



سيسكو  
SISCO  
الشركة السعودية للخدمات الصناعية  
Saudi Industrial Services Company

# SAUDI INDUSTRIAL SERVICES COMPANY

## INVESTOR PRESENTATION

**Your Partner in**

*Ports & Terminals | Logistics Parks & Services | Water Solutions*

# DISCLAIMER

This presentation is strictly confidential and is being shown to you solely for your information and may not be reproduced, retransmitted, further distributed to any other person or published, in whole or in part, for any purpose.

This presentation has been prepared by Saudi Industrial Services Company (SISCO) and reflects the management's current expectations or strategy concerning future events and are subject to known and unknown risks and uncertainties.

Some of the statements in this presentation constitute "forward-looking statements" that do not directly or exclusively relate to historical facts. These forward-looking statements reflect SISCO's current intentions, plan, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside SISCO's control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks. SISCO undertakes no obligation to revise any such forward-looking statements to reflect any changes to its expectations or any change in circumstances, events, strategy or plans. Because actual results could differ materially from SISCO's current intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained in this presentation with due care and caution and seek independent advice when evaluating investment decisions concerning SISCO.

No representation or warranty, express or implied, is made or given by or on behalf of SISCO or any of its respective members, directors, officers or employees or any other person as to the accuracy, completeness or fairness of the information or opinions contained in or discussed at this presentation.

This presentation does not constitute an offer or invitation to purchase any shares or other securities in the Company and neither it nor any part of it shall form the basis of, or be relied upon in connection with, any contact or commitment whatsoever.

# Contents

- **GROUP OVERVIEW**
- **OPERATING SEGMENTS**
- **KEY DEVELOPMENTS**
- **STRATEGY & OUTLOOK**
- **FINANCIAL HIGHLIGHTS**
- **Q & A**
- **ADDITIONAL INFORMATION**

# SISCO AT A GLANCE



Listed on  
Tadawul in  
2003



More than  
10,000  
shareholders

**Institutional –  
35% shares**

**Individuals –  
65% shares**



Revenue

**SAR 519 million**

Net Profit

**SAR 44.9 million**



Market  
capitalisation  
of around SAR  
1.9 billion



More than  
3,000  
employees

**A DIVERSIFIED INVESTMENT HOLDING COMPANY WITH INTERESTS IN**



Ports & Terminals



Logistic Parks & Services

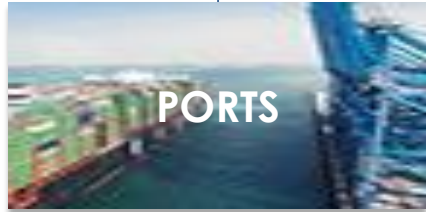


Water Solutions

\* Data as of September 2019



# GROUP STRUCTURE




محطة بوابة البحر الأحمر  
RED SEA GATEWAY TERMINAL

Shareholding - 60.6%



LogiPoint

Shareholding - 76%



Kindasa  
WATER SERVICES

كنداسة  
لخدمات المياه

Shareholding - 65%

**S.A. TALKE**

س.أ. تالكي

Shareholding - 33.3%



توزيع  
TAWZEER

الشركة الدولية لتوزيع المياه المحدودة  
International Water Distribution Co. Ltd

Shareholding - 50%



- Construction and operation of container terminal at Jeddah Islamic Port
- First privately funded Build and Operate Transfer terminal in Saudi Arabia
- Current capacity of 2.5 million TEUs.
- Concession signed with Saudi Ports Authority to consolidate North terminal.



- Provide full range of logistic solutions covering warehousing, storage and transportation
- First Bonded & Re-Export Zone in the Kingdom in 1999.
- Operate a total of 1.7 million square meters space



- Provides full range of specialised logistics services to the chemical and petrochemical industries in Saudi Arabia.
- Transportation solutions for bulk liquids, dry bulk and packed products.



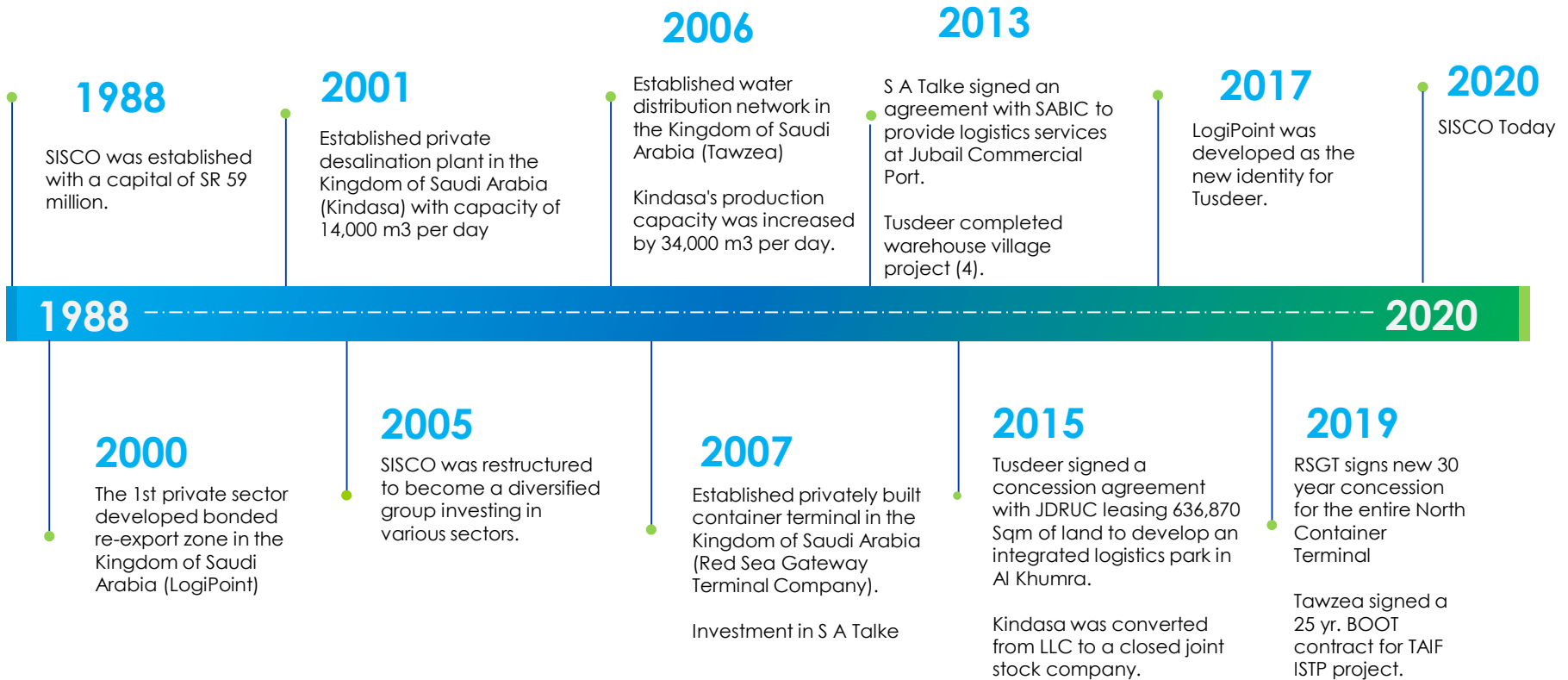
- Provide full range of services covering construction and operation of desalination plants, sewage, irrigation and sanitation and mechanical works
- First private water desalination and distribution plants in Kingdom.
- Designed capacity of 22 million cubic meters per year.
- Provide O&M services to industrial sector.



