



Date: 21 July 2020

التاريخ: 21 يوليو 2020

Ref:

المرجع:

Mr. Mohammad Saud Al-Osaimi

السيد / محمد سعود العصيمي المحترم

CEO - Bursa Kuwait

الرئيس التنفيذي - بورصة الكويت

State of Kuwait

دولة الكويت

Dear Sir,

تحية طيبة وبعد،،،

Subject: Minutes of Analyst / Investor conference for Q1& Q2 2020 – Zain Group

الموضوع: محضر مؤتمر المحللين/ المستثمرين لشركة الاتصالات

المتنقلة – زين للربع الأول والربع الثاني للعام 2020

As per article No. (8-4-2) "Continuing Obligations in the Premier Market" of Bursa Kuwait Rule Book issued as per decision No. (1) for year 2018, and since Zain has been classified in the "Premier Market".

عملاً بأحكام المادة رقم (8-4-2) "الإلتزامات المستمرة للسوق الأول" من قواعد البورصة الصادرة بموجب القرار رقم (1) لسنة 2018، وحيث أن شركة زين تم تصنيفها ضمن مجموعة "السوق الأول".

We would like to advise you that quarterly Analyst / Investor Conference Call took place on Tuesday 21/7/2020 at 2:00 PM local time.

يرجى الإحاطة بأن مؤتمر المحللين / المستثمرين قد إنعقد عن طريق اتصال مباشر في تمام الساعة الثانية بعد ظهر يوم الثلاثاء الموافق 2020/7/21 (وفق التوقيت المحلي).

Attached: the minutes of the Conference mentioned above and the Investor presentation (Q1&Q2-2020).

مرفق طيه محضر المؤتمر المذكور أعلاه والعرض التقديمي للمستثمرين عن الربع الأول والربع الثاني للعام 2020.

Sincerely yours,

وتفضلوا بقبول فائق الاحترام والتقدير ،،،

بدر ناصر الخرافي

بدر ناصر الخرافي

نائب رئيس مجلس الإدارة والرئيس التنفيذي لمجموعة زين

Bader Nasser AlKharafi

Vice Chairman and Group CEO



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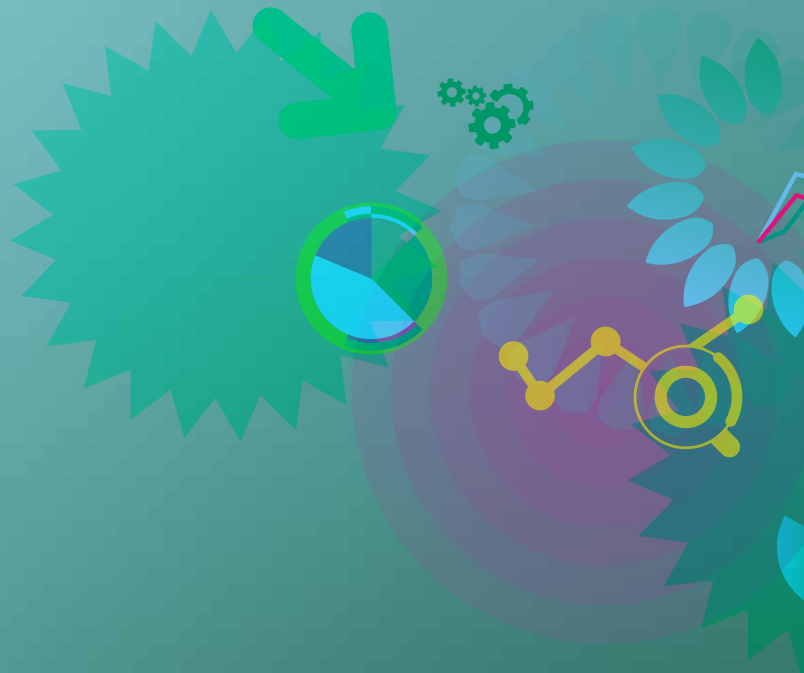


Zain Group

Q1 & Q2 2020

Earnings Conference Call

21 July 2020



Chaired by:
Omar Maher
EFG



Zain Group Q1 & Q2 2020 Earnings Call Transcript

Tuesday 21st July 2020

2:00 PM Kuwait Time

Zain Group Executive Management:

Scott Gegenheimer - Group Chief Executive Officer - Operations

Mohammad Abdal - Group Chief Communications Officer

Mohammed Shereef - Group Executive Finance Director

Aram Dehyan - Group Investor Relations Senior Manager

Moderator:

Omar Maher, EFG Hermes



Operator:

Good afternoon ladies and gentlemen, thank you for standing by. Welcome to today's Zain Group's First Half 2020 Results Conference Call. At this time, all participants are in listen-only mode. There will be a presentation followed by a question and answer session at which time if you wish to ask a question, you will need to press star-one on your telephone and wait for your name to be announced. I must advise you that this conference is being recorded today, Tuesday, 21st of July 2020.

I would now like to hand the conference over to your first speaker today, Omar Maher. Thank you, please go ahead

Omar Maher:

Greetings ladies and gentlemen, this is Omar from EFG and I would like to welcome you all to the Zain Group's First Half 2020 Results Conference Call. It is my pleasure to host Zain Group senior management today on the call. By now you should have received the company's presentation and earnings release for the second quarter and detailed financials which have all been uploaded on the Group's website.

Now without further delay, I will hand the call to Mohammad Abdal, Zain Group's Chief Communications Officer. Thank you

Mohammad Abdal:

Thank you, Omar. And welcome everyone to Zain's Q1 & Q2-2020 earnings conference call. With me today Scott Gegenheimer our Group CEO of Operations and Mohammed Shereef, Group Finance Executive Director, as our Group CFO Ossama Matta could not make it today due to some last-minute urgent matters. A quick introduction, Mohammed Shereef has been with Zain since 1993 and involved in every financial aspect of the Group and operations.

First of all, on behalf of the Zain management team, I hope that you and your loved ones are safe and sound in these challenging times.

I would like to apologize for Zain not holding a Q1, 2020 conference call due to the COVID-19 pandemic whereby the CMA sent out a directive to all listed companies in Kuwait to refrain from posting Q1 2020 results. Nevertheless, we will cover Q1, Q2 and H1 results in this call.

Due to safety precautions, Scott and Moh'd are in different locations and thus we will do our best to coordinate answers to your questions, and we thank you in advance for your cooperation and understanding during the call.



In a moment, we will take you through the IR presentation which has been posted earlier today on our corporate website, and after that we're happy to answer any question you may have.

During this call, we will be making forward-looking statements which are predictions, projections or other statements about future events. These statements are based on current expectations and assumptions that are subject to risks and uncertainties.

Please refer to our detailed cautionary statement found in slide number 2.

With that, I will now turn the call over to Scott.

Scott Gegenheimer:

Thanks, Mohammad. Good afternoon to everyone and thanks for joining us on today's call.

First, and most importantly, I hope that you and your loved ones are remaining safe and healthy in the current environment. It has been a very challenging first half and I would like to start off by acknowledging all Zain employees for their hard work and dedication in helping deliver exemplary services, and on the critical role we play in maintaining connectivity and supporting the government and communities we serve throughout these exceptional times.

As expected, the covid-19 pandemic has had impact on our overall business, especially in the second quarter due to lockdown restrictions put in place by governments. Relevant factors of this financial impact include lower air time revenues (as key markets provided free airtime); the closure of retail shops, thus less recharge and handsets sales; halt of international business and religious (Umrah) travel affecting roaming revenues; increase of home Wi-Fi connectivity and lifting of data-usage caps;, to name a few. Moreover, on the Prepaid revenue, the exodus and/or reduction of income of the low paid expat community compounded the impact in Q2 as well as our customer numbers.

Nevertheless, data usage has increased, anywhere from 25% to 50% depending on country which helped offset some of the revenue impact.

The pandemic also accelerated our digital transformation, pushing our digital channels to include e-SIM in Saudi and Kuwait. I would also like to highlight the success of the Zain Group API platform that enables faster deployment of digital partnerships, continues to grow exponentially, resulting in an eight-fold Y-o-Y increase in revenues with approximately 5 million transactions per month. We will continue to foster this exciting space.

Our business continuity strategy during the lockdown and still through to now has seen the implementation of many proactive measures across our operations to manage the evolving



situation. The company created a Group Crisis Response Committee led by Executive Management to ensure that all country operations implement appropriate measures to rapidly respond to wide-ranging effects of the pandemic and the transition to working from home went very smoothly.

Although we are coming out of the strict lockdown in most of our countries we operate in, and most airports are still closed for commercial flights although they plan to open in August, we currently have anywhere from 85% to 90% of our employees working from home.

We also created a cash War-Room in every opco, to control the collection and predict the future cash flow on weekly basis. Management proactively took decisive cost optimization measures in areas such as contracts renegotiation, management of cashflows and loan repayments at Group and all OPCO levels to mitigate the effects of the lockdown on the business, that succeeded in reducing operational expenses by USD 68 million for second quarter.

Since we didn't update you with the Q1 numbers due to regulations, I will talk about six-months and briefly mention Q1 and Q2 in my review.

Let me start on page 6 of the IR presentation. Our Group customer base dropped by 3% Y-o-Y to reach 47.6 million at the end of the quarter, mainly due to the decline in prepaid base, on account of lockdown, travel ban, and expats leaving in several of our key markets.

For the first six months of 2020, the Group's consolidated revenue dropped by 3% to USD 2.7 billion. EBITDA for the period reached USD 1.1 billion, down 5% Y-o-Y, reflecting an EBITDA margin of 43%. Consolidated net income dropped by 14% Y-o-Y to reach USD 273 million. Earnings per share for the half-year stood at 19 Fils (USD 0.06).

We estimate that the impact of the COVID-19 pandemic on Zain Group revenues totaled approximately USD 183 million due to the disruption in economic and social activity.

For H1 2020, **foreign currency** translation impact, predominantly due to the 18% currency devaluation in Sudan from an average of 45 (SDG / USD), in Dec 2019 to 55 in H1 2020 cost the company USD 51 million in revenue, USD 23 million in EBITDA and USD 4 million in net income.

For the 1st quarter of 2020, Zain Group recorded consolidated revenues of USD 1.3 billion, up 1% Y-o-Y. EBITDA for the quarter reached USD 559 million, down 4% Y-o-Y, reflecting an EBITDA margin of 42%. Net income for the quarter amounted to USD 155 million, up 1% Y-o-Y reflecting earnings per share of 11 Fils (USD 0.04).



For the 2nd Quarter of 2020, Zain Group recorded consolidated revenue of USD 1.22 billion, down 7% when compared to the same period in 2019. EBITDA for the quarter reached USD 533 million, down 7% Y-o-Y, reflecting an EBITDA margin of 44%. Net income for the quarter amounted to USD 117 million, down 28% Y-o-Y, reflecting earnings per share of 8 fils (USD 0.03).

Moving on to Capex, the Group CAPEX for the six months reached USD 381 million, reflecting 15% of revenues, **(\$605m including intangible CAPEX)** predominantly in new network sites across its markets; 5G rollouts in Kuwait, Saudi Arabia and recently Bahrain. Mohammed will provide more color on the country breakdown of the CAPEX spend.

We have focused on our digital strategy of monetizing 4G and 5G networks, our FTTH services, and Group API platform through compelling initiatives and packages as well as focusing on gaming, entertainment, fintech and e-health services.

This has proven instrumental in countering the negative impact of the crisis with data revenues (excluding SMS and VAS) growing 10% Y-o-Y and now representing 42% of the Group's consolidated revenue.

The major relevant highlights in Q2 2020 were:

- **Group:**
 - On June 14, 2020, Zain joined the Hedera Governing Council to create a safer, fairer, more secure internet, providing Zain with first-hand exposure to cutting-edge and secure technologies in the blockchain and wider distributed ledger technology (DLT) space, driving innovation, e-commerce and B2B across the region.
- **Kuwait:**
 - On February 12, 2020, Zain Kuwait completed the sale and leaseback of the passive physical infrastructure of its 1,620 mobile tower portfolio for USD 130 million to IHS. The transaction is the first sale and leaseback of telecom towers in the Middle East by a mobile operator. Mohammad will give more details on the accounting gain in our books.
- **KSA**
 - Zain Saudi Arabia expanded its 5G network to cover the 30 cities in the Kingdom and it remains the largest 5G network in the MENA & Europe, as well as having the fastest wireless network in the Kingdom.
 - In KSA we also signed a MOU with Mobily for towers in July to establish a joint committee to buy and merge the towers owned by the two companies. This will insure maximum efficiency, under the supervision of the CITC. The agreement is subject to regulatory approvals, as well as internal approvals.

- **On Iraq license extension and 4G deployment:** On July 7, 2020 Zain Iraq's mobile license was extended for an additional eight years to expire on August 30th, 2030 inclusive of 4G. We plan to launch 4G services in early 2021. As part of the renewal, all licenses are now technology neutral.
- **Bahrain 5G:** In June 2020, Zain Bahrain launched 5G commercial services becoming Groups 3rd 5G network following Kuwait and KSA.

I would like to finish by reemphasizing the critical importance of high-quality connectivity has never been more evident in keeping businesses, governments, and societies connected and functioning with digital access to essential medical, commercial and financial services. The wide-ranging effects of COVID-19 will bring multiple opportunities and challenges, and Zain is mobilizing all its resources to ensure its networks are operating at optimal levels to provide a superb mobile experience to all while at the same time capitalizing on the many opportunities in the digital space to create shareholder value. We are optimistic of the telecom sector's resilience in such times and confident of better times ahead.

And on a final note, as I am sure the Dividend is on many of your minds. Our profitability and cash flow is still quite healthy, and we are confident to deliver on our promise of a minimum 33 fils dividend.

With that I will now handover to Mohammed to discuss the results in more detail. Thank you.

Mohammed Shereef:

Thank you, Scott, and good afternoon everyone.

I believe Scott has already covered all the key matters related to COVID 19 pandemic on the Group. As he mentioned, Management proactively implemented cost optimization measures across all opcos to mitigate the effects of the lockdown on the business and succeeded in reducing operational expenses by USD 68 million for the last three-months mainly from:

- Zain KSA USD 31m
- Zain Kuwait USD 15m
- Zain Iraq USD 9m

Now I will go straight into some key KPIs and provide a detailed analysis on the main Operations.

The Group continues to maintain healthy cash flows, and this allows us to focus and reduce the Group's leverage i.e. net debt / EBITDA (including Guarantees) which currently stands at 2.3 times. Reducing debt is a key strategy for Zain, and the current level is well within industry standards.



I will move to the OPCOs financial performance, and will be covering two specific periods:
- the six-month period ended 30 June 2020 and Q1 2020

Let's move to slide 14 - Zain Kuwait

Our flagship, Zain Kuwait remains the most profitable company within the Group and continues to maintain its market lead in both value share and customer base, as it now serves 2.6 million customers.

For the first six months of 2020, revenue dropped by 8% to reach KD 153 million (USD 497 million), mainly due to the COVID 19 impact which is estimated at KD 14m (USD 45 million), coupled with Government directives to support the community during the crisis by providing free local interconnect airtime and free 5GB data usage for one month. Despite several cost optimization initiatives implemented by the operation (where contracts were reviewed, negotiated and in certain circumstances even cancelled depending on the nature of the expense, to ensure that expenses were rationalized given the pandemic circumstances), EBITDA for the period decreased by 17% mainly due to revenue reduction and increase in ECL provisions.

Net income decreased by 14% Y-o-Y to reach KD 38 million (USD 122 million) mainly on account of the pandemic impact on Revenue. It must be noted with the recent huge investment in the 5G dominant rollout in Kuwait, Depreciation related to 5G infrastructure also had an impact on the bottom line.

For the first quarter of 2020, Revenue was stable at KD 81 million (USD 266 million), despite the country-wide lock down impact from mid-March, and resulting free local calls and additional internet (5GB a day), that was effective from 22nd March. EBITDA dropped by 15% to reach KD 27 million (USD 88 million) mainly due to higher ECL (Expected Credit Loss) provisions. Net income decreased by 3% to reach KD 20 million (USD 67 million).

In Q1, 2020 Zain Kuwait also recorded a gain of ~USD 15m on the Tower sale.

To support the focus on enhancing data revenue and digital presence further exploiting its 4G and 5G network, Zain Kuwait invested USD 27 million (5.4% of its revenue) in CAPEX during H1 '20, growing its digital platforms and implementing an entire range of Data monetization initiatives. The benefits of such investment and focus are reflected in the Data revenue representing 40% of total revenue compared to 37% last year.

We are very optimistic on the next phase of growth for Zain Kuwait exploiting its dominant 5G network and focus on digital services to individuals and the more lucrative B2B space. There are some big lucrative agreements with key government depts and enterprises in the pipeline, that will gain traction in H2, 2020 and beyond.

Saudi Arabia which is on slide 15:

Zain Saudi Arabia has been on an upward trajectory over the last few years reporting profits since 2017. Its rollout of the biggest 5G network in the region and Europe, in Oct 2019 put the Kingdom on the 5G world map and it hasn't looked back, as it expanded its 5G services nationwide covering 30 cities.

Nevertheless, the COVID 19 pandemic and halt of Umrah visitors had a large impact on the operation. Revenue for the first six months of 2020 reached SAR 3.9 billion (USD 1.05 billion), a decrease of 6%, impacted by the lockdown in the same way as I just described for Zain Kuwait. The impact of COVID-19 on revenue is estimated at USD 56 million (SAR 208 million) mainly from the drop in major revenue streams and the halt of the Umrah season.

EBITDA for the period USD 490m dropped by 3% and the net income fell by 37% to reach USD 44 million, on account of the revenue drop and higher depreciation (5G rollout) and higher amortization (due to acquisition of new spectrum for SAR 948m in 2020).

Over the past year, Zain KSA's customer base decreased by 1.3m (15%) mainly due to expats leaving the country, high prepaid churn during H2, 2019 (mainly driven by the legacy package disconnections for MBB by CITC and market competition) and decrease in gross adds (~60%) due to the lockdown.

