

مجموعة تداول السعودية
Saudi Tadawul Group

FY 2021 Financial Results Presentation

March 9, 2022





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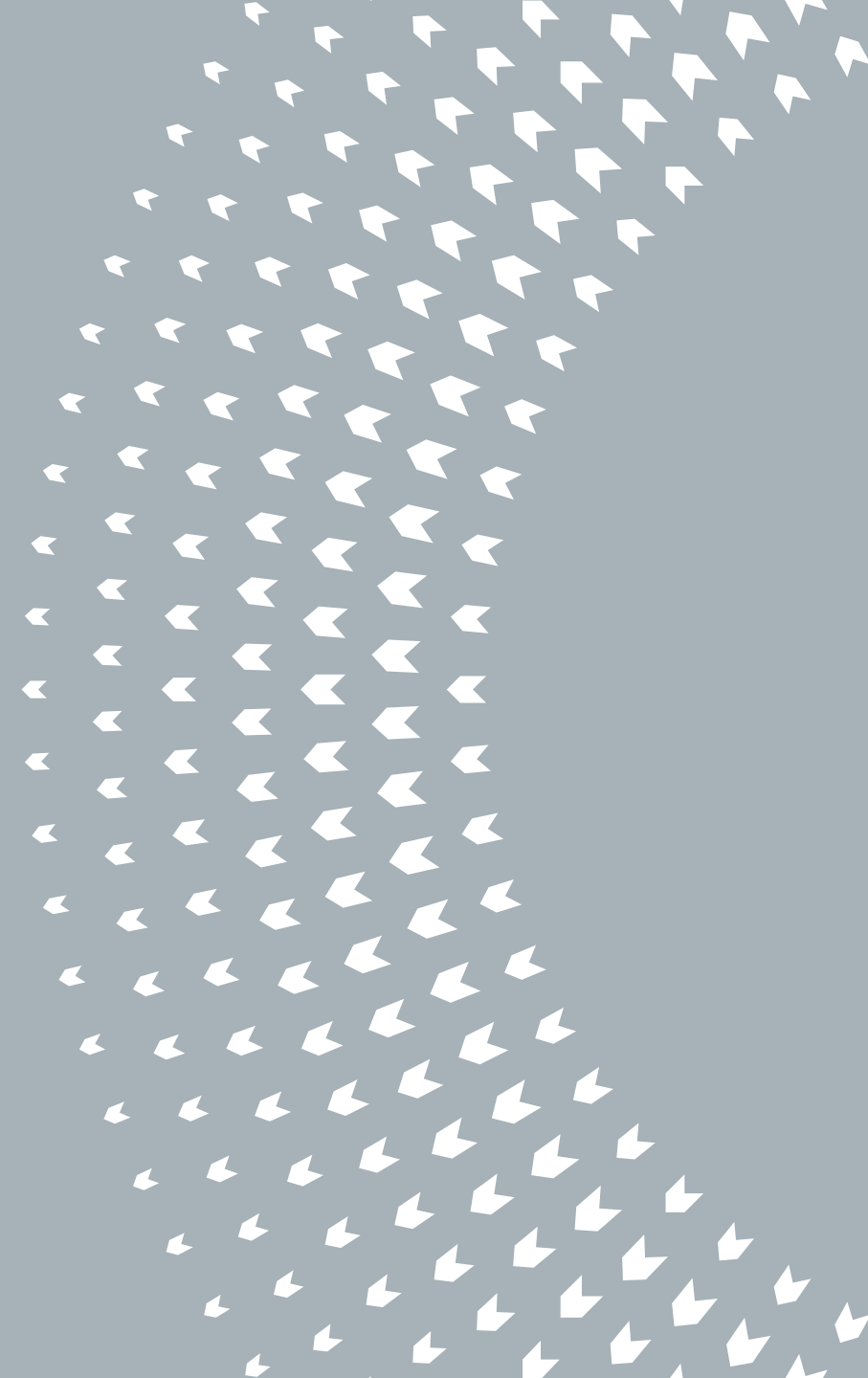
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Agenda

-  **At a Glance**
-  **Strategic Update and Business Review**
-  **Financial Review**
-  **Q&A**
-  **Appendix**





Speakers



Eng. Khalid Al Hussan
Group Chief Executive Officer



Shahrukh Qureshi
Group Chief Financial Officer



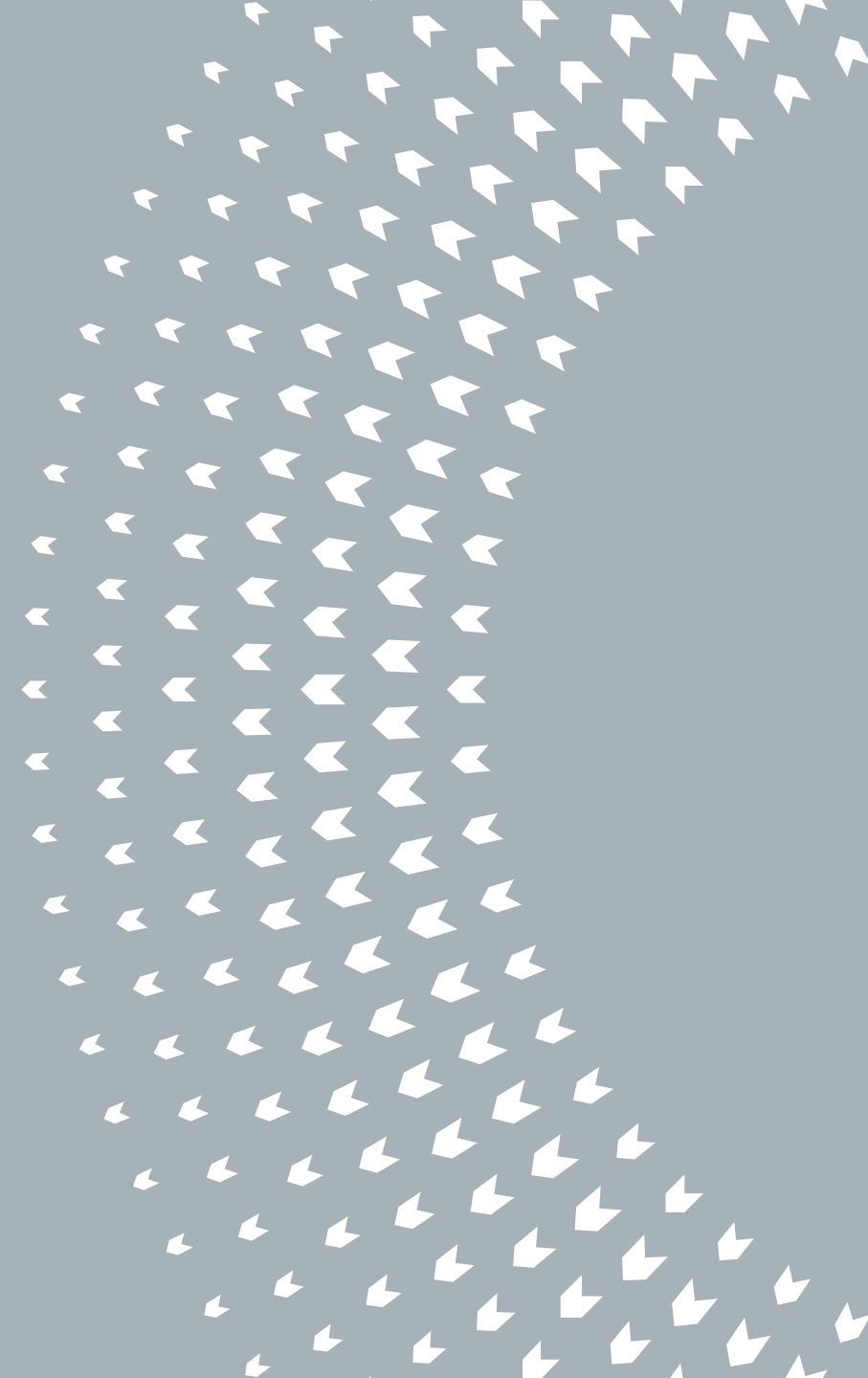
Roland Bellegarde
Group Chief Strategy Officer



