

Takween Advanced Industries (TAI) 9M 2024 Reports Stellar Financial Recovery: Strategic Success, Operational Efficiency, 125% boost in Gross Profit, Improved Margins & 70% Net Loss Reduction

KSA, 7 November 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 September 2024.

9M 2024 Key Highlights:

Revenue SAR 529m	Gross Profit SAR 64m	EBITDA SAR 45m	Net Loss SAR 26m	Total Debt SAR 505m
-18% YoY	+125% YoY	+165 Times YoY	70% Drop YoY	30% Drop

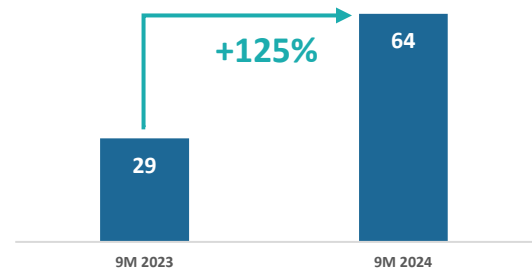
Gross Profit: Takween achieved SAR 64 million in gross profit for 9M 2024, a substantial increase from SAR 29 million in 9M 2023, representing a 125% surge. This growth was driven by cost optimization, enhanced pricing, and an improved product mix, despite a decline in sales revenue due to the discontinuation of nonstrategic product lines. Notably, the gross profit margin improved by 8 percentage points, rising to 12% in 9M 2024 from 4% in 9M 2023.

SG&A Expenses: The company's SG&A expenses decreased to SAR 50 million in 9M 2024, down from SAR 66 million in 9M 2023, reflecting a 23% reduction. This decline demonstrates the success of the newly implemented group restructuring strategy, despite the challenging market conditions.

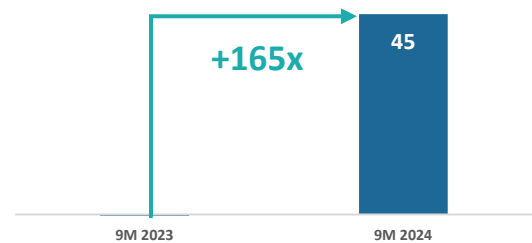
EBITDA: EBITDA saw significant improvement, reaching SAR 45 million in 9M 2024 compared to SAR (0.273) million in 9M 2023. This growth, driven by operational efficiency, resulted in an EBITDA margin expansion of 8.5 percentage points, from (0.04%) to 8.5%.

Net Loss and EPS: The company reduced net losses by 70%, from SAR 86 million in 9M 2023 to SAR 26 million in 9M 2024, alongside a 76% improvement in EPS from SAR (1.58) to SAR (0.38). This strong bottom-line recovery reflects successful strategic initiatives, operational efficiency gains, and prudent financial management, contributing to an 8-point improvement in net profit margin, from (13%) in 9M 2023 to (5%) in 9M 2024.

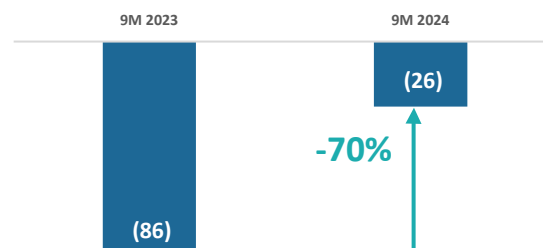
Gross Profit (SAR, million)



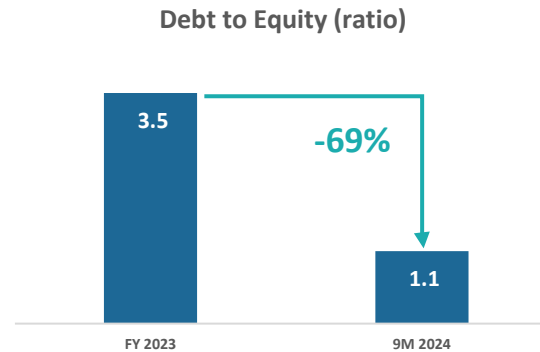
EBITDA (SAR, million)



Net loss (SAR, million)



Debt Reduction and Financial Stability: Takween achieved a 30% reduction in total debt, lowering outstanding debt from SAR 719 million as of December 31, 2023, to SAR 505 million by September 30, 2024. This substantial improvement was primarily driven by the successful rights issue in Q1 2024, along with enhancements in working capital efficiency. These factors, along with reduced short-term loans, contributed to a 16% year-over-year reduction in finance costs. Consequently, the debt-to-equity ratio improved significantly, moving from 3.5 to 1.1, reflecting enhanced financial stability.



“Takween has made substantial strides in efficiency and profitability, supporting a strong financial recovery. Our focus remains on improving margins, optimizing cash flow, and pursuing new growth opportunities to drive sustained progress.”

"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.

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