

Investor Presentation

Q1 2024



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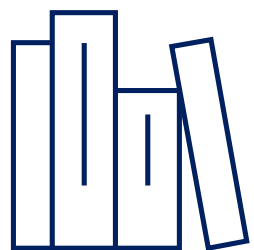
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Agenda

1

Introduction

2

Elm 4.0
Strategy

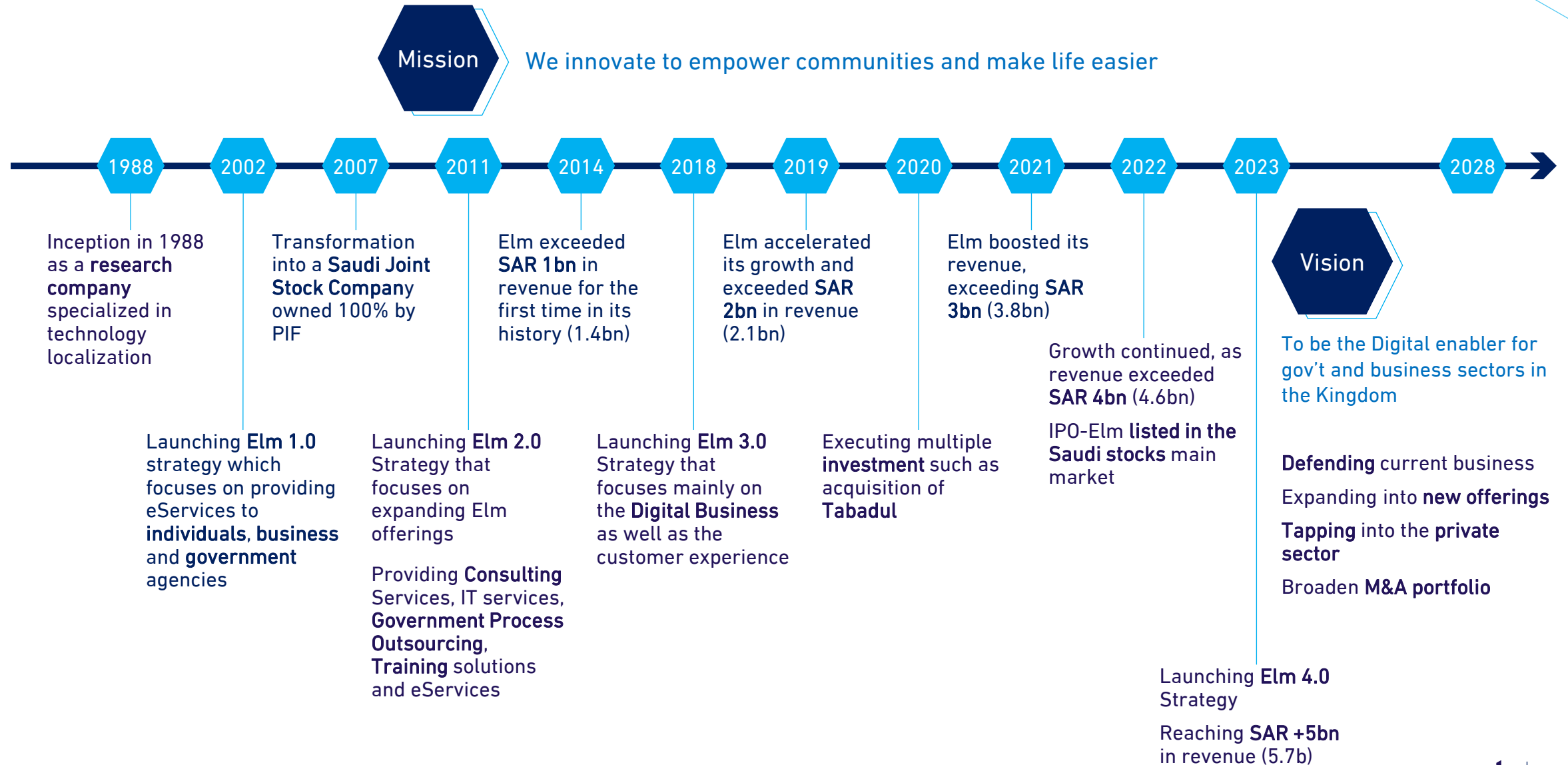
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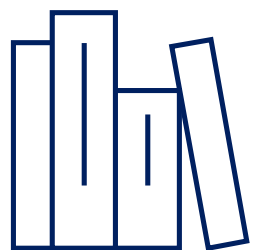
Financial
Performance

4

2024 Outlook

Over the years, Elm has gone through multiple journeys adopting with market conditions

