

OCI Global Reports Q2 2023 Results

Highlights

- Q2 2023 revenues decreased 52% to \$1.4 billion, adjusted EBITDA decreased 75% to \$326 million YoY, mostly due to lower selling prices
- Adjusted net loss was \$7 million in Q2 2023, versus adjusted net profit of \$528 million in Q2 2022
- H1 2023 revenues were \$2.7 billion, adjusted EBITDA \$662 million and adjusted net loss \$22 million
- Operating Free Cash Flow was positive \$211 million and Free Cash Flow (after minority distributions) was an outflow of \$222 million in Q2 2023
- Net debt was \$2.2 billion at 30 June 2023, or consolidated net leverage of 1.0x, after cash returns to OCI's shareholders of almost \$800 million in April 2023
- OCI has launched a cost optimization initiative to reinforce its first quartile positioning on the global cost curve, with target run-rate savings of at least \$100 million per annum, of which at least \$50 million at Fertiglöbe, to be achieved by the end of 2024
- Comprehensive strategic review of all our business lines has positively progressed during the quarter with support of advisors. Expect to report key takeaways and potential decisions during the course of this year
- OCI proposes a dividend of €0.85 / share (c.\$200 million) with respect to the period H1 2023, bringing total cash returns to shareholders in calendar 2023 to €4.35 per share (c.\$1 billion)

Outlook

- **Nitrogen:** prices bottomed in Q2 and have begun rebounding into Q3, with Egypt urea prices up ~60% from trough levels in June 2023, underpinned by demand recovery, record low inventories and very tight supply:
 - Decade-low grain stocks driving rising crop futures and favorable farm economics incentivize significant increases in nitrogen demand, and support nitrogen price recovery
 - New capacity that was added and ramped up during 2022 and early 2023 has been absorbed, with limited new supply additions expected in the next four years
 - Warm weather is leading to higher gas demand for residential cooling, and causing reductions in global ammonia production in some countries as a result
- **Methanol:** prices have declined amid a weak economic environment, but are expected to be supported by a recovery in the global macro environment, higher oil prices and improving MTO affordability, boosted by an accelerating delivery of methanol-fueled ships

Hydrogen growth initiatives

- OCI is fueling the first ever green methanol powered container ship on its maiden journey from Korea to Europe, in a pioneering partnership with A.P. Moller – Maersk
- OCI has signed an offtake contract starting 2024 to supply Xpress Feeder Lines with green methanol in the Port of Rotterdam for their new-build methanol dual-fueled container feeders ships
- Texas Blue Ammonia is on track to start production early 2025, with foundations and civil works well underway, and erection of steel structures has begun

OCI Global (Euronext: OCI), a global producer and distributor of hydrogen products providing fertilizers, fuels, and feedstock to agricultural, transportation, and industrial customers around the world, today reported second quarter 2023 revenues of \$1.4 billion and adjusted EBITDA of \$326 million, reflecting lower selling prices compared to both the same quarter last year and the first quarter this year. Own-produced sales volumes are up slightly compared to the same quarter last year, but increased 35% from Q1 2023, on a healthy operational performance across our platform during the quarter.

Despite the decline in EBITDA, OCI Global generated operating free cash flow (before minority distributions) in Q2 and H1 2023 of \$211 and \$362 million respectively. Net debt increased from \$1.2 billion as of 31 December 2022 to \$2.2 billion as of 30 June 2023, following cash distributions to OCI and Fertigllobe shareholders in Q2 2023.

Ahmed El-Hoshy, CEO of OCI Global commented:

“Looking ahead, we are seeing a recovery in our markets and hydrogen growth initiatives progressing at speed, enhancing our status as a global leader in the energy transition.

Nitrogen markets bottomed during the second quarter and are tightening rapidly, with recent significant price increases for urea and a stabilization and slight recovery of ammonia despite the traditional summer lull for fertilizers.

We are also excited about the opportunity for our methanol business, despite the price declines during Q2 and a delay in demand recovery due to the continued weak macro environment. Methanol as a shipping fuel is kicking off now, with the first methanol-fueled container vessel delivered last month, which we estimate will create more than 6 million tons incremental methanol demand over the next 3-5 years. We are pleased to be partnering with some of the leading global shipping companies, including Maersk and Xpress Feeder Lines, and continue to see robust demand from many other ship owners.

Finally, the team did an outstanding job, as all plants demonstrated healthy on-stream performance during the quarter, resulting in a significant rebound in our sold volumes. We remain fully committed to our operational excellence program, to enable us to safely deliver higher organic volumes, supporting EBITDA and free cash flow over and above the effects of a market pricing recovery, and coupled with our capacity growth from our new initiatives.”

