

# Investor Presentation

Q1 2020

---

# 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 successful and timely execution of plans and strategies, that could cause actual results to differ materially from those anticipated in these forward-looking statements.

# Q1 Financial Highlights



# 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.



**Scott Mark Gegenheimer**

Mr. Gegenheimer, was appointed as Zain Group CEO in 2012 and thereafter from March 2017 as Group CEO-Operations. A telecom veteran with over 25 years of experience, he spent the last decade in various senior management and leadership positions across the globe regional operators.



**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.



**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.

# Zain KSA Management Team



**Eng. Sultan Bin Abdulaziz AIDeghaither - Zain KSA CEO**

Eng. AIDeghaither took over as CEO of Zain on July 1st, 2018. Having first joined Zain KSA in 2009 as Director of Network Planning. He spearheaded the development of Zain's network across the Kingdom to cover more than 98% of the populated areas.



**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.



**Shatha AINafeesa  
CHRO**

Shatha assumed the position of CHRO at Zain KSA in September 2019, backed by more than 15 years of experience in the human resources sector.



**Mehdi Khalfaoui  
CFO**

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



**Nada Alaa AlHarthi  
Business Affairs VP**

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



**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.



**Eng. Rayan AlTurki  
Communication VP**

Mr. AlTurki has more than 15 years of experience in Marketing, Communication, and Branding



**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. Salah Al-Ghamdi  
Digital and Analytics 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



**Sherif Tahoun  
CCO**

Mr. Tahoun's joined Zain KSA in 2014 having over 25 years of experience delivering business growth and transformation in large organizations



**Eng. Hamad Alkatheri  
Risk & InfoSec VP**

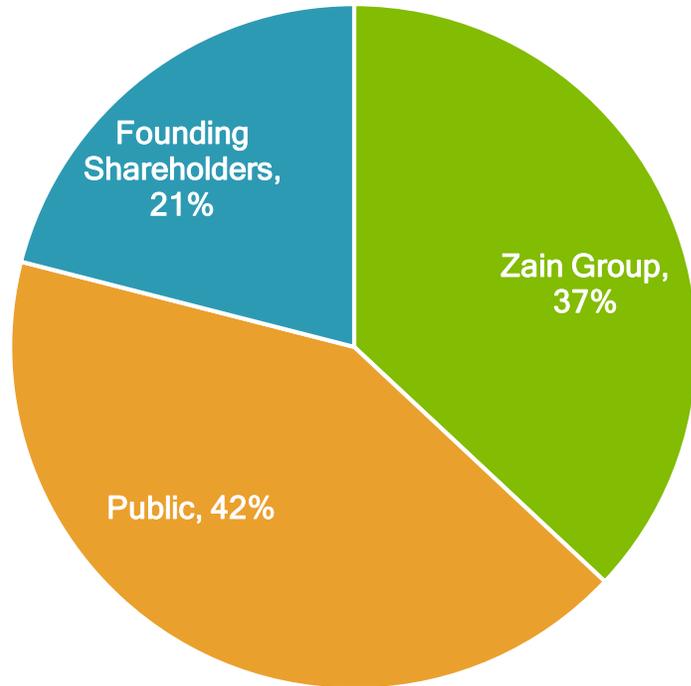
In his career, Eng. Alkatheri held several leadership positions in cybersecurity for a number of leading entities in the private and public sectors



**Taghreed Bahdailah  
Investors Relations VP**

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

# Shareholder Structure



Around 370,000 Shareholders

## Zain Group:

Provides Zain KSA with operational, technical, brand financial support

1	Faden Trading & Contracting Est.	5.97%
2	Saudi Plastic Factory Est.	5.84%
3	Abu Dhabi Investment House (ADIH)	2.14%
4	Almarai Co.	2.13%
5	HH Prince Sultan Bin Mohammed Bin Saud Al Kabeer Al Saud (Ashbal Al-Arab Contracting Est.)	2.13%
6	Al Jeraisy Development Co. Ltd.	1.06%
7	Architectural Elite Est. for Engineering & Contracting	0.56%
8	Al Sale Al Sharkiyah Co. Ltd.	0.53%
9	Rakisa Holding Co.	0.44%

Tadawul:	<b><u>7030</u></b>
Bloomberg:	<b><u>ZAINKSA:AB</u></b>
Issued Shares	583,729,175
Paid Capital:	SAR 5,837,291,750

