



BOROUGE ANALYST & INVESTOR PRESENTATION

FOR THE PERIOD ENDED 30 JUNE 2022

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AGENDA AND PRESENTERS

- 1 Strategic Overview
- 2 Market Dynamics
- 3 Operating Highlights
- 4 Financial Highlights
- 5 Summary
- 6 Appendix



Hazeem Sultan Al Suwaidi
Chief Executive Officer



Rainer Hoefling
Chief Marketing Officer



Louis Roland R. Desal
Chief Operating Officer



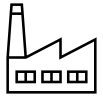
Saeed Al Dhaheri
Chief Financial Officer

STRONG H1 2022 FINANCIAL RESULTS

Highlights from the three and six months ended June 30, 2022



Revenue growth of 16% yoy in H1 2022 (18% QonQ) driven by differentiated pricing and growing sales volumes



Sales volumes increased 9% yoy in first six months due to PP5 ramping up and B1 turnaround completing



Significant growth in premiums over benchmark prices reflecting strong demand for products and solutions and supportive pricing environment



Adjusted EBITDA growth of 34% qoq in Q2 22 as we leveraged our feedstock cost base to deliver overall lower production costs per tonne



Strong financial performance and significant cashflow generation supports outlook and dividend commitment made at time of IPO

\$3,460m

H1 22 Revenue at 16% y-o-y growth

\$1,512m

H1 22 Adjusted EBITDA, margin of 44%

\$848m

H1 22 Total Comprehensive Income at 2% y-o-y growth

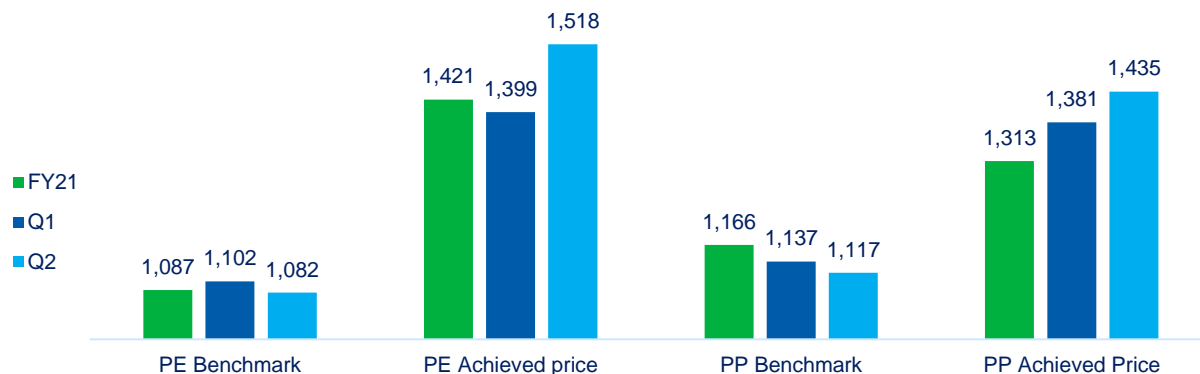
\$1,428m

H1 22 Operating Free cashflow with 94.5% conversion

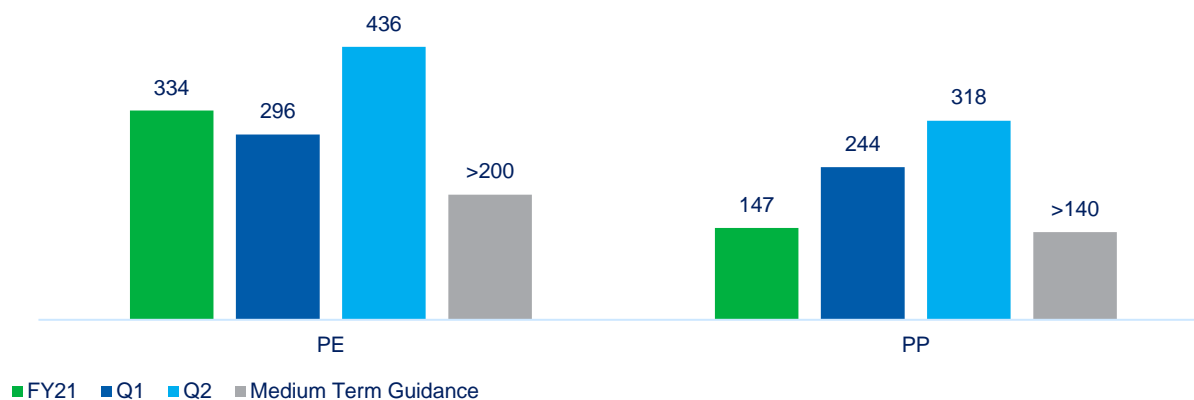
POLYOLEFINS MARKET & PREMIA UPDATE

Product Prices and Premia Evolution

Benchmark Prices vs Sales Prices achieved⁽¹⁾ (\$/t)



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



Sources: Company Information.

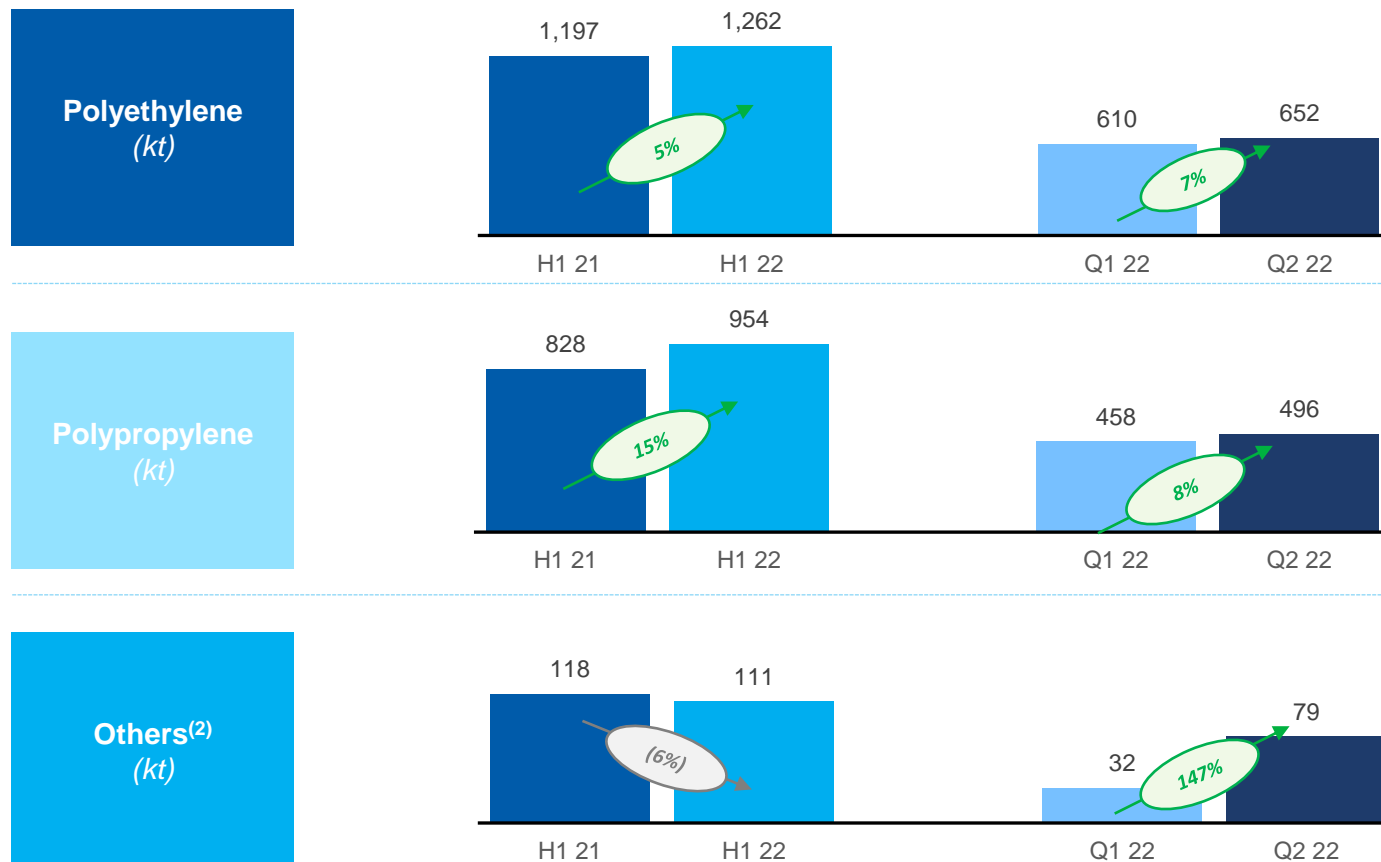
1) Benchmark prices represent HDPE Blow Molding NEA CFR and PP Raffia NEA CFR prices as per IHS Markit data.

