

CHEMISTRY THAT MATTERS™



# SABIC AGRI-NUTRIENTS INVESTOR DAY

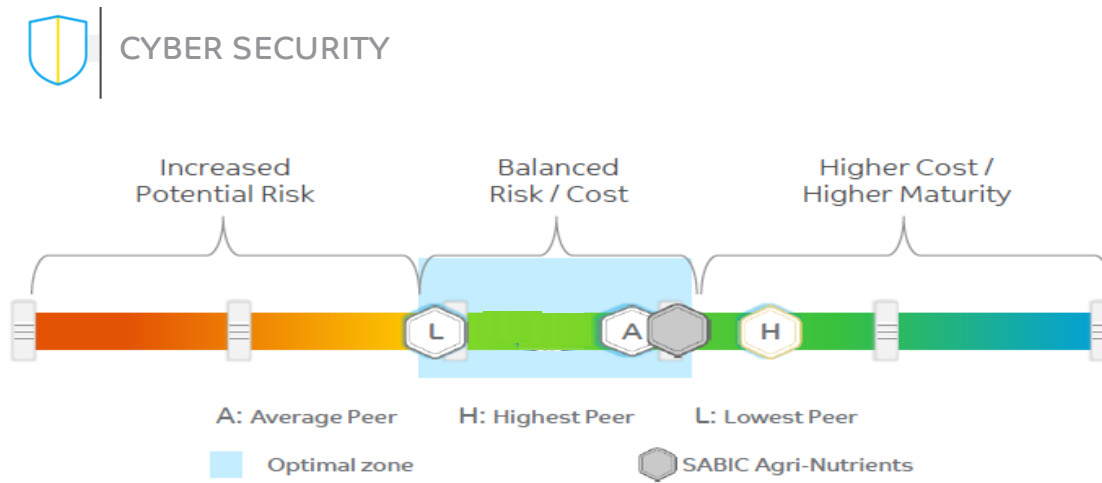
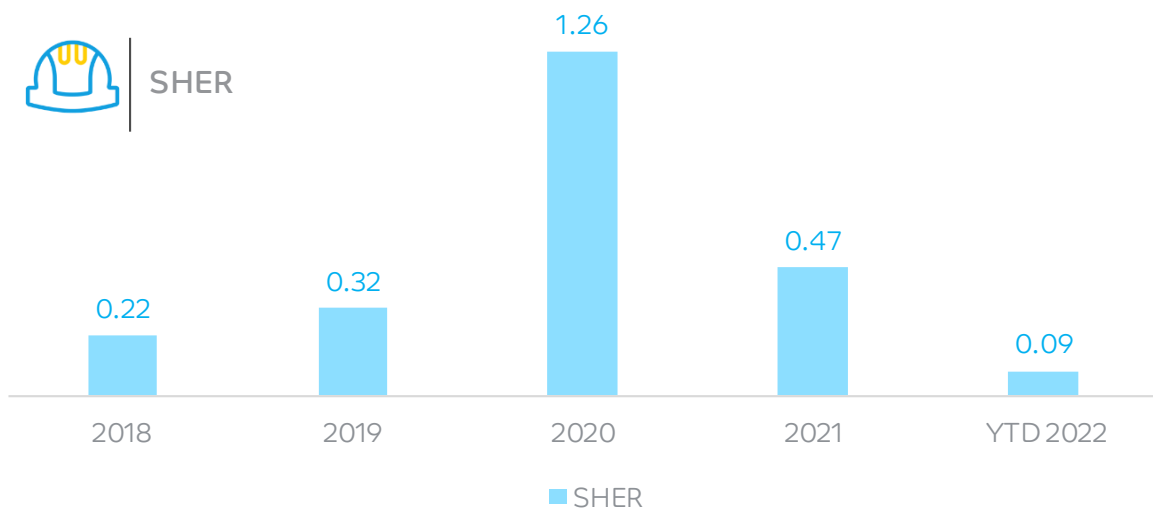
01 NOV 2022



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# EHSS

# EHSS AND CYBER SECURITY COMPLIANCE



The plotted graph represents the number of all safety incidents weighted by severity per every 200,000 man-hours worked.

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# INVESTMENT THESIS

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## Growth Strategy

- Growth oriented strategy targeting leadership in Nitrogen
- Increased Marketshare in high growth regions globally
- Diversify along the value chain



## Sustainability and Innovation

- Strong focus on EHSS goals and clear roadmap for Carbon neutrality
- Foster the development of low carbon products
- Innovative products targeting better crop yields and quality



## Robust Financials

- Strong financial performance
- Maximizing shareholders' value



## Reliable Supplier

- Operational excellence in world scale plants
- Leveraging SABIC's global supply chain network
- Tier1 in Safety, Health and Reliability

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# SABIC AGRI NUTRIENTS STRATEGY

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## COST LEADERSHIP

Target first quartile reliability and costs

## GROWTH

Expand geographically with diversified product portfolio

Target leading market position in Nitrogen

Integrate along the Value chain through distribution assets

## INNOVATION

Focus on value added products through differentiation

Explore “Disruptive technologies” to develop innovative solutions and enhanced efficiency products

## PEOPLE

Keep Safety as the highest priority

Well being of Employee with agile and winning culture

## ESG

Establish clear Roadmap for disclosures

Equipping our work place for the future generation

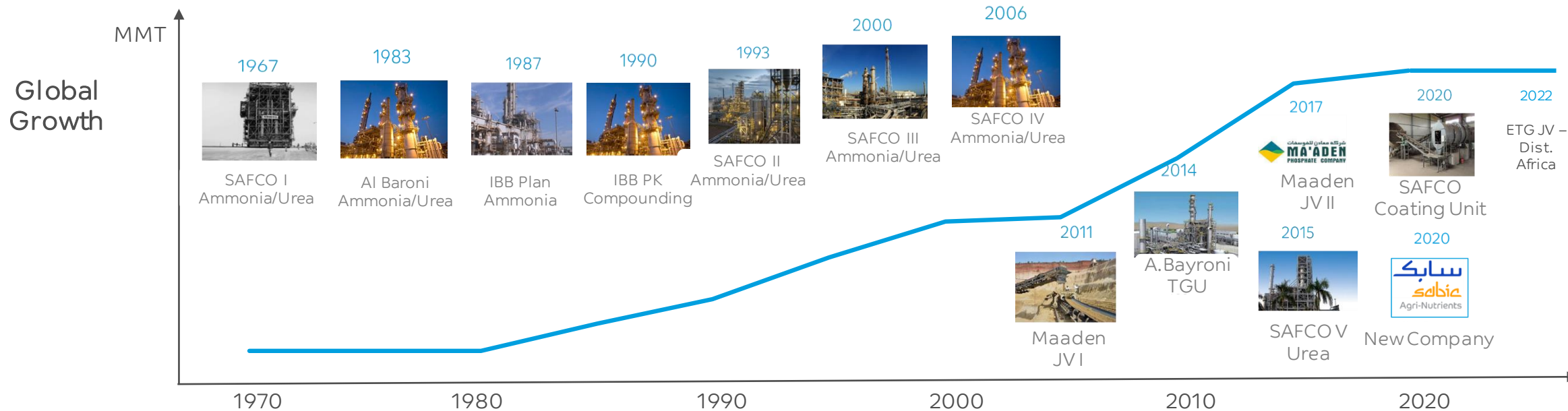
Ensuring Tax transparency and sustainable investments

