



## OCI N.V. Investor Presentation

*September 2017*

# OCI N.V. Investment Highlights

*Positive outlook: step-up of operational cash flows and lower capex to result in improvement in FCF generation*

<b>Capacity Expansion Plan Nearing Completion</b>	<ul style="list-style-type: none"> <li>Iowa Fertilizer Company commenced production and sales in April</li> <li>Natgasoline expected to start commissioning in December 2017</li> <li>BioMCN 2<sup>nd</sup> line commissioning expected in Q4 '18</li> <li>OCI's production capacity to increase by over 50% from 2016 to 2018 to 13.8 mtpa<sup>1)</sup></li> </ul>
<b>Increasingly Diversified Production Portfolio</b>	<ul style="list-style-type: none"> <li>Greater exposure to downstream fertilizer (UAN) and industrial chemicals (methanol and diesel exhaust fluid)</li> <li>Industrial chemicals exposure at 30%<sup>1)</sup> of total capacity by 2018</li> <li>Geographic diversification across EMEA (60% of capacity) and USA (40% of capacity)</li> </ul>
<b>Low Cost and Efficient Producer</b>	<ul style="list-style-type: none"> <li>Highly efficient plants with low usage of natural gas per ton produced relative to peers</li> <li>Access to low-cost feedstock places OCI advantageously on the global cost curve</li> </ul>
<b>Strategic Locations with Strong Logistics Capabilities</b>	<ul style="list-style-type: none"> <li>All plants are strategically located near end markets</li> <li>North African plants benefit from freight advantage to Europe (proximity and import duty exemption)</li> <li>Centralized global sales and distribution platform</li> </ul>
<b>Improving credit profile</b>	<ul style="list-style-type: none"> <li>OCI N.V. has no major debt maturities until the convertible bond in Sep 2018</li> <li>Strategic review of all financings with focus on optimising capital structure and lowering cost of debt</li> </ul>

1. Capacities do not take ownership stakes into account and maximum rates for downstream products cannot all be achieved at the same time

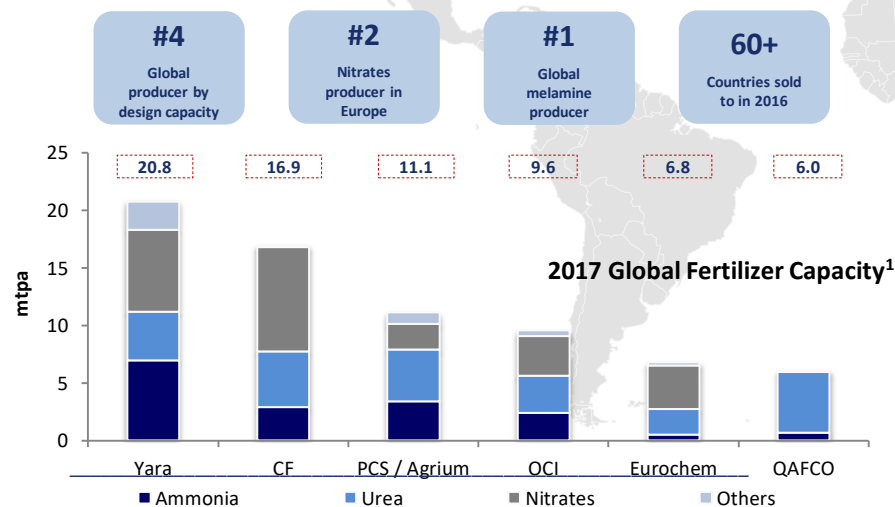
# Global Positioning

## OCI NV Overview

### Fertilizers



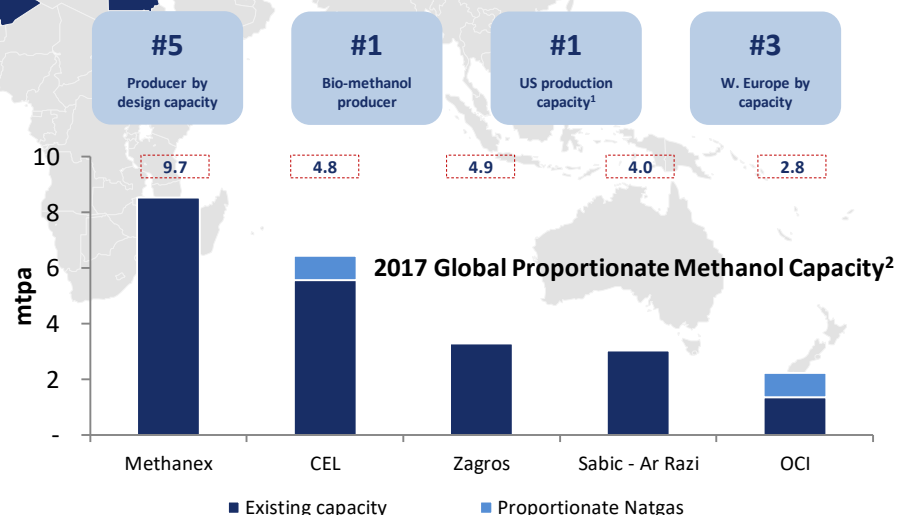
- Top 5 global nitrogen producer, with current sellable fertilizer nameplate capacity of 9.6 mtpa<sup>1</sup>
- Globally competitive position with access to low cost natural gas feedstock
- Advantageous positioning in the US Midwest market and in-land Europe realizes premium pricing vis-à-vis global benchmarks



### Chemicals



- Current methanol capacity of 1.4 mtpa growing to 3.7 mtpa following the completion of Natgasoline and the refurbishment of BioMCN 2<sup>nd</sup> line (2.8 mtpa with 50% pro rata ownership of Natgasoline)
- Diesel exhaust fluid (DEF) and melamine c.0.5 mtpa
- Competitively positioned on the global cost curve, benefiting from US natural gas prices for OCI Partners and Natgasoline



