

Saudi Electricity Company

2024 Financial Results

06 March 2025



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Today's Speakers



**Eng. Khalid bin Salem
Al-Ghamdi**

President & CEO (A)



Mr. Abdulaziz Al-Muhaiza

**Executive Vice President
& CFO**



Mr. Oqab Al-Nefaie

**Executive Director, Control
& Reporting**

Leading the Power Sector Forward

2024: A Year of growth, efficiency, and sustainability

1



The largest integrated electricity provider in the MENA region¹

2



A vital enabler of Saudi Arabia's energy transition and economic growth

3



Navigating a major transformation in the Kingdom's power sector



4

Advancing operational excellence and service quality & reliability



5

Strengthening our commitment to sustainability



6

Strong financial performance and solid financial position

¹95,563 c.KM of transmission, 56.4 GW of electricity production capacity

2024, Accelerating growth with efficiency boost

Energy Demand



Energy sold
324 Twh

+2.8%

Demographics and vibrant economic activity drive demand growth

T&D RAB



RAB
SAR 231 bn

+10.4%

Scale and Speed of Grid Modernization and expansion drive accelerated RAB growth earning with higher returns after WACC increased to 6.65%

CAPEX Investment



CAPEX Investment
SAR 59.8 bn

+44%

Record investments enhancing future growth outlook

Underlying financial performance

Revenue



SAR 88.7 bn

+18%

Adjusted EBITDA



SAR 37.7 bn

+11%

Adjusted Net Profit*



SAR 12.1

+9%

Reported Net Profit



SAR 6.9 bn

-33%

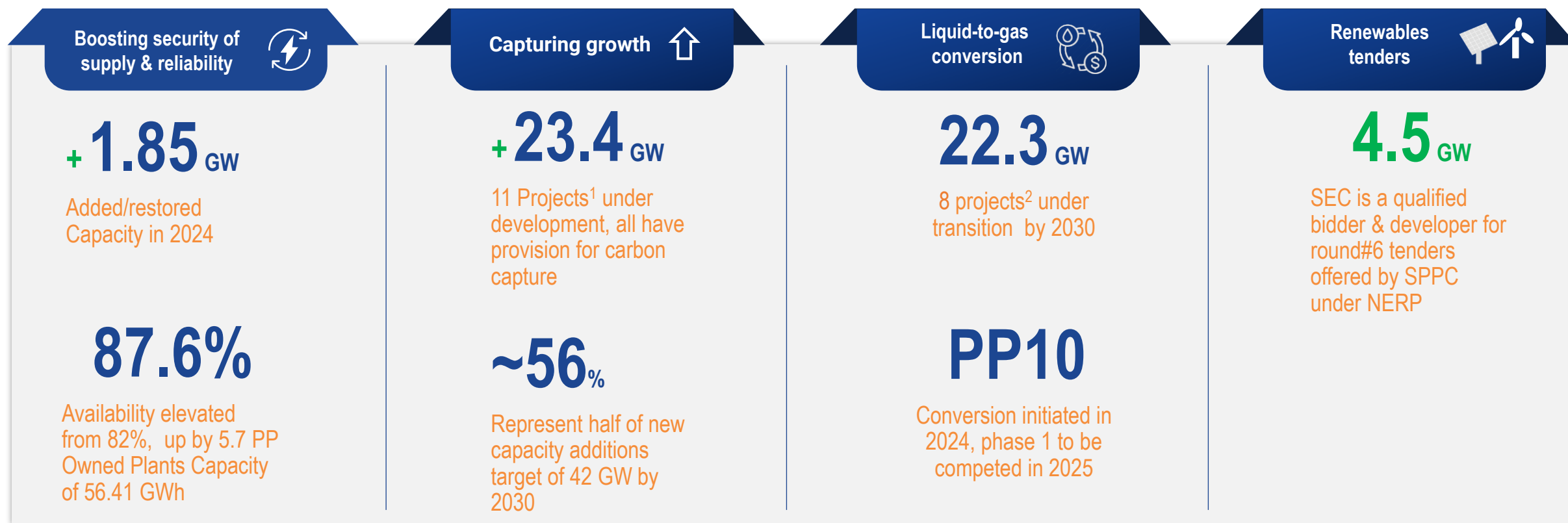
Dividend Maintained



SAR 2.9 bn

**0.70 SAR
per share**

Securing future growth: growing diversified energy mix and progressing liquid to gas conversion



(1) Includes, directly owned capacity projects of 10.476GW (Rabigh1, PP12, Qurayyah, Ghazlan1&2), Expansion, partnerships 5.324GW (Hajr, Almurjan) and JV projects of 7.610GW (Qurayyah, Ramah-1, Nairia-1, Tiabah1, Qaseem1)
(2) Projects include (PP10 phase1 &2, Rabigh Steam II (half), Shoaiba CC,_Jeddah South, Shoaiba ST,Shoqaiq Steam, Rabigh Expansion)
(3) Source: Ministry of Energy targets.

Securing future growth: uniquely positioned to enable KSA ambitions by heavily investing in electricity grid infrastructure and building resilience and flexibility

Transmission



▲ 4.4%

Network length
+ 4,231 C.km added



+26

Substations



22 GWh

5.5GW BESS^{1,2} under development

Distribution



▲ 5.2%

Network length
+ 40,195 C.km added



+51,747

Substations



+341K

New Customer added
in 2024



Heavily invested in electricity grid infrastructure to support KSA ambitions to reliably integrate renewables and meet the accelerated demand growth

