

Saudi Arabia's SISCO reports SAR 54.8 million net income for 1H 2021

- Q2 and 1H revenues increased 13.4% and 30.1% y-o-y respectively, excluding accounting construction revenue
- Strong performance across segments drives top-line growth

Jeddah, Saudi Arabia, 12 August 2021: Saudi Industrial Services Company ("SISCO", the "Company" or the "Group"), Saudi Arabia's leading strategic investor in ports and terminals, logistics parks and services, and water solutions, has announced its financial results for the 6-month period ended 30 June 2021.

First half revenue, excluding accounting construction revenue, increased by 30.1% year-on-year to SAR 498.1 million, and 13.4% to SAR 244.5 million in the second quarter driven by strong performance in the ports, logistics segments and slightly in water business. Gross profit of SAR 123.6 million increased by 6.6% from Q2 2020 predominantly driven by strong transshipment volumes in the ports segment and improved performance across the other segments. Gross profit decreased by 8.4% from the previous quarter due to a decline in gateway volumes and an increase in direct costs.

First half reported net income decreased by 34.2% to SAR 54.8 million compared to the same period in the prior year and by 60.3% in Q2 2021 compared to same quarter last year to reach SAR 22.5 million. This was principally due to the comparative periods in the prior year being impacted by a one-off IFRS 9 gain of SAR 31.9 million and a SAR 75 million release of asset replacement provision. Adjusted EBITDA of SAR 279.1 million increased by 62.6% year-on-year, at an EBITDA margin of 56.1% for the six-month period. Adjusted earnings per share ("EPS") for Q2 2021 stood at SAR 0.28 as compared to SAR 0.13 in Q2 2020, with total shareholders' equity remaining stable at SAR 1.17 billion in Q2 2021.

Q2 2021 revenue from the ports and terminals segment grew by 10.0% compared to Q2 2020, reaching SAR 192.8 million whilst revenue from the logistics segment reached SAR 26.7 million, a 37.9% increase over the same period. The water solutions segment was supported by volume growth resulting in a 20% revenue increase to SAR 25.1 million for Q2 2021.

Mohammed Al-Mudarres, CEO at SISCO said:

"SISCO delivered strong top and bottom-line results in the first half of the year with the port segment continuing to increase its market share in Jeddah Islamic Port for both gateway and transshipment volumes recording a 12% increase in total throughput year-on-year.

Despite the positive port segment growth, overall gateway volumes across the Kingdom came under pressure during the second quarter which led to a decline in total gateway volumes during the quarter compared to the previous quarter and prior year.

The commendable performance by the port segment was supported by continued growth in warehouse and logistics services with water solutions business showing gradual improvement in trading performance.

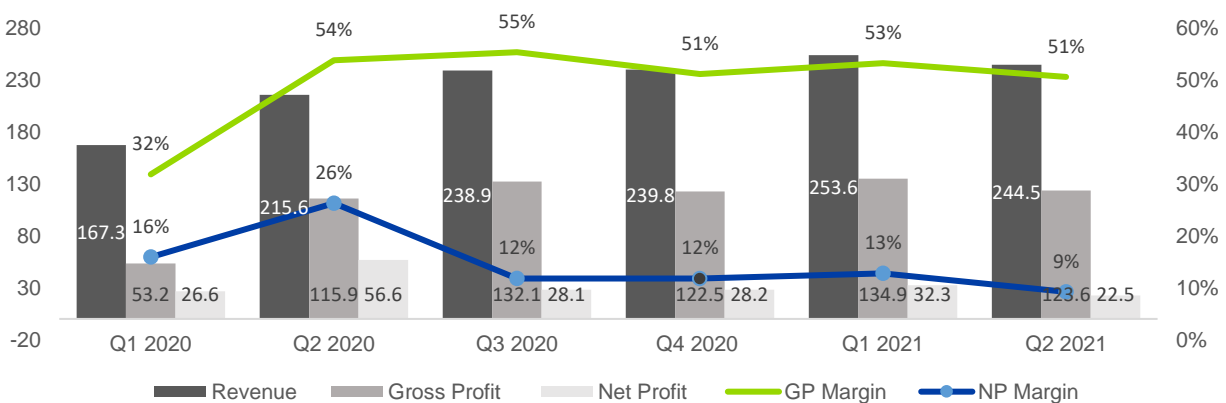
Shortly after the end of the quarter, we completed the divestment of a 21.2% direct equity stake in our subsidiary Red Sea Gateway Terminal Limited (“RSGT”) to strategic partners PIF and COSCO. The financial impact of the transaction will be reflected in our Q3 2021 financial statements.

