

## Saudi Tadawul Group announces its Q1 2022 financial results, achieving a net profit after Zakat of SAR 140.6 million

- Major new upgrades in post-trade infrastructure implemented to foster financial stability and integrity, and strengthen the offering of the Group
- New fee structure for the Exchange, Edaa and Muqassa approved by CMA, to reflect positively on financial results from April 3<sup>rd</sup> 2022

**Riyadh, Saudi Arabia, May 15, 2022:** Saudi Tadawul Group Holding Co. (the “Company” or the “Group”), a leading diversified capital markets group in the MENA region, announced its financial results for Q1 2022, highlighting its continued commitment to strengthening its global position through several new market updates, launches, and investments.

### Financial Performance Highlights:

The Group achieved a net profit after zakat of SAR 140.6 million in Q1 2022, a 21.7% YoY decrease from SAR 179.6 million in Q1 2021, and a 27.3% increase from SAR 110.5 million in Q4 2021, as following:

- **Operating Revenue** decreased 11.6% YoY reaching SAR 293.9 million in Q1 2022 compared to SAR 332.4 million in Q1 2021, predominantly due to a decrease in trading and post trade services’ revenue driven by normalization of trading volumes which contracted 22.1%.

Compared to SAR 257.5 million in the previous quarter, the **operating revenue** increased 14.1%, predominantly due to an increase in trading and post trade services’ revenue driven by a stronger trading environment.

- **Operating Expenditures** increased 1.8% YoY reaching SAR 140.2 million in Q1 2022 compared to SAR 137.7 million in Q1 2021, due to an increase in salaries and related benefits, the largest cost item driven by an increase in staff count.

Compared to SAR 146.7 million in the previous quarter, the **operating expenditures** decreased 4.4%, due to a decrease in the salaries and related benefits, the largest cost item.

- **EBITDA** decreased 20.4% YoY reaching SAR 166.4 million in Q1 2022 compared to SAR 209.0 million in Q1 2021 due to the decrease in the Group’s operating revenue against moderate growth in operating expenditures.

Compared to SAR 124.1 million in the previous quarter, **EBITDA** increased 34.1%, due to the increase in the Group’s operating revenue and moderate decrease in operating expenditures.

- **Investment Income** decreased 13.0% YoY reaching SAR 9.9 million in Q1 2022 compared to SAR 11.4 million in Q1 2021, which was attributed to a 9.0% decrease in the investment portfolio size.
- **Free Cash Flow** decreased 26.5% YoY reaching SAR 179.7 million in Q1 2022, compared to SAR 244.4 million in Q1 2021, mainly as a result of the lower EBITDA.

Compared to SAR 130.9 million in the previous quarter, the **Free Cash Flow** increased 37.3%, as a result of the increase in EBITDA.

**Eng. Khalid Al-Hussan, Group Chief Executive Officer at Saudi Tadawul Group commented:**

*“Following our transformational IPO last year, we have been focused on delivering on our strategy and meeting our key strategic objectives to promote excellent value for investors and foster the development of a diverse Saudi capital market in alignment with the pillars of Financial Sector Development Program (FSDP) and the ambitious Kingdom’s Vision 2030.”*

*He added: “During the first quarter, we continued to diversify the Group’s services and enhance the operational efficiency, and we have recently announced the launch of various new market infrastructure enhancements – the largest in the history of the Saudi capital market – that will not only expand our offerings in line with expectations of local and international investors, but further consolidate our position as one of the largest and most sophisticated exchanges in the world”.*

*Eng. Khalid concluded: “We are in a strong financial position driven by our advanced and differentiated business model, in addition to our ambitious growth plans and disciplined capital allocation strategy. We are committed to pursuing a strategy of growth and diversification through the development and implementation of new asset classes, products and services, while strengthening inter-connectivity with other financial markets in the region and around the world to facilitate capital formation. This should in turn support the Group’s commitment to ensuring maximum returns for shareholders as we strengthen our role as a global capital markets leader and a financial markets powerhouse.”*

## Business Performance Highlights:

Saudi Tadawul Group continued to strengthen its position as a global capital markets powerhouse through several new market updates, launches, and events. This is in line with its strategy to accelerate growth, strengthen operational and financial performance, diversify world-class offerings across solutions and technologies, and broaden local, regional, and international client base.

