

CHEMISTRY THAT MATTERS™



SECOND QUARTER 2020 EARNINGS PRESENTATION

6 Aug 2020



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SECOND QUARTER EARNINGS HIGHLIGHTS

KEY MESSAGES



RESILIENT OPERATIONAL PERFORMANCE DESPITE COVID-19



LOWER PRODUCT PRICES DUE TO CHALLENGING DEMAND AND A FALL IN OIL PRICES



SAUDI ARAMCO AS A MAJORITY SHAREHOLDER – FURTHER STRENGTHENS OUR POSITION AS A LEADER IN THE CHEMICAL INDUSTRY



SUSTAINABILITY AND INNOVATION – COMMITTED TO THE CIRCULAR ECONOMY

Q2 2020 PERFORMANCE (In USD Bn)



SAUDI ARAMCO AS A SHAREHOLDER – FURTHER STRENGTHEN OUR POSITION AS A LEADER IN THE CHEMICALS INDUSTRY



Collaboration Committee

Established to make recommendations on areas of collaboration, synergy and integration which are expected to create value for SABIC in particular and for Saudi Aramco group as a whole.



Strategy

SHAPING THE FUTURE WITH ALIGNED AND AMBITIOUS STRATEGIES:

- Support the Kingdom's strategy by maximizing the benefits of the petrochemicals industry in line with Saudi Vision 2030.
- Strategically aligned with Saudi Aramco's strategy, as SABIC becomes the chemicals platform.
- Accelerate the achievement of SABIC's strategic objectives.



Business and Operations

SABIC AS A FACE TO THE MARKET:

- Integrate efforts for sales and marketing with one face to the market.
- Collaborate in Operations, Maintenance, Procurement & EHSS.
- Feed stream optimization and better production planning.



Potential Synergies

FUTURE SYNERGIES AND COLLABORATION:

- Capitalize on expertise in executing Mega projects.
- Streamline growths projects.
- Acceleration of innovation – Optimization of technologies for growth.
- Potential synergies of distribution, logistics and supply chain activities.

OUR COMMITMENT TO OVERCOME COVID'19



Protect people and communities

Commitment to operate as an essential industry

Secure supply of basic & critical goods



Seamless Operations

- MANAGE RISKS TO ENSURE BUSINESS CONTINUITY
- DRIVE FOR COMPLIANCE
- SAFEGUARD OPERATIONS
- ACTIVATE CRISIS CENTER

Undisturbed Supply Chain

Identified Risks	Mitigation status
KSA Border Closure	✓
Container Shortage	✓
Demand Fluctuations	✓
Countries' Lockdown	●
Contractual Impacts	●
Port Restrictions	●

Secure Financial Health

A+ / A1
Standalone Credit Rating

\$2 Bn Net Debt **2.0** Current Ratio

SUSTAINABILITY AND INNOVATION



CIRCULAR ECONOMY

LIFE CYCLE ASSESSMENT OF TRUCIRCLE™ SOLUTIONS RECEIVES ISO VALIDATION

- ISO Critical Review process successfully completed.
- 2 Kg of CO2 emissions saved for every 1 Kg of recycled polyolefins.



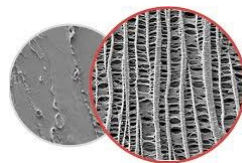
SABIC TO CHAIR THE EUROPEAN POLYOLEFINS RECYCLING ORGANIZATION

- PCEP is the European Platform that drives circular solutions for polyolefin products.



SABIC SUPPORTING CUTTING EDGE TECHNOLOGIES TO REDUCE PLASTIC WASTE

- Bioplastic polymer with microscopic hollow cavities.
- Lighter plastics, stronger and more sustainable.



INNOVATION

SABIC PURECARE™ SOLUTIONS TO ENHANCE HYGIENE PRODUCTS

- Supporting prevention of infectious diseases through high purity, comfort and excellent breathability.



LEXAN™ CLINIWALL™ PC SHEET PROVIDES A SANITARY SOLUTION FOR HOSPITALS AND PUBLIC FACILITIES

- The anti-bacterial material provides a layer of protection to interior wall cladding against the spread and multiplication of potential bacteria.



