

Sustainable Infrastructure Holding Company ("SISCO") Q2FY24 revenue (excluding accounting construction revenues) increases by 15.7% to SAR 302.5 million

- Q2FY4 revenue improved by 15.7.% compared to Q2FY23 predominantly driven by the Ports segment
- Q2FY24 gross profit of SAR 156.8 million, a 15.4% growth
- Adjusted EBITDA reported at SAR 181.2 million, a rise of 19.2%

Jeddah, Saudi Arabia, 04 August 2024: Sustainable Infrastructure Holding Company ("SISCO", "TADAWUL: 2190"), Saudi Arabia's leading strategic investor in Ports & Logistics and Water Solutions has announced its financial results for the quarter ended 30 June 2024.

Revenues for the second quarter of 2024, excluding accounting construction revenue, grew by 15.7% compared to Q2FY23 to reach SAR 302.5 million largely as a result of another strong performance from the Ports segment. On a quarter-to-quarter basis, revenues grew by 17.4% compared to Q1FY24, primarily driven by the Ports and Logistics segments. The H1 2024 revenue, excluding accounting construction revenue, grew by 12% compared to H1 2023, driven by a strong performance across all segments.

The second quarter gross profit of SAR 156.8 million represents a growth of 18% on a quarter-to-quarter basis, and 15.4% compared to Q2FY23, owing to robust revenue expansion. The gross profit margin for Q2FY24 was reported at 51.8%, which is broadly in line with Q2FY23, representing a strong performance across all segments. Gross profit for H1 2024 was SAR 289.6 million, marking a 9.3% rise from H1 2023. However, gross margins declined by 1.2% compared to same period last year due to increase in depreciation and other direct costs.

Reported loss of SAR 10.6 million in 1H 2024 is impacted by an exceptional net loss of SAR 59.2 million (SISCO Holding share of loss is SAR 29.6 million) in Tawzea, an equity accounted associate, due to one-off provision for additional costs in three EPC (engineering, procurement and construction) projects of SAR 68 million during Q1 2024 and, RSPDI pre-operating expenses of SAR 11 million.

The adjusted net income for the second quarter was reported at SAR 14.5 million. Compared to the same quarter last year, adjusted net income declined by SAR 7.9 million, representing a 35.2% decrease due to an increase in depreciation and finance charges. For the H1 2024 period, adjusted net income declined by 30.4% compared to H1 2023.

Q2FY24 Quarterly Performance Highlights:

- **Revenues** improved by 17.4% on a quarterly basis and 15.7% compared to Q2FY23. This growth was mainly driven by improvements in ports gateway volumes and in the logistics segment.
- **Gross profit** rose by 18% compared to Q1FY24, and 15.4% compared to the same period last year, primarily driven by an increase in revenue.
- **Adjusted EBITDA** rose to SAR 181.2 million marking a 19.2% increase from the same quarter in 2023, with an improved margin of 59.9%.
- **Adjusted Net income** of SAR 14.5 million, compared to SAR 22.4 million in Q1FY24.

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

"I am pleased to report that SISCO's performance for this quarter has improved across key performance and operational



PRESS RELEASE

04 August 2024

benchmarks compared to the same period last year, as well as Q1FY24. Building on the strong performance from 2023, SISCO has continued to drive growth and return on investment, most notably in the Ports segment.

Ports segment, which makes up the largest proportion of our revenue and boasts the highest gross profit margin among all segments, once again delivered robust results due to positive steps taken by the ports management team to mitigate the impact of the Red Sea crisis. Although total volumes were slightly lower in the second quarter compared to the same period last year due to the impact of the Red Sea crisis on transshipment volumes, revenue rose by 18.2% to SAR 248.2 million, driven predominantly by strong growth of gateway volumes.

The Logistics segment also demonstrated strong performance in the second quarter.

The Logistics segment also demonstrated strong performance in the second quarter. The expansion of our warehouse facilities have paid off, with that vertical witnessing a notable 12.4% increase in revenue during H1 2024. Our subsidiary Kindasa also saw a strong performance, achieving an improved gross profit margin of 48.0%, up from 47.3% in Q2FY23. This was largely due to an improved sales mix and pricing.

In addition, our associate company SA Talke had a strong quarter, with Tawzea signing a SAR 316 million contract with Neom for the next 24 months, commencing in Q4FY24.”

Outlook and (26X6) Strategy

During the quarter we have continued to deliver progress on SISCO’s five-year strategy (6x26), announced late 2021, aiming to drive long-term value creation for its shareholders and double revenues to SAR two billion by 2026.

Throughout H1 2024, we have continued to build on the strong performance in 2023, witnessing growth in revenue across all segments. Moving forward, we are committed to sustaining this strong momentum in the next quarter.

