



سيسكو  
SISCO  
الشركة السعودية للخدمات الصناعية  
Saudi Industrial Services Company

# EFG HERMES CONFERENCE

3-4 MARCH 2019

Your Partner in

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

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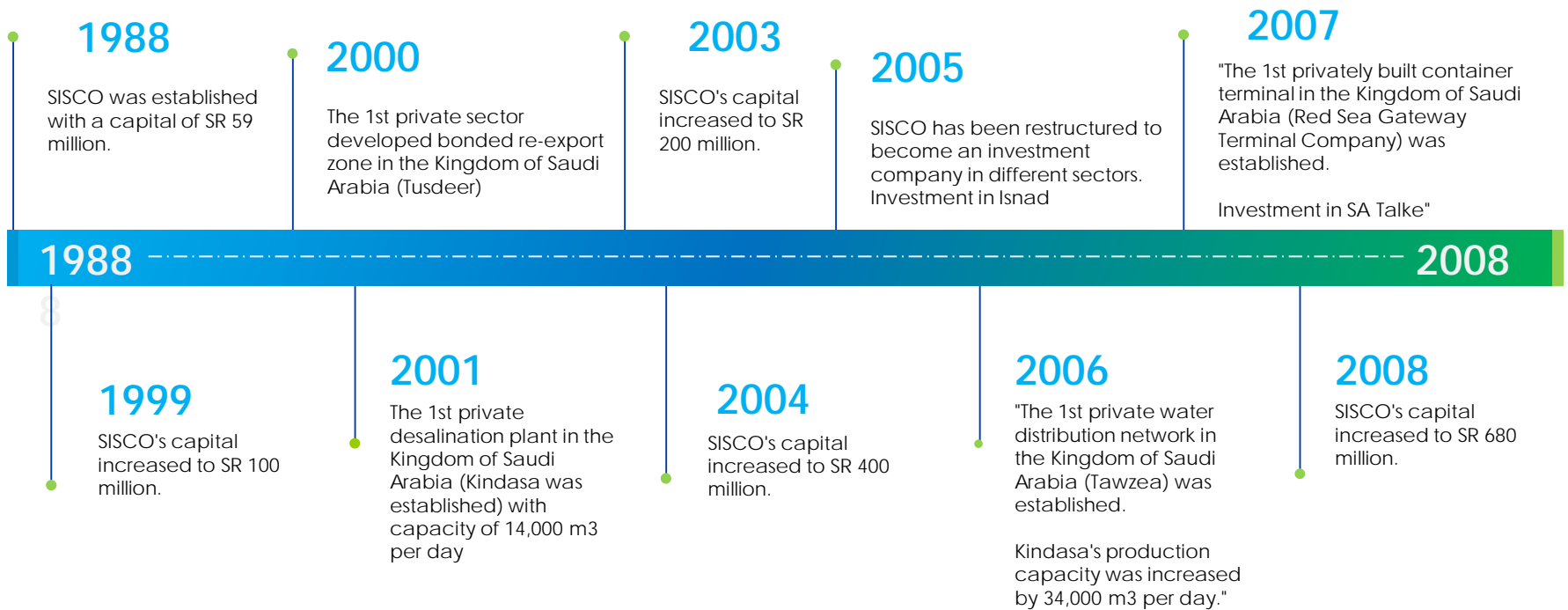
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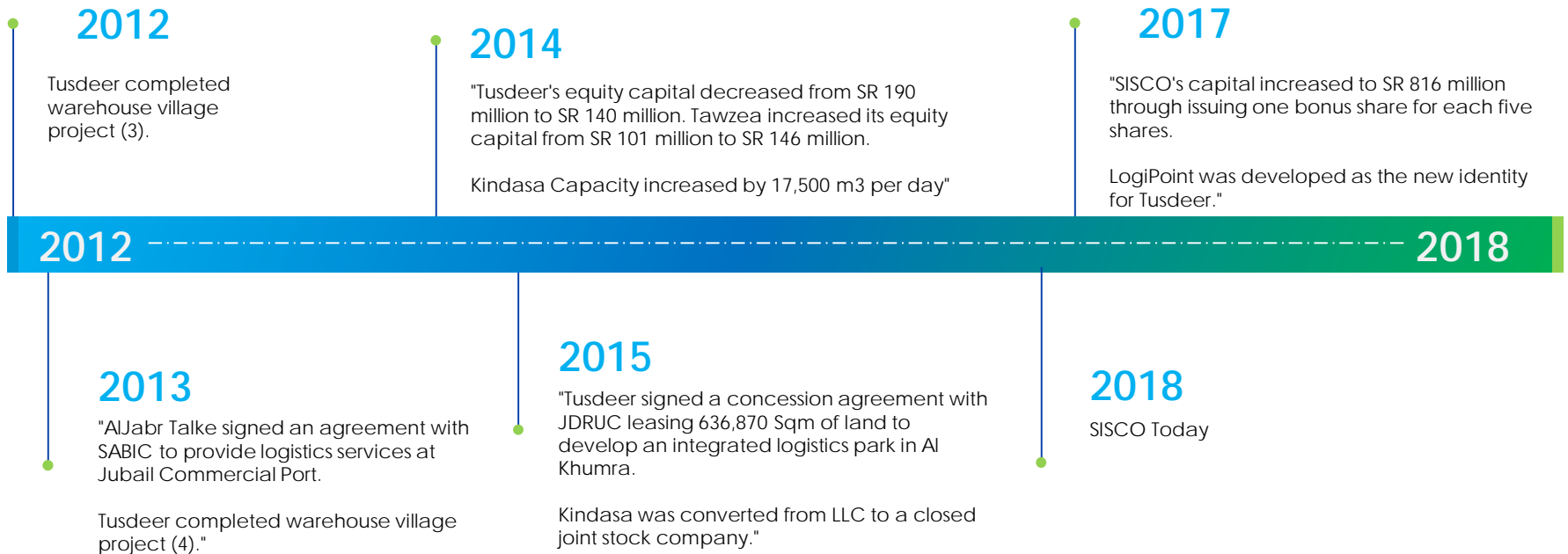
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# The Past SISCO Today







