



لوبريف
luberef

2023 Results

February 28, 2024

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Samer Al Hokail

President & Chief Executive Officer

A Year of Achievement



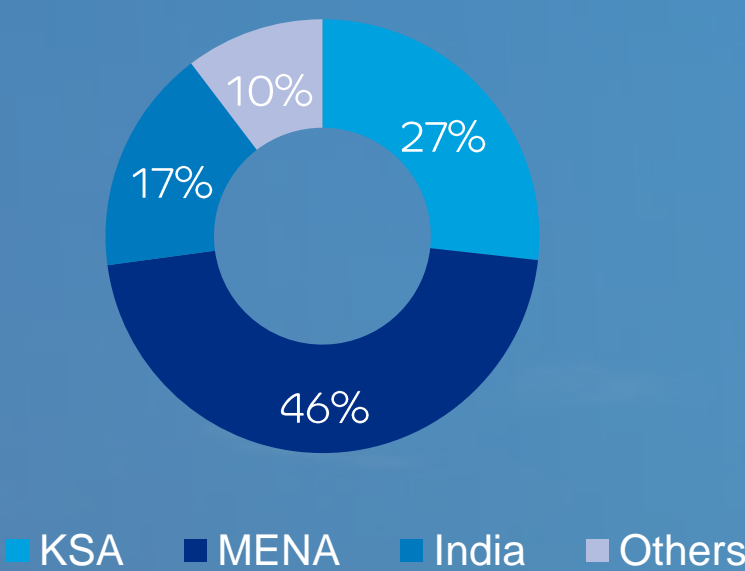
Robust Market Position

Sales

1,251 KT*
2022: 1,229 KT

Record production and sales despite Jeddah Turnaround

Sales By Region



Improved Refining Performance

Total Recordable Incident Rate

0.0
More than 4 Years

Mechanical Availability

99.6%
Top Quartile

Flaring Reduction

~4%
vs. Last year

LTI

35+ MM
Man-hours without LTI

Utilization

90.9%
2022: 88.8%

ESG

Developing ESG framework

*Excluding imported and alliance sales

A Year of Achievement



Transformation and Growth

Securing additional
feedstock with RCO and
VGO agreements

Luberef Yanbu GII at
910 KT/year
2023: 800 KT/year

Optimizing sales premium
using data analytics

Commissioning of new
utility projects in Jeddah

**EPC contract signed
for Yanbu Growth II**



Financial Leadership

Net Income

SR 1,510 Mn
2022: SR 1,978 Mn

**2nd Highest in
Company history**

EBITDA

SR 1,912 Mn
2022: SR 2,511 Mn

Unit Cost Reduction

SR 392/MT
2022: SR 439/Mt

Gearing

(1%)
2022: 3%

ROACE

30%
2022: 39%

A Year of Achievement



Shareholder Returns

Operating Cash Flow

SR 2,322 Mn

2022: SR 2,017 Mn

FCF

SR 2,108 Mn

2022: SR 1,969 Mn

All Time High

Dividends

SR 1,683 Mn

~ 50% Above guidance

All Time High

Dividends/Share

SR10/Share

Highest in Saudi Market for 2023*

Total Shareholder Return

65%

3.8x TASI**

Saudi Market Index during 2023

* As of January 31, 2024

** TASI total return calculated based on available data on Bloomberg

Mohammed Al Nafea

Chief Financial Officer



Advantaged Value Chain Position with Competitive Cost Structure

Robust Margins Environment



Low-Cost Feedstock

SR 1,641/Mt

Reduced Crude Oil



Cost Leadership

SR 392/Mt

Fuel, Fixed and Variable Costs
(Excluding Feedstock)



