

CHEMISTRY THAT MATTERS™



# SECOND QUARTER 2021 EARNINGS PRESENTATION

05 August 2021



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# SECOND QUARTER EARNINGS HIGHLIGHTS

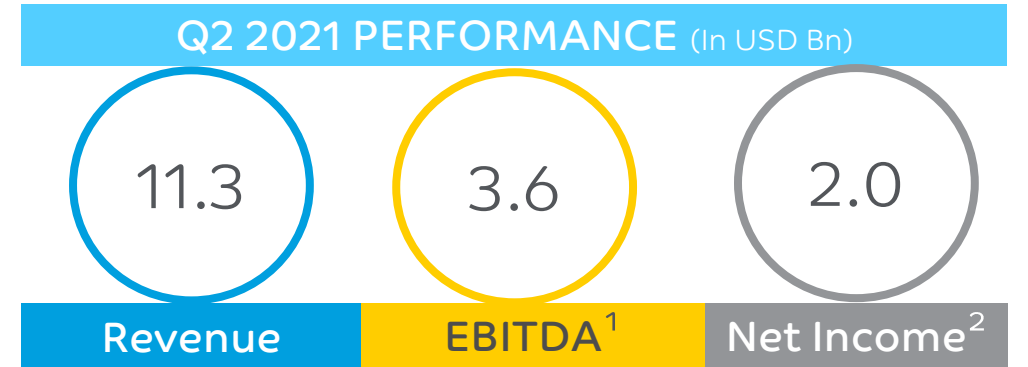
## KEY MESSAGES

 **STRONG FINANCIAL PERFORMANCE** DRIVEN BY CONTINUED MARGIN IMPROVEMENT

 **HIGHER PRODUCT PRICES** SUPPORTED BY RISE IN OIL PRICE AND HEALTHY DEMAND

 CONTINUED FOCUS ON **SHAREHOLDERS' RETURN**

 **ADVANCING ON CIRCULAR ECONOMY** THROUGH INNOVATION



# VALUE REALIZATION OVERVIEW

## Realization Of Value Creation

**230** ➔ **1.5-1.8**

\$Millions  
Since Deal Close  
Until Q2 2021

\$Billion  
Target 2025

Well underway towards realizing the target by 2025.



Sales and Marketing



Operations



Maintenance



Procurement



Stream Integration



Supply Chain



## Procurement

Procurement was a major contributor in Q2 2021

Through leveraging purchasing power, warehouse and logistics optimization.



### Driving for excellence

- IT solutions for spend analysis enablement
- Stock sharing mechanism for common spare parts materials
- Inventory optimization



## Sales And Marketing

### Marketing Right Transfer

Transferring the marketing rights of SADARA, FREP<sup>1</sup> and S-Oil products to SABIC starting from July 1<sup>st</sup>.



### Global Feedstock Optimization

Aramco Trading Company started supplying SABIC with the required feedstock in Europe



# SUSTAINABILITY AND CLIMATE



## CIRCULAR PLASTICS

### NEW PRODUCT PORTFOLIO

Frontrunner in industry to launch recycled Ocean Bound Plastics (OBP) portfolio.



### ADVANCING IN CLOSED-LOOP SOLUTIONS

SABIC, Procter & Gamble and Fraunhofer join forces in closed-loop recycling pilot project for single-use facemasks.



### CIRCULAR ECONOMY AWARD

Named Global Company of the Year recognizing SABIC's commitment to innovation and technology and the circular economy, fortified by pioneering partnerships.



## CIRCULAR CARBON

WORLD LARGEST CO<sub>2</sub> CAPTURE, PURIFICATION AND LIQUEFACTION PLANT IN THE WORLD SINCE 2016

500,000<sup>MT</sup>  
ANNUALLY OF  
CO<sub>2</sub> CAPTURED  
AND PURIFIED

- ✓ Built at SABIC's affiliate, United, Jubail, Saudi Arabia.
- ✓ Pioneering in low-carbon technology since 2016.
- ✓ The plant recovers CO<sub>2</sub> as feedstock for valuable products such as urea, methanol and liquid CO<sub>2</sub> for the industry.
- ✓ For applications in the food and beverage industries.

G20 mandate of Circular Carbon Economy approach and SABIC climate roadmap



## FINANCIAL PERFORMANCE

### STRONG FINANCIAL PERFORMANCE

(USD Bn)	Q2 21	Q1 21	% Var	Q2 20	% Var	H1 21	H1 20	% Var
Sales	11.31	10.01	13%	6.57	72%	21.32	14.62	46%
EBITDA	3.63	2.77	31%	0.93	289%	6.40	2.09	206%
Income (loss) from Operations	2.68	1.85	45%	(0.34)	NM <sup>3</sup>	4.53	(0.35)	NM <sup>3</sup>
Net Income (loss)	2.04	1.30	57%	(0.59)	NM <sup>3</sup>	3.33	(0.87)	NM <sup>3</sup>
Free Cash Flow <sup>1</sup>	1.38	1.26	9%	0.32	326%	2.64	0.70	277%

