



ETISALAT GROUP Q1 2020 RESULTS PRESENTATION

22 APRIL 2020 - ABU DHABI, UAE

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1. Business Overview

Hatem Dowidar
Chief Executive Officer
Etisalat International

ETISALAT GROUP FINANCIAL HIGHLIGHTS

AED Million	Q1 2020	Growth YoY%	Growth QoQ%
Revenue	13,113	+1%	-2%
EBITDA	6,715	+1%	+7%
<i>EBITDA Margin</i>	<i>51%</i>	<i>0pp</i>	<i>+4pp</i>
Net Profit	2,179	-2%	+11%
<i>Net Profit Margin</i>	<i>17%</i>	<i>0pp</i>	<i>+2pp</i>
Capex	1,078	-32%	-73%
<i>Capex/Revenue</i>	<i>8%</i>	<i>-4pp</i>	<i>-22pp</i>

Q1 2020 Highlights

- Revenue increase Y/Y is attributed to strong performance of Egypt and consolidation of Tigo Chad; Domestic operations impacted by the disruption of COVID-19
- EBITDA increase Y/Y is driven by higher revenue, lower cost of sales and cost control measures
- EBITDA margin stable Y/Y at 51%
- Net profit Y/Y decreased due to higher depreciation and amortization expenses and incurring losses on financial investments
- Lower capital expenditure Y/Y attributed to international operations; excluding license acquisition costs, capital expenditure is stable Y/Y

ETISALAT GROUP Q1 2020 FINANCIAL HIGHLIGHTS



- Expanding Etisalat Group customer base by +5%
- Maintaining EBITDA Margin at 51%
- Improving operating Free Cash Flow
- Interim dividends of 25 fils per share
- Withdrawing our guidance for the year 2020 until July 2020



- Launched several initiatives to support Government's directives to "Stay at Home" and mitigate the spread of COVID-19
- Subscriber growth in mobile postpaid and eLife segments
- Revenue growth impacted by competitive environment and COVID-19
- Improvement in EBITDA margin due to change in revenue mix
- Continued to transform through simplification and digitalization



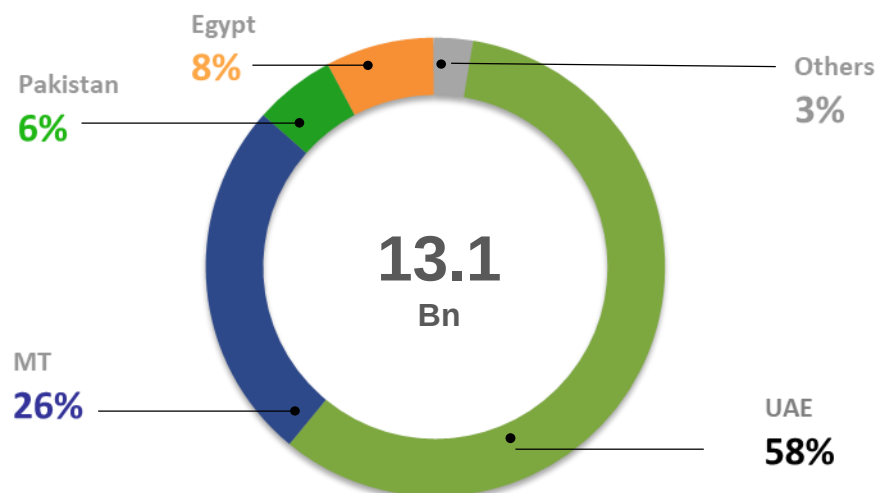
- Int'l portfolio impacted by unfavourable exchange rates movements in Pakistani Rupees and Moroccan Dirhams
- Maroc Telecom Group maintained revenue growth in both mobile and fixed segments in Morocco
- Etisalat Misr maintained robust revenue growth
- Pakistan operations impacted by reinstatement of suspended taxes on mobile segment; maintained growth in fixed broadband and Ubank

2. Financial Overview

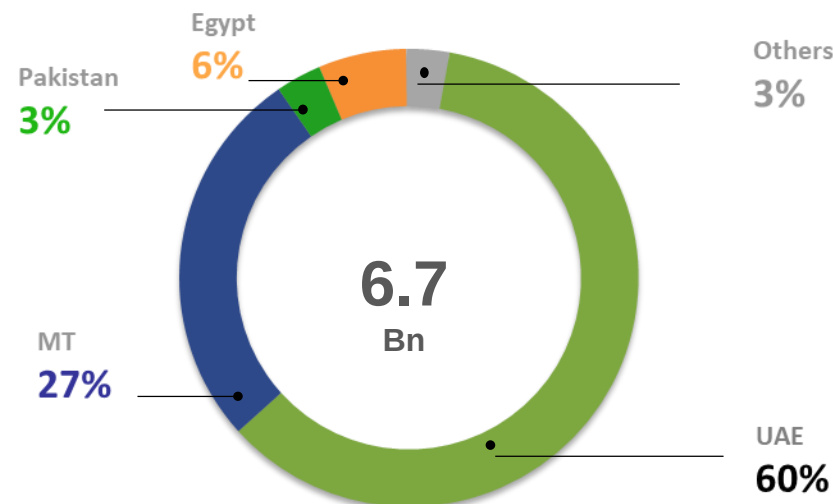
Serkan Okandan
Chief Financial Officer
Etisalat Group

ETISALAT GROUP FINANCIAL HIGHLIGHTS

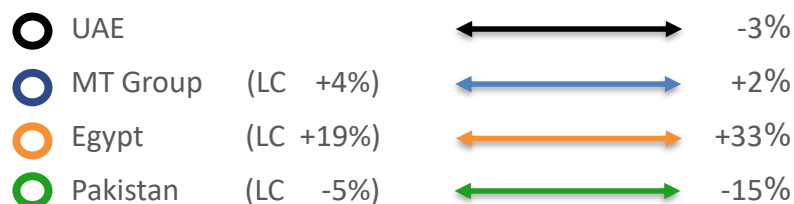
Revenue Breakdown Q1 2020 (AED m)