Transmission 2030 Targets



~160,000km
Lines
(up from 99,794km)³



1,650
Substations
(up from 1,260)³



+9 new HVDC Lines
between regions & neighbouring
countries



48GWh
Batteries
To be connected to the grid by
2030

Distribution 2030 Targets



~1.1m km
Lines
(up from 805,835 c.km)³



940k
Transformer
Stations
(up from 697,068)³



+7 new
Distribution
control centres

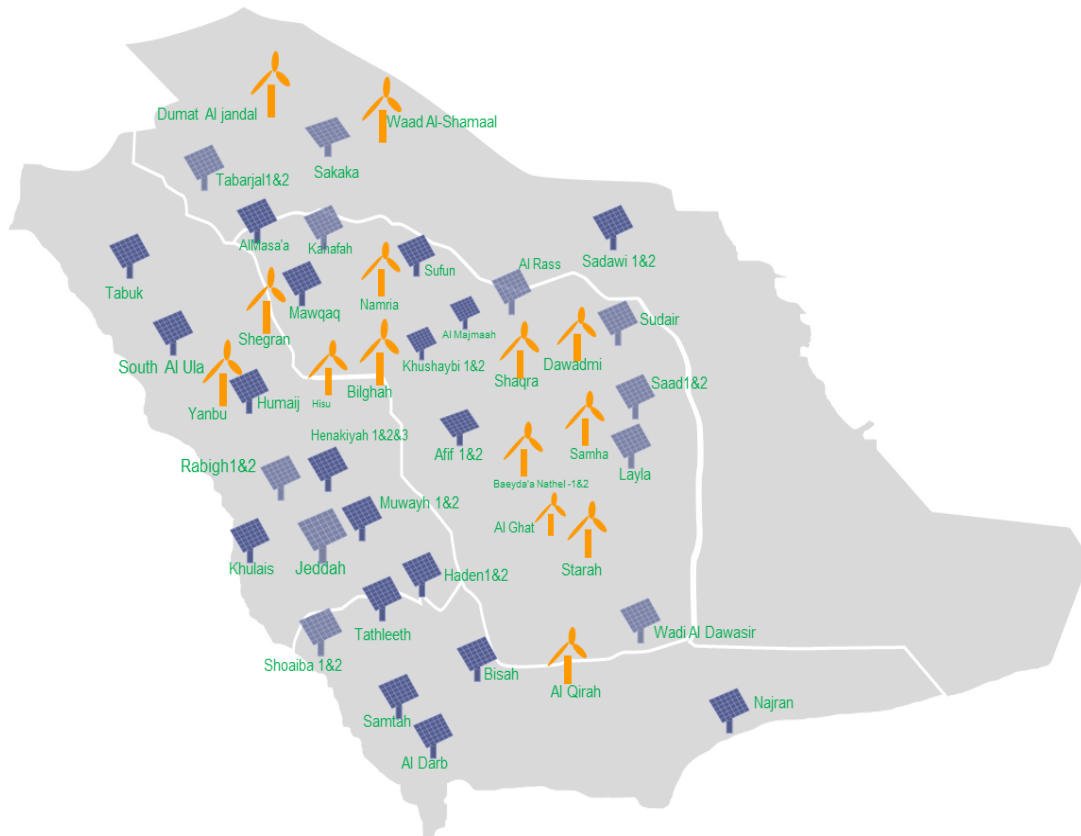


40%
Distribution Automation to be
maintained from 2025 onward

- (1) First project in Bisha of 500mw BSSE capacity has been energized recently early 2025.
- (2) SEC SEC is a qualified bidder & developer for 2GW BESS tenders offered by SPPC
- (3) As of 2024 end

Transmission: Powering the Kingdom with renewable energy

Renewable Interconnection Projects* pipeline by 2027 (~41 GW)



Illustrative map, non-exhaustive

Installed and energized until end of 2024



(10) substations have been energized
(3-HV + 7-EHV)



148.5 c.km of transmission lines have been added

Connected



Interconnected & energized as end of 2024

Currently under construction till 2027

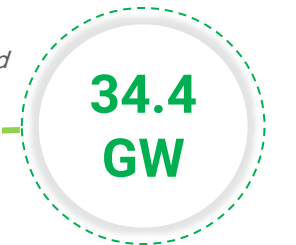


(24) substations are under construction
(1-HV + 23-EHV)



4,327.5 c.km of transmission lines have been added

























To be connected



Interconnections for which are under construction

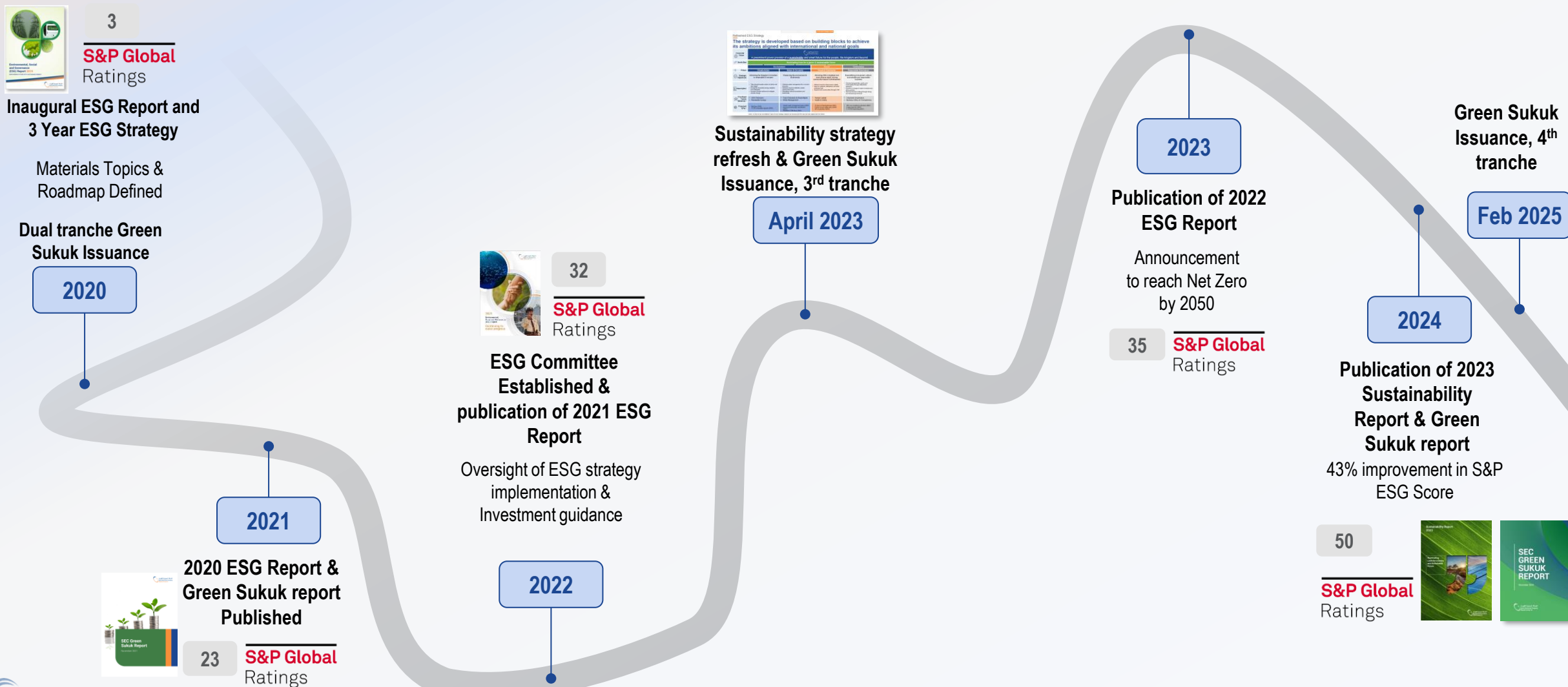
* SEC interconnects upcoming renewable capacity projects to the national grid

ESG Initiatives are in action and contributing to ESG strategic objectives

| | Strategic Objectives | Ambitions | Key Initiatives in action to achieve ambitions ¹ | | | | |
|--|--|---|--|---|--|--|---|
|  Climate Action | Unlocking the Kingdom's transition to renewables & Net Zero | <ul style="list-style-type: none"> Net Zero Emission by 2050 |  50% Renewables 50% Gas by 2030 |  Renewables integration |  BESS |  Smart grids & digitalisation | |
|  Nature & Circularity | Preserving the environment and biodiversity | <ul style="list-style-type: none"> Plant 5 million trees by 2030 (in progress) |  Retire inefficient capacity |  CCUS |  Carbon Credits |  Sustainable finance | |
|  People & Community | Attracting KSA's brightest & most diverse talent, driving community impact and development | <ul style="list-style-type: none"> 41 hours of training per employee by 2025 61 SAIDI³ min/customer by 2025 Achieve 0.70 SAIFI⁴ by 2025 82% customer satisfaction score by 2025 |  Toxic emission reduction technologies |  Air & Water quality impact reporting |  50,000 trees planted in 2024 | | |
|  Responsible Governance | Exemplifying transparent, ethical, accountable and responsible business | <ul style="list-style-type: none"> 50% reduction of total incidents of non-compliance with laws and regulations by '26 Zero data breaches by 2025 72% localization by 2025 and 75% localization by 2030 60% local content by 2025 |  31 Women in senior and middle management (2023: 17) |  Contractor safety programs |  Customer experience initiative |  Reliability of electricity supply |  Competency based training |
| | | |  63.38% Local content achieved by 2024 end |  Data Privacy & Cybersecurity |  Build & Employ National Abilities |  Localized Manufacturing | |

