

# Earnings Call Presentation

## H1 2024

*Riyadh, 5 August 2024*



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## With you today



Dr. AbdulRahman Aljadhai

Chief Executive Officer



Mr. Mohammad Alomair

Group Chief, Business Digital  
Products (Incoming CEO )



Mr. Othman Altwaijri

Chief Financial Officer




Mr. Ibrahim Almuhanha

Head of Investor Relations

# Agenda

 **H1 2024 Highlights**

 **Financial Performance**

 **2024 Guidance**



# Financial Highlights

H1 24 Revenue (Mn SAR)

3,406

Revenue YOY Change

▲ 26.5%

H1 24 EBIT (Mn SAR)

798

EBIT YOY Change

▲ 14.4%

H1 24 Net Profit (Mn SAR)

831

Net Profit YOY Change

▲ 19.5%



# Key Highlights

## Gov't Products



# 10year

agreement has been signed creating business sustainability and potential growth in Gov't Products

## Business Products

- Exploring the targeted sector strategy in the private sector mainly based on the adjacency to our exiting Gov't products and services
- Evaluating potential companies for acquisitions in the targeted sectors.

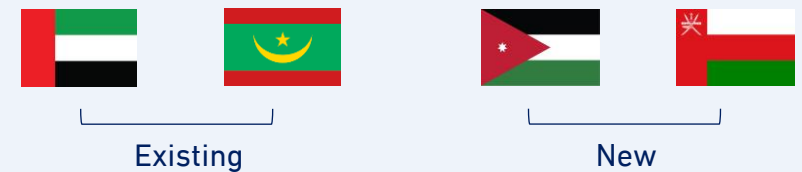
## Strong growth across Gov't products



## Growth in BPO due to executed projects



## Expansion on International business portfolio



# Agenda

- H1 2024 Highlights
- **Financial Performance**
- 2024 Guidance

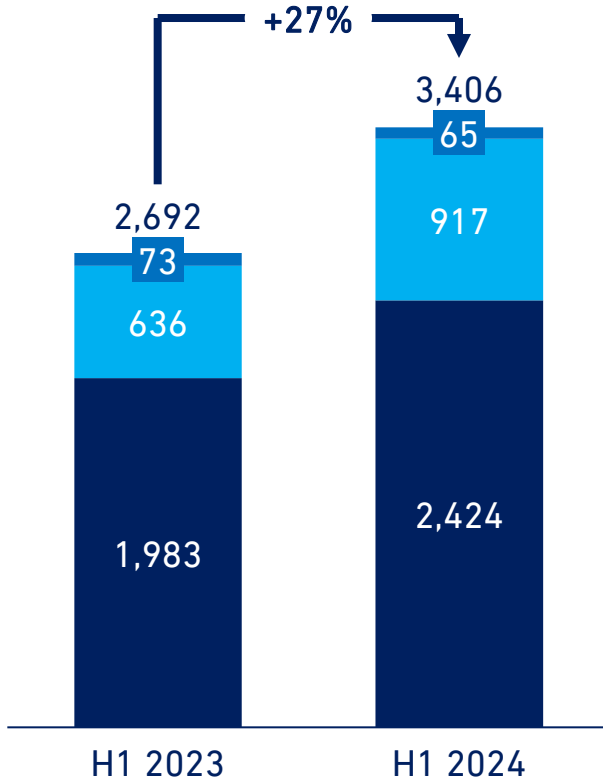


# P&L Highlights

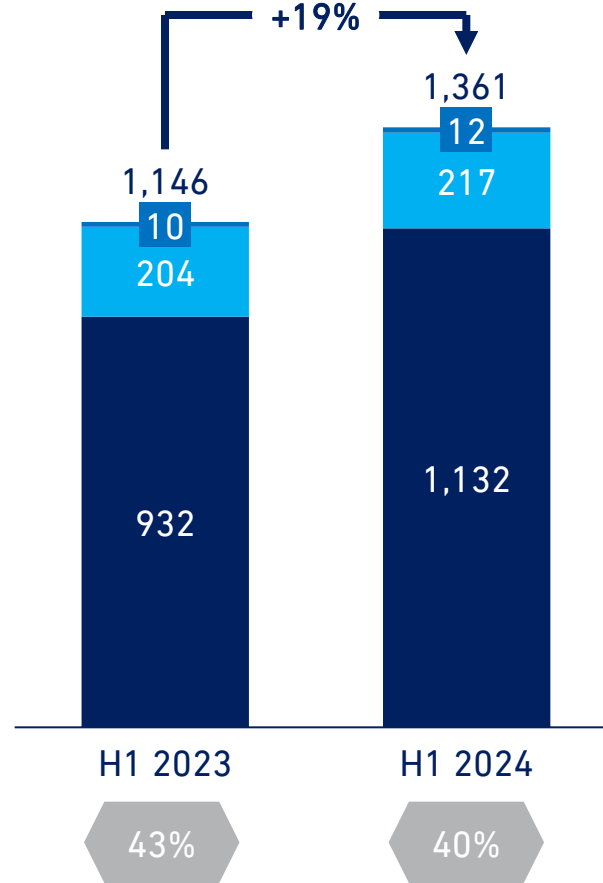
SAR Millions

- Professional Services
- Business Process Outsourcing
- Digital Businesses
- ▬ Gross Profit Margin

Revenue by Business Segment



Gross Profit by Business Segment



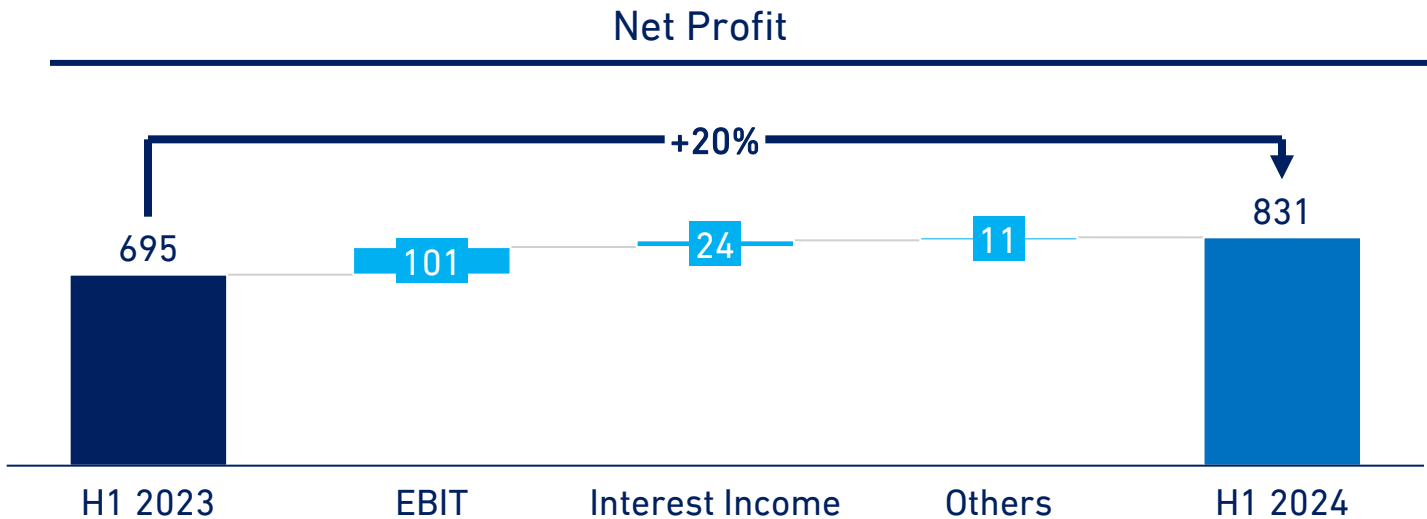
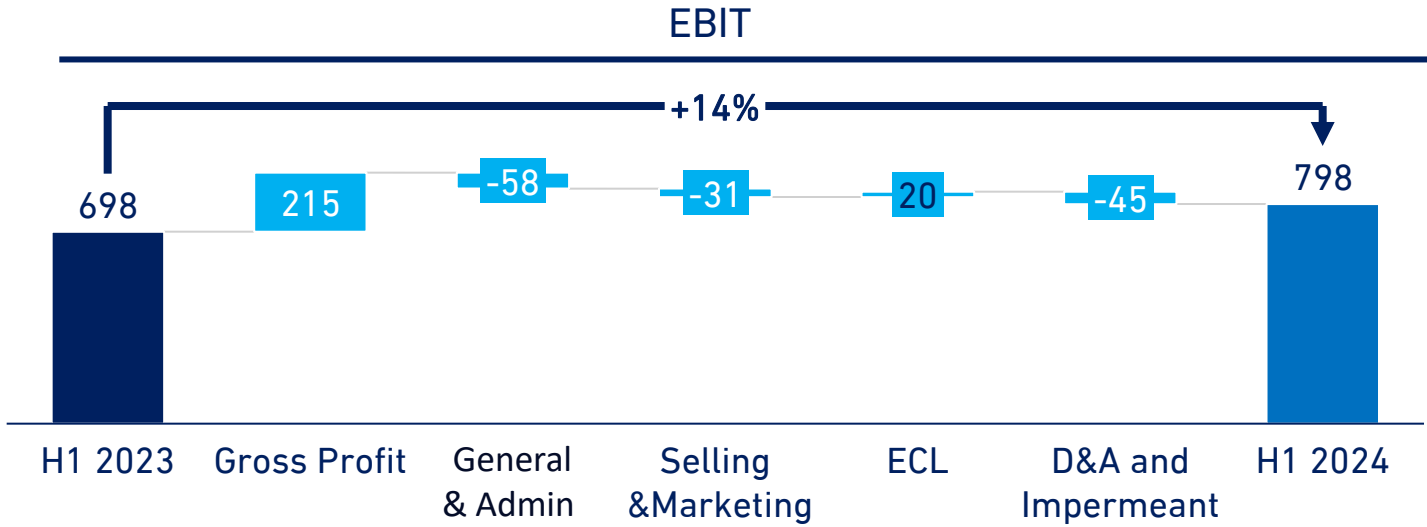
Key Highlights