Haitham Al Shathri
Group Investor Relations Head



At a Glance





We are Primed For the Next Stage of our Strategic Evolution

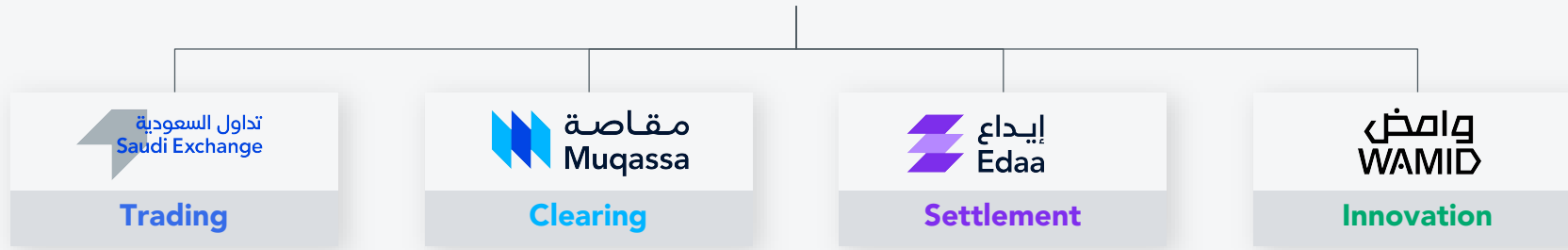
Group Vision

To be a world leading holding group fostering the development of a diverse Saudi capital market, and a bridge between global investors and regional economies.



Group Mission

As part of its 2030 Vision, Saudi Tadawul Group is helping the Kingdom build a thriving economy with a technologically advanced and integrated capital market at its center.



Strategic Goals

Growth & Diversification

Develop and implement new asset classes, products and services

Integrated & Connected

Deepen global mindshare and strengthen inter-connectivity and capital formation across major global financial markets

Capable & Agile

Innovation-first mindset with best-in-class risk and governance

A Foundational Pillar for the Kingdom's Vision 2030 and Financial Sector Development Program



FY 2021 Strategic Highlights

Integrated & diverse business model well positioned for growth in line with Vision 2030 and Financial Sector Development Program



The Saudi Stock Exchange (Tadawul) transformed to Saudi Tadawul Group) the ("Group") and being the parent company with a portfolio of four wholly owned subsidiaries and one partially owned subsidiary.



Each subsidiary operates independently while benefitting from a vertically integrated and scalable business model.



The Group announced its intention to offer 30% of its issued capital for public subscription by listing its ordinary shares in an Initial Public Offering on the Saudi Exchange's Main Market.



The Group received significant institutional and retail investor demand with the IPO achieving 121x and 4.4x oversubscription rates



The Group signed a (MoU) with SIX, in an effort to explore opportunities for collaboration in such as cross listing, cooperating on ESG, facilitating investor access to Saudi Arabia's capital market, and enabling effective data sharing and research.



Public Investment Fund (PIF) to establish the Riyadh Voluntary Exchange Platform, an exchange for trading offsets and carbon credits in the MENA region in collaboration with the Group

FY 2021 Operational Highlights

تداول السعودية Saudi Exchange

- Saudi Arabia included in FTSE Emerging Markets Government Bond Index (effective Apr 2022)
- IHS Markit added Saudi Government Sukuk market to iBoxx Global Government Bond Index (effective Jan 2022)
- Launched ESG Disclosure Guidelines for issuers
- 15 new listings & total number of listed companies exceeded 200
- Enhanced Securities Borrowing and Lending (SBL) and Short Selling regulations with Edaa
- Collaborated with 10+ government entities to incentivize listing, with 18 incentives approved

إيداع Edaa

- Edaa and Euroclear sign agreement to launch fully Euroclearable link enabling international investors access to local Sukuk and bond markets
- Edaa enabled link allowing Clearstream members to invest in Saudi Sukuk and bond market and ETFs

مقاصة Muqassa

- Morgan Stanley, Banque Saudi Fransi completed regulatory and technical requirements for membership
- Signed MOU with Kuwait Clearing Company, Bahrain Clear and Muscat Clearing & Depository Company in 2022

وامض WAMID

- Wamid launched in 2021
- Wamid launched co-location enabling market participants to rent racks within STG center, providing efficient trading services

FY 2021 Financial Highlights

Operating Revenues

1,166.08 8.01% ▲
 (SAR Million) Y-o-Y vs SAR 1,079.64

Gross Profit

820.69 8.79% ▲
 (SAR Million) Y-o-Y vs SAR 754.40

EBITDA

668.85 13.10% ▲
 (SAR Million) Y-o-Y vs SAR 591.37

Net Income After Zakat

587.70 17.42% ▲
 (SAR Million) Y-o-Y vs SAR 500.52

Zakat Expense

66.22 20.75% ▼
 (SAR Million) Y-o-Y vs SAR 83.56

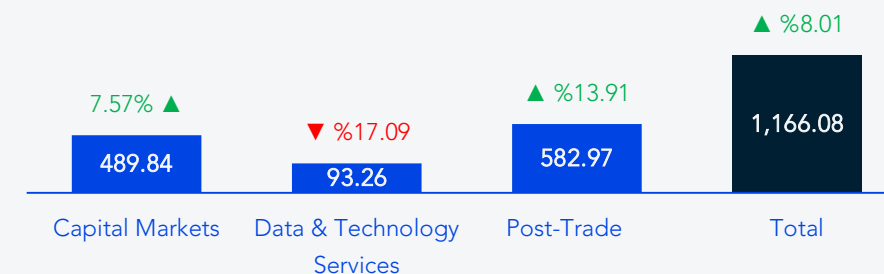
EPS

4.90 ▲
 (SAR vs SAR 4.17 Y-o-Y)

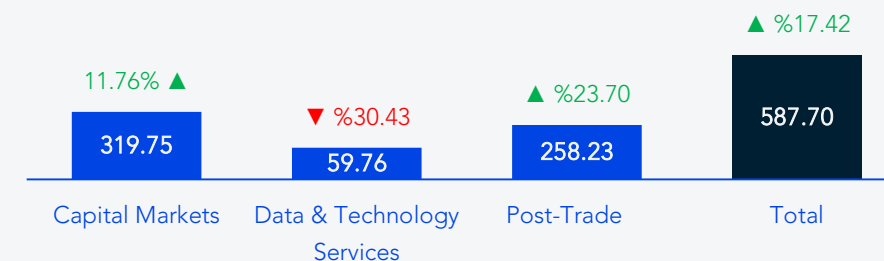
DPS

3.00 ▲
 (SAR vs SAR 1.0 Y-o-Y)

Segmental Revenues (SAR Million)



Segmental Net Income After Zakat (SAR Million)



Sustainability / ESG

22%

of Group's workforce are female

9%

women occupying C-Level positions

32%

of our employees are below 30 years of age

Our sustainability activities have included more than 15 initiatives directly linked to the core strategy of the Group. Some of them are described below under the four themes.

