

Q1 2022 Results Presentation

26 April 2022



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Business Overview

Hatem Dowidar
Group Chief Executive Officer



Q1 2022 Financial Highlights

		Q1'22	Q1'21	Y/Y%	Constant Currency Y/Y%
Revenue growth momentum continued in Q1'22 on higher demand for digital and data services	Revenue (AED m)	13,331	13,220	+0.8%	+3.5%
EBITDA growth supported by higher revenue and effective cost management	EBITDA (AED m)	6,801	6,765	+0.5%	+2.8%
Maintained robust EBITDA margin despite changes in the revenue mix	EBITDA Margin %	51.0%	51.2%	-0.2 p.p.	-0.2 p.p.
Strong improvement in net profit attributed to higher operating profit, lower depreciation and minority interest	Net Profit (AED m)	2,434	2,350	+3.6%	
Steady net profit margin	Net Profit Margin (%)	18.3%	17.8%	+0.5 p.p.	
Higher capital spending to support traffic growth on our networks while expanding coverage and capacity	Capex ⁽¹⁾ (AED m)	1,346	1,078	+24.8%	
Strong free cash flow generation supporting Group's investments and healthy balance sheet	FCF ⁽¹⁾ (AED m)	5,455	5,687	-4.1%	

Q1 2022: Key developments & operational highlights

Group

- Named the **world's strongest telecom brand**, the first in the Middle East to achieve this global recognition by Brand Finance
- Revealed **new operating model** focused on five business verticals, supported by common Group functions
- Announced **strategic transactions**:
 - Discussion with Mobily's Board Re stake increase
 - Partnership to launch new digital banking platform "Wio"
 - e&'s E-Vision in discussion Re controlling stake in STARZPLAY ARABIA
- **Results in line** with our expectation toward delivering on the **full-year guidance**

Telecom UAE

- Continued **positive** subscriber development
- Strong start to the year with **positive momentum** in revenue and EBITDA
- Disciplined capex and EBITDA increase driving **strong FCF generation**
- **Ongoing transformation** to strengthen our **core business** and commercialize our unique assets
- Growing digital adjacencies by **acquiring elGrocer**, online marketplace for groceries complementing Smiles App

Telecom International

- **FX impacted performance** in reported currency, though **strong growth in constant rates**
- **Maroc Telecom Group** still pressured by unfavourable **regulatory and competitive** environments
- **Etisalat Misr's strong execution** driving solid **operational and financial** performance
- **PTCL Group** maintained **topline growth** momentum in local currency attributed to **Fixed and Mobile data** by closing the quality gap after spectrum acquisition

Financial Overview

Karim Bennis

Group Chief Financial Officer

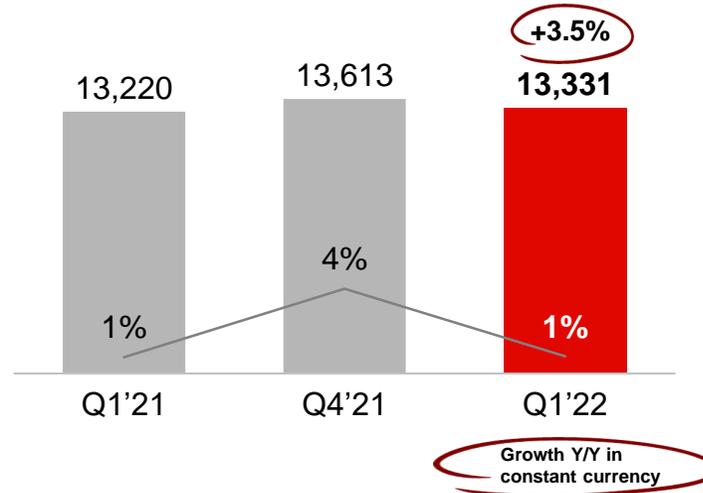


Strong revenue growth despite currency headwinds

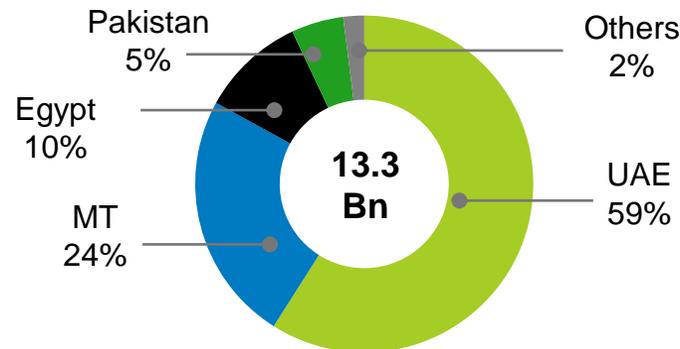
- Robust revenue growth attributed to strong contribution from UAE and Egypt operations
- Continued strong improvements in UAE mainly attributed to growth in mobile and digital services
- Revenue growth in MT Group pressured by mobile segment in Morocco and MTR cuts in few subsidiaries of Moov Africa
- Etisalat Misr growing double-digit fueled by data revenue and voice revenue
- PTCL Group impacted by currency devaluation; delivered strong revenue growth in local currency across all segments

Group Revenue

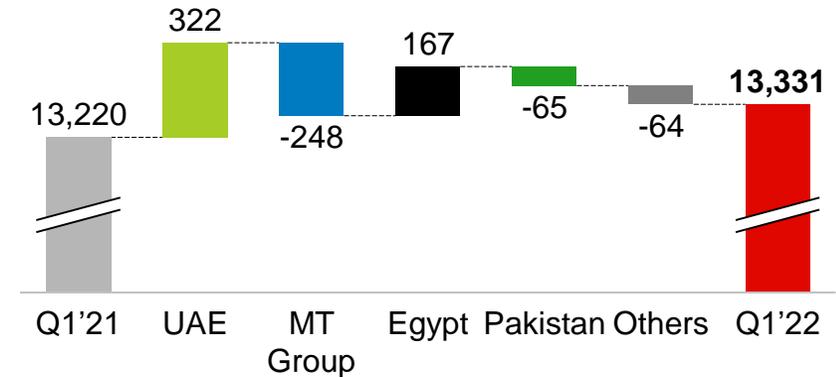
Revenue Growth (AED m) & YoY Growth (%)



