



سيسكو القابضة
SISCO HOLDING

SUSTAINABLE INFRASTRUCTURE HOLDING COMPANY

Q2FY24 EARNING PRESENTATION

13 August 2024

sisco.com.sa

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STRATEGY IMPLEMENTATION PROGRESS



6X26 Strategy Implementation Key Updates

Port



1. Fortify national championship ✓
2. Diversify into supporting activities/integrated offerings (WIP)
3. Expand internationally ✓

Logistics

3 PL

1. General 3PL (GDI) ✓ 
2. Specialized 3PL (Acquisition under process) ✓
3. SA Talke (Petchem) ✓ 
4. Pharma, Cold Chain etc. (3PL acquisition) ✓



1. Build on the BRZ and Logistics Parks model (Expand footprint and services) ✓
2. Expand outside bonded zone and in Riyadh



1. Improve efficiencies and invest in Full Potential in core and adjacent activities ✓



1. Improve efficiencies and invest in Full Potential in core and adjacent activities ✓

Water

RSGT Bangladesh commenced operations in June 2024

- Additional concessions being pursued in East and West Africa

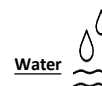
Approval of \$ 1.69 M of additional funding

- Evaluating acquisitions to complement Elite



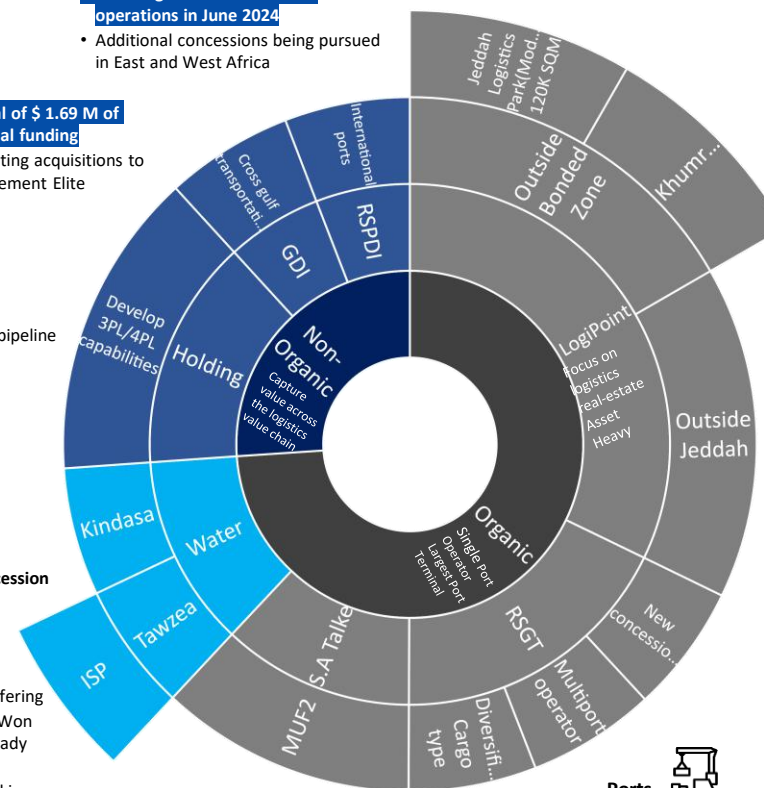
3PL acquisition

- Reviewing strong pipeline of deals



- New 10 year concession until 2032

- Integrated Service Offering
- Scale up businesses. Won 4/6 ISTP projects already (Taif)
- 2 new projects signed in 1H24 in Neom (Lantania and Trujena dam)



- Commenced development of new facilities

Logistics

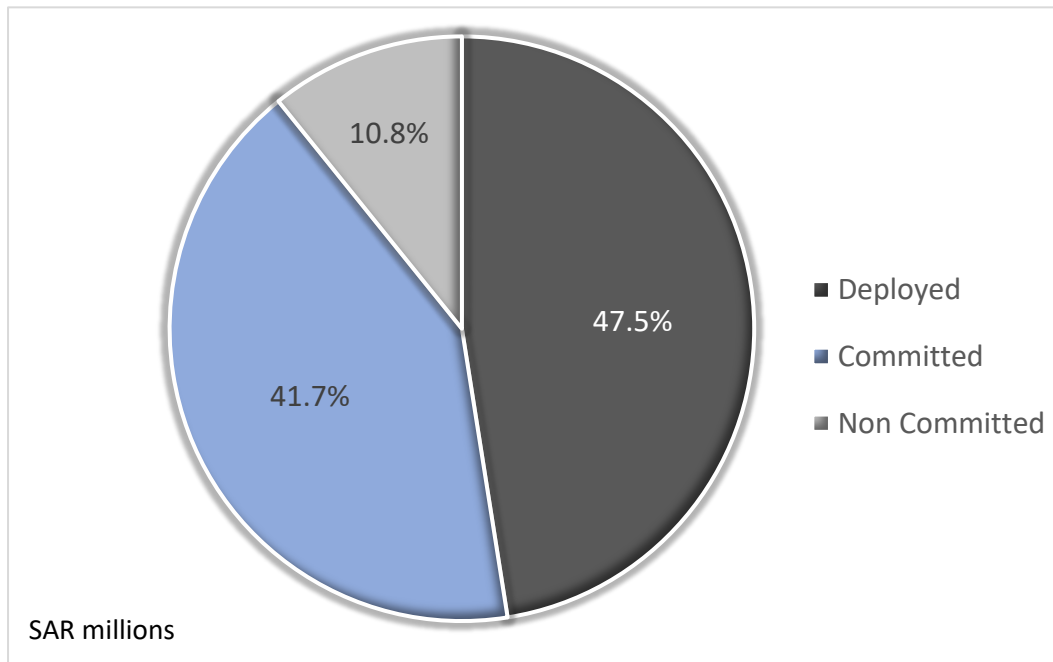
- Increased bonded zone warehouse capacity to 120k m2
- Work has commenced on Khumra Logistics Park and MODON Logistics Hub
- 25k UWC warehouse will be handed over during Q3 2024
- GII JV to explore expansion in Riyadh
- LME approves Jeddah Islamic Port as a delivery point



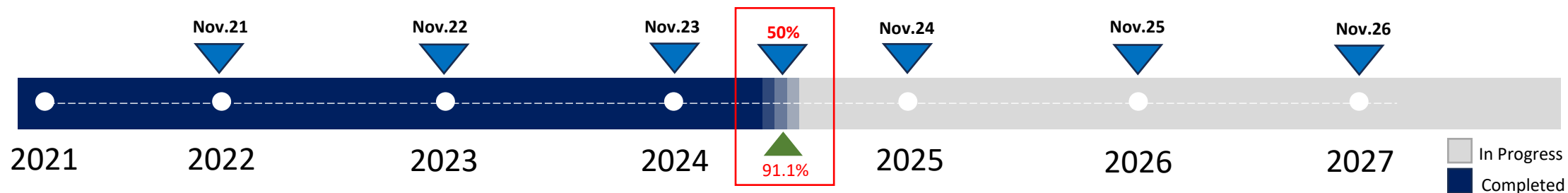
Considering creating a SPV for other Red Sea port Concessions

- Fortify national championship
- Diversify into supporting activities/integrated offerings
- Capacity increased to 6.2 million TEU

DRY POWDER CAPITAL ALLOCATION



Allocation	Commitment
Dividends	85.0
Share Buyback	6.2
RSPDI	116.0
GDI Acquisition & Additional capital	100.0**
Potential New Acquisition	187.0
Total committed	494.2
Not yet committed	47.8
Total	542.0
% committed	91.1%



** Out of the total GDI commitment, SAR 61.6m has already been deployed

• Percentages are indicative only and may change from time to time at the SISCOs discussion and as business needs progress.

A grayscale photograph of a business meeting. Several people in white shirts and ties are seated around a table, looking at and pointing to various financial documents, charts, and graphs. A laptop is visible on the left, and a calculator is on the table. The scene is dimly lit, with a dark overlay.

FINANCIAL HIGHLIGHTS

Financial highlights

Revenue*

SAR 302.5 m ↑ 15.7%
Q2 2023: SAR 261.4 m

Gross Profit

SAR 156.8 m ↑ 15.4%
Q2 2023: SAR 135.8 m

EBITDA - Adjusted

SAR 181.2 m ↑ 19.2%
Q2 2023: SAR 152.0 m

Net Income - Adjusted

SAR 14.5 m ↓ -35.2%
Q2 2023: SAR 22.4 m

Operating highlights



Ports and Terminals segment delivered robust performance driven by improved gateway volumes and margins compared to the same quarter in 2023.



Logistics Parks and Services revenues increased with strong margins driven by service and warehouse revenue, with the later experiencing an increase of 48.8% compared to Q1FY23.



