

OCI Global Announces Agreement for the Sale of IFCO to Koch

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- OCI Global (“OCI”) has 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”)
- Purchase price consideration of USD 3.6 billion on a cash free debt free basis following a competitive process
- Marks a significant milestone in OCI’s strategy to unlock value for shareholders
- Proceeds from this transaction will be used to significantly reduce holding company debt; a return of capital to shareholders will be considered within the context of OCI’s capital returns framework and alongside future investment in decarbonisation growth opportunities

Netherlands, 18 December 2023 : OCI Global (Euronext: OCI), a leading global producer and distributor of hydrogen products today announced that it has reached an agreement for the sale of 100% of its indirect interest in its large-scale US greenfield nitrogen fertilizer facility Iowa Fertilizer Company LLC, located in Wever, Iowa, USA to Koch Ag & Energy Solutions for a total consideration of USD 3.6 billion on a tax free basis, subject to a customary cash, debt and normalized level of working capital adjustment.

Consummation of the transaction remains subject to receipt of certain US antitrust approval and other customary closing conditions. The transaction does not require OCI's shareholders to vote on approval. The transaction is expected to close in 2024.

Morgan Stanley & Co. International plc is serving as financial advisor to OCI on the transaction. Cleary Gottlieb Steen & Hamilton LLP is acting as its legal advisor.

Strategic review update

OCI launched a multi-faceted strategic review in March 2023, with the objective of closing the discount to OCI’s intrinsic value and unlocking value for its shareholders. Today’s announcement marks an important step in delivering these objectives, with the crystallisation of USD 3.6 billion of value for OCI. The transaction is expected to result in a reduction in holding company net debt and deliver a capital return to shareholders, enabling the remaining enterprise to explore incremental value accretive opportunities in the energy transition space, building on its early mover lower-carbon ammonia and green methanol platforms.

Nassef Sawiris, Executive Chairman of OCI commented: “Today’s announcement marks an evolutionary step in our journey to create value for shareholders, and to enhance our focus on efforts in lower carbon initiatives. IFCO was the first world-scale greenfield nitrogen fertilizer facility built in the United States in over 25 years. We are confident that under KAES’s stewardship, IFCO will be well positioned for its next phase of growth. Our strengthened balance sheet will support the acceleration of our strategy in the field of decarbonisation projects, driving future growth and supporting the energy transition goals we share with many of our stakeholders, establishing us as a leader in the low carbon space.”

Ahmed El Hoshy, CEO of OCI commented: “We are incredibly proud of IFCO’s extraordinary achievements since commissioning in April 2017 and want to thank all the OCI and IFCO employees who have contributed to this remarkable success. We are exceptionally proud to have single-handedly built a world-class global nitrogen facility and revitalised a core industry in the United States. Today’s transaction is a testament to the team’s efforts and marks a natural evolution in OCI’s journey to create long-term sustainable value for all its stakeholders. I look forward to continuing the journey of value creation and fast-tracking sustainability focused value accretive projects across our platform, including our blue ammonia project in Texas, with expected completion in 2025 and continued growth in our low carbon methanol business.”

Hassan Badrawi, CFO of OCI commented: “Combined with the recent sale of Fertiglobe, OCI is crystallising \$7.2 billion of tax-free gross cash proceeds. The resultant financial profile provides significant flexibility to achieve all OCI’s goals, including to explore future value accretive growth opportunities and to afford the ability to meaningfully return capital to shareholders.”

A conference call for investors and analysts will be hosted today, Monday 18 December, 2023, at 2pm GMT / 9am ET / 3pm CET. Registration details are available [here](#) .

This press release contains information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

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Attachments

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Mergers, Acquisitions and Disposals

OCI