



# FY 2022 Results

March 13, 2023

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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.aramco.com/-/media/publications/corporate-reports/saudi-aramco-fy-2022-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

# Aramco: delivering on its advantaged position

- 2022 net income of \$161bn and free cash flow of \$149bn, both records since IPO

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- Increased production, maintained flexibility and reliability through changing market conditions

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- Executing largest capital expenditure program in our history with key milestones on track

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- Continued financial discipline and strengthened balance sheet

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- Confident in mid to long-term oil demand

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- Progressing a practical and orderly energy transition



# Oil demand expected to grow despite macro downside risks

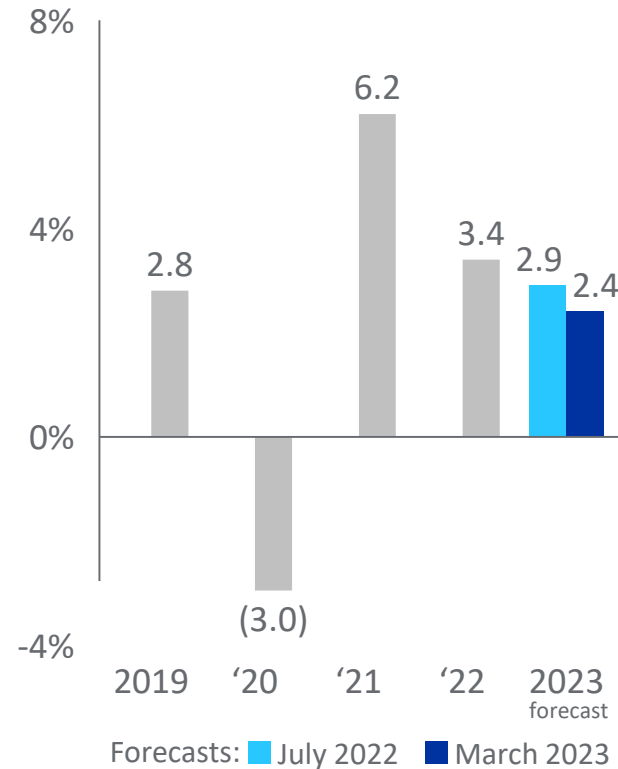
**US inflation rate<sup>1</sup>**  
(year-on-year)

> Inflation is easing, but remains high



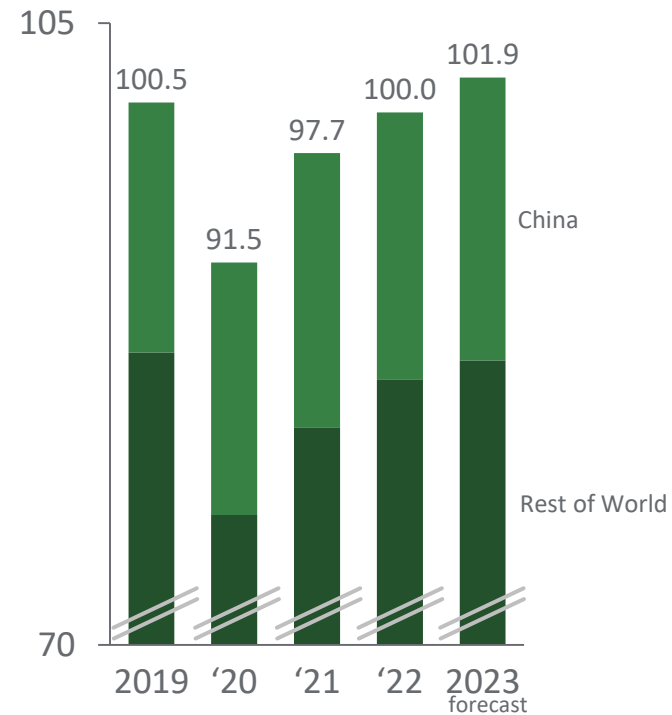
**World GDP growth<sup>2</sup>**  
(Real, year-on-year)

> Economic growth forecasts being revised down



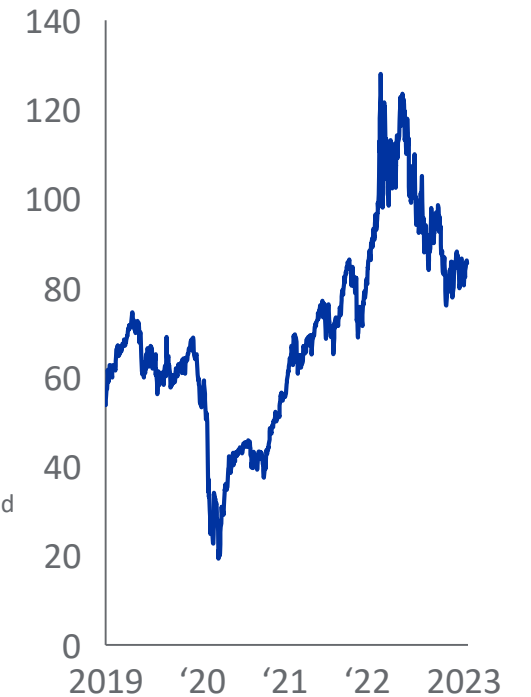
**Oil demand<sup>3</sup>**  
(mmbpd)<sup>4</sup>

