



# Investor Presentation

Q2 2020

27 July 2020

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- **Key Financial Highlights**



# 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 by 15.5% to 47.6 Mbps, versus Q3 2019\*
- Data consumption growth in Q2 2020 jumped by more than 34% versus Q1 2020\*
- Mobily continued recording the lowest number of complaints for voice, data and fixed line services among the three operators in Q1 2020\*
- 3M and 6M SAIBOR decreased further reaching by the end of Q2 2020 to 0.99% and 1.04% respectively
- Open Access agreement between Saudi six telecom service providers has entered into force targeting 3.5 million FTTH across the kingdom of Saudi Arabia
- Mobily announced the signing of MoU with ZAIN KSA to increase the participation in the communication towers, with the objective of achieving maximum efficiency and upgrading the communications and information technology system, with the support and supervision of the Communications and Information Technology Commission (CITC)



# Major Highlights | Sustained Improvement

## Performance Highlights

- “Empower the Digital Economy to Unlock Possibilities”
- Resilient Topline performance:
  - The effect on revenues during the precautionary measures of COVID-19 pandemic was minimal on the second quarter of 2020
  - Continued the consistent YoY growth for the 9th consecutive quarterly revenues
  - Efficiency measures taken and reflected in the healthy EBITDA margins
- Steady topline drivers:
  - Consistent growth of Business unit revenues
  - Continued improvement of subscribers mix
  - Growth in wholesale and FTTH revenues
- Strong operational cash flow (EBITDA-CAPEX) improved by 17.3% YoY, reached SAR 1,604 mn for the period
- The improvement in the company’s efficiency in managing its operations is showing in the increase of our net profit by 200% in the first six 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



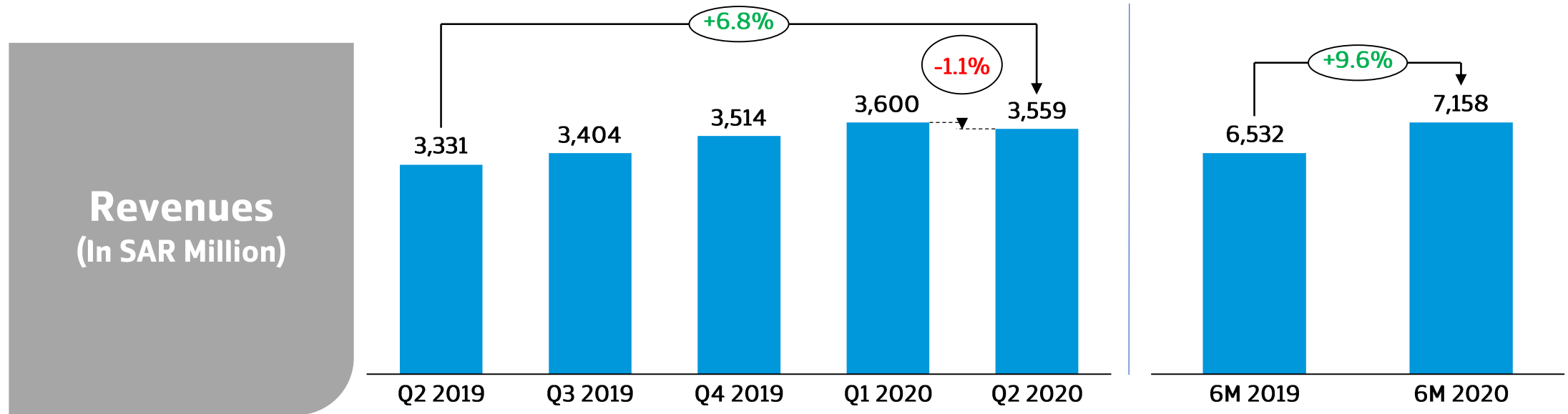
**Purpose**  
To be the Better Choice to Unlock Possibilities



