GLOBAL LEADING GREEN ENERGY AND CHEMICAL COMPANY

Financial results for the fourth quarter ended
December 31, 2022

Investor Relations
March 20, 2023

OCI Company Ltd.

Disclaimer

The following earnings release and the financial, business and other information contained herein are current only of the date hereof and readers are cautioned that changes in general macroeconomic, business, financial and other conditions may have occurred since such date and our financial condition and results of operations may have been materially impacted as a result of such occurrences. Certain information contained herein may be considered forward-looking in nature, which are based on certain assumptions and expectations of future events that are subject to risks and uncertainties, including comments on trends in the global economy and duration of such trends, future development and investment plans including market strategy and business plans. We disclaim any responsibility or obligation to update or disseminate any revisions to any forward-looking statements contained in this document to reflect any changes in assumptions or circumstances.

Actual future results and trends and statements regarding plans or expectations may change for various reasons which management has not anticipated, including as a result of a further slowdown in global economic growth, further weakening of customer demand for our products and the loss of major customers, pricing pressures, inability to finance certain projects and capital expenditures on attractive terms, or at all, among others.

1 Fourth Quarter Ended December 31, 2022*

2 Business Strategy & Updates

* All financial figures are reviewed by the outside auditors
* Figures by Division are based on simple summation before internal transaction adjustments

2022 Annual Consolidated Income Statement

- Due to emerging awareness of the energy security crisis followed by prolonged Ukraine war, the global demand for solar PV installation and the resulting strong price of Poly-Si, the company's main product, drove 2022 earnings
- Despite external uncertainties such as raw material prices and interest rate hikes, stable growth across all business divisions resulted in total sales of KRW 4,671 billion (+44% YoY) and operating income of KRW 977 billion (+56% YoY), the largest profit since 2012

(Unit: KRW bil)	2020	2021	2022	YoY
Sales	2,003	3,244	**4,671**	44%
Operating Income	-86	626	**977**	56%
Margin (%)	-4%	19%	**21%**	
EBITDA	52	762	**1,126**	48%
Margin (%)	3%	23%	**24%**	
Income before Tax	-350	612	**1,002**	64%
Net Income	-251	652	**878**	35%

Note: Consolidated results based on K-IFRS, reviewed by outside auditors

Q4 2022 Consolidated Income Statement

- Despite major maintenance at the domestic plant, the largest quarterly sales and operating income achieved since 2012 on the back of increased Poly-Si sales volume and price

(Unit: KRW bil)	Q4 ’21	Q3 ’22	Q4 ’22	QoQ	YoY
Sales	1,014.2	1,282.5	**1,327.6**	4%	31%
Operating Income	218.0	289.1	**344.5**	19%	58%
Margin (%)	21%	23%	**26%**		
EBITDA	252.3	327.1	**387.3**	18%	54%
Margin (%)	25%	26%	**29%**		
Income before Tax	218.0	320.9	**316.8**	-1%	45%
Net Income	289.4	237.3	**358.7**	51%	24%

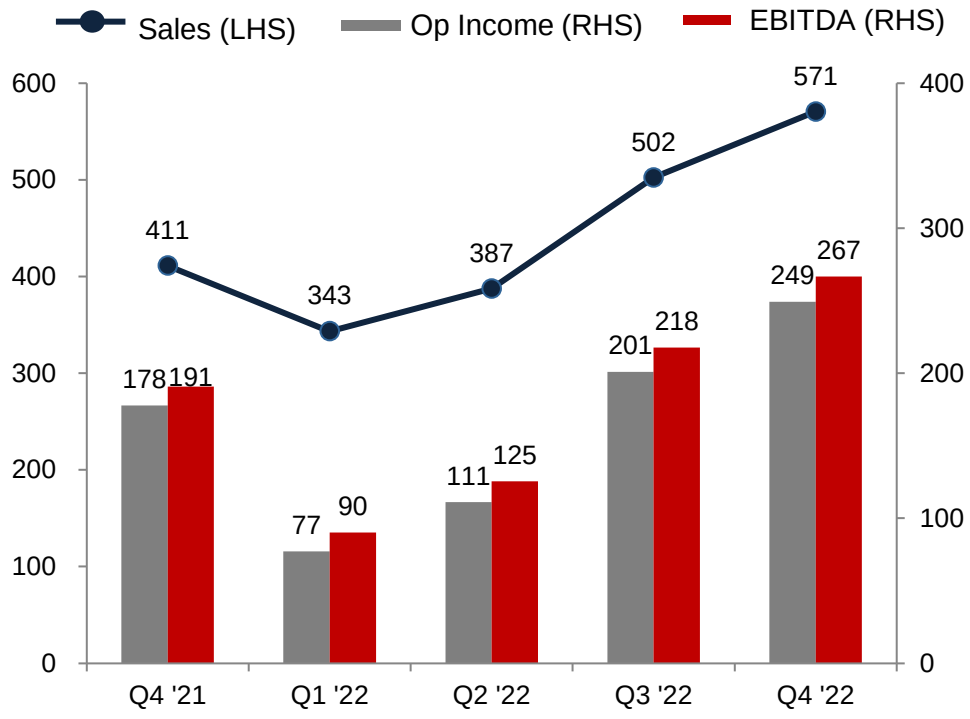
Note: Consolidated results based on K-IFRS, reviewed by outside auditors

(1) Corporate tax deductions resulting from investment tax allowances in Malaysia are reflected

Operating Results by Division

Quarterly Results

(Unit: KRW bil)



OP Margin	43%	22%	29%	40%	44%
EBITDA	46%	26%	32%	43%	47%

Note: reviewed by outside auditors

Business Highlights

Q4 ’22 Highlights

- Poly-Si sales volume and ASP increased by 13%, 5% each QoQ
- Stable sales of chemical products contributed to the division’s profit improvement

