Q3 2020 Results Report

Amsterdam, The Netherlands / 6 November 2020

OCI N.V. Reports Third Quarter 2020 Results

Highlights:

Financial Summary

- Revenues increased 19% to $752 million and adjusted EBITDA increased 79% to $192 million in Q3 2020 YoY
- OCI-produced volumes sold increased 30% to 2.8 million metric tons
- Adjusted net loss of $67 million in Q3 2020 compared to adjusted net loss of $120 million in Q3 2019
- Net debt $3.9 billion as of 30 September 2020, up by $77 million from 30 June 2020 reflecting a $54 million FX impact on Euro-denominated bonds and a build-up of inventory ahead of Q4 seasonal sales
- OCI successfully completed c.$1.155 billion equivalent refinancing through a dual-tranche bond offering and $385 million refinancing at Fertiglobe in October, expected to result in cash interest savings of c.$32 million per year

Markets

- Methanol industrial end markets have strengthened significantly through Q3 and into Q4, as spot prices in the US Gulf have rebounded from below $150 / ton at the end of June to c.$300 / ton in November
- Global nitrogen prices have also improved, but the US nitrogen market remains challenged with prices at steep discounts to global benchmarks due to intense price-based competition for UAN and urea imports into the US priced below the point of origin

ESG

- OCI to supply ExxonMobil's subsidiary Esso with bio-methanol as part of a biofuel alcohol mix, to be blended with all Esso's standard Synergy grade petrol sold in the United Kingdom
- OCI has signed a letter of intent with RWE to develop green methanol from green hydrogen based on wind power in the Netherlands, reducing carbon emissions as part of an innovative electrolysis hydrogen project at Eemshaven
- OCI's board of directors has formally ratified a decade-long group policy to not produce, sell or trade solid ammonium nitrate (AN), and has further committed to not do so in any future partnerships or transactions. Given the increasing concerns surrounding the explosive nature of AN, the product is easily substituted by much safer other nitrogen products
- OCI intends to publish long-term environmental targets in 2021, using 2019 as the baseline year

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

"We reported another quarter of healthy volume growth in both our methanol and nitrogen segments, driving a material increase in adjusted EBITDA year-over-year. We remain on track to deliver robust volume growth in 2020 and, as we reach run-rate production, we expect to benefit from a further step-up in volumes in 2021.

Consistent with our last update, the COVID-19 pandemic has not had a direct impact on OCI's operations, but our results were held back by significantly lower nitrogen and methanol prices compared to a year ago. However, we have recently started to benefit from an improving price environment, as global nitrogen markets enjoy positive tailwinds for the remainder of this year and into 2021 and the outlook for our methanol end markets has strengthened significantly.

Global urea prices have rebounded since reaching a trough in the second quarter and ammonia started to recover in October. However, US nitrogen prices are trading at severely discounted prices relative to global benchmarks. Despite being a deficit market, US urea imports continue to be priced below the point of origin in the Arab Gulf, a situation which could trigger anti-dumping investigations. UAN has been impacted by increased domestic volumes contributing to intense price-based competition in the US Gulf. Since July, it has been more favourable for Russia and Trinidad to export UAN to Europe inclusive of duties than to the US Gulf.

We continued to optimize our capital structure with the recent bond offering and the refinancing at Fertiglobe, both completed in October. These two transactions are expected to generate cash interest savings of more than $32 million per year, as we lowered our weighted average cost of gross debt by c.60 bps to below 4.5%, a significant improvement from c.6.0% at the end of 2018. We will continue to evaluate opportunities to achieve similar objectives and further simplify our capital structure.

We continuously strive to be a leading environmental steward and are committed to developing innovative and sustainable products, especially as our core products ammonia and methanol are some of the best-positioned products in a future hydrogen economy. We are therefore excited to work with RWE on a hydrogen project and to supply ExxonMobil with bio-methanol. We are also in advanced talks to develop other projects at our nitrogen facilities in the Netherlands, and will continue to identify, evaluate and develop more initiatives that reduce our environmental impact and grow our green portfolio.

