

Q3 2022 Results Presentation

2 November 2022



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Business Overview

Hatem Dowidar
Group Chief Executive Officer



Q3 2022 Financial Highlights

		Q3'22	Q3'21	Y/Y%	Constant Currency Y/Y%
Strong revenue growth in constant currency driven by growth in all key markets	Revenue (AED m)	12,973	13,294	-2.4%	+5.5%
Reported EBITDA is resilient despite inflationary pressure supported by effective cost management ; Strong growth in constant currency	EBITDA (AED m)	6,714	6,741	-0.4%	+6.9%
Sustained improvement in EBITDA margin despite inflationary pressures and forex volatility	EBITDA Margin %	51.8%	50.7%	+1.0 p.p.	
Growth in net profit attributed to higher operating profit and lower depreciation and minority interest	Net Profit (AED m)	2,484	2,436	+1.9%	
Continued improvement in net profit margin	Net Profit Margin (%)	19.1%	18.3%	+0.8 p.p.	
Disciplined capital spending as we continuously invest in the quality, coverage and performance of our networks	CAPEX (AED m)	1,613	2,728	-40.9%	
Solid growth in free cash flow generation supporting Group's liquidity	FCF (AED m)	5,101	4,013	+27.1%	

Q3 2022: Key Developments & Operational Highlights

Group

- Completed the acquisition of a majority stake in **STARZPLAY ARABIA**
- Transformed eWallet into a new **fintech company** and rebranded to **e& money**
- Launched **e& universe** to foray into the **metaverse**
- Announced **e& capital's USD 250 million VC fund**
- Improving **FY 2022 Guidance**

etisalat by e&

- Successful implementation of the “**Grow-Transform-Excel**” strategy is yielding results
- **Strengthening and expanding customer relations** through tailored digital solutions and differentiated services
- **Strong revenue and EBITDA growth** supported by ongoing improvement in business activities and cost optimisation
- Strong showcase at **GITEX Global 2022** that included e& metaverse services and 3D retail experience

e& international

- **Strong growth on comparable basis** across key markets, masked by currency devaluations
- **Maroc Telecom Group** delivered **growth in local currency** attributed to growth in domestic and Int'l operations
- **Etisalat Egypt** continued **strong operational** momentum driving **positive financial performance**
- **PTCL Group** delivered **strong revenue growth in PKR** despite challenging macroeconomic conditions

Financial Overview

Karim Bennis

Group Chief Financial Officer

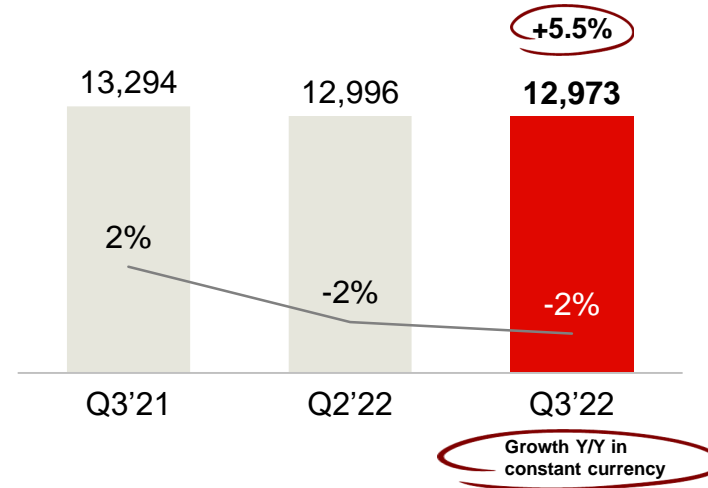


Strong revenue growth at constant currency

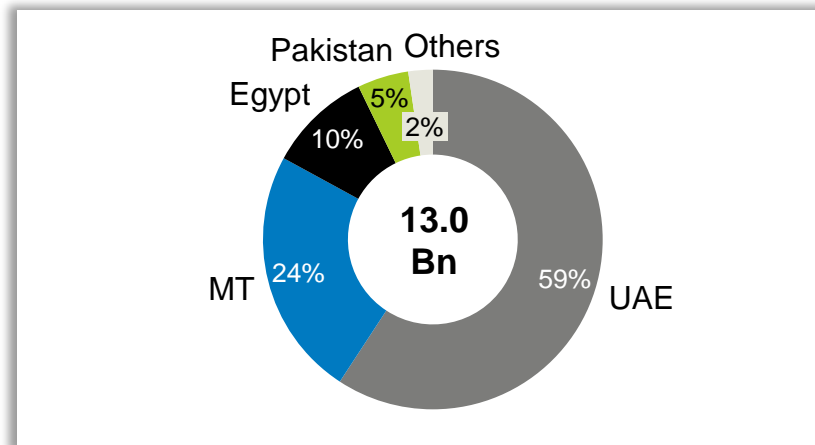
- Revenue growth in constant currency attributed to strong contribution from UAE and international operations
- Strong performance in UAE attributed to ongoing recovery in the business activities from the pandemic
- MT Group resumed revenue growth supported by growth in domestic and int'l operations
- Etisalat Egypt delivered consistent double-digit growth in local currency due to data and voice revenue growth
- PTCL Group delivered strong revenue growth in local currency across all segments

Group Revenue

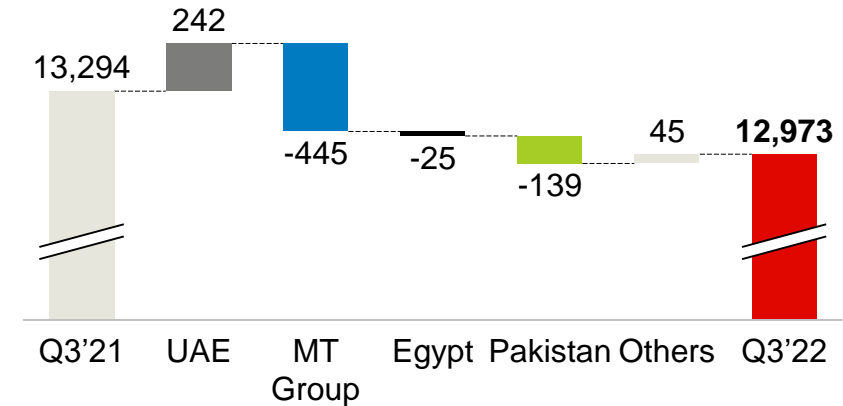
Revenue (AED m) & YoY Growth (%)



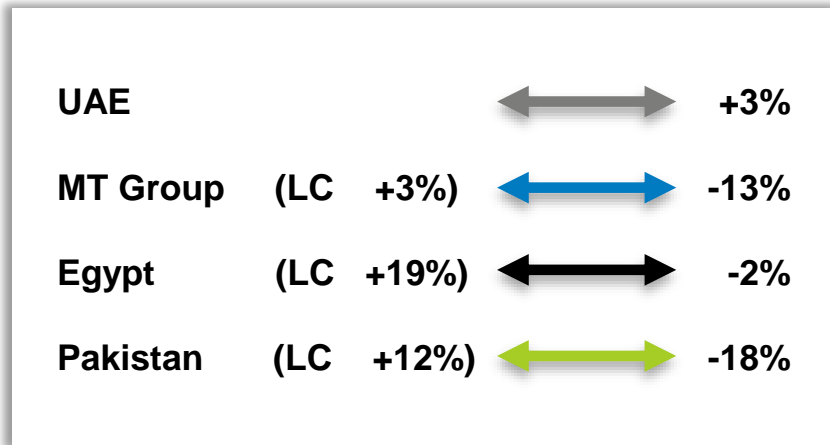
Revenue Breakdown (Q3 2022)



