

zain

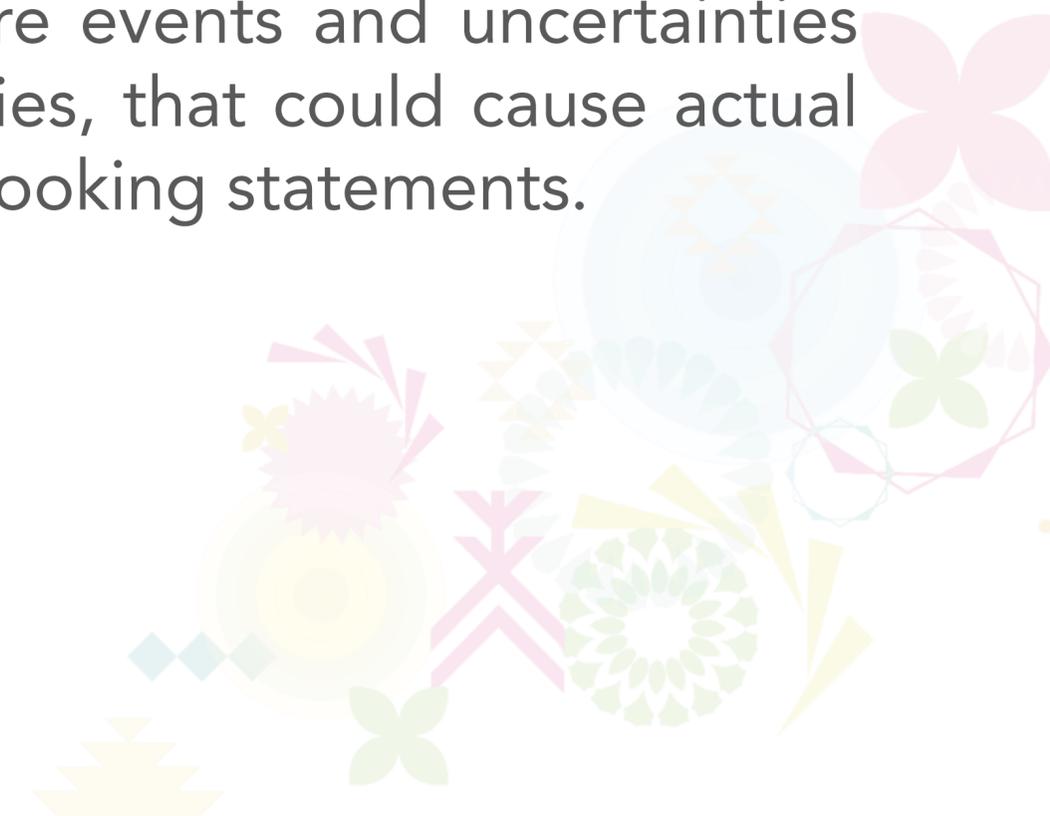
Q2 2021 – Earnings call



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



Once again Zain KSA has had a successful financial quarter not only with regards to ROI but we have also maintained global recognition for our pioneering and market leading 5G network services. Our most important asset, our people, continue to be at the forefront of our efforts with initiatives. Furthermore, we have continued to drive our Corporate Sustainability Strategy through several initiatives and campaigns. All of this and more is possible by our corporate strategy's which is directly aligned with the Kingdom's digital transformation journey, as per Saudi Vision 2030.



Zain KSA 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-Kharaf, 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.



Saud Bin 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.



Hisham Mohammed Attar

Mr. Attar has served as a board member in a number of companies, specializing in the field of investment and start-ups, including Body Masters and Amwal Alkhaleej.



Raied Bin Ali Al Saif

Mr. Al Saif is the director of investment and business development at the private office of the Prince Sultan bin Mohammed bin Saud Al-Kabeer Al Saud, where his department provides investment counseling services as well as overseeing business activities at joint ventures companies.



Firas Oggar

Mr. Oggar is a Board Member and Treasurer at The Association Of Corporate Counsels (ACC), Washington D.C. He is also the Head of Legal at Zain Group since 2017.



Ossama Michael 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.



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.



Mr. Kamil Hilali

Mr. Kamil Hilali held the position of Chief Strategy Officer at Zain Group. Hilali has 18 years of experience and Hilali 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, business development

Zain KSA 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 despite the outbreak of covid19; up until Zain KSA was ranked the 12th most powerful brand in Saudi.



Mehdi Khalfaoui CFO

Mr. Khalfaoui was appointed CFO in Feb-2017. Having more than 12 years of ICT sector experience



Eng. Saad Al-Sadhan CBWO

Eng. Al-Sadhan's professional career spans over 15 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 15 years in the telecommunication sector. He was embarked on his role as Chief Technology Officer of Zain KSA in Feb. 2019.



