



Welcome to **Zain KSA** Q3 2022 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 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.



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.



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.

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 12th 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 14 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 18 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 18 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 17 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 15 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 17 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 13 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 15 years of experience in cybersecurity managerial and technical positions where he specialized in building cybersecurity strategies

Operational Update



Eng. Sultan Bin Abdulaziz AlDeghaither
CEO



Our Financial Results

زين
zain

النتائج المالية لفترة التسعة أشهر الأولى من 2022
Financial Results for the 9 months of 2022

299

مليون ريال
صافي أرباح
million SAR
net profit

109%

نمو في الأرباح
مقارنة بنفس الفترة من العام السابق
growth in net profit
Compared to the same period of the last year

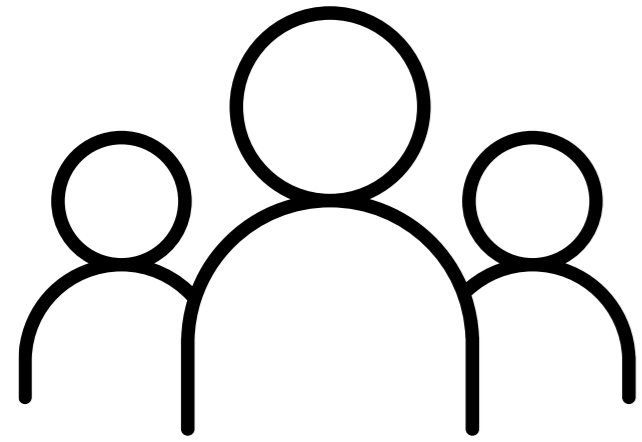
6.7

مليار ريال
إجمالي الإيرادات
Billion SAR
Total revenue

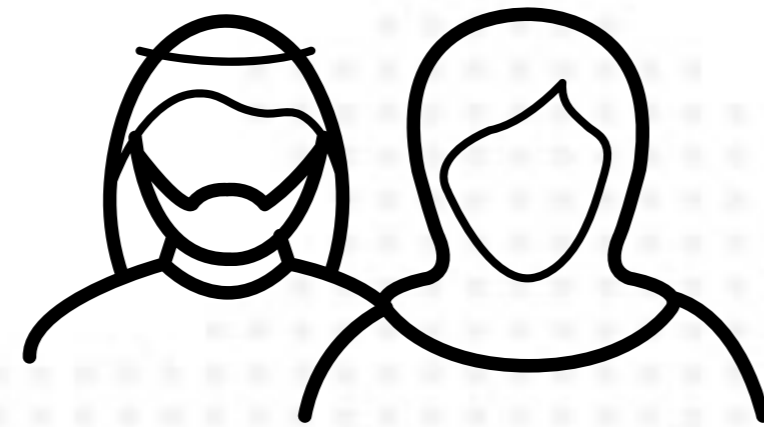
Q3, 2022 revenue is 2.287 billion SAR

- 15% more than Q3, 2021
- 4% more than Q2, 2022

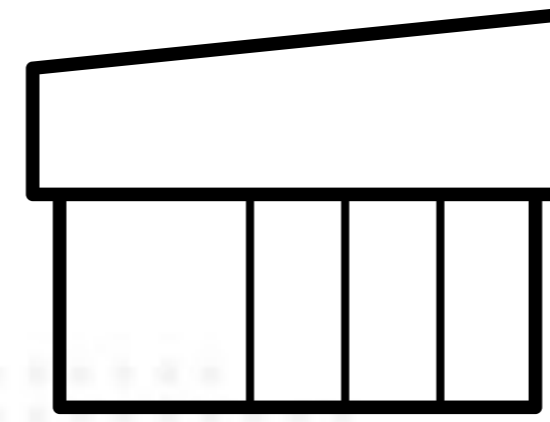
Zain KSA Today



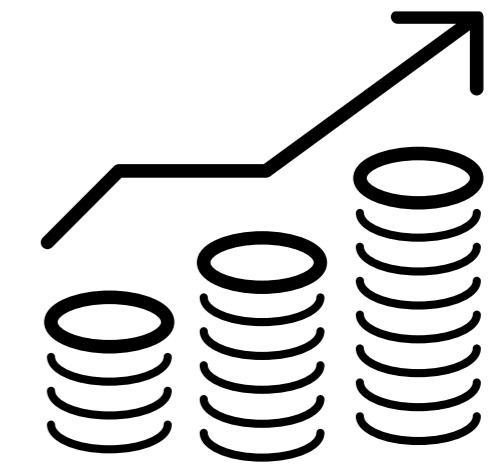
8.6 Million
Customers



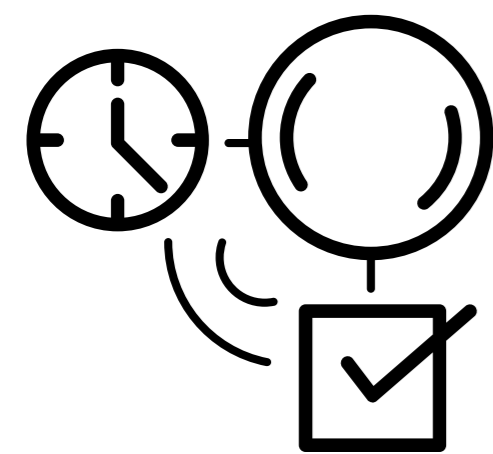
1,579 Zainers
Woman: 18%
Local: 82%



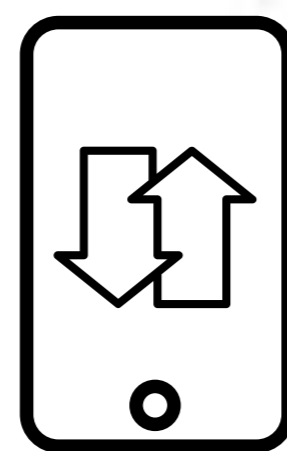
246 Shops
5,005 POS



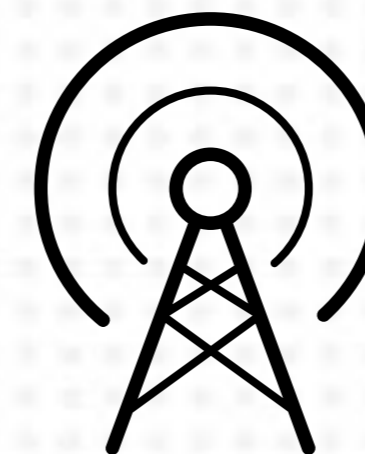
47% Data Revenue
(Excluding SMS & VAS)



