



سيسكو
SISCO
الشركة السعودية للخدمات الصناعية
Saudi Industrial Services Company

SAUDI INDUSTRIAL SERVICES COMPANY

1H21 Earnings Presentation

Wednesday, 18 August 2021

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Ports & Terminals | Logistics Parks & Services | Water Solutions

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Highlights 1H21

Financial highlights



Strong year-on-year revenue growth of 13.4% for Q2 and 30.1% for 1H (excluding accounting construction revenue)



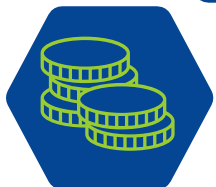
Gross profit increased 6.6% from Q2 2020 although **gross margins** declined by 3.3% during the period



Adjusted Net income of SAR 22.5m increased 104.8%



Adjusted **EBITDA** at SAR 279.1m, **increasing** 62.6% vs Q2 2020



Adjusted earnings per share stood at **SAR 0.28** for Q2 2021, compared to SAR 0.13 in Q2 2020

Operating highlights

Strong **operating performance** across all segments

Healthy **growth in transshipment volumes** and **logistics** and **warehousing** services

Positive growth in **Jeddah Islamic Port**, **12% throughput** increase y-o-y

Gateway volumes under pressure across the Kingdom

Gradual improvement for **water solutions**

Strategic sale of 21.2% equity stake in RSGT to PIF and COSCO

Details

Bitcoin / U.S. Dollar

9203.20 19.74 (0.2)

9203.32x0.04128944

9209.47x0.01

BTCUSD - 9203.20

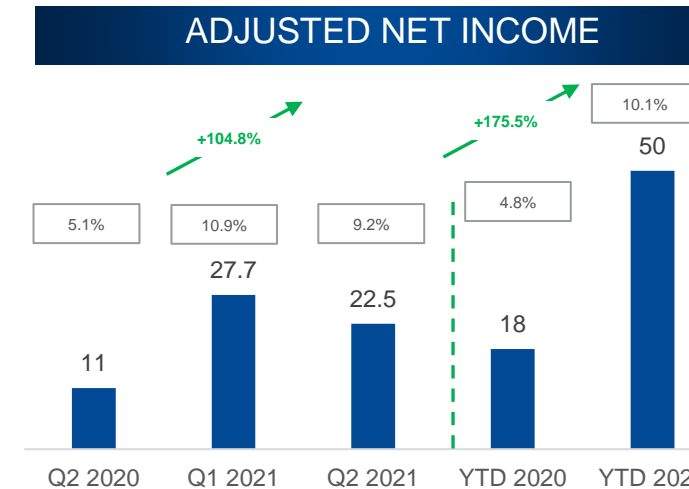
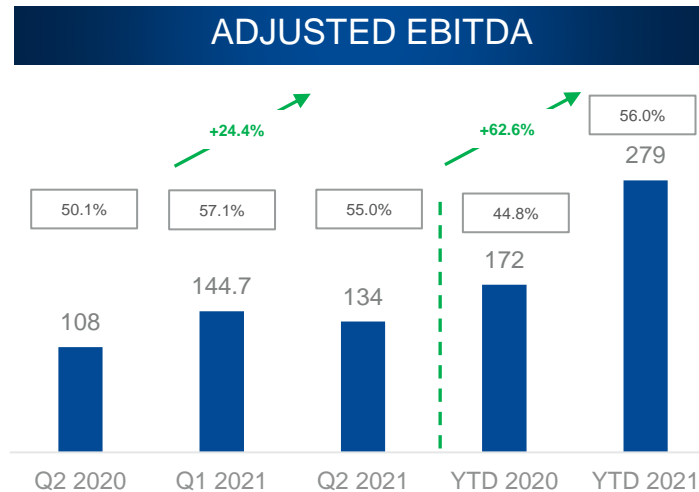
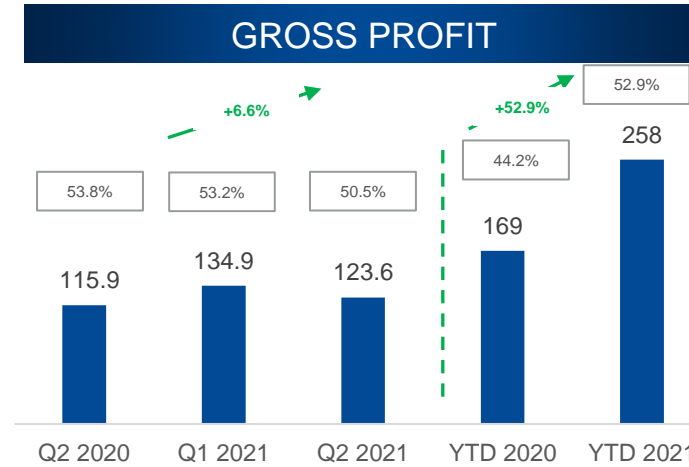
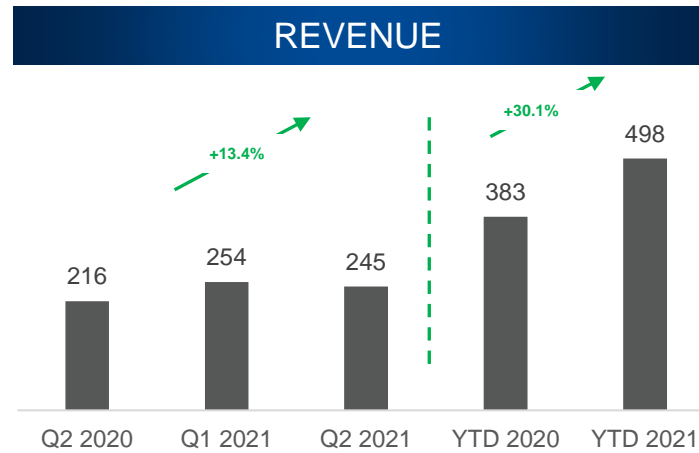
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SELL