**How**  
By Empowering the Digital Economy

**By Being**  
The Everyday Hero

# Key Financial Highlights | Resilient Revenue

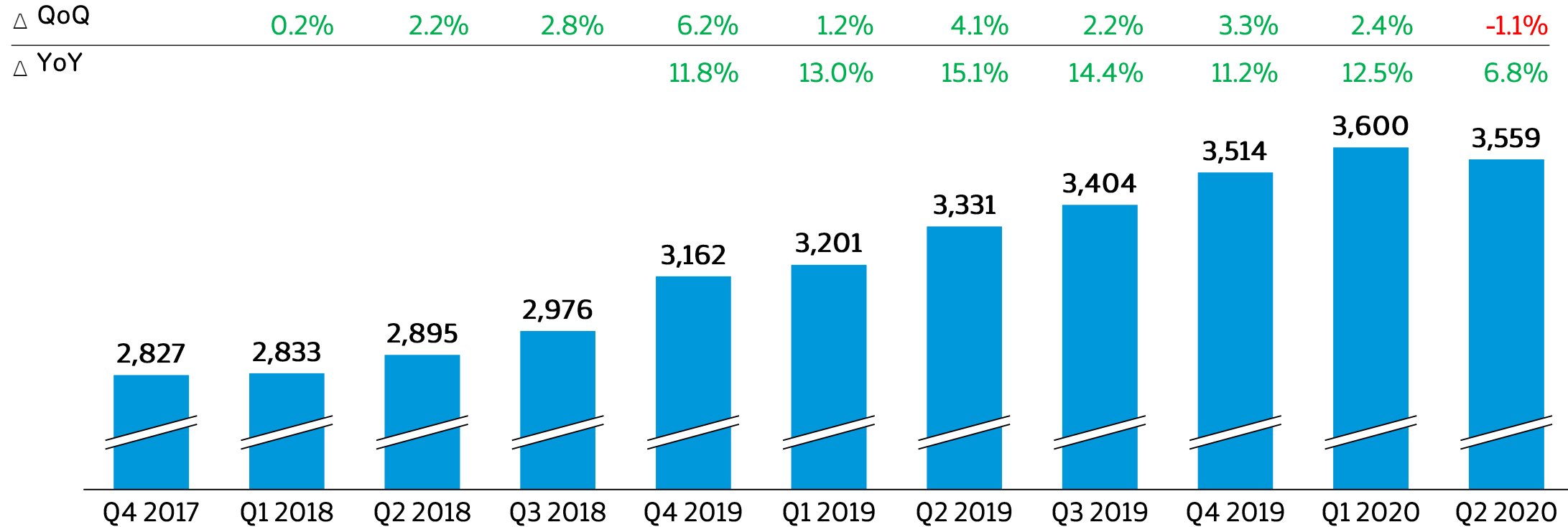


- Mobily succeeded in growing H1 2020 revenues by 9.6% to reach SAR 7,158 million versus SAR 6,532 million in H1 2019.
- Revenue growth is driven by the following:
  - The growth in business unit revenues
  - Improvement in the consumer revenues
  - The growth of wholesale revenues and FTTH active base
- Mobily revenues in Q2 2020 slightly declined by 1.1% as a result of the precautionary measures taken to prevent the Corona pandemic on some of the company's services