- > **Consistent Revenue expansion:** Digital business and Business process outsourcing continue to fuel revenue growth.
- > **Gross profit margin decreased:** Business process outsourcing return to normalized profitability levels contributed to a decreased in overall gross profit margin.



# P&L Highlights

SAR Millions



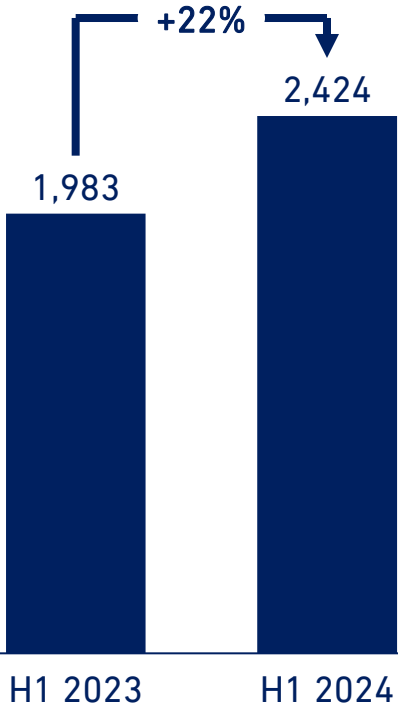
## Key Highlights

- › **EBIT remains strong:** EBIT increased despite increased operating expenses, with a positive impact of ECL reversals.
- › **Strong Net profit growth:** Net profit increased significantly, driven by Higher EBIT and supplemented by increased income from Cash investments.

