

أرامكو السعودية  
saudi aramco



# FY 2020 Results

March 22, 2021

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For a reconciliation to the nearest comparable IFRS measures, see: <https://www.saudiaramco.com/-/media/publications/corporate-reports/saudi-aramco-fy-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: Care for employees and communities

- Workforce safety, health and wellbeing is our top priority
- Dedicated taskforce on virus prevention and containment
- Supported communities in which we operate globally

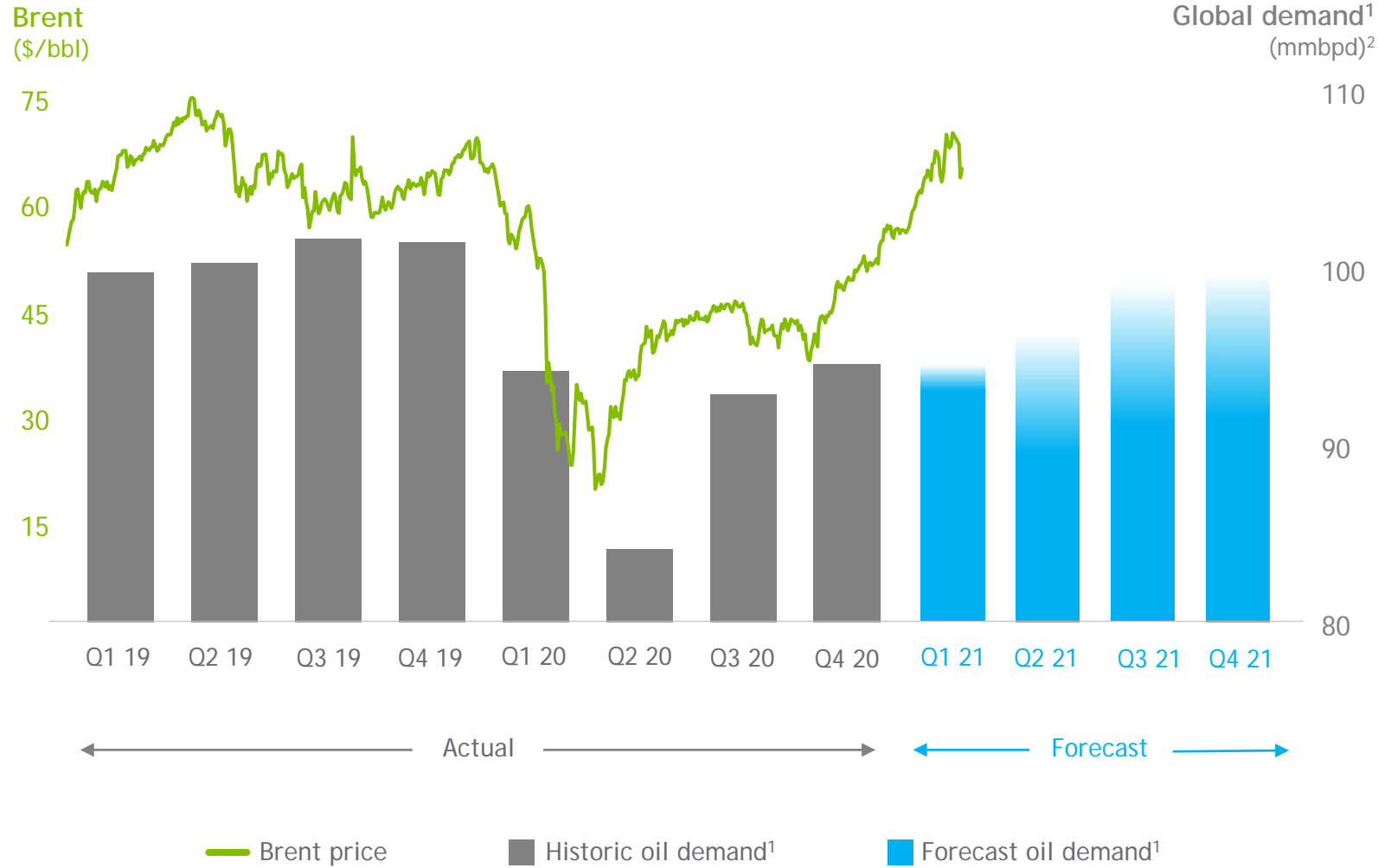


# COVID-19: Focus on business continuity

- Proactive approach to maintain safe operations: activated contingency plans
- Capability for 55,000 employees to work remotely
- Project execution not impacted