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# TRANSFORMATION

# SABIC AGRI-NUTRIENTS: HISTORY AND DEVELOPMENT

## Evolution of SABIC Agri-Nutrients over Last 60 years (Growth & Position)



\* Only Nitrogen Agri-Nutrients excluding China

MAP- Monoammonium phosphate; DAP – Diammonium phosphate; WSF – Water Soluble Fertilizers; EEF – Enhanced efficiency fertilizers (Slow release Urea, control release Urea, DAP with Micronutrients a.o.); UCS Urea Calcium Sulfate

# SABIC AGRI-NUTRIENTS - TRANSFORMATION



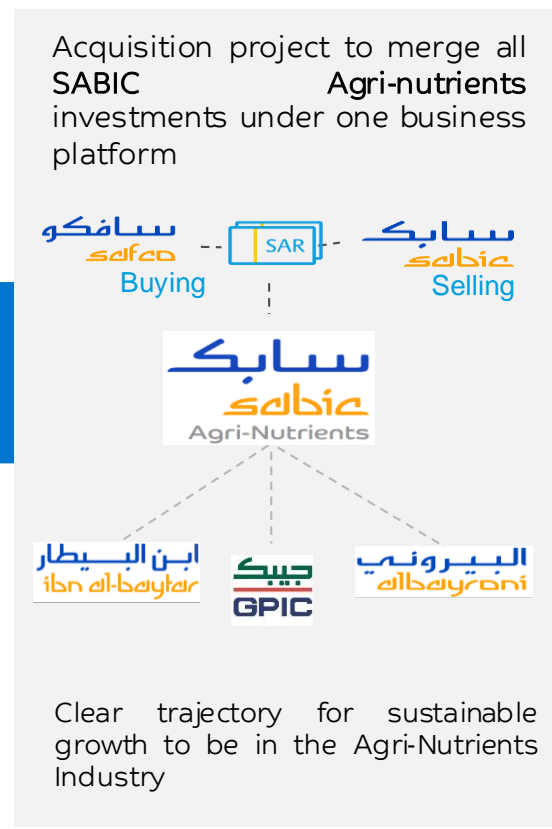
**Fertilizers SBU** renamed to **Agri-nutrients** to represent interest in broader Agri portfolio, diversification and distribution

Integration project for all **Agri-Nutrients** Affiliates (SAFCO / IBB & ALB) under one platform

**To Be One:**

- Organization
- Interface
- Site
- Feedstock

Leveraging the process synergy, creating value for future growth of all Agri-Nutrient businesses



New Operating Model for **SABIC Agri-Nutrients** with full autonomy

- Full Autonomy
- New Operating model
- High Agility
- Utilize the Power of SABIC Brand

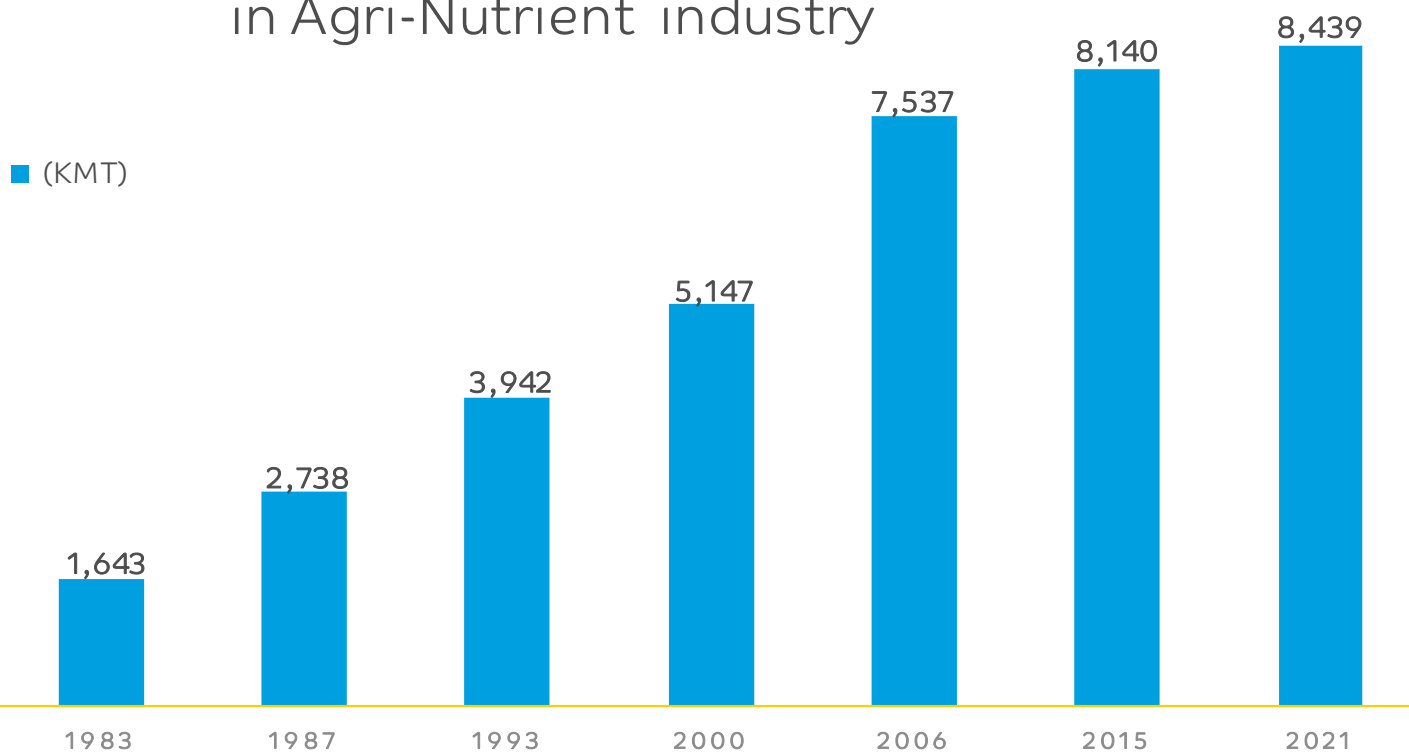
Leveraging synergies with SABIC via /Support / Service Agreements

**The National Champion & a Global Leader in Agri-Nutrients**

# PRODUCTION – OUR MAJOR MANUFACTURING CAPABILITIES MILESTONES



**National champion and global leader**  
in Agri-Nutrient industry



- ✓ Over the past years, our focus was to Secure **competitive basic nutrients** and maintain a strong **Cost Leadership position** globally.
- ✓ Going forward, we will Focus on producing **innovative and differentiated** products and Offering **higher value nutrient solutions** to farmers.