Revenues of the **Water segment** saw a minimal increase compared to last year same quarter. The Gross margins improved slightly from 47.3% in Q2 2023 to 48.0% in Q2 2024.



LogiPoint entered a SAR 1bn joint venture with Gulf Islamic Investments for warehousing solutions. **Tawzea** secured a SAR 316m contract to develop the Al-Badaa Water Recycling Plant, and a SAR 33m contract to provide 1m cubic meter for the Trojena dam with We Build SpA.



M&A
We are currently in advanced negotiations with selected international ports and have developed a substantial project pipeline.

*Excluding accounting construction revenue

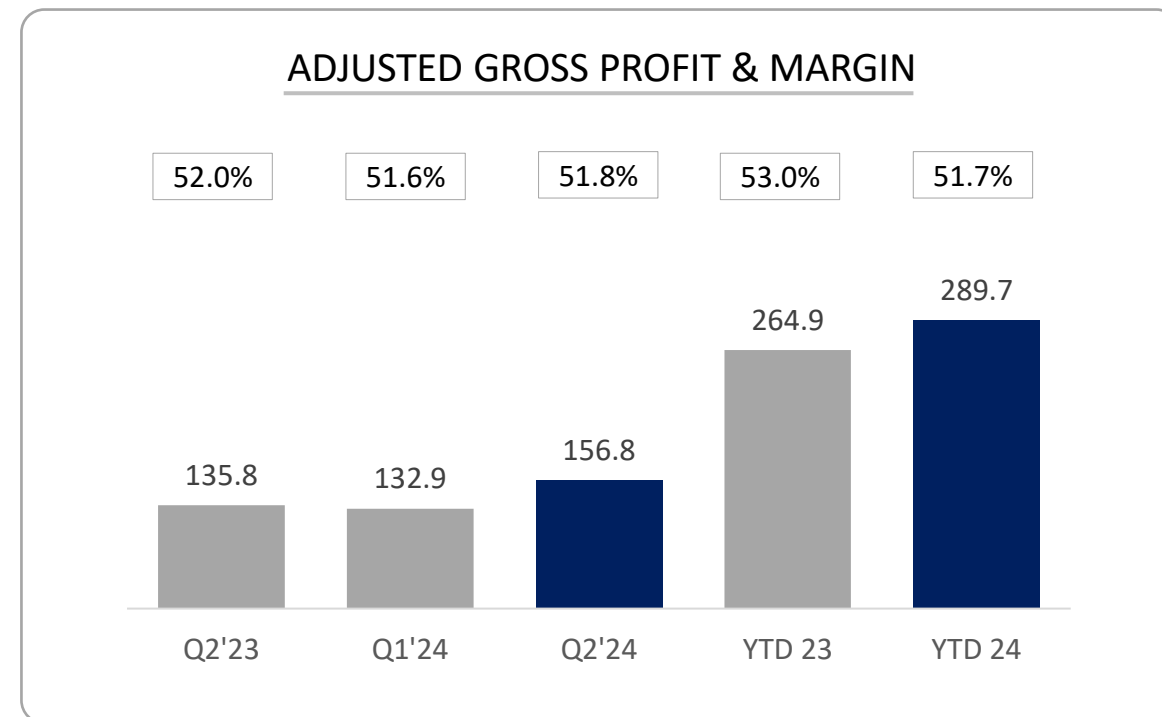
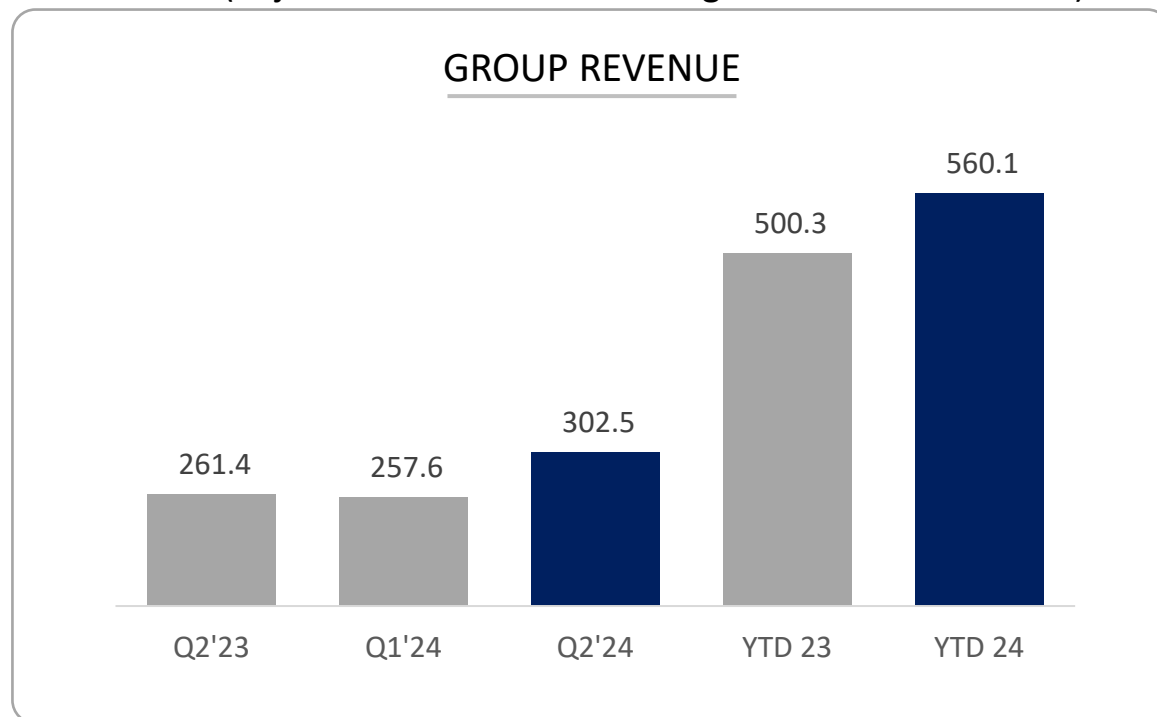
A hand holding a smartphone over a document with various data charts overlaid. The background is a dark, semi-transparent overlay of a hand holding a smartphone over a document. The document has several data visualizations: a bar chart on the left, a line graph in the center, and a grid of squares at the bottom left. The text 'FINANCIAL PERFORMANCE' is prominently displayed in the center. The overall aesthetic is professional and data-driven.

FINANCIAL PERFORMANCE

CONNECTION
ANALYSIS
DATA
SEARCHING

Income Statement Highlights

SAR millions (adjusted: excludes accounting construction revenue)

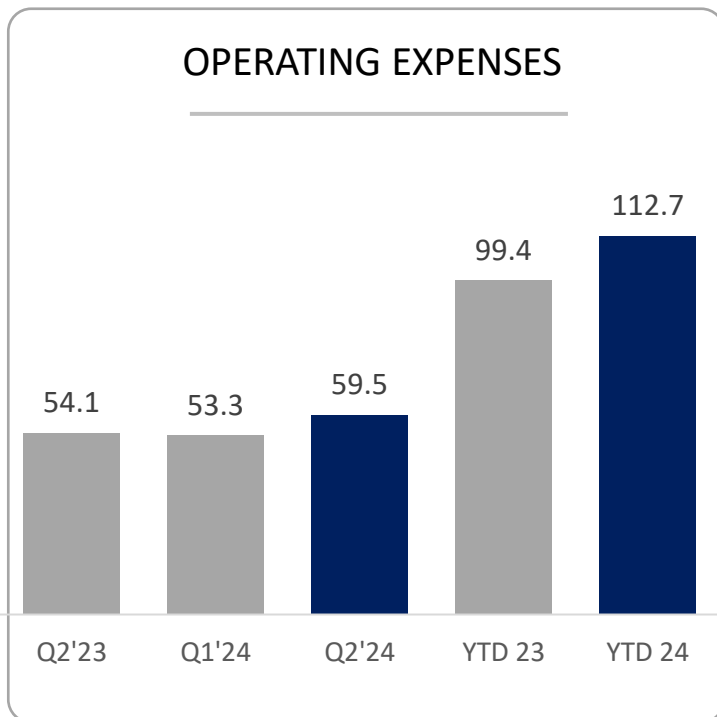


- **Q2'24 Group revenue** improved compared to last year by 15.7% mainly driven by Ports segment, and 12.0% YTD.
- **Q2'24 Gross profit improved** by 15.4% as compared to same quarter previous year, and 9.3% YTD.
- **Q2'24 gross margin** declined marginally compared to same quarter last year and YTD, primarily due to depreciation and other direct costs.

