

Perfect Presentation for Commercial Services Company

A leading innovative ICT solutions provider in a dynamic market

1H2023 Presentation

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TABLE OF CONTENTS



Key Messages and Strategic Pillars



Investment Case



Financial Overview

Key Messages and Strategic Pillars

Key Messages

2P continues to witness an improvement in performance, both operationally and financially



Strategic Pillars

For the next few years, 2P is strategically focused on three main pillars to increase its revenue

Vision

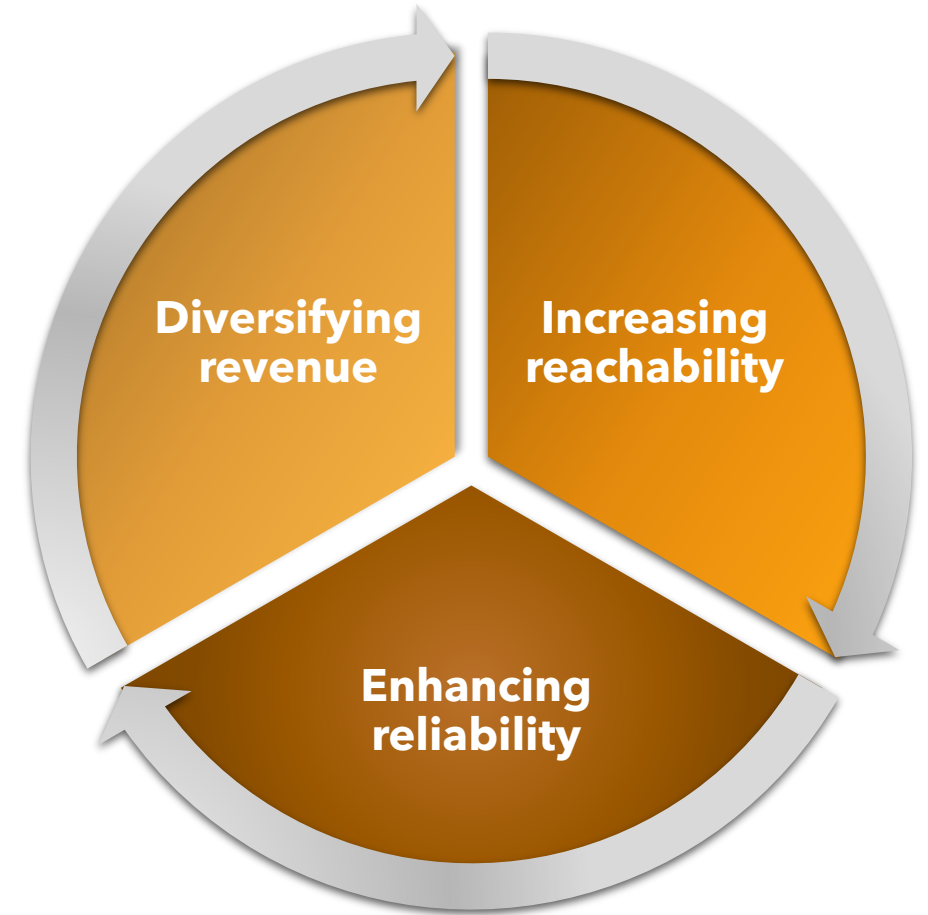
Maintaining and enhancing the Company's position as the leader in the field of technology solutions and digital transformation.

Mission

Providing technical solutions and digital transformation services centered around meeting the needs of the evolving market.

Values

- Localization
- Innovation
- Integrity
- Excellence



Investment Case

2P

A compelling investment opportunity within a dynamic and fast-growing market


2P is a leading innovative ICT solutions provider, offering a comprehensive suite of products and services to its broad customer base



Comprehensive and Integrated Service Offering (One-Stop-Shop)

2P has strong digital capabilities and scale, offering integrated and tailored solutions, whilst being agile in meeting the changing demands of customers

Tailored Solutions for corporate clients making 2P a one-stop-shop for its customers



CX

- customer experience systems
- Technical solutions
- AI Chat Bot



O&M

- Curative maintenance
- Preventive maintenance
- Operate IT systems
- Managed IT services