While we believe our environmental performance is already amongst the best-in-class as a result of our $5 billion capital expenditure program to develop a young and world-class asset base, with even our oldest facility in the Netherlands achieving excellent ammonia energy efficiency at ~32 MMBtu/ton, we aim to improve further by setting long-term environmental footprint targets using our most recent year, 2019, for our baseline, in order to achieve a meaningful reduction taking our post-expansion capacity into account. We intend to announce our long-term targets during 2021, with key decisions and timings based on the scale and area of focus of US environmental policies, the EU carbon border tax mechanism, and governmental support and subsidies for green initiatives."

Outlook

Nitrogen

- The outlook for our nitrogen fertilizer portfolio is looking favourable and we maintain a solid order book:
    - Tenders recently awarded to Fertiglobe to supply total of c.700kt urea to India and Ethiopia
    - Demand in importing countries is expected to remain healthy
    - Global nitrogen demand supported by rising corn prices driven by higher corn imports from China
    - We are seeing a favourable fall application season in our core US Midwest market
    - Our order book in Europe is healthy following higher CAN sales in Q3 compared to 2019
    - Chinese urea exports continue to be lower year-over-year (down 10% year-to-September), but the pace is expected to rise modestly in the fourth quarter on higher Indian import demand. Anthracite coal prices in China have started to recover rapidly which, combined with a recovery in industrial urea consumption in China, is expected to limit exports in H1 2021

- Industrial nitrogen markets remained subdued in Q3 2020 as a result of GDP/industrial activity slowdown, but are showing signs of recovery:
  - Ammonia prices lagged urea, but have started to benefit from a recovery in industrial markets, high-cost capacity shutdowns and higher feedstock prices
  - OCI's DEF sales recovered to record levels in the US in Q3 2020. In August, sales volumes were back to pre-COVID levels supporting an improving trend for the balance of the year and into 2021
  - Melamine demand in our core European markets is improving

Methanol

- US methanol spot prices have roughly doubled since reaching a bottom below $150 / ton in June
- Rising utilization rates of MTO plants in China on the back of healthy MTO economics versus naphtha crackers have been a key driver of a rebound in methanol demand
- The outlook for downstream demand has improved, with fuel consumption picking up, and a gradual return of global industrial and construction activity
- Following record methanol production for OCI in Q3 2020, normalization of production and improved onstream efficiency is expected to drive volume growth in the methanol segments in H2 2020 and 2021

Gas Markets

The recent increase in gas prices, particularly in Europe and Asia, supports selling prices. It also benefits OCI as one of the most efficient producers in the US and Europe, and strengthens Fertiglobe's significant competitive advantage as a result of its fixed gas supply agreements.

OCI's Green Initiatives

OCI is committed to identifying, evaluating and developing sustainability initiatives that reduce our environmental impact, grow our green portfolio and innovate more effective ways of reaching the world's carbon neutral goals. OCI already produces or is involved in a number of projects, including:

- **Bio-methanol:** OCI is the pioneer and global leader in bio-methanol, an advanced second-generation biofuel sourced from organic waste. The use of bio-methanol results in greenhouse gas (GHG) savings of more than 60% versus petrol derived from fossil fuels and provides an outlet for bio-waste, contributing to the circular economy and reducing harmful methane emissions into the atmosphere. OCI produces bio-methanol at its methanol facilities in the Netherlands and the United States.
- **Diesel Exhaust Fluid:** DEF is one of OCI's fastest-growing products, becoming a major product for our US operations. It is a urea solution that can be injected into Selective Catalytic Reduction (SCR) systems to lower harmful vehicle exhaust emissions from diesel engines. DEF demand growth in US and Europe over the next decade is mainly supported by replacement of older non-SCR-equipped vehicles, and increased dosing rates in newer generation diesel engines. IFCo has capacity to produce 1 million metric tons DEF per year.
- **Green hydrogen:** OCI is well-positioned to grow its portfolio of green hydrogen and other sustainable products and is evaluating several new projects. Scaling up such projects requires a partnership between the private and public sector to make the economics work, but our core products ammonia and methanol are efficient transporters of green hydrogen and can also be used as a marine fuel. As such they stand to benefit significantly in a future hydrogen economy. With one of the youngest plant fleets globally and production locations with abundant access to renewable wind and solar power, OCI is well-positioned relative to competitors.

The most recent green initiatives announced are two green hydrogen projects in the Netherlands (with RWE and Nouryon) and a biofuels supply agreement with ExxonMobil.

