



الشركة السعودية للكهرباء  
Saudi Electricity Company  
نعمل بإتقان من أجلكم



# EARNINGS RELEASE 9M 2024

6 NOVEMBER 2024



## SAUDI ELECTRICITY COMPANY (SEC) REPORTS 18% SURGE IN Q3 NET PROFIT



**17.0%** REVENUE INCREASE AND **17.4%** NET PROFIT RISE IN 9M 2024



**19.0%** REVENUE INCREASE AND **18.0%** NET PROFIT RISE IN Q3 2024



IN 9M2024 TOTAL EQUITY GREW **1.7%**, REACHING **SAR 260.6 BILLION**



S&P REVISE SEC'S CREDIT RATING **OUTLOOK TO POSITIVE** FROM STABLE



9M 2024 CAPEX INCREASED **34.2%** Y-O-Y AS SEC SUCCESSFULLY IMPLEMENTING ITS GROWTH PLANS

**Riyadh, 6 November 2024** – Saudi Electricity Company (“SEC”), the national vertically integrated utility company in the Kingdom of Saudi Arabia, announces its consolidated interim financial results for the period ended 30 September 2024.

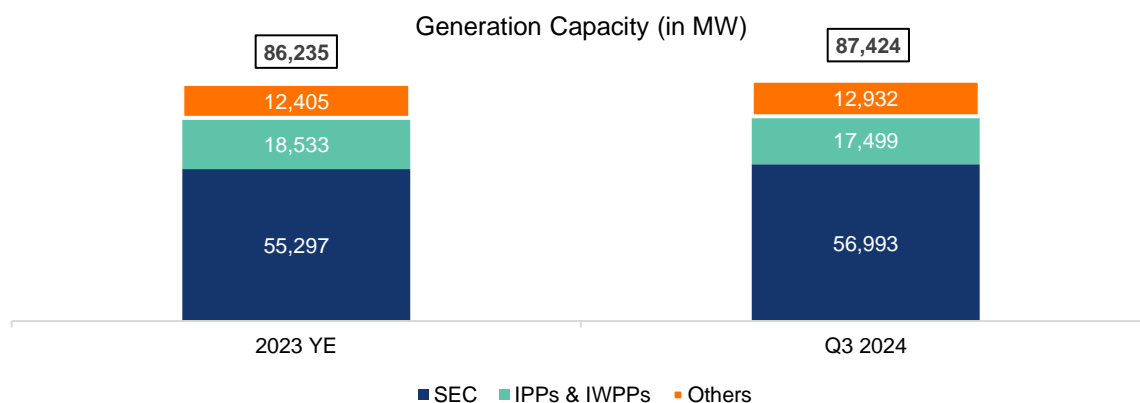
**Eng. Khalid bin Salim AlGhamdi, Acting CEO of SEC, commented on the company's financial results for Q3 2024:** *"The positive financial and operational performance during the third quarter and the nine-month period of 2024 reflects the growth of the company's business and its operating asset base, alongside ongoing improvements in resource management effectiveness and operating expenses efficiency. This progress is further supported by continuous enhancement in key performance indicators related to the security, reliability, and diversity of energy supplies, as well as the reliability and efficiency of the electrical service."*

**AlGhamdi added:** *"Guided by our pioneering role as a vertically integrated electricity -service provider in the Kingdom, and our position as the largest producer, transmitter, and distributor of electrical energy in the Middle East and North Africa, we play a pivotal role in fostering a diverse and sustainable energy mix over the grid. We are successfully implementing substantial investments to support this rapid, and unprecedented pace of development at both regional and global scales. Furthermore, we are meeting rising demand for the electricity service and higher loads requirements driven by economic and demographic expansion in the kingdom while remaining steadfastly committed to increasing local content and localizing industry in alignment with the goals of Saudi Vision 2030."*