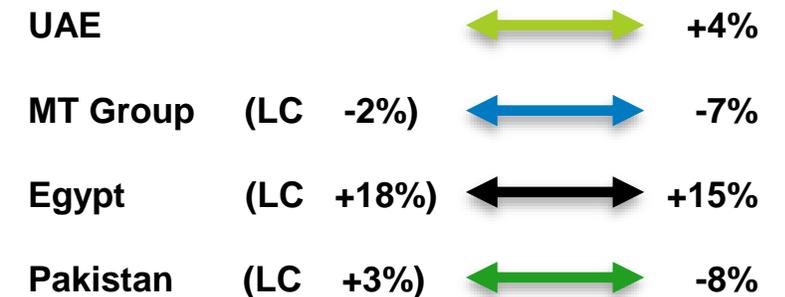
Revenue Breakdown (Q1 2022)



Sources of Revenue Growth (AED m) Q1 2022 vs Q1 2021



Revenue Growth by Market (Q1 2022)

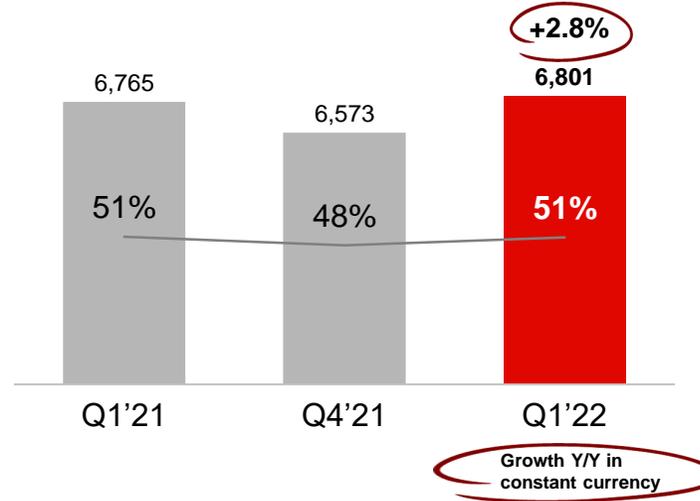


Sustained strong EBITDA growth and margins

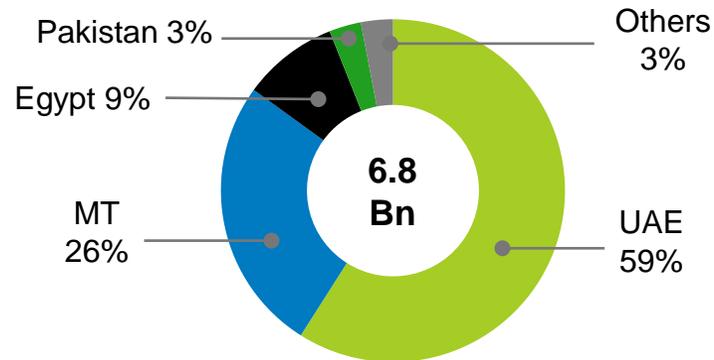
- EBITDA in constant currency increased Y/Y by 2.8%
- EBITDA margin is stable at 51%
- EBITDA growth in the UAE supported by higher revenue
- Maroc Telecom EBITDA impacted by domestic operation while Moov Africa delivered growth
- Strong EBITDA growth in Etisalat Misr due to robust revenue growth
- EBITDA contribution from Pakistan impacted by inflation and energy costs

Group EBITDA

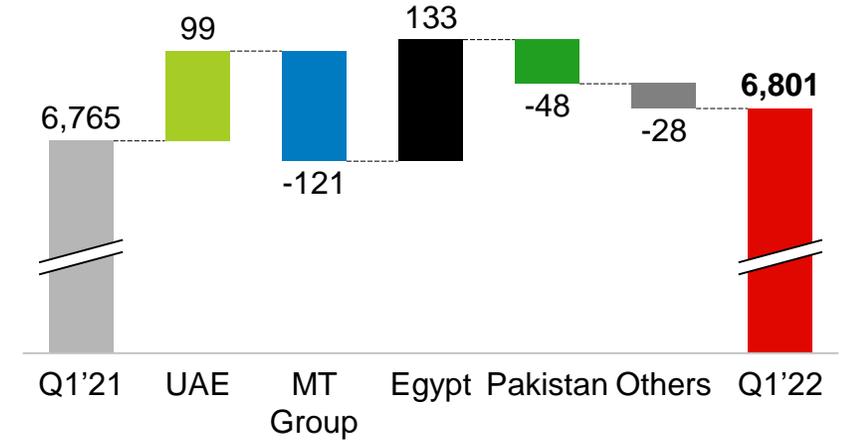
EBITDA Growth (AED m) & Margin (%)



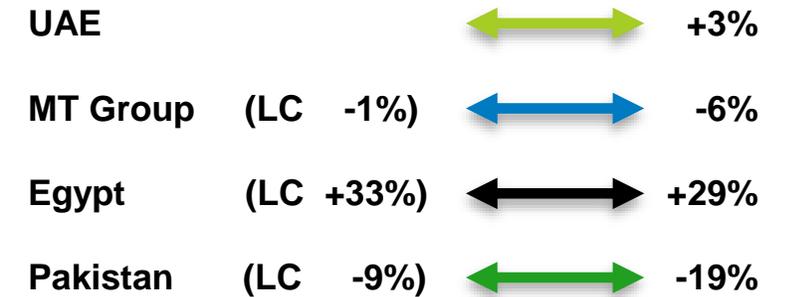
EBITDA Breakdown (Q1 2022)



Sources of EBITDA Growth (AED m) Q1 2022 vs Q1 2021



EBITDA Growth by Market (Q1 2022)

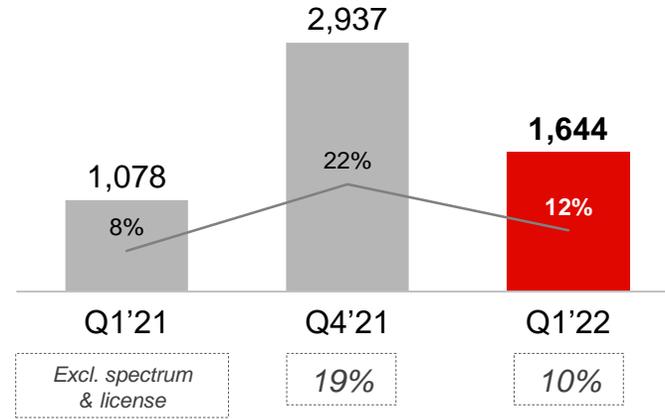


Disciplined approach to capex

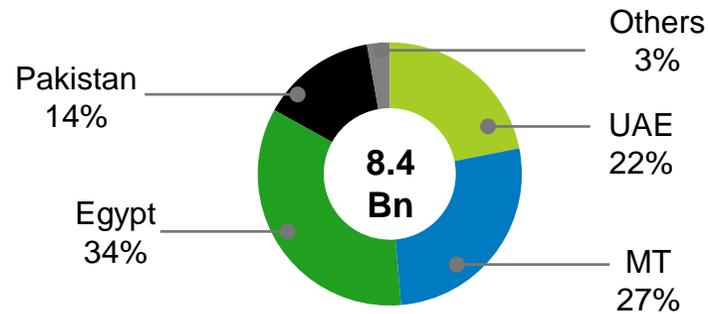
- Consolidated capex excluding spectrum costs increased Y/Y by 25%, resulting in intensity ratio of 10%
- Lower capital spend in the UAE focused on **capacity** and **network enhancement**
- MT Group higher capex spend focused on fibre and network expansion
- Higher capex spend in Egypt focused on spectrum and network coverage
- PTCL Group higher capex spend attributed to expansion of mobile network and fibre

