

Chief Financial Officer's Review

Exceptional financial performance



Borouge delivered an exceptional performance in 2025 across key metrics, underpinned by record sales volumes of 5.4 million tonnes in a softer pricing environment.

Jan-Martin Nufer
Chief Financial Officer

We reported net profit of USD 1.1 billion, ahead of market expectations, and strengthened our innovation pipeline with 10 new grade launches, reinforcing our leadership in differentiated polyolefin solutions. Our ability to capture healthy price premia and focus on high-value segments continued to set us apart.

Despite the challenging global polyolefins backdrop, Borouge delivered an industry-leading adjusted EBITDA margin of 37% and a net profit margin of 19%. Robust cash generation and disciplined capital allocation underpin our commitment to shareholder returns.

For full-year 2025, we intend to pay an increased dividend of 16.2 fils per share (c. USD 1.3 billion). Looking ahead, we remain focused on operational excellence, disciplined cost management and commercial optimisation to support resilient cash flow through the cycle, while positioning the business to capture long-term polyolefins demand growth across high-value market segments.

A resilient and high-quality performance despite market headwinds

Borouge delivered a highly resilient financial and operational performance in 2025, reporting net profit of USD 1.1 billion and adjusted EBITDA of USD 2.2 billion. This strong result was achieved despite a softer pricing environment, reflecting disciplined execution, cost efficiency and commercial agility.

Production reached 5.1 million tonnes, above our nameplate capacity despite the B3 turnaround executed in Q2, driven by exceptional utilisation rates across the year, including record utilisation achieved in Q4 2025. Sales volumes grew to 5.4 million tonnes – the highest in our history. This outstanding operational reliability, combined with effective commercial optimisation and a focus on the highest-netback markets, underpinned our robust earnings delivery. Demand in our core geographies – Asia Pacific, the Middle East and Africa – remained healthy, with high-value

infrastructure and energy solutions accounting for 38% of total polyolefin sales. Our differentiated, value-added product portfolio enabled us to maintain a strong quality price premium, with PE sales prices averaging USD 1,046 per tonne (27% above benchmarks) and PP sales prices averaging USD 985 per tonne (16% above benchmarks). This consistent quality price premium reflects the strength of our innovation, customer relationships and high-quality solutions.

Maintaining our position as one of the sector's most profitable producers

Borouge delivered strong top-line and operational performance in 2025. Revenue of USD 5.8 billion declined 3% year-on-year due to lower product pricing, but this was offset by strong volumes and continued operational efficiency. Adjusted EBITDA of USD 2.2 billion translated into an industry-leading 37% EBITDA margin, highlighting our ability to protect earnings through premium pricing, disciplined cost control and operational excellence. Net profit of USD 1.1 billion, while 11% lower year-on-year, represented a 19% net profit margin, placing Borouge among the most profitable polyolefins producers globally and significantly outperforming peer averages in the sector. Capital expenditure rose to USD 308 million, reflecting the scheduled B3 turnaround and our continued investment in safe operations, reliability and long-term growth capabilities.

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Borouge’s business model continues to generate strong cash flow across market cycles, underpinned by our first quartile cost position and quality price premium for our products.

Robust balance sheet and strong cash flow generation supporting industry-leading shareholder returns

Borouge’s business model continues to generate strong cash flow across market cycles, underpinned by our long-term and stable feedstock agreement with ADNOC through 2057, along with our first-quartile cost position, industry-leading Borstar® technology and sustained focus on high-growth, high-value markets. In 2025, we generated adjusted operating free cash flow of USD 1.9 billion, maintaining a healthy 86% cash conversion rate.

We declared and paid a dividend of 8.1 fils per share (USD 663 million) in September 2025 and intend to pay an additional 8.1 fils per share in April 2026, following the AGM, in line with our 2025 dividend commitment of 16.2 fils per share.

Our 2025 share buyback programme has also been highly successful. We repurchased approximately 212 million shares by year-end, reflecting our confidence in the company’s valuation and long-term outlook.

Total shareholder return for the year reached 16 %, materially outperforming the global petrochemical peer group. We ended 2025 with net debt of USD 2.7 billion, broadly unchanged year-on-year, including USD 427 million in cash and equivalents. Our USD 500 million revolving credit facility remains undrawn, and we closed the year with a strong net-debt-to-EBITDA ratio of 1.2x, providing ample financial flexibility.

Accelerating growth through cost discipline, digitalisation and value creation

Borouge retains a first-quartile global cost position, supported by scale, efficient operations and access to competitive feedstock. Our Value Enhancement Programme, launched in late 2022, continued to deliver meaningful improvements across operational excellence, commercial optimisation and cost efficiency. Fixed costs remained disciplined at USD 648 million, broadly flat versus 2023 and 2024.

In parallel, our AIDT programme delivered USD 717 million in value during 2025, significantly exceeding our USD 575 million target. These initiatives enhance production efficiency, improve customer experience and strengthen long-term competitiveness.

Borouge 4: A major step forward in our growth journey

The Borouge 4 expansion, a cornerstone of our long-term strategy, advanced to 94% completion by year-end 2025. The first unit, XLPE 2, entered commissioning in December.

The remaining units will be commissioned progressively throughout 2026. Once fully operational, Borouge 4 will add 1.4 million tonnes of annual capacity, enhancing our ability to serve fast-growing markets and expand our range of differentiated solutions.

Driving transformational growth

During 2025, we laid the foundations for a new era of growth, with the proposed formation of Borouge Group International, combining Borouge, Borealis and Nova Chemicals.

The transactions completed in March 2026, creating a global polyolefins leader with enhanced scale, expanded innovation capabilities and unmatched access to major demand centres.

Our priority for 2026 is executing seamlessly on this transformation while ensuring operational continuity and advancing our performance and productivity programmes.

Key highlights



Adj. EBITDA margin
(FY 2025)

37%



Net profit margin
(FY 2025)

19%



Cash conversion
(FY 2025)

86%



Net Debt to EBITDA
(FY 2025)

1.2x