Q3 2019 Results Report

Amsterdam, The Netherlands / 25 November 2019

OCI N.V. Reports Third Quarter 2019 Results

Highlights:

- Revenues were $634 million and adjusted EBITDA $107 million in Q3 2019 compared to $774 million and $230 million in Q3 2018 respectively. This reflects an extensive planned turnaround and debottlenecking program at 11 of our nitrogen plants at four production sites, scheduled to coincide with the usual seasonal demand slowdown, as well as lower methanol and ammonia prices year-on-year. The results were also adversely impacted by an unplanned shutdown at Natgasoline from August to the beginning of November, which is covered by insurance.
- OCI-produced volumes sold decreased 5% to 2.2 million metric tons during the third quarter of 2019 compared to the same period last year, reflecting the planned turnarounds and debottlenecking.
- Adjusted net loss was $120 million in Q3 2019 versus a $15 million loss in Q3 2018, reflecting the lower EBITDA, accelerated depreciation at IFCo, non-cash FX losses and a pre-insurance loss at Natgasoline due to the shutdown.
- Net debt was $4.06 billion as of 30 September 2019, at the same level as at 30 June 2019 despite $139 million capital expenditure during the quarter and the reduced volumes.
- The completion and successful start-up of BioMCN's second line during the third quarter marked the completion of our growth capex program. For the remainder of 2019 and 2020, we will benefit from a ramp-up in volumes, also reflecting the turnarounds and debottlenecking program in 2019.
- On 30th September 2019, we achieved a major milestone with the completion of the landmark joint venture (Fertiglobe) with Abu Dhabi National Oil Company (ADNOC).
- Subsequent to the quarter, OCI successfully completed a c.$1.4 billion equivalent refinancing in October through a dual-tranche bond offering in US$ and Euros. The refinancing has resulted in a reduction in the weighted average cost of debt of the refinanced debt of about 90bps and has extended our maturity profile.
- Ahmed El-Hoshy has been appointed as Group Chief Operating Officer (COO), in which role he will oversee all commercial, operations and other business activities.

Statement from the Chief Executive Officer – Nassef Sawiris:

"We successfully completed an ambitious turnaround and debottlenecking program at almost all our nitrogen production sites this quarter. Post the turnarounds, we achieved material improvements in onstream performance and cost efficiency. For example, IFCo's ammonia plant has beaten previous record utilization levels several times since the facility restarted in August and has been running at consistently high levels of up to ~116% of nameplate capacity on average during the past few months. Sorfert's ammonia lines have also reached higher levels than before the turnarounds, with one line reaching its maximum design capacity, and the second line that restarted in August achieving levels above 93%. We anticipate a step-up in annual volumes at both those facilities in 2020.

On a like-for-like basis, outside the downtime for the turnarounds and debottlenecking, our nitrogen operations performed well during the third quarter, despite ammonia prices being lower than the same period last year and reaching trough levels.

Combined with our efficiency improvements, low natural gas feedstock costs in both Europe and the US have strengthened our position on the cost curve. European gas prices dropped considerably through the second and third quarter this year, reaching close to record low quarterly levels. We did not get the full advantage of the lower gas prices yet because of a three-month hedge which expired during the third quarter. We expect to benefit fully from the low gas price environment from the fourth quarter onwards.

Our methanol operations were negatively impacted by the unplanned shutdown at Natgasoline due to damage to a waste heat boiler. The incident is covered by insurance and Natgasoline received an initial payment of $30 million for business interruption and repairs, which will be reflected in the Q4 results.

Methanol prices in the third quarter this year were also lower than a year ago, reaching trough levels below the global industry cost curve. Prices moved off their lows reached during the summer but are still on average ~30% below the 10-year mid-cycle levels.

The lower production resulting from the turnarounds and debottlenecking programs together with lower methanol and ammonia prices were the primary drivers of a decrease in our quarterly EBITDA year-on-year. However, despite the lower EBITDA and concentrated capital expenditure during the quarter, our net debt remained flat, which highlights the underlying strength of our diversified business portfolio and strong free cash flow conversion."