Q1 ’23 Business Outlook

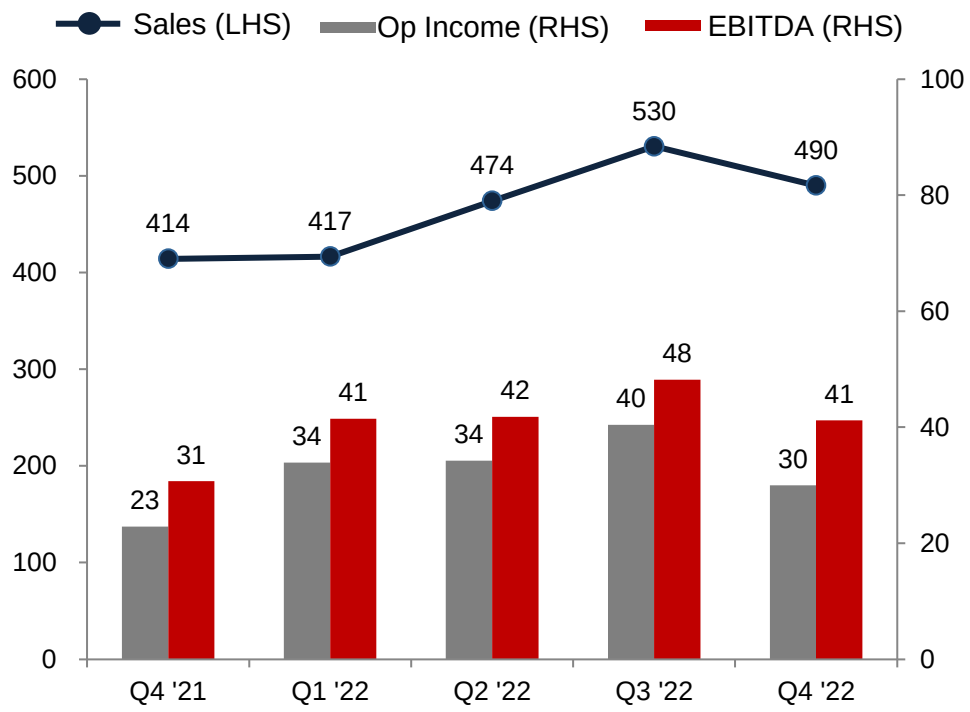
- Poly-Si price fluctuated and adjusted downward due to the market entry of increased Poly-Si volume, but the price expected to stabilize with the increased installation demand
- Aim to reduce manufacturing costs through production efficiency and lower raw material prices, targeting stable sales under long-term contracts

Operating Results by Division

Petrochemicals and Carbon Materials

Quarterly Results

(Unit: KRW bil)



OP Margin	6%	8%	7%	8%	6%
EBITDA	7%	10%	9%	9%	8%

Note: reviewed by outside auditors

Business Highlights

Q4 ’22 Highlights

- Business sluggish due to regular plant maintenance and increased raw material prices due to falling operation rate of cokes industry in China
- VIP business discontinuation costs reflected (about KRW 7 billion)

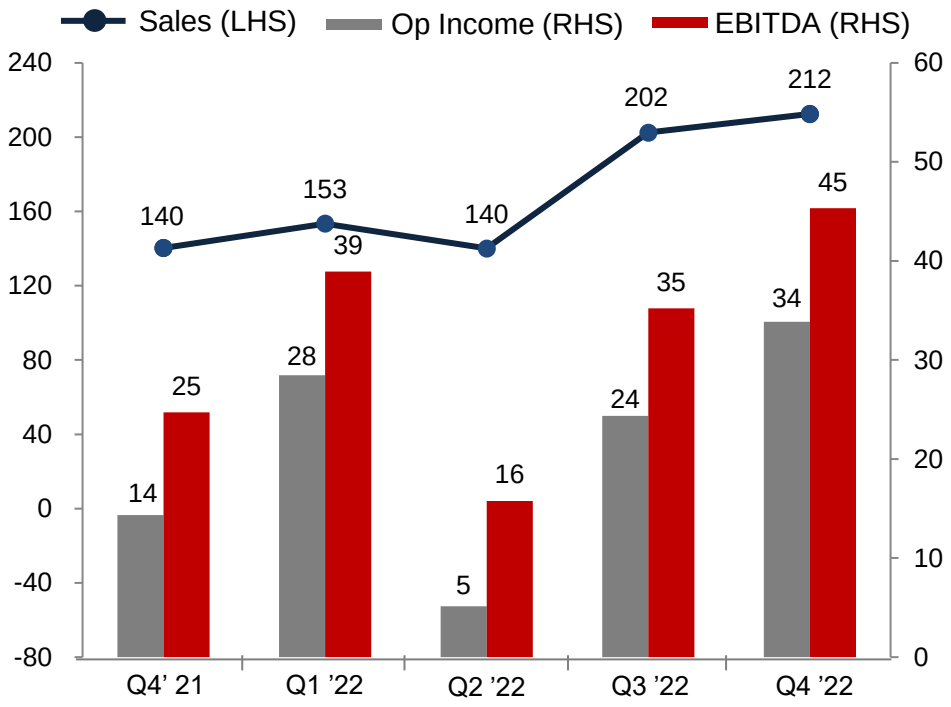
Q1 ’23 Business Outlook

- While lower demand expected due to season effects and weak economy, efforts to improve spreads by closely monitoring market conditions

Operating Results by Division

Quarterly Results

(Unit: KRW bil)



	Q4' 21	Q1 '22	Q2 '22	Q3 '22	Q4 '22
OP Margin	10%	19%	4%	12%	16%
EBITDA	18%	25%	11%	17%	21%

Note: reviewed by outside auditors

Business Highlights

Q4 '22 Highlights

- Continued increase in SMP(1) and REC(2) price (+14%, +4% respectively, QoQ) demonstrated solid profits
- Partial reduction of Cogeneration plant's profits on temporary implementation of SMP Cap(3)

Q1 '23 Business Outlook

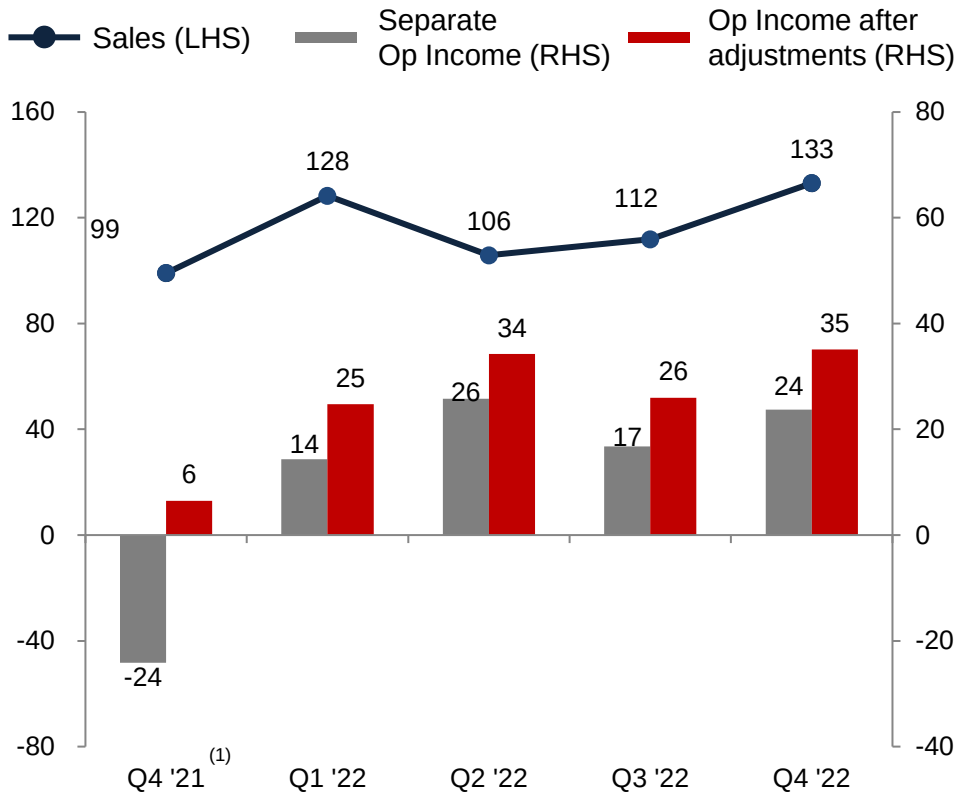
- Unfortunate reduction in sales and profits expected due to SMP Cap, but continuous efforts to minimize the loss by early maintenance and operational efficiency
- Prepare for the sales of US PV projects under development

