



# INVESTOR PRESENTATION

## Zain Group Q3 2023 Results

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# OUR GROUP AT A GLANCE **9M 2023**



**52  
MILLION**

ACTIVE CUSTOMERS  
**+0.2% YoY**



**\$4.6  
BILLION**

IN REVENUE  
**KD1.4 b**  
**+11% YoY**



**\$1.7  
BILLION**

IN EBITDA  
**KD530 m**  
**+8% YoY**

**+37%  
EBITDA  
MARGIN**



**\$561  
MILLION**

IN NET INCOME  
**KD172 m**  
**+13% YoY**



**13  
CENTS**

IN EPS  
**40 FILS**

## OUR OPERATIONS



Over  
**7,800**  
EMPLOYEES



**KUWAIT**



**KSA**



**IRAQ**



**SUDAN**



**JORDAN**



**BAHRAIN**



**SOUTH SUDAN**

*Contribution*

**REVENUE %**  
CUSTOMERS %

**19%**

5%

**42%**

17%

**15%**

35%

**9%**

30%

**9%**

8%

**3%**

2%

**1%**

3%

Zain has a 15.5% ownership in Moroccan mobile operator "INWI"

**PRESENCE IN KEY ECONOMIES IN THE GULF REGION AND RESILIENT UPSIDE POTENTIAL IN SUDAN AND SOUTH SUDAN**

# KEY EVENTS

## Interim Dividends 10 fils for H1 2023

On September 14<sup>th</sup>, shareholders were issued an interim dividend of 10 fils per share, totaling KD 43.3 million for the first half of 2023.

## Negotiations are exclusively underway with Ooredoo and TASC Towers, with the goal of finalizing an agreement by the year's end

Comprising of up to 30,000 towers in Qatar, Kuwait, Algeria, Tunisia, Iraq and Jordan, passive infrastructure only.

## TowerCo Update

- **Saudi PIF** to buy Remaining **20% stake** of the TowerCo (GLI) for SAR 726m (\$194m)
- **Zain KSA:** Transferred additional 1,400 sites at a gain of \$54m during Q3
- **Zain Iraq:** Transferred TTI to TASC for a gain of \$9m

## Regulatory Update

**Kuwait:** Zain has received the first tranche of payment (KD 2.5m) related to Number range and followed by second tranche during Q4

**Iraq:** CMC and MOC to move forward with the 4<sup>th</sup> license

**Bahrain:** Regulatory Authority plans to increase annual license fee cap from 1% to 2% of annual revenue

## ZainTECH's Growth and Success

ZainTECH Enters acquisition agreement with STS



# 4SIGHT

## Creating Our Sustainable & Digital Future



### 01 Digital Transformation

Transforming the **telco core** to provide customers with the best experience, while simultaneously streamlining the back end and reaping the best of analytics for Zain to thrive and even lead in the digital era



### 02 Enterprise and Government

Working closely with organizations of all sizes to provide them with the necessary connectivity and the latest solutions required to achieve their business and operational objectives

## EVOLUTION OF TELCO



### 03 Fixed and Convergence

Transforming from a mobile centric telecom into an integrated player offering fixed-mobile convergence and serving the needs of consumers and businesses



### 04 Portfolio Optimization

Continuously seeking opportunities to realize synergies and unlock potential value through M&A activities

### ICT 01



Establishing a regional center of excellence developing and providing the latest ICT, managed services and digital solutions

### Digital Infrastructure 02



Building a leading independent digital infrastructure player including TowerCo, Data Center Co, Fiber Co and others as relevant

## GROWTH VERTICALS

### Fintech 03



Introducing a suite of digital financial and insurance services contributing to the evolution of the region's digital ecosystem

### Digital Services 04



Leading the development of the digital services' landscape in the region



THE REGIONAL INTEGRATED DIGITAL SOLUTION PROVIDER,  
UNIFYING ZAIN GROUP'S ICT ASSETS TO OFFER A UNIQUE VALUE  
PROPOSITION OF COMPREHENSIVE DIGITAL SOLUTIONS AND  
SERVICES UNDER ONE ROOF.

## REGIONAL BIGGEST FOOTPRINT

Bahrain . Iraq . Jordan . Kuwait . Oman



.Saudi Arabia . Sudan . South Sudan . UAE



### LINES OF BUSINESS

CLOUD, CYBERSECURITY, BIG DATA, IOT, AI, SMART CITIES,  
DRONES AND ROBOTICS, AND EMERGING TECHNOLOGIES.

## STRATEGIC PARTNERSHIPS

Atos

LigaData



Microsoft

ORACLE

vmware

aws



Tunstall



CLOUDERA

## ACQUISITIONS

BIOS  
Be secured. Be assured

ADFOLKS.  
ACCELERATE DIGITAL

# ZAIN VENTURES

- Zain Ventures is the Corporate Venture Capital arm of Zain looking for opportunities in the world of venture capital.
- Invested in regional and international VC funds as well as direct strategic investments, creating synergies and leveraging on Zain's geographical reach and customers.

