

# Sipchem Q3 2024 Earnings Call

“Maintaining resilience while advancing our growth strategy”



Date: 24<sup>th</sup> October 2024  
Time: 03:00 PM (KSA)

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## Mater Al-Dhafeeri (VP, Commercial)

## Market Outlook

1



Interest rate cut & fiscal stimulus by China expected to have positive impact on economy

2



Logistic challenges persisting for bulk liquids, while witnessing drop in containers freight rate

3



Capacity rationalization and expectations of improved demand

4



Geopolitical uncertainty impacting market sentiment

# Staying Resilient In A Challenging Market Environment

## FINANCIAL

376

Million Saudi Riyal  
USD 100 m

EBITDA<sup>1</sup>

103

Million Saudi Riyal  
USD 27.5m

NET INCOME

0.14

Saudi Riyal per share  
USD 0.04

EPS

## OPERATIONAL

0.13

SAFETY INCIDENT RATE

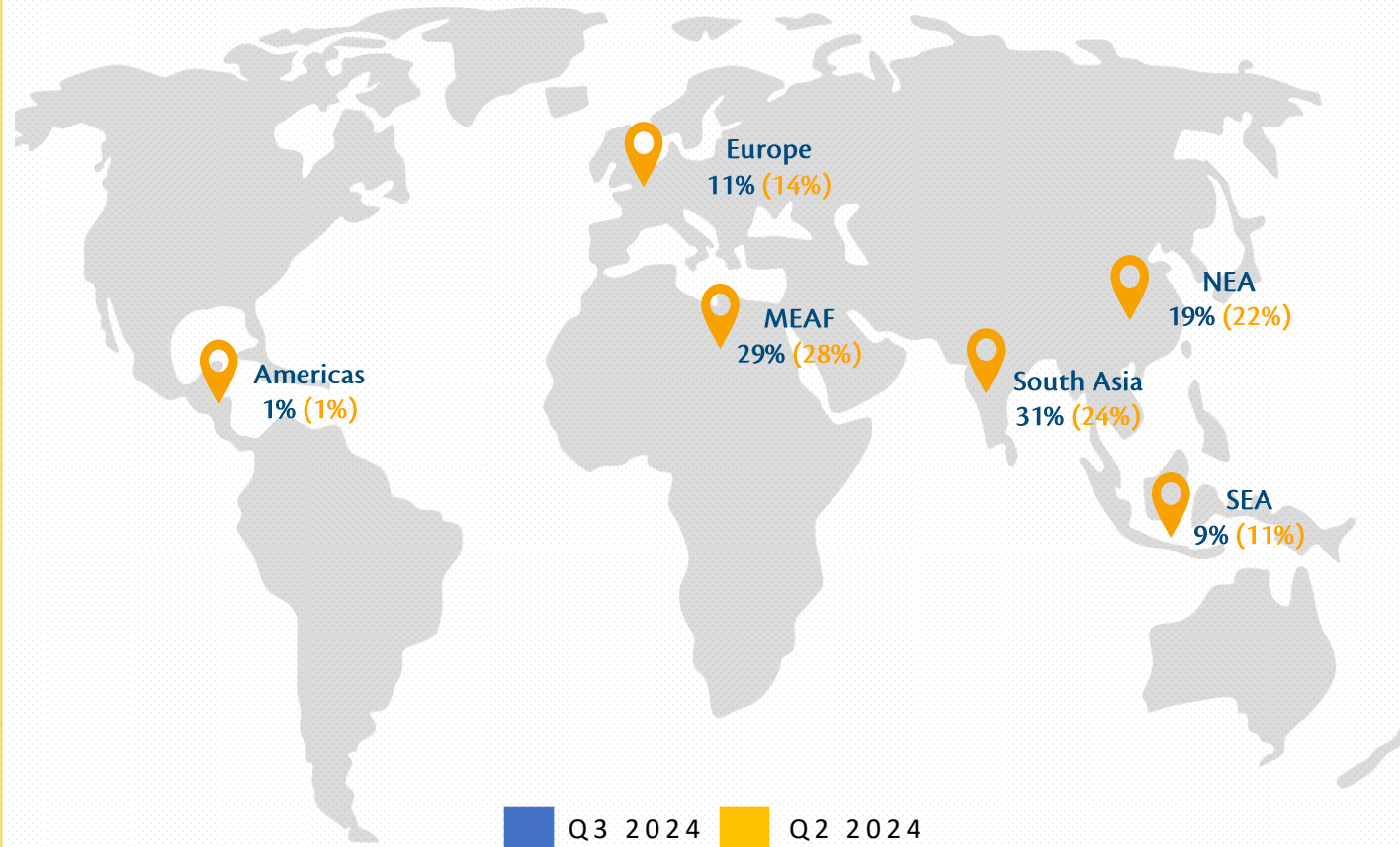
823<sub>KMT</sub>

SALES VOLUMES

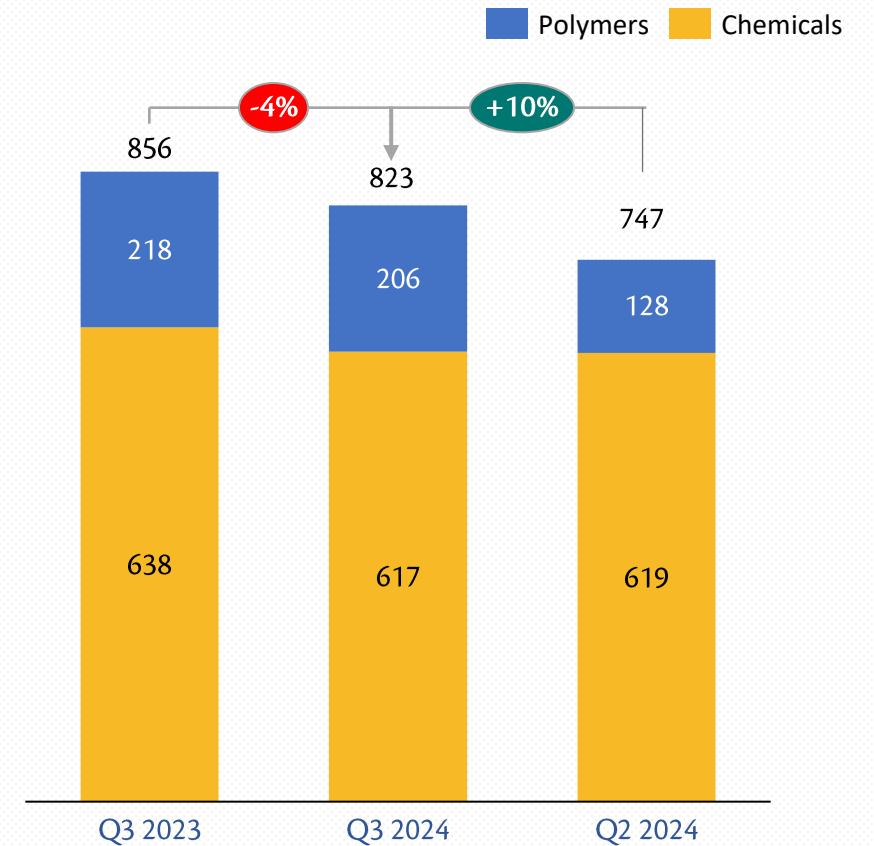
<sup>1</sup>EBITDA = Operating profit plus depreciation, amortization and impairment

