Saudi Aramco
H1 2020 Results

August 10, 2020
Cautionary notes

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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.saudiaramco.com/-/media/publications/corporate-reports/saudi-aramco-q2-2020-non-ifrs-english.pdf

Our non-IFRS financial measures may not be comparable to similarly titled measures presented by other companies.
COVID-19 response and update

Key strategies

- Proactive protective measures
  Getting ahead of the curve through prevention

- Business continuity focus
  Protecting and enabling operations

- Enhanced resilience and dynamic working patterns
  Leverage digital, communications, and remote working
Challenging macro-economic environment

Unprecedented reduction in global demand due to pandemic

Continued pressure on refining and chemicals margins

Emerging evidence of demand recovery in H2 2020

1. Source: IEA, IHS Markit, EIA
2. mmbpd = million barrels per day
3. Source: Refinitiv Datastream
4. IOC 5 = Five major International Oil Companies
H1 2020 milestones

Financial and capital markets

• Highest net income, dividends and Total Shareholder Return amongst major oil companies since IPO
• Dividend delivery: aggregate $37.5bn announced for Q1 and Q2

Operational reliability

• Historic peak daily crude production achieved without additional capital investment
• Maintained reliability of 99.8% with robust supply chain, while responding to challenges of COVID-19

Environmental stewardship

• Continued leadership in upstream carbon intensity
• Significant contribution to OGCI\(^1\) 2025 overall carbon intensity target of 20-21kg CO\(_2\)e/boe\(^2\)

Growth

• Completion of acquisition of 70% SABIC stake: transforms Saudi Aramco into major global petrochemicals player
• Added 2.5 bscfd\(^3\) to gas processing capacity with Fadhili Gas Plant reaching full capacity

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1. OGCI = Oil & Gas Climate Initiative
2. Kilograms of carbon dioxide (CO\(_2\)) equivalent per barrel of oil equivalent
3. bscfd = billion standard cubic feet per day
# H1 2020 operational and financial performance

## Operational

<table>
<thead>
<tr>
<th>Hydrocarbon production</th>
<th>12.7 mmboed(^1)</th>
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<tbody>
<tr>
<td>H1 2019: 13.2</td>
<td></td>
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<table>
<thead>
<tr>
<th>Crude production</th>
<th>9.5 mmbpd(^2)</th>
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<tr>
<td>H1 2019: 9.9</td>
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## Financial

<table>
<thead>
<tr>
<th>Net income</th>
<th>$23.2 bn</th>
</tr>
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<tr>
<td>H1 2019: $46.9 bn</td>
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<tr>
<th>Capital expenditure</th>
<th>$13.6 bn</th>
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<tr>
<td>H1 2019: $14.5 bn</td>
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<tr>
<th>Free cash flow(^3)</th>
<th>$21.1 bn</th>
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<td>H1 2019: $38.0 bn</td>
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<table>
<thead>
<tr>
<th>Dividends paid</th>
<th>$32.1 bn</th>
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<tr>
<td>H1 2019: $46.4 bn</td>
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1. mmboed = million barrels of oil equivalent per day
2. mmbpd = million barrels per day
3. Please refer to www.saudiaramco.com/investors for reconciliation of non-IFRS measures
Sources and uses of cash

### H1 2019

**Sources**
- Net cash flow from operations: $52 billion

**Uses**
- Capex: $46 billion

### H1 2020

**Sources**
- Net cash flow from operations: $35 billion

**Uses**
- Capex: $32 billion

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1. 2019 excludes proceeds from inaugural bond issue of $12.1bn and purchases of short-term investments
2. 2020 excludes maturities of short term investments of $11.6bn
Impact of SABIC acquisition

**Strategic impact**
- Positioned within top petrochemicals players globally
- Petrochemicals production of ~90 million tonnes combined\(^1\)

**Financing structure**
- Payment over eight years
- Dividends received from closing onwards

**Accounting treatment**
- Full consolidation
- Recognition of deferred payments in our debt and gearing

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1. 2019 data
Capital discipline and flexibility

- Capital spending remains under continuous scrutiny and review
  - 2020: lower end of $25-30bn range
  - 2021 and beyond under review: expected to be significantly lower than previous guidance
- Lowest capital intensity

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1. Total capex refers to the capital expenditures line item in the Consolidated Statement of Cash Flows
2. Includes SABIC
Shareholder distributions

($ billion)

- Intention to declare aggregate ordinary cash dividends of $75bn in respect of 2020 subject to Board approval

- Dividend prioritization for public shareholders
  - Downside protection

1. Intention to declare aggregate ordinary cash dividends of $75bn in respect of 2020 subject to Board approval
Financial strength across cycles

- Rigorous capital allocation process
- 5-15% target gearing across the cycle\(^1\)
- Dividend priority for public shareholders

1. Gearing calculated as net debt to net debt plus book equity
Committed to value creation

- Resilient financial performance
- Responsive to changing environment
- 2020 capital spending lowered
- Intention to declare $75bn dividend

1. Subject to Board approval
Sustainable and growing free cash flow

Liquids
- Potential for continued volume growth
- Advantaged low cost, low carbon resource base

Gas
- Meet growing domestic demand
- Commercial returns

Downstream
- Enhancing performance
  - Asset optimization
  - SABIC integration
  - Expanding global trading
Questions & Answers