



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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- Performance review
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- Appendix
  - Strategy and outlook
  - Financials

# Highlights 1H21

## Financial highlights



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



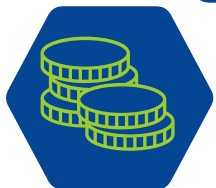
**Gross profit increased** 6.6% from Q2 2020 although **gross margins** declined by 3.3% during the period



**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

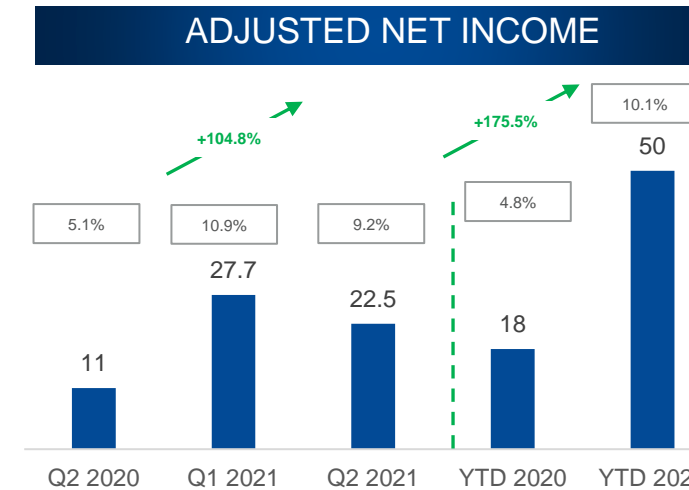
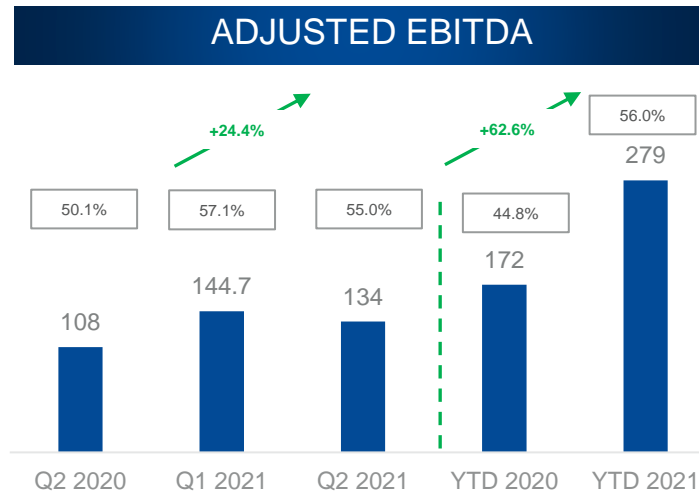
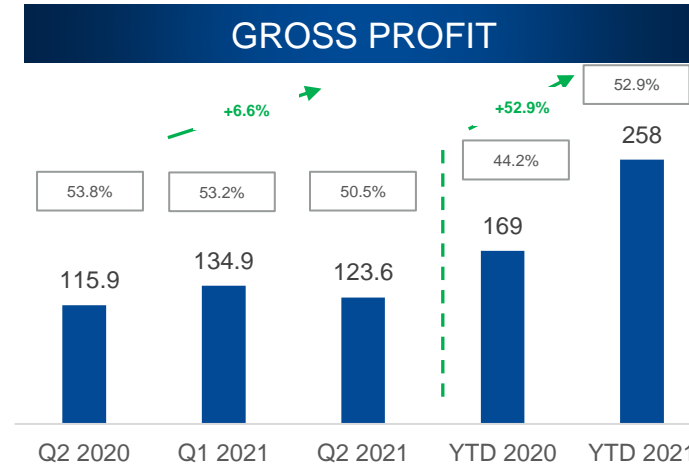
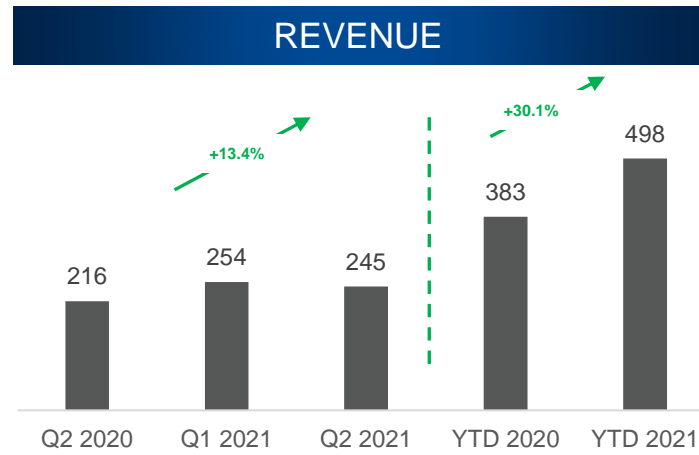
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SELL

