



Strong profitability, Record interim dividends & Maintaining financial discipline

Q2 2022 FINANCIAL RESULTS

Sipchem Earnings Call on Q2 2022 Results

Date: Thursday 28th of July 2022

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Sipchem today

Strong fundamentals to continue delivering value to shareholders

1

Clear and compelling vision, Strong foresight and agile decision-making

2

Enhanced resilience for a volatile economic environment through efficiency & a balanced portfolio

3

Robust Integrated Portfolio with strong EBITDA contribution across the product portfolio

4

Strong fundamentals focused on performance, agility, manufacturing excellence and marketing

5

A 10-year corporate strategy geared towards sustainable and profitable growth

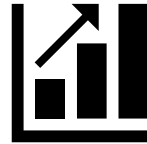
Second Quarter Earning Highlights

Strong profitability, record interim dividends and maintaining financial discipline

EBITDA

1,586

Million Saudi Riyal
USD 422.9m



16% QoQ growth in EBITDA supported by reliable operations, and sustained demand

NET INCOME

1,263

Million Saudi Riyal
USD 336.8m



Record dividend distribution of SAR 1.75 per share for H1 2022

EARNING PER SHARE

1.74

Saudi Riyal
USD 0.46



Successful completion of **planned periodic turnaround maintenance of International Acetyl Company**



Maintaining financial discipline resulting in **stronger balance sheet** and attaining **optimal capital structure**

1 Higher feedstock and energy costs due to high oil price

2 Low EU industrial output due to shortage of natural gas

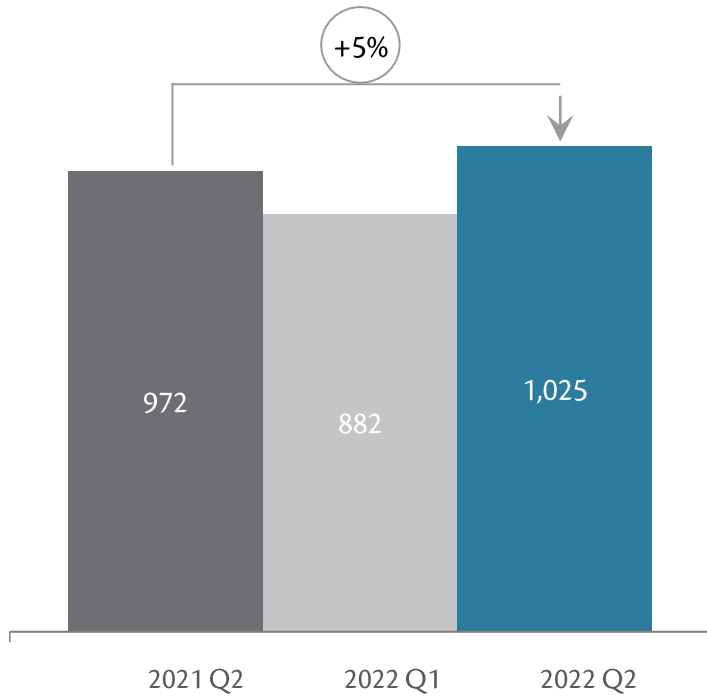
3 Stimulus package by China to boost economic activity

4 Ease of lockdown measures in major cities of China

5 Cautious about market outlook due to uncertainty

Marketing Performance of Sipchem in Q2

A 5% YoY and 16% QoQ increase in sales volumes due to improved reliability of plants

