

أرامكو السعودية  
saudi aramco



# H1 2021 Results

August 9, 2021

# Cautionary notes

IMPORTANT: The following applies to this presentation and associated slides by Saudi Arabian Oil Company (the “Company”) (collectively, the “Information”).

The Information contains forward-looking statements. All Information other than statements relating to historical or current facts included in the Information are forward-looking statements. Forward looking statements give the Company’s current expectations and projections relating to its capital expenditures and investments, major projects, upstream performance, including relative to peers, and growth in downstream and chemicals. These statements may include, without limitation, any statements preceded by, followed by or including words such as “target,” “believe,” “expect,” “aim,” “intend,” “may,” “anticipate,” “estimate,” “plan,” “project,” “will,” “can have,” “likely,” “should,” “would,” “could,” “continue,” “forward” and other words and terms of similar meaning or the negative thereof. Such forward-looking statements cannot be ascertained, as they involve known and unknown risks, uncertainties and other factors 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, including the following factors: international crude oil supply and demand and the price at which the Company is able to sell crude oil; the impact of natural disasters and public health pandemics or epidemics such as Coronavirus disease 2019 (COVID-19) on supply and demand for crude oil and general economic conditions; adverse economic or political developments that could impact the Company’s results of operations; competitive pressures faced by the Company; any significant deviation or changes in existing economic and operating conditions that could affect the estimated quantity and value of proved reserves; operational risks and hazards; losses from risks related to insufficient insurance; the Company’s ability to deliver on current and future projects; litigation to which the Company is or may be subject; the Company’s ability to realize benefits from recent and future acquisitions, including with respect to SABIC; risks related to international operations, including sanctions and trade restrictions, anti-bribery and anti-corruption laws and other laws and regulations; environmental regulations; the Company’s dependence on its senior management and key personnel; the reliability and security of the Company’s IT systems; climate change concerns and impacts; risks related to Government-directed projects; and other risks and uncertainties that could cause actual results to differ from the forward looking statements in the Information, as set forth in the Company’s latest periodic reports filed with the Tadawul. For additional information on the potential risks and uncertainties that could cause actual results to differ from the results predicted please see the Company’s latest periodic reports filed with the Tadawul. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which it will operate in the future.

The Information, including but not limited to forward-looking statements, applies only as of the date of this presentation and is not intended to give any assurances as to future results. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to the Information, including any financial data or forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law or regulation. No person should construe the Information as financial, tax or investment advice.

Undue reliance should not be placed on the forward-looking statements, and the Company, its managers and employees shall not be liable for any direct or indirect loss or damage that any person may incur due to their reliance on the forward-looking statements.

In addition, this presentation 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.

For a reconciliation to the nearest comparable IFRS measures, see: <https://www.aramco.com/-/media/publications/corporate-reports/saudi-aramco-q2-2021-non-ifsr-english.pdf>

Our non-IFRS financial measures may not be comparable to similarly titled measures presented by other companies.



