OCI Holdings

INVESTOR RELATIONS

OCI Holdings

Financial Results for Q4 2023

2024.02.07

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 but not limited to, trends and/or slowdown in the global economy, future investment plans, market demand and supply conditions and intensified industry competition. 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.

OCI Holdings

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Financials

1. Full Year Review
2. Q4'23 Review
3. Financials by Subsidiaries

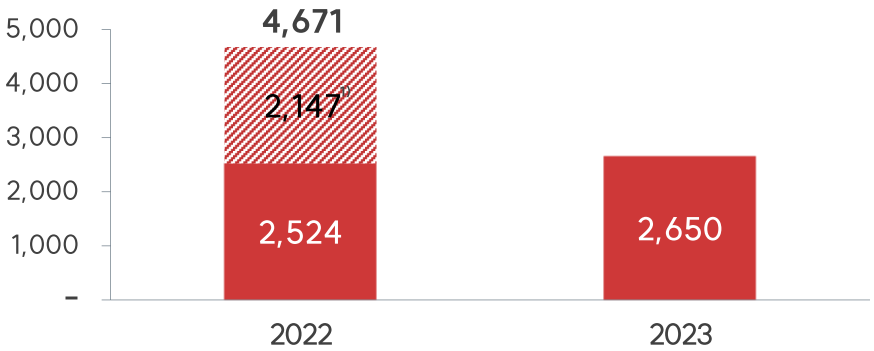
OCI Holdings

01. 2023 Annual Consolidated Financials

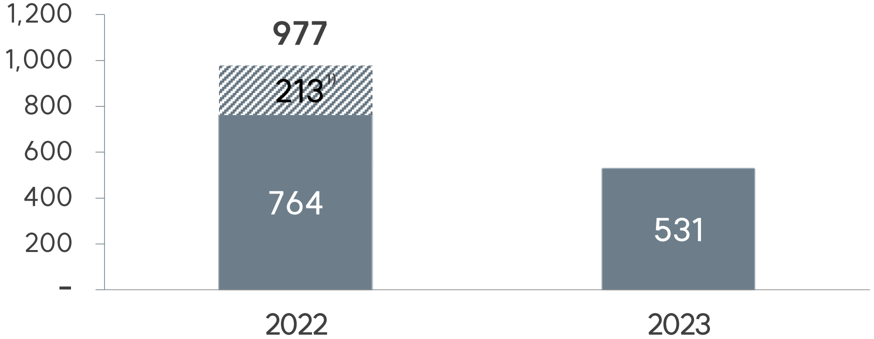
OCI Holdings

- 2023, Sales KRW 2,650 billion, Operating Income KRW 531 billion, Operating Profit Margin 20% achieved
- Facing organizational changes from spin-off and holding company transition internally, and despite deteriorating market conditions amid high interest rates and inflation, strong financial performances achieved compared to poly-si peers thanks to out-of-China price premiums and solar project sales

Sales (Unit: KRW bil)

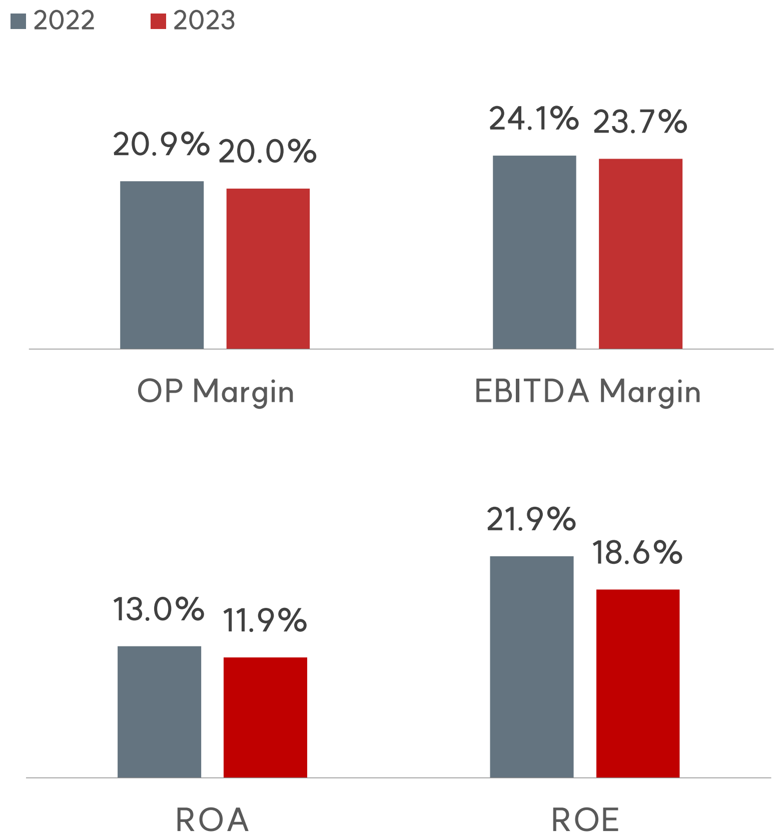


Operating Income (Unit: KRW bil)



1) Before spin-off OCI separate sales and operating income

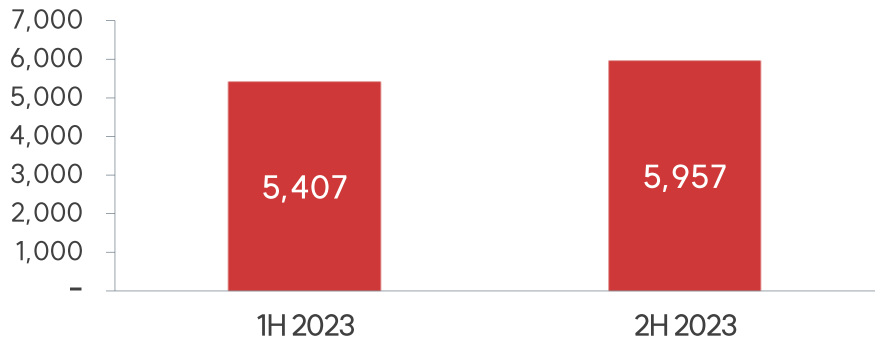
Profitability



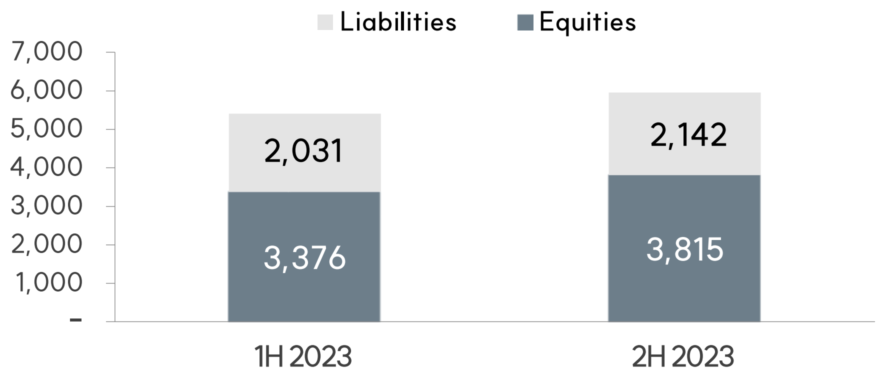
01. 2023 Financial Position

- 2023, Assets KRW 5,957 billion, Liabilities KRW 2,142 billion, Equities KRW 3,815 billion
  - Assets[1] : Increase of short-term financial assets and account receivable from active operating activities, equity method investments in OCI included
  - Liabilities[1] : Increase of long-term liabilities from DCRE, long-term advances received in OCIM