62 SAR
Blended ARPU



14,501 TB/Day
Average daily data traffic



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



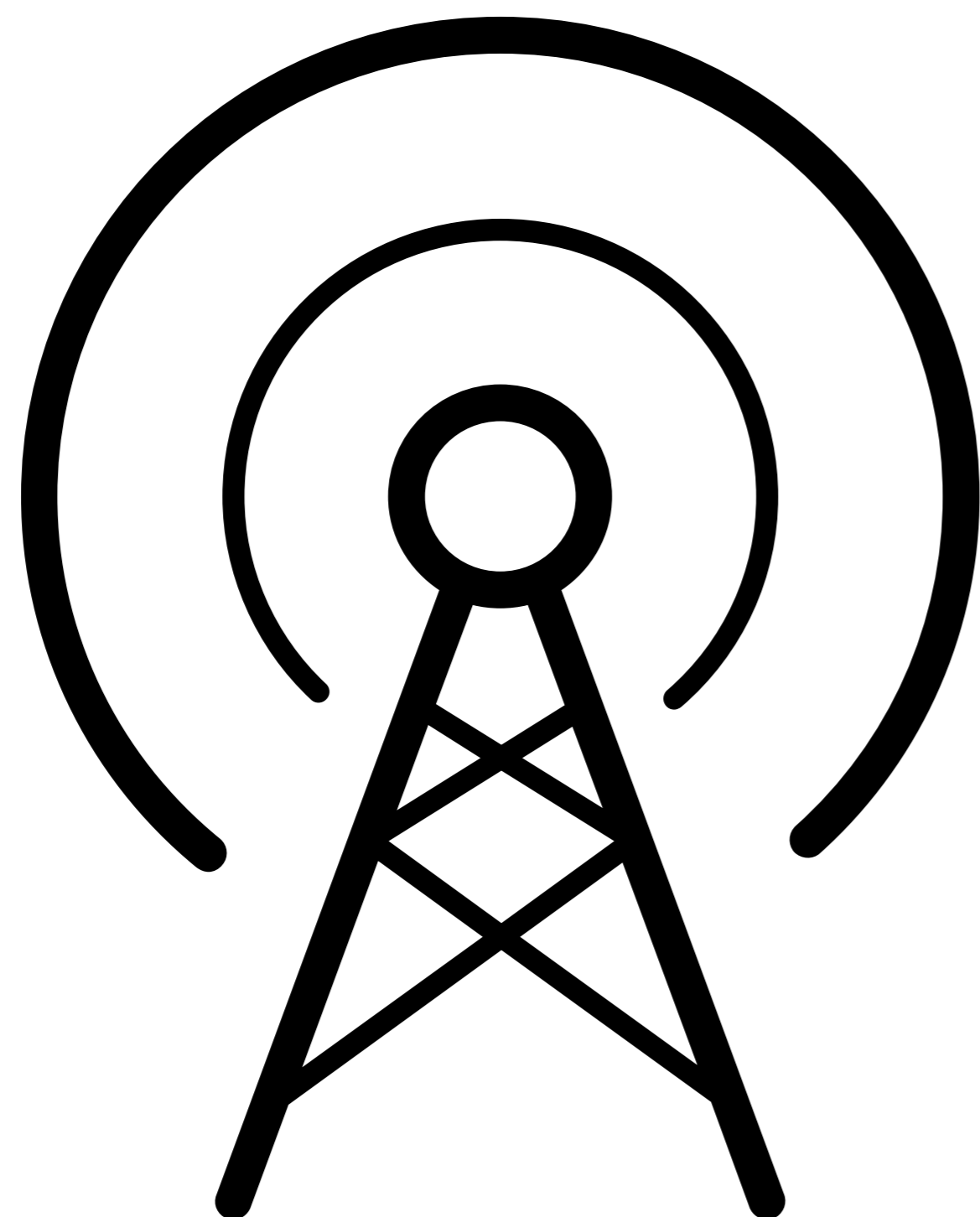
9,952 Total number of sites
566 Cities covered by 3G
479 Cities covered by 4G
53 Cities covered by 5G

