



Investor Presentation

Q3 2020

October 27, 2020

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 - **Performance Highlights**
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Major Highlights | Regulatory Measures and Telecom Environment

Regulatory and Telecom Environment

- The impact from COVID-19 on the telecom sector is minimal and could be more visible toward the end of the year
- Overall mobile download speed improved in Q2 2020 by 22.9% to 66.5 Mbps, versus Q1 2020*
- Mobily recorded the fifth consecutive quarter of the lowest number of complaints for mobile and fixed telecommunications services among the three operators in Q2 2020*
- Mobily extends its 5G network to 48 cities across Saudi Arabia
- Additional reduction of Mobile Termination Rates (MTR) for mobile and fixed calls effective from June 2020
- CITC announced the extension of the additional spectrums period on the two bands (700 and 800) MHz, an increase of more than 50% over the spectrums used in those bands, with the aim of enhancing the performance of the current 4G networks to accommodate the increase in data consumption in conjunction with the return of distance learning process, and to ensure its continuity
- 3M and 6M SAIBOR decreased further reaching by the end of Q3 2020 to 0.87% and 0.92% respectively



Major Highlights | Sustained Improvement

Performance Highlights

- “Empower the Digital Economy to Unlock Possibilities”
- The effect on the third quarter of 2020 revenue from the precautionary measures of COVID-19 pandemic was minimal
- Strong achievement in our financial KPI’s:
 - The highest quarterly net income in the past 5 years
 - The highest EBITDA level in the past 3 years
 - Efficiency measures taken and reflected in the healthy EBITDA margins
- Resilient revenue streams drive the growth of the 9 months of 2020:
 - Growth of Business revenues
 - Improvement of subscribers mix
 - Growth in wholesale and FTTH revenues
- The improvement in the company’s efficiency in managing its operations is showing in the increase of our net profit by 244% in the first nine months of 2020



GAIN Strategy 2020+ | New corporate strategy leads the path to growth in 2020 and beyond



