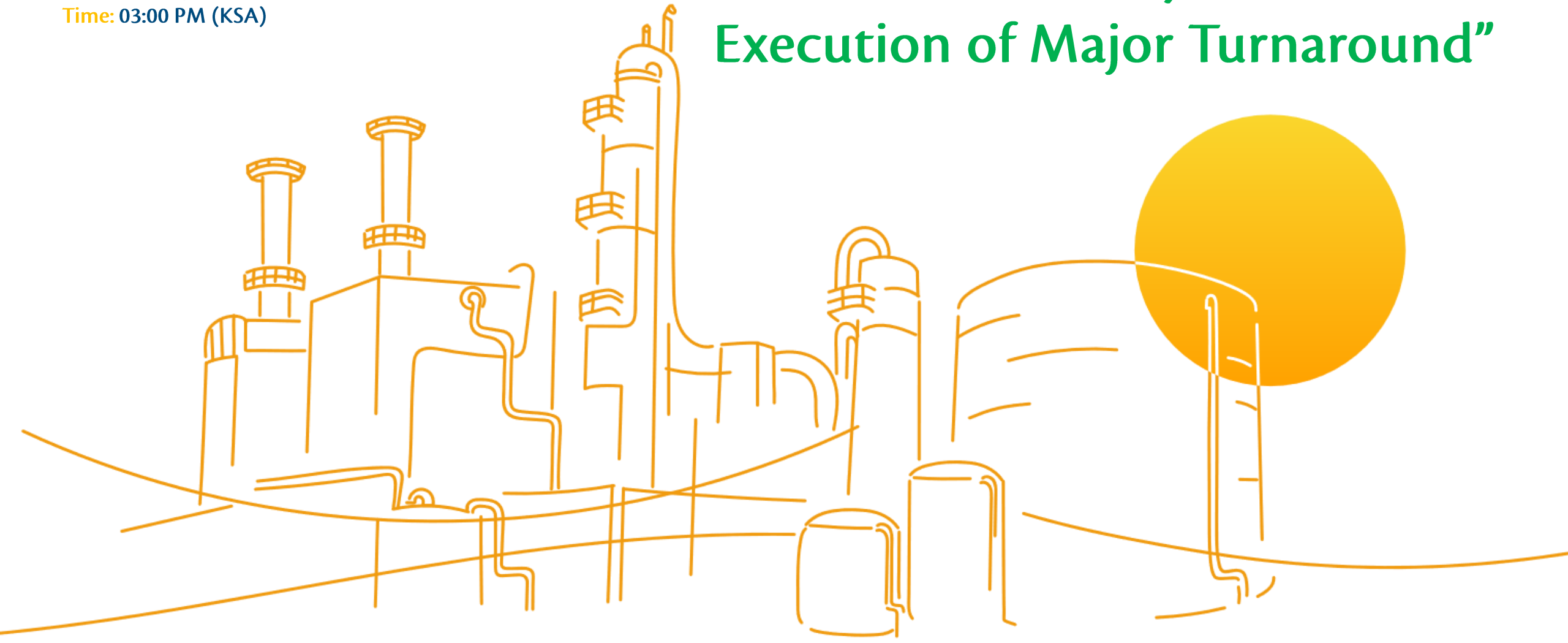




Sipchem Q2 2023 Earnings Call

Date: 26th July 2023
Time: 03:00 PM (KSA)

“Enhanced Reliability via Successful Execution of Major Turnaround”



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Q2 2023 Earnings Highlights

EBITDA¹

571

Million Saudi Riyal
USD 152m

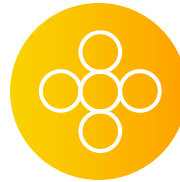
DIVIDENDS

906

SAR million
(USD 242 M)



Executed major planned turnarounds for IMC & IDC plants within budgeted time and cost with zero lost time incident



