Saudi Indsustrial Services Co.
Industrial: Transportation
SISCO AB: Saudi Arabia
27 February 2023

alrajhi capital

US$0.507bn	94.92%	US$2.22mn
Market Cap	Free Float	Avg. Daily Volume

Target price	28.00	19% above current
Current price	23.00	as at 26/02/2023

Existing rating

Underweight | Neutral | **Overweight**

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Saudi Industrials Services Co.

Re-initiating coverage with TP of SAR28/sh

Performance

Earnings

(SARmn)	2021	2022E	2023E
Revenue	985	1,006	975
Revenue growth	-3%	2%	-3%
EBIDTA	452	412	427
EBIDTA growth	8%	-9%	4%
Net Income	95	50	60
Net Income growth	-56%	-48%	20%
EPS	0.71	0.48	0.57
EPS growth	-58%	-33%	20%
DPS	0.80	0.80	0.80
Payout Ratio	113%	168%	140%
ROE	4%	2%	3%

Source: Company data, Al Rajhi Capital.
*Note: *2023E numbers are excluding construction revenues. 2021 and 2022E Ex.constr. revenue numbers are SAR921mn and SAR876mn, respectively.*

*We re-initiate coverage on SISCO with an "Overweight" rating providing an upside of 19% to our blended target price of SAR28/sh. SISCO is an investment holding company with a diversified portfolio consisting of assets spanning ports, logistics, and water segments. SISCO is likely to benefit from multiple triggers which include 1) recovery and organic growth in existing ports business, 2) turning RSGT into an international multi-port operator, and 3) actively pursuing M&As in the logistics segment. The stock has come under pressure in recent times owing to supply chain disruptions post COVID-19. However, the core ports business is set to recover on the back of improving container volumes as seen in 2H2022 and a similar trend is expected to continue in FY2023. The company has shown an active appetite for brownfield investment via Mergers and Acquisitions (M&As) in the ports and logistics business. The Patenga Container Terminal concession, when finalized, will boost revenues from the port segment. In addition, the company is looking to increase its revenues from the logistics business via the acquisition of an existing 3PL player. The aforementioned projects provide an upside to our base case, as they will be incorporated into our model once further details are revealed. Hence, we re-initiate coverage on SISCO with an **"Overweight"** recommendation.*

Core business outlook sanguine: Container volumes have witnessed a gradual recovery post COVID-19 supply chain disruptions and we expect the company to record better volumes in 4Q22 and 1Q23. In FY2023E, we expect the container volumes to reach 3.1mn TEUs, better than pre-covid levels. We remain conservative and expect the volumes to grow by 9% CAGR from 2022-2027E. Revenues from RSGT are expected to increase by a 5-year CAGR of 14% driven by better volumes as well as improvement in transhipment : gateway ratio.

Expanding to foreign shores: RSGT has been nominated by Bangladesh's Ministry of Shipping to be the preferred operator of the new USD240mn Patenga Container Terminal (PCT). As per the company guidance, the handling capacity for the port will be around 0.5mn TEUs which can be ramped up to 1.0mn TEUs. Assuming a similar tariff to RSGT and a utilization level of 55-70% (FY24-27E), we believe the revenues from the PCT will range around SAR129-167mn. We await more details before incorporating the PCT business into our model.

Logistics to bring about the next leg of growth: SISCO, in line with its strategic initiatives, is also looking to expand its warehousing facilities. The company has recently converted 25k sqm open yard space to bonded warehouse, while plans to increase its bonded warehouse capacity to 125k sqm by 2023 year-end and to 150k sqm by 1H2024. In addition to expanding its existing facilities, the company is also actively looking out for the acquisition of 3PL players specifically in the cold chain. The investment amount can range between SAR150-200mn depending upon the opportunity.

Limited Downside risks: SISCO stock price is down by 60% from its peak in Jul-2021. The decline in stock price can be attributed to the weakness seen in the overall sector owing to supply chain challenges. The sale of a 21.2% stake in RSGT hurt the stock price as investors viewed SISCO's port business as its cash cow. We argue that the stock has a limited downside at current levels owing to its guidance to buyback 10% of its outstanding shares coupled with its attractive dividend yield of around 3.5%. Going ahead, we believe SISCO's core business to post recovery while the management is expected to actively pursue M&A options unlocking future growth potential.

Company Strategy

SISCO aims to be the leading player in the logistics and infrastructure investment business by increasing its regional and international footprint. The group's strategy focuses on achieving a diversified portfolio of businesses by investing in multiple logistics assets across the value chain. This includes turning RSGT into an international multi-port operator. Post RSGT stake sale to PIF, the company sits on a hefty amount of cash amounting to SAR8.0 per share (as of 9M22) which it will look to utilize to embark on its next leg of growth.

The company aims to double the group's revenue to SAR2bn by 2025. In order to achieve this target, SISCO is focusing on brownfield investments in the Ports and logistics business. Historically, the company has looked to invest in greenfield projects that have generated a significant return for the company. However, there is an emphasis now on brownfield projects via M&As whereby the company would be looking to invest in projects having IRRs above 12%. Moreover, the company is striving to achieve a diversified portfolio with future revenue and net income growth to be driven by the logistics business.