### SALES DRIVERS

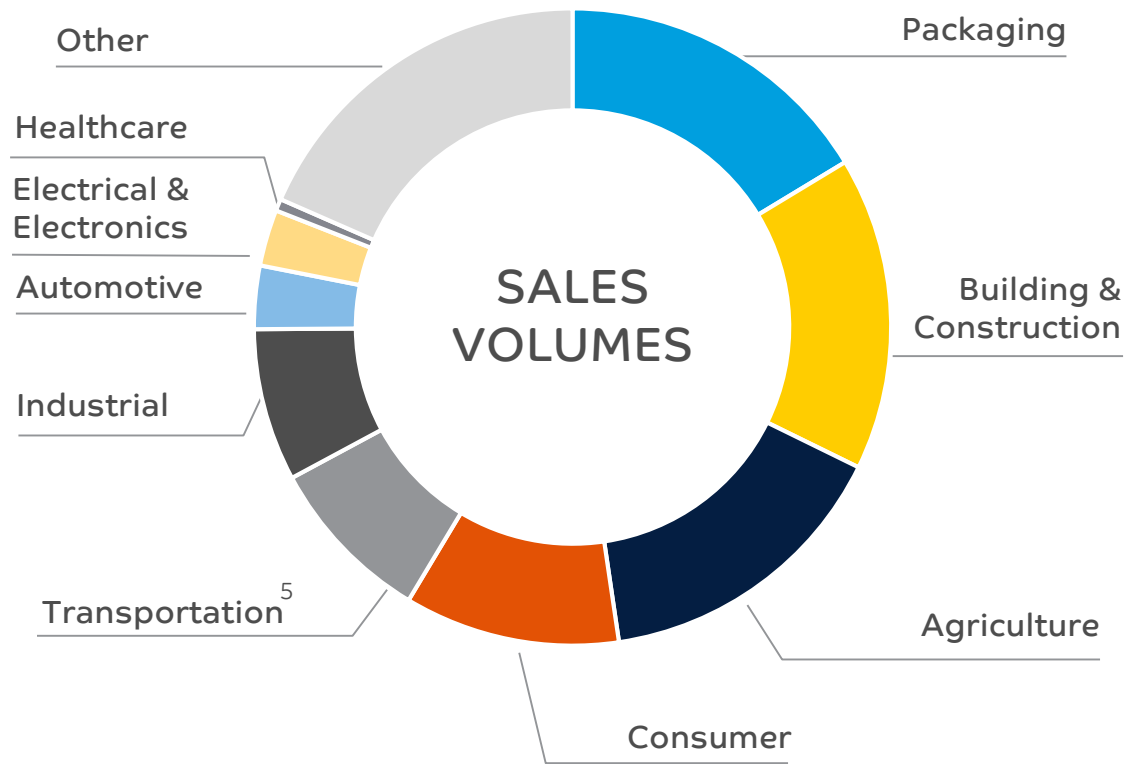
	Volumes	Prices <sup>2</sup>
Q2 21 vs. Q1 21 (QOQ)	↑ 3%	↑ 10%
Q2 21 vs. Q2 20 (YOY)	↔ 0%	↑ 72%










### KEY RATIOS

	Q2 21	Q1 21	Q2 20	H1 21	H1 20
EBITDA Margin (%)	32%	28%	14%	30%	14%
Net Debt / EBITDA (x)	0.04	0.03	0.53	0.05	0.47

<sup>1</sup> Free Cash Flow = net cash from operating activities minus capital expenditure. Capital expenditure = Purchase of tangibles and intangibles, net. <sup>2</sup> Includes FX & other factors. <sup>3</sup>Not meaningful. For reference, Brent oil averaged \$69 /bbl in Q2 21, \$61 /bbl in Q1 21, \$29 /bbl in Q2 20.

