



## SISCO Q3FY23 adjusted net income increases by 64.9% to SAR 23.7 million

- Significant expansion of revenue in Ports and Logistics segments as compared to Q3FY22
- Q3FY23 gross profit margin 53.5%, up from 49.3% in Q3FY22

**Jeddah, Saudi Arabia**, 05 November 2023: Saudi Industrial Services Company ("SISCO", "TADAWUL: 2190"), Saudi Arabia's leading strategic investor in Infrastructure, ports and logistics and Water Solutions, has announced its financial results for the quarter ended 30 September 2023.

**Revenues for the third quarter of 2023**, excluding accounting construction revenue, grew by 28.6% compared to Q3FY22 to reach SAR 276.1 million on the back of strong performance in Ports and Logistics segment. On a quarter-on-quarter basis, Q3FY23 revenues improved by 5.7% as compared to Q2FY23, mainly driven by the Ports and Logistics segments. The nine-month revenue for 2023, excluding accounting construction revenue, grew by 24.4% from 9M 2022 on the back of overall improvement across all segments.

The third quarter gross profit of SAR 147.7 million grew by 8.8% from the last quarter and by 39.6% compared to Q3FY22 due to strong revenue growth and an improvement in gross margins. The gross profit margin for Q3FY23 stood at 53.5%, up from 49.3% in Q3FY22 driven by improvement in the gateway volumes.

ments. Gross profit for 9M 2023 was SAR 412.7 million, which grew by 39.6% from 9M 2022 due to more conducive market conditions and improved global supply chains as compared to 9M 2022. The Gross profit margin for 9M 2023 stood at 53.2%, up from 47.4% in 9M 2022 driven by improvement in gateway volumes in the ports segment.

In the light of the significantly improved margins, the adjusted net income for the third quarter improved by 5.7% from the previous quarter and by 64.9% year-on-year to SAR 23.7 million. For the 9M 2023 period, adjusted net income was SAR 65.6 million, increasing by 211.2%, due to a stronger revenue as compared to the previous year.

### Q3FY23 Quarterly Performance Highlights:

**Revenues** improved by 5.7% on a quarterly basis and 28.6% as compared to Q3FY22, primarily due to healthy growth in the Ports' segment's gateway volumes, coupled with a promising improvement in the Logistics segment.

**Gross profit** increased by 39.6% as compared to Q3FY22 mainly due to margin improvements across all segments.

**Adjusted EBITDA** improved to SAR 162.3 m and a healthy margin of 58.8%.

**Adjusted Net income** of SAR 23.7 million grew by 64.9% compared to the same quarter last year, due to performance improvements across all the segments.

#### Revenue \*

**SAR 276.1 m**    **↑ 28.6%**  
Q3-2022: SAR 214.7 m

#### Gross Profit

**SAR 147.7 m**    **↑ 39.6%**  
Q3-2022: SAR 105.8 m

#### EBITDA-Adjusted

**SAR 162.3 m**    **↑ 42.3%**  
Q3- 2022: 114.0 m



**Net Income – Adjusted**

**SAR 23.7 m**    **↑ 64.9%**  
Q3- 2022: SAR 14.4 m

**GP Margin**

**53.5%**    **↑ 420bps**  
Q3-2022: 49.3%

**NP Margin - Adjusted**

**8.6%**    **↑ 190bps**  
Q3-2022: 6.7%

**Commenting on the results, Mr. Khalid Suleimani, Group CEO, SISCO, said:**

“I'm delighted to announce that SISCO's performance in this quarter has displayed a healthy improvement across all segments compared to the same quarter last year, as well as Q2FY23.

In the third quarter, the Ports segment emerged as the driving force behind our growth. We witnessed a strong increase in volumes when compared to the same quarter last year, primarily driven by the growth in gateway volumes. The positive shift in our revenue mix has led to a robust growth in gross profit for the quarter and a substantial increase in net profit.

The Logistics segment also delivered impressive results, displaying growth in both top-line and bottom-line figures in comparison to the previous year.

The Water segment saw only a marginal increase in revenue when compared to Q3 of the previous year primarily due to improved volumes. Though gross profit margins for the Water segment experienced a slight decline, moving from 47.6% in Q3FY22 to 47.2% in Q3FY23, mainly due to changes in sales mix and pricing. Nevertheless, the Water segment remains a solid performer.

