

Investor Presentation

H1 2024



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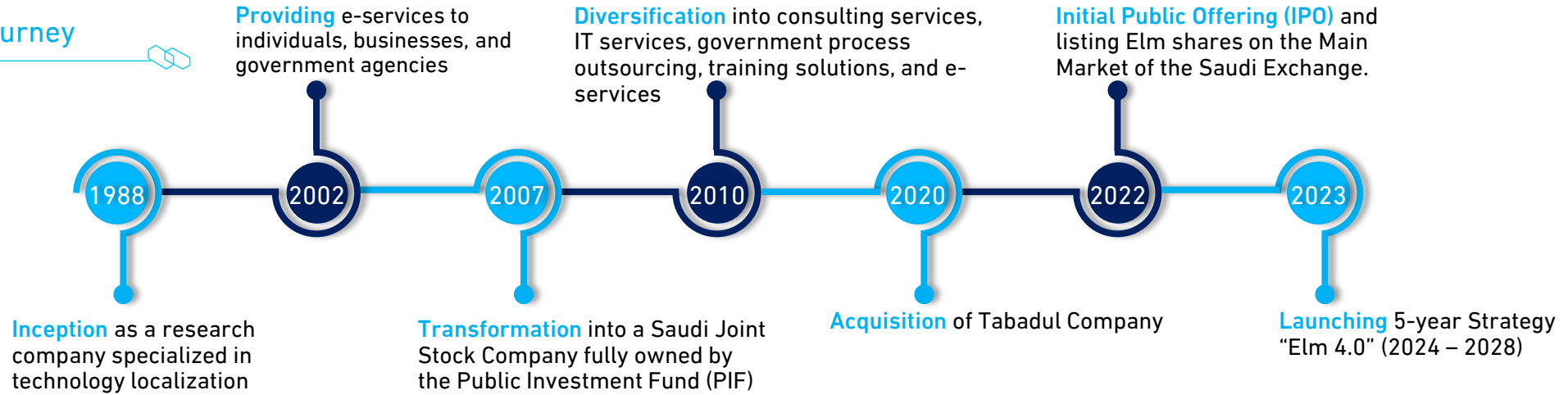
Agenda

- Introduction
- Elm 4.0 Strategy
- H1 2024 Highlights
- Financial Performance
- 2024 Guidance

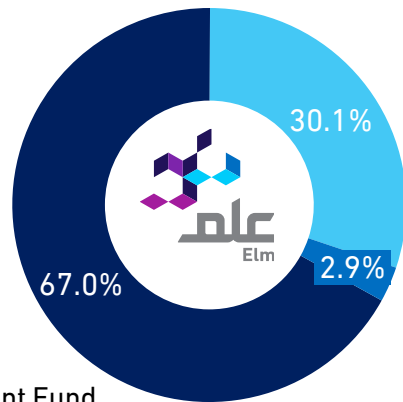


Elm At a Glance

Company's Journey

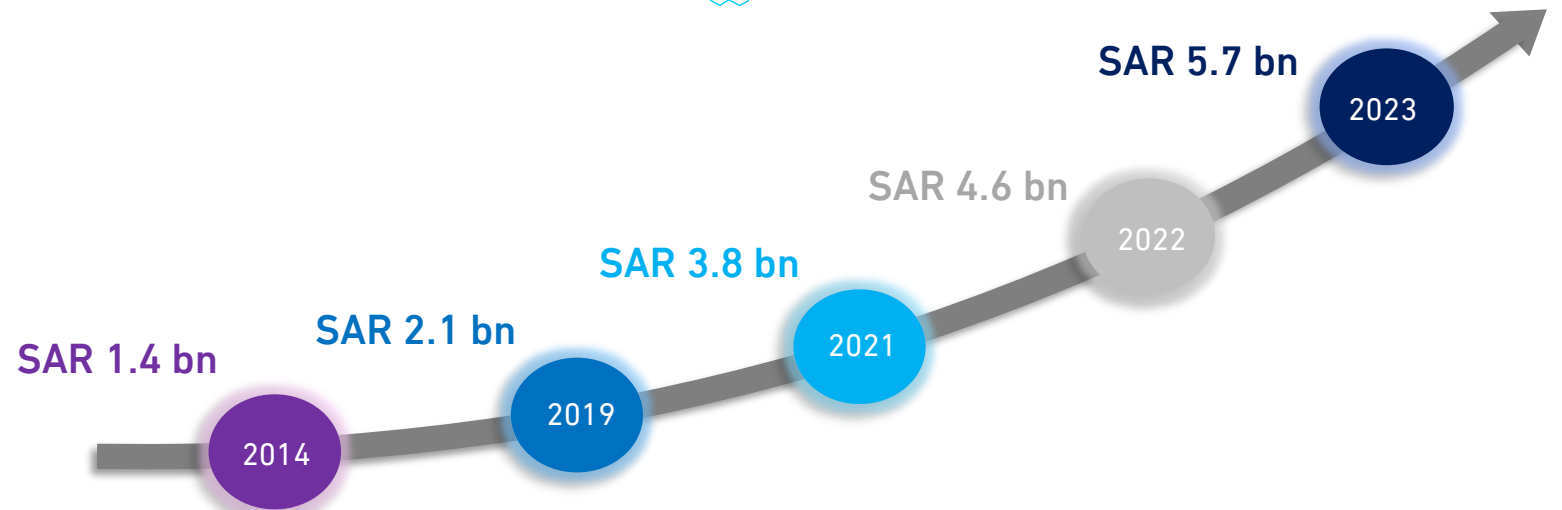


Shareholding Structure






- Public Investment Fund
- Institutional and Retail Investors
- Treasury Shares

Significant Growth in Revenues over Years



Elm's business and Segments

Elm business includes 3 main offerings targeting the public and private sectors through various service models

