



Etihad Etisalat Investor Relations

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February 26, 2024

# Earnings Presentation

FY 2023

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# Content

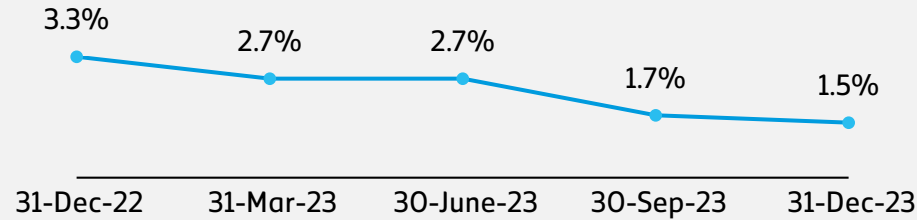
- Saudi Regulatory and Telecom Environment
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# Saudi Regulatory and Telecom Environment

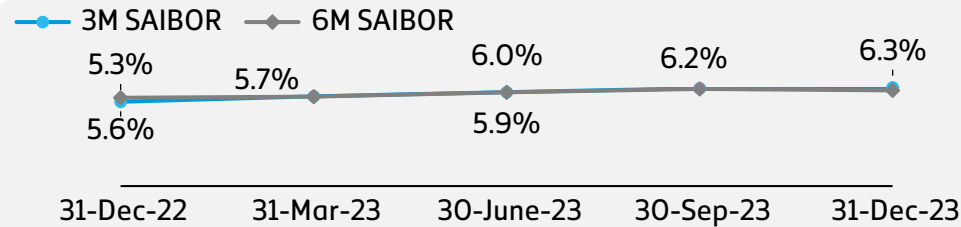
KSA annual inflation<sup>1</sup>

**1.5%**



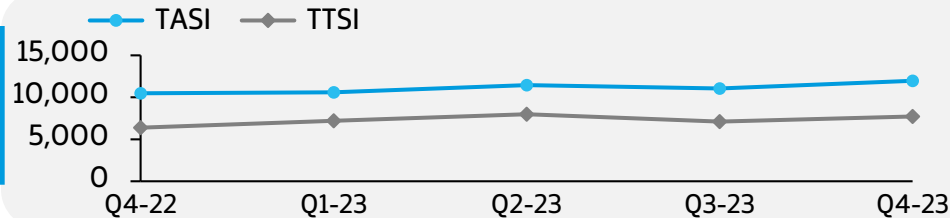
3M and 6M SAIBAOR

**6.3%** and **6.1%**



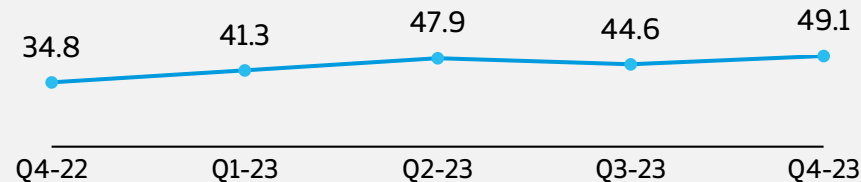
TASI and TTSI performance

**+14%** and **+21%** YTD



Mobily share price performance

**+41%** YTD



KSA median download speeds<sup>2</sup>



**121.0** Mbps

Mobile

**104.9** Mbps

Fixed broadband

Mobily coverage on the main roads for 2023<sup>3</sup>



**98** %

Call service

**93** %

Internet service

Saudi Arabia ranks **2<sup>nd</sup> among G20** in ICT Development Index (IDI), reflecting strong ICT infrastructure, reliable services, and commitment to Vision 2030's digital goals.<sup>3</sup>



CST published the **Regulations of Accessing Locally Hosted Internet Content**, aiming to develop a world-class Internet ecosystem<sup>3</sup>



CST commenced developing **e-Waste Management Regulations** with ITU to reinforce the Kingdom's commitment to lead global efforts in digital sustainability, and accelerate green transition<sup>3</sup>



<sup>1</sup> General Authority for statistics report

<sup>2</sup> Speedtest by Ookla

<sup>3</sup> CST reports and announcements

# FY-23 in Review

**February 07**

Mobily obtained the "Procurement Excellence Program Certificate PEP"

**February 08**

Mobily Pay signed multiple agreements with several key partners in LEAP 2023; Ericsson, SurePay, Abyan, Bitaqaty, and Saudi Data and Artificial Intelligence Authority

**February 28**

Mobily is the "Fastest Growing Telecoms Brand" in the Middle East 2023

**Mar 07**

Mobily is the "Diamond Sponsor" of Capacity Middle East 2023

**May 09**

Mobily obtained the quality certificate of "Hyyak" beneficiary service centers

**Mar 15**

Mobily achieved the "Best Customer Experience" award by CST for the second time in a row

