

Q1 2023 Results Presentation

3 May 2023



Emirates Telecommunications Group Company PJSC (“e&” or the “Company”) and its subsidiaries have prepared this presentation (“Presentation”) in good faith, however, no warranty or representation, express or implied is made as to the adequacy, correctness, completeness or accuracy of any numbers, statements, opinions or estimates, or other information contained in this Presentation.

The information contained in this Presentation is an overview, and should not be considered as the giving of investment advice by the Company or any of its shareholders, directors, officers, agents, employees or advisers. Each party to whom this Presentation is made available must make its own independent assessment of the Company after making such investigations and taking such advice as may be deemed necessary.

Where this Presentation contains summaries of documents, those summaries should not be relied upon and the actual documentation must be referred to for its full effect.

This Presentation includes certain “forward-looking statements”. Such forward looking statements are not guarantees of future performance and involve risks of uncertainties. Actual results may differ materially from these forward looking statements.

		Q1'23	Q1'22	Y/Y%	Constant Currency Y/Y%
Maintained revenue growth in constant currency driven by strong performance in all our key markets	Revenue (AED m)	13,002	13,331	-2.5%	+6.6%
EBITDA impacted by unprecedented inflationary pressure during the quarter	EBITDA (AED m)	6,183	6,801	-9.1%	-2.5%
Inflationary pressures and changes in revenue mix resulted in lower EBITDA margin	EBITDA Margin (%)	48%	51%	-3.5%	
Net profit decline attributed to higher borrowing cost to fund investments and higher forex losses	Net Profit (AED m)	2,187	2,434	-10.2%	
Slight decline in net profit margin	Net Profit Margin (%)	16.8%	18.3%	-1.4%	
Disciplined capital spending as we continuously invest in building premium networks	CAPEX (AED m)	1,096	1,644	-33.3%	
Operating Free cashflow decreased due to lower EBITDA	FCF (AED m)	5,087	5,157	-1.4%	

Group

- e& increased its ownership in **Vodafone Group** to 14.6%
- e& signed a binding agreement to **acquire a majority stake of Careem's** super-app business
- e& was named **the most valuable portfolio of telecom brands in the MEA region** by the Brand Finance Global 500 2023 report
- FY2022 full year **dividend of 80 fils per share** approved at AGM on April 11th and paid on May 1st

etisalat by e&

- **Revenue and EBITDA** continue to witness **growth** in the UAE supported by ongoing improvement in business activities
- etisalat by e& retained its position as **the strongest telecom brand across** all categories in the MEA region and was ranked in the top three telecom brands globally
- **Strategic partnership** with **Microsoft** to **integrate Open AI's GPT** into e&'s products and services, amongst other collaborations
- Completed the acquisition of the online marketplace "ServiceMarket", in line with the Group's strategy to empower consumers and strengthen Smiles online marketplace presence