> Oil demand still expected to grow



**Brent oil price<sup>2</sup>**  
(\$/bbl)

> Oil price volatility continues

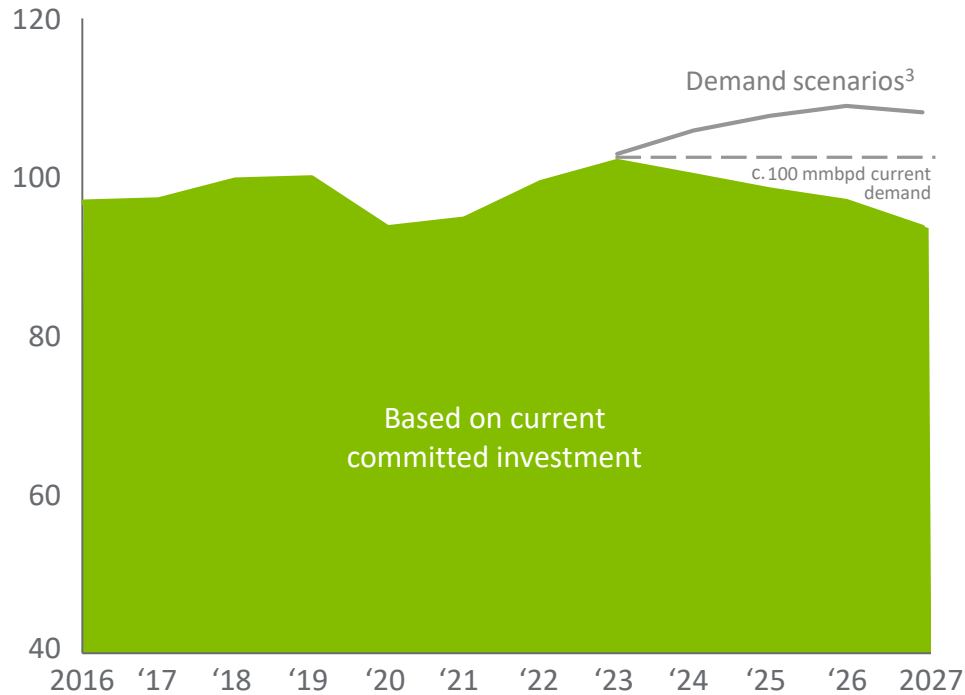


1. Source: U.S. Bureau of Labor Statistics  
 2. Source: Bloomberg  
 3. Source: IEA  
 4. mmbpd = million barrels per day

# Need for further investment to meet demand

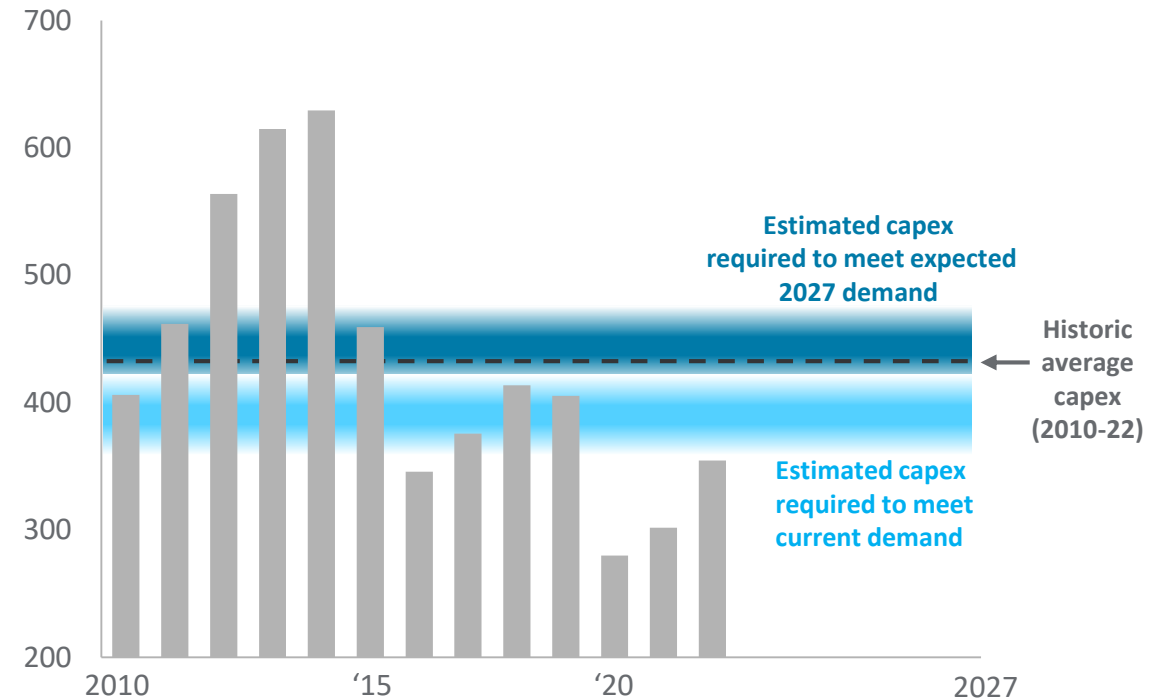
## Natural production decline impacting supply

Oil supply outlook<sup>1</sup> (mmbpd)<sup>2</sup>



## An industry in need of investment

Global oil capital expenditure<sup>4</sup> (\$bn)



> Substantial investment required to offset natural decline

> Low-cost, low upstream carbon intensity barrels needed through energy transition

> Upstream investment remains below required levels

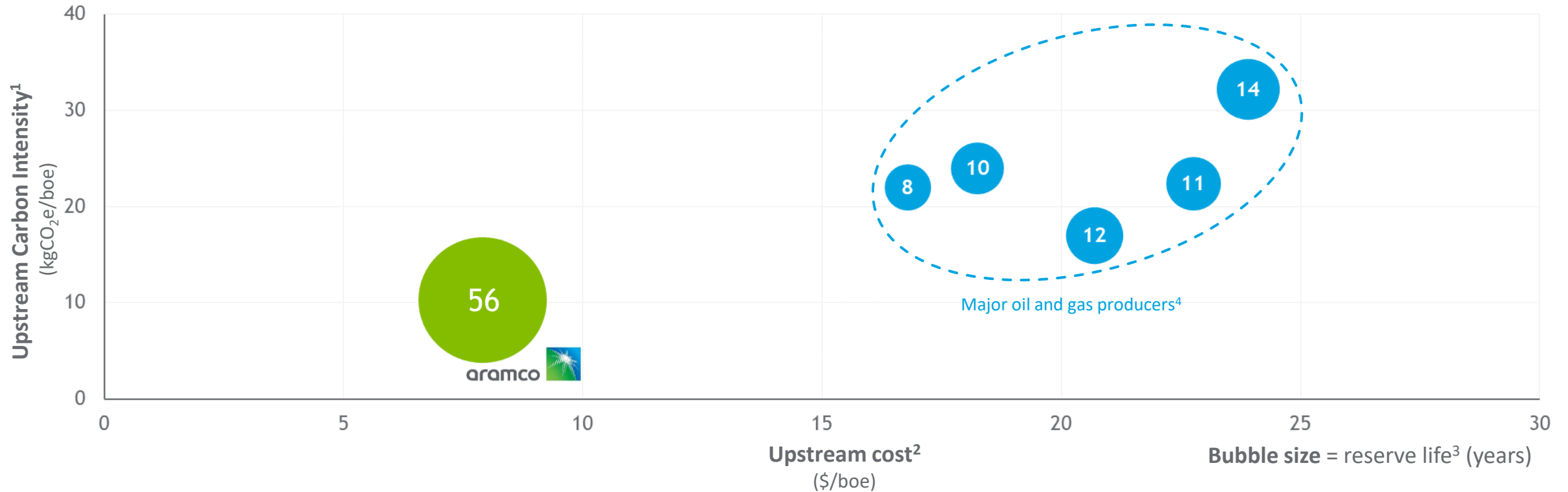
1. Source: Rystad: includes crude oil, condensate, NGLs, biofuels, refinery gains  
 2. mmbpd = million barrels per day  
 3. Source: Rystad  
 4. Rystad historic capex. 2023- 2030 based on IEA global oil capex

