H1 2019 Results Report

Amsterdam, The Netherlands / 30 August 2019

OCI N.V. Reports Second Quarter and First Half 2019 Results

Highlights:

- Revenues increased by 20% to $954 million and adjusted EBITDA by 35% to a quarterly record of $275 million in Q2 2019 compared to Q2 2018. This reflects increased sales, partially as a result of volume deferrals in the first quarter, which were offset by one-off negative effects of $35 million mostly from an unplanned shutdown at OCI Beaumont. We utilized the downtime to accelerate the debottlenecking of the plant, which is currently running above 110% of its previous capacity
- OCI-produced volumes sold increased 25% in Q2 2019 versus Q2 2018 to a record of 3.1 million metric tons, in a positive market environment for fertilizers versus 2018. Our H1 2019 volumes increased 3% versus H1 2018, reflecting annual capacity increases partially offset by significantly more planned turnarounds than last year and the OCIB shutdown
- Adjusted net income improved from $3 million in Q2 2018 to $37 million in Q2 2019
- Free cash flow of $151 million resulted in a continuation of our deleveraging with a decrease in net debt of $110 million during Q2 2019
- BioMCN's second line and expansion at OCI Beaumont successfully started production during the summer, increasing OCI's proportionate methanol capacity by 27% to 2.95 mtpa. The work to achieve the capacity increase at OCI Beaumont was brought forward to coincide with the unplanned outage in June. With the start-up of these two new capacities, we have reached the end of our capex program and have no further commitments for growth capex for the remainder of 2019 or in 2020
- In June, OCI announced a strategic partnership with Abu Dhabi National Oil Company (ADNOC) which will see the combination of ADNOC's fertilizer business into our nitrogen fertilizer platform in the MENA region, further consolidating the nitrogen fertilizer industry; closing of the transaction is on track
- OCI has mandated J.P. Morgan to assist with the evaluation of strategic options for the methanol group, including the sale, merger or spin-off to shareholders. A final decision is expected early 2020

Statement from the Chief Executive Officer – Nassef Sawiris:

"As we executed our commercial strategy to hold back sales until demand kicked in, our nitrogen business performed well during the second quarter. We benefited from strong sales volumes across our platform, low natural gas prices and robust production performance of our nitrogen facilities. We experienced weaker methanol prices and an unplanned shutdown of our Beaumont facility in the latter part of the quarter. These results highlight the strength of our diversified business portfolio and confirm the merits of our commercial strategy. We also continued our path of deleveraging on the back of strong free cash flow performance during the quarter.

Demand for nitrogen fertilizer was generally healthy across our markets during the second quarter, and in comparison to the second quarter of 2018 prices for our products increased, with the exception of ammonia. Urea

Financials are unaudited

prices in particular followed a positive trajectory as a result of strong demand across regions and tightening supply, and summer season prices have been higher year-on-year for the third time in a row. Ammonia prices were weak during the quarter, as new production capacity was absorbed in the market.

Despite flooding and wet conditions in the US Midwest, IFCo achieved a record quarter, benefiting from our unique in-region location in the Upper Midwest and record DEF volumes. In Europe, we benefited from strong demand and lower natural gas prices. We shipped record volumes of CAN during the second quarter, which were significantly above the volumes in the first quarter, leveraging our robust logistical organization and proximity to key end markets. As a result, both those operations reported a significantly higher result versus a year ago.

This resulted in an adjusted EBITDA for our combined nitrogen businesses in Q2 2019 of more than 50% above the level of Q2 2018, and up in the high single-digits in H1 2019 compared to H1 2018. This was despite planned turnarounds of both ammonia lines at Sorfert, one in the first quarter and the other starting towards the end of the second quarter.

Methanol markets were weaker in the second quarter of 2019 compared to both the first quarter this year and the same quarter last year. In addition, the longer-than-expected unplanned shutdown of the methanol plant at OCI Beaumont from the end of May until early July had a negative impact on EBITDA. Nevertheless, our methanol group reported higher adjusted EBITDA for the second quarter of 2019 compared to the first quarter of 2019, as Natgasoline performed well and BioMCN returned to profits during the quarter on the back of higher utilization rates and lower natural gas prices.

