



# Welcome to Zain KSA Q1 2023

## Earnings call



[qrco.de/zain23q1](https://qrco.de/zain23q1)

# 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.

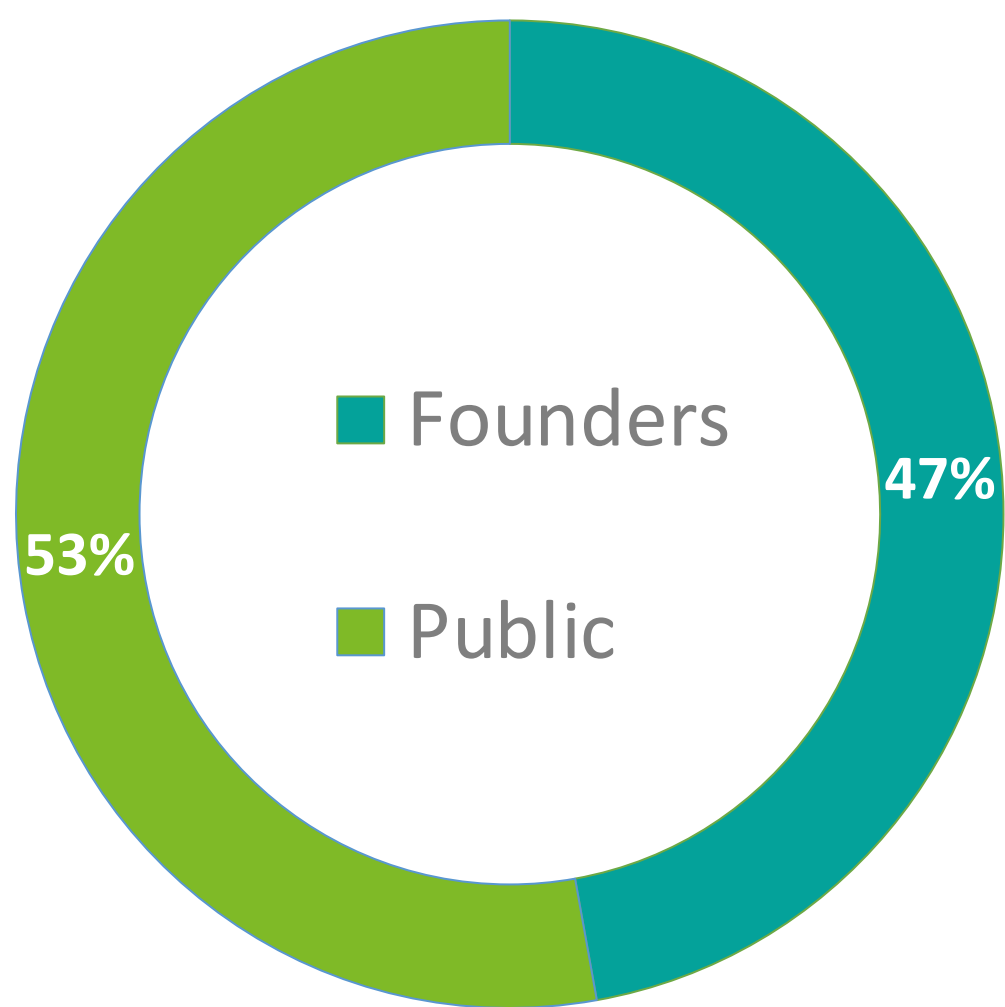
Leveraging areas of strength, including human capital and 5G network leadership as enablers that propel the Zain KSA brand.

# Our Shareholder Structure



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

## Founding Shareholders



Around 302,000  
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	Architectural Elite Est. for Engineering & Contracting	0.28%
08	Rakisa Holding Co.	0.22%

Tadawul:

7030

Bloomberg:

ZAINKSA:AB

Issued Shares:

898,729,175

Paid Capital:

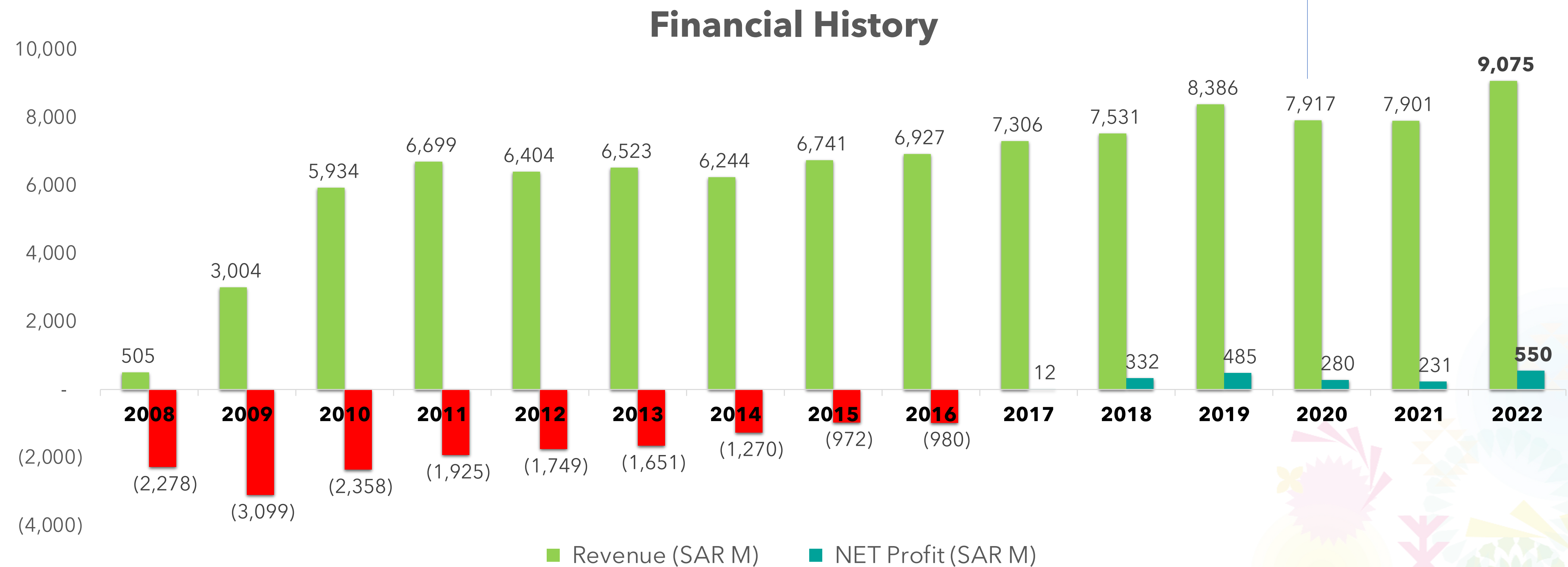
SAR 8,987,291,750



# 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





# Towers Deal



In January 2023, we completed the selling stakes in the tower's infrastructure to Golden Lattice Investment Company ("GLIC") owned by the Public Investment Fund (PIF), Zain KSA, HRH Prince Saud Bin Fahad, and Sultan Holding Company. Today we have transferred 3600 towers out of the 8,069.

Deal value **SAR 3,026** million (USD 807 million)



# Shareek Program



In the presence of HRH Crown Prince Mohammed bin Salman Zain KSA signed an agreement with Shareek to launch hyper-scale data centers

# BoD' recommendation to distribute cash dividends to shareholders



تداول السعودية

Saudi Exchange

Our Markets

Listing

Trading

Market News & Reports

Rules and Guidance

About Saudi Exchange

Mobile Telecommunication Company Saudi Arabia "Zain KSA" announces the Board of Directors' recommendation to distribute cash dividends to shareholders for the fiscal year 2022

7030

ZAIN KSA

1.22 % ▲

1444/09/04

26/03/2023 08:26:37

Element List	Explanation
Introduction	Mobile Telecommunication Company Saudi Arabia "Zain KSA" announces the Board of Directors' recommendation to distribute cash dividends to shareholders for the fiscal year 2022
Date of the board's decision	2023-03-25 Corresponding to 1444-09-03
The Total amount distributed	SAR 449,364,588
Number of Shares Eligible for Dividends	898,729,175
Dividend per share	SAR 0.5
Percentage of Dividend to the Share Par Value (%)	5 %

