

Earnings for Power and Water Utility Company for Jubail and Yanbu (Marafiq) for the Second Quarter of 2024

Power and Water Utility Company for Jubail and Yanbu (Marafiq) is pleased to announce its Interim consolidated financial results for Q2 ended 30 June 2024. The Company achieved net profit amounting to SR 65 million

Highlights of financial performance of Q2 2024:

- Total revenue amounted to SR 1,720 million, an increase of 8% compared to the same quarter of the previous year, due to the increase in the quantities sold for all the main sectors of the company, as a result of improved demand for utilities.
- The cost of revenue amounted to SR 1,482 million, an increase of 15% compared to the same quarter of the previous year, mainly due to an increase in fuel costs used in production, the impact of the change in fuel prices during the Q2 2024 amounted to SR 148 million, an increase of 47%.
- Despite this, the company managed to achieved a positive net profit of SR 65 million, a decrease of 59% compared to the same quarter of the previous year, resulted from various initiatives that contribute to the optimal utilization of its internal resources.
- In line with the Board of Directors' interest to increase the esteemed shareholders value, the Board has approved the distribution of cash dividends amounting to 86 million Saudi Riyals, representing 80% of the company's net profits for the period ending June 30, 2024.
- Free cash flow amounted to SR 507 million, an increase of 299% compared to the same quarter of the previous year, mainly due to favorable movements in working capital and lower capital expenditures.

Financial results summary (All figures in millions of Saudi Riyals)

Item	30 June 2024	30 June 2023	Change Percentage %
Revenue	1,720	1,592	8%
Cost of Revenue	(1,482)	(1,287)	15%
Net profit	65	159	(59) %
Profit (Loss) per Share (SR/Share)	0.26	0.64	(59) %
Free cash flow ⁽¹⁾	507	127	299%

(1) Free cash flow is calculated by: Net cash from operating activities, less additions to property, plant and equipment, plus financing costs paid.

Speech by the Company's CEO

Commenting on these results, the CEO of Marafiq, Engineer Mohammed bin Berki Al-Zuabi, stated that the company continues to limit the impact the increase in the production operations costs by improve the efficiency of company plants, and increase their reliability in line with the aspirations of all the customers. The company is also continuing to communicate with relevant regulatory authorities to include the company in the balancing account for the power sector in order to cover the deficit resulting from the difference between the required revenue for the electrical sector based on commercial basis and the actual revenue resulted from implementing the approved electricity tariffs. Despite all the challenges the company faces and their impact on rising costs of revenue, the company managed to maintain a positive net profit of SR 65 million. This is attributed to the improvement in second quarter revenue by 8%, due to increased demand across all the main sectors of the company, as well as an increase in the number of customers in Yanbu Industrial City.

In the field of sustainability, environmental and societal preservation, the company has implemented many programs related to carbon neutrality and waste recycling, which in turn contribute reducing greenhouse gas emissions. As a result of these efforts, Marafiq won the "Most Improved in the Environment and Climate" as part of Aramco President's Affiliates Excellence Awards in 2024.

Investor Relations

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