We expect to reach our run-rate capacity starting the fourth quarter this year now that we have most major turnarounds behind us and have recently completed our growth projects. Several of OCI's nitrogen plants have finalized their planned turnarounds during the summer months, which should result in higher utilization rates going forward at Sorfert, IFCo and OCI Nitrogen. For example, the turnaround of Sorfert's ammonia line in Q1 2019 has allowed the plant to reach utilization rates close to its maximum design capacity. The second line restarted recently and is in the process of ramping up, already achieving levels above 92%. This compares to significantly lower levels before these major turnarounds.

We are also on track to close the recently announced joint venture with ADNOC. This partnership will add an additional capacity of 2.1 million metric tons per annum (mtpa) on a consolidated basis to our current net nitrogen fertilizer capacity of 10 mtpa and has significant potential for future growth and value creation. We are pleased to create this JV with a likeminded and strong partner with a clear strategy to unlock value in the industry."

Outlook

We continue to focus on free cash flow generation and remain committed to our financial policy to prioritise expected strong free cash flows for deleveraging towards 2x through the cycle. Our financial outlook for the remainder of the year and previous guidance is subject to pricing of our key commodities.

New Strategic Partnership with Abu Dhabi National Oil Company (ADNOC)

In June, we announced a new strategic partnership with ADNOC to combine ADNOC's fertilizers business into OCI's nitrogen fertilizer platform in the MENA region. OCI and ADNOC will own a 58% and 42% stake in the JV respectively, and OCI will fully consolidate the JV.

The transaction offers a number of advantages:

- **It will have significant scale.** The JV will become the largest seaborne export-focused nitrogen fertilizer platform globally, and the largest producer in the MENA region with a production capacity of 5 million tons of urea and 1.5 million tons of sellable ammonia.
- **Substantial synergies.** The JV is projected to create substantial value through unlocking of operational, supply chain, marketing and trading synergies of $60-$75m, mostly achievable within 12-18 months from closing.
- **Strong financial profile.** The JV will operate a young, state-of-the-art asset base with low maintenance costs, low finance costs and strong free cash flow generation. As a result, it will be well-positioned to pay its shareholders attractive dividends and to fund future organic and inorganic growth opportunities.

Nitrogen Products

Our diversified portfolio of nitrogen products consists of fertilizer, diesel exhaust fluid (DEF) and melamine:

- We expect to continue to benefit from attractive natural gas feedstock costs
- Shorter term, the demand outlook in the US should benefit from an increase in forecasted corn acreage next spring, and distributors wanting adequate product on hand versus delaying purchases until next season.
- We continue to expect a positive industry outlook through a tightening of the global supply and demand balance with expected demand growth to be higher than limited new capacity additions and low exports from China.
- Ammonia prices were weak in the first half of 2019 and have lagged urea due to a weak US season and new supply starting up earlier this year. However, there are no further major new merchant ammonia supply additions expected until at least 2021 and demand is expected to strengthen.
- OCI is well-positioned to benefit following completion of a significant number of planned turnarounds across most of our group companies during the third quarter this year and the closing of the ADNOC Fertilizers joint venture.
- Melamine selling prices remain at healthy levels and the product remains a cornerstone of our Dutch operations. We expect to continue to benefit from healthy melamine market conditions, supported by continued demand growth and low natural gas prices in Europe.
- The outlook for the DEF market in the US remains positive and is expected to grow at rates of 15% to 20% per annum in the coming years. DEF has been one of our fastest-growing products in 2019 so far and we are on track to achieve a more than doubling of our DEF sold volumes in 2019 compared to 2018.

Methanol

Our methanol business was affected by an unplanned shutdown at OCI Beaumont during the second quarter of 2019, during which time we brought forward work to achieve an expansion in the plant’s methanol capacity of more than 10%. Following the restart of the plant in early July, production normalized at significantly higher levels than before the shutdown. Combined with the start-up of the second line at BioMCN, we have now reached our annual production capacity run-rate.