Challenging market with slower than expected recovery

EPS

0.43

Saudi Riyal
USD 0.11

NET INCOME

313

Million Saudi Riyal
USD 83m



Strong balance sheet and resilient financial performance enabling dividend payout of SAR 1.25 per share for H1



Low gearing ratio proving cost-effective in the downcycle characterized by high interest rate environment

¹EBITDA = Operating profit plus depreciation, amortization and impairment

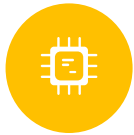
Applications of Sipchem's Products



CHEMICALS



CONSTRUCTION



ELECTRONICS



SOLAR PANEL



PHARMA



PAINTS



TEXTILES



CABLES

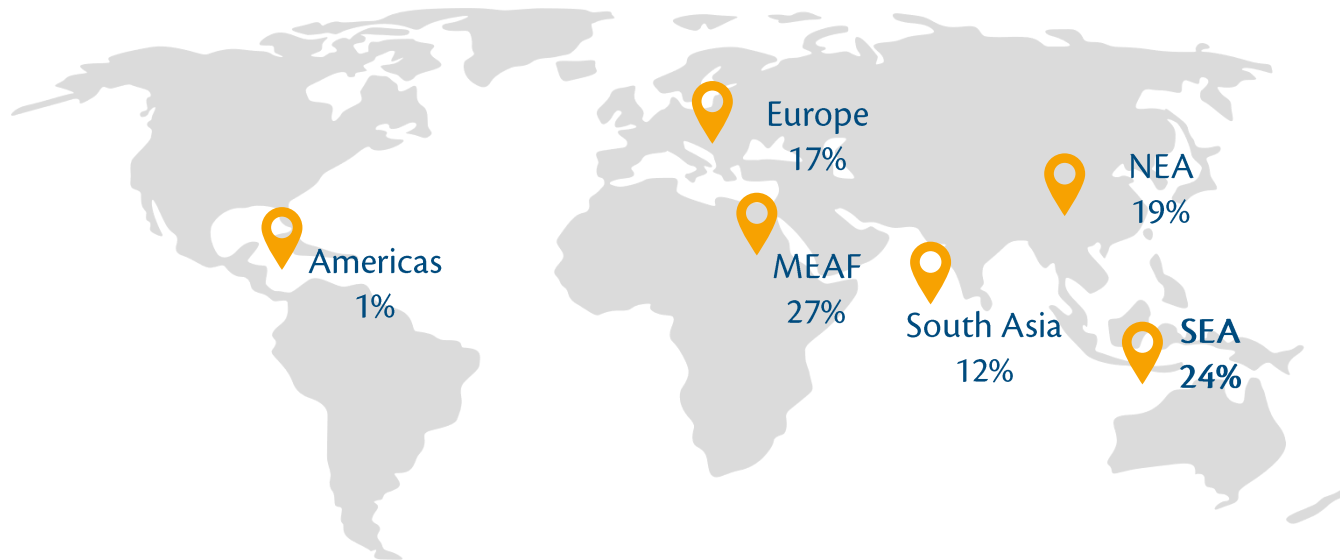


TRANSPORTATION

- 1 China's stimulus package to support economic recovery, but speed of implementation is key
- 2 India's economic resilience to power current and future consumption growth.
- 3 Western central banks expected to maintain restrictive monetary policy.
- 4 Heightened geopolitical uncertainty continue to affect market sentiments.
- 5 Oversupply to continue, for certain petrochemicals products impacting prices in the near term.