For the 1st quarter 2020 specifically, revenue decreased by 3% to reach USD 544 million given the lockdown that commenced in mid-March. EBITDA decreased by 2% to reach USD 250 million, reflecting a healthy EBITDA margin of 46%. Net income for the quarter dropped by 19% to reach USD 28 million due to the revenue drop and EBITDA performance coupled with increase in depreciation and amortization.

The 5G and FTTH expansion across the Kingdom, saw Zain KSA invest USD 495 million (47% of revenue) during H1 2020 on tangible capex and spectrum/license fees. This relatively high ratio of CAPEX / revenue reflects the significance the operation has in positioning itself as a dominant digital player in the Kingdom, preparing itself for the next phase of profitable growth.

One of the immediate benefits of such huge investments can be seen in the 8% Y-o-Y increase in ARPU from \$19 to \$20.5 over the last year, indicative of the success of the team's focus on attractive high value postpaid customers and a range of data monetization initiatives. Data revenue currently represents 51% of total revenue, which grew 10% YoY.

The company is in a much stronger financial position now, evidenced by an early voluntary payment towards the Senior Murabaha financing agreement amounting to SAR 675 million in Q2 '20, reflecting the company's solid cash flow generation and thus bringing the total



repayment amount to SAR 2.1 billion in the past 21 months, and saving SAR 94 million (USD 25 million) in finance costs annually. Also, during 2020 the operator paid USD 180 million towards shareholder loan settlement and related interest.

Zain KSA was also recently awarded by the globally acclaimed 'Ookla speed test award' for having Saudi Arabia's fastest fixed network. This is even more remarkable when one looks at the speed test numbers issued by Ookla, whereby Zain KSA provided speeds of 76 Mbps, compared to speeds of 59, 47 and 43 of the other major fixed internet providers in KSA.

Note that the Saudi team will hold their analyst call on Sunday 26th July, if you need further information.

Moving to slide 16, which is Zain Iraq

On 7 July 2020, the Government of Iraq decided to extend Zain Iraq's license for an additional eight (8) years ending on August 30, 2030, and to grant license for the operation of fourth generation of broadband cellular network technology (4G) starting from 1 January 2021.

The COVID 19 pandemic and extended lockdown had a large impact on the operation, more than other operations given the high percentage of pre-paid customers that weren't able to recharge their SIM cards coupled with free extension of Data bundles as per government directive.

For H1 2020, revenue reached USD 464 million, a 11% drop Y-o-Y mainly due to the market competition and the country lockdown due to the pandemic. The impact of COVID-19 on revenue is estimated at USD 61 million. EBITDA decreased by 16% to reach USD 185m, mainly due to the fall in Revenue. However, Net income jumped by 13% to reach USD 28 million, due to lower amortization following the license extension in Dec 2019 for additional five years.

For Q1 2020 specifically, the intense competition and the lockdown impacted the top line which came at USD 252 million, 4% lower compared to last year. EBITDA for the quarter reached USD 101m, decreased by 7%. However, Net income for the quarter USD 21.5m, jumped by a remarkable 51% due to the license extension as mentioned above.

The operator invested \$11 million (3% of revenue) in Capex, to support the increase in data demand. The team in Iraq is focusing heavily on the enterprise (B2B) segment and this is proving to be a very profitable growth area in both service and data revenue.

With the expected launch of 4G services in early 2021, combined with the improving socio-economic conditions of the country, we are very confident Zain Iraq will justify our faith and exploit the great opportunities of this promising telecom market. We firmly believe Zain Iraq will be a star performer in the years to come.

Going to slide 17 which is Zain Jordan:

Zain Jordan continues to maintain its market leadership, now serving 3.4 million customers.

Revenue for the first six months decreased by 3% to reach USD 234 million, mainly due to decrease in airtime, roaming and interconnect revenue coupled with decrease in handset sales. The impact of COVID-19 on revenue is ~USD 11 million. Correspondingly, EBITDA decreased by 8% to reach USD 103m. Net income for the period USD 34m decreased by 11%, due to increase in depreciation on account of investments in 4G and FTTH.

Revenue for the first quarter specifically increased by 2% to reach USD 119 million, mainly due to 14% growth in data revenue, despite the new regulated lower local interconnection rates which changed from 8.4 Fils to 5.2 Fils. While EBITDA decreased by 11% due to increase in Opex. Net income decreased by 12%.

EBITDA margin for the year remained healthy at 44% with data revenue growing 12% Y-o-Y and represents 46% of total revenue.

CAPEX spent in Jordan was USD 7 million (3% of total revenue, tangible + intangible) reflected by the investment in the Data Center, 4G and FTTH expansion.

Sudan which is on slide 18:

The political situation witnessed some signs of stability after forming a civilian-led government for a transitional period of three years. We are hopeful that the recent agreement between the army and civilian bodies result in better socio-economic conditions within the country.

The official exchange rate Vs USD increased from SDG 45/Dollar in December 2019 to SDG 55/ Dollar in June 2020.

The operator is performing well in local currency terms, but the significant 18% currency devaluation in Sudan during the six months ended 30 June 2020 compared to H1-19, affected both the Group's and the operation's financial results in USD terms.

For H1 2020, in local currency (SDG) terms, the operator's revenue grew by 47% YoY (UP 29% in USD terms). EBITDA increased by 70% (UP 49% in USD terms). Excluding the rate change and FX translation impact, the revenue and EBITDA growth would have been 42% and 67% respectively in USD terms.

Net income decreased by 11% (down 21% in USD terms), mainly due to the significant currency variance losses (US\$34m for H1 '20 vs. US\$9m in H1 '19).



Data revenue accounted for 24% of total revenue with impressive growth of 128% in SDG terms.

CAPEX spent in Sudan was USD 44 million (25% of total revenue, tangible + intangible) reflected by the investment in the Data Center and 4G services.

The operation serves around 15.7 million customers which grew by 4% YoY. The operator's customer base is the largest within the Group, which represents 33% of the Group's total customer base.

With that, I'll hand over to Mohammad Abdal for Q&A.

Mohammad Abdal:

Thanks, Mohammed. With that, we will now move to the Q&A session. And we ask that you limit yourself to one question and one follow-up.

Operator:

Thank you. Ladies and gentlemen, we will now begin the question and answer session, if you wish to ask a question press star one on your telephone and wait for your name to be announced, if you want to cancel your request please the # key.

Your first question comes from the line of Abdulaziz

Abdulaziz:

Hi, I have 2 questions, first one on tower sales, in the PR you mentioned that you have sold 1,600 towers, however in the financial the number is lower than that, any comment on that? And my second question is on Zain KSA, related to the management fees, I see that the Group charged interest on the accrued management fees, where if we look at other competitors they don't have the same approach, what is the rationale behind this? Is there an intention in participating in the rights issue and increasing your ownership in Zain KSA?

Scott Gegenheimer:

I will take your last question first... yes definitely we have an intention maintaining our 37% share, so will convert our own shareholders loan to equity.

Your second question on towers, we have around 600 towers moving number, there is also built to suit, so you'll have additional towers to be built, so that number will be changed. We wanted to sell 100% of our towers, but there are some issues as some of our towers are on government properties, this takes more time.

Regarding the management fees, we charge fees on the shareholders loan in KSA, as we have given guarantees to most of the loans that KSA has.

Ramesh:

Hi, my question is about the proposed law in parliament where the government wants to reduce immigrants from 70% to below 30%. Might you just comment on that and what the regulation is about and any timelines? How will this impact your business in Kuwait?

Scott Gegenheimer:

In Kuwait there have been lots of discussions on the expat numbers they should have, yet there's nothing official on it. There have been some expats leaving the country because of COVID-19 and the current environment, and also difficulty returning back to the country for some expats. But right now, there is no specific parliament or law regarding the number of expats that needs to be changed, and we'll have to wait and see what is decided by the government.

Ziad:

Hi, thank you for the presentation, I have a question on Iraq. Can we know how much the license extension was?

Scott Gegenheimer:

Yes, we are very pleased with this license extension for 2G + 3G till 30 August 2030, that includes 4G. We are still finalizing the numbers with the Iraqi authorities. In the past we have said we are expecting the license fee to be cheaper than previous license fees we have paid over the years and thus we expect more benefits from the amortization of this. We shall come out with an announcement shortly on this to give you the details.

Jack:

In Zain Kuwait, from the presentation I see you had USD 15 million gain on sale and leaseback of towers. Was that in Q1 or Q2 and does the income shown on this slide include this USD 15 million or not?

Scott Gegenheimer:

Thanks for the question. The gain on the tower was done in Q1. The financial close happened in February. You must also remember that the accounting standards have changed. If we had closed more than a year ago then we would have booked 100% of the gain but the way the accounting standards changed, the gain was quite minimal. But cashflow-wise, it's USD 130 million. Hopefully, that answers your question, thanks

Vijay:

I have a question on tower sale in KSA, what is the current communication and timelines?



Scott Gegenheimer:

As I mentioned in my statement, we signed a MOU with Mobily, the Tower sale process has been going on for couple of years with regulatory approvals being challenging, however we expect the tower sale to close early 2021.

Abdulaziz:

Regarding the lawsuit filed by your competitor in Kuwait with CITRA for the difference in SIM charges, is there any plan for Zain Kuwait to go through the same process.

Scott Gegenheimer:

We still reviewing the situation with our legal counsel, at this time I cannot really give you an update, hopefully on the next conference call we can give a more details on that.

Moderator

No more questions so I will hand it back to Mohammad Abdal for any closing remarks.

Mohammad Abdal

Thanks operator, please refer to the Investor Relations website for additional updates and feel free to contact the IR team at IR@zain.com for further information. We look forward to your future participation in our Q3 2020 update, the date for which we will announce in the forthcoming months.

Thank you all for joining the call. Have a nice day.

- END -



Zain Group Financial Results

Q2 2020



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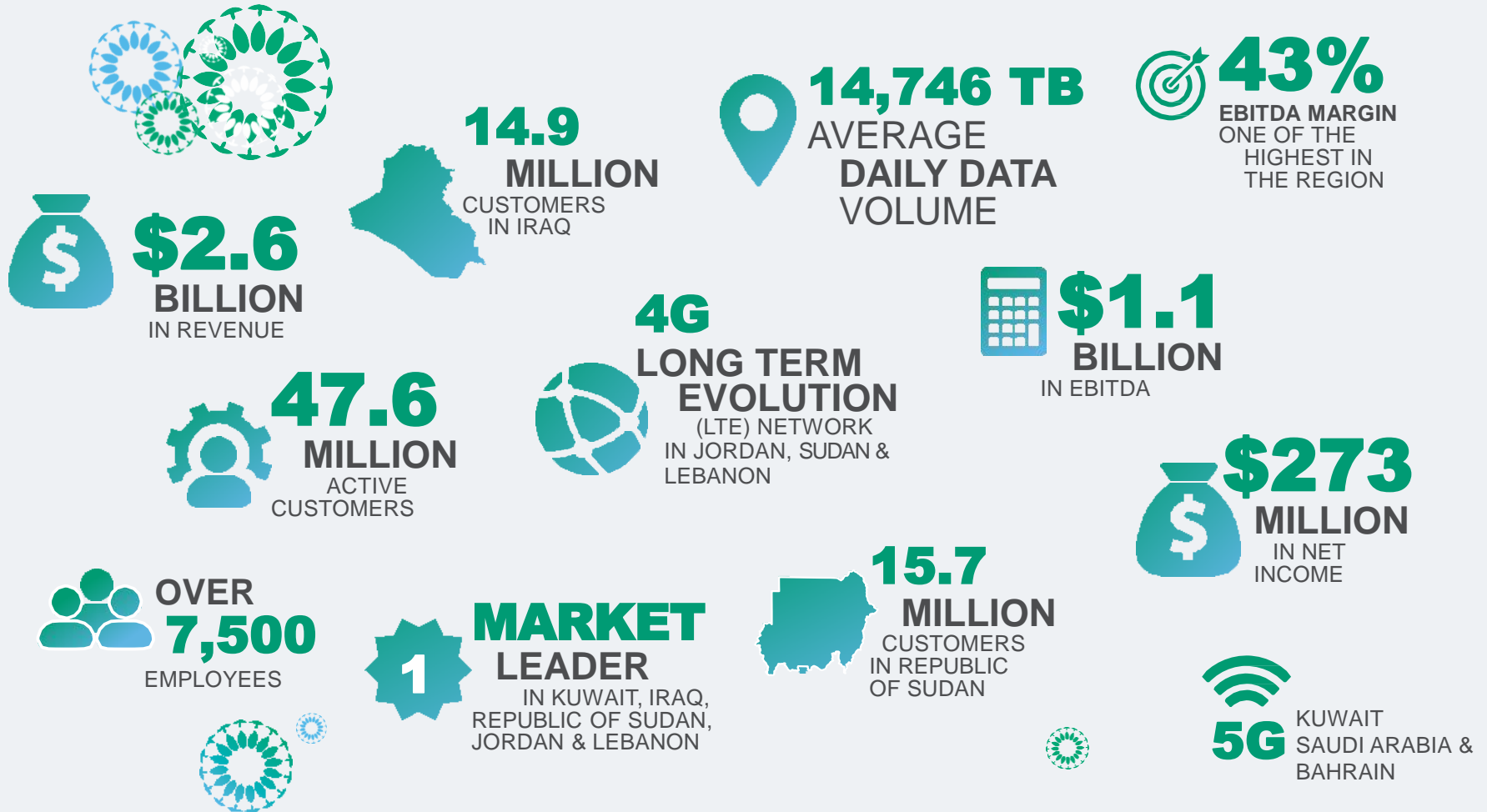
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Content

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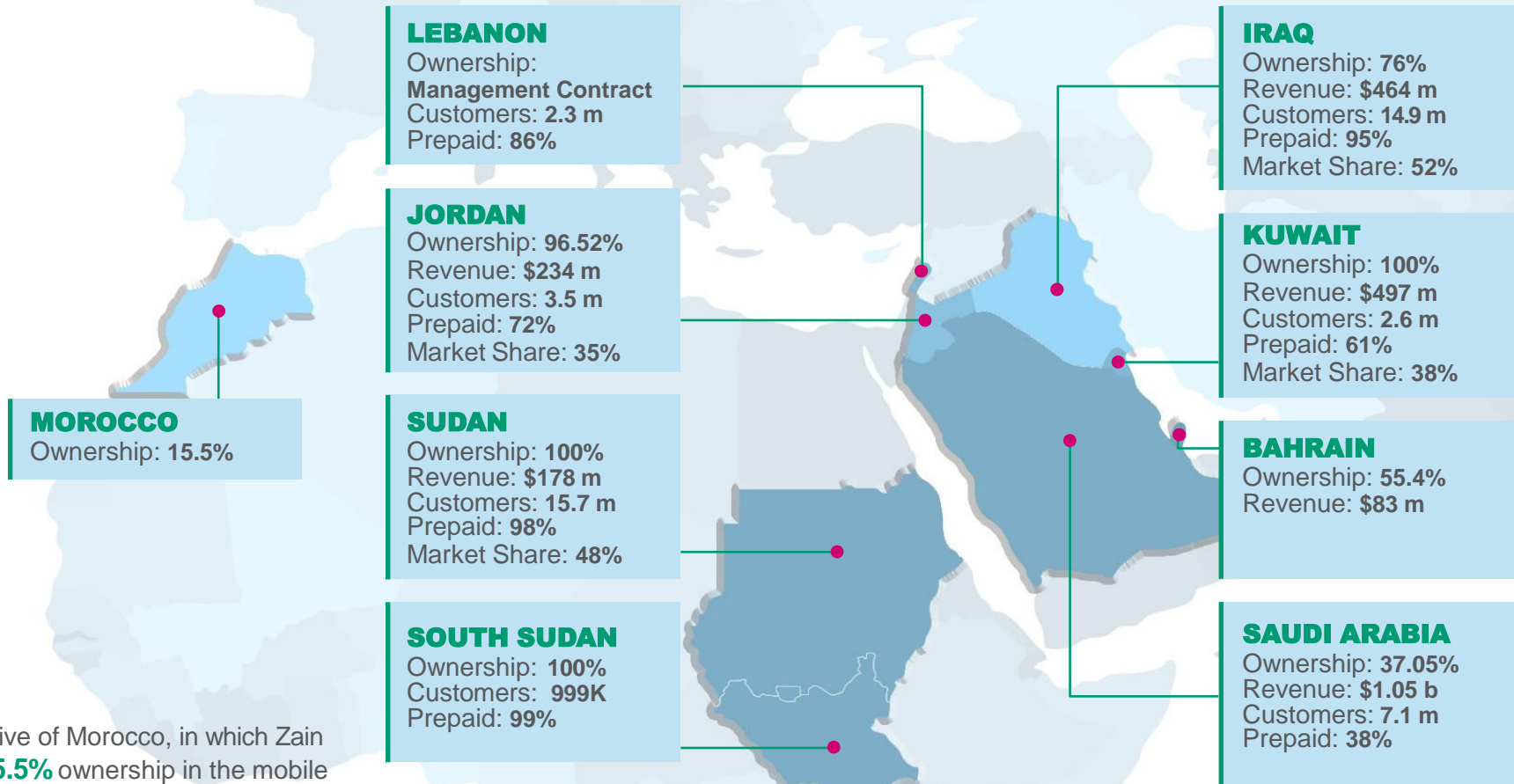