Methanol prices have weakened in 2019 due to a number of factors including falling crude oil prices, MTO affordability as well as exports from sanctioned countries to Asian markets being offered at heavily discounted prices.

Recently, methanol prices have shown some recovery from their lows, as spot prices had fallen below the global industry cost curve and MTO utilization rates have stabilized with positive production margins. Underlying long-term fundamentals of methanol markets are encouraging with limited new capacity additions and expected continued demand growth, supported by traditional and new applications, and by the addition of multiple new MTO facilities in China going forward.

Gas Markets

We expect to continue to benefit from materially lower gas prices in both Europe and the United States.

In recent months, European gas prices have remained substantially below those seen in recent years. We believe there has been a structural shift in the European gas markets this year and expect prices to remain within a bandwidth of $3 – 5 per MMBtu until the end of 2019 at least, bar any surprise weather shocks, as a result of high liquidity in LNG markets in competition with Russian imports into Europe.

In the US, similarly the Henry Hub decreased to very competitive prices that are significantly below the levels of last year. The forward curve suggests this will remain for the foreseeable future, which will continue to keep our US operations at the very low end of the global cost curve.

Consolidated Financial Results at a Glance[1)]

Financial Highlights ($ million unless otherwise stated)

	Q2 2019	Q2 2018	% Δ	H1 2019	H1 2018	% Δ
Revenue	**953.5**	**792.7**	*20%*	**1,550.0**	**1,537.5**	*1%*
Gross Profit	165.4	160.3	*3%*	217.9	330.0	*(34%)*
Gross profit margin	17.3%	20.2%		14.1%	21.5%	
Adjusted EBITDA[2)]	**275.1**	**203.5**	***35%***	**404.4**	**438.6**	***(8%)***
EBITDA[2)]	221.6	215.2	*3%*	343.8	467.3	*(26%)*
EBITDA margin	*23.2%*	*27.1%*		*22.2%*	*30.4%*	
Adj. net income (loss) attributable to shareholders	**36.9**	**3.1**	***nm***	**(45.3)**	**14.4**	***nm***
Net income (loss) attributable to shareholders	19.9	(39.5)	*nm*	(61.3)	(15.0)	*nm*
Earnings / (loss) per share ($)						
Basic earnings per share	0.095	(0.189)	*nm*	(0.293)	(0.072)	*nm*
Diluted earnings per share	0.095	(0.189)	*nm*	(0.293)	(0.072)	*nm*
	30-Jun-19	**31-Mar-19**	**% Δ**			
Total Assets	7,332.6	7,464.3	*(2%)*			
Gross Interest-Bearing Debt	4,530.1	4,672.6	*(3%)*			
Net Debt	4,052.6	4,162.9	*(3%)*			
	Q2 2019	**Q2 2018**	**% Δ**	**H1 2019**	**H1 2018**	**% Δ**
Free cash flow[2)]	150.9	133.3	*13%*	135.0	247.3	*(45%)*
Capital Expenditure	48.7	89.1	*(45%)*	108.4	132.0	*(18%)*
Of which: maintenance capital expenditure	26.7	38.3	*(30%)*	45.3	58.4	*(22%)*
Sales volumes ('000 metric tons)[3)]						
OCI Product	3,084.3	2,462.8	*25%*	4,778.9	4,634.0	*3%*
Third Party Traded	488.6	386.1	*27%*	964.0	729.5	*32%*
Total Product Volumes	**3,572.9**	**2,848.9**	***25%***	**5,742.9**	**5,363.5**	***7%***

1) Unaudited

2) OCI N.V. uses Alternative Performance Measures ('APM') to provide a better understanding of the underlying developments of the performance of the business. The APMs are not defined in IFRS and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. A detailed reconciliation between APM and the most directly comparable IFRS measure can be found in this report

