

مجموعة تداول السعودية  
Saudi Tadawul Group

2023  
Full Year

Financial Results Presentation



# With you today



**Eng. Khalid Alhussan**

Group Chief Executive Officer

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**Shahrukh Qureshi**

Group Chief Financial Officer

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**Lee Hodgkinson**

Group Chief Strategy Officer

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**Haitham Al Shathri**

Group Investor Relations Head

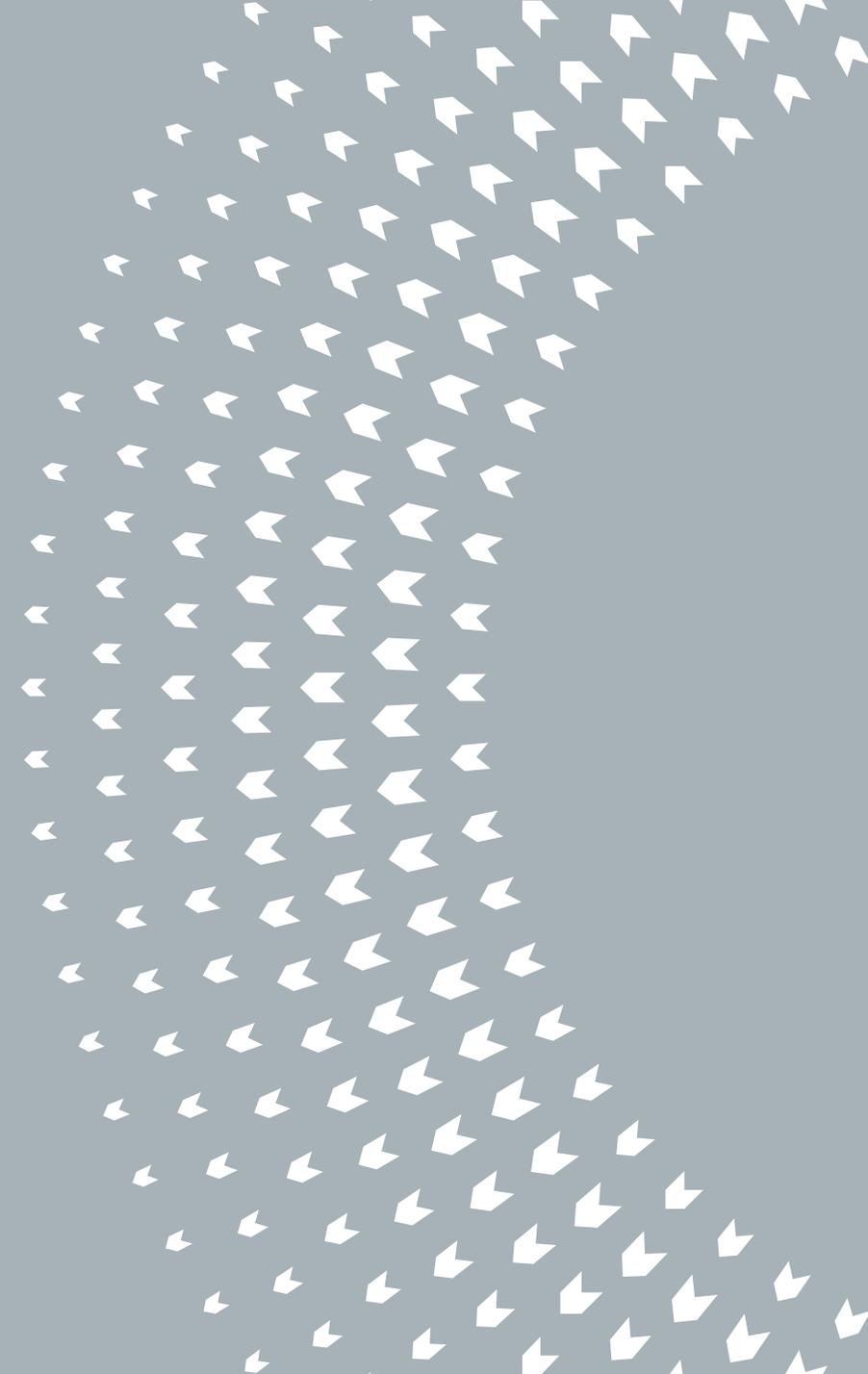
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# Key Highlight Review

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# 2023

## Achievements

### Significant progress against Growth Strategy

- Successful implementation of market enhancements, products launches and strategic partnerships, ensuring an enhanced infrastructure for domestic and international investors
- Significant milestones in our diversification journey through the acquisition of DirectFN

