

Sipchem Q2 2024 Earnings Call

“Recovering market with better prospects
on the horizon.”



Date: 29th July 2024
Time: 02:00 PM (KSA)

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Eng. Abdullah Al Saadoon



Staying resilient in a challenging market environment

FINANCIAL

348

Million Saudi Riyal
USD 92m

EBITDA¹

122

Million Saudi Riyal
USD 32m

NET INCOME

0.17

Saudi Riyal per share
USD 0.05

EPS

OPERATIONAL

3

#TAM

747_{KMT}

SALES VOLUMES

¹EBITDA = Operating profit plus depreciation, amortization and impairment

Market outlook



Market recovery is slow without sustained demand



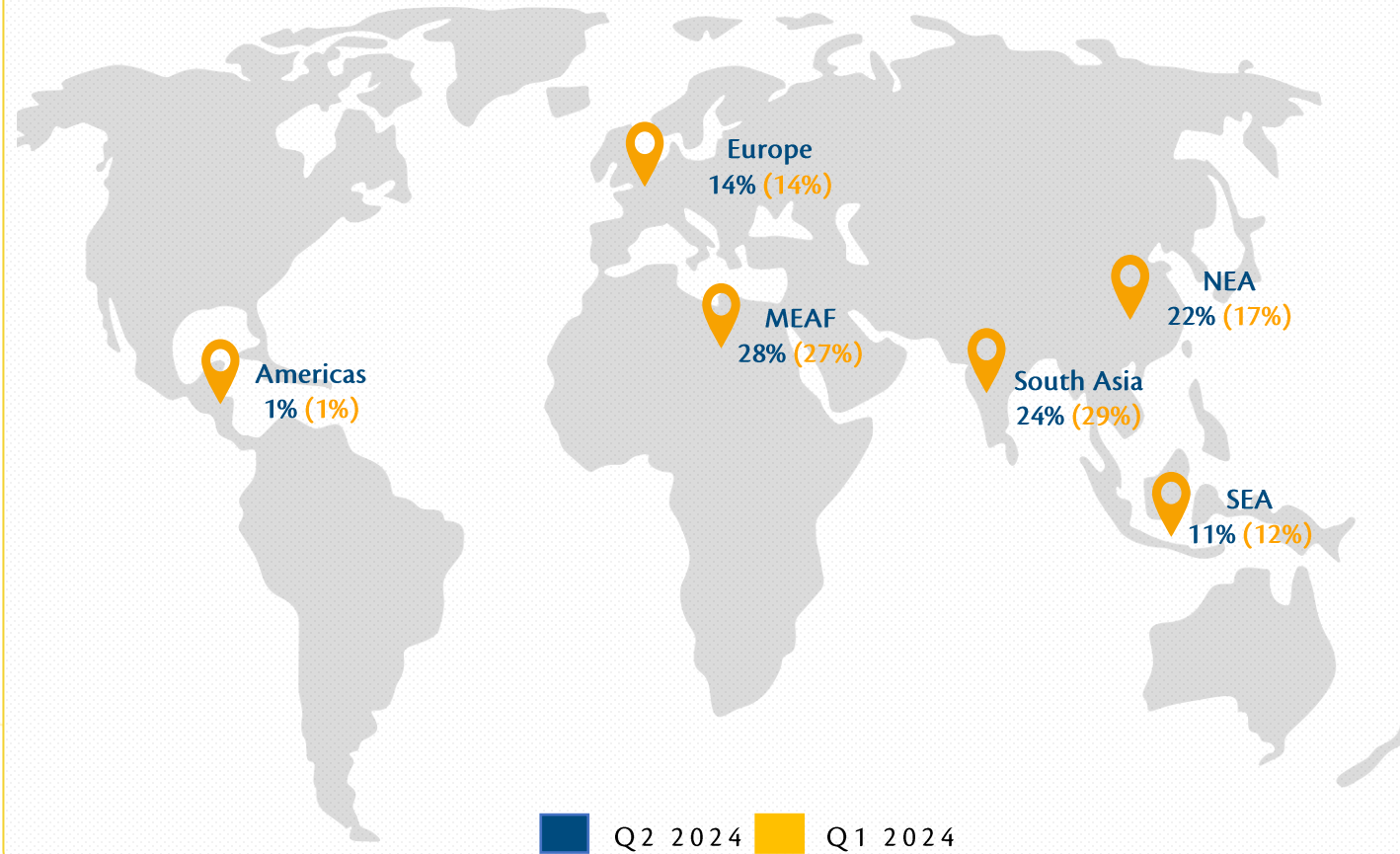
Low margins expected to increase the pressure of capacity rationalization



