

CEO'S MESSAGE

“We are on track to reach our goal of USD 250 billion assets under management by 2030.”



Marco Arcelli
Chief Executive
Officer

Scaling up at speed

All my first impressions of KSA, when I joined ACWA Power two years ago, have well and truly been confirmed. In fact I never cease to be surprised at the sheer speed and scale of the changes in the country. KSA has such huge ambition to decarbonise, combined with the ingenuity, drive and determination of its people to realise that vision. ACWA Power, being so closely aligned with KSA's goals, has the same spirit of endeavour, is travelling at high speed, and increasing the number, scale and scope of our projects.

2024 has been a year of transformation, progress, and scaling up, as we continue to push forward on our journey towards 2030 and beyond. We are on track to reach our goal of USD 250 billion assets under management by 2030. ACWA Power remains a global leader in water desalination, a pioneer in green hydrogen, and a leader in the energy transition.

Accelerating growth in our portfolio

Our unprecedented portfolio growth in 2024 has strengthened ACWA Power's position across the 13 countries where we operate. Over the past year, we added 14.3 GW of energy capacity, with 10.7 GW in renewables, and 0.4 million m³/day of desalinated water. At the end of 2024, our portfolio – in operation, under construction and in advanced development – included 94 assets with total investment cost of ₪364.5 billion (USD 97.2 billion) and a total gross capacity of 69.2 GW of power generation (50.4% renewable), 5.3 GWh of BESS, 8.1 million m³/day of desalinated water production, and 223 thousand tons/year of green hydrogen.

To put this into perspective, 69 GW generation of power capacity could supply around 60 million people, the entire population of Italy. Our 8.1 million m³/day of water could supply around 44 million people.

Just before we closed the year, with the acquisition of a 100MW operational wind power plant, we marked our first projects in China that will gradually add approximately 1.1 GW of renewable energy to our portfolio during 2025.

2024 was a year of strategic achievements. We financially closed nine projects with an aggregate total investment cost of ₪34.6 billion (USD 9.2 billion). We brought nine projects into commercial operations, generating 3.8 GW of power and producing 76,000 m³/day of desalinated water, including the 1,500 MW Sudair PV plant in KSA, the first renewable project under the PIF-ACWA Power strategic partnership.

Achieving these project development milestones, combined with our overall operational and financial efficiencies, ensured resilient financial performance in 2024, where we maintained the level of our operating income while our net profit grew by 5.7% to reach ₪1,757 million (USD 468.5 million), compared to 2023. Operationally, we maintained our overall power and water availabilities at world benchmark levels despite some challenges at two CSP plants.

A plentiful project pipeline

Under the auspices of Vision 2030, ACWA Power is committed to supporting Saudi Arabia's iconic energy transition drive with our strategic partnership with the Public Investment Fund (PIF) to develop 70% of KSA's renewables target by 2030 (103 GW by 2030). Today, KSA represents 60% of our overall portfolio of assets and will remain pivotal to growth. Our goal is also to continue our relentless drive to achieve world record tariffs, making KSA one of the lowest energy cost destinations.

We are now working at three times the speed of just a few years ago: over 70 new business development projects compared to around 20 only two years ago, and over ₪112.5 billion (USD 30 billion) at total project cost currently under construction, a capacity equivalent to the previous 10 years combined. This significant step forward illustrates not only the scale at which we are operating but also our ability to deliver large-scale projects at an accelerated pace.

We developed new partnerships with Japanese and Korean companies, as well as anchor financial partners, including Saudi Exim and EIG, alongside new Kuwaiti, Qatari, and Italian financial institutions. To maximise our supply chain security, we expanded our panel of engineering, procurement, construction (EPC) contractors to include new strong partners, with proven track records, from Egypt and Turkey.

In China as an exhibition of our ambitions in the geography, we set up a research and development centre in Shanghai to work closer with our partners to develop advanced sustainable water and energy solutions for deployment across ACWA Power's portfolio.

And shortly after the year-end, we signed an agreement with Snam, a leading gas infrastructure operator from Italy, to establish an international supply chain for a dependable and cost-effective supply of green hydrogen from KSA to Europe via the SouthH2 Corridor, a 3,300-kilometer network connecting Italy, Austria, and Germany to central Europe. We have also partnered with SEFE, an international energy company owned by the Federal Government of Germany, aiming to build a hydrogen bridge between KSA and Germany, starting with the supply of 200,000 tonnes of green hydrogen annually by 2030. These initiatives illustrate the future direction of travel of renewable energy.

Our people

The key enablers for us are our people and their proven capacity for innovation and ingenuity, as well as our corporate and operational partners, including our engineering, procurement, construction (EPC) contractors, original equipment manufacturers (OEMs), as well as debt and equity investors.

During the year we strengthened our culture, creating a workplace where everyone belongs, thrives, and grows. Our investment in people development quadrupled, internal succession expanded by 87%, attrition decreased by 48%, and foundational squads such as the Human Council, Engagement Squad, Youth Leadership Council, and the Employee Care Committee have reinforced fairness and inclusivity across our organisation.

Our efforts were recognised with numerous awards in finance, water desalination, sustainability, and, most importantly, seven awards for our people strategy and initiatives. These are strong indicators that we are making ACWA Power the best employer wherever we operate.

While we celebrate these remarkable successes on the way to being the best employer, a thought leader in our industry and the preferred partner wherever we operate, we never lose sight of our mission, and which extends far beyond powering the communities, and which is about making a lasting contribution and creating a sustainable future for generations to come.

As part of our strategy to enhance delegation and invest in regional, on-the-ground teams, our newly appointed Geo Heads have been actively engaged in their respective regions, covering KSA, the Middle East, Africa, Southeast Asia, Central Asia, and China. With exceptional track records, they are driving our growth plan with great urgency.

On the other hand, we are aware that challenges will continue to emerge, but we are also confident of our resilience and capability to adapt, as we have proven time and again, by delivering results that exceeded expectations in often difficult circumstances. As we continue to navigate the road ahead, our expertise and passion will remain our greatest assets, fortified by our integrity and ingenuity.

Thanks

I would like to thank all our stakeholders for their continued trust, confidence, and support, extending my gratitude to all ACWA Power employees and families for their commitment and energy in their leadership, contribution and support for the remarkable progress we have made in 2024.