



Investor Presentation

3rd Quarter 2017





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- General Overview
- Strategic Overview
- Commercial Overview
- Financial Overview



Macro

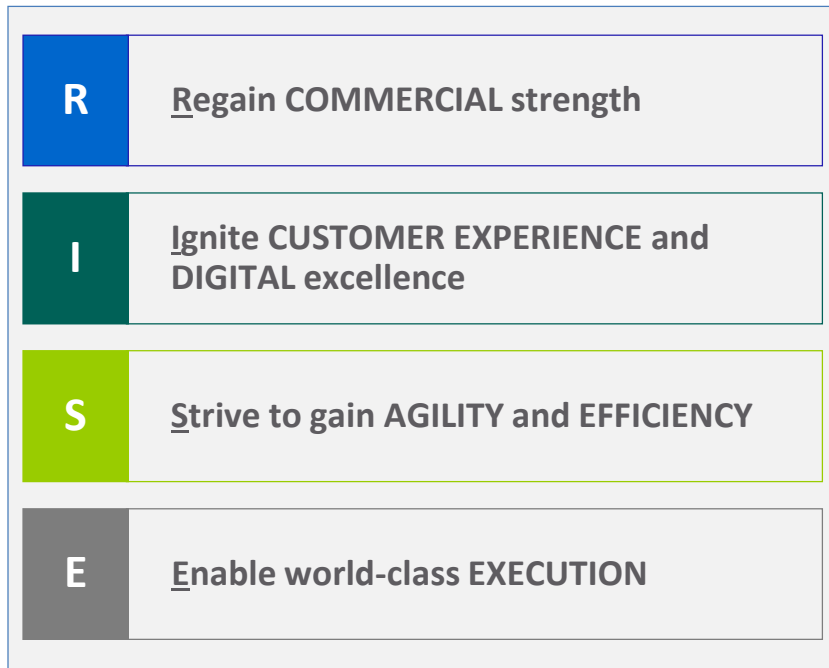
- Inflation was -0.1% in August and -0.3% in July.
- KSA implemented a dependents fee starting 1st of July. Monthly fee of 100 SAR per dependent to reach 400 SAR per dependent in 2020.
- Relative stability of SIBOR when compared to Q2 2017.
- Brent crude oil prices rose above \$58, highest level since July 2015.

Regulatory

- Decision to unblock most of VoIP applications to fulfill the regulatory requirements.
- Implementation of new customer protection measures.
- New regulated international outgoing prices for 15 countries.
- Mobily, Zain and STC paid the first installments representing 30% of the total amount to acquire additional spectrum in the 1800MHz band.
- Implementation of new rules for Fair Usage Policy (FUP) on unlimited packages.

Business

- Start of the new RISE strategy roll-out by signing a framework agreement amounting to up to 2.4 BSAR with Nokia, Huawei and Ericsson, to modernize and expand the network.
- New sales and distribution strategy developed.
- Good Hajj season in terms of deployment of strong capabilities, reliable infrastructure and innovative services.
- Signature of several contracts with multinational and government accounts in various sectors including financial and health.



- **New strategy with 23 RISE initiatives**
- **Customer experience foundation program**
- **New organization and human resources initiatives**
- **Network modernization**
- **IT transformation**



Marketing

- **Branding activities**
- Enriching data portfolio
- Developing **advanced analytics** capabilities

Sales

- Finalized **retail and franchise strategy**
- Moved from a regional to a **national distribution model**
- Launched **more efficiency commission scheme for retail sales and franchise**

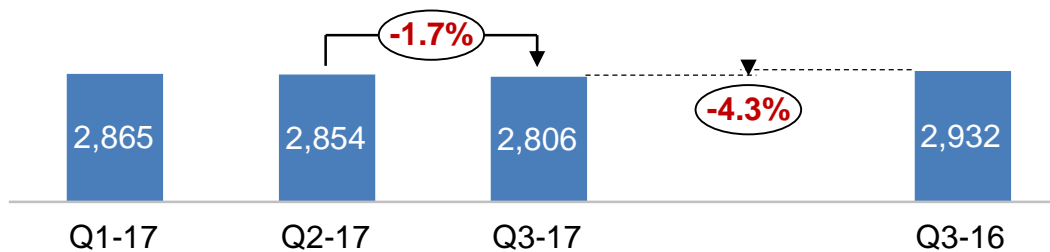
Business

- Align on business market focus
- Be a **partner of choice** for Vision 2030 through Public Private Partnership
- Leverage Mobily **ICT infrastructure** to benefit from the new entrants



