

Takween Advanced Industries (TAI) H1 2024 Reports Stellar Financial Recovery: Strategic Success, Operational Efficiency, 105% boost in Gross Profit, Improved Margins & 85% Net Loss Slash

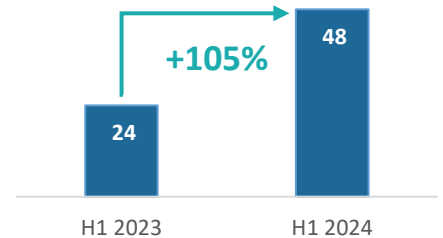
KSA, 4 August 2024: Takween Advanced Industries – TAI, (“Takween”, “TAI” or the “Company”), listed in the Saudi Stock Exchange, announced its consolidated and operational results for the financial period ending 30 June 2024.

H1 2024 Key Highlights:

Revenue SAR 345m	Gross Profit SAR 48m	EBITDA SAR 38m	Net Loss SAR 8m	Total Debt SAR 470m
-23% YoY	+105% YoY	+26 Times YoY	85% Drop YoY	35% Drop

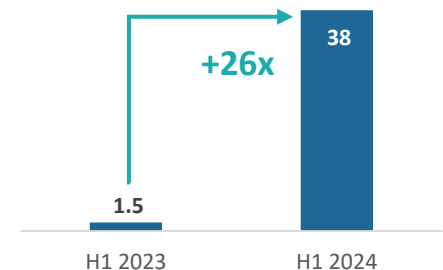
Gross Profit: Takween achieved SAR 48 million in gross profit for H1 2024, a substantial increase from SAR 24 million in H1 2023, representing a 105% surge. This growth was driven by cost optimization, enhanced pricing, and an improved product mix, despite a decline in sales revenue due to the discontinuation of nonstrategic product lines. Additionally, a soft tolling arrangement with major customers. Notably, the gross profit margin improved by 9 percentage points, rising to 14% in H1 2024 from 5% in H1 2023.

Gross Profit (SAR m)



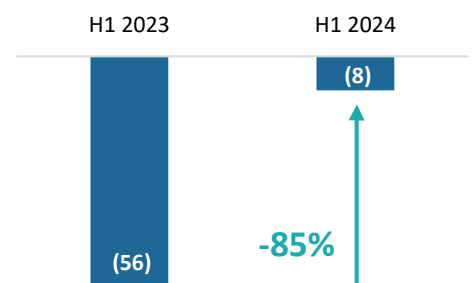
SG&A Expenses: The company's SG&A expenses decreased to SAR 31 million in H1 2024, down from SAR 46 million in H1 2023, reflecting a 33% reduction. This decline demonstrates the success of the newly implemented group restructuring strategy, despite the challenging market conditions.

EBITDA (SAR m)



EBITDA: EBITDA saw a remarkable increase, growing 26 times to SAR 38 million in H1 2024 compared to SAR 1.5 million in H1 2023. This significant growth was accompanied by a notable margin expansion of 10.7 percentage points, from 0.3% in H1 2023 to 11% in H1 2024.

Net loss (SAR m)



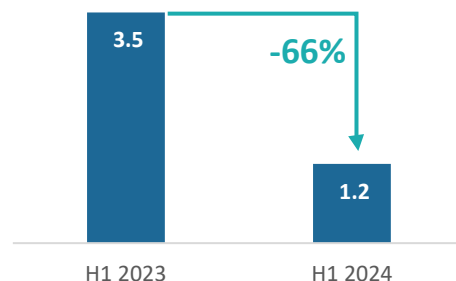
Net Loss and EPS: The company achieved an 85% reduction in net losses, decreasing from SAR 56 million in H1 2023 to SAR 8 million in H1 2024. This significant improvement in the bottom line reflects the successful execution of strategic initiatives, enhanced operational efficiency, and prudent financial management. Consequently, the net profit margin improved by 10 percentage points, from (12%) in H1 2023 to (2%) in H1 2024. Furthermore, EPS improved by 88%, rising from SAR (1.023) in H1 2023 to SAR (0.119) in H1 2024.

Earnings Release – H1 2024

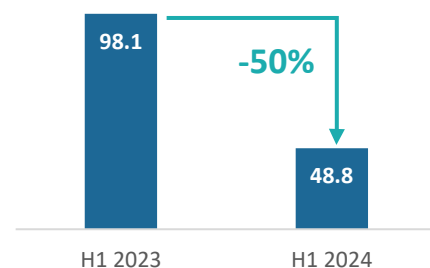
Debt Reduction and Financial Stability: The company successfully met its financial obligations, reducing total outstanding debt by 35%, from SAR 719 million on December 31, 2023, to SAR 470 million in H1 2024. Despite the challenging conditions posed by a continued high SIBOR rate, a 36% reduction in short-term loans led to a 15% decrease in finance costs compared to H1 2023. Consequently, the debt-to-equity ratio improved from 3.5 at the end of 2023 to 1.02 in H1 2024, reflecting improved financial stability and a stronger, less leveraged balance sheet.

Cash Conversion Cycle: The company's cash conversion cycle saw a significant improvement, decreasing from 98.1 days to 48.8 days indicating more efficiency in managing inventory, receivables, and payables.

Net Debt to Equity



Cash Conversion Cycle (days)



“The strong start in H1 positions us well for full-year performance, with continued focus on margin enhancement and cash flow management. I am immensely proud of Takween’s strategic advancements. Our team’s dedication has significantly optimized our operational efficiency and profitability, driving a robust financial recovery. Looking ahead, we remain committed to maintain our momentum and explore innovative avenues for growth”

Majed Nofal, CEO

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About the Company

Takween Advanced Industries is a publicly traded joint stock company, established in 1993 by its founder Sheikh Mohammed bin Abdullah bin Zaid Al Othman. Originally named Al Othman Plastic Products Company (Plastico), Takween has undergone significant transformations to reach its current status. The company went public in 2012, offering 30% of its shares for public subscription, and is now listed with a capital of SAR 764.6m under the Commercial Register 2051044381.

Takween operates primarily in the basic materials sector, focusing on two key industrial areas through its subsidiaries. It has three wholly-owned subsidiaries: the Saudi Plastic Company for Packaging Systems (SPPS) with facilities in Jeddah, Riyadh, and Al-Ahsa; Al-Sharq Company for Plastic Industries (ASP) located in Riyadh; and New Marina Plastic Industries (NMP), based in the industrial city of Borg El Arab in Alexandria, Egypt.

Additionally, Takween holds a 30% share in the Advanced Fabric Company Ltd. (SAAF), which operates in Al-Ahsa and Rabigh and specializes in the non-woven tissue sector, primarily for health and medical products.

Takween is committed to leadership in the plastic packaging industry by offering economical, efficient, and innovative solutions in both plastic packaging and non-woven fabric products.

Disclaimer

This communication may contain forward-looking statements and information related to company that reflect the current view and/or expectations of the company and the company’s management in respect of the company’s performance, activities, and future events. Such forward looking statements include, among other, statements that may predict, forecast, signify or imply future results performance or achievements, and may contain word such as “believe” “understands”, “anticipates”, “expects”, “estimates”, “intends” , “it is likely” or other terms of expression with similar meaning. These statements are subject to a number of risks, uncertainties and assumptions. The company cautions the reader that certain relevant factors might be the cause for actual results to differ from the plans, goals, expectations estimates and intentions expressed in this communication.

Investor Relations Manager

Moaaz Shakra

ir@takweenai.com