Group CAPEX

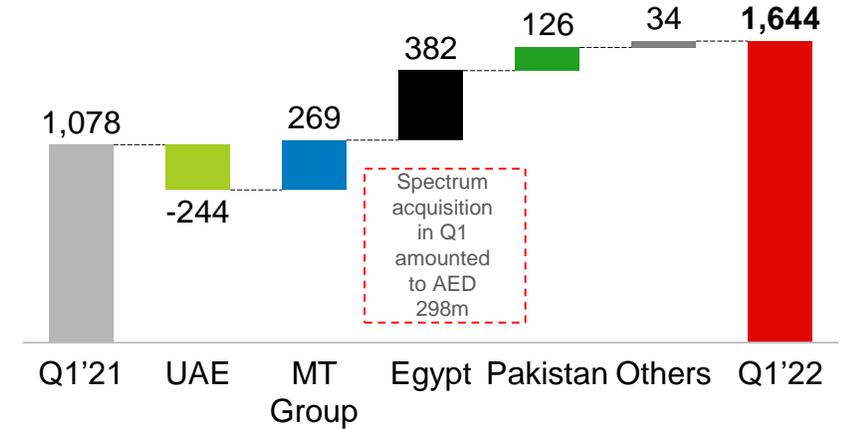
CAPEX (AED m) & Intensity Ratio (%)



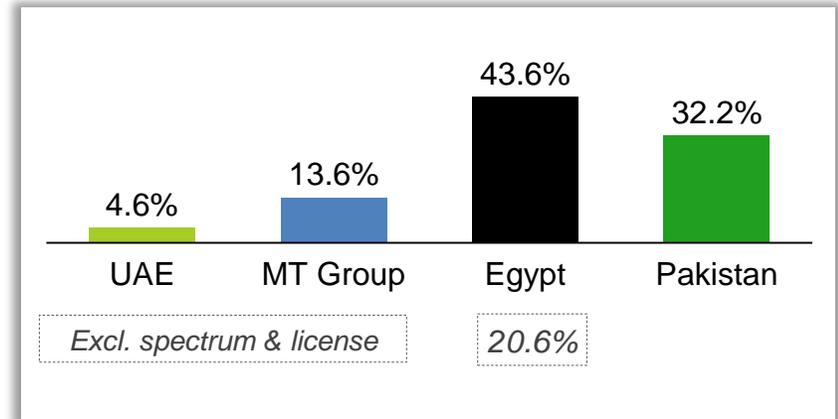
CAPEX Breakdown (Q1 2022)



Sources of CAPEX Growth (AED m) Q1 2022 vs Q1 2021



CAPEX Intensity Ratios (%) Key Operations (Q1 2022)



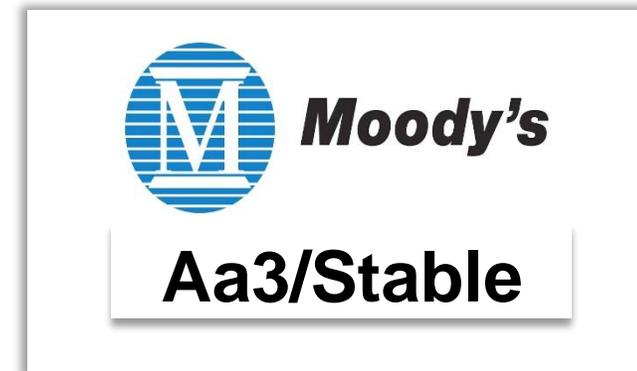
Solid balance sheet & strong cash generation

- Maintained **strong liquidity** position of AED 29.2 billion
- **Net cash position** of AED 4.9 billion
- **Strong operating cash flow**
- Higher investing cash outflow attributed to financial investments
- Slightly higher financing cash outflow, mainly attributed to repayment of borrowing and other finance costs

Group Balance Sheet and Cash Flow

Balance Sheet (AED m)	Dec-21	Mar-22	Cash Flow (AED m)	Mar-21	Mar-22
Cash & Bank Balances	28,575	29,184	Operating	3,925	6,100
Total Assets	128,197	129,521	Investing	(729)	(3,875)
Total Debt	25,732	24,244	Financing	(1,222)	(1,479)
Net Cash / (Debt)	2,843	4,940	Net change in cash	1,974	746
Total Equity	57,564	58,457	Effect of FX rate changes	184	(107)
			Others	27	(31)
			Ending cash balance	33,530	29,184

