



FY 2024

Results Presentation

3 March 2025





With you Today



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Agenda

-  FY 2024 Highlights
-  Research & AI
-  M&A Update
-  Financial Performance
-  2025 Guidance





Key Highlights

Financial

FY 24 Revenue (Mn SAR)

7,407

Revenue YOY Change

▲ 25.6%

FY 24 EBIT (Mn SAR)

1,700

EBIT YOY Change

▲ 25.8%

FY 24 Net Profit (Mn SAR)

1,826

Net Profit YOY Change

▲ 34.7%

Operational

- Continues growth in **Digital Business** by market growth and added value services
- Continues growth in **Business Process Outsourcing** in key projects
- Further expansion on **Research & AI** to be introduced/implemented in existing and potential businesses
- On **M&A** plans and strategy, Elm entered into a share purchase agreement to acquire 100% of **Thiqah** from the **Public Investment Fund**



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Positioning ELM at the forefront of technological evolution by harnessing the transformative potential of AI to meet market needs by three key streams, each tailored with different levels of maturity and required capability



Gen AI

(Conversational AI)

Focuses on large language models (LLMs) and visual language models (VLMs) and speech language models (SLM). To build a competitive foundational model that enable us to build the targeted use-cases



Agentic AI

(Transactional AI)

Focuses on develop smart agents designed for transactional processes, benefiting both beneficiaries and administrative staff to enhances user experience, creating tangible value for our clients



Autonomous AI

(Automated AI)

The third focus area is on autonomous mobility, including many technologies like Virtual Driver, robotics, and 3D mapping.



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Thiqah Acquisition



Transaction Background

- On 22nd of January 2025, Elm entered into a share purchase agreement to acquire 100% of Thiqah from the Public Investment Fund for a total of SAR 3.4bn (less an amount equal to certain costs related to the transaction, fees and payments as agreed in the SPA)
- The Transaction consideration will be paid in cash



Valuation Approach

- Conducted a full-fledged due diligence exercise covering legal, financial, tax, commercial and technical with several advisors
- Conducted a detailed valuation exercise including but not limited to Discounted Cash Flow analysis and trading comparables analysis



Strategic Rationale

- Cementing Elm's position as the leading player and national champion in the ICT sector
- Complementary client base and product offering further expanding Elm's network and capabilities
- Unlocking synergies poste integration with potential for value creation to Elm and its shareholders
- Propel the Kingdom's national agenda by strengthening the ICT ecosystem, enabling Vision 2030

