



# Welcome to Zain KSA Q1 2024 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



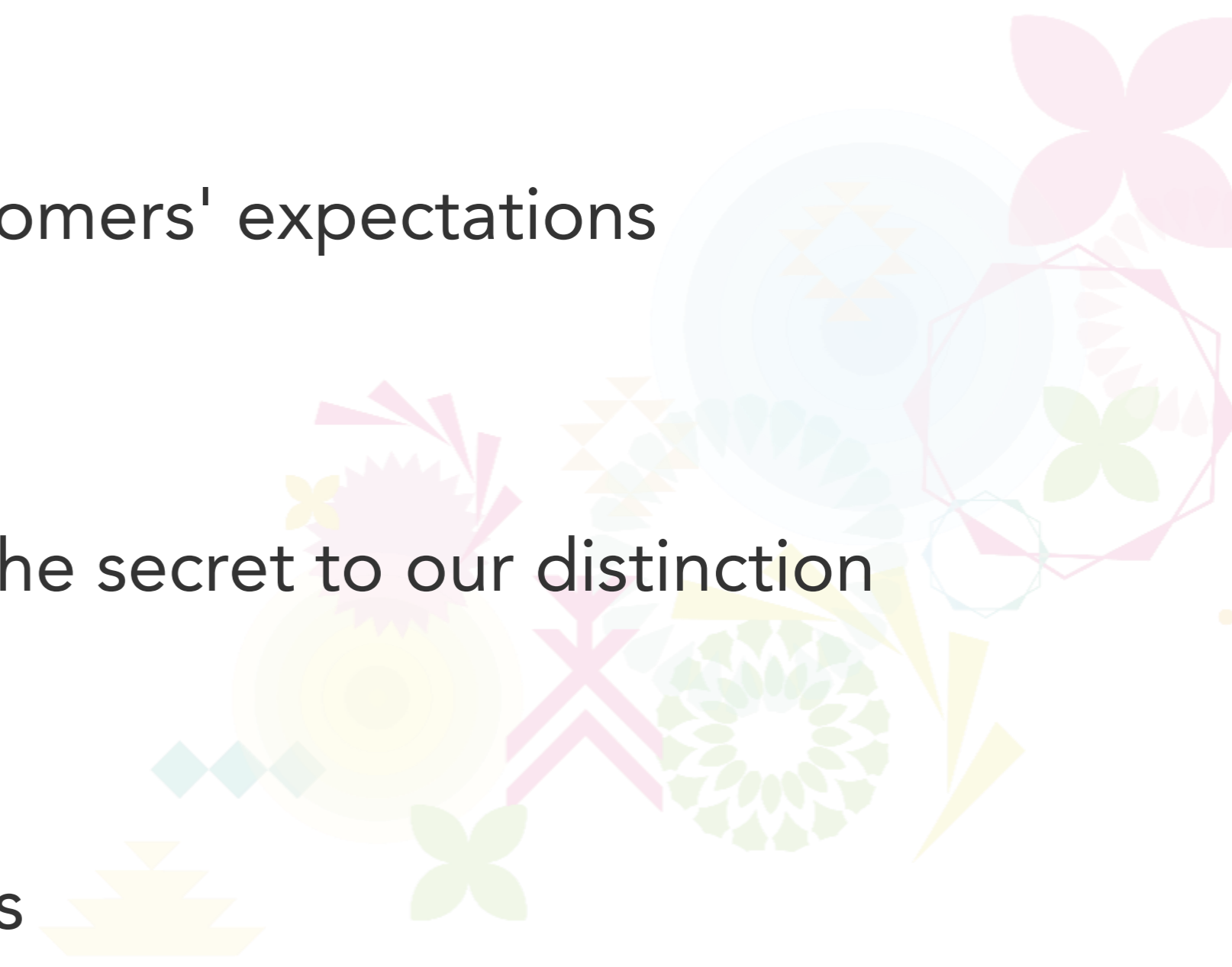
## Inclusion

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.

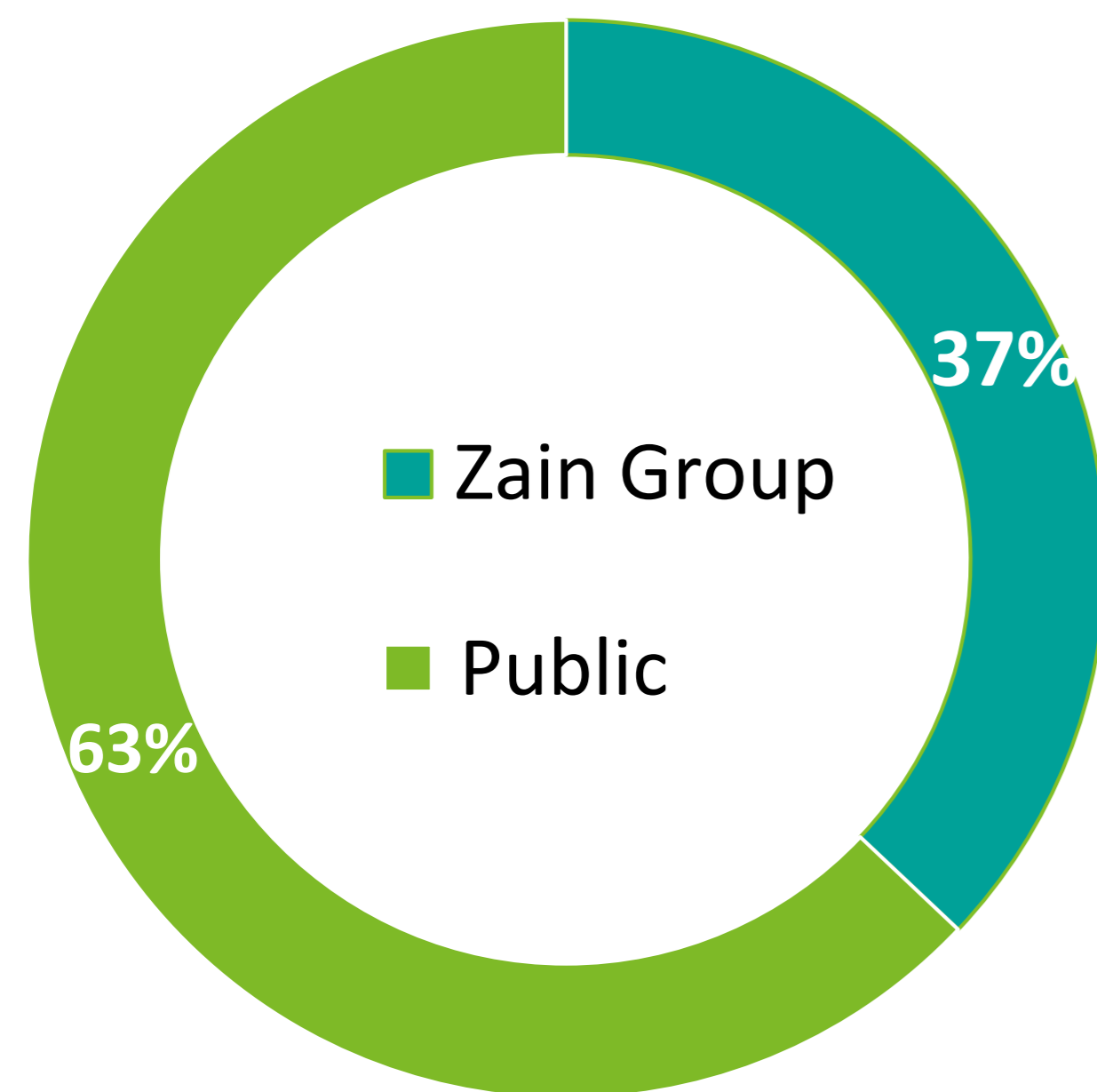
Adopting sustainable and innovate processes that will allow us to venture into new areas of business while leveraging gains from automation in the business.