# PERFORMANCE REVIEW

# Income statement highlights

SAR millions (adjusted: excludes accounting construction revenue)

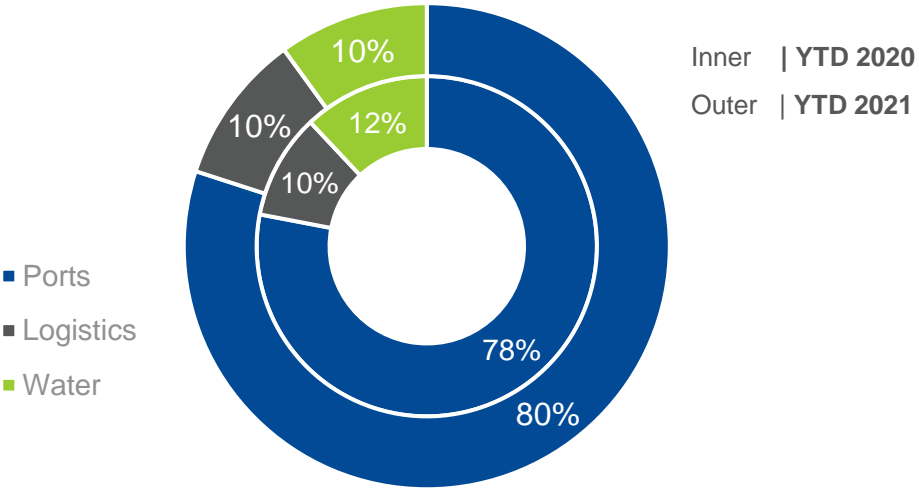


\* 2021 Revenue excludes the construction revenue (notional revenue)

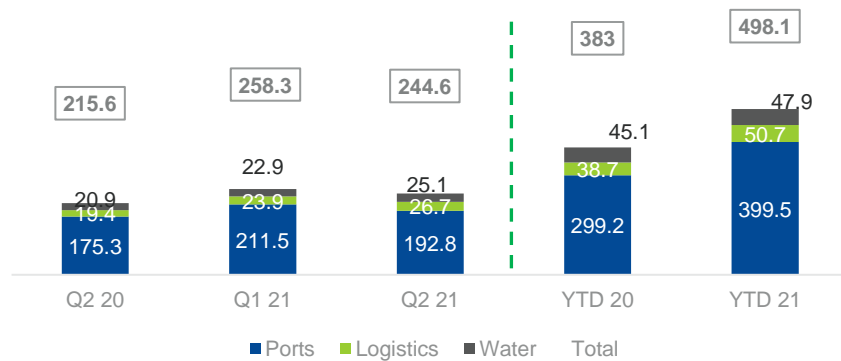
\*\*Adjusted EBITDA and adjusted net income exclude one off reversal of provision for asset replacement costs of SAR 45.6 million