Thiqah Acquisition

The leading player and national champion in the ICT sector





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P&L Highlights

SAR Millions

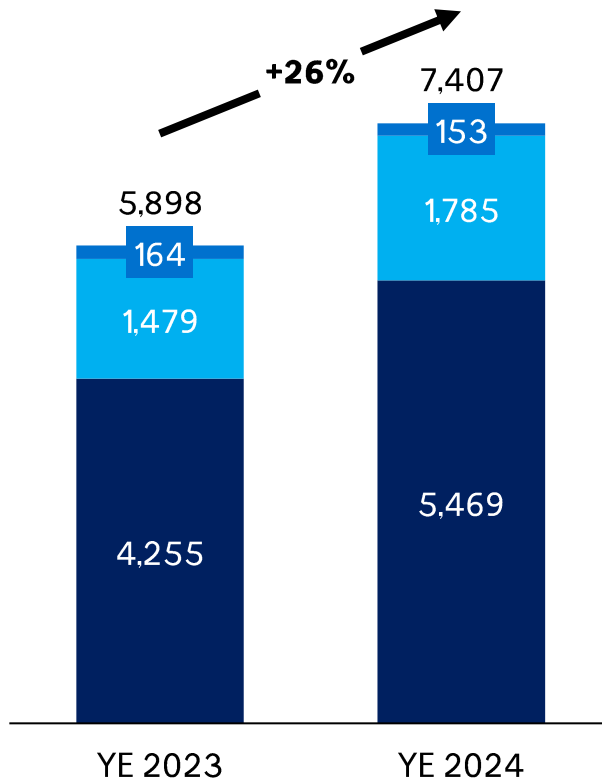
Professional Services

Business Process Outsourcing

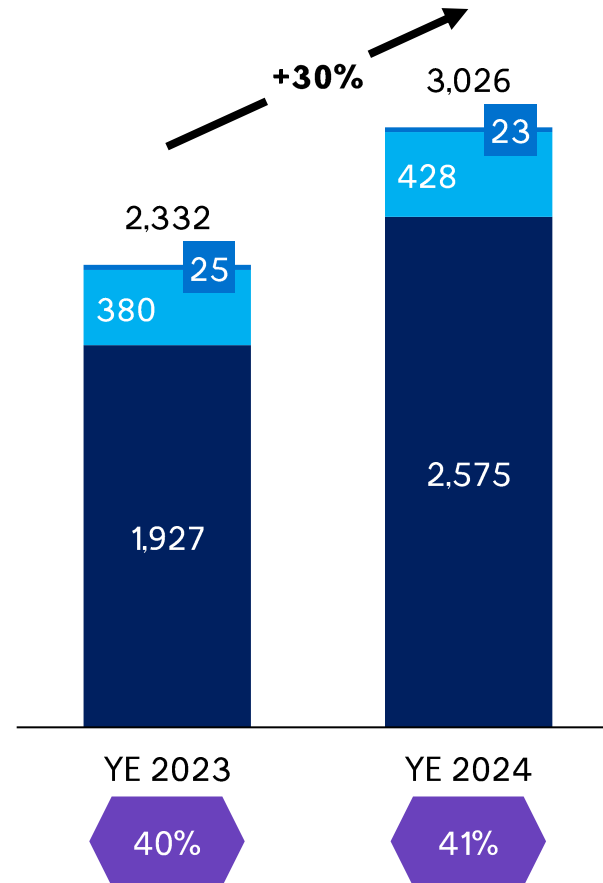
Digital Businesses

Gross Profit Margin

Revenue by Business Segment



Gross Profit by Business Segment



Key Highlights

- > **Consistent Revenue Growth:** Digital business, contributing 74% compared to 72%, and Business process outsourcing continue to fuel revenue growth.
- > **Gross Profit Margin Expansion:** Digital Business increased profitability, positively impacted the overall Margin expansion.

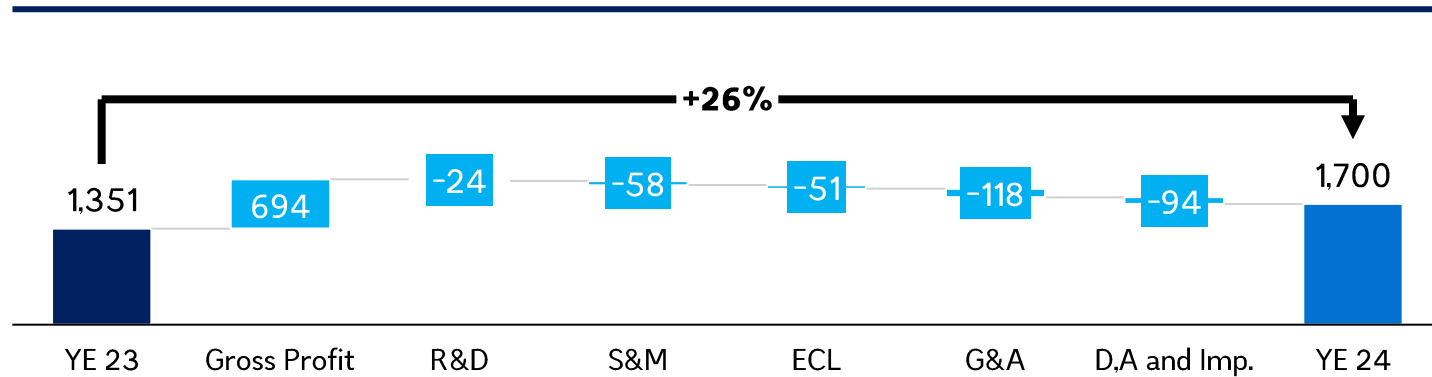
*GP of Comparative Year have been adjusted due to reclassification.



