

## Borouge Announces Strong H1 2022 Financial Results with Revenue Growth of 16.4% Year-on-Year

*Robust sales volume growth coupled with price strength sees H1 2022 revenue growth of 16.4% and net income growth of 2.5%*

*Premia over benchmark prices grew significantly, demonstrating demand for differentiated products in infrastructure and consumer solutions*

*Strong maiden results as a listed company support commitment to pay \$975 million in dividends to shareholders for FY 2022, and at least \$1.3 billion for FY 2023*

**Abu Dhabi, UAE – 28 July 2022:** Borouge Plc (“Borouge” or “the Company”) (ADX symbol: BOROUGE / ISIN: AEE01072B225), a leading petrochemical company that provides innovative and differentiated polyolefin solutions, today announces strong financial results for the first six months of 2022.

In its first earnings as a listed company, Borouge reported a 16.4% increase in revenue to \$3,460 million for H1 2022, versus the same period last year, driven by sales volume growth of 8.6% and average price per tonne growth of 4.1%. Adjusted EBITDA increased 1.7% to \$1,512 million whilst net income increased 2.5% to \$853 million. Second quarter revenue grew by 17.6% whilst adjusted EBITDA grew by 35.5% compared to the prior quarter. This was achieved despite higher underlying feedstock prices as Borouge was able to optimise feedstock arrangements to lower overall production costs per tonne compared with the previous quarter.

In the first half of 2022, Borouge saw overall production capacity growth of 6.9% year-on-year as the ramp up of the new PP5 plant and the turnaround of Borouge 1 in Q1 (“B1”) were completed, helping drive a 8.6% year-on-year growth in overall sales volumes. June 2022 saw the strongest ever sales volumes achieved in a single month with an increasing proportion of products sold into the infrastructure solutions market.

**His Excellency Dr. Sultan Al Jaber, UAE Minister of Industry and Advanced Technology, ADNOC Managing Director and Group CEO, and Chairman of Borouge, commented:** *“Borouge has delivered double-digit revenue growth in its maiden half-year results as a listed company, demonstrating exceptional financial performance and commercial resilience. These impressive results follow on from the Company’s record-breaking IPO on the Abu Dhabi Securities Exchange in June of this year.*

*“Borouge is central to the delivery of ADNOC’s ambitious Downstream and Industrial growth strategy and is poised for robust future growth, benefitting from the global boom in the petrochemicals sector. ADNOC, alongside its long-standing partner Borealis, will remain a committed, long-term majority shareholder in Borouge as the Company continues on its exciting growth trajectory while delivering exceptional value and superior shareholder returns.”*

Borouge continued to achieve premia above benchmark prices during H1 2022, with June a particularly strong month, reflecting the Company’s differentiated product mix and ability to capture regional price opportunities. Premia for polypropylene in the first half of 2022 was \$283/tonne versus \$262/tonne in the same period last year, and for polyethylene was \$368/tonne compared with \$264/tonne in the first half of 2021.

## Market Announcement

**Thomas Gangl, CEO of Borealis, emphasised:** *“The shareholders are pleased with Borouge’s continued strong results in its first results announcement following its successful listing. The strong performance of the company, combined with the long-term partnership of Borealis and ADNOC, provides the platform for further growth, which Borouge has already successfully embarked on, and clearly underpins Borealis’ Strategy 2030 for geographical expansion in the Middle East and Asia.”*

Borouge generated significant cashflow in H1 2022, reflecting its underlying higher profitability and lower capital expenditure as the new PP5 plant ramps up. Cashflow conversion was strong at 94%. Based on the robust performance of its operations and current market conditions, Borouge reiterates its commitment to pay \$975 million in dividends to shareholders for FY 2022, and at least \$1.3 billion for FY 2023.

**Hazeem Sultan Al Suwaidi, Chief Executive Officer of Borouge, added:** *“Coming shortly after our landmark IPO, these robust financial and operational results underpin our unique product offering and specialty solutions and are testament to the quality and diligence of our people who have worked tirelessly to deliver this exceptional performance during the first half of 2022. We have delivered significant sales volumes growth during the first half of 2022 and continue to achieve strong premia above benchmark pricing, reflecting our value-added, differentiated products and innovative solutions that have a positive impact on society. We are very optimistic regarding the future growth of the Company, and we remain committed to delivering exceptional value and returning an attractive dividend to our shareholders.”*

In June 2022, Borouge listed on the Abu Dhabi Securities Exchange in Abu Dhabi’s largest-ever initial public offering and the Middle East’s largest-ever petrochemicals listing. The IPO was oversubscribed by almost 42 times across the institutional and retail tranches, with more retail demand than any UAE IPO in almost 20 years. The Company’s robust results for the first period as a listed company underline its strong proposition to the investment community. Following its listing, Borouge was included in FTSE Russell’s FTSE Global Equity Index Series, which is used by investors globally to inform asset allocation decisions and support portfolio construction. Joining these key Indices marks a major recognition of Borouge and underlines the Company’s relevance to the global institutional investor base that participated in its IPO.

### Key performance metrics

USD Millions	H1 2021 Pro Forma	H1 2022 Pro Forma	% Change	Q1 2022 Pro Forma	Q2 2022	% Change
Sales volumes ('000 tonnes)	2,143	2,328	8.63%	1,100	1,227	11.55%
Revenue	2,972	3,460	16.42%	1,590	1,870	17.60%
Adjusted EBITDA <sup>(1)</sup>	1,486	1,512	1.73%	642	870	35.54%
Net income	832	853	2.49%	363	490	35.16%
Operating free cash flow <sup>(2)</sup>	1,352	1,428	5.65%	514	914	77.96%

(1) Adjusted EBITDA defined as earnings before interest, tax, depreciation and amortisation, impairment losses on PP&E

(2) Operating free cashflow defined as Adjusted EBITDA less capital expenditure

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### About Borouge Plc

Borouge Plc, listed on the Abu Dhabi Securities Exchange (ADX symbol “BOROUGE” / ISIN “AEE01072B225”), is a leading petrochemical company that provides innovative and differentiated polyolefin solutions for the energy, infrastructure, mobility, advanced packaging, healthcare and agriculture industries. ADNOC owns a majority 54% stake and Borealis holds a 36% stake in Borouge.

To find out more, visit:

[borouge.com](http://borouge.com)

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