

saudi aramco results
2017-2018

consolidated financial statements

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(All amounts in millions unless otherwise stated)

Consolidated statement of income

| | SAR | | USD* | |
|---|------------------------|-----------|------------------------|-----------|
| | Year ended December 31 | | Year ended December 31 | |
| | 2018 | 2017 | 2018 | 2017 |
| Revenue | 1,182,137 | 840,483 | 315,236 | 224,129 |
| Other income related to sales | 152,641 | 150,176 | 40,704 | 40,047 |
| Revenue and other income related to sales | 1,334,778 | 990,659 | 355,940 | 264,176 |
| Production royalties and excise and other taxes | (208,505) | (140,893) | (55,601) | (37,572) |
| Purchases | (188,937) | (126,093) | (50,383) | (33,625) |
| Producing and manufacturing | (56,202) | (56,962) | (14,987) | (15,190) |
| Selling, administrative and general | (31,250) | (30,994) | (8,333) | (8,265) |
| Exploration | (7,928) | (13,725) | (2,114) | (3,660) |
| Research and development | (2,217) | (1,902) | (591) | (507) |
| Depreciation and amortization | (41,334) | (37,175) | (11,023) | (9,913) |
| Operating costs | (536,373) | (407,744) | (143,032) | (108,732) |
| Operating income | 798,405 | 582,915 | 212,908 | 155,444 |
| Share of results of joint ventures and associates | (1,415) | (956) | (377) | (255) |
| Finance and other income | 3,865 | 1,569 | 1,030 | 418 |
| Finance costs | (2,959) | (2,090) | (789) | (557) |
| Income before income taxes | 797,896 | 581,438 | 212,772 | 155,050 |
| Income taxes | (381,378) | (296,819) | (101,701) | (79,152) |
| Net income | 416,518 | 284,619 | 111,071 | 75,898 |
| Net income attributable to | | | | |
| Shareholder's equity | 416,196 | 283,198 | 110,985 | 75,519 |
| Non-controlling interests | 322 | 1,421 | 86 | 379 |
| | 416,518 | 284,619 | 111,071 | 75,898 |

* Supplementary information is converted at a fixed rate of U.S. dollar 1.00 = SAR 3.75 for convenience only. For full financial statements including notes to the accounts, please visit www.saudiaramco.com/investors



Khalid A. Al-Falih
Chairman of the Board



Amin H. Nasser
President & Chief Executive Officer



Khalid H. Al-Dabbagh
Senior Vice President, Finance,
Strategy & Development

(All amounts in millions unless otherwise stated)

Consolidated balance sheet

| | SAR | | USD* | |
|--|------------------|------------------|----------------|----------------|
| | At December 31 | | At December 31 | |
| | 2018 | 2017 | 2018 | 2017 |
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 873,827 | 751,134 | 233,021 | 200,302 |
| Intangible assets | 26,896 | 24,346 | 7,172 | 6,492 |
| Investments in joint ventures and associates | 22,579 | 27,273 | 6,021 | 7,273 |
| Deferred income tax assets | 9,866 | 13,606 | 2,631 | 3,628 |
| Other assets and receivables | 13,127 | 14,119 | 3,501 | 3,765 |
| Investments in securities | 17,214 | 18,872 | 4,590 | 5,033 |
| | 963,509 | 849,350 | 256,936 | 226,493 |
| Current assets | | | | |
| Inventories | 43,580 | 34,013 | 11,621 | 9,070 |
| Trade receivables | 93,818 | 86,892 | 25,018 | 23,171 |
| Due from the Government | 48,140 | 38,991 | 12,837 | 10,398 |
| Other assets and receivables | 13,775 | 5,881 | 3,673 | 1,568 |
| Short-term investments | 194 | 6,184 | 52 | 1,649 |
| Cash and cash equivalents | 183,152 | 81,242 | 48,841 | 21,665 |
| | 382,659 | 253,203 | 102,042 | 67,521 |
| Total assets | 1,346,168 | 1,102,553 | 358,978 | 294,014 |
| Equity and liabilities | | | | |
| Shareholder's equity | | | | |
| Share capital | 60,000 | – | 16,000 | – |
| Stated capital | – | 60,000 | – | 16,000 |
| Additional paid-in capital | 26,981 | 26,981 | 7,195 | 7,195 |
| Retained earnings: | | | | |
| Unappropriated | 920,625 | 715,107 | 245,500 | 190,695 |
| Appropriated | 6,000 | 6,000 | 1,600 | 1,600 |
| Other reserves | 3,176 | 5,670 | 847 | 1,512 |
| | 1,016,782 | 813,758 | 271,142 | 217,002 |
| Non-controlling interests | 11,653 | 12,556 | 3,107 | 3,348 |
| | 1,028,435 | 826,314 | 274,249 | 220,350 |
| Non-current liabilities | | | | |
| Borrowings | 71,329 | 68,692 | 19,021 | 18,318 |
| Deferred income tax liabilities | 23,877 | 6,309 | 6,367 | 1,682 |
| Post-employment benefit obligations | 23,209 | 38,191 | 6,189 | 10,184 |
| Provisions | 15,606 | 13,997 | 4,162 | 3,733 |
| | 134,021 | 127,189 | 35,739 | 33,917 |
| Current liabilities | | | | |
| Trade and other payables | 72,286 | 62,055 | 19,276 | 16,548 |
| Obligations to the Government: | | | | |
| Income taxes | 69,575 | 57,679 | 18,553 | 15,381 |
| Royalties | 11,862 | 20,410 | 3,164 | 5,443 |
| Borrowings | 29,989 | 8,906 | 7,997 | 2,375 |
| | 183,712 | 149,050 | 48,990 | 39,747 |
| | 317,733 | 276,239 | 84,729 | 73,664 |
| Total equity and liabilities | 1,346,168 | 1,102,553 | 358,978 | 294,014 |