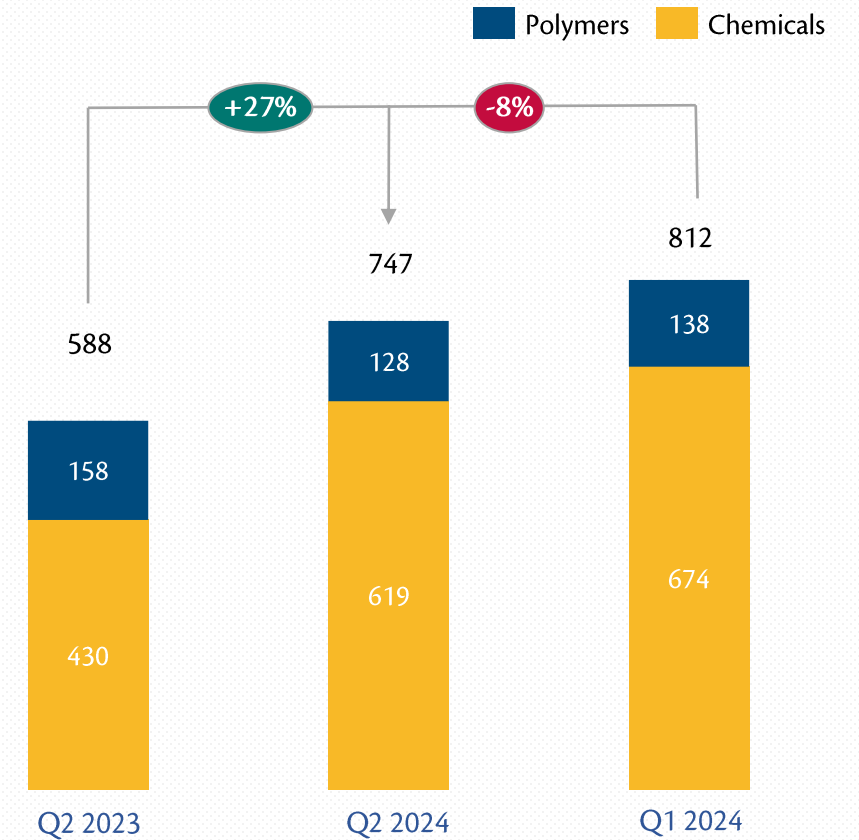
Persistent tensions in the red sea impacting global supply chain