¹ The initiatives and ambitions included here are non-exhaustive

SEC Sustainability journey started in 2020, and culminated with a significant increase in its ESG score by 2024

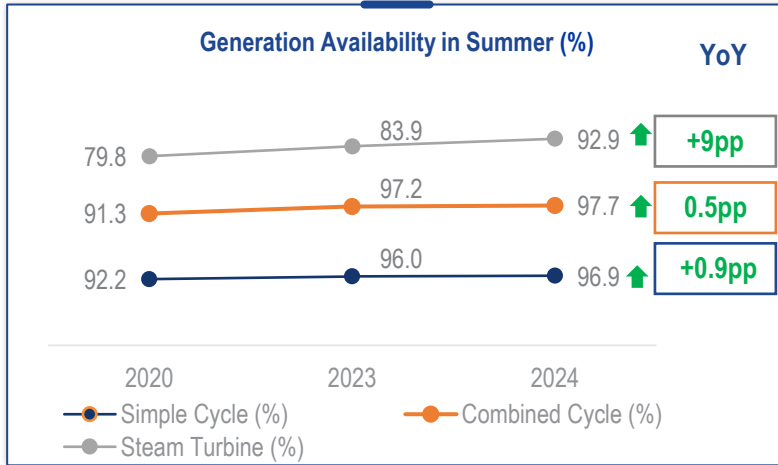




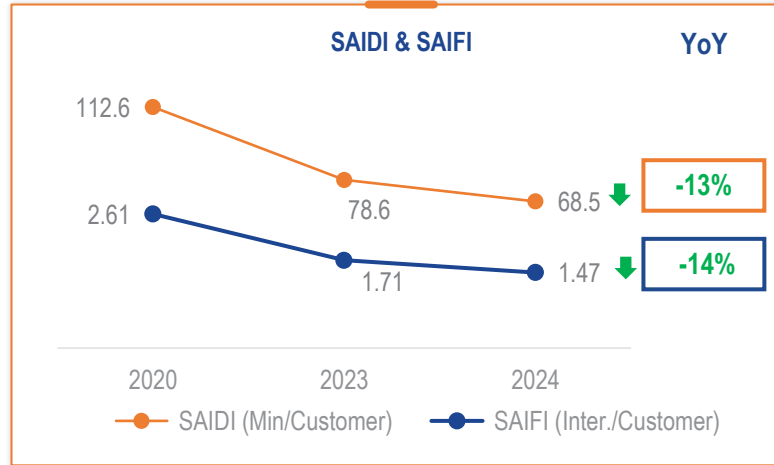
**Operational and Financial |
Performance**

Continued improvement in operational excellence, service quality and reliability, and sustainability

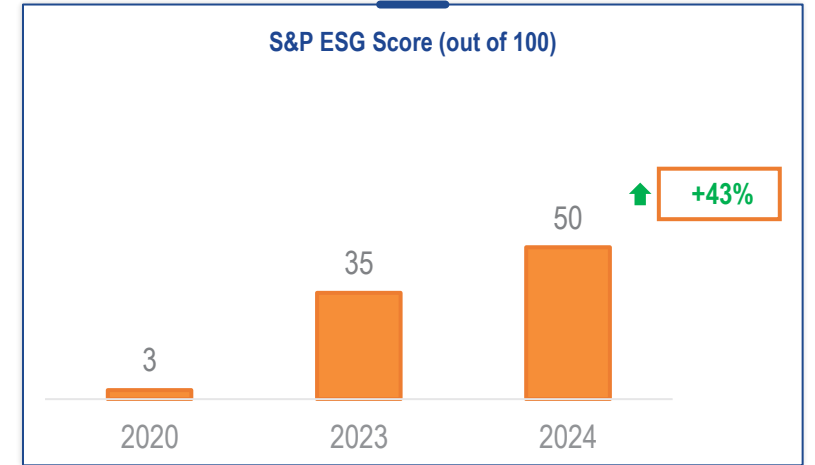
Security of Supply



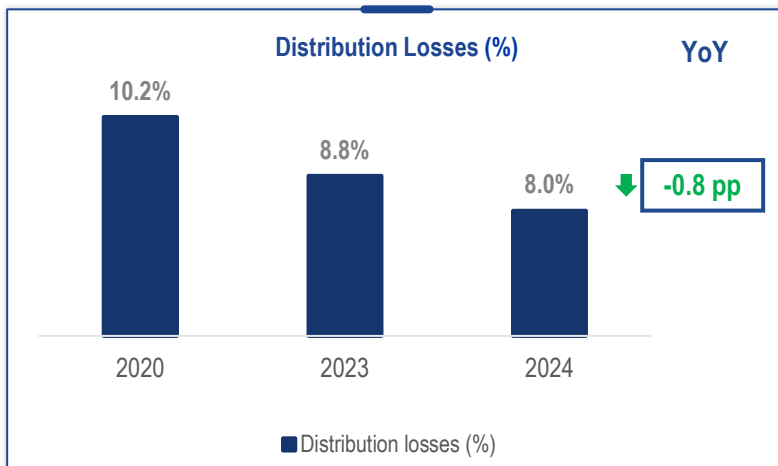
Operational Excellence & Service Reliability