# Succeeding in a challenging environment



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



# Continuing to deliver during an extremely challenging 2020

## Operational reliability



- Delivered record daily crude and gas production
- Reliability of 99.9%<sup>1</sup>

## Environmental stewardship



- Maintained leadership in upstream carbon intensity
- World's first cargo of hydrogen delivered to Japan as blue ammonia

## Growth



- Completed acquisition of 70% SABIC stake
- Development of Jafurah gas field approved
- Started detailed work to increase MSC<sup>2</sup> to 13mmbpd<sup>3</sup>

1. For Saudi Arabian Oil Company  
2. MSC = Maximum Sustainable Capacity  
3. mmbpd = million barrels per day




Khalid Al-Dabbagh


CFO




# Highlights of first year post-IPO

## Performing as a public company

 Declared \$75bn dividend

 Paid quarterly dividends to 1.4+ million retail shareholders

 2 Earnings Calls; 67 Tadawul & LSE disclosures

 First Annual Report including Sustainability Chapter

## Unparalleled total shareholder return<sup>1</sup> (%)



## Strong investor confidence

### ▶ Successful bond issuance

- 10x oversubscription
- Largest 50 year bond issuance ever

### ▶ Wider investor base

- Added 150 new investors
- Attracted 25% Asian investors

## Recognized performance

### ▶ Several prestigious awards and recognitions



Water Management Technology Award



Khurais Lighthouse Award

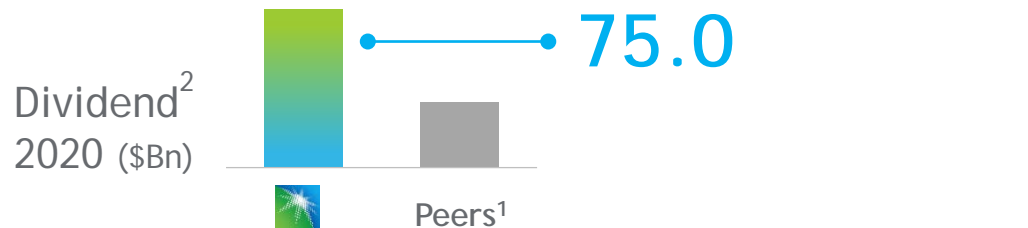
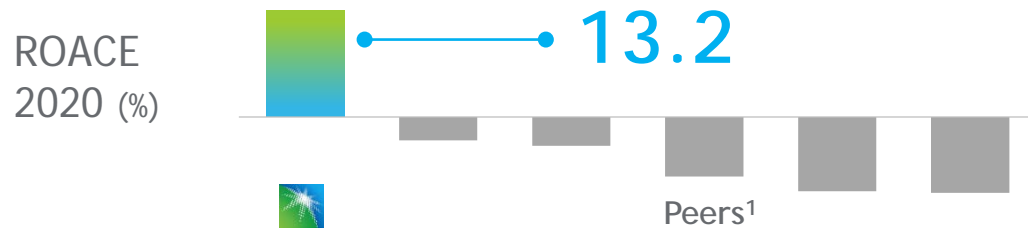
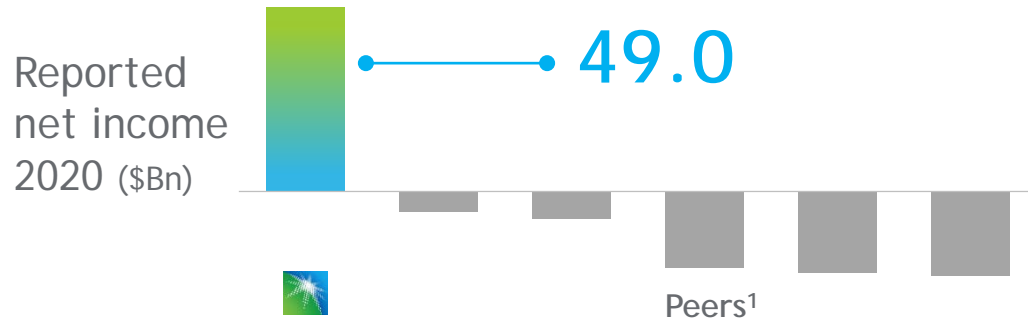