# SISCO TODAY

- Listed on Saudi stock exchange
- Workforce of more than 1,200 employees
- More than 10,000 shareholders
- Well-positioned to explore strong growth in future
- Operations covering, port & terminals, logistics parks and water solutions.
- Sale of SAR 565 million and SAR 562 million during the year ended 2018 and 2017 respectively.
- Group net profit of SAR 65.5 million and SAR 81.1 million during the year ended 2018 and 2017 respectively.
- Market capitalization of around SAR 1+ billion.



Ports &  
Terminals



Logistics Parks &  
Services



Water  
Solutions

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## 2018 Financial Performance Review

### Financial Position



# 2018 – Financial Performance

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SISCO

(SAR millions)	2018	2017	2016
<b>Revenue</b>	<b>565</b>	<b>562</b>	<b>691</b>
Cost of Revenue	(343)	(356)	(398)
<b>Gross Profit</b>	<b>222</b>	<b>206</b>	<b>293</b>
Sales / G&A Exp.	(134)	(132)	(135)
<b>Operating Profit</b>	<b>88</b>	<b>74</b>	<b>158</b>
Other Income	9	27	10
Associates Income	24	21	11
Financial Charges	(51)	(34)	(34)
Zakat	(5)	(7)	(9)
<b>Group Net Income</b>	<b>65</b>	<b>81</b>	<b>136</b>
Minority Interest	(18)	(22)	(46)
<b>Net Income</b>	<b>47</b>	<b>59</b>	<b>90</b>

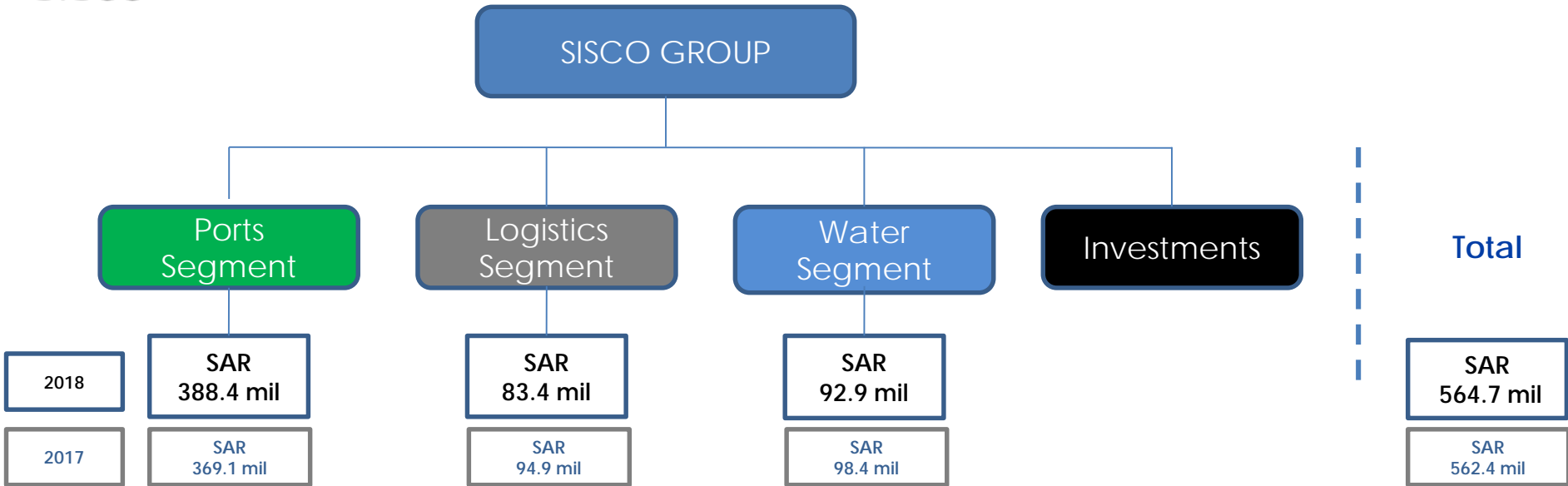
## Explanation

Despite 16% increase in port volumes, the increase in port revenue is only 5%, due to lower inspection fee and less favorable cargo mix. The impact of inspection fee is SAR 25 million. Revenue from logistics and water declined by SAR 14 million and 5 million respectively.