Priorities

G Grow Core Revenues

A Accelerate Digital Revenue Streams

I Implement & Optimize Efficient Delivery

N Nurture a Positive Experience for All



Purpose
To be the Better Choice to Unlock Possibilities

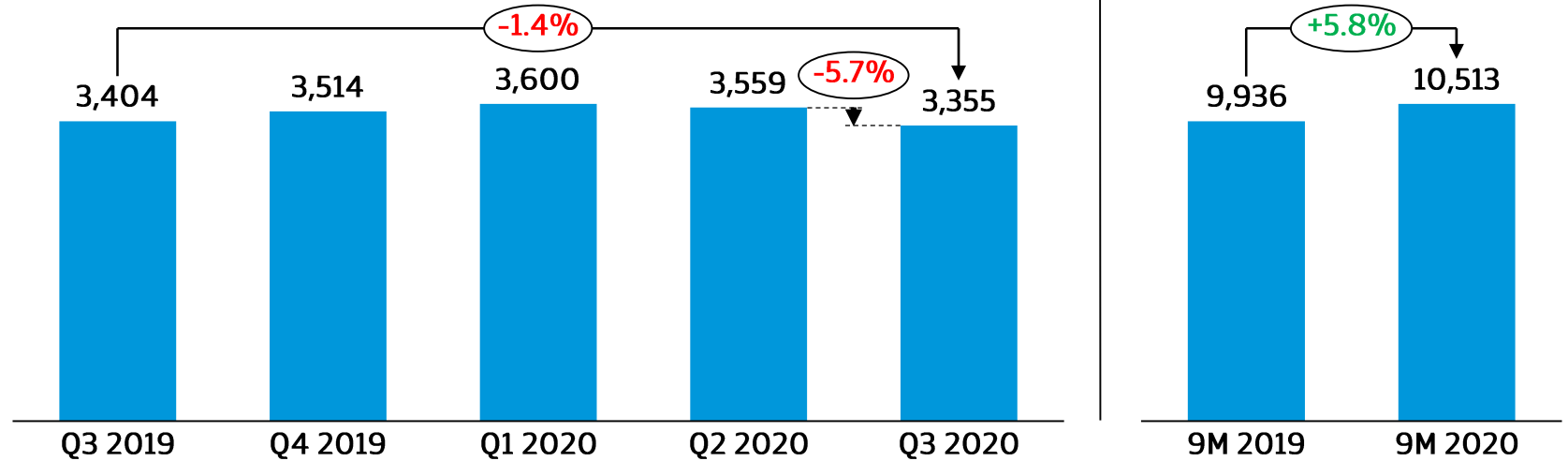


How
By Empowering the Digital Economy

By Being
The Everyday Hero

Key Financial Highlights | Resilient Revenues

Revenues
(In SAR Million)

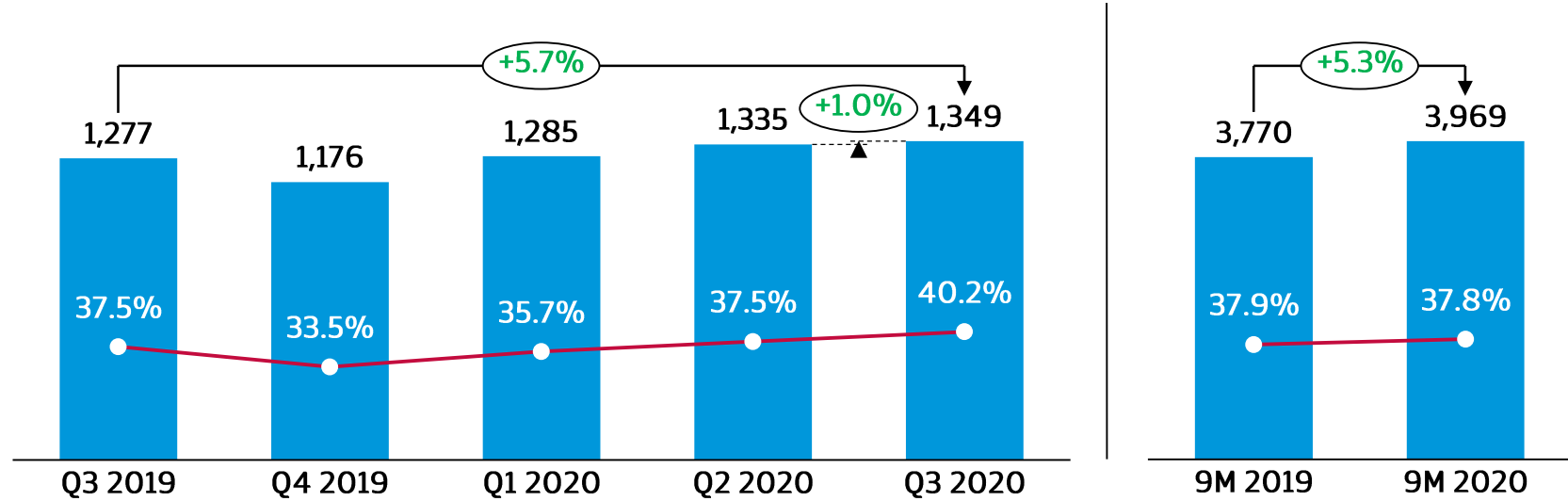


- Q3 2020 revenue declined by 5.7% QoQ and 1.4% YoY as a result of the precautionary measures taken to prevent the spread of Corona pandemic and the decline in devices sales, in addition to the reduction of mobile termination rates.
- For the nine months of 2020 Mobily recorded a significant growth by 5.8% to reach SAR 10,513 million versus SAR 9,936 million for the same period of 2019
- Revenue growth is driven by the following:
 - The growth in business unit revenues
 - The growth of wholesale revenues and FTTH active base



Key Financial Highlights | Regular Growth of EBITDA

EBITDA and EBITDA Margin
(In SAR Million)

