

YANSAB Third Quarter 2022 Earnings

Third Quarter 2022 Highlights:

- Revenue of SAR 1,595 million [\$ 425 million], a 23% decrease quarter-over-quarter and a 10 % decrease year-over-year.
- EBITDA of SAR 248 million [\$ 66 million], a 59 % decrease quarter-over-quarter and a 54 % decrease year-over-year.
- Loss from operations of SAR 46 million [\$ 12 million], a 117% decrease quarter-over-quarter and a 119 % decrease year-over-year.
- Net loss of SAR 61 million [\$ 16 million], a 121% decrease quarter-over-quarter and a 134 % decrease year-over-year.

Table 1 – Summary Financial Results

Item	Three Months Ended			Nine Months Ended		
	30 Sep, 2022	30 Jun, 2022	Change QoQ	30 Sep, 2022	30 Sep, 2021	Change YoY
Revenue	1,595	2,062	-23%	5,628	5,486	3%
EBITDA ¹	248	610	-59%	1,478	2,395	-38%
Income from operations	-46	277	-117%	610	1,269	-52%
Net Income	-61	288.5	-121%	511	1,196	-57%
Earnings Per Share	-0.11	0.51	-121%	0.91	2.13	-57%
Free Cash Flow	-839	329	-355%	1,290	1,692	-24%

All amounts in SAR million unless otherwise stated. USD/SAR conversion used is 3.75. Certain figures and percentages included in this document have been subject to rounding adjustments.

¹Income from operations plus depreciation, amortization and impairment.

Financial Performance:

Yanbu National Petrochemical Co. (YANSAB) announced its financial results for the third quarter of 2022 with revenue of SAR 1,595 million [\$ 425 million], which represents a decrease of 23% compared to the second quarter. The decrease was mainly to lower average preliminary sales prices for all of the products.

YANSAB reported net loss of SAR 61 million [\$ 16 million], in the third quarter, a decrease of 121 % from the second quarter. EBITDA amounted to SAR 248 million [\$ 66 million], in the third quarter of 2022, representing a decrease of 59%, quarter-over-quarter, the net loss is attributable to lower average preliminary sales prices for all of the products result from changes in the market price and higher shipment cost, despite lower production's inputs average cost and higher production and sales quantity

A comparison table for prices and sales volumes:

	Average Prices	Sales Volumes
Q3 22 vs. Q2 22	-23%	17%
Q3 22 vs Q3 21	-30%	11%
M9 22 vs M9 21	-8%	12%

In September 2022, Yanbu National Petrochemical Company (YANSAB), a SABIC affiliate, has received the Clean Energy Ministerial (CEM) 2022 Energy Management Insight Award for Leadership in Energy Management.

The award recognizes YANSAB for providing a case study to share insights on the benefits of energy management systems and the ISO 50001 standard.

The Energy Management Leadership Awards program recognizes organizations that have implemented energy management systems to achieve energy, economic, and sustainability benefits.



“This is truly an honor. YANSAB is the only manufacturing plant in Saudi Arabia that has been awarded by the Clean Energy Ministerial, a global platform, out of more than 50 industry sectors from 150 countries that applied for the energy award. This demonstrates our efforts to contribute to enabling the clean energy objective of Saudi Vision 2030 and achieving the Saudi Energy Efficiency Center second cycle target by 2025 and Carbon Neutrality target by 2050,” said Mohammed A. Bazaid, YANSAB President.

YANSAB leadership has proven through multiple success stories the implementation of Sustainability Management Systems integrated with business strategy.

In 2019, the company achieved credit in the first Saudi Energy Efficiency Center Cycle followed by the United Nations declaration of 35,110 Credit Emission Rates for the second boiler economizer project in 2022.

To qualify for the Energy Management Leadership Awards, an organization has to establish an energy management system at one or more company facilities. The next step is having the system certified to ISO 50001, which involves more than simply meeting a set of criteria, such as energy savings targets. The standard provides a framework that guides facilities toward a system in which energy awareness becomes an integral part of business operations and decision-making.

For further information, please contact YANSAB Investor Relations at shares@yansab.sabir.com and / or visit <https://www.yansab.com.sa/en> .

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Average sales prices stated in this earning release includes FX and other factors.

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