



BOROUGE ANALYST & INVESTOR PRESENTATION

FOR THE THREE-MONTH AND TWELVE-MONTH
PERIODS ENDED 31 December 2023

01 February 2024

DISCLAIMER

This presentation has been prepared by the Borouge PLC and its subsidiaries (the “Company”) based on publicly available information and non-public information to assist you in making a preliminary analysis of the content referenced herein solely for informational purposes. It should not be construed as an offer to sell or a solicitation of an indication of interest to purchase any equities, security, option, commodity, future, loan or currency including a private sale of shares in the Company (the “Financing Instruments”).

It is not targeted to the specific investment objectives, financial situation or particular needs of any recipient. It is not intended to provide the basis for any third-party evaluation of any Financing Instrument or any offering of them and should not be considered as a recommendation that any recipients should subscribe for or purchase any Financing Instruments.

The recipient agrees to keep confidential any information contained herein and any other written or oral information otherwise made available in connection with any potential transaction related to this presentation and shall not reproduce, publish, distribute or otherwise divulge such information to any other person(s) other than in accordance with any applicable non-disclosure agreements executed by the recipient with the Company.

None of the Company or any of its affiliates or advisors make any representation or warranty as to the fairness, accuracy, adequacy or completeness of the information, the assumptions on which it is based, the reasonableness of any projections or forecasts contained herein or any further information supplied or the suitability of any investment for your purpose. None of the Company or any of its affiliates or advisors, or their respective directors, officers or employees, share any responsibility for any loss, damage or other result arising from your reliance on this information. Each of the Company, its affiliates and advisors therefore disclaim any and all liability relating to this presentation including without limitation any express or implied representations or warranties for statements contained in, and omissions from, the information herein. No recipient of this presentation should rely upon any information contained in this presentation, including but not limited to any historical financial data, forward looking statements, forecasts, projections or predictions.

The Company, their affiliates and advisors are acting solely in the capacity of an arm’s length counterparty and not in the capacity of your financial advisor or fiduciary. Such information is represented as of the date and, if applicable, time indicated and the Company, its affiliates and advisors do not accept any responsibility for updating any such information.

Nothing in this presentation should be construed as legal, tax, regulatory, accounting or investment advice. The recipients should seek and rely upon the advice of its own professionals and other advisors for such matters.

This presentation may be recorded and the Company will assume that, by attending this presentation the recipient consents to such recording.