# Zain Saudi Arabia Today



**7.47 Million**  
subscribers



**1,372 Zainers**  
Saudi: 87%  
Woman: 11%



**295 shops**  
**2,729 POS**



**57% Data revenue**  
(Excluding SMS & VAS)



**78 SAR**  
Blended ARPU



**8,241 TB/Day**  
Average daily data traffic



**99% 98% 93% 43%**  
2G 3G 4G 5G  
Population coverage



**9,667 Total number of sites**  
566 Cities covered by 3G  
479 Cities covered by 4G  
28 Cities covered by 5G

# Zain KSA COVID-19 Response



## Protect our employees

- Instituted work at home policies
- Protection protocols for those who cannot work from home.
- Enhanced communication, support and resources



## Serve our customers

- Unprecedented traffic increase; network is performing well
- Providing entertainment and critical news



## COVID-19 implications

- Changing how society interacts
- Economic impacts are unclear
- Due to lack of visibility, withdrawing financial guidance

# Zain KSA COVID-19 Response

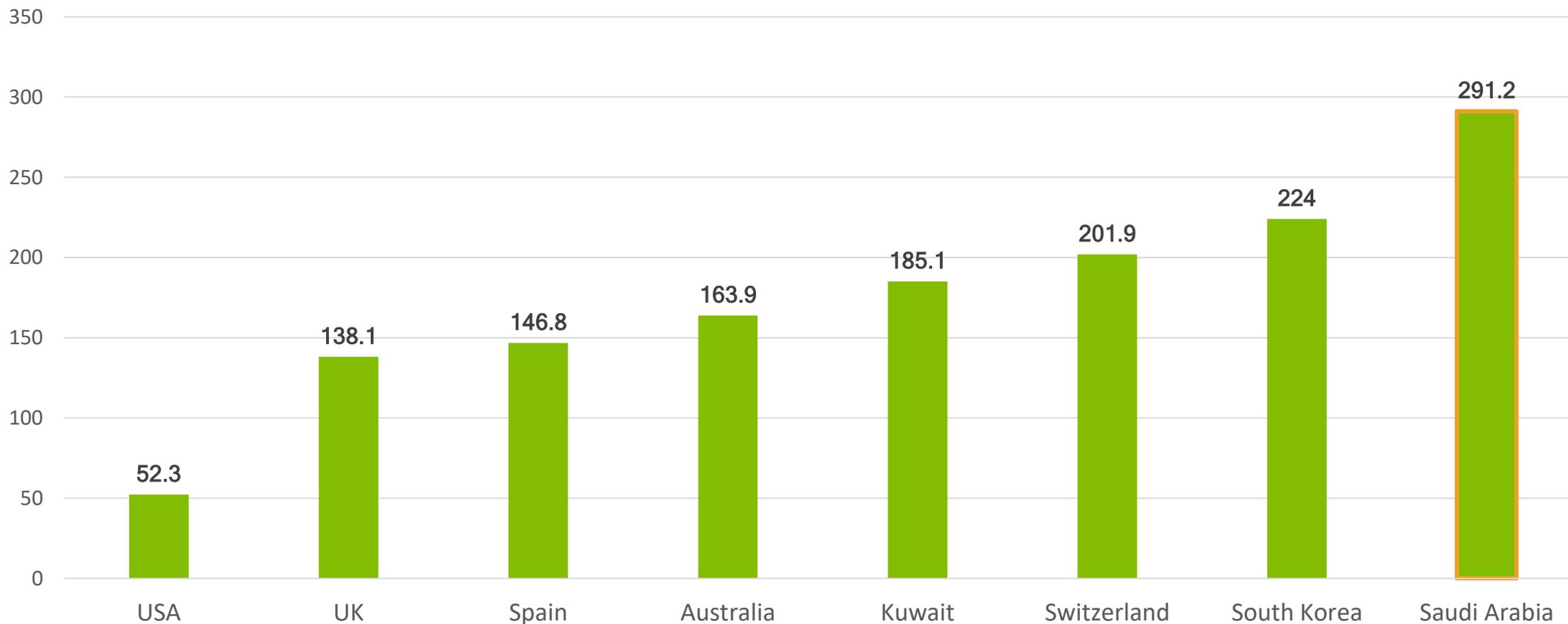


## Capital allocation

- Investing in critical growth areas – 5G, FTTH, Digital
- Maintaining high-quality debt metrics
- Focus on Cash preservation:
  - Working capital management : new Treasury guidelines /payment prioritization /accelerate collection
  - Balance sheet focus
- Cost structure re-engineering:
  - Redesigning the going forward cost structure with focus on “non-employees related cost “