	 Digital Business		 Business Outsourcing		 Professional Services	
Offering Type	Digital Products		Digital Projects		Process Outs.	
Description	Developing digital product (e.g., Portals, Platforms, etc.) that serve customers through various packages & channels		Customized digital solutions based on customer requirements in areas such as system integration, managed services, etc.		Service delivery in specialized areas (field forces, crowd mgt. solutions, etc.) through the management, full/partial operation, and the gradual shift to digital visualization	
Key Focus Areas	<ul style="list-style-type: none"> Gov. products B2B Products 		<ul style="list-style-type: none"> System integrator Managed services Cloud migration IoT & Smart cities solutions 		<ul style="list-style-type: none"> Traditional BPO (field forces, customer facing, back-office processing) Govt. BPO 4.0 (digital enabled) 	
Customer Type	B2C B2B B2G		B2C B2B B2G		B2C B2B B2G	
Service Model						
Transactions / Subscriptions	✓		✓		✓	
Turnkey	✓		✓		✓	
Performance-based & Public private partnership	✓		✓		✓	

Less focus

Expansion focus

Current focus

Brief About Top 6 Products

Absher

Provide Ministry of Interior services (Passports, Traffic, Civil Affairs, etc.) digitally in an integrated platform to citizens, residents and visitors.

Partner: Ministry of Interior

Beneficiaries: Individuals and Businesses

Muqem

Allows organizations to review its resident workers data and complete their transactions online

Partner: Ministry of Interior

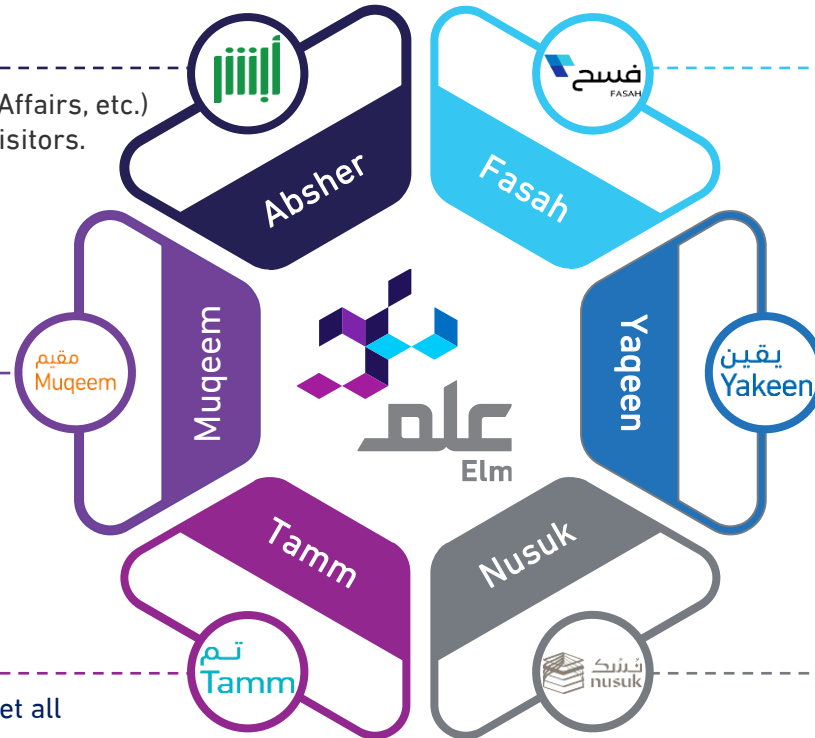
Beneficiaries: Businesses

Tamm

Provide services that help vehicles' owners in Saudi Arabia get all the updated information about their respective vehicles

Partner: Ministry of Interior

Beneficiaries: Car Dealership and Car Rental



Fasah

Facilitate international trade services by automating the import and export procedures

Partner: Zakat, Tax, Customs Authority

Beneficiaries: Individuals and Businesses

Yaqeen

Verification of the beneficiary's data (such as customers, visitors, employees and applicants)

Partner: Ministry of Interior

Beneficiaries: Businesses

Nusuk

Organize pilgrims entire visit from applying eVisa to booking hotels and flights

Partner: Ministry of Hajj and Umrah

Beneficiaries: Individuals

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Elm 4.0 Strategy

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

Elm 3.0 (2023)

Elm 4.0 (2024 - 2028)

Horizons of strategy



Products
(mostly gov. today)

Projects
(BPO / Professional Services*)

-

R&D Contribution

- Organically and inorganically:
- > Expand into **new gov. verticals**
 - > Develop **new products & services** in current verticals
 - > **New accounts** penetration
 - > **BPO digitalization**
 - > More on **IT consulting**
 - > Expanding in **digital emerging offering**
 - Build / Acquire / Partner new B2B products** in adjacent markets
 - Continuous R&D in use cases development to provide scalability and competitive advantage