# Sustainably supplying reliable, affordable energy

> Long-term, prudent reservoir management

> Investing for technical excellence

> Enduring competitive advantage








Source: Company information, IHS Markit as of October 2022, FactSet as of October 2022. Note: Bubble size denotes magnitude of reserve life in years (for BP, excluding reserves and production attributed to stake in Rosneft)  
 1. Based on reported 2022 operated upstream carbon intensities for Aramco, and reported 2021 operated upstream carbon intensities for TotalEnergies, Shell, BP, Chevron and ExxonMobil  
 2. 2021 upstream lifting costs plus upstream capex

3. Based on proven reserves (as of 31 December 2021) divided by annual production for 2021. For Aramco, based on proven reserves of 253.6 bnboe as of 31 December 2021 (based on the initial 40-year period and 20-year extension of the Concession) divided by annual total hydrocarbon production (12.3 mmoed) for 2021  
 4. Major oil and gas producers represented by the five largest international oil companies

# Resilient growth strategy to maximize long-term value

## Strategic drivers

## Growth strategy

<p>Industry underinvestment</p>	 Crude oil	<p>Expanding production capacity to 13mmbpd<sup>1</sup> by 2027; leveraging our low-cost, low upstream carbon intensity crude oil</p>
<p>Global chemicals demand growth</p>	 Downstream	<p>Expanding gas production by more than 50% by 2030<sup>2</sup>; further increasing liquids supply</p>
<p>Energy transition</p>	 Low-carbon fuels & solutions	<p>Enabling and de-risking upstream; long-term goal of liquids-to-chemicals throughput increasing to 4mmbpd</p>
<p>Supply chain resilience</p>	 Net-zero emissions	<p>Developing low-carbon fuels and solutions including hydrogen; aiming to be among global leaders in CCUS<sup>3</sup>, and investing in renewables</p>
<p>Market volatility</p>	 Capital structure	<p>Interim targets to achieve net-zero ambition by 2050<sup>4</sup>; near-zero methane emissions &amp; zero routine flaring by 2030<sup>5</sup></p>
		<p>Robust domestic ecosystem supporting competitiveness and resilience through iktva<sup>6</sup> and Namaat</p>
		<p>Strong balance sheet enabling investment through cycles</p>

1. mmbpd = million barrels per day

2. Sales gas growth vs. 2021 levels; subject to domestic demand, including Aramco's low-carbon hydrogen business

3. CCUS = Carbon Capture Utilization and Storage

4. Net-zero Scope 1 and Scope 2 greenhouse gas emissions across our wholly-owned operated assets by 2050

5. Commitment to OGCI near zero upstream methane intensity by 2030, and commitment to World Bank Zero Routine Flaring by 2030

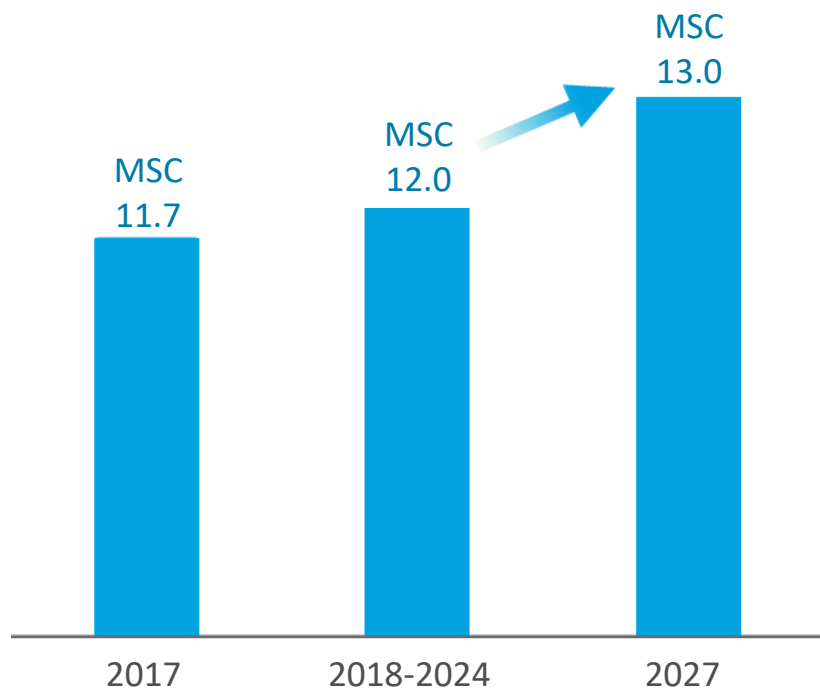
6. iktva = In-Kingdom Total Value Add initiative



