

Saudi Aramco Base Oil Company - Luberef First Quarter 2023 Results

First Quarter 2023 Highlights:

- Net income of SAR 446 million in Q1 2023 compared to SAR 303 million in Q1 2022 driven by higher crack margins in base oils as result mainly of a feedstock prices reduction.
- EBITDA of SAR 555 million in Q1 2023 compared to 507 million in Q1 2022, an increase of 10% compared to same quarter last year.
- Profit from operation of SAR 474 million in Q1 2023 compared to SAR 422 million in Q1 2022 driven by higher crack margins.

	Q1 2022	Q1 2023	Change YoY
Revenue	2,741	1,797	(34%)
EBITDA	507	555	10%
Operating Profit	422	474	12%
Net Income	303	446	47%
Base Oil Crack Margins (Saudi Riyal per metric ton)	1,577	2,551	62%
Free Cash flow	526	748	42%
Total shareholder's equity	4,547	5,530	22%

All figures are in (million) Saudi Riyal unless otherwise stated.

Financial Performance:

Saudi Aramco Base Oil Company - Luberef announced its financial results for the first quarter with a revenue around SAR 1.8 billion and a net income of approximately SAR 446 million. This increase is mainly driven by an increase in base oil prices of 6% and a reduction in feedstock prices by 46% compared to same quarter last year. This positive increase offset partially by a reduction in sales volume by 14% compared to same quarter last year.

Company's Highlights:

- On February, 26 2023 Luberef announced the signing of Engineering, Procurement and Construction contract for Yanbu facility expansion (Growth II) with PETROJET Co. which aims to expand existing units at Yanbu facility to their maximum potential production capacity by increasing Group II base oils productions or introduce the production of Group III base oils. The total contact value is SAR 555 million and the positive financial impact is expected after the commencement of commercial operations by 2nd half of 2025.
- Luberef successfully completed Jeddah facility turnaround activities in the first quarter of 2023 within the planned number of days.
- The safety performance for the first quarter continued to be excellent with a TRIR score of 0.0. Luberef Jeddah completed 15.8 million man-hours and Luberef Yanbu completed 17.8 million man-hours without Lost Time Injury as of March
- As part of OPEX improvement initiative, Water & Power providers companies have been changed and their operations in Jeddah facility have commissioned in March 2023. The company expected reduction in its operating expenses up to SAR 28 million each year as result of this initiative which considered to be part of transformation initiative program.