Zain At A Glance – H1 2020



The World of Zain – H1 2020

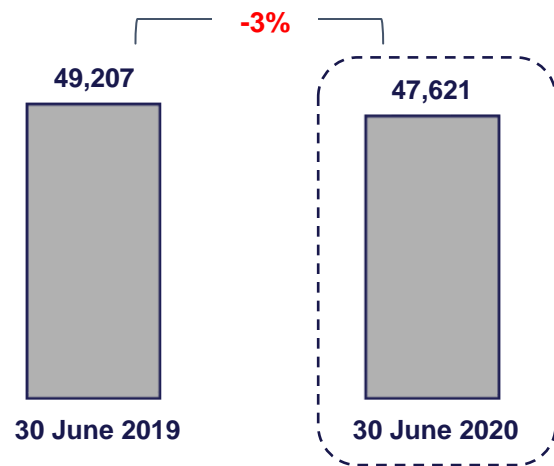
ZAIN'S WORLD CATERS TO **47.6** MILLION CUSTOMERS IN **8** COUNTRIES*



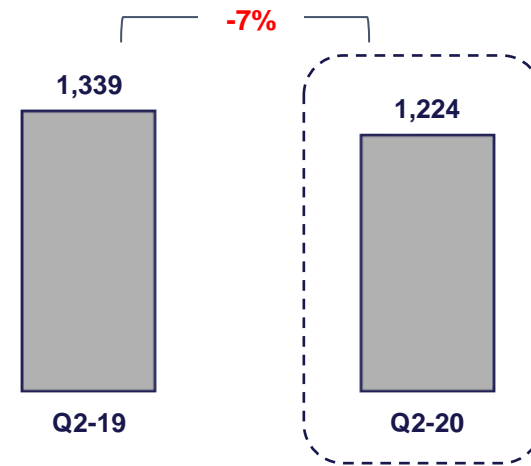
* exclusive of Morocco, in which Zain has a **15.5%** ownership in the mobile operator "INWI"

Group Financial Highlights – Q2 2020

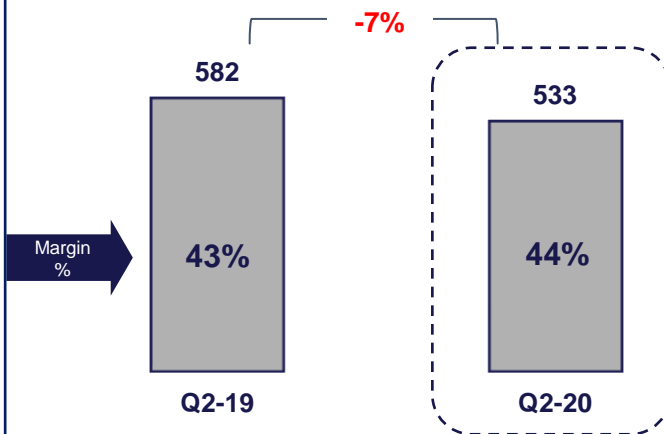
CUSTOMERS (000)



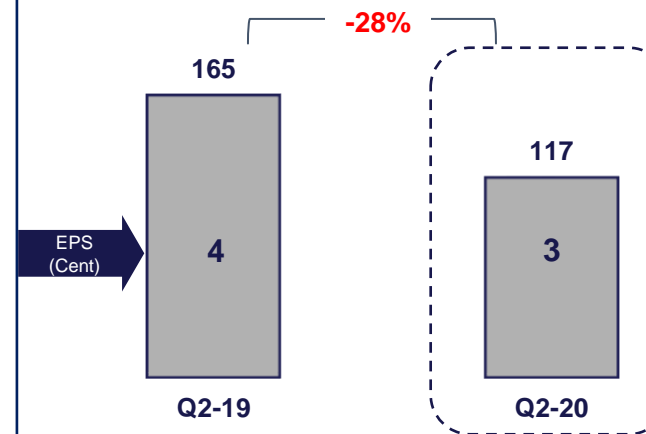
REVENUE (USDm)



EBITDA (USDm)

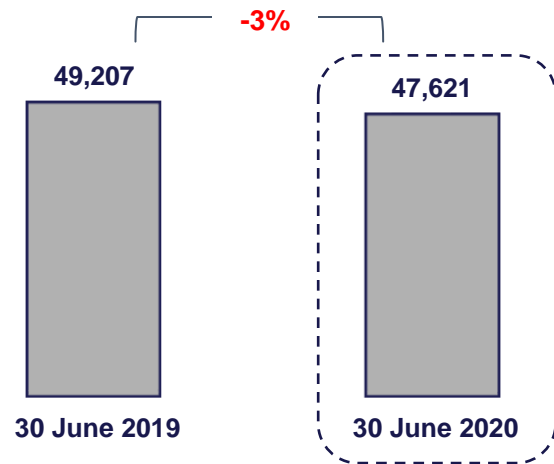


NET INCOME (USDm)

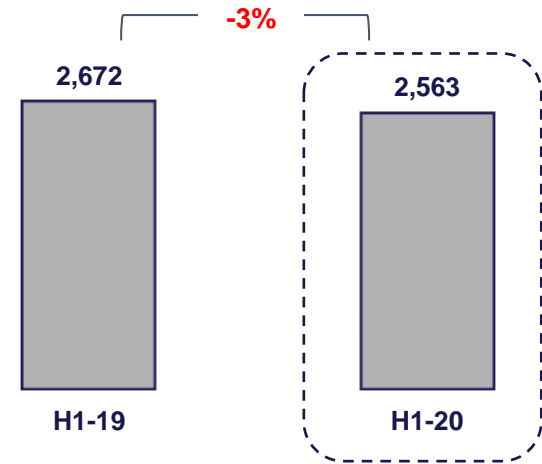


Group Financial Highlights – H1 2020

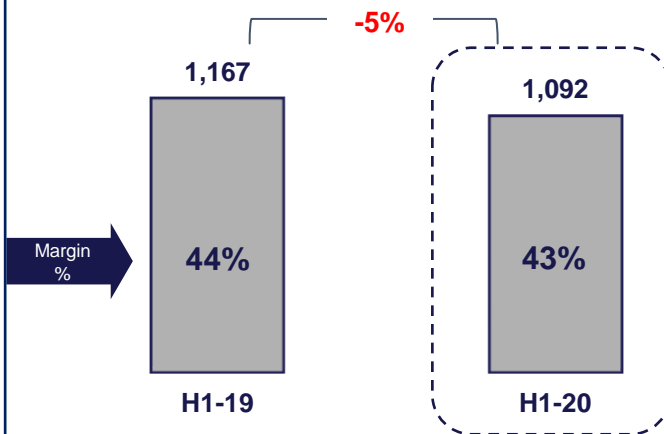
CUSTOMERS (000)



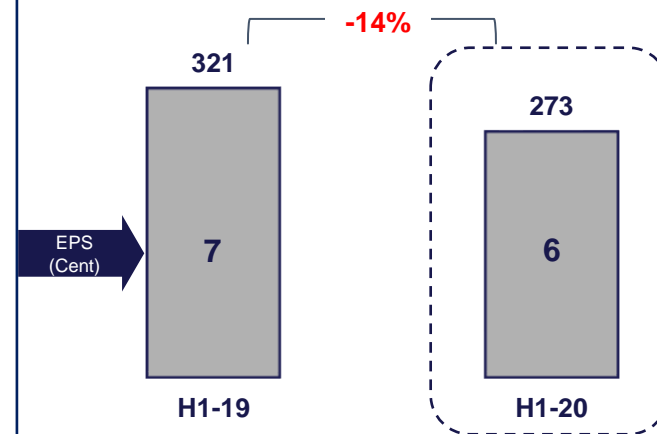
REVENUE (USDm)



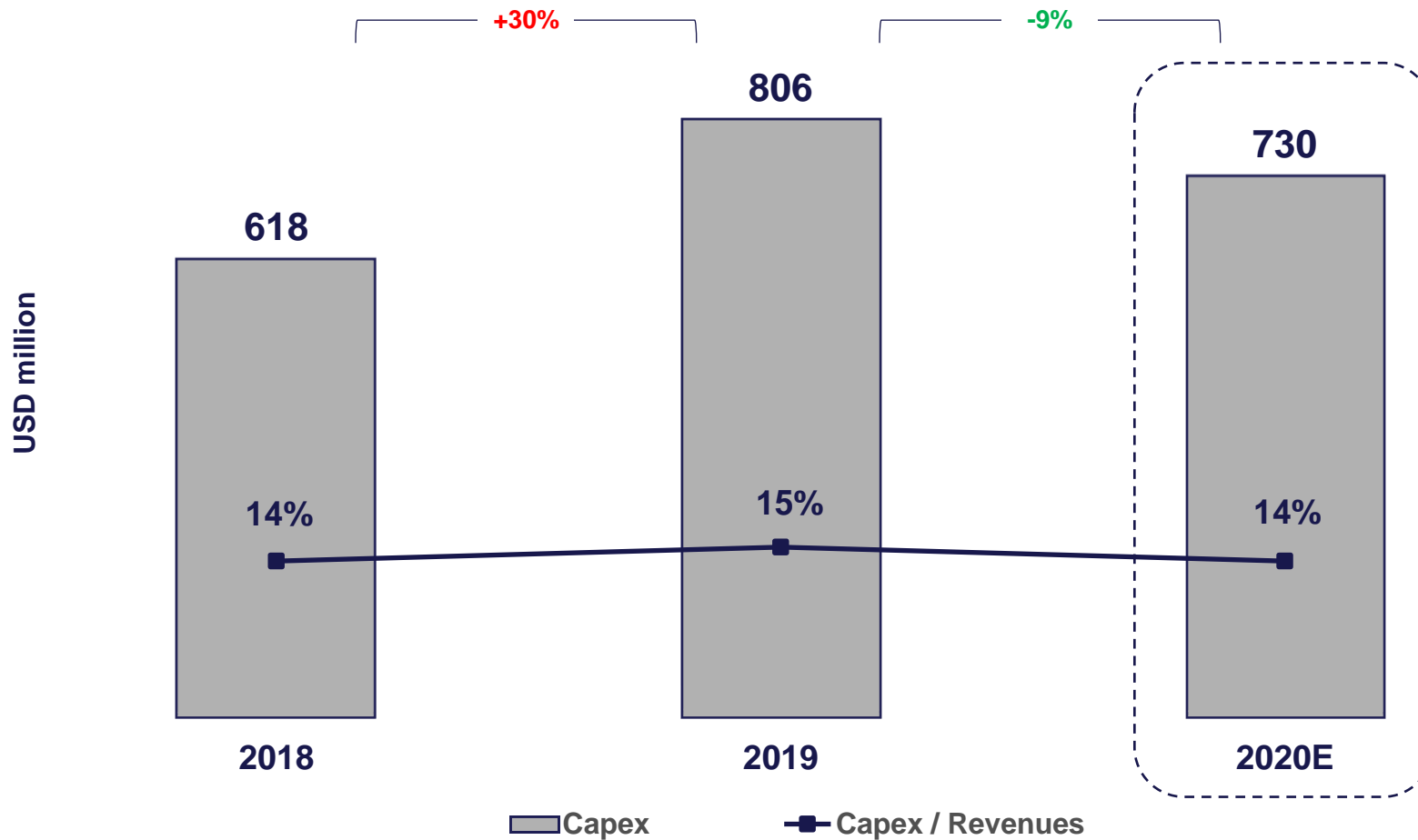
EBITDA (USDm)



NET INCOME (USDm)



CAPEX & CAPEX / REVENUE



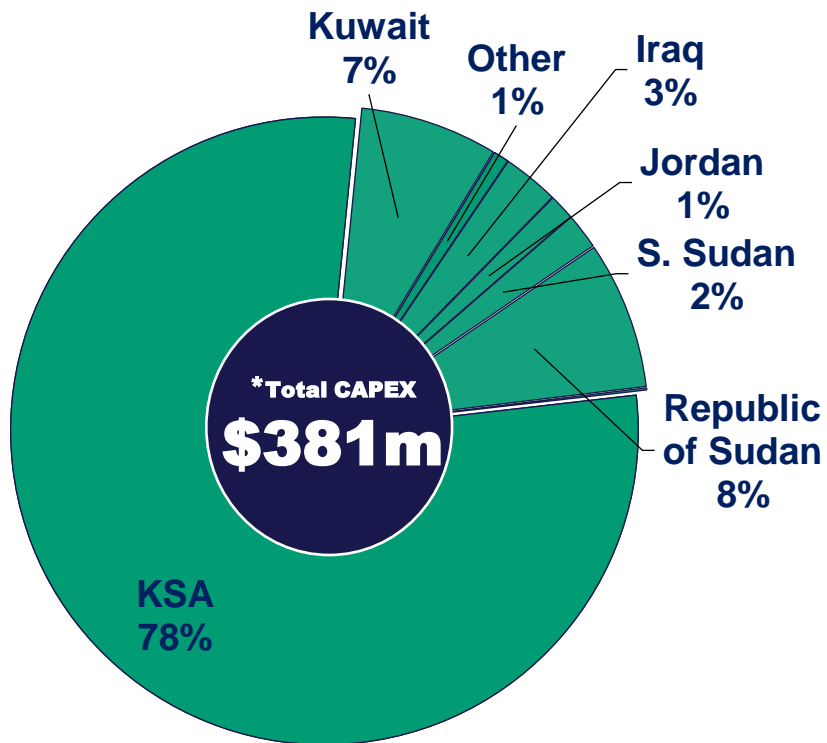
* 2018 Capex includes Zain KSA Capex from Q3 2018 onwards

* Capex includes only tangible assets

* 2020 Capex estimated

TOTAL CAPEX

CAPEX BREAKDOWN

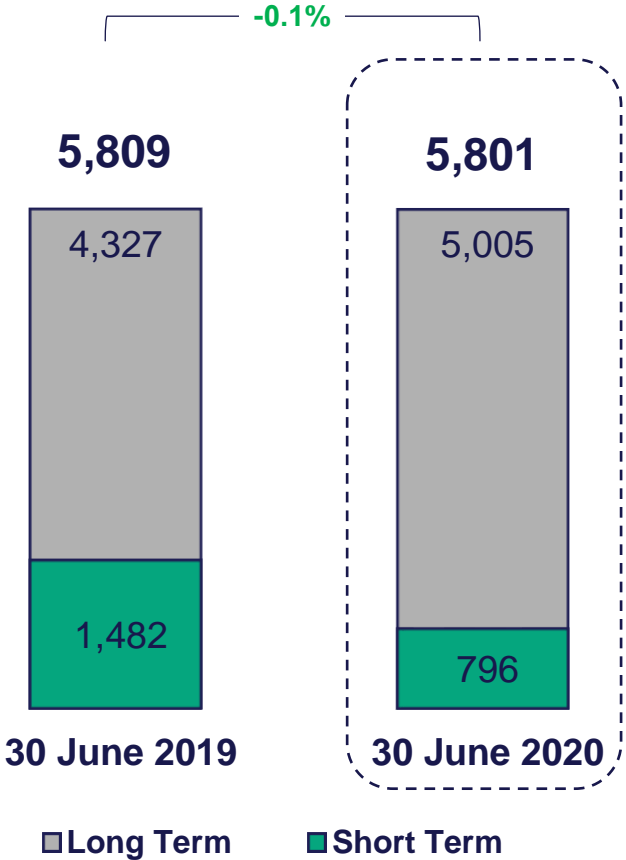


OPCO	H1 2020 (USDm)	% OF REVENUES
Kuwait	27	5%
Iraq	11	3%
Sudan	29	16%
KSA	299	29%
Jordan	5	2%
Bahrain	0.4	1%
S. Sudan	7	19%
Other	3	N/A

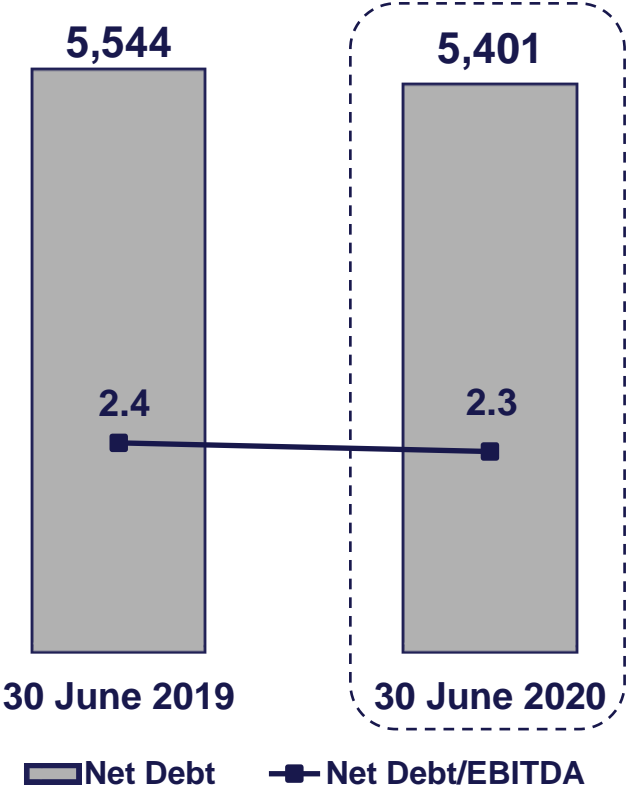
* Capex includes only tangible assets

Group Financial Highlights

TOTAL DEBT (USDm)