**Mar 09 – Mar 13**

Mobily is the "Digital Partner" in Biban 2023

**May 18**

Mobily launched the High Potential Program "HiPo" to develop its employees skills and build an ambitious leadership generation

**May 23**

Mobily obtained ISO certificate for "Legal Risk Management"

**May 26**

Mobily MSCI ESG index rating upgraded from "BBB" to "A"

**Sep 03**

Mobily obtained ISO certificates for "Quality Management System" and "Health and Safety Management System"

**Aug 15**

Mobily's participated in Wad Campaign by providing 100,000 training opportunities

**Jul 31**

Mobily obtained the Local Content Certificate for the 4<sup>th</sup> Consecutive Year

**Jul 20**

Mobily obtained ISO Certificate for "Customer Services"

**Oct 18**

Awarded 'Best Middle East Carrier' at Global Carrier Awards and Won LEAD Awards for Customer Experience Excellence from SAMENA Telecom Council

**Nov 01**

Mobily signed agreements with the MoH to enhance the efficiency and quality of health services

**Nov 16**

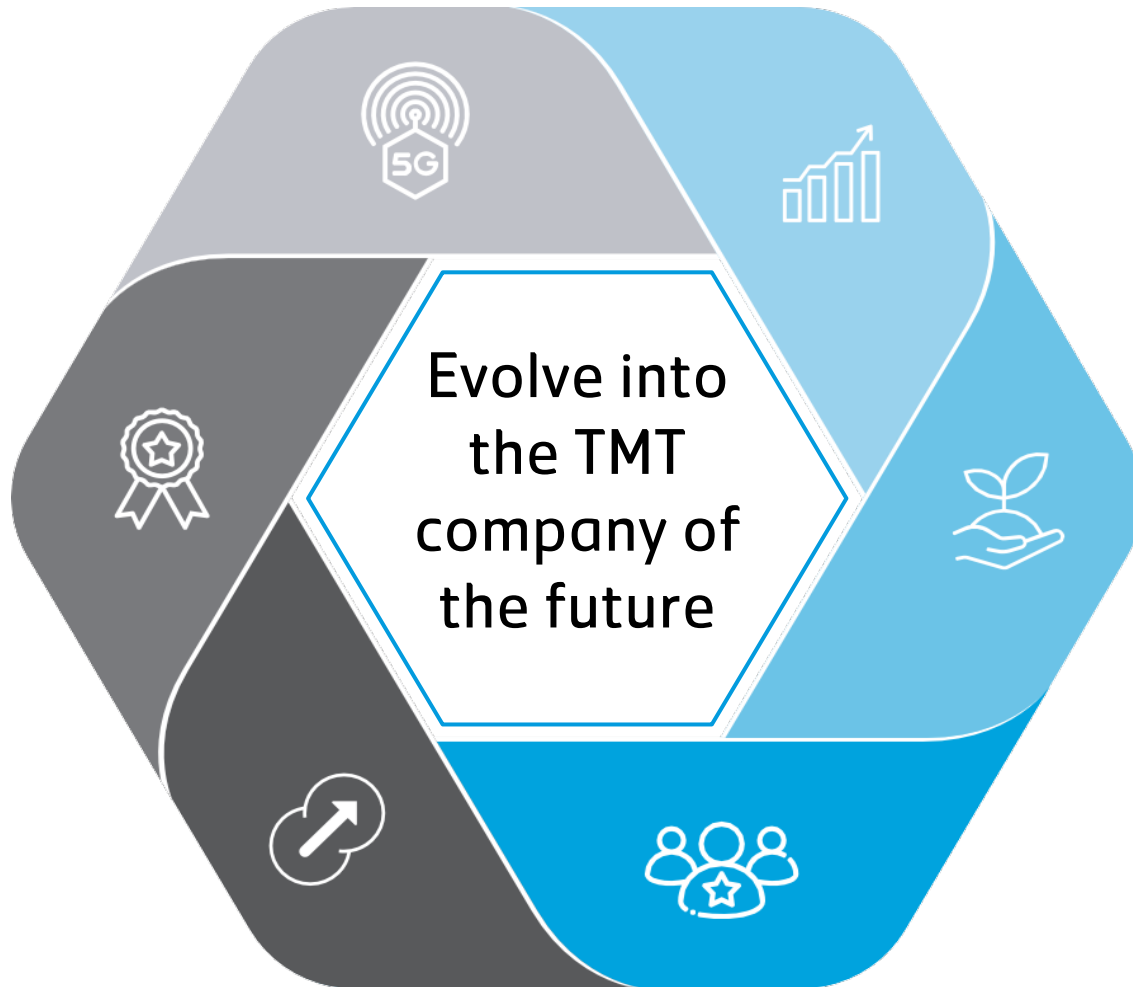
Mobily forged key strategic partnerships for enhanced cybersecurity at Black Hat 2023