PERFORMANCE REVIEW

Income statement highlights

SAR millions (adjusted: excludes accounting construction revenue)

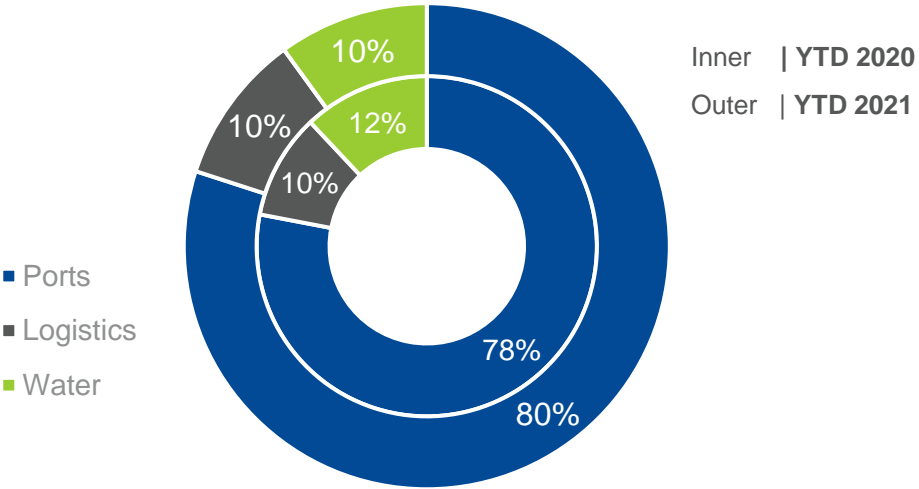


* 2021 Revenue excludes the construction revenue (notional revenue)

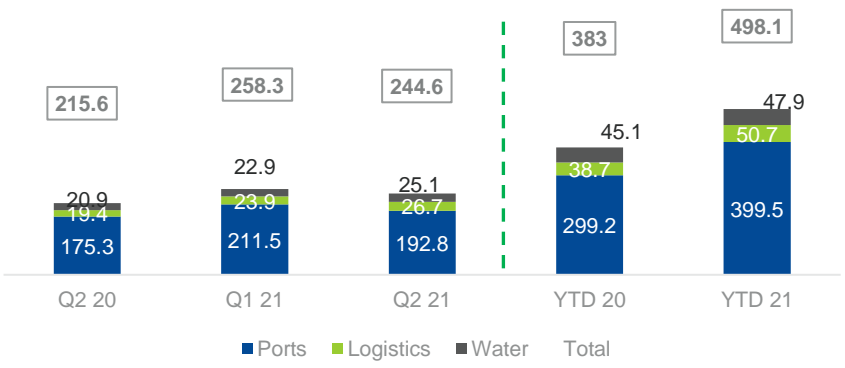
**Adjusted EBITDA and adjusted net income exclude one off reversal of provision for asset replacement costs of SAR 45.6 million

