



BOROUGE PLC

Q3 / 9M 2024 RESULTS PRESENTATION

29 October 2024

INSPIRING TOMORROW 

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AGENDA AND EXECUTIVE MANAGEMENT TEAM

Q3 2024 Results

01 Market Update

02 Operational Highlights

03 Financial Highlights

04 Outlook

05 Concluding Remarks



Hazeem Sultan Al Suwaidi
Chief Executive Officer



Rainer Hoefling
Chief Marketing Officer



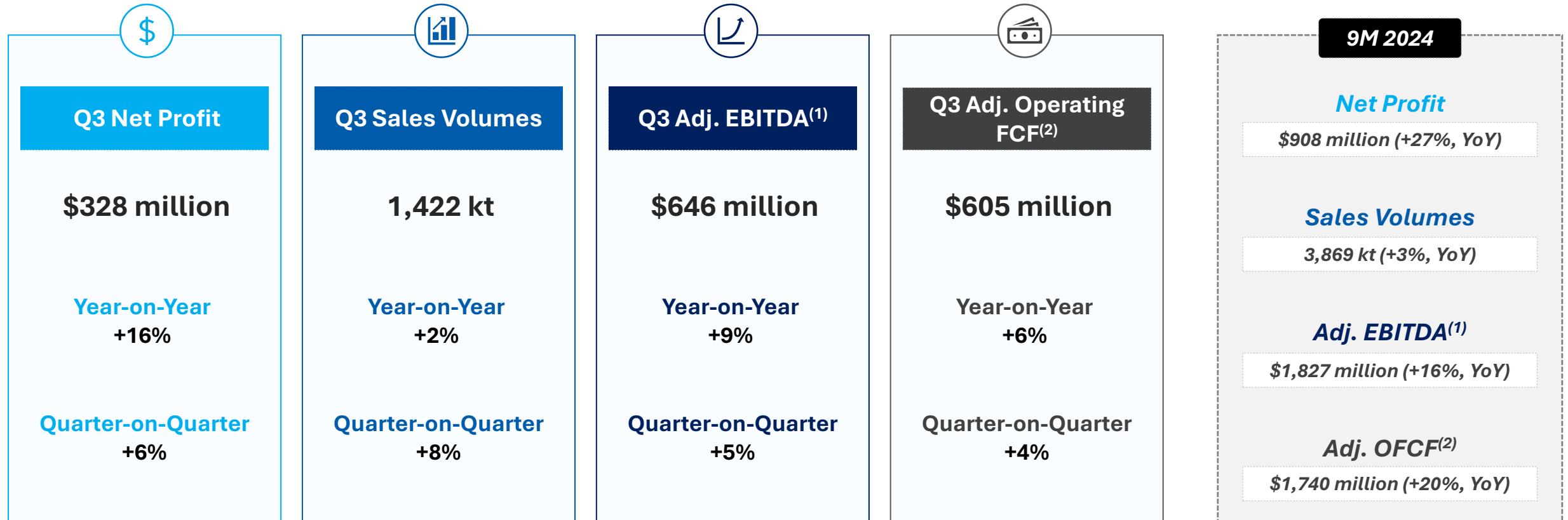
Dr. Hasan Karam
Chief Operating Officer



Jan-Martin Nufer
Chief Financial Officer

Q3/9M 2024 RESULTS HIGHLIGHTS

Record production & highest ever quarterly sales drive outstanding results



EBITDA margins of 40% in Q3 24 / 41% in 9M 24 supported by strategic focus on high-value products, geographic optimization and ongoing efficiencies

