S&P Global Ratings

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Saudi Basic Industries Corp.

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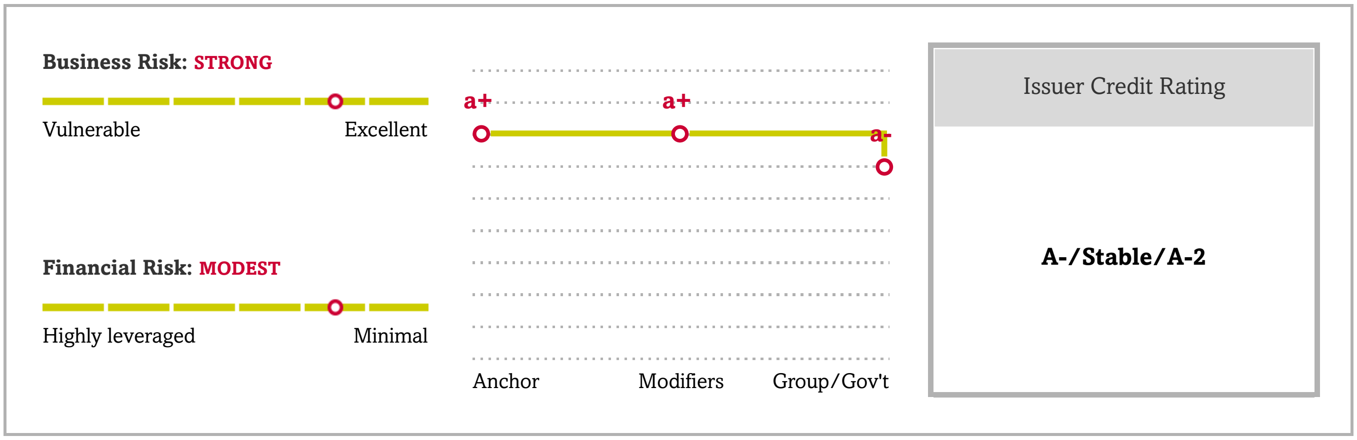


Credit Highlights

Overview	
Key strengths	**Key risks**
The world's No. 4 chemicals producer by production, with well-diversified sales by geography and industry.	Exposure to cyclical industries and volatile commodity prices.
Strong profitability supported by competitively priced gas from Saudi Aramco.	Geographical concentration of assets in Saudi Arabia, vulnerable to disruptions in feedstock supplies or shipping routes.
High capacity utilization across all segments.	High dividend payout ratio (about 80% of net income).

Strong government support should continue after the acquisition by Saudi Aramco. S&P Global Ratings sees Saudi Aramco's pending acquisition of a 70% stake in Saudi Basic Industries Corp. (SABIC), as a strategic move to expand its downstream operations. We believe the deal will help add value to the crude oil Saudi Aramco produces and expand its petrochemicals business, where demand is increasing faster than for crude oil. In our view, the transaction reinforces SABIC's role in the government's efforts to diversify the economy, and supports our assessment of its important role and very strong link to the government. The key risk associated with the $69.1 billion transaction is the way in which Saudi Aramco choses to finance it, and if this results in a more-aggressive financial policy at SABIC.

SABIC's limited geographical asset diversification was highlighted by major feedstock cuts following the Sept. 14 strike on Saudi Aramco oil processing facilities. SABIC reported a disruption to about half of some key feedstock supplies in Saudi Arabia, but this was relatively swiftly restored and had a limited effect on earnings, with third-quarter 2019 EBITDA on par with the second quarter. Given over 83% of fixed assets are located in Saudi Arabia, the company is at risk of operational disruptions due to its dependency on Saudi Aramco for the bulk of its feedstock supplies, or to supply disruption due to its reliance on the Strait of Hormuz for over half of its exports.

Margins and credits metrics are expected to remain solid during weaker market conditions in 2019-2020. We expect SABIC to remain one of the most profitable global chemicals producers under current low-cycle conditions, owing to its scale, efficiency, and globally competitive gas feed stocks supplied by Saudi Aramco. Despite a likely decline in EBITDA margin to the mid-to-high 20s, SABIC will remain one of the most profitably players in the industry, with minimal leverage.