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

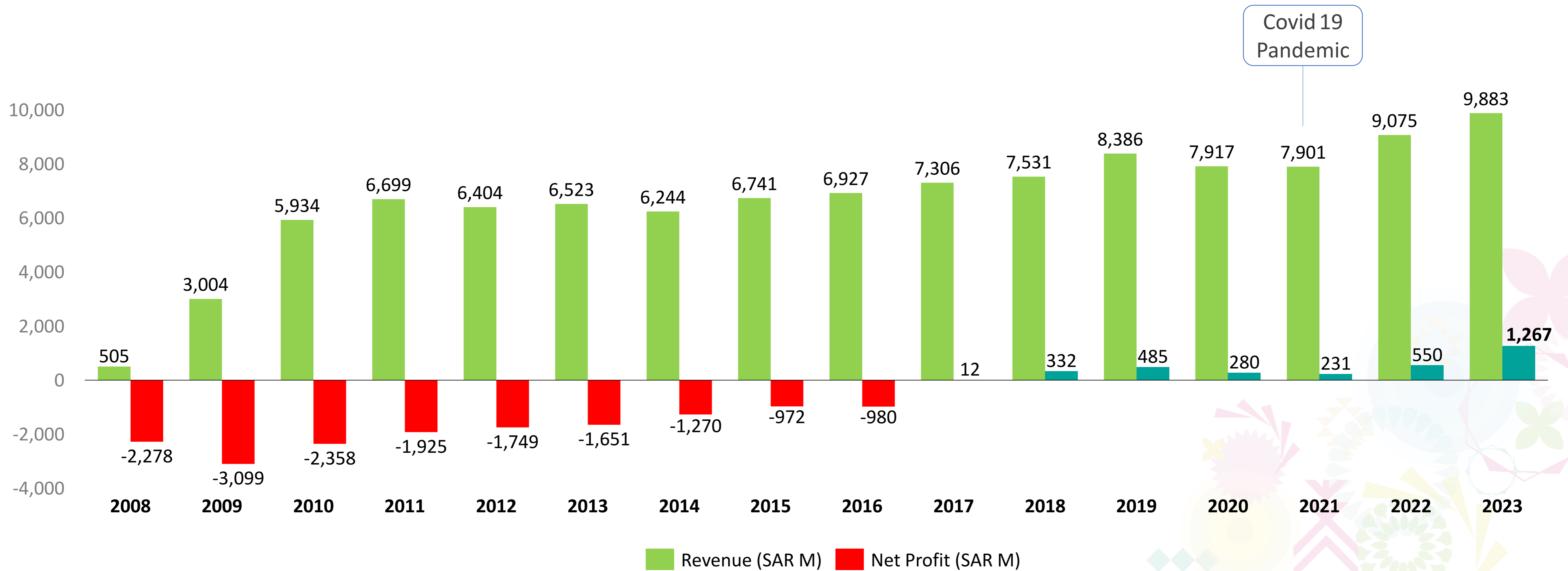
ZAINKSA:AB

898,729,175

SAR 8,987,291,750



# Our Financial History



# 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 13th 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**

*COO*

Eng. AlMufadda has more than 19 years in the telecommunication sector. He was appointed the role of Chief Operations Officer on March 2024.



**Tiago Rocha**

*CCO*

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.



**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.



**Haythem Bennaceur**

*Acting Chief Marketing Officer*

Haitham has 20 years in executive commercial positions from marketing, sales & distribution and digital transformation within the telecom industry. He was appointed to his position as CMO on March 2024



**Eng. Salah Al-Ghamdi**

*EVP Strategy & Innovation*

Eng. Salah has over 18 years of experience in the ICT sector. He was appointed as the EVP of Strategy and Innovation since March 2024.



**Loluwah Alnowaiser**

*EVP of Human Resources*

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 and promoted to EVP in 2024



**Maha AlQernas**

*EVP of Information Technology*

Maha AlQernas serves as the Executive Vice President of Information Technology 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.



**Eman Abdullah AlSaidi**

*VP of Corporate Communications*

Eman has more than 12 years of experience working in the Communication field, with track record of effective marketing and communications. AlSaidi was appointed the role of VP of Corporate Communication on March 2024.



**Faisal Abdullah AlAssaf**

*VP of Legal Affairs & Governance*

Faisal was appointed as VP of Legal Affairs and Governance in 2024 following his extensive career in working in legal departments in the Kingdom's leading enterprises.





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





# 2024 Q1 Financial Results



Net revenue

**2.5**

Billion Riyals

Revenue Growth

**4.7%**

\* Compared to Q1 2023

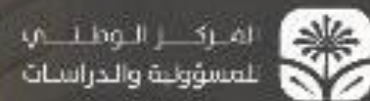
EBITDA

**773**

Million Riyals

\*Up by 11% compared to Q1 2023

**Forbes**



Listed among top 50 socially responsible Saudi brands

**Brand Finance**

13<sup>th</sup> most valuable brand in Saudi Arabia



Deployed zero-emission 5G towers in Ummahat Island



# Operational Performance



Growth in  
5G services



Growth in  
Yaqoot  
revenue



Growth in  
B2B revenue.



Successful  
Billing  
system  
migration





# Tamam Growth



Revenue Growth  
20% (SAR 14 million)



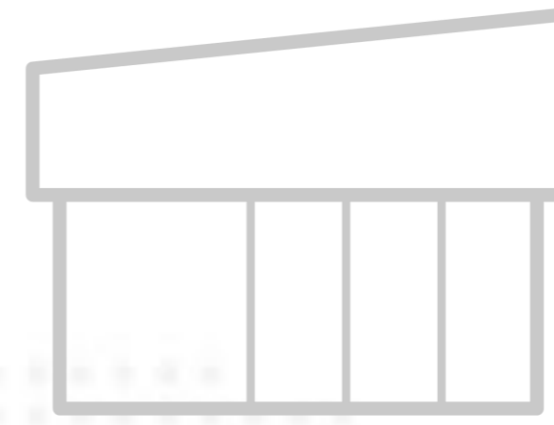
# Zain KSA Today



**8.8** Million  
Customers.



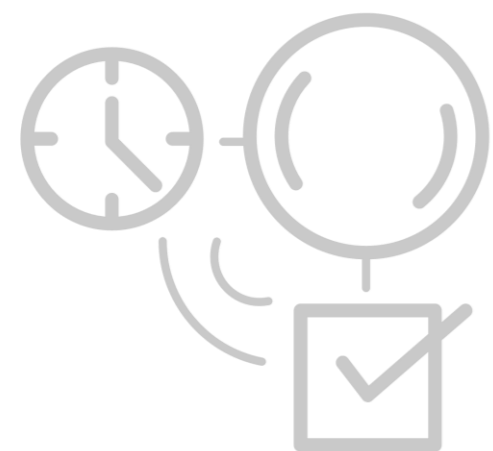
**1,543** Zainers  
Woman: 20 %  
Local: 86%



