

## BOROUGE Q1 2025 NET PROFIT INCREASES TO \$281 MILLION, DRIVEN BY HIGHER PRODUCTION & SALES VOLUMES

- *Sales volumes up 10% year-over-year, fuelled by strong demand in core Asia Pacific and Middle East markets, supported by production volumes rising 7% year-on-year*
- *Q1 EBITDA of \$564 million maintains industry-leading margins of 40%, delivering strong pricing premia above management guidance*
- *Borouge announced intention to increase dividend for 2025 to 16.2 fils per share, which is also expected to be maintained until 2030 by Borouge Group International*
- *The company is executing a share buyback of up to 2.5% of outstanding shares, having purchased 64 million shares to date, reflecting Borouge's strong confidence in its future prospects*
- *Borouge Group International transactions expected to close in Q1 2026*

**ABU DHABI, UAE – 30 April 2025:** Borouge Plc, a leading petrochemicals company providing innovative and differentiated polyolefins solutions, has reported a substantial \$281 million net profit for the first quarter driven by record monthly production in March, an increase in sales volumes and continuous cost discipline.

Q1 2025 operational performance remained strong, with production volumes rising 7% year-on-year in the first quarter of 2025. Overall asset reliability remained strong, achieving 94.4% by the end of the quarter, with polyethylene and polypropylene utilisation rates at 101% and 98% respectively, underscoring the company's operational excellence and efficiency.

Demand for high-value product segments were robust in the core growth markets of Asia Pacific, the Middle East, and Africa. Total sales volumes increased 10% year-on-year in the first quarter to 1.25 million tonnes, driven by substantial growth of 8% in polyethylene and 13% in polypropylene sales volumes.

Borouge's differentiated and high-quality materials continued to attract premium pricing, with prices for polyethylene and polypropylene averaging \$224 and \$154 well above the company's through-the-cycle guidance, respectively. The premia reflects the significant pricing uplift of Borouge's differentiated products, which support key growth sectors including infrastructure, energy, agriculture, advanced packaging, and healthcare.

**Hazeem Sultan Al Suwaidi, Chief Executive Officer of Borouge**, commented: "Borouge is firmly positioned on an accelerated growth trajectory having demonstrated remarkable resilience and operational excellence over the past couple of years. This gives us strong confidence as we enter a new phase of transformational growth with Borouge Group International. A core focus of our strategy remains on delivering superior value to our shareholders, demonstrated by Borouge's

intention to further increase our dividend to 16.2 fils per share for 2025 - which will also serve as the intended minimum share payout up to 2030 under Borouge Group International.”

The company’s continued strong performance lays firm foundations for the proposed combination of Borouge and Borealis, and the acquisition of Nova Chemicals, to create Borouge Group International, a \$60 billion global petrochemicals leader. The new entity has been designed to deliver consistently strong dividends and significant near-term growth, with the transactions scheduled for completion in Q1 2026, subject to legal and regulatory approvals.

### **Targeted growth in high-value product segments driving pricing strength**

Revenue in Q1 2025 grew 9% year-on-year to \$1.42 billion, driven by higher average selling prices and increased sales volumes. The strong performance reflects the growing demand for the company’s differentiated energy and infrastructure solutions, which contributed 38% of total sales volumes during the quarter. Average sales prices for polyethylene and polypropylene each rose 2% quarter-on-quarter.

Cost discipline remained a key focus, with sales and distribution expenses reduced by 6% year-on-year. The company’s rigorous cost management builds on its successful Value Enhancement Programme, delivering a \$607 million benefit in 2023, contributing to an industry-leading EBITDA margin of 40% in the first quarter.

Adjusted EBITDA for the first quarter stood at \$564 million, broadly stable year-on-year. Cash conversion remained robust at 93%, while adjusted operating free cash flow reached a solid \$523 million, demonstrating the company’s continued focus on operational efficiency and cash generation. The balance sheet remains very solid, with the net debt/EBITDA ratio at 0.9 times as of 31 March 2025.

### **Shareholders receive substantial dividend for 2024, with intention for attractive dividend uplift from 2025. Borouge executes share buyback plan approved at its AGM**

Following the company’s 2025 Annual General Meeting (AGM) on 7 April, shareholders approved a final dividend of \$650 million for 2024 which was paid on 28 April 2025, bringing the total 2024 dividend payout to \$1.3 billion - equivalent to 15.88 fils per share. This brings the total dividend distributed to shareholders since the company’s IPO in 2022 to a significant \$3.58 billion.

At the company’s AGM, Chairman of Borouge, His Excellency Dr. Sultan Al Jaber, reinforced the company’s commitment to delivering substantial and sustainable shareholder returns. In 2025 Borouge intends to increase its dividend to at least 16.2 fils per share. Upon completion of the transaction, Borouge Group International intends to offer a highly attractive estimated total dividend of \$2.2 billion per year, equivalent to a minimum of 16.2 fils per share annually, for the period from 2026 to 2030, representing a 6.3%<sup>1</sup> annual yield at the current share price. Borouge

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<sup>1</sup> Based on the current share price as of 29 April 2025.

and Borouge Group International dividends represent a 38%<sup>2</sup> cumulative dividend return through to 2030.

