



Sipchem Q1 2024 Earnings Call

“Staying resilient and maintaining competitive advantage in an uncertain market”



Date: 30th April 2024
Time: 04:00 PM (KSA)

DISCLAIMER

This presentation has been prepared solely for use at this meeting concerning the financial results of Sahara International Petrochemical Company (“Sipchem”). By attending the meeting where this presentation is made or accessing the presentation, you agree to be bound by the following limitations. This material is given in conjunction with an oral presentation and should not be taken out of context.

This presentation has been prepared by Sipchem solely for use by you at the investor presentation, held in connection with Sipchem’s financial results. The information contained in this presentation does not purport to be comprehensive and has not been independently verified. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. The information set out in this presentation may be subject to updating, revision, verification and amendment and such information may change materially. Sipchem is under no obligation to update or keep current the information contained in this presentation and any opinions expressed in it is subject to change without notice. None of Sipchem or any of its affiliates, advisers or representatives: (i) makes any representation or warranty, express or implied, as to the truth, fairness, accuracy or completeness of the information in this presentation (or whether any information has been omitted from this presentation); or (ii) shall have any liability whatsoever (in negligence or otherwise) for any loss whatsoever arising from any use of this presentation or its contents, or otherwise arising in connection with this presentation.

The information in this presentation is given in confidence and may not be reproduced or redistributed to any other persons.

This presentation does not constitute or form part of any offer to sell or issue or invitation to purchase or subscribe for, or any solicitation of any offer to purchase or subscribe for, any securities of Sipchem or any of its subsidiaries or affiliates, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision. The information and opinions contained in this presentation are provided as at the date of the presentation and are subject to change.

Certain statements in this presentation constitute “forward-looking statements”. These statements include records of intentions, beliefs or expectations with respect to, amongst other things, operations, financial conditions, liquidity, prospects, growth, strategies and the dividend policy of Sipchem, its subsidiaries, affiliates and the industries in which they operate. These statements, which contain the words “anticipate”, “believe”, “intend”, “estimate”, “expect” and words of similar meaning, reflect Sipchem’s beliefs and expectations and are subject to risks and uncertainties that may cause actual results to differ materially. These risks and uncertainties include, amongst other factors, commodity price volatility and risks relating to technology, shared utilities, competition and price, financing, litigation, general operations, environment, feedstock supply and price, project interface and foreign exchange, as well as different market conditions and the prospects for growth anticipated by the management of Sipchem. These and other factors could adversely affect the outcome and financial effects of the plans and events described in this presentation. As a result, you are cautioned not to place undue reliance on such forward-looking statements. Sipchem disclaims any obligation to update its view of such risks and uncertainties or to publicly announce the result of any revisions to the forward-looking statements made in this presentation, except where it would be required to do so under applicable law.

CEO: Opening remarks



Eng. Abdullah Al Saadoon

Staying resilient in a challenging market environment...

FINANCIAL

516

Million Saudi Riyal
USD 137m

EBITDA¹

182

Million Saudi Riyal
USD 48m

NET INCOME

0.25

Saudi Riyal per share
USD 0.07

EPS

OPERATIONAL

95%

ON-STREAM%

1

#TAM

809_{KMT}

SALES VOLUMES

¹EBITDA = Operating profit plus depreciation, amortization and impairment

Market recovery gaining momentum, but pace is modest...



Demand trends

- **Global growth projected at 3.2% in 2024 and 2025**
- **Destocking** has come to an end; demand sees a **gradual uptick** and leading indicators turn **slightly positive**
- **Prolonged tight monetary policy** to combat **persistent high inflation** remains a **major risk** to economic recovery
- **Seasonality** factor with normally higher manufacturing activity in Q2 and Q3



