



SISCO Holding Delivers Record Revenue of SAR 1 billion and Adjusted Net Profit Growth of 112.6% to SAR 88.3 million in 2023

- Revenues exceeded one billion riyals for the first time in the group's history.
- Ports and Logistics segments full year revenue improved by 25.3% and 23.0% respectively.
- Significant expansion of gross profit margins in Logistics as compared to last year.
- Full Year gross profit margin 53.6%, up from 48.7% in 2022

Jeddah, Saudi Arabia, February 2024: The Sustained Infrastructure Holding Company ("SISCO Holding," "TADAWUL: 2190"), Saudi Arabia's leading strategic investor in Infrastructure, Ports and Logistics, and Water Solutions, has announced its financial results for the fourth quarter and the year ended 31 December 2023.

Full-year revenue, excluding accounting construction revenue, increased by 23.1% year-on-year to SAR 1,052.4 million, compared to SAR 854.8 million in FY 2022, on the back of overall improvement across all segments. Revenue for Q4 FY2023 increased by 19.6% compared to Q4 FY2022, driven by strong performance in the ports and logistics segments. However, on a sequential basis, Q4 FY2023 revenues remained stable compared to Q3 FY23.

The adjusted gross profit for FY 2023 stood at SAR 564.1 million, marking a significant 35.6% improvement from 2022, driven by revenue growth and an improvement in gross margins across all segment. Adjusted Gross Margin improved to 53.6% from 48.7% in 2022, due to improved revenue mix. Q4 2023 adjusted gross profit increased by 25.7% from Q4 2022; however, our adjusted gross margins improved, standing at 54.9% from 52.2% in Q4 2022, mainly due to improvement in the Logistics segment gross margin during Q4.

Adjusted net income (which excludes the impact of one-off provisions and exceptional items) for the full-year period increased by 112.6% to SAR 88.3 million, bolstered by a stronger first half compared to the previous year and robust revenue growth. Q4 2023 adjusted net income Improved by 10.9% year-on-year to SAR 22.7 million, primarily due to a improvement in gross margins in Logistics segment despite higher finance charges resulting from additional debt drawdown and an increase in SAIBOR rates compared to Q4 2022.

Q4FY23 Quarterly Performance Highlights:

Revenues improved by 19.6% y-o-y due to the higher volumes in the Ports segment.

Gross profit decline by 25.7% as compared to Q4FY22 mainly due to changes in sales mix and pricing.

Adjusted EBITDA improved by 25.3% to SAR 167.6 m with a healthy margin of 60.7%.

Adjusted Net income of SAR 22.7 million improvement by 10.9% compared to the same quarter last year, due to a improvement in margins.



EARNINGS RELEASE: Q4 & Full Year

March 2024

Q4 & Full Year Financial Snapshot

	Revenue	Gross Profit Adjusted	EBITDA-Adjusted	Net Income – Adjusted
Q4-2023	SAR 276.1 m ↑ 19.6%	SAR 151.4 m ↑ 25.7%	SAR 167.6 m ↑ 25.3%	SAR 22.7 m ↑ 10.9%

	Revenue	Gross Profit Adjusted	EBITDA-Adjusted	Net Income – Adjusted
2023	SAR 1,052.4 m ↑ 23.1%	SAR 564.1 m ↑ 35.6%	SAR 629.5 m ↑ 37.4%	SAR 88.3 m ↑ 112.6%

Commenting on the results, Mr. Khalid Suleimani, Group CEO, SISCO, said:

“SISCO Holding has delivered exceptional results for the full year of 2023, Our Revenue has exceeded the SAR 1B mark for the first time in SISCO Holding’s history. rebounding strongly from a challenging year 2022 with a healthy turnaround in our revenue and profitability.

On a segmental basis, the ports and terminals segment delivered robust performance driven by strong volume growth throughout the year. Our logistics segment also exhibited outstanding growth driven by enhanced volumes and the optimum utilization of warehouse capacity, including the addition of substantial new warehouse capacity in 2023.

In line with healthy improvement in profitability in other segments, the water solutions segment has also seen a considerable increase in net profit on a year-on-year basis along with an improved gross margin of 48.3% in 2023 compared to 37.5% last year. Additionally, our portfolio companies have showcased robust resilience and stellar capacity for generating growth, as evident from their spectacular performance during the year.