Green hydrogen project with RWE in the Netherlands

OCI has signed a letter of intent with RWE for the future supply of green hydrogen to BioMCN in the Netherlands.

RWE's project ('Eemshydrogen') aims to produce green hydrogen close to OCI's methanol facility BioMCN in Delfzijl. Subject to both parties reaching their respective final investment decisions, the first phase, expected to be operational by 2024, comprises the development and realization of a 50 MW electrolyser with direct connection to RWE's Westereems wind farm, one of the largest onshore wind parks in the Netherlands. The electrolysis capacity can be scaled up in the future contingent on market dynamics and regulations.

The project shows that renewable methanol produced from green hydrogen can make an important contribution to the energy transition. Methanol is a versatile chemical widely used as building block in thousands of everyday products and increasingly applied as energy source for road and maritime transport. This makes methanol an efficient hydrogen carrier that can help decarbonise the chemical industry and, applied as e-fuel, can contribute to emission reduction of hard-to-decarbonize transport sectors such as heavy road freight and maritime transport.

Eemshydrogen further contributes to the development of the hydrogen infrastructure in Northern Netherlands, where a recently announced €9 billion hydrogen investment plan, launched 30 October, should lead to a leading position in Europe through a collaboration of more than 40 participants from the public and private sectors. The region is uniquely positioned to accelerate the transition to green hydrogen with several advantages including significant potential for large-scale wind energy, sufficient locations for hydrogen production, and existing gas infrastructure and logistics.

Green hydrogen project with Nouryon in the Netherlands

OCI has partnered with Nouryon in the Netherland to purchase green hydrogen produced through a 20MW electrolyser, abating BioMCN's CO_2 emissions by up to 27ktpa, and can be scaled up to 60MW in the future. The project has received an €11-million European grant, and is supported by an additional €5 million in subsidies from Waddenfonds.

OCI selected as biofuel supplier for Esso petrol in the United Kingdom

OCI has reached an agreement with Esso Petroleum Company, Limited (Esso), a subsidiary of Exxon Mobil Corporation to supply a biofuel alcohol mix consisting of bio-methanol and ethanol, which is blended with all Esso's standard Synergy grade petrol sold in the United Kingdom.

The superior performance provided by OCI's alcohol mix enables its customers to exceed mandated biofuel blending targets set by the UK and the EU without the introduction of a new fuel standard such as E10. OCI's bio-methanol is an advanced biofuel that reduces greenhouse gas emissions compared to conventional petrol.

OCI aims to promote the use of bio-methanol as a complimentary biofuel alongside ethanol to reduce the carbon intensity of road transportation fuels. Fuel blending is currently the main market for bio-methanol due to increasing regulatory requirements, but bio-methanol can be used as an environmentally friendly building block in many applications such as cosmetics, building materials and paints.

Consolidated Financial Results at a Glance[1)]

Financial Highlights ($ million unless otherwise stated)

	Q3 '20	Q3 '19	% Δ	9M '20	9M '19	% Δ
Revenue	**751.9**	**633.9**	*19%*	**2,438.4**	**2,183.9**	*12%*
Gross Profit	80.4	15.6	*415%*	284.4	233.5	*22%*
Gross profit margin	*10.7%*	*2.5%*		*11.7%*	*10.7%*	
Adjusted EBITDA[2)]	**191.5**	**107.2**	*79%*	**603.9**	**511.6**	*18%*
EBITDA[2)]	171.6	105.8	*62%*	569.2	449.6	*27%*
EBITDA margin	*22.8%*	*16.7%*		*23.3%*	*20.6%*	
Adj. net income (loss) attributable to shareholders	**(66.7)**	**(119.7)**	*nm*	**(168.6)**	**(165.0)**	*nm*
Net income (loss) attributable to shareholders	(37.0)	(182.5)	*nm*	(120.8)	(243.8)	*nm*
Earnings / (loss) per share ($)						
Basic earnings per share	(0.176)	(0.871)	*nm*	(0.576)	(1.164)	*nm*
Diluted earnings per share	(0.176)	(0.871)	*nm*	(0.576)	(1.164)	*nm*

	30-Sep '20	31 Dec '19	% Δ
Total Assets	8,976.4	9,419.6	*(5%)*
Gross Interest-Bearing Debt	4,506.9	4,662.3	*(3%)*
Net Debt	3,916.8	4,061.9	*(4%)*