Commentary

- Economic activity in our core markets, Asia Pacific and Middle East, remains strong, supporting sales volumes.
- High underlying benchmark prices reflect high industry wide feedstock prices observed in the period.
 - Pricing includes impact of higher logistics costs being passed across industry.
- Significant price premia over PE and PP benchmarks were maintained over the quarter despite high underlying prices, reflecting differentiated product mix and ability to capture regional price opportunities.

OPERATIONAL PERFORMANCE

Sales Volumes⁽¹⁾



Sources: Company Information.

1) Proforma combined ADP and PTE for H1'21A, H1'22A and Q1'22A. Borouge plc actuals from Q2'22A.

2) Consists of ethylene and byproducts.

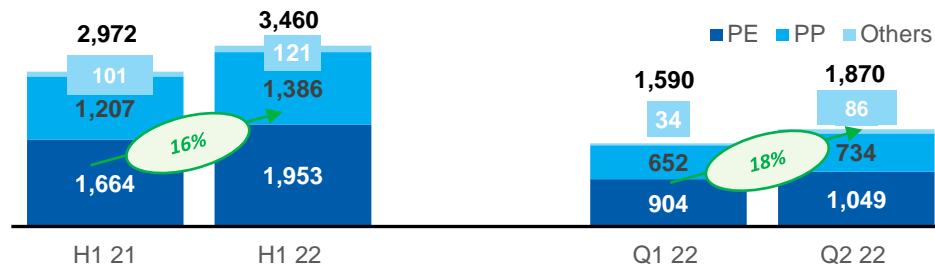
Commentary

- Overall sales volumes grew by 9% vs H1 21, reflecting higher underlying production following PP5 ramping up and the B1 turnaround, as well as sales out of inventory during June in particular.
- Total sales volumes increased by 12% Q2 22 vs Q1 22 with June 2022 the strongest ever achieved in a single month.
- Constraints in Propylene feedstock availability continued into Q2 22, resulting in polypropylene capacity utilisation running at 90% in the period. Availability resumed during July and not anticipated to impact production volumes in Q3 22.
- Unplanned shutdown of LPDE unit in Q2 22 likely to continue. To counter, Borouge has been able to redirect more cost advantaged ethane to the OCU for conversion to propylene.

