Earnings Release

9M 2025

Elm Reported its Interim Consolidated Financial Results for the Period Ended 30 September 2025

9M 2025 Financial Performance Highlights

(Comparisons reflect year-on-year changes and all figures are in ⃁ million except for EPS)

Revenue	Gross Profit	EBIT
6,657	2,798	1,568
+26.1%▲	+27.9%▲	+21.4%▲

Net profit	EPS (⃁)
1,644	21.13
+23.7%▲	

Commenting on the results, Mohammad Alomair, CEO of elm, said, "elm delivered solid results for the first nine months of 2025, driven by strong performance across the digital business and business process outsourcing segments, along with the positive impact of completing the Thiqah acquisition. These results reflect the dedication of our teams in executing operational plans effectively, strengthening the company's financial position and reinforcing its ability to generate sustainable value for both shareholders and partners."

Financial Performance Highlights

P/L Performance Highlights

⃁ million	9M-2025	9M-2024	Change*
Revenue	6,657	5,278	26.1%
Cost of Revenue	(3,859)	(3,090)	24.9%
Gross Profit	2,798	2,188	27.9%
Gross Margin %	42.0%	41.5%	0.5 PP
Operating Expenses	(1,230)	(896)	37.3%
Operating Profit	1,568	1,292	21.4%
Operating Margin %	23.6%	24.5%	(0.9) PP
Net profit	1,644	1,329	23.7%
Net Margin %	24.7%	25.2%	(0.5) PP
Basic EPS (⃁)	21.13	17.11	23.5%

*PP: Percentage point

Revenues increased by 26.1% to reach ⃁ 6,657 million for the period ended 30 September 2025, driven mainly by the growth in the digital business segment and business process outsourcing segment. Additionally, the acquisition of Thiqah Business Services Company during the period contributed to the revenue increase with an amount of ⃁ 606 million.

The gross profit margin grew by 0.5 percentage points to reach 42.0%, mainly due to higher profitability in the digital business segment.

Operating expenses rose by 37.3% to reach ⃁ 1,230 million for the period ended 30 September 2025, primarily driven by higher general and administrative expenses, in addition to the consolidation of Thiqah's expenses during the period, which contributed ⃁ 265 million to the operating expenses.

The company achieved an operating profit margin of 23.6%, a decrease of 0.9 percentage points.

Net profit margin remained strong at 24.7%, reflecting a modest year-on-year decrease of 0.5 percentage points. The variation mainly relates to the increase in finance cost and reduction in income from Murabaha deposits, partly offset by a lower zakat expense mainly due to the reversal of prior year's provision after the zakat assessment completion with Zakat, Tax, and Customs Authority ("ZATCA") for the company's zakat returns. In addition to the consolidation of Thiqah's results, which reported a loss of approximately ⃁ 12.2 million during the period.

Basic earnings per share rose to ⃁ 21.13 per share.

Segmental Performance Highlights

⃁ million	9M-2025	9M-2024	Change*
Revenue			
Digital Business	4,755	3,859	23.2%
Business Process Outsourcing	1,767	1,325	33.4%
Professional Services	135	94	43.6%
Total	6,657	5,278	26.1%
Gross Profit			
Digital Business	2,353	1,846	27.5%
Business Process Outsourcing	418	326	28.2%
Professional Services	27	16	68.8%
Total	2,798	2,188	27.9%
Gross Profit Margin %			
Digital Business	49.5%	47.8%	1.7 PP
Business Process Outsourcing	23.7%	24.6%	(0.9) PP
Professional Services	20.0%	17.0%	3.0 PP
Total	42.0%	41.5%	0.5 PP

*PP: Percentage point

Revenue for the Digital Business segment grew by 23.2% compared to the same period of last year, driven by the growth of products and projects during the period, as well as the acquisition of Thiqah contributed an amount of ⃁ 281 million to the segment's revenue.

The gross profit margin increased by 1.7 percentage point reaching 49.5%. This was attributable to the improved segment profitability mainly by the increase in revenue, in addition to amendments in a few agreements, resulting in revenue being recognized on a net basis as an agent rather than a principal. The acquisition also supported an increase in the segment's gross profit.