Maher AlFawaz Chief Sales Officer

Maher has over 14 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 13 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 has more than 15 years of experience in Marketing, Communication, and Branding



Eng. Salah Al-Ghamdi Advancement Market VP

Eng. Salah has over 15 years of experience in the ICT sector. He is leading the digital transformation of Zain KSA into a Digital Telco



Faris Al-Ribdi RA&C VP

Faris began his journey with of Zain KSA as GM of Regulatory Affairs and Compliance in January 2018. His professional career spans 14 years in the ICT sector



Eng. Hamad Alkatheri Risk & InfoSec VP

In his career, Eng. Alkatheri held several leadership positions in cybersecurity for a number of leading entities in the private and public sectors



Nada AlHarthi Strategy & Transformation VP

Nada assumed the position of Vice President, Business Affairs at Zain KSA, backed by a wide experience in planning, and strategy.



Taghreed Bahdailah Investors Relations VP

Taghreed is skilled in commercial banking and Islamic economics, with practical experience and, having graduated from Cambridge University in UK



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.



Loluwah Alnowaiser Acting Human Resources VP

Loluwah AlNowaiser was entrusted to lead the HR Division as the Acting Human Resources Vice President

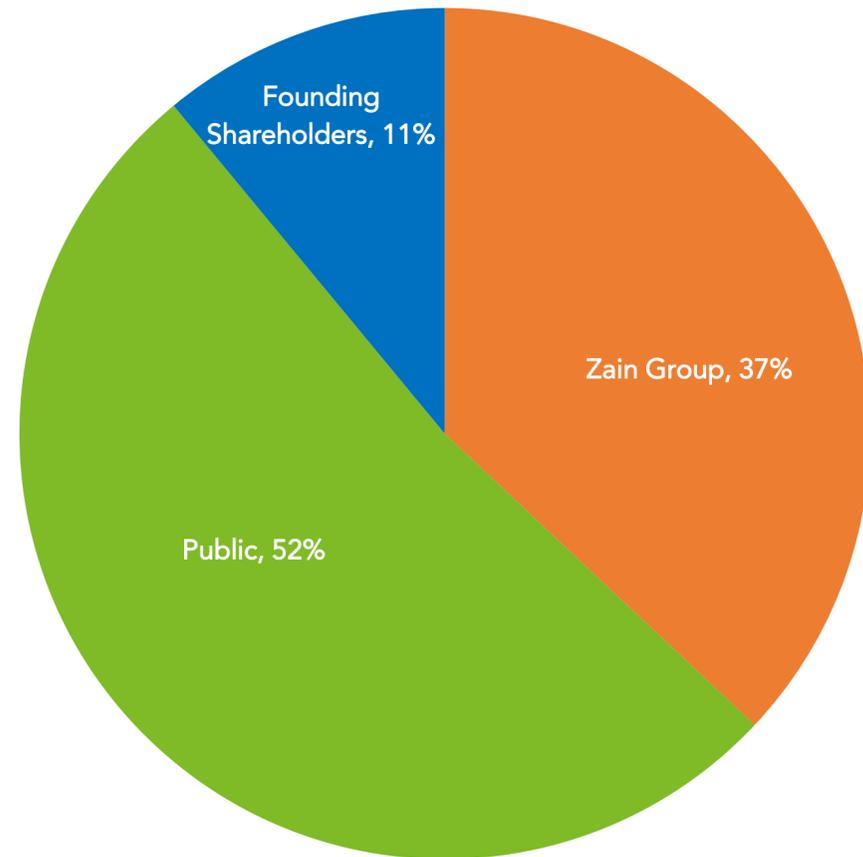
2021 Financial Results



Zain KSA revealed its financial results for the second quarter of 2021, where it maintained profitability, posting net profit of SAR 42 million with revenues totaling SAR 1,896 million over the same period.

The company indicated that it has seen retained earnings for the first time in its history after successfully extinguishing all accumulated losses, in accordance with the timeline set through its capital restructuring strategy, noting that key financial indicators have transitioned to a new phase of growth in parallel with enhanced service quality despite the pandemic-related challenges.

