

Financial Review

In 2023, Saudi Tadawul Group continued its ambitious strategic growth, pursued sustainable growth, and diversified revenues, demonstrating financial resilience and adaptability in a dynamic economic landscape. Efforts to expand our product offerings, enhance market liquidity, and pursue strategic partnerships and acquisitions underscore our commitment to sustainable growth and market leadership.

At the end of 2023, Saudi Tadawul Group's market capitalization was SAR 22.42 billion (USD 5.98 billion). Our unique investment proposition reflects our dominant position in the region and its potential for growth. We have consistently demonstrated our resilience, adaptability, and strategic vision, positioning the Group as a key player in regional and global financial markets.

This year, we worked to further enhance the Group's market performance and increase liquidity in the market. Our dedication to improving liquidity and trading activity is a central aspect of our strategy to create a more dynamic and accessible market for investors, ensuring a robust and resilient trading environment.

Market volatility and trading values presented a significant challenge impacting financial performance in 2023. To address this, we actively diversified our revenue streams in line with our new five-year strategy. Our efforts aimed to reduce our reliance on trading fees and create a more stable and resilient financial base capable of withstanding market fluctuations.

Non-trading revenue accounted for 49.9% of total revenues in 2023, reflecting our strategy to tap into new and complementary revenue opportunities. We continued to launch new products

and services, such as Single Stock Options (SSO), demonstrating our commitment to innovation and meeting the diverse needs of our clients. The acquisition of "Direct Financial Network Company", created a pathway for the Group to capitalize on new revenue opportunities in FinTech and financial content across multiple geographies.

Demonstrating Financial Resilience

Saudi Tadawul Group's revenue reached SAR 1,072.8 million (USD 286.1 million) in 2023, compared to SAR 1,090.2 million (USD 290.7 million) the previous year, representing a 1.6% decline. EBITDA also decreased by 20.8% from SAR 509.1 million (USD 135.8 million) to SAR 403.1 million (USD 107.5 million). The EBITDA margin reached 37.6% compared to 46.7% the previous year. The associated increase in operating expenses reached 15.5% from SAR 644.3 million (USD 171.8 million) to SAR 744.5 million (USD 198.5 million).

Revenues remained diversified across the Group's portfolio. The Post-Trade segment represented 53.4% of Group revenue, while Capital Markets represented 31.3%, and Data and Technology Services represented 15.3%. While Post-Trade and Capital Markets respectively experienced 1.8% and 17.5% declines in revenue, Data and Technology Services achieved an impressive 64.2% growth.

Net profit after zakat reached SAR 390.1 million (USD 104.0 million), compared to SAR 424.6 million (USD 113.2 million) the previous year, a reduction of 8.1%. The net profit margin reached 36.4% in 2023 compared to 38.9% in 2022. Gross profit declined from SAR 702.5 million (USD 187.3 million) to SAR 606.8 million (USD 161.8 million), representing a 13.6% change. Earnings per share was SAR 3.25.

Total assets stood at SAR 7,636.9 million (USD 2,036.5 million) at the end of 2023 compared to SAR 7,690.0 million (USD 2,050.7 million), a 0.7% reduction. Total liabilities reduced by 0.1% from SAR 4,510.4 million (USD 1,202.8 million) to SAR 4,507.9 million (USD 1,202.1 million). Total equity reached SAR 3,129.0 million (USD 834.4 million) compared to SAR 3,179.7 million (USD 847.9 million) the previous year, a 1.6% decline.

Focused on Diversification and Sustainable Growth

In 2024, Saudi Tadawul Group will pursue its ambition to act as a global financial hub, aligned with the Saudi's ambitious Vision 2030 objectives. To achieve this, we will further diversify our revenue sources beyond the conventional trading fees, developing new financial products, services, and sectors.



SAR 22.42 billion

Group's market cap as of 31 December 2023



2023 **SAR 1.07 billion**

2022 **SAR 1.09 billion**

Group's revenue

We will also forge and reinforce strategic partnerships with international financial institutions and exchanges, broadening our global presence and influence.

We are committed to staying ahead of the evolving regulatory landscape, to ensure compliance and market integrity. We will enhance our focus on sustainability factors, which are increasingly important to investors.

As we end the year, I would like to acknowledge the hard work and dedication of our executive team, with excellence and professionalism. Finally, I would like to show my appreciation to all our shareholders, issuers, investors, brokers, custodians, and service providers for their trust and confidence in our Group.



Our dedication to improving liquidity and trading activity is a central aspect of our strategy to create a more dynamic and accessible market for investors, ensuring a robust and resilient trading environment.



Mr. Shahrukh Qureshi
Group Chief Financial Officer



Financial Review (continued)

Profit and Loss and Key Ratios Snapshot

SAR million	2022	2023	YoY %
Year ended 31 December			
Trading revenues	666.5	538.0	-19.3%
Non-trading revenues	423.7	534.8	26.2%
Operating revenues	1,090.2	1,072.8	-1.6%
Operating expenses (excluding depreciation and amortization)	581.1	669.7	15.2%
EBITDA	509.1	403.1	-20.8%
EBITDA margin (%)	47	38	-19.5%
Depreciation and amortization	63.2	74.8	18.4%
EBIT	445.9	328.3	-26.4%
EBIT margin (%)	41	31	-25.2%
Investment income and other income	56.3	125.8	123.4%
Share of results of associates and reversal of impairment	(9.9)	(17.2)	73.0%
Zakat	67.7	55.5	-18.0%
Net profit after zakat*	424.6	390.1	-8.1%
Net profit margin (%)	39	36	-6.6%
Earnings per share (SAR)	3.54	3.25	-8.1%

* Attributable to the Ordinary shareholders of the parent company

Financial Position Snapshot

SAR million	2022	2023	YoY %
Year ended 31 December			
Cash and cash equivalents	2,118.8	2,050.6	-3.2%
Investments	674.4	660.3	-2.1%
Other assets	4,896.8	4,925.9	0.6%
Total assets	7,690.0	7,636.9	-0.7%
Total liabilities	4,510.4	4,507.9	-0.1%
Total equity	3,179.7	3,129.0	-1.6%

Operating revenues (SAR million)

1,072.8

-1.6% (YoY)



EBITDA (SAR million)

403.1

-20.8% (YoY)



Operating revenue segmental snapshot (SAR million)