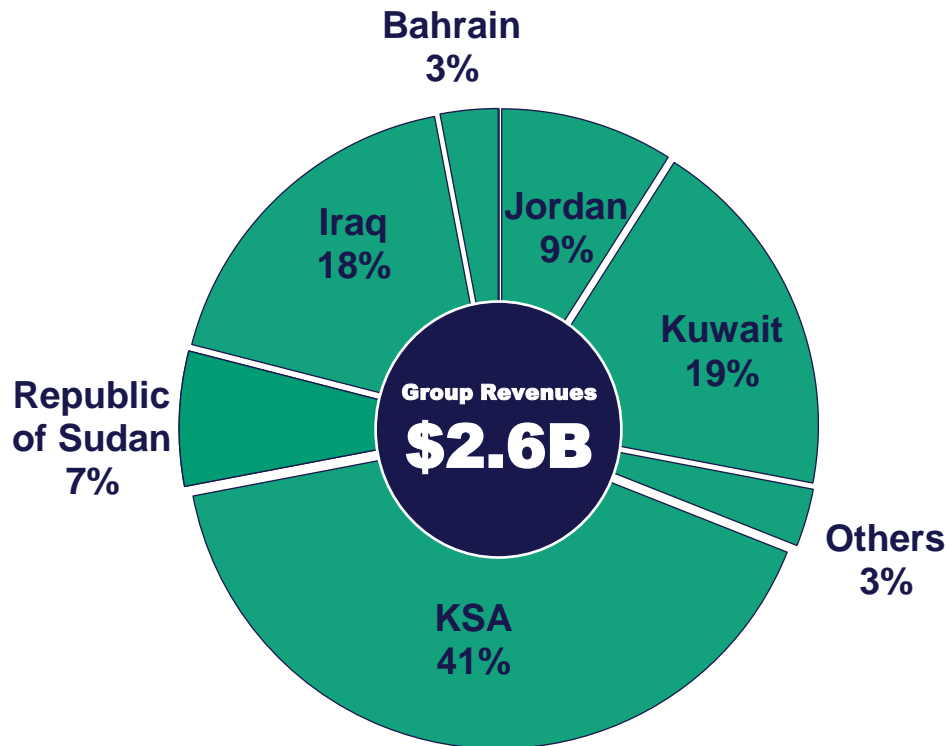
NET DEBT (USDm) & NET DEBT/EBITDA



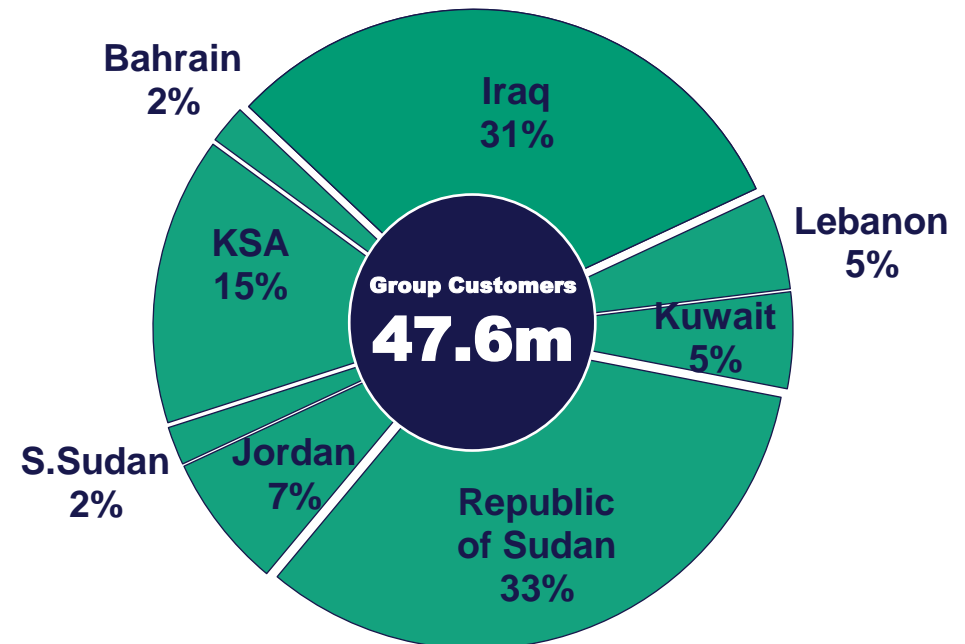
Net Debt = Total interest bearing debt (including letters of guarantee) after deducting cash and cash equivalents

Group Financial Highlights – H1 2020

REVENUE CONTRIBUTION

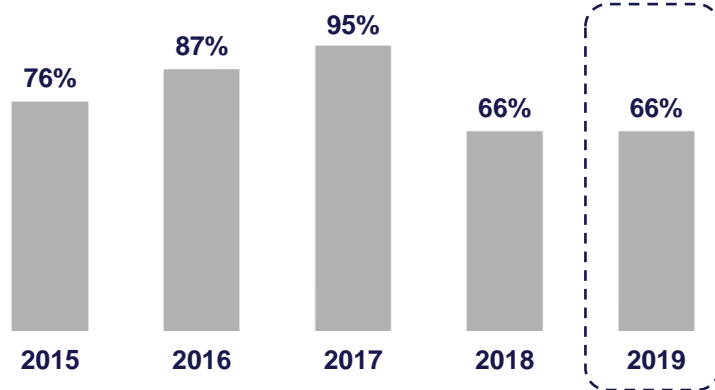


CUSTOMER CONTRIBUTION

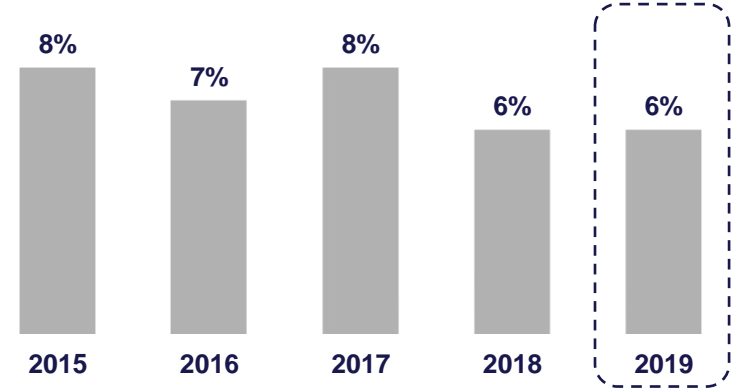


ZAIN DIVIDENDS

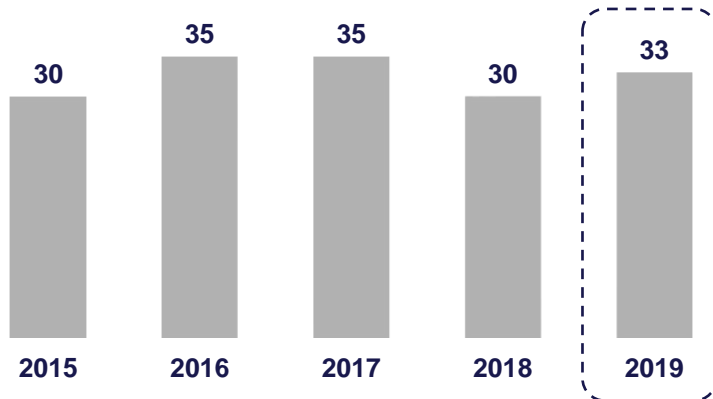
DIVIDEND PAYOUT RATIO



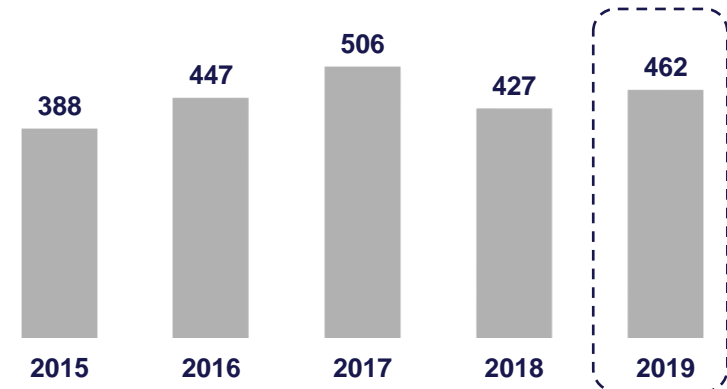
DIVIDEND YIELD (%)



DIVIDEND PER SHARE (Fils)



CASH DIVIDEND (USDm)

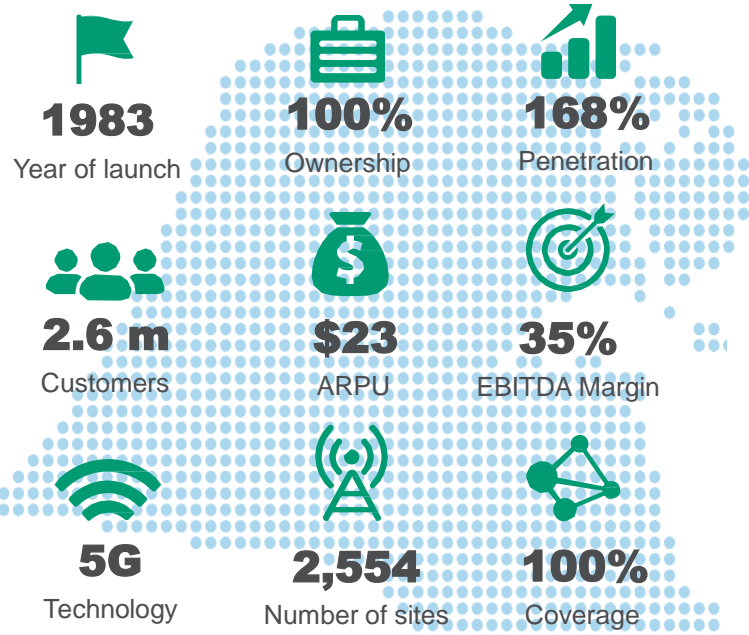


Content

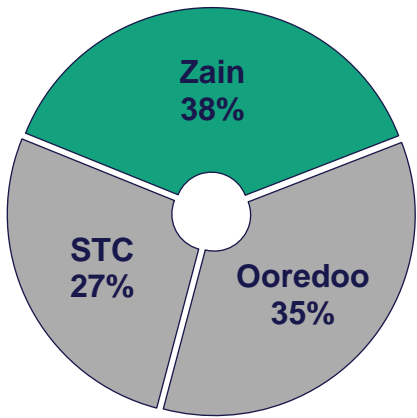
1. Results Review
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3. Financial Statements



ZAIN KUWAIT



MARKET SHARE*



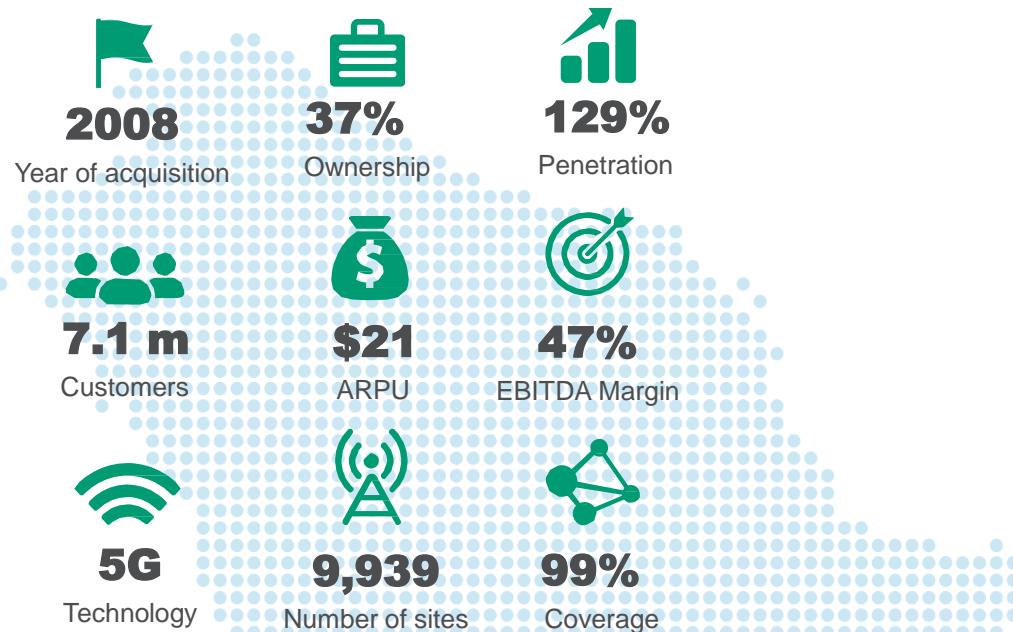
FINANCIALS (USDm)



- Revenue drop is mainly due to decrease in handset and roaming revenue coupled with 1-month free airtime and 5GB free data usage
- The impact of COVID-19 on revenue is ~USD 45 million
- Strong concentration on cost optimization to reduce the overall pandemic impact to the bottom line
- Data revenue formed 40% of total revenue
- ~USD 15 million gain on sale and leaseback Towers

* Market share as of Q4 2019

ZAIN KSA



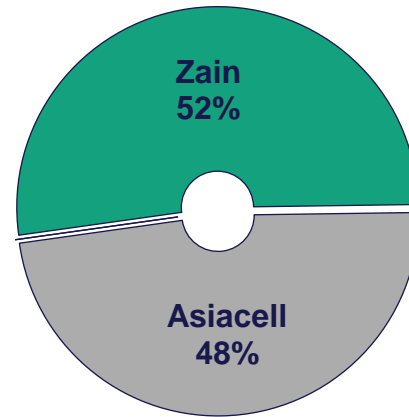
- YoY consolidated revenue impacted by 5% mainly due to decrease in airtime revenue and handset sales.
- The impact from COVID-19 on revenue ~USD 56 million
- Major focus on cost optimization initiatives to minimize the COVID-19 impact
- Higher D&A due to 5G rollout and two new licenses
- Benefits from Regulatory agreements (CITC waiver)
- Data revenue formed 51% of total revenue, 10% YoY growth
- Total early voluntary repayment towards the senior Murabaha amounted SAR 2.1 billion in the past 24 months

FINANCIALS (USDm)

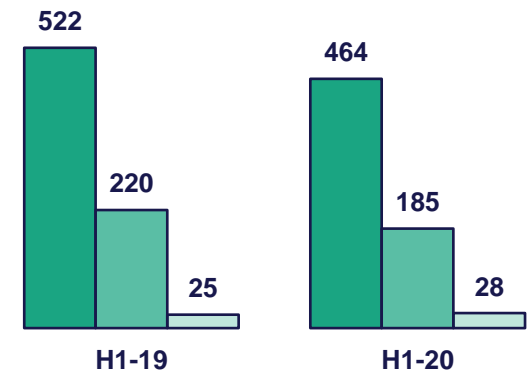
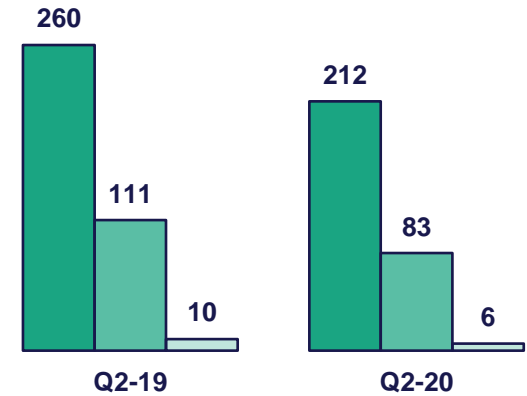


ZAIN IRAQ

MARKET SHARE*

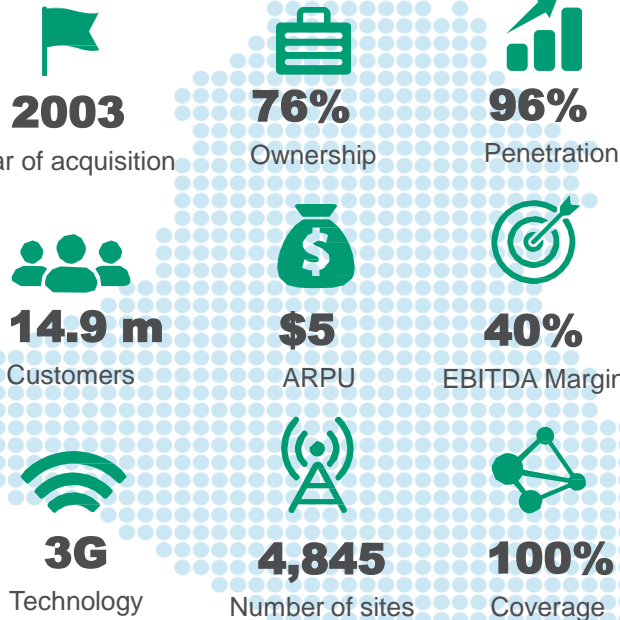


FINANCIALS (USDm)



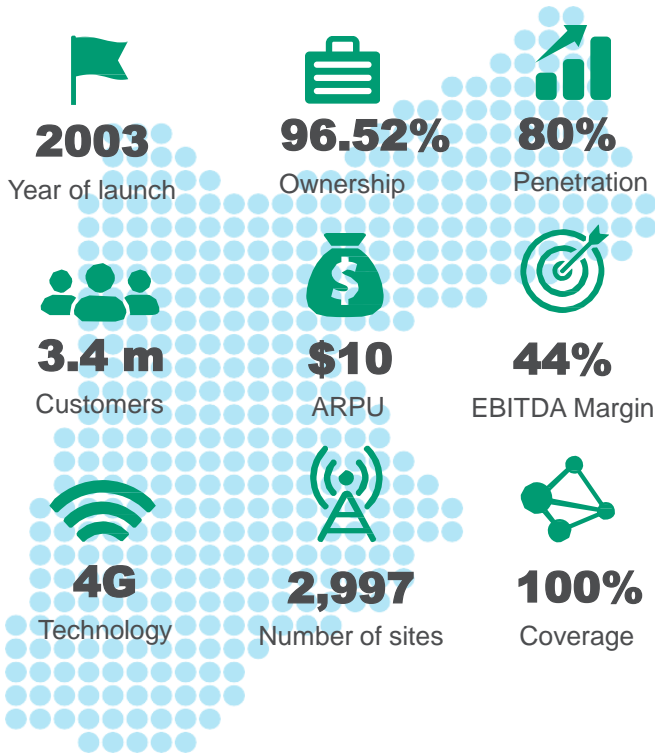
■ Revenue ■ EBITDA ■ Net Income

* Market share as of Q1 2020

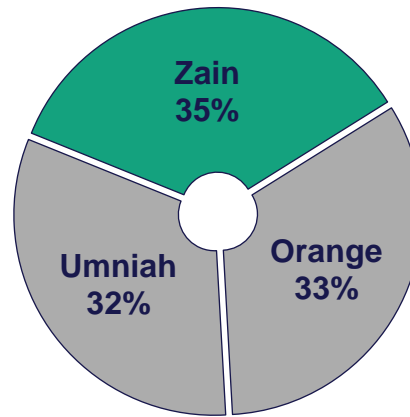


- Top line impacted due to the intense competition and country lockdown due to the pandemic
- The impact of COVID-19 on revenue is ~USD 61 million
- Robust growth in enterprise (B2B) segment
- Net income increased by 13% due to lower amortization following the license extension 2G + 3G for an additional 8 years to expire on August 2030
- 4G services planned in early 2021

ZAIN JORDAN



MARKET SHARE



FINANCIALS (USDm)