# Oil: growth to capture unique opportunities and generate shareholder value

## Investing in additional capacity

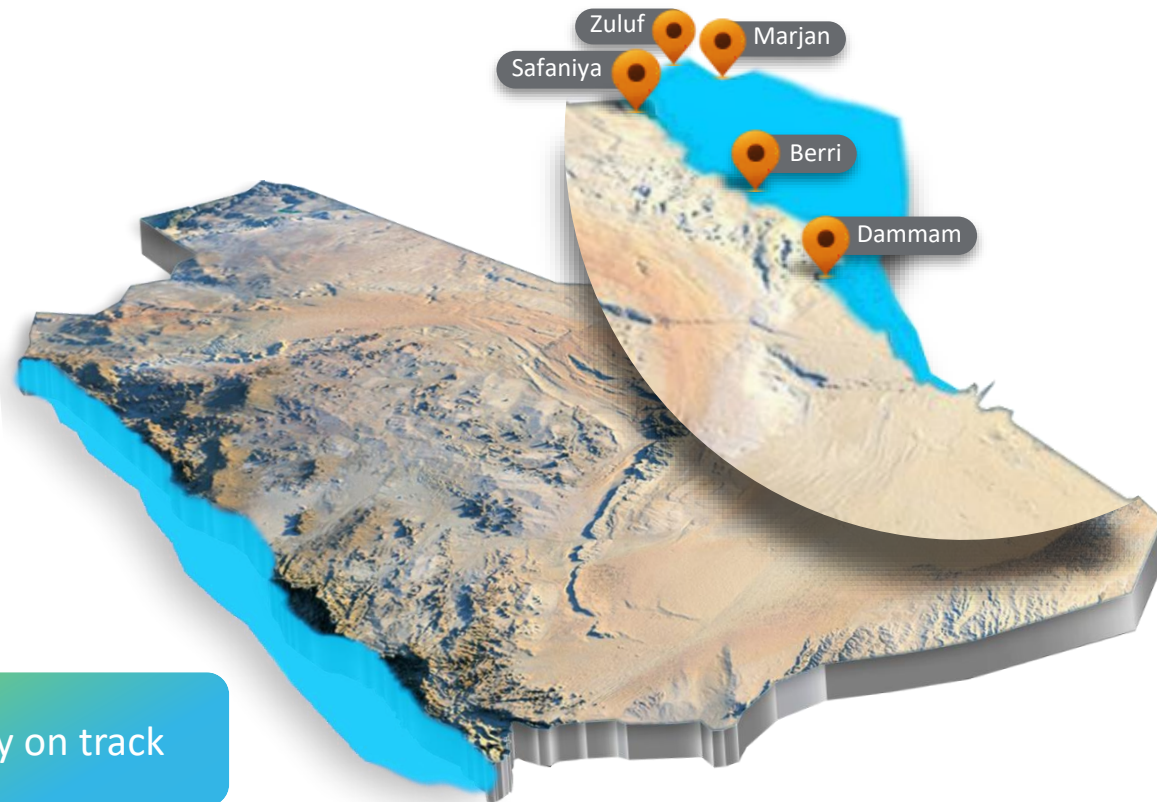
Aramco MSC<sup>1</sup> evolution target (mmbpd)<sup>2</sup>



> Lower-cost, lower upstream carbon intensity barrels

## Delivering MSC-13<sup>1</sup>

(mmbpd)<sup>2</sup>



> Delivery on track

1. MSC = Maximum Sustainable Capacity

2. mmbpd = million barrels per day; mbpd = thousand barrels per day

3. Safaniya currently pending final investment decision; c.350mmbpd planned delivery in 2027, with remainder after 2027

# Gas: growth from captive demand, supporting KSA decarbonization

## Significant need for gas

>50% target gas production growth<sup>1</sup> by 2030



### Key demand centers

#### Utilities

Replacement of oil-fired power capacity with gas

#### Industry & Petrochemicals

Growing consumption enabling blue hydrogen exports



### Unlocking additional flexibility

~1 mmbpd<sup>2</sup> from displacing liquids burning by gas switching

Up to ~1 mmbpd<sup>2</sup> of incremental high-value associated liquids<sup>3</sup>

## Delivering the gas strategy

### Conventional

From 2023

#### Haradh, Hawiyah, Tanajib

Compression of 1.3 bscfd raw gas; processing of 3.7 bscfd raw gas<sup>4,5</sup>

### Unconventional

From 2025

#### Jafurah

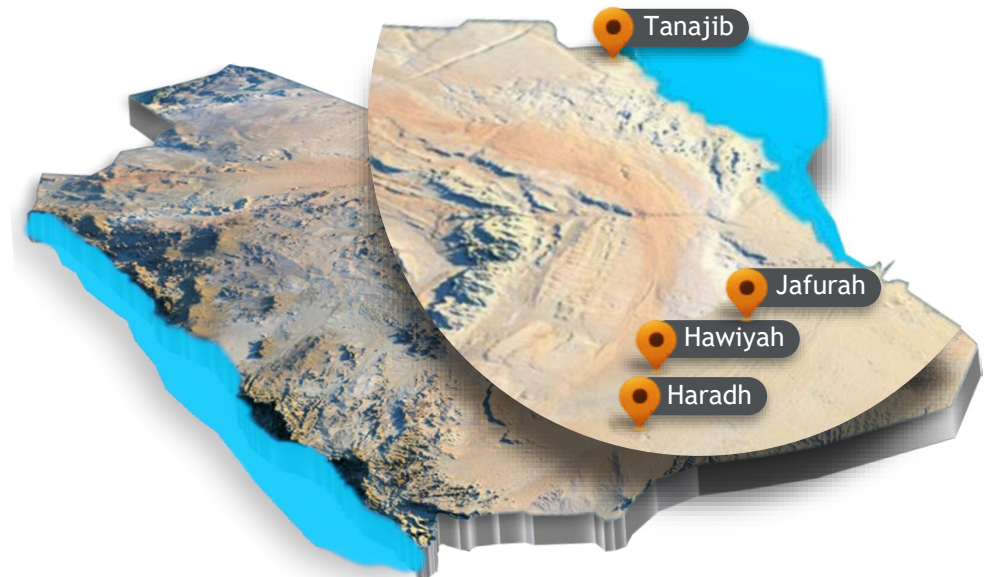
Phased development  
2 bscfd sales gas<sup>6</sup>

