



الشركة السعودية للكهرباء
Saudi Electricity Company
نعمل بإتقان من أجلكم



EARNINGS RELEASE Full-year 2024



SAUDI ELECTRICITY COMPANY (SEC) REPORTS AN 18% SURGE IN REVENUE



18% REVENUE INCREASE IN FY 2024



11% INCREASE IN ADJUSTED EBITDA Y-O-Y



9% INCREASE IN NORMALIZED NET PROFIT Y-O-Y



T&D RAB GREW 10% Y-O-Y, REACHING SAR 231 BILLION



CAPEX IN 2024 INCREASED 44% Y-O-Y TO SAR 59.8 BILLION AS SEC SUCCESSFULLY IMPLEMENTED ITS GROWTH PLANS



43% IMPROVEMENT IN SEC ESG SCORE FROM S&P

Riyadh, 6 March 2025 – Saudi Electricity Company (“SEC”), the national vertically integrated utility company in the Kingdom of Saudi Arabia, announces its consolidated interim financial results for the year ended 31 December 2024.

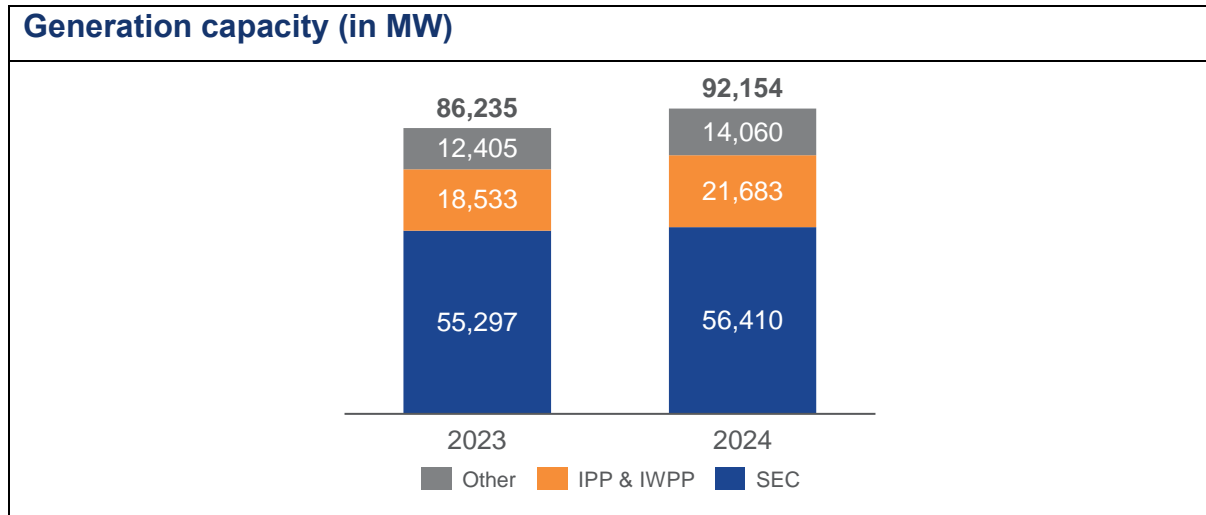
Commenting on the company’s financial and operational performance, Eng. Khalid bin Salem Al-Ghamdi, Acting CEO of SEC, stated: “The year 2024 marks a new phase of accelerated growth, operational excellence, and strategic investment in the future. We have achieved record-breaking revenues and executed the largest capital investments in SEC’s history. As we advance our strategic initiatives, we remain committed to supporting the unprecedented transformation of the power sector in line with Saudi Vision 2030. This transformation presents exceptional growth opportunities, underpinned by a robust regulatory framework and SEC’s strong financial and strategic position.”

He added: “We are dedicated to enhancing energy security, supporting Saudi Arabia’s transition into a regional hub for clean energy, and delivering reliable, high-quality electricity services. Our focus remains on accelerating innovation, advancing digital transformation, and improving operational efficiency, all while ensuring an outstanding customer experience.”