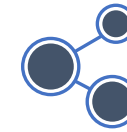
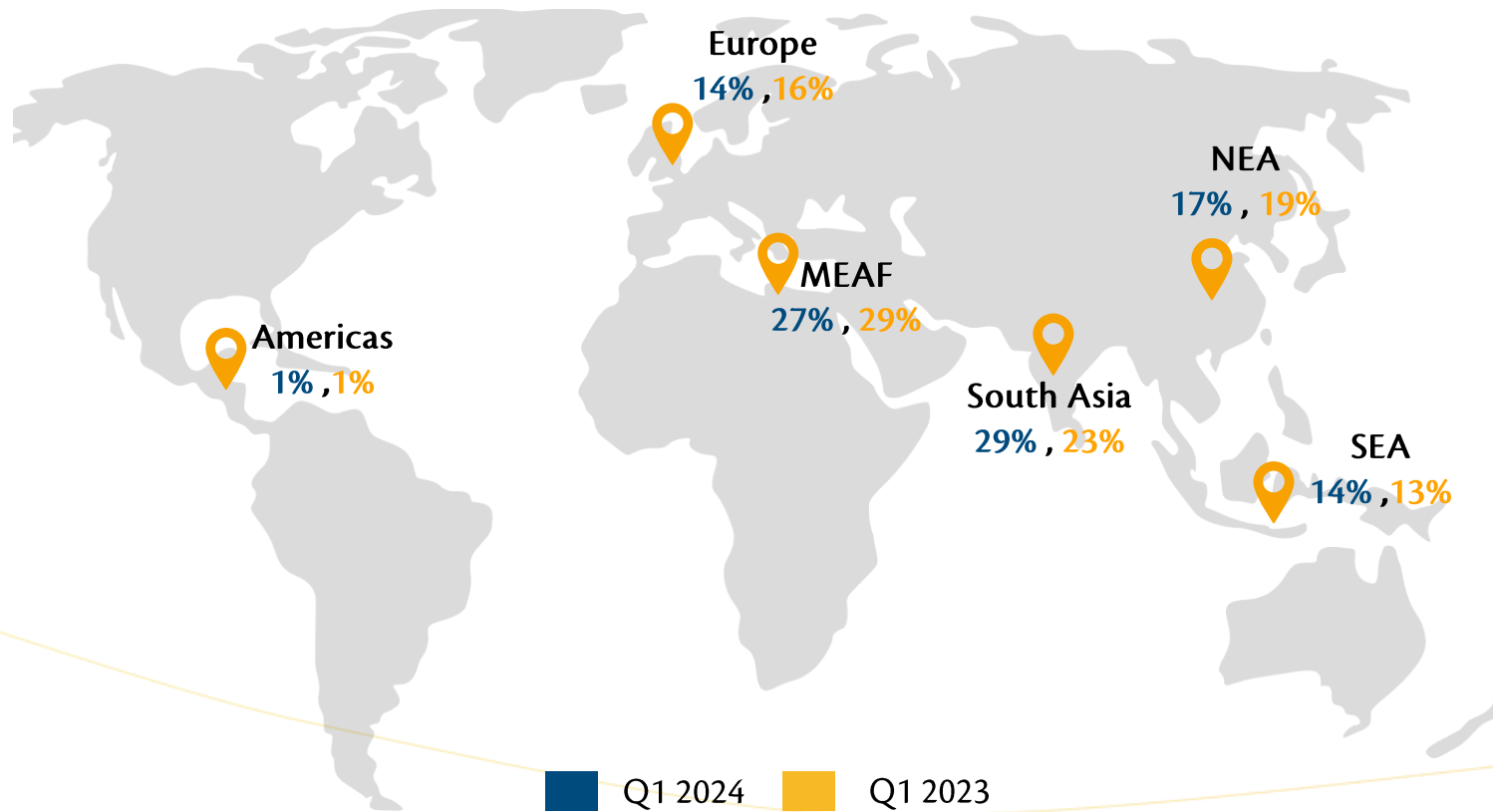
Supply trends

- **Global supply** has been suffering from **new plant start-up delays, unplanned shutdowns & planned maintenance**
- **Tensions in the Red Sea** has caused **logistical constraints** to the **Asia-Europe** trade route causing massive **product shortage** in Europe **pushing prices higher**

