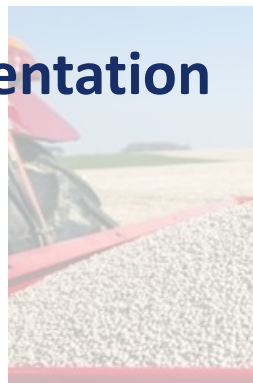




# Q2 2019 Results Presentation

30 August 2019



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# Overview Q2 2019 Results

## Highlights

### Summary

#### Own-produced volumes sold +25% in Q2 2019 vs. Q2 2018

- Quarterly record of 3.1 million metric tons
- Total nitrogen fertilizer volumes +23%
- Methanol volumes +29% driven by Natgasoline
- Record DEF volumes

#### Revenues increased 20% in Q2 2019 vs. Q2 2018

- Driven by the higher sales volumes, partly reflecting volume deferrals in first quarter

#### Adjusted EBITDA increased 35% in Q2 2019 vs. Q2 2018

- To a quarterly record, driven by the higher revenues and lower natural gas costs
- Sales offset by one-off negative effects of \$35m mostly from an unplanned shutdown at OCI Beaumont

#### Free cash flow of \$151 million during Q2 2019

#### Recent events

- BioMCN's second line and expansion at OCI Beaumont successfully started production during summer, increasing OCI's proportionate methanol capacity by 27% to 2.95 mtpa
- In June, OCI announced a strategic partnership with ADNOC, further consolidating nitrogen fertilizer industry

### Key Financials<sup>1)</sup> and KPIs

	Q2 2019	Q2 2018	% Δ	H1 2019	H1 2018	% Δ
<b>Revenue</b>	953.5	792.7	20%	1,550.0	1,537.5	1%
Gross Profit	165.4	160.3	3%	217.9	330.0	(34%)
<b>Adjusted EBITDA<sup>2)</sup></b>	275.1	203.5	35%	404.4	438.6	(8%)
EBITDA <sup>2)</sup>	221.6	215.2	3%	343.8	467.3	(26%)
<b>Adj. net income (loss) attributable to shareholders</b>	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
	30-Jun-19	31-Mar-19	% Δ			
Gross 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 <sup>2)</sup>	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%)
<b>Sales volumes ('000 metric tons)<sup>3)</sup></b>						
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%
<b>Total Product Volumes</b>	<b>3,572.9</b>	<b>2,848.9</b>	<b>25%</b>	<b>5,742.9</b>	<b>5,363.5</b>	<b>7%</b>

1) Unaudited

2) OCI N.V. uses Alternative Performance Measures (APMs) to provide a better understanding of the underlying 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.

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

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## Details of Q2 2019 Results

## Financial Highlights - Consolidated Statement of Income<sup>\*)</sup>

\$ million	Q2 2019	Q2 2018	H1 2019	H1 2018
<b>Net revenue</b>	<b>953.5</b>	<b>792.7</b>	<b>1,550.0</b>	<b>1,537.5</b>
Cost of Sales	(788.1)	(632.4)	(1,332.1)	(1,207.5)
<b>Gross profit</b>	<b>165.4</b>	<b>160.3</b>	<b>217.9</b>	<b>330.0</b>
<i>Gross profit % of revenues</i>	<i>17.3%</i>	<i>20.2%</i>	<i>14.1%</i>	<i>21.5%</i>
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)
<b>Adjusted EBITDA</b>	<b>275.1</b>	<b>203.5</b>	<b>404.4</b>	<b>438.6</b>
<b>EBITDA</b>	<b>221.6</b>	<b>215.2</b>	<b>343.8</b>	<b>467.3</b>
<i>EBITDA % of revenues</i>	<i>23.2%</i>	<i>27.1%</i>	<i>22.2%</i>	<i>30.4%</i>
Depreciation & amortization	(111.5)	(102.5)	(224.8)	(204.8)
<b>Operating profit</b>	<b>110.1</b>	<b>112.7</b>	<b>119.0</b>	<b>262.5</b>
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)
<b>Net finance costs</b>	<b>(66.3)</b>	<b>(122.4)</b>	<b>(157.8)</b>	<b>(193.6)</b>
Income from equity-accounted investees	1.8	(8.7)	(7.9)	(12.3)
<b>Net income before tax</b>	<b>45.6</b>	<b>(18.4)</b>	<b>(46.7)</b>	<b>56.6</b>
Income tax expense	(6.0)	13.3	4.1	5.7
<b>Net profit / (loss)</b>	<b>39.6</b>	<b>(5.1)</b>	<b>(42.6)</b>	<b>62.3</b>
Non-Controlling Interest	(19.7)	(34.4)	(18.7)	(77.3)
<b>Net profit / (loss) attributable to shareholders</b>	<b>19.9</b>	<b>(39.5)</b>	<b>(61.3)</b>	<b>(15.0)</b>

