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SISCO
الشركة السعودية للخدمات الصناعية
Saudi Industrial Services Company

SAUDI INDUSTRIAL SERVICES COMPANY (“SISCO”)

EFG HERMES CONFERENCE PRESENTATION

11 & 12 September 2019

Your Partner in

Ports & Terminals | Logistics Parks & Services | Water Solutions

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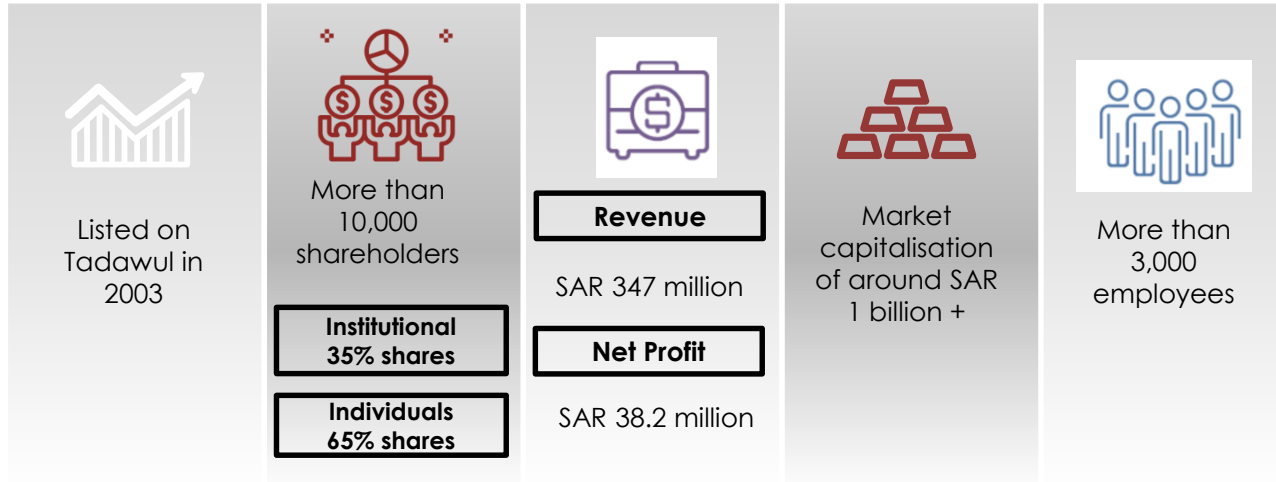
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SISCO AT A GLANCE



