Press Release

Aramco announces first quarter 2022 results
Strongest quarterly earnings since IPO as Q1 net income rises more than 80% YoY to $39.5 billion

• Net income: $39.5 billion (Q1 2021: $21.7 billion)
• Cash flow from operating activities: $38.2 billion (Q1 2021: $26.5 billion)
• Free cash flow*: $30.6 billion (Q1 2021: $18.3 billion)
• Gearing ratio*: 8.0% on March 31, 2022 (end of 2021: 14.2%)
• Q4 2021 dividend of $18.8 billion paid in the first quarter; Q1 2022 dividend of $18.8 billion to be paid in the second quarter
• Extraordinary General Assembly approves bonus shares grant
• Company grows presence in Asia and Europe as downstream expansion gathers pace
• Emphasis on tackling emissions highlighted by planned participation in Voluntary Carbon Market

Dhahran, Saudi Arabia, May 15, 2022 – The Saudi Arabian Oil Company (“Aramco” or “the Company”) today announced its first quarter 2022 financial results, posting an 82% year-on-year (YoY) increase in net income to $39.5 billion — and setting a new quarterly earnings record for the Company since its Initial Public Offering in 2019. Aramco also declared a Q1 dividend of $18.8 billion to be paid in the second quarter, and has approved the distribution of one bonus share for every 10 shares held in the Company. The results were underpinned by higher crude oil prices and volumes sold, and improved downstream margins.

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

“Against the backdrop of increased volatility in global markets, we remain focused on helping meet the world’s demand for energy that is reliable, affordable and increasingly sustainable.

“Energy security is vital and we are investing for the long term, expanding our oil and gas production capacity to meet anticipated demand growth and creating long-term shareholder value by capitalizing on our low lifting cost, low upstream carbon intensity, and integrated downstream business.

“During the first quarter, our strategic downstream expansion progressed further in both Asia and Europe, and we continue to develop opportunities that complement our growth objectives.”
“As we collaborate with domestic and international partners to explore new and emerging technologies and solutions, from developing cleaner transport technologies to establishing low-carbon hydrogen and ammonia value chains, I am more optimistic than ever about the positive contribution we can make, both to our customers and to the ongoing global energy transition.”

**Financial Highlights**

Aramco achieved a record quarterly net income of $39.5 billion in Q1, an 82% increase from $21.7 billion in Q1 2021, primarily driven by higher crude oil prices and volumes sold, and improved downstream margins.

Cash flow from operating activities was $38.2 billion in the first quarter, compared to $26.5 billion in Q1 2021. Free cash flow* increased by 68% YoY to $30.6 billion and the Company continues to strengthen its balance sheet, with the gearing ratio* reducing to 8.0% at March 31, 2022 from 14.2% at December 31, 2021. The decrease in gearing was a result of higher cash and cash equivalents, primarily attributable to stronger operating cash flows and cash proceeds in connection with Aramco’s gas pipeline transaction.

In line with the Company’s prudent financial framework and focus on capital flexibility, Aramco decreased its total borrowings principally through a prepayment to the Public Investment Fund in January, therefore reducing the total outstanding principal amount of Promissory Notes by $8 billion originally issued in connection with the acquisition of a 70% stake in SABIC. This resulted in a reduction in financing costs.

Aramco continued to deliver a stable dividend in Q1, with $18.8 billion to be paid to shareholders in the second quarter. In addition, Aramco’s Extraordinary General Assembly on May 12 approved the Board of Directors’ recommendation in Q1 to capitalize $4 billion of retained earnings to support the distribution of bonus shares to shareholders, in the amount of one share for every 10 shares held.

First quarter capital expenditure was $7.6 billion and Aramco continues to expect capital expenditure to grow until around the middle of the decade, to support the Company’s long-term strategy realization.

The Company continued to progress its portfolio optimization program and closed a lease and leaseback deal involving its gas pipeline network with a consortium of investors led by BlackRock Real Assets and Hassana Investment Company. The consortium acquired a 49% stake in a newly-formed Aramco subsidiary, Aramco Gas Pipelines Company, with Aramco receiving upfront proceeds of $15.5 billion.

**Operational Highlights**

Aramco demonstrated reliable upstream performance with an average total hydrocarbon production of 13.0 million barrels of oil equivalent per day in the first quarter of 2022.

The Company maintained its exceptional track record as a global energy supplier, achieving 99.9% reliability in its deliveries to customers during the first quarter.
In its upstream business, Aramco made progress towards completing the Hawiyah and Haradh compression projects, with both due to come on-stream by the end of 2022 adding 1.3 billion standard cubic feet per day (bscfd) of raw gas. The Company also advanced construction of the Hawiyah Gas Plant expansion, part of the Haradh Gas increment program, which is expected to be on-stream in 2023.

The Company’s Manifa project was named Upstream Project of the Year at the 2022 Middle East Energy Awards. Aramco continues demonstrate leadership in both operational excellence and environmental protection through its careful development and management of the Manifa field.

Aramco also continued to make progress in its downstream expansion during the first quarter, which included growing its presence in both Asia and Europe.

The Company agreed to acquire a 30% stake in a 210,000 barrels per day refinery in Gdansk, Poland, along with sole ownership of an associated wholesale business. Aramco also agreed to acquire a 50% stake in a Polish jet fuel marketing joint venture with BP. Completion of the acquisitions, from Polish refiner and fuel retailer Grupa LOTOS in connection with its proposed merger with PKN Orlen, are subject to regulatory approvals.

In China, the Company made a final investment decision to participate in development of a major integrated refinery and petrochemical complex. The joint venture, with North Huajin Chemical Industries Group Corporation and Panjin Xincheng Industrial Group, includes establishing a 300,000 barrels per day refinery and petrochemicals complex, subject to completion of the joint venture transaction.

During the quarter, Aramco entered into new collaborations that seek to build on its global research and development network to advance low-emission transport solutions. These include a partnership with Hyundai Motor Group and King Abdullah University of Science and Technology (KAUST) to jointly research and develop an advanced fuel for hybrid electric vehicles, to lower their CO2 emissions. Aramco also entered into a long-term strategic partnership with the Aston Martin Aramco Cognizant Formula One™ Team and, through joint R&D, will support the team’s efforts to meet Formula 1’s sustainable fuels goal, as well as development of fuel-efficient engine technologies for road vehicles and more efficient hybrid engines in motorsport.

The Company also expanded its international co-operation on developing nonmetallic solutions for the building industry, partnering with the China Building Materials Academy (CBMA) to launch the Nonmetallic Excellence and Innovation Center (NEXCEL) in Beijing. The center aims to promote the development and application of nonmetallic technologies in structures to reduce their carbon footprint and offer superior lifecycle cost, efficiency and environmental advantages over metal alternatives.
Aramco’s supply chain resilience was enhanced with the signing of 50 Memoranda of Understanding during the In-Kingdom Total Value Add (iktva) Forum and Exhibition. In addition to reinforcing the Company’s resilience, reliability and cost competitiveness, the flagship iktva program aims to drive domestic value creation, maximize long-term economic growth and diversification, and build a world-class supply chain that facilitates the development of a diverse, sustainable and a globally competitive energy sector in the Kingdom.

The Company signed a Memorandum of Understanding to become one of five inaugural partners of the Middle East and North Africa regional Voluntary Carbon Market (VCM), established by the Public Investment Fund. The VCM is the first of its kind in the region and will serve as a platform for participants to buy, sell and trade verified carbon equivalent credit certificates. It aligns with Aramco’s ambition to achieve net-zero Scope 1 and Scope 2 greenhouse gas emissions across its wholly-owned operated assets by 2050.

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

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