

## Results for the Three Months and Nine Months Period Ending September 30, 2024

The financial and operational information herein highlights the main results of the period based on unaudited consolidated condensed interim financial statements presented in Saudi Riyals and prepared in accordance with International Financial Reporting Standards (IFRSs) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Certified Public Accountants (SOCPA). Additionally, this summary includes non-IFRS alternative performance measures i.e., EBITDA, Net cash (debt) and Free Cash Flow. See "Exhibit I" for more details on these alternative performance measures.

## Summary of the Results

(Comparison with 3Q 2023; 2Q 2024 and 9M 2023)

	Three-month Period					Nine-month Period		
	3Q 2024	3Q 2023		2Q 2024		9M 2024	9M 2023	
Net sales (SAR Millions)	381	317	20%	472	(19%)	1,368	846	62%
Operating income (SAR Millions)	80	53	51%	87	(8%)	257	134	92%
Net income (SAR Millions)	65	38	71%	72	(10%)	213	132	61%
Shareholders' net income (SAR Millions)	50	25	100%	52	(4%)	158	116	36%
Earnings per share (SAR)	0.99	0.49	102%	1.02	(3%)	3.13	2.29	37%
EBITDA* (SAR Millions)	100	69	45%	105	(5%)	311	174	79%
EBITDA* margin (% of net sales)	26%	22%		22%		23%	21%	
Free Cash Flow (SAR Millions)	106	(3)		17		90	79	
Net cash/(debt) (SAR Millions)	(264)	(549)		(333)		(264)	(549)	
Gearing Ratio (Equity/Net Debts)	4.0x	1.5x		3.0x		4.0x	1.5x	

\* Excludes the results of discontinued operations. EBITDA is defined as operating (loss) income plus depreciation, amortization and impairment charges / (reversals).

As previously announced on 18/5/2023 (corresponding to 28/10/1444), Saudi Steel Pipe Company ("SSP") acquired an additional 22.27% interest in Global Pipe Company ("GPC") on 17/5/2023, resulting in a current total 57.27% participation in GPC. Accordingly, as from 17/5/2023 SSP started consolidating GPC's financial position and results of operations.

**3Q 2024 compared with 3Q 2023:**

- SSP recorded a positive EBITDA of SAR 100 million (including the impact of non-periodic charges of SAR 20 million), 26% margin, compared to a positive EBITDA of SAR 69 million, 22% margin in 3Q 2023.
- SSP recorded a positive Free Cash Flow of SAR 106 million in 3Q 2024 compared to a negative Free Cash Flow of SAR (3) million in 3Q 2023.
- As at the end of Q3 2024, net debt amounted to SAR 264 million, compared to SAR 549 million as at the end of Q3 2023, as a result of the improvement in profitability and effective cash flow management.

**3Q 2024 compared with 2Q 2024:**

- Despite the impact of non-periodic charges of SAR 20 million, SSP recorded a positive EBITDA of SAR 100 million, 26% margin, compared to a positive EBITDA of SAR 105 million, 22% margin in 2Q 2024.
- SSP recorded a positive free cash flow of SAR 106 million in Q3 2024 compared to SAR 17 million in Q2 2024. Net debt decreased to SAR 264 million as at the end of Q3 2024 from SAR 333 million as at the end of Q2 2024, as a result of the positive free cash flow recorded partially offset by the dividends paid in Q3 2024 amounting to SAR 38 million.

**9M 2024 compared with 9M 2023:**

- SSP recorded a positive EBITDA of SAR 311 million, 23% margin, compared to SAR 174 million, 21% margin in 9M 2023.
- SSP recorded a positive free cash flow of SAR 90 million in 9M 2024 compared to positive free cash flow of SAR 79 million in 9M 2023.
- As at the end of 9M 2024, net debt amounted to SAR 264 million, compared to SAR 549 million at the end of 9M 2023, as a result of the improvement in profitability and effective cash flow management.