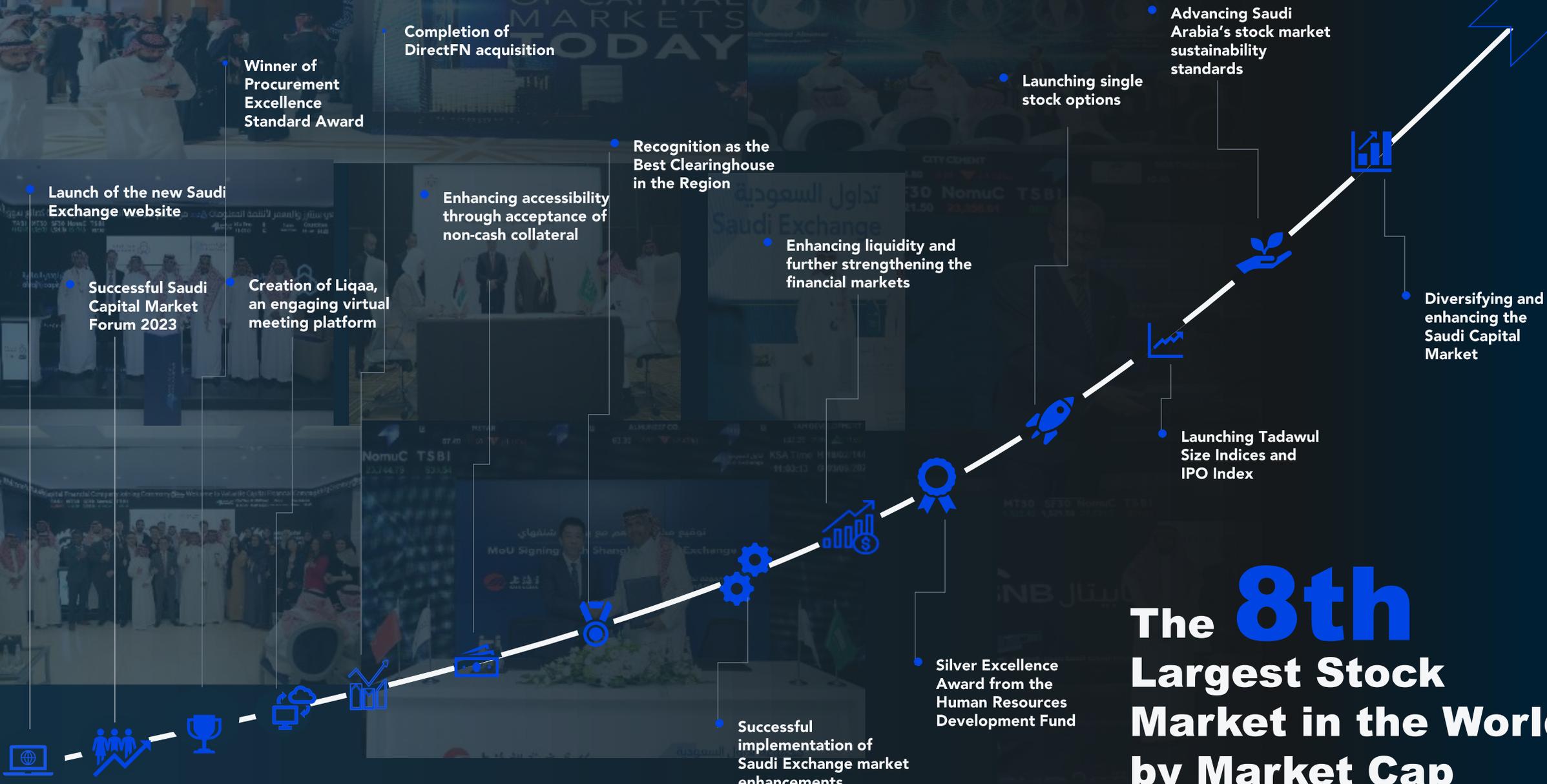
### Resilient financial performance

- Robust trading value performance, reflecting sequential improvement in market activity and investor engagement
- Strong growth in Non-ADTV Revenues of 26.2%, now 49.9% of Group Revenues
- Resilient profitability and cash conversion reflecting disciplined execution

### Balanced capital allocation for sustainable value creation

- Execution of organic growth strategy through continuous capex investments
- Disciplined acquisitions in line with strategic objectives

KEY HIGHLIGHT  
2023 At a Glance



The **8th**  
Largest Stock  
Market in the World  
by Market Cap



# Resilient performance reflecting progress in diversification journey and sustained investor confidence

(As of 31 December 2023)

## Market Capitalization

Main Market & Nomu - Parallel Market

<b>11,307.67</b>	3,015.37	14.29%	▲
(SAR Billion)	(USD Billion)	Y-o-Y	

## Approved Applications / Listings

Main Market & Nomu - Parallel Market

<b>8</b>	<b>34</b>
(Main Market)	(Nomu - Parallel Market)

## Offered Products

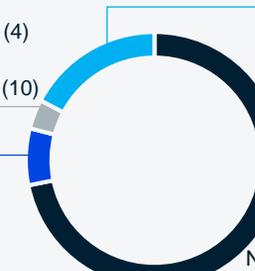
All Markets

### Derivatives

Single Stock Options (4)  
 Index Futures (1)  
 Single Stock Futures (10)

### Listed Funds

REITs (19)  
 CEFs (2)  
 ETFs (8)



**Sukuk & Bonds**  
 Governments (66)  
 Corporate (4)

**Listed Companies**  
 Main Market (213)  
 Nomu - Parallel Market (78)

## Total Value Traded

Main Market & Nomu - Parallel Market

<b>1,341.2</b>	357.7	(22.09%)	▼
(SAR Billion)	(USD Billion)	Y-o-Y	

## New Listings<sup>(1)</sup>

Main Market & Nomu - Parallel Market

<b>11</b>	<b>35</b>	<b>5</b>
(Main Market)	(Nomu - Parallel Market)	Debt instruments

## Average Daily Traded Value "ADTV"

Main Market & Nomu - Parallel Market

<b>5.4</b>	1.4	(22.41%)	▼
(SAR Billion)	(USD Billion)	Y-o-Y	

## Stock Market Ownership by Institutions<sup>(2)</sup>

Main Market

<b>96.19%</b>	<b>84.97%</b>
(of Issued Shares)	(of Free Float)

## Total Number of Portfolios<sup>(4)</sup>

In Stock Market - As End of Q4 2023

<b>49,031</b>	<b>11,549,978</b>
(Institutions)	(Individuals)