## INVESTMENT IN FUNDS



## DIRECT INVESTMENTS



INVESTED	EXISTING VALUATION
<b>\$18.4m</b>	<b>1.7x</b>



**ZAIN HAS EVOLVED AS AN ACTIVE PLAYER WITH A FOCUS ON STRATEGIC INVESTMENTS**

# ZAIN FINTECH



KSA



- Licensed by Saudi Central Bank (SAMA), Tamam is the first micro-financing license in region .
- Launched Murabaha Financing in Q2 2022



IQ



- Zain Cash Iraq is a mobile wallet licensed by Central Bank of Iraq to offer innovative financial services
- Secured License to offer Credit Cards Services in 2023



JO



- Zain Cash is the largest mobile financial services provider
- Launch of credit card services as well as remittance services in collaboration with Western Union



BH



- Awarded a Fintech license by CBB in October 2022 and expect to launch services end of 2023



SD



- Fintech License was awarded in May 2022, Launch pending the resolution of the situation in Sudan



KW



- Results of the Digital Banking application submitted to the Central Bank of Kuwait and expect the result to be announced soon

+264% YoY

Fintech Revenue  
9M 2023

+81% YoY

Transactions Volume  
9M 2023

# TOWER DEALS

17K Towers sold for a value of \$1.2 billion

UPCOMING  
DEALS



ZAIN  
BAHRAIN



ZAIN  
SUDAN



ZAIN  
S. SUDAN

## COMPLETED



ZAIN  
IRAQ

Transferred TTI to TASC for a gain of \$9m



4,604  
TOWERS

\$180  
MILLION



ZAIN  
KSA

Sale of tower assets to Saudi's PIF for \$807m in Jan 2023; 3,600 sites disposed during Q1 and 1,400 site in Q3 2023



8,069  
TOWERS

\$807  
MILLION



ZAIN  
JORDAN

Zain Jordan completed sell and leaseback tower portfolio to TASC Towers



2,607  
TOWERS

\$89  
MILLION



ZAIN  
KUWAIT

Zain Kuwait completed the sale and leaseback of mobile tower portfolio to IHS Holding Limited