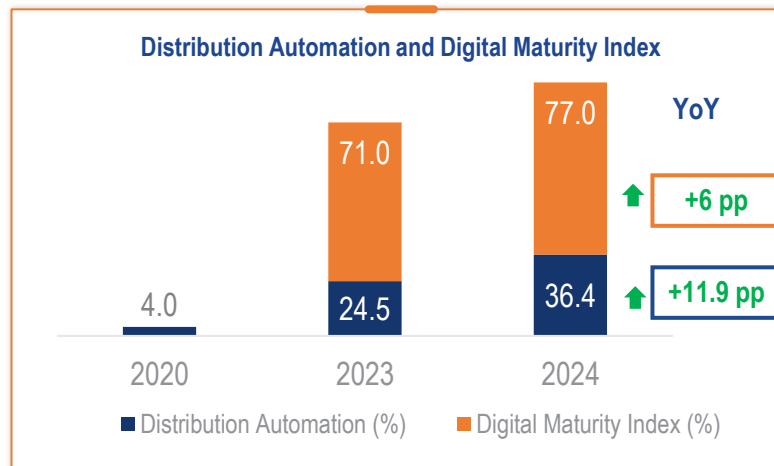
ESG Score & Customer Experience



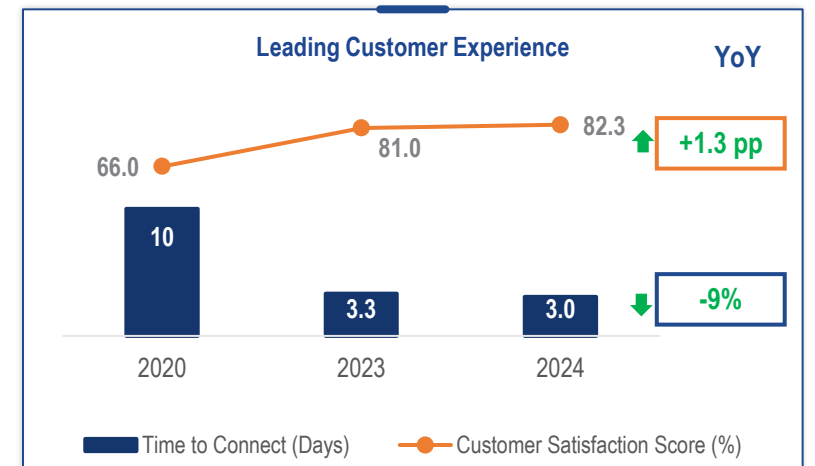
Distribution Losses (%) YoY



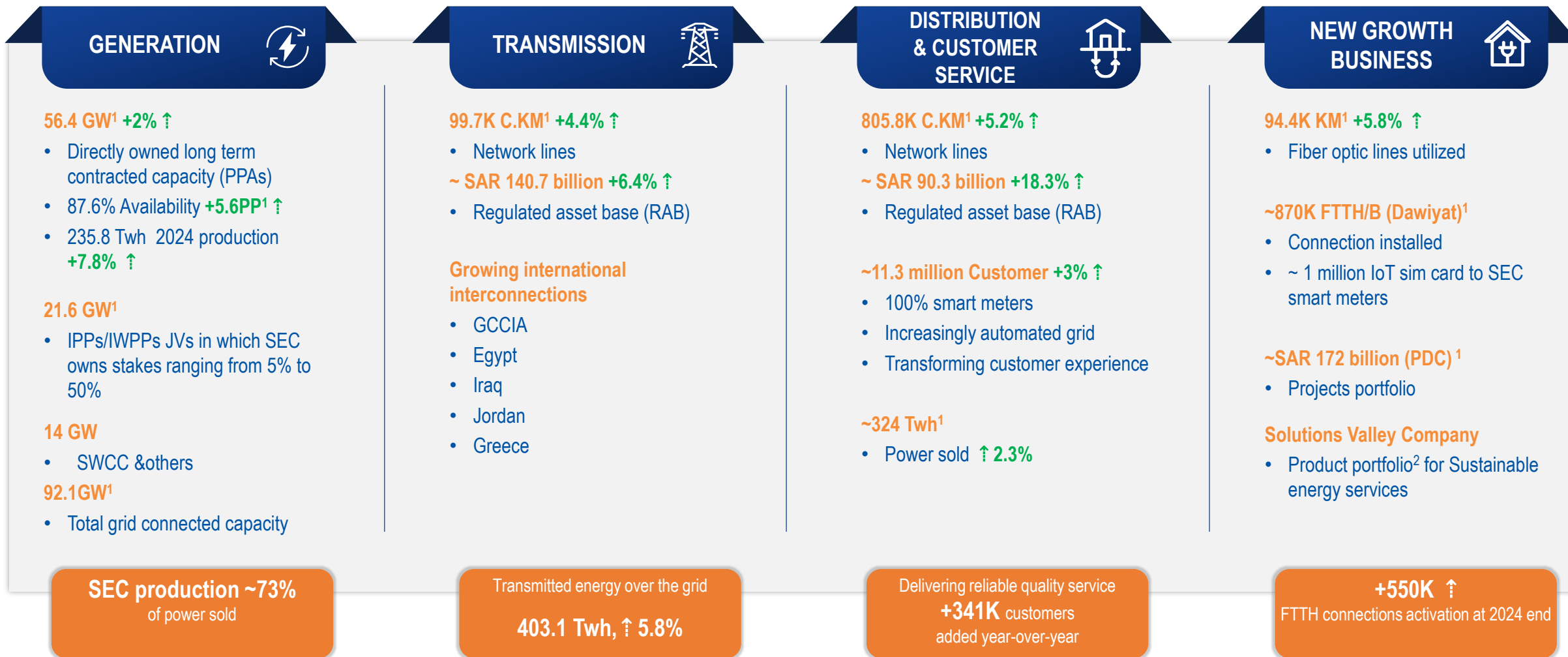
Distribution Automation and Digital Maturity Index YoY



Leading Customer Experience YoY



Growing diversified and integrated portfolio

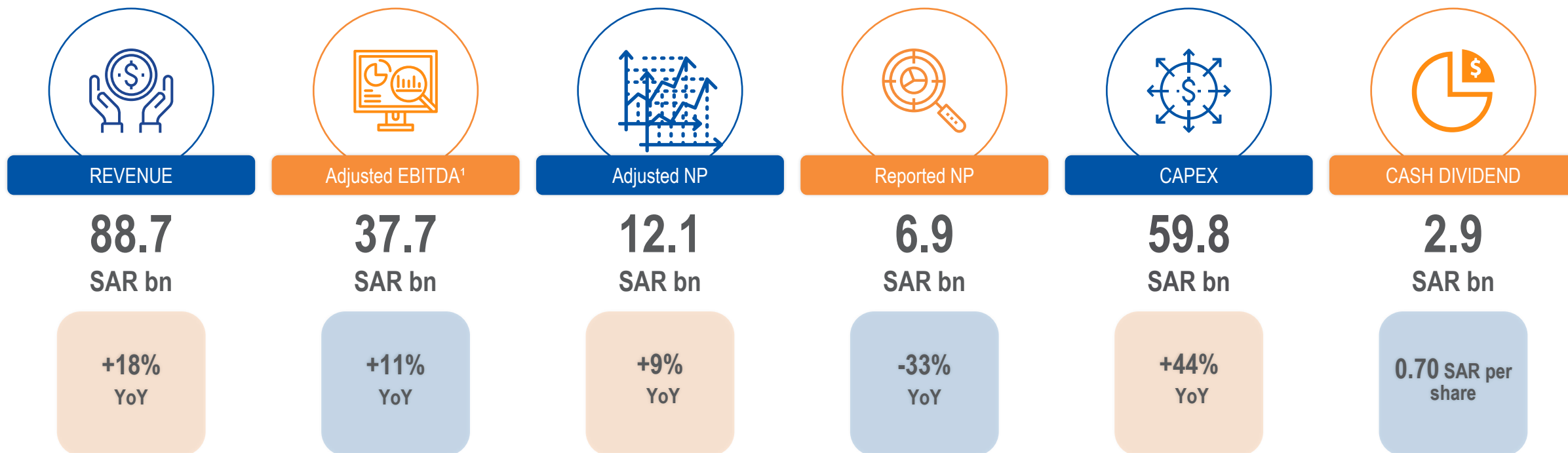


(1) PP: percentage points

(2) SVC product portfolio include (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.).

Strong underlying financial performance, albeit a one-off impacting reported net profit

Driven by growing demand, accelerated growth in RAB, increased regulatory returns, growing construction revenues, higher other income, lower provisions and higher profits from equity accounted investees.