Economy

- Launched ESG disclosure guidelines
- Launched Invest Wisely Program
- Member of UN Sustainable Stock Exchanges (SSE) since 2018

Community

- Hosted "Ring the Bell for Gender Equality" to mark International Women's Day annually, starting from 2019

Education

- Welcomed 5th, 6th and 7th batch of Graduate Development Program (GDP)
- GDP trainees are total of 72
- Cooperative training program trainees are total of 63 students

Environment

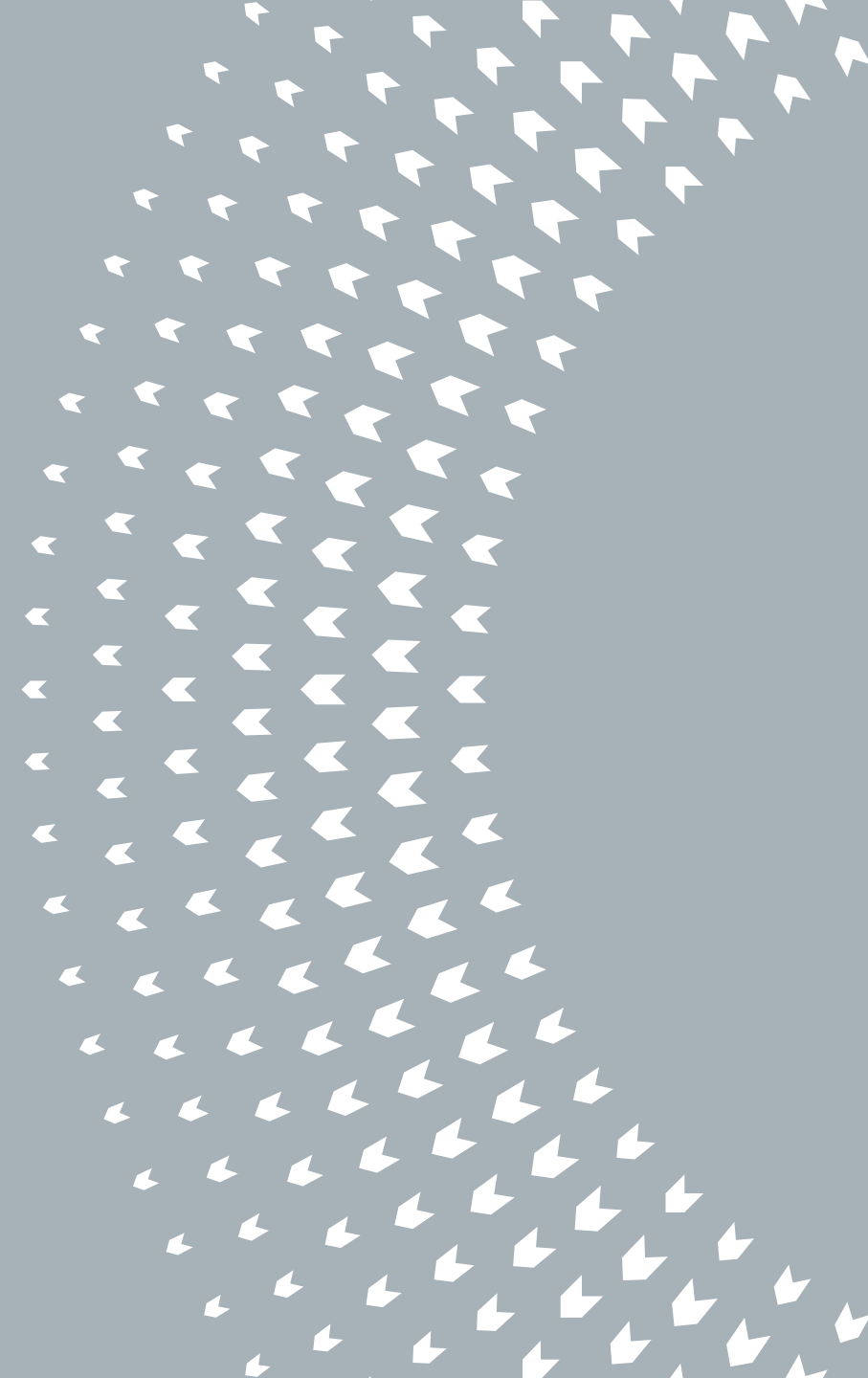
- Launched paper recycling initiatives
- Launched plastic waste reduction initiatives
- Member of SSE Climate Change Exchanges Advisory Group

The Group has identified the following six of the SDG targets to focus on out 17 goals in its sustainability programs





Strategic Update and Business Review





Vertically Integrated and Diversified Business Model

Key Activities

Listing	<ul style="list-style-type: none">• Trading venue for a range of asset classes (equities, FI, ETFs, CEFs and REITs) as well as client coverage and issuer services	
Trading	<ul style="list-style-type: none">• Enhancement of the Exchange's offering of listed instruments from a market development perspective and provision of derivatives products	
Post Trade	Clearing and Settlement	<ul style="list-style-type: none">• Securities clearing and settlement services for traded products; Muqassa established to manage counterparty risks and perform clearing services
	Safekeeping	<ul style="list-style-type: none">• Safekeeping account services for Saudi securities
	Registry	<ul style="list-style-type: none">• Registry services for both listed and unlisted companies
	Depository	<ul style="list-style-type: none">• Central securities depository services
Market Information	<ul style="list-style-type: none">• Various data and indices services to a diverse client base (fund managers, issuers, index providers, data distributors and authorised persons)	
Innovation	<ul style="list-style-type: none">• Through Wamid – an innovation hub that is focused on developing new products, services, capabilities and revenue, primarily in data & tech	

Our Integrated Business Model is a Key Enabler for Sustainable Top-Line Revenue Growth and Innovation



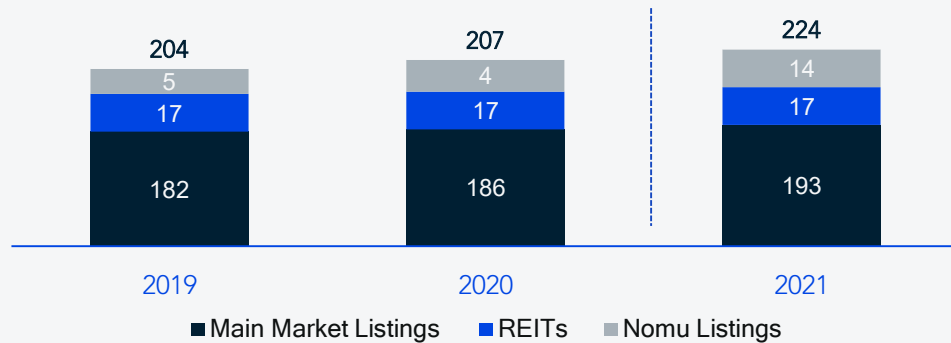
We are Primed For the Next Stage of our Strategic Evolution

Strategic Goals	Growth & Diversification			Integrated & Connected		Capable & Agile	
7 Key Pillars	Listing & Trading	Clearing	Depository	Market Information	Innovation & Digitalisation	Strategic Expansion	Organisational Performance & Capabilities
Description	<ul style="list-style-type: none"> Enhance product and service offerings for local and international stakeholders Introduce new asset classes allowing the development of innovative investment strategies by providing turnkey solutions to market participants 	<ul style="list-style-type: none"> Manage systemic risk in the capital markets Strengthen and diversify clearing services in line with international best practices allowing a safe development of the Saudi and regional capital markets 	<ul style="list-style-type: none"> Enhance securities depository business by introducing value added services to Issuers and Investors Develop partnerships and links with ICSDs to leverage and attract into Saudi capital markets 	<ul style="list-style-type: none"> Empower our stakeholders with high quality Market Information products and services Develop a well informed market featuring the latest tools and platforms for customers 	<ul style="list-style-type: none"> Initiate strategic development of the Saudi Capital Market through innovation and digitalisation Organic and external opportunities to complement growth and diversify our business 	<ul style="list-style-type: none"> Develop and diversify business and sustainable innovation through expansion opportunities 	<ul style="list-style-type: none"> Enhance and develop new organisational competencies, capabilities and resources to achieve strategic goals Build a business oriented organization that collaborates with all stakeholders

To be a world leading holding group fostering the development of a diverse Saudi capital market, and a bridge between global investors and regional economies

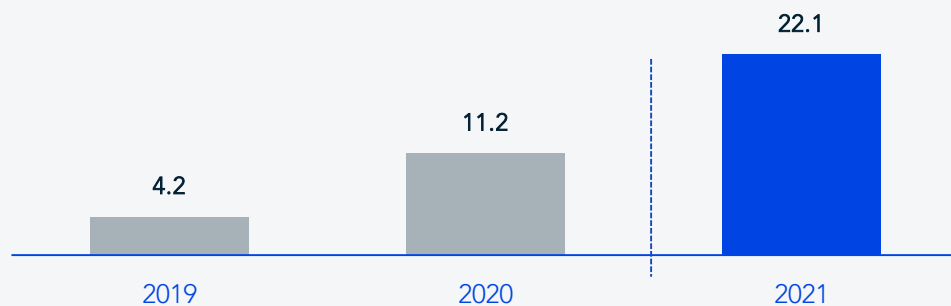
Listing Momentum Expected to Continue

Number of Listed Securities on Main Market & Nomu



Equity Capital Raised Through IPO and Rights Issues⁽¹⁾

(SARbn, excl. Aramco)



