

## Saudi Arabia's SISCO reports 9M 2021 results

- Revenue increased 15.2% for 9M 2021, excluding accounting construction revenue
- Net income decreased to SAR 58.7 million for 9M 2021, reflecting reduced contribution from RSGT following partial divestment
- Excluding the impact of the divestment and one-off items, adjusted net income increased by 68.5% in 9M 2021 compared to 9M 2020.
- New updated corporate strategy to drive growth and shareholder returns

**Jeddah, Saudi Arabia, 03 November 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 9-month period ended 30 September 2021.

Nine-month revenue to 30 September 2021, excluding accounting construction revenue, increased by 15.2% year-on-year to SAR 716.1 million driven by a strong performance in the ports and logistics segments. Despite RSGT's continued overall market share growth, revenue for Q3 2021 decreased by 8.8% to SAR 217.9 million compared to Q3 2020 due to continued pressure on gateway volumes across the Kingdom.

Gross profit for 9M 2021 increased by 18.0% to SAR 355.5 million compared to 9M 2020 predominantly driven by revenue growth in the ports and logistics segment, margin expansion due to the impact of the new concession terms from 1 January 2021 and efficiencies across the portfolio. Q3 2021 gross profit decreased by 26.6% from Q3 2020 mainly due to a decline in gateway volumes and an increase in direct costs.

Reported net income for the nine-month period decreased by 47.3% to SAR 58.7 million compared to the same period in the prior year, as last year's net income included one-offs amounting to SAR 106.9 million of which SISCO's share was SAR 64.7 million. Additionally, SISCO's share of RSGT net income reduced from 60.6% to 36.36% for the period following the divestment of its equity stake.

Reported Net Income for Q3 2021 decreased to SAR 4 million compared to SAR 28.2 million in Q3 2020 mainly due to lower gateway volumes.

Total shareholders' equity increased to SAR 1.52 billion in Q3 2021.

## When adjusting for the one-offs and the impact of the RSGT divestment:

- SISCO's net income on a like for like basis for the nine month period was SAR 78.2 million compared to SAR 46.4 million for the same period in the prior year.
- Adjusted Q3 2021 Net Income stands at SAR 10.4 million compared to SAR 28 million in Q3 2020.
- Adjusted earnings per share ("EPS") for the nine-month period stood at SAR 0.96 as compared to SAR 0.57 for the same period in the prior year.

## Mohammed Al-Mudarres, CEO at SISCO said:

*"On an adjusted basis, SISCO delivered strong top and bottom-line results in the nine-month period, driven by market share growth in Jeddah Islamic Port for both gateway and transshipment volumes, and growth in the logistics and water segments. Despite the growth in market share, Gateway volumes across the Kingdom have been under pressure for the second consecutive quarter.*

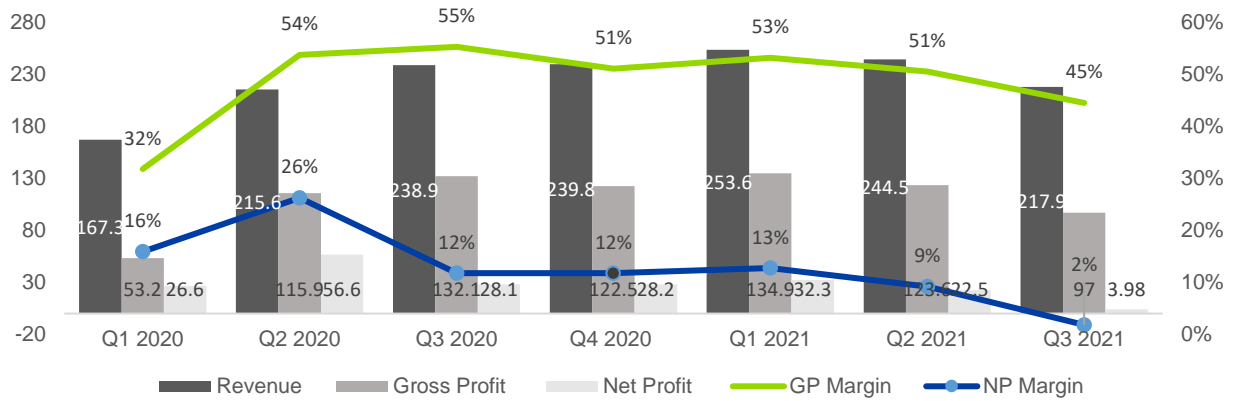
*In the water segment, the recent successes of Tawzea being awarded the Independent Sewage Treatment Plant contracts in Taif, Madinah, Buraydah and Tabuk provide a strong base to further scale the business to capitalize on the new projects as well as long term operation and maintenance contracts*

