

Yanbu National Petrochemical Company (YANSAB)

First Quarter 2023 Earnings

First Quarter 2023 Highlights:

- Revenue of SAR 667 million [\$ 178 million], a 52% decrease quarter-over-quarter and a 66 % decrease year-over-year.
- EBITDA of SAR -74 million [\$ -20 million], a -137 % change percentage quarter-over-quarter and a -112 % change percentage year-over-year.
- Loss from operations of SAR 367 million [\$ 98 million], a 287% increase quarter-over-quarter and a -216 % change percentage year-over-year.
- Net loss of SAR 370 million [\$ 99 million], a 284% increase quarter-over-quarter and a -230 % change percentage year-over-year.

Table 1 – Summary Financial Results

Item	Three Months Ended			Three Months Ended		
	31 Mar, 2023	31 Dec, 2022	Change QoQ	31 Mar, 2023	31 Mar, 2022	Change YoY
Revenue	667	1,385	-52%	667	1,979	-66%
EBITDA ¹	-74	199	-137%	-74	603	-112%
Income from operations	-367	-95	287%	-367	317	-216%
Net Income	-370	-96	284%	-370	283	-230%
Earnings Per Share (SAR)	-0.66	-0.17	288%	-0.66	0.5	-232%
Free Cash Flow	406	163	149%	406	370	10%

All amounts in SAR million unless otherwise stated.

¹Income from operations plus depreciation, amortization and impairment.

Financial Performance:

- Yanbu National Petrochemical Co. (YANSAB) announced its financial results for the first quarter of 2023 with revenue of SAR 667 million (\$ 178 million), which represents a decrease of 52% compared to the previous quarter. The decrease was mainly due to the decrease of the sales quantity resulted from the Complex Turnaround⁽¹⁾.

(1) The Complex Turnaround is an event where all company's plants will go for a shutdown with zero production. The importance of having the Turnaround can be summarized as follow: increases plant and equipment uptime, improve capital equipment and operational efficiencies, prevent and fix operational deficiencies, enhances safety and reduces risk of injuries.

- On 10th of January 2023 the Complex Turnaround started and last for 52 days and on 2nd of March 2023 YANSAB announced the completion of Turnaround activities safely and startup of the complex. The financial impact of this outage is estimated to 385 million Saudi Riyals, this event came after 8 years after the last Turnaround activities that took place on 2015, this turnaround is expected to enhance reliability of the company's plants and to improve its operational and production efficiency.
- The average sales prices in the first quarter of 2023 increased by 16% compared to prior quarter, while the sales volumes decreased by 58% in the first quarter of 2023 against fourth quarter of 2022. The average sales prices declined by 18% compared to the same quarter of 2022, also the sales volumes decreased by 59% year-over-year.
- EBITDA amounted to SAR -74 million (\$ -20 million) in the first quarter of 2023, representing a change percentage of -137%, quarter-over-quarter, which resulted from the Complex Turnaround.
- YANSAB reported net loss of SAR 370 million (\$ 99 million) in the first quarter, an increase of 284 % from the previous quarter.
- A free cash flow of SAR 406 million [\$ 108 million] was generated in the first quarter, an increase of 149% versus prior quarter's free cash flow of SAR 163 million [\$ 43 million] and a 10% increase compared to the free cash flow of SAR 370 million [\$ 99 million] in the first quarter of 2022.

Table 2 – Comparison for Prices and Sales Volumes

Period	Prices	Sales Volumes
Q1 23 vs. Q4 22	16%	-58%
Q1 23 vs Q1 22	-18%	-59%

For further information, please contact YANSAB Investor Relations at shares@yansab.sabic.com and / or visit <https://www.yansab.com.sa/en>

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