Business Segments



Ports & Terminals

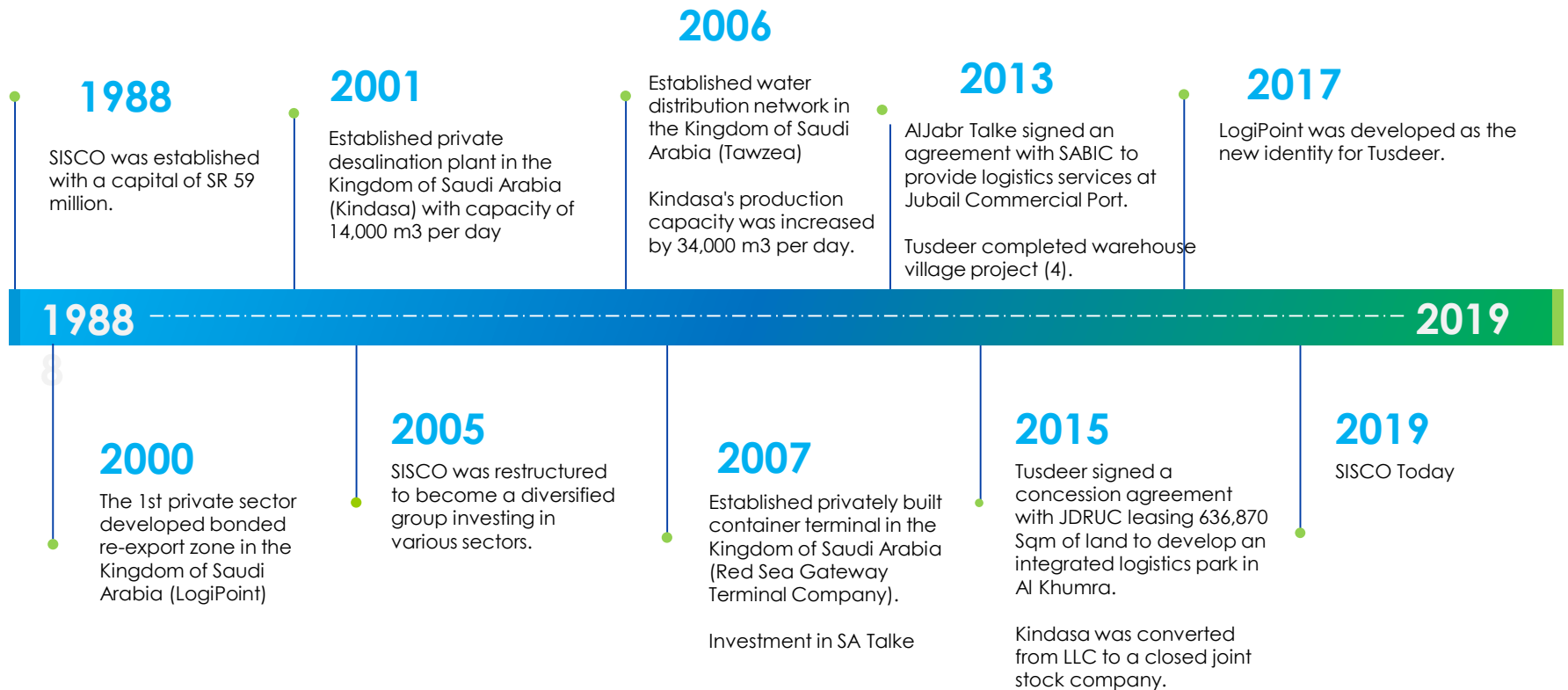


Logistic Parks & Services



Water Solutions

* Data as of H1 2019



BUSINESS STRUCTURE

SISCO group companies are classified under three main business sectors.



Ports & Terminals



Logistic Parks & Services



Water Solutions

SUBSIDIARIES



ASSOCIATES



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



Ports & Terminals



- Construction and operation of container terminal at Jeddah Islamic Port
- First privately funded Build and Operate Transfer terminal in Saudi Arabia
- Accumulated throughput of > 12 million TEUs
- #1 container terminal in Saudi Arabia
- MOU signed with Saudi Ports Authority to acquire NCT terminal.



Logistic Parks & Services



- 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 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.



Water Solutions



- 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



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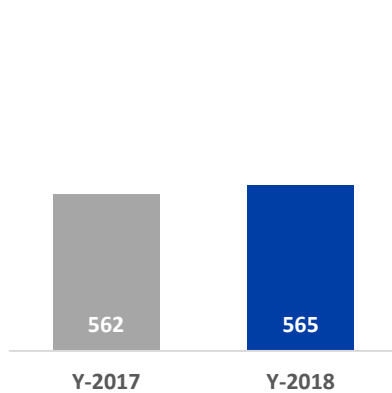
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FINANCIAL HIGHLIGHTS

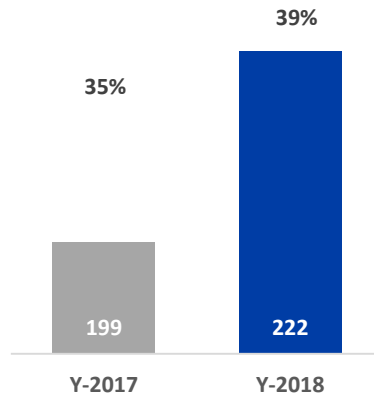
Your Partner in

Ports & Logistics | Water Solutions | Industrial Services

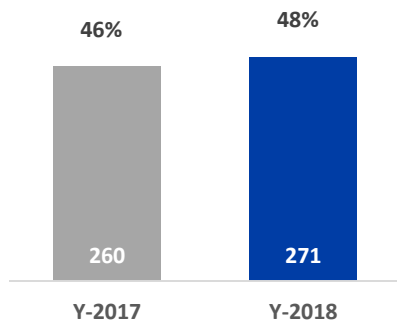
GROUP REVENUE



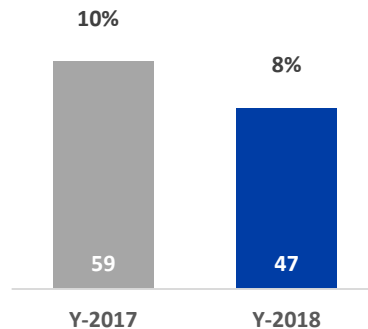
GROSS PROFIT & MARGIN



EBITDA & MARGIN



NET INCOME & MARGIN



- Revenue growth during 2018 was primarily driven by ports segment. This service constituted the largest segment of revenue for SISCO at 68.8%
- Gross profit margin increased by 4% to 39% during 2018 primarily due to the considerable growth in margins for port development and operations.
- Despite an increase in gross profit and gross margins, net income declined due to an increase in expatriate fees (SAR 6 million), higher financial charges (SAR 15 million) and an increase in depreciation.
- 2017 net income also include income from the disposal of SISCO's shareholding in a Stork Technical Services Saudi Arabia.

H1 2019 HIGHLIGHTS

All amounts are in SAR millions

Group Revenue

H1' 19
SAR 347m

+ 29%

EBITDA

H1' 19
SAR 167m

+ 44%

Net Income

H1' 19
SAR 38.2m

+ 203%

Debt-Equity

H1' 19
41%

+23%

Net Debt

H1' 19
SAR 653m

+20%

Free Cashflow

H1' 19
SAR 106M

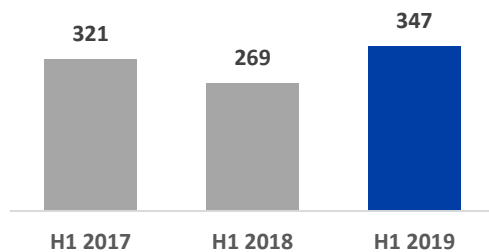
+ 107%

Net debt in H1 2019 includes IFRS 16 effect.