Sources of Revenue Growth (AED m)



Revenue Growth by Market (Q3 2022)

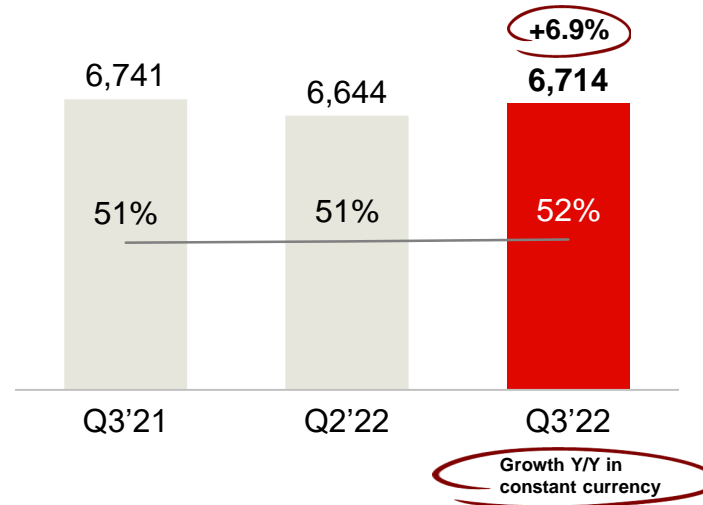


Robust EBITDA margin despite inflationary pressure

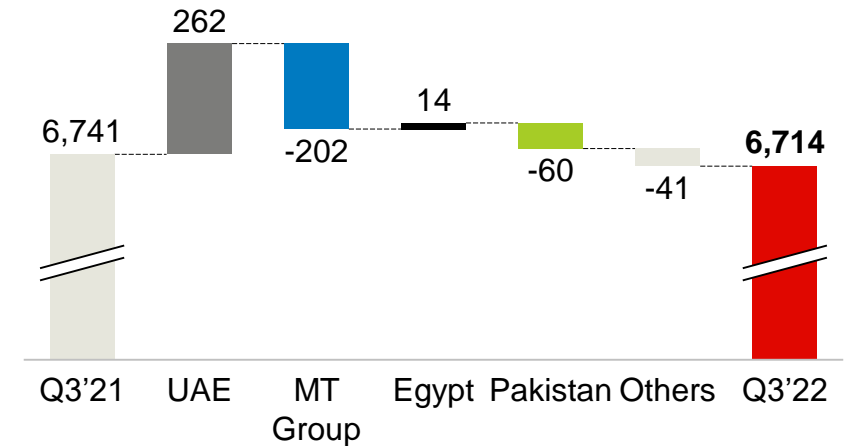
- EBITDA in constant currency increased Y/Y by 6.9%
- Robust EBITDA margin at 52%
- EBITDA growth in the UAE supported by higher revenue and cost discipline
- Maroc Telecom delivered strong EBITDA growth in its domestic and int'l operations in local currency
- Strong EBITDA growth in Egypt due to revenue growth and cost control measures
- Slight EBITDA contribution from Pakistan due to high inflation and energy costs

Group EBITDA

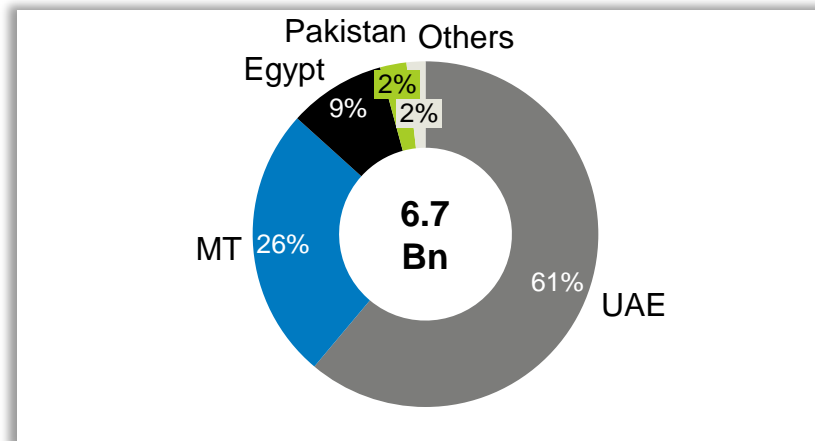
EBITDA (AED m) & Margin (%)



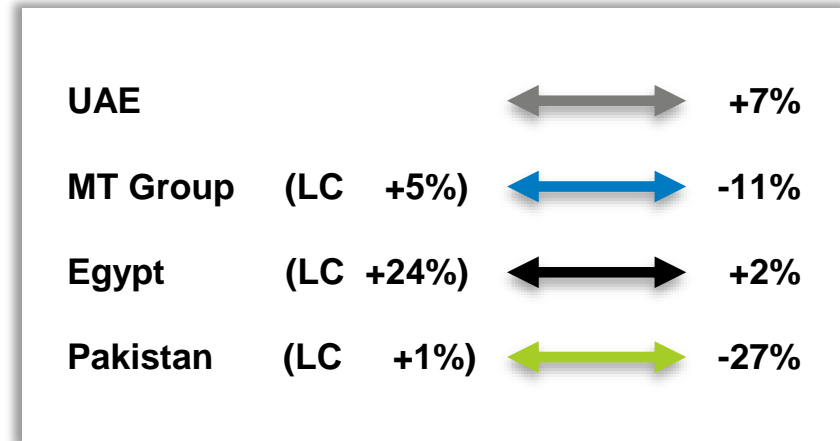
Sources of EBITDA Growth (AED m)



EBITDA Breakdown (Q3 2022)



EBITDA Growth by Market (Q3 2022)