Revenues

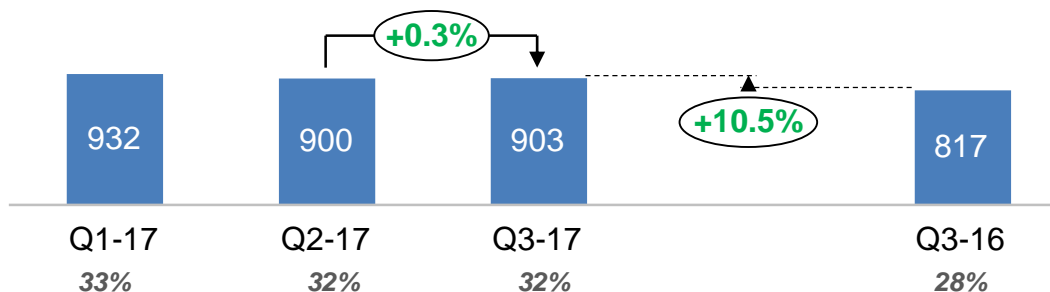
(in SAR mn)



EBITDA

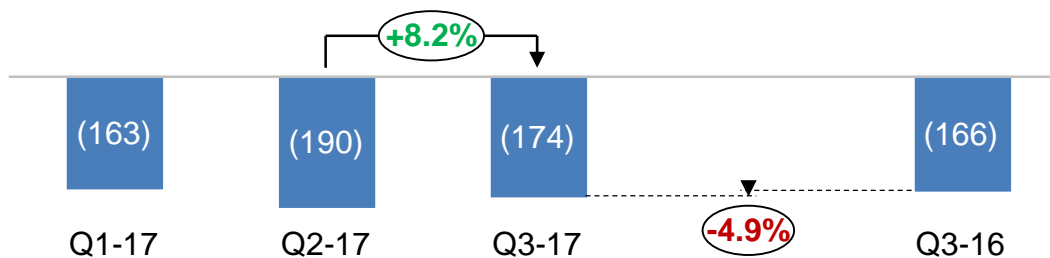
(in SAR mn)

EBITDA margin



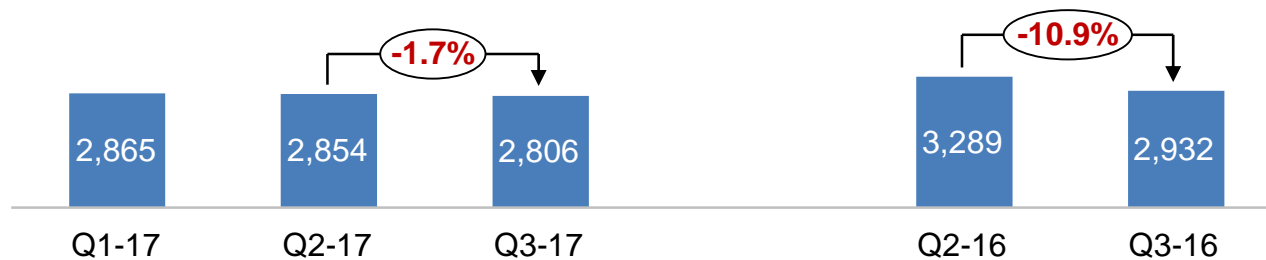
Net Income

(in SAR mn)