SWD

- Yamamah
- Tarasul
- SW Exclusive Selling Rights
- Internet service provider
- Wesal



MS

- Desktop management
- Application management
- Help desk support
- operations management

Active in 1H2023

Customer Experience ("CX")

32 Contracts

- +125 MN Calls answered⁽²⁾
- 3 Minutes Average call duration
- 92% Customers satisfaction

Operation & Maintenance ("O&M")

89 Contracts

- 24/7 Support
- SAR 855 K Revenue per contract⁽¹⁾
- +890 On-ground engineers

Software Development ("SWD")

82 Contracts

- SAR 941 K Revenue per contract⁽¹⁾
- +13 SWD Solutions
- 80% customer retention

Managed Services ("MS")

2 Contracts

- 24/7 Support
- SAR 1.66 mn Revenue per contract
- Day-to-day operations

Solid partnerships with key public and private enterprises

2P's well-established partnerships have positioned the company to enhance its backlog and continue its growth trajectory



Customer Experience ("CX")

- ❖ Customer Experience includes **implementation of call center services** through **business process outsourcing and technology**



Operation & Maintenance ("O&M")

- ❖ O&M services involve long term arrangements which **offers management of full IT infrastructure and operations**



Software Development ("SWD")

- ❖ Software Development services include providing customers with proper **development & installations** of **packaged software**. Also, 2P offers 2-way **bulk SMS services**



Manage services ("MS")

- ❖ IT Managed Services also may include related **consulting & systems integration** activities along with the **day-to-day operations"**

Sample Clients



وزارة الصحة
Ministry of Health

الموارد البشرية
والتنمية الاجتماعية



شركة الإلكترونيات المتقدمة



مستشفى الملك فيصل التخصصي ومركز الأبحاث
King Faisal Specialist Hospital & Research Centre
ج.م.ع. 11565



هيئة السوق المالية
Capital Market Authority



أمانة منطقة
المدينة المنورة
Madinah Regional Municipality



جامعة
الملك سعود
King Saud University



مدينة الملك عبدالعزيز
للعلم والتكنولوجيا KACST

وزارة الرياضة
Ministry of Sport

أمانة منطقة الرياض
RIYADH REGION MUNICIPALITY



هيئة تقويم التعليم والتدريب
Education & Training Evaluation Commission

وزارة المالية
Ministry of Finance



الهيئة السعودية للبيانات
والذكاء الاصطناعي
Saudi Data & AI Authority

مصرف الراجحي
alrajhi bank



Strong underlying fundamentals

Establishing a solid foundation to generate long-term and sustainable value to shareholders

1H2023 At a Glance

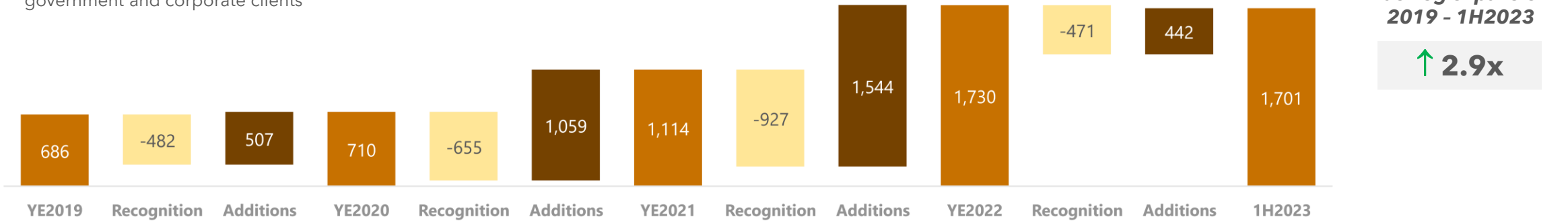
Revenue SAR 471 mn	Gross Margin 20.0%	Operating Margin 15.2%
EBITDA Margin 15.8%	Backlog SAR 1.7 bn <i>As of 30 June 2023</i>	RoIC 11.7%
Return on Equity 20%	Net Profit SAR 57 mn	No. Newly awarded contracts: 87 Amount: SAR 432 MN

