



SABIC EARNINGS

SECOND QUARTER 2024

August 1, 2024

1.0

SECOND QUARTER 2024
HIGHLIGHTS



Revenue of SAR 35.72 billion [US\$ 9.52 billion], an increase of 9% quarter-over-quarter and 5% year-over-year.



EBITDA² of SAR 5.70 billion [US\$ 1.52 billion], an increase of 26% quarter-over-quarter and 13% year-over-year.



Income from Continuing Operations (EBIT¹) of SAR 2.10 billion [US\$ 0.56 billion], 74% higher than prior quarter's EBIT of SAR 1.21 billion [US\$0.32 billion] and 28% higher than the SAR 1.64 billion [US\$ 0.44 billion] EBIT of the second quarter of 2023.



Net Income from Continuing Operations³ of SAR 2.23 billion [US\$ 0.60 billion], an increase of 253% relative to the prior quarter's net income of SAR 0.63 billion [US\$ 0.17 billion] and an increase of 54% compared to the net income from continuing operations of SAR 1.45 billion [US\$ 0.39 billion] in the second quarter of 2023.



Net Income³ of SAR 2.18 billion [US\$ 0.58 billion], an increase of 772% versus the prior quarter's Net Income of SAR 0.25 billion [US\$ 0.07 billion] and an increase of 85% versus the Net Income of SAR 1.18 billion [US\$ 0.31 billion] in the second quarter of 2023.



Net cash position⁵ of SAR 2.01 billion [US\$ 0.54 billion] as of June 30, 2024, a 33% decrease from SAR 3.02 billion [US\$ 0.81 billion] as of March 31, 2024.

The captured value from SABIC's association with Saudi Aramco through June 2024 (since June 16th, 2020, the date of acquisition of 70% of SABIC shares by Saudi Aramco) amounts to SAR 7.8 billion [US\$ 2.08 billion] including synergies of SAR 607.5 million [US\$ 162 million] realized in the second quarter 2024.

Table 1 – Summary Financial Results

Item	Three Months Ended			Six Months Ended		
	Jun 30, 2024	Mar 31, 2024	Change %	Jun 30, 2024	Jun 30, 2023	Change %
Revenue	35.72	32.69	9%	68.40	70.53	-3%
Income from operations (EBIT ¹)	2.10	1.21	74%	3.31	3.40	-3%
EBITDA ²	5.70	4.51	26%	10.21	10.06	1%
Net Income ³	2.18	0.25	772%	2.43	1.84	32%
Net income from Continuing Operations ³	2.23	0.63	253%	2.86	2.25	28%
Earnings Per Share ³	0.73	0.08	813%	0.81	0.61	32%
Earnings Per Share from Continuing Operations ³	0.74	0.21	253%	0.95	0.75	28%
Free cash flow ⁴	-1.44	-0.35	-	-1.79	4.15	-

1. Earnings before Interest and Tax
2. Income from operations (EBIT) plus depreciation, amortization and impairment
3. Attributable to equity holders of the parent
4. Net cash from operating activities minus capital expenditure
5. Short term borrowings plus long-term debt and lease liabilities minus short term investments and cash and cash equivalents

All amounts in SAR billion unless otherwise stated, USD/SAR conversion used is 3.75. Absolute figures and percentages included in this document have been subject to rounding adjustments. Certain prior quarter and prior year figures have been subject to reclassifications. Please refer to the second quarter 2024 Financial Statements.

2.0

SECOND QUARTER 2024
PERFORMANCE

Saudi Basic Industries Corporation ("SABIC") (2010-SA) today announced its financial results for the second quarter of 2024.

The company's earnings improved, supported by higher sales volume and an increased margin.

Most sectors of the global petrochemical market showed a positive sentiment during the second quarter, with the continued improvement in the Purchasing Manager Index (PMI) and a slight easing of inflation.

Gross profit of SAR 7.19 billion [US\$ 1.92 billion] was 23% higher than in the previous quarter. This was mainly driven by sales volume, which rose in Americas, fell in Europe and remained flat in China, Middle East, and the Rest of Asia. All in all, sales volume increased by 11%.

The EBITDA margin improved to 16% in Q2 of 2024, compared to 14% in the previous quarter.

Net income from continuing operations in the second quarter of 2024 was SAR 2.23 billion [US\$ 0.60 billion], or SAR 0.74 per share [US\$ 0.20 per share], compared to SAR 0.63 billion [US\$ 0.17 billion], or SAR 0.21 per share [US\$ 0.06] per share, achieved during the first quarter of 2024.

