

Q1 2021 FINANCIAL RESULTS

Sipchem Earnings Call on Q1 2021 Results

Date: Wednesday 05 May 2021

Time: 02:00 pm (Saudi), 11:00 am (GMT), 12:00 pm (London), 07:00 am (New York), 03:00 pm (Dubai)

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WITH YOU TODAY



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CEO



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Rushdi Al Dulaijan
VP, Finance



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Head, Investor Relations

AGENDA

We take excellence in our work and emphasize on our commitment to develop our capabilities and achieving maximum efficiency

Overview

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Performance Highlights

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Key Takeaways

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Appendix: Financials Summary

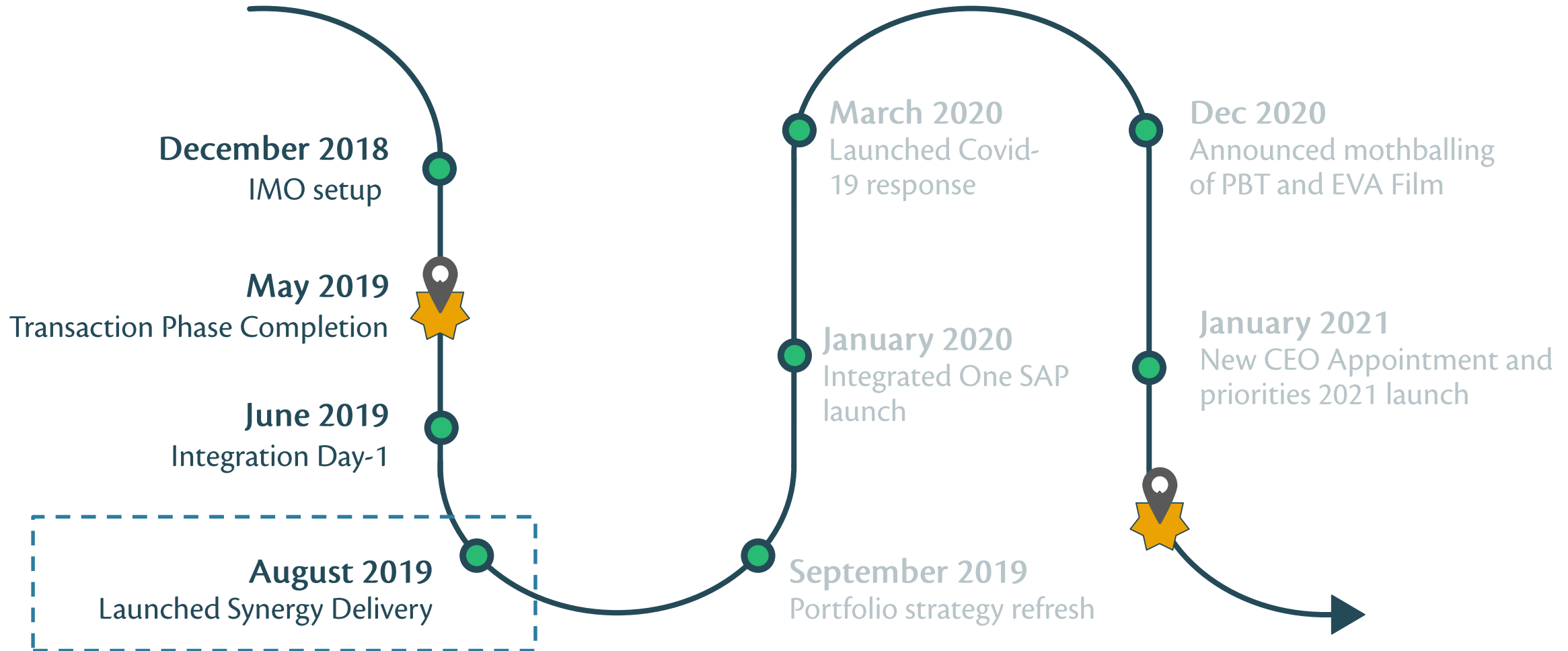
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Overview