## OPERATIONAL HIGHLIGHTS

- **Accelerating growth pace in demand for electricity service.** **Grid Peak Load** in 9M 2024 increased by 5.8% to 74.8 GW. **Electricity consumption** rises 5 % to 256.4 TWh.
- **Subscribers' base grew 2.3% to 11.23 million** as more than **248K new subscribers** were connected to the grid in 9M 2024.
- **Furthermore**, the Company strengthened the grid with additional generation capacities, expansions, and connections to the network with overhead and underground lines.
- **SEC is ramping up its growth plan with an ambitious capex program.** In Q3 2024 SAR 14.6 billion (9M 2024 SAR 39.7 billion, up 34.2%) was deployed in capital investments in the company's generation, transmission, distribution and general projects, marking a 3.4% increase on the previous year. This reaffirms the company's steadfast dedication to accelerating investments in its grid infrastructure, with the goal of meeting the expected increase in demand for electricity. Our strategic emphasis remains on ensuring reliable and sustainable power supply, fostering growth, and driving innovation.

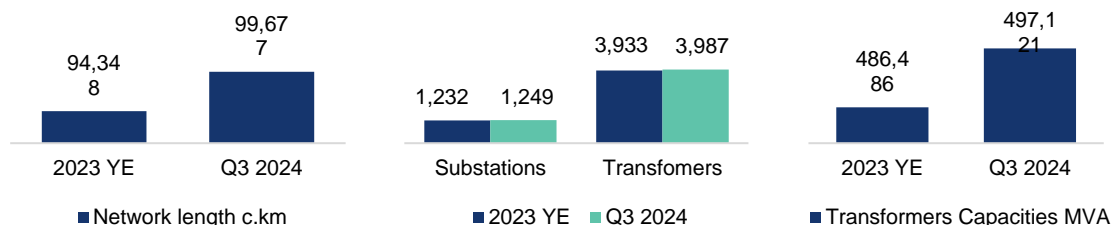
## GENERATION



- In the first nine months of 2024, KSA's **power generation capacity** connected to the grid **increased by 1.4%** compared to 2023-year end.
- The directly **owned capacity by SEC now stands at 56.9 GW**, representing nearly two-thirds of the Kingdom's total available capacity and marking a 3.1% growth during 9M 2024.
- **SEC's electricity production surged to 191 TWh**, reflecting a robust 10.3% y-o-y expansion.



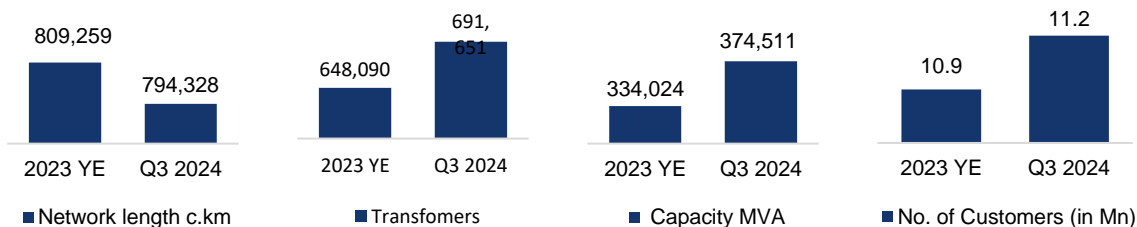
## TRANSMISSION:



- During 9M 2024, the number of **transmission substations increased by 1.4%**. The cumulative **substations capacity** achieved 497,121 MVA, reflecting a **y-o-y growth of 2.2%**. We expanded the **transmission networks by 5.6%**, reaching 99,677 c.km, while the **fiber optic lines increased by 5.8%** to 94,426 km. The number of transmission transformers increased by 1.4%, reaching a total of 3,987 transformer.



## DISTRIBUTION AND CUSTOMER SERVICE:



- During 9M 2024 period, the **network length** reached 794,328c.km. The number of **distribution transformers increased by 6.7%** to reach a total of 691,651 transformers, contributing to a 12.1% rise in distribution transformer capacity, reaching 374,511 MVA. The subscriber base expanded to serve **11.23 million customers**, with addition of **248,172 new subscriber**.
- Electricity consumption** rises 5 % Y-O-Y to 256.4 TWh.

## NON-REGULATED ACTIVITIES:

- Dawiyat:** FTTH service has reached more than **785K households and enterprises since inception**, of which more than **450K households have been activated so far**. Furthermore, Dawiyat signed scope of work agreements with more than **450+ real estate projects** to implement telecommunications infrastructure in new residential areas, with estimated **420K households** to be connected across the Kingdom within 20 years.