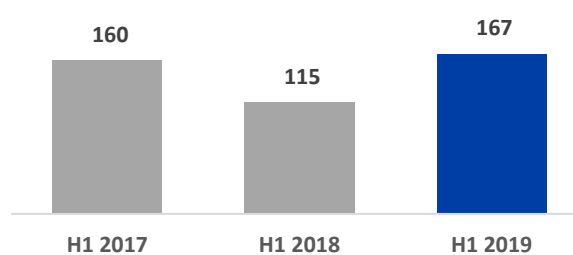
FINANCIAL HIGHLIGHTS - CONSOLIDATED

All amounts are in SAR millions

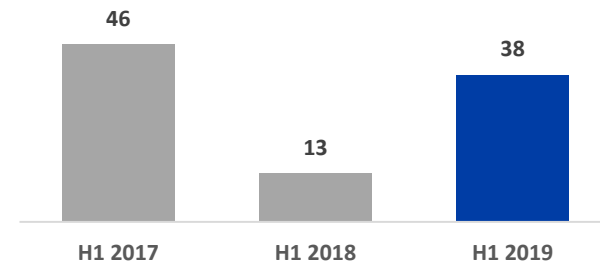
REVENUE



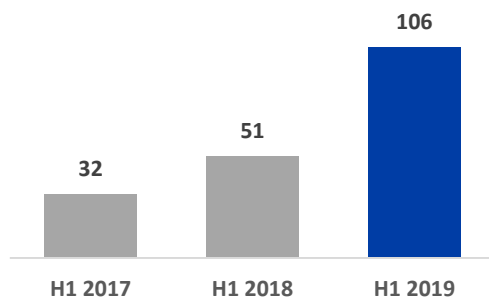
EBITDA



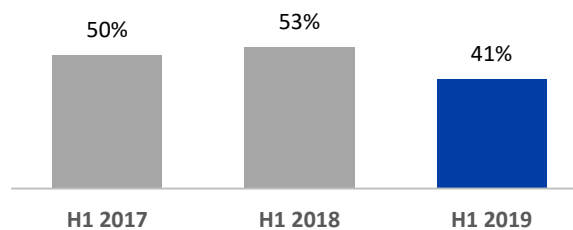
NET INCOME



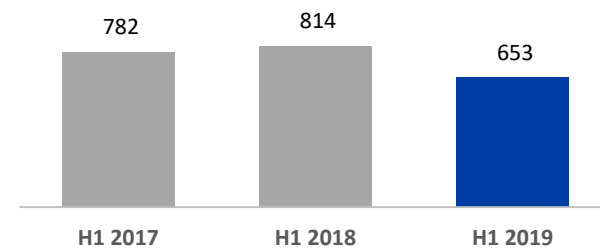
FREE CASH FLOW



NET DEBT - EQUITY RATIO



NET DEBT

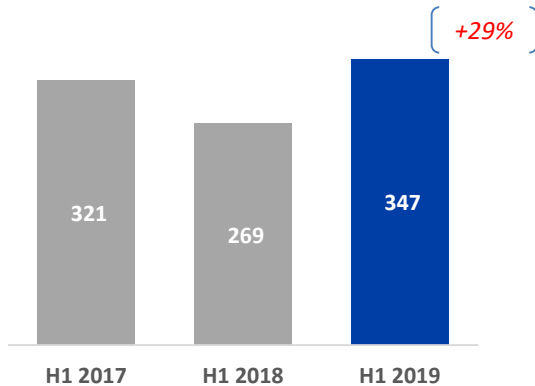


* H1 2019 Net Debt includes IFRS 16 impact

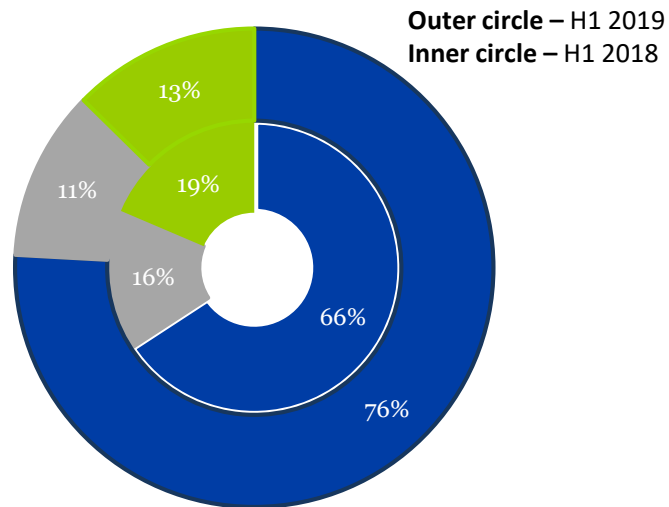
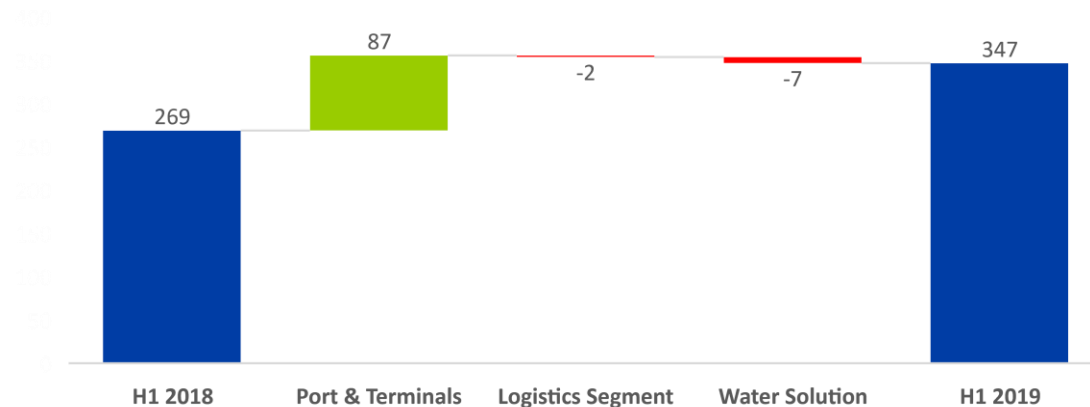
H1 2019 REVENUE