Progress on hydrogen fuels initiatives

- **Green methanol:** OCI is the largest green methanol producer in the world and recently announced it is fueling the first ever green methanol-powered container vessel with OCI HyFuels ISCC certified green methanol along its maiden voyage in a new partnership with A.P. Moller-Maersk (Maersk):
 - In July, OCI successfully bunkered the ship at the start of the voyage in Ulsan in Korea, and refueled at its first bunkering stop in the Port of Singapore
 - OCI will continue to fuel the ship at each of the bunkering stops on its voyage to Northern Europe including in Egypt and the Port of Rotterdam, working closely with port authorities and partners throughout, establishing a framework for future green methanol ship routes
 - This demonstrates OCI's global leadership in supplying and trading renewable and low carbon fuels to decarbonize energy-intensive industries
 - It provides proof-of-concept for green methanol as a safe, efficient, commercially-ready fuel for global shipping, establishing it as the low-carbon fuel catalyzing the decarbonization of the shipping industry

- This also paves the way for ammonia, with engines by manufacturers such as MAN, WinGD, Wärtsilä expected to be commercially available by 2025/26, and providing upside for bunkering. OCI is gaining important learnings from methanol as a marine fuel
- OCI continues to build out its marine fuel offering and has signed an offtake contract to supply Xpress Feeder Lines (XPF) with green methanol for their new-build methanol dual-fueled container feeders ships, starting in 2024 in the Port of Rotterdam:
 - a. XPF is the world's largest container feeder operator and will be the first common feeder operator with methanol-fueled vessels on the water in Europe
 - b. This new partnership will complete another link in the chain for the decarbonization of shipping, building on the commitments of container companies such as Maersk and creating end-to-end green fuel solutions in European ports
- **Texas Blue Ammonia:** the 1.1 mtpa project remains on track to start production in early 2025. Piling for OCI's ammonia plant is complete, foundations and civil works are well underway, and erection of steel structures has commenced
- Our Texas Blue Ammonia project and the logistic expansion program in Iowa have been selected as one of the projects eligible for funding under the USDA's \$900 million Fertilizer Production Expansion Program. The total potential grant amount is up to \$100 million, with the final funding decision subject to environmental review and other regulatory requirements
- Expansion of our **Rotterdam ammonia import terminal** to 1.2 million tons throughput capacity by Q1 2024
- We are on track to start production of DEF / AdBlue® in the Netherlands in Q1 2024
- Fertiglobe is making progress with its sustainability-focused projects and is expected to start the Front End Engineering Design (FEED) process for its green hydrogen to ammonia projects in the UAE and Egypt during H2 2023
- In addition, the Final Investment Decision (FID) on the Ta'ziz 1 mtpa low carbon ammonia project in Abu Dhabi is expected in the coming months

Cost savings

We recently launched an initiative to further optimize OCI's and Fertiglobe's cost structures and reinforce our top quartile cash cost positioning.

In May 2023, Fertiglobe announced cost optimization initiatives targeting \$50 million in recurring annualized savings to be achieved by the end of 2024, with 25-30% of these savings planned to be realized this year. Key focus areas include operating model enhancements and improvements in logistical capabilities (together contributing ~60% of the run rate savings) as well as operational cost and spending efficiencies.

OCI has identified further run-rate savings in the rest of the Group targeting at least \$50 million to be achieved by the end of 2024, bringing the total for the group to at least \$100 million.

In addition, OCI's and Fertiglobe's manufacturing improvement plans are on-going and on track to deliver operational and cost efficiencies by 2025.

Market outlook

OCI believes the outlook for nitrogen markets continues to be supported by crop fundamentals, elevated European gas pricing and tightening supply dynamics in the medium-term

- **Nitrogen prices bottomed in Q2 and have begun rebounding into Q3, underpinned by several factors including:**
 - **Demand recovery:** the recent decline in nitrogen pricing has improved affordability for farmers by ~20% since January 2023 and more than 30% since Q2 2022, and is accelerating demand growth for nitrogen
 - **Record low inventory levels:** the 2022-2023 fertilizer application season concluded with the lowest inventory levels in the past five years particularly in North America
 - **Tightening supply:** new capacity that was added and ramped up during 2022 and early 2023 has been absorbed, with limited new supply additions in the next four years
 - **El Niño impact:** the rapid emergence of El Niño has raised concerns about crop yields in the southern hemisphere, which could lead to higher crop prices, supporting the use of nitrogen fertilizers in the medium-term; it is also reducing gas availability for the production of ammonia
 - **Normalization of trade flows:** following the EU's removal of duty suspension on ammonia and urea in June 2023, with North African product exempt, Fertigllobe and OCI's European operations are expected to benefit from a normalization of trade flows
 - **India imports to step up:** it is expected that import demand from India will increase from 2.5 Mt in H1 to ~4 Mt urea in H2 2023, with potential further upside in H2 due to recent rains and flooding, an earlier-than-expected new tender, and recent reduced domestic production run-rates
- **Medium to long term nitrogen fundamentals also remain healthy, with anticipated demand recovery supporting the rebuilding of global grain stocks and a return of industrial demand:**
 - Global grain stock-to-use ratios remain at the lowest levels in 20 years, and it will likely take at least until 2025 to replenish stocks
 - Forward grain prices (US corn futures >\$5/bushel to the end of 2025 compared to \$3.7/bushel during 2015 - 2019, and US wheat futures >\$7/bushel, compared to \$4.8/bushel during 2015 - 2019) support farm incomes and incentivize nitrogen demand to be above historical trend levels
 - Ammonia markets appear to have stabilized, with higher cost economics, particularly in the East of Suez region, setting a firm floor. The increased fertilizer demand due to improved affordability is currently offsetting the lag in industrial demand recovery
 - Industry consultants expect a recovery in global ammonia trade from trough levels of ~17 million tons in 2022 and 2023 back towards historical levels of ~19+ million tons per annum