1. Capacities do not take ownership stakes into account. Ammonia is net sellable capacity, and includes OCIP ammonia. Downstream maximum capacities at IFCo and OCI Nitrogen cannot be achieved simultaneously.  
2. Global methanol capacity adjusted for ownership stakes

# Global Production Footprint<sup>1)</sup>

## OCI Partners LP (OCI Beaumont) – TX, US

- Acquired: 2011
- MLP: OCIP listed on NYSE in 2013, 79.88% owned

Product	ktpa
Methanol	912.5
Ammonia	331



## BioMCN – Netherlands

- Acquired: 2015
- 100% owned

Product	ktpa
Methanol (I)	496
Methanol (II)	438
(Under refurbishment)	



## OCI Nitrogen – Netherlands<sup>2)</sup>

- Acquired: 2010
- 100% owned

Product	ktpa
Ammonia (net)	350
CAN	1,542
UAN	730
Melamine	219



## Egyptian Fertilizer Co (EFC) – Egypt

- Acquired: 2008
- 100% owned

Product	ktpa
Urea	1,648



## Iowa Fertilizer Company (IFCo) - Iowa, US<sup>2)</sup>

- Production and sales started April 2017
- 100% owned

Product	ktpa
Ammonia (net)	195
UAN	1,566
Urea	437
DEF	328



## Egypt Basic Industries Corp (EBIC) – Egypt

- Acquired: 2009
- 60% owned

Product	ktpa
Ammonia	730



## Natgasoline LLC – TX, US

- Commissioning Q4 2017
- 50% owned

Product	ktpa
Methanol	1,825



## Sorfert Algeria – Algeria

- Commissioned 2013
- 51% owned

Product	ktpa
Urea	1,260
Ammonia	800



1) Capacities are maximum proven daily capacity (MPC) achievable x 365 days. Natgasoline LLC capacities are estimates based on 5,000 tpd

2) Maximum rates for downstream products cannot be reached at the same time

# New Capacity Additions 2017 - 2018

## Iowa Fertilizer Co (IFCo)



- **Completion date:**
  - Started production and sales in April 2017
  - Ammonia, UAN and urea have achieved production in excess of nameplate capacity
- **Flexible and diversified portfolio:**
  - c.2 mtpa of nitrogen fertilizer and DEF
- **State-of-the-art technology:**
  - KBR purifier ammonia technology allows for gas-efficient production above nameplate
  - Downstream technology by Stamicarbon and Uhde
- **Strategic location in heart of US Midwest Corn Belt:**
  - Logistics straight to customers
  - Region with the highest demand for nitrogen fertilizers in the US
- **Optionality for natural gas supply:**
  - From both southern (Oklahoma) and northern (Chicago) markets

## Natgasoline



- **World-scale greenfield methanol plant:**
  - 1.8 mtpa capacity in Beaumont, Texas
- **Progress:**
  - 89.1% complete as at 31 July
  - Expect commissioning in Dec 2017
- **State-of-the-art technology:**
  - Proven Lurgi MegaMethanol® process technology provided supplied by Air Liquide Global E&C Solutions
- **Strategic US Gulf Coast location:**
  - Ease of access to domestic US demand and international markets incl. Europe and Asia
- **Experienced management:**
  - Benefits from operational expertise of its 50:50 owners CEL and OCI - global leaders in methanol and petrochemicals

## BioMCN



- **Doubling capacity:**
  - Refurbishment of mothballed second plant will add 438 ktpa of methanol
- **Expected completion:**
  - Commissioning expected in Q4 2018
- **Strategic location:**
  - located at the Chemical Park Delfzijl in the Netherlands
  - Connected to the national natural gas grid
  - Easy logistical access to major European end markets via road, rail, barge and sea freight
- **Attractive market conditions:**
  - Well positioned to benefit from EU's c.7 mtpa methanol supply deficit



# Egyptian Operations Back to Normalized Run-Rates in 2017

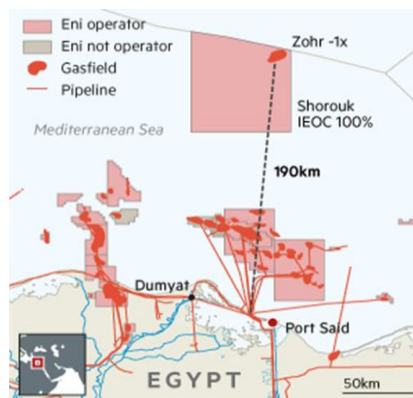
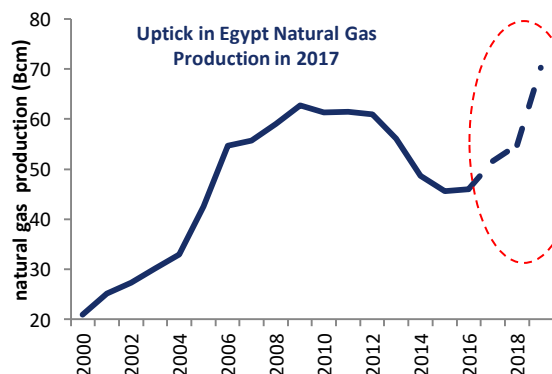
EFC returned to full utilization in H1 2017

**Egyptian government remains committed to maintaining natural gas supply:**

- Egypt imported c. 61 liquefied natural gas shipments in H1 2017 and is importing c. 25 in H2 2017

