



# Welcome to Zain KSA FY 2023 Earnings call



# Disclaimer

Expectations and projections regarding future performance of the company referenced in this presentation are 'forward-looking statements' within the meaning of applicable securities laws and regulations.



These are statements which the management believes are true at the time of their preparation based on available data and information and are subject to future events and uncertainties and to the successfully and timely execution of plans and strategies, that could cause actual results to differ materially from those anticipated in these forward-looking statements.



# Introduction



Zain KSA established itself as a reliable telecom operator and a digital service provider whose services include **telecom services, 5G network, FinTech (Financial Technology), cloud computing, IoT solutions, fiber services, drones,** and many others.



Zain KSA is committed to the continuous development of its network and services in order to achieve the best customer service experience for individuals, the private sector and government institutions, in line with the goals of Saudi Vision 2030 and the digital transformation in the Kingdom which is to provide the services needed for a smart society and a better quality.



# Our Values



## Agility

We adapt quickly to change and make timely decisions



## Belonging

We believe that we are one family and Zain is our second home



## Customer centric

We strive to provide a distinctive service that exceeds customers' expectations



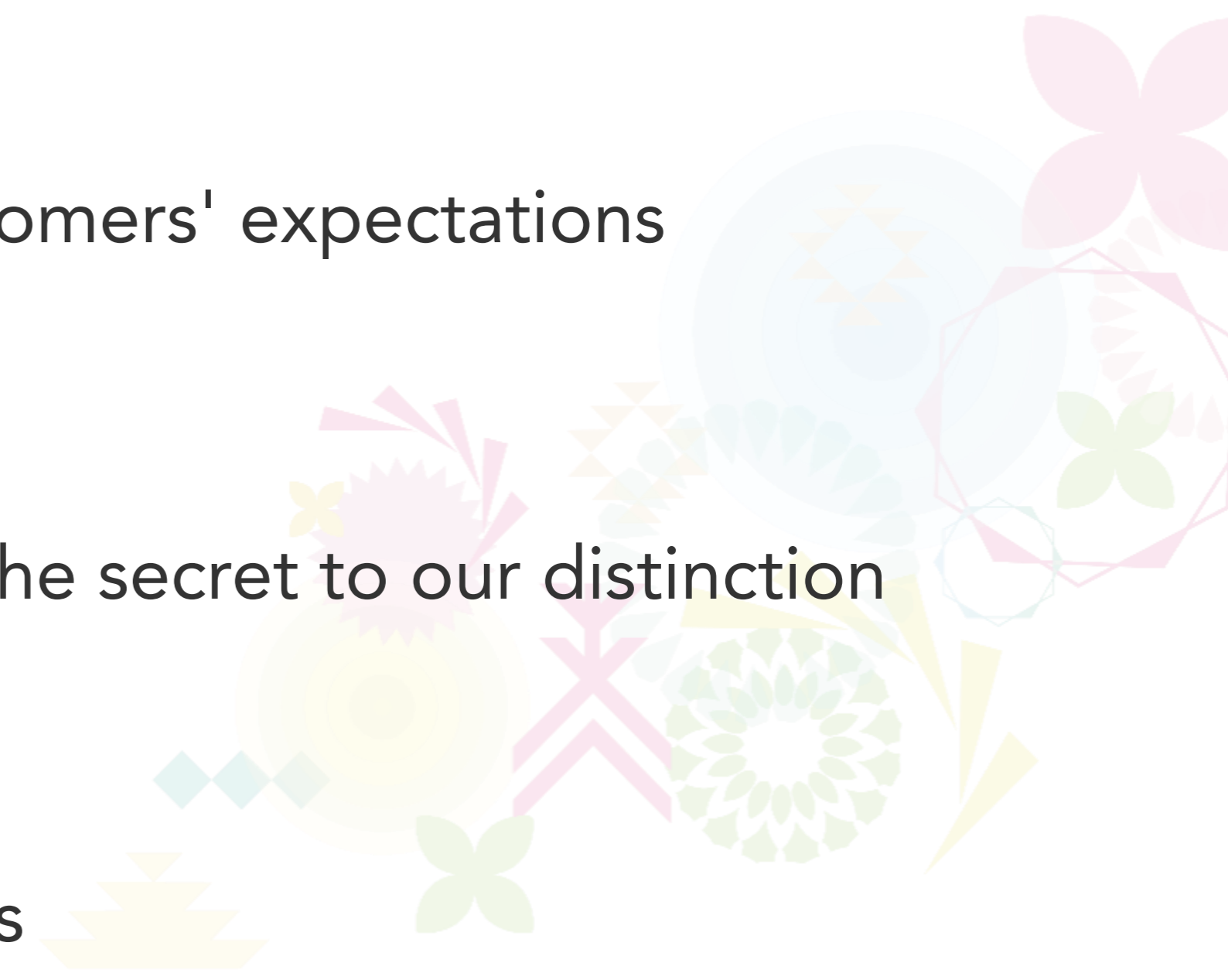
## Inclusion

We accept our difference and believe that our diversity is the secret to our distinction



## Open Communication

We communicate openly and respect all opinions and ideas



# Our Strategic Pillars

The below eight pillars come as a natural evolution and extension of the strategy Zain KSA has successfully delivered on as well as the expectations of stakeholders.



Creative positive impact outcomes that include improving profitability and cash position all while considering environmental and social disciplines.

Generate value from and for stakeholders by scaling our B2B offerings and customer base and outperform the market on the B2C side.

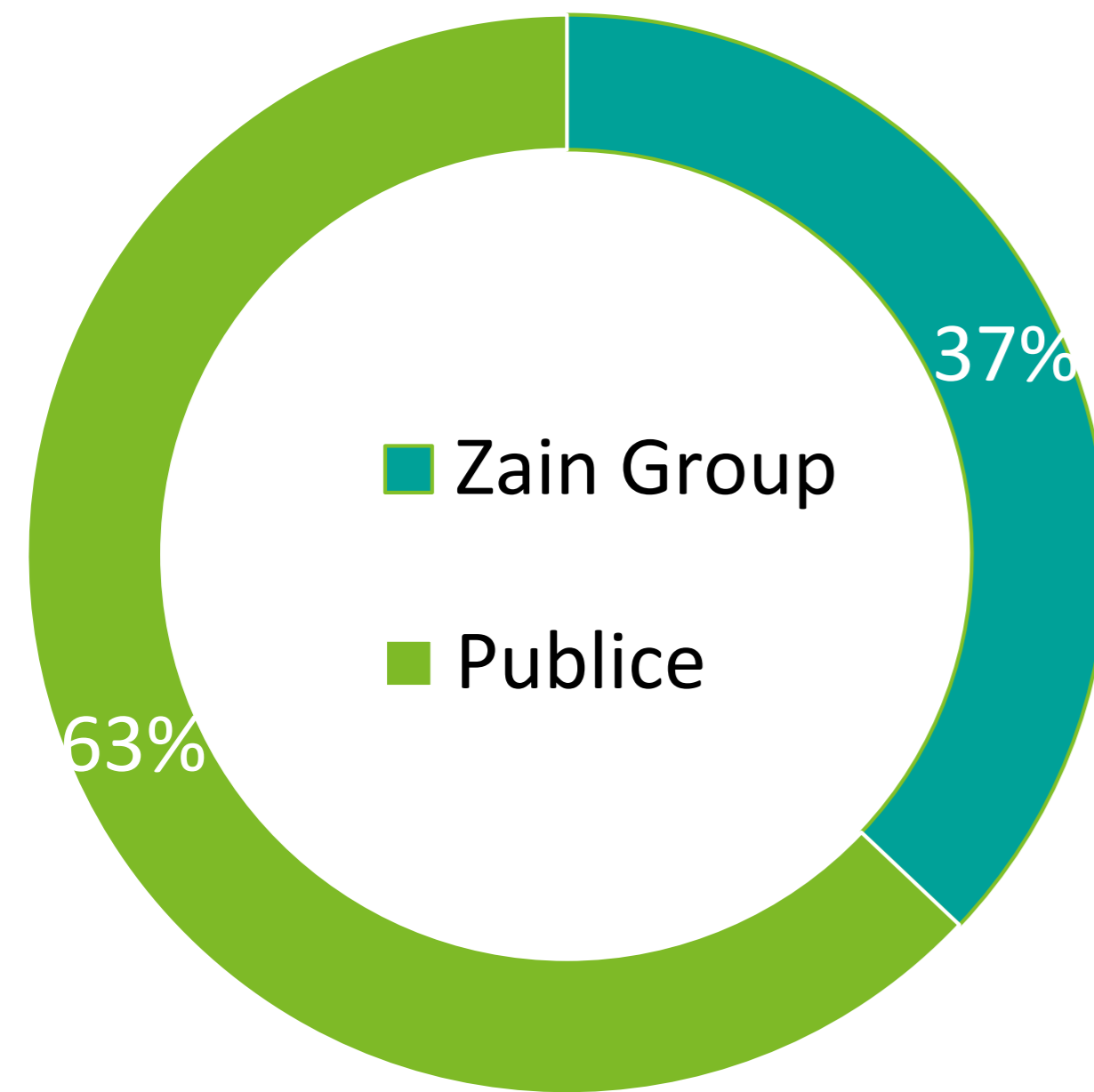
Adopting sustainable and innovate processes that will allow us to venture into new areas of business while leveraging gains from automation in the business.

Leveraging areas of strength, including human capital and 5G network leadership as enablers that propel the Zain KSA brand.

# Our Shareholder Structure



Zain Group provides Zain KSA with operational, technical, brand financial support.



