

SAUDI INDUSTRIAL SERVICES COMPANY

Corporate Presentation | Sept. 2023

SISCO | The First publicly listed, full-cycle logistics and infrastructure investment company



Portfolio of **market leading infrastructure assets** in the GCC with supporting market fundamentals



National Industrial Development and Logistics Program

Positive Outlook and **key enabler of National Industrial Development and Logistics Program**

Business readiness and strategic alignment to national priorities makes SISCO a key Vision 2030 enabler

Track record of generating **strong returns** and solid **cashflow generation ability**



Operate in resilient sectors enabling attractive risk-adjusted returns

Successful track record in **developing assets**



6 **long term concessions** signed over the last 10 years



7

Portfolio companies

SAR **4** bn +

Total AUM

+135%

10-year Portfolio Return

> 12%

10-year IRR

10%

10-year Revenue CAGR

Strong capabilities across the Group

Management capabilities



Public stakeholder management

- High and long-standing reputation
- Mawani, Modon and SWPC relations for strategic assets.



Concession

- High and long-standing reputation
- Mawani, Modon relations for strategic assets



Financing

- Capital raising (institutions & banks)
- Project finance management



Investment and Deal Structuring

- Strong investment team deal flow generation, transactional capabilities

Operational Capabilities



Operational execution

- Strong operational know-how in subsidiaries



Project Development

- Unique greenfield delivery experience
- Several business development opportunities



Scale

- SISCO has strong history of scaling portfolio companies



JVs & partnering

- Experience in JV
- Ability to attract industry leading partners

Access to strategic Partnerships

Strategic Partner



International Partners / Joint Ventures



Local Joint Venture's



SISCO Investments | A portfolio of market leading companies



Infrastructure

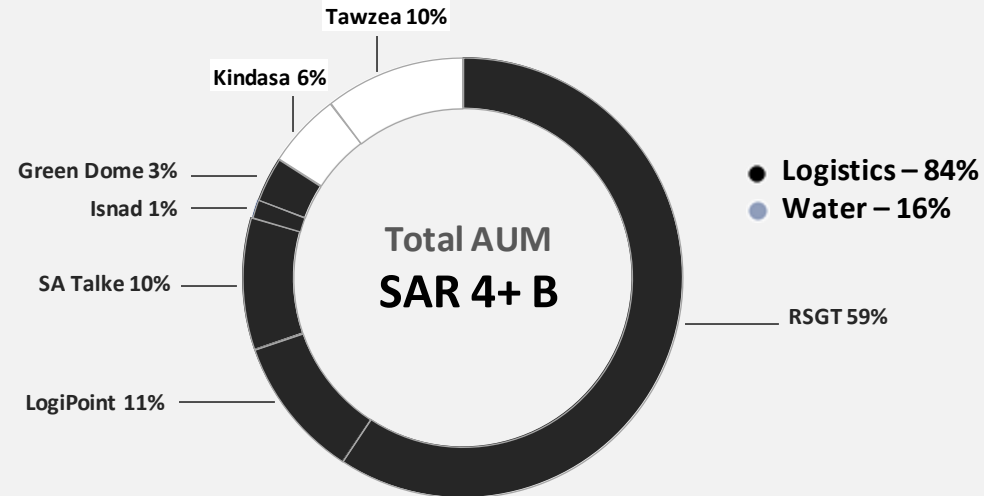
Ports & Logistics

Ports Share Holding

محطة بوابة البحر الأحمر RED SEA GATEWAY TERMINAL	36.4%
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Logistics

LogiPoint	76%
س.أ. تالكي S.A. TALKE	33.3%
GreenDome Investments	31.7%
شركة تشغيل الخدمات المساندة ISNAD Support Services Operation Company	97%



Water

Share Holding

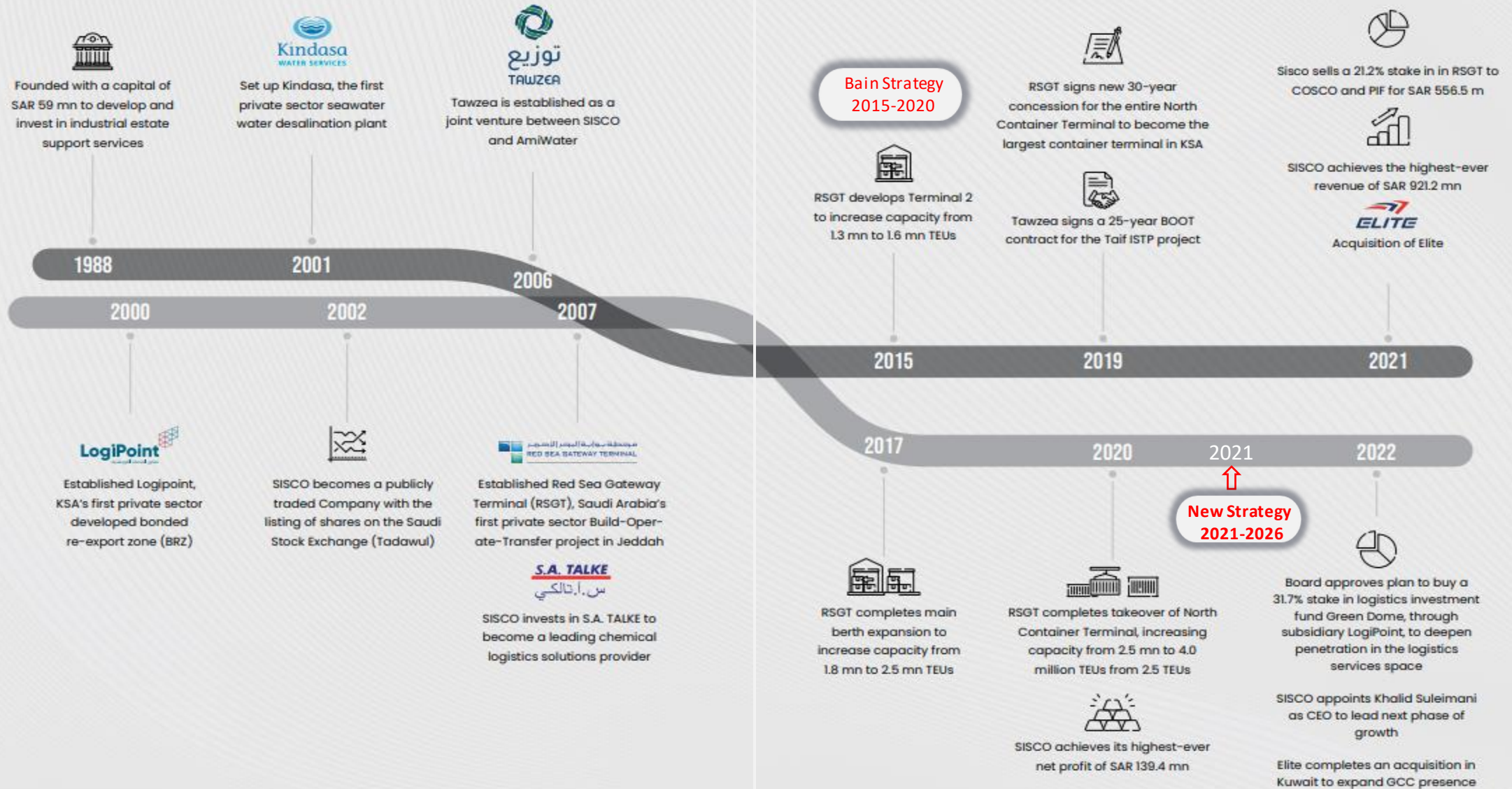
توزيع TAWZEA الشركة الدولية لتوزيع المياه المحدودة International Water Distribution Co. Ltd	50%
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كنداسة كنداسة للمياه WATER SERVICES	65%
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Portfolio companies are 1st or 2nd in their sector

Strong synergies across portfolio

SISCO Portfolio Building journey



SISCO Board of Directors (1/7/2023 – 30/6/2026)

Non- Executives Board Members



**Mr. Amer
Abdullah Zainal
Aireza**



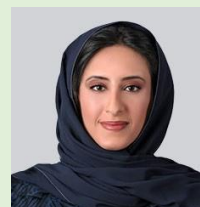
Eng. Saleh Hefni



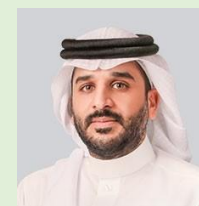
Mr. Ahmad Rabiah

★ Chairman of the Board

Independent Board Members



**Mrs. Muneera
AlDousarry**



Mr. Talal ALDakhil



Mr. Nader Ashour



**Eng. Rayyan
Nagadi**

★ Vice - Chairman of the Board

Industry-leading senior management

Strong management teams with decades of experience



Khalid Suleimani

CEO

25+ years in VC Investment, Digital transformation and Entrepreneurship



Mahmood Hussain

CFO

22+ years in financial and investment management

Logistics



Jens Floe

CEO

25+ years in the infrastructure and maritime sector



Farooq A Shaikh

CEO

20+ years in shipping and logistics



Hisham Al Bahar

MD

18+ years in logistics and investments



Mark Benzahia

MD

18+ years in supply chain and logistics



Abdullah Tuwarigi

CEO

22+ years in Finance and Business management



Mohammed Halawani

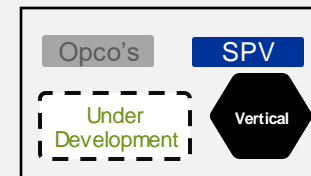
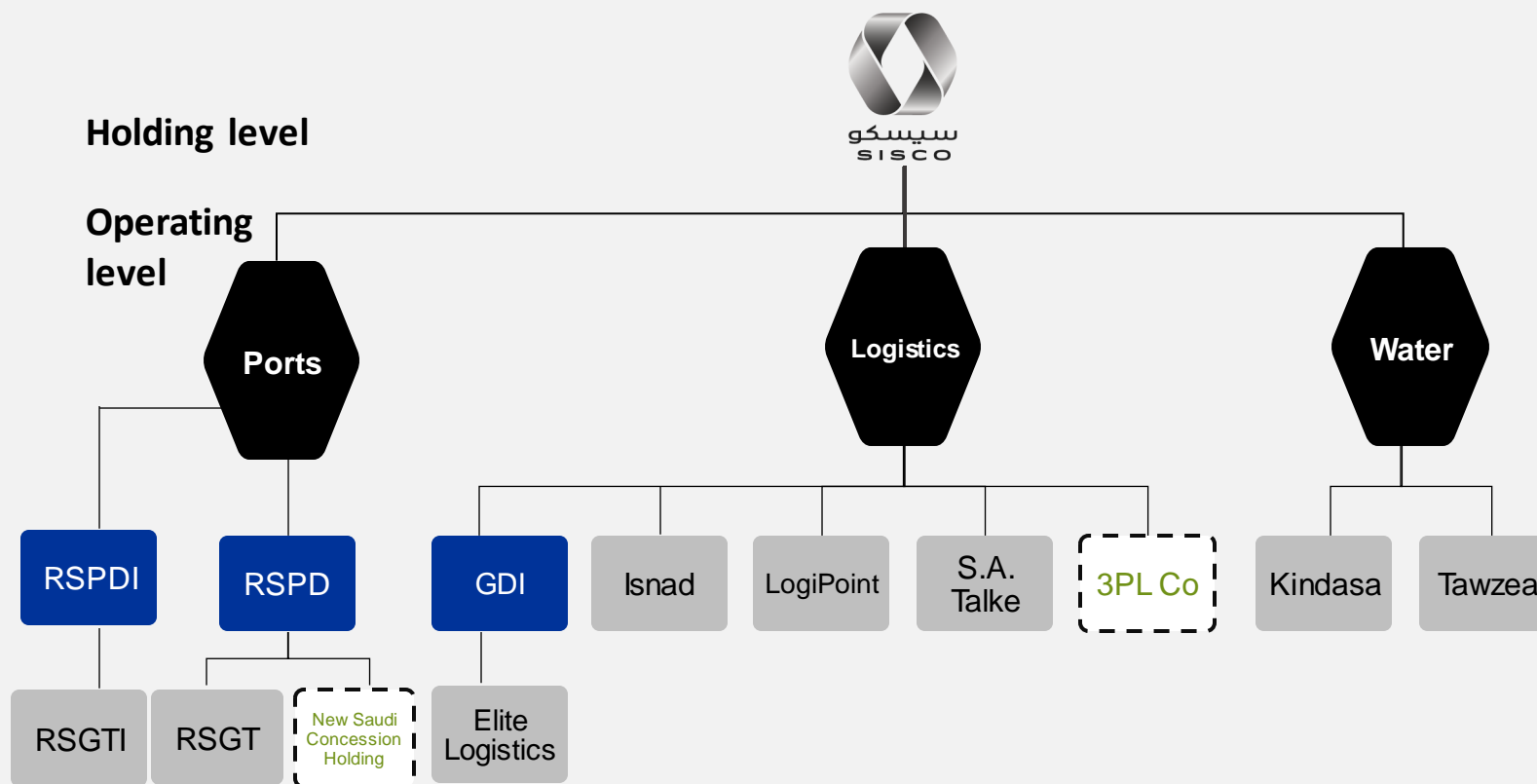
CEO

13+ years in water industry



SISCO Structure- Portfolio Companies

	Portfolio Company	SISCO Shareholding %
Ports & Logistics Portfolio	RSGT	36.4%
	LogiPoint	76%
	Isnad	97%
	S.A Talke	33.3%
	Elite	24%
	RSPD	60.6%
	RSPDI	60.6%
	RSGTI	36.36%
	GDI	31.7%
	Water Portfolio	Kindasa
Tawzea		50%



