

سيسكو
SISCO

SUSTAINED INFRASTRUCTURE HOLDING COMPANY

FY23 EARNING PRESENTATION

March 2024

sisco.com.sa

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Strategy Implementation Progress



Key Highlights

SAR 1 billion revenue

First time in SISCO's history

SAR 88.3 million adjusted net income

112% increase

166.6

Million Saudi Riyal Equity
Deployed to finance M&A

672.3

Million Saudi Riyal Invested
towards Expansion



SISCO Holding renamed as
“Sustained Infrastructure
Holding Company”

4 M&A

Transactions Negotiated

RSGTI

22-year concession in
Bangladesh

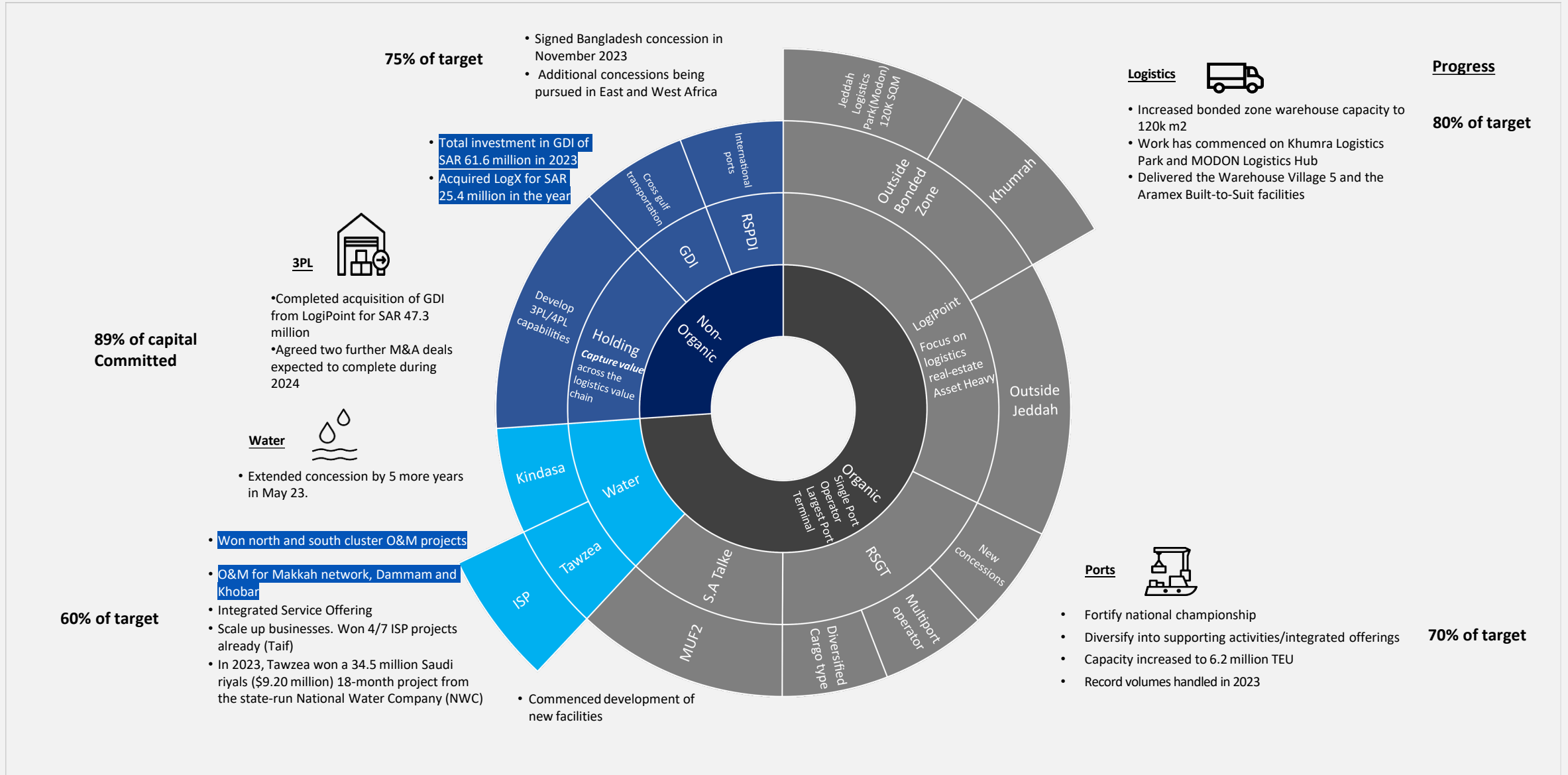
GDI acquisitions

GDI acquisition from LogiPoint
and LogX acquisition

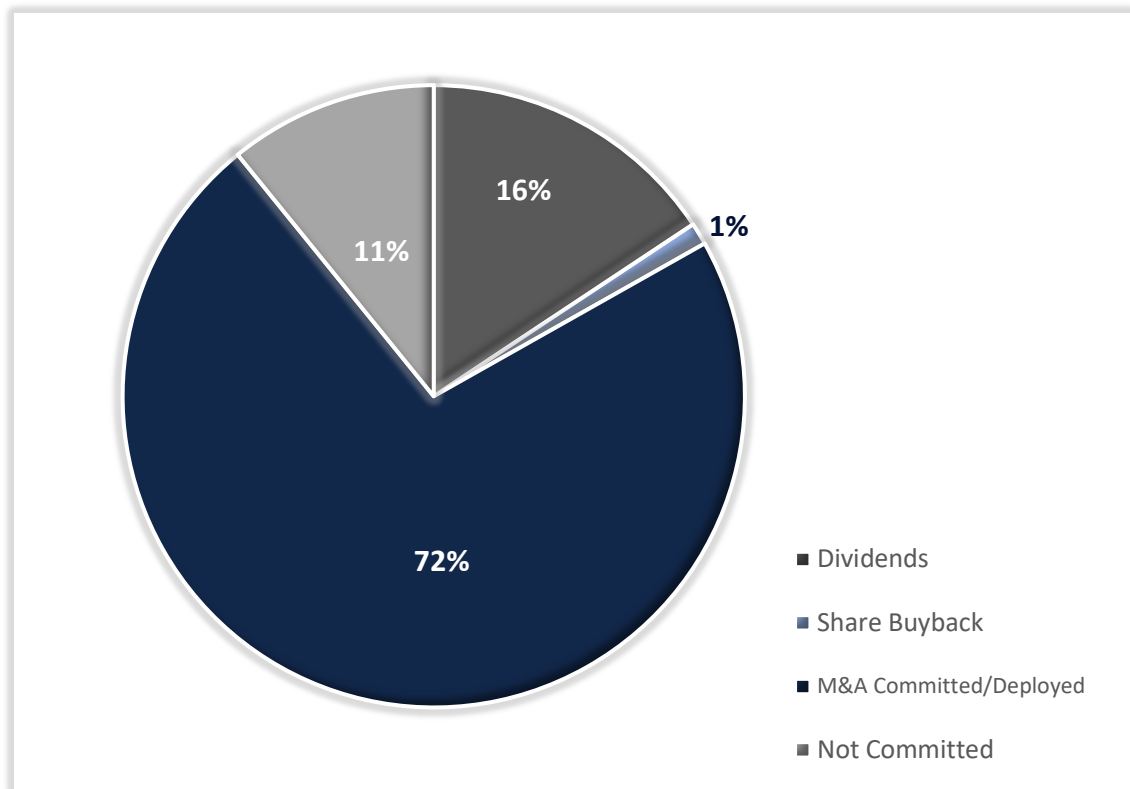
RSGT Expansion

Increased capacity 6.2
million TEUs

6X26 Strategy Implementation Key Updates

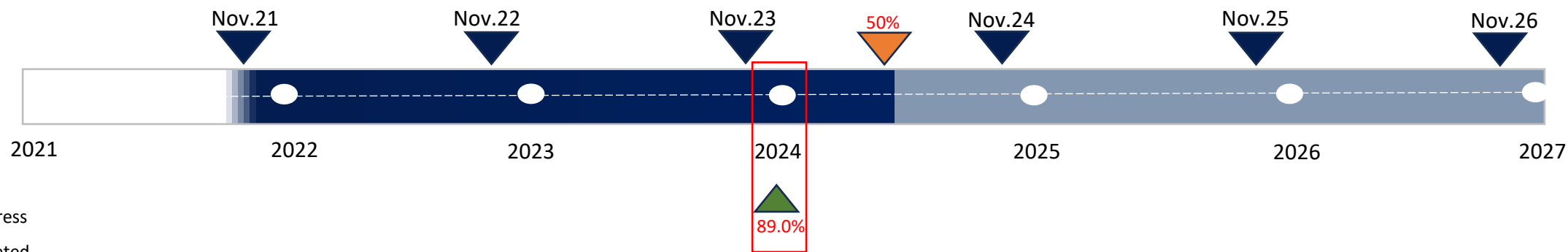


CAPITAL ALLOCATION OF SAR 542 MILLIONS



SAR millions

Allocation	Commitment
Dividends	85.0
Share Buyback	6.2
RSPDI	105.0
GDI Acquisition & Additional capital	100.0
Additional committed	187.0
Total committed	483.2
Not yet committed	58.8
Total	542.0
% committed	89.0%



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

RSGT BANGLADESH



▶ 22 Year Concession to develop and operate Patenga Container terminal In Bangladesh

▶ Concession is signed in partnership with PIF

▶ RSGT will develop and operate 500,000 TEUs capacity at PCT

▶ PCT Terminal serve gateway for 90% of Bangladesh Import/export

▶ Capital expenditure of SAR 170 million USD

▶ RSGTI's strategic investment will leverage the expertise of this accomplished management team to enhance operational performance

▶ Anticipated 7% Annual Gateway Volume Growth Sets Stage for Increased Revenues and Margins

A grayscale photograph of a business meeting. Several people in white shirts and ties are seated around a table. They are looking at and pointing to various financial documents, including spreadsheets, bar charts, and pie charts. A laptop is visible on the left side of the table, and a calculator is in the foreground. The overall atmosphere is professional and focused on data analysis.