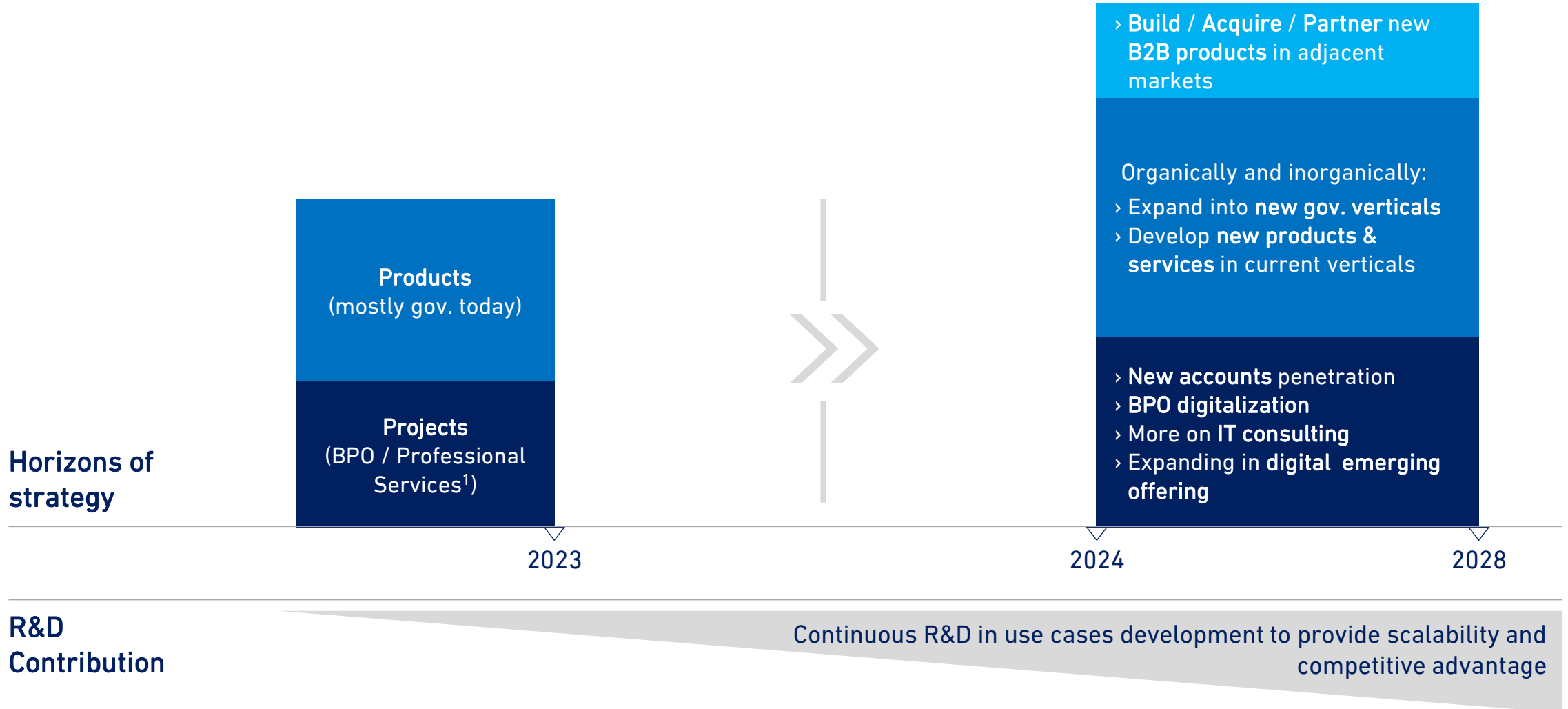




Agenda



Elm will strengthen its capabilities to grow current offerings and expand into new gov sectors and adjacent B2B markets in its new strategy Elm 4.0



1. Including digital projects

Elm 4.0 strategy focuses on diversification and modernized offerings, and requires capital deployment in both government and B2B offerings