High Margin Base Oil Products

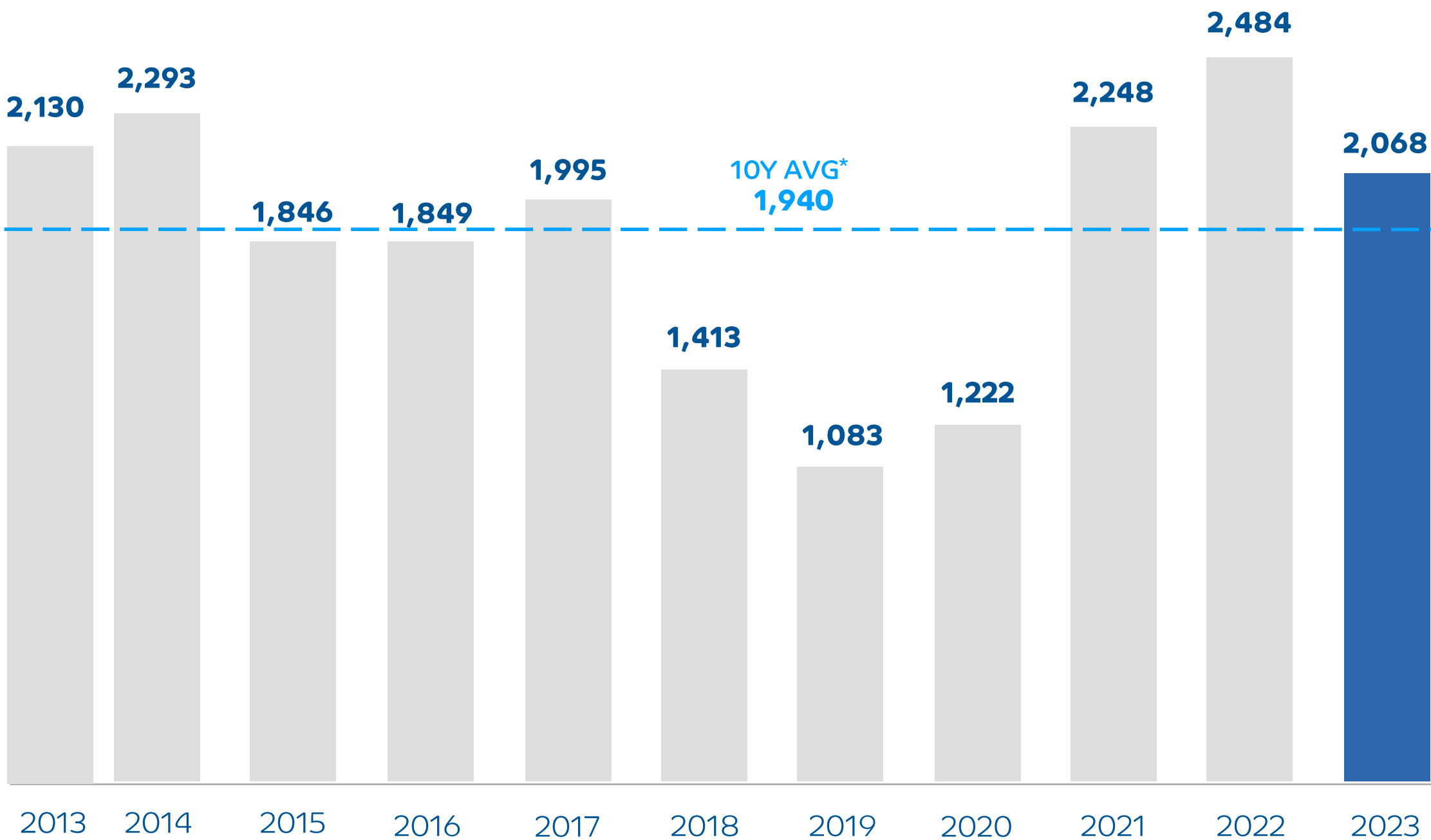
SR 3,709/Mt

2023 Realized Price

SR 2,068/Mt

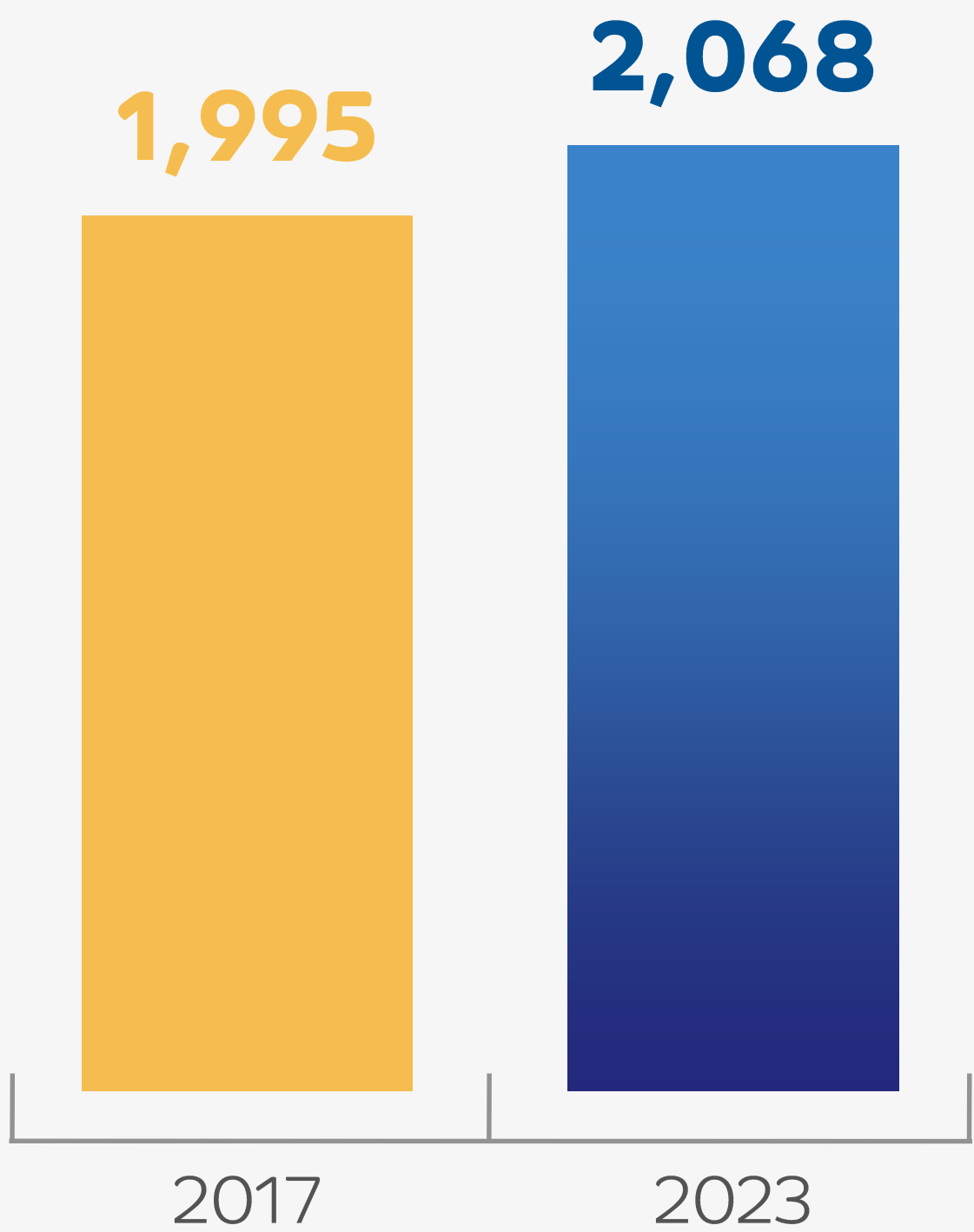
2023 Crack Margin

Base Oil Crack Margins (SR/Mt)



*Excluding COVID year

Track Record of Value Added Growth



Base Oil Crack Margins (SR/Mt)

<div><div>+121%</div><div>Base Oil Production</div><div>▲</div></div>	<div><div>-44%</div><div>Unit Cost of Production</div><div>▼</div></div>
<div><div>+239%</div><div>Net Income</div><div>▲</div></div>	<div><div>+310%</div><div>Operating Cash Flow</div><div>▲</div></div>
<div><div>4.6X</div><div>Lower GI from the overall*</div><div>▼</div></div>	<div><div>-50%</div><div>CO2 generated per valuable product</div><div>▼</div></div>