Company Performance

ZAIN KSA

☆ Add To Watchlist

1D

1M

10:00 12:00 14:00

13.2 13 12.8

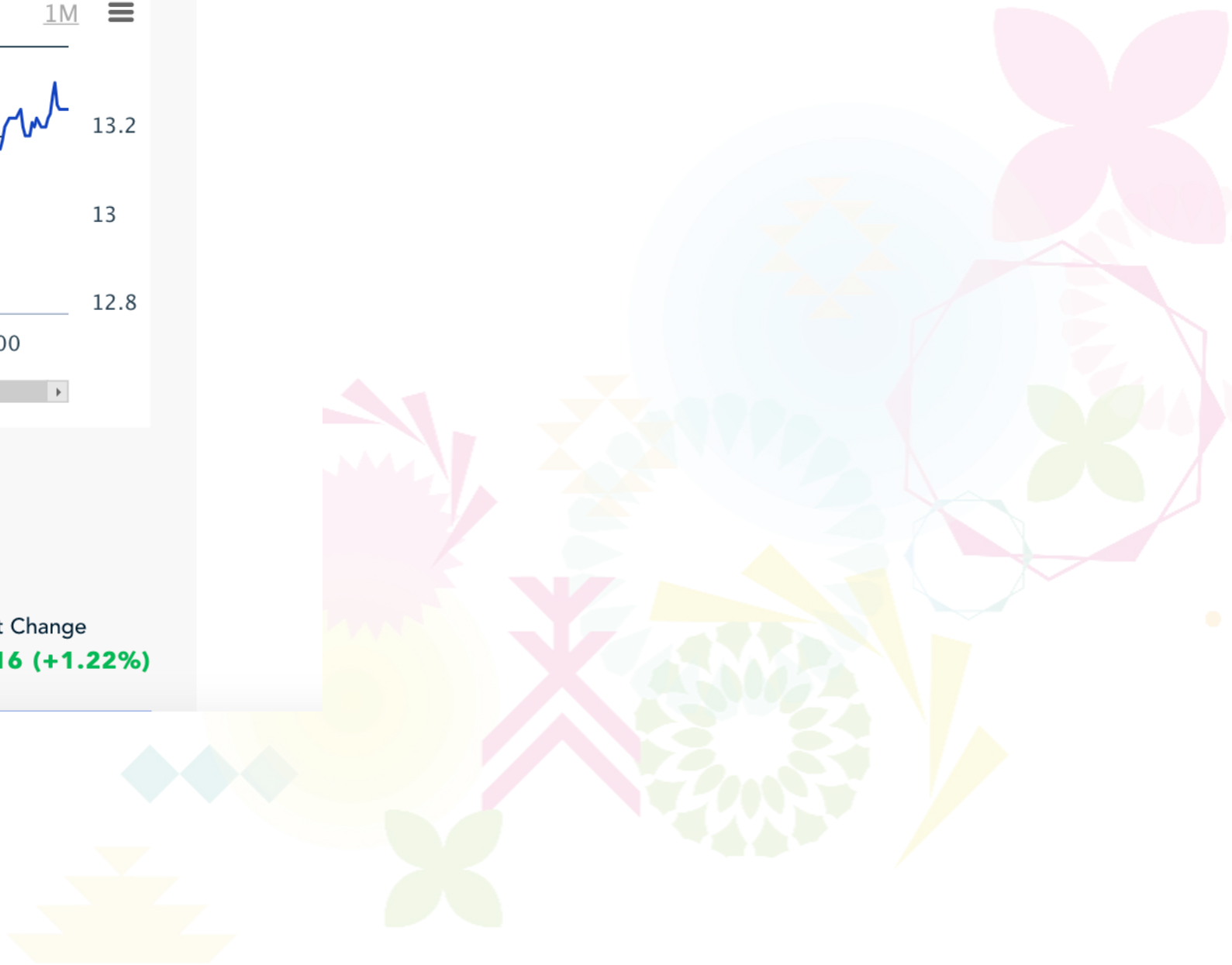
Key Parameters

Last Price

13.26

Net Change

0.16 (+1.22%)



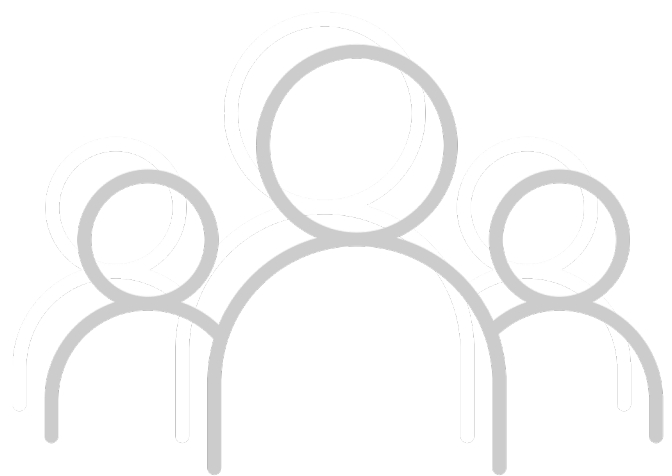


# 2023 Q1 Financial Results





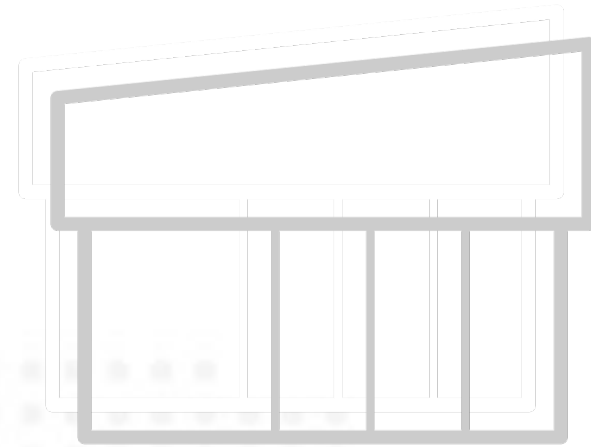
# Zain KSA Today



**8.7** Million  
Customers



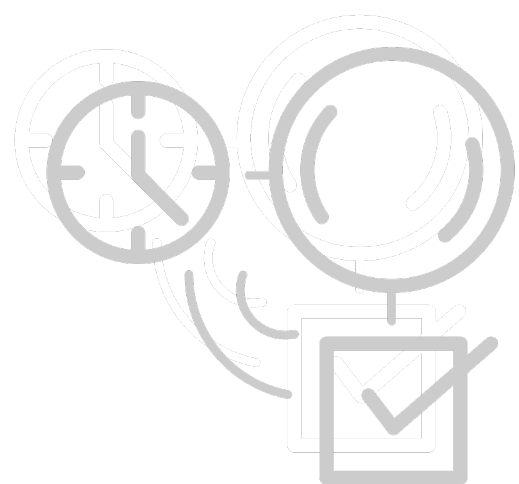
**1,543** Zainers  
Woman: 19 %  
Local: 86%



