



Welcome to Zain KSA H1 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 costumer 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.

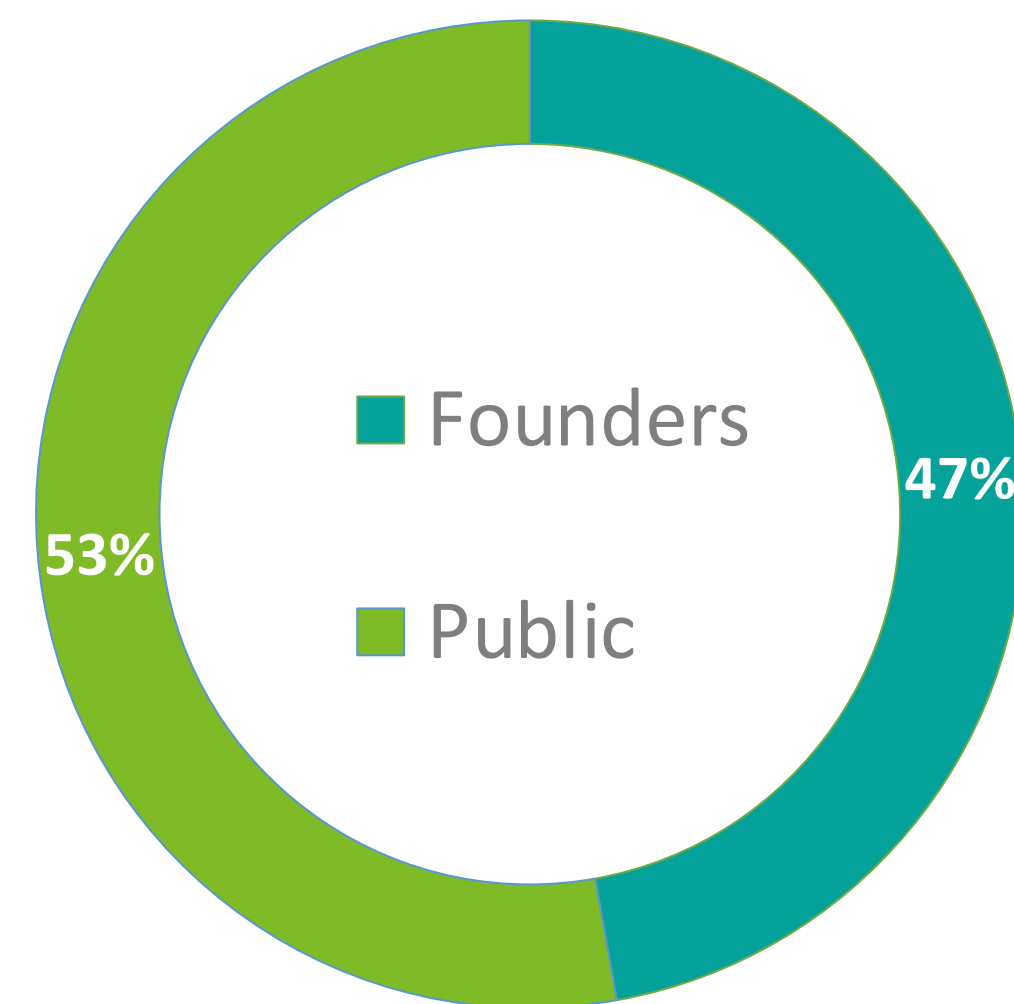
Leveraging areas of strength, including human capital and 5G network leadership as enablers that propel the Zain KSA brand.

Our Shareholder Structure



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

Founding Shareholders



Around 296,000
Shareholders

01	Zain Group	37.04%
02	HRH Prince Saud Bin Fahad Bin Abdulaziz Al Saud	2.98%
03	Saudi Plastic Factory Est.	2.93%
04	HH Prince Sultan Bin Mohammed Bin Saud Al Kabeer Al Saud	2.13%
05	Infra Capital Investments (Infra Capital)	1.07%
06	Al Jeraisy Development Co. Ltd.	0.53%
07	Rakisa Holding Co.	0.22%

Tadawul:

Bloomberg:

Issued Shares:

Paid Capital:

7030

ZAINKSA:AB

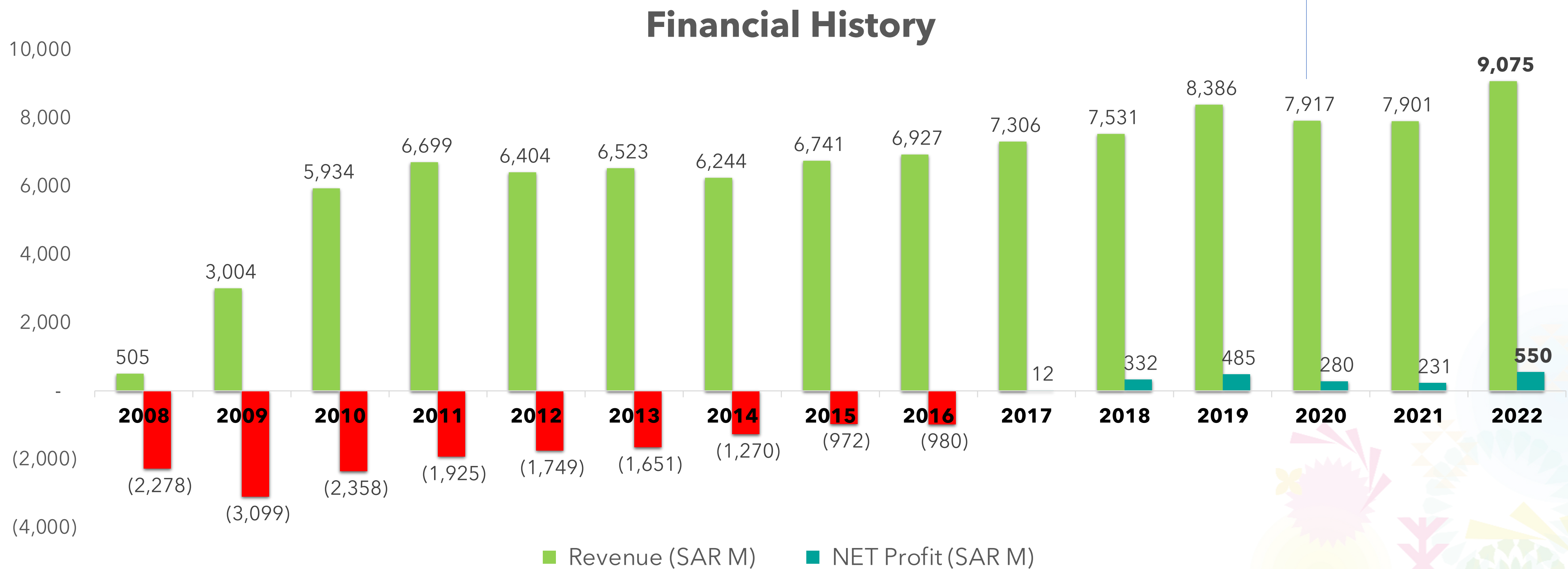
898,729,175

SAR 8,987,291,750

Our 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

Operational Update



Eng. Sultan Bin Abdulaziz AlDeghaither
CEO



2023 H1 Financial Results



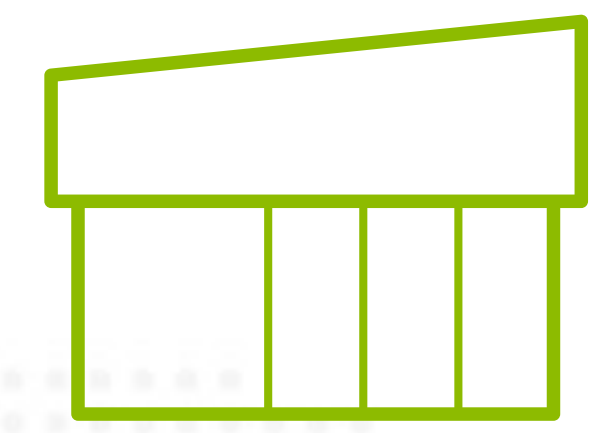
Zain KSA Today



8.7 Million
Customers



1,543 Zainers
Woman: 19 %
Local: 86%



249 Shops
5,391 POS



41% Data Revenue
(Excluding SMS & VAS)