The Chemists' Club  
**Kavaler Award**

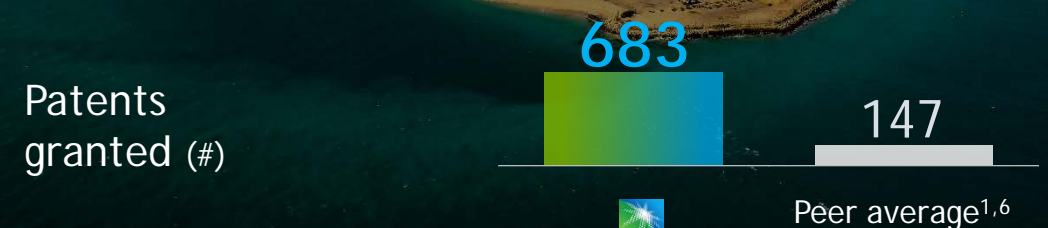
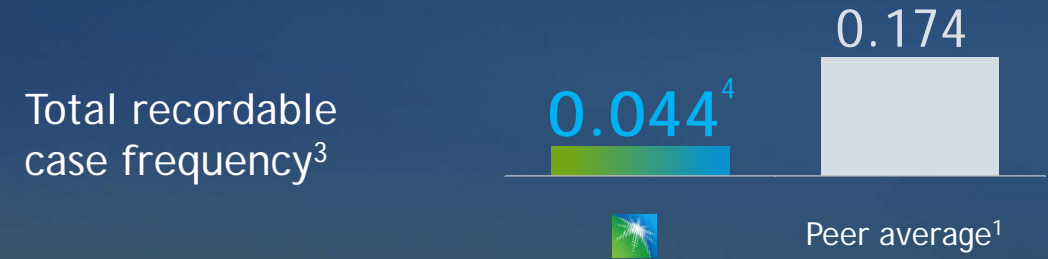
1. Source: Bloomberg. From Saudi Aramco IPO to December 31, 2020  
2. Peers are BP, Chevron, ExxonMobil, Shell & Total