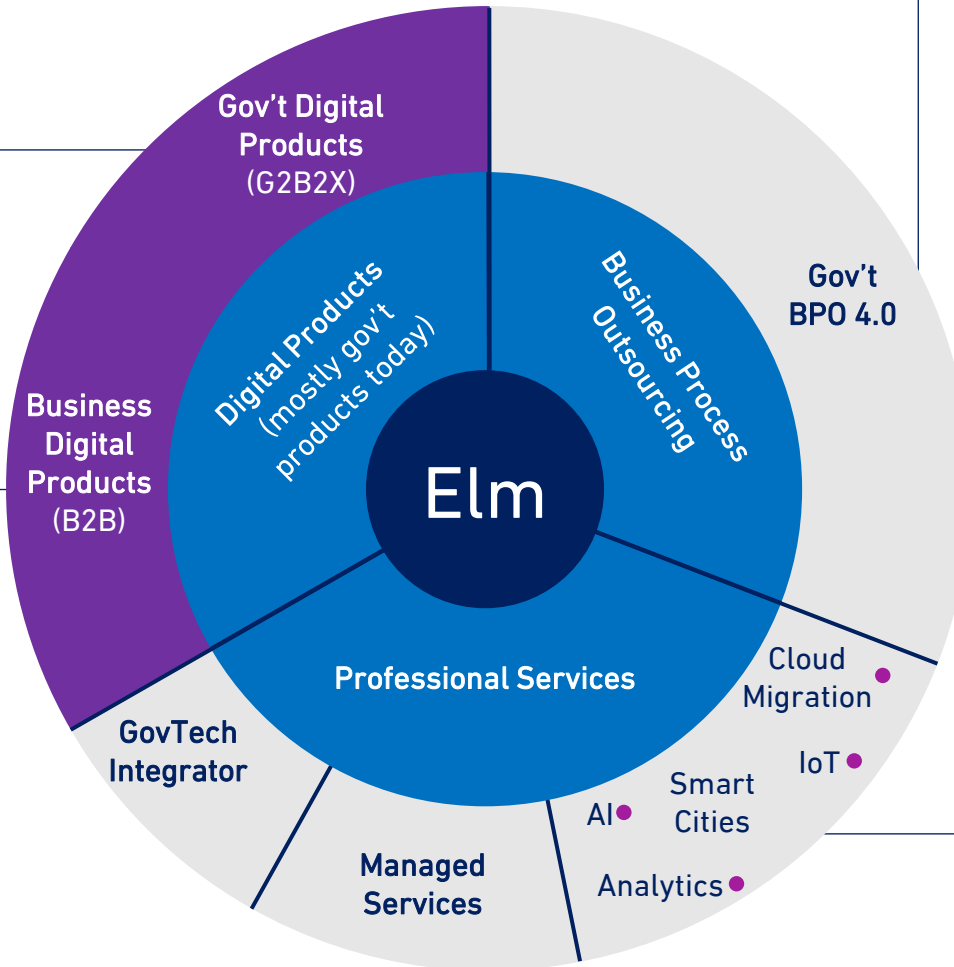
■ Core Today
 ■ Focus of Expansion (organic + inorganic)
 ■ Focus of Expansion (organic)
 ● Potential Capital deployment for Capabilities

Public Sector

..to **penetrate new markets**, increase presence and market share through providing new innovative and **integrated solutions**

Private Sector

..to focus efforts on the coming years to target **B2B products** within specific **verticals**, that are **adjacent** with Elm current markets

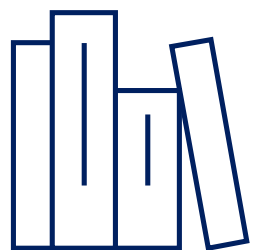


BPO

..to embed **technologies and solutions** to Elm current BPO offerings, and expand into new accounts while focusing on **repeatable businesses**

Emerging Technologies

..to expand Digital Projects into new **high-value offerings** and enable R&D to develop use cases in collaboration with Elm business units