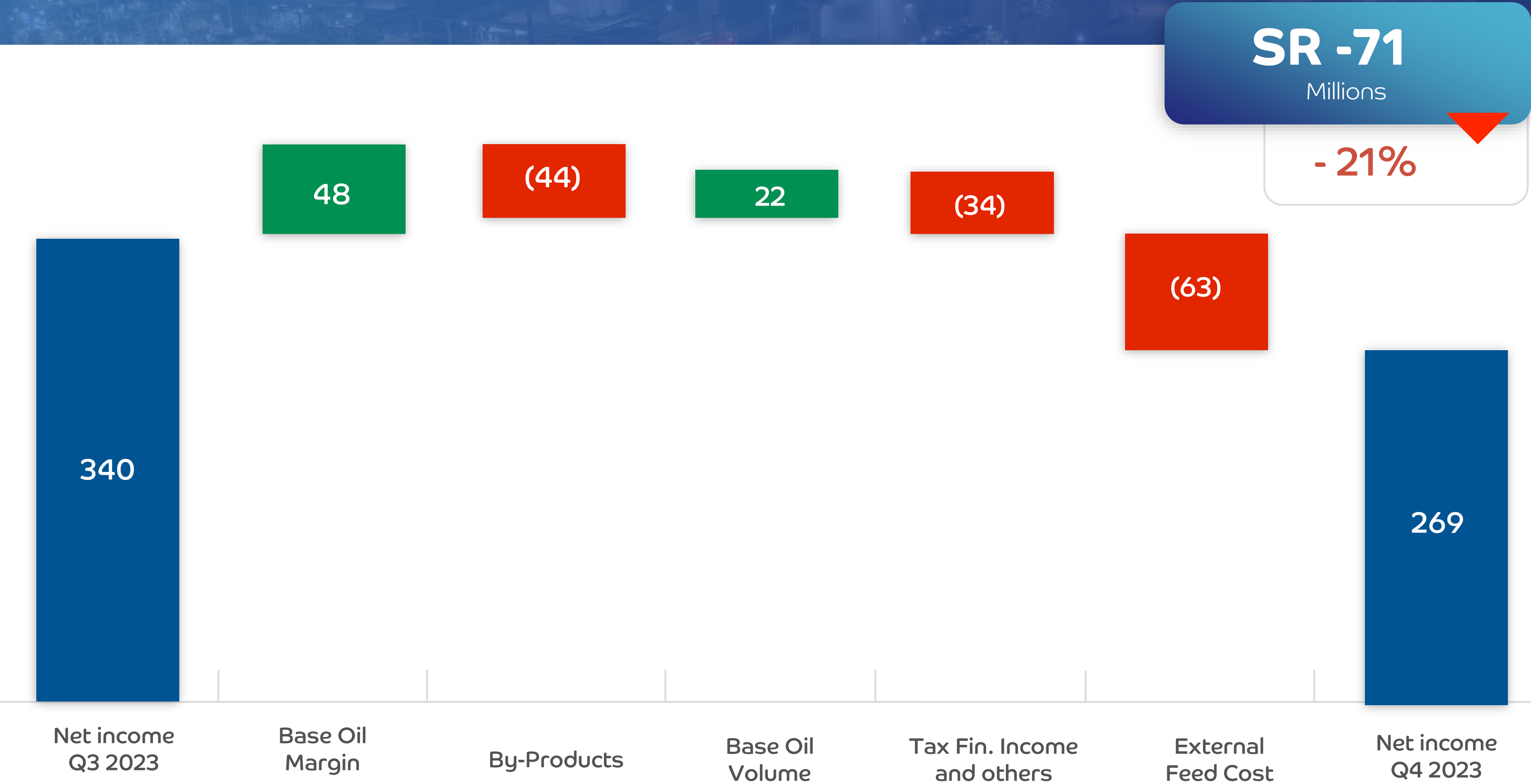
* Excluding Bright Stock

Highly Attractive Financials



	2023	2022		2023	2022
Base Oil Sales Volume (Thousand Metric Ton)	1,251	1,229	Operating Cash Flow (SAR Million)	2,322	2,017
Base Oil Crack Margin (SAR / Ton)	2,068	2,484	Free Cash Flow (SAR Million)	2,108	1,969
Revenue (SAR Million)	9,489	10,614	Capex (SAR Million)	213	48
EBITDA (SAR Million)	1,912	2,511	Capex Breakdown (SAR Million)	<div><div>Sustaining79</div><div>Turnaround74</div><div>Growth60</div></div>	<div><div>41</div><div>2</div><div>5</div></div>
Net Income (SAR Million)	1,510	1,978	Cash Conversion (%)	110%	78%
ROACE (%)	30%	39%	Gearing (%)	(1%)	3%

Resilient Net Income in Lower Crack Margin Environment



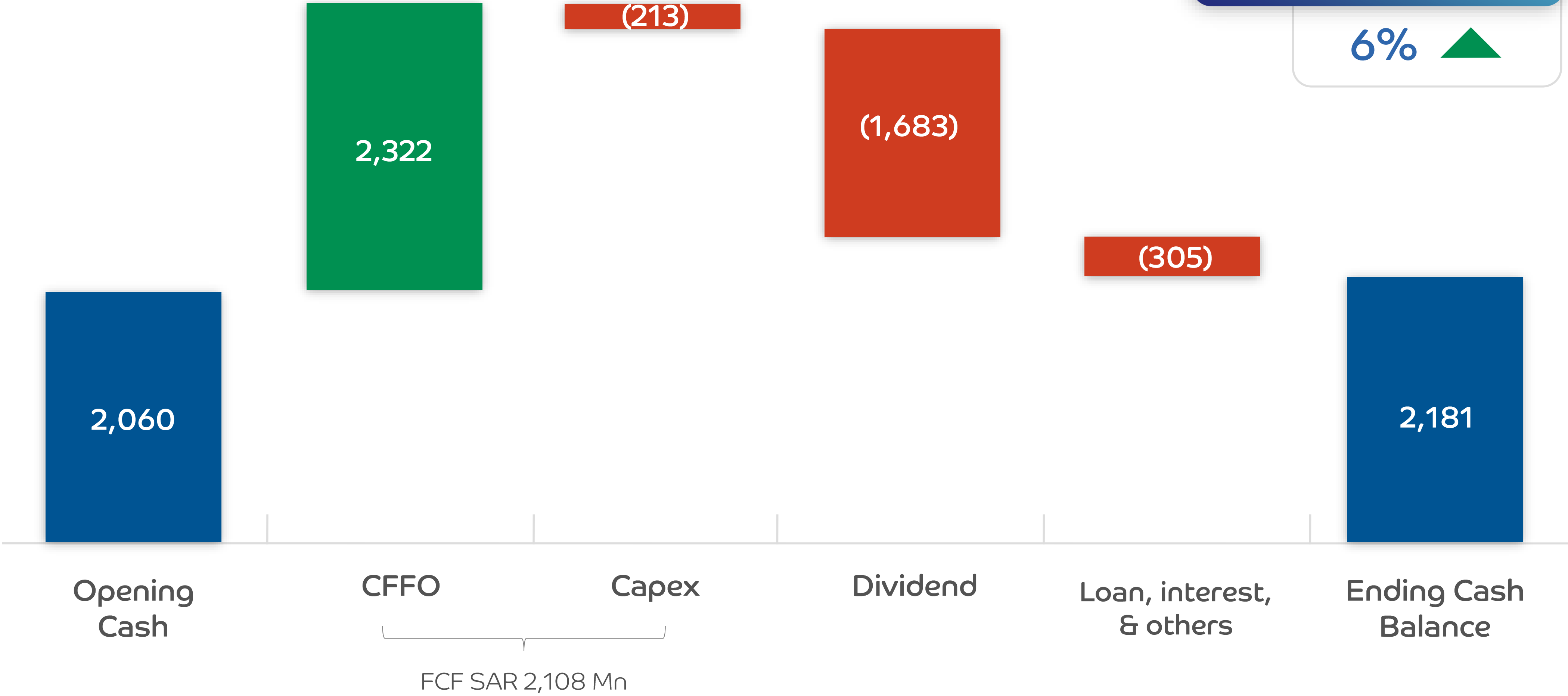
Resilient Net Income in Lower Crack Margin Environment