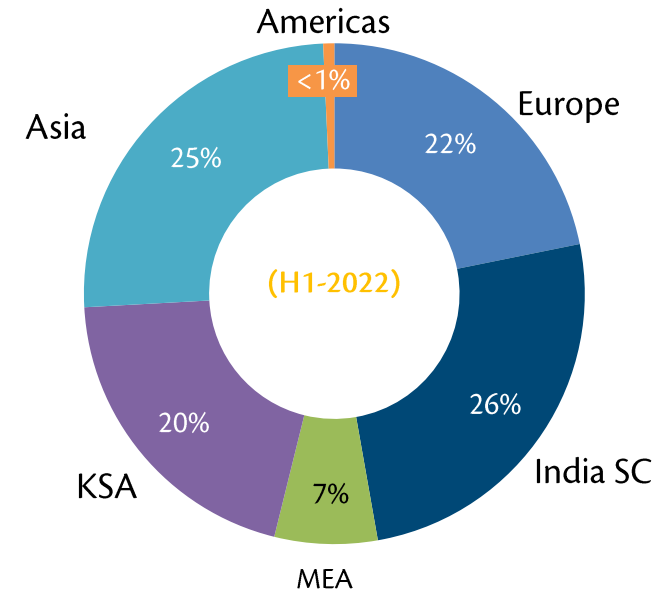
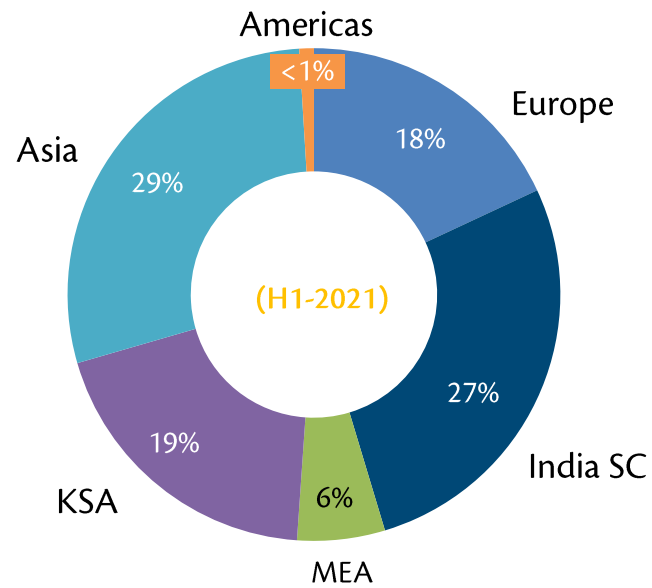


Sales volumes - KMT

The data consists of plants managed by Sipchem directly

Focus on European market in 2022

Geographical Mix

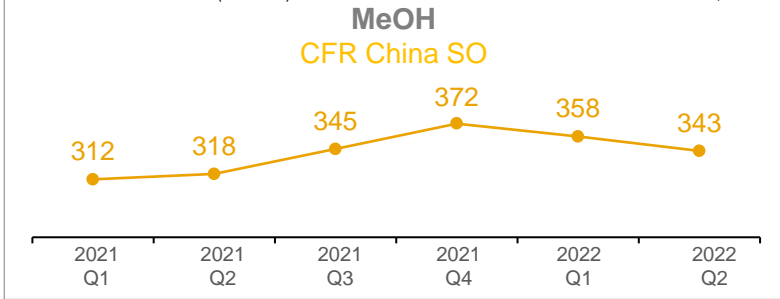


Sales volumes reflect all merchant volumes

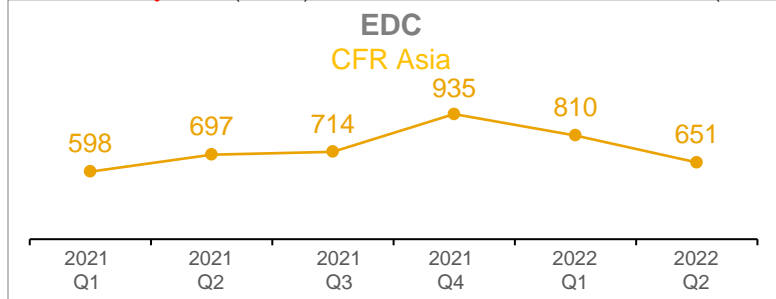
Market Trends

Sipchem Products (Prices from ICIS & IHS Publication)