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Investor Presentation

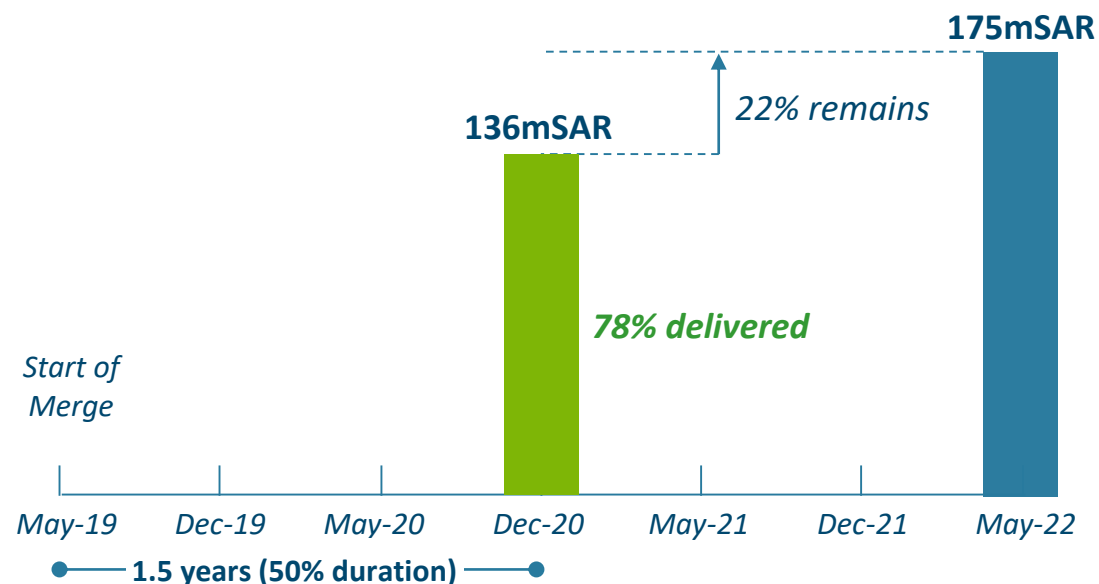


Several milestones achieved during the last 2 years relating to integration and COVID-19 response



In 2020 Sipchem Delivered 136mSAR In Synergies Translating To 78% Of Target In 50% Of The Time

Sipchem well on track to deliver against its synergy commitment to shareholders



Synergies delivered through several sources of value :

- Reduction in selling expenses
- Reduction in logistics costs
- Reduction in purchasing costs
- Reduction in maintenance costs
- Reduction in admin expenses

Note: Synergies value represents recurrent EBITDA impact of synergies delivered for the holding, excluding benefits retained by minority shareholders

Several milestones achieved during the last 2 years relating to integration and COVID-19 response



KEY HIGHLIGHTS – Q1 2021



FINANCIAL

950 mSAR (46.8%)

EBITDA (Margin%)



298 mSAR

411.5 mSAR

Net Income



-53mSAR

0.57 SAR/Share

EPS



-0.07 SAR/Share

OPERATIONAL

853 KMT

Chemicals Prod.



0%

181 KMT

Polymers Prod.



47.6%

- **Chemicals includes:** Methanol, Butanediol (BDO), Carbon Monoxide, Tetrahydrofuran (THF), Gamma Butyrolactone (GBL), Vinyl Acetate Monomer, Butyl Acetate, Maleic Anhydride, Acetic Acid, Acetic Anhydride, Caustic Soda, Ethyl Di-chloride, Ethyl Acetate, Butyl Acrylate
- **Polymers includes:** Low Density Polyethylene (LDPE), High Density Polyethylene (HDPE), Polypropylene, Ethylene Vinyl Acetate, PBT, Super Absorbent Polymer