Around 292,000 Shareholders

## Substantial Shareholders Ownership

Zain Group | 37.04%

Tadawul:

Bloomberg:

Issued Shares:

Paid Capital:

7030

ZAINKSA:AB

898,729,175

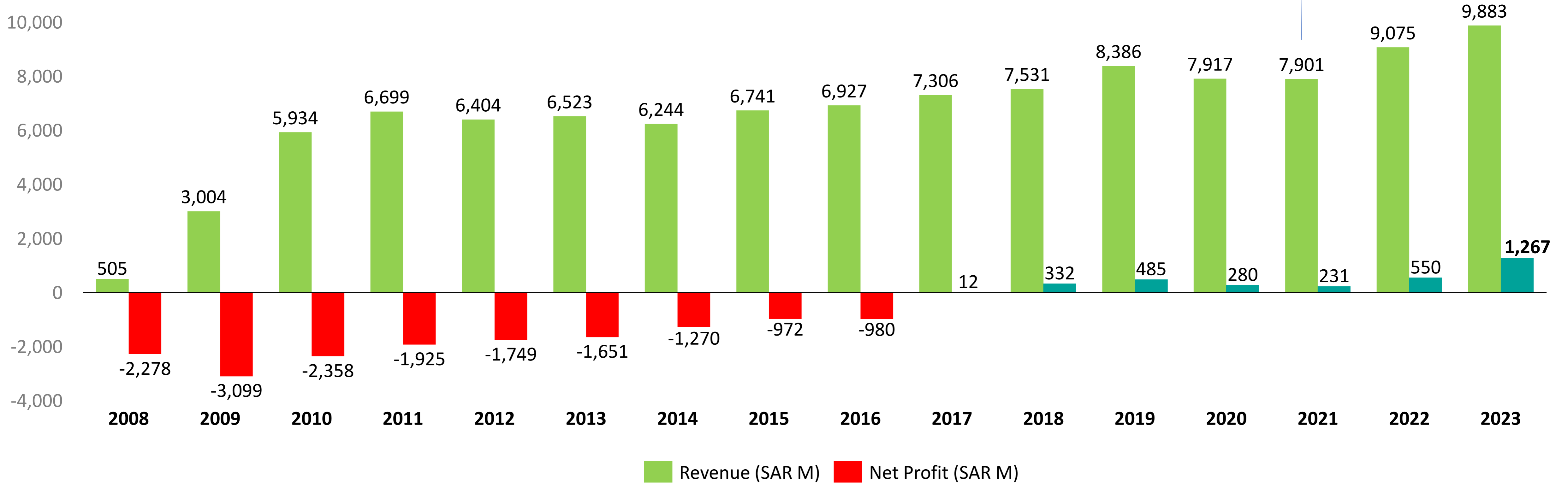
SAR 8,987,291,750

# Our Financial History



## Financial History

Covid 19  
Pandemic



# Our Board of Directors



**HH Prince Naif Bin Sultan  
Bin Mohammed Bin Saud Al Kabeer**  
*Chairman*

A highly accomplished Saudi businessman with a vast experience in multiple industries, HH is also a board member of Almarai Company, Alyamamah Cement Company, Farabi Gulf Petrochemicals Company, Projects and Technical Contracting Establishment and Ashbal Al Arab Contracting Establishment.



**Bader Nasser Al Kharafi**  
*Vice Chairman*

A renowned regional economic identity, Mr. Al-Kharafi, is the Vice-Chairman of Zain Group Board of Directors since Feb. 2014. Furthermore, in March 2017, he was appointed Zain Group CEO. He also holds several executive roles in multiple businesses under Al Kharafi Group.



**Ossama Matta**

Mr. Matta was appointed the key role of CFO of Zain Group in June 2010, having joined Zain in 2004 and quickly rising through the ranks. With more than 20 years track record in strategic financial transformation, he has solid relationships with banking institutions across the region.



**Saud Abdullah AlBawardi**

Mr. AlBawardi has more than 15 years of experience in the telecommunications and banking industries in Saudi Arabia. He has served in several senior executive positions in Zain KSA and in another operator in KSA.



**Martial Caratti**

Mr. Martial Caratti is a member of the Board of Directors of Zain Group since November 2017. He is also the Chief Financial Officer of Omantel since 2015. He has over 30 years of experience in the telecommunications industry in the Middle East and Europe.



**Kamil Hilali**

Mr. Hilali held the position of Chief Strategy Officer at Zain Group. Hilali has 18 years of experience and has a proven track record in developing corporate strategy and is currently managing Zain Group's digital transformation, information and communication technology, corporate development, digital infrastructure, wholesale, and business development.



**Saad Ibrahim AlMousa**

Mr. AlMousa is considered one of the pioneers in the world of business and finance, with over 20 years in the field. He has managed companies across multiple sectors, including ITC, services, industry, financial investments, and real estate



**Eng. Abdullah AlFaris**

Eng. AlFaris is the Head of Vision Realization Office at the Ministry of Industry and Mineral Resources and has extensive experience in Government and Private Sectors in the field of Strategy, Execution, Transformation, Corporate Governance and Change Management.



**Talal AlMamari**

Mr. Talal Said Al Mamari is the Chief Executive Officer of Omantel since 29th June 2014. He has 26 years of experience in the telecom sector working for Omantel. Mr. Talal sits on the Board of different Companies and Investment Funds such as Zain Group, Oman Corporate Governance & Sustainability Centre, and Al Amal Fund.



# Our Management Team



**Eng. Sultan Bin Abdulaziz AlDeghaither**

*Zain KSA CEO*

Eng. AlDeghaither first joined Zain KSA in 2009 as Director of Network Planning and took over as CEO on July 1st, 2018; where he spearheaded the turnaround story of Zain KSA, extinguishing SAR 2B+ of accumulated losses and driving the market cap by three-fold; up until Zain KSA was ranked the 14th most powerful brand in Saudi. Eng. AlDeghaither also serves as the Managing Director of Tamam Finance Company Ltd. where his expertise is being leveraged to create a success story in the fintech space



**Mehdi Khalfaoui**  
*CFO*

Mr. Khalfaoui was appointed CFO in Feb-2017. Having more than 16 years of ICT sector experience. During his tenure in Zain KSA, Mr. Khalfaoui has overseen and led the company capital restructuring with SAR 4.5 billion rights issue offering and more than SAR 15 billion debt refinancing.



**Eng. Saad Al-Sadhan**  
*CBWO*

Eng. Al-Sadhan's professional career spans over 19 years in the telecom sector. AlSadhan began his journey with Zain in 2016 as Wholesale Senior Director.



**Eng. Abdulrahman Al-Mufadda**  
*CTO*

Mr. AlMufadda has more than 19 years in the telecommunication sector. He was embarked on his role as Chief Technology Officer of Zain KSA in Feb. 2019.



**Maher AlFawaz**  
*CSO*

Maher has over 18 years in the Network Engineering and Customer Care Services. Maher holds a BA in Electrical Engineering and an MBA.



**Tiago Rocha**  
*CMO*

Tiago has more than 16 years of experience working globally in leading position in the field of marketing. Tiago holds a Master degree in BA.



**Eng. Rayan AlTurki**  
*CCO*

Mr. AlTurki is a marketing strategist with over 18 years of experience in marketing, communication, and branding.



**Fabricio Gaspar Martinez**  
*Strategy & Transformation VP*

Fabricio Martinez has 20+ years' work experience in consulting, networks and business modelling for the mobile industry. He is responsible for Zain strategy, transformation programs.



**Eng. Salah Al-Ghamdi**  
*Advancement Market VP*

Eng. Salah has over 18 years of experience in the ICT sector. He is leading the digital transformation of Zain KSA into a Digital Telco.



**Loluwah Alnowaiser**  
*Human Resources VP*

Loluwah AlNowaiser is an HR expert, with an extensive practical experience, Miss. AlNowaiser was appointed to lead the HR Division as the Human Resources Vice President on Nov 2021.



**Maha Alqernas**  
*Business & Fulfilment VP*

Maha AlQernas serves as the Vice President of Business and Fulfilment in Zain. AlQernas holds a bachelor's degree in Information Technology from King Saud University, an MBA from Al-Yamamah University as well as multiple certificates.



**Abdulaziz Suliman Al Subaie**  
*Regulatory Affairs & Compliance Vice President*

Al-Subaie has 14 years of experience at the company, and he contributed to several key projects, most recently are the 5G network deployment project, Reload Project, the Zain External DPI project.



**Eng. Fawaz Al-Homoud**  
*Enterprise Risk and Information Security VP*

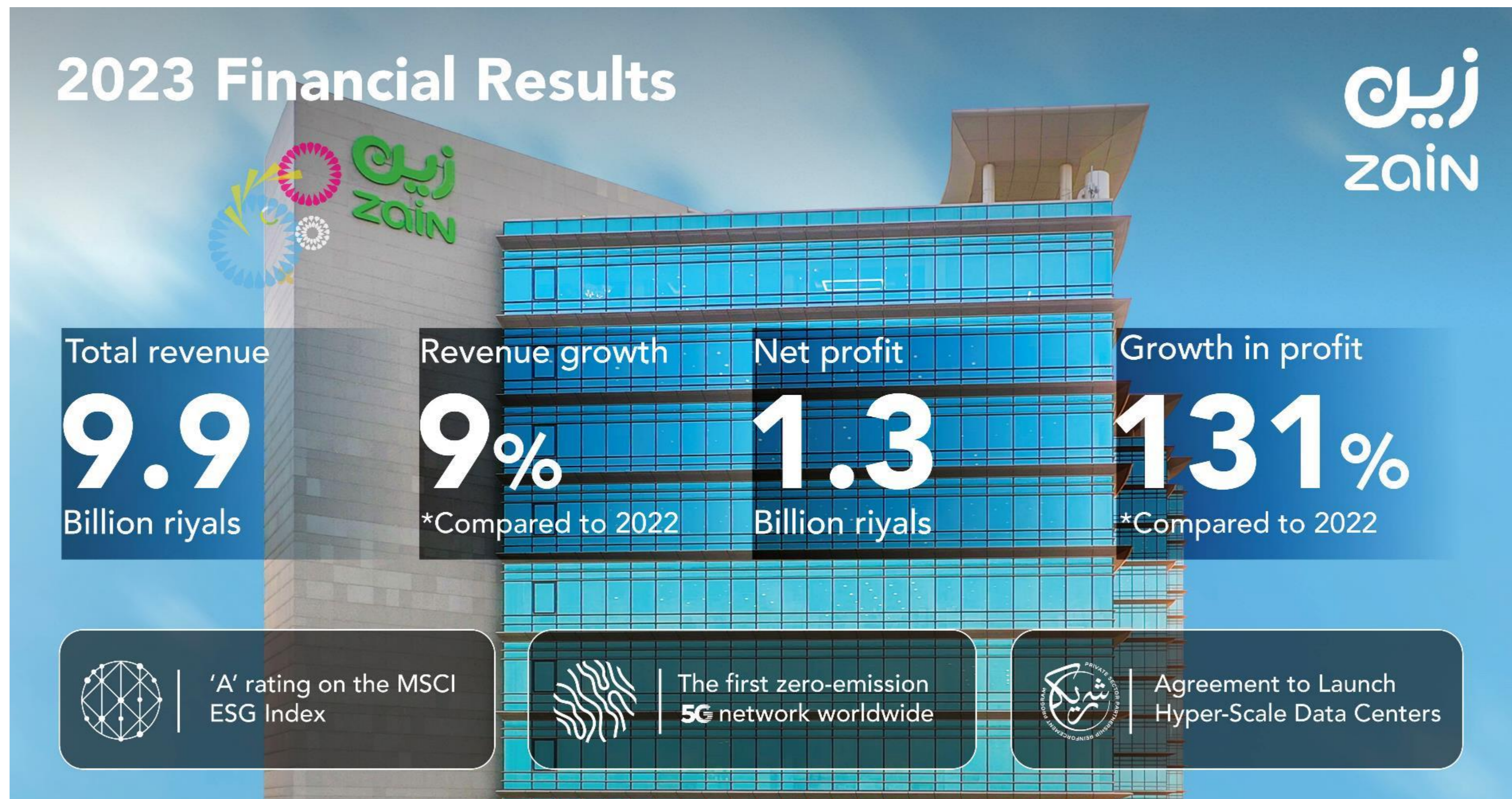
Eng. Fawaz Al-Homoud is responsible for creating and implementing information security policies and procedures for Zain. Al-Homoud brings over 16 years of experience in cybersecurity managerial and technical positions where he specialized in building cybersecurity strategies



**Eng. Sultan Bin Abdulaziz AlDeghather**  
**CEO**



# 2023 Financial Results



# Distribution of Dividends

Zain KSA achieves all-time record revenue and profit of SAR 9.9 billion, and SAR 1.3 billion respectively, with the board of directors' recommendation for the distribution of dividends at a rate of 5% of the nominal share value.