FINANCIAL HIGHLIGHTS

Highlights Q4 & 12M 2023

2023 Financial highlights

Revenue*

SAR 1,052.4 m ↑ 23.1%
 2022: SAR 854.8 m

Gross Profit Adjusted

SAR 564.1 m ↑ 35.6%
 2022: SAR 416.2 m

Net Income Adjusted

SAR 88.3 m ↑ 112.6%
 2022: SAR 41.6 m

Q4-2023 Financial highlights

Revenue*

SAR 276.1 m ↑ 19.6%
 Q4 - 2022: SAR 230.9 m

Gross Profit Adjusted

SAR 151.5 m ↑ 25.7%
 Q4 - 2022: SAR 120.4 m

Net Income Adjusted

SAR 22.6 m ↑ 10.9%
 Q4 - 2022: SAR 20.4 m

Operating highlights



Ports and Terminals segment delivered robust performance driven by strong volume growth throughout the year



Logistics Parks and Services revenues improved with strong margins driven by healthy utilization of warehouse capacity as well as addition of warehouse capacity during the year



Revenues of the **Water segment** saw a minimal increase compared to last year. However, the gross profit margin has experienced significant growth, rising from 37.5% to 48.3%.



We have secured a **22-year concession** to develop and operate the Patenga container terminal in Bangladesh. Additionally, we have **acquired** LogX through our Elite Portfolio Company.



M&A
 We have completed two M&A transactions and negotiated two additional deals, which we expect to complete in 2024.

*Excluding accounting construction revenue

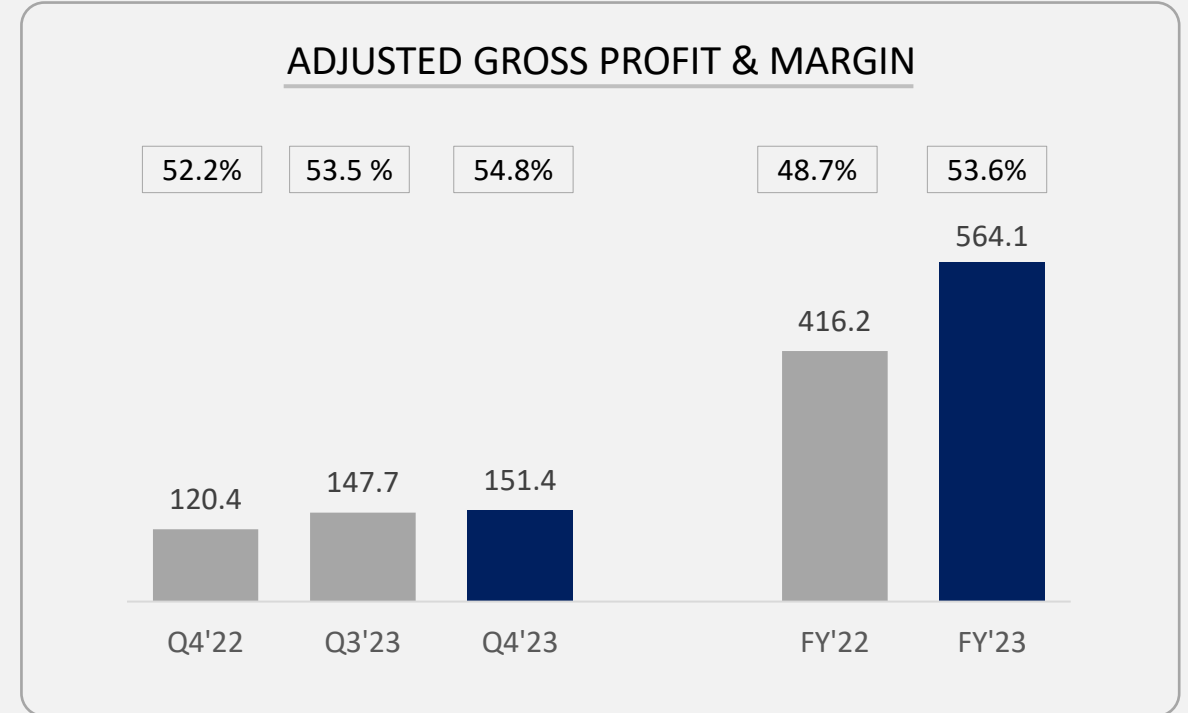
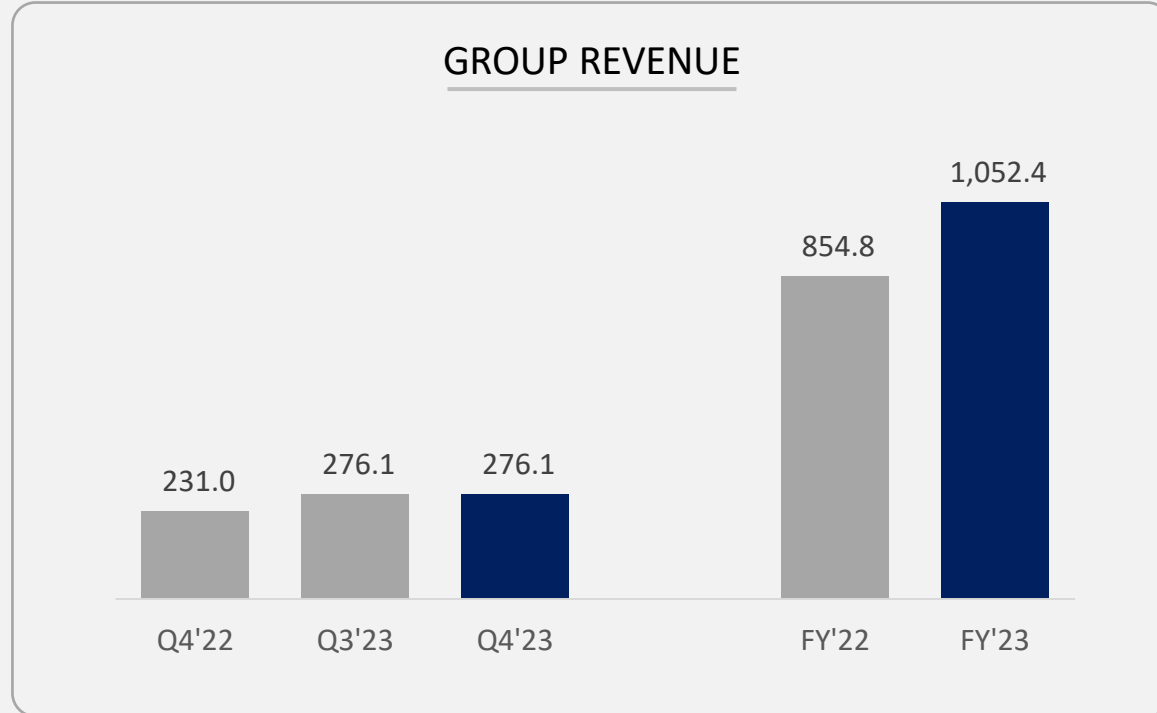