Outlook

With the completion of our capital expenditure program and the concentration of turnarounds and debottlenecking projects at four of our nitrogen sites during the third quarter, together with the consolidation of the Fertiglobe joint venture, we expect to benefit from a significant increase in sales volumes in the fourth quarter and beyond. We expect to continue to benefit from low natural gas prices in both Europe and the United States, maintaining a position at the low end of the global cost curve.

Nitrogen

- Our global order book is currently robust based on recent tenders awarded to Fertiglobe to supply a combined total of almost 700kt urea to India and to the fast-growing Ethiopian market.
- We expect higher sales volumes as a result of a significantly lighter program of planned turnarounds in 2020 than in 2019. We expect the biggest increases in volumes in 2020 to come from our lowest-cost plants, Sorfert in Algeria and IFCo in the US.
- In addition to higher utilization rates and better cost efficiency, we expect IFCo to benefit from a positive outlook for Diesel Exhaust Fluid (DEF), one of our fastest-growing products. Following an expected doubling of volumes in 2019 compared to 2018, we expect further strong growth in 2020 for this product.
- We have further strengthened our competitive position following the completion of the ADNOC Fertilizers joint venture, Fertiglobe, on 30 September. The consolidation of the JV has resulted in the addition of 2.1 million metric tons per annum capacity to our platform and is expected to generate substantial synergies.

Methanol

Methanol prices have weakened in 2019 to trough levels due to a number of factors including falling crude oil prices, MTO affordability and exports from sanctioned countries to Asian markets being offered at heavily discounted prices. While spot prices have risen modestly, prices remain well below 10-year mid-cycle levels.

In 2020, we expect to benefit from the first full year of the new methanol capacities (Natgasoline, BioMCN's second line and the OCI Beaumont debottlenecking finalized in July this year), as well as the normalization of production following the shutdowns in 2019. This should result in a significant increase in our methanol volumes in 2020. Together with our position at the low end of the global cost curve, we will continue to be well-placed.

Gas Markets

We expect to continue to benefit from low natural gas prices in both Europe and the United States.

In 2019, European gas prices have been substantially below those seen in recent years. We believe there has been a structural shift in the European gas markets this year and expect prices to remain within a core bandwidth of $3 – 5 per MMBtu, barring any surprise weather shocks, as a result of increased Atlantic basin LNG exports; competing with Russian imports into Europe.

In the US, Henry Hub benchmark prices have been significantly below the levels of last year at globally competitive prices. The forward curve suggests this will remain for the foreseeable future, which will continue to keep our US operations on the left-hand side of the global cost curve.

Consolidated Financial Results at a Glance[1)]

Financial Highlights ($ million unless otherwise stated)

	Q3 2019	Q3 2018	% Δ	9M 2019	9M 2018	% Δ
Revenue	**633.9**	**773.5**	*(18%)*	**2,183.9**	**2,311.0**	*(6%)*
Gross Profit	15.6	136.6	*(89%)*	233.5	466.6	*(50%)*
Gross profit margin	2.5%	17.7%		10.7%	20.2%	
Adjusted EBITDA[2)]	**107.2**	**229.9**	*(53%)*	**511.6**	**668.5**	*(23%)*
EBITDA[2)]	105.8	213.1	*(50%)*	449.6	680.4	*(34%)*
EBITDA margin	*16.7%*	*27.6%*		*20.6%*	*29.4%*	
Adj. net income (loss) attributable to shareholders	**(119.7)**	**(14.5)**	*nm*	**(165.0)**	**(0.1)**	*nm*
Net income (loss) attributable to shareholders	(182.5)	(15.0)	*nm*	(243.8)	(30.0)	*nm*
Earnings / (loss) per share ($)						
Basic earnings per share	(0.871)	(0.072)	*nm*	(1.164)	(0.143)	*nm*
Diluted earnings per share	(0.871)	(0.072)	*nm*	(1.164)	(0.143)	*nm*
	30-Sep-19	**31-Dec-18**	**% Δ**			
Total Assets	9,437.9	7,320.0	*29%*			
Gross Interest-Bearing Debt	4,626.5	4,580.3	*1%*			
Net Debt	4,059.0	4,119.6	*(1%)*			
	Q3 2019	**Q3 2018**	**% Δ**	**9M 2019**	**9M 2018**	**% Δ**
Free cash flow[2)]	(29.4)	68.6	*(143%)*	105.6	315.9	*nm*
Capital Expenditure	138.7	95.4	*45%*	247.1	227.4	*9%*
Of which: maintenance capital expenditure	78.0	56.6	*38%*	123.3	115.0	*7%*
Sales volumes ('000 metric tons)[3)]						
OCI Product	2,197.6	2,302.4	*(5%)*	6,976.5	6,936.4	*1%*
Third Party Traded	433.2	434.4	*(0%)*	1,397.2	1,163.9	*20%*
Total Product Volumes	**2,630.8**	**2,736.8**	***(4%)***	**8,373.7**	**8,100.3**	***3%***

