

VP of Finance Statement

An Overview

elm achieved remarkable growth across major key financial metrics, with revenue surging 25.6% to ₪ 7,407 million, fueled by the continued expansion of the digital business, which now contributes 73.8% to the total revenue. A 29.8% rise in gross profit, underscores the Company's ability to drive operational excellence and margin expansion. With EBIT maintaining a robust 23.0% margin despite higher operating expenses, elm demonstrated its ability to scale efficiently while capitalizing on new opportunities. This year's performance affirms elm's commitment to embracing the future with passion, leveraging innovation and strategic investments to solidify its leadership position.

Net profit surged 34.7% to ₪ 1,826 million, driven by higher EBIT and ₪ 63 million in gains from asset disposals. The Company's cash flow generation reinforced its balance sheet, with cash and short-term investments rising 20.2% to ₪ 4.2 billion. Cash flow from operating activities remained robust, representing 90.8% of net profit, reflecting the efficiency of elm's financial operations and strategic settlements.

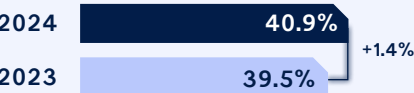
Overall, elm's 2024 financial performance reflects a business that is scaling with agility, expanding its digital capabilities, and positioning the Company for sustained long-term growth.

elm delivered a year of exceptional performance in 2024, marked by strong revenue growth, margin expansion and increased profitability. The Company's ability to scale its digital business, optimize operations and drive strategic initiatives reinforced its position as a market leader, setting the stage for continued success.

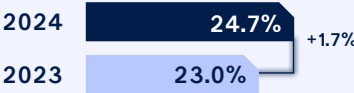
Othman Mohammed Altwaijri
Vice President of Finance Division



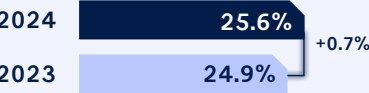
Gross profit margin



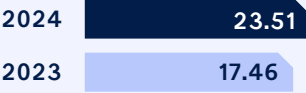
Net profit margin



EBITDA margin



Earnings per share



Five-year Summary of Income Statements

₪ million	2024	2023	Change%	2022	2021	2020
Revenue	7,407	5,898	25.6%	4,606	3,828	2,466
Cost of revenue	(4,381)	(3,567)	22.8%	(2,720)	(2,505)	(1,629)
Gross profit	3,026	2,332	29.8%	1,886	1,323	837
Total operating expenses	(1,326)	(981)	35.2%	(913)	(708)	(481)
Operating profit (EBIT)	1,700	1,351	25.8%	972	615	356
Other income/expenses, net	253	122	107.4%	51	34	17
Earnings before interest, taxes, depreciation and amortization (EBITDA)	1,899	1,471	29.1%	1,092	731	468
Net profit before zakat	1,953	1,473	32.6%	1,023	649	373
Zakat	(127)	(117)	8.5%	(93)	(82)	(66)
Net profit	1,826	1,356	34.7%	930	567	307
Basic earnings per share	23.51	17.46	34.7%	11.94	7.09	3.83
Gross profit margin	41%	40%	1%	41%	35%	34%
Operating profit margin	23%	23%	-	21%	16%	14%
Net profit margin	25%	23%	2%	20%	15%	12%

Revenue and Gross Profit

The revenue increased by 25.6%, reaching ₪ 7,407 million for the year ended 31 December 2024. the gross profit margin rose by 1.31 percentage points to 40.9%

elm's revenue growth was primarily driven by its Digital Business, which saw a 28.5% increase, reaching ₪ 5,469 million. Strong performance across its product portfolio, including the successful launch of new offerings and expansion of its customer base, led to a 33.6% rise in gross profit for the segment.

Business Process Outsourcing (BPO) also delivered solid growth, with revenue increasing 20.7% to ₪ 1,784 million, supported by new project wins and expanded deliverables. However, margin contraction in BPO tempered gross profit growth at 12.6%, reflecting the completion of higher-margin projects.

While Professional Services experienced a 6.7% revenue decline due to the completion of large projects, profitability remained stable, showcasing disciplined execution.

Revenue by Segment and Geography

₪ million	2024	2023	Change%	2022	2021	2020
Digital Business	5,469	4,255	28.5%	3,152	2,102	1,727
Business Process Outsourcing	1,785	1,479	20.7%	1,301	1,635	652
Professional Services	153	164	(6.7%)	153	90	86
Total*	7,407	5,898	25.6%	4,606	3,828	2,466

* All revenues generated inside the Kingdom of Saudi Arabia except ₪ 1 million that was generated from the United Arab Emirates.

