

Q1 Results

2024

Safety | Integrity | Accountability | Excellence | Citizenship



CEO Statement

Setting the Foundations for 2024 and Beyond

In the first quarter, we've laid a strong foundation for a prosperous 2024 and the years to follow. Our commitment to the safety and reliability of our operations has been unwavering, evidenced by our industry-leading Total Recordable Incident Rate (TRIR) of 0.0 and a Mechanical Availability of 99.6%.

We have successfully completed the Hydrocracker catalyst replacement safely and within the allocated time. This will ensure that our GII facility in Yanbu will meet the growing demand of our customers for high-quality GII base oils.

Our dedication to enhancing shareholder value remains strong, driven by transformative initiatives. Notably, the HVGO supply agreement broadens our GII base oil portfolio with premium heavy grades, while the Growth II project marks a significant step towards producing premium GIII base oils within the kingdom by the second half of 2025.

These strategic moves are set to drive substantial value creation and growth for our company. We are determined to keep enhancing our performance and to consistently surpass expectations.

Eng. Samer Al-Hokail

Luberef's President & CEO

Key Financial Highlights

Net Income

(SAR Million)



239

(Q1 2024)

446

(Q1 2023)

(46%)

Free Cash Flow

(SAR Million)



111

(Q1 2024)

748

(Q1 2023)

(85%)

Earnings Per Share

(SAR / Share)



1.42

(Q1 2024)

2.65

(Q1 2023)

(46%)

EBITDA

(SAR Million)



324

(Q1 2024)

555

(Q1 2023)

(42%)

ROACE

(%)



29%

(Q1 2024)

42%

(Q1 2023)

(13) PP

Gearing

(%)



(3%)

(Q1 2024)

(10%)

(Q1 2023)

(7) PP

Base Oil Crack Margin

(SAR/ Ton)



1,613

(Q1 2024)

2,551

(Q1 2023)

(37%)

Base Oil Sales Volume⁽¹⁾

(Thousand Metric Ton)



0%

271

(Q1 2024)

271

(Q1 2023)

Capex

(SAR Million)



35

(Q1 2024)

27

(Q1 2023)

27%

Capex Breakdown

(SAR Million)

	Sustaining	Turnaround	Growth
3M 2024	30	1	4
3M 2023	6	12	9

Notes:

(1) Excluding Base Oil Alliance and Imported volumes

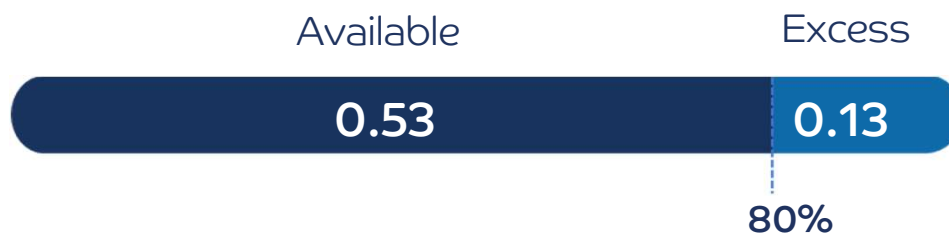
Financial Performance

Saudi Aramco Base Oil Company - Luberef announced its Q1 2024 financial results, reporting total revenue of approximately SAR 2.2 Billion and net income of approximately SAR 239 Million. Net income decreased by 46% compared to the same quarter in 2023 due to a decline in base oil crack margins.

Comparing to the fourth quarter of 2023, the revenue and the net income decreased by around 14% and 11% respectively. The decrease is mainly due to a decrease in base oil crack margins and a decrease in sales volumes due to hydrocracker unit scheduled shutdown for catalyst replacement.

During Q1 2024, the Company generated free cash flow of SAR 111 million. The FCF of the quarter was negatively impacted by a change in working capital, caused by an increase in semi-finished inventory due to the planned hydrocracker shutdown and the timing of byproducts receivables payment.

*FCF/Share SAR0.66



*The above illustration highlights total FCF/shares outstanding for the first quarter of 2024, and indicate the available cash for distribution following the announced dividend policy. This is not a declaration or distribution of dividends, nor a guarantee of any such distribution in the future, as any decision to do so will depend on the board's sole discretion and in accordance with the announced dividend policy and the applicable rules.



Financial Highlights

Net Income

(SAR Million)



(11%)

239

(Q1 2024)

269

(Q4 2023)

Free Cash Flow

(SAR Million)



(70%)

111

(Q1 2024)

371

(Q4 2023)

Earnings Per Share

(SAR / Share)



(11%)

1.42

(Q1 2024)

1.60

(Q4 2023)

EBITDA

(SAR Million)



(8%)

324

(Q1 2024)

354

(Q4 2023)

Base Oil Crack Margin

(SAR / Ton)



(11%)

1,613

(Q1 2024)

1,810

(Q4 2023)

Base Oil Sales Volume⁽¹⁾

(Thousand Metric Ton)



(19%)

271

(Q1 2024)

333

(Q4 2023)

Capex

(SAR Million)



23%

35

(Q1 2024)

28

(Q4 2023)

Capex Breakdown

(SAR Million)

	Sustaining	Turnaround	Growth
Q1 2024	30	1	4
Q4 2023	24	3	1

Notes:

(1) Excluding Base Oil Alliance and Imported volumes

Company Highlights



Luberef Yanbu facility has successfully completed the hydrocracker catalyst replacement safely and within the allocated time. This ensures the GII train is ready to deliver and meet the growing demand from Luberef's customers for high-quality GII base oils.

