

SABIC First Quarter 2022 Earnings

First quarter 2022 highlights:

- Revenue of SAR 52.64 billion [\$ 14.04 billion], a 3% increase quarter-over-quarter and a 40% increase year-over-year.
- EBITDA of SAR 12.79 billion [\$ 3.41 billion], a 1% decrease quarter-over-quarter and a 23% increase year-over-year.
- Income from operations of SAR 9.32 billion [\$ 2.48 billion] was 10% higher than the income from operations of SAR 8.50 billion [\$ 2.27 billion] in the previous quarter, and 33% increase compared with the income from operations of SAR 6.98 billion [\$ 1.86 billion] in the first quarter of 2021.
- Net income of SAR 6.47 billion [\$ 1.73 billion] was 30% higher than the net income of SAR 4.97 billion [\$ 1.32 billion] in the previous quarter compared with the net income of SAR 4.86 billion [\$ 1.30 billion] in the first quarter of 2021.
- After adjusting for non-recurring expenses, first quarter net income was SAR 6.86 billion [\$ 1.83 billion], which was higher than the net income of SAR 5.70 billion [\$ 1.52 billion] achieved in the previous quarter.
- SABIC's value capture associated with Saudi Aramco to date (since 16th June 2020, when Saudi Aramco acquired 70% of SABIC shares) through March 2022 is SAR 2.09 billion (\$ 557 million) including year to date SAR 334 million (\$ 89 million).

Comparisons with the first quarter of 2022 are available in the following table:

Table 1 – Summary Financial Results

Item	Three Months Ended			Three Months Ended		
	Mar. 31, 2022	Dec. 31, 2021	Change %	Mar. 31, 2022	Mar. 31, 2021	Change %
Revenue	52.64	51.24	3%	52.64	37.53	40%
EBITDA ¹	12.79	12.94	-1%	12.79	10.39	23%
Income from operations	9.32	8.50	10%	9.32	6.98	33%
Net Income ²	6.47	4.97	30%	6.47	4.86	33%
Earnings Per Share ²	2.16	1.66	30%	2.16	1.62	33%
Free Cash flow	5.82	10.42	-44%	5.82	4.72	23%

All amounts in SAR billion unless otherwise stated, USD/SAR conversion used is 3.75. Certain figures and percentages included in this document have been subject to rounding adjustments.

¹Income from operations plus depreciation, amortization and impairment.

²Attributable to equity holders of the parent.

Saudi Basic Industries Corporation (“SABIC”) (2010-SA) today announced its financial results for the first quarter of 2022. The company’s revenue reached SAR 52.64 billion [\$ 14.04 billion] in the first quarter of 2022, an increase of 3% compared with the fourth quarter of 2021.

The average sales prices in first quarter of 2022 increased by 3% compared with the fourth quarter of 2021. Sales volumes decreased by 1% in the first quarter of 2022 compared with the fourth quarter of 2021.

SABIC’s EBITDA amounted to SAR 12.79 billion [\$ 3.41 billion] in the first quarter of 2022, representing a decrease of 1%, quarter-over-quarter. This was primarily due to higher production cost as well as increase in selling and distribution expenses with an increase in freight cost partially offset by lower G&A expense. This resulted in an EBITDA margin of 24% in the first quarter of 2022, lower than the EBITDA margin of 25% in the previous quarter.

Net income in the first quarter of 2022 was SAR 6.47 billion [\$ 1.73 billion], or SAR 2.16 per share [\$ 0.58 per share], which was higher than the net income of SAR 4.97 billion [\$ 1.32 billion], or SAR 1.66 per share [\$ 0.44 per share] achieved during the fourth quarter of 2021.

After adjusting for non-recurring expenses, first quarter net income was SAR 6.86 billion [\$ 1.83 billion], which was higher than the net income of SAR 5.7 billion [\$ 1.52 billion] achieved in the previous quarter.

Yousef Abdullah Al-Benyan, SABIC’s Vice Chairman and Chief Executive Officer, said: “SABIC’s first quarter results demonstrated strong performance driven by continued healthy demand for our products, higher oil prices and our diverse global portfolio.