**Dec 13**

Mobily CEO Eng. Albadran won the "Best CEO Award" for Large Establishments



# Strategy 2023+



Expand 5G rollout and network coverage



Increase market share



Ensure commitment to achieve ESG performance excellence



Achieve total experience leadership



Transform the business to address new opportunities in the TMT industry



Repositioning to be a leader in new trends

# Building Towards Pillars of Success

## 2023 Achievements



Capture the largest share of consumer revenue growth

- 1.7% growth in the Consumer revenues
- 4.4% growth in mobile subscribers and 5.4% growth in FTTH subscribers
- Recognized as the **fastest growing telecom brand** in the region
- Mobily Pay outperformed its rivals and earned a **4.7/5** rating in App stores



Leadership in the B2B market

- 21.0% growth in the Business revenues
- Established **2 new** data centers
- Partnered with global data center leader Equinix **to enhance service quality**



Diverse approach to digital and adjacent markets

- Partnered with **hyper-scalers**, such as Microsoft and Amazon
- Worked with RedHat to **support 5G native cloud functions**
- Employed **artificial intelligence** to optimize the 5G network
- Launched a Mobily platform for **video games and e-sports**



Anchor ICT partners for Vision 2030

- Achieved 5G coverage of more than **84% in 7 main cities**
- Became the **first operator** to ensure fixed connectivity for NEOM
- Worked with the Ministry of Health to **improve healthcare in the Kingdom**
- **First Saudi telecom** company to achieve an A rating in the MSCI ESG Index



# Operational Performance Highlights

## Business

- Invested in multiple strategic projects to improve connectivity for customers
- Announced the construction of 2 new, state-of-the-art data centers
- Introduced new AI and cutting-edge tech products to enhance cybersecurity portfolio
- Solidified partnerships with strategic government customers

## Consumer

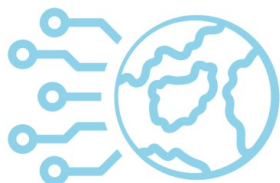
- Introduced new attractive products across core, digital, and value-added services
- Modernized FTTX network to support higher speeds
- Employed AI and digital twin technology to improve network performance during Hajj
- Revamped Mobily TV with fresh design and content for an innovative experience
- Launched Mobily Gamers portal as an ultimate hub for playing and watching sports

## Wholesale and Carrier services

- Concluded connectivity service deals with national and international customers
- Signed an MoU with Telecom Egypt for a Red Sea crossing
- Laying 2 new international cables to connect with Europe and Asia, which are under progress and will be ready in 2025



# Financial Performance Highlights (SAR Million)



“Leadership in Enriching  
your Digital World”

## Strong achievements in our financial KPI's:

- Achieved the highest annual Revenues, EBITDA and Net Income in the past decade
- Sustained focus on operational efficiency yielded robust EBITDA
- +34.7% YoY growth in Net Income
- Plunged the Net Debt by 22.4% YoY, with a remarkable ND/EBITDA at 1.20x

## Robust FY-2023 revenue performance:

- Sustained growth across all revenue streams continues in 2023, supported by a healthy and expanding subscriber base