Cost of revenue is lower due to reversal of partial provision due to increase in discount rates. Impact of expat levy on G&A is SAR 6 million.

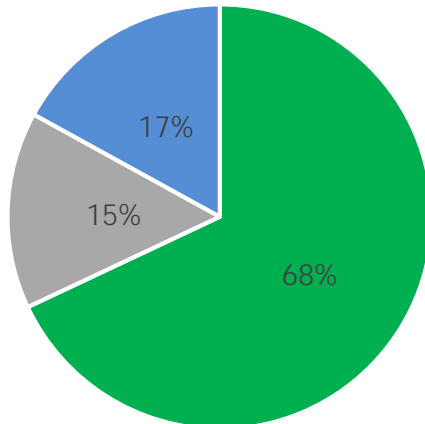
Financial charges are higher due to higher rates and unwinding of equipment replacement provision.

# GROUP REVENUE



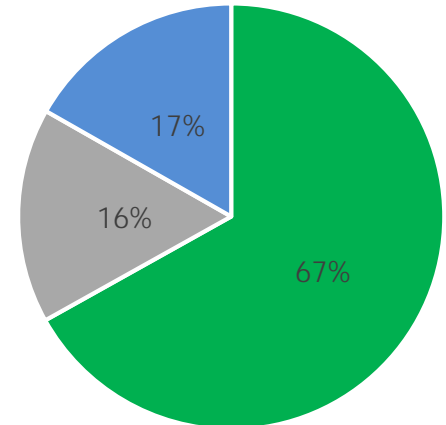
2018

- Ports Segment
- Logistics Segment
- Water Segment



2017

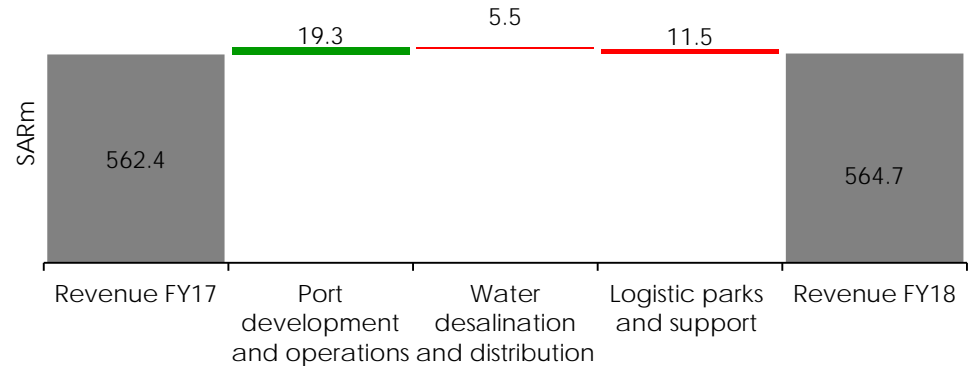
- Ports Segment
- Logistics Segment
- Water Segment



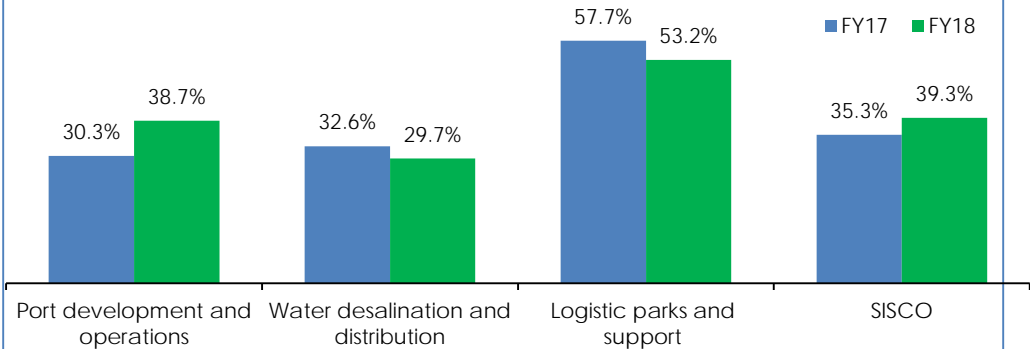
## KEY FINANCIALS - I

- Revenue increased by SAR2.3m (0.4% y-o-y) in FY18 backed by the SAR19.3m growth in revenues from port development and operations (shipping and unloading services). This service constituted the largest segment of revenue for SISCO at 68.8% (v/s 65.6% in FY17).
- Sales from water desalination and distribution segment (sale of potable water) declined by SAR5.5m and revenue from logistic parks and support (rental and support) fell by SAR11.5m offsetting the solid growth in revenue from port development and operations.
- SISCO had a gross profit margin of 39.3% in FY18, up from 35.3% in FY17 helped by the considerable growth in margins for port development and operations. Other segments saw their margins declining on an y-o-y basis.