The group's targets look pretty ambitious on paper; however, we believe that the company will be able to generate superior returns for its shareholder by following the aforementioned strategy. A strong balance sheet with hefty cash to deploy in value-generating opportunities while easy access to debt unlocks more potential to invest in big-ticket projects. The superior financing capability is backed by an experienced management team with new CEO having extensive experience in the field of VC investment and digital transformation. Although some organic growth can be expected in the existing business portfolio, the only way the company can achieve its revenue targets is if it actively pursues M&A opportunities.

Figure 1 **Business Model moving forward**

Source: Company data, Al Rajhi Capital

PIF Transaction

To recall, SISCO, in July 2021 had completed its divestment of a direct equity stake of 21.2% in Red Sea Gateway Terminal (RSGT) to PIF and COSCO Shipping Ports. In addition, LogiPoint also divested its 4% direct equity stake in RSGT. The transaction resulted in an inflow of total cash amounting to the tune of SAR 556.5mn. SISCO's effective shareholding in RSGT reduced from 60.6% to 36.4%.

We believe that the said transaction was a favorable one for the company as it managed to exit at a double digital IRR which is very attractive for the port concession business. From a business point of view, the transaction was well timed as the company managed to exit before the full brunt of COVID-19 restrictions impacted the shipping business. Lastly, the company was able to bring on board two strategic investors namely PIF and COSCO which added significant value directly and indirectly to its business portfolio.

Company's ownership structure and investment portfolio

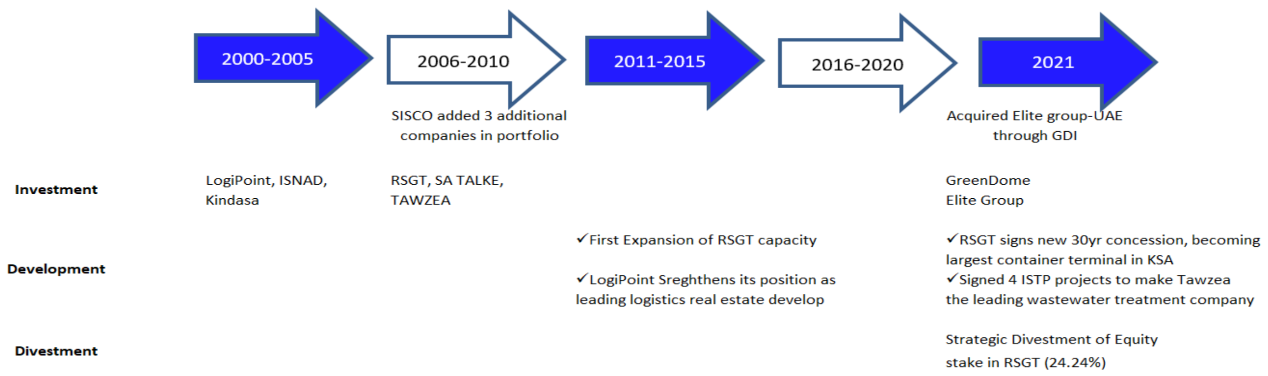
SISCO is a Saudi conglomerate having several subsidiaries; the company has three main business segments as follows:

Figure 1 **Shareholding Structure**

Subsidiaries Ownership %	**Effective Ownership**
Ports and Terminals	
Red Sea Gateway Terminal Company (RSGT)*	36%
Logistics Segment	
Saudi Trade & Export Development Company (LOGIPOINT)	76%
Support Services Operations Co. (ISNAD)	99%
Water Segment	
Kindasa Water Services Company (Kindasa)	65%

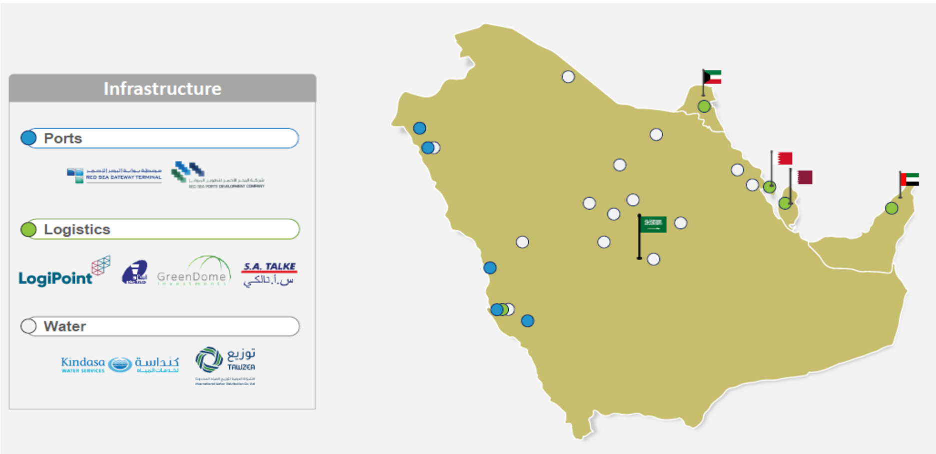
Source: Company data, Al Rajhi Capital. Note *: The stake in RSGT is owned via RSPD.