	Q3 '20	Q3 '19	% Δ	9M '20	9M '19	% Δ
Free cash flow[3)]	(7.4)	(29.4)	*nm*	98.5	105.6	*16%*
Capital Expenditure	47.3	138.7	*(66%)*	211.1	247.1	*(15%)*
Of which: maintenance capital expenditure	46.4	78.0	*(41%)*	189.0	123.3	*53%*
Sales volumes ('000 metric tons)[4)]						
OCI Product	**2,848.9**	**2,197.6**	**30%**	**8,851.4**	**6,976.5**	**27%**
Third Party Traded	**502.4**	**433.2**	**16%**	**1,738.1**	**1,397.2**	**24%**
Total Product Volumes	**3,351.3**	**2,630.7**	**27%**	**10,589.5**	**8,373.6**	**26%**

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) 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 non-controlling interests, 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 September 2020 0.23 incidents per 200,000 manhours
- Own product sales volumes increased 30% to 2.8 million metric tons during the third quarter of 2020 compared to the third quarter of 2019:
  - *Total own-produced nitrogen product volumes were up 29%, driven by an increase in volumes at IFCo and contribution from Fertil, partly offset by lower ammonia volumes at Fertiglobe*
  - *On a like-for-like basis, excluding Fertil, volumes were up 9% year-on-year*
  - *Sustained increase in CAN volumes during the third quarter following a record second quarter, resulting in a 23% increase in CAN sales volumes in the first nine months of 2020 compared to the same period in 2019*
  - *Total own-produced methanol sales volumes increased 34% as a result of record production volumes achieved in Q3 2020, despite a short shutdown of our US facilities during hurricane Laura*
- Selling prices were lower in Q3 2020 compared to Q3 2019 for all products, resulting in a c.$100 million negative impact on adjusted EBITDA for the quarter, partially offset by lower gas prices

Product Sales Volumes ('000 metric tons)

	Q3 2020	Q3 2019	% Δ	9M 2020	9M 2019	% Δ
Own Product						
Ammonia	388.5	457.2	(15%)	1,276.8	1,416.8	(10%)
Urea	933.8	618.3	51%	3,290.9	1,923.6	71%
Calcium Ammonium Nitrate (CAN)	240.3	155.3	55%	1,081.1	882.1	23%
Urea Ammonium Nitrate (UAN)	479.5	379.3	26%	1,315.7	1,078.4	22%
Total Fertilizer	**2,042.2**	**1,610.1**	**27%**	**6,964.5**	**5,300.9**	**31%**
Melamine	47.9	28.6	68%	107.6	96.7	11%
DEF	185.9	130.6	42%	455.2	356.5	28%
Total Nitrogen Products	**2,276.0**	**1,769.3**	**29%**	**7,527.3**	**5,754.1**	**31%**
Methanol[1)]	572.9	428.3	34%	1,324.1	1,222.4	8%
Total Own Product Sold	**2,848.9**	**2,197.6**	**30%**	**8,851.4**	**6,976.5**	**27%**
Traded Third Party						
Ammonia	31.6	29.8	6%	176.2	142.2	24%
Urea	179.3	78.3	129%	635.4	264.5	140%
UAN	6.3	10.1	(38%)	18.7	20.3	(8%)
Methanol	35.2	150.3	(77%)	223.6	397.9	(44%)
Ammonium Sulphate (AS)	183.8	139.0	32%	512.0	518.0	(1%)
DEF	66.2	25.7	nm	172.2	54.3	nm
Total Traded Third Party	**502.4**	**433.2**	**16%**	**1,738.1**	**1,397.2**	**24%**
Total Own Product and Traded Third Party	**3,351.3**	**2,630.8**	**27%**	**10,589.5**	**8,373.7**	**26%**