I would also like to mention the successful performance of our portfolio companies, SA Talke and Tawzea, who also had an excellent quarter.”

**Outlook and Strategy**

We continue to implement SISCO's five-year strategy (6x26) that we announced at the end of 2021, and we have been able to achieve positive progress in this regard in terms of organic growth or growth through mergers and acquisitions

Throughout 9M 2023, we've witnessed a remarkable resurgence across all our business segments, surpassing the performance of the same period in 2022. Looking ahead, we are committed to maintaining this strong momentum in the upcoming quarter. Our Ports and Logistics segment is well positioned to maintain strong volume growth. Moreover, our portfolio companies have demonstrated impressive resilience and a remarkable capacity for growth, as evidenced by their outstanding performance in the first 9 months of the year.

We are delighted to share some significant updates for this quarter. Tawzea has been awarded two significant projects: one for the operation and maintenance of wastewater treatment plants in Dammam and Khobar, and another for the water network in Makkah and its governorates.

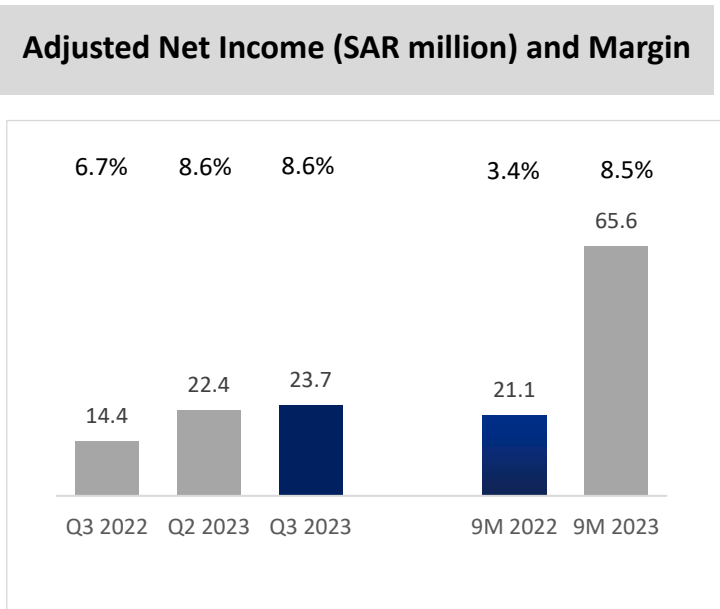
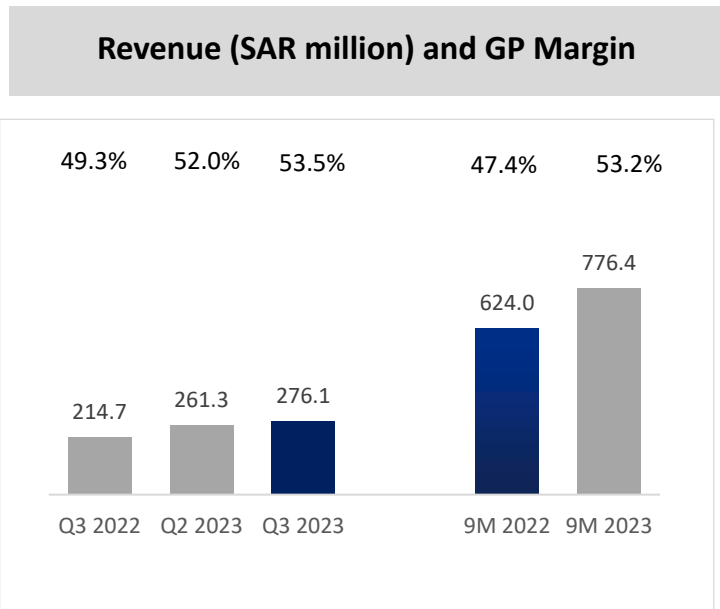
Furthermore, LogiPoint is expected to complete an additional 25,000 sq m warehouse during the second half of 2023. These developments are part of our ongoing strategy to expand our capacity to an impressive 130,000 sq m by H1FY24. Our strategic vision is to establish LogiPoint as a leading logistics real estate developer and operator, providing state-of-the-art warehousing services to attract long-term customers and cater to the thriving e-commerce sector across the Kingdom.