# Tamam Growth



Net Profit  
**52** Million

Annual Revenue  
**284** Million



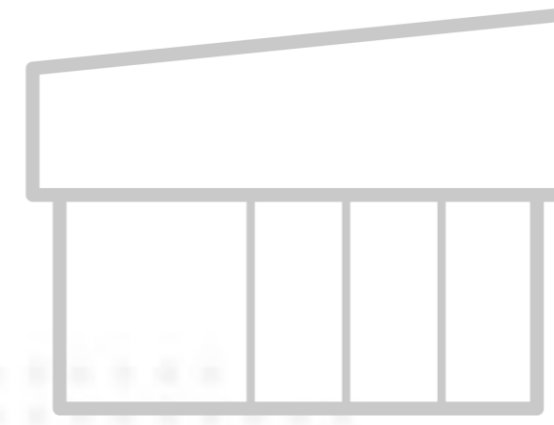
# Zain KSA Today



**8.9** Million  
Customers



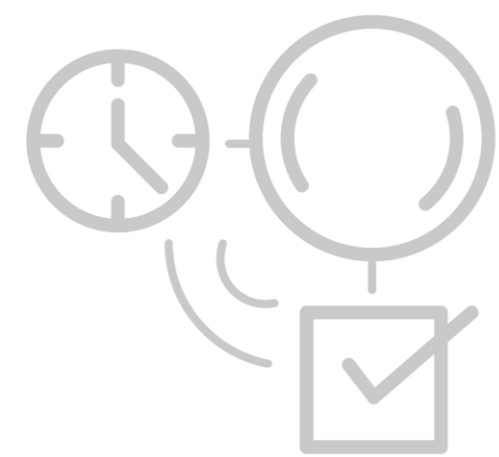
**1,543** Zainers  
Woman: 20 %  
Local: 86%



**253** Shops  
**4,377** POS



**42%** Data Revenue  
(Excluding SMS & VAS)



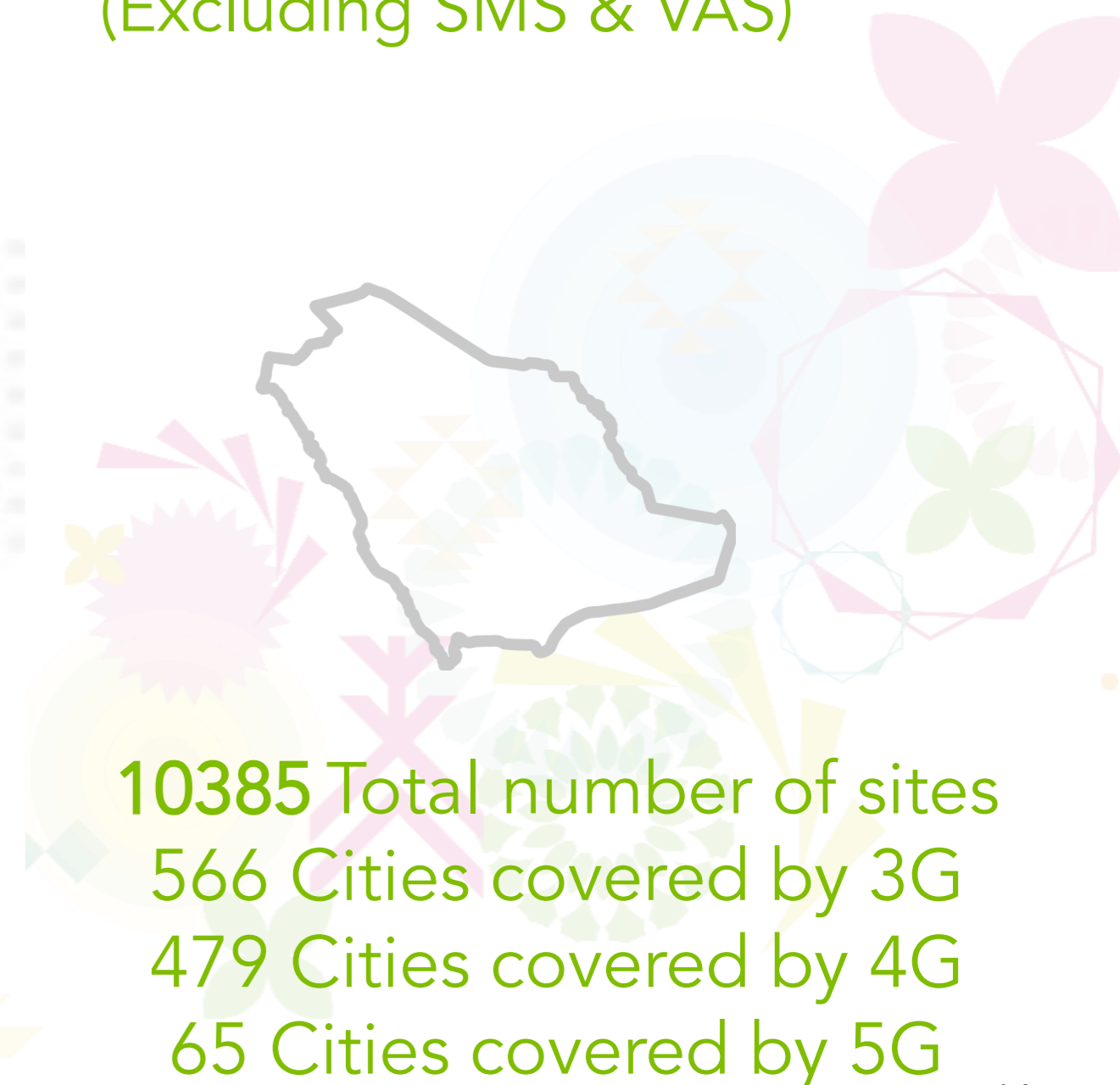
**63** SAR  
Blended ARPU



**18,891** TB/Day  
Average daily data traffic



**99%** 2G  
**98%** 3G  
**94%** 4G  
**65%** 5G  
Population coverage



**10385** Total number of sites  
**566** Cities covered by 3G  
**479** Cities covered by 4G  
**65** Cities covered by 5G

# The World's First zero-carbon 5G Network

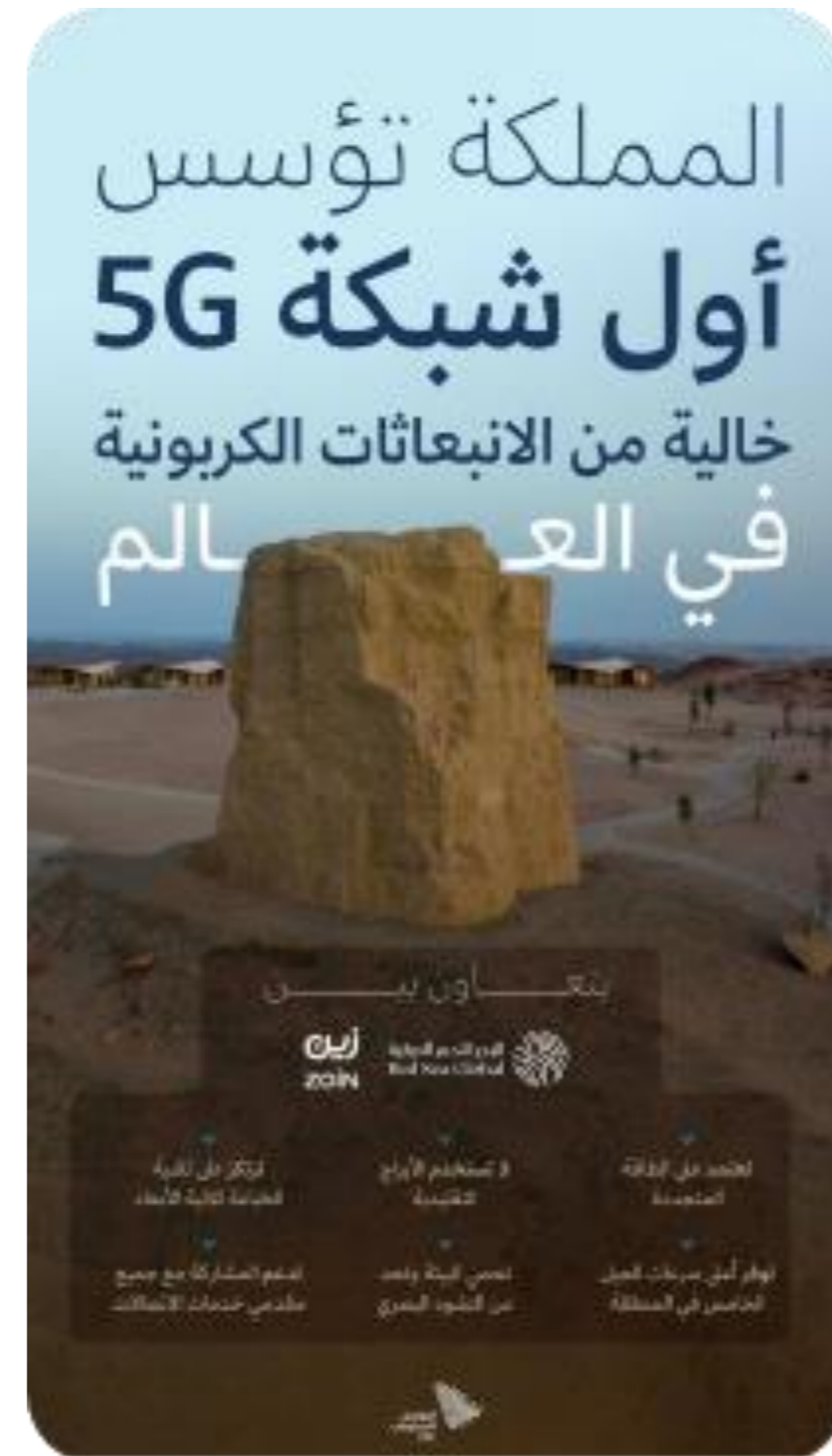
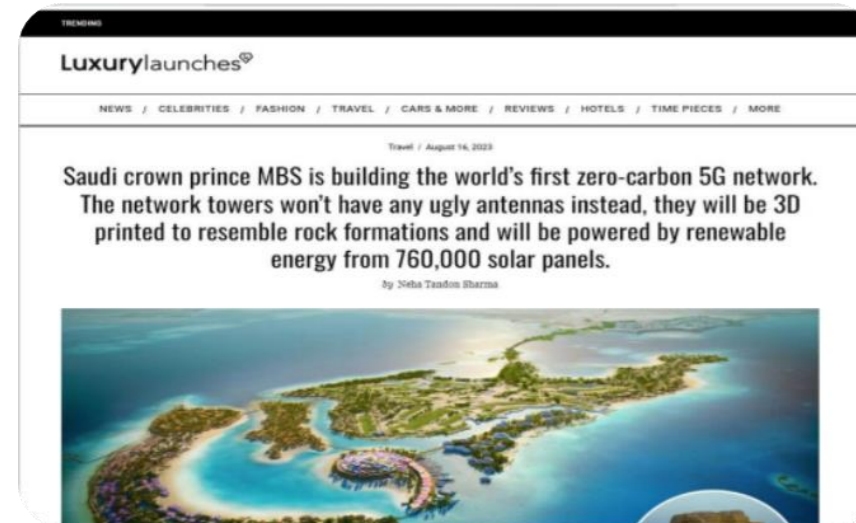
زين  
zain