AGENDA AND PRESENTERS

Q4 and FY 2023 Results

Market Update

Operational Highlights

Financial Highlights

Outlook

Concluding Remarks



Hazeem Sultan Al Suwaidi
Chief Executive Officer



Rainer Hoefling
Chief Marketing Officer



Dr. Hasan Karam
Chief Operating Officer



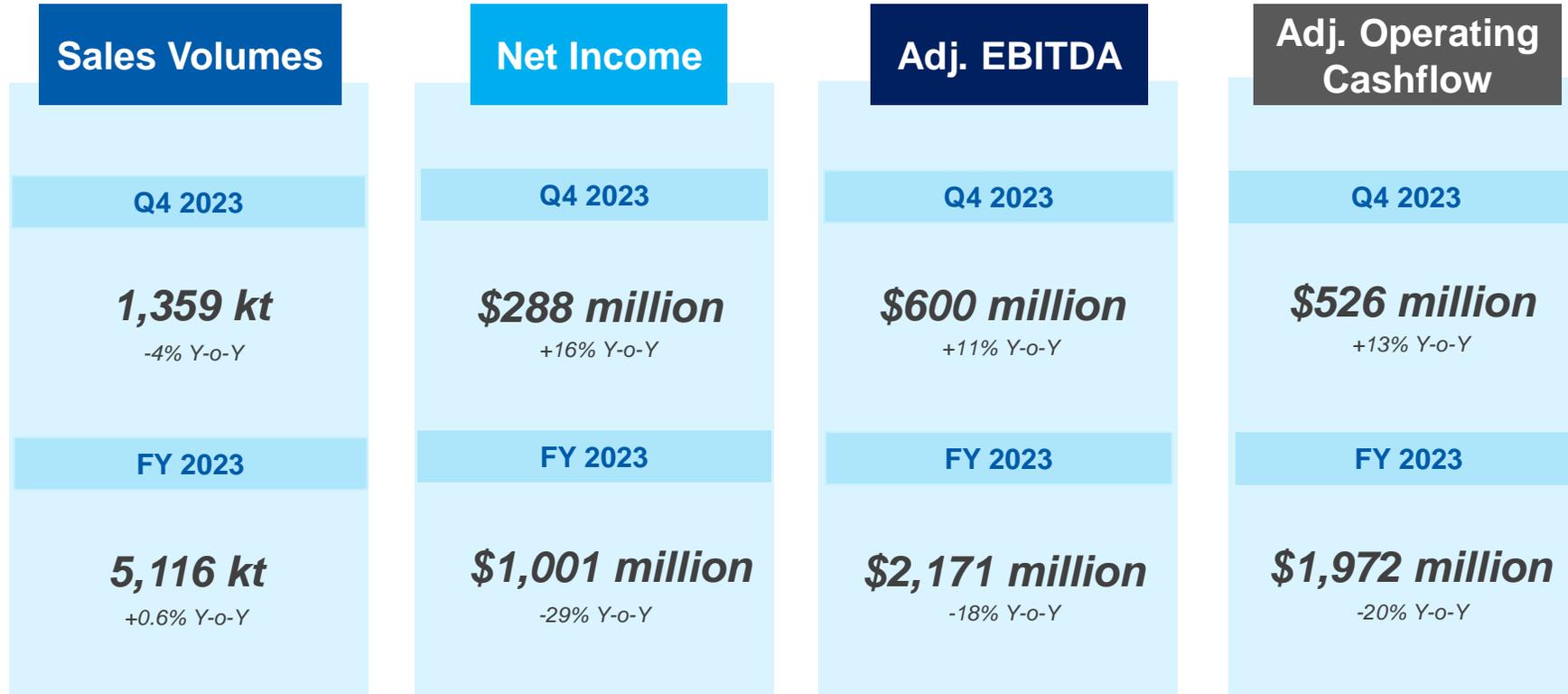
Jan-Martin Nufer
Chief Financial Officer



Q4 & FY 2023 RESULTS

Q4 / FY 2023 RESULTS HIGHLIGHTS

Strong operational performance, high sales volumes and significant outperformance of the Value Enhancement Programme



VALUE ENHANCEMENT PROGRAMME

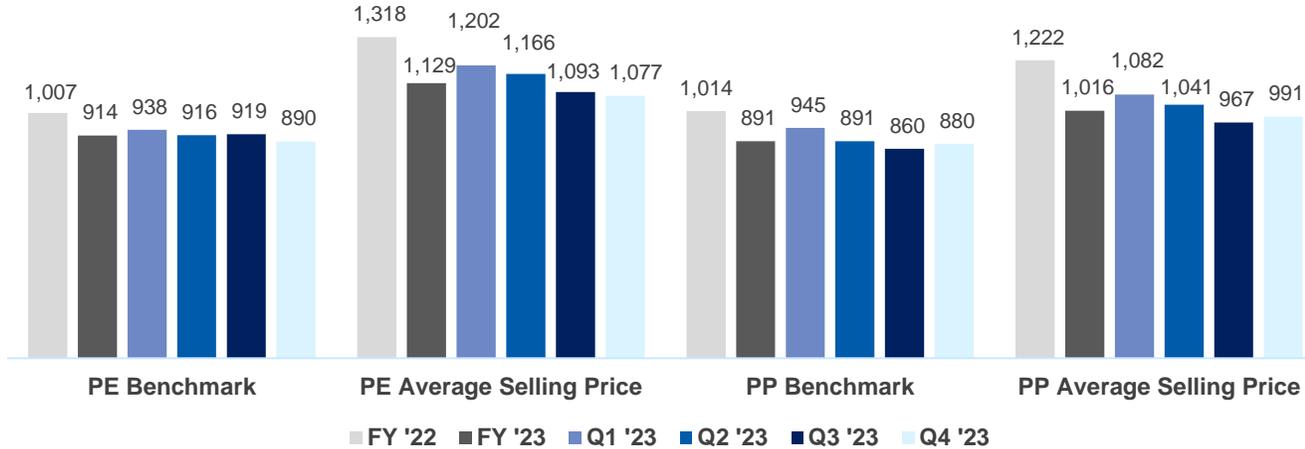
\$607 million achieved in cost savings and revenue optimisation in FY 2023
Outperforming initial and revised targets of **\$400 million** and **\$500 million**, respectively