الشركة الدولية لتوزيع المياه المحدودة  
International Water Distribution Co. Ltd

- Specializes in Management of industrial cities, operation and maintenance of Potable Water and Waste Water facilities.
- so one of the first companies that have been successful in the privatization of the water sector in the Kingdom of Saudi Arabia and PPP project

# SISCO TIMELINE



## MATERIAL OPERATING SUBSIDIARIES (CONTROL)

- Companies have autonomous boards and management structures
- SISCO exerts its influence through non-executive representation on these boards

## ASSOCIATES AND JOINT VENTURES (SIGNIFICANT INFLUENCE OR JOINT CONTROL)

- Board representation
- Shareholder agreements if there are other major shareholders in order to protect SISCO's rights and manage risks
- SISCO has decision-making involvement for a defined list of material matters of the businesses of the entities where agreements exist, such as:
  - › the appointment or removal of directors;
  - › capital structure;
  - › business strategy;
  - › large capital expenditure; and
  - › mergers, acquisitions and disposals

## OUR MANAGEMENT PHILOSOPHY



Not involved in the **day-to-day management** of business units of investees. Not hands-off ownership, we do not merely attend Board meetings, but offer **strategic guidance** and **functional leadership**



In the **best interest** of all the parties concerned to respect the decentralised business model and the fact that these businesses are conducted in separate legal entities



Focused on the provision of **support**:

- strategic, financial and managerial support, or
- creating of an environment for corporate transactions.



Applied to all investee companies, **irrespective of the level of influence** that can be exercised



As a **responsible shareholder** of the investee companies, SISCO also exercises its shareholder rights to ensure, as far as possible, that the entities concerned adhere to its requirements in respect of matters such as governance, internal controls, financial management, risk management, legal compliance, safety, health and environmental management, internal audit, ethics management, information management, stakeholder relationships, succession planning and sustainability



# INVESTMENT STRATEGY AND CRITERIA



INVEST / ACQUIRE



DEVELOP

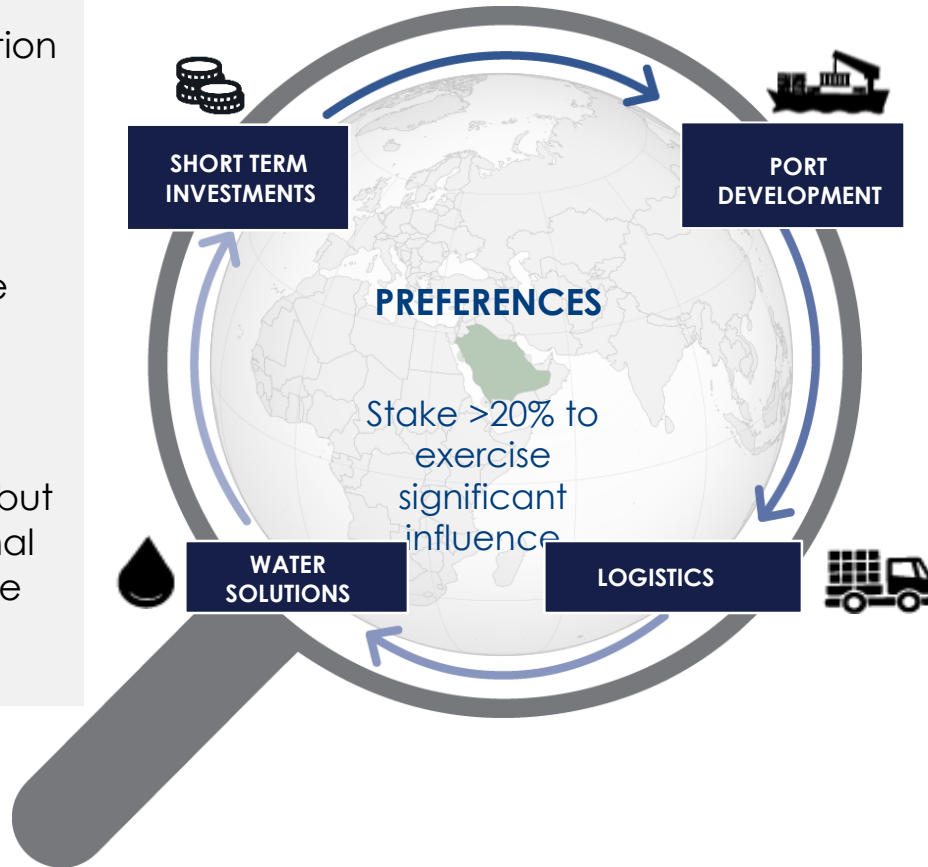


GROW & HOLD



EXIT

- Significant contribution to SISCO's earnings
- Value over the long term
- Significant influence and Board representation are integral
- Main focus is Saudi but consider international opportunities if in line with strategic objectives



- No value to be added
- Ex cash flow growth business
- Risk profile has changed
- Strategic reasons



سيسكو  
SISCO  
الشركة السعودية للخدمات الصناعية  
Saudi Industrial Services Company