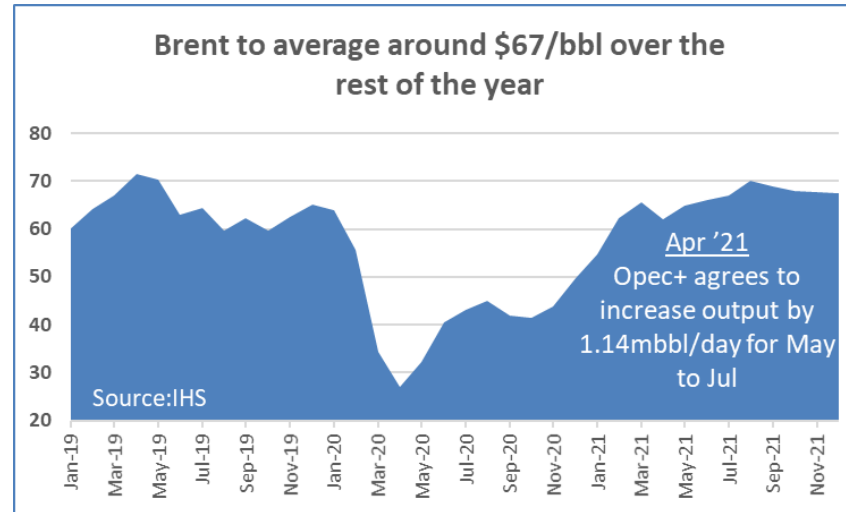
Performance highlights

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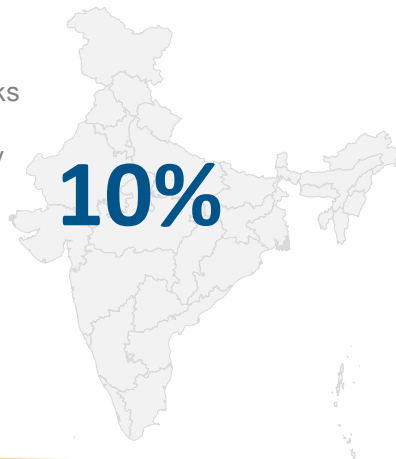
Economic Outlook

The World Economy is starting to recover though some Covid-19 hotspots are still a concern

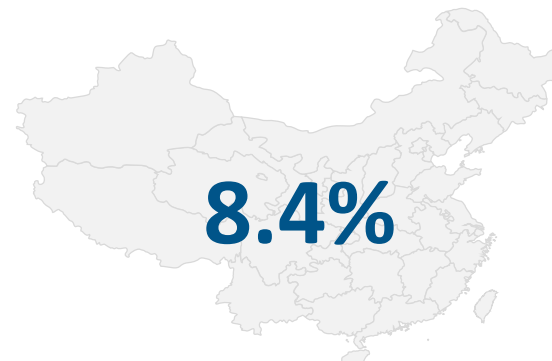


India

Second wave of Covid-19 threat poses increased risks for India's fragile economic recovery

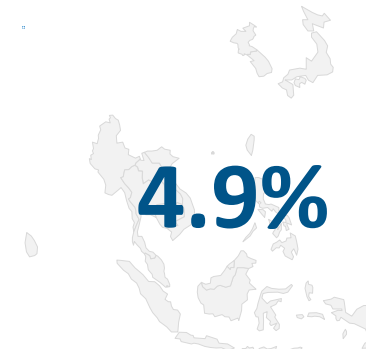


China



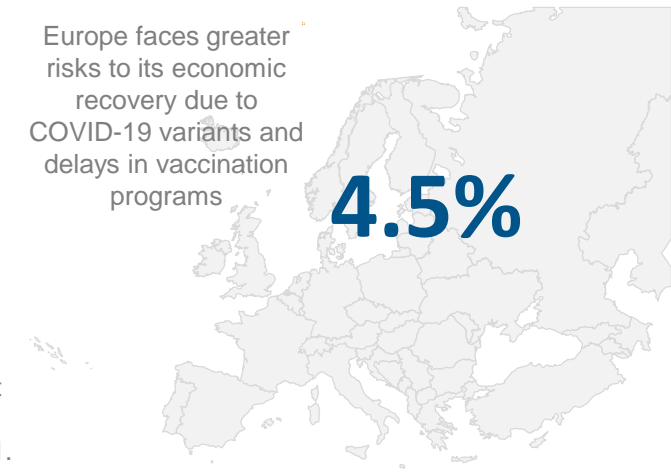
IMF raises its 2021 growth forecast to 8.4%. Investment sentiment is high driven by technological innovation and capital market reform

South-East Asia



The IMF expects the five largest developing economies to collectively grow by 4.9% in 2021. Tourism sector slowest to recover