FINANCIAL PERFORMANCE

CONNECTION
ANALYSIS
DATA
SEARCHING

Income Statement Highlights

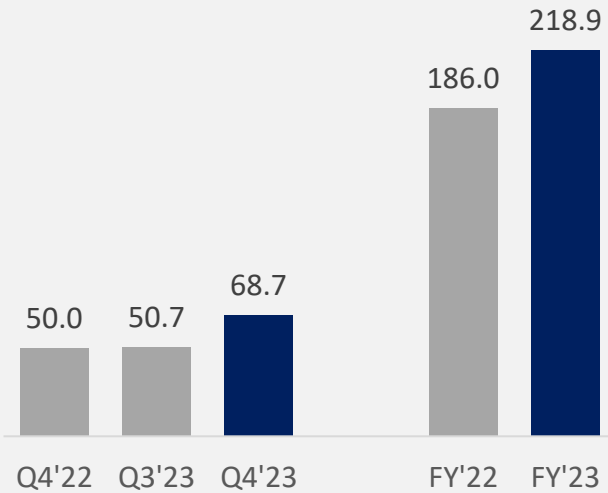
SAR millions



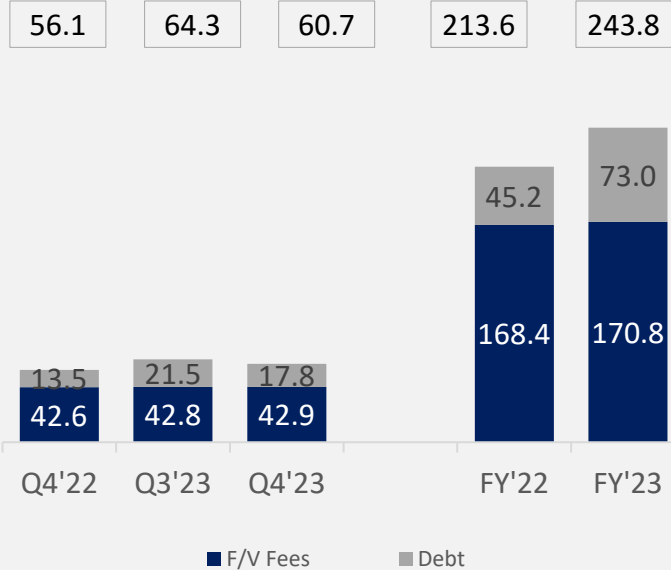
- **Q4'23 Group revenue improved** by 19.6% YoY driven by strong performance in the ports and logistics segments.
- **12M'23 Group revenue** improved by 23.1% from FY'22 on the back of overall improvement across all segments.
- **Q4'23 Adjusted Gross profit improved** by 25.7% as compared to same quarter previous year mainly due to due to improvement Ports and Logistics segment gross margin during Q4.
- **12M'23 Adjusted Gross profit** grew by 35.6% from 2022 driven by revenue growth and an improvement in gross margins across all segment
- *Revenues excluding accounting construction revenues*
- *GP and margins in Q4 and YE 2023 are adjusted with one off provisions in direct costs in the ports segment.*

OPEX, Finance Charges And Investment Income

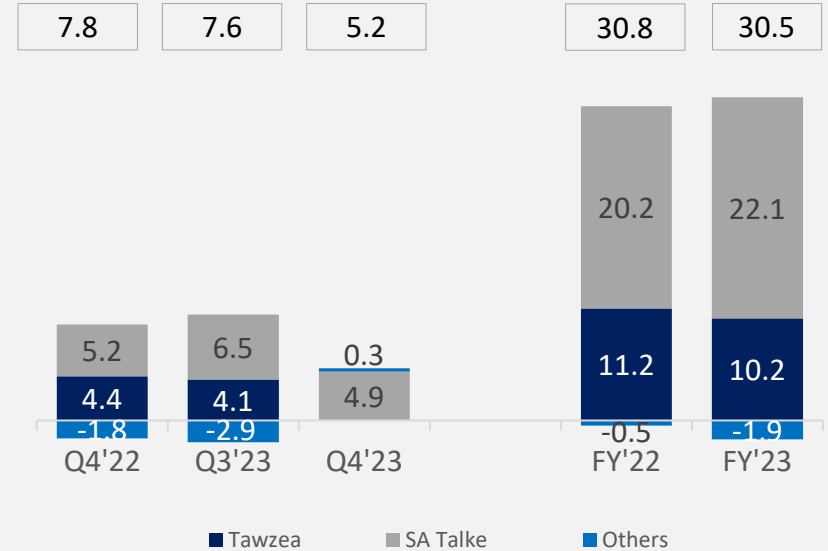
OPERATING EXPENSES



FINANCE CHARGES



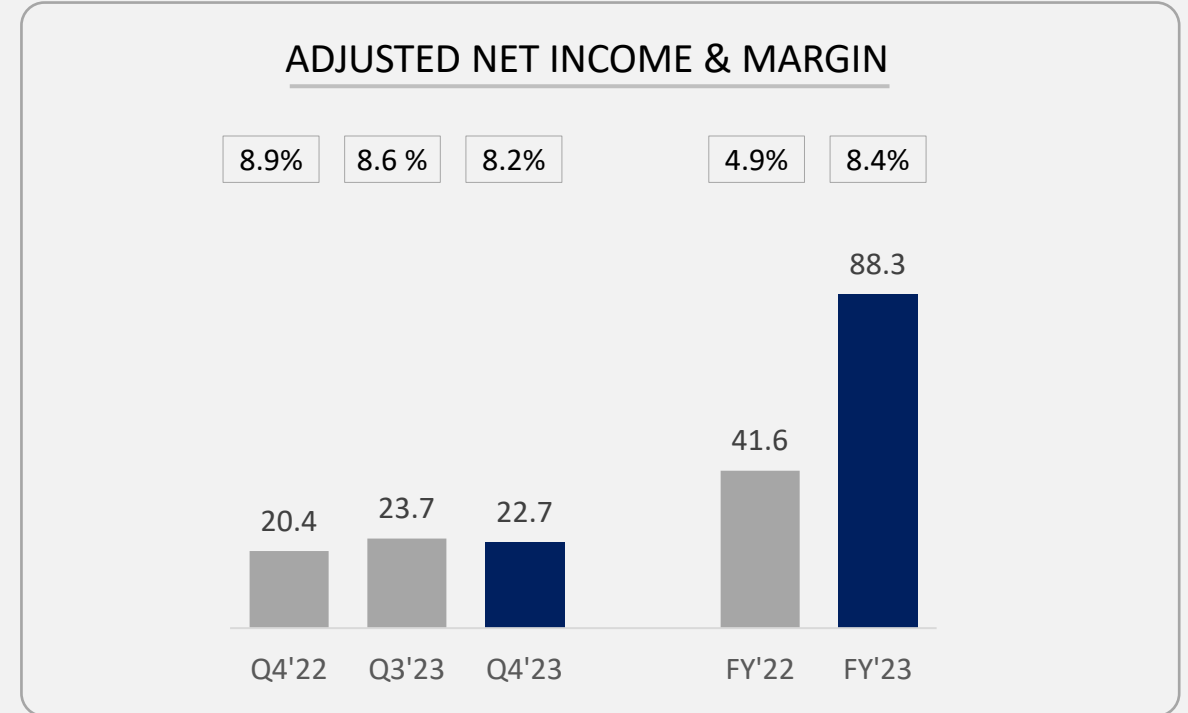
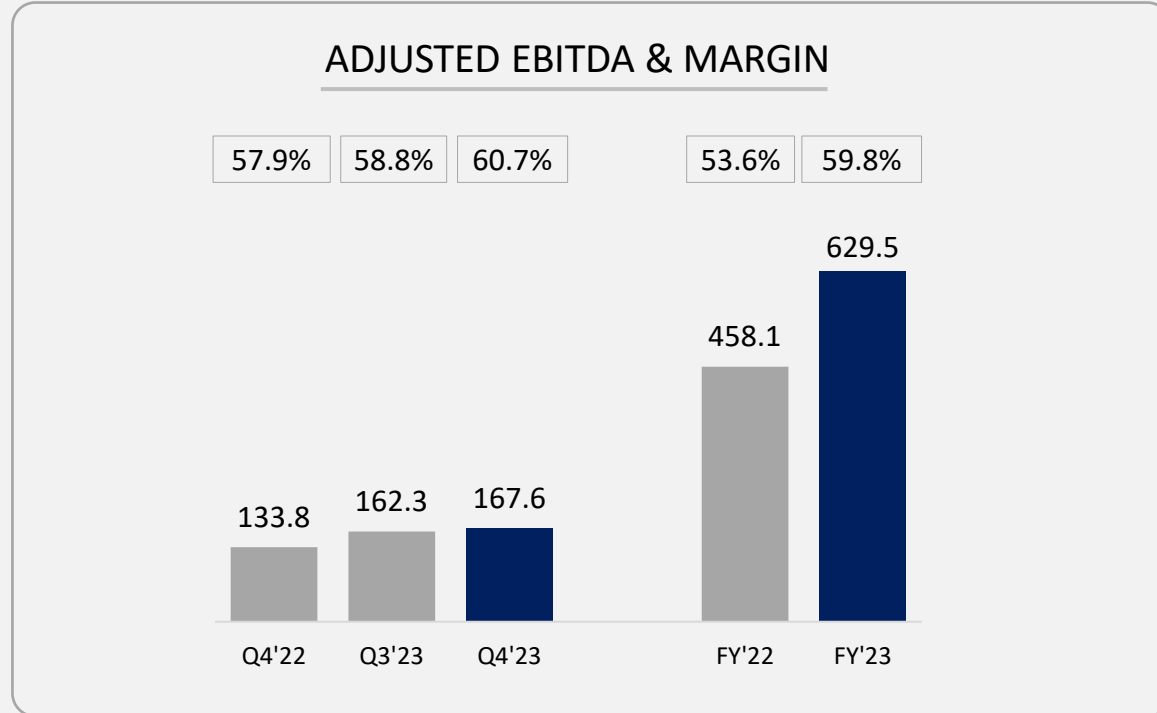
INVESTMENT INCOME



- **Q4'23 and 12M'23 operating expenses increased** due to employee related expenses, consulting and business development costs. OPEX is expected to stabilize going forward. In Q4 Opex increased due to RSGT Bangladesh pre-operating expenses.
- Increase in **Finance Charges** due to additional drawdowns and increase in SAIBOR Rates
- **Q4'23 investment income** decreased by 34.3% year on year due to decline in share of profit from Tawzea.
- **12M'23 investment income** remained broadly in line with last year.

