FY 2020 Results

March 22, 2021
Cautionary notes

IMPORTANT: The following applies to this presentation and associated slides by Saudi Arabian Oil Company (the “Company”) (collectively, the “Information”).

The Information contains forward-looking statements. All Information other than statements relating to historical or current facts included in the Information 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 cannot be ascertained, as they 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 price at which the Company is able to sell crude oil; the impact of natural disasters and public health pandemics or epidemics such as Coronavirus disease 2019 (COVID-19) on supply and demand for crude oil and general economic conditions; 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; 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; environmental regulations; 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 risks and uncertainties that could cause actual results to differ from the forward looking statements in the Information, 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, including but not limited to forward-looking statements, applies only as of the date of this presentation 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 Information, 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 Information as financial, tax or investment advice.

Undue reliance should not be placed on the forward-looking statements, and the Company, its managers and employees shall not be liable for any direct or indirect loss or damage that any person may incur due to their reliance on the forward-looking statements.

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.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.
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
### Global demand

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 19</td>
<td>80</td>
<td>110</td>
</tr>
<tr>
<td>Q2 19</td>
<td>75</td>
<td>100</td>
</tr>
<tr>
<td>Q3 19</td>
<td>70</td>
<td>90</td>
</tr>
<tr>
<td>Q4 19</td>
<td>65</td>
<td>80</td>
</tr>
<tr>
<td>Q1 20</td>
<td>60</td>
<td>70</td>
</tr>
<tr>
<td>Q2 20</td>
<td>55</td>
<td>60</td>
</tr>
<tr>
<td>Q3 20</td>
<td>50</td>
<td>55</td>
</tr>
<tr>
<td>Q4 20</td>
<td>45</td>
<td>50</td>
</tr>
</tbody>
</table>

### Brent price

- Source: IEA, IHS Markit, EIA
- mmbpd = million barrels per day

**Notes:**
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%\(^1\)

**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\(^2\) to 13mmbpd\(^3\)

---
1. For Saudi Arabian Oil Company
2. MSC = Maximum Sustainable Capacity
3. mmbpd = million barrels per day
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\(^1\) (%)

\[ \text{Superior share price performance}\(^1\) \]

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

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

### Financial

- **Reported net income 2020 ($Bn)**
  - Saudi Aramco: 49.0
  - Peers: [Graph]

- **ROACE 2020 (%)**
  - Saudi Aramco: 13.2
  - Peers: [Graph]

- **Dividend 2020 ($Bn)**
  - Saudi Aramco: 75.0
  - Peers: [Graph]

### Operational

- **Total recordable case frequency**
  - Saudi Aramco: 0.044
  - Peers: [Graph]
  - Peer average: 0.23

- **Upstream methane intensity (%)**
  - Saudi Aramco: 0.06
  - Peer average: [Graph]
  - OGCI: 0.174

- **Patents granted (#)**
  - Saudi Aramco: 683
  - Peers: [Graph]
  - Peer average: 147

---

2. Dividend declared.
3. Source: Company filings.
4. Saudi Arabian Oil Company, total workforce (employees & contractors), per 200,000 man-hours.
5. OGCI group comprises of BP, Chevron, CNPC, CNR, Ecopetrol, Exxon, Oxy, Petrobras, Repsol, Saudi Aramco, Shell and Total. OGCI based on latest available data (2019).
Cash position improved despite challenging environment

($Bn)

47.4  69.6  26.9  55.3

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

Continuing highly disciplined approach to capital allocation

- Low upstream capital intensity of $4.0 per boe\(^2,3,4\)
- Low upstream cost per barrel\(^5\) of $7.0 per boe\(^4\)

---

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
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**¹

<table>
<thead>
<tr>
<th></th>
<th>2020²</th>
<th>2025 OGCI Target³</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aramco</td>
<td>10.5</td>
<td></td>
</tr>
<tr>
<td>OGCI Target²</td>
<td>20</td>
<td></td>
</tr>
</tbody>
</table>

**Upstream methane intensity**

<table>
<thead>
<tr>
<th></th>
<th>2020²</th>
<th>2025 OGCI Ambition³</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aramco</td>
<td>0.06</td>
<td></td>
</tr>
<tr>
<td>OGCI</td>
<td>0.20</td>
<td></td>
</tr>
</tbody>
</table>

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\(^1\) 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
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

**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

**Exploration**
- Discovered seven new fields and one new reservoir

**Unconventionals**
- Regulatory approval for the development of Jafurah
FY 2020 Downstream milestones

- 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

<table>
<thead>
<tr>
<th>Hydrocarbon production (mmboed)</th>
<th>12.4</th>
<th>FY 2019: 13.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crude production (mmbpd)</td>
<td>9.2</td>
<td>FY 2019: 9.9</td>
</tr>
</tbody>
</table>

### Financial

<table>
<thead>
<tr>
<th>Free cash flow ($Bn)</th>
<th>49.1</th>
<th>FY 2019: $78.3bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital expenditure ($Bn)</td>
<td>26.9</td>
<td>FY 2019: $32.8bn</td>
</tr>
<tr>
<td>Upstream cost per barrel ($/boe)</td>
<td>7.0</td>
<td>FY 2019: $7.5</td>
</tr>
</tbody>
</table>

1. mmboed= million barrels of oil equivalent per day
2. mmbpd= million barrels per day
3. Please refer to 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

<table>
<thead>
<tr>
<th>$Bn, unless otherwise indicated</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Realized oil prices ($/bbl)</strong></td>
<td>64.6</td>
<td>40.6</td>
</tr>
<tr>
<td><strong>Hydrocarbon production (mmboed)</strong></td>
<td>13.2</td>
<td>12.4</td>
</tr>
<tr>
<td><strong>Refining Industry Composite margin$^1$ ($/bbl)</strong></td>
<td>5.2</td>
<td>1.3</td>
</tr>
<tr>
<td><strong>Upstream EBIT</strong></td>
<td>184.0</td>
<td>110.2</td>
</tr>
<tr>
<td><strong>Downstream EBIT</strong></td>
<td>(0.9)</td>
<td>(5.4)</td>
</tr>
<tr>
<td><strong>Corporate &amp; eliminations</strong></td>
<td>(5.1)</td>
<td>(3.4)</td>
</tr>
<tr>
<td><strong>Group EBIT$^2$</strong></td>
<td>177.9</td>
<td>101.4</td>
</tr>
<tr>
<td><strong>Income taxes$^3$</strong></td>
<td>(89.6)</td>
<td>(50.3)</td>
</tr>
<tr>
<td><strong>Other$^4$</strong></td>
<td>(0.1)</td>
<td>(2.1)</td>
</tr>
<tr>
<td><strong>Group net income</strong></td>
<td>88.2</td>
<td>49.0</td>
</tr>
</tbody>
</table>

### Key drivers

**Upstream**
- $24/bbl decrease in crude price
- 0.8 mmbd lower production

**Downstream**
- Lower margins and unfavorable inventory effects

---

1. Weighted average of refining market margins globally, using Saudi Aramco refining portfolio
2. Please refer to 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