RSGT is making strong progress in finalizing the concession terms for the Patenga terminal in Bangladesh, a crucial step in RSGT’s international expansion strategy.

Furthermore, significant headway is being achieved in the mergers and acquisitions (M&A) activity within SISCO and GDI, reinforcing the company's dedication to improving its market presence and strengthening its position within the industry.

**Income Statement Summary SAR million**





## EARNINGS RELEASE: Q3 & 9M 2023

5<sup>th</sup> November 2023

### Q3FY23 Financial Summary

<i>SAR million</i>	Q2' 23	Q3' 23	Var. %	Q3' 22	Q3' 23	Var. %
Revenue*	261.3	<b>276.1</b>	5.7%	214.7	<b>276.1</b>	28.6%
Direct costs*	(125.5)	<b>(128.4)</b>	2.3%	(108.9)	<b>(128.4)</b>	18.0%
Gross profit	135.8	<b>147.7</b>	8.8%	105.8	<b>147.7</b>	39.6%
Operating expenses	(54.1)	<b>(50.7)</b>	-6.3%	(45.4)	<b>(50.7)</b>	11.7%
Operating profit	81.7	<b>97.0</b>	18.7%	60.4	<b>97.0</b>	60.6%
Investment income	9.7	<b>7.6</b>	-21.6%	8.2	<b>7.6</b>	-7.3%
Finance charges	(60.9)	<b>(64.2)</b>	5.4%	(53.4)	<b>(64.2)</b>	20.2%
Other income / expenses & Zakat	5.6	<b>4.7</b>	-16.1%	2.8	<b>4.7</b>	67.9%
Group net income	36.1	<b>45.1</b>	24.9%	18.0	<b>45.1</b>	150.6%
Minority interest	(14.9)	<b>(21.4)</b>	43.6%	(3.6)	<b>(21.4)</b>	494.4%
Net income – reported	22.2	<b>23.7</b>	11.8%	14.4	<b>23.7</b>	64.6%
Net income – adjusted	22.4	<b>23.7</b>	5.8%	14.4	<b>23.7</b>	64.6%

\*Excludes construction revenue and cost

### 9M'FY23 Financial Summary

<i>SAR million</i>	9M' 22	9M' 23	Var. %
Revenue*	624.0	<b>776.4</b>	<b>24.4%</b>
Direct costs*	(328.3)	<b>(363.7)</b>	<b>10.8%</b>
Gross profit	295.7	<b>412.7</b>	<b>39.6%</b>
Operating expenses	(136.1)	<b>(150.1)</b>	<b>-10.3%</b>
Operating profit	159.6	<b>262.6</b>	<b>64.5%</b>
Investment income	23.0	<b>25.3</b>	<b>10.0%</b>
Finance charges	(157.4)	<b>(183.2)</b>	<b>16.4%</b>
Other income / expenses & Zakat	(1.3)	<b>13.3</b>	<b>1123.1%</b>
Group net income	23.9	<b>118.0</b>	<b>393.7%</b>
Minority interest	(5.6)	<b>(53.6)</b>	<b>857.1%</b>
Net income – reported	18.3	<b>64.4</b>	<b>251.9%</b>
Net income – adjusted			

