



Press Release

Aramco announces second quarter and half-year 2020 results

Continued progress on strategy and commitment to dividend enabled by resilience and financial prudence

- *Net income: \$6.6 billion (Q2) / \$23.2 billion (H1)*
- *Cash flow from operating activities: \$12.3 billion (Q2) / \$34.8 billion (H1)*
- *Free cash flow*: \$6.1 billion (Q2) / \$21.1 billion (H1)*
- *Q1 dividend of \$18.75 billion paid in the second quarter; Q2 dividends of \$18.75 billion to be paid in the third quarter*
- *Completion of SABIC transaction is a milestone for Downstream growth strategy*

Dhahran, Saudi Arabia, August 9, 2020 – The Saudi Arabian Oil Company (“Aramco” or “the Company”) today announced its results for the second quarter and first half of 2020, highlighting the Company’s financial and operational resilience, and commitment to shareholders despite challenging market conditions caused by the COVID-19 pandemic.

Commenting on the results, Aramco President & CEO Amin H. Nasser, said:

“Despite COVID-19 bringing the world to a standstill, Aramco kept going. We have proven our financial resilience and operational reliability, setting a record in our business operations, while at the same time taking steps to ensure the health and safety of our people.

“Strong headwinds from reduced demand and lower oil prices are reflected in our second quarter results. Yet we delivered solid earnings because of our low production costs, unique scale, agile workforce, and unrivalled financial and operational strength. This helped us deliver on our plan to maintain a second quarter dividend of \$18.75 billion to be paid in the third quarter.

“We will continue to pursue our long-term growth and diversification strategy to capture unrealized and additional value from every hydrocarbon molecule we produce – driving global commerce and enhancing people’s lives. The completion of our historic acquisition of a 70% stake in SABIC is yet more evidence of that forward momentum and a testament to our healthy financial position.

“We are seeing a partial recovery in the energy market as countries around the world take steps to ease restrictions and reboot their economies. Meanwhile, we continue to place people’s safety first and have adapted to the new normal, implementing wide-ranging precautions to limit the spread of COVID-19 wherever we operate.

“We are determined to emerge from the pandemic stronger and will continue making progress on our long-term strategic journey, through ongoing investments in our business – which has one of the lowest upstream carbon footprints in the world.”

Financial Highlights

Despite continued global economic disruption and challenges facing the energy sector, Aramco continued to deliver on its commitment to shareholders by declaring a dividend of \$18.75 billion for the second quarter, compared to \$13.4 billion for the second quarter of 2019.

Aramco navigated challenging market conditions to record net income of \$6.6 billion for the second quarter and \$23.2 billion for the first half of 2020, respectively, compared to \$24.7 billion and \$46.9 billion in the corresponding periods of 2019. This demonstrates Aramco’s agility, strength and resilience across market cycles.

Free cash flow* was \$6.1 billion in the second quarter and \$21.1 billion for the first half of 2020, respectively, compared to \$20.6 billion and \$38.0 billion for the same periods in 2019.

The gearing ratio* was 20.1% at the end of June, mainly reflecting deferred consideration for the Saudi Basic Industries Corporation (SABIC) acquisition and the consolidation of SABIC’s net debt onto Aramco’s balance sheet.

Capital expenditure was \$6.2 billion in the second quarter and \$13.6 billion for the first half of 2020. Aramco continues to implement its capital spending optimization and efficiency program, and expects capital expenditure to be at the lower end of the \$25 billion to \$30 billion range for 2020.

Operational Highlights

The COVID-19 pandemic has spread rapidly throughout the world, resulting in substantial reductions in consumer and business activity and significantly reduced demand for crude oil, natural gas and petroleum products.

Under these challenging market conditions, Aramco continued its strong track record of reliable supply, achieving 99.8% reliability in the delivery of crude oil and other products in the second quarter of 2020.

The Company demonstrated reliable upstream performance with total hydrocarbon production of 12.7 million barrels per day of oil equivalent in the second quarter of 2020.

Aramco achieved a historic highest single day crude oil production of 12.1 million barrels on April 2, 2020.

To meet future global and domestic energy demand, Aramco continues to expand its gas business. In line with this strategy, the Fadhili Gas Plant reached its full production capacity of 2.5 billion standard cubic feet per day during the second quarter, after successfully completing its commissioning activities.

The Downstream business continues to deliver on its long-term strategy of strategic integration and diversification.

In June 2020, Aramco successfully completed the acquisition of a 70% stake in SABIC, for \$69.1 billion. SABIC is a world-class, diversified petrochemicals company with complementary chemicals capabilities. The acquisition enhances Aramco's existing Downstream portfolio, accelerates its petrochemicals growth, increases existing chemicals volumes and expands its international reach.

In July 2020, the Oil and Gas Climate Initiative (OGCI) member companies announced a target to reduce the average carbon intensity of their aggregated upstream oil and gas operations to between 20 kg and 21 kg of CO₂ equivalent per barrel of oil equivalent (CO₂e/boe) by 2025, from a collective baseline of 23 kg CO₂e/boe in 2017. Aramco, an OGCI member, achieved an upstream carbon intensity of 10.4 kg CO₂e/boe in 2019. The Company's Greenhouse Gas emissions were verified by an independent third party.

COVID-19 Update

Throughout the ongoing COVID-19 pandemic, Aramco has remained committed to the safety of its people, establishing protocols to monitor and limit the spread of COVID-19.

The Company has helped its people and communities around the world confront the virus through initiatives such as employee donation programs, medical support services and monetary contributions. Working with communities in each of its geographies, Aramco and its subsidiaries have provided much-needed equipment to hospitals, such as ventilators, high-efficiency air purifiers and personal protective equipment for frontline healthcare professionals.

Aramco has extended financial support to aid agencies around the world to help combat the spread of COVID-19. Aramco Overseas Company and Aramco's regional affiliates have made donations of \$6.7 million to organizations in the United States, Asia and Europe to support emergency workers and help protect vulnerable groups. This includes financial support to multiple food banks and to advance trials of treatments for COVID-19 patients.

In Saudi Arabia, Aramco has contributed over \$50 million to the Health Endowment Fund of the Ministry of Health to support efforts to combat COVID-19. It also matched an amount raised by Aramco employees through staff donations, with a total of \$3.5 million going towards the distribution of welfare supplies to more than 20,000 deserving households, including orphans and widows, across the Kingdom.

Despite the virus's impact on demand, the Company continues to place great importance on maintaining its industry-leading capabilities and operations, backed by its world-class supply chain, to ensure its customers' requirements are met.

Additional information on Aramco's support efforts and response to COVID-19 can be found in more detail on a dedicated webpage [here](#) and an official press release [here](#).

**Please refer to www.aramco.com/investors for reconciliation of non-IFRS measures*

Aramco will discuss its half-year financial results for 2020 in a webcast on August 10, 2020 at 3.30pm KSA / 1.30pm BST / 8.30am EST. The webcast will be available at www.aramco.com/investors.

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The information contained in the press release, including but not limited to forward-looking statements, applies only as of the date of this press release 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 press release, 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 press release as financial, tax or investment advice.

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