

CEO's Message



We have successfully positioned ourselves to become a technology company of the future.

Eng. Salman Abdulaziz Al Badran
Chief Executive Officer

This year was a memorable one for Mobyly, as we maintained momentum and expanded revenues across Business, Consumer, and Wholesale. Successful execution of our GAIN strategy by our diverse and talented workforce delivered faster speeds, greater coverage, enhanced customer experience and satisfaction, outstanding financial performance, and lasting trust of our Stakeholders.

In the final year of GAIN, we delivered on our ambition of transforming into an integrated telecoms company. We built new revenue streams across digital, information, and communications technologies. We enhanced our partnership-ready agile operating model. Through innovation, we differentiated our products and services while also becoming more efficient, digitally focused, and performance-driven.

Strategic execution driving excellent results

In the short-term, the strategy increased customer satisfaction, improved operational efficiency, and margins, and generated additional revenue streams, as with the commercial launch of Mobyly Pay. For the long-term, the strategy has created the foundation for accelerating growth toward our vision and gaining lasting trust. We can proudly say we have successfully positioned ourselves to become a technology company of the future.

Setting New Financial Benchmarks

Building on the strong momentum of the past years, Mobyly continued to mark an outstanding performance in 2022, achieving the highest annual revenues in the last 9 years, with an overall revenue growth of 5.6% to reach SAR 15.7 billion.

Mobyly recorded a net profit of SAR 1.7 billion in 2022, representing a rise of 54.6% over that achieved in 2021, whilst our EBITDA increased to reach SAR 6.2 billion – the highest-ever annual EBITDA in the last 9 years. Our margins this year grew again, representing some of the highest in the industry.

Our growing customer base, supported by our client retention strategies, saw internet data consumption increase by the end of the second quarter of 2022. This was backed by a rise in Mobyly's mobile internet average download speed by 36.86% to reach 161.37 Mbps, and an increase in our fixed internet average download speed to reach 90.24 Mbps. In addition, our mobile 5G average download speed rose 14.75% to reach 321.98 Mbps as compared to the same quarter of last year, according to the latest CST report.

Net profit SAR 1.7 billion

We continued to focus on our key value segments, advancing sales of higher post-paid packages and promoting the uptake of pre-paid bundles.

Strategic Execution, Operational Excellence

The Business Unit led the way this year with its highest-ever annual revenue and highest-ever gross margin. It also recorded its highest-ever cash collection, and significantly

reduced older accounts receivable from customers. Capitalizing on economic recovery, the Business Unit focused on new customer acquisition across different segments, while consolidating its existing customer base. Importantly, the Business Unit solidified trust between customers and the Mobyly brand, earning the highest customer satisfaction score across the industry.

The Business Unit enhanced Mobyly's coverage footprint by initiating a range of strategic investments and partnerships directed at both core and digital solutions. It strengthened its position as a service provider for the Internet of Things (IoT), cloud computing, and data centers. This year, 90% more IoT services were activated compared to 2021. The data center and cloud services posted an increase in revenues. Security Solutions also saw an increase in revenues, bolstered by increases in new customers compared to 2021. Overall, the Business Unit improved its capabilities to deliver complex digital projects, in line with Saudi Vision 2030 and the ICT Strategy 2023.

This year was a year of growth for the Consumer Unit as it improved core revenues and expanded its core customer base. Execution of the GAIN strategy, aggressive digitalization and product innovation kept Mobyly at the top of customer preferences and experience.

Mobyly doubled its customer mobile speeds to better serve the consumer. Growth in the 5G mobile network allowed us to upgrade our portfolio. Our accelerated rollout of Fiber-to-the-Home (FTTH) helped us to expand the customer base year-on-year.

We also made aggressive moves in the streaming and gaming markets, leading the Kingdom with lowered latency, competitive bundles, as well as a new gaming payment platform.

According to the CST third quarter Game Mode report, Mobyly achieved the lowest mobile 5G average latency in Saudi Arabia by reaching 22 ms, the lowest mobile internet average latency by reaching 30 ms, and the highest download speed percentage for the most popular gaming platforms, resulting in #1 ranking in the Kingdom for 3 gaming platforms. Mobyly also achieved the lowest latency for 4 of the most popular social media platforms in the Kingdom.

Towards the end of the year, we celebrated the commercial launch of Mobily Pay, our app that serves as a digital e-wallet. This game-changing platform heralds our commitment to becoming the digital bank of the future. Based on a partnership model with leading companies such as MoneyGram, Apple and VISA, this is the first of many digital solutions that will make Mobily part of the customer's everyday lifestyle.

The Wholesale Unit this year was an important contributor to Mobily's revenue growth. The Unit worked to expand coverage. We further finalized connections to the SEA-ME-WE-6 and Africa-1 submarine cables to diversify and better support international connectivity. Additionally, we signed a memorandum of understanding with Telecom Egypt to build the first direct bilateral submarine cable system directly connecting the Kingdom of Saudi Arabia to Egypt.

