

Fertiglobe
An ADNOC Company

FERTIGLOBE PLC

Third Quarter 2026 Earnings

Webcast and Conference Call Transcript

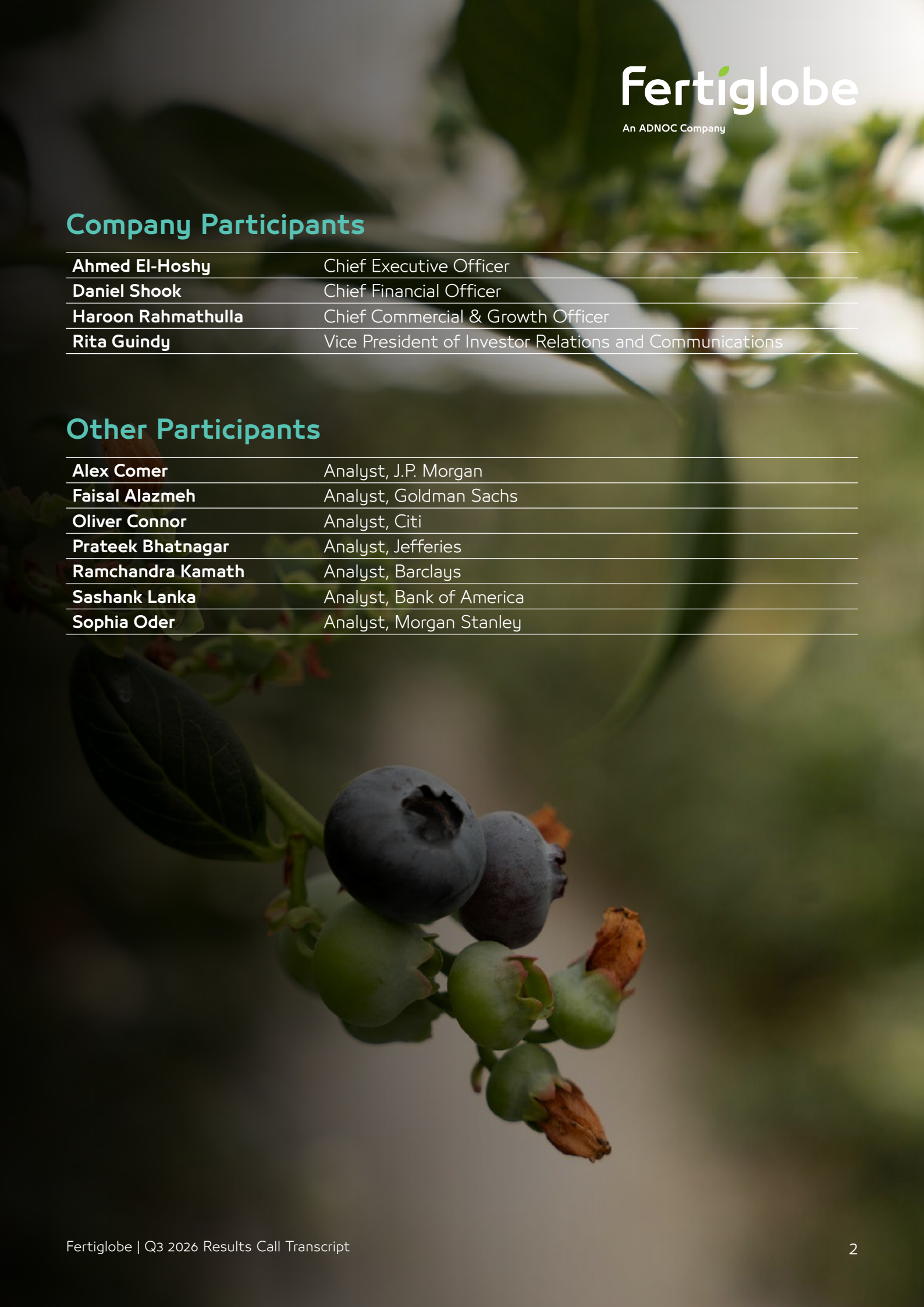
November 2026

Company Participants

Ahmed El-Hoshy	Chief Executive Officer
Daniel Shook	Chief Financial Officer
Haroon Rahmathulla	Chief Commercial & Growth Officer
Rita Guindy	Vice President of Investor Relations and Communications

Other Participants

Alex Comer	Analyst, J.P. Morgan
Faisal Alazmeh	Analyst, Goldman Sachs
Oliver Connor	Analyst, Citi
Prateek Bhatnagar	Analyst, Jefferies
Ramchandra Kamath	Analyst, Barclays
Sashank Lanka	Analyst, Bank of America
Sophia Oder	Analyst, Morgan Stanley



Presentation

Operator

Hello everyone, and thank you for joining the Fertiglobe Q3 2026 Earnings Call. My name is Lucy, and I'll be coordinating your call today. (Operator Instructions).

It is now my pleasure to hand over to Rita Guindy, Vice President of Investor Relations & Communications at Fertiglobe, to begin. Please go ahead when you're ready.

Rita Guindy – Fertiglobe Vice President, Investor Relations and Communications

Thank you. Good morning and good afternoon, ladies and gentlemen. Thank you for joining Fertiglobe's Q3 and nine-month 2026 results conference call and webcast.

With me today are Ahmed El-Hoshy, Fertiglobe's Chief Executive Officer; Haroon Rahmathulla, Chief Commercial and Growth Officer; and Daniel Shook, our new Chief Financial Officer. Today we will cover the key operational and financial highlights for Q3 and nine months of 2026, review the outlook for our key markets, and then open the call for questions.

Today's presentation is available on our Investor Relations website. As always, please note that forward-looking statements made on this call involve risks and that actual results may differ materially from those statements.

With that, I will hand it over to Ahmed El-Hoshy, Chief Executive Officer of Fertiglobe.

