

CHEMISTRY THAT MATTERS™

سابك  
SABIC

# SABIC EARNINGS CALL 2023

February 27<sup>th</sup>, 2024



# DISCLAIMER

---

This presentation has been prepared solely for use at this meeting. By attending the meeting where this presentation is made or accessing this presentation, you agree to be bound by the following limitations. This material is given in conjunction with an oral presentation and should not be taken out of context.

This presentation has been prepared for information and background purposes only. It does not constitute or form part of, and should not be construed as, an offer of, a solicitation of an offer to buy, or an invitation to subscribe for, underwrite or otherwise acquire, any securities of SABIC (the “Company”) any other existing or future member of the SABIC Group (the “Group”) or any other company including Saudi Aramco, nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities of any such company or with any other contract or commitment whatsoever. This presentation does not constitute a prospectus in whole or in part, and any decision to invest in securities should be made solely on the basis of the information to be contained in a prospectus and on an independent analysis of the information contained therein.

Any assumptions, views or opinions (including statements, projections, forecasts or other forward-looking statements) contained in this presentation represent the assumptions, views or opinions of the Company as of the date indicated and are subject to change without notice. All information not separately sourced is from Company data and estimates. Information contained in this presentation related to past performance is not an indication of future performance. The information in this presentation is not intended to predict actual results, and no assurances are given with respect thereto.

The information contained in this presentation has not been independently verified, and no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information contained herein, and no reliance should be placed on it. Neither the Company nor its affiliates, advisers, connected persons or any other person accepts any liability for any loss howsoever arising (in negligence or otherwise), directly or indirectly, from this presentation or its contents or otherwise arising in connection with this presentation. This shall not, however, restrict or exclude or limit any duty or liability to a person under any applicable law or regulation of any jurisdiction which may not lawfully be disclaimed (including in relation to fraudulent misrepresentation).

This presentation includes “forward-looking statements.” These statements contain the words “anticipate,” “believe,” “intend,” “estimate,” “expect” and words of similar meaning. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding the Company’s financial position, business strategy, plans and objectives of management for future operations (including cost savings and productivity improvement plans) are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to be materially different from results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the market environment in which the Company will operate in the future. These forward-looking statements speak only as of the date of this presentation. Each of the Company, the relevant Group entities and their respective shareholders, agents, employees and advisers, expressly disclaims any obligation or undertaking to update any forward-looking statements contained herein. You are urged to consider these factors carefully in evaluating the forward-looking statements in this presentation and not to place undue reliance on such statements.

This presentation is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation of such jurisdiction or which would require any registration or licensing within such jurisdiction. Any failure to comply with these restrictions may constitute a violation of the laws of other jurisdictions.

The information contained in this presentation is provided as of the date of this presentation and is subject to change without notice.

Note: with reference to ICIS in this presentation, ICIS has not seen or reviewed any conclusions, recommendations or other views that may appear in this document. ICIS makes no warranties, express or implied, as to the accuracy, adequacy, timeliness, or completeness of its data or its fitness for any particular purpose. ICIS disclaims any and all liability relating to or arising out of use of its data and other content to the fullest extent permissible by law.

# MARKET CONDITIONS REMAINED CHALLENGING

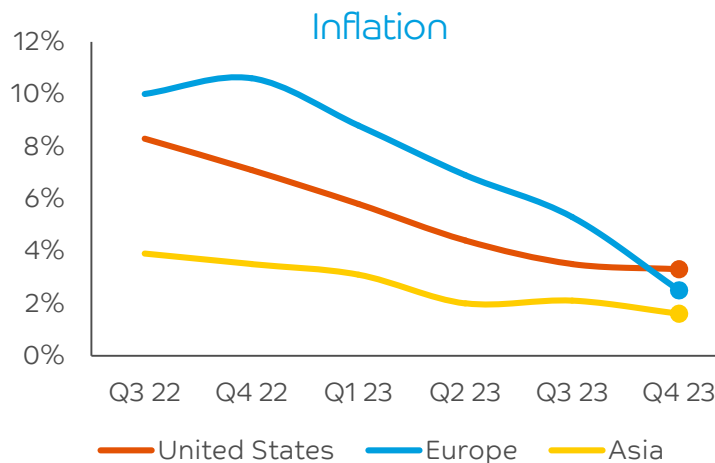
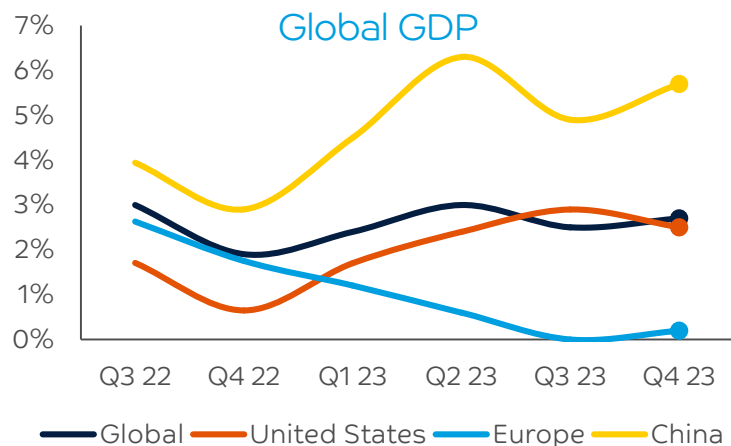
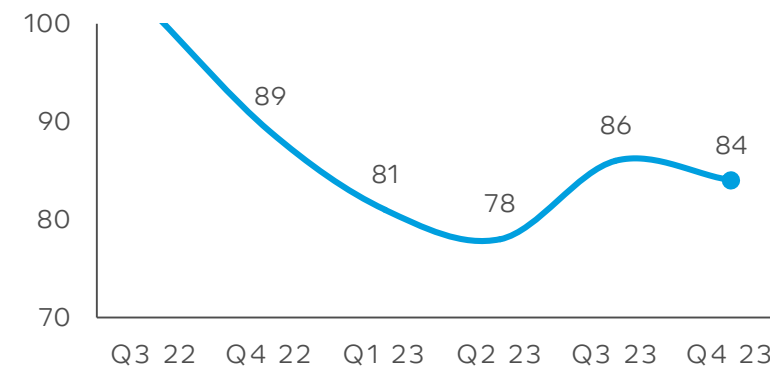