Revenue and gross profit composition

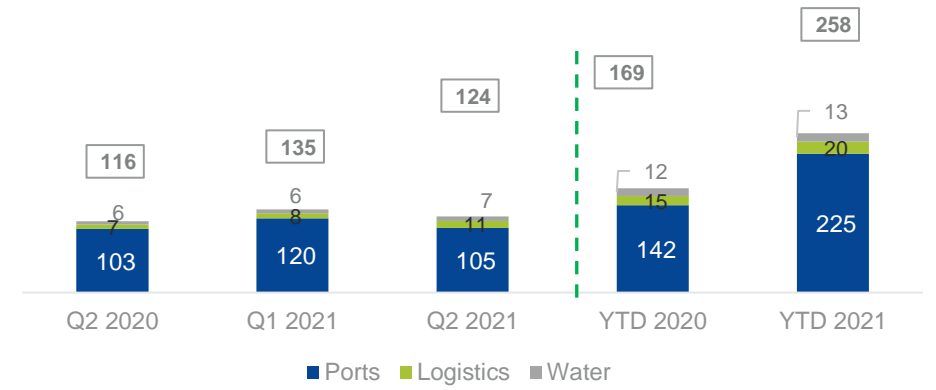
SAR millions



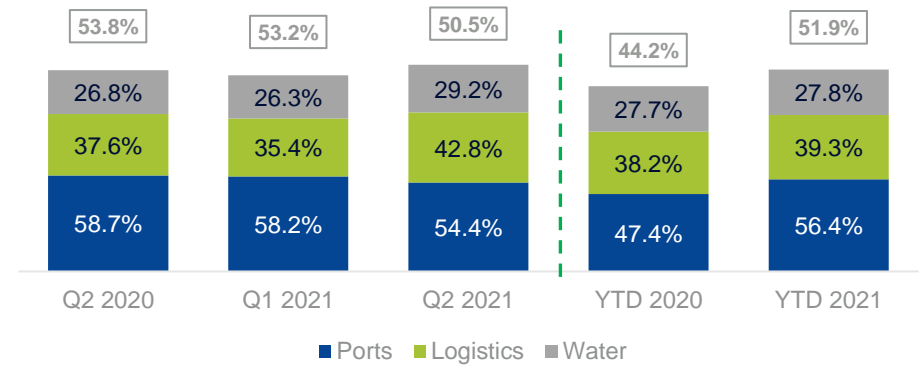
GROUP REVENUES



Gross Profit



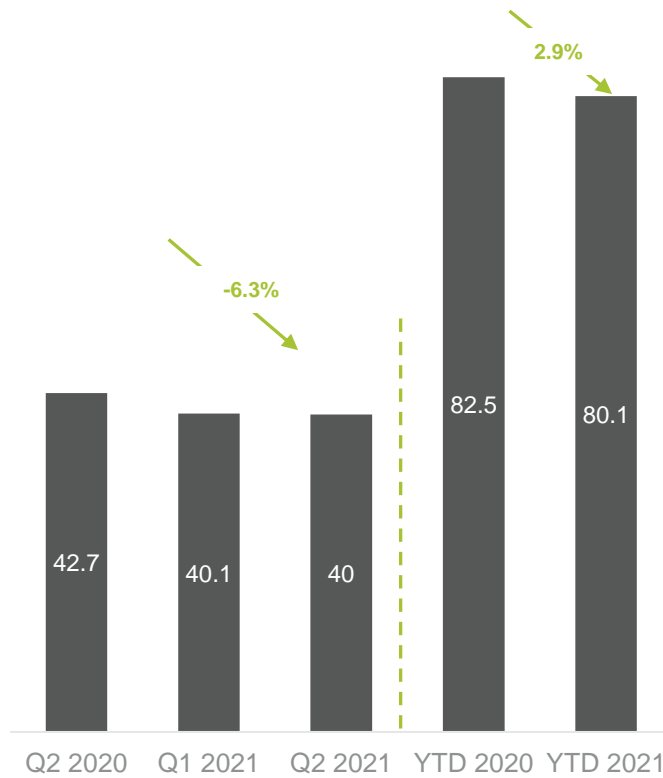
Gross Margin



Opex and investment income

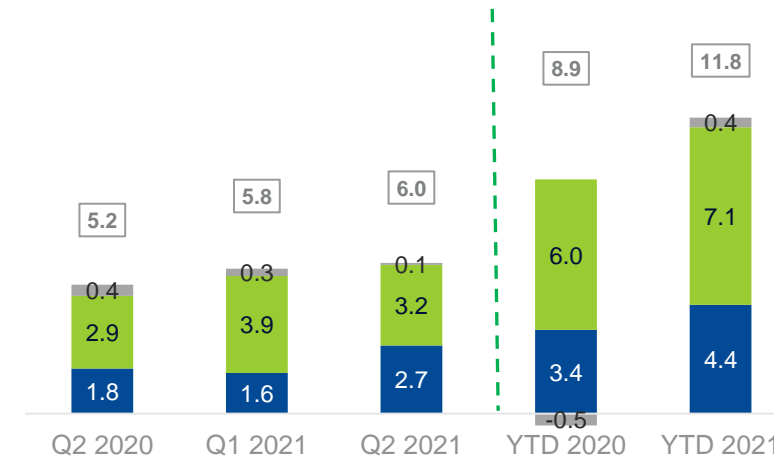