(1) Capital raised through IPOs, right issues and secondary offering

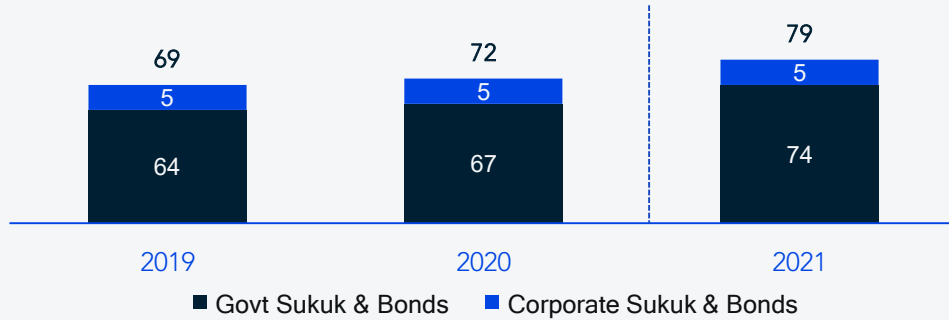
Incentives for Listing

- Core goal of the Financial Sector Development Program is to encourage private sector listings
- STG is collaborating with 10+ government entities to incentivise listing, with 18 incentives approved and available to issuers

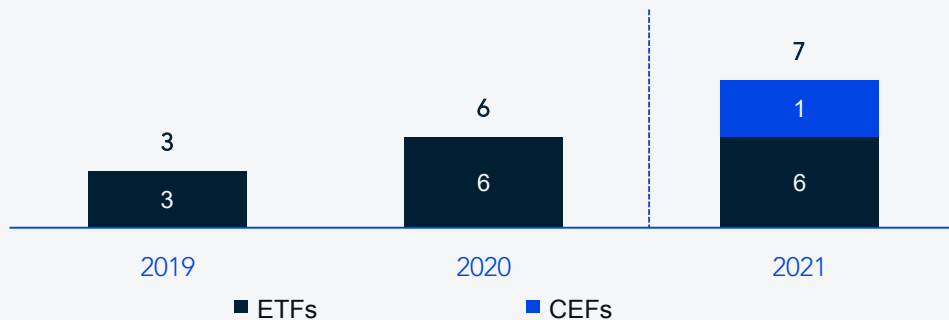
 <p>وزارة الاستثمار Ministry of Investment</p>	 <p>وزارة المالية Ministry of Finance</p>	 <p>الصندوق الصناعي الصندوق للتنمية الصناعية السعودي Saudi Industrial Development Fund</p>
<p>Ministry of Investment</p> <ul style="list-style-type: none"> • Facilitated approval process for listed companies to register foreign partners (joint ventures) 	<p>Ministry of Finance</p> <ul style="list-style-type: none"> • Preference in business and Government procurement for listed companies 	<p>Saudi Industrial Development Fund</p> <ul style="list-style-type: none"> • Increased loan limits granted to listed companies
 <p>هيئة الزكاة والضريبة والجمارك Zakat, Tax and Customs Authority</p>	 <p>صندوق دعم المشاريع Projects Support Fund</p>	 <p>وزارة الصحة Ministry of Health</p>
<p>Zakat, Tax and Customs Authority</p> <ul style="list-style-type: none"> • Providing a relationship manager to help settle all tasks related to Zakat or income taxes with the Authority 	<p>Project Support Funding</p> <ul style="list-style-type: none"> • Raising funding limits for "Mega Projects" in sectors such as health, education, and real estate development. 	<p>Ministry of Health</p> <ul style="list-style-type: none"> • Priority on training programmes, reporting and statistical data and advertisement at Ministry events

Fixed Income: An Asset Class Poised for Growth

Number of Listed Bond & Sukuk Securities



Number of Funds including ETFs and CEFs



Fixed Income Offering Milestones

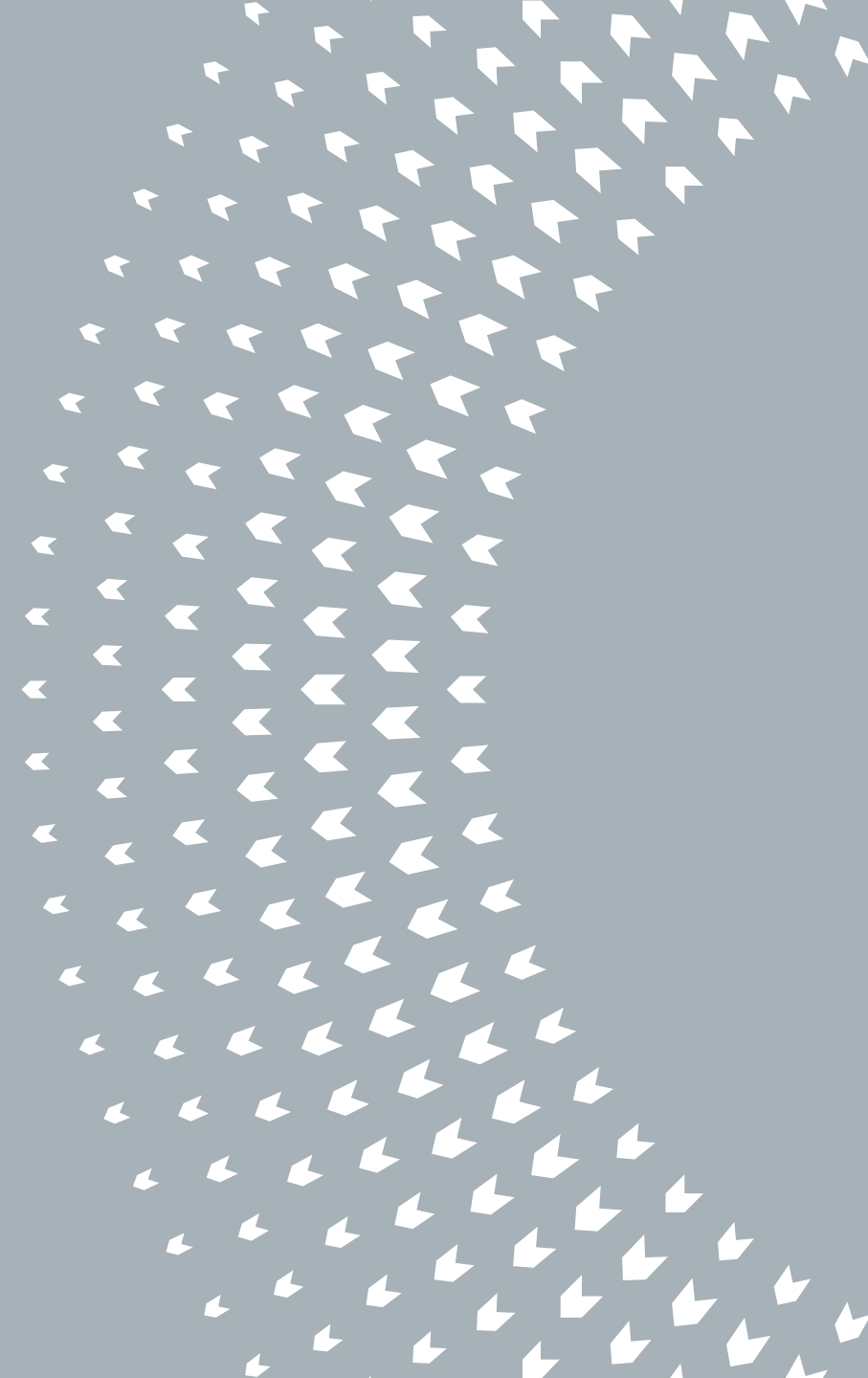
- Relaxation of regulatory restrictions for non-QFI foreign investors on bond market access
- Listing of government & corporate bonds and Sukuks
- Launch of iBoxx Tadawul indices in partnership with IHS Markit
- Launched a market wide awareness campaign on investing in the Fixed Income market with 20+ workshops and 30+ bilateral meetings held with market participants since 2019