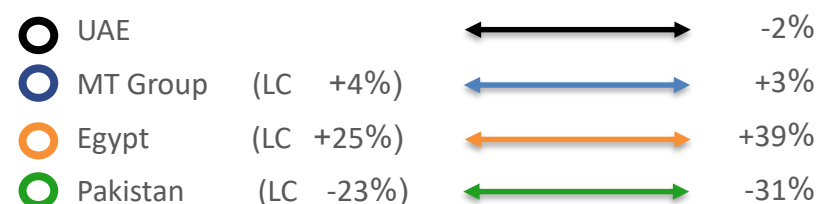
EBITDA Breakdown Q1 2020 (AED m)



YOY Growth 1%

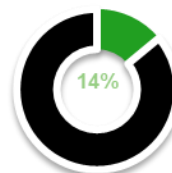
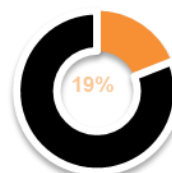
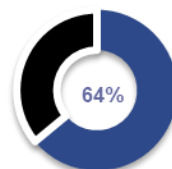


YOY Growth 1%



INT'L OPERATIONS FINANCIAL HIGHLIGHTS Q1 2020

Revenue (AED m) / EBITDA (AED m) /
EBITDA Margin (%)



Revenue & EBITDA (AED m) / EBITDA Margin (%) /
YoY Growth %

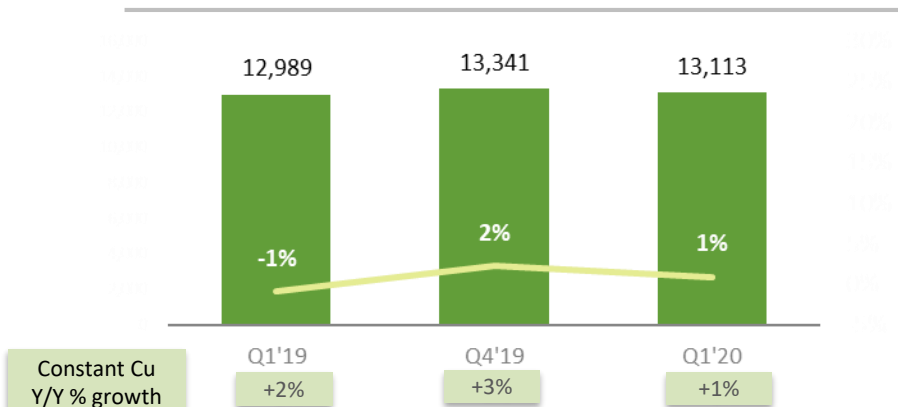
MT Group	Q1 2020	Growth in AED	Growth in MAD
Revenue	3,353	+2%	+4%
EBITDA	1,819	+3%	+4%
EBITDA Margin	54%	0pp	0pp

Egypt	Q1 2020	Growth in AED	Growth in EGP
Revenue	1,003	+33%	+19%
EBITDA	417	+39%	+25%
EBITDA Margin	42%	+2pp	+2pp

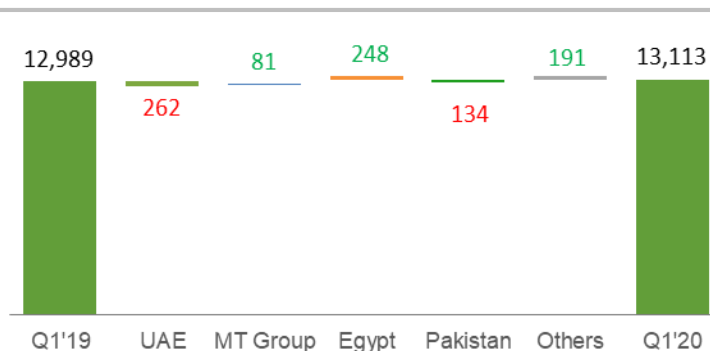
Pakistan	Q1 2020	Growth in AED	Growth in PKR
Revenue	747	-15%	-5%
EBITDA	216	-31%	-23%
EBITDA Margin	29%	-6pp	-6pp

GROUP REVENUE

Revenue (AED m) & YoY Growth (%)



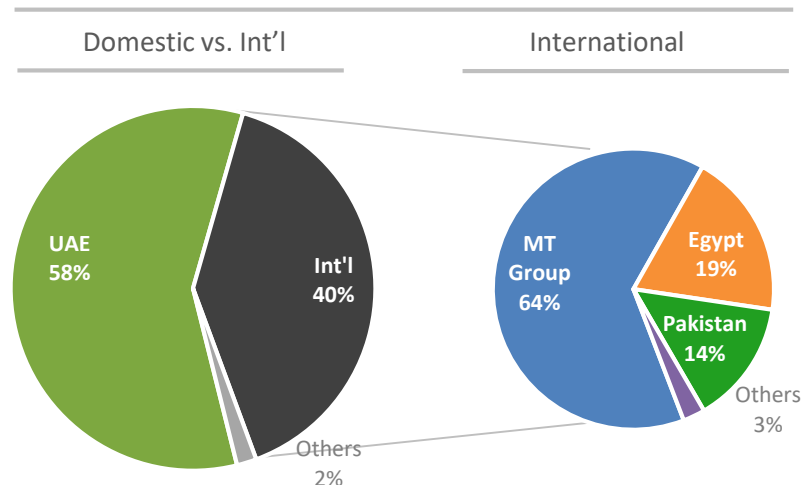
Sources of Revenue Growth – Q1 2020 vs Q1 2019 (AED m)



