



Press Release

Aramco announces full-year 2023 results

Second-highest ever net income, total dividends paid rises 30% year-on-year

- *Second highest ever net income of \$121.3 billion (2022: \$161.1 billion)*
- *Total dividends of \$97.8 billion paid in 2023, up 30% from 2022*
- *Board declares 4% YoY increase in base dividend for Q4 2023 to reach \$20.3 billion, to be paid in the first quarter of 2024, and 9% increase in performance-linked dividend distribution of \$10.8 billion, compared to two payments of \$9.9 billion in H2 2023*
- *Total full year performance-linked dividend to be paid in 2024 is expected to be \$43.1 billion, including the \$10.8 billion in Q1, based on the previously announced mechanism and subject to Board approval*
- *Cash flow from operating activities: \$143.4 billion (2022: \$186.2 billion)*
- *Free cash flow*: \$101.2 billion (2022: \$148.5 billion)*
- *Gearing ratio*: -6.3% as at December 31, 2023 (end of 2022: -7.9%)*
- *Increased capital investments of \$49.7 billion, including \$42.2 billion organic capex (2022: \$38.8 billion, including \$37.6 billion organic capex)*
- *Q4 2023 net income in line with analyst consensus, despite taking certain non-cash charges of c.\$1.5 billion*
- *Gas production growth target raised to more than 60% by 2030, against 2021 baseline*
- *First international investment in LNG supports strategic portfolio expansion and value creation*
- *Downstream expansion continues to add value as footprint grows in the Kingdom of Saudi Arabia and key global markets*
- *Renewables focus reflected in shareholders' agreement to participate in developing two solar projects, with an anticipated combined capacity of 2.66 GW*

DHAHRAN, Saudi Arabia, March 10, 2024 – The Saudi Arabian Oil Company (“Aramco” or “the Company”) today announced its full-year 2023 financial results, reporting a net income of \$121.3 billion, its second-highest ever net income.

The results, underpinned by Aramco’s unique operational flexibility, reliability and low-cost production base, reflect the Company’s ongoing commitment to creating value for its shareholders.

Amin H. Nasser, Aramco President & CEO, said:

“In 2023 we achieved our second-highest ever net income. Our resilience and agility contributed to healthy cash flows and high levels of profitability, despite a backdrop of economic headwinds. We also delivered for our shareholders with a 30% year-on-year increase in total dividends paid in 2023.

“Our capital expenditures increased in line with guidance as we seek to create and capture additional value from our operations, positioning the Company for a future in which we believe oil and gas will be a key part of the global energy mix for many decades to come, alongside new energy solutions.

“The recent directive from the government to maintain our Maximum Sustainable Capacity at 12 million barrels per day provides increased flexibility, as well as an opportunity to focus on increasing gas production and growing our liquids-to-chemicals business. At the same time, we continue to make progress on several strategic crude oil increments which will contribute to our reliability, operational flexibility and ability to seize market opportunities.

“In parallel, announcements of our first international investment in LNG, the growth of our international retail operations, continued progress in major overseas refining and chemical projects, and our emerging new energies portfolio all serve to highlight our ability to capitalize on new market opportunities and advance our strategic objectives.”

Financial Highlights

Aramco’s net income was \$121.3 billion in 2023, compared to \$161.1 billion in 2022, representing Aramco’s second highest ever net income. The year-on-year decrease can be attributed to lower crude oil prices and volumes sold, as well as reduced refining and chemicals margins, partially offset by a decrease in production royalties during the year and lower income taxes and zakat.

Free cash flow* reached \$101.2 billion in 2023, compared to \$148.5 billion in 2022. Aramco’s balance sheet remains strong and its gearing ratio* at the end of 2023 was -6.3%, compared to -7.9% at the end of 2022.

Total dividends of \$97.8 billion were paid in 2023, up 30% from 2022. Aramco declared a base dividend of \$20.3 billion for the fourth quarter, to be paid in Q1 2024. In addition, the Board has approved the third distribution of performance-linked dividends in the amount of \$10.8 billion.

In August 2023, the Company announced its intention to calculate the first performance-linked dividends based on the combined full-year results of 2022 and 2023, to be distributed over six quarters starting from the third quarter of 2023. The full year performance-linked dividend to be paid in 2024 is expected to be \$43.1 billion, including the \$10.8 billion in Q1, based on the previously announced mechanism and subject to Board approval.

Capital investments in 2023 reached \$49.7 billion, including \$42.2 billion organic capex. This represents a 28% increase from capital investments of \$38.8 billion in 2022, including \$37.6 billion organic capex. Aramco expects 2024 capital investments to be approximately \$48 to \$58 billion, growing until around the middle of the decade. The directive to maintain Maximum Sustainable Capacity at 12 million barrels per day, mainly from deferral of projects not yet commissioned and reductions in infill drilling, is expected to reduce capital investment by approximately \$40 billion between 2024 and 2028.