(1) System Marginal Price
(2) Renewable Energy Certificate
(3) SMP Cap: Implemented from December 2022 - the Cap is applied for 1 month but cannot exceed for 3 consecutive months

Operating Results by Division

Quarterly Results

(Unit: KRW bil)



Note: reviewed by outside auditors

(1) Reflected about KRW 40 billion of inventory valuation loss from studio units according to IFRS

Business Highlights

Q4 ’22 Highlights

- Sales and profits recognized according to the construction progress of pre-sold units in 2021

2023 Business Outlook

- Preparation for a change in the development plan considering the tunnel proposal by City government to respond noise measures
- Review the optimal time for next pre-sale phases in accordance with new development plan
- Project timeline of the pre-sale complexes (complex 1, 3, 4) on schedule

Financial Position

Summary of Consolidated Financial Position (Unit:KRW bil)

	Sep. 2022	Dec. 2022	Change
Current Assets	**4,039**	**4,111**	**72**
Cash & ST Financial Assets	1,333	1,337	4
Account Receivables & Others	718	788	70
Inventories	1,918	1,893	-25
Others	70	93	23
Non-Current Assets	**2,548**	**2,635**	**87**
Investments	405	407	2
Tangible Assets	1,739	1,708	-31
Others	404	520	116
Total Assets	**6,587**	**6,746**	**159**
Liabilities	**2,744**	**2,734**	**-9**
Debt	1,861	1,871	10
Accounts Payables & Others	537	513	-24
Others	345	350	5
Shareholders' Equity	**3,843**	**4,011**	**168**
Net Debt	**529**	**534**	**5**
Leverage Ratio	71%	68%	-3%

Note: Consolidated results based on K-IFRS, reviewed by outside auditors

Increase in Account Receivables

- Increase in sales through robust sales activities
- DCRE, Recognition of the AR for the sales of pre-sale exceeding pre-sale advance payments

Decrease in Tangible Assets

- Decrease in overseas tangible assets due to exchange rate fluctuations

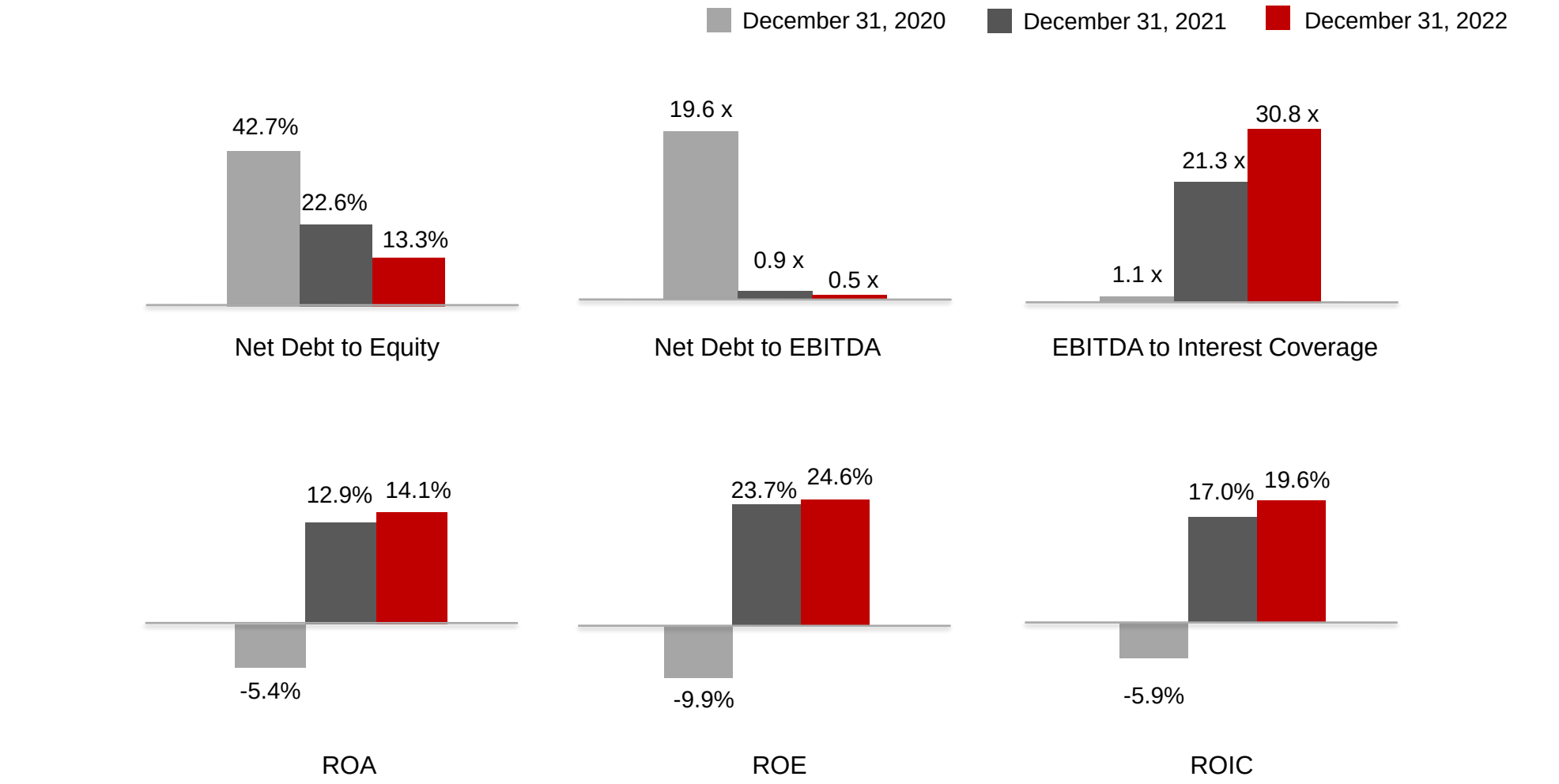
Increase in Others

- OCIMSB, Recognition of deferred tax assets with available investment related tax credits

Decrease in AP

- DCRE, Payment made for the construction work and decrease in pre-sale advance payments