Strategic allocation of volumes to maximize margins

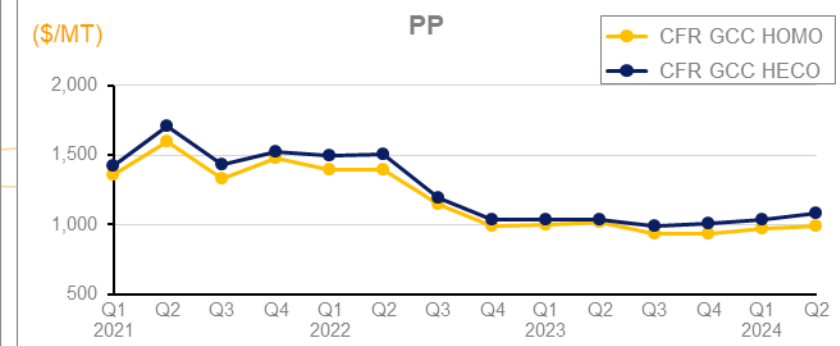
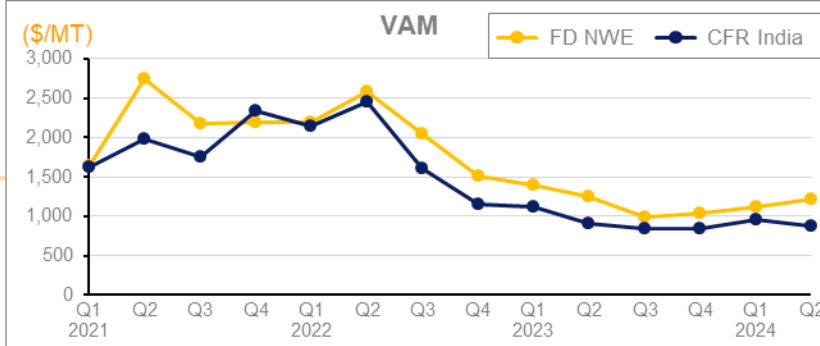
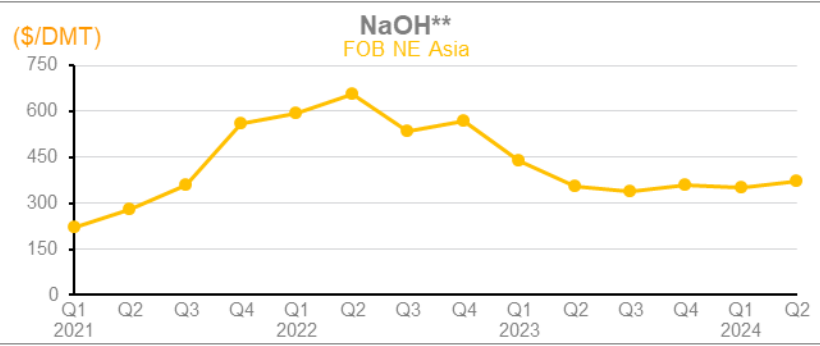
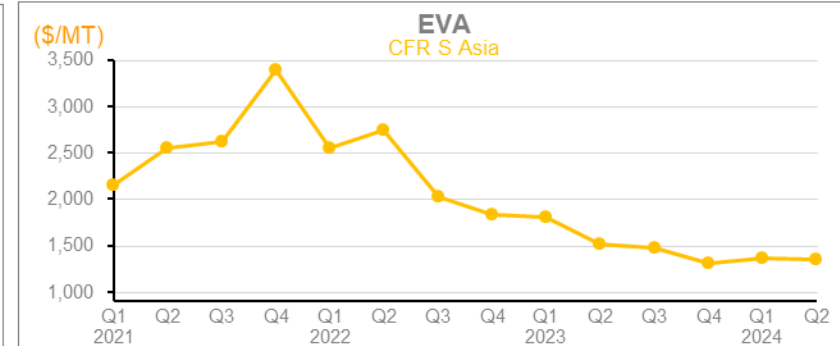
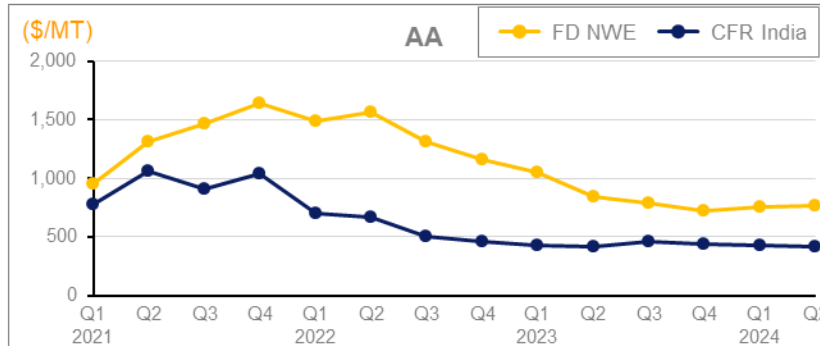
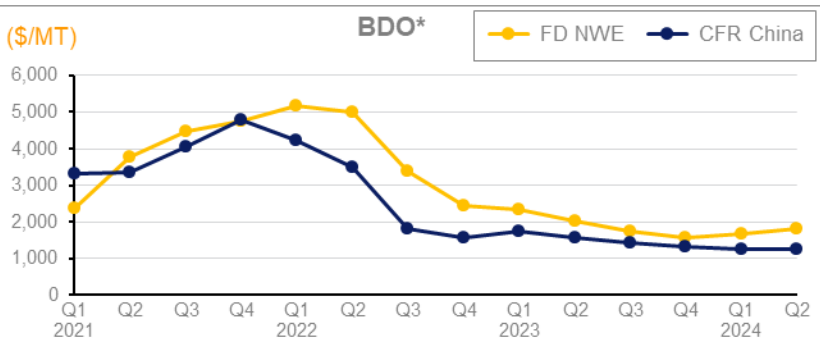
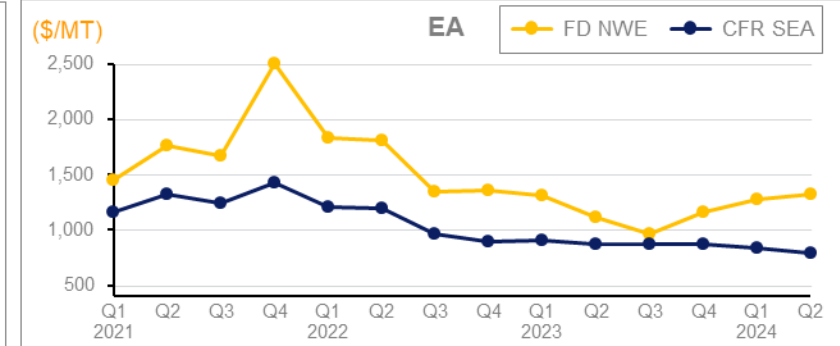
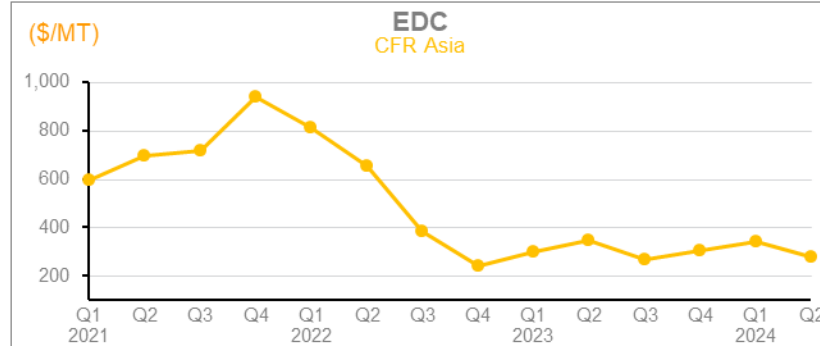
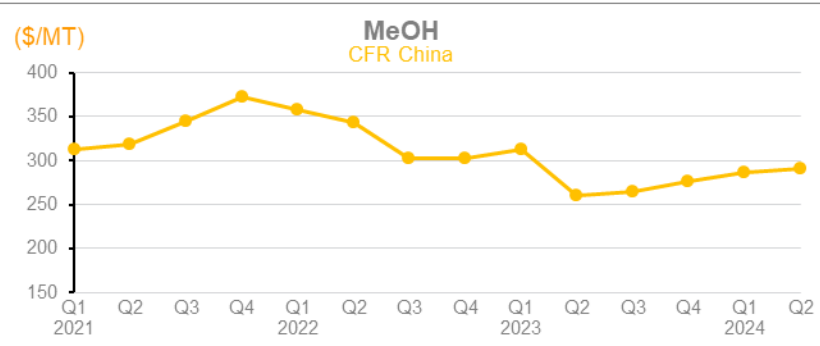
Geographical Mix