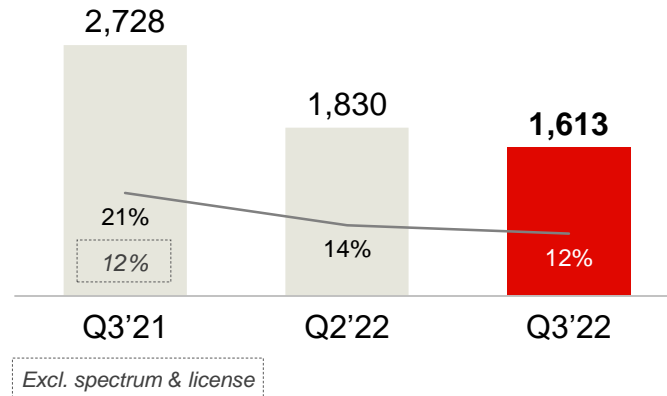


Disciplined approach to capital spending

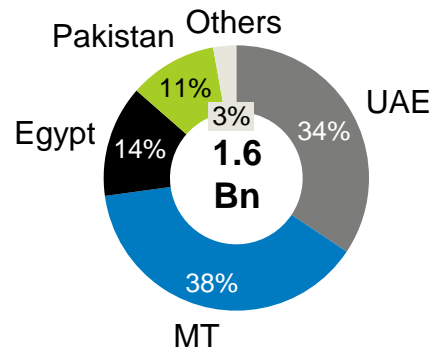
- Excluding spectrum costs, Consolidated capex decreased Y/Y by 2%; intensity ratio is flat at 12%
- Slight increase in capital spend in the **UAE** focused on **network modernisation**
- MT Group** capex spend focused on FTTH and mobile network expansion in Moov Africa
- Lower capex spend in Egypt** focused on network coverage
- Lower capex spend in PTCL Group** mainly attributed to spectrum acquisition in previous year

Group CAPEX

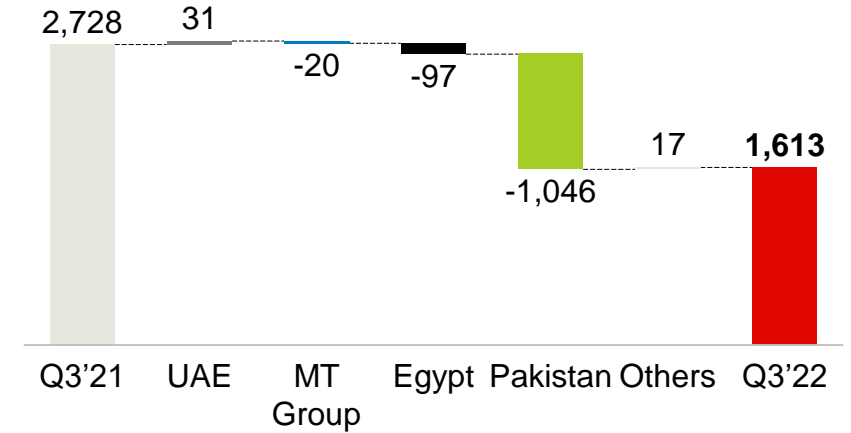
CAPEX (AED m) & Intensity Ratio (%)



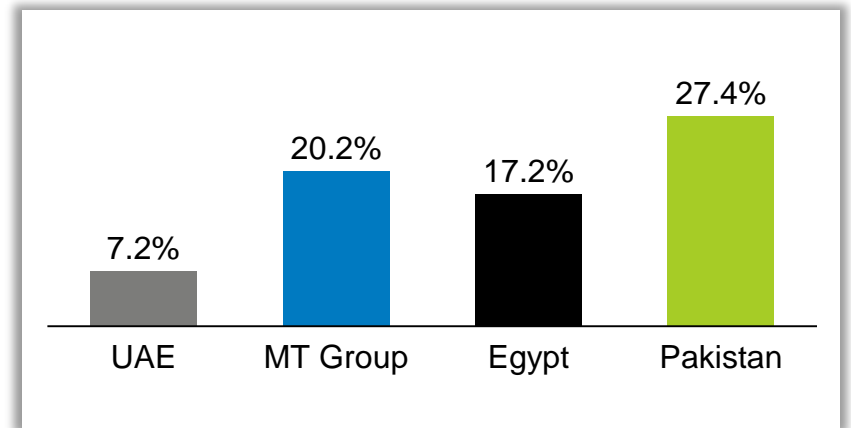
CAPEX Breakdown (Q3 2022)



Sources of CAPEX Growth (AED m)



CAPEX Intensity Ratios (%) Key Operations (Q3 2022)



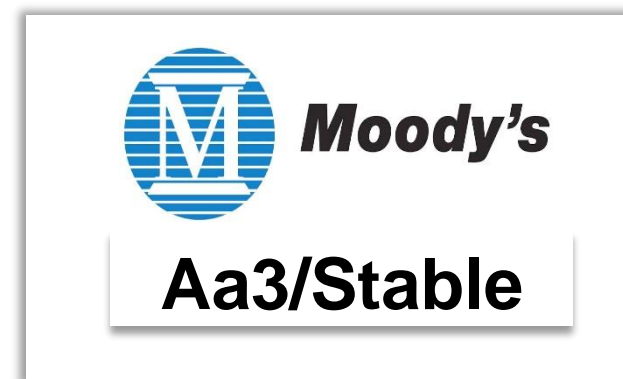
Robust liquidity position, commitment to investment grade credit profile

- Maintained **strong liquidity** and **cash** position of AED 26.0 billion
- **Increased leverage at attractive rates** to finance Vodafone investment
- **Operating cash flow** lower due to changes in working capital
- Higher investing cash outflow and financing cash inflow attributed to **strategic investments**
- Commitment to **investment grade credit profile**

Group Balance Sheet and Cash Flow

Balance Sheet (AED m)	Dec-21	Sep-22	Cash Flow (AED m)	Sep-21	Sep-22
Cash & Bank Balances	28,575	26,024	Operating	10,795	8,711
Total Assets	128,197	130,604	Investing	(4,034)	(20,406)
Total Debt	25,732	40,140	Financing	(13,930)	8,281
Net Cash / (Debt)	2,843	(14,116)	Net change in cash	(7,168)	(3,415)
Total Equity	57,564	48,373	Effect of FX rate changes	781	1,104
			Others	(41)	(240)
			Ending cash balance	24,917	26,024

Investment Grade Credit Ratings



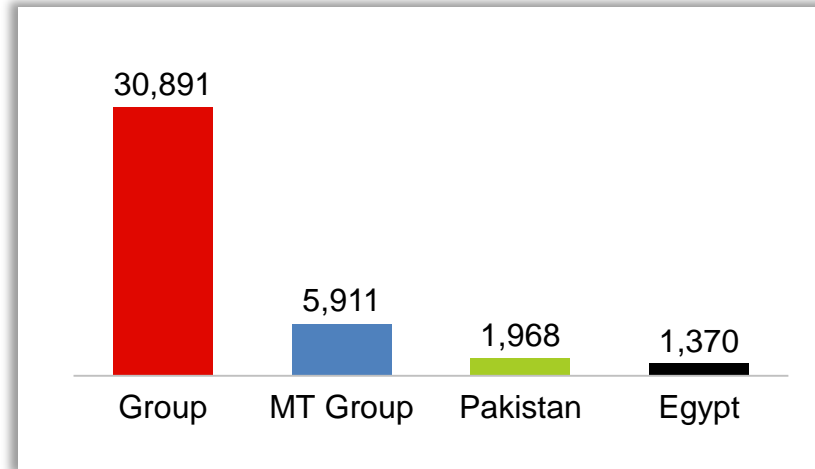
Note: Debt represents interest bearing debt i.e. bonds, banks borrowings, vendor financing and other financial obligations. It excludes lease obligations.