**Global GDP** growth still encountering persistent challenges from inflation, tighter financial conditions and escalating geopolitical tensions

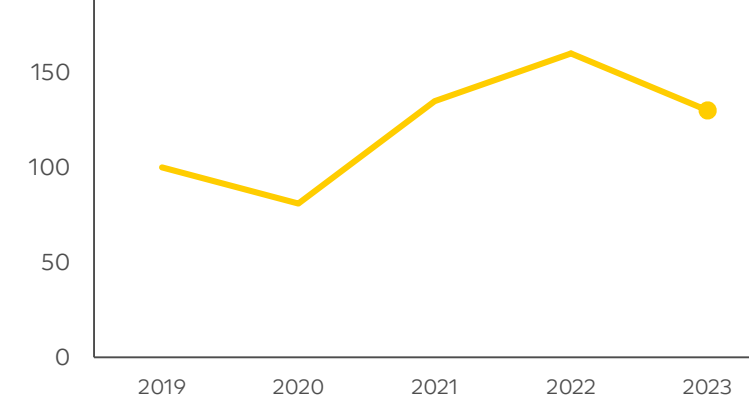


**Global Demand** was challenging in 2023

Brent Oil Price (\$/Barrel)



Petrochemicals Price Index<sup>1</sup>



Source: S&P Global. <sup>1</sup> 2019 rebased to 100. Weighted average price for Petchem major products mix and regions

# DELIVERING THROUGH TOUGH TIMES

## KEY MESSAGES



MAINTAINED ROBUST **SAFETY** PERFORMANCE WITH **0.11** TOTAL RECORDABLE INCIDENT RATE



DISTRIBUTED US\$ **3.04** Bn. TO SHAREHOLDERS IN **DIVIDENDS**



PORTFOLIO OPTIMIZATION WITH FOCUS ON **CORE** ASSETS



DISCIPLINED **CAPITAL** ALLOCATION



FULFILLING **GROWTH** DEMAND IN KEY MARKETS WITH HIGH-END PRODUCTS



NAMED **SECOND** MOST VALUABLE GLOBAL CHEMICAL BRAND

## 2023 HIGHLIGHTS



**0.11**  
Total TRIR



**+4 MMT**  
Growth Volume



**US\$ 3.04 Bn.**  
Dividends



**2<sup>nd</sup>**  
Value brand

# WELL POSITIONED FOR THE FUTURE



## GROWTH

- Major investment in a mega petrochemical complex in China
- Launched commercial production of PC at SSTPC
- EPC awarded for biggest on purpose single train MTBE plant.
- Expanded Specialties footprint in Asia



## SUSTAINABILITY

- On track to realize our sustainability targets
- Continue to be first movers on low carbon Ammonia shipments in key Asia markets
- Reaching final steps on major industry breakthrough, in partnership with BASF and Linde



## PORTFOLIO OPTIMIZATION & VALUE CREATION

- Focus on core businesses
- Elevate Europe competitiveness
- Ahead of schedule in realizing the synergies targets with Saudi Aramco
- Continue cost optimization efforts across all functions



## AWARDS & RECOGNITION



## SELECTIVE GROWTH



### (SABIC) ANNOUNCES FINAL INVESTMENT DECISION FOR THE 'SABIC FUJIAN PETROCHEMICAL COMPLEX'

- Joint venture Between SABIC Industrial Investment Company (51%) and Fujian Fuhua Gulei Petrochemicals Co. Ltd. (49%)
- Fulfilling growing demand for high-end chemical and polymers products
- Total investment of US\$ 6.4 Bn.
- 1.8 MMT mixed feed steam cracker
- 9 SABIC's Leading Technologies



### (SABIC) AND (SINOPEC) ANNOUNCE COMMERCIAL OPERATION OF PC PLANT AT JOINT VENTURE 'SSTPC'

- 50-50 joint venture (JV) – SINOPEC SABIC Tianjin petrochemical co. Ltd. (SSTPC).
- Annual designed capacity of 260 kt
- Commercial operation announced in March 2023
- Diversify our offerings for our customers need



### MTBE PLANT

- EPC awarded for biggest on purpose single train MTBE plant at Petrokemya using SABIC Technology.
- Nameplate capacity 1,000 KTA