Financial Ratio



Note: Consolidated results based on K-IFRS, reviewed by outside auditors

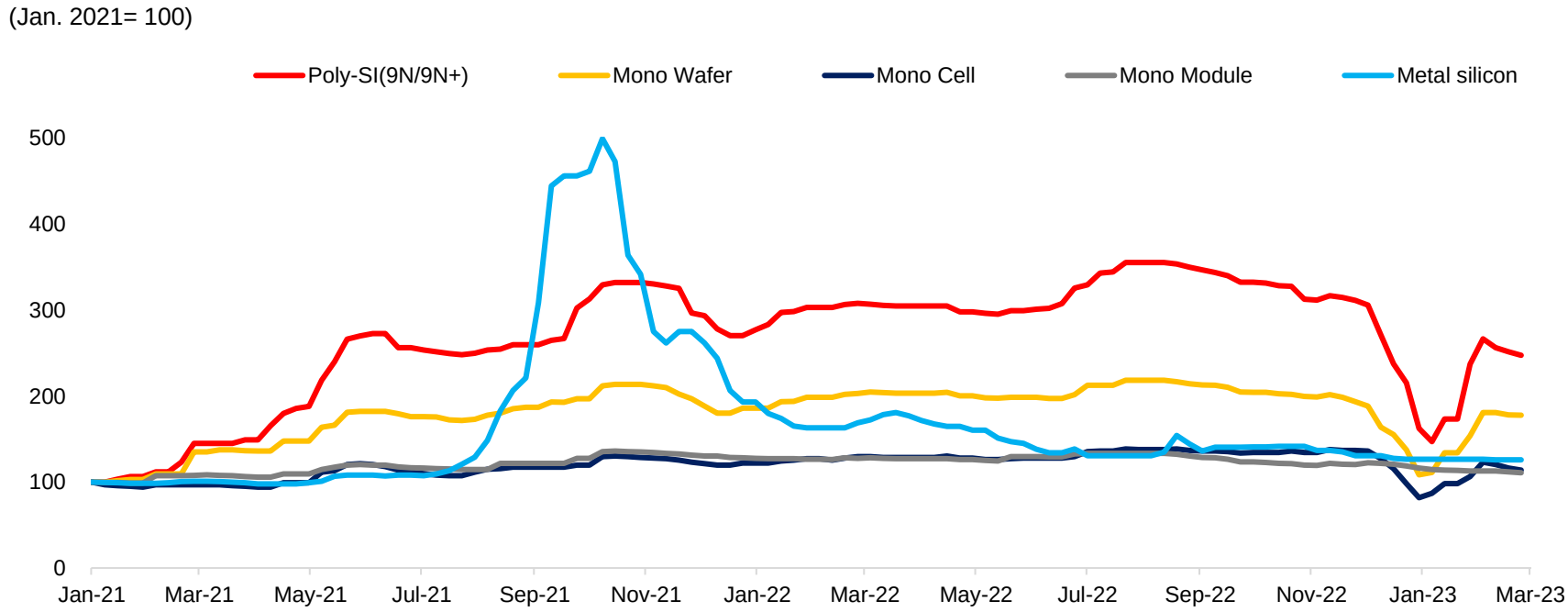
1 Fourth Quarter Ended December 31, 2022

2 Business Updates and Startegy

Solar PV Value Chain

- Delays in ramp-up of expansion volume of Poly-Si, maintenances, and power shortage in China caused the below the market expected volume of Poly-Si, and the Poly-Si price to remain high throughout 2022
- In December 2022, the Poly-Si price fell due to market entry of increasing volume from expansion, year-end inventory reduction and increasing inventories of wafers; however, the prices by categories widened (quality, region)
- In January 2023, market prices in the value chain rose following the resumption of market transactions and the increased demand for installation since Lunar New Year

Price Trend for Products on Solar Value Chain (USD based)

