

**Press Release**

**Aramco announces full-year 2020 results**

*Positive performance characterized by operational excellence and financial discipline*

- *Net income: \$49 billion*
- *Cash flow from operating activities: \$76 billion*
- *Free cash flow\*: \$49 billion*
- *Full-year dividend of \$75 billion declared*
- *2021 capex expected to be around \$35 billion*
- *Progress on Downstream business strategy with ongoing integration of SABIC*

**Dhahran, Saudi Arabia, March 21, 2021** – The Saudi Arabian Oil Company (“Aramco” or “the Company”) today announced its full-year 2020 results, demonstrating exceptional resilience despite the macroeconomic impact of COVID-19 and delivering on its intended dividend payments to shareholders.

**Commenting on the results, Aramco President & CEO Amin H. Nasser, said:**

“In one of the most challenging years in recent history, Aramco demonstrated its unique value proposition through its considerable financial and operational agility. Our exceptional performance during such testing times owed much to the unwavering spirit and resilience of our employees, who set operational records and continued to meet the world’s energy needs both safely and reliably.

“As the enormous impact of COVID-19 was felt throughout the global economy, we intensified our strong emphasis on capital and operational efficiencies. As a result, our financial position remained robust and we declared a dividend of \$75 billion for 2020.

“At the same time, the accelerated deployment of digital technologies across the company significantly enhanced our performance and we continued to make progress on breakthrough low-carbon solutions.

“Looking ahead, our long-term strategy to optimize our oil and gas portfolio is on track and, as the macro environment improves, we are seeing a pick-up in demand in Asia and also positive signs elsewhere. We remain confident that we will emerge on the other side of this pandemic in a position of strength.”

## **Financial Highlights**

Aramco achieved a net income of \$49 billion in 2020, one of the highest earnings of any public company globally. The Company displayed strong financial resilience in one of the most challenging periods for the industry, during which revenues were impacted by lower crude oil prices and volumes sold, and weakened refining and chemicals margins.

Aramco declared a dividend of \$75 billion for the year, which reflects the outcome of the Company's strong performance. The Company continues to preserve a strong balance sheet and its gearing ratio at December 31, 2020, was among the lowest in its industry. Meanwhile, its ROACE of 13.2% was the highest in the industry.

Through its flexible capital program and prudent financial management, the Company was able to adjust spending and focus on high-return opportunities. Capital expenditure in 2020 was \$27 billion due to the implementation of optimization and efficiency programs, representing a significant saving on capital expenditure of \$33 billion in 2019.

The Company continues to assess its capital expenditure and efficiency programs, and expects capital expenditure for 2021 to be around \$35 billion, significantly lower than the previous guidance of \$40-\$45 billion.

Aramco's international bond issuance in the fourth quarter achieved record demand for a 50-year tranche and was 10 times oversubscribed compared to its initial offering size. This global investor interest demonstrated market confidence in the Company's long-term strategy and performance outlook.

## **Operational Highlights**

In 2020, Aramco's average hydrocarbon production was 12.4 million barrels per day of oil equivalent, including 9.2 million barrels per day (mmbpd) of crude oil.

In April, Aramco achieved the highest single day crude oil production in its history of 12.1 million barrels per day. The Company achieved another milestone in August, producing a single-day record of 10.7 billion standard cubic feet per day (bscfd) of natural gas from its conventional and unconventional fields. Both records were achieved despite lower capital expenditure in 2020.

Aramco continued its strong track record of supply reliability, despite disruptions caused by COVID-19, by delivering crude oil and other products with 99.9% reliability in 2020.

Aramco's ambition to further expand its downstream business took a significant step forward with the acquisition of a majority stake in SABIC in June, transforming the Company into a major global petrochemical player with operations in more than 50 countries. In 2020, Aramco also announced a Downstream reorganization intended to maximize value from its global network of assets.

Technology and innovation are key to delivering more energy with fewer emissions. Aramco continued to make advances in cutting-edge technology and received a company record of 683 U.S. patents in 2020 - among the highest in its industry.

Aramco maintained one of the lowest upstream carbon footprints in the industry, achieving an estimated upstream carbon intensity of 10.5 Kg of CO<sub>2</sub> per barrel of oil equivalent in 2020. The Company's estimated upstream methane intensity was 0.06%. These accomplishments are the result of the Company's decades-long reservoir management and production approach, which includes leveraging advanced technologies and minimizing emissions and flaring.

