).

Segment overview Q2 2021

$ million	Nitrogen US	Europe	Fertiglobe	Elim.	Total Nitrogen	Methanol US	Europe	Elim.*	Total Methanol	Other	Elim.	Total
Total revenues	237.6	263.8	716.6	(25.4)	**1,192.6**	205.0	104.3	(3.7)	**305.6**	0.3	(35.6)	1,462.9
Gross profit	54.2	42.6	252.6	0.3	**349.7**	88.4	8.6	(38.8)	**58.2**	(3.3)	-	404.6
Operating profit	49.5	32.4	232.8	0.3	**315.0**	82.5	5.9	(37.0)	**51.4**	(24.1)	-	342.3
D&A	(37.0)	(24.4)	(72.5)	-	**(133.9)**	(39.1)	(7.5)	21.6	**(25.0)**	(1.5)	-	(160.4)
EBITDA	86.5	56.8	305.3	0.3	**448.9**	121.6	13.4	(58.6)	**76.4**	(22.6)	-	502.7
Adj. EBITDA	86.5	56.8	304.2	0.3	**447.8**	96.0	13.4	0.8	**110.2**	(22.6)	-	535.4

Segment overview Q2 2020

$ million	Nitrogen US	Europe	Fertiglobe	Elim.	Total Nitrogen	Methanol US	Europe	Elim.*	Total Methanol	Other	Elim.	Total
Total revenues	165.3	229.9	374.2	(21.6)	**747.8**	97.9	49.0	(9.4)	**137.5**	0.5	(10.4)	875.4
Gross profit	27.3	43.3	47.7	0.9	**119.2**	(3.4)	(0.9)	11.1	**6.8**	0.7	-	126.7
Operating profit	23.2	34.0	28.7	0.9	**86.8**	(7.5)	(1.0)	11.9	**3.4**	(16.3)	-	73.9
D&A	(34.9)	(19.6)	(66.8)	0.0	**(121.3)**	(37.9)	(6.9)	19.5	**(25.3)**	(0.9)	-	(147.5)
EBITDA	58.1	53.6	95.5	0.9	**208.1**	30.4	5.9	(7.6)	**28.7**	(15.4)	-	221.4
Adj. EBITDA	58.1	53.6	95.5	0.9	**208.1**	22.8	5.9	(2.0)	**26.7**	(15.3)	-	219.5

Segment overview H1 2021

$ million	Nitrogen US	Europe	Fertiglobe	Elim.	Total Nitrogen	Methanol US	Europe	Elim.*	Total Methanol	Other	Elim.	Total
Total revenues	341.5	484.0	1,260.0	(43.3)	**2,042.2**	351.2	246.7	(10.3)	**587.6**	0.7	(48.0)	2,582.5
Gross profit	102.4	53.9	441.6	0.5	**598.4**	172.4	22.2	(46.5)	**148.1**	(1.4)	-	745.0
Operating profit	93.4	34.2	402.2	0.5	**530.3**	160.5	17.6	(42.8)	**135.3**	(42.7)	-	622.9
D&A	(72.8)	(49.0)	(136.1)	0.0	**(257.9)**	(78.2)	(14.9)	43.1	**(50.0)**	(2.7)	-	(310.6)
EBITDA	166.2	83.2	538.3	0.5	**788.2**	238.7	32.5	(85.9)	**185.3**	(40.0)	-	933.5
Adj. EBITDA	166.2	83.2	537.2	0.5	**787.1**	205.6	32.5	2.0	**240.1**	(40.0)	-	987.2

Segment overview H1 2020

$ million	Nitrogen US	Europe	Fertiglobe	Elim.	Total Nitrogen	Methanol US	Europe	Elim.*	Total Methanol	Other	Elim.	Total
Total revenues	284.0	392.3	737.5	(33.5)	**1,380.3**	227.9	130.8	(29.7)	**329.0**	0.7	(23.5)	1,686.5
Gross profit	37.5	57.8	110.3	1.9	**207.5**	(4.6)	(2.8)	4.1	**(3.3)**	(0.2)	-	204.0
Operating profit	28.9	39.4	72.0	1.9	**142.2**	(17.4)	(4.6)	9.2	**(12.8)**	(21.5)	-	107.9
D&A	(70.3)	(39.5)	(133.6)	0.0	**(243.4)**	(70.0)	(12.4)	38.2	**(44.2)**	(2.0)	-	(289.6)
EBITDA	99.2	78.9	205.6	1.9	**385.6**	52.6	7.8	(29.0)	**31.4**	(19.5)	-	397.5
Adj. EBITDA	99.2	78.9	209.1	1.9	**389.1**	50.2	7.8	(4.4)	**53.6**	(30.2)	-	412.5

** Mainly related to elimination of Natgasoline, which is included in Methanol US segment*

Financial Highlights

Summary results

Consolidated revenue increased by 67% to $1,463 million in the second quarter of 2021 compared to the same quarter in 2020, driven mainly by prices for all our products.