Assets (Unit: KRW bil)

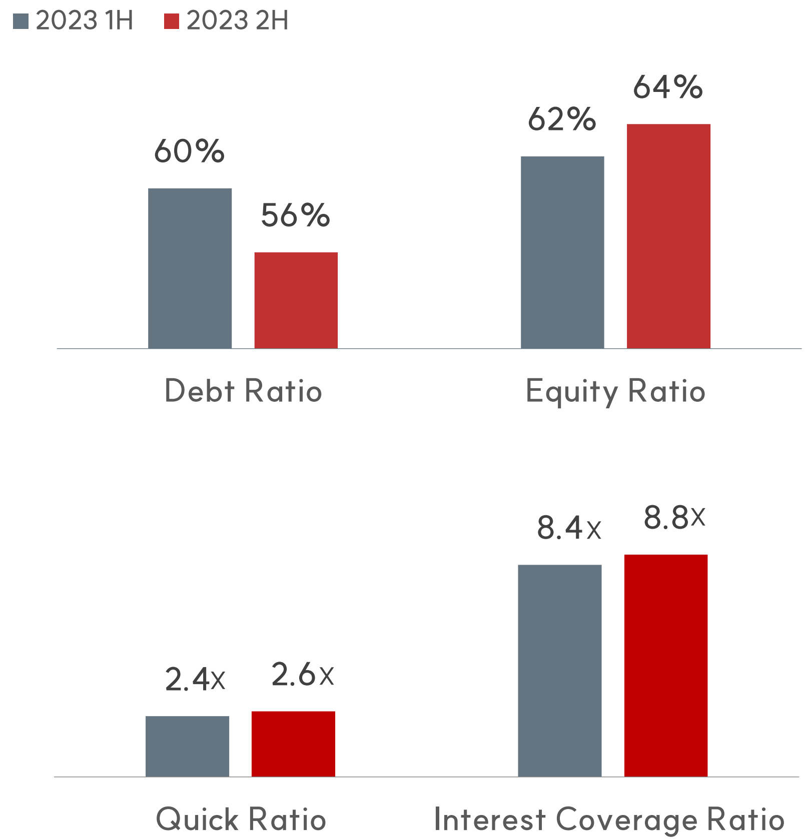


Liabilities & Equities (Unit: KRW bil)



1) Changes compared to 1H 2023 after spin-off of OCI Co.

Financial Stability



02. Q4'23 Consolidated Financials

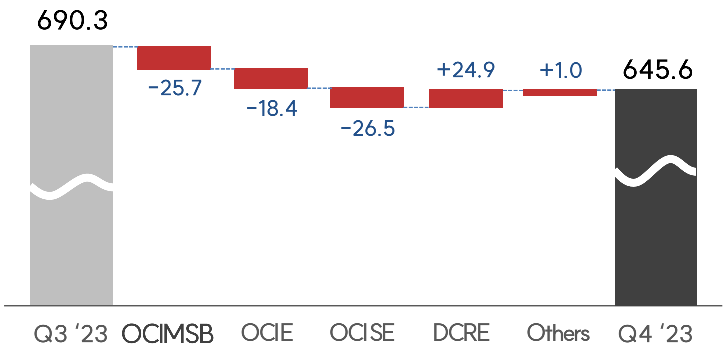
OCI Holdings

- Q4'23 Sales KRW 645.6 billion, Operating Income KRW 65.1 billion, Operating Profit Margin 10% achieved
  - Sales : Decline in sales volume of poly-si, lowered SMP
  - OP Income : Year-end recognition of increased project costs from urban development
  - Net Income : Equity Method gain and impairment loss (Bukwang Pharm. KRW 90 bil, etc.)

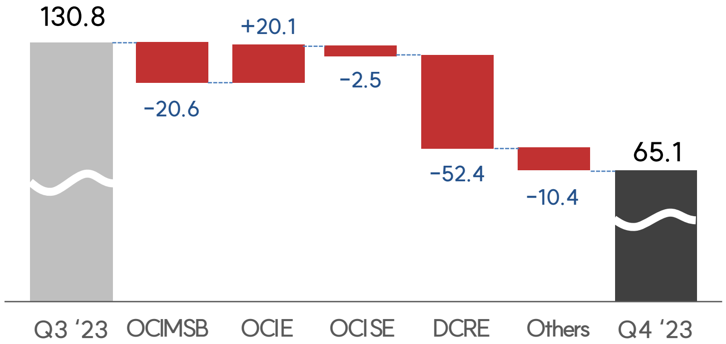
Sales & Operating Income

(Unit: KRW bil)

Sales

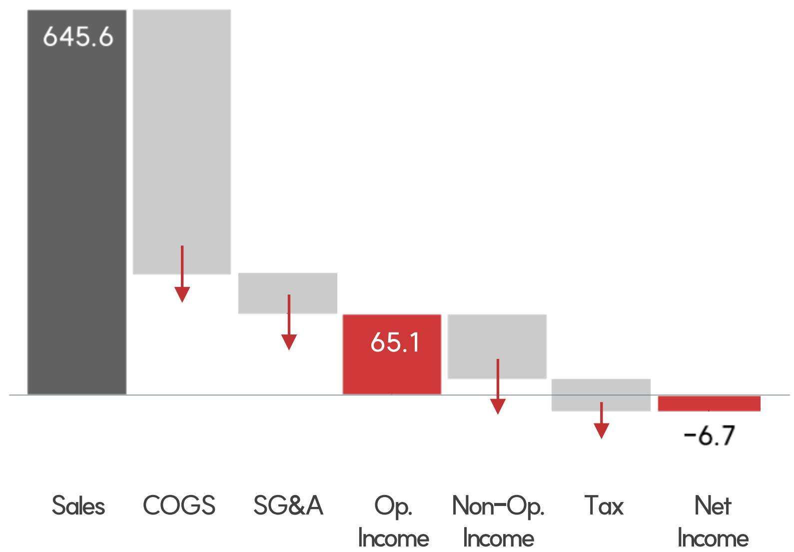


Op. Income



Net Income

(Unit: KRW bil)