## Capital Raised Through IPOs

Main Market & Nomu - Parallel Market

<b>13.0</b>	3.5	(66.52%)	▼
(SAR Billion)	(USD Billion)	Y-o-Y	

## Stock Market Ownership by Foreign<sup>(3)</sup>

Main Market

<b>3.56%</b>	<b>12.89%</b>
(of Issued Shares)	(of Free Float)

## Total Number of Investors<sup>(5)</sup>

In Stock Market - As End of Q4 2023

<b>13,661</b>	<b>1,591,660</b>	<b>4,554,570</b>
(Institutions)	(Female)	(Male)

<sup>(1)</sup> Including REITs, Funds and Direct Listing

<sup>(2)</sup> Institutions: Refers to investors with institutional behavior including GREs, Saudi Corporates, Saudi Mutual Funds, Saudi and Non-Saudi DPMs, Saudi Individual Professional Investors (IPI), SWAP Holders, Foreign Strategic Partners and Qualified Foreign Investors (QFI).

<sup>(3)</sup> Foreign: Refers to SWAP Holders, Foreign Residents & Others, Qualified Foreign Investors (QFI), Foreign DPMs and Strategic Investors.

<sup>(4)</sup> Excluding closed portfolios

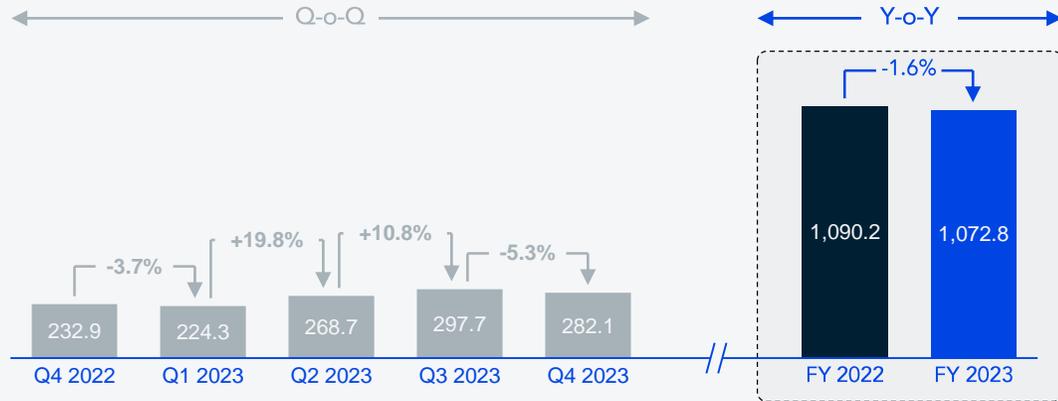
<sup>(5)</sup> Excluding non-deposited Certificates holders



# Key Financial Performance Indicators

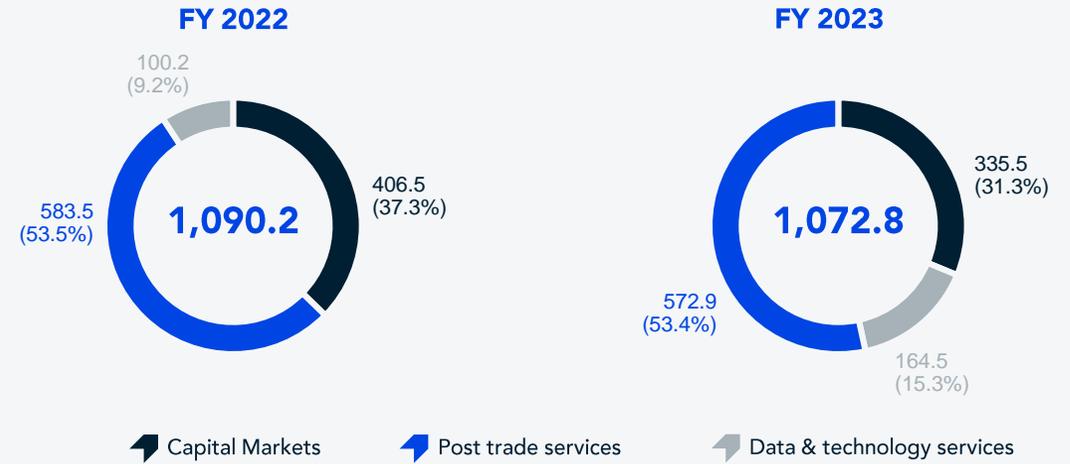
## Operating Revenues Yearly Evolution

(SAR Million)



## Operating Revenue Segmental Snapshot

(SAR Million)



### Operating Revenues

**1,072.8** (SAR Million)    286.1 (USD Million)    1.6% Y-o-Y ▼

### EBITDA Margin

**37.6%**    19.5% Y-o-Y ▼

### Free Cash Flow

**362.5** (SAR Million)    96.7 (USD Million)    14.2% Y-o-Y ▼

### Net Income After Zakat<sup>(1)</sup>

**390.1** (SAR Million)    104.0 (USD Million)    8.1% Y-o-Y ▼

### EBITDA

**403.1** (SAR Million)    107.5 (USD Million)    20.8% Y-o-Y ▼

### Earnings Per Share<sup>(2)</sup>

**3.25** (SAR)    0.87 (USD)    8.1% Y-o-Y ▼

<sup>(1)</sup> Net Income after Zakat - Attributable to equity holders of the parent.