Robust and expanding backlog

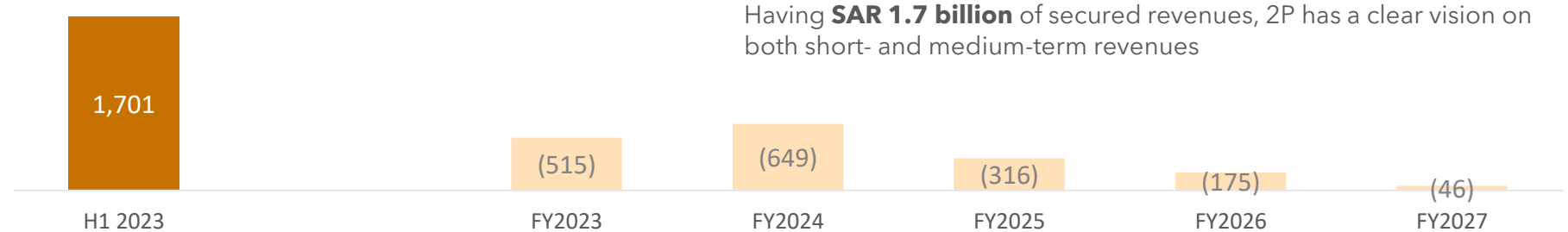
Well-diversified backlog, valued at **SAR 1.7 billion**, provides high visibility on 2P's financial performance over the next few years

Backlog Evolution (SAR mn)

Backlog expanded by **2.9x times** over the **last 4 years** at the back of strong sales force, favorable terms with vendors and clients, established relationships with government and corporate clients



**+205
Projects**



Having **SAR 1.7 billion** of secured revenues, 2P has a clear vision on both short- and medium-term revenues

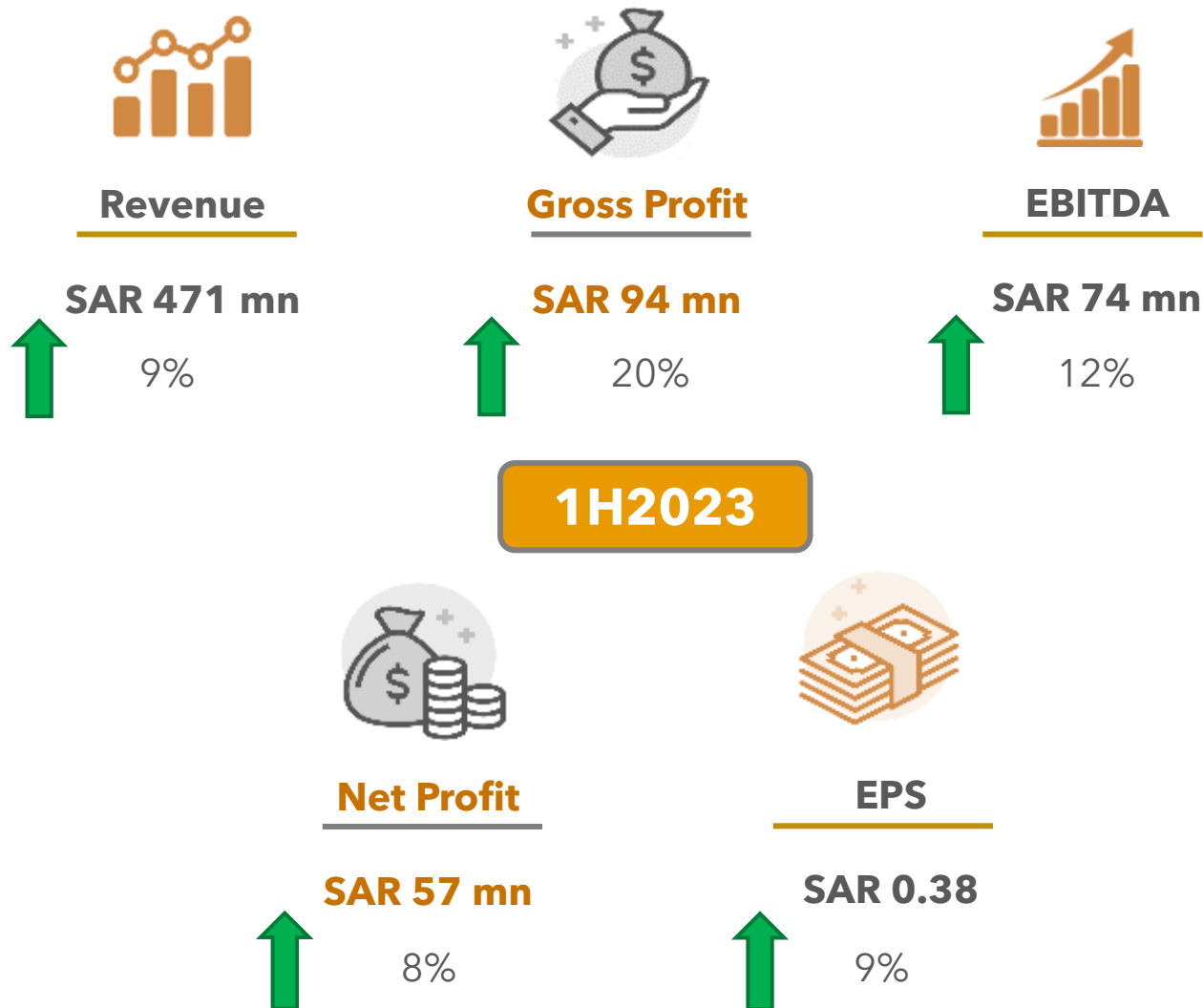
Operation & Maintenance	O&M	65%	66%	76%	79%	100%
Software Development	SWD	16%	24%	15%	18%	0%
Customer Experience	Cx	18%	8%	5%	3%	0%
Managed Service	MS	1%	2%	4%		
Total		100%	100%	100%	100%	100%