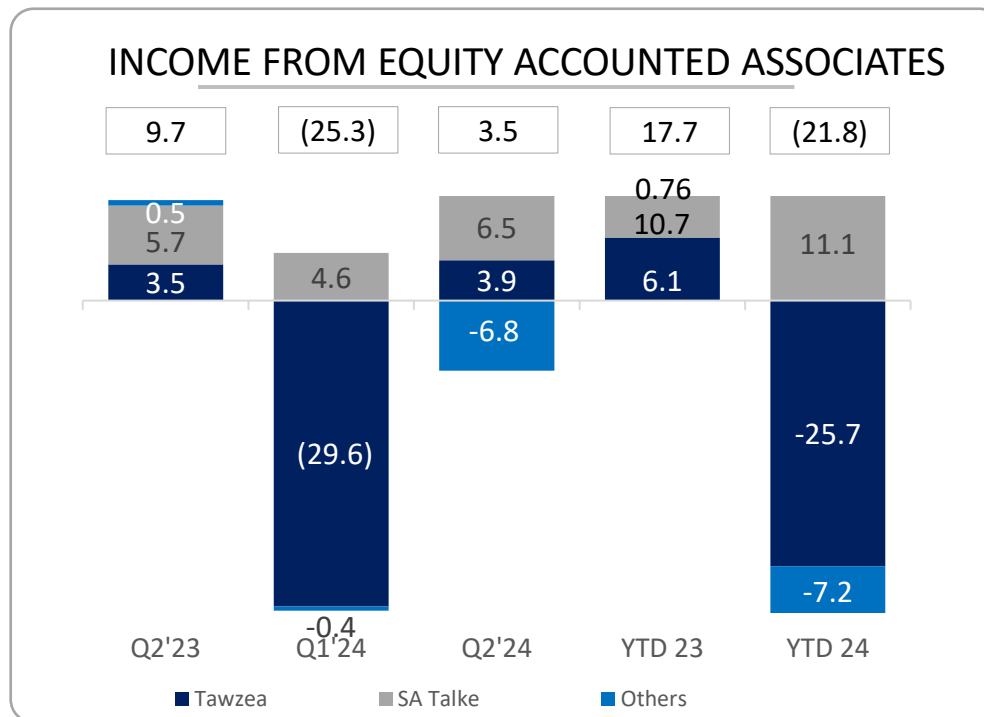
OPEX And Investment Income

SAR millions

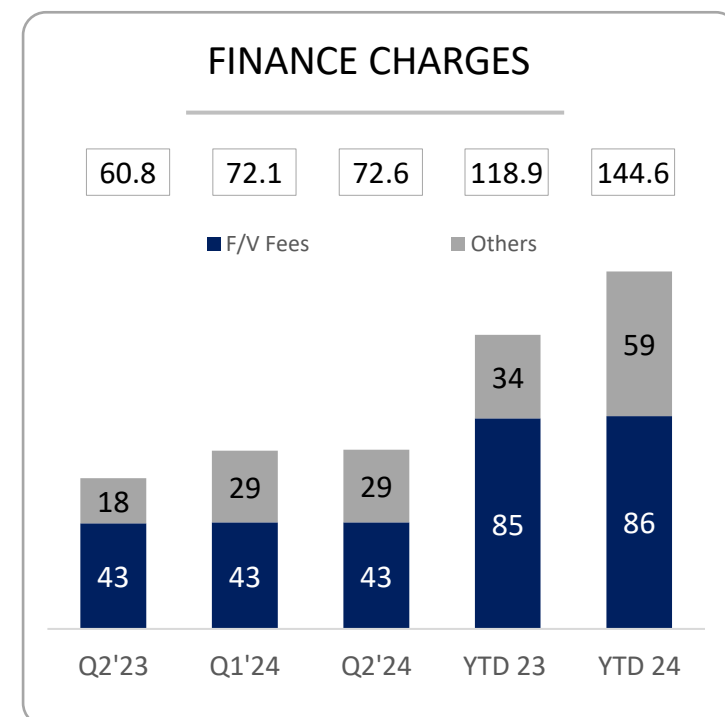
OPERATING EXPENSES



INCOME FROM EQUITY ACCOUNTED ASSOCIATES



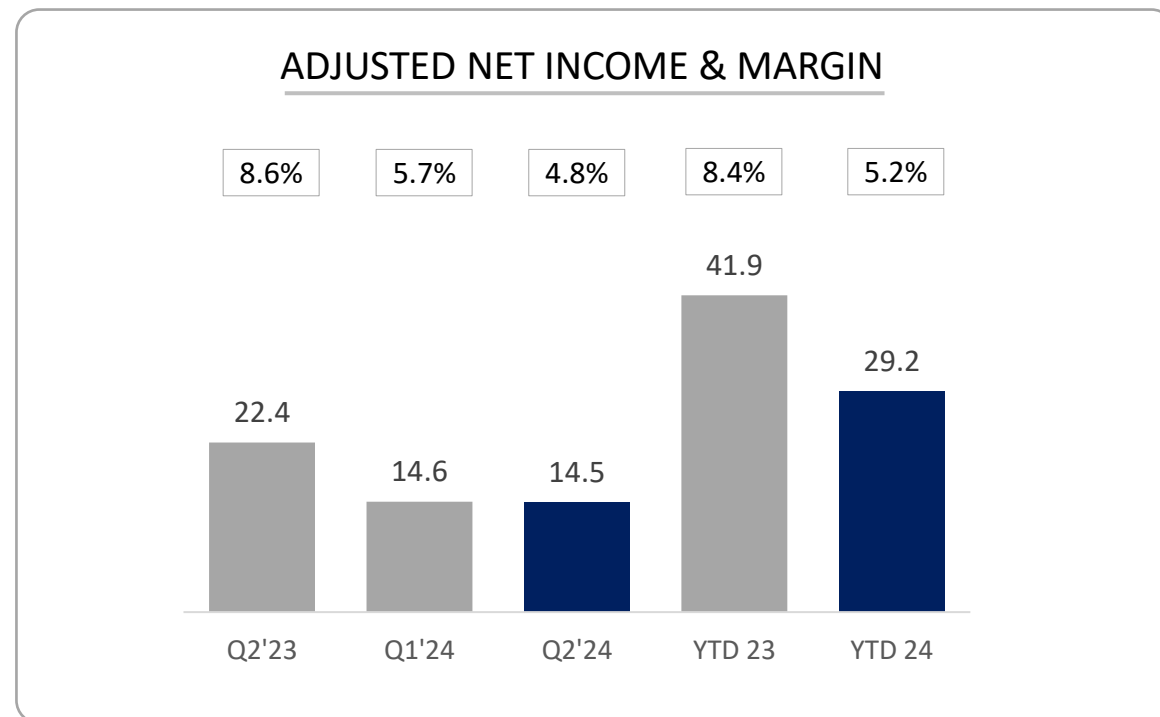
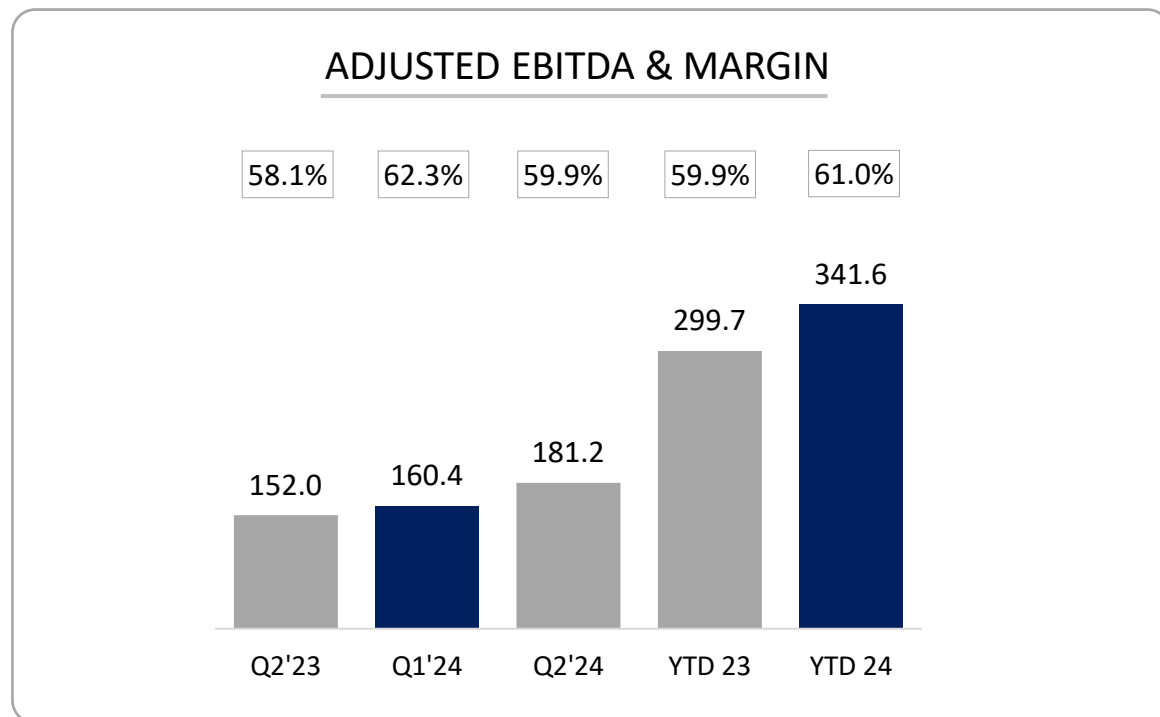
FINANCE CHARGES



- **Q2'24 operating expenses increased** by SAR 5.3 million compared to Q2'23, and rose 13.4% YTD, due to increase in KSA ports segment operating costs and pre-operating expenses in international ports business.
- **Q2'24 finance charges** have increased by 19.3% due to increase in drawdown and SAIBOR rates.
- **Q2'24 investment income decline** year on year due to an increase in losses from one of SISCO's equity accounted associates.

