

OCI Global Announces Agreement for the Sale of its Global Methanol Business to Methanex

- OCI Global (“OCI”, the “Company”) has entered into a binding equity purchase agreement for the sale of 100% of its equity interests in its Global Methanol Business (“OCI Methanol”) to Methanex Corporation (“Methanex”), (the “Transaction”).
- Purchase price consideration of USD 2.05 billion on a cash-free and debt-free basis (“Enterprise Value” or “Transaction Consideration”) following a competitive process.
- The Transaction Consideration will be paid through a combination of approximately USD 1.15 billion of cash (taking into account expected net indebtedness) subject to customary closing adjustments, and the issuance of 9.9 million of common shares of Methanex (“Methanex Shares”). The Methanex Shares provide OCI with the opportunity to participate in potential upside from the Transaction such as improvements in operations of the combined business and potential improvements in the methanol industry cycle. OCI is expected to become an approximately 13 per cent shareholder, and the second largest shareholder in Methanex following the Transaction.
- The Transaction is expected to close in the first half of 2025 subject to satisfaction of certain regulatory approvals, customary closing conditions, and receipt of OCI shareholder approval. OCI’s Board of Directors has approved the Transaction and has recommended that its shareholders approve the Transaction. An agreement to vote for the Transaction has been signed by the largest shareholder of OCI with an interest of approximately 39 percent in the Company.
- Proceeds from the Transaction will be considered alongside expected proceeds from OCI’s previously announced divestitures in IFCo, Fertiglobe and OCI Clean Ammonia (the “Divestitures”). Cumulatively, the Divestitures are expected to crystallize approximately USD 11.6 billion of gross proceeds for OCI and will afford the Company considerable flexibility to unlock value for all its stakeholders. Proceeds will be prioritized to significantly reduce OCI holding company gross debt and to return capital to shareholders. Future guidance on OCI’s capital allocation framework will be provided in due course.

AMSTERDAM, 9 September 2024 : OCI Global (Euronext: OCI), (“OCI”, the “Company”), a leading global producer and distributor of hydrogen products today announced that it has reached an agreement for the sale of 100% of its equity interests in its Global Methanol Business (“OCI Methanol”) to Methanex Corporation (“Methanex”) for a total consideration of USD 2.05 billion on a cash-free and debt-free basis (the “Transaction”).

Transaction details

- Under the proposed Transaction, Methanex will acquire 100% of the equity interests in OCI Methanol, comprising 100% of OCI’s US and European methanol assets respectively. OCI Methanol is indirectly owned 85% by OCI and 15% by its partners Alpha Dhabi Holding PJSC and ADQ.
- The Transaction Consideration will be paid through a combination of approximately USD 1.15 billion of cash (taking into account net indebtedness) subject to customary closing adjustments, and the issuance of 9.9 million of common shares of Methanex (“Methanex Shares”). Based on a price of USD 45 per share, Methanex share consideration of 9.9 million is valued at USD 450 million, resulting in OCI ownership in enlarged Methanex of approximately 13 per cent. Financing is not a condition precedent for the Transaction.
- The sale of OCI Methanol’s indirect 50% stake in the Natgasoline LLC joint venture (“Natgasoline”) as part of the

Transaction is subject to the resolution of a lawsuit filed in the Delaware Court of Chancery by Proman (CEL) ("Proman"), which indirectly owns the remaining 50% stake in Natgasoline. Forty percent of the gross Transaction Consideration and 23% of the net Transaction Consideration (taking into account net indebtedness) - or 23% of the implied equity value - is attributable to Natgasoline. OCI believes that Proman's claims are without merit.

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About OCI Methanol

OCI Methanol is a leading methanol producer in the US and through OCI HyFuels, a leading producer and distributor of green methanol today. OCI Methanol's total productive capacity comprises the following assets:

- A methanol facility in Beaumont, Texas with an annual production capacity of 910,000 tonnes of methanol and 340,000 tonnes of ammonia. This plant was restarted in 2011 and since that time the plant has been upgraded with USD 800 million of capital for full site refurbishment and debottlenecking.
- A 50 percent interest in a second methanol facility also in Beaumont, Texas, operated by Natgasoline, which is a joint venture with Proman. The Natgasoline plant was commissioned in 2018 and has an annual capacity of 1.7 million tonnes of methanol, of which Methanex's share will be 850,000 tonnes.
- OCI's HyFuels business, which produces and sells industry-leading volumes of low-carbon methanol and has trading and distribution capabilities for renewable natural gas (RNG).
- A methanol facility in Delfzijl, Netherlands with an annual capacity to produce one million tonnes of methanol. This facility is not currently in production due to unfavorable pricing for natural gas feedstock.

OCI Methanol's assets are in highly strategic developed market locations across the United States and Europe with access to stable and low-cost USGC natural gas enabling first quartile cost curve positions, and with extensive distribution and storage capabilities near major industrial demand centres and key bunkering hubs.

OCI HyFuels is a pioneering first-mover in providing the road, marine, power, and industrial sectors with renewable and low-carbon fuel alternatives to meet evolving regulatory requirements. The business includes the production and distribution of green methanol, bio-MTBE, renewable natural gas, and ethanol.

Methanol and ammonia are key enablers of the hydrogen economy and the most logical hydrogen fuels, key to decarbonizing hard to abate industries including marine. The Transaction will enable Methanex to drive and accelerate the transition to a hydrogen economy.

Nassef Sawiris, Executive Chairman of OCI commented: "We are pleased with the opportunity to achieve a significant ownership position in Methanex and are highly confident in Methanex's ability to create enduring value for shareholders. As the global leader committed to safety and operational excellence, we identified Methanex as the natural owner of OCI Methanol at the outset of our strategic process, which we initiated in the spring of 2023."

Ahmed El Hoshy, CEO of OCI commented: "This is an outstanding strategic fit for Methanex. I would like to thank my OCI colleagues for their efforts in building such a strong globally competitive methanol platform, ultimately leading to this transaction. We look forward to working closely with Methanex's management to fully integrate the business and to ensure continuity and successful stewardship through closing and beyond."

Hassan Badrawi, CFO of OCI commented: "Combined with the recent divestitures, OCI is crystallizing approximately USD 11.6 billion of expected tax-free gross proceeds. The resulting financial profile provides significant flexibility to achieve all OCI's goals, including the ability to meaningfully return capital to shareholders."

Bashir Lebada, CEO of OCI Methanol Group commented: "This transaction is testament to the efforts of an exceptionally talented group across OCI Methanol's platform, who have prioritized value creation for the past 14 years. We

are proud of OCI's contributions to new applications, and in pioneering the use of methanol as a fuel globally, Methanex is well positioned to leverage OCI HyFuels to accelerate the transition to a low-carbon economy. Our highly profitable 350kt synloop-based ammonia production is also optimally placed to offer synergistic diversification, without meaningful capex. We are confident that the OCI team will pursue this work at pace with Methanex moving forward."

A conference call for investors and analysts will be hosted at 8am ET / 1pm BST / 2pm CET on 10 September.

- **Investors and analysts** can access the call and ask live questions by pre-registering [here](#). Upon registration, an individual access code and dial-in details will be automatically sent via email.
- **Other participants** may also join via the **webcast**. Please pre-register and join [here](#).

Morgan Stanley & Co. International plc is serving as exclusive financial advisor to OCI on the transaction. A&O Shearman is acting as its legal advisor.

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

[oci-methanol-sale-press-release.pdf](#)

Attachments

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