Next Steps

- Initiative for direct listings of private placements to increase listed corporate bonds & Sukuk issuances
- Build out Client Coverage and Issuer services
- Cross-border Issuer outreach through focused team
- Matchmaking & Listing Readiness Assessment Tool

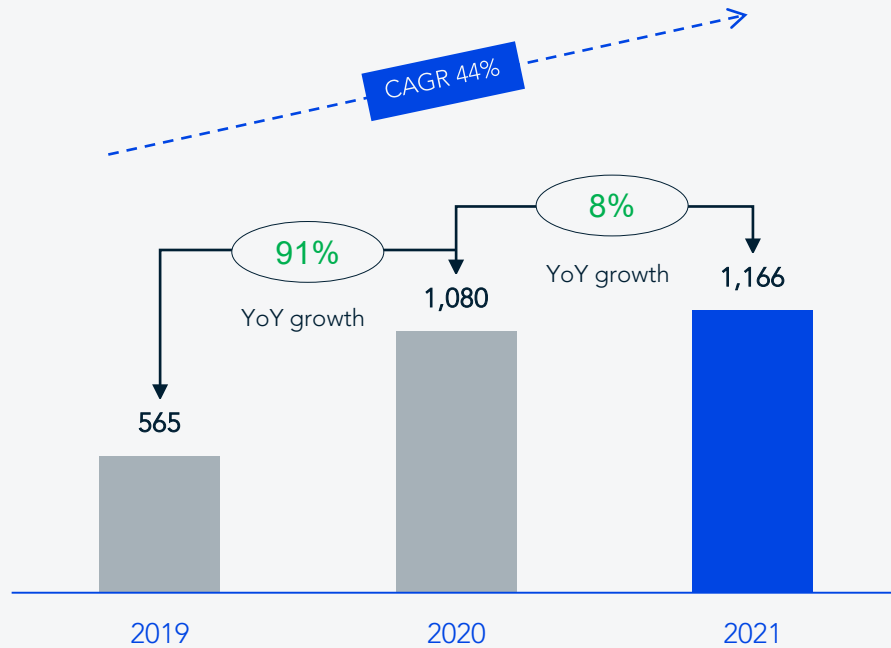


Financial Review

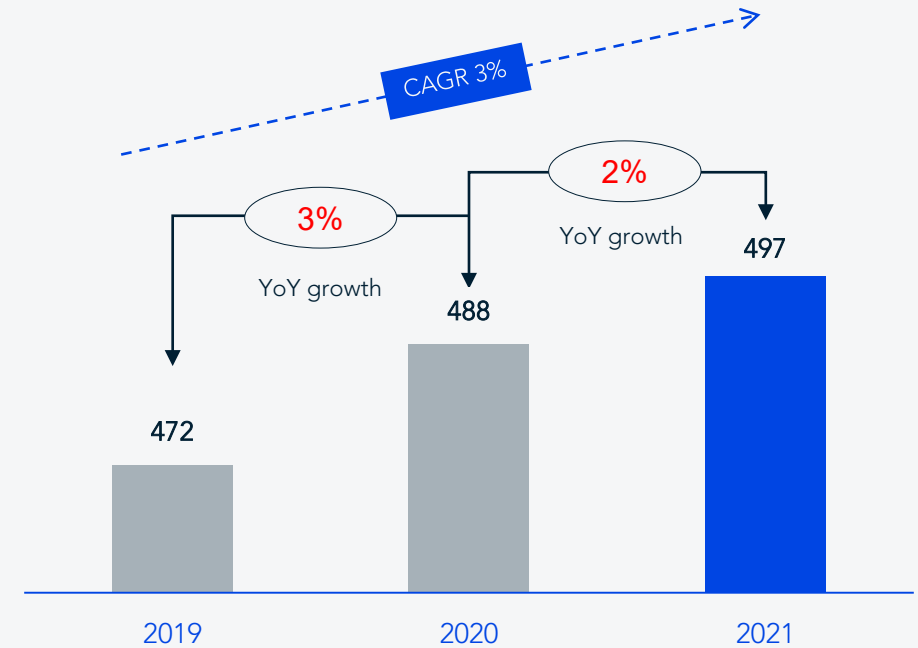


Growing Revenues Supported by Enhanced Operating Leverage

Operating Revenue
(SAR million)



Operating Expenditures excl. D&A
(SAR million)



Solid Underlying Operational Growth & Lower Zakat Drive Strong Earnings Growth

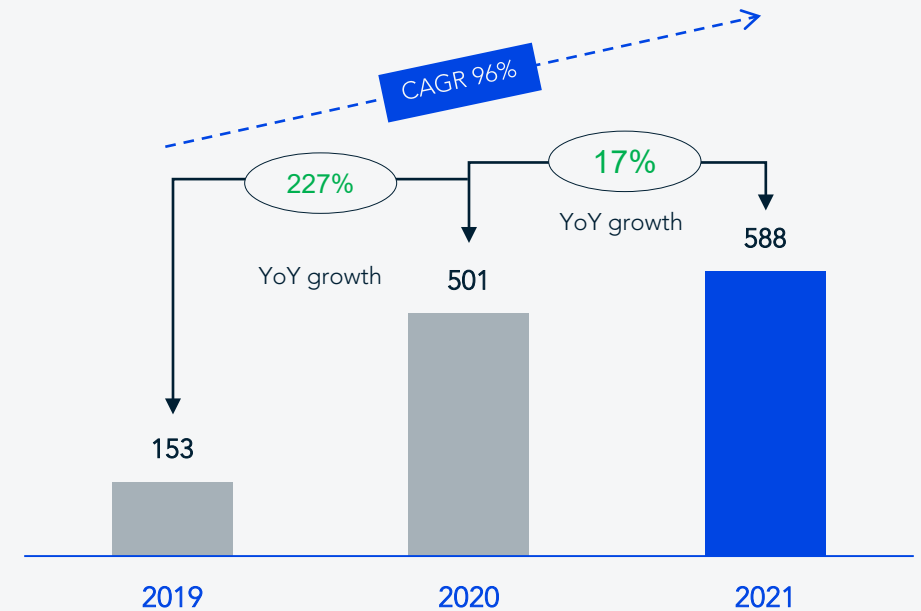
EBITDA and EBITDA Margin

(SAR million)



Net Income After Zakat

(SAR million)

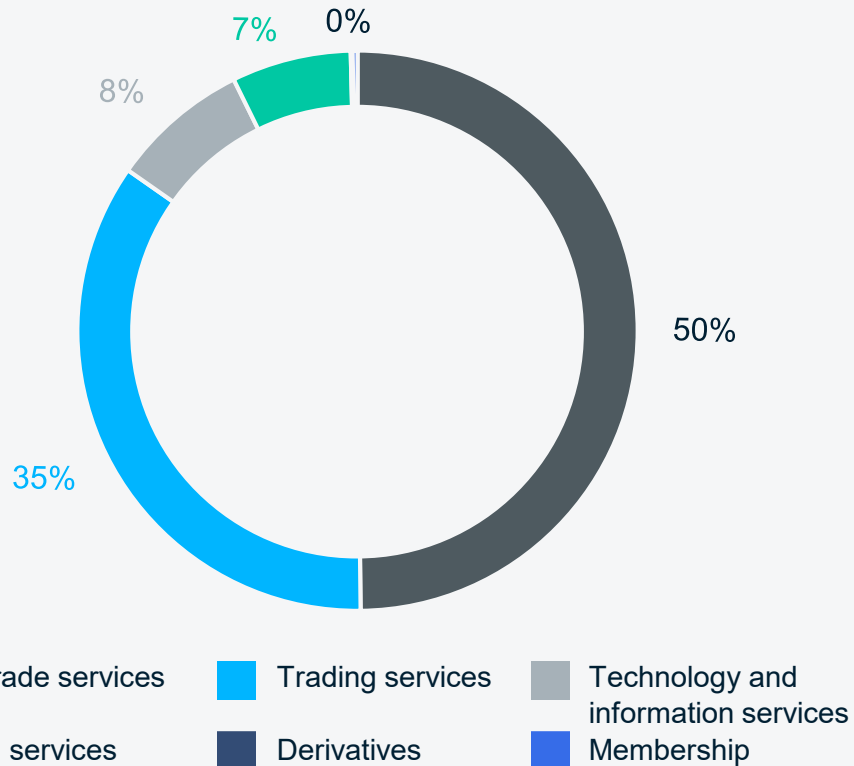




Established Core Revenue Base with Further Diversification Potential

Operating Revenue Breakdown

(SAR million)