# Differentiated energy company

## ► Financial



## ► Operational



Source: Company filings

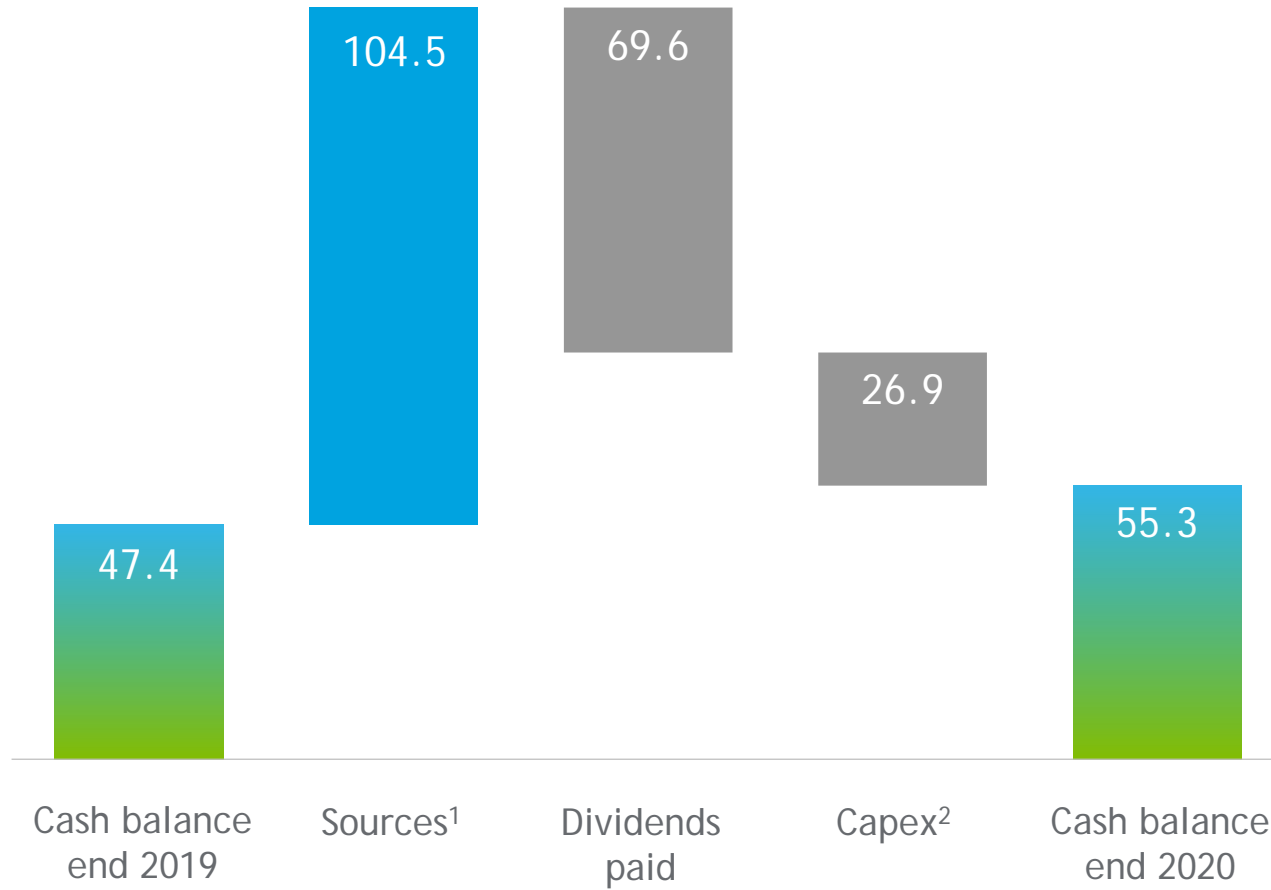
1. Peers are BP, Chevron, ExxonMobil, Shell & Total. Operational metrics use latest available data (2019)

2. Dividend declared

3. Saudi Arabian Oil Company, total workforce (employees & contractors), per 200,000 man-hours  
 4. 2020 figure is estimated and subject to change upon completion of third party data verification  
 5. OGCI group comprises of BP, Chevron, CNPC, ENI, Equinor, Exxon, Oxy, Petrobras, Repsol, Saudi Aramco, Shell and Total. OGCI based on latest available data (2019)  
 6. Source: US Patents Office

# Cash position improved despite challenging environment

(\$Bn)