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

Operational Highlights

Highlights for Q2 2019

- Own product sales volumes increased 25% to a record 3.1 million metric tons during the second quarter of 2019 compared to the second quarter of 2018:
  - *Record CAN volumes during the second quarter, resulting in a higher level of sold CAN volumes in the first half of 2019 than during the same period a year ago*
  - *Higher industrial chemicals sales volumes driven by Natgasoline and a significant increase in DEF volumes*
- Including third-party traded product, sold volumes increased 25% to 3.6 million metric tons during Q2 2019 versus Q2 2018

Product Sales Volumes ('000 metric tons)

	Q2 2019	Q2 2018	% Δ	H1 2019	H1 2018	% Δ
Own Product						
Ammonia	592.1	537.5	10%	959.6	1,061.5	(10%)
Urea	857.1	806.5	6%	1,305.3	1,471.4	(11%)
Calcium Ammonium Nitrate (CAN)	618.1	343.8	80%	726.8	566.8	28%
Urea Ammonium Nitrate (UAN)	459.2	372.3	23%	699.1	714.1	(2%)
Total Fertilizer	**2,526.5**	**2,060.1**	**23%**	**3,690.8**	**3,813.8**	**(3%)**
Methanol[1)]	396.0	307.8	29%	794.1	650.1	22%
Melamine	32.9	35.4	(7%)	68.1	69.7	(2%)
Diesel Exhaust Fluid (DEF)	128.9	59.5	117%	225.9	100.4	125%
Total Industrial Chemicals	**557.8**	**402.7**	**39%**	**1,088.1**	**820.2**	**33%**
Total Own Product Sold	**3,084.3**	**2,462.8**	**25%**	**4,778.9**	**4,634.0**	**3%**
Traded Third Party						
Ammonia	22.6	98.8	(77%)	112.4	145.5	(23%)
Urea	114.5	56.4	103%	186.2	129.0	44%
UAN	3.4	23.5	(86%)	10.2	48.0	(79%)
Methanol	151.1	52.9	186%	247.6	84.5	193%
Ammonium Sulphate (AS)	177.2	154.5	15%	379.0	322.5	18%
DEF	19.8	0.0	nm	28.6	0.0	nm
Total Traded Third Party	**488.6**	**386.1**	**27%**	**964.0**	**729.5**	**32%**
Total Own Product and Traded Third Party	**3,572.9**	**2,848.9**	**25%**	**5,742.9**	**5,363.5**	**7%**

1) *Including OCI's 50% share of Natgasoline volumes*

Benchmark Prices

			Q2 '19	Q2 '18	% Δ	Q1 '19	% Δ	H1 '19	H1 '18	% Δ
Ammonia	NW Europe, FOB	$/mt	**272**	278	(2%)	331	(18%)	**298**	306	(3%)
Ammonia	US Gulf Tampa contract	$/mt	**237**	267	(11%)	282	(16%)	**260**	300	(13%)
Granular Urea	Egypt, FOB	$/mt	**274**	244	12%	266	3%	**271**	253	7%
CAN	Germany, CIF	€/mt	**193**	175	10%	221	(13%)	**207**	184	13%
UAN	France, FOT	€/mt	**176**	153	15%	216	(19%)	**193**	156	24%
UAN	US Midwest, FOB	$/mt	**249**	231	8%	245	2%	**246**	227	8%
Melamine	Europe contract	€m/t	**1,525**	1,655	(8%)	1,575	(3%)	**1,550**	1,640	(5%)
Methanol	USGC Contract, FOB	$/mt	**421**	495	(15%)	435	(3%)	**428**	493	(13%)
Methanol	Rotterdam FOB Contract	€/mt	**350**	380	(8%)	350	0%	**350**	380	(8%)

Source: CRU, Argus, ICIS

Operational Performance

Nitrogen Products

Total own-produced fertilizer sales volumes were 23% higher during the quarter compared to the same period last year, as we shipped record volumes and wound down inventories to normalized levels following OCI's decision during the first quarter to postpone sales and build up inventory in anticipation of the start of the season.

