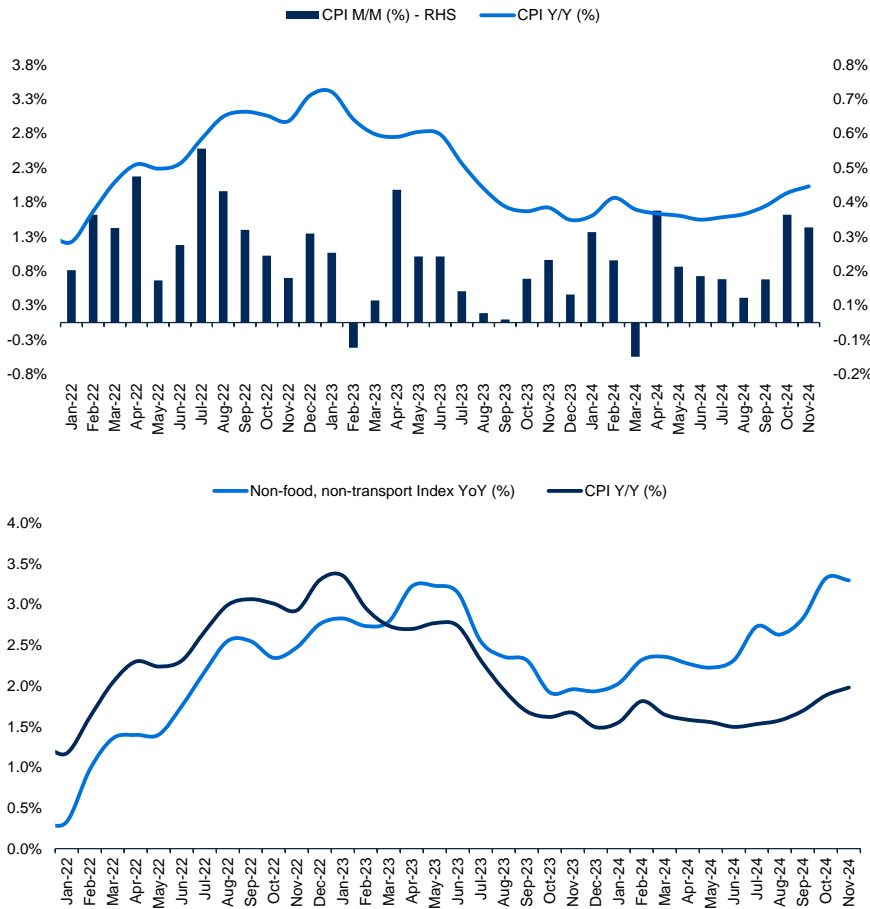


# Morning Bulletin

December 16, 2024

## Saudi Arabia's headline inflation accelerates to a sixteen-month high

The last data by GASTAT showed a sustained buildup of price pressures for the consumer with the headline inflation accelerating to a sixteen-month high of 2% YoY in Nov'24. The inflation increased from 1.9% YoY in Oct'24, its sixth consecutive month of increasing inflationary reading. The underlying sub-indices showed that the bulk of these pressures is from the core inflation amidst subdued food inflation. The latter slowed down to only 0.3% YoY in Nov'24 from 1.4% YoY in the same period last year. However, this was more than offset by an acceleration in core inflation, excluding the food and transport index, which we estimate increased to 3.3% YoY in Nov'24 from 2.0% YoY in Nov'23. Sequentially, the core inflation print had been relatively stable at 3.3% YoY in Oct'24 following an acceleration from 2.8% YoY in Sep'24.



\*Core Inflation has been calculated by excluding the food and transportation index and adjusting for the weights

On a MoM basis, the CPI index was up 0.3%, increasing at the same pace as in Oct'24 and nearly the fastest in the last seven months. The food index was up 0.2% MoM, driven by higher meat prices despite a decline in prices of perishable items, including fruit, vegetables, and dairy products. Moreover, the housing index increased by 0.9% MoM, making it the fastest pace of increase since Feb'24. This reflected the higher rental costs in the country, which was up 1.0% MoM in Nov'24, following a rise of 1% MoM in Oct'24. According to our calculations, this accounted for the bulk of the MoM increase in inflation. Moreover, the Miscellaneous Goods & Services index also increased by 0.5% MoM, driven by the higher insurance cost coupled with higher prices of Jewellery and watches.