OPERATIONAL HIGHLIGHTS

- **Accelerating growth in demand for electricity. Grid Peak Load** in 2024 increased by 5.8% to 74.8 GW, **electricity consumption** rose 2.8% to 324TWh and more than **341,000 new subscribers** were connected to the grid.
- **On the occasion of the Hajj season of 1445H, SEC successfully covered unprecedented maximum peak loads in Makkah, Madinah, and the holy sites, mobilizing all its resources to enhance the comfort of the pilgrims.**
- Furthermore, the Company strengthened the grid with additional generation capacity and connections to the network with overhead and underground lines.
- **SEC is ramping up its growth plans with an ambitious capex program.** In 2024, the Company deployed SAR 59.8 billion (2023 SAR 41.6 billion) into generation, transmission, distribution and general projects, marking a 43.8% 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.
- SEC Sustainability journey has been culminated with a significant increase of 43% in its ESG score by S&P Global in 2024. S&P Global has raised SEC's ESG score to 50 from 35 last year. this acknowledges our fast progress and transparency on our sustainability practises.

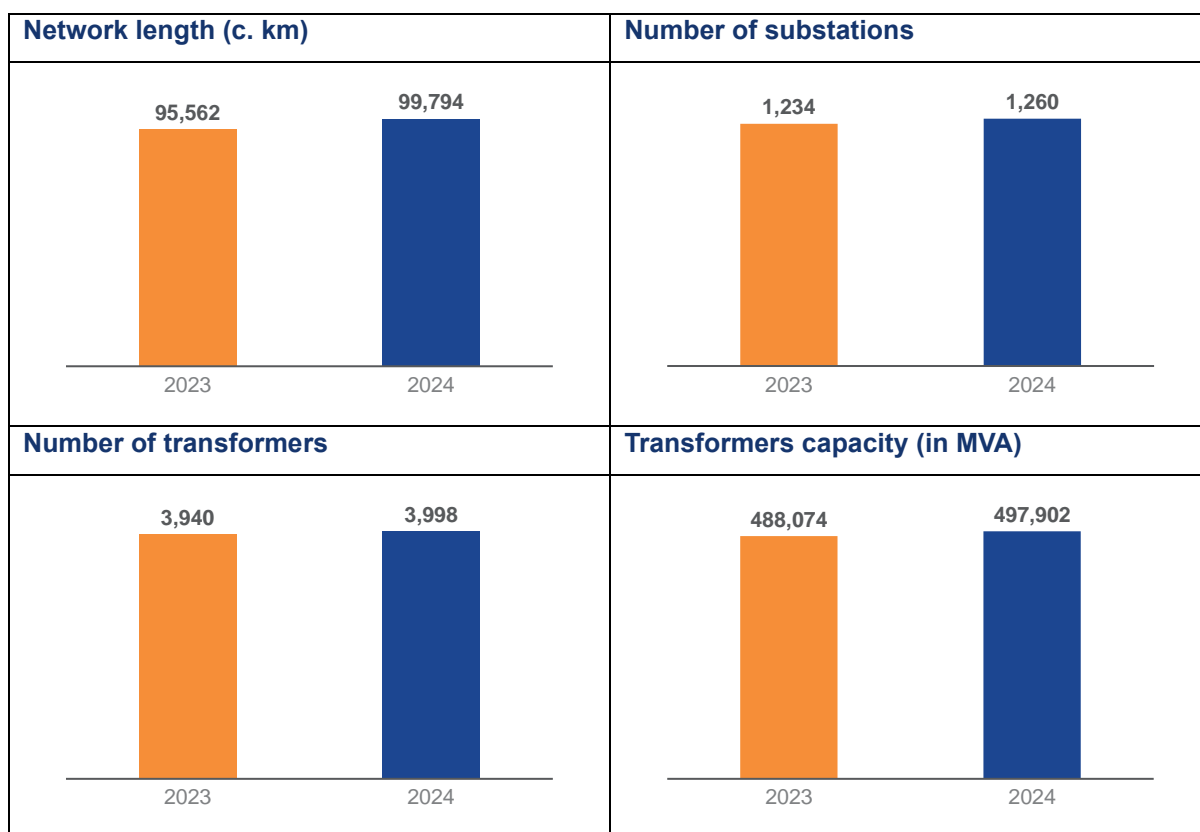
GENERATION: Growing diversified energy mix and progressing liquid to gas conversion



- In 2024, the Kingdom's **power generation capacity** connected to the grid **increased 6.9% to 92,154 MVA** compared to the same period in 2023.
- The directly **SEC owned capacity now stands at 56.4 GW**, representing 61% of the Kingdom's total capacity and marking a 2.0% y-o-y growth. Overall plant availability improved in 2024 by 5.7 points to 87.6%.
- **SEC's electricity production surged to 236.4 TWh**, reflecting a robust 7.5% y-o-y expansion.