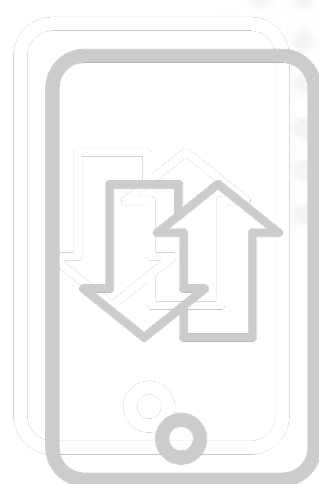
**249** Shops  
**5,391** POS



**40%** Data Revenue  
(Excluding SMS & VAS)



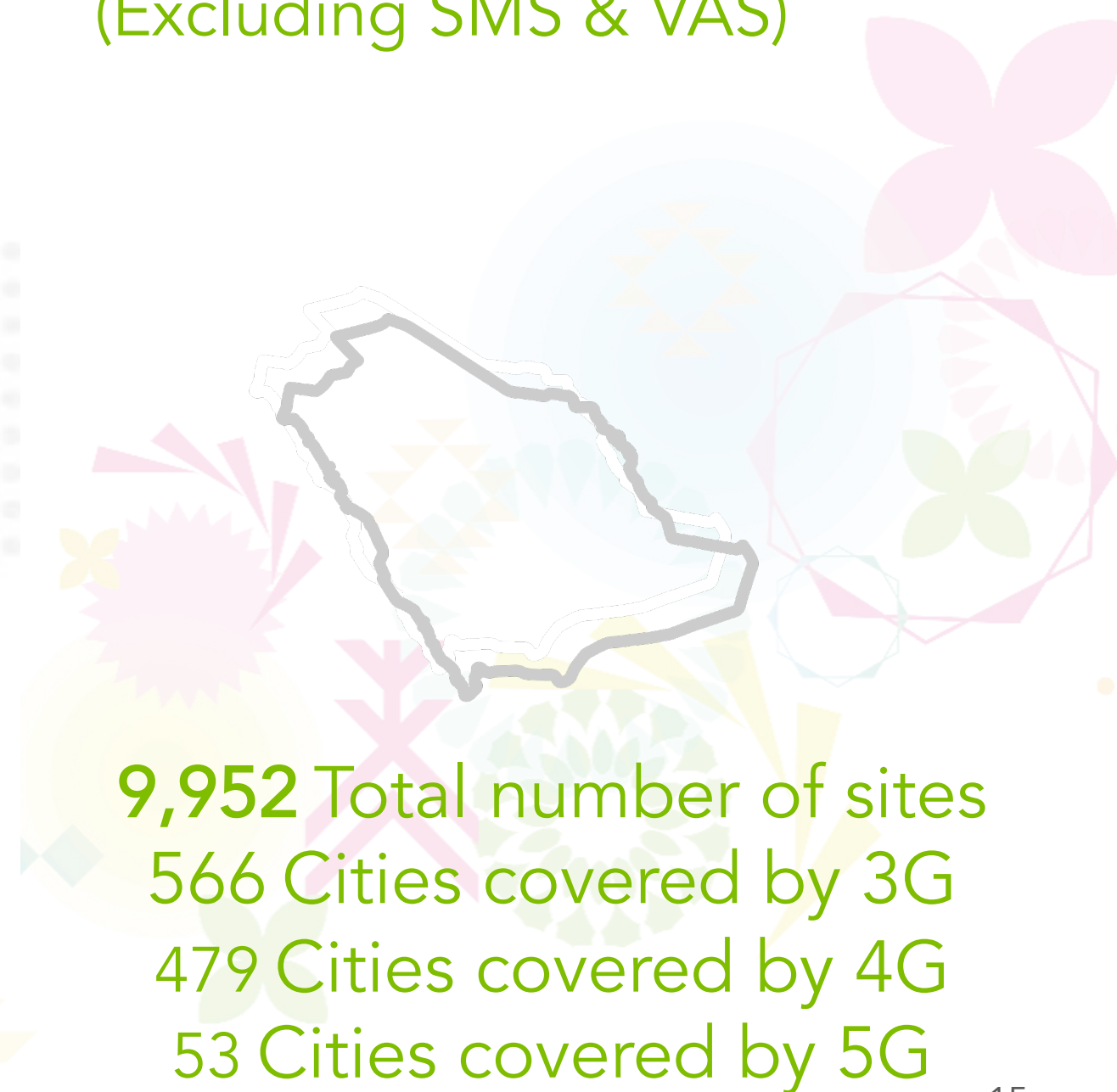
**62** SAR  
Blended ARPU



**16,523** TB/Day  
Average daily data traffic

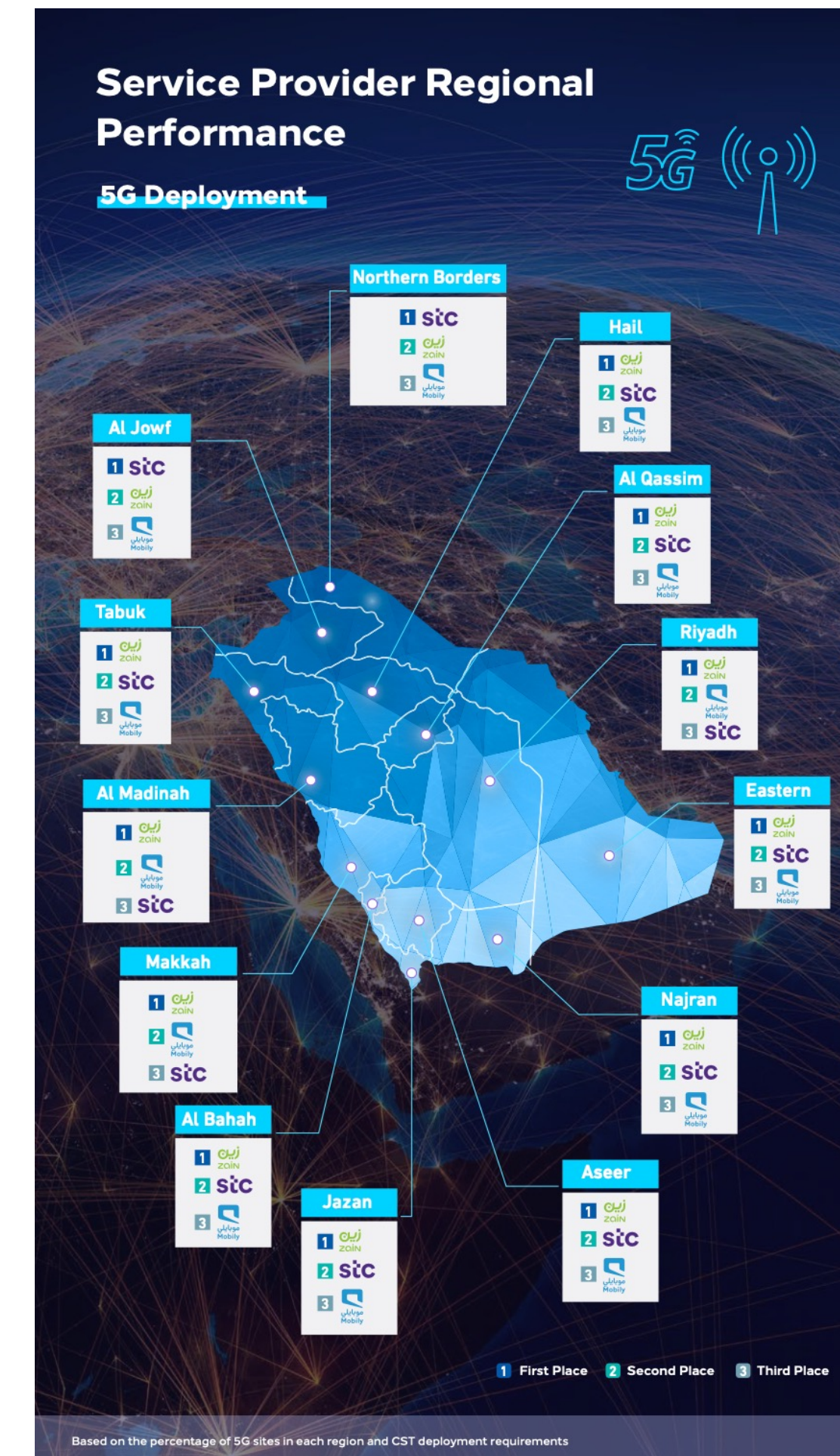


**99%** **98%** **94%** **62.5%**  
2G 3G 4G 5G  
Population coverage





# 5G leadership





# LEAP 2023



We differentiated ourselves at this year's LEAP, by focusing on strengthening local capabilities and empowering Saudi youth capabilities by **supporting local content and sustainability**. The experience we offered our attendees this year was centered around the beautiful world of Zain "A sustainable world that simulates the future of technology".

## VVIP Visitors:

- +10 VVIPs

## Launches

- 6 new products

## Use Cases:

- 28

## MoUs and Agreements:

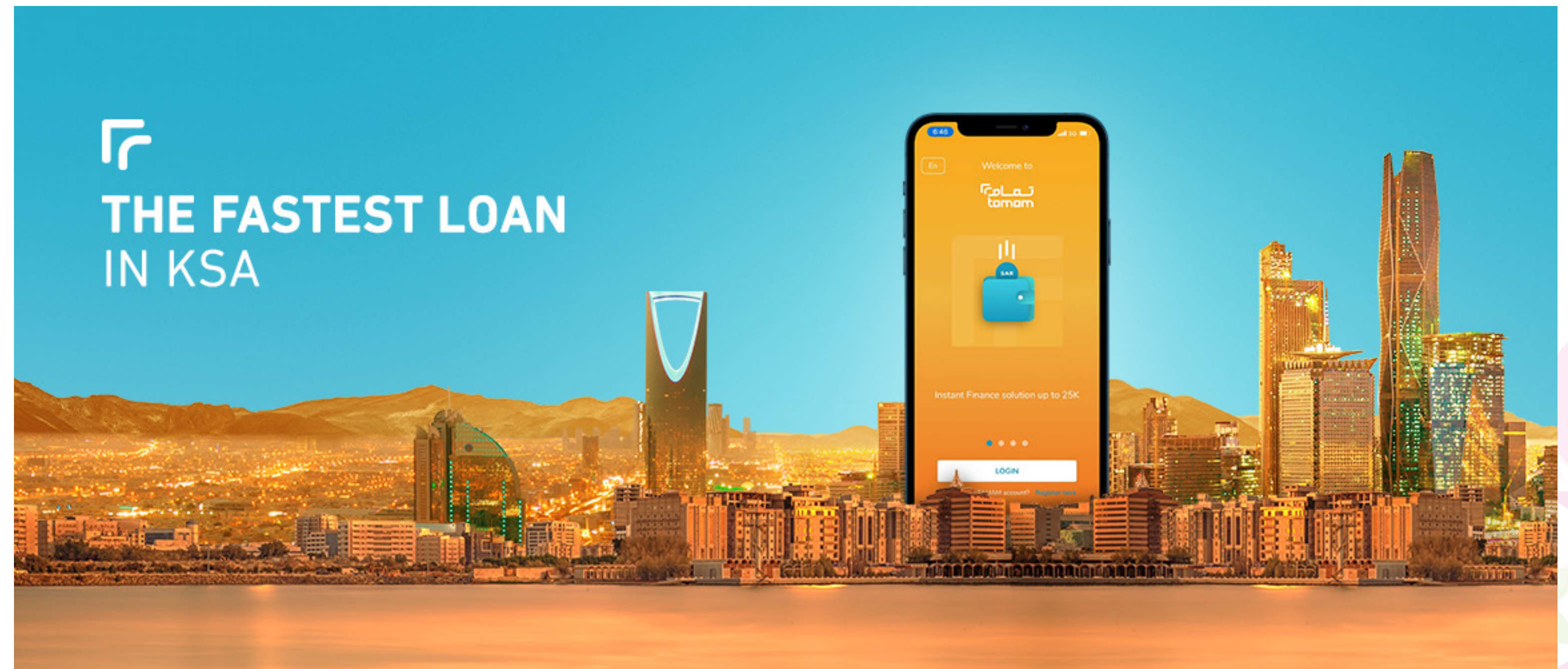
- 29





# 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.





# People Growth

We are investing in our workforce and local talent by training 50,000 young Saudis in the next three years. This supports Saudi Vision 2030's goals of digital transformation, economic diversification, and human development. Our aim is to enable a knowledge-based society and a smart digital economy.





# Sustainability



CLIMATE CHANGE

OPERATING RESPONSIBLY

INCLUSION

GENERATION YOUTH

- Networks & Energy Consumption Transition
- Strategic Approach & Communications
- Waste Management & Circular Economy



**زین ZAIN**

**ساهم معنا بالخير**  
**Contribute with good deeds**

شهر الخير قرب .. وبه المناسبة حيننا ندعوكم للمشاركة معنا في حملة "كسوة فرح" التطوعية بالتعاون مع مؤسسة احتواء، والتي تهدف لتوفير كسوة العيد للأسر ذات الدخل المحدود، حيث سيكون هناك حاوية لاستقبال تبرعاتكم في المواقع التالية:

We are approaching the holy month of Ramadan, and we invite you to participate in our "Kiswat Farah" charity campaign with the Ehtiwa Foundation, which aims to provide Eid clothing for families with financial limitations. There will be clothes collection containers conveniently located at the following locations:

المدينة	المبنى والموقع
الرياض	المبنى الرئيسي - الدور الأرضي HQ - Ground floor
	المبنى التقني - الدور الأرضي Data center - Ground floor
	لبن - قاعة الطعام Laban - Food court

\*لمعرفة خطوات المشاركة ومزيد من التفاصيل يرجى الإطلاع على الملف المرفق.  
\*Participation steps and more details attached.