POLYOLEFINS PRICES & PREMIA

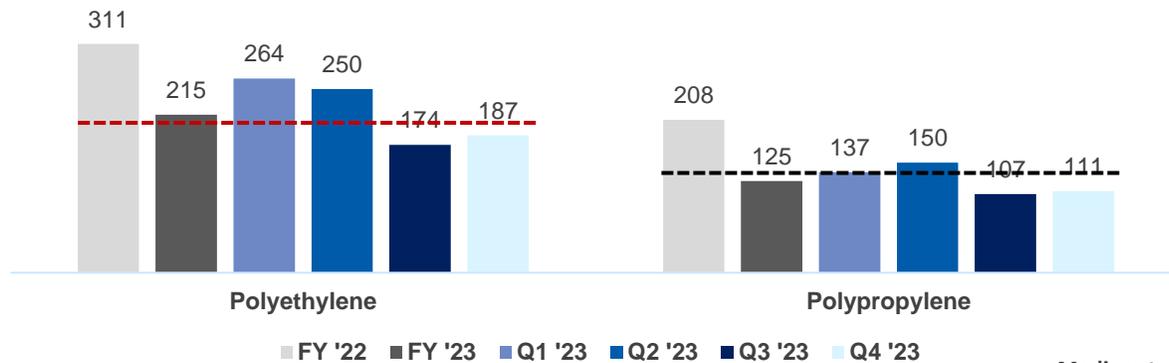
Product Prices and Premia Evolution

Commentary

Benchmark Prices vs Avg. Selling Price⁽¹⁾
(\$ / t)



Premia Over Benchmark Prices⁽¹⁾
(\$ / t)



