

Investor Presentation

FY 2023



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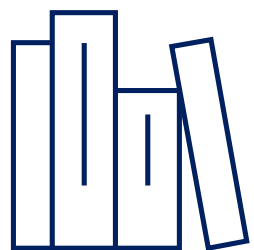
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Agenda

1

Introduction

2

Elm 4.0
Strategy

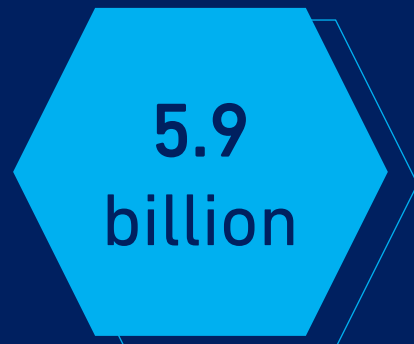
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Financial
Performance

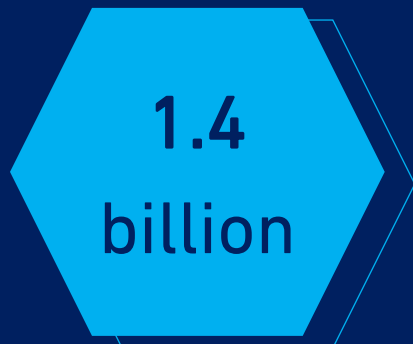
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2024 Outlook

Elm has a strong base for the next wave of growth as it has reached great achievements in 2023



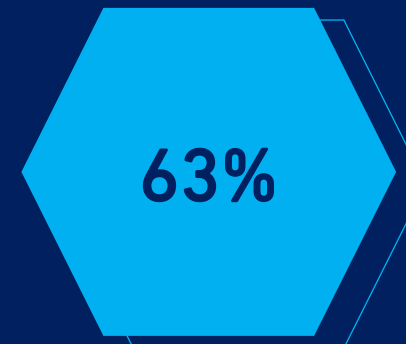
Revenue up by 28%
YoY



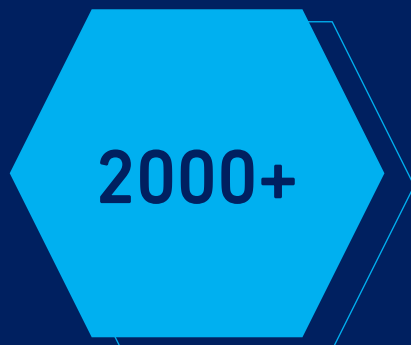
Net profit up by 46%
YoY



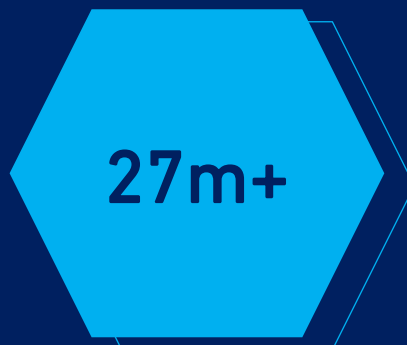
Org. Health Index
score above KSA
average



local content score
(vs 30% the average
of IT sector)



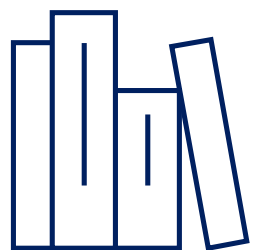
qualified and talented
employees (81%
Saudization in 2023)