احتواء





# Sustainability

CLIMATE CHANGE

OPERATING RESPONSIBLY

INCLUSION

GENERATION YOUTH

- Protecting Customer Data Privacy
- Responsible Supply Chain
- Disclosure & Reporting
- Social Responsibility



ختاماً لشهر الخير نسعد بالشراكة مع @CITC\_SA  
@HRSD\_SA  
في اسقاط فواتير متعثري السداد لـ 1000+ مستفيد من  
مستحيي الضمان الاجتماعي ❤️  
وذلك انطلاقاً من مسؤوليتنا الاجتماعية واستراتيجيتنا  
لبناء مجتمع حيوي





# Sustainability

CLIMATE CHANGE

OPERATING RESPONSIBLY

INCLUSION

GENERATION YOUTH

- Women in Technology
- People with Disabilities
- Elderly Community

زين  
ZAIN

خصم دائم لذوي الإعاقة  
على الباقات الصوتية المفوترة

خصم  
50%

5G

\*العرض متوفر من باقة شباب 149 حتى باقة بلاك 2  
\*تطبق الشروط والأحكام

زين السعودية  
@ZainKSA

نسعد في #زين\_السعودية بشراكة @citc\_sa معنا في برنامج #المرأة\_في\_التقنية الذي يهدف إلى توجيه المرأة في مسارها المهني 🧑💻❤️ للمزيد والتسجيل: [sa.zain.com/ar/unlimited-W...](https://sa.zain.com/ar/unlimited-W...)

Translate Tweet

زين  
ZAIN

برنامج المرأة في التقنية  
خطوتك الأولى معنا!

WOMEN IN TECH

هيئة الاتصالات وتقنية المعلومات  
Communications & Information  
Technology Commission



# Sustainability

CLIMATE CHANGE

OPERATING RESPONSIBLY

INCLUSION

GENERATION YOUTH

- Child Online Safety
- Digital Literacy
- Youth Unemployment



Zain KSA to train 50,000 young Saudi men and women in cooperation with the Ministry of Human Resources



# Sustainability Rating



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.