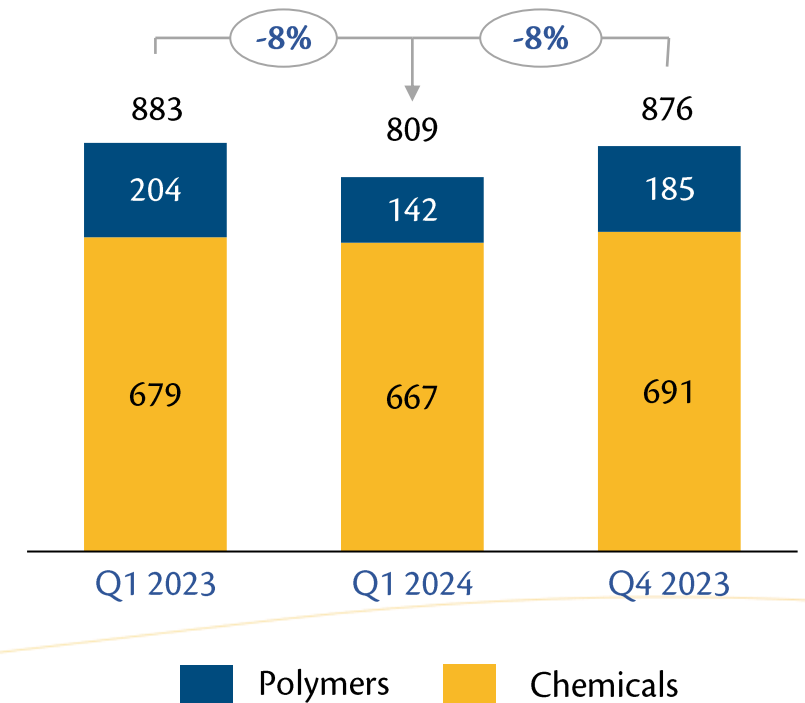
Strategically placing our products in key global markets...



