

EARNINGS RELEASE

Q2 & H1 2025 | 11 August 2025

01

SAUDI ELECTRICITY ACHIEVES STRONG FINANCIAL PERFORMANCE IN Q2&H1 2025, REFLECTING DEMAND GROWTH, BUSINESS EXPANSION, AND STRATEGIC INVESTMENTS AMID SAUDI ARABIA'S ACCELERATING ENERGY TRANSITION

23.5% Y-O-Y

Revenue increase in
H1 2025 (Q2 up 23.9%)



13.5% Y-O-Y

Increase in H1 2025
EBITDA



19.3% Y-O-Y

Increase in H1 2025
net profit (Q2 up 21.6%)



114.3%

Increase in H1 2025
EPS Y-O-Y ((Q2 up
42.3%))



S&P upgrades
SEC's credit rating
to **(A+, STABLE)**
in March 2025

S&P Global
Ratings

Capex in H1 2025
increased **89.6 %**
Y-O-Y reaching
SAR 47.4 bn



Saudi Electricity Company ("SEC"), the national vertically integrated utility company in the Kingdom of Saudi Arabia, announces its consolidated interim financial results for the first half of 2025.

Commenting on the company's financial and operational performance, Eng. Khaled Bin Salem Al-Ghamdi, Acting President & CEO of SEC, stated:

"Our positive performance in the first half of 2025 reflects the company's continued growth across its business portfolio and asset base. It aligns with our strategy to provide reliable and secure electricity across the Kingdom, improve service quality for our customers, and advance sustainability and operational excellence."

He added:

"We remain committed to further strengthening our position and leveraging the significant opportunities emerging from the energy transition in Saudi Arabia, in line with the ambitions of Vision 2030—enabled by the dedication of our talented national workforce and our unwavering commitment to serving the nation."

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OPERATIONAL HIGHLIGHTS

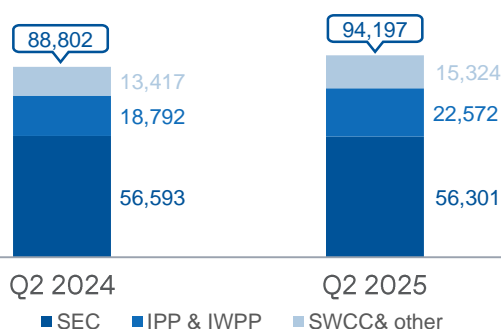
- Continuing growth in demand for electricity: more than 109,821 new subscribers were connected to the grid, bringing the total number of subscribers to around 11.40 million
- On the supply side, the Company strengthened the grid with an expansion of the distribution network to 827,328 circuit kilometres
- SEC is ramping up its growth plans with an ambitious capex program. In H1 2025, SEC significantly ramped up its capital expenditures, investing SAR 47.4 billion – a 89.6% increase over the same period last year – to expand its transmission and distribution infrastructure, deploy grid-connected storage capacity, modernize the grid and upgrade its digital infrastructure and grow power production capacity.

GENERATION:



Growing diversified energy mix and progressing liquid to gas conversion

Generation Capacity (in MW)



- By Q2 2025 end, the Kingdom's power generation capacity connected to the grid increased 6% to 94.2 GW compared to the same period in 2024.

- The directly SEC owned capacity remained almost stable 56.5 GW, representing 60% of the Kingdom's total capacity. Plant availability improved by 0.6 points to 86.1%.

- SEC energy production stood at 106.5 TWh, up 2%

- Additional 420 MW of retired capacity has been rehabilitated and restored into service in H1 2025, bringing total restored capacity since 2024 to 1.6 GW

- Signed PPA of the expansion of the Qurayyah Independent Power Plant (IPP) with a capacity of 3,010 MW in the Eastern Region, with the potential to build a carbon capture unit

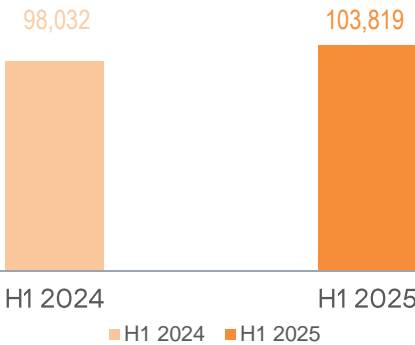
- This signing comes as part of our strong generation projects pipeline with 23.4 GW of new capacity under development across 11 strategic projects