* Including digital projects

Elm 4.0 Strategy



Elm 4.0 strategy focuses on diversification and modernize offerings, and require capital deployment in both GovTech and B2B offerings

Public Sector

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

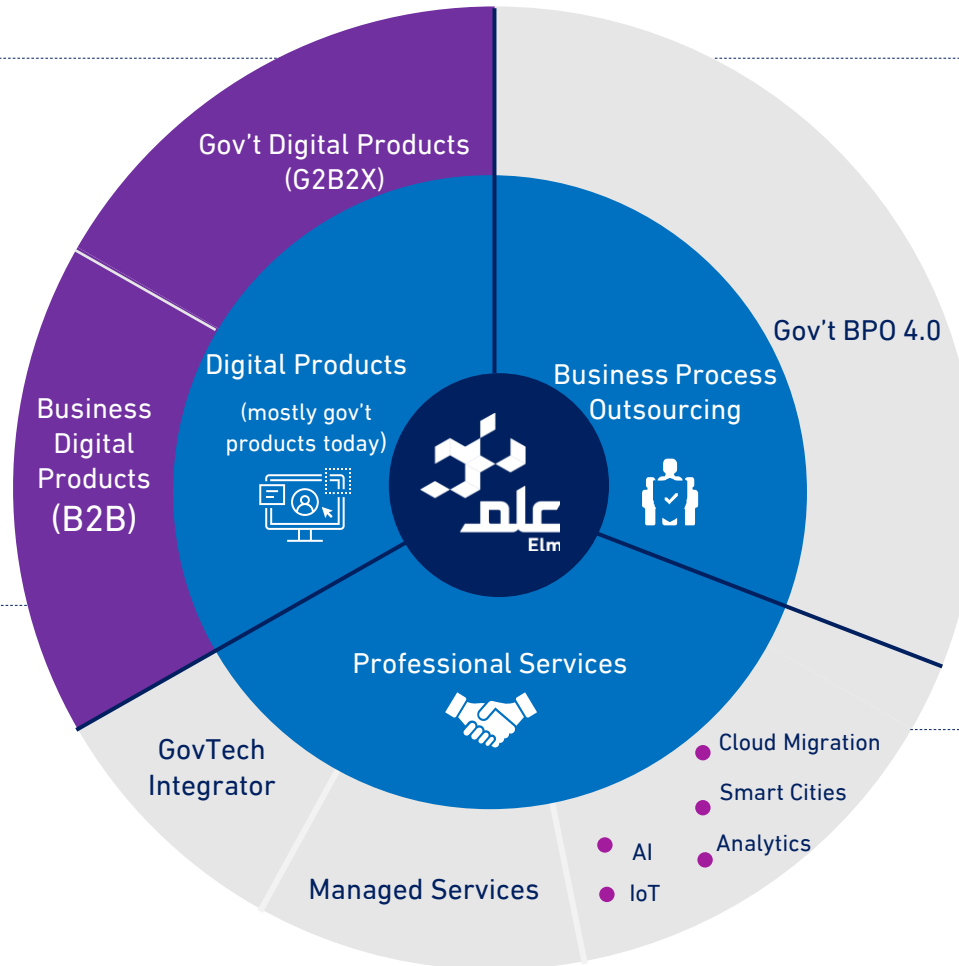
BPO

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

Private Sector

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

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



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

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Operational 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.

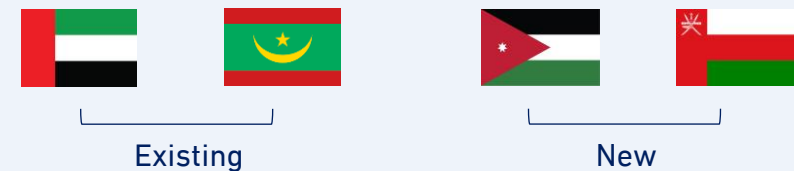
Strong growth across Gov't products



Growth in BPO due to executed projects



Expansion on International business portfolio



Financial Highlights

H1 2024 Revenue (Mn SAR)

3,406

Revenue YOY Change

▲ 26.5%



H1 2024 EBIT (Mn SAR)