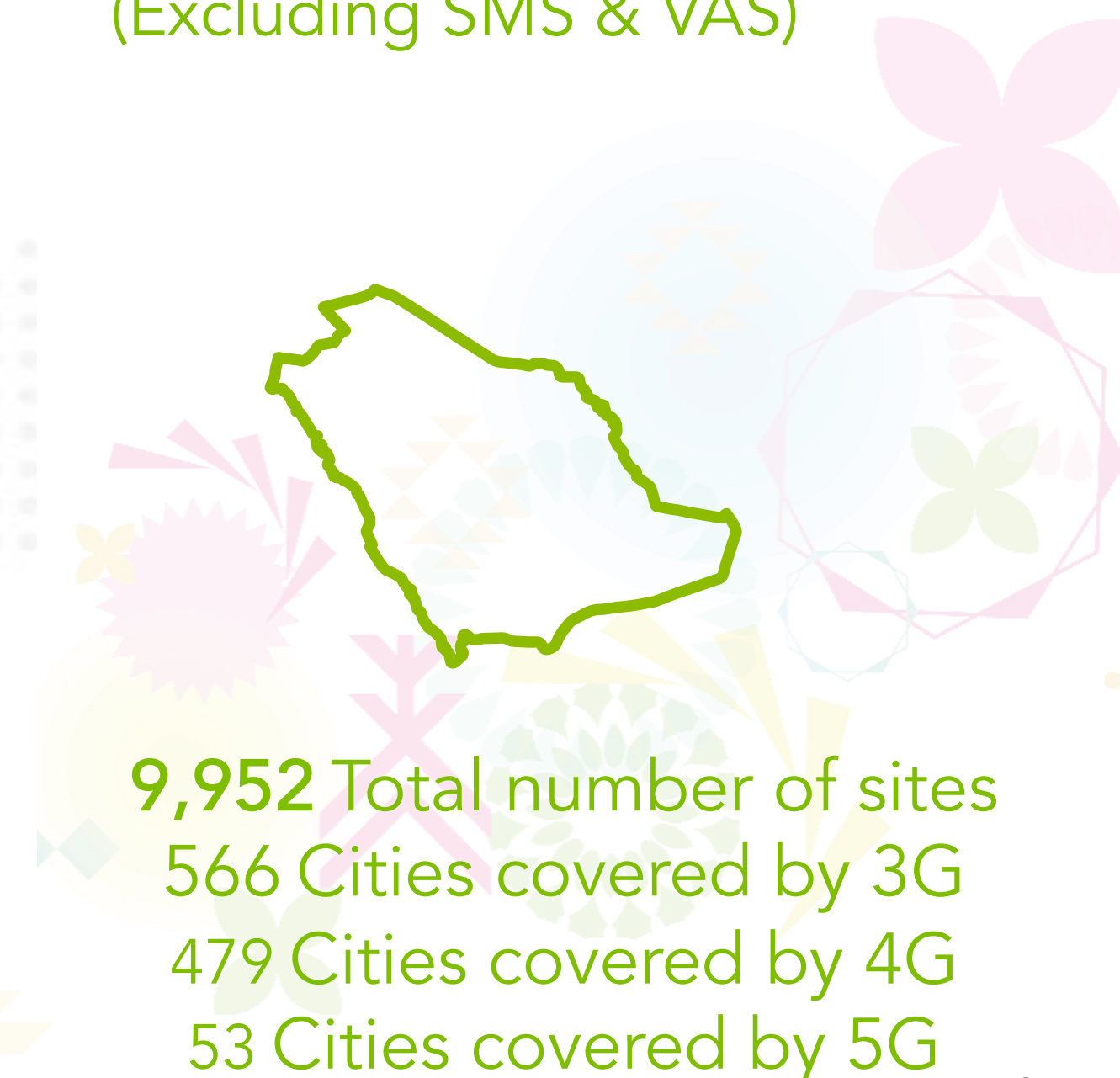
64 SAR
Blended ARPU



16,523 TB/Day
Average daily data traffic



99% **98%** **94%** **62.5%**
2G 3G 4G 5G
Population coverage



9,952 Total number of sites
566 Cities covered by 3G
479 Cities covered by 4G
53 Cities covered by 5G

A screenshot of the Forbes Middle East website showing the 'Top 100 Listed Companies 2023' ranking. The header includes the Forbes logo and 'Forbes Lists'. The main title is 'Top 100 Listed Companies 2023'. Below the title, there is a portrait of a man in a red and white checkered ghutra and a white shirt. To the right of the portrait, the text reads: '79. Zain KSA', 'Country: Saudi Arabia', 'Sector: Telecommunications', 'CEO: Sultan Bin Abdulaziz Al-Deghaither', 'Market Value: \$3.6 billion', 'Sales: \$2.4 billion', 'Profits: \$147 million', and 'Assets: \$7.6 billion'.

Forbes Middle East Forbes Lists

Top 100 Listed Companies 2023



79. Zain KSA
Country: Saudi Arabia
Sector: Telecommunications
CEO: Sultan Bin Abdulaziz Al-Deghaither
Market Value: \$3.6 billion
Sales: \$2.4 billion
Profits: \$147 million
Assets: \$7.6 billion

Zain KSA advanced 15 places in Forbes Middle East's Top 100 Listed Companies 2023, to 79th place. The new ranking strengthens Zain KSA's regional position as a leading telecom company.

Al-Rajhi bank MoU



Zain KSA and Alrajhi Bank have recently signed an MoU for a strategic partnership to enhance cooperation and offer customers rewards and services

Riyadh Third Health Cluster MoU



In partnership with RTHC we launched the virtual call center, which aims to raise the level of quality of communication with the beneficiaries of medical services.

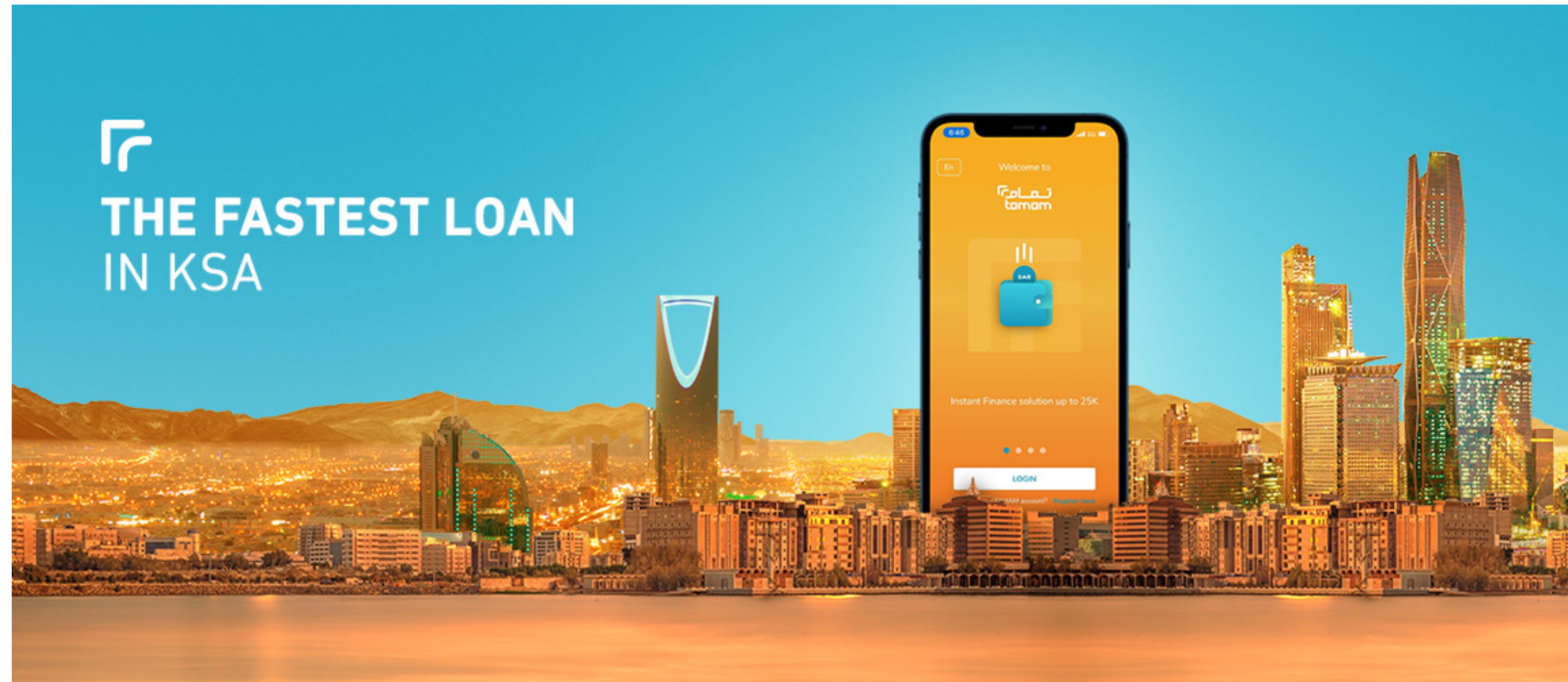
Awards

ياقوت تفوز بجائزتين ذهبية وفضية من "MMA SMARTIES" كأفضل
حملة تسويقية مبتكرة

Yaqoot takes home two Awards Gold & Silver from
"MMA SMARTIES" as the most innovative marketing campaign