<sup>(2)</sup> Earnings per Share: Net income attributable to equity holders of the parent / Number of Shares



# Our Strategy Framework



## Our Aspiration

We have big aims to get Saudi Arabia among the top three largest stock markets on the planet, fostering the development of a diverse Saudi capital market, and a bridge between global investors and regional economies

## Strategic Goals



## Strategic Pillars

Equity & Capital Formation	Global Debt Hub	Global Commodities	Derivatives & OTC	Global Securities Services	Data & Analytics Offering	Global Unique IP
Facilitate listings and issuer services to domestic and international issuers	The venue of choice for domestic issuers	A global source of MENA commodities valuation	MENA's leading listed derivatives market	Internationalize business	MENA's data hub for local and global market participants	MENA's leading and globally relevant index brand
Enhance market liquidity	A global sukuk / Islamic finance center	Globally relevant venue for commodities trading	Capture domestic OTC derivatives, flows	Expand domestic post-trade offerings		
Nurture SMEs by facilitating capital markets access	Attract International FI issuers	Globally relevant venue in sustainability comm. & carbon markets	MENA's service provider of choice for OTC Clearing	A global custodian of choice for geo. relevant investors	Unlock the full potential of Information, data and analytics	Develop and acquire unique index IP to solidify leadership across MENA