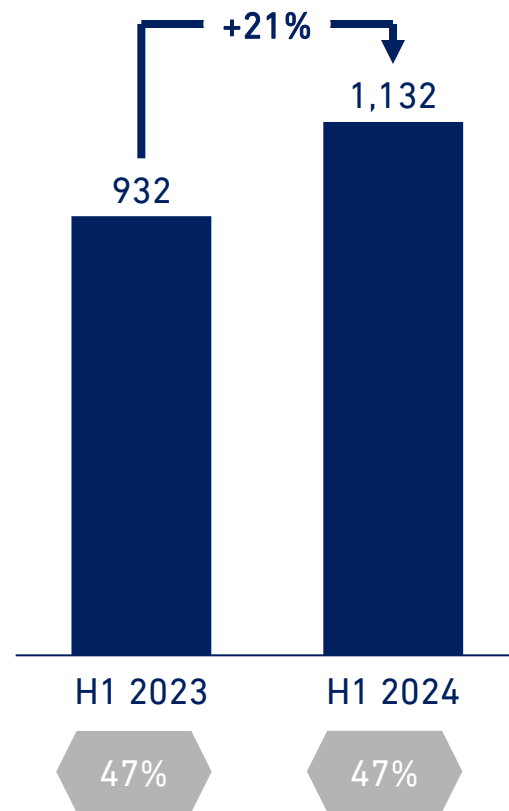
# Digital Business

SAR Millions

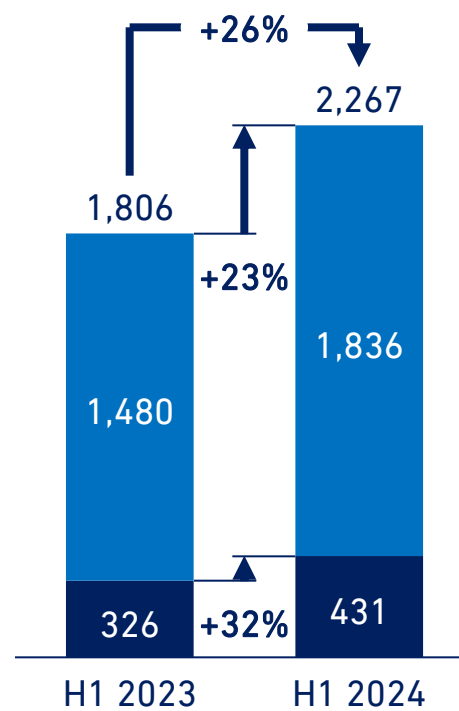
## Revenue



## Gross Profit



## Products Revenue



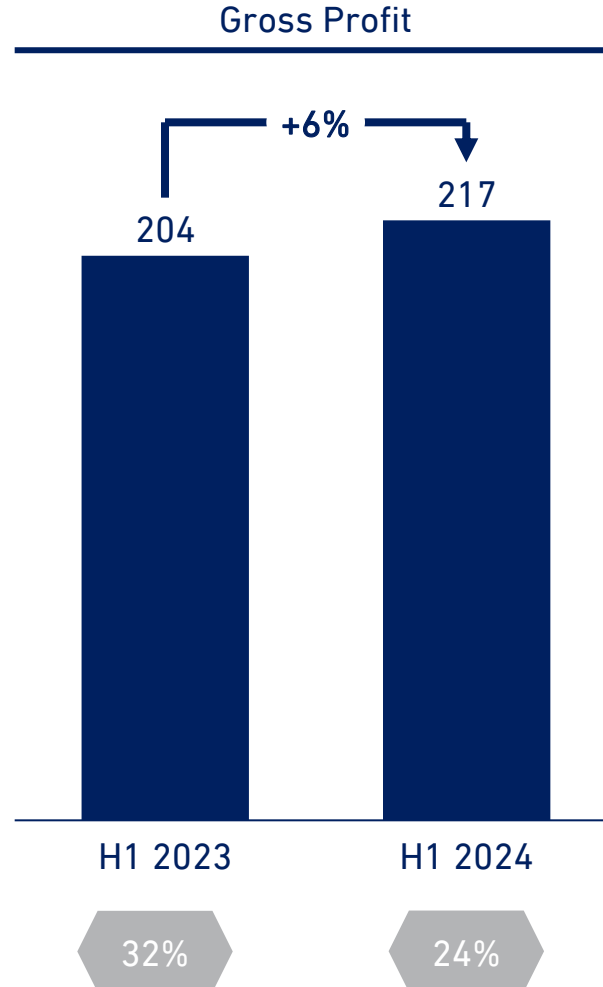
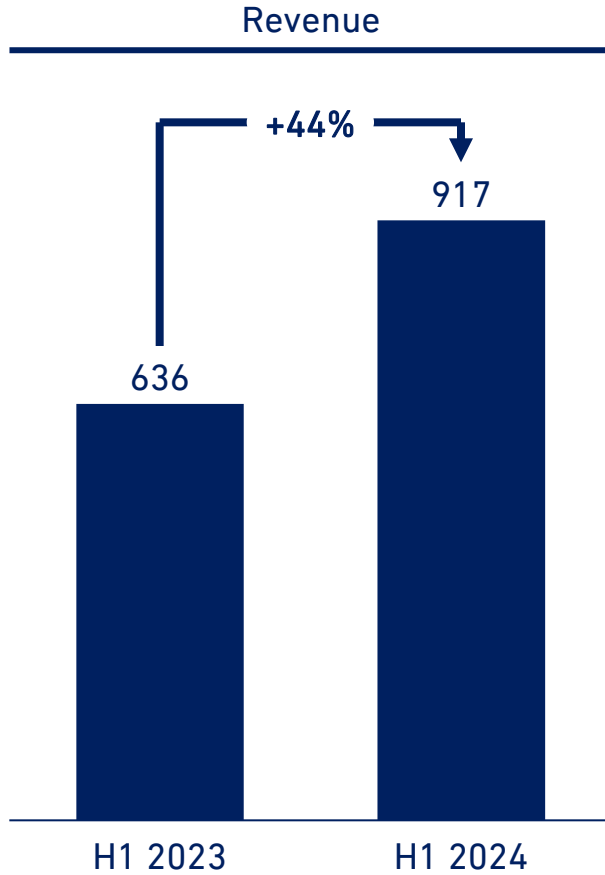
- Top 6 Products
- Other Products
- Gross Profit Margin

## Key Highlights

- > **Continuous Revenue growth:** Revenue increased across the majority of the products portfolio.
- > **Margin dynamics:** while products and services with lower profitability led to a slight decrease in gross profit margin by 0.3 Percentage point. Overall profitability remains strong.
- >