- In March, the Group announced its intention to launch on April 3<sup>rd</sup> several new market enhancements across its three subsidiaries to develop post trade infrastructure. The enhancements are the largest in the history of the Kingdom's capital market and aim to provide investors with increased investment opportunities and access to a diverse range of financial instruments and new products. These include:
  - **Saudi Exchange:** The introduction of a more efficient handling of order flow by market participants, such as an enhanced mechanism for short selling activities.
  - **Muqassa:** The extension of clearing services to cover all tradable securities, to adopt a more comprehensive risk framework and facilitate the introduction of new products and services for clearing members.
  - **Edaa:** The introduction of a new central securities depository system and post-trade services, in alignment with international standards, to enhance the experience for Capital Market Institutions, custodians, settlement agents and investors.
- Other significant updates include the approval of the new fees structure, effective April 3<sup>rd</sup> 2022, for the services provided by the Saudi Exchange, Edaa, and Muqassa relating to the shares buy and sell commissions, the units of Real Estate Investment Traded Funds (REITs), Exchange-Traded Funds (ETFs), Closed-end Funds (CEFs), and Tradable Rights.
- **WAMID** signed Memorandums of Understandings (MoUs) and non-disclosure agreements (NDAs) with multiple clients and vendors to further enhance market knowledge and provide value-adding products and services.
- In March, the Group also hosted the inaugural Saudi Capital Market Forum 2022, held under the patronage of H.E. Mohammed El-Kuwaiz, Chairman of the Capital Market Authority. The event brought together over 1500 attendees including issuers, investors, private companies, government entities, and financial institutions to discuss the advancement of the Saudi capital market.

## Market Performance Highlights:

- Tadawul All Share Index (TASI) reaches highest level since 2006, exceeding 13,000 points as solid stock price performance drives a 19.5% QoQ increase in total equity market capitalization to SAR 11,963 billion as of March 31, 2022, from SAR 10,009 billion as of December 31, 2021.
- Total market capitalization on Main Market and Nomu ranked the Saudi Exchange 8<sup>th</sup> largest globally as of Q1 2022, according to the World Federation of Exchanges.
- A record 11 IPOs on the Saudi Exchange in Q1 2022 - seven on the Main Market and four on the parallel market (NOMU), with a total offered value of SAR 13.3 billion.

- Total number of listed companies on the Main Market increased to 215 compared to 204 as of March 31, 2021, demonstrating the continued attractiveness of the Saudi Exchange
- Fixed income and funds markets continue to expand with 10 new government sukuk and bonds and one ETF added during Q1 2022.
- Trading activity normalizes from strong base, driving a 22.2% YoY decrease in the average daily traded value (ADTV) on the Main Market to SAR 8,481 million in Q1 2022 from SAR 10,895 million in Q1 2021. Compared to the previous quarter, the (ADTV) increased 23% QoQ on the Main Market which had achieved SAR 6,920 million in Q4 2021.

## Segment Information:

The Group is organized into business segments based on services provided. The reportable segments of the Group are as below:

- **Capital Markets Segment:** Capital Markets' revenue, which includes trading services and listing fees, decreased 16.4% YoY, reaching SAR 121.3 million in Q1 2022.

Compared to the previous quarter, the **Capital Market Segment's** revenue, increased 13.9%.

- Trading services revenue decreased 22.0% YoY reaching SAR 99.7 million in Q1 2022 compared to SAR 127.8 million in Q1 2021, driven by normalization of trading volumes which contracted 22.1%.

Compared to SAR 82.6 million in the previous quarter, trading services revenue increased 20.6%, driven by a stronger trading environment.

- Listing fees revenue increased 25.7% YoY reaching SAR 21.6 million in Q1 2022 compared to SAR 17.2 million in Q1 2021, mainly due to an increase in the number and size of listings.

Compared to SAR 23.8 million in the previous quarter, listing fees revenue decreased 9.3%, mainly due to lower issuance of tradable rights partially offset by an increase in the number and size of listings.

- **Data & Technology Services Segment:** Data and Technology services revenue increased 3.2% YoY reaching SAR 24.6 million in Q1 2022 compared to SAR 23.9 million in Q1 2021 driven by co-location service, which was activated in Q1 2022.

Compared to SAR 22.5 million in the previous quarter, **Data and Technology services** revenue increased 9.5% driven by the activation of co-location service in Q1 2022.

- **Post-Trade Segment:** Post-trade revenue decreased 9.4% YoY reaching SAR 148.1 million in Q1 2022 compared to SAR 163.5 million in Q1 2021, mainly driven by normalization of trading volumes which contracted 22.1%.

Compared to SAR 128.6 million in the previous quarter, the **post-trade revenue** increased 15.1%, mainly driven by strong trading environment.

## Financial Review / Key Ratios

SAR million,	Q1 2022	Q1 2021	Y-o-Y Change	Q4 2021	Q-o-Q Change
Trading revenues	197.6	253.0	21.9% ▼	163.4	20.9% ▲
Non-trading revenues	96.4	79.4	21.5% ▲	94.1	2.4% ▲
Operating revenues	293.9	332.4	11.6% ▼	257.5	14.1% ▲
Opex	140.2	137.7	1.8% ▲	146.7	4.4% ▲
EBITDA	166.4	209.0	20.4% ▼	124.1	34.1% ▲
<b>EBITDA margin</b>	<b>57%</b>	<b>63%</b>		<b>48%</b>	
Net income after Zakat	140.6	179.6	21.7% ▼	110.5	27.3% ▲
<b>Net income margin</b>	<b>48%</b>	<b>54%</b>		<b>43%</b>	
EPS (SAR)	1.17	1.50	21.7% ▼	0.92	27.3% ▲
FCFPS	1.50	2.04	26.5% ▼	1.09	37.3% ▲

