

# Saudi Aramco H1 2020 Results

August 10, 2020



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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.

# Amin Nasser

President & CEO



# COVID-19 response and update

## Key strategies

### Proactive protective measures

Getting ahead of the curve through prevention

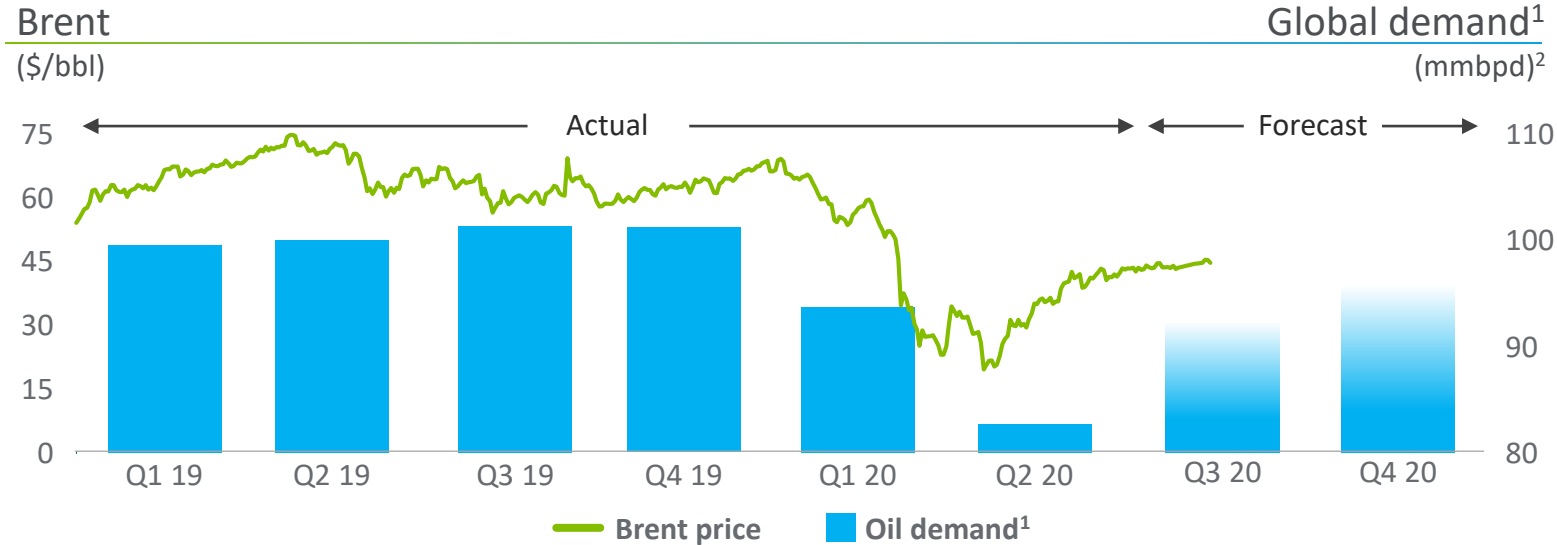
### Business continuity focus

Protecting and enabling operations

### Enhanced resilience and dynamic working patterns

Leverage digital, communications, and remote working

# Challenging macro-economic environment

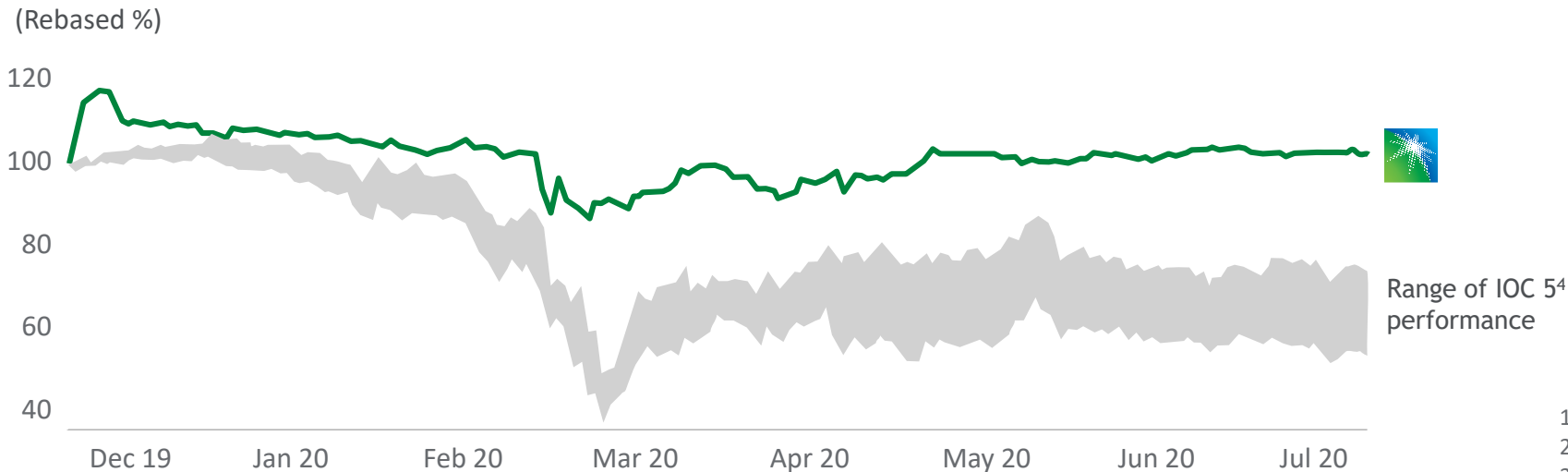


Unprecedented reduction in global demand due to pandemic

Continued pressure on refining and chemicals margins

Emerging evidence of demand recovery in H2 2020

## Share price performance<sup>3</sup>



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



## Environmental stewardship

- Continued leadership in upstream carbon intensity
- Significant contribution to OGCI<sup>1</sup> 2025 overall carbon intensity target of 20-21kg CO<sub>2</sub>e/boe<sup>2</sup>



## 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



## Growth

- Completion of acquisition of 70% SABIC stake: transforms Saudi Aramco into major global petrochemicals player
- Added 2.5 bscfd<sup>3</sup> to gas processing capacity with Fadhili Gas Plant reaching full capacity

1. OGCI = Oil & Gas Climate Initiative  
2. Kilograms of carbon dioxide (CO<sub>2</sub>) equivalent per barrel of oil equivalent  
3. bscfd = billion standard cubic feet per day