# Agile Marketing Capabilities, Strong Footprint In Key Markets

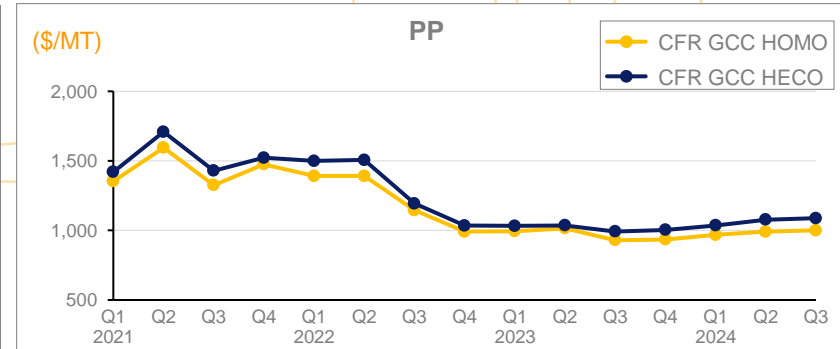
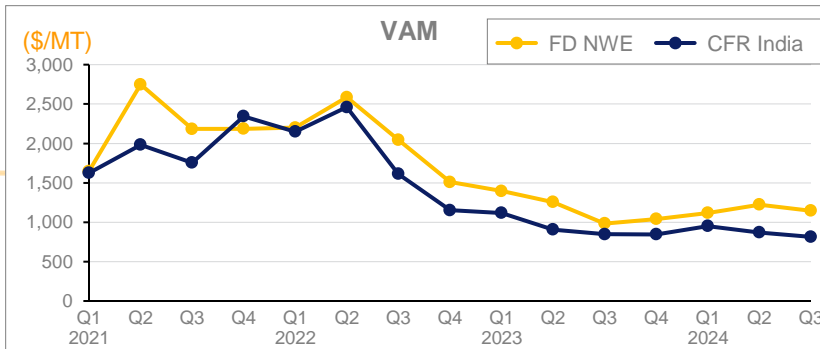
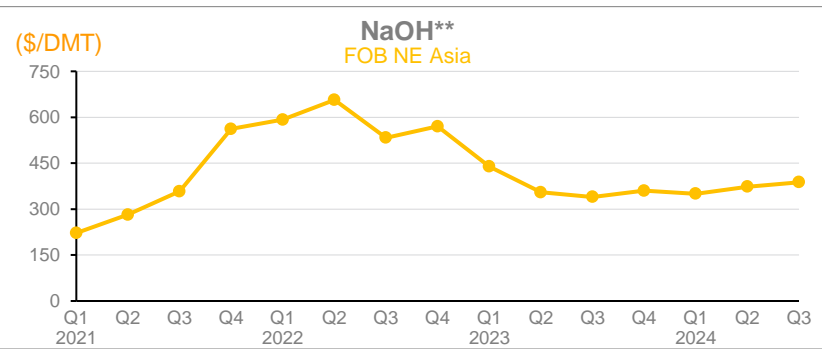
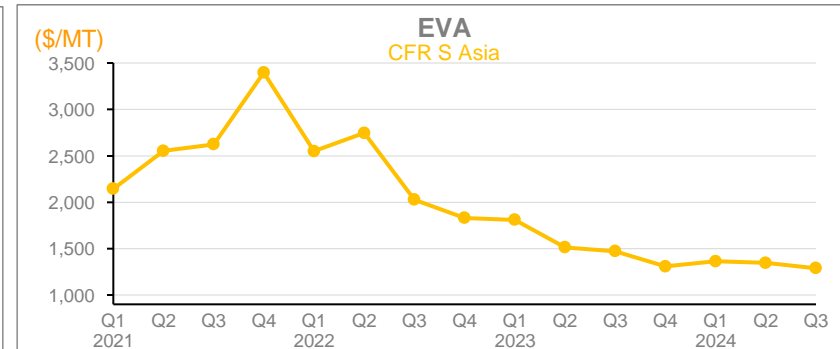