### Storage

From 2024

#### Hawiyah Unayzah

Optimize system design  
Up to 2 bscfd natural gas<sup>7</sup>



Source: Company information

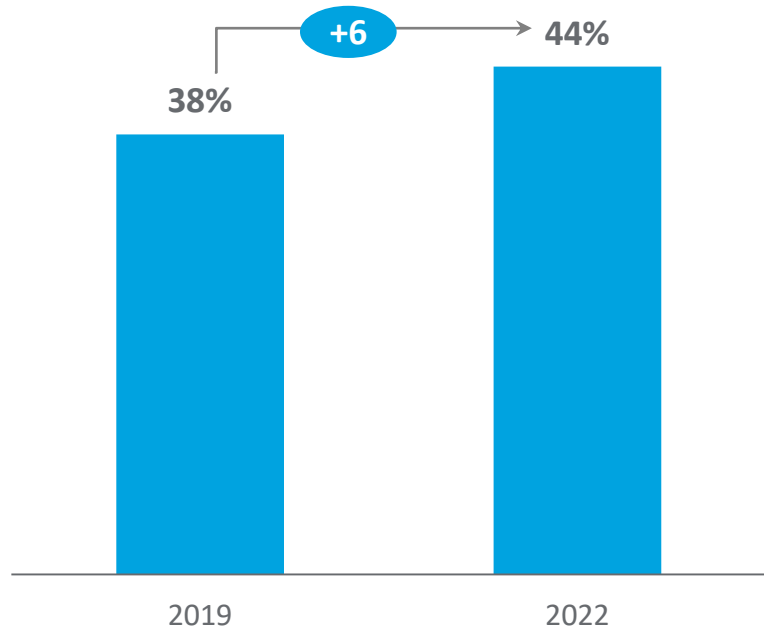
1. Sales gas growth vs. 2021 levels; subject to domestic demand, including Aramco's low-carbon hydrogen business  
2. mmbpd = million barrels per day  
3. Subject to production levels

4. Rate is for raw gas processing capacity: 1.3 bscfd relates to Haradh, Hawiyah compression project is progressing towards completion and planned to reach full capacity by 2023. 1.1 bscfd relates to Hawiyah processing capacity expansion expected to be on-stream in 2023. 2.6 bscfd relates to Tanajib Gas Plant additional processing capacity expected by 2025  
5. bscfd = billion standard cubic feet per day  
6. Rate is for sales gas with full capacity targeted by 2030  
7. Natural gas to be reintroduced into the Master Gas System

# Downstream: de-risking upstream and balancing our portfolio

## Downstream capturing integration benefits

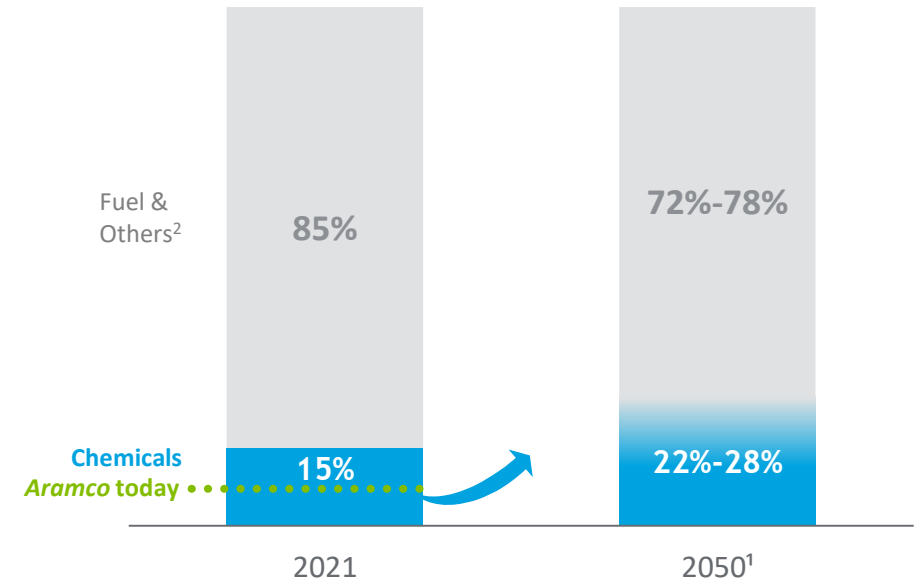
Crude oil into downstream operations (%)



- > Expansion in strategic markets
- > Forward integration: trading, marketing and retail
- > Oil supplied for 2022 is c.1.1x Aramco's net refining capacity

## Increasing placement to lower-emission markets

IHS forecast of global refinery output by 2050 (%)



- > Increasing liquids-to-chemicals throughput to up to 4 mmbpd<sup>3,4</sup>

Source: Company information, IHS Markit as of October 2022

1. Chemicals share of refinery output will differ depending on the decarbonisation scenario; an accelerated decarbonisation scenario will result in the highest share of chemicals in refinery output by 2050

2. Includes fuel oil, naphtha, liquefied petroleum gas (LPG) and asphalt

3. Liquids-to-chemicals throughput in integrated refining and petrochemical complexes

4. mmbpd = million barrels per day

# Low-carbon energy: supporting a stable energy transition



## CCUS

Aiming to be a global leader

Near-term projects under design leveraging unique reservoirs for CO<sub>2</sub> sequestration

Target to capture up to 11 mmtCO<sub>2</sub>e<sup>1</sup> by 2035

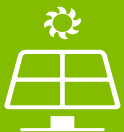


## Blue Hydrogen

Pioneering the use of blue hydrogen

World's first commercial blue ammonia cargo, certification and delivery<sup>2</sup>

Target up to 11 mmtpa<sup>3</sup> blue ammonia production by 2030



## Renewables

Directly investing in PIF renewables program

Investment in 1.5 GW under development<sup>4</sup>

Target FID<sup>5</sup> in 12 GW net capacity by 2030<sup>6</sup>

Source: Company information

1. mmtCO<sub>2</sub>e = million metric tons of carbon dioxide equivalent
2. Coordinated by Aramco, SABIC and Japanese Ministry of Economy, Trade and Industry – TUV certification received by SABIC Agri-Nutrients
3. mmtpa = million metric tons per annum

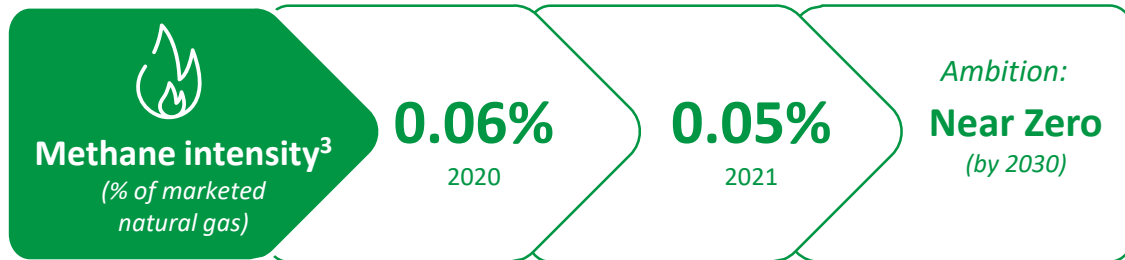
4. Aramco acquired 30% stake in 1.5 GW Sudair PV solar project in 2021
5. FID = Final Investment Decision
6. Aramco's share of KSA National Renewable Program 2030 target of 58.7 GW