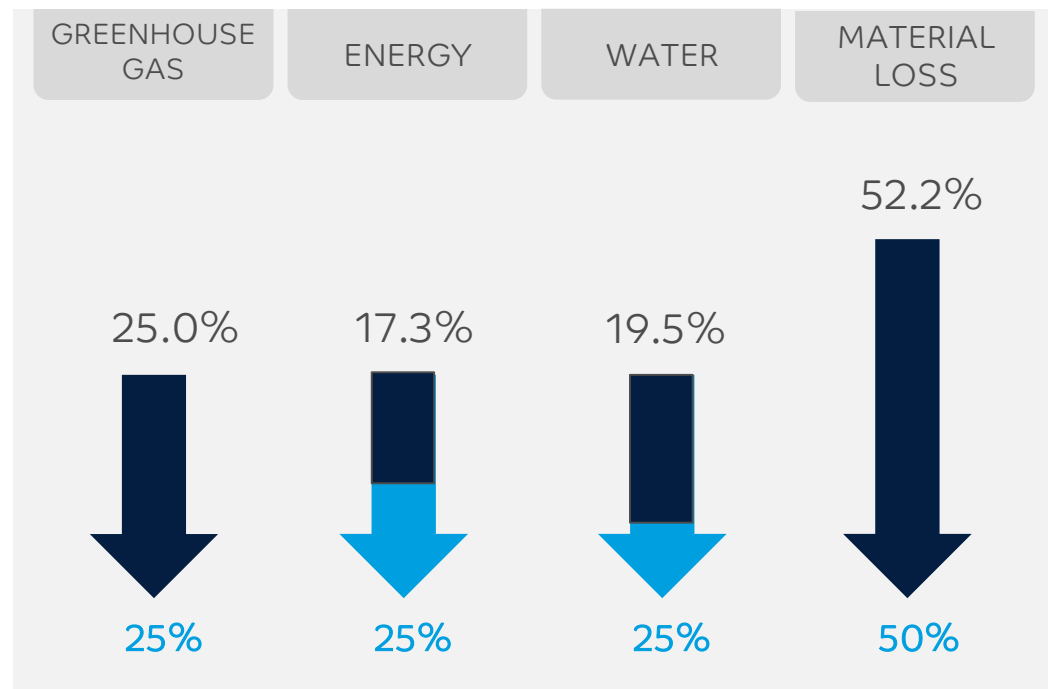


### CONTINUED INVESTMENT OF PREMIUM SPECIALTY RESINS

- Expansion of footprint in Singapore to localize ULTEM™ resin (PEI) production for customers in Asia
- Commissioning completed
- Enhances reliability of supply for our Asian customers

# OUR PROGRESS ON SUSTAINABILITY TARGETS

## 2025 INTENSITY TARGETS



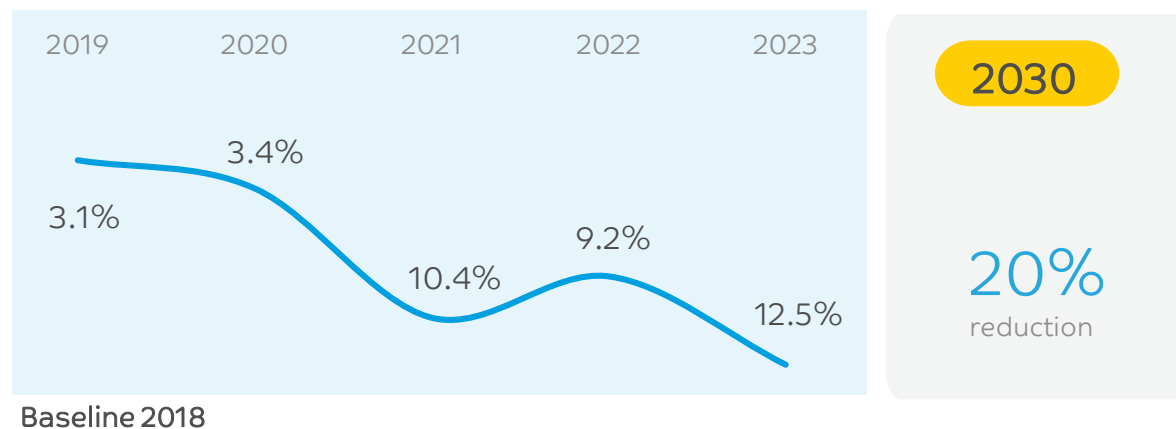
Reduction percentage is based on sales intensity