The Company is well positioned to capitalize on developments in hydrogen, given the Company's scale, infrastructure, low costs and low upstream carbon intensity.

One promising area is the conversion of hydrocarbons to hydrogen and then to ammonia, while capturing the CO<sub>2</sub> created during the process. In August, Aramco exported the world's first shipment of high-grade blue ammonia to Japan for use in zero-carbon power generation, a significant step towards sustainable hydrogen usage.

In January 2020, Aramco joined the Hydrogen Council as a steering member. The organization promotes collaboration between governments, industry and investors to provide guidance on accelerating the deployment of hydrogen solutions globally.

### **COVID-19 Update**

Throughout the COVID-19 pandemic, Aramco has remained committed to the safety of its people, establishing protocols to monitor and limit the spread of the virus. The Company has assisted its staff and communities around the world through measures such as employee resource programs, medical support services and monetary donations.

Beyond its own employees and operations, the Company has supported the healthcare sector, supplying ventilators, air purification devices and protective equipment for health practitioners and patients.

An employee donations campaign, "Stay Home, Stay Safe," directed help toward the most vulnerable, with employees' donations matched 100% by the Company. Aramco's regional affiliates donated cash and medical supplies to organizations in Asia, Europe and the United States.

Additional information on Aramco's support efforts and response to COVID-19 can be found in more detail on a dedicated webpage [here](#).

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

### **Contact Information**

**International Media Relations:** [international.media@aramco.com](mailto:international.media@aramco.com)

**Investor Relations:** [investor.relations@aramco.com](mailto:investor.relations@aramco.com)

 [Aramco](#)

## Disclaimer

The press release contains forward-looking statements. All statements other than statements relating to historical or current facts included in the press release are forward-looking statements. Forward-looking statements give the Company's current expectations and projections relating to its capital expenditures and investments, major projects, upstream performance, including relative to peers, and growth in downstream and chemicals. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target," "believe," "expect," "aim," "intend," "may," "anticipate," "estimate," "plan," "project," "will," "can have," "likely," "should," "would," "could," "continue," "forward" and other words and terms of similar meaning or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other factors beyond the Company's control that could cause the Company's actual results, performance or achievements to be materially different from the expected results, performance, or achievements expressed or implied by such forward-looking statements, including the following factors: international crude oil supply and demand and the prices at which Aramco sells crude oil; the impact of COVID-19 on business and economic conditions and on supply and demand for crude oil, gas and refined and petrochemical products; adverse economic or political developments that could impact the Company's results of operations; competitive pressures faced by the Company; any significant deviation or changes in existing economic and operating conditions that could affect the estimated quantity and value of proved reserves; operational risks and hazards in the oil and gas, refining and petrochemicals industries; the cyclical nature of the oil and gas, refining and petrochemical industries; weather conditions; political and social instability and unrest and actual or potential armed conflicts in the regions in which Aramco operates and other areas; losses from risks related to insufficient insurance; the Company's ability to deliver on current and future projects; litigation to which the Company is or may be subject; the Company's ability to realize benefits from recent and future acquisitions, including with respect to SABIC; risks related to international operations, including sanctions and trade restrictions, anti-bribery and anti-corruption laws and other laws and regulations; risks related to oil, gas, environmental, health and safety and other regulations that impact the industries in which Aramco operates; the Company's dependence on its senior management and key personnel; the reliability and security of the Company's IT systems; climate change concerns and impacts; risks related to Government-directed projects and other Government requirements, including those related to Government-set maximum level of crude oil production and target MSC; fluctuations in interest rates and foreign exchange rates; and other risks and uncertainties that could cause actual results to differ from the forward looking statements in this press release, as set forth in the Company's latest periodic reports filed with the Tadawul. For additional information on the potential risks and uncertainties that could cause actual results to differ from the results predicted please see the Company's latest periodic reports filed with the Tadawul. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which it will operate in the future.

The information contained in the press release, including but not limited to forward-looking statements, applies only as of the date of this press release and is not intended to give any assurances as to future results. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to the press release, including any financial data or forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law or regulation. No person should construe the press release as financial, tax or investment advice.

Undue reliance should not be placed on the forward-looking statements.