Source: Company information, (1) based on value of contracts won divided by value of contracts entered

Financial Overview

1H2023 Financial Snapshot

2P reported a solid set of financial results in 1H2023, driven by continued growth of Software Development and Operation & Maintenance, and launch of Managed Services



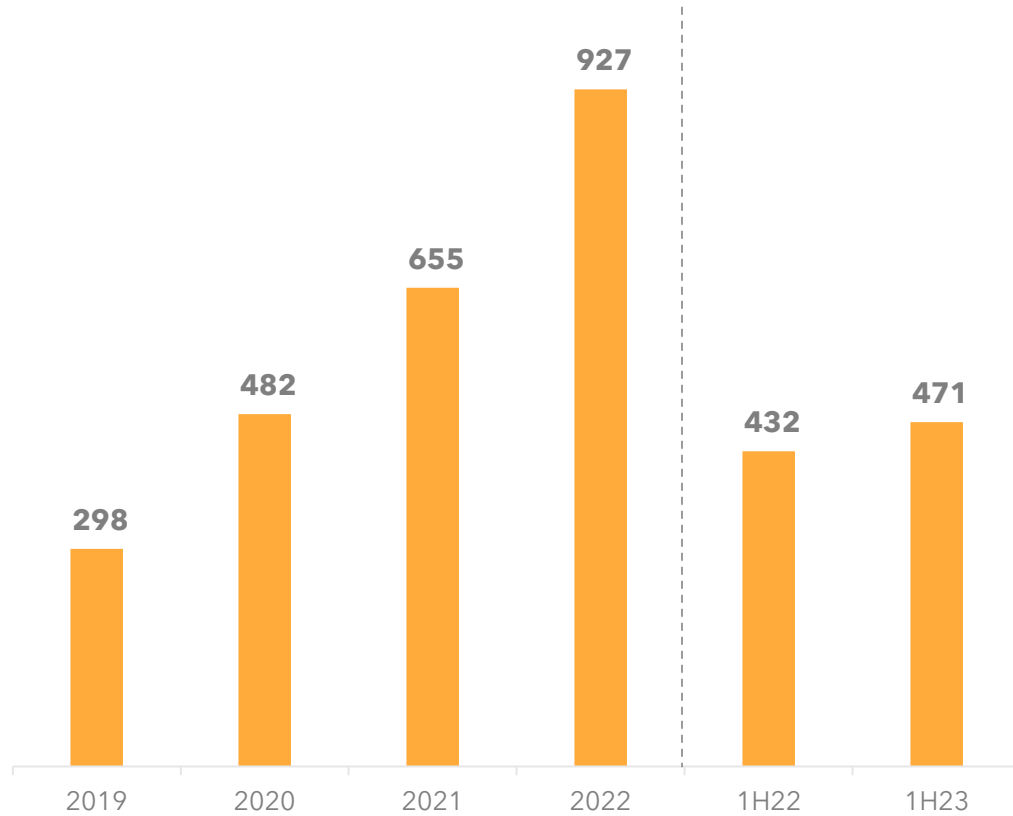
Key highlights