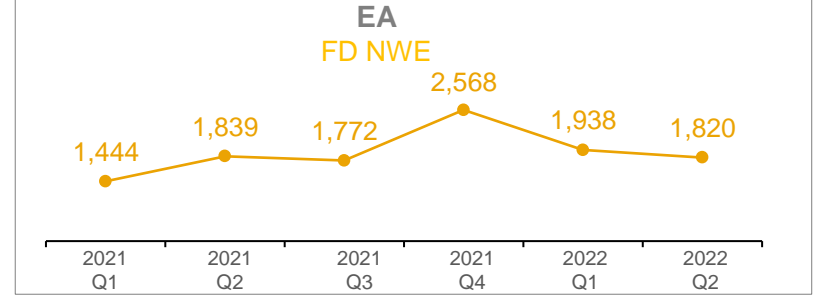
Historical Low ▼ **132** (2020/06) Historical High ▲ **543** (2013/12)



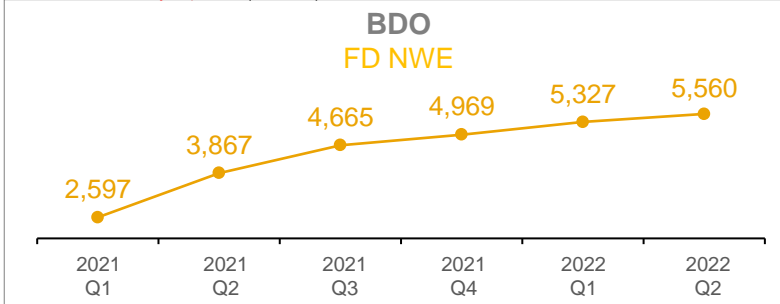
Historical Low ▼ **120** (2020/05) Historical High ▲ **945** (2021/11)



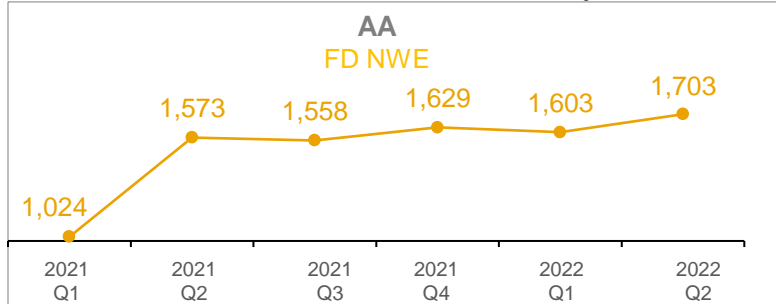
Historical Low ▼ **812** (2016/06) Historical High ▲ **2,889** (2021/11)



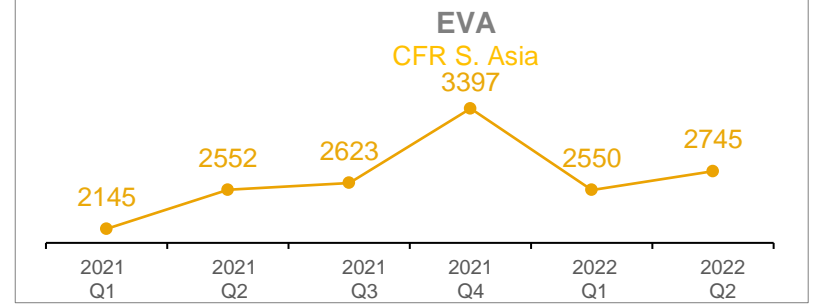
Historical Low ▼ **1,635** (2017/01) Historical High ▲ **5,560** (2022/04)



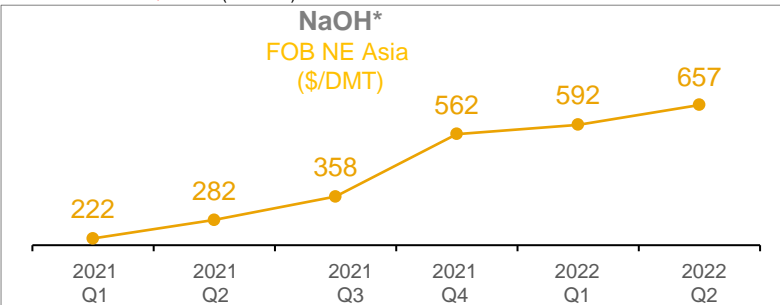
Historical Low ▼ **478** (2016/12) Historical High ▲ **1,766** (2022/04)