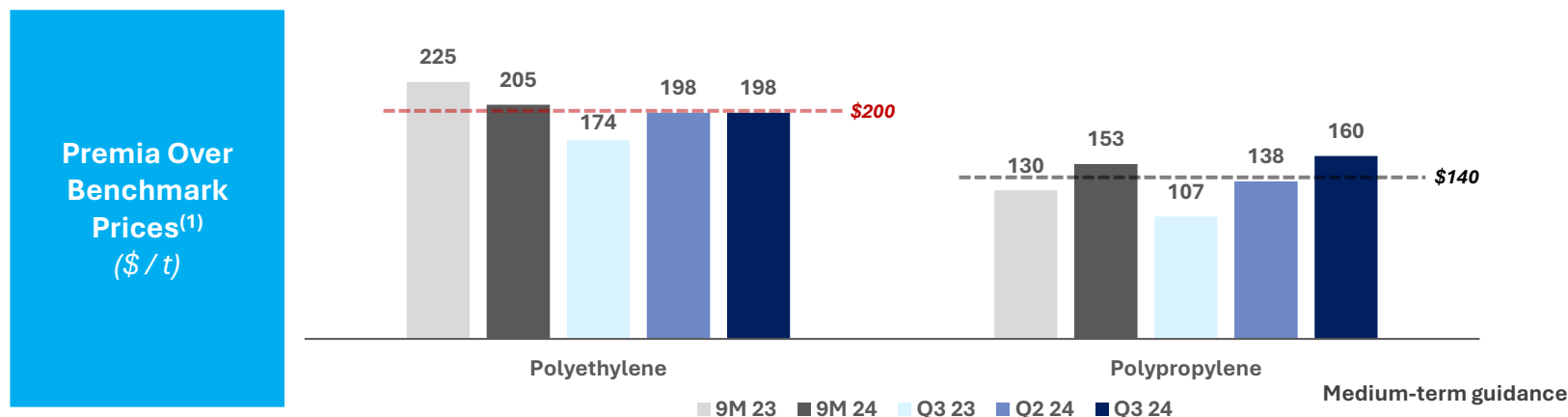
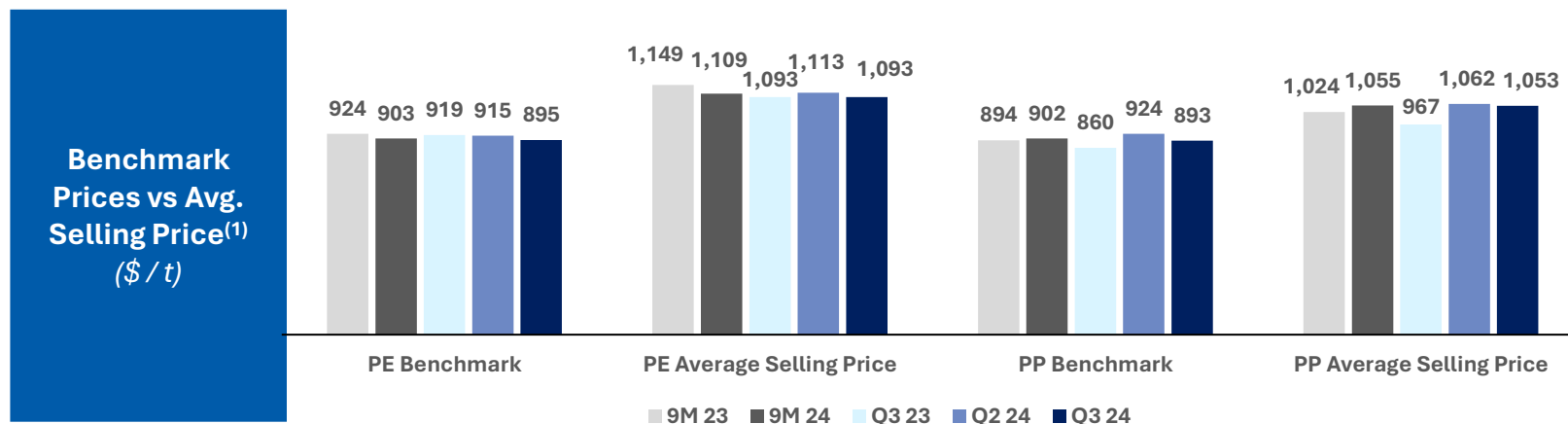
Sources: Company Information.

1) Adjusted EBITDA is calculated as EBITDA plus adjustments on foreign exchange gain or loss and impairment loss on property, plant and equipment.