- In 2024, a **1,850 MW** generation capacity was added/restored to SEC power plant fleet. The PP10 power plant began its liquid-to-gas conversion and phase 1 expected to complete in 2025. **8 projects** with total capacity of **22.3 GW** are under transition by 2030.
- SEC is currently developing **11 generation projects** with an aggregate **23.4GW** of capacity. These will be across directly owned capacity projects (10.476 GW), Expansion, partnerships (5.324GW), and JV projects of 7.610GW.
- Furthermore, SEC is a **qualified bidder and developer** for a 4.5 GW renewables capacity in round 6 of the SPPC's tender under NERP

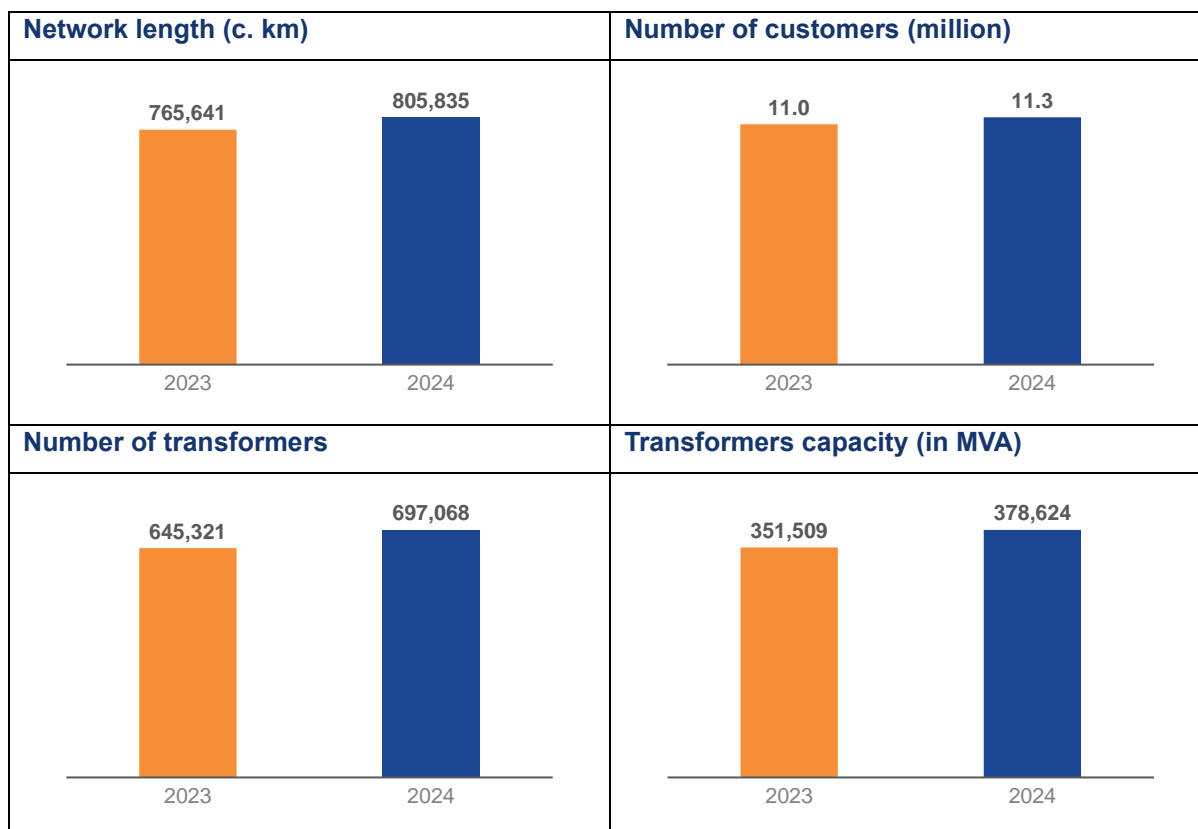
TRANSMISSION: SEC is uniquely positioned to enable KSA ambitions by heavily investing in electricity grid infrastructure and building resilience and flexibility