Outlook: Stable

The stable outlook on SABIC reflects our view on the sovereign and expectation that SABIC will maintain industry-leading profitability. We expect EBITDA margins to decrease in 2019 and 2020 due to industry pressures, but also expect modest capital expenditure (capex) requirements and substantial headroom under SABIC's credit metrics. These include adjusted funds from operations (FFO) to debt of more than 60% (99.9% for the 12 months to Sept. 30, 2019) and adjusted debt to EBITDA of less than 1.5x (0.8x). Although we see a risk of further increases in ethane and methane prices in Saudi Arabia over the medium term, SABIC should be able to maintain strong profitability even with higher feedstock costs.

Downside scenario

We would downgrade SABIC if we downgraded Saudi Arabia (A-/Stable/A-2), since we don't believe that SABIC's credit quality can exceed that of the sovereign, given its close ties to the government. However, since SABIC's stand-alone credit profile is (SACP) 'a+', which is currently two notches above the rating on the company, some deterioration of its credit profile under weaker market conditions is unlikely to trigger a downgrade. Although not anticipated at this stage, adoption of a very aggressive financial policy by future controlling shareholder Saudi Aramco that led to significant increase in leverage could mean we consider a negative rating action.

Upside scenario

We do not foresee rating upside at this stage, since the ratings on SABIC are capped by our rating on Saudi Arabia.

Our Base-Case Scenario

Revenue for third-quarter 2019 was down 6% compared with the second quarter, driven by slower global growth, new capacity coming onstream, and a decrease in oil prices that pressured petrochemical prices. EBITDA was flat quarter over quarter, but benefited from lower feedstock and operating costs. This was somewhat surprising, given the feedstock interruptions during September 2019.

We expect a year-on-year EBITDA decline of 25%-30% in 2019, due to pricing pressure on the back of weak global demand and additional capacities coming online across key product lines. SABIC's earnings are sensitive to output prices, given that a large share of its feedstock costs (ethane and methane) are fixed. We expect that the chemicals industry will remain under pressure in 2019 and 2020 as supply additions outrun demand.

We believe global demand for chemicals will remain weak in 2020. Softness in industrial production, weak economic growth, and a slowdown in important end markets will be important contributory factors. Global demand has declined for many chemicals in 2019. Our demand expectations for 2020 vary across chemical products, and regions. Generally speaking, in our base case we do not anticipate a recovery in 2020, and instead expect the weakness of 2019 to continue. This translates into little 2020 demand growth for many chemicals, but no repeat of the demand declines in 2019. There are no indications yet that companies planning supply additions have responded to weaker demand in key sub sectors including petrochemicals, and some fertilizers. We anticipate that capital spending and growth plans may slow in 2020 relative to previous expectations. Notwithstanding the slowdown, we believe that a supply overhang will persist in 2020 for many commodity chemicals. An escalation of the trade disputes between the U.S. and China, and the U.S. and Europe are among variables adding to an environment of uncertainty, and contributing to weakening chemical demand.

Assumptions

- Global GDP growth of 3.2% for 2019 and 3.3% for 2020.
- Stable production with capacity utilization in line with previous years.
- Brent oil price of $60 per barrel (/b) in 2019 and $55/b in 2020 and thereafter. Oil remains a key input for the global chemical industry, and petrochemicals product prices are typically based on marginal producers, which primarily use more expensive oil-derived feed stocks. We expect the oil to gas price ratio to favor gas-based producers of chemicals like SABIC, which are mainly in the Americas and the Middle East, relative to oil-based producers in regions such as Asia.
- EBITDA margin in the mid to high-20s in 2019 and in 2020 (versus 31.7% in 2018) due to lower sales prices and largely fixed feed-stock costs (ethane and methane).
- Capex of SAR13 billion-SAR14 billion per year in 2019 and 2020 and no major acquisitions.
- Stable dividend payouts and no share buybacks.

Key Metrics

	2018A	2019E	2020F
Adjusted EBITDA (bil. SAR)	53.7	37-39	40-43
Adjusted EBITDA margin (%)	31.7	25-27	27-30
Adjusted debt to EBITDA (x)	0.6	0.6-1.0	<1.0
FFO to adjusted debt (%)	158.9	100-150	>100

A--Actual. E--Estimate. F--Forecast. SAR--Saudi riyal. FFO--Funds from operations.

