

POWER AND WATER UTILITY COMPANY FOR JUBAIL AND YANBU ("MARAFIQ") IS PLEASED TO ANNOUNCE ITS CONDENSED CONSOLIDATED FINANCIAL SUMMARY RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022 AND THE COMPANY'S ACHIEVEMENT OF A NET PROFIT AFTER ZAKAT AND INCOME TAX OF SAR 714.43 MILLION

Pawer and Water Utility Company for Jubail and Yanbu announced its financial results for the period ending on September 30, 2022, the revenue mainly consists of potable and process water revenue, wastewater revenue (industrial, irrigation and sanitary), sea water cooling revenue, power revenue, process water revenue from Sadara Company, natural gas distribution revenue, in addition to electricity and process water and potable water revenue from operations in MARAFIQ Water and Power Supply Company ("Tawreed").

FINANCIAL PERFORMANCE HIGHLIGHTS

Marafiq achieved a net profit after Zakat and Income Tax of SAR 714.43 million during the period ended 30 September 2022. An increase of 21.8% compared to SAR 586.34 million in the same period of the last year 2021, as follows:

- Revenues of SAR 4,885.48 million. An increase of 5.4% compared to the same period of the last year. The increase was attributed to the higher industrial customers demand across all segments.
- Cost of Revenue was SAR 3,989.88 million an increase of 3.5% compared to the same period of the last year. The reason of this increase is mainly due to the following:
 - The Power and Water purchased costs of SAR 1,124 million which represent an increase of 5.6% compared to the same period of the last year, mainly due to higher customers demand.
 - The fuel costs used in the power production was SAR 1,094 million an increase of 3.4% compared to the same period of the previous year.
- Earnings before interest, taxes, depreciation and amortization (EBTIDA) is SAR 1,847.61 million, an increase of 8.9% compared to the same period of the previous year, mainly due to the increase on the customers demand.

The following table shows the comparison between the results of the period ended 30 September of year 2022 and the corresponding period of the previous year:

Item	Nine Months Ending		
	30-Sep-22	30-Sep-21	Change Percentage %
Revenue	4,885.48	4,635.77	5.4%
Cost of Revenue	3,989.88	3,856.38	3.5%
EBTIDA	1,847.61	1,695.50	8.9%
Profit of the Period	714.43	586.34	21.8%
Earnings per share	2.86	2.35	21.7%

All figures are in (Millions) Saudi Arabia, Riyals

On his comments on these results, Mr. Mohammed Al-Zoubi, CEO of the company, stated that the financial results achieved by the Company during the nine-month period of 2022 reflects the strength of the Company's operational performance in various key sectors, indicating that the Company is committed to providing all the main requirements for all categories of customers based on the best international standards.

BUSINESS RESULTS BY SECTOR

The Company's operations are structured into four main Segments as follows:

1- Power Sector 2- Water Sector 3- Gas Distribution Sector 4- Independent Water and Power Production Sector

Power Sector

The Company provides electricity services (Generation, Transmission and Distribution) in the industrial cities of Yanbu and Jizan. The following is the financial overview of the power segment:

- The power revenue is SAR 1,304.94 million for the nine-month period 2022. An increase of 11.4% compare to the same period of the previous year. This increase is due to higher customers demand.
- The cost of revenues, is SAR 1,001.99 million, represents an increase of 2.7% compare to the same period of the previous year. This is due to the increase in the power quantities sold to all industrial consumers in the industrial cities of Yanbu and Jizan.
- the profit of the period is SAR 271 million (an increase of 64.5%). This is due to the increase in the quantities sold to all industrial consumers in the industrial cities of Yanbu and Jizan and excess power sold to Principle Buyer.

Water Sector

The Company provides water utility services in all four industrial cities in which it operates: providing potable water to its all customers and Process water to industrial customers. As well as supply of seawater cooling to heavy industries. The Company also collects and treats wastewater (industrial and Sanitary). The following is a financial overview of the water segment:

- The water revenues is SAR 2,156.91 million during the nine-month period ending the fiscal year 2022. An increase by 2.3% comparing to the same period of the previous year which is due to the higher demand.
- The cost of revenue is SAR 1,716.03 million which represents an increase of 2.8%. This increase is due to the increase in power and water purchased costs associated with the increased demand of water services.
- The water profit of the period is SAR 374.86 million which represents an increase of 0.6%. This increase is due to the slight increase in revenues compared to the same period of the previous year.

Gas Distribution Sector

The Company distributes the gas to the light industry area in Yanbu Industrial City, and the following is the financial overview of the gas distribution:

- The gas distribution revenue is SAR 58.43 million during the nine-month period ending the fiscal year 2022 which represents an increase by 24.2% due to the increase in demand from customers and the new customers during the year 2022.
- The cost of revenue is SAR 52.2 million which represents an increase of 3.4%, due to the increase in the quantities of gas purchased in exchange for increased demand.
- The gas distribution profit of the period is SAR 5.9 million an increase of 258.3% due to the increase in quantities sold during this period.

Independent Water and Power Production Sector

This sector illustrates the performance of the contractual agreements between Marafiq Electricity and Water Supply Company (Tawreed) and Jubail Water and Electricity Company (JWAP) where Tawreed purchases the entire water and electricity production from JWAP and then sell it to: Saudi Principle Buyer, Saline Water Conversion Corporation (SWCC) and Marafiq.

Below is the financial overview of the independent water and power production:

- Revenues is SAR 2,238.71 million which represents an increase during the nine-month period ending fiscal year 2022 by 2.3% as a result of the increase in the quantities of power sold to the Principle Buyer in addition to the increase in the quantities of water sold to SWCC.
- The cost of revenues is SAR 2,095.28 million which represents an increase of 2.4% due to the increase in production quantities.
- The profit of the period is SAR 75.67 million which represents a decrease of 4.6%, due to the increase in zakat and tax costs to SAR 11.19 million during the nine-month period ending this year comparing to SAR 5.24 million in the same period of the previous year.

INVESTOR RELATIONS

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