Shareholder Structure



Around 322,000
Shareholders

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

1	HRH Prince Saud Bin Fahad Bin Abdulaziz Al Saud	2.98%
2	Saudi Plastic Factory Est.	2.93%
3	HH Prince Sultan Bin Mohammed Bin Saud Al Kabeer Al Saud	2.13%
4	Abu Dhabi Investment House (ADIH)	1.07%
5	Almarai Co.	1.06%
6	Al Jeraisy Development Co. Ltd.	0.53%
7	Architectural Elite Est. for Engineering & Contracting	0.28%
8	Al Sale Al Sharkiyah Co. Ltd.	0.27%
9	Rakisa Holding Co.	0.22%

Tadawul:	7030
Bloomberg:	ZAINKSA:AB
Issued Shares:	898,729,175
Paid Capital:	SAR 8,987,291,750

Zain Saudi Arabia Today



7.38 Million
subscribers



1,434 Zainers
Saudi: 86.31%
Woman: 12%



238 shops
3,777 POS



49% Data revenue
(Excluding SMS & VAS)



71 SAR
Blended ARPU



11,870 TB/Day
Average daily data traffic



99% 2G
98% 3G
94% 4G
61% 5G
Population coverage

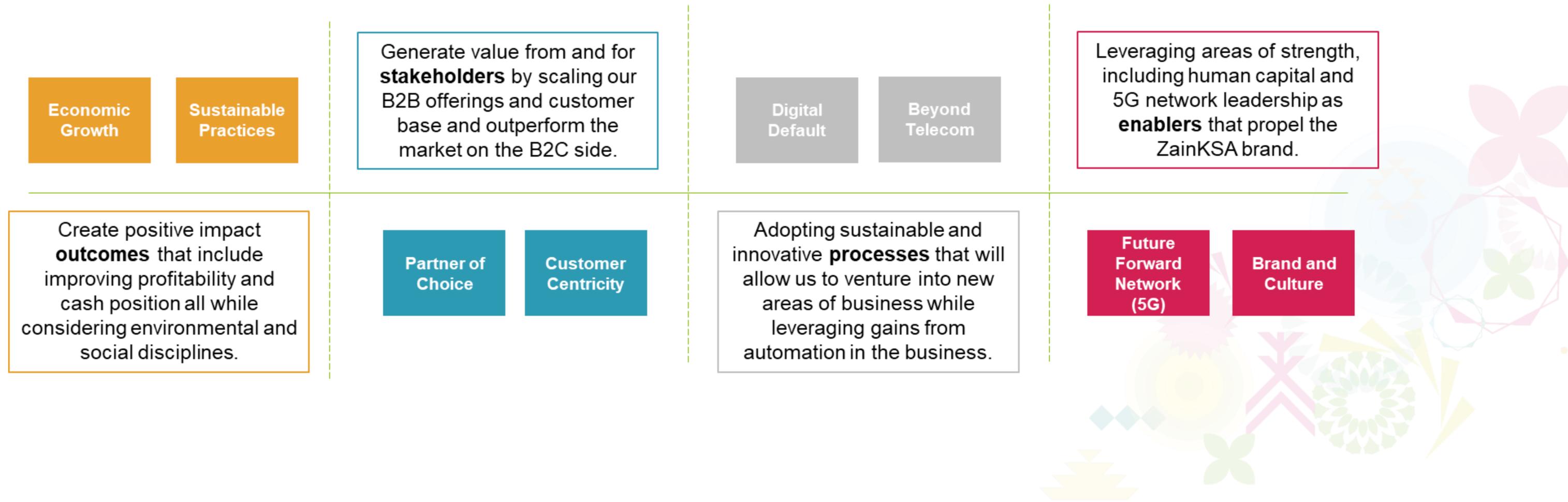


9,980 Total number of sites
566 Cities covered by 3G
479 Cities covered by 4G
50 Cities covered by 5G

Zain KSA's Strategic Pillars



We have updated our strategic pillars to continue delivering on areas of our competencies and expanded them to be more ESG focused. The below eight pillars come as a natural evolution and extension of the strategy ZainKSA has successfully delivered on as well as the expectations of stakeholders.