# Khalid Al-Dabbagh

CFO

# H1 2020 operational and financial performance



## Operational

Hydrocarbon production

**12.7** mmboed<sup>1</sup>

H1 2019: 13.2

Crude production

**9.5** mmbpd<sup>2</sup>

H1 2019: 9.9

## Financial

Net income

**\$23.2** bn

H1 2019: \$46.9bn

Capital expenditure

**\$13.6** bn

H1 2019: \$14.5bn

Free cash flow<sup>3</sup>

**\$21.1** bn

H1 2019: \$38.0bn

Dividends paid

**\$32.1** bn

H1 2019: \$46.4bn

1. mmboed = million barrels of oil equivalent per day

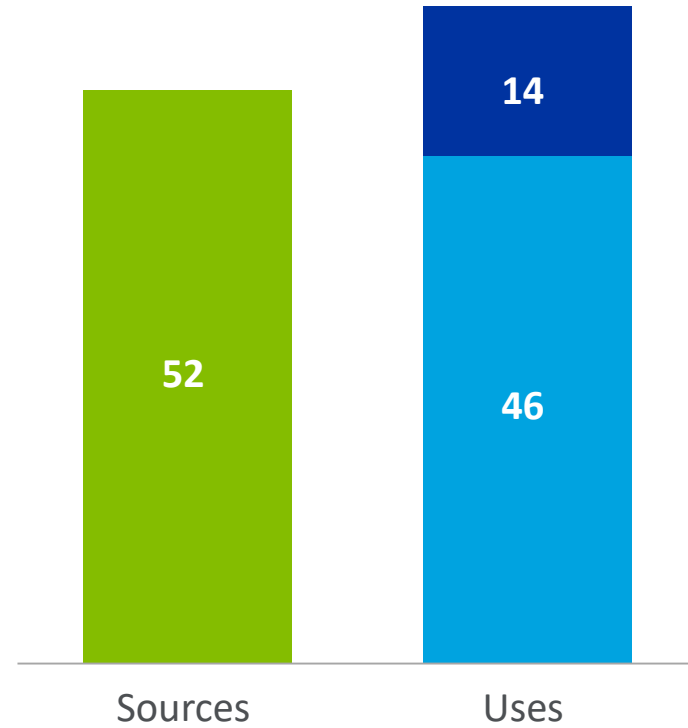
2. mmbpd = million barrels per day

