

Achieving record-setting performance and positioning ourselves for the future



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Dear Shareholders,

2022 brought a strong recovery in crude oil prices, but also ongoing uncertainty in the global economy. Within this context Aramco remained steadfast in its purpose: to provide energy security to our customers while also doing our part to support a more practical, stable and inclusive energy transition.

I am immensely proud to report that in 2022 Aramco achieved a record-setting financial performance as a listed company. Our net income for the year was SAR 604.0 billion (\$161.1 billion). This result allowed the Company to strengthen its balance sheet as we embarked on our largest ever capital spending program. Following this financial performance, the Board of Directors has declared a cash dividend of SAR 73.2 billion (\$19.5 billion) for the fourth quarter of 2022, which raises the quarterly dividend by 4.0% compared to the previous quarter. This aligns with our dividend policy aiming to deliver a sustainable and progressive dividend. The Board has also recommended granting eligible shareholders one new additional bonus share for every 10 shares they hold.

These results are a testament to the character and dedication of our people, who have consistently shown they can generate value through changing market conditions. Increasing our cash dividend and recommending to grant bonus shares to eligible shareholders demonstrates our commitment to deliver value to our investors.

Strength, stability, solutions

We recognize that our results in 2022 were due in part to higher oil prices that were driven by a number of factors including global demand, geopolitical events, and long-term underinvestment in our industry.

This reality supports our Upstream strategy to focus on large-scale investment in new production, including growing our gas business and raising our crude oil Maximum Sustainable Capacity from 12.0 to 13.0 mmbpd. With energy demand expected to keep rising and planned industry investments failing to offset natural oil field depletion rates, we believe that extra capacity will be important to the global energy mix in the years ahead.

At the same time, we are continuing to build our Downstream business into a world-class operation. In 2022 we progressed with refining and chemicals projects in Saudi Arabia and Asia, while also expanding our presence in Europe.

Aramco’s Downstream strategy reflects our belief that a significant share of future oil demand will come from petrochemicals, not least from products which are essential inputs for the energy transition. We estimate, for example, that eight to 11 tons of chemical products are required to produce one megawatt of renewable energy, on average. Aramco, for its part, is preparing for this future by expanding the integration of our refining and chemicals facilities, and investing in large-scale liquids-to-chemicals projects.

Investing in the Kingdom’s economic development

In 2022 we continued to scale our investments in the Kingdom’s industrial economy, which each year grows more diversified and dynamic. The Company is targeting five strategic domains — sustainability, digital, industrial, manufacturing, and social innovation — all of which complement Aramco’s supply chain. Today we offer support to companies at every stage of the growth cycle, from start-ups to small- and medium-enterprises to companies with the potential to become Saudi national champions. In March 2023, we signed a framework agreement with the Kingdom’s Private Sector Partnership Reinforcement Program — known as Shareek — as we seek to foster new businesses and contribute to the Kingdom’s economic development.

This strategy enhances Aramco’s supply chain resilience, helping to ensure that more of the products and services we rely on can be provided right on our doorstep. It is also creating jobs for our fellow citizens.

The future favors Aramco

The global energy transition is both a long-term challenge and opportunity to leverage Aramco’s strengths and capabilities to deliver increasingly sustainable energy solutions. This past year has also highlighted the scale and complexity of what is required to meet the energy security challenges of the future.

No single solution will address the challenge ahead. No single technology will provide the energy necessary to support a \$100 trillion global economy. Leveraging our unique scale and resources, we are exploring multiple pathways to support our aspirations for a lower-carbon future for Aramco, including energy efficiency, carbon capture, utilization, and storage, carbon offsetting, and renewables.

Ultimately, we believe the world will continue to need oil and gas for the foreseeable future. Indeed, the future will most certainly favor the lowest-cost, least carbon-intensive producers, and Aramco is exceptionally well-placed in this respect.

Supporting our customers, our partners and the nation to decarbonize

It makes sense for the Company to focus first on the greenhouse gas emissions we can directly influence — our Scope 1 and 2 GHG emissions from wholly-owned operated assets — while also supporting our customers’ efforts to decarbonize.

This is why we continue to work closely with the automotive industry to develop lower-carbon synthetic fuels and high efficiency engines, and with the materials industry to develop solutions to complement steel and cement. For industries with hard-to-abate emissions, we plan to be a significant exporter of lower-carbon hydrogen which has the potential to assist with renewable energy storage. 2022 saw further work to develop this vital new market.

We remain committed supporters of the Saudi Green Initiative (SGI) — a massive program of reforestation and clean energy deployment in the Kingdom of Saudi Arabia — as well as the SGI’s regional counterpart, the Middle East Green Initiative. We strongly back the Kingdom’s aim to reach net-zero emissions by 2060 through the circular carbon economy approach, which is supported by our ambition to achieve net-zero Scope 1 and Scope 2 greenhouse gas emissions by 2050 across wholly-owned operated assets.

The foundation for Aramco’s success

I want to take this opportunity to pay tribute to the leadership of the Custodian of the Two Holy Mosques King Salman bin Abdulaziz Al-Saud, and His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al-Saud, Crown Prince and Prime Minister of the Kingdom of Saudi Arabia. Their vision for the future of the Kingdom is an inspiration and a guide to everyone at Aramco. I also want to thank the Kingdom’s Ministry of Energy for their continued support of Aramco.

Our success in 2022 would also not have been possible without our people — a brilliant team of skilled professionals who are deeply dedicated to their work and mission.

Finally, my thanks go out to you, our shareholders, for continuing to place your trust in our great Company.

H.E. Yasir O. Al-Rumayyan
 Chairman of the Board of Directors