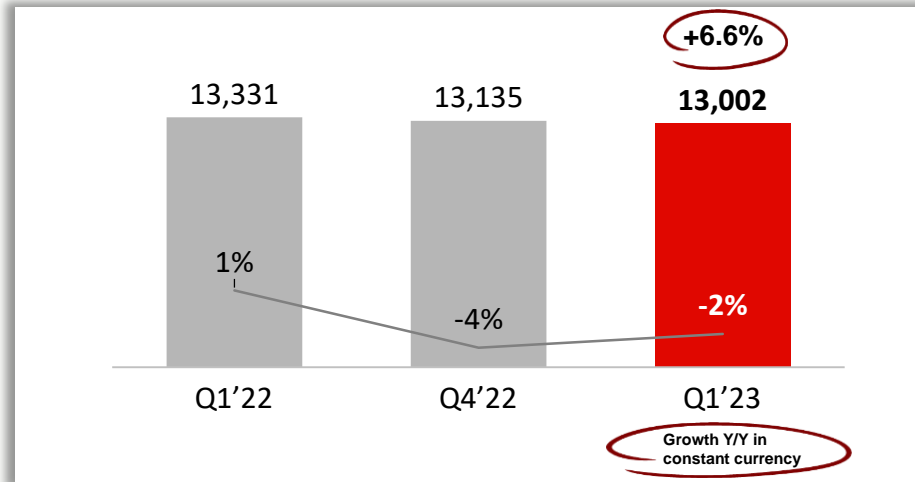
e& international

- **Delivered strong top-line growth** in constant currency across all key markets
- etisalat by e& Egypt delivered **double-digit revenue growth** in local currency due to sustained demand
- PTCL Group witnessed **strong growth** in local currency despite macroeconomic conditions
- **e& partner networks** developed to collaborate with telecom-operating companies in regional markets; **Tunisie Telecom** first company to join the programme

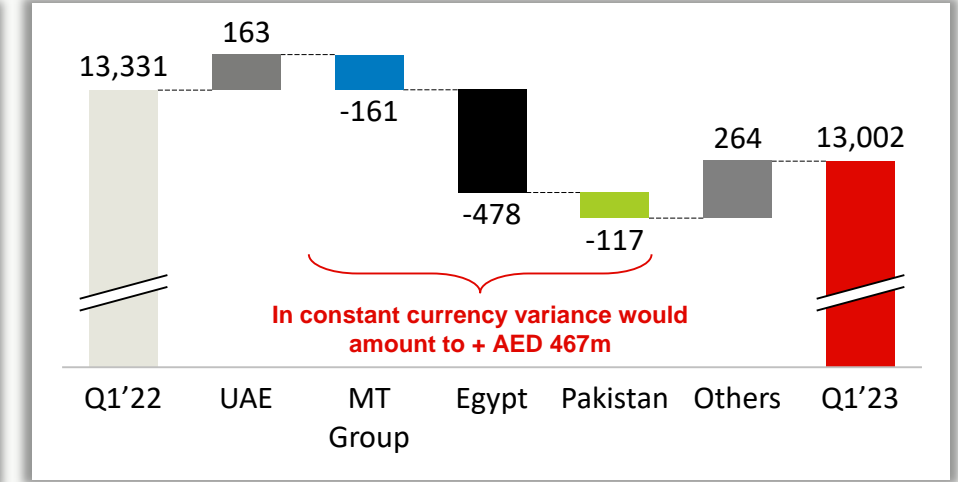
Solid revenue growth at constant currency

- Strong performance in UAE attributed to robust economic environment and population growth
- MT Group revenues increased in local currency due to strong performance of Moov Africa operations
- Double-digit growth in Egypt in local currency due to growth of data and voice revenue
- Strong revenue growth in local currency across all segments in PTCL Group

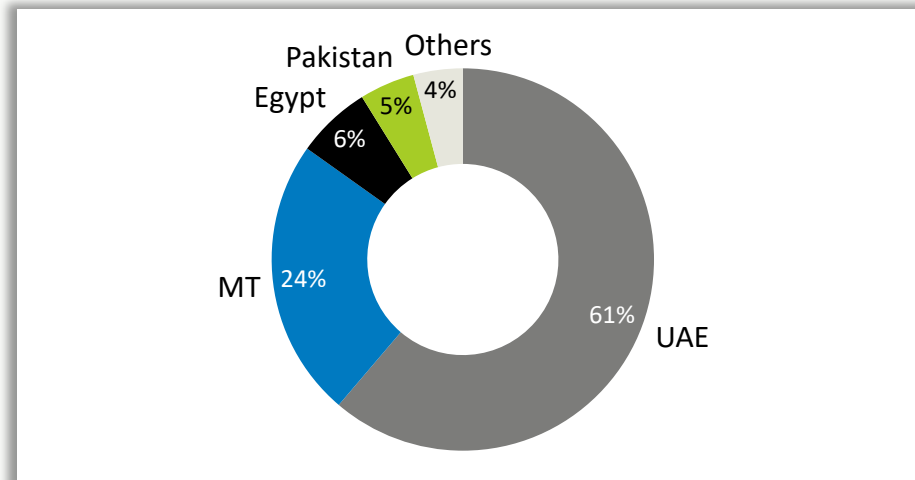
Revenue (AED m) & YoY Growth (%)



