



لهبريف
luberef

Q4

2024
Results

Safety | **Integrity** | **Accountability** | **Excellence** | **Citizenship**

P&CEO Statement



Samer Abdulaziz Al-Hokail
Luberef's President & CEO

Commitment to excellence & sustainable value

The first nine months of 2024 have presented us with both challenges and opportunities. Throughout this period, we have successfully navigated these complexities by maintaining our focus on the core principles of safety and reliability.

At the same time, we are committed to exploring and identifying opportunities that will create a distinctive value proposition for our shareholders. A progress has been made with the lubeHUB initiative, which is a key part of our strategy to localize specialty product manufacturing within the Kingdom, stimulating increased local demand for base oils and enhancing industrial activity. Where APAR has signed a conditional agreement with Jubail & Yanbu Industrial Cities Services Co. (Jabeen) to establish and operate an industrial facility in the lubeHUB area.

We are also proactively addressing the challenge of rising freight costs in the Red Sea. In this regard, we have signed an Memorandum of Understanding with Bahri Chemical to explore long term strategic collaboration to evaluate alternative approaches for logistics cost optimization.

I am pleased to announce the publication of our inaugural Sustainability Report. This milestone signifies a pivotal step in Luberef's pursuit of excellence, extending our commitment not only to operational excellence but also to the communities we serve.

As we move forward, I am confident that our strategic initiatives and unwavering dedication will continue to drive value for our shareholders and strengthen our position in the market.

Annual Key Financial Highlights

Net Income

764 SAR Million

9M 2023 **1,241** **-38%**

Free Cash Flow

1,051 SAR Million

9M 2023 **1,737** **-39%**

Earnings Per Share

4.54 SAR / Share

9M 2023 **7.38** **-38%**

EBITDA

987 SAR Million

9M 2023 **1,558** **-37%**

ROACE

24%

9M 2023 **43%** **-19 PP**

Gearing

5%

9M 2023 **15%** **-10 PP**

Base Oil Crack Margins

1,728 SAR / Ton

9M 2023 **2,157** **-20%**

Base Oil Sales Volume⁽¹⁾

929 Thousand Metric Ton

9M 2023 **918** **+1%**

Capex

142 SAR Million

9M 2023 **185** **-23%**

Capex Breakdown

SAR Million

	9M 2024	9M 2023
Sustaining	90	55
Turnaround	13	71
Growth	40	59

Notes: Numbers are rounded. (1) Excluding Base Oil Alliance and Imported volumes

Financial Performance

Saudi Aramco Base Oil Company — Luberef announced its September YTD financial results, reporting net income of approximately SAR 764 Million. Net income decreased by 38% compared to the same period of 2023 is due to decrease in base oil and by-products crack margins, despite an increase in sales volumes.

Comparing to the third quarter of 2023, net income decreased by around 34%, mainly due to a decrease in by-products crack margins and slight decrease in base oil crack margins.

Sequentially, net income decreased by 24% compared to Q2. The decrease was primarily due to a decrease in base oil and by-products crack margins and base oil sales volumes, in addition to inventory reevaluation impact of approximately SAR 60 Million.

During 9M 2024, the Company generated free cash flow (FCF) of SAR 1,051 Million, the decrease of the FCF as a result of lower operating cash flow compared to the same period last year.

FCF/Share*

SAR 6.25

3.6 distributed

1.4 available

1.25 excess

80%

*The above illustration highlights total FCF/share outstanding for the 9 Months of 2024, and indicates the available cash for distribution following the announced Dividend Policy. This is not a declaration or distribution of dividends, nor a guarantee of any such distribution in the future, as any decision to do so will depend on the board's sole discretion and in accordance with the announced dividend policy and the applicable rules.