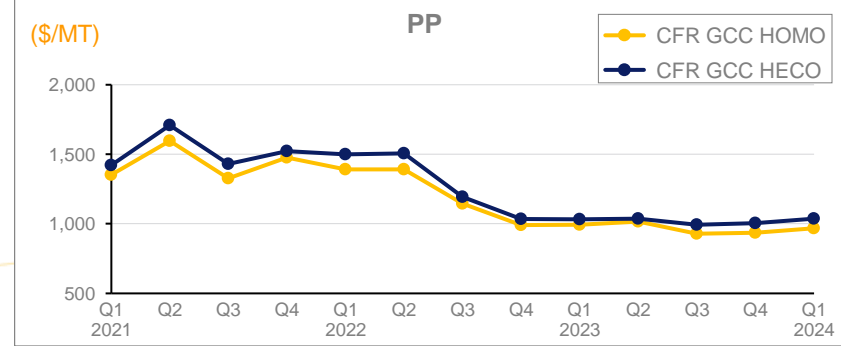
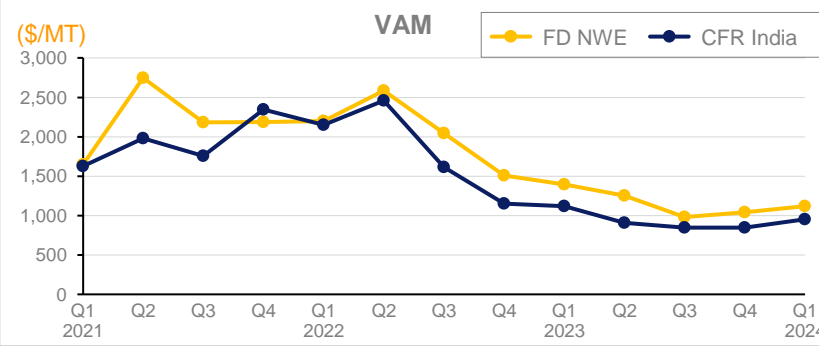
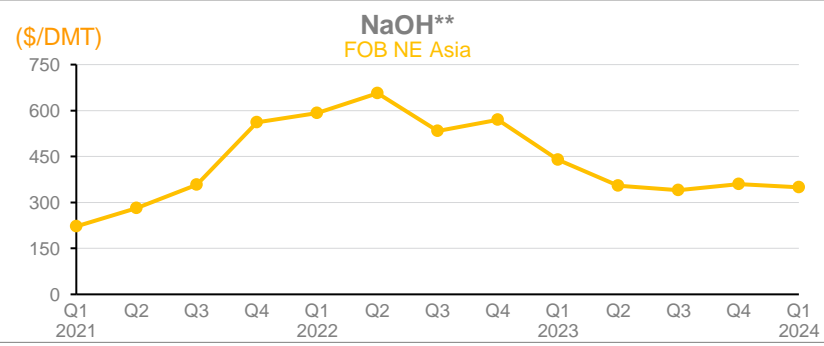
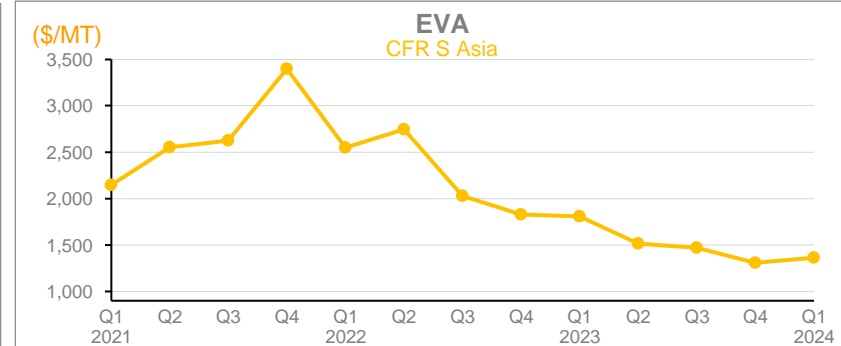
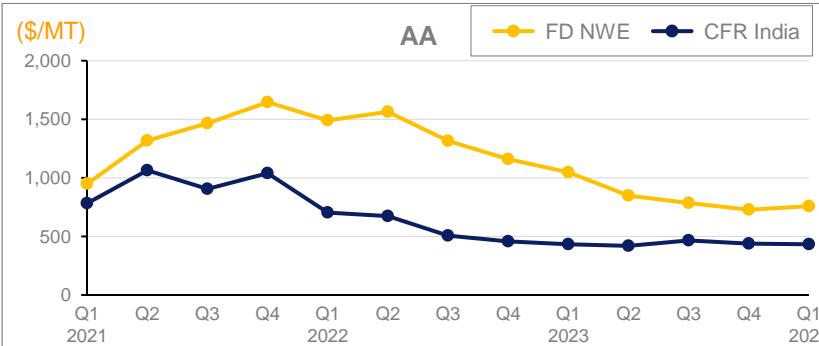
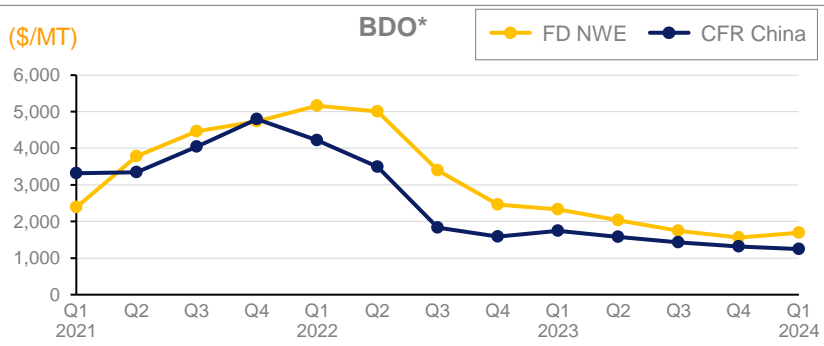
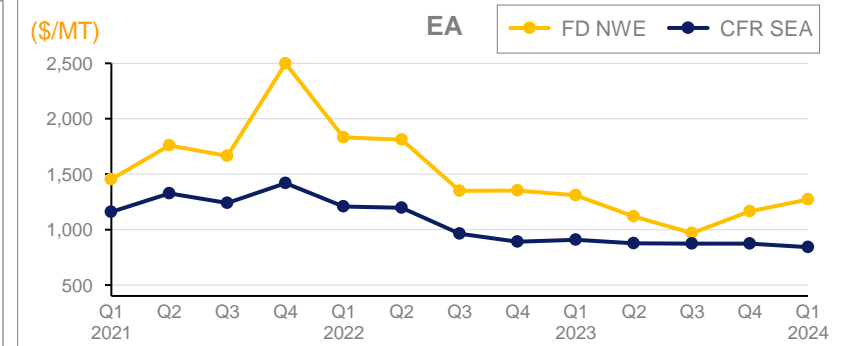
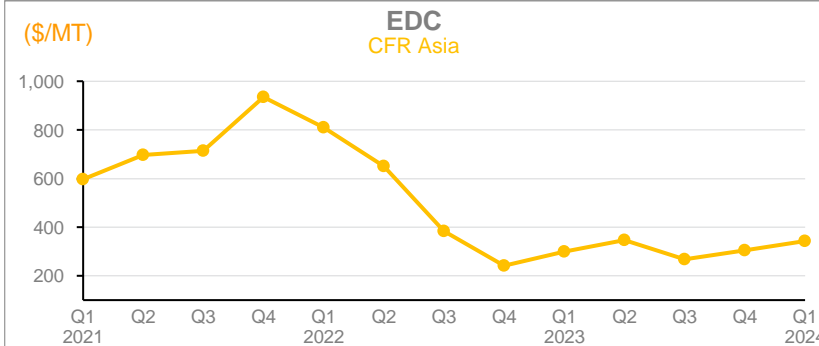
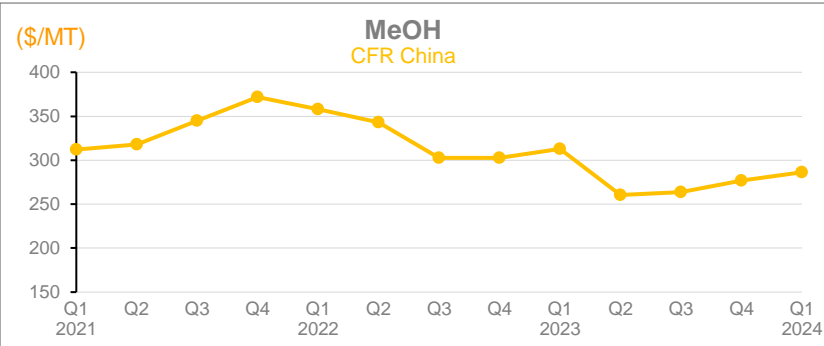
Geographical Mix