SISCO's Value Proposition | A compelling investment case



Successful Track Record In Greenfield

Strong track record of developing landmark greenfield projects into successful platforms and attractive brownfield investment opportunities



Hands-on Approach to Investment Management

Active investment management approach has seen SISCO acquire and grow lucrative brownfield investment opportunities



Synergistic Portfolio

Boasts a comprehensive portfolio of synergistic businesses that provide an integrated end-to-end logistics platform



Strategic Footprint Across KSA

SISCO's logistics businesses are located at the heart of Jeddah's industrial zones and the busiest port in the Kingdom



Positive Outlook Supported by Saudi Vision 2030

Well-positioned to benefit from key national level initiatives that will drive growth across SISCO's core operating sectors in Saudi Arabia



Access to Capital

Ample availability of capital will drive SISCO's forward-looking investments and expansion plans



Defined Growth Strategy

Clearly defined medium-term growth strategy with capacity to deliver on ambitious targets



Consistent Dividend Policy

Plans to maintain consistent dividend policy and continue generating increased value for shareholders



Strong Management Team

Strong governance framework and experienced management teams has enabled SISCO's active investment management approach and growth story



Robust Governance

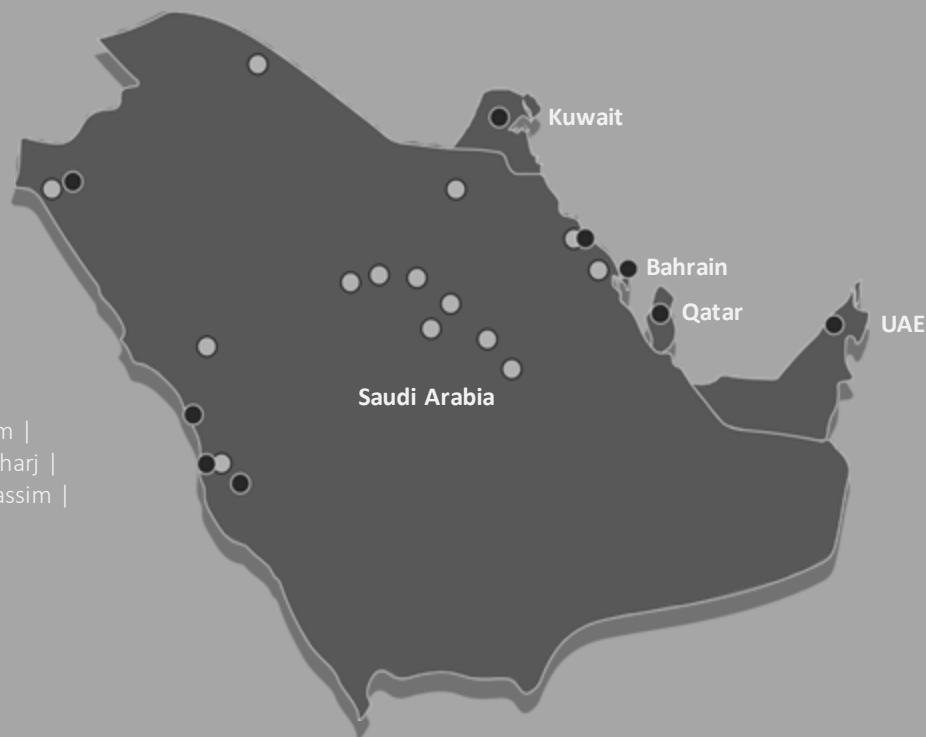
Strong governance framework and highly experienced Board to oversee portfolio companies

SISCO's Footprint

GCC Footprints

Business Operation
Locations

● Logistic ○ Water
 



KSA : Jeddah | Rabigh | Taif | Madinah | Neom |
 Tabuk | Riyadh | Dammam | Jubail | Alkharj |
 Sudair | Shagrah | Zulfy | Buraidah | Qassim |
 Arar | Hafr Al-Baten

GCC: UAE | Qatar | Bahrain | Kuwait

Global Footprints



RSGT Moving forward from single port operator to multiport operator by expanding business into Africa and Asia.

Logistics



Water



SISCO's 5 Year (2021-2026) Strategy Update

6X26

Our Strategic Ambitions

Our Ambitions



Leveraging our knowhow and strong asset base to be a leading logistics and infrastructure investment company in the region with presence across the value chain



Become a **National Champion** in more than one vertical in the core logistics segment

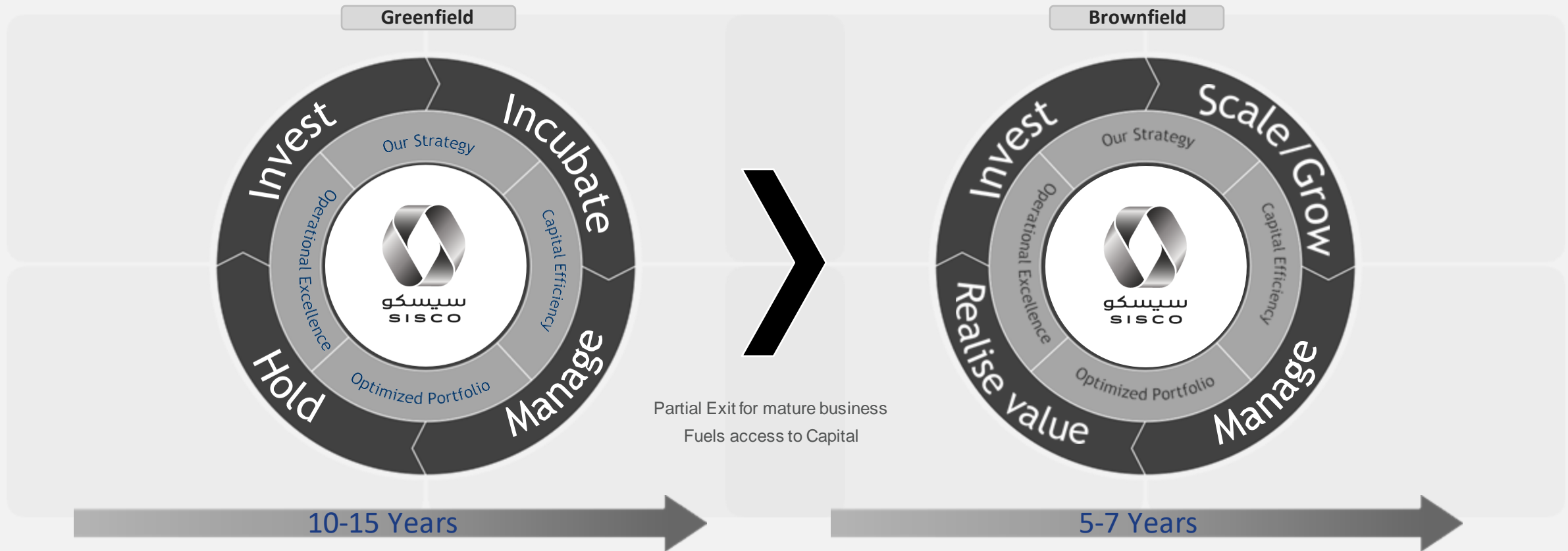
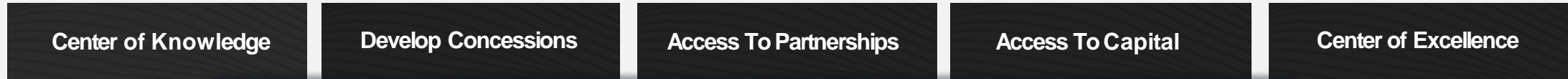


Be a partner of choice for strategic investors in infrastructure



Increase regional and international foot print. Transform RSGT into an international multi-port operator, and expand **Green Dome** operations

SISCO Accelerated Business Model Moving Forward



6X26 Strategy Key Transformation Initiatives Update



3PL

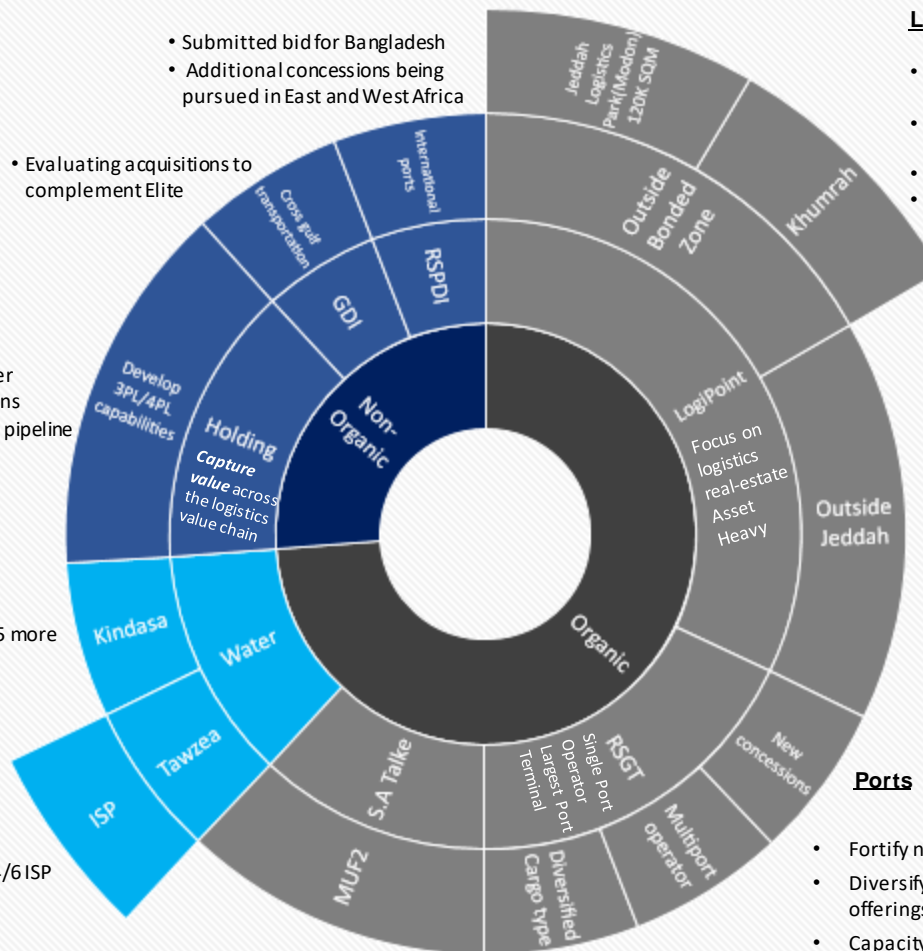
- In discussions over several acquisitions
- Reviewing strong pipeline of deals

Water



- Extended concession by 5 more years in May 23.

- Integrated Service Offering
- Scale up businesses. Won 4/6 ISP projects already (Taif)



- Submitted bid for Bangladesh
- Additional concessions being pursued in East and West Africa

- Evaluating acquisitions to complement Elite

Logistics 

- Increased bonded zone warehouse capacity to 100km2
- Work has commenced on Khumra Logistics Park and MODON Logistics Hub
- 25k sqm launched in April 2023 for Aramex
- 25k extra sqm will be completed in 2H 2023

Ports



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

- Commenced development of new facilities

2021-2026 KPI Targets

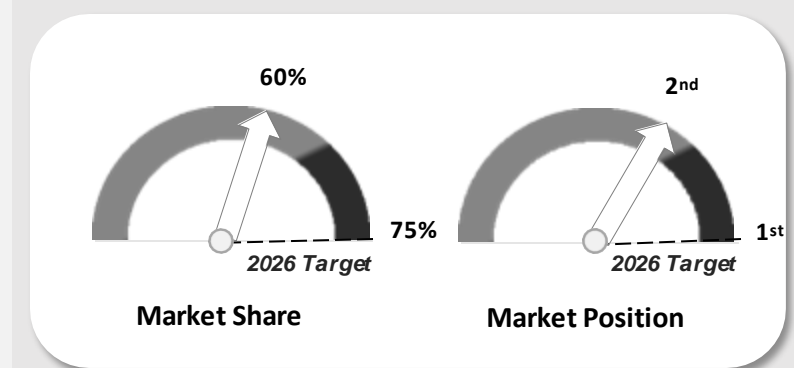
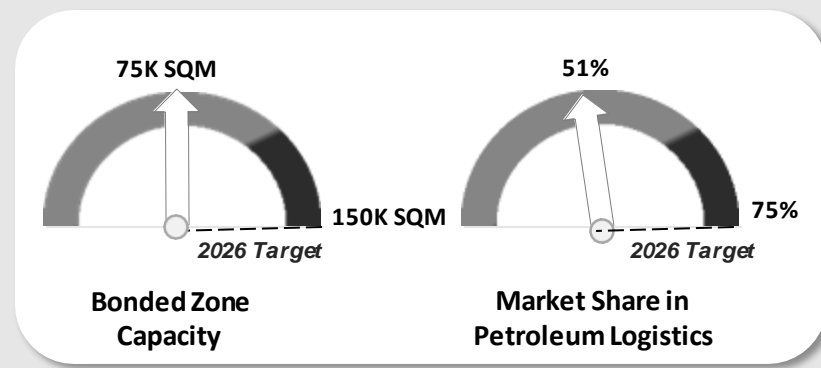
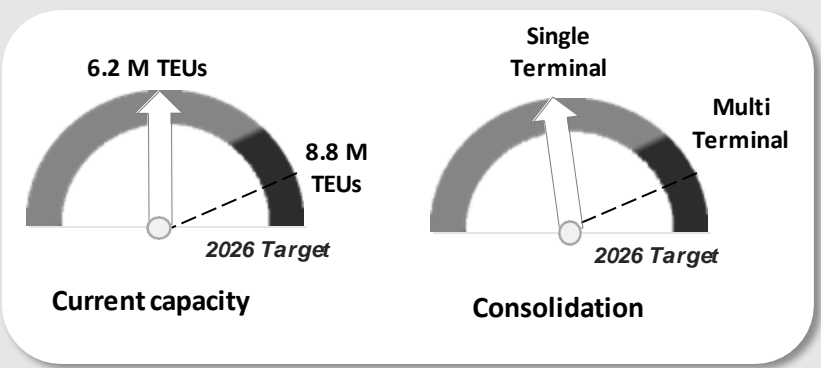