Figure 2 **Business Timeline**



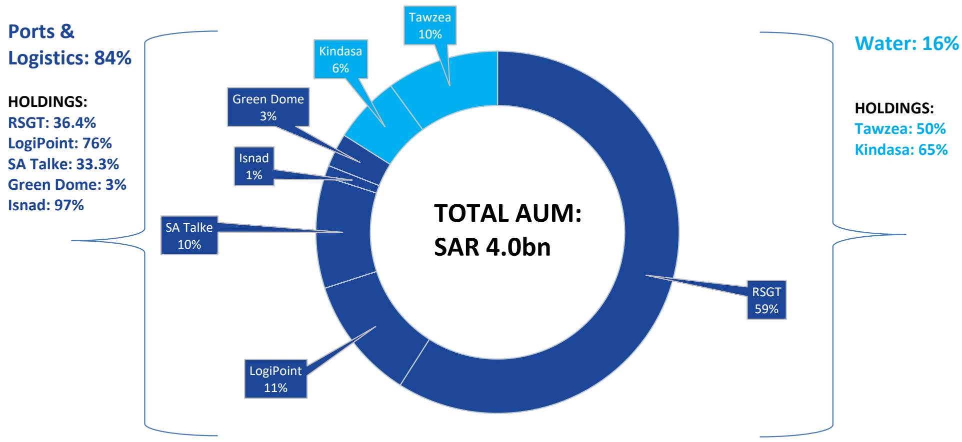
Source: Company data, Al Rajhi Capital

Figure 3 **Geographical presence**



Source: Company data, Al Rajhi Capital

Figure 4 **Investment Portfolio**



Source: Company data, Al Rajhi Capital

Investment Thesis

Core ports business recovering: Red Sea Gateway Terminal (RSGT) was directly impacted by the slowdown in global economic activities during the COVID-19 pandemic. Total container volumes slumped as imports slowed down and a shortage in containers was witnessed due to disrupted supply chains. The volumes have witnessed a gradual recovery and we expect the company to record strong volumes in 4Q22 and 1Q23. The recovery in container volumes is likely to increase the RSGT revenues by 14/12% YoY in FY2023/2024e.

The company has also managed to increase its capacity from 4.5mn TEUs earlier to 5.2mn TEUs in 4Q22. Going forward, we expect the company to record a throughput rate of 60% in FY2023E which results in a total container volume of 3.1mn TEUs, better than pre-covid levels. We remain conservative and expect the volumes to grow by 9% CAGR from 2022-2027E (Figure 15).

Moreover, the transhipment to gateway ratio has ballooned to 63% in the last two years against a historical average of 51% (FY18-20). We believe that the ratio will improve, going forward, owing to easing supply chain issues. For FY23, we assumed a transhipment: gateway ratio of 60% and declined it to 52.0% by FY27. To recall, RSGT has better margins for gateway services where the pricing stands at around SAR100/TEU for transhipment and a blended rate of SAR480/TEU for gateway and consignee services (Figure 15).

Expansion on cards: Historically, the expansions have been triggered when utilization levels have reached 75% or above as inefficiencies start to creep in at these levels. The last such expansion was witnessed in FY19 when the terminal was operating at 78% utilization levels and 1.5mn TEUs capacity was added to take the total capacity to 4.0mn TEUs. In our base case, we have taken effective utilization levels of 72% in our terminal year, resulting in a volume of 5.2mn TEUs post-expansion.

The first phase of expansion could entail increasing the capacity from 5.2mn TEUs to 7.2mn TEUs requiring a CAPEX of SAR300mn. We have assumed a 2.0mn TEUs expansion from FY27E while keeping effective utilization levels at an average of 68% post-expansion. The aforementioned expansion adds SAR3.5/sh to our TP while increasing FY27E earnings by 35%. Increasing the capacity further from 7.0mn to 9.0mn TEUs would require a much bigger CAPEX outlay of SAR400mn.

Expanding to foreign shores: In line with its strategy to grow its existing business internationally, RSGT has been nominated by Bangladesh's Ministry of Shipping as the preferred operator of the new USD240mn Patenga Container Terminal (PCT). Four other companies had expressed interest in the new terminal, however, RSGT emerged on top to operate the PCT. The port of Chittagong is one of the busiest ports in the Bay of Bengal as it serves as a gateway for 90% of Bangladesh's import and export ocean cargo. In 2017, the Bangladesh government set up a new policy of Public-Private partnerships Project through Government-to-Government partnerships. The above agreement falls under the same policy.

The company expects the MoU to be signed by next month post which concession agreements can be finalized which could take up to six months. If the concession agreement is finalized, we foresee, the PCT terminal coming online by maximum mid-next year as cranes would need to be also set up at the terminal. According to the company guidance, the handling capacity for the port will be around 0.5mn TEUs which can be ramped up to 1.0mn TEUs. The container volume is likely to be 100% gateway. Assuming a similar tariff to RSGT and a utilization level of 55-70% (FY24-27E), we believe the revenues from the PCT will range around SAR129-167mn. The concession is expected to cost USD150-200mn funded by 70:30% debt: equity. Hence, assuming a mid-range investment cost of USD175mn, the equity portion comes out to be USD52.5mn of which, SISCO's share would be USD18.9mn. We await more details before incorporating the PCT business into our model.