EBITDA and Net Income

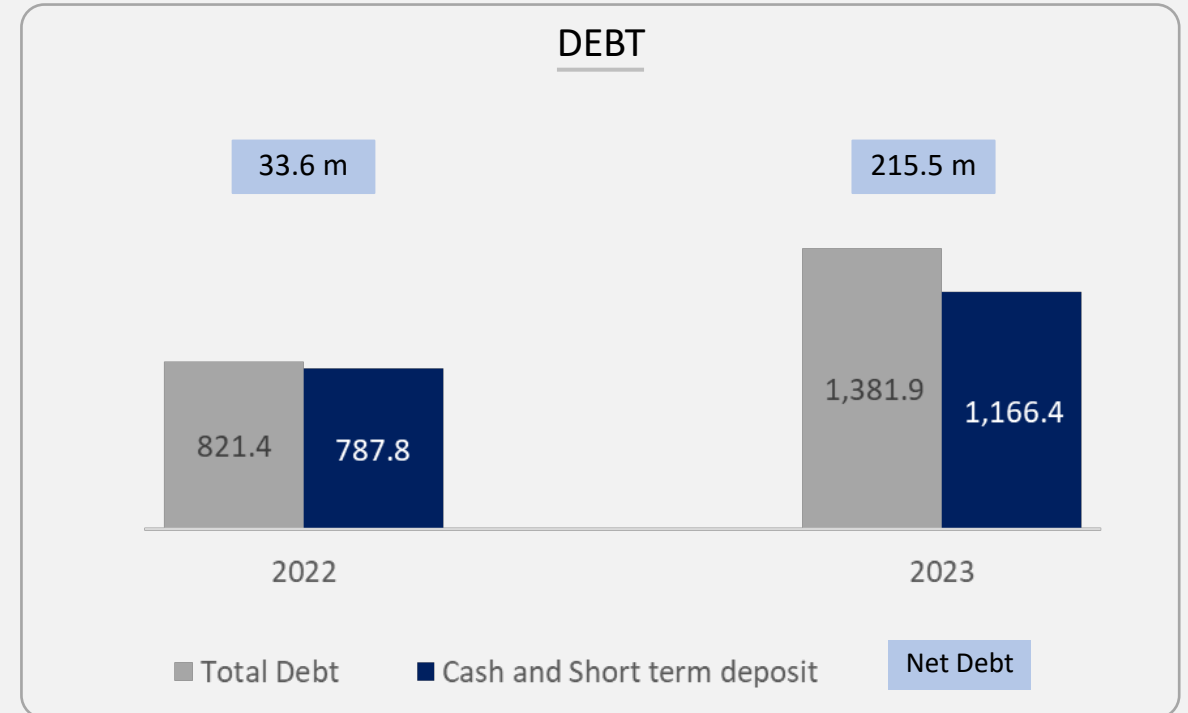
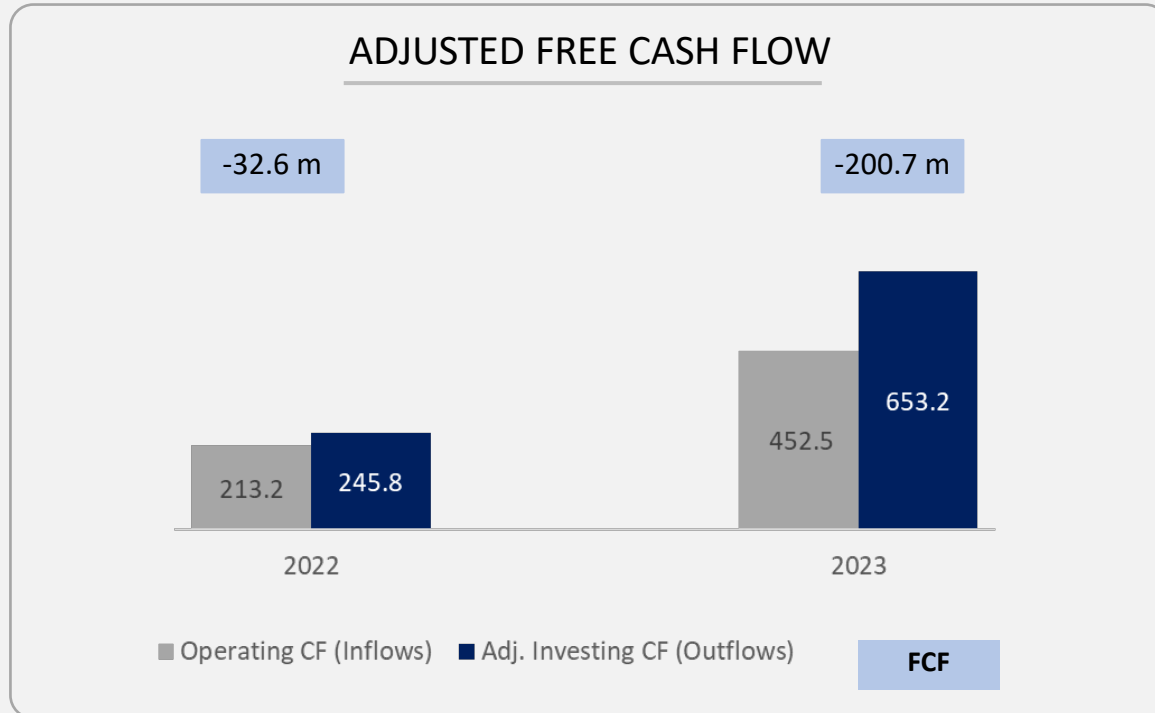
SAR millions



- **12M'23 Adjusted EBITDA** improved to SAR 59.8 m and a healthy margin of 59.8%.
- **12M'23 period, adjusted net income improved to SAR 88.3 million**, increased by 112.6%, bolstered by a stronger second half compared to the previous year and robust revenue growth and improvement in adjusted gross margins.
- *EBITDA, NP and margins in Q4 and YE 2023 are adjusted with one off costs in RSGT and RSGTI.*

Adjusted Free Cash Flow And Net Debt

SAR millions



- **Free cash flow** for 12M'23 is SAR 201 million (outflow) excluding one offs, is due to additions in PPE.
- During **12M'23** due to additional drawdowns, net debt rose to SAR 215.5 million.

PORTFOLIO PERFORMANCE



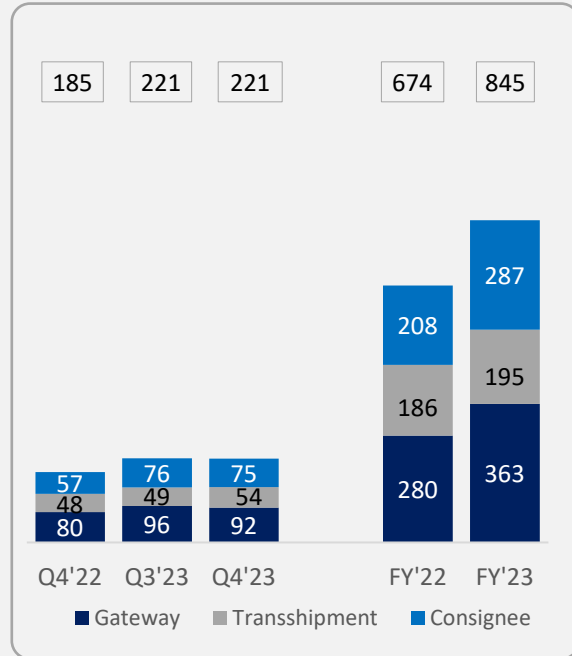
A grayscale photograph of a person's hands typing on a laptop keyboard. The image is overlaid with a semi-transparent financial candlestick chart. The chart consists of numerous vertical bars of varying heights, some with small squares at the top or bottom, representing price movements over time. The overall tone is professional and technical.