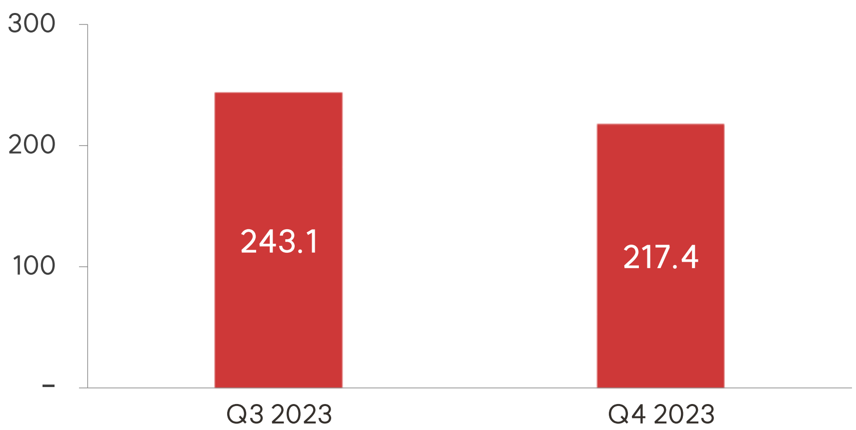


03. Financials – OCIM

OCI Holdings

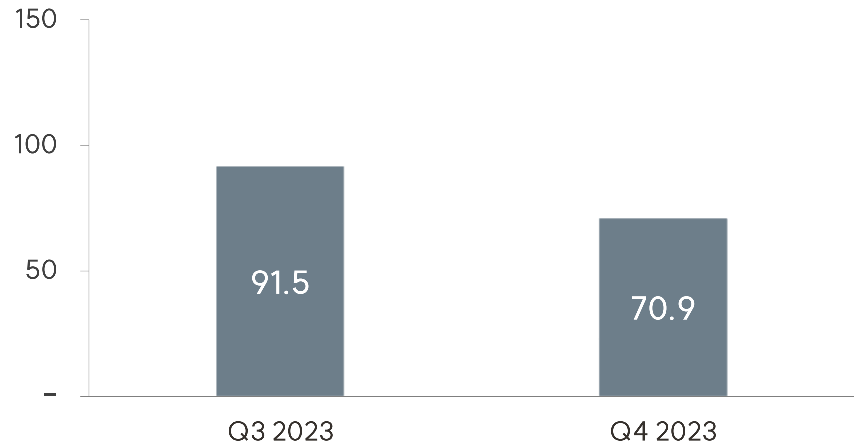
Sales

(Unit: KRW bil)



Operating Income

(Unit: KRW bil)



Q4'23 Highlights

- Sales declined due to normalized sales volumes, which increased in Q3 due to shipment lag
- Out-of-China ASP remained
- Operation rate reduced due to old facilities troubles at the quarter-end

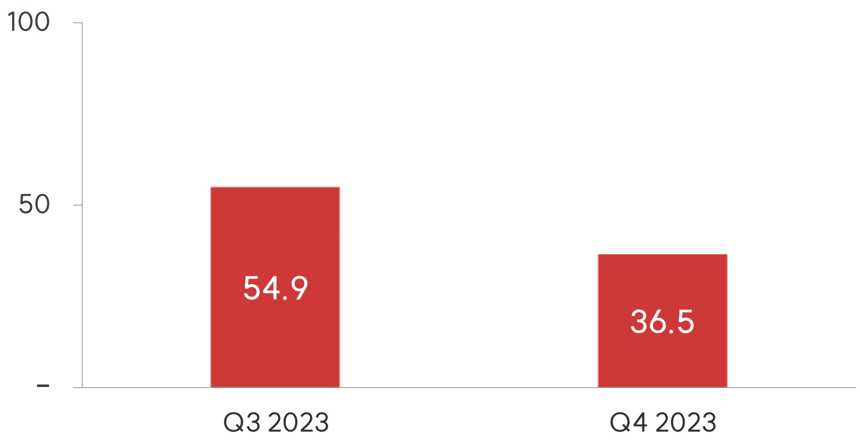
2024 Business Outlook

- Early planned maintenance in progress; lower production and sales volume expected (~70%) in Q1, but normalize from Q2
- 2024 target operation rate to be over 90%

OCI Holdings

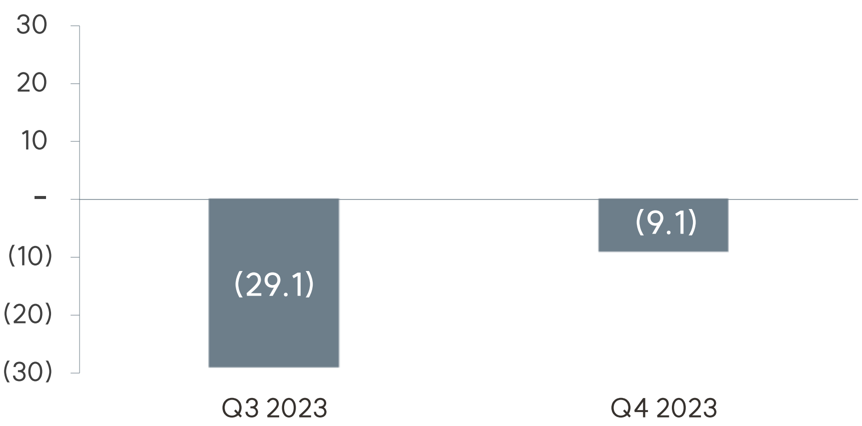
Sales

(Unit: KRW bil)



Operating Income

(Unit: KRW bil)



Q4'23 Highlights

- MSE, operating loss reduced due to elimination of one-time costs incurred in Q3 and as sales of returned products resumed

2024 Business Outlook

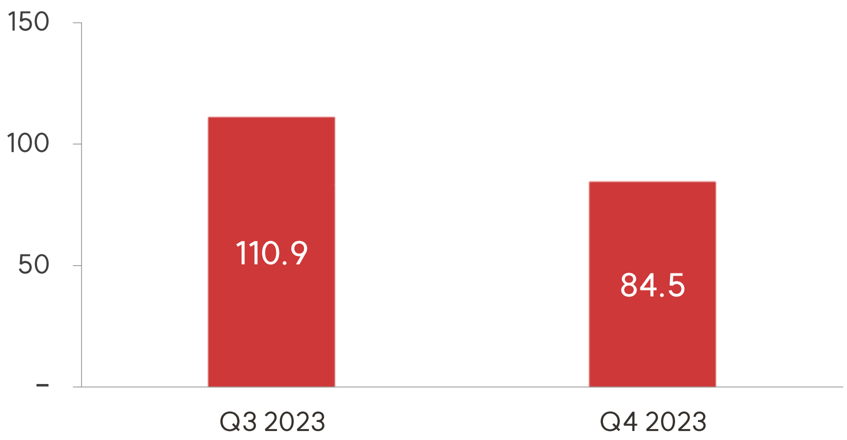
- MSE, a gradual drop in inventories and normalized operations after 1H'24 following the market recovery
- SP, solar project sales (460 MW) expected in 1H'24

1) Sale premium target at USD 0.05/W, extra premium depending on tax incentives (energy community, etc.)

OCI Holdings

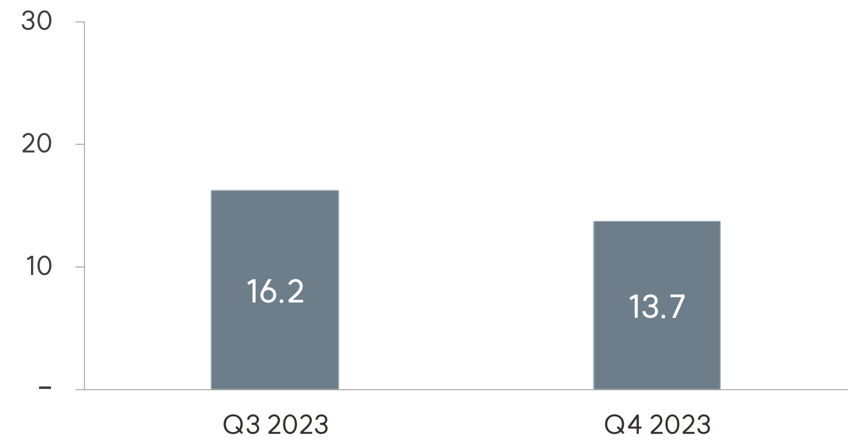
Sales

(Unit: KRW bil)