- **Nitrogen supply is expected to be tighter over 2023 – 2027:**
 - In 2022, 6 million tons of new urea capacity were commissioned, with some plants ramping up in 2023, but now largely absorbed
 - Industry consultants do not anticipate any major greenfield urea supply additions in 2023 and limited additions from 2024 to 2027, located mostly in Russia, generating a global supply/demand gap of ~4 million tons
 - Chinese urea exports are expected to remain low over the medium term in the range of 3 mtpa
- **Feedstock pricing is expected to remain well above historical averages:**
 - Despite a recent drop in gas prices, 2023 - 2025 forward European gas prices are c.\$15/mmBtu (or c.3x higher than 2015-2019), with higher prices anticipated for next winter
 - It is expected that El Niño could increase the demand for natural gas for summer cooling, which could result in upward pressure on natural gas prices and increased marginal cost of nitrogen production
 - Current ammonia and nitrate prices are below the marginal cash cost producer in Europe:
 - The gas forwards imply marginal cost support levels for ammonia of c.\$750/t (including full impact CO₂) and ~\$590/t (excluding CO₂) for next winter and 2024, which could result in temporary or permanent closures of European marginal production if pricing remains below cost for an extended period

OCI believes methanol fundamentals remain positive on a tentative recovery in the global macro environment, support from oil prices, new marine fuel demand and limited new supply

- Key methanol end markets have been weaker than expected this year, especially the recovery in China which had been anticipated to start during the first half of 2023:
 - Despite the lack of an immediate recovery amid on-going macro-economic challenges, methanol prices are supported by the marginal cost producer in China and higher oil prices
 - In addition, improved methanol affordability should support higher methanol-to-olefins (MTO) utilization rates which have remained at low levels YTD
- **There is potential meaningful upside from demand for hydrogen fuels, notably as a cleaner alternative for road and marine fuel applications:**
 - Methanol as a marine fuel continues to gain significant traction with over 200 vessels expected to be on the water over the next 5 years, including existing vessels, newbuilds on order as well as retrofits
 - Incremental demand from the maritime sector is expected to be more than 6 mtpa from the mid-to-late 2020's based on current orders for new vessels
 - Other than new-build orders, we are seeing methanol dual-fuel retrofit projects being announced which will lead to further incremental demand
- There are limited new methanol greenfield supply additions in the medium term, which should result in tightening methanol markets when end markets recover and demand from the maritime sector accelerates

Dividends

In April 2023, OCI returned \$797 million to shareholders and Fertiglobe distributed \$700 million of dividends (of which \$350 million to OCI) with respect to the period H2 2022. OCI expects to pay an interim dividend of €0.85 per share (or c.\$200 million) in October 2023, in line with OCI's capital allocation policy, with a balanced focus on capital allocation priorities including management of our Investment Grade credit rating, growth opportunities and shareholder returns. The ex-dividend date, record date and payment date for the distribution will be confirmed in due course.

Consolidated Financial Results at a Glance¹

Financial Highlights (\$ million unless otherwise stated)

\$ million unless otherwise stated	Q2 '23	Q2 '22	% Δ	6M '23	6M '22	% Δ
Revenue	1,372.1	2,857.7	(52%)	2,743.4	5,185.5	(47%)
Gross profit	199.5	1,169.4	(83%)	396.9	2,032.9	(80%)
Gross profit margin	14.5%	40.9%		14.5%	39.2%	
Adjusted EBITDA¹	325.6	1,289.9	(75%)	661.8	2,260.0	(71%)
EBITDA	261.5	1,229.2	(79%)	510.6	2,164.9	(76%)
<i>EBITDA margin</i>	19.1%	43.0%		18.6%	41.7%	
Adjusted net profit / (loss) attributable to shareholders¹	(6.5)	527.5	(101%)	(21.7)	881.7	(102%)
Reported net profit / (loss) attributable to shareholders	(90.4)	476.7	(119%)	(162.1)	886.4	(118%)
Earnings per share (\$)						
Basic earnings per share	(0.429)	2.269	(119%)	(0.770)	4.218	(118%)
Diluted earnings per share	(0.429)	2.256	(119%)	(0.770)	4.194	(118%)
Adjusted earnings per share	(0.031)	2.510	(101%)	(0.103)	4.196	(102%)
Capital expenditure	170.6	74.1	130%	327.1	125.5	161%
<i>Of which: Maintenance Capital Expenditure</i>	61.7	45.1	37%	165.0	89.3	85%
Free cash flow^{1,2}	(221.9)	928.4	(124%)	(71.1)	1,537.7	(105%)

¹ OCI presents certain financial measures when discussing OCI's performance, that are not measures of financial performance under IFRS. These non-IFRS measures of financial performance (also known as non-GAAP or alternative performance measures) are presented because management considers them important supplemental measures of OCI's performance and believes that similar measures are widely used in the industry in which OCI operates.

² 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 equity accounted investees, and before growth capital expenditures and lease payments.