**Amin Nasser**  
President & CEO

**Ziad Al-Murshed**  
CFO

# COVID-19: Care for employees and business continuity

## Workforce wellbeing is our top priority

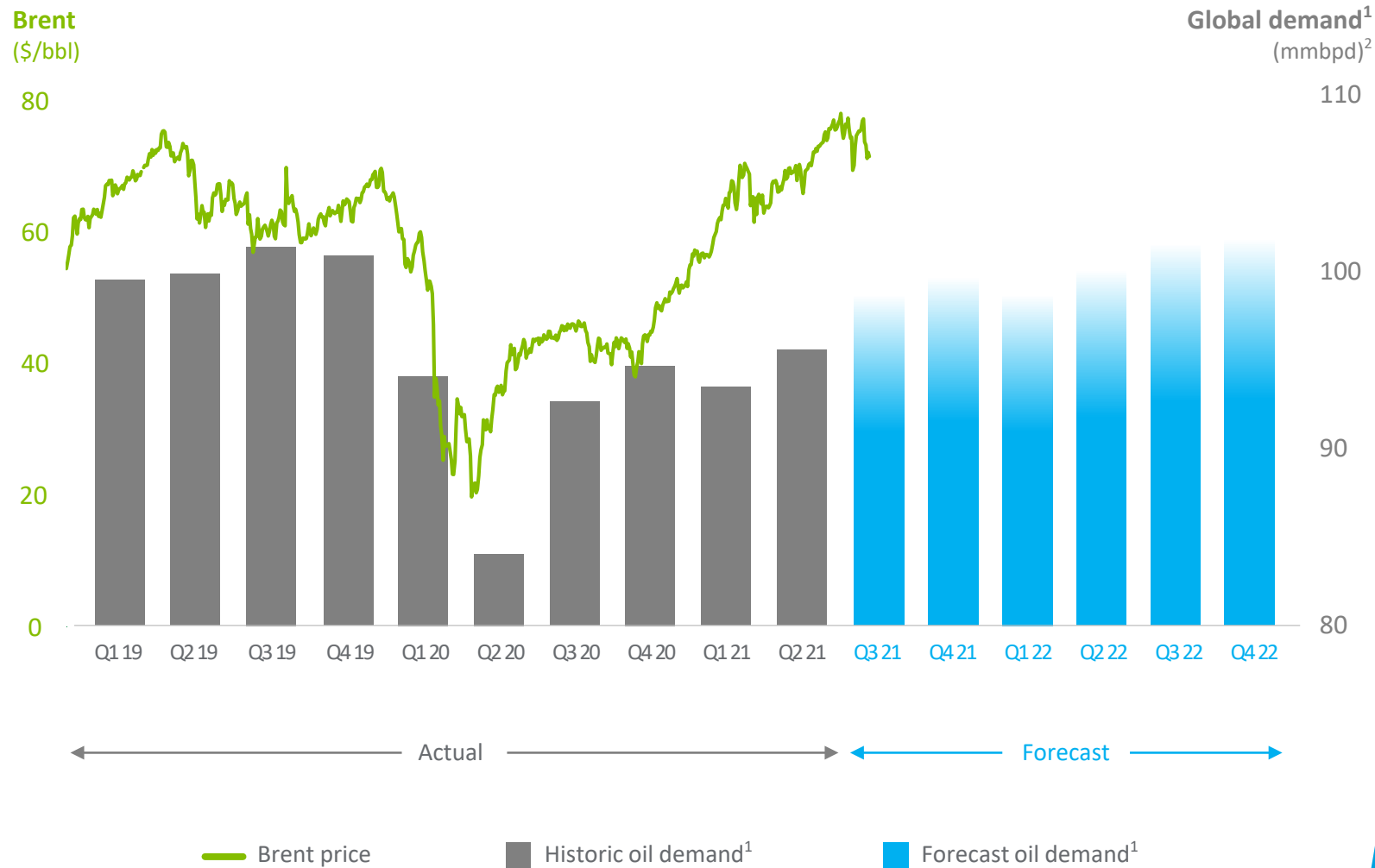
- Workplace practices evolving
- >95% workforce vaccinated
- >70% dependents vaccinated

## Business continuity

- Safe & uninterrupted operations
- Reliability of energy supplies



# Continued market recovery



1. Source: IEA, IHS Markit, EIA  
 2. mmbpd = million barrels per day



# H1 2021: delivering on our strategic objectives

## Business highlights



Completed 'Ain Dar & Fazran crude oil increments



Started up Jazan refinery



SABIC integration progress

- Synergies ahead of plan
- Optimized the go-to-market strategy for all products

## Portfolio



Portfolio optimization to maximize shareholder value

- Completed crude oil pipeline deal
- Pursuing other potential opportunities

## Financing



Optimizing capital structure

- Diversification of funding sources
- Expansion of investor base
- Issued inaugural international USD Sukuk

## People



Developing future capability

- Focus on new talent needs
- Launched Altamayyuz Finance & Accounting Excellence Academy; unique alliance with international partners

# SABIC integration

- SABIC stake accelerates Aramco's downstream strategy and leverages petrochemicals growth opportunities
- Expect to generate \$3bn-\$4bn of synergies by 2025
  - 2021 synergies progressing ahead of plan
  - Majority of efficiencies from:
    - Procurement
    - Sales & marketing
    - Supply chain
    - Stream integration
    - Feedstock optimization
    - Maintenance