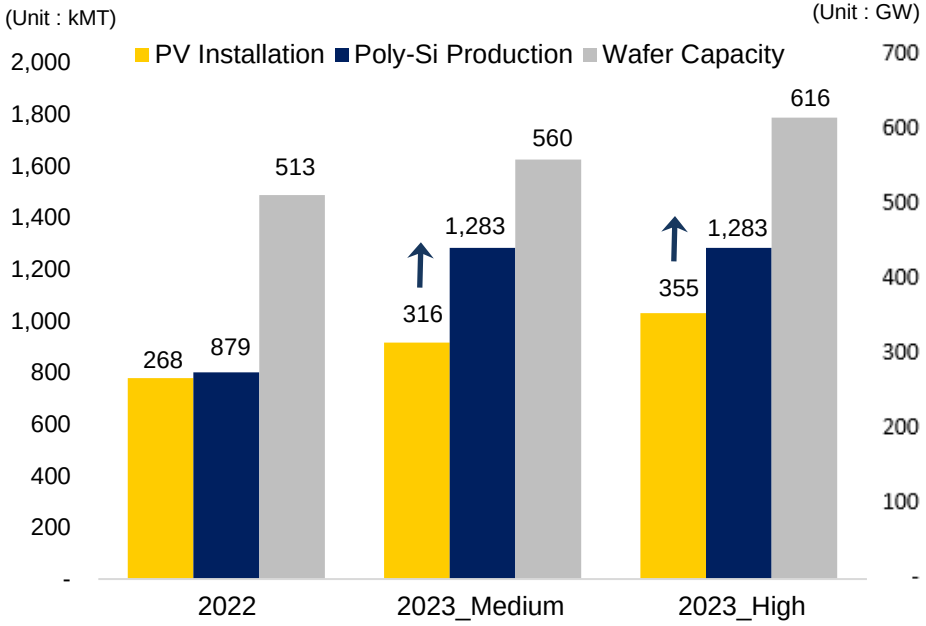


Source: PV insight, Bloomberg

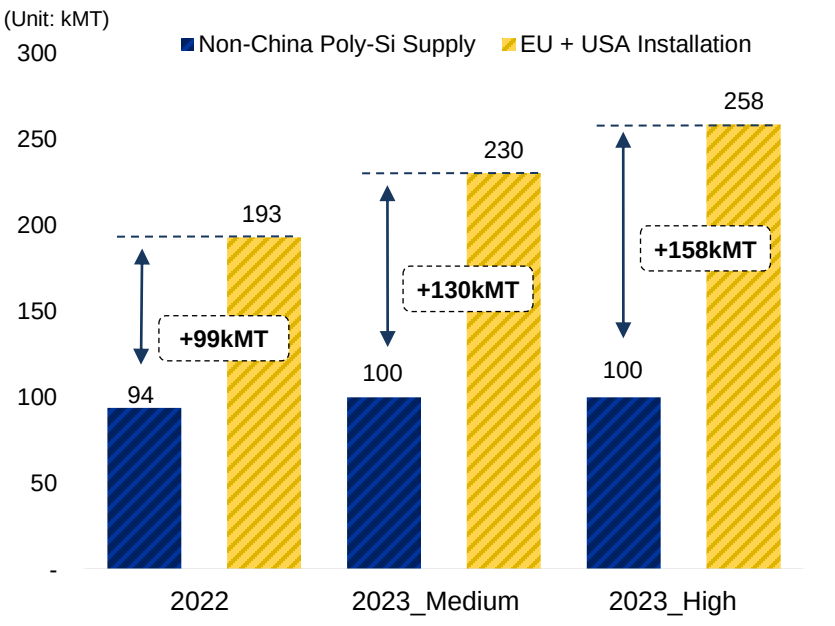
Solar PV Installation Outlook

- 2023, the Poly-Si bottleneck will be resolved thanks to the stable supply of Poly-Si after ramp up, but the capacity of Poly-Si is still insufficient to cover that of wafer and downstream
- Demand for solar energy and non-China Poly-Si are expected to increase due to the adoption of US IRA and EU's introduction of Net-Zero Industry Act(1) and Directive on Corporate Sustainability Due Diligence(2)
- High-purity Poly-Si for N-type wafers will be in great demand along with the rise of TOPCon high efficiency module (2022 10-15GW→ 2023 55-60GW, BNEF)

Poly-Si Demand-Supply Balance



US & Europe Market Outlook



Source: Bloomberg & OCI Analysis

(1) Net-Zero Industry Act : Green subsidy package and fast-track to speed up permit-granting procedures for facility expansion in Europe

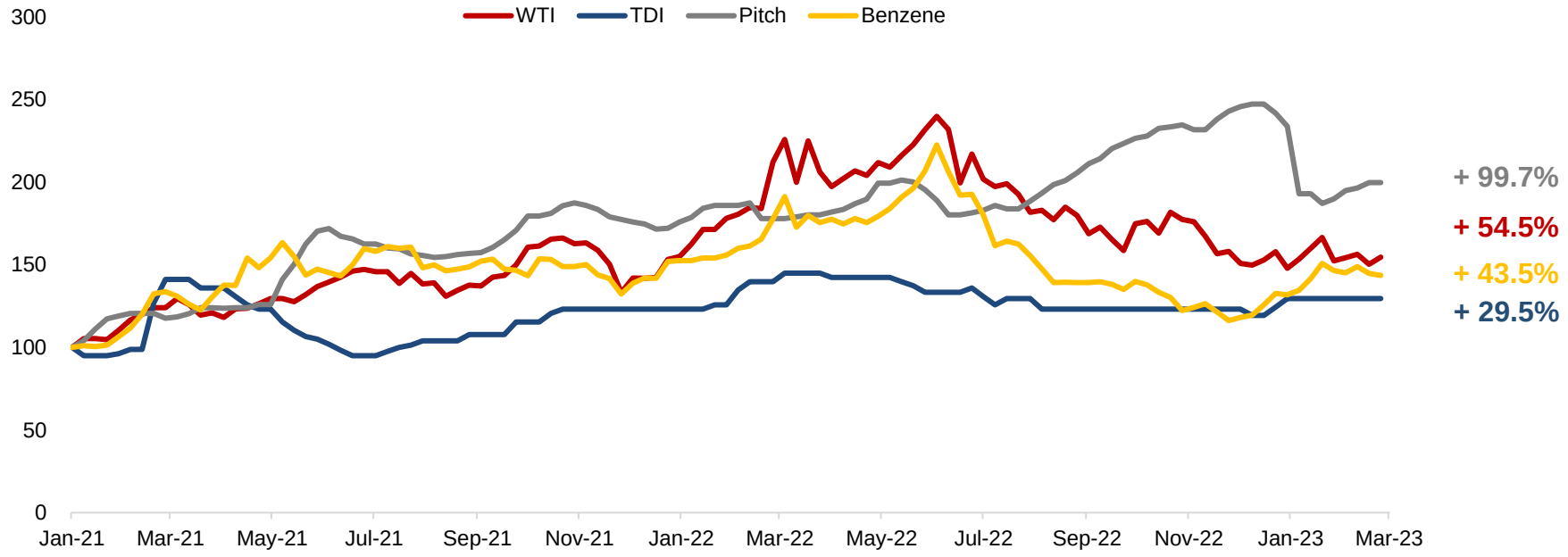
(2) Directive on Corporate Sustainability Due Diligence: Proposal aims to investigate and regulate human rights and environmental issues in supply chains

Chemical Business Overview

- Petrochemical industry experienced unstable operation and profits due to economic slowdown, inflation, China's lockdown policy
- 2022, Pitch price rose along with aluminum price due to global aluminum shortage affected by the Ukraine War
- 2023, recovery in consumer demand expected with China's cancellation of Zero-COVID Policy

Price Index of Oil and Major Products

(Jan. 2021= 100)



Source: Benzene - Platts(FOB Korea), Pitch(East River, EX-work China), TDI(ICIS, CFR China Main Port & HK)

2023 Business Plan

SoG Poly-Si

- **Securing premium on Clean Poly-Si (low-carbon) through strengthening production and quality control**
  - ✓ 35,000MT full operation
  - ✓ Expansion plan of 30,000MT Clean Poly-Si by phase over next five years

Solar Module

- **Capacity expansion of Mission Solar Energy (MSE) in response to rapidly growing US solar market**
  - ✓ 2H 2022, 270MW ➔ 1H 2023, 350MW ➔ 2024 1GW

Solar PV Project

- **PV projects development and monetization**
  - ✓ Closing of the sale of 320 MW by 1H 2023
  - ✓ Development plan of 1,000 MW in the US

EG Poly-Si

- **Strengthening the position as a semiconductor materials company with EG Poly-Si expansion**
  - ✓ Supply to 3 customers out of the Top 5 global wafer companies
  - ✓ Expansion plan for additional 2,500MT in Korea
  - ✓ 10,000MT new line expansion

Electronic Materials

- **Prepare for the up-cycle of the semiconductor industry with capacity expansion and commercial production of current product lines from 2024 along with increasing investments in electronic areas**
  - ✓ Supply electronic materials in response to the growth of the US semiconductor industry
  - ✓ Expand market share of semi-grade phosphoric acid with capacity expansion
  - ✓ Enter Specialty Etchant and expanding Silane-Precursor items (HCDS, DIS(1), etc)