Towers Deal



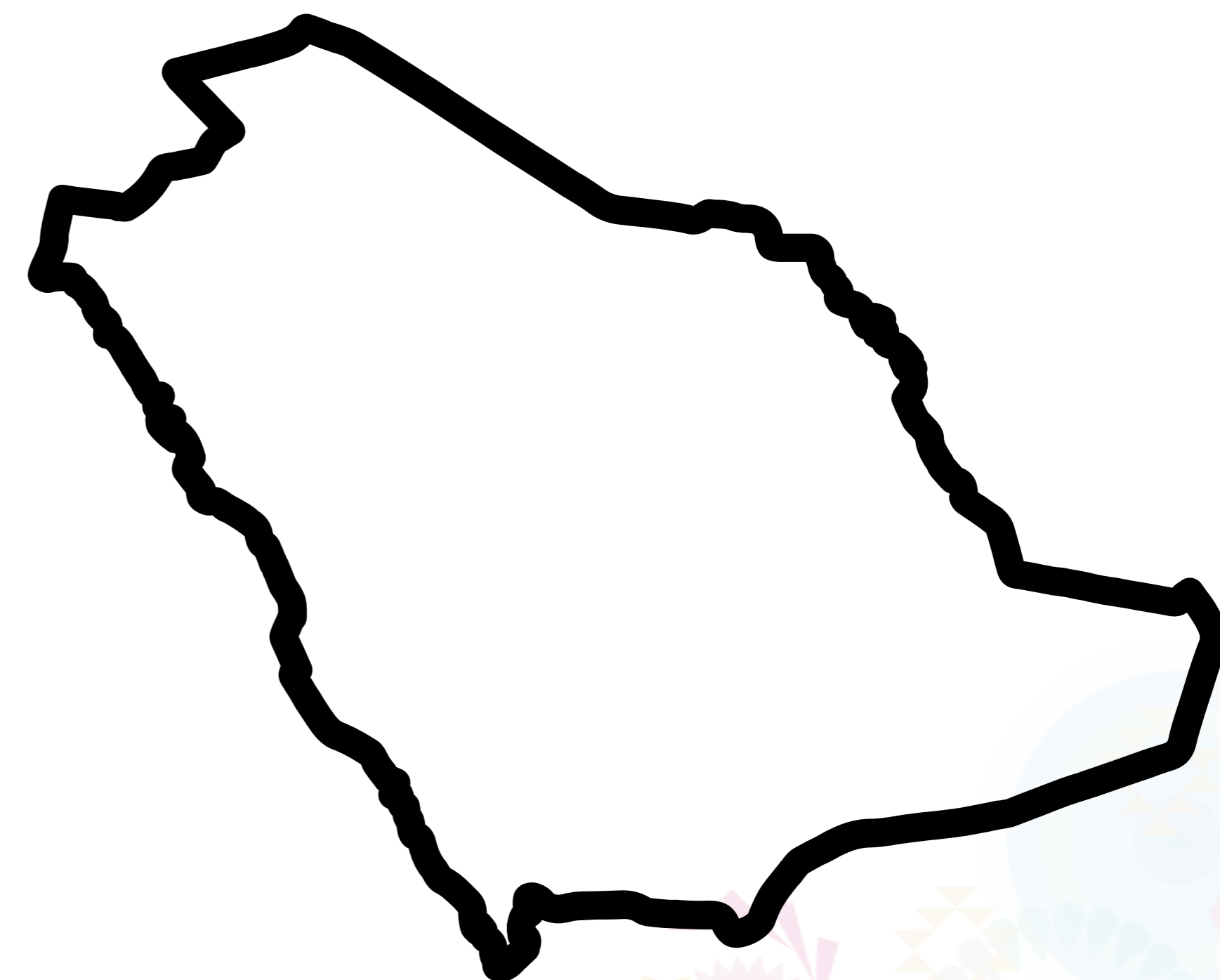
APA and SHA were signed in Q4
Deal is under regulatory and delivery finalizations.

Deal value SAR 3 Billion (USD 807 million)



62.5%

Population coverage



53 Cities covered by 5G

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. We offer instant financing without complicated documentation or visiting bank branches.



Zain KSA Top 100 listed companies



Forbes

Forbes Lists



The Middle East's

Top 100 Listed Companies 2022



94. Mobile Telecommunication Company Saudi Arabia (Zain KSA)*

Country: Saudi Arabia

Sector: Telecommunications

CEO: Sultan Bin Abdulaziz AlDeghaither

Market Value: \$3.3 billion

Sales: \$2.1 billion

Profits: \$57 million

Assets: \$7.4 billion

Zain KSA is a joint-stock company affiliated with Zain Group, which holds a stake of approximately 37%. It provides a mobile telecommunications network for individuals and businesses in Saudi. In February 2022, it announced that Saudi's Public Investment Fund, Prince Saud Bin Fahad and the Sultan Holding Company had acquired 80% of the company's 8,069 towers, valued at \$807 million. The company's net profits grew 97.6% in Q1 2022, compared to 2021.



A Step Ahead career fair

Participated as a Diamond sponsor



In line with our vision to support Saudi talents, we were pleased by the number of talented visitors to our booth.



Women in tech

Women in Tech is a mentorship program for female university students seeking guidance on navigating the transition from the university to joining the workforce and exploring career options.