Tamam Growth

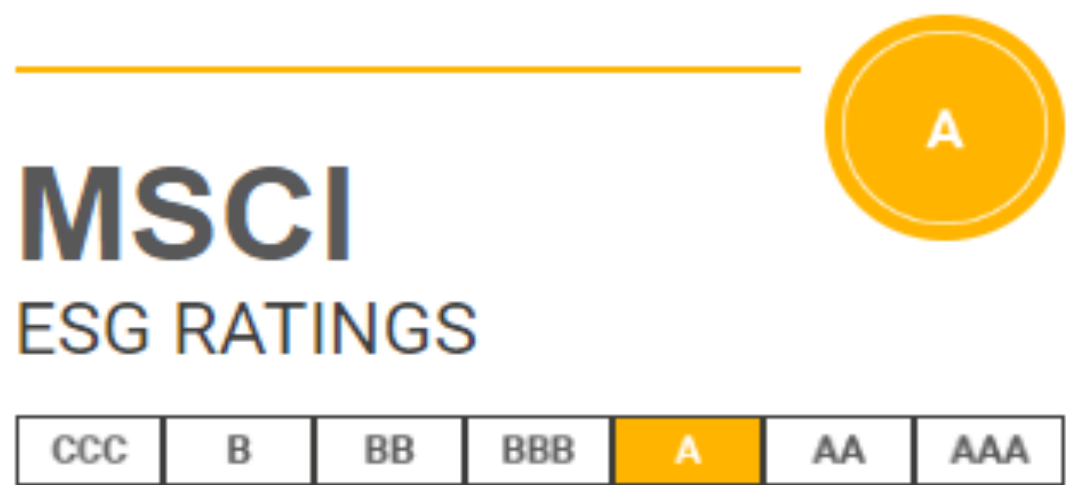


Tamam is a Fintech company established in 2019 in KSA and providing consumer micro-lending services in the kingdom under the supervision of the Saudi Central Bank. Our continued strong growth is driven by our instant financing service without complicated documentation or visiting bank branches.

Red Sea Global partners with Zain KSA



Sustainability Rating

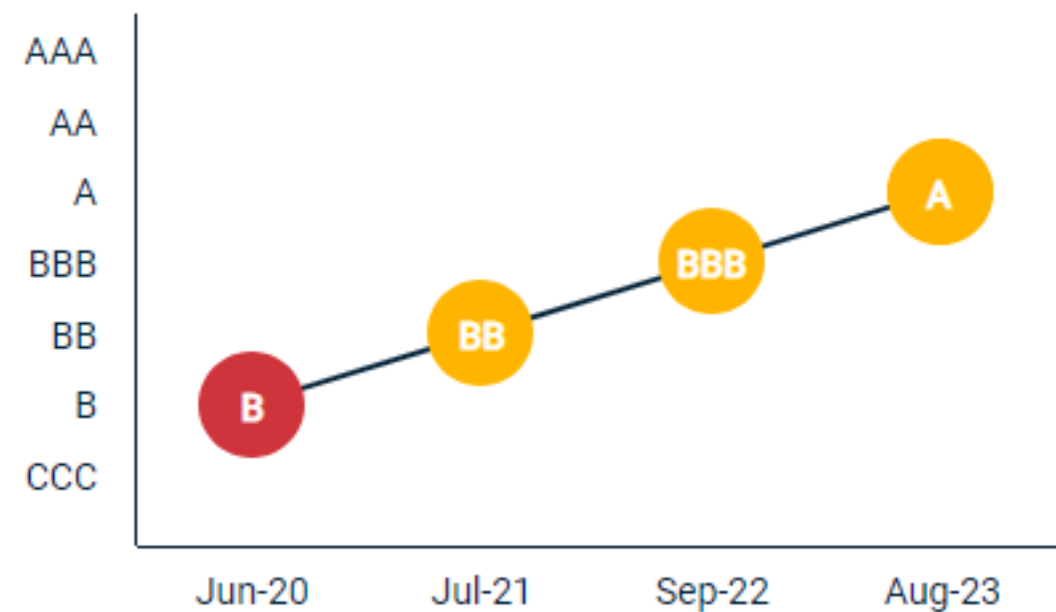


Mobile Telecommunications Company Saudi Arabia (Zain KSA) is **average** among 65 companies in the **telecommunication services industry**.

Mobile Telecommunications Company Saudi Arabia (Zain KSA) was upgraded in August, 2023.

ESG Rating history

MSCI ESG Rating history data over the last five years or since records began.



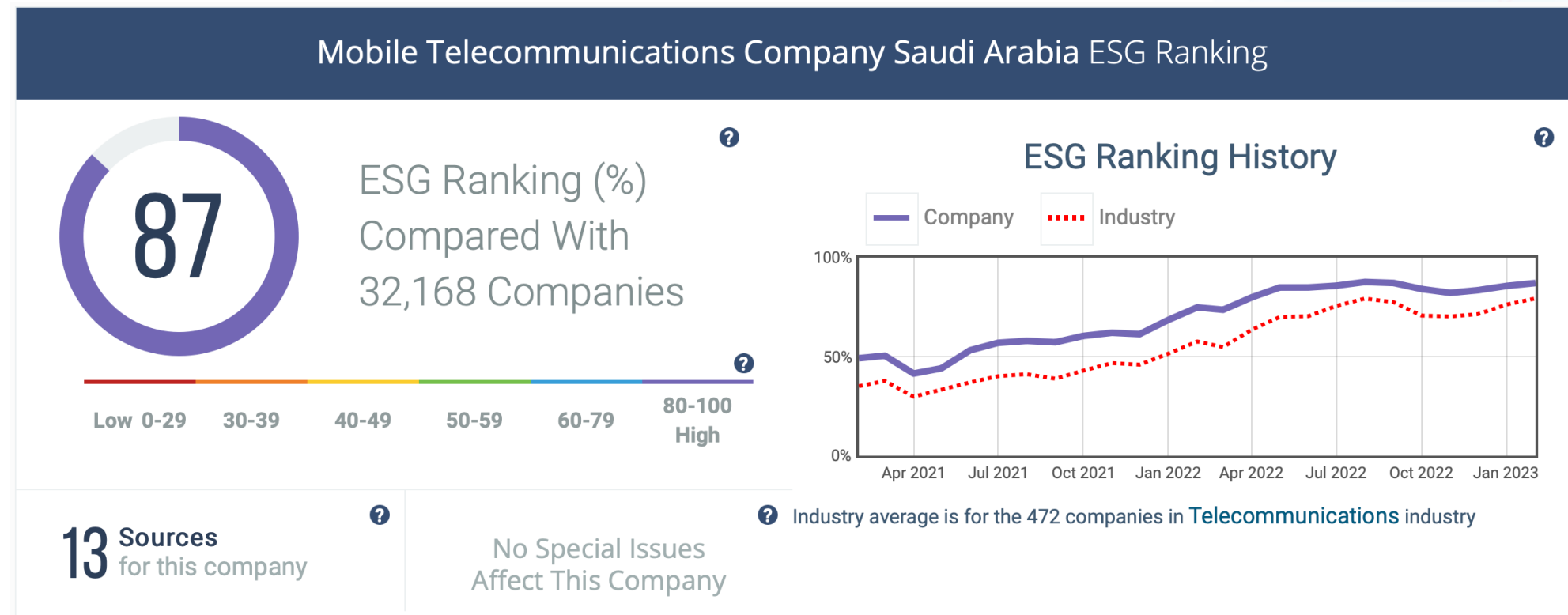
CDP (A-) Score in the latest CDP Score Report Climate Change 2022

1 results / zain

Name	Response	Year	Status	Score
Mobile Telecommunications Co Saudi Arabia	Climate Change 2022	2022	See Another	A-

Note: Not all companies requested to respond to CDP do so. Companies who are requested to disclose their data and fail to do so, or fail to provide sufficient information to CDP to be evaluated will receive an F. An F does not indicate a failure in environmental stewardship.