2) Adjusted Operating Free Cash Flow is calculated as Adjusted EBITDA less capital expenditure.

POLYOLEFINS PRICES & PREMIA

Product Prices and Premia Evolution



Sources: Company Information.

1) Benchmark prices represent HDPE Blow Molding NEA CFR and PP Raffia NEA CFR prices (CMA).

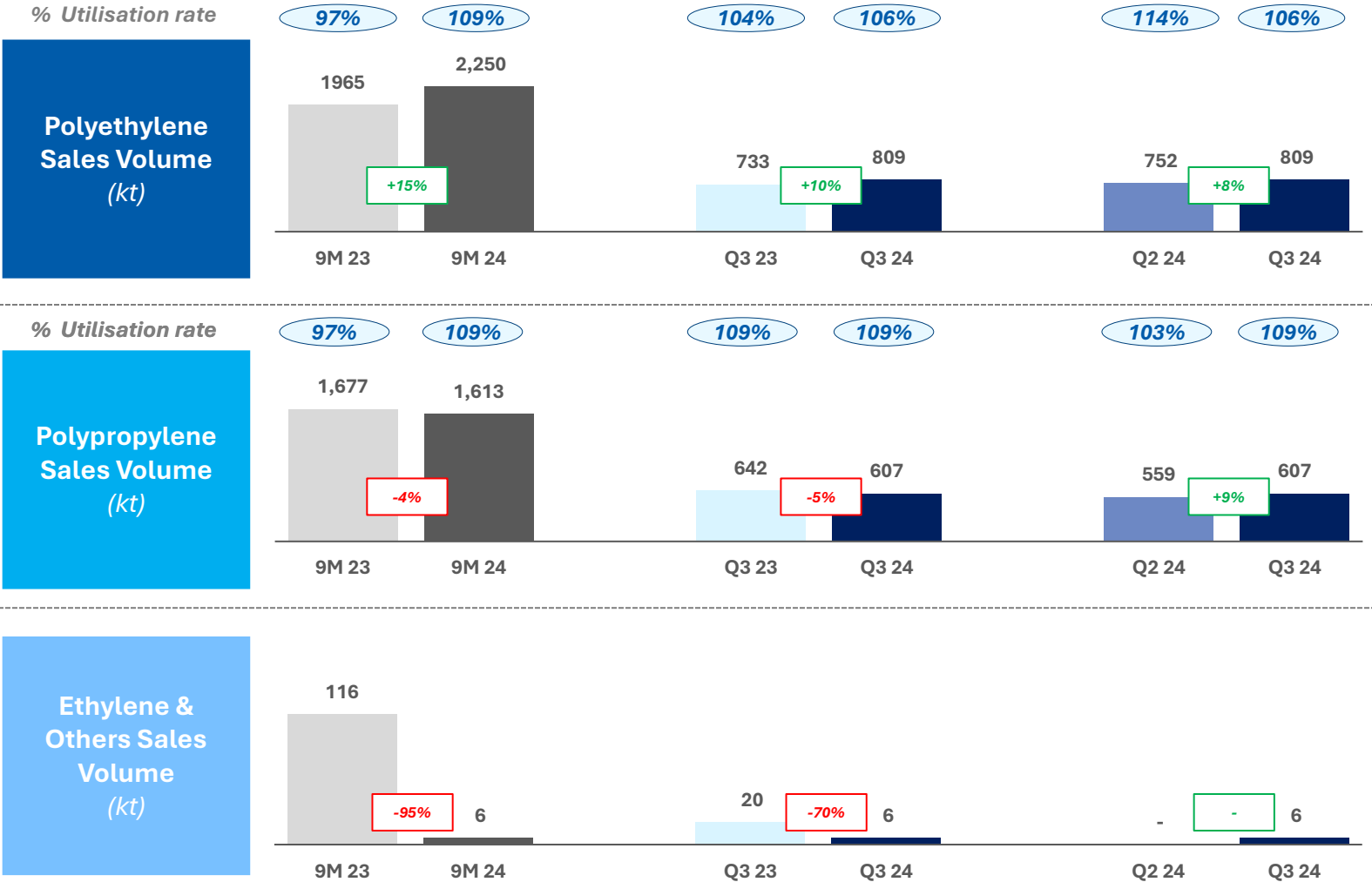
Commentary

- Borouge's polyolefin average selling prices in Q3 declined moderately**
 - PE avg. selling price -20 \$/t versus Q2 24
 - PP avg. selling price -9 \$/t versus Q2 24
- Borouge continued to command premia above product benchmark prices and in-line with through-the-cycle management guidance for PE and**
 - PE premia of 198 \$/t, flat versus Q2 24
 - PP premia of 160 \$/t, +22 \$/t versus Q2 24