1) Unaudited

2) OCI N.V. uses Alternative Performance Measures ('APM') to provide a better understanding of the underlying developments of the 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. A detailed reconciliation between APM and the most directly comparable IFRS measure can be found in this report

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

Operational Highlights

Highlights

- Own product sales volumes decreased 5% to 2.2 million metric tons during the third quarter of 2019 compared to the third quarter of 2018:
  - *The concentrated impact of planned turnarounds and debottlenecking at IFCo, Sorfert, EFC and OCI Nitrogen offsetting the ramp-up of our new methanol capacity at BioMCN, OCI Beaumont and Natgasoline*
  - *A drop in CAN volumes during the third quarter following a record second quarter, overall resulting in a 9% higher level of sold CAN volumes in the first nine months of 2019 compared to the same period last year*
  - *Higher industrial chemicals sales volumes driven by Natgasoline and a significant increase in DEF volumes*
- Including third-party traded product, sold volumes decreased 4% to 2.6 million metric tons during Q3 2019 versus Q3 2018

Product Sales Volumes (‘000 metric tons)

	Q3 2019	Q3 2018	% Δ	9M 2019	9M 2018	% Δ
Own Product						
Ammonia	457.2	500.9	(9%)	1,416.8	1,562.4	(9%)
Urea	618.3	740.0	(16%)	1,923.6	2,211.4	(13%)
Calcium Ammonium Nitrate (CAN)	155.3	243.5	(36%)	882.1	810.3	9%
Urea Ammonium Nitrate (UAN)	379.3	359.6	5%	1,078.4	1,073.7	0%
Total Fertilizer	**1,610.1**	**1,844.0**	**(13%)**	**5,300.9**	**5,657.8**	**(6%)**
Methanol[1)]	428.4	343.7	25%	1,222.5	993.8	23%
Melamine	28.5	36.9	(23%)	96.6	106.6	(9%)
Diesel Exhaust Fluid (DEF)	130.6	77.8	68%	356.5	178.2	100%
Total Industrial Chemicals	**587.5**	**458.4**	**28%**	**1,675.6**	**1,278.6**	**31%**
Total Own Product Sold	**2,197.6**	**2,302.4**	**(5%)**	**6,976.5**	**6,936.4**	**1%**
Traded Third Party						
Ammonia	29.8	128.6	(77%)	142.2	274.1	(48%)
Urea	78.2	70.7	11%	264.4	199.7	32%
UAN	10.1	17.7	(43%)	20.3	65.7	(69%)
Methanol	150.2	81.9	84%	397.8	166.4	139%
Ammonium Sulphate (AS)	139.1	135.5	(7%)	518.1	458.0	10%
DEF	25.7	-	nm	54.3	-	nm
Total Traded Third Party	**433.2**	**434.4**	**(3%)**	**1,397.1**	**1,163.9**	**19%**
Total Own Product and Traded Third Party	**2,630.8**	**2,736.8**	**(4%)**	**8,373.6**	**8,100.3**	**3%**

1) *Including OCI’s 50% share of Natgasoline volumes*

Benchmark Prices

			Q3 '19	Q3 '18	% Δ	Q2 '19	% Δ
Ammonia	NW Europe, FOB	$/mt	**265**	353	(25%)	272	(3%)
Ammonia	US Gulf Tampa contract	$/mt	**218**	307	(29%)	237	(8%)
Granular Urea	Egypt, FOB	$/mt	**268**	292	(8%)	274	(2%)
CAN	Germany, CIF	€/mt	**194**	212	(8%)	193	1%
UAN	France, FOT	€/mt	**175**	179	(2%)	176	(1%)
UAN	US Midwest, FOB	$/mt	**212**	219	(3%)	249	(15%)
Melamine	Europe contract	€m/t	**1,490**	1,655	(10%)	1,525	(2%)
Methanol	USGC Contract, FOB	$/mt	**355**	487	(27%)	421	(16%)
Methanol	Rotterdam FOB Contract	€/mt	**305**	419	(27%)	350	(13%)