# SABIC: KEY END INDUSTRY<sup>1</sup> AND TRENDS

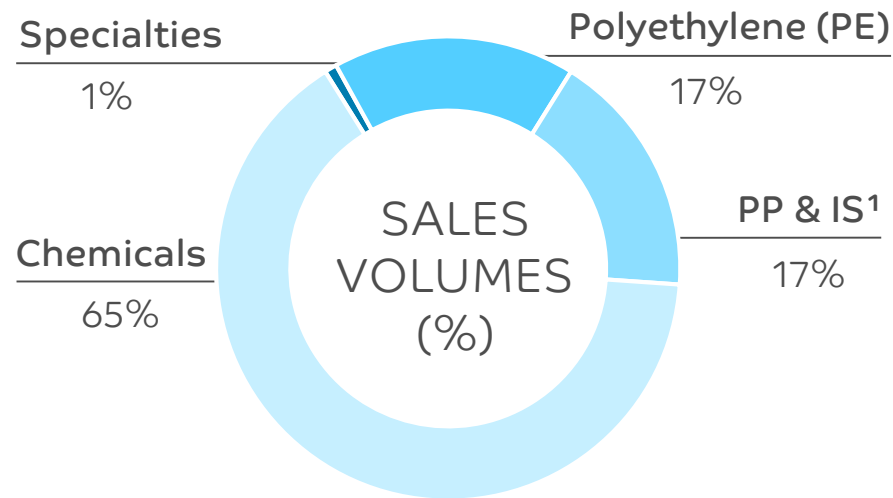


END INDUSTRY	Q2 DEMAND TREND <sup>2</sup> (YOY)	Q3 DEMAND TREND <sup>3</sup> (YOY)	Q3 DEMAND TREND <sup>4</sup> (QOQ)
 Packaging	●	●	●
 Building & Construction	●	●	●
 Agriculture	●	●	●
 Consumer	●	●	●
 Transportation <sup>5</sup>	●	●	●
 Industrial	●	●	●
 Automotive	●	●	●
 Electrical & Electronics	●	●	●
 Healthcare	●	●	●

Source: SABIC. <sup>1</sup>Direct or indirect sales. <sup>2</sup> Industry Demand Q2 21 vs Q2 20. <sup>3</sup> Industry Future Trend in Q3 21 vs Q3 20. <sup>4</sup> Industry Future Trend in Q3 21 vs Q2 21. <sup>5</sup> Including fuel additives

# PETROCHEMICALS AND SPECIALTIES

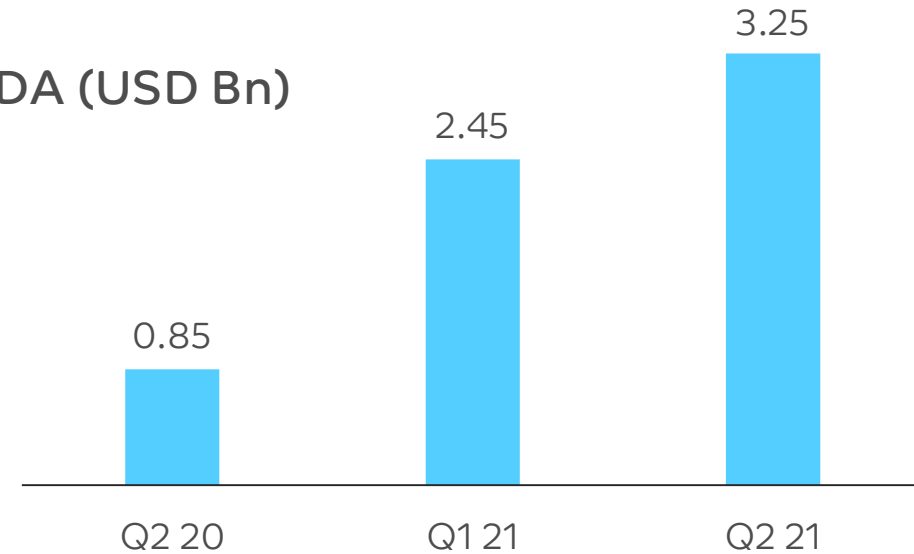
## HIGHER PRODUCT PRICES



### SALES DRIVERS

	Volumes	Prices <sup>2</sup>
Q2 21 vs. Q1 21 (QOQ)	↓ -1%	↑ 12%
Q2 21 vs. Q2 20 (YOY)	↔ 0%	↑ 73%

### EBITDA (USD Bn)



### HIGHLIGHTS

- **Chemicals** – Better product prices - driven by rise in oil price and steady demand (except glycols)
- **PE** – Healthy demand supported by economic recovery
- **PP & IS<sup>1</sup>** – PP<sup>3</sup> prices supported by healthy demand while PC<sup>4</sup> prices benefited from reduced supply and higher feedstock cost

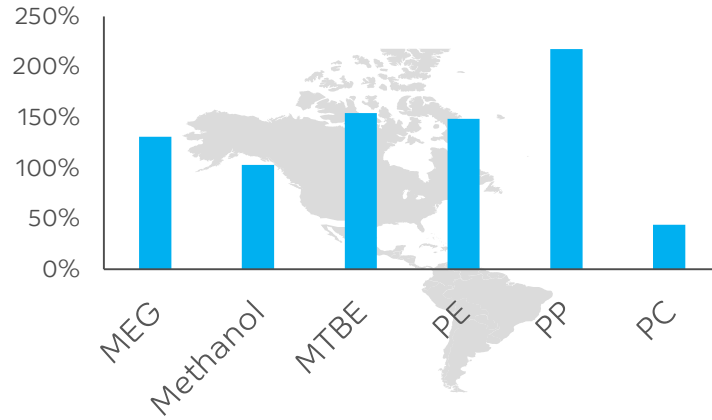
<sup>1</sup>Performance Polymers and Industrial Solutions. <sup>2</sup>Including FX & other factors. <sup>3</sup>Polypropylene. <sup>4</sup>Polycarbonate.