TRANSMISSION:

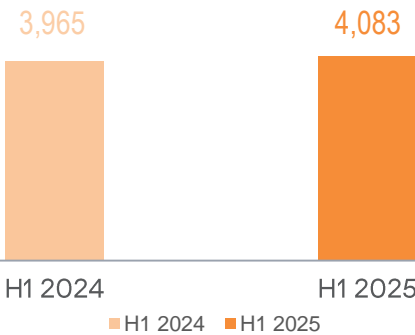


Powering The Kingdom with renewable energy

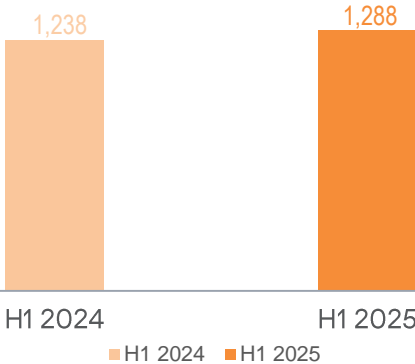
Network length (c. km)



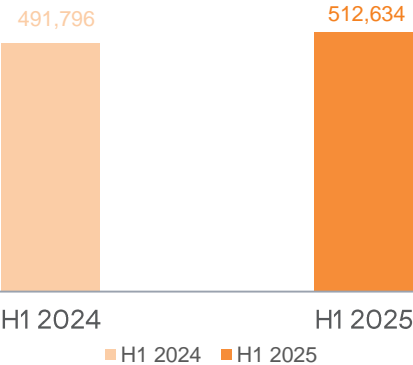
Number of Transformers



Number of Substations



Transformers capacity (in MVA)

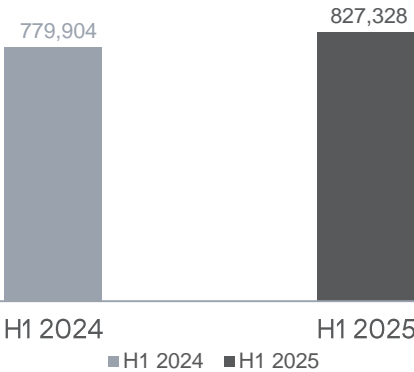


- At Q2 2025 end, **grid-connected renewable capacity** reached approximately 9.2 GW.
- company successfully commissioned 8GWh of battery energy storage systems across four sites: Bisha, Jazan, Khamis Mushait, and Najran.
- SEC is currently developing an additional 14GWh of storage capacity, expected to be operational and grid-connected next year.
- The **transmission networks** grew 6% to 103,819 c.km, while the fiber optic lines increased 9% to 101,492 km.
- During the period, SEC **energized 28 new transmission substations** to its network of 1,288 (a 4% increase). The cumulative **substations capacity** reached 512,634 MVA, reflecting a y-o-y growth of 4.0%.
- The **number of transmission transformers** increased by 3%, reaching a total of 4,083 transformers.
- SEC continued **flagship interconnection projects**, including the Saudi-Egypt project with a capacity of 3GW. It is conducting preliminary studies for additional projects with Italy, Greece and India.

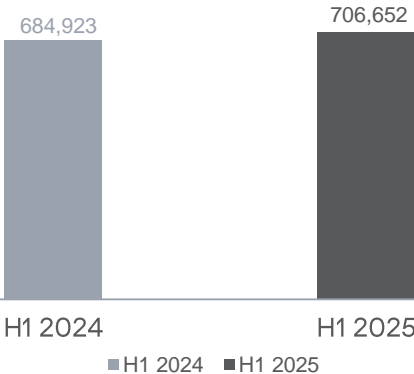
DISTRIBUTION
AND CUSTOMER
SERVICE:



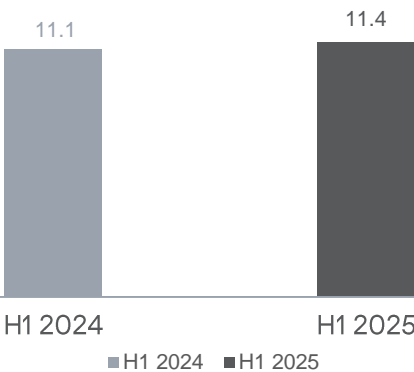
Network length (c. km)



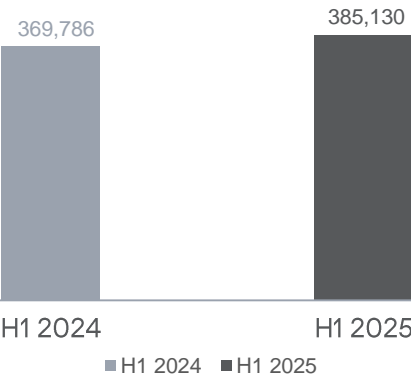
Number of Transformers



Number of Customers (Mn)



Transformers capacity (in MVA)



- **Energy sold grew 10% yoy to 61.5 Twh**, driven by high growth in residential, commercial and Industrial segments
- The customer base expanded to serve **11.4 million customers**, with the addition of more than **109,821 new customers added during H1 2025**.
- SEC continues to upgrade its digital infrastructure. **The automation rate** of distribution stations reached **38.44%**.
- SEC expanded its distribution network to **827,328 c.km**, a **6% increase** year on year
- The number of distribution **substations increased by 6.0%** to reach a total of 706,652 transformers, contributing to a 4.0% rise in distribution transformer capacity, reaching 385,130 MVA.

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NON-REGULATED ACTIVITIES



Dawiyat:

870K FTTX households installed since inception, of which 609K activated at least once

26% Growth in IoT Smart Meters to 2.5Mn.

MCIT Fiber Expansion Project

Dawiyat was awarded 34 remote cities as part of the MCIT project "To expand and enhance the quality of broadband through fiber optics". The MCIT will provide support worth SAR 414 Mn to Dawiyat to extend the Fiber infrastructure to these cities



PDC: **105%** Growth in project portfolio under management to 197 billion. **963** on-going projects under Management.

Strategic projects Managing key clients/projects NEOM, Aramco, and Saudi-Egyptian connection.



60 projects in DER – TPS * (+ 1,327 MVA with average monthly capacity of +652MVA).

Private T&D Networks: Delivered 87.5 km MV cables & 8 Km LV cables

Strategic projects Managing key clients/projects NEOM, Aramco, and Saudi-Egyptian connection

EVIQ

Strategic Investment, EVIQ, targeting **5,000 chargers by 2030**; currently ~55 chargers installed in three cities)



A company wholly subsidiary, to manage non-core Real Estate, **maximize returns** through leasing, selling, development, and partnerships



² As end of 2024

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FINANCIAL HIGHLIGHTS

SAR million	Q2 '25	Q2 '24	Change %	H1 '25	H1 '24	Change %
Revenues	27,722	22,379	23.9%	47,222	38,238	23.5%
Gross Profit	7,351	5,167	42.3%	10,225	7,308	39.9%
Gross Margin	26.52%	23.09%	3.43pp	21.7%	19.1%	2.54pp
Operating Profit	6,758	5,589	20.9%	9,106	7,608	19.7%
Operating Margin	24.38%	24.97%	(0.60)pp	19.28%	19.90%	(0.61)pp
EBITDA ¹	12,170	10,522	15.7%	19,854	17,496	13.5%
EBITDA Margin	43.9%	47.00%	(3.10)pp	42.0%	45.8%	(3.8)pp
Net Profit	5,284	4,345	21.6%	6,252	5,242	19.3%
Net Margin	19.06%	19.42%	(0.36)pp	13.24%	13.71%	(0.47)pp
EPS ² in SAR	0.73	0.52	40.4%	0.45	0.21	114.3%

EBITDA¹= net profit/loss + depreciation + net interest expense + zakat + net amortization

² After deducting Mudaraba instrument profit



Profitability

Revenue: H1 revenue increased by 23.5% year-on-year to SAR 47.22 billion, driven by growth in our regulated asset base, higher energy production, and increased contributions from our new business development portfolio. In Q2 alone, revenue was SAR 27.72 billion, up 23.9% from the same period last year

Gross Profit: Gross profit for the first half was SAR 10.22 billion, up 39.9% year-on-year. In Q2, gross profit rose 42.3% to SAR 7.35 billion, reflecting both higher revenues and improved cost efficiency.