Revenues

**SAR 16,763**  
**+6.7% YoY**

EBITDA

**SAR 6,625**  
**+7.2% YoY**

Net Income

**SAR 2,232**  
**+34.7% YoY**

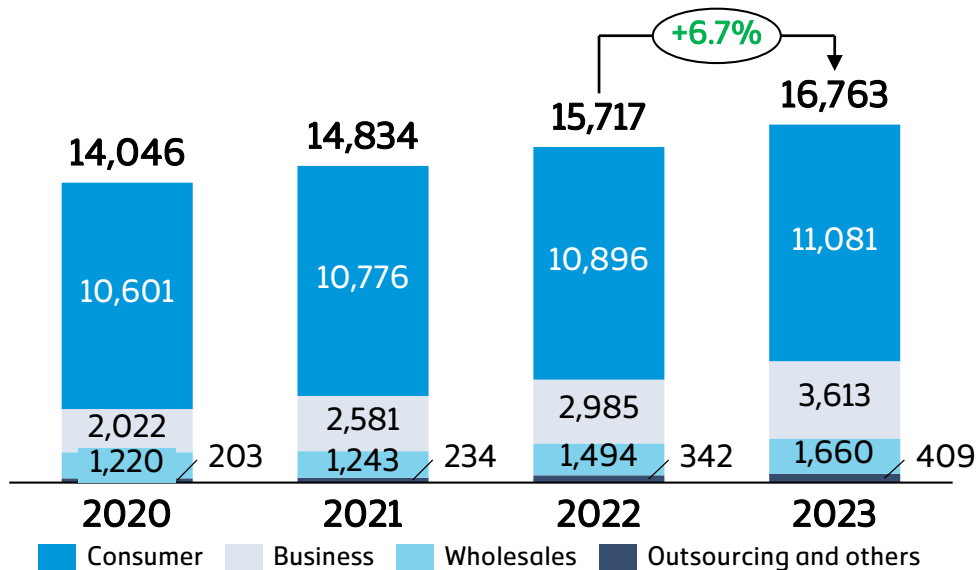
Free Cash Flow

**SAR 4,307**  
**+5.4% YoY**



# Key Financial Highlights | Record-Breaking Revenue Rise

Revenues  
(In SAR Million)

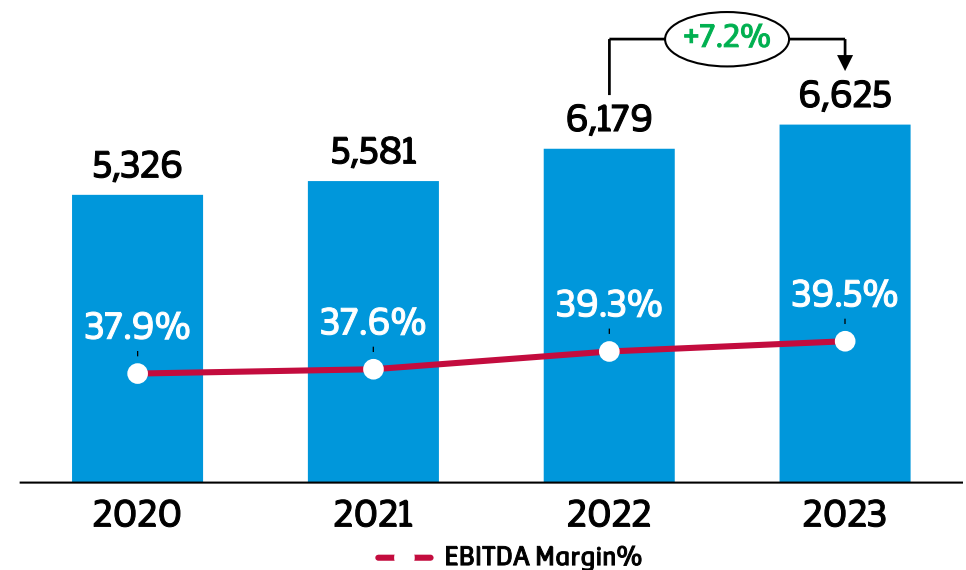


Achieved the highest level of revenues in the past **decade**.

Revenues increased **6.7%** YoY to **SAR 16,763** million:

- Resilient growth in **Business, Wholesale,** and **Consumer** units revenues
- Healthy growth in overall subscriber base

EBITDA and EBITDA Margin  
(In SAR Million)

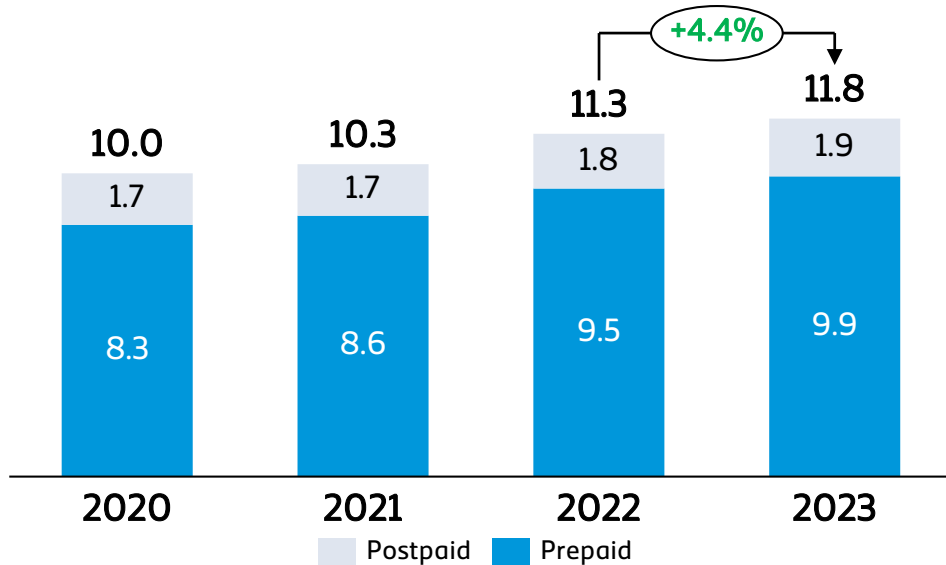


Delivered the highest level of EBITDA in the past **decade**:

- EBITDA increased **7.2%** YoY to **SAR 6,625** million, primarily due to strong topline performance and sustained operational efficiency
- EBITDA Margin reached a strong level at **39.5%**

# Key Financial Highlights | Continued Subscriber Growth

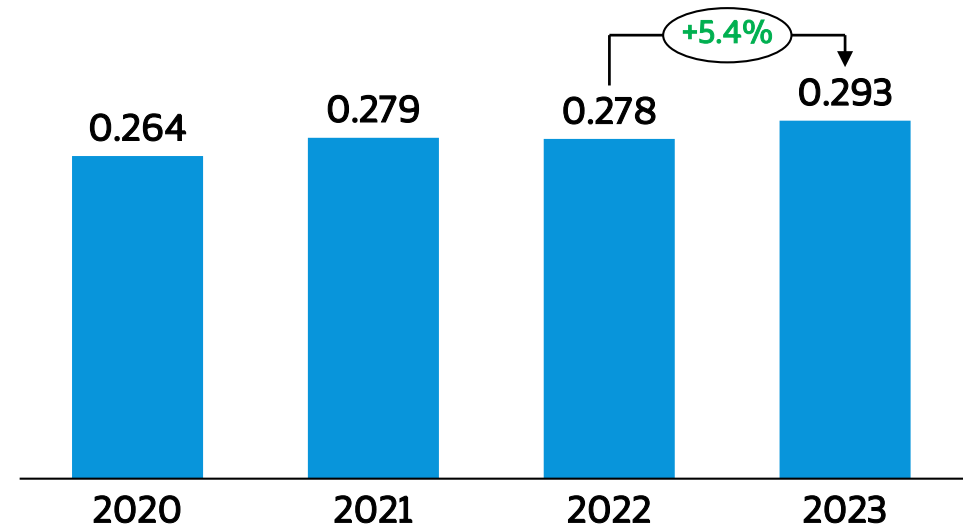
## Mobile Subscribers (In Million)



Mobile subscribers increased **4.4%** YoY to **11.8** million:

- Growth in **Postpaid** to reach **1.9** million subs
- Growth in **Prepaid** to reach **9.9** million subs

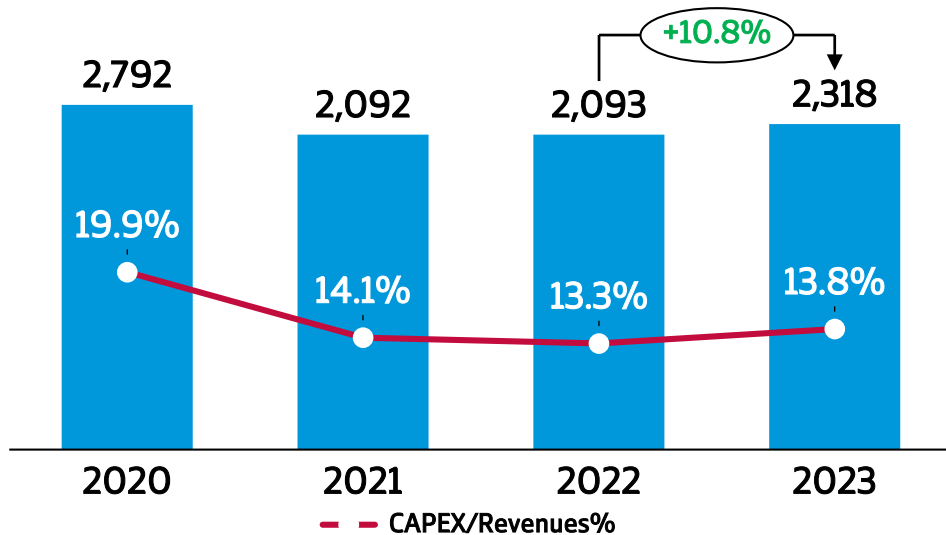
## FTTH Subscribers (In Million)



FTTH subscribers increased **5.4%** YoY to **0.293** million subs.