# Revenue and gross profit composition

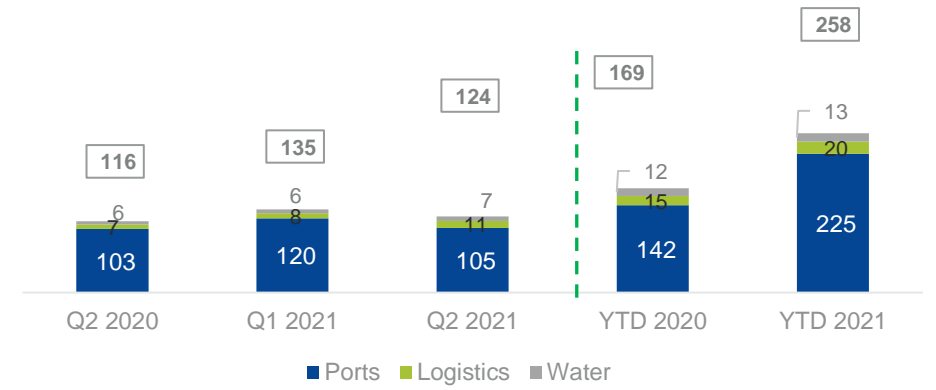
SAR millions



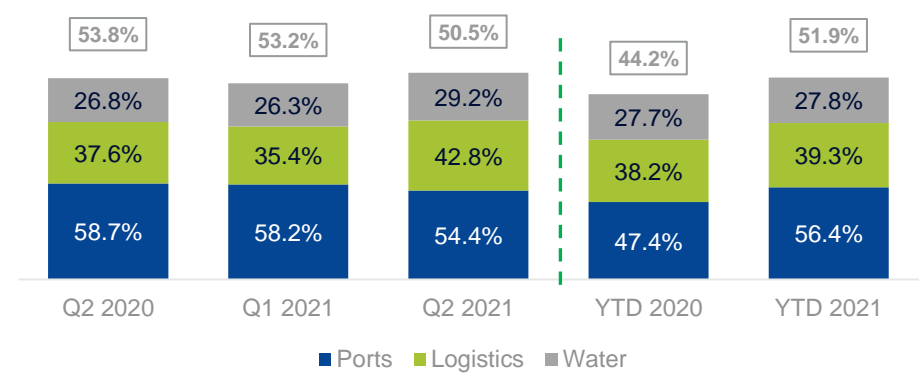