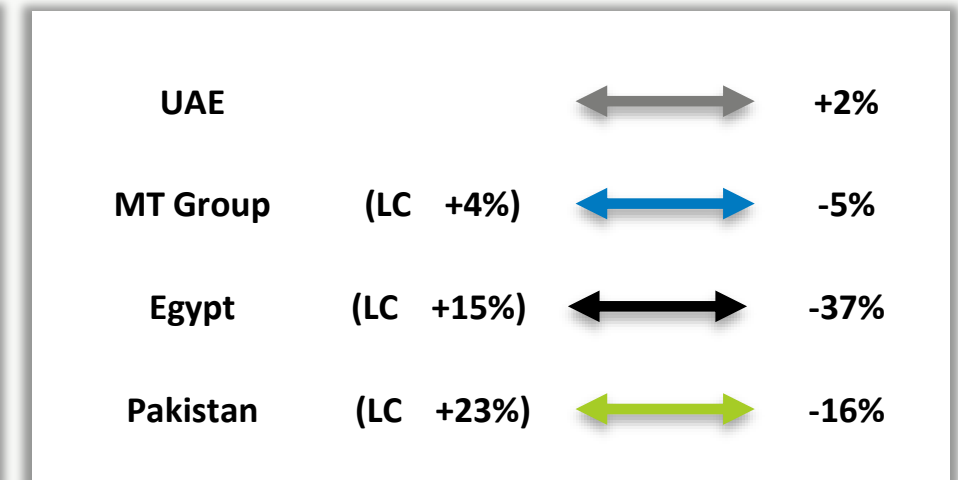
Sources of Revenue Variance (AED m)



Revenue Breakdown (Q1 2023)



Revenue Growth by OpCo (Q1 2023)