Ahmed El-Hoshy – Fertiglobe Chief Executive Officer

Thank you, Rita, and welcome, everyone. As always, safety remains our highest priority. Our 12-month rolling reportable incident rate was 0.06 incidents per 200,000 work hours as of 30th September 2026. This is a strong result, but we should not become complacent. We remain focused on strengthening operational and process safety with the goal of zero injuries and safe, sustainable and reliable operations for all our employees and contractors.

Turning to our results, Q3 2026 revenue increased 19% year-on-year to $905 million. Adjusted EBITDA was $231 million, down 19% year-over-year, and adjusted net profit attributable to shareholders was $51 million, down 62%.

Higher ammonia prices and sales volumes supported revenue, while lower Arabian Gulf urea prices, planned turnaround at EBIC in Egypt, and significantly higher logistics costs and higher gas costs weighed on earnings and margins.

For the nine-month period ending September 2026, revenue increased 44% year-on-year to $2.9 billion, adjusted EBITDA grew 31% to $944 million, and adjusted net profit attributable to shareholders rose 56% to $341 million. This year-to-date growth demonstrates the strength and resilience of our global platform, supported by higher prices in the first half of the year.

Operational execution remains strong in the quarter, we safely completed the EBIC turnaround in Egypt, which is expected to increase ammonia production by approximately 20% and contribute $27 million of annual run-rate EBITDA through improved reliability and efficiency compared with the 2024 baseline at unchanged prices from 2024.

This accelerated the Manufacturing Improvement Plan, 70% completion, with $81 million of EBITDA uplift expected by the end of 2026 on a recurring basis and $110 million to $120 million by the end of 2027, which is our target set out last year.

Urea utilization at EFC and Sorfert averaged 99% in the first nine months of 2026, hitting records again during the quarter, and providing clear evidence of the impact of the manufacturing improvement journey.

With another major turnaround in the UAE completed just this week, 2026 represents the peak of MIP, or Manufacturing Improvement Plan spending, and maintenance CapEx is expected to normalize from 2027.

Despite the planned turnaround and continued UAE trade route disruption, own-produced sales volumes increased 5% year-on-year to 1.4 million tons in Q3 2026, supported by higher beginning inventories and a focused commercial strategy.

UAE exports also recovered to 95% of Q3 production, up from 56% in Q2 2026, supported by active inventory and logistics management. I'd like to commend the tireless efforts of the team at our Fertil plant in Ruwais, Abu Dhabi, as well as Fertiglobe's dynamic commercial, logistics, and manufacturing teams.

The support of our peers throughout ADNOC, XRG, and the country have made this achievement possible. These export levels enabled Fertiglobe to maintain customer supply globally, while preserving production continuity locally.

We are also advancing the Grow 2030 agenda through disciplined capital allocation. Implemented initiatives now represent 50% of our target to grow EBITDA by 60% by 2030 compared with the 2024 baseline at unchanged pricing.

The progress of the MIP shows why self-help investments remain among the highest return opportunities for Fertiglobe. They unlock additional output from our existing capacity without the cost or execution risk of building new plants.

Having implemented our initial $55 million cost optimization target announced last year, we are now launching FIT3, which targets a further $30 million of annual non-gas cost savings for implementation by year-end 2028. Together with maintenance CapEx normalizing from 2027, FIT3 will further strengthen our competitiveness and cash generation through the cycle.

Before handing over, I'd like to take this opportunity to welcome our new CFO, Dan Shook, who joined Fertiglobe in October 2026. Dan brings extensive international finance experience, most recently serving as the CFO of IMI plc in the UK.

Dan will take you through our key financial highlights later in this call, but first I'll pass it on to a known entity, Haroon, to discuss our commercial performance and the outlook for nitrogen and ammonia markets.

Over to you, Haroon.

Haroon Rahmathulla – Fertiglobe Chief Commercial & Growth Officer (CCGO)

Thanks, Ahmed. Let me begin with our commercial performance in Q3 and the nine-month 2026 period. Total own-produced sales volumes increased 5% year-on-year to 1.4 million tons in Q3 2026.

Urea own-produced sales volumes were broadly stable despite UAE export disruptions. Ammonia own-produced sales volumes increased 27% year-on-year to 287,000 tons despite the planned EBIC turnaround. This reflected the sale of inventory carried into the quarter and improved overall operating rates.

For the nine-month 2026 period, own-produced sales volumes declined 4%, reflecting UAE trade route disruptions and maintenance activities. Third-party traded volumes increased 6% year-over-year in Q3, and increased 32% in the nine-month 2026 period.

These traded volumes helped us maintain customer supply and optimize our order book during a volatile period. While they carry lower margins than own-produced volumes, they remain an important source of commercial flexibility.

Turning to market developments, ammonia and urea prices averaged $719 per ton CFR Northwest Europe and $493 per ton FOB Egypt in Q3, respectively. This was supported by escalating gas costs at marginal nitrogen producers in Europe, and the ongoing conflict in the Middle East limiting exports via the strait.

In the gas market, the continued loss of 19% of Qatari LNG exports in the run-up to the European winter has seen TTF prices escalating from $14 to $28 MMBtu. Gas prices rallied to over $33 per MMBtu in Q4 price levels last seen in late 2022, and remain in fluctuation, with the lowest European gas stocks since 2013 of 72%, and further risk if there is a cold European winter.

The hike in gas prices has seen European marginal producer costs for ammonia rise to over $1,000 per ton excluding CO2, materially above current CFR Northwest Europe ammonia prices of $750 per ton, and at present over 35% of ammonia capacity in Europe has been curtailed, shut down or placed under maintenance.

Elevated gas -- elevated gas costs provide a solid floor into 2027, and have increased demand for ammonia imports into Europe from producers that are able to run downstream plants on imported tons. Demand for imported ammonia in Europe, the US fill season alongside limited merchant availability from major suppliers and elevated US CBAM country default values will continue to support ammonia pricing west of the Suez over the coming months.