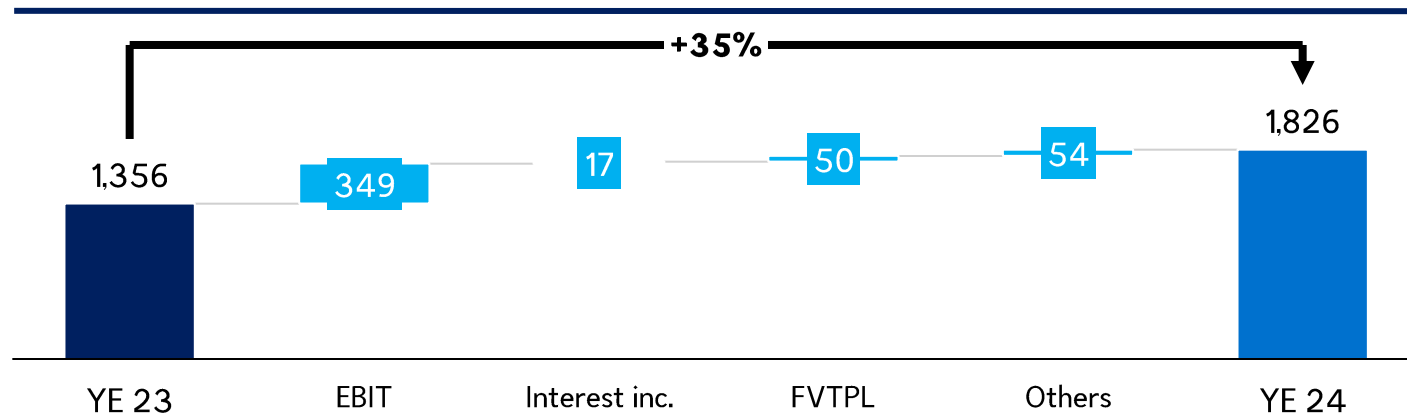
P&L Highlights

SAR Millions

EBIT



Net Profit



Key Highlights

- > **EBIT Remains Strong:** EBIT increased to reach a margin of 23% despite increased operating expenses.
- > **Strong Net Profit Growth:** Net profit increased significantly with a margin of 25%, driven by higher EBIT and further supported by increased fair value gains through P&L and income from asset disposals amounting to SR 63Mn.

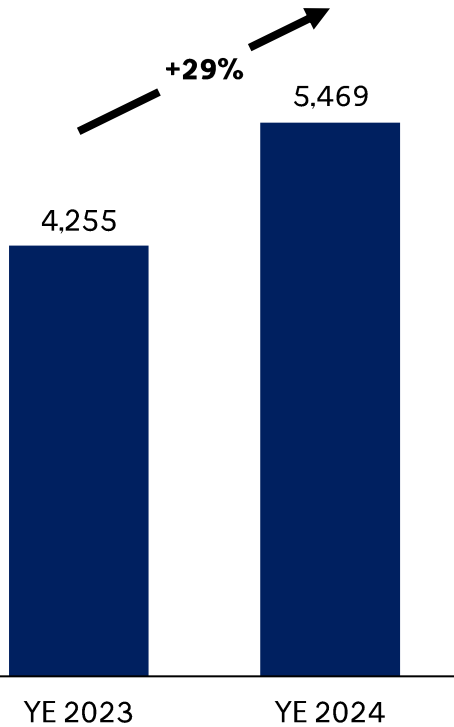
*Operating Expenses of Comparative Year have been adjusted due to reclassification & Introduction of R&D.