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(All amounts in millions unless otherwise stated)

Consolidated statement of cash flows

| | SAR | | USD* | |
|---|------------------------|-----------|------------------------|----------|
| | Year ended December 31 | | Year ended December 31 | |
| | 2018 | 2017 | 2018 | 2017 |
| Income before income taxes | 797,896 | 581,438 | 212,772 | 155,050 |
| Adjustments to reconcile income before income taxes to net cash provided by operating activities | | | | |
| Depreciation and amortization | 41,334 | 37,175 | 11,023 | 9,913 |
| Provisions | 107 | (91) | 28 | (24) |
| Exploration and evaluation costs written off | 2,951 | 8,522 | 787 | 2,272 |
| Net gain on disposal of property, plant and equipment | – | (464) | – | (124) |
| Share of results of joint ventures and associates | 1,415 | 956 | 377 | 255 |
| Finance income | (2,840) | (1,217) | (757) | (324) |
| Finance costs | 2,959 | 2,090 | 789 | 557 |
| Dividends from investments in securities | (143) | (141) | (38) | (38) |
| (Gain)/loss on remeasurement of investments in affiliates | (870) | 262 | (232) | 70 |
| Change in fair value of investments through profit or loss | (594) | (38) | (158) | (10) |
| Change in joint ventures and associates inventory profit elimination | 103 | (530) | 27 | (141) |
| Other | 1,417 | 156 | 377 | 42 |
| Change in working capital | | | | |
| Inventories | (6,455) | (7,524) | (1,721) | (2,006) |
| Trade receivables | (5,696) | (17,874) | (1,519) | (4,766) |
| Due from the Government | (9,149) | (38,991) | (2,439) | (10,398) |
| Other assets and receivables | (7,335) | (517) | (1,956) | (138) |
| Trade and other payables | 5,343 | (1,140) | 1,425 | (304) |
| Royalties payable | (8,548) | 10,544 | (2,279) | 2,811 |
| Other changes | | | | |
| Other assets and receivables | (1,117) | (3,204) | (298) | (854) |
| Provisions | (347) | (1,597) | (93) | (426) |
| Post-employment benefit obligations | (2,606) | (1,140) | (695) | (304) |
| Settlement of income and other taxes | (354,124) | (233,068) | (94,433) | (62,151) |
| Net cash provided by operating activities | 453,701 | 333,607 | 120,987 | 88,962 |
| Capital expenditures | (131,766) | (121,955) | (35,138) | (32,521) |
| Acquisition of affiliates, net of cash acquired | (8,571) | (1,152) | (2,285) | (307) |
| Distributions from joint ventures and associates | 1,073 | 840 | 286 | 224 |
| Additional investments in joint ventures and associates | (401) | (3,546) | (106) | (946) |
| Dividends from investments in securities | 143 | 141 | 38 | 38 |
| Interest received | 2,942 | 1,167 | 784 | 311 |
| Net investments in securities | (615) | (476) | (164) | (127) |
| Net maturities of short-term investments | 5,990 | 6,352 | 1,597 | 1,694 |
| Net cash used in investing activities | (131,205) | (118,629) | (34,988) | (31,634) |
| Dividends | (217,500) | – | (58,000) | – |
| Distributions to the Government | – | (187,849) | – | (50,093) |
| Dividends paid to non-controlling interests | (902) | (1,091) | (240) | (291) |
| Interest paid | (2,748) | (1,795) | (733) | (479) |
| Proceeds from borrowings | 11,660 | 20,245 | 3,109 | 5,399 |
| Repayments of borrowings | (11,096) | (11,321) | (2,959) | (3,019) |
| Net cash used in financing activities | (220,586) | (181,811) | (58,823) | (48,483) |
| Net increase in cash and cash equivalents | 101,910 | 33,167 | 27,176 | 8,845 |
| Cash and cash equivalents at beginning of the year | 81,242 | 48,075 | 21,665 | 12,820 |
| Cash and cash equivalents at end of the year | 183,152 | 81,242 | 48,841 | 21,665 |

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