The Wholesale Unit has developed a strong positioning, particularly in submarine cables and national roaming. We see the Wholesale Unit as a high-potential growth area for Mobily, where we can optimize our capital invested in the future. As part of our new strategy, we are exploring different models to monetize on business opportunities.

It was also a stellar year for the Technology Unit at Mobily. We expanded our 5G network coverage to more than 80% of the Kingdom's 6 main cities and partnered with Cisco to build the region's largest IoT cloud platform which will open up possibilities for innovations in areas such as payments, smart cities, and industrial applications. We also made significant progress innovating our systems, for example, digitalizing our sales lifecycle, automating credit and collection, upgrading our Wholesale revenue management system, integrating customer applications for the Business Unit, and creating a unified platform for employee self-services.

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Award-Winning Performance

Evidencing our strong performance this year was the plethora of awards and recognitions Mobily took home across the board. Brand Finance named us the "Fastest Growing Saudi Telecoms Brand in 2022." At the Frost &

Sullivan Best Practices Awards for the Middle East, Africa, and South Asia (MEASA) region, Mobily won the "Saudi Arabian Internet of Things Enabling Technology Leadership Award." We also won 2 Ookla Speedtest Awards for the "Top Rated-Mobile Network" and "Top Rated-Fixed Network" in the Saudi Arabia category at the Mobile World Congress 2022.

Certifications included numerous ISO accreditations for quality standards such as business continuity, legal services, customer care, analyzing customer journey and satisfaction, and risk management. This year, we were recognized by the Apple Certified Operator trainers' program as the first certified operator in the region of India, Mediterranean Sea countries, the Middle East, and Africa (IMMEA). We also received certification for cybersecurity, local content provision, sustainability, and our data centers.

Enhancing the Customer Journey

This was a noteworthy year for our Customer Care, where it transformed itself into a profit center, generating new revenue for the Company. It also enhanced technologies such as interactive voice recognition (IVR), SMS, and chatbots. In line with the GAIN strategy, Customer Experience revamped the customer journeys for support, digital payments, and digital complaints. The establishment of the Beneficiaries Experience Committee this year reflects our efforts to make processes more dynamic and services more customer-centric.

New efficiencies and strategies for achieving head-and-tail-of-month service levels supported exceptional performance. Overall, we achieved a 50% improvement in customer satisfaction. We also saw a 50% reduction in Global System for Mobile communications (GSM) first bill defaults and a 34% reduction in FTTH first bill defaults.

We achieved a 50% improvement in customer satisfaction

Engaging and Developing our People

Mobily's growth this year was a direct result of our investment in our people and efforts to make our Company a choice place to work. We clocked more than 57,000 hours of training for our employees. The Brandon Hall Group awarded us the "Best New Hire Onboarding Program" for our excellence in the #Anwart program.

Our efforts to embrace young talent and prepare them for long-term career success particularly paid off. This year, the Ministry of Human Resources and Social Development recognized us with the Labor Award for the best training program for students and graduates in a large enterprise. Notably, LinkedIn named us the 4th best workplace to grow a career in Saudi Arabia, representing a 3-rank improvement from 2021.

Strategic Growth in the Year Ahead

We have an exciting year ahead at Mobily, as we evolve into the technology company of the future. With our new strategy, we will reposition Mobily as a leader in new trends, addressing opportunities in the telecom, media, and technology industries. We will achieve total experience leadership, providing an exceptional experience for all Stakeholders. We will increase market share by developing product and service roadmaps for different value segments, and by improving customer retention through various digital offerings.

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With this strategy, we will begin to see the fruits of our efforts to transform from a telecom company to a technology company to achieve leadership in enriching the digital world. We will continue to grow Mobily Pay, expanding its offerings and further developing its value proposition, while leveraging our position to build value for customers and our business. Through a carefully formulated sustainability strategy, we will continue to ensure our commitment to achieving rapid ESG performance to place the Kingdom on a path to a sustainable future.

Our 5G rollout and network coverage will continue to expand, thanks to current and future partnerships and investments. Open access, including FTTH and Fiber-to-the-Building (FTTB) will connect more homes and businesses across the Kingdom. We will further establish ourselves as a leader in data centers and network infrastructure. We will also ramp up our support of Saudi Vision 2030, the Kingdom's giga-projects, and the Saudi Green Initiative. The payoff will be significant with the entire size of the Kingdom's Information and communication technologies (ICT) market reaching SAR 154 billion in 2022.

Acknowledgments

I wish to express my deep gratitude to our Board of Directors for their leadership in an exciting and prosperous year, and to our Executive Management for their guidance and foresight in navigating Mobily's transformation.

I am also indebted to our employees across Mobily for their professional approach, commitment, and dedication, which has allowed us to reach new heights and look to the future with considerable optimism. Their efforts represent the driving force behind our performance in 2022 and our ability to gain the lasting trust of all Stakeholders.