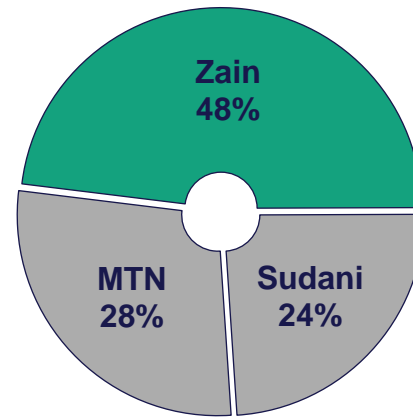


- YoY revenue impacted by 3% mainly due to decrease in airtime, roaming revenue and handset sales
- The impact of COVID-19 on revenue is ~USD 11 million
- Further reduction in local interconnection rates (from 8.4 fils to 5.2 fils)
- Data revenue grew by 12% YoY, and formed 46% of total revenue

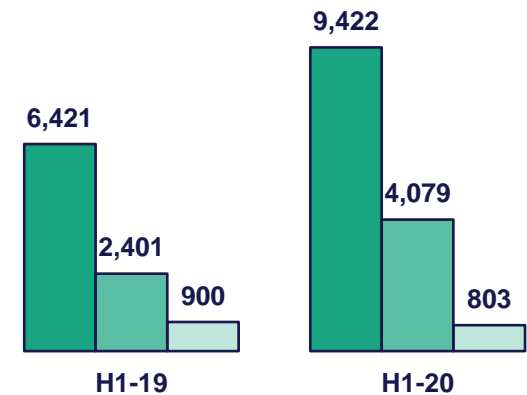
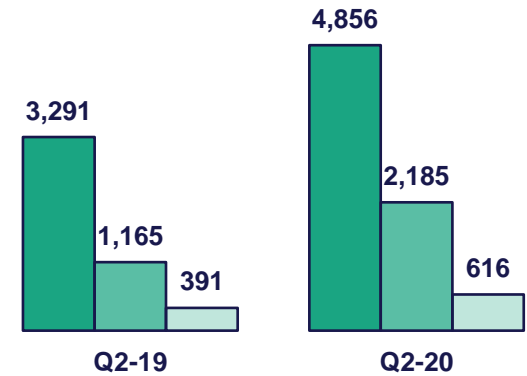
* Market share as of Q4 2019

ZAIN SUDAN

MARKET SHARE



FINANCIALS (SDGm)

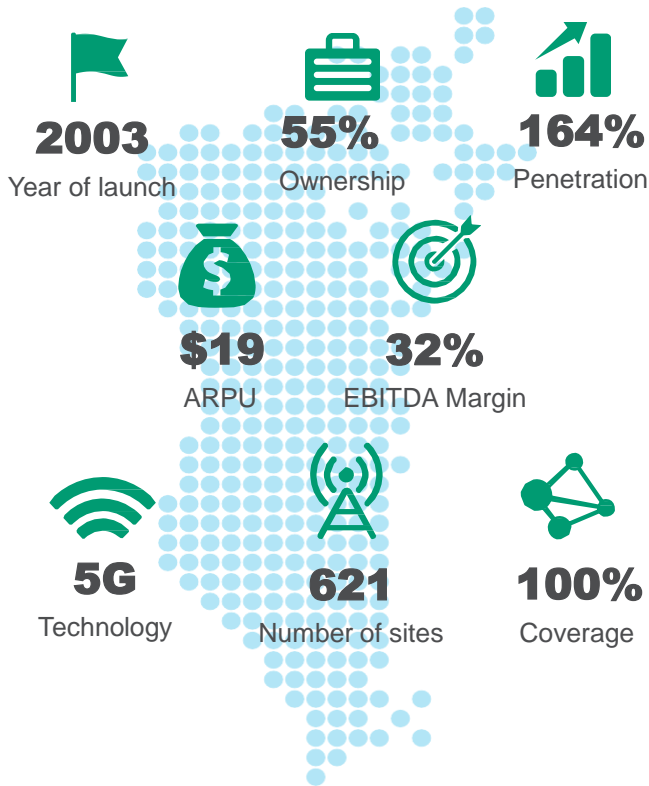


■ Revenue ■ EBITDA ■ Net Income



- Impressive YoY growth in SDG terms in Revenue & EBITDA despite the impact of COVID-19 on revenue ~SDG 292 mln (\$5 mln)
- Net income dropped by 11% due to higher D&A and currency variance loss (due to vendor payments)
- Customer base grew by 4%, to reach 15.7 million
- ~18% currency devaluation affected the financial results in USD terms (from 45 in December 2019 to 55 SDG/USD in H1 2020)
- Significant cost optimization savings
- Data revenue grew 128% YoY, and formed 24% of total revenues

ZAIN BAHRAIN



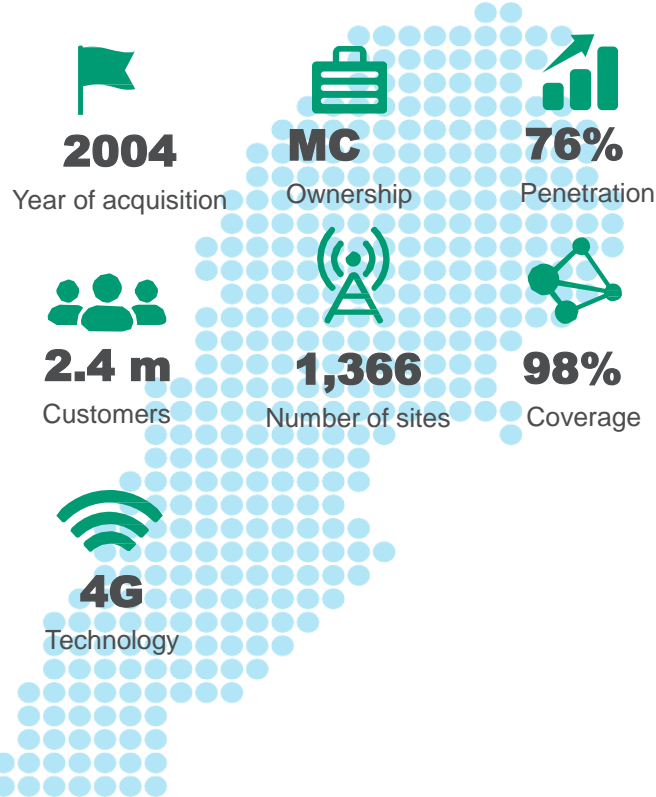
- Revenue increased by 3% YoY, due to increase in data, interconnect revenues and handset sales.
- Data revenues formed 50% of total revenues
- In late June, Zain Bahrain Launched 5G commercial services, becoming the 3rd 5G network in the Group following Zain Kuwait and Zain KSA

FINANCIALS (USDm)

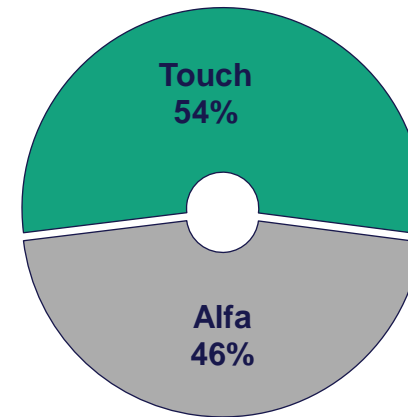


TOUCH - LEBANON

Management Contract



MARKET SHARE



- Zain operates in Lebanon under a management contract since June 2004, when it was rebranded to mtc-touch, and subsequently to “touch”
- On May 5, 2020, the government decreed the handover of the mobile sector to the Republic of Lebanon within three months until further notice.

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Statement of Profit or Loss

	Six months ended	
	30-Jun	
	2020	2019
	KD'000	
Revenue	787,371	811,127
Cost of sales	(202,284)	(222,950)
Operating and administrative expenses	(227,903)	(220,360)
Depreciation and amortization	(179,804)	(181,009)
Expected credit loss on financial assets (ECL)	(21,499)	(13,461)
Interest income	2,522	5,157
Investment income	9	772
Share of results of associates and joint venture	439	1,972
Other income	1,298	4,888
Gain on sale and lease back transaction	4,758	-
Finance costs	(49,298)	(56,602)
Loss from currency revaluation	(9,209)	(5,852)
Net monetary gain	3,475	4,075
Profit before contribution to KFAS, NLST, ZAKAT, income taxes and Board of Directors' remuneration	109,875	127,757
Contribution to Kuwait foundation for Advancement of Sciences (KFAS)	(836)	(979)
National Labour Support Tax (NLST) and Zakat	(3,578)	(3,457)
Income tax expenses and other levies	(9,673)	(9,031)
Board of Directors' remuneration	(255)	(210)
Profit for the period	95,533	114,080
Attributable to:		
Shareholders of the Company	83,720	97,291
Non-controlling interests	11,813	16,789
	95,533	114,080

	Six months ended	
	30-Jun	
	2020	2019
Earnings per share		
Basic and diluted – Fils	19	22

Statement of Cash Flows

	Six months ended		Six months ended	
	30-Jun		30-Jun	
	2020	2019	2020	2019
	KD'000		KD'000	
Cash flows from operating activities				
Profit for the period before income tax, KFAS, NLST and Zakat	109,620	127,547		
Adjustments for:				
Depreciation and amortization	179,804	181,009		
ECL on financial assets	21,499	13,461		
Interest income	(2,522)	(5,157)		
Investment income	(9)	(772)		
Share of results of associates and joint venture	(439)	(1,972)		
Finance costs	49,298	56,602		
Gain on sale and lease back transaction	(4,758)	-		
Loss from currency revaluation	9,209	5,852		
Net monetary gain	(3,475)	(4,075)		
(Gain)/ loss on sale of property and equipment	(49)	1,561		
Operating profit before working capital changes	358,178	374,056		
Increase in trade and other receivables and contract assets	(84,332)	(73,065)		
(Increase)/ Decrease in inventories	(4,029)	2,641		
Increase in trade and other payables	95,196	20,549		
Cash generated from operations	365,013	324,181		
Income tax paid	(17,125)	(9,022)		
Paid to KFAS	(674)	(771)		
National Labour Support Tax and Zakat paid	(10,374)	(2,068)		
<i>Net cash from operating activities</i>	336,840	312,320		
Cash flows from investing activities				
Deposits maturing after three months and cash at bank under lien			3,312	(6)
Investments in securities			(961)	(274)
Proceeds from sale of investments			1,213	7,425
Investment in associate			(553)	-
Acquisition of property and equipment (net)			(105,763)	(106,609)
Acquisition of intangible assets (net)			(20,563)	(15,377)
Proceeds from sale of telecom assets (sale and lease back)			19,485	-
Interest received			3,088	4,417
Dividend received			-	381
<i>Net cash used in investing activities</i>			(100,742)	(110,043)
Cash flows from financing activities				
Proceeds from bank borrowings			123,204	134,258
Repayment of bank borrowings			(86,614)	(89,217)
Repayment of lease liabilities			(23,786)	(30,394)
Dividends paid to Company's shareholders			(132,157)	(127,535)
Dividends paid to minority shareholders of subsidiaries			(629)	(4,268)
Finance costs paid – due to banks			(35,025)	(61,271)
<i>Net cash used in financing activities</i>			(155,007)	(178,427)
Net increase in cash and cash equivalents			81,091	23,850
Effect of foreign currency translation			393	525
Cash and cash equivalents at beginning of period			281,902	304,236
Cash and cash equivalents at end of period			363,386	328,611



THANK YOU

Website : zain.com

Email : IR@zain.com



Note: Mobile Penetration rates are sourced from *GSMA Intelligence*



Zain Group Financial Results

Q1 2020



Disclaimer

- ❖ Mobile Telecommunications Company KSCP “Zain Group” has prepared this presentation to the best of its abilities, however, no warranty or representation, express or implied is made as to the adequacy, correctness, completeness or accuracy of any numbers, statements, opinions, estimates, or other information contained in this presentation.
- ❖ Certain portions of this document contain “forward-looking statements”, which are based on current expectations and reasonable assumptions, we can however give no assurance they will be achieved.
- ❖ The information contained in this presentation is subject to change and we disclaim any obligation to update you of any such changes, particularly those pertaining to the forward-looking statements.
- ❖ Furthermore, it should be noted that there are a myriad potential risks, uncertainties and unforeseen factors that could cause the actual results to differ materially from the forward-looking statements made herein.
- ❖ Accordingly, this presentation does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for, or otherwise acquire or dispose of, securities in any company within Zain Group.

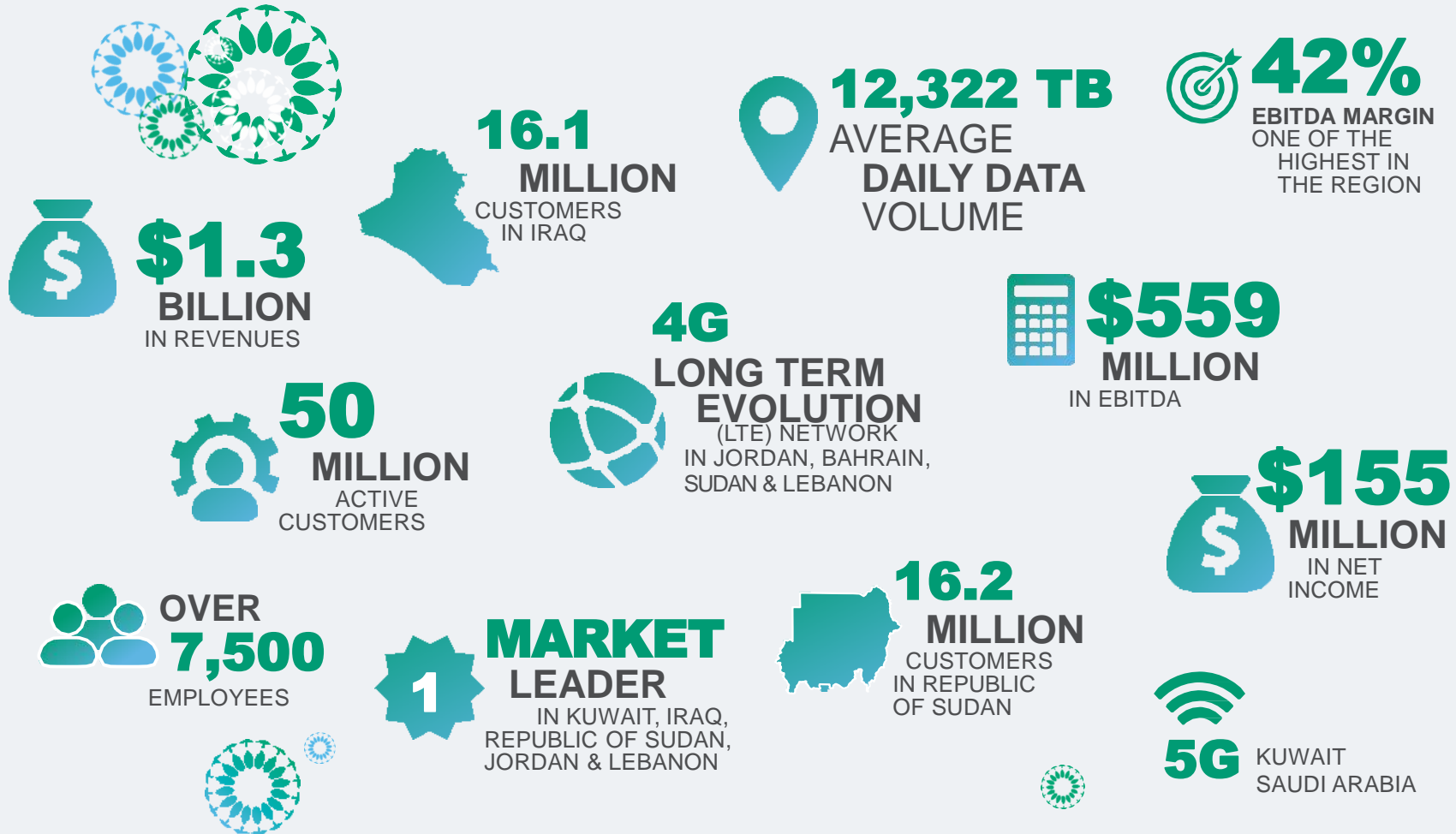
For further information about Zain Group, or the materials contained within this presentation, please direct your enquiries to our Investor Relations team via email at IR@zain.com or visit www.zain.com/en/investor-relations/

