

BOROUGE REPORTS EXCEPTIONAL FY2024 NET PROFIT OF \$1.24 BILLION, A JUMP OF 24% YOY, BOOSTED BY RECORD PRODUCTION AND SALES

FY2024 net profit exceeds market expectations, with industry-leading EBITDA margin of 41%

Intention to maintain \$1.3 billion dividend for FY2025, supported by strong cash generation and balance sheet, reinforcing track record of robust shareholder returns

Production levels soar to historic 5.2 million tonnes and record annual sales volumes reach 5.3 million tonnes, meeting strong demand for Borouge's differentiated products

Borouge unveils nine new innovative products for the infrastructure and advanced packaging industries in 2024

ABU DHABI, UAE – 04 February 2025: Borouge Plc, a leading petrochemicals company that provides innovative and differentiated polyolefins solutions, has delivered outstanding 2024 financial results, achieving a 24% year-on-year increase in net profit to \$1.24 billion, driven by record production and sales volumes.

The company is driving growth and outperforming the industry through high productivity, a strong international marketing network and leveraging world-class technology to innovate and provide products that respond to evolving customer demand.

Borouge continued to deliver profitability metrics that are significantly superior to global industry peers, with an EBITDA margin of 41% for full-year 2024. EBITDA climbed 14% year-on-year to \$2.48 billion, driven by a 4% year-on-year revenue increase to \$6 billion.

Through a focus on operational excellence, the company delivered record production of 5.2 million tonnes, driven by exceptional utilisation rates of 110% for polyethylene and 98% for polypropylene. Sales volumes reached their highest ever level of 5.3 million tonnes, supported by strategic positioning in high-growth markets across Asia, Middle East and Africa and strong customer relationships cultivated by an international network of 14 sales and marketing offices.

Hazeem Sultan Al Suwaidi, Chief Executive Officer of Borouge, commented: "Borouge has generated substantial earnings growth in 2024, while maintaining strong profitability, at a time when the wider global industry has faced challenges. This outstanding achievement places us in prime position, financially and operationally, to cement our industry leadership. The Borouge 4 strategic expansion project will transform the scale of production by almost a third and enhance

our innovation capabilities, driving sales growth in our major markets. We are also implementing a comprehensive digital and AI transformation programme, which is already enhancing productivity and will reimagine our operations in the coming years. With Borouge delivering on all fronts, we are pleased to announce our intention to maintain a \$1.3 billion dividend for the 2025 financial year, representing a 6.3%^[1] current dividend yield. As we enter a period of accelerated growth, the company remains fully committed to generating attractive shareholder returns in the years ahead.”

Borouge’s highly differentiated product offering continues to represent a core strength, delivering tangible financial benefits. The company commanded high price premia in 2024 of \$198 per tonne for polyethylene, in line with the management’s through-the-cycle guidance, and \$150 per tonne for polypropylene, exceeding guidance.

Prudent cost management, a digital and AI transformation programme and sustained gains from a successful Value Enhancement Programme completed in 2023 drove efficiency across the company, supported by successfully maintaining fixed costs at 2023 levels.

Highlights for the three months ended 31 December 2024

Fourth-quarter net profit increased 1% quarter on quarter and 15% year on year to \$331 million, with revenue reaching \$1.62 billion, up 1% quarter on quarter and 8% year on year. Sales volumes rose 8% year on year and 3% quarter on quarter, with total production flat year on year at 1.3 million tonnes.

Adjusted EBITDA rose 8.2% year on year and 0.6% quarter on quarter to \$650 million. Borouge reinforced its industry leadership by delivering a healthy adjusted EBITDA margin of 40%, supported by a focus on continued operational efficiencies and cost optimisation. Cash conversion was strong at 88%, with a healthy adjusted operating free cash flow of \$572 million, up 9% year on year.

Highlights for the 12 months ended 31 December 2024

Full-year 2024 net profit increased 24% to \$1.24 billion, exceeding analyst expectations, and adjusted EBITDA increased 14% to \$2.48 billion. Revenue rose 4% to \$6 billion, while total costs improved by 2.1% to \$4.1 billion.

The high-value infrastructure solutions segment represented 40% of total sales volume in 2024, underscoring Borouge’s strong positioning in this key high-value segment. The high-growth market of Asia Pacific remained the top destination for Borouge’s products, accounting for 63% of total sales volumes for both the quarter and the full year.

In 2024, Borouge responded to the growing global demand for its sustainable and durable products by launching nine innovative products across key sectors, including packaging,

¹ Current dividend yield at market close on 03 February 2025.

infrastructure, healthcare, and post-consumer recycling. These new solutions are designed to tackle critical global challenges such as climate change, food waste, and access to fresh water, reinforcing Borouge's commitment to driving positive environmental and societal impact while meeting the evolving needs of its customers.

Borouge's Financial Strength Underpins Consistent Dividend Payout

Borouge's outstanding performance and growth trajectory, together with strong cash generation and a robust liquidity position, continue to provide solid financial fundamentals. In this context, management has reaffirmed its intention to distribute a final dividend of 7.94 fils per share in April 2025, bringing the total full-year 2024 dividend payout to \$1.3 billion. To date, the company has distributed \$2.9 billion in dividends since its IPO in 2022 in line with its commitment to create value and deliver significant shareholder returns.

The company produced full-year adjusted operating free cash flow of \$2.31 billion, reflecting a 17% year-on-year increase, driven by a high cash conversion rate of 93% in 2024. The balance sheet remains solid, with the net debt/EBITDA ratio at 1.1 times as at 31 December 2024, bolstered by the repayment of \$200 million in debt during the year.