All amounts are in SAR millions

CONSOLIDATED REVENUE



REVENUE BRIDGE



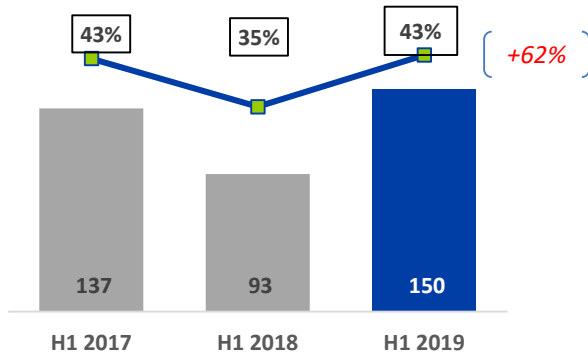
Revenue increased by SAR 78m (i.e. 29%) during H-1'19 backed by the SAR 87m growth in revenues from port development and operations.

Port segment accounted for 76% of revenue during H1 2019 vs 66% in H1 2018.

H1 2019 GROSS PROFIT

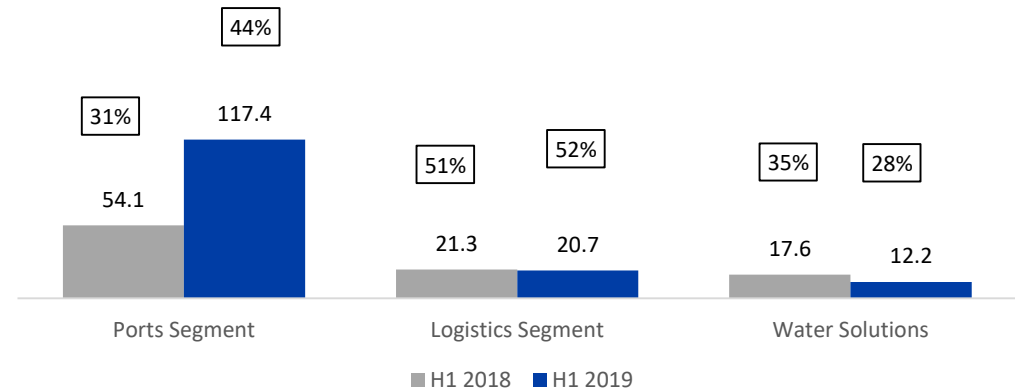
All amounts are in SAR millions

CONSOLIDATED GROSS PROFIT & MARGIN



Gross Margin for H-1 2019 is 43% compared to 35% compared to H-1 2018 representing a 25% increase mainly due to an increase in the profitability of port segment.

GROSS PROFIT & MARGIN

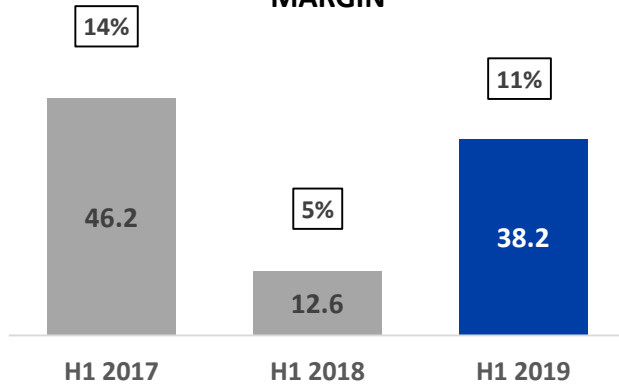


- Increase in port segment gross margin was driven by an increase in volumes and an increase in tariffs which were revised by Mawani in March 2019.
- Logipoint margins increased due to an increase in warehouse occupancy revenue vs H1 2018.
- The decline in water solutions gross margin is mainly due to a decline in sales volumes.