FINANCIAL PERFORMANCE

CHALLENGING DEMAND ENVIRONMENT

(USD Bn)	Q2 20	Q1 20 ¹	% Var	Q2 19 ¹	% Var	H1 20	H1 19 ¹	H1 20 vs H1 19 ¹
Sales	6.57	8.05	-18%	9.31	-29%	14.62	18.91	-23%
EBITDA	0.93	1.16	-19%	2.03	-54%	2.09	4.32	-52%
Income from Operations	-0.34	-0.02	NM	1.07	NM	-0.35	2.45	NM
Net Income	-0.59	-0.28	NM	0.54	NM	-0.87	1.43	NM
Free Cash Flow ²	0.23	0.45	-50%	0.22	3%	0.71	1.88	-62%

SALES DRIVERS

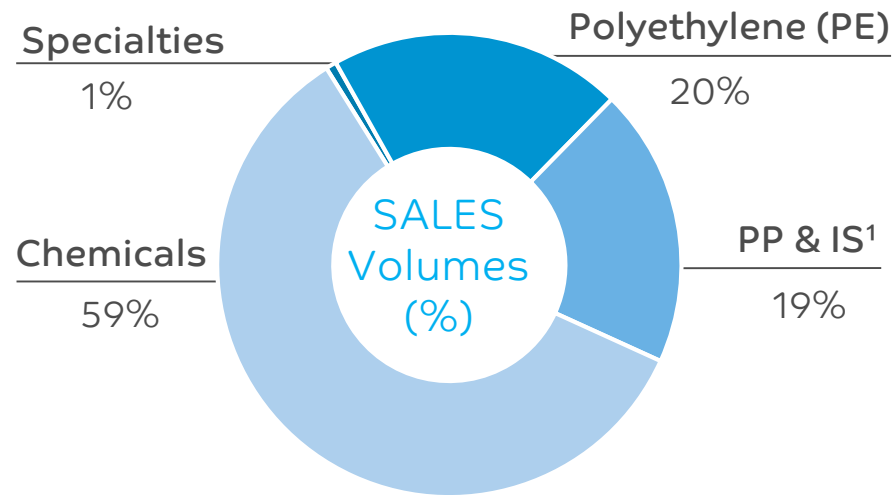
	Volumes	Prices ³
Q2 20 vs. Q1 20 ¹	↓ 1%	↓ 17%
Q2 20 vs. Q2 19 ¹	↓ 3%	↓ 26%

KEY RATIOS

	Q2 20	Q1 20 ¹	Q2 19 ¹	H1 20	2019 ¹
EBITDA margin (%)	14.2%	14.4%	21.8%	14.3%	21.9%
Net Debt / EBITDA (x)	0.53	0.08	0.01	0.47	0.07

PETROCHEMICALS AND SPECIALTIES

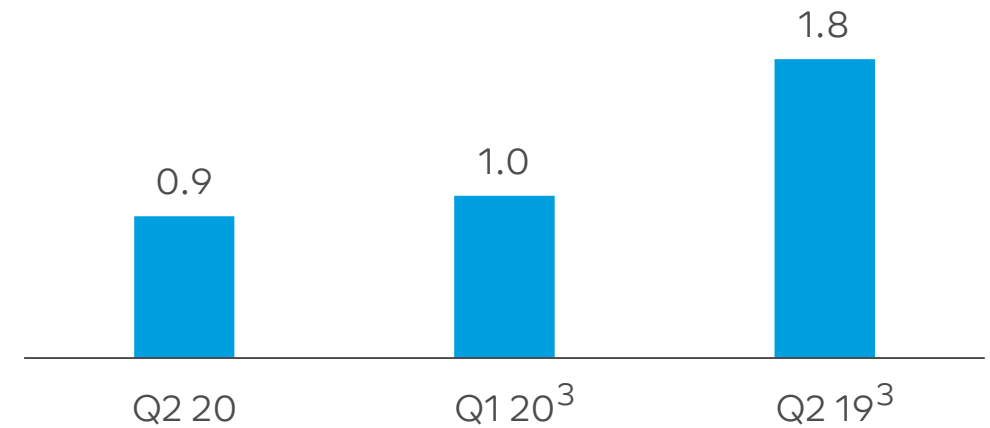
DECLINE IN PRODUCT PRICES



SALES DRIVERS

	Volumes	Prices ²
Q2 20 vs. Q1 20 ³	↑ 1%	↓ 19%
Q2 20 vs. Q2 19 ³	↓ 5%	↓ 25%

EBITDA (USD Bn)