# Key Financial Highlights | Focused Investment Strategy

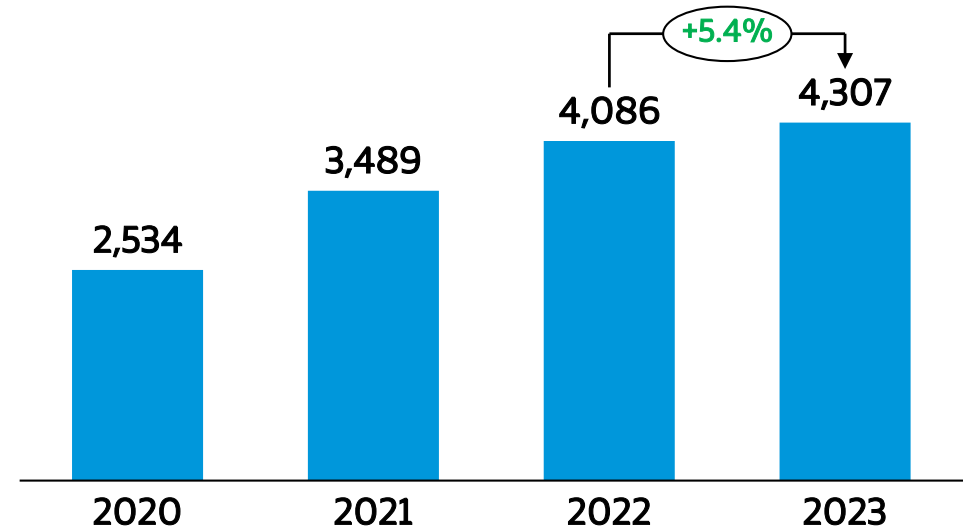
CAPEX and CAPEX-to-revenues %  
(In SAR Million)



CAPEX increased by **10.8%** YoY to **SAR 2,318** million:

- Accelerated 5G deployment, boosted IoT investments, data center expansion, and widened FTTH footprint
- CAPEX optimization enables Mobily to invest in cutting-edge and innovative offerings

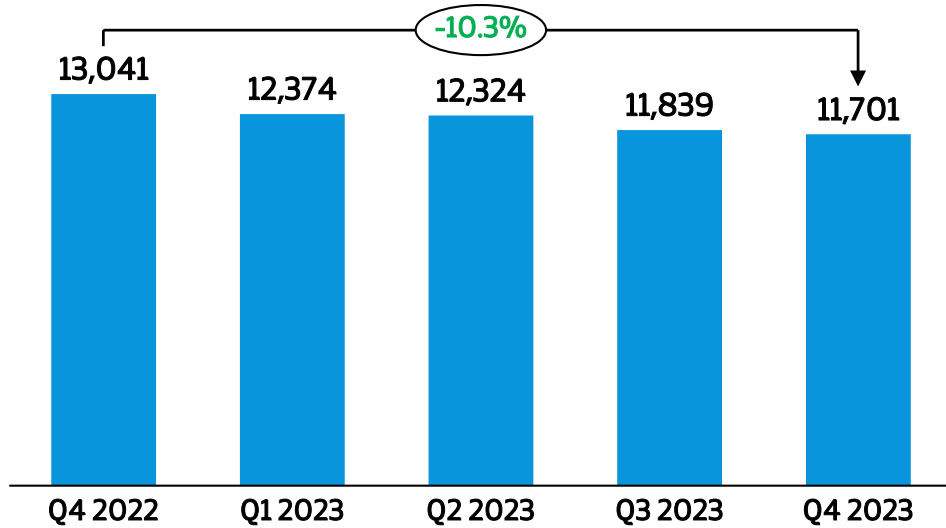
Free Cash Flow (EBITDA – CAPEX)  
(In SAR Million)



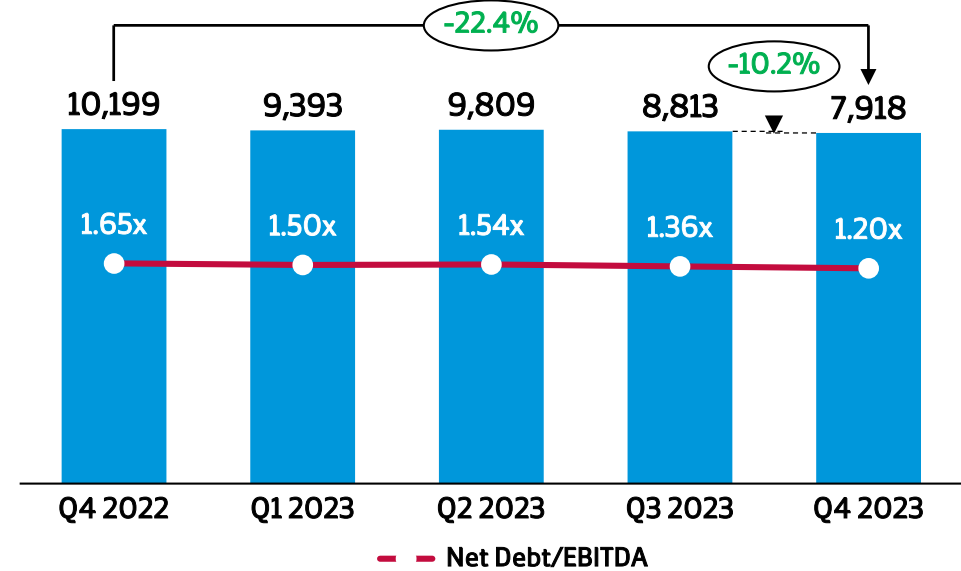
Strong EBITDA performance translates to a continued healthy **5.4%** growth in Free Cash Flow to reach **SAR 4,307** million.

