

OCI Global Reports Q4 2023 Results

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Financial Highlights

- **OCI Global (Euronext: OCI)** reported total FY 2023 revenues of \$5,022 million, a decrease of 48% YoY, and total FY 2023 adjusted EBITDA of \$1,214 million, a decrease of 69% YoY. Q4 2023 revenues of \$1,209 million and Q4 2023 adjusted EBITDA of \$310 million represented a 45% and a 54% decline YoY respectively. The YoY declines were driven primarily by materially lower nitrogen pricing globally, partially offset by a reduction in natural gas prices in Europe and the US. Quarter-on-quarter, adjusted EBITDA increased 28% as a result of a recovery in global ammonia prices.
- Adjusted net loss from total operations in Q4 2023 was \$46 million, versus adjusted net profit of \$205 million in Q4 2022.
- Total operating free cash flow was \$16 million in Q4 2023.
- Net debt from total operations was \$3,740 million at 31 December 2023, with total net leverage of 3.1x on a consolidated basis.
- In December 2023, OCI entered into a binding equity purchase agreement for the sale of 100% of its equity interests in Iowa Fertilizer Company LLC (“IFCo”) to Koch Ag & Energy Solutions (“KAES”) for a purchase price consideration of \$3.60 billion on a cash free debt free basis, following a competitive process. OCI also announced the sale of its 50% stake in Fertiglobe (ADX: FERTIGLB) to Abu Dhabi National Oil Company P.J.S.C. (“ADNOC”) in December for a total consideration of \$3.62 billion, fully exiting and monetizing its entire equity stake. OCI and ADNOC have further entered into an agreement to explore global strategic collaboration on future joint investments in decarbonization and product distribution across North America and Europe.
- Proceeds from these two transactions will be used to significantly reduce holding company debt to a net cash position by year-end 2024, alongside a substantial distribution of capital to shareholders of at least \$3 billion, whilst continuing to execute announced growth initiatives.
- OCI has suspended its semi-annual cash distribution in light of recent strategic activity during the period and given extraordinary distributions of capital to shareholders expected to be made in FY 2024 from transaction proceeds
- Pursuant to the recently announced divestments, and as a result of inbound interest in the continuing business, OCI is currently exploring further value creative strategic actions.
- Discontinued Operations in the Segment Analysis include Fertiglobe, IFCo and a portion of N-7 operations.

Ahmed El-Hoshy, CEO of OCI Global commented:

“We are proud of OCI’s achievements in 2023, a challenging yet transformational year for the company. Encouragingly, OCI benefited in the fourth quarter from positive momentum in nitrogen prices globally, which helped offset lower volumes at IFCo, attributable to the extended turnaround. In contrast, methanol has seen a more challenging year, with down-cycle pricing and uncertainty around key macroeconomic drivers.

The successive announcements of the sale of our equity holding in Fertiglobe to ADNOC, and our industry leading Iowa fertilizer asset to KAES in December 2023 marked a pivotal juncture in OCI’s history. The transactions are expected to deliver \$7.2 billion of gross cash proceeds subject to customary closing conditions and receipt of relevant antitrust approvals, and both are expected to close this year. This significant value unlock has helped narrow the discount to OCI’s intrinsic value and further reinforces OCI’s extended track record of value creation.

Looking ahead, we remain focused on running our operations effectively whilst working towards the successful closing of both transactions. On a continuing basis, our strategically differentiated and well capitalized platform is optimally positioned to accelerate efforts in the energy transition space, consolidating early mover advantages and leveraging superior execution capabilities in lower carbon products. We are targeting to materially increase our earnings from our low carbon ammonia and methanol portfolio in the coming years. This portfolio includes OCI’s low carbon ammonia and methanol complex in Texas, our uniquely positioned European fertilizer and integrated nitrates business in the centre of Europe’s agricultural heartland, our growing AdBlue/DEF capacity in Europe, and our unique import and distribution capacity at the Port of Rotterdam. We remain the leading green methanol producer globally and our low carbon initiatives cumulatively place us well ahead of our peers, enabling us to capitalize upon the increasing demand for ammonia and methanol from emerging applications such as shipping fuel and power generation, as well as further decarbonizing existing agricultural and industrial

end markets.

In closing, we look forward to an exciting year ahead and I wish to personally thank the entire OCI team for their tireless focus on operational and process safety, which remains our top priority, and my colleagues' ongoing commitment to manufacturing excellence."

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Attachments

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