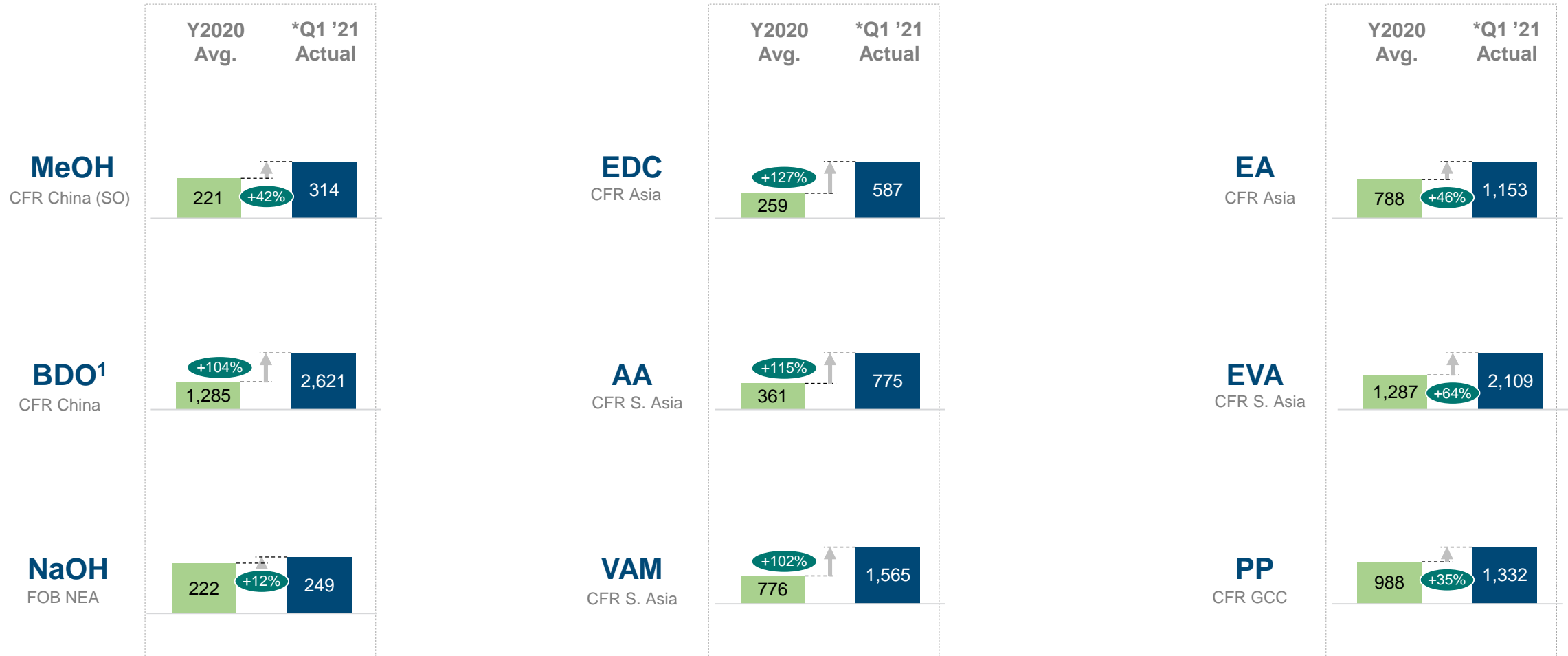
Europe



Europe faces greater risks to its economic recovery due to COVID-19 variants and delays in vaccination programs