- The **transmission networks** grew **4.4%** to 99,794 c.km, while the **fiber optic lines** increased **5.2%** to 95,583 km.
- During 2024, SEC **energized 26 new transmission substations** to its network of **1,260** (a 2.1% increase). The cumulative **substations capacity** reached 497,902 MVA, reflecting a y-o-y **growth of 2.0%**.
- The **number of transmission transformers** increased by 1.5%, reaching a total of 3,998 transformers.
- The **regulated asset base** of the transmission segment reached **SAR 140.7 billion**, up by 6.4% y-o-y.

- SEC is reliably **integrating renewables** and meeting the accelerated demand growth. At 2024 end, SEC Installed and energized **10 substations, added c. 148.5 c.km** of transmission lines integrating **6.6 GW of renewables** (solar and wind capacity)
- Furthermore, **24 substations and C. 4,327.5 c.km** of transmission lines are under construction to integrate about **34.4 GW of renewable** capacity to the grid **by 2027**.
- SEC is installing reliability and flexibility solutions to the grid, with **(22Gwh) BESS** (Battery Energy Storage System) across 5 strategic projects are under development. **The first project** in Bisha of **500mw BSSE** capacity has been **energized** recently early 2025.
- Furthermore, SEC is a **qualified bidder & developer** for a **2GW BESS tenders** offered by **SPPC**.
- Looking ahead, by 2030, SEC aims to expand its transmission network to encompass approx. **160,000 km** of transmission lines, install **9 new HVDC Lines** between regions & neighboring countries. These targets are underscoring our commitment to building a **robust and future-ready grid infrastructure**.

DISTRIBUTION AND CUSTOMER SERVICE:



- SEC expanded its **distribution network by 40,195 c. km** to 805,835 c.km.
- The number of **distribution substations increased by 8.0%** (+51,747) to reach a total of 697,068 transformers, contributing to a 7.7% rise in distribution transformer capacity, reaching 378,624 MVA at year-end.

- The customer base expanded to serve **11.3 million customers**, with the addition of more than **341,000 new customers**.
- SEC also advanced its digital infrastructure by automating all distribution substations. Distribution automation increased by 11.9 percentage points to 36.4% by end of 2024.
- The **regulated asset base** of the distribution segment reached **SAR 90.3 billion**, up 18.3% y-o-y.
- Looking ahead, by 2030, SEC aims to expand its distribution network to encompass more than 1,110,000 km of distribution lines achieving and maintaining 40% distribution grid automation from 2025 onward. These targets are underscoring our commitment to building a robust and future-ready infrastructure.

NON-REGULATED ACTIVITIES:

- Our new growth businesses include utilizing fiber optic lines (**94.4K km**), **870K FTTH/B connections**, and PDC, project management and development company and solution valley company, all positioning SEC as a leader in sustainable infrastructure and innovative solutions and generating additional revenues and returns from non-regulated business.
- Over **2 million SIM cards** were activated by Dawiyat in 2024 to enable Internet of Things (**IoT**) technology, supporting **SEC's smart meters**.
- Approximately **100,000 homes** were connected in 2024, bringing the total number of fiber-connected homes to nearly **870,000**
- Dawiyat signed an agreement with **VTEL Jordan** to establish **landline connectivity between Jordan and Saudi Arabia**, strengthening crossborder telecommunications infrastructure. The company is also working on connecting neighboring countries to enhance regional communications further.
- Furthermore, Dawiyat signed a memorandum of understanding with **Greek Grid Telecom** for a **high-capacity international cable system connecting Greece and Saudi Arabia**.
- Dawiyat actively worked with SEC Distribution during **the 1445 Hajj season** to **provide connectivity** to mission critical infrastructure in Masha'er Makkah Mukkaramah (**Hajj holy sites**).
- Riyadh data center. In the first half of the year, **construction work started** on a Tier III Certified data center with an **eventual capacity of 48 MW**.
- PDC: In 2024, our engineering arm, "SEPDC", continued to grow its portfolio of projects under execution, **reaching SAR 172 billion** by the end of 2024 and encompassing **826 projects for SEC and others**.
- Solutions Valley (SV): SVC product portfolio includes (design, engineering, installation, and O&M) services for : PV & battery assets, temporary Power Supply, and EV charging; Expand behind-the-meter T&D service Energy Efficiency & Environmental Solutions (Heating & cooling solutions, smart homes, public lighting etc.)