1,620  
TOWERS

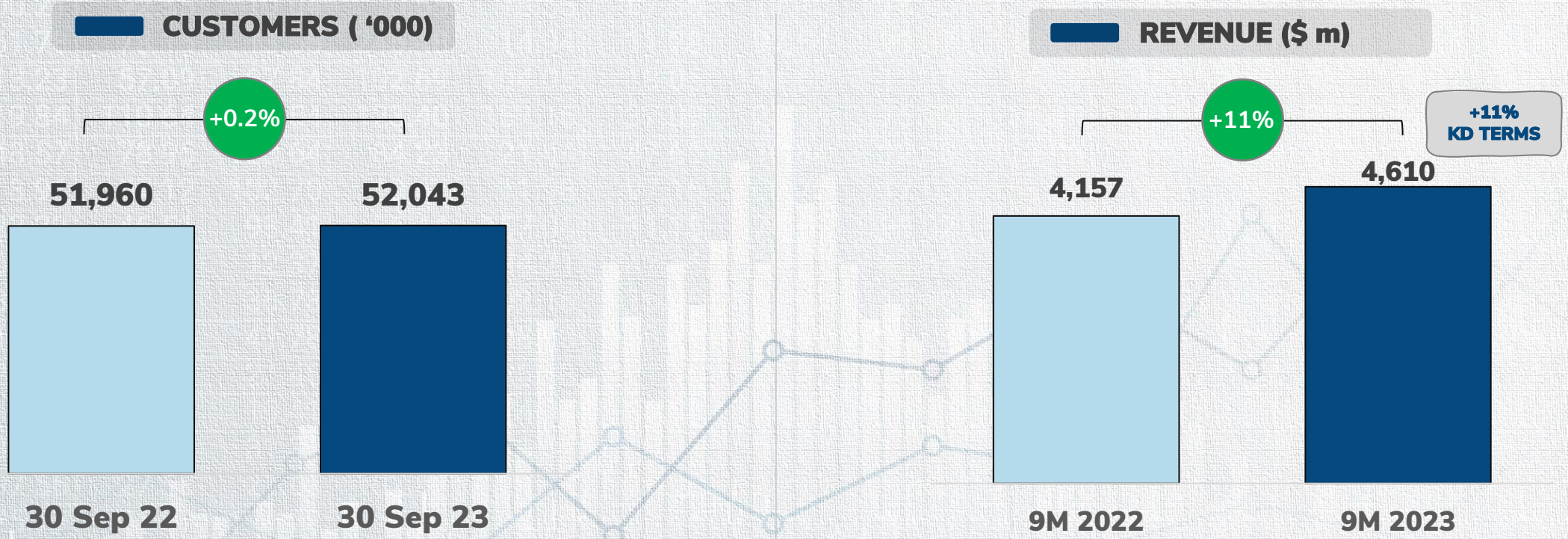
\$130  
MILLION



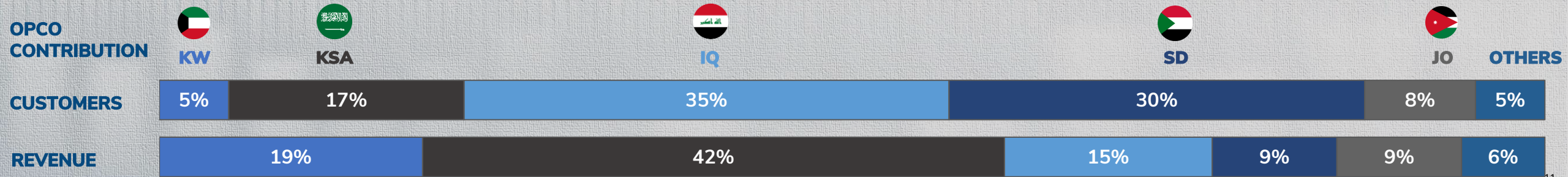
# GROUP FINANCIAL REVIEW



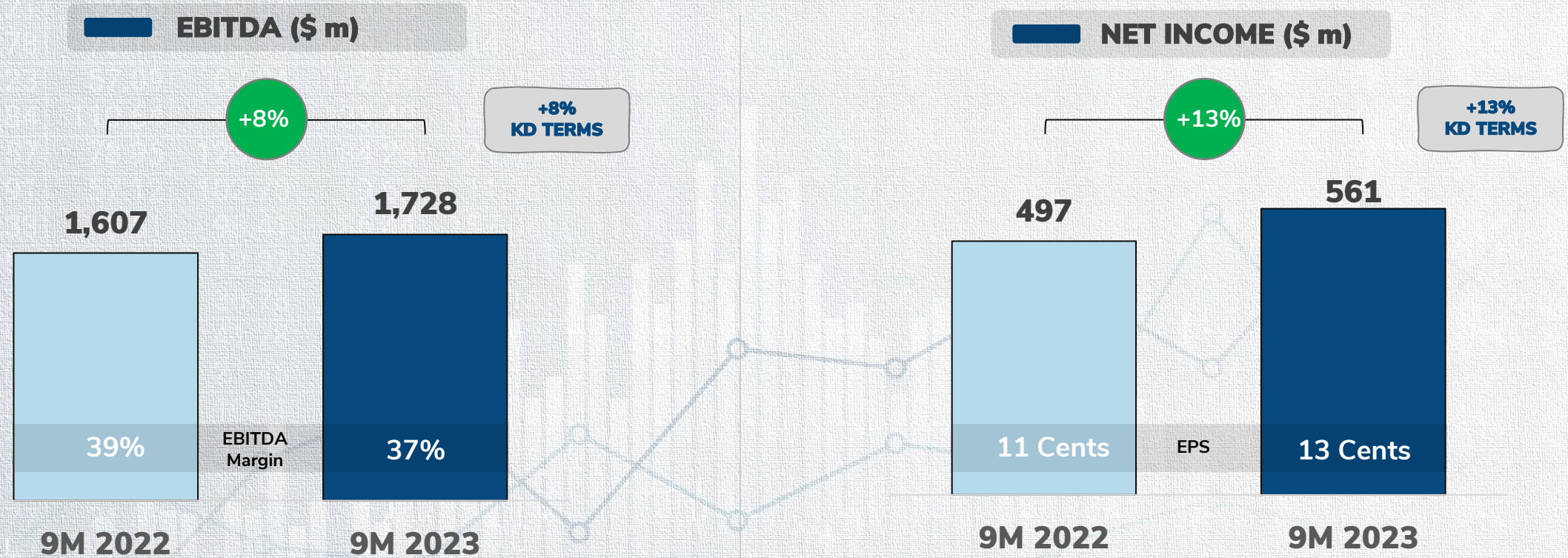
# GROUP KPIs



All Major operations reported healthy top line growth for 9M 2023  
 Revenue up by 28% for Zain Sudan, 10% Zain KSA, and 19% Zain Iraq



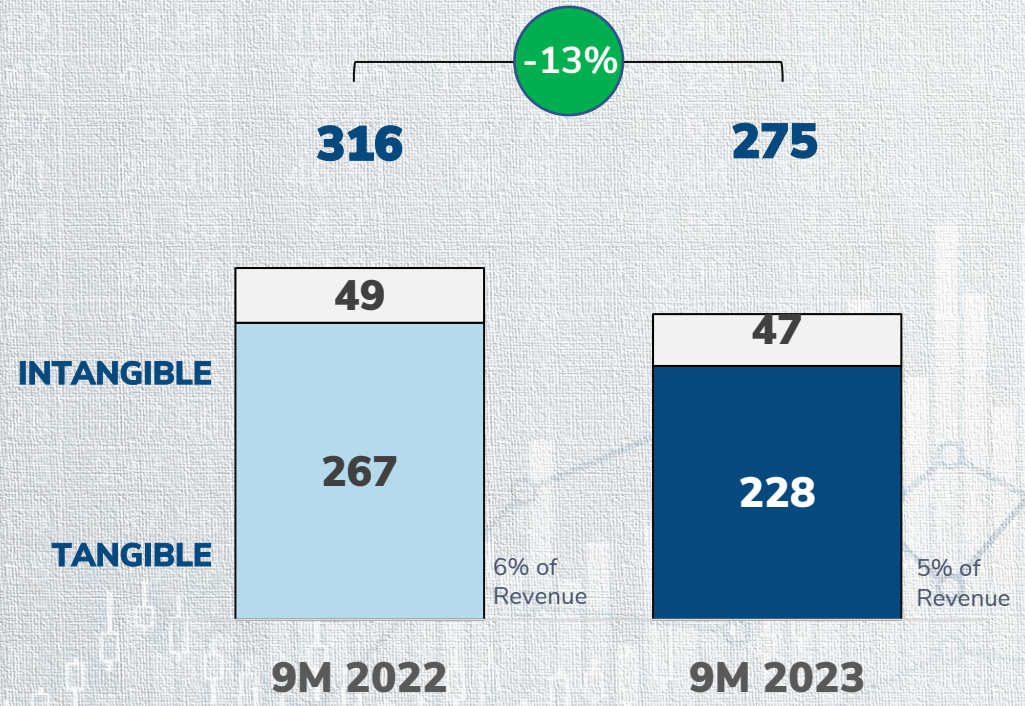
# GROUP EBITDA & NET INCOME



- Lower ECL Charges mainly from KSA on account of improved in collection.
- Savings in Depreciation & Amortization \$17m, mainly from tower sale in KSA and Iraq and license extension in Jordan.
- Gain on sale of towers from KSA.