Production levels at all our nitrogen facilities were healthy during the quarter, but towards the end of the quarter we started planned turnarounds at OCI Nitrogen and of one of the two ammonia lines at Sorfert. IFCo finalized a four-week turnaround in early August following which it has increased its operating rates further and improved cost efficiency. We expect these successful turnarounds to result in higher utilization rates going forward at all three facilities.

Our other nitrogen products remain a cornerstone of our growth:

- DEF continues to be one of our fastest-growing products and sales volumes in the second quarter reached record levels.
- Melamine sales volumes in Q2 2019 were at similar levels as in Q2 2018. Selling prices decreased slightly from Q1 2019 into Q2 2019 but remain at healthy levels, especially at current gas prices.

Methanol

Despite the shutdown at OCI Beaumont, own-produced methanol sales volumes improved 29% in Q2 2019 compared to Q2 2018, as both Natgasoline and BioMCN were running at good utilization rates during the quarter:

- The increase was mostly driven by the contribution of Natgasoline, which started up towards the end of the second quarter of 2018.

- In addition, BioMCN returned to a higher utilization rate compared to both the second quarter last year and the first quarter this year. BioMCN recently started up its second line with a capacity of c.0.5 mtpa, which did not yet contribute to sales volumes during the second quarter.

While OCI Beaumont's methanol plant was offline and to prevent similar future issues, we replaced key equipment parts with new components and executed other repairs to the facility that will increase reliability until our next turnaround. In addition, we brought forward work to achieve the capacity increase of more than 10% of the methanol plant. Since the restart early July, the plant has been running consistently at higher rates than before the shutdown.

Methanol prices were on average lower during the second quarter of 2019 compared to the same quarter last year. As a result of the lower selling prices and shutdown at OCI Beaumont, the Q2 2019 EBITDA for the Methanol US segment was below Q2 2018.

Segment overview Q2 2019

$ million	Nitrogen US	Nitrogen Europe	Nitrogen MENA	Methanol US	Methanol Europe	Eliminations	Other	Total
Segment revenues	211.0	272.7	305.0	160.8	61.6	(4.8)	-	1,006.3
Inter-segment revenues	-	(0.4)	(29.9)	(22.5)	-	-	-	(52.8)
Total revenues	**211.0**	**272.3**	**275.1**	**138.3**	**61.6**	**(4.8)**	-	**953.5**
Gross profit	**56.7**	**41.3**	**82.1**	**(4.8)**	**3.3**	**(9.4)**	**(3.8)**	**165.4**
Operating profit	**54.3**	**30.5**	**72.0**	**(13.3)**	**3.2**	**(7.8)**	**(28.8)**	**110.1**
Depreciation & amortization	(32.6)	(16.6)	(44.4)	(31.7)	(2.5)	17.5	(1.2)	(111.5)
EBITDA	**86.9**	**47.1**	**116.4**	**18.4**	**5.7**	**(25.3)**	**(27.6)**	**221.6**
Adjusted EBITDA	**86.9**	**49.0**	**116.4**	**33.9**	**6.2**	**-**	**(17.3)**	**275.1**

Segment overview Q2 2018

$ million	Nitrogen US	Nitrogen Europe	Nitrogen MENA	Methanol US	Methanol Europe	Eliminations	Other	Total
Segment revenues	139.1	210.7	306.8	104.8	56.3	-	3.7	821.4
Inter-segment revenues	-	(0.1)	(19.4)	(9.2)	-	-	-	(28.7)
Total revenues	**139.1**	**210.6**	**287.4**	**95.6**	**56.3**	-	**3.7**	**792.7**
Gross profit	**22.4**	**2.9**	**94.1**	**30.7**	**2.2**	**8.0**	**-**	**160.3**
Operating profit	**19.3**	**(5.7)**	**80.7**	**24.3**	**0.8**	**9.5**	**(16.2)**	**112.7**
Depreciation & amortization	(26.2)	(15.5)	(42.9)	(15.1)	(2.6)	-	(0.2)	(102.5)
EBITDA	**45.5**	**9.8**	**123.6**	**39.4**	**3.4**	**9.5**	**(16.0)**	**215.2**
Adjusted EBITDA	**45.5**	**9.8**	**109.8**	**40.5**	**4.4**	**9.5**	**(16.0)**	**203.5**