A. Portfolio - Consolidated Assets

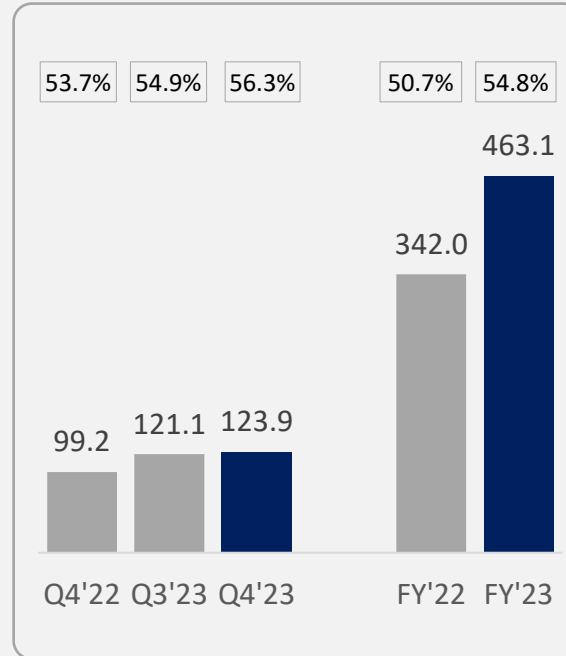
Ports & Terminal Snapshot | Q4'FY23

SAR millions

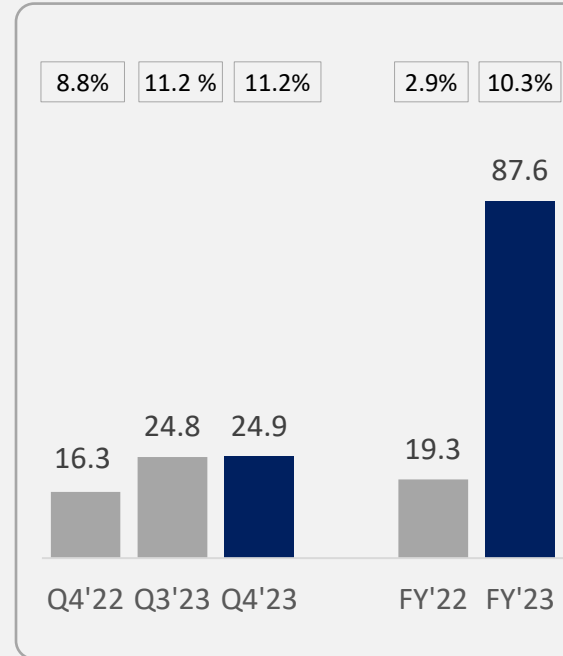
REVENUE *



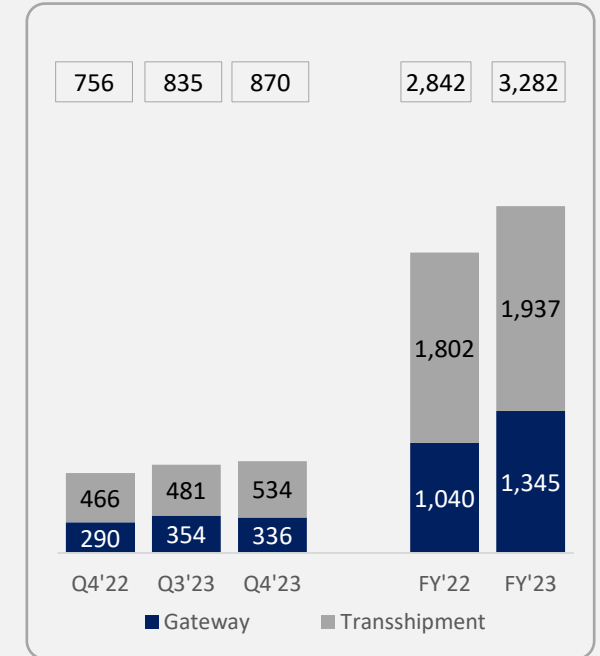
ADJUSTED GROSS PROFIT & MARGIN



ADJUSTED NET INCOME & MARGIN



VOLUME (TEUS '000)



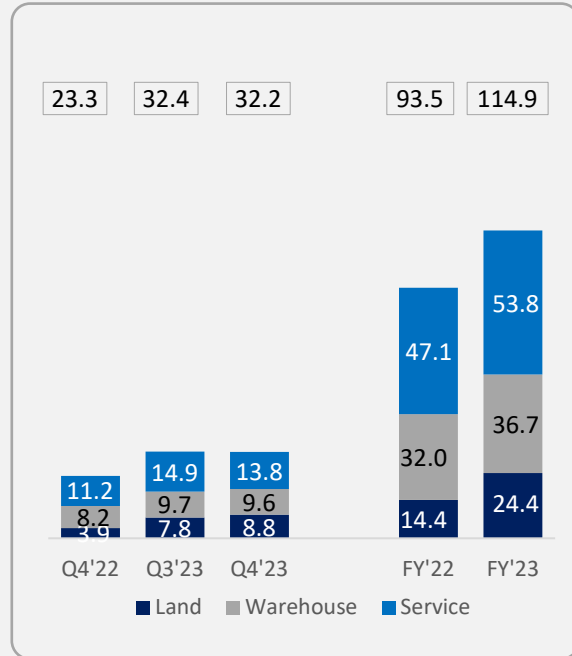
- **12M 2023 revenues** increased by 25.3% to SAR 844.8 million compared to the previous year. **Q4 2023** revenue increased by 19% compared to the same period in the previous year due to strong volume growth during the year.
- In 2023, **gateway volumes** improved by 29.3%, and **transshipment volumes** 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.
- **Q4'23 Adjusted Net Income** improved to SAR 24.9 m compared to SAR 16.3 m same quarter of the previous year. **12M'23 net income** improved to SAR 87.6 m compared to 12M'22 SAR 19.3 m.

- Excluding accounting construction revenue
- GP and NP excluding one off provisions

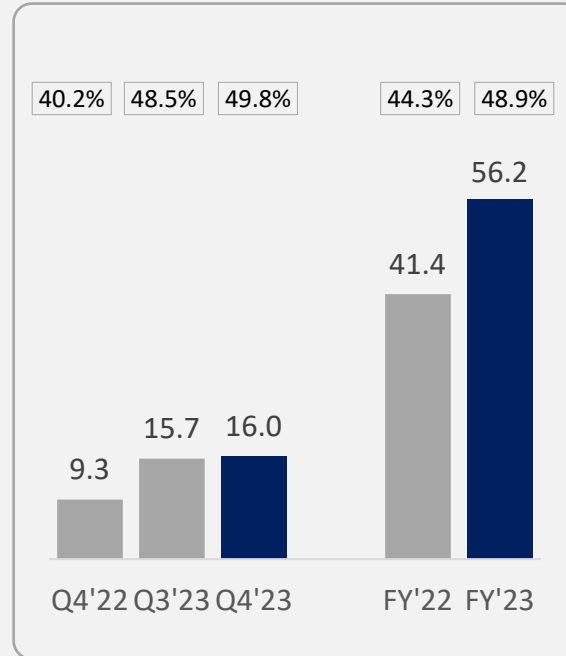
Logistics, Parks & Services Snapshot | Q4'FY23

SAR millions

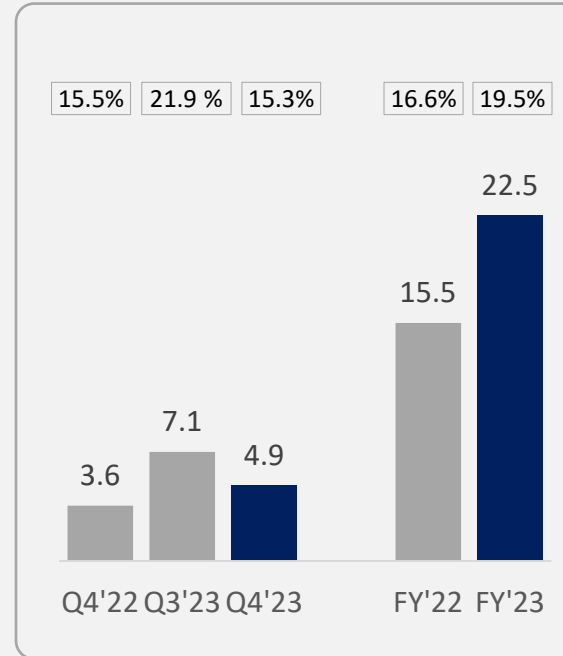
REVENUE



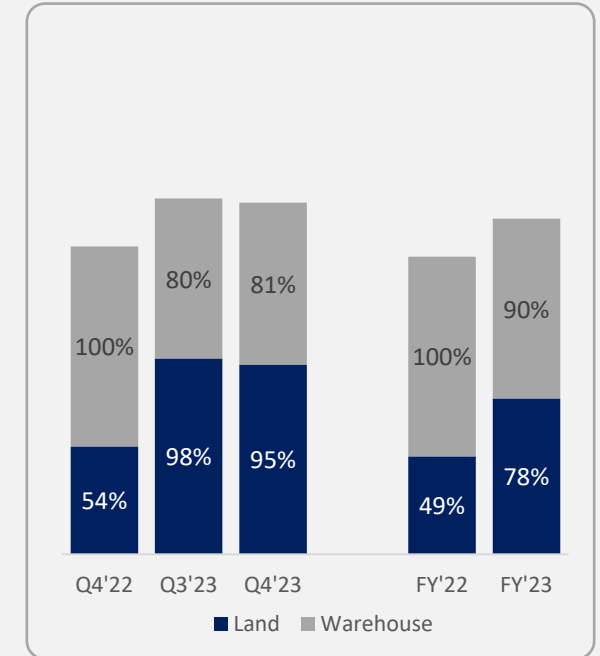
GROSS PROFIT & MARGIN



ADJUSTED NET INCOME & MARGIN *



OCCUPANCY (%)



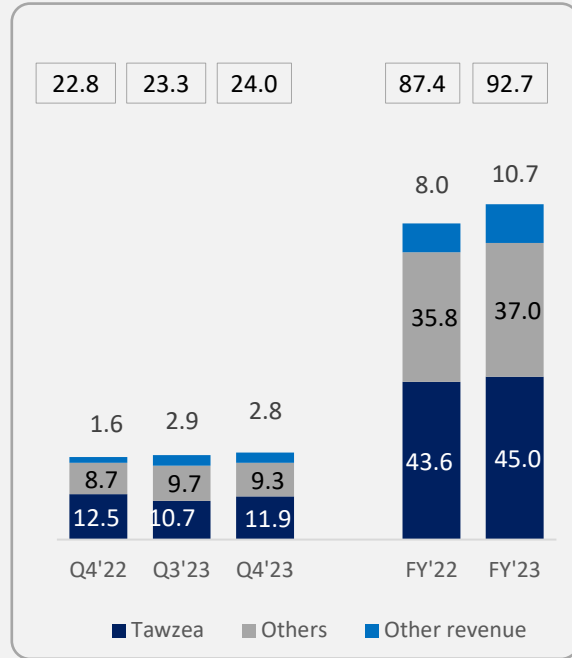
- 12 M 2023 **revenues** increase by 23.0% in **2023** as compared to the previous year. **For Q4 2023**, revenue significantly improved by 38.7% as compared to same period last year driven by healthy utilization of warehouse capacity as well improvement in open yard revenues .
- **Q4'23 Adjusted Net Income improved** significantly by 37.4% from Q4'22. **12M'23 income** increased by 44.8% due to improvement in revenues and higher margins as compared to last year
- **Occupancy %** in Q4'23 in land increased from 54% in Q4'22 to 95%