*Earlier in the quarter, we also announced our new growth strategy which aims to double SISCO's revenues and improve margins over the next five years by expanding logistics services with an emphasis on an asset light model, expanding the ports segment beyond Saudi, and driving the full potential of the existing portfolio. We see significant potential to build on our proven track record as a partner of choice with the ability to acquire, incubate and monetize investments aimed at developing key infrastructure projects that enable the economic transformation and prosperity of the Kingdom."*

## Financial performance highlights

- Total revenue of SAR 217.9 million for Q3 2021, decreasing by 8.8% from Q3 2020, due to lower gateway volumes recorded by the ports segment. Nine-month revenue grew by 15.2% year-on-year.
- Q3 2021 gross profit of SAR 97.0 million decreased by 26.6% compared to Q3 2020. Nine-month gross profit increased by 18.0% to SAR 355.5 million.
- Net income decreased by 85.9% in Q3 2021 and 47.2% for 9M 2021 as a result of the impact of the RSGT divestment and the impact of one-offs amounting to SAR 106.9 million of which SISCO's share was SAR 64.7 million in the prior year. Excluding the impact of the divestment and one-off items, adjusted net income increased by 68.5% in 9M 2021 compared to 9M 2020 but decreased by 63.1% for Q3 2021 compared to Q3 2020.
- Total assets reached SAR 5.1 billion at 30 September 2021.

## Income statement highlights, SAR million

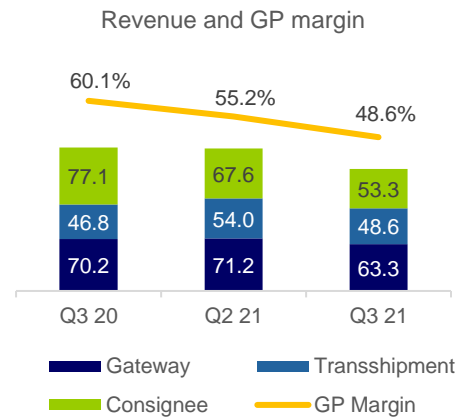


## Operational highlights



### Ports and terminals

242 thousand TEUs <b>Gateway volume</b>	--29.3 vs Q3 20	-15.2% vs Q2 21
458 thousand TEUs <b>Transshipment volume</b>	+8.1% vs Q3 20	-1.7% vs Q2 21
700 thousand TEUs <b>Total volume</b>	-8.6% vs Q3 20	-6.8% vs Q2 21

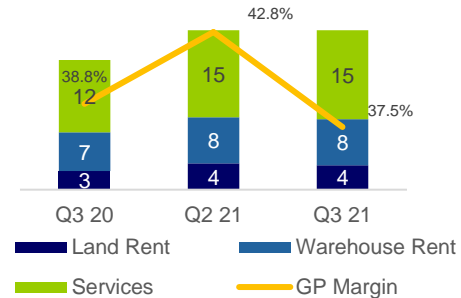




**Logistics  
parks and  
services**

51% <b>Open yard occupancy</b>	+8.5% vs Q3 20	-3.8% vs Q2 21
99% <b>Warehousing occupancy</b>	+4.2% vs Q3 20	- vs Q2 21

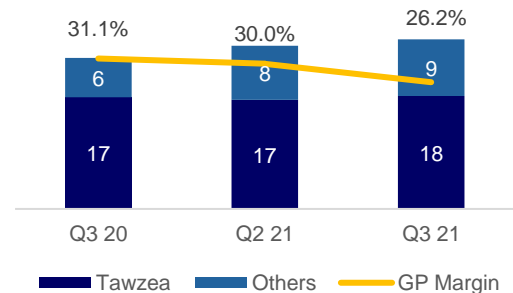
Revenue and GP margin




**Water  
solutions**

432 thousand m3 <b>Rabigh volume</b>	+62.7% vs Q3 20	+22.1% vs Q2 21
4.0 m m3 <b>Kindasa volume</b>	-1.1% vs Q3 20	+2.1% vs Q2 21
4.5 m m3 <b>Total volume</b>	+2.8% vs Q3 20	+3.7% vs Q2 21

Revenue and GP margin



## Outlook and strategy

SISCO continues to make progress on the implementation of its newly updated five-year strategy for growth announced on 7 October 2021 which aims to leverage existing capabilities in its core segments to invest in assets with a significant opportunity to be scaled up through its current portfolio network and accelerate the returns timeline for SISCO and its shareholders.

SISCO will provide further updates on developments in due course.

-Ends-

## 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 third quarter results on 9 November 2021 at 14:00 Saudi time. For conference call details, please email [ir@sisco.com.sa](mailto:ir@sisco.com.sa). The earnings presentation will be hosted on the company website in due course: <http://www.sisco.com.sa/poverview.php>

## Disclaimer

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