Medium-term guidance

--- PE > \$200

--- PP > \$140

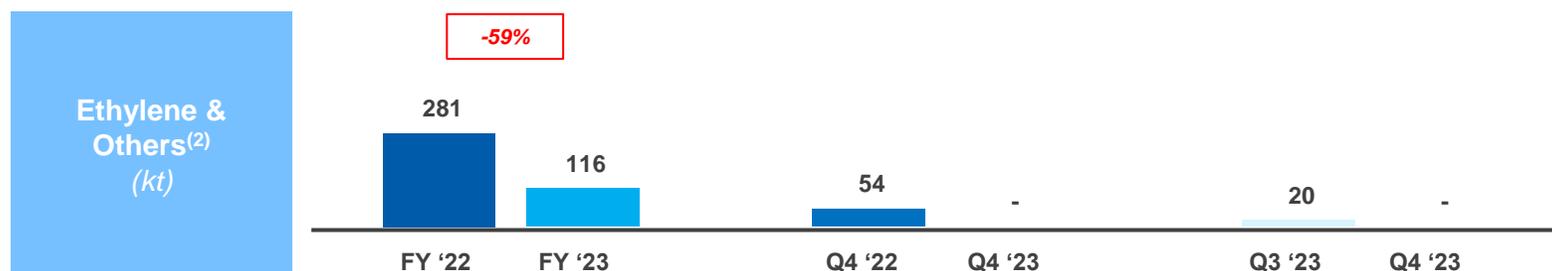
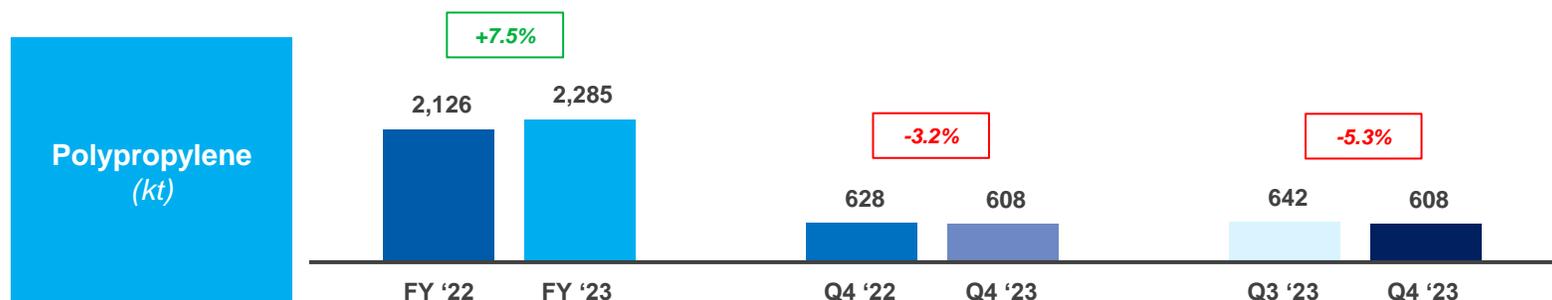
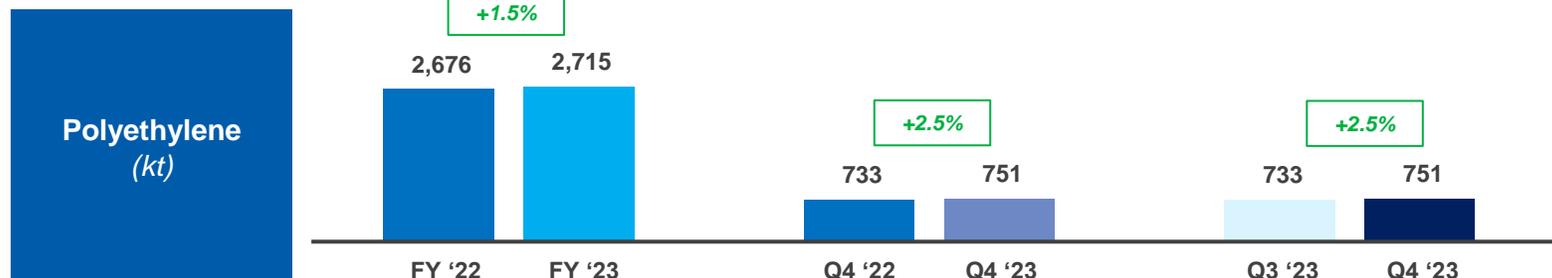
- Slow economy and de-stocking activities towards the end of the year exerted pressure on prices, especially on PE
- Borouge's overall Polyolefins selling prices in Q4 2023 improved slightly versus Q3 2023
- Continuous focus on product differentiation and product/regional optimization recorded healthy overall premia in 2023 with PE \$215/tonne and PP \$125/tonne
- Q4 premia higher than Q3 with PE \$187/tonne and PP \$111/tonne

Sources: Company Information.

1) Benchmark prices represent HDPE Blow Molding NEA CFR and PP Raffia NEA CFR prices as per IHS Markit data.