Hajj photo booth Initiative



E-waste initiative for recycling devices

Financial Update

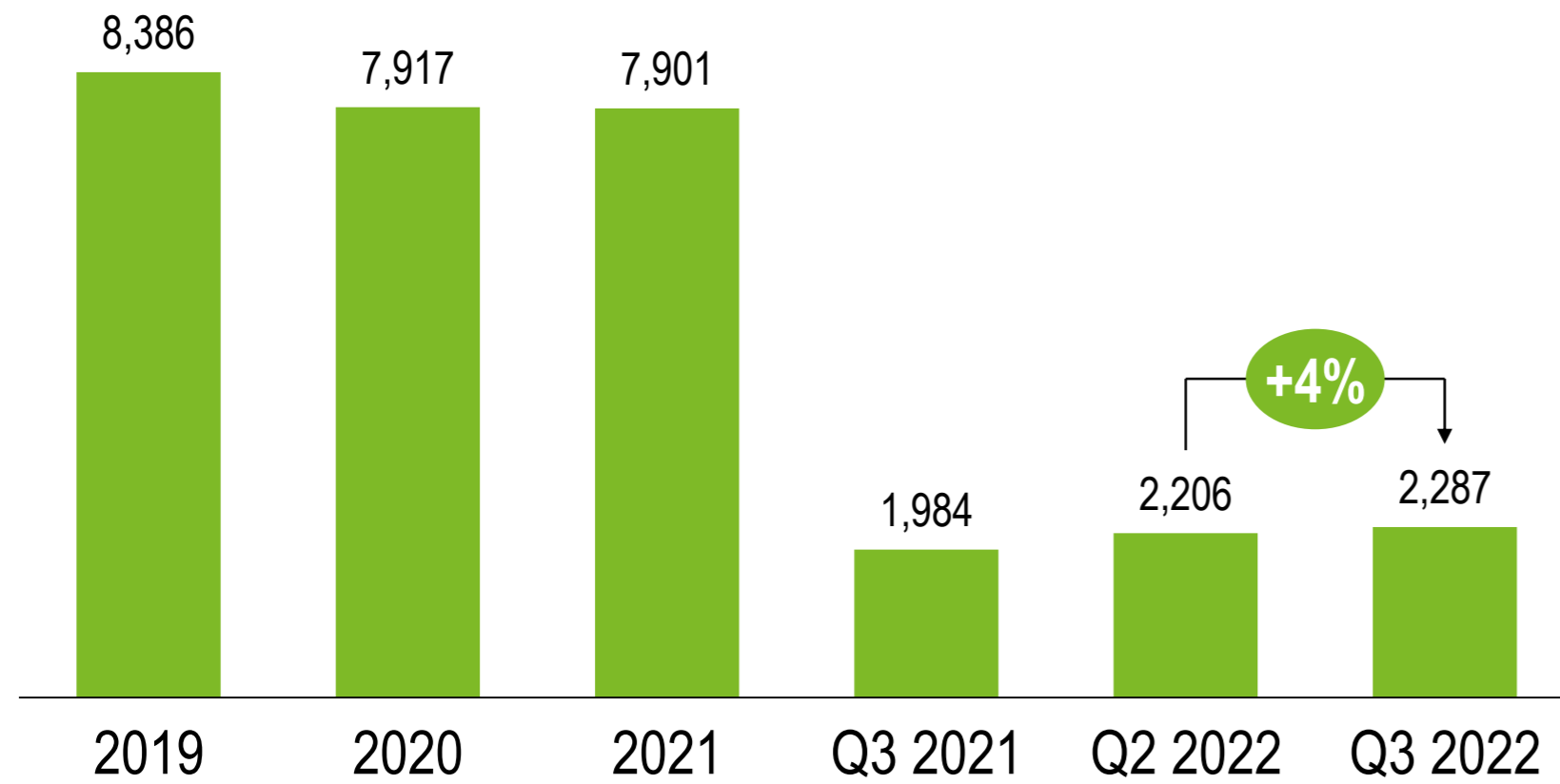


Mehdi Khalfaoui
CFO

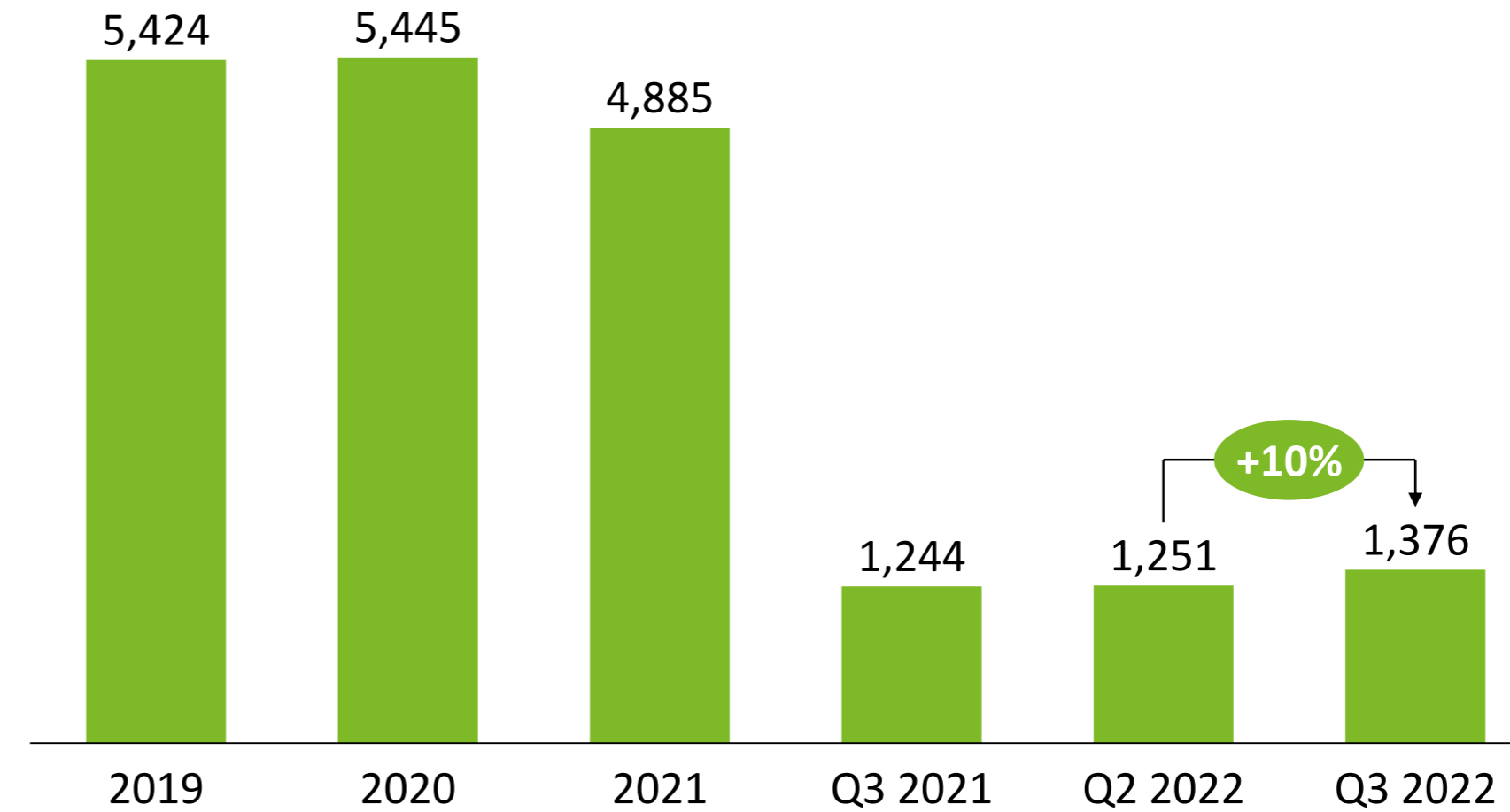