Highlights

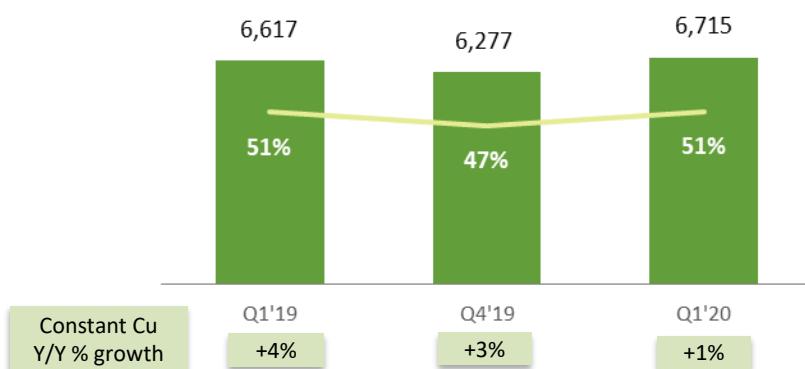
- In Q1'20 consolidated revenue increased Y/Y by 1% attributed to international operations
- Growth in the UAE impacted by OTT penetration and lower handset sales; However, it maintained strong performance in the TV, digital services and wholesale segment.
- Revenues from international consolidated operations increased by 4%, resulting in 40% contribution to Group revenues:
 - Revenue growth in MT Group benefited from the consolidation of Tigo Chad
 - Revenue growth in Egypt mainly attributed to strong growth in mobile broadband
 - Revenue growth in Pakistan negatively impacted by currency devaluation and mobile segment

Revenue by Cluster (Q1 2020)

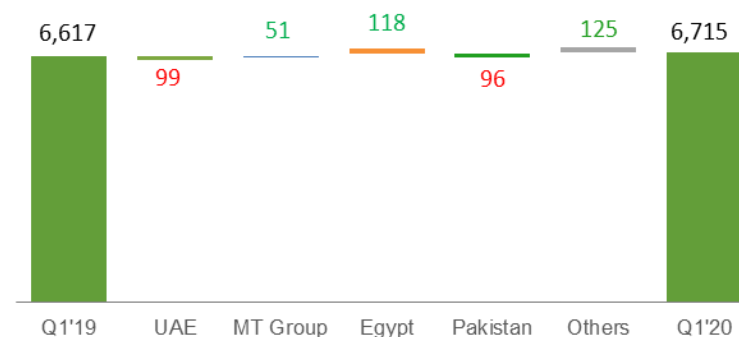


GROUP EBITDA

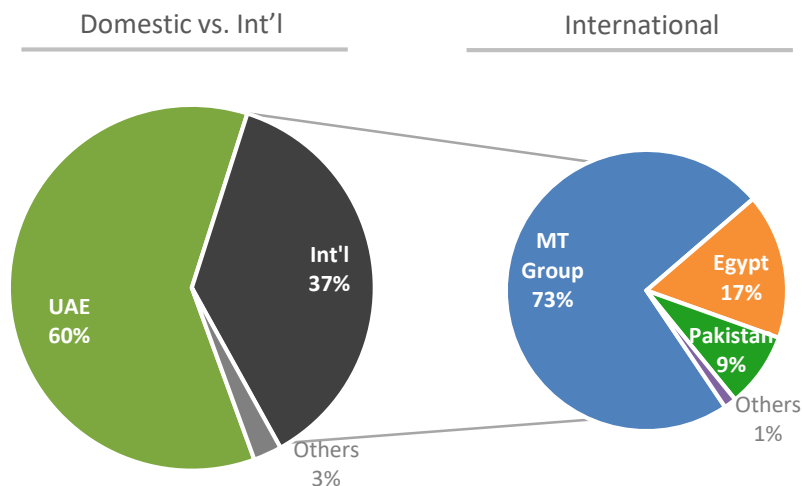
EBITDA (AED m) & EBITDA Margin (%)



Sources of EBITDA Growth – Q1 2020 vs Q1 2019 (AED m)



EBITDA by Cluster (Q1 2020)

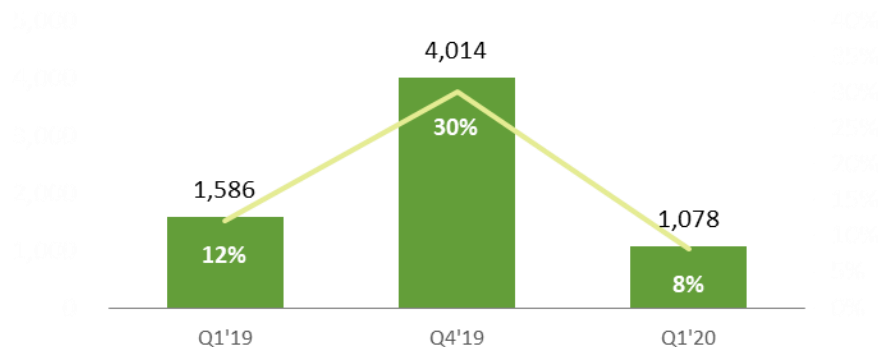


Highlights

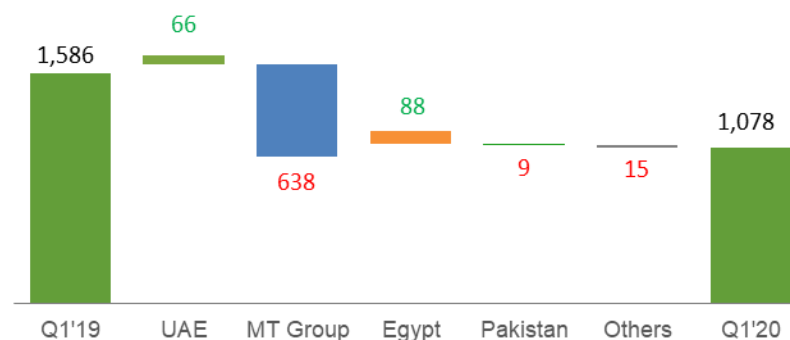
- In Q1'20 consolidated EBITDA increased Y/Y by 1% attributed to higher revenue and lower cost of sales.
- EBITDA in the UAE impacted by lower revenue
- EBITDA of consolidated international operations increased Y/Y by 3%, resulting in 37% contribution to Group EBITDA:
 - Positive contribution from Maroc Telecom Group attributed to international operations
 - Positive contribution from Egypt due to higher revenues
 - Negative contribution from Pakistan impacted by currency devaluation and lower revenue