Investment Grade Credit Ratings

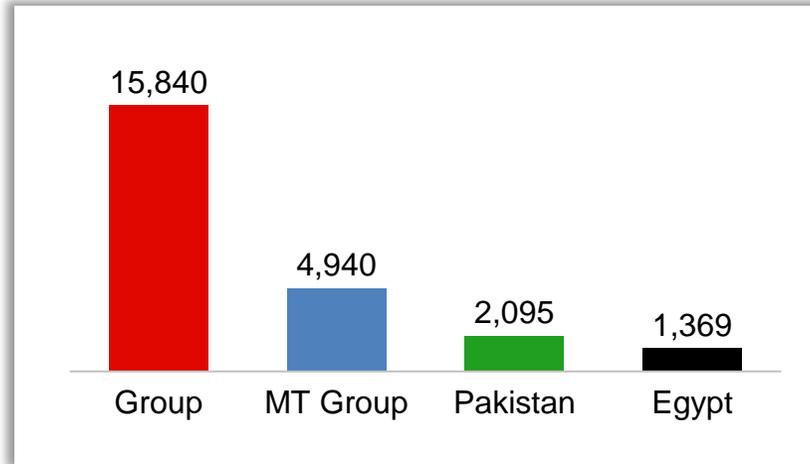


Diversified and efficient debt profile

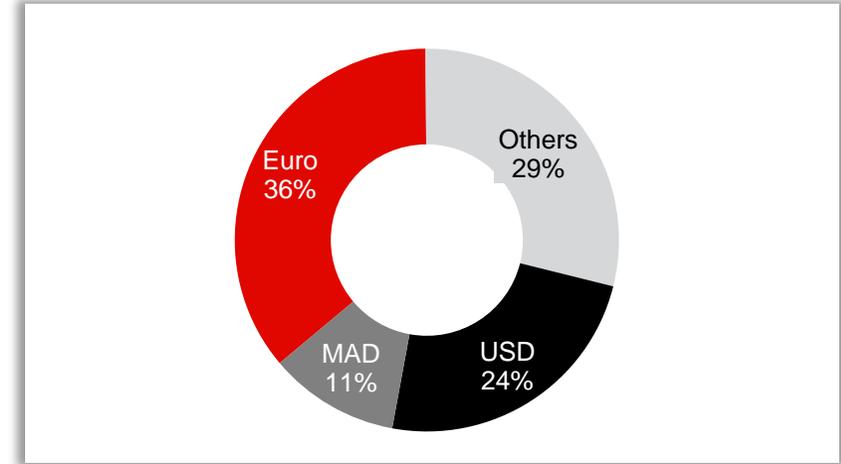
- **Optimised** borrowing costs and debt profile
- 65% of debt is at Group level
- Bonds represent 44% of total debt
- 72% of debt is due beyond two years

Group Debt

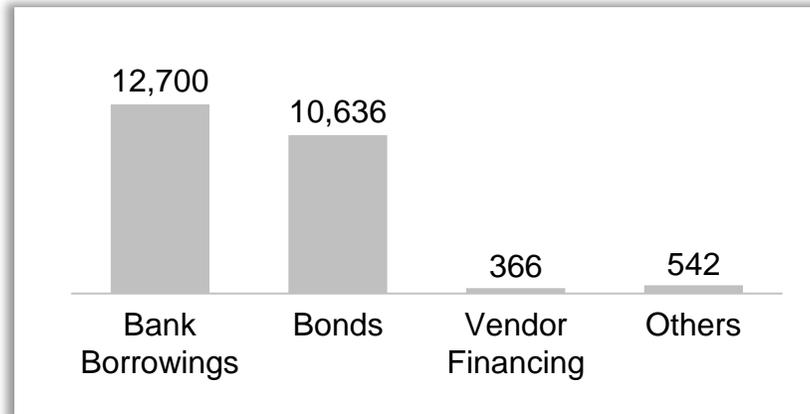
Borrowings by Operations (AED m)



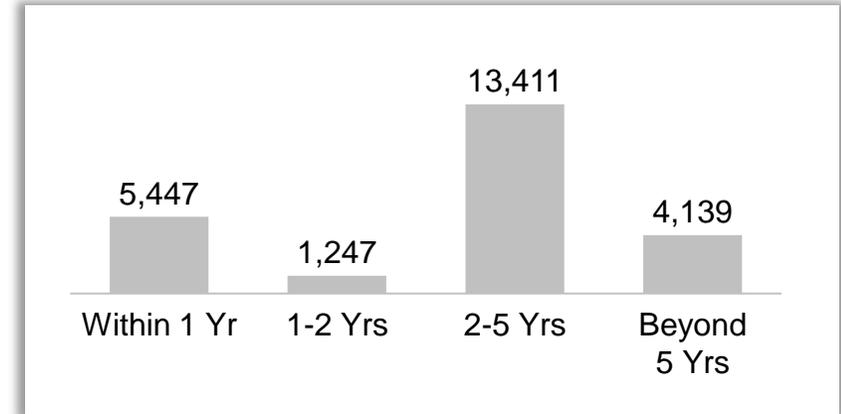
Borrowings by Currency (%)



Debt by Source (AED m)



Repayment Schedule (AED m)



Financial Highlights

Country Performance

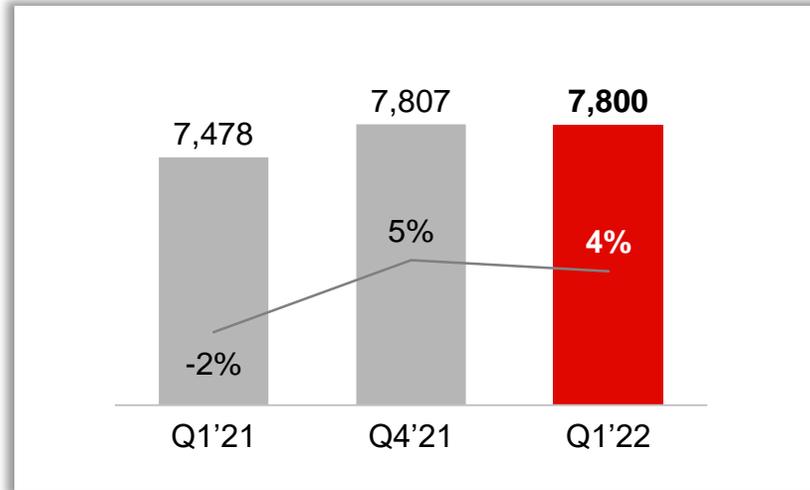


Steady revenue growth with strong profitability

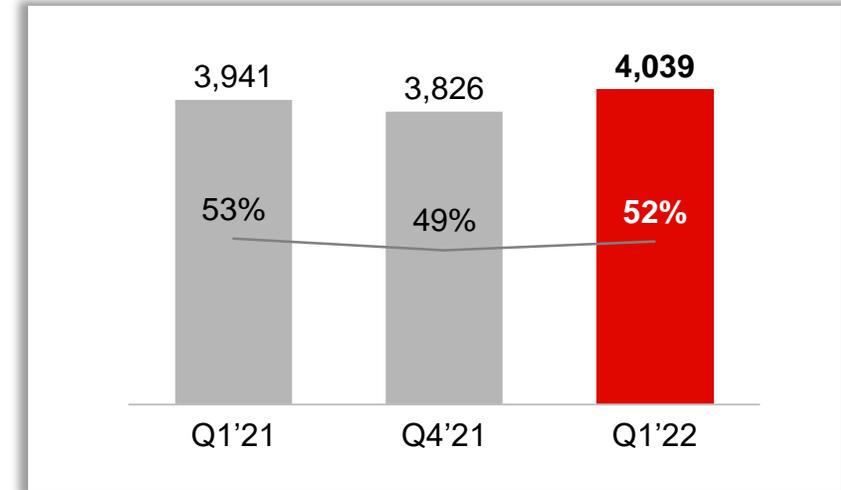
- Revenue growth supported by growth in mobile, fixed data and digital services
- EBITDA growth in absolute terms supported by higher revenue
- EBITDA margin stable** at 52% despite changes in revenue mix and increase in operating activities
- Delivered **strong net profit** of AED 1.9 billion and margin of 25%
- Lower **CAPEX spending** focused on network enhancement