Established core revenue base in trading, post trade, listing and market information activities



Approximately 30.5% of operating revenue is non-trading driven



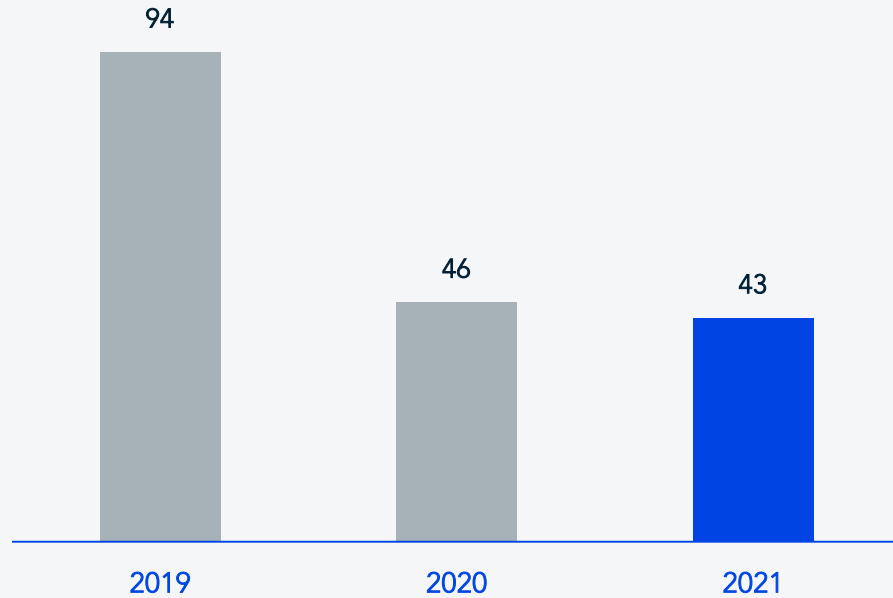
Further diversification potential as new business lines expand:

- Derivatives trading will support diversification of the Exchange's revenue by product
- Technology services to further increase non-trading driven revenue base

Robust Capital Allocation Policy

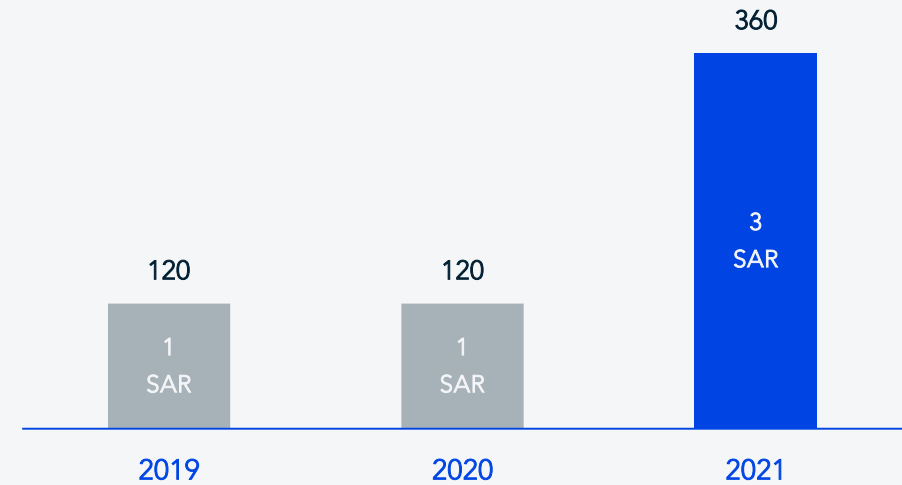
Capital Expenditure

(SAR million)

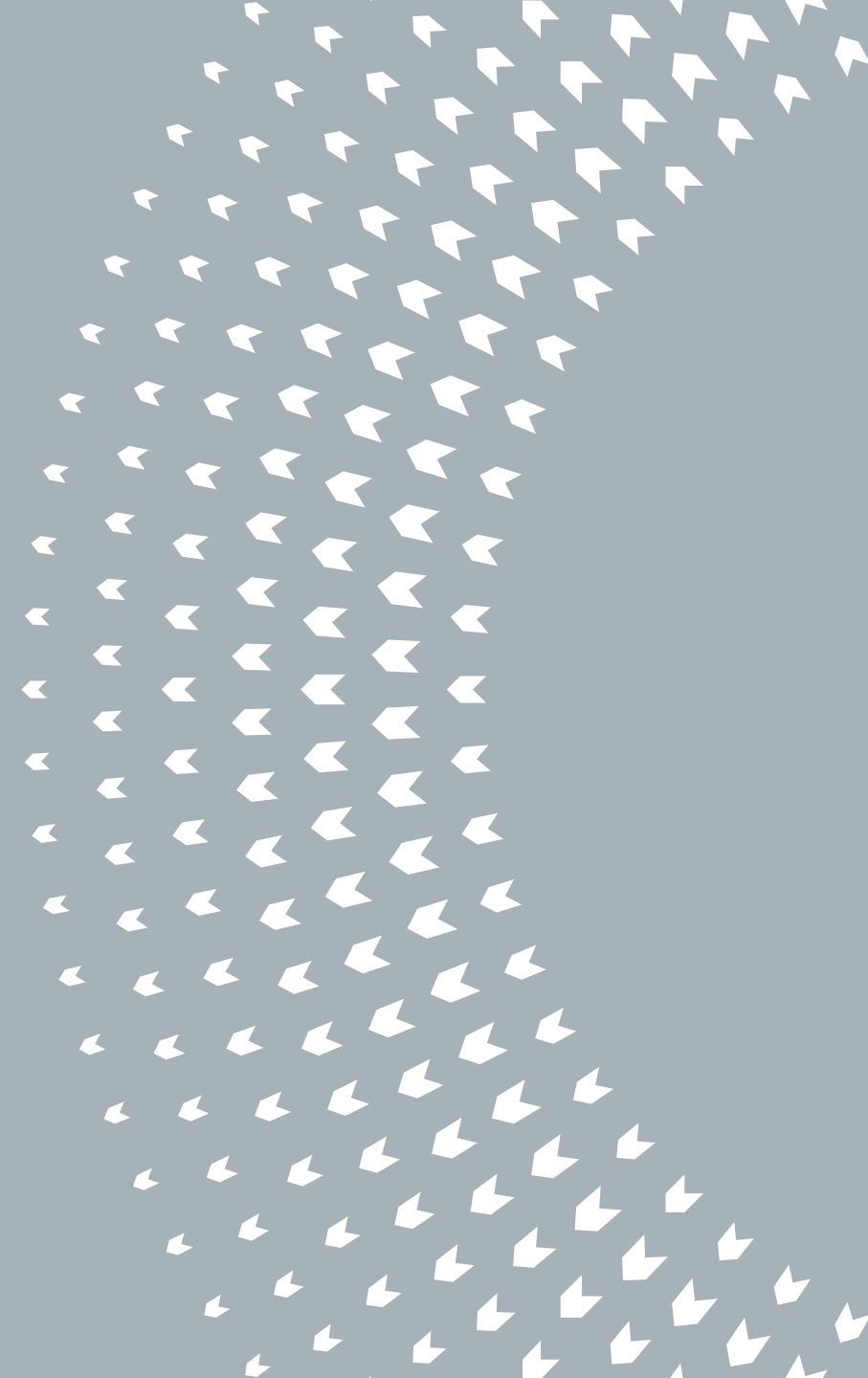
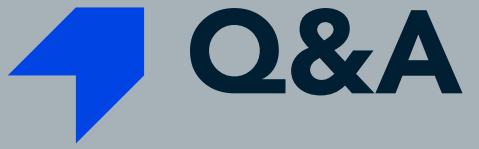