Segment overview H1 2019

$ million	Nitrogen US	Nitrogen Europe	Nitrogen MENA	Methanol US	Methanol Europe	Eliminations	Other	Total
Segment revenues	302.2	466.4	467.0	306.0	118.8	(4.8)	-	1,655.6
Inter-segment revenues	-	(0.4)	(55.6)	(47.6)	(2.0)	-	-	(105.6)
Total revenues	**302.2**	**466.0**	**411.4**	**258.4**	**116.8**	**(4.8)**	-	**1,550.0**
Gross profit	**69.3**	**65.0**	**99.0**	**10.6**	**(9.0)**	**(10.2)**	**(6.8)**	**217.9**
Operating profit	**60.9**	**44.1**	**79.6**	**(1.7)**	**(10.3)**	**(6.7)**	**(46.9)**	**119.0**
Depreciation & amortization	(66.3)	(33.9)	(87.3)	(63.2)	(5.2)	33.5	(2.4)	(224.8)
EBITDA	**127.2**	**78.0**	**166.9**	**61.5**	**(5.1)**	**(40.2)**	**(44.5)**	**343.8**
Adjusted EBITDA	**127.2**	**79.9**	**166.9**	**69.8**	**(4.1)**	**-**	**(35.3)**	**404.4**

Segment overview H1 2018

$ million	Nitrogen US	Nitrogen Europe	Nitrogen MENA	Methanol US	Methanol Europe	Eliminations	Other	Total
Segment revenues	229.8	436.8	585.2	221.8	117.8	-	3.7	1,595.1
Inter-segment revenues	-	(0.2)	(41.0)	(16.4)	-	-	-	(57.6)
Total revenues	**229.8**	**436.6**	**544.2**	**205.4**	**117.8**	-	**3.7**	**1,537.5**
Gross profit	**20.4**	**38.3**	**178.2**	**72.6**	**8.7**	**11.8**	**-**	**330.0**
Operating profit	**13.7**	**21.0**	**176.9**	**60.8**	**6.1**	**14.4**	**(30.4)**	**262.5**
Depreciation & amortization	(52.6)	(30.2)	(86.1)	(30.4)	(5.3)	0.3	(0.5)	(204.8)
EBITDA	**66.3**	**51.2**	**263.0**	**91.2**	**11.4**	**14.1**	**(29.9)**	**467.3**
Adjusted EBITDA	**66.3**	**51.2**	**232.2**	**92.3**	**12.4**	**14.1**	**(29.9)**	**438.6**

Financial Highlights

Summary results

Consolidated revenue increased 20% to $954 million in the second quarter of 2019 compared to the same quarter in 2018, as our own-produced and traded volumes increased. Our realized selling prices for nitrogen fertilizer products were on average up, but methanol prices down.

Adjusted EBITDA increased 35% to $275 million in Q2 2019 compared to $204 million in Q2 2018, predominantly due to the higher revenues and lower natural gas prices. On a segment basis, the biggest driver of this growth came from the Nitrogen US and Nitrogen Europe businesses. The methanol adjusted EBITDA decreased predominantly due to the shutdown at OCI Beaumont during the second quarter, as well as lower realized methanol prices.

Adjusted net profit was $37 million in Q2 2019 compared to $3 million in Q2 2018. The reported net profit (after non-controlling interest) was $20 million in Q2 2019 compared to a net loss of $40 million in Q2 2018.