Logistics



LOGISTICS

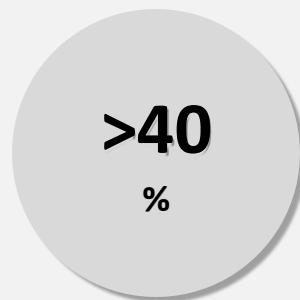
Water



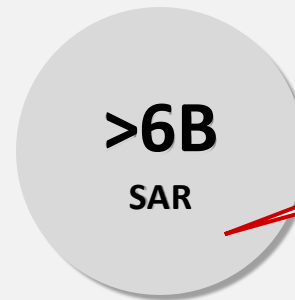
Group Revenue



EBITDA Margin













AUM

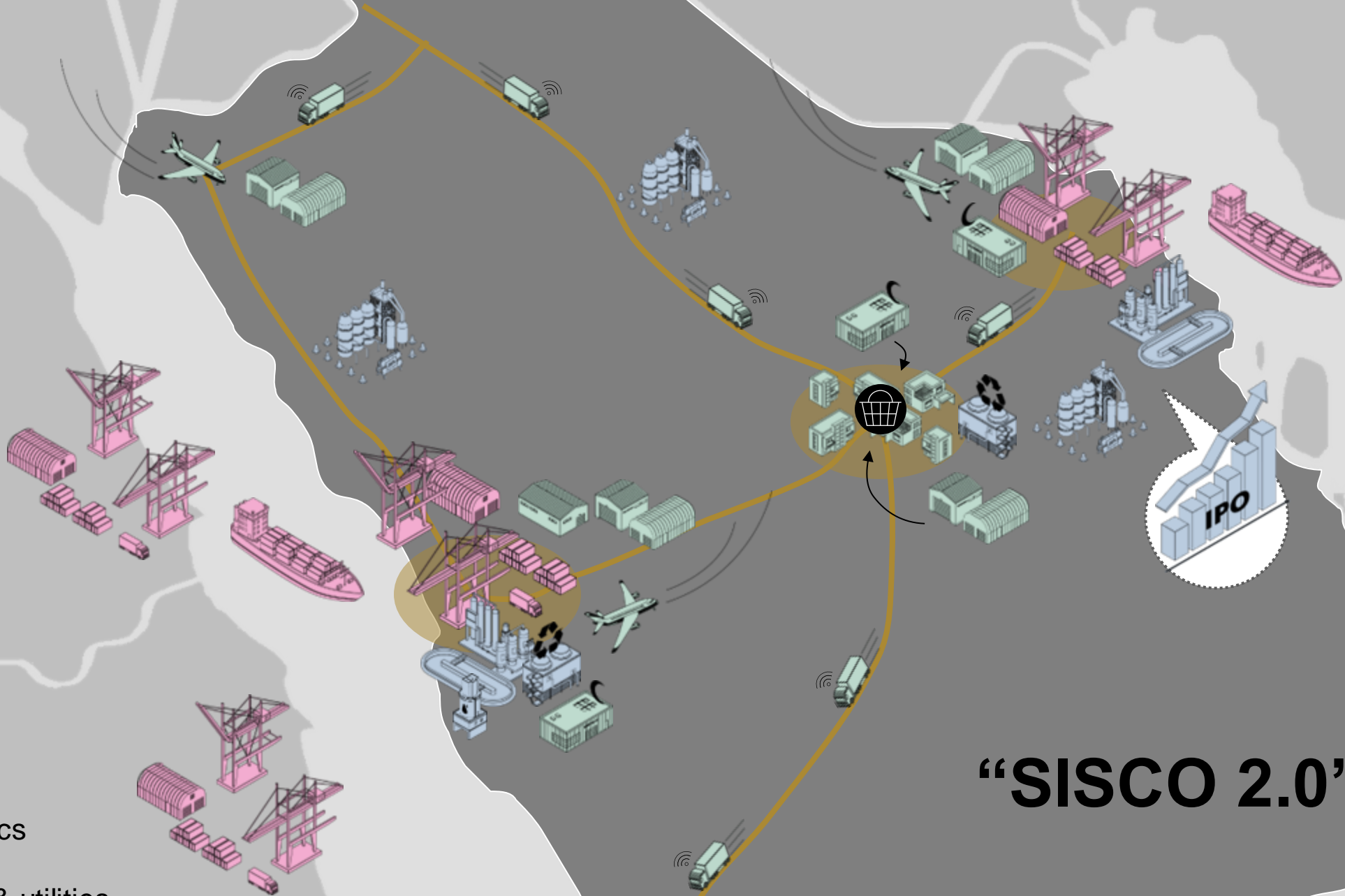


6B By the Year 2026 (6X26)

SISCO will leverage leadership position across the Logistics value chain

	Ports	Logistics Infrastructure	3PL / 4PL	Specialized 3 P L Logistics (Petro-Chem)	Transportation	Logistics Services Adjacencies
Platform Company	  		 In development 	 S.A. TALKE س.أ. تالكي	 	 In development
Business Strategy	<ul style="list-style-type: none"> Continue bidding for KSA concessions and expand internationally organically and inorganically 	<ul style="list-style-type: none"> Build on the BRZ and Logistics Parks model Focus LogiPoint to be big box logistics leader 	<ul style="list-style-type: none"> Roll up strategy in : Food and Beverage, FMCG and Pharma (“Cold Chain”) as target sector Acquisition of 3PL cold chain players Strategic partnerships E-Commerce 	<ul style="list-style-type: none"> Achieve consolidation and selective regional opportunities Explore growth in new services Expansion and consolidation of petrochem logistic services 	<ul style="list-style-type: none"> Create an end to end to supply chain logistics leader with focus on LTL/FTL and expand regionally KSA expansion Grow Kuwait business organically 	<ul style="list-style-type: none"> Expansion into value-add services and logistics adjacencies Acquisition of niche logistics value add services players Bolt-on acquisitions to increase scale
Growth opportunities	<ul style="list-style-type: none"> East/West Africa Bangladesh Saudi concessions 	<ul style="list-style-type: none"> Jeddah (Khumrah and MODON developments) Riyadh 				
Logistics high level Value Chain	Line haul/ Terminal operations	Warehousing	Long/short haul	Warehousing / Export	Last mile (B2B)	

Logistics high level Value Chain

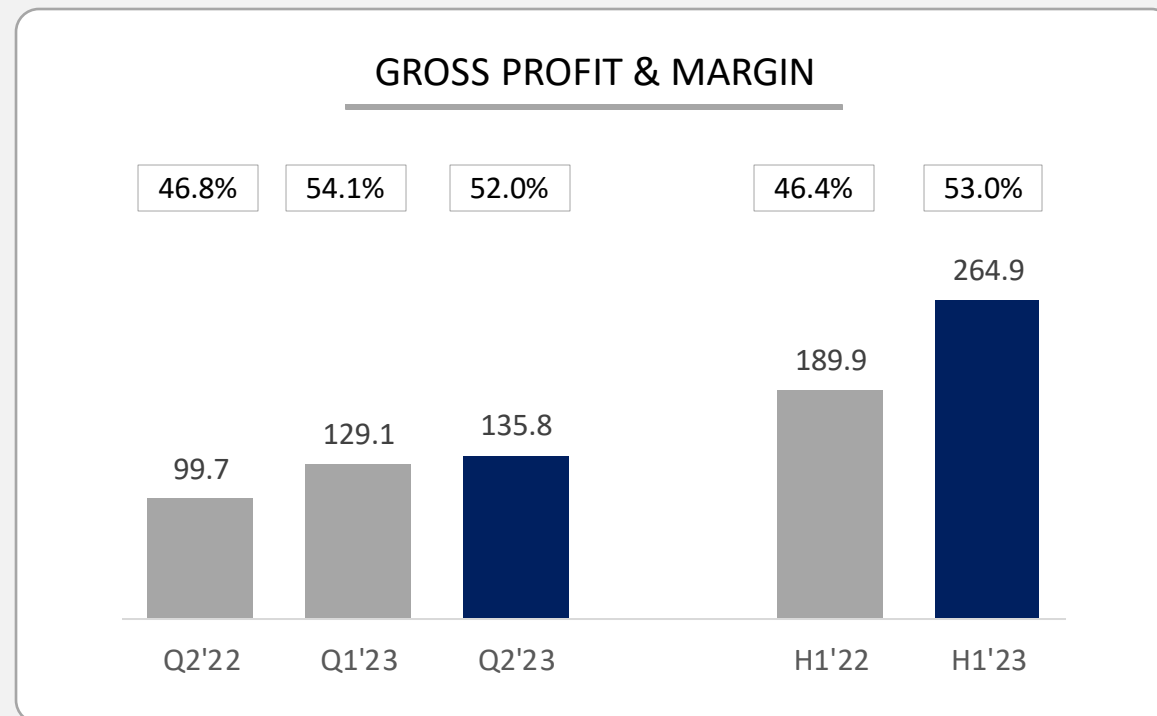
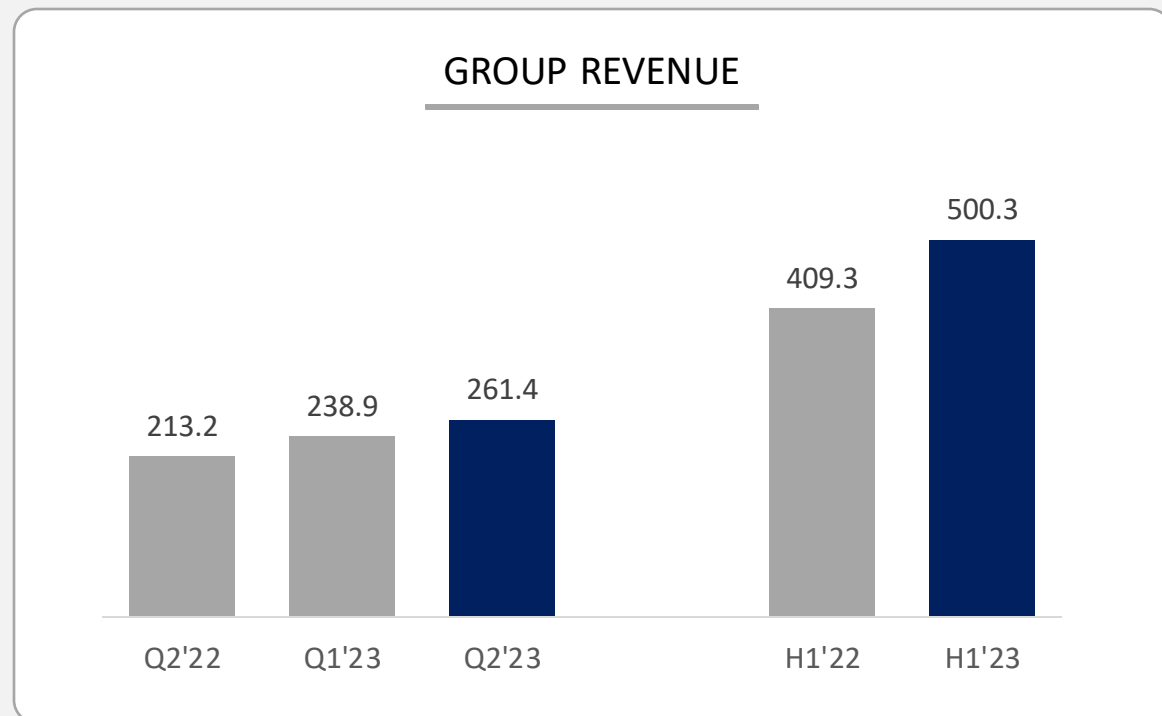


-  Port
-  Logistics
-  Water & utilities

“SISCO 2.0”