Pioneering Growth Through Strategic Expansion

The Borouge 4 project, developed by Borouge on behalf of its majority shareholders, ADNOC and Borealis, is making good progress. The project will transform the UAE's industrial landscape, making Borouge the world's largest single-site polyolefin complex. Borouge 4 is set to increase the company's production capacity by 28% and generate annual revenue of \$1.5 to \$1.9 billion. Once completed, the project will be transferred to Borouge from ADNOC and Borealis.

Borouge is also advancing with a major upgrade to its second ethane cracker unit (EU2), targeting an additional 230,000 tonnes of production capacity. Expected to be completed in 2028, the expansion is projected to add \$220 to \$250 million in annual revenue, supporting Borouge's ability to meet growing global demand.

On the international front, Borouge is exploring opportunities to expand its global footprint with an ongoing feasibility of a specialty polyolefins complex in Fuzhou, China.

Redefining Efficiency with AI, Digitalisation and Technology

Borouge is harnessing artificial intelligence (AI), technology and digitalisation to drive efficiency, sustainability, and innovation across its operations, with a strong focus on initiatives that are creating value for shareholders. In 2024, the company delivered \$573 million in value generation through these initiatives, exceeding its \$550 million target announced last year.

Further amplifying its technological edge, Borouge signed a strategic partnership with the Mohamed bin Zayed University of Artificial Intelligence (MBZUAI) in the fourth quarter. The collaboration is set to elevate Borouge's operations by integrating cutting-edge AI research and innovation directly into its processes. By leveraging MBZUAI's expertise, Borouge aims to significantly enhance its efficiency, sustainability, and overall value creation. By integrating these

advancements, Borouge is reinforcing its position as an industry leader focused on delivering long-term value and growth for its stakeholders.

Fueling Growth Through Breakthrough Innovations

Innovation powers Borouge's growth, driving advanced solutions to meet rising global demands across key industries. Borouge introduced nine new high-performance products in 2024, further showcasing the company's innovation capabilities and how it is addressing critical needs in renewable energy, sustainable packaging, and advanced infrastructure applications. Borouge recently signed strategic agreements with key customers and value chain partners which demonstrate its commitment to leveraging its expertise to drive cutting-edge solutions.

Borouge continues to advance its sustainability and net zero agenda, and in 2024 achieved a remarkable GHG abatement milestone by reducing more than 500 KtCO₂eq annually since the start of its decarbonisation journey in 2018. The company's ambitious goals for 2030 include reducing greenhouse gas emissions intensity by 25% and net zero emissions by 2045.

Borouge was included in the S&P Global LargeMidCap ESG index for the first time in 2024. Further, it was ranked in the top 15th percentile among over 500 global chemical companies in the S&P rating, as of Q4 2024.

Outlook

Borouge will continue to drive differentiation and achieve premia over product benchmarks through the cycle. Management guidance for premia over product benchmark remains at \$200 per tonne for polyethylene and \$140 per tonne for polypropylene, with average selling prices improving in Q1 2025 from Q4 2024 levels. Meanwhile, the company will continue to grow in circular and durable value-added product segments with differentiated solutions. Preparations for the Borouge 3 planned maintenance are on schedule, with a 320 kt impact expected in Q2 2025. As a result of the company's strong financial performance in 2024, the company's management intends to pay \$1.3 billion dividend in 2025.

Financial Highlights

| USD millions | Q4 2024 | Q4 2023 | YoY % Change | Q3 2024 | QoQ % Change | FY 2024 | FY 2023 | YoY % Change |
|--|--------------|---------|--------------|---------|--------------|--------------|---------|--------------|
| Sales Volume (kt) ⁽¹⁾ | 1,467 | 1,359 | 8% | 1,422 | 3% | 5,336 | 5,116 | 4% |
| Revenue | 1,621 | 1,497 | 8% | 1,600 | 1% | 6,026 | 5,791 | 4% |
| Adj. EBITDA ⁽²⁾ | 650 | 600 | 8% | 646 | 0.6% | 2,477 | 2,171 | 14% |
| Net Profit | 331 | 288 | 15% | 328 | 1% | 1,239 | 1,001 | 24% |
| Adj. Operating FCF ⁽³⁾ | 572 | 526 | 9% | 605 | -5% | 2,309 | 1,972 | 17% |

(1) PE, PP and ethylene sales (including Borealis volumes).

(2) Adj. EBITDA defined as EBITDA plus adjustments on foreign exchange gain or loss and impairment loss on Property, Plant and Equipment.

(3) Adj. Operating FCF defined as Adjusted EBITDA less capital expenditure.

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**Q4 & FY 2024 Financial Results
Market Announcement**



About Borouge Plc

Borouge Plc, listed on the Abu Dhabi Securities Exchange (ADX symbol: BOROUGE / ISIN AEE01072B225), is a leading petrochemicals company that provides innovative and differentiated polyolefin solutions for the infrastructure, energy, mobility, healthcare, agriculture and advanced packaging industries. Borouge employs more than 3,100 people and serves customers in 86 countries across Asia, the Middle East and Africa.

Founded in 1998 through a strategic partnership between ADNOC and Borealis, Borouge was formed to build and operate a polyolefins complex in Al Ruwais Industrial City, United Arab Emirates, which today is one of the world's largest integrated polyolefin complexes. ADNOC owns a majority 54% stake and Borealis holds a 36% stake in Borouge.

To find out more, visit: borouge.com

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