سيسكو  
SISCO

# OPERATING BUSINESSES

**Your Partner in**

*Ports & Logistics | Water Solutions | Industrial Services*

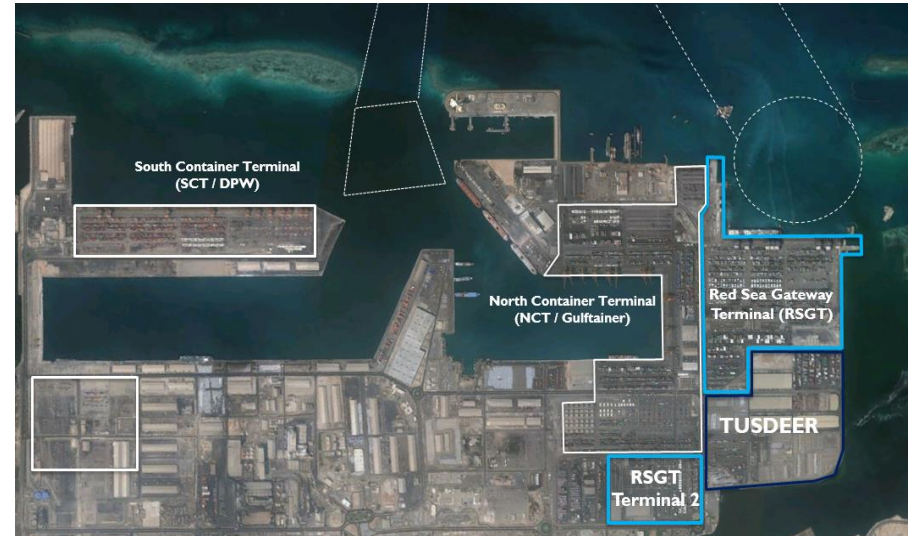
World-class container terminal facility

Flagship container terminal at Jeddah Islamic Port

First privately funded Build Operate and Transfer terminal in Saudi Arabia

Accumulated throughput of >12 million TEU

Proven track record of world class operational performance



## Red Sea Gateway Terminal (RSGT)

- State-of-the art facilities
- Capability to handle next generation vessel without limitation
- Only Saudi National terminal operator
- Terminal of choice for mega vessels and proven ability to handle with world class productivity

**750,000**

sqm of area covered

**2.5**

Million TEU in handling capacity

**136 mph**

Average berth productivity

**4**

berths stretched 1,360 meter

**14**

of world's largest and state-of-the art quay cranes

**#1**

Container port in Saudi Arabia

#1	Jebel Ali Terminal 2	UAE	165
#2	DCT Gdańsk	Poland	142
#3	Maersk Yokohama Terminal	Japan	137
#4	 محطة بوابة البحر الأحمر RED SEA GATEWAY TERMINAL	<b>KSA</b>	<b>136</b>
#5	Yangshan, SGH Guandong Terminal	China	129
#6	Colombo International Container Terminal	Sri Lanka	129
#7	Ningbo Terminal	China	127



1st private sector bonded re-export zone in the KSA

Middle East logistics zone operator of the year award in 2019

Developing the Kingdom's largest onshore integrated logistics park

Provide full range of logistics support services

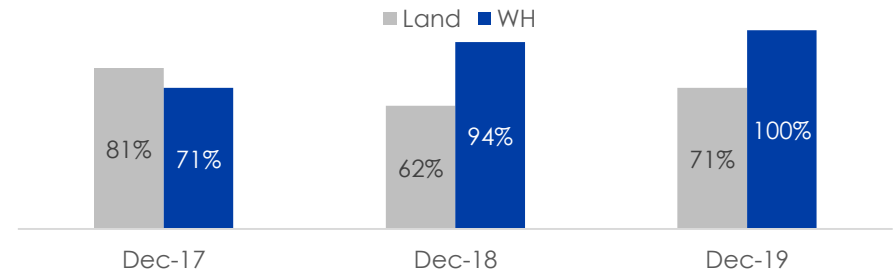
**1,656,350**

sqm of land area

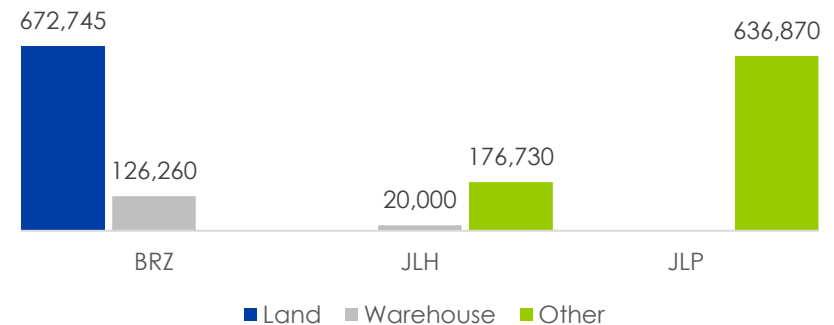
**672,745**

Sqm of total open yard

## BRZ OCCUPANCY



## LOGIPOINT LAND ANALYSIS



**406,860**

Sqm of warehouse area

**734,120**

Other





- 1<sup>st</sup> and Largest Bonded & Re-Export Zone in the Kingdom
- Strategic Location at Jeddah Islamic Port
- (BOT) agreement with the Saudi Ports Authority
- 1 Million SQM of Land

## WAREHOUSES

- ✓ Pre-Built Warehouses
- ✓ Built-to-Suite Warehouses
- ✓ Temperature Controlled Warehouses

## VALUE ADDED SERVICES

- ✓ Consolidation / De-Consolidation
- ✓ Bar Coding – Labeling
- ✓ FIFL – Goods / Cargo
- ✓ Assembling

## OPEN YARDS

- ✓ Container Yard
- ✓ Reefer Container Yards
- ✓ Automotive Yards
- ✓ Multi-Purpose Yards

- ✓ Packaging
- ✓ Re-Packaging
- ✓ Filing
- ✓ Distribution Services

First private desalination plant producing potable water in the KSA

Approx. 60% market share of water supplied to industrial customers in Jeddah

Commissioned plant in Rabigh with approx. 5,000 cubic meter per day water

Total designed capacity of 22 million cubic meters per year

Invested SAR 340 million in desalination facilities in JIP and Rabigh

## Key Clients



الشركة الدولية لتوزيع المياه المحدودة  
International Water Distribution Co. Ltd.