The net income of SAR 2.18 billion [US\$ 0.58 billion], or SAR 0.73 per share [US\$ 0.19 per share], in the second quarter of 2024 was mainly driven by higher sales volume. In addition, net zakat benefits of SR 0.55 billion in 2Q 2024 resulted from a reassessment of the zakat positions in the current and previous years, following newly issued zakat regulations.

Free cash flow in the second quarter amounted to SAR -1.44 billion [US\$ 0.38 billion], versus the prior quarter's free cash flow of SAR -0.35 billion [US\$ 0.09 billion]. This was resulted from outstanding working capital balances mainly to be recovered from Hadeed after deconsolidation from our books.

SABIC is committed to maintaining stable to growing dividends. In May 2024, SABIC announced the Board decision to distribute interim cash dividends of SAR 1.70 per share to shareholders for the first half of 2024.



3.0

CEO AND EXECUTIVE
BOARD MEMBER QUOTE



Abdulrahman Al-Fageeh
Chief Executive Officer and
Executive Board Member

Eng. Abdulrahman Al-Fageeh, Chief Executive Officer and Executive Board member, said: "The global economy experienced a slight decline in the second quarter of 2024, primarily due to unexpected downturns in the recent economic indicators of major countries. Conversely, PMI data continued to indicate improvement in global economic conditions. Furthermore, global trade showed signs of recovery, driven by higher exports, inventory restocking and increased financial activities. As inflationary pressures ease, some central banks have begun reducing interest rates, potentially providing additional stimulus to the global economy."

In his remarks on the Hadeed transaction, Eng. Al-Fageeh mentioned that the ownership of SABIC's legacy steel business "Hadeed" was officially transferred to the Public Investment Fund (PIF) on the 1st of June, concluding the metals-manufacturing company's 45-year successful tenure as a wholly owned affiliate of SABIC. This strategic move will enable SABIC to realize its vision to become the preferred world leader in chemicals.

Eng. Al-Fageeh also added, "In alignment with our company's 2050 carbon-neutrality pledge, we have recently announced the launch of our new, certified low-carbon product portfolio.

The SABIC Fujian Petrochemical Complex project in China, the largest one-off foreign investment in Fujian, was recognized as one of the top 10 "Invest in China" cases by the China Media Group.

Additionally, we are dedicated to maintaining our leadership in innovation as a key driver of our growth and sustainable value creation. This commitment has been recognized with a Gold Medal award from EcoVadis, a leading global provider of business sustainability ratings. This prestigious honor places SABIC among the top 5% of companies rated by EcoVadis over the past year.

Lastly, we are pleased to announce the successful commissioning of our new hydrotreater plant in Geleen, the Netherlands. This plant is integral to our advanced recycling process, converting pyrolysis oil from post-consumer mixed plastic waste into alternative feedstock for producing the certified circular polymers of our TRUCIRCLE™ portfolio.

4.0

OUTLOOK

Looking ahead, a global GDP growth of 2.7% is expected in 2024. At SABIC, our long-term focus remains on strategic portfolio optimization, restructuring of underperforming assets, and prioritizing sustainability and innovation. We maintain a disciplined approach in managing our CAPEX, projecting a spending at the lower range of US\$ 4.0 to 5.0 billion for 2024.



5.0

INNOVATION AND
SUSTAINABILITY

SABIC announced the launch of its new certified low-carbon product portfolio. As part of the company's 2050 carbon-neutrality pledge, this innovation will help our customers to achieve sustainability goals for their products in value chains with smaller product carbon footprints. The first product in the portfolio will be methanol from SABIC's Chemicals Business. Certified low-carbon methanol is being manufactured at SABIC's production sites in Jubail, Saudi Arabia. Methanol is typically used in maritime fuel and resins for laminate flooring, and in the manufacture of furniture panels and acrylic sheets. More certified low-carbon products in SABIC's global portfolios will be rolled out across the company's worldwide asset base.

As part of its sustainability strategy to play a leading role in the energy transition, SABIC is collaborating with industry leaders in various industrial sectors. Most notably, ENGIE, Solarge and SABIC recently joined forces for a groundbreaking 2.4 MW solar-power installation at SABIC's site in Genk. The solar panels used in the installation are unique in that they are 100% recyclable. The project is a first: never before has an installation of this size been built with these panels. The solar panels, produced by Solarge in Weert, the Netherlands, are made with SABIC® PP (polypropylene) compounds. These materials ensure that the solar panels are 50% lighter and therefore extremely suitable for roof installations with a 25-year lifetime. Moreover, their carbon footprint is a quarter lower than competing products.