OPERATIONAL PERFORMANCE

Sales Volumes⁽¹⁾



Commentary

- Excellent sales volumes at 5,116 kt in 2023, up 1% on a year-on-year basis.
- Strong sales volumes achieved in both PE and PP with 36% in value added Infrastructure in Q4 and 39% for FY 2023
- Q4 sales volumes remain strong at 1,359kt
- Q4 production continued at high utilisation rates
 - PE : 112%
 - PP: 99%
- OCU utilisation of 92% in Q4

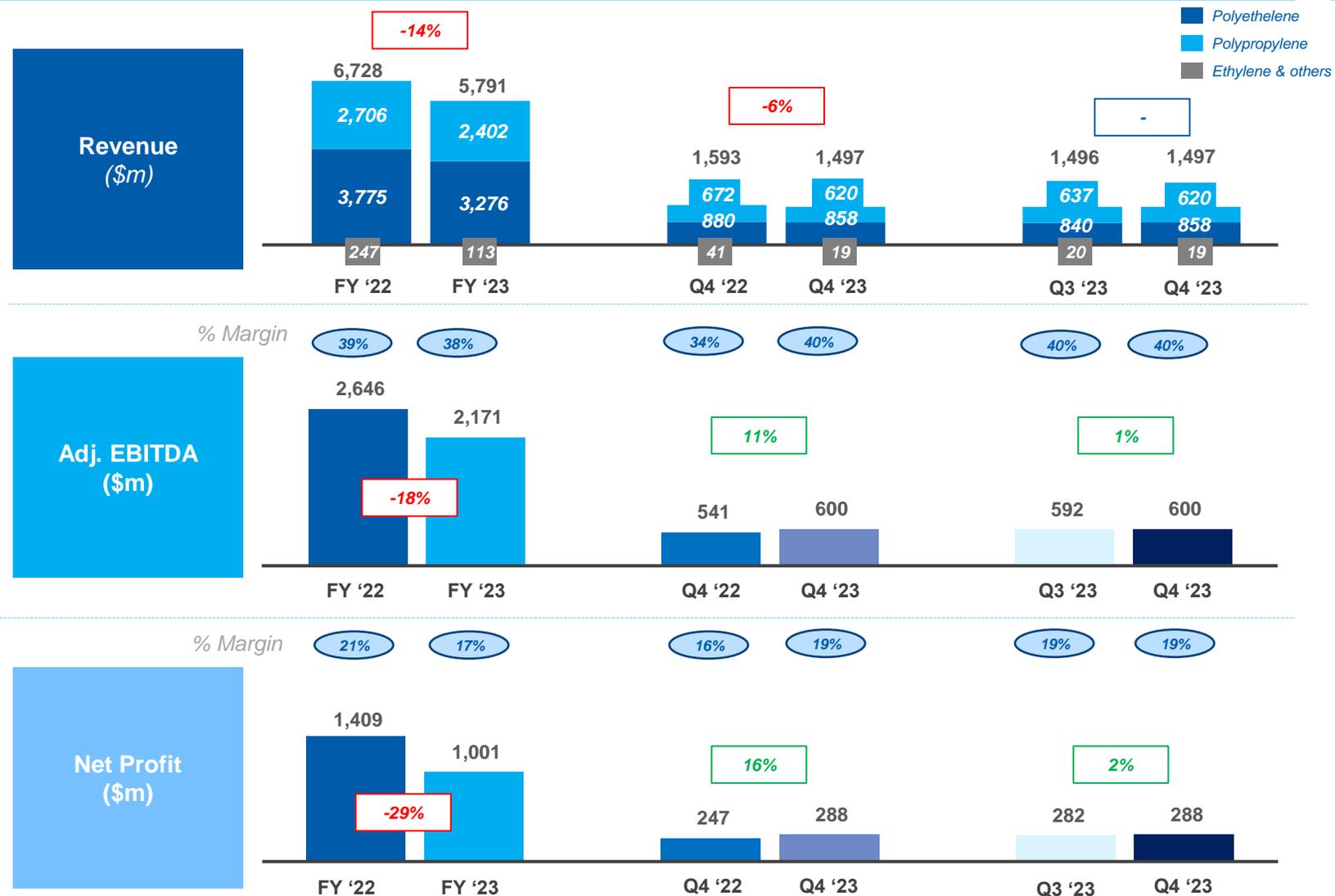
Sources: Company Information.