## GROUP REVENUES



## Gross Profit

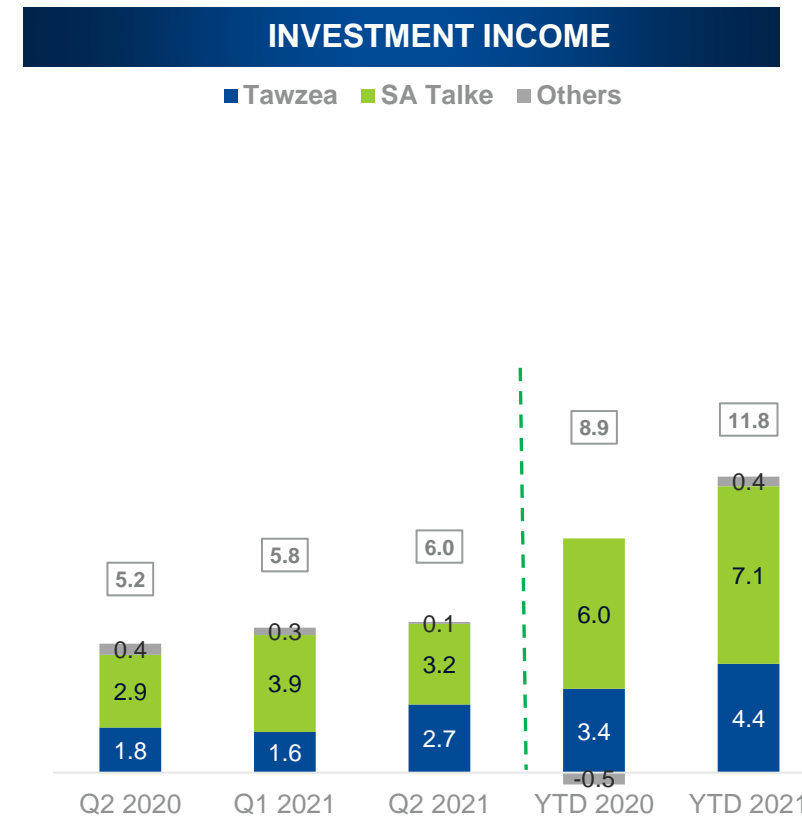
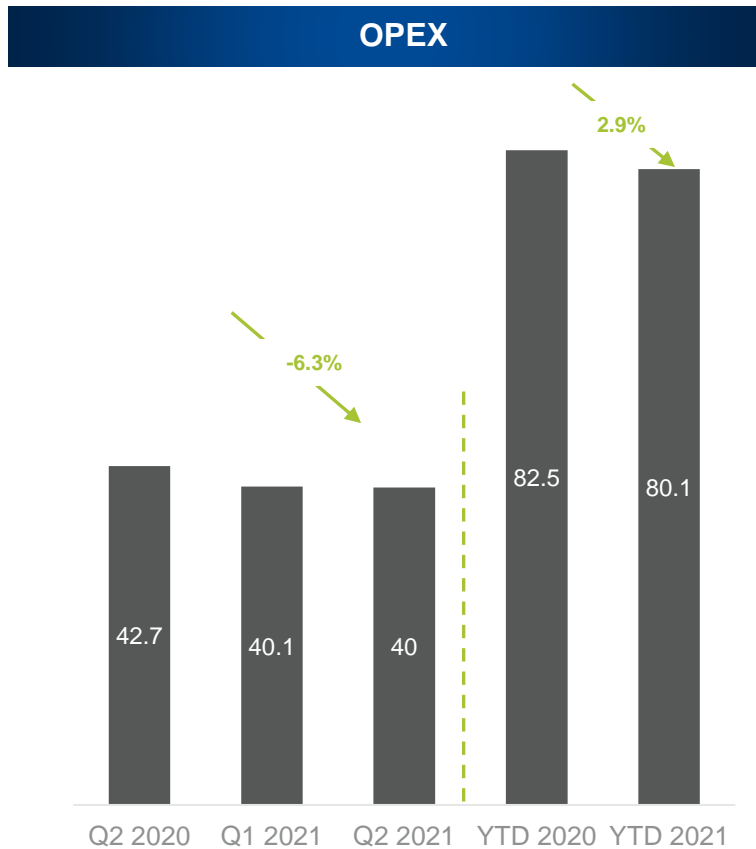