Source: CRU, Argus, ICIS

Operational Performance

Nitrogen Products

Total own-produced fertilizer sales volumes were 13% lower during the quarter compared to the same period last year. Sales volumes were lower than could have otherwise been achieved, due to scheduled turnarounds and debottlenecking at 11 plants across four of our nitrogen sites, which were planned to coincide with the usual seasonal demand slowdown:

- IFCo finalized a four-week debottlenecking project in early August following which it has increased its operating rates further and achieved better cost efficiency. Since the facility restarted, the plants have been running at high and stable levels – the ammonia and urea synthesis plants have set new production records at 116% and 118% of nameplate capacity, respectively.
- Following a turnaround at one of Sorfert's ammonia lines in Q1 2019, the other ammonia line was shut down for a turnaround from June until August 2019.
- One of EFC's urea lines was shut down for a turnaround during the quarter.
- OCI Nitrogen's melamine and CAN lines were shut down for turnaround during June and July.

Despite the turnaround at IFCo, DEF and UAN volumes were up, partly due to a longer-than-usual season in the United States.

Summer season prices have been higher for nitrates and urea in Q3 2019 compared to Q3 2018, but ammonia prices were lower.

Adjusted EBITDA of the US and Europe nitrogen segments improved in the third quarter of 2019 compared to the same period last year, despite the turnarounds. The adjusted EBITDA of the Nitrogen MENA segment was lower than a year ago due to the turnarounds there, as well as the lower ammonia prices.

Methanol

Despite the incident at Natgasoline, own-produced methanol sales volumes improved 25% during the third quarter of 2019 compared to the same period last year. Increases in sales volumes were primarily driven by:

- Higher volumes at Natgasoline, which was still fully reflected in July volumes.
- BioMCN's second line, which started up during the third quarter and reached stable operating rates towards the end of August.
- Full production from BioMCN's first line during the third quarter of 2019, which was down for a planned turnaround during the third quarter of 2018.

Methanol prices were on average lower during the third quarter of 2019 compared to the same quarter last year.

As a result of the lower selling prices and shutdown at Natgasoline, the Q3 2019 adjusted EBITDA for the Methanol US segment was below Q3 2018.

Segment overview Q3 2019

$ million	Nitrogen US	Nitrogen Europe	Nitrogen MENA	Methanol US	Methanol Europe	Eliminations	Other	Total
Segment revenues	104.8	151.5	230.7	125.8	61.0	(5.0)	-	668.8
Inter-segment revenues	-	(0.1)	(19.9)	(11.5)	(3.4)	-	-	(34.9)
Total revenues	104.8	151.4	210.8	114.3	57.6	(5.0)	-	633.9
Gross profit	(15.7)	19.3	37.2	(30.0)	5.6	22.1	(22.9)	15.6
Operating profit	(20.4)	13.9	38.5	(34.8)	4.8	24.0	(53.1)	(27.1)
Depreciation & amortization	(51.9)	(17.3)	(44.7)	(30.7)	(4.5)	17.1	(0.9)	(132.9)
EBITDA	31.5	31.2	83.2	(4.1)	9.3	6.9	(52.2)	105.8
Adjusted EBITDA	31.5	31.2	77.4	2.6	9.7	-	(45.2)	107.2

Segment overview Q3 2018

$ million	Nitrogen US	Nitrogen Europe	Nitrogen MENA	Methanol US	Methanol Europe	Eliminations	Other	Total
Segment revenues	111.6	215.0	301.1	144.8	53.7	-	-	826.2
Inter-segment revenues	-	(0.1)	(32.8)	(18.7)	(1.1)	-	-	(52.7)
Total revenues	111.6	214.9	268.3	126.1	52.6	-	-	773.5
Gross profit	(0.9)	15.5	93.2	43.6	(7.3)	(7.5)	-	136.6
Operating profit	(5.2)	7.7	88.8	32.7	(8.5)	(0.8)	(14.3)	100.4
Depreciation & amortization	(34.8)	(17.5)	(43.1)	(23.3)	(1.3)	7.5	(0.2)	(112.7)
EBITDA	**29.6**	**25.2**	**131.9**	**56.0**	**(7.2)**	**(8.3)**	**(14.1)**	**213.1**
Adjusted EBITDA	**30.4**	**25.2**	**128.0**	**66.1**	**(6.7)**	**-**	**(13.1)**	**229.9**