Operating Income

(Unit: KRW bil)



Q4’23 Highlights

- Reduced sales and operating income following lowered SMP and increased raw material costs
- REC sales on long-term contracts reflected

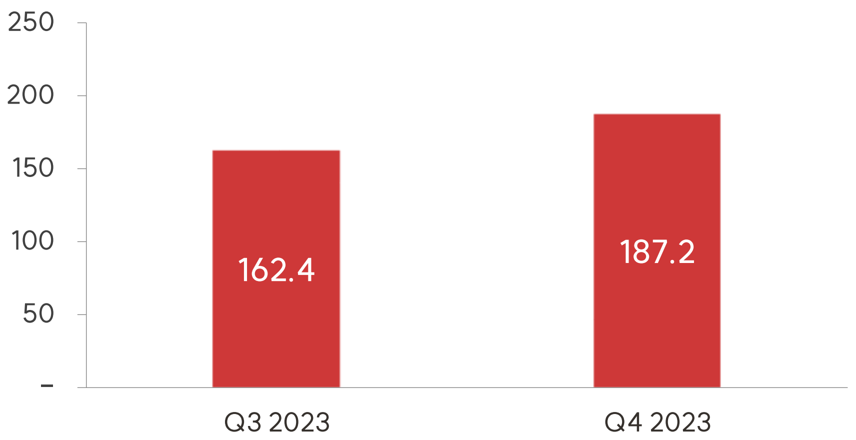
2024 Business Outlook

- SMP to increase following LNG price in Q1
- Steam sales to incur in 2H’24 from new contracts within the complex

03. Financials – DCRE

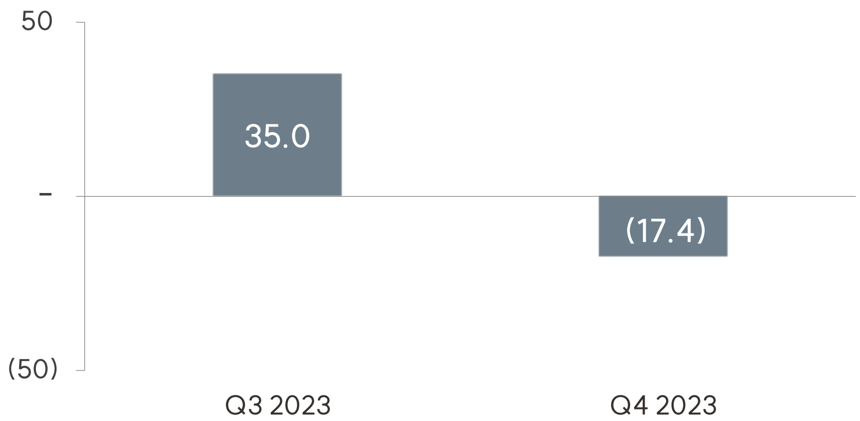
Sales

(Unit: KRW bil)



Operating Income

(Unit: KRW bil)



Q4'23 Highlights

- Year-end recognition of increased project costs reflected in Q4, mainly land and land development costs (Dec. 23, recorded an operating loss about KRW 45 billion)

2024 Business Outlook

- Preparing and supporting the move-in of residents for the first completed complex in Q1
- In negotiation with related parties for the preparation of the pre-sale in 1H'23

02

Business Updates

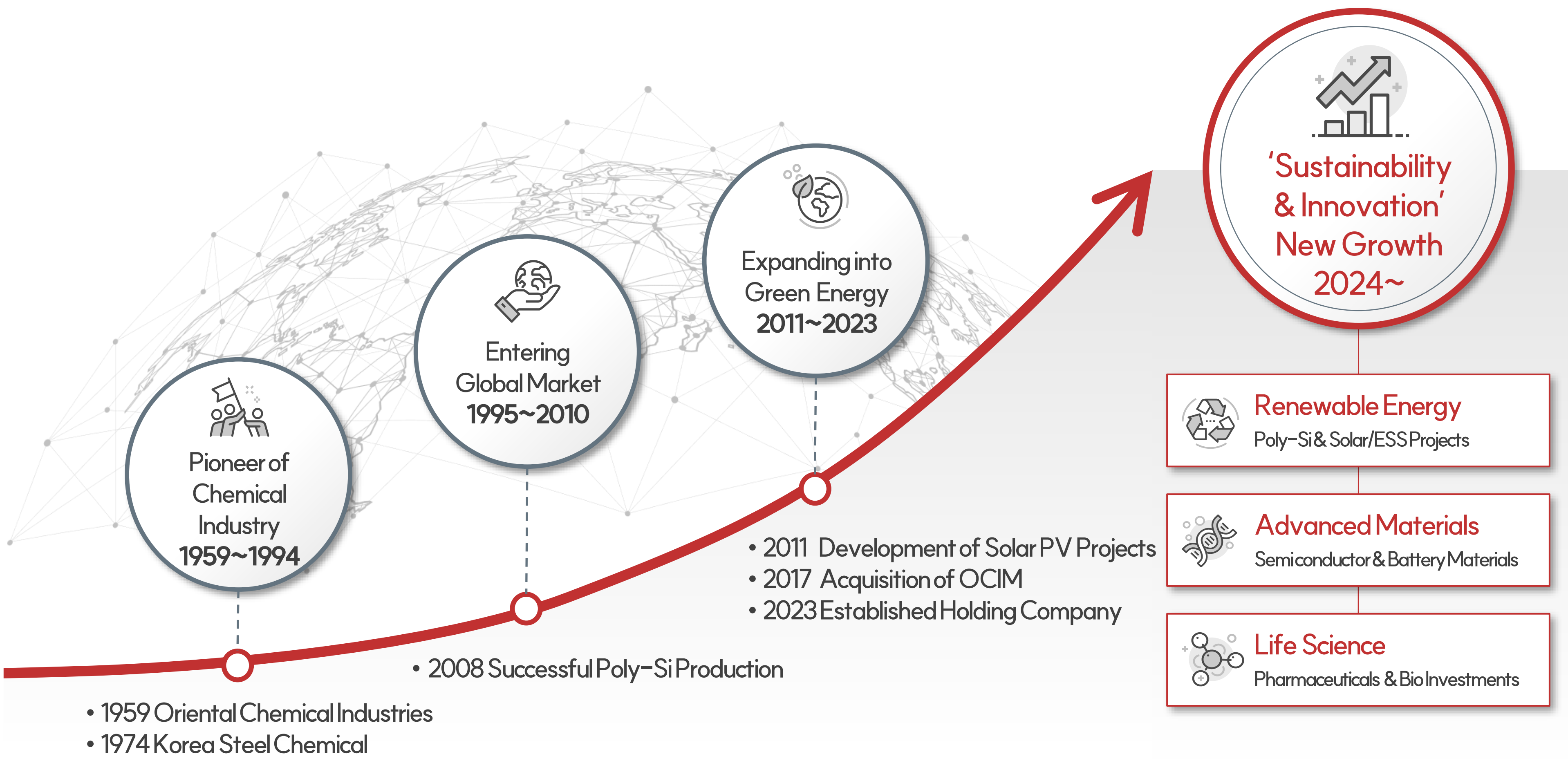
1. OCI Holdings' Vision
2. Key Business Strategies
3. ESG Management