Marketing Performance

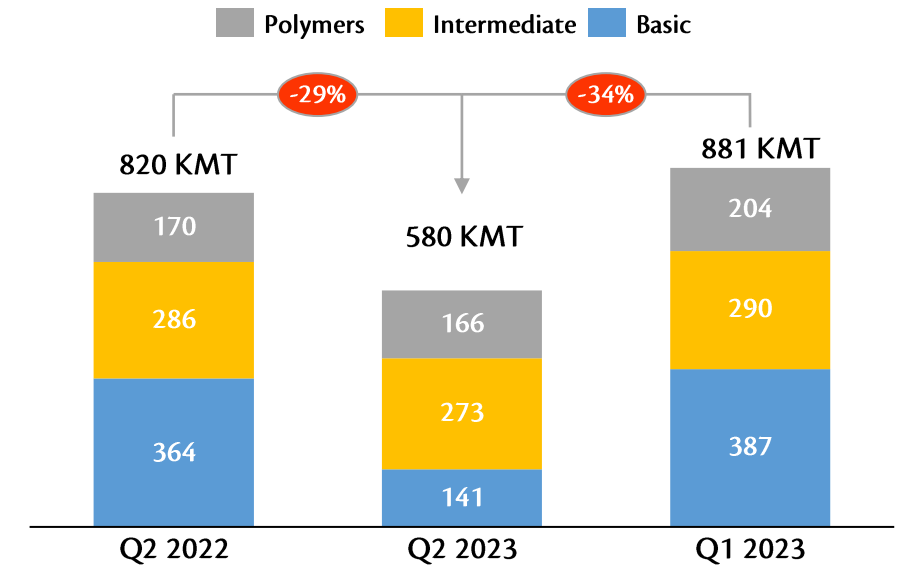
Geographical Mix



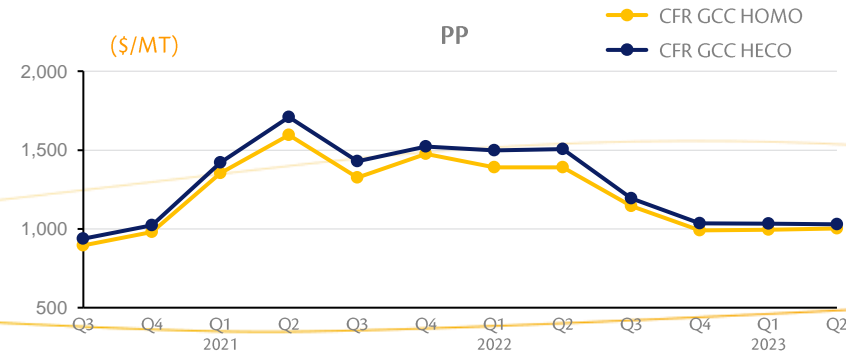
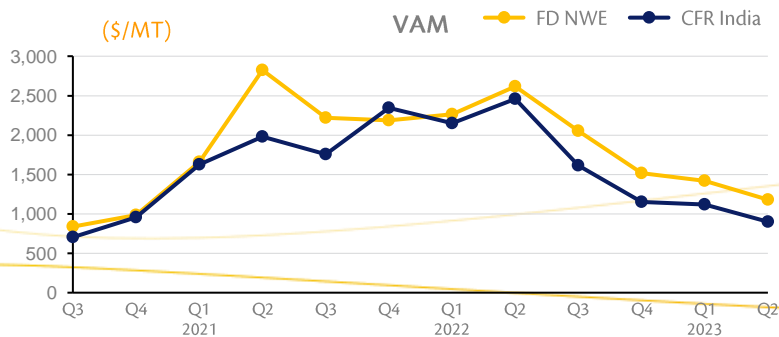