In addition, SABIC is committed to continued leadership in innovation as a driving force to its growth and sustainable value creation. This commitment has been recognized by a Gold Medal from EcoVadis, a leading global provider of business rating. The Gold Medal places SABIC among the top 5% of the companies rated by EcoVadis over the past year.



6.0

SABIC BUSINESS RESULTS
DISCUSSION BY REPORTING
SEGMENT

6.1 PETROCHEMICALS



Table 2 – Petrochemicals Financial Overview

Item	Three Months Ended			Six Months Ended		
	Jun 30, 2024	Mar 31, 2024	Change %	Jun 30, 2024	Jun 30, 2023	Change %
Revenue	33.33	30.42	10%	63.75	65.61	-3%
Income from operations (EBIT ¹)	1.51	0.48	215%	1.99	1.82	9%
EBITDA ²	4.88	3.56	37%	8.44	8.07	5%

All amounts in SAR billion unless otherwise stated, USD/SAR conversion used is 3.75. Absolute figures and percentages included in this document have been subject to rounding adjustments. Certain prior quarter and prior year figures have been subject to reclassifications. Please refer to the second quarter 2024 Financial Statements.

1. Earnings before Interest and Tax
2. Income from operations (EBIT) plus depreciation, amortization and impairment

The Petrochemicals SBU consists of three businesses: Chemicals, Polymers and Specialties.

In the second quarter, revenue of the Petrochemicals segment amounted to SAR 33.33 billion [US\$ 8.89 billion], representing a quarter-over-quarter increase of 10%. This increase was largely driven by higher sales volume of methanol.

EBITDA of SAR 4.88 billion [US\$ 1.30 billion] in the second quarter of 2024 was 37% higher than the SAR 3.56 billion [US\$ 0.95 billion] generated in the first quarter of 2024. This was driven by higher sales volume and higher average selling price.

Methyl tert-butyl ether (MTBE) global prices maintained their level during Q2, supported by gasoline blending demand for the peak summer driving season.

Global methanol prices maintained their level reached in Q1, supported by tight supply and low inventories in China. In addition, demand from the rest of Asia was strong and run rates at methanol-to-olefin units were stable.

Mono ethylene glycol (MEG) global prices were flat, driven by higher supply and stable demand.

Polyethylene (PE) prices were slightly higher during Q2 as deliveries from the Middle East experienced delays and supplies from southeast Asia tightened, with several plants in the region shutting down for turnarounds.

Polypropylene (PP) global prices were higher in Q2, supported by the tight supply of containers and vessels which hindered cargo delivery.

Polycarbonate (PC) global prices slightly increased in Q2 even as global oversupply continued. High freight rates added to the pressure on demand, which has stayed subdued—at least for the automotive and construction sectors.

6.2 AGRI-NUTRIENTS



Table 3 – Agri-Nutrients Financial Overview

Item	Three Months Ended			Six Months Ended		
	Jun 30, 2024	Mar 31, 2024	Change %	Jun 30, 2024	Jun 30, 2023	Change %
Revenue	2.39	2.26	6%	4.65	4.92	-5%
Income from operations (EBIT ¹)	0.59	0.73	-19%	1.32	1.58	-16%
EBITDA ²	0.82	0.95	-14%	1.78	1.99	-11%

All amounts in SAR billion unless otherwise stated, USD/SAR conversion used is 3.75. Absolute figures and percentages included in this document have been subject to rounding adjustments. Certain prior quarter and prior year figures have been subject to reclassifications. Please refer to the second quarter 2024 Financial Statements.

1. Earnings before Interest and Tax
2. Income from operations (EBIT) plus depreciation, amortization and impairment

In the second quarter, the revenue of the Agri-Nutrients segment was SAR 2.39 billion [US\$ 0.64 billion], representing a quarter-over-quarter increase of 6%. This was driven by 25% higher sales volumes.

EBITDA in the second quarter of 2024 amounted to SAR 0.82 billion [US\$ 0.22 billion], representing a decrease of 14% compared with the first quarter of 2024.

Urea prices were lower in Q2 as a result of the downward pressure from high stock levels in India and low demand due to the South American off-season and flooding in Brazil. Ammonia prices decreased globally in Q2 as a consequence of supply recovery and weak demand.

For further information, please contact SABIC Investor Relations at IR@SABIC.com and / or visit <https://www.sabic.com/en/investors>

7.0

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