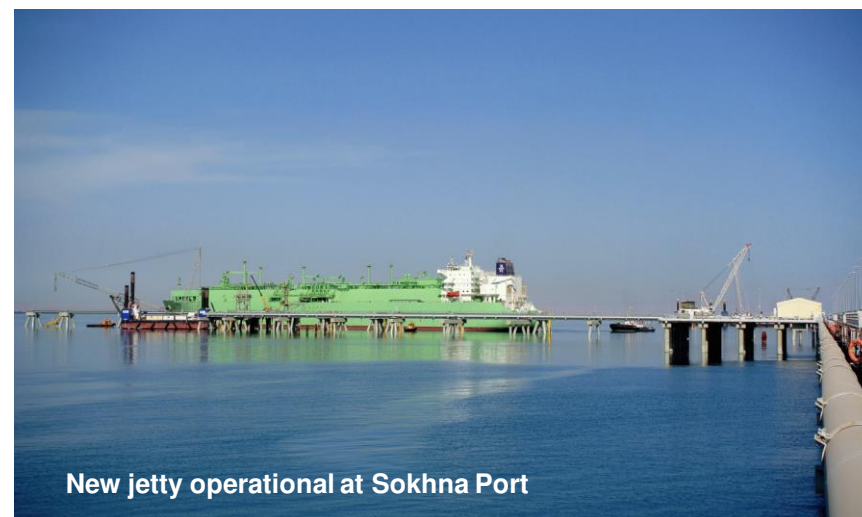
**Egypt to again become self-sufficient given significant gas discoveries:**

- Particularly ENI's Zohr and BP's West Nile Delta (WND)
  - WND fields started production in March 2017, 8 months ahead of schedule. When fully on stream, the fields are expected to reach production equivalent to ~30% of Egypt's current gas production
  - Zohr, one of the world's largest natural gas finds, is expected to start production at year-end 2017
- As more fields come onstream, Egypt's output is expected to increase from 5 bcf/day in 2016-17 to 6.8 bcf/day in 2018-19
- Egyptian Minister of Petroleum expects Egypt to be fully self-sufficient in gas production in 2018 and plans to achieve a surplus by 2020



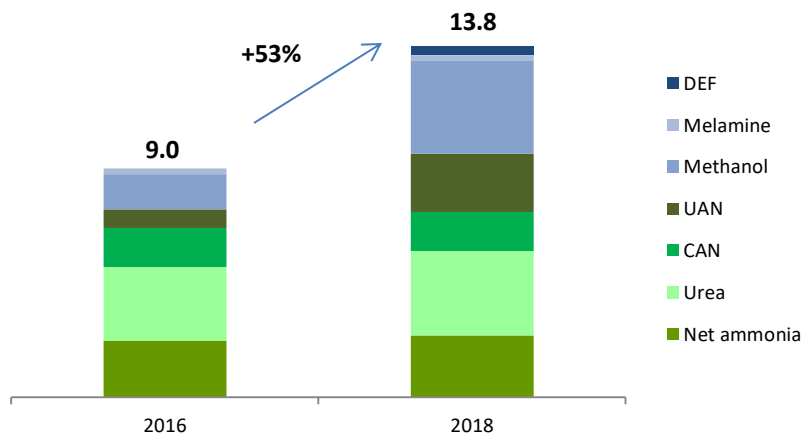
The Egyptian Government completed its replacement jetty in Q2 2017, allowing EBIC to resume exports in July 2017

- In 2016, EBIC gave the Egyptian government access to its export jetty to dock 2 Floating Storage Regasification Units (FSRUs), allowing Egypt to import the required LNG to fulfil shortfall in domestic gas supply
- Egyptian Government built replacement jetty, which was ready in June
- EBIC has been granted access to its export jetty once again: first ammonia export shipment was loaded on 18<sup>th</sup> of July 2017
- Since then, plant has been running at rates in excess of 90%



# Excess Free Cash Flow Prioritized for Deleveraging

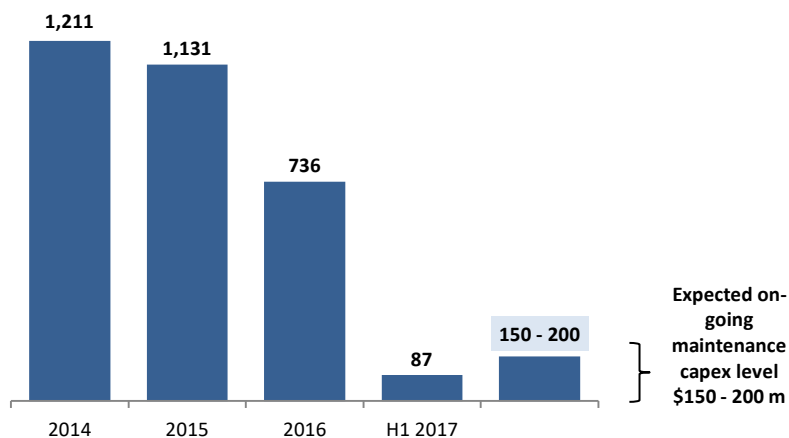
## New Production Capacity to Drive Volumes (million mtpa)<sup>1)</sup>



### Step-up of operational cash flows from higher volumes:

- Start-up of new capacity 2017 and 2018
- Return to high utilization of ammonia operations in Egypt in July 2017
- Portfolio capable of superior cash conversion and weathering trough conditions
- OCI is one of lowest-cost producers globally