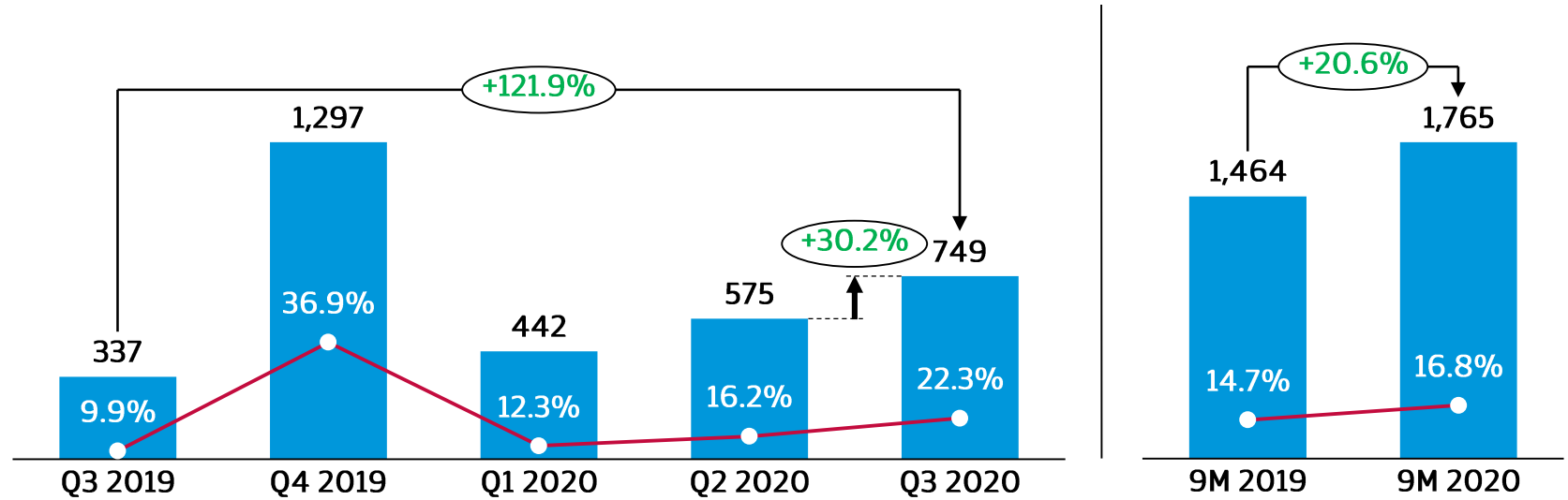


- Q3 2020 EBITDA increased by 5.7% YoY to reach SAR 1,349 million and by 1.0% QoQ
- 9M 2020 EBITDA improved by 5.3% compared to 9M 2019, with EBITDA margin of 37.8%
- QoQ EBITDA margin improved and continued the healthy levels
- The healthy levels of the EBITDA is mainly due to the followings:
 - Efficiency and better revenue mix



Key Financial Highlights | Our Investment Efforts To Keep Our Competitive Advantage