Declared Dividends⁽¹⁾

(SAR million)

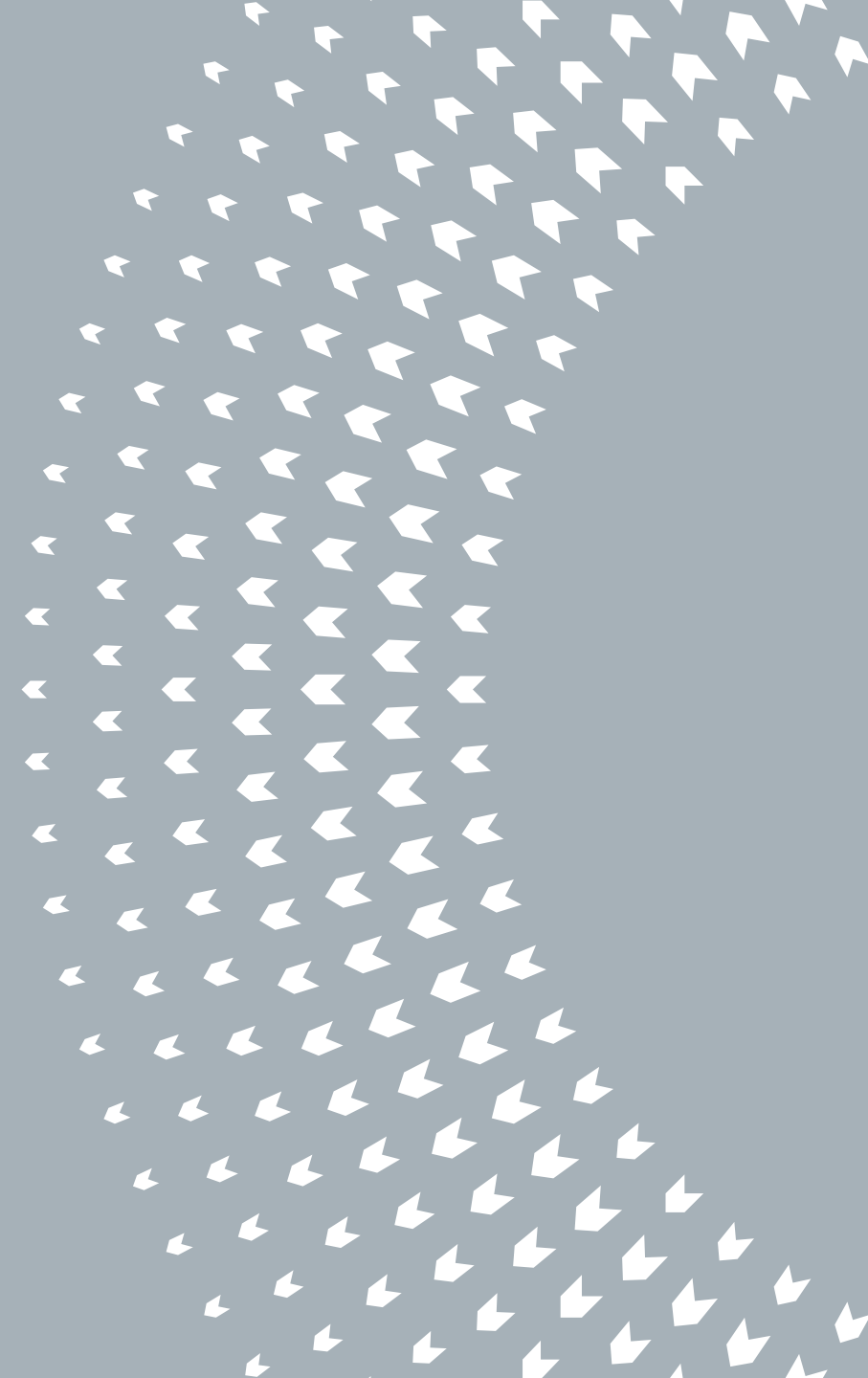


(1) Special dividends have been paid in 2021 for financial assets optimization



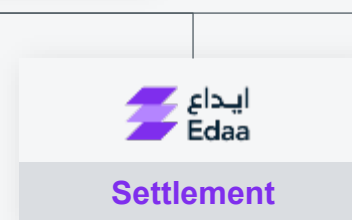


Appendix





Saudi Tadawul Group – A Differentiated Capital Markets Leader



Listings
Equity, fixed income, ETFs, CEFs
Cash Markets
Derivatives
MT30 Index Futures, MSCI Saudi Arabia Index Futures
Market Information
Market data, reference data, Indices services
Client Relations Development
Operations

Only Central Counterparty (CCP) in the Kingdom
450+ MT30 Index Futures contracts cleared

Cleared Products
Current: Derivatives (Index Futures)
Future: Derivatives (Single Stock Futures, Options), Cash & Fixed Income (Equities, FI, ETF)

Services
Depository, Registry, Settlement & Safekeeping

Pricing Model
Transactional: settlement
Subscriptions: indep custody service

Highlights
Value of Settled Trades = SAR 2.1T
Assets Under Custody: SAR 10.5T

Objective
Focus on new data and technology revenues (non-trading related) and improving efficiencies

Future Plans
Introduce technologies which establish KSA as the marketplace for the region
Digitise customer journey, reduce lead times

Key Investment Highlights



National Champion and Integral to Vision 2030



Differentiated Business Model — Integrated, Scalable, Diverse



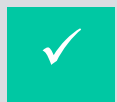
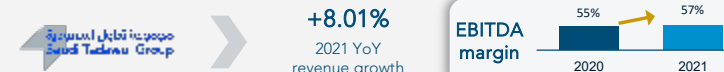
Undisputed Centre for Regional Capital Formation

Amongst the Top
Global exchanges by
market capitalisation

MSCI S&P FTSE
EM Index Inclusion



Superior Financial Performance



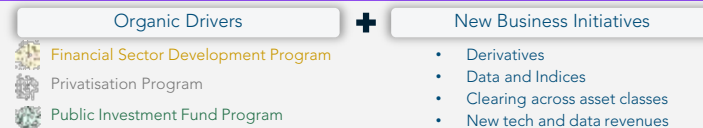
Seasoned Leadership Team with Track Record of Delivery

World's Largest IPO

>2,061%
Increase in QFIs since Jan
2018



Massive Growth Opportunities Ahead



KSA is a Reformed Economy with Increased Focus on Privatisations and Listings

Privatisation Program

- Identify government assets and services that can be privatised
- Develop the privatisation system and its mechanisms
- Define public and private sector partnership frameworks
- Support contributions to economic development

The Kingdom has a Track-Record of Successful Privatisations via Public Listing



Incentives for Listing

- Core goal of the Financial Sector Development Program is to encourage private sector listings
- STG is collaborating with 10+ government entities to incentivise listing, with 18 incentives approved and available to issuers



Ministry of Investment

- Facilitated approval process for listed companies to register foreign partners (joint ventures)



Ministry of Finance

- Preference in business and Government procurement for listed companies



Saudi Industrial Development Fund

- Increased loan limits granted to listed companies



Zakat, Tax and Customs Authority

- Providing a relationship manager to help settle all tasks related to Zakat or income taxes with the Authority



Project Support Funding

- Raising funding limits for "Mega Projects" in sectors such as health, education, and real estate development.