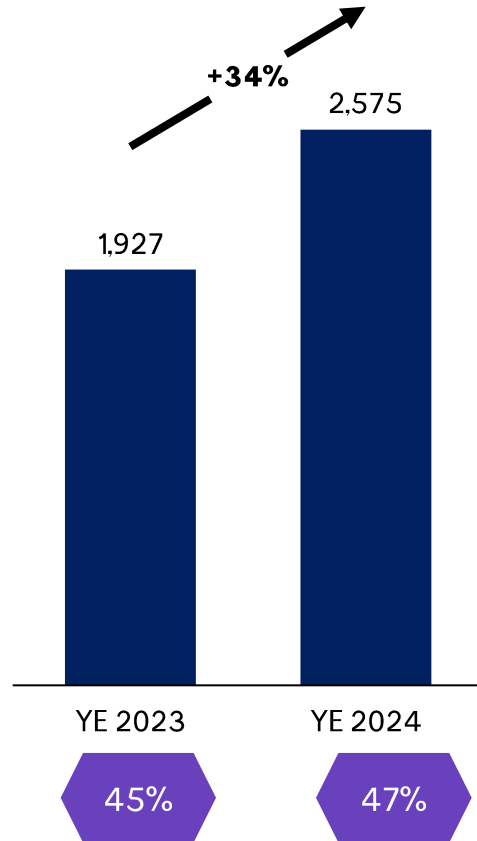
Digital Business

SAR Millions

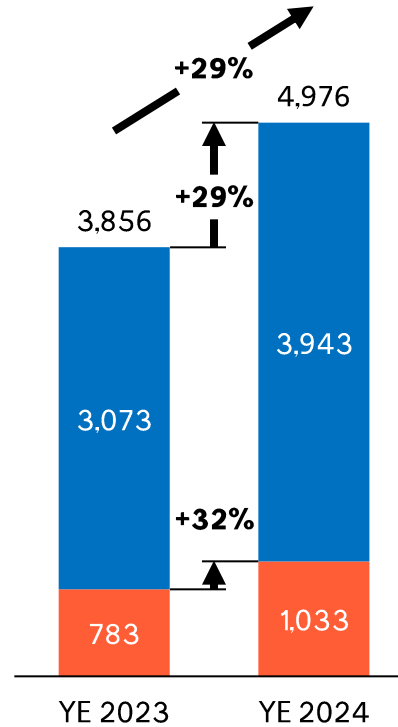
Revenue



Gross Profit



Products Revenue



- Top 6 Products
- Others
- Gross Profit Margin

Key Highlights

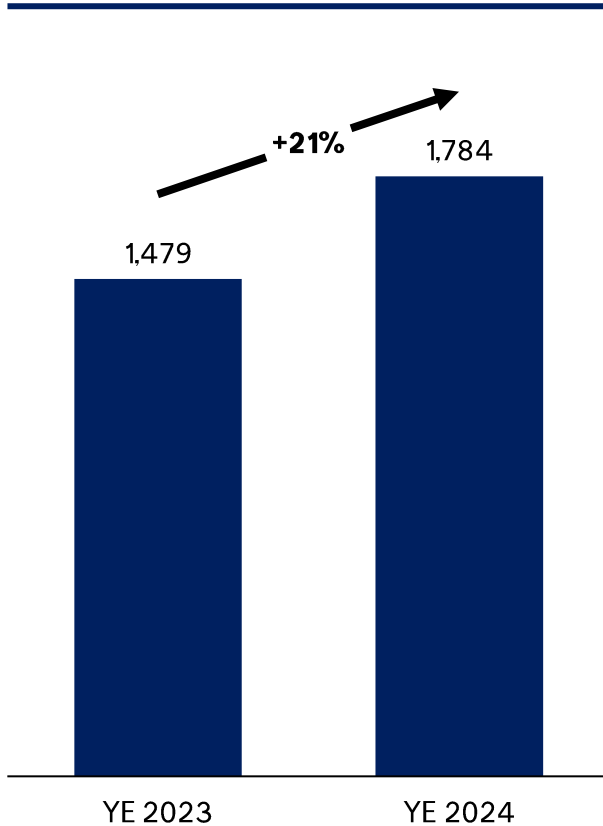
- > **Continuous Revenue growth**, due to growth in the products portfolio.
- > **Margin Expansion:** Strong growth across products in YE24 led to an expansion in margins
- > **Top 6 Products:** continued growing due to several factors, including the introduction of new services, increased customer base.
- > **Other Products:** increased due to launching new products and increase in transactions.