users of built and
operated products



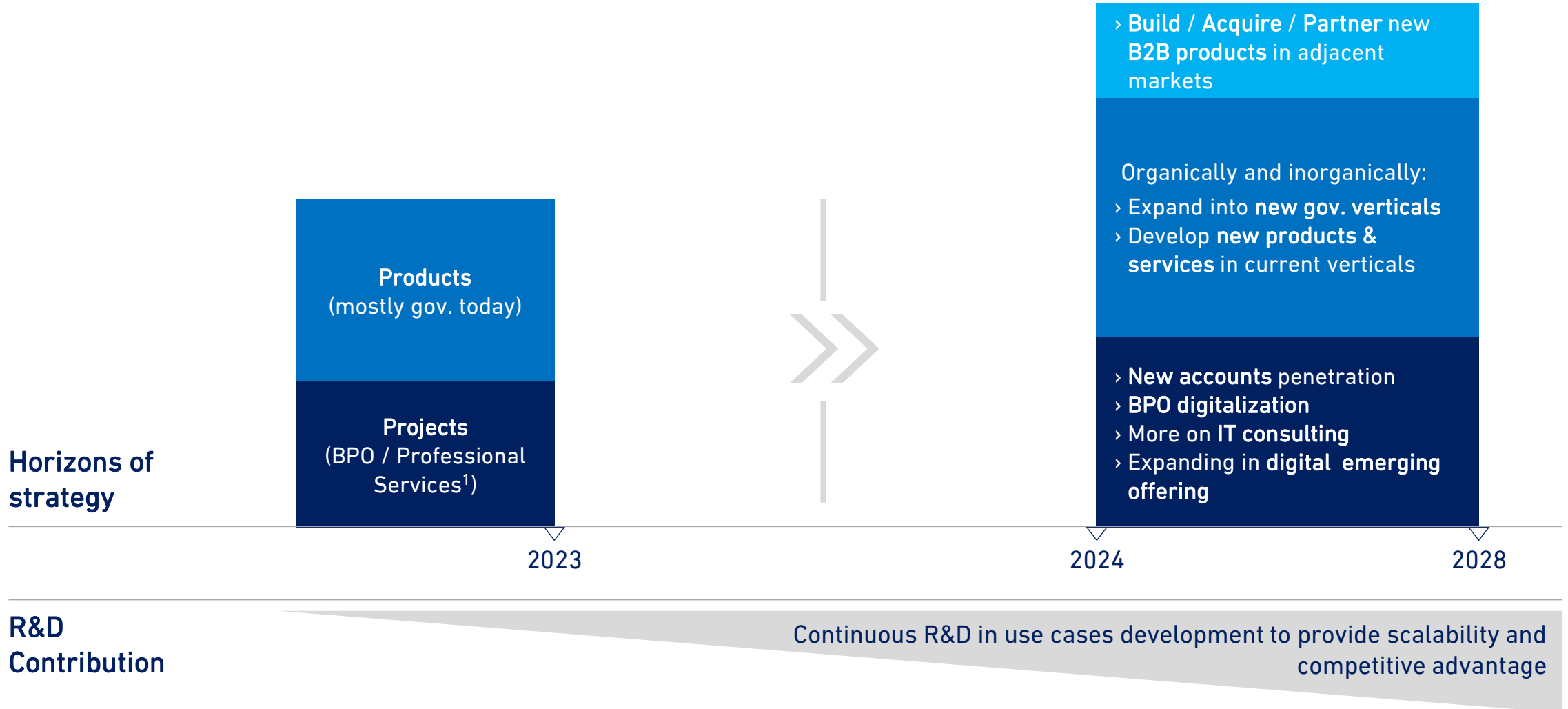
2023 Excellent Work
Environment award,
presented by Ministry of HRSD



Agenda



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



1. Including digital projects

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

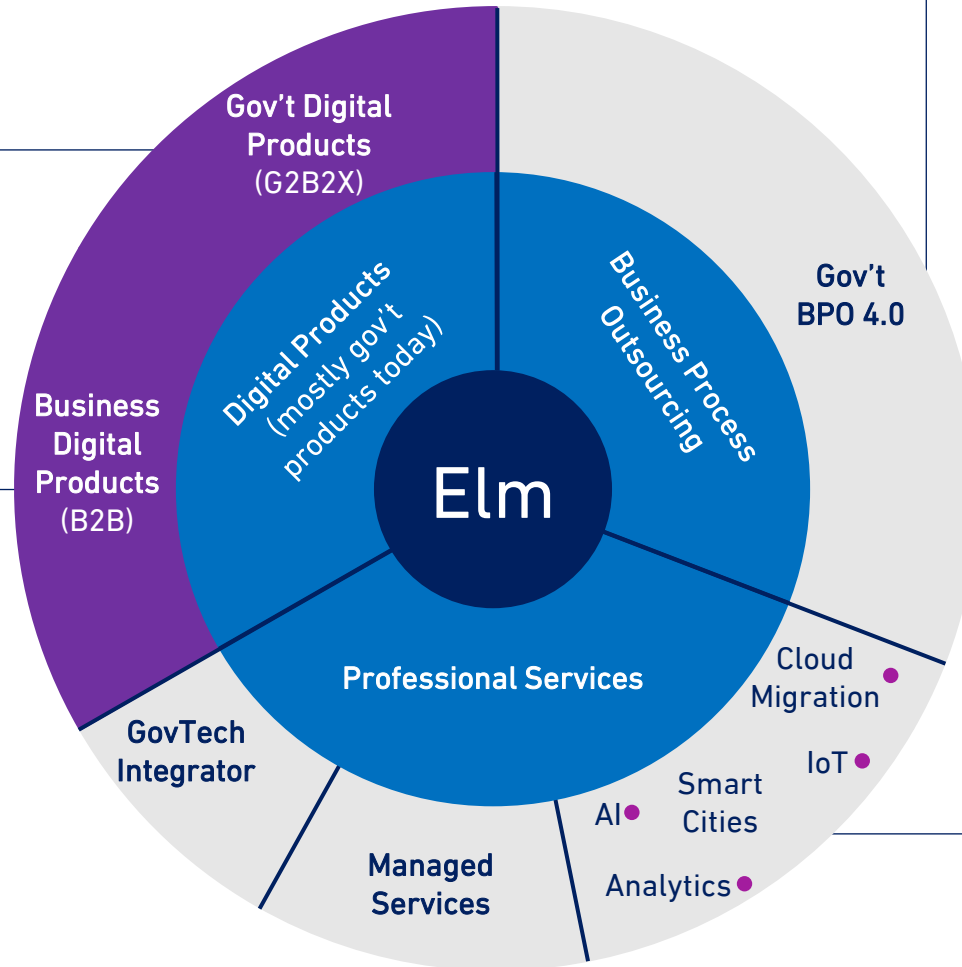
■ Core Today
 ■ Focus of Expansion (organic + inorganic)
 ■ Focus of Expansion (organic)
 ● Potential Capital deployment for Capabilities