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



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



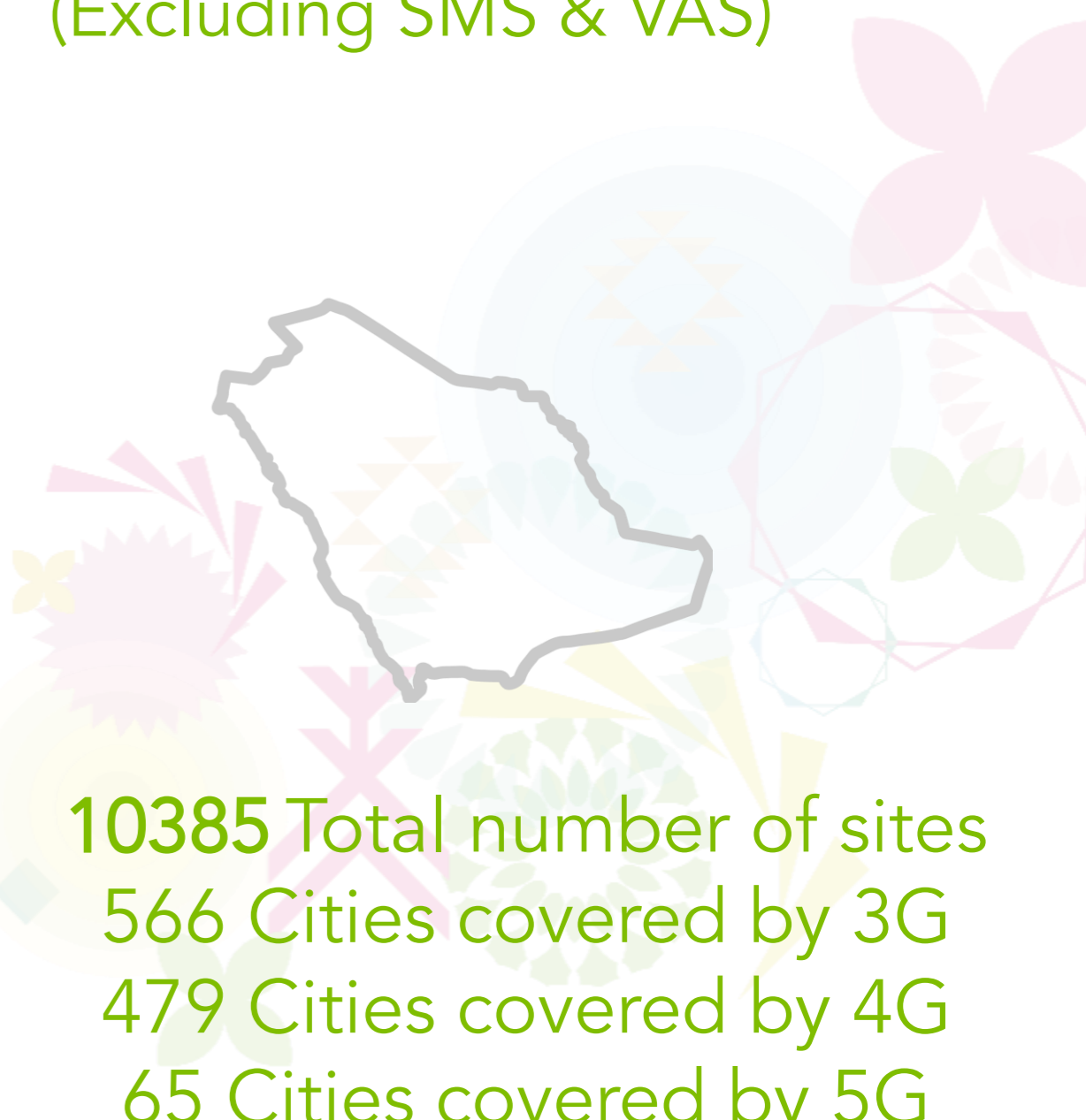
**62** SAR  
Blended ARPU



**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



# Leap 2024 "Into A Wonderful World"

Strategic Partner



+10 +25

VVIP Visitor

MoU's and Agreements

+14 +10

Influencers

Media coverage



## The New York Times

### 'To the Future': Saudi Arabia Spends Big to Become an A.I. Superpower

The oil-rich kingdom is plowing money into glitzy events, computing power and artificial intelligence research, putting it in the middle of an escalating U.S.-China struggle for technological influence.





# MWC 2024

**+4**  
partnership



Agreement with CISCO



Agreement with Huawei



MoU with ENEA





# Strategic Sponsorships

زين  
zain

زين  
zain

جود  
المناطق

أكثر من إنجازات المملكة جود أهلها  
مد يد العون وساهم لو بالقليل في توفير المسكن للأسر  
الأشد حاجة في جميع مناطق المملكة عبر منصة  
جود الإسكان