# Key Financial Highlights | Debt Reduction Journey

Gross Debt  
(In SAR Million)



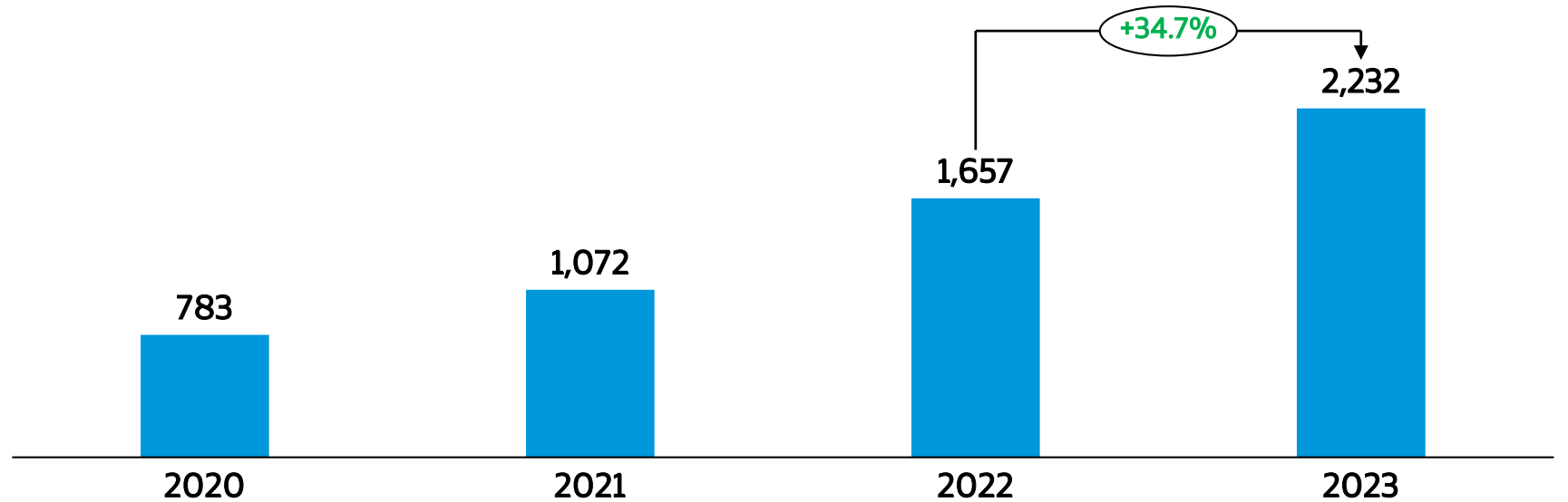
Net Debt and Net Debt/EBITDA  
(In SAR Million)



- Gross Debt declined by **(10.3%)** YoY to reach **SAR 11,701** million
- Decline of **22.4%** YoY as a result of Mobily's continued deleveraging plan
- Stellar Net Debt/EBITDA ratio at **1.20x** at the end of 2023
- During 2023 period, Mobily has reduced its debt balance by more than **SAR 1.3** bn