Financial Highlights

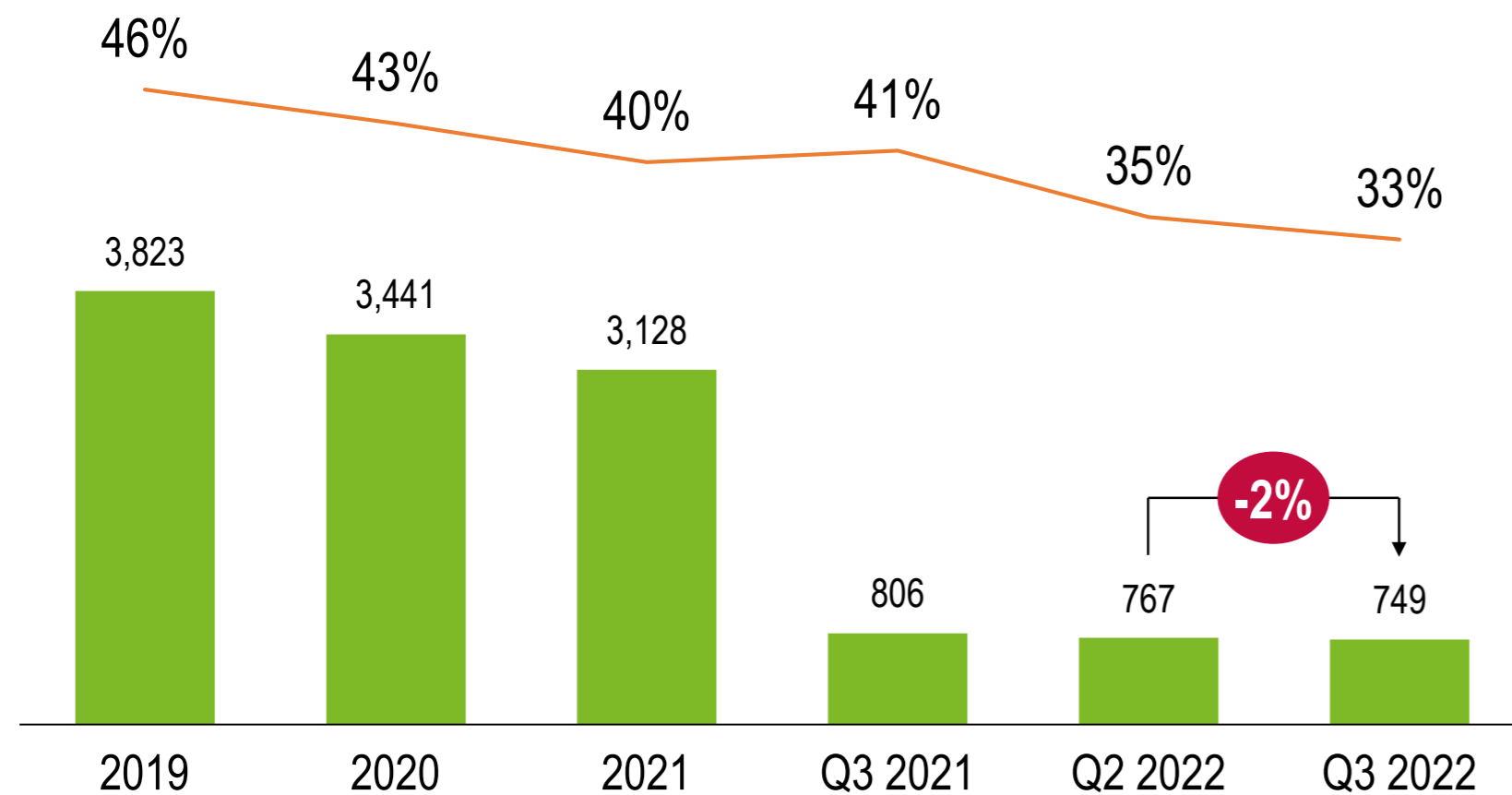
REVENUE [Million SAR]



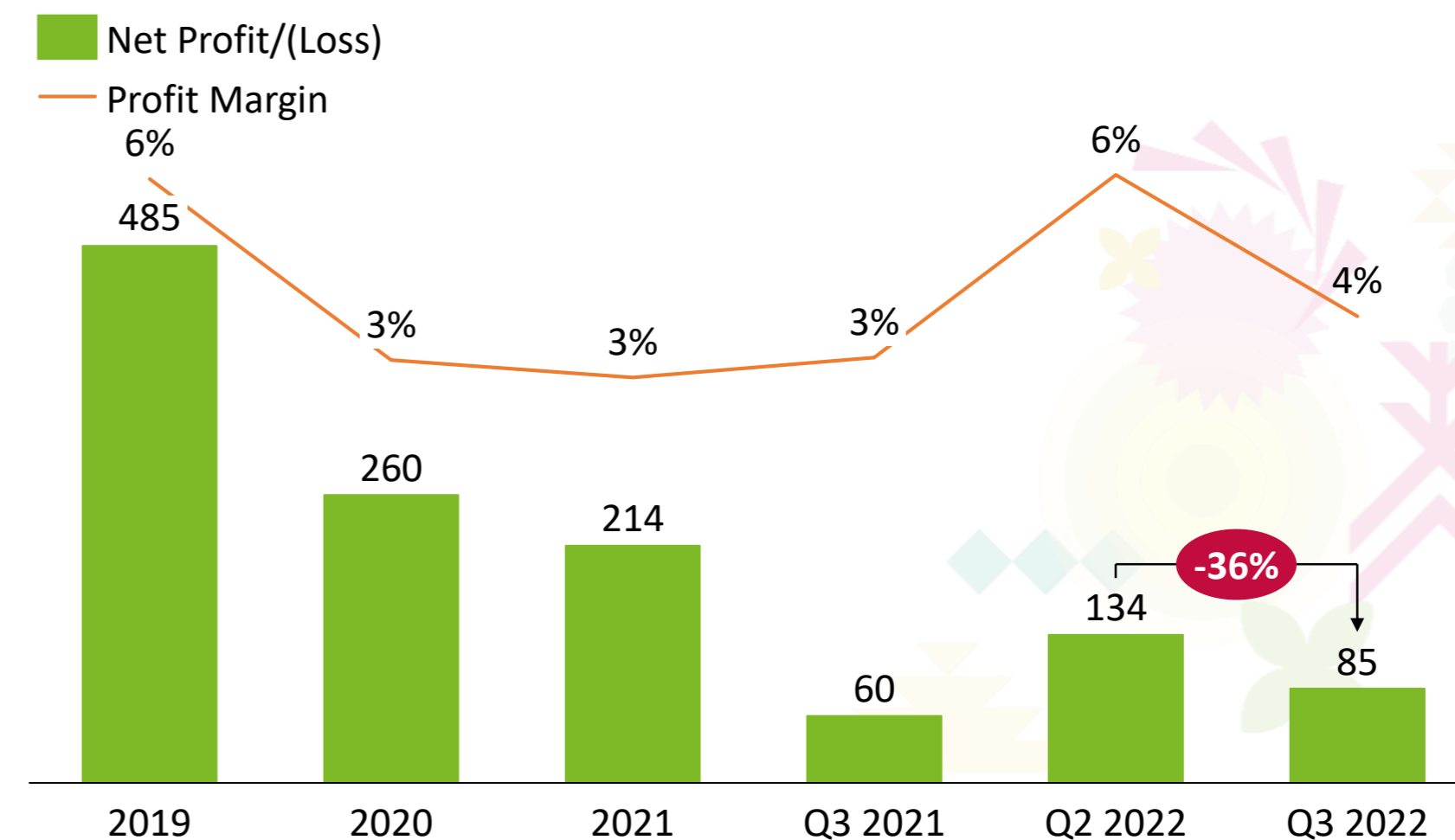
GROSS PROFIT [Million SAR]