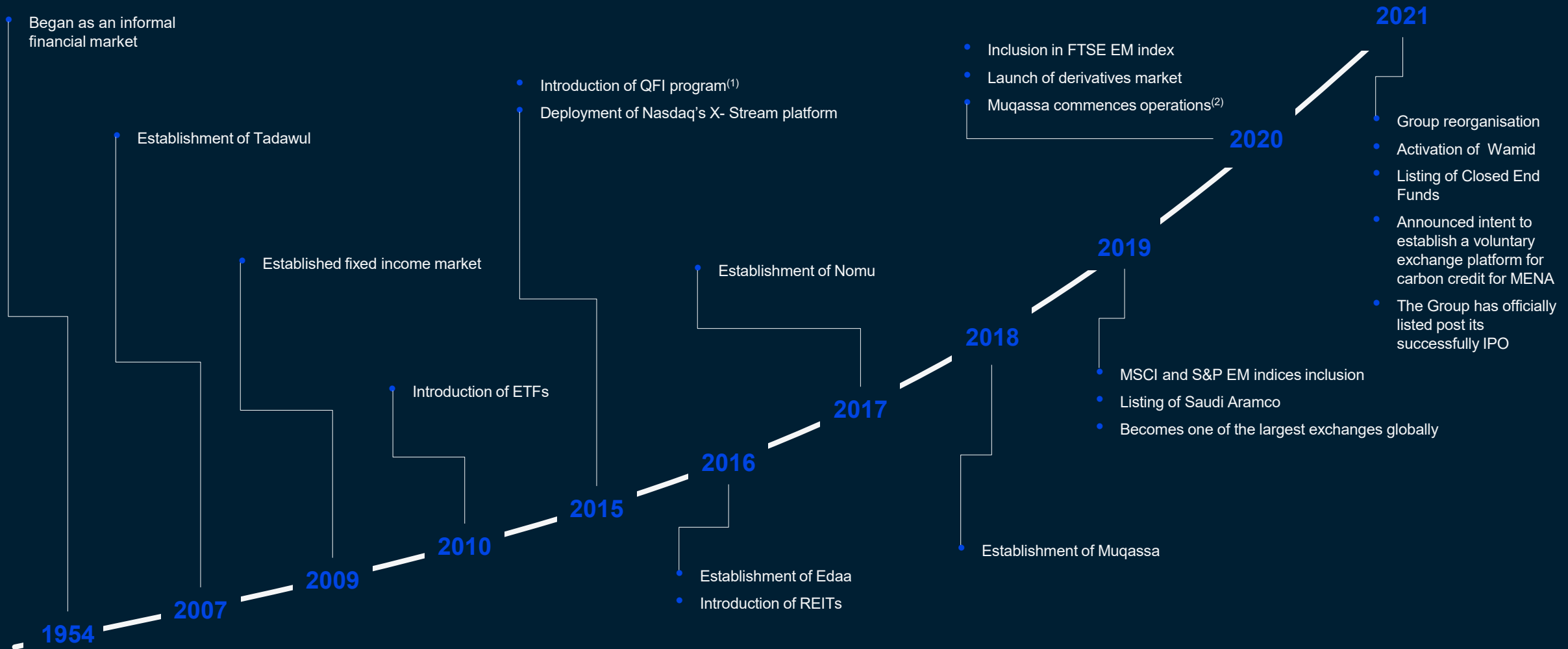


Ministry of Health

- Priority on training programmes, reporting and statistical data and advertisement at Ministry events



A History of Innovation and Execution ...




Source: Company information.

(1) QFI framework allowed direct foreign ownership in Saudi-listed securities. Foreign investors have been able to access the Saudi market indirectly through SWAPs since 2008.

(2) In 2020, Muqassa was licensed by the CMA as a Qualified Central Counterparty (QCCP).



... Coupled with a Highly Accomplished Board of Directors



Sarah Al Suhaimi
Chairperson (Independent)




Yazeed Al Humaid
Vice-Chairman (Non-Executive)




Khalid Al Hussan
Group Chief Executive Officer (Executive)




Hashem Al Hekail
Director (Independent)





Yousef Al Benyan
Director (Independent)




Sabty Al Sabty
Director (Non-Executive)




Mark Makepeace
Director (Non-Executive)

Rania Nashar
Director (Non-Executive)




Xavier Rolet
Director (Non-Executive)



Selected Affiliations

Seasoned and Visionary Management Team

220+ years
of combined experience

Group Management

 <p>Group Chief Executive Officer</p> <p>14+ years with the Group 18+ years of experience</p> <p>Eng. Khalid Al-Hussan</p>	 <p>Group Chief Financial Officer</p> <p>3+ years with the Group 23+ years of experience</p> <p>Shahrukh Qureshi</p>	 <p>Group Chief Strategy Officer</p> <p>6+ years with the Group 35+ years of experience</p> <p>Roland Bellegarde</p>	 <p>Group Chief Operations Officer</p> <p>4+ years with the Group 18+ years of experience</p> <p>Alhasan Ashram</p>	 <p>Group Chief Legal Officer</p> <p>2+ years with the Group 10+ years of experience</p> <p>Abdullah Al Elsheikh</p>	 <p>Group Chief Human Resources Officer</p> <p>3+ years with the Group 12+ years of experience</p> <p>Maha Al Beshar</p>	 <p>Group Chief Risk & Security Officer</p> <p>14+ years with the Group 15+ years of experience</p> <p>Yazeed Al Eidi</p>	 <p>Group Chief Regulatory Oversight & Authorisation Officer</p> <p>15+ years with the Group 18+ years of experience</p> <p>Khalid Al Ghereri</p>
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Subsidiary CEOs

  <p>Chief Executive Officer</p> <p>12+ years with the Group 17+ years of experience</p> <p>Mohammed Al Rumaih</p>	  <p>Chief Executive Officer</p> <p>< 1 year with the Group 20+ years of experience</p> <p>Raed Al Humaid</p>	  <p>Chief Executive Officer</p> <p>19+ years with the Group 19+ years of experience</p> <p>Wael Al Hazzani</p>	  <p>Chief Executive Officer</p> <p>< 1 year with the Group 17+ years of experience</p> <p>Mohammed Al Nory</p>
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Financial Review / Key Ratios

SAR million, ended 31 st December	2020	2021	Y-o-Y Change
Trading revenues	755.5	810.5	7.3% ▲
Non-trading revenues	324.1	355.5	9.7% ▲
Operating revenues	1,079.6	1,166.1	8.0% ▲
Opex	536.5	554.2	3.3% ▲
EBITDA	591.4	668.9	13.1% ▲
<i>EBITDA margin</i>	<i>55%</i>	<i>57%</i>	
Net income after Zakat	500.5	587.7	17.4% ▲
<i>Net income margin</i>	<i>46%</i>	<i>50%</i>	
EPS	4.17	4.90	17.5% ▲
FCFPS	4.43	5.13	15.9% ▲
Dividend per Share	1.0	3.0	200.0% ▲



P&L Snapshot

SAR million, ended 31 st December	2020	2021	Y-o-Y Change
Operating revenue	1,079.6	1,166.1	8.0% ▲
Operating expenses	488.3	497.2	1.8% ▲
EBITDA	591.4	668.9	13.1% ▲
<i>EBITDA margin</i>	55%	57%	
Depreciation & amortization	48.2	57.0	18.3% ▲
EBIT	543.2	611.8	12.6% ▲
<i>EBIT margin</i>	50%	52%	
Investment income & other income	43.0	45.4	5.5% ▲
Loss from associates	(2.1)	(3.3)	56.0% ▲
Zakat	83.6	66.2	-20.7% ▼
Net profit after Zakat	500.5	587.7	17.4% ▲
<i>Net profit margin</i>	46%	50%	
EPS (SAR)	4.17	4.90	



Financial Position Snapshot

SAR million, ended 31 st December	2020	2021	Y-o-Y Change
Cash & cash equivalents	96.8	76.2	-21.3% ▼
Investments	3,204.8	2,687.0	-16.2% ▼
Other assets	791.5	780.1	-1.4% ▼
Total assets	4,093.1	3,543.3	-13.4% ▼
Total liabilities	458.5	450.9	-1.6% ▼
Total equity	3,634.6	3,092.4	-14.9% ▼

Key Metrics

ROE	15%	17%
ROA	13%	15%



IPO Pipeline

	Market	Size (shares)	Closing Date
Al-Dawaa Medical Services Co.	Main Market	25,500,000	1 Mar 2022
Al Masane Al Kobra Mining Co.	Main Market	19,800,000	11 Mar 2022
Al Nahdi Medical Co.	Main Market	39,000,000	15 Mar 2022
Saudi Home Loans Co.	Main Market	30,000,000	29 Mar 2022

Thank you

Saudi Tadawul Group

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Kingdom of Saudi Arabia

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