We have made significant progress in implementing our 5-year strategy, both in terms of organic growth and through mergers and acquisitions.

During the year we completed two M&A transactions and are negotiating further deals that we expect to complete in 2024. We also completed the purchase of (264,502) treasury shares. In November 2023, we secured a 22-year concession to develop and operate the Patenga container terminal in Bangladesh. This concession marks a pivotal change in RSGT's overarching strategy to expand its presence in the global ports sector, elevating it to a multi-port operator. Furthermore, we acquired LogX through our portfolio company Elite, the UAE’s leading temperature-controlled logistics company, for a total purchase price of SAR 24 million, marking a significant milestone for Elite as it strengthens its position in the market and expands its service offering.

As part of our organic growth strategy, our portfolio companies have collectively invested SAR 672.3 million towards expansion initiatives across the group.

Looking ahead, we will continue to prioritize the expansion of SISCO’s geographic footprint, as well as its presence in the core segments of ports and logistics. We see an evolving market and significant potential earnings opportunities in these areas, which align with our commitment to maintaining strong momentum in 2024. “

Outlook and Strategy

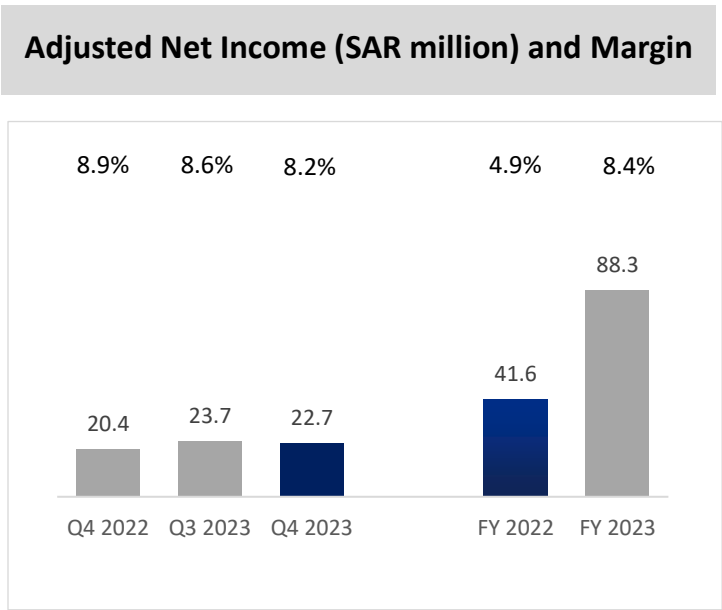
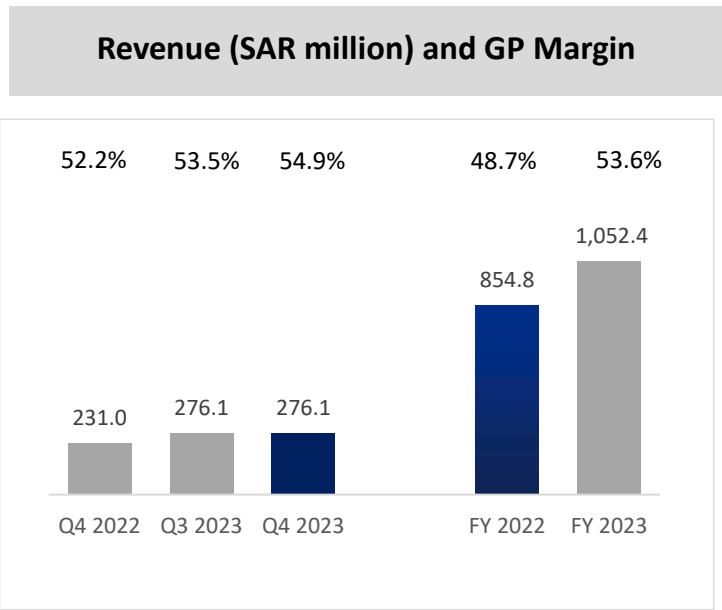


SISCO Holding has achieved significant progress in the delivery of its (26X6) five-year strategy, and It has reached the halfway point of the period scheduled for implementing the strategy announced late 2021 to drive long-term value creation for its shareholders, with a target to double revenue to SAR 2 billion and increase AUMs to SAR 6 billion by 2026. We have been able to achieve positive progress in this regard in terms of organic growth or growth through mergers and acquisitions.