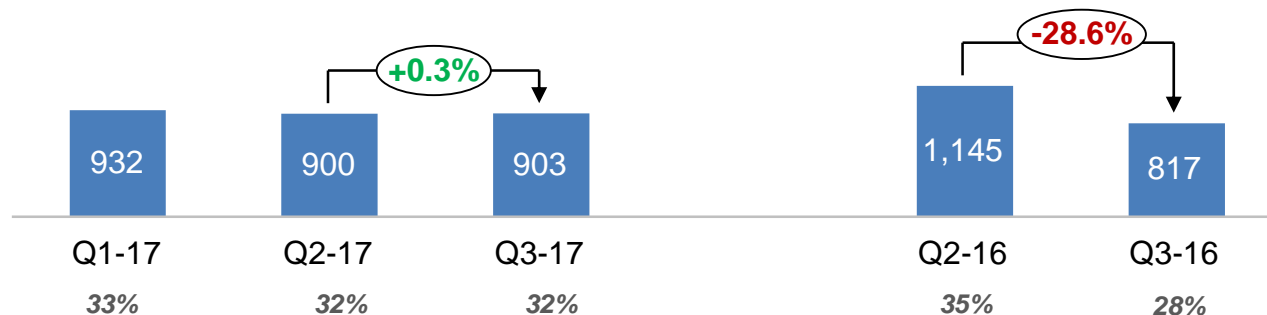


Revenues (in SAR mn)

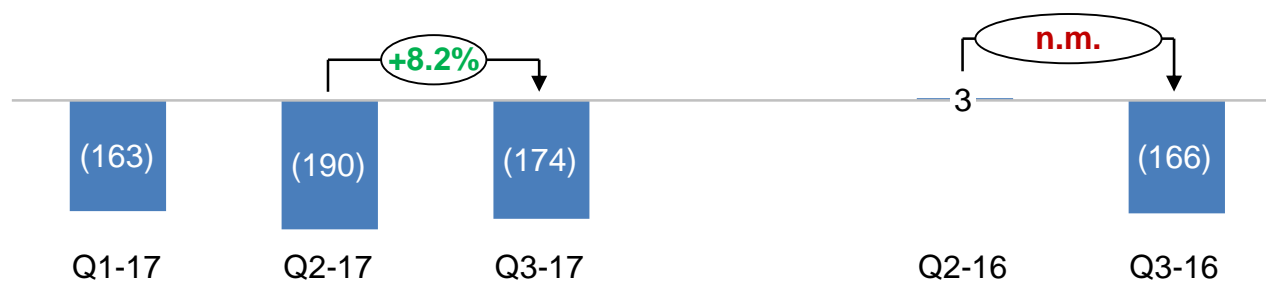


EBITDA (in SAR mn)

EBITDA margin

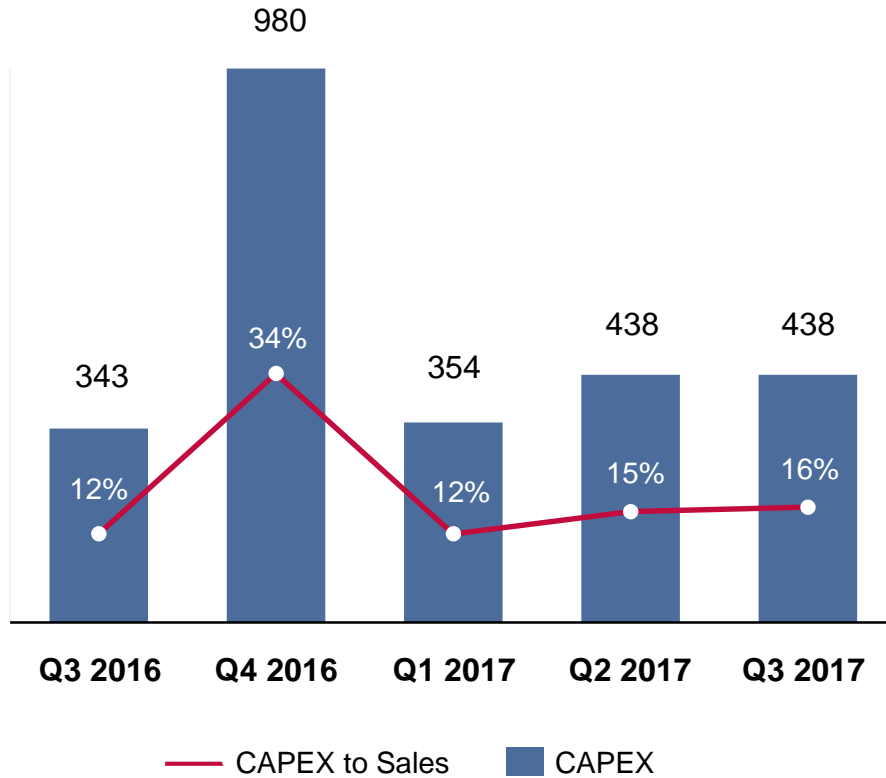


Net Income (in SAR mn)