CSRHUB Corporate Social Responsibility (CSR) & Environment, Social, Governance (ESG) Metrics



Financial Update

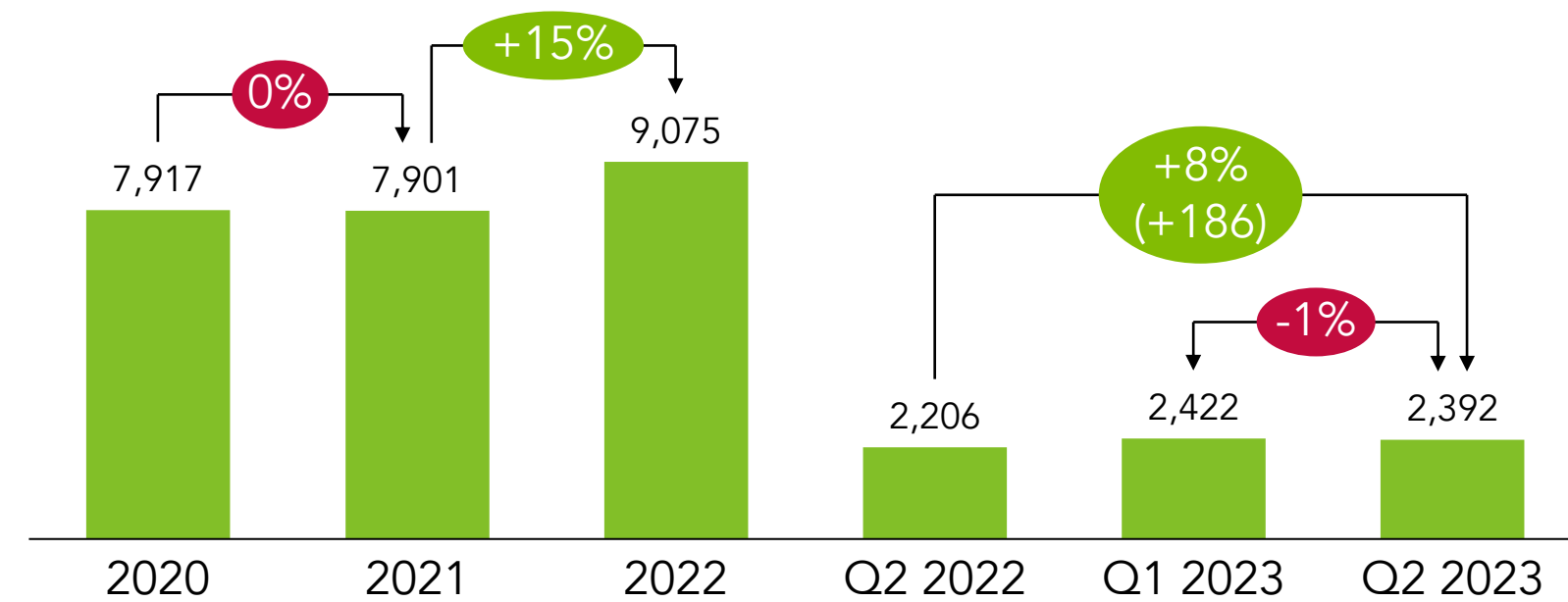


Mehdi Khalfaoui
CFO

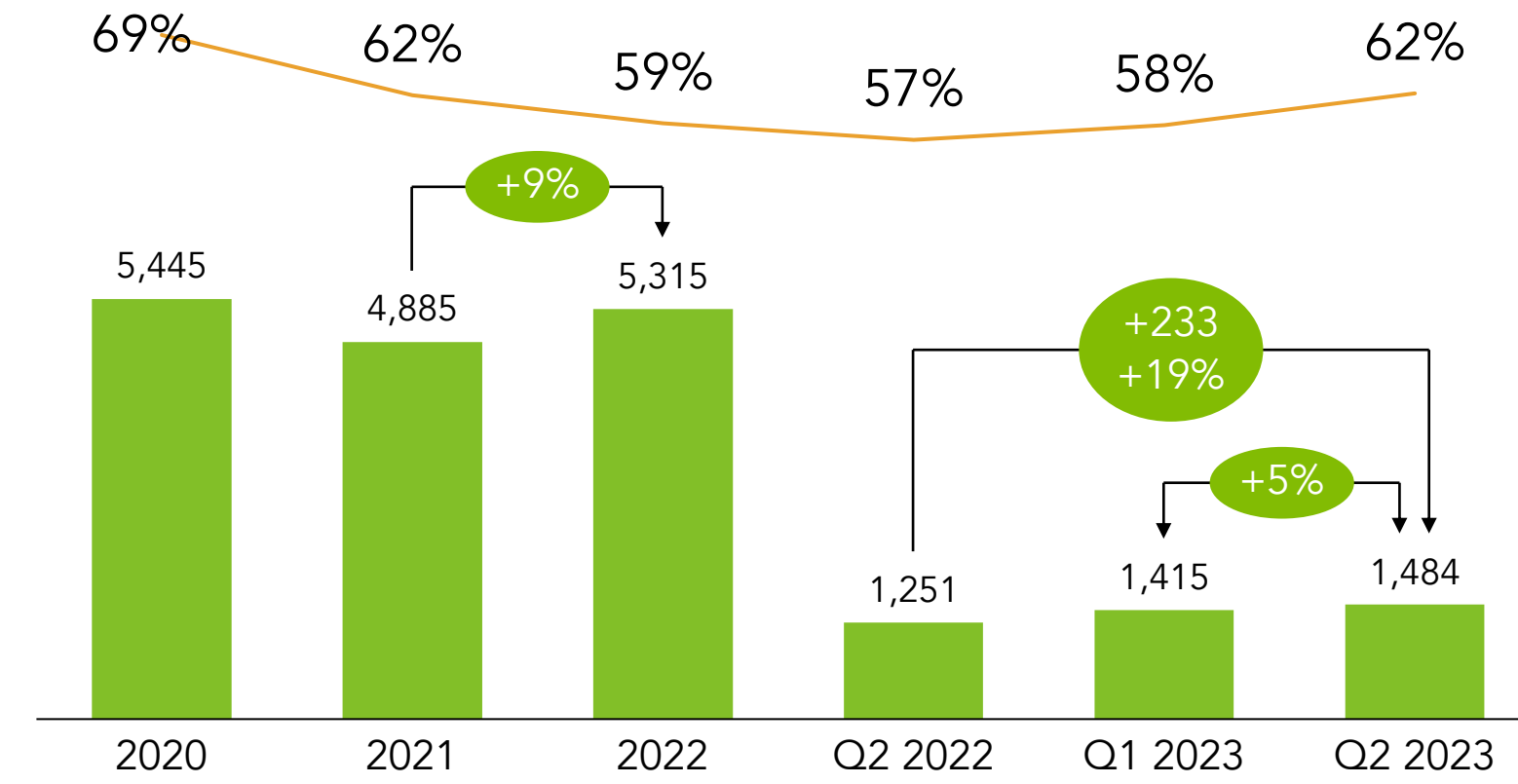


Financial Highlights

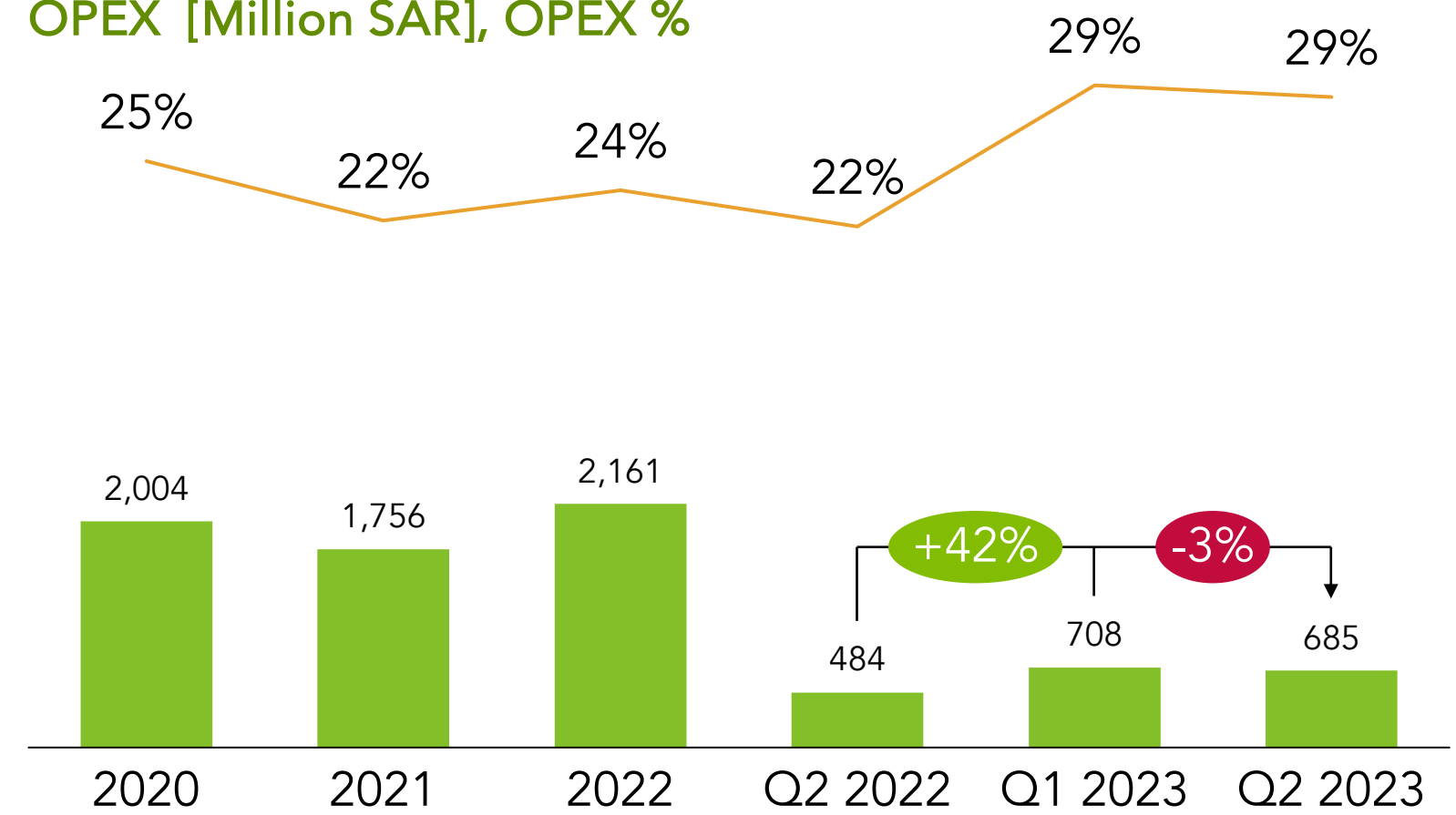
REVENUE [Million SAR]