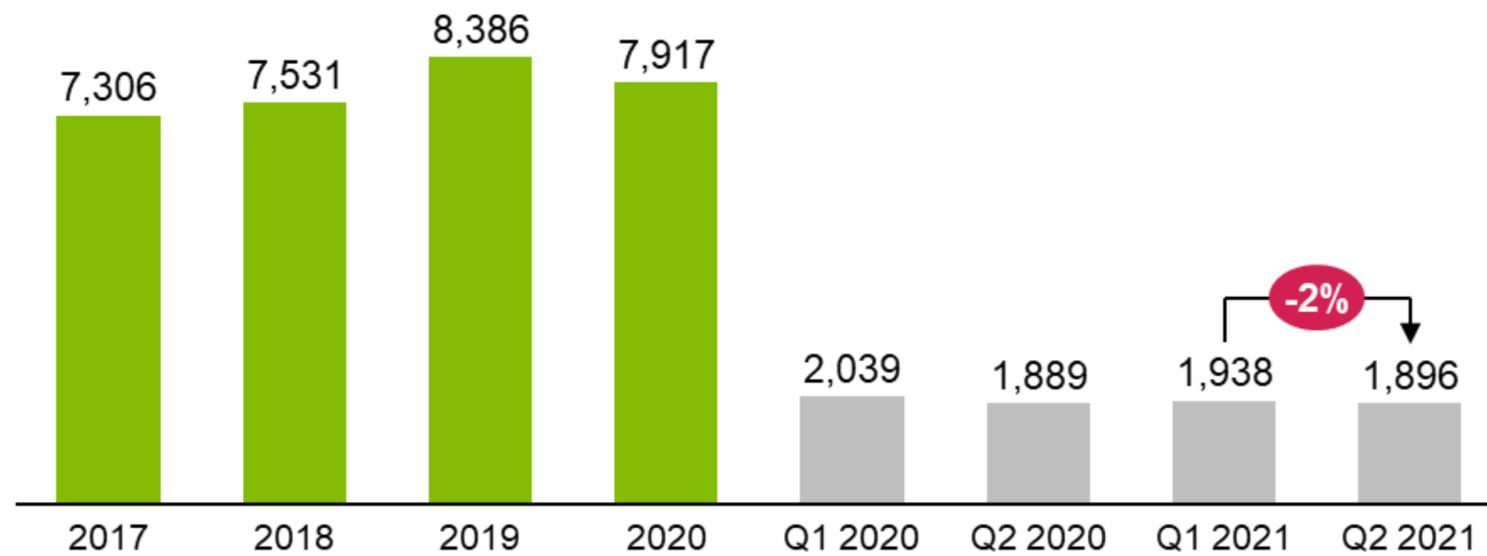
Perspectives → Pillars → KPIs → Initiatives

Perspectives	Pillars
Positive impact outcomes	Grow business while remaining a CAPEX-light organization Lead in diversity and inclusion and other sustainable practices
Value for stakeholders	Position ourselves as a partner of choice Increase value from our consumer base by customer centricity
Sustainable and innovative processes	Become a digital default operator Enable adjacencies through optimized operations
Key enablers and resources	Preserve culture and raise brand image Leveraging 5G and future-proofing our network