Figure 5 **Assumptions table for PCT Terminal**

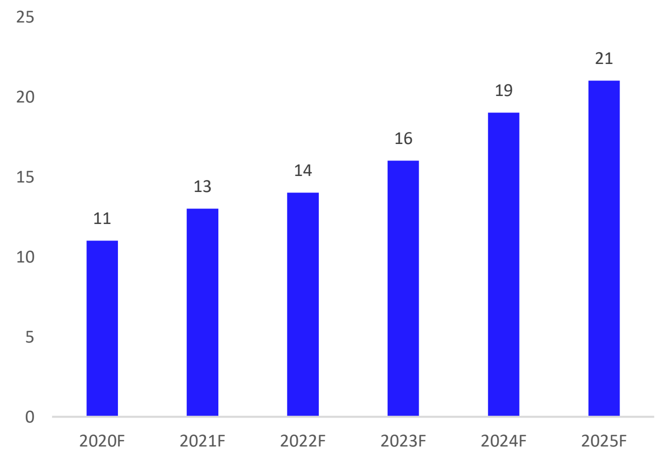
	Assumed
Total Investment	$175mn
Debt/Equity Ratio	70-30
PCT Capacity (TEU'000)	500
Utilization	55% (FY24E) - 70% (FY27E)
Revenues	SAR 129-167 mn

Source: Al Rajhi Capital estimates

Logistics: SISCO has a 76% holding in Logipoint which is responsible for operating an open yard facility as well as bonded and non-bonded warehouses. The bonded warehouses are high in demand, currently running at 100% utilization, as goods placed under these zones are not liable to pay duties, VAT, or demurrages. The goods can be re-exported without paying customs fees. These zones have a higher tariff of SAR430/sh as against SAR90/sh for the open yard. Going forward, we have assumed demand for the bonded warehouse to remain high resulting in running at full capacity. On the other hand, the open yard utilization levels have seen a slump due to lower containers shipped to JIP via container ships. Open yard space is mainly used for automobile storage, construction materials, and heavy machinery. We have assumed open yard utilization to increase gradually from 45% in FY2023e to 65% by FY2027e.

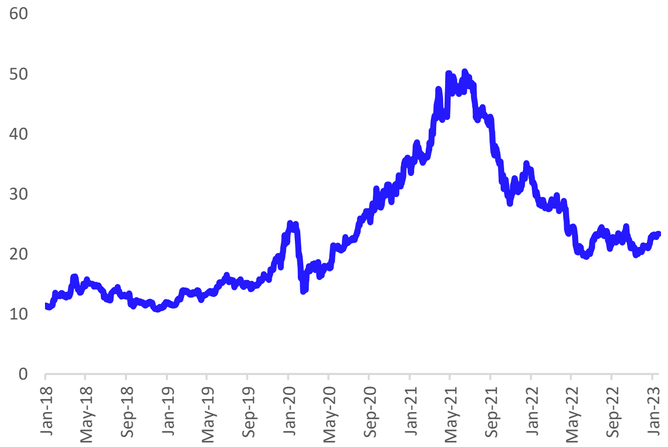
SISCO, in line with its strategic initiatives, is also looking to expand its warehousing facilities. The company has recently converted 25k sqm of open yard space to bonded warehouse, while it plans to increase its bonded warehouse capacity to 125k sqm by year-end and to 150k sqm by 1H2024. Much of these facilities will be leased out to international players like Amazon and Aramex. In addition to expanding its existing facilities, the company is also actively looking out for the acquisition of 3PL players specifically in the cold chain. The investment amount can range between SAR150-200mn depending upon the opportunity. A 3PL is a service provider that helps e-commerce players to manage their supply chain. The e-commerce segment is witnessing a surge in the Kingdom and is forecasted to grow at a 5-year CAGR of 14% to USD21bn by 2025E.

Figure 6 **E-commerce to surge (SAR bn)**



Source: Statista, Al Rajhi Capital

Figure 7 **Stock poised to go up after trough**



Source: Bloomberg, Al Rajhi Capital

Limited Downside risks: SISCO stock price declined by 34% in FY22 representing a drop of 60% from its peak. The decline in stock price can be attributed to the weakness seen in the overall sector owing to supply chain challenges, Russia-Ukraine conflicts, and Suez Canal blockage in FY22. The stock was also impacted due to the sale of a 21.2% stake in RSGT as selling off its core business didn't go down too well with the investors. Even though the stock has rallied 15% YTD, we argue that the company's plan to repurchase 10% of its outstanding shares coupled with its attractive dividend yield of around 3.5% provides downside protection against short-term fluctuations. Going ahead, we believe SISCO's core business to post recovery while the management is expected to actively pursue M&A options unlocking future growth potential.