Agenda



Elm Q1 2024 Financial Highlight

Q1 24 Revenue

Mn SAR

1,639

Revenue YOY Change

▲ 27.2%

Q1 24 GP Margin

38.2%

GP Margin YOY Change

▼ 4.0 PP

Q1 24 EBITDA

Mn SAR

385

EBITDA YOY Change

▲ 8.8%

Q1 24 EBITDA Margin

23.5%

EBITDA Margin YOY Change

▼ 4.0 PP

Q1 24 Net Profit

Mn SAR

345

Net Profit YOY Change

▲ 7.1%

Q1 24 Net Margin

21.0%

Net Margin YOY Change

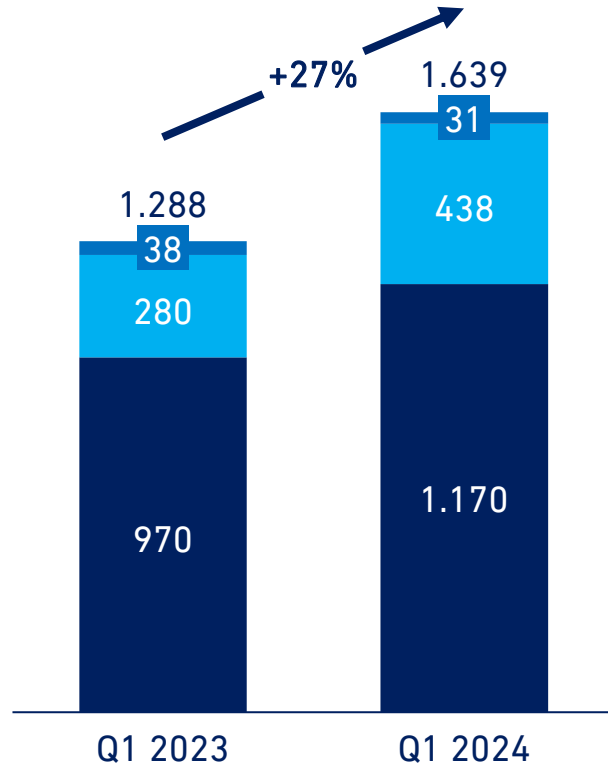
▼ 4.0 PP

P&L Highlights

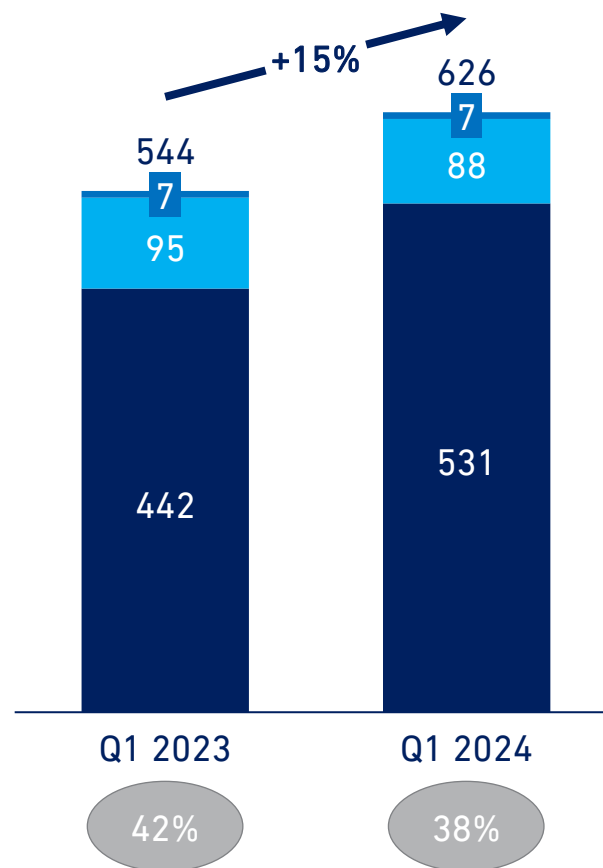
SAR Millions

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

Revenue by Business Segment



Gross Profit by Business Segment

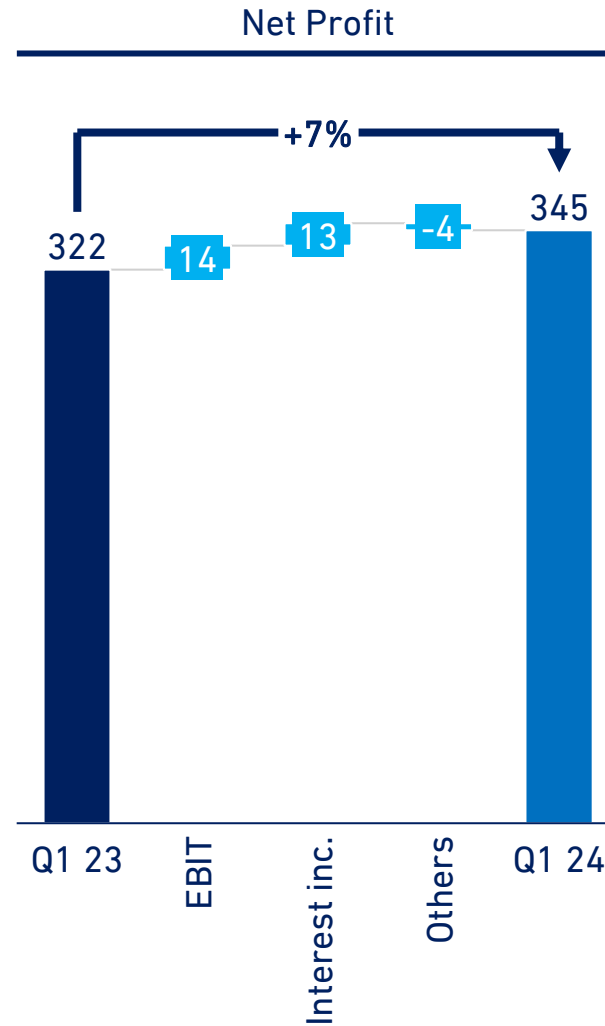
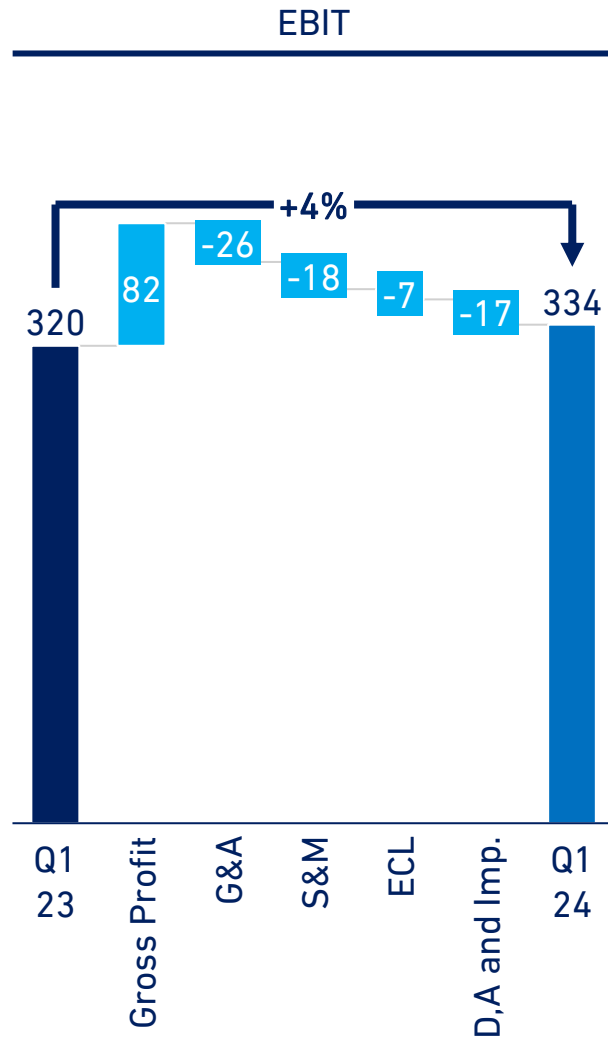