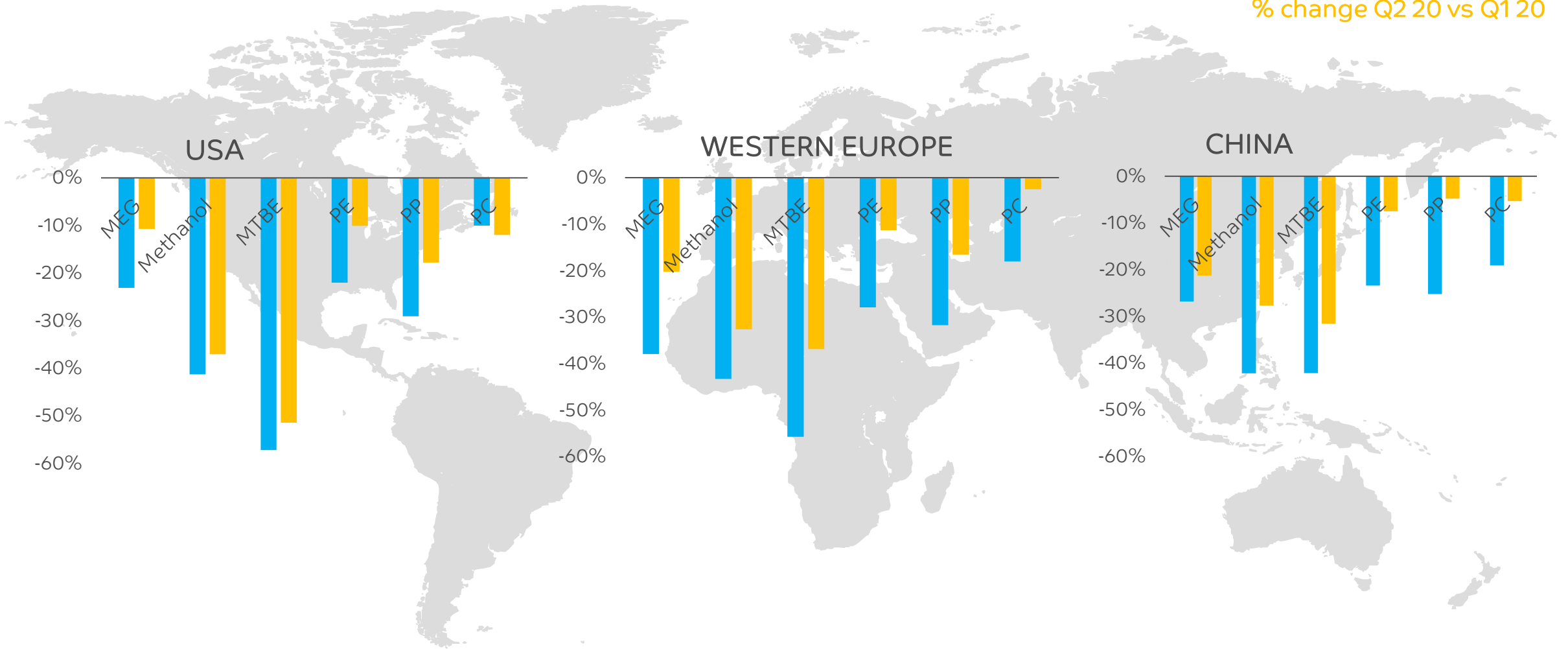


HIGHLIGHTS

- **Chemicals** – Negatively impacted by a lower demand
- **PE** – Demand continued to be better than some of the other polymers
- **PP & IS¹**– PP⁴ margin improved driven by steady demand from essential industries and lower propane/butane price