H1 2019 NET INCOME

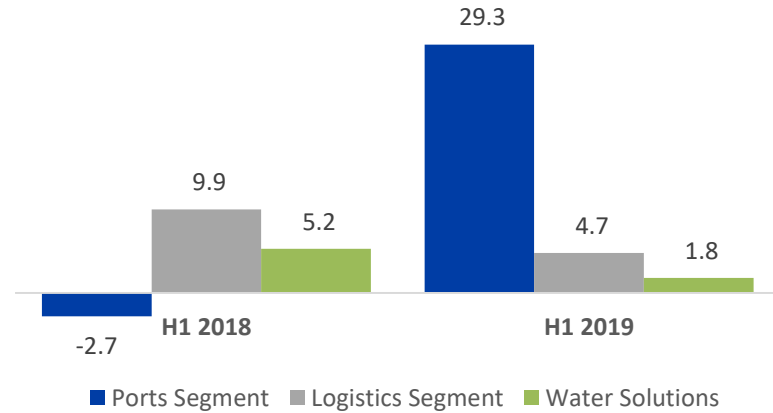
All amounts are in SAR millions

CONSOLIDATED NET INCOME & MARGIN

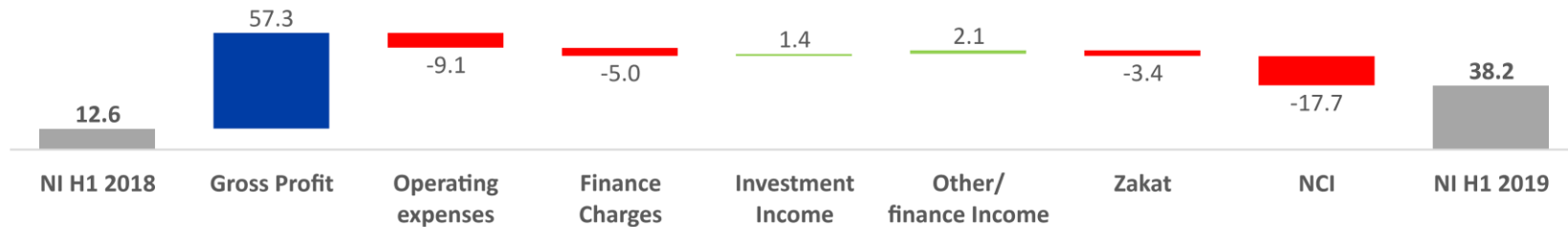


Net Income margins increase in H1 2019 was mainly driven by ports & terminals. NI margins are lower vs H1 2017 mainly due to an increase in financial charges as a result of an increase in SAIBOR rates.

SEGMENT NET INCOME



NET INCOME BRIDGE



- Financial charges increased due to increase in SAIBOR rates and IFRS 16 impact.

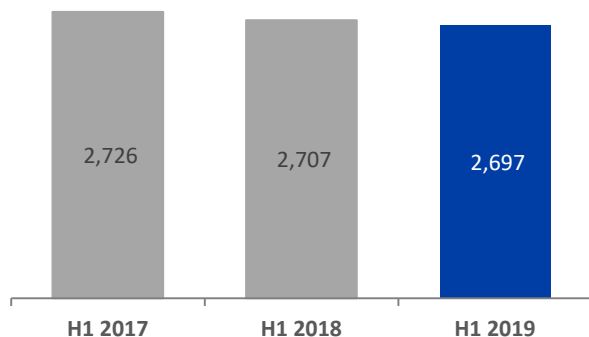


CONSOLIDATED BALANCE SHEET

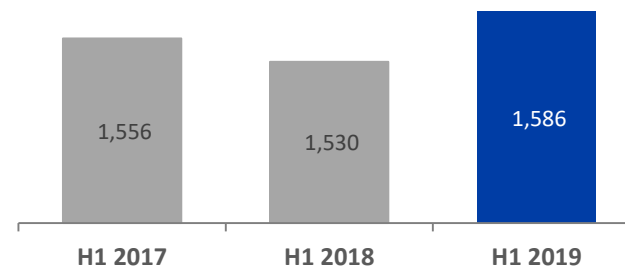
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SISCO