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



# Financial Update



**Mehdi Khalfaoui**  
CFO

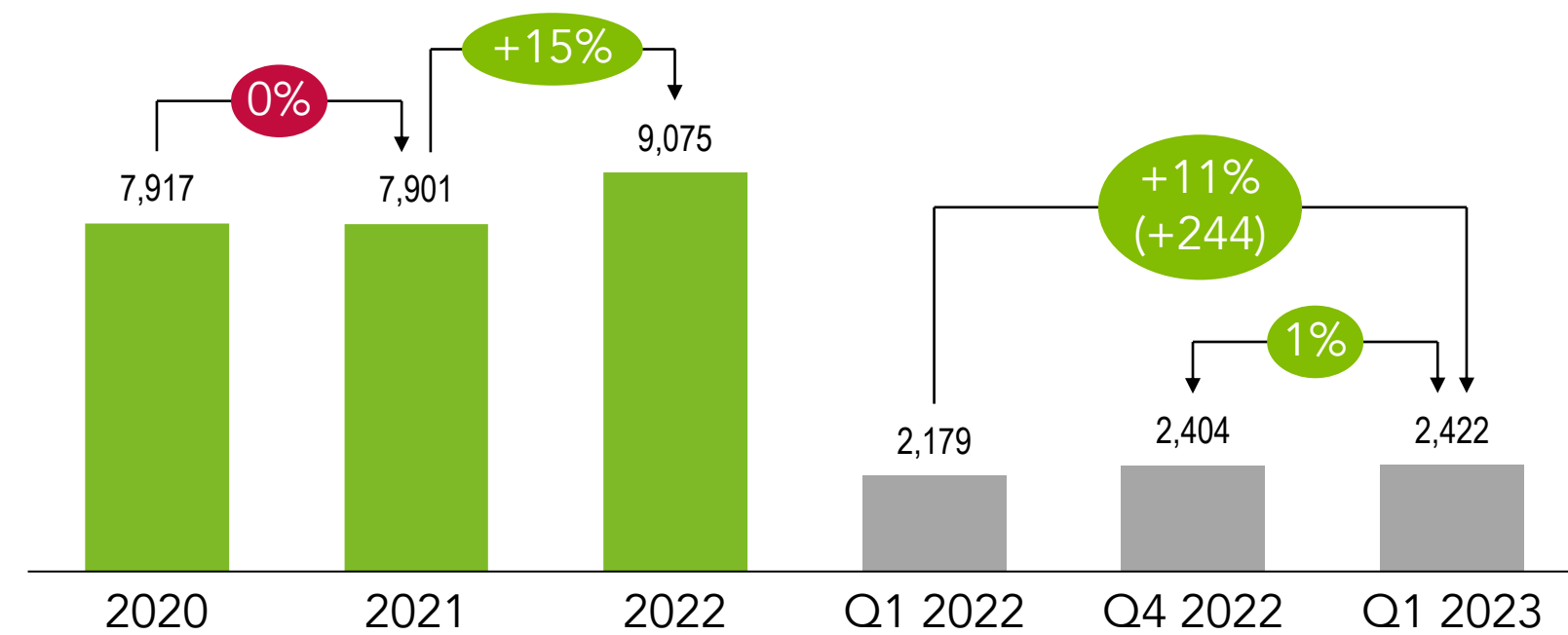




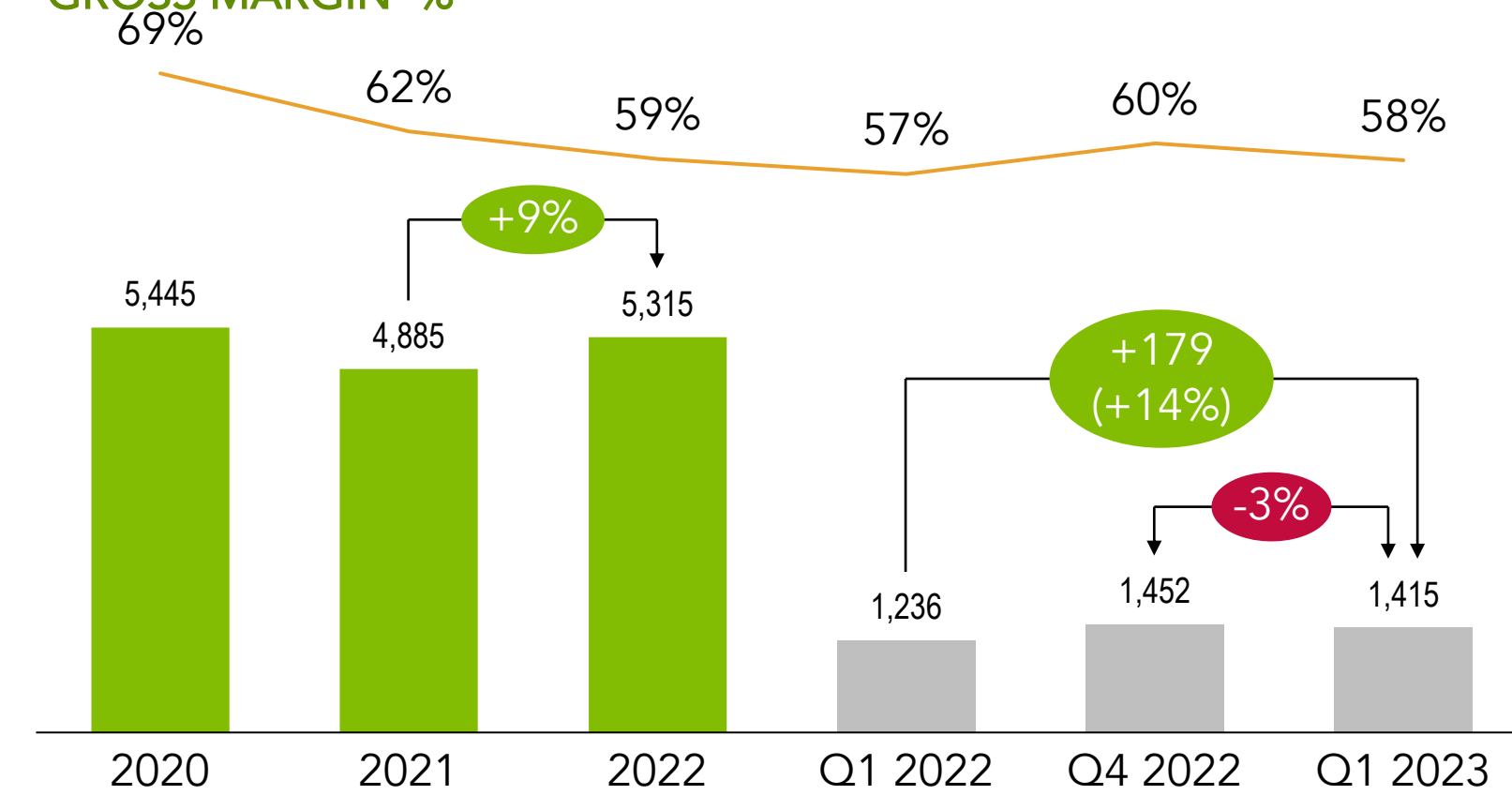
# Financial Highlights



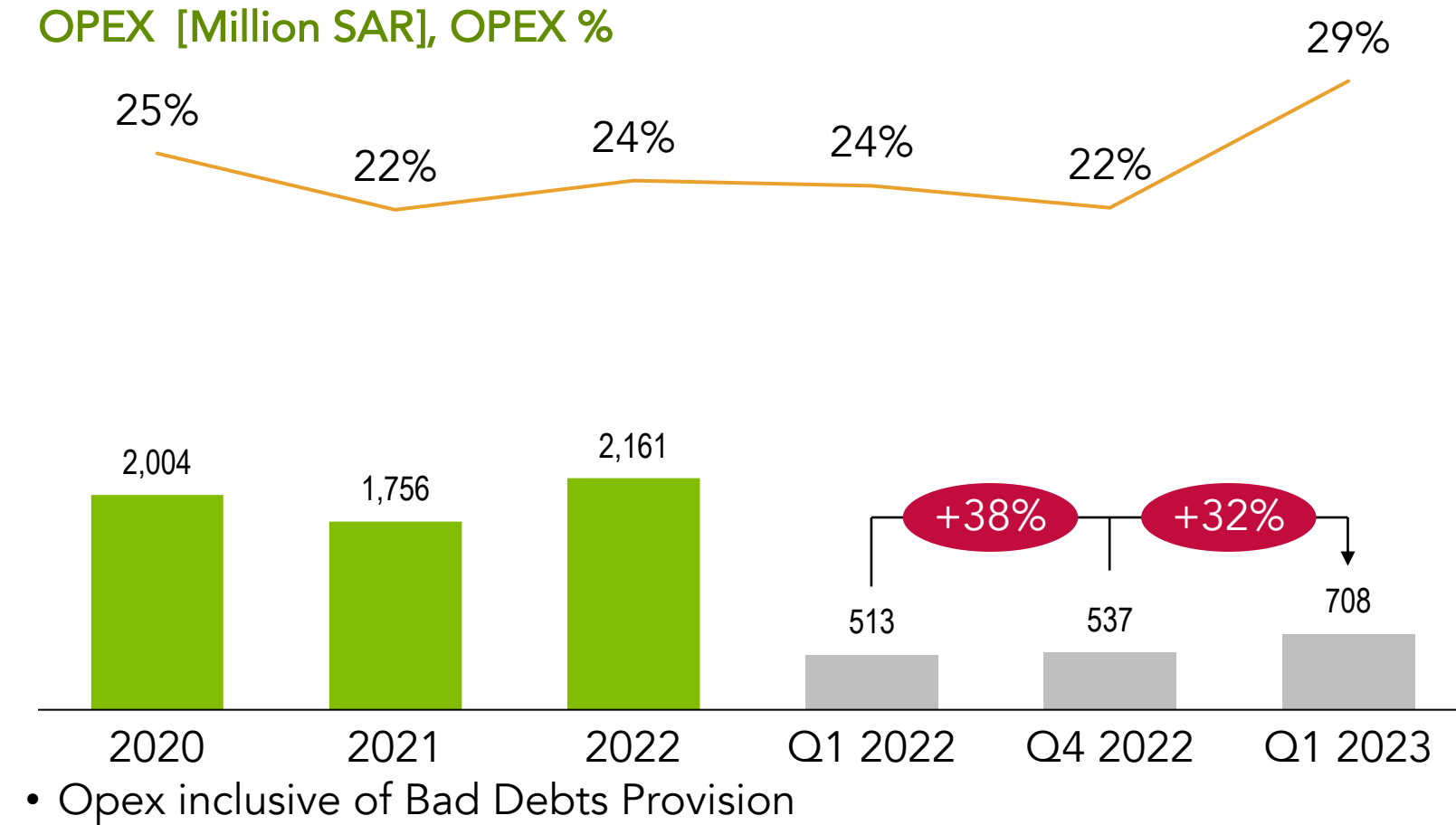
REVENUE [Million SAR]



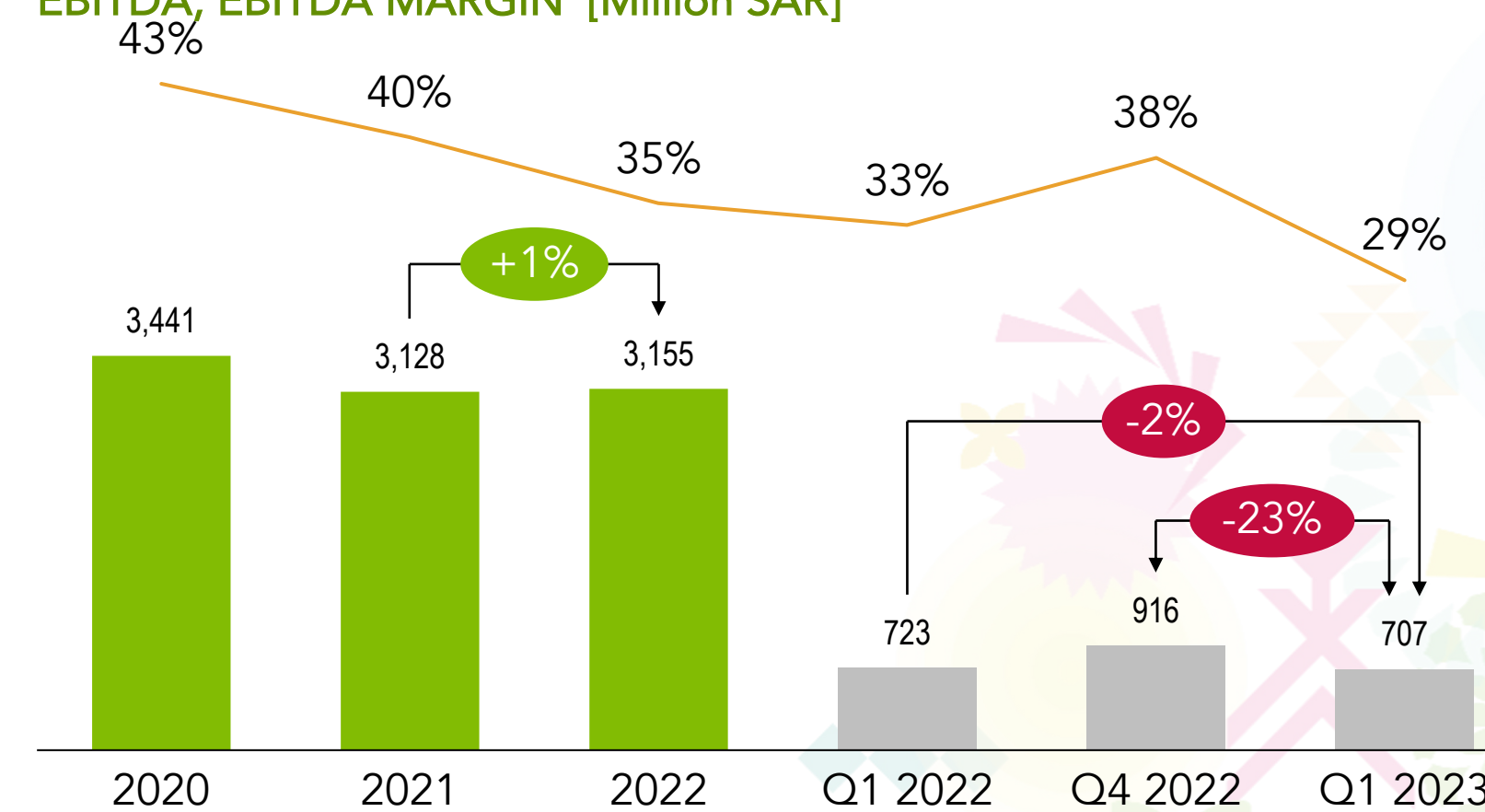
GROSS PROFIT [Million SAR]  
GROSS MARGIN %