SAR millions

OPEX



INVESTMENT INCOME

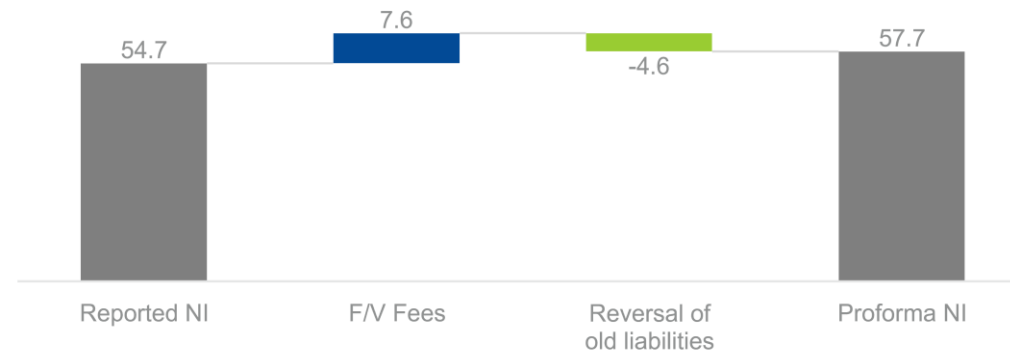
■ Tawzea ■ SA Talke ■ Others



Net income and proforma net income bridge

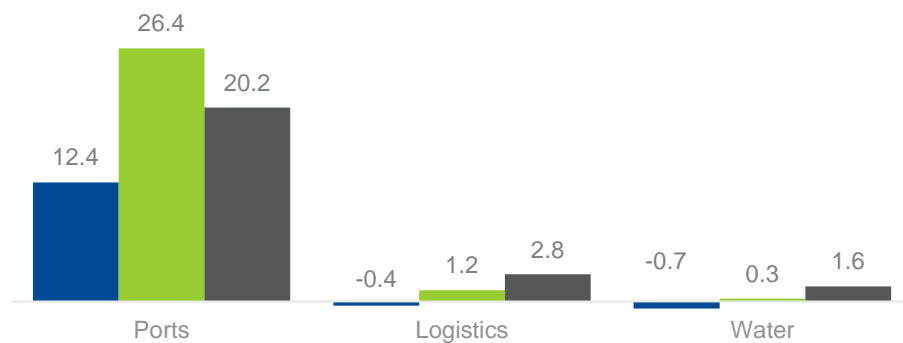
SAR millions

Proforma Net Income Bridge YTD 2021