Segment overview 9M 2019

$ million	Nitrogen US	Nitrogen Europe	Nitrogen MENA	Methanol US	Methanol Europe	Eliminations	Other	Total
Segment revenues	407.0	617.9	697.7	431.8	179.8	(9.8)	-	2,324.4
Inter-segment revenues	-	(0.5)	(75.5)	(59.1)	(5.4)	-	-	(140.5)
Total revenues	407.0	617.4	622.2	372.7	174.4	(9.8)	-	2,183.9
Gross profit	53.6	84.3	136.2	(19.4)	(3.4)	11.9	(29.7)	233.5
Operating profit	40.5	58.0	118.1	(36.5)	(5.5)	17.3	(100.0)	91.9
Depreciation & amortization	(118.2)	(51.2)	(132.0)	(93.9)	(9.7)	50.6	(3.3)	(357.7)
EBITDA	**158.7**	**109.2**	**250.1**	**57.4**	**4.2**	**(33.3)**	**(96.7)**	**449.6**
Adjusted EBITDA	**158.7**	**111.1**	**244.3**	**72.4**	**5.6**	**-**	**(80.5)**	**511.6**

Segment overview 9M 2018

$ million	Nitrogen US	Nitrogen Europe	Nitrogen MENA	Methanol US	Methanol Europe	Eliminations	Other	Total
Segment revenues	341.4	651.8	886.3	366.6	171.5	-	3.7	2,421.3
Inter-segment revenues	-	(0.3)	(73.8)	(35.1)	(1.1)	-	-	(110.3)
Total revenues	341.4	651.5	812.5	331.5	170.4	-	3.7	2,311.0
Gross profit	19.5	53.8	271.4	116.2	1.4	4.3	-	466.6
Operating profit	8.5	28.7	265.7	93.5	(2.4)	13.6	(44.7)	362.9
Depreciation & amortization	(87.4)	(47.7)	(129.2)	(53.7)	(6.6)	7.8	(0.7)	(317.5)
EBITDA	**95.9**	**76.4**	**394.9**	**147.2**	**4.2**	**5.8**	**(44.0)**	**680.4**
Adjusted EBITDA	**96.7**	**76.4**	**360.2**	**172.5**	**5.7**	**-**	**(43.0)**	**668.5**

Financial Highlights

Summary results

Consolidated revenue decreased 18% to $634 million in the third quarter of 2019 compared to the same quarter in 2018, as a result of four planned turnarounds and lower realized prices for ammonia and methanol in particular.

Adjusted EBITDA was $107 million in Q3 2019 compared to $230 million in Q3 2018. The nitrogen segments benefited from lower gas prices in Europe and another strong performance from IFCo but offset by lower ammonia prices and the turnarounds. The methanol segments were impacted by lower selling prices and the unplanned shutdown at Natgasoline. Other costs increased in Q3 2019 compared to Q3 2018 mostly due to transaction costs related to the Fertiglobe JV and realized losses of about $28 million related to realized gas hedges in Europe.

The adjusted net loss was $120 million in Q3 2019 compared to a loss of $15 million in Q3 2018. The reported net loss (after non-controlling interest) was $183 million in Q3 2019 compared to a net loss of $15 million in Q3 2018.