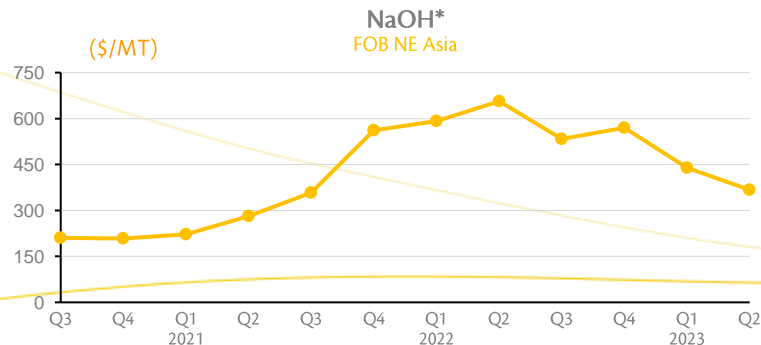
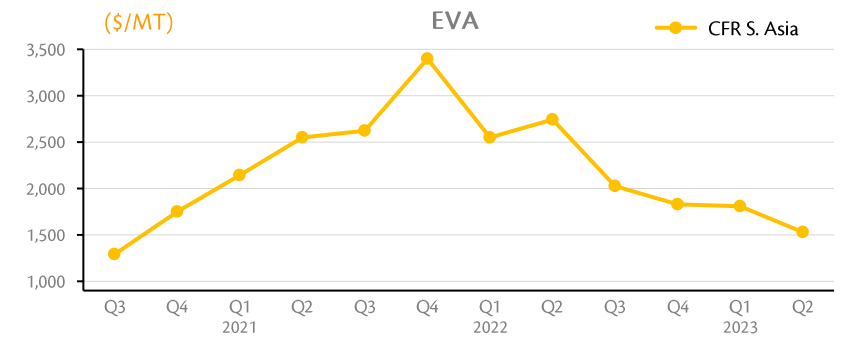
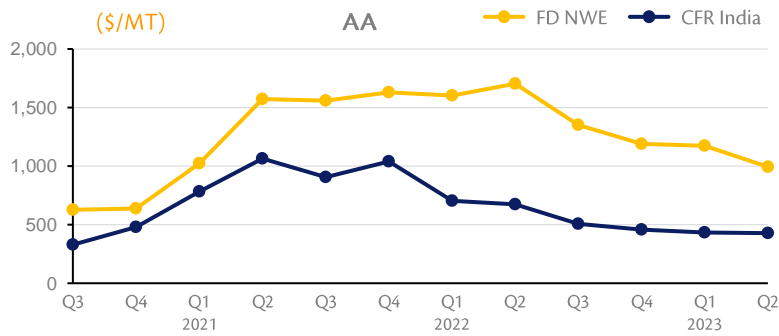
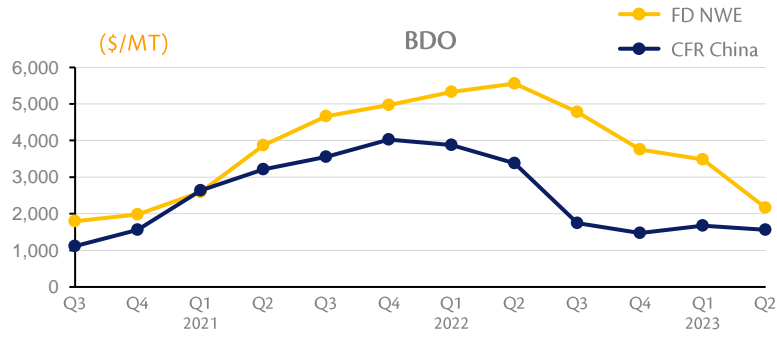