Baseline 2010

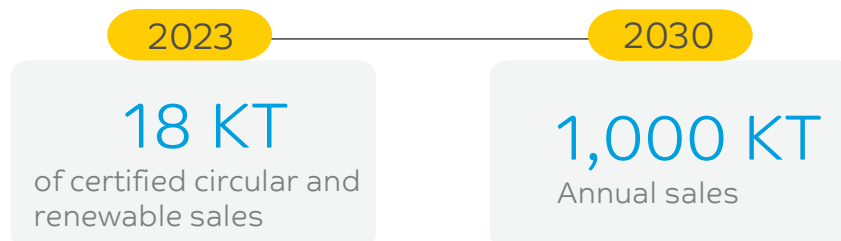
■ TARGET ■ ACTUAL

## 2030 ABSOLUTE TARGETS

### TO DATE REDUCTION OF GHG EMISSIONS (Scope 1&2)

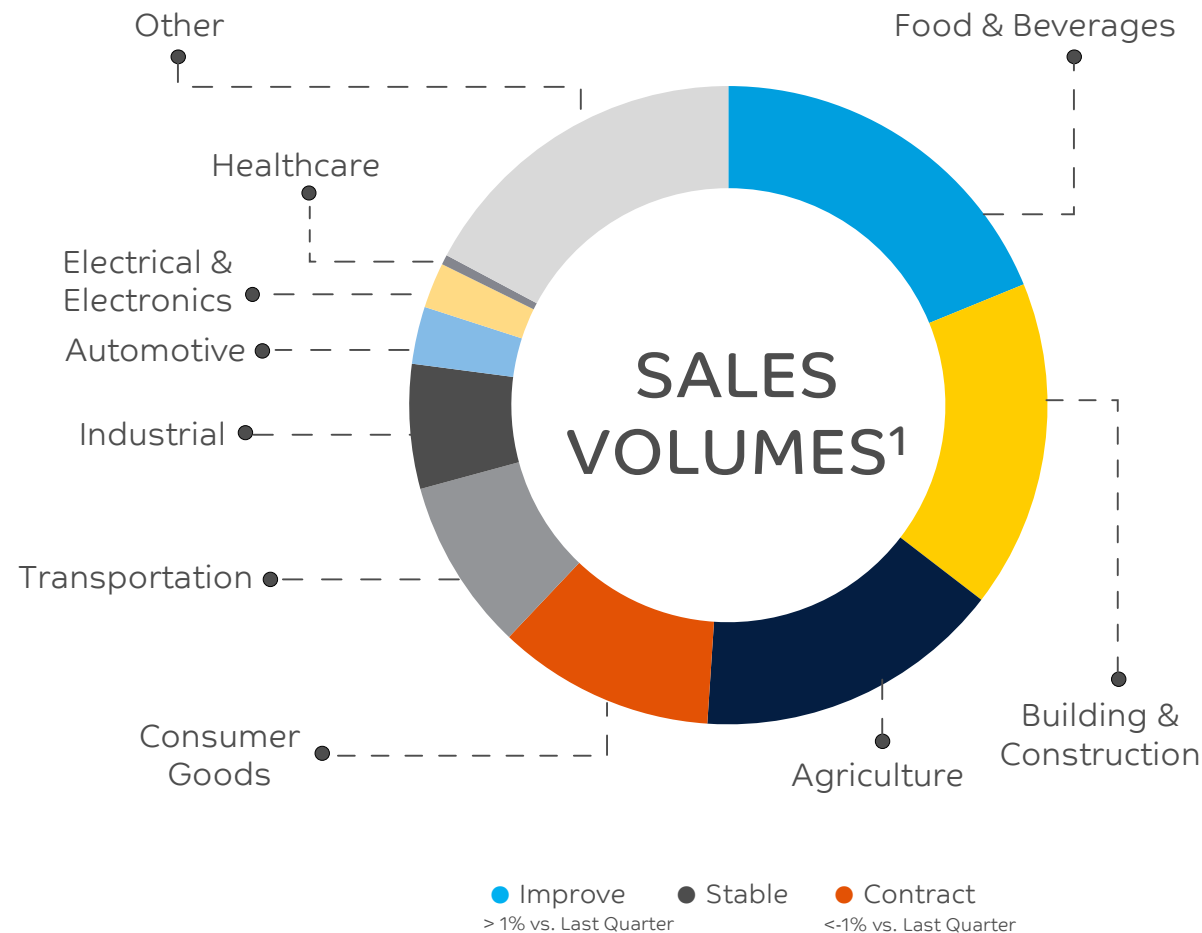


### TRUCIRCLE™ solutions



# MARKET CONDITIONS REMAIN DYNAMIC

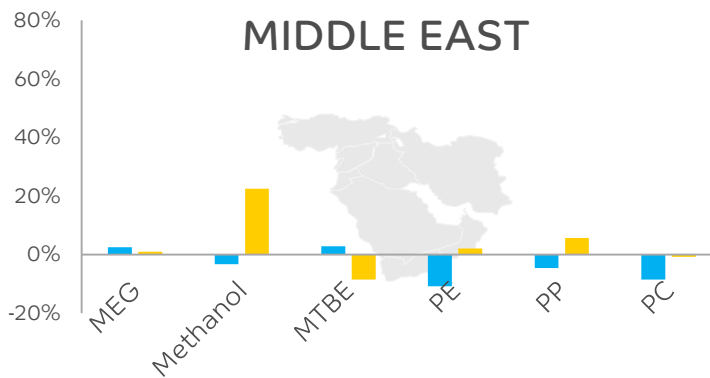
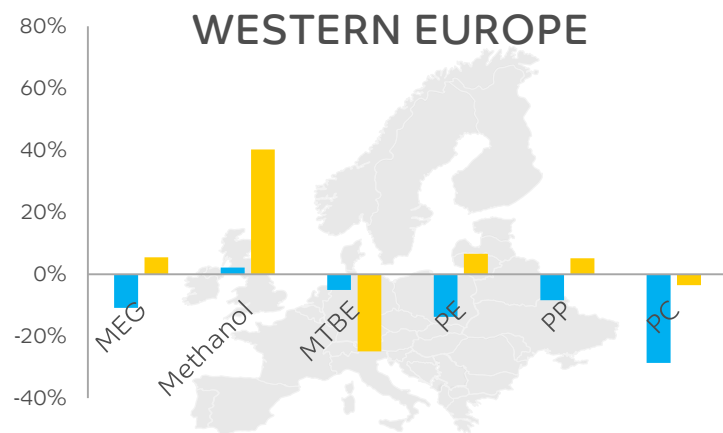
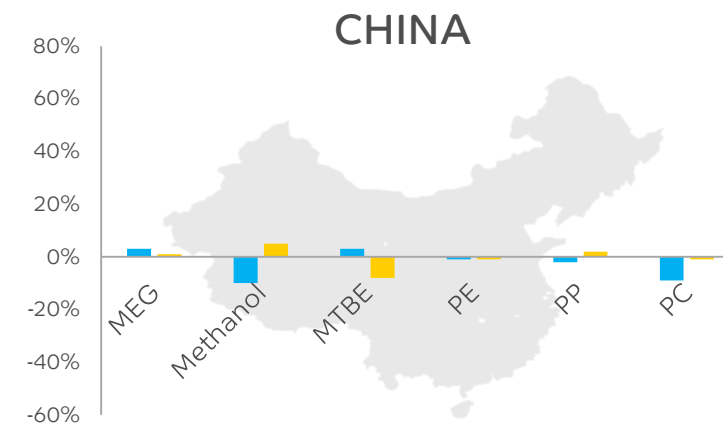
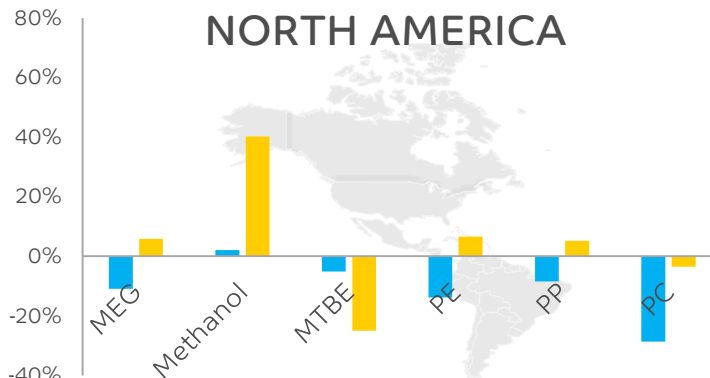
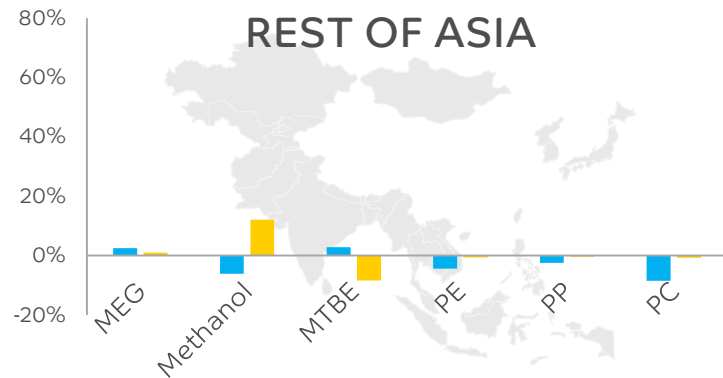
END INDUSTRY	Q4 23 Demand Trend <sup>2</sup> (QOQ)	Q1 24 Demand Trend <sup>3</sup> (QOQ)
Food & Beverages	●	●
Building & Construction	●	●
Agriculture	●	●
Consumer Goods	●	●
Transportation	●	●
Industrial	●	●
Automotive	●	●
Electrical & Electronics	●	●
Pharmaceutical	●	●



Source: SABIC. <sup>1</sup>Direct or indirect sales. <sup>2</sup> Industry Demand Trend in Q4 23 vs Q3 23. <sup>3</sup> Industry Future Trend in Q1 24 vs Q4 23.