	30-Jun-23	31-Dec-22	% Δ
Total Assets	9,428.5	9,771.1	(4%)
Gross Interest-Bearing Debt	3,853.0	2,875.7	34%
Net Debt	2,201.5	1,158.7	90%

	Q2 '23	Q2 '22	% Δ	6M '23	6M '22	% Δ
Sales volumes ('000 metric tons)						
OCI Product Sold ¹	3,075.2	3,061.5	0%	5,348.9	5,650.0	(5%)
Third Party Traded	796.5	900.0	(12%)	1,370.1	1,754.6	(22%)
Total Product Volumes	3,871.7	3,961.5	(2%)	6,719.0	7,404.6	(9%)

¹ Fully consolidated, not adjusted for OCI's proportionate ownership stake in plants, except OCI's 50% share of Natgasoline volumes

¹ Unaudited

Operational Highlights

Highlights:

- 12-month rolling recordable incident rate to 30 June 2023 was 0.29 incidents per 200,000 manhours
- Strong operational performance across the platform
- Own product sales volumes were 3.1 million metric tons during Q2 2023:
 - Total own-produced nitrogen product sales volumes were flat compared to Q2 2022
 - Total own-produced methanol sales volumes increased 9% compared to Q2 2022
- Lower natural gas prices resulted in realized gas hedging losses of \$48 million in Q2 2023

Product sales volumes ('000 metric tons)

'000 metric tons	Q2 '23	Q2 '22	% Δ	6M '23	6M '22	% Δ
Own Product						
Ammonia	508.3	547.6	(7%)	830.1	934.3	(11%)
Urea	1,140.8	1,192.7	(4%)	2,309.5	2,234.8	3%
Calcium Ammonium Nitrate (CAN)	345.4	276.8	25%	522.0	568.2	(8%)
Urea Ammonium Nitrate (UAN)	473.0	426.1	11%	673.1	755.7	(11%)
Total Fertilizer	2,467.5	2,443.2	1%	4,334.7	4,493.0	(4%)
Melamine	17.7	30.1	(41%)	27.8	61.1	(55%)
DEF	188.0	217.7	(14%)	362.8	443.9	(18%)
Total Nitrogen Products	2,673.2	2,691.0	(1%)	4,725.3	4,998.0	(5%)
Methanol¹	402.0	370.5	9%	623.6	652.0	(4%)
Total Own Product Sold	3,075.2	3,061.5	0%	5,348.9	5,650.0	(5%)
Traded third Party						
Ammonia	121.5	61.4	98%	164.3	118.6	39%
Urea	344.4	403.4	(15%)	576.1	853.2	(32%)
UAN	31.3	58.7	(47%)	83.7	83.0	1%
Methanol	96.2	74.2	30%	225.7	218.3	3%
Ethanol & other	23.0	-	nm	37.0	-	nm
AS	94.7	191.7	(51%)	145.6	285.8	(49%)
DEF	85.4	110.6	(23%)	137.7	195.7	(30%)
Total Traded Third Party	796.5	900.0	(12%)	1,370.1	1,754.6	(22%)
Total Own Product and Traded Third Party	3,871.7	3,961.5	(2%)	6,719.0	7,404.6	(9%)

¹ Including OCI's 50% share of Natgasoline volumes

Benchmark prices¹

			Q2 '23	Q2 '22	% Δ	6M '23	6M '22	% Δ	Q1'23	% Δ
Ammonia	NW Europe, FOB	\$/mt	386	1,240	(69%)	537	1,288	(58%)	688	(44%)
Ammonia	US Gulf Tampa contract	\$/mt	369	1,272	(71%)	557	1,220	(54%)	744	(50%)
Granular Urea	Egypt, FOB	\$/mt	335	795	(58%)	372	818	(55%)	409	(18%)
CAN	Germany, CIF	€/mt	272	710	(62%)	353	709	(50%)	434	(37%)
UAN	France, FCA	€/mt	264	679	(61%)	358	694	(48%)	452	(42%)
UAN	US Midwest, FOB	\$/mt	320	688	(53%)	357	682	(48%)	394	(19%)
Melamine	Europe contract	€/mt	2,465	3,765	(35%)	2,640	3,865	(32%)	2,815	(12%)
Methanol	USGC Contract, FOB	\$/mt	560	634	(12%)	572	625	(8%)	583	(4%)
Methanol	Rotterdam FOB Contract	€/mt	486	550	(12%)	482	523	(8%)	478	2%
Natural gas	TTF (Europe)	\$/mmBtu	11.4	30.8	(63%)	14.1	31.5	(55%)	16.8	(32%)
Natural gas	Henry Hub (US)	\$/mmBtu	2.3	8.1	(72%)	2.6	6.3	(59%)	2.8	(18%)

¹ Source: CRU, MMSA, ICIS, Bloomberg

Operational Performance

Nitrogen Segments Performance

Total own-produced nitrogen volumes in the second quarter of 2023 were at the same level compared to the second quarter last year.

The adjusted EBITDA for the nitrogen business decreased by 72% from \$1,115 million in Q2 2022 to \$311 million in Q2 2023, mainly as a result of lower selling prices for all products, as well as negative realized gas hedging results of \$21 million in Q2 2023.