- In 9M 2024 premia for both PE and PP was above management's through-the-cycle guidance**
 - PE premia of 205 \$/t, -20 \$/t versus 9M 23
 - PP premia of 153 \$/t, +23 \$/t versus 9M 23

OPERATIONAL AND COMMERCIAL PERFORMANCE

Capacity Utilisation Rates & Sales Volumes

Commentary



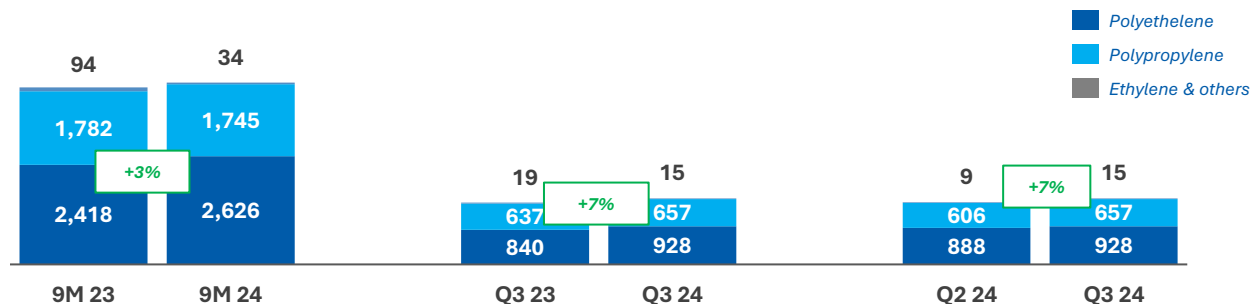
- Record high total quarterly production in Q3 24 of 1,355kt, with utilisation rates of:
 - PE : 106% (734 kt production)
 - PP: 109% (615 kt production)
- High OCU capacity utilisation in Q3
- High asset reliability of 98% in Q3
- Highest-ever quarterly sales volumes of 1,422 kt in Q3:
 - PE: 809 kt (+10% YoY)
 - PP: 607 kt (-5% YoY)
- Continued significant contribution from value-added energy and infrastructure segment in Q3 of 38%

Sources: Company Information.