# Key Financial Highlights | Healthy Levels of Quarterly Revenues Since Q4-17

## Revenues



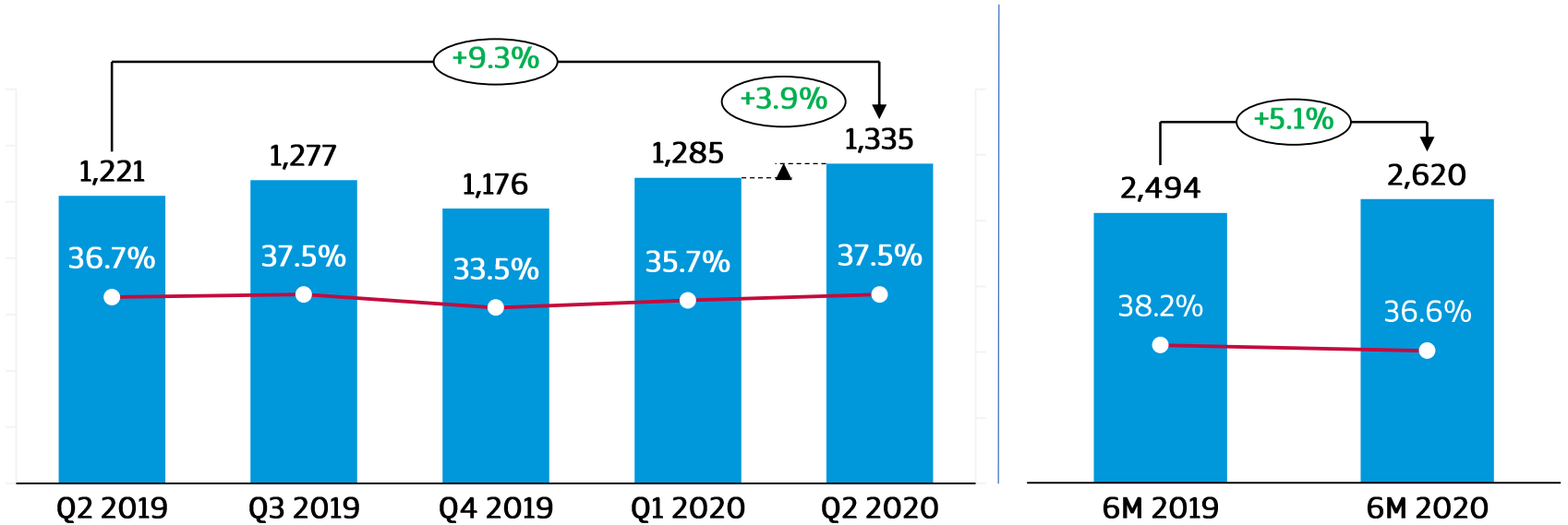
QoQ: Quarter on Quarter, YoY: Year on Year