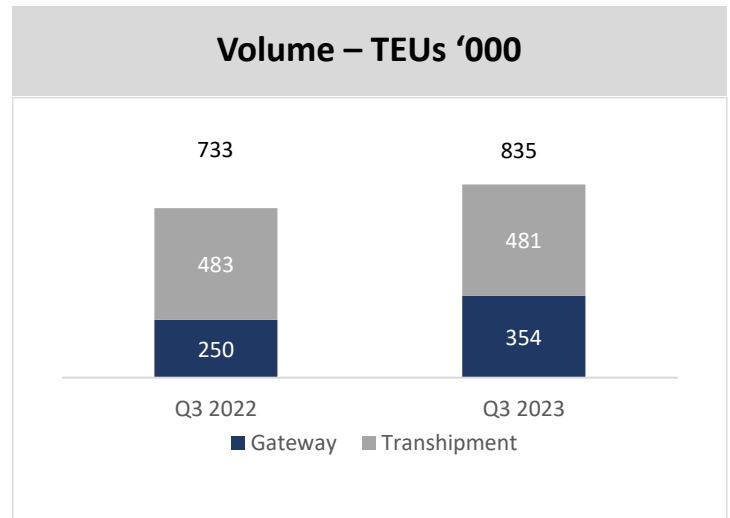
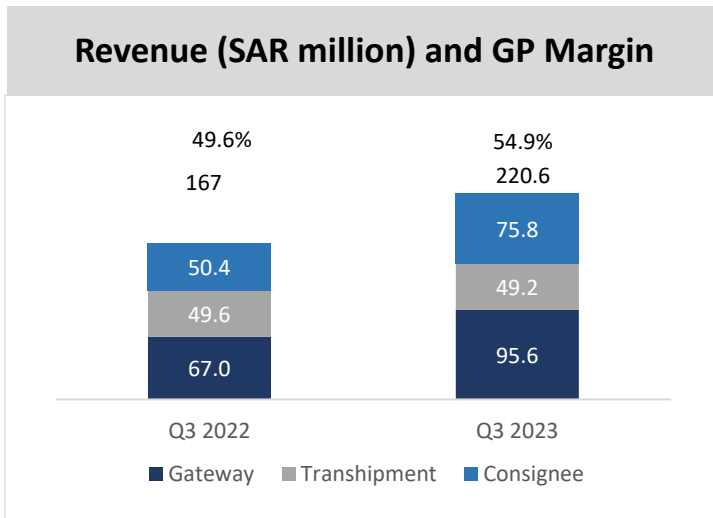
\*Excludes construction revenue and cost

**Operational Highlights**

**Ports**

The revenues for Q3FY23 demonstrated a notable improvement, increasing by 32.1% compared to the same quarter of the previous year. Additionally, gateway volumes in Q3FY23 increased by 41.2% when compared to Q3FY22, while trans-shipment volumes remained flat.

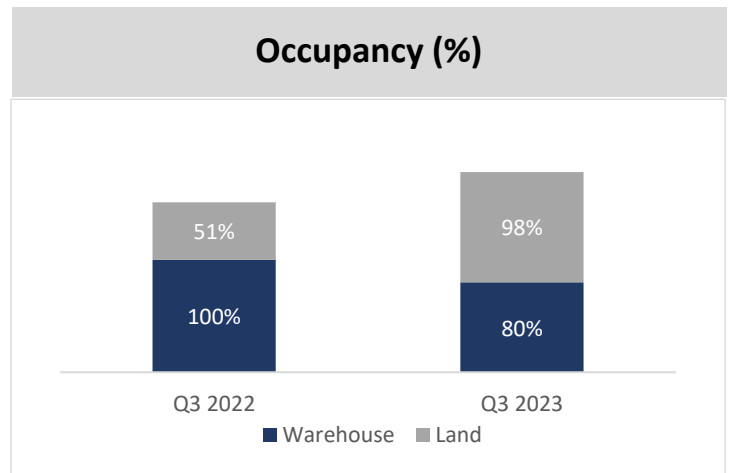
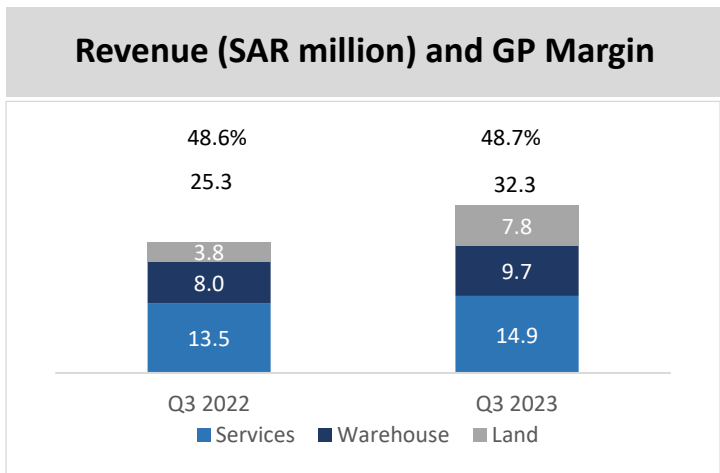
Q3FY23 revenues showed significant improvement with SAR 220.6 million compared to the same quarter of the previous year. Q3FY23 shipping line revenues improved by 42.7% as compared to Q3FY22 and consignee revenues improved by 50.4%.