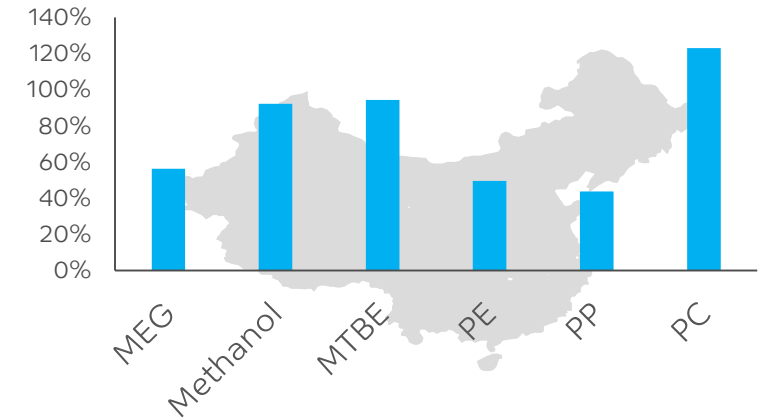
# MAJOR PETROCHEMICALS PRICES<sup>1</sup> CHANGES ACROSS THE KEY REGIONS IN Q2 21

% change Q2 21 vs Q2 20 (YoY)

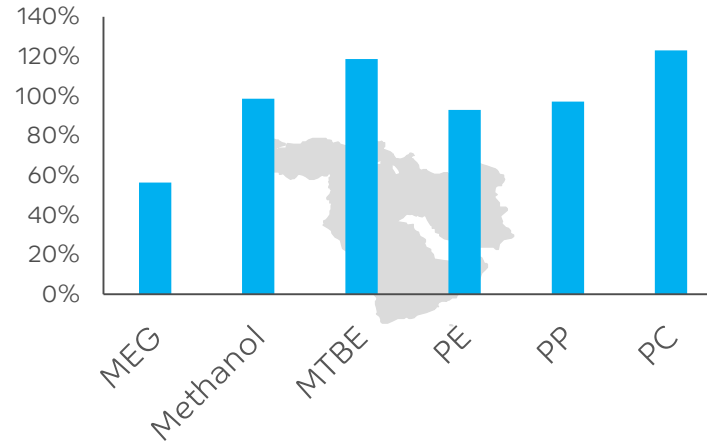
## NORTH AMERICA<sup>2</sup>



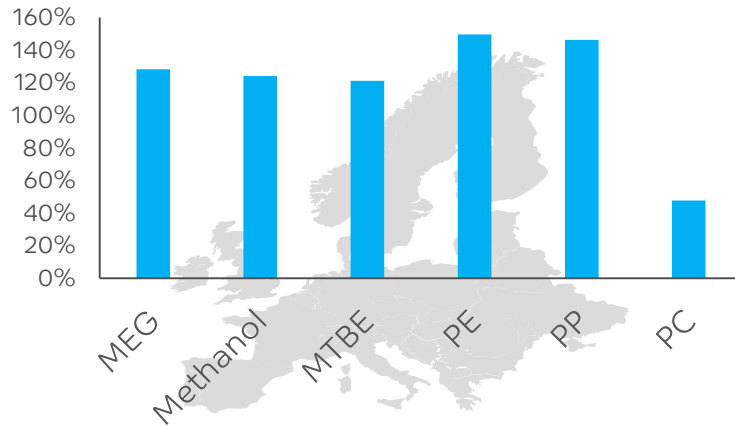
## CHINA



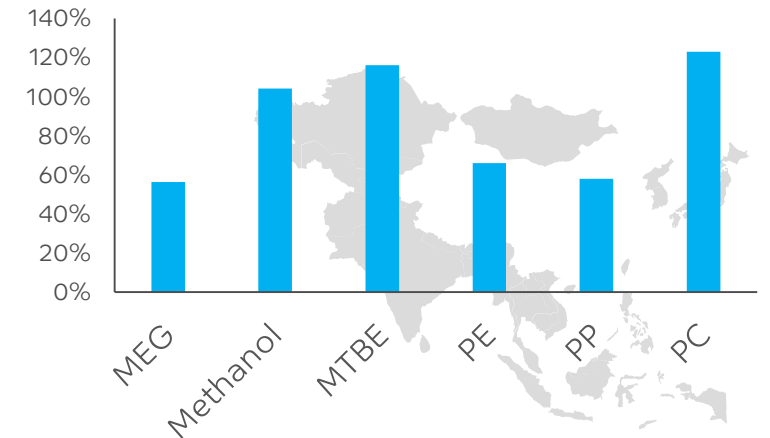
## MIDDLE EAST<sup>3</sup>



## WESTERN EUROPE



## REST OF ASIA<sup>4</sup>



REGION SALES/GLOBAL SALES VOLUME FOR SABIC

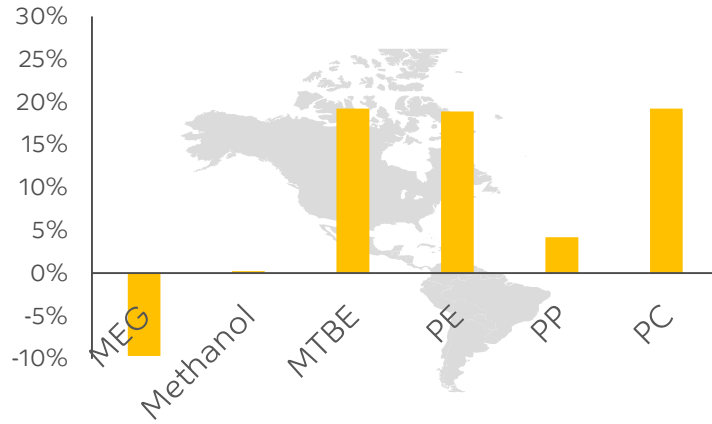
	Americas	Europe	MEAF	China	Rest of Asia
MEG	<15%	<15%	<15%	>50%	<15%
Methanol	<15%	<15%	<15%	>50%	<15%
MTBE	<15%	<15%	>50%	<15%	<15%
PE	<15%	15%-50%	15%-50%	15%-50%	<15%
PP	<15%	15%-50%	15%-50%	15%-50%	<15%