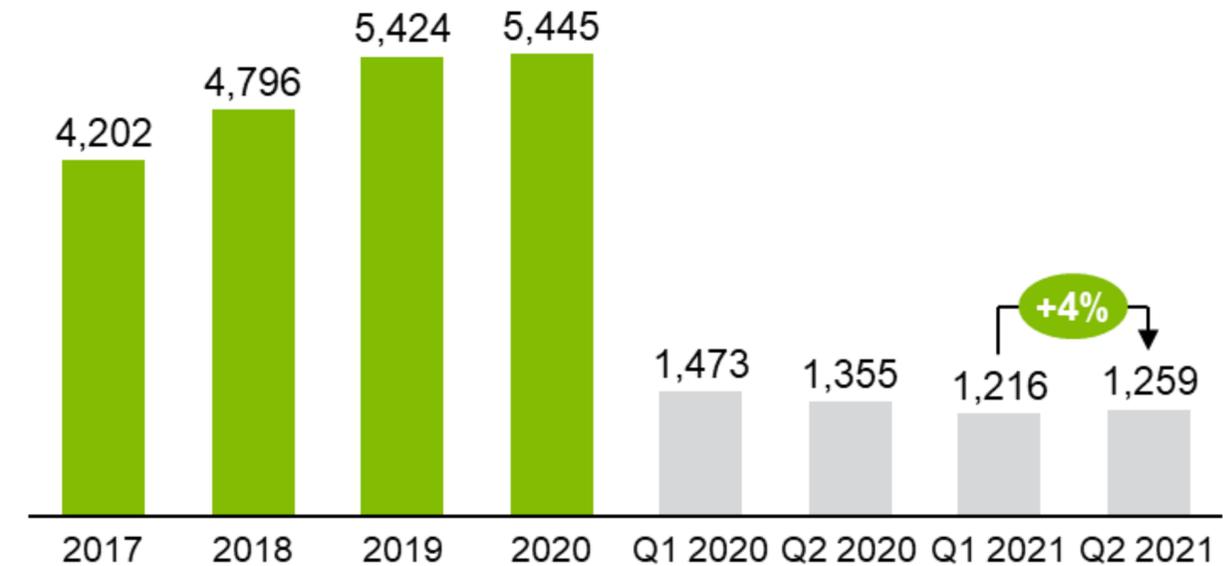


Financial highlights

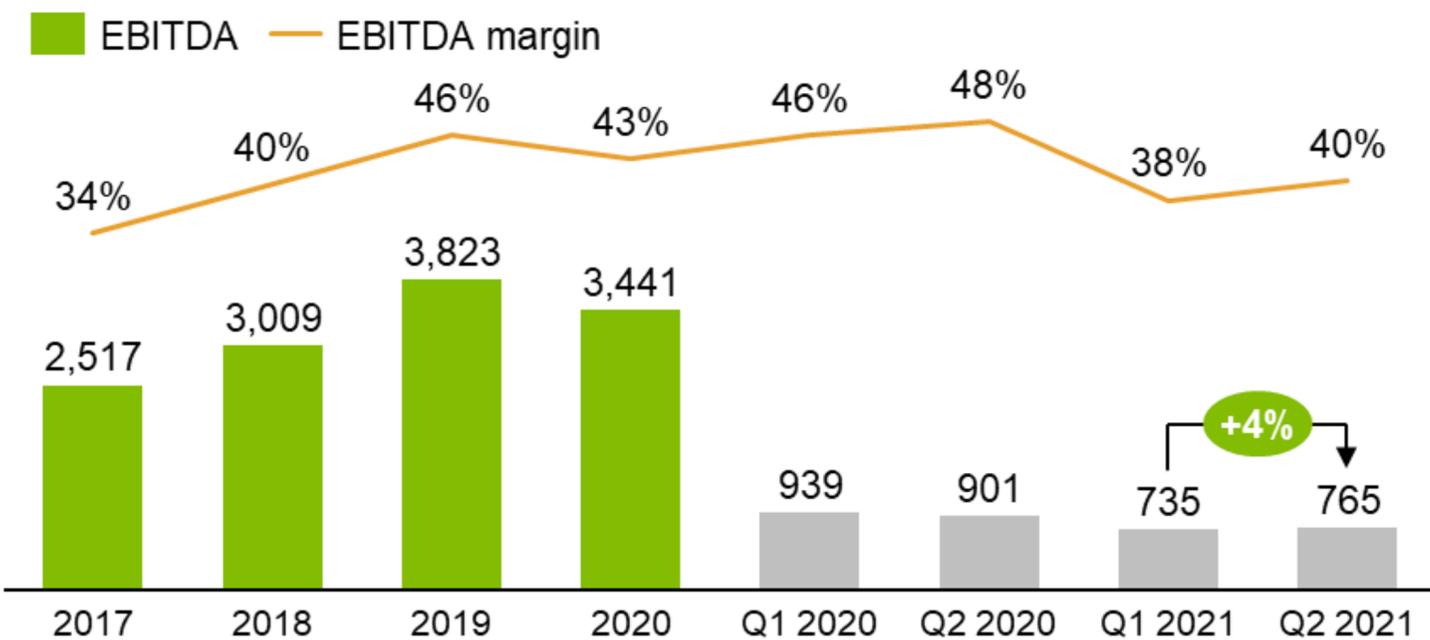
REVENUE [Million SAR]



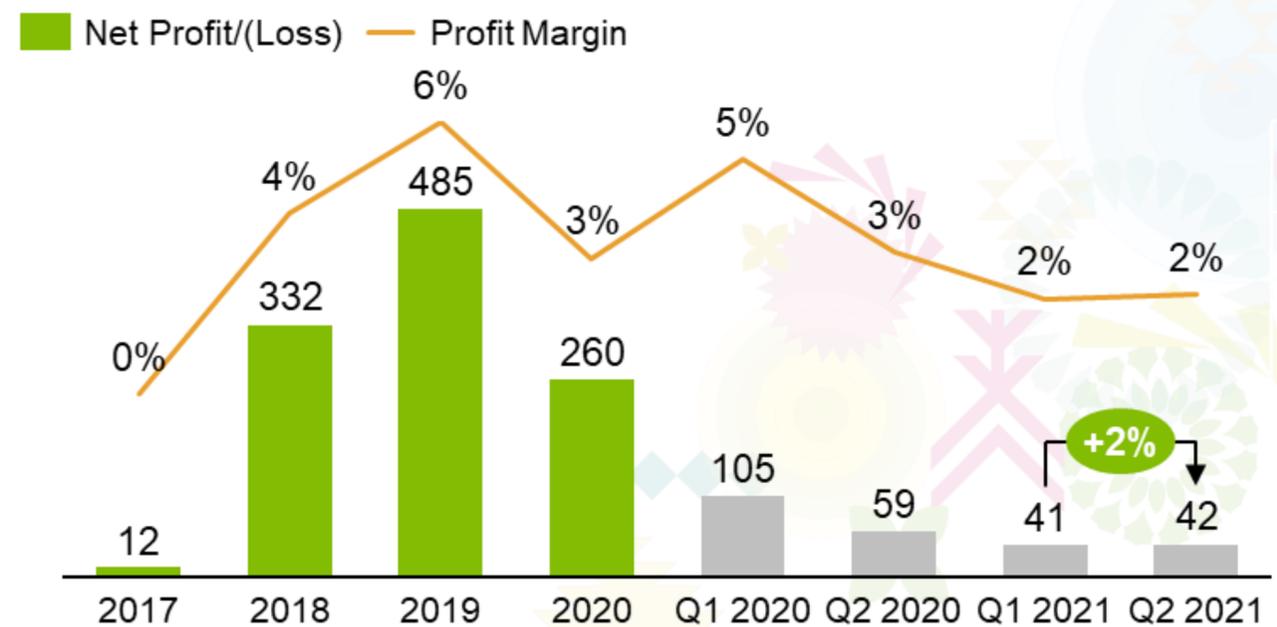
GROSS PROFIT [Million SAR]