Income Statement Highlights

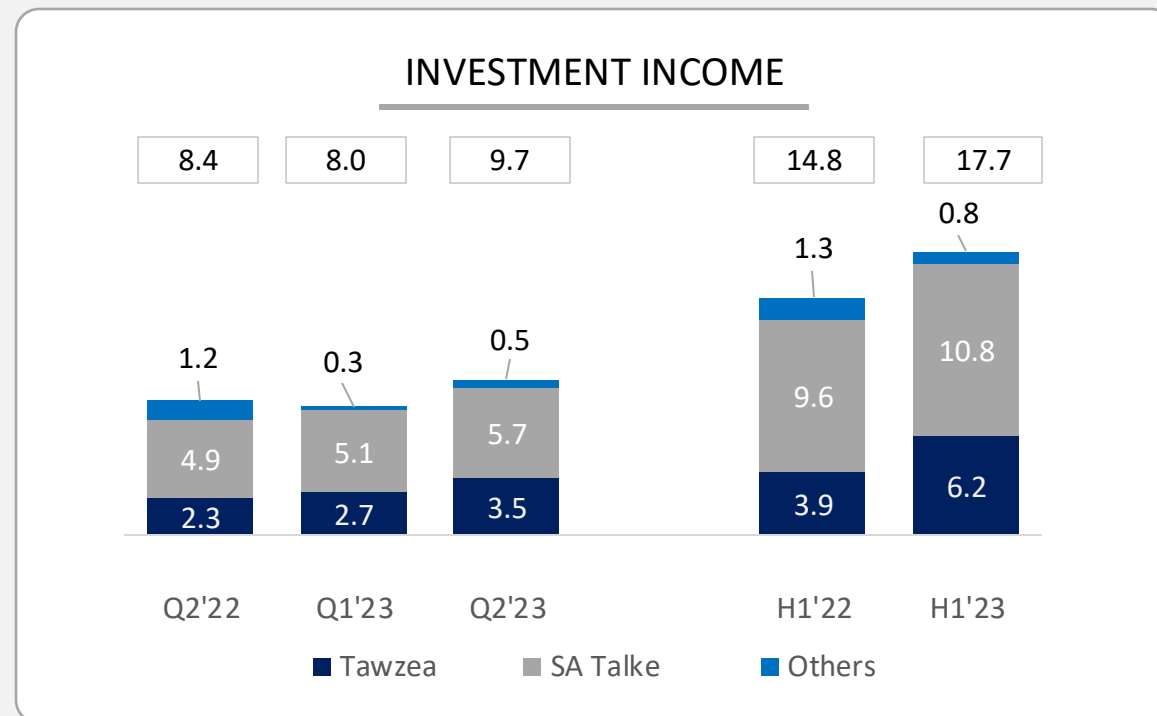
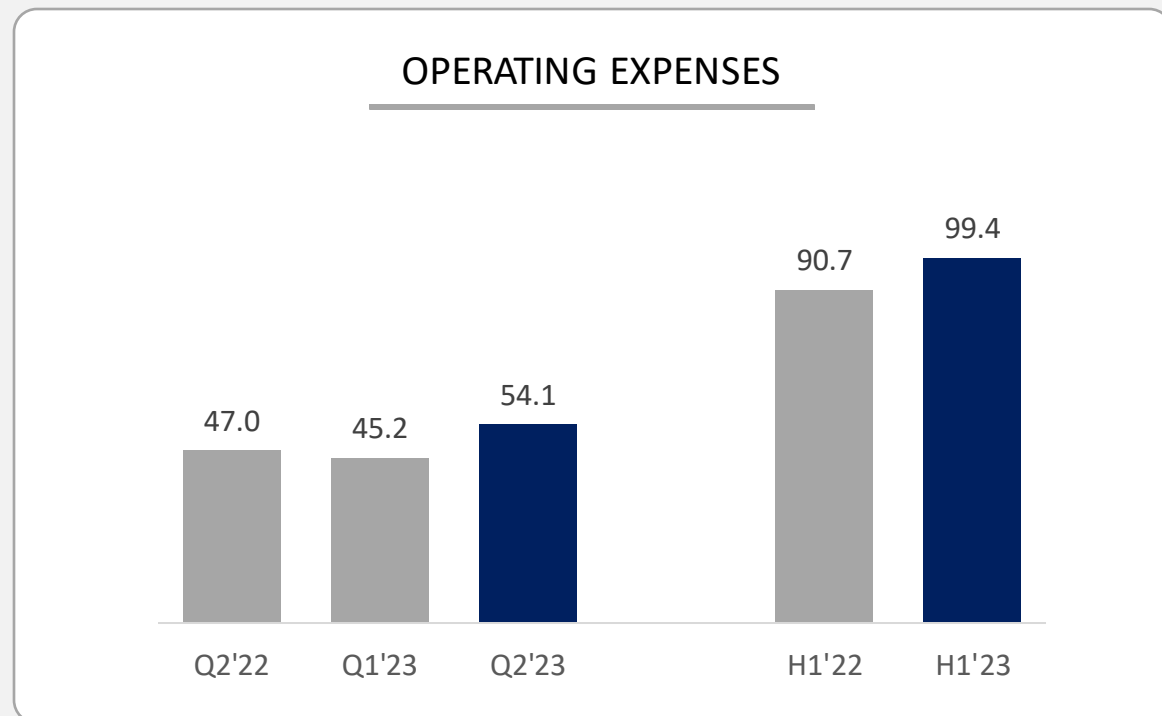
SAR millions (adjusted: excludes accounting construction revenue)



- **Q2'23 Group revenue** improved compared to last year (+22.6%) on the back of strong performance by the Ports & Logistics segment.
- **H1'23 Group revenue** improved by 22.2% from H1 2022 on the back of overall improvement across all segments.
- **Q2'23 gross profit improved** 36.3% as compared to same quarter previous year due to strong revenue growth. H1'23 gross profit grew by 39.5% from H1'22 due to more conducive market conditions and improved global supply chains as compared to H1 2022

OPEX And Investment Income

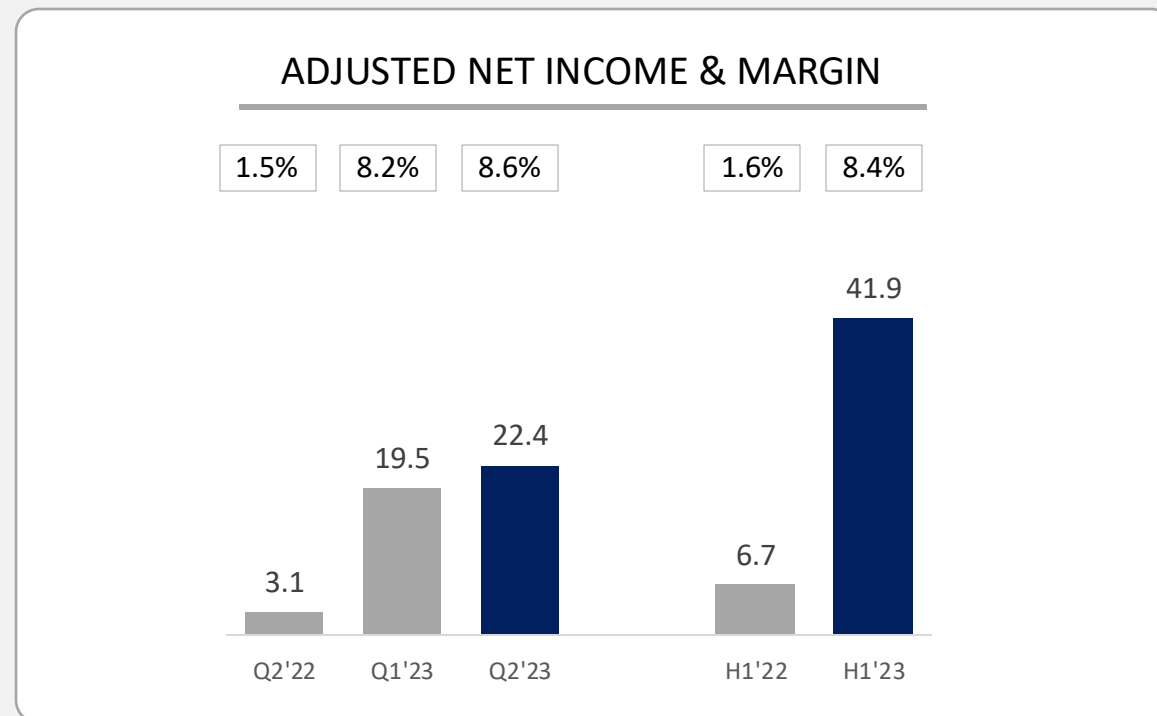
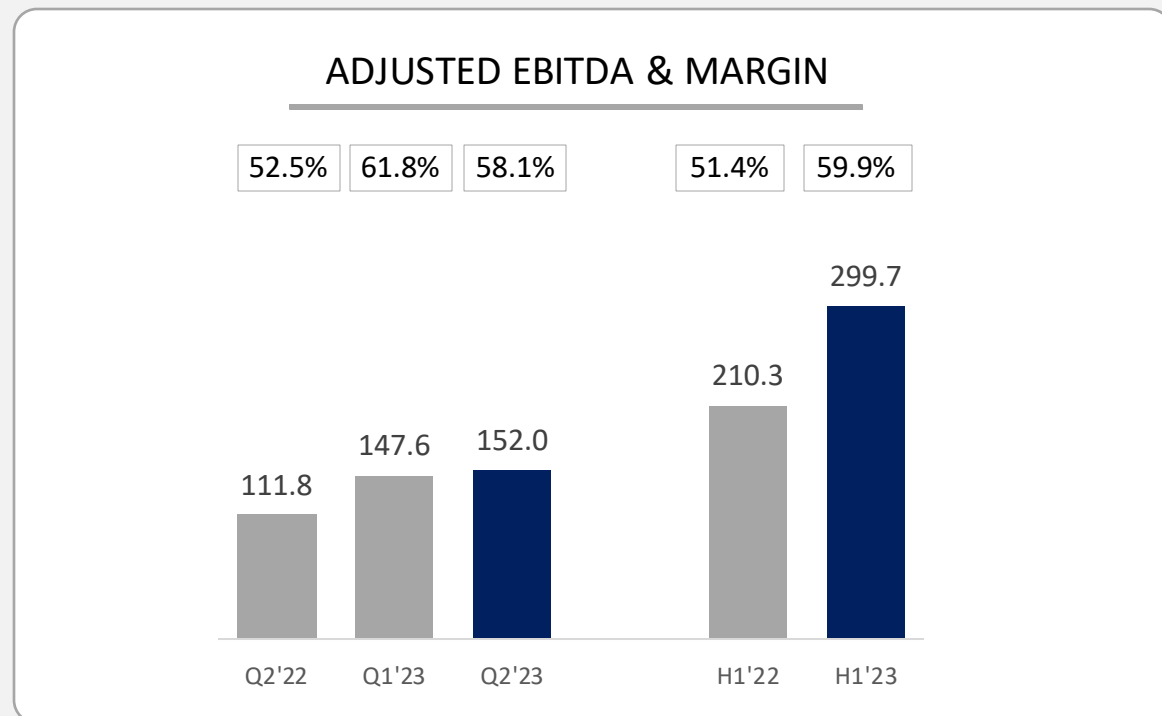
SAR millions



- **Q2'23 operating expenses increased** due to higher insurance and business development and employee costs. OPEX is expected to stabilize going forward.
- **Q2'23 investment income** rose 15.7% QoQ due to improved profitability of Tawzea and SA Talke. H1'23 investment income grew at 19.6%

EBITDA and Net Income

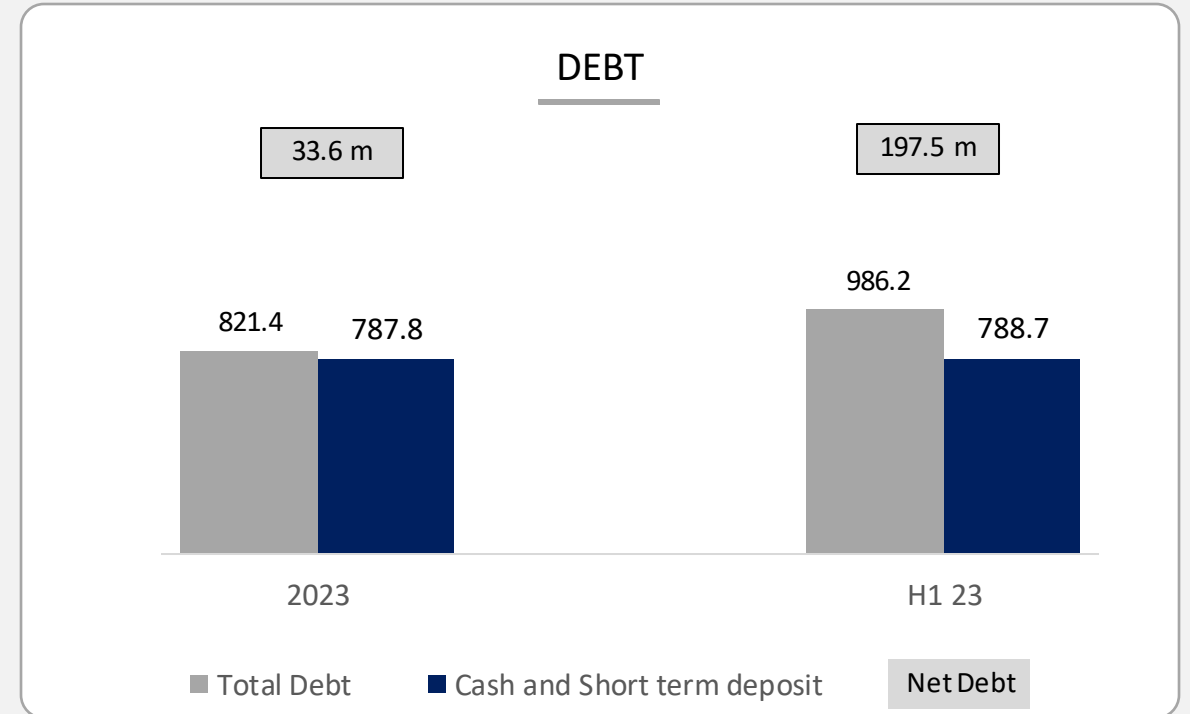
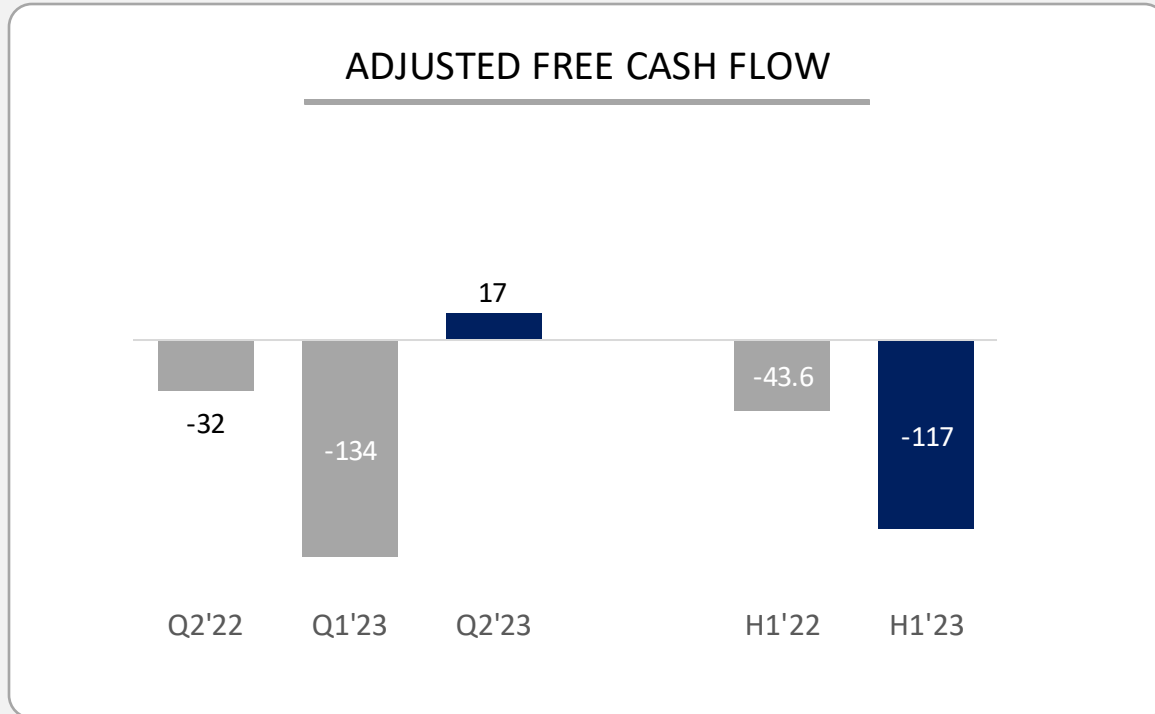
SAR millions