### Revenue movement FY17-18

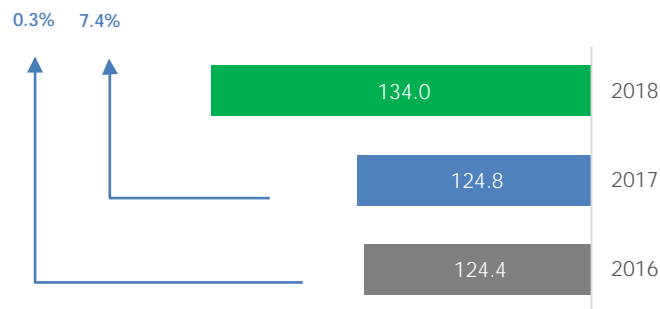
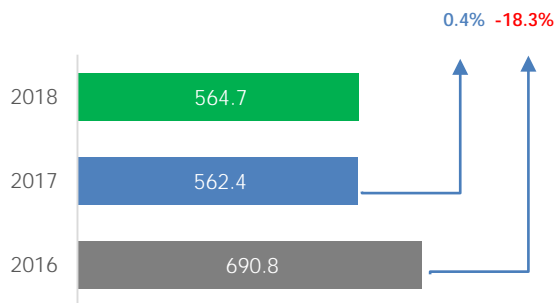


### Gross profit margin by segment



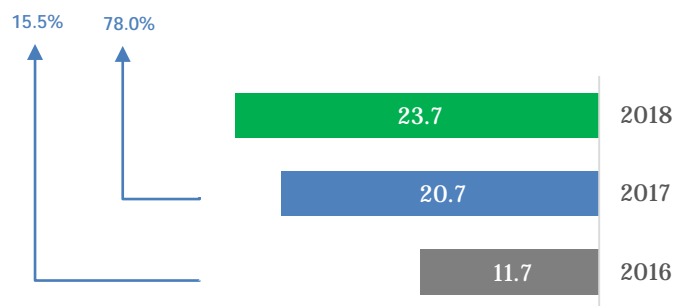
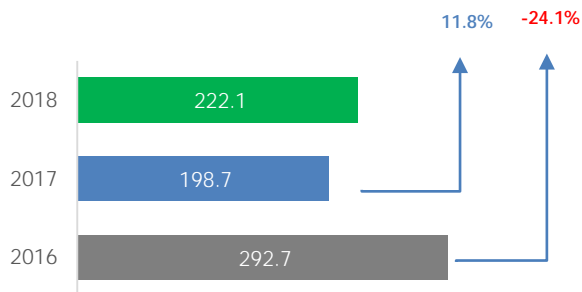
# KEY FINANCIALS - I

## REVENUE



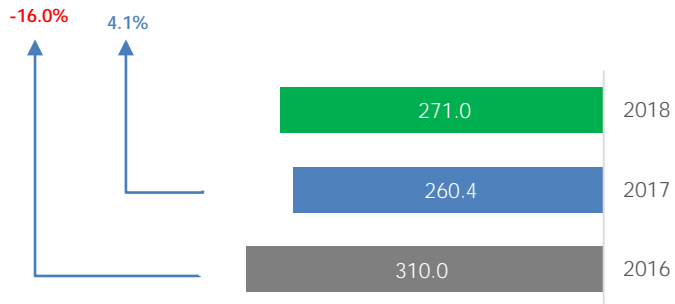
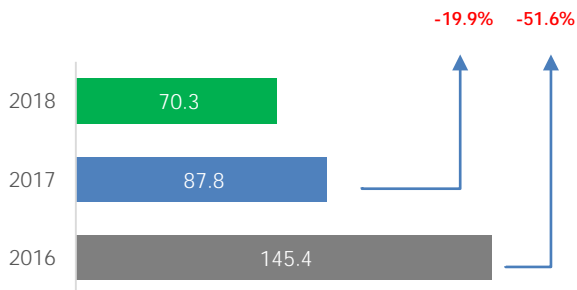
## OPEX