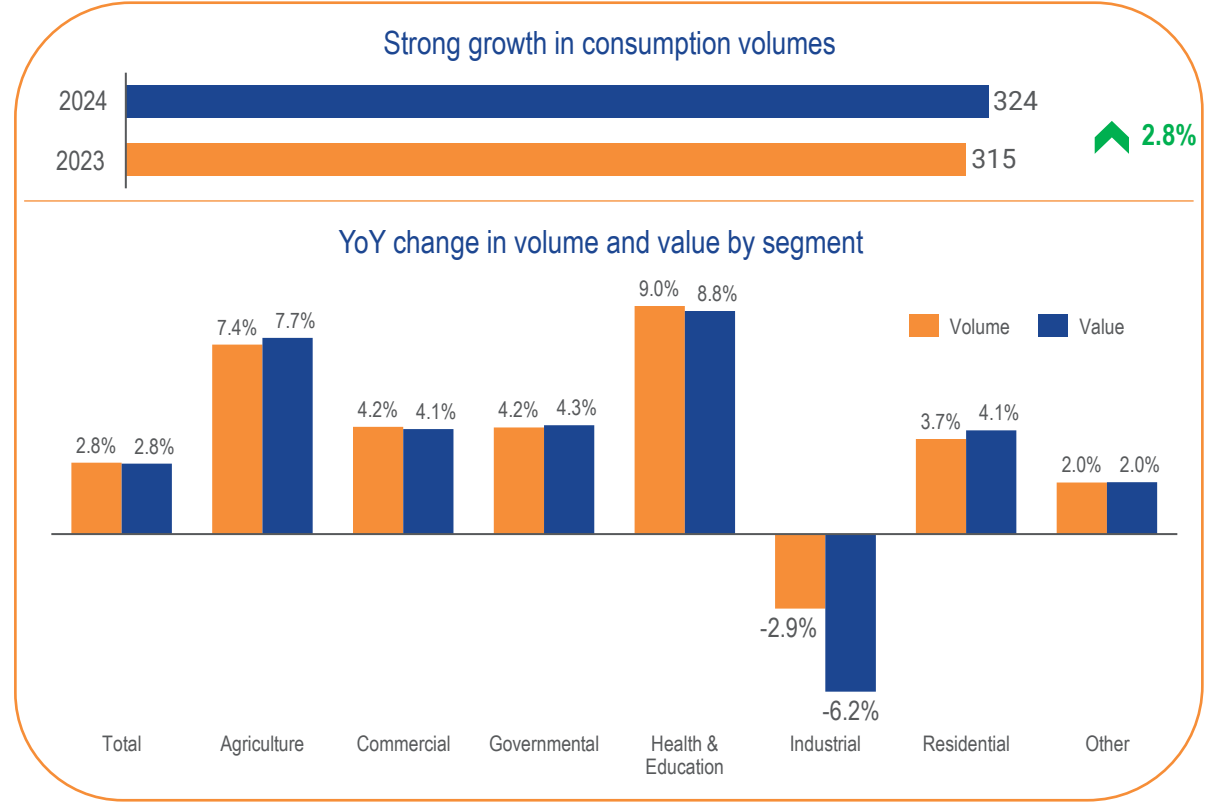
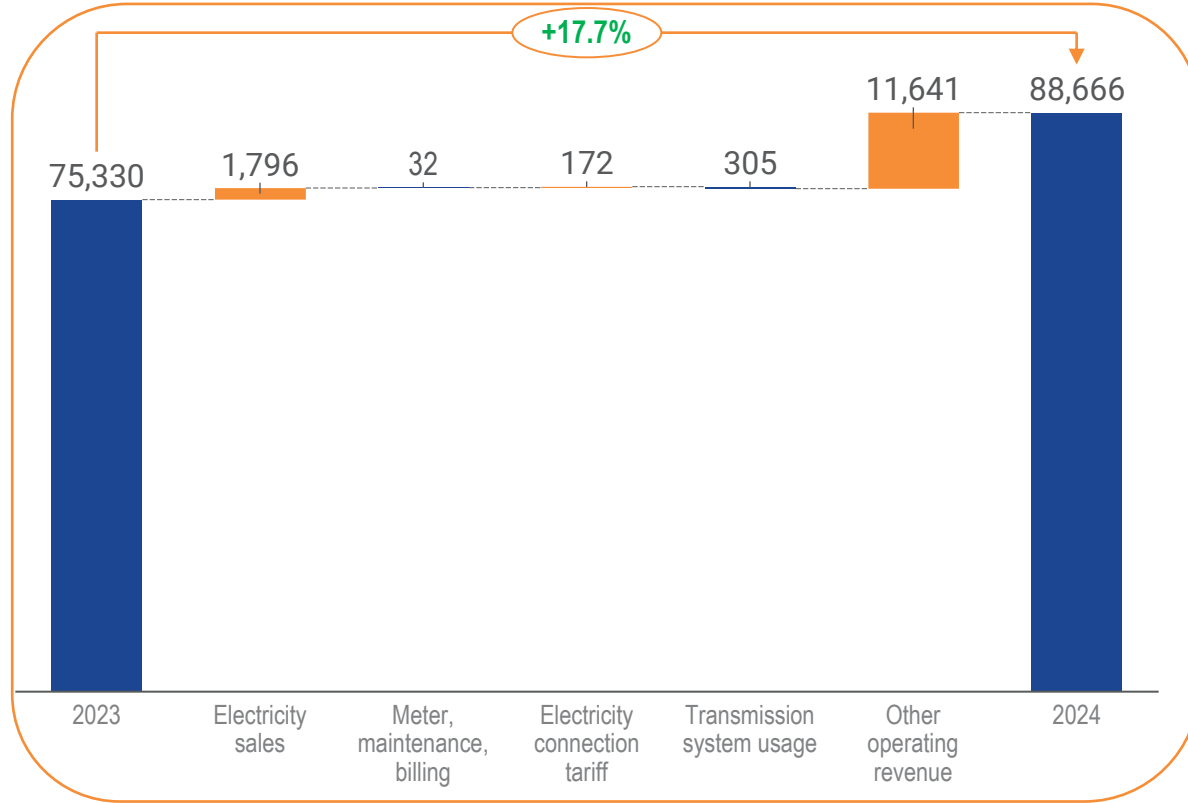


¹ EBITDA = net profit/loss + depreciation + net interest expense + zakat + net amortization