ساهم الآن

جود  
الإسكان

سكن  
SAKAN

جود  
الإسكان

شريك الاتصالات الرسمي

GOLF  
JEDDAH 2024

زين  
zain

GOLF



كبار  
KEBAR

53 Participants 4 Sessions

ساهم بعبائك  
وتبرع عبر تطبيق زين

زين  
zain

إحسان

الدفع السريع

جمع الفائز أو شحن الخدمة  
عدد دفعات

مسير

مترت

دوالي

أدخل رقم هاتفك دوالي

إحسان  
منصة وطنية للعمل الخيري

إحسان  
منصة وطنية للعمل الخيري



توكلنا  
Tawakkalna



# Youth Empowerment



MOU with "Maximux  
to Empower Next-Generation of National  
Talent



MoU with Al Yamamah University





# Customer Experience & Technology



MoU with Nokia for Cloud RAN Technology solutions



MoU with Elisa Polystar to scale up User Experience using Gen AI

Partnership with Altibbi Platform





# Awards, Recognitions and Certificates



Forbes

4.d Best Mobile Innovation for Climate Action

2023 Winner

About This Category

Glomo Award nomination



WISIS nomination



GIT award



Global Mobile Awards





# Environment

زيه  
ZAIN

## Zero Emission Network Launch in Ummaha :

زيه  
ZAIN

نشر شبكة الجيل الخامس  
الخالية من الانبعاثات الكربونية  
في جزيرة أمهات

قابلة للمشاركة مع  
جميع مشغلي الخدمة

تحافظ على  
التنوع البيئي

تمكن التقنيات  
المستقبلية المتقدمة  
5G Advance

تعمل على  
الطاقة النظيفة  
%100

البحر الاحمر الدولية  
Red Sea Global

## Saudi green initiative day:

300



Trees planted on  
Prince  
Mohammed bin  
Salman Road in  
Jeddah





# Financial Update



**Mehdi Khalfaoui**  
**CFO**

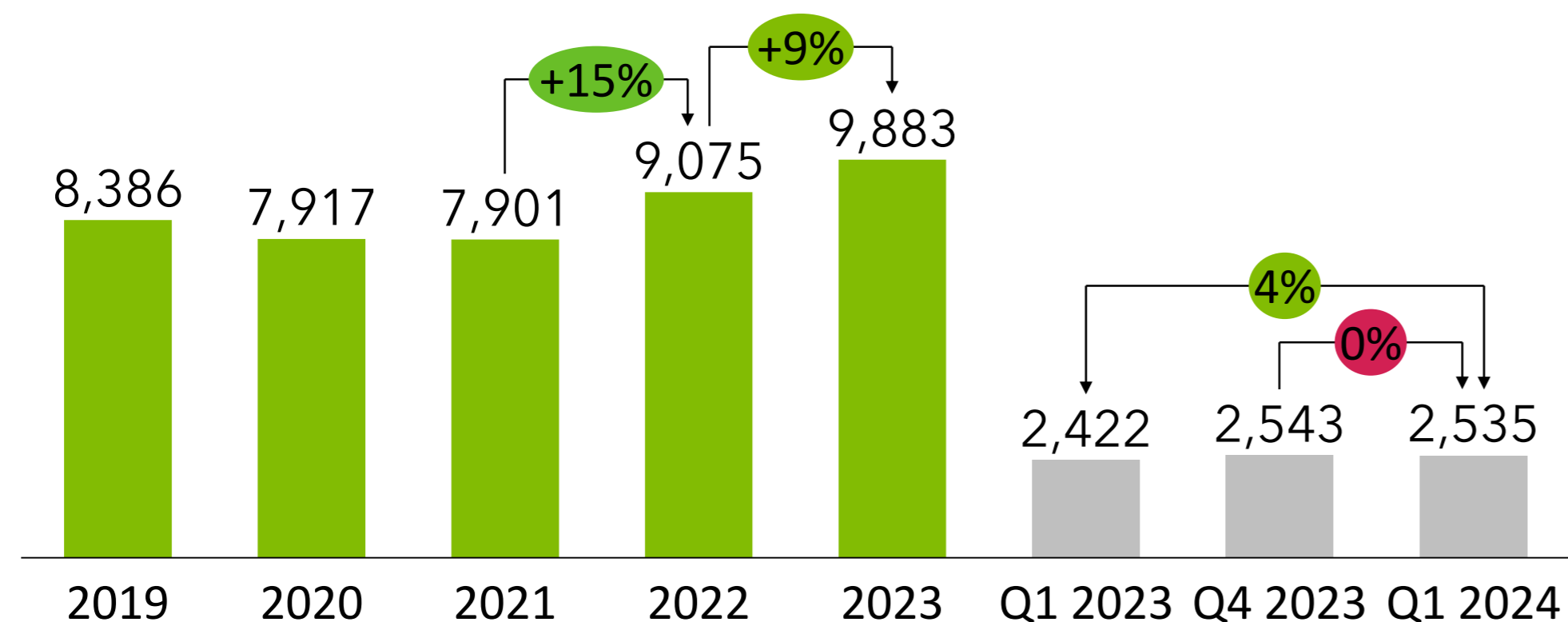




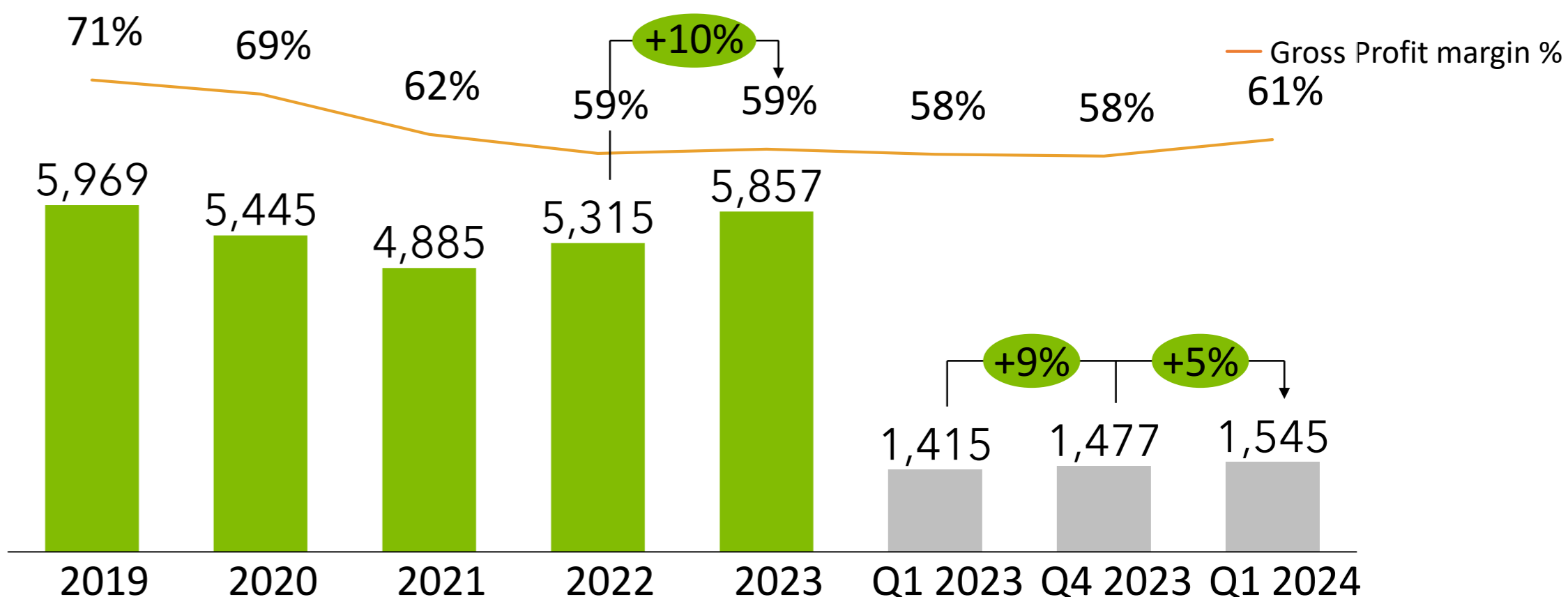
# Financial Highlights



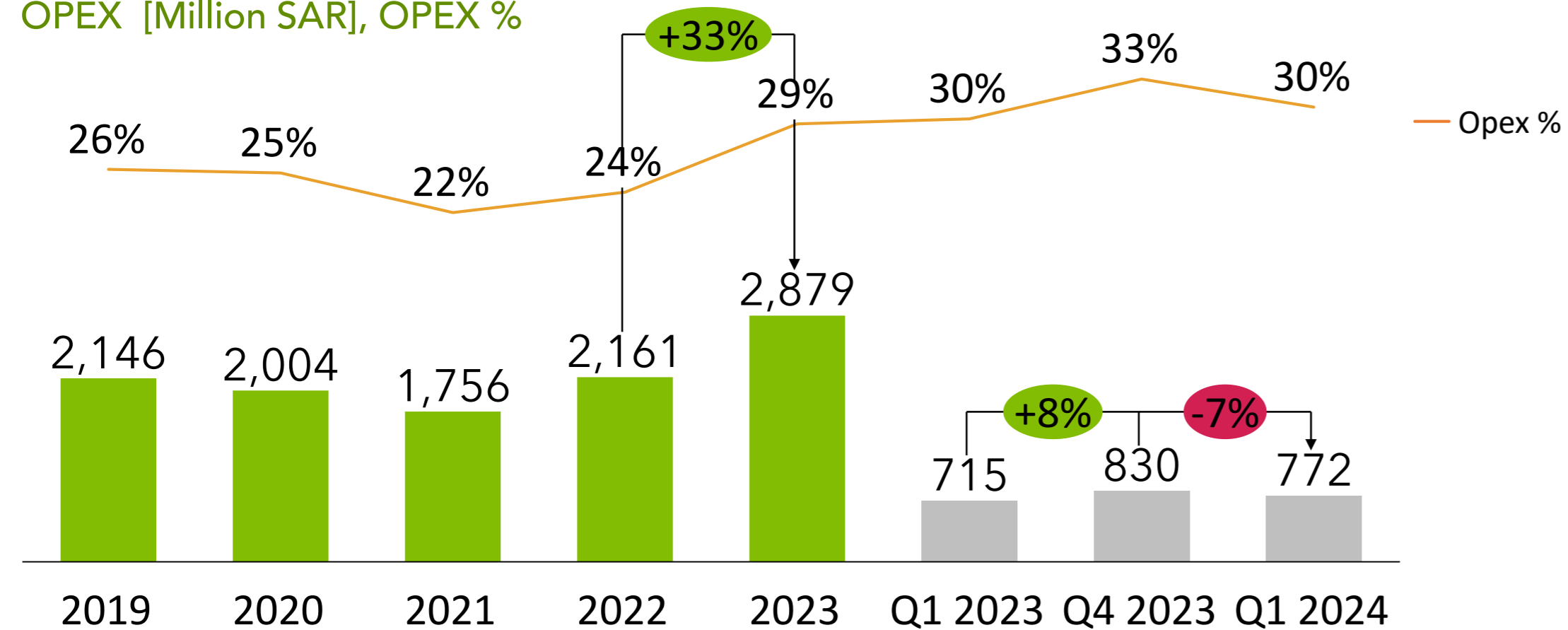
REVENUE (Million SAR)