GROUP CAPEX

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



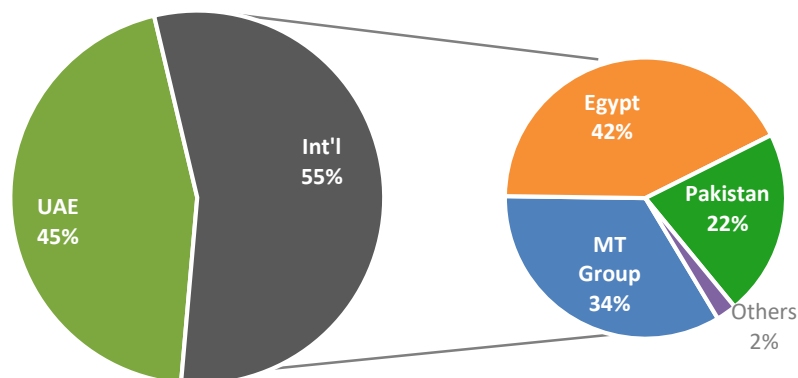
Sources of Capex Growth – Q1 2020 vs Q1 2019 (AED m)



CAPEX by Cluster (Q1 2020)

Domestic vs. Int'l

International



Highlights

- In Q1'20 consolidated capex decreased Y/Y by 32% resulting in a Capex / Revenue ratio of 8%
- Higher capital spend in the UAE focused on deployment of 5G network, investment in data centres and network capacity
- Capital expenditure in international operations declined Y/Y by 49% and contributed 55% to consolidated Group Capex:
 - Lower capex spend in local currency in MT Group attributed to international operations and license acquisition cost in prior period
 - Higher capex in Egypt with focus on 4G deployment
 - Higher capex spend in Pakistan in local currency focused on mobile network enhancement

GROUP BALANCE SHEET & CASH FLOWS

Balance Sheet (AED m)	Dec-19	Mar-20
Cash & bank Balances	29,657	33,574
Total Assets	128,266	130,053
Total Debt	23,889	24,353
Net Cash / (Debt)	5,768	9,222
Total Equity	57,767	56,074

Cash Flow (AED m)	Mar-19	Mar-20
Operating	4,497	4,174
Investing	(1,357)	(897)
Financing	(197)	439
Net change in cash	2,943	3,716
Effect of FX rate changes	71	228
Reclassified as held for sales	(2)	(26)
Ending cash balance	31,373	33,574

Investment Grade Credit Ratings



AA-/Stable



Moody's

Aa3/Stable

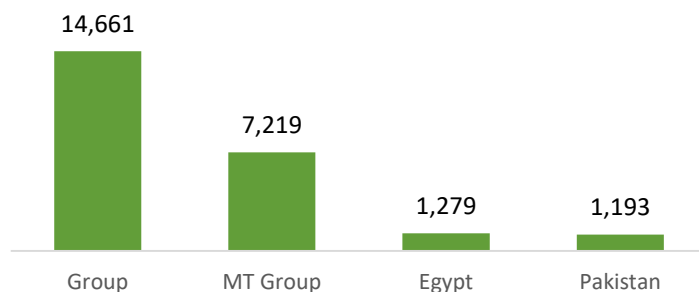
Highlights

- Strong liquidity position with improved net cash position
- Slightly lower operating cash flow
- Lower investing cash flow attributed to higher license acquisition cost in prior period
- Financing cash inflow compared to outflow mainly attributed to higher proceeds from bank borrowings

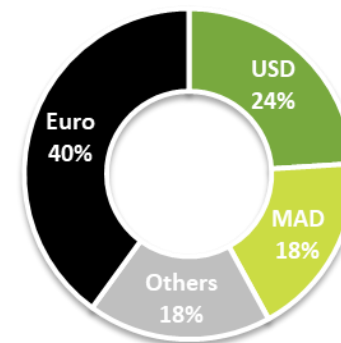
Note: Debt represents interest bearing debt i.e. bonds, banks borrowings, vendor financing and other financial obligations. It excludes lease obligations.

DEBT PROFILE: DIVERSIFIED DEBT PORTFOLIO

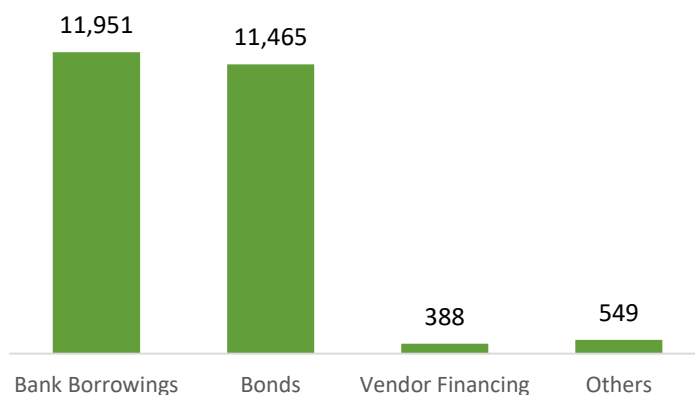
Borrowings by Operation Q1 2020 (AED m)