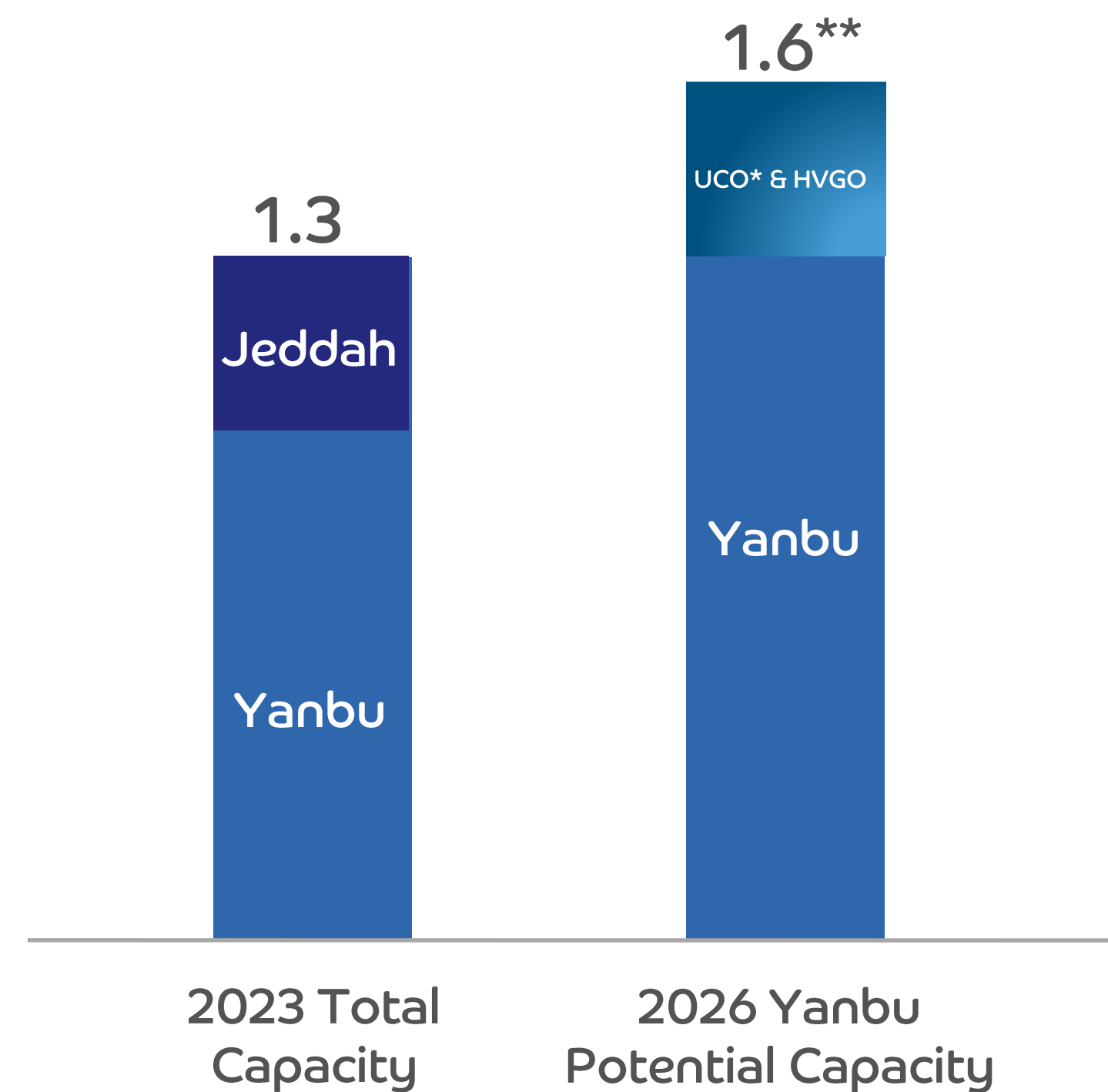
Highest Free Cash Flow in Company History