Moving on to Urea. In the urea markets, the onset of Q3 saw a large affordability reset back to historical averages, aided by the correction in grain prices -- in urea prices. Grain pricing also increased over the quarter, reaching 2022 levels following export shortages from the Black Sea, higher biofuels demand, weather concerns in the US and Europe, and the onset of the Super El Nino. While grain prices have come off their '26[ph] highs in Q4, they remain above historical averages, with urea affordability remaining close to the 21% to 25% averages.

Looking at demand across various markets. Turning to India first, the market has seen five urea tenders so far this year securing 7.7 million tons of urea, with a further tender expected this November. 2026 imports through September have totaled 7.9 million tons, with full-year imports expected at around 9.5 million tons versus 9.3 million tons in 2025.

In China, the market has seen a slow increase in exports across the summer months, which totaled 3.8 million tons through September. In the local market, producers will continue to face feedstock pressure,

with local gas to be diverted for winter heating. Chinese producers will also start restocking for the upcoming spring application season from this month.

In Latin America, Brazil entered its buying season across the summer months with consistent buying across H2 2026 to date. Brazil remains 1 million tons behind on urea purchases versus 2025, with further purchasing to do until the end of the year, supported by improved barter ratios versus the peak of the war. In the US, the upcoming buying season commences as well in November, which will continue until May of next year.

In Europe, the market saw several periods of buying activity over the typically quieter summer months, supported by higher grain pricing. In France, farmers were supported with government subsidies of EUR50 per ton for nitrogen products between July and September 2026, which was then further extended to December. Several other European countries have also rolled out government subsidies to support farmers.

Urea prices in North Africa remain well above historic norms at $535 per ton FOB Egypt as the market heads into a busy Q4 buying season.

In July 2026, Russian duties on nitrogen and phosphate products into the EU have risen to EUR60 per ton, duty from EUR40 per ton. The duty will continue rising annually, reaching EUR315 per ton by July 2028, with a declining importing threshold -- Import threshold, and it's applied on top of the existing import urea import tariffs of 6.5%, which are still applied to Russian product.

Finally, in Q2 the European Council suspended EU import duties to most favored nation countries without pre-existing duty-free status, excluding Russia and Belarus. Individual quotas are applied by product from 30th May 2026 for up to one year or until the quota is used.

The urea quota is approximately 75% full, after which North African urea producers will revert to being one of the only exporters with duty-free status to Europe, as the market heads into the peak buying season in Q4 and into Q1 2027.

Against this backdrop, Fertiglobe's global production footprint, strong order book, and commercial platform position us to navigate volatility, maintain customer supply, and capture value across markets.

With that, I will hand over to Daniel to discuss the financial results in more detail.

Daniel Shook – Fertiglobe Chief Financial Officer

Great. Thank you, Haroon, and hello everyone. Really pleased to be here today and to have joined the Fertiglobe team, and also pleased to take you through our financial performance for the third quarter and the first nine months of 2026.

As Ahmed mentioned earlier, Q3 2026 revenue increased 19% year-on-year to $905 million from $758 million in the same quarter last year, driven by higher ammonia prices and total sales volumes, partly offset by lower urea prices.

Adjusted EBITDA was $231 million in Q3, down 19% versus last year. The adjusted EBITDA margin was 25.6% compared to 37% in Q3 last year, largely reflective of the higher logistics costs and gas prices. Logistics costs increased by roughly $73 million, including $28 million of conflict-related one-offs, with other operating expenses also increasing.

Adjusted net profit attributable to the shareholders was $51 million, down 62% from $134 million. In addition to the cost pressures just mentioned, profit allocation to non-controlling interest increased compared to Q3 2025, due to the business mix in the quarter.

For nine -- for the nine-months results, revenue increased 44% to $2.9 billion, and adjusted EBITDA increased 31% to $944 million. The adjusted EBITDA margin was 32.5% compared to 35.8% in the prior period, although margins on owned produced volumes slightly improved over the nine months.

Adjusted net profit attributable to shareholders increased 56% to $341 million in the nine months of 2026. So, turning to the balance sheet as at September 2026, consolidated net debt was $306 million, equivalent to 0.2 last 12 months adjusted EBITDA, and that was compared to $1 billion of net debt in -- at the beginning of the year.

These balances included cash held within SOFR relating to its undistributed 2025 dividends as well as $518 million for accrued gas costs. Adjusting for these items and the minority interest, proportionate net debt was $1.2 billion, equivalent to 1.2 last 12 months' adjusted proportionate EBITDA.

Consolidated free cash flow before growth CapEx was $332 million in Q3 compared with an outflow of $38 million in Q3 2025, which did include a one-off tax outflow and the impact of distributions to minority interests. For the first nine months of 2026, free cash flow was $887 million compared to $269 million in the nine months of 2025.

While the 2025 dividend from Sorfert is delayed while we resolve a technical legal matter, it in no way affects Fertiglobe's entitlement to its share of the cash held within the business.

Total cash CapEx, including growth CapEx, was $63 million in Q3 compared with $46 million in the prior period. Maintenance CapEx was $50 million compared with $34 million. For the nine-month period, total cash CapEx of $115 million, including $86 million for maintenance CapEx. As Ahmed already noted, 2026 represents the peak year of MIP spending, and so maintenance CapEx is expected to normalize from 2027.

And with that, let me hand back to Ahmed for the outlook and concluding remarks.

Ahmed El-Hoshy – Fertiglobe Chief Executive Officer

Thanks, Dan. To conclude, Q3 2026 demonstrated strong operational execution in a challenging environment. While the earnings growth during the nine-month period highlighted the resilience of Fertiglobe's platform, we restored UAE exports safely, completed the EBIC and Fertil turnarounds, and continued to advance our Grow 2030 strategy while maintaining disciplined capital allocation.