## Gross Margin



# Opex and investment income

SAR millions

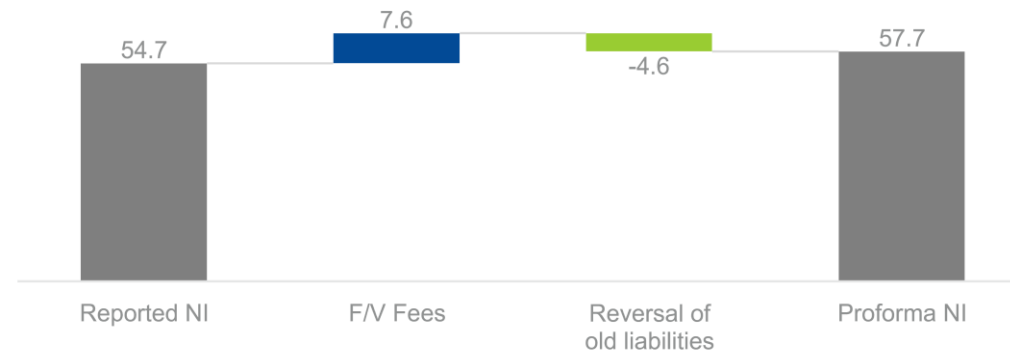




# Net income and proforma net income bridge

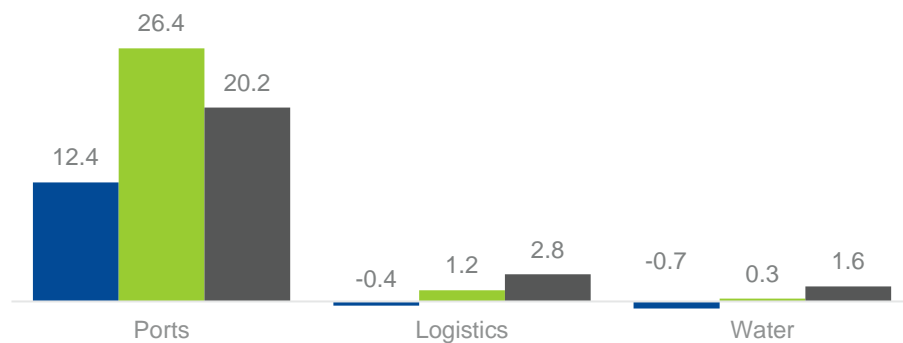
SAR millions

## Proforma Net Income Bridge YTD 2021



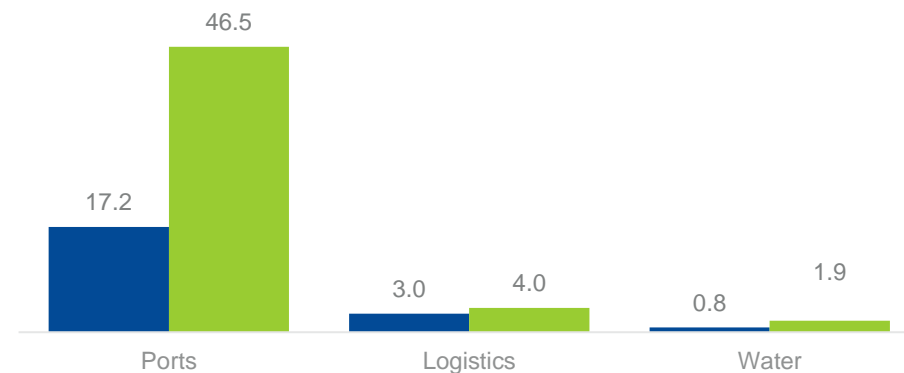