Base-case projections

Modest capex and the absence of acquisitions (M&A) should support credit metrics. Despite the weak industry outlook, we expect credit metrics to remain strong, in the absence of significant M&A and modest capex. We don't expect the company to commit to major investment outlays in the current weak market environment, and the pending takeover of Saudi Aramco has also contributed to some delay in investment decisions. This includes SABIC's biggest growth initiative, the Saudi crude oil to chemicals project.

Dividend policy post the Saudi Aramco acquisition is unclear. The way in which the transaction between the two shareholders is settled and financed could have a negative effect on SABIC's SACP in the future, if its financial policy becomes more aggressive under the new ownership structure. However, there is currently room for higher leverage given that the SACP of 'a+' is two notches higher than the rating. Leverage (S&P Global Ratings-adjusted debt to EBITDA) would have to increase to at least 3x, compared with SABIC's 0.8x as of Sept. 30, 2019, to trigger a downgrade. Such a scenario is currently not part of our base case.

Company Description

SABIC is the fourth-largest diversified chemical company in the world by production. The company is listed on Saudi Arabia's stock exchange, but remains majority owned by the government, which holds a 70% stake. We estimate SABIC's total production at about 75 million metric tons (mmt) in 2019, which ranks it among the top-five global producers of ethylene, polyethylene (PE), polypropylene (PP), ethylene glycol, methanol, and methyl tertiary butyl ether (MTBE). Following a major investment program over recent years, SABIC now operates 14 crackers--11 in Saudi Arabia and three in Europe. SABIC has also used its access to low-priced domestic gas to diversify into nitrogen-based fertilizer production--such as ammonia and urea--as well as steel operations. Most activities involve joint ventures. However, SABIC exercises control and consequently fully consolidates these entities.

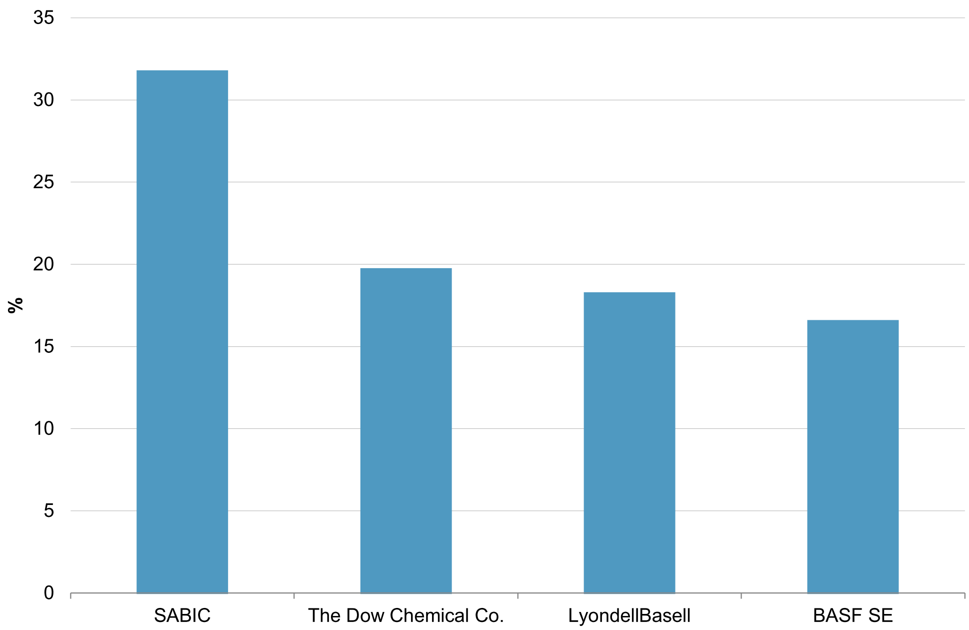
Despite SABIC's large international diversification in recent years, most of its EBITDA (but not sales) stems from its Saudi Arabian activities, which are distinctly more profitable. Bearing in mind that the majority of its Saudi production is also exported, SABIC's sales profile is geographically well balanced.

Business Risk: Strong

SABIC's key strength is the strong profitability of its Saudi operations, which enjoy access to gas-based feedstock at prices well below the global market average, positioning the company in the first quartile of the global cost curve. North American and Middle East producers that use natural gas rather than naphtha remain at the top in terms of cost-competitive locations for commodity chemical production. We expect gas prices in Saudi Arabia to rise closer to global market prices in the coming year, but believe SABIC will remain a low-cost producer due to its large scale and modern production facilities. SABIC enjoys EBITDA margins of over 30%, compared with a global average of about 20%.