CO<sub>2</sub>  
COMPRESSOR  
COMPARTMENT

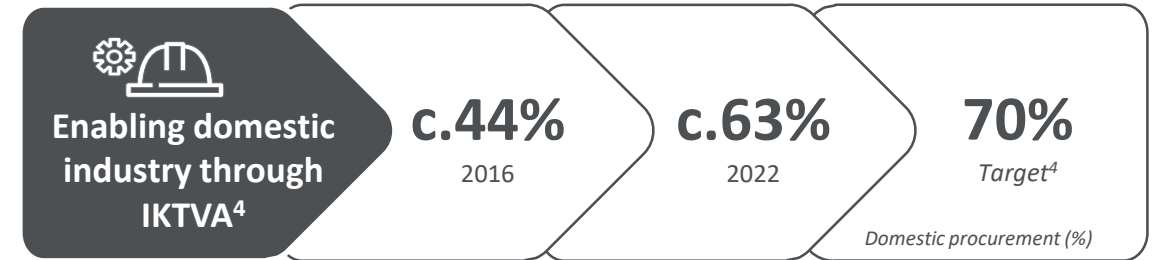


# Committed to the long-term transition and social responsibility

## Decarbonization targets enabling transition



## Growing societal value



> Net-zero<sup>5</sup> ambition by 2050

> Sustainability goals support creating long-term shareholder value

> Committed to growing societal value wherever we operate

Source: Company information

1. Scope 1 and Scope 2 emissions. kg of CO<sub>2</sub>e/boe = kilograms of carbon dioxide equivalent per barrel of oil equivalent  
 2. Target reduction on Scope 1 and Scope 2 emissions from wholly-owned operated assets relative to 2018 baseline (10.2 kgCO<sub>2</sub>e/boe). The target accounts for anticipated increases in oil production and MSC (Maximum Sustainable Capacity), and the expansion of Aramco's gas business

3. Includes wholly-owned in-Kingdom operated assets, SASREF, Motiva and ARLANXEO

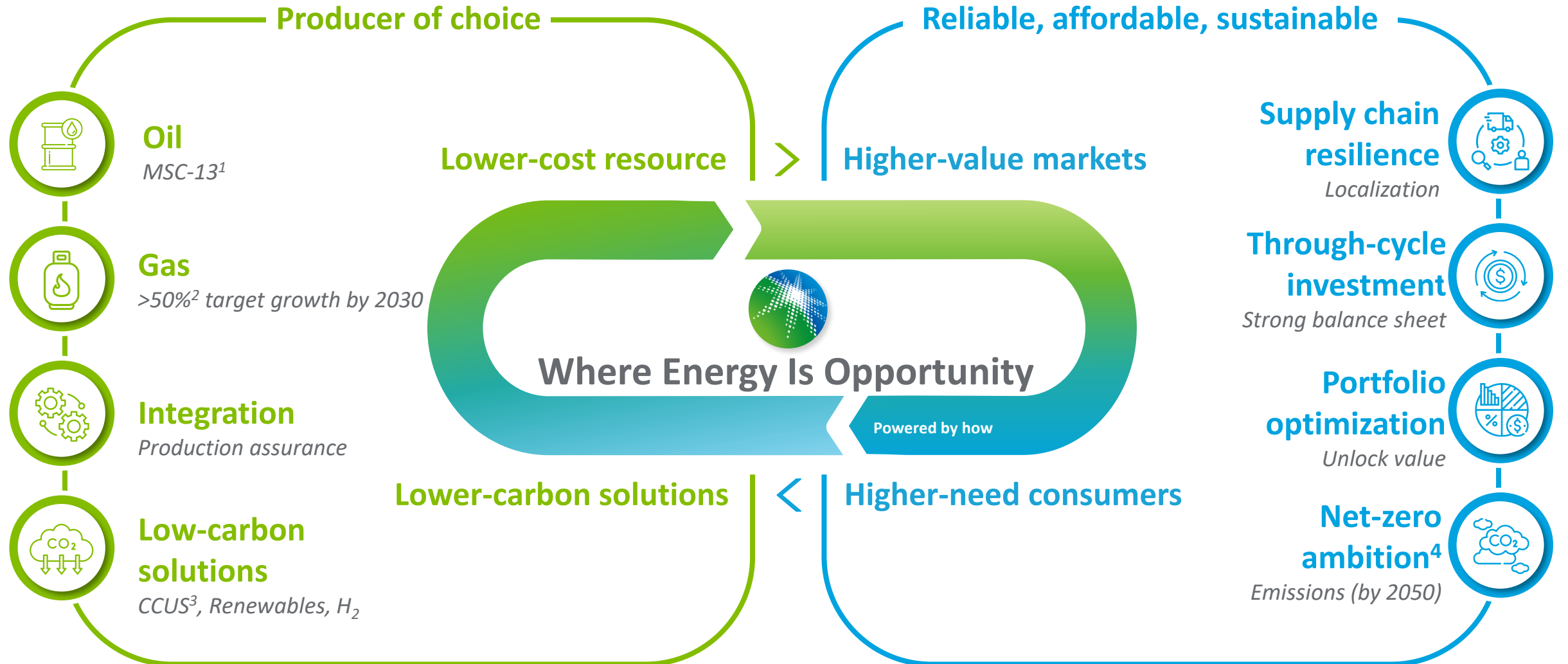
4. IKTVA = In-Kingdom Total Value Add initiative; goal to localize 70% of expenditure for goods and services

5. Net-zero Scope 1 and Scope 2 greenhouse gas emissions (GHG) by 2050 from wholly-owned operated assets

6. In 2021

7. Applies to Saudi Arabian Oil Company

# Maximizing long-term value: investing in our growing, integrated portfolio



Source: Company information

1. MSC = Maximum Sustainable Capacity

2. Growth vs. 2021 levels; subject to domestic demand, including from the Company's low-carbon hydrogen business

3. CCUS = Carbon Capture, Utilization and Storage

4. Net zero scope 1 and scope 2 greenhouse gas emissions across Aramco's wholly-owned, operated assets



# Ziad Al-Murshed

Executive Vice President & CFO

# Strategic achievements



## Crude oil

- Expansion of MSC to 13mmbpd on track
- Manifa awarded Upstream Project of the Year at 2022 Middle East Energy Awards
- Ghawar-1 supercomputer deployed, 2<sup>nd</sup> largest in MENA<sup>1</sup> after Dammam-7