SR 121
Millions

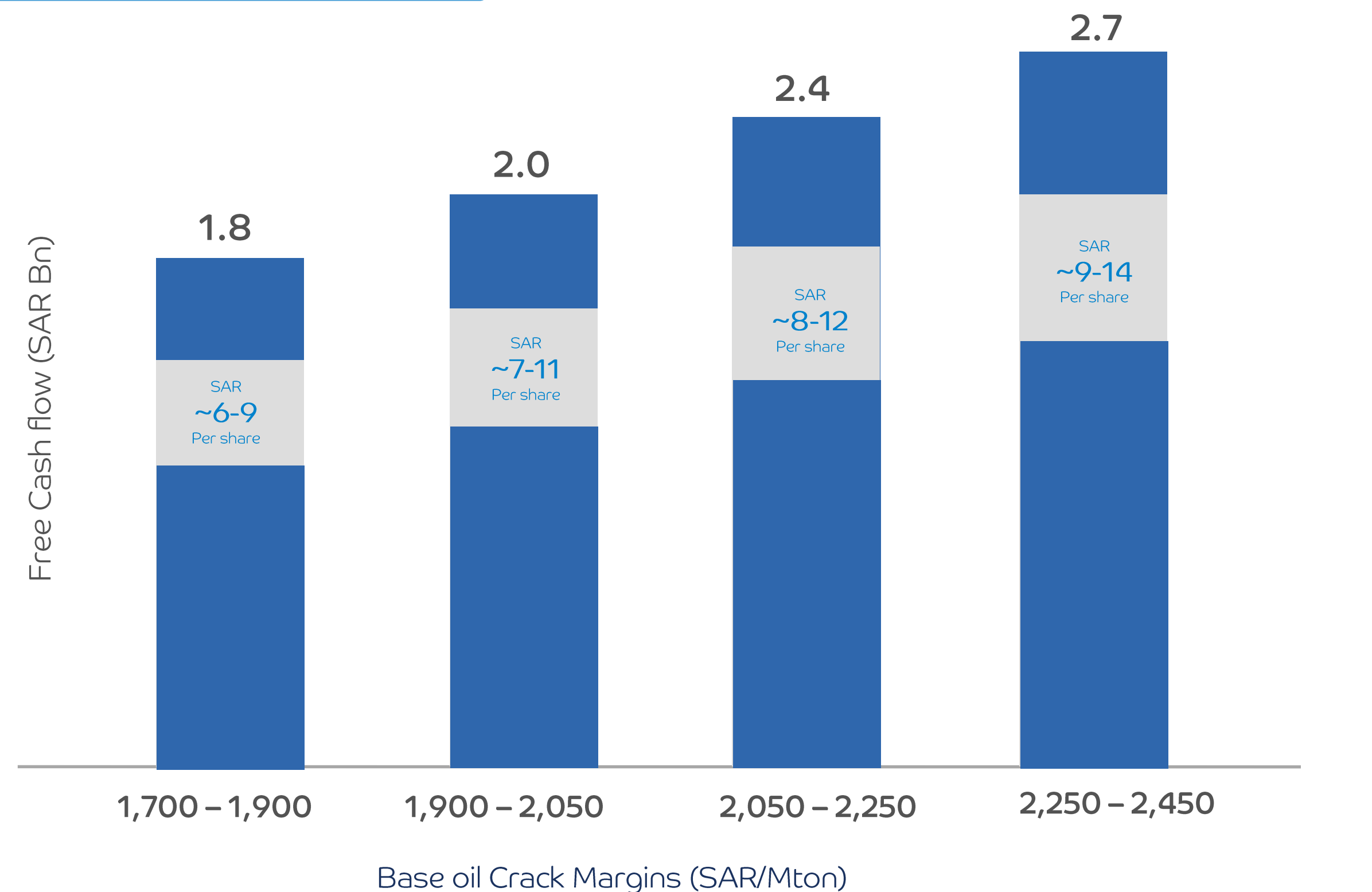
6% ▲



Targeting growth opportunities for value creation



Based on 1.6 Million Tons
(Dividend / Share)



Assumptions: 1.No Gain/Loss from White & Byproducts.
2.No Change in working Capital
3.Capex SAR 146MM

Dividends Range 60% - 80% of FCF

Evaluating additional Aramco UCO streams for further growth in GIII/III+ production

*UCO supply agreement is not yet signed .