Operating Profit: Operating profit reached SAR 9.11 billion in H1, an increase of 19.7% compared to similar period last year. For Q2, operating profit was SAR 6.76 billion, up 20.9% year-on-year. This is reflecting increase in provision for electricity subscribers' receivables, higher G&A in line with business growth and decrease in other income due to a non-recurring item from a one-off settlement with a supplier in the corresponding period of the previous year.

Net Profit: H1 net profit grew 19.3% to SAR 6.25 billion, while Q2 net profit increased 21.6% to SAR 5.28 billion, reflecting growing revenues, despite higher finance costs reflecting increased financing to fund SEC expanding capital expenditures and to enhance its business growth.

Net profit attributable to common shares : for H1 2025 (after deducting profit attributable to Mudaraba Instrument of SAR 4,388 million) amounted to SAR 1,864 million compared to a net profit of SAR 870 million for the same period last year.

Basic and diluted earnings Per Share (EPS): Earnings per share for the first half rose 114.3% to SAR 0.45, and in Q2 increased 40.4% to SAR 0.73, following strong earnings growth and reflecting our optimized capital structure

Capex.

Capital expenditures surged 89.6% in H1 2025 to SAR 47.4 billion. These investments were primarily directed toward power grid infrastructure expansion, BSSE projects implementation, smart grid enhancements, generation efficiency improvements, and service reliability upgrades. The company also continued its commitment to renewable energy integration.

Financing growth (highlights)

We have successfully closed following funding transactions in H1 2025:

- Dual Tranche Sukuk Issuance : USD 1.5 billion, 5-year tranche / USD 1.25 billion 10-year Green tranche
- USD Syndication & Term loans : USD 1.0 billion

Our total debt (excluding revolving and short-term overdrafts) stands at SAR 166.6 billion, or USD 44.4 billion. Importantly, two third of this debt matures after 2027, providing us with a stable long-term funding base.

Our funding strategy remains focused on diversification, long tenors, and sustainability, ensuring that we can support our significant investment program while maintaining a resilient balance sheet.

Credit Ratings: SEC's credit ratings are aligned with the Kingdom's Sovereign Ratings from all rating agencies, at 'Aa3' with a stable outlook from Moody's, 'A+' with a stable outlook from Fitch, and 'A+' with a stable outlook from Standard & Poor's

05

INCOME STATEMENT

SAR thousands	H1 2025	H1 2024	Change
REVENUE	47,222,371	38,237,825	23.5%
Fuel	(54,274)	(45,323)	19.7%
Purchased power	(16,059,149)	(12,382,659)	29.7%
Operations and maintenance	(10,325,626)	(8,800,681)	17.3%
Depreciation - operations & maintenance	(10,466,268)	(9,649,103)	8.5%
Depreciation – ROU assets	(92,363)	(52,176)	77.02%
GROSS PROFIT	10,224,691	7,307,882	39.9%
Other income & expenses	268,360	836,395	(67.9%)
Bad debt expenses	(619,969)	50,271	(1333.3%)
General and administrative expenses	(538,456)	(411,358)	30.9%
Depreciation - general and administrative	(194,534)	(167,225)	16.3%
Research and Development	(34,425)	(8,152)	322.3%
OPERATING PROFIT/(LOSS)	9,105,665	7,607,813	19.7%
Finance income	58,997	236,065	(75.0%)
Finance cost	(2,781,111)	(2,483,759)	12.0%
FINANCE COSTS/INCOME - NET	(2,722,114)	(2,247,694)	21.1%
Share of Profit/Loss on Equity Investment	29,862	50,571	(40.9%)
PROFIT/(LOSS) FOR THE PERIOD BEFORE ZAKAT	6,413,413	5,410,690	18.5%
Zakat	(161,325)	(168,900)	(4.5%)
PROFIT/(LOSS)	6,252,088	5,241,790	19.3%

