

Press Release

Aramco announces record full-year 2022 results

Net income rises 46.5% YoY to \$161.1 billion, free cash flow increases to \$148.5 billion

- *Record net income: \$161.1 billion (2021: \$110.0 billion)*
- *Record cash flow from operating activities: \$186.2 billion (2021: \$139.4 billion)*
- *Capital expenditure increased 18.0% year-on-year, as progress continues on multiple fronts to deliver reliable, affordable and more sustainable energy*
- *Record free cash flow*: \$148.5 billion (2021: \$107.5 billion)*
- *Gearing ratio*: -7.9% as at December 31 (end of 2021: 12.0%)*
- *Q4 2022 net income in line with analyst consensus, excluding certain non-cash items of c.\$3.3 billion*
- *Board declared Q4 cash dividend of \$19.5 billion, an increase of 4.0% compared to Q3 2022, in line with aim to deliver a sustainable and progressive dividend. Board also recommends distribution of bonus shares to eligible shareholders*
- *Focus on lower-carbon energy solutions with launch of \$1.5 billion Sustainability Fund, as well as one of the world's largest planned carbon capture and storage hubs*
- *Strong track record of reliability continues, with 99.9% supply reliability*

Dhahran, Saudi Arabia, March 12, 2023 – The Saudi Arabian Oil Company (“Aramco” or “the Company”) today announced its full-year 2022 financial results, reporting a record net income of \$161.1 billion — its highest annual profits as a listed company. Aramco also declared a fourth quarter dividend of \$19.5 billion, to be paid in the first quarter of 2023.

The results were underpinned by stronger crude oil prices, higher volumes sold and improved margins for refined products, while the Company continues to strengthen its oil and gas production capacity, as well as its downstream portfolio, to meet anticipated future demand.

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

“Aramco delivered record financial performance in 2022, as oil prices strengthened due to increased demand around the world. We also continued to focus on our long-term strategy, building both capacity and capability across the value chain with the aim of addressing energy security and sustainability.

“Given that we anticipate oil and gas will remain essential for the foreseeable future, the risks of underinvestment in our industry are real — including contributing to higher energy prices. To leverage our unique advantages at scale and be part of the global solution, Aramco has embarked on the largest capital spending program in its history, and last year our capex rose by 18.0% to reach \$37.6 billion.

“Our focus is not only on expanding oil, gas and chemicals production, but also investing in new lower-carbon technologies with potential to achieve additional emission reductions — in our own operations and for end users of our products.”

Financial Highlights

Aramco’s net income increased by 46.5% to a record \$161.1 billion in 2022, compared to \$110.0 billion in 2021. The increase in net income reflects stronger crude oil prices, higher volumes sold and improved margins for refined products. Q4 2022 net income is in line with analyst estimates, excluding certain non-cash items of around \$3.3 billion.

Free cash flow* reached a record \$148.5 billion in 2022, compared to \$107.5 billion in 2021. Aramco continues to emphasize a strong balance sheet and its gearing ratio at the end of 2022 was -7.9%, compared to 12.0% at the end of 2021.

Aramco declared a dividend of \$19.5 billion for the fourth quarter, to be paid in Q1 2023. This represents a 4.0% increase compared to the previous quarter, aligned with the Company’s dividend policy aiming to deliver a sustainable and progressive dividend. Additionally, the Board of Directors also recommended the distribution of bonus shares to eligible shareholders in the amount of one share for every 10 shares held, subject to required Extraordinary General Assembly and regulatory approvals.

Capital expenditure in 2022 was \$37.6 billion, an increase of 18.0% from 2021. Aramco expects 2023 capital expenditure to be approximately \$45.0 billion to \$55.0 billion including external investments, with capex increasing until around the middle of the decade.

Aramco also completed an energy infrastructure deal in February 2022 resulting in a consortium of investors, led by BlackRock Real Assets and Hassana Investment Company, acquiring a 49% stake in a newly formed subsidiary, Aramco Gas Pipelines Company (AGPC), for \$15.5 billion.

Operational Highlights

In 2022, Aramco’s average hydrocarbon production was 13.6 million barrels of oil equivalent per day (mmbod), including 11.5 million barrels per day (mmbpd) of total liquids.

Aramco continued its strong track record of supply reliability by delivering crude oil and other products with 99.9% reliability in 2022. It was the third year running that Aramco achieved this level of reliability.

Upstream continues to execute its growth plans to promote long-term productivity of Saudi Arabia's reservoirs and is proceeding with implementing the Government's mandate to increase Aramco's crude oil MSC to 13.0 mmbpd by 2027.

Construction and engineering activities for the Marjan and Berri crude oil increments continue to progress, and are expected to add production capacity of 300,000 barrels per day (bpd) and 250,000 bpd, respectively, by 2025.

The Zuluf crude oil increment is in the engineering phase, and is expected to provide a central facility to process a total of 600,000 bpd of crude oil from the Zuluf field by 2026. Construction activities are also continuing on the Dammam development project, which is expected to add 25,000 bpd and 50,000 bpd of crude oil by 2024 and 2027, respectively.

Compression projects at the Haradh and Hawiyah fields commenced commissioning activities and full capacity is expected to be reached in 2023. Construction at the Hawiyah Unayzah Gas Reservoir Storage, the first underground natural gas storage project in the Kingdom, is at an advanced stage and has commenced injection activities. The program is designed to provide up to 2.0 billion standard cubic feet per day of natural gas for reintroduction into the Kingdom's Master Gas System by 2024.

Aramco announced its final investment decision to participate in the development of a major integrated refinery and petrochemical complex in northeast China. The project presents an opportunity for Aramco to supply up to 210,000 bpd of crude oil feedstock to the complex. The transaction is subject to certain closing conditions, including regulatory approvals.

In August, Aramco signed an equity purchase agreement to acquire Valvoline Inc.'s global products business (Valvoline Global Products) for \$2.65 billion. The strategic acquisition, which closed in March 2023, will complement Aramco's line of premium branded lubricant products, optimize its global base oils production capabilities, and expand Aramco's own R&D activities and partnerships with original equipment manufacturers.

In November, three transactions with Polish refiner and fuel retailer PKN ORLEN were completed, expanding Aramco's presence in the European downstream sector. As part of the transaction, the Company acquired equity stakes of 30% in a 210,000 bpd refinery in Gdańsk; 100% in an associated wholesale business; and 50% in a jet fuel marketing joint venture.

Aramco and TotalEnergies made a final investment decision in December to construct a large petrochemical complex in Saudi Arabia. It will enable an existing SATORP refinery to advance Aramco's liquids-to-chemicals strategy. The investment decision is subject to customary closing conditions and approvals.

In October, Aramco established a \$1.5 billion Sustainability Fund to invest in technology needed to support a stable and inclusive energy transition. The fund plans to invest in technologies that support the Company's announced Scope 1 and Scope 2 net-zero 2050 ambition in its wholly-owned operational assets, as well as development of new lower-carbon fuels.

In November, a joint development agreement between Aramco and the Ministry of Energy was signed to construct one of the largest planned carbon capture and storage hubs in the world in Jubail, Saudi Arabia, with a storage capacity of up to 9 million tons of carbon dioxide a year by 2027.

Aramco will discuss its full-year financial results for 2022 in an audio webcast on March 13, 2023 at 3.30pm Riyadh / 12.30pm London / 8.30am New York. The webcast will be available at www.aramco.com/investors.

**Please refer to www.aramco.com/investors for reconciliation of non-IFRS measures*

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