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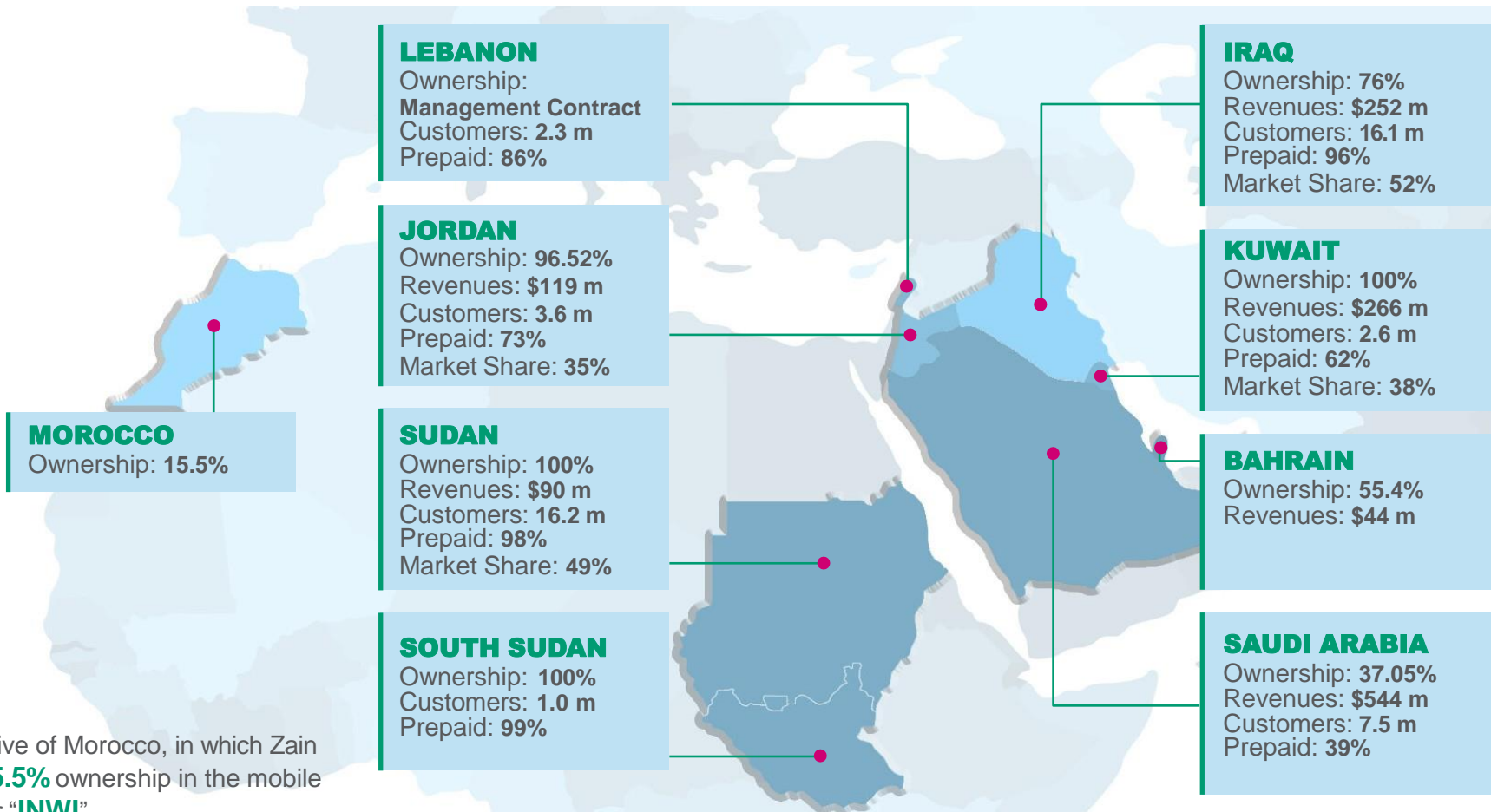


Zain At A Glance – Q1 2020



The World of Zain

ZAIN'S WORLD CATERS TO **50** MILLION CUSTOMERS IN **8** COUNTRIES*



MOROCCO
Ownership: 15.5%

LEBANON
Ownership: Management Contract
Customers: 2.3 m
Prepaid: 86%

JORDAN
Ownership: 96.52%
Revenues: \$119 m
Customers: 3.6 m
Prepaid: 73%
Market Share: 35%

SUDAN
Ownership: 100%
Revenues: \$90 m
Customers: 16.2 m
Prepaid: 98%
Market Share: 49%

SOUTH SUDAN
Ownership: 100%
Customers: 1.0 m
Prepaid: 99%

IRAQ
Ownership: 76%
Revenues: \$252 m
Customers: 16.1 m
Prepaid: 96%
Market Share: 52%

KUWAIT
Ownership: 100%
Revenues: \$266 m
Customers: 2.6 m
Prepaid: 62%
Market Share: 38%

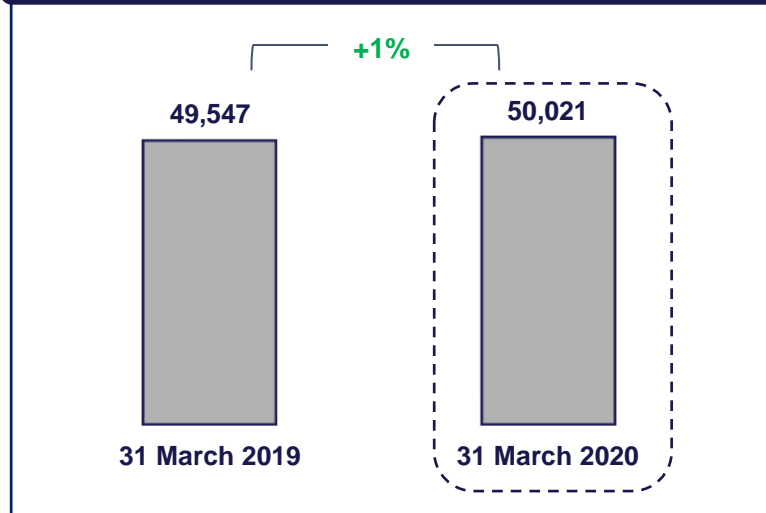
BAHRAIN
Ownership: 55.4%
Revenues: \$44 m

SAUDI ARABIA
Ownership: 37.05%
Revenues: \$544 m
Customers: 7.5 m
Prepaid: 39%

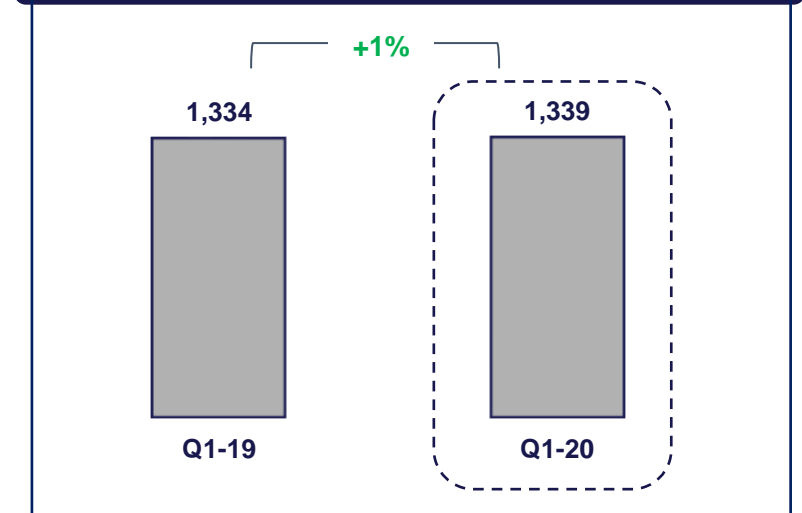
* exclusive of Morocco, in which Zain has a **15.5%** ownership in the mobile operator "INWI"

Group Financial Highlights – Q1 2020

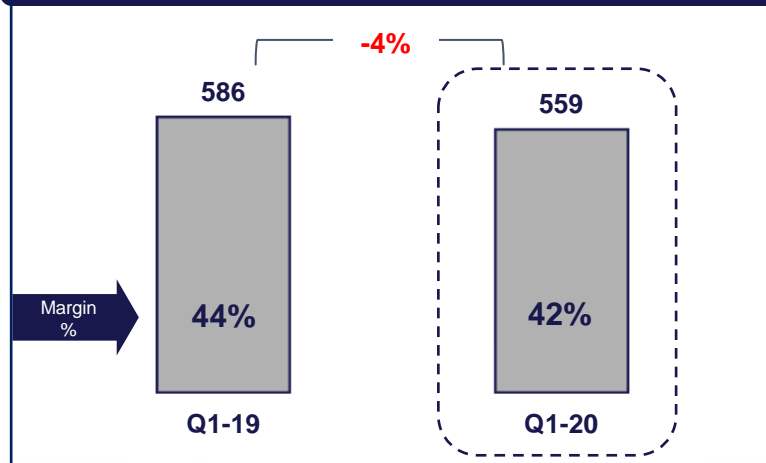
CUSTOMERS (000)



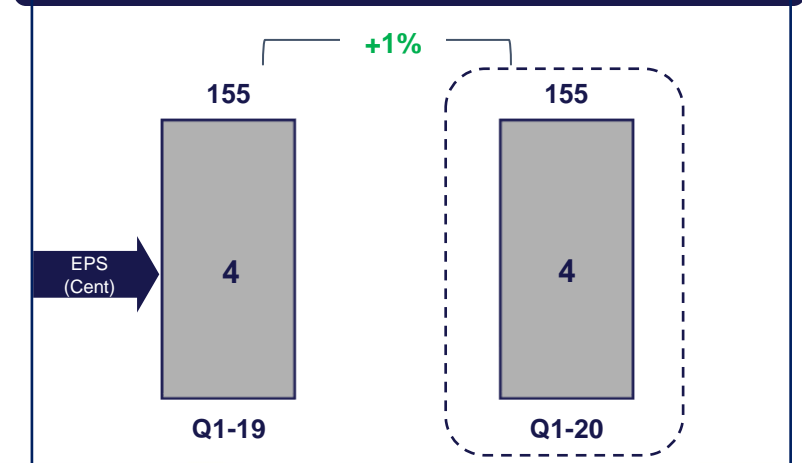
REVENUES (USDm)



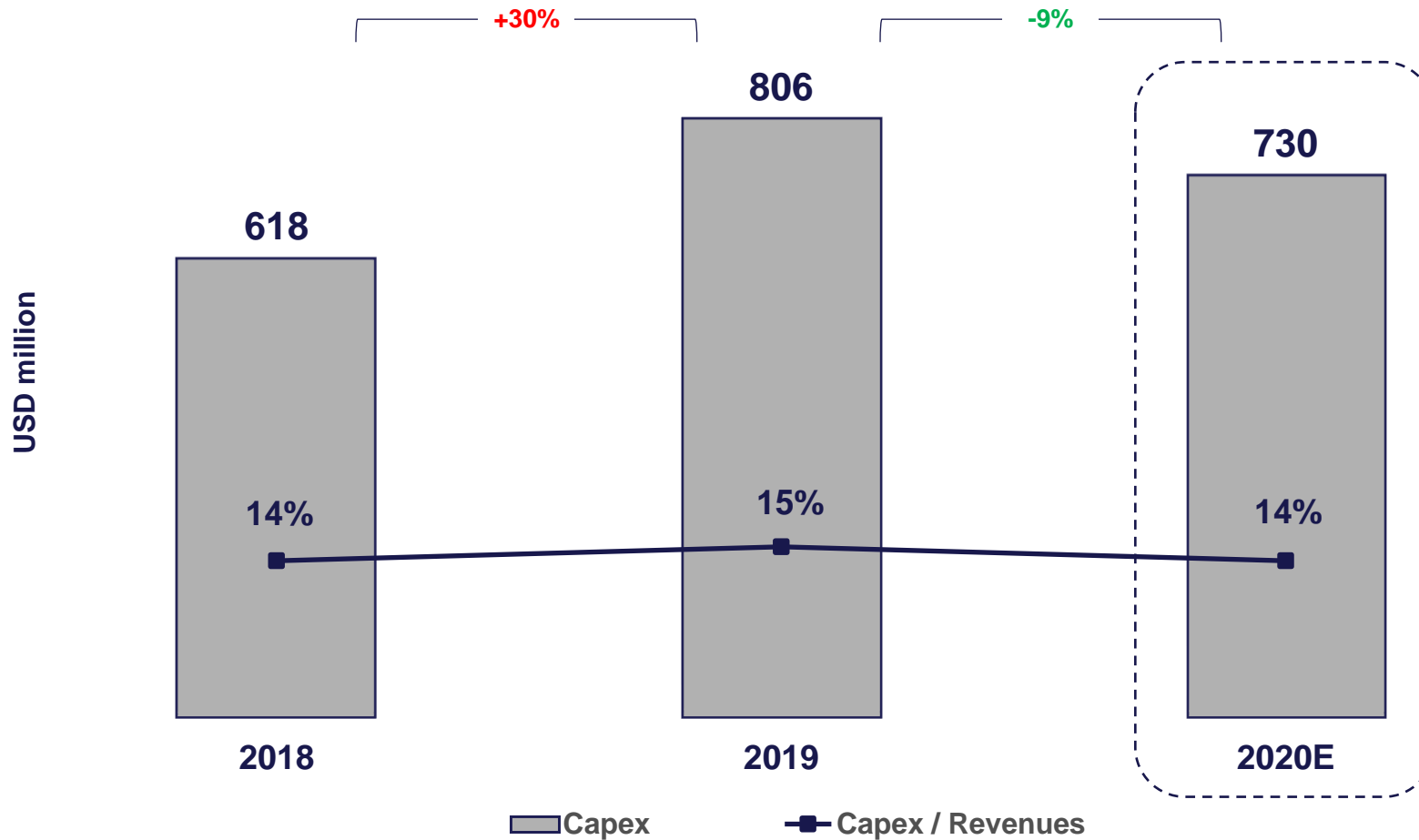
EBITDA (USDm)



NET INCOME (USDm)



CAPEX & CAPEX / REVENUE



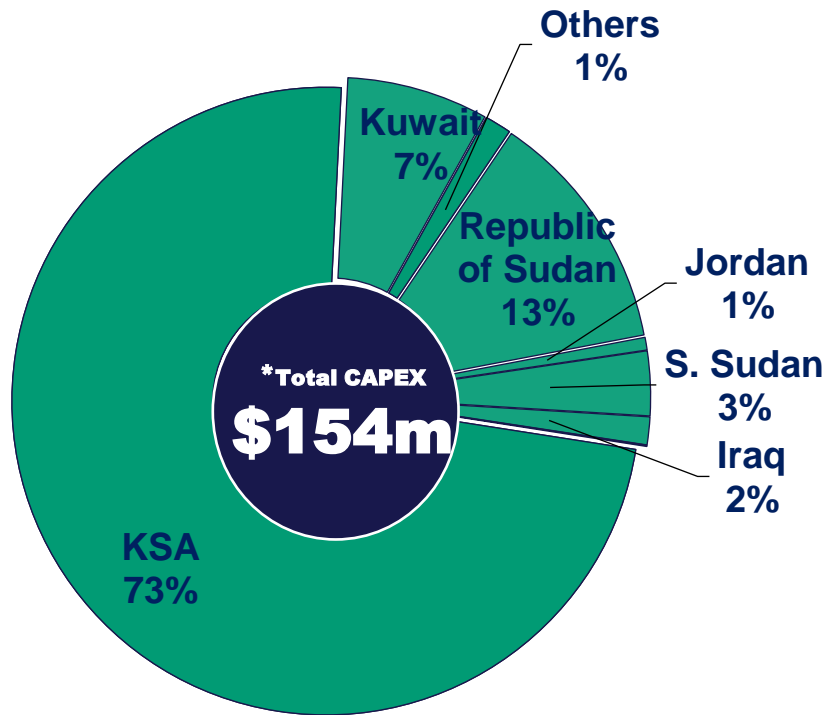
* 2018 Capex includes Zain KSA Capex from Q3 2018 onwards

* Capex includes only tangible assets

* 2020 Capex estimated

TOTAL CAPEX

CAPEX BREAKDOWN

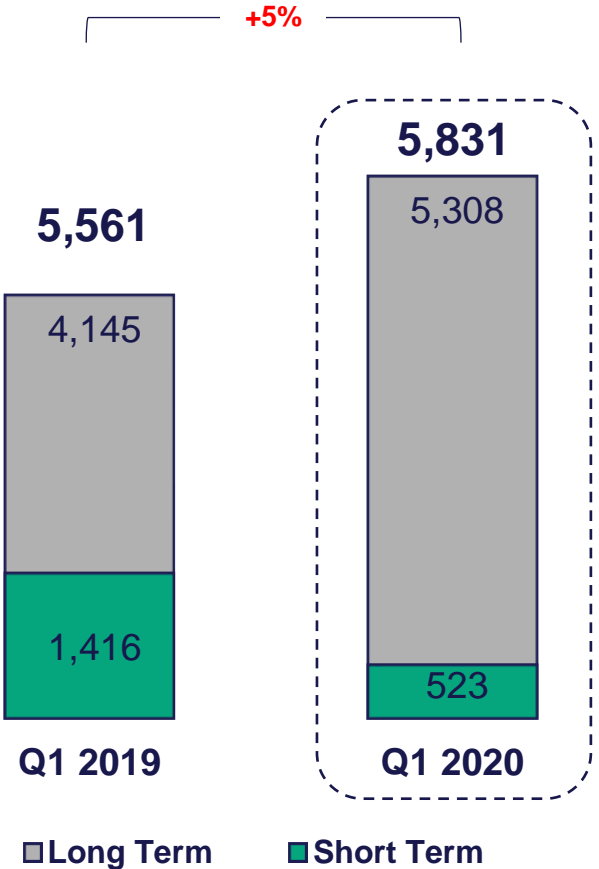


OPCO	Q1 2020 (USDm)	% OF REVENUES
Kuwait	11.2	4%
Iraq	2.2	1%
Sudan	19.3	22%
KSA	112.7	21%
Jordan	1.0	1%
Bahrain	0.1	0.1%
S. Sudan	5.1	28%
Other	2.1	N/A

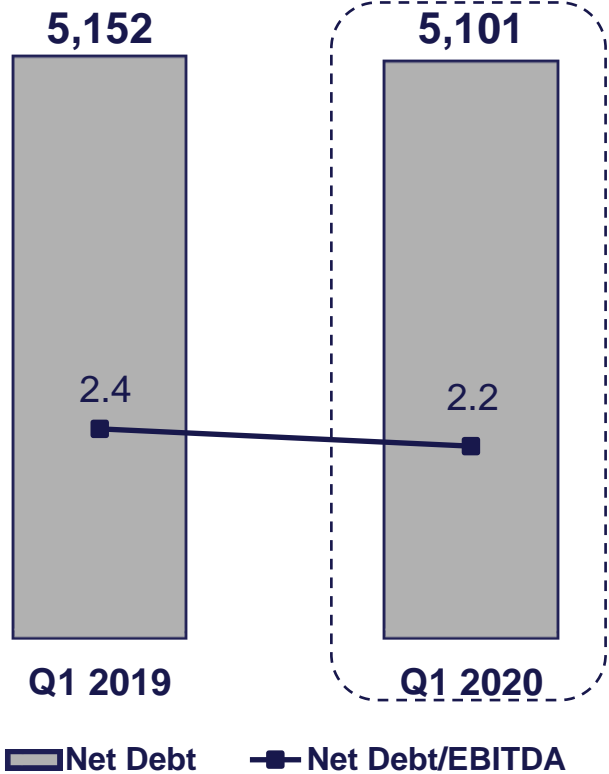
* Capex includes only tangible assets

Group Financial Highlights

TOTAL DEBT (USDm)