GROSS PROFIT [Million SAR]
GROSS MARGIN %

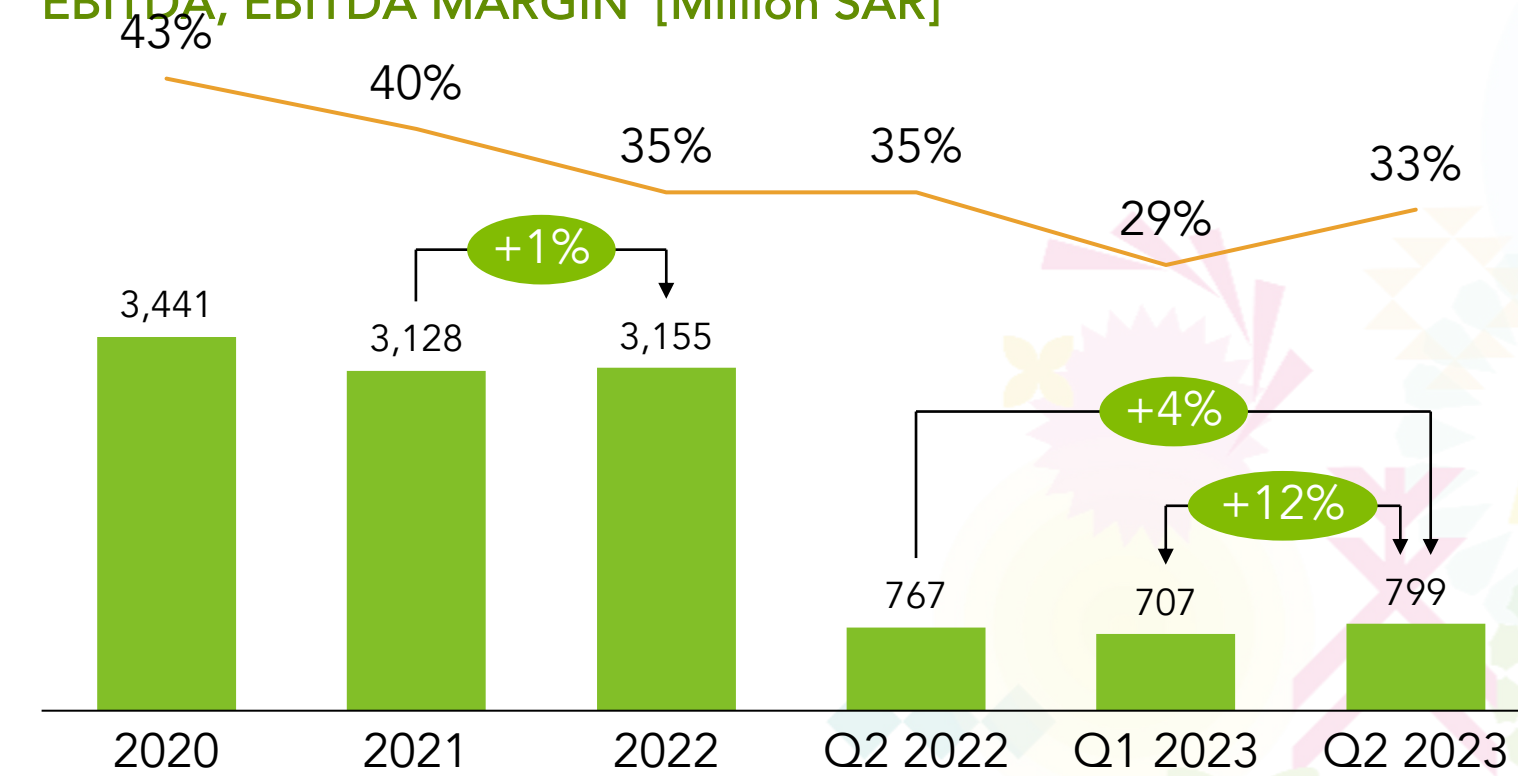


OPEX [Million SAR], OPEX %



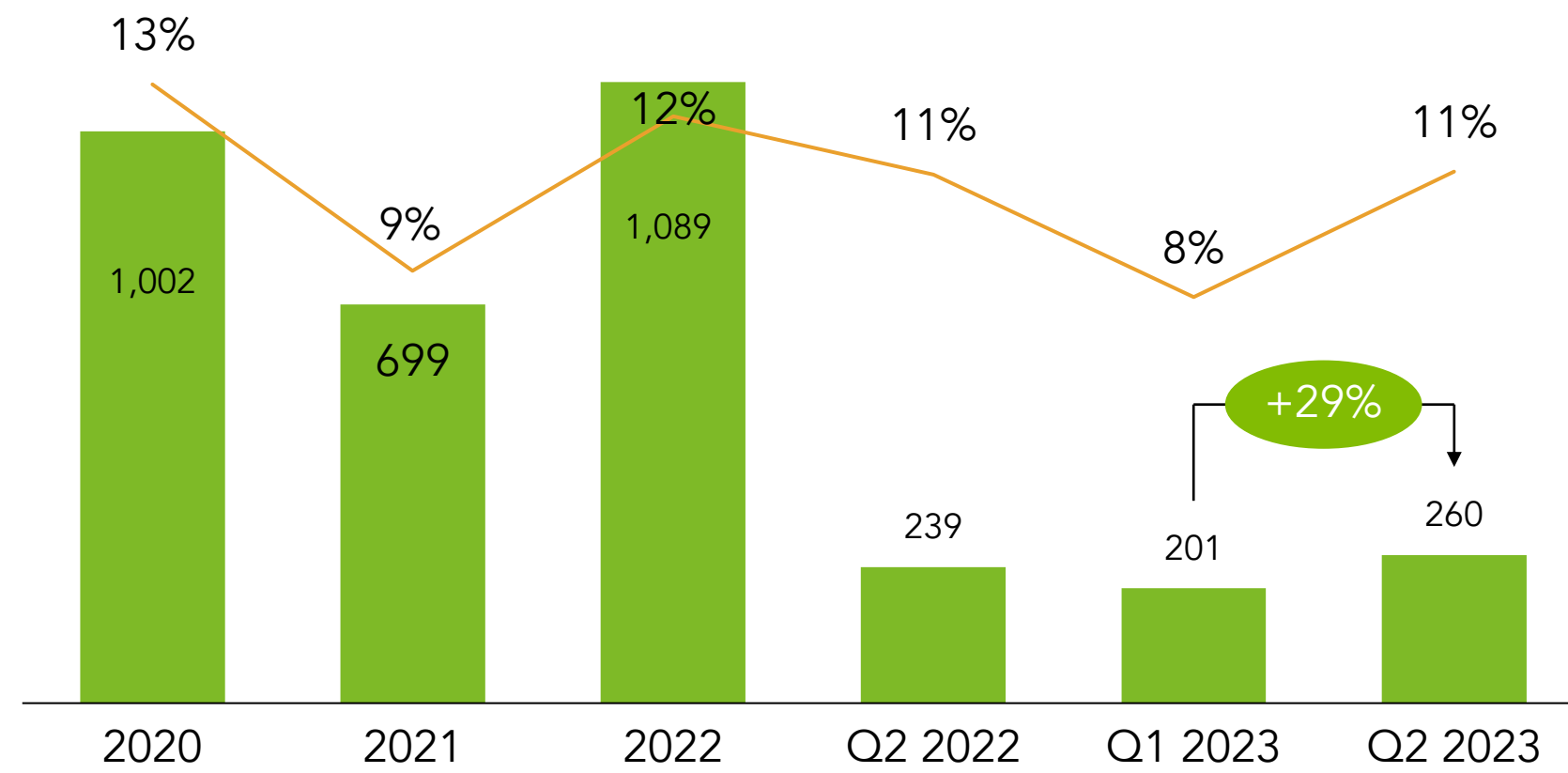
• Opex inclusive of Bad Debts Provision