FINANCIAL HIGHLIGHTS

SAR million	2024	2023	Change %
Revenues	88,666	75,330	+17.7%
Adjusted EBITDA ¹	37,739	33,923	+11.2%
Margin	42.6%	45%	-2.4pp ²
Net profit	6,867	10,249	-33.0%
Less: profit attributable to Mudaraba	8,668	7,661	+13.1%
Adjusted Net profit ³	-1,801	2,588	-169.6%
Basic & Diluted EPS (SAR)	1.65	2.46	-33.0%
Normalized Net profit ⁴	12,081	11,094	+8.9%
Capex	56,765	41,565	+43.8%
Capital intensity	67.4%	55.2%	12.2pp ²

¹ Adjusted EBITDA = net profit/loss + depreciation + net interest expense + zakat + net amortization (excluding non-recurring one-off expense)

² pp: percentage points

³ Reflecting Net profit attributable to common shares after deducting the Mudaraba instrument profit and including loss from discontinued operations

⁴ Normalized to exclude non-recurring items

Revenues increased 17.7% to SAR 88.7 billion in FY 2024 (FY2023: SAR 75.3 billion). 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 (i.e. the construction of substations and transmission lines for SEC's customers)

Net profit decreased 33.0% to SAR 6.9 billion in FY 2024 (2023: SAR 10.2 billion). This decrease was mainly due to higher operating costs, the final settlement of dues to Aramco (SAR 5.7 billion) and higher finance costs.

Excluding non-recurring items in comparative periods, **Normalized net profit increased 8.9% to SAR 12.1 billion** in FY 2024 (2023: SAR 11.1 billion).

This increase is mainly attributable to 1) higher required revenue recognized during 2024, due to an increase in Regulatory WACC and a growing RAB, 2) higher electric power generation revenue and continued growth in SEC customer base, 3) growing revenue from development projects to construct substations and transmission lines on behalf of SEC's customers. 4) optimized operations and maintenance costs reflecting continued operational efficiencies improvements 5) higher net income and other expenses, higher reversals of provision for receivables of electricity subscribers driven by improved collections, lower zakat provisions and higher profits from equity accounted investees attributable to SEC's share in IPP projects.

The aforementioned items have been partially offset by higher net financing charges in the income statement reflecting increased financing raised in 2024 to fund SEC expanding capital expenditures and enhance its business growth.

Cash flows from operating activities for 2024 increased to SAR 38.3 billion due to positive working capital movements.

Capital expenditures surged 44% in 2024 to an all-time high of SAR 60 billion. These investments were primarily directed toward power infrastructure expansion, smart grid enhancements, generation efficiency improvements, and service reliability upgrades.

Credit ratings: in 2024, The credit ratings agencies upgraded SEC's ratings. **Moody's** raising SEC rating from **'A1' with a stable** outlook to **'Aa3' with a stable** outlook. Fitch Ratings upgraded SEC's rating from **'A' with a stable** outlook to **'A+' with a stable** outlook. As a result, the company's credit ratings are **now aligned with the Kingdom's Sovereign Ratings:** 'Aa3' with a stable outlook from Moody's, 'A+' with a stable outlook from Fitch, and 'A' with a positive outlook from Standard & Poor's

Financing growth

In 2024, SEC successfully completed several prominent financing deals, with a total value of **SAR 57.2 billion** to support ongoing investment in future growth.

