



Zain Bahrain shows resilience in 2020 thanks to Digital Transformation strategy

- ***HE Shaikh Ahmed bin Ali Al Khalifa , Chairman Zain Bahrain, “With the launch of 5G services, investment in digital transformation is at the top of our agenda, along with supporting the Government in the fight against COVID-19. Staff have been effectively working remotely, undertaking 1690 hours of e-learning”***
- ***96% of customer support interactions are now digital or self-care, thanks to Digital First strategy***
- ***H1 2020 revenues remained robust, with a reasonable 15% decrease in net profit***
- ***Zain Bahrain contributed with the amount of \$300k to the “Feena Khair” campaign headed by Shaikh Nasser bin Hamad Al Khalifa***

Manama – 12 July 2020: Zain Bahrain, a leading telecommunications provider in the Kingdom, reported a net profit of BD2.158 million (US\$5.739 million) for the six months ending 30 June 2020 (H1 2020), representing a 15% decrease year-on-year (Y-o-Y) from BD2.533 million (US\$6.737 million) in the same period of 2019. Net profit remained resilient in the three-month period ending 30 June 2020 (Q2 2020), with a 4% decrease Y-o-Y; a reasonable result considering prevailing market circumstances. Encouragingly, revenues for H1 2020 increased 3% Y-o-Y to reach BD 31 million (US\$82 million), while Q2 2020 revenues remained stable when compared to the same period in 2019.

For the H1 2020 period, operating profit reached BD2.658 million (US\$7.069 million), a decrease of 14% Y-o-Y from BD3.105 million (US\$8.258 million) in H1 2019 , with the decrease being attributed to Zain Bahrain’s increased operational costs during the COVID-19 outbreak, and support of various community initiatives to support the national fight against the virus. Zain Bahrain has also invested heavily in digitalization across all business segments.

For Q2 2020, Zain Bahrain recorded net profit of BD776 thousand (US\$2.064 million), a decrease of 4% Y-o-Y, from BD810 thousand (US\$2.154 million) in Q2 2019 . Operating profit for the 2nd quarter reached BD1.055 million (US\$2.806 million), a decrease of 16% Y-o-Y from BD1.252 million (US\$3.330 million) in Q2 2019, while revenue came in at BD14.955 million (US\$39.774 million) in Q2 2020, remaining stable to the BD14.931 million (US\$39.710) recorded in Q2 2019.

Earnings per share reduced 15% Y-o-Y in H1 2020 to 6 fils from 7 fils in H1 2019. Quarter-on-quarter, earnings per share remained stable at 0.002 fils from Q2 2019 to Q2 2020.



At the balance sheet level, the company's assets for the six-month period ending 30 June 2020 amounted to BD117.028 million (US\$311.245 million), up 5% Y-o-Y from BD111.539 million (US\$296.646 million) in H1 2019. Zain Bahrain's total equity at the end of H1 2020 stood at BD72.235 million (US\$192.114 million), an increase of 4% from BD69.523 million (US\$184.902 million) in H1 2019.

Commenting on the financial results, **His Excellency Shaikh Ahmed bin Ali Al Khalifa, Chairman of Zain Bahrain**, said, *"During these globally unprecedented times, Zain Bahrain has been focused on the safety of our customers and employees, and continuity of service excellence. Our Digital First strategy has been embraced by our customers since its launch in 2017, with unprecedented usage of our e-channels, and 96% of customer support interactions taking place either digitally or by self-care. We wish to thank the Government of Bahrain for their support given to enterprises of all sizes during the COVID-19 pandemic – their unwavering commitment to keeping the economy going has allowed us to focus on remaining responsive to change and exceeding customer needs. Along with supporting the government in the fight against COVID-19, further digital transformation remains at the top of our agenda in the second half of this year and beyond, and we are proud to now offer a 5G commercial capability with higher data speeds, extremely low latency, and guaranteed reliability."*

Key achievements of Zain Bahrain in H1 2020

- Launch of Zain Bahrain's 5G commercial services in the Kingdom offering incredible mobile experiences to customers, accelerating new innovative business models and unlocking opportunities for many sectors.
- Introduction of a strategic smart working system campaign under the title of 'wherever you are let us stay connected,' as part of support measures to stay connected and engaged with employees during the current COVID-19 outbreak.
- Contribution of US\$300,000 to His Majesty King Hamad bin Isa Al Khalifa's initiative, the "Feena Khair" campaign, which has provided much-needed funds and services to protect citizens and residents of Bahrain from COVID-19.
- Support of The Supreme Council for Women (SCW)'s national campaign "Together for Bahrain's Safety", providing sanitisers and cleaning products to needy Bahraini families and vulnerable people.
- Launch of the 'Stay at Home' campaign to boost innovative local start-ups in cooperation with Flat6Labs Bahrain, a regional start-up accelerator program.
- Launch of the Be Safe Initiative, enabling customers to utilise all Zain Bahrain's digital channels to complete their services in a secure manner from the comfort of their own homes. Virtual channels include Zain App, Zain zBot (interactive live chat), Zain E-shop portal www.eshop.bh.zain.com, and Zain Smart Branch available in 10 different locations .
- Launch of free internet access for online educational platforms, to enable students to continue their education virtually during the COVID-19 outbreak. Zain Bahrain provided all students with free access to selected educational platforms, which include: Google Classroom, Google Hangout, Microsoft Teams, University of Bahrain Black Board, <https://www.edunet.bh/>, and eduNET.BH App.
- Receipt of the HRH Princess Sabeeka Bint Ibrahim Al Khalifa Award for Bahraini Women Empowerment, a testament to the success of the Gender Diversity initiative implemented in 2017 by Zain Group across all operations.



- Restructuring of senior management team in February 2020, with the appointment of Duncan Howard as its new Chief Executive Officer with Mohammed Zainalabedin, taking on the new role of Managing Director.

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About Zain Bahrain

Zain Bahrain, a telecommunications industry innovator focused on enhancing customer experience, was awarded a mobile telecom license on 22 April 2003 and commenced commercial operations on 28 December 2003. The operation promptly placed Bahrain on the world telecom map through the introduction of many mobile technology innovations that continue to this day with nationwide high-speed 4G LTE services being offered through the Kingdom's most advanced mobile network. Zain Bahrain, listed on the Bahrain Bourse (Ticker: ZAINBH), is part of Zain Group, a leading telecommunications operator across the Middle East and Africa, which provides mobile voice and data services to 49.5 million active customers as at 31 December 2019. With a commercial presence in eight countries, Zain operates in Kuwait, Bahrain, Iraq, Jordan, Saudi Arabia, Sudan, and South Sudan. In Lebanon, the Group manages 'touch' on behalf of the government. In Morocco, Zain has a 15.5% stake in 'INWI,' through a joint venture. For more information, please email info@bh.zain.com or visit: www.bh.zain.com