Adjusted EBITDA increased by 144% to $535 million in Q2 2021 compared to $220 million in Q2 2020. The nitrogen segments benefited from significantly higher selling prices on average, offsetting lower sales volumes and higher gas prices in Europe. The methanol group's adjusted EBITDA was higher in Q2 2021 compared to Q2 2020 due to an increase in production volumes and higher methanol prices.

The adjusted net profit was $121 million in Q2 2021 compared to an adjusted net loss of $20 million in Q2 2020. Reported net profit (after non-controlling interest) was $146 million in Q2 2021 compared to a net loss of $2 million in Q2 2020.

Consolidated Statement of Income*

$ million	Q2 2021	Q2 2020	H1 2021	H1 2020
Net revenue	**1,462.9**	875.4	**2,582.5**	1,686.5
Cost of Sales	**(1,058.3)**	(748.7)	**(1,837.5)**	(1,482.5)
Gross profit	**404.6**	126.7	**745.0**	204.0
SG&A	**(62.1)**	(52.1)	**(122.7)**	(109.2)
Other Income	**0.2**	(0.4)	**1.1**	13.4
Other expense	**(0.4)**	(0.3)	**(0.5)**	(0.3)
Adjusted EBITDA	**535.4**	219.5	**987.2**	412.5
EBITDA	**502.7**	221.4	**933.5**	397.5
Depreciation & amortization	**(160.4)**	(147.5)	**(310.6)**	(289.6)
Operating profit	**342.3**	73.9	**622.9**	107.9
Interest income	**0.7**	1.0	**1.5**	2.6
Interest expense	**(63.6)**	(68.9)	**(129.6)**	(118.3)
Other finance income / (cost)	**(4.5)**	22.1	**(6.0)**	4.9
Net finance costs	**(67.4)**	(45.8)	**(134.1)**	(110.8)
Income from equity-accounted investees	**31.1**	(20.1)	**31.8**	(27.4)
Net income before tax	**306.0**	8.0	**520.6**	(30.3)
Income tax expense	**(42.6)**	(6.2)	**(72.7)**	(3.4)
Net profit / (loss)	**263.4**	1.8	**447.9**	(33.7)
Non-Controlling Interest	**(117.1)**	(4.2)	**(203.0)**	(50.1)
Net profit / (loss) attributable to shareholders	**146.3**	(2.4)	**244.9**	(83.8)

** Unaudited*

Reconciliation to Alternative Performance Measures

Adjusted EBITDA is an Alternative Performance Measure (APM) that intends to give a clear reflection of underlying performance of OCI's operations. The main APM adjustments in the second quarters of 2021 and 2020 relate to:

- Natgasoline is not consolidated and an adjustment of c.$40 million was made for OCI's 50% share in the plant's EBITDA in Q2 2021. Natgasoline's contribution to adjusted EBITDA in Q2 2020 was $2 million, which included insurance proceeds of $10 million (OCI's share)
- The unrealized results on natural gas hedge derivatives of ($6.6) million in Q2 2021 and ($4.3) million in Q2 2020 relate to hedging activities at OCI Beaumont

Reconciliation of reported operating income to adjusted EBITDA

$ million	Q2 '21	Q2 '20	H1 '21	H1 '20	Adjustment in P&L
Operating profit as reported	342.3	73.9	622.9	107.9	
Depreciation and amortization	160.4	147.5	310.6	289.6	
EBITDA	**502.7**	**221.4**	**933.5**	**397.5**	
APM adjustments for:					
Natgasoline	40.4	2.4	64.7	23.8	*OCI's share of Natgasoline EBITDA*
Unrealized result natural gas hedging	(6.6)	(4.3)	(9.9)	(0.9)	*COGS*
Gain on purchase related to Fertiglobe	-	-	-	(13.3)	*Other income*
Reversal provisions	(1.1)	-	(1.1)	-	
Transaction costs	-	(0.2)	-	1.9	
Other including provisions	-	0.2	-	3.5	
Total APM adjustments	**32.7**	**(1.9)**	**53.7**	**15.0**	
Adjusted EBITDA	**535.4**	**219.5**	**987.2**	**412.5**	

Net income attributable to shareholders

At the net income level, the main APM adjustments relate to accelerated depreciation, and non-cash foreign exchange gains or losses on US$ exposure.