**CAPEX/
CAPEX to
revenues %
(In SAR Million)**

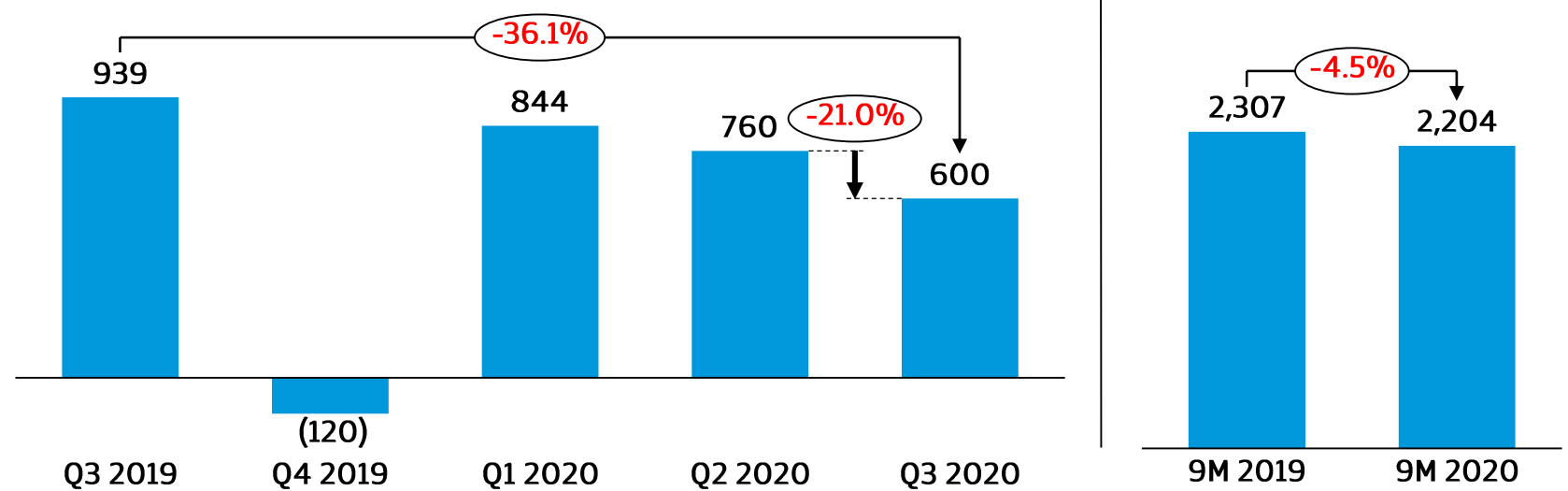


- Q3 2020 CAPEX increased by 121.9% to reach SAR 749 million YoY and by 30.2% QoQ
- Capex in 9M 2020 increased by 20.6% to reach SAR 1,765 million compared to SAR 1,464 million in 9M 2019
- Capex continuity reflects Mobily's commitment to invest in the infrastructure and improve the quality of service