\* Unaudited

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

## Financial Highlights – Reconciliation of Adjusted EBITDA

### 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	
<b>EBITDA</b>	<b>221.6</b>	<b>215.2</b>	<b>343.8</b>	<b>467.3</b>	
<u>APM adjustments for:</u>					
Natgasoline	33.9	-	42.0	-	<i>OCI's share of Natgasoline EBITDA</i>
Expenses related to expansion projects	0.5	1.0	1.0	1.0	<i>SG&amp;A / other expenses</i>
Sorfert insurance income / release of provision	-	(13.8)	-	(30.8)	<i>Revenue / other income</i>
Unrealized loss / (gain) natural gas hedging	10.6	-	8.7	-	<i>COGS</i>
Other adjustments	8.5	1.1	8.9	1.1	
<b>Total APM adjustments</b>	<b>53.5</b>	<b>(11.7)</b>	<b>60.6</b>	<b>(28.7)</b>	
<b>Adjusted EBITDA</b>	<b>275.1</b>	<b>203.5</b>	<b>404.4</b>	<b>438.6</b>	

## Financial Highlights – Net Income Bridge to Adjusted Net Income

### Reconciliation of reported net income to adjusted net income

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

## Financial Highlights – Free Cash Flow

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

\$ million	Q2 2019	Q2 2018	H1 2019	H1 2018
<b>EBITDA</b>	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
<b>Free Cash Flow</b>	<b>150.9</b>	<b>133.3</b>	<b>135.0</b>	<b>247.3</b>
<b>Reconciliation to change in net debt:</b>				
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)
<b>Net Cash Flow / Decrease (Increase) in Net Debt</b>	<b>110.3</b>	<b>99.7</b>	<b>67.0</b>	<b>110.9</b>



## Product Sales Volumes ('000 metric tons)

	Q2 2019	Q2 2018	% Δ	H1 2019	H1 2018	% Δ
<b>Own Product</b>						
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%)
<b>Total Fertilizer</b>	<b>2,526.5</b>	<b>2,060.1</b>	<b>23%</b>	<b>3,690.8</b>	<b>3,813.8</b>	<b>(3%)</b>
Methanol <sup>1)</sup>	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%
<b>Total Industrial Chemicals</b>	<b>557.8</b>	<b>402.7</b>	<b>39%</b>	<b>1,088.1</b>	<b>820.2</b>	<b>33%</b>
<b>Total Own Product Sold</b>	<b>3,084.3</b>	<b>2,462.8</b>	<b>25%</b>	<b>4,778.9</b>	<b>4,634.0</b>	<b>3%</b>
<b>Traded Third Party</b>						
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
<b>Total Traded Third Party</b>	<b>488.6</b>	<b>386.1</b>	<b>27%</b>	<b>964.0</b>	<b>729.5</b>	<b>32%</b>
<b>Total Own Product and Traded Third Party</b>	<b>3,572.9</b>	<b>2,848.9</b>	<b>25%</b>	<b>5,742.9</b>	<b>5,363.5</b>	<b>7%</b>

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

# Segment Information

## 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)
<b>Total revenues</b>	<b>211.0</b>	<b>272.3</b>	<b>275.1</b>	<b>138.3</b>	<b>61.6</b>	<b>(4.8)</b>	<b>-</b>	<b>953.5</b>
<b>Gross profit</b>	<b>56.7</b>	<b>41.3</b>	<b>82.1</b>	<b>(4.8)</b>	<b>3.3</b>	<b>(9.4)</b>	<b>(3.8)</b>	<b>165.4</b>
<b>Operating profit</b>	<b>54.3</b>	<b>30.5</b>	<b>72.0</b>	<b>(13.3)</b>	<b>3.2</b>	<b>(7.8)</b>	<b>(28.8)</b>	<b>110.1</b>
Depreciation & amortization	(32.6)	(16.6)	(44.4)	(31.7)	(2.5)	17.5	(1.2)	(111.5)
<b>EBITDA</b>	<b>86.9</b>	<b>47.1</b>	<b>116.4</b>	<b>18.4</b>	<b>5.7</b>	<b>(25.3)</b>	<b>(27.6)</b>	<b>221.6</b>
<b>Adjusted EBITDA</b>	<b>86.9</b>	<b>49.0</b>	<b>116.4</b>	<b>33.9</b>	<b>6.2</b>	<b>-</b>	<b>(17.3)</b>	<b>275.1</b>

## 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)
<b>Total revenues</b>	<b>139.1</b>	<b>210.6</b>	<b>287.4</b>	<b>95.6</b>	<b>56.3</b>	<b>-</b>	<b>3.7</b>	<b>792.7</b>
<b>Gross profit</b>	<b>22.4</b>	<b>2.9</b>	<b>94.1</b>	<b>30.7</b>	<b>2.2</b>	<b>8.0</b>	<b>-</b>	<b>160.3</b>
<b>Operating profit</b>	<b>19.3</b>	<b>(5.7)</b>	<b>80.7</b>	<b>24.3</b>	<b>0.8</b>	<b>9.5</b>	<b>(16.2)</b>	<b>112.7</b>
Depreciation & amortization	(26.2)	(15.5)	(42.9)	(15.1)	(2.6)	-	(0.2)	(102.5)
<b>EBITDA</b>	<b>45.5</b>	<b>9.8</b>	<b>123.6</b>	<b>39.4</b>	<b>3.4</b>	<b>9.5</b>	<b>(16.0)</b>	<b>215.2</b>
<b>Adjusted EBITDA</b>	<b>45.5</b>	<b>9.8</b>	<b>109.8</b>	<b>40.5</b>	<b>4.4</b>	<b>9.5</b>	<b>(16.0)</b>	<b>203.5</b>

# *OCI*



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