

SABIC AGRI-NUTRIENTS First Quarter 2024 Earnings

First quarter 2024 highlights:

- Revenue of SAR 2,517 million [\$ 671 million], a 15% decrease quarter-over-quarter compared and 9% decrease compared to similar quarter of last year.
- EBITDA of SAR 963 million [\$ 257 million], a 24% decrease quarter-over-quarter compared and 17% decrease compared to similar quarter of last year.
- Operating profit of SAR 730 million [\$ 195 million], Which was 28% lower than the operating profit of the previous quarter, and 24% lower than the operating profit of the similar quarter of last year.
- Net income of SAR 841 million [\$ 224 million], a 14% lower than the net income of the previous quarter and 14% lower of the net income of the similar quarter of last year.

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

Table 1 – Summary Financial Results

Item	Three Months Ended				
	31. Mar, 2024	31. Dec, 2023	Change %	31. Mar, 2023	Change %
Revenue	2,517	2,972	(15%)	2,760	(9%)
EBITDA ¹	963	1,266	(24%)	1,165	(17%)
EBITDA Margin	38%	43%	(12%)	42%	(10%)
Operating profit	730	1,020	(28%)	957	(24%)
Net Income ²	841	978	(14%)	981	(14%)
Net Profit Margin	33%	33%	-	36%	(8%)
Earnings Per Share ²	1.77	2.06	(14%)	2.06	(14%)
Return on Capital Employed ³	4%	5%	(20%)	4%	-
Purchase of PPE	130	145	(10%)	391	(67%)
Purchase of Intangible Assets	-	2	(100%)	6	(100%)
Free Cash flow ⁴	1,083	1,871	(42%)	1,625	(33%)

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 and share of results from a non-integral associate and joint venture.
2. Attributable to equity holders of the parent company.
3. EBIT / Average Capital Employed (CE = 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 first quarter of 2024. The Company's revenue amounted to SAR 2,517 million [\$ 671 million] in the first quarter of 2024.

The first quarter of 2024 saw average sales prices decrease by 2% and the sales volume decrease by 14% compared with the last quarter. This resulted in revenue decrease by 15%. The average sales prices reduced by 7% and the sales volume decreased by 2% in the first quarter of 2024 compared with the same quarter of 2023. This led to revenue decrease by 9%.

EBITDA in the first quarter of 2024 decreased by 24%, quarter-over-quarter due to lower average selling prices and lower sales quantities. EBITDA amounted to SAR 963 million [\$ 257 million] in the first quarter of 2024, representing a decrease of 17% compared with the first quarter of 2023. This was primarily due to lower average product prices and lower sales quantities.

Net income for the quarter is SAR 841 million [\$ 224 million], or SAR 1.77 per share [\$ 0.47 per share], which is 14% lower than the net income of SAR 981 million [\$ 262 million], or SAR 2.06 per share [\$ 0.55 per share] achieved during the same quarter of 2023. Net income has also decreased by 14% in comparison with previous quarter which was SAR 978 million [\$ 261 million], or SAR 2.06 per share [\$ 0.55 per share]

Market Outlook:

As 2024 commenced, the global fertilizer market faced some disruptions. In Q1, markets showed several price spikes as importers urgently sourced replacement cargoes amid production disruptions from Southeast Asia and US with logistical restriction in Panama Canal & Bab AlMandab strait. However, Natural Gas price was low and also demand from India was short because of the high inventory. As a result, Q1-2024 saw mild price increase compering to Q4-2023.

The outlook for Q2 2024 appears to be challenging and the lifting of trade barriers are expected to enhance export supplies significantly, especially from China. Moreover, demand is predicted to decrease with the transition away from the spring agricultural season, which may reduce the pressure of price.

Environment, Social and Governance:

SABIC AN focuses on developing differentiated products and innovative solutions to diversify products portfolio, reducing the product carbon footprint, and investing in disruptive technologies. It continues to drive these ambitions through advancing research and development capabilities and continued collaboration with industry pioneers and research institutions, addressing global challenges such as food security and climate change.

SABIC AN has executed major projects to comply with Saudi Energy Efficiency Center (SEEC) cycle 2 requirements of meeting Quartile 2 targets. We have focused on addressing SABIC AN internal

sustainability targets on GHG and Material effectiveness, which are meeting the targets, and the diligent efforts have been put to attain water intensities and energy intensities of the assets.

Working collaboratively with customers and end-users remains a key priority as preliminary assessments identified that emissions related to use of sold products would account for the majority of SABIC AN's Scope 3 emissions. Through continuous engagement across the product value chain, the Company continues to develop approaches to better understand and realize opportunities to reduce these emissions.

SABIC AN has successfully produced and completed the first demo-bulk shipment of a specialty product to one of its global key customer. This was a demo-shipment aiming at qualifying the supply chain capabilities, and experiencing the challenges of a bulk shipment along the value chain. It is going to serve for SABIC AN as an enabler for potential future bulk shipment of differentiated urea product in large quantities for overseas customers, as well as it will contribute into defining the supply chain requirement for driving future growth of specialty Agri-Nutrients products.

The company also evaluating many avenues to decarbonize our assets and reduce GHG emissions including electrified steam methane reformers (e-SMR), Large-scale auto thermal reformer (ATR) based ammonia technologies and the use of methane pyrolysis to produce low carbon hydrogen all of which would support SABIC AN's progressive development and marketing of low-carbon products. SABIC AN is also exploring ways to modify the produced solid carbon from the methane pyrolysis process to be used as a soil amendment to improve the soil water retention, nutrient use efficiency and enhance plant growth. We also study ways to enrich the solid carbon materials with other valuable nutrients to generate soil additives.

SABIC AN is committed to upholding governance rules and regulations issued by relevant authorities. The company's general framework for governance, which includes a set of policies, also defines roles and responsibilities, how decisions are taken and conducted, how their implementation is monitored, and how best adequacy of performance based on relevant regulations can be monitored.

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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