Key Financial Highlights | Focus on Operational Cash Flow Generation

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

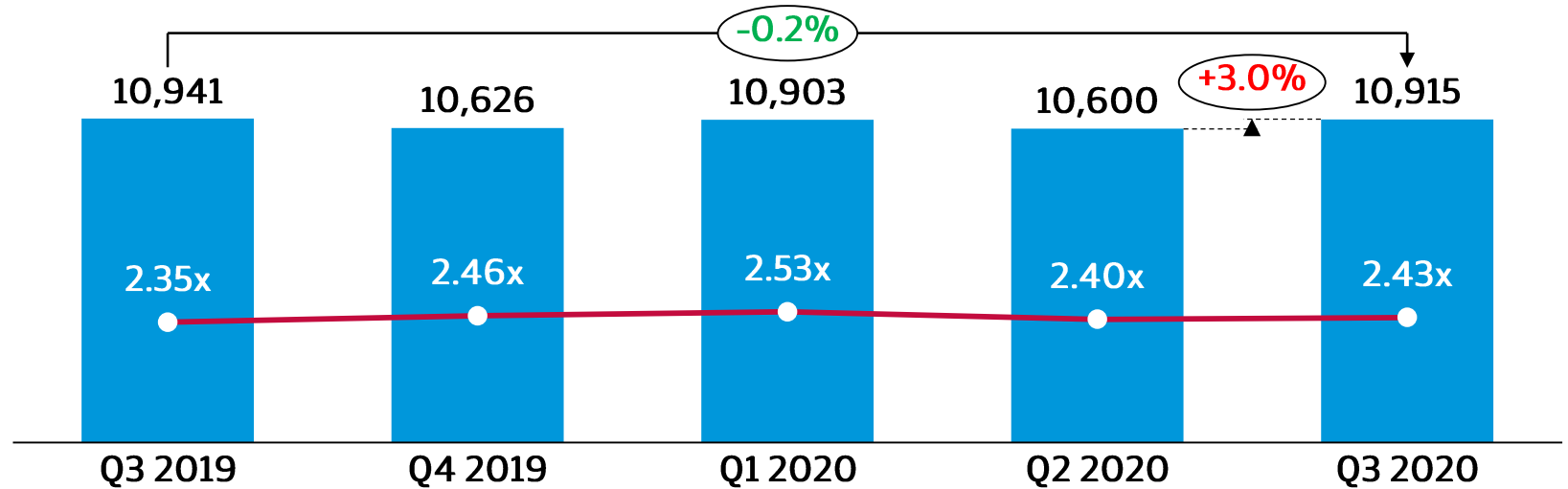


- Q3 2020 Operational Cash Flow (EBITDA-CAPEX) decreased to reach SAR 600 million by 36.1% YoY and by 21.0% QoQ despite the improvement on EBITDA, the decrease was effected by the increase of CAPEX
- 9M 2020 Operational Cash Flow (EBITDA-CAPEX) decreased by 4.5% to reach SAR 2,204 million



Key Financial Highlights | Balanced Net Debt levels

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

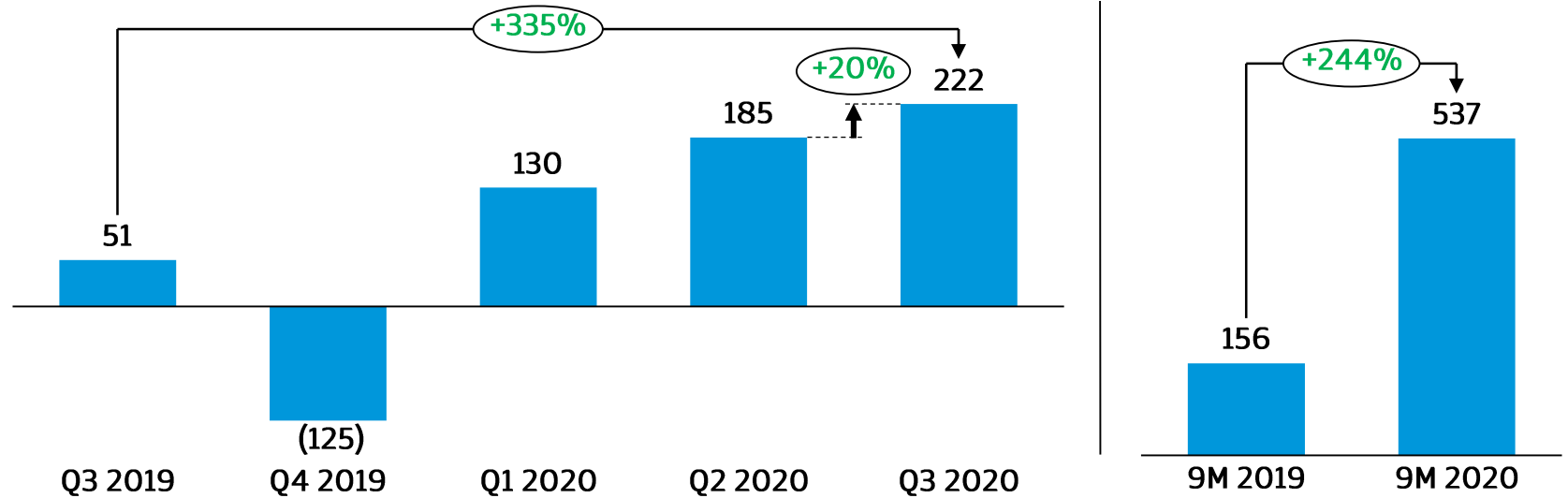


- Healthy Net debt to EBITDA ratio at 2.43x at the end of Q3 2020
- The company's ability to reach healthy levels of its net debt was reflected in the decrease of financial charges for 9M 2020 to reach SAR 434 million representing a decrease by 31.7% compared to 9M 2019



Key Financial Highlights | Gaining Profitability

Net Income (In SAR Million)



- Q3 2020 net results increased by 335% YoY and 20% QoQ reflecting Mobily's performance and operational development
- Mobily achieved 244% increase in 9M 2020 net results reaching SAR 537 million compared to 9M 2019
- This is mainly due to:
 - Strong and healthy EBITDA
 - Decrease of financing charges



Q&A

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