Sales Volume (KMT)



Prices in general are trending upwards...



FINANCIAL HIGHLIGHTS



Lower sales revenue amid periodic maintenance of Al Waha plant



Healthy EBITDA performance with improved margins



Strengthening balance sheet supported by disciplined capital allocation



Return on capital employed of 6% on annualized basis

Q1 2024 PERFORMANCE

1,925 [Million SAR]

Revenue

516 [Million SAR]

EBITDA

182 [Million SAR]

Net Profit

135 [Million SAR]

Free Cash Flow

0.25 [SAR/share]

EPS

0.15x

Debt to Equity

Management has outlined strategic priorities for 2024...



Growth

- Execute FEED stage of the Blue Ammonia Project
- Final Investment Decision for de-bottleneck projects
- Exploring strategic Inorganic growth opportunities



Profitability

- Manufacturing excellence & enhanced plant reliability
- Optimum feedstock consumption
- Continuous cost optimization initiatives
- Maintaining disciplined capital allocation



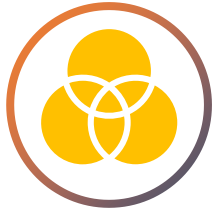
Sustainability

- Reduce Carbon-dioxide emissions by 80 KT
- <0.1 Lost Time injury as per OSHA
- Investments via InnoVent to drive innovative solutions

Key takeaways...



