



Conducting Investor Relations During a Crisis: Lessons Learnt from the Egyptian Revolution

November 2014

Company Overview

<p>OCI N.V.</p>	<ul style="list-style-type: none"> ▪ Leading global natural gas-based fertilizer & chemicals producer and engineering & construction company ▪ Recently announced intention to proceed with spin-off of Construction Business ▪ Employs approximately 55,000 people worldwide
<p>Listing Information</p>	<ul style="list-style-type: none"> ▪ Began trading on Euronext Amsterdam on 25 January 2013 ▪ Market cap: EUR 5.9 billion as at 14 November 2014 ▪ Options trading: Euronext introduced options on OCI N.V. shares as of 13 December 2013 ▪ Index inclusions: trading as part of the AEX, STOXX Europe 600, Euronext 100 indices ▪ OCI Partners: listed 21.7% of the Master Limited Partnership (MLP) on NYSE on 4 October 2013; OCI N.V. owns the remaining 78.3%
<p>Fertilizer & Chemicals</p>	
<p>Engineering & Construction</p>	

The Crisis in Context

- In November/December 2010, fraudulent parliamentary elections in Egypt foreshadowed darker days to come but no one anticipated the gravity of the crisis that was about to unfold
- On the morning of the start of the Egyptian Revolution of 2011, I flew to London to kick start OCI's Investor Relations program for 2011
- Four hours later and upon my arrival in London, the Egypt I had always known – run by the ironclad dictatorship of Hosni Mubarak and the brutality of his state police – had changed forever
- I conducted one-on-one meetings with investors on January 26, 2011 as the state police clashed with protesters and the Egyptian equity index crumbled
- The routine questions I typically receive from investors were never even asked during the meetings, I became a spokesperson for Egypt before I was for OCI
- The Egyptian Stock Exchange (EGX) closed on January 27, 2011 after a severe one day drop of 6.25% however the GDR programs of several Egyptian companies, including OCI, remained active and trading on the London Stock Exchange (LSE)

The Strategy

- **Managing uncertainty:** The biggest challenge at the onset of the crisis was managing uncertainty and crafting an IR strategy that would help investors better price-in the risk of OCI's equity on the GDR trading line in London while the EGX remained closed
- **Extensive roadshows:** After lengthy discussions with senior management, we mutually decided that the best line of defense is a good offense. Throughout the proceeding 3 weeks and until Mubarak's step down on February 11, 2011, I conducted 73 one-on-one meetings in 10 key cities around the world
- **Simulate scenarios:** Given the volatile nature of events on the ground in Egypt, every one-on-one meeting was different and anticipating questions from investors was as analogous as throwing darts in the dark. Thus simulating scenarios was an a pragmatic and effective way of intelligently answering questions
- **Show candidness:** Investors appreciated answers to their questions that were inconclusive, it is better to show candidness than to try to paint a rosier picture of an ongoing crisis. Investors will feel that the discussion is 'cheap' otherwise
- **Risk management:** Discuss your company's risk management procedures during a crisis, investors will reward readiness

Key Takeaways

- The best defense in an ongoing crisis is a candid offense and pricing in bad news early is better than later
- Showing face during a crisis reflects positively on management and can help alleviate investors' concerns
- Be prepared to run different scenarios with investors on how the crisis might ensue and how your company expects to manage the results of these scenarios
- Be prepared to conduct a significantly larger number of meetings, roadshows and conference calls with investors and analysts
- Be prepared to discuss unaddressed topics before the crisis started
- Be prepared to offer your personal views on a given crisis however it is imperative that you make it clear that these are only your views and the not the company's if the crisis in question is political or sensitive in nature

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