Diversified and efficient debt profile

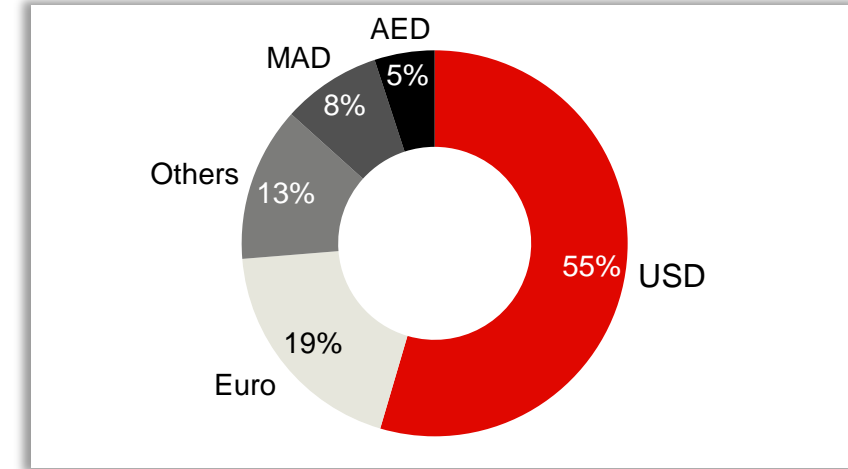
- Total debt of AED 40.1 billion
- Increased bank borrowings at Group level to finance strategic investment
- 77% of debt is at Group level
- 60% of debt is in USD/AED
- 84% of debt is due beyond one year
- Strong liquidity covering short term debt maturities

Group Debt

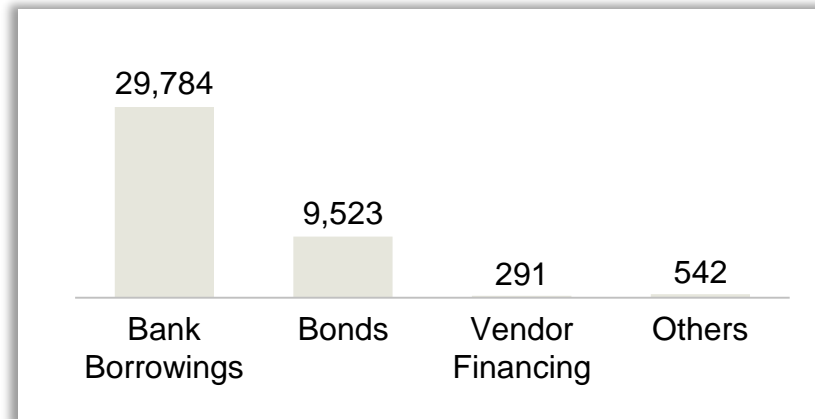
Borrowings by Operations (AED m)



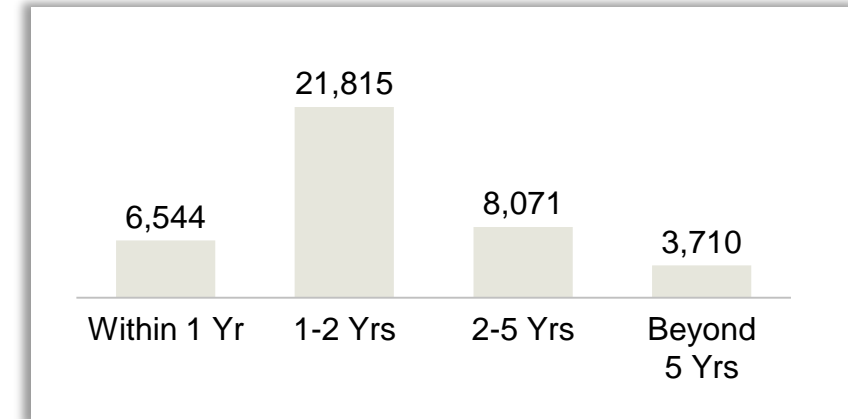
Borrowings by Currency (%)



Debt by Source (AED m)



Repayment Schedule (AED m)



Note: Debt represents interest bearing debt i.e. bonds, banks borrowings, vendor financing and other financial obligations. It excludes lease obligations.

Financial Highlights

Country Performance



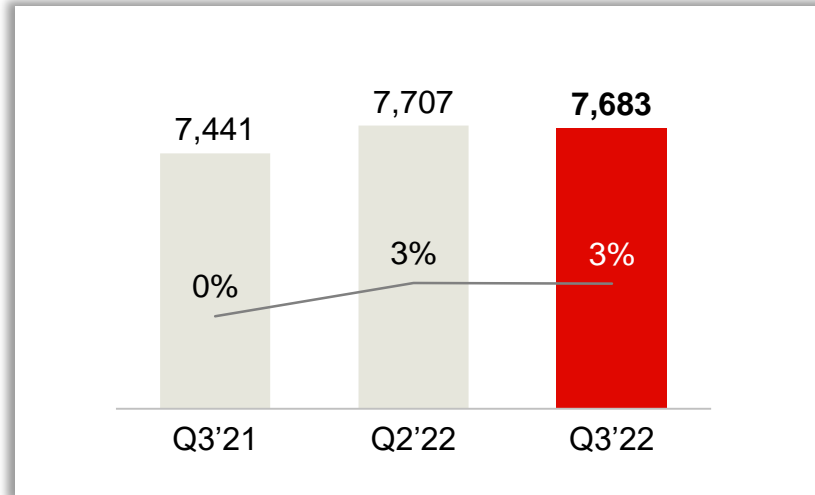
Strong operational and financial momentum

- Revenue growth supported by growth in mobile, fixed data and digital services
- EBITDA growth supported by strong revenue and controlled opex
- Robust EBITDA margin at 53% level
- Strong net profit growth with solid margin
- Capex / revenue stable YoY focused on network modernisation