² After deducting dividends for Mudaraba instrument

Revenue performance

SAR million



Commentary

1 Electricity sales up 2.8% YoY, driven by 2.8% increase in quantity sold

2 Electricity connection tariff increase aligned with amortized connection revenues and growing customer base.

3 TUOS revenue declined 17.5% YoY due to lower wheeled energy volumes.

4 Increased regulatory returns, an expanding RAB, and a higher contribution from NBD

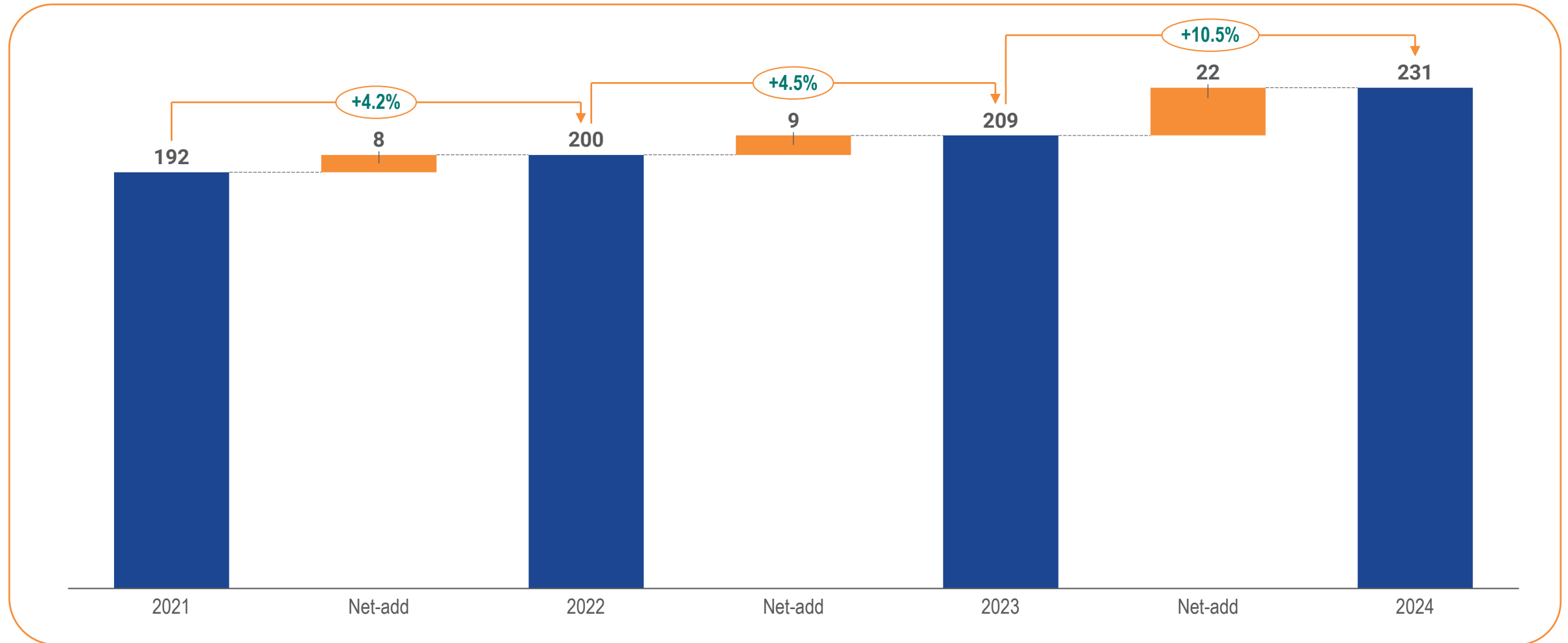
Volume by segment

| Segment | 2023 | 2024 |
|--------------------|---------|---------|
| Agriculture | 6,776 | 7,280 |
| Commercial | 55,039 | 57,356 |
| Governmental | 35,604 | 37,096 |
| Health & Education | 2,724 | 2,968 |
| Industrial | 54,022 | 52,444 |
| Residential | 152,298 | 157,988 |
| Other | 8,319 | 8,488 |

15

Strategic investments drive T&D RAB growth, ensuring secure and reliable energy for the future

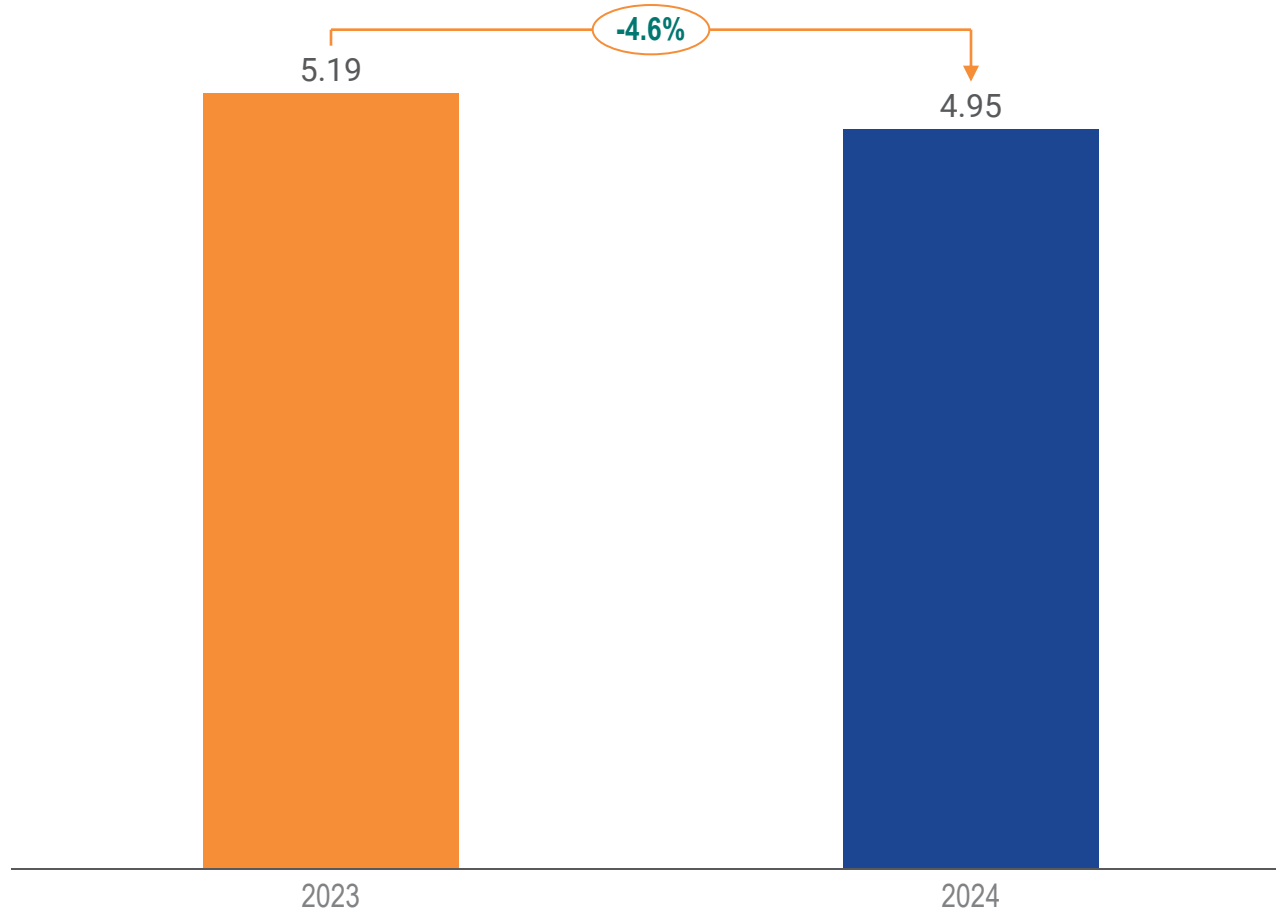
SAR Billion



* Estimated and adjusted to exclude generation asset, which is compensated as per ECA agreements starting from H2 2022

OpEx per Kwh: efficient & optimized operating costs management further supports financial performance