1) Proforma combined ADP and PTE for FY 2022 period and remaining periods are based on actual Plc statutory reported financials.

2) Consists of ethylene and byproducts.

REVENUE & PROFITABILITY

Key Metrics⁽¹⁾



Commentary

- Strong Q4 performance supported by high production and sales volumes and outperformance of the Value Enhancement Program
- Q4 net profit up 16% YoY despite 3% decrease in average selling prices over that period
- Q4 net profit up 2% QoQ despite challenging market conditions

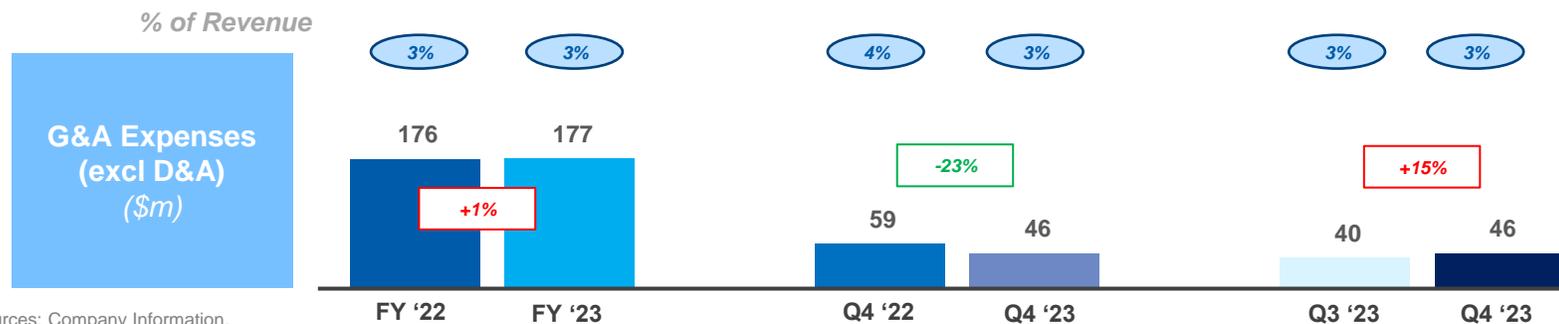
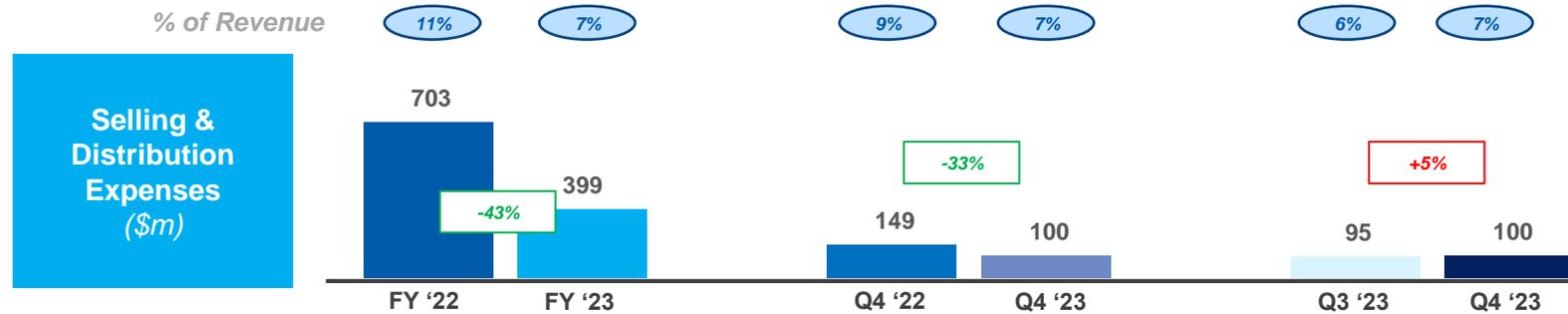
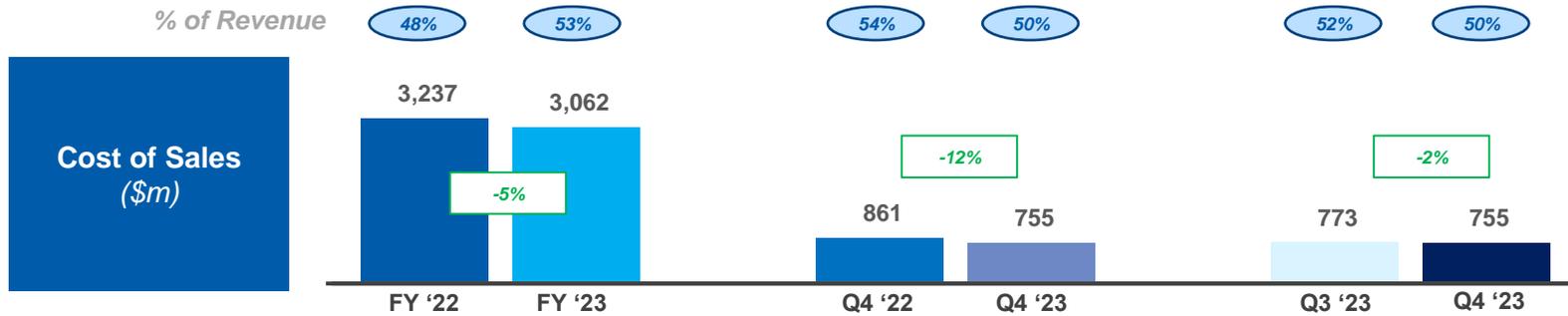
Sources: Company Information.