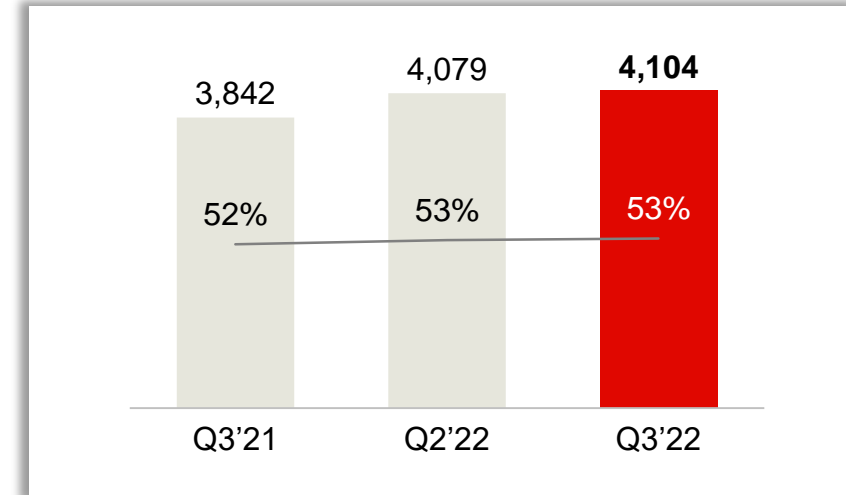
Etisalat UAE



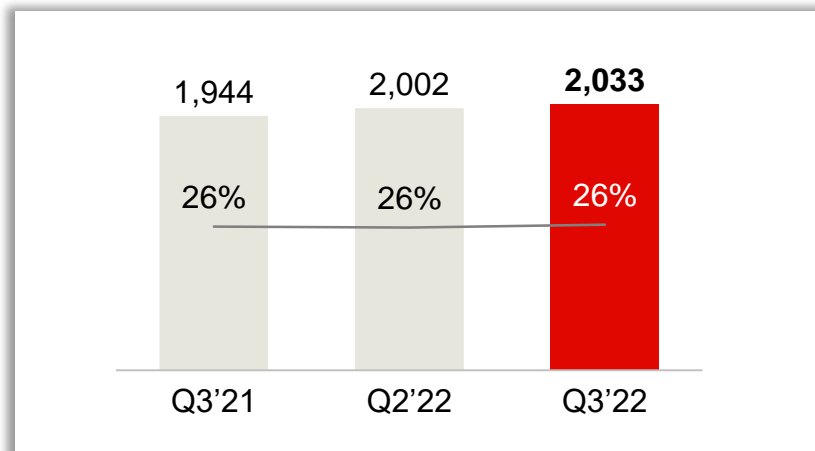
Revenue (AED m) and YoY Growth (%)



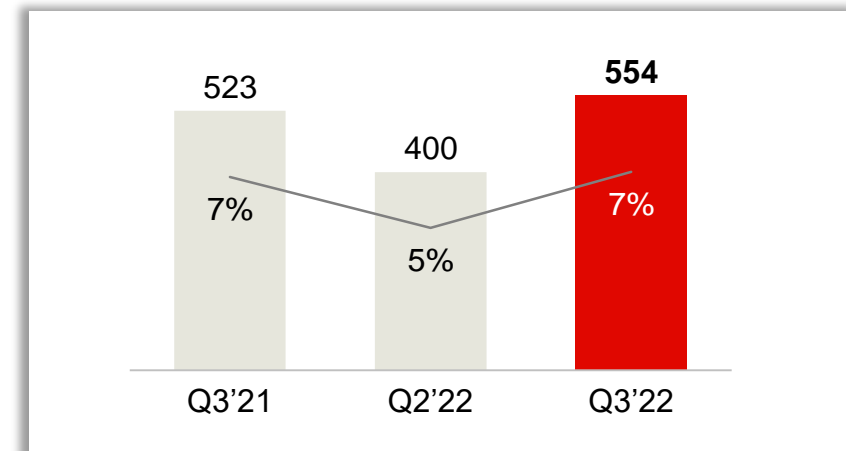
EBITDA (AED m) and EBITDA Margin (%)



Net Profit (AED m) and Profit Margin (%)

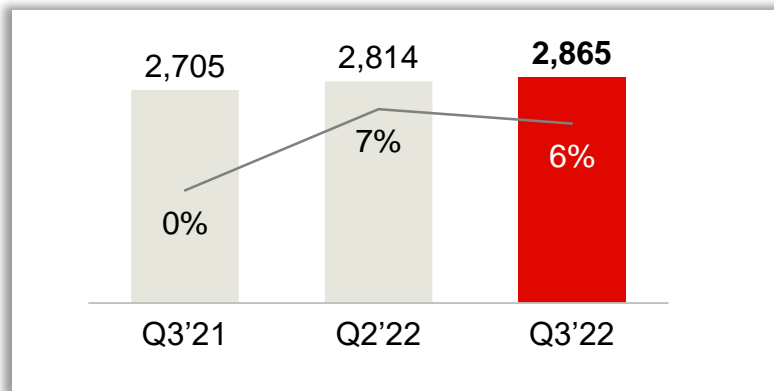


CAPEX (AED m) & CAPEX / Revenue (%)

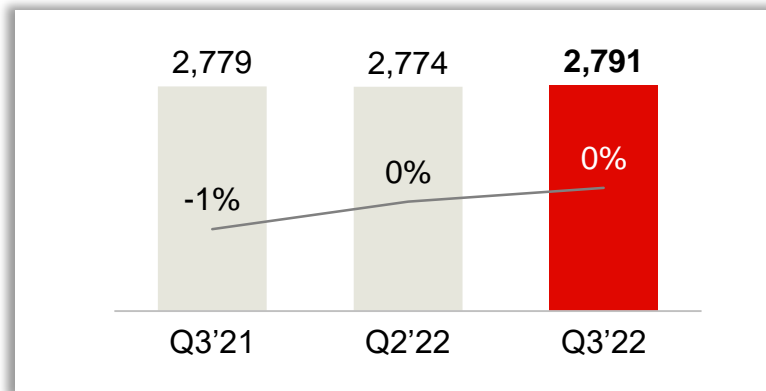


UAE Key KPIs: Continued mobile revenue strength

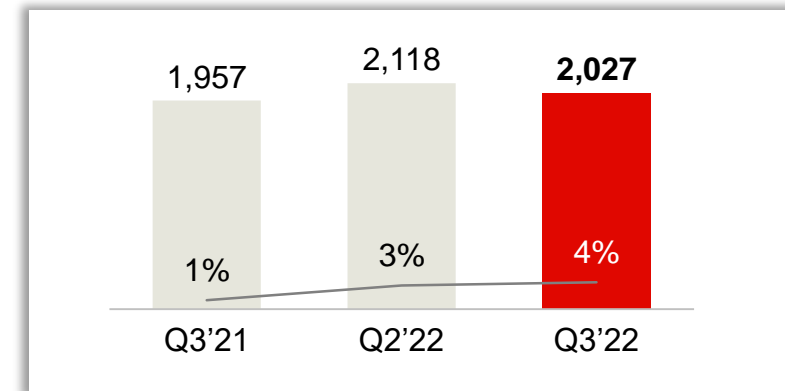
Mobile Revenue⁽¹⁾ (AED m) & YoY Growth (%)



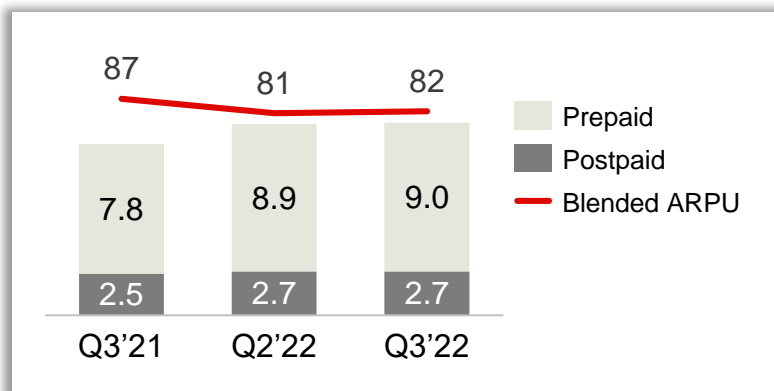
Fixed Revenue⁽²⁾ (AED m) & YoY Growth (%)