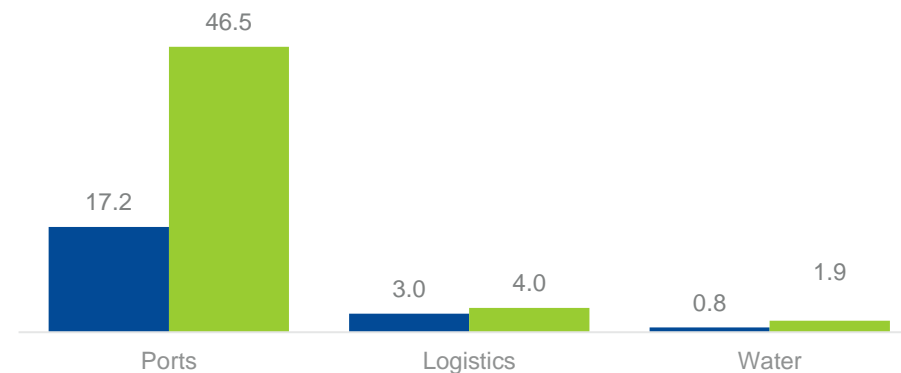
Adjusted Net Income - Quarterly

■ Q2 2020 ■ Q1 2021 ■ Q2 2021



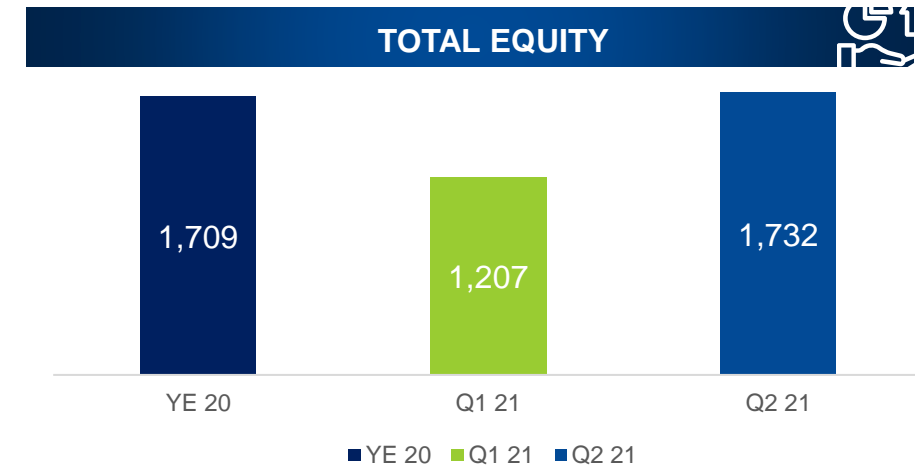
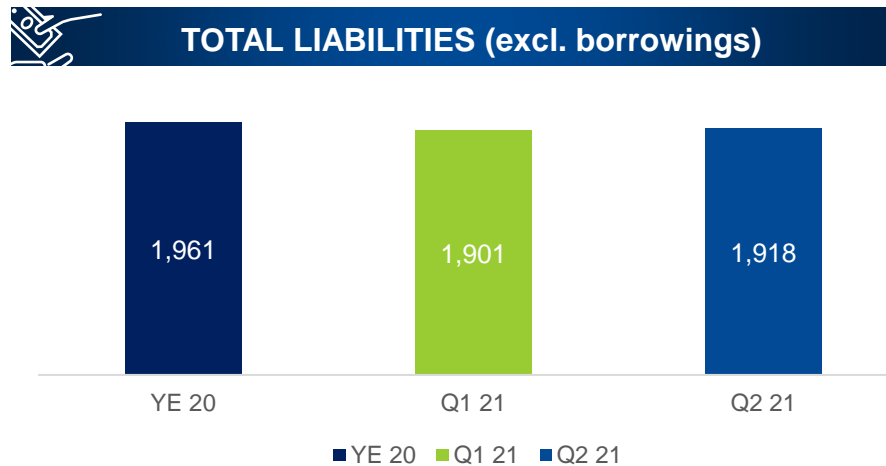
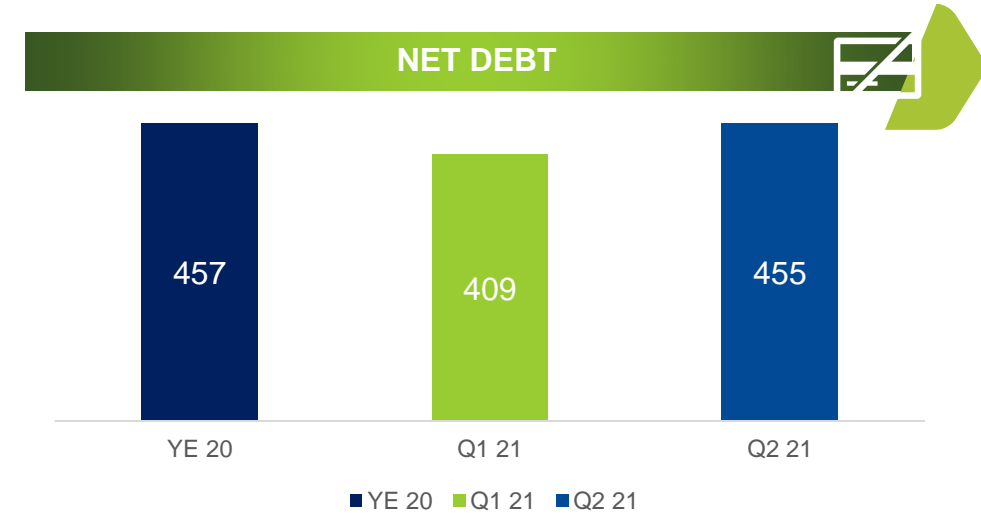
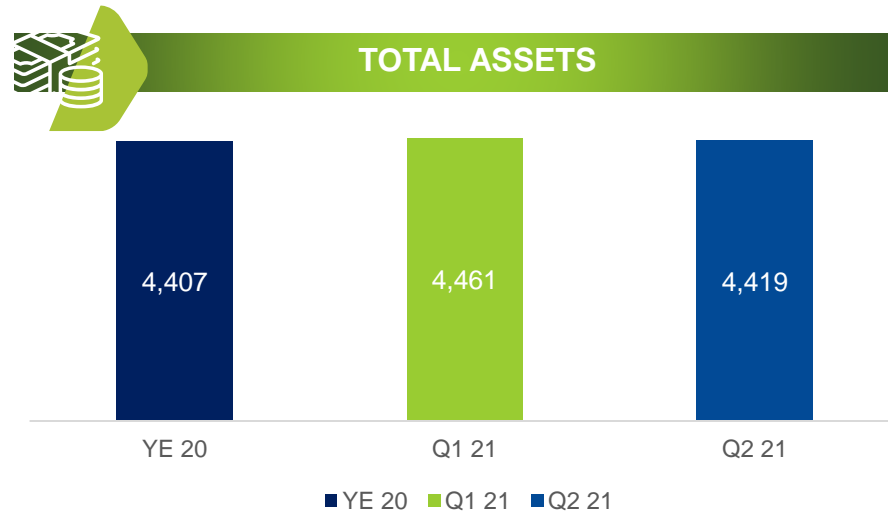
Adjusted Net Income - YTD