Chart 1

SABIC's 2018 EBITDA Margin Is Superior to Peers'



Source: S&P Global Ratings.

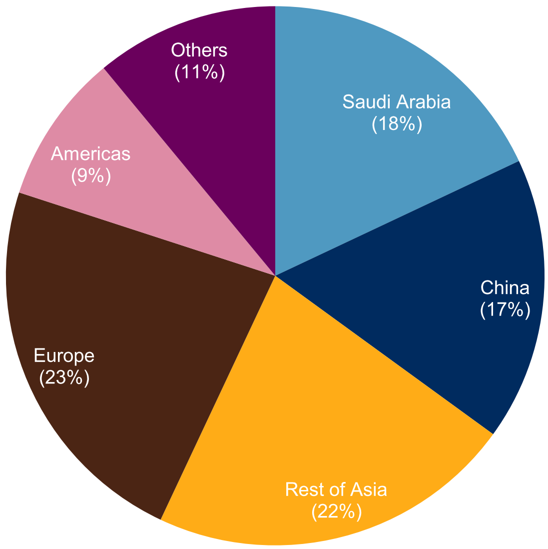
SABIC's scale and ability to expand organically in Saudi Arabia, due to good access to infrastructure and additional gas supply, is another key strength. The company is the world's No. 3 producer of polyolefins and is a market leader in ethylene, ethylene glycol, methanol, MTBE, and polyethylene. Its all-in production--which comprises mainly petrochemicals, intermediates, polymers, and, secondarily, fertilizers and steel--reached 75.3 mmt in 2018, up from 58.5 mmt in 2009. SABIC's 11 domestic gas crackers and chemical complexes are located at the Jubail and Yanbu industrial sites. SABIC's international activities, SABIC Europe and SABIC IP, are important revenue contributors, but represent only a fraction of the group's profits since they don't benefit from the same feedstock supply.

SABIC aims to continue expanding both organically and via acquisitions to diversify into higher value-added and more stable specialty chemicals. This was demonstrated by its recent purchase of a 24.9% stake (Saudi riyal [SAR] 11.25 billion) in Clariant AG and the formation of a long-term strategic partnership with Clariant. Once the Saudi Aramco stake acquisition is completed, we expect SABIC will continue to make opportunistic acquisitions of a similar magnitude, which we believe can be accommodated within the current rating.

SABIC's limited geographic diversity by location of production is a key rating constraint. This was illustrated earlier this year, when it suffered significant (30%-50%) feedstock disruptions in Saudi Arabia for a two-week period following strikes on Saudi Aramco's production facilities. Its Saudi Arabian production assets continue to account for the majority of profits, even though it exports most of its domestic production. However, sales by end market are well diversified (see chart 2). Other relative weaknesses are the cyclicality of SABIC's petrochemicals and steel-production business units.

Chart 3

SABIC Generates Most of Its Sales In Europe and Asia
*Based on the nine months to Sept. 30, 2019



Source: S&P Global Ratings.

Peer comparison

Its large scale, strong margins and liquidity position, and low leverage are key strengths of SABIC versus rated peers. Key weaknesses are the concentration of its asset base and feedstock sourcing in Saudi Arabia and focus on higher volatility commodity chemicals.

We assess SABIC's management as strong because it has a track record of leadership and delivering revenue and profit growth based on the successful execution of its sizable investment program over the past decade, while adhering to a conservative financial policy.