PC	<15%	15%-50%	<15%	>50%	<15%

<sup>1</sup>Prices Reference CFR/ FOB/CIF from ICIS, IHS and S&P Global Platts ©2021 by S&P Global Inc. and Wood Mackenzie. MEG: Mono Ethylene Glycol; MTBE: Methyl Tertiary Butyl Ether; PE: Polyethylene; PP: Polypropylene; PC: Polycarbonate. <sup>2</sup> Prices are aligned to USA region. <sup>3</sup> MEG and PC price are aligned to China, Methanol price =avg. (Rest of Asia, China), MTBE price =avg. (W. Europe, rest of Asia). <sup>4</sup> MEG and PC price are aligned to China.

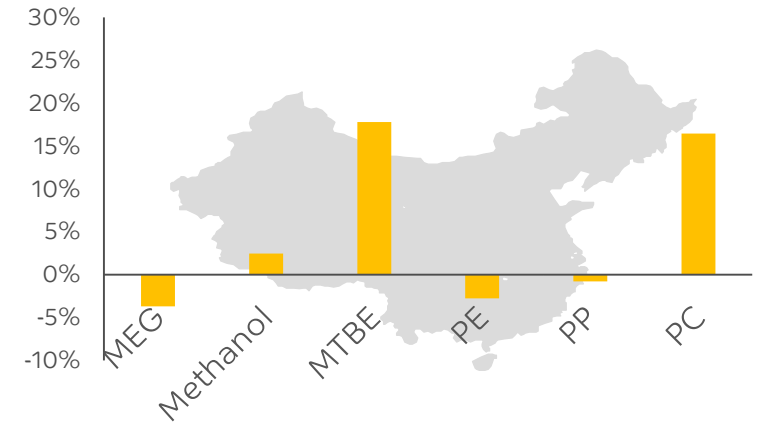
# MAJOR PETROCHEMICALS PRICES<sup>1</sup> CHANGES ACROSS THE KEY REGIONS IN Q2 21

% change Q2 21 vs Q1 21 (QoQ)