Mr. Al-Benyan added “SABIC announced the successful recent startup of the Petrochemical joint venture project in the U.S. gulf coast. The project was completed ahead of schedule and within budget. SABIC will continue to work on achieving its global growth strategy focusing on key markets and competitive feedstock.

Mr. Al-Benyan continued “In 2022, SABIC will remain focused on delivering its growth strategy, achieving operational resilience and meeting our ESG commitments while at all times maintaining a strong balance sheet.”

SABIC, has completed the purchase of Clariant’s 50% stake in Scientific Design. This transaction gives SABIC full ownership of Scientific Design. The acquisition will help SABIC meet increasing catalyst.

ESG Recognition

SABIC's commitment to adopting the high Environmental, Social and Governance (ESG) standards was recognized, when the company was recently presented with the "Best ESG" award at the Saudi Capital Market Awards 2021. This award assessed all entries on a range of key criteria, including ESG governance, frameworks used for ESG Reporting, and major ESG achievements, among other factors.

Sustainability and Innovation

SABIC is committed to driving greater sustainability in all the segments we serve through innovation. Some of the highlights introduced into the market in the first quarter of 2022, include:

- Collaborating with Mattel, a leading global toy company, to incorporate certified renewable polymers from SABIC's TRUCIRCLE™ program across Mattel's products offering.
- Partnering with Polivouga and Nueva Pescanova in seafood packaging solution using certified circular polyethylene. This is the first consumer product announced made using SABIC's certified circular polyolefins from recovered ocean bound plastic.
- Collaborating with Realme, the Chinese consumer electronic brand, to introduce LNP™ ELCRIN™ EXL7414B, SABIC's first bio-based polycarbonate copolymer.
- Partnering with USTS on a major large metal pipe tight-fit liner project in Saudi Arabia, for pipes used in transporting seawater. Metal-pipe lining is a growing trend in the industry for the rehabilitation of old metal pipelines and protection of new ones from corrosion.

Circular Carbon & Renewable Energy

Executing on SABIC's commitment to achieve carbon neutrality, SABIC has established a long-term power purchase agreement for the supply of renewable power to the petrochemicals site in Geleen, the Netherlands. The power purchase agreement will provide 30% of SABIC's annual power demand at its manufacturing facility in Geleen, Netherlands. This will reduce indirect CO2 emissions and contribute to SABIC's ambition to have a 4GW mixture of wind and solar energy installed for all sites globally by 2025, rising to 12GW by 2030.

Outlook

Global growth is projected to slow from an average of 5.8% in 2021 to a range of 3.2% - 3.6% in 2022 despite economic uncertainty for the remainder of 2022, SABIC expects its EBITDA to remain flat year over year mainly due to higher sales volumes offset by higher feedstock prices.

SABIC Business Results Discussion by Reporting Segment:

SABIC operates through two strategic business units (SBUs), SABIC Agri-Nutrients and Hadeed. The reporting segments are as follows: 1) Petrochemicals and Specialties, 2) Agri-Nutrients, and 3) Hadeed.

1. Petrochemicals and Specialties

Table 2 – Petrochemicals and Specialties Financial Overview

Item	Three Months Ended			Three Months Ended		
	Mar. 31, 2022	Dec. 31, 2021	Change %	Mar. 31, 2022	Mar. 31, 2021	Change %
Revenue	44.28	42.88	3%	44.28	32.71	35%
EBITDA ¹	9.46	9.11	4%	9.46	9.19	3%
Income from operations	6.50	5.30	23%	6.50	6.27	4%

All amounts in SAR billion unless otherwise stated, USD/SAR conversion used is 3.75. Certain figures and percentages included in this document have been subject to rounding adjustments.

¹Income from operations plus depreciation, amortization and impairment.

Revenue of SAR 44.28 billion [\$ 11.81 billion] was up in the first quarter, representing a quarter-over-quarter increase of 3%, driven by higher average sales prices. Average sales prices increased by 4% and sales volumes decreased by 1% in the first quarter of 2022 compared with the previous quarter. EBITDA of SAR 9.46 billion [\$ 2.52 billion] in the first quarter of 2022 was 4% higher than SAR 9.11 billion [\$ 2.43 billion] in the fourth quarter of 2021.