We enter Q4 with an improved market backdrop and a clear focus to execute on our self-help initiatives, strengthen cash generation, and pursue opportunities that target attractive double-digit returns and long-term shareholder value creation. We remain committed to our dividend policy and expect to announce the proposal for the H2 2026 dividends with our full-year results early next year.

Finally, I want to thank each of our teams for their exceptional dedication and disciplined execution. Their work has kept our people safe, maintained reliable operations, and enabled Fertiglobe to continue serving customers through a highly demanding period.
We can now open the line for questions.

Questions and Answers

Operator

Thank you. (Operator Instructions). The first question today comes from Sophia Oder of Morgan Stanley. Your line is now open. Please go ahead.

Q - Sophia Oder – Morgan Stanley Analyst

Hello, thank you for taking my questions. I have two questions. The first one will be regarding the shipping from the UAE. Has the Q3 momentum continued in October and November, and can we assume that's the new normal now?

And the second question is about Egypt and the headlines that we've seen about disruption on gas supply. So, will you be able to comment on potential impacts for Fertiglobe? Thank you.

A - Ahmed El-Hoshy – Fertiglobe Chief Executive Officer

Yeah, so thanks for the questions. For the first question, obviously, we're pleased with the performance in Q3 of this 95% exported. It's hard for us to provide guidance given the dynamic situation, as you can imagine, where we're not -- we're not just yet halfway through Q4. So far, we're on track to deliver another strong quarter in terms of exports. But it's still relatively early. It's constantly evolving. I think we've been learning more, week-over-week, month-over-month, in terms of how to export. But it's a dynamic situation, as you can imagine.

Regarding your second question with respect to Egypt, yes, we saw this last weekend another drop in terms of gas availability in Egypt. And I remind the callers on this call that we actually had no interruptions of gas in Egypt this entire year until approximately 10 or 12 days ago. So we're going to take it in stride. As you recall, we have EFC, which has two ammonia lines and two urea lines, as well as EBIC, which is one ammonia line. So we have the possibility that we can reduce gas to one of our three ammonia lines without impacting our downstream urea production. As you know, where urea sits today, it is the higher-margin product. So we're going to continue to try to maximize urea production and sacrifice some lower-margin ammonia tons in the process.

Egypt typically exports something in the order of 450,000 tons a month of urea. And based on this news, I think the market assumes that potentially 100,000 tons of urea may leave the export market out of Egypt, which could lead to a bit more of a tightening of the SMBs or the supply and demand around the Mediterranean Basin, and into Europe. And, we're going to keep focusing on producing as much urea as possible.

I really have to commend the team and the leadership in Egypt who've managed to deal with the lower gas availability via improved efficiencies, including with this EBIC turnaround now, and EFC turnarounds we completed in the last few years, as well as balancing of steam, electricity, et cetera, so that we can maximize production with less gas input. And I'll leave it there.

Q - Sophia Oder – Morgan Stanley Analyst

Thank you.

Operator

Thank you. The next question comes from Ram Kamath of Barclays. Your line is now open. Please go ahead.

Q - Ramchandra Kamath – Barclays Analyst

Hello. Thanks for the presentation. I have a couple of questions, please. You have highlighted that more than 35% of European ammonia capacity is currently curtailed. And looking beyond the current energy price volatility, do you see a structurally lower level of European ammonia production? And has that changed your long-term view on the supply-demand balance?

And on EPIC, you are indicating around 20% higher ammonia production and adding some $25 million to $30 million of annual EBITDA uplift. How much of this should we think of higher physical volume versus better energy efficiency and plant reliability, et cetera? Thank you.

A - Ahmed El-Hoshy – Fertiglobe Chief Executive Officer

Yes, the sound is a little bit muffled, but I think I heard those questions. So, with regards to the 35%, and we think that's at least 35% is curtailed, we saw much more curtailed back in 2022, when European gas went to very high prices.

You look at the cost of production, as Haroon said today, it sits at just above $1,000 a ton to produce a ton of ammonia, while the European delivered price today is $750. So something's not adding up. So we do think in the short term we could see more shutdowns over time. And we're just at the beginning of winter, where Europe has the lowest levels of gas storage they've seen in over 13 years.

If you're saying to look through and past this, should we assume that there's going to be some more permanent reductions of European ammonia supply in the market over the next few years, on an SMB perspective? We think potentially, yes. I think there are different estimates out there that a few million tons, at least 3 million to 4 million tons by 2030 may need to be retired. We've already seen about 1.5 million tons of closure over the last few years due to the higher CO2 pricing for the less efficient plants, as well as just the higher gas costs.

So we think it continues to be extremely difficult operating environment in Europe, with the regulatory environment, the CO2 pricing, the European gas pricing, power pricing, as well as labor pricing. So we do continue to have Europe on the marginal side of the cost curve. And that will probably result in more permanent shutdowns.

The other thing that -- the other question you had was regarding EBIC on the 20%. We say that 20% improvement in capacity leading to $27 million of run-rate EBITDA improvement versus 2024. I want to highlight a couple of things: that's versus 2024 production. Actually, if you look at year-to-date before the turnaround, 2026 production of EBIC, it was even a little bit lower than what we had in 2024 because there's a deterioration of the plant performance leading up to this turnaround.

But to your question of how much of that $27 million is due to production increases, more tons versus efficiency, say about three-quarters as production increases. So more tons that we can generate out versus, pre-turnaround back in 2024, and about a quarter of that is due to improved efficiencies where we've seen a massive improvement less tons, less MMBtu of gas per ton. And this has a further benefit that's not just captured in lower gas expenditures, but also a lower carbon border adjustment mechanism charge, where we can price the tons at a premium into the European market because they have a lower gas burn and a lower CO_2 footprint versus tons coming from elsewhere.

Q - Ramchandra Kamath – Barclays Analyst

Thank you.

Operator

Thank you. The next question comes from Faisal Alazmeh of Goldman Sachs. Your line is now open. Please go ahead.