## Adjusted Net Income - Quarterly

■ Q2 2020 ■ Q1 2021 ■ Q2 2021



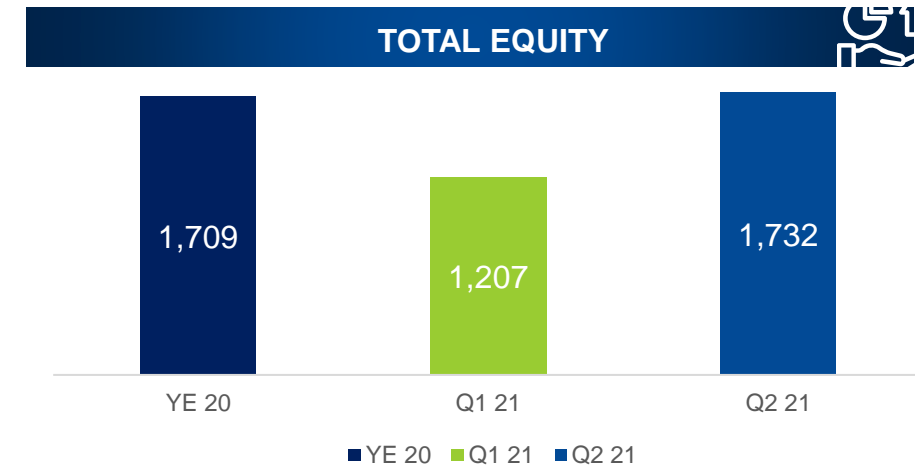
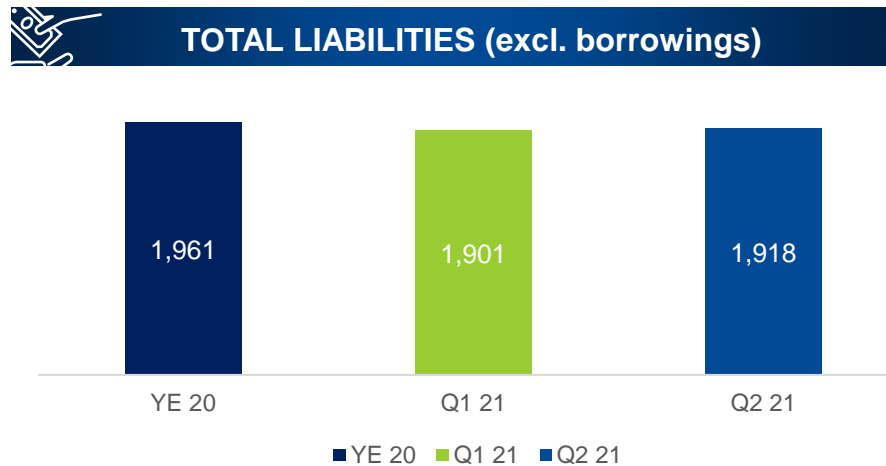
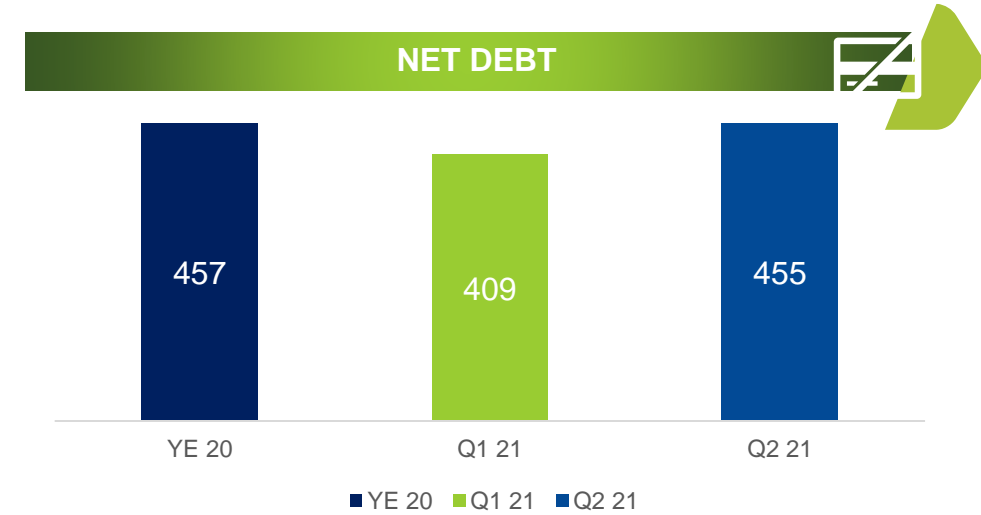
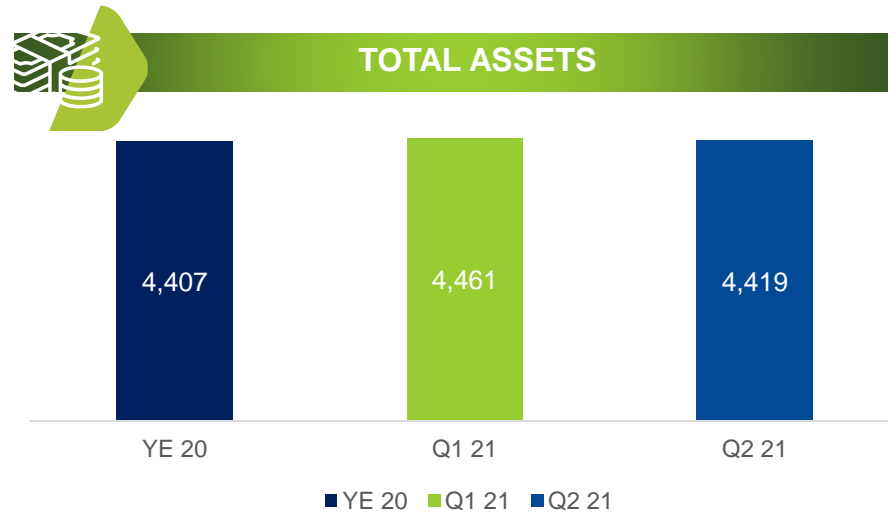
## Adjusted Net Income - YTD