EBITDA and Net Income

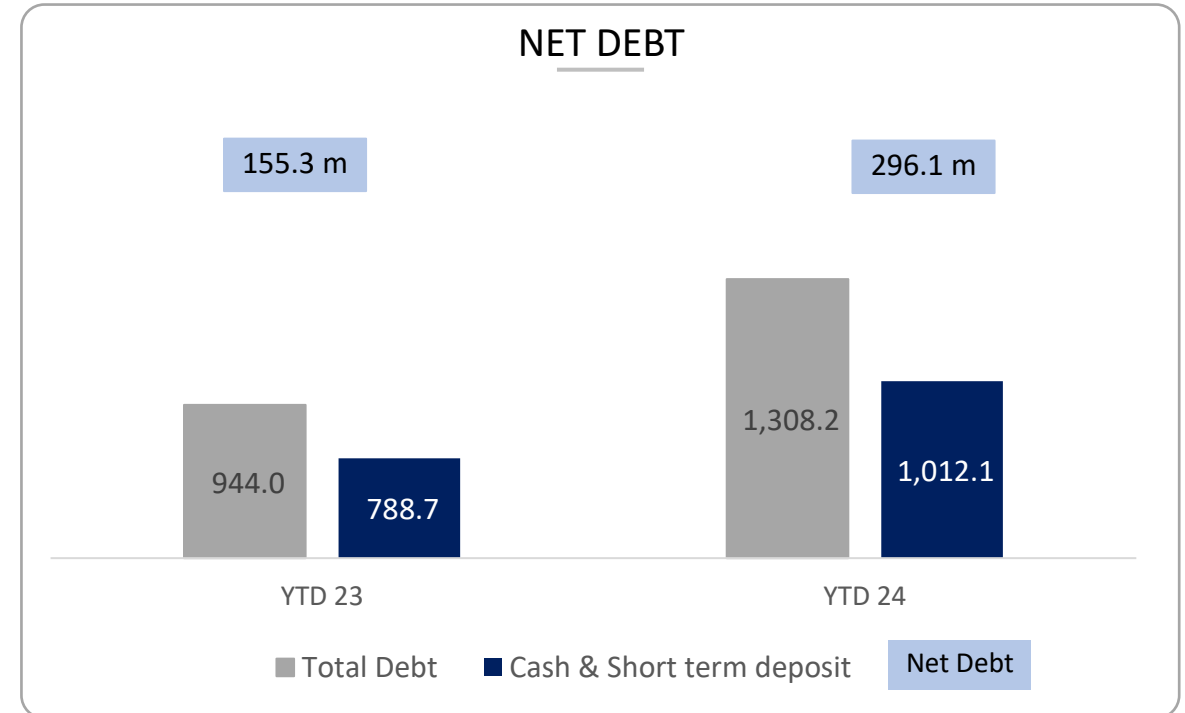
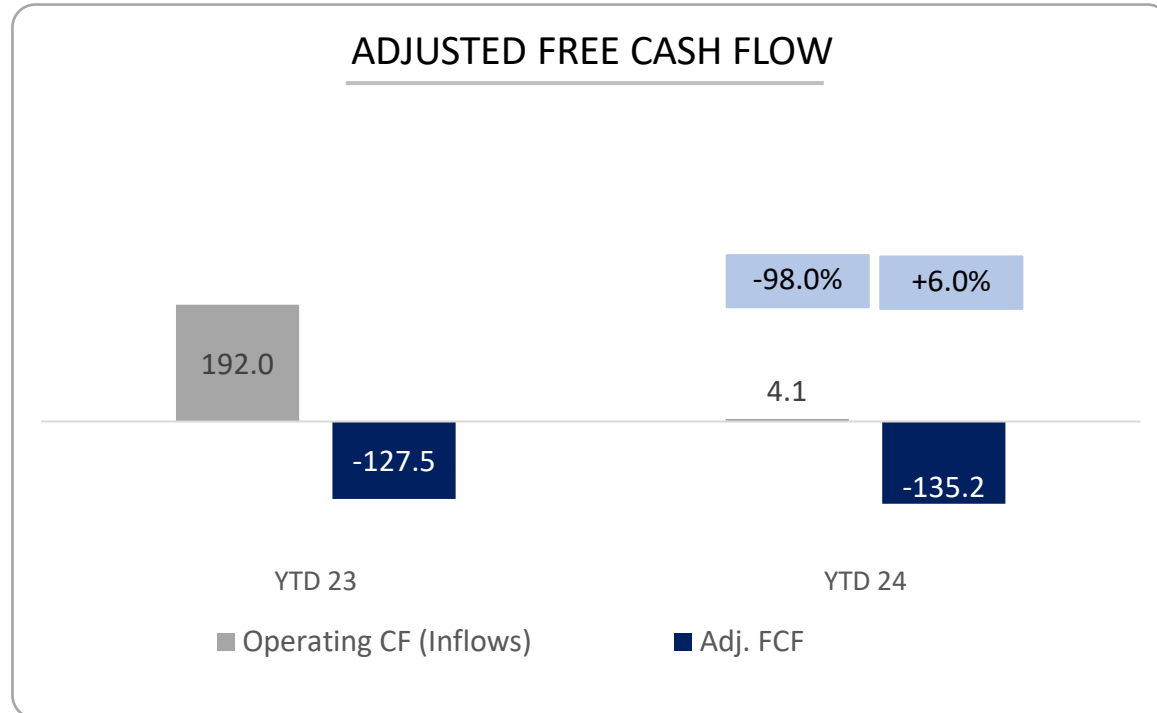
SAR millions



- **Q2'24 Adjusted EBITDA** improved to SAR 181.2 million with a healthy margin of 59.9%, a 1.8% improvement from the same quarter last year. YTD adjusted EBITDA has shown an increase of 14.0% with EBITDA margin improving to 61%.
- **Q2'24 adjusted net income decreased** by 35.2% to SAR 14.5 million compared to Q2'23 due to an increase in pre-operating expenses in the international ports, depreciation and finance charges.

Adjusted Free Cash Flow And Net Debt

SAR millions



- **Free cash flow** for YTD 24 is SAR 135.2 million (outflow) excluding one offs, is due to decline in operating cash flows (by 98% versus last year) impacted by a decrease in trade payables.
- During **YTD 24** net debt improved to SAR 296.1 million.