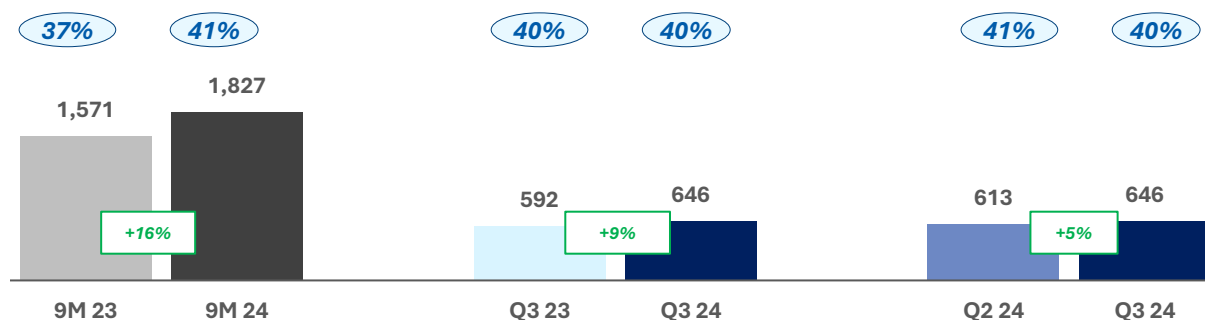
REVENUE & PROFITABILITY

Key Metrics

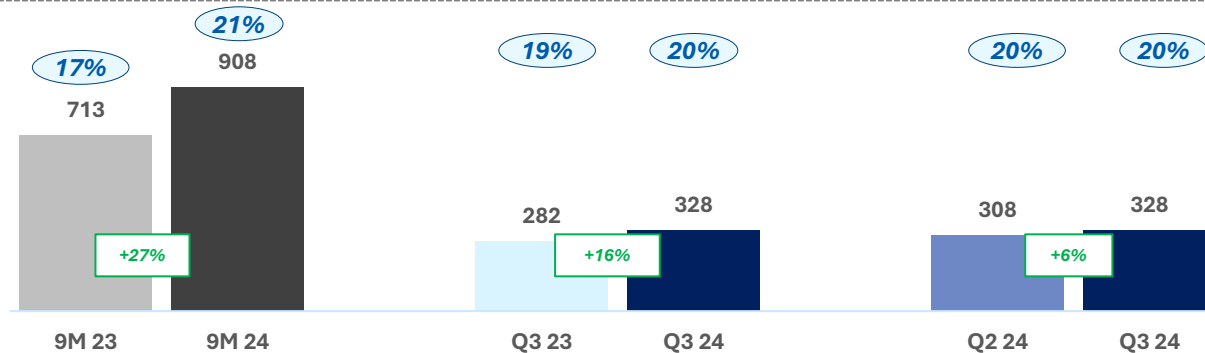
Revenue
(\$m)



Adjusted EBITDA
⁽¹⁾
(\$m)



Net Profit
(\$m)



Commentary

- Outstanding Q3 performance supported by highest-ever quarterly sales and record production
- Q3 revenue increased 7% versus Q2 24 primarily due to higher sales volumes (+9%, QoQ)
- Adj. EBITDA of \$646m one of the highest in the last 8 quarters and industry leading EBITDA margin of 40% in Q3 24
- Q3 net profit up 6% QoQ to \$328m (net profit margin of 20%)
- In 9M 24, adj. EBITDA is up 16% YoY and net profit is up 27% YoY.