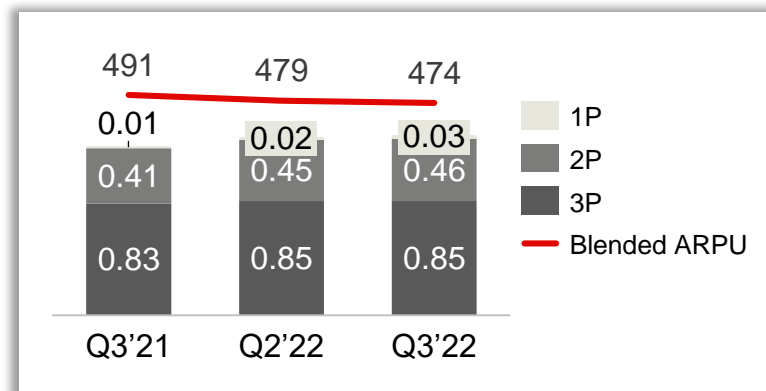
Other Revenue⁽³⁾ (AED m) & YoY Growth (%)



Mobile Subs⁽⁴⁾ (m) and ARPU⁽⁵⁾ (AED)



Fixed Broadband Subs⁽⁶⁾ (m) and ARPU⁽⁷⁾



- Consistent revenue growth in mobile and digital services with steady fixed revenue YoY
- Strong subscribers growth while delivering exceptional customer experience; mobile subscribers and fixed broadband subscribers up by +12% and +7% respectively
- Subscriber gain in high value segments (postpaid and eLife 3P)

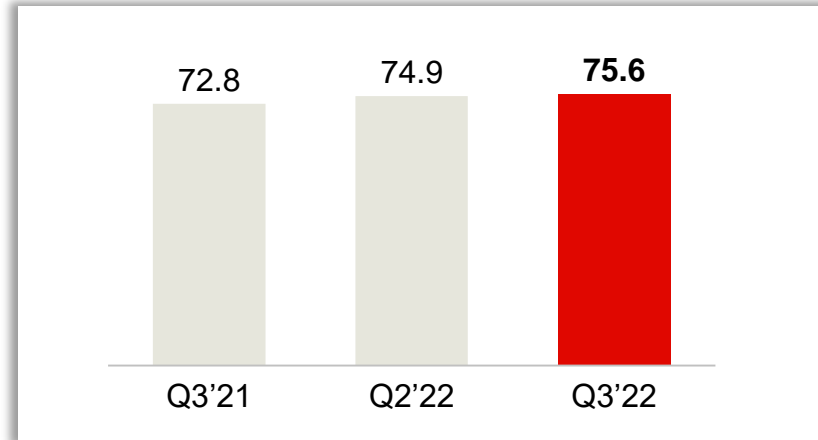
(1) Mobile revenues includes mobile voice, data, rental, outbound roaming, VAS, and mobile digital services
 (2) Fixed revenues includes fixed voice, data, rental, VAS, internet and TV services
 (3) Others Revenues includes ICT, managed services, wholesale (local and int'l interconnection, transit and others), visitor roaming, handsets and miscellaneous
 (4) Mobile subscribers represents active subscriber who has made or received a voice or video call in the preceding 90 days, or has sent an SMS or MMS during that period
 (5) Mobile ARPU ("Average Revenue Per User") calculated as total mobile revenue divided by the average mobile subscribers.
 (6) Fixed broadband subscriber numbers calculated as total of residential DSL (Al-Shamil), corporate DSL (Business One) and E-Life subscribers.
 (7) ARPL ("Average Revenue Per Line") calculated as fixed broadband line revenues divided by the average fixed broadband subscribers.

Resumed revenue growth in local currency

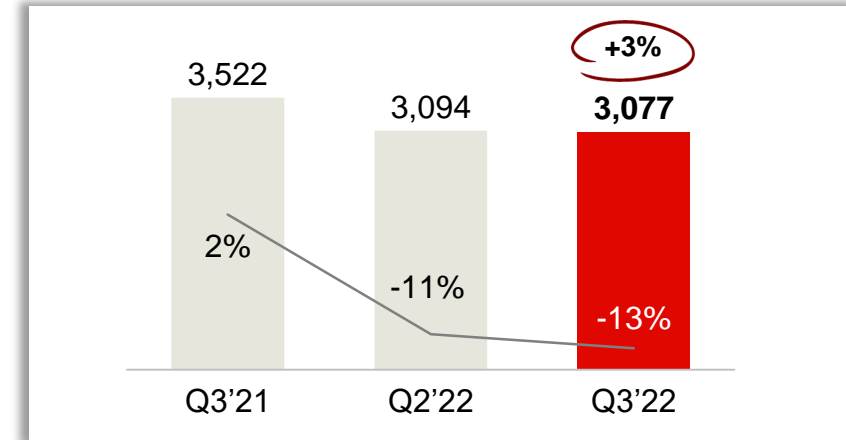
- **Subscriber growth YoY** is driven by international operations
- **Revenue growth** in local currency supported by **summer seasonality in Morocco** and growth in **mobile data in Moov Africa** operations
- **EBITDA growth** in both domestic operations and Moov Africa with improved margin
- Capital spending focused on expanding **FTTH** and **mobile network coverage and capacity**

Maroc Telecom Group⁽¹⁾

Subscribers (m)

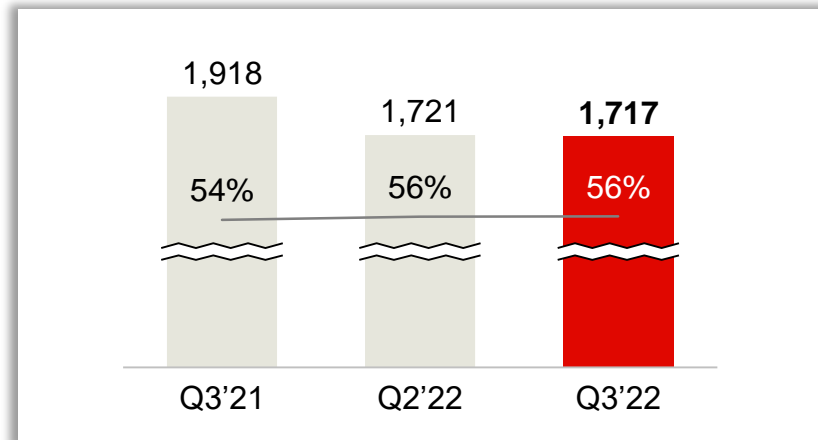


Revenue (AED m) and YoY Growth (%)