## Low-carbon fuels & solutions

- Joint agreement with Ministry of Energy to construct one of world's largest CCUS hubs in Jubail
- SABIC & SASREF received independent certifications for blue ammonia and hydrogen production
- Inaugural partner to MENA<sup>1</sup> Voluntary Carbon Market
- \$1.5bn sustainability fund created; investing in innovative technologies supporting 2050 net-zero ambition



## Gas

- Conventional: Haradh & Hawiyah compression projects started commissioning with full capacity in 2023; Hawiyah gas plant began commissioning and onstream in 2023
- Unconventional: Jafurah gas plant on track
- Gas storage: Hawiyah Unayzah Reservoir Storage commenced injection activities



## Localization

- 63% local content of supply chain achieved through IKTVA<sup>3</sup>
- Taleed program accelerating growth of SMEs<sup>4</sup>
- Namaat program expansion ongoing; developing a resilient and sustainable supply chain



## Downstream

- PKN Orlen transaction completed
- Valvoline global products acquisition completed
- Developing new LTC<sup>2</sup> complex in China and petrochemical steam cracker in South Korea
- Constructing new petrochemical facility with TotalEnergies
- SABIC synergies: reached c.\$2.2bn; on track for \$3bn-\$4bn per year by 2025



## Capital structure

- \$20bn deleveraging and \$2.2bn saving by partial prepayment of SABIC acquisition
- Proactive debt management optimizing funding costs
- High investment-grade credit rating maintained
- Gas pipeline deal completed, expanding investor base
- Luberef and Marafiq successfully completed their IPOs

1. MENA = Middle East and North Africa region  
2. LTC = Liquids-to-Chemicals  
3. IKTVA = In-Kingdom Total Value Add initiative  
4. SME = Small and Medium-sized Enterprises



# 2022 operational and financial highlights

## Operational

### Hydrocarbon production

mmboed<sup>1</sup>

**13.6**

FY 2021: 12.3

### Supply reliability<sup>2</sup>

**99.9%**

FY 2021: 99.9%

## Financial

### Net income

\$Bn

**161.1**

FY 2021: 110.0

### Dividends paid

\$Bn

**75.0**

FY 2021: 75.0

### Balance sheet gearing<sup>2,3</sup>

**(8)%**

FY 2021: 12%

### Capital expenditure

\$Bn

**37.6**

FY 2021: 31.9

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

\$Bn

**148.5**

FY 2021: 107.5



1. mmboed = million barrels of oil equivalent per day  
2. Applies to Saudi Aramco Oil Company  
3. Please refer to [www.saudiaramco.com/investors](http://www.saudiaramco.com/investors) for reconciliation of non-IFRS measures

# Financial results: 2022 versus 2021

\$Bn, unless otherwise indicated	2021	2022
Realized oil prices (\$/bbl)	70.5	<b>100.2</b>
Hydrocarbon production (mmbod <sup>1</sup> )	12.3	<b>13.6</b>
Upstream EBIT	200.0	<b>291.3</b>
Downstream EBIT	16.6	<b>21.1</b>
Group net income	110.0	<b>161.1</b>
Capital expenditure	31.9	<b>37.6</b>
Free cash flow <sup>2</sup>	107.5	<b>148.5</b>
Net debt / (cash) <sup>2</sup>	46.7	<b>(32.7)</b>
Balance sheet gearing <sup>2</sup>	12%	<b>(8)%</b>

## Key drivers

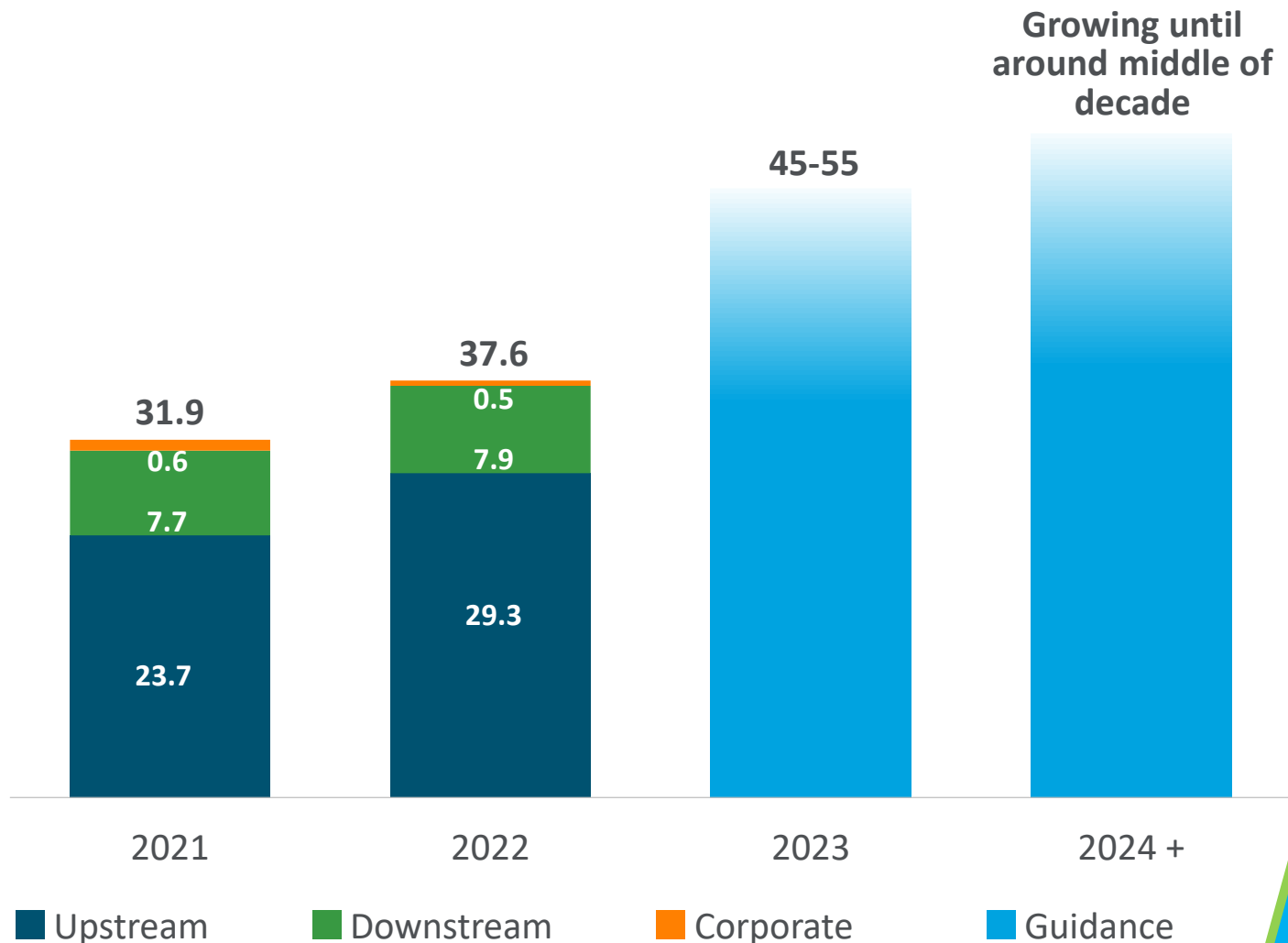
- > Higher crude oil prices
- > Higher volumes
- > Stronger refining and trading margins
- > Non recurring non cash items – impairments and tax provisions

