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SAUDI ARAMCO

AN INSIGHT INTO THE
WORLD'S
MOST PROFITABLE
COMPANY

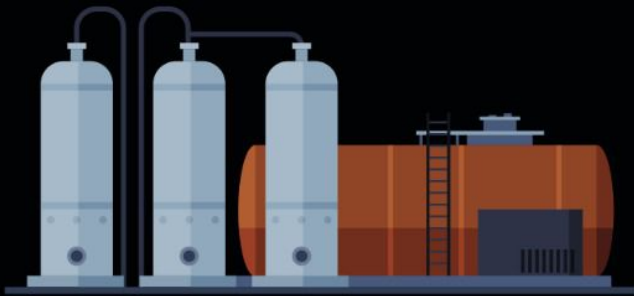


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Primarily state-owned, **Saudi Aramco**, officially known as Saudi Arabian Oil Company, is the world's biggest oil producer. It is officially based in Dhahran, Saudi Arabia, and has an estimated 270 billion barrels in reserves.

It is by far the world's most profitable company, eclipsing even tech giants such as Apple Inc. (AAPL) and Alphabet Inc.



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Saudi Aramco began to attract dramatically increased investor attention in 2018 when Saudi Crown Prince Mohammed bin Salman announced plans to list 5% of **Aramco** at a valuation of approximately \$2 trillion in what became the largest initial public offering (IPO) ever.

In 2019, **Aramco** had a net income of \$88 billion, down from \$111 billion in 2018.

The full-year profits for 2019 at \$88 billion are several times larger than the annual \$16.5 billion profits of oil and gas rival Royal Dutch Shell (RDS.A), the largest publicly-traded oil company after **Aramco**.



For comparison, iPhone maker Apple, the world's most profitable public company after **Aramco**, generated \$55 billion in profits in 2019, a little more than half of **Saudi Aramco's** bottom line in 2019.

In 2019, **Aramco** went public with an IPO, raising a record \$25 billion by selling three billion shares. This amount was only 1.5% of the company's value, significantly lower than what most companies distribute. For example, Apple, Alphabet, and Amazon (AMZN) all have more than 84% of their shares held by the public.

The IPO price valued the company at \$1.7 trillion, below the Crown Prince's valuation of \$2 trillion.



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