RSGT continued the expansion of the North Container Terminal and invested over SAR 500 million to increase its capacity to 6.2 million TEUs.

Furthermore, our portfolio company LogiPoint continued the expansion of its warehouse capacity by adding 45,000 sqms during the year with 21,000 sq. m warehouse becoming fully operational on 1 April , and a further 25,000 sq. m warehouse being completed in September 2023. These developments are part of our ongoing strategy to expand LogiPoint’s capacity to an impressive 130,000 sq. m by 2024.

Income Statement Summary SAR million





EARNINGS RELEASE: Q4 & Full Year

March 2024

Q4FY23 Financials Summary

<i>SAR million</i>	Q3' 23	Q4' 23	Var. %	Q4' 22	Q4' 23	Var. %
Revenue*	276.2	276.1	0.0	230.9	276.1	19.6%
Direct costs*	(128.5)	(150.6)	17.2%	(110.4)	(150.6)	36.4%
Gross profit	147.7	125.5	-15.0%	120.5	125.5	4.1%
Operating expenses	(50.7)	(68.7)	35.5%	(50.0)	(68.7)	37.4%
Operating profit	97.0	56.8	-41.4%	70.5	56.8	-19.4%
Investment income	7.6	5.2	-31.6%	7.9	5.2	-34.2%
Finance charges	(64.2)	(60.7)	-5.5%	(56.1)	(60.7)	8.2%
Other income / expenses & Zakat	5.4	9.8	81.5%	9.3	9.8	5.4%
Group net income	45.8	11.1	-75.8%	31.6	11.1	-64.9%
Minority interest	(22.1)	(4.2)	-81.0%	(13.2)	(4.2)	-68.2%
Net income – reported	23.7	6.8	-71.3%	18.4	6.8	-63.0%
Net income – adjusted	23.7	22.7	-4.4%	20.4	22.7	10.9%

*Excludes construction revenue and cost

YE '23 Financials Summary

<i>SAR million</i>	YE 2022	YE 2023	Var. %
Revenue*	854.8	1,052.4	23.1%
Direct costs*	(438.6)	(514.3)	17.3%
Gross profit	416.2	538.1	29.3%
Operating expenses	(186.2)	(218.8)	17.5%
Operating profit	230.0	319.3	38.8%
Investment income	30.8	30.6	-0.6%
Finance charges	(213.6)	(243.8)	14.1
Other income / expenses & Zakat	8.4	23.0	173.8%
Group net income	55.5	129.0	132.4%
Minority interest	(18.8)	(57.8)	207.4%
Net income – reported	36.7	71.2	94.0%
Net income – adjusted	41.5	88.3	112.6%

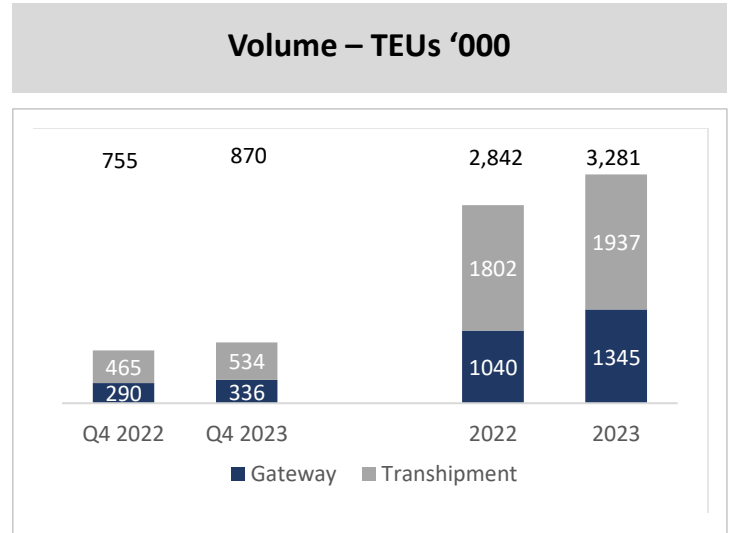
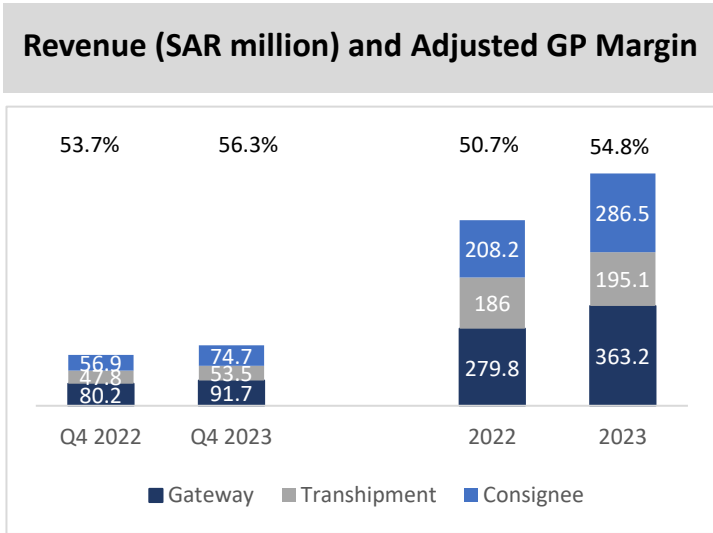
*Excludes construction revenue and cost