- Adjusted **Q2'23 Adjusted EBITDA** improved to SAR 152.0 m and a healthy margin of 58.2%.
- **Adjusted Net income** of SAR 22.4 million grew by 616.4% compared to the same quarter last year, due to performance improvements across all the segments as well as in equity accounted associate companies..
- H1 2023 period, **adjusted net income was SAR 41.9 million**, increased by 524.6%, due to a stronger first half as compared to previous year.

Adjusted Free Cash Flow And Net Debt

SAR millions



- **Free cash flow** for Q2'23 is SAR 17 million (inflow) compared to Q2'22 cashflow of SAR 32 million (excluding one offs) due to improvement in results
- During **Q2'23 total debt** increase to 986.2 million and cash remain steady. As a result, net debt rose to SAR 197.5 million.



PORTFOLIO PERFORMANCE

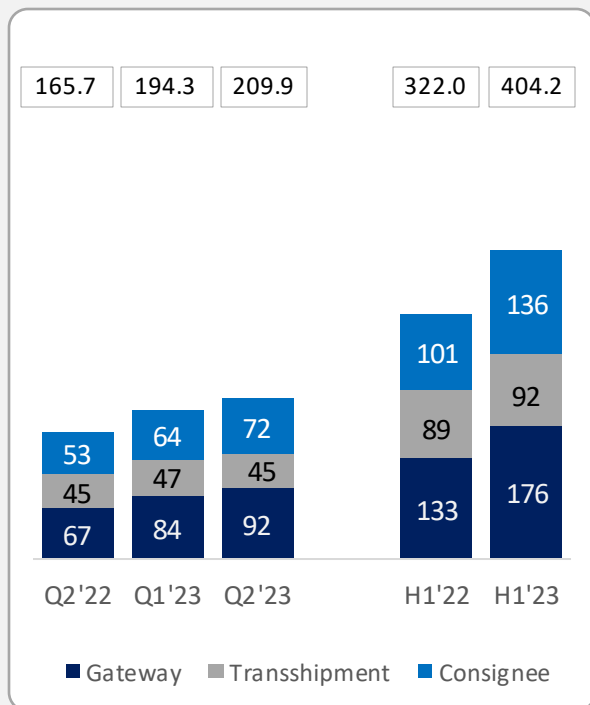
A grayscale photograph of a person's hands typing on a laptop keyboard. The image is overlaid with a semi-transparent candlestick chart, a common financial data visualization. The chart consists of vertical bars with horizontal lines extending from their tops and bottoms, representing price movements over time. The overall tone is professional and data-oriented.

A. Portfolio –Consolidated Assets

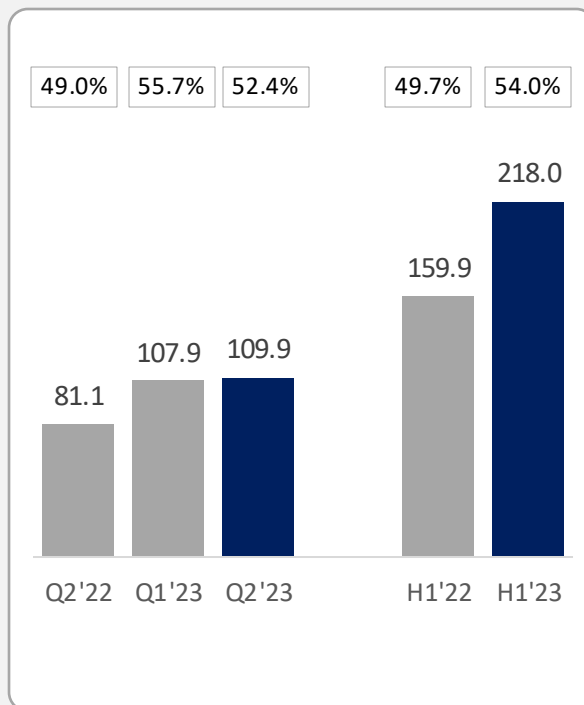
Ports & Terminal Snapshot | Q2'FY23

SAR millions

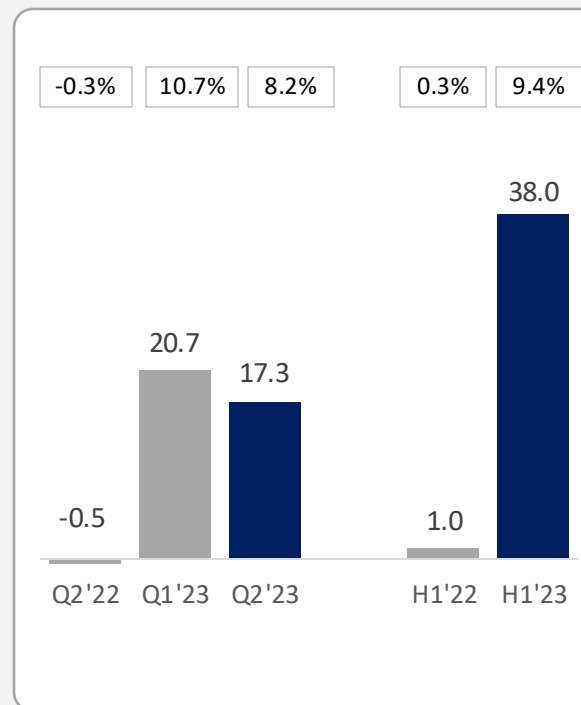
REVENUE



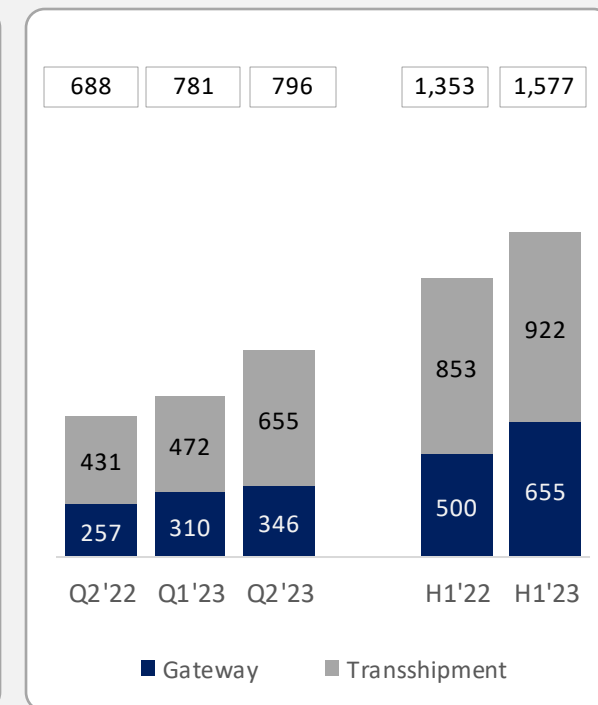
GROSS PROFIT & MARGIN



NET INCOME & MARGIN



VOLUME (TEUS '000)

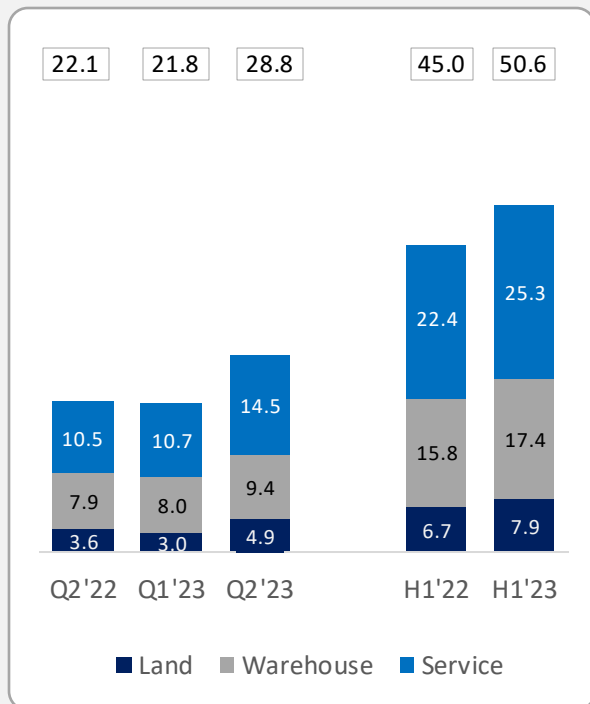


- **The revenues for Q2FY23 demonstrated a notable improvement**, reaching SAR 209.9 million compared to the same quarter of the previous year
- **Gateway volumes in Q2FY23** exhibited a remarkable increase of 34.6% when compared to Q2FY22, while trans-shipment volumes also experienced growth, improving by 4.4%.

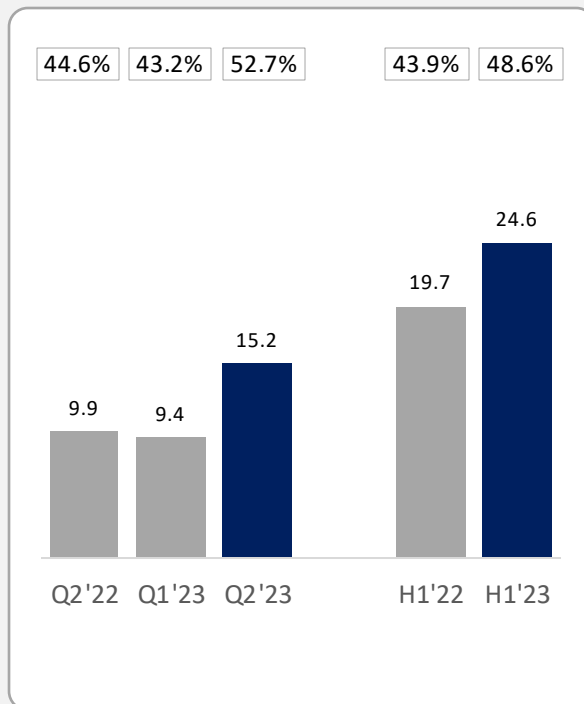
Logistics, Parks & Services Snapshot | Q2'FY23