## GROSS PROFIT



## INVESTMENT INCOME

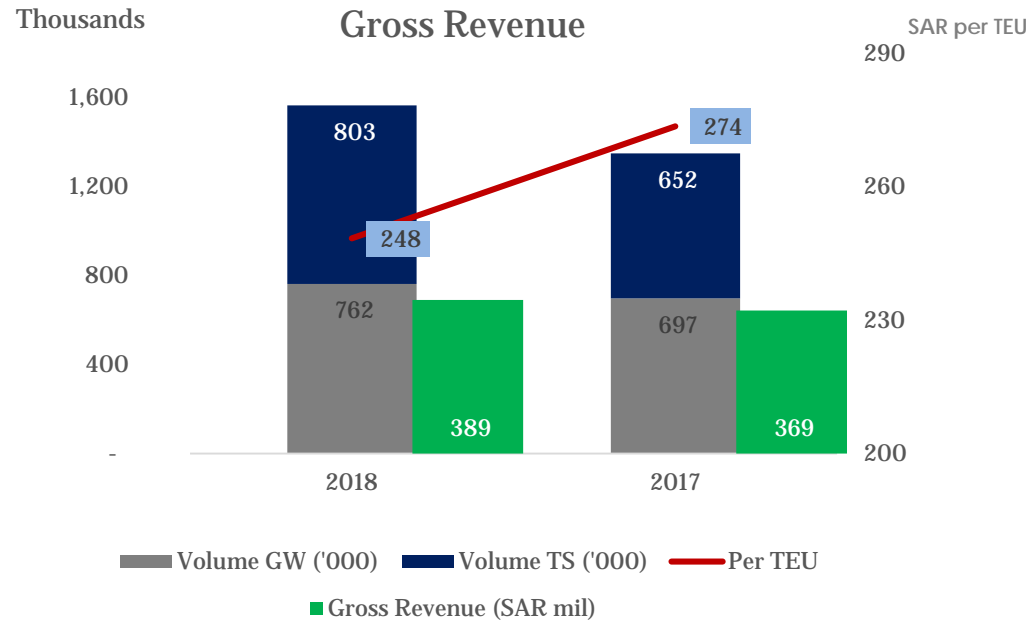
## PROFIT BEFORE TAX



## EBITDA

## Operational Performance

- RSGT total volume increased by 16% compared to last quarter
- Reflection of higher volumes into revenue is impacted by volume mix, with Gateway to Transshipment ratio of 51:49 in 2018 (52:48 in 2017)
- Reduction in inspection tariff applicable from mid December 2017 (resulted in reduction in revenue of SAR 25 million in 2018)
- Reduction in Manual Inspection Volume from 30% to 20% approx.



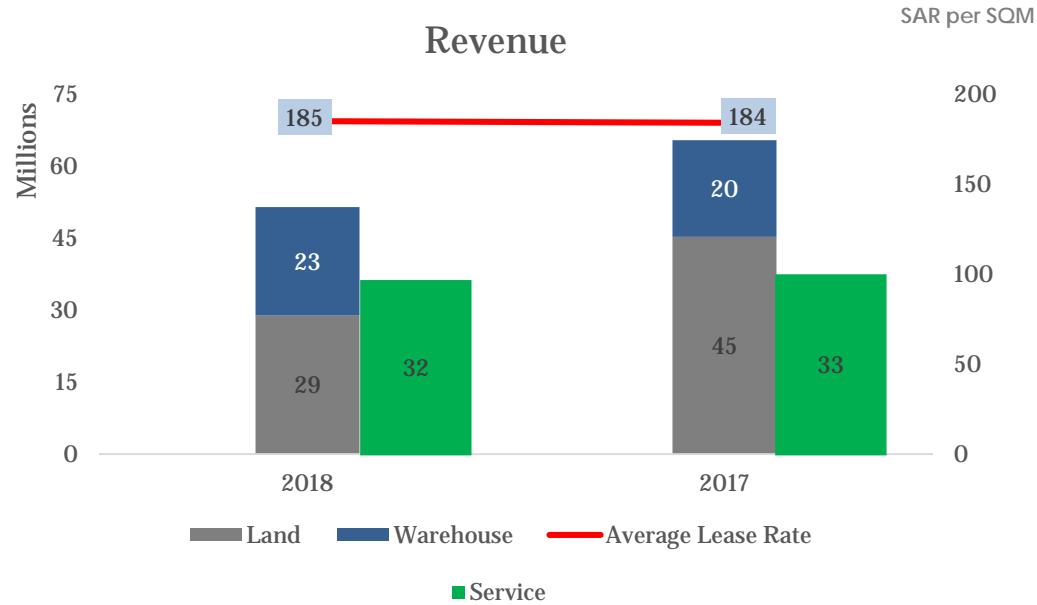
## Cost Performance

- Operational Cost improved due to adjustment in provision for assets replacement cost.
- Administrative cost has increased by 6%

# LOGISTICS SEGMENT PERFORMANCE

## ➤ Operational Performance

- Revenue dropped mainly due to decrease in land occupancy from 81% in 2017 to 62% in 2018.
- Certain contracts related to Bakhshab, ALJ, WestGroup and United Naghi were terminated resulted in decrease in Land revenue by 36% compared to last year.
- Average lease rate per SQM almost remained same.