Key Highlights

- > Increase in revenue led by Digital Business and Business Process Outsourcing.
- > Contraction in gross profit margin due to decrease in profitability of Business Process Outsourcing.

P&L Highlights

SAR Millions



Key Highlights

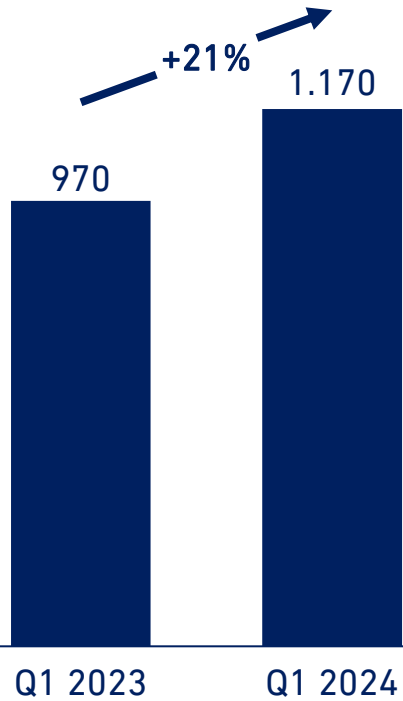
- › Higher EBIT and net profit are driven by revenue growth.
- › Increase in G&A and S&M driven by increase in employee cost and events sponsorships and participation.