# CHALLENGING MARKET CONDITIONS



	Americas	Europe	MEAF	China	Rest of Asia
MEG	Light Blue	Light Blue	Light Blue	Dark Blue	Light Blue
Methanol	Light Blue	Light Blue	Light Blue	Light Blue	Dark Blue
MTBE	Light Blue	Light Blue	Dark Blue	Light Blue	Light Blue
PE	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
PP	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
PC	Light Blue	Light Blue	Light Blue	Dark Blue	Light Blue



SABIC 2023 PERFORMANCE AFFECTED BY GLOBAL MARKET CONDITION



CHINESE ECONOMY HAS NOT WITNESSED SIGNIFICANT RECOVERY



SQUEEZED MARGINS IMPACTED PRICES AND CUSTOMERS APPETITE GLOBALLY

■ % change Q4 23 vs Q4 22 (YoY)

■ % change Q4 23 vs Q3 23 (QoQ)

## FINANCIAL HIGHLIGHTS

### KEY MESSAGES

 HEALTHY EBITDA PERFORMANCE

 STRONG BALANCE SHEET MAINTAINED

 NET INCOME FROM CONTINUING OPERATIONS OF US\$348 Mn.

 US\$1.6 Bn. CASH RELEASE FROM WORKING CAPITAL

 SAUDI ARAMCO SYNERGY VALUE IN EXCESS US\$1.8 Bn.