Source: GASTAT

**2P secures contract at Ministry of Investment for SR62.6mn**

Perfect Presentation Company for Commercial Services (2P AB) announced a contract to operate the unified call center and provide operational support services at the Ministry of Investment, valued at SR62.6mn. According to the announcement, a positive financial impact will appear between 2025 and 2028.

The project involves delivering specialized services to support and manage the unified call center and overall operations at the Ministry of Investment. This includes handling inbound and outbound calls, providing operational support, ensuring quality assurance and guidance, supplying and maintaining technical systems, and recruiting and training personnel to operate the project effectively.

Below is a list of projects signed in the last six months, which we estimate valued at SR476mn:

**Projects signed**

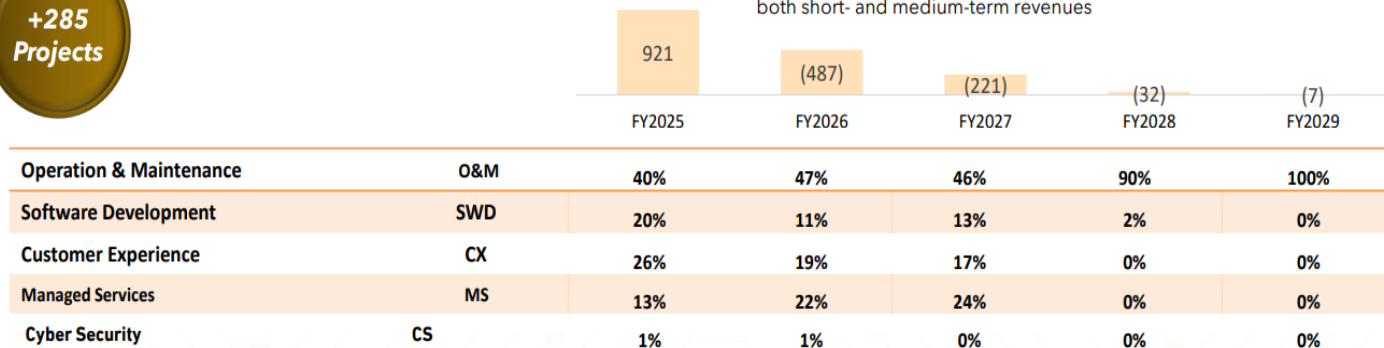
Entity	Amount (SRmn)	Purpose	Financial Impact	Contract Duration	Signing Date	Date of Award
Ministry of Investment	63	Operating the unified call center and supporting operations	2025-28	-	February 15, 2025	December 15, 2024
Umm Al-Qura University	46	Operating the Deanship of Information Technology	2024-27	36 months	October 16, 2024	April 15, 2024
Saudi Central Bank	76	Providing services to Saudi Central Bank Partner Care Center	2024-27	-	October 11, 2024	October 10, 2024
Ministry of Health	90	Establishment and development of IT and communication infrastructure for hospitals and facilities	2024-27	-	October 1, 2024	December 1, 2024
Ministry of Health	86	Operation and maintenance of the digital infrastructure of (48) hospitals in the central region	2024-29	-	October 26, 2024	August 26, 2024
Prince Muhammad bin Abdulaziz Hospital	52	The maintenance and operation of the hospital's medical and electronic systems and programs	2024-27	36 months	May 19, 2024	July 1, 2024
Ministry of Health	63	Implementing, activating and maintaining the electronic file for Hafar Al-Batin Health Cluster hospitals.	2024-27	-	August 18, 2024	June 11, 2024

Source: Tadawul

2P's last earnings presentation showed that the company's backlog is valued at SR1.79bn. Below is how the backlog revenue will be realized over the next five years, with the bulk of this to be materialized by 2027e.