Battery Materials

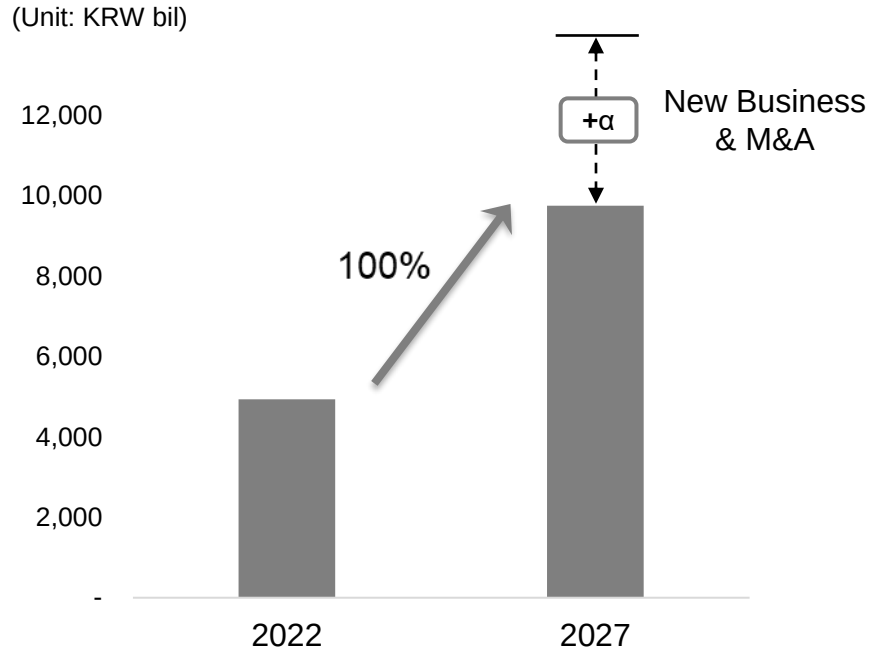
- **Enter battery materials market with R&D based products such as high softening point pitch(HSPP), conductive carbon black used in high-voltage wires and secondary battery conductive additives**
  - ✓ Targeting 2H 2023 for commercial production of HSPP 15,000MT and construction on schedule
  - ✓ Develop Si anode materials and strategic partnership underway

(1) DIS : Di-iodo-Silane

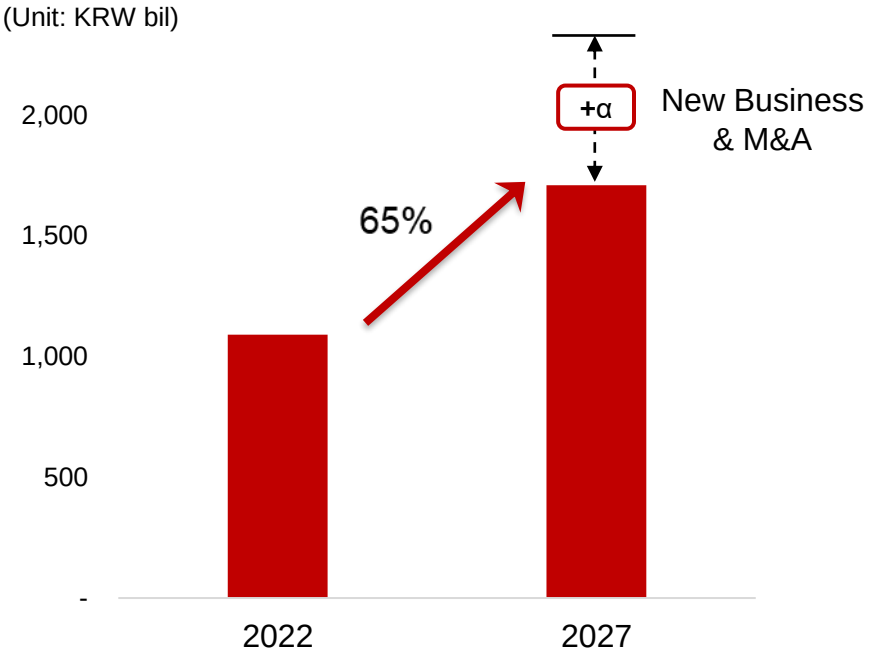
2027 Growth Plan

- Growth target of 100% in Sales and 65% in EBITDA within 5 years of existing and current projects (EBITDA margin of 20% or more)
- 2023, secure double CAPEX compared to 2022 for extensive investment in new businesses, and fulfill investment plans of at least 50% of cumulative EBITDA for the next five years
- Proceed with M&A and JV to expand value chain and the US market share

SALES



EBITDA

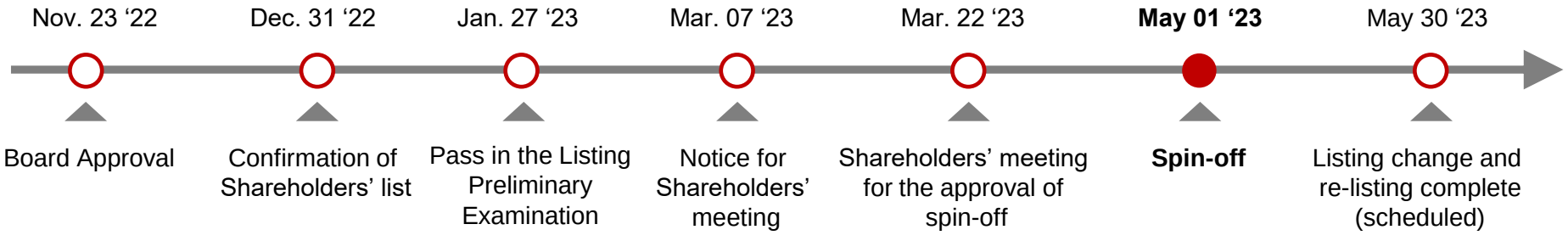


Horizontal Spin-off for Transition to a Holding Company

- **Details of spin-off**

	Holding Company	New Company
Name	**OCI Holdings Company Ltd.** (TBD)	**OCI Company Ltd.** (TBD)
Spin-off Ratio	68.8%	31.2%
Shares	16,412,642 shares	7,436,729 shares
Face Value	KRW 5,000 per share	KRW 5,000 per share
Business	Management of subsidiaries, new investment	• Basic Chemicals (EG Poly-Si, H2O2, CA, Fumed Silica, Phosphoric Acid) • Carbon Materials (Carbon Black, Pitch, BTX, etc.) • Goods Sales
Subsidiaries	OCI, OCIMSB, OCI China, OCI SE, OCI Enterprises (OCI Solar Power, MSE), DCRE, etc.	-

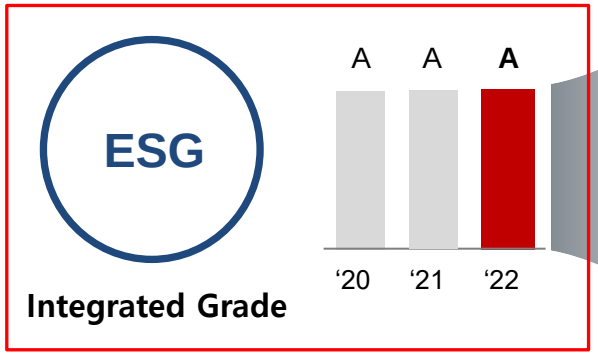
- **Schedule**



* The above schedule is subject to change in consultation with related authorities