PORTFOLIO PERFORMANCE

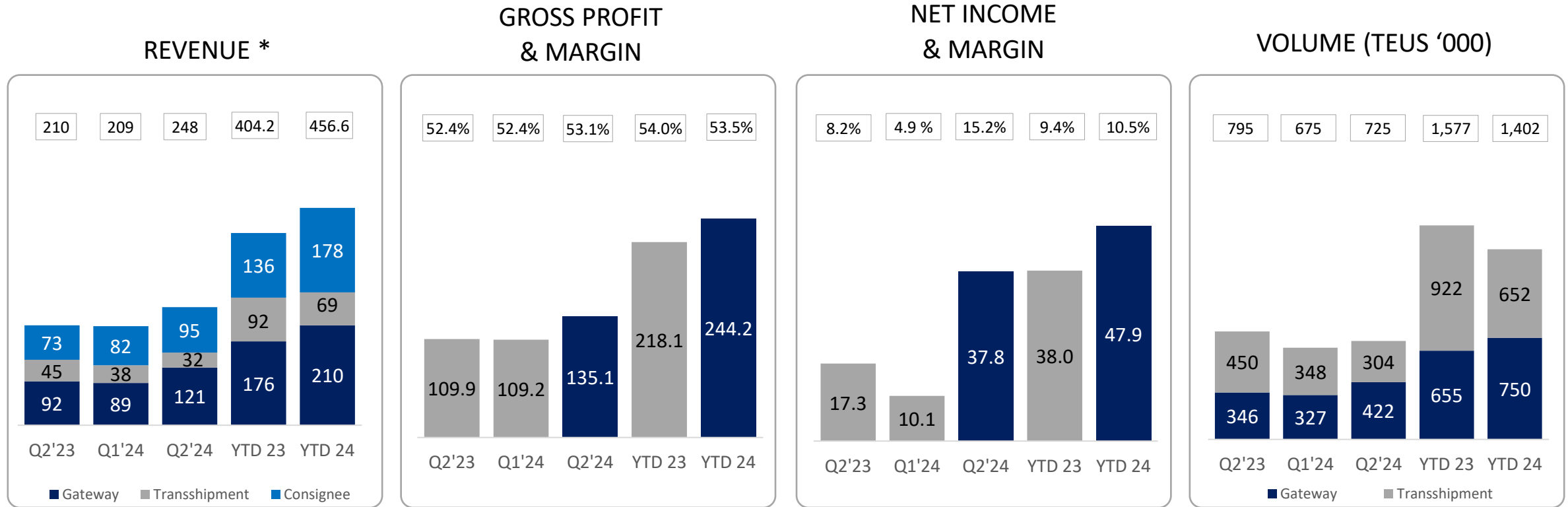


A dark, monochromatic image showing a person's hands typing on a laptop keyboard. Overlaid on the image is a semi-transparent financial candlestick chart. The text 'A. Portfolio - Consolidated Assets' is centered in white. The background is a blurred image of a person's hands typing on a laptop keyboard, with a semi-transparent financial candlestick chart overlaid on top. The overall tone is professional and technical.

A. Portfolio - Consolidated Assets

Ports & Terminal Snapshot | Q2'FY24

SAR millions



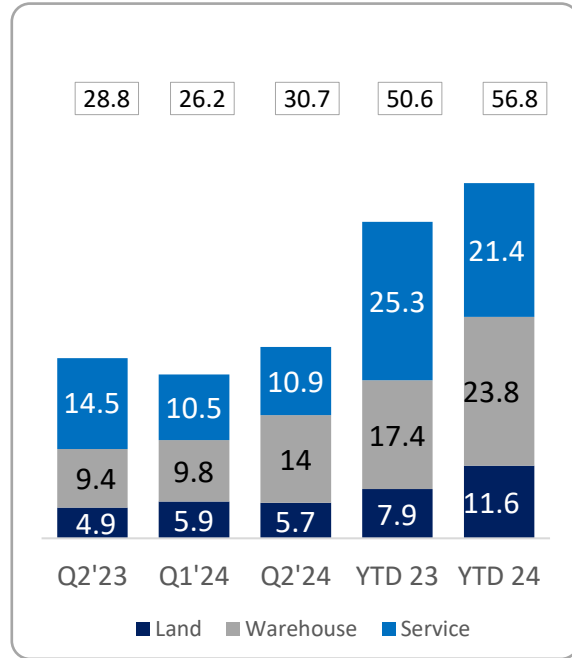
- **Q2'24 revenue** improved by 18.2% compared to the same quarter last year, and 13.0% YTD, driven by a significant improvement in gateway volumes despite the Red Sea crisis. **Gateway volumes** increased by 22.1% compared to Q2 2023.
- However, total volumes in the Ports and Terminals segment declined due to a drop in **transshipment volumes by 32.5%**.
- **Gross Profit** improved by 22.8% compared to last year, and 12.0% YTD, driven by top line growth.
- **Q2'24 Net Income** improved by SAR 20.5 million compared to the same quarter last year, and 26.1% YTD, reported at SAR 47.9 million.

* Excluding accounting construction revenue

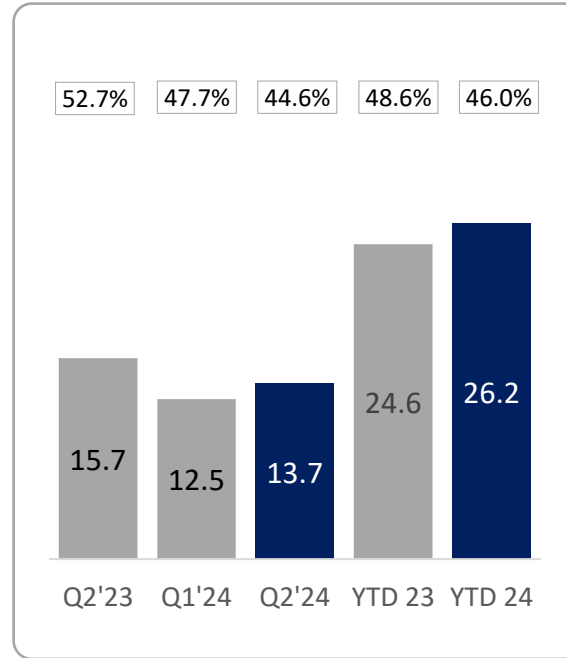
Logistics, Parks & Services Snapshot | Q2'FY24

SAR millions

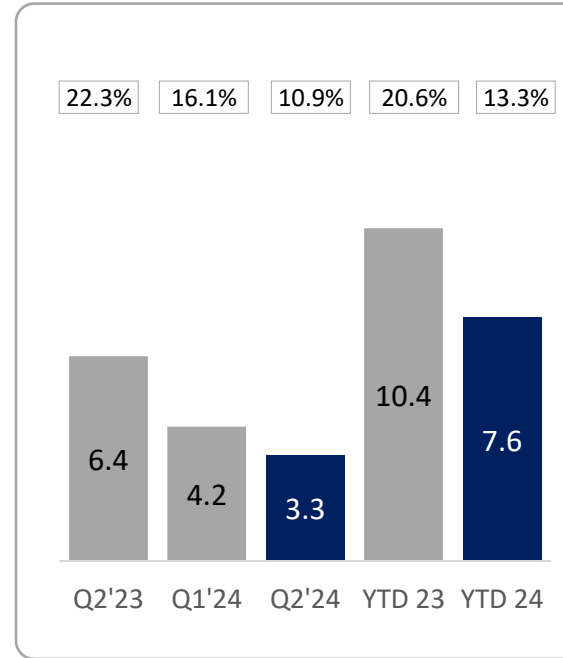
REVENUE



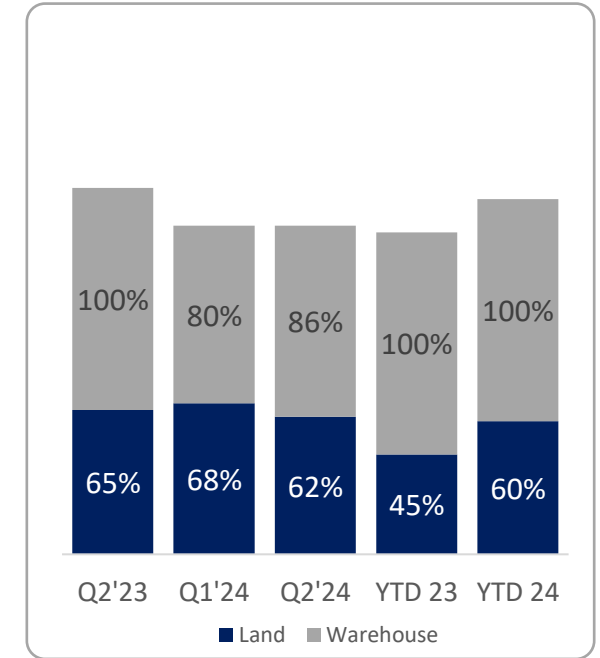
GROSS PROFIT & MARGIN



NET INCOME & MARGIN *



OCCUPANCY (%)



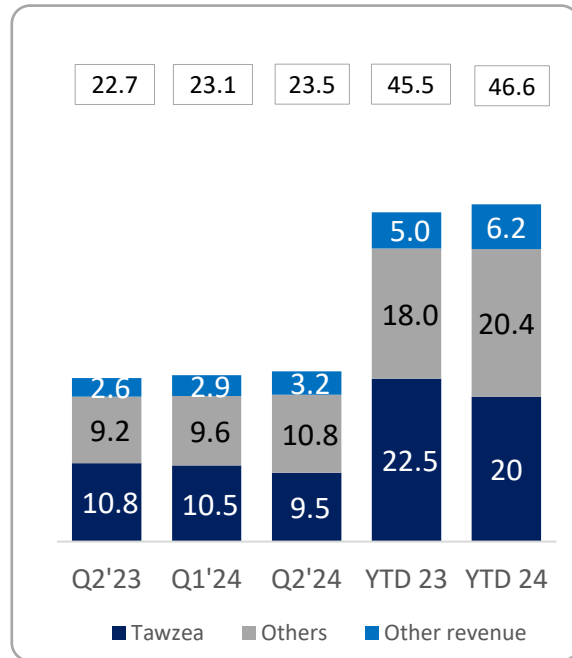
- **Q2'24 revenue** improved by 6.6%, reaching SAR 30.7 million compared to the same quarter in 2023, driven by strong performance in the warehouse segment. The Gross profit margin declined from 52.7% to 44.6% compared to the corresponding quarter last year due to a decline in service margin revenue.
- **Q2'24 Net Income** declined from SAR 6.4 million to SAR 3.3 million compared to last year, with a reduced margin of 10.9%, primarily attributed to increased finance charges.
- **Occupancy %** in Q2'24 in warehouse increased from 80% in Q1'24 to 86% but declined 14% compared to the Q2'23 due to increase in total available capacity.