EBITDA, EBITDA MARGIN [Million SAR]



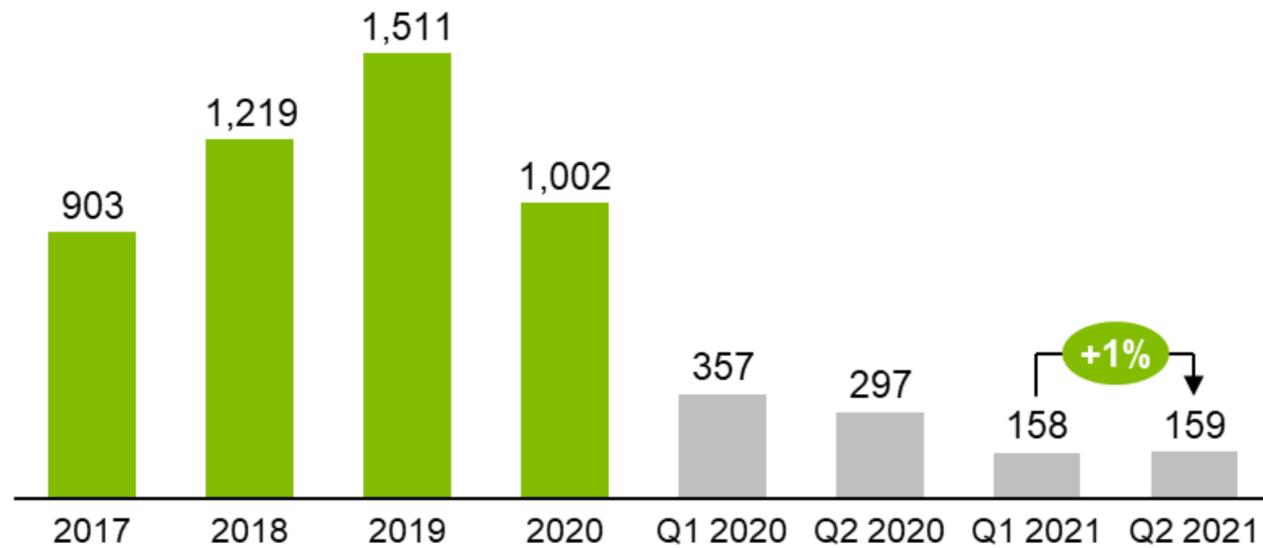
NET (LOSS) / PROFIT MARGIN [Million SAR]