## Capital Expenditure (\$ million)



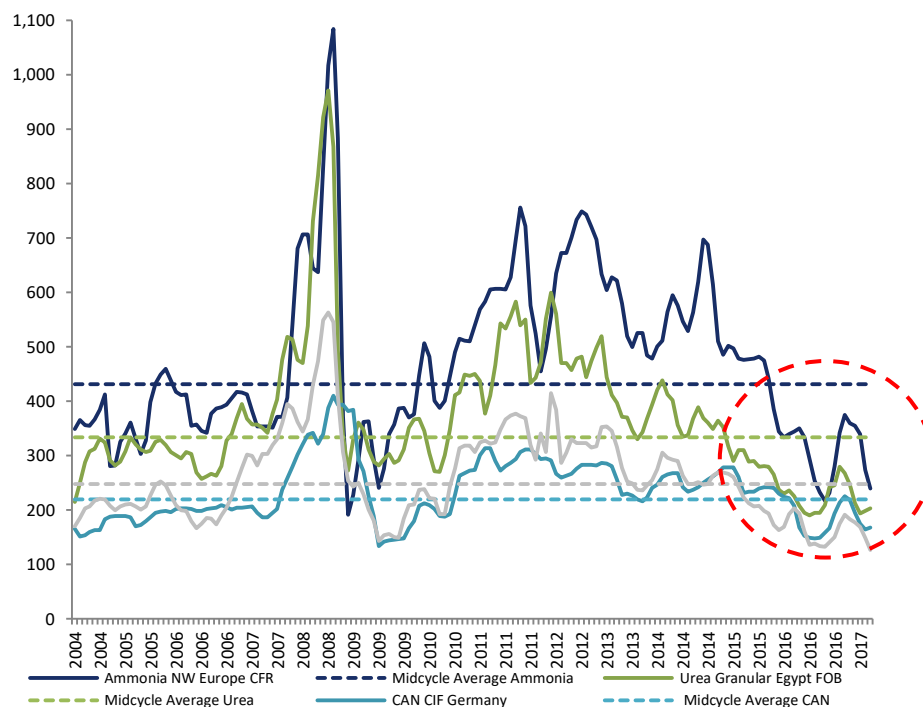
### Completion of major capex programs:

- No growth capex except BioMCN second line, estimated at approximately €100 m
- Low maintenance capex of \$150 – 200 m per year

# Methanol and Fertilizers Prices

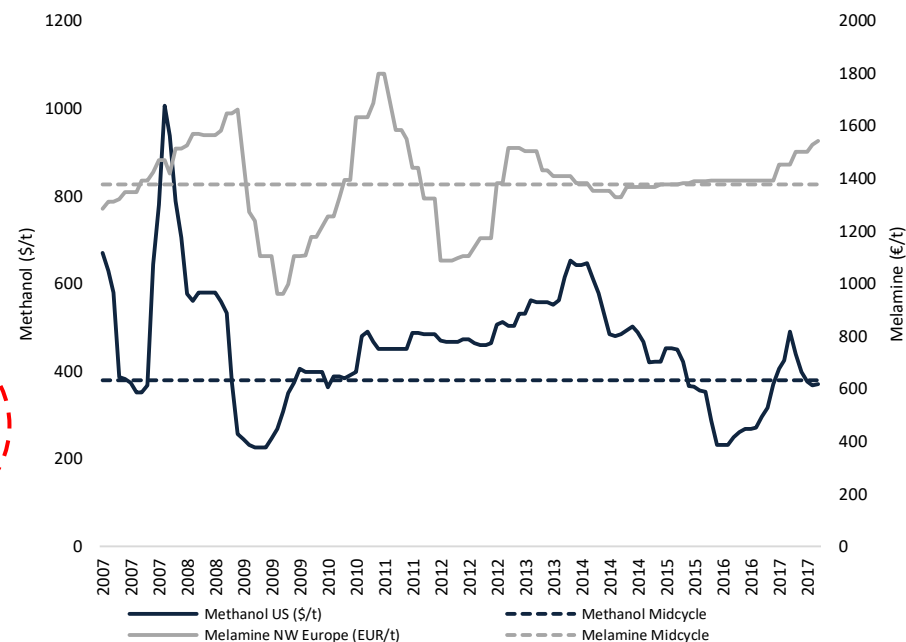
## Fertilizers

- Current fertilizer benchmark prices are below historical mid-cycle prices, amongst lowest prices reached since 2004
  - Prices reached trough in June 2017
  - Partial recovery since then due to low inventories and demand growth
- Expect global urea capacity additions slowing to below trend demand growth
  - Supply additions have peaked
  - New global urea additions expected to be below trend demand growth on average next 4 years, tightening market
  - Additional upside as a result of structural drivers, such as reduced exports from key exporters (China, Trinidad)



## Chemicals

- Methanol outlook remains favourable:
  - Methanol prices in 2017 significantly higher than in 2016, driven by supply-demand balance and MTO economics
  - Limited global new supply through 2020 if all projects are completed
  - Of which Natgasoline and BioMCN 2<sup>nd</sup> line 2.3mt
  - Demand growth expected ~5% CAGR (excl. captive MTO/MTP) through 2020 driven by core derivatives, fuel applications, and MTO/MTP
- Melamine continues to outperform
  - Melamine prices increased in 2016 and in 2017
  - Melamine market expected to remain tight with several producers undergoing turnarounds in H2 2017 and demand growth remaining solid