OCI Holdings

01. OCI Holdings' VISION

OCI Holdings

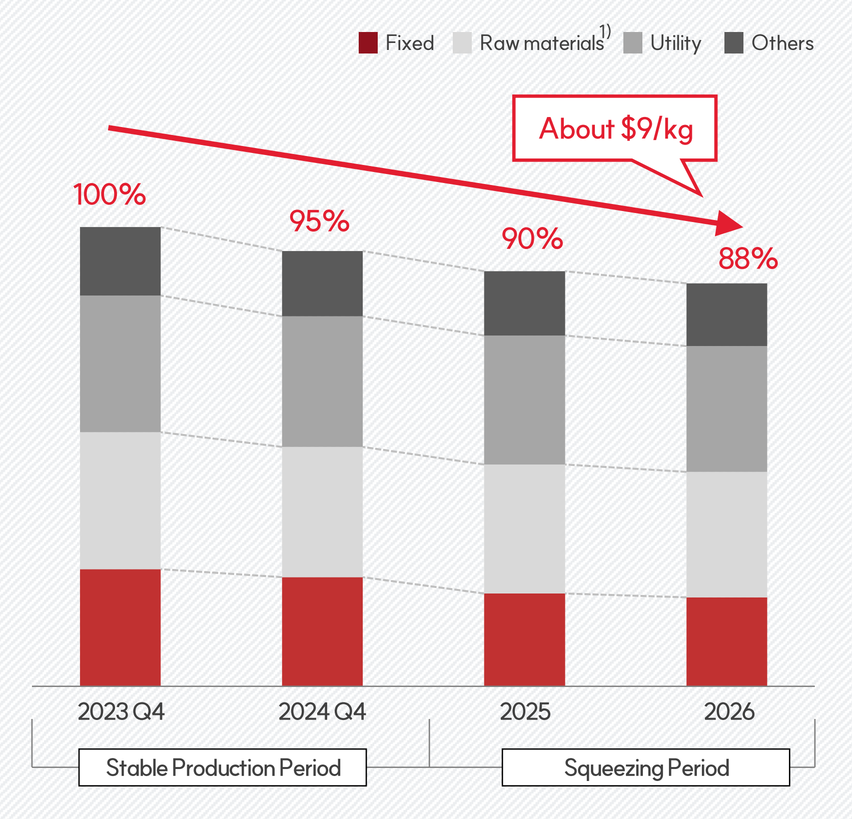
- Grown as a leading company in the global specialty chemical and solar PV industry over 60 years of history
- 2024, OCI Holdings' core business categorized into 'Renewable Energy', 'Advanced Materials', & 'Life Science'



OCI Holdings

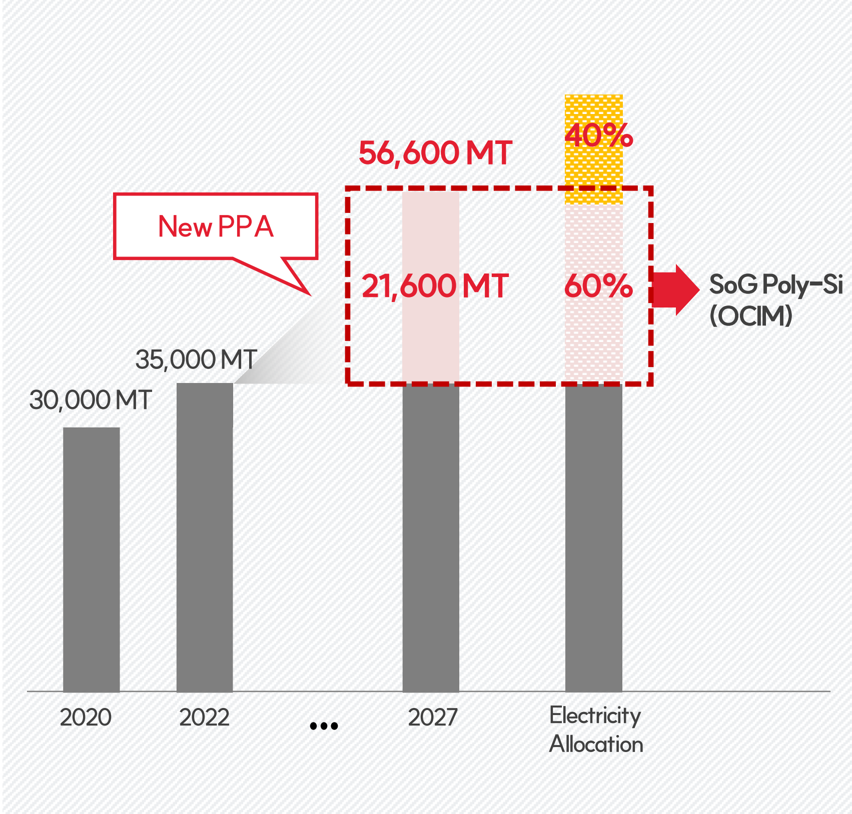
- Poly-Si expansion project of 21,600 MT/year to be completed by 2027 by allocating newly secured electricity between projects
- '24~'26, profit maximization through full operation of existing capacity by production efficiency and cost reduction, and expecting excellent cash flow from a non-China pricing strategy, etc.