OPEX [Million SAR], OPEX %



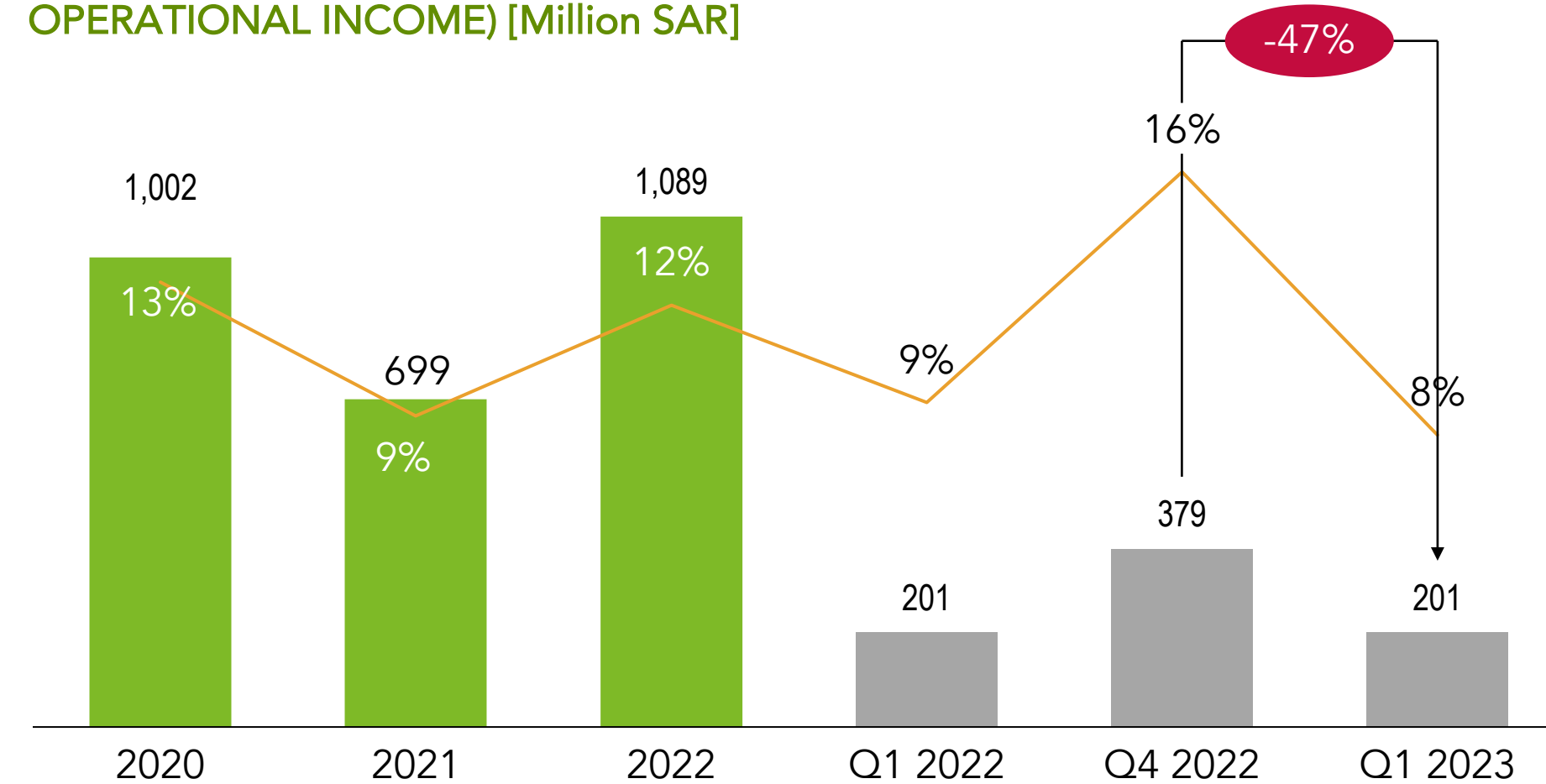
EBITDA, EBITDA MARGIN [Million SAR]



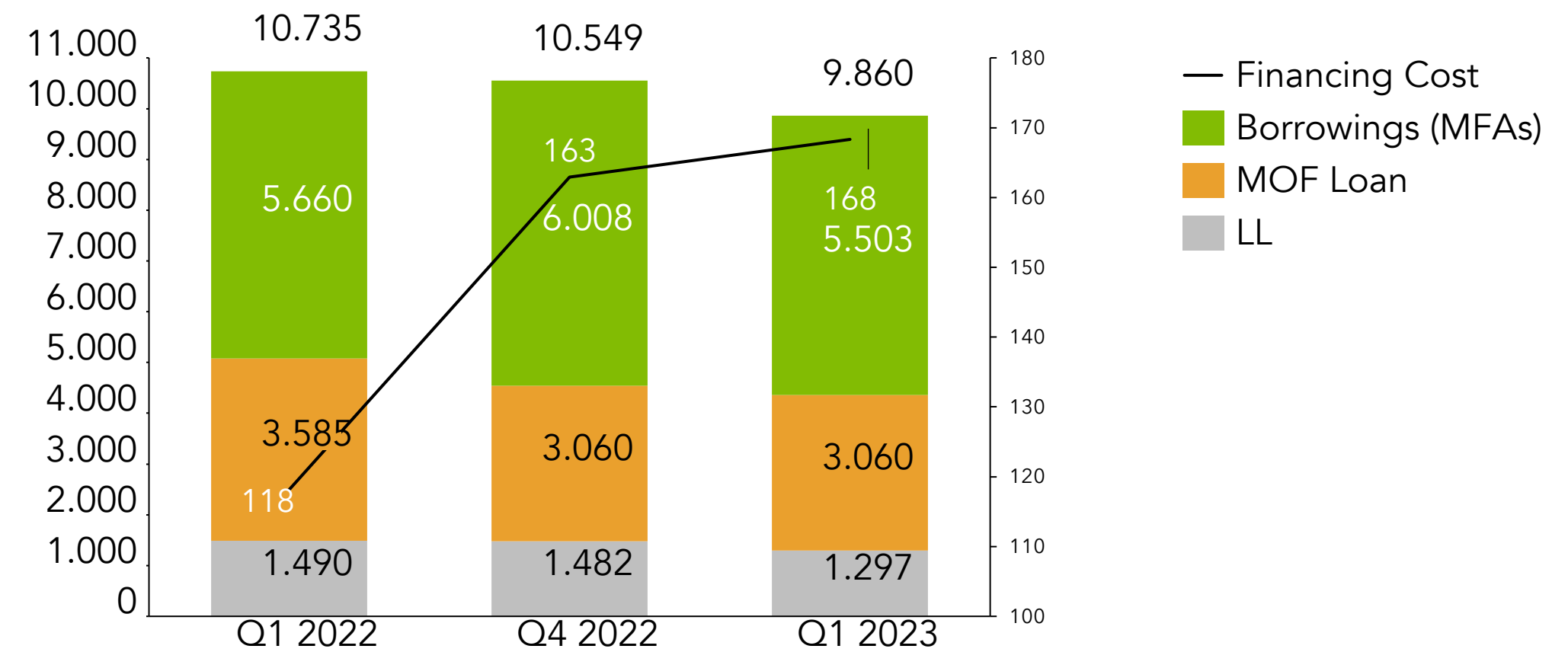


# Financial Highlights

OPERATIONAL INCOME) [Million SAR]

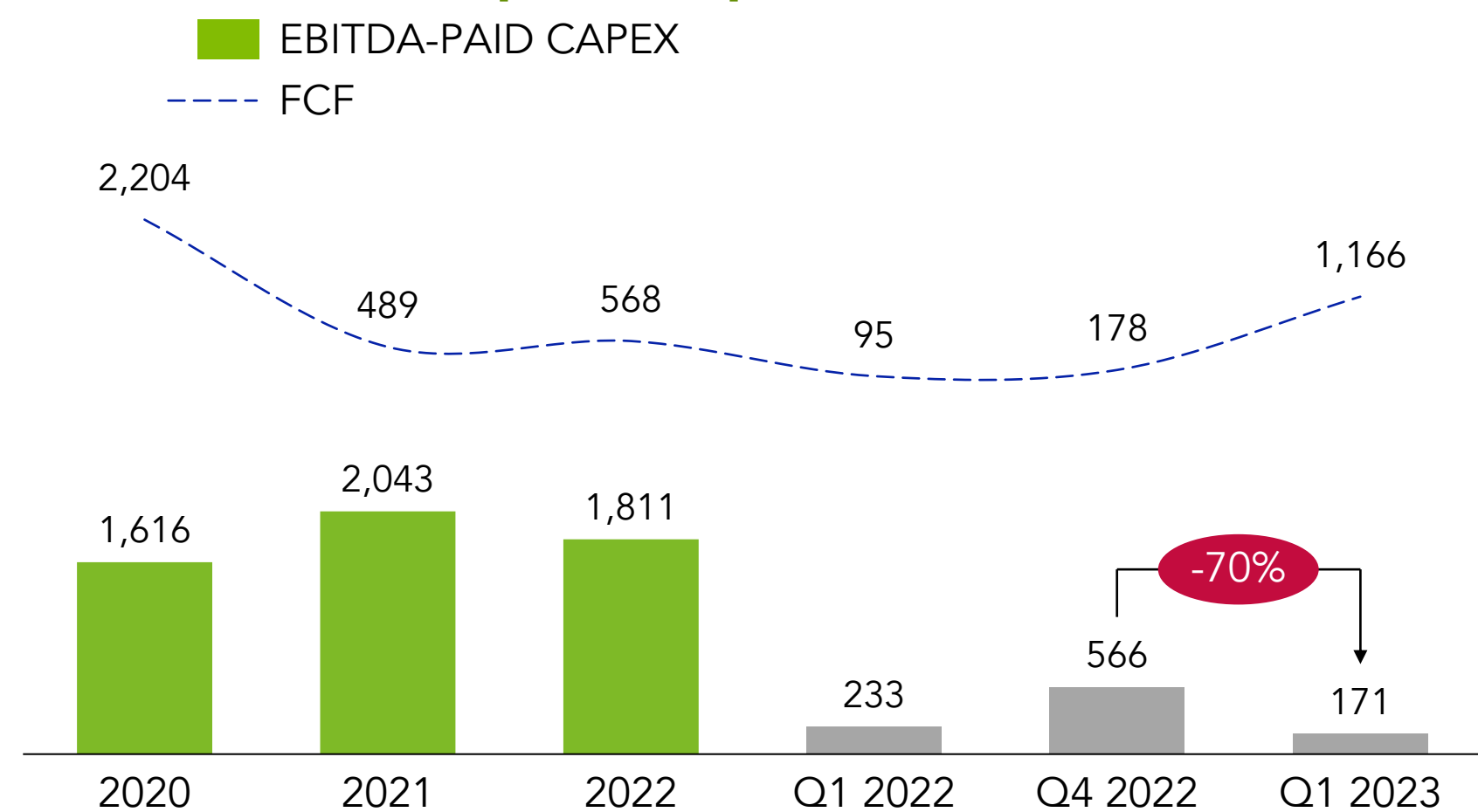


Financial Debts [Million SAR]  
Financing cost [Million SAR]