# Key Financial Highlights | Regular Growth of EBITDA

**EBITDA and EBITDA Margin**  
(In SAR Million)

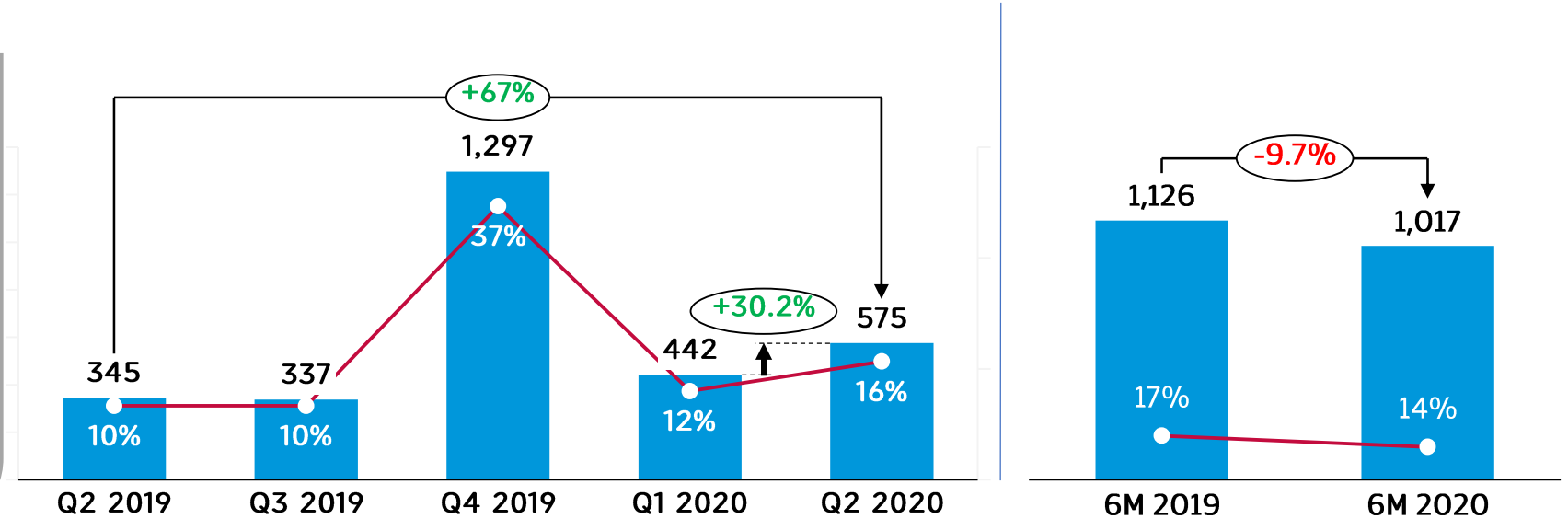


- H1 2020 EBITDA improved by 5.1% compared to H1 2019, with EBITDA margin of 36.6%
- Q2 2020 EBITDA increased by 9.3% YoY to SAR 1,335 million and by 3.9% QoQ
- QoQ EBITDA margin improved and continued the healthy levels
- The healthy levels of the EBITDA is mainly due to the followings:
  - Topline performance improvement
  - Efficiency and better revenue mix



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

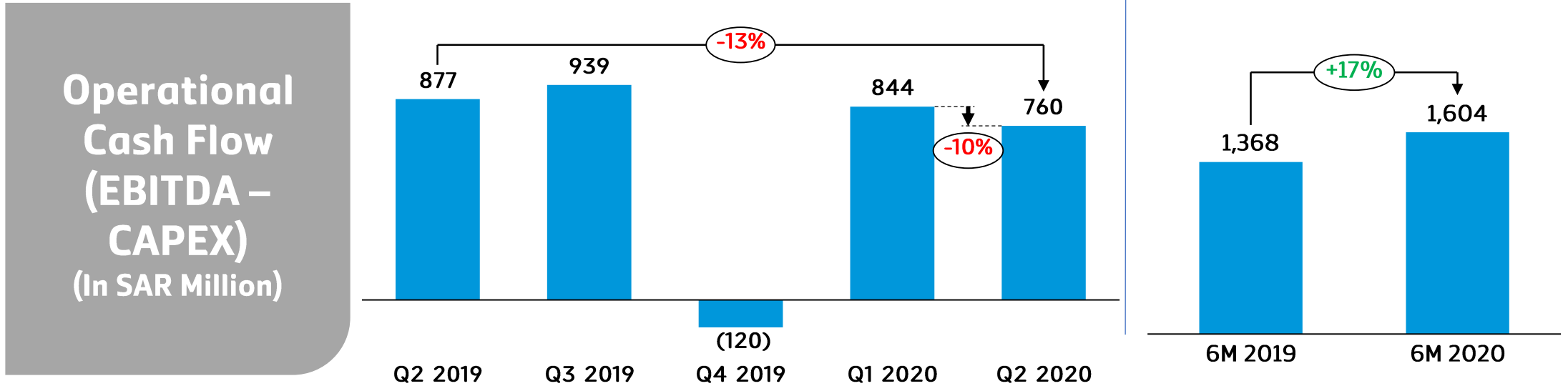
**CAPEX/  
CAPEX to  
revenues %  
(In SAR Million)**



- CAPEX in H1 2020 decreased by 9.7% versus H1 2019 amounting to SAR 1,017 million
- Capex continuity reflects Mobily's commitment to invest in the infrastructure and improve the quality of service