EBITDA, EBITDA MARGIN [Million SAR]

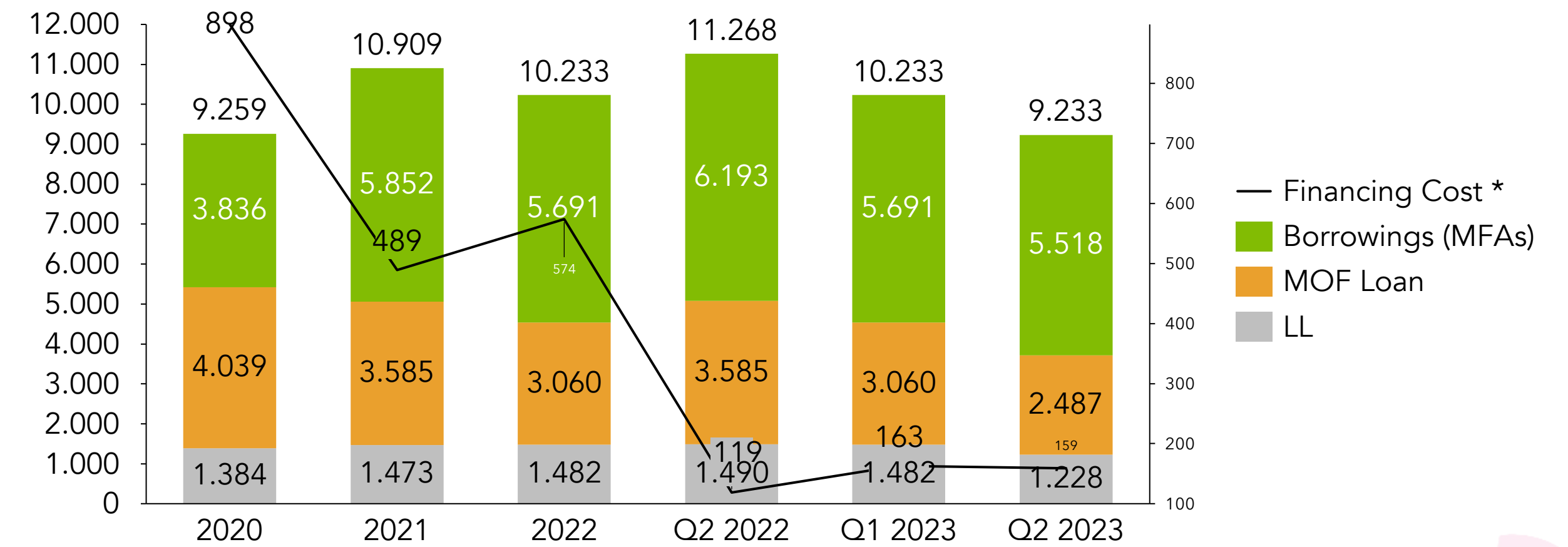


Financial Highlights

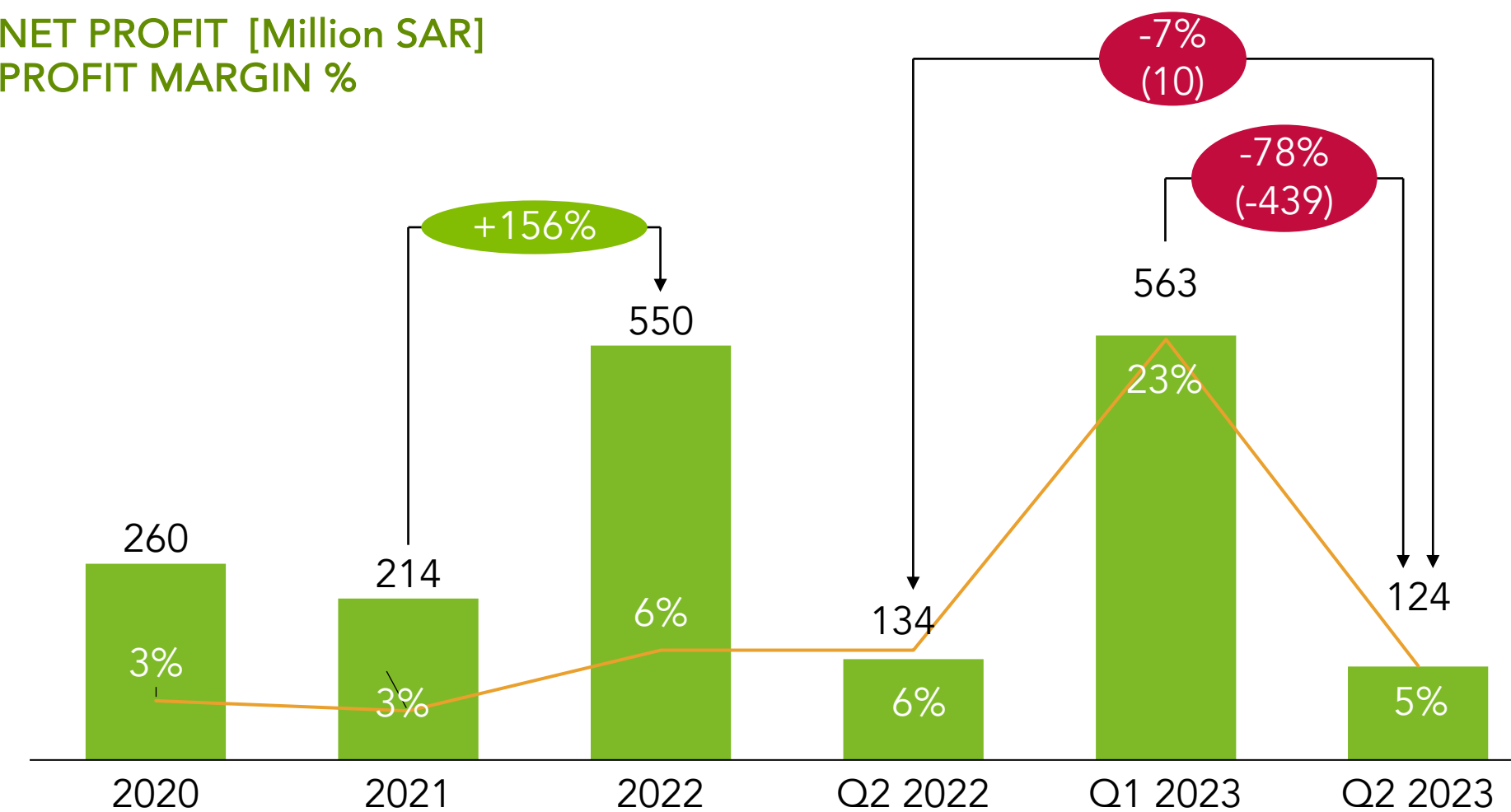
OPERATIONAL INCOME) [Million SAR]