شركة الراجحي للصناعات الحديدية المحدودة  
Rajhi Steel Industries Co. Ltd



المركز الطبي الدولي  
International Medical Center



شركة أبو الجدايل للمقاولات والصيانة  
Abuljadayel Co. for Contracting & Maintenance



سيسكو  
SISCO  
الشركة السعودية للخدمات الصناعية  
Saudi Industrial Services Company

سيسكو  
SISCO

# KEY DEVELOPMENTS

**Your Partner in**

*Ports & Logistics | Water Solutions | Industrial Services*

### PORTS & TERMINALS

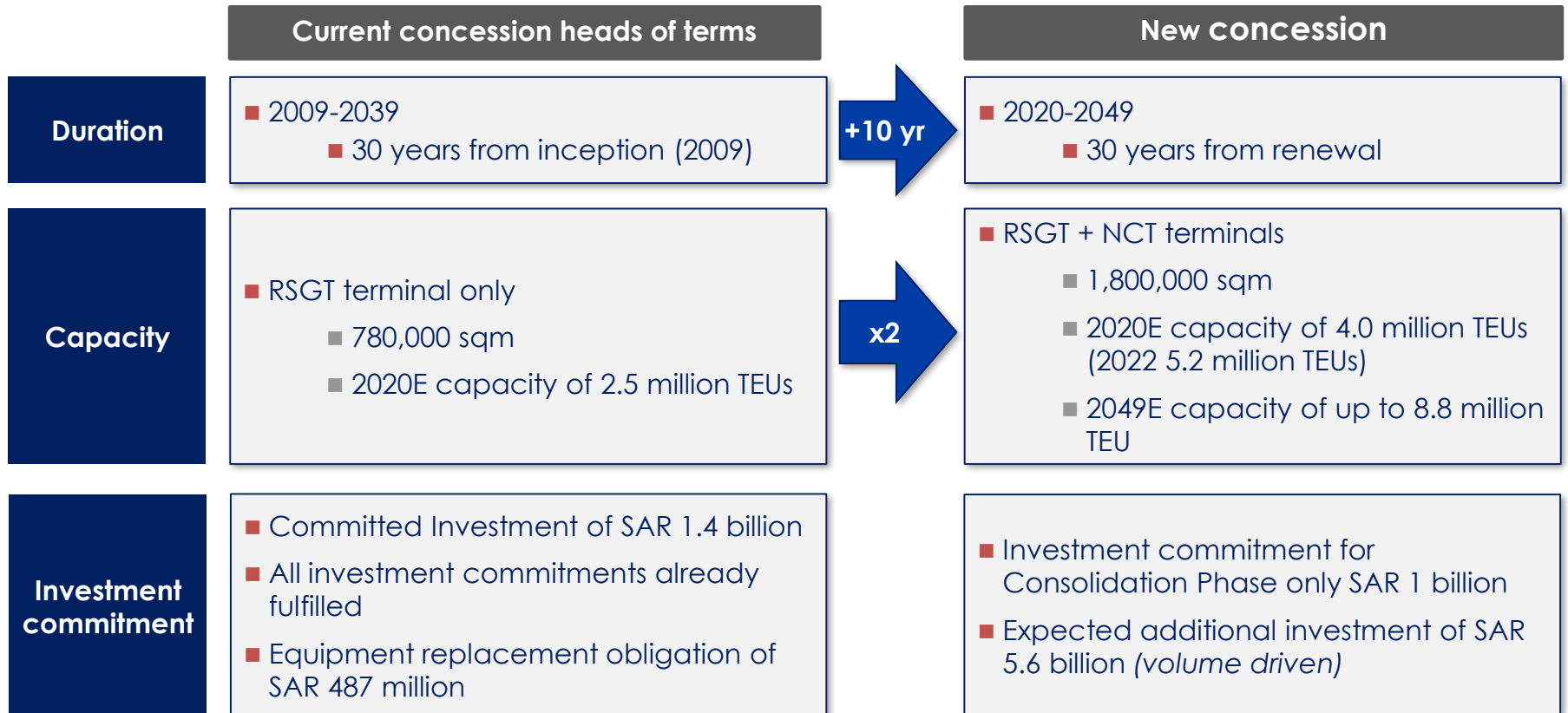
- New 30 year Concession Agreement signed in December 2019 covering the existing and new terminal
- New Concession will be effective from Q2 2020.
- Advanced stage discussions to sign a concession to operate a terminal in Africa

### LOGISTIC PARKS & SERVICES

- Signed agreements with Aramex and Naqel to set up a dedicated warehouse facilities
- Signed agreement with Aramco to utilise open yard
- In discussions with e-commerce customers to set up a warehouse facility in Riyadh
- Vertical integration opportunities through M&A

### WATER SOLUTIONS

- Signed a 25 year Concession to build and operate a water treatment facility in Taif.
- Initial discussions to expand water desalination operations outside KSA.







سيسكو  
SISCO

# PORTS & TERMINAL POTENTIAL EXPANSION

2023 ~ 2026

2026 ~ 2049



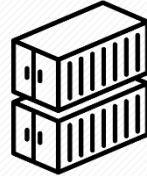
2020 ~ 2022

5.2 mil TEU

## PHASE I

**Consolidation & Upgrade of Terminals**  
Investment SAR 1 billion

Committed



7.0 mil TEU

## PHASE II A

Conversion of Berth 2 & 3 into Mega Berth



8.8 mil TEU

## PHASE II B

Conversion of Berth 1 & 2 into Mega Berth

Driven by volume increase

## NEW PROJECTS



Agreement is signed with Aramex for 12 years lease period which is extendable by another 5 years.



NAQEL Express signed an agreement to Lease 31,500 m<sup>2</sup> for a period of 18 years. NAQEL will build a 20,000 m<sup>2</sup> facility for its e-commerce and express logistics from the bonded zone



Aramco signed a 3 year agreement with LogiPoint to store its containers in the export container yard within the Bonded and Re-export Zone for storing them post inspection for the purpose of exporting out of the Kingdom.