EBITDA, EBITDA MARGIN [Million SAR]

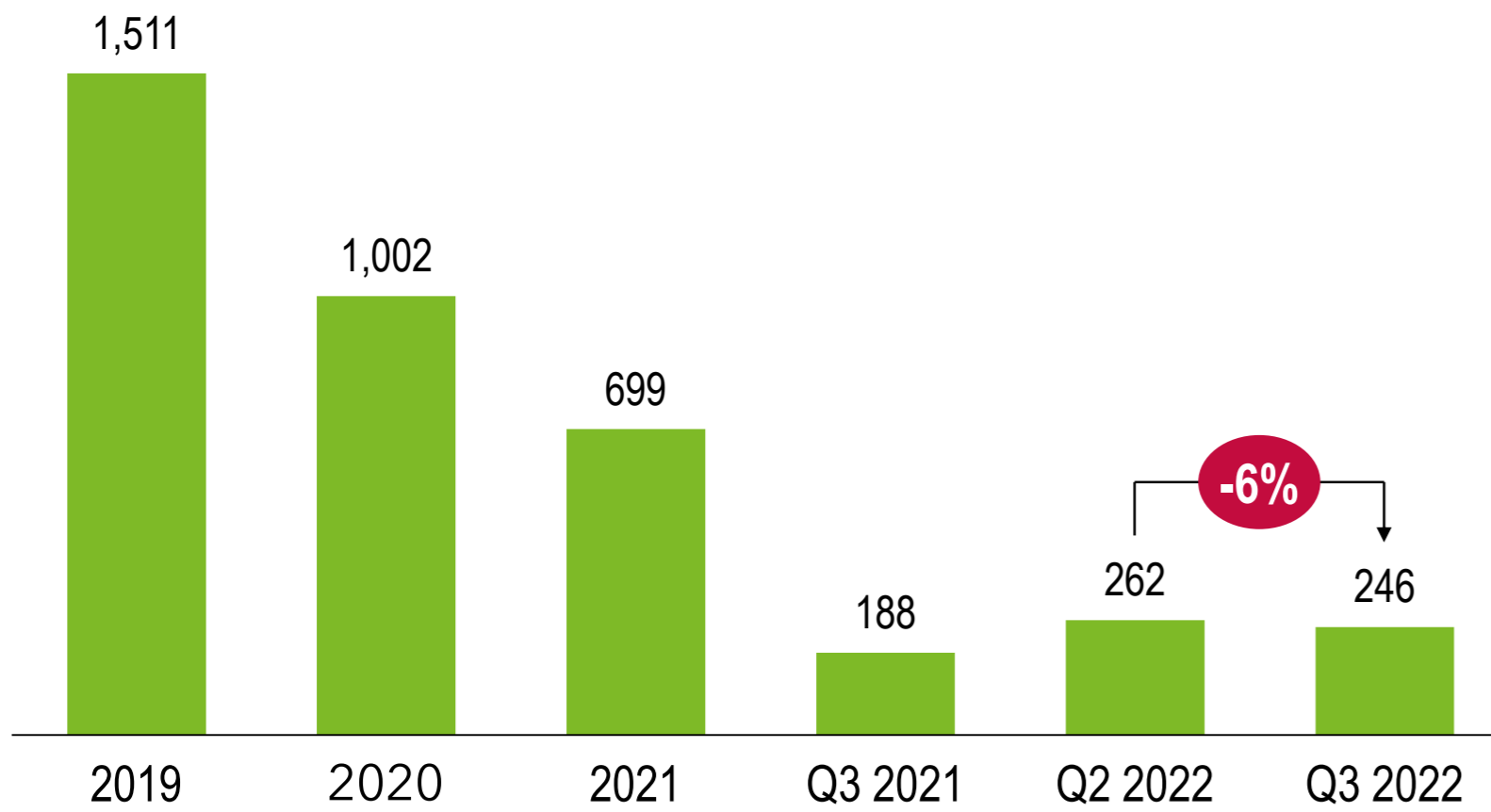


NET (LOSS) / PROFIT MARGIN [Million SAR]