Nitrogen US segment

- Revenues, including third-party sales of our N-7 joint venture with Dakota Gasification Company, decreased 26% in Q2 2023 to \$373 million compared to Q2 2022, mainly due to lower prices YoY, only partially offset by a 16% increase in own-produced and traded volumes
- The adjusted EBITDA of the Nitrogen US segment decreased from \$216 million in Q2 2022 to \$99 million in Q2 2023, due to the lower revenues as well as realized gas hedging losses of \$15 million
 - The adjusted EBITDA margin was 26.7% in Q2 2023 versus 42.6% in Q2 2022
 - Excluding trading results of the N-7 joint venture, the underlying adjusted EBITDA margin was 52.4% in Q2 2023 compared to 66.7% in Q2 2022

Nitrogen Europe segment

- The Nitrogen Europe segment reported a drop in revenues of 64% in Q2 2023 compared to Q2 2022
- The segment reported a loss at the adjusted EBITDA level of \$10 million in Q2 2023, compared to a positive \$134 million in Q2 2022:
 - Own-produced sales volumes in the segment were up 3% in Q2 2023 compared to the same quarter last year, and increased significantly compared to Q1 2023
 - Selling prices for all products were significantly lower compared to both the second quarter of 2022 and the first quarter of 2023. Lower gas prices could not offset the impact of the lower selling prices
- Our European nitrogen business focuses on high value-added downstream products such as nitrates and melamine, and is introducing new products such as Dynamon N+S (CAN + Sulphur) and, from Q1 2024, production of AdBlue®

Fertiglobe

- Fertiglobe's ammonia and urea production volumes were higher YoY in Q2 2023 despite a turnaround at Sorfert (Algeria)
- Fertiglobe's total own-produced sales volumes were down 8% during Q2 2023 compared to the same period last year, driven by a 19% decrease in ammonia own-produced sales volumes and a 6% decrease in urea own-produced sales volumes:
 - The lower sales volumes reflect a high base effect given deferrals from Q1 2022 into Q2 2022, and higher ammonia ending inventories in Q2 2023
 - Going into H2 2023, Fertiglobe is well-positioned to service demand emerging from key regions, leveraging its centralized distribution capabilities and targeting demand centers that offer the highest netbacks, further supported by the reinstatement of urea and ammonia import duties into Europe
 - Fertiglobe continued to diversify its product offering with Diesel Exhaust Fuel (DEF) sales from its plants in Egypt into Europe, where demand for the product is supported by increasingly stricter emission regulations
- Lower selling prices during the quarter, combined with the lower volumes, resulted in a 63% YoY decrease in revenues to \$552 million in Q2 2023. This translated into a 72% decline in adjusted EBITDA to \$218 million in Q2 2023 from \$770 million in Q2 2022
- As a result, Fertiglobe's adjusted EBITDA margin dropped to 39.6% in Q2 2023 from 52.3% in Q2 2022
- In H1 2023, Fertiglobe's total own-produced sales volumes were down marginally by 1% compared to H1 2022. As a result of the lower selling prices in particular, Fertiglobe's revenues in H1 2023 were down 53% YoY to \$1.2 billion, and adjusted EBITDA was down 63% to \$516 million
- Fertiglobe has a significant competitive advantage through favorable gas supply agreements, including fixed prices in Abu Dhabi and profit-sharing mechanisms in North Africa. Fertiglobe's average gas price in Q2 2023 amounted to \$3.1/mmBtu
- For more detail on Fertiglobe results, please also see www.fertiglobe.com

Methanol Segments Performance

Total own-produced methanol sales volumes increased by 9% in Q2 2023 compared to the same period last year. Despite the increase, the adjusted EBITDA of the methanol business was 82% lower in Q2 2023 compared to Q2 2022 due to lower selling prices and realized gas hedging losses of \$27 million.

- Following a significant loss of production during Q1 2023 due to unplanned outages, the US methanol facilities restarted production in February and have been running well since then, maintaining high reliability and utilization rates
- Our methanol facility in the Netherlands was temporarily shut down in June 2021 and remains shut down due to the high gas price environment
- The HyFuels business, the world's largest producer of green methanol, and a leader in green methanol transportation fuels applications, continues to contribute positively to the results in the Methanol Europe segment, partly offsetting costs related to the shutdown in Europe. The fuels business contributed \$10 million to adjusted EBITDA during Q2 2023, and \$31 million during H1 2023

Segment overview Q2 2023

\$ million	Nitrogen				Total Nitrogen	Methanol			Total Methanol	Other	Elim.	Total
	US	Europe	Fertiglobe	Elim.		US	Europe	Elim.				
Total revenues	372.6	254.2	551.5	(33.9)	1,144.4	172.3	122.8	(39.9)	255.2	0.1	(27.6)	1,372.1
Gross profit	49.5	(19.9)	174.4	3.8	207.8	(0.2)	2.5	(9.9)	(7.6)	0.2	(0.9)	199.5
Operating profit	41.6	(26.8)	148.4	3.8	167.0	(7.2)	(1.3)	(10.2)	(18.7)	(38.6)	(0.9)	108.8
D,A&I	(39.2)	(19.7)	(68.9)	-	(127.8)	(46.6)	(0.8)	24.0	(23.4)	(1.5)	-	(152.7)
EBITDA	80.8	(7.1)	217.3	3.8	294.8	39.4	(0.5)	(34.2)	4.7	(37.1)	(0.9)	261.5
Adjusted EBITDA	99.3	(10.3)	218.2	3.8	311.0	38.0	(1.6)	(4.0)	32.4	(16.9)	(0.9)	325.6