* Excluding investment income which are eliminated at consolidated level

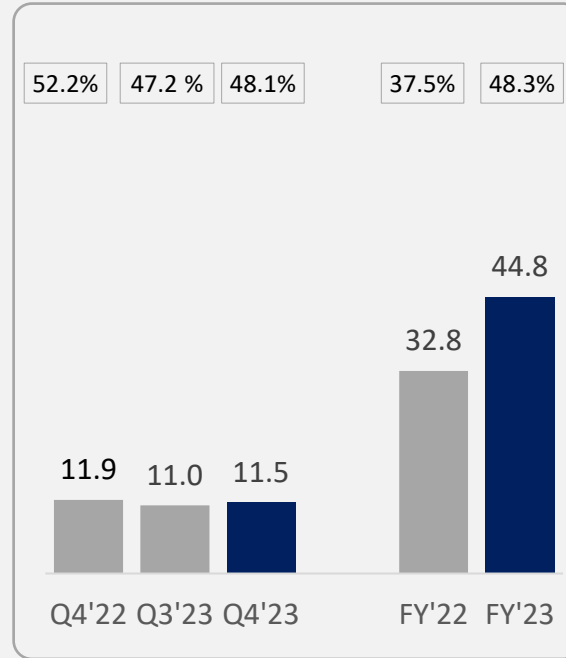
Water Solution Snapshot | Q4'FY23

SAR millions

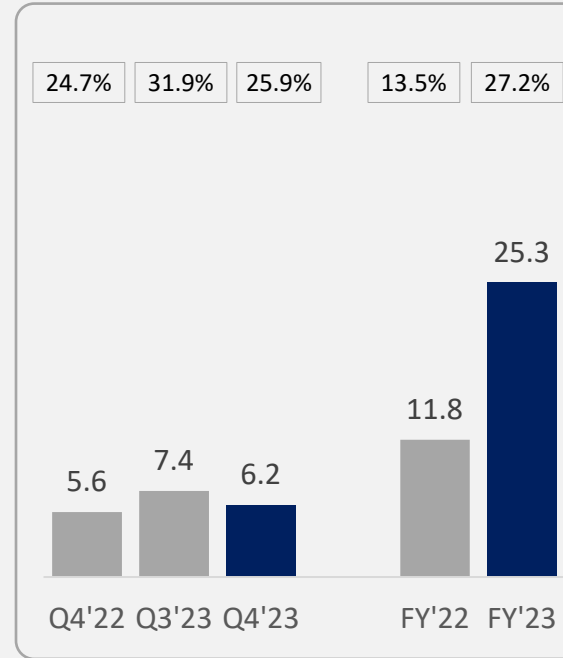
REVENUE



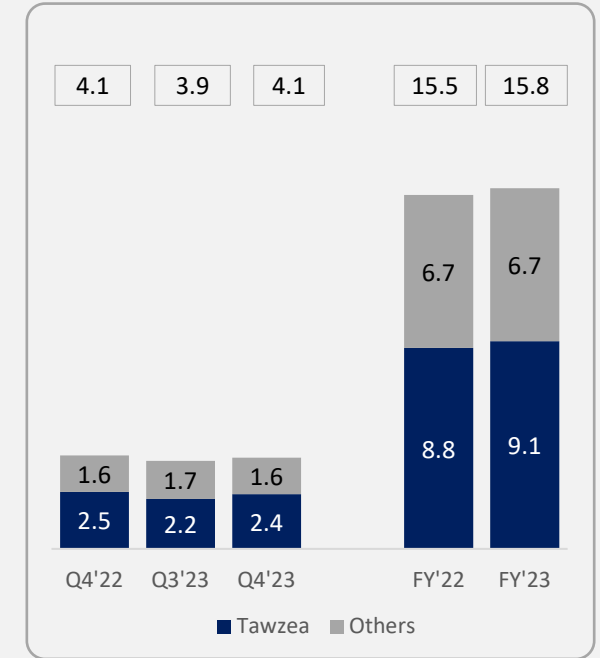
GROSS PROFIT & MARGIN



NET INCOME & MARGIN



VOLUME, WATER SOLD (MN M3)



- In 2023, revenue improved by 6.1% to 92.7 million. On a quarterly basis, revenue increased by 5.2% in Q4 2023 compared to the same period last year.
- **Gross profit** margin has seen significant growth, rising from 37.5% to 48.3% in 2023 due to decline in depreciation and improvement in direct costs.
- **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.