Financial Debts [Million SAR]
Financing cost [Million SAR]

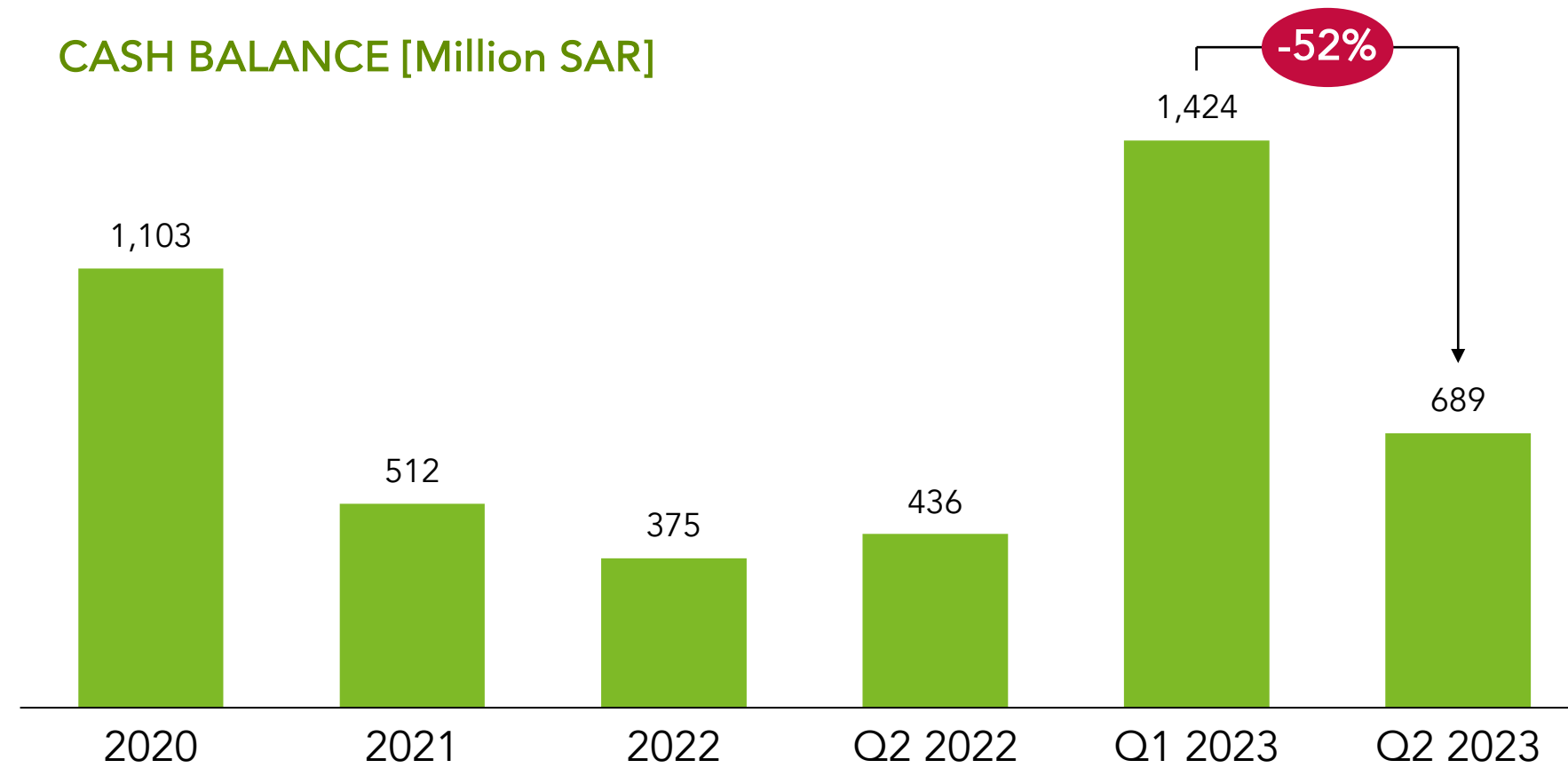


NET PROFIT [Million SAR]
PROFIT MARGIN %

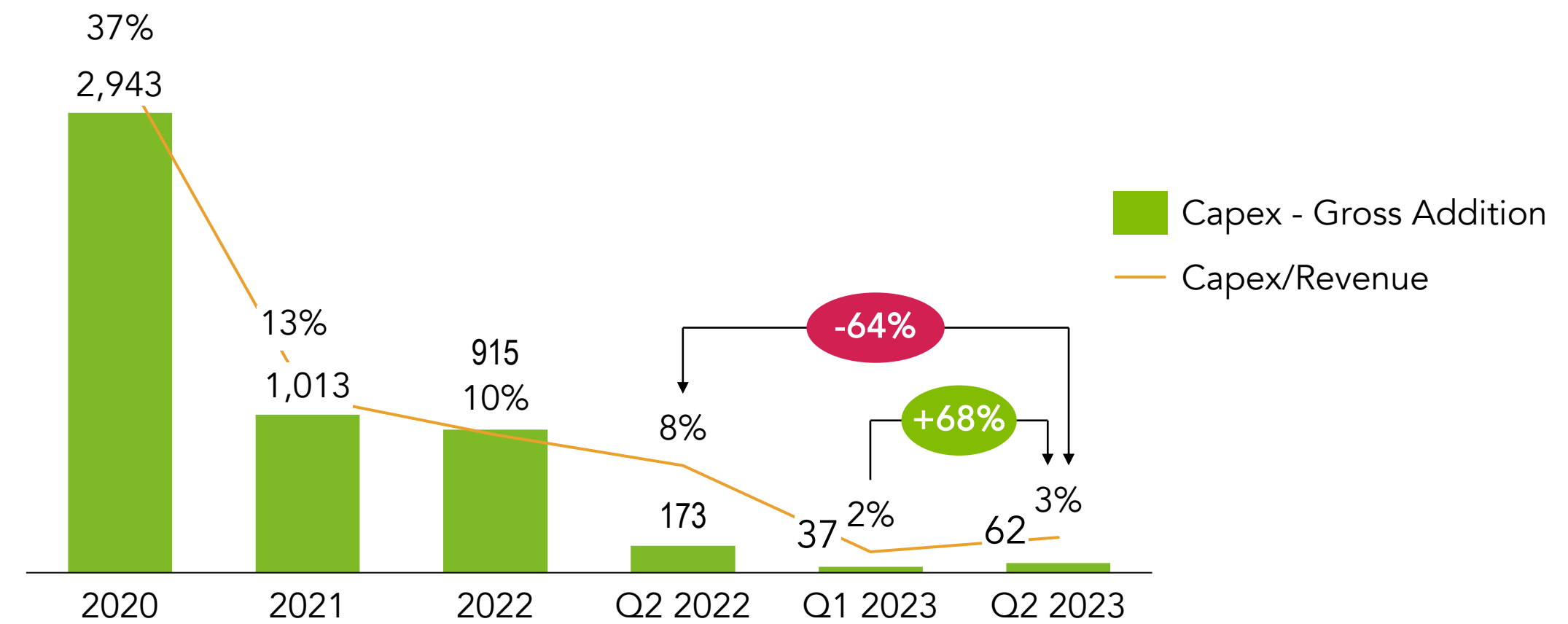


Financial Highlights

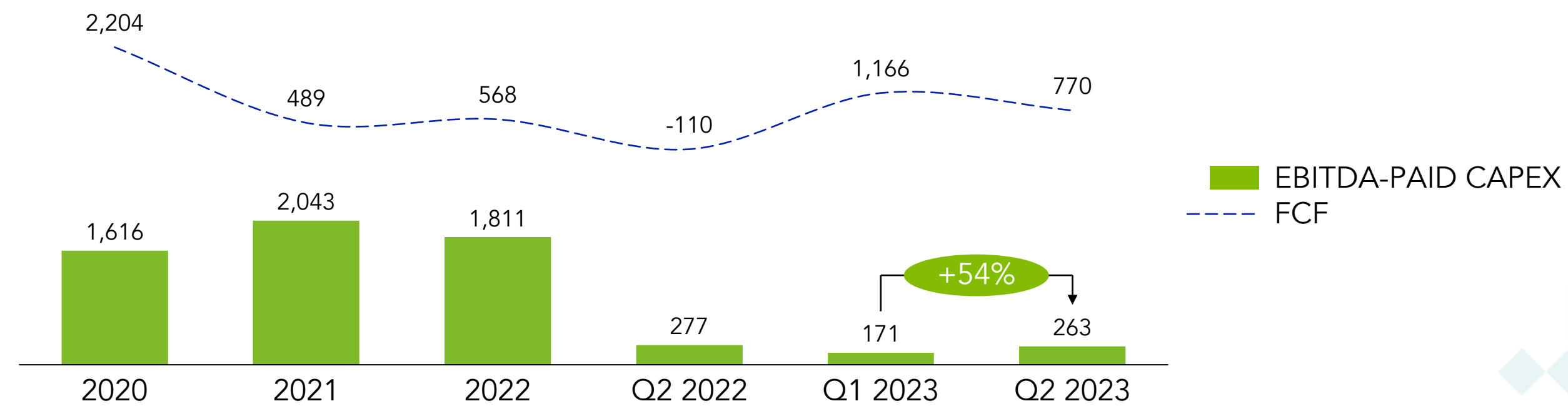
CASH BALANCE [Million SAR]



CAPEX, CAPEX/ REVENUES [Million SAR]



EBITDA – CAPEX [Million SAR]
FREE CASH FLOW (FCF)



- PAID CAPEX relevant to fixed and intangible assets

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	5,518
Government Loan (MoF)	Ministry of Finance	2,487