**17**  
Plants

**5** Ammonia Plants

**5** G.Urea Plants

**1** P.Urea Plant

**2** Differentiated Plants  
(TGU, Coated Urea)

**2** Urea Formaldehyde  
Plants

**2** Chemical Plants  
(2-EH, DOP)

# BUSINESS PROFILE



7 MMT  
Sales Volume



9 MMT  
Capacity Volume



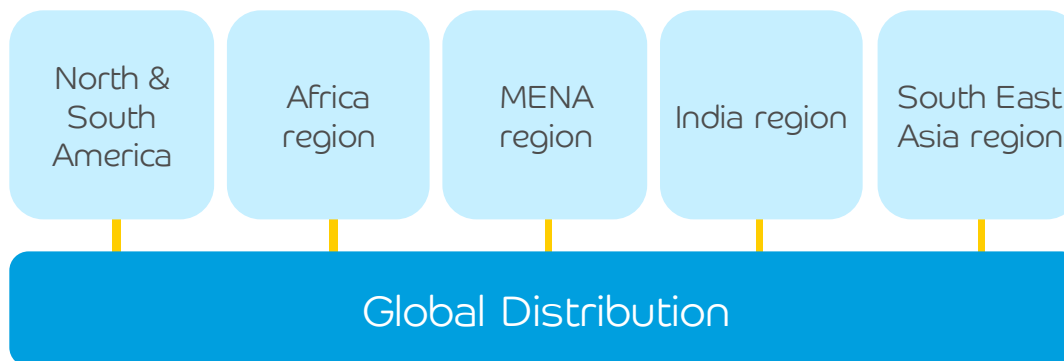
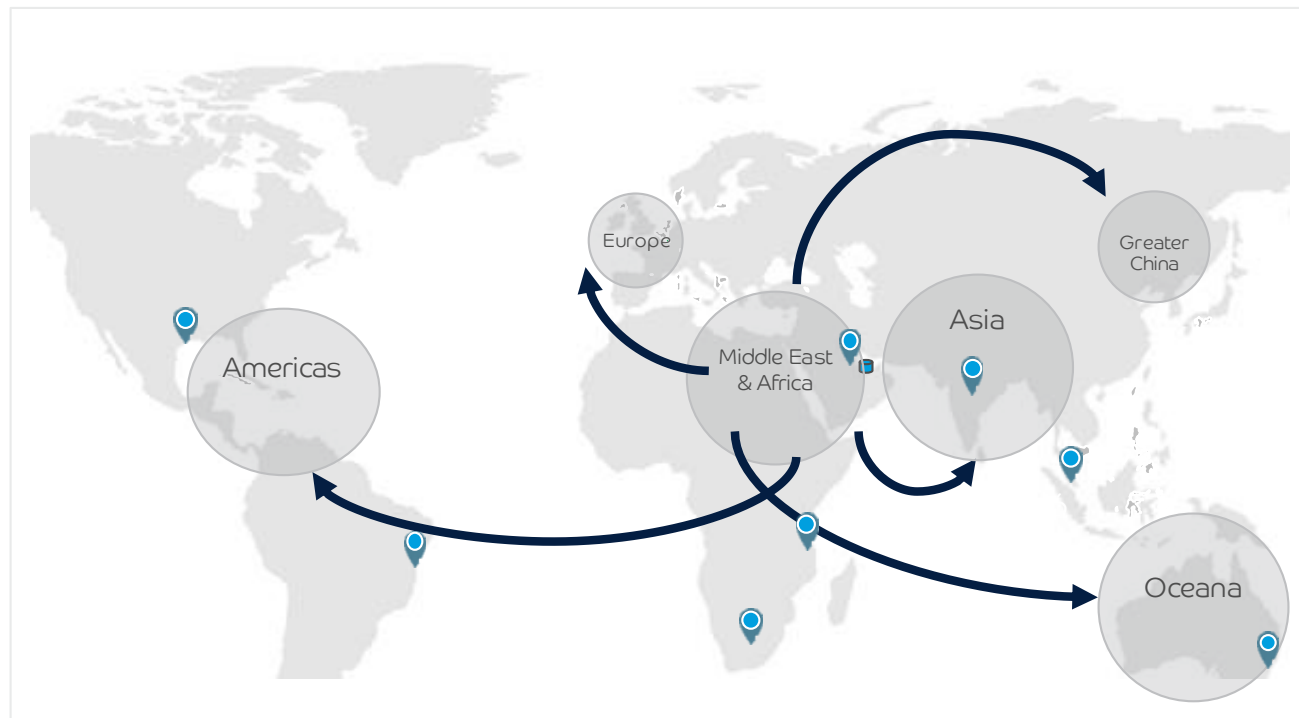
+200  
Customers



