

## MIRA INFORM REPORT

<b>Report No. :</b>	532968
<b>Report Date :</b>	09.10.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	OFFICE CHERIFIEN DES PHOSPHATES S.A
<b>Registered Office :</b>	2-4 Rue Al Abtal, Hay Erraha, 20200 Casablanca BP 5196, Maarif Casablanca
<b>Country :</b>	Morocco
<b>Financials (as on) :</b>	31.12.2016 [Consolidated]
<b>Date of Incorporation :</b>	01.03.1920
<b>Com. Reg. No.:</b>	RC40327
<b>Legal Form :</b>	Anonimous society
<b>Line of Business :</b>	Subject operate mining, exploration and export of phosphates
<b>No. of Employees :</b>	5600

### RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> January 2017)

<b>MIRA's Rating :</b>	A+
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Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

<b>Status :</b>	Good
<b>Payment Behaviour :</b>	Regular
<b>Litigation :</b>	Clear

#### NOTES :

Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto:infodept@mirainform.com) while quoting report number, name and date.

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**ECGC Country Risk Classification List**

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Morocco	A2	A2

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

**MOROCCO - ECONOMIC OVERVIEW**

Morocco has capitalized on its proximity to Europe and relatively low labor costs to work towards building a diverse, open, market-oriented economy. Key sectors of the economy include agriculture, tourism, aerospace, automotive, phosphates, textiles, apparel, and subcomponents. Morocco has increased investment in its port, transportation, and industrial infrastructure to position itself as a center and broker for business throughout Africa. Industrial development strategies and infrastructure improvements - most visibly illustrated by a new port and free trade zone near Tangier - are improving Morocco's competitiveness.

In the 1980s, Morocco was a heavily indebted country before pursuing austerity measures and pro-market reforms, overseen by the IMF. Since taking the throne in 1999, King MOHAMMED VI has presided over a stable economy marked by steady growth, low inflation, and gradually falling unemployment, although poor harvests and economic difficulties in Europe contributed to an economic slowdown. To boost exports, Morocco entered into a bilateral Free Trade Agreement with the US in 2006 and an Advanced Status agreement with the EU in 2008. In late 2014, Morocco eliminated subsidies for gasoline, diesel, and fuel oil, dramatically reducing outlays that weighed on the country's budget and current account. Subsidies on butane gas and certain food products remain in place. Morocco also seeks to expand its renewable energy capacity with a goal of making renewable more than 50% of installed electricity generation capacity by 2030.

Despite Morocco's economic progress, the country suffers from high unemployment, poverty, and illiteracy, particularly in rural areas. Key economic challenges for Morocco include reforming the education system and the judiciary.

Source : CIA

## **COMPANY NAME**

Registered Name: **OFFICE CHERIFIEN DES PHOSPHATES S.A**  
Requested Name: OCP SA  
Initials: OCP SA  
Other Names: GROUP OCP (MAROC PHOSPHORE SA)

## **ADDRESS AND TELECOMMUNICATION**

Physical Address: 2 Al Abtal Street, Hay Erraha, 21500 Casablanca  
Registered Address: 2-4 Rue Al Abtal, Hay Erraha, 20200 Casablanca  
Postal Address: BP 5196,  
Maarif Casablanca,  
Country: Morocco  
212-522998387/22230025/30125/31025/32025/  
Phone: 22998382/522230025/522230125  
Fax: 212-522998395  
Email: info@ocpgroup.ma  
Website: www.ocpgroup.ma

## **CREDIT OPINION**

Financial Index as of December 2017 shows subject firm with a medium risk of credit. However, bank and credit information obtained reveal a history of prompt payments.

## **LEGAL**

Legal Form: Societe Anonyme  
Date Incorporated: 01-March-1920  
Reg. Number: RC40327  
Tax Number: 02220794  
Nominal Capital: MAD. 8,288,000,000  
Subscribed Capital: MAD. 8,287,500,000  
Subscribed Capital is Subscribed in the following form:

	<b>Position</b>	<b>Shares</b>
Mostafa Terrab	Chairman/CEO	
Mohammed Elkadiiri	Director	
Mohammed Ben Abdel Jalil	Director	
Mohammed Elhaoui	Director	

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Main Customers: Industries, firms and organizations  
Employees: 5600 employees.  
Vehicles: Several motor vehicles.  
Territory of sales: Morocco  
Location: Owned premises, 30,000 square meters,

## **AUDITORS AND INSURANCE**

Auditors: Deloitte & Associés  
Insurance Brokers: Information not available.