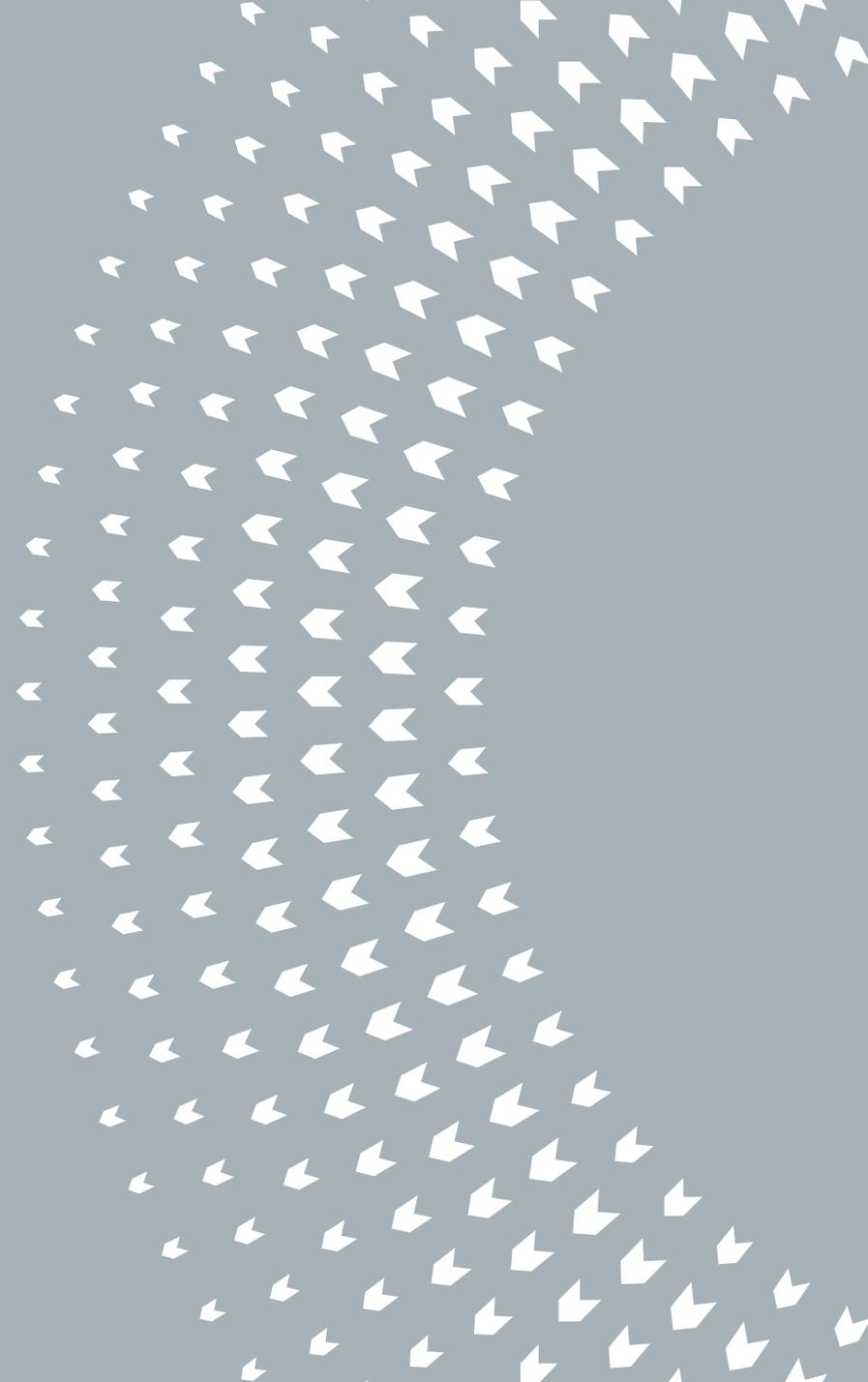
## Strategic Enablers





# Financial Performance Review

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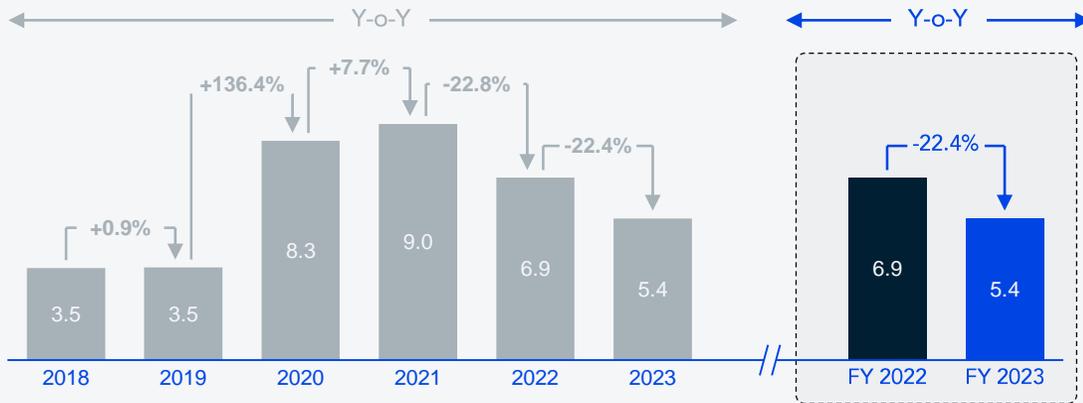




# Amid high interest rates, the market maintained robust trading value performance, demonstrating its adaptability and sustained investor engagement

## ADTV Yearly Evolution

(Main Market & Nomu - Parallel Market –SAR Billion)



## ADTV Quarterly Evolution

(Main Market & Nomu - Parallel Market –SAR Billion)



## Value Traded Breakdown - By Investor Classification<sup>(1)</sup>

(Main Market)



## Value Traded Breakdown - By Investor Classification<sup>(1)</sup>

(Nomu - Parallel Market)



<sup>(1)</sup> Institutions: Refers to investors with institutional behavior including GREs, Saudi Corporates, Saudi Mutual Funds, Saudi and Non-Saudi DPMS, Saudi Individual Professional Investors (IPI), SWAP Holders, Foreign Strategic Partners and Qualified Foreign Investors (QFI).

A downturn in trading and post-trade revenues attributed to lower trading values was mitigated by robust growth in Data & Technology services driven by DFN, Market Data, and Co-Location Services

Overview of Operating and Segmental Revenue

(SAR Million)

		FY 2022	Y-o-Y	FY 2023
2023 % Operating Revenue segmental	<b>Capital Market Segment</b>			
	<b>31.3%</b>			
	<b>Segment Revenue</b>	<b>406.5</b>	<b>-17.5%</b>	<b>335.5</b>
	Trading Services	310.6	-21.7%	243.3
	Listing Services	93.2	-4.5%	88.9
	Derivatives Market	1.0	14.9%	1.2
	Membership Fees	1.7	16.2%	2.0
	<b>Post Trade Services Segment</b>			
	<b>53.4%</b>			
	<b>Segment Revenue</b>	<b>583.5</b>	<b>-1.8%</b>	<b>572.9</b>
	Post Trade Services	562.0	-11.0%	500.4
	Derivatives Market	0.3	30.8%	0.4
	Membership Fees	2.4	-7.5%	2.2
	Treasury income from clearing business, net	18.8	272.3%	69.9
	<b>Data &amp; Technology Services Segment</b>			
<b>15.3%</b>				
<b>Segment Revenue</b>	<b>100.2</b>	<b>64.2%</b>	<b>164.5</b>	
Market Information	91.2	19.3%	108.8	
Direct FN	-	100%	34.9	
Co-Location & Liqaa Services	9.0	131.5%	20.8	

ADTV vs. Non-ADTV Revenue Snapshot

(SAR Million)



Net Income After Zakat reached SAR 390.1m with a 36% margin in FY 2023, compared to SAR 424.6m with a 39% margin in the prior year

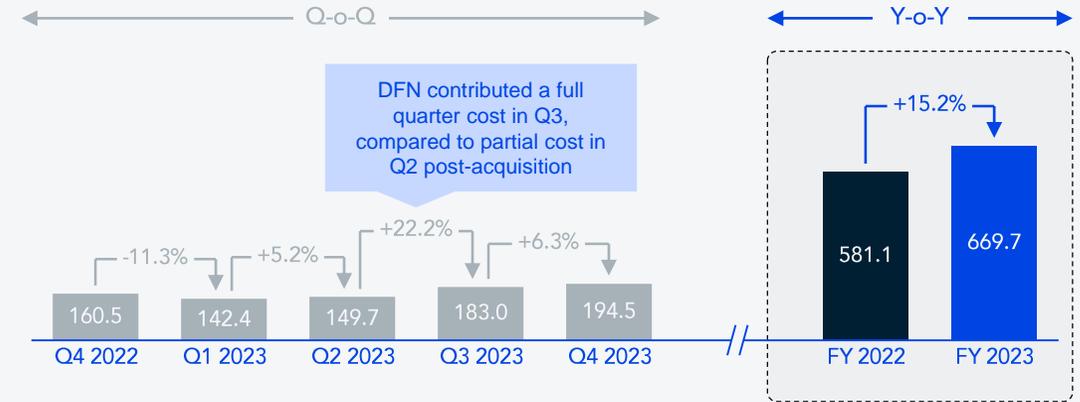
**EBITDA & EBITDA Margin**

(SAR Million)