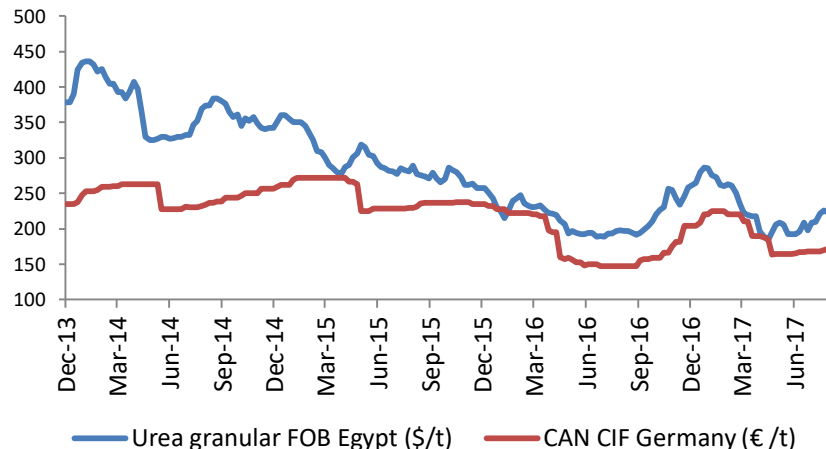




# Multi-Year Lows Despite Recent Price Improvements; Gas Prices Remain Attractive

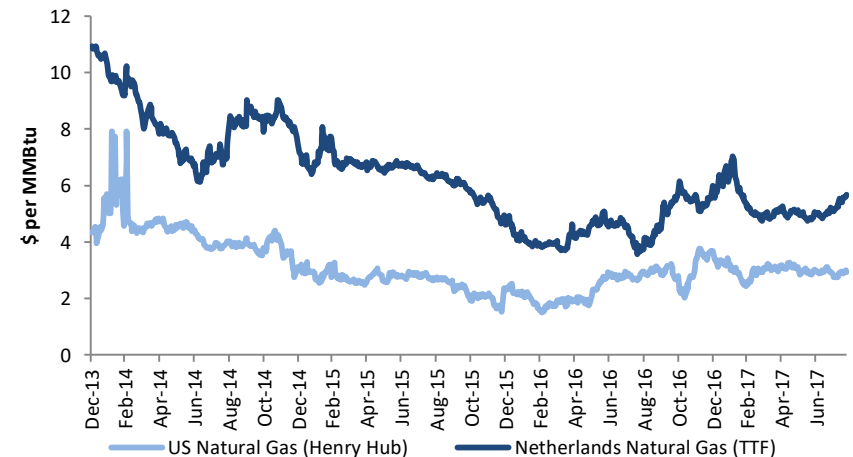
- Nitrogen fertilizer prices reached unsustainably multi-year low levels in June
- Recent partial recovery in urea prices despite the usual low seasonal demand in the summer, on average higher than same time last year
  - Low inventories globally
  - Healthy demand expected from India
  - Imports into Latin America increasing
  - Lower exports from China
- More recently, global ammonia prices have also started to recover

**Urea Prices Up but Still at Historic Lows**



- Natural gas prices are at favourable levels and are expected to remain low:
  - Natural gas production in the US 2017 - 2019 could theoretically grow by 24 Bcf/d versus estimated demand 13 Bcf/d over that period<sup>1)</sup>
  - European gas prices expected to remain favourable as LNG exports from US into Europe expected to grow
- Several OCI natural gas origins trading at discount to Henry Hub - IFCo can take advantage of this

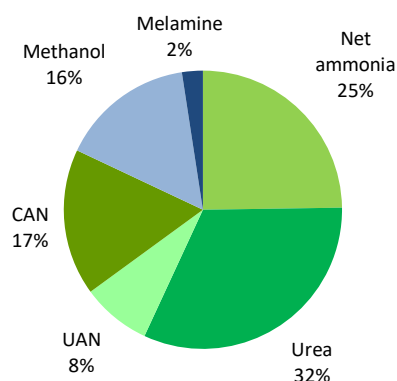
**Natural Gas Spot Prices (Henry Hub and TTF) \$ / MMBtu**



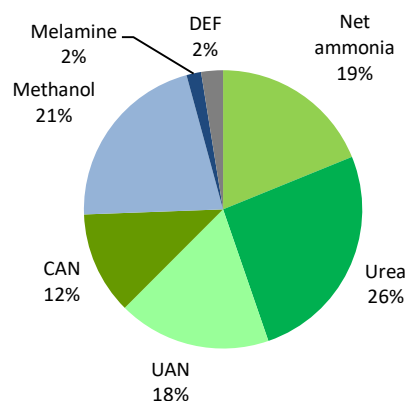
# Diversified Industrial Chemicals Portfolio Lends Support in Fertilizer Trough

- Expanded and diversified portfolio is capable of superior cash conversion and weathering trough conditions
- Sustained melamine and methanol industry performances as compared to fertilizers
  - Melamine high value added product
  - Methanol increasing from 16% of portfolio in 2016 to 21% by end 2018 (with 50% pro rata ownership of Natgasoline)
- Addition of diesel exhaust fluid (DEF) sales will add a rapidly growing non-seasonal and non-agricultural product to OCI's portfolio
  - DEF is 32.5% urea/67.5% water and is used to lower harmful vehicle exhaust emissions
  - DEF consumption is growing strongly as EPA '10 standards require all new commercial diesel consuming vehicles to employ SCR technology
  - US Gulf Coast and Midwest are the largest markets for DEF in North America
  - DEF prices are at a premium to urea