## Exhibit I - Alternative performance measures

Alternative performance measures should be considered in addition to, not as a substitute for or superior to, other measures of financial performance prepared in accordance with IFRS.

### EBITDA, Earnings before interest, tax, depreciation, and amortization.

EBITDA provides an analysis of the operating results, excluding depreciation and amortization, and impairments being non-cash variables which can vary substantially from company to company depending on accounting policies and the accounting value of the assets. EBITDA is an approximation to pre-tax operating cash flow and reflects cash generation before working capital variation. EBITDA is widely used by investors when evaluating businesses (multiples valuation), as well as by rating agencies and creditors to evaluate the level of debt, comparing EBITDA with net debt.

EBITDA is calculated as follows:

EBITDA= Operating results + Depreciation and amortization + Impairment charges/(reversals).

(all amounts in millions of SAR)

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2024	2023	2024	2023
Net sales	381	317	1,368	846
Operating income	80	53	257	134
Depreciation and amortization*	20	17	54	40
<b>EBITDA</b>	<b>100</b>	<b>69</b>	<b>311</b>	<b>174</b>
<b>EBITDA%</b>	<b>26%</b>	<b>22%</b>	<b>23%</b>	<b>21%</b>

\*Excluding depreciation related to discontinued operations.

SSP recorded a positive EBITDA margin of 26% in 3Q 2024 compared to 22% in 3Q 2023, and a positive EBITDA margin of 23% in 9M 2024 compared to 21% in 9M 2023. These improvements resulted mainly from the increase in volume, improved efficiency and mix of products sold.

## Free Cash Flow

Free cash flow is a measure of financial performance, calculated as operating cash flow less capital expenditures. It represents the cash that a company is able to generate after spending the money required to maintain or expand its asset base.

Free cash flow is calculated in the following manner:

Free cash flow= Net cash (used in) provided by operating activities – Capital expenditures.

(all amounts in millions of SAR)	Three-month period ended September 30,		Nine-month period ended September 30,	
	2024	2023	2024	2023
Net cash provided by operating activities	122	1	121	85
Capital expenditures	(16)	(4)	(31)	(5)
<b>Free cash flow</b>	<b>106</b>	<b>(3)</b>	<b>90</b>	<b>79</b>

SSP recorded a positive free cash flow of SAR 106 million in 3Q 2024 compared to a negative free cash flow of SAR (3) million in 3Q 2023, and a positive free cash flow of SAR 90 million in 9M 2024 compared to a positive free cash flow of SAR 79 million in 9M 2023, as a result of improved profitability and efficient working capital management.

## Net cash (debt)

Net cash (debt) is the net balance of cash and cash equivalents, other current investments, and non-current investments less total borrowings. It provides a summary of the financial solvency and liquidity of the company. It is widely used by investors and rating agencies and creditors to assess the company's leverage, financial strength, flexibility, and risks.

Net cash (debt) is calculated in the following manner:

Net cash= Cash and cash equivalents + other investments (Current and Non-Current) +/- Derivatives hedging borrowings and investments – Borrowings (Current and Non-Current)

(all amounts in millions of SAR)	At September 30,	
	2024	2023
Cash and cash equivalents	104	175
Current Borrowings	(314)	(704)
Non-current Borrowings	(54)	(20)
<b>Net cash / (debt)</b>	<b>(264)</b>	<b>(549)</b>
Equity	1,069	810
<b>Gearing Ratio (Equity/Net Debts)</b>	<b>4.0x</b>	<b>1.5x</b>

Net debt decreased to SAR 264 million in 3Q 2024 (including the impact of dividends paid amounting to SAR 38 million in 3Q 2024) compared to SAR 549 million in 3Q 2023, as a result of improvement in profitability and effective cash flow management. Gearing ratio improved to 4.0x as at the end of 3Q 2024 compared to 1.5x as at the end of 3Q 2023.