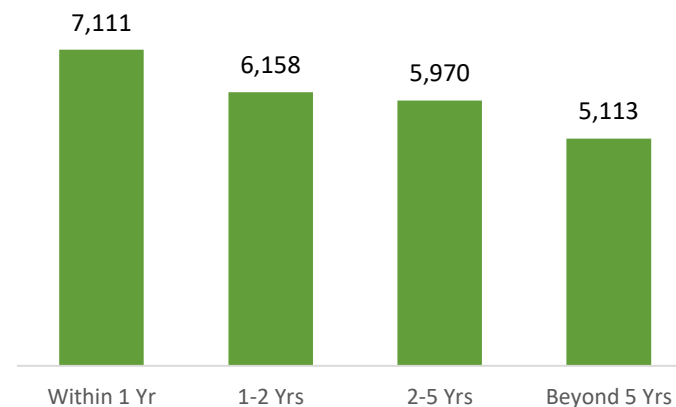
Borrowings by Currency Q1 2020 (%)



Debt by Source Q1 2020 (AED m)



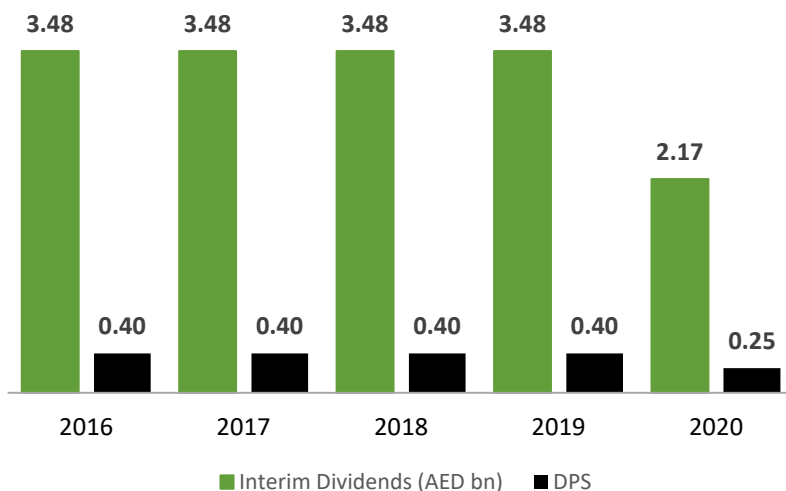
Repayment Schedule Q1 2020 (AED m)



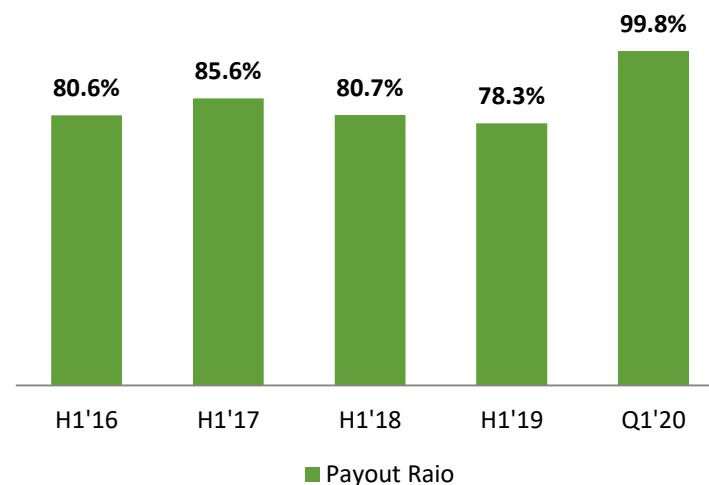
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GROUP DIVIDENDS: PROPOSED INTERIM DPS OF AED 25 FILS

Interim Dividends and Dividends Per Share



Interim Dividend Payout Ratio



Interim Dividend & Earnings Per Share (AED)

	H1'16	H1'17	H1'18	H1'19	Q1'20
DPS	0.40	0.40	0.40	0.40	0.25
EPS ⁽¹⁾	0.50	0.47	0.50	0.51	0.25

(1) Represents diluted earnings per share

Highlights

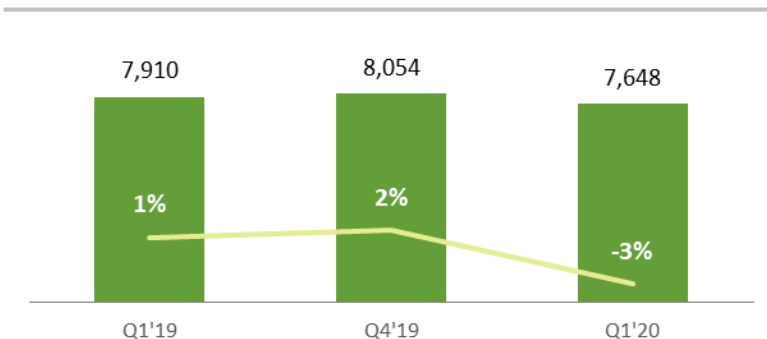
Etisalat's Board approved interim dividends of 25 fils per share to be distributed to the shareholders registered in the shareholders' register on 3 May 2020.