# Business Process Outsourcing

SAR Millions



Gross Profit Margin

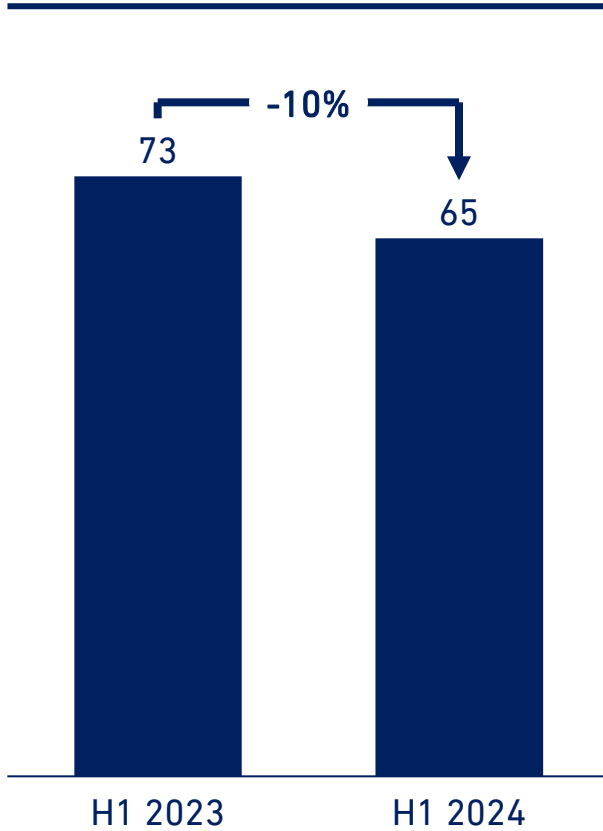
## Key Highlights

- › **Accelerated growth:** BPO revenue surged, driven by new projects expansion and increased deliverables.
- › **Gross profit growth with decrease in Profitability:** Gross profit increased alongside revenue growth. Margins reflect a completion of higher margins projects and type of deliverables during the period.