Public Sector

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

Private Sector

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



BPO

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

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

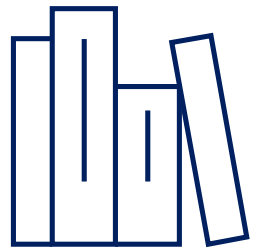
Elm business includes 3 main offerings targeting the public and private sectors through various service models

Business offerings	1. Digital Business		2. Business Outsourcing	3. Professional Services	
Offering type	Digital Products	Digital Projects	Process Outs.	Consulting	Data & AI
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	Includes consulting services and data analytics & AI offerings, to understand the institution's problems and develops a comprehensive business solutions	
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) 	<ul style="list-style-type: none"> • IT / Digital consulting • Business consulting (BPM, Strategies) • Analytics and AI 	
Customer type	B2C B2B B2G	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



Agenda



Elm achieved a net profit of 1,356 Mn in 2023, ~46% higher than 2022

FY 23 Revenue

5,898 Mn SAR

Revenue YOY Change

▲ 28.1%

FY 23 GP Margin

39.9%

GP Margin YOY Change

▼ 1.1 PP

FY 23 EBIT

1,351 Mn SAR

EBIT YOY Change

▲ 38.9%

FY 23 EBIT Margin

22.9%

EBIT Margin YOY Change

▲ 1.8 PP

FY 23 Net Profit

1,356 Mn SAR

Net Profit YOY Change

▲ 45.8%

FY 23 Net Margin

23.0%

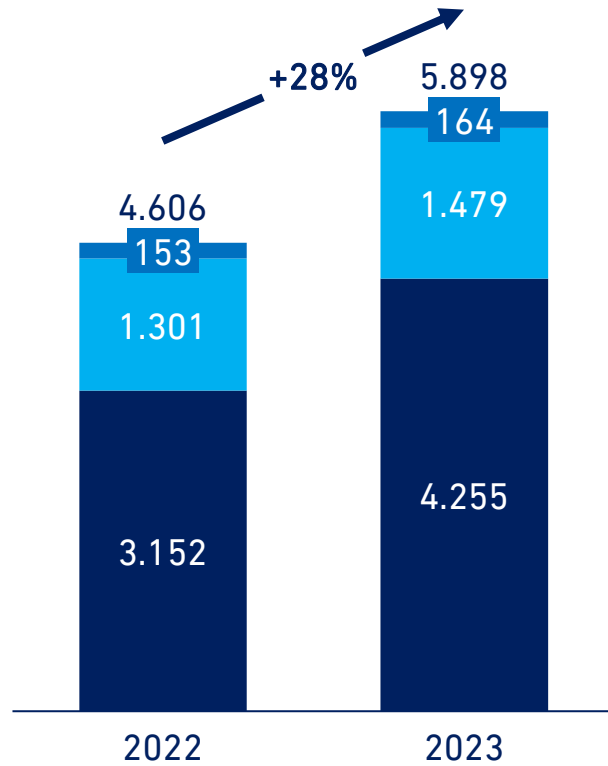
Net Margin YOY Change

▲ 2.8 PP

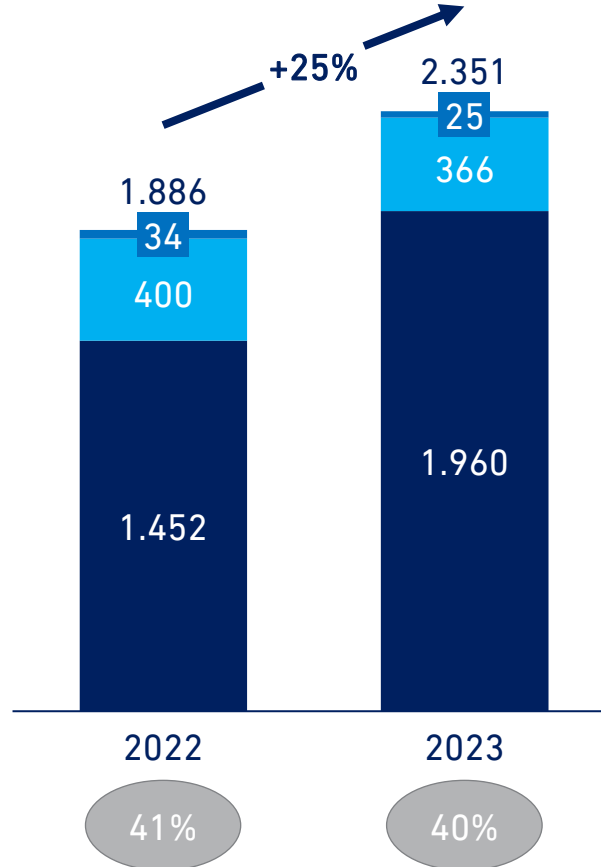
P&L Highlights

SAR Millions

Revenue by Business Segment



Gross Profit by Business Segment



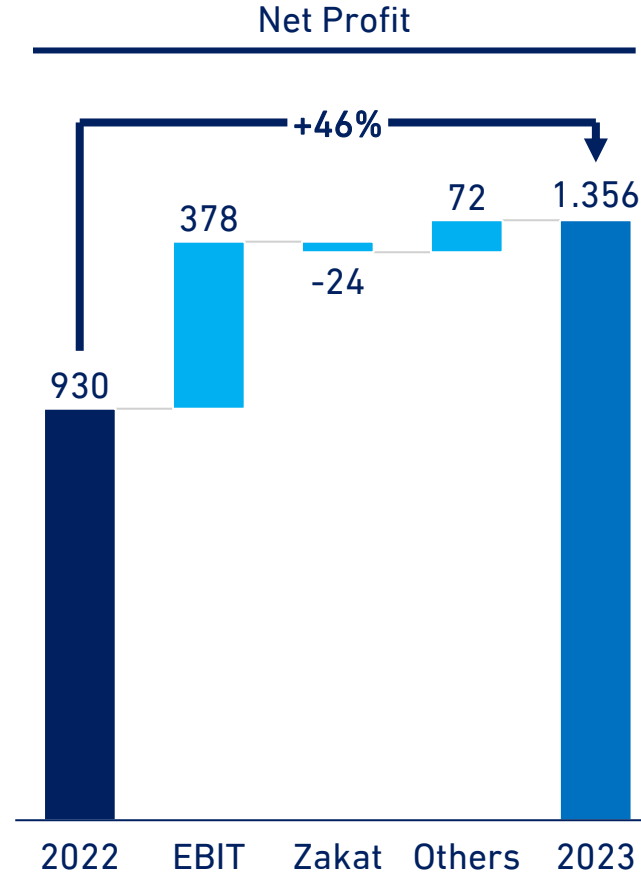
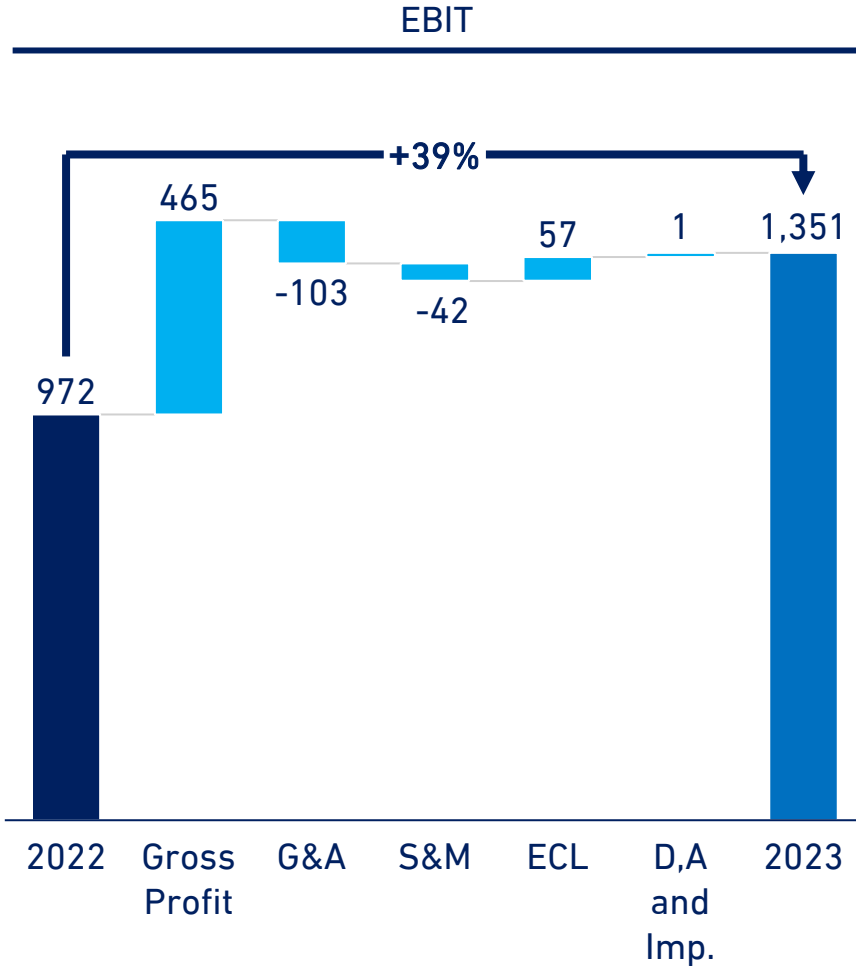
- Professional Services
- Business Process Outsourcing
- Digital Businesses
- Gross Profit Margin