# Real-world 5G Speed

Real-world 5G download speeds are many times faster than those seen on 4G

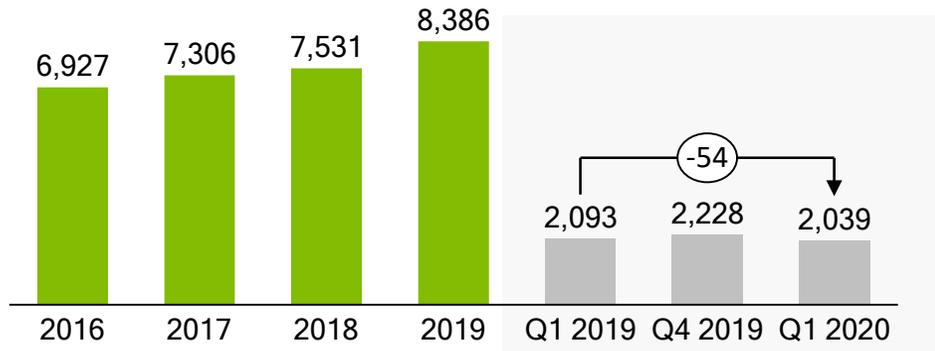


# Financial Highlights (1/2)



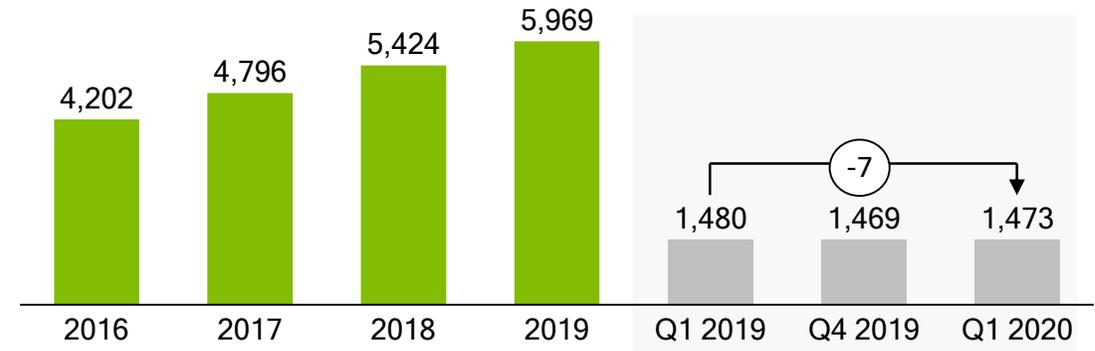
## REVENUE [Million SAR]

### Yearly Trend



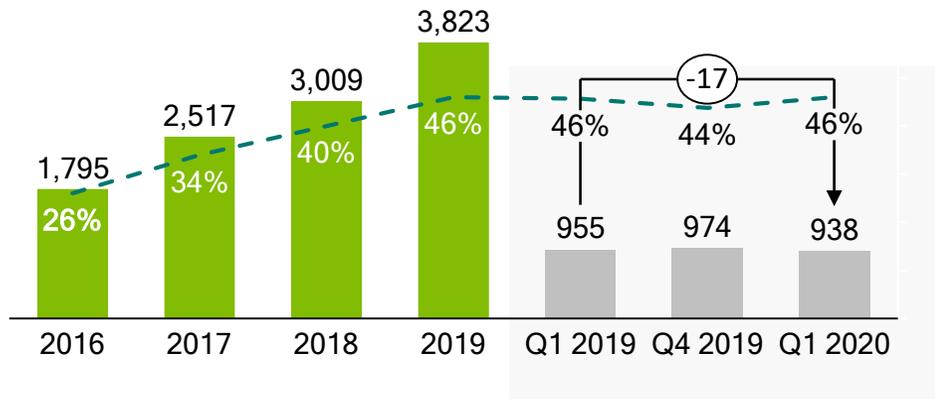
## GROSS PROFIT [Million SAR]