- **NEOM selected Dawiyat** to provide connectivity to its facilities and the implementation is in progress.
- **MSA signed with VTEL** Jordan to provide seamless **terrestrial connectivity** between Jordan and KSA. Dawiyat working diligently to connect neighboring countries for cross-border connectivity
- MOU signed with Grid Telecom Greece for strategic collaboration to build a high-capacity international cable system connecting Greece with KSA.
- During 2024, the construction work on the site has started in Riyadh data center. it is envisioned to be a Tier III Certified data center with an eventual capacity of 48 MW
- **IOT** services have been commercially launched under the auspices of our IOT-VNO license. More than **1.2 Mn** smart meters have already been activated as part of IoT services.
- **PDC**: During the first nine months of 2024, our engineering arm, "SEPDC", continued to grow its portfolio of projects under execution, reaching SAR 137 billion by the end of 9M 2024 and encompassing 855 projects for SEC and others.

## FINANCIAL HIGHLIGHTS

SAR million	Q3 2024	Q3 2023	Change %	9M 2024	9M 2023	Change %
Revenues	28,316	23,799	19.0%	66,553	56,896	17.0%
EBITDA <sup>1</sup>	13,381	12,351	8.3%	30,875	29,508	4.6%
Margin	47.3%	51.9%	-4.6pp	46.4%	51.9%	-5.5pp
Net profit	6,898	5,844	18.0%	12,140	10,341	17.4%
Less: profit attributable to Mudaraba	2,210	1,931	14.4%	6,582	5,730	14.9%
Adjusted Net profit <sup>3</sup>	4,688	3,913	19.8%	5,558	4,610	20.6%
Basic & Diluted EPS (SAR)	1.13	0.94	20.2%	1.33	1.11	19.8%
Basic & Diluted EPS (SAR) <sup>4</sup>	1.66	1.40	18.0%	2.91	2.48	17.4%
Capex	14,646	14,166	3.4%	39,706	29,590	34.2%
Capital intensity	51.7%	59.5%	-7.8pp	59.7%	52.0%	7.7pp

<sup>1</sup> EBITDA = net profit/loss + depreciation + net interest expense + zakat + net amortization

<sup>2</sup> pp: percentage points

<sup>3</sup> Reflecting Net profit attributable to common shares after deducting the Mudaraba instrument profit

<sup>4</sup> Without deducting dividends for the Mudaraba instrument

**Revenues increased 19.0% to SAR 28.3 billion** in Q3 2024 (9M 2024: SAR 66.6 billion, +17.0%). During the quarter, the change in the Regulatory WACC and a growing regulated asset base (RAB) brought an increase in revenue recognition. In addition, revenue growth was driven by increased demand for electric power, continued growth in the subscriber base and new revenue from development projects (construction of substations and transmission lines on behalf of SEC's customers)

**Net profit increased 18.0% to SAR 6.9 billion in Q3 2024** (9M 2024: SAR 12.1 billion, +17.4%). This increase is mainly due to: 1) the increase in required revenue recognized during the current quarter, due to an increase in the regulated weighted

average cost of capital (Regulatory WACC) and a growing regulated asset base (RAB); 2) higher electric power generation revenue and continued growth in subscribers' base; 3) new revenue from development projects to construct substations and transmission lines on behalf of SEC's customers; 4) Q3 2023 net profit was impacted by non-recurring expenses.

These positive factors were partially offset by: 1) higher operating costs due to growing business and operating assets and higher loads; 2) an increase in provision for receivables from electricity subscribers.

## FINANCING GROWTH

In the first nine months of 2024, SEC successfully completed several prominent financing deals across various formats and instruments, with a total value of nearly SAR 41 billion since the beginning of 2024, supporting ongoing investment in future growth.