Operating Expenses

Operating expenses increased by 35.2%, reaching ₪ 1,326 million for the year ended 31 December 2024, due to a 65.8% rise in depreciation and amortization expenses resulting from additions to leased buildings, in addition to a 55.4% increase in expected credit loss expenses. General and administrative expenses rose by 27.3% due to higher employee costs and consultancy activities, while sales and marketing expenses increased by 20.9% due to higher employee expenses and advertising and exhibition costs. Research and development expenses also rose by 46.2%. Moreover, the impairment of non-current assets increased by 250.0%. The Company achieved an operating income margin of 23.0%, up by 0.05 percentage points.

Other Income and Earnings Per Share

The Company recorded other income of ₪ 63 million related to asset disposals, which contributed to a 1.7 percentage point increase in the net income margin compared to the previous year, reaching 24.7%. Earnings per share increased to ₪ 23.51 per share.

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₪ 23.51
per share

Five-year Statement of Financial Position

ﷲ million	2024	2023	Change%	2022	2021	2020
Total non-current assets	1,528	1,095	39.5%	871	802	742
Total current assets	8,026	7,002	14.6%	5,155	4,392	3,282
Total assets	9,554	8,097	18.0%	6,026	5,194	4,025
Total non-current liabilities	868	573	51.5%	404	401	404
Total current liabilities	3,393	3,529	(3.9%)	2,575	1,984	1,387
Total liabilities	4,261	4,102	3.9%	2,979	2,385	1,791
Equity attributable to equity holders of the parent Company	5,293	3,995	32.5%	3,047	2,810	2,234
Non-controlling interest	0.14	0.16	(12.5%)	-	-	-
Total equity	5,293	3,995	32.5%	3,047	2,810	2,234
Total liabilities and equity	9,554	8,097	18.0%	6,026	5,194	4,025

Assets

As of 31 December 2024, the total assets increased by 18.0%, reaching ﷲ 9,554 million, compared to ﷲ 8,097 million at the end of 2023. This was primarily due to a 39.5% increase in non-current assets, driven by additions to leased buildings. Current assets also increased by 14.6%, mainly due to a rise in receivables by ﷲ 573 million.

Liabilities

The total liabilities increased by 3.9%, reaching ﷲ 4,261 million as of 31 December 2024, compared to ﷲ 4,102 million at the end of 2023. This increase was mainly attributed to a 51.5% rise in non-current liabilities, influenced by additional building leases during the year. However, current liabilities decreased by 3.9%, due to a reduction in payables and other current liabilities, impacted by the settlement of a portion of income-sharing receivables and partner obligations.

Five-year Cash Flow Statement

ﷲ million	2024	2023	Change%	2022	2021	2020
Net cash generated from operating activities	1,659	1,559	6.4%	1,706	598	724
Net cash used in investing activities	904	(1,231)	(173.4%)	(1,731)	(175)	283
Net cash used in financing activities	(697)	(532)	31.0%	(748)	(75)	(98)
Cash and cash equivalents	2,251	384	486.2%	589	1,362	1,013

Cash Flows from Operating Activities

The cash generated from operating activities is primarily attributed to achieving a net profit before Zakat amounting to ﷲ 1,954 million. On the other hand, there was a negative cash flow related to the net movement in working capital amounting to ﷲ 609 million, mainly due to the settlement of income-sharing obligations.

Cash Flows from Investing Activities

The cash generated from investing activities is mainly due to an increase in Murabaha deposit balances during the period, resulting in a positive cash flow of ﷲ 1,608 million. However, there were investments in financial assets amounting to ﷲ 752 million.

Cash Flows Used in Financing Activities

The cash used in financing activities is primarily due to dividend payments amounting to ﷲ 583 million. As a result, the cash and cash equivalents balance amounted to ﷲ 2,251 million for the year ended 31 December 2024.

Acknowledgements

As we move forward into 2025, we remain committed to strengthening elm's position in alignment with the ambitious goals of Saudi Vision 2030. I would like to extend my sincere gratitude to the executive management and our strategic partners for their unwavering support and trust in elm. We reaffirm our dedication to sustaining financial stability and enhancing performance to meet our future aspirations.

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