Market Performance

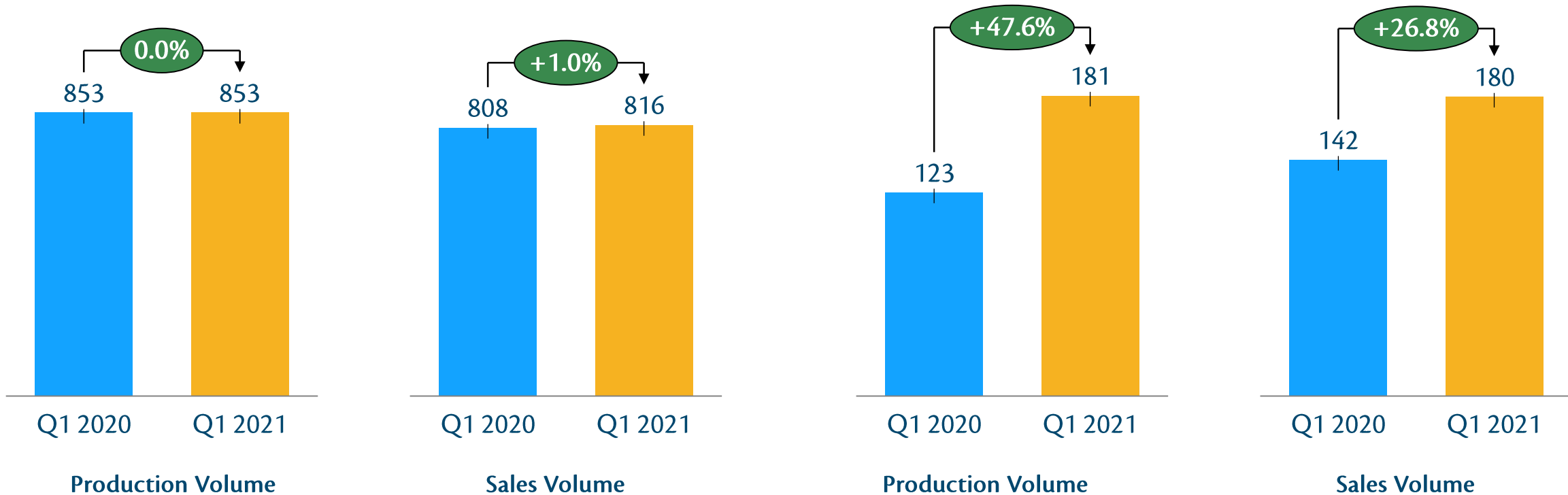
Sipchem Products (Prices from ICIS/IHS)



Sources: *Q1 Benchmark Prices from ICIS/IHS;

Production and Sales Volume Performance

(KMT)



Chemicals

Polymers

- **Chemicals includes:** Methanol, Butanediol (BDO), Carbon Monoxide, Tetrahydrofuran (THF), Gamma Butyrolactone (GBL), Vinyl Acetate Monomer, Butyl Acetate, Maleic Anhydride, Acetic Acid, Acetic Anhydride, Caustic Soda, Ethyl Di-chloride, Ethyl Acetate, Butyl Acrylate
- **Polymers includes:** Low Density Polyethylene (LDPE), High Density Polyethylene (HDPE), Polypropylene, Ethylene Vinyl Acetate, PBT, Super Absorbent Polymer