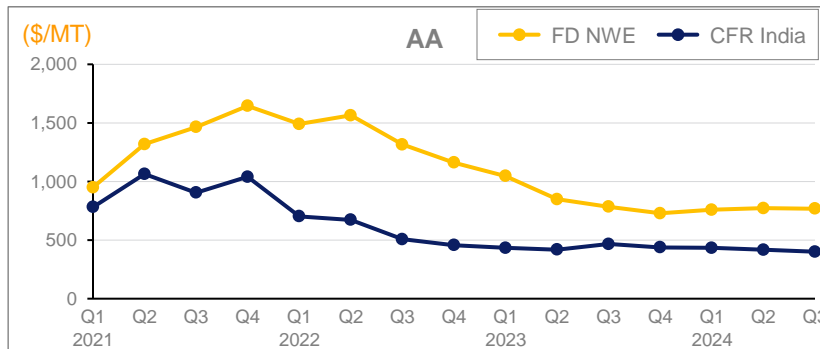
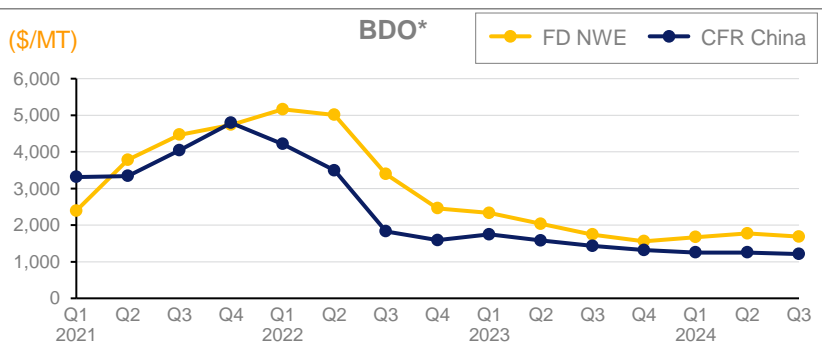
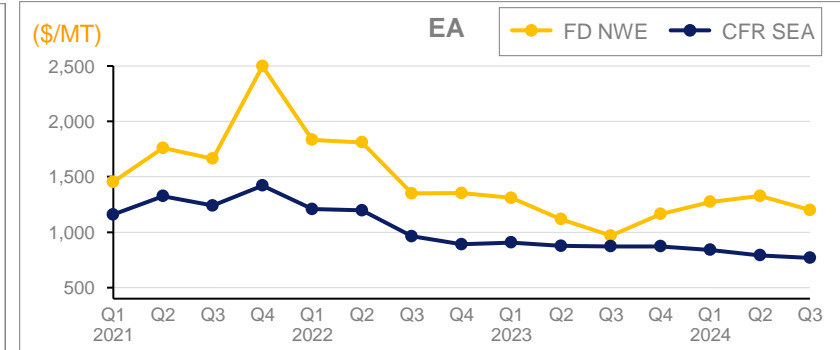
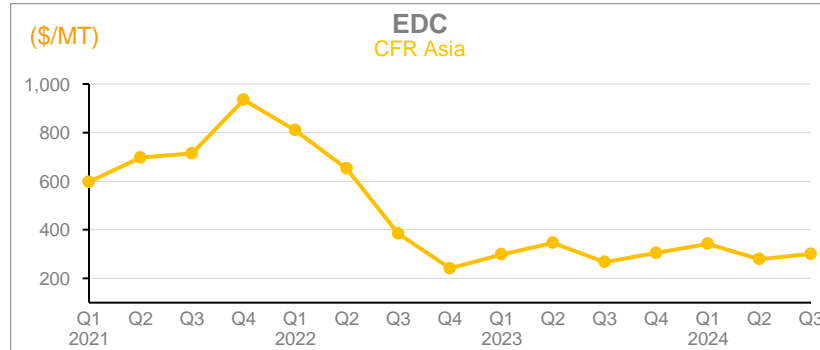
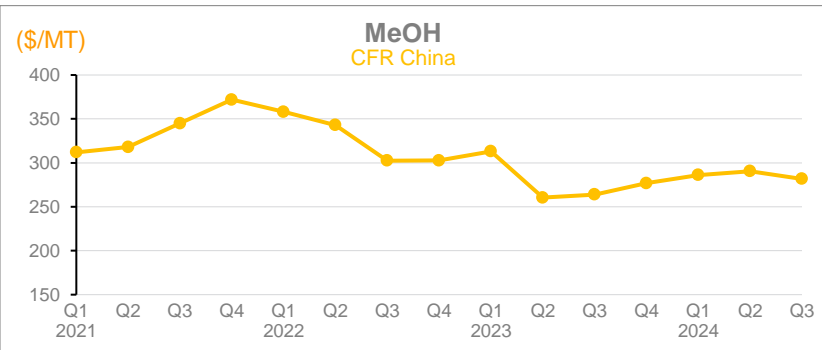
## Geographical Mix