Consolidated Statement of Income*

$ million	Q2 2019	Q2 2018	H1 2019	H1 2018
Net revenue	**953.5**	**792.7**	**1,550.0**	**1,537.5**
Cost of Sales	(788.1)	(632.4)	(1,332.1)	(1,207.5)
Gross profit	**165.4**	**160.3**	**217.9**	**330.0**
Gross profit % of revenues	*17.3%*	*20.2%*	*14.1%*	*21.5%*
SG&A	(51.9)	(45.8)	(98.5)	(86.5)
Other Income	(0.5)	0.3	2.8	20.1
Other expense	(2.9)	(2.1)	(3.2)	(1.1)
Adjusted EBITDA	**275.1**	**203.5**	**404.4**	**438.6**
EBITDA	**221.6**	**215.2**	**343.8**	**467.3**
EBITDA % of revenues	*23.2%*	*27.1%*	*22.2%*	*30.4%*
Depreciation & amortization	(111.5)	(102.5)	(224.8)	(204.8)
Operating profit	**110.1**	**112.7**	**119.0**	**262.5**
Interest income	1.4	1.2	3.1	4.6
Interest expense	(69.8)	(96.3)	(147.9)	(182.2)
Other finance income / (cost)	2.1	(27.3)	(13.0)	(16.0)
Net finance costs	**(66.3)**	**(122.4)**	**(157.8)**	**(193.6)**
Income from equity-accounted investees	1.8	(8.7)	(7.9)	(12.3)
Net income before tax	**45.6**	**(18.4)**	**(46.7)**	**56.6**
Income tax expense	(6.0)	13.3	4.1	5.7
Net profit / (loss)	**39.6**	**(5.1)**	**(42.6)**	**62.3**
Non-Controlling Interest	(19.7)	(34.4)	(18.7)	(77.3)
Net profit / (loss) attributable to shareholders	**19.9**	**(39.5)**	**(61.3)**	**(15.0)**

** Unaudited*
1) H1 and Q2 2018 have not been adjusted for IFRS 16

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 2019 and 2018 relate to:

- Natgasoline is not consolidated and an adjustment of $34 million was made for OCI's 50% share in the plant's EBITDA in Q2 2019 ($42 million for the first half of 2019).
- Expenses for expansion projects in Q2 2019 amounted to $0.5 million and are related to the BioMCN expansion project.
- The unrealized loss on natural gas hedge derivatives of $11 million in Q2 2019 relates to hedging activities at OCI Beaumont and in the Netherlands.
- Other adjustments consist predominantly of transaction costs related to the recently announced joint venture with ADNOC.

Reconciliation of reported operating income to adjusted EBITDA

$ million	Q2 2019	Q2 2018	H1 2019	H1 2018	Adjustment in P&L
Operating profit as reported	110.1	112.7	119.0	262.5	
Depreciation and amortization	111.5	102.5	224.8	204.8	
EBITDA	**221.6**	**215.2**	**343.8**	**467.3**	
APM adjustments for:					
Natgasoline	33.9	-	42.0	-	*OCI's share of Natgasoline EBITDA*
Expenses related to expansion projects	0.5	1.0	1.0	1.0	*SG&A / other expenses*
Sorfert insurance income / release of provision	-	(13.8)	-	(30.8)	*Revenue / other income*
Unrealized loss / (gain) natural gas hedging	10.6	-	8.7	-	*COGS*
Other adjustments	8.5	1.1	8.9	1.1	
Total APM adjustments	53.5	(11.7)	60.6	(28.7)	
Adjusted EBITDA	**275.1**	**203.5**	**404.4**	**438.6**	

Net income attributable to shareholders

At the net income level, the main APM adjustments in Q2 2019 and Q2 2018 relate to unrealized gas hedging at Natgasoline, and non-cash foreign exchange gains or losses on US$ exposure.