798

EBIT YOY Change

▲ 14.4%

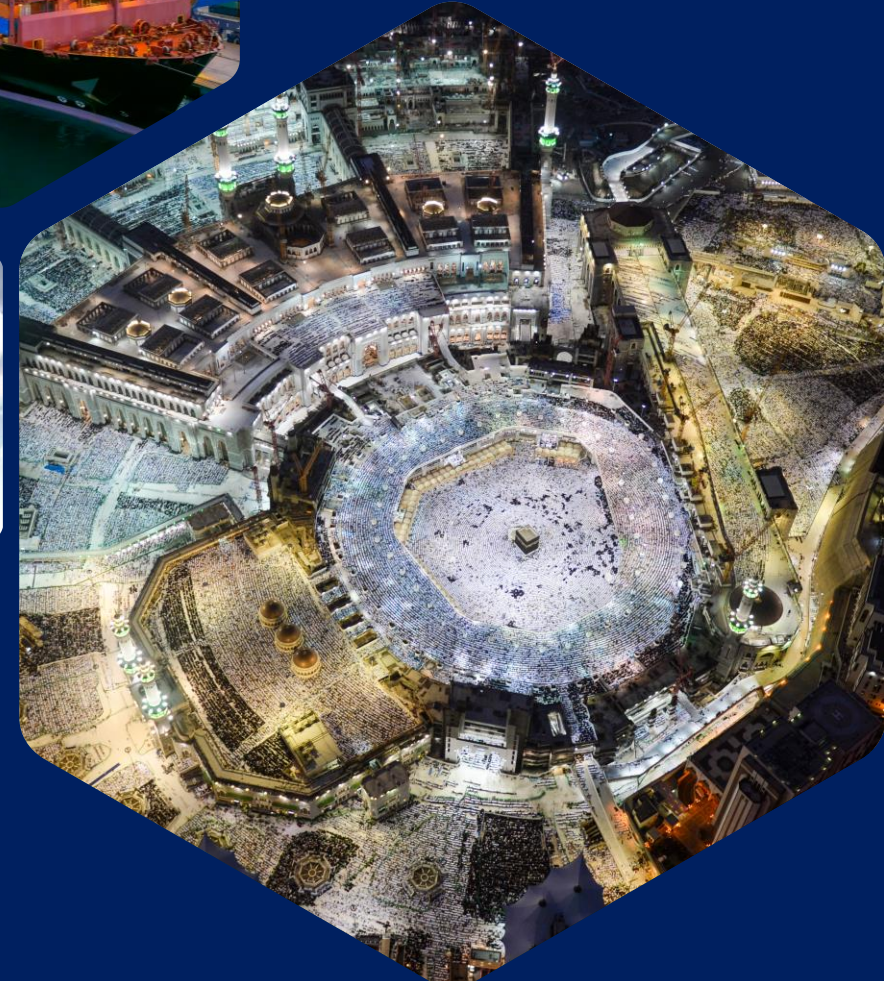


H1 2024 Net Profit (Mn SAR)

831

Net Profit YOY Change

▲ 19.5%



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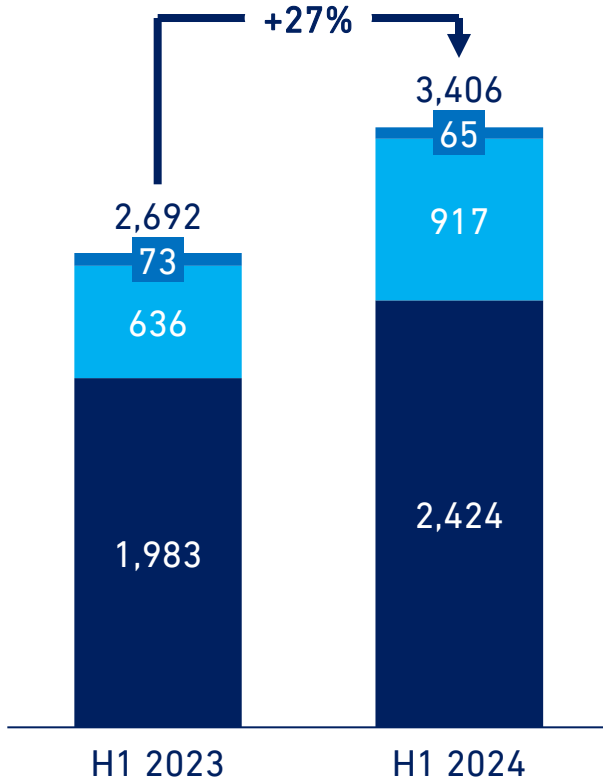