SAR millions

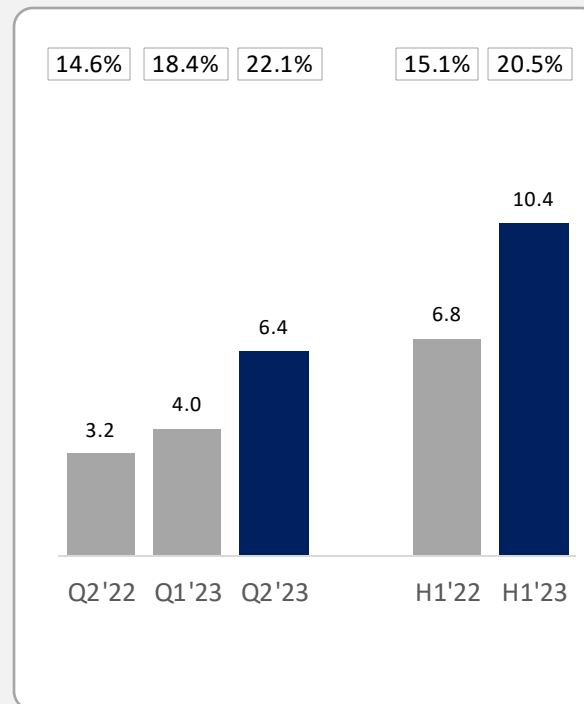
REVENUE



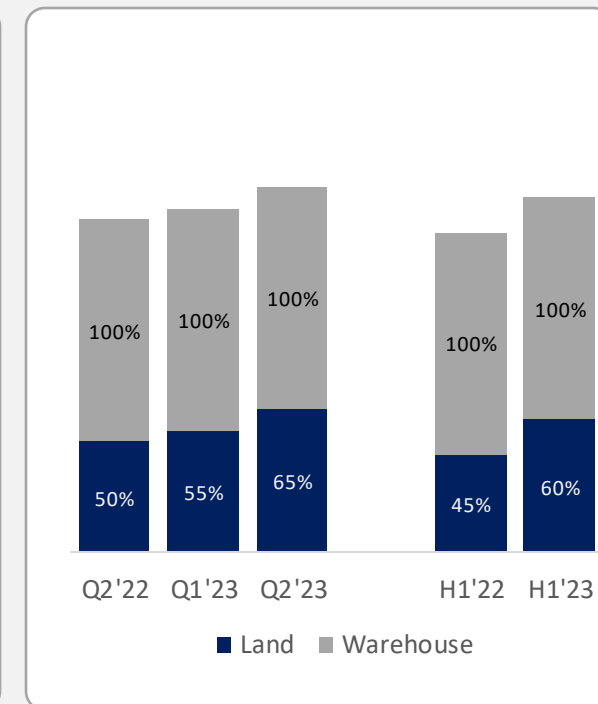
GROSS PROFIT & MARGIN



NET INCOME & MARGIN



OCCUPANCY (%)

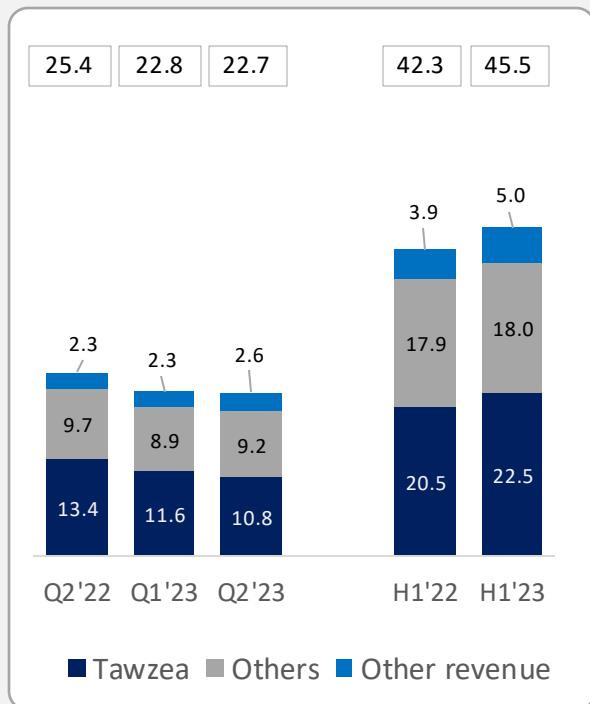


- **Q2'23 revenue rose 30.5%** from the same quarter last year. And **Net income improved** to SAR 6.4 million.
- **Q2'23 gross margins improved** significantly to 52.7% from 44.6% in Q2'22. This growth can be attributed, in part, to the successful operation of LogiPoint's new 21,000 sq m warehouse.

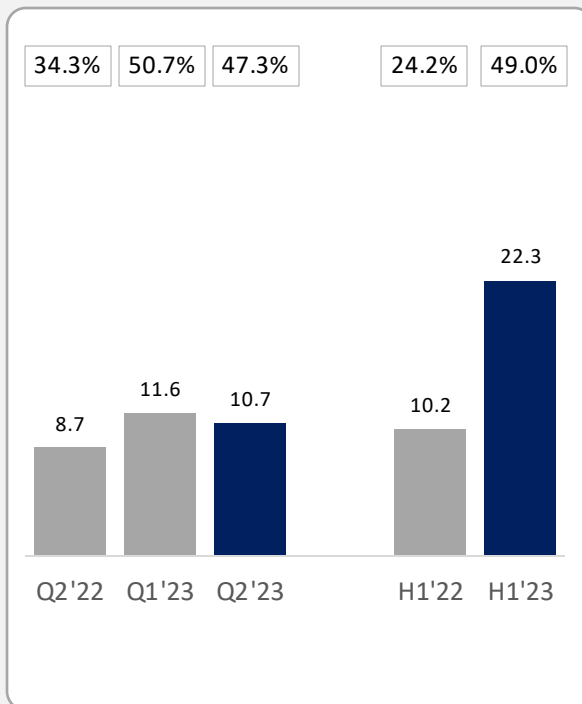
Water Solution Snapshot | Q2'FY23

SAR millions

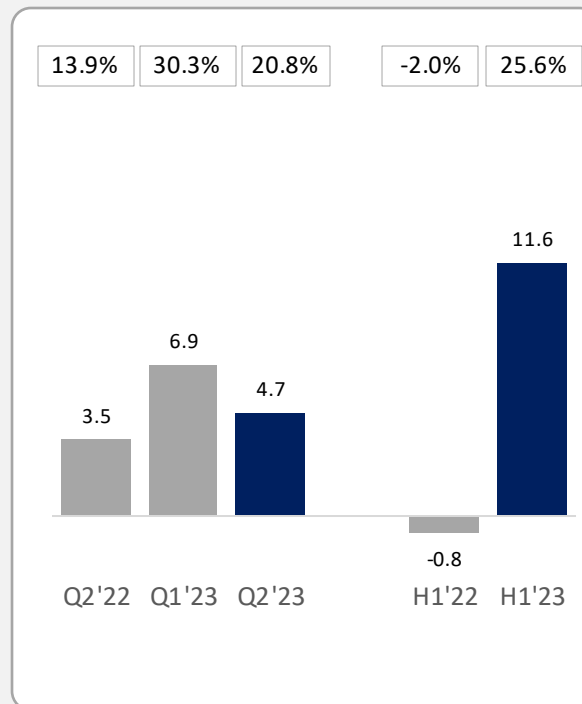
REVENUE



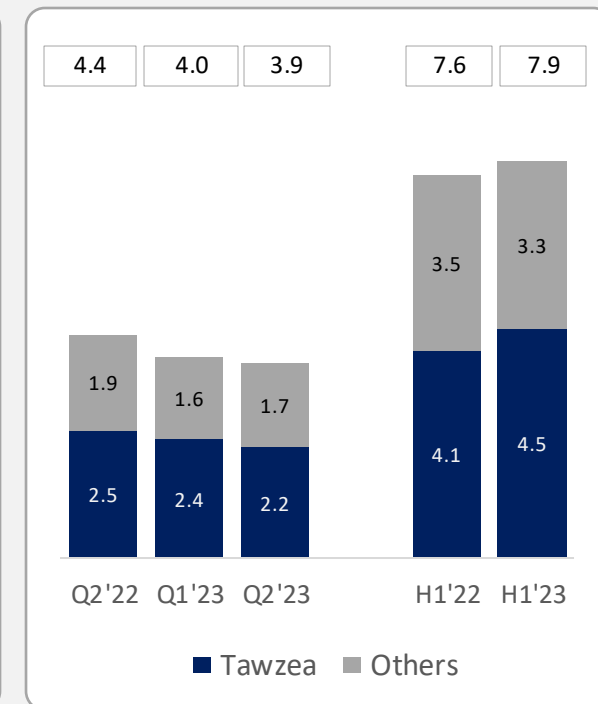
GROSS PROFIT & MARGIN



NET INCOME & MARGIN



VOLUME, WATER SOLD (MILLION M3)



- **Revenues** of the Water segment decreased marginally compared to Q2 of last year due to decline in volumes
- **Gross profit** margins showed a strong improvement to reach 47.3% for Q2FY23 from 34.3% in Q2FY22. The margin expansion is attributed to a decrease in depreciation cost and improved sales mix and pricing.

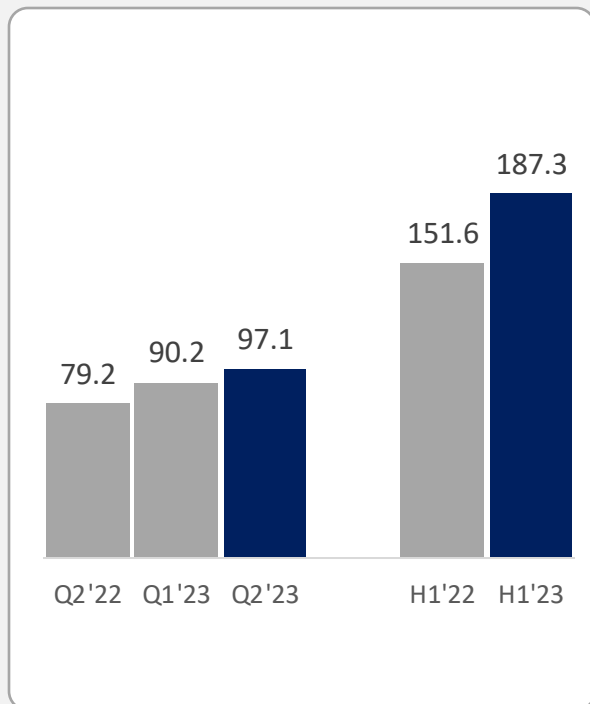


B. Portfolio –Other Assets

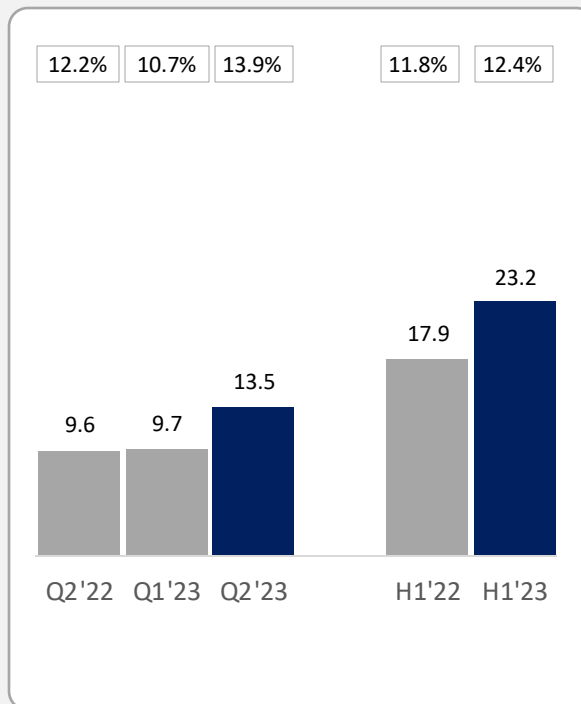
TAWZEA Snapshot | Q2'FY23

SAR millions

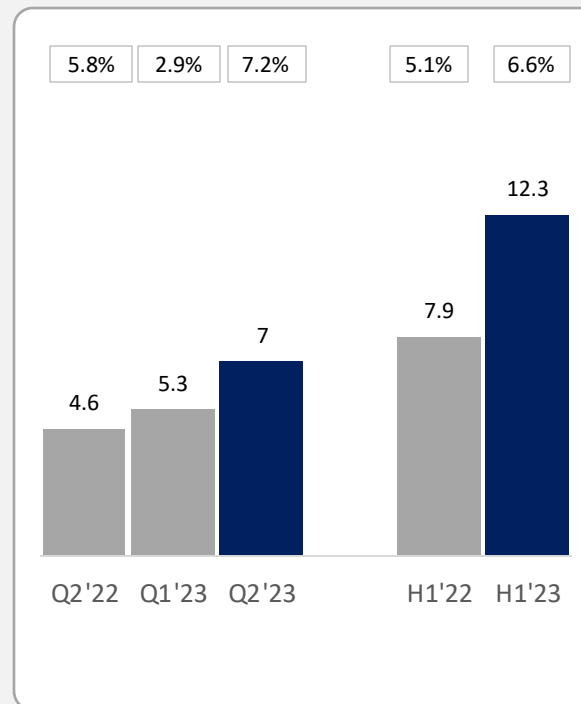
REVENUE



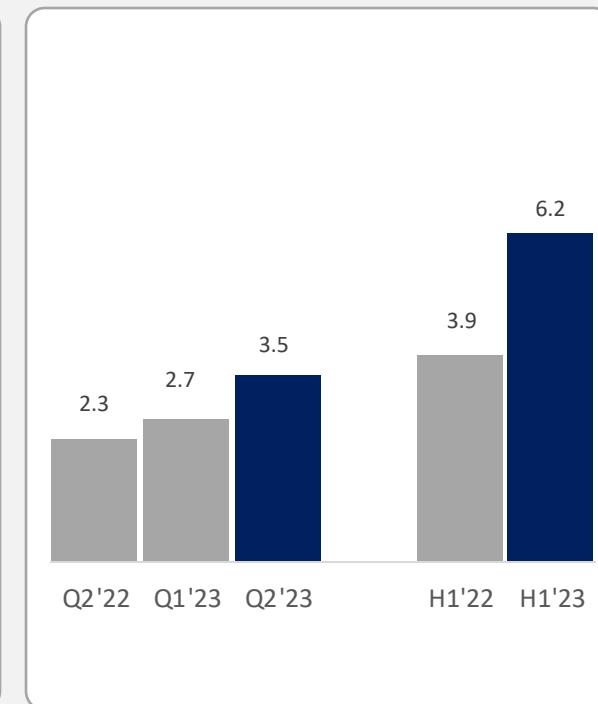
GROSS PROFIT & MARGIN



NET INCOME & MARGIN



SISCO SHARE OF NET INCOME

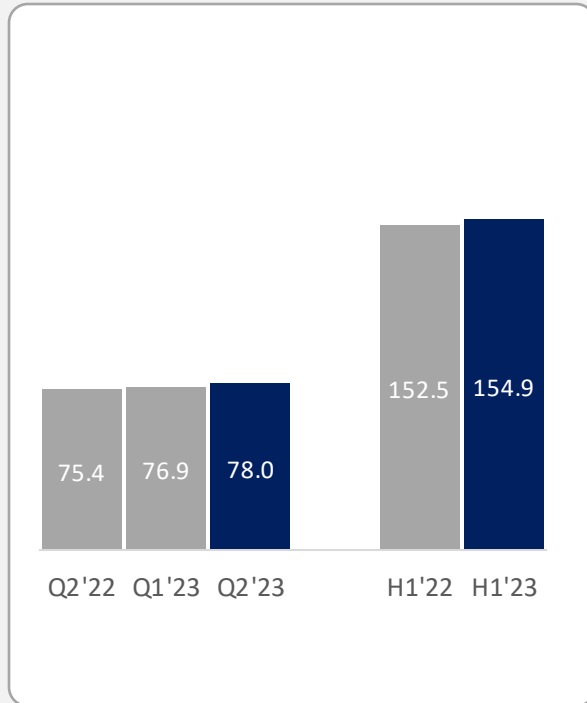


- Reported **adjusted revenue** (excluding construction revenues) to SAR 97.1 million during Q2FY2023.
- SISCO's share **in net income** was SAR 3.5 m for TAWZEA, 54% higher than same quarter last year.