### 2023 PERFORMANCE (amounts in USD billion)

37.7  
Revenue



5.1  
EBITDA



3.7  
Free Cash Flow



-0.7  
Net income



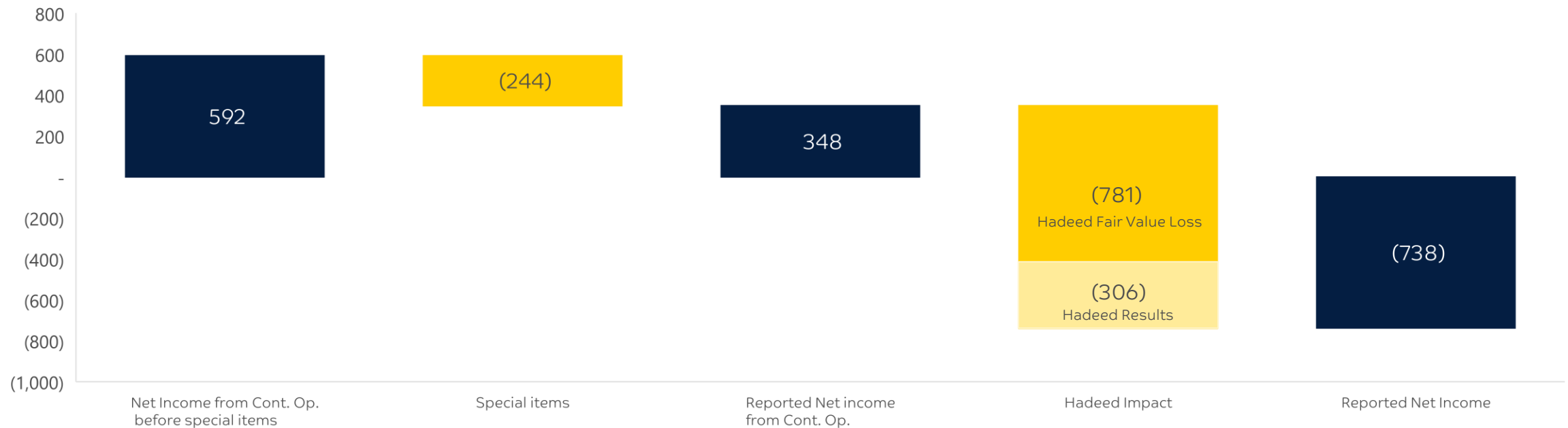
13.4%  
EBITDA Margin



-5.5%  
Balance Sheet Gearing



## DELIVERING POSITIVE NET INCOME FROM CONTINUING OPERATIONS



SALES DRIVERS	Volumes	Prices
2023 vs. 2022	2% ↓	21% ↓

KEY RATIOS	FY 23	FY 22
EBITDA Margin	13%	20%
Net Debt / EBITDA	-0.46	-0.38

- Y-o-Y reduction in Net Income from Continuing Operations largely driven by decline in average selling prices
- Special items relate to impairments of Polymer assets and provisions for restructuring and constructive obligations
- HADEED divestment led to fair valuation loss in addition to losses from running operations

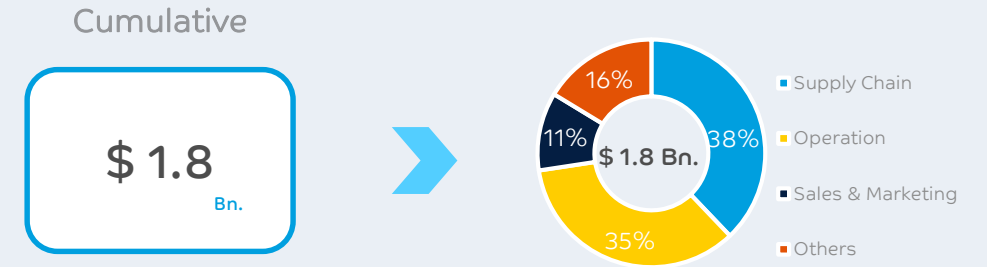
# PORTFOLIO OPTIMIZATION & VALUE CREATION

## DIVESTMENT OF SAUDI IRON & STEEL COMPANY (HADEED)



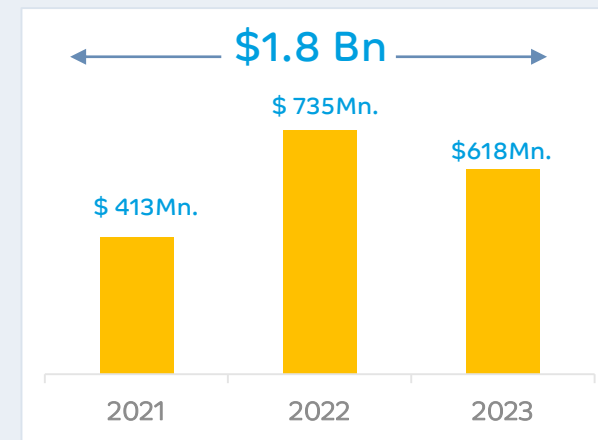
- Optimize SABIC portfolio and focus on its core business
- Maintain our leadership competitiveness and prepare the company for a new era of growth