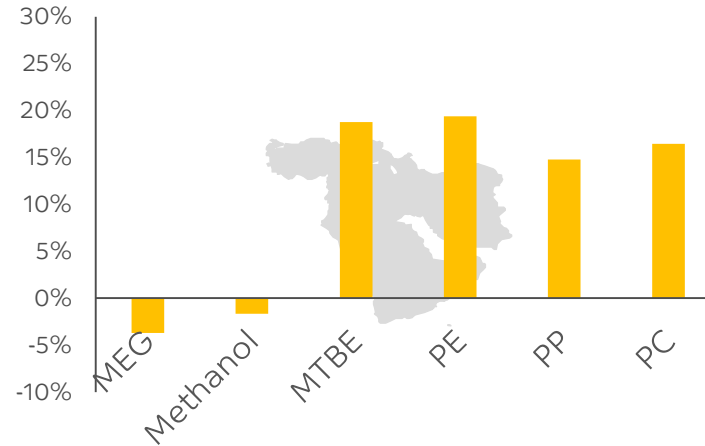
## NORTH AMERICA<sup>2</sup>



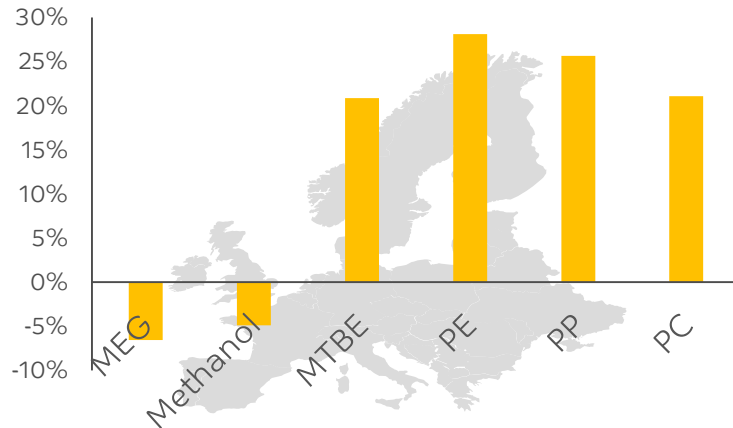
## CHINA



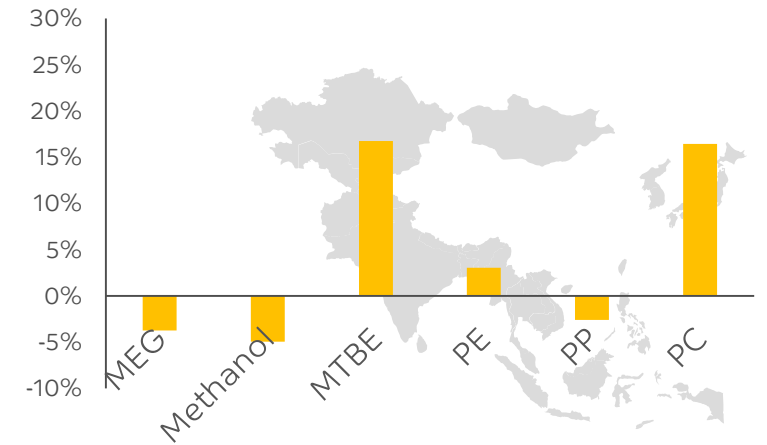
## MIDDLE EAST<sup>3</sup>



## WESTERN EUROPE



## REST OF ASIA<sup>4</sup>

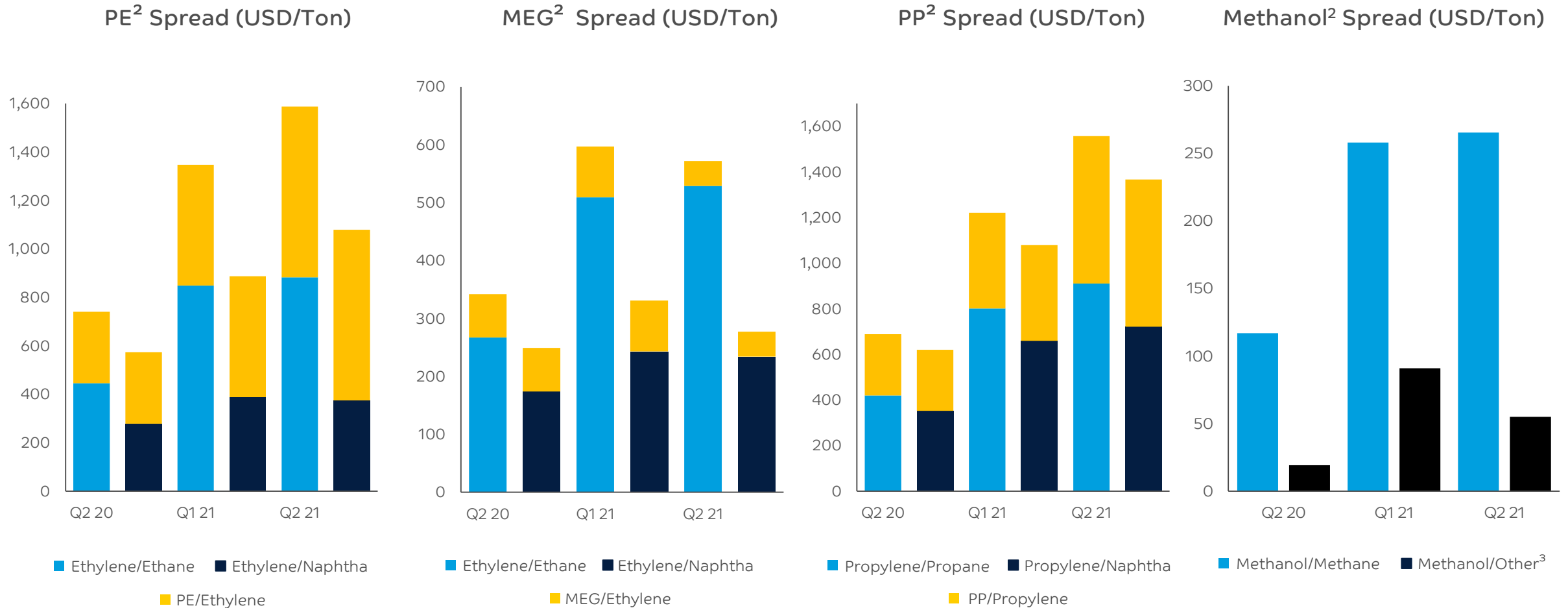


REGION SALES/GLOBAL SALES VOLUME FOR SABIC

	Americas	Europe	MEAF	China	Rest of Asia
MEG	<15%	<15%	<15%	>50%	<15%
Methanol	<15%	<15%	<15%	<15%	<15%
MTBE	<15%	<15%	>50%	<15%	<15%
PE	<15%	15%-50%	<15%	<15%	<15%
PP	<15%	15%-50%	<15%	<15%	<15%
PC	<15%	15%-50%	<15%	<15%	<15%

<sup>1</sup>Prices Reference CFR/ FOB/CIF from ICIS, IHS and S&P Global Platts ©2021 by S&P Global Inc. and Wood Mackenzie. MEG: Mono Ethylene Glycol; MTBE: Methyl Tertiary Butyl Ether; PE: Polyethylene; PP: Polypropylene; PC: Polycarbonate. <sup>2</sup> Prices are aligned to USA region. <sup>3</sup> MEG and PC price are aligned to China, Methanol price =avg. (Rest of Asia, China), MTBE price =avg. (W. Europe, rest of Asia). <sup>4</sup> MEG and PC price are aligned to China.