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

Benchmark Prices

			Q3 '20	Q3 '19	% Δ	Q2 '20	% Δ
Ammonia	NW Europe, FOB	$/mt	**235**	265	(11%)	250	(6%)
Ammonia	US Gulf Tampa contract	$/mt	**208**	218	(5%)	231	(10%)
Granular Urea	Egypt, FOB	$/mt	**259**	268	(3%)	226	15%
CAN	Germany, CIF	€/mt	**165**	194	(15%)	164	1%
UAN	France, FOT	€/mt	**152**	175	(13%)	150	1%
UAN	US Midwest, FOB	$/mt	**169**	212	(20%)	198	(15%)
Melamine	Europe contract	€m/t	**1,330**	1,490	(11%)	1,393	(5%)
Methanol	USGC Contract, FOB	$/mt	**278**	355	(22%)	316	(12%)
Methanol	Rotterdam FOB Contract	€/mt	**225**	305	(26%)	255	(12%)
Natural gas	TTF (Europe)	$ / mmBtu	**2.7**	3.3	(18%)	1.7	59%
Natural gas	Henry Hub (US)	$ / mmBtu	**2.0**	2.3	(13%)	1.7	18%

Source: CRU, Argus, 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.

However, as we postponed a turnaround at OCI Nitrogen from Q2 to the second half of 2020, we were required to shut down for regulatory inspections in Q3. The additional shutdown was completed successfully and is estimated to have had a negative impact of c.$7 million on EBITDA.

Nitrogen Segments Performance in Q3 2020

Total own-produced nitrogen sales volumes increased 29% during the third quarter of 2020 compared to the same period last year, reflecting strong demand for nitrogen fertilizers in our core markets amidst favourable weather conditions, but some weakness in industrial nitrogen end markets:

- The inclusion of Fertil in Abu Dhabi into our consolidated results since 30 September 2019 and robust import demand in India, driving a strong increase in urea volumes
- Significant increase in CAN volumes in Europe compared to Q3 2019
- UAN volumes in the United States were higher in Q3 2020 compared to a strong Q3 2019, reflecting IFCo's 2019 stabilization and debottlenecking of production and OCI's strengthening competitive position in the US Midwest through its N-7 Joint Venture
- Record DEF volumes in the US in Q3 2020

The significant increase in sales volumes across the nitrogen segment has offset the lower selling prices in Q3 2020, especially ammonia and nitrates. The drop in prices was also partially compensated by lower gas prices, benefiting our European operations in particular, and as a result the adjusted EBITDA for the nitrogen business increased from $140 million in Q3 2019 to $175 million in Q3 2020.

Methanol Segments Performance in Q3 2020

Own-produced methanol sales volumes increased by 34% in Q3 2020 compared to the same period last year, as all facilities operated at high utilization rates and reached record production rates during the quarter:

- OCI Beaumont's methanol plant has delivered consistent and high utilization rates following an extensive turnaround finalised in Q1 2020. The plant was running at high levels in Q3 2020 with an average utilization rate of around 95% for the quarter, outside a pre-emptive shutdown for hurricane Laura of just over two weeks
- Natgasoline was also operating reliably at utilisation rates above 90% in Q3 2020 with the exception of a safety led shutdown for hurricane Laura for approximately one week
- We finalized a turnaround at our methanol facility in the Netherlands in June, achieving steady utilization rates well above 90% since restarting and both production lines reaching record production levels in Q3 2020

The adjusted EBITDA of the methanol business was higher in Q3 2020 compared to Q3 2019 due to the record production volumes achieved and lower natural gas prices in the Netherlands and the US, partially offset by the impact of significantly lower methanol prices compared to a year ago.

Segment overview Q3 2020

$ million	Nitrogen US	Europe	Fertiglobe*	Elim.	Total Nitrogen	Methanol US	Europe	Elim.**	Total Methanol	Other	Elim.	Total
Total revenues	114.5	170.1	314.9	(8.5)	**591.0**	100.0	81.3	(13.9)	**167.4**	0.3	(6.8)	**751.9**
Gross profit	5.9	13.4	59.8	(1.0)	**78.1**	9.1	5.8	(12.2)	**2.7**	(0.4)	-	**80.4**
Operating profit	1.8	4.7	39.3	(1.0)	**44.8**	3.6	3.6	(10.3)	**(3.1)**	(19.0)	-	**22.7**
D&A	(34.5)	(20.9)	(67.1)	-	**(122.5)**	(35.1)	(8.4)	17.8	**(25.7)**	(0.8)	-	**(149.0)**
EBITDA	36.3	25.6	106.4	(1.0)	**167.3**	38.7	12.0	(28.1)	**22.6**	(18.3)	-	**171.6**
Adj. EBITDA	**36.3**	**32.8**	**106.4**	**(1.0)**	**174.5**	**23.3**	**11.2**	**0.5**	**35.0**	**(18.0)**	**-**	**191.5**