Reconciliation of reported net income to adjusted net income

$ million	Q2 '21	Q2 '20	H1 '21	H1 '20	Adjustment in P&L
Reported net profit (loss) attributable to shareholders	**146.3**	**(2.4)**	**244.9**	**(83.8)**	
Adjustments for:					
Adjustments at EBITDA level	32.7	(1.9)	53.7	15.0	
Add back: Natgasoline EBITDA adjustment	(40.4)	(2.4)	(64.7)	(23.8)	
Result from associate (change in unrealized gas hedging Natgasoline and insurance)	(18.9)	0.7	(23.1)	(0.8)	*Finance expenses*
Accelerated depreciation	9.2	1.2	9.2	1.2	*Depreciation*
Forex (gain)/loss on USD exposure	(4.2)	(21.0)	(4.4)	(16.3)	*Finance income and expense*
Non-controlling interest adjustment / release interest accrual	(1.3)	5.9	2.0	7.1	*Interest expense / minorities*
Tax effect of adjustments	(2.3)	-	(2.1)	(0.5)	*Income tax*
Total APM adjustments at net income level	**(25.2)**	**(17.5)**	**(29.4)**	**(18.1)**	
Adjusted net income / (loss) attributable to shareholders	**121.1**	**(19.9)**	**215.5**	**(101.9)**	

Free Cash Flow and Net Debt

Free cash flow before growth capex amounted to $398 million during Q2 2021, up from $176 million during the same period last year, reflecting our robust operational performance for the quarter, net operating working capital inflows and low capex, also reflecting semi-annual interest payments. We continue to significantly benefit from our recent refinancing activities with a reduction in recurring interest expense excluding debt restructuring costs of $29 million in H1 2021 versus H1 2020. Dividends paid to non-controlling interests amounted to $34 million in Q2 2021. Further accumulated dividends to non-controlling interests, which depend on the level of profitability of Fertiglobe, are expected in H2 2021.

Total cash capital expenditures including growth capex were $31 million in Q2 2021 compared to $68 million in Q2 2020.

As a result, total deleveraging of $390 million has been achieved during the second quarter of 2021, and a total reduction of $697 million since 31 December 2020, resulting in a net debt position of $3,034 million as of 30 June 2021. The trailing net debt / adjusted EBITDA was 2.1x as of 30 June 2021.

Reconciliation of EBITDA to Free Cash Flow and Change in Net Debt

$ million	Q2 '21	Q2 '20	H1 '21	H1 '20
EBITDA	**502.7**	221.4	**933.5**	397.5
Working capital	**57.3**	131.3	**37.0**	6.3
Maintenance capital expenditure	**(29.5)**	(51.8)	**(85.4)**	(142.5)
Tax paid	**(20.9)**	(2.1)	**(36.8)**	(7.4)
Interest paid	**(90.9)**	(115.3)	**(109.7)**	(154.9)
Lease payments	**(12.6)**	(15.2)	**(21.9)**	(24.1)
Dividends from equity accounted investees	**2.6**	2.6	**2.6**	2.6
Dividends paid to non-controlling interests	**(33.7)**	-	**(33.7)**	-
Other	**22.7**	4.9	**37.7**	4.0
Free Cash Flow	**397.7**	**175.8**	**723.3**	**81.5**
Reconciliation to change in net debt:			-	
Growth capital expenditure	**(1.2)**	(16.3)	**(2.2)**	(21.3)
Cash received for Fertiglobe closing settlement	**-**	-	**-**	166.8
Other non-operating items	**(2.2)**	(3.9)	**(18.4)**	(2.2)
Net effect of movement in exchange rates on net debt	**3.7**	(21.2)	**15.0**	11.4
Debt redemption cost IFCo	**(4.1)**	-	**(12.1)**	-
Other non-cash items	**(3.6)**	(6.4)	**(8.9)**	(14.1)
Net Cash Flow / Decrease (Increase) in Net Debt	**390.3**	**128.0**	**696.7**	**222.1**

Notes

This report contains unaudited second quarter and semi-annual consolidated financial highlights of OCI N.V. ('OCI', 'the Group' or 'the Company'), a public limited liability company incorporated under Dutch law, with its head office located at Honthorststraat 19, 1071 DC Amsterdam, the Netherlands.

OCI N.V. is registered in the Dutch commercial register under No. 56821166 dated 2 January 2013. The Group is primarily involved in the production of nitrogen-based fertilizers and industrial chemicals.

Auditor

The financial highlights and the reported data in this report have not been audited by an external auditor.

Investor and Analyst Conference Call

On 2 August 2021 at 16:00 CET, OCI N.V. will host a conference call for investors and analysts. Investors can find the details of the call and access the on the Company's website at www.oci.nl.

Market Abuse Regulation

This press release contains inside information as meant in clause 7(1) of the Market Abuse Regulation.

About OCI N.V.:

OCI N.V. (Euronext: OCI) is a leading global producer and distributor of nitrogen products and methanol providing sustainable solutions to agricultural and industrial customers around the world. OCI's production capacity spans four continents and comprises approximately 16.1 million metric tons per year of nitrogen fertilizers, methanol, diesel exhaust fluid, melamine, and other nitrogen products. OCI is headquartered in the Netherlands and listed on Euronext in Amsterdam.

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OCI stock symbols: OCI / OCI.NA / OCI.AS

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