

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

Power and Water Utility Company for Jubail and Yanbu (Marafiq) is pleased to announce its Interim consolidated financial results for Q3 ended 30 September 2024. The Company achieved net profit amounting to SAR 186 million.

Highlights of financial performance of Q3 2024:

- Total revenue amounted to SAR 1,857 million, reflecting an increase of 9% compared to the same quarter of the previous year. This growth is attributed to higher quantities sold across all sectors, driven by improved demand. Additionally, the company supplied power to the Saudi Power Procurement Company (the Principal Buyer) during this period.
- The cost of revenue reached SAR 1,553 million, representing a 13% increase compared to the same quarter last year. The increase is primarily driven by an increase in the cost of fuel used in production amounting to SAR 162 million or 45%.
- The company maintained a positive net profit of SAR 186 million despite the increase in fuel costs.
- Free cash flow amounted to SAR 195 million, a decrease of (39)% compared to the same quarter of the previous year, mainly due to the decrease in cash flows from operating activities.

Financial results summary of Q3 2024 (All figures in millions of Saudi Riyals)

| Item | 30 September 2024 | 30 September 2023 | Change Percentage % |
|------------------------------------|-------------------|-------------------|---------------------|
| Revenue | 1,857 | 1,701 | %9 |
| Cost of Revenue | (1,553) | (1,375) | %13 |
| Net profit | 186 | 188 | %(1) |
| Profit (Loss) per Share (SR/Share) | 0.74 | 0.75 | %(1) |
| Free cash flow (1) | 195 | 320 | %(39) |

(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, Eng. Mohammed bin Berki Al-Zuabi, highlighted the robust demand for all services provided by the company in industrial cities. This strong performance has enabled the company to achieve its highest revenue since listing, with a net profit of SAR 186 million this quarter. Despite the challenges posed by rising fuel costs, Marafiq has continued to thrive, demonstrating its resilience and ability to deliver positive results. The company remains committed to seizing every opportunity to mitigate the impact of these challenges by enhancing production efficiency, increasing the reliability of its plants, and consistently delivering top-tier services in line with the expectations of our valued customers. As a result of these efforts, the company has seen an improvement in its performance during the third quarter of 2024, compared to the previous quarterly results of the same year. Additionally, the company continues to collaborate with relevant authorities to establish a clear mechanism to compensate for the shortfall between the expected income of the power and water sectors based on commercial basis and the actual income generated from the officially approved tariffs.

The CEO also noted that the company is working intensively with the Ministry of Energy on the detailed requirements for implementing the liquid fuel displacement program at the power generation plant in the Second Industrial City at Yanbu as an initial phase.

The CEO also referred to the previous Tadawul announcement regarding the inclusion of Marafiq in the consortium to develop the Al-Ha'ir Wastewater Treatment Plant in partnership with Miahona and Besix. The project has reached advanced stages towards achieving financial closure, including the signing of the necessary agreements.

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