# H1 2021 operational and financial performance

## ► Operational

### Hydrocarbon production

mmbod<sup>1</sup>

**11.6**

H1 2020: 12.7

### Crude oil production

mmbpd<sup>2</sup>

**8.6**

H1 2020: 9.5

## ► Financial

### Net income

\$Bn

**47.2**

H1 2020: 23.2

### Free cash flow<sup>3</sup>

\$Bn

**40.9**

H1 2020: 21.1

### Capital expenditure

\$Bn

**15.7**

H1 2020: 13.6

### Dividends paid

\$Bn

**37.5**

H1 2020: 32.1



1. mmbod= million barrels of oil equivalent per day

2. mmbpd= million barrels per day

3. Please refer to [www.saudiaramco.com/investors](http://www.saudiaramco.com/investors) for reconciliation of non-IFRS measures



# Net income: H1 2021 versus H1 2020

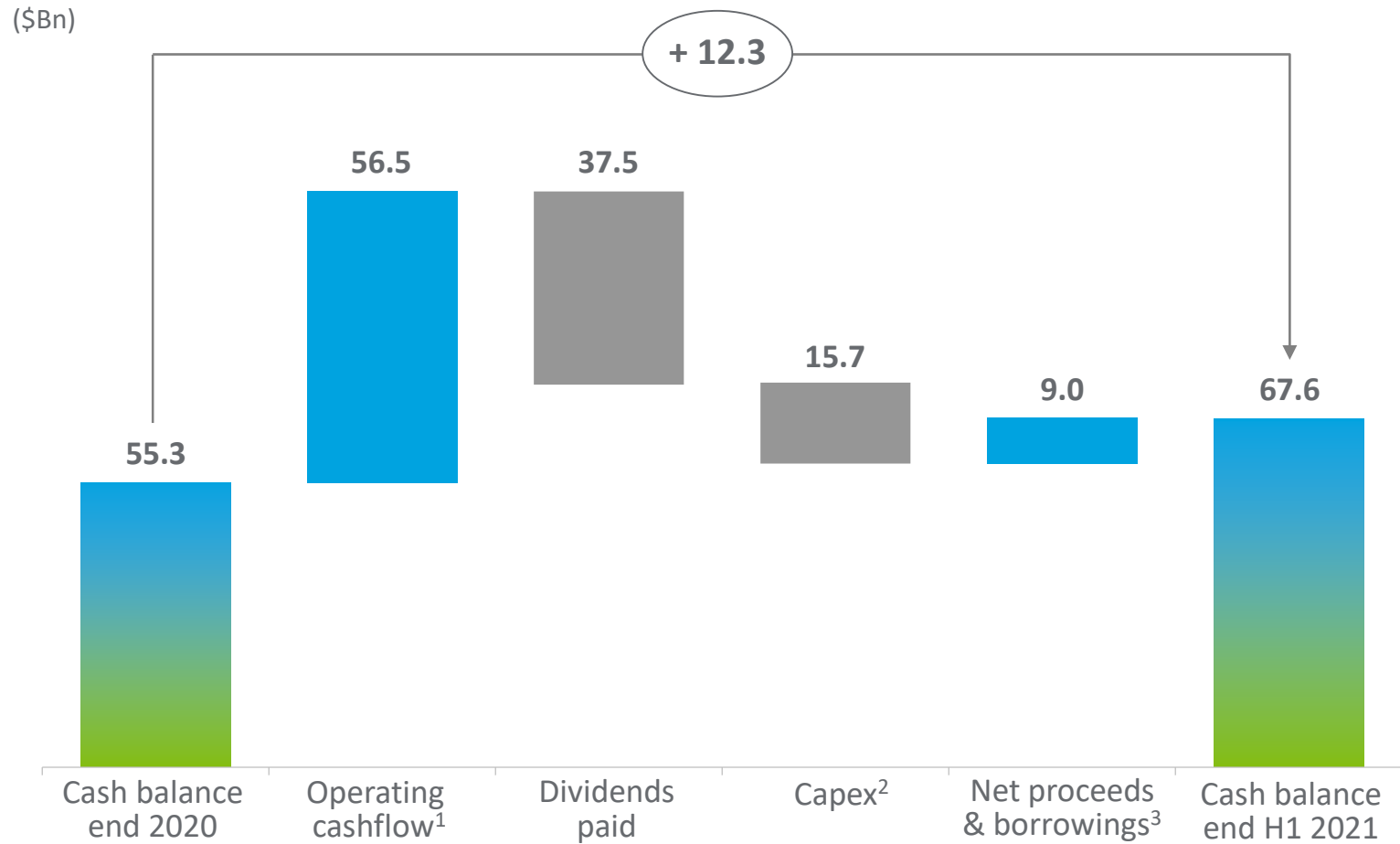
\$Bn, unless otherwise indicated	H1 2020	H1 2021	Δ	Key drivers
<i>Realized oil prices (\$/bbl)</i>	37.4	<b>64.1</b>	<b>26.7</b>	 <b>Upstream</b> <ul style="list-style-type: none"> <li>➤ \$26.7 / bbl increase in crude oil price</li> <li>➤ 1.1 mmboed lower hydrocarbon production</li> </ul>
<i>Hydrocarbon production (mmboed)</i>	12.7	<b>11.6</b>	<b>(1.1)</b>	
<i>Refining Industry Composite margin<sup>1</sup> (\$/bbl)</i>	1.7	<b>3.1</b>	<b>1.4</b>	
Upstream EBIT	52.3	<b>85.4</b>	<b>33.1</b>	 <b>Downstream</b> <ul style="list-style-type: none"> <li>➤ Consolidation of SABIC's results</li> <li>➤ Higher margins</li> <li>➤ Favorable inventory effects</li> </ul>
Downstream EBIT	(5.4)	<b>9.0</b>	<b>14.4</b>	
Corporate & eliminations EBIT	0.9	<b>(5.0)</b>	<b>(5.9)</b>	
<b>Group EBIT<sup>2</sup></b>	<b>47.8</b>	<b>89.5</b>	<b>41.7</b>	
Net finance cost	(0.5)	<b>(1.5)</b>	<b>(1.0)</b>	
Income taxes <sup>3</sup>	(24.1)	<b>(40.8)</b>	<b>(16.7)</b>	
<b>Group net income</b>	<b>23.2</b>	<b>47.2</b>	<b>24.0</b>	