## NEW PROJECT – TAIF ISTP

<p><b>Project Summary</b></p>	<p>Cobra Instalaciones y Servicios ("Cobra") based in Spain and International Water Distribution Company ("Tawzea") based in KSA were selected as a preferred bidder for the development of an Independent Sewage Treatment Plant ("Taif ISTP" or the "Project") on a Build, Own, Operate and Transfer ("BOOT") basis.</p>
<p><b>Duration</b></p>	<ul style="list-style-type: none"> <li>■ 25 years</li> </ul>
<p><b>Capacity</b></p>	<ul style="list-style-type: none"> <li>■ Initial Capacity of 100,000 m<sup>3</sup> / day.</li> <li>■ Potential to increase to 270,000 m<sup>3</sup> / day.</li> </ul>
<p><b>Expected investment</b></p>	<ul style="list-style-type: none"> <li>■ SAR 315 million to be funded predominantly by debt finance.</li> </ul>



سيسكو  
SISCO  
الشركة السعودية للخدمات الصناعية  
Saudi Industrial Services Company

سيسكو  
SISCO

# STRATEGY & OUTLOOK

**Your Partner in**

*Ports & Logistics | Water Solutions | Industrial Services*

## We intend to stay focused on our strategic sectors



### PORTS

- Expand our market presence in KSA, our core market.
- Selected investments with a strong focus on **emerging markets in Africa and Asia.**
- Significantly de-risk operations; seek international leverage for a long-term business model



### LOGISTICS

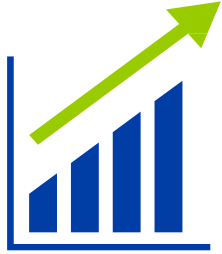
- Development of **Jeddah Logistics Park.**
- Development of dedicated warehouse facilities for **e-commerce clients in KSA**
- Develop and operate **new bonded zones in KSA**
- Growth through acquisition of local companies



### WATER

- Restructure and improve the desalinated water business.
- Pursuing expansion opportunities in the Middle East.
- Growth through acquisition of local desalinated water companies.
- Continue to grow the water distribution and treatment business.





**SOLID ORGANIC  
REVENUE GROWTH**



**HIGHER ADJUSTED  
OPERATING INCOME**



**ROBUST CASH FLOW**

- Deliver solid organic growth in the ports and logistics segments.
- Accelerate M&A activity in the Logistics and Water segment.
- Achieve an adjusted operating income margin in line or above 31 December 2019.
- Maintain strong cash conversion
- To at least maintain or grow the dividend in line with the improvement in adjusted net earnings



سيسكو  
SISCO  
الشركة السعودية للخدمات الصناعية  
Saudi Industrial Services Company

سيسكو  
SISCO

# FINANCIAL HIGHLIGHTS

**Your Partner in**

*Ports & Logistics | Water Solutions | Industrial Services*

# FINANCIAL HIGHLIGHTS

For the period ended 30 September 2019

All amounts are in SAR millions

Group Revenue

Sep' 19  
**SAR 519m**

+ 25%

EBITDA

Sep' 19  
**SAR 231m**

+ 27%

Net Income

Sep' 19  
**SAR 44.9m**

+ 89%

Debt-Equity

Sep' 19  
**36%**

+27%

Net Debt

Sep' 19  
**SAR 567m**

+25%

Free Cashflow

Sep' 19  
**SAR 197M**

+ 81%

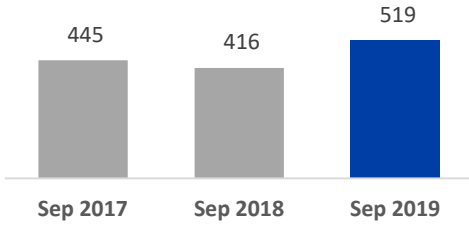
Net debt as at 30 September 2019 includes IFRS 16 effect.

# HIGHLIGHTS – CONSOLIDATED

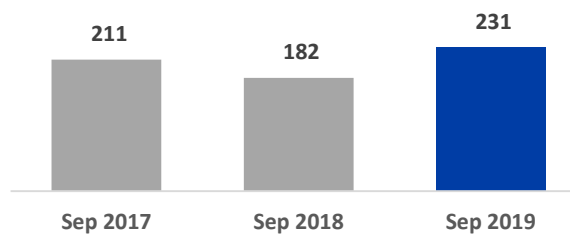
For the period ended 30 September 2019

All amounts are in SAR millions

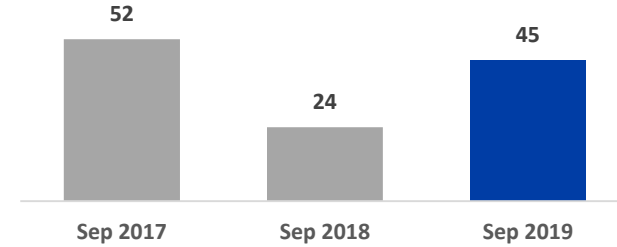
## Revenue



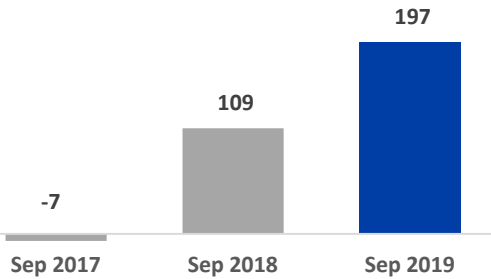
## EBITDA



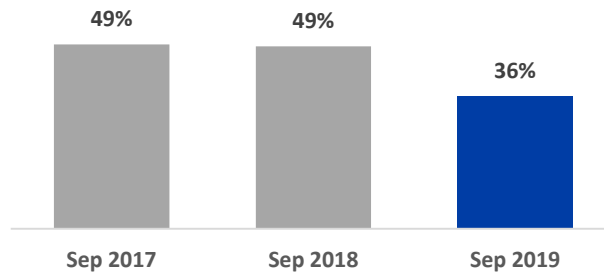
## Net Income



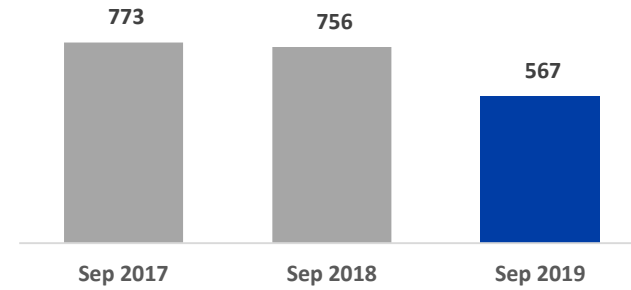
## Free Cash Flow



## Net Debt to Equity Ratio



## Net Debt



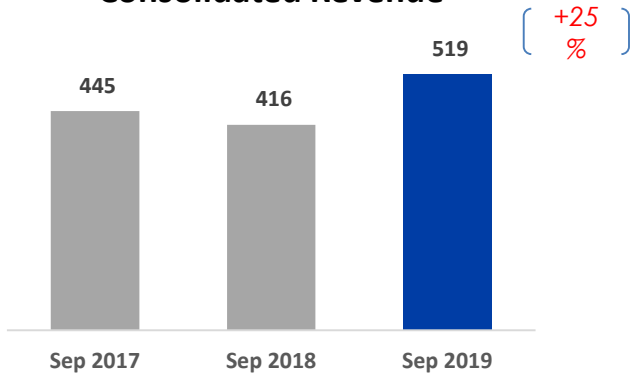
\* 30 Sep-2019 Net Debt includes IFRS 16 impact