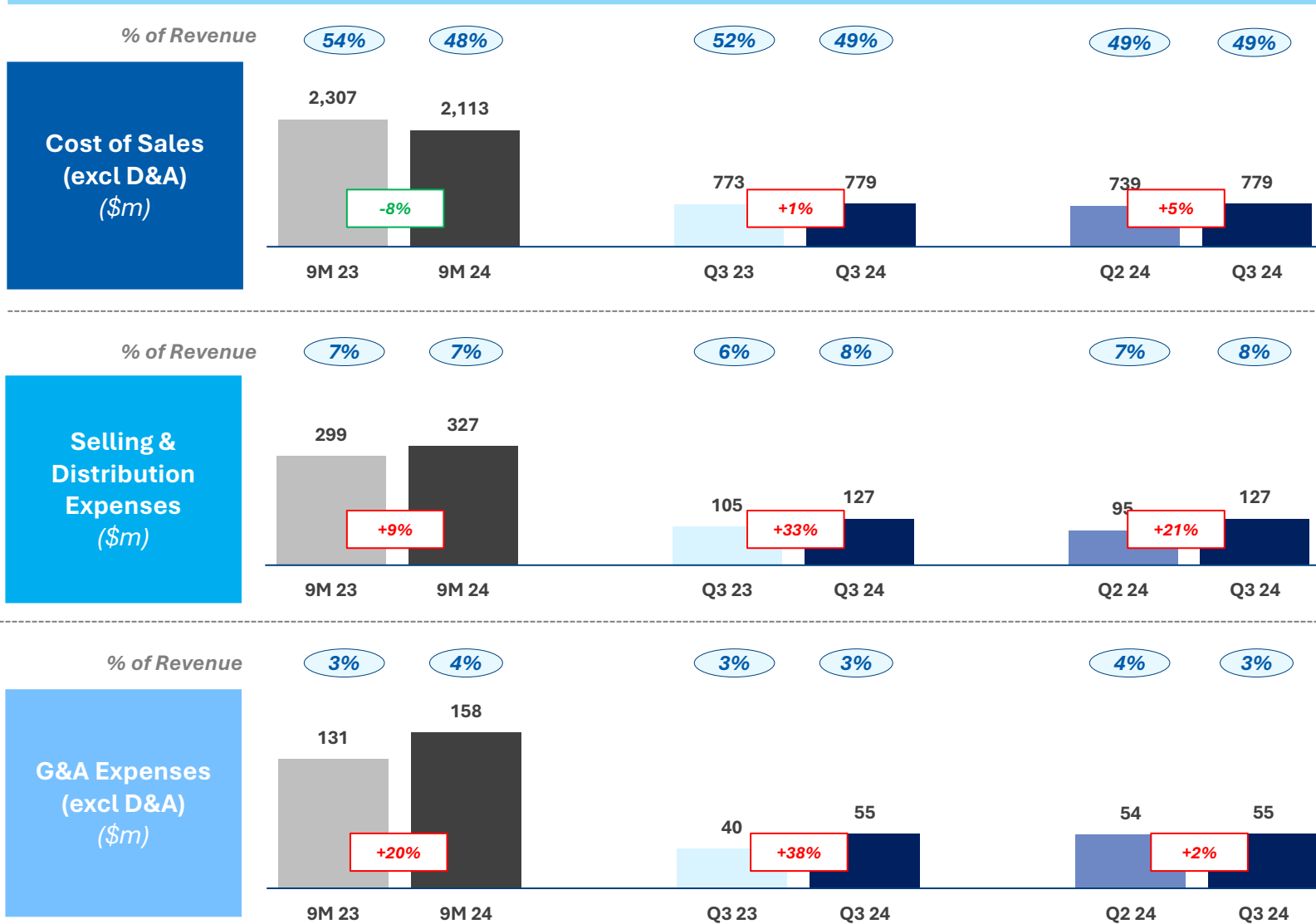
Sources: Company Information.