GROSS PROFIT [Million SAR]  
GROSS MARGIN %

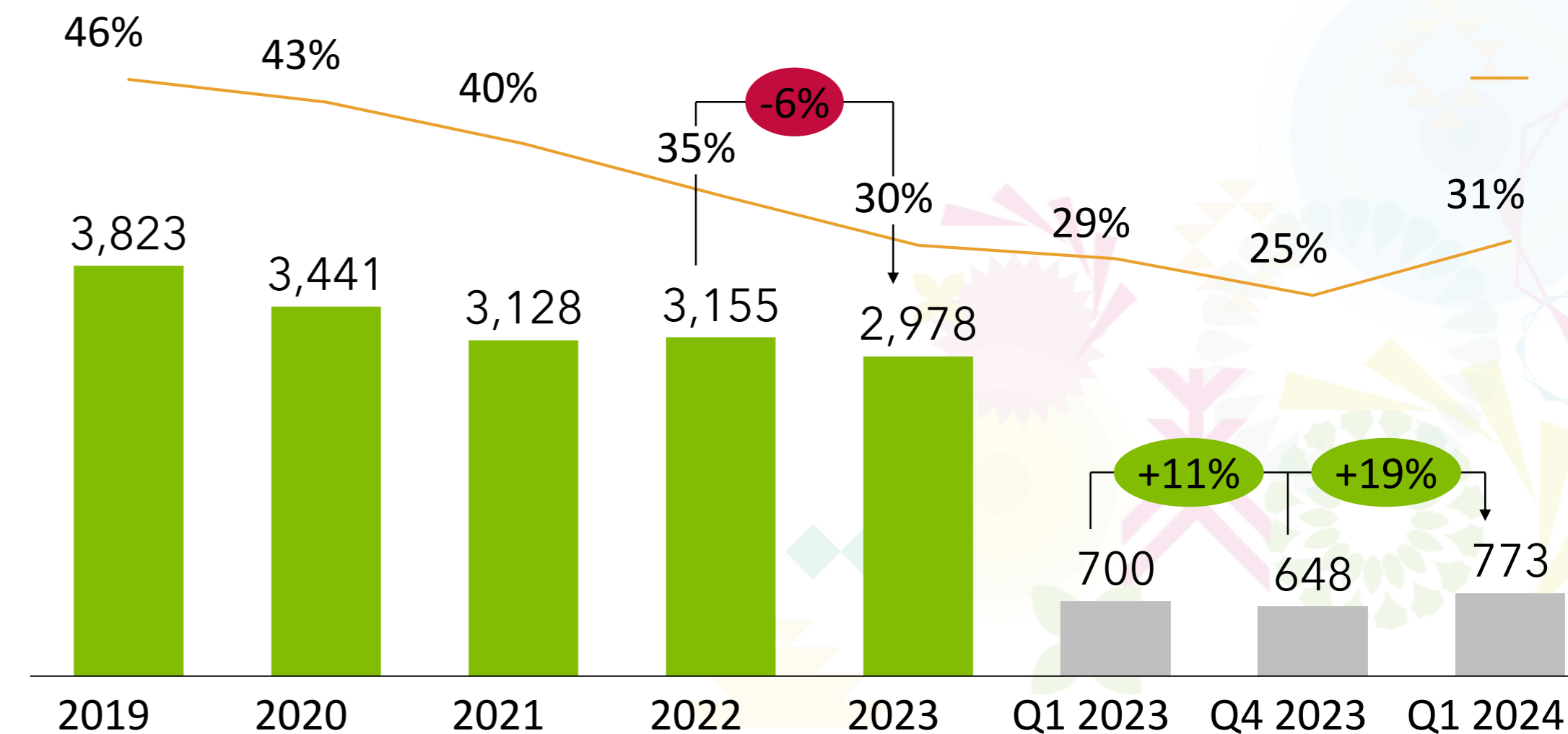


OPEX [Million SAR], OPEX %



• Opex inclusive of Bad Debts Provision

EBITDA [Million SAR]  
EBITDA Margin %