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

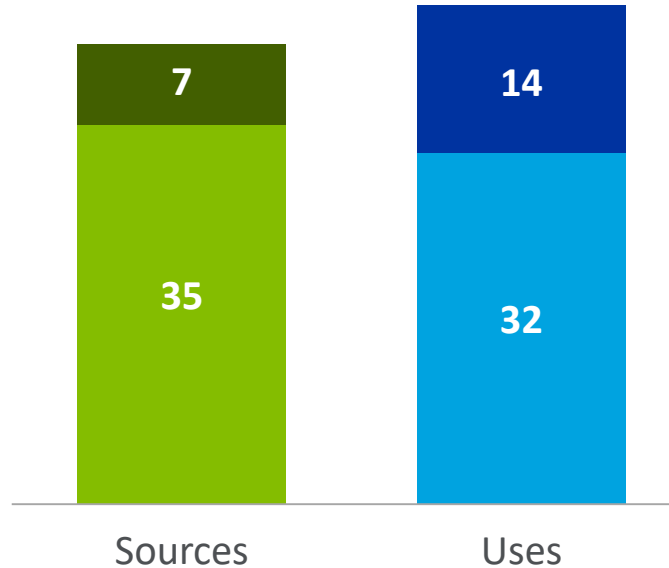


# Sources and uses of cash

H1 2019<sup>1</sup>  
(\$ billion)



H1 2020<sup>2</sup>  
(\$ billion)



■ Net cash flow from operations    
 ■ Capex    
 ■ Cash acquired on acquisition    
 ■ Dividends

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<sup>1</sup>

## Financing structure

- Payment over eight years
- Dividends received from closing onwards

## Accounting treatment

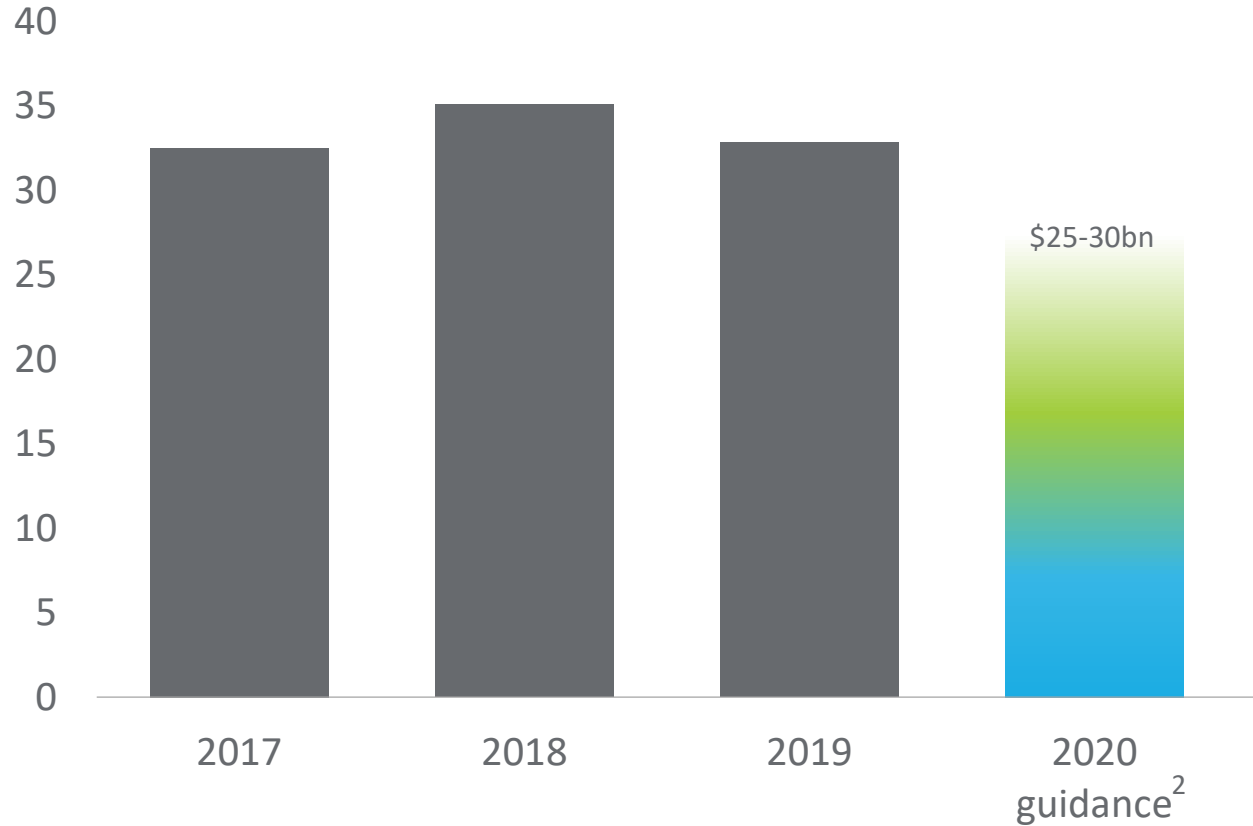
- Full consolidation
- Recognition of deferred payments in our debt and gearing