■ YTD 2020 ■ YTD 2021



# Balance sheet highlights

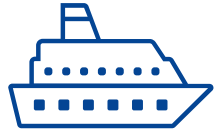
SAR millions





# SEGMENTAL REVIEW

# Ports & terminals| Snapshot



286 thousand TEUs  
Gateway volume

↓ -8.8% vs Q2 20  
↓ -8.3% vs Q1 21

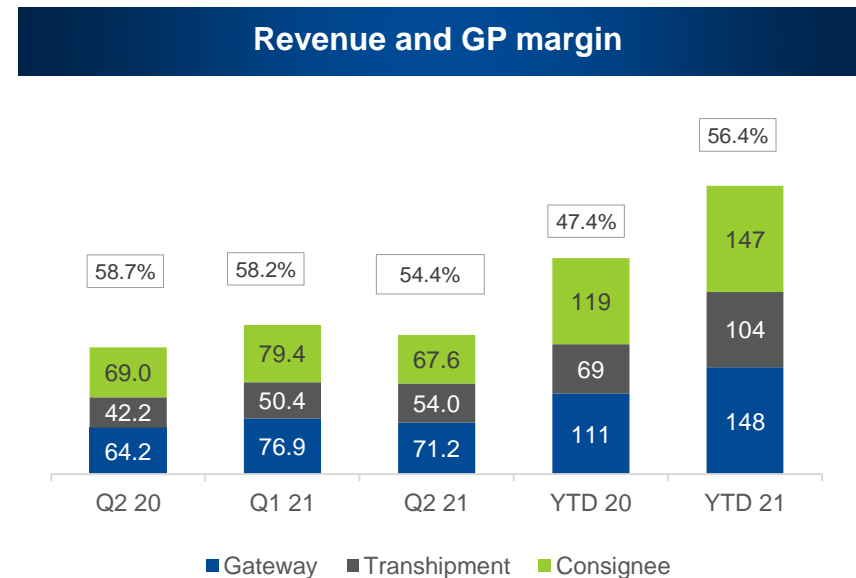
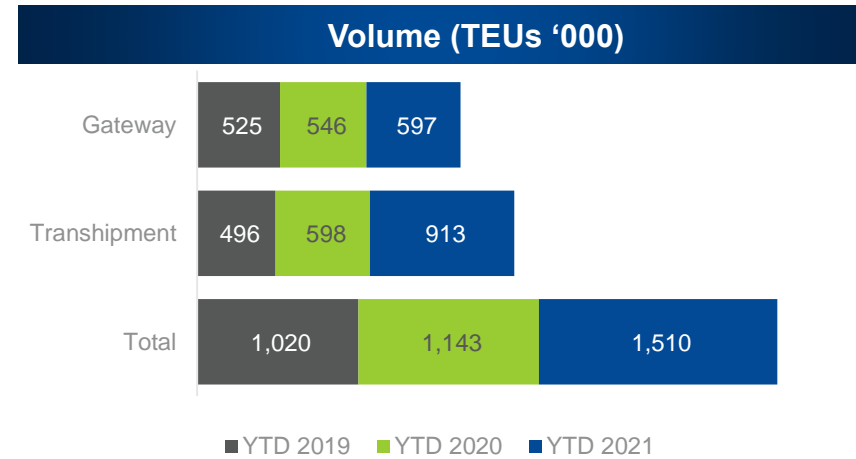
465 thousand TEUs  
Transshipment volume