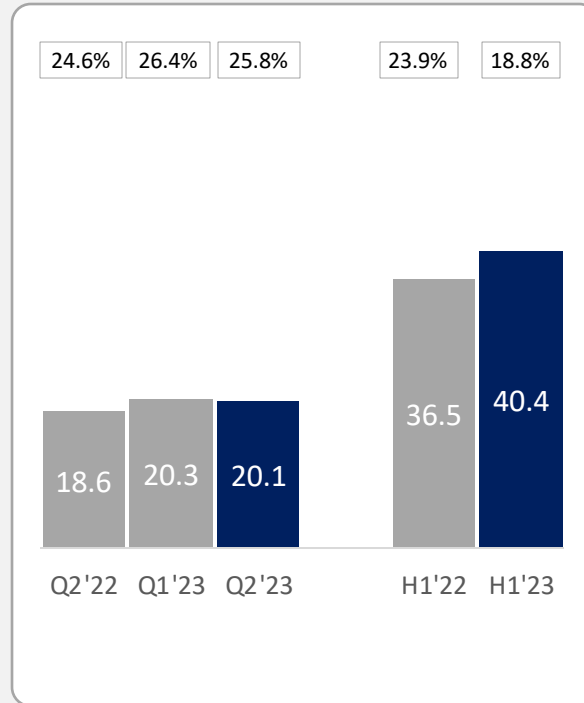
SA TALKE Snapshot | Q2'FY23

SAR millions

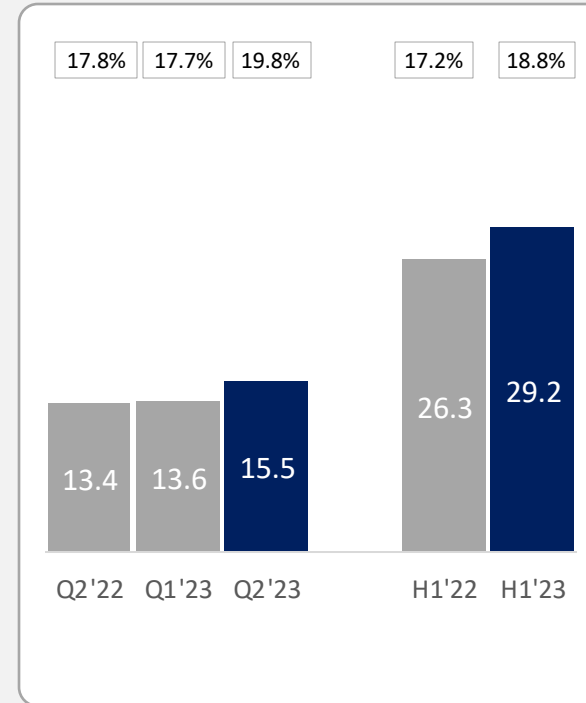
REVENUE



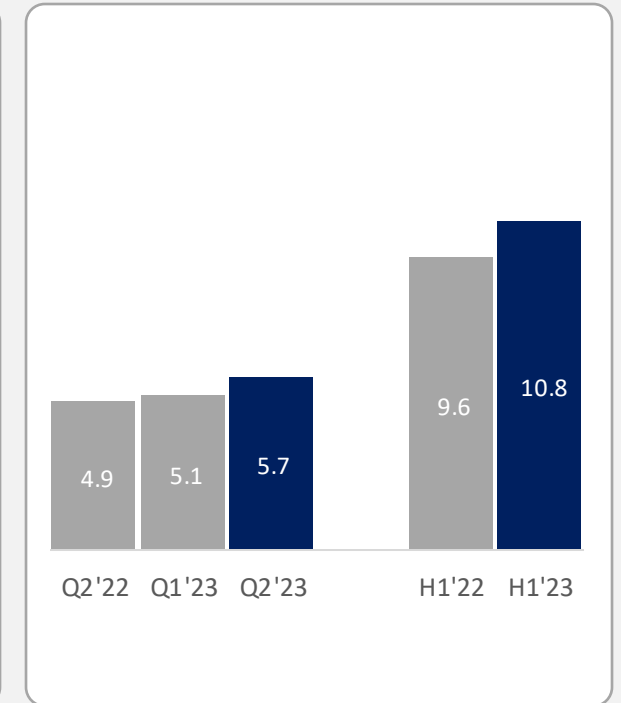
GROSS PROFIT & MARGIN



NET INCOME & MARGIN



SISCO SHARE OF NET INCOME



- SA Talke **revenues** increased to SAR 78 million during Q2FY23.
- SISCO's share of SA Talke's **net income** was SAR 5.7 million, 16.3% higher than the same quarter last year.

Appendix: Portfolio Company Overview

Red Sea Gateway Terminal (RSGT)

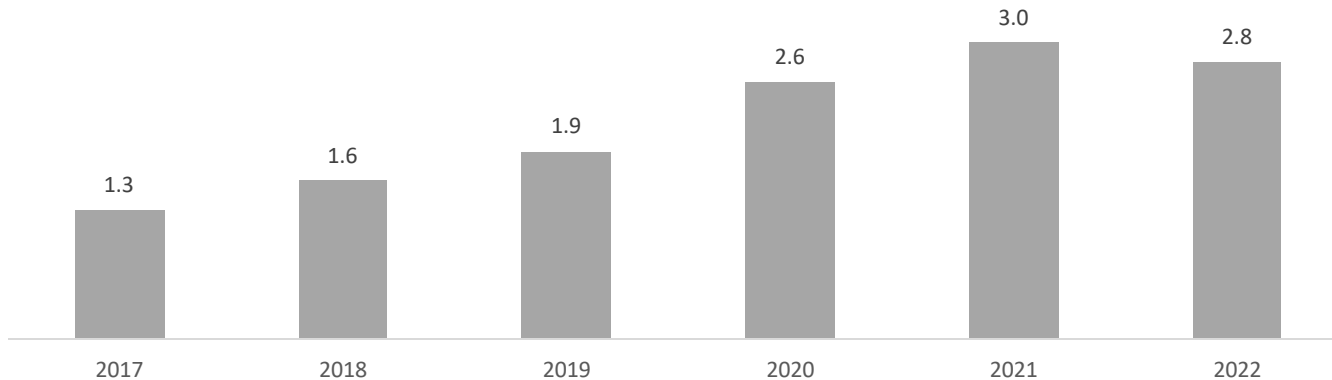
Overview



- **Industry:** Container Terminal Operations
- **Foundation:** 2009
- **Headquarters:** Jeddah, KSA
- **Port of Operation:** Jeddah Islamic Port
- **Ownership:** RSPD (60%), PIF (20%), Cosco Shipping Ports (20%)
- **SISCO's Effective Shareholding:** 36.36%
- **Current concession:** Red Sea Gate Terminal (JIP, KSA) + North Container Terminal (JIP, KSA)
- **Concession expiration:** 2049
- **Capacity:** 6.2M TEU
- **Best Terminal Operator** of the Year at Ship Tek Awards 2022
- Selected for **Saudi Global Champion Program**



Throughput (Mn TEU)



Plan for international expansion

- **Active pipeline** of concessions
- **Management team with international experience** (APMT, ICTSI, DPW)
- **Strategic relationship with COSCO** to potentially enable international investments.

Further strengthening KSA leadership

- Plan to **grow KSA volumes** & become National Champion
- **Grow JIP to 6.2M** TEUs
- **Target additional ports in KSA** – new concessions and potential acquisitions / consolidation opportunities

Leading container terminal operator in KSA

- **Highest container throughput in KSA** (~28% share in 2022)
- Position further consolidated by acquisition of NCT in JIP

Strong performance (financial, operations)

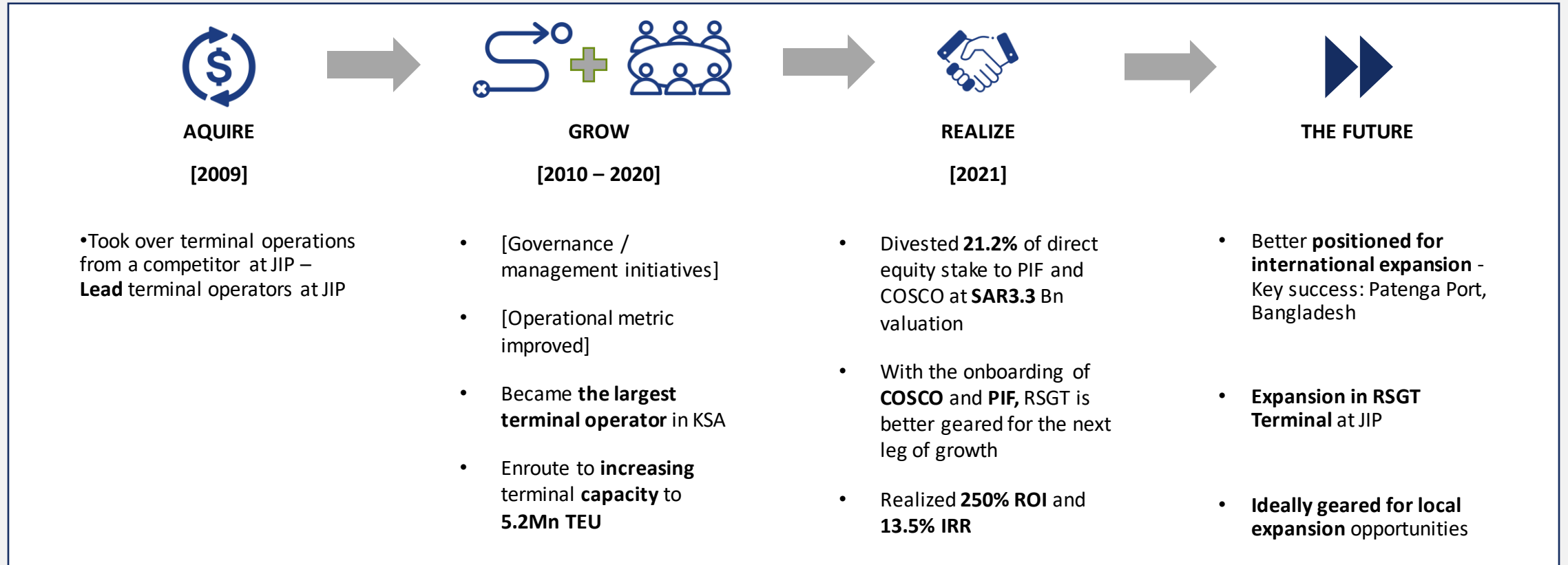
- **SAR 764M revenue** * (2022); **13% CAGR** 2017-22
- JIP ranked **top quintile** as per WB Container Port Performance Index 2020

* Revenues excluding accounting construction revenues

Value creation model in action: RSGT concession

Inception and background

- **1st private** container terminal in the Kingdom
- 1 of 3 terminal operators in Jeddah Islamic Port
- Terminal capacity of **6.2 Mn TEU**



Overview

- **Industry:** Logistics Real Estate
- **Foundation:** 1999
- **Headquarters:** Jeddah, KSA
- **Base of Operation:** Jeddah Islamic Port, MODON and Khumrah in Jeddah
- **Employees:** 157
- **Ownership:** SISCO (76%), Xenel (24%)
- Attractive portfolio at **strategic locations**

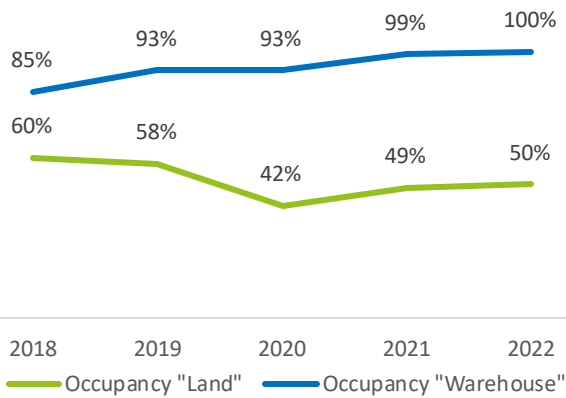
1. **JIP:** Bonded Re-Export concession with Mawani over an area of 900,000 sqm till 2039. JIP handles 70% of the national traffic
2. **MODON:** BOT agreement with MODON over 120,000 m2 till 2039. LogiPoint Logistics Parks located in the heart of industrial area Modon 1
3. **Khumrah:** Concession signed with JUDRUC over an area of 315,000 sqm till 2053 in Khumrah, the 2nd largest logistics hub in the Kingdom