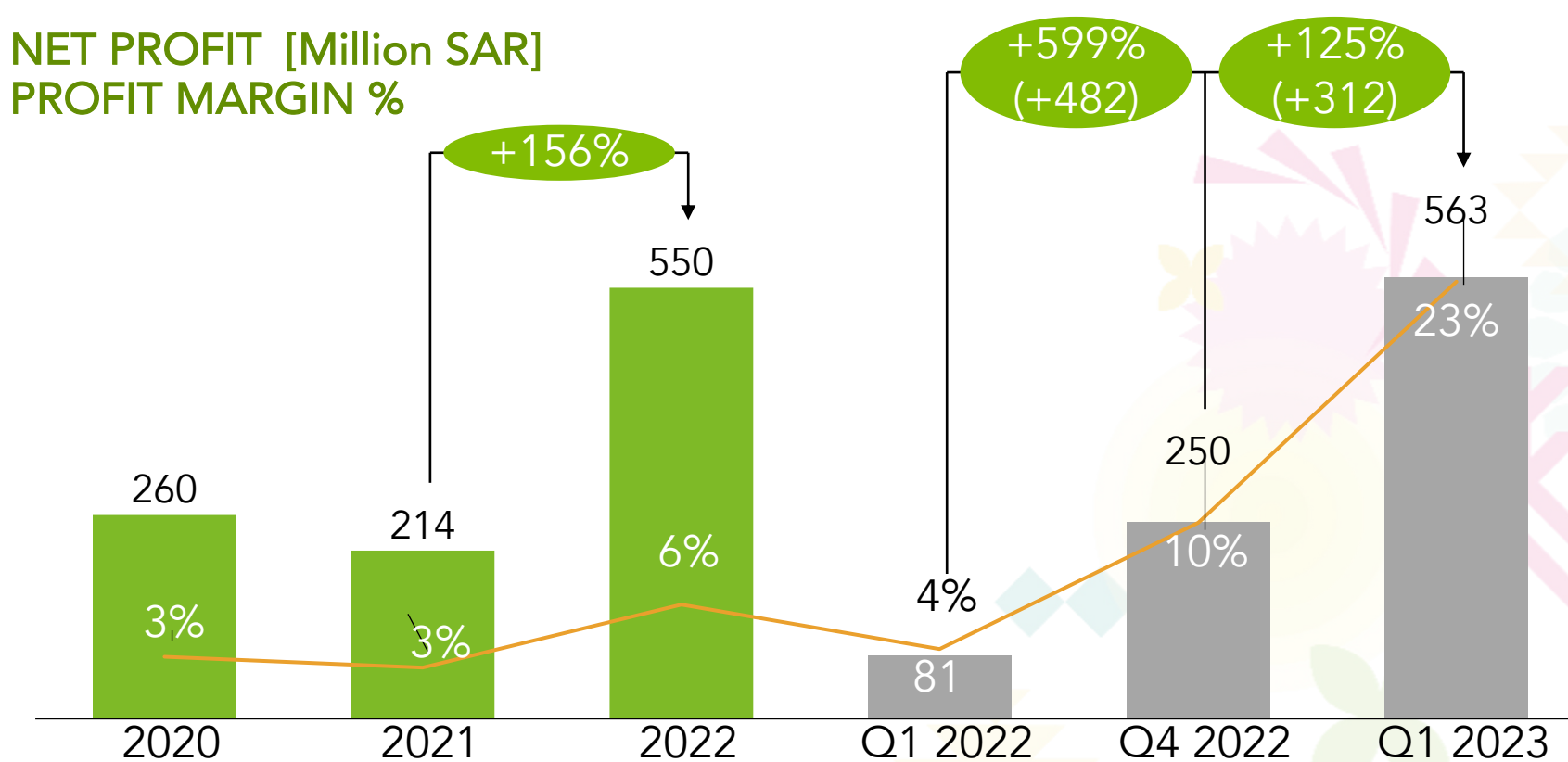
- Financing Cost inclusive of Lease liabilities inclusive of LL cost

EBITDA – CAPEX [Million SAR]



- PAID CAPEX relevant to fixed and intangible assets

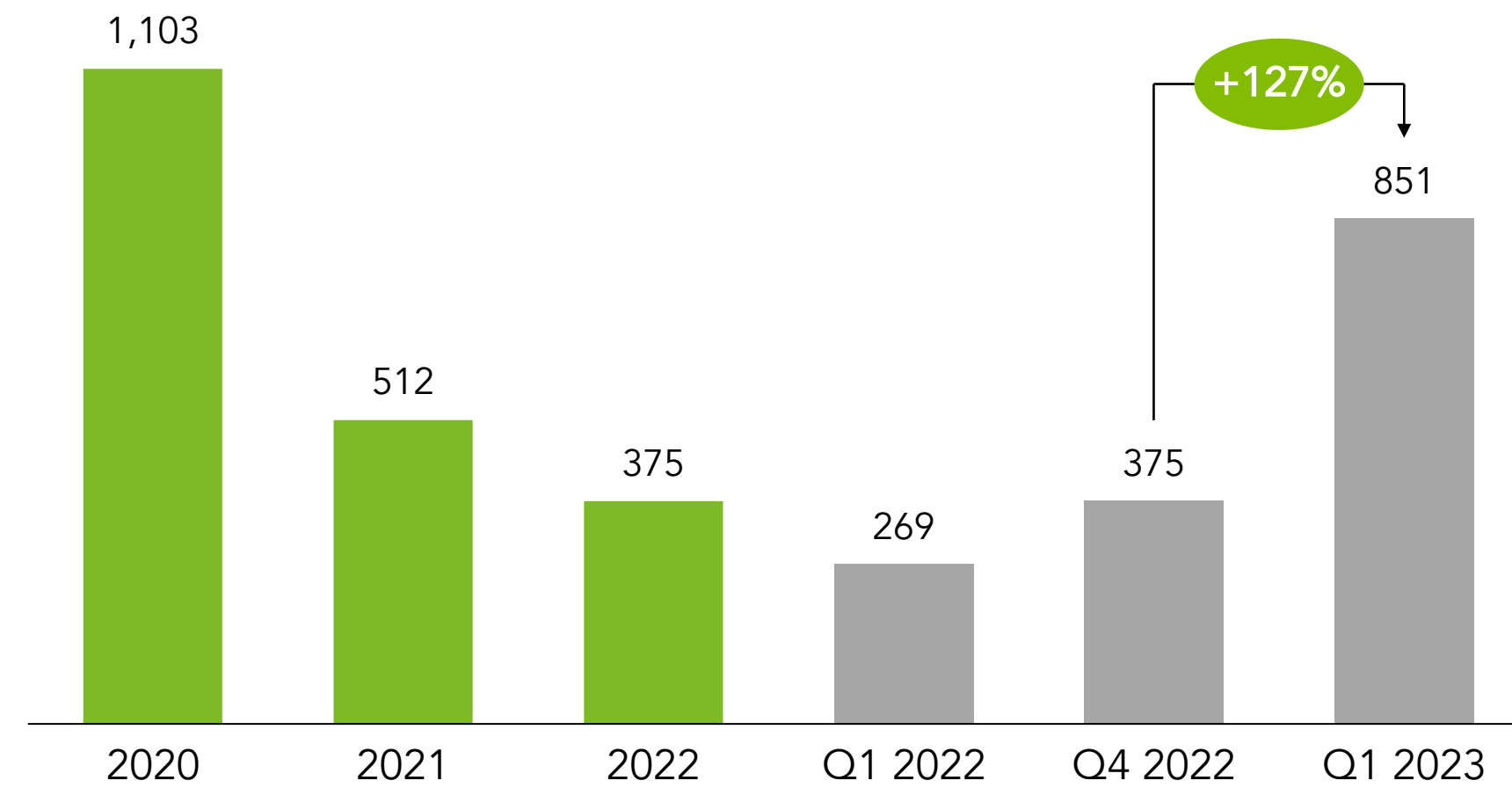
NET PROFIT [Million SAR]  
PROFIT MARGIN %