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COSTS

Key Metrics

Commentary

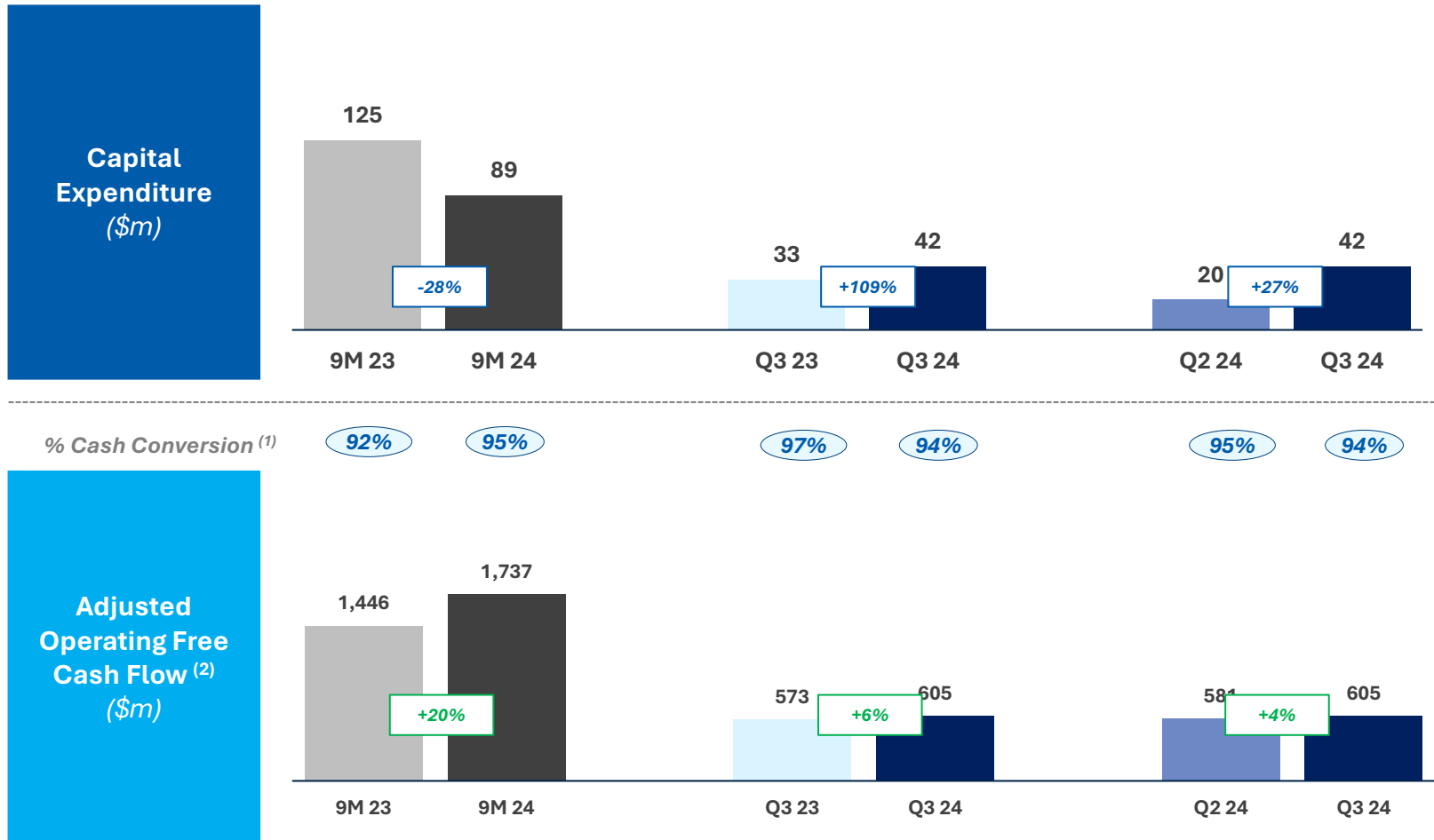


- In Q3 total cost base (excl. D&A) increased 4% YoY and up 7% QoQ primarily due to higher production volumes
- Selling & distribution expenses in Q3 increased by 21% on QoQ mainly driven by higher logistics costs
- General & admin (excl. D&A) expenses in Q3 increased by 2% QoQ and 38% YoY due to one-off items
- In 9M 24, total cost base (excl. D&A) declined 5% YoY due to lower COGS (excl. D&A)

Sources: Company Information.

CAPEX & FREE CASH FLOW

Key Metrics



Commentary

- CAPEX in Q3 of \$41m
- Q3 adjusted operating free cashflow of \$605 million up +6% YoY and +4% QoQ
- Industry leading cash conversion rates recorded in Q3 of 94%
- Net debt to LTM EBITDA ratio is 1.3x as on 30 September 2024

Sources: Company Information.

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

2) Operating Free Cash Flow is calculated as Adjusted EBITDA less capital expenditure.



Market

- Stable macro-economic environment in Borouge core markets for the rest of 2024
- Demand in Borouge target markets remains stronger versus developed regions – expectations around increased Chinese demand following targeted stimulus efforts



Prices

- Polyolefin prices expected to remain in the narrow band of volatility
- Higher supply due to year-end debottlenecking likely to exert pressure on PO prices
- Ongoing logistics challenges remains
- Management maintains over-the-cycle premia over benchmark guidance of c. \$200 / tonne for polyethylene and c. \$140 / tonne for polypropylene



Volumes

- Continued strong production volumes for the rest of 2024
- Planned maintenance turnaround of Borouge 3 plant with a volume impact of 320kt now shifted from Q4 2024 to Q2 2025
- Company will continue to focus on its core strategy in the high value-added segments and product / regional optimisation