- ❖ **Revenue** continued its growth trajectory, driven by Software Development and Operation & Maintenance and launch of Managed Services
- ❖ **EBITDA** growth outpacing increase in SG&A expenses, with margin rising to 15.8%
- ❖ **Net profit** increased 8%, essentially due to the solid growth in revenues

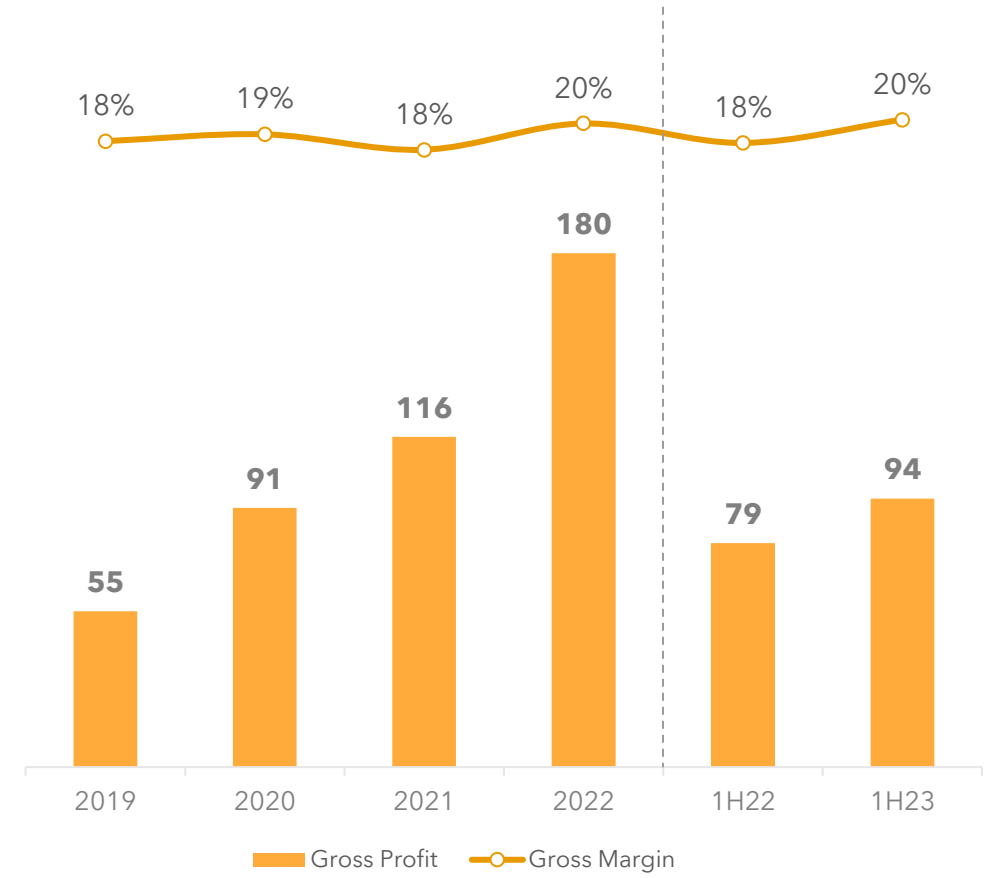
Robust financial performance with topline continuing to grow

2P's revenues witnessed a CAGR of 46% during 2019 to 2022

Revenue (SAR Mn)