COUNTRY BY COUNTRY FINANCIAL REVIEW

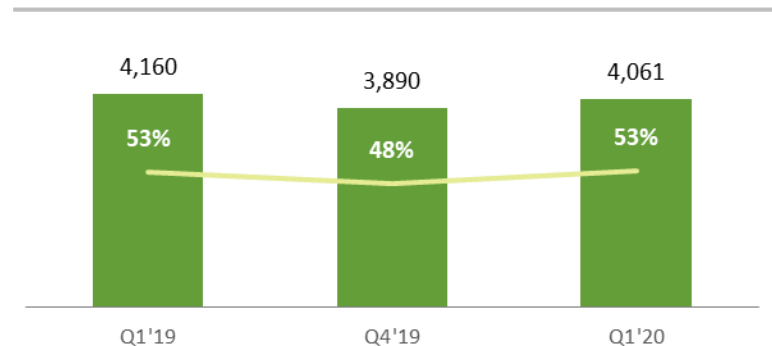


UAE: MAINTAINING STRONG PROFITABILITY MARGINS

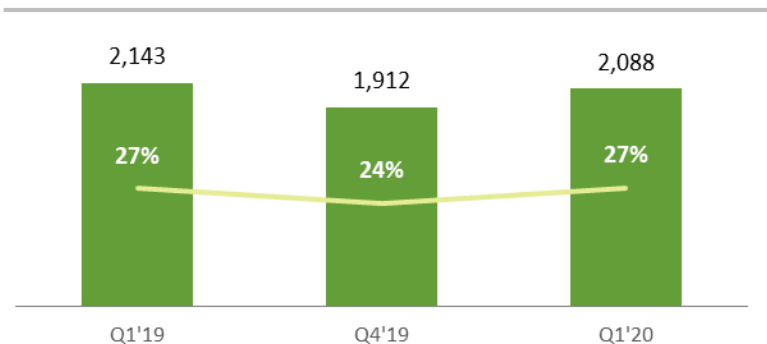
Revenue (AED m) / YoY Growth (%)



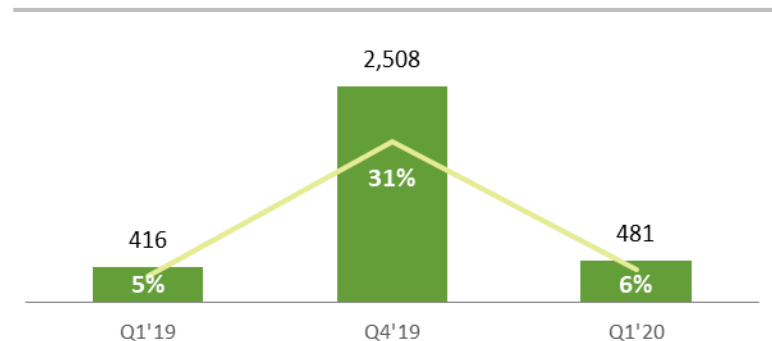
EBITDA (AED m) / EBITDA Margin (%)



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

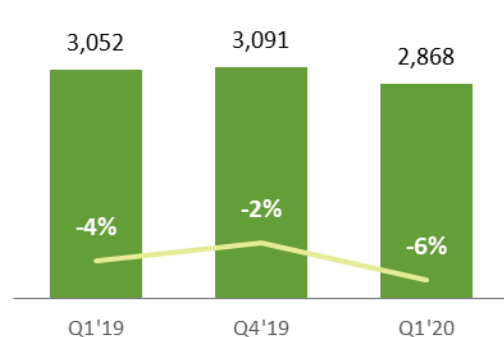


CAPEX (AED m) & CAPEX / Revenue Ratio (%)

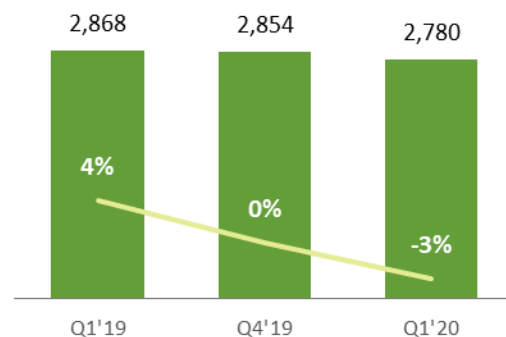


UAE: REVENUE BREAKDOWN AND KEY KPIS

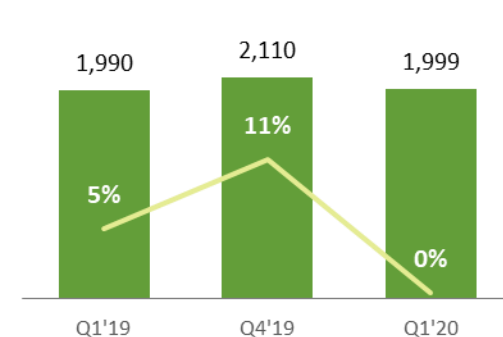
Mobile Revenues⁽¹⁾ (AED m)



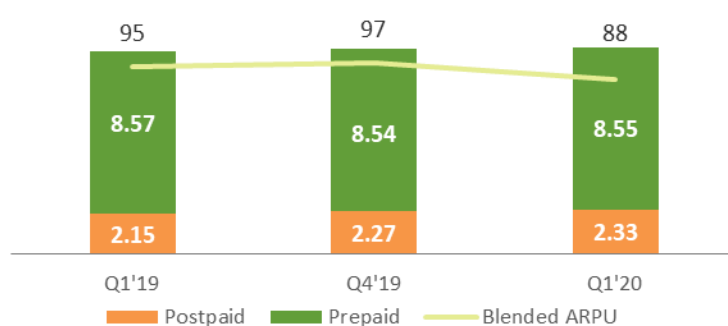
Fixed Revenues⁽²⁾ (AED m)



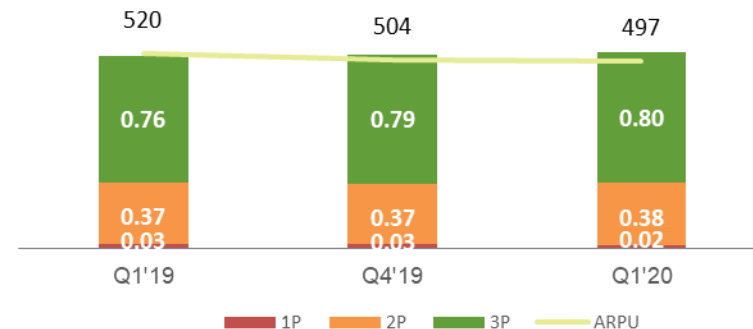
Other Revenues⁽³⁾ (AED m)



Mobile Subs⁽⁴⁾ (m) & ARPU⁽⁵⁾ (AED)



Fixed Broadband⁽⁶⁾ Subs (m) & ARPU⁽⁷⁾ (AED)



(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.