P&L Highlights

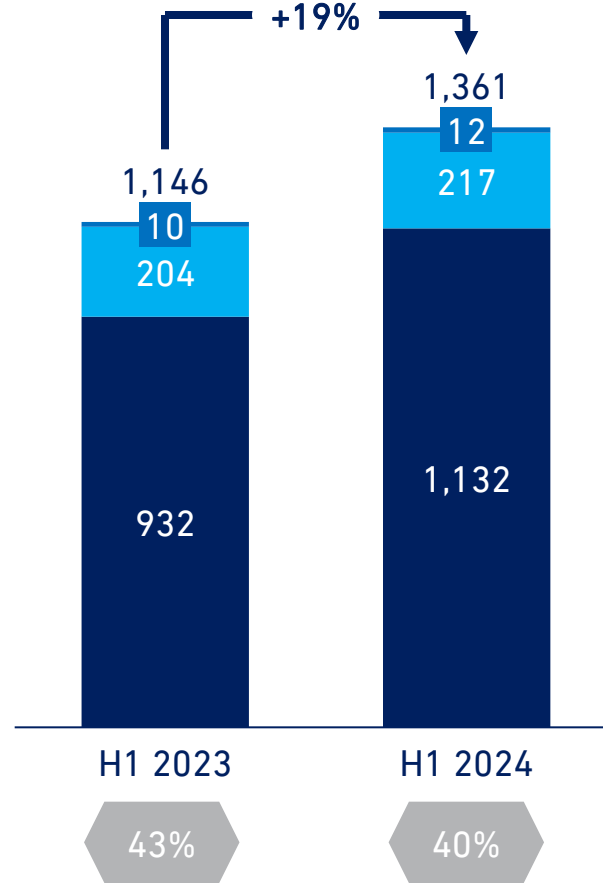
SAR Millions

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

Revenue by Business Segment



Gross Profit by Business Segment

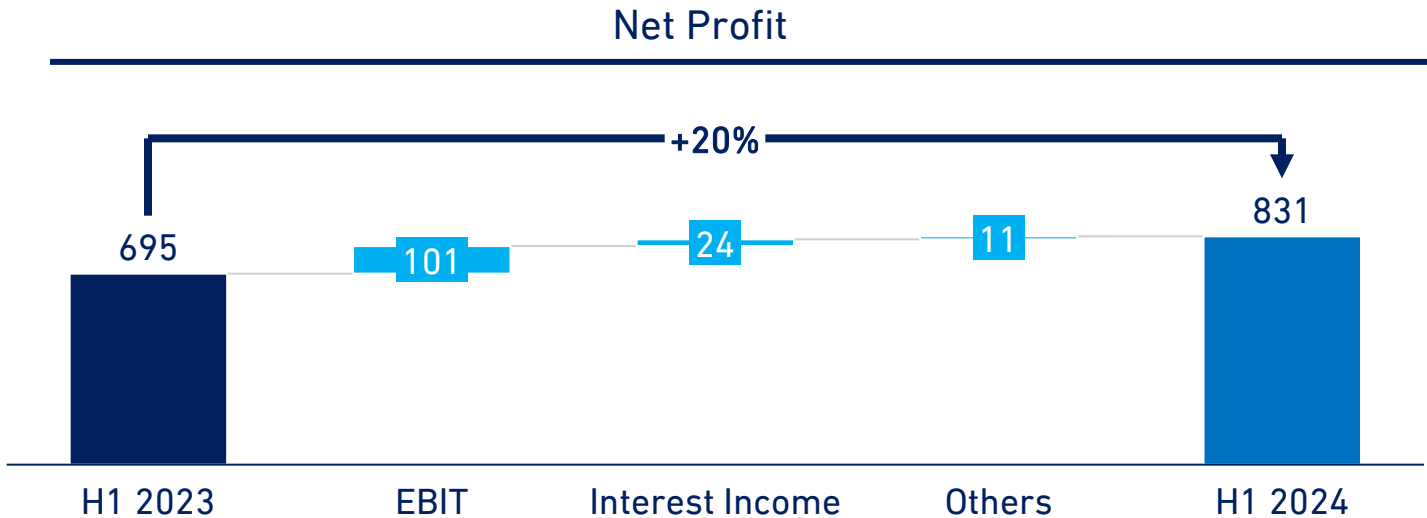
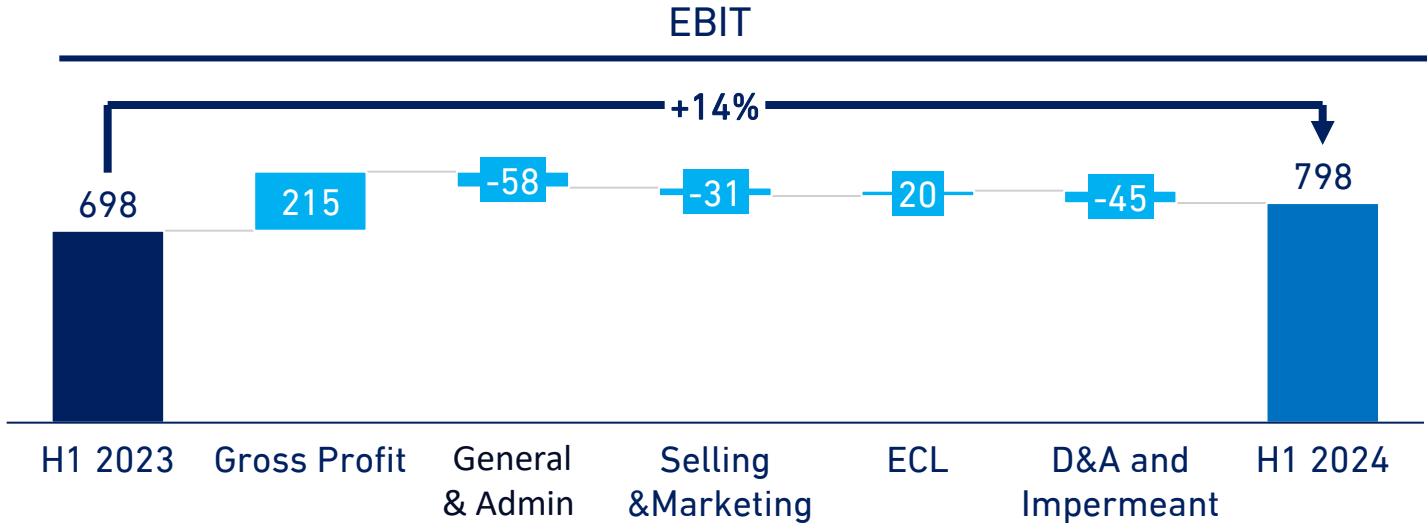