Segment Wise Sales Volume (KMT)



Certain products in our portfolio witnessed a slight price improvement



Source: ICIS, except *WMC, **CMA

Financial Highlights



Lower QoQ sales revenue amid lower sales volumes despite increase in prices



Interim dividend payout of SAR 0.50/share



EBITDA performance impacted by the periodic maintenance and higher feedstock prices



Healthy free cash flow generation and strengthening balance sheet

Q2 2024 Performance

1,770 [Million SAR]
Revenue

348 [Million SAR]
EBITDA

122 [Million SAR]
Net Profit

638 [Million SAR]
Free Cash Flow

0.17 [SAR/share]
EPS

0.14x
Debt to Equity



Ethylene Vinyl Acetate plant

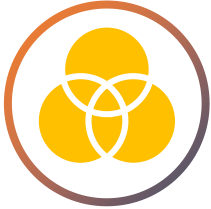
- EPC contract awarded for expansion with the amount of 701 million
- Saudi Riyals
- Capacity to increase by 70,000 tons per annum
- High-grade Ethyl Vinyl Acetate
- Projection completion by 4th quarter of 2027



Blue Ammonia Project

- Kicked off FEED activities in Q2 2024
- FEED activities expected to complete by Q1 2025
- Capacity of 1.2 million metric tons
- Natural gas as the major feedstock

Key takeaways



Tangible progress towards achieving growth ambition by kicking off the FEED stage of Blue Ammonia Project & awarding EPC contracts for the expansion of EVA plant



Continuous focus on operational excellence, reliability, and safety



Global demand recovery is slow amid supply chain constraints and high shipping costs



Continuous focus on maximizing shareholder returns by ensuring sustainable performance-linked dividends distribution

Q&A Session

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Thank You