1) Proforma combined ADP and PTE for FY 2022 period and remaining periods are based on actual Plc statutory reported financials.

COSTS

Key Metrics⁽¹⁾

Commentary



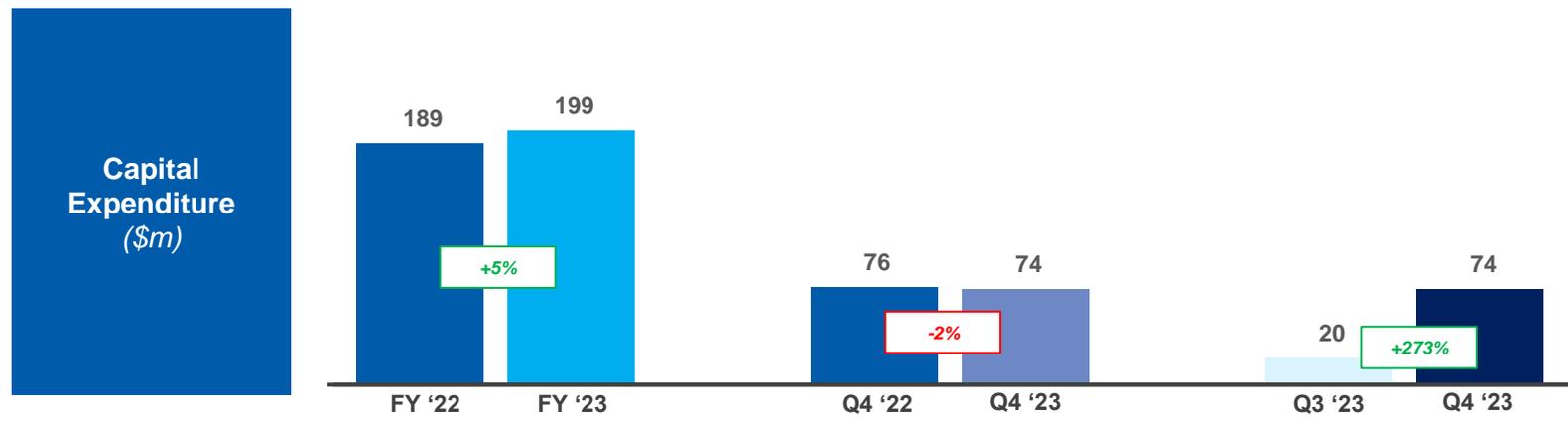
- Value Enhancement Program outperforms its revised target of \$500 million delivering \$607 million in FY 2023
- Overall cost base in FY 2023 -10% YoY, with cost per tonne down -15% YoY
- Selling & distribution expenses in FY 2023 declined by 43% YoY due to significant reduction in unit costs over the period, primarily driven by logistics
- General & admin expenses in FY 2023 remained at the same level YoY