* Excluding investment income which are eliminated at consolidated level

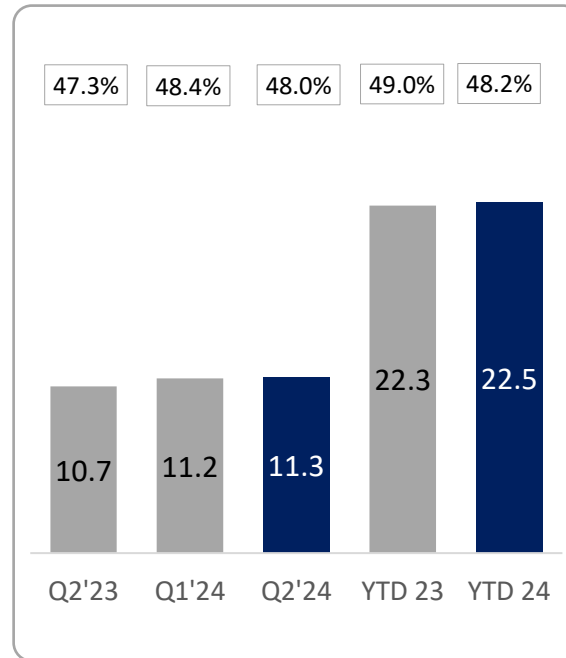
Water Solution Snapshot | Q2'FY24

SAR millions

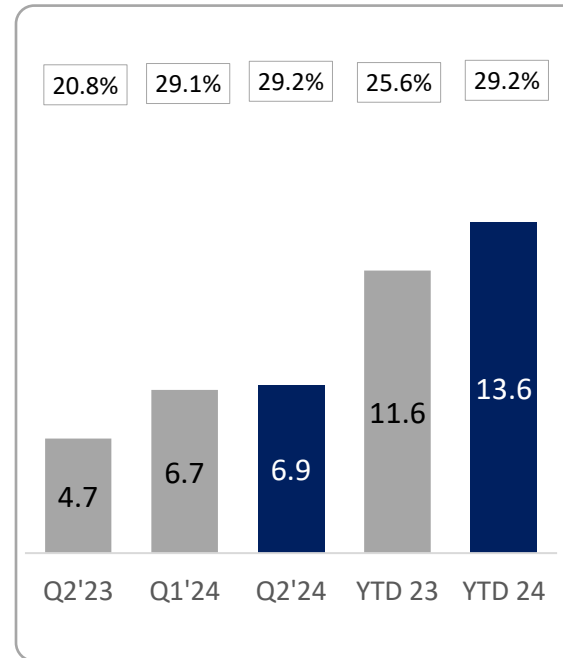
REVENUE



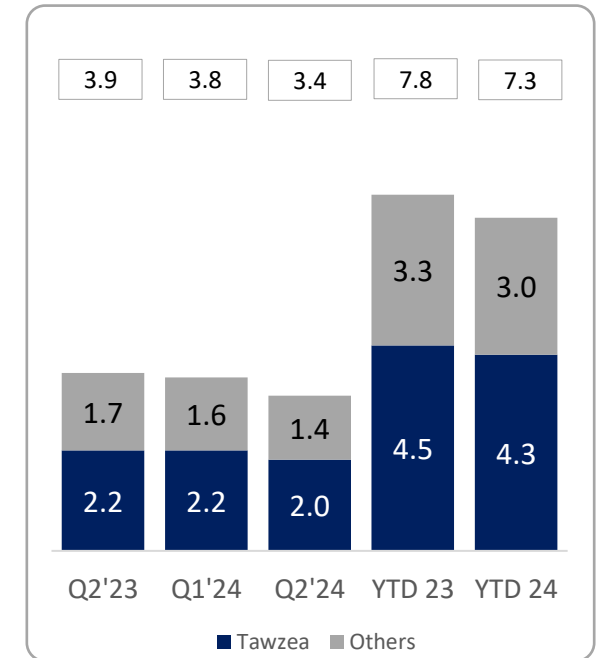
GROSS PROFIT & MARGIN



NET INCOME & MARGIN



VOLUME, WATER SOLD (MN M3)



- **In Q2'2024, revenue** improved by 3.8% to SAR 23.5 million as compared same quarter last year, and 2.5% YTD compared to same period last year.
- **Gross profit margins** marginally improved to 48.2% for Q2'24 from 47.3% in Q2'23. However, YTD margin slightly declined due to increase in depreciation.
- **Net income** improved by SAR 2.2m, an increase of 45.8% compared to Q2'23, and 17.0% YTD.

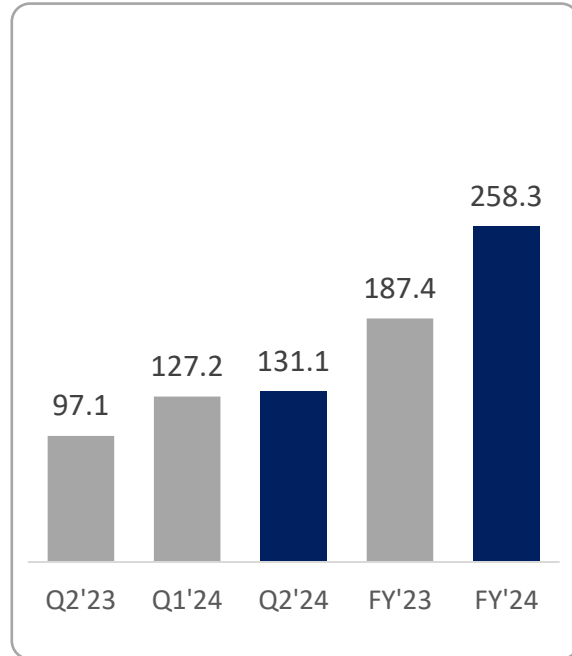
A man in a dark suit and patterned tie is shown from the chest up, holding a thin white string with both hands. The string is looped and then extends downwards to form a line graph on a semi-transparent digital screen. The graph consists of five vertical bars of decreasing height from left to right, with a smooth curve connecting their tops. The background is a blurred office setting with another person's hand visible in the foreground. The overall image has a dark, monochromatic aesthetic.