Petrochemicals demand seems to be awakening from its 2023 slump, with early indications in 2024 suggesting an improvement in conditions



Diversified product portfolio, value chain planning and robust marketing network continues to yield positive results in challenging market environment



Clear and concise strategy with identified initiatives and roadmap for quick wins this year and to realize the vision 2030



Focused initiatives to optimize cost to alleviate the unfavorable impact of feedstock price increases on the profitability and cash flow

Q&A Session

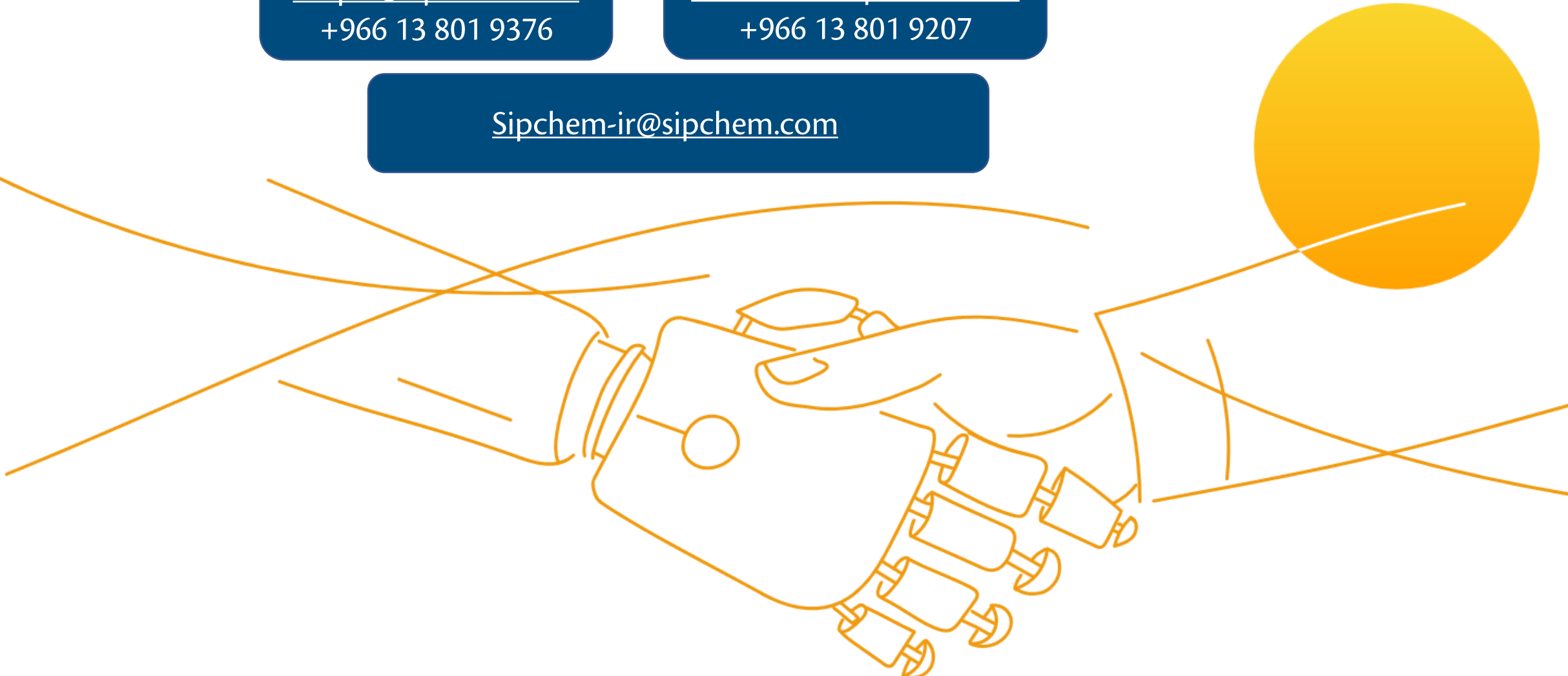
The bottom of the slide features four horizontal, wavy white lines that create a decorative, layered effect against the yellow background.

For Further Inquires Contact IR Team

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

Ms. Afaf Al Subaie
amsubaie@sipchem.com
+966 13 801 9207

Sipchem-ir@sipchem.com



Thank You