**54M**  
Total reach



**+2000K**  
Engagement





Under the patronage of the Crown Prince, Zain KSA Signs Agreement with Shareek to Launch Hyper-Scale Data Centers





# Zain Participation in LEAP23



**25+**

agreements and  
strategic partnerships

**15+**

VVIPs attendees



# Zain KSA participation across the Kingdom



## 5 Corporate events



Leap23



A STEP AHEAD CAREER FAIR



City Scape Global



GIITS by Aramco



Career Fair KFUPM

## 4 Career fair events



Sa'e Career fair



Google cloud event



AlQassim University Career Fair



King Khalid University Career Fair



# Sponsorships



Founding Partner of Saudi Games 2023



Official Telecommunication Partner for LIV Golf Jeddah Tournament



Diamond sponsor of GIITS by Aramco



Strategic sponsor of Black Hat



Signature sponsor of Google cloud



Diamond sponsor in A STEP AHEAD CAREER FAIR



# Strategic partnerships



Google Cloud



AST Space Mobile



AWS



EMAR



Cisco



Rakuten Symphony



Pioneers Systems



Qualcomm



Nine Tents



Alrajhi Bank



Huawei



Riyadh Bank

# Strategic partnerships



China Mobile



EnseyabTo provide its services



Mis Almoammar



ArubaNetworks



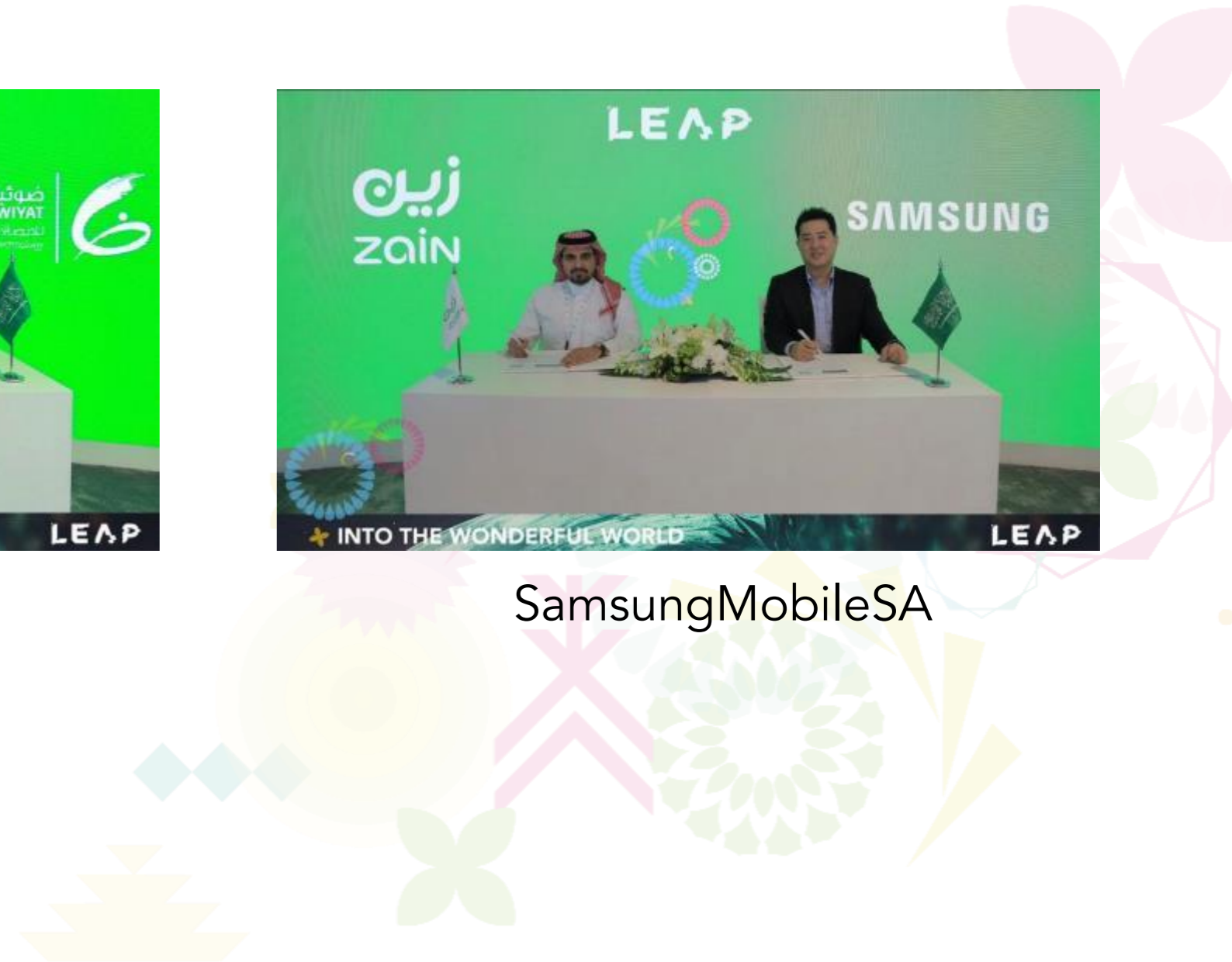
Quant SA



DAWIYAT



SamsungMobileSA



# 5G Expansion



**Our coverage continues and it reached 64 cities**

**زین**  
**ZAIN**

New cities

City
Duba
Rabigh
Bukayriyah
Khafji
Allaith
Albadai
AlQunfudhah
Shagra
Samtah
Alafraj



# Awards and recognitions



ISO 22301 for Business Continuity Management Systems (BCM)



TM Forum Business Process Framework conformance certification



ISO/IEC 27001 certification for Information Security



'Labor Award' for ICT Talent Localization



- Best Diversity and Inclusion Program
- Best Green Technology' award
- Global Merit Leader - Women in ICT of the Year



Yaqoot by Zain KSA Takes Home Two MMA SMARTIES Awards



"Fastest Growth in Fixed Wireless Internet Users" Award



# Sustainability Rating



Increase in MSCI rating from

BBB to **A**

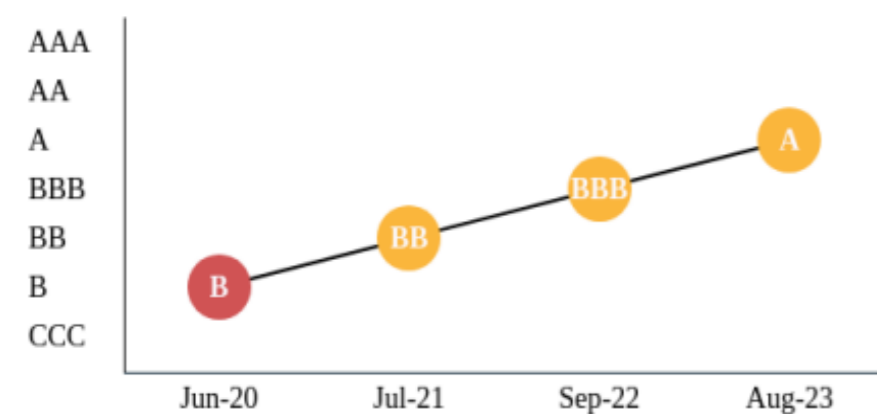
**MSCI**  
ESG RATINGS



CCC B BB BBB **A** AA AAA

RATING ACTION DATE: August 18, 2023  
LAST REPORT UPDATE: December 22, 2023

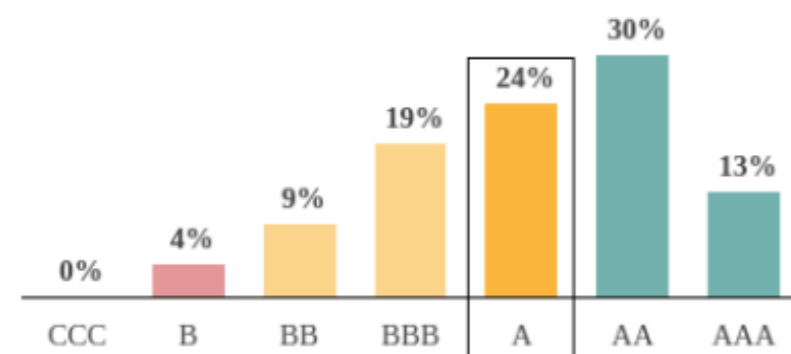
## ESG Rating history



ESG Rating history shows five most recent rating actions

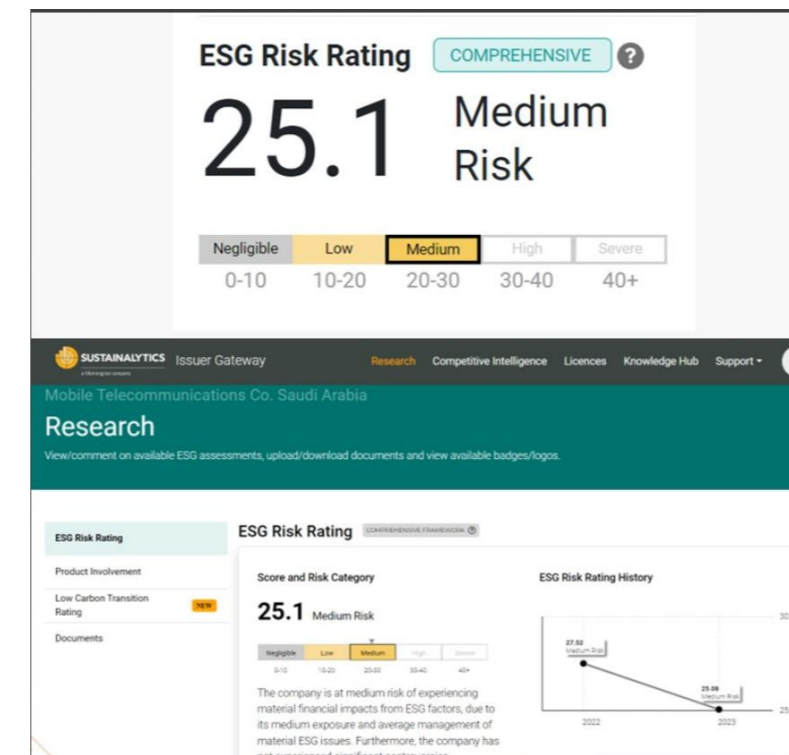
## ESG Rating distribution

Universe: MSCI ACWI Index constituents, Telecommunication Services, n=67

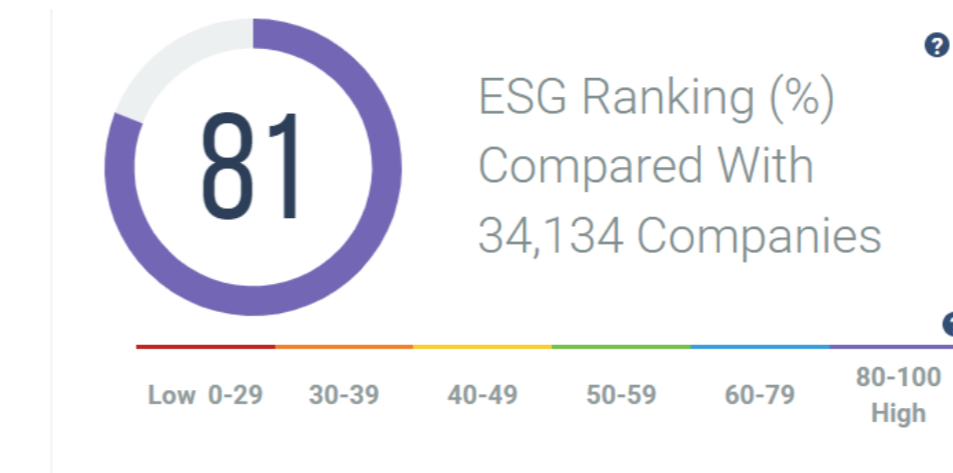


Decrease Risk in Sustainalytics index

**25.1** medium risk



**81%**



score **A-**

**A-**





# Sustainability Efforts



**E-Waste Initiative**  
100K Devices to be recycled



- Sustainability at Leap**
- Support Local Content
  - 360 Accessible booth design
  - +3000 Plants in booth design to be preserved and distributed
  - 20K Sustainable Giveaways



**Data Privacy: Be Aware Be Safe cybersecurity awareness session**  
+3K Reach



**Paying-off the overdue depth for families with low income**  
+250K SR



**International Children Day**  
Two events in two Regions  
+3500 kids Engagement



**Child helpline awareness campaign**  
+42,500 Reach



**Digital literacy Targeting 14K Teachers**



**Women in Tech III Partnership with MCIT, CST**  
+ 4900 Applicants  
150 WIT Mentees



**Climate Change Campaign**  
+ 600,000 Reach



# Youth Empowerment



Aanaab and Code School Finland



Saudi Child Helpline



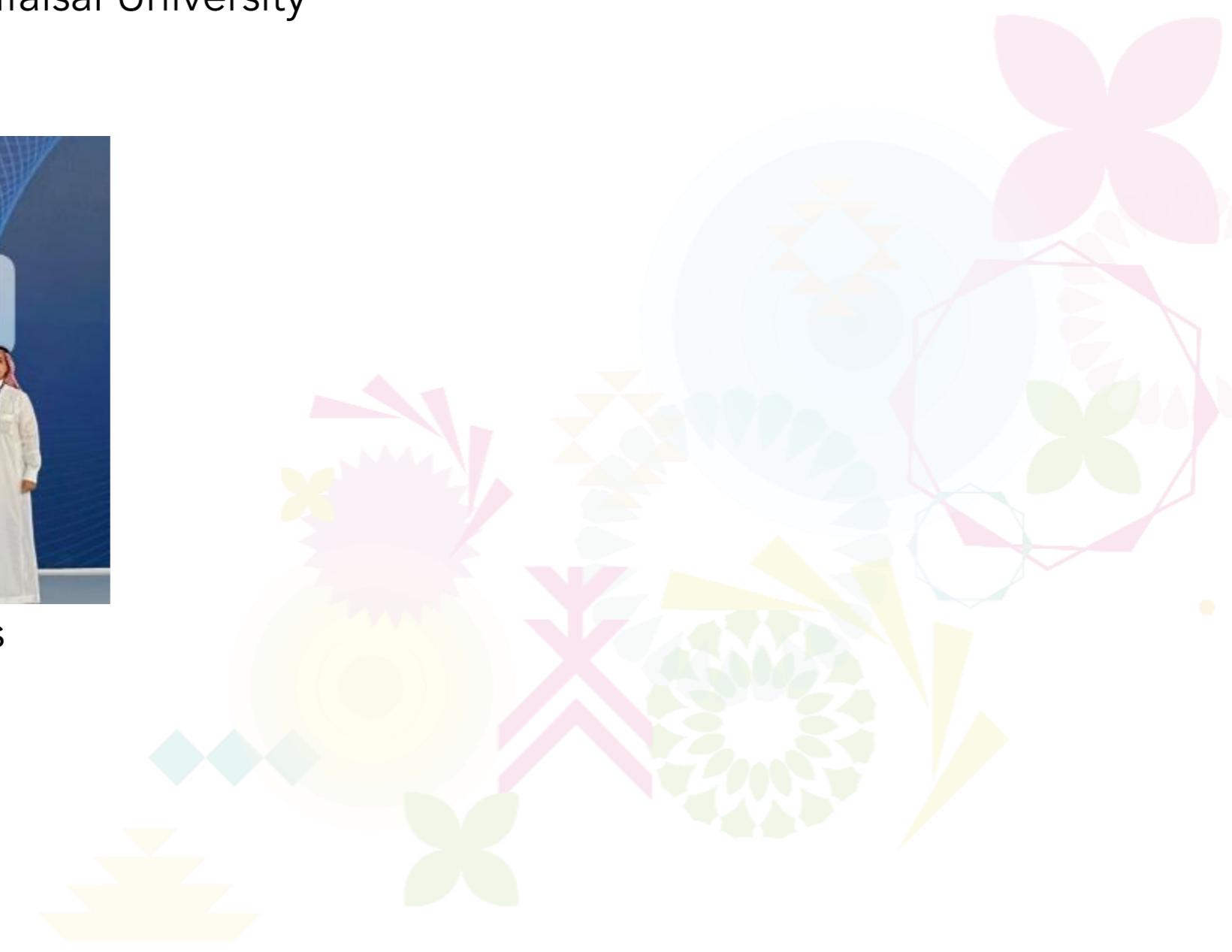
Alfaisal University



Prince Sultan University



Ministry of Human Resources



# Financial Update



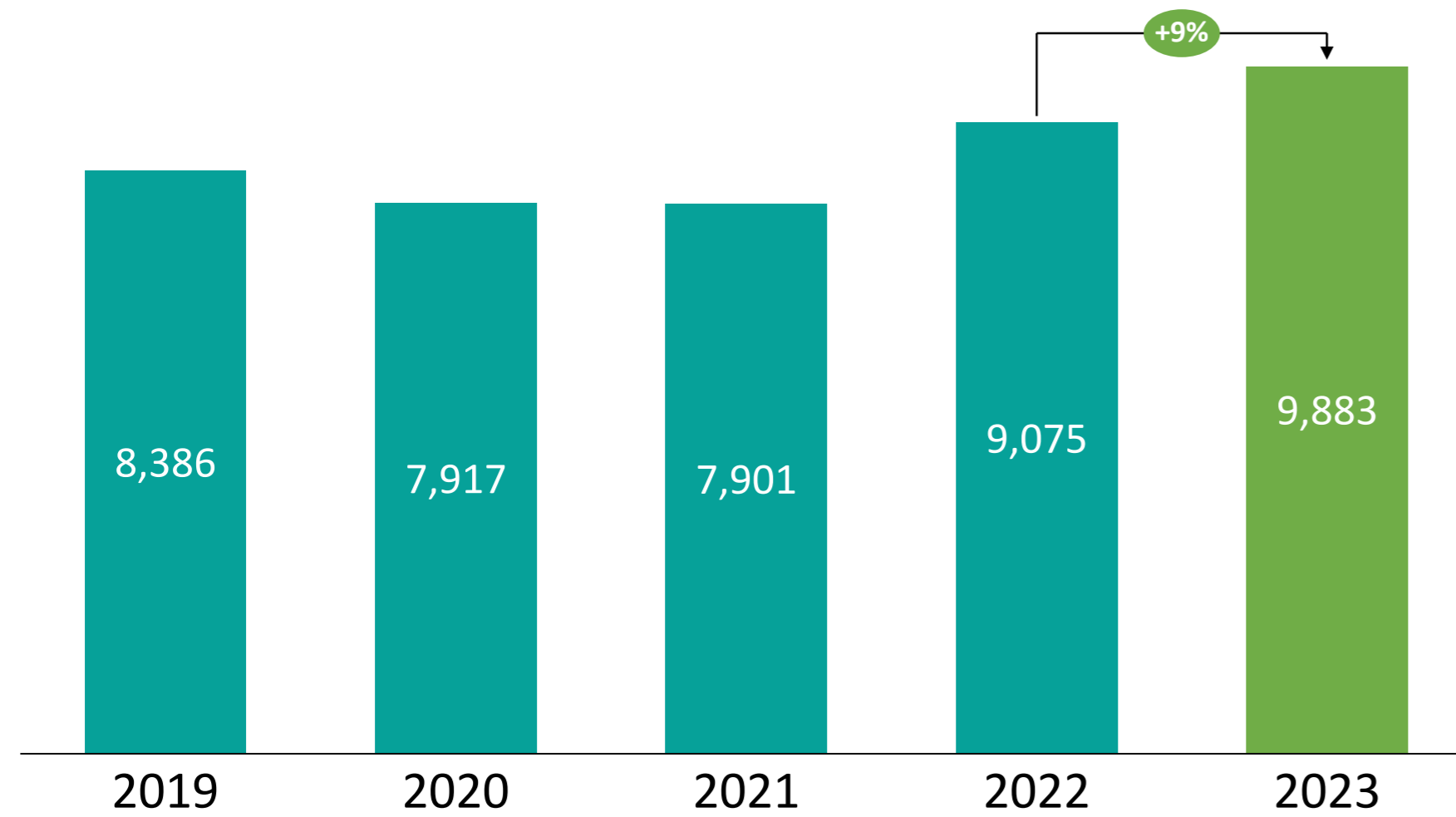
**Mehdi Khalfaoui**  
**CFO**



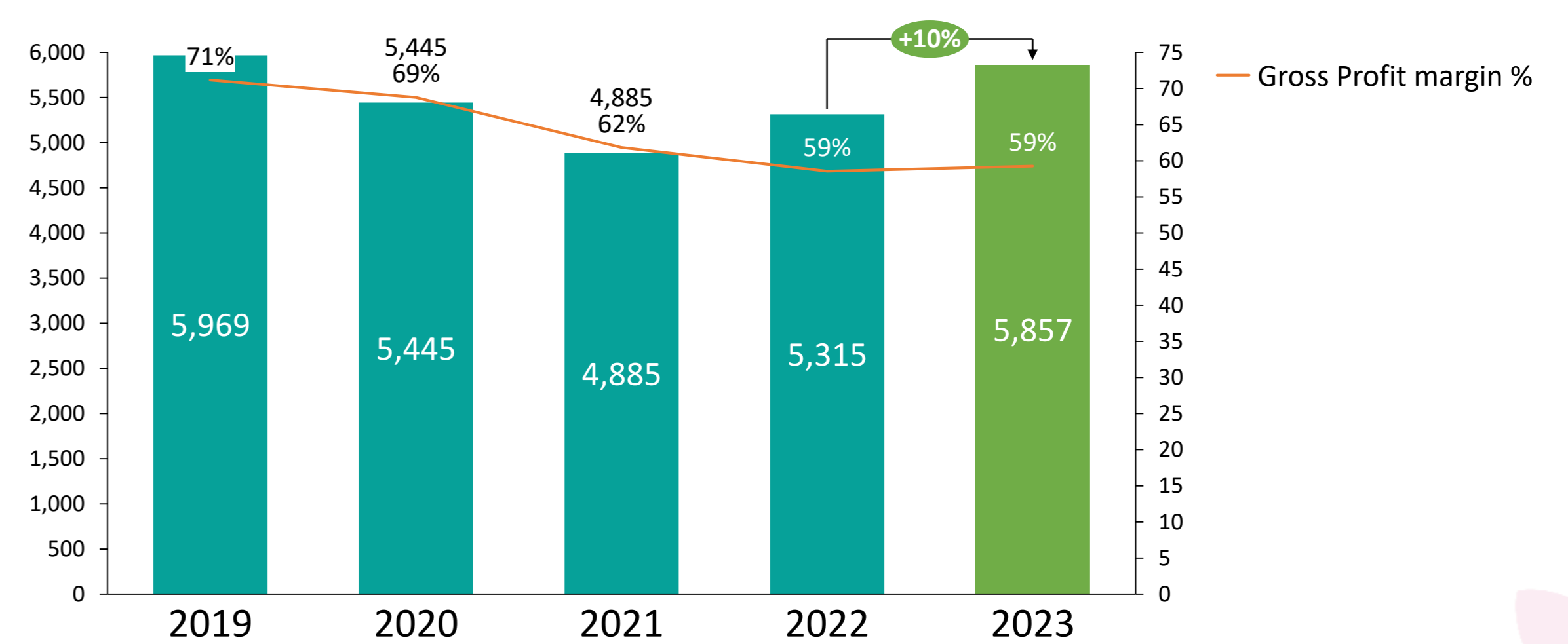
# Financial Highlights



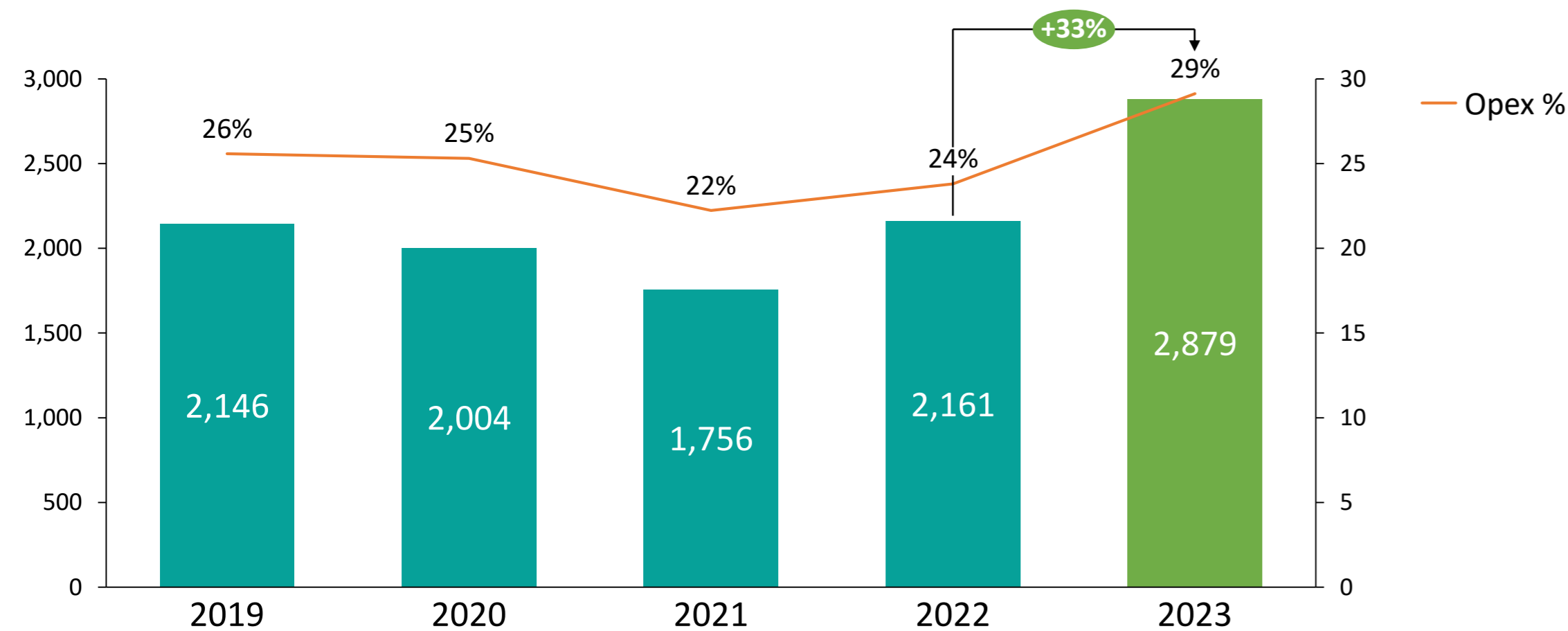
REVENUE (Million SAR)



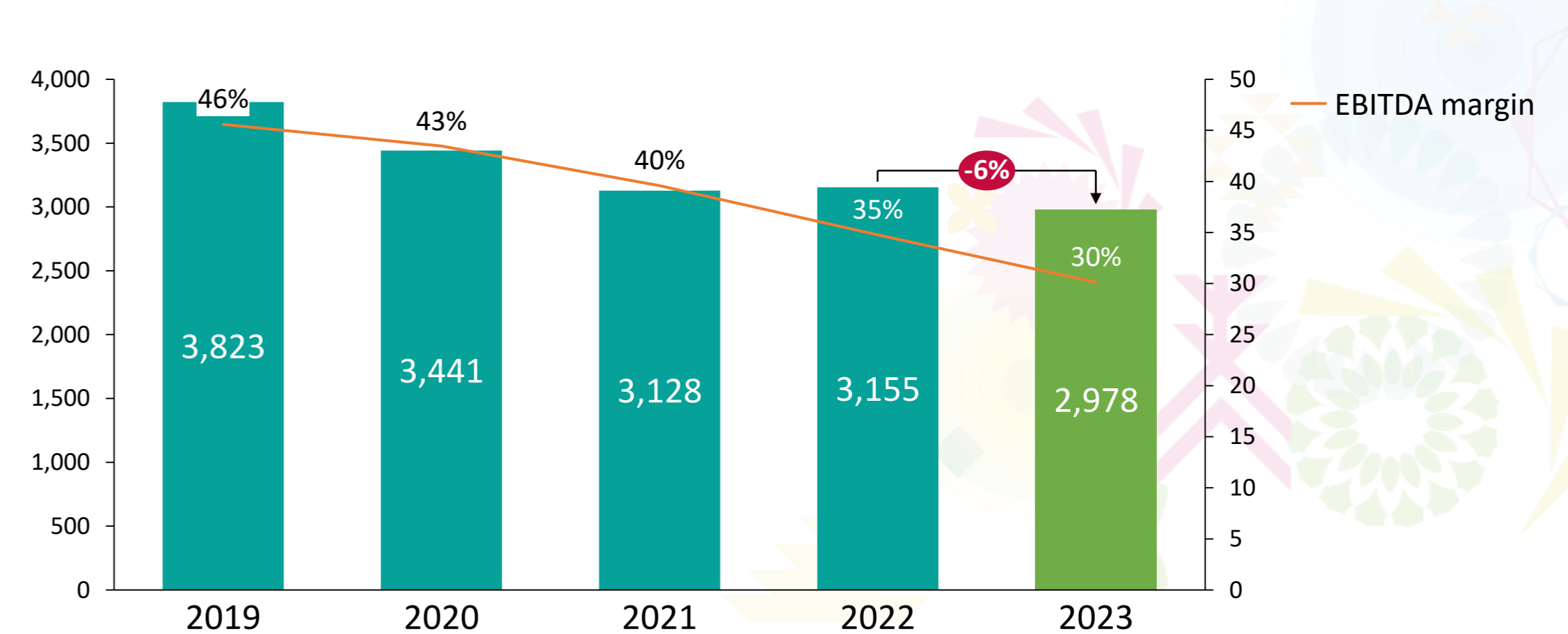
GROSS PROFIT [Million SAR]  
GROSS MARGIN %



OPEX [Million SAR]  
OPEX %

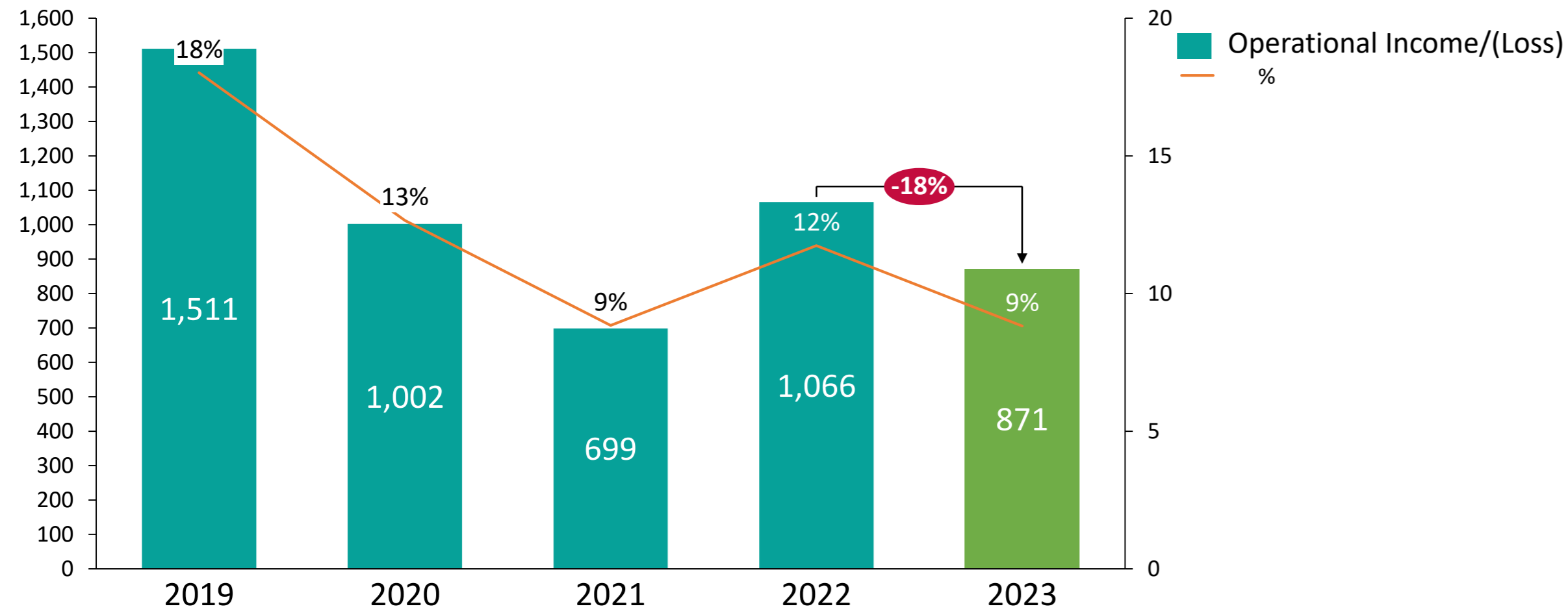


EBITDA [Million SAR]  
EBITDA Margin %

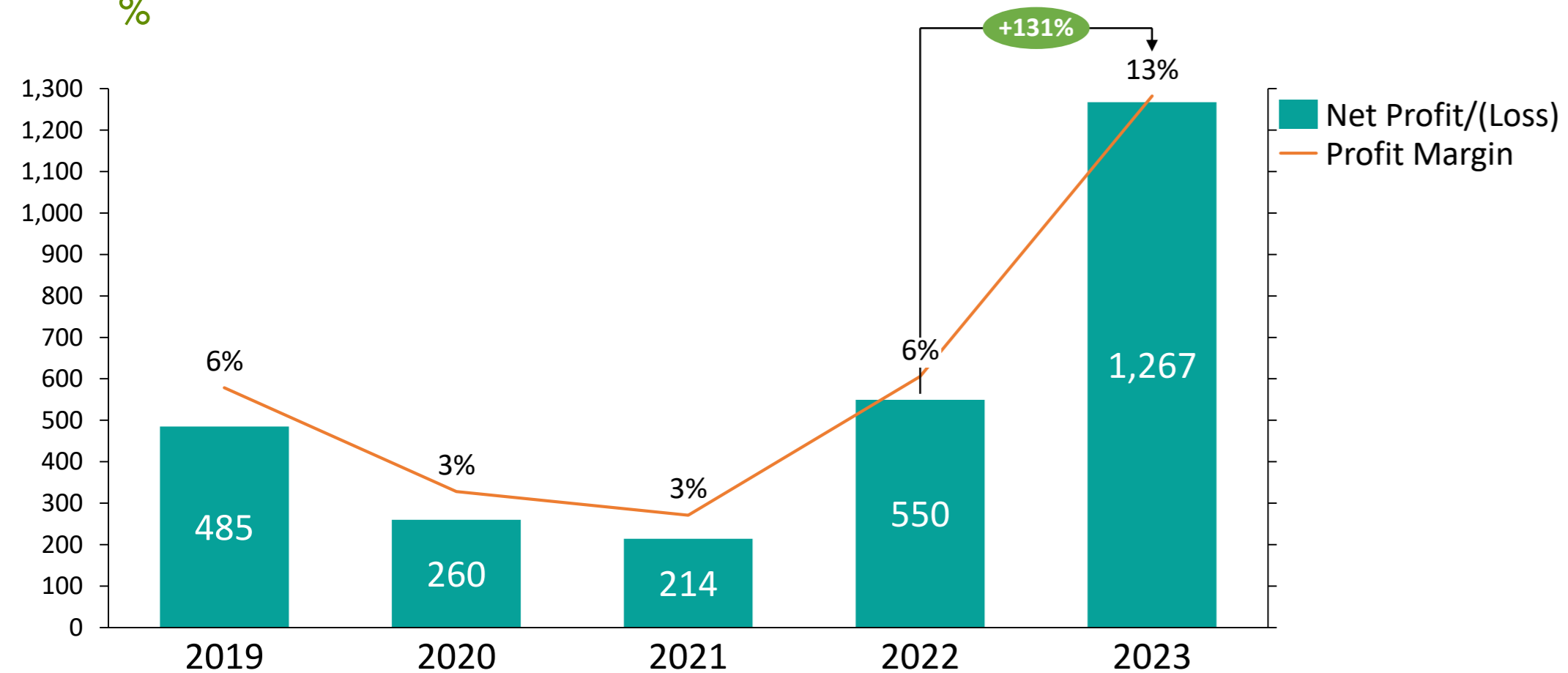


# Financial Highlights

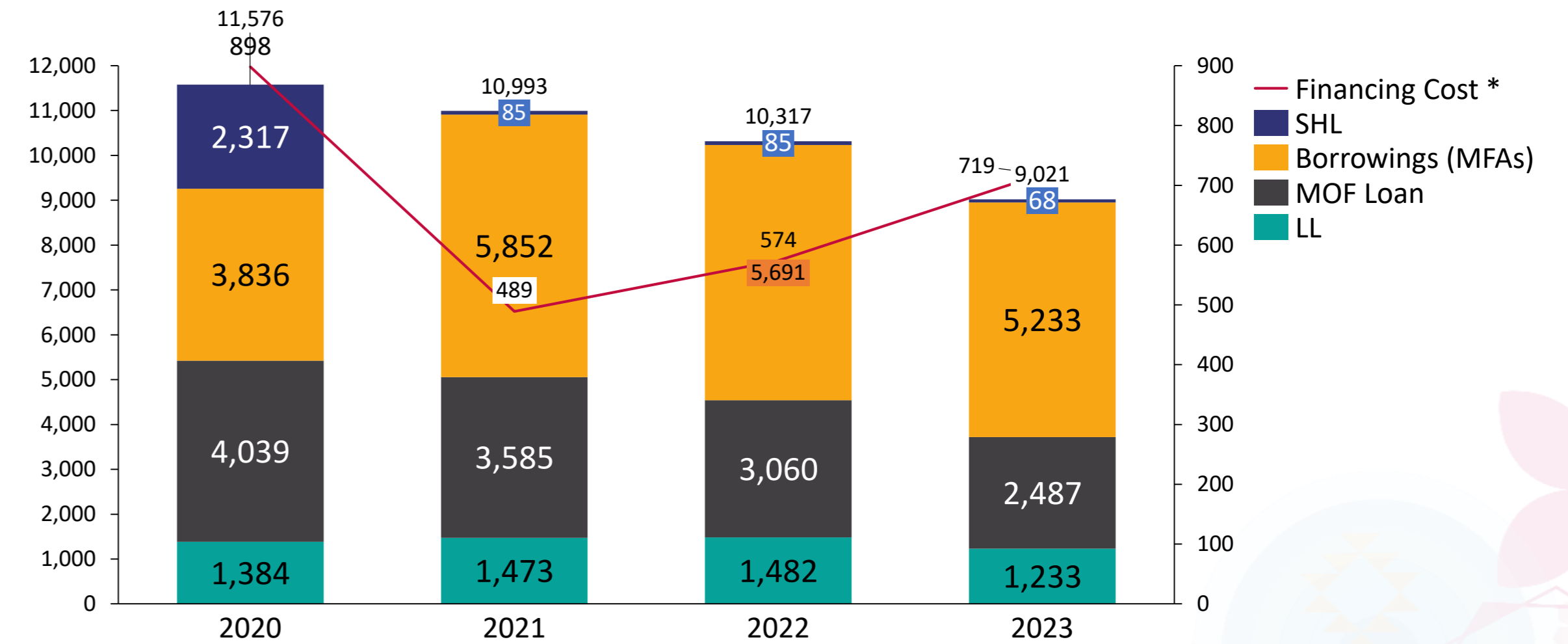
OPERATIONAL INCOME [Million SAR]  
%



NET PROFIT [Million SAR]  
%



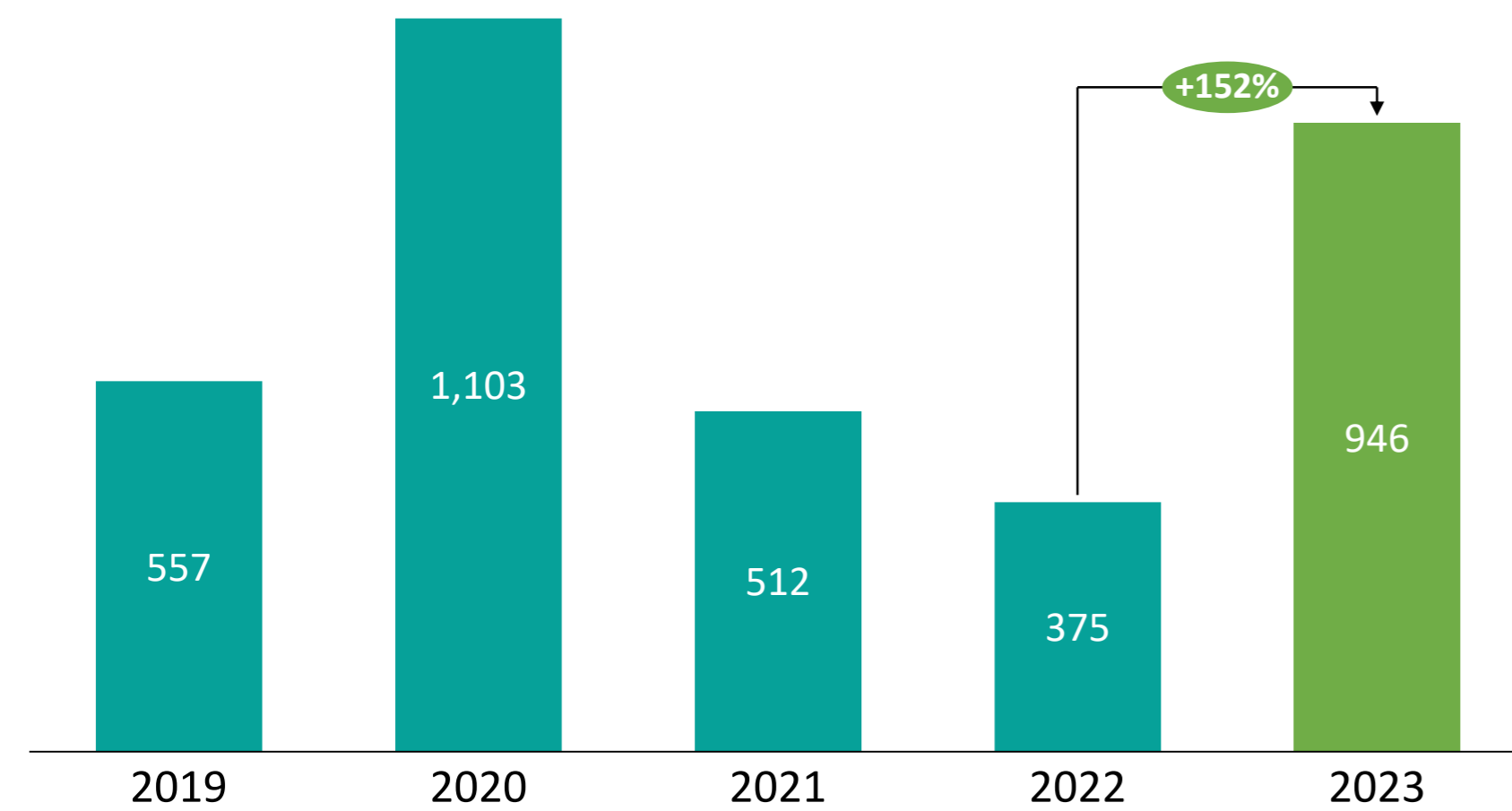
FINANCIAL DEBTS [Million SAR]  
FINANCING COST



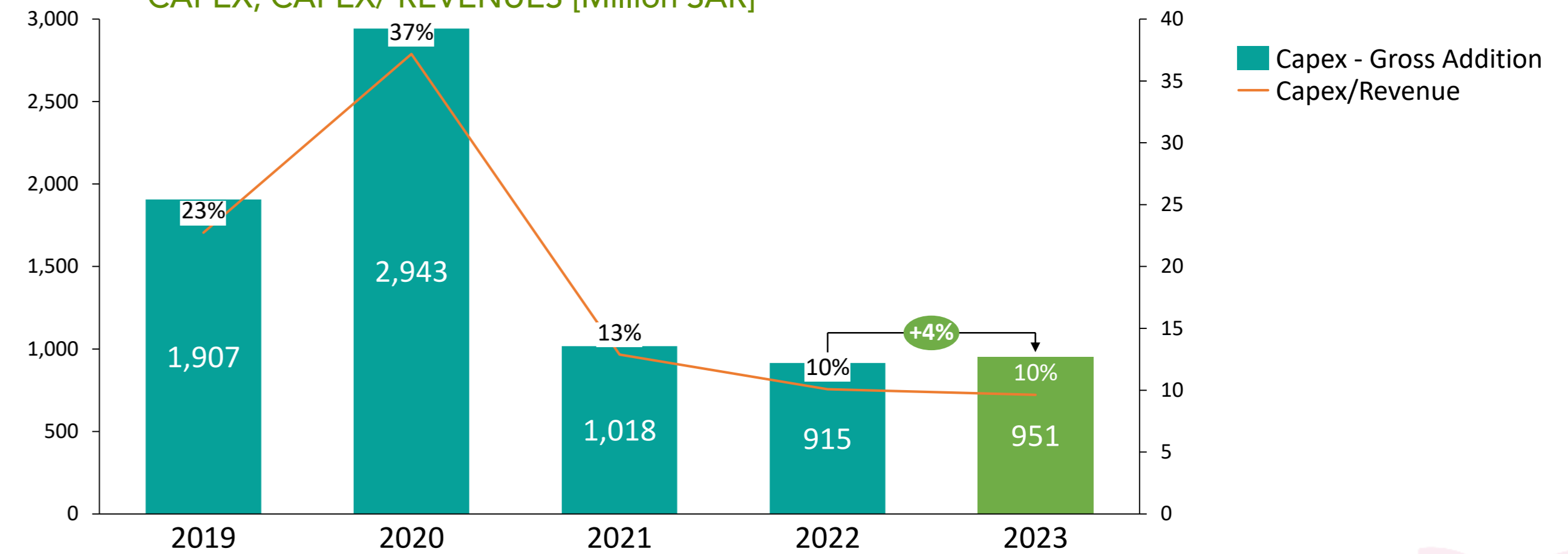
# Financial Highlights



CASH BALANCE [Million SAR]

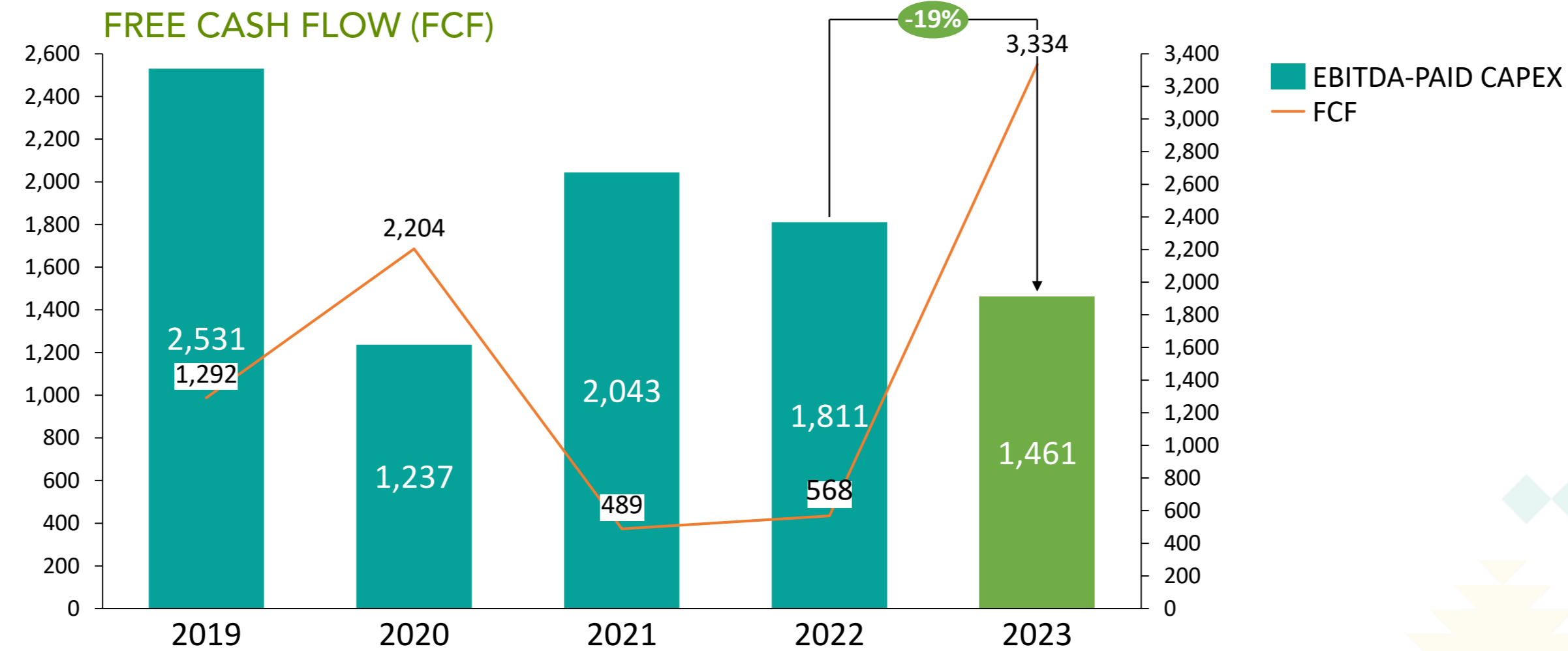


CAPEX, CAPEX/ REVENUES [Million SAR]



EBITDA – CAPEX [Million SAR]

FREE CASH FLOW (FCF)



# Company Debt

With financial support from financial institutions, shareholders, and the Ministry of Finance.  
Zain Saudi Arabia borrowings summary

Description	Party	Outstanding Amount in Million SAR
Murabaha Facility Arrangement (MFA)	Consortium of eight banks	5,233
Government Loan (MoF)	Ministry of Finance	2,487

- Amounts in Million SAR
- Balances exclusive of accrued interests – inclusive of debts arrangements fee

	2023	2022	2021	2020	2019	2018
Net Debt	6,842	8,777	9,009	9,088	14,227	14,218
Equity	10,591	9,800	9,042	8,729	4,103	4,012
EBITDA	2,978	3,155	3,128	3,441	3,823	3,009
Debt/(Debt +Equity)	42.37%	48.29%	51.29%	53.86%	78.95%	79.58%
Net Debt/EBITDA	2.30	2.78	2.88	2.64	3.72	4.72

- Amounts in Million SAR

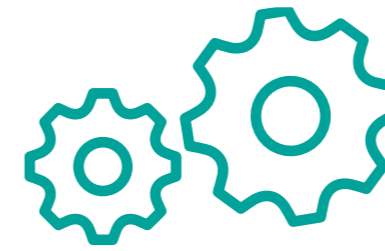


# Company Debt



## Evolve cost transformation initiatives

- Opportunity to approach business differently
- Increasing efficiencies to lower operating costs
- Aligning businesses to changing customer behavior



## Taking Proactive Financial Measures

- Increased capex guidance while implementing efficient cost measures



## Committed investment in key capital projects

- Network investment including 5G and expanding fiber
- Technology and content investment





# Q&A



# More Information



For more information, please visit our website or contact us through:



[investor.relations@sa.zain.com](mailto:investor.relations@sa.zain.com)



+966 59 244 8888

## Investor Relations app



## Investor Relations

PERSONAL BUSINESS COMPLAINTS عربي

MOBILE & INTERNET PLANS HOME PLANS ZAIN OFFERS DEVICES eSIM 5G

1,173,481 ZAIN KSA 17/08/2023 12:38 (AST) 12.84 SAR ▲ 0.00 / 0.00% Volume: 1,173,481 ZAIN KSA 17/08/2

### Investor Relations Application

Download the app to stay up to date on ZAIN KSA share performance, announcements, financial data and more...

SHARE STATISTICS FINANCIAL INFORMATION TADAWUL ANNOUNCEMENTS L >

SHARE GRAPH SHARE SERIES INVESTMENT CALCULATOR SHARE PRICE LOOK-UP SHARE ALERTS

7030 17/08/2023 12:38

Last	High	Low	(+/-)	%	Volume	Value traded	Market Cap (mil)
12.84	12.92	12.74	0.00	0.00	1,173,481	1,508.36	11,539.68

SHARE GRAPH SHARE DATA TRADES PERFORMANCE

1 day  5 days  3 months  6 months  1 year  3 years  Custom range

2022/08/17 - 2023/08/16

Zain KSA Open: 12.42 | High: 16.12 | Low: 10.00 | Close: 12.84

<https://sa.zain.com/en/investors/share-statistics>

# Thank You