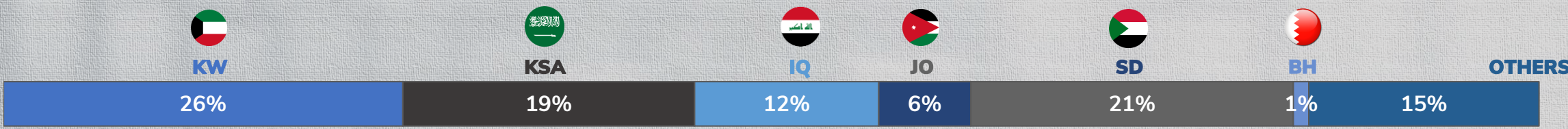
# GROUP TOTAL CAPEX

(USD m)



- Continuation of expansion of 5G & 4G networks across the Opcos
- investment in FTTH in Jordan to reach more homes and regions
- IT BSS modernization across many opcos
- Data Center Modernization
- Transmission capacity upgrades details

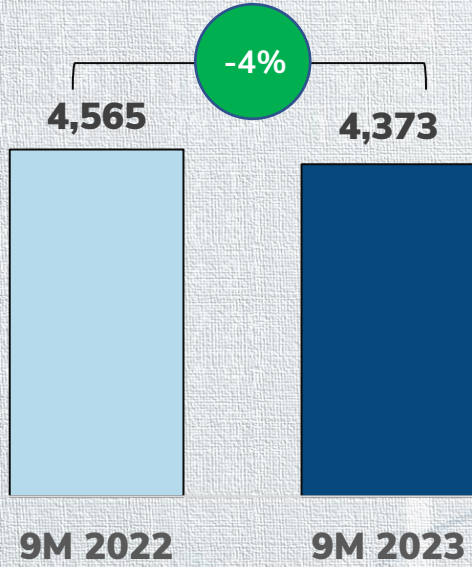
## OPCO CONTRIBUTION



# DEBT PROFILE

(USD m)

## DUE TO BANKS (\$ m)



# 1.87x

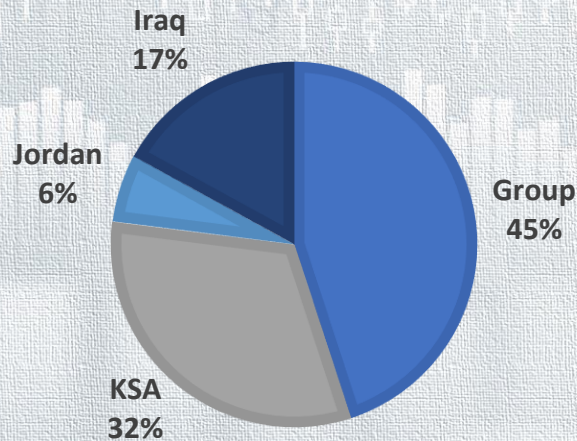
Total Net Debt / EBITDA  
Among the lowest in the region

## Effective Interest Rate

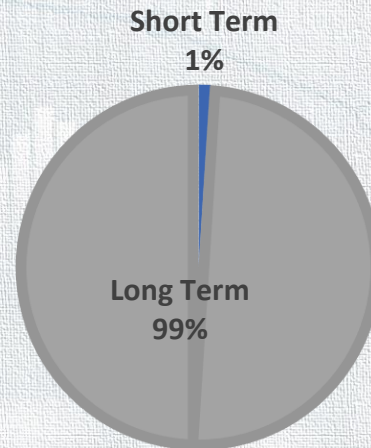
# 6.35%

As at 30 Sep 2023

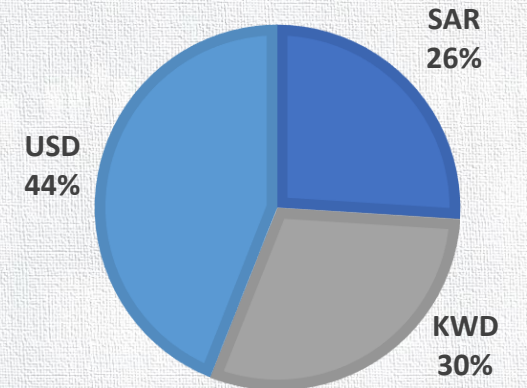
## DEBT BY OPCO



## DEBT BY MATURITY



## DEBT BY CURRENCY



# GROUP FINANCIAL KPIs

(KWD m)

Income Statement (KWD m)	9M 2023	9M 2022
Revenue	1,415	1,270
EBITDA	530	491
Net Income	172	152
EPS (Fils)	40	35

Balance Sheet (KWD m)	Sep 2023	Sep 2022
Cash and Cash Equivalents	294	217
Total Assets	5,087	4,898
Total Debt	1,351	1,415
Total Equity	1,954	1,868

Cash Flow (KWD m)	9M 2023	9M 2022
Operating	353	321
Investing	14	(184)
FCF	367	137
Financing	(319)	(153)
Effect of FX impact	(5)	(3)
Ending Cash Balance	277	212

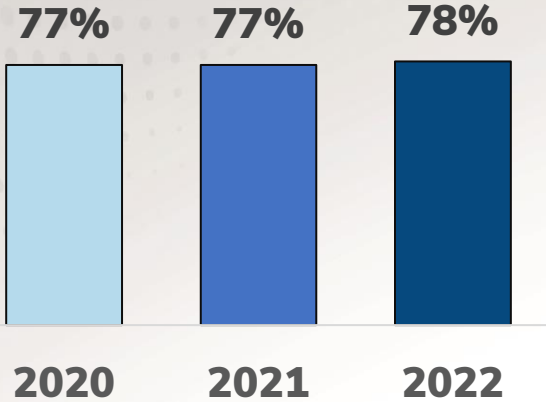
Group consolidated 9M 2023 net profit increased 13%, due to exceptional top-line performance of 11% growth, mainly from KSA, Iraq, and Sudan.

For the 9M 2023 period, Zain KSA revenue grew by +10% mainly driven by Enterprise and Fintech revenue streams. Zain Iraq revenue grew by +19% due to better operational performance and significant improvement in macroeconomic environment in the country. In Sudan, despite the ongoing conflict, 9M 2023 revenue grew by +28% due to price revamp initiatives during 2022 and Q1 2023.

