



OCTAL ARRANGES \$625 MILLION BANKING FACILITIES TO SUPPORT GROWTH OF MANUFACTURING SECTOR IN OMAN

Muscat, July 2019 – OCTAL, the world's leading supplier of clear rigid packaging materials has secured \$625 million of banking facilities comprising of syndicated term loan facility of US\$ 225 million and working capital facilities aggregating to US\$ 400 million in one of the biggest private sector financing deals in Oman of the last decade. The new term loan facility (Facility) has been provided by seven local and international banks, consisting of Bank Muscat SAOG, BankDhofar SAOG, National Bank of Oman, Standard Chartered Bank, HSBC Bank Oman SAOG, National Bank of Bahrain (NBB) and Bank ABC with Bank Muscat – Investment Banking acting as the Financial Advisor for the deal. Addleshaw Goddard Oman acted as the lenders' legal counsel and OCTAL was advised by Al Busaidy, Mansoor Jamal & Co (AMJ). Bank Muscat is also acting as the Documentation Bank, Facility Agent, Security Agent and Account Bank for the transaction.

In a strong vote of confidence in OCTAL's future, the Facility was oversubscribed by almost 250% and will continue to set OCTAL for stronger and rapid growth. The company's strategy as the leading manufacturer of PET materials is to further expand its patented PET Sheet business specifically in recycling technology, process technology, specialized industry segments such as poultry, dairy and food service packaging, with further geographical expansion into Latin America and Asia

OCTAL's Chief Executive Officer Nicholas Barakat said, "We are pleased by our lenders' support, and their confidence in the high-quality of our asset base, our strong operating performance and our plans to deliver value for all stakeholders. With this momentum, we have greater flexibility to implement our strategy, underpinned by innovation, growth, and optimization." He added, "With the extra capital, we aim to expand our PET sheet capacity at the main plant in Salalah Free Zone, increase operational facilities, continue to develop our Research and Development activities specifically involving the manufacture of PET converted packaging in the dairy and poultry industry, and support our growing customer base."

OCTAL's main product is its patented DPET sheet, which it developed and introduced to the market in 2008 as a cutting-edge alternative to the traditional PET sheet. The company is tapping into a global market size that currently stands at 59.3 million tons, offering a product that is fully recyclable, clear and

transparent, and the first and only direct-to-sheet polyester sheet in the world. The unique technology eliminates five energy-intensive stages of the conventional sheet production process, meaning it offers an unmatched sustainability profile, while delivering the lowest carbon footprint compared to other PET sheet and the polymers for which DPET substitutes. DPET packaging is used for a broad spectrum of products such as trays, cups, blister-packs, IT hardware items, school and office supplies, and electronics.

OCTAL also manufactures PET resin, the advantages of which are ease of processing, clarity and recyclability. The product is popularly used in injection molding processes to make bottles for water, fruit juices and carbonated soft drinks as well as sheet for thermoformed packaging. Non-beverage consumer goods packaged in PET bottles include detergents, soaps, shampoos, cooking oils and condiments. OCTAL's resin business has witnessed an increase of 18% of production and sales in the first half of this year when compared to the same period last year.

From a single PET resin and sheet production plant in Salalah in 2006, OCTAL has emerged as a globally recognized industry leader with a reach that extends to over 70 countries worldwide. Aside from its main plant in Salalah, which is located close to the Port of Salalah, one of the busiest transshipment ports in the world, the company operates plants in Saudi Arabia and the US. With a workforce of more than 600 people, OCTAL can produce up to one million tons of PET resin, DPET, APET and RPET sheet and printed PET packages per year.

In 2018, the company recorded revenues of US\$ 834 million, reflective of the consistent growth throughout its years in operation, thanks in part to robust efficiency drives, increasing year-on-year productivity. OCTAL is now the go-to market leader in monolayer PET sheet across its key markets.

“OCTAL has maintained a consistently strong financial performance and as the top exporter from the Port of Salalah, has achieved a cumulative annual growth rate of 13% over the last four years. Our ability to weather challenging market conditions have ensured our sustainability, and earned trust in the global market,” said OCTAL Chief Financial Officer, Scott Ewen. “The granting of the credit facilities means that we can build on our strong capabilities, capitalize on future growth opportunities, further enhance our strong cash position and position ourselves for our next phase of growth in PET sheet, while channeling more money into the Omani economy.”



“The quality and reliability of our products have earned us a great reputation among consumers. Our solutions have gained critical acclaim for their superior mechanical and optical properties, while significantly lowering carbon footprint compared to other PET sheet and resin products. With state-of-the-art facilities in the United States, Oman and Saudi Arabia, we combine environmental responsibility and cost effectiveness by leveraging innovative technology, manufacturing prowess, and global reach, to meet the evolving needs of our growing customer base,” said Mr. Barakat.

The company is highly focused on environmental responsibility, boasting the industry’s lowest energy input and CO₂ emissions per ton of production. OCTAL’s packaging solutions are fully recyclable and sustainably produced. OCTAL has developed recycling capabilities which are now being scaled up and the company currently has a recycling capacity of 100,000 MT/year.

OCTAL currently contributes approximately 6.5% to Oman’s non-oil exports and is committed to creating long-term value for the country that extends beyond diversification, positioning the Sultanate at the forefront of the manufacturing industry and a hub of excellence for knowledge-transfer and innovative technology in sustainable and environmentally responsible rigid packaging solutions.

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About OCTAL

Oman-based OCTAL has emerged as the largest PET sheet producer and integrated packaging company in the world. Operating from the Salalah Free Zone, the company has successfully harnessed its strategic location with access to East-West shipping lanes and favorable trading regulations, coupled with unique-to-the-world manufacturing capabilities to meet the breadth and depth of customer demand.

Manufacturing PET resin and the first and only direct-to-sheet polyester sheet in the world, DPET™, the company’s state-of-the-art plant was purposely designed and built to yield superior quality products with waste and cost reduction benefits, increased productivity for thermoformers, and unmatched environmental advantages.

Today, OCTAL is the world’s largest PET resin and sheet producer on a single site.

For more information, please visit: www.octal.com

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