## **FINANCE**

Currency Reported: Moroccan Dinar (MAD.)  
Fiscal Year End: December 31, 2017

Inflation: According to information given by independent sources,  
the inflation at December 31st, 2017 was of 13%.

Financial Information Submitted below

## **BANK**

Bank Name: Banque Centrale Populaire  
Branch: Morocco  
Comments: None

## **TRADE REFERENCES**

Experiences: Good

## **NOTARIAL BONDS**

None

## **COMMENTS / ADDITIONAL INFORMATION**

This information was obtained from outside sources other than the subject company itself and confirmed the above subject.

### **Consolidated statement of profit and loss**

<i>(In millions of dirhams)</i>	<b>FY 2016</b>	<b>FY 2015</b>
Revenue	42,471	47,747
Production held as inventory	207	2,205
Purchases consumed	(15,207)	(17,404)
External expenses	(6,823)	(7,241)
Personnel expenses	(7,977)	(8,093)
Taxes	(217)	(244)
Profit (loss) from joint ventures	123	358
Exchange gains and losses on operating receivables and payables	135	329
Other operating income and expenses	63	
<b>EBITDA</b>	<b>12,777</b>	<b>17,659</b>
Amortization, depreciation and operating provisions	(4,475)	(3,840)
<b>Operating profit (loss) before exceptional items</b>	<b>8,301</b>	<b>13,820</b>
Other non-current operating income and expenses	(1,707)	145
<b>Operating profit (loss)</b>	<b>6,594</b>	<b>13,965</b>
Cost of gross financial debt	(714)	(591)
Financial income from cash investments	311	228
<b>Cost of net financial debt</b>	<b>(402)</b>	<b>(363)</b>
Exchange gains and losses on financial receivables and payables	(579)	(2,188)
Other financial income and expenses	(160)	(986)
<b>Other financial income and expenses</b>	<b>(740)</b>	<b>(3,174)</b>
<b>Financial profit (loss)</b>	<b>(1,142)</b>	<b>(3,537)</b>
<b>Profit (loss) before tax</b>	<b>5,453</b>	<b>10,428</b>
Corporate Income Tax	(1,673)	(2,418)
<b>Net profit (loss) for the period</b>	<b>3,780</b>	<b>8,010</b>

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**Consolidated Statement of Comprehensive Income**

<i>(In millions of dirhams)</i>	<i>FY 2016</i>	<i>FY 2015</i>
Net profit (loss) for the period	<b>3,780</b>	<b>8,010</b>
Actuarial gains or losses	(31)	(62)
Taxes	5	12
Share of gains and losses recognized in equity for equity-accounted		
<b>Items that will not be reclassified to profit or loss</b>	<b>(26)</b>	<b>(51)</b>
Translation differences	16	13
Revaluation of assets held for sale*	(235)	(479)
Taxes	49	96
Share of gains and losses recognized in equity for equity-accounted (CFH variation)	(10)	(2)
<b>Items that may be reclassified to profit or loss</b>	<b>(181)</b>	<b>(373)</b>
<b>Income and expenses for the period, recognized directly in equity</b>	<b>(207)</b>	<b>(423)</b>
<b>Consolidated comprehensive income</b>	<b>3,573</b>	<b>7,587</b>

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**Consolidated Statement of Financial Position**