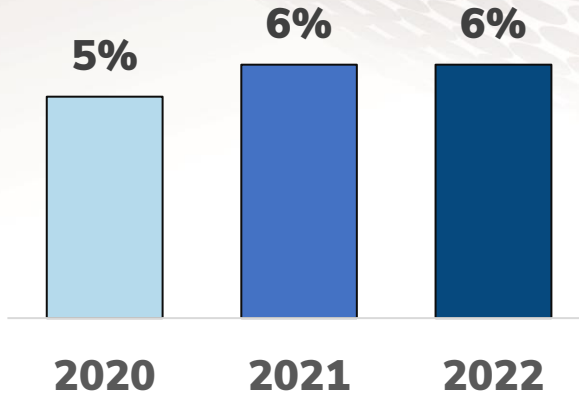
During 9M 2023, Zain KSA transferred 5,000 towers at a gain of KD 63m (Zain Group share - KD 23m) which is recognized in the Group's statement of profit and loss.

# DIVIDENDS

## DIVIDEND PAY-OUT RATIO

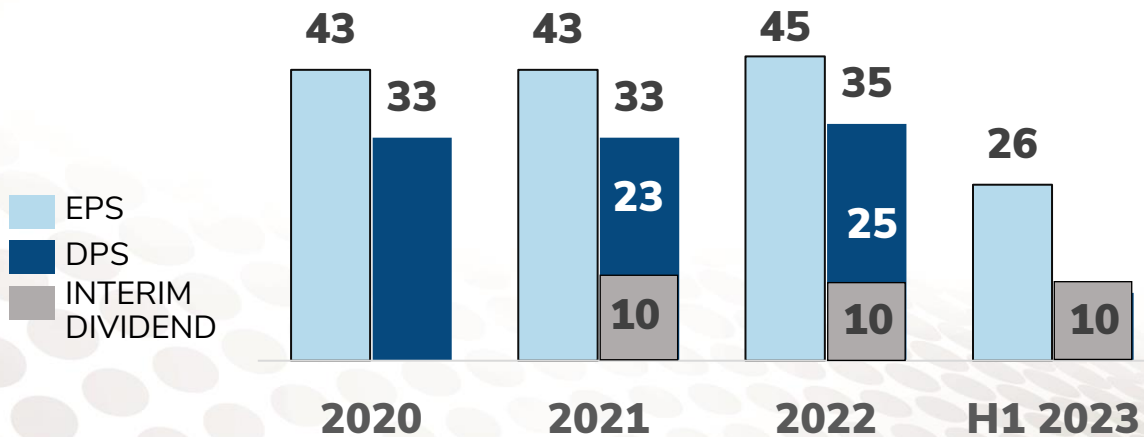


## DIVIDEND YIELD



- Distributed 3<sup>rd</sup> consecutive interim dividend of **10 fils** per share for the first six months of 2023
- High **70%** range - Average dividend payout ratio
- Dividend of **35 fils/share** for FY 2022 vs. 33 fils/share for 2021
- **AGM approved adoption of a minimum cash dividend policy of 35 fils per share for three years, commencing 2023**