Digital Business

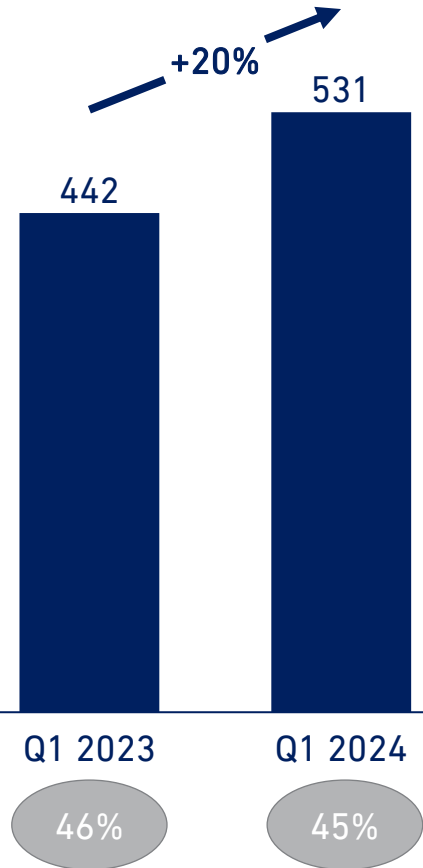
SAR Millions

- Top 6 Products
- Others
- Gross Profit Margin

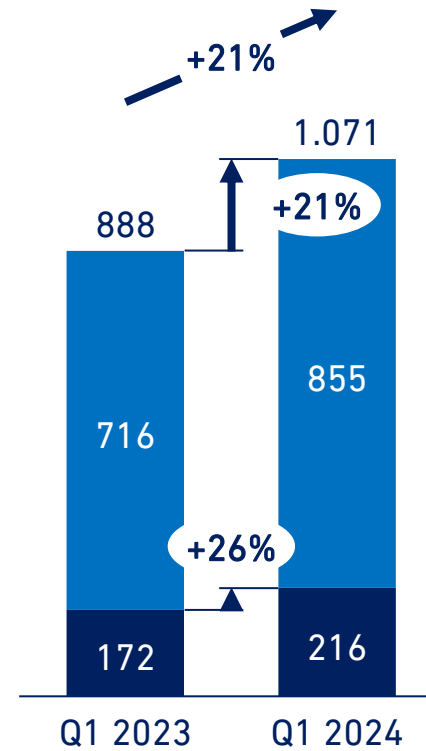
Revenue



Gross Profit



Products Revenue

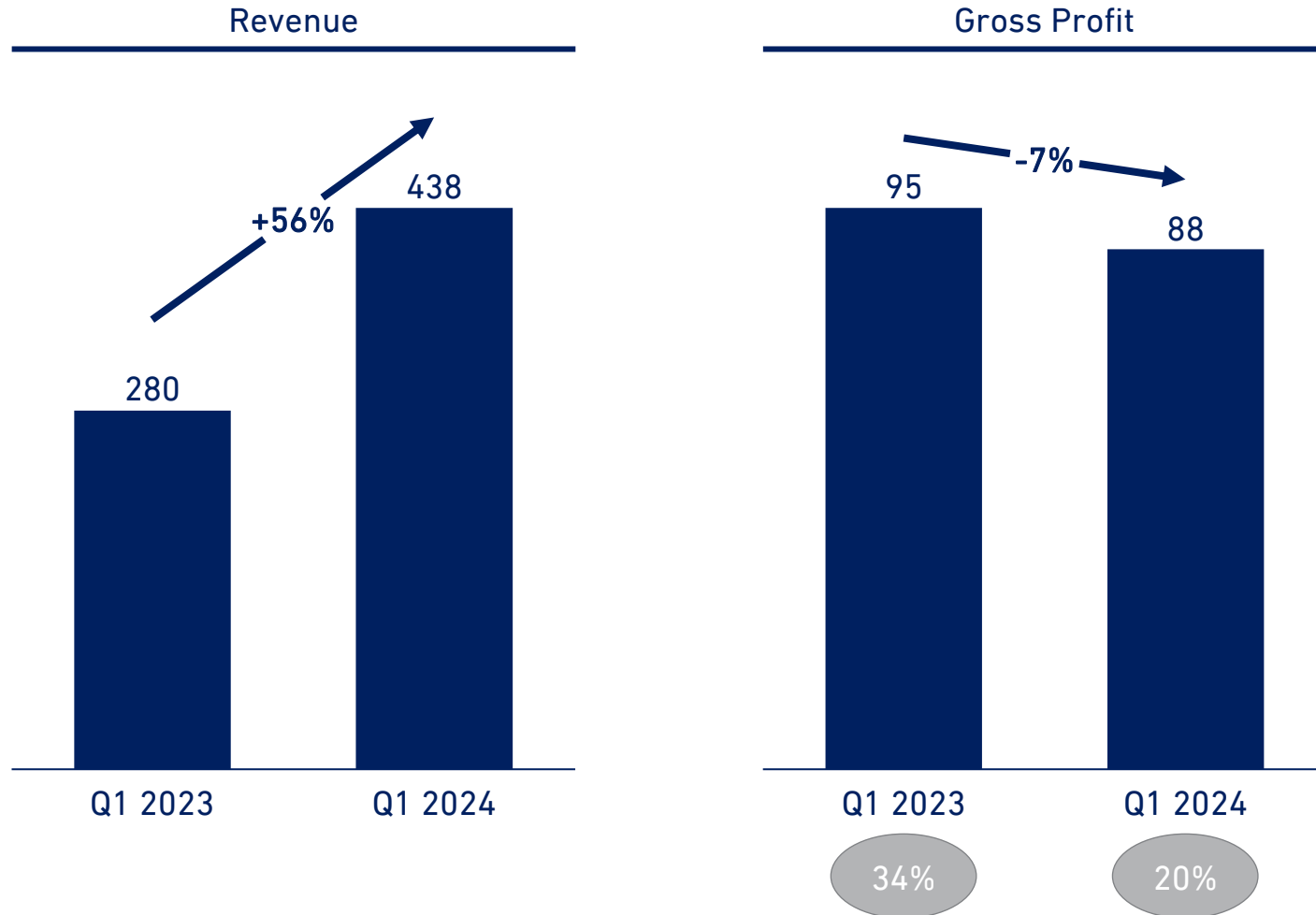


Key Highlights

- › Strong revenue and gross profit growth across products and projects.
- › Gross profit margin decreased slightly as a result of the decreased profitability of projects.
- › Top 6 products revenue increased to SR 855 million, up 21% compared to comparative quarter.