MAJOR PETROCHEMICALS PRICES¹ CHANGES ACROSS THE KEY REGIONS IN Q2 20

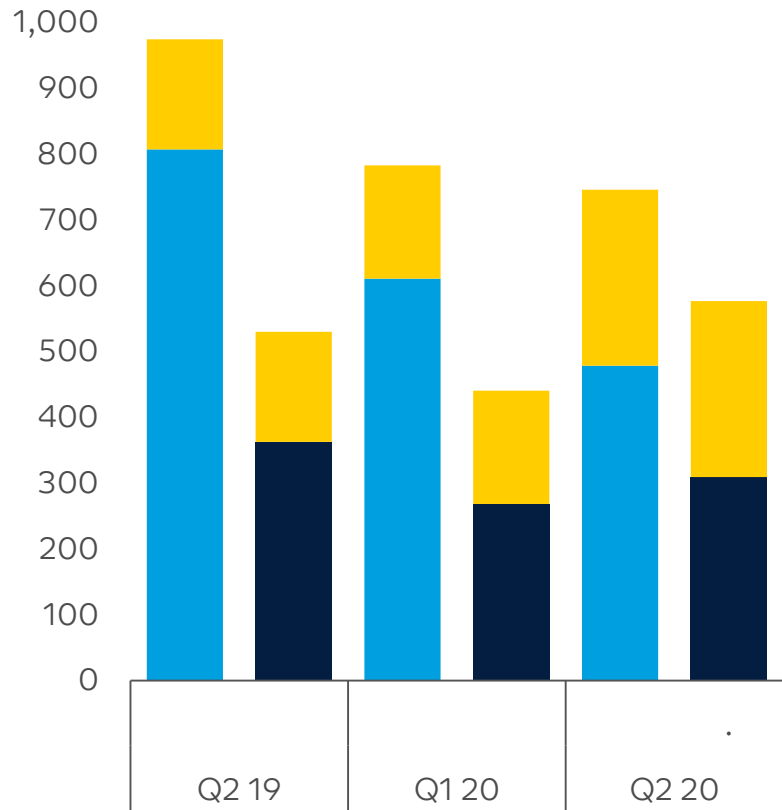
% change Q2 20 vs Q2 19
% change Q2 20 vs Q1 20



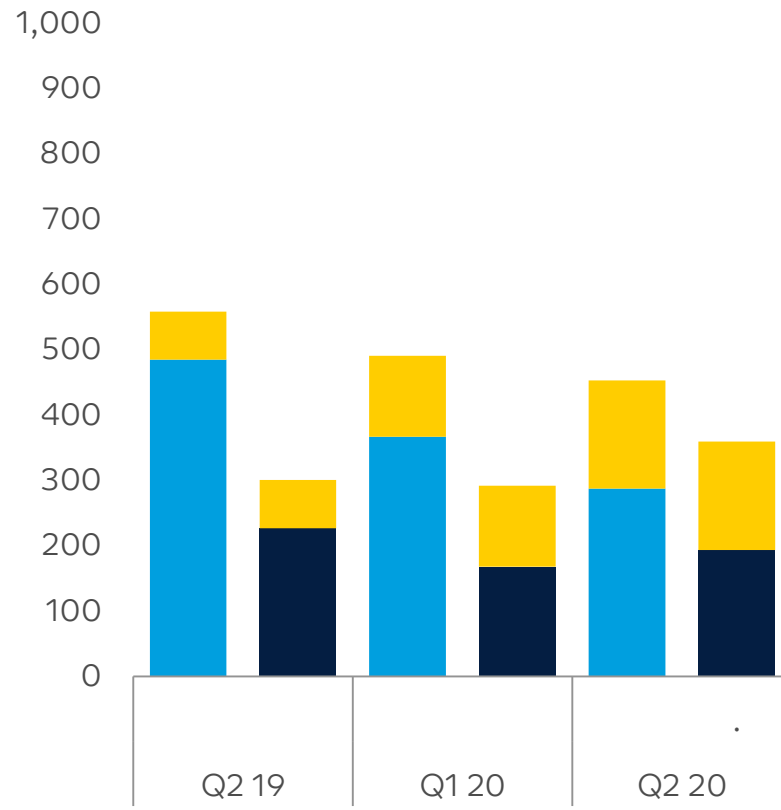
¹Prices Reference CFR/ FOB/CIF from ICIS, S&P Global Platts ©2020 by S&P Global Inc. and Wood Mackenzie. MEG: Mono Ethylene Glycol; MTBE: Methyl Tertiary Butyl Ether; PE: Polyethylene; PP: Polypropylene; PC: Polycarbonate. 9