Q - Faisal Alazmeh – Goldman Sachs Analyst

Hi, and thank you for the opportunity to ask questions. Just two on my end. Maybe (Multiple Speakers)

A - Ahmed El-Hoshy – Fertiglobe Chief Executive Officer

Faisal, sorry to interrupt. I just -- can you speak up a little bit? It's very hard to hear you.

Q - Faisal Alazmeh – Goldman Sachs Analyst

Can you hear me now?

A - Ahmed El-Hoshy – Fertiglobe Chief Executive Officer

Yes.

Q - Faisal Alazmeh – Goldman Sachs Analyst

Hello?

A - Ahmed El-Hoshy – Fertiglobe Chief Executive Officer

The louder, the better.

A - Haroon Rahmathulla – Fertiglobe Chief Commercial & Growth Officer (CCGO)

Yeah, that's fine.

Q - Faisal Alazmeh – Goldman Sachs Analyst

Okay, so just my first question relates to, at EBIC and some of the announcements that came out of it. In terms of the growth in gas production that the UAE is targeting over the next couple of years. Do you see yourself potentially getting more feedstock allocation, whereby you might add more urea capacity in the medium term? Is that something that you're discussing at the moment? Any plans around that in the medium term? That's my first question.

And my second question is more near-term. If we think about Q4, given where production levels are and some of the turnarounds that you're planning and the curtailments in Egypt, given where prices are today, should we expect a sequential improvement or a deterioration in EBITDA and revenues? Thank you.

A - Ahmed El-Hoshy – Fertiglobe Chief Executive Officer

Yeah, thanks for the question, Faisal. Definitely, we take it positively, the higher production of oil and gas in the UAE can open potential possibilities there. Being part of the ADNOC and XRG team is also helpful. Can't comment on specifically higher urea capacity due to that additional gas. But we all sit within the same umbrella. It's something that we constantly evaluate, and we look for opportunities.

And from our perspective, I think being an existing producer does offer some sort of synergies in terms of potential expansion, but I think it would be too early to comment on something like that. And obviously, we are pleased to see kind of this expansion and export capabilities of not just oil and gas as LNG, but also upgraded products in the future, potentially.

With regards to your second question, we don't give guidance, as you know, for Q4 in general, we're not going to give guidance, but we have seen an increase in both ammonia as well as the urea pricing versus the average of Q3. We did have a turnaround, as you know, in Fertil, which just completed this last week. We're continuing working on trying to get product out of the UAE as well in stride, and we are still seeing elevated logistics costs like we've seen in Q3. It's come up a little bit in the last few weeks, which is positive, but it's still highly elevated and continues to be a very dynamic environment. So that's why make it difficult for us to give guidance around that. But generally, that's the backdrop we're seeing.

Q - Faisal Alazmeh – Goldman Sachs Analyst

Thank you.

Operator

Thank you. The next question comes from Alex Comer of J.P. Morgan. Your line is now open. Please go ahead.

Q - Alex Comer – J.P. Morgan Analyst

Yes, thanks. A couple of questions. You announced some further cost-saving plans. I think it was $30 million. What are the nature of those? Are they feedstock efficiencies, labor costs? Just where are those savings coming from? And then, also, with this situation in Algeria where you can't get any cash out, is that likely at any point to impact your ability or thinking about dividends?

A - Daniel Shook – Fertiglobe Chief Financial Officer

Yes. Yeah. Hi Alex, it's Dan here. The FIT3 it's really across the board, and I think as we've continued to bed down our operating model and continue to move forward on that. We see more benefits there. It's really across the board on the commercial and operational side, certainly some logistics efficiencies, and then also on the SG&A side, continuing to use artificial intelligence and driving efficiency. So it is across the board. So you'll see it not only in SG&A and fixed costs, but also coming through as a greater efficiency on the product as well.

A - Ahmed El-Hoshy – Fertiglobe Chief Executive Officer

And with regard to the second point in question, and actually I'll just clarify one thing with what Dan said. This is separate from the manufacturing improvement plan.

A - Daniel Shook – Fertiglobe Chief Financial Officer

Yes, exactly. Yeah. This is (Multiple Speakers)

A - Ahmed El-Hoshy – Fertiglobe Chief Executive Officer

This is incremental and over and above the manufacturing improvement plan, which has production efficiency baked into it. Alex, with regard to your second question, so obviously, we continue to focus on getting the dividends out of Algeria, but when you're talking about the HoldCo dividends, we did reaffirm within guidance the $150 million dividend for the first half of this year.

As a reminder, last year, the Algeria dividend was $25 million, and we continued to pay dividends then. So I think the company is in a good position with where we stand, with the improved operating performance out of Egypt as well as the improvements from the UAE, contributions of Australia, et cetera, to -- continue to provide a very robust dividend, as has been the case. And we will continue to focus on getting the cash that is in Algeria out over the next period.

Q - Alex Comer – J.P. Morgan Analyst

Thanks.

Operator

Thank you. The next question comes from Sashank Lanka of Bank of America. Your line is now open. Please go ahead.

Q - Sashank Lanka – Bank of America Analyst

Yes, thank you very much for the presentation. I have two questions. The first one, again related to Algeria, and probably this is a more broader question given some of the more geopolitical headlines or developments we've seen over the last couple of months. How does Fertiglobe view its Algerian operations over the medium to long term? That's the first question.

And the second question is just in terms of the dividends that we spoke about, we do understand there is a technical legal issue is there. Is it possible to expand on this a bit more in terms of what exactly is happening? Thank you.

A - Ahmed El-Hoshy – Fertiglobe Chief Executive Officer

Yeah. So thanks for the question, Sashank. So, in terms of Algeria, it's obviously a part of our portfolio as it stands right now. We always look to maximize shareholder value and kind of review the portfolio. But for now, we continue to be entitled to the cash flows, and we're going to work to get that out and address it with this technical legal matter.