145  
Routes



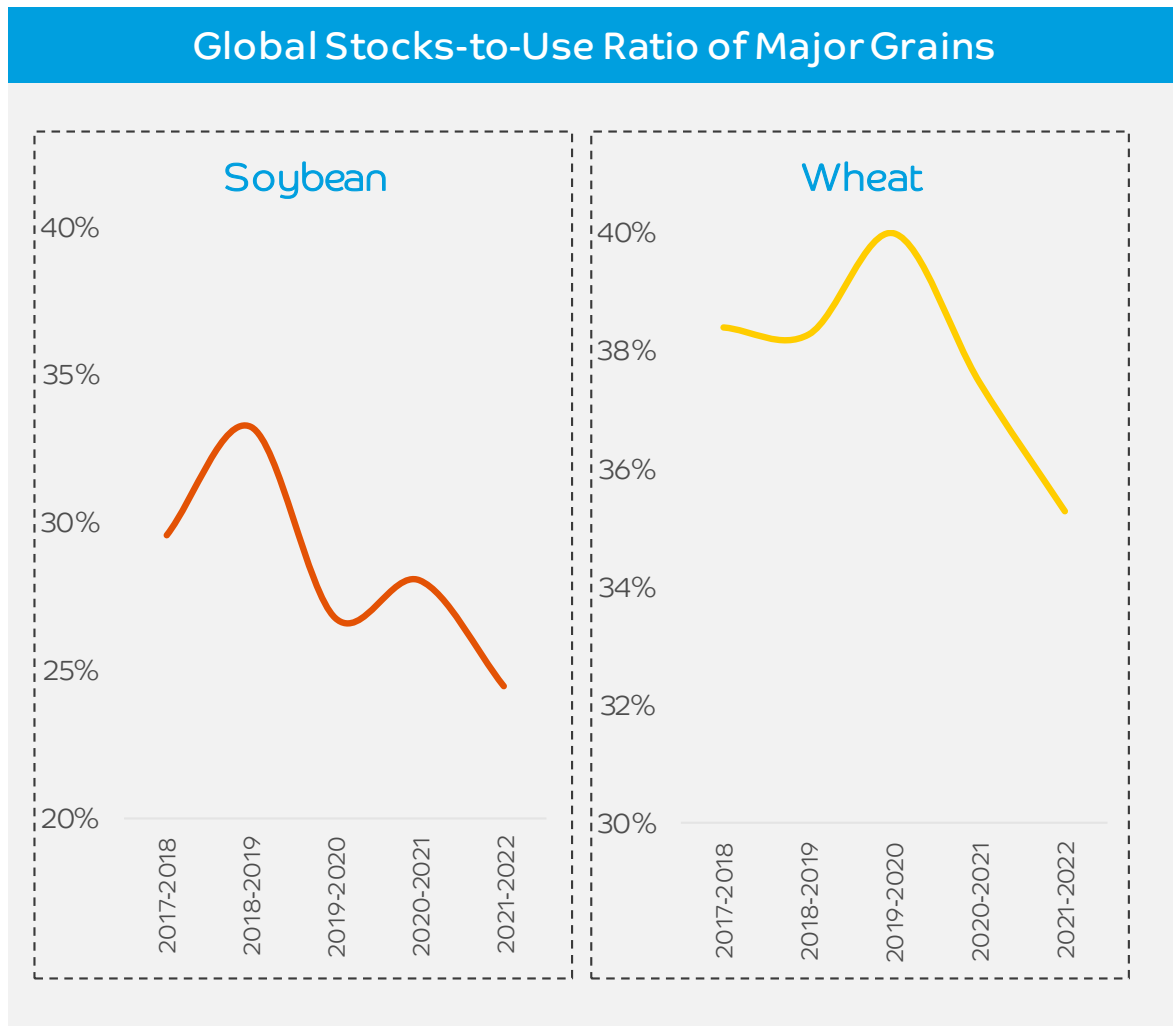
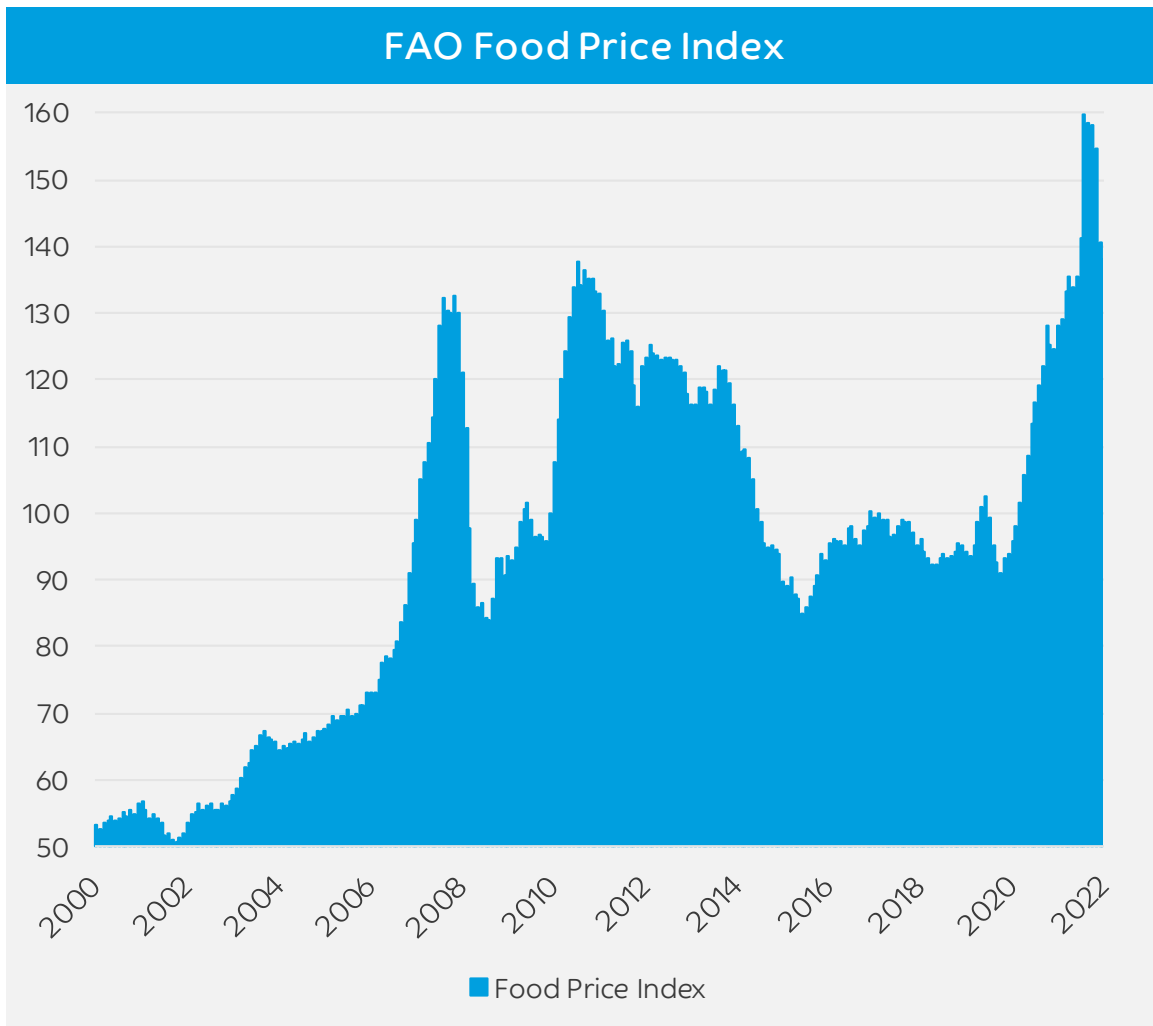
300+  
Patents



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# MARKET FUNDAMENTALS

# WE ARE LIVING THE LARGEST FOOD CRISIS IN A DECADE



# SABIC AGRI-NUTRIENTS IS DEVELOPING SOLUTIONS TO ADDRESS GLOBAL AGRI-CULTURE CHALLENGES

## Agri-Nutrients / Agriculture Industry Megatrends

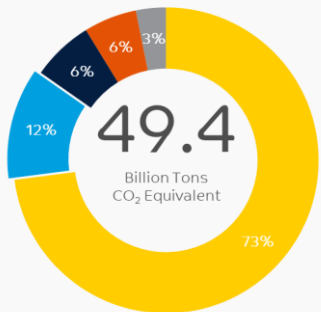
### Carbon Neutrality



Reduce Emissions and Energy Input

#### Global Emissions – All Greenhouse Gasses

■ Energy ■ Agriculture ■ Land Use Change ■ Industrial Processes ■ Waste



Grow while Reducing GHG Emissions (currently 12% of global GHG)

### Food Security / Self-Sufficiency



Added Yield and Improved Quality



Commercialize High Efficiency Fertilizers while still affordable for farmers

### Environmental Impact



Address Byproducts and Water Scarcity

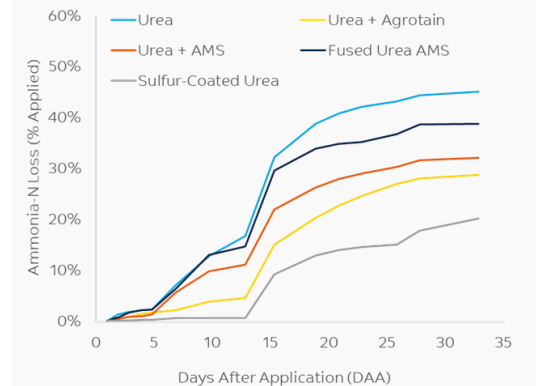


Utilize byproducts & Solve Water Scarcity.