# Key Financial Highlights | Sustained Profitability

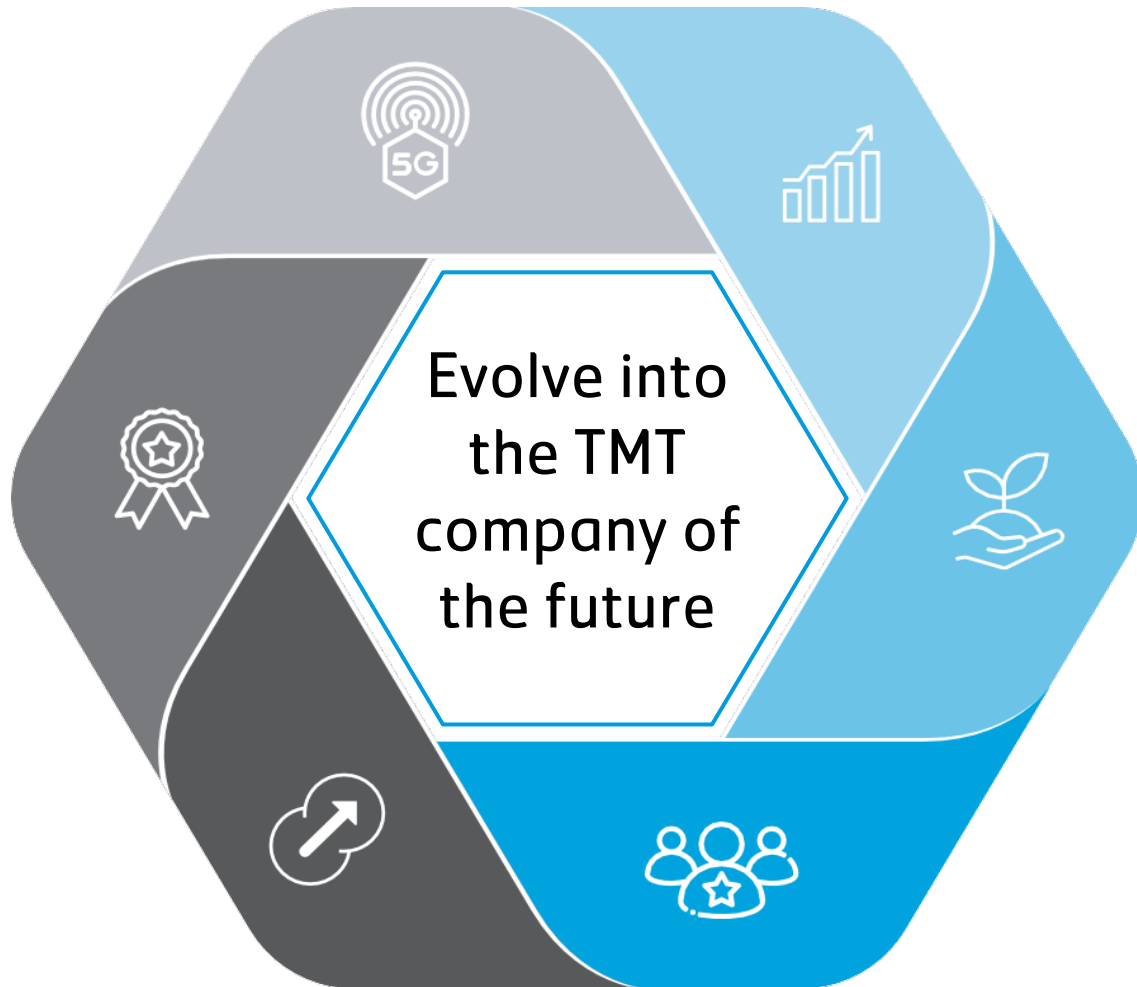
Net Income  
(SAR Million)



Net Income increased by **34.7%** YoY to reach **SAR 2,232** million:

- Robust revenue growth of **6.7%** YoY, coupled with a strong EBITDA growth of **7.2%** YoY
- Commitment to debt reduction continues with relentless deleveraging efforts, further strengthened by disciplined cost management

# Future Outlook



Maintain leadership in customer experience

Introduce new digital and adjacent offerings

Unlock new B2B digital and adjacent opportunities

Activate new B2B partnerships

Embrace new opportunities that align with Mobily's Strategy

New partnerships with giga projects on ICT level

# 2024 Performance Guidance

	FY-23 Actual		FY-24 Guidance
Revenue Growth	6.7%	➤	Mid- to high- single digit growth
EBITDA Margin	39.5%	➤	37-38%
Net Debt/EBITDA	1.20x	➤	1.1x
CAPEX Intensity	13.8%	➤	14-16%



# Q&A

# APPENDIX: Sustainability at Mobily



## Aligning with National and International Frameworks



## Mobily Contribution to the Sustainable Development Goals work



## ESG 2023 Performance at a Glance



Upgraded to 'A' in MSCI ESG Index –first Saudi Telecom to achieve this rating



Launched Mobily Recycling Initiative to promote the circular economy



Launched Mobily's new 'RISILIENT' cybersecurity strategy for 2023-27



+59,000 hours of structured employee learning materials and courses



Sponsored Monsha'at's Biban 23 to support the Kingdom SMEs sector



# Thank you



**Mobily IR Webpage**  
Mobily Investor  
Relations Webpage



**Mobily IR App**  
Mobily Investor  
Relations Application

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