Luberef signed a Memorandum of Understanding with Jabeen and the National Industrial Development Center to cooperate in identifying and enabling investment opportunities at the LubeHub in Yanbu for base oil related industries, with the aim of growing local demand for base oils.

Disclaimer Statement



The information provided in this press release and any written or verbal accompanying communication regarding or by Saudi Aramco Base Oil Company (“Luberef” or the “Company”) (collectively, the “Information”) is provided for information purposes only. The Information is qualified in its entirety by the information contained in the Company’s financial statements and annual board reports. Certain financial and statistical information in this press release has been subject to rounding off adjustments. Accordingly, the sum of certain data may not conform to the expressed total.

Neither the Company nor any of its directors, officer, employees, agents, affiliate or subsidiaries accept any responsibility or liability whatsoever (whether in contract, tort or otherwise) for, or guarantee or give any explicit or implicit warrantee, representation or undertaking as to the accuracy, fairness or completeness of any of the information and disclaims all liability and responsibility for any loss or damage (including in respect of direct, indirect or consequential loss or damage) caused by any action taken or non taken as a result or on the basis of the information or otherwise arising in connection therewith.

This press release may contain certain forward-looking statements with respect to Luberef’s financial position, results of operations and business and certain Luberef’s plans, intentions, expectations, assumptions, goals and beliefs regarding such items. These statements include all matters that are not historical fact and generally, but not always, may be identified by the use of words such as “believes”, “expects”, “are expected to”, “anticipates”, “intends”, “estimates”, “should”, “will”, “shall”, “may”, “is likely to”, “plans”, “outlook” or similar expressions, including variations and the negatives thereof or comparable terminology. Such forward-looking statements are based on numerous assumptions and cannot be ascertained, as they involve known and unknown risks, uncertainties and other factors within or beyond the Company’s control that could cause the Company’s actual results, performance or achievements to be materially different from the expected results, performance, or achievements expressed or implied by such forward-looking statements.

Prospective investors should be aware that forward-looking statements are not guarantees of future performance and that Luberef’s actual financial position, results of operations and business and the development of the industries in which it operates may differ significantly from those made in or suggested by these forward-looking statements. In addition, even if Luberef’s financial position, results of operations and business and the development of the industries in which it operates are consistent with these forward-looking statements, those results or developments may not be indicative of results or developments in subsequent periods.

Factors that could cause actual results to differ materially from Luberef’s expectations are include, among other things, the following: supply, demand and price fluctuations with respect to Feedstock and Base oils, and Luberef’s other by-products; global economic market conditions; natural disasters and public health pandemics or epidemics (such as COVID19), and weather conditions (including those associated with climate change); competition in the industries in which Luberef operates; climate change concerns and related impacts on the global demand for base oils and hydrocarbon-based products; conditions affecting the transportation of products; operational risk and hazards common in the oil and gas, refining and petrochemicals industries; the cyclical nature of the oil and gas, refining and petrochemicals industries; terrorism and armed conflict, political and social instability and unrest, and actual or potential armed conflicts in the MENA region and other areas; managing Luberef’s growth and risks related to its strategic growth objectives; risks in connection with projects under development and; asset dispositions or impairments; government mandated sales, recapitalizations, taxes and tax audits, tariffs, sanctions, changes in fiscal terms or; material reductions in corporate liquidity and access to debt markets; the receipt of required Board authorizations to pay future dividends; Luberef’s dependence on the reliability and security of its IT systems, Luberef’s exposure to interest rate risk and foreign exchange risk; risks related to operating in a regulated industry and changes to oil, gas, environmental or other regulations that impact the industries in which Luberef operates; risks related to litigation, including international trade litigation, disputes or agreements; and risks related to the Kingdom. For additional information on the potential risks and uncertainties that could cause actual results to differ from the results predicted please see our latest periodic reports filed with the Saudi Exchange. In light of these risks, uncertainties and assumptions, the forward-looking events described in this press release may not occur.

The Information, including but not limited to forward-looking statements, applies only as of the date it speaks and is not intended to give any assurances as to future results. We undertake no obligation to update, correct or revise the Information, including any financial data or forward-looking statements, as a result of new information, future events or otherwise, unless required by applicable law or regulation.

All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this press release. In addition, this press release includes certain “non-IFRS financial measures.” These measures are not recognized measures under IFRS and do not have standard meanings prescribed by IFRS. Rather, these measures are provided as additional information to complement IFRS measures by providing further understanding of the Company’s results of operations from management’s perspective. Accordingly, they should not be considered in isolation or as a substitute for analysis of the Company’s financial information reported under IFRS. These measures are not audited, and might not be comparable to similarly titled measures presented by other companies.

Investor Relations

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