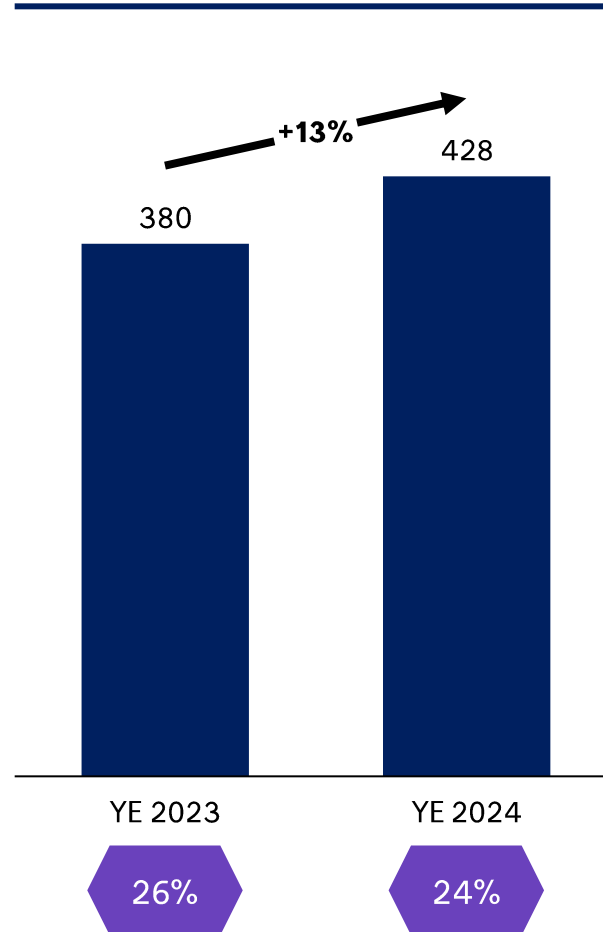
Business Process Outsourcing

SAR Millions

Revenue



Gross Profit



Gross Profit Margin

Key Highlights

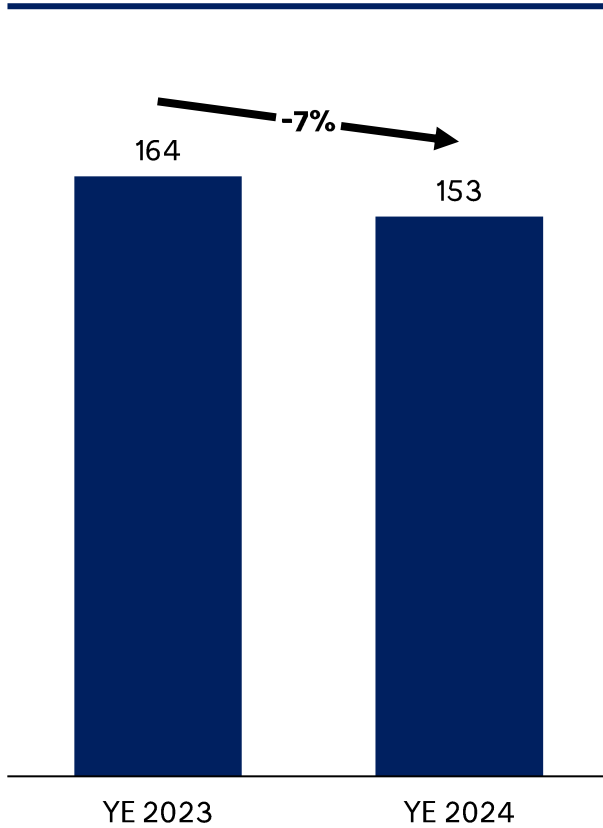
- > **Revenue Growth:** BPO revenue surged, driven by new projects expansion and increased deliverables.
- > **Increase Gross Profit with lower Profitability:** Gross profit grew along with revenue. Margins decreased as a result of completion of project with higher margins.