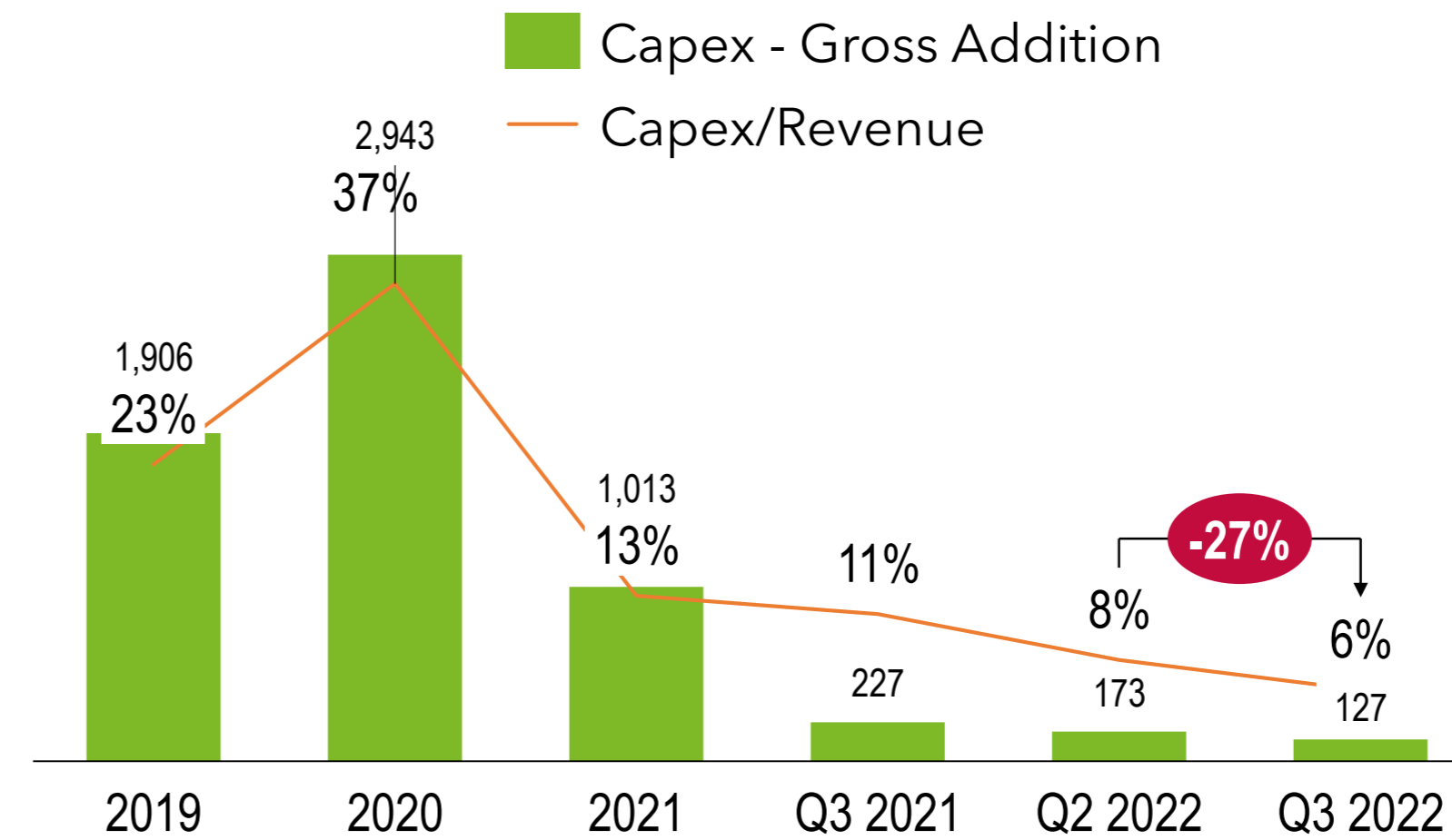


Financial Highlights

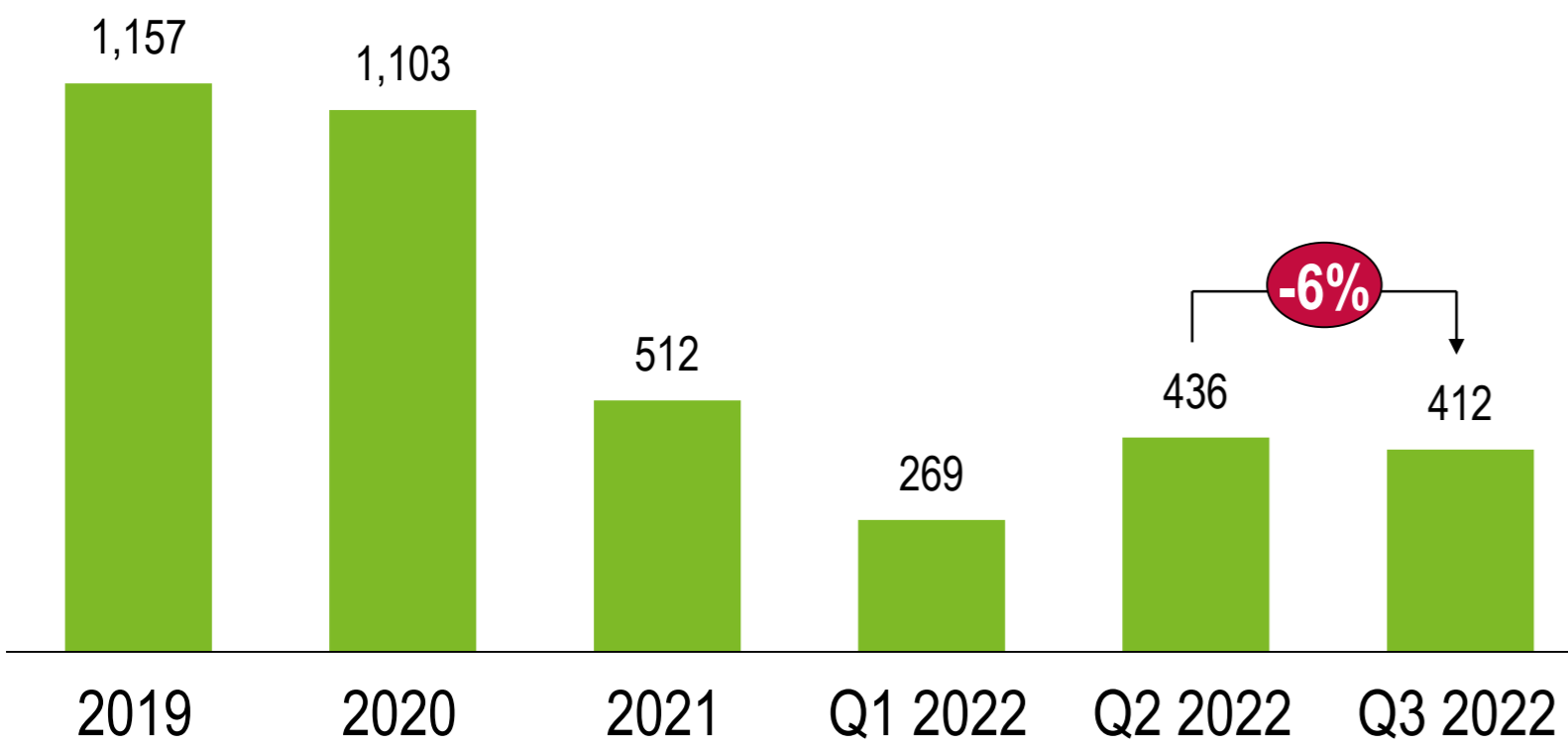
OPERATIONAL (LOSS/INCOME) [Million SAR]