### Farming Efficiency & Smart Farming



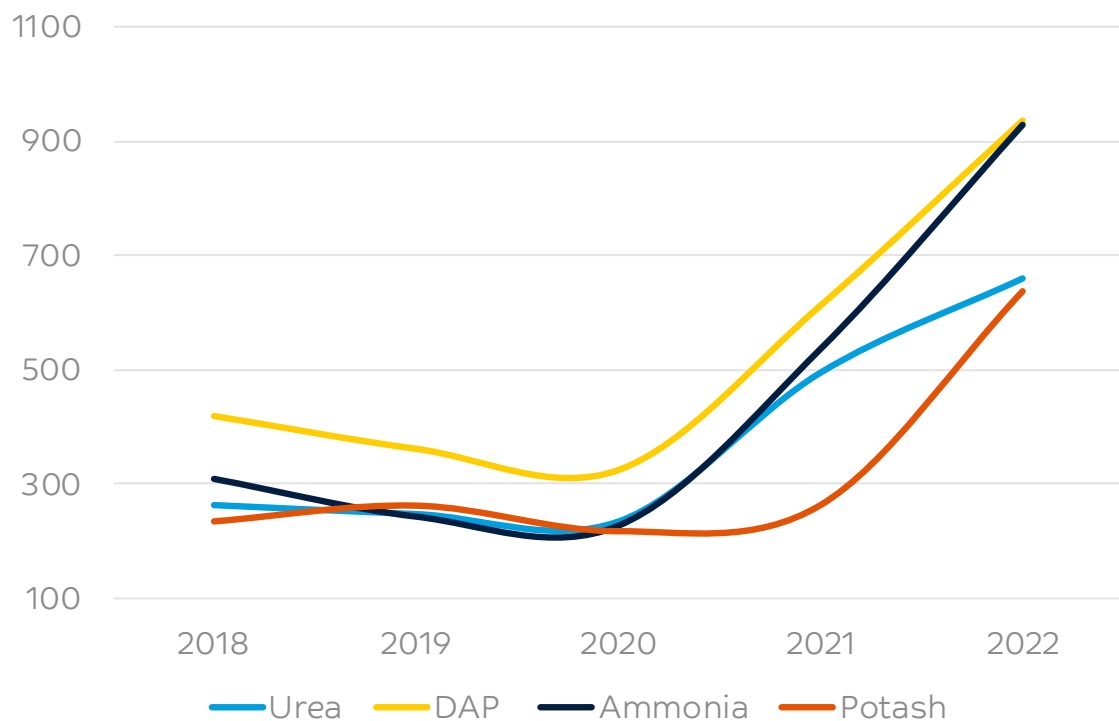
Control Fertilizer Nutrient Loss



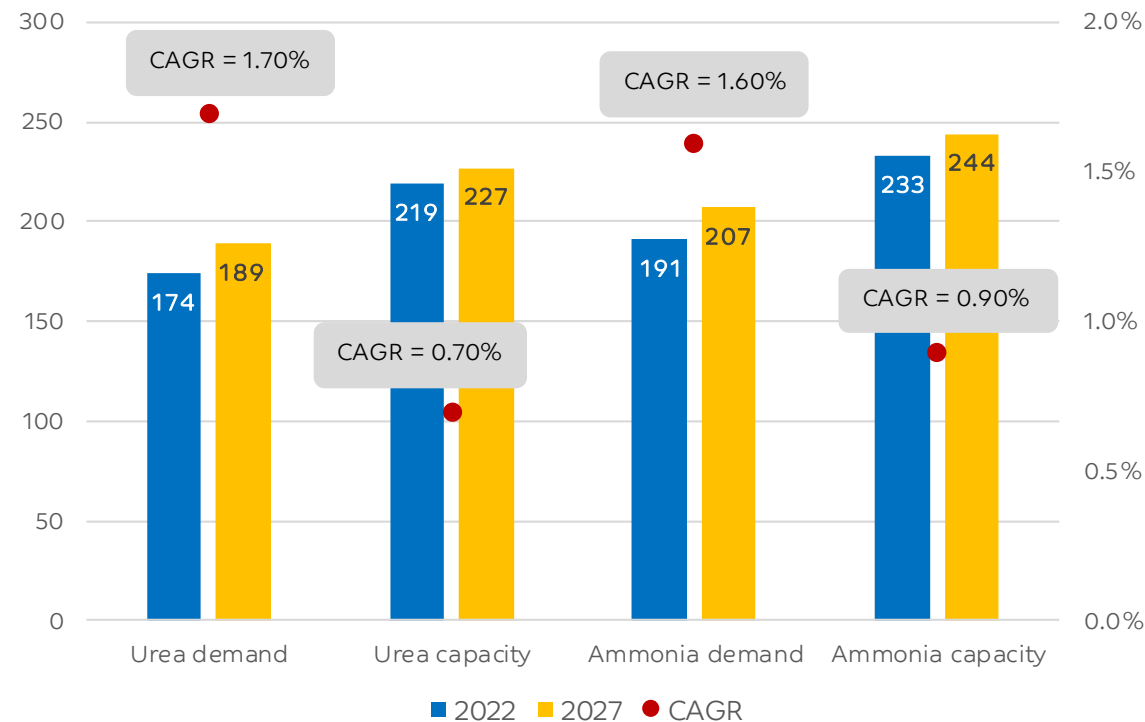
Reduce nutrients losses

# CURRENT AGRI-NUTRIENTS PRICES AND GROWTH OUTLOOK

AN Commodity prices



S&D Outlook 2027



Agri-Nutrients Markets will adopt the new price levels due to Food Security priority and accelerated demand growth  
 Limited impact on supply chain due to the Russian-Ukrainian conflict

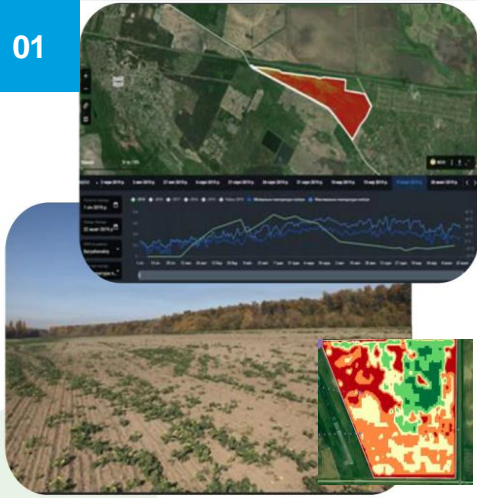
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# INNOVATION, SUSTAINABILITY & CARBON NEUTRALITY