## EPS & DPS (Fils)



# ZAIN SHARE PRICE

## SHARE PRICE MOVEMENT



**TOTAL SHARES**

4,327,058,909

**P/E**

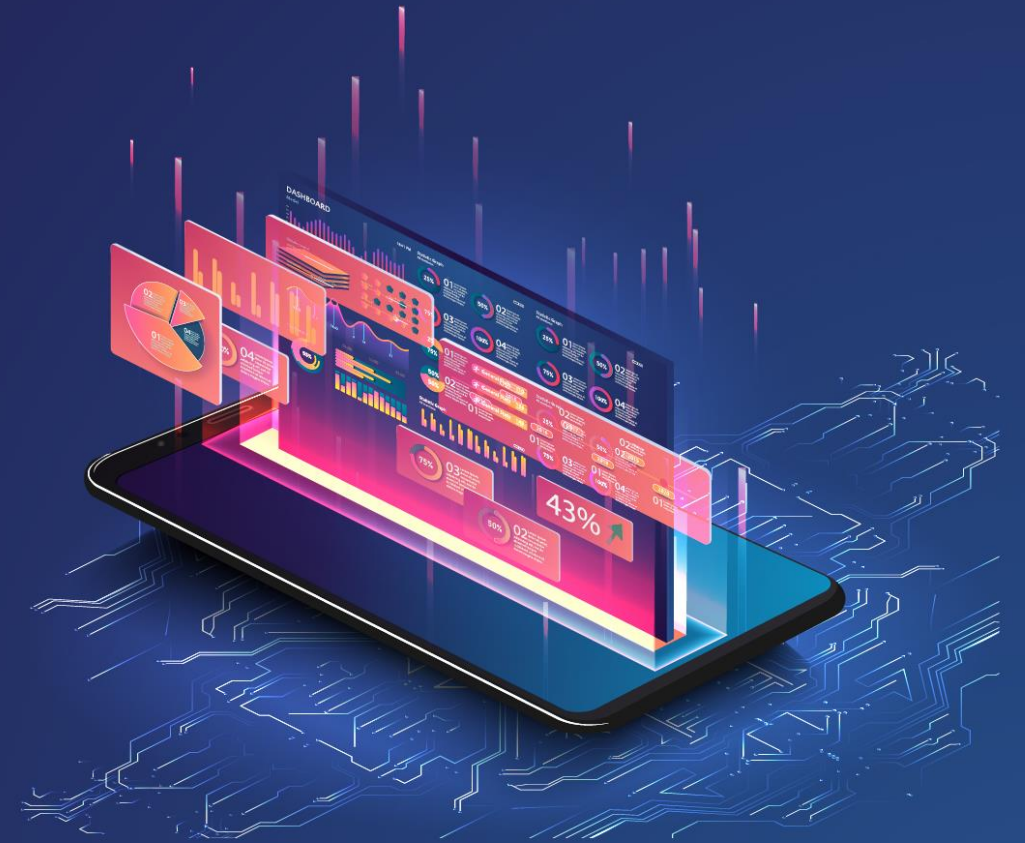
~13 TIMES

**MARKET CAP**

USD 7 BILLION

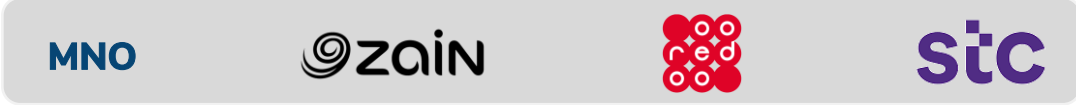
**THE SUSTAINED TRUST AND CONFIDENCE OF OUR SHAREHOLDERS ENABLED US TO REMAIN FOCUSED ON ACHIEVING OUR STRATEGIC OBJECTIVES AND MAXIMIZING RETURNS IN THESE CHALLENGING TIMES**

# OPERATIONAL REVIEW





**EAMAN AL ROUDHAN**  
CEO












**100%**  OWNERSHIP

**1983**  OPERATIONS

- Zain Kuwait maintains **its market lead** in terms value share... **customer base** grew by 1% to 2.6m
- Red Bull Mobile** launched on September 5<sup>th</sup>
- Number Range case:** Zain has received the first tranche of payment (KD 2.5m) related to Number range and followed by second tranche during Q4
- Data revenue** formed **38%** of total revenue
- Digital banking application result** is expected soon
- CITRA requests to **shutdown the 3G technology**, deadline announcement is pending.





								
<b>2.6M</b>	<b>33%</b>	<b>38%</b>	<b>\$25</b>	<b>56%</b>	<b>5G</b>	<b>\$71M</b>	<b>100%</b>	<b>175%</b>
CUSTOMER BASE	MARKET SHARE	VALUE SHARE	BLENDED ARPU	PREPAID BASE	NETWORK TECHNOLOGY	TOTAL CAPEX	POPULATION COVERAGE %	MARKET PENETRATION



**SULTAN ALDEGHAITHER**  
CEO



<b>37%</b>	 OWNERSHIP
<b>2008</b>	 OPERATIONS

- 🌀 **Sale of tower assets**, second batch of 1,400 Towers transferred in Q3 2023, for **\$54m gain**
- 🌀 Strong growth in **B2B**, revenue up by **30% YoY**
- 🌀 Strong growth in **5G** revenue
- 🌀 Strong performance from **Tamam**, customers reached **86K** and revenue jumped **239%**
- 🌀 Digital operator **Yaqoot** revenue has grown **76%** and customers increased **67%**.
- 🌀 **Data revenue** grew by **2%** and formed **40%** of total revenue



**8.9M**

CUSTOMER  
BASE



**\$17**

BLENDED  
ARPU



**63%**

PREPAID  
BASE



**5G**

LARGEST NETWORK IN  
THE REGION



**\$51M**

TOTAL  
CAPEX



**99%**

POPULATION  
COVERAGE %



**118%**


MARKET  
PENETRATION



**ALI AL-ZAHID**  
CEO




76%



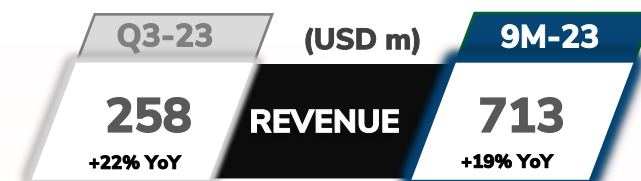
OWNERSHIP





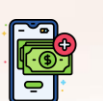




2003



OPERATIONS

- 🌀 **Record Revenue** - Zain Iraq has achieved tremendous results over Q3 across multiple financial metrics, breaking several records over the past 4 years
- 🌀 Transferred TTI to TASC for a **gain of \$9m**
- 🌀 Record **Ziyara season** with optimal monetization – Best season post-covid
- 🌀 CMC and MOC to move forward with the **4<sup>th</sup> license operator** in Iraq
- 🌀 **Digital operator “oodi”** consistently growing its customer base, and boosting its revenues
- 🌀 Removal of **sales tax of 20%** on prepaid recharges starting December 2022
- 🌀 Iraqi Dinar **appreciation** against the USD, contributes positively



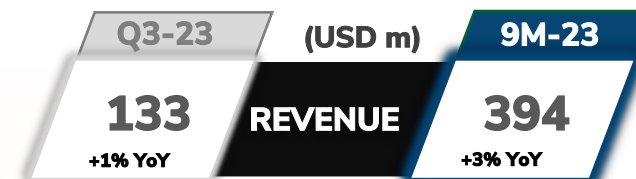
								
<b>18M</b>	<b>51%</b>	<b>44%</b>	<b>\$4</b>	<b>92%</b>	<b>4G</b>	<b>\$34M</b>	<b>99%</b>	<b>108%</b>
CUSTOMER BASE	MARKET SHARE	VALUE SHARE	BLENDED ARPU	PREPAID BASE	NETWORK TECHNOLOGY	TOTAL CAPEX	POPULATION COVERAGE %	MARKET PENETRATION