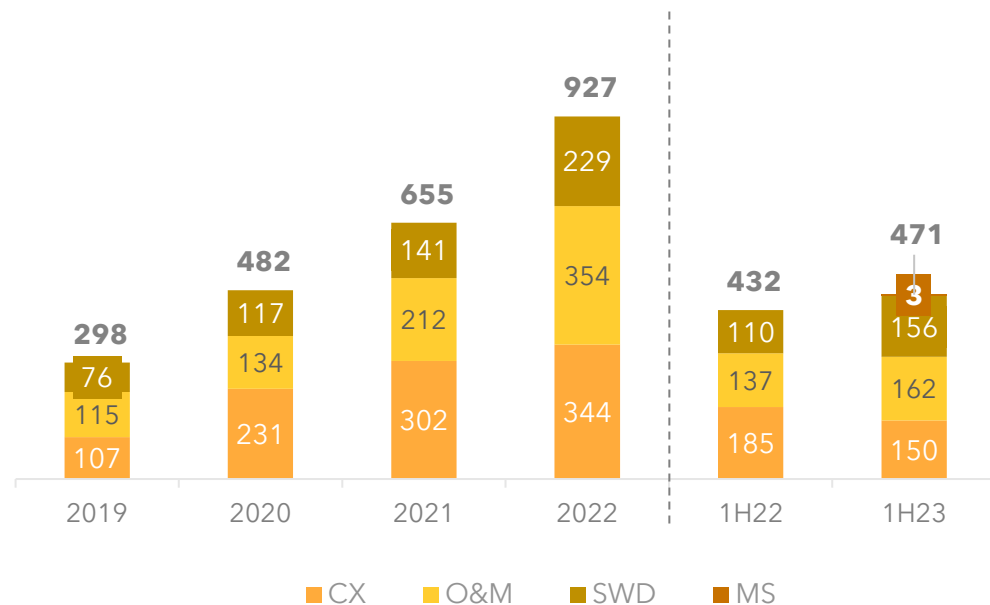
Gross Profit (SAR Mn)



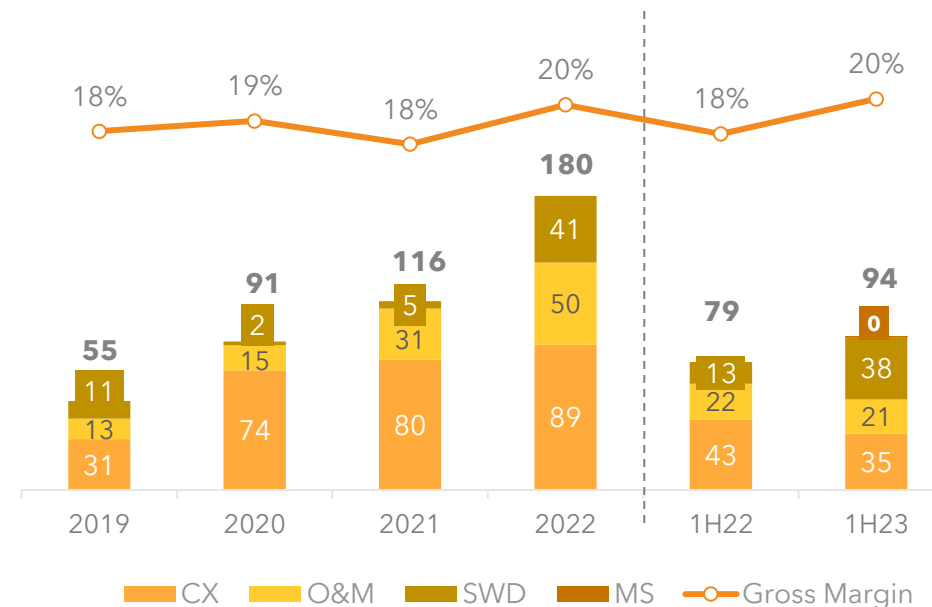
Robust financial performance with topline continuing to grow

The Company continued to generate sustained revenues across all lines of business

Revenue by LoB (SAR mn)



Gross Profit by LoB (SAR mn)