Segment overview Q2 2022

\$ million	Nitrogen				Total Nitrogen	Methanol			Total Methanol	Other	Elim.	Total
	US	Europe	Fertiglobe	Elim.		US	Europe	Elim.				
Total revenues	506.1	708.8	1,471.3	(91.9)	2,594.3	251.7	143.7	(73.7)	321.7	-	(58.3)	2,857.7
Gross profit	172.3	123.7	747.8	(4.9)	1,038.9	38.2	74.9	(3.7)	109.4	3.3	17.8	1,169.4
Operating profit	167.7	115.9	707.2	(4.3)	986.5	30.1	72.3	(3.3)	99.1	(20.7)	17.8	1,082.7
D,A&I	(42.6)	(18.1)	(62.8)	-	(123.5)	(37.1)	(3.7)	19.1	(21.7)	(1.3)	-	(146.5)
EBITDA	210.3	134.0	770.0	(4.3)	1,110.0	67.2	76.0	(22.4)	120.8	(19.4)	17.8	1,229.2
Adjusted EBITDA	215.6	133.9	770.0	(4.3)	1,115.2	104.8	76.0	(1.1)	179.7	(22.8)	17.8	1,289.9

Segment overview 6M 2023

\$ million	Nitrogen				Total Nitrogen	Methanol			Total Methanol	Other	Elim.	Total
	US	Europe	Fertiglobe	Elim.		US	Europe	Elim.				
Total revenues	650.4	535.0	1,245.2	(110.9)	2,319.7	309.9	232.9	(73.6)	469.2	0.1	(45.6)	2,743.4
Gross profit	83.7	(76.6)	443.5	6.2	456.8	(132.8)	55.4	11.4	(66.0)	(0.2)	6.3	396.9
Operating profit	67.2	(93.4)	376.2	6.2	356.2	(147.7)	47.3	13.2	(87.2)	(66.8)	6.3	208.5
D,A&I	(77.6)	(38.1)	(136.3)	-	(252.0)	(89.3)	(1.4)	43.6	(47.1)	(3.0)	-	(302.1)
EBITDA	144.8	(55.3)	512.5	6.2	608.2	(58.4)	48.7	(30.4)	(40.1)	(63.8)	6.3	510.6
Adjusted EBITDA	188.7	(70.5)	515.5	6.2	639.9	9.1	47.6	(0.2)	56.5	(40.9)	6.3	661.8

Segment overview 6M 2022

\$ million	Nitrogen				Total Nitrogen	Methanol			Total Methanol	Other	Elim.	Total
	US	Europe	Fertiglobe	Elim.		US	Europe	Elim.				
Total revenues	959.8	1,262.1	2,656.1	(213.3)	4,664.7	509.2	278.8	(112.7)	675.3	-	(154.5)	5,185.5
Gross profit	293.2	187.5	1,335.6	(4.3)	1,812.0	202.8	77.5	(75.2)	205.1	(1.9)	17.7	2,032.9
Operating profit	282.8	173.7	1,264.8	(3.7)	1,717.6	185.2	73.2	(72.3)	186.1	(49.0)	17.7	1,872.4
D,A&I	(80.1)	(36.3)	(124.8)	-	(241.2)	(74.1)	(12.7)	38.1	(48.7)	(2.6)	-	(292.5)
EBITDA	362.9	210.0	1,389.6	(3.7)	1,958.8	259.3	85.9	(110.4)	234.8	(46.4)	17.7	2,164.9
Adjusted EBITDA	368.2	210.2	1,394.6	(3.7)	1,969.3	239.7	85.9	(2.8)	322.8	(49.8)	17.7	2,260.0

Financial Highlights

Summary results

Consolidated revenue was \$1.4 billion in the second quarter of 2023, a decrease of 52% compared to the second quarter last year.

Adjusted EBITDA decreased by 75% to \$326 million in Q2 2023 compared to \$1,290 million in Q2 2022, driven by lower selling prices mainly, only partially offset by lower gas prices in Q2 2023 compared to Q2 2022.

Reported net loss attributable to shareholders was \$90 million in Q2 2023 compared to a reported net profit of \$477 million in Q2 2022. The adjusted net loss attributable to shareholders was \$7 million in Q2 2023 compared to an adjusted net profit of \$528 million in Q2 2022.