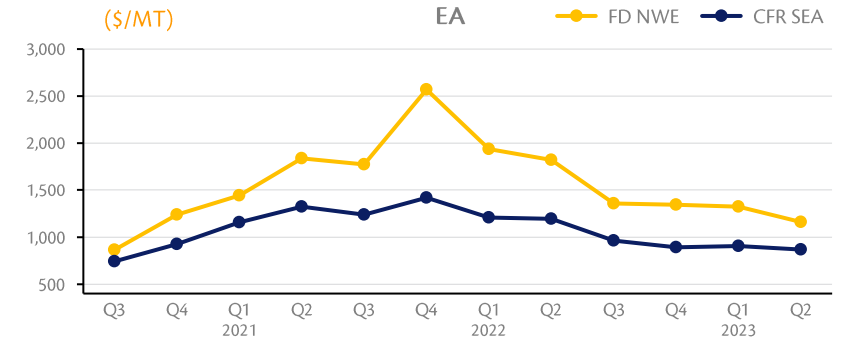
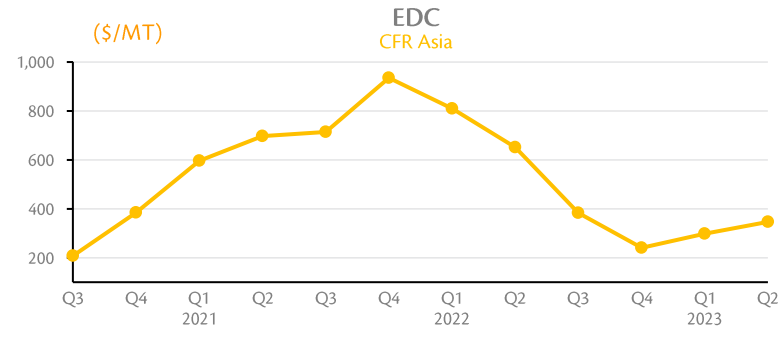
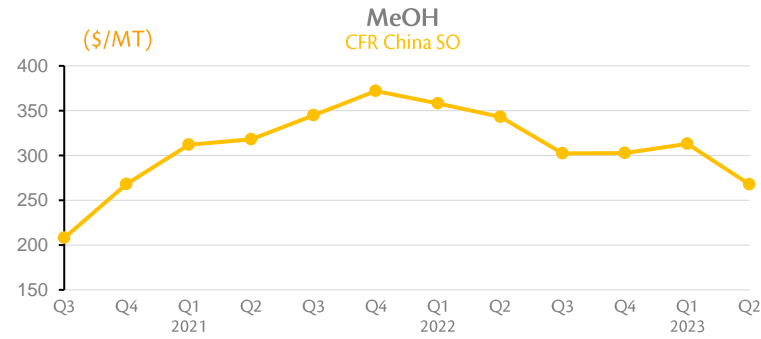
Key Drivers of Sales