# REVENUE BREAKDOWN

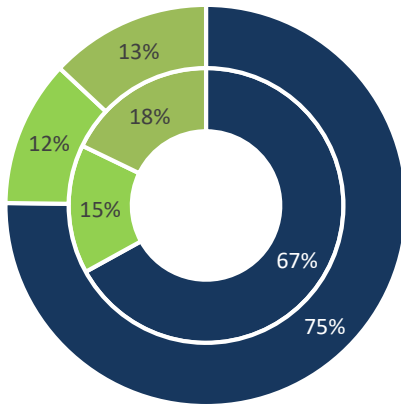
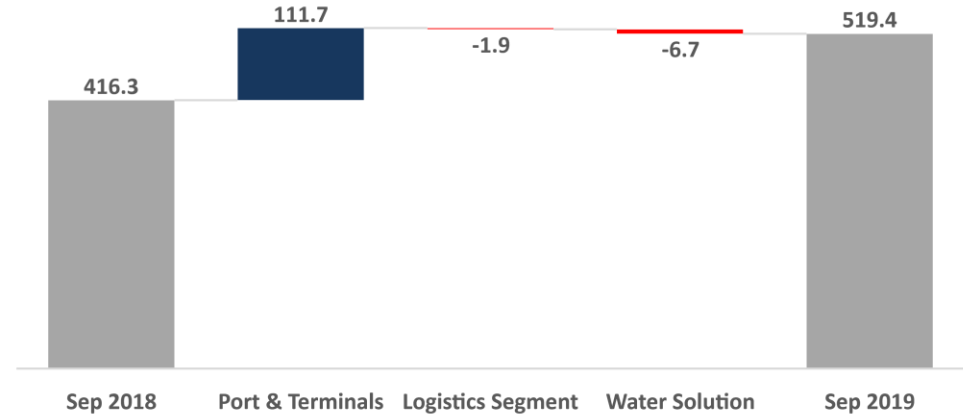
For the period ended 30 September 2019

All amounts are in SAR millions

## Consolidated Revenue



## Revenue Bridge



Outer Circle - Sep 2019  
Inner Circle - Sep 2018

■ Port & Terminals ■ Logistics Segment ■ Water Solution

Revenue increased by SAR 103m (i.e. 25%) during the period is backed by the SAR 111m growth in revenues from port development and operations.

Port segment accounted for 75% of revenue during 2019 vs 67% in 2018.

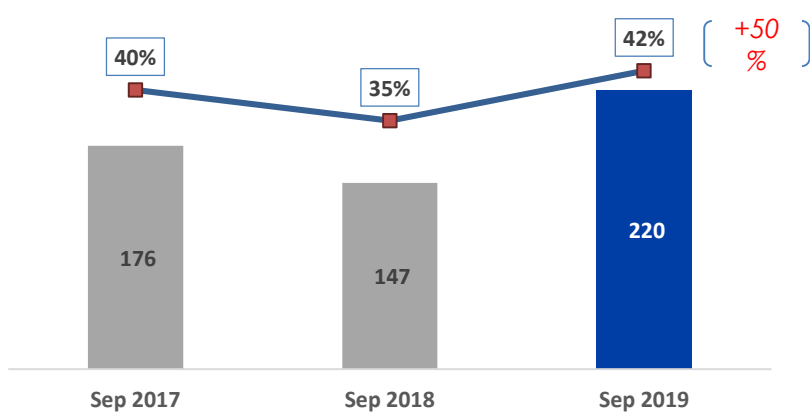


# GROSS PROFIT

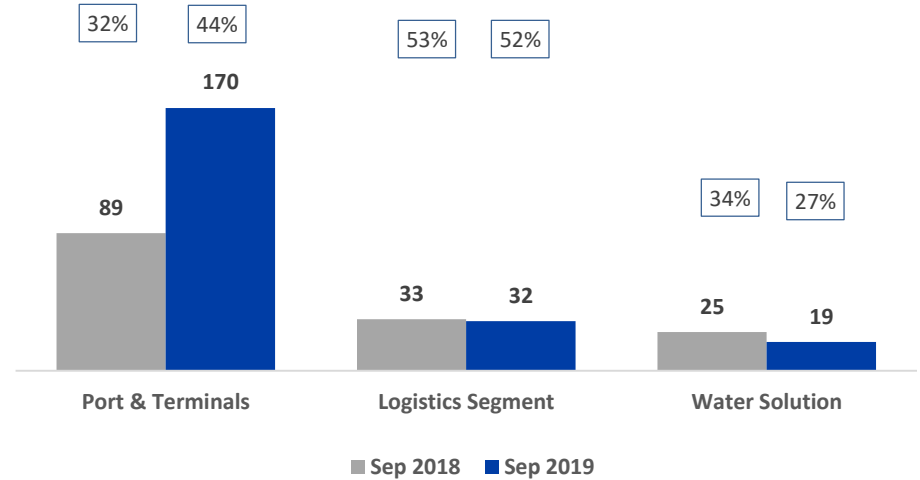
For the period ended 30 September 2019

All amounts are in SAR millions

## Consolidated GP & Margin



## Segment Gross Profit & Margin



Gross Margin for 2019 is 42% compared to 35% compared to 2018 representing a 50% increase mainly due to an increase in the profitability of port segment.

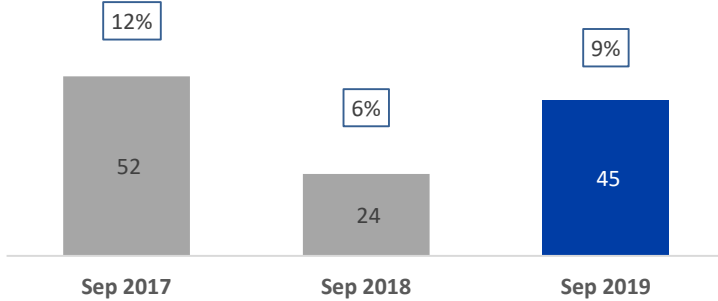
- Increase in port segment gross margin was driven by an increase in volumes and an increase in tariffs which were revised by Mawani in March 2019.
- Logipoint margins marginally decreased due to a decrease in land occupancy.
- The decline in water solutions gross margin is mainly due to a decline in sales volumes.