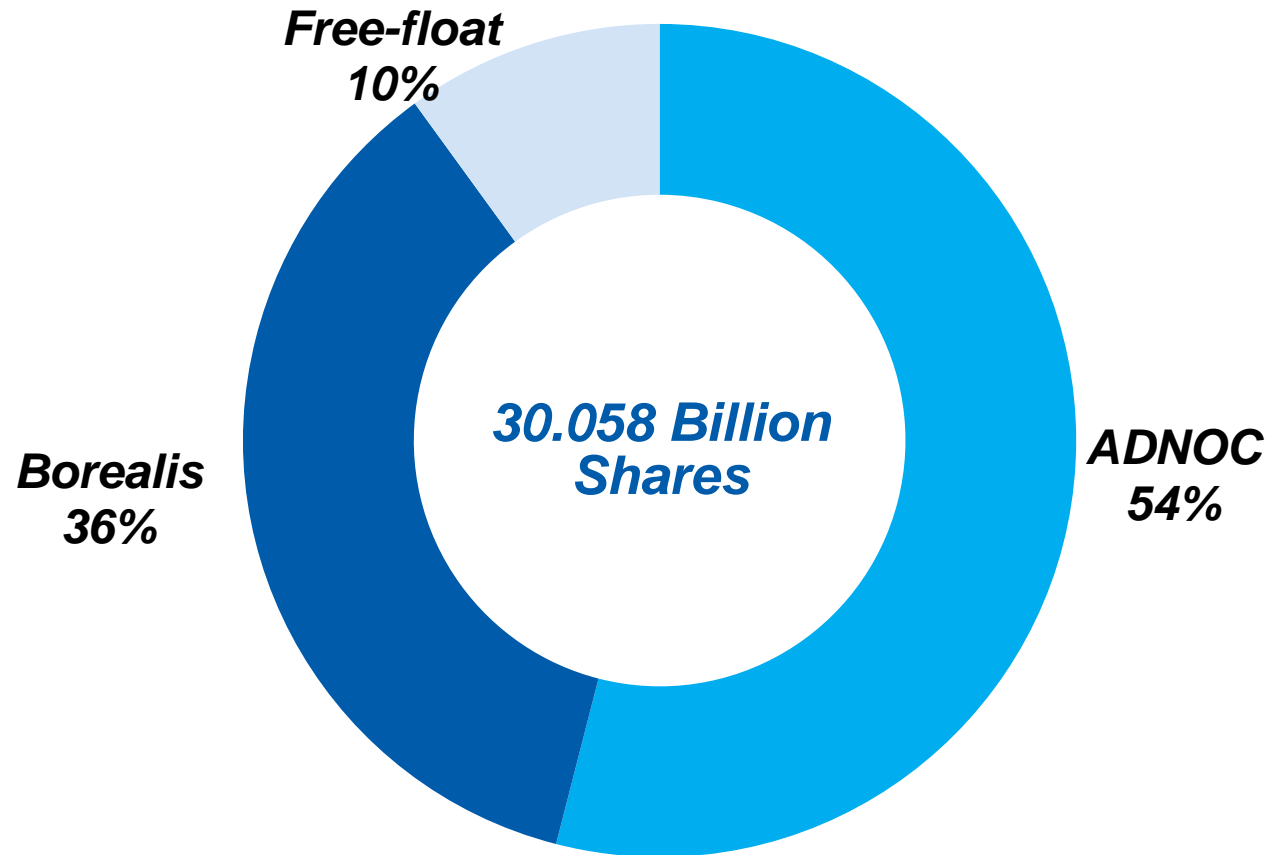


Costs

- Ongoing cost efficiencies and optimization to continue in Q4 2024
- Borouge remains well-positioned to manage supply chain and S&D costs considering the ongoing shipping disruptions

OUR OWNERSHIP STRUCTURE

Shares are listed on the Abu Dhabi securities Exchange (ADX) under the symbol “BOROUGE”





For further information, please contact:

Samar Khan

VP, Investor Relations

IR@borouge.com

Website:

www.borouge.com/en/investor-relations