Valuation: We value SISCO using SOTP valuations and assign 60% and 40% to DCF and EV/EBITDA-based relative valuation. Our SOTP DCF-based TP is SAR29/sh and is based on the cost of equity assumption of 10.2% resulting in a WACC of 8.8% while we have taken a terminal year growth of 2%. For relative valuation, our TP stands at SAR26/sh as we have used an EV/EBITDA multiple of 11/11/17x for the Ports, Logistics, and Water segments. Lastly, we also apply a conglomerate discount of 10% to aggregate equity value and add back cash sitting on SISCO books. Thus, our blended TP of SAR28/sh provides an upside of 19% to the last close. Despite its recent rally, the stock is trading at its historic lows with multiple profitability triggers yet to be realized.

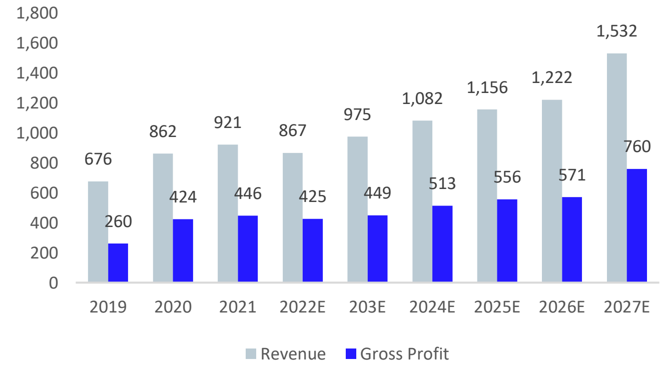
Figure 8 **Valuations**

Valuation Methodology	Fair Value (SAR)	Weightage	Weighted value per share	Upside/Downside
DCF	29	60%	17	24%
Relative Valuation	26	40%	10	12%
Fair Value (SAR)			**28**	
Current Price (SAR)			23	
Upside/(Downside)			19%	

Source: Al Rajhi Capital estimates

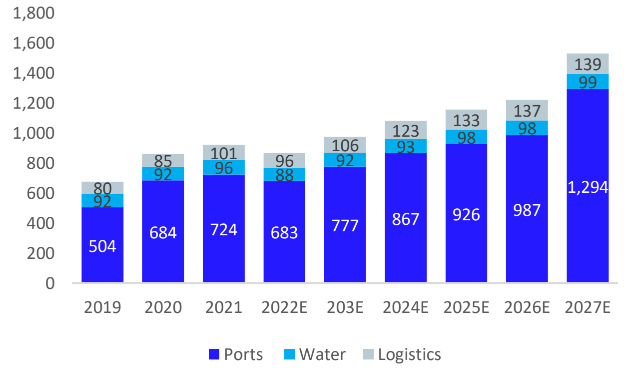
Financial performance overview in charts

Figure 9 **Revenue and Gross profit (SAR mn)**



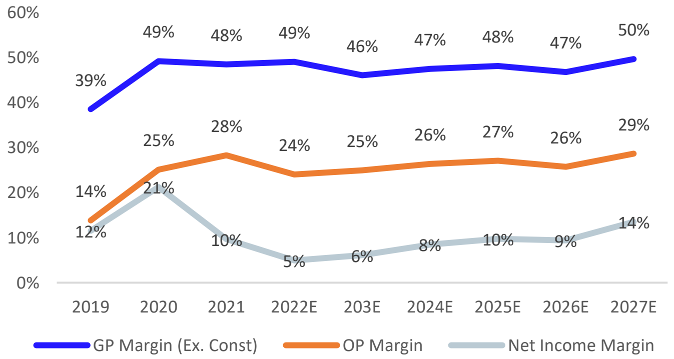
Source: Company Filings, Al Rajhi Capital, Note: numbers are Ex. Construction

Figure 10 **Segmental revenue breakup (SAR mn)**



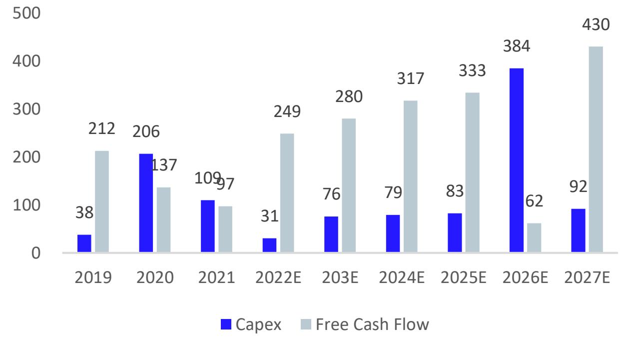
Source: Company Filings, Al Rajhi Capital

Figure 11 **Margins to remain steady**



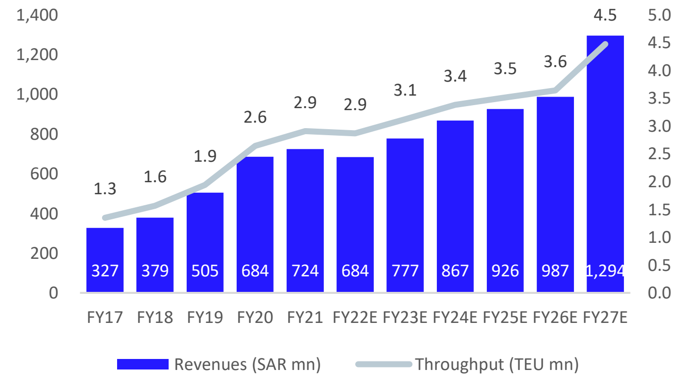
Source: Company Filings, Al Rajhi Capital