## Cost Performance

- SAR 2.9 million CWIP costs were expensed out during the year.

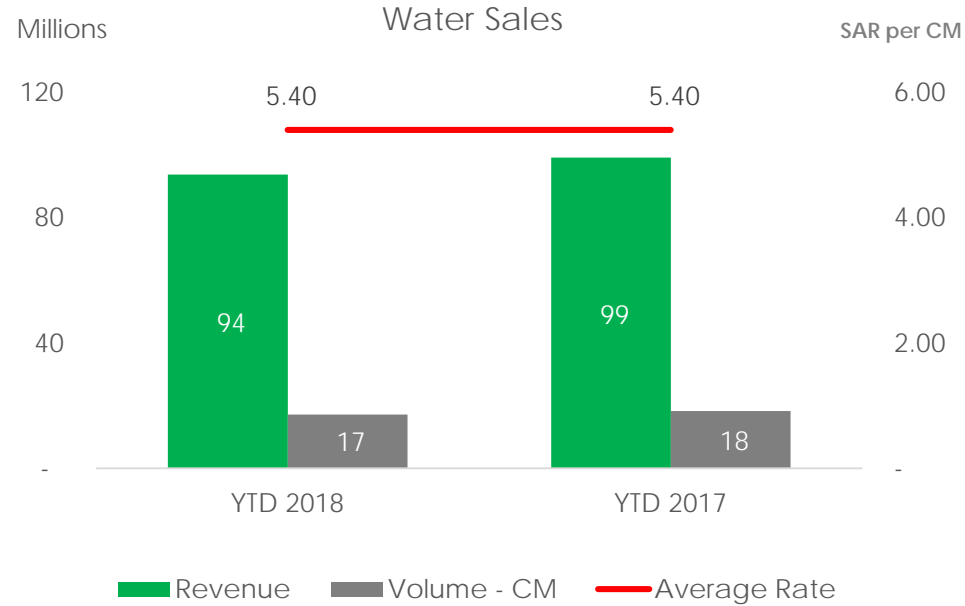
# WATER SEGMENT PERFORMANCE

## Operational Performance

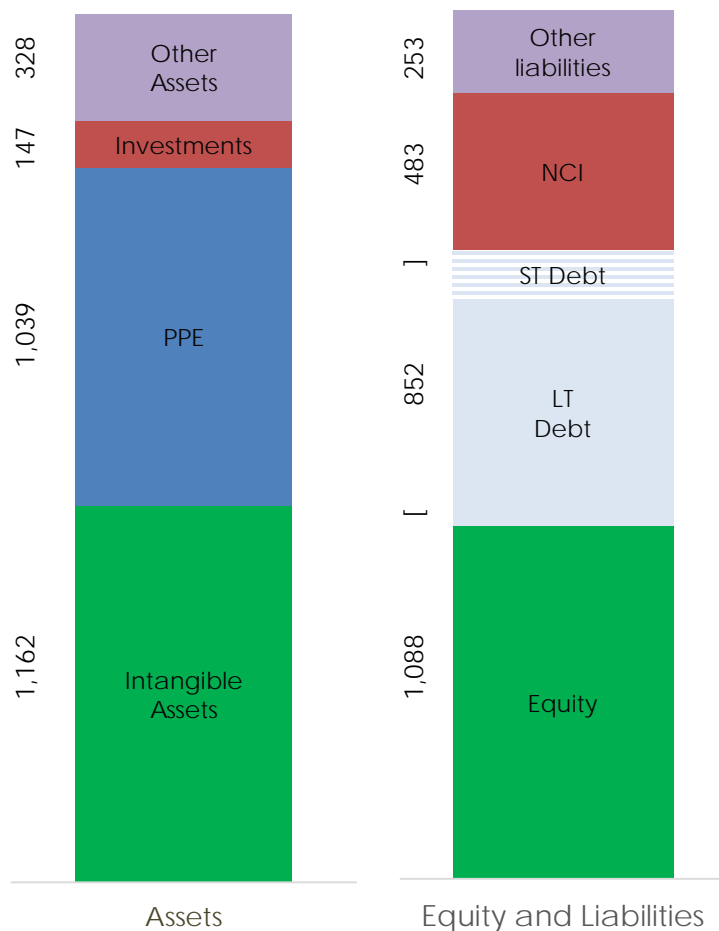
- Revenue has declined by 5.4% compared to last year due to a pipeline leakage during the year.
- Average rate is consistent as last year.