Key Highlights

- > **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



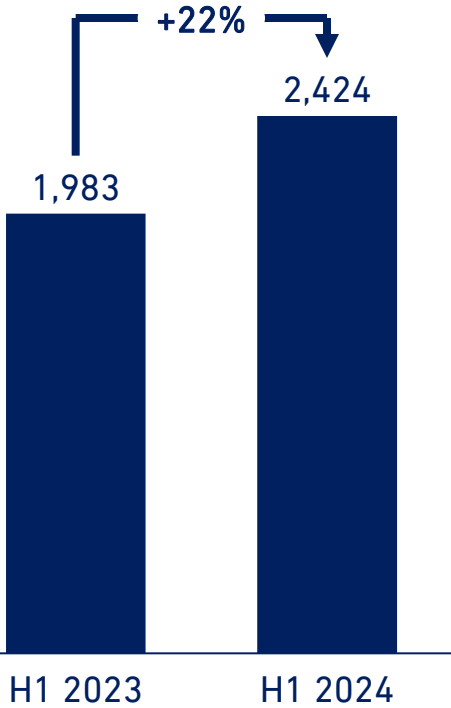
Key Highlights

- › **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.

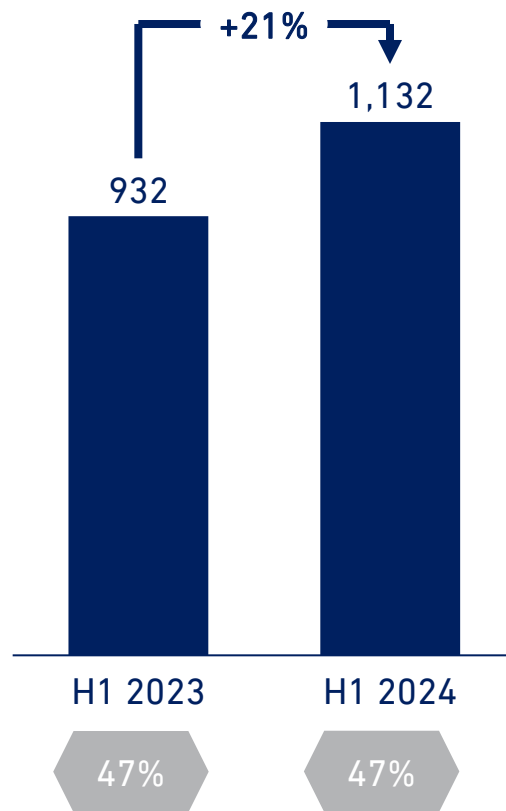
Digital Business

SAR Millions

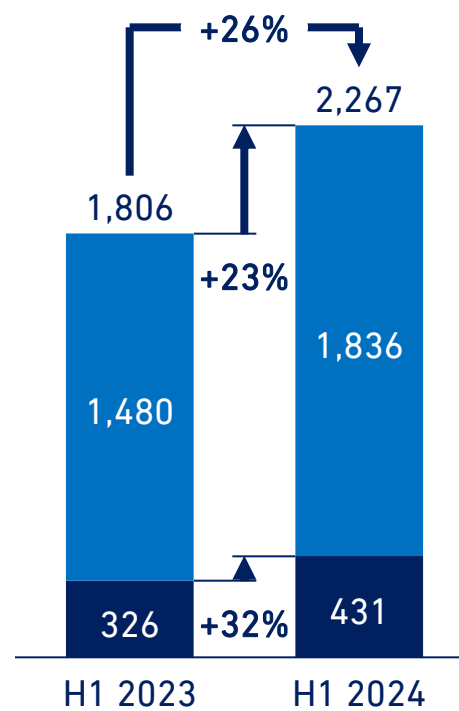