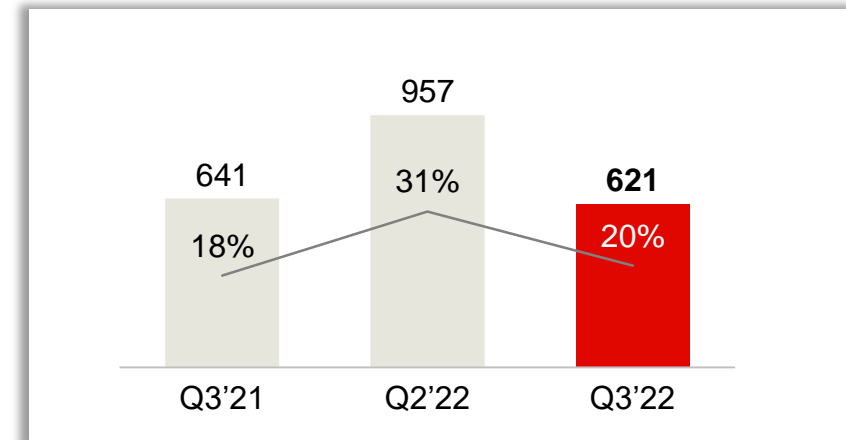


Growth Y/Y in local currency

EBITDA (AED m) and EBITDA Margin (%)



CAPEX (AED m) & CAPEX / Revenue (%)



(1) Maroc Telecom Group operates in Morocco, Benin, Burkina Faso, CAR, CDI, Chad, Gabon, Mali, Mauritania, Niger & Togo

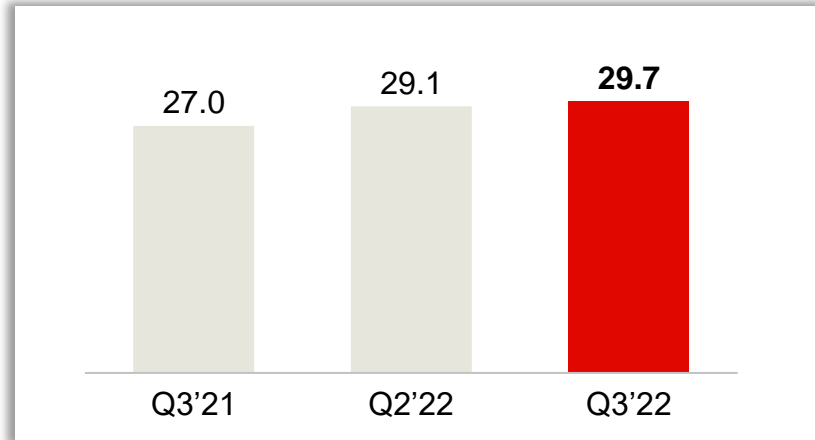
Strong growth momentum in Egypt continued

- **Subscriber growth**
- **Robust revenue growth** in local currency attributed to data, voice and wholesale segments
- **Strong EBITDA growth** supported by improvement in revenue and cost optimisation, resulting in **healthy EBITDA margin**
- **Lower capital spending** focused on expanding network coverage

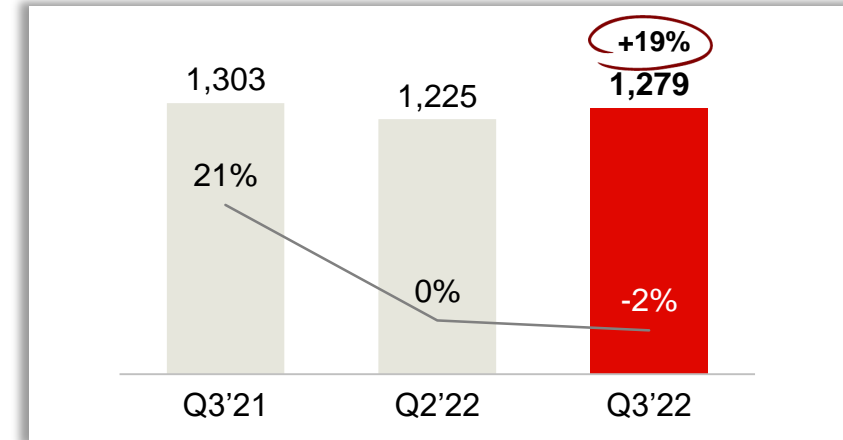
Etisalat Egypt



Subscribers (m)

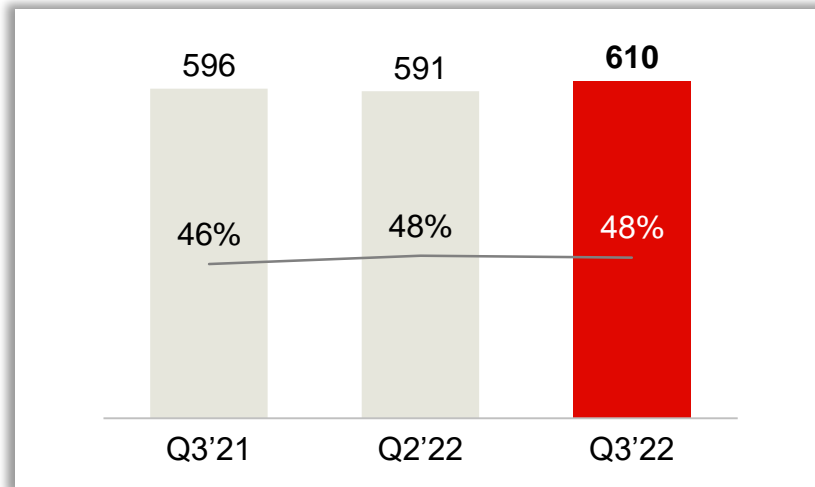


Revenue (AED m) and YoY Growth (%)

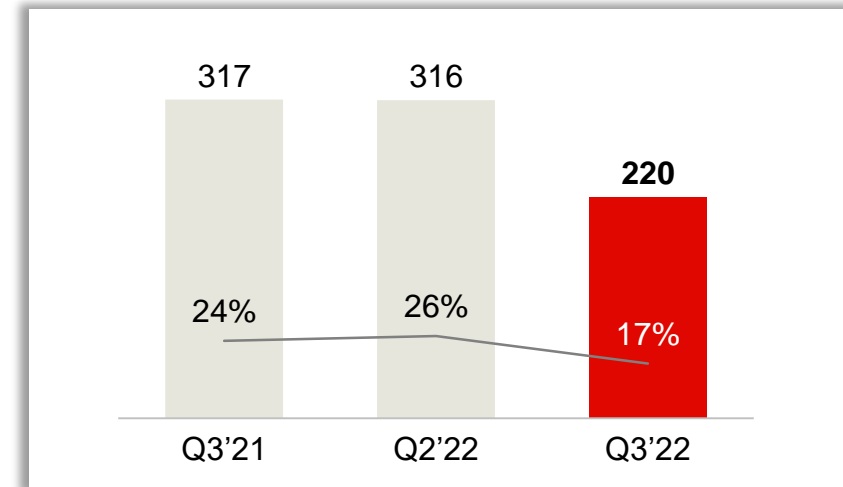


Growth Y/Y in local currency

EBITDA (AED m) and EBITDA Margin (%)



CAPEX (AED m) & CAPEX / Revenue (%)