Key Highlights

- > Increase in Revenue led by Digital Business Segment.
- > Contraction in Gross profit margin due to decrease in profitability of Business Process outsourcing.

P&L Highlights

SAR Millions

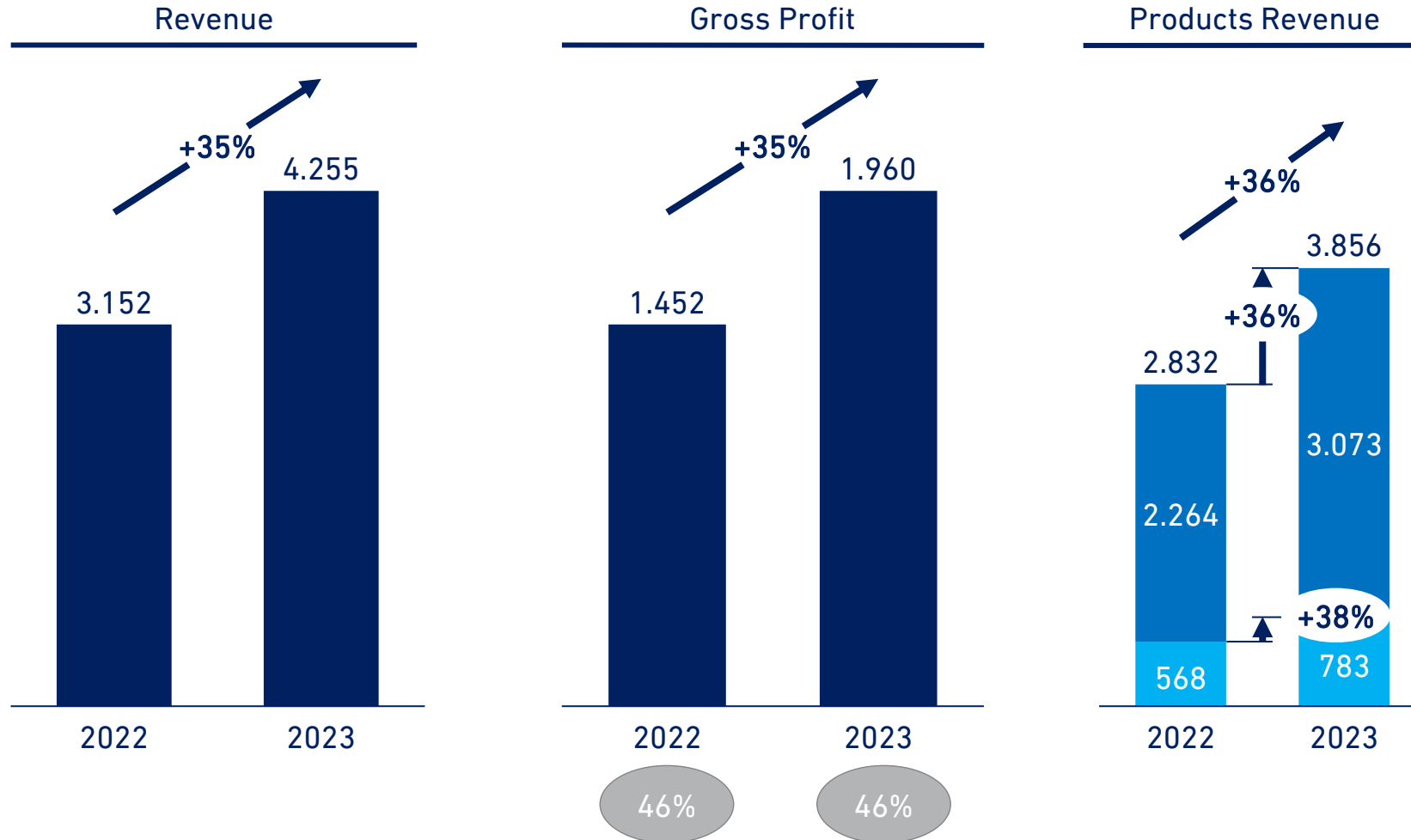


Key Highlights

- › Higher EBIT and net profit driven by robust revenue growth.
- › Increase in G&A and S&M driven by increase in employee cost, Professional services fees and expansion in S&M activities.
- › Increase in Others primarily attributed to increased Murabaha deposit income, partially offset by the share of loss from associate, and Fair value through Profit or loss.