Operational Highlights

Ports & Terminals

Ports & terminals delivered robust performance with revenue increased 25.3% to SAR 844.8 million in 2023 compared to previous year. Q4 2023 revenue increased by 19% compared to the same period in the previous year. The growth in revenue is attributed to the strong volume growth during the year.

In 2023, gateway volumes improved by 29.3%, and transshipment volumes increased by 7.5% compared to 2022. For Q4FY22, gateway volumes improved by 15.8%, while transshipment volume increased by 14.6% compared to the same period last year.



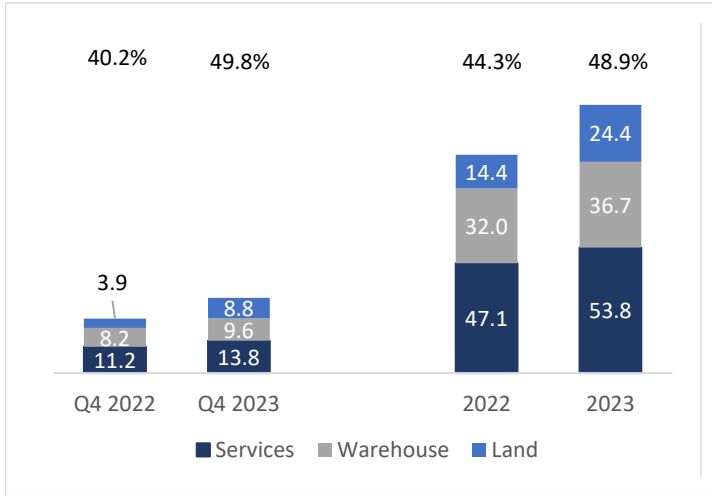
Logistics Parks & Services

The logistic segment revenue increase by 23.0% in 2023 as compared to the previous year. For Q4 2023, revenue significantly improved by 38.7% as compared to same period last year driven by healthy utilization of warehouse capacity as well addition of warehouse capacity during the year.

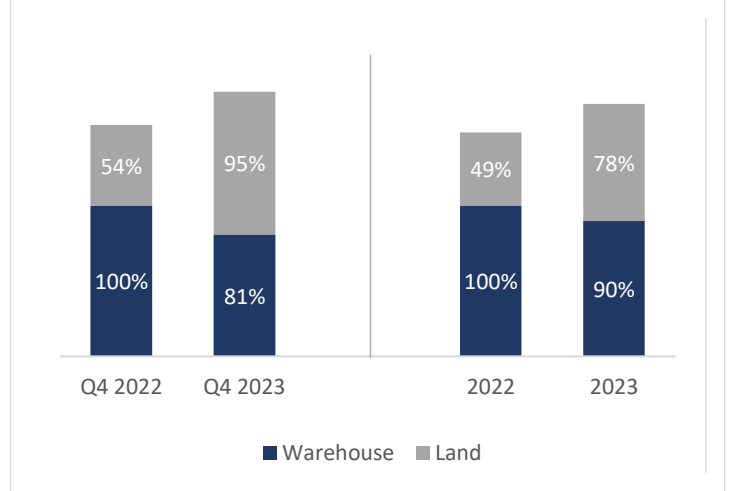
During the year, LogiPoint’s 21,000 sq. m warehouse became fully operational, and an additional 25,000 sq m warehouse was completed in the second half of the year. These developments are part of our ongoing strategy to expand our capacity to an impressive 130,000 sq. m by Q1FY24.