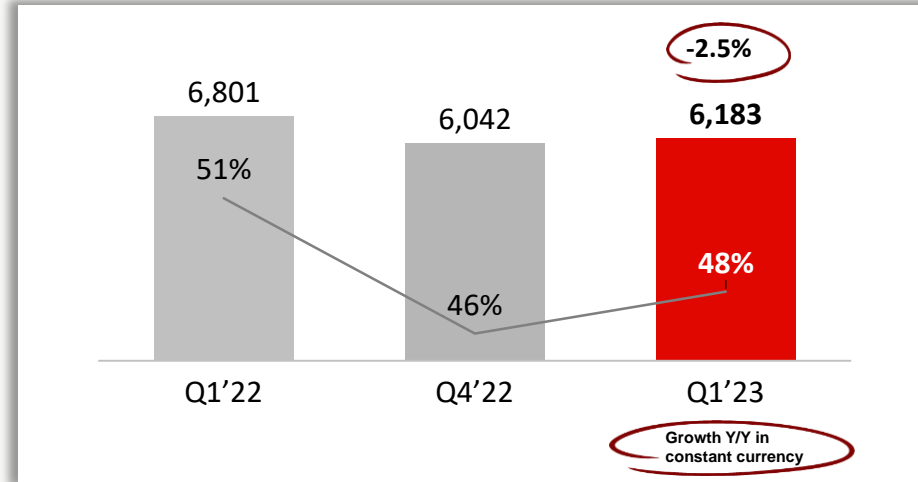


Group EBITDA

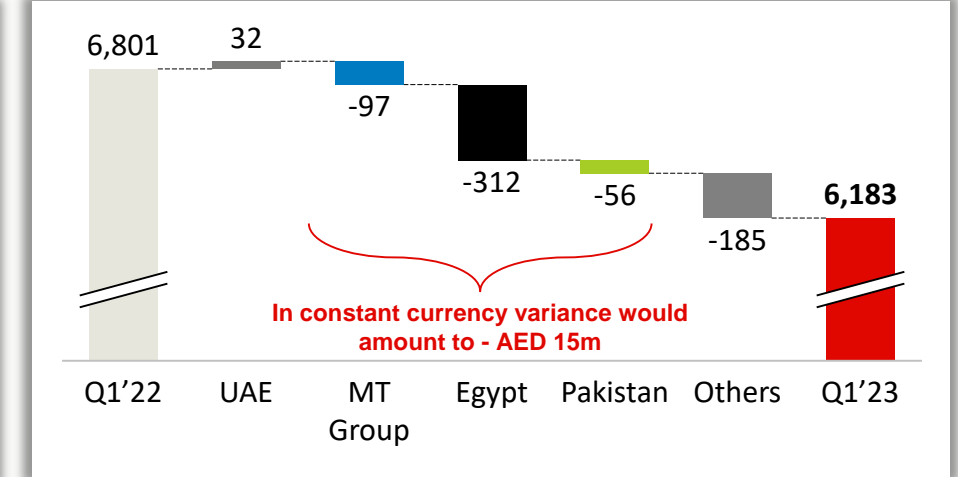
Inflation, currency and revenue mix impacting EBITDA

- EBITDA in constant currency decreased YoY by 2.5% due to inflationary pressure
- EBITDA margin impacted by inflationary pressure and changes in revenue mix
- EBITDA growth in the UAE supported by higher revenue
- Maroc Telecom's EBITDA grew in local currency supported by revenue
- Egypt EBITDA impacted by inflationary pressure and national roaming agreement
- Pakistan EBITDA grew in local currency due to higher revenue

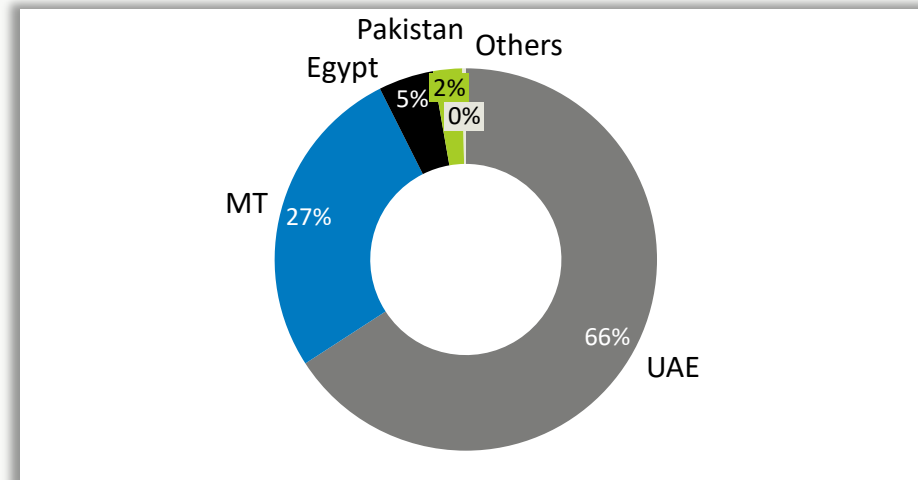
EBITDA (AED m) & Margin (%)



Sources of EBITDA Variance (AED m)



EBITDA Breakdown (Q1 2023)



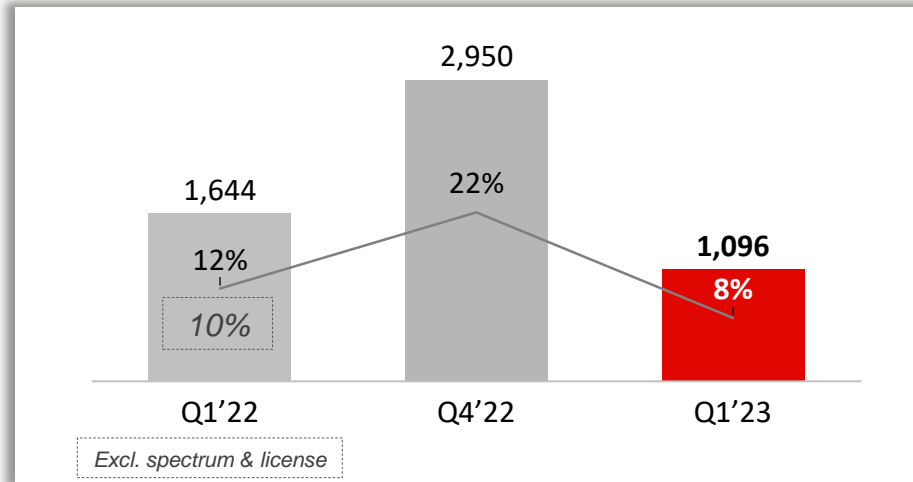
EBITDA Growth by OpCo (Q1 2023)