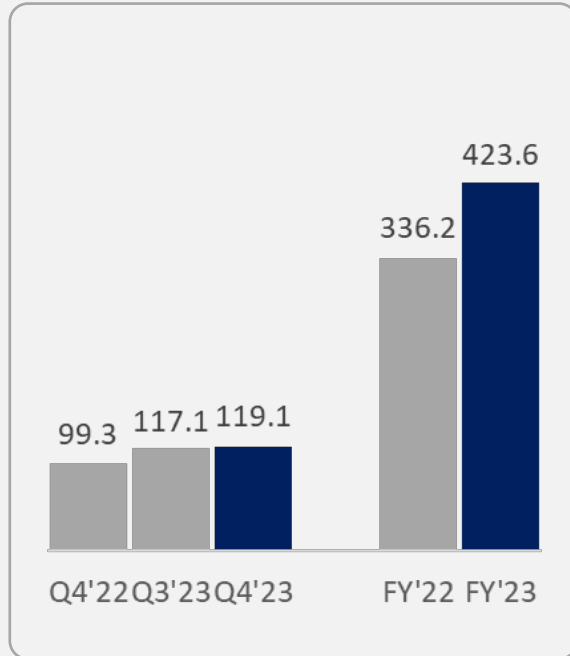


B. Portfolio – Equity Accounted Assets

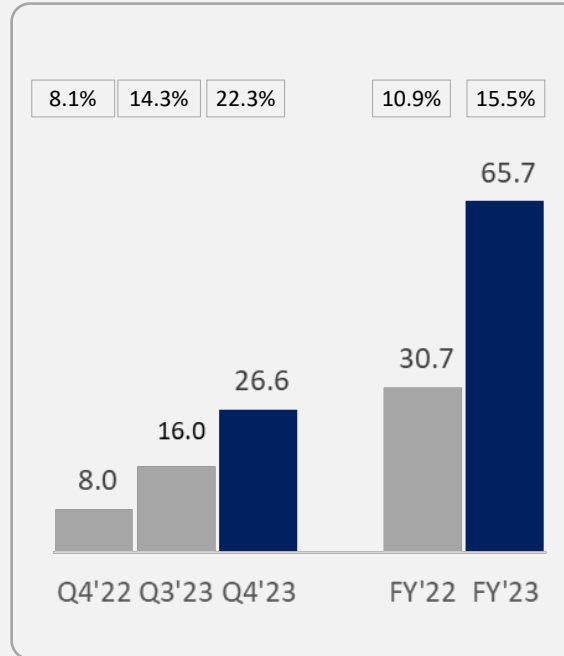
TAWZEA Snapshot | Q4'FY23

SAR millions

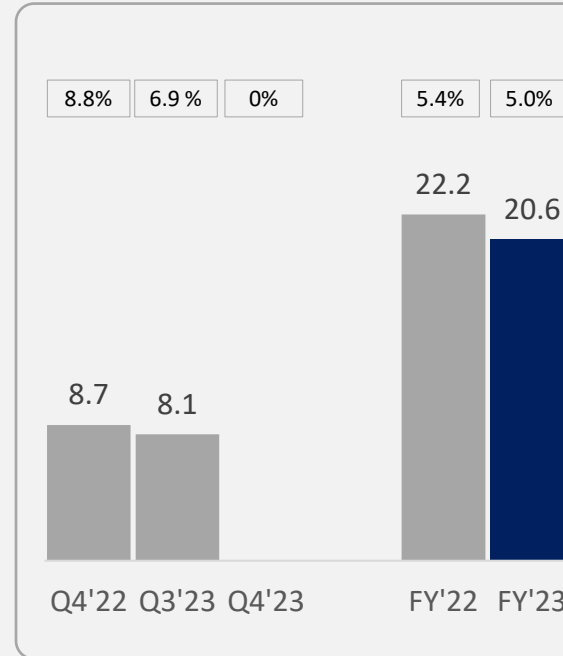
REVENUE



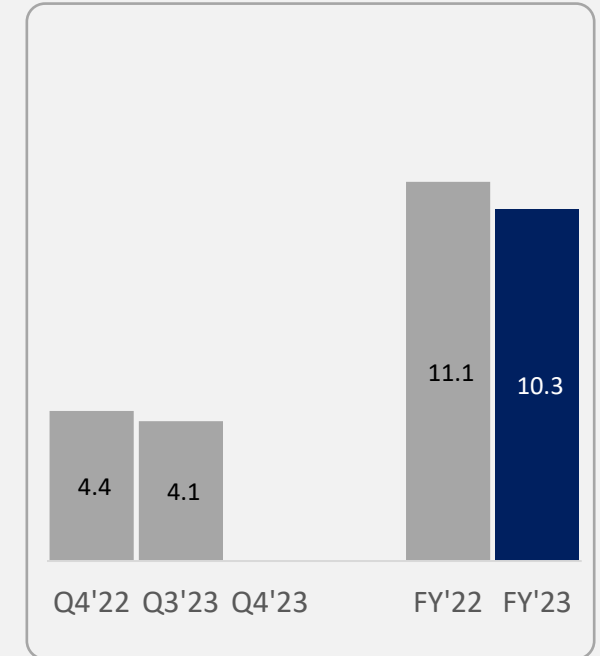
ADJUSTED GROSS PROFIT & MARGIN



NET INCOME & MARGIN



SISCO SHARE OF NET INCOME

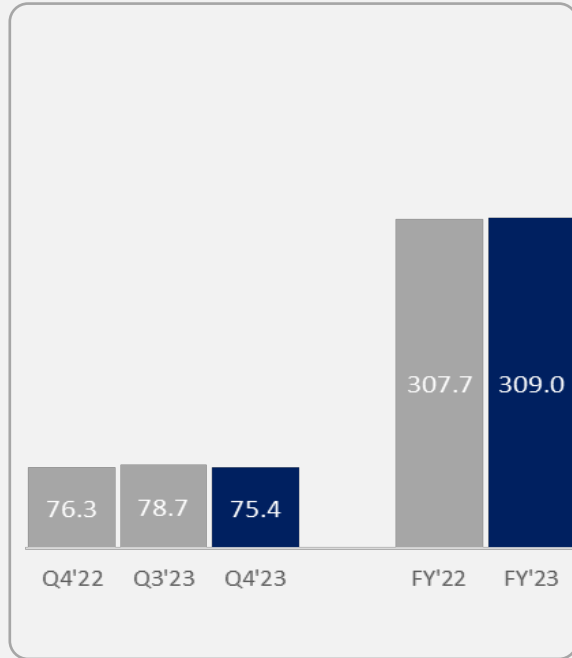


- Reported **adjusted revenue** (excluding accounting construction revenues) increased by 19.9% compared to Q4FY2022 whereas, 12M'2023 revenues increased by 26% compared to last year. The increase is attributed to Neom (an AquaPur project), North and South Cluster revenues which started operations in Q4 2022.
- SISCO's share in **net income** was SAR 10.3 m for TAWZEA in 2023, dropped by 7.2% compared to last year due to one off project losses in Q4 2023.

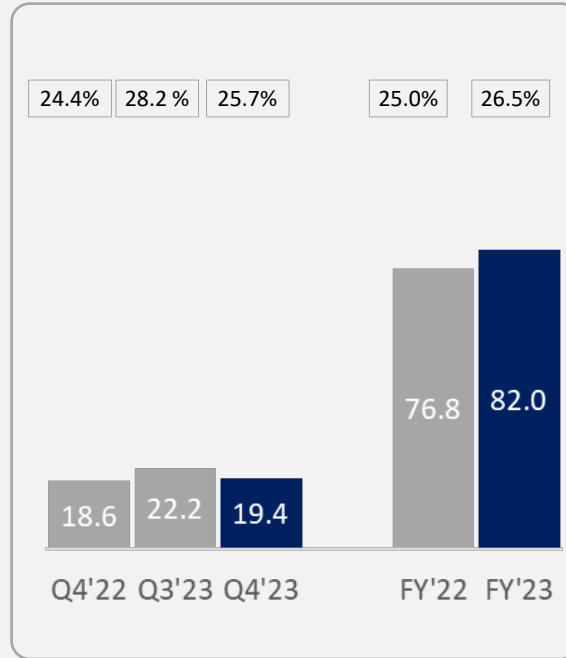
SA TALKE Snapshot | Q4'FY23

SAR millions

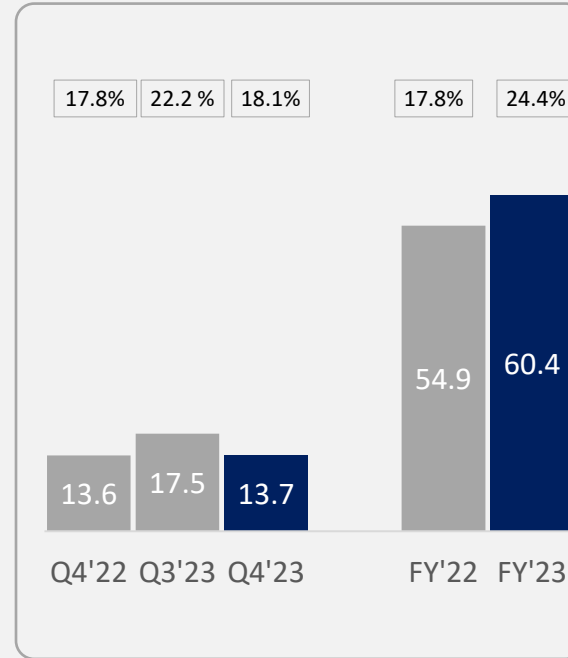
REVENUE



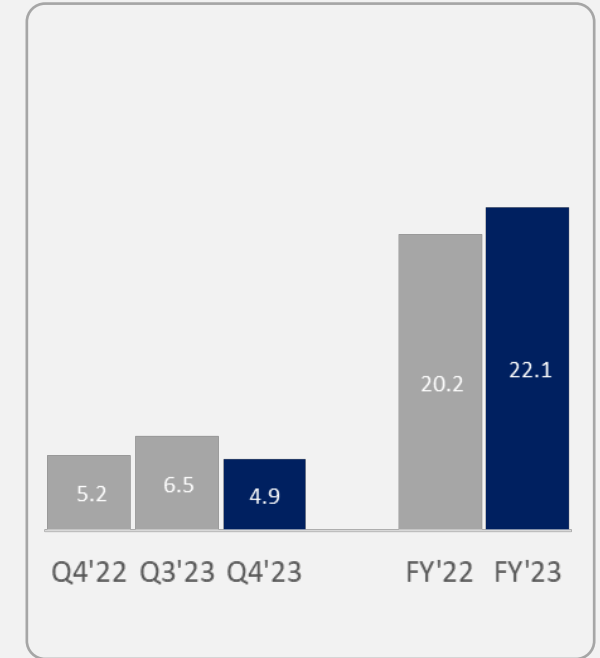
GROSS PROFIT & MARGIN



NET INCOME & MARGIN



SISCO SHARE OF NET INCOME



- SA Talke **revenues** remained flat Q-on-Q and Y-on-Y.
- **SISCO Holding's** share of SA Talke's net income was SAR 22.1 million, 9.4% higher than the last year.

SUMMARY



FY 2023: Strong performance and recovery



FY'23 witnessed a strong recovery in business fundamentals as revenues was higher than driven by improved performance of Ports and Logistics segment.



FY'23 gross profit rose 35.5% from last year mainly due to improvement in the ports and logistics segment.



FY'23 adjusted net profit increased 112.6% vs last year primarily driven by improved performance of Ports, Logistics and Water segments.



Progressing on implementation of strategy with emphasis on value accretive M&A and brownfield investments in Ports and Logistics

