

Borealis delivers strong financial result in softening market environment

- Borealis announces strong full-year result with net profit of EUR 872 million despite softening polyolefins market in Asia and pressure on integrated polyolefins margins in Europe
- Net profit of EUR 138 million in fourth quarter 2019 contributes to solid overall performance
- Borealis to roll out new corporate strategy in 2020

Key figures and ratios		Q4 2019	Q4 2018	FY 2019	FY 2018
Net Sales	EUR million	1,858	2,091	8,103	8,337
Total Sales*	EUR million	2,246	2,551	9,768	9,937
Net Profit	EUR million	138	94	872	906
Reduction / (increase) in net interest-bearing debt	EUR million	(212)	151	(241)	(515)
Gearing	%			24%	20%

* Net sales of Borealis plus pro-rata sales of at equity consolidated companies

Borealis announces a net profit of EUR 138 million for the fourth quarter of 2019, compared to EUR 94 million in the same quarter of 2018. While the 2018 result was impacted by a one-off impairment charge of EUR 92 million, the result in the fourth quarter of 2019 was driven by a soft polyolefins market in Asia, lowering the contribution from Borouge. At the same time, the improved performance of the Fertilizer, Melamine and Technical Nitrogen Products segment partially mitigated the negative impact of weakening integrated polyolefins margins in Europe during the last quarter of 2019.

For the full year 2019, the company recorded a net profit of EUR 872 million, compared to EUR 906 million in 2018. The 2019 result was negatively impacted by a lower polyolefins price environment in Asia, which affected the contribution from Borouge. However, the negative impact was limited due to healthy integrated polyolefins margins in Europe together with improved results in the Fertilizer, Melamine and Technical Nitrogen Products segment.

In the fourth quarter, net debt rose by EUR 212 million. Over the full year 2019, net debt increased by EUR 241 million, driven largely by the high investment level related to growth projects and the payment

of a EUR 525 million dividend for 2018 and a EUR 300 million interim dividend for 2019 to Borealis shareholders. The cash inflow from the solid business result and dividends from Borouge enabled Borealis to keep its financial position strong, with a gearing of 24% at year-end 2019.

Review and Outlook

“In 2019, Borealis delivered a strong financial result, only slightly below 2018 – and despite a softened economic environment. Due to the weaker global economy and heightened concern with regard to ongoing geopolitical uncertainties, we expect market conditions to remain challenging throughout 2020. Nevertheless, we anticipate that the year will be a solid one,” comments Borealis CEO Alfred Stern.

“In the first quarter of 2020, Borealis will roll out a new corporate strategy which builds on core Borealis values and capabilities in order to achieve sustainable growth moving forward. The essential dimensions of the new strategy include the transformation to a circular economy and the creation of an even more customer-centric organisation that adds value on a global scale. The successful implementation of the strategy will strengthen Borealis’ leading position in the industry.”

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Borealis is a leading provider of innovative solutions in the fields of polyolefins, base chemicals, fertilizers and melamine. With its head office in Vienna, Austria, the company currently has 6,900 employees and operates in over 120 countries. Borealis generated EUR 8.1 billion in sales revenue and a net profit of EUR 872 million in 2019. Mubadala, through its holding company, owns 64% of the company, with the remaining 36% belonging to Austria-based OMV, an integrated, international oil and gas company. Borealis provides services and products to customers globally, in collaboration with Borouge, a joint venture with the Abu Dhabi National Oil Company (ADNOC) and with Baystar™, a joint venture with Total and NOVA Chemicals in Texas, USA.

For more information visit:

www.borealisgroup.com
www.borealiseverminds.com
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