# DEVOTED TO SCIENCE: INGENUITY DRIVEN BY TECHNOLOGY AND INNOVATION

## OUR TECHNOLOGY FOCUS AREAS

01



Capability –  
Digitalization

02



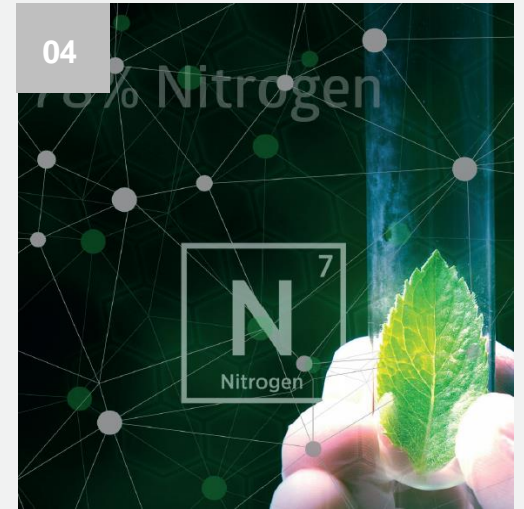
Plant &  
Sustainability

03



Product  
Differentiation

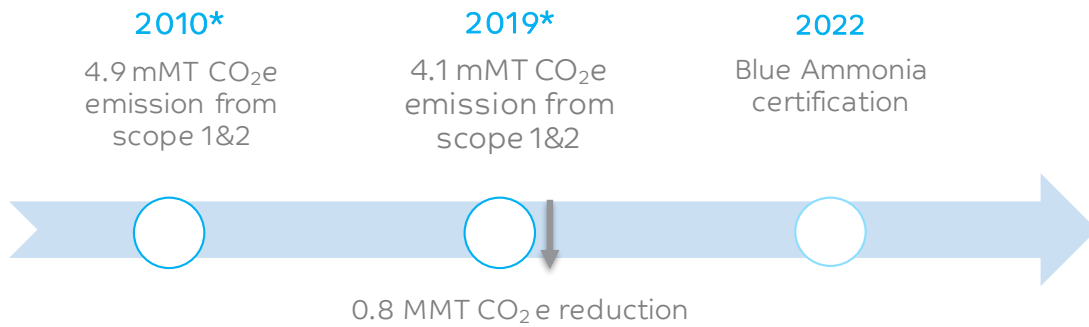
04



Disruptive  
Technologies

# SABIC AGRI NUTRIENTS SUSTAINABILITY EFFORTS

## DECARBONIZATION UPDATE

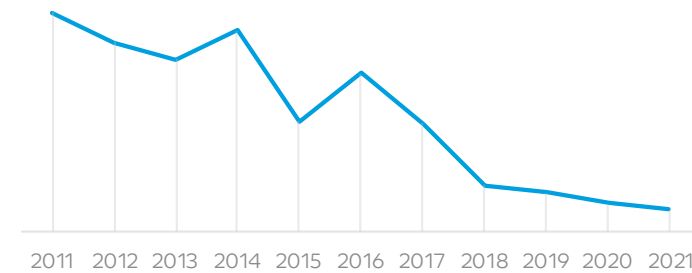


- Commitment to Carbon neutrality by 2050, in line with SABIC
- Detailed Roadmap is currently under development and expected to be approved by the board at the end of 2022

## CARBON DIOXIDE RECOVERY PROJECT (SAFCO-V)

SABIC Agri-Nutrients has significantly reduced CO<sub>2</sub> emission by converting it to Urea since 2017-18

### Green House Gas Reduction (%)



**28%**  
CO<sub>2</sub> reduction emissions

## UREA GRANULATOR AMMONIA ABATEMENT (UGAA) PROJECT

SABIC AN commissioned “Urea Granulator Ammonia Abatement (UGAA) Project” in 2010, which captures the Ammonia Emissions up to 80% to useful product.