We continue to be confident in our position from a legal perspective. And as you may have noted, this is a dividend that hasn't been paid to ourselves or our partners, Sonatrach, as well. So I think it's important that the -- just to reiterate that the dividend payment is a delayed payment to both shareholders.

Q - Sashank Lanka – Bank of America Analyst

All right, thank you. Just -- Ahmed, if you don't mind, another follow-up. Just in terms of how each of the three countries, Egypt, Algeria and UAE are doing, I know you don't disclose your profitably by -- profitability or EBITDA by country, but just wondering, given you saw volumes from the UAE increase quite significantly at the same time you had freight costs also go up. Just wondering how each of the businesses broadly is contributing to your overall profitability right now versus pre-conflict.

A - Ahmed El-Hoshy – Fertiglobe Chief Executive Officer

Yeah, so we see that Algeria kind of it fluctuates itself, but it's usually about 15% to 20% of free cash flow after minorities. And particularly when you're in a higher-priced environment, there's more left on the table to our partners with Ecremage and super Ecremage, as you know.

We've seen logistics costs go up not just in the UAE but also in North Africa. So this is a global phenomenon that is affecting seaborne shipment not just because there's higher gas, oil, and diesel pricing for the fuel surcharge for these ships, but you have the same amount of ships going longer distances in unnatural trade flow movements, both on urea as well as ammonia. So we've seen that logistical cost effective, all our facilities obviously more the UAE than other facilities.

As you saw, we operated 99% on stream for EFC. And Algeria -- operationally, Algeria has run very well. Egypt ran very well as well in Q3 except for this EBIC turnaround which is now -- post turnaround resulted in October being one of the highest months on record in terms of energy efficiency as well as utilization from EBIC's ammonia side.

In the UAE. This turnaround is going to also be a big game changer in terms of the production of the plant that just completed all the upgrades and everything we've done during the turnaround. Yeah, and I think I just note again that we have pretty sizable minorities in Algeria relative to kind of Egypt as well as Fertil. And it's important to keep that in mind when you take that into account.

And back to Alex's question years earlier, these mitigating actions like the $27 million improvement from the EBIC turnaround, the $30 million FIT3. And even from a cash perspective, this harvest financing that we've done to a non-consolidated entity has released $105 million of cash flow that will be coming into our account this month are all offsets, while we focus on the extraction of cash out of Algeria, which, as I said, Algeria continues to operate in a record way. And we're very proud of what the team's been able to do operationally and commercially there.

Q - Sashank Lanka – Bank of America Analyst

Great. Thank you very much, Ahmed. Appreciate it.

Operator

Thank you. The next question is from Prateek Bhatnagar of Jefferies. Your line is now open. Please go ahead.

Q - Prateek Bhatnagar – Jefferies Analyst

Hi, thanks for taking my question. I have two. So first is on the maintenance turnarounds. Could you help us remind how long was the Fertil plant turnaround was in Q3, and should we expect that Q3 is the peak of the maintenance turnarounds for the plants under -- the plants which you have?

The second question is on the reconciliation you provide to the adjusted EBITDA figure. So when you take out the conflict-related costs, what exactly are they? Yeah, those are the two questions.

A - Daniel Shook – Fertiglobe Chief Financial Officer

You want to take the second?

A - Ahmed El-Hoshy – Fertiglobe Chief Executive Officer

Yeah. So, the -- regards to the first question on the turnaround of the Fertil, we just completed it here in November this week. So it actually is more of a Q4 event. But as you can imagine, there's some inventory that's been sitting around. So we've been able to continue to sell from inventory while that's happened. And that, like I said, it's completing this week. And so that's the major spending for MIP, and the major turnaround that we had in mind.

With regards to the second question, I'll pass it over to Dan to discuss the adjustments.

A - Daniel Shook – Fertiglobe Chief Financial Officer

Yeah. And there's a table in the MD&A report that you can look at. The big element in Q3 was indeed those conflict-related costs, and that's largely warehousing and transport costs within the UAE, while we manage the situation. We had some of that in Q2 as well. The rest is smaller items, part of the cost optimization programs we did have since severance. So, as a one-off, we took that out of the underlying results.

There also is a negative, which is quite interesting in EBITDA, but it's related to a positive down in the second chart which is the reconciliation on net income because we had a tax benefit coming through in Algeria which reduced our increased our overall profits. It required us to take more Ecremage out of the underlying results, and that hits EBITDA. So you have to look at that 7.9 in the table of EBITDA in conjunction with the benefit that's sitting in net profit. And that's -- yeah, those are the large events that came through. There's a little bit of export duties as well. That was put on temporarily in Egypt. That has stopped now.

Operator

Thank you. The next question comes from Oliver Connor of Citi. Your line is now open. Please go ahead. The next question comes from Oliver Connor from Citi. Your line is now open. Please go ahead.

Q - Oliver Connor – Citi Analyst

Thanks for taking my question. Most of mine are answered. So perhaps a follow-up on the macro. How are you looking at 2027 in a scenario where urea exports remain constrained, particularly vis-a-vis China and the role they could potentially play, like we've seen in recent months, in ramping exports? That would be very helpful, thank you.

A - Ahmed El-Hoshy – Fertiglobe Chief Executive Officer

Sorry, can you repeat the question? We missed the first part of that.

Q - Oliver Connor – Citi Analyst

The question is really just around the role of China, you see, in the market next year, in a scenario where urea exports remain constrained, and what they can do in terms of balancing some of the deficits in the market.

A - Haroon Rahmathulla – Fertiglobe Chief Commercial & Growth Officer (CCGO)

So the question on Chinese exports, so I think there, as we mentioned, it is seasonal. So as we look into going into what is in effect the winter months, as I mentioned in my prepared remarks, you will see more of the gas that would have otherwise been used maybe to -- for fertilizer production directed towards heating.