<i>(In millions of dirhams)</i>	<i>31 December 2016</i>	<i>31 December 2015</i>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	11,017	9,246
Cash financial assets	4,885	7,097
Inventories	9,956	10,224
Trade receivables	5,047	5,409
Other current assets	10,724	10,836
<b>Total current assets</b>	<b>41,629</b>	<b>42,812</b>
<b>Non-current assets</b>		
Non-current financial assets	13,344	11,227
Investments in equity-accounted companies	3,464	3,437
Deferred tax assets	12	195
Property, plant and equipment	92,234	83,981
Intangible assets	230	187
<b>Total non-current assets</b>	<b>109,283</b>	<b>99,027</b>
<b>Total Assets</b>	<b>150,911</b>	<b>141,839</b>

<i>(In millions of dirhams)</i>	<i>31 December 2016</i>	<i>31 December 2015</i>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Current loans and financial debt	5,954	4,798
Current provisions	188	142
Trade payables	14,370	13,945
Other current liabilities	5,159	7,412
<b>Total current liabilities</b>	<b>25,670</b>	<b>26,298</b>
<b>Non-current liabilities</b>		
Non-current loans and financial debt	47,967	46,792
Non-current provisions for employee benefits	4,562	4,477
Other non-current provisions	445	449
Deferred tax liabilities	462	45
<b>Total non-current liabilities</b>	<b>53,436</b>	<b>51,763</b>
Equity - Group share		
Issued capital	8,287	8,288
Paid-in capital	18,698	18,698
Consolidated reserves - Group share	39,570	28,780
Net profit (loss) - Group share	3,779	8,011
<b>Equity - Group share</b>	<b>70,335</b>	<b>63,776</b>
Non-controlling interests	1,470	3
<b>Total Equity</b>	<b>71,805</b>	<b>63,778</b>
<b>Total Liabilities and Equity</b>	<b>150,911</b>	<b>141,839</b>

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**Consolidated Statement of Cash Flows**

<i>(In millions of dirhams)</i>	<i>31 December 2016</i>	<i>31 December 2015</i>
<b>Consolidated total net profit (loss)</b>	3,780	8,010
+/- Tax expense (income)	1,673	2,418
+/- Net depreciation and amortization of PP&E and intangible assets	4,287	3,437
+/- Other provisions	106	150
+/- Net profit (loss) of associates and joint ventures accounted for using the equity method	(123)	(358)
+/- Net loss/(net gain) from investing activities	(214)	(722)
+/- Net loss/(net gain) from financing activities	489	455
+/- Other movements	768	3,413
<b>Funds from operations</b>	<b>10,766</b>	<b>16,803</b>
<b>Impact of the change in WCR:</b>	<b>1,710</b>	<b>(7,297)</b>
Inventories	328	(1,769)
Trade receivables	381	1,001
Trade payables	1,151	(1,847)
Other current assets and liabilities	(150)	(4,682)
- Taxes paid	<b>(3,013)</b>	<b>(1,134)</b>
<b>Total net cash flows related to operating activities</b>	<b>9,463</b>	<b>8,372</b>
Acquisitions of PP&E and intangible assets	(12,725)	(12,611)
Disposals of PP&E and intangible assets	281	230
Net financial investments	(790)	(2,249)
Impact of changes in scope	2,000	(23)
Acquisitions of financial assets	(25)	(580)
Disposal of financial assets	534	1,065
Dividends received	75	138
<b>Total net cash flows related to investing activities</b>	<b>(10,650)</b>	<b>(14,030)</b>
Loan issue	6,863	13,755
Repayment of loan	(4,106)	(4,496)
Hybrid securities issue	5,000	
Net financial interest payments	(2,172)	(2,096)
Dividends paid to Group shareholders	(2,478)	(1,240)
<b>Total net cash flows related to financing activities</b>	<b>3,107</b>	<b>5,924</b>
Impact of changes in exchange rates on cash and cash equivalents	18	(30)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,939</b>	<b>236</b>
Opening cash and cash equivalents	9,070	8,834
Closing cash and cash equivalents	11,009	9,070
<b>Change in net cash</b>	<b>1,939</b>	<b>236</b>

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.92
UK Pound	1	INR 96.86
Euro	1	INR 85.06
MAD	1	INR 7.82

**Note** : Above are approximate rates obtained from sources believed to be correct

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	NIS
<b>Report Prepared by :</b>	TRU

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**RATING EXPLANATIONS**

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)