Figure 12 **Growing Capex and FCF (SAR mn)**



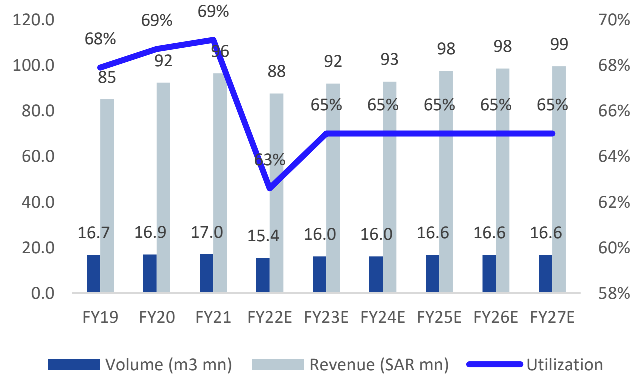
Source: Company Filings, Al Rajhi Capital, Note: Expansion capex of SAR 300mn has been taken in 2026E.

Figure 13 **Ports – Revenue & Throughput**



Source: Company Filings, Al Rajhi Capital

Figure 14 **Water – Revenue and Volumes**



Source: Company Filings, Al Rajhi Capital

Figure 15 **Port Volumes and Price estimates**

	FY23E	FY24E	FY25E	FY26E	FY27E
Volumes (TEU '000)					
Handling Capacity	5,200	5,200	5,200	5,200	7,200
Trans-shipment Volume	1,872	1,960	1,966	1,966	2,324
Gateway Volume	1,248	1,420	1,544	1,674	2,146
Total Containers Volume	**3,120**	**3,380**	**3,510**	**3,640**	**4,470**
Utilization (%)	60%	65%	68%	70%	62%
Price (SAR)					
Trans-shipment	103	103	103	103	107
Gateway	266	266	266	266	277
Consignee	202	202	202	202	210

Source: Al Rajhi Capital estimates

Figure 16 **Logistics Volume estimates**

	FY23E	FY24E	FY25E	FY26E	FY27E
Open Yard (sqm mn)	0.50	0.50	0.50	0.50	0.50
Open Yard Occupancy (%)	45%	55%	60%	65%	66%
Open Yard Occupied (sqm mn)	**0.23**	**0.28**	**0.30**	**0.33**	**0.33**
Total Wearhouse Area (sqm mn)	0.39	0.41	0.43	0.43	0.43
Bonded Wearhouse	0.11	0.14	0.15	0.15	0.15
Non-Bonded Wearhouse	0.28	0.28	0.28	0.28	0.28
Wearhouse Occupancy (%)	100%	100%	100%	100%	100%
Wearhouse Occupied	**0.39**	**0.41**	**0.43**	**0.43**	**0.43**

Source: Al Rajhi Capital estimates

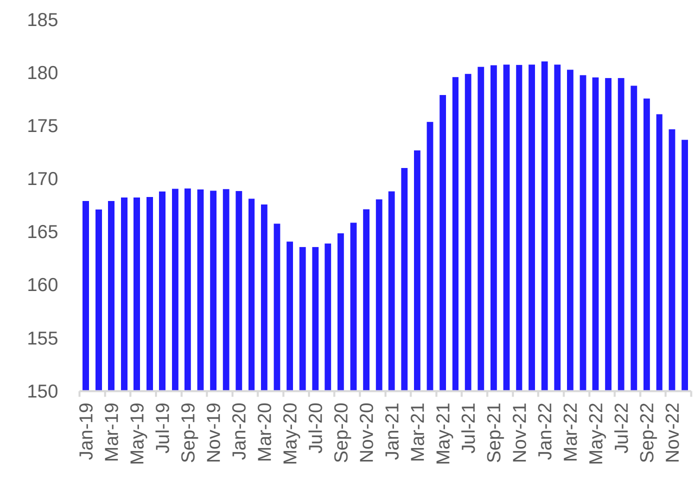
Global container volumes shift, Saudi Container seeing an uptick

We note that the whole industry faced supply chain challenges at the start of 2022 owing to a shortage in containers, the Russia-Ukraine war, and other macroeconomic factors. Global container volumes have seen a decline of 3.9% for FY22. This decline was led by the Asian routes through North America and Europe. These two lanes collectively account for 22% of global volumes. The decline in volumes was seen primarily due to muted peak season, higher inventories, improving supply chains, and moderate economic activity. However, a volume uptick was witnessed at the start of FY23 as China exports began to pick up after having their lockdown lifted and as U.S. inventories rebalance in the coming months. Also due to these factors, we might see a decline in container rates leading to an increase in volumes. Current container rates have fallen 79% and 80% at Drewry (WCI Composite Container Freight Benchmark Rate per 40 Foot Box Drewry) and SCFI (Shanghai Shipping Exchange Shanghai (Export) Containerized Freight Index) respectively. The drastic fall can be attributed to decongested supply chains, equipment availability, and geopolitical changes. We expect the rates to remain slightly higher than pre-pandemic levels after touching their peak in late 2021 to the start of 2022.