The Business Process Outsourcing segment also witnessed a revenue increase of 33.4%, mainly due to Thiqah's contribution of ⃁ 325 million to the segment's revenue. The gross profit increased by 28.2%, while the gross profit margin decreased by 0.9 percentage points to reach 23.7%, mainly due to the nature of project deliverables.

The Professional Services segment also delivered solid growth, recording a 43.6% increase in revenue, while gross profit for the segment grew by 68.8%, with an improvement of 3.0 percentage points in the gross profit margin to reach 20.0%, mainly driven by new high-margin projects.

Balance Sheet Highlights

⃁ million	30 SEP 2025	31 DEC 2024	Change*
Total Assets	10,922	9,554	14.3%
Total Liabilities	7,435	4,261	74.5%
Total Equity	3,487	5,293	(34.1%)

Assets

As of 30 September 2025, total assets increased by 14.3% to reach ⃁ 10,922 million, compared to ⃁ 9,554 million as of 31 December 2024. The increase was mainly driven by the consolidation of Thiqah's assets following the acquisition, which resulted in a ⃁ 409 million increase in capital work in progress and intangible assets. Current assets also increased, primarily due to higher trade receivables and contract assets with an increase of ⃁ 1,553 million, with Thiqah contributing ⃁ 800 million of this increase.

Liabilities

Total liabilities rose by 74.5% to reach ⃁ 7,435 million as of 30 September 2025, compared to ⃁ 4,261 million at the end of 2024. The increase is mainly attributable to the loan facility obtained to finance Thiqah acquisition, in addition to the consolidation of Thiqah's liabilities, that contributed significantly to the increase in payables, contract liabilities, and end-of-service benefit provision.

Equity

Total equity stood at ⃁ 3,487 million as of 30 September 2025, compared to ⃁ 5,293 million at the end of 2024. This decrease is primarily attributable to the ⃁ 2,810 million impact recognized in retained earnings as a result from the accounting treatment applied for Thiqah's acquisition as it is considered a business combination under common control, where retained earnings were reduced by the difference between the adjusted consideration paid and the net assets of Thiqah Company at the acquisition date, in addition to the impact of dividend distributions of ⃁ 661 million during the period. These effects were partially offset by the total comprehensive income of ⃁ 1,609 million for the period ended 30 September 2025.

Cash Flow Statement Highlights

⃁ million	9M-2025	9M-2024	Change*
Net cash generated from operating activities	1,213	662	83.2%
Net cash (used in) / generated from investing activities	(1,939)	234	(>100%)
Net cash generated from / (used in) financing activities	1,196	(677)	(>100%)

Net cash generated from operating activities increased to ⃁ 1,213 million for the period ended 30 September 2025, compared to ⃁ 662 million in the same period of last year. The increase mainly reflects higher operating profit and favorable net working capital movements compared to the similar period in the prior year.

Net cash used in investing activities amounted to ⃁ 1,939 million for the period ended 30 September 2025, compared to an inflow of ⃁ 234 million in the same period of last year. This was primarily driven by the consideration paid for Thiqah acquisition, offset by lower Murabaha deposit balances.

Net cash from financing activities recorded an inflow of ⃁ 1,196 million versus an outflow of ⃁ 677 million for the prior year period. This inflow reflects the loan facility obtained to finance the Thiqah acquisition, offset by dividend distributions of ⃁ 661 million paid during the period.

As a result, total cash and cash equivalents stood at ⃁ 2,760 million as of 30 September 2025.

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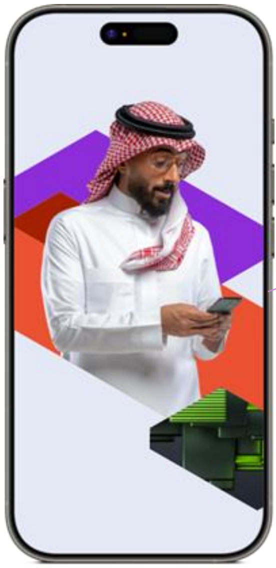

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