Sources: Company Information.

1) Proforma combined ADP and PTE for FY 2022 period and remaining periods are based on actual Plc statutory reported financials.

CAPEX & FREE CASH FLOW

Key Metrics⁽¹⁾



Cash Conversion⁽²⁾



Commentary

- Q4 adjusted operating free cashflow of \$526 million up +13% YoY
- Cash conversion in Q4 of 88% due to high capex spend related to upcoming feedstock operational maintenance
- Net debt to LTM EBITDA ratio is 1.4x as of 31st December 2023

Sources: Company Information.

- 1) Proforma combined ADP and PTE for FY 2022 period and remaining periods are based on actual Plc statutory reported financials.
- 2) Cash conversion defined as operating free cashflow (Adjusted EBITDA – Capital Expenditure) as a percentage of Adjusted EBITDA.
- 3) Operating Free Cash Flow is calculated as Adjusted EBITDA less capital expenditure.

VALUE ENHANCEMENT PROGRAMME

\$607m achieved in cost savings and revenue optimisation in FY 2023
Borouge is well-positioned on overall cost basis going into 2024

1. Reinforcing robust financial profile

2. Positioning for sustainable future growth

3. Proactively addressing market challenges



Logistics and Variable Costs



Conversion Variable Costs



Fixed Costs



Revenue Optimization

OUTLOOK / GUIDANCE



Market

- The polyolefins market remains challenging in 2024 against the backdrop of macroeconomic and geopolitical uncertainty, short term polyolefin capacity increases and muted global demand
- Market analysts anticipate a soft pricing environment to continue until a delayed recovery materializes



Prices

- Management expects pricing in Q1 2024 to be slightly higher than levels achieved in Q4 2023 for both PE and PP
- Management maintains over-the-cycle premia over benchmark guidance of c. \$200 / tonne for polyethylene and c. \$140 / tonne for polypropylene



Volumes

- Planned maintenance operations in the year will impact FY 2024 production volumes by 500kt (170kt volume impact in Q1 and 330kt volume impact in Q4)
- Company will continue to focus on its core strategy in the high value-added segments and regional optimisation



Costs

- Borouge is well-positioned from an overall cost basis going into 2024, following the successful implementation of the Value Enhancement Program in 2023
- Borouge's ethane costs will remain essentially fixed under a long-term supply and pricing agreement

CONCLUDING REMARKS



High operating and asset reliability rates supporting strong production volumes



Strong sales volumes with focus on value-add segments

Product innovation and differentiation enable premia over product benchmarks



Well-positioned on overall cost basis going into 2024 (following the successful implementation of the Value Enhancement Program in 2023)



Significant growth planned from Borouge 4 project (c. 28% capacity expansion) by Q4 2025

Additional growth being explored through international expansion opportunities as mandated by the Board



\$1.3 billion dividend guidance for FY 2024
\$650 million dividend for the H2 2023 period to be paid in Q1 2024



THANK YOU

www.borouge.com/en/investor-relations

ir@borouge.com