- › Other products growth is attributed to the increased transactions in Tawseel, Salamah, and Naql.
- › Projects revenue growth is mainly due to the increased deliverables during the period.

Business Process Outsourcing

SAR Millions



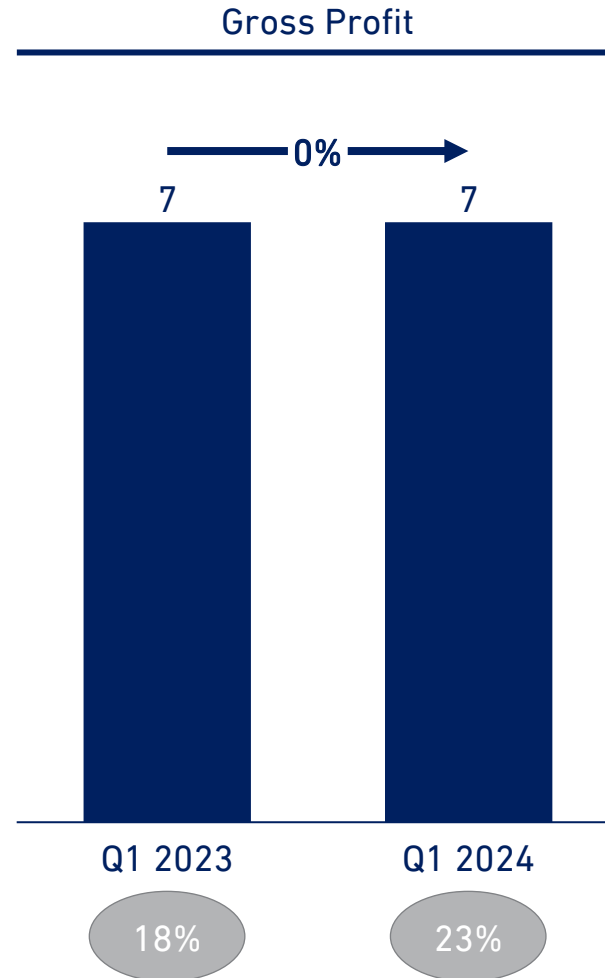
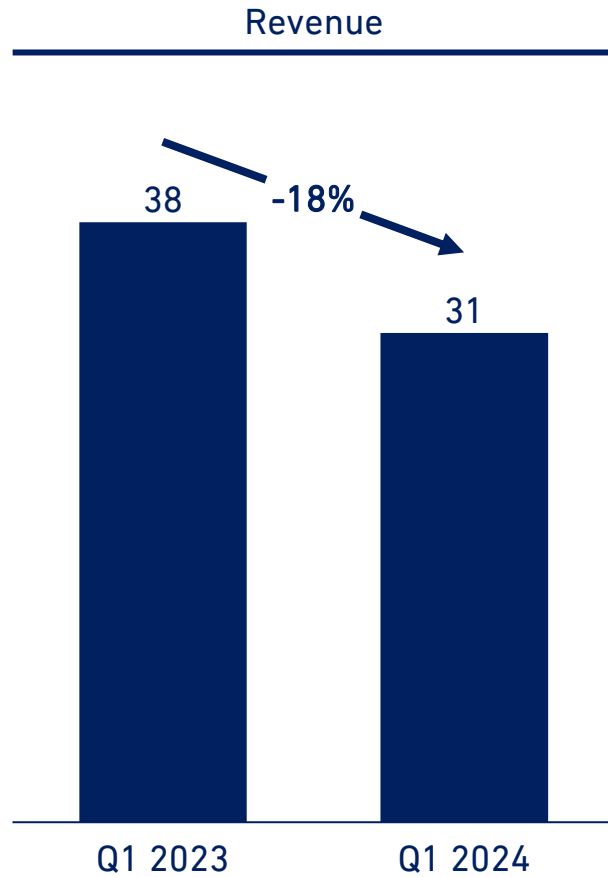
● Gross Profit Margin

Key Highlights

- › 56% revenue increase, driven by the increase in the number of projects.
- › Gross profit and gross profit margin decreases are attributable to the type of deliverables during the period, which were with a lower margin.