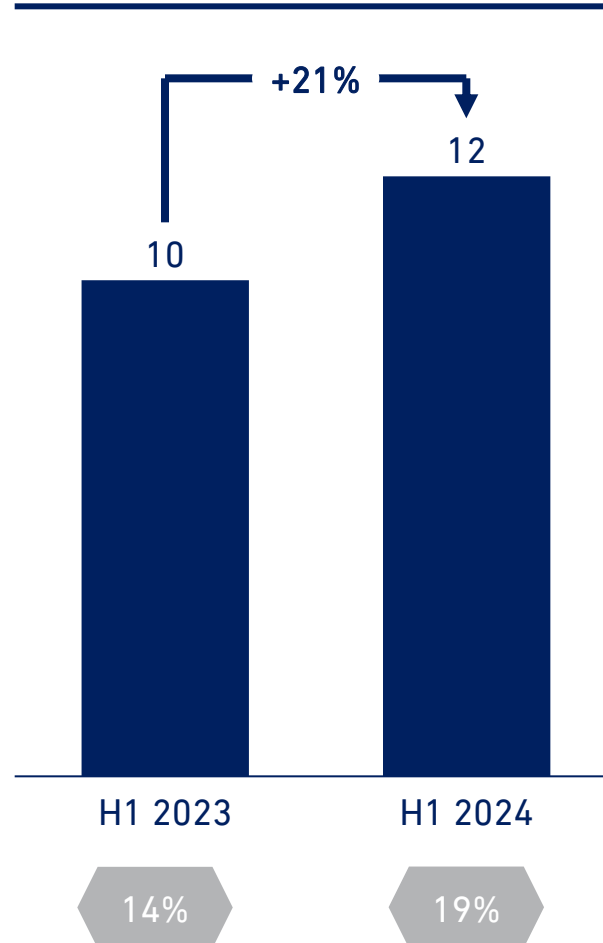
# Professional Services

SAR Millions

Revenue



Gross Profit



Gross Profit Margin

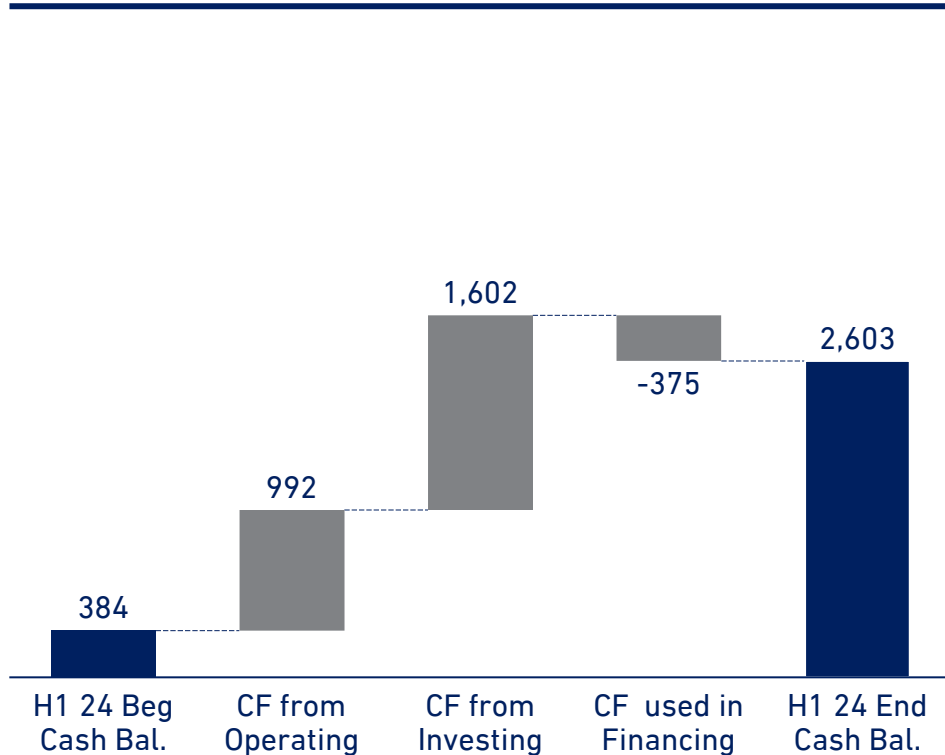
## Key Highlights

- › **Revenue decrease:** Professional services revenue declined, primarily due to decreased revenue from ongoing projects.
- › **Profitability expansion:** Despite the revenue decrease, gross profit and gross profit margin increased, driven by higher profitability of new projects and deliverables during the period.

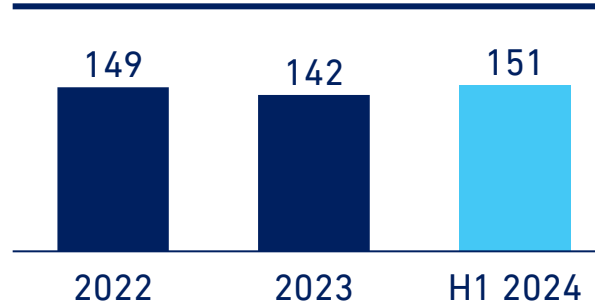
# Balance Sheet and Cash Flow Highlights

SAR Millions

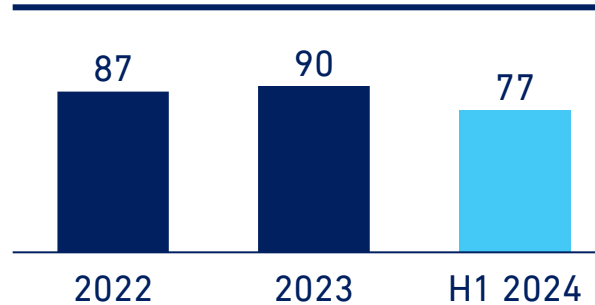
Cash Balance Movement



Receivable (Number of Days)



Payable (Number of Days)



Key Highlights



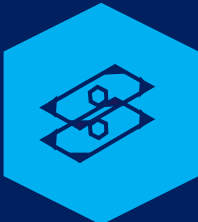
- › **Strong Cash generation:** Despite the increase in receivable days and decrease in payable days, Cash flow from operation, exceeds net profit to reach 120%. This was Due to a positive net working capital movement.
- › **Increased cash and short-term investments position:** Total cash and short-term investment grew by 14% reaching 3.9 billion. Providing a solid foundation.

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- 2024 Guidance



# Guidance

	YE 2024 Guidance	H1 2024 Actual	YE 2024 Guidance Update
 Revenue Growth	16% - 18%	27%	22% - 24%
 EBIT Margin	22% - 24%	23%	Unchanged
 Cash Flow from Operating Activities as % of Net Income	80% - 90%	120%	Unchanged

## Contact Information

Investor Relations Department

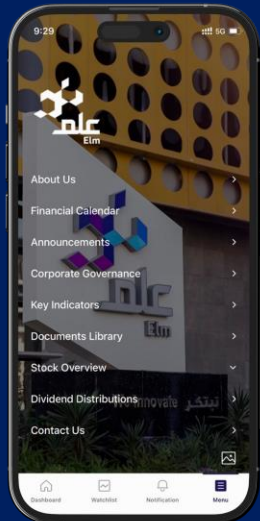
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# Thank you



Elm IR Application