B. Portfolio – Equity Accounted Assets

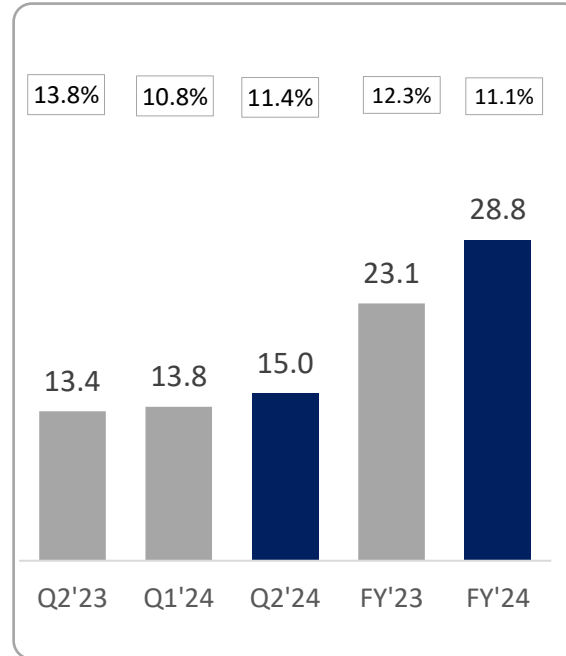
TAWZEA Snapshot | Q2'FY24

SAR millions

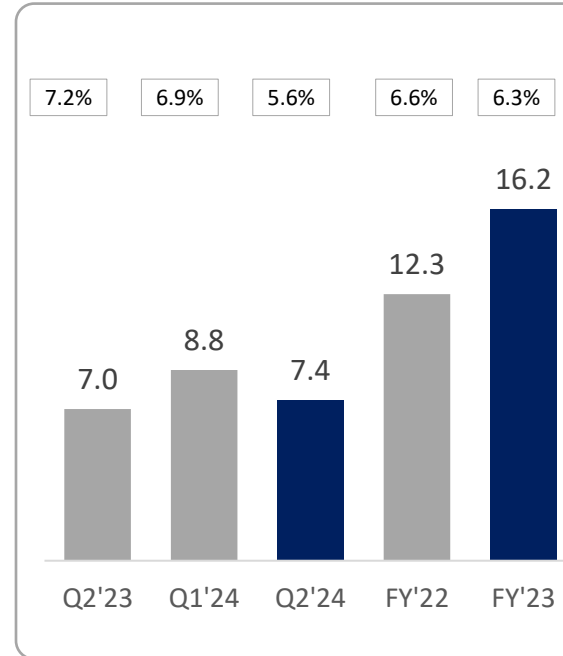
REVENUE



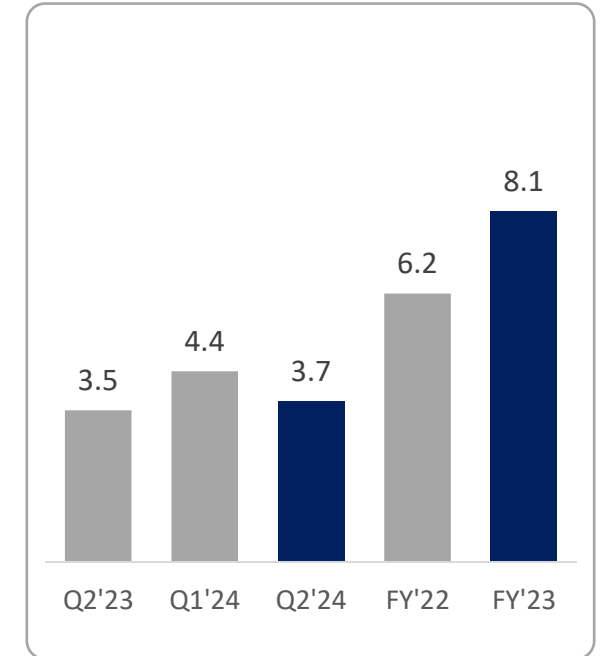
ADJUSTED GROSS PROFIT & MARGIN



ADJUSTED NET INCOME & MARGIN



SISCO SHARE OF NET INCOME (ADJUSTED)

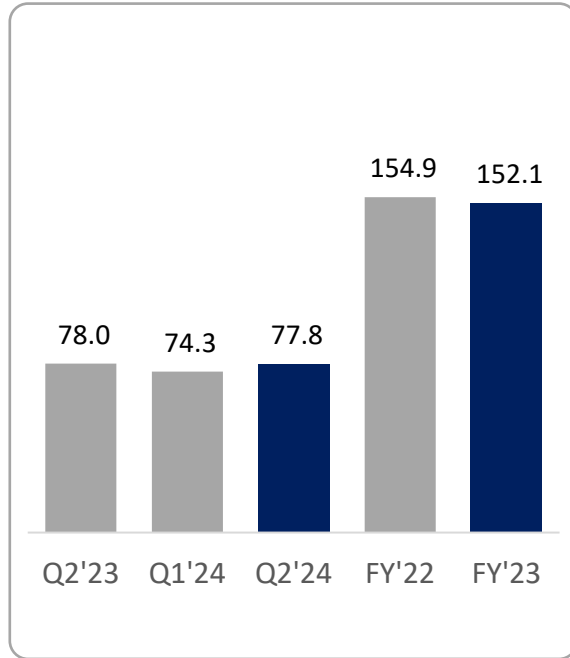


- Reported **adjusted revenue** (excluding accounting construction revenues) increased by 35% to SAR 131.1 million during Q2 2024 and YTD 38.0% compared to same period last year.
- SISCO's share in **adjusted net income** was SAR 3.7 m for TAWZEA in Q2'24, increased by 5.7% compared to same quarter last year. YTD 2024 adjusted net income increased by 31.7%

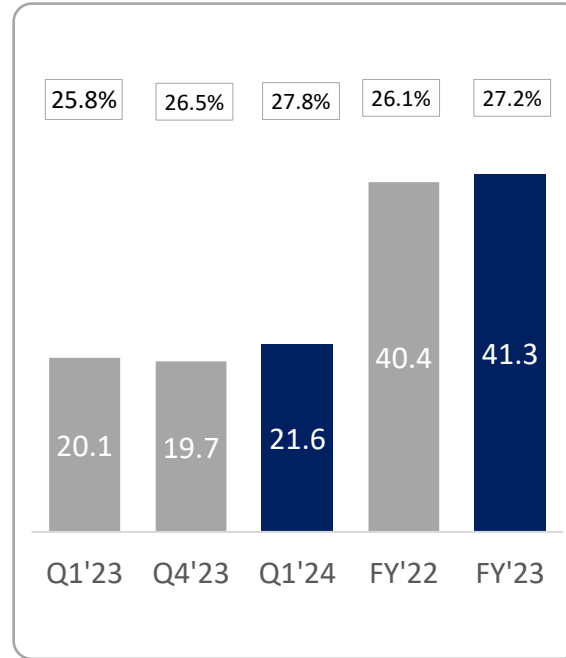
SA TALKE Snapshot | Q2'FY24

SAR millions

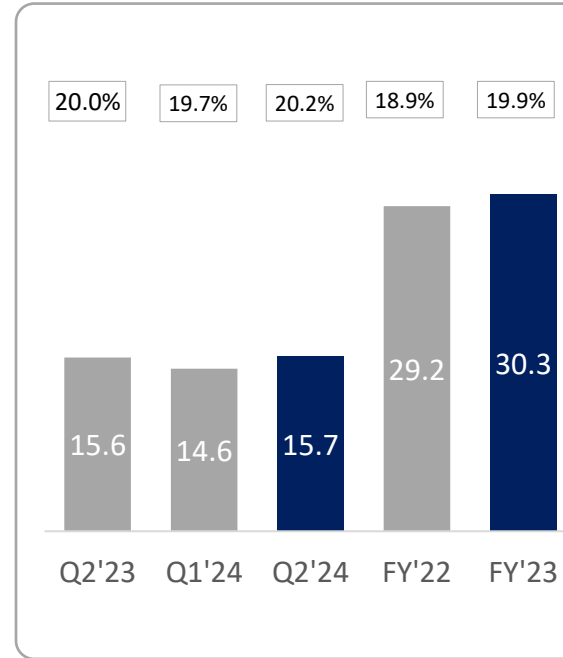
REVENUE



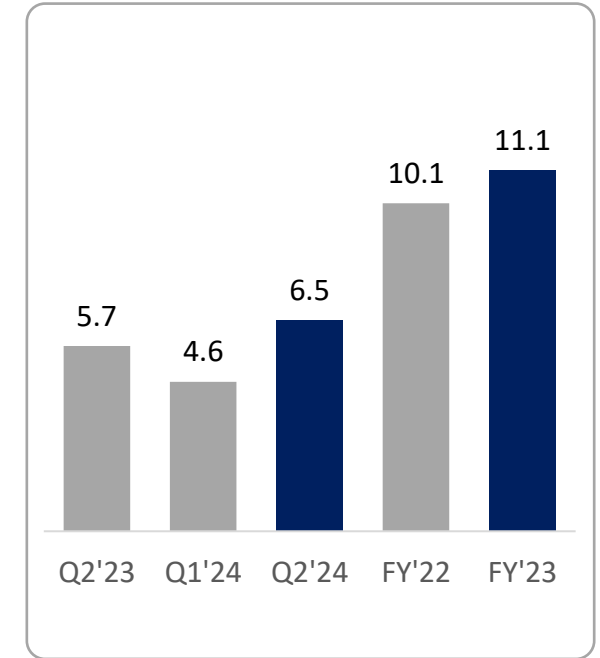
GROSS PROFIT & MARGIN



NET INCOME & MARGIN



SISCO SHARE OF NET INCOME



- **Q2'24 revenue** broadly remained stable vs. same quarter last year and the previous quarter.
- **SISCO Holding's** share of SA Talke's net income was SAR 6.5 million this quarter, a notable 41.3% increase from the previous quarter, and a 14.0% increase from the same quarter last year.

SUMMARY





Q2'24 witnessed strong year-on-year revenue and EBITDA growth, with revenue increasing by 15.7% to SAR 302.5 million and adjusted EBITDA rising by 19.2%. This growth was predominantly driven by the Ports segment.



Q2'24 gross profit increased by 15.4% compared to the same quarter last year, reaching SAR 156.8 million. This growth is attributed mainly to robust revenue expansion, particularly in the Ports segment.



Q2'24 adjusted net profit decreased by 35.2% compared to Q2'23, due to increased depreciation and finance charges. The adjusted net income for the second quarter was SAR 14.5 million.



Progressing on the implementation of the 6x26 strategy, SISCO focuses on value-accretive M&A and brownfield investments in Ports and Logistics, aiming to double revenues to SAR 2 billion by 2026.

OUTLOOK





PORTS

RSGT remains focused on business expansion in Saudi Arabia, as well as prioritizing the growth of a series of additional locations on the Red Sea coast.