**Logistics**

The Logistics segment revenues for Q3FY23 increased by 27.3% from the same quarter last year. We are also under process to expand our capacity to an impressive 130,000 sq m by Q1FY24.

SISCO portfolio SA Talke revenues increased to SAR 233.6 million during 9M'23. SISCO's share of SA Talke's net income in Q2FY2023 was SAR 17.2 million, i.e. 15% higher than the same quarter last year.





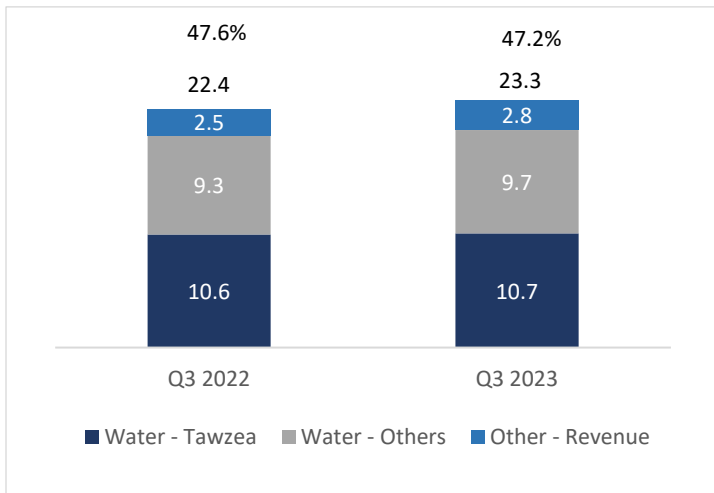
**Water Solutions**

Revenues of the Water segment increased marginally compared to Q3 of last year due to improvement in volumes. Gross profit margins marginally decline to 47.2% for Q3FY23 from 47.6% in Q3FY22. The margin decline is attributed to a sales mix and pricing.

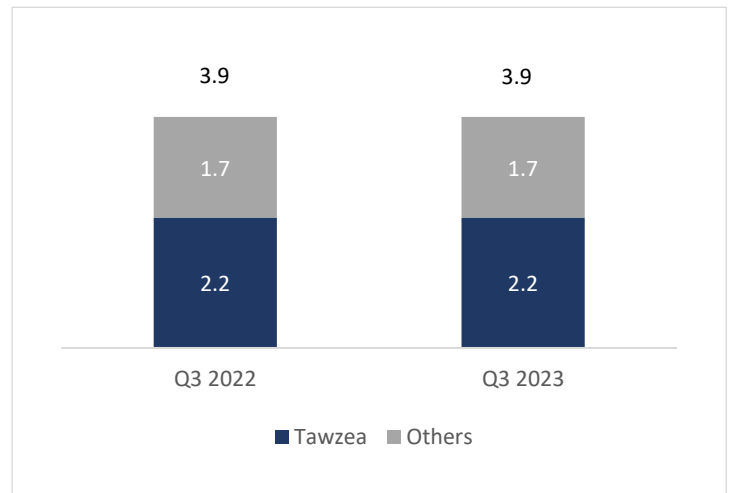
Additionally, last year Kindasa revenues were negatively affected due to a temporary decline in production.

TAWEZA reported adjusted revenue (excluding construction revenues) to SAR 304.4 million in 9M 2023. SISCO’s share in net income in Q3FY2023 was SAR 10.2 m for TAWEZA i.e. 52.5% higher than same quarter last year.

**Revenue (SAR million) and GP Margin**



**Volume in Million (Cubic Meter)**





**Investor relations**

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**About SISCO**

Saudi Industrial Services Company ("SISCO") is an investment holding company with a diversified portfolio of unique assets spanning infrastructure, ports and logistics and water solutions. The Company was established in 1988 and is the first private sector developer of a bonded re-export zone in Saudi Arabia. SISCO's portfolio includes 7 portfolio companies, supported by a team of more than 3,000 employees. SISCO provides strategic support to portfolio companies with a clear and long-term investment philosophy to unlock growth opportunities.

**Analyst Call and Earnings Presentation**

SISCO will be hosting an analyst call on the Company's Third quarter 2023 results.

For conference call details, please email [ir@sisco.com.sa](mailto:ir@sisco.com.sa)

The earnings presentation will be hosted on the company website in due course:

<http://www.sisco.com.sa/poverview.php>