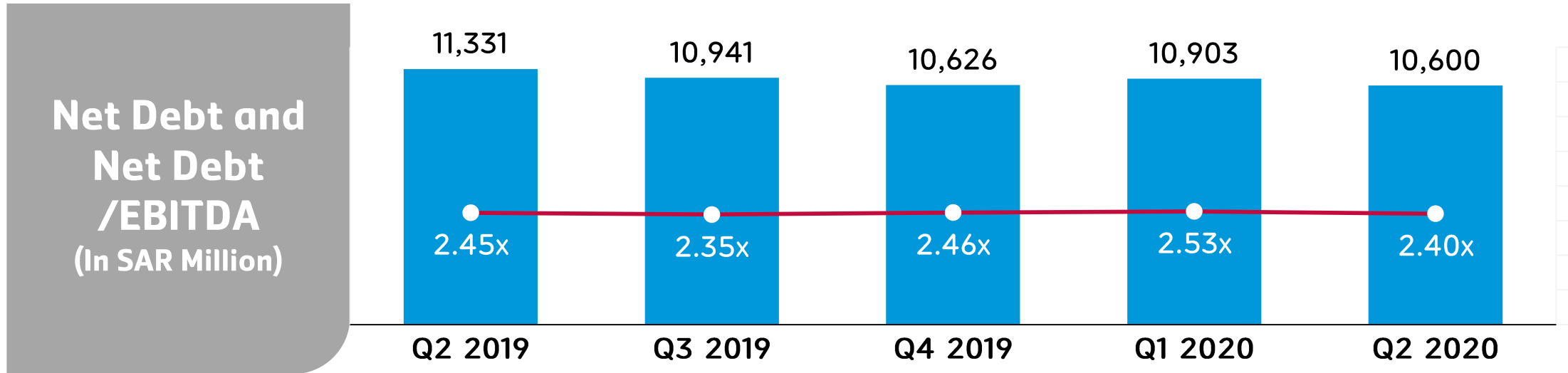
# Key Financial Highlights | Focus on Operational Cash Flow Generation



- H1 2020 Operational Cash Flow (EBITDA-CAPEX) increased by 17% YoY to reach SAR 1,604 million.
- Q2 2020 Operational Cash Flow (EBITDA-CAPEX) was effected by the increase of CAPEX



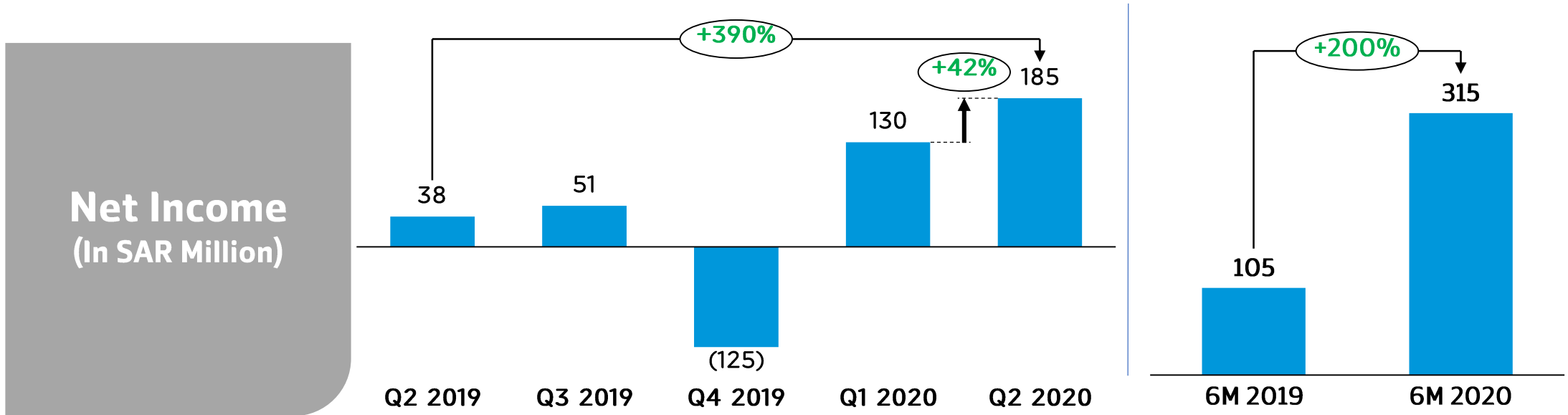
# Key Financial Highlights | Balanced Net Debt levels



- Healthy Net debt to EBITDA ratio at 2.40x at the end of Q2 2020
- During the last 12 months Mobily has reduced its net debt by SAR 731 million
- The company's ability to reduce its net debt was reflected in the decrease of financial charges for H1 2020 to reach SAR 300 million representing a decrease by 30% versus H1 2019



# Key Financial Highlights | Gaining Profitability



- Mobily achieved 200% increase in H1 2020 net results reaching SAR 315 million versus H1 2019
- Q2 2020 net results increased by 390% YoY and 42% QoQ reflecting Mobily performance and operational development
- This is mainly due to:
  - Topline performance improvement
  - Decrease of financing charges



# Q&A

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