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BALANCE SHEET

SAR thousands	June-25	Dec-24
Property, plant and equipment	537,045,356	500,297,029
Intangible Assets, net	174,459	209,414
Right of use assets, net	519,657	577,429
Investment properties	460,374	461,960
Equity-accounted investees	4,685,595	4,786,884
Financial assets at amortized cost	18,133	18,133
Financial asset through other comprehensive income	230,119	230,119
Derivative financial instruments	77,363	202,377
Loans and advances - Non-current	954,663	954,663
NON -CURRENT ASSETS	544,165,719	507,738,008
Inventories, net	5,199,887	3,865,380
Accounts receivables, net	35,094,500	22,597,679
Loans and advances	8,830,998	7,906,473
Contract Assets	663,861	347,934
Prepayments and other receivables, net	5,812,318	2,927,282
Cash and cash equivalents	1,875,875	1,631,656
CURRENT ASSETS	57,477,439	39,276,404
TOTAL ASSETS	601,643,158	547,014,412

SAR thousands	June-24	Dec-24
Share capital	41,665,938	41,665,938
Other reserves	(528,408)	(118,964)
Contractual reserve - Mudaraba instrument	5,372,744	984,901
Retained earnings	39,866,897	40,919,268
TOTAL EQUITY BEFORE MUDARABA INSTRUMENT (1)	86,377,171	83,451,143
Mudarabah instrument (2)	173,607,896	167,920,563
TOTAL EQUITY (1+2)	259,985,067	251,371,706
Long term loans	94,580,354	89,468,867
Long term sukuk	44,900,187	32,713,096
Employees' benefits obligation	10,225,492	9,637,319
Non-current portion of deferred revenue	75,771,347	74,999,729
Advance from subscribers	21,441,881	20,237,065
Deferred government grants	1,042,160	1,111,954
Derivative financial instruments	185,718	0
Non-current portion of lease liabilities	313,966	394,441
NON-CURRENT LIABILITIES	248,461,105	228,562,471
Short term loans and facilities	37,096,956	19,626,002
Short term sukuk	2,437,500	2,437,500
Trade payables	10,273,914	11,291,979
Accruals and other payables	34,444,161	24,533,266
Provision for other liabilities and charges	377,580	406,771
Refundable deposits from customers	1,908,677	1,911,702
Current portion of deferred revenue	2,984,722	2,917,674
Contract Liabilities	3,489,899	3,785,231
Current portion of lease liabilities	183,577	170,110
CURRENT LIABILITIES	93,196,986	67,080,235
TOTAL LIABILITIES	341,658,091	295,642,706
TOTAL EQUITY AND LIABILITIES	601,643,158	547,014,412

ABOUT SAUDI ELECTRICITY COMPANY

Saudi Electricity Company (SEC) is a joint stock company founded in the kingdom of Saudi Arabia according to the Royal Decree #M/16 dated 6/9/1420(H) and in accordance with the Minister of Commerce resolution No. 2047 dated 30/12/1420(H).

SEC is a vertically integrated utility company involved in the generation, transmission and distribution of electricity to ~11.40 million customers in Saudi Arabia. Saudi Arabia is one of the top 20 economies globally whose demand for electricity is driven by favorable demographic makeup and an increasingly diversified and growing economy.

SEC is one of the largest utilities in the MENA region with a market capitalization of SAR 62.5 billion (30 June 2025: US \$16.6 billion) and is one of the largest companies listed on the Saudi Stock Exchange (Tadawul) by market Cap.

Disclaimer

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as "according to estimates", "anticipates", "assumes", "believes", "could", "estimates", "expects", "intends", "is of the opinion", "may", "plans", "potential", "predicts", "projects", expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding our business and management, our future growth or profitability and general economic and regulatory conditions and other matters affecting us.

Forward-looking statements reflect our management's ("Management") current views of future events, are based on Management's assumptions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause our actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements. Our business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to become inaccurate. These risks include fluctuations prices, costs, ability to retain the services of certain key employees, ability to compete successfully, changes in political, social, legal or economic conditions in Saudi Arabia, worldwide economic trends, the impact of war and terrorist activity, inflation, interest rate and exchange rate fluctuations and Management's ability to timely and accurately identify future risks to our business and manage the risks mentioned above.

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