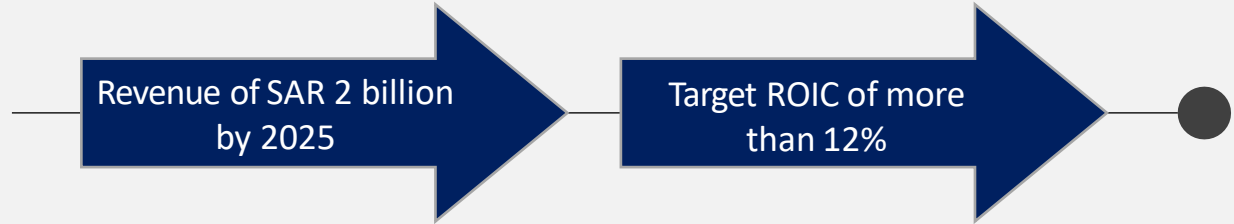
APPENDIX



Strategic Objectives

1

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



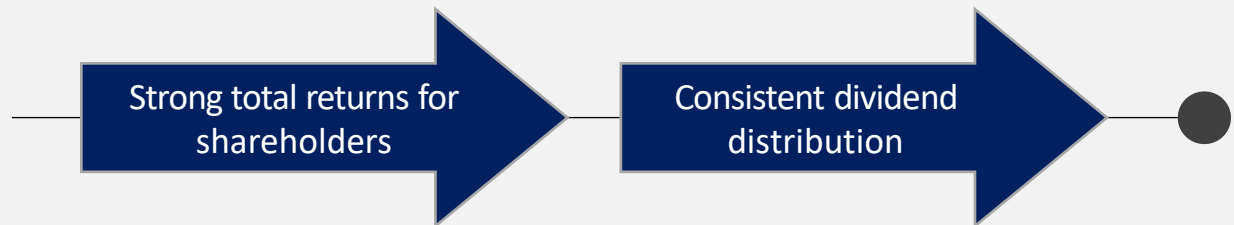
2

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



3

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

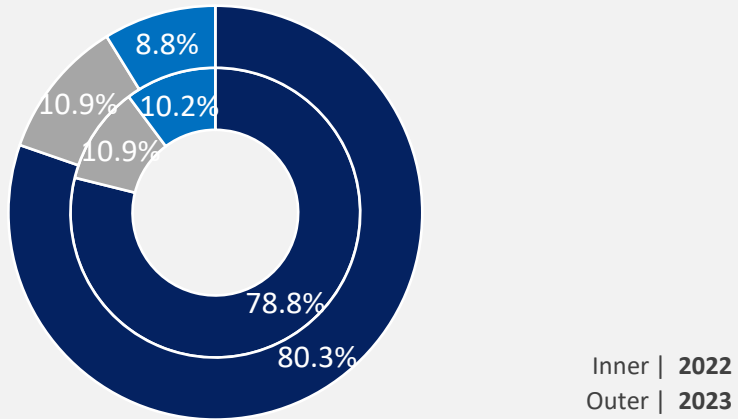


Revenue And Gross Profit Composition

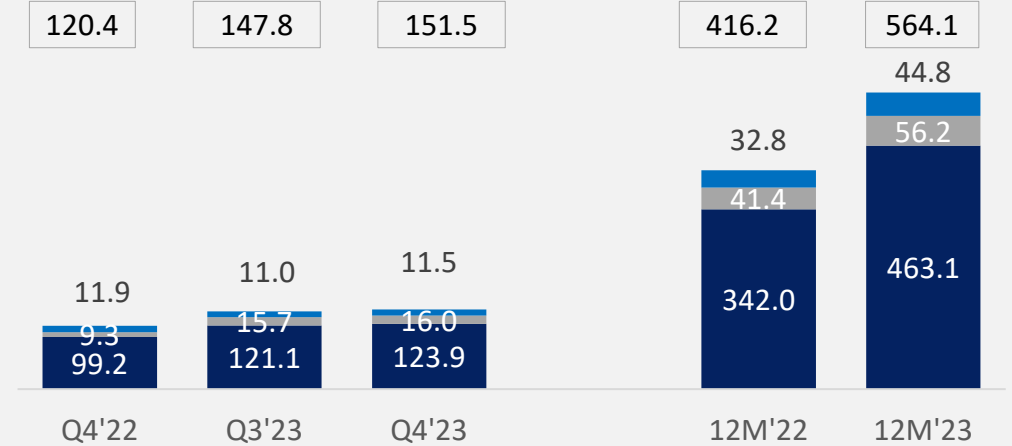
SAR millions

Ports Logistics Water

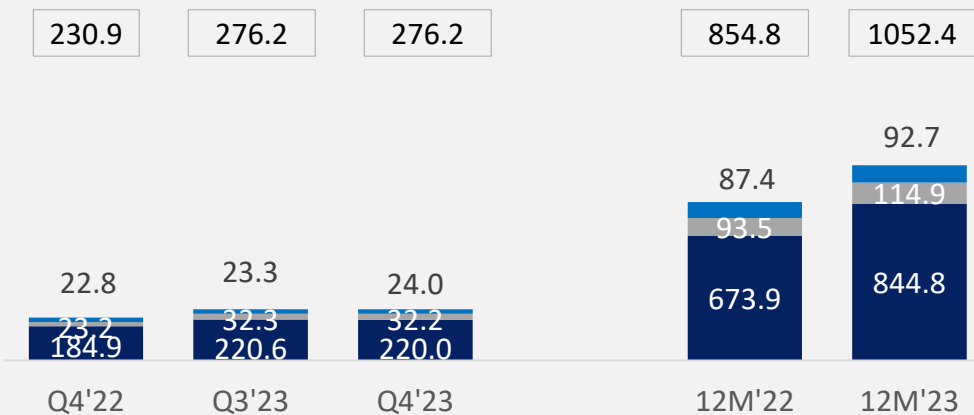
Revenue Composition



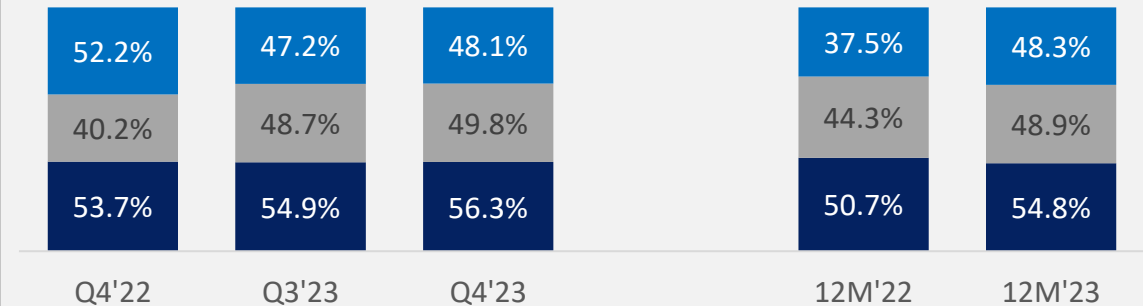
Adjusted Gross Profit Composition



Group Revenue Composition



Adjusted Gross Margin By Segment



* Revenue excludes accounting construction revenues

Income Statement - Quarterly

SAR millions

	Q3' 23	Q4' 23	Var.	Var. %	Q4' 22	Q4' 23	Var.	Var. %
Revenue*	276.2	276.1	-0.1	0.0	230.9	276.1	45.2	19.6%
Direct costs*	(128.5)	(150.6)	-22.0	17.2%	(110.4)	(150.6)	-40.2	36.4%
Gross profit	147.7	125.5	-22.0	-15.0%	120.5	125.5	5.0	4.1%
Operating expenses	(50.7)	(68.7)	-18.0	35.5%	(50.0)	(68.7)	-18.7	37.4%
Operating profit	97.0	56.8	-40.2	-41.4%	70.5	56.8	-13.7	-19.4%
Investment income	7.6	5.2	-2.4	-31.6%	7.9	5.2	-2.7	-34.2%
Finance charges	(64.2)	(60.7)	-3.5	-5.5%	(56.1)	(60.7)	-4.6	8.2%
Other income / expenses & Zakat	5.4	9.8	4.4	81.5%	9.3	9.8	0.5	5.4%
Group net income	45.8	11.1	-34.7	-75.8%	31.6	11.1	-20.5	-64.9%
Minority interest	(22.1)	(4.2)	-17.9	-81.0%	(13.2)	(4.2)	-9.0	-68.2%
Net income - reported	23.7	6.8	-16.9	73.3%	18.4	6.8	-11.6	-63.0%
Net income - adjusted	23.7	22.7	-1.0	-4.4%	20.4	22.7	2.3	10.9%

* Revenue and direct costs exclude accounting construction revenue / costs

Income Statement – FY 2023

SAR millions

	FY'22	FY'23	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	55.4	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%

* Revenue and direct costs exclude accounting construction revenue / costs

Balance Sheet

SAR millions

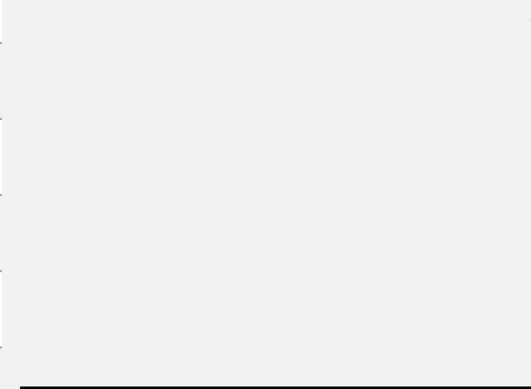
	FY' 22	FY'23
Fixed Assets	3,795.0	4,284.6
Investments	274.8	283.6
Deferred Tax	6.7	6.0
Current Assets	982.3	1,415.7
Total Assets	5,058.8	5,989.9
Borrowings	772.7	1,492.4
Long Term Liabilities	1,530.3	1,553.0
Current Liabilities (excl. borrowings)	437.5	629.8
Total Liabilities	2,742.6	3,675.2
Equity	2,316.2	2,314.7
Total Equity & Liabilities	5,058.8	5,989.9

Cash Flow Statement

SAR millions

	FY 2022	FY 2023
Operating cash flow before working capital	450.4	581.4
Net working capital movement	(163.0)	(35.2)
Cash generated from operating activities	286.4	546.2
Finance charges, Zakat & income tax, EOSB	(70.1)	(93.6)
Net cash flow from operating activities	216.3	452.6
Investment in short term deposits	(279.9)	279.9
Other Investing activities	(248.9)	(653.2)
Net cash used in financing activities	(71.9)	579.1
Net decrease in cash and bank balances	(384.4)	658.5
Cash at the beginning of the period	892.3	507.9
Cash at the end of the period	507.9	1,166.4

SAR million	FY 2022	FY 2023
Cash At Center	216.6	370.4
Cash At Affiliates	291.3	796.4
Cash at the end of period	507.9	1,166.34



Management Outlook



PORTS

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

Our Ports segment is well positioned to maintain strong volume growth.



LOGISTICS

LogiPoint continued the expansion of its warehouse capacity by adding 45,000 sqms during the year.

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

During the year we completed two M&A transactions and are negotiating further deals that we expect to complete in 2024.

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



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