Segment overview Q3 2019

$ million	Nitrogen US	Europe	Fertiglobe*	Elim.	Total Nitrogen	Methanol US***	Europe	Elim.**	Total Methanol	Other	Elim.	Total
Total revenues	104.8	151.5	230.7	(20.0)	**467.0**	126.8	63.5	(14.7)	**175.6**	0.0	(8.7)	**633.9**
Gross profit	(15.7)	19.3	37.9	(0.7)	**40.8**	(23.2)	(2.0)	22.8	**(2.4)**	(22.8)	-	**15.6**
Operating profit	(20.4)	13.9	39.4	(0.7)	**32.2**	(28.7)	(2.1)	24.7	**(6.1)**	(53.2)	-	**(27.1)**
D&A	(51.9)	(17.4)	(44.4)	-	**(113.7)**	(30.7)	(4.5)	17.1	**(18.1)**	(1.1)	-	**(132.9)**
EBITDA	31.5	31.3	83.8	(0.7)	**145.9**	2.0	2.4	7.6	**12.0**	(52.1)	-	**105.8**
Adj. EBITDA	**31.5**	**31.3**	**77.9**	**(0.7)**	**140.0**	**8.7**	**2.8**	**0.7**	**12.2**	**(45.0)**	**-**	**107.2**

Segment overview 9M 2020

$ million	Nitrogen US	Europe	Fertiglobe*	Elim.	Total Nitrogen	Methanol US	Europe	Elim.**	Total Methanol	Other	Elim.	Total
Total revenues	398.5	562.4	1,052.4	(42.0)	**1,971.3**	327.9	212.1	(43.6)	**496.4**	1.0	(30.3)	**2,438.4**
Gross profit	43.4	71.2	170.1	0.9	**285.6**	4.5	3.0	(8.1)	**(0.6)**	(0.6)	-	**284.4**
Operating profit	30.7	44.1	111.3	0.9	**187.0**	(13.8)	(1.0)	(1.1)	**(15.9)**	(40.5)	-	**130.6**
D&A	(104.8)	(60.4)	(200.7)	-	**(365.9)**	(105.1)	(20.8)	56.0	**(69.9)**	(2.8)	-	**(438.6)**
EBITDA	135.5	104.5	312.0	0.9	**552.9**	91.3	19.8	(57.1)	**54.0**	(37.7)	-	**569.2**
Adj. EBITDA	**135.5**	**111.7**	**315.5**	**0.9**	**563.6**	**73.5**	**19.0**	**(4.0)**	**88.5**	**(48.2)**	**-**	**603.9**

Segment overview 9M 2019

$ million	Nitrogen US	Europe	Fertiglobe*	Elim.	Total Nitrogen	Methanol US***	Europe	Elim.**	Total Methanol	Other	Elim.	Total
Total revenues	407.0	617.9	697.7	(76.0)	**1,646.6**	424.4	186.4	(49.2)	**561.6**	-	(24.3)	**2,183.9**
Gross profit	53.6	84.3	137.3	(1.2)	**274.0**	(11.4)	(11.4)	11.9	**(10.9)**	(29.6)	-	**233.5**
Operating profit	40.5	58.0	119.4	(1.2)	**216.7**	(27.8)	(14.3)	17.3	**(24.8)**	(100.0)	-	**91.9**
D&A	(118.2)	(51.2)	(132.0)	-	**(301.4)**	(93.9)	(9.7)	50.6	**(53.0)**	(3.3)	-	**(357.7)**
EBITDA	158.7	109.2	251.4	(1.2)	**518.1**	66.1	(4.6)	(33.3)	**28.2**	(96.7)	-	**449.6**
Adj. EBITDA	**158.7**	**111.1**	**245.5**	**(1.2)**	**514.1**	**81.1**	**(3.2)**	**-**	**77.9**	**(80.4)**	**-**	**511.6**

** Previously Nitrogen MENA segment. Fertil consolidated from Q4 2019*

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

**** Until 2019 OCI Fuels Ltd. was included in segment Methanol US. Effective 1 January 2020, OCI Fuels Ltd. has been combined with OCI Fuels B.V. in the segment Methanol Europe. The comparative numbers of 2019 are restated to reflect that change.*

Financial Highlights

Summary results

Consolidated revenue increased by 19% to $752 million in the third quarter of 2020 compared to the same quarter in 2019, as higher total volumes sold more than offset lower selling prices of our nitrogen products and methanol.