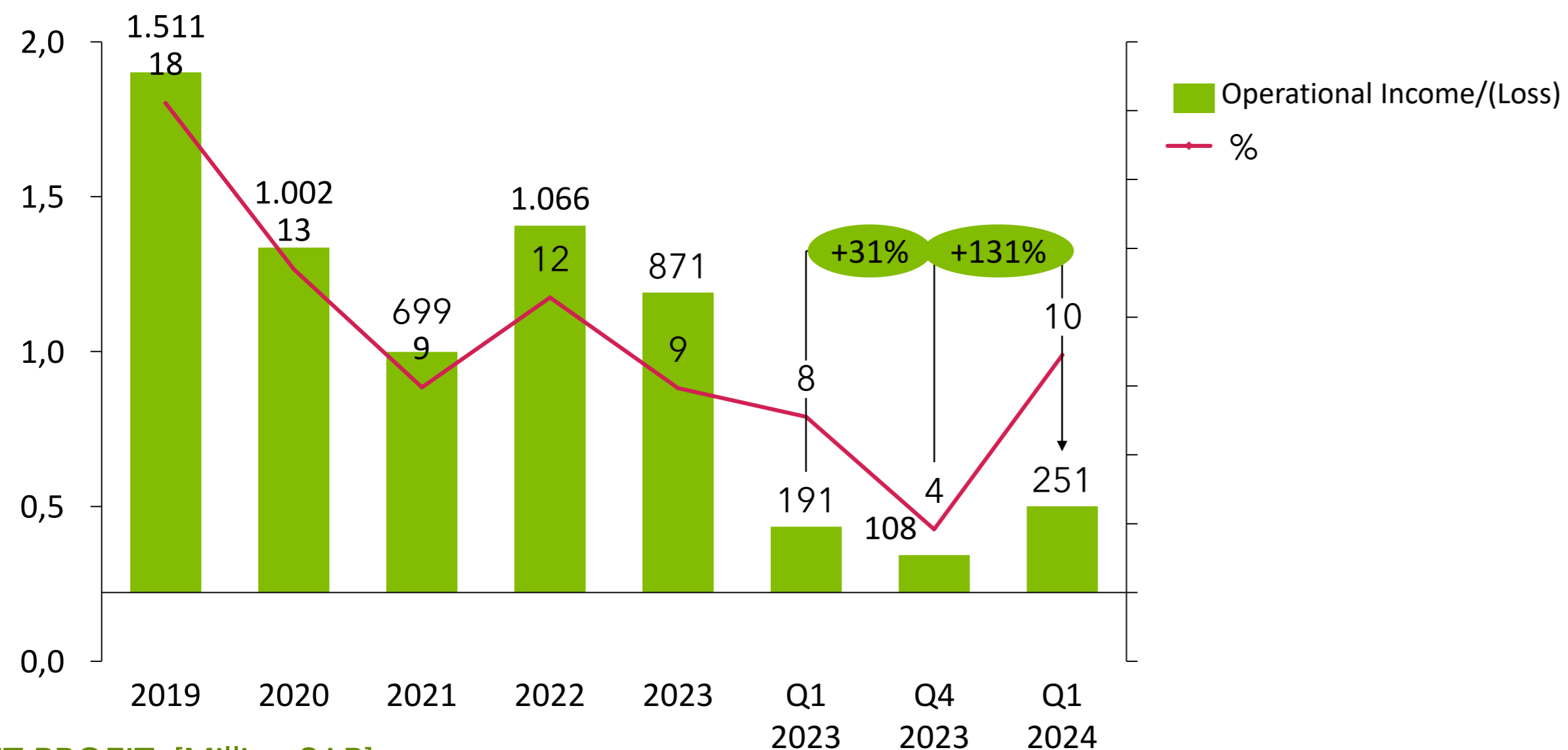




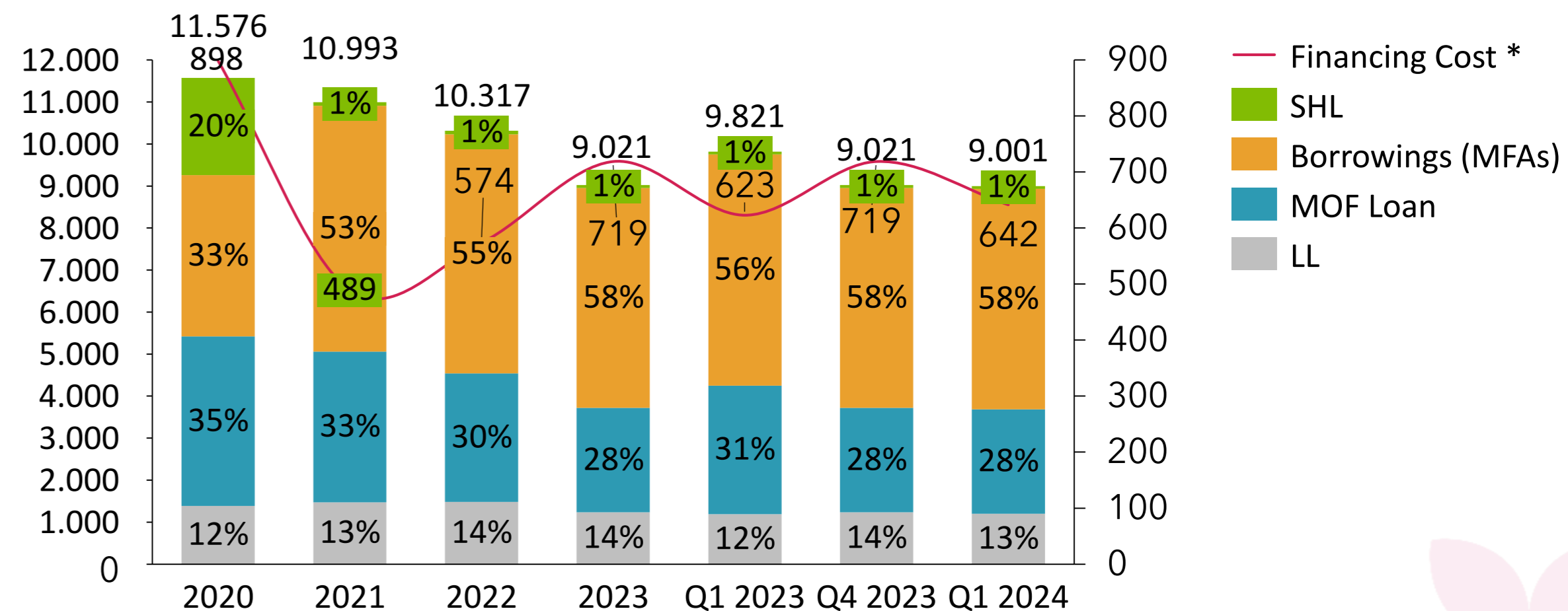
# Financial Highlights



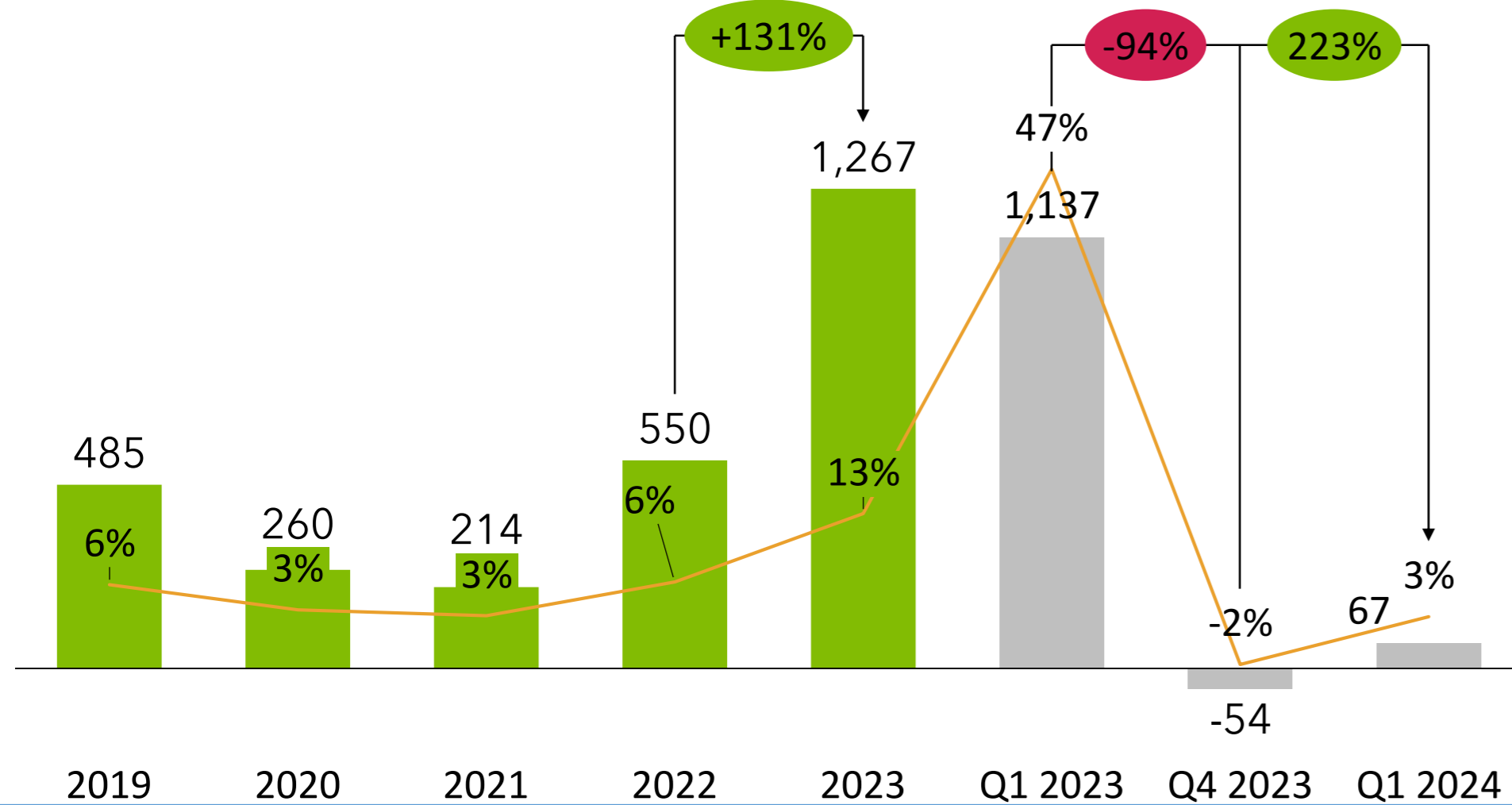
OPERATIONAL INCOME) [Million SAR]



Debts [Million SAR]  
Financing cost [Million SAR]