So we are entering a seasonal -- leading into a seasonally low period for Chinese exports. But look, this is one market that we continue to keep a close watch on. As I said in my remarks to exports until end of September were about 3.8 million, 3.9 million tons. And we continue to monitor what they do for the (Technical Difficulty) rest of the year. But we are getting into a seasonally favorable period, at least from our perspective, when you look at exports out of China.

Q - Oliver Connor – Citi Analyst

Thank you.

Operator

Thank you. With no further audio questions, I'd like to hand over to Rita to go through the webcast questions.

A - Rita Guindy – Fertiglobe Vice President, Investor Relations and Communications

Thank you. As a reminder, you can put your questions in the chat box in the webcast window. The first question is on Egypt gas. I think we've discussed this, but the question is, if we see any drop in utilization rates due to the curtailments, the magnitude of those cuts and utilization rates. I think we've touched on that. Anything to add on that?

A - Ahmed El-Hoshy – Fertiglobe Chief Executive Officer

No. And just also add the back in 2025, the Egyptian kind of setup that we have -- having this ability to curtail ammonia without having to curtail urea, I think is a big solid competitive advantage that has allowed us to have some offsets from that front.

A - Rita Guindy – Fertiglobe Vice President, Investor Relations and Communications

Okay, thank you. Next one. How do you see the urea capacity development in India and lower imports in the next years? Do you believe in self-sufficiency of Indian imports?

A - Haroon Rahmathulla – Fertiglobe Chief Commercial & Growth Officer (CCGO)

Thanks, that's a good question. Nothing FID's as yet in India, bar this culture plant. When you think about India, they are a big market, 9 million, 9.5 million tons imported -- urea imports a year. When India makes the decision of producing locally versus importing, their cash costs of producing locally, just because they import LNG, that cash cost is over $800 per ton based on imported LNG pricing. So when you look at that versus some of the recent prices at which Indian tenders have settled at, we'd say there's probably value destructive to build in India versus imports. So we expect India to continue to remain an import market, and yeah, a big market for the Fertiglobe and for some of our supply going East.

A - Rita Guindy – Fertiglobe Vice President, Investor Relations and Communications

Thanks, Haroon. Next question is on ammonia. How does Fertiglobe plan to be an ammonia exporter, and do you plan to go more downstream and reduce your ammonia sales exposure?

A - Haroon Rahmathulla – Fertiglobe Chief Commercial & Growth Officer (CCGO)

Look, we're continuously assessing opportunities from a value lens, as we mentioned, even during our Capital Markets Day. Right now, we make higher contribution margin on urea versus ammonia. So we will look to see how we can upgrade some of that ammonia into more value-added products. But nothing to communicate to the markets right now. They're pretty much exploratory in that feasibility stage.

No investment decisions have been made about any project that would use some of that ammonia, yet, but we do --, but we are evaluating and any decision again we made solely, if it makes sense from a shareholder value perspective.

A - Rita Guindy – Fertiglobe Vice President, Investor Relations and Communications

Thanks, Haroon. Next question is on European production versus imports. Do you see that Europe will import more compared to producing locally?

A - Haroon Rahmathulla – Fertiglobe Chief Commercial & Growth Officer (CCGO)

Look, as I mentioned again in my prepared remarks and as Ahmed mentioned a few times as well, when you look at TTF costs and work that back to a cash cost of production, it's over $1,000 per ton. So it does -- it kind of, it does make sense for the Europeans to curtail some of that production at least 35%, as Ahmed noted earlier. And I think that also creates a little bit of upside in terms of where we see ammonia pricing now relative to that cost of -- relative to that cost of production.

A - Ahmed El-Hoshy – Fertiglobe Chief Executive Officer

If you look at right now, and I say that we're in a very bizarre period for urea and ammonia in Europe where -- when you look at Make versus Buy, it looks very heavily towards you should buy urea imports. You should buy ammonia imports rather than try to make those products locally because you're literally burning cash. From a marginal cost perspective.

Urea costs $720 a ton to make in Europe, while it can be purchased at a $530 FOB Egypt price. So something's got to give on that front. European gas just the beginning of winter. So if you compare how things look for ammonia and urea pricing versus TTF European gas now versus the last five years, including when Russia and Ukraine started in February of 2022, I think we're in a tough period that should probably result in more curtailments where price of ammonia and urea go up, or there needs to be some sort of easing up on the European gas price level. But I don't think this is sustainable the level that it's at right now.

A - Rita Guindy – Fertiglobe Vice President, Investor Relations and Communications

Thank you. The next question is on gas prices. What was your average gas price Fertiglobe level during Q3?

A - Ahmed El-Hoshy – Fertiglobe Chief Executive Officer

Yeah. So, on average, our price was around $5.40 per MMBtu.

A - Rita Guindy – Fertiglobe Vice President, Investor Relations and Communications

Thank you. The next one is on cost increases. What's the reason for the increase in your cost, specifically on the raw material side?

A - Daniel Shook – Fertiglobe Chief Financial Officer

Yeah, I think we talked about it. The -- and the gas price kind of coming up as ammonia prices are higher. It does impact the gas price that we get at some of our facilities. So that was a big element of it. Yes, I mean, not much more to really say about it.

A - Ahmed El-Hoshy – Fertiglobe Chief Executive Officer

Yeah, I think what we could add is also that in Q3, beginning in mid-Q3 in August, when EBIC started its turnaround, you saw that we continued to sell product basically out of inventory. And some of that product may have been at higher late Q2 production levels, where the gas price was higher. When you come to sell it, you do have a bit of a squeeze of that margin. But now since then, we've seen continued increase in ammonia pricing, and obviously EBIC started producing again.

A - Daniel Shook – Fertiglobe Chief Financial Officer

Yeah.

A - Ahmed El-Hoshy – Fertiglobe Chief Executive Officer

And also, there were some inefficiencies we addressed during the turnaround, both at EBIC and at Fertil, where the plants at EBIC have proven to operate materially better, not just on an efficiency perspective, but also in terms of what's being produced. You have more tons being produced with the same fixed costs.