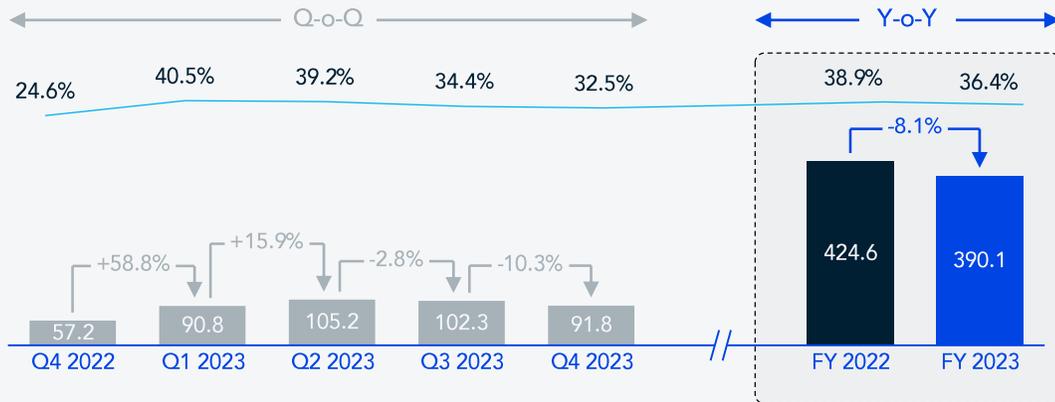
**Operating Expenditures excl. D&A**

(SAR Million)



**Net Profit After Zakat & Margin<sup>(1)</sup>**

(SAR Million)



**Return on Average Equity<sup>(1)</sup>**



<sup>(1)</sup> Attributable to equity holders of the parent.

# Investment income surged 127.0% YoY, driven by higher market interest rates

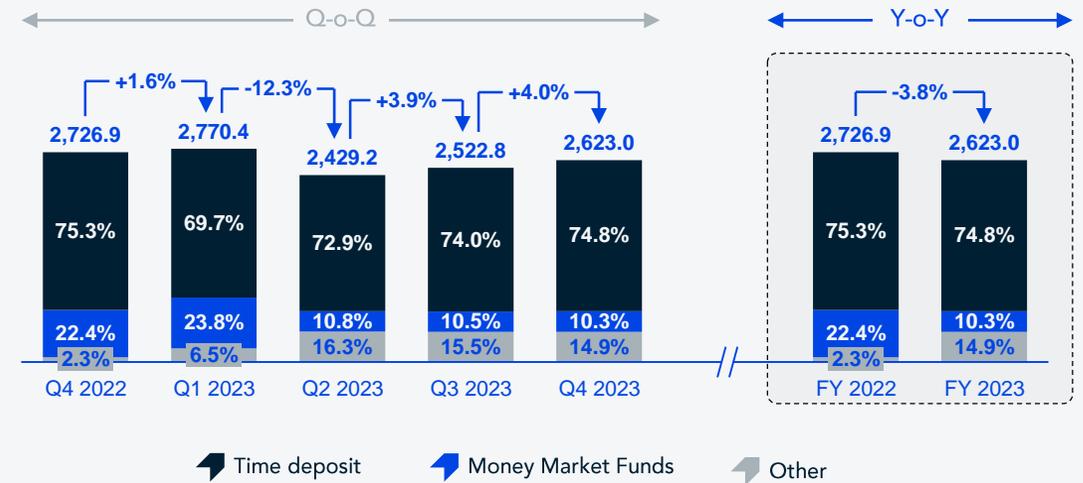
## Investment Income on Investment Portfolio

(SAR Million)



## Investment Portfolio Size

(SAR Million)



Time deposit    Money Market Funds    Other

Investment Portfolio Size	(SAR Million)	(USD Million)	Y-o-Y
Money Market Funds	269.3	71.8	55.9% ▼
Time deposit	1,962.6	523.4	4.4% ▼
Others (Fixed Income & Real Estate)	391.1	104.3	515.2% ▲

Reduced trading values' impact on net income was mitigated by robust growth in non-trading revenues and investment income, paired with a strong cash flow conversion of 90%

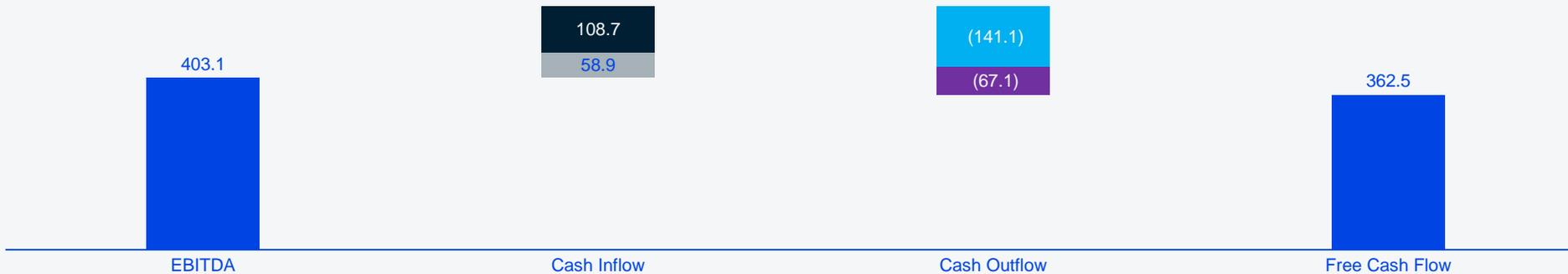
### Net Profit After Zakat Movement

(SAR Million)



### Free Cash Flow Waterfall

(SAR Million)