■ YTD 2020 ■ YTD 2021



Balance sheet highlights

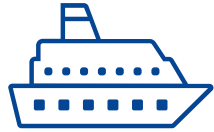
SAR millions





SEGMENTAL REVIEW

Ports & terminals| Snapshot



286 thousand TEUs
Gateway volume

↓ -8.8% vs Q2 20
↓ -8.3% vs Q1 21

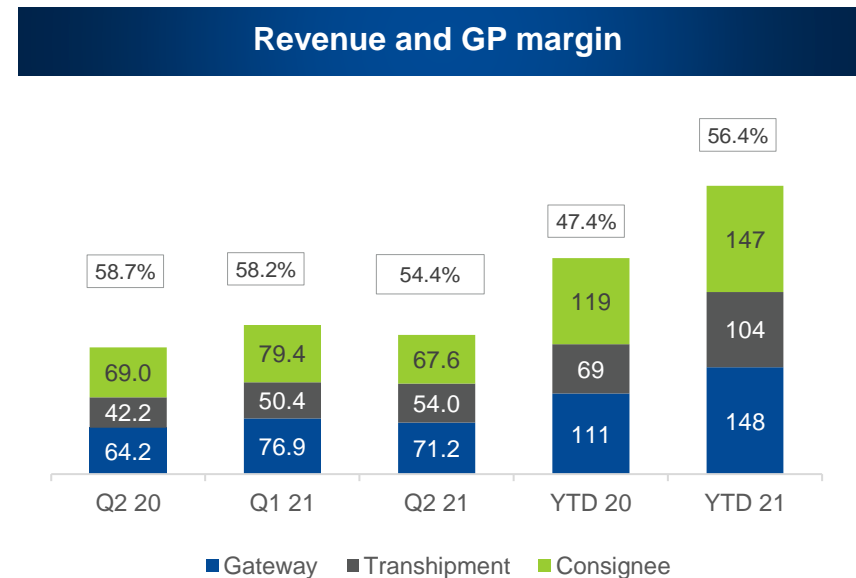
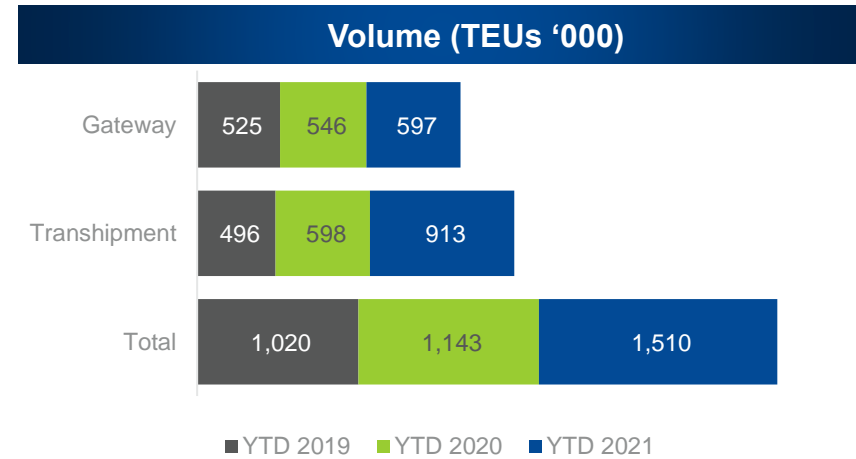
465 thousand TEUs
Transshipment volume