Financial highlights¹

\$ million	Q2 '23	Q2 '22	6M '23	6M '22
Net revenue	1,372.1	2,857.7	2,743.4	5,185.5
Cost of sales	(1,172.6)	(1,688.3)	(2,346.5)	(3,152.6)
Gross profit	199.5	1,169.4	396.9	2,032.9
SG&A	(74.0)	(88.6)	(177.0)	(167.0)
Other income	1.6	1.9	6.9	6.5
Other expense	(18.3)	-	(18.3)	-
Adjusted EBITDA	325.6	1,289.9	661.8	2,260.0
EBITDA	261.5	1,229.2	510.6	2,164.9
Depreciation, amortization and impairment	(152.7)	(146.5)	(302.1)	(292.5)
Operating profit	108.8	1,082.7	208.5	1,872.4
Interest income	23.2	8.4	28.9	11.1
Interest expense	(65.0)	(113.6)	(111.9)	(157.5)
Other finance income / (cost)	(16.9)	50.7	(31.2)	78.5
Net finance costs	(58.7)	(54.5)	(114.2)	(67.9)
Share of results of equity-accounted investees	(0.8)	(1.8)	(26.8)	61.1
Net profit before tax	49.3	1,026.4	67.5	1,865.6
Income tax expense	(70.6)	(138.6)	(52.9)	(278.6)
Net profit / (loss)	(21.3)	887.8	14.6	1,587.0
Non-controlling interests	(69.1)	(411.1)	(176.7)	(700.6)
Net profit / (loss) attributable to shareholders	(90.4)	476.7	(162.1)	886.4
Adjusted net profit / (loss) attributable to shareholders	(6.5)	527.5	(21.7)	881.7

¹ Unaudited

Reconciliation to Alternative Performance Measures

Adjusted EBITDA

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 second quarters of 2023 and 2022 relate to:

- Natgasoline is not consolidated and an adjustment of \$29 million was made for OCI's 50% share in the plant's EBITDA in Q2 2023. Natgasoline's contribution to adjusted EBITDA in Q2 2022 was \$39 million
- OCI does not apply hedge accounting on commodity hedges, therefore unrealized mark-to-market gains and losses are recognized in the P&L statement. Unrealized mark-to-market gains or losses are excluded from adjusted EBITDA and adjusted net profit
- An adjustment of \$16 million was made in Q2 2023 for unrealized mark-to-market losses on natural gas hedge derivatives relating to the US Nitrogen segment mostly

Reconciliation of reported operating profit to adjusted EBITDA

\$ million	Q2 '23	Q2 '22	6M '23	6M '22	Comment
Operating profit as reported	108.8	1,082.7	208.5	1,872.4	
Depreciation, amortization and impairment	152.7	146.5	302.1	292.5	
EBITDA	261.5	1,229.2	510.6	2,164.9	
APM adjustments for:					
Natgasoline	29.0	39.0	40.8	76.1	OCI's share of Natgasoline EBITDA
Unrealized result natural gas hedging	15.8	23.8	79.8	7.3	(Gain) / loss at OCIB, IFCo and the Netherlands
Unrealized result EUA derivatives	-	(2.1)	(2.8)	(1.9)	(Gain) / loss at OCIN
Provisions & other	19.3	-	33.4	13.6	
Total APM adjustments at EBITDA level	64.1	60.7	151.2	95.1	
Adjusted EBITDA	325.6	1,289.9	661.8	2,260.0	

Adjusted net profit / (loss) attributable to shareholders

At net profit / (loss) level, the main APM adjustments in Q2 2023 relate to FX losses and valuation allowance on investment tax credits.

Reconciliation of reported net profit / (loss) to adjusted net profit / (loss)

\$ million	Q2 '23	Q2 '22	6M '23	6M '22	Adjustment in P&L
Reported net profit / (loss) attributable to shareholders	(90.4)	476.7	(162.1)	886.4	
Adjustments for:					
Adjustments at EBITDA level	64.1	60.7	151.2	95.1	
Add back: Natgasoline EBITDA adjustment	(29.0)	(39.0)	(40.8)	(76.1)	
Result from associate (unrealized gas hedging)	(1.0)	17.9	10.6	(31.4)	<i>(Gain) / loss at Natgasoline</i>
Forex (gain) / loss on USD exposure	15.7	(54.4)	11.4	(86.6)	<i>Finance income / expense</i>
Expenses related to refinancing	-	65.2	-	66.1	<i>Finance expense</i>
Accelerated depreciation and impairments of PP&E	0.7	6.0	2.1	12.5	<i>Depreciation & impairment</i>
Recognition of valuation allowance	44.4	-	55.2	-	<i>Income tax</i>
NCI adjustment / uncertain tax positions	8.0	12.0	(17.9)	27.2	<i>Minorities / uncertain tax positions</i>
Other adjustments	(5.2)	(4.4)	(5.2)	(4.4)	<i>Finance income / expense</i>
Tax effect of adjustments	(13.8)	(13.2)	(26.2)	(7.1)	<i>Income tax</i>
Total APM adjustments at net profit / (loss) level	83.9	50.8	140.4	(4.7)	
Adjusted net profit / (loss) attributable to shareholders	(6.5)	527.5	(21.7)	881.7	

Free Cash Flow and Net Debt

OCI generated Operating Free Cash Flow (before minority distributions) in Q2 and H1 2023 of \$211 and \$362 million respectively, compared to \$1,179 and \$1,855 million in Q2 and H1 2022 respectively.