↑ +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

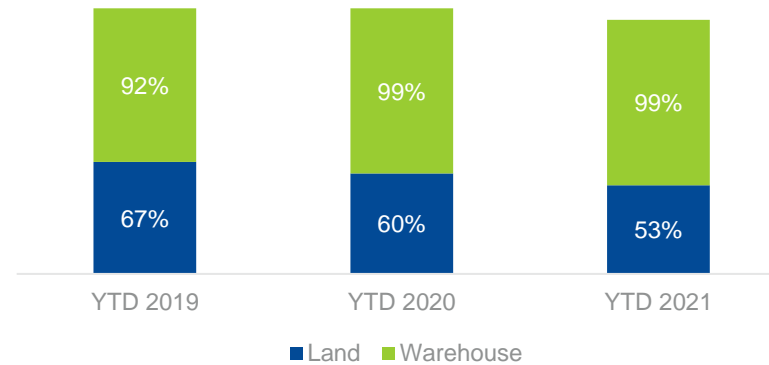
99%  
Warehousing  
occupancy



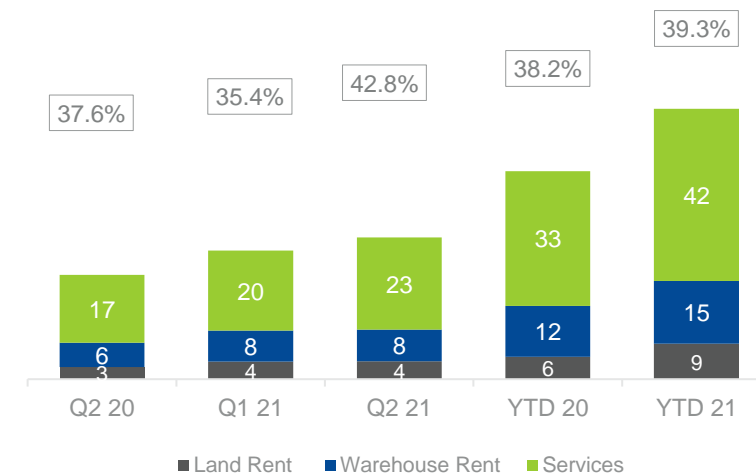
+4% vs Q2 20  
+0% vs Q1 21

- 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 m<sup>3</sup>  
Rabigh volume

↑ +51.5% vs Q2 20  
+26% vs Q1 21

4.0 m m<sup>3</sup>  
Kindasa volume

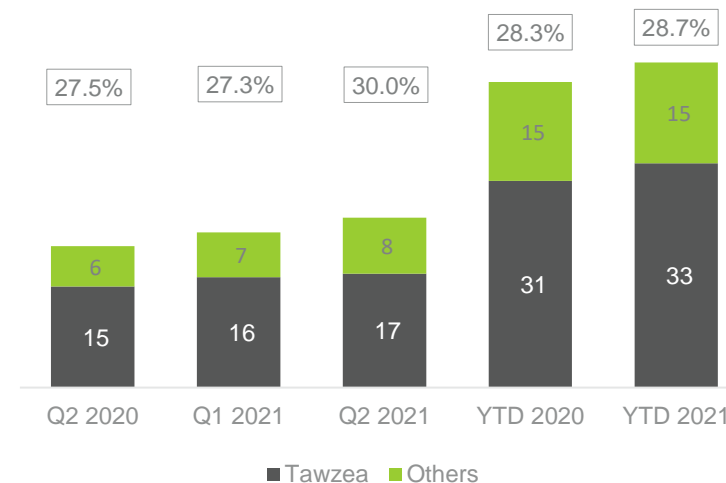
↑ +10.4% vs Q2 20  
+4.2% vs Q1 21

4.4 m m<sup>3</sup>  
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%
<b>Gross Profit</b>	<b>115.9</b>	<b>123.6</b>	<b>169.1</b>	<b>258.4</b>	<b>89.3</b>	<b>52.8%</b>
Operating expenses	(42.8)	(40.0)	(82.5)	(80.0)	2.5	-3.0%
<b>Operating Profit</b>	<b>73.1</b>	<b>83.6</b>	<b>86.6</b>	<b>178.4</b>	<b>91.8</b>	<b>106.0%</b>
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%
<b>Group Net Income</b>	<b>92.8</b>	<b>37.1</b>	<b>134.9</b>	<b>86.7</b>	<b>(48.2)</b>	<b>-35.7%</b>
Minority Interest	(36.3)	(14.6)	(51.8)	(32.0)	19.8	-38.2%
<b>Net Income</b>	<b>56.5</b>	<b>22.5</b>	<b>83.1</b>	<b>54.7</b>	<b>(28.4)</b>	<b>-34.2%</b>

\*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)
<b>Total Adjustments on Group NP</b>	<b>(75.2)</b>	<b>(4.6)</b>	<b>-</b>	<b>(107.1)</b>	<b>(4.6)</b>
Impact on SISCO NP	(45.5)	(4.6)		(64.9)	(4.6)
<b>Adjusted Net Income</b>	<b>11.0</b>	<b>27.7</b>	<b>22.5</b>	<b>18.3</b>	<b>50.1</b>

# 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)
<b>Net cash flow from operating activities</b>	<b>141.3</b>	<b>355.9</b>	<b>116.6</b>
<b>Net cash used in Investing activities</b>	<b>(75.3)</b>	<b>(194.7)</b>	<b>(35.2)</b>
<b>Net cash used in financing activities</b>	<b>(116.4)</b>	<b>(119.8)</b>	<b>(49.0)</b>
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
<b>Total Assets</b>	<b>4,407,154</b>	<b>4,419,260</b>
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
<b>Total Equity &amp; Liabilities</b>	<b>4,407,154</b>	<b>4,419,260</b>

**THANK YOU**



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