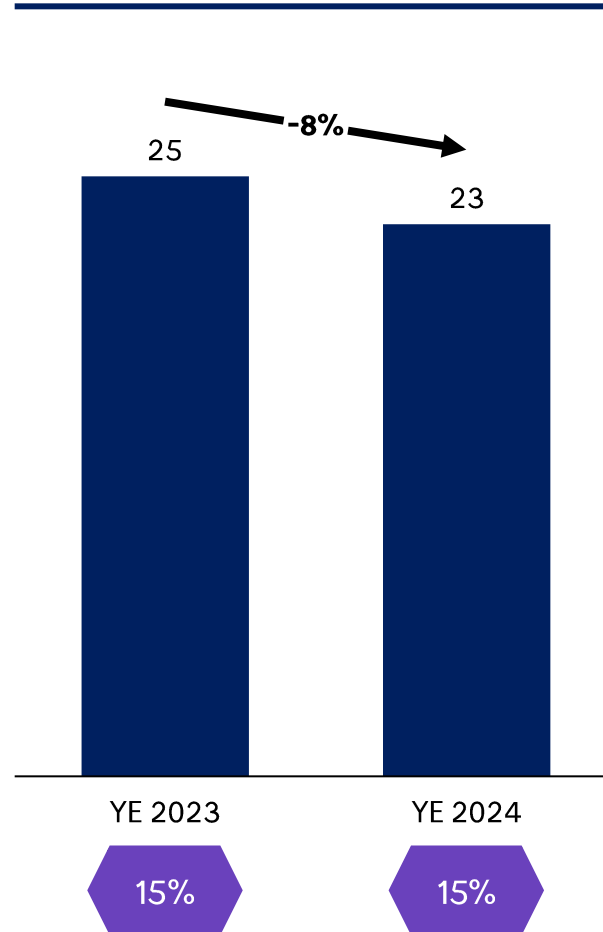
Professional Services

SAR Millions

Revenue



Gross Profit



Gross Profit Margin

Key Highlights

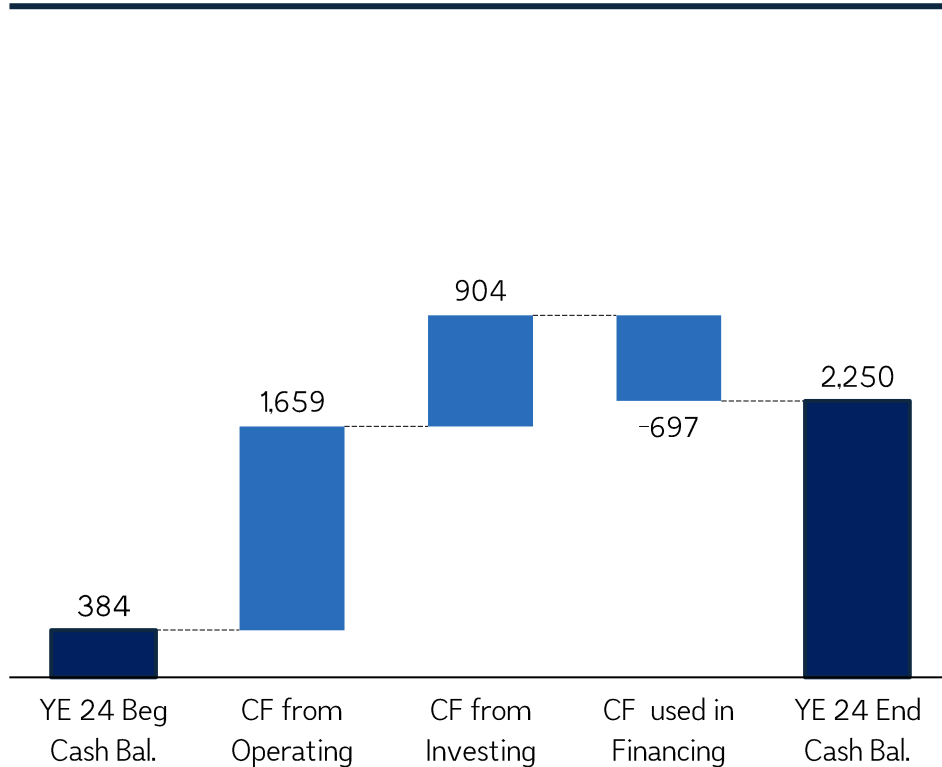
- > **Revenue declined 7%:** primarily due to decreased revenue from large completed projects.
- > **Gross profit margin remained stable:** mainly due to consistent output profitability.



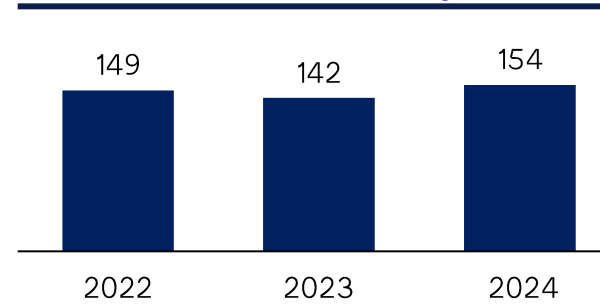
Balance Sheet and Cash Flow Highlights

SAR Millions

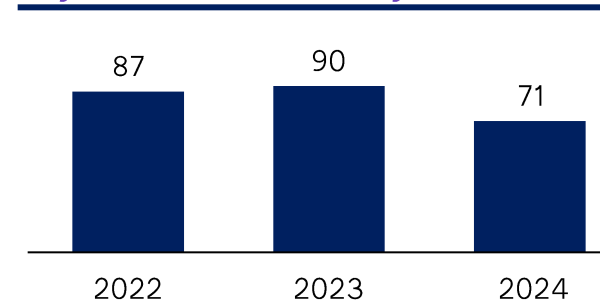
Cash Balance Movement (SAR Millions)



Receivable (Number of Days)



Payable (Number of Days)



Key Highlights

- › CFO as a percentage of Net profit was 91%. This was due to a settlement for Income share balances.
- › Total Cash and short-term investment increased by 21% to 4.2 Billion compared to YE 23.






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Guidance

	2024 Guidance	2024 Actual	2025 Guidance*
 Revenue Growth	22% - 24%	26%	14% - 16%
 EBIT Margin	22% - 24%	23%	21% - 23%
 Cash Flow from Operating Activities as % of Net Income	80% - 90%	91%	80% - 90%

*2025 Guidance does not include the impact of Thiqah Acquisition

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Investor Relations Application

Thank You