Q1 2021 FINANCIAL HIGHLIGHTS

3M/Quarterly 2021 financial results



EBITDA

950

Million Saudi Riyal
USD 253.2m

NET INCOME

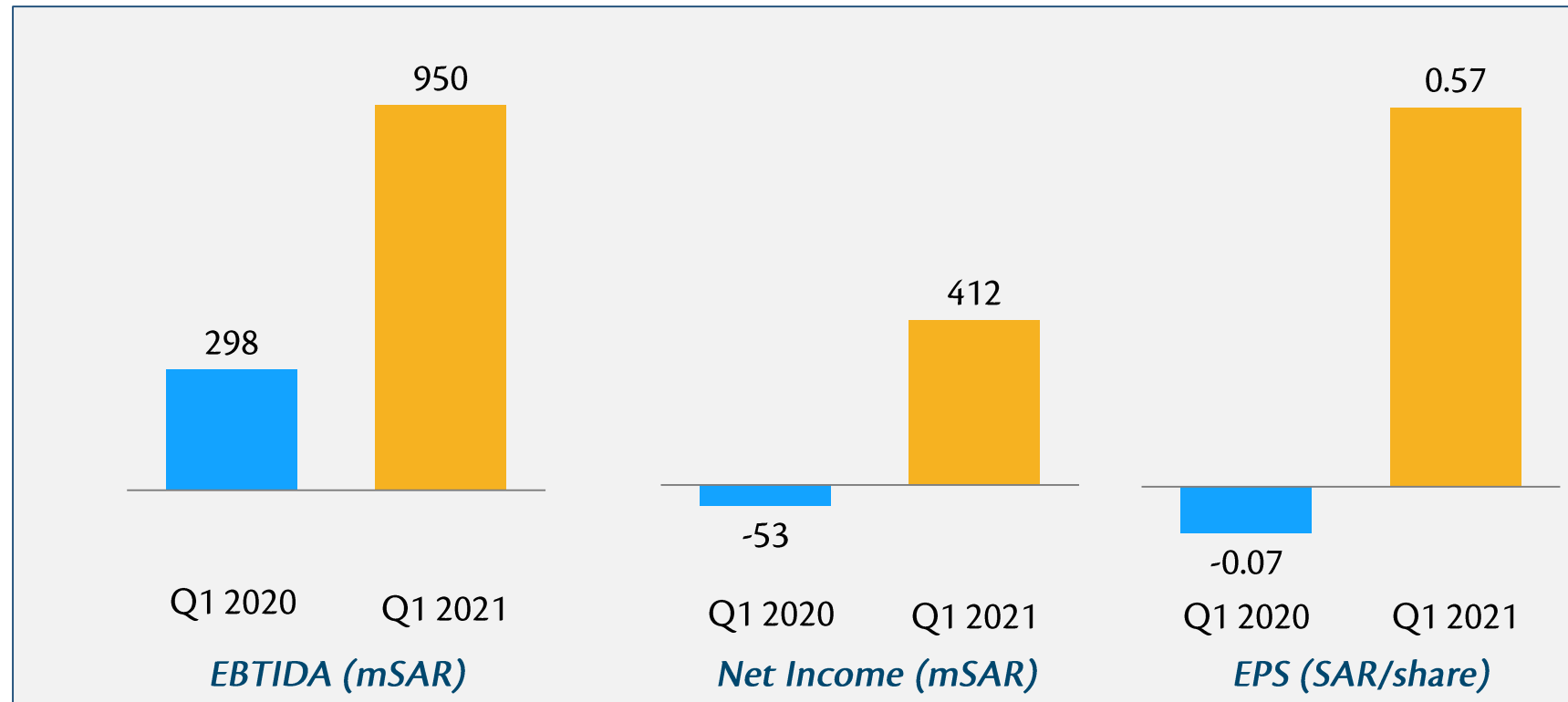
411.5

Million Saudi Riyal
USD 109.7m

EARNING PER SHARE

0.57

Saudi Riyal
USD 0.15



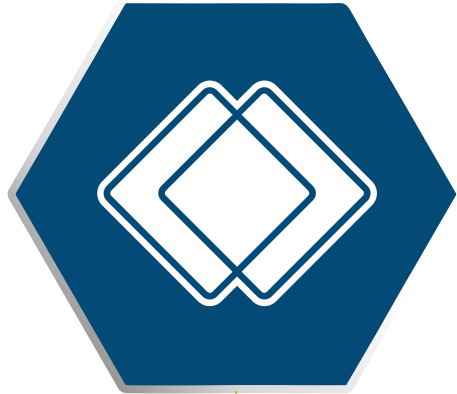
Strong cash positive position with SAR 2,734 MM in cash as of Mar 31, 2021

Corporate Highlights

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Transitioning From Integration To Transformation, Sipchem Has Defined Short Term Priorities For 2021



Maximize integration synergies



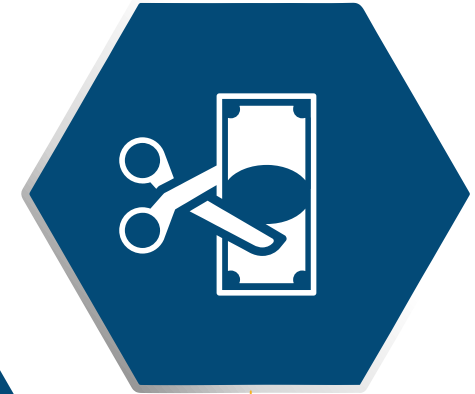
Operational excellence and plant reliability



Performance driven organization



Launch Digital Agenda




Further focus on cost optimization

Sipchem Enthusiastic For The Announcement Of The Shareek Program To Deliver On KSA Vision 2030





KEY TAKEAWAYS

- 
- Demonstrated strong fundamentals performance in Q1 2021
 - Robust cash generation ability supporting delivery of shareholder value in 2021
 - On track delivery against synergy commitments and portfolio strategy
 - Concrete short-term strategy in motion to deliver in 2021