## Cost Performance

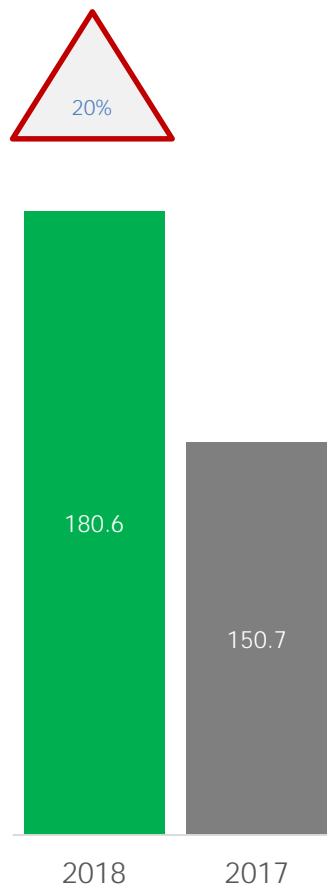
- Direct and other operational costs remain same except for increase in depreciation due to capitalization



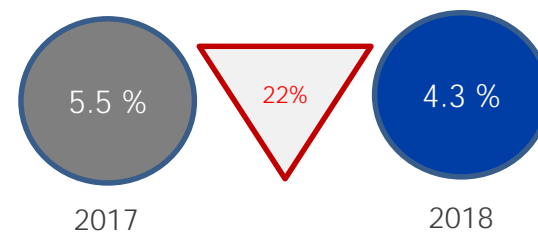
## BALANCE SHEET



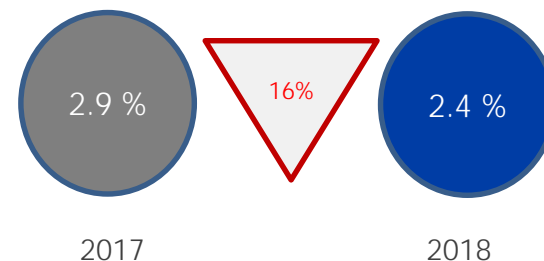
## CASH & CASH EQUIVALENT



## Return on Equity



## Return on Assets





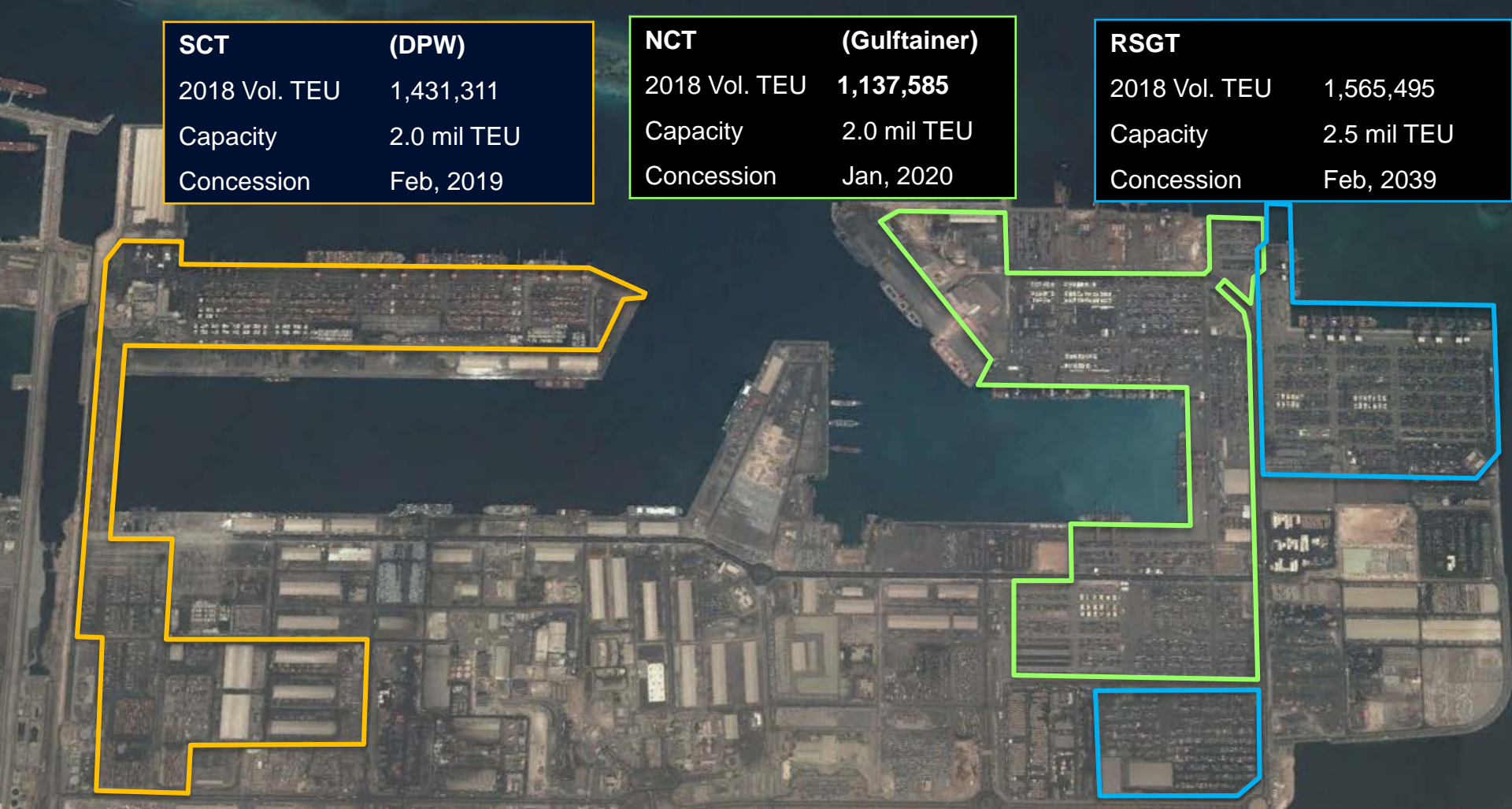
## Future Plans

# Jeddah Islamic Port

**SCT (DPW)**  
2018 Vol. TEU 1,431,311  
Capacity 2.0 mil TEU  
Concession Feb, 2019

**NCT (Gulftainer)**  
2018 Vol. TEU 1,137,585  
Capacity 2.0 mil TEU  
Concession Jan, 2020

**RSCT**  
2018 Vol. TEU 1,565,495  
Capacity 2.5 mil TEU  
Concession Feb, 2039



# Consolidation in Jeddah port – adding NCT to the perimeter

Mawani and RSGT have signed an MOU to consolidated RSGT and North Container Terminal in once concession. The negotiations are currently on-going to finalize the terms of new concession.