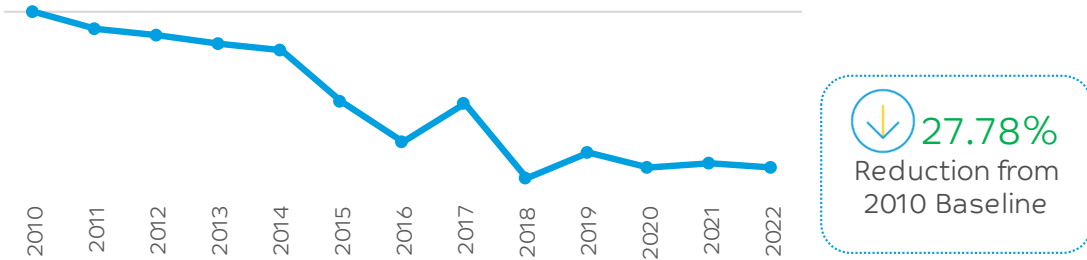
**80%**  
Ammonia reduction emissions



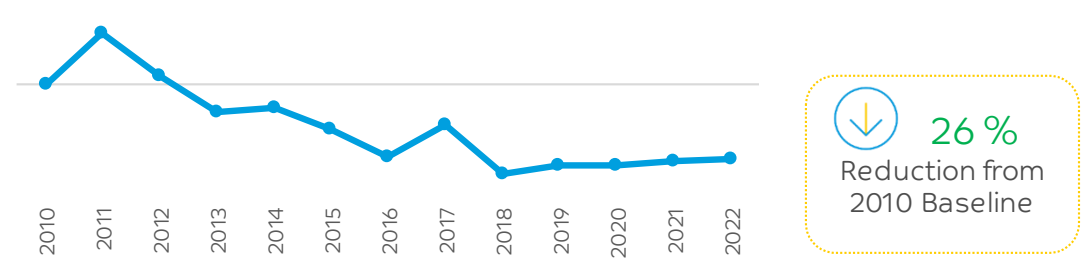
\*Absolute CO<sub>2</sub>e emissions

# SUSTAINABILITY SNAPSHOT

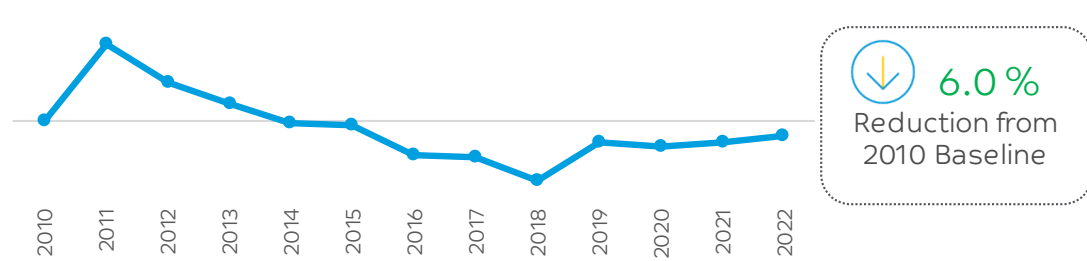
GHG Intensity



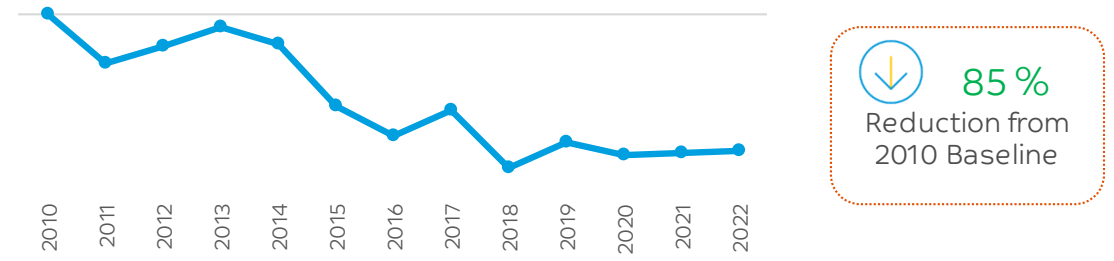
ENERGY Intensity



WATER Intensity

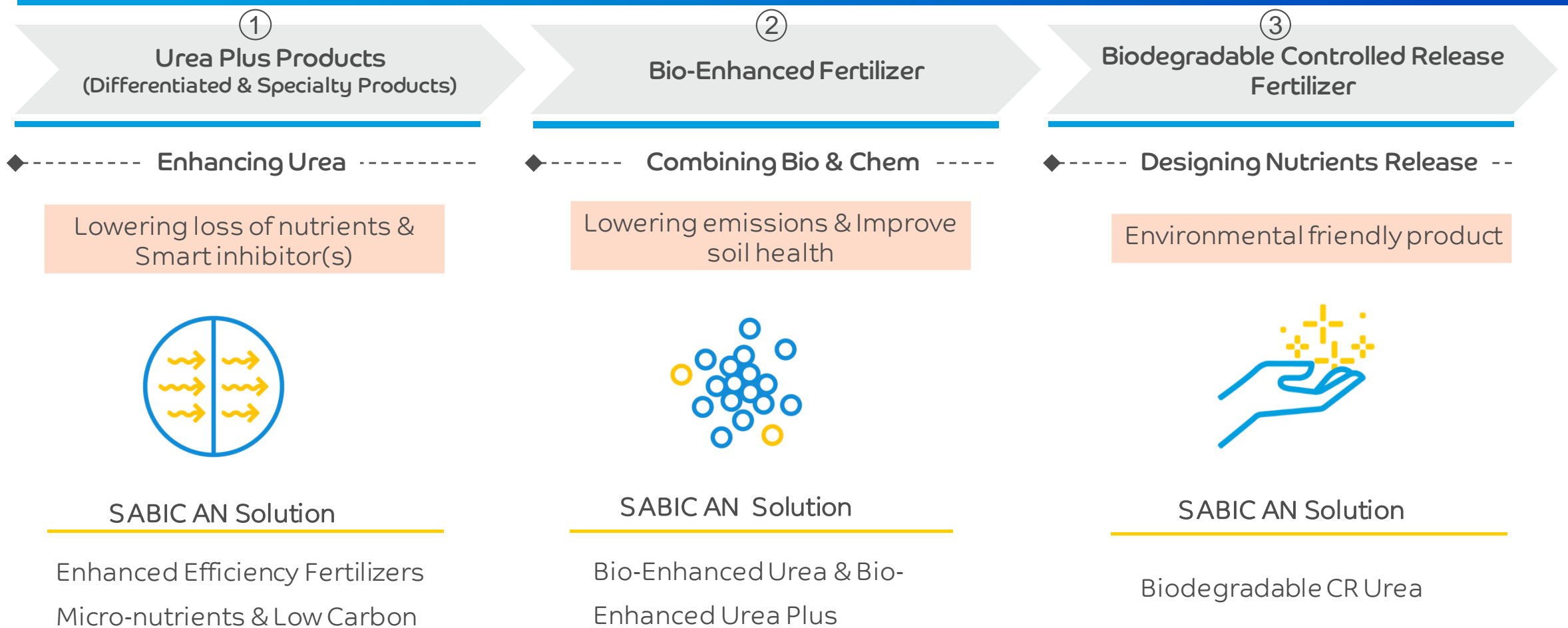


MATERIAL LOSS Intensity



- Exemplary reductions in GHG Emissions, Energy and Material Losses
- Significant attempts are undertaken to reduce Water Consumptions further

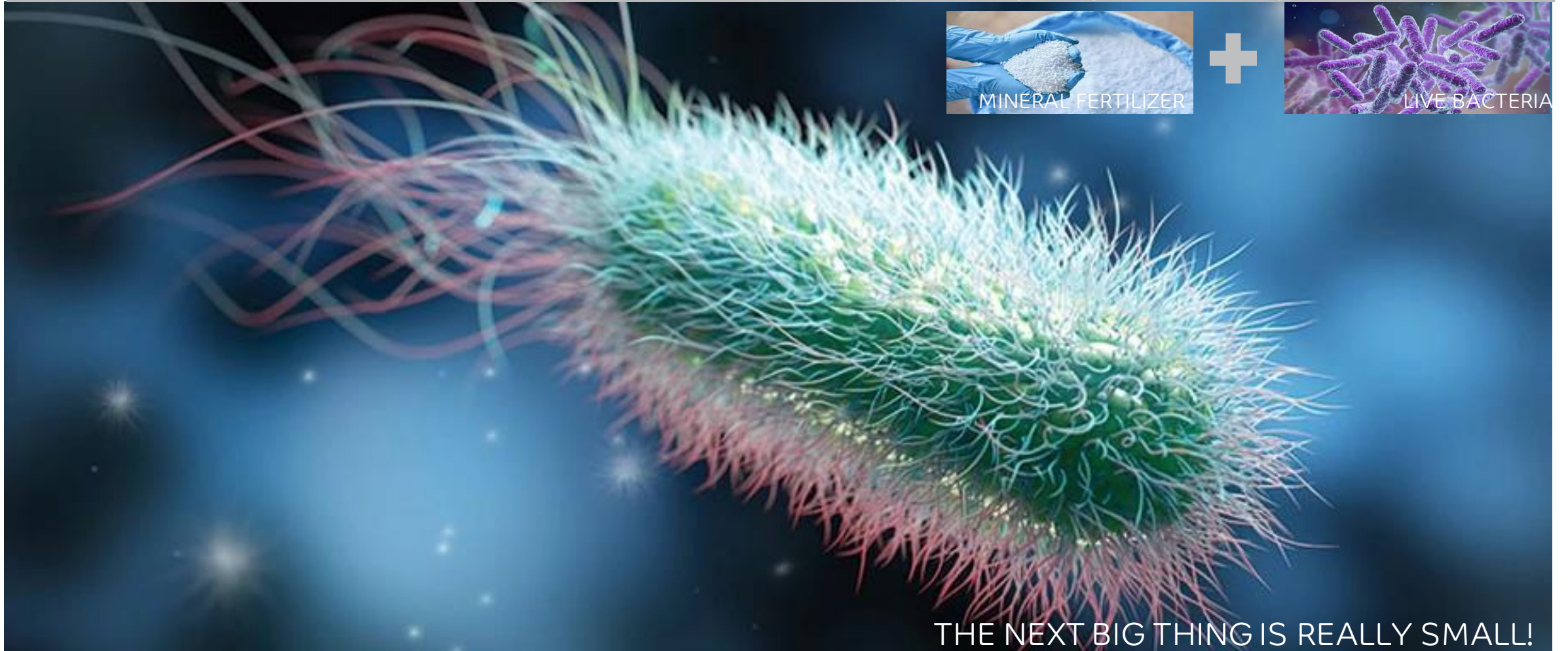
# SABIC AGRI-NUTRIENTS SPECIALTY PRODUCTS PORTFOLIO



- Sustainability as a Major Technology Innovation Driver for Future offerings of SABIC AN Company
- Differentiated products serving wider arena of customer needs and wants

# NEXT GEN. FERTILIZERS : THE MIRACLE MICROBES THAT COULD FIX PLANET

PREPARING FOR FUTURE – Developing Cutting-Edge Technology



THE NEXT BIG THING IS REALLY SMALL!

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# FINANCIAL PERFORMANCE

## CAPITAL ALLOCATION

### VALUE CREATION THROUGH BALANCED, DISCIPLINED AND CAREFULLY REVIEWED & PLANNED CAPITAL ALLOCATION

#### CAPITAL ALLOCATION PRIORITIES

To Finance Operating Activities to Achieve Safe & Reliable Operations

- Zero EHSS incidents in 2022
- High EHSS & Cybersecurity Maturity
- All operating KPIs > 90% for 2022\*

Build Strong Balance Sheet with Optimal Capital Structure

- Currently Zero Debts
- Expected leverage to finance growth
- Aim to obtain strong credit rating

Value Creation Through High Return Growth Opportunities

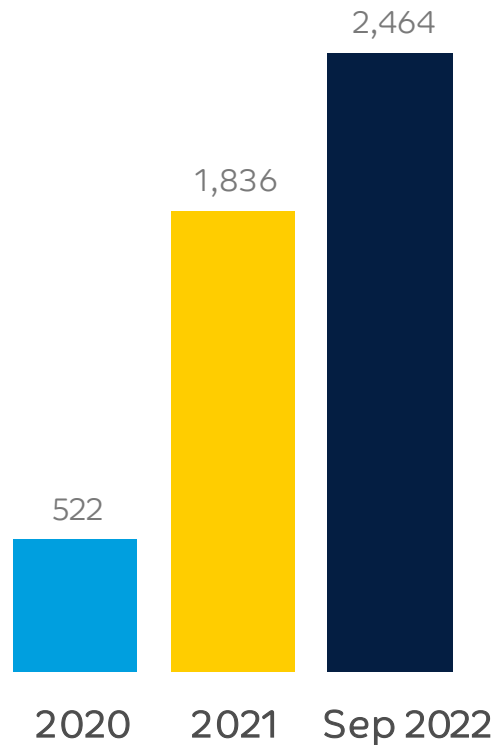
- Growth projects under study to ensure they are strategically fit.
- Execute site added value projects.