Table 1

Saudi Basic Industries Corp.--Peer Comparison				
Industry Sector: Chemical Cos				
	Saudi Basic Industries Corp.	**Industries Qatar QSC**	**LyondellBasell Industries N.V.**	**Sasol Ltd.**
Ratings as of Nov. 20, 2019	A-/Stable/A-2	A+/Stable/--	BBB+/Negative/A-2	BBB-/Stable/A-3
(Mil. $)	**--Fiscal year ended Dec. 31, 2018--**			**--Fiscal year ended June 30, 2018--**
Revenue	45,083.7	4,473.6	39,004.0	13,336.2
EBITDA	14,311.0	1,736.2	7,116.0	4,165.9
Funds from operations (FFO)	12,601.8	1,783.7	5,430.5	3,341.4
Interest expense	822.6	3.7	505.5	636.9
Cash interest paid	640.7	3.4	476.5	151.6
Cash flow from operations	12,167.3	1,363.4	5,665.5	2,563.2
Capital expenditure	3,784.6	129.7	2,060.0	3,893.1
Free operating cash flow (FOCF)	8,382.7	1,233.6	3,605.5	(1,329.9)
Discretionary cash flow (DCF)	2,839.3	404.8	197.5	(1,962.7)
Cash and short-term investments	13,969.7	3,537.5	1,224.0	1,110.9
Debt	7,932.5	0.0	11,421.5	9,266.3
Equity	59,027.2	9,747.8	10,396.0	16,671.7
Adjusted ratios				
EBITDA margin (%)	31.7	38.8	18.2	31.2
Return on capital (%)	16.1	27.0	29.0	11.3
EBITDA interest coverage (x)	17.4	465.8	14.1	6.5
FFO cash interest coverage (x)	20.7	529.5	12.4	23.0
Debt/EBITDA (x)	0.6	0.0	1.6	2.2
FFO/debt (%)	158.9	N.M.	47.5	36.1
Cash flow from operations/debt (%)	153.4	N.M.	49.6	27.7
FOCF/debt (%)	105.7	N.M.	31.6	(14.4)
DCF/debt (%)	35.8	N.M.	1.7	(21.2)

N.M.--Not meaningful

Financial Risk: Modest

SABIC has low debt compared to its impressive free operating cash flow before dividends, and sizable cash balances that help fund its capex program. Although the company does not have a formal leverage target, we understand it aims for a rating in the 'A' category.

SABIC's EBITDA margins and key leverage metrics--debt to EBITDA and FFO to debt--have remained relatively stable over the past five years, even under current weaker market conditions (see table 2).

SABIC's gross debt was SAR48.7 billion ($13.0 billion) as of Sept. 30, 2019, with reported cash and short-term deposits at a high SAR39.8 billion ($10.6 billion). Of this amount, we view around SAR29.8 billion as available for immediate debt repayment. Our adjusted net debt figure was SAR33.2 billion at the Sept. 30, 2019. Apart from the above mentioned cash adjustment, we add pension obligations of SAR11.2 billion and debt guarantees of SAR2.2 billion to arrive at adjusted debt.

Financial summary

Table 2

Saudi Basic Industries Corp.--Financial Summary					
Industry Sector: Chemical Cos					
	--Fiscal year ended Dec. 31--				
(Mil. SAR)	**2018**	**2017**	**2016**	**2015**	**2014**
Revenue	169,128.3	149,766.0	132,826.6	148,085.7	188,122.6
EBITDA	53,686.6	47,053.8	44,448.5	45,584.7	54,210.9
Funds from operations (FFO)	47,274.9	41,744.5	39,819.7	40,889.4	48,942.4
Interest expense	3,086.1	2,856.4	2,381.7	2,027.1	2,320.3
Cash interest paid	2,403.7	2,086.4	2,381.7	2,027.1	2,320.3
Cash flow from operations	45,644.8	39,432.6	30,547.1	45,534.5	62,981.2
Capital expenditure	14,197.5	11,292.8	13,389.6	18,520.5	15,189.9
Free operating cash flow (FOCF)	31,447.3	28,139.8	17,157.5	27,014.0	47,791.3
Discretionary cash flow (DCF)	10,651.5	11,157.2	2,243.7	10,510.2	14,591.3
Cash and short-term investments	52,406.3	63,389.7	60,871.9	68,559.1	72,948.7
Gross available cash	52,406.3	63,389.7	60,871.9	68,559.1	72,948.7
Debt	29,758.2	32,385.8	34,674.8	39,329.4	47,164.0
Equity	221,436.5	210,138.5	210,326.6	209,857.2	211,418.6
Adjusted ratios					
EBITDA margin (%)	31.7	31.4	33.5	30.8	28.8
Return on capital (%)	16.1	13.8	12.0	12.1	16.0
EBITDA interest coverage (x)	17.4	16.5	18.7	22.5	23.4
FFO cash interest coverage (x)	20.7	21.0	17.7	21.2	22.1
Debt/EBITDA (x)	0.6	0.7	0.8	0.9	0.9
FFO/debt (%)	158.9	128.9	114.8	104.0	103.8
Cash flow from operations/debt (%)	153.4	121.8	88.1	115.8	133.5
FOCF/debt (%)	105.7	86.9	49.5	68.7	101.3
DCF/debt (%)	35.8	34.5	6.5	26.7	30.9

Liquidity: Strong

We view SABIC's liquidity as strong and calculate that liquidity sources should exceed uses by more than 1.5x over the 12 months ended Sept. 30, 2019, and by more than 1x over the next 24 months. We also take into account the company's solid bank relationships and high standing in credit markets. Debt at the parent company level has no financial covenants, which we view as a supportive liquidity factor.