Revenue



Gross Profit



Products Revenue



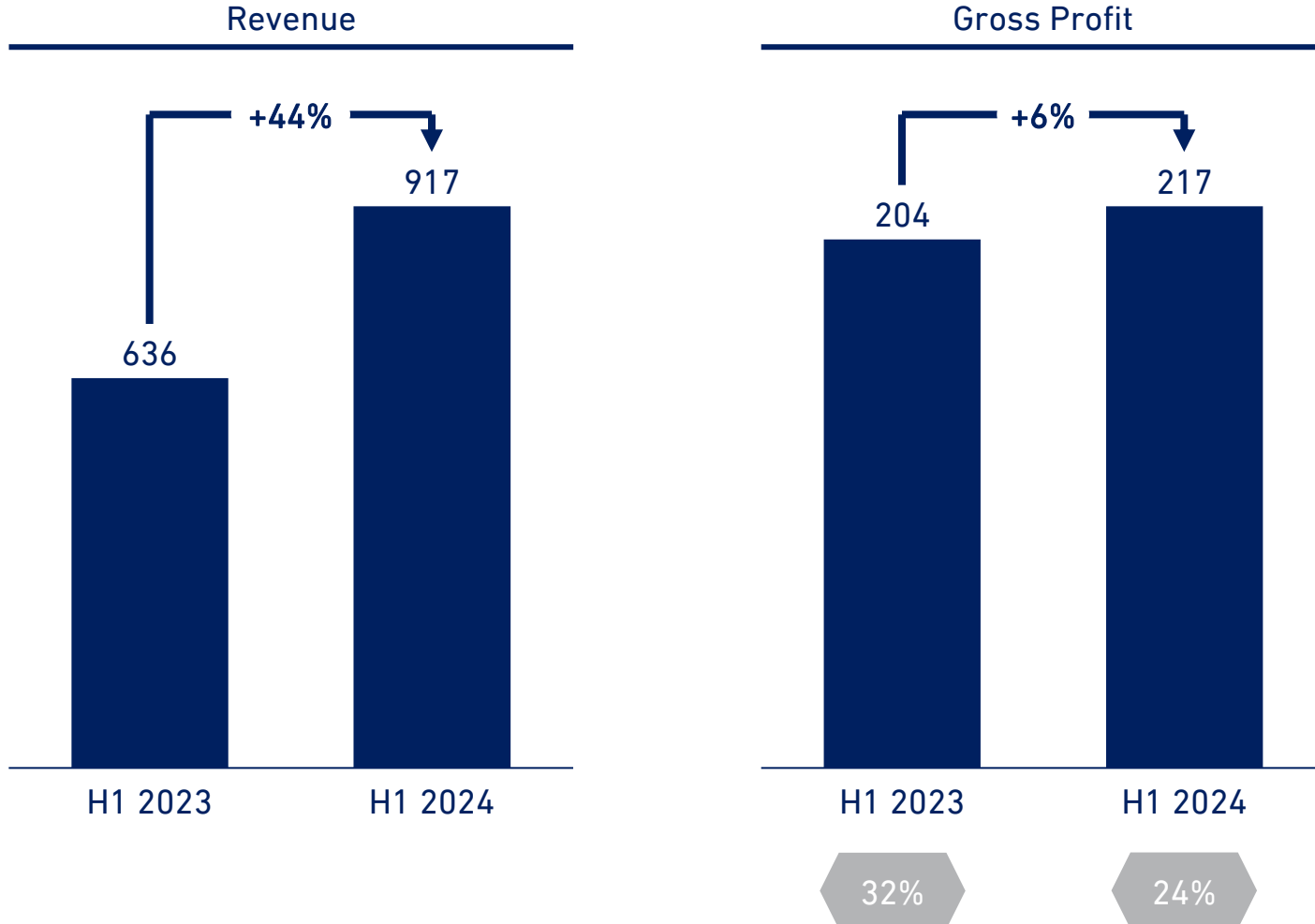
- Top 6 Products
- Other Products
- ▬ Gross Profit Margin

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



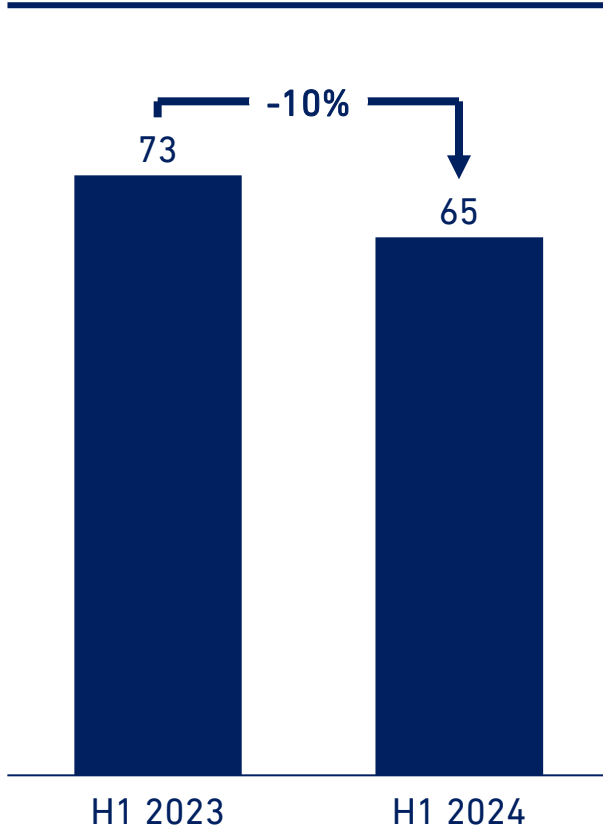
Key Highlights

- > **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.