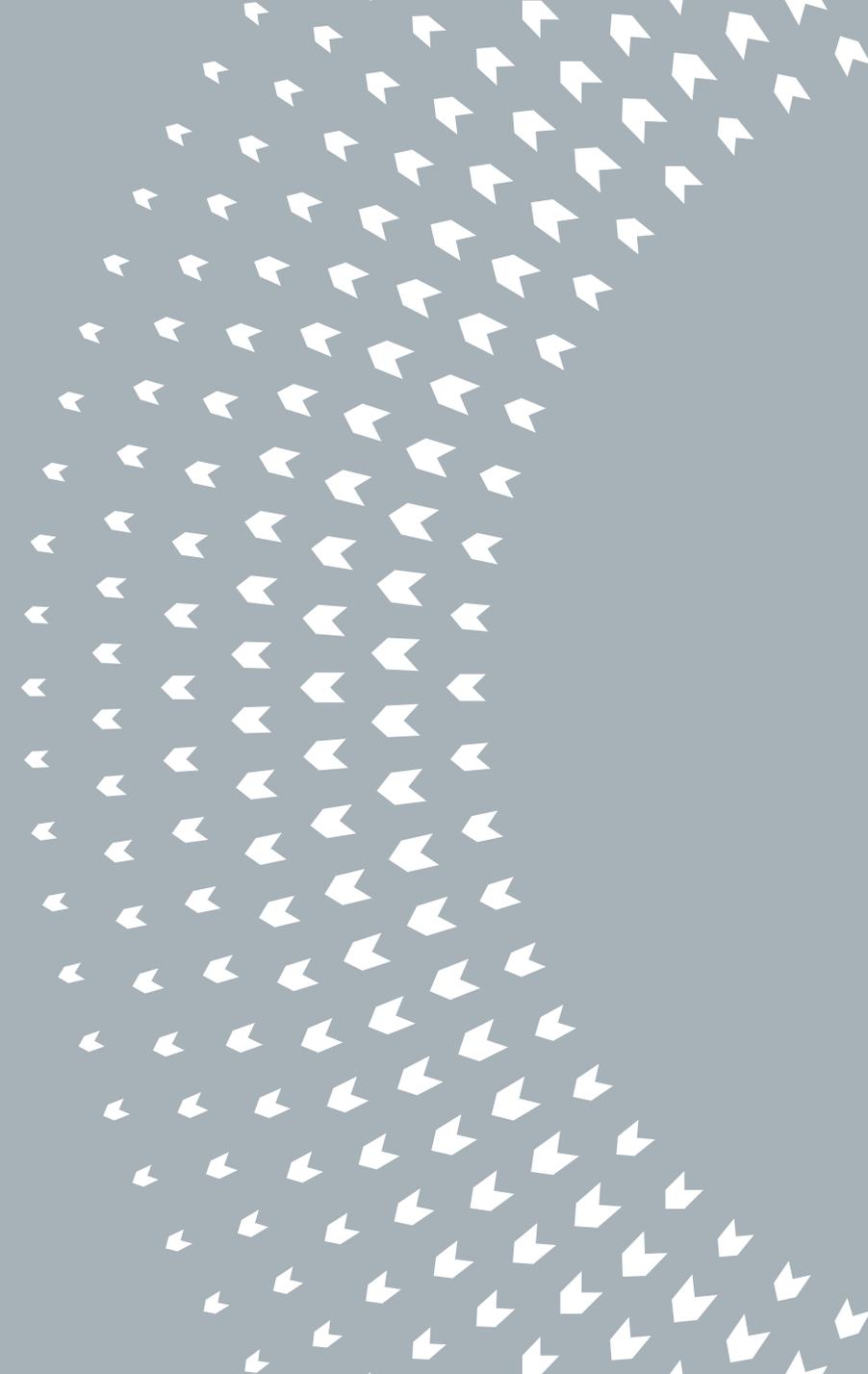


Investment and Other Income    Capital Expenditure    Zakat Paid    Change in Net Working Capital