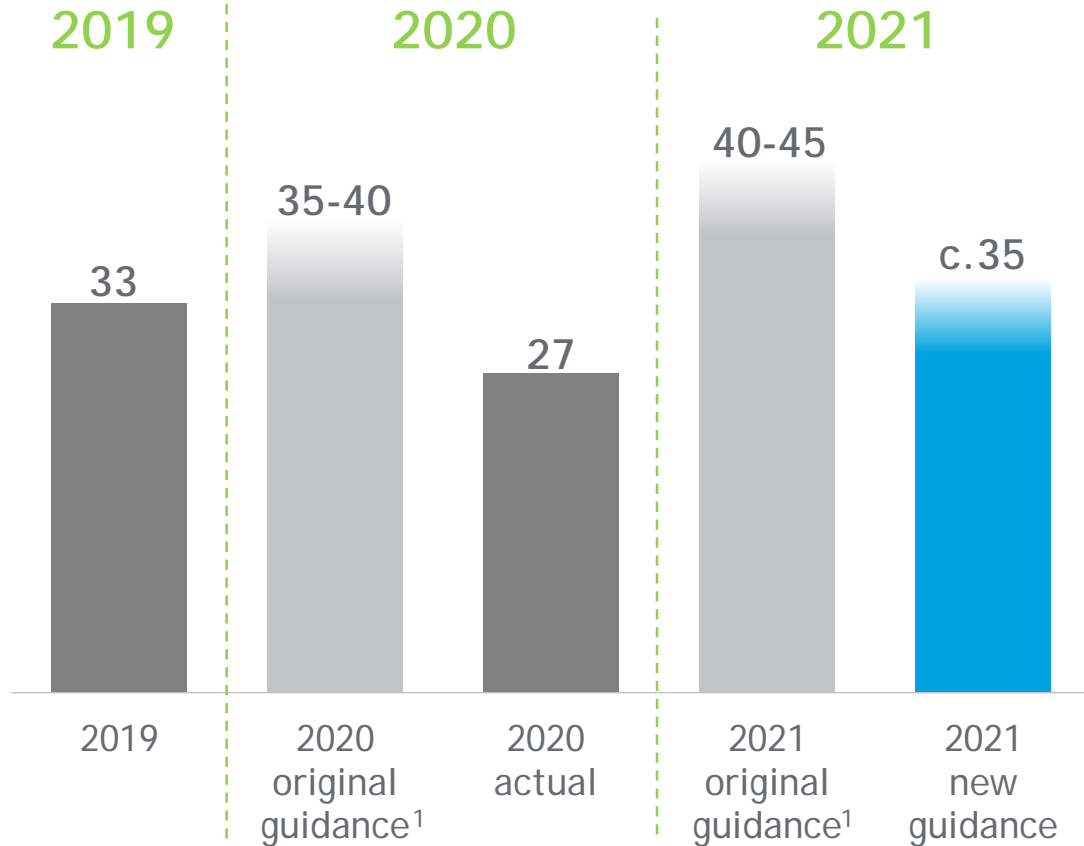


1. Sources includes net cash provided by operating activities, net maturities of short term investments, net borrowings & interest paid, cash acquired on SABIC acquisition, and other items  
 2. Capex refers to the capital expenditures line item in the Consolidated Statement of Cash Flows



# Capital discipline and flexibility

Capex  
(\$Bn)



- Continuing highly disciplined approach to capital allocation
- Low upstream capital intensity of \$4.0 per boe<sup>2,3,4</sup>
- Low upstream cost per barrel<sup>5</sup> of \$7.0 per boe<sup>4</sup>

1. Original capex guidance provided at the time of the IPO on 5th December 2019  
2. Compared to 5 international oil companies (BP, Chevron, ExxonMobil, Shell & Total)  
3. Upstream capital intensity = upstream capex (excluding exploration spend) divided by total hydrocarbon production  
4. boe: barrel of oil equivalent  
5. Upstream cost per boe = lifting cost per boe plus upstream capex per boe (excluding exploration spend)

# Delivering shareholder value

- > Delivered solid earnings and cash balance
- > Declared \$75bn dividend
- > Maintained strong balance sheet and stand alone credit rating
- > Investor confidence:
  - Share price resilience
  - Significantly oversubscribed bond issuance
  - Shows trust in long-term prospects



# Going forward: 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
  - SABIC integration
  - Asset optimization
  - Expanding global trading