Digital Business

SAR Millions



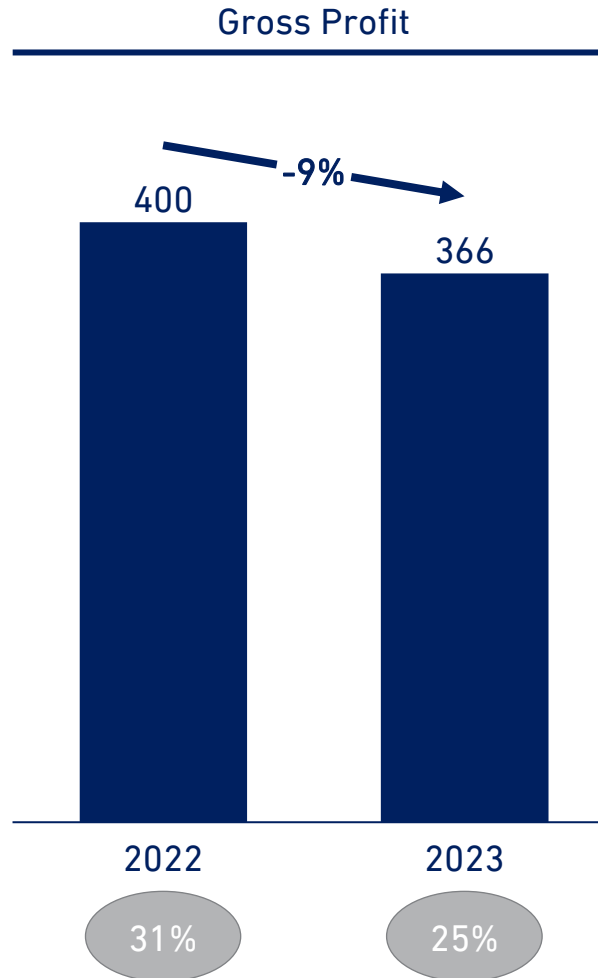
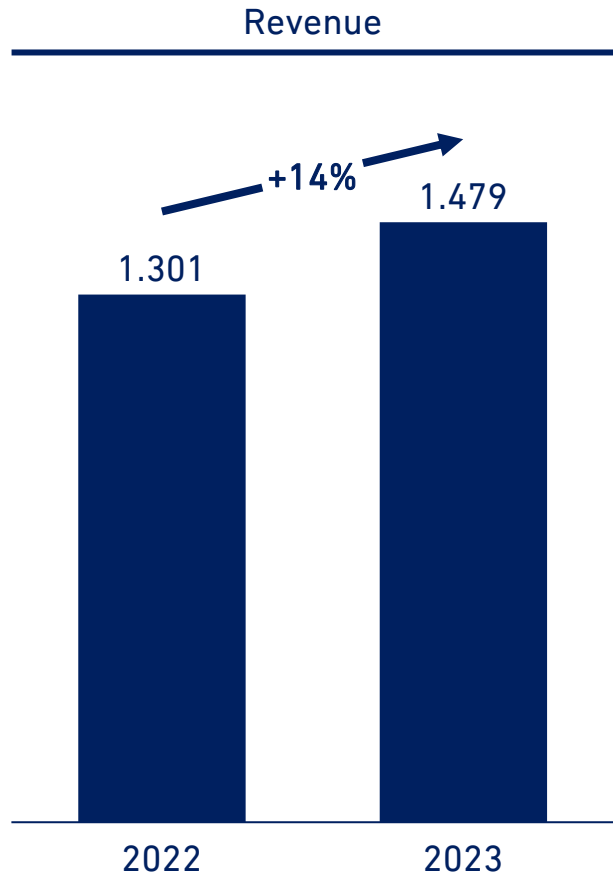
- Top 6 Products
- Others
- Gross Profit Margin

Key Highlights

- > Strong revenue and gross profit growth led by products.
- > Gross profit Margin was stable driven by the increase in revenue from lower margin products.
- > Top 6 Products continued growing due to several factors, including the introduction of new services, increased customer base.
- > Other Products Revenue witnessed a growth led by Zawil, Tawseel, and Naql.