Etisalat UAE

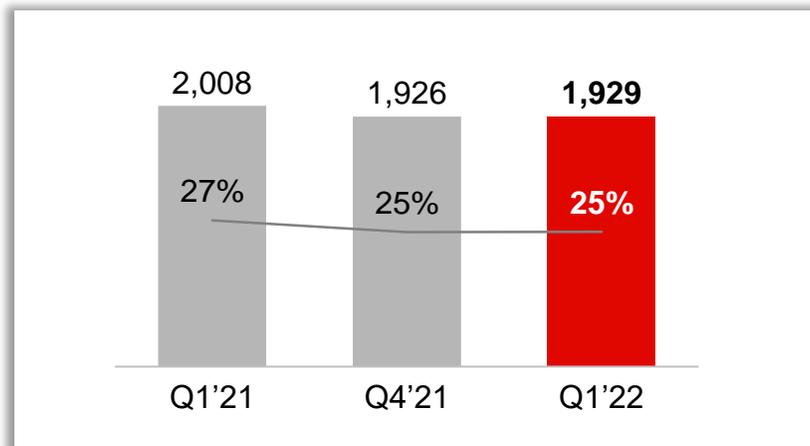
Revenue (AED m) and YoY Growth (%)



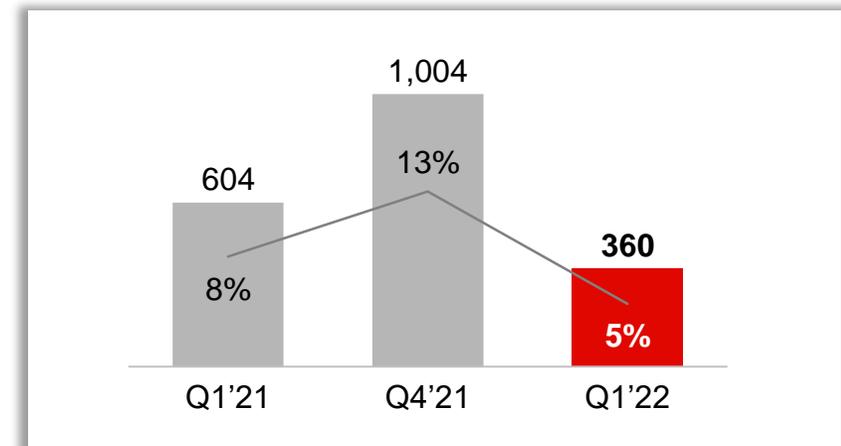
EBITDA (AED m) and EBITDA Margin (%)



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



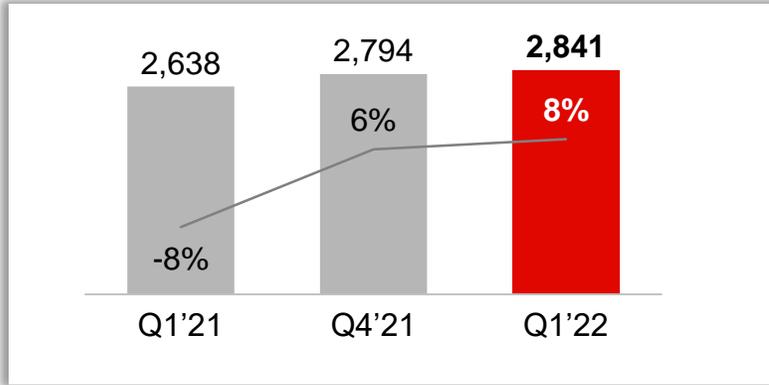
CAPEX (AED m) & CAPEX / Revenue (%)



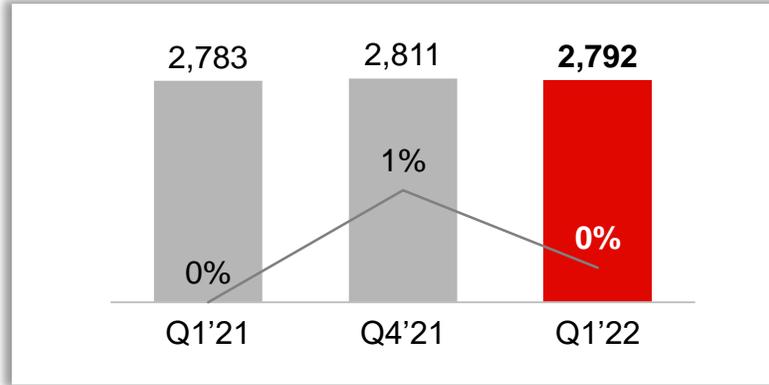
UAE Breakdown & Key KPIs: Strong revenue and subscriber gains



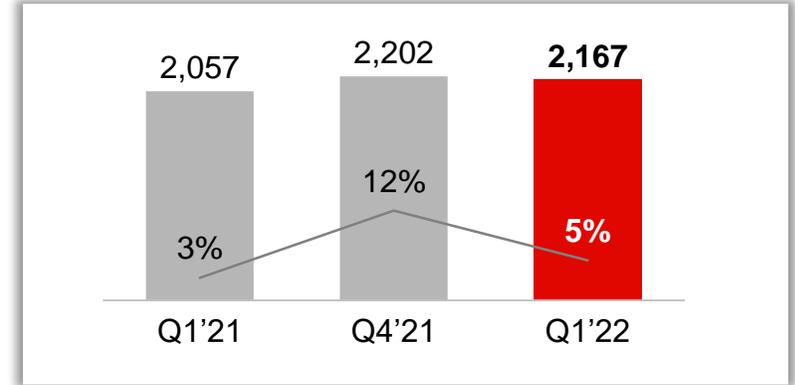
Mobile Revenue⁽¹⁾ (AED m) & YoY Growth (%)



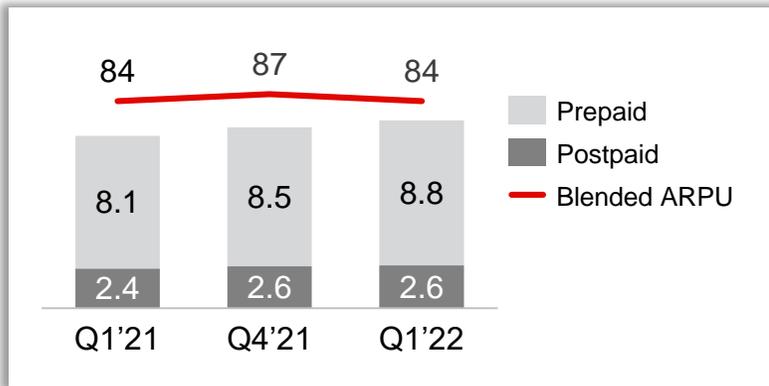
Fixed Revenue⁽²⁾ (AED m) & YoY Growth (%)