# SPREADS<sup>1</sup> FOR KEY PRODUCTS

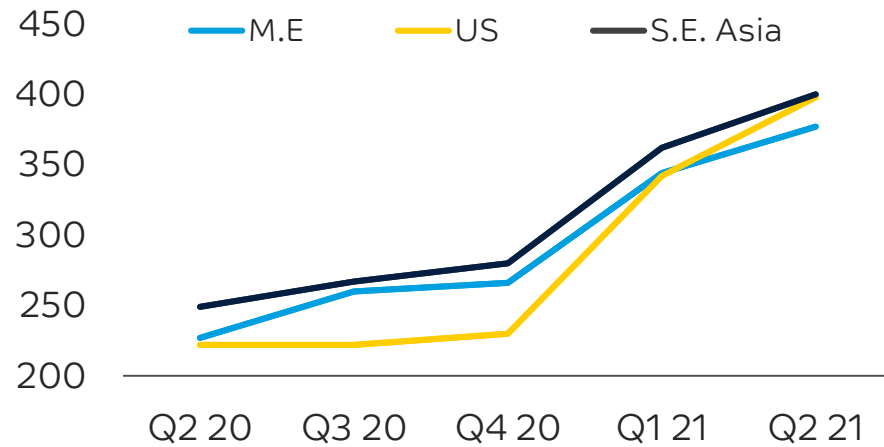


<sup>1</sup>Spread = Product price (PE, MEG, PP and Methanol) minus feedstock price (Methane, Ethane, Propane, Naphtha and Coal). <sup>2</sup>PE price = avg. (ME, w. Europe, China), MEG, and Methanol prices are aligned to prices in China. PP price = avg. (ME, W. Europe). For Methane, Ethane and Propane, prices are aligned to prices in KSA. Ethylene prices are aligned to prices in N.E. Asia. Propylene prices aligned to prices in W. Europe. Naphtha prices are aligned to prices in Asia. <sup>3</sup> Other is coal used as a feedstock. Coal prices are aligned to prices in China. Sources of prices are ICIS, S&P Global Platts ©2021 by S&P Global.

# AGRI-NUTRIENTS

## HIGHER UREA PRICE

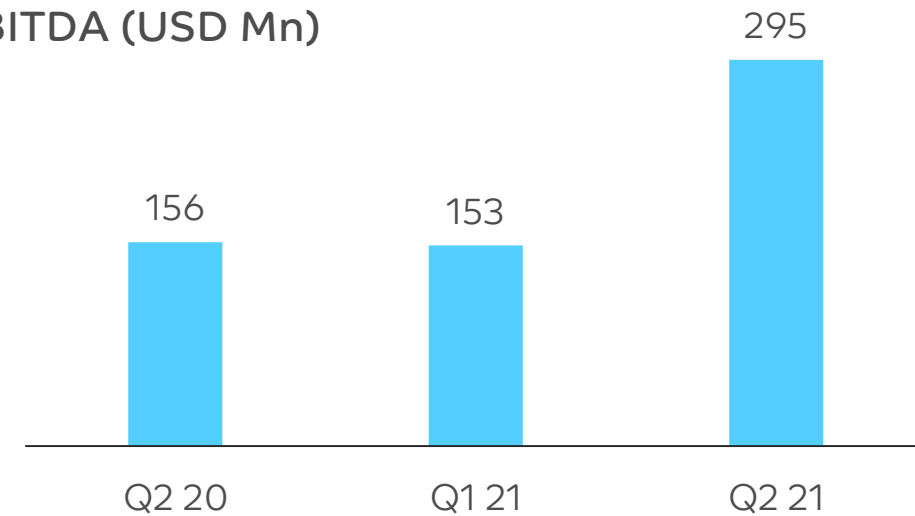
### UREA PRICE<sup>1</sup> (USD/T)



