Aramco announces second quarter and half year 2023 results

Company delivers strong profitability and cash flows, enabled by low-cost production and high supply reliability

- Net income: $30.1 billion (Q2) / $62.0 billion (H1)
- Cash flow from operating activities: $33.6 billion (Q2) / $73.3 billion (H1)
- Free cash flow1: $23.2 billion (Q2) / $54.1 billion (H1)
- Gearing ratio1 down to -10.5% as balance sheet continues to strengthen
- Sustainable and progressive dividend: Q1 2023 base dividend of $19.5 billion paid in the second quarter, up 4.0% year-on-year, and Q2 2023 dividend of $19.5 billion to be paid in the third quarter
- Company intends to distribute performance-linked dividends over six quarters from Q3 2023. First distribution of approximately $9.9 billion in Q3 2023 based on combined full-year 2022 results and half-year 2023 results
- Upstream oil and gas developments on track, including the Marjan, Berri, Dammam, and Zuluf crude oil increments, as part of broader capacity expansions
- Downstream growth strategy advances with award of engineering, procurement, and construction contracts for the $11.0 billion Amiral petrochemicals complex
- Accredited lower-carbon ammonia shipments dispatched to key markets, supporting development of decarbonization options

“Our strong results reflect our resilience and ability to adapt through market cycles. We continue to demonstrate our long-standing ability to meet the needs of customers around the world with high levels of reliability. For our shareholders, we intend to start distributing our first performance-linked dividend in the third quarter.

“At Aramco, our mid to long-term view remains unchanged. With a recovery anticipated in the broader global economy, along with increased activity in the aviation sector, ongoing investments in energy projects will be necessary to safeguard energy security.

“We are maintaining the largest capital spending program in our history, with the aim of increasing our oil and gas production capacity and expanding our Downstream business — with petrochemicals projects, such as our $11.0 billion expansion of the SATORP refinery with TotalEnergies, essential to meet future demand.

“At the same time, we remain optimistic about the potential for new technologies to reduce our operational emissions, and our recent blue ammonia shipments to Asia highlight the growing market interest in the potential of alternative, lower-carbon energy solutions.”

Amin H. Nasser
President and CEO

For more information, please see the 2023 Saudi Aramco Second Quarter Interim Report.

Key financial results

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<thead>
<tr>
<th></th>
<th>Second quarter ended June 30</th>
<th>Half year ended June 30</th>
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<tbody>
<tr>
<td></td>
<td>SAR</td>
<td>USD*</td>
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<tr>
<td></td>
<td>2023</td>
<td>2022</td>
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<tr>
<td>Net income</td>
<td>112,810</td>
<td>181,643</td>
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<tr>
<td>EBIT1</td>
<td>212,162</td>
<td>328,243</td>
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<tr>
<td>Capital expenditures</td>
<td>39,239</td>
<td>35,093</td>
</tr>
<tr>
<td>Free cash flow1</td>
<td>86,836</td>
<td>129,801</td>
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<tr>
<td>Dividends paid</td>
<td>73,160</td>
<td>70,328</td>
</tr>
<tr>
<td>ROACE1,2</td>
<td>25.9%</td>
<td>31.3%</td>
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<tr>
<td>Average realized crude oil price ($/barrel)</td>
<td>n/a</td>
<td>n/a</td>
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* Supplementary information is converted at a fixed rate of U.S. dollar 1.00 = SAR 3.75 for convenience only.
1. Non-IFRS measure: refer to Non-IFRS measures reconciliations and definitions section of the 2023 Saudi Aramco Second Quarter Interim Report for further details.
2. Calculated on a 12-month rolling basis.
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Such forward looking statements involve known and unknown risks, uncertainties and other important 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 it 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; competitive pressure; climate change concerns and impacts; weather; cyclicality of gas, oil, refining and petrochemical sectors; terrorism and armed conflict; adverse economic or political developments; operational risks and hazards in the oil and gas, refining and petrochemicals industries; any significant deviation or changes in existing economic and operating conditions that could affect the estimated quantity and value of the Company's proved reserves; losses from risks related to insufficient insurance; the Company's ability to deliver on current and future projects; comparability amongst periods; the Company's ability to realize benefits from recent and future acquisitions, including with respect to SABIC; risks related to operating in several countries; the Company's dependence on its senior management and key personnel; the reliability and security of the Company's IT systems; litigation to which the Company is or may be subject; risks related to oil, gas, environmental, health and safety and other regulations that impact the industries in which the Company operates; risks related to international operations, including sanctions and trade restrictions, anti-bribery and anti-corruption laws and other laws and regulations; risks stemming from requirements to obtain, maintain, and renew governmental licenses, permits, and approvals; risks stemming from existing and potential laws, regulations, and other requirements or expectations relating to environmental protection, health and safety laws and regulations, and sale and use of chemicals and plastics; potential changes in equalization compensation received in connection with domestic sales of hydrocarbons; potential impact on tax rates if the Company does not separate its downstream business in a timeframe set by the Government of Saudi Arabia; 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; as well as the importance of the hydrocarbon industry to the Government; political and social instability and unrest and actual or potential armed conflicts in the regions in which the Company operates and other areas; interest and exchange rate fluctuations; risks arising should the Government eliminate or change the pegging of SAR to the U.S. dollar; 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 Saudi Stock Exchange. 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 Saudi Stock Exchange. 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. 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