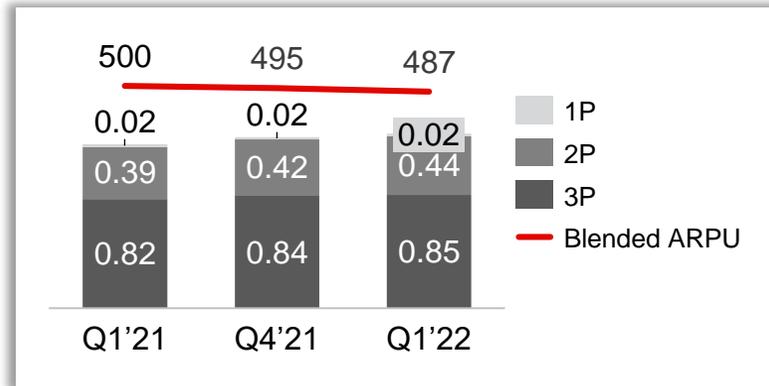
Other Revenue⁽³⁾ (AED m) & YoY Growth (%)



Mobile Subs⁽⁴⁾ (m) and ARPU⁽⁵⁾ (AED)



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



- Continued recovery in Mobile revenue with growth in data and digital services
- Strong subscribers growth with Mobile subscribers and Fixed Broadband subscribers up by +9% and +6% 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.

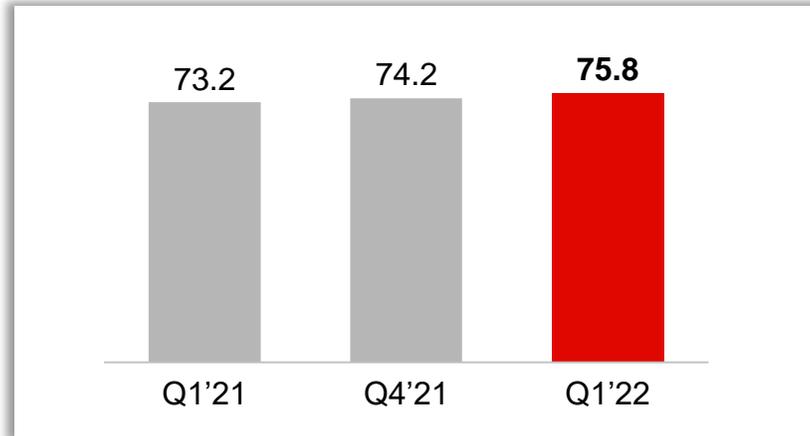
Maintaining exceptional EBITDA margin despite top line pressure

- Subscriber growth is driven by domestic and international operations
- MT Group's domestic market revenue is under regulatory and competitive pressure while Moov Africa is **growing** in constant currency due to growth in mobile data
- Stable **EBITDA margin** supported by growth in EBITDA of Moov Africa and cost control measures
- Higher capital expenditure due to **investing in FTTH, networks coverage and capacity** to support the increase in data traffic

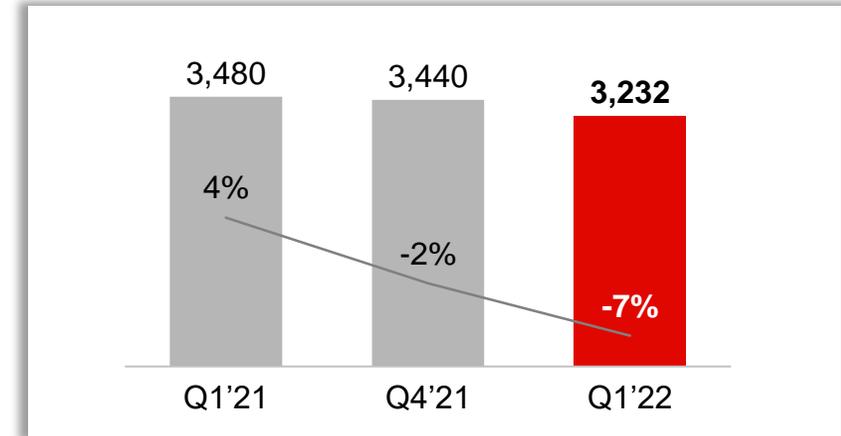
Maroc Telecom Group⁽¹⁾



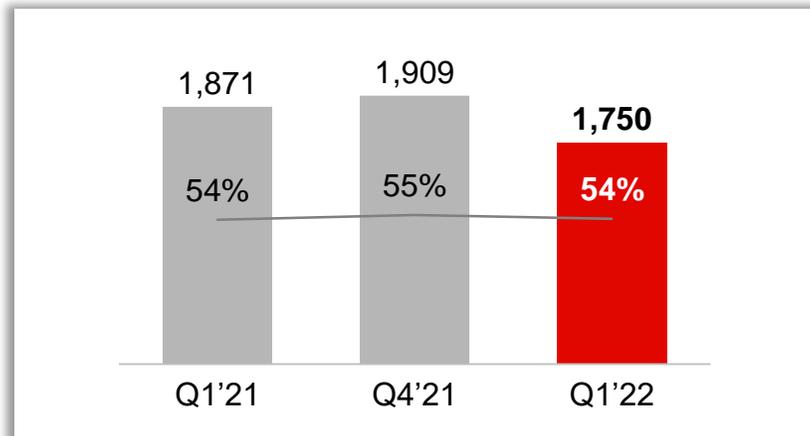
Subscribers (m)



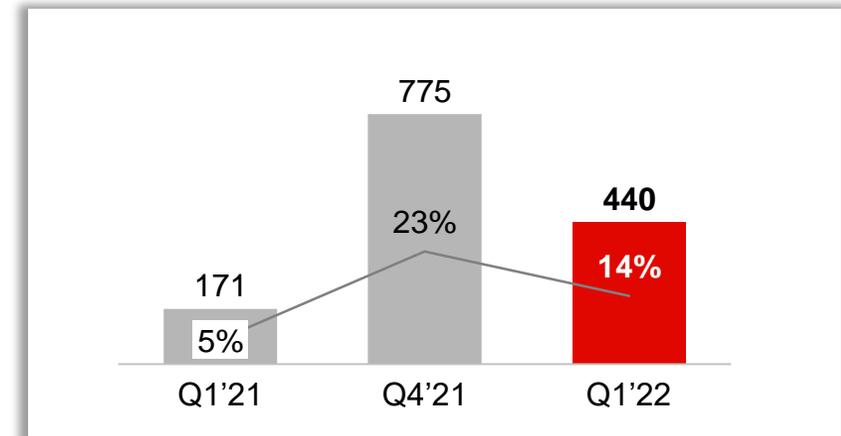
Revenue (AED m) and YoY Growth (%)