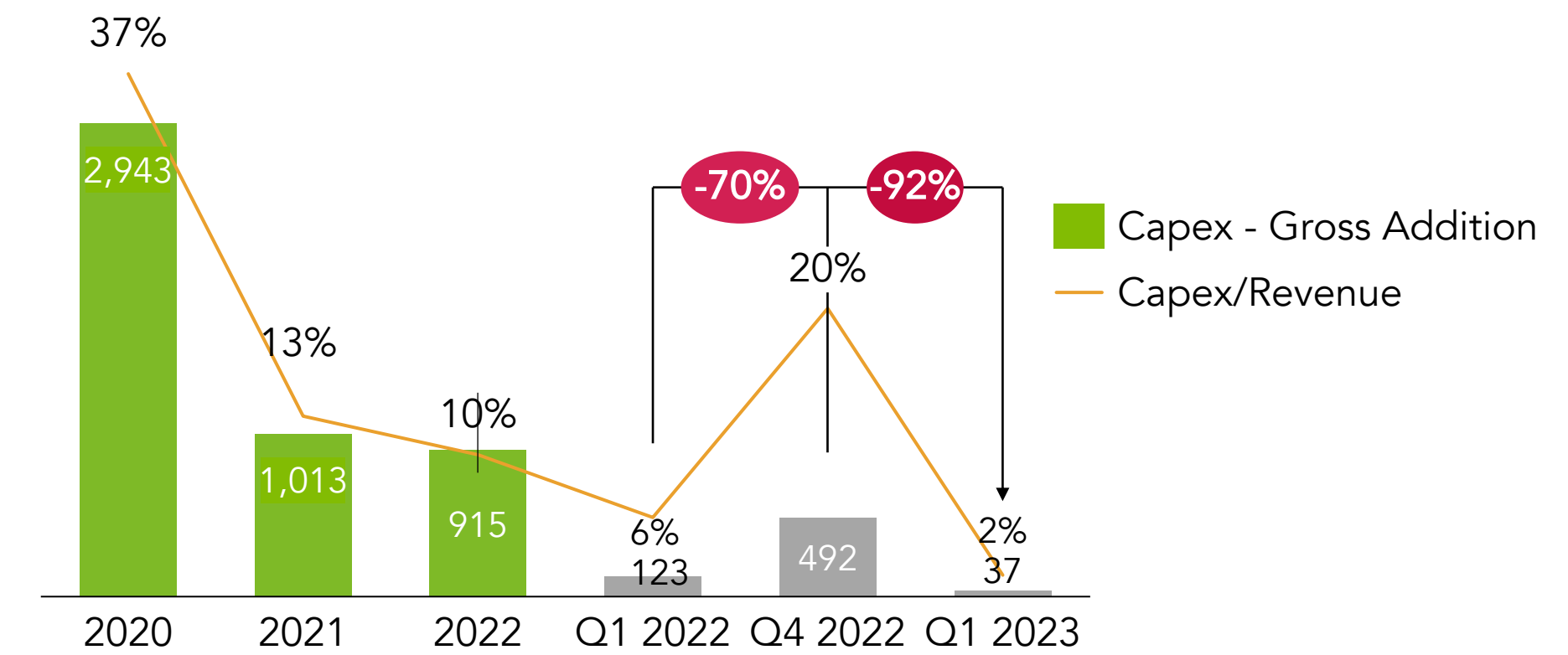


# Financial Highlights

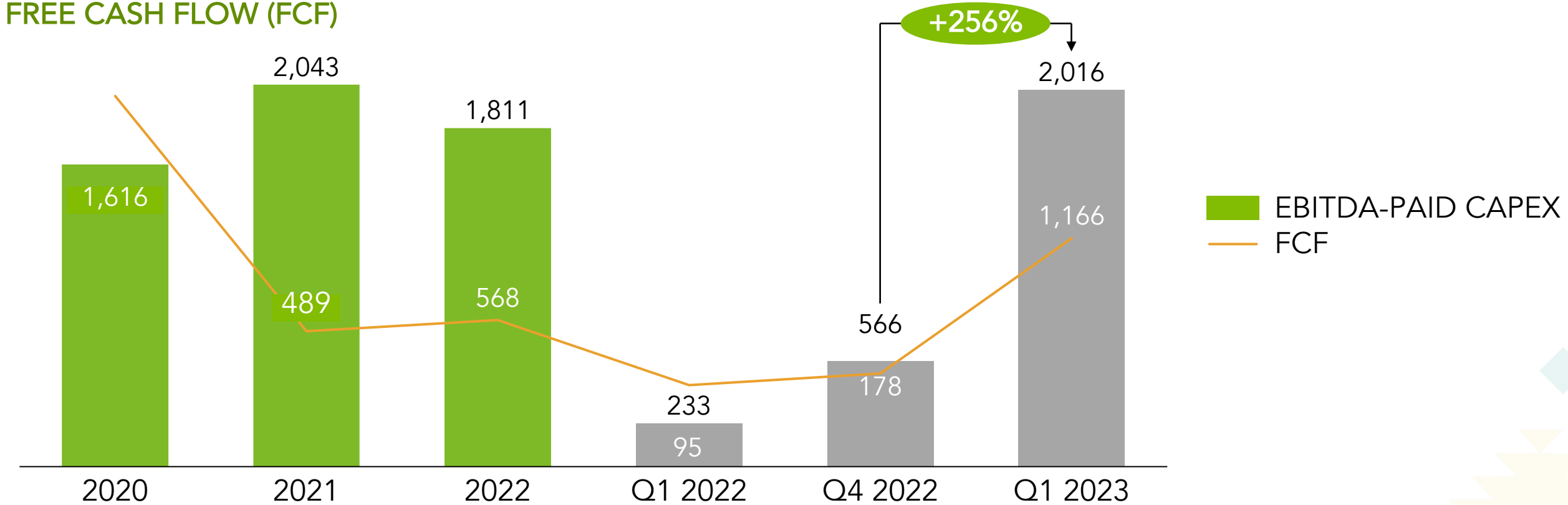
CASH BALANCE [Million SAR]



CAPEX, CAPEX/ REVENUES [Million SAR]



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





# 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	5,503
Government Loan (MoF)	Ministry of Finance	3,060

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

	Q1 2023	2022	2021	2020
Net Debt	7,712,128	8,692,129	8,986,874	6,825,002
EBITDA	3,138,564	3,154,851	3,128,337	3,441,087
Debt/(Debt +Equity)	45.26%	48.06%	51.24%	47.60%
Net Debt/EBITDA (Annualized)	2.46	2.76	2.87	1.98

• EBITDA annualized

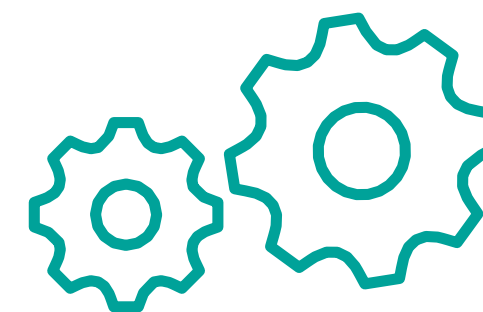


# Company Debt



## 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](mailto:investor.relations@sa.zain.com)

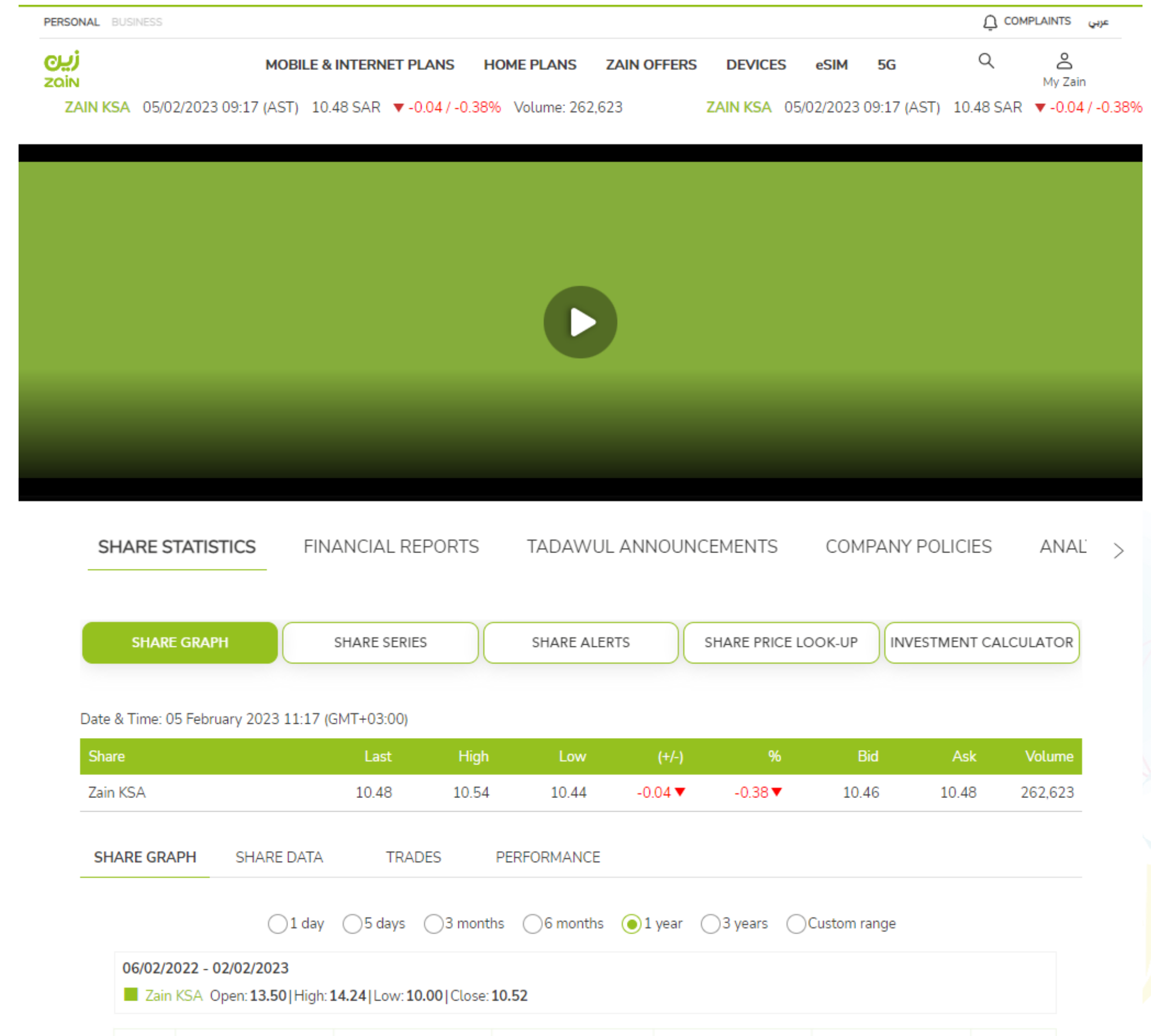


+966 59 244 8888

## Investor Relations app



## Investor Relations



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

# Thank You



[qrco.de/zain23q1](https://qrco.de/zain23q1)

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