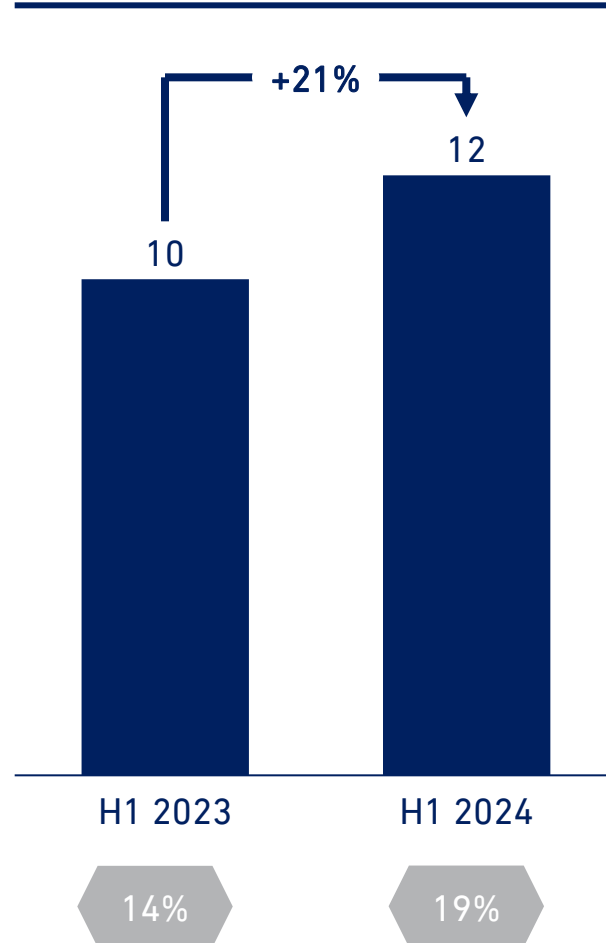
Professional Services

SAR Millions

Revenue



Gross Profit



Gross Profit Margin

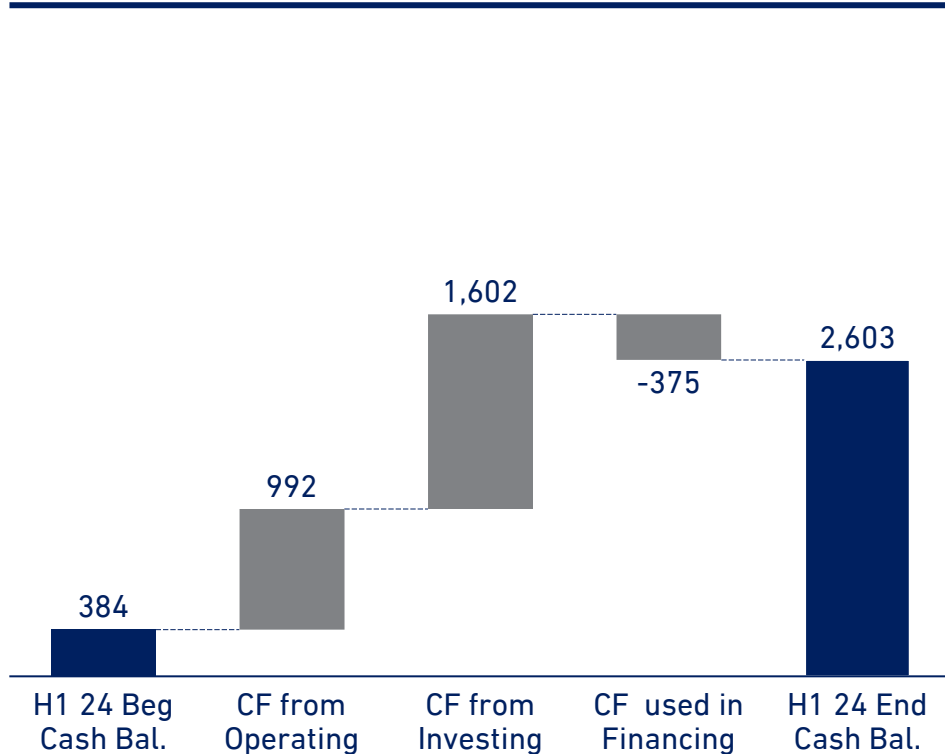
Key Highlights

- › **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.

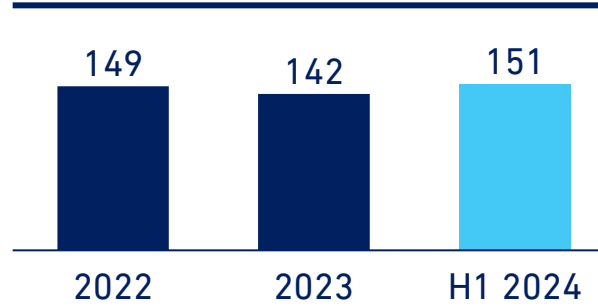
Balance Sheet and Cash Flow Highlights

SAR Millions

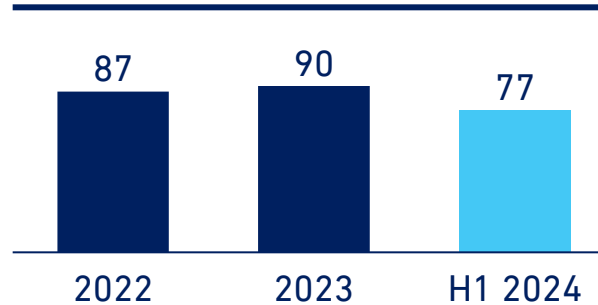
Cash Balance Movement



Receivable (Number of Days)



Payable (Number of Days)



Key Highlights



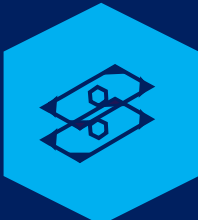
- › **Strong Cash generation:** Despite the increase in receivable days and decrease in payable days, Cash flow from operation, exceeds net profit to reach 120%. This was Due to a positive net working capital movement.
- › **Increased cash and short-term investments position:** Total cash and short-term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

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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

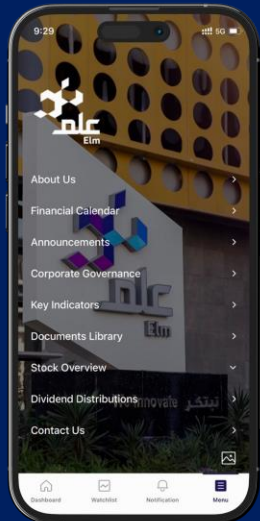
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Thank you



Elm IR Application