UAE		↔	+1%
MT Group	(LC +3%)	↔	-6%
Egypt	(LC -13%)	↔	-52%
Pakistan	(LC +8%)	↔	-27%

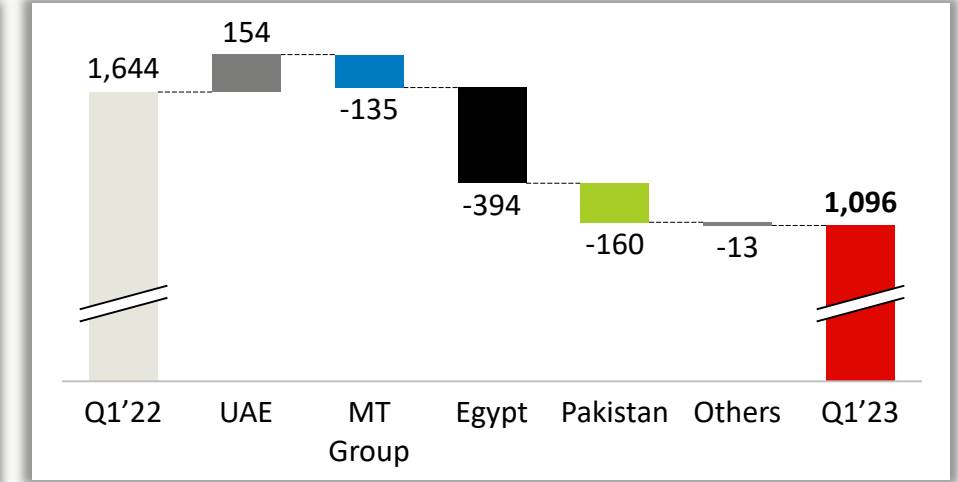
Disciplined while building premium networks

- Lower capital spend and capex intensity ratio
- Capital spend in the UAE focused on network modernisation and expansion of 5G network
- MT Group capex focused on FTTH and mobile network expansion across most markets
- Lower capital spend in Egypt impacted by PY spectrum costs; capex spend focused on network coverage
- Lower capex in PTCL Group focused on expansion of FTTH coverage

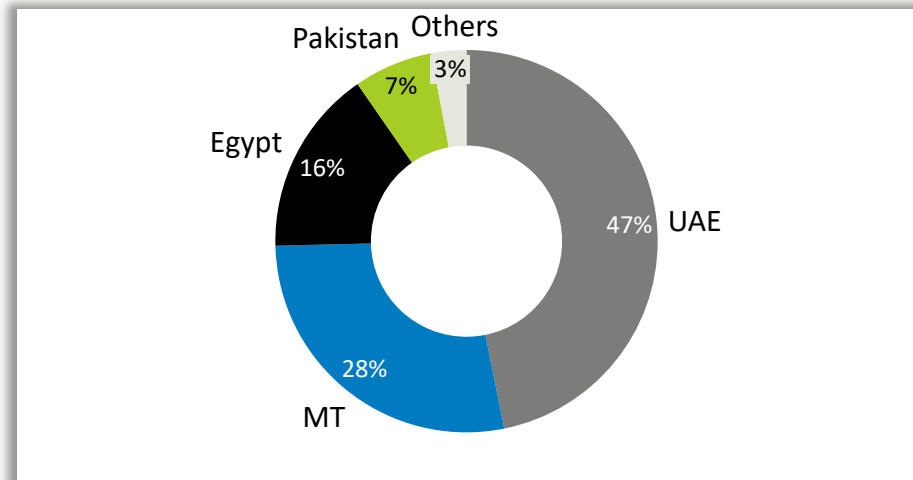
CAPEX (AED m) & Intensity Ratio (%)