## P&L Snapshot

SAR million,	Q1 2022	Q1 2021	Y-o-Y Change	Q4 2021	Q-o-Q Change
Operating revenue	293.9	332.4	11.6% ▼	257.5	14.1% ▲
Operating expenses	127.5	123.4	3.4% ▲	133.4	4.4% ▲
<b>EBITDA</b>	<b>166.4</b>	<b>209.0</b>	<b>20.4% ▼</b>	<b>124.1</b>	<b>34.1% ▲</b>
<b>EBITDA margin</b>	<b>57%</b>	<b>63%</b>		<b>48%</b>	
Depreciation & amortization	12.6	14.4	12.0% ▼	13.2	4.7% ▲
<b>EBIT</b>	<b>153.8</b>	<b>194.6</b>	<b>21.0% ▼</b>	<b>110.9</b>	<b>38.7% ▲</b>
<b>EBIT margin</b>	<b>52%</b>	<b>59%</b>		<b>43%</b>	
Investment income & other income	9.7	11.5	15.8% ▼	14.5	33.5% ▼
Loss from associates	(1.6)	(0.7)	119.0% ▲	(0.9)	83.2% ▲
Zakat	21.2	25.7	17.5% ▼	14.1	51.0% ▼
<b>Net profit after Zakat</b>	<b>140.6</b>	<b>179.6</b>	<b>21.7% ▼</b>	<b>110.5</b>	<b>27.3% ▲</b>
<b>Net profit margin</b>	<b>48%</b>	<b>54%</b>		<b>43%</b>	
EPS (SAR)	1.17	1.50		0.92	

## Financial Position Snapshot

SAR million,	Q1 2022	FY 2021	Y-o-Y Change	Q42021	Q-o-Q Change
Cash & cash equivalents	101.4	76.2	33.1% ▲	407.8	75.1% ▼
Investments	2,835.0	2,687.0	5.5% ▲	3,132.8	9.5% ▼
Other assets	2,672.6	780.1	242.6% ▲	813.6	228.5% ▲
<b>Total assets</b>	<b>5,609.0</b>	<b>3,543.3</b>	<b>58.3% ▲</b>	<b>4,354.2</b>	<b>28.8% ▲</b>
<b>Total liabilities</b>	<b>2,375.9</b>	<b>450.9</b>	<b>426.9% ▼</b>	<b>539.9</b>	<b>340.0% ▼</b>
<b>Total equity</b>	<b>3,233.1</b>	<b>3,092.4</b>	<b>4.5% ▲</b>	<b>3,814.3</b>	<b>38.7% ▲</b>

- ENDS -

## About Saudi Tadawul Group

Saudi Tadawul Group Holding Co., leading diversified capital markets group in the MENA region, is a holding company with a portfolio of four wholly owned integrated subsidiaries: the Saudi Exchange, one of the largest stock exchanges in the world by market capitalization, the Securities Depository Center Company (Edaa), the Securities Clearing Center Company (Muqassa) and Tadawul Advanced Solutions Company (WAMID), an innovative technology solutions company. In addition, the Group owns a 33.12% stake in Tadawul Real Estate Company (TREC), a company operating in the field of real estate management and development. The Company was established as a Saudi closed joint stock company with a share capital of SAR 1,200,000,000 divided into 120,000,000 shares, all of equal value, with a nominal value of SAR 10 per share.

The Group maintains a diversified business model that is integrated across all the relevant business lines, which allows the Company to offer a full array of capital markets related products and services. It has strong strategic and competitive positioning supported by its scale, growth profile, and position at the heart of a large-scale economic transformation agenda. The operational independence of each subsidiary promotes an agile environment which supports growth and innovation and enables rapid responses to evolving global and regional market trends. The Group is the foundational pillar for the delivery of the Financial Sector Development Program (FSDP) which has the stated goal of developing an advanced capital market to support the broader realization of Vision 2030.

## Investor Relations Enquiries

### Saudi Tadawul Group Holding Co.

Tel: (+966) 920013130

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)



## Disclaimer

All information included in this document is for general use only and has not been independently verified, nor does it constitute or form part of any invitation or inducement to engage in any investment activity, nor does it constitute an offer or invitation or recommendation to buy or subscribe for any securities in the Kingdom of Saudi Arabia, or an offer or invitation or recommendation in respect of buying, holding or selling any securities of the “Group”.

The “Group” does not warranty, express or implied, is made, and no reliance should be placed by any person or any legal entity for any purpose on the information and opinions contained in this document, or its fairness, accuracy, completeness or correctness.

This document may include statements that are, or may be deemed to be, “forward-looking statements” with respect to the Company’s financial position, results of operations and business. Information on the Company’s plans, intentions, expectations, assumptions, goals and beliefs are for general update only and do not constitute or form part of any invitation or inducement to engage in any investment activity, nor does it constitute an offer or invitation or recommendation to buy or subscribe for any securities in any jurisdiction, or an offer or invitation or recommendation in respect of buying, holding or selling any securities of the “Group”.