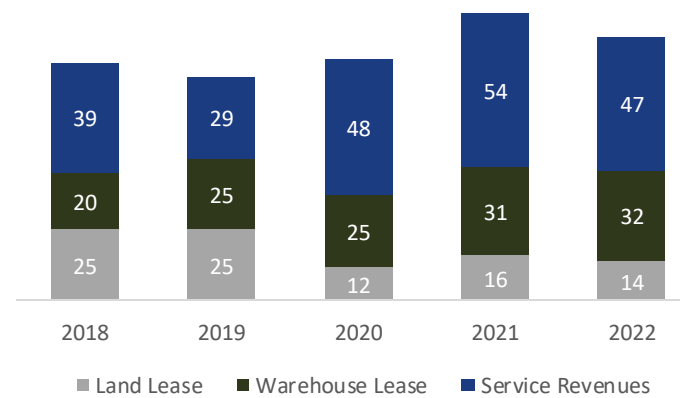
Strategic Locations



Utilization



Revenue Analysis (SAR mn)



Overview



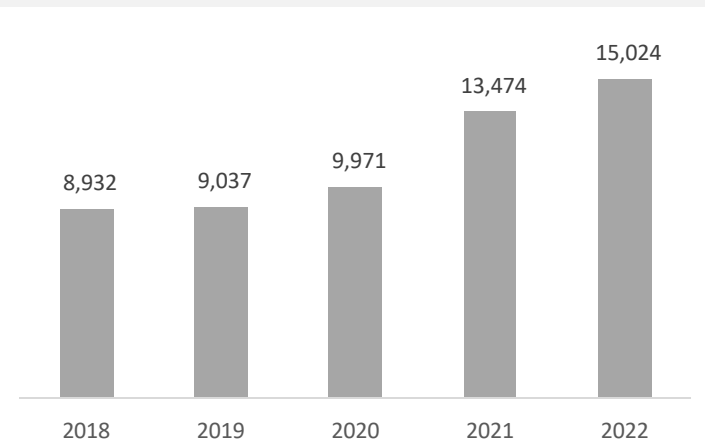
- **Industry:** Logistics solutions for Chemical and Petrochemical Industry with Fleet O&M Services
- **Started Operations in 2003**
- **Ownership:** SISCO (33.3%), Alfred Talkie (33.3%), Azmeal (33.3%)
- **Market Share:** 50%

- Market Leadership position**
S.A Talkie has been a service provider to
- TASNEE for over 17 years
 - SPCO for over 12 years
 - SABIC for over 9 years
 - Petro Rabigh

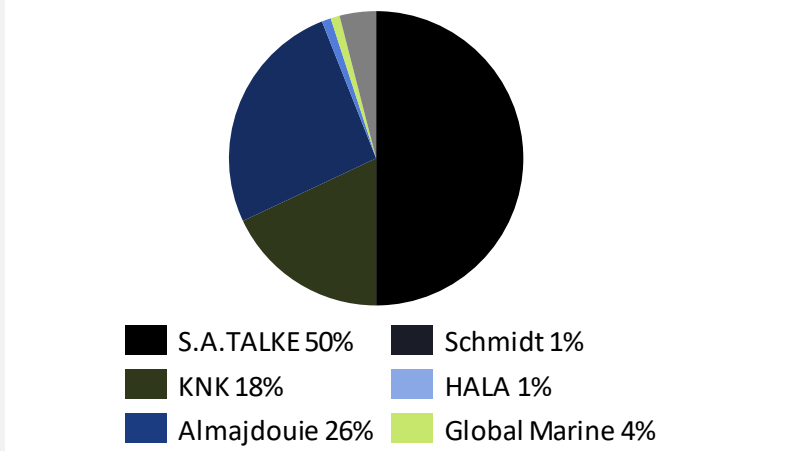
Service Offerings

Logistic Solutions	Transport Services
<ul style="list-style-type: none"> • Logistic analysis & consultancy • Optimisation of logistics processes • Turn-key construction of logistic plants • Storage and logistic solutions for DG and Non-DG products – including liquid, powder and granulates 	<ul style="list-style-type: none"> • Individual transport solutions for bulk liquids, dry bulk and packed products
	Technical Services
	<ul style="list-style-type: none"> • Maintenance Services • Spare parts management • Container terminals • Value added services

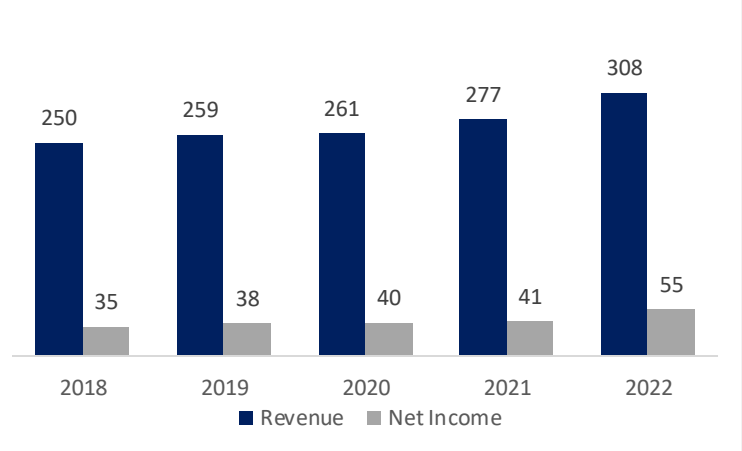
Volumes ('000 Tons)



Market Share



Revenue & Net Profit (SAR Mn)



Overview



- **Industry:** Logistics
 - **Foundation:** 2017
 - **Headquarters:** Dubai, UAE
 - **Ownership:** SISCO (31.7%), RHS Logistics (31.66%), Sharaf Group (31.66%), MS (5%)
 - **SISCO's effective shareholding:** 24%
 - **Active lookout** for investment opportunities
 - Management team with **international experience** (FedEx, Postaplus)
 - **Thorough expertise in M&A** to evaluate international investments opportunities
- Target Geographies**
- **Primary** – KSA, UAE, Bahrain, Qatar, Oman & Kuwait
 - **Secondary**– Turkey, Egypt and Morocco

Service Offerings

- **Core** – LTL, FTL, Last Mile, International Courier, Custom Brokerage, White Gloves, Temperature Control, Cross-Border Express and Contract Logistics
- **Supplementary** – Dedicated Contract, Freight Forwarding, SaaS and Digital Brokerage

Customer Segments

- Multinational Corporations
- Family-Owned Businesses
- SMEs
- Online Retailer

Financial Targets

EBITDA %	ROC	Net Debt/EBITDA
14-16%	13-16%	<3x

Key Customers

- **Acquisition of Elite Co.** a fully integrated land freight and courier solution provider

Key USPs

Go-To Market

- Signature customer experience
- Strong Business development and marketing capabilities

Fleet Management

- Forecasting, tracing, & analytics capabilities
- Streamlined processes
- Cost efficient

Organization

- Agile structure to allow for expansion
- Centre of excellences

Technology

- Inhouse technical capabilities
- Partnerships in capabilities for capital light approach

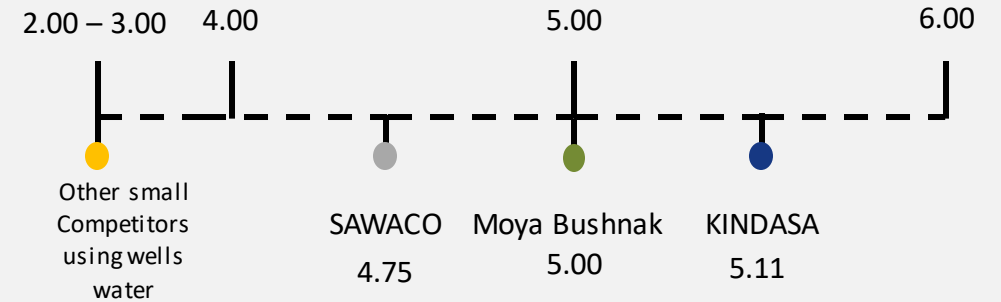
Kindasa Water Services

Overview



- **Industry:** Water Solutions
- **Foundation:** 2000
- **Headquarters:** Jeddah, KSA
- **Employees:** 120
- **Ownership:** SISCO (65%), Abdul Latif Jameel (ALJ) (35%)
- First private desalination plant in the Kingdom
- Current net dependable capacity **100K m3/D**
- **73% private sector water market share** in Jeddah, 2021
- **Annual sales volume:** 15.5 million M³/year
- **Annual production volume:** 17.2 million M³/year
- **Utilization:** 89%

2022 Private Sector Water Market Price (SR/m3)



Five-Year Plan

Increase Market Share

- Increase market share in Jeddah to 90%.

SWPC

- Participate in SWPC Future Projects

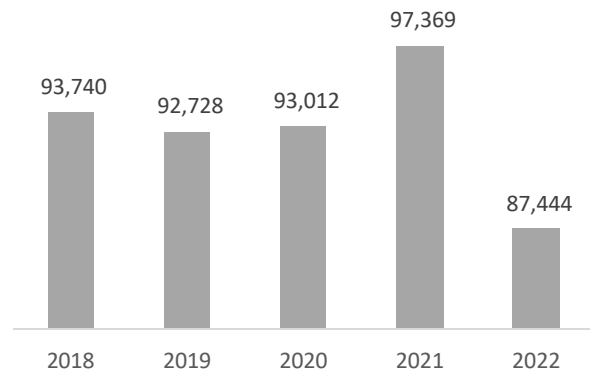
Local & Int. Projects

- Search for new BOT, BOO, EPC, O&M projects inside & outside KSA

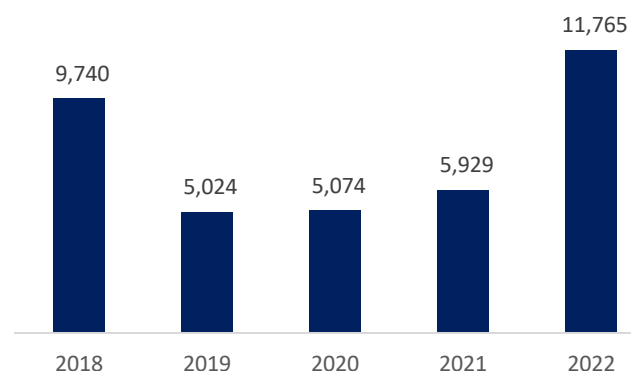
JVs & Acquisitions

- Pursue JV or Take Over of local companies specialized in Desalination Plants Construction and O&M

Revenues SAR ('000)



Net Profit SAR ('000)



Overview



- **Industry:** Water Solutions
- **Foundation:** 2006
- **Headquarters:** Jeddah, KSA
- **Employees:** 425
- **Shareholding:** SISCO 50%, AMIANTIT 50%
- Municipal and industrial water solutions, including potable water, sewage collection and recycled water
- Proven **PPP Development and O&M** capabilities.
- Serving **2700+** factories and **500k+** inhabitants
- **5 Concessions; 8 O&M contracts**
- **4/7 Concessions Won** in 2021 for Waste-Water Treatment
- **220,000 m³/d** PW pumping capacity; **132,000 m³/d** WW treatment capacity



Vision

To be a leading regional developer and services provider in the municipal and industrial water and environmental sectors, without ever dissociating the TAWZEA brand from excellence and commitment.



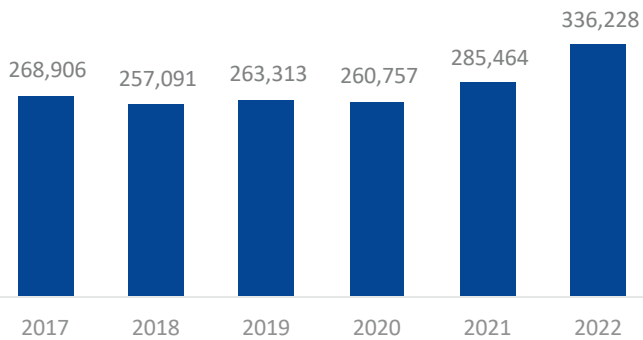
Mission

Committed to implement the best practices providing water services and environmental solutions to serve community, environment, and industries.

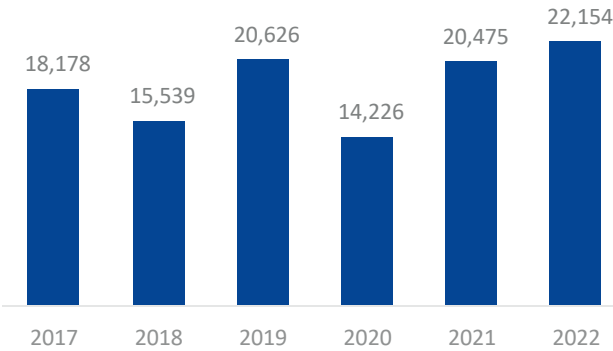


Clients

Revenues SAR ('000)



Net Profit SAR ('000)



الشركة السعودية لشراكات المياه
Saudi Water Partnership Company



شركة المياه الوطنية
National Water Company



نيوم
NEOM