Principal Liquidity Sources	Principal Liquidity Uses
• Cash and cash equivalents of SAR39.8 billion. • Full undrawn revolving credit facility (RCF) of SAR7.5 billion ($2 billion) maturing in December 2020. • Estimated FFO of SAR40 billion-SAR41 billion.	• Short-term debt of SAR5.3 billion. • Capex of SAR13 billion-SAR14 billion per year in 2019 and 2020. • Dividends of around 80% of net income.

Debt maturities

Debt outstanding as of June 30, 2019:

- SAR3.5 billion within one year.
- SAR13.4 billion within one-to-two years.
- SAR20.3 billion within two-to-five years.
- SAR4.2 billion after five years.

Covenant Analysis

Debt at the parent company level has no financial covenants.

Environmental, Social, And Governance(ESG)

The chemical industry has significant exposure to environmental and social factors as it is exposed to waste, pollution, and toxicity from regular operations as well as accidents. The industry is under increased levels of scrutiny to the hazardous nature of manufacturing processes. It is also highly exposed to social risks due to changing demographics and behaviors toward plastics and chemicals.

We see the effect of ESG factors on SABIC to be broadly in line with industry peers, as an efficient, gas-based petrochemicals producer, with a track record or improving sustainability performance over time.

SABIC has a comprehensive sustainability strategy aligned with local and international goal and standards and has been successful in reducing greenhouse gas (GHG), energy, water, and material-loss intensity. A specific social objective relates to attracting Saudi nationals in its domestic workforce, which stands at 90%, comfortably above the target set by the government, but has a relatively low share of female employees in its global workforce (7%).

We see management and governance as 'strong', because of a track record of leadership and delivery of revenue and profit growth based on successful execution of a sizable investment program over the past decade, while adhering to a conservative financial policy.

SABIC is 70% owned by the Public Investment Fund (PIF) of Saudi Arabia and five of its nine board members are appointed by the fund under the company bylaws and board charter. We expect these board seats to be filled by Saudi Aramco, after it completes its acquisition of the PIF's stake in the company. As a listed entity, however, the company will remain subject to capital market laws and regulations, including corporate governance regulations, which we believe reduces governance related risks.

Government Influence

We view SABIC as a government-related entity (GRE) and see a high likelihood of SABIC receiving extraordinary support in the event of stress. We view the company's link with the Saudi Arabian government as very strong. In our opinion, SABIC plays an important role in Saudi Arabia's strategy to diversify its economy toward the nonoil industry. In addition, the company is a significant employer in Saudi Arabia, with about 90% of the local workforce Saudi nationals.

SABIC is 70% owned by the PIF, itself owned by the Saudi Arabian government. The PIF has agreed to sell its stake in the company to Saudi Aramco, the state-owned oil company of Saudi Arabia. We believe the transaction reinforces SABIC's role in the government's efforts to diversify the economy, and supports our assessment of its important role and very strong link to the government. The board of directors comprises nine members, five of whom represent the Saudi government, including the chairman and vice chairman.

SABIC benefits from very high ongoing support in that the government sets the price of the gases SABIC uses as feedstock in the production of petrochemicals, fertilizers, and steel in Saudi Arabia. This has a strong positive influence on SABIC's profitability, and is intended to further diversify Saudi Arabia's industrial operations and add value to its natural hydrocarbon resources. The state's current ethane price of $1.75 and methane price of $1.25 per million British thermal units position SABIC favorably on the worldwide cost curve. In addition, the government supports and participates in the funding of new projects for SABIC through government-related agencies such as the PIF or the Saudi Industrial Development Fund.

Our sovereign rating on Saudi Arabia currently caps the rating on SABIC, since we do not rate companies with a very strong link to the government higher than the government itself. This is because the government controls SABIC's operating strategy and financial policy.