SPREADS¹ FOR KEY PRODUCTS

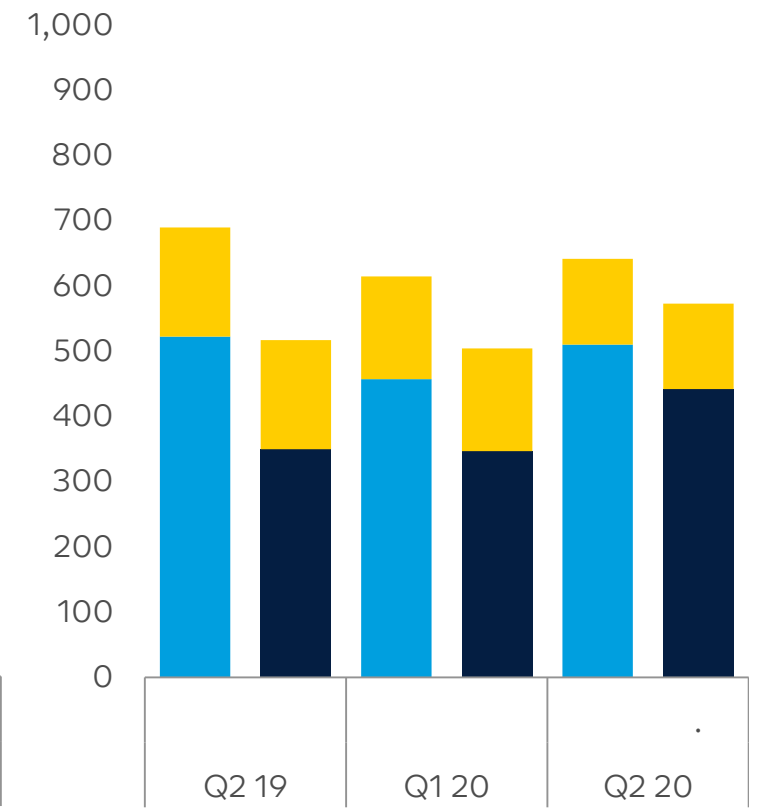
PE² Spread (USD/Ton)



MEG² Spread (USD/Ton)



PP² Spread (USD/Ton)



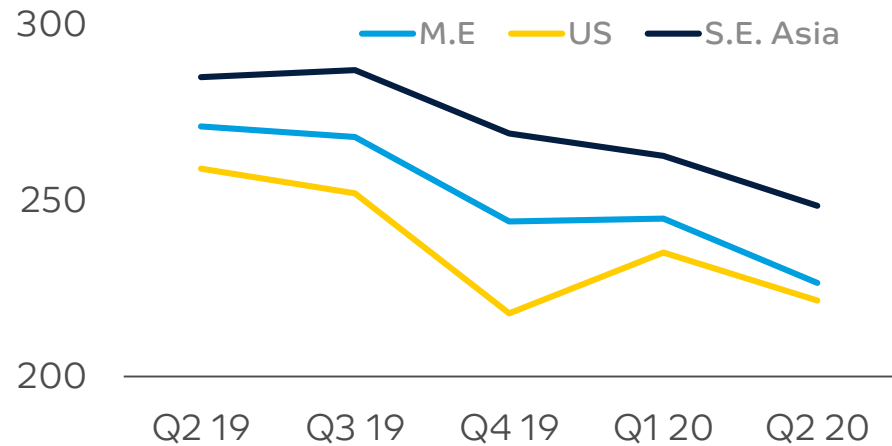
■ Ethylene/Ethane
 ■ Ethylene/Naphtha
 ■ PE/Ethylene
 ■ Ethylene/Ethane
 ■ Ethylene/Naphtha
 ■ MEG/Ethylene
 ■ Propylene/Propane
 ■ Propylene/Naphtha
 ■ PP/Propylene

¹Spread = Product price (PE, MEG, PP) minus feedstock price (ethane, propane, naphtha). For ethane and propane, prices are aligned to prices in KSA. Naphtha prices are aligned to prices in Asia. ²PE, MEG and PP prices are aligned to prices in China. Ethylene and propylene prices are aligned to prices in N.E. Asia. Sources of prices are ICIS, S&P Global Platts ©2020 by S&P Global

AGRI-NUTRIENTS

HIGHER SALES VOLUMES

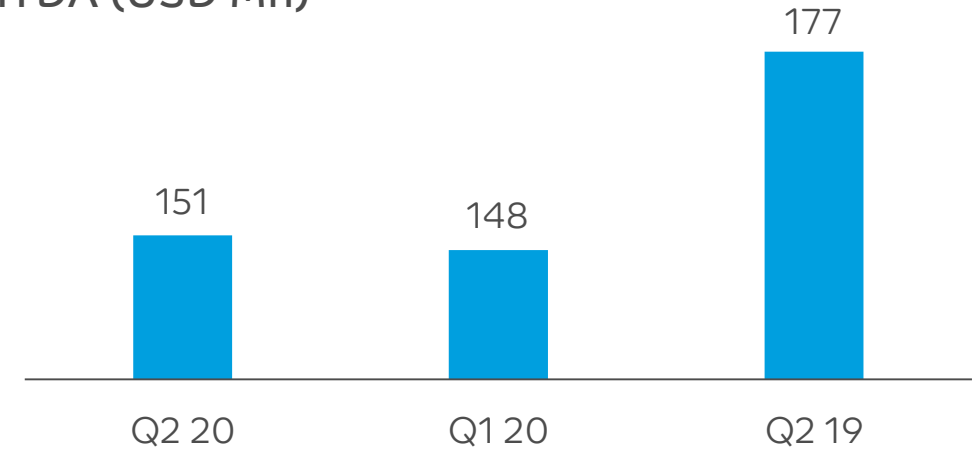
UREA PRICE¹ (USD/T)



