Summary of Elm Company Consolidated Financial Statements for the Year Ended December 31, 2023 (Elm Q4 2023)

The financial statements provide an overview of Elm Company, a Saudi joint stock company, and its subsidiaries' financial performance and position for the fiscal year ending December 31, 2023. Below is a concise summary of the critical information presented in the report, organized under various categories.

General Information

About Elm Company:

Established in 1988 in Riyadh, Saudi Arabia.

Specializes in **information security services, electronic business, consulting, data center management, IT hardware/software, online marketplace services, and workforce development**.

Subsidiaries:

Eight subsidiaries include **Saudi Information Exchange Company, Emdad Al Khebrat Co. Ltd., Elm Technical Investment Co.**, and others, operating in fields such as IT services, consulting, transportation, and logistics.

Elm Q4 2023 Financial Highlights

Elm Q4 2023 Revenue: SAR **5.90 billion** in 2023, up **28%** from SAR 4.61 billion in 2022.

Elm Q4 2023 Major Segments:

Elm Q4 2023 Digital Business: SAR 4.25 billion (72% of total revenue).

Elm Q4 2023 Business Process Outsourcing: SAR 1.48 billion.

Elm Q4 2023 Professional Services: SAR 164.4 million.

By Source:

Private parties contributed SAR 3.78 billion.

Government agencies accounted for SAR 2.12 billion.

Elm Q4 2023 Net Profit: SAR **1.36 billion**, a **46% increase** compared to SAR 930.2 million in 2022.

Elm Q4 2023 Earnings per share (EPS):

Basic: SAR 17.46 (2023), SAR 11.94 (2022).

Diluted: SAR 16.95 (2023), SAR 11.63 (2022).

Expenses:

Elm Q4 2023 Cost of Revenues: SAR **3.55 billion**, largely driven by salaries (SAR 1.6 billion).

Elm Q4 2023 Selling and Marketing: SAR **277 million**, an increase from SAR 235 million in 2022.

Elm Q4 2023 General and Administrative: SAR **475.8 million**, up from SAR 373 million.

Financial Position

Elm Q4 2023 Assets

Elm Q4 2023 Total Assets: SAR **8.10 billion** (2023), up from SAR 6.03 billion (2022).

Elm Q4 2023 Non-Current Assets: SAR **1.13 billion**.

Consist of **property and equipment, capital work-in-progress, intangible assets, and investment in associates**.

Current Assets: SAR **6.97 billion**.

Elm Q4 2023 Major contributors:

Accounts receivable: SAR **2.32 billion**.

Murabaha deposits: SAR **3.06 billion**.

Equity

Elm Q4 2023 Total Equity: SAR **3.99 billion**, a **31% increase** from SAR 3.05 billion in 2022.

Includes **retained earnings** (SAR **3.30 billion**) and **share capital** (SAR **800 million**).

Elm Q4 2023 Liabilities

Total Liabilities: SAR **4.10 billion**, increasing from SAR 2.98 billion in 2022.

Non-current liabilities (SAR 572.8 million): Include **lease liabilities** and **end-of-service benefits**.

Current liabilities (SAR 3.53 billion): Include **accounts payable, contract liabilities, and Zakat liabilities**.

Elm Q4 2023 Cash Flow Highlights

Elm Q4 2023 Net Cash from Operating Activities: SAR **1.56 billion**, slightly lower than SAR 1.71 billion in 2022.

Elm Q4 2023 Investing Activities: SAR **1.23 billion** used, primarily for **Murabaha deposits and property/equipment purchases**.

Elm Q4 2023 Financing Activities: SAR **532 million** used, mostly for **dividend payments of SAR 466 million**.

Key Notes

Elm Q4 2023 Investments in Associates

Investments include stakes in companies like **Sahel Al Madar Trading Company (30%)** and **Smart National Solution Company (24%)**.

Total investments (via ownership and advances): SAR **2.14 million**.

Elm Q4 2023 Property, Plant, and Equipment

Total: SAR **375.2 million**.

Additions during 2023: SAR **73.8 million**, while **SAR 14.5 million** of assets were disposed.

Elm Q4 2023 Right-of-Use Assets and Lease Liabilities

Right-of-Use Assets: SAR **230.8 million** (up from SAR 80.4 million in 2022).

Lease Liabilities: SAR **224.1 million**, reflecting future obligations for rented office spaces and equipment.

Elm Q4 2023 Intangible Assets

Intangible assets (like platforms and licenses) amounted to **SAR 174.6 million** after deducting amortization and impairment.

Elm Q4 2023 Accounting Policies

Financial statements are prepared according to **IFRS** standards endorsed in Saudi Arabia.

Elm Q4 2023 Key estimates:

Useful lives of assets, impairment of non-current assets, and future cash flow projections.

End-of-service benefits are calculated using actuarial assumptions.

Elm Q4 2023 Summary Table - Key Financial Data (SAR)

Elm Q4 2023 Revenue: 2023 - **5.90 billion**, 2022 - **4.61 billion (+28%)**

Elm Q4 2023 Net Profit: 2023 - **1.36 billion**, 2022 - **930.2 million (+46%)**

Elm Q4 2023 Total Assets: 2023 - **8.10 billion**, 2022 - **6.03 billion (+34%)**

Elm Q4 2023 Total Liabilities: 2023 - **4.10 billion**, 2022 - **2.98 billion (+38%)**

Elm Q4 2023 Total Equity: 2023 - **3.99 billion**, 2022 - **3.05 billion (+31%)**

Elm Q4 2023 Conclusions

Elm Company experienced **significant growth in 2023**, with **revenue and profitability increasing substantially,** supported by strong performance in its **digital business segment**. The company also continues to **invest in technology platforms, infrastructure, and talent development**, aligning with its focus on **innovation in IT and business process outsourcing**. However, **increased liabilities and ongoing costs, such as leasing obligations and workforce-related expenses, warrant close monitoring**.