- Decrease in sales volumes attributed to the execution of planned periodic maintenance of IMC and IDC plants.
- Strategically allocated volumes across geographies to maximize contribution margin.
- Continued expansion of customer base in Europe and Americas despite weak demand.
- Marginally higher external sales volumes to MEAF in Q2 2023 compared to Q1 2023 primarily due to increased sales of Polymers and acetyls in the region.

Segment Wise Sales Volume (KMT)



Pricing Benchmark



Financial Performance

(SAR million)

	Q2 2023	YTD June 2023	QoQ ¹	YoY(3) ²	YoY(6) ³
Revenue	1,701	3,789	-18%	-45%	-30%
EBITDA	571	1,355	-27%	-64%	-54%
Net Profit	313	783	-33%	-75%	-67%
Free Cash Flow	131	839	-81%	-90%	-63%
Earnings per Share (SR/share)	0.43	1.08	-34%	-75%	-66%

1) QoQ is a comparison between Q2 2023 vs Q1 2023, 2) YoY(3) is a comparison between Q2 2023 vs Q2 2022, 3) YoY(6) is a comparison between 6 months of 2023 vs 6 months of 2022.

Strengthening Balance Sheet



Dividends payout

- Dividends payout of SAR 1.25 per share for H1 2023



Reduced Gearing

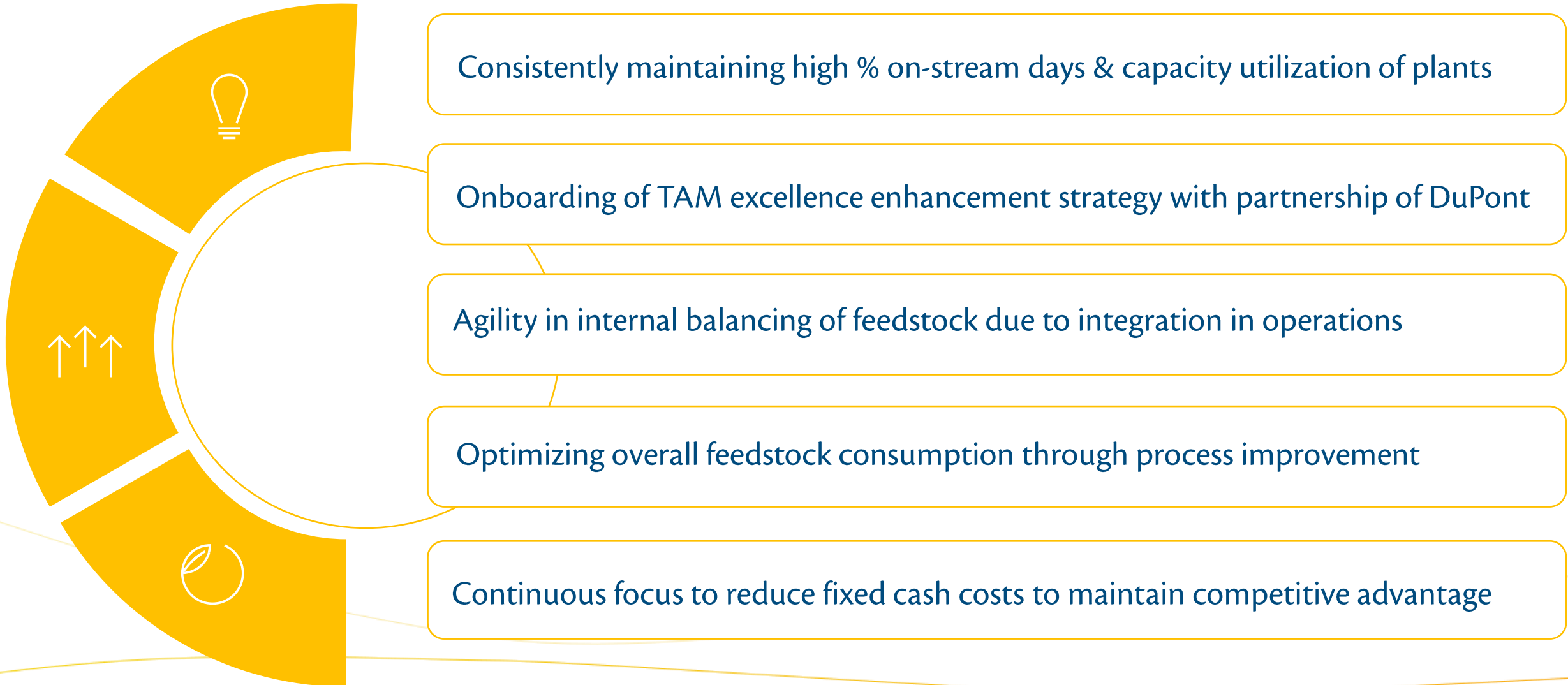
- Debt to equity ratio reduced to 0.17x.
- 100% Shariah Compliant loans
- Balanced debt maturity profile



Healthy Financial ratios

- ROCE of 10.5%
- Current ratio of 1.63x
- Quick ratio of 1.23x
- Strong cash position with holding of SAR 2,563m as of 30th June 2023

Factors Contributing to Operational Excellence



Key Takeaways



Dedicated focus on manufacturing excellence & plant reliability yielding positive results



Strengthening balance sheet with healthy financial ratios to weather current economic challenges



Targeting to maximize shareholders returns through value creation and stable dividends payout



Diversified market segments to sustain profitability in challenging market environment



Advantageous cost positioning & strong footprint in different geographies supporting the overall bottom line



Q&A Session

For Further Inquires Contact IR Team

Mr. Hussain Al Saif
halsaif@sipchem.om
+966 13 359 9608

Mr. Ahmad Talal
atalal@sipchem.com
+966 13 356 7334

Ms. Laila Al Asqah
lasqah@sipchem.com
+966 13 801 9376

Sipchem-ir@sipchem.com

Thank You