



SABIC RECORDS STRONG FINANCIAL RESULTS IN SECOND QUARTER

26 Jul 2015



SABIC recorded a significant improvement in net profit in the second quarter of 2015 compared to the company's profits in the first quarter of the same year.

The company announced a net profit of SR 6.17 billion during the second quarter of 2015, a marginal decrease of 4.49 percent as against the profit of SR 6.46 billion achieved in the same quarter in 2014. In contrast to this decline, the profit for this quarter soared by 57 percent against the previous quarter profit of SR 3.93 billion.

At a press conference hosted by Yousef Al-Benyan, Vice Chairman and CEO, at SABIC headquarters in Riyadh on July 26, the media reacted positively to the announcement of the results. Addressing the newsmen, Al-Benyan said that the company had taken appropriate steps to limit the drop in revenue. He stressed that SABIC is built on strong financial foundations and is capable of weathering the challenges, however difficult they may be.

Al-Benyan said that although the market for fertilizers and metals was under pressure, SABIC was successful in limiting the decline in revenue as was evident in the latest results.

Giving an overview of the global markets, Al-Benyan said that the US and China were seeing strong GDP growth, reflecting the strength of these markets where SABIC has a strong presence. The African market is also showing promise, encouraging SABIC to study the various opportunities there.

Al-Benyan stressed that SABIC was able to achieve excellent results in the second quarter, despite the fall in oil prices and the downturn in global markets. The strong results are an outcome of the company's focus on reliability in its operations, cut in expenditure, providing innovative solutions through technology, and optimal use of raw materials.

SABIC also announced distribution of SR 7.5 billion dividends to shareholders for the first half of 2015 at SR 2.5 per share after the company made a profit of SR 10.11 billion for the first half this year as compared to SR 12.9 billion for the same period last year.

In a statement released today, SABIC attributed the increase in net profits during the second quarter of 2015 as against the first quarter of the same year to higher average selling prices of products and the increase in production and sales volumes. On the other hand, the decline in average selling prices of products this quarter as against the prices prevailing in the corresponding quarter in 2014 has led to a drop in profit. The same reason has been attributed to the profit decline in the first half of this year as against the income in the first six months of last year.

At the end of the conference Al-Benyan emphasized that the strong financial position of the company allows it to expand its 2025 strategy to maximize returns particularly to the shareholders whom he described as "success partners."

In response to a question, Al-Benyan stressed that SABIC is able to compete in any market, but only enters new markets after ascertaining its worth in achieving the company's 2025 strategic objectives. He further emphasized that research and development is an important pillar in SABIC's strategy to improve its competitiveness and retain customer loyalty.



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