### Yearly Trend



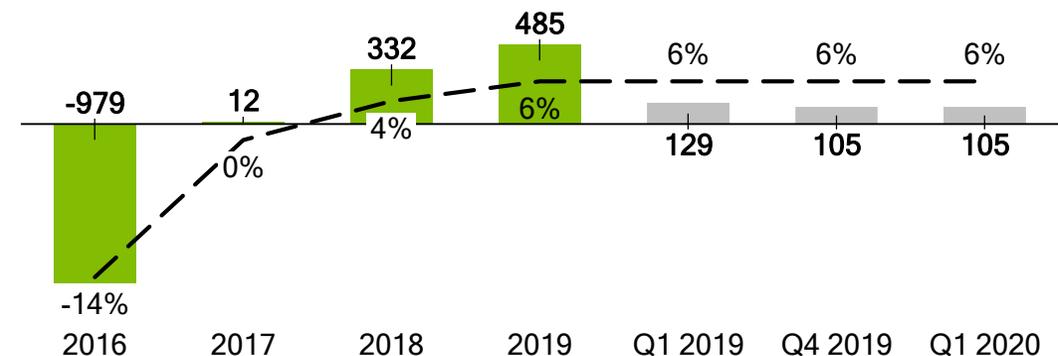
## EBITDA, EBITDA MARGIN [Million SAR]

### Yearly Trend



## NET (LOSS) / PROFIT MARGIN [Million SAR]

### Yearly Trend

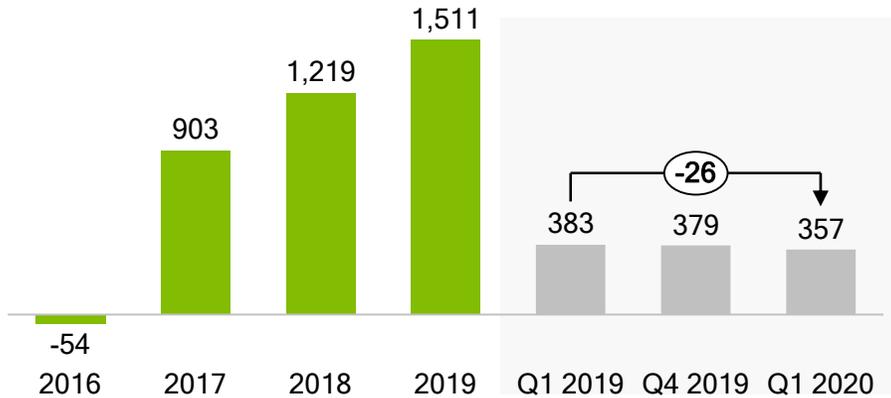


# Financial Highlights (2/2)



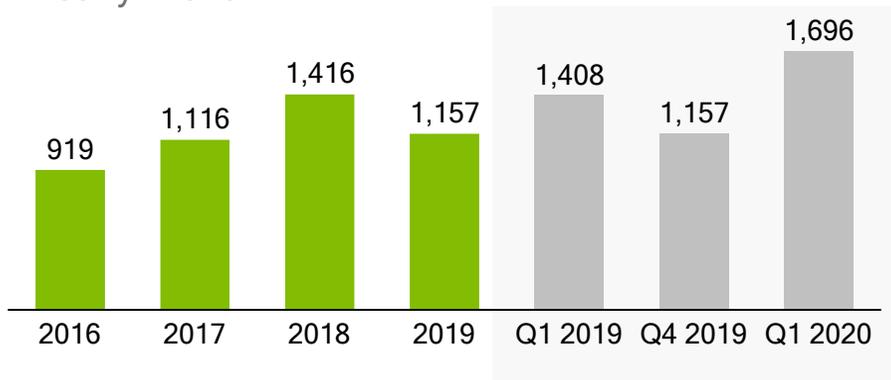
## OPERATIONAL (LOSS/INCOME) [Million SAR]

Yearly Trend



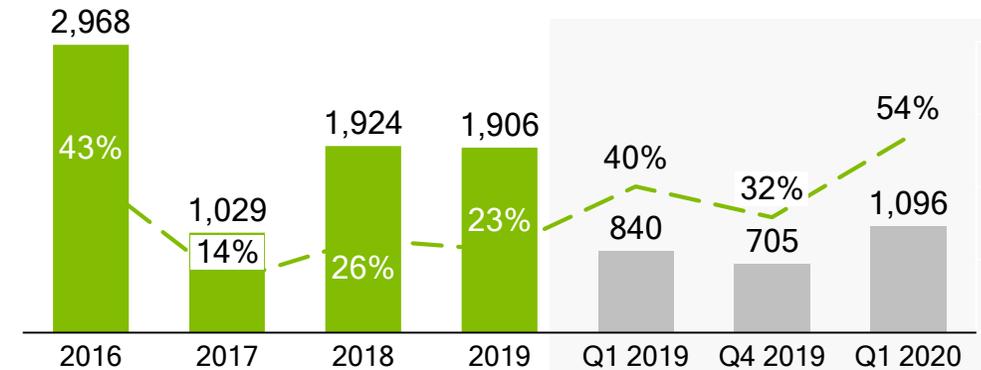
## CASH BALANCE [Million SAR]

