



PRESS RELEASE

Casablanca, March 27, 2020

STRONG GROWTH IN 2019 ANNUAL RESULTS

- ▶ Sector context marked by growth in demand for vinyl and electrolysis products
- ▶ Operating income and net income up sharply by + 20.7% and + 23.3% respectively
- ▶ Enhanced cash and continued debt management

«The 2019 results reflect the continuous improvement of our operational performance. While pursuing our key project to increase our production capacity, we continue to strengthen our financial structure with a sharp reduction in debt» stated Rachid MOHAMMADI - SNEP CEO .

The Board of Directors of SNEP met on March 25, 2020, under the chairmanship of Mrs. Mama TAJMOUATI, and approved the financial statements as of December 31, 2019 and reviewed the achievements during the year.

A DYNAMIC MARKET THAT HIGHLIGHTS THE GROWTH POTENTIAL OF THE SECTOR

2019 was marked by a favorable economic environment for vinyl and electrolysis products, thanks respectively to strong momentum in infrastructure projects and the sustained growth of mining activities.

Revenues in 2019 totalled to 943.9 M MAD, up 0.9%.

CONTINUED IMPROVEMENT OF OPERATING MARGIN

SNEP continued its actions in terms of operational efficiency during the year. The Group generated an operating income of 113.2 M MAD, up 20.7% compared to 2018 and an operating margin of 12%.

STRONG INCREASE IN NET INCOME

Thanks to the improvement in its operational performance, net income rose 23.3% to 70.0 M MAD.

At the same time as raising financing for the investment project, SNEP continued to optimise its balance sheet through proactive management of WCR and the level of debt, down 45% to 164.3 M MAD.

DIVIDEND

In view of the financing needs for the current investment program and considering the current health crisis, the Board of Directors of SNEP proposes to the AGM the distribution of a dividend of 7 MAD per share for the financial year 2019.

DEVELOPMENT PROJECT

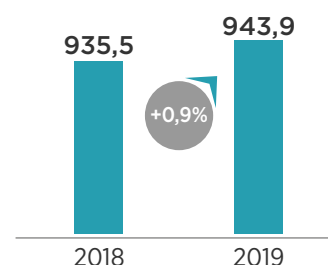
While pursuing the completion of the second stage of its production capacity expansion program (90 PVC KTY and 75 KTY Caustic Soda), SNEP has decided to focus the final stage of the project on new capacity to manufacture high added value products. This step, which will increase SNEP's production capacity to 120 KTY for PVC and 100 KTY for soda, will make it possible to diversify the range of products to take account of the changing trends in the Moroccan economy.

OUTLOOK

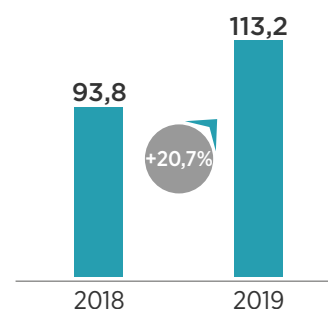
Given the recent developments related to the COVID-19 pandemic, SNEP has implemented the appropriate measures to ensure the health and safety of its stakeholders as well as the supply of the market with strategic products necessary for disinfection and hygiene (Chlorine, Bleach, Caustic Soda). The impact of this health crisis on the international petrochemical activity is being closely monitored. SNEP will adapt its operations to limit any impact, will continue to pursue its development plan and improve its competitiveness by relying on the mobilization of the company's teams.

KEY STATUTORY FIGURES IN M MAD

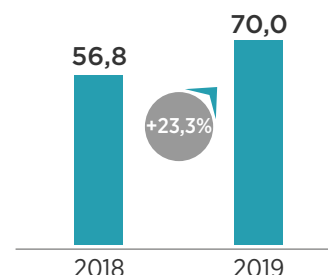
Revenues



Operating Income



Net Income



ABOUT SNEP

The National Company of Electrolysis and Petrochemistry was created in 1973 on the initiative of the Moroccan State, to meet the growing needs of the national economy in chemicals and petrochemicals. National leader in the production of PVC, caustic soda, hydrochloric acid, bleach and chlorine, SNEP subsidiary of YNNA Holding has been listed on the Casablanca Stock Exchange since 2007. SNEP employs around 560 people in the compliance with safety, health and environment standards and is one of the first Moroccan companies to have the CGEM CSR label, a distinction which enriches its adherence to the YNNA Holding Charter for Social Engagement and Sustainable Development.

SNEP - The National Company of Electrolysis and Petrochemistry

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