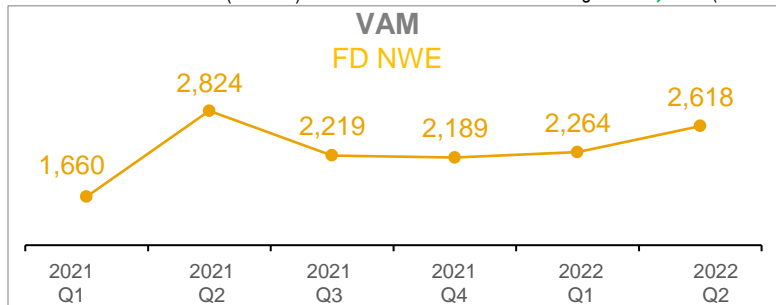
Historical Low ▼ **1,080** (2020/05) Historical High ▲ **3,880** (2021/11)



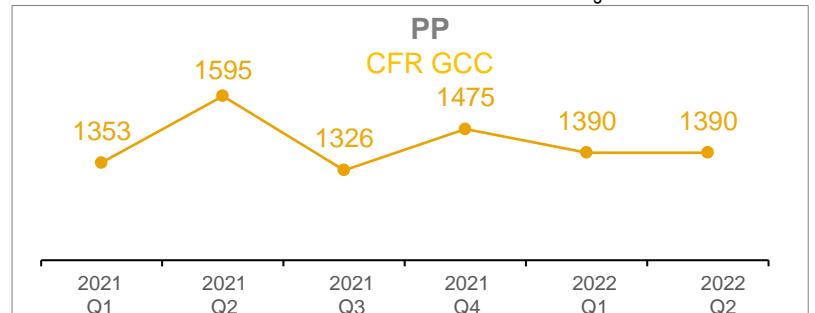
Historical Low ▼ **180** (2010/02) Historical High ▲ **930** (2021/11)



Historical Low ▼ **761** (2020/06) Historical High ▲ **2,988** (2021/05)



Historical Low ▼ **830** (2020/06) Historical High ▲ **1,944** (2021/04)



Financial Highlights

Growth across core financial metrics and strengthening balance sheet

	Q2 2022		QoQ ¹		YoY ¹
Revenue	3,193.0 mSAR	↑	+33%	↑	+35%
EBITDA	1,586.0 mSAR	↑	+16%	↑	+16%
Net Income	1,263.1 mSAR	↑	+17%	↑	+52%
Free cash flow ²	712.7 mSAR	↓	-53%	↓	-37%
Earnings per share	1.74 SAR/share	↑	+18%	↑	+53%

- EBITDA margin of 49.7% for Q2 2022 [Q1 2022: 56.5%, Q2 2021: 58.1%]
- Return on capital employed of 25.5% [Annualized]³
- Debt to equity ratio reduced to 0.26x⁴
- Current ratio of 1.90x⁵
- Record dividends of SAR 1.75 per share

1. QoQ is comparison between Q2 2022 vs Q1 2022 & YoY is comparison between Q2 2022 vs Q2 2021

2. Free cash flow = Cash generated from operating activities – CAPEX on PPE and Intangibles

3. ROCE = EBIT / (Total Assets – Current liabilities)

4. Debt to equity ratio = Total Debt / Total Equity

5. Current ratio = Current Assets / Current Liabilities

Summarizing Key Levers of Profitability for Q2

1

Continuous & dedicated focus on reliability of plants resulting in surpassing production targets by 4%

2

An overall increase in sales volumes and product prices

3

Strong focus on agility in marketing to maximize netbacks

4

Reaping the benefits of the initiatives delivering synergies and cost reduction

5

Attaining optimal capital structure by debt reduction resulting in reduction in finance cost

Forward looking agenda



De-bottleneck of
certain existing plants



Finalizing
Sustainability Strategy



Growth under Shareek
Program

Q&A

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Appendix:

Financials Summary

Q2 2022 Earnings

Investor Presentation



Condensed consolidated interim income statement

For the three-month period ended 30 June 2022

Summary of Statement of profit or loss (SAR, in Million)