Q4 Financial Highlights

Net Income

226 SAR
Million

Q4 2023 **340** **-34%**

Free Cash Flow

173 SAR
Million

Q4 2023 **641** **-73%**

Earnings Per Share

1.34 SAR /
Share

Q4 2023 **2.02** **-34%**

EBITDA

280 SAR
Million

Q4 2023 **441** **-37%**

Base Oil Crack Margins

1,739 SAR /
Ton

Q4 2023 **1,761** **-1%**

Base Oil Sales Volume⁽¹⁾

322 Thousand
Metric Ton

Q4 2023 **318** **+1%**

Capex

62 SAR
Million

Q4 2023 **105** **-23%**

Capex Breakdown

SAR Million

	Q4 2024	Q4 2023
Sustaining	24	16
Turnaround	10	32
Growth	28	57

Company Highlights



A significant step towards localizing new industries and stimulating local demand for base oils. The first conditional agreement for establishment of a facility in the lubeHUB was signed between Jabeen and APAR Industries.



Luberef and Bahri Chemical signed an MoU to explore and evaluate long-term strategic collaboration to optimize shipping and logistics.



Company Highlights



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Disclaimer Statement

The Information provided in this press release and any written or verbal accompanying communication regarding or by Saudi Aramco Base Oil Company – Luberef (“Luberef” or the “Company”) (collectively, the “Information”) is provided for information purposes only. The Information is qualified in its entirety by the information contained in the Company’s financial statements and annual board reports. Certain financial and statistical information in this press release has been subject to rounding off adjustments. Accordingly, the sum of certain data may not conform to the expressed total.

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This press release may contain certain forward-looking statements with respect to Luberef’s financial position, results of operations and business and certain Luberef’s plans, intentions, expectations, assumptions, goals and beliefs regarding such items. These statements include all matters that are not historical fact and generally, but not always, may be identified by the use of words such as “believes”, “expects”, “are expected to”, “anticipates”, “intends”, “estimates”, “should”, “will”, “shall”, “may”, “is likely to”, “plans”, “outlook” or similar expressions, including variations and the negatives thereof or comparable terminology. Such forward-looking statements are based on numerous assumptions and cannot be ascertained, as they involve known and unknown risks, uncertainties and other factors within or 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.

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Factors that could cause actual results to differ materially from Luberef’s expectations include, among other things, the following: supply, demand and price fluctuations with respect to feedstock and base oils, market conditions; natural disasters and

public health pandemics or epidemics (such as COVID19), and weather conditions (including those associated with climate change); competition in the industries in which Luberef operates; climate change concerns and related impacts on the global demand for base oils and hydrocarbon-based products; conditions affecting the transportation of products; operational risk and hazards common in the oil and gas, refining and petrochemicals industries; the cyclical nature of the oil and gas, refining and petrochemicals industries; terrorism and armed conflict, political and social instability and unrest, and actual or potential armed conflicts in the MENA region and other areas; managing Luberef’s growth and risks related to its strategic growth objectives; risks in connection with projects under development and; asset dispositions or impairments; government mandated sales, recapitalizations, taxes and tax audits, tariffs, sanctions, changes in fiscal terms or; material reductions in corporate liquidity and access to debt markets; the receipt of required Board/Shareholder authorizations to pay future dividends; Luberef’s dependence on the reliability and security of its IT systems, Luberef’s exposure to interest rate risk and foreign exchange risk; risks related to operating in a regulated industry and changes to oil, gas, environmental or other regulations that impact the industries in which Luberef operates; risks related to litigation, including international trade litigation, disputes or agreements; and risks related to the Kingdom. For additional information on the potential risks and uncertainties that could cause actual results to differ from the results predicted please see our latest periodic reports filed with the Saudi Exchange. In light of these risks, uncertainties and assumptions, the forward-looking events described in this press release may not occur.

The Information, including but not limited to forward-looking statements, applies only as of the date it speaks and is not intended to give any assurances as to future results. We undertake no obligation to update, correct or revise the Information, including any financial data or forward-looking statements, as a result of new information, future events or otherwise, unless required by applicable law or regulation.

All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this press release. In addition, this press release 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. These measures are not audited, and might not be comparable to similarly titled measures presented by other companies.

Investor Relations

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