1. mmbod = million barrels of oil equivalent per day

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

# Investing in growth opportunities

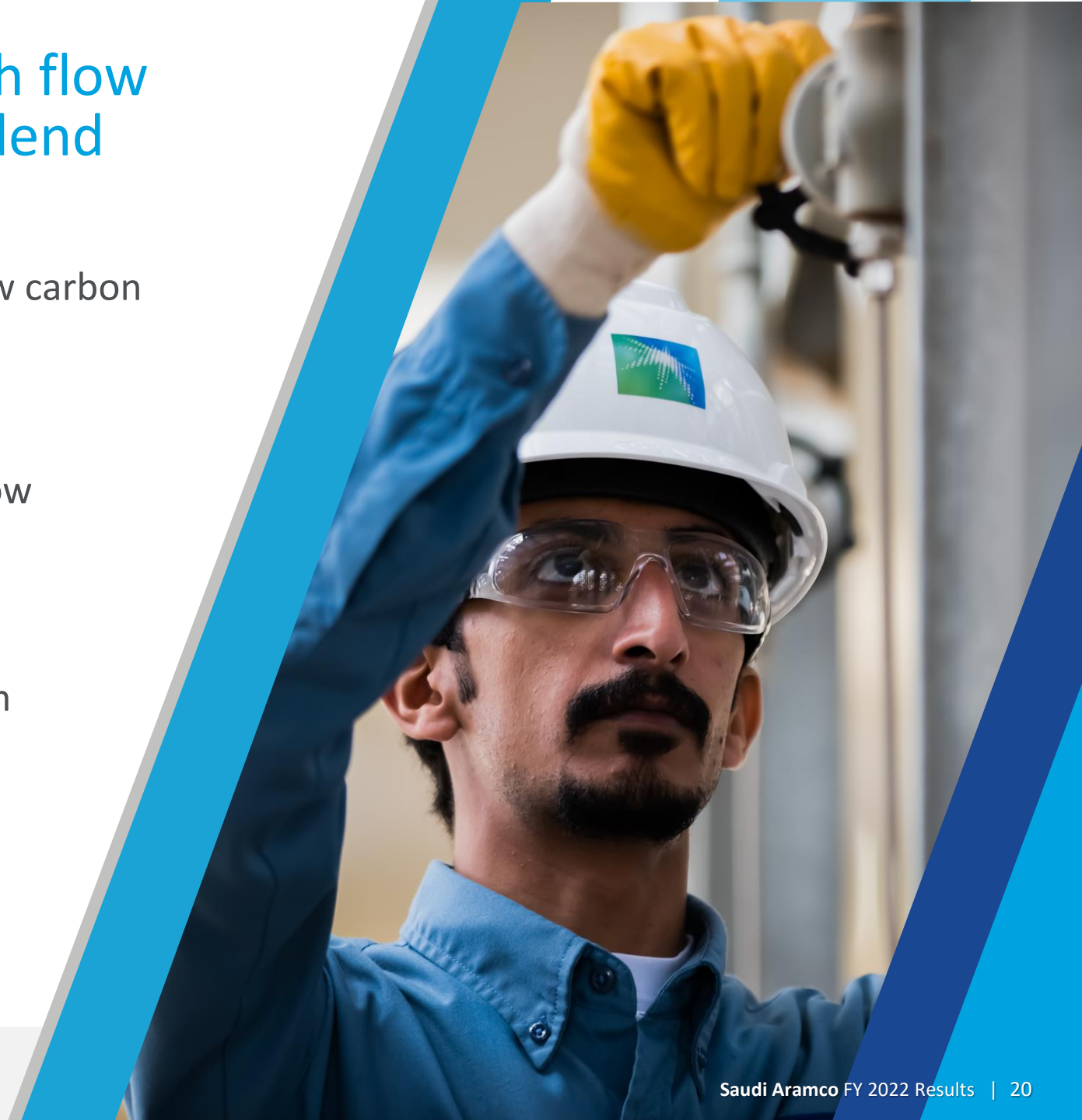
Capex  
(\$Bn)



- > Low-cost, low upstream carbon intensity advantages at scale
- > Advantaged and unique opportunities
- > Growth in oil, gas, liquids-to-chemicals and low-carbon fuels & solutions
- > Capital discipline integral to plans
- > Drives long-term free cash flow growth

# Confidence in underlying free cash flow growth supports progressive dividend

- Growth strategy in oil, gas, downstream and low carbon fuels and solutions
  - Expected to deliver significant growth in sustainable long-term future free cash flow
- Strength of balance sheet
  - Protects growth capital spending program through cyclical industry downturns



# Delivering shareholder value through the cycle

## Fiscal discipline

- Capex program delivering growth and long-term value
- Robust: stress-tested returns



High returns on capex investments

## Financial strength

- Maintain discipline and strong investment grade rating
- Optimize capital structure



Balance sheet resilience through-cycle

## Dividends

- Sustainable & progressive dividend policy
- Cash dividend increase of 4% and 1 bonus share issued for every 10 shares



Balanced shareholder returns: growth and yield

# Questions & Answers



aramco