Business Process Outsourcing

SAR Millions



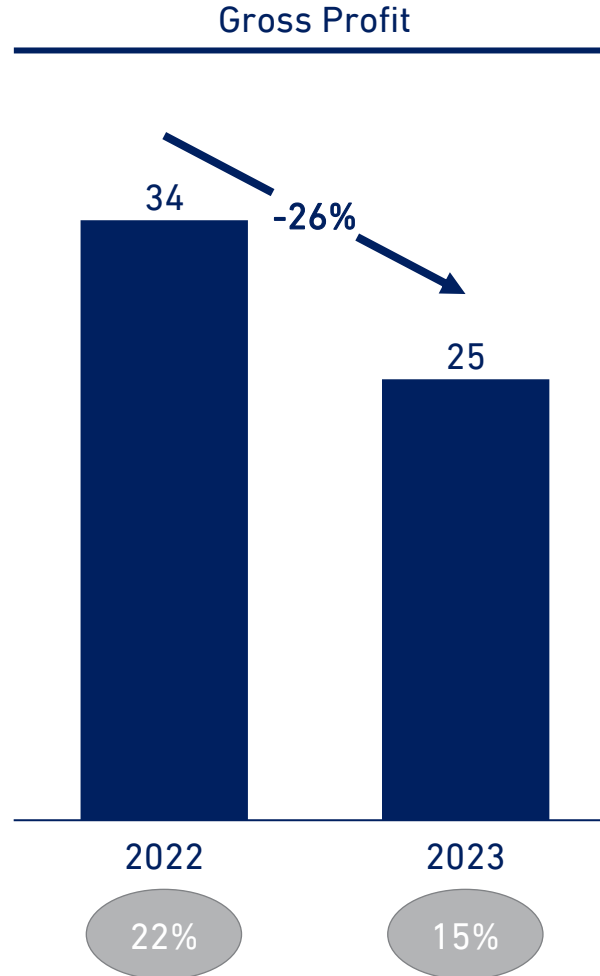
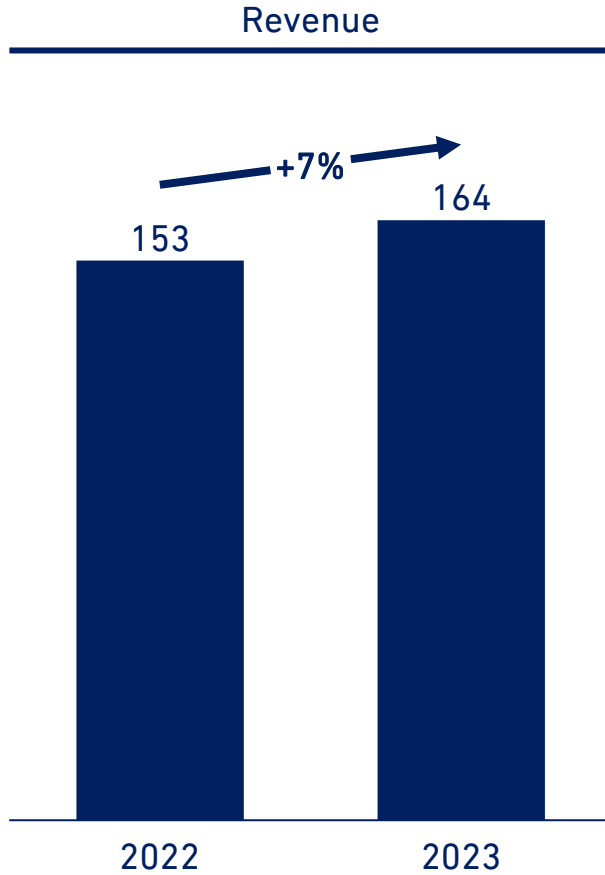
Gross Profit Margin

Key Highlights

- > 14% revenue increase, driven by the increase in number of Projects, particularly in manpower outsourcing.
- > Gross profit and gross profit margin experienced pressure due to a combination of factors. These include lower profitability projects and the completion of high-margin projects.
- > Excluding COVID-related projects, BPO revenue grew 62%.