Professional Services

SAR Millions



● Gross Profit Margin

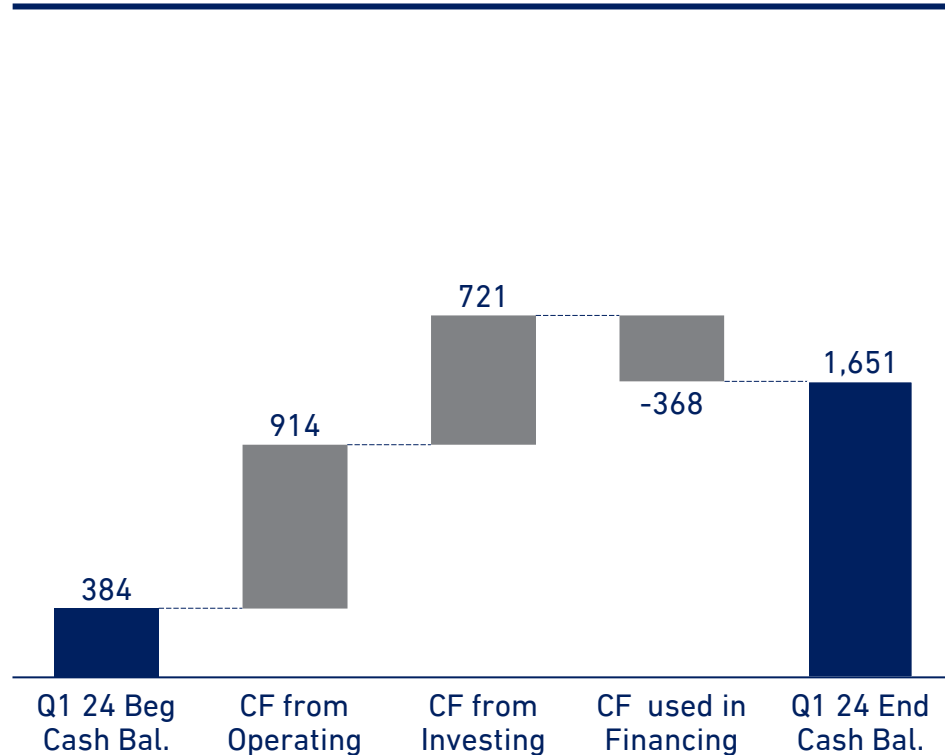
Key Highlights

- › Revenue decreased by 18%, gross profit was flat, and gross profit margin expanded, this can be attributable to the type of deliverables during the period.

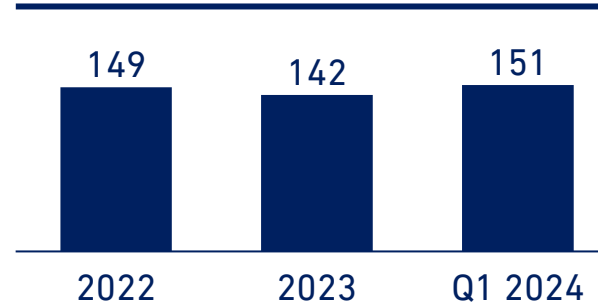
Balance Sheet and Cash Flow Highlights

SAR Millions

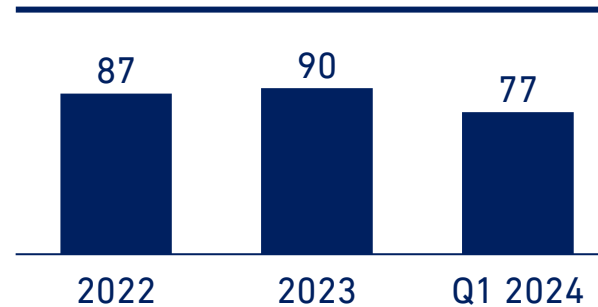
Cash Balance Movement



Receivable (Number of Days)

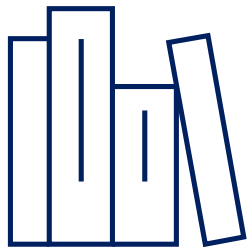


Payable (Number of Days)



Key Highlights




- › CFO as a percentage of net profit was 265%. This was due to a positive net working capital movement.
- › Total cash and short-term investment increased by 14% to 3.9 billion compared to YE 23.



Agenda



2024 Guidance

	YE 2023 Guidance	YE 2023 Actual	YE 2024 Guidance
 Revenue Growth	21% - 23%	28%	16% - 18%
 EBIT Margin	22% - 24%	23%	22% - 24%
 CFO as % of Net Income	80% - 90%	115%	80% - 90%

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Thank you