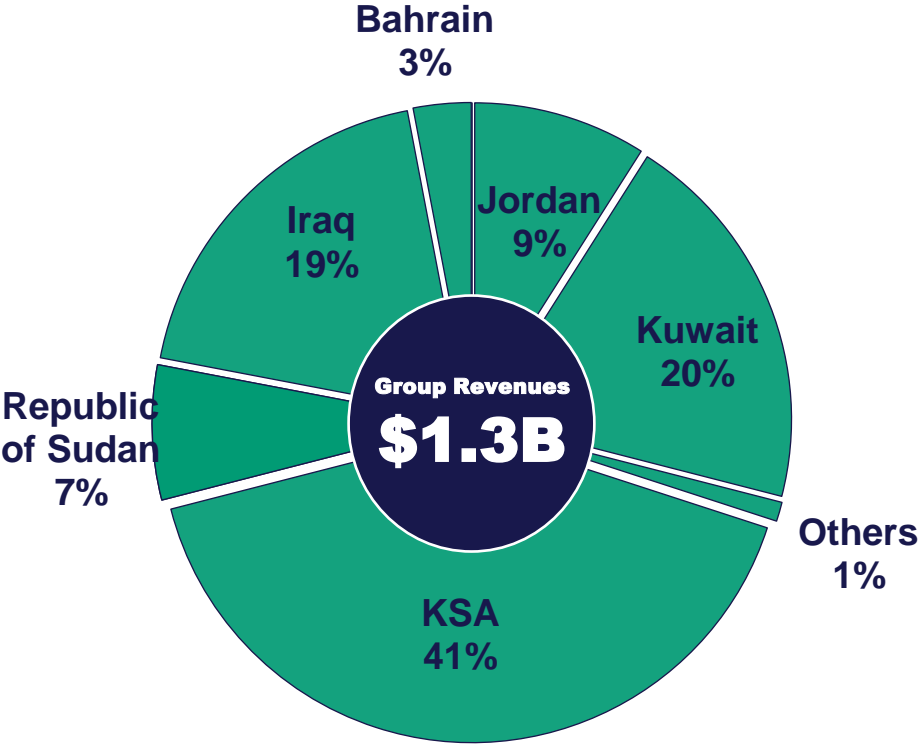
NET DEBT (USDm) & NET DEBT/EBITDA



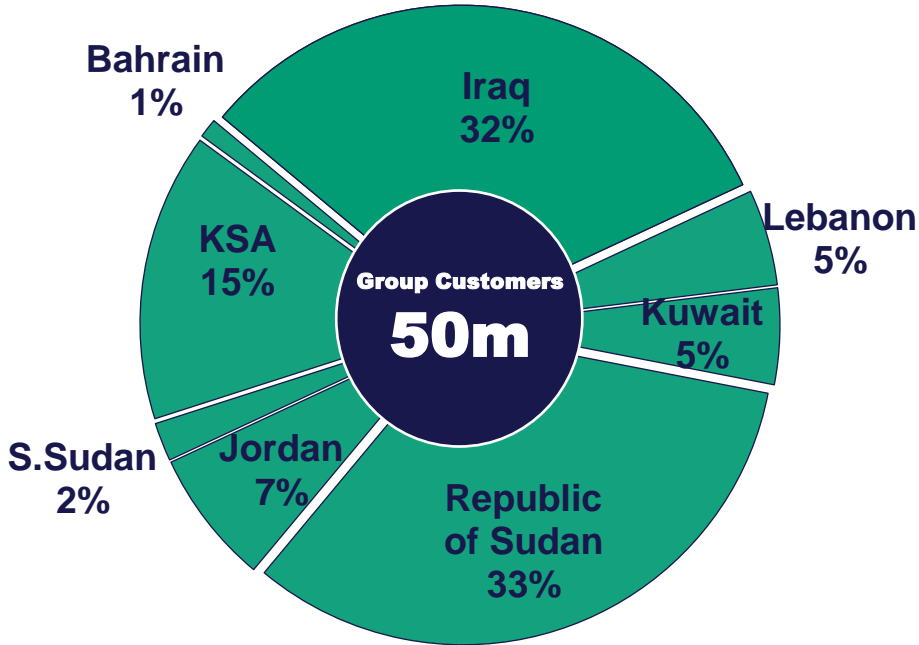
Net Debt = Total interest bearing debt (including letters of guarantee) after deducting cash and cash equivalents

Group Financial Highlights

REVENUE CONTRIBUTION

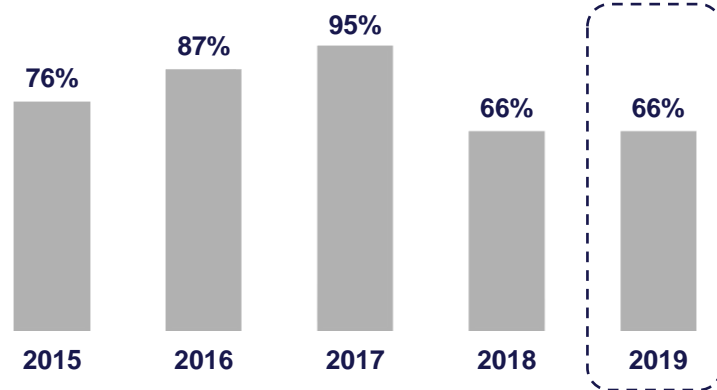


CUSTOMER CONTRIBUTION

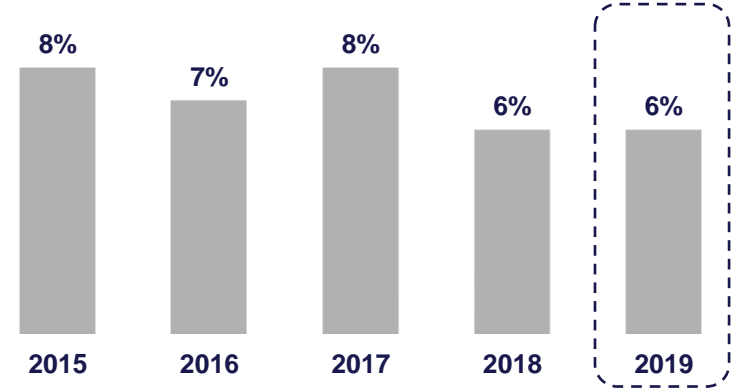


ZAIN DIVIDENDS

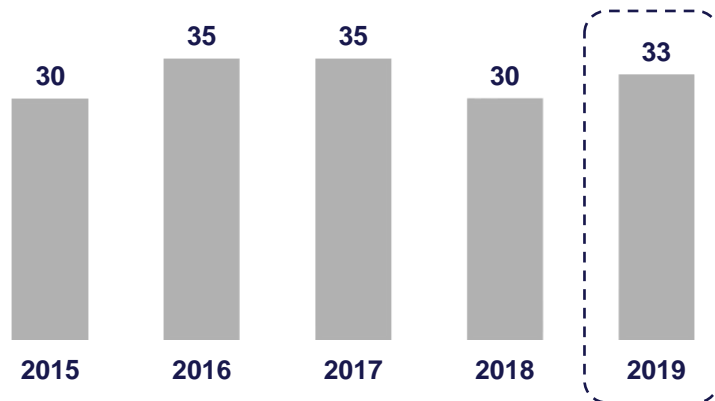
DIVIDEND PAYOUT RATIO



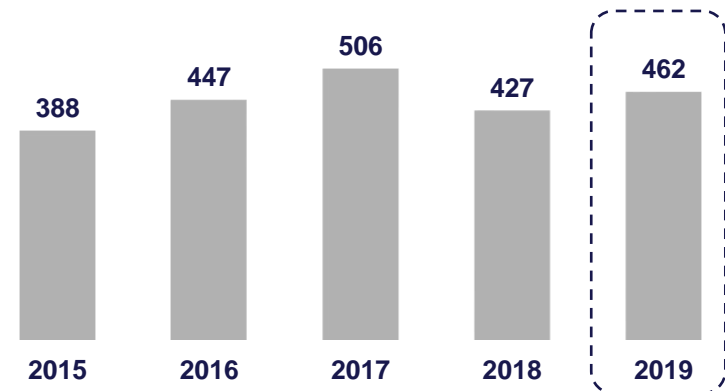
DIVIDEND YIELD (%)



DIVIDEND PER SHARE (Fils)



CASH DIVIDEND (USDm)

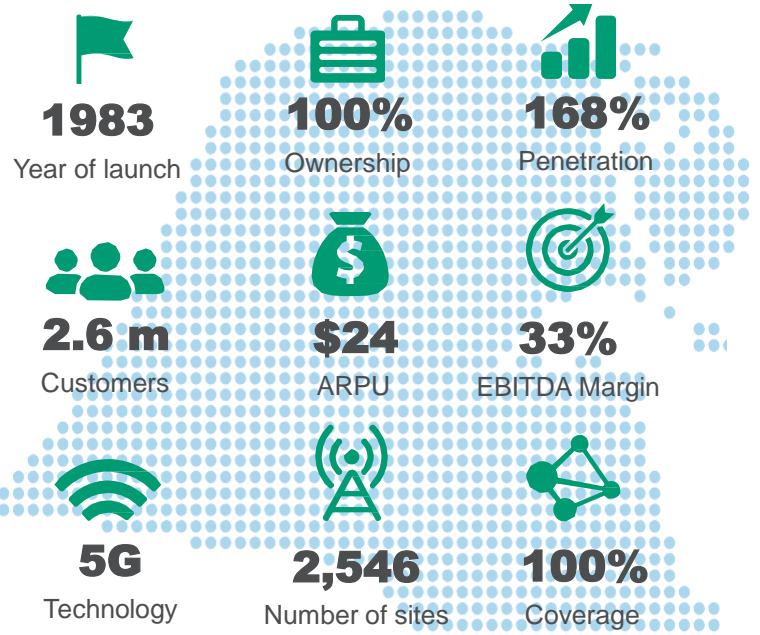


Content

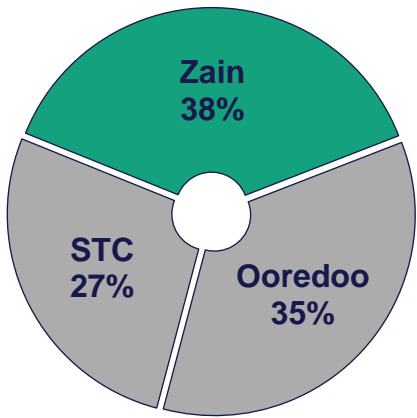
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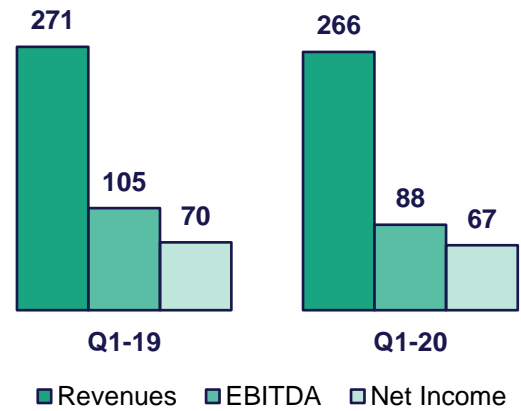
ZAIN KUWAIT



MARKET SHARE*



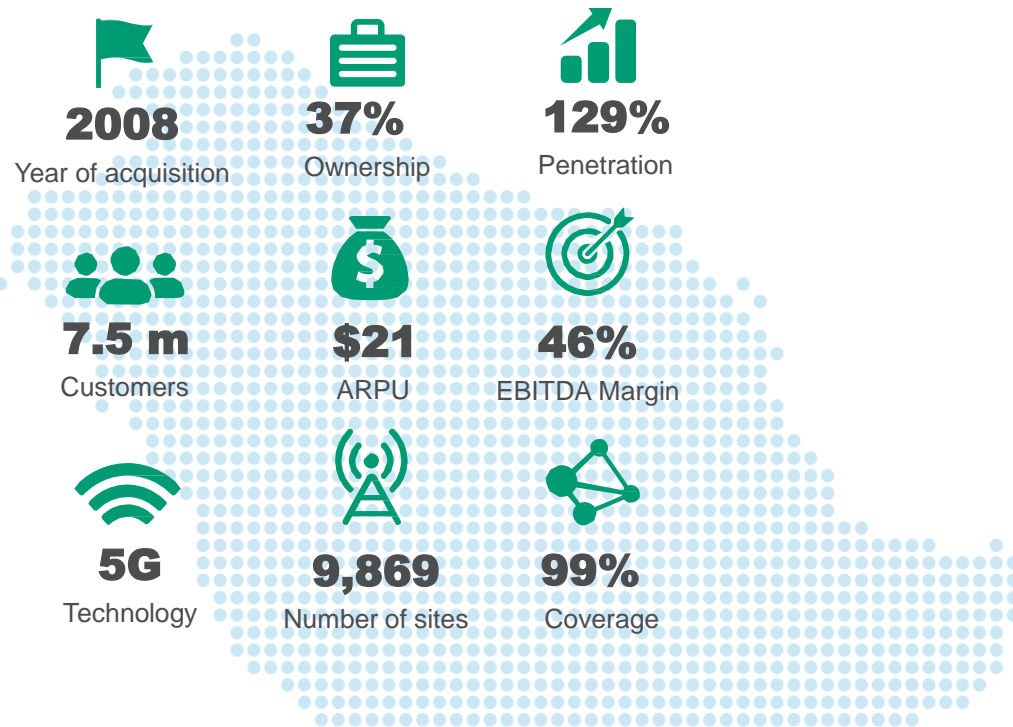
FINANCIALS (USDm)



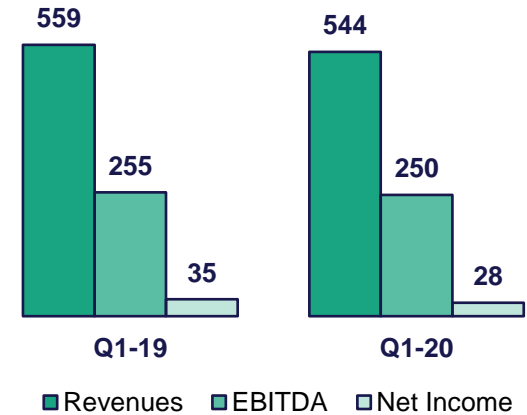
- Revenue slightly down due to the country lock down and travel restrictions due to the pandemic
- CITRA regulations to provide 1-month free airtime and 5GB free data usage, starting March 22nd
- Strong concentration on cost optimization to reduce the overall pandemic impact to the bottom line
- Data revenue formed 38% of total revenue
- On February 12, Zain Kuwait completed the sale & leaseback of the passive physical infrastructure of its 1,620 mobile tower portfolio for USD 130 million (KD40 million) to IHS Holding Limited . ~USD 15 million gain on sale and leaseback Towers for the period

* Market share as of Q4 2019

ZAIN KSA



FINANCIALS (USDm)

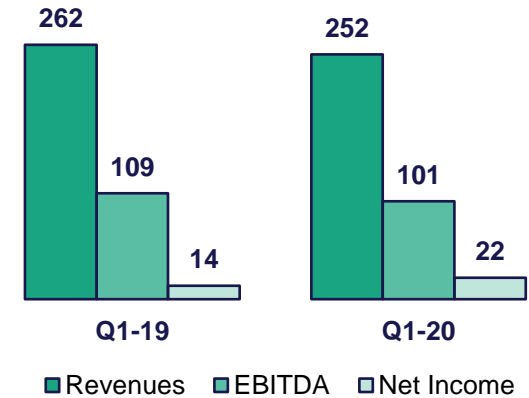
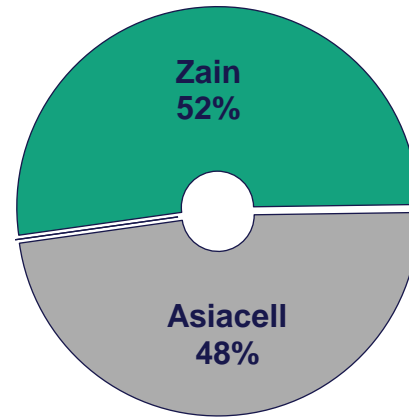
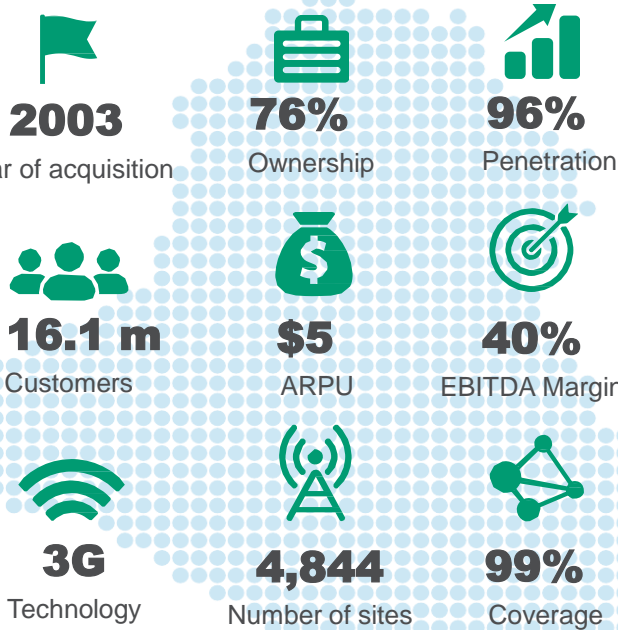


- YoY revenue impacted by 3% mainly due to decrease in trading revenue
- The impact from COVID-19 on revenue ~USD 6 million
- Major focus on cost optimization initiatives to minimize the COVID-19 impact
- Higher Depreciation and license amortization due to 5G rollout and two new licenses
- Benefits from Regulatory agreements (CITC waiver)
- Data revenue formed 50% of total revenue, 11% YoY growth