** Dependent on signing required agreements and availability of required feedstock

2024 Guidance



Base Oil Volumes

- 2024: Mid single digit percentage growth expected from 2023 to 2024 due to transformation initiatives
- Domestic market expected to account for ~30% of total base oil volumes in 2024



Base Oil Prices and Crack Spreads

- Product prices calculated using a benchmark price and adding a premium
- Key IHS benchmarks used for base oil product prices:
 - Domestic – Asian benchmark
 - Export – Based on destination
- Domestic price premiums for base oil products expected to be in the range of SR375-750/Mt
 - Company intends to maximize price premiums for exports
- Feedstock prices expected to continue to be in-line with HSFO ⁽¹⁾



Capex

- Maintenance capex expected to be ~SR 80-100 Mn
- Capex for Yanbu Growth II project estimated at ~SR 150-200 Mn in current year



Depreciation

- The Company reviewed and revised the useful lives and residual value of Yanbu refinery to better reflect the estimated periods during which these assets will remain in service . As a result , the annual depreciation charge will be reduced by approximately SAR 44 million.

2024 Guidance



Debt Repayment

- Repayment of SAR 938 million from outstanding debt.



Dividend

- Board recommended dividend of SAR 841 Mn for H2, 2023 performance.
- Dividends for 2024 to be in line with announced dividends policy (60%-80% of FCF).



Turnaround & Shutdown

- The Yanbu Catalyst replacement was completed in Q1 2024, resulting in a 15-day shutdown.
- Yanbu turnaround will be executed in 2025 to align the schedule with Growth II project tie-in activities.



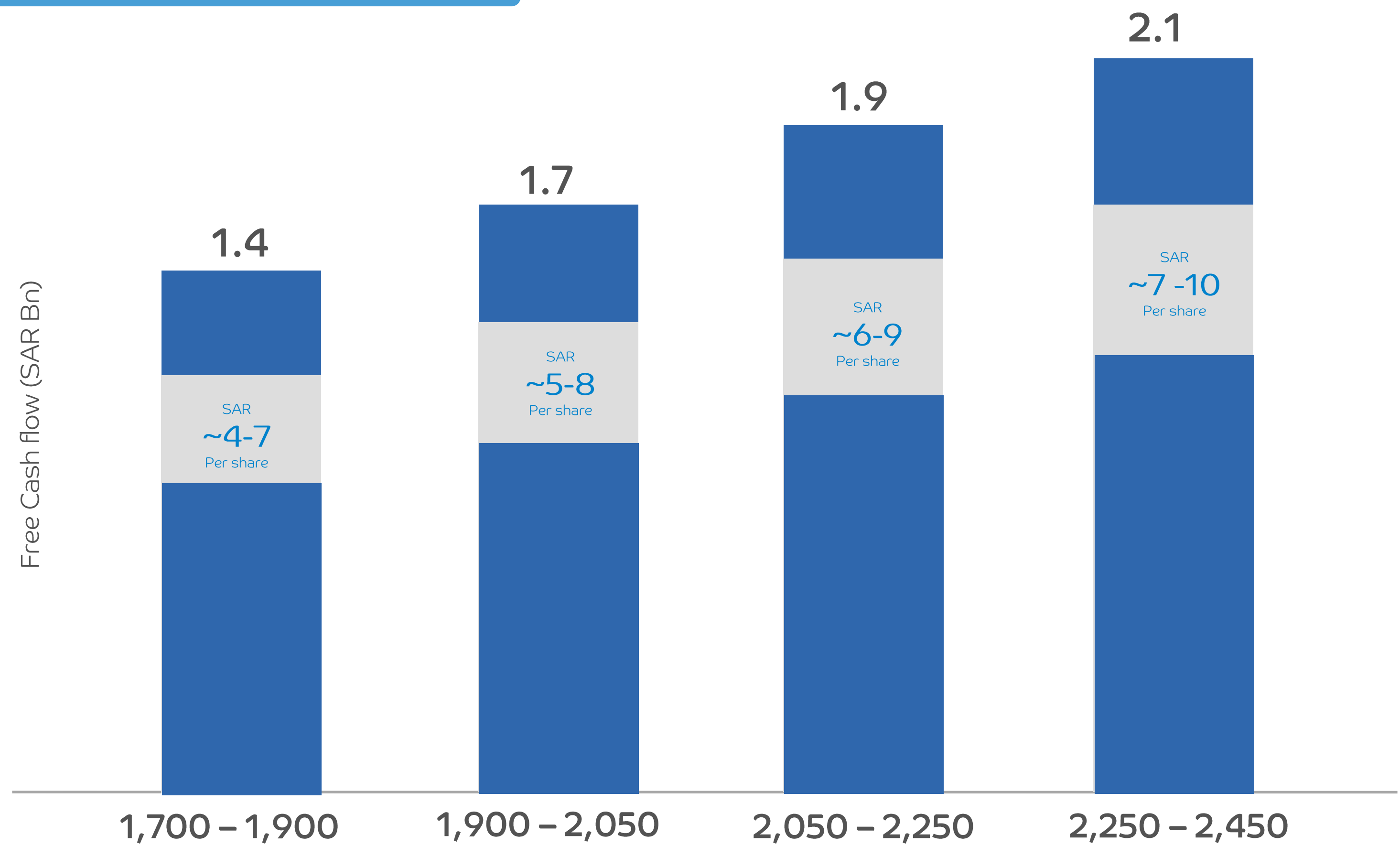
Others

- Impact of imported feedstock in Q1 2024 ~SAR 50Mn
- No material impact from Red Sea situation. Mitigation plans have been developed.