**FAHAD ALJASEM**  
CEO



- Official launch of **5G** in Amman
- Data revenue** grew by **1%** YoY, and formed **50%** of total revenue
- Expansion of **FTTH** network boosts revenue and customer base
- Healthy growth in **Digital & B2B** revenues
- Signed a **settlement agreement** with TRC, which include revamp of revenue share ratios, 10-year extension of 2G, 3G & 4G spectrum licenses, a 25-year 5G license for an amount of around \$120
- Decrease in License amortization** due to license extension based on **settlement agreement**



**4.0M**

CUSTOMER BASE



**35%**

MARKET SHARE



**47%**

VALUE SHARE



**\$10**

BLENDED ARPU



**58%**

PREPAID BASE



**5G**

NETWORK TECHNOLOGY



**\$16M**

TOTAL CAPEX



**99%**

POPULATION COVERAGE %



**83%**

MARKET PENETRATION



**HISHAM ALLAM**  
CEO












**100%**  OWNERSHIP

**2006**  OPERATIONS

- Despite the ongoing socio-political challenges, Zain Sudan managed to **outperform** the numbers from last year
- Strong growth of **66% YoY** in **B2B**
- Fintech** License was awarded in **May 2022**, launch pending the resolution of the situation in Sudan
- Data revenue** increased by 41%, representing 35% of total revenue



								
<b>15.6M</b>	<b>51%</b>	<b>61%</b>	<b>\$3</b>	<b>98%</b>	<b>4G</b>	<b>\$57M</b>	<b>90%</b>	<b>70%</b>
CUSTOMER BASE	MARKET SHARE	VALUE SHARE	BLENDED ARPU	PREPAID BASE	NETWORK TECHNOLOGY	TOTAL CAPEX	POPULATION COVERAGE %	MARKET PENETRATION

# ZAIN BAHRAIN

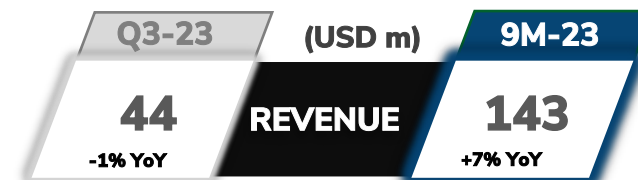


**DUNCAN HOWARD**  
CEO



<b>65%</b>	OWNERSHIP
<b>2003</b>	OPERATIONS

- 🌀 **Data revenue** formed **47%** of total revenue and grew **6%** YoY
- 🌀 Zain Bahrain became the **1<sup>st</sup>** operator in the Middle East to **shutdown 3G services**
- 🌀 Focused on the continued expansion of **5G** and **4G** infrastructure
- 🌀 Strong growth in **B2B** fiber
- 🌀 Awarded a **Fintech license** by CBB in October, expected to launch services by end of 2023
- 🌀 The regulator plans to increase the **annual license fee** cap from **1%** to **2% in 2024**
- 🌀 First operator in the Middle East and Africa to deploy the latest **5G Massive MIMO radio** to reduce Zain's 5G site-level power consumption by 15%.



**\$17**

BLENDING  
ARPU



**5G**

NETWORK  
TECHNOLOGY



**\$3.2M**

TOTAL  
CAPEX



**100%**

POPULATION  
COVERAGE %



**117%**

MARKET  
PENETRATION



# THE MOST ADVANCED DIGITAL MONETIZATION ECOSYSTEM PROVIDER IN THE MENA REGION

## CONNECT YOUR BUSINESS

Connect your business to the World of Zain as We are connected to over **54 Mn** customers across Zain Operators and Omantel

## VERSATILITY IN APPLICATION

We support a variety of **75** services across business verticals including but not limited to Entertainment, Gaming, Education, Health and many more...

## ONE CONTRACT-ONE INTEGRATION

Use the scale of Zain Group to minimize time-to-market with more than **30** merchants live on platform



**In Q3, Dizlee won the 'Direct Carrier Billing Excellence' Award at the Global Carrier Billing Summit in Amsterdam**

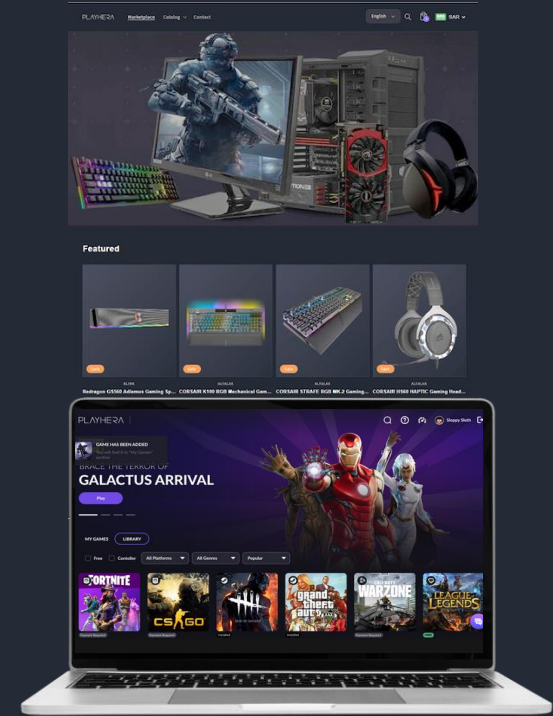
**Dizlee showcased its bouquet of services across multiple conferences and industry events – increasing its brand positioning**



# ZAIN ESPORTS UPDATES

- Playhera Max (cloud gaming platform) tested with Zain Kuwait and Omantel in Q3 2023
- Playhera Dream Series (Regional Yearly tournaments) concluded with 18k participants