Cost Reduction Roadmap



1) Cost of 100% non-China raw materials reflected

Expansion Plan

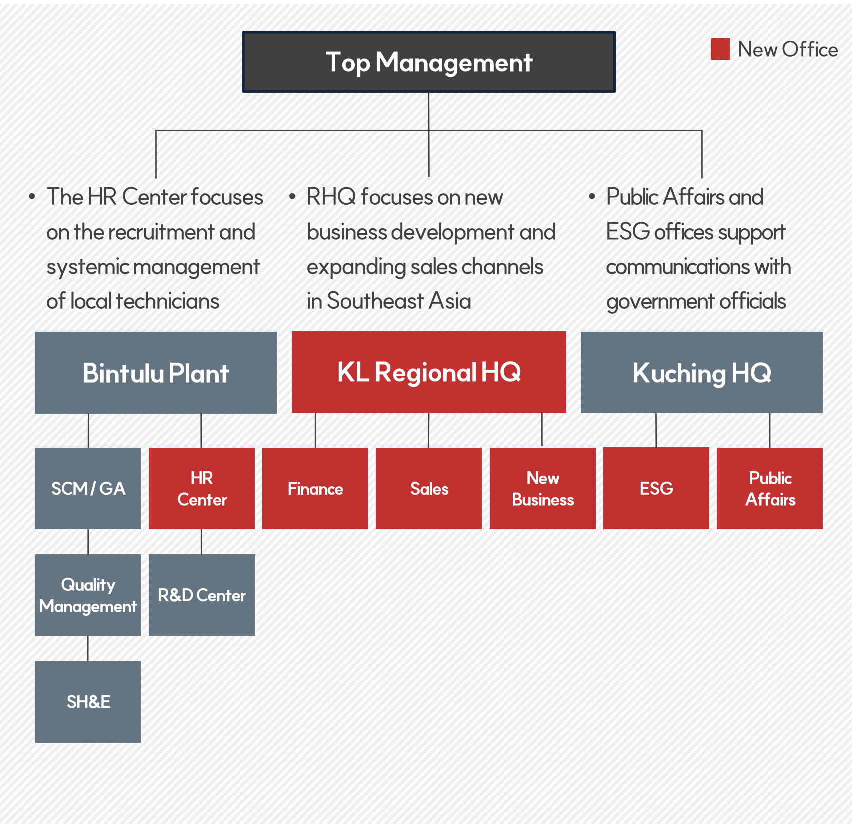


02. Business Strategy_Malaysia Business Strategy

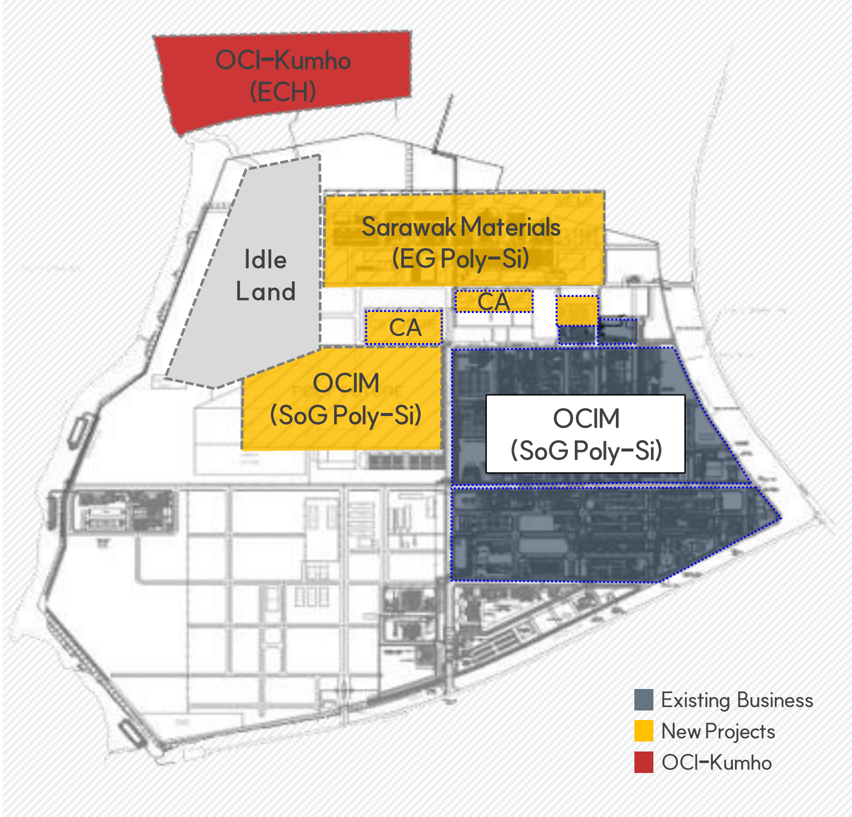
OCI Holdings

- Establishing Regional Headquarters in KL, Malaysia, to prepare for business expansion based in the Southeast and to capture new business opportunities
- Business localization through strengthening ESG activities and promoting managerial-level local employees
- Mutual efforts to expand the pharmaceutical and bio business with Hanmi, including investments in clinical studies

Organization Plan



Business Location

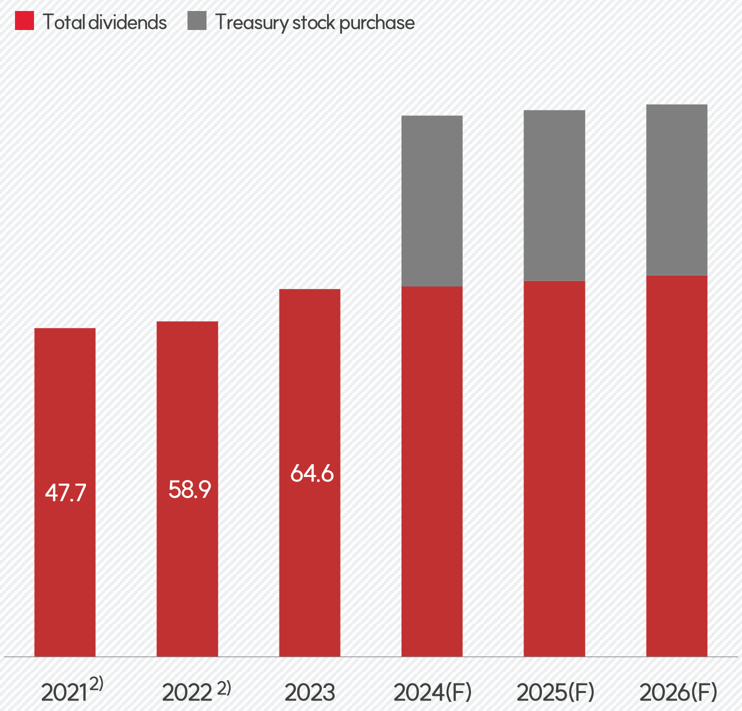


03. ESG Management _ Shareholder Return

- Cash dividends of KRW 64.6 billion determined for 2023 (DPS: KRW 3,300)
- '24~'26, the shareholder return policy based on balanced capital allocation considering holding company's investment function, shareholder return, and sustainability

Shareholder Return

(Unit: KRW bil)



Shareholder Return Policy

Dividend Policy

- Cash dividends based on 30% of the FCF of OCIH
- Aim for maintaining the minimum DPS '24 ~'26
- Dividend policy to be renewed every 3 years considering Company's investment plan and business environment

** The size of the dividend can be changed through a legitimate process if a large CAPEX is required for investment*

Treasury Stock Purchase/Retirement

- Retirement of existing Treasury stocks (248,732 shares, 1.26% of outstanding shares[3])
- '24~'26, Actively pursuing Treasury stock purchase/ retirement program

1) FCF: Free cash flow of OCI Holdings (separate) after investing activities
2) A dividend payout of 30% of OCI (separate) for the respective year before the spin-off
3) Among 248,732 shares – 206,453 shares retired by the decision of the BOD, and 42,279 odd lots to be retired by the decision of shareholders on the Annual General Shareholders' Meeting

03. ESG Management_ ESG Strategy

OCI Holdings

- Under the new vision of 'Making Sustainability Possible', establishing the holding company-leading ESG strategy that integrates the future growth and implementation of ESG management in subsidiaries
- Continued efforts to achieve top ratings[1] by major domestic and foreign ESG rating agencies and to be included in top-tier ESG funds

	Environment	Social	Governance
ESG Vision	Making Sustainability Possible.		
Strategic Direction	**Green Innovation** Achieving Sustainability through Green Innovation	**People-oriented** Achieving Sustainability through People Respect	**Sustainable Growth** Creating Sustainable Growth
Strategic Focus	Responding to Climate Change	Human Rights Protection & HR Management	Advanced Governance Structure
	Advancing Environmental Impact Management	Strengthen Workplace Safety & Health Systems	Ethics & Compliance Management
	Expanding Investment in Eco-friendly Products	Build a Sustainable Supply Chain	

1) Listed in the DJSI(Dow Jones Sustainability Indices) Korea for 15 consecutive years, KCGS(Korea Institute of Corporate Governance and Sustainability) integrated 'A' grade at ESG assessment for 7 consecutive years