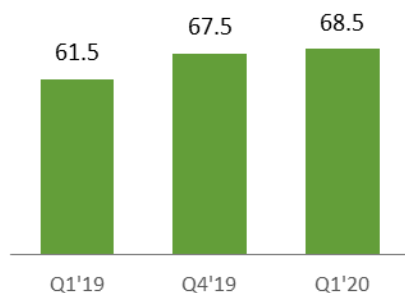
(6) Fixed broadband subscriber numbers calculated as total of residential DSL (Al-Shamil), corporate DSL (Business One) and E-Life subscribers.

(7) ARPL ("Average Revenue Per Line") calculated as fixed broadband line revenues divided by the average fixed broadband subscribers.

MAROC TELECOM: MAINTAINED GROWTH AND PROFITABILITY

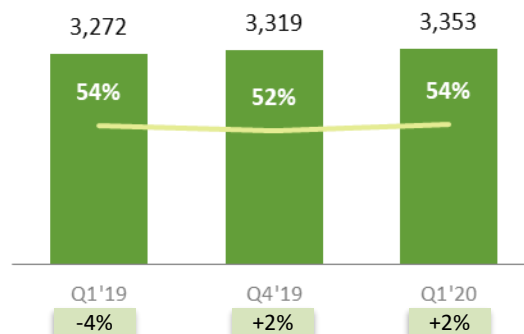
Morocco, Benin, Burkina Faso, CAR, CDI, Chad, Gabon, Mali, Mauritania, Niger & Togo

Subscribers (m)

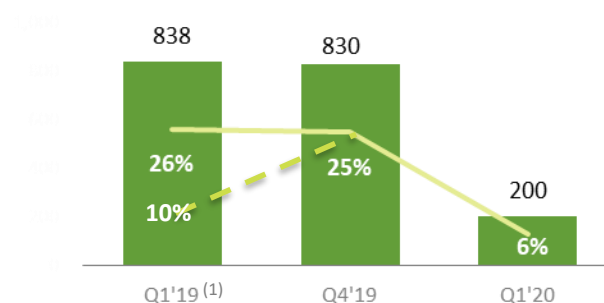


Y/Y % Growth (AED)

Revenue (AED m) / EBITDA Margin (%)



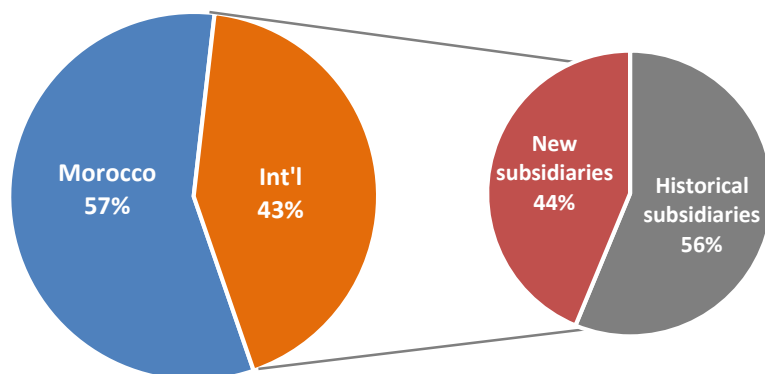
CAPEX (AED m) & CAPEX/Revenue Ratio (%)