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

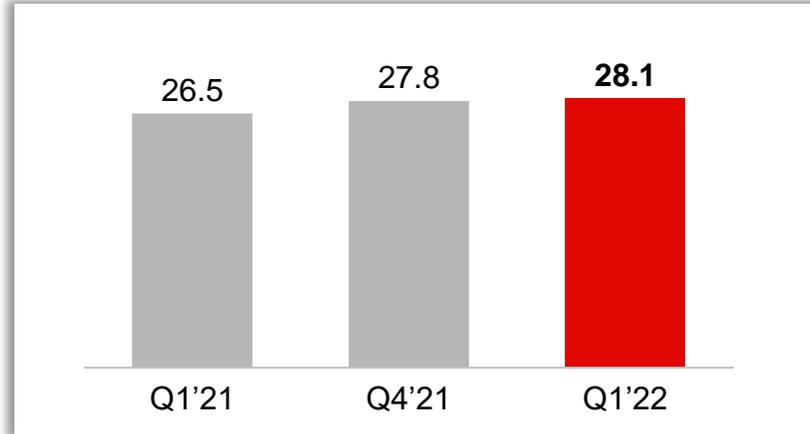
Sustaining double digit growth in revenue and profitability

- Maintained subscriber growth
- Demand for connectivity drives revenue growth; in constant currency, revenue increased 18.2%
- Strong EBITDA growth supported by higher revenue and improvement in cost
- Capital spending focused on expanding network coverage and spectrum

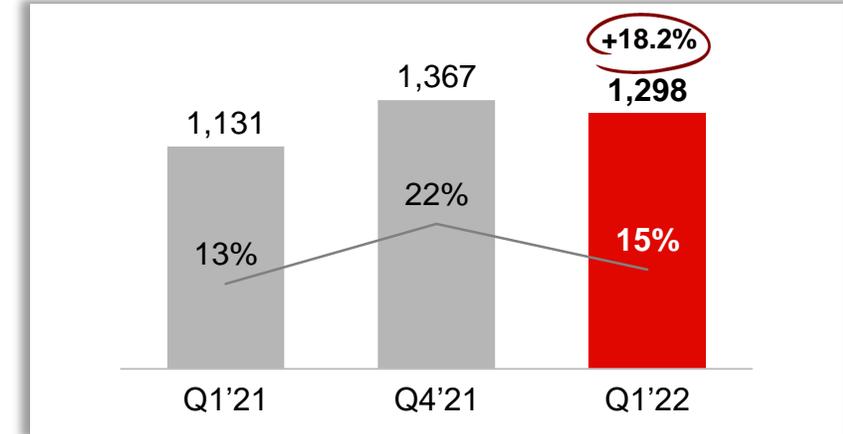
Etisalat Misr



Subscribers (m)

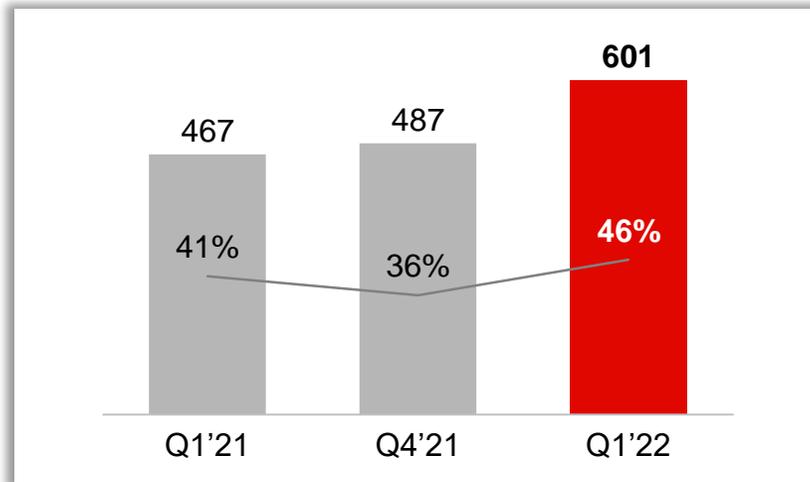


Revenue (AED m) and YoY Growth (%)

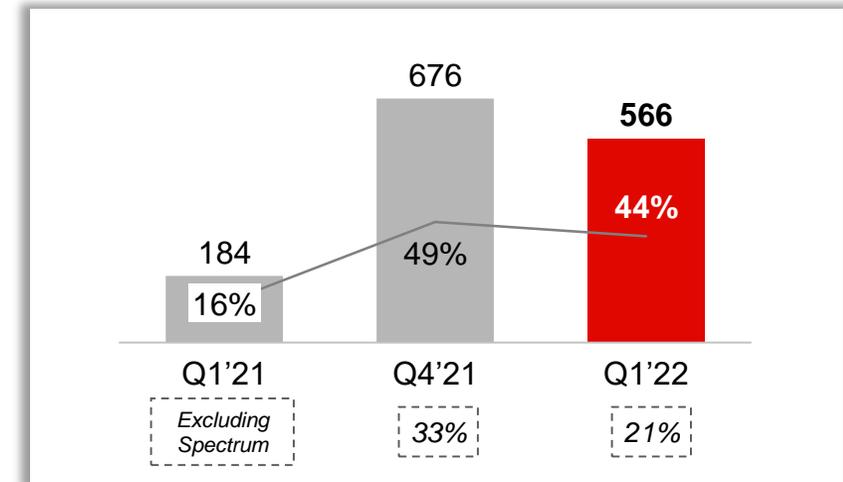


Growth Y/Y in constant currency

EBITDA (AED m) and EBITDA Margin (%)



