

# OCP REPORTS FIRST QUARTER 2017 EARNINGS

**Casablanca, Morocco, May 17, 2017** – OCP S.A. (“OCP” or the “Company”), a global leader in the fertilizer industry, today reported results for the first quarter ended March 31, 2017.

## FIRST QUARTER 2017 KEY FIGURES

- First quarter revenues increased to MAD 11,401 million (US\$ 1.14 billion), compared with MAD 10,337 million (US\$ 1.06 billion) in the same period last year.
- EBITDA amounted to MAD 3,341 million (US\$ 333 million), compared with MAD 2,893 million (US\$ 294 million) in the first quarter of 2016.
- EBITDA margin was 29%, compared with 28% in the prior year quarter.
- Adjusted operating cash flows amounted to MAD 516 million (US\$ 51 million), compared to MAD 622 million (US\$ 63 million) in the year-ago quarter.

## OPERATING AND FINANCIAL RESULTS

First quarter revenues increased 10% to MAD 11,401 million (US\$ 1.14 billion) from MAD 10,377 million (US\$ 1.06 billion) in the year-ago period as higher fertilizer and rock volumes more than offset lower prices across all product categories. Fertilizer volumes rose 46% year-over-year due to higher exports to Brazil and Africa, while strong Latin America demand drove a 25% year-over-year increase in rock volumes.

Gross margin rose 7% to MAD 7,479 million (US\$ 745 million), compared with MAD 6,969 million (US\$ 709 million) in the first quarter of 2016. Lower raw material prices were more than offset by increased consumption of sulfur and ammonia, in keeping with higher fertilizer volumes.

OCP’s first quarter EBITDA grew 15% to MAD 3,341 million (US\$ 333 million), up from MAD 2,893 million (US\$ 294 million) in the year-ago period, mainly driven by higher volumes.

EBITDA margin was 29%, a slight increase compared with 28% in the same period of 2016.

First quarter operating profit decreased to MAD 1,684 million (US\$ 168 million) from MAD 2,450 million (US\$ 249 million) in the first quarter of 2016, reflecting additional amortization charges related to new production units commissioned as part of OCP’s investment program.

Adjusted operating cash flow was MAD 516 million (US\$ 51 million) in the first quarter of 2017, compared to MAD 622 million (US\$ 63 million) in the prior-year period.

## SUMMARY AND OUTLOOK

“OCP achieved higher year-over-year revenues, a 15% increase in EBITDA and stable EBITDA margin in the first quarter, reflecting increased fertilizer exports, which were supported by our expanded capacity and a strong pick-up in Brazilian and European demand.

“Phosphate market conditions are evolving in line with our expectations. Following a weak phosphate market environment in 2016, we are seeing positive trends, including increasing prices amid improving demand in key regions. Looking ahead, we expect market conditions to remain supply-driven. On the demand side, we foresee strong trends, backed by stable crop fundamentals, stronger demand and low input prices.



“2017 represents a milestone for OCP’s strategy of cost and capacity leadership, as well as industrial flexibility and commercial agility, as we complete the first phase of our industrial development plan initiated in 2008. By enhancing our production and export capacity, while further reducing production costs, we expect to extend our position across all segments and further consolidate our leadership in the industry,” concluded Mr. Terrab.

### CONFERENCE CALL

In line with OCP’s quarterly communications program, management will not be hosting a conference call to discuss the first quarter 2017 financial results. Regular quarterly conference calls will resume as of the second quarter of 2017. Institutional buyers, bondholders, securities analysts and market makers seeking further clarification on first quarter 2017 results are invited to contact Mrs. Ghita LARAKI, Investor Relations at [g.larakif@ocpgroup.ma](mailto:g.larakif@ocpgroup.ma).

### ABOUT OCP

OCP is the largest phosphate producer in the world and a leading global fertilizer player, backed by almost a century of production history. OCP has exclusive access to the world’s largest phosphate rock reserve base. It is one of the lowest cost producers of phosphate rock in the industry and has become a leading player in production and trade volumes across the phosphate value chain. OCP employs approximately 23,000 people and contributes to regional development through its mining and fertilizer operations, and through its sustainability program.

For more information visit: [www.ocpgroup.ma](http://www.ocpgroup.ma)

### FORWARD LOOKING STATEMENTS

This press release has been prepared by OCP S.A. (“OCP”) and contains certain statements that are, or may be deemed to be, “forward-looking statements” within the meaning of the safe harbor provisions set forth in the U.S. Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, liabilities, strategic, industrial, commercial plans and expected future financial and operating results such as revenue growth and earnings. They are based on the current beliefs, expectations and assumptions of OCP’s management as of the date on which they are made in connection with past and/or future financial results, and are subject to significant uncertainties and risks, which OCP shall not be held liable for. These risks and uncertainties include, but are not limited to, risks and uncertainties arising from the future success of current and strategic plans and future financial and operating results and reserves; changes in such plans and results; any difficulty that OCP may experience with the realization of benefits and anticipated levels of capital expenditures for the second half of year 2016 and beyond; the current and future volatility in the credit markets and future market conditions; OCP’s strategy in connection with customer retention, growth, product development and market position; industry trends; volatility in commodity prices; changes in foreign currency, interest and exchange rates; international trade risks; changes in government policy and developments in judicial or administrative proceedings in jurisdictions which OCP is subject to; changes in environmental and other governmental regulation, including regulatory investigations and proceedings; any natural events such as severe weather, fires, floods and earthquakes or man-made or other disruptions of OCP’s operating systems, structures or equipment; the effectiveness of OCP’s processes for managing its strategic priorities; and OCP’s belief that it has sufficient cash and liquidity and/or available debt capacity to fund future financial operations



and strategic business investments. Actual results may differ from those set forth in the forward-looking statements contained in this release, and OCP undertakes no obligation to publicly update any of its forward-looking statements, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

This press release includes OCP's financial figures which are produced in Moroccan Dirhams (the local currency). For ease of presentation, some financial information has been translated into U.S. Dollars, and these translated figures have not been audited. For the purpose of such translated figures, OCP used the following exchange rate table, which sets forth the year average and year-end U.S. Dollar/Dirhams exchange rates for the following periods:

	March 2017	March 2016
Period End	10.0209	9.6296
Average	10.0341	9.8292

## CONTACT

Mrs. Ghita LARAKI

**Head of Investor Relations**

Phone : (+212) 5 22 92 41 83

E-mail : G.laraki@ocpgroup.ma