# NET INCOME

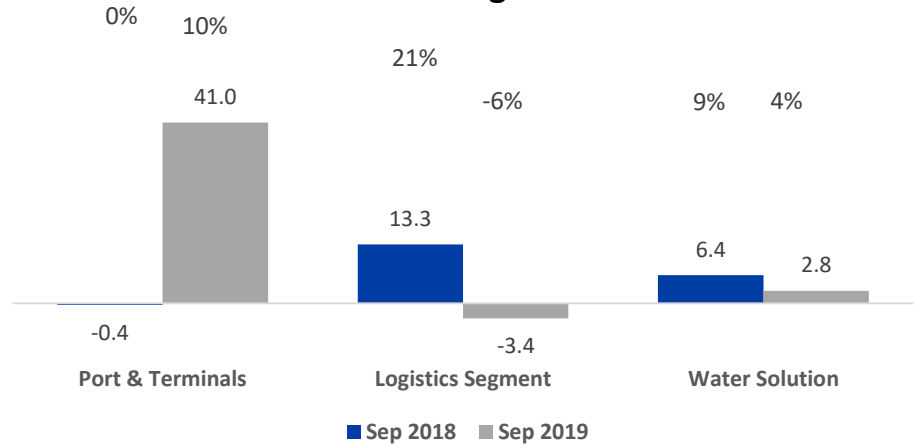
For the period ended 30 September 2019

All amounts are in SAR millions

## Consolidated Net Income & Margin

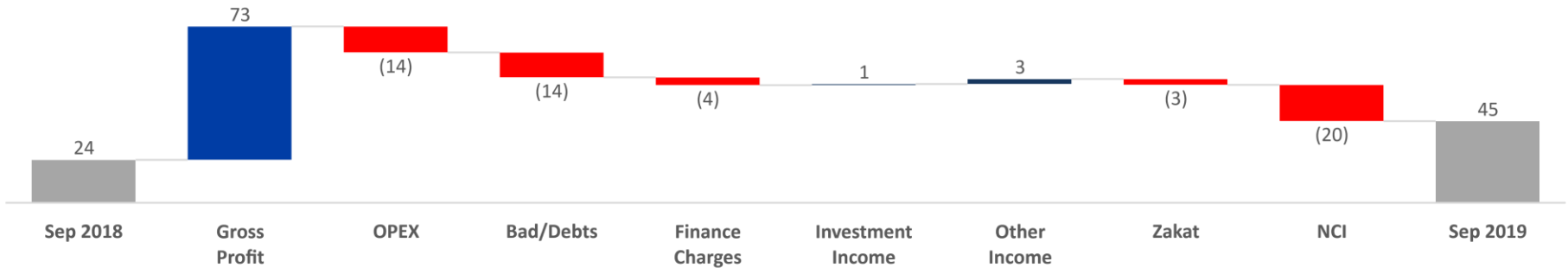


## Segment Net Income & Margin



Net Income margins increase in YTD 2019 was mainly driven by ports & terminals. NI margins are lower vs YTD 2017 mainly due to an additional provision for bad debts.

## Net Income Bridge





سيسكو  
SISCO  
الشركة السعودية للخدمات الصناعية  
Saudi Industrial Services Company

سيسكو  
SISCO

Q & A

**Your Partner in**

*Ports & Logistics | Water Solutions | Industrial Services*



سيسكو  
SISCO  
الشركة السعودية للخدمات الصناعية  
Saudi Industrial Services Company

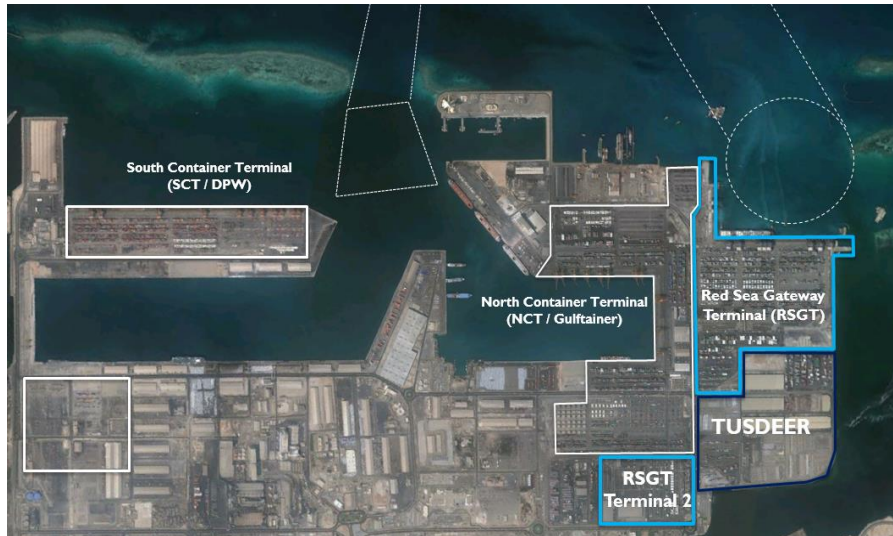
سيسكو  
SISCO

# ADDITIONAL INFORMATION

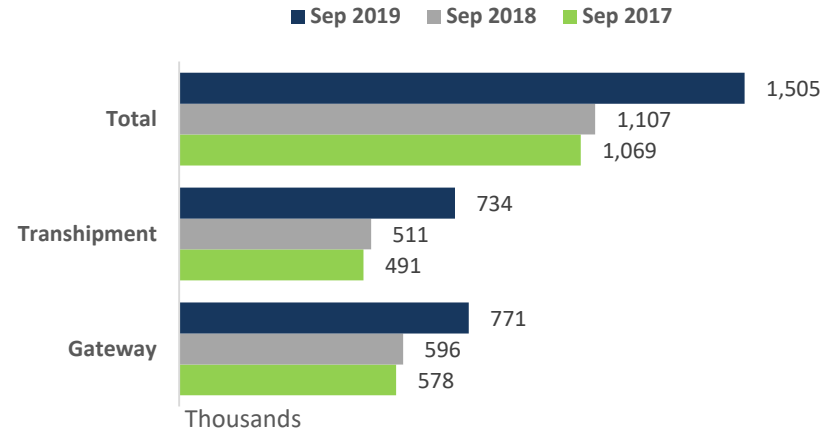
**Your Partner in**

*Ports & Logistics | Water Solutions | Industrial Services*





## Volume (TEUs '000)



## VISION FOR JEDDAH PORT

- A 30 years BOT and defined master plan
- Increasing capacity from 2.5 million TEUs to 4 million + TEUs. **KSA Largest Container Terminal** (+120% )
- **Five** Mega vessel berths
- Consolidated single terminal capable of meeting tomorrow's trade.
- Investment in **Automation**
- Natural transshipment **Hub** with upward potential