Halalah per Kwh

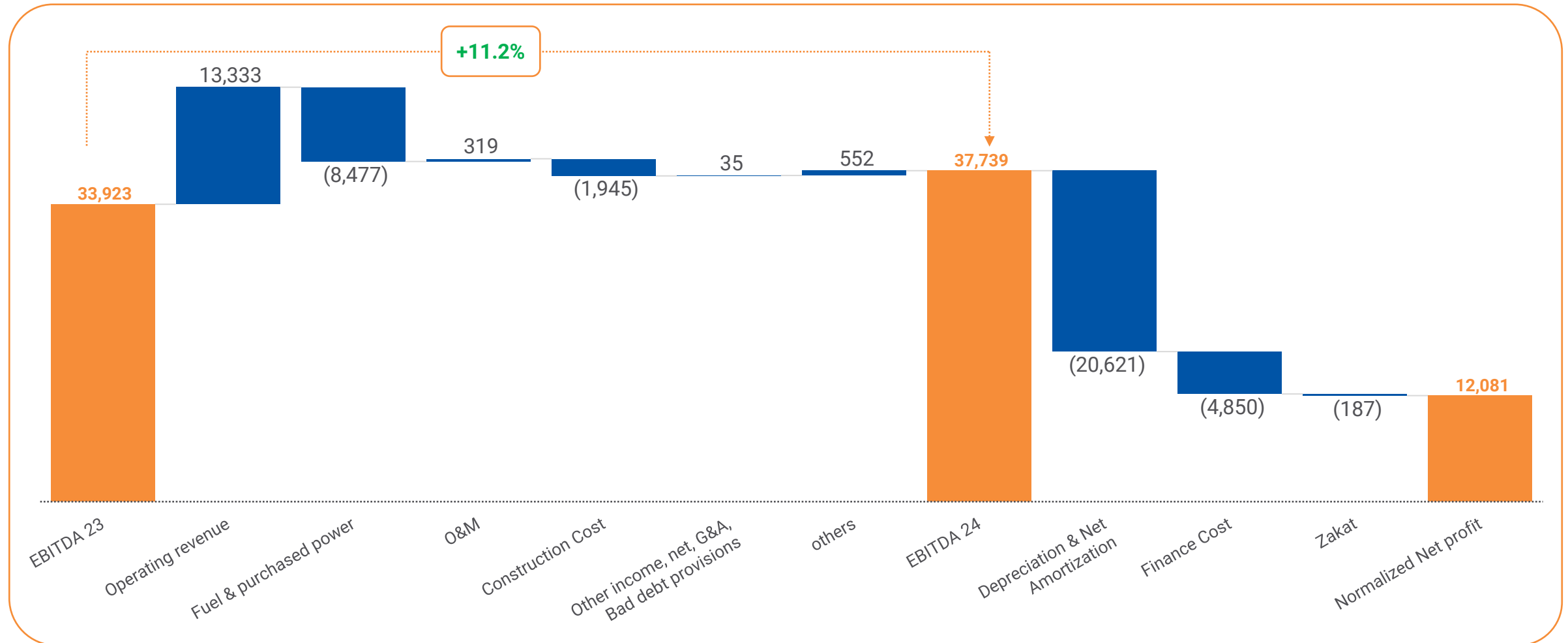


Optimized OpEx per Kwh sold.

- **OpEx per Kwh (Adjusting for one-off) in 2024 declined 4.6% year on year**, demonstrating continued successful efforts in **optimizing and managing operating costs** despite business growth, increased operating assets and higher loads.
- Pass through costs as per the required revenue regime includes net fuel and purchased power costs, depreciation, bad debt allowance and government license fees.

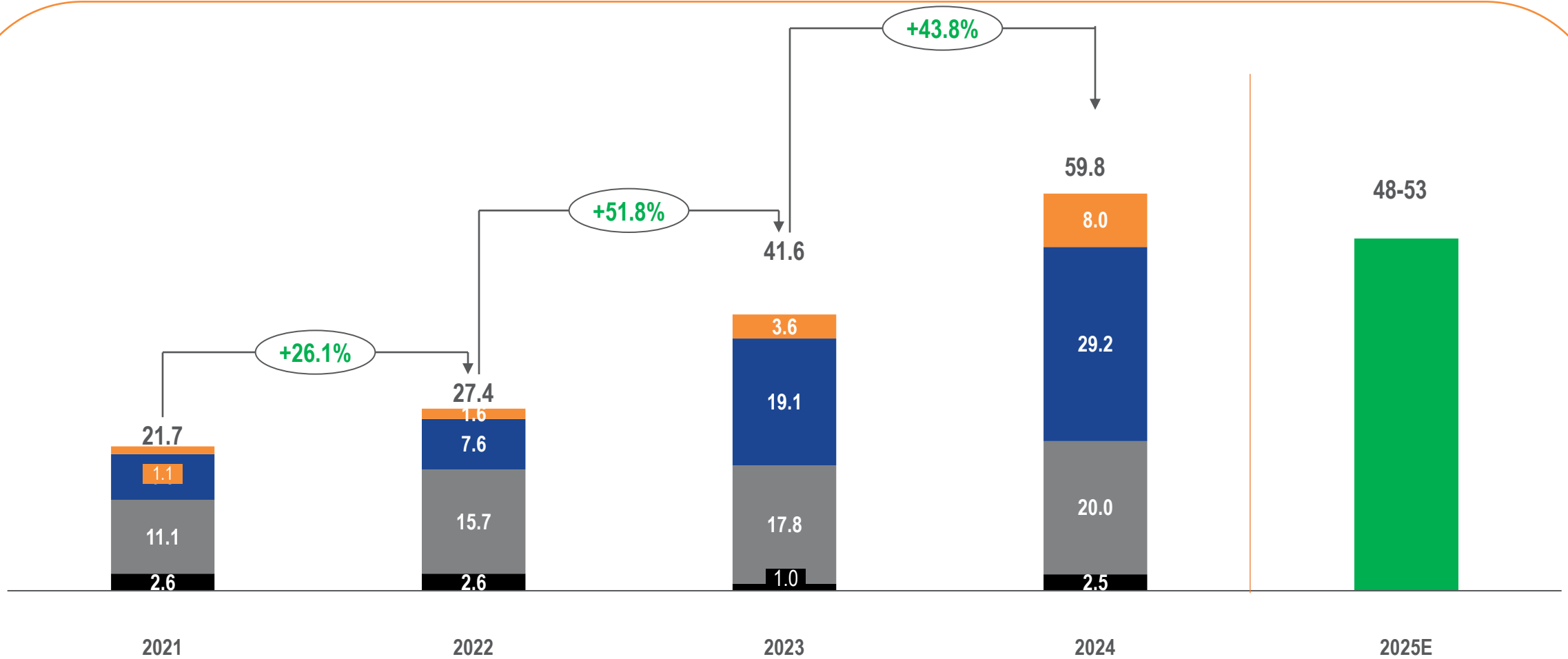
Profitability boosted by accelerating growth, increased regulatory returns, higher demand, and operating efficiency