1. 2019 data



# Capital discipline and flexibility

Total capex<sup>1</sup>  
(\$ billion)



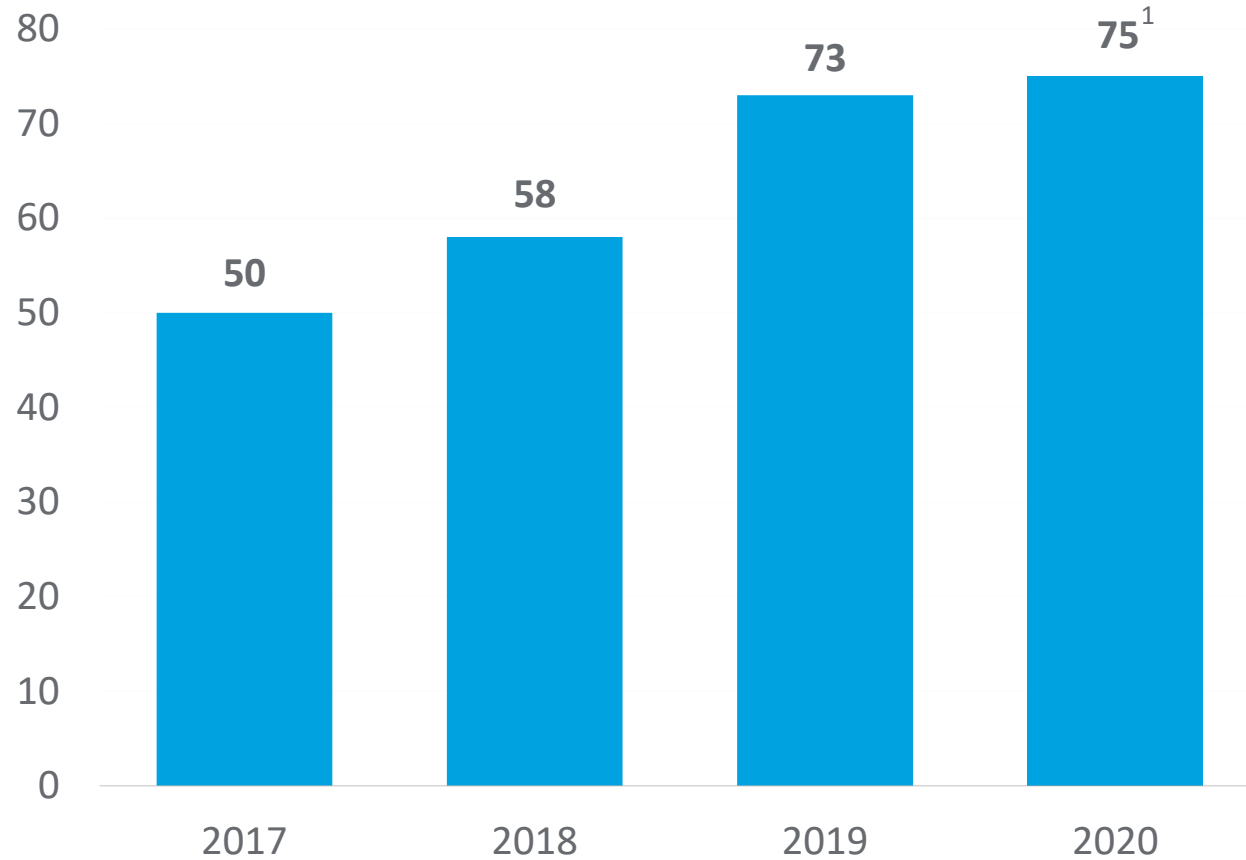
- Capital spending remains under continuous scrutiny and review
  - 2020: lower end of \$25-30bn range<sup>2</sup>
  - 2021 and beyond under review: expected to be significantly lower than previous guidance
- Lowest capital intensity

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<sup>1</sup>
- 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<sup>1</sup>

1. Subject to Board approval

# Amin Nasser

President & CEO

# 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