# Q&A

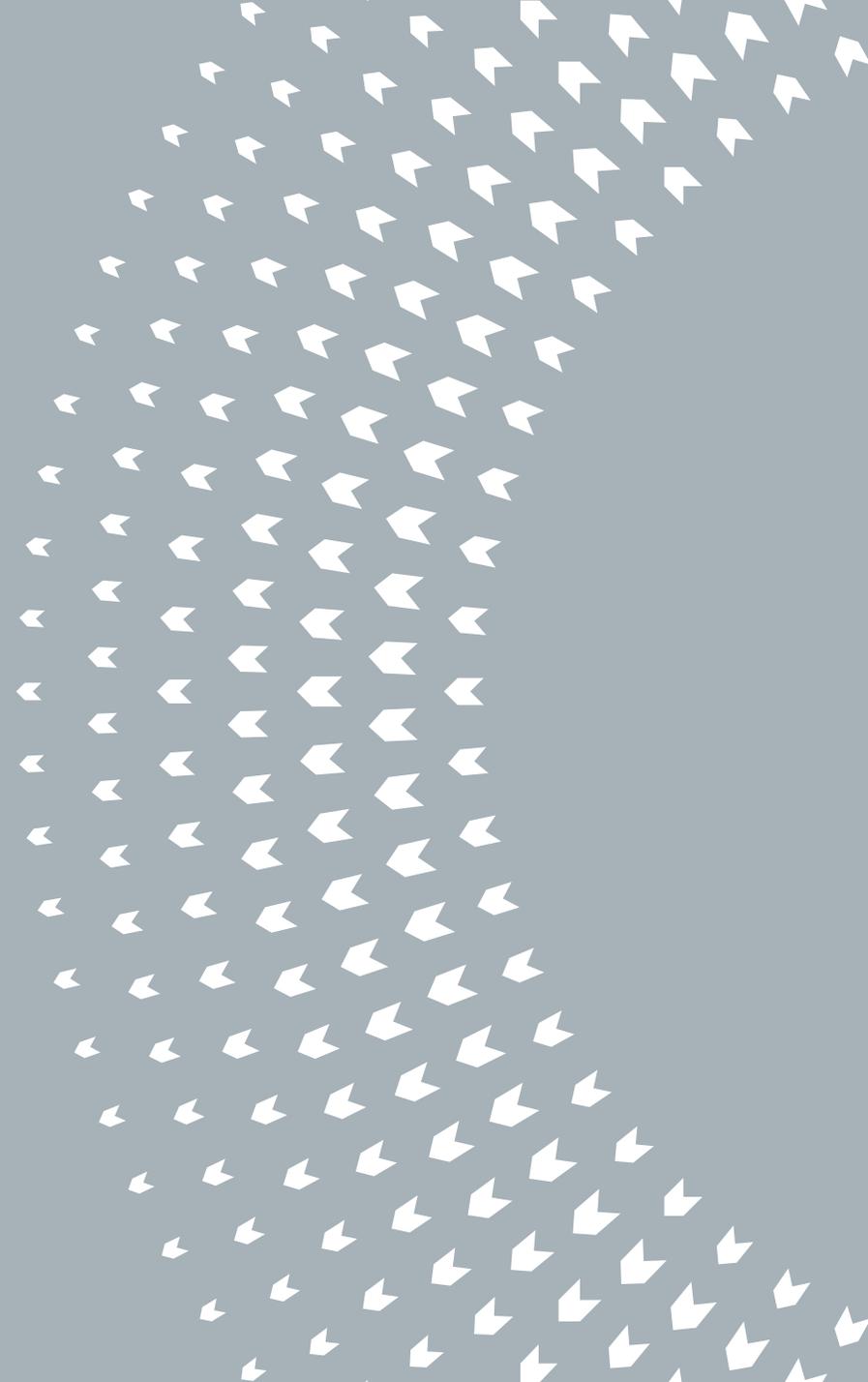
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# Appendix

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# Our Sustainability Framework



## Continuously elevate the sophistication of the Saudi capital market

Invest in and develop the infrastructure required for world-class sophisticated market



## Lead the market towards ESG adoption and disclosure

Accelerate our efforts to encourage the widespread adoption of sustainability management and ESG disclosures



## Promote integrity

Continue to govern the Group with achieving best practices through compliance and governance standards



## Address climate change and foster a circular carbon economy

Achieving a Net Zero and creating the market infrastructure for a circular carbon economy



## Become a global hub for debt-related sustainable finance

Aim to enhance the Group's debt capital market offering and global attractiveness by advocating and supporting sustainable finance issuance



## Support the talent that drives market progress

Be a leading advocate and performer in gender equality in the region and intensify ESG-focused trainings to drive markets towards a more sustainable future



## Key Financials Snapshot

## Balance Sheet Snapshot

(SAR Thousands)

	FY 2022	Y-o-Y	FY 2023
Total Assets	7,690,046.9	-0.7%	<b>7,636,903.7</b>
Total Liabilities	4,510,357.1	-0.1%	<b>4,507,868.1</b>
Total Shareholders' Equity <i>(Excluding Minority Interest)</i>	3,179,689.8	-1.6%	<b>3,129,035.6</b>
Total Liabilities and Shareholders Equity	7,690,046.9	-0.7%	<b>7,636,903.7</b>

## Income Statement Snapshot

(SAR Thousands)

	FY 2022	Y-o-Y	FY 2023
Total Revenue (Sales/Operating)	1,090,195.9	<b>-1.6%</b>	<b>1,072,780.2</b>
Net Profit before Zakat and Tax	492,288.7	<b>-11.2%</b>	<b>436,996.6</b>
Zakat	67,690.4	<b>-18.0%</b>	<b>55,499.8</b>
Net Profit after Zakat and Tax	424,598.3	<b>-8.1%</b>	<b>390,060.7</b>
Total Comprehensive Income	447,248.9	<b>-13.3%</b>	<b>387,874.1</b>
Profit per Share	3.54	<b>-8.1%</b>	<b>3.25</b>

## Cash Flows Snapshot

(SAR Thousands)

	FY 2022	Y-o-Y	FY 2023
Net Cash Flow From Operating Activities	470,399.4	-16.1%	<b>394,754.7</b>
Net Cash Flow From Investing Activities	1,934,544.6	-105.6%	<b>(107,640.4)</b>
Net Cash Flow From Financing Activities	(372,315.4)	-4.6%	<b>(355,326.3)</b>
Cash and Cash Equivalents, Beginning of the Year	86,197.5	2,358.1%	<b>2,118,826.1</b>
Cash and Cash Equivalents, end of the Year	2,118,826.1	-3.2%	<b>2,050,614.1</b>

## Key Metrics

	FY 2022	Y-o-Y	FY 2023
ROaE <i>Attributable to Equity holders of the Parent</i>	13.5%	<b>-8.7%</b>	<b>12.4%</b>
ROaA <i>Attributable to Equity holders of the Parent</i>	7.6%	<b>-32.7%</b>	<b>5.1%</b>



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مجموعة تداول السعودية  
Saudi Tadawul Group

Thank you ...

Saudi Tadawul Group

Tel: +966 (0) 11 218 9299

Email: [investorrelations@tadawulgroup.sa](mailto:investorrelations@tadawulgroup.sa)

P.O. Box 12211-3388

Address: 6897 King Fahd Road – Al Ulaya, Riyadh

Kingdom of Saudi Arabia

[www.tadawulgroup.sa](http://www.tadawulgroup.sa)