The Petrochemicals SBU consists of three businesses: Chemicals, Polyethylene and Performance Polymers and Industrial Solutions.

For Chemicals, **Mono ethylene glycol (MEG)** prices decreased in the first quarter compared with the previous quarter due to the slowdown in demand for fiber. There was a reduction in textile consumption of polyester due to the lockdown in China. **Methanol** prices decreased in the first quarter compared to the previous quarter due to an increase in supply. Prices came off higher levels in the fourth quarter. **MTBE** Prices have hit their highest since 2013 on the back of strengthening crude oil and gasoline prices.

For **Polyethylene**, prices across the regions were stable. Global demand remains healthy and is being met with supply recovering from outages. In China demand stayed flat due to Chinese lunar New Year and recent COVID-19 restrictions.

For Performance Polymers and Industrial Solutions, **Polypropylene** prices were stable in the first quarter of 2022 resulting from an increase in the feedstock prices, supply chain issues and weak demand. The demand was largely affected in Asia by the Chinese lunar New Year and recent COVID-19 restrictions. Similarly, the supply in Asia was impacted for the same reasons and by turnarounds in the Middle East. **Polycarbonate** prices in the US stayed constant and decreased in Asia on continuous soft demand while the demand in Europe is healthy with balanced supply, which allowed the producers to sustain high price levels. Polycarbonate prices have decreased in Asia due to the recent COVID-19 outbreak and the

decline in BPA prices. Supply has improved with more stable operations and completion of turnarounds.

2. Agri-Nutrients

Table 3 – Agri-Nutrients Financial Overview

Item	Three Months Ended			Three Months Ended		
	Mar. 31, 2022	Dec. 31, 2021	Change %	Mar. 31, 2022	Mar. 31, 2021	Change %
Revenue	4.04	5.13	-21%	4.04	1.84	120%
EBITDA ¹	2.85	3.48	-18%	2.85	0.58	396%
Income from operations	2.63	3.16	-17%	2.63	0.38	595%

All amounts in SAR billion unless otherwise stated, USD/SAR conversion used is 3.75. Certain figures and percentages included in this document have been subject to rounding adjustments.

¹Income from operations plus depreciation, amortization and impairment.

Revenue of SAR 4.04 billion [\$ 1.08 billion] was lower by 21%, driven primarily by a decrease in sales volumes in the first quarter of 2022 compared with the previous quarter. Average sales prices increased by 2% and the sales volumes decreased by 23% in the first quarter of 2022, compared with the previous quarter. EBITDA in the first quarter of 2022 was SAR 2.85 billion [\$ 0.76 billion], representing a decrease of 18% compared with the fourth quarter of 2021.

Urea prices were lower in the first quarter of 2022 compared to fourth quarter of 2021, however in March prices spiked to the fourth quarter levels in Europe impacted by the Russia – Ukraine conflict. India, Brazil, Australia and EU demand and increasing crop prices are expected to lead to further increases in Urea prices.

3. Hadeed

Table 4 – Hadeed Financial Overview

Item	Three Months Ended			Three Months Ended		
	Mar. 31, 2022	Dec. 31, 2021	Change %	Mar. 31, 2022	Mar. 31, 2021	Change %
Revenue	4.32	3.22	34%	4.32	2.98	45%
EBITDA ¹	0.48	0.35	37%	0.48	0.62	23%
Income from operations	0.19	0.05	310%	0.19	0.34	-45%

All amounts in SAR billion unless otherwise stated, USD/SAR conversion used is 3.75. Certain figures and percentages included in this document have been subject to rounding adjustments.

¹Income from operations plus depreciation, amortization and impairment.

Revenue of SAR 4.32 billion [\$ 1.15 billion] was up by 34% quarter-over-quarter in the first quarter of 2022, driven primarily by higher sales volumes, which was offset partially by lower average sales prices. Average sales prices decreased by 5% and sales volumes increased by 39% in the first quarter of 2022 compared with the previous quarter. EBITDA of SAR 476 million [\$ 127 million] in the first quarter of 2022 was higher than SAR 347 million [\$ 92 million] in the fourth quarter of 2021 mainly due to improvement in the margin driven by higher sales volumes and lower operating cost.

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

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