For further enquiries

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Q&A

Appendix:

Financials Summary

Q1 2021 Earnings
Investor Presentation



31 MARCH 2021 - FINANCIAL RESULTS



Summary of Statement of profit or loss (SAR, in Million)

	Q1 2021	Q1 2020	Variance	% Change
Sales	2,031.0	1,404.1	626.9	45%
Cost of sales	(1,074.9)	(1,131.7)	56.8	5%
Gross profit	956.1	272.4	683.7	251%
Selling and distribution expenses	(103.1)	(105.6)	2.5	2%
General and administrative expenses	(119.7)	(100.5)	(19.2)	(19%)
Operating profit	733.3	66.3	667.0	1,006%
Share of profit from a joint venture and associates	85.9	(10.2)	96.1	942%
Financial income	4.4	6.6	(2.2)	(33%)
Finance cost	(91.6)	(91.1)	(0.5)	(1%)
Other income and expenses, net	(238.9)	(71.7)	(167.2)	233%
Profit before zakat and income tax	493.1	(100.1)	593.2	593%
Zakat and income tax	(42.1)	(18.8)	(23.3)	(124%)
Profit for the period	451.0	(118.9)	569.9	479%
<i>Attributable to equity holders of the Company</i>	411.5	(52.8)		
<i>Attributable to Non-controlling interests</i>	39.5	(66.1)		
<i>Earnings per share (basic and diluted)</i>	0.57	(0.07)		

31 MARCH 2021 - FINANCIAL RESULTS



Summary of Statement of Financial Position (SAR in Million)

	Mach 31, 2021	Dec 31, 2020	Variance	% Change
Property, plant and equipment	12,670.3	13,015.7	-345.4	-3%
Investments in joint ventures and associates	3,579.2	3,493.3	85.9	2%
Employees Home ownership programs	861.4	942.8	-81.4	-9%
Goodwill	630.5	630.5	0.0	0%
Others	698.5	709.5	-11.0	-2%
Total Non-Current Assets	18,439.9	18,791.8	-351.9	-2%
Cash and cash equivalents	2,734.2	2,496.9	237.3	10%
Other current assets	3,208.1	2,476.4	731.7	30%
Total Current Assets	5,942.3	4,973.3	969.0	19%
TOTAL ASSETS	24,382.2	23,765.1	617.1	3%
Total Equity	14,201.7	13,835.9	365.8	3%
Non-current portion of long-term borrowings	5,200.0	5,339.9	-139.9	-3%
Other non-current liabilities	1,074.0	1,124.2	-50.2	-4%
Total Non-current liabilities	6,274.0	6,464.1	-190.1	-3%
Current portion of long-term borrowings	1,936.1	2,065.8	-129.7	-6%
Other current liabilities	1,970.4	1,399.3	571.1	41%
Total Current liabilities	3,906.5	3,465.1	441.4	13%
TOTAL EQUITY AND LIABILITIES	24,382.2	23,765.1	617.1	3%

31 MARCH 2021 - FINANCIAL RESULTS



Summary of Statement of Cash Flow (SAR in Million)

	31-Mar-21	31-Mar-20	Variance	% Change
Net Income for the period	493.1	(100.1)	593.2	-593%
Depreciation and amortization	476.4	512.0	(35.6)	-7%
Changes to working capital and others	(235.1)	53.8	(288.9)	-537%
Net cash generated from operating activities	734.4	465.7	268.7	58%
Additions to property, plant and equipment and HOP	(115.3)	(112.2)	(3.1)	3%
Others Investing activities	32.7	339.2	(306.5)	-90%
Net cash used in investing activities	(82.6)	227.0	(309.6)	-136%
Changes in long term loans	(262.0)	243.9	(505.9)	-207%
Non-controlling interest / other	(151.9)	(53.7)	(98.2)	183%
Net cash from financing activities	(413.9)	190.2	(604.1)	-318%
Changes in cash & cash equivalents	237.9	882.9	(645.0)	-73%
Cash & cash equivalents at 1 Jan	2,496.9	1,791.2	(709.3)	-40%
Exchange rate Changes Impact	(0.6)	0.4	(1.0)	-250%
Cash & cash equivalents at 31 March	2,734.2	2,674.5	59.7	2%

Thank you

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