The review of the utilization of the proceeds from the divestment will be finalized shortly and we look forward to providing further details on this and our strategy during Q3 2021.”

Financial performance highlights

- Total operating revenue of SAR 244.5 million for Q2 2021, increasing by 13.4% from Q2 2020, driven primarily by positive performance of the ports and logistics segment. First half revenue grew by 30.1% year-on-year.
- Q2 2021 gross profit increased by 6.6% compared to Q2 2020 driven primarily by top line growth. First half gross profit increased by 52.9% to SAR 258.4 million.
- Investment income improved to SAR 6.0 million compared to SAR 5.1 million in Q2 2020
- Operating expenses of SAR 39.9 million in Q2 2021 decreased from SAR 42.7 million in Q2 2020.
- Net income decreased by 34.1% year-on-year for H1 2021, and by 60.3% in Q2 as a result of one-off items recorded in Q2 2020. Excluding the impact of one off items, adjusted net income in H1 2021 increased by 175.5% vs H1 2020 and by 104.8% vs Q2 2020.
- Total assets reached SAR 4.4 billion at 30 June 2021.

Income statement highlights, SAR million

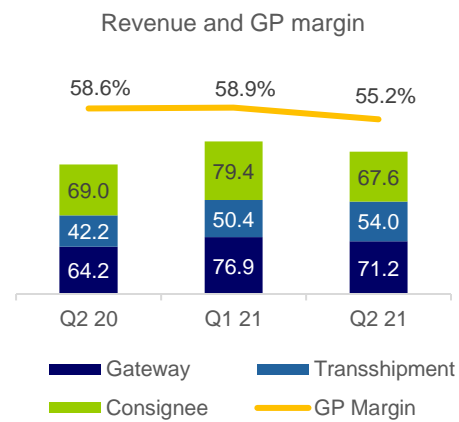


Operational highlights



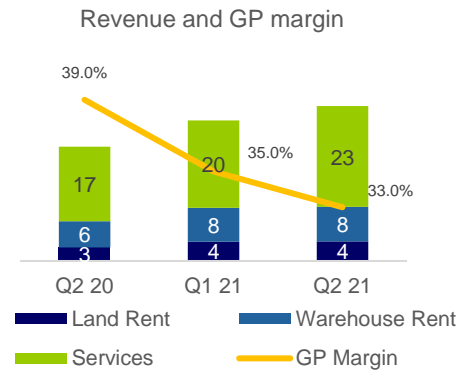
Ports and terminals

286 thousand TEUs Gateway volume	-8.8% vs Q2 20	-8.3% vs Q1 21
465 thousand TEUs Transshipment volume	+24.9% vs Q2 20	+4.1% vs Q1 21
751 thousand TEUs Total volume	+9.5% vs Q2 20	-1.0% vs Q1 21



Logistics parks and services

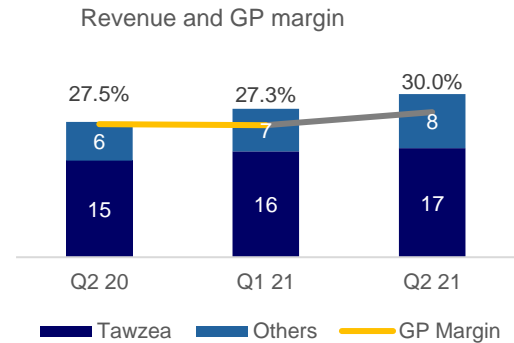
53% Open yard occupancy	+13% vs Q2 20	+0% vs Q1 21
99% Warehousing occupancy	+4% vs Q2 20	+0% vs Q1 21





Water solutions

353.8 thousand m3 Rabigh volume	+51.5% vs Q2 20	+26.0% vs Q1 21
4.0 m m3 Kindasa volume	+10.4% vs Q2 20	+4.2% vs Q1 21
4.4 m m3 Total volume	+12.9% vs Q2 20	+5.7% vs Q1 21



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About SISCO

Saudi Industrial Services Company (“SISCO”) is an investment holding company with a diversified portfolio of unique assets spanning ports, industrial parks and services, and water solutions. The Company was established in 1988 and is the first private sector developer of a bonded re-export zone in Saudi Arabia. SISCO’s portfolio includes 5 subsidiaries, supported by a team of more than 3,000 employees. SISCO provides strategic support to portfolio companies with a clear and long-term investment philosophy to unlock growth opportunities.

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Analyst call and earnings presentation

SISCO will be hosting an analyst call on the Company’s second quarter results on 18 August 2021 at 15:00 Saudi time. For conference call details, please email ir@sisco.com.sa. The earnings presentation will be hosted on the company website in due course: <http://www.sisco.com.sa/poverview.php>

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