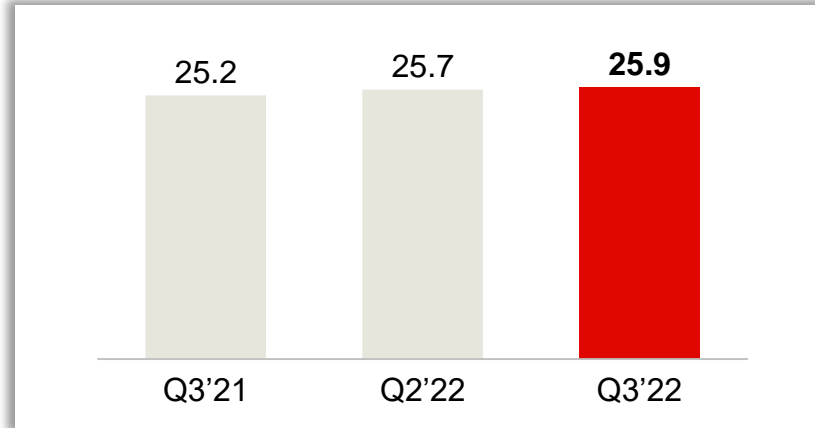


Growth in local currency despite challenging macroeconomic conditions

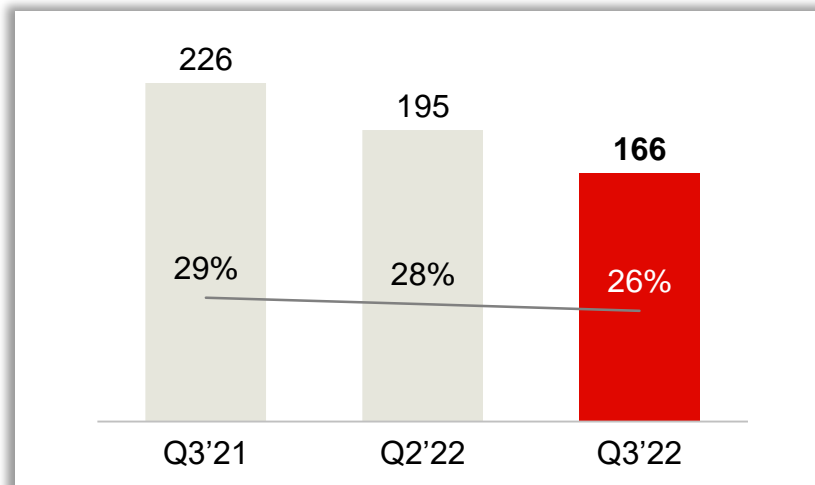
- **Growth** in 4G data and FTTH subscribers
- **Double digit revenue growth** in local currency with growth in all segments - mobile, fixed and Ubank
- **EBITDA grew slightly** in local currency impacted by increased energy costs, FX and inflationary pressure
- **Lower capital spending YoY** mainly due to spectrum acquisition in previous year; Capex focused on mobile and fibre network rollout

PTCL Group

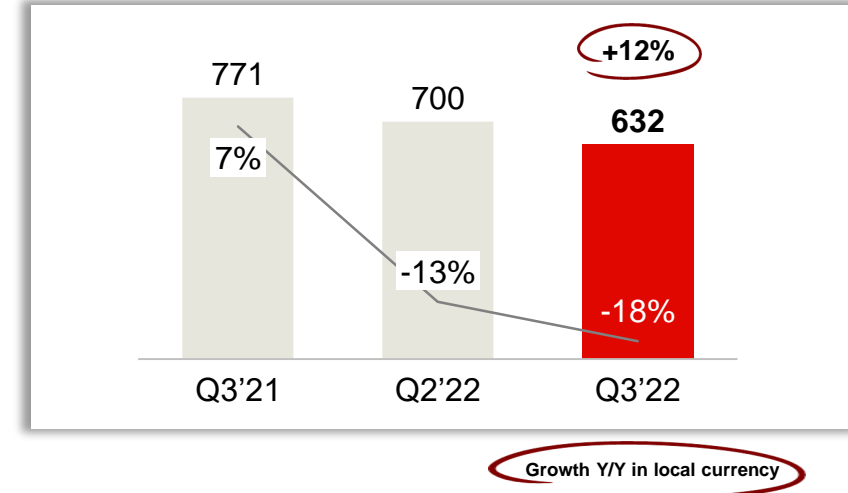
Subscribers (m)



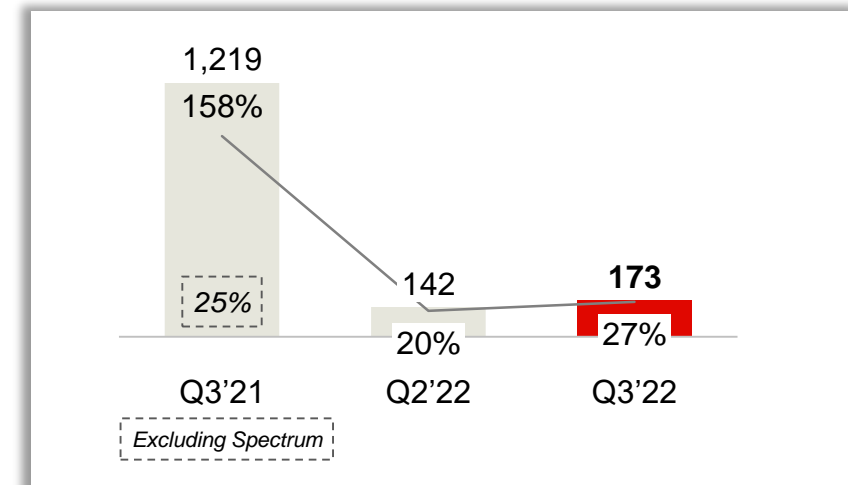
EBITDA (AED m) and EBITDA Margin (%)



Revenue (AED m) and YoY Growth (%)



CAPEX (AED m) & CAPEX / Revenue (%)



Financial Highlights 9M 2022

Resilient performance creating shareholder value over the long-term

Revenue

AED Billion

39.3

YOY Growth

↓ -1.1% **+4.4%**

EBITDA

AED Billion

20.2

YOY Growth

↑ +0.1% **+5.1%**

Net Profit

AED Billion

7.3

YOY Growth

↑ +2.3%

CAPEX⁽¹⁾

AED Billion

5.1

YOY Growth

↓ -6.2%

Free Cash Flow⁽²⁾

AED Billion

15.1

YOY Growth

FCF% **+2.4%**
38.4%

EBITDA Margin

51.3%

YOY Growth

↑ +0.6pt

NP Margin

18.7%

YOY Growth

↑ +0.6pt

CAPEX Intensity⁽¹⁾

12.9%

YOY Growth

↓ -0.7pt

Growth Y/Y in constant currency

2022 Guidance: Revising our guidance upward reflecting higher profitability margin and EPS, and lower capex resulting in higher FCF

Financial KPI	Original Guidance FY 2022	Revised Guidance in Constant Currency FY 2022	Reported Actual 9M 2022	Constant Currency Actual 9M 2022
Revenue Growth %	Low single digit growth	Low-to-mid single-digit growth	- 1.1%	+4.4%
EBITDA Margin %	~49%	50%-51%	51.3%	51.3%
EPS (AED)	~1.08	~1.12	0.84	0.84
CAPEX / Revenue %	16.5%-17.5%	14.5% - 15.5%	12.9%	12.9%

we are&