## AWARDS

- **SEC received two corporate social responsibility awards** organized by the Ministry of Human Resources and Social Development during 2024:
  1. Gold Category Award for outstanding contributions
  2. Best Practices Award in the energy sector,
- **SEC was the proud recipient of the following three Capital Markets & ESG Finance Awards by GFC:**
  3. Corporate Treasury and Funding Team of the Year
  4. ESG Bond Deal of the Year
  5. Power Finance Deal of the Year
- **In June 2024, SEC also won Bonds, Loans & Sukuk Middle East Awards 2024 for Power Finance Deal of the Year.**



## INCOME STATEMENT

SAR million	Q3 2024	Q3 2023	Change	9M 2024	9M 2023	Change
<b>REVENUES</b>	<b>28,316</b>	<b>23,799</b>	<b>19.0%</b>	<b>66,553</b>	<b>56,896</b>	<b>17.0%</b>
Fuel	(50)	(48)	3.7%	(95)	(96)	(0.3%)
Purchased power	(10,124)	(7,169)	41.2%	(22,506)	(15,925)	41.3%
Operations and maintenance	(3,548)	(3,753)	5.46%	(10,839)	(10,834)	(0.1%)
Depreciation - O&M and ROU assets	(4,970)	(5,085)	(2.3%)	(14,671)	(14,483)	1.3%
Construction cost	(867)	-	-	(2,377)		
<b>GROSS PROFIT/(LOSS)</b>	<b>8,757</b>	<b>7,744</b>	<b>13.1%</b>	<b>16,065</b>	<b>15,558</b>	<b>3.3%</b>
Other income & expenses	129	(728)	-	965	(259)	-
Bad debt expenses	(272)	325	-	(221)	18	-
General and administrative expenses	(330)	(156)	(111.5)%	(917)	(575)	(59.5)%
<b>OPERATING PROFIT/(LOSS)</b>	<b>8,284</b>	<b>7,185</b>	<b>15.3%</b>	<b>15,892</b>	<b>14,743</b>	<b>7.8%</b>
Finance income	233	160	45.9%	469	196	139.3%
Finance cost	(1,497)	(1,375)	8.9%	(3,981)	(4,397)	(9.5%)
<b>FINANCE COSTS/INCOME - NET</b>	<b>(1,264)</b>	<b>(1,216)</b>	<b>4.0%</b>	<b>(3,512)</b>	<b>(4,201)</b>	<b>(16.4%)</b>
Share of loss on equity accounted investees	47	27	74.1%	98	91	7.7%
<b>PROFIT/(LOSS) FOR THE PERIOD BEFORE ZAKAT</b>	<b>7,068</b>	<b>5,997</b>	<b>17.9%</b>	<b>12,479</b>	<b>10,633</b>	<b>17.4%</b>
Zakat	(170)	(153)	(11.1)%	(339)	(292)	(16.1)%
<b>PROFIT/(LOSS)</b>	<b>6,898</b>	<b>5,844</b>	<b>18.0%</b>	<b>12,140</b>	<b>10,341</b>	<b>17.4%</b>



## BALANCE SHEET

SAR million	Dec-23	Sep-24
Property, plant and equipment	460,952	485,664
Intangible Assets, net	289	227
Right of use assets, net	370	444
Investment properties	462	463
Equity-accounted investees	4,697	4,713
Financial assets at amortised cost	19	19
Financial asset through other comprehensive	251	239
Derivative financial instruments	150	126
<b>NON-CURRENT ASSETS</b>	<b>467,190</b>	<b>491,895</b>
Inventories, net	3,609	4,902
Receivables from sale of electricity, net	23,472	29,993
Loans and advances	3,799	13,124
Contract Assets	249	30
Prepayments and other receivables, net	1,848	3,348
Cash and cash equivalents	622	2,590
<b>CURRENT ASSETS</b>	<b>33,599</b>	<b>53,987</b>
<b>TOTAL ASSETS</b>	<b>500,789</b>	<b>545,882</b>