All amounts are in SAR millions

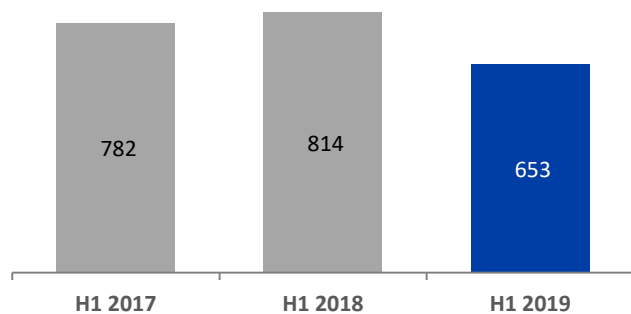
Total Assets



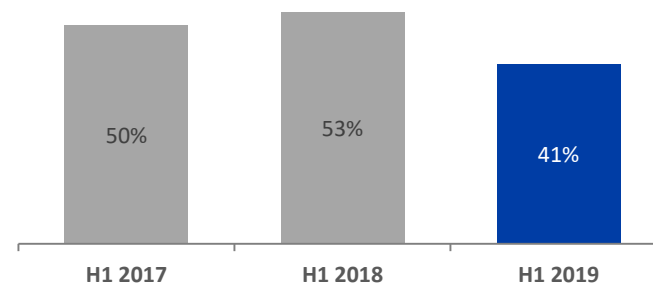
Equity



Net Debt



Net Debt to Equity

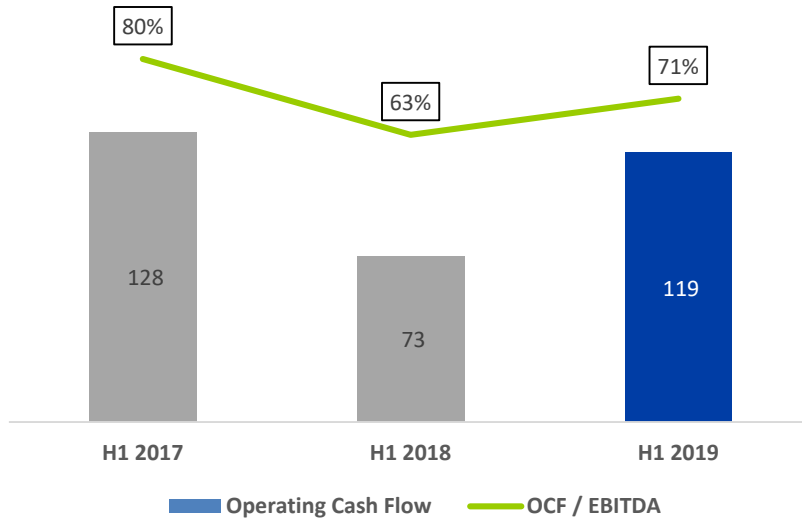


* H1 2019 Net Debt and Net Debt to Equity Ratio includes IFRS 16 impact

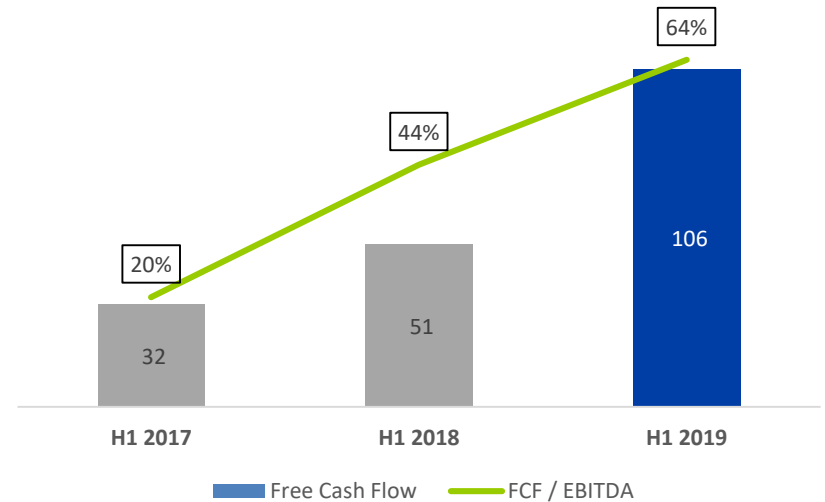
FREE CASH FLOW

All amounts are in SAR millions

OPERATING CASH FLOW



FREE CASH FLOW

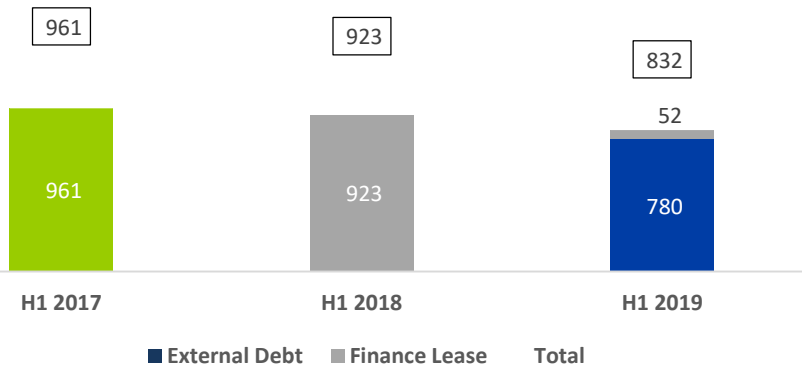


- H1 2019 cash flows exclude the impact of IFRS 16 lease liabilities.
- Free cash flow has improved significantly during H1 2019 compared to H1 2018 and H1 2017.

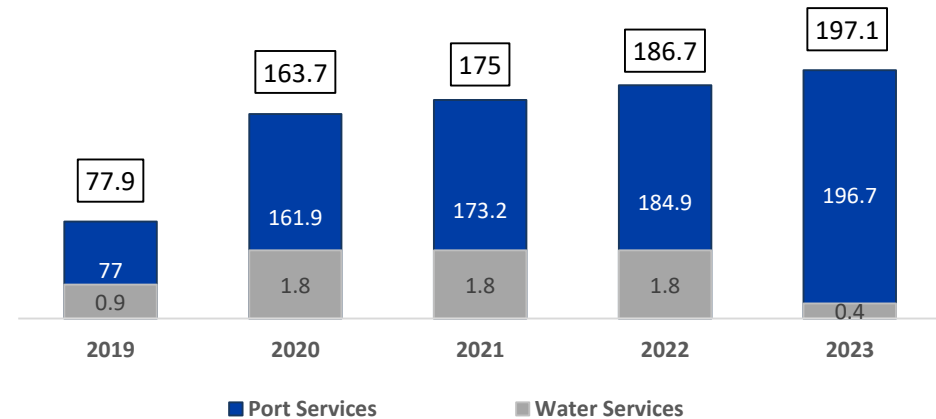
DEBT PROFILE

All amounts are in SAR millions

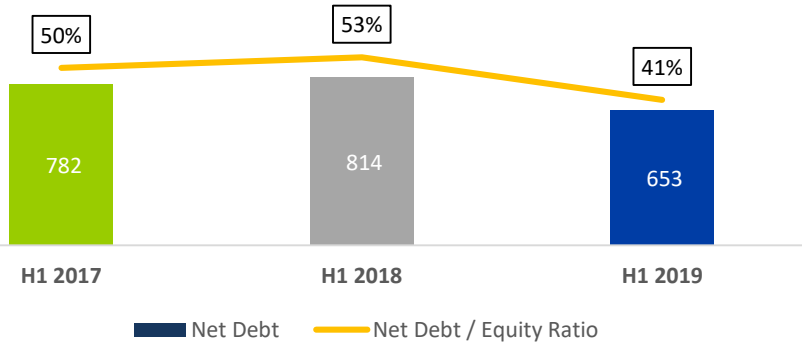
BORROWINGS



LOAN REPAYMENT PROFILE



NET DEBT



- Net debt calculation in H1 2019 includes impact of IFRS 16 whereas H1 2018 and H1 2017 excludes IFRS 16 impact.