Amin Nasser

President & CEO

# Sustainability proposition

## Focus areas



Climate change



Minimizing  
environmental impact



Accelerating  
human potential



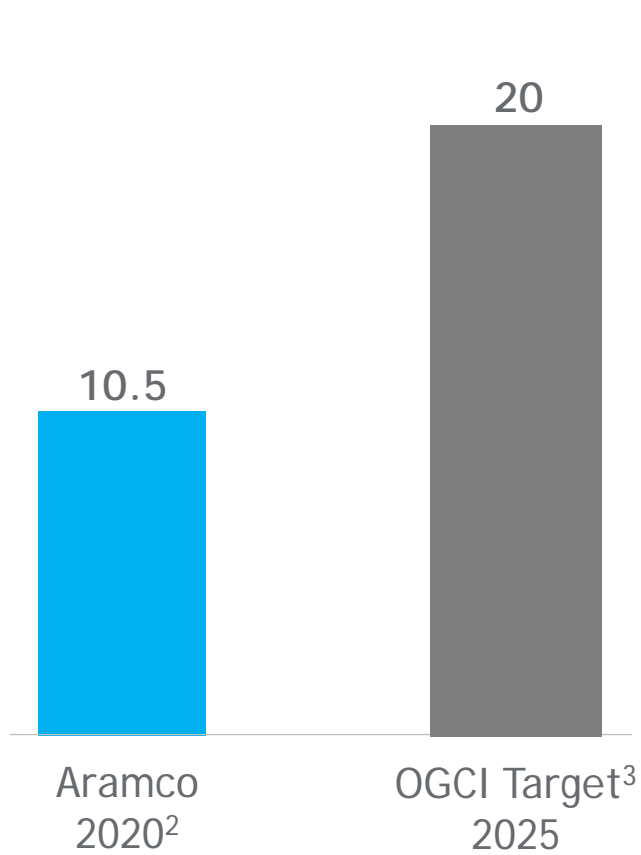
Growing  
societal value

- > A framework encompassing four key focus areas
- > Sustainability KPIs on Corporate Scorecard for management remuneration

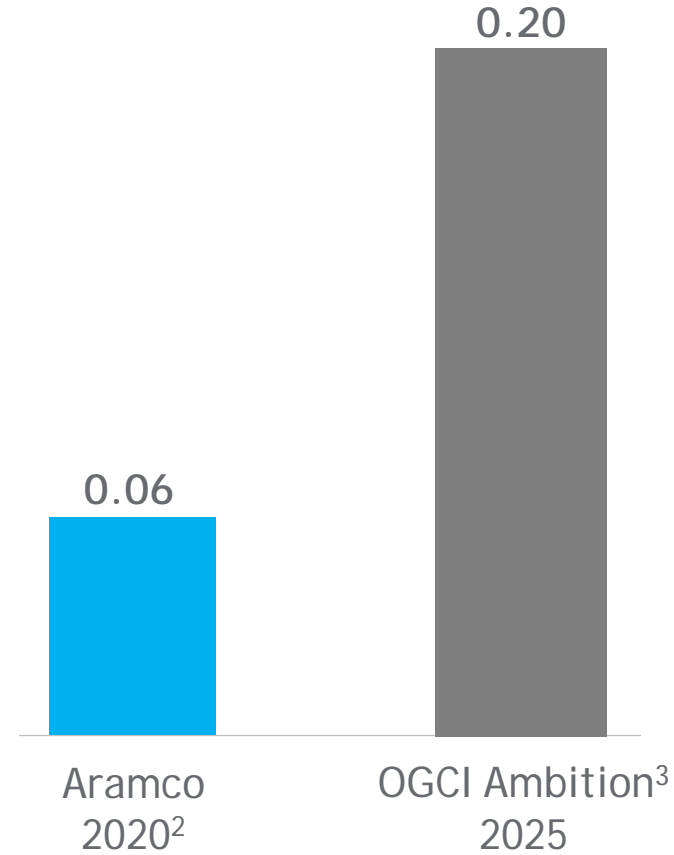


# A leader in low carbon oil today

Upstream carbon intensity<sup>1</sup>  
(kg CO<sub>2</sub>e/boe)



Upstream methane intensity  
(%)



Note: low carbon refers to emissions in connection with upstream activities

1. Scope 1 and Scope 2 emissions

2. In-Kingdom wholly owned operated upstream assets. 2020 figures are estimates and are subject to change upon completion of third party data verification

3. OGCI group comprises of BP, Chevron, CNPC, ENI, Equinor, Exxon, Oxy, Petrobras, Repsol, Saudi Aramco, Shell and Total



# Goal: leadership in future decarbonized and affordable energy

## Hydrogen

- Focus on potential rapid growth in hydrogen demand
- Aramco advantages:
  - Low cost feedstock, including gas
  - Large scale cost competitive CCUS<sup>1</sup> potential due to
    - Advantaged geology
    - Integrated operational platform
    - Economies of scale
- First shipment of blue ammonia delivered to Japan