Saudi imports (Imports by sea) had seen a drop in 2021 (SAR343.7bn) of about 2% from 2019 (SAR 352.1bn) when compared with the pre-covid levels. The decline was seen owing to container shortages and lower allocations by shipping lines. However, the imports for 9M22 are already at SAR 315bn which is 90% of 2021 levels, signaling the container shortage concerns have been alleviated. Including non-oil exports to the total imports, we note that 9M22 (SAR 496bn) which is again already at 90% of the total number in 2021 (SAR554bn). We believe the growth to continue in the imports as the Kingdom expects to increase its non-oil exports to 50% of non-oil GDP by 2030 from the current low-double digit percentage.

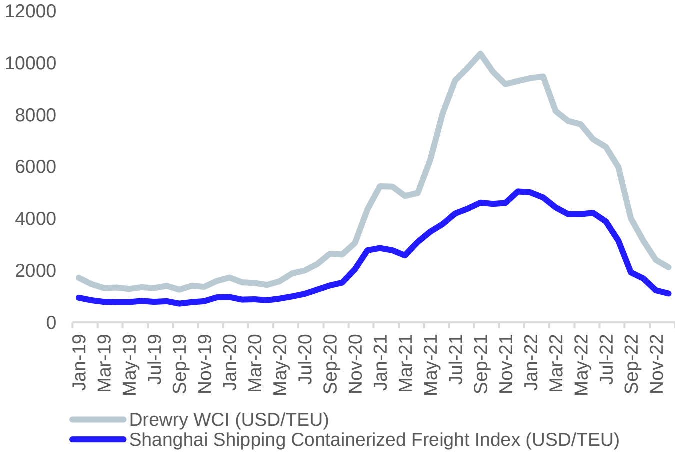
As per Mawani, the year-end statistics for 2022 highlight a 3.2% surge in container volumes at 10.3 million TEUs in contrast to 10.0 million TEUs a year earlier. A further look at the sub-categories reveals a 5% boom in imported and exported boxes to 4.8 million TEUs from 4.6 million TEUs in the previous period. Similarly, transhipments inched up by 2% in comparison to 2021's tally of 5.4 million TEUs. Mawani aims to transform the infrastructure of Saudi ports into a global logistics hub that connects three continents by expanding shipping routes and aligning its future roadmap with the National Transport and Logistics Strategy (NTLS). The strategy further targets a capacity of more than 40 Mn containers annually by 2030 from 20 Mn containers handled currently.

Figure 17 **Global Container volumes TTM (Mn TEUs)**



Source: Company Filings, Al Rajhi Capital

Figure 18 **Container price trends – SCFI and Drewry**



Source: Company Filings, Al Rajhi Capital

Key Risks

- Any slowdown in the manufacturing sector will pull down the total imports and exports impacting SISCO's port revenue negatively. Weaker-than-expected container traffic volume and lower warehouse occupancy could weigh on revenue growth.
- The port tariffs are dependent on the government; if the tariffs are reduced it will impact the top-line and consequentially the bottom-line of the company.
- If the transshipment volume increases compared to the gateway volume, then the revenue growth, as well as net margins, will have a negative impact since the pricing for transshipment is almost less than half of the gateway.
- A decline in growth globally, and the slowdown in trade due to recessionary conditions coupled with rising rates would lead to pressure in margins.

Key Financials

Figure 19 **Income Statement**

	FY21	FY22E	FY23E	FY24E
Revenue	985,408	1,006,139	975,461	1,082,193
Revenue growth%	-3%	2%	-3%	11%
Cost of Revenue	-538,936	-581,000	-526,609	-568,882
Gross Profit	**446,472**	**425,139**	**448,853**	**513,311**
Gross Profit growth%	5%	-5%	6%	14%
GP Margin %	45%	42%	46%	47%
Selling and Distribution Expense	-16,583	-12,892	-13,755	-14,563
General and Administrative Expense	-151,544	-170,778	-191,638	-213,216
Operating Income	**278,345**	**241,468**	**243,459**	**285,533**
Operating Income growth%	9%	-13%	1%	17%
OP Margin %	28%	24%	25%	26%
Depreciation & Amortization	173,746	170,340	183,444	186,179
EBITDA	**452,090**	**411,808**	**426,903**	**471,712**
EBITDA growth %	8%	-9%	4%	10%
EBITDA Margin %	46%	41%	44%	44%
Finance Cost	-203,541	-211,406	-214,594	-214,594
Finance Income	0	8,736	8,838	9,432
Other Income	15,068	11,287	11,287	11,287
Share in results from equity accounted associates	23,682	30,631	30,631	30,631
Income before Zakat and Income tax	**113,554**	**80,717**	**79,622**	**122,289**
Zakat and Income tax	-18,437	-31,123	-19,906	-30,572
Net Profit for the year	**95,117**	**49,595**	**59,717**	**91,717**
Net Profit Growth %	-56%	-48%	20%	54%
Net Profit Margin %	10%	5%	6%	8%
EPS (SAR)	**0.71**	**0.48**	**0.57**	**0.88**