	Q2 2022	Q1 2022	QoQ %	Q2 2022	Q2 2021	YoY% Change
Sales	3,193.0	2,409.5	33%	3,193.0	2,362.7	35%
Cost of sales	(1,513.7)	(1,026.6)	47%	(1,513.7)	(885.1)	71%
Gross profit	1,679.3	1,382.9	21%	1,679.3	1,477.6	14%
Selling and distribution expenses	(182.0)	(121.1)	50%	(182.0)	(119.0)	53%
General and administrative expenses	(127.8)	(113.7)	12%	(127.8)	(218.6)	(42%)
Operating profit	1,369.5	1,148.1	19%	1,369.5	1,140.0	20%
Share of profit from a joint venture and associates	148.7	115.7	29%	148.7	82.0	81%
Financial income	4.5	12.7	(65%)	4.5	4.5	0%
Finance cost	(63.6)	(60.3)	5%	(63.6)	(88.0)	(28%)
Other income and expenses, net	0.1	2.3	(96%)	0.1	(51.4)	100%
Profit before zakat and income tax	1,459.2	1,218.5	20%	1,459.2	1,087.1	34%
Zakat and income tax	(76.7)	(53.8)	43%	(76.7)	(139.9)	(45%)
Profit for the period	1,382.5	1,164.7	19%	1,382.5	947.2	46%
<i>Attributable to equity holders of the Company</i>	1,263.1	1,078.8	17%	1,263.1	829.9	52%
<i>Attributable to Non-controlling interests</i>	119.4	85.9		119.4	117.3	
<i>Earnings per share (basic and diluted)</i>	1.74	1.48	18%	1.74	1.14	53%

Condensed consolidated interim statement of financial position

As at 30 June 2022

Summary of Statement of Financial Position (SAR in Million)

	June 30, 2022	December 31, 2021	% Change
Property, plant and equipment	12,129.6	12,218.0	(1%)
Investments in joint ventures and associates	4,024.4	3,963.4	2%
Employees Home ownership programs	675.0	728.6	(7%)
Goodwill	630.5	630.5	-
Others	941.0	1,018.0	(8%)
Total Non-Current Assets	18,400.5	18,558.5	(1%)
Cash and cash equivalents	2,840.6	2,690.4	6%
Other current assets	4,687.3	3,255.4	44%
Total Current Assets	7,527.9	5,945.8	27%
TOTAL ASSETS	25,928.4	24,504.3	6%
Total Equity	16,765.8	15,695.6	7%
Non-current portion of long-term borrowings	4,029.7	4,721.5	(15%)
Other non-current liabilities	1,175.5	1,151.0	2%
Total Non-current liabilities	5,205.2	5,872.5	(11%)
Current portion of long-term borrowings	312.4	582.8	(46%)
Other current liabilities	3,645.0	2,353.4	55%
Total Current liabilities	3,957.4	2,936.2	35%
TOTAL EQUITY AND LIABILITIES	25,928.4	24,504.3	6%

Condensed consolidated interim statement of cash flows

For the six-month period ended 30 June 2022

Summary of Statement of Cash Flow (SAR in Million)

	30 June 2022 [Unaudited]	30 June 2021 [Unaudited]	YoY % Change
Profit before zakat and income tax for the period	2,677.8	1,580.2	69%
Depreciation, amortization and impairment losses	430.6	708.1	(39%)
Changes to working capital and others	(561.3)	(201.7)	178%
Net cash generated from operating activities	2,547.1	2,086.6	22%
Additions to property, plant and equipment and intangibles	(306.4)	(296.4)	3%
Others Investing activities	(704.1)	(165.2)	326%
Net cash used in investing activities	(1,010.5)	(461.6)	119%
Changes in long term loans	(980.9)	(638.1)	54%
Non-controlling interest, dividends, interest and others	(402.7)	(294.5)	37%
Net cash from financing activities	(1,383.6)	(932.6)	48%
Changes in cash & cash equivalents	153.0	692.4	(78%)
Cash & cash equivalents at 1 January	2,690.4	2,496.9	
Exchange rate Changes Impact	(2.8)	-	
Cash & cash equivalents at 30 June	2,840.6	3,189.3	



Thank you

Q2 2022 Earnings