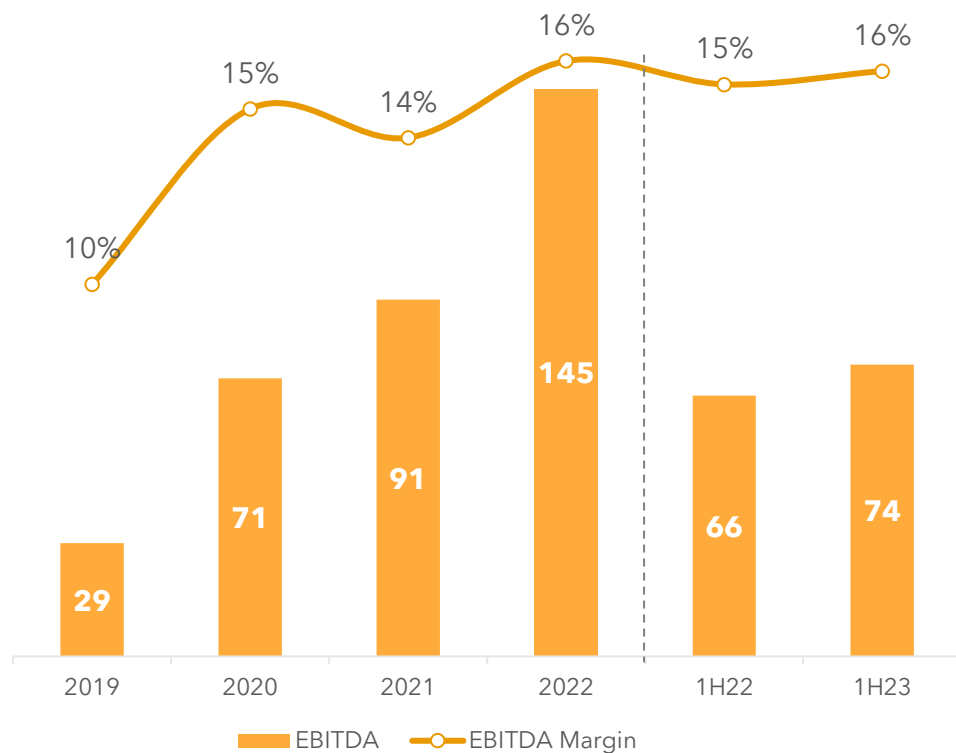
Revenue Mix						
	2019	2020	2021	2022	1H22	1H23
CX	36%	48%	46%	37%	43%	32%
O&M	38%	28%	32%	38%	32%	34%
SWD	26%	24%	22%	25%	26%	33%
MS						1%
Total	100%	100%	100%	100%	100%	100%

Gross Margin						
	2019	2020	2021	2022	1H22	1H23
CX	29%	29%	25%	26%	24%	25%
O&M	11%	11%	15%	14%	16%	14%
SWD	14%	8%	7%	18%	9%	22%
MS						11%
Overall	18%	19%	18%	20%	18%	20%