In terms of volumes, gateway volumes have shown strong growth; however, the transshipment volumes continue to face pressure, owing to the Red Sea conflict.



LOGISTICS

We anticipate expanding its footprint in Jeddah as well as venturing into new markets within the Kingdom.

We are also under process to expand our capacity to an impressive 130,000 sq m by 2024.



WATER

Improvement of gross profit margins in Water segment, expected to sustain in 2024.

Pursuing expansion opportunities in the Middle East and looking at growth through targeted acquisition of local desalinated water companies



M&A

We are presently in advanced negotiations with several chosen international ports and have established a substantial project pipeline.

Progressing on implementation of strategy with emphasis on value accretive M&A and brownfield investments.

APPENDIX



Strategic Objectives

1

Double group revenue in the next 5 years through organic and inorganic growth while maintaining **consistently strong margins**.

Revenue of SAR 2 billion
by 2026

Target ROIC of more
than 12%

2

Achieve a diversified portfolio by investing in multiple logistics assets across the value chain.

Future revenue and net income growth to be driven from
Logistics segments

3

Create long term shareholder value by investing in value accretive assets and returning capital to shareholders.

Strong total returns for
shareholders

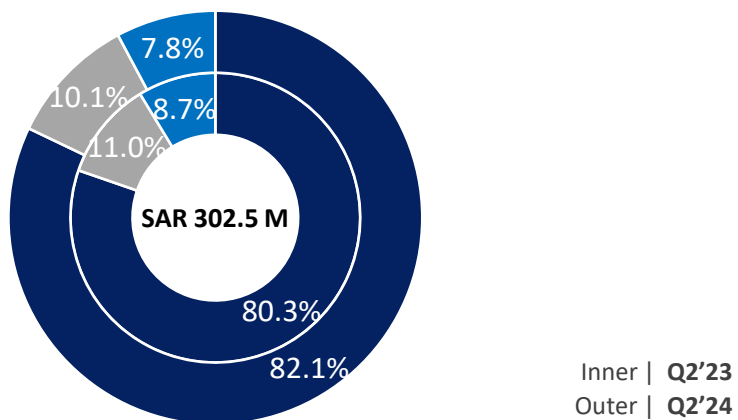
Consistent dividend
distribution

Revenue And Gross Profit Composition

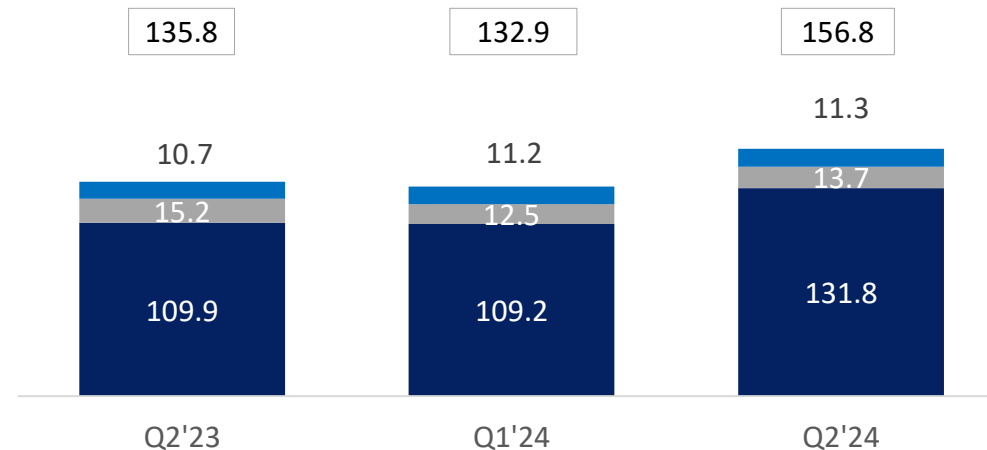
SAR millions

Ports Logistics Water

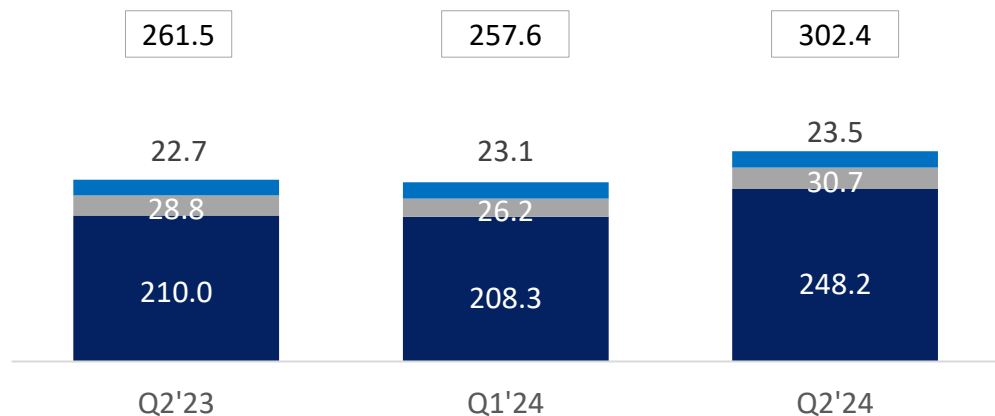
Revenue Composition



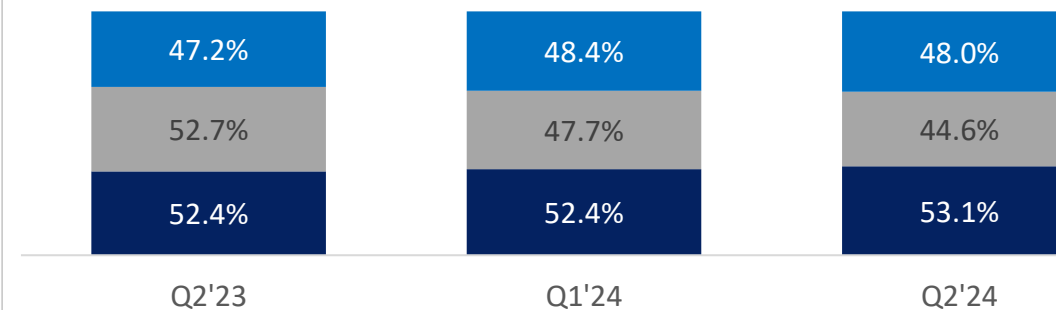
Adjusted Gross Profit Composition



Group Revenue Composition



Adjusted Gross Margin By Segment



* Revenue excludes accounting construction revenues

Income Statement

SAR millions

	Q2 2023	Q2 2024	Variance
Operational Revenue	261.3	302.5	15.8%
Direct Costs	(125.5)	(145.6)	16.0%
Gross Profit	135.8	156.9	15.5%
Operating expenses	(54.1)	(59.4)	9.8%
Operating Profit	81.7	97.5	19.3%
Investment Income	9.7	3.5	-22.7%
Finance Charges	(60.8)	(72.6)	19.4%
Other Income	11.6	17.7	52.6%
Zakat	(6.1)	(12.1)	98.4%
Group Net Income	36.1	34.0	-5.8%
NCI	(14.9)	(23.3)	56.4%
SISCO NP – Reported	21.2	10.5	-50.5%
SISCO NP – Adjusted	22.4	14.5	-35.2%
Reported GP Margin	52.0%	51.8%	-0.2%
Reported NP Margin	8.1%	3.5%	-4.6%
Adjusted NP Margin	8.6%	4.8%	--3.8%

* Revenue and direct costs exclude accounting construction revenue / costs

Balance Sheet

SAR millions

	YE 2023	YTD 2024
Fixed Assets	4,284.6	4,337.2
Investments	283.6	271.5
Other Long-Term Assets	6.0	6.0
Current Assets	1,415.7	1,358.8
Total Assets	5,989.9	6,013.5
Borrowings	1,492.4	1,333.6
Long Term Liabilities	1,553.0	1,616.2
Current Liabilities (excl. borrowings)	629.8	570.5
Total Liabilities	3,675.2	3,520.3
Equity	2,314.7	2,493.2
Total Equity & Liabilities	5,989.9	6,013.5

Cash Flow Statement

SAR millions

	YTD 2023	YTD 2024
Operating cash flow before working capital	304.4	332.9
Net working capital movement	(41.8)	(231.1)
Cash generated from operating activities	262.5	101.8
Finance charges, Zakat & income tax, EOSB	(49.0)	(82.1)
Net cash flow from operating activities	213.5	19.7
Investment in associate	-	(8.0)
Other Investing activities	(61.0)	(146.9)
Net cash used in financing activities	(128.3)	(19.1)
Net decrease in cash and bank balances	280.8	(154.3)
Cash at the beginning of the period	507.9	1,166.4
Cash at the end of the period	788.7	1,012.1



THANK YOU!