Return Capital to Shareholders to Achieve Their Long Term Investments Goals.

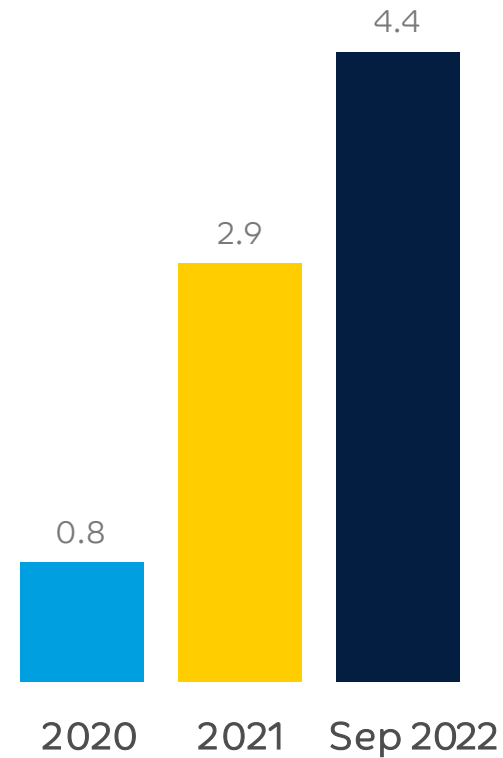
- Sustainable dividends payments
- \$508 m. in 1H 22, 40% Par Value, approx.= to 2021 full year dividends.

## STRONG EARNINGS AND CASH FLOW

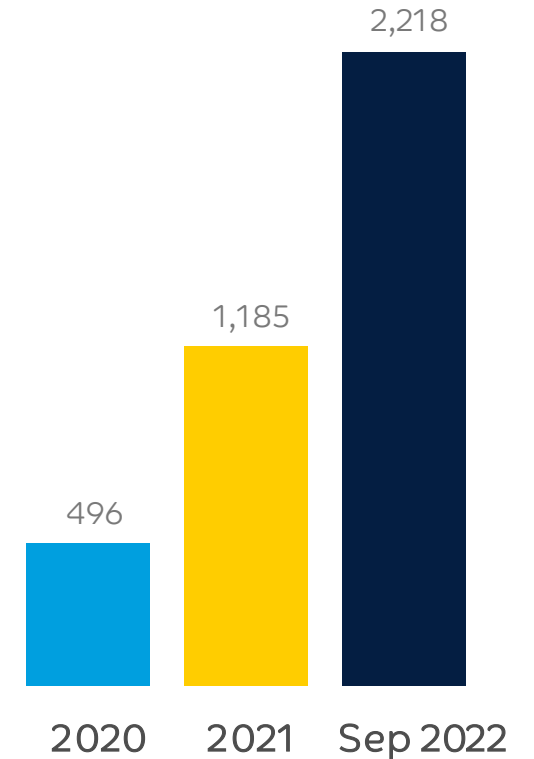
EBITDA  
US\$ Million



Earning Per Share (EPS)  
US\$ per share

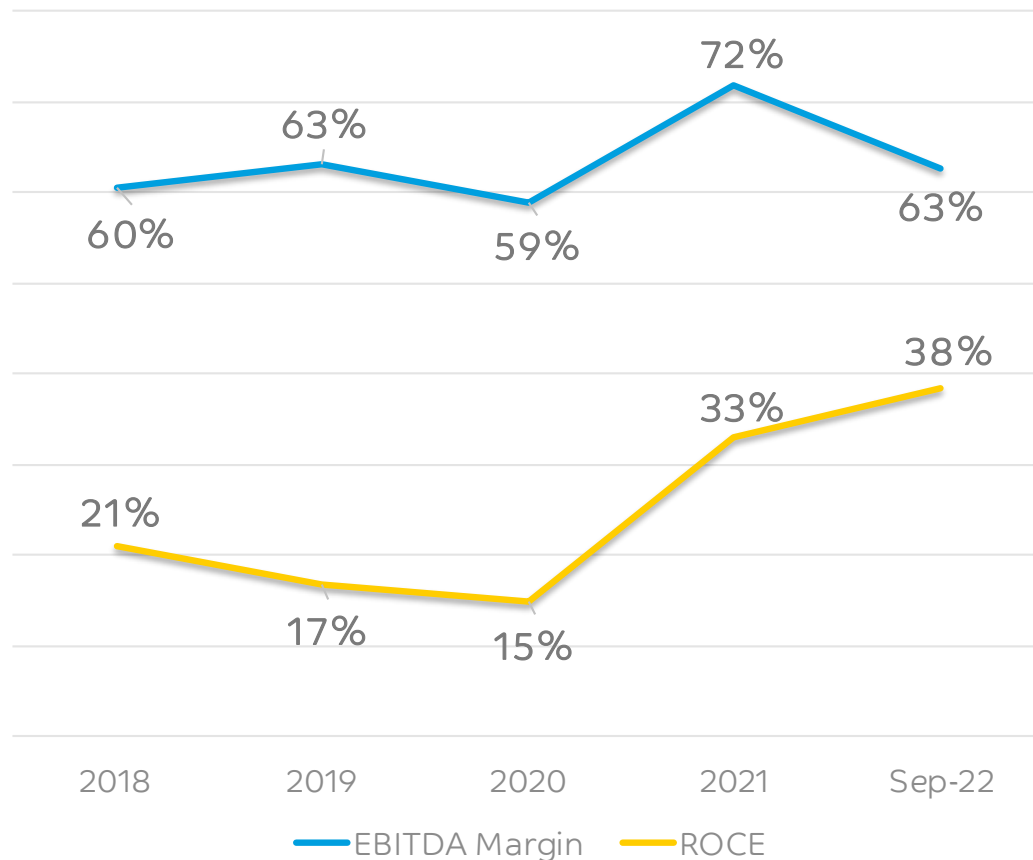


Free Cash Flow (FCF)  
US\$ Million



Generated exceptional earnings and cash flow. EPS & FCF for 9 months are 52% & 87% higher than full year 2021, resp.

## COMPETITIVE COST STRUCTURE, EFFICIENT CAPITAL EMPLOYMENT



- Continuous upward trend of Return on Capital Employed (ROCE) post COVID impact. Historically stable, high EBITDA margin.
- Powered by strong portfolio of products produced in reliable assets and operated by talented manpower delivered remarkable results.
- Effective cost optimization without jeopardizing operational excellence and growth.
- Competitively positioned through the new business model to weather any possible feedstock reform in the future.
- Continuous enhancement on working capital specially average collection period, inventory and payable management.



THANK YOU