1. Weighted average of refining market margins globally, using Saudi Aramco refining portfolio

2. Please refer to [www.saudiaramco.com/investors](http://www.saudiaramco.com/investors) for reconciliation of non-IFRS measures

3. Includes income taxes and zakat

# Cash position and gearing continues to improve



1. Operating cashflow refers to the net cash provided by operating activities item in the Consolidated Statement of Cash Flows

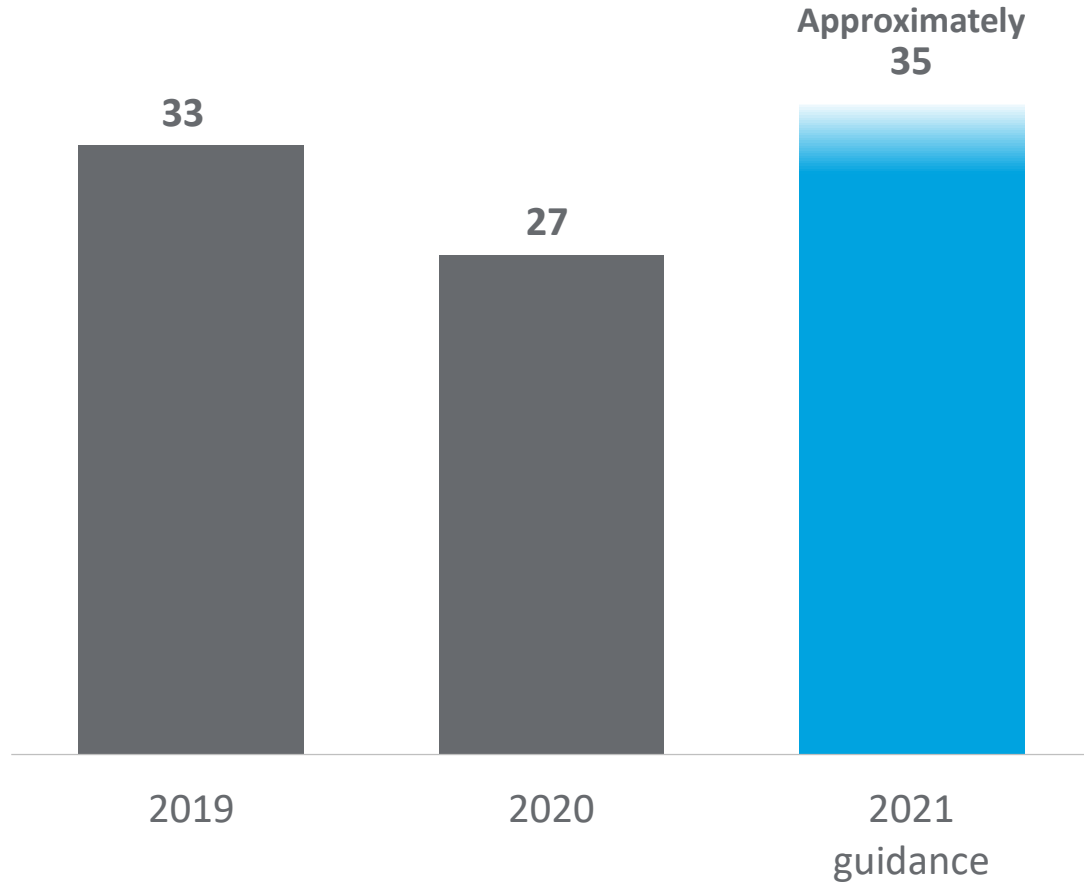
2. Capex refers to the capital expenditures line item in the Consolidated Statement of Cash Flows