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



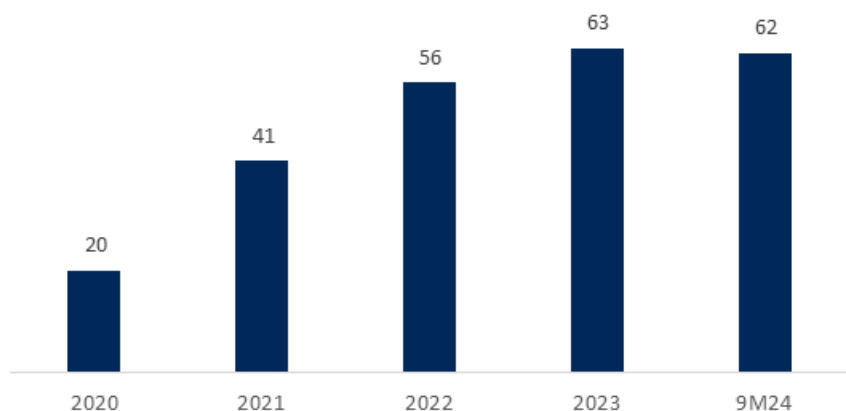
Source: Investor presentation

**BATIC's subsidiary to collaborate with Parkin Co, a leading parking space operator in Dubai**

Smart City Solutions Co, a subsidiary of Batic Investments and Logistics Co. (BATIC AB), signed an MoU with Parkin Company PJSC, listed on the Dubai Financial Market (DFM). Under the agreement, the companies will assess opportunities to expand paid parking services in the Saudi market. This will include collaborating with municipalities, real estate developers, operators of shopping centers, hotels, and other venues. The collaboration will focus on the adoption of advanced digital technologies.

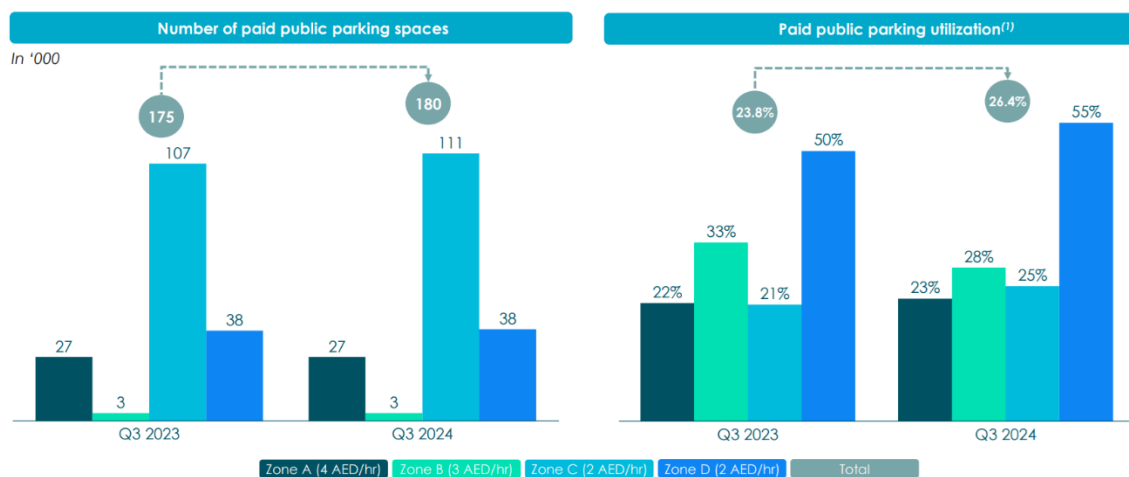
Smart City Solutions Co is the largest operator of paid public vehicle parking in Saudi Arabia, with 195k parking spaces spread across Riyadh, Dammam, Khobar, Dhahran, and Buraydah. BATIC recorded revenue of SR63mn from Smart Parking Solutions in 2023, which grew at a CAGR of 47% between 2020-2023.

BATIC's revenue from Smart Parking Solutions- SRmn



Source: Company's Financials

Parkin PJSC is the dominant public parking provider in Dubai. It has a market-leading position, over 207K paid parking spaces spread across Dubai, and 9M24 revenue of AED575mn, up 15% YoY. The company holds a monopoly in Dubai's on- and off-street paid public parking market and a leading share of the total on- and off-street paid parking market.



Source: Company Investor Presentation

We highlight Parkin's entry as a key development in the Saudi Arabian market. With a long track record of operations in Dubai, Parkin could potentially make the competitive landscape even tighter. In this space, we note that Arabian Internet and Communications Services Co. (SOLUTION AB) is expanding through its Digital Services segment, and the company in Jan'24 secured a contract from Remat Al-Riyadh Development Co. to build, manage, operate, and maintain smart public parking spaces in Riyadh. The project's first phase is targeting 164k public parking spaces in 12 zones.

Source: Company Financials, Tadawul and Earnings Presentation

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