1. CCUS = Carbon Capture Utilization & Storage



Our strengths: one of world's largest energy resources, lowest cost, lowest upstream carbon intensity, focus on technology & sustainability, enabled by human capital

Investing  
for the  
future



# Questions & Answers



where energy is opportunity™



# Appendix

# Strategy

1

Maintain position as the world's largest crude oil producer by production volume and one of the lowest cost producers, while providing reliable, low carbon intensity crude oil supply to customers

2

Capture value from further strategic integration and diversification of downstream operations

3

Expand gas activities

4

Expand global recognition of brands

5

Efficiently allocate capital and maintain prudent and flexible balance sheet

6

Deliver sustainable and growing dividends through crude oil price cycles

7

Operate sustainably by leveraging technology and innovation



# FY 2020 Upstream milestones

## Crude

- › Maintained MSC at 12.0 mmbpd
- › Al-Khafji operations resumed
- › Marjan and Berri increments construction started
- › Phase 1 of Dammam development project commenced
- › Ain Dar and Farzan increments in advanced stages of completion

## Exploration

- › Discovered seven new fields and one new reservoir

## Gas

- › Added 2.5 bscfd to gas processing capacity with Fadhili Gas Plant reaching full capacity
- › Uthmaniyah gas plant completed
- › Hawiyah Unayzah reservoir gas storage project and Tanajib gas plant started construction
- › Haradh gas increment processing facilities and Hawiyah gas plant expansion project construction ongoing

## Unconventionals

- › Regulatory approval for the development of Jafurah



# FY 2020 Downstream milestones

## Downstream

- › Completed acquisition of a majority stake in SABIC
  - Transforms Aramco into a major global petrochemical player
  - Operations in more than 50 countries
- › Key role supporting highest single day crude oil production
- › Jazan Refinery Complex online in 2021
- › One of the primary marketers of base oils globally
- › Successfully completed world's first shipment of high-grade blue ammonia
- › Continued to expand Aramco brand recognition





# FY 2020 operational and financial highlights

## ► Operational

Hydrocarbon production  
mmboed<sup>1</sup>

**12.4**

FY 2019: 13.2

Crude production  
mmbpd<sup>2</sup>

**9.2**

FY 2019: 9.9

## ► Financial

Free cash flow<sup>3</sup>  
\$Bn

**49.1**

FY 2019: \$78.3bn

Capital expenditure  
\$Bn

**26.9**

FY 2019: \$32.8bn

Upstream cost per barrel<sup>4</sup>  
\$/boe

**7.0**

FY 2019: \$7.5

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

4. Upstream cost per boe = lifting cost per boe plus upstream capex per boe (excluding exploration spend)



# Net income: 2020 versus 2019

\$Bn, unless otherwise indicated	2019	2020
<i>Realized oil prices (\$/bbl)</i>	64.6	40.6
<i>Hydrocarbon production (mmbaed)</i>	13.2	12.4
<i>Refining Industry Composite margin<sup>1</sup> (\$/bbl)</i>	5.2	1.3
Upstream EBIT	184.0	110.2
Downstream EBIT	(0.9)	(5.4)
Corporate & eliminations	(5.1)	(3.4)
<b>Group EBIT<sup>2</sup></b>	<b>177.9</b>	<b>101.4</b>
Income taxes <sup>3</sup>	(89.6)	(50.3)
Other <sup>4</sup>	(0.1)	(2.1)
<b>Group net income</b>	<b>88.2</b>	<b>49.0</b>

Key drivers
 <b>Upstream</b> <ul style="list-style-type: none"> <li>➤ \$24/bbl decrease in crude price</li> <li>➤ 0.8 mmbd lower production</li> </ul>
 <b>Downstream</b> <ul style="list-style-type: none"> <li>➤ Lower margins and unfavorable inventory effects</li> </ul>

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  
4. Other mainly includes share of results of JVs & associates, and net finance costs