*Integration & upgrade*



Capacity: 5.2 mil TEU (30%↑)

*New mega berths*



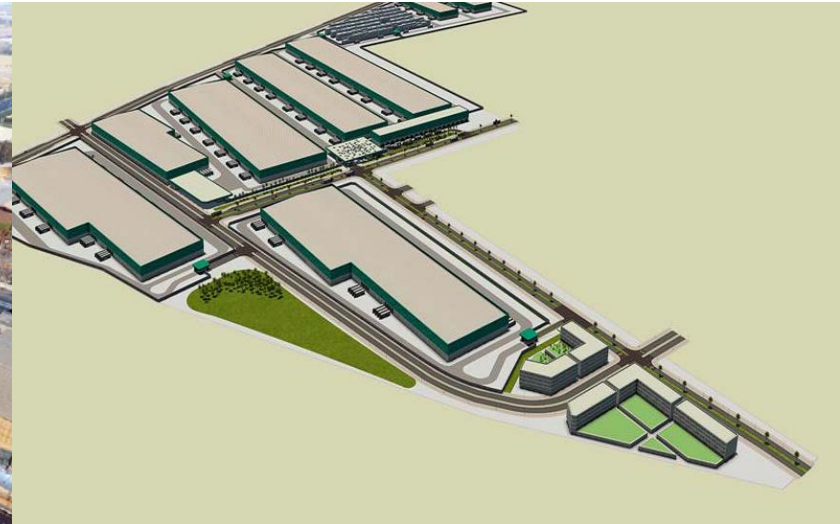
Capacity: 6.7 mil TEU (29%↑)

*Consolidation with NCT opens up for many new possibilities with regards to home base expansion*

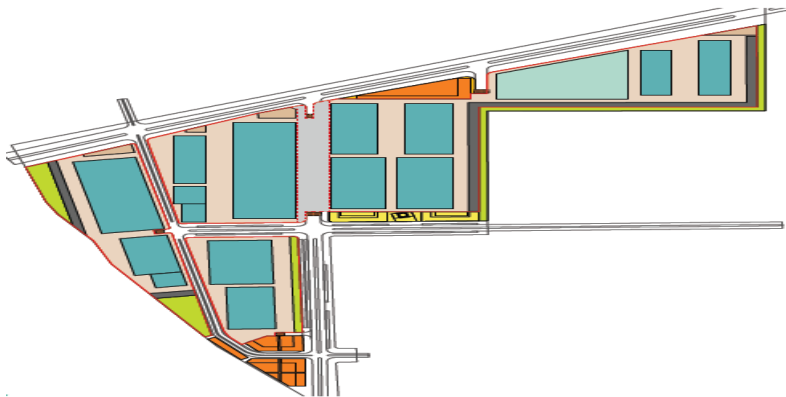
## Creating World-Class Logistics Facilities



Jeddah Logistics Hub  
Jeddah Industrial City 1



Jeddah Logistics Park  
Al Khomra, Jeddah



- (bonded) container yard
- bonded warehouses
- regular warehouses
- admin. offices
- truck parking
- commercial cluster south
- fuel station & truck maintenance center
- employee residential center
- internal circulation
- green buffer



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# THANK YOU

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