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ADDITIONAL INFORMATION

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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

750,000
sqm of area covered

2.5
Million TEU in handling capacity

131mph
Average berth productivity

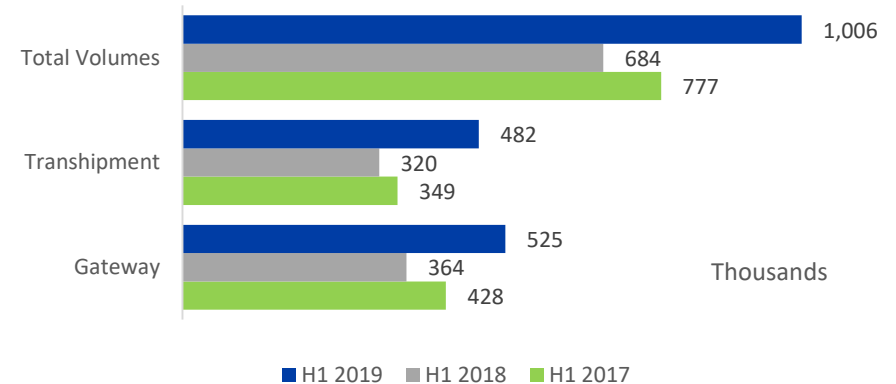
4
berths stretched 1,360 meter

14
of world's largest and state-of-the art quay cranes

#1
Container port in Saudi Arabia



VOLUME - TEUs



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

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

Middle East logistics zone operator of the year award in 2018

Developing the Kingdom's largest onshore integrated logistics park

Provide full range of logistics support services

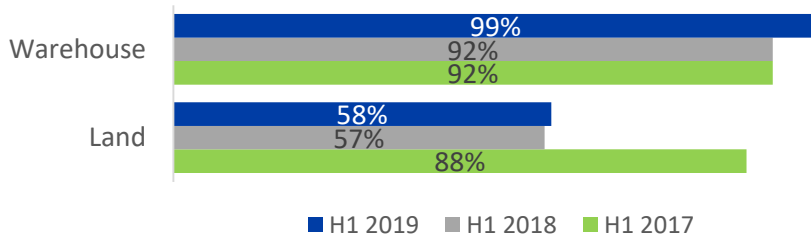
1,782,900
sqm of land area

747,000
Sqm of total open yard

347,600
Sq m of warehouse area

100%
Warehouse occupancy

OCCUPANCY





Stage #	Details	Status completion	Target Completion date
I	Trucks Parking, parking gates, ticketing, & security, land scape	Done	
II	A. Trucks Service Centre B. 8000 SQM Warehouse C. Accommodation D. Water tank E. Fire fighting tank	General layout submitted awaiting approval	June 2019
III	A. Factory handover B. Maintenance area and diesel station	Expected to receive by Sep/2018 General layout submitted awaiting approval	December 2019
IV	A. Commercial area	General layout submitted awaiting approval	2019

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

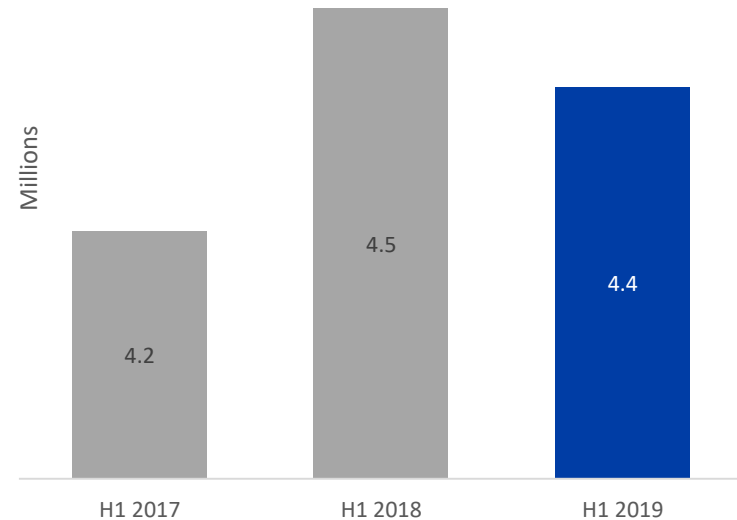
Providing Transport, Logistics and Technical services