PLAYHERA



## STATISTICS:



**55,000+**  
participating  
gamers



**75 Mn+**  
Social Media  
Impressions



**110 Mn+**  
Social Media  
Engagements



**54k**



**26k**



**104K**



**32K**



**28K**

# Corporate Sustainability Key Highlights



## CLIMATE CHANGE

- **Water Management** - Created tracking dashboard for target assessment
- **CDP Submission** – Submitted to CDP Zain’s disclosure on its climate action
- Conducted assessment to integrate **Science Based Target Network (SBTN)** for Nature and Biodiversity



## GENERATION YOUTH

- Zain Group scored **8.4/10** in the Children’s Right and Business 2023 Global Benchmark. Zain reached **Leader** position against a sector average of **5.8/10** and a regional average of **3.4/10**
- Revamped the **ZY stream to focus on the advancement of green skills** to support the transition to net-zero – to be implemented with DE&I



## INCLUSION

- Working on PwD bundle target to ensure adoption across footprint:

OpCo	Status
BH	Yes
IQ	No viable business case – priority cards available in branches
JO	Yes
KSA	Yes + elderly community
SD	NA
SS	Yes



## OPERATING RESPONSIBLY

- Conducted investor call with Blackrock on Climate Action, Supply Chain Management, Human Rights, Diversity Equity & Inclusion

### REPORTING & DISCLOSURE ON ESG

- Finalized the Thought Leadership 40-Year/Human Rights Report Highlights – launched during GITEX
- Follow up on IFRS S1 & S2 disclosure requirement and related impacts



FTSE4Good

**A-**  
Leadership Position

**50/100**  
Above Industry Average

**B**  
Within Industry Average

**4 / 5**  
Above Industry Average

# DIVERSITY AND INCLUSION

Zain is committed in uplifting its entire workforce and benefitting society



## WE SUCCEED



## WE DISRUPT



## ZAINIAC



## XCHANGE



## DEIU

- ✓ The top 50% of WE SUCCEED participants were assigned to a senior Zain sponsor, to accelerate their careers in 2023 and beyond through sponsorship meetings.

- ✓ 2 Months - Remote work (where applicable) for mothers to further bond with their new-borns after their maternity leave
- ✓ 5 Days - Paternity leave for our working fathers to build precious family memories.
- ✓ 45 Days - leave for working mothers who experience the pain of a miscarriage, and a maximum of 5 Days for working fathers.

- ✓ An Online platform where employees can submit ideas, collaborate, register, and participate in sprints and events.
- ✓ 39% of the rejected ideas are re-submitted to the platform
- ✓ 89% satisfaction rate using the ZAINIAC platform

- ✓ A one-month cross-country youth knowledge exchange that aims to improve the youth's career prospects, efficiency, and satisfaction at Zain.

- ✓ Employees gain access to furthering their education through an online Digital Transformation program with the option of attaining a Master's degree



# WHY ZAIN?

## **4SIGHT ... CLEAR STRATEGY**

Clearly defined strategy with a strong focus on digital and enterprise, as well as new verticals moving away from traditional telco approach

## **5G LEADERSHIP**

Largest 5G network footprint across region combined with strategic investments in technology and innovation driving new revenue streams

## **PROFITABILITY ACROSS OPERATIONS**

Highly profitable operations across our footprint with a strong focus on unlocking potential for further growth and increase our shareholders value

## **UNLIMITED POTENTIAL OF KEY GCC MARKETS**

Youth bulge driving data consumption, Enterprise & Government ICT needs, High GDP in several markets, huge govt projects driving economies, oil price improvements

## **TOWERCO BUSINESS MODEL**

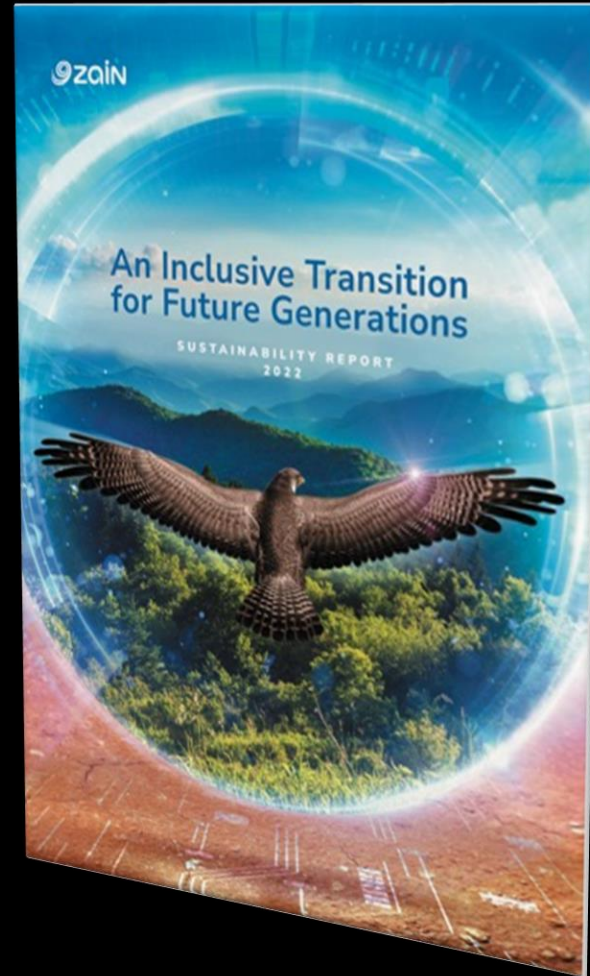
Unlocking capital from passive infrastructure to drive efficiencies and focus on core business

## **DIGITAL SERVICES**

Continual rollout of dynamic new digital services driving customer acquisition and revenue streams



# ZAIN REPORTS





**THANK YOU**

ZAIN GROUP INVESTOR RELATIONS

✉ : [IR@zain.com](mailto:IR@zain.com)

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