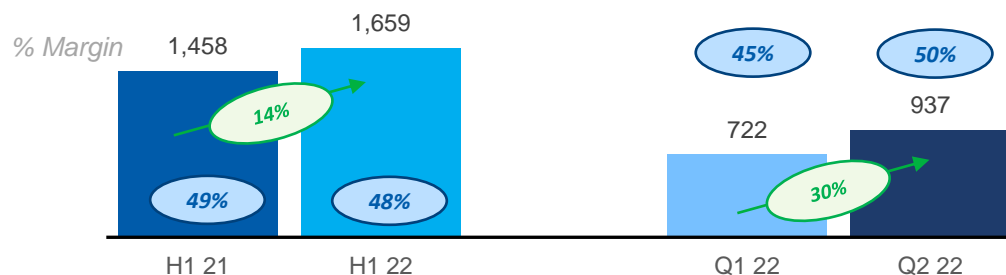
REVENUE & PROFITABILITY

Key Metrics⁽¹⁾

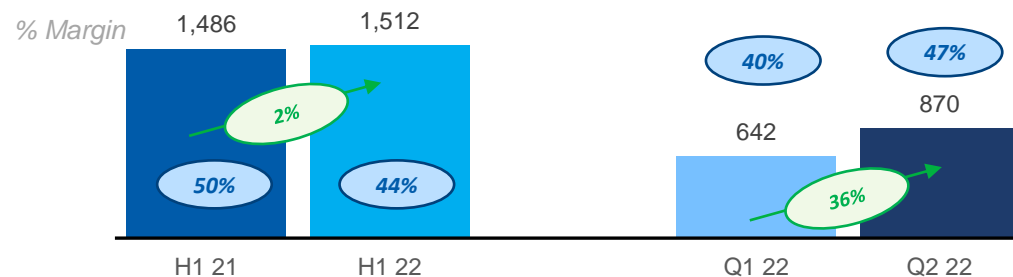
Revenue
(\$m)



Gross Profit
(\$m)



Adj. EBITDA
(\$m)



Sources: Company Information.

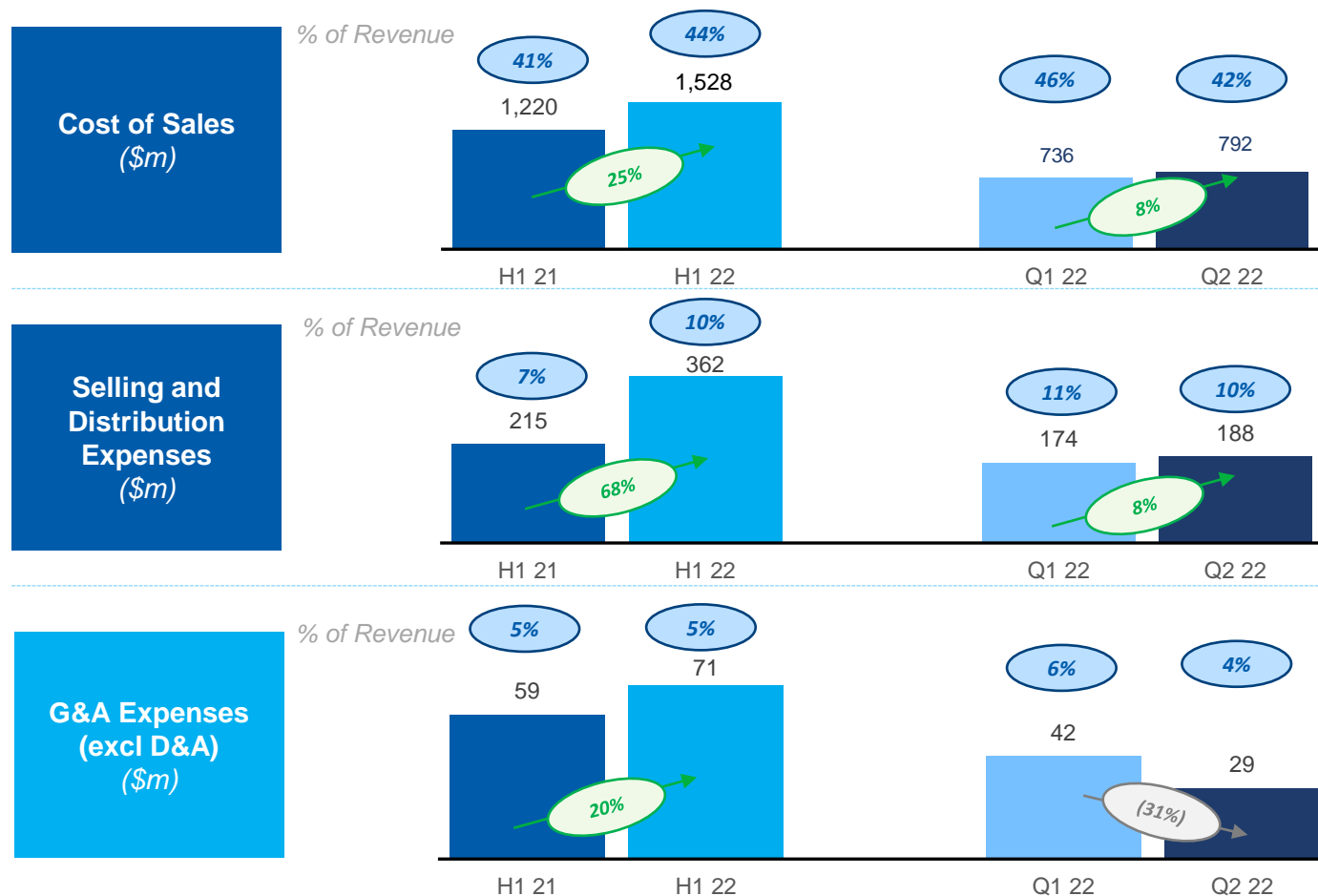
1) Proforma combined ADP and PTE for H1'21A, H1'22A and Q1'22A. Borouge plc actuals from Q2'22A