Adjusted EBITDA increased by 79% to $192 million in Q3 2020 compared to $107 million in Q3 2019. The nitrogen segments benefited from higher sales volumes and lower gas prices, offsetting lower selling prices for all products. The methanol group's adjusted EBITDA was higher in Q3 2020 compared to Q3 2019 due to an increase in production volumes offsetting the sharp drop in methanol prices.

The adjusted net loss was $67 million in Q3 2020 compared to a net loss of $120 million in Q3 2019. The reported net loss (after non-controlling interest) was $37 million in Q3 2020 compared to a net loss of $183 million in Q3 2019.

Consolidated Statement of Income*

$ million	Q3 2020	Q3 2019	9M 2020	9M 2019
Net revenue	**751.9**	633.9	**2,438.4**	2,183.9
Cost of Sales	**(671.5)**	(618.3)	**(2,154.0)**	(1,950.4)
Gross profit	**80.4**	15.6	**284.4**	233.5
SG&A	**(59.1)**	(45.4)	**(168.3)**	(143.9)
Other Income	**1.0**	2.0	**14.4**	4.8
Other expense	**0.4**	0.7	**0.1**	(2.5)
Adjusted EBITDA	**191.5**	107.2	**603.9**	511.6
EBITDA	**171.6**	105.8	**569.2**	449.6
Depreciation & amortization	**(149.0)**	(132.9)	**(438.6)**	(357.7)
Operating profit	**22.7**	(27.1)	**130.6**	91.9
Interest income	**1.2**	1.3	**3.8**	4.4
Interest expense	**(69.8)**	(74.6)	**(188.1)**	(222.5)
Other finance income / (cost)	**21.9**	(26.9)	**26.8**	(39.9)
Net finance costs	**(46.7)**	(100.2)	**(157.5)**	(258.0)
Income from equity-accounted investees	**3.3**	(32.0)	**(24.1)**	(39.9)
Net income before tax	**(20.7)**	(159.3)	**(51.0)**	(206.0)
Income tax expense	**(8.5)**	(10.8)	**(11.9)**	(6.7)
Net profit / (loss)	**(29.2)**	(170.1)	**(62.9)**	(212.7)
Non-Controlling Interest	**(7.8)**	(12.4)	**(57.9)**	(31.1)
Net profit / (loss) attributable to shareholders	**(37.0)**	(182.5)	**(120.8)**	(243.8)

** 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 third quarters of 2020 and 2019 relate to:

- Natgasoline is not consolidated and an adjustment of $13 million was made for OCI's 50% share in the plant's EBITDA in Q3 2020. Natgasoline's negative contribution to adjusted EBITDA in Q3 2019 was $1 million
- OCI Beaumont and Natgasoline were pre-emptively shut down ahead of the arrival of hurricane Laura in August 2020. The resulting total impact of lost methanol revenues and margin is estimated to be $9.5 million. Our facilities did not incur physical damage as a result of the hurricane
- The impact of the mandatory inspection stop due to COVID-19 rescheduling at OCI Nitrogen in Q3 2020 in the Netherlands is estimated to be c.$7 million
- The unrealized results on natural gas hedge derivatives of $10 million in Q3 2020 and $3 million in Q3 2019 relate to hedging activities at OCI Beaumont and in the Netherlands

Reconciliation of reported operating income to adjusted EBITDA

$ million	Q3 '20	Q3 '19	9M '20	9M '19	Adjustment in P&L
Operating profit as reported	22.7	(27.1)	130.6	91.9	
Depreciation and amortization	149.0	132.9	438.6	357.7	
EBITDA	**171.6**	**105.8**	**569.2**	**449.6**	
APM adjustments for:					
Natgasoline	13.1	(1.4)	36.9	40.6	*OCI's share of Natgasoline EBITDA*
Unrealized result natural gas hedging	(9.6)	(3.2)	(10.5)	5.5	*COGS*
Gain on purchase related to Fertiglobe	-	-	(13.3)	-	*Other income*
Expenses related to expansion projects	-	0.4	-	1.4	*SG&A / other expenses*
Hurricane Laura shutdown	9.5	-	9.5	-	*OCI Beaumont and 50% of Natgasoline*
Mandatory inspection at OCI Nitrogen	7.2	-	7.2	-	
Other including provisions	(0.3)	5.6	4.9	14.5	
Total APM adjustments	**19.9**	**1.4**	**34.7**	**62.0**	
Adjusted EBITDA	**191.5**	**107.2**	**603.9**	**511.6**	