NET PROFIT [Million SAR]  
PROFIT MARGIN %



\* Annualized Financing Cost inclusive of LL cost

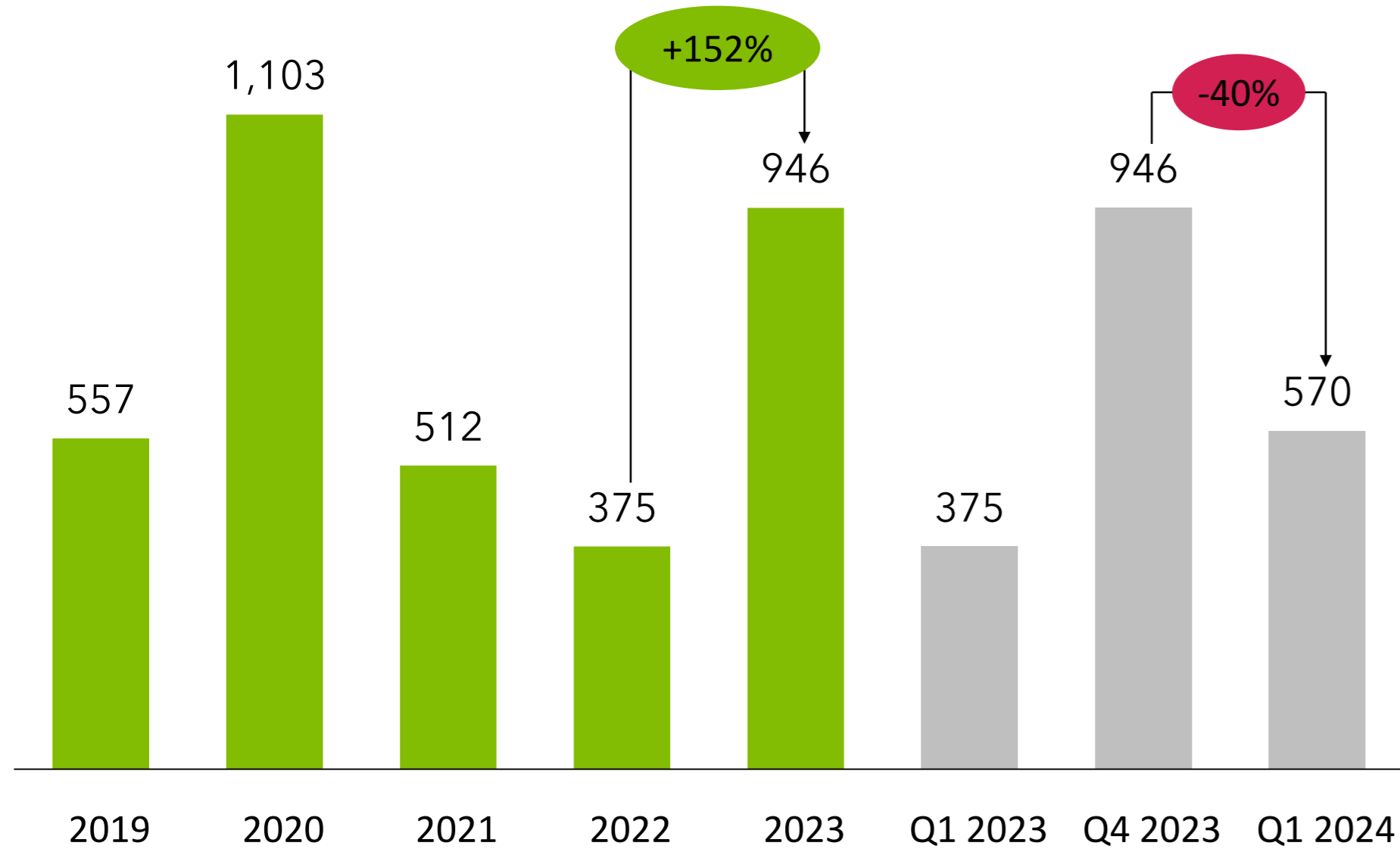
Certain comparatives figures have been reclassified to conform with the presentation in the current period.