Reconciliation of reported net income to adjusted net income

$ million	Q2 2019	Q2 2018	H1 2019	H1 2018	Adjustment in P&L
Reported net income attributable to shareholders	**19.9**	**(39.5)**	**(61.3)**	**(15.0)**	
Adjustments for:					
Adjustments at EBITDA level	53.5	(11.7)	60.6	(28.7)	
Add back: Natgasoline EBITDA adjustment	(33.9)	-	(42.0)	-	
Expenses related to expansion projects	-	9.5	-	14.4	*Income from equity accounted investees*
Expenses related to refinancing	-	16.0	-	16.0	*Finance expenses*
Unrealized loss / (gain) gas hedging Natgasoline	6.6	-	(1.4)	-	*Income from equity accounted investees*
Forex gain/loss on USD exposure	(6.9)	33.3	2.9	22.7	*Finance income and expense*
Impairment of PP&E	1.9	-	1.9	-	
Non-controlling interest adjustment	(1.7)	9.0	(0.8)	18.5	*Minorities*
Tax effect of adjustments	(2.5)	(13.5)	(5.2)	(13.5)	*Income tax*
Total APM adjustments at net income level	**17.0**	**42.6**	**16.0**	**29.4**	
Adjusted net income attributable to shareholders	**36.9**	**3.1**	**(45.3)**	**14.4**	

Free Cash Flow and Net Debt

Free cash flow amounted to $151 million during Q2 2019 versus $133 million in Q2 2018.

The cash flow reflects the record EBITDA for the quarter, and an $88 million decrease in working capital, reversing the build-up of inventory during the first quarter in anticipation of the start of the season and higher selling prices. Cash interest and taxes were $102 million and $40 million respectively.

Total capital expenditures were $49 million in Q2 2019 compared to $89 million in Q2 2018. Maintenance capital expenditure was $27 million during Q2 2019, and growth capital expenditure of $22 million was mostly for the refurbishment of BioMCN's second line and the capacity expansion at OCI Beaumont, both of which are now operational.

Net debt stood at $4,053 million as at 30 June 2019, a decrease of $110 million compared to $4,163 million as at 31 March 2019.

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

$ million	Q2 2019	Q2 2018	H1 2019	H1 2018
EBITDA	221.6	215.2	343.8	467.3
Working capital	87.6	14.7	(17.3)	(40.8)
Maintenance capital expenditure	(26.7)	(38.3)	(45.3)	(58.4)
Tax paid	(39.5)	(0.7)	(40.0)	(1.6)
Interest / net dividends paid / received	(101.7)	(89.3)	(148.3)	(140.3)
Insurance receivable / received Sorfert	-	20.0	31.8	-
Adjustment non-cash expenses	9.6	11.7	10.3	21.1
Free Cash Flow	**150.9**	**133.3**	**135.0**	**247.3**
Reconciliation to change in net debt:				
Growth capital expenditure	(22.0)	(50.8)	(63.1)	(73.6)
Other non-operating items	(6.7)	(43.9)	(14.4)	(61.3)
Non-operating working capital	2.0	3.3	7.6	0.6
Net effect of movement in exchange rates on net debt	(13.7)	73.1	3.4	35.3
Other non-cash items	(0.2)	(15.3)	(1.5)	(37.4)
Net Cash Flow / Decrease (Increase) in Net Debt	**110.3**	**99.7**	**67.0**	**110.9**

Notes

This report contains unaudited first half and second quarter 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.

This report has been authorised for issue by the Board of Directors on 29 August 2019.

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 30 August 2019, at 16:00 CET, OCI N.V. will host a conference call for investors and analysts. Details on how to access the call can be found on the OCI N.V. website.

About OCI N.V.:

OCI N.V. (Euronext: OCI) is a global producer and distributor of natural gas-based fertilizers & industrial chemicals based in the Netherlands. OCI produces nitrogen fertilizers, methanol and other natural gas-based products, serving agricultural and industrial customers from the Americas to Asia. OCI is a leading global nitrogen fertilizer producer with almost 10 million metric tons of capacity and is also one of the world's largest methanol producers with almost 3 million tons of proportionate capacity. OCI is listed on Euronext in Amsterdam.

For additional information contact:

OCI N.V. Investor Relations Department:

Hans Zayed
Director
Email: hans.zayed@oci.nl

Tel: +31 (0) 6 18 251 367

For additional information on OCI:

www.oci.nl

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

Honthorststraat 19
1071 DC Amsterdam
The Netherlands