Professional Services

SAR Millions



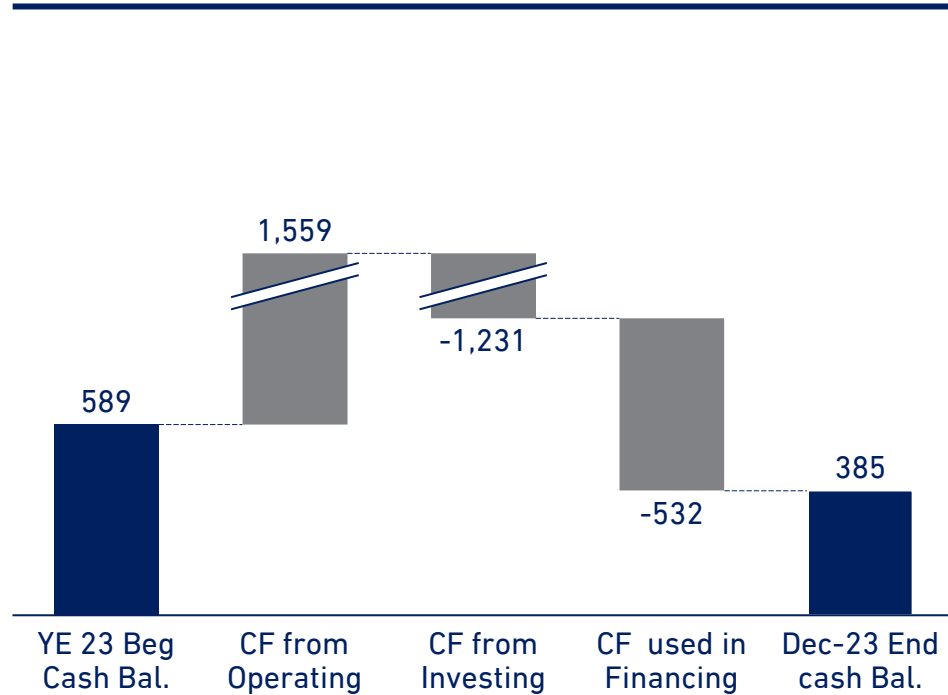
● Gross Profit Margin

Key Highlights

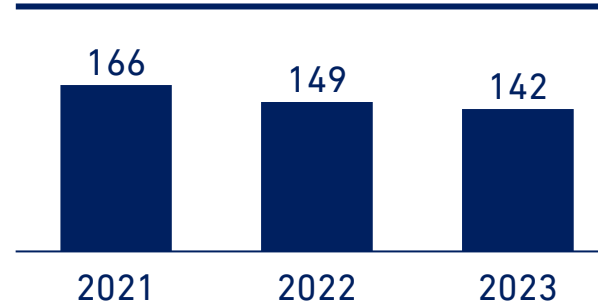
- > Revenue increased by 7% due to the increase in number of projects.
- > Gross profit decreased and gross profit Margin decreased mainly due to lower margin projects.

Balance Sheet and Cash Flow Highlights

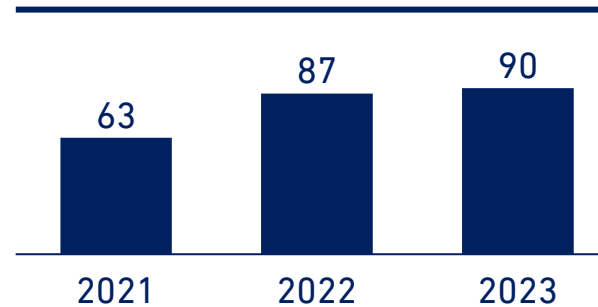
Cash Balance Movement (SAR Millions)



Receivable (Number of Days)

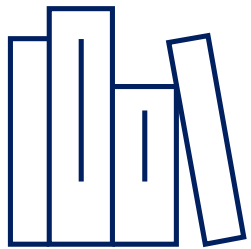


Payable (Number of Days)



Key Highlights




- › Cash, Cash equivalent and short-term investment position of SAR3.5bn (Dec-22: 2.8Bn).
- › Improved cash conversion cycle due to a consistent decrease in receivable days over years, coupled with an increase in payable days outstanding.



Agenda



2024 Guidance

	YE 2023 Guidance	YE 2023 Actual	YE 2024 Guidance Update
 Revenue Growth	21% - 23%	28%	16% - 18%
 EBIT Margin	22% - 24%	23%	22% - 24%
 CFO as % of Net Income	80% - 90%	115%	80% - 90%

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Thank you