Consolidated Statement of Income*

$ million	Q3 2019	Q3 2018	9M 2019	9M 2018
Net revenue	**633.9**	**773.5**	**2,183.9**	**2,311.0**
Cost of Sales	(618.3)	(636.9)	(1,950.4)	(1,844.4)
Gross profit	**15.6**	**136.6**	**233.5**	**466.6**
SG&A	(45.4)	(40.0)	(143.9)	(126.5)
Other Income	2.0	6.0	4.8	26.1
Other expense	0.7	(2.2)	(2.5)	(3.3)
Adjusted EBITDA	**107.2**	**229.9**	**511.6**	**668.5**
EBITDA	**105.8**	**213.1**	**449.6**	**680.4**
Depreciation & amortization	(132.9)	(112.7)	(357.7)	(317.5)
Operating profit	**(27.1)**	**100.4**	**91.9**	**362.9**
Interest income	1.3	1.3	4.4	5.9
Interest expense	(74.6)	(78.4)	(222.5)	(260.6)
Other finance income / (cost)	(26.9)	(3.1)	(39.9)	(19.1)
Net finance costs	**(100.2)**	**(80.2)**	**(258.0)**	**(273.8)**
Income from equity-accounted investees	(32.0)	(3.0)	(39.9)	(15.3)
Net income before tax	**(159.3)**	**17.2**	**(206.0)**	**73.8**
Income tax expense	(10.8)	(1.7)	(6.7)	4.0
Net profit / (loss)	**(170.1)**	**15.5**	**(212.7)**	**77.8**
Non-Controlling Interest	(12.4)	(30.5)	(31.1)	(107.8)
Net profit / (loss) attributable to shareholders	**(182.5)**	**(15.0)**	**(243.8)**	**(30.0)**

** Unaudited*
1) 9M and Q3 2018 have not been adjusted for IFRS 16

Reconciliation to Alternative Performance Measures

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 third quarters of 2019 and 2018 relate to:

- Natgasoline is not consolidated and an adjustment of $1 million loss was made for OCI's 50% share in the plant's EBITDA in Q3 2019 ($41 million profit for the first nine months of 2019).
- Expenses for expansion projects in Q3 2019 amounted to $0.4 million and are related to the BioMCN expansion project, which was finalized during the third quarter of 2019.
- Transaction costs relate to the Fertiglobe joint venture that closed on 30th September.
- The unrealized result on natural gas hedge derivatives of $3 million in Q3 2019 relates to hedging activities at OCI Beaumont and in the Netherlands.

Reconciliation of reported operating income to adjusted EBITDA

$ million	Q3 2019	Q3 2018	9M 2019	9M 2018	Adjustment in P&L
Operating profit as reported	(27.1)	100.4	91.9	362.9	
Depreciation and amortization	132.9	112.7	357.7	317.5	
EBITDA	**105.8**	**213.1**	**449.6**	**680.4**	
APM adjustments for:					
Natgasoline	(1.4)	17.7	40.6	17.7	*OCI's share of Natgasoline EBITDA*
Expenses related to expansion projects	0.4	0.5	1.4	1.5	*SG&A / other expenses*
Sorfert insurance income / release of provision	-	-	-	(30.8)	*Other income*
Unrealized result natural gas hedging	(3.2)	-	5.5	-	*COGS*
Transaction costs	11.5	-	18.5	-	
Other including provisions	(5.9)	(1.4)	(4.0)	(0.3)	
Total APM adjustments	**1.4**	**16.8**	**62.0**	**(11.9)**	
Adjusted EBITDA	**107.2**	**229.9**	**511.6**	**668.5**	

Net income attributable to shareholders

At the net income level, the main APM adjustments in Q3 2019 and Q3 2018 relate to unrealized gas hedging at Natgasoline, and non-cash foreign exchange gains or losses on US$ exposure. In Q3 2019, derecognition of deferred tax asset at BioMCN amounted to $22 million, and accelerated depreciation at IFCo, identified during the debottlenecking project in July / August 2019, amounted to $18 million.