## SYNERGIES WITH SAUDI ARAMCO



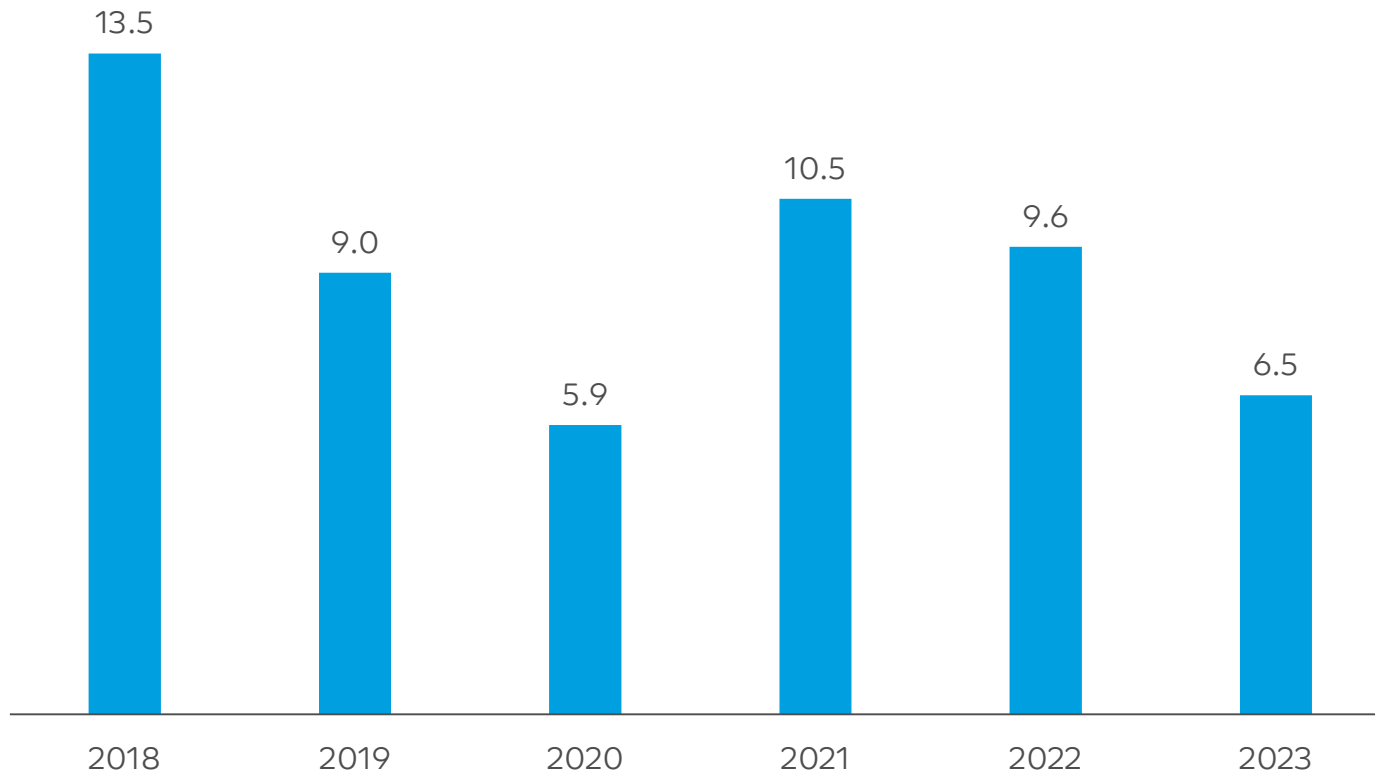
## ASSET PROFITABILITY AND REGIONAL FOOTPRINT

- Continuing restructuring program in Europe
- Improve assets competitiveness in all regions



## STRONG CASH GENERATION WITHIN A CHALLENGING MARKET

### CASH FLOW FROM OPERATIONS (US\$ Bn.)<sup>1</sup>



CASH GENERATION REMAINED STRONG



DIVIDEND WELL UNDPINNED BY FCF



STABLE DIVIDEND YIELD



RANKED 3<sup>rd</sup> STRONGEST CHEMICAL COMPANY BY S&P



PORTFOLIO OPTIMIZATION BUILDS MOMENTUM

## KEY TAKEAWAYS

### 2023 RESULTS SUMMARY



**US\$348Mn**

Net Income from continuing operations



**13%**

EBITDA Margin



**A+/A1**

Strong standalone credit ratings<sup>1</sup>



**-21%**

Average Selling Prices



**US\$3.7Bn.**

Free Cash Flow



**US\$3.04Bn.**

Distributed to shareholders

### OUTLOOK



2024 Outlook  
Global GDP at  
**2.6%**



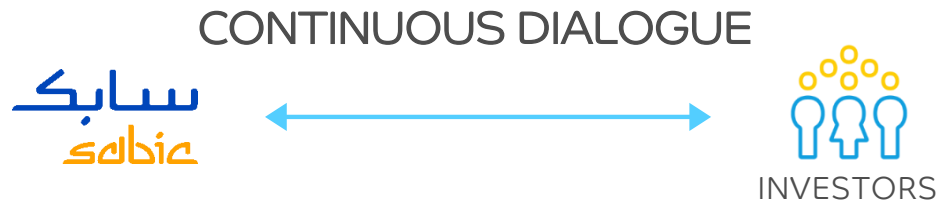
Capex Outlook  
**US\$ 4.0 to 5.0 Bn.**

### FOCUS AREAS

- Safety towards our people, society and environment remains our top priority
- Profitable growth by providing innovative solutions to our customers
- Portfolio optimization: Execution of transactions pending and striving for opportunities
- Delivering on our sustainability targets
- Discipline in capital expenditures and in operational expenses to maintain robust cash flow
- Providing attractive returns to shareholders

<sup>1</sup> By all three Credit Rating Agencies.