• Balances exclusive of accrued interests – inclusive of debts arrangements fee

	2020	2021	2022	Q2 2023
Net Debt	6,825,002	8,986,874	8,692,129	7,316,547
EBITDA	3,441,087	3,128,337	3,154,851	3,170,761
Debt/(Debt + Equity)	47.60%	51.24%	48.06%	44.34%
Net Debt/EBITDA (Annualized)	1.98	2.87	2.76	2.31

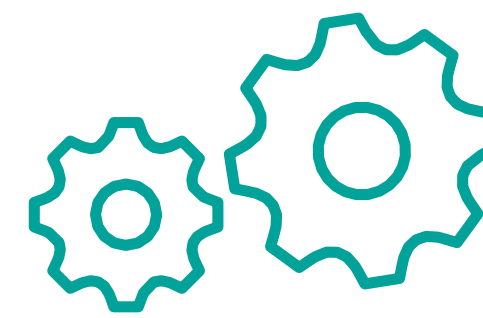
• EBITDA annualized

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

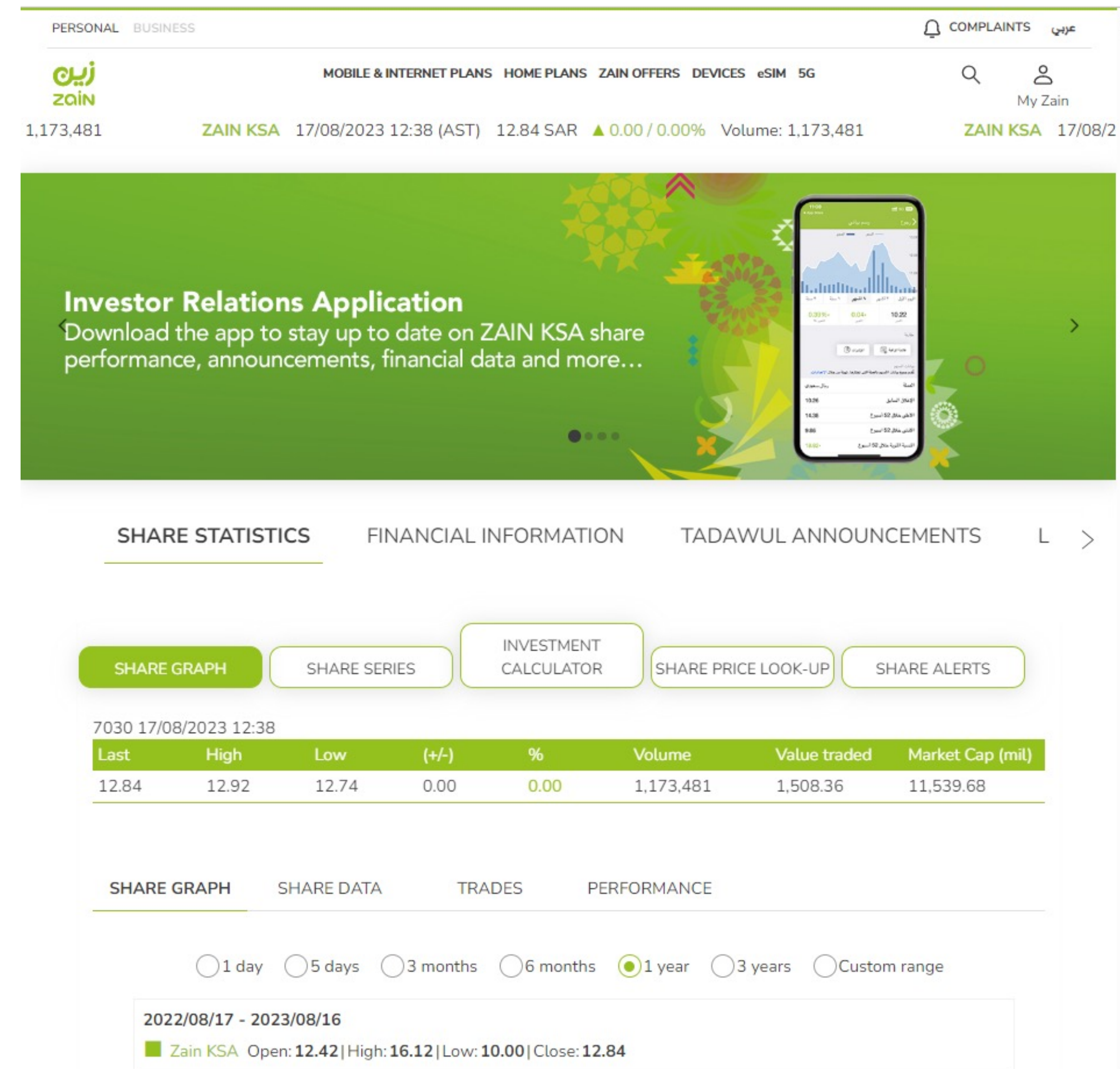


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Investor Relations



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

Thank You