Issue Ratings - Subordination Risk Analysis

Capital structure

The group's total debt comprises 26% bonds, 25% bank loans, 5% joint venture partner loans, and 42% project finance, with the remainder Saudi Industrial Development Fund loans. About 73% of all total debt is at floating interest rates based on LIBOR or the Saudi Interbank Offered Rate, and the remainder is fixed. The liquidity of the company is supported by a $2 billion RCF expiring in 2022. Bank loans and bonds issued by SABIC rank pari passu.

Analytical conclusions

We equalize the ratings on the bonds with the issuer credit rating given the modest financial leverage of the company.

Reconciliation

Table 3

Reconciliation Of Saudi Basic Industries Corp. Reported Amounts With S&P Global Ratings' Adjusted Amounts (Mil. SAR)

	--Fiscal year ended Dec. 31, 2018--							
Saudi Basic Industries Corp. reported amounts								
	Debt	**Shareholders' equity**	**EBITDA**	**Operating income**	**Interest expense**	**S&P Global Ratings' adjusted EBITDA**	**Cash flow from operations**	**Capital expenditure**
	47,263.2	173,084.4	51,869.3	36,263.0	2,088.6	53,686.6	44,729.8	14,236.2
S&P Global Ratings' adjustments								
Cash taxes paid	--	--	--	--	--	(4,008.0)	--	--
Cash taxes paid: Other	--	--	--	--	--	--	--	--
Cash interest paid	--	--	--	--	--	(1,963.7)	--	--
Operating leases	6,903.5	--	1,354.9	401.3	401.3	(401.3)	953.7	--
Postretirement benefit obligations/deferred compensation	11,183.9	--	--	--	557.5	--	--	--
Accessible cash and liquid investments	(39,304.7)	--	--	--	--	--	--	--
Capitalized interest	--	--	--	--	38.7	(38.7)	(38.7)	(38.7)
Dividends received from equity investments	--	--	462.4	--	--	--	--	--
Nonoperating income (expense)	--	--	--	2,534.2	--	--	--	--
Noncontrolling interest/minority interest	--	48,352.1	--	--	--	--	--	--
Debt: Guarantees	2,720.0	--	--	--	--	--	--	--
Debt: Other	992.2	--	--	--	--	--	--	--
Depreciation and amortization: Impairment charges/(reversals)	--	--	--	470.2	--	--	--	--
Total adjustments	(17,505.1)	48,352.1	1,817.3	3,405.7	997.5	(6,411.7)	914.9	(38.7)
S&P Global Ratings' adjusted amounts								
	Debt	**Equity**	**EBITDA**	**EBIT**	**Interest expense**	**Funds from operations**	**Cash flow from operations**	**Capital expenditure**
	29,758.2	221,436.5	53,686.6	39,668.7	3,086.1	47,274.9	45,644.8	14,197.5

SAR--Saudi riyal.

Ratings Score Snapshot

Issuer Credit Rating

A-/Stable/A-2

Business risk: Strong

Financial risk: Modest

Anchor: a+

Modifiers

- **Diversification/portfolio effect:** Neutral (no impact)
- **Capital structure:** Neutral (no impact)
- **Financial policy:** Neutral (no impact)
- **Liquidity:** Strong (no impact)
- **Management and governance:** Satisfactory (no impact)
- **Comparable rating analysis:** Neutral (no impact)

Related Criteria

- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Business And Financial Risk Matrix

	Financial Risk Profile					
Business Risk Profile	Minimal	**Modest**	Intermediate	Significant	Aggressive	Highly leveraged
Excellent	aaa/aa+	aa	a+/a	a-	bbb	bbb-/bb+
Strong	aa/aa-	**a+/a**	a-/bbb+	bbb	bb+	bb
Satisfactory	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
Fair	bbb/bbb-	bbb-	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

Ratings Detail (As Of December 6, 2019)*

Saudi Basic Industries Corp.		
Issuer Credit Rating		A-/Stable/A-2
Issuer Credit Ratings History		
22-Feb-2016	*Foreign Currency*	A-/Stable/A-2
11-Feb-2015		A+/Negative/A-1
29-Sep-2006		A+/Stable/A-1
22-Feb-2016	*Local Currency*	A-/Stable/A-2
11-Feb-2015		A+/Negative/A-1
22-Apr-2008		A+/Stable/A-1

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.