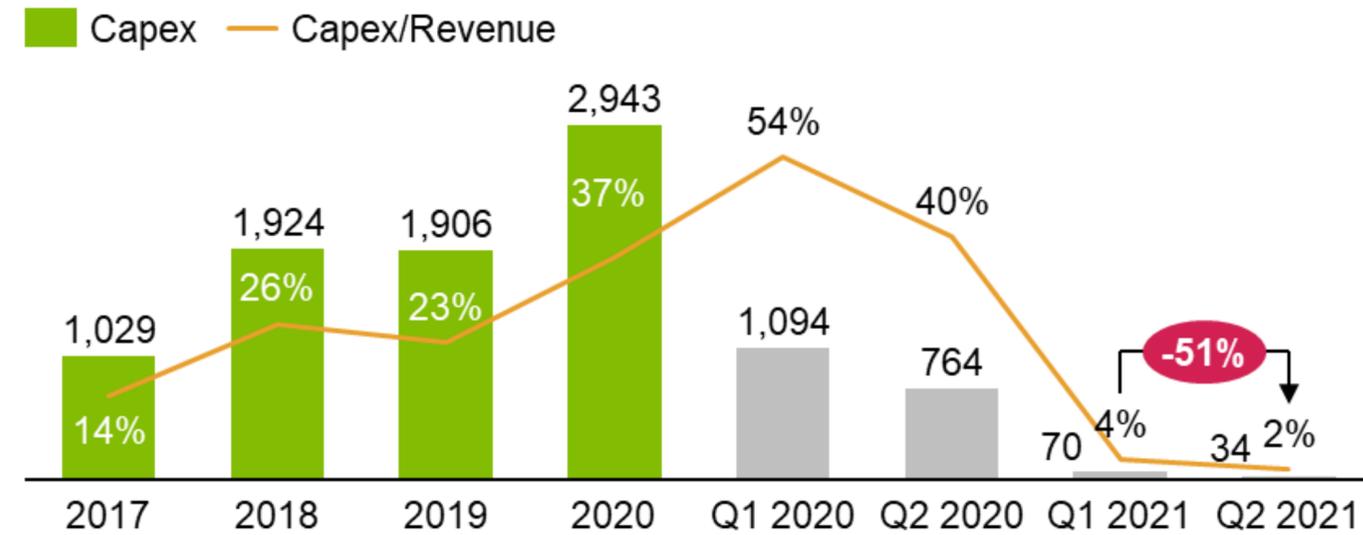
Certain comparatives figures have been reclassified to conform with the presentation in the current period.

Financial highlights

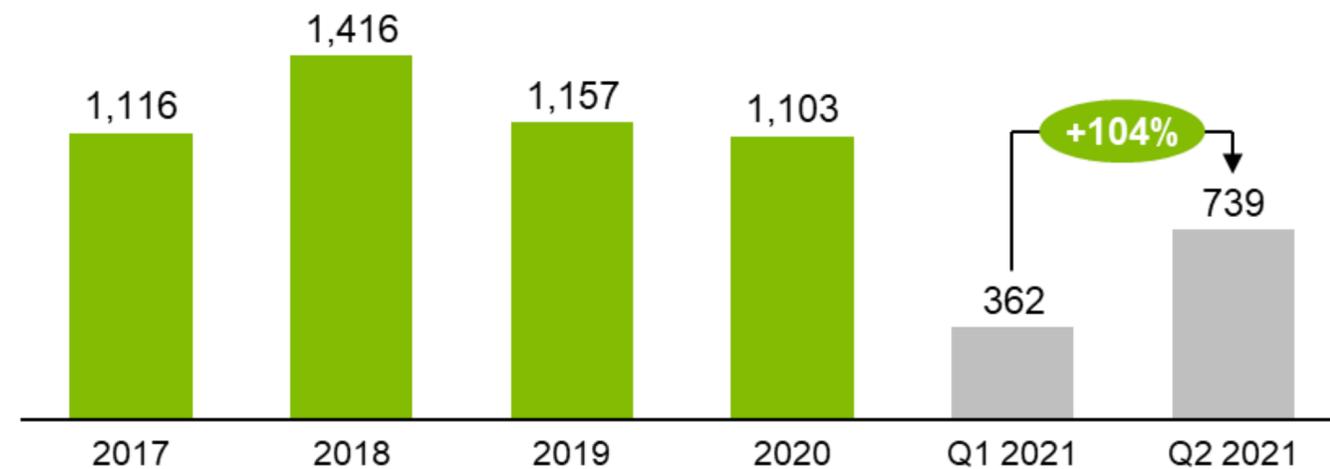
OPERATIONAL (LOSS/INCOME) [Million SAR]