## Segment Wise Sales Volume (KMT)



# Slow Market Recovery



# Financial Performance

1,627  
Million  
SAR

Revenue

8% QoQ reduction:

- Overall, 2% reduction in prices of the products
- Partially offset by 10% higher sales volumes

9% YoY reduction mainly due to 4% lower sales volumes

376  
Million  
SAR

EBITDA

8% QoQ increase driven by:

- Reduction in the prices of feedstock costs & selling expenses
- Partially offset by reduction in the sales revenue and increase in G&A
- EBITDA margin of 23.1%

103  
Million  
SAR

Net Profit

15% QoQ reduction considering SAR 53m one-off income related to insurance claim in the previous quarter

Significant improvement in the share of profit from equity accounted investees

0.14  
SAR/  
share

EPS

15% reduction in Earnings per share in line with profitability

0.14x

Debt to Equity

Maintaining Capital Discipline

Strengthening Balance Sheet

Reduction in finance costs



## Al Waha's propylene and polypropylene plants

- \$169 million US Dollars
- The additional capacity is 72,000 tons of propylene and 150,000 tons of polypropylene.
- Detailed Engineering
- Completion by 4<sup>th</sup> quarter of 2026



## Ethylene Vinyl Acetate plant

- \$187 million US Dollars
- The additional capacity is 70,000 tons per annum of High-grade Ethyl Vinyl Acetate
- Detailed Engineering
- Completion by 4<sup>th</sup> quarter of 2027

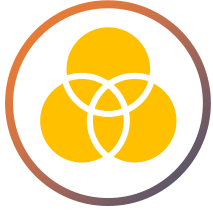


## Blue Ammonia Project

- Capacity of 1.2 million metric tons
- Natural gas as the major feedstock
- Completion by Q4 2028

## Key takeaways

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Advancing our growth strategy through awarding of the EPC contracts for the expansion of Al Waha's & IPC plants



Despite a stable demand and supply balance, persistent logistical constraints and heightened uncertainty held up the improvement of the prices



Strengthening financial position by maintaining capital discipline despite challenging market conditions

# Q&A Session

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## For Further Inquires Contact IR Team

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Thank You