Our Ports and Logistics segment is well-positioned to take advantage of the positive trend in local imports, driven by our strategic capacity expansion initiatives. In addition, our portfolio companies have also reported strong performances and demonstrated their growth potential, evidenced by notable contracts within the Kingdom. Most recently, LogiPoint signed an MOU valued at over SAR 1 billion with Gulf Islamic Investments for a logistics platform providing Grade A warehousing solutions across the Kingdom. In parallel, LogiPoint will continue with the expansion of its service offering in Jeddah through the development of logistic parks and additional warehouse capacity outside the bonded zone.

During the quarter, Tawzea signed a contract with Neom, in conjunction with Lantania, to develop the Al-Badaa Water Recycling Plant. The contract, announced on July 16, is valued at SAR 316 million and will commence in Q4FY24, running for 24 months. This development represents a significant milestone for Tawzea. It enhances project diversity, boosts market share, expands its global partnerships, and strengthens Tawzea's presence within Neom. In addition, Tawzea signed another contract of SAR 33 million to provide SAR 1 million cubic meter for the Trujena dam with We Build SpA.

Our M&A efforts are advancing, and we are making substantial progress towards our five-year strategy objectives. Our team is working hard to develop the capabilities and seize the opportunities that align with our strategic goals.

Income Statement Summary

Adjusted Revenue	Gross Profit	EBITDA-Adjusted	Net Income – Adjusted
------------------	--------------	-----------------	-----------------------



PRESS RELEASE

04 August 2024

Q2-2024	SAR 302.5 m ↑15.7%	SAR 156.8 m ↑15.4%	SAR 181.2 m ↑19.2%	SAR 14.6 m ↓35.2%
---------	-----------------------	-----------------------	-----------------------	----------------------

Operational Highlights

Ports & Logistics

Ports

The revenues for Ports in Q2FY24 showcased a strong performance, reporting an increase of 18.2% from the same quarter last year. Most notably, operating profit saw a substantial rise of 31%, hitting SAR 100.0m compared to same quarter last year driven by improved margins due to strong gateway volumes which by 22.1% compared to Q2FY23.

Logistics Parks & Services

The Logistics segment revenues for Q2FY24 increased by 6.6% compared to the same quarter in 2023, being reported at SAR 30.7 million. Gross profit was reported at SAR 13.7 million, a 9.8% decrease compared to 2023.

Investment in warehouse expansion, which was completed in 2023 has paid off, resulting in a notable 48.8% increase in warehouse revenue to SAR 14 million in the current quarter compared to Q2FY23. Additionally, land revenue was reported at SAR 5.7 million, an increase of 17.6% compared to last year.

SA Talke reported revenues of SAR 152.0 million during H1 2024 compared to SAR 155 million last year. SISCO Holding's share of SA Talke's H1 2024 net income was **SAR 11.1 million**.

Water Solutions

Revenues in the consolidated water entity, Kindasa, increased by 3.8% compared to the same quarter in 2023, being reported at SAR 23.5 million, despite a decrease in overall volumes. Gross profit for the quarter was SAR 11.3 million, an increase of 5.4%, with an improved margin of 48.0% due to improvements in the sales mix and pricing.

Tawzea reported adjusted revenues of SAR 258.3 million during H1 2024 compared to SAR 187.4 million last year. SISCO Holding's share of Tawzea's H1 2024 adjusted net income was **SAR 8.1 million**.



PRESS RELEASE

04 August 2024

Investor Relations

Email: ir@sisco.com.sa / sisco@sapiencecomms.co.uk

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 1984, supported by a team of more than 4,000 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.

Disclaimer

This communication has been prepared by Saudi Industrial Services Company ("SISCO") and reflects the management's current expectations or strategy concerning future events that are subject to known and unknown risks and uncertainties. Some of the statements in this communication constitute "forward-looking statements" that do not directly or exclusively relate to historical facts. These forward-looking statements reflect SISCO's current intentions, plan, expectations, assumptions, and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside SISCO's control.

Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks. SISCO undertakes no obligation to revise any such forward-looking statements to reflect any changes to its expectations or any change in circumstances, events, strategy or plans. Because actual results could differ materially from SISCO's current intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained in this presentation with due care and caution and seek independent advice when evaluating investment decisions concerning SISCO.

No representation or warranty, express or implied, is made or given by or on behalf of SISCO or any of its respective members, directors, officers or employees or any other person as to the accuracy, completeness or fairness of the information or opinions contained in or discussed in this communication. This communication does not constitute an offer or invitation to purchase any shares or other securities in the Company and neither it nor any part of it shall form the basis of, or be relied upon in connection with, any contact or commitment whatsoever.