SA Talke reported revenues of SAR 309.0 million during FY23. SISCO Holding’s share of SA Talke’s net income was **SAR 22.1 million** higher than the last year.

Revenue (SAR million) and GP Margin



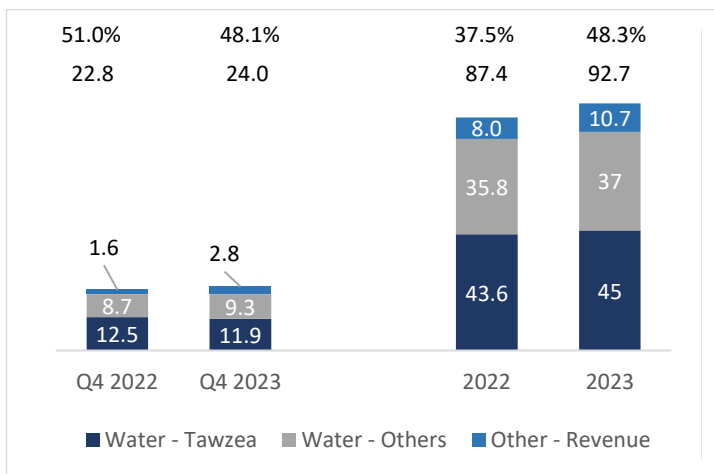
Occupancy (%)



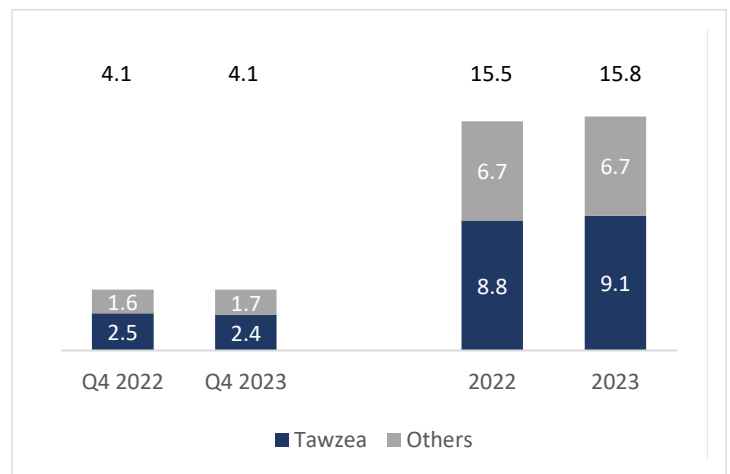
Water Solutions

The water segment's full-year revenue improved by 6.1% to 92.7 million. Despite the minimal increase in revenue, the GP margin has seen significant growth, rising from 37.5% to 48.3% in 2023. On a quarterly basis, revenue increased by 5.2% in Q4 2023 compared to the same period last year. In terms of volumes, yearly basis volume improved marginally by 2%, however, it remained flat in the fourth quarter compared to the same period last year. TAWEZA reported adjusted revenue to **SAR 423.6 million**. SISCO Holding's share in net income was more than **SAR 10.2 mn** for TAWEZA.

Revenue (SAR million) and GP Margin



Volume in Million (Cubic Meter)





Investor relations

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About SISCO

SISCO Holding is an investment company with a diversified portfolio of unique assets spanning infrastructure, ports and logistics and water solutions, building on the success of establishing unique companies that hold market leading positions, SISCO Holding was established in 1988, supported by a team of more than 3,000 employees and provides strategic support to portfolio companies with a clear and long-term investment philosophy to unlock available growth opportunities. The company has assets under management of over SAR four (4) billion through its eight (8) strategic portfolio companies.

Analyst Call and Earnings Presentation

SISCO Holding will be hosting an analyst call on the Company's fourth quarter 2023 results.

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>