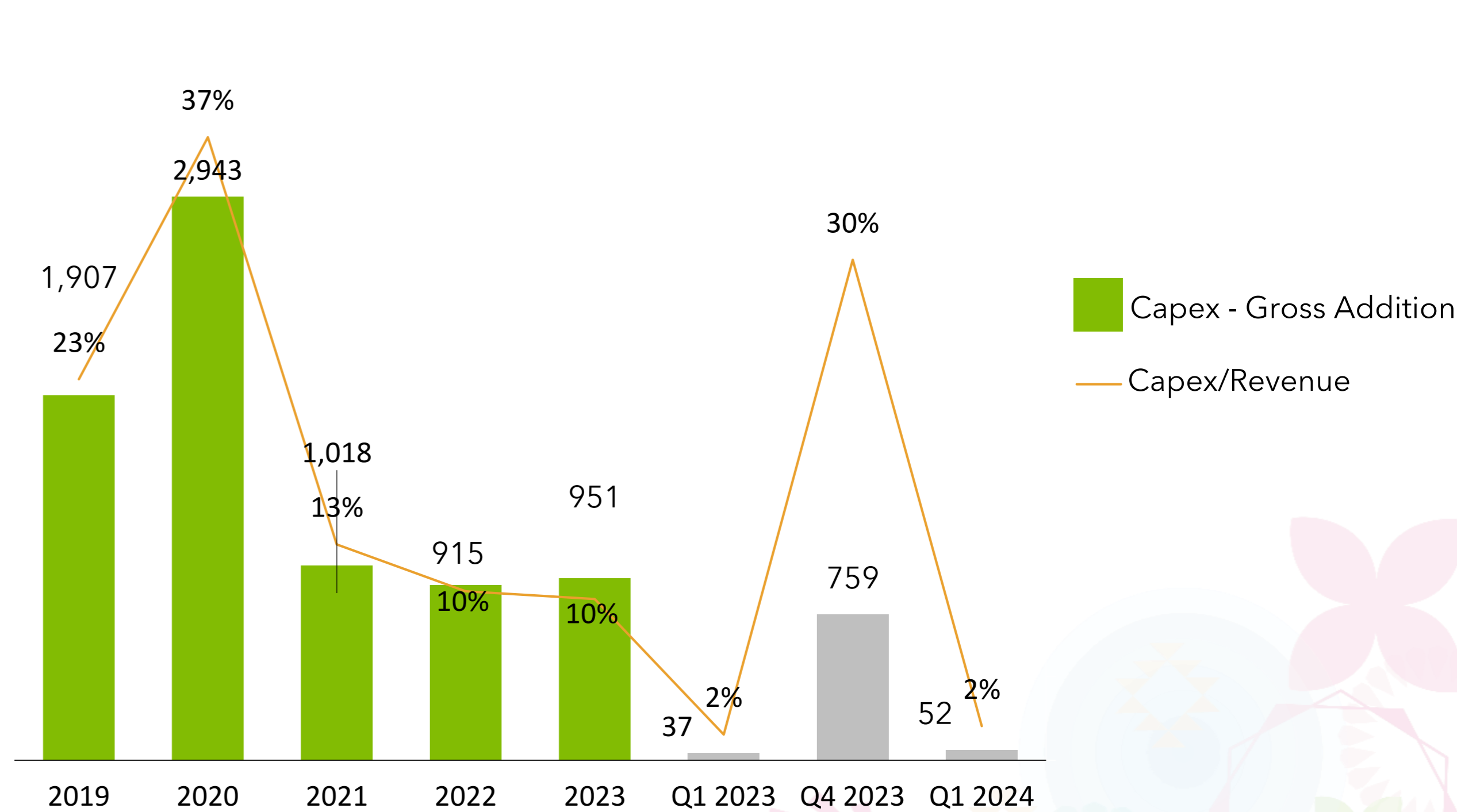
# Financial Highlights



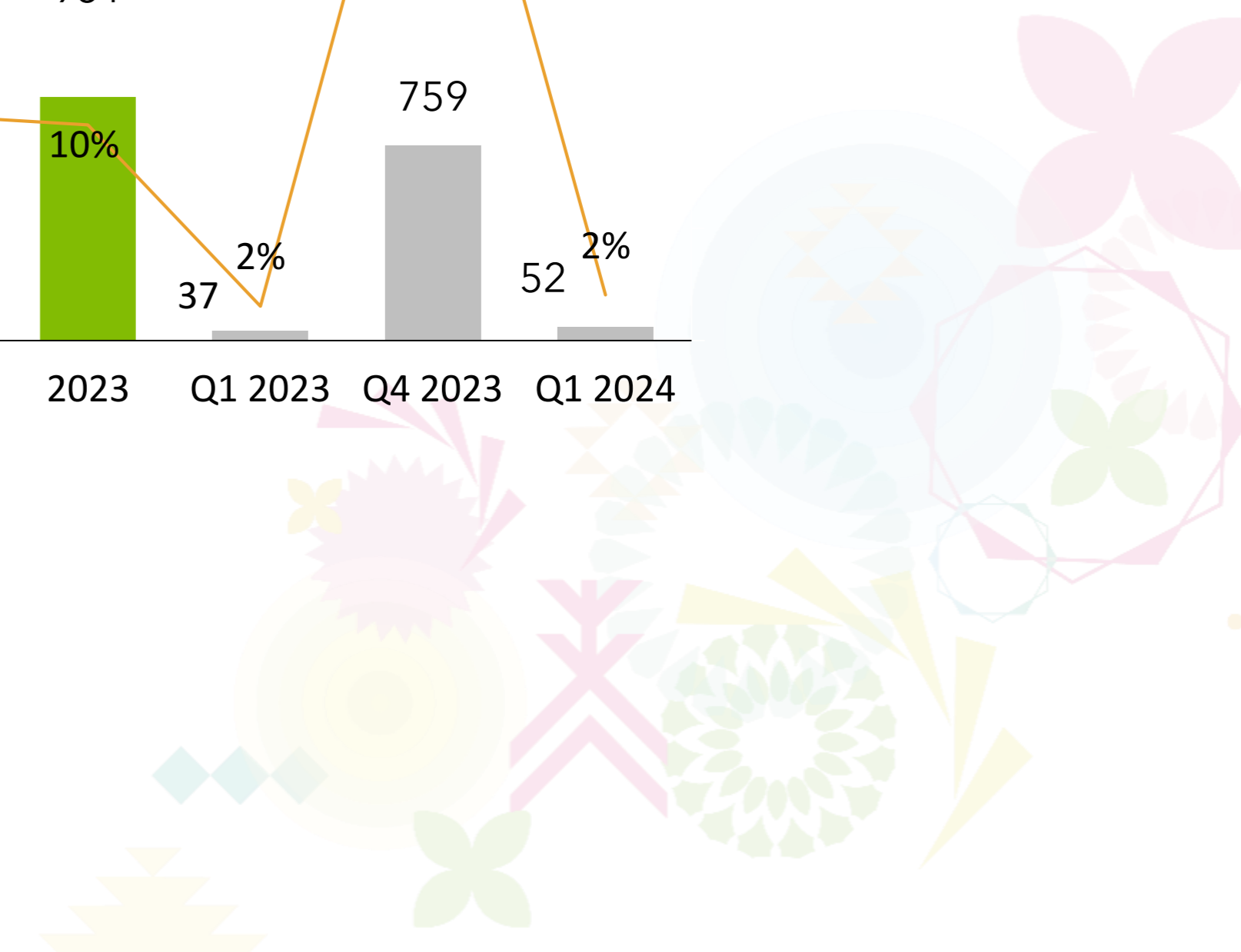
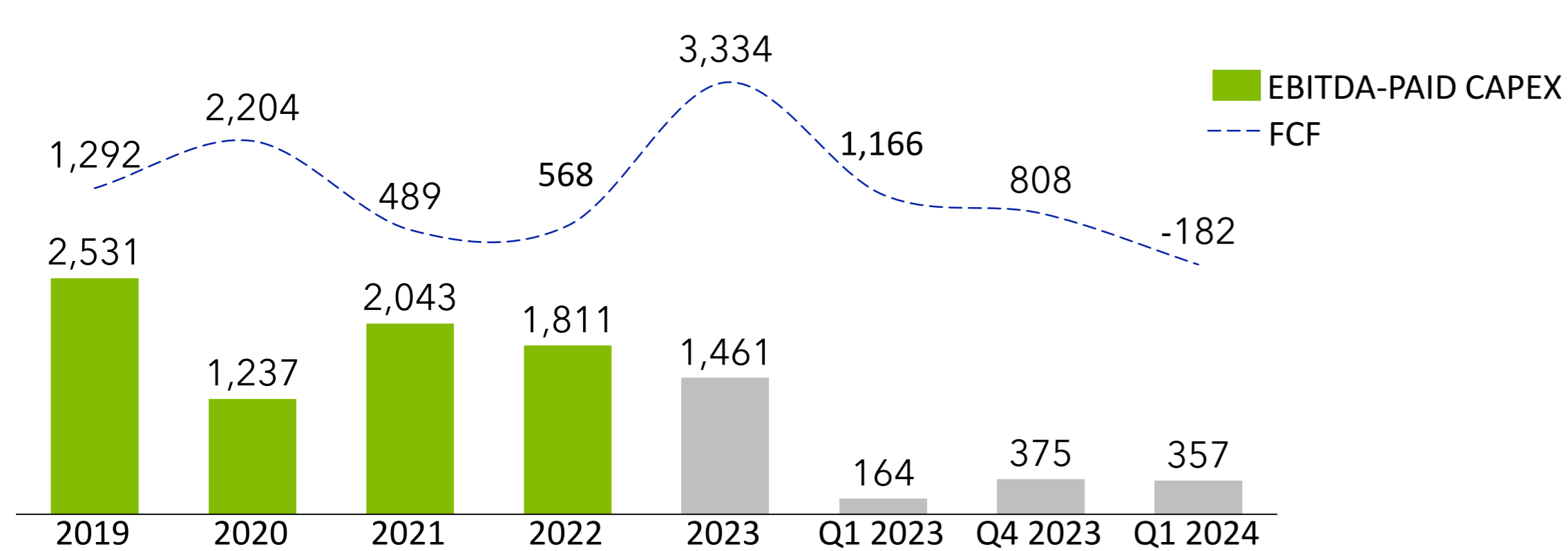
CASH BALANCE [Million SAR]



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

	Q1 2024	2023	2022	2021	2020	2019	2018
Net Debt	7,233	6,842	8,777	9,009	9,088	14,227	14,218
Equity	10,649	10,591	9,800	9,042	8,729	4,103	4,012
EBITDA	3,094	2,978	3,155	3,128	3,441	3,823	3,009
Debt/(Debt +Equity)	42.29%	42.37%	48.29%	51.29%	53.86%	78.95%	79.58%
Net Debt/EBITDA	2.34	2.30	2.78	2.88	2.64	3.72	4.72

- Amounts in Million SAR

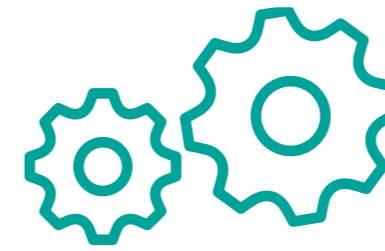


# Company Debt



## 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