Commentary

- Increase in H1 22 revenues of 16% yoy driven by volume growth and average price per tonne growth.
- Total cost growth of 7% with feedstock expenses decreasing as a percentage of revenues due to sourcing internally produced propylene at a lower cost than equivalent from ADNOC.
- Adjusted EBITDA in Q2 22 grew by 36% vs Q1 22 reflecting underlying higher revenues achieved against lower costs per unit of production.
- Adj EBITDA Margin increased to 47% in Q2 22 vs 40% in Q1 22

COSTS

Key Metrics



Commentary

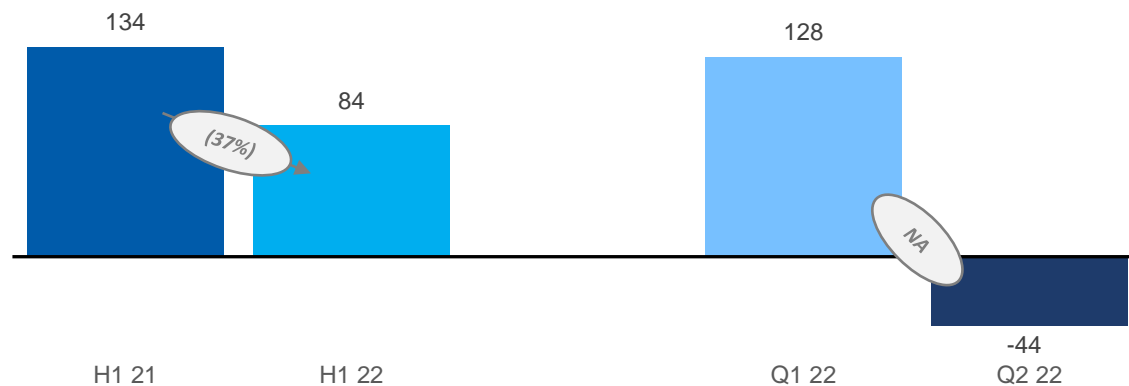
- Costs of sales increased 25% year on year and 8% quarter-on-quarter.
- Feedstock expenses grew by 6% in H1 FY22 vs H1 FY21, reflecting our relatively fixed ethane cost base, but exposure to variable propylene prices
 - Q2 FY22 feedstock costs grew by 17% vs Q1 FY22, reflecting primarily volume driven impact of the ramp up of B1, but also higher propylene prices in the period
- Higher selling and distribution cost reflect elevated sea freight rates year on year, with costs tripling on many routes.
- General and administrative expenses decreased by 31% over the period, owing to the B4 carve out but increased year on year due to one-off expenses attributable to the listing process.