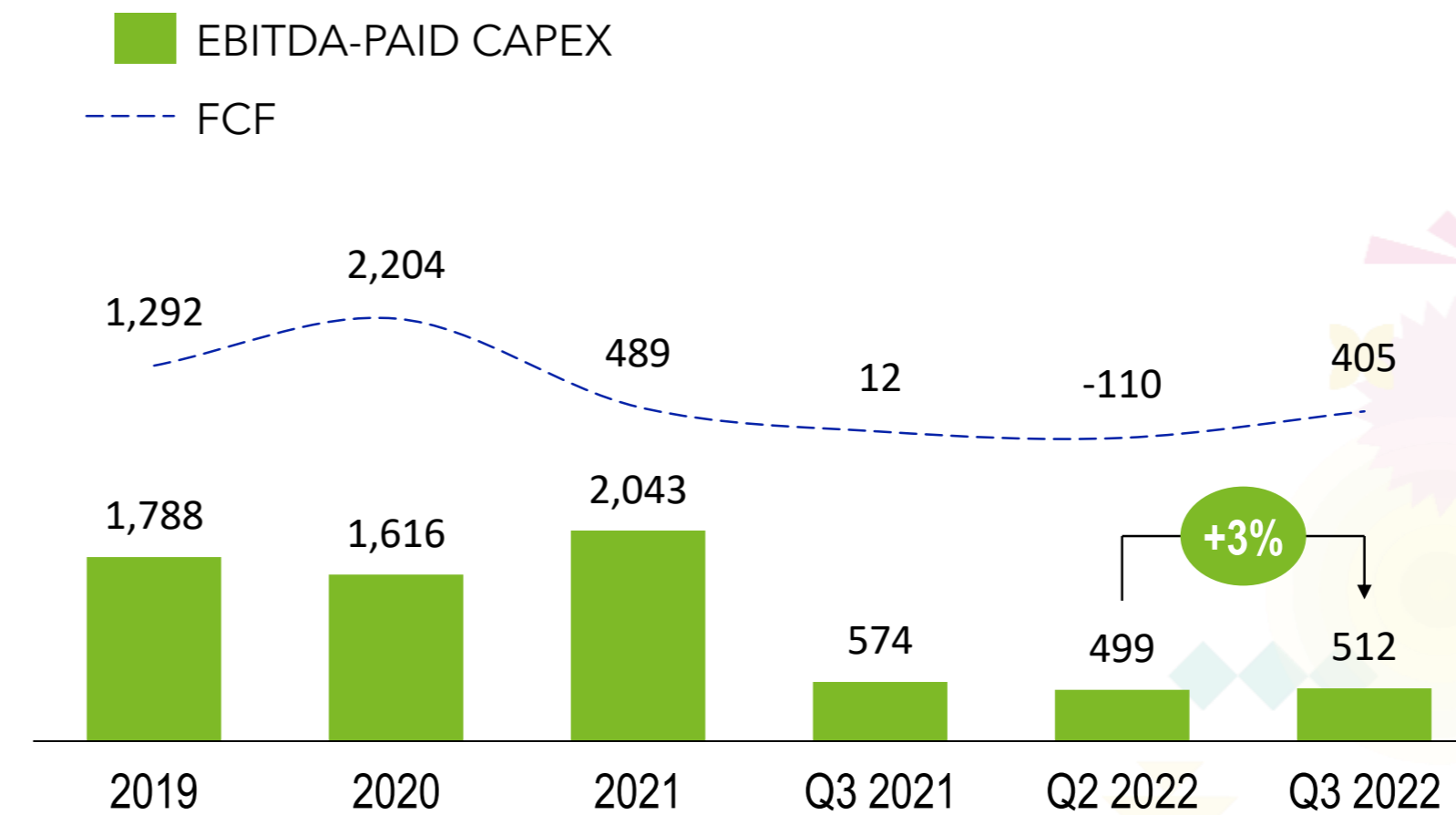
CAPEX, CAPEX/ REVENUES [Million SAR]



CASH BALANCE [Million SAR]



EBITDA – CAPEX [Million SAR]



- PAID CAPEX relevant to fixed and intangible assets
- Working Capita increased due to reclassification of MOF loan – current portion

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	5,953
Government Loan (MoF)	Ministry of Finance	3,060
Due to Shareholders*	Founding shareholders	85
Junior Murabaha Debt	Consortium of five banks	-

- Due to Shareholders do not bear interest
- Junior Murabaha Debt has been settled in Q2 2022

	2019	2020	2021	Q1 2022	Q2 2022	Q3 2022
Net Debt*	14,226,889	9,141,540	9,071,447	9,060,694	8,901,289	8,685,098
EBITDA	3,822,603	3,441,087	3,128,337	3,115,770	3,117,468	3,061,093
Debt/(Debt + Equity)	78.95%	53.99%	51.46%	50.25%	49.79%	48.77%
Net Debt/EBITDA (Annualized)	3.72	2.66	2.90	2.91	2.86	2.84

* Net Debt includes due to shareholders and excludes the management fee due balance

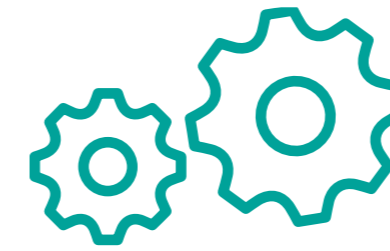


Company Debt



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:



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PERSONAL BUSINESS COMPLAINTS عربي

MOBILE PLANS HOME PLANS ZAIN OFFERS DEVICES eSIM 5G

3,154,118 ZAIN KSA 24/08/2022 14:19 (AST) 11.84 SAR ▼ -0.16 / -1.33% Volume: 3,154,118 My Zain ZAIN KSA

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First Quarter	↓	↓
Second Quarter	↓	↓

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Thank You