Net income attributable to shareholders

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

Reconciliation of reported net income to adjusted net income

$ million	Q3 '20	Q3 '19	9M '20	9M '19	Adjustment in P&L
Reported net loss attributable to shareholders	**(37.0)**	**(182.5)**	**(120.8)**	**(243.8)**	
Adjustments for:					
Adjustments at EBITDA level	19.9	1.4	34.7	62.0	
Add back: Natgasoline EBITDA adjustment	(13.1)	1.4	(36.9)	(40.6)	
Result from associate (change in unrealized gas hedging Natgas)	(15.3)	8.4	(16.2)	7.0	*Finance expenses*
Accelerated depreciation	-	17.6	1.2	17.6	*Depreciation*
Impairment of PP&E	1.0	24.2	1.0	26.1	
Forex gain/loss on USD exposure	(20.6)	25.3	(36.9)	28.2	*Finance income and expense*
Non-controlling interest adjustment / release interest accrual	(1.1)	(10.6)	5.4	(11.4)	*Interest expense / minorities*
Tax effect of adjustments	(0.5)	(4.9)	(0.1)	(10.1)	*Income tax*
Total APM adjustments at net income level	**(29.8)**	**62.8**	**(47.9)**	**78.8**	
Adjusted net loss attributable to shareholders	**(66.7)**	**(119.7)**	**(168.6)**	**(165.0)**	

Free Cash Flow and Net Debt

Free cash flow before growth capex amounted to ($7) million during Q3 2020 reflecting our operational performance for the quarter, offset by net operating working capital outflows, mostly due to a seasonal build-up of inventories, and capital expenditures.

Total cash capital expenditures were $47 million in Q3 2020 compared to $139 million in Q3 2019.

Net debt increased by $77 million from $3,840 million at 30 June 2020 to $3,917 at 30 September 2020 due to the increase in working capital as well as an FX impact on Euro-denominated bonds. Total deleveraging of $145 million has been achieved year to date in 2020.

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

$ million	Q3 '20	Q3 '19	9M '20	9M '19
EBITDA	171.6	105.8	569.2	449.6
Working capital	(92.0)	0.2	(85.7)	(17.1)
Maintenance capital expenditure	(46.5)	(78.0)	(189.0)	(123.3)
Tax paid	(5.5)	(16.4)	(12.9)	(56.4)
Interest paid	(18.3)	(38.8)	(173.2)	(188.7)
Dividends from equity accounted investees	-	-	2.6	1.6
Dividends paid to non-controlling interests	(26.4)	(6.1)	(26.4)	(6.1)
Insurance received Sorfert	-	-	-	31.8
Adjustment other non-cash expenses	9.7	3.9	13.9	14.2
Free Cash Flow	**(7.4)**	**(29.4)**	**98.5**	**105.6**
Reconciliation to change in net debt:				
Growth capital expenditure	(0.8)	(60.7)	(22.1)	(123.8)
Cash received for Fertiglobe closing settlement	-	-	166.8	-
Lease payments	(8.9)	(6.8)	(33.0)	(21.2)
Other non-current items	(2.7)	49.8	(4.9)	57.4
Net effect of movement in exchange rates on net debt	(53.6)	44.6	(42.2)	48.0
Other non-cash items	(4.0)	(3.9)	(18.1)	(5.4)
Net Cash Flow / Decrease (Increase) in Net Debt	**(77.4)**	**(6.4)**	**145.0**	**60.6**

Notes

This report contains unaudited third 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.

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 6 November 2020, at 16:00 CET, OCI N.V. will host a conference call for investors and analysts. Investors can access the call by dialling +44 (0) 20 3009 5710 or 1 (866) 869 2321 using conference ID 8457478.

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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