03

Appendix

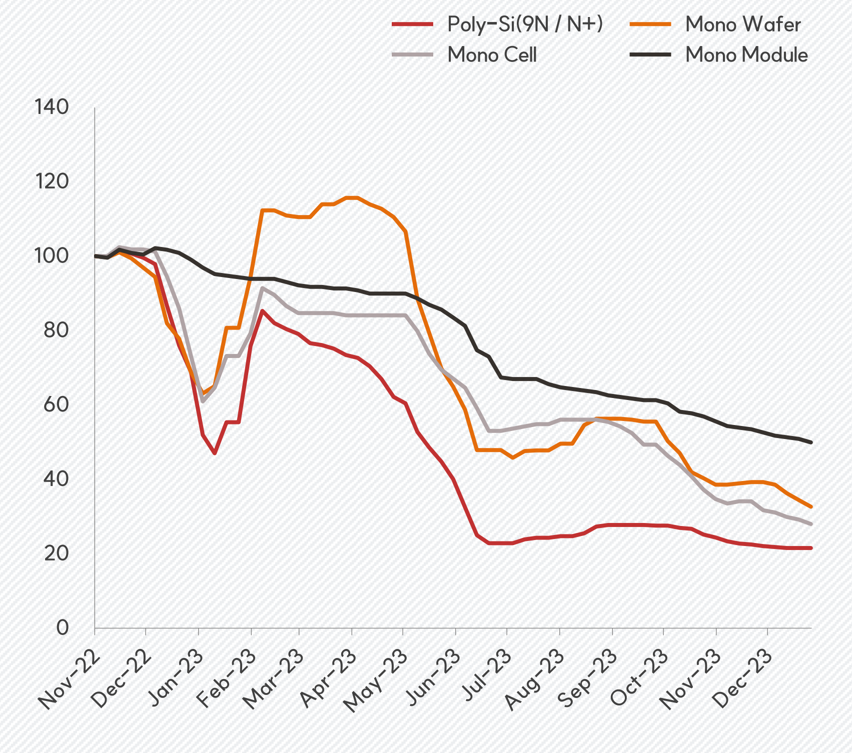
OCI Holdings

Appendix _ **Polysilicon Market Trend**

OCI Holdings

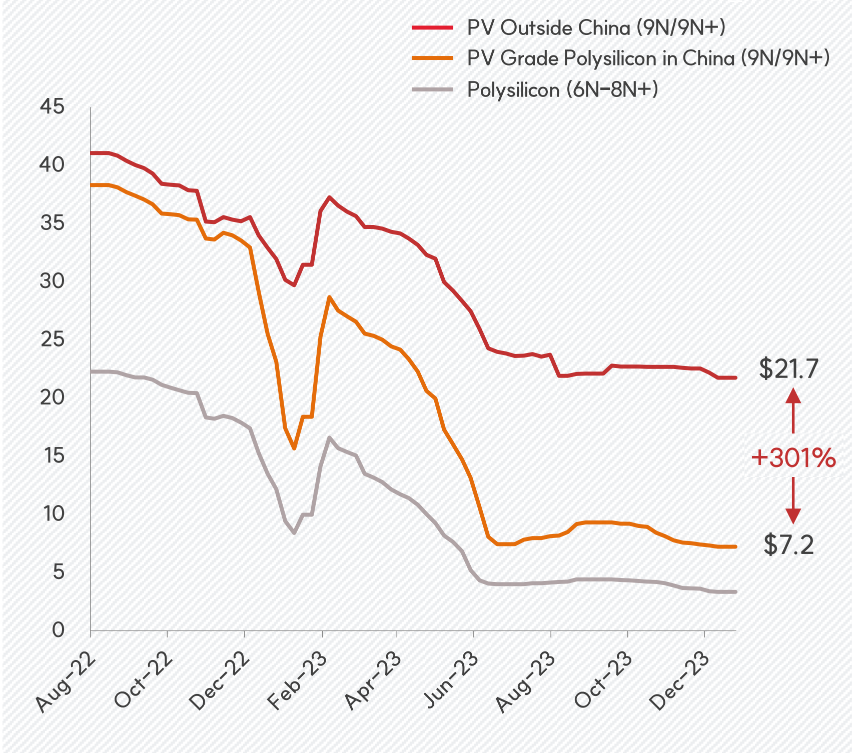
- From Q2'23, the poly-si market shifted to an oversupply condition, with new volumes from Tier 1 and new players reflected
- Prices of solar products on the value chain all declined, especially the price of poly-si, which fell 74% compared to the beginning of the year, but prices of N-type poly-si were defended amid the N-type market transition
- In Q4, China poly-si prices continue to fall due to lower end-demand despite new supply; however, non-China prices hold steady due to growing demand from customers targeting the US market

Price Trend of Solar Value Chain



Poly-Si Price Trend by Grade

(Unit: USD)



Source: PV Insights

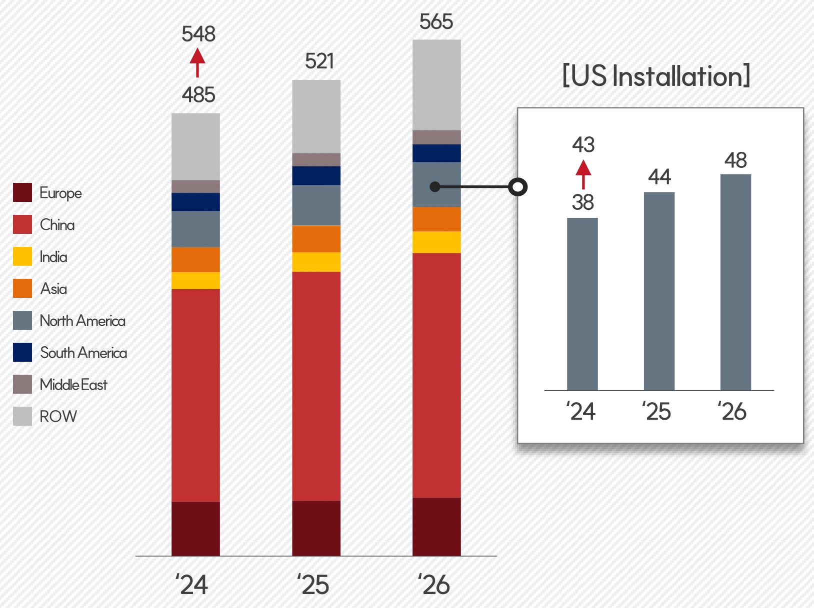
Appendix _ Solar PV Market Forecast

OCI Holdings

- '23, global solar installations are expected to reach 413 GW (1.6 x growth YoY), and the share of solar power generation continues to increase, as indicated by the growing number of countries with solar installations over 1 GW
- '24, global installations between 485 GW~ 548 GW are expected, driven by lower module prices but with market volatility around geopolitical risks in the Middle East and solar policy changes
- The US solar installations are backed by strong utility solar demand and a recovery in residential solar amid interest rate cuts

Global PV Installation Outlook

(Unit : GW)



Key Issues in Solar Market

Trade & political dispute

- Renewable and solar energy policy volatility expected in 2024 depending on the result of the U.S. presidential election
- Trade barriers on carbon footprint, human rights issues, etc., in addition to traditional trade barriers like AD/CVD
- AD/CVD tariffs on Southeast Asia solar products from June 2024

Non-Chinese solar value chain

- Expanding capacity outside of China and Southeast Asia
- Non-Chinese poly-si supply is insufficient for mid-to-long-term U.S. installation demand (~50 GW/year)