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

VOLUME - Tons



KEY CLIENTS



First private desalination plant producing potable water in the KSA

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

Total designed capacity of 22 million cubic meters per year

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

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





14 Industrial cities
managed



255+ m SAR
Revenues in 2018



214
Employees



5 Concessions



9 O&M projects



345+ km PW
130+ km WW
networks managed



2,700+
Factories served



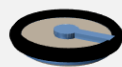
300k+
Inhabitants served



25 years
Left in concession

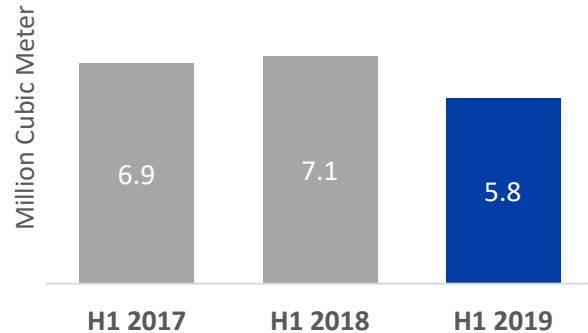


220,000+ m³/d
PW pumping capacity

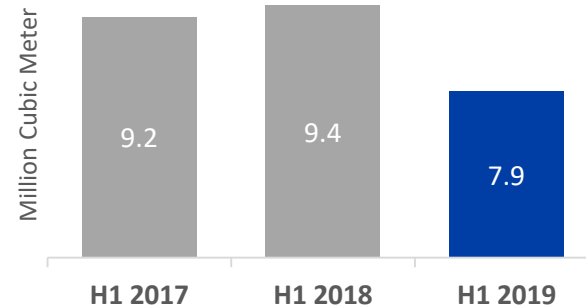


72,000+ m³/d
WW treatment capacity

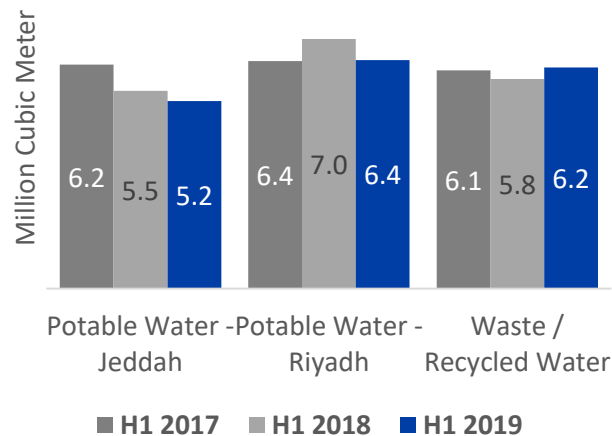
WATER PRODUCTION



WATER SOLD

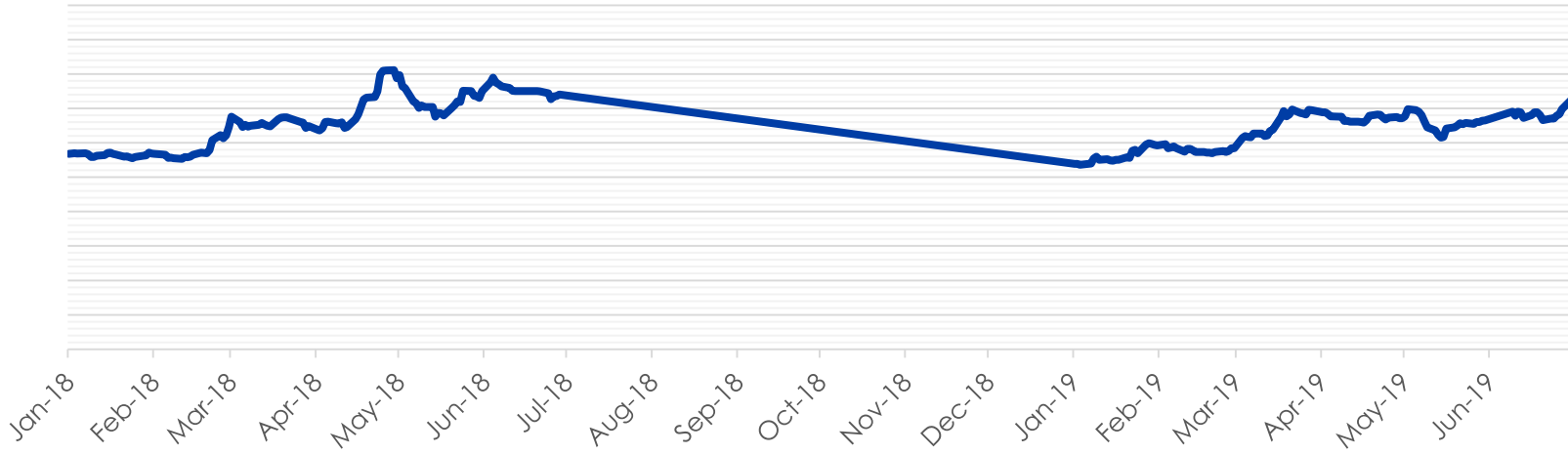


WATER DISTRIBUTION



SHARE PRICE PERFORMANCE

PRICE PERFORMANCE



SHARE PRICE	FY 2018	H1 2019
High	16.23	14.44
Low	10.82	10.68
Close	10.84	14.44

EARNINGS PER SHARE	
H1 2019	0.47
H1 2018	0.15
H1 2017	0.57

P/E Ratio	
H1 2019	16.3
H1 2018	47.9
H1 2017	11.5



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