Yearly Trend



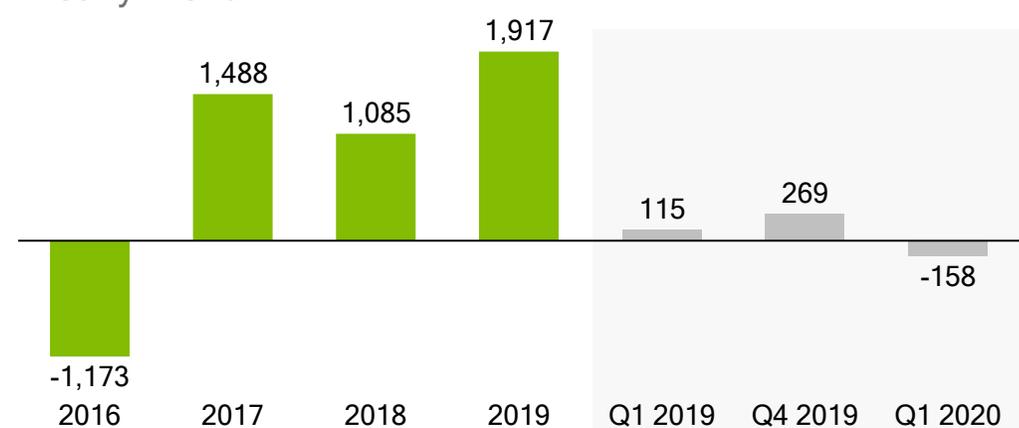
## CAPEX, CAPEX/ REVENUES [Million SAR]

Yearly Trend



## EBITDA - CAPEX [Million SAR]

Yearly Trend



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

# Company Debt

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

## Zain Saudi Arabia borrowings summary

Description	Provider	Outstanding Amount [Million SAR]
Junior Murabah Debt	Consortium of five banks	2,250
Murabaha Facility Arrangement (MFA)	Consortium of eight banks	4,535
Government Loan (MoF)	Ministry of Finance	3,750
Due to Shareholders	Founding shareholders	6,301



### Evolve cost transformation initiatives

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



### Committed investment in key capital projects

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



### Taking Proactive Financial Measures

- Increased capex guidance while implementing efficient cost measures

# Community Endeavors



## CSR / Community Awareness Campaigns

- Zain KSA has zero-rated all health / MOI websites as well as the official educational platforms to enable customers to access information and services free of charge
- Equipped the official KSA quarantine authorities with iPads and connectivity for effective management of their daily routine testing and communication
- Endorsed the official messages from staying at home through all digital channels as well as on all Zain ads
- Maintained a strict (Only 5 at a time) policy for customers in Zain shops and provided proper masks and sanitization for all visitors
- Ensured Network Operations are well maintained
- Increased the number of employees on Social Care channels to compensate for store closures

Collaborate with Atta initiative and donate 30K SIM cards

Free browsing of education, health and government platforms

Outdoor Campaign #بيتك\_أزين

Provide all customers with 16 more days to pay their bills

April for Free!

Change the network name (STAY HOME)



# Top News in Q1



Zain KSA has announced its participation, for the second consecutive year, as a supporting partner in the Saudi IoT Conference.



Zain KSA has been recognized as one of 8 companies listed on Tadawul with unique initiatives by participating in “Ring the Bell for Gender Equality”



# 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

### Financial Reports



[>Board Of Directors Report](#)  
In this section, you can view or download our Board of Directors Reports.

---

[>Financial Statements](#)  
In this section, you can view or download our Financial Statements.

[View All](#)

### Share Price And Chart



KSA 12/02/2020 18:47 [More Info](#)

Latest - (KSA)	10.14
% Change	-6.97
Volume	11,435,114
Market Capitalization	5,919,010,000

Prices are given with 15 mins delay

---

### Shareholders

Faden Trading & Contracting Establishment	5.97%
Saudi Plastic Factory	5.85%
Mobile Telecommunication Company K.S.C.	37.05%
Public	51.14%

[More Info](#)

### Tadawul Announcement

< February 2020 >

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

[View All](#)

<https://sa.zain.com/en/investors/financial-reports>

# Q & A



**Thank You**