Revenue Breakdown Q1 2020

Domestic vs. Int'l

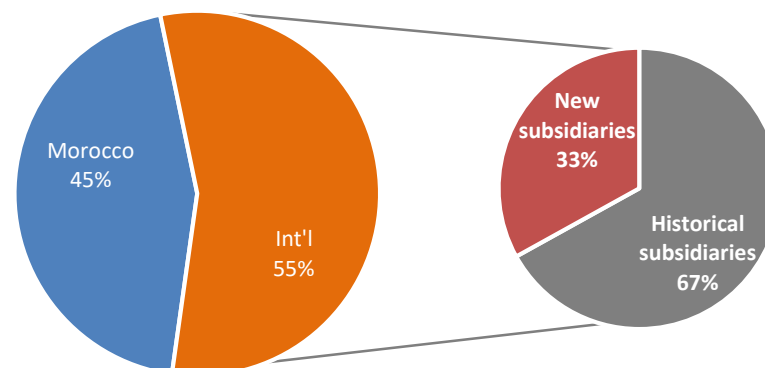
International



CAPEX Breakdown Q1 2020

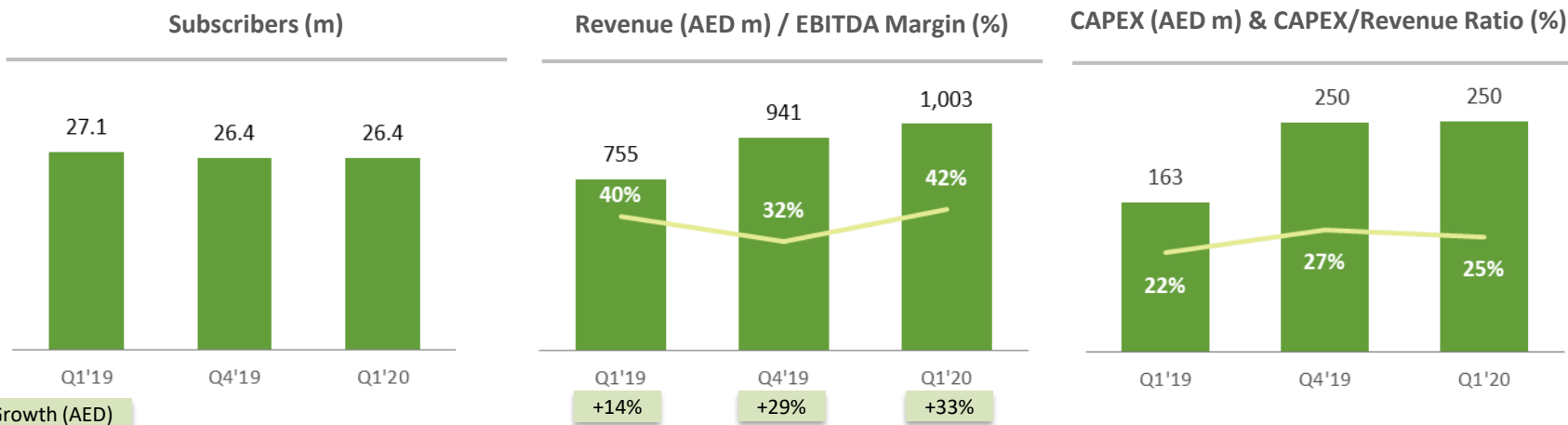
Domestic vs. Int'l

International



(1) In March 2019, Maroc Telecom's subsidiary in Burkina Faso has been granted a global Mobile license for MAD 1,334 million

EGYPT: STRONG REVENUE GROWTH AND PROFITABILITY

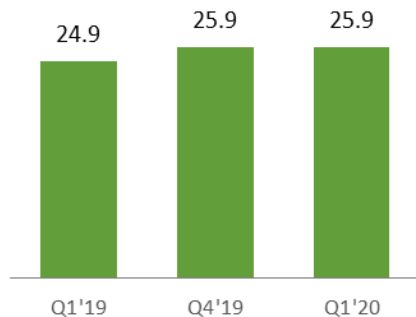


Highlights

- Regulatory restrictions continue to negatively impact customer acquisitions
- Y/Y revenue growth across all segments
- Y/Y EBITDA growth with improvement in margin attributed to higher revenue and cost control measures
- Capital spending increased and focused on 4G deployment and enhancement of network capacity

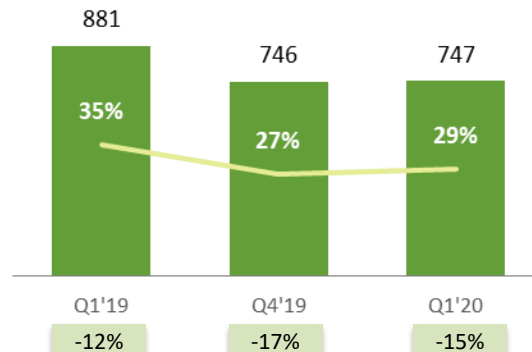
PAKISTAN: CURRENCY DEVALUATION & REINSTATEMENT OF TELECOM TAXES ON MOBILE SERVICES IMPACTED PERFORMANCE

Subscribers (m)

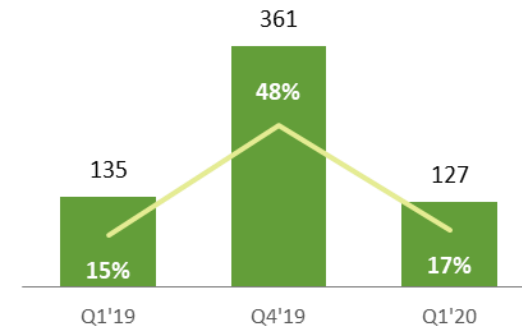


Y/Y % Growth (AED)

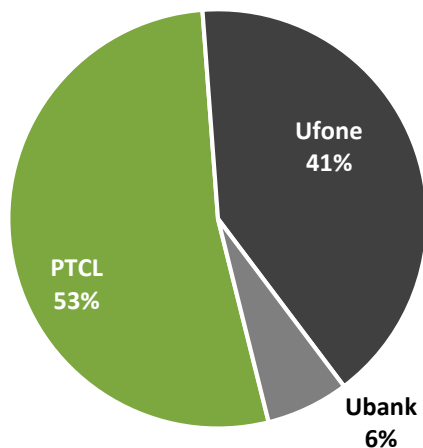
Revenue (AED m) / EBITDA Margin (%)



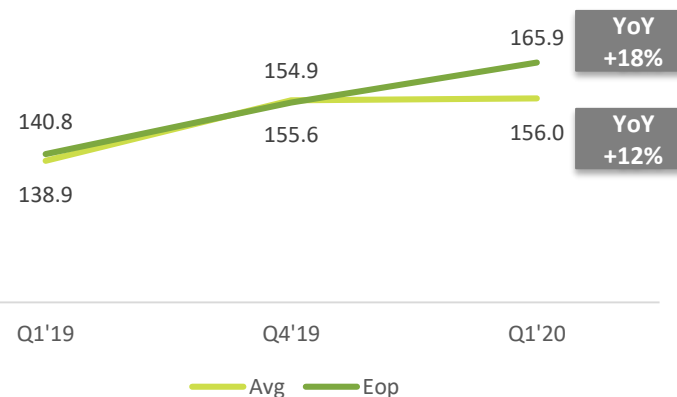
CAPEX (AED m) & CAPEX/Revenue Ratio (%)



REVENUE BREAKDOWN FY 2019



USD / PKR FX Rate (PKR)



2020 ACTUAL AGAINST GUIDANCE:

**WITHDRAWING MANAGEMENT GUIDANCE DUE TO
COVID-19 PANDEMIC AND ITS POTENTIAL IMPACTS
ON OUR FINANCIAL RESULTS UNTIL JULY 2020**

**Etisalat's financial and corporate
information in one click**

Introducing Etisalat Investor Relations App



ETISALAT GROUP INVESTOR RELATIONS

Email: ir@etisalat.ae

Website: www.etisalat.com/en/ir/index.jspr