- Sukuk Issuances (incl. Taps) : **SAR 10.9 billion / USD 2.9 billion**
- USD Syndication & Term loans : **SAR 46.3 billion / USD 12.4 billion**

During 2024, USD 3.5 billion worth of Sukuks redeemed :

- Jan 2024 – SAR 4.5 billion Local Sukuk (successfully repaid on maturity, satisfying all obligation)
- Jan 2024 – US\$ 800 million International Sukuk (successfully repaid on maturity, satisfying all obligation)
- April 2024 – US\$ 1.5 billion International Sukuk (successfully repaid on maturity, satisfying all obligation)



INCOME STATEMENT

SAR million	2024	2023	Change
REVENUES	88,666	75,330	17.7%
Fuel	-125	-122	2.2%
Purchased power	(30,105)	(21,630)	39.2%
Operations and maintenance	(20,634)	(19,008)	8.6%
Depreciation - operations & maintenance	(20,169)	(19,005)	6.1%
Depreciation – ROU assets	(146)	(42)	246.6%
GROSS PROFIT/(LOSS)	17,486	15,521	12.7%
Other income & expenses	1,330	891	49.4%
Bad debt expenses	(235)	(150)	56.9%
General and administrative expenses	(1,224)	(1,206)	1.4%
Depreciation - general and administrative	(371)	(346)	7.3%
Non recurring expenses	(5,687.3)	(844.3)	573.6%
OPERATING PROFIT/(LOSS)	11,770	14,166	(16.9)%
Finance income	261	310	(15.9)%
Finance cost	(5,111)	(3,961)	29.0%
FINANCE COSTS/INCOME - NET	(4,850)	(3,651)	(32.8)%
Share of loss on equity accounted investees	(134)	(84)	60.2%
PROFIT/(LOSS) FOR THE PERIOD BEFORE ZAKAT	7,054	10,598	(33.4)%
Zakat	(187)	(349)	(46.3)%
PROFIT/(LOSS)	6,867	10,249	(33.0)%



BALANCE SHEET

SAR million	Dec-23	Dec-24
Property, plant and equipment	460,952	500,297
Intangible Assets, net	289	209
Right of use assets, net	370	577
Investment properties	462	462
Equity-accounted investees	4,697	4,787
Financial assets at amortised cost	19	18
Financial asset through other comprehensive	251	230
Derivative financial instruments	150	202
Loans and advances - Non-current	0	955
NON-CURRENT ASSETS	467,190	507,738
Inventories, net	3,609	3,865
Receivables from sale of electricity, net	23,472	22,598
Loans and advances	3,799	7,906
Contract Assets	249	348
Prepayments and other receivables, net	1,848	2,927
Cash and cash equivalents	622	1,632
CURRENT ASSETS	33,599	39,276
TOTAL ASSETS	500,789	547,014

SAR million	Dec-23	Dec-24
Share capital	41,666	41,666
Statutory reserve	7,106	0
General reserve	702	0
Other reserves	(46)	(466)
Contractual reserve - Mudaraba instrument	861	985
Fair Value Reserve	156	347
Retained earnings	37,953	40,919
TOTAL EQUITY BEFORE MUDARABA INSTRUMENT (1)	88,397	83,451
Mudaraba instrument (2)	167,921	167,921
TOTAL EQUITY (1+2)	256,318	251,372
Long - term loans	60,638	89,469
Long term sukuk	24,367	32,713
Employees' benefits obligation	9,281	9,637
Non-current portion of deferred revenue	72,257	75,000
Advance from subscribers	18,733	20,237
Deferred government grants	1,257	1,112
Derivative financial instruments	174	0
Non-current portion of lease liabilities	287	394
NON-CURRENT LIABILITIES	186,994	228,562
Short term loans and facilities	11,824	19,626
Short term sukuk	13,125	2,438
Trade payables	4,115	11,292
Accruals and other payables	18,422	24,533
Provision for other liabilities and charges	1,175	407
Refundable deposits from customers	1,910	1,912
Current portion of deferred revenue	2,749	2,918
Contract Liabilities	4,081	3,785
Current portion of lease liabilities	77	170
CURRENT LIABILITIES	57,478	67,080
TOTAL LIABILITIES	244,471	295,643
TOTAL EQUITY AND LIABILITIES	500,789	547,014



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 ~11.3 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 70.4 billion (31 December 2024: US \$18.8 billion) and is one of the largest companies listed on the Saudi Stock Exchange (Tadawul) by market Cap.

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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.