<b>SAR million</b>	<b>Dec-23</b>	<b>Sep-24</b>
Share capital	41,666	41,666
Statutory reserve	7,106	0
General reserve	702	0
Other reserves	110	(538)
Contractual reserve - Mudaraba instrument	861	3,195
Retained earnings	37,953	48,402
<b>TOTAL EQUITY BEFORE MUDARABA INSTRUMENT (1)</b>	<b>88,397</b>	<b>92,725</b>
Mudaraba instrument (2)	167,921	167,921
<b>TOTAL EQUITY (1+2)</b>	<b>256,318</b>	<b>260,645</b>
Long - term loans	60,638	86,952
Long term sukuk	24,367	32,712
Employees' benefits obligation	9,281	9,455
Non-current portion of deferred revenue	72,257	73,819
Advance from subscribers	18,733	19,604
Deferred government grants	1,257	1,148
Derivative financial instruments	174	323
Non-current portion of lease liabilities	287	264
<b>NON-CURRENT LIABILITIES</b>	<b>186,994</b>	<b>224,277</b>
Short term loans and facilities	11,824	20,327
Short term sukuk	13,125	2,438
Trade payables	4,115	4,600
Accruals and other payables	18,422	22,496
Provision for other liabilities and charges	1,175	952
Refundable deposits from customers	1,910	1,914
Current portion of deferred revenue	2,749	2,862
Contract Liabilities	4,081	5,251
Current portion of lease liabilities	77	121
<b>CURRENT LIABILITIES</b>	<b>57,478</b>	<b>60,959</b>
<b>TOTAL LIABILITIES</b>	<b>244,471</b>	<b>285,237</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>500,789</b>	<b>545,882</b>

## STATEMENT OF CASH FLOWS

SAR '000s	9M 2023	9M 2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before zakat</b>	<b>10,633</b>	<b>12,479</b>
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	14,715	14,844
Depreciation of right-of-use assets	22	85
Depreciation of investment properties	4	2
Amortization of intangible assets	45	62
Finance expense	4,397	3,981
Finance income	(196)	(469)
Employees' benefits obligation	768	529
(Reversal)/provision for slow-moving and obsolete	(50)	(9)
(Reversal)/provision for receivable from consumption of	(18)	221
Share of profit on equity accounted investees	(91)	(98)
Amortization of deferred government grant	(117)	(108)
Gain on disposal of property, plant and equipment	(77)	(36)
<b>Cash flow after adjustment of non-cash item</b>	<b>30,035</b>	<b>31,482</b>
<b>Changes in operating assets and liabilities:</b>		
Inventories, net	(662)	(1,284)
Receivables from sale of electricity, net	(6,439)	(6,593)
Prepayments and other receivables	898	(1,650)
Loans and advances	(6,702)	(9,324)
Contract assets	-	219
Trade payables	(145)	485
Accruals and other payables	1,319	347
Contract liability	-	1,171
Refundable deposits from customers	(90)	4
Provision for other liabilities and charges	(98)	(214)
Advances from subscribers	2,496	871
Deferred revenue	2,697	1,675
<b>Cash generated from operations</b>	<b>23,307</b>	<b>17,188</b>
Employees' benefits obligation paid	(1,338)	(977)
Zakat Paid	(472)	(348)
<b>Net cash generated from operating activities</b>	<b>21,498</b>	<b>15,863</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(29,590)	(36,046)
Proceeds from sale of property, plant and equipment	203	182
Additional investment in equity account	-	(64)
Investment in an associate company	(43)	-
Dividend received from investments	27	33
Proceeds from financial assets at amortized cost	10	-
Finance income receipt	196	469
<b>Net cash used in investing activities</b>	<b>(29,198)</b>	<b>(35,426)</b>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from loans	23,718	53,442
Proceeds from issuance of sukuks	7,501	10,804
Repayments of loans	(11,358)	(18,625)
Repayments of Sukuk	(3,751)	(13,147)
Payment from contractual reserve for Mudaraba instrument	(3,799)	(4,248)
Payment for lease liabilities	(20)	(149)
Dividends paid	(2,906)	(2,920)
Finance costs paid	(3,717)	(3,626)
<b>Net cash generated from financing activities</b>	<b>5,668</b>	<b>21,532</b>
<b>Net change in cash and cash equivalents</b>	<b>(2,032)</b>	<b>1,969</b>
<b>Cash and cash equivalents at the beginning of the</b>	<b>3,163</b>	<b>622</b>
<b>CASH AND CASH EQUIVALENTS (END)</b>	<b>1,131</b>	<b>2,590</b>



## 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 ~11.23 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 69.4 billion (30 September 2024: US \$18.5 billion) and is one of the largest companies listed on the Saudi Stock Exchange (Tadawul) by market Cap.

## CONTACT

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### 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.