A - Daniel Shook – Fertiglobe Chief Financial Officer

Yeah. Right.

A - Ahmed El-Hoshy – Fertiglobe Chief Executive Officer

So that should improve the margins. But it means that, leading up to the turnaround, Q3 did get hit with lower margins.

A - Rita Guindy – Fertiglobe Vice President, Investor Relations and Communications

Okay, thank you. The next question is on UAE exports. How much of October production were you able to export?

A - Ahmed El-Hoshy – Fertiglobe Chief Executive Officer

So we can't comment on that, unfortunately. We're pleased with how we performed in Q3, and we'll continue to focus here on Q4. I will say, and maybe this takes an easy implication is that production in the UAE was lower in October because we had a turnaround.

A - Daniel Shook – Fertiglobe Chief Financial Officer

We had a turnaround. Yeah.

A - Ahmed El-Hoshy – Fertiglobe Chief Executive Officer

So, we did have inventory to start the quarter with.

A - Rita Guindy – Fertiglobe Vice President, Investor Relations and Communications

Thank you. The next one is on Project Harvest or the TA'ZIZ Ammonia project. Will ADNOC take be transferred to Fertiglobe?

A - Haroon Rahmathulla – Fertiglobe Chief Commercial & Growth Officer (CCGO)

Yeah, over there as we mentioned in the past, look, we Fertiglobe retains the optionality to increase our ownership, but there's no decision been made on that so far. Important thing is preserving our flexibility in capital deployment. But for now, no, nothing around the transfer.

A - Rita Guindy – Fertiglobe Vice President, Investor Relations and Communications

Thanks, Haroon. Next, one is on production. What production levels can we expect in Q4?

A - Ahmed El-Hoshy – Fertiglobe Chief Executive Officer

We don't give guidance on production levels, but we do say that post-turnarounds, we should get support from higher production at the sites. And obviously we did comment a bit on the ammonia utilization. Now, post this gas procurement in Egypt in the last week and a half or so. It could be affected. So....

A - Rita Guindy – Fertiglobe Vice President, Investor Relations and Communications

And on CapEx, what's the expected CapEx level for 2027?

A - Ahmed El-Hoshy – Fertiglobe Chief Executive Officer

Yes. So we provided last year an overview of the CapEx guidance being elevated for 2024, '25, and '26, then coming down to a lower run rate level for 2027 onwards. And that's in the range of kind of the $105 million, $125 million range on average over the next few years, now that we've completed the majority of MIP.

A - Rita Guindy – Fertiglobe Vice President, Investor Relations and Communications

Thank you. Are there any turnarounds in Q4 or next year?

A - Ahmed El-Hoshy – Fertiglobe Chief Executive Officer

Are there any turnaround in Q4 or next year? So I think we did talk about the turnaround here in Q4 for the Fertil project, and otherwise we don't comment on turnarounds generally. But I'm happy that we completed two major turnarounds here between Fertil and Egypt over the last few months.

A - Rita Guindy – Fertiglobe Vice President, Investor Relations and Communications

At what urea price does the UAE production become uneconomic to export in light of these elevated logistics costs?

A - Ahmed El-Hoshy – Fertiglobe Chief Executive Officer

So, as you know, we have very competitive cash costs. We're paying just under $4 MMBtu for gas in the UAE. We've also worked on reducing our non-gas costs heavily in the UAE, and are implementing now FIT3 and continue to look to optimize.

And also, we reduced our tax rate in the UAE versus historical years to 15% for the first $100 million. Then it goes to 20% versus what it was in prior years, which was 25%. I can say that we're quite a distance away from any sort of break-even on UAE production exports.

A - Rita Guindy – Fertiglobe Vice President, Investor Relations and Communications

Thank you. That's Fertiglobe export through Saudi Arabia.

A - Ahmed El-Hoshy – Fertiglobe Chief Executive Officer

So we don't comment on how we export and get products out.

A - Rita Guindy – Fertiglobe Vice President, Investor Relations and Communications

What's the status of the Algeria gas contract, the gas negotiations there?

A - Ahmed El-Hoshy – Fertiglobe Chief Executive Officer

So as stated previously, we're still provisioning at a level that's agreed between us and our partner of the formula for the gas contract. There has not been a development in terms of the signing and execution of that contract, and there has been some change in management, the senior and even at the executive level of Sonatrach in the recent few months. But we continue to anticipate information at the level we think is the right gas price.

A - Rita Guindy – Fertiglobe Vice President, Investor Relations and Communications

Thanks, Ahmed. And then, a question on blue or low-carbon ammonia. Has Fertiglobe figured out use cases for the product?

A - Ahmed El-Hoshy– Fertiglobe Chief Executive Officer

I think the challenge that the market has realized for blue ammonia, when it's new capacity, is just how expensive new bills are to properly do that ammonia production with an autothermal reformer, carbon capture, and sequestering it, and seeing a bit of a retreat in terms of the Korean market on blue ammonia. And we think that the marine market continues to be there, but it's just maybe a few more years out. In terms of the segment, the Marine Fuel segment and the regulation from the IMO coming.

We are seeing more dual-fuel-ready ammonia ships getting to the market over the next few years. So we do think fuels is a very good sink for that type of low-carbon ammonia over time. Programs like those in Japan are also good sinks. And then Europe in general as a market where CO2 is priced, and CBAM is getting implemented between now and 2034. Over time, also, is where lower-carbon products, like ammonia can have premium. Maybe not necessarily justify new builds, but to reward the existing projects.

A - Rita Guindy – Fertiglobe Vice President, Investor Relations and Communications

Thanks, Ahmed. Thanks, everyone. This concludes our webcast questions. Any further questions, please reach out to us. Thank you.

Operator

This concludes today's call. Thank you for joining. You may now disconnect your line.

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