SALES DRIVERS

	Volumes		Prices ²	
Q2 20 vs. Q1 20	↑	15%	↓	7%
Q2 20 vs. Q2 19	↑	19%	↓	31%

EBITDA (USD Mn)



HIGHLIGHTS

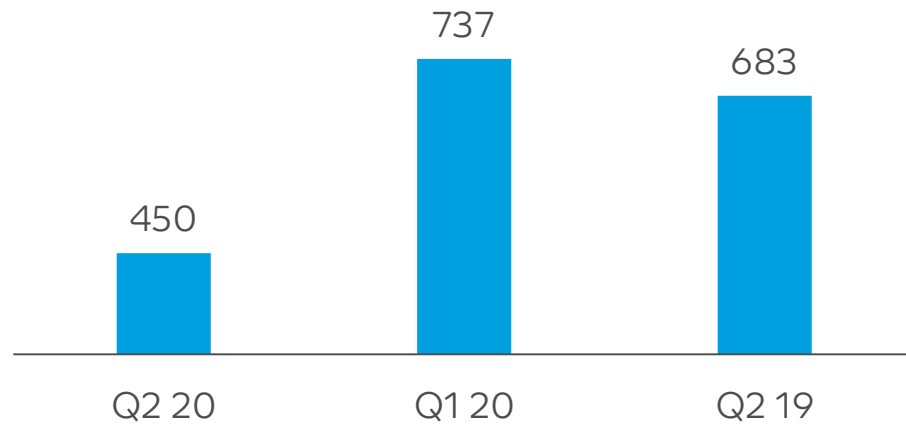
- **Improvement in Sales Volumes** driven by better operational performance
- **Decrease in Urea Price** driven by ample supply and lower demand - in particular from the industrial sector - and a decrease in feedstock prices

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

HADEED

DECLINE IN SALES VOLUMES

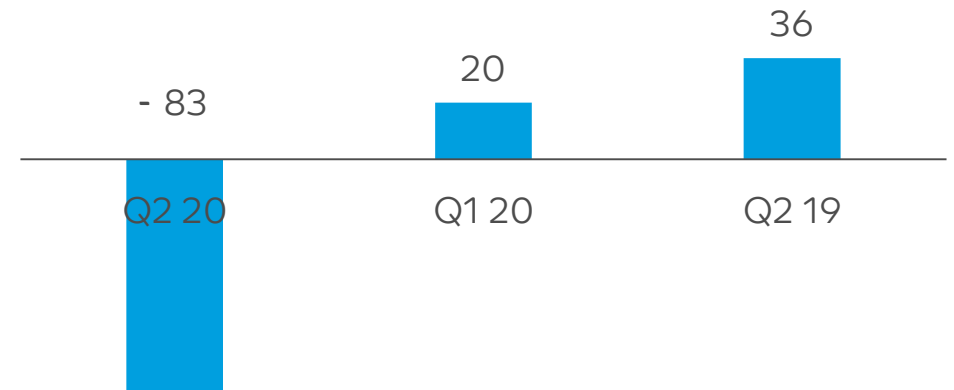
SALES (USD Mn)



SALES DRIVERS

		Volumes	Prices ¹
Q2 20 vs. Q1 20	↓	33%	↓ 6%
Q2 20 vs. Q2 19	↓	17%	↓ 17%

EBITDA (USD Mn)



HIGHLIGHTS

- **EBITDA** lower than the previous quarter, driven by lower product prices and sales volumes due to decrease in demand

¹ Including FX and other factors.

2ND QUARTER SUMMARY AND OUTLOOK

SUMMARY



-0.2
Earnings
per share¹



0.2
Free cash
flow



A+ / A1
Strong
Standalone
Credit Ratings²

FINANCIAL PERFORMANCE



(Amounts in USD Bn)

OUTLOOK



The Projected Global GDP Growth Rate is Expected to Contract This Year, Before Rebounding.



An oversupply in our key products is likely to keep product prices and margins under pressure.



THANK YOU