	2009-2019	Planned : 2020 – 2023	Envisaged: 2032 – 2049
Key Length	1,355 meter	2,600 meter	3,505 meter
Capacity	2.5 millionTEU	5.2 millionTEU	8.8 millionTEU
STS	14	24	34
RTG	38	67	106
Reefer Plugins	2400	4900	4900
Area	700,000 sqm	1,500,000 sqm	1,700,000 sqm



## منطقة الإيداع و إعادة التصدير Bonded Re-export Zone

ميناء جدة الإسلامي Jeddah Islamic port

The kingdom's first and largest bonded & Re-export zone located in Jeddah Islamic Port. Spread over 1 million SQM under a build, operate, and transfer (BOT) agreement with the Saudi Ports Authority



## المناطق اللوجستية Logistics Parks

مدن الأولى جدة Modon 1 Jeddah

LogiPoint Logistics Parks – Modon 1 Jeddah located in the heart of industrial area Modon 1, spread over 120 thousand SQM under a build, operate, and transfer (BOT) agreement with MODON



## المناطق اللوجستية Logistics Parks

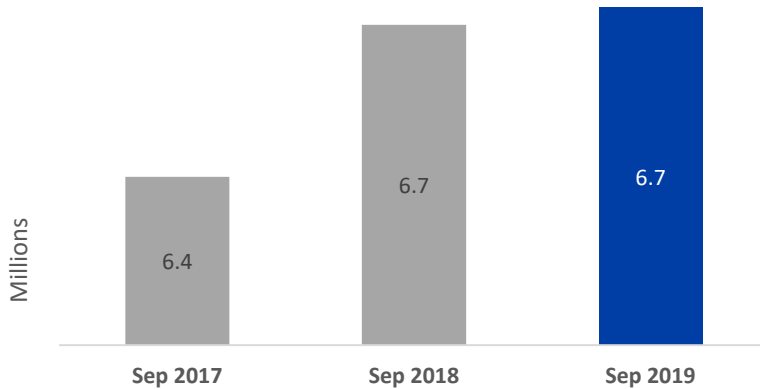
جنوب جدة South Jeddah

LogiPoint Logistics Parks – South Jeddah located in AL Khumra - the 2nd largest logistics hub in the Kingdom. Spread over 650,000 SQM under a build, operate, and transfer (BOT) agreement with JDURC.



**Focus today**

## Volume (Tons)



Multi User facility covering total area of 100,000 square meter

Providing Transport, Logistics and Technical services

Turn-key construction of logistic plants, storage and logistic solutions

Individual transport solutions for bulk liquids, dry bulk and packed products

Logistic analysis & consultancy, Optimisation of logistics processes, container terminals and spare parts management

## Key Clients



**14 Industrial cities  
managed**



**255+ m SAR  
Revenues in 2018**



**214  
Employees**



**5  
Concessions**



**9  
O&M projects**



**2,700+  
Factories served**



**300k+  
Inhabitants served**



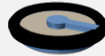
**25 Years  
Left in concession**



**220,000+ m<sub>3</sub>/d  
PW pumping capacity**



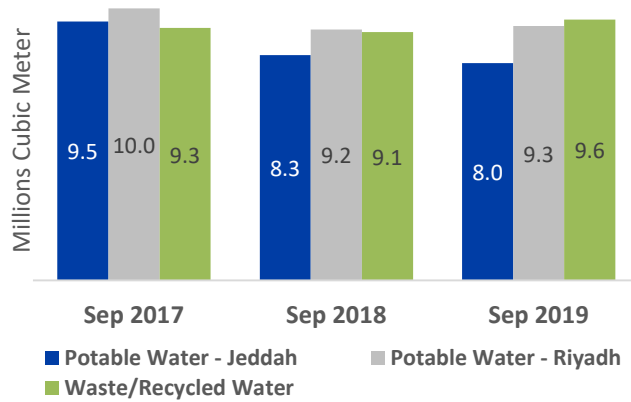
**72,000+ m<sub>3</sub>/d  
Left in concession**



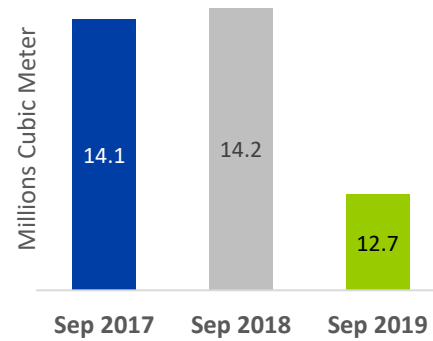
**345+ km PW  
130+ km WW  
networks managed**



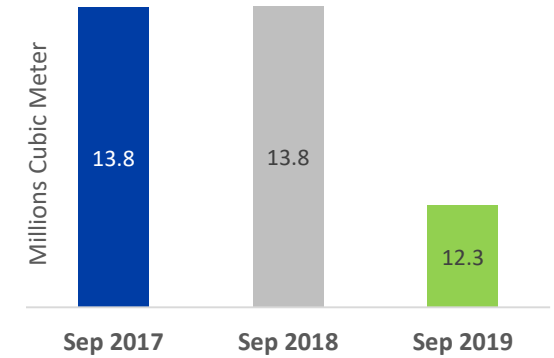
## Water Distribution



## Water Production



## Water Sold







سيسكو  
SISCO  
الشركة السعودية للخدمات الصناعية  
Saudi Industrial Services Company

**THANK YOU**

**Your Partner in**

*Ports & Logistics | Water Solutions | Industrial Services*