

SABIC AGRI-NUTRIENT Second Quarter 2024 Earnings

Second Quarter 2024 Highlights:

- Revenue of SAR 2,676 million [\$ 714 million], a 6% increase quarter-over-quarter and 2% increase compared to similar quarter of last year.
- EBITDA of SAR 920 million [\$ 245 million], a 4% decrease quarter-over-quarter and 2% increase compared to similar quarter of last year.
- Operating profit of SAR 678 million [\$ 181 million] which was 7% lower than the operating profit of the previous quarter, and equal to the operating profit of the similar quarter of last year.
- Net income of SAR 705 million [\$ 188 million] is 16% lower than the net income of the previous quarter and 8% more than the net income of the similar quarter of last year.

Comparisons with second quarter of 2024 are available in the following table:

Table 1 – Summary Financial Results

Item	Three Months Ended					Six Months Ended		
	30. Jun, 2024	31. Mar 2024	Change %	30. Jun, 2023	Change %	30. Jun, 2024	30. Jun, 2023	Change %
Revenue	2,676	2,517	6%	2,629	2%	5,194	5,389	-4%
EBITDA ¹	920	963	-4%	902	2%	1,884	2,067	-9%
EBITDA Margin	34%	38%	-11%	34%	-	36%	38%	-5%
Operating profit	678	730	-7%	678	-	1,408	1,635	-14%
Net Income ²	705	841	-16%	651	8%	1,546	1,632	-5%
Net Profit Margin	26%	33%	-21%	25%	4%	30%	30%	-
Earnings Per Share ²	1.48	1.77	-16%	1.37	8%	3.25	3.43	-5%
Return on Capital Employed ³	3%	4%	-25%	3%	-	3%	7%	-57%
Purchase of PPE	142	130	9%	156	9%	272	547	-50%
Purchase of Intangible Assets	-	-	-	-	-	-	-	-
Free Cash flow ⁴	159	1,083	-85%	542	-71%	1,245	2,166	-43%

All amounts in SAR million unless otherwise stated, USD/SAR conversion used is 3.75. Certain figures and percentages included in this document have been subject to rounding adjustments.

1. Income before zakat and tax plus depreciation, amortization, impairment, finance cost and less finance income.
2. Attributable to equity holders of the parent company.
3. EBIT / Average Capital Employed (CE = Parent Equity + Non-current liabilities)
4. Net cash from operating activities minus purchase of property, plant and equipment and intangible assets

Financial Performance:

SABIC Agri-Nutrients ("SABIC AN") announced its financial results for the second quarter of 2024. The Company's revenue amounted to SAR 2,676 million [\$ 714 million] in the second quarter of 2024.

The second quarter of 2024 saw average sales prices decreased by 15% while the sales volume increased by 25% compared with the last quarter. This resulted in revenue increased by 6%. The average sales prices reduced by 4% and the sales volume increased by 6% in the second quarter of 2024 compared with the same quarter of 2023. This led to revenue increase by 2%.

EBITDA in the second quarter of 2024 was SAR 920 million [\$ 245 million] which is a decrease by 4%, quarter-over-quarter due to lower average selling prices and a increase of 2% compared with the second quarter of 2023.

Net income for the quarter is SAR 705 million [\$188 million], or SAR 1.48 per share [\$0.39 per share], which is 8% higher than the net income of SAR 651 million [\$174 million], or SAR 1.37 per share [\$0.37 per share] achieved during the same quarter of 2023. Net income has also decreased by 16% in comparison with previous quarter which was SAR 841 million [\$224 million], or SAR 1.77 per share [\$0.47 per share]

Net income for the period is SAR 1,546 million [\$412 million], or SAR 3.25 per share [\$0.87 per share], which is 5% lower than the net income of SAR 1,632 million [\$435 million], or SAR 3.43 per share [\$0.91 per share] achieved during the same period of 2023.

Market Outlook:

In Q2, the global fertilizer market faced significant supply challenges. African gas supply outages for fertilizers producers in Egypt and Nigeria, coupled with several unplanned shutdowns from major producers in Southeast Asia and loading delays created a constrained supply environment. Additionally, the Chinese government's formal block on exports, which contradicted earlier resumption speculations, further tightened the market. Demand was notably concentrated in the US, EU, and APAC regions, driven by seasonal preparation needs.

Looking ahead to Q3 2024, strong demand is anticipated due to seasonal transitions in South America and the Indian subcontinent. Global supply is expected to recover and improve as producers resolve output challenges and gas limitations. However, the expectation of China resuming exports towards the end of Q3 may sustain prices throughout the quarter.

Environment, Social and Governance:

At SABIC AN, we continue to diversify our portfolio of products by investing in innovative solutions, emerging and disruptive technologies, that support product sustainability and reduce product carbon footprint. Developing of a differentiated product slate and innovative solutions, is achieved by advancing our technology and research capabilities, through collaboration and partnerships with industrial partners, customers and research entities. As such, SABIC AN is well placed to make significant contributions in tackling the global challenges of food security and climate change.

SABIC AN has successfully implemented a global sustainability digitalization dashboard which enables the Company to automate reporting of Sustainability, SEEC required data and Energy key performance indicators into a single dynamic dashboard. Application of this advanced digital technology will lead to real time data visualization, effective monitoring and enhanced opportunities for process optimization through timely identification of deviations. This demonstrates the Company's commitment to continuous sustainability improvement and energy efficiency optimization.

SABIC AN is committed to embedding ESG into the sustainability strategy and upholding governance rules and regulations is a critical component. Our general framework on governance which includes a set of policies defines the decision-making process, the roles and responsibilities as well as monitoring and tracking mechanisms. In this way, the Company can assess implementation, adequacy of performance and adherence to the relevant regulations as well as alignment of internal procedures and standards.

For more information, please contact the Investor Relations Department of (SABIC Agri-Nutrients) at the following email: (InvestorRelations@agri.sabic.com)

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