Reconciliation of reported net income to adjusted net income

$ million	Q3 2019	Q3 2018	9M 2019	9M 2018	Adjustment in P&L
Reported net income attributable to shareholders	**(182.5)**	**(15.0)**	**(243.8)**	**(30.0)**	
Adjustments for:					
Adjustments at EBITDA level	1.4	16.8	62.0	(11.9)	
Add back: Natgasoline EBITDA adjustment	1.4	(17.7)	(40.6)	(17.7)	
Expenses related to expansion projects	-	5.6	-	20.0	*Income from equity accounted investees*
Expenses related to refinancing	-	-	-	16.0	*Finance expenses*
Unrealized loss / (gain) gas hedging Natgasoline	8.4	-	7.0	-	*Income from equity accounted investees*
Forex gain/loss on USD exposure	25.3	(3.8)	28.2	18.9	*Finance income and expense*
Derecognition of deferred tax assets	22.4	-	22.4		*Income tax*
Other	1.8	-	3.7	-	*COGS*
Accelerated depreciation IFCo	17.6	-	17.6	-	*COGS*
Non-controlling interest adjustment	(10.6)		(11.4)	18.5	*Minorities*
Tax effect of adjustments	(4.9)	(0.4)	(10.1)	(13.9)	*Income tax*
Total APM adjustments at net income level	**62.8**	**0.5**	**78.8**	**29.9**	
Adjusted net income attributable to shareholders	**(119.7)**	**(14.5)**	**(165.0)**	**(0.1)**	

Free Cash Flow and Net Debt

Free cash flow during Q3 2019 reflects the EBITDA for the quarter, and concentrated maintenance capital expenditure for the previously mentioned planned turnarounds during the quarter.

Total capital expenditures were $139 million in Q3 2019 compared to $95 million in Q3 2018. Maintenance capital expenditure was $78 million during Q3 2019, and growth capital expenditure of $61 million was mostly for the refurbishment of BioMCN's second line as well as for final settlement payments to contractors related to other growth projects.

On 30 September 2019, OCI and ADNOC completed their transaction to combine ADNOC's fertilizer business (Fertil) into OCI's MENA nitrogen fertilizer platform. The joint venture, 58% owned by OCI, has been consolidated from the date of closing.

Net debt stood at $4,059 million as at 30 September 2019, largely at the same level as $4,053 million as at 30 June 2019.

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

$ million	Q3 2019	Q3 2018	9M 2019	9M 2018
EBITDA	105.8	213.1	449.6	680.4
Working capital	0.2	(20.3)	(17.1)	(61.1)
Maintenance capital expenditure	(78.0)	(56.6)	(123.3)	(115.0)
Tax paid	(16.4)	(31.5)	(56.4)	(33.1)
Interest paid	(38.8)	(34.7)	(188.7)	(161.9)
Dividends from equity accounted investees / dividends paid to NCI	(6.1)	(8.0)	(4.5)	(21.1)
Insurance receivable / received Sorfert	-	-	31.8	-
Adjustment non-cash expenses	3.9	6.6	14.2	27.7
Free Cash Flow	**(29.4)**	**68.6**	**105.6**	**315.9**
Reconciliation to change in net debt:				
Growth capital expenditure	(60.7)	(38.8)	(123.8)	(112.4)
Acquisition non-controlling interest OCI Partners	-	(117.6)	-	(117.6)
Other non-operating items	39.0	1.8	24.6	(59.5)
Non-operating working capital	4.0	2.2	11.6	2.8
Net effect of movement in exchange rates on net debt	44.6	6.7	48.0	42.0
Other non-cash items	(3.9)	(1.8)	(5.4)	(39.2)
Net Cash Flow / Decrease (Increase) in Net Debt	**(6.4)**	**(78.9)**	**60.6**	**32.0**

Notes

This report contains unaudited third quarter consolidated financial highlights of OCI N.V. (‘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 N.V. 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.

This report has been authorised for issue by the Board of Directors on 21 November 2019.

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 25 November 2019, at 16:00 CET, OCI N.V. will host a conference call for investors and analysts. Details on how to access the call can be found on the OCI N.V. website.

About OCI N.V.:

OCI N.V. (Euronext: OCI) is a leading global producer and distributor of nitrogen products and methanol providing sustainable solutions to agricultural and industrial customers around the world. OCI’s production capacity spans four continents and comprises approximately 16.1 million metric tons per year of nitrogen fertilizers, methanol, diesel exhaust fluid, melamine, and other nitrogen products. OCI is headquartered in the Netherlands and listed on Euronext in Amsterdam.

For additional information contact:

OCI N.V. Investor Relations Department:

Hans Zayed
Director
Email: hans.zayed@oci.nl

Tel: +31 (0) 6 18 251 367

For additional information on OCI:

www.oci.nl

OCI stock symbols: OCI / OCI.NA / OCI.AS / OCINY

Honthorststraat 19
1071 DC Amsterdam
The Netherlands