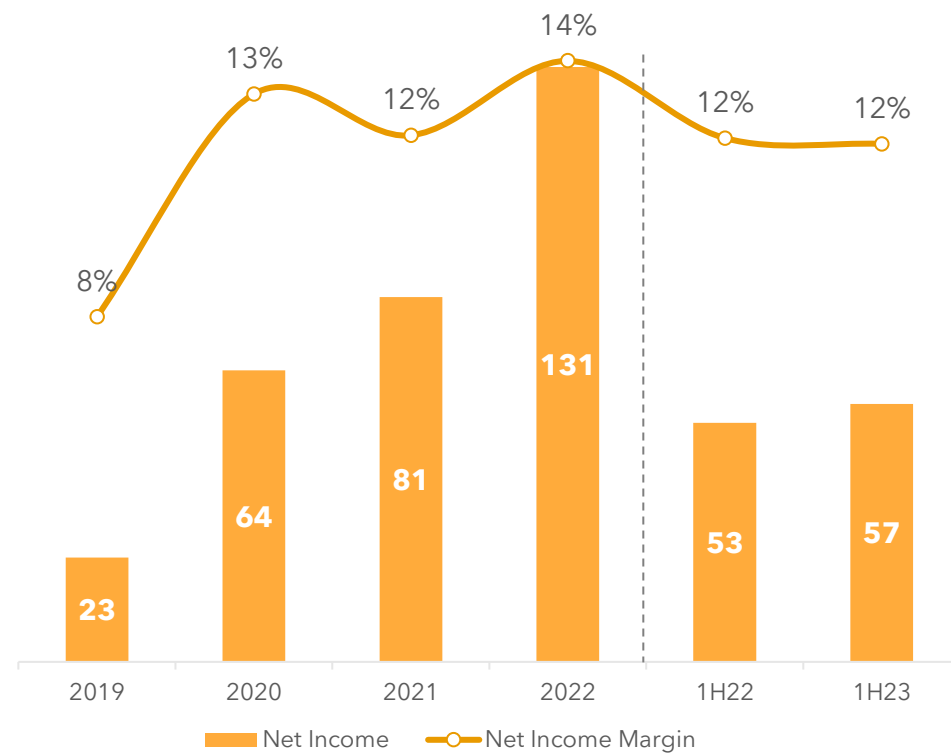
Rising trend in profitability

EBITDA and net profit grew at a CAGR exceeding 70% between 2019 - 2022

EBITDA (SAR Mn)



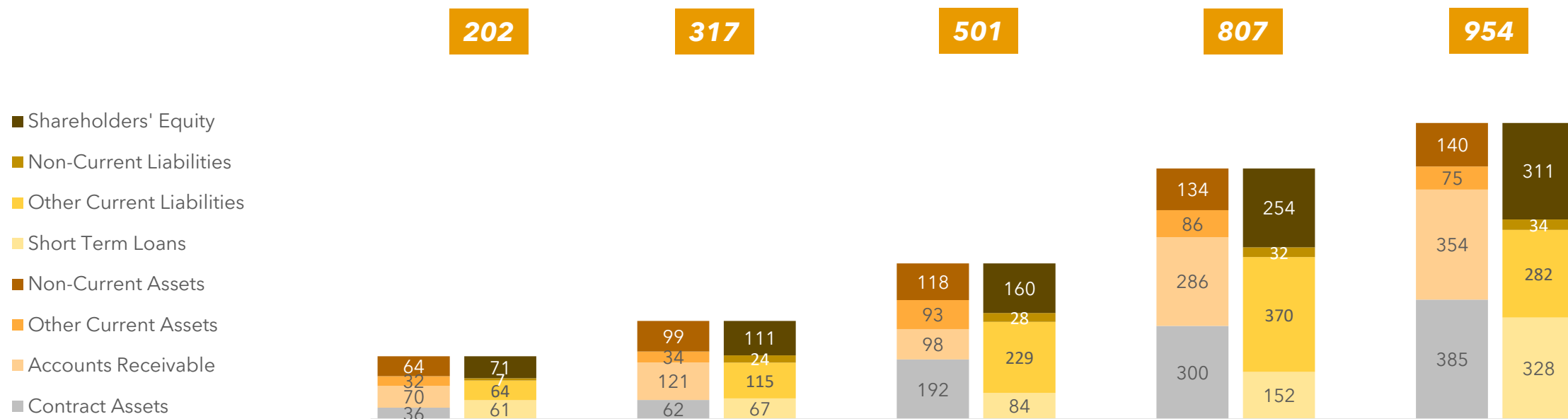
Net Profit (SAR Mn)



Balance sheet optimization

Strong focus on financial positioning, with maintenance of adequate leverage levels to support growth; average RoE exceeded 57% during 2019 - 2022

Balance Sheet Snapshot (SAR mn)



Key Ratios	2019	2020	2021	2022	1H23
NWC/Sales	24.4%	19.7%	13.8%	16.3%	52%
RoIC	17.2%	31.9%	40.3%	38.7%	11.7%
RoE	38.4%	70.9%	59.5%	63.6%	20.2%
Net Debt / EBITDA	2.12	1.03	0.28	0.62	3.88
D/(D+E)	46%	41%	37%	38%	52%

Contact Details

IR Contact Details

Ahmad AlJumah

Investor Relations Manager

Tel: : +966 55 990 8828

Email: IR@2p.com.sa

P.O. Box 105523,

Riyadh 11656, Kingdom of Saudi Arabia

[Visit 2P Investor Relations website](#)



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2P