ESG Management Strategy

- 2022, Achieved ESG Integrated Grade ‘A’ by KCGS(1) for 6 consecutive years and selected DJSI(2) Korea 14 consecutive years
- 2023, Internalize and strengthen ESG management by expanding renewable energy-related businesses, establishing an enterprise-wide master plan for greenhouse gas reduction, and expanding supply chain management



Environment

- Initiatives to combat climate change (carbon emission reduction, improving energy efficiency)
- Prevention of severe environmental accidents and compliance

Society

- Supply chain management, green purchasing, fair competition, etc
- Strengthen interactive communication between the market and stakeholders

Governance

- Strengthen activities of outside directors consisting of professionals by field
- ‘ESG Committee’, establish ESG strategy and promote related investment decisions

(1) KCGS : Korea Institute of Corporate Governance and Sustainability
(2) DJSI : Dow Jones Sustainability Indices

Q & A

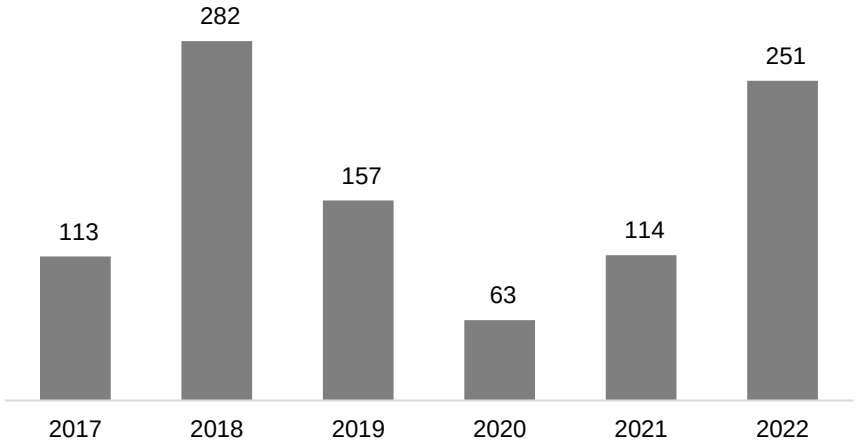
Appendix. Company Overview

Company Overview

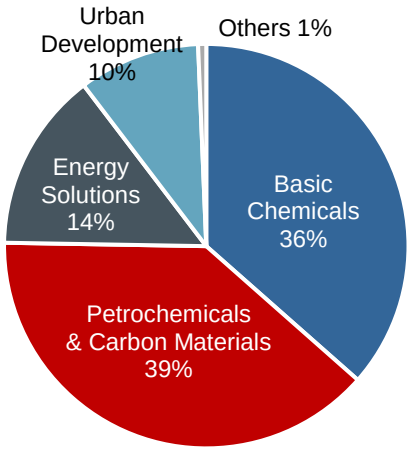
- Founded in 1959, OCI Company Ltd. is a Korea-based chemical company
- The company consists of four business divisions: Basic Chemicals, Petrochemicals & Carbon Materials, Energy Solutions and Others
- Basic Chemicals: Poly-Si, H2O2, Fumed Silica Chlor-Alkali, etc.
- Petrochemicals & Carbon Materials: TDI, Carbon Black, Pitch, Benzene, P/A, Plasticizer etc.
- Energy Solutions: Solar PV, Cogeneration power plant, PV Inverter
- Others: Urban development Project, Bio, Trading, Leasing, etc

CAPEX

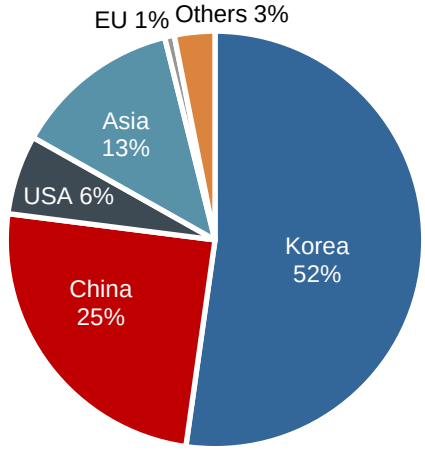
(Unit: KRW bil)



2022 Revenue(1) Breakdown by Segment



2022 Revenue Breakdown by Region(2)



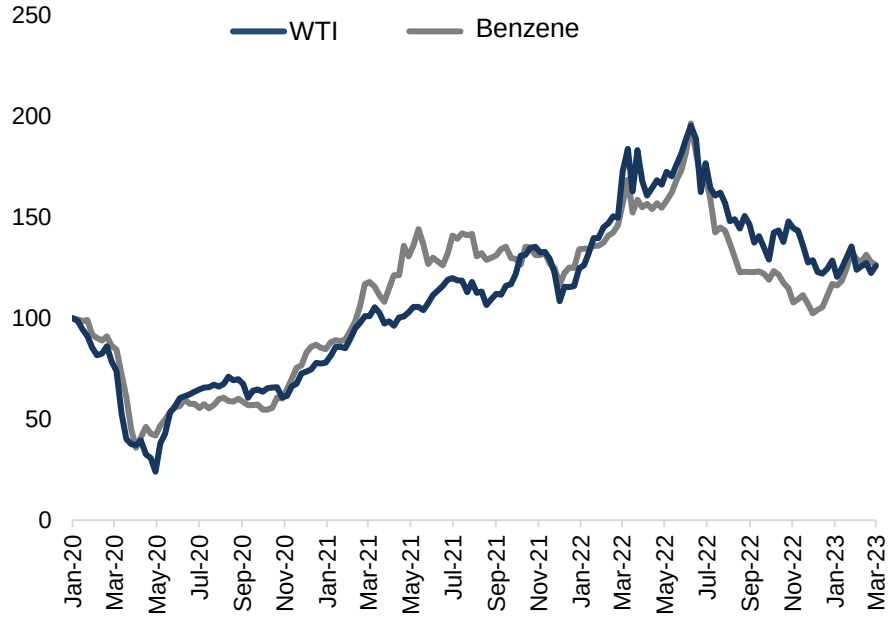
Note: Consolidated results based on K-IFRS
(1) Before inter-company adjustment
(2) Korea revenue includes transaction through domestic letter of credit

Appendix. Price Index of Major Chemical Products (1)

Benzene

- In Q4, Benzene price weakened due to low operation of downstream (SM, Phenol, etc.) followed by the resurgence of COVID-19 in China and the global economic slowdown
- Benzene export price was affected by the US' reduction of Asian Benzene imports due to low operation of downstream by hurricanes and cold waves

(Jan. 2020 = 100)