**Production Capacity by Product  
2016<sup>1)</sup>**

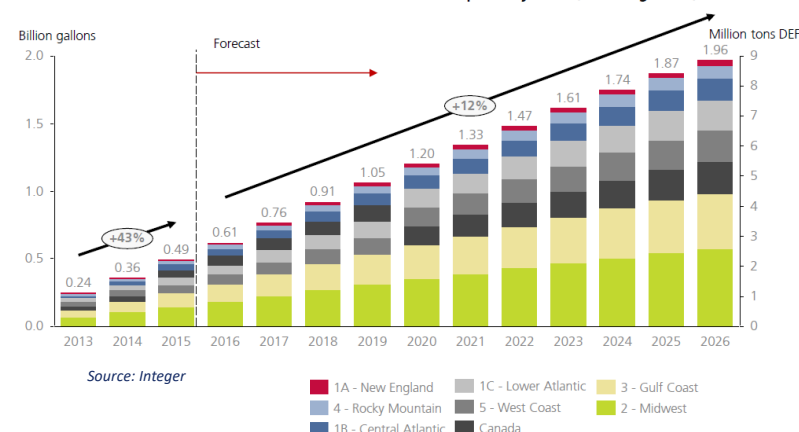


**Production Capacity by Product  
2018<sup>1)</sup>**



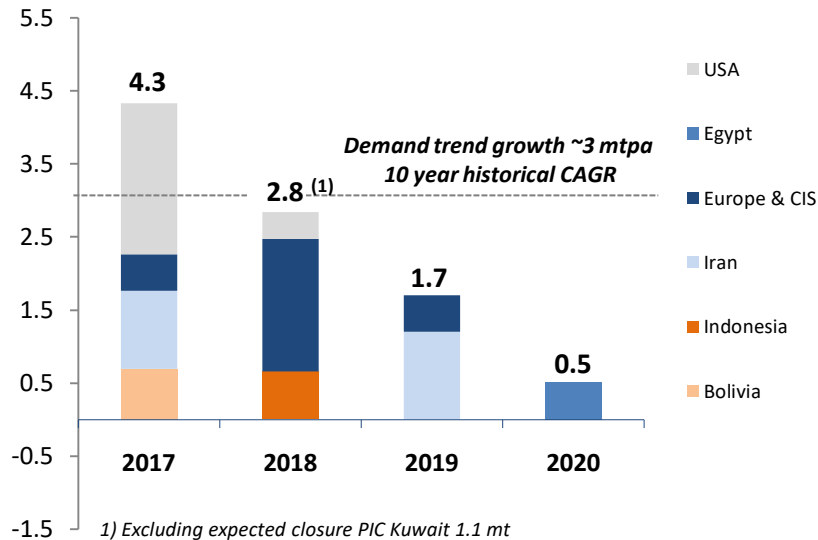
**Diesel Exhaust Fluid (DEF)**

Historical and base case forecast North America DEF consumption by PADD, billion gallons, 2013-2026



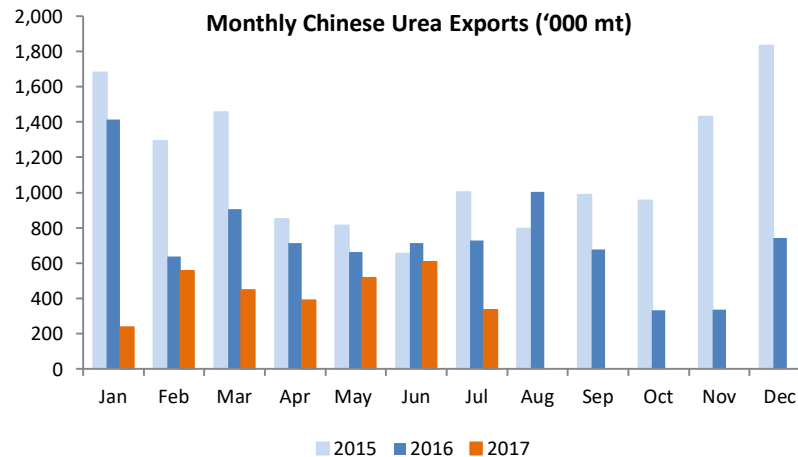
# Tightening Urea Global Supply – Demand Balance

## New Urea Capacity Start-ups Outside China (mtpa)



- **Total estimated incremental supply outside China estimated at c.9 mt 2017 – 2020, with key caveats:**
  - At nameplate capacity, unlikely to be achieved
  - Assuming no delays / cancellations, which are highly likely
  - Very limited operational plants with spare capacity that can ramp up
  - Closure of PIC (c.1.1 mt) in Kuwait expected end-2017 or 2018 not reflected
- Capacity additions peaked in 2016 / H1 2017
- 2017 – 2020 supply additions expected to be below incremental demand
  - 3.0% trend growth per annum (outside China) or > 3 mt additional demand per year

## Declining Chinese Exports

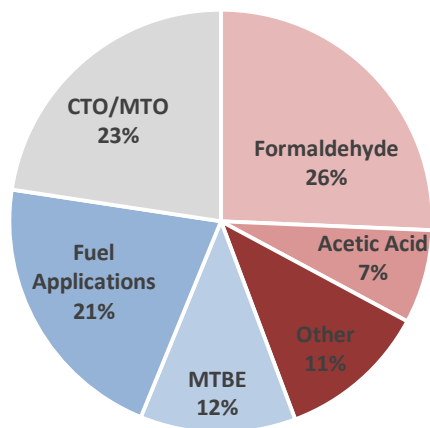


- **New supply further offset by expected reduction in exports from China:**
  - Expected further decline of 4 – 5mt in 2017

# Robust and Growing Global Methanol Market

- 2016 Global demand was c.85 million tons
  - 45% GDP-linked consumer and industrial products, 35% fuel / energy related and 20% methanol to olefins ("MTO") / coal to olefins ("CTO")
- Chinese MTO/MTP set to continue to drive demand growth
- Demand 2017 – 2020 expected to outstrip limited new capacity additions

2016 Global Methanol Demand by Derivative



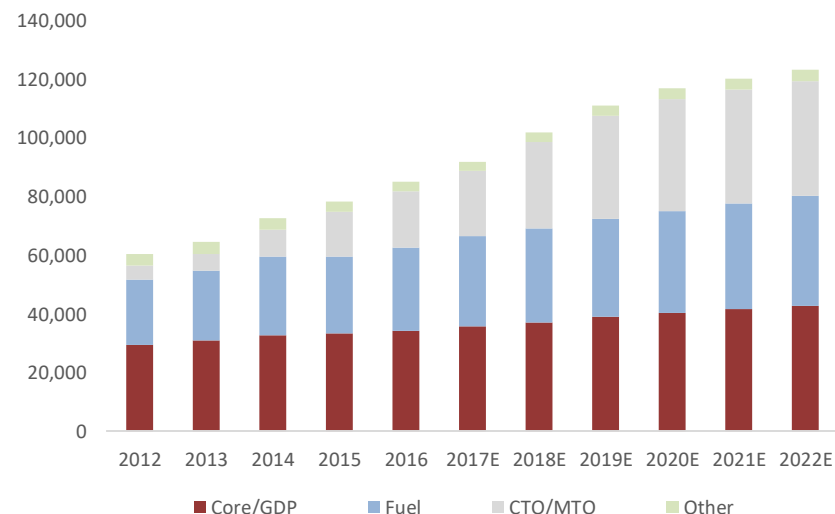
Red = GDP-core - 44%  
 Blue = Fuel/Energy - 33%  
 Grays = Methanol to olefins = 23%