ZAIN IRAQ

MARKET SHARE*

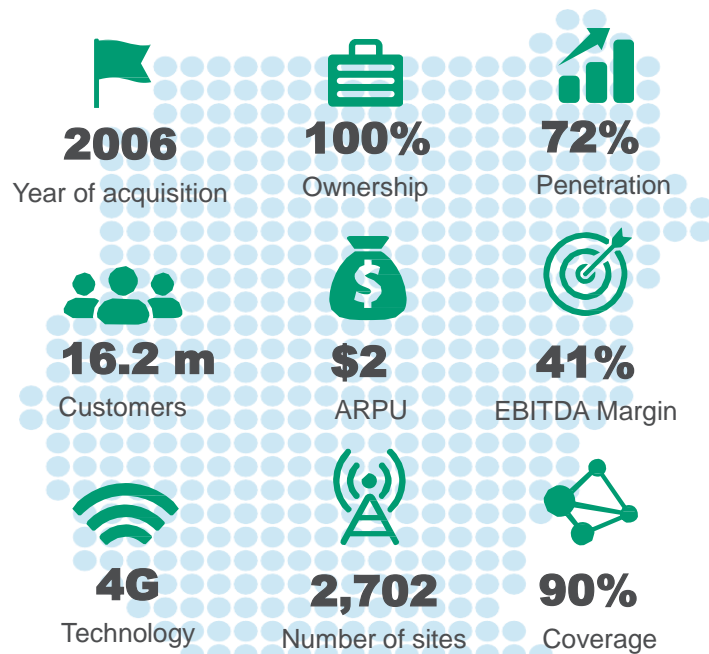
FINANCIALS (USDm)



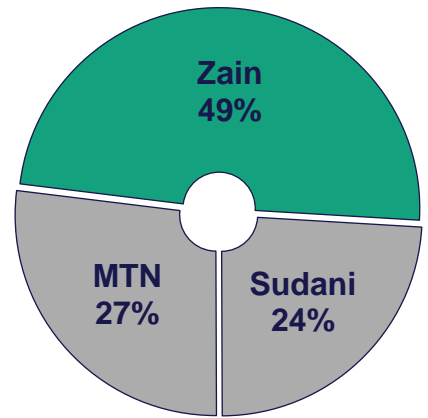
- Top line impacted due to the intense competition and country lockdown due to the pandemic
- The impact of COVID-19 on revenue is ~USD 13 million
- Robust growth in enterprise (B2B) segment
- Net income increased by 51% due to lower amortization following the license extension (2G + 3G)

* Market share as of Q4 2019

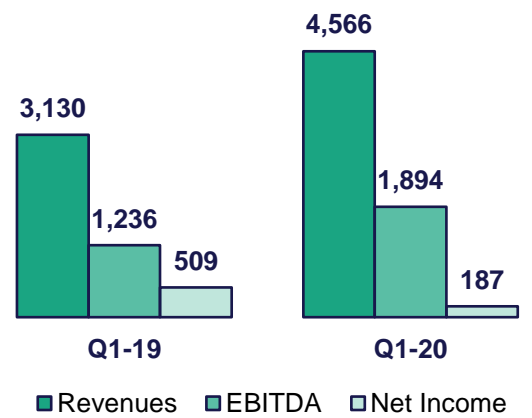
ZAIN SUDAN



MARKET SHARE*



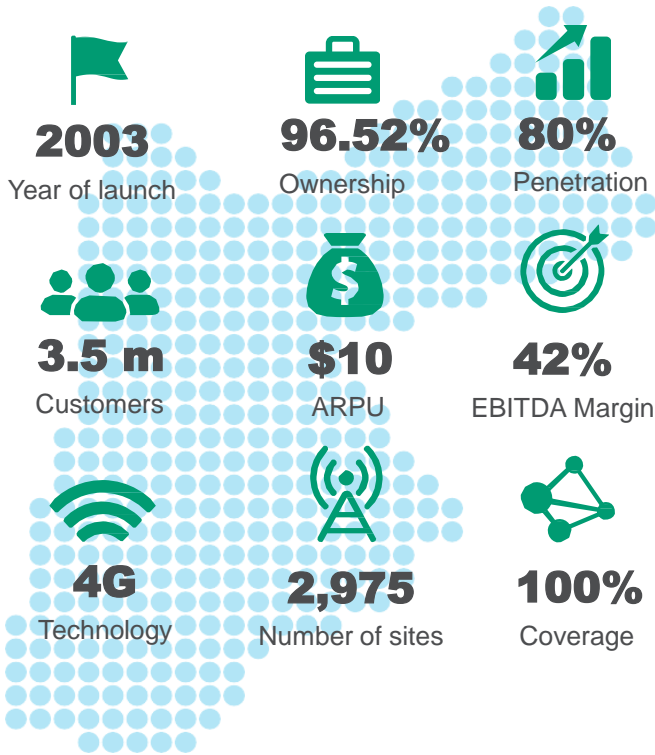
FINANCIALS (SDGm)



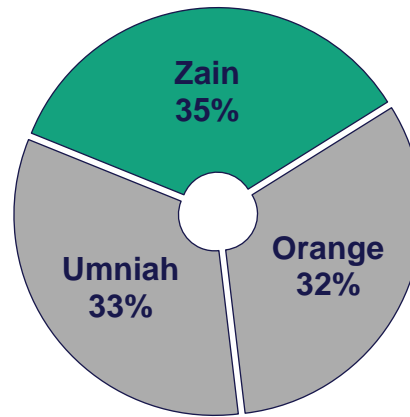
- Impressive YoY growth in SDG terms in Revenue & EBITDA
- Net income dropped by 63% due to higher currency variance loss (due to vendor payments)
- Customer base grew by 7%, to reach 16.2 million
- ~10% currency devaluation affected the financial results in USD terms (from an average of 47.5 in Q1 2019 to 52.8 SDG/USD in Q1 2020)
- Significant cost optimization savings
- Data revenue grew 87% YoY, and formed 22% of total revenues

* Market share as of Q4 2019

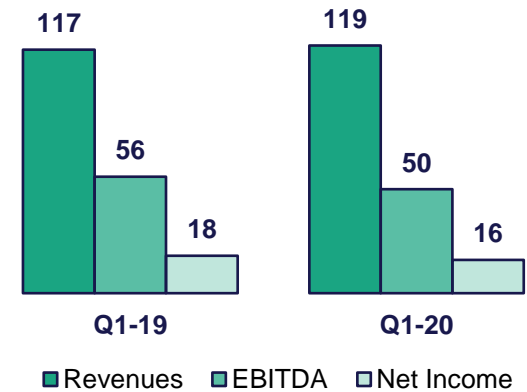
ZAIN JORDAN



MARKET SHARE

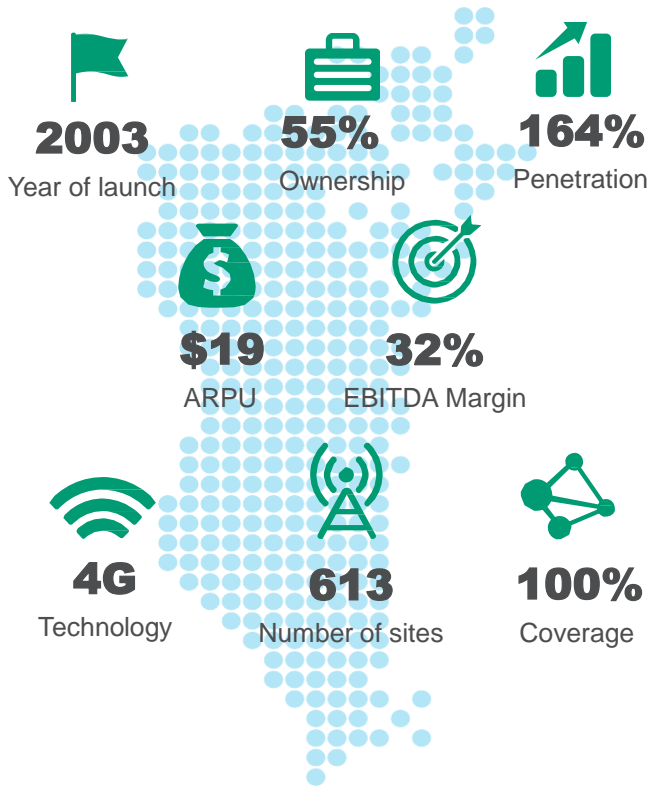


FINANCIALS (USDm)

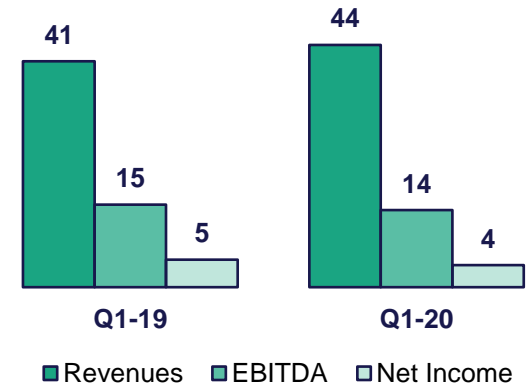


- Revenue improved mainly due to increase in data revenue
- The impact of COVID-19 on revenue is ~USD 2 million
- Further reduction in local interconnection rates (from 8.4 fils to 5.2 fils)
- Data revenue grew by 14% YoY, and formed 45% of total revenue

ZAIN BAHRAIN



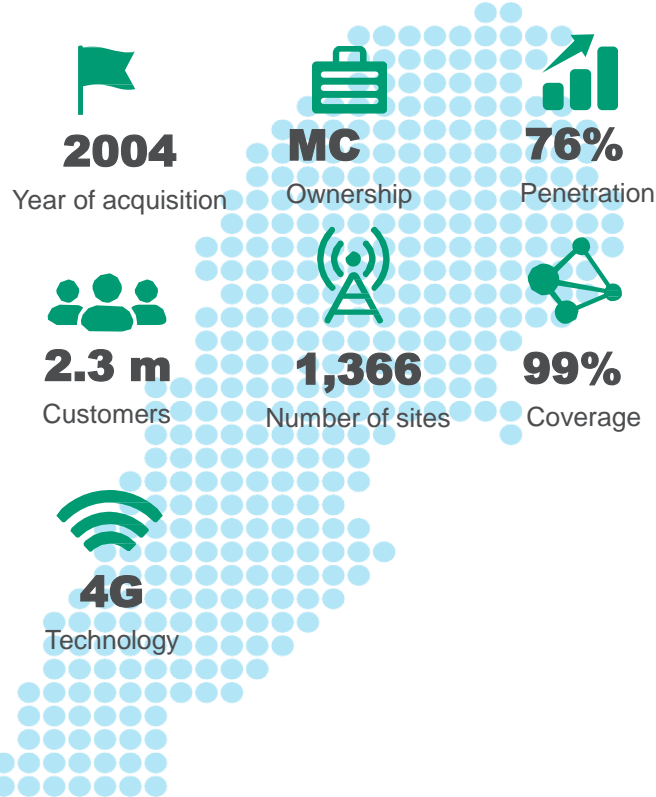
FINANCIALS (USDm)



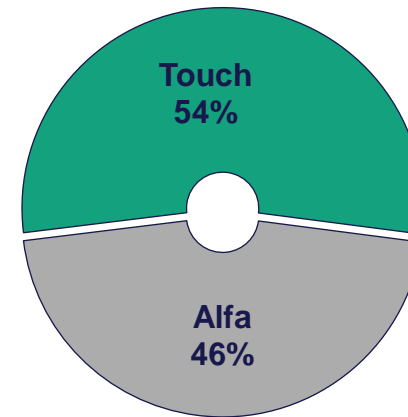
- Revenue increased by 5% YoY, due to increase in data and interconnect revenues.
- Data revenues formed 47% of total revenues

TOUCH - LEBANON

Management Contract



MARKET SHARE*



- Zain operates in Lebanon under a management contract since June 2004, when it was rebranded to mtc-touch, and subsequently to “touch”

* Market share as of Q4 2019

Content

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Statement of Financial Position

	Unaudited	Audited	Unaudited		Unaudited	Audited	Unaudited
	(Restated)				(Restated)		
	31-Mar-20	31-Dec-19	31-Mar-19		31-Mar-20	31-Dec-19	31-Mar-19
	KD '000				KD '000		
Assets				Liabilities and Equity			
Current assets				Current liabilities			
Cash and bank balances	485,375	296,985	377,122	Trade and other payables	1,038,969	857,512	1,052,938
Trade and other receivables	602,672	555,398	551,959	Deferred revenue	96,300	98,495	100,856
Contract assets	70,607	66,889	69,453	Income tax payables	63,082	61,775	56,708
Inventories	41,805	48,513	42,249	Due to banks	164,032	180,274	430,834
Investment securities at FVTPL	7,367	8,540	10,754	Lease liabilities	44,090	42,795	46,935
Assets of disposal group classified as held for sale	6,350	17,611	13,451	Liabilities of disposal group classified as held for sale	1,632	5,397	4,975
	1,214,176	993,936	1,064,988		1,408,105	1,246,248	1,693,246
Non-current assets				Non-current liabilities			
Contract assets	24,558	28,134	20,552	Due to banks	1,354,403	1,218,450	1,011,663
Investment securities at FVOCI	6,448	6,360	7,320	Lease liabilities	155,909	144,278	144,456
Investments in associates and joint venture	73,568	72,612	71,429	Other non-current liabilities	519,767	448,518	399,330
Other non-current assets	59,860	64,669	11,444		2,030,079	1,811,246	1,555,449
Right of use of assets	186,225	181,052	184,304	Equity			
Property and equipment	1,235,259	1,229,291	1,178,864	Attributable to the Company's shareholders			
Intangible assets and goodwill	2,235,658	2,160,039	2,189,979	Share capital	432,706	432,706	432,706
	3,821,576	3,742,157	3,663,892	Share premium	1,707,164	1,707,164	1,707,164
Total Assets	5,035,752	4,736,093	4,728,880	Legal reserve	216,354	216,354	216,353
				Foreign currency translation reserve	-1,367,568	-1,371,841	-1,367,350
				Investment fair valuation reserve	-1,083	-1,088	914
				Other reserves	-5,144	-3,044	-2,019
				Retained earnings	223,293	318,509	148,856
					1,205,722	1,298,760	1,136,624
				Non-controlling interests	391,846	379,839	343,561
				Total equity	1,597,568	1,678,599	1,480,185
				Total Liabilities and Equity	5,035,752	4,736,093	4,728,880

Statement of Profit or Loss

	Three months ended		Three months ended	
	31-Mar		31-Mar	
	2020	2019	2020	2019
	KD'000			
Revenue	409,280	404,491		
Cost of sales	-110,108	-119,010		
Operating and administrative expenses	-118,608	-102,225		
Depreciation and amortization	-88,180	-90,248		
Expected credit loss on financial assets (ECL)	-9,492	-5,609		
Interest income	1,385	2,754		
Investment income	95	-190		
Share of results of associates and joint venture	397	1,578		
Other expense	-1,234	-2,616		
Gain on sale and lease back transaction	4,758	-		
Finance costs	-26,048	-28,230		
Loss from currency revaluation	-61	-1,769		
Net monetary gain	232	3,240		
Profit before contribution to KFAS, NLST, ZAKAT, income taxes and Board of Directors' remuneration	62,416	62,166		
Contribution to Kuwait foundation for Advancement of Sciences (KFAS)	-495	-459		
National Labour Support Tax (NLST) and Zakat	-2,139	-1,630		
Income tax expenses and other levies	-4,095	-4,214		
Board of Directors' remuneration	-128	-105		
Profit for the period	55,559	55,758		
Attributable to:				
Shareholders of the Company	47,577	47,086		
Non-controlling interests	7,982	8,672		
	55,559	55,758		

	Three months ended	
	2020	2019
Earnings per share		
Basic and diluted – Fils	11	11

Statement of Cash Flows

	Three months ended		Three months ended	
	31-Mar		31-Mar	
	2020	2019	2020	2019
	KD'000		KD'000	
Cash flows from operating activities				
Profit for the period before income tax, KFAS, NLST and Zakat	62,288	62,061		
Adjustments for:				
Depreciation and amortization	88,180	90,248		
ECL on financial assets	9,492	5,609		
Interest income	-1,385	-2,754		
Investment income	-95	190		
Share of results of associates and joint venture	-397	-1,578		
Finance costs	26,048	28,230		
Gain on sale and lease back transaction	-4,758	-		
Loss from currency revaluation	61	1,769		
Net monetary gain	-232	-3,240		
(Gain)/ loss on sale of property and equipment	-25	1,411		
Operating profit before working capital changes	179,177	181,946		
Increase in trade and other receivables and contract assets	-56,798	-1,424		
Decrease in inventories	7,229	3,778		
Increase in trade and other payables	49,708	2,056		
Cash generated from operations	179,316	186,356		
Income tax paid	-1,532	-1,788		
Paid to KFAS	-674	-771		
National Labour Support Tax and Zakat paid	-10,374	-		
<i>Net cash from operating activities</i>	166,736	183,797		
Cash flows from investing activities				
Deposits maturing after three months and cash at bank under lien			2,580	-28
Investments in securities			-30	-203
Proceeds from sale of investments			1,213	4,396
Investment in associate			-553	-
Acquisition of property and equipment (net)			-44,457	-39,105
Acquisition of intangible assets (net)			-12,909	-11,522
Proceeds from sale of telecom assets (sale and lease back)			19,485	-
Interest received			1,892	1,712
Dividend received			-	173
<i>Net cash used in investing activities</i>			-32,779	-44,577
Cash flows from financing activities				
Proceeds from bank borrowings			85,596	6,050
Repayment of bank borrowings			-6,000	-15,698
Repayment of lease liabilities			-12,364	-12,319
Dividends paid to Company's shareholders			-173	-264
Dividends paid to minority shareholders of subsidiaries			-1	-307
Finance costs paid – due to banks			-13,825	-52,212
<i>Net cash from/ (used in) financing activities</i>			53,233	-74,750
Net increase in cash and cash equivalents			187,190	64,470
Effect of foreign currency translation			3,781	708
Cash and cash equivalents at beginning of period			281,902	304,236
Cash and cash equivalents at end of period			472,873	369,414



THANK YOU

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