↑ +24.9% vs Q2 20
↑ +4.1% vs Q4 21

751 thousand TEUs
Total volume

↑ +9.5% vs Q2 20
↑ -0.1% vs Q4 21

- YTD volume increased, with strong transshipment volume
- Gateway volume under pressure



In focus: RSGT divestment

Deal overview

- PIF and COSCO acquire 21.2% of SISCO's direct equity stake in RSGT
- Total gross proceeds of **SAR 556.5m**
- Implied enterprise value: **SAR 3.3bn**
- **Effective shareholding** reduced from **60.6% to 36.36%**

Strategic advantages



A major customer and an important international player. A commercial risk hedge with the added benefit of international expertise, best practice and industry know-how.

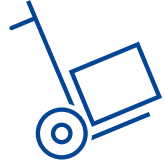


Partnership supports status and ambition as a 'national champion'. Significant cross-synergies provided by PIF's unrivalled local and international investment portfolio.

Impact of RSGT transaction

- Transaction treated as non adjusting event
- Impact to be reflected in Q3 2021 financial statements
 - No gain recognized in the income statement
 - Recorded in equity in the consolidated financial statements
- SISCO's share of Group Net Income will reduce by 24.24% in Q3 2021 financial statements

Logistics, Parks & Services | Snapshot



53%
Open yard
occupancy



+13% vs Q2 20
+0% vs Q1 21

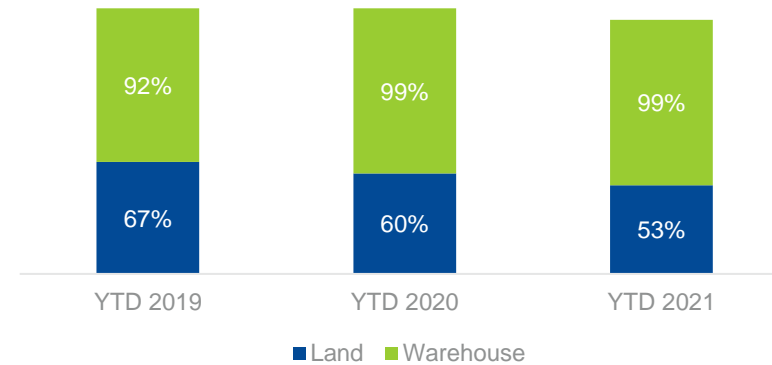
99%
Warehousing
occupancy



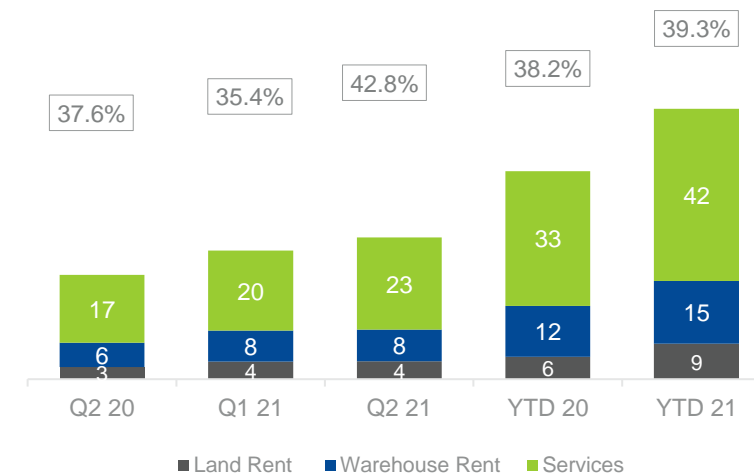
+4% vs Q2 20
+0% vs Q1 21

- Top line growth continued despite challenging market conditions
- Warehouse occupancy at 99%, demand continues to increase
- Additional warehouses under construction