Note: Total demand = 85 million metric tons

Global Methanol New Capacity and Demand 2017 - 2020

Company	Plant / Location	Capacity (k MT)	Startup
OCI N.V.	Natgasoline, TX	1,825	2017
Kaveh Methanol Co	Dayyer, Iran	2,300	2018
OCI N.V.	BioMCN, Netherlands	438	2018
Caribbean Gas Chemical Limited	Trinidad & Tobago	1,000	2019
Shandong Yuhuang	St. James, LA	1,800	2020
Merchant capacity China	Various	3,000 - 4,000	2017 - 2020
Total new supply 2017 - 2020		c. 10 - 11 mt	
Total additional demand 2017 – 2020 <sup>1)</sup>		c.14 mt	

World Demand Growth (2012 – 2022E)



<sup>1)</sup> Excluding demand from captive coal-to-olefins  
 Source: MMSA, Argus and OCI

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## Appendix

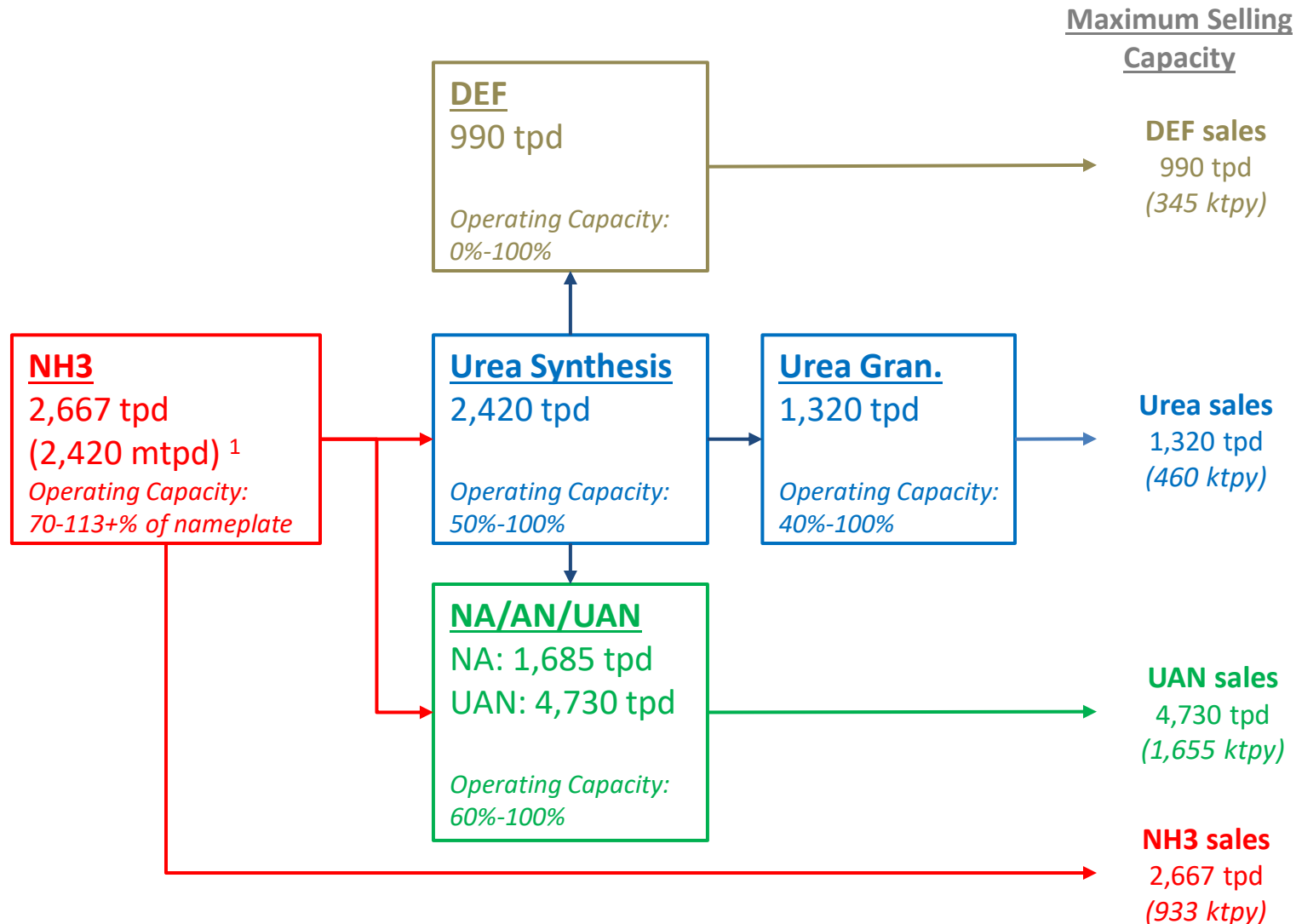
## Iowa Fertilizer Company | Aerial Site