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



Excluding Spectrum

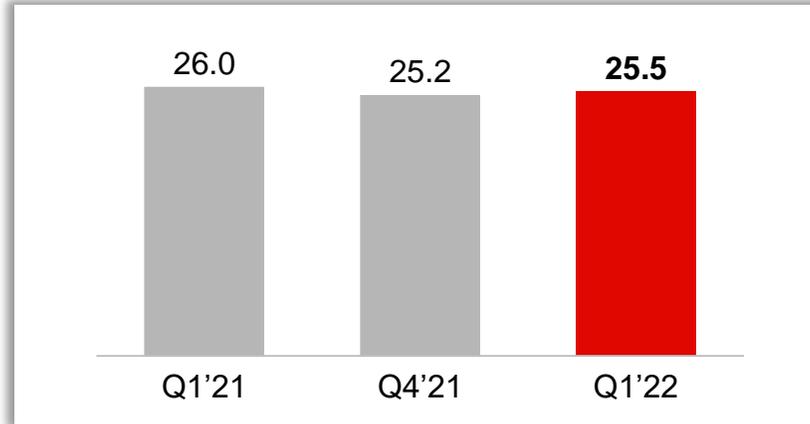
Strong growth in local currency contributed by all business segments

- **Growth** in fixed broadband and 4G data subscribers
- **Revenue growth** in LC driven by data in mobile and fixed; in addition to growth in Ubank segment
- **EBITDA** impacted by currency devaluation, inflationary pressure and increase in energy costs; Margin remained stable Q/Q
- Higher capital spending mainly attributed to expansion of fixed network

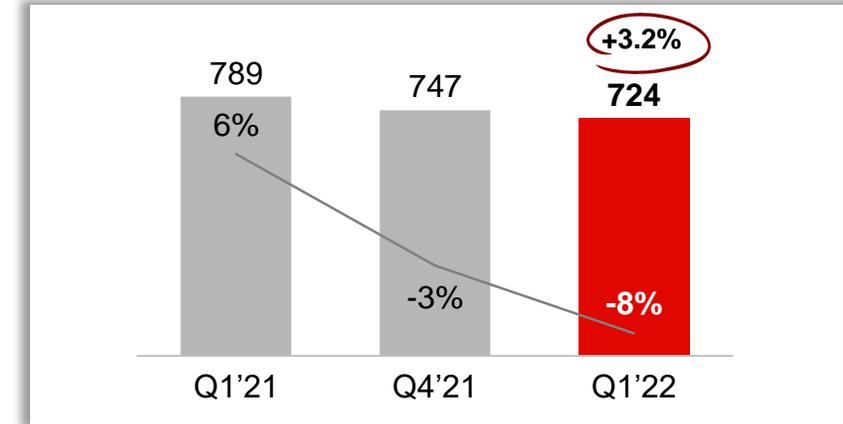
PTCL Group



Subscribers (m)

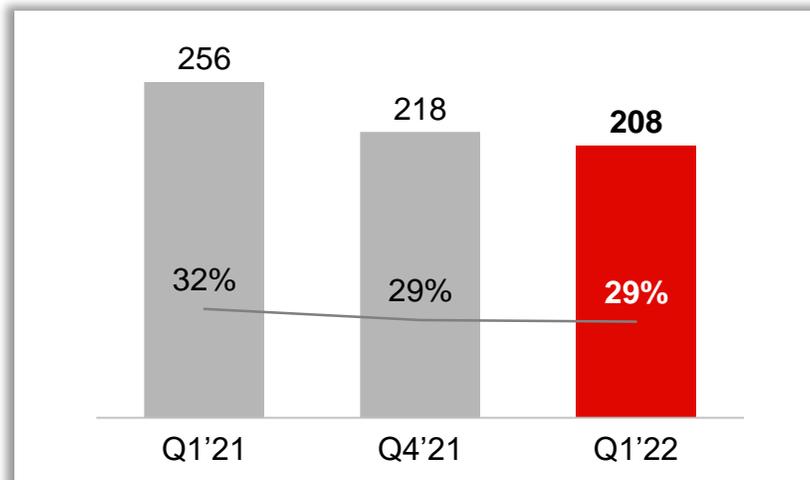


Revenue (AED m) and YoY Growth (%)

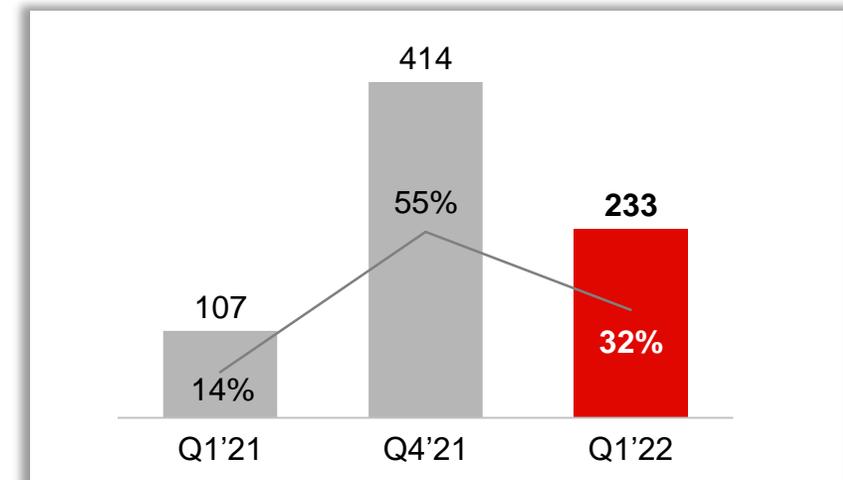


Growth Y/Y in constant currency

EBITDA (AED m) and EBITDA Margin (%)



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



Financial Highlights Q1 2022: Improved revenue and profitability and sustaining strong cash flow

Revenue

AED Billion

13.3

YOY Growth

↑ +0.8% **+3.5%**

EBITDA

AED Billion

6.8

YOY Growth

↑ +0.5% **+2.8%**

Net Profit

AED Billion

2.4

YOY Growth

↑ +3.6%

CAPEX⁽¹⁾

AED Billion

1.3

YOY Growth

↑ **+24.8%**

Free Cash Flow⁽²⁾

AED Billion

5.5

YOY Growth

FCF% **40.9%**
↓ **-4.1%**

EBITDA Margin

51.0%

YOY Growth

↓ **-0.2pt**

NP Margin

18.3%

YOY Growth

↑ **+0.5pt**

CAPEX Intensity⁽¹⁾

10.1%

YOY Growth

↑ **+1.9pt**

Growth Y/Y in
constant currency

2022 Guidance: Firmly on track to meet 2022 financial guidance

Financial KPI	Guidance FY 2022	Actual 3M 2022
Revenue Growth %	Low single digit growth	+0.8%
EBITDA Margin %	~49%	51.0%
EPS (AED)	~1.08	0.28
CAPEX / Revenue %	16.5%-17.5%	12.3%

we are&