Borouge has also initiated a share buyback of up to 2.5% of outstanding shares, approved at its AGM. The company has purchased 64 million shares to date with transactions reported as per Abu Dhabi Exchange (ADX) regulatory requirements.

### **Driving innovation through AI, digitalisation and technology**

Borouge is leveraging the power of artificial intelligence, advanced technologies, and digital transformation to accelerate innovation, enhance operational efficiency, and advance its sustainability goals. In 2024, Borouge generated \$573 million in value through its AI-led digital and technology programmes, exceeding its target, and has set a 2025 target of a further \$575 million in AI, digitalisation and technology generated savings to maximise value for shareholders.

### **Accelerating product innovation**

Borouge continues to expand its portfolio of advanced polyolefin solutions across key sectors including agriculture, energy, healthcare, infrastructure, mobility, and packaging. The company is advancing product innovation to meet rising global demand, with several new solutions set for launch in 2025.

Borouge, in partnership with Borealis, launched its first UAE-manufactured healthcare solution, Bormed RG868MO, designed for syringe applications. The company is now preparing to release a second healthcare product in 2025, further expanding its specialised medical portfolio.

In infrastructure, Borouge has enhanced its PE100-RC materials, delivering superior mechanical resistance and long-term durability for pressure pipe systems. The company also unveiled a new HDPE grade at Arabplast for mid-to-large-sized containers, up to 100 litres, designed to replace heavier materials like metal. This supports lightweighting and contributes to lower CO<sub>2</sub> emissions, reinforcing Borouge's commitment to delivering high-performance, sustainable solutions.

### **Advancing sustainability and earning industry recognition**

The company's innovative, durable, and sustainable product solutions are helping customers across key industries reduce waste, lower emissions, and extend the lifecycle of critical infrastructure, reinforcing Borouge's commitment to delivering positive environmental and societal impact while meeting growing global demand.

In parallel, Borouge is strengthening its own sustainability practices and disclosures. In 2024, the company reported to the Carbon Disclosure Project (CDP) for the first time, earning a transparency badge in recognition of its commitment to climate-related disclosure. In March Borouge published its 2024 Sustainability Report, reflecting best-in-class transparency fully

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<sup>2</sup> Based on the current share price as of 29 April 2025.

aligned with leading global reporting frameworks. Borouge's sustainability leadership was further recognised with the prestigious Middle East Oil & Gas Sustainability Award for Best Project.

### **Borouge Group International positioned to unlock significant shareholder value**

ADNOC and OMV, as the main shareholders in Borouge Group International, have announced their intention, post-closing of the transaction, to offer an attractive estimated total dividend of \$2.2 billion, equivalent to a minimum of 16.2 fils per share dividend, annually from 2026 to 2030 based on an intended 90% net income payout ratio. The dividend will be supported by a strong balance sheet, resilient profitability, and substantial free cash flow generation. Cash earnings per share at Borouge Group International are expected to grow up to 30% over the next three to five years, with EBITDA projected to rise to \$7 billion.

Importantly for the increase in EBITDA, the majority of near-term expansion projects have already been funded and are nearing completion. The Borouge 4 mega project would be transferred to Borouge Group International at cost, unlocking substantial value for shareholders. Once fully operational, the plant will add 1.4 million tonnes per annum of additional capacity and is expected to contribute approximately \$900 million in annual EBITDA through a typical business cycle.

### **Outlook**

Borouge remains focused on optimising its high-value product mix and regional sales strategy to sustain strong price premia. The company's agility in reallocating volumes to markets offering higher netbacks continues to underpin its successful revenue optimisation efforts. While the planned Borouge 3 turnaround in the second quarter is expected to impact production by approximately 320 kilotonnes, these planned, regular five-year maintenance turnarounds are essential towards servicing Borouge's world-class assets and operational excellence, supporting high utilisation rates and production volumes.

Borouge is also closely monitoring tariff developments and is positioning itself to support its customers in key markets. The management remains confident in the company's ability to deliver outperformance and maintain a competitive edge, even amid market volatility.

### **Financial Highlights**

USD millions	Q1 2025	Q1 2024	YoY % Change	Q4 2024	QoQ % Change
<b>Sales Volume (kt) <sup>(1)</sup></b>	<b>1,252 kt</b>	1,135kt	<b>10%</b>	1,467 kt	<b>-15%</b>
<b>Revenue</b>	<b>1,420</b>	1,302	<b>9%</b>	1,621	<b>-12%</b>
<b>Adj. EBITDA <sup>(2)</sup></b>	<b>564</b>	567	<b>-0.6%</b>	650	<b>-13%</b>
<b>Net Profit</b>	<b>281</b>	273	<b>3%</b>	331	<b>-15%</b>
<b>Adj. Operating FCF <sup>(3)</sup></b>	<b>523</b>	552	<b>-5%</b>	572	<b>-9%</b>

(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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## **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 over 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](https://borouge.com)

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