Occupancy



Revenue and GP margin



Water Solutions | Snapshot



353.8 thousand m³
Rabigh volume

↑ +51.5% vs Q2 20
+26% vs Q1 21

4.0 m m³
Kindasa volume

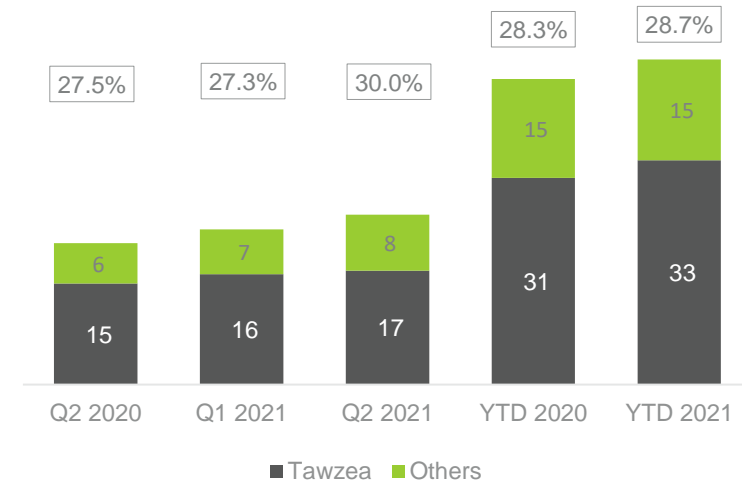
↑ +10.4% vs Q2 20
+4.2% vs Q1 21

4.4 m m³
Total volume

↑ +12.9% vs Q2 20
+5.7% vs Q1 21

- New customers secured in 1H 2021
- Water segment remains under pressure

Revenue and GP margin



Q&A

APPENDIX

Income statement

All amounts are in SAR Millions

	Q2 '20	Q2' 21	YTD 20	YTD 21	Variance YTD 20 Vs YTD 21	
Revenue*	215.6	244.5	382.9	498.1	115.2	30.1%
Direct Costs*	(99.7)	(120.9)	(213.8)	(239.7)	(25.9)	12.1%
Gross Profit	115.9	123.6	169.1	258.4	89.3	52.8%
Operating expenses	(42.8)	(40.0)	(82.5)	(80.0)	2.5	-3.0%
Operating Profit	73.1	83.6	86.6	178.4	91.8	106.0%
Investment Income	5.2	6.0	8.9	11.8	2.9	32.6%
Finance Cost on Bank Debt	(9.3)	(8.0)	(20.8)	(16.6)	4.2	-20.2%
Finance Cost on F/V fee	(42.1)	(42.1)	(42.1)	(84.2)	(42.1)	100.0%
Finance / Other Income	72.3	0.8	111.0	6.5	(104.5)	-94.1%
Zakat	(6.4)	(3.2)	(8.7)	(9.2)	(0.5)	5.7%
Group Net Income	92.8	37.1	134.9	86.7	(48.2)	-35.7%
Minority Interest	(36.3)	(14.6)	(51.8)	(32.0)	19.8	-38.2%
Net Income	56.5	22.5	83.1	54.7	(28.4)	-34.2%

*Excludes construction revenue and cost

Net Income Adjustments

All amounts are in SAR Millions

	Q2 20	Q1 21	Q2 21	YTD 20	YTD 21
Reported Net Income	56.5	32.3	22.5	83.2	54.7
IFRS 9 Loan Modification Gain	-	-	-	(31.9)	-
Reversal of ARO provision	(75.2)	-	-	(75.2)	-
Reversal of Old Liabilities	-	(4.6)	-	-	(4.6)
Total Adjustments on Group NP	(75.2)	(4.6)	-	(107.1)	(4.6)
Impact on SISCO NP	(45.5)	(4.6)		(64.9)	(4.6)
Adjusted Net Income	11.0	27.7	22.5	18.3	50.1

Cash flow statement

All amounts are in SAR Millions

	YTD 2020	YE 2020	YTD 2021
Operating cash flow before working capital	167.9	458.0	274.5
Net working capital movement	(6.8)	(59.0)	(137.9)
Cash generated from operating activities	161.1	399.0	135.6
Finance charges, Zakat & income tax, EOSB	(19.8)	(39.1)	(19.0)
Net cash flow from operating activities	141.3	355.9	116.6
Net cash used in Investing activities	(75.3)	(194.7)	(35.2)
Net cash used in financing activities	(116.4)	(119.8)	(49.0)
Net decrease in cash and bank balances	(50.4)	41.4	31.4
Cash at the beginning of the period	295.1	295.1	336.5
Cash at the end of the period	244.6	336.5	367.9

Balance sheet

SAR '000	YE 2020	YTD 2021
Fixed Assets	3,742,928	3,693,414
Investments	160,672	171,516
Deferred Tax	2,402	2,402
Current Assets	501,152	551,929
Total Assets	4,407,154	4,419,260
Borrowings	736,333	769,166
Long Term Liabilities	1,504,194	1,506,317
Current Liabilities (excl. borrowings)	457,050	411,391
Total Liabilities	2,697,576	2,686,874
Equity	1,709,577	1,732,386
Total Equity & Liabilities	4,407,154	4,419,260

THANK YOU



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