Operational Highlights

In 2023, Aramco's average hydrocarbon production was 12.8 million barrels of oil equivalent per day (mmboed), including 10.7 million barrels per day (mmbd) of total liquids.

Aramco continued its strong track record of supply reliability, by delivering crude oil and other products with 99.8% reliability in 2023.

Progress continues on the Company's Marjan, Berri, Dammam and Zuluf crude increment projects, which are intended to enhance Aramco's reliability, operational flexibility and ability to capture value from higher global demand, while contributing to its capability to maintain a Maximum Sustainable Capacity of 12.0 mmbpd.

The Company's gas projects are also advancing with the aim of increasing gas production by more than 60% by 2030, compared to 2021 levels. These projects include the Hawiyah Unayzah Gas Reservoir Storage, where injection activities have commenced with the goal of providing up to two billion standard cubic feet per day (bscfd) for reintroduction into the master gas system; completion of the Hawiyah Gas Plant expansion, increasing the plant's raw gas processing capacity by 800 million standard cubic feet per day (mmscfd), including approximately 750 mm scfd of sales gas capacity; and production of the first unconventional tight gas from the South Ghawar operational area.

The Company announced its first international investment in LNG, following the signing of definitive agreements to acquire a strategic minority stake in MidOcean Energy. Completion of the transaction is subject to closing conditions, which include regulatory approvals.

In line with Aramco's strategic goal to advance its liquids-to-chemicals strategy, the Company acquired a 10% interest in Rongsheng Petrochemical Company Limited (Rongsheng Petrochemical).

Under a long-term sales agreement, Aramco has the right to supply 480,000 barrels per day (mbpd) of crude oil to Rongsheng Petrochemical's affiliate, Zhejiang Petroleum and Chemical Company Limited (ZPC), which operates one of the largest integrated refining and chemicals complex in China.

Complementing Aramco's premium-branded lubricant products, the Company completed its acquisition of Valvoline Inc.'s global products business. The acquisition is expected to optimize Aramco's global base oils production capabilities, and expand its R&D activities and partnerships with original equipment manufacturers.

Aramco and TotalEnergies awarded engineering, procurement, and construction contracts for the \$11.0 billion Amiral complex, a future world-scale petrochemicals facility expansion at SATORP refinery in Jubail, Saudi Arabia. The new complex aims to house one of the largest mixed-load steam crackers in the region, with a capacity to produce 1.65 million tons per annum of ethylene and other industrial gases. It is expected to enable SATORP to advance Aramco's liquids-to-chemicals strategy with expected commercial operations in 2027.

Supporting the expansion of its global retail operations, Aramco has completed the purchase of a 100% equity stake in the Chilean retailer Esmax Distribución SpA (Esmax), one of the leading diversified downstream fuels and lubricants retailers in Chile, from Southern Cross Group, representing the Company's first downstream retail investment in South America. Aramco also signed definitive agreements to acquire a 40% equity stake in Gas & Oil Pakistan Limited (GO), a diversified downstream fuels, lubricants and convenience stores operator in Pakistan, subject to customary closing conditions, including regulatory approvals.

Advancing its role in renewables development, and in line with its aim to capitalize on the Kingdom's solar resources, Aramco entered into a shareholders' agreement with the Public Investment Fund (PIF) and ACWA Power for the development of the Al Shuaibah 1 and Al Shuaibah 2 photovoltaic solar projects in the Kingdom of Saudi Arabia. With an expected combined capacity of 2.66 GW, commercial operations are expected to commence in 2025.

As part of Aramco's corporate development activities, and to enhance its supply chain ecosystem, the Company also signed a shareholders' agreement with Baoshan Iron & Steel Co. Ltd. (Boasteel) and PIF to establish a world-class steel plate manufacturing complex in the Kingdom of Saudi Arabia, as well as a shareholders' agreement with DHL for a new Procurement and Logistics Hub.

Yanbu Refinery became the fourth Aramco facility to be added to the World Economic Forum Global Lighthouse Network, having been recognized for its pioneering deployment of cutting-edge technologies to deliver a range of operational, commercial and environmental benefits. This reflects Aramco's continued focus on the development and deployment of state-of-the-art Fourth Industrial Revolution technologies, which enhance operations.

Aramco will discuss its full-year financial results for 2023 in an audio webcast on March 11, 2024 at 3.30pm Riyadh / 12.30pm London / 8.30am New York. To register for the webcast, visit www.aramco.com/investors.

*Please refer to www.aramco.com/investors for reconciliation of non-IFRS measures.

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About Aramco

Aramco is a global integrated energy and chemicals company. We are driven by our core belief that energy is opportunity. From producing approximately one in every eight barrels of the world's oil supply to developing new energy technologies, our global team is dedicated to creating impact in all that we do. We focus on making our resources more dependable, more sustainable and more useful. This helps promote stability and long-term growth around the world. www.aramco.com

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