Source: Company Data, Al Rajhi Capital

Figure 20 **Cash Flow Statement**

	FY21	FY22E	FY23E	FY24E
OPERATING ACTIVITIES				
Net cash from operating activities	236,272	146,986	197,088	238,293
Net cash from /(used in) investing activities	511,448	-491,409	-58,969	-62,364
Net cash (used in)/from financing activities	-191,880	-112,012	-75,670	-67,487
Net increase/(decrease) in cash and cash equivalent	555,840	-456,436	62,449	108,442
Cash and C.E at the end of the year	892,374	435,939	498,388	606,830

Source: Company Data, Al Rajhi Capital

Figure 21 **Key Ratios**

	FY21	FY22E	FY23E	FY24E
Liquidity Ratios				
Current Ratio (x)	2.1x	2.2x	2.3x	2.5x
Quick Ratio (x)	2.0x	2.1x	2.2x	2.4x
Efficiency ratios				
ROE	4.1%	2.2%	2.6%	4.0%
Days Sales Outstanding	64.1	75.0	75.0	75.0
Days Inventory Outstanding	19.9	25.0	25.0	25.0
Days Payable Outstanding	200.5	200.0	180.0	180.0
Cash Conversion Cycle (Days)	-116.4	-100.0	-80.0	-80.0
Leverage Ratios				
Debt-Equity Ratio	0.3x	0.3x	0.3x	0.3x
Net Debt/EBITDA	-0.4x	0.6x	0.4x	0.1x
Interest coverage ratio	1.4x	1.1x	1.1x	1.3x
P/E (x)	32.6x	48.6x	40.4x	26.3x

Source: Company Data, Al Rajhi Capital

Figure 22 **Balance Sheet**

	FY21	FY22E	FY23E	FY24E
Assets				
Cash and Cash Equivalent	892,374	435,939	498,388	606,830
Inventories	25,935	30,249	36,069	38,965
Trade receivables, prepayments and other receivables	161,794	178,104	200,437	222,368
Due from related parties	10,622	10,622	10,622	10,622
Short-term deposits	0	477,711	477,711	477,711
Total Current Assets	**1,090,725**	**1,132,625**	**1,223,228**	**1,356,497**
Property, plant and equipment	245,350	234,903	224,409	215,692
Intangible Assets	3,052,853	2,938,399	2,858,237	2,776,957
Right of use of Assets	90,132	84,094	78,055	72,017
Investment Properties	118,042	107,265	96,489	85,712
Investment in associates	188,020	201,648	215,276	228,904
Financial assets at FVOCI	14,910	14,910	14,910	14,910
Goodwill	8,777	8,777	8,777	8,777
Capital WIP	181,715	181,715	181,715	181,715
Deferred tax assets	4,527	4,527	4,527	4,527
Total Non-Current Assets	**3,904,326**	**3,776,239**	**3,682,396**	**3,589,211**
TOTAL ASSETS	**4,995,051**	**4,908,864**	**4,905,623**	**4,945,708**
Current Liabilities				
Current portion of long term debt	73,211	79,274	79,274	79,274
Trade payables, accrued and other current liabilities	260,768	241,992	259,697	280,545
Lease liabilities	8,740	11,192	11,192	11,192
Due to related parties	1,603	1,603	1,603	1,603
Obligation under service concession arrangement	169,028	162,093	162,093	162,093
Zakat and Income tax payable	18,622	18,622	18,622	18,622
Total Current Liabilities	**531,971**	**514,776**	**532,481**	**553,329**
Non Current Liabilities				
Long term loan and bank facilities	648,147	591,163	591,163	591,163
Employees' end of services benefits	52,755	47,762	42,768	37,775
Long term provisions	2,034	2,034	2,034	2,034
Derivative financial instrument	5,662	5,662	5,662	5,662
Obligation under service concession arrangement	1,369,300	1,381,836	1,381,836	1,381,836
Lease liability	88,796	94,930	94,930	94,930
Total Non Current Liabilities	**2,166,694**	**2,123,387**	**2,118,394**	**2,113,401**
Share holders Equity				
Share Capital	816,000	816,000	816,000	816,000
Share Premium	36,409	36,409	36,409	36,409
Statutory Reserves	96,112	96,112	96,112	96,112
Other componets of Equity	334,993	334,993	334,993	334,993
Retained Earnings	202,500	176,077	157,194	171,566
Equity attributable to parent	**1,486,014**	**1,459,591**	**1,440,708**	**1,455,079**
Non Controlling Interest	810,372	811,111	814,040	823,899
Total Share holder Equity	**2,296,387**	**2,270,701**	**2,254,748**	**2,278,978**
TOTAL LIABILITIES AND EQUITY	**4,995,051**	**4,908,864**	**4,905,623**	**4,945,708**

Source: Company Data, Al Rajhi Capital

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