SAR million



Investing for the future: CapEx deep-dive

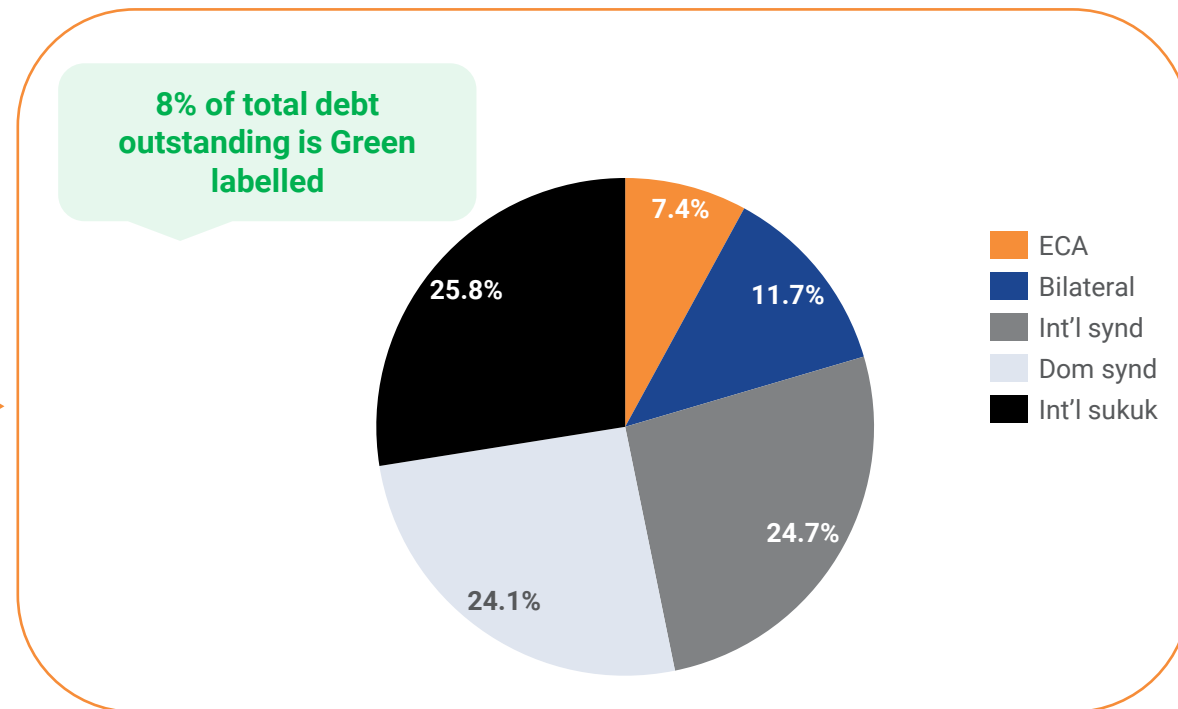
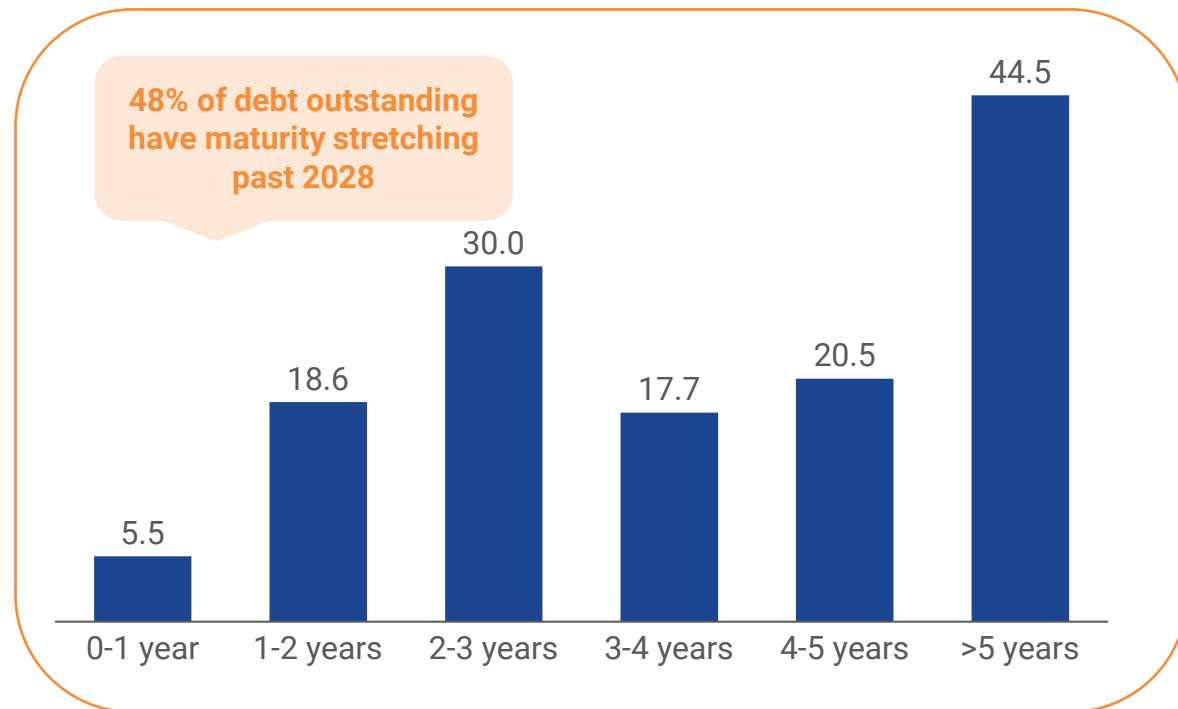
SAR billion



Generation Transmission Distribution General projects 2025 Capex Guidance

A diversified funding pool with long-dated maturities

SAR 136.7 billion / USD 36.5 billion¹



Financing Activities

1

We have **successfully closed** following **funding transactions** in **2024** (including prefunding for 2025):

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

2

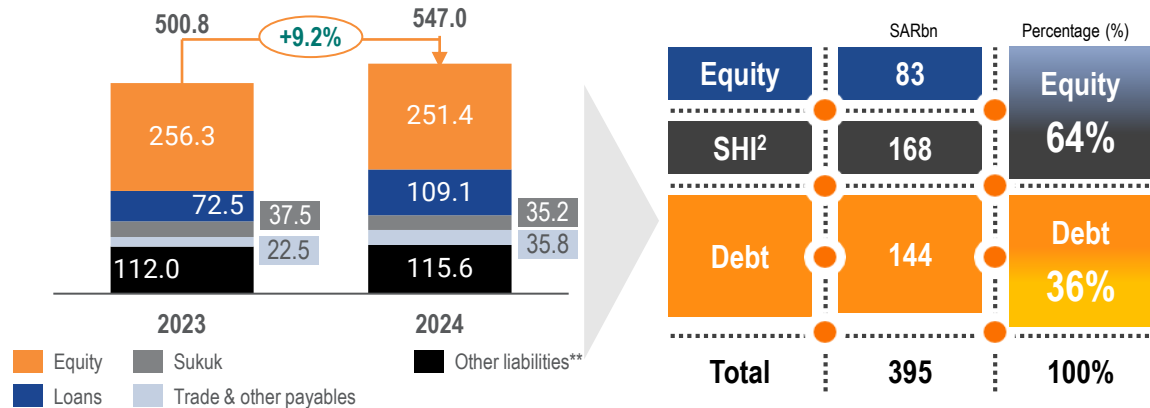
USD 3.5 billion worth of Sukuks redeemed :

- 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)

Strong financial position, resilient capital structure that has been reinforced following MC¹ resolution on legacy disputed amounts

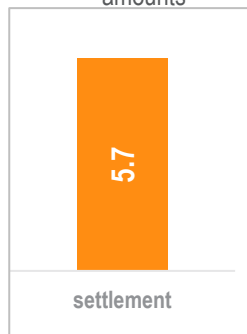
Strong balance sheet, capital structure further reinforced by recent MC resolution on disputed amounts

Resilient capital structure with ample debt headroom

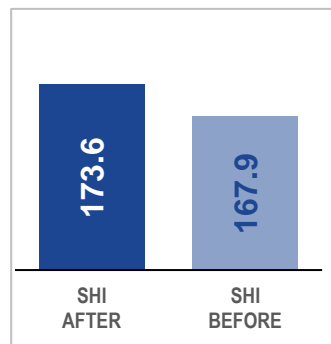


Capital structure further reinforced after recapitalizing the recent liability settlement

Approved settlement liability represents 54% only of disputed amounts




Recapitalized into Mudarabah and to increase its size by ~ 4%



Reinforcing SEC Capital Structure

The MC Resolution highlights the government support for the company's strategic mission

- 
Financial reform completed: a continuation of 2020 financial reforms.
- 
Clarity: resolves all accumulated legacy liabilities, hence reduce uncertainty and risk.
- 
Transparency and governance: Independent technical and legal consultants were engaged to assess the dispute.
- 
Stakeholders support: highlights the support from the energy sector ecosystem and government for SEC's strategic mission
- 
Reinforcing SEC Capitalization: reduce any working capital burden and reinforce SEC's equity base
- 
Future growth: SEC is well positioned to invest in future growth.

Closing remarks



Thank you

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