3. Net proceeds & borrowings include \$12.4bn crude oil pipeline proceeds, \$6.0bn Sukuk proceeds, \$5bn payment to PIF for the SABIC stake, and the net of other cash flow items



# Investing for the future

Capex<sup>1</sup>  
(\$Bn)



1. Total capex refers to the capital expenditures line item in the Consolidated Statement of Cash Flows

- > Positive economic outlook
- > Underinvestment by industry
- > Flexible capital program
  - Responsive to market conditions
  - Unique ability to flex-up capex, with incremental supply from high-quality, low-carbon intensity resources
  - 2021 capex guidance c.30% higher year-on-year

# Accelerating growth: Shareek

- **Unique and significant opportunity to boost growth in line with Aramco's strategy**
  - Attractive incentives for domestic investments
  - Aligned with shareholder-value maximization
- **Facilitates partnership with domestic businesses**
  - Potential to further expand domestic supplier and customer ecosystem
  - Contributes to Kingdom's broader economic development



# Sustainable growth

## Liquids

- > Potential for continued volume growth, including expansion of MSC to 13mmbpd<sup>1</sup>
- > Advantaged low-cost, low-carbon resource base

## Gas

- > Meet growing captive domestic demand
- > Commercial returns
- > Feedstock for blue hydrogen plans

## Portfolio optimization

- > Optimizing capital employed towards higher-return projects
- > Retaining control of operations

## Downstream

- > Improving performance
  - SABIC integration
  - Asset transformation
  - Expanding global trading
- > Continuing to de-risk Upstream
  - Dedicated outlets for Arabian crude oil
  - Conversion of Arabian crude oil to chemicals

1. MSC = Maximum Sustainable Capacity of 13 million barrels per day

# Intensifying focus on affordable low-carbon energy

## ➤ Maintaining low-carbon intensity leadership

- 2020 upstream carbon intensity of 10.6 kg CO<sub>2</sub>/boe<sup>1</sup> versus OGCI<sup>2</sup> 2025 target of 20 kg CO<sub>2</sub>/boe

## ➤ Decarbonized energy

- Focus on potential rapid growth in hydrogen demand
- Taking advantage of high-quality, prolific reservoirs to develop large-scale, cost-competitive CCUS<sup>3</sup> opportunities
- Investment in renewable energy

1. boe = barrel of oil equivalent

2. OGCI group comprises of BP, Chevron, CNPC, ENI, Equinor, ExxonMobil, Oxy, Petrobras, Repsol, Saudi Aramco, Shell and TotalEnergie

3. CCUS = Carbon Capture Utilization & Storage



# Strong track record: positioned for future growth



- > Strategy on track; growing long-term shareholder value
- > Positive momentum in earnings and free cash flow
- > Portfolio optimization plans progressing
- > Further diversifying funding sources and expanding the investor base
- > Declared \$37.5bn H1 2021 dividend

# Questions & Answers

where energy is opportunity™