Free Cash Flow after minority distributions amounted to an outflow of \$222 million during Q2 2023. The free cash flow reflects our operational performance for the quarter and working capital inflows, offset by outflows for dividends to Fertigllobe minority shareholders and withholding tax, as well as maintenance capital expenditures, tax, cash interest and lease payments.

The dividends to non-controlling interests of \$413 million include dividends to the 50% share in Fertigllobe not owned by OCI (36.2% ADNOC and 13.8% free float on the ADX), and other minorities at Fertigllobe. In April 2023, Fertigllobe paid a cash dividend of \$700 million to its shareholders of which \$350 million to OCI.

Capital expenditures:

- Total cash capital expenditures including growth were \$171 million in Q2 2023 compared to \$74 million in Q2 2022
- Capital expenditures for growth projects amounted to \$109 million during the quarter, mostly due to capex for our blue ammonia project in Texas

The resulting net debt was \$2,202 million as of 30 June 2023 versus \$1,159 million as of 31 December 2022, an increase of \$1,043 million during 2023 YTD. The trailing net debt / LTM adjusted EBITDA was 1.0x as of 30 June 2023.

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

\$ million	Q2 '23	Q2 '22	6M '23	6M '22
EBITDA	261.5	1,229.2	510.6	2,164.9
Working capital	96.8	46.5	132.2	(149.9)
Maintenance capital expenditure	(61.7)	(45.1)	(165.0)	(89.3)
Tax paid	(26.1)	(82.1)	(45.9)	(139.5)
Interest paid	(56.3)	(53.0)	(68.2)	(67.7)
Lease payments	(14.9)	(14.1)	(30.7)	(23.8)
Dividends from equity accounted investees	1.2	1.4	1.2	1.4
Other	10.8	95.7	27.9	158.4
Operating Free Cash Flow	211.3	1,178.5	362.1	1,854.5
Dividends paid to non-controlling interest and withholding tax	(433.2)	(250.1)	(433.2)	(316.8)
Free Cash Flow	(221.9)	928.4	(71.1)	1,537.7
Reconciliation to change in net debt:				
Growth capital expenditure	(108.9)	(29.0)	(162.1)	(36.2)
Methanol Group 15% sale (net)	-	-	-	373.7
Other non-operating items	(0.7)	15.0	1.7	12.7
Net effect of movement in exchange rates on net debt	(15.4)	26.9	(11.0)	19.0
Debt redemption cost	-	(65.2)	-	(66.1)
Other non-cash items	(2.2)	(3.2)	(3.4)	(7.9)
OCI dividend paid to shareholders and withholding tax	(796.9)	(320.4)	(796.9)	(320.4)
Net Cash Flow (Increase) / Decrease in Net Debt	(1,146.0)	552.5	(1,042.8)	1,512.5

Notes

This report contains unaudited second quarter consolidated financial highlights of OCI Global ('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 Global 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 2 August 2023 at 15:00 CET, OCI will host a conference call for investors and analysts. Investors can find the details of the call on the Company's website at www.oci-global.com.

On 2 August 2023 at 13:00 CET, Fertigllobe will host a conference call for investors and analysts. Investors can find the details of the call on the Company's website at www.fertigllobe.com.

Market Abuse Regulation

This press release contains inside information as meant in clause 7(1) of the Market Abuse Regulation.

About OCI Global:

OCI is a global leader in nitrogen, methanol and hydrogen, driving forward the decarbonization of the energy-intensive industries that shape, feed and fuel the world. OCI's production capacity spans four continents and comprises approximately 16.7 million metric tons per year of hydrogen-based products including nitrogen fertilizers, methanol, biofuels, diesel exhaust fluid, melamine, and other products. OCI has more than 4,000 employees, is headquartered in the Netherlands and listed on Euronext in Amsterdam. Learn more about OCI at www.oci-global.com. You can also follow OCI on [Twitter](#) and [LinkedIn](#)

About Fertigllobe:

Fertigllobe is the world's largest seaborne exporter of urea and ammonia combined, and an early mover in clean ammonia. Fertigllobe's production capacity comprises of 6.7 million tons of urea and merchant ammonia, produced at four subsidiaries in the UAE, Egypt and Algeria, making it the largest producer of nitrogen fertilizers in the Middle East and North Africa (MENA), and benefits from direct access to six key ports and distribution hubs on the Mediterranean Sea, Red Sea, and the Arab Gulf. Headquartered in Abu Dhabi and incorporated in Abu Dhabi Global Market (ADGM), Fertigllobe employs more than 2,600 employees and was formed as a strategic partnership between OCI Global and the Abu Dhabi National Oil Company (ADNOC). Fertigllobe is listed on the Abu Dhabi Securities Exchange ("ADX") under the symbol "FERTIGLB" and ISIN "AEF000901015. To find out more, visit: www.fertigllobe.com.

For additional information contact:

OCI Global Investor Relations:

Hans Zayed
Director
Email: hans.zayed@oci-global.com
Tel: +31 (0) 6 18 251 367

www.oci-global.com

OCI stock symbols: OCI / OCI.NA / OCI.AS
Fertiglobe stock symbol: FERTIGLB

Honthorststraat 19
1071 DC Amsterdam
The Netherlands