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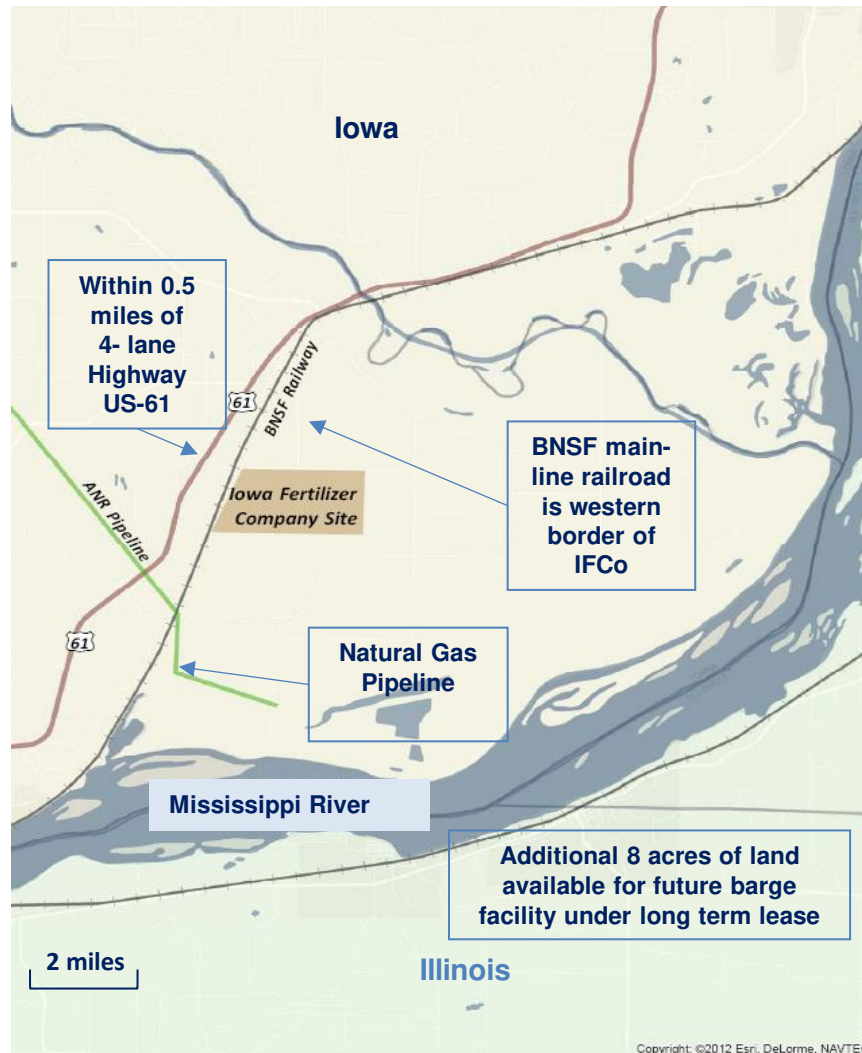
## Iowa Fertilizer Company | Production Mix & Capacity



<sup>1</sup> Represents 110% of nameplate capacity. All tons on this page are reflected as short tons, except metric tons where “mtpd” is indicated

# Iowa Fertilizer Company | Site Location and Infrastructure

Site Network



Project Location – Wever, IA





## Natgasoline | Aerial Site



# Global Distribution Network

*Global trading platform capable of moving more than 2 mtpa creates additional volume security and room to grow market share*



\* External agents also in CIS countries

# Production Capacity Overview

Max. Proven Capacities <sup>1</sup> ('000 metric tons)								Total Fertilizer For Sale				Total Fertilizer & Chemicals For Sale
Plant	Country	Ownership <sup>2</sup>	Ammonia Gross	Ammonia Net <sup>3</sup>	Urea	UAN <sup>4</sup>	CAN		Methanol	Melamine <sup>5</sup>	DEF	
Egyptian Fertilizers Company	Egypt	100%	876	-	1,648	-	-	1,648	-	-	-	1,648
Egypt Basic Industries Corp.	Egypt	60%	730	730	-	-	-	730	-	-	-	730
OCI Nitrogen	Netherlands	100%	1,184	350	-	730	1,542	2,622	-	219	-	2,841
Sorfert Algérie	Algeria	51%	1,606	803	1,259	-	-	2,062	-	-	-	2,062
OCI Beaumont <sup>6</sup>	USA	80%	357	357	-	-	-	357	913	-	-	1,269
BioMCN <sup>7</sup>	Netherlands	100%	-	-	-	-	-	-	934	-	-	934
Iowa Fertilizer Company <sup>8</sup>	USA	100%	883	195	437	1,566	-	2,198	-	-	328	2,526
Natgasoline LLC	USA	50%	-	-	-	-	-	-	1,825	-	-	1,825
<b>Total MPC</b>			<b>5,636</b>	<b>2,435</b>	<b>3,344</b>	<b>2,296</b>	<b>1,542</b>	<b>9,618</b>	<b>3,671</b>	<b>219</b>	<b>328</b>	<b>13,836</b>

- Current total MPC is 11.6 million metric tons:

- BioMCN capacity includes second methanol line, expected to start commissioning in Q4 2018
- Natgasoline expected to start commissioning in December 2017

<sup>1</sup> Capacities are maximum proven daily capacity (MPC) achievable x 365 days. Natgasoline LLC capacities are estimates based on 5,000 tpd

<sup>2</sup> Capacities in table not adjusted for OCI's stake in considered plant

<sup>3</sup> Net ammonia is estimated remaining capacity after downstream products are produced

<sup>4</sup> Excludes EFC UAN swing capacity of 325 ktpa; OCI Nitrogen max. UAN capacity cannot be achieved when producing max. CAN capacity

<sup>5</sup> Split as 164 ktpa in Geleen and 55 ktpa in China (Chinese capacity does not account for 49% stake and exclusive right to off-take 90%)

<sup>6</sup> OCI Beaumont debottlenecking initiative completed in April 2015

<sup>7</sup> Acquired June 2015, second line currently being refurbished

<sup>8</sup> IFCo expected capacities apart from net ammonia are maximum expected capacities and cannot all be achieved at the same time



## Disclaimer

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