Sources: Company Information.

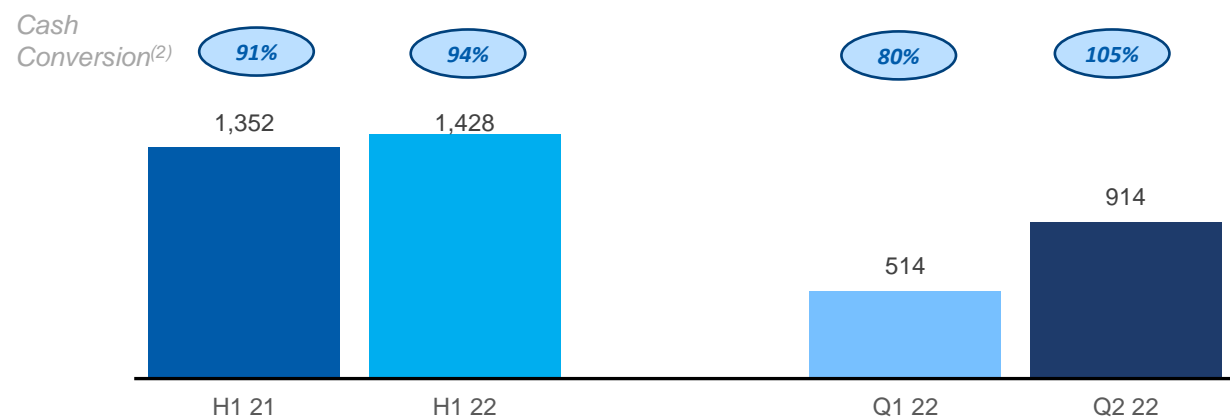
1) Proforma combined ADP and PTE for H1'21A, H1'22A and Q1'22A. Borouge plc actuals from Q2'22A.

CAPEX & FREE CASH FLOW

Capital Expenditure (\$m)



Adj. EBITDA - Capital Expenditure (\$m)



Commentary

- Working capital was a source of cash in the period, reflecting a reduction of inventories in line with mid-term guidance
- Capital expenditure mainly related to maintenance expenditures at existing plants and was lower vs the prior quarter following the completion of the PP5 unit.
- Negative capex recorded reflecting reversal of B4 capex, carved out as part of the listing process

Sources: Company Information.

1) Proforma combined ADP and PTE for H1'21A, H1'22A and Q1'22A. Borouge plc actuals from Q2'22A

2) Cash conversion defined as operating free cashflow (Adjusted EBITDA – Capital Expenditure) as a percentage of Adjusted EBITDA

OUTLOOK

Market backdrop

- Economic activity in our core markets of Asia Pacific and Middle East remains strong

Prices

- As per market analysts outlook, while underlying benchmark prices for PE and PP have softened slightly at the start of Q3, they remain higher compared to previous years
- Market analysts expect pricing for PE and PP are expected to strengthen into the year end
- Premiums likely to remain above our mid-term guidance of over \$200/tonne for PE and over \$140/tonne for PP during Q3

Volumes

- Higher sales volumes in Q2 attributed to a sell down of existing inventory stock. We anticipate sales volumes returning to be more aligned with production volumes in Q3
- Ability to produce propylene in OCU is expected to enable the Company to meet its volume expectations as continue to ramp up PP5

Operational Expenses

- Ethane costs under long-term pricing agreement with ADNOC - significant long-term visibility
- Propylene costs broadly track oil prices, which have fallen at the start of Q3, but remain elevated
- OCU running at high utilization in Q3
- Logistics costs will continue to be elevated in Q3

SUMMARY

Summary of our Q2 and H1 2022 Financial Results



Robust financial performance, strong revenue growth and EBITDA margins



Operational excellence driving volume growth and price strength



PP5 plant ramping up and turnaround of B1 completed



Significant cashflow generation supporting attractive dividend



Confident in outlook for remainder of FY 2022