Thank You

Sustainable and Attractive Distributions Across Base Oil Crack Margin Environments

Based on 1.3 Million Tons
(Dividend / Share)

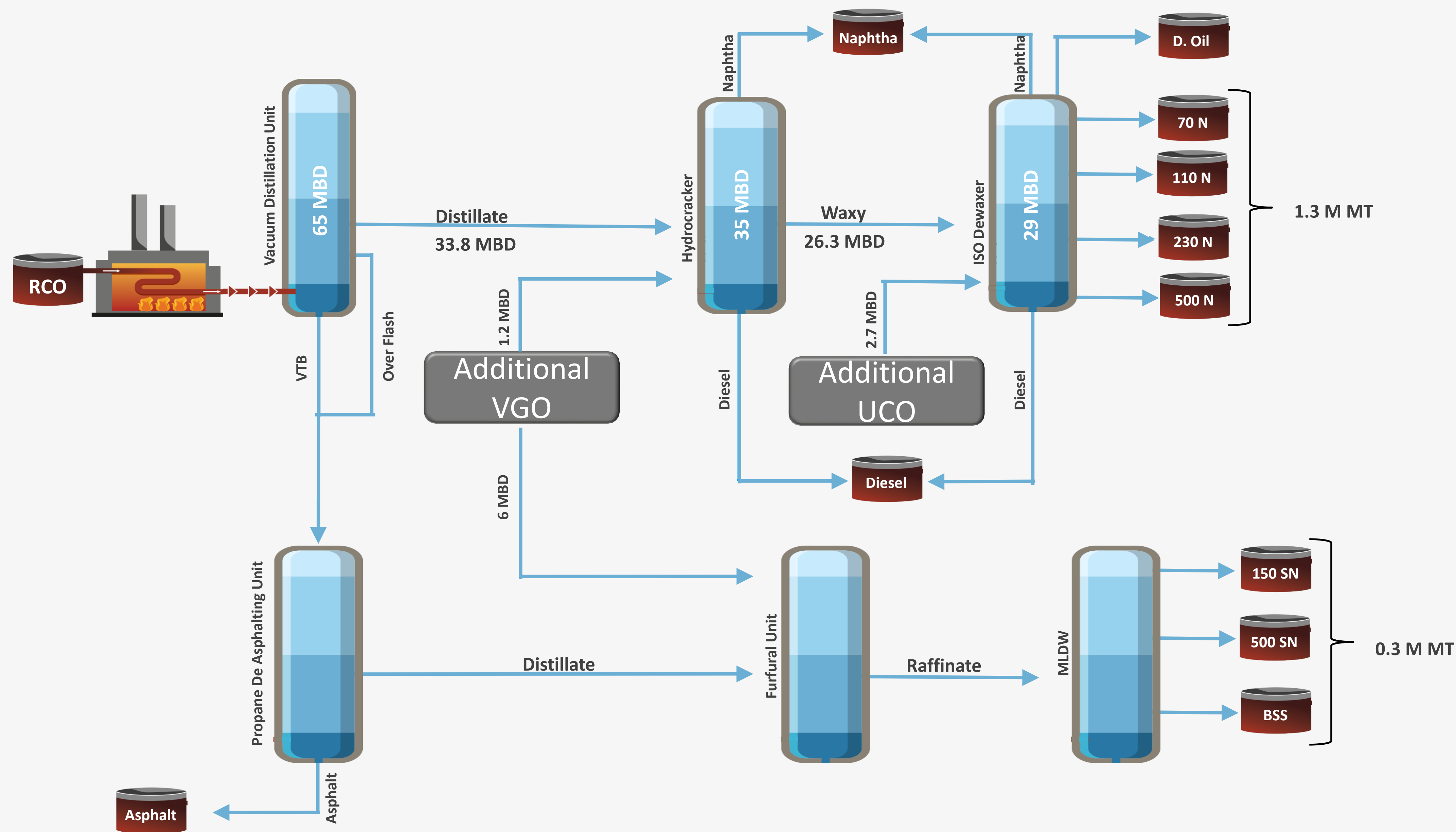


Dividends Range 60% - 80% of FCF

Base oil Crack Margins (\$/Mton)

Assumptions: 1.No Gain/Loss from White & Byproducts.
2.No Change in working Capital
3.Capex \$40MM

Unlocking Future Value: Growth Potential for Yanbu facility*



* Depends on securing the additional feedstock and completion of growth II project with targeted capacity