Technology & equipment transitions

- Process conversion to N-type for new wafer facilities
- Companies with low quality and cost competitiveness will be eliminated and adjusted in utilization rates, mainly Chinese poly-si

Source: BNEF 4Q'23 report & OCIH analysis

Appendix _ OCISP Project Pipelines

OCI Holdings

Project Pipelines

Type	Project Location	Capacity (MW)	Development	Total
Solar	ERCOT	200	Late Stage	2.30 GW
		260		
		500	Early Stage	
		500		
		120		
		500		
		210		
ESS	ERCOT	200	Early Stage	1.50 GW
		200		
		200		
		200		
		200		
		500		

Appendix _ 2024 Business Outlook by Subsidiaries

OCI Holdings

OCIM – Polysilicon

- Confirmed investment for additional 21,600 MT capacity, negotiating with customers for new expansion volume, and building new contracts
- Stable production of 35,000 MT through investment in facilities
- Establishing a fast-track US customs clearance

OCIE – Solar/ESS

- OCISP : Project sales scheduled (460MW + α)

Project	Capacity	Sales Expected
Solar	200 MW	1H'24
Solar	260 MW	1H'24

- MSE : Module expansion project continues to reach 1 GW

OCI SE

- Optimizing facility operations to maximize electricity and REC sales
- Signing new contracts for steam sales (4 companies)
- Connecting steam pipelines to new customers

DCRE

- Pre-sale of two additional complexes in 2024
- Promoting commercial real estate sales in complexes

Appendix _ OCI Holdings Corporate Governance

OCIH Governance Structure

Holding Company

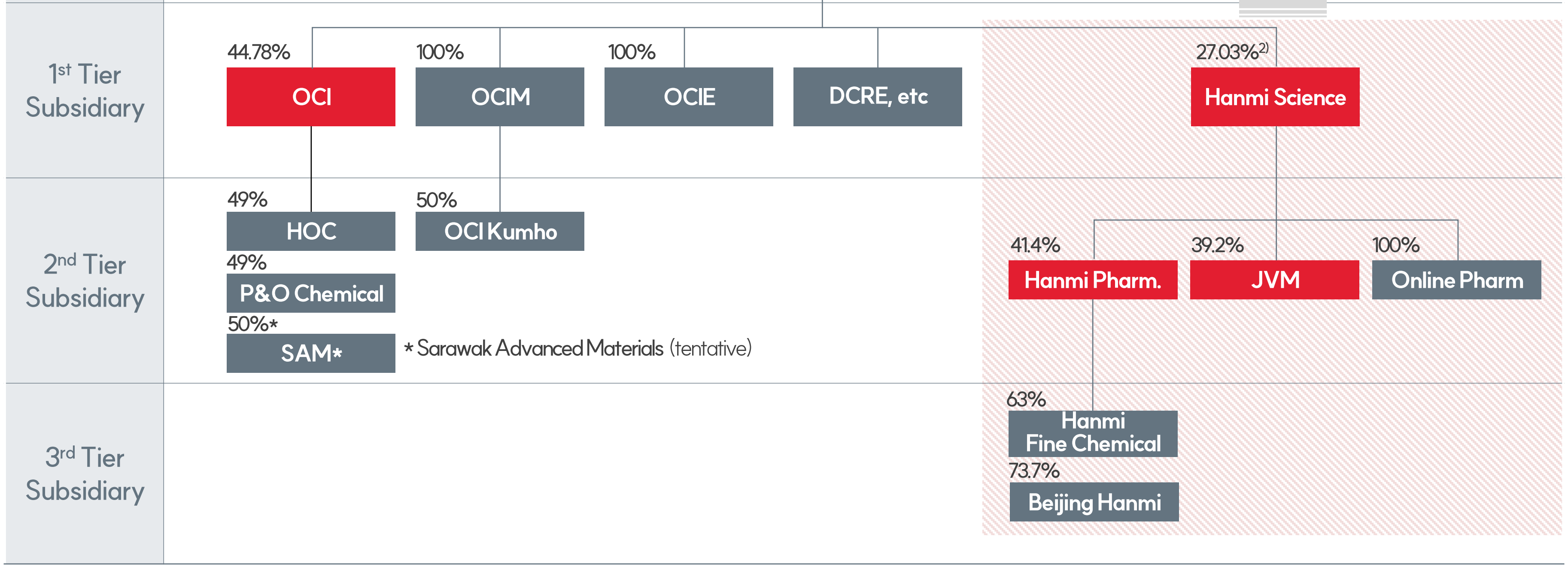
OCIH Majority Shareholders	25.70%
Hanmi Majority Shareholder	10.37%
Total	36.07%

OCI Holdings

*New CI and name to replace

Listed

- Affiliated Companies[1] : 14 in total *(3 listed)*
- Consolidated Sales : KRW 2.5 trillion
- Total Market Capitalization : KRW 7.2 trillion



1) Based on Q3'23 Audit Report of Hanmi Science
2) Plan to acquire over 30% within a year

Appendix_ Q4'23 Financial Statements : OCIH Separate

OCI Holdings

Condensed Statement of Income	(Unit: KRW bil)
Sales	**108.9**
Cost of Good Sold (COGS)	1.2
Gross Profit	107.7
Selling, General, Administrative (SG&A)	7.0
Operating Income	**100.7**
Operating Profit Margin(%)	**92.5%**
Financial Income	4.7
Financial Expense	3.1
Income Before Income Tax Expenses	**24.2**
Net Income	**-23.6**
EBITDA	**101.0**
EBITDA Margin(%)	**92.8%**

Condensed Statement of Financial Position	(Unit: KRW bil)
Total Assets	**2,257.5**
Current Assets	**463.5**
Cash & ST Financial Assets	241.8
Account Receivables & Others	66.9
Inventories	-
Others	154.8
Non-Current Assets	**1,794.0**
Investments	1,655.1
Tangible Assets	58.0
Others	81.0
Liabilities	**78.2**
Debt	70.0
Accounts Payables & Others	4.7
Others	3.6
Shareholders' Equity	**2,179.2**
Net Cash	**171.8**
Leverage Ratio	**3.6%**

Appendix_ Q4'23 Financial Statements : Consolidated

OCI Holdings

Condensed Statement of Income (Unit: KRW bil)

Sales	**645.6**
Cost of Good Sold (COGS)	542.6
Gross Profit	103.4
Selling, General, Administrative (SG&A)	38.3
Operating Income	**65.1**
Operating Profit Margin(%)	10.1%
Financial Income	6.1
Financial Expense	10.2
Income Before Income Tax Expenses	14.6
Net Income	-6.7
EBITDA	**89.2**
EBITDA Margin(%)	13.8%

Condensed Statement of Financial Position (Unit: KRW bil)

Total Assets	**5,956.6**
Current Assets	**3,994.2**
Cash & ST Financial Assets	1,602.0
Account Receivables & Others	614.2
Inventories	1,731.7
Others	46.4
Non-Current Assets	**1,962.4**
Investments	507.1
Tangible Assets	1,175.9
Others	279.3
Liabilities	**2,141.6**
Debt	1,455.4
Accounts Payables & Others	332.7
Others	353.5
Shareholders' Equity	**3,814.9**
Net Cash	**146.6**
Leverage Ratio	**56.1%**

Thank You

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