SAR Million /IFRS

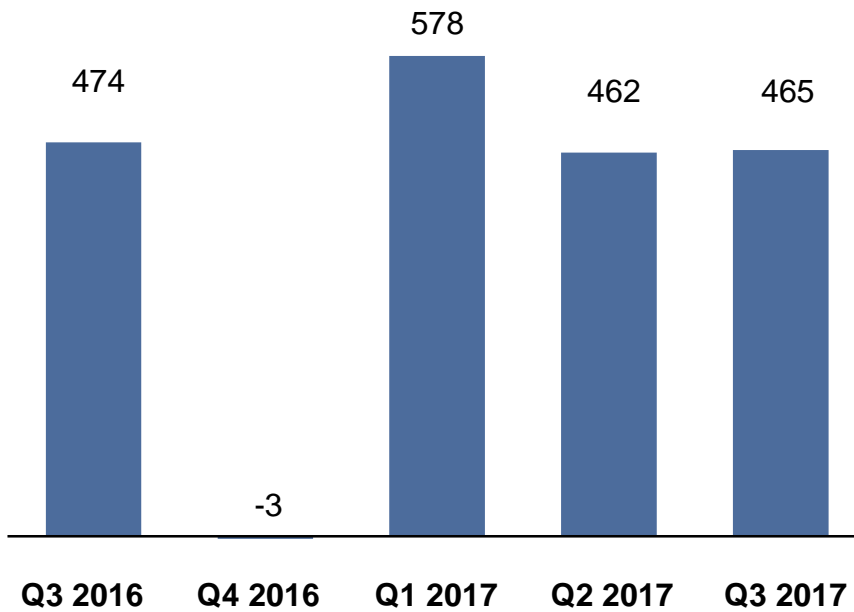


Continuous efforts towards CAPEX rationalization while initiating network modernization.

Financials | Operational Cash Flow (EBITDA – Capex)



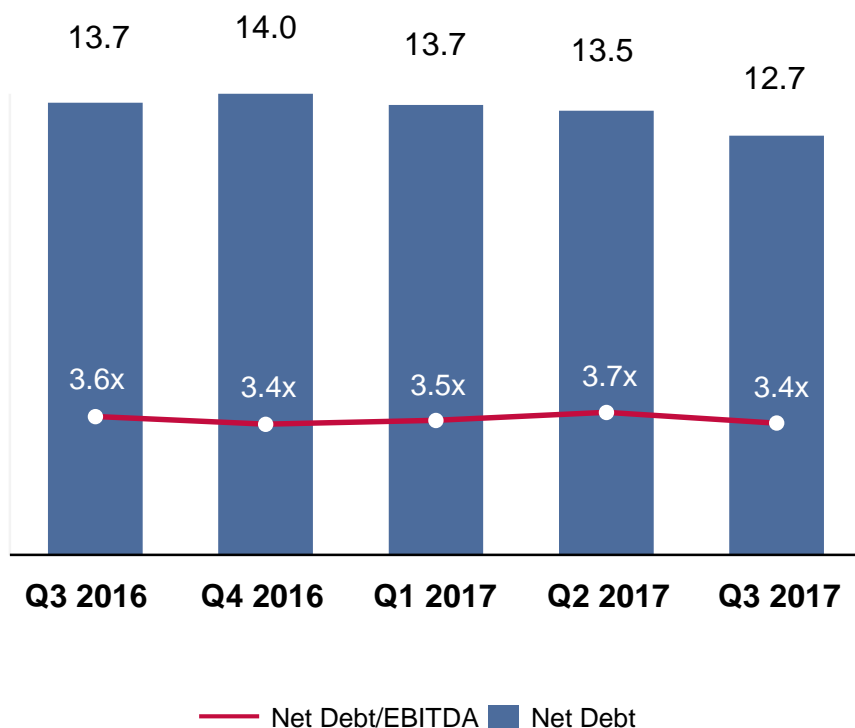
SAR Million /IFRS



Despite negative net income, the company continues to generate healthy cash reflecting the focus on operational cash flow.



SAR Billion /IFRS



Deleveraging by approximately 1.3 BSAR since the beginning of the year.

Reduction of Net Debt and Net Debt/EBITDA ratio to 3.4x.



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