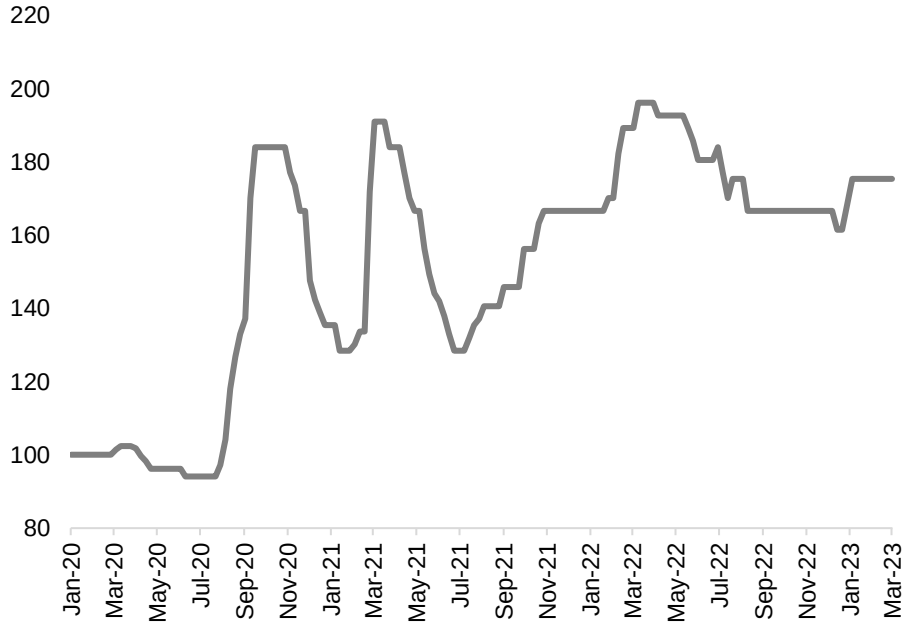


Source: Platts (FOB Korea)

TDI

- In Q4, demand from Asia increased due to rising raw material prices in the EU and production reduction owing to troubles in facilities
- TDI price increased due to lower operation and maintenance of Chinese manufacturers, resulting deepening global supply shortages

(Jan. 2020 = 100)



Source: ICIS (CFR China Main Port & HK)

Appendix. Price Index of Major Chemical Products (2)

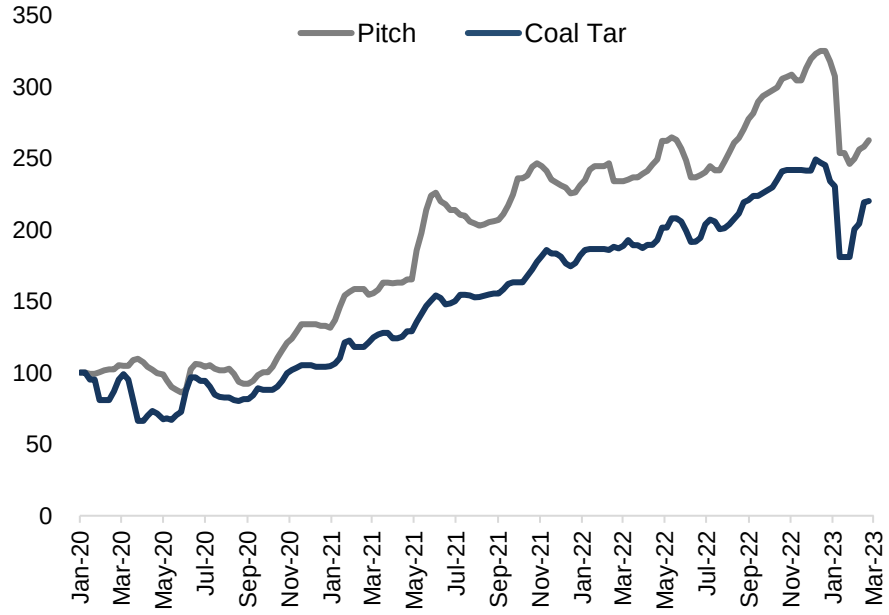
Pitch

- Pitch price rose due to reduction of coal tar by low operation in China's steel and coke industries
- Pitch demand and operation of steel industries may increase with China's COVID-19 mitigation policy

Carbon Black

- In Q4, operation rate of MRG industries was low due to concerns over the global economic recession
- Carbon Black prices might fall due to the re-entry of Chinese products into overseas markets if raw material prices drop

(Jan. 2020 = 100)



Source: EastRiver(Hard Pitch, EX-Work China)

Appendix. Business Snapshot by Division (Q4 2022)

(Unit: KRW bil)

	Basic Chemicals	Petrochemicals & Carbon Materials	Energy Solutions	Urban Development	Others	Total
Sales	570.5	489.9	212.5	133.1	-78.4	1,327.6
Operating Income	249.3	30.0	33.9	23.7	7.7	344.5
% Margin	44%	6%	16%	18%		26%
EBITDA	266.7	41.0	45.3	23.9	10.4	387.3
% Margin	47%	8%	21%	18%		29%
Main Products	Poly-Si, H2O2, FS, Chlor-Alkali	TDI, Carbon Black, Pitch, Benzene, P/A, Plasticizer	Solar power development, Cogeneration power plant, Solar module, Inverter	CITY CIEL	Bio, Product Sales, Leasing	
OCI and major subsidiaries	OCI Specialty, OCIMSB	OCI China	OCI Enterprises, OCI SE, OCI Power, OCI Global	DCRE	OCI I&C	

Note: Reviewed by outside auditors

Appendix. Historical Performance by Division

(Unit: KRW bil)

	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4
Sales	**1,014.2**	**1,006.1**	**1,055.1**	**1,282.5**	**1,327.6**
Basic Chemicals	411.2	343.3	387.5	502.4	570.5
Petrochemicals & Carbon Materials	414.1	416.5	474.0	530.4	489.9
Energy Solutions	140.3	153.5	140.1	202.5	212.5
Urban Development	99.1	128.3	105.8	111.8	133.1
Others	-50.5	-35.5	-52.2	-64.6	-78.4
Operating Income	**218.0**	**162.0**	**181.0**	**289.1**	**344.5**
Basic Chemicals	177.8	77.2	111.1	200.9	249.3
Petrochemicals & Carbon Materials	22.9	33.9	34.2	40.4	30.0
Energy Solutions	14.3	28.4	5.1	24.4	33.9
Urban Development	-24.1	14.3	25.8	16.8	23.7
Others	27.2	8.2	4.7	6.7	7.7
EBITDA	**252.3**	**195.7**	**216.2**	**327.1**	**387.3**
Basic Chemicals	190.7	90.2	125.5	217.6	266.7
Petrochemicals & Carbon Materials	30.7	41.4	41.8	48.2	41.0
Energy Solutions	24.7	38.9	15.8	35.2	45.3
Urban Development	-24.0	14.5	25.9	16.9	23.9
Others	30.2	10.7	7.2	9.1	10.4

Note: Reviewed by outside auditors

Thank You

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