# SABIC INVESTOR RELATIONS ENGAGEMENT



- ▶ Find more information on:
  - website: [www.sabic.com/en/investors](http://www.sabic.com/en/investors)
  - Email: [IR@SABIC.com](mailto:IR@SABIC.com)
  - Calls & WhatsApp: [+966 530013051](tel:+966530013051)





THANK YOU

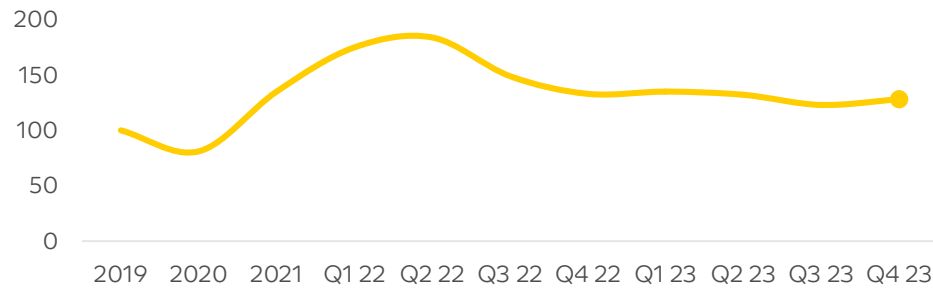




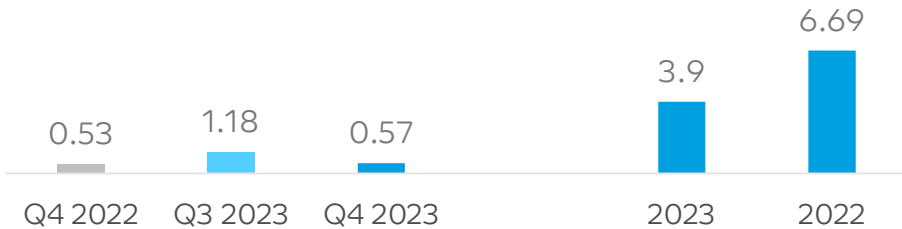
# SEGMENTS RESULTS IMPACTED BY PRICES

## PETCHEM

Petrochemicals Price Index<sup>2</sup>



EBITDA (USD billion)



Sales Drivers

Volumes

Prices<sup>1</sup>

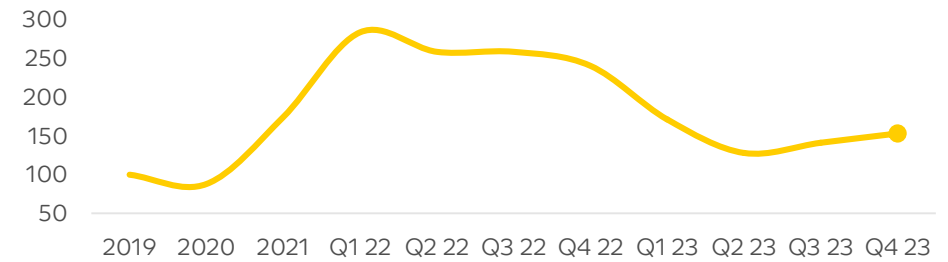
2023 vs. 2022

2% ↓

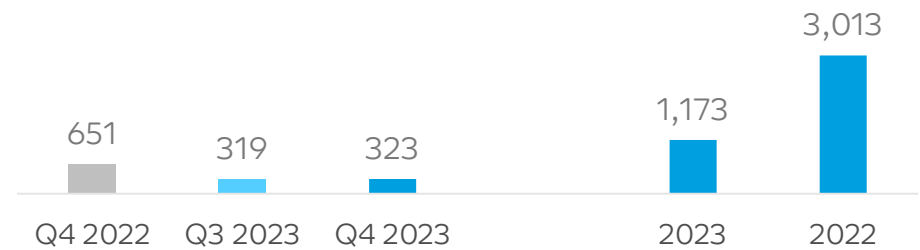
18% ↓

## AGRI-NUTRIENTS

Agri-Nutrients Price Index<sup>2</sup>



EBITDA (USD million)



Sales Drivers

Volumes

Prices<sup>1</sup>

2023 vs. 2022

0% ↓

43% ↓

<sup>1</sup> Including FX & other factors. <sup>2</sup> 2019 rebased to 100. Weighted average price for Petchem major products mix and regions

# FINANCIAL PERFORMANCE

USD BILLION	Q4 23	Q3 23	% Var	Q4 22	% Var	FY 23	FY 22	% Var
Revenue	9.34	9.59	-3%	10.54	-11%	37.74	48.82	-23%
Income from Operations (EBIT)	-0.36	0.45	-181%	0.14	NA	0.99	6.11	-84%
EBITDA	0.89	1.50	-41%	1.18	-25%	5.07	9.70	-48%
Net Income from Continuing Operations	-0.39	0.14	NA	0.09	NA	0.35	4.21	-92%
Net Income	-0.46	-0.77	-40%	0.08	NA	-0.74	4.41	NA
Free Cash Flow <sup>1</sup>	1.22	1.40	-13%	2.06	-41%	3.72	6.82	-45%

<sup>1</sup> Free Cash Flow = net cash from operating activities minus capital expenditure. Capital expenditure = Purchase of tangibles and intangibles, net.