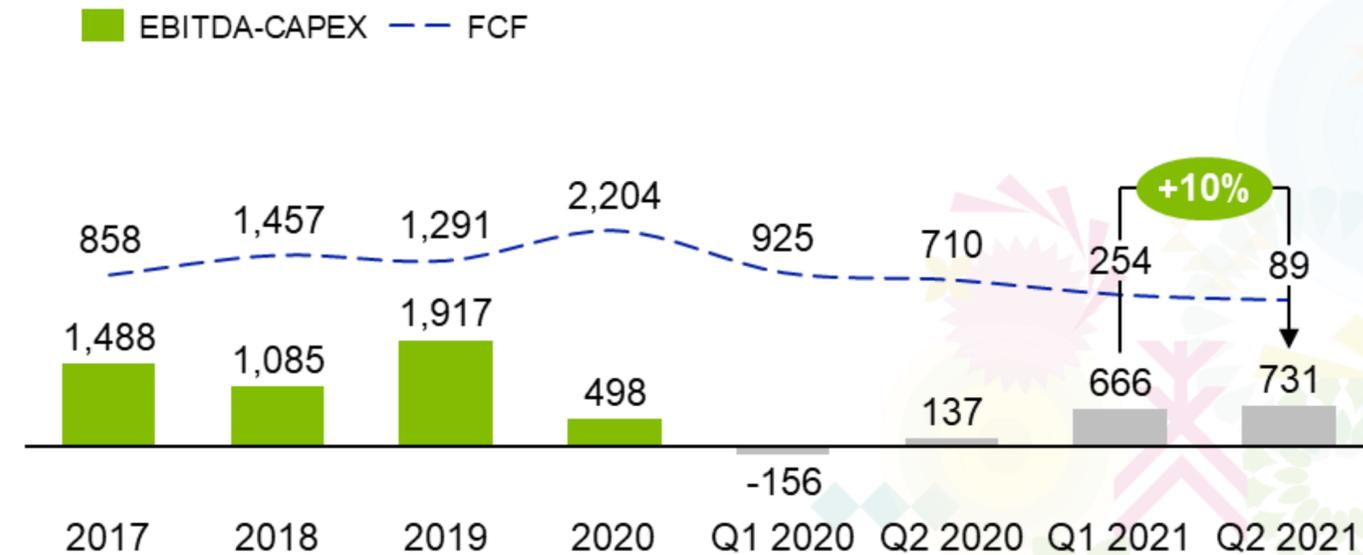
CAPEX, CAPEX/ REVENUES [Million SAR]



CASH BALANCE [Million SAR]



EBITDA – CAPEX [Million SAR]



Company Debt

▶ With financial support from financial institutions, shareholders, and the Ministry of Finance

Zain Saudi Arabia borrowings summary

Description	Party	Outstanding Amount
Murabaha Facility Arrangement (MFA)	Consortium of eight banks	3,676
Government Loan (MoF)	Ministry of Finance	4,039
Due to Shareholders*	Founding shareholders	1,479
Junior Murabah Debt	Consortium of five banks	2,250

* Due to Shareholders do not bear interest

	Q2 2021	Q1 2021	2020	2019	2018
Net Debt*	10,627,238	10,556,092	10,474,516	15,592,206	15,362,732
EBITDA	765,186	735,490	3,441,087	3,822,603	3,009,254
Debt/(Debt+Equity)	56.28%	55.38%	57.01%	80.32%	80.70%
Net Debt/EBITDA (Annualized)	3.43	3.26	3.04	4.08	5.11

* Net Debt includes due to shareholders



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

Environment

Sustainability lies at the core of all of our work. In accordance with our Corporate Sustainability Strategy, Zain KSA is proud of its efforts to help combat climate change through several initiatives.



Society

Zain KSA continues to support initiatives that play a positive role in driving a happy, healthy and sustainable society:



Internet Monsters campaign



Gamers best practice campaign



Make it and play it sponsorship



Blood donation campaign



Ehsan donation



Be well initiative

Achievements



Ookla®, the global leader in internet testing and analysis, announced that Zain KSA won the Speedtest Award™ as Fastest Fixed Internet in Saudi Arabia for the first half of 2021, retaining the title for the third time in a row*. The achievement is added to several other accolades Zain KSA has accumulated over the recent years, since its rollout of the region's largest 5G network

Achievements



The globally acclaimed **umlaut report**, specialized in measuring the performance of global networks, recognized the efforts of Zain KSA in leading the development of the wireless network in all parts of the Saudi capital, Riyadh. Zain was distinguished from the rest of the telecom and internet service providers in the 5G network, in addition to the advanced technologies and strong digital performance of the company. It was recognized as the best 5G Riyadh and the fastest in downloading and uploading files

Achievements



Zain KSA ranked first in the **Meqyas report** issued by the Communications and Information Technology Commission (CITC) in the Kingdom, delivering the best 5G services during the first quarter of 2021. The results reflected Zain KSA's advanced position in providing 5G services, as it topped all the indicators measured by the report in this category. Zain KSA came in first in the 5G deployment across the Kingdom (Number of Governorates with 5G) indicator for the second consecutive quarter, covering 43 governorates. It also ranked in first place in the mobile 5G average download speed.

Achievements



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First place
In games latency

FORTNITE **FIFA** **APEX** **DOTA 2**

5G First place
In 5G mobile latency across the Kingdom

First place
In average response time of networks in regions

Al Madinah
Riyadh
Aseer
Jazan

GAME
MODE

Once again, Zain KSA ranks first in the **Game Mode report** issued by the Communications and Information Technology Commission (CITC) for the first quarter of 2021, recording top connectivity performance in 4 of the most popular video games Fortnite, FIFA 21, APEX Legends, and Dota 2, and having the Kingdom's fastest average response time achieved by its 5G mobile network.

More Information

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

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First Quarter



Second Quarter



Third Quarter



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Thank You