### SALES DRIVERS

	Volumes	Prices <sup>2</sup>
Q2 21 vs. Q1 21 (QOQ)	↑ 20%	↑ 15%
Q2 21 vs. Q2 20 (YOY)	↓ -16%	↑ 62%

### EBITDA (USD Mn)



### HIGHLIGHTS

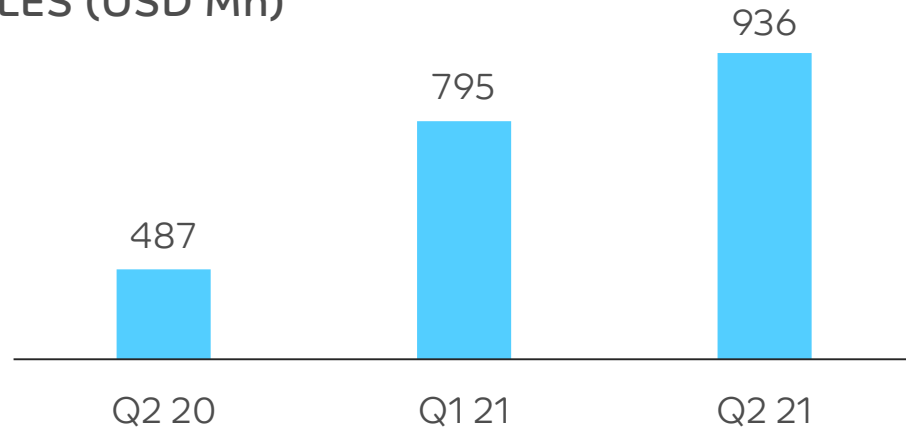
- Higher Urea prices and sales volumes supported by healthy demand and farm economics

<sup>1</sup> Pricing reference CFR / FOB from CRU Group. <sup>2</sup> Including FX and other effects.

# HADEED

## IMPROVEMENT IN SALES VOLUME

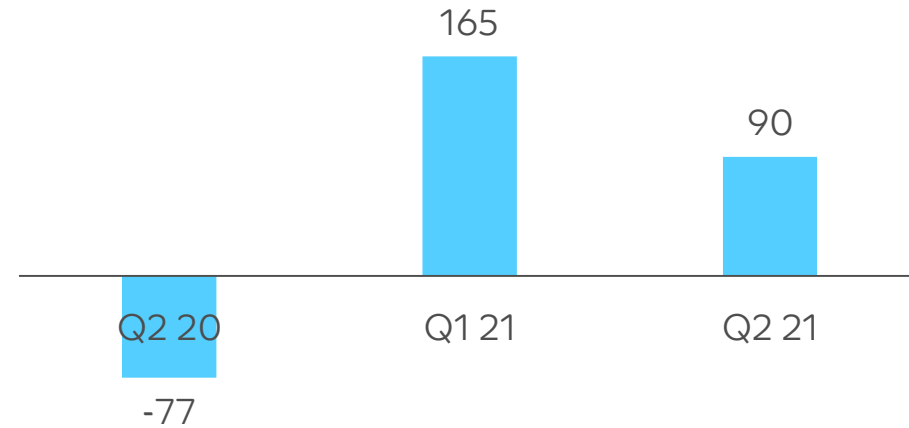
SALES (USD Mn)



### SALES DRIVERS

	Volumes	Prices <sup>2</sup>
Q2 21 vs. Q1 21 (QOQ)	↑ 14%	↑ 4%
Q2 21 vs. Q2 20 (YOY)	↑ 40%	↑ 53%

EBITDA (USD Mn)



### HIGHLIGHTS

- Improvement in sales volumes driven by healthy demand
- Decrease in EBITDA (QoQ) due to a rise in raw material cost

<sup>1</sup> Including FX and other factors.

# SECOND QUARTER SUMMARY AND OUTLOOK 2021

## SUMMARY



0.7  
Earnings per share<sup>1</sup>



1.4  
Free cash flow



A+/A1  
Strong standalone credit ratings<sup>2</sup>

## FINANCIAL PERFORMANCE



(Amounts in USD Bn)

## OUTLOOK



### 2021 Outlook

Global GDP growth rate now estimated to increase between 5.5% and 6.0% (previously 5.0% - 5.5%)



Margins to moderate but remain healthy in the second half of 2021



THANK YOU



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## UPCOMING BROKER CONFERENCES (virtual format)

### September 2021

- J.P. Morgan MENA Investment Forum
- EFG Hermes Virtual Investor Conference

### October 2021

- HSBC Global Emerging Markets Forum and Saudi Exchange Roadshow