

## Borealis delivers solid third quarter financial result in challenging yet improving market environment

- Third quarter result is clear improvement on previous quarter despite continued low prices and margins. Solid demand in many sectors
- Disciplined cost management enables world-scale strategic growth projects to make satisfactory progress
- Resilience programme continues to bolster financial position in face of Covid-19-related market volatility

| Key figures and ratios                              |             | Q3<br>2020 | Q3<br>2019 | YTD<br>2020 | YTD<br>2019 |
|---|-------------|------------|------------|-------------|-------------|
| Net Sales   | EUR million | 1,635      | 1,965      | 5,126       | 6,244       |
| Total Sales*  | EUR million | 2,070      | 2,399      | 6,269       | 7,526       |
| Net Profit  | EUR million | 163        | 207        | 378         | 734         |
| Reduction / (increase) in net interest-bearing debt | EUR million | 53         | 121        | (341)       | (29)        |
| Gearing   | %           |            |            | 30%         | 20%         |

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

Borealis announces a net profit of EUR 163 million for the third quarter of 2020, compared to EUR 207 million in the same quarter of 2019. The lower result was achieved in the face of difficult market conditions characterised by low product prices and reduced demand in some sectors due to the coronavirus pandemic; the result is an increase of EUR 99 million versus the second quarter of 2020, a clear improvement.

The deterioration in profit compared to the third quarter of 2019 was driven by a lower integrated polyolefins margin and a less favourable fertilizer market environment. However, polyolefins sales volumes increased versus the same quarter of the previous year despite less auspicious market conditions. Third-quarter Borouge performance also showed improvement over the previous quarter, but remains below 2019 levels due to lower polyolefins prices and the significantly weaker market environment.

In the third quarter, net debt decreased by EUR 53 million, as strong cash flow from operating activities, dividends from Borouge, the stringent management of investment activities, and cost discipline enabled Borealis to maintain its strong financial position at the end of the third quarter, with a gearing of 30%.

## Strategic growth projects

Despite the ongoing impact of the coronavirus pandemic across many industry sectors, including construction and logistics, Borealis made significant progress with its long-term, strategic growth projects which shall extend and deepen the company's geographic reach and allow for even more customer centricity. These world-scale projects include

- the Baystar™ joint venture in Texas, US;
- the Borouge joint venture PP5 Borstar® polypropylene plant in the United Arab Emirates (UAE), a plant of the Borouge 3 complex;
- and the new propane dehydrogenation plant in Kallo, Belgium.

## Review and Outlook

“The third quarter of 2020 has again demonstrated how critical our products are for sustainable living, especially in a crisis such as the Covid-19 pandemic,” comments Alfred Stern, Borealis CEO. “We have been able to deliver a solid financial result while maintaining our commitment to our important global growth projects. Our core values of ‘safety first’ and operational excellence have served us well and will enable us to navigate adeptly through this challenging period.”

“While we do see some price improvements, particularly in Asia and the US, the outlook remains uncertain given the high volatility of feedstock prices, but also due to the rise in the number of coronavirus cases, especially in Europe. Borealis is dedicated to remaining a strong partner for customers, suppliers and stakeholders and to remain a leader in driving the transformation to a circular plastics industry.”

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Borealis is one of the world's leading providers of advanced and circular polyolefin solutions and a European market leader in base chemicals, fertilizers and the mechanical recycling of plastics. We leverage our polymers expertise and decades of experience to offer value adding, innovative and circular material solutions for key industries. In re-inventing for more sustainable living, we build on our commitment to safety, our people and excellence as we accelerate the transformation to a circular economy and expand our geographical footprint.

With head offices in Vienna, Austria, Borealis employs 6,900 employees and operates in over 120 countries. In 2019, Borealis generated EUR 8.1 billion in sales revenue and a net profit of EUR 872 million. OMV, the Austria-based international oil and gas company, owns 75% of Borealis, while the remaining 25% is owned by a holding company of the Abu-Dhabi based Mubadala. We supply services and products to customers around the globe through Borealis and two important joint ventures: Borouge (with the Abu Dhabi National Oil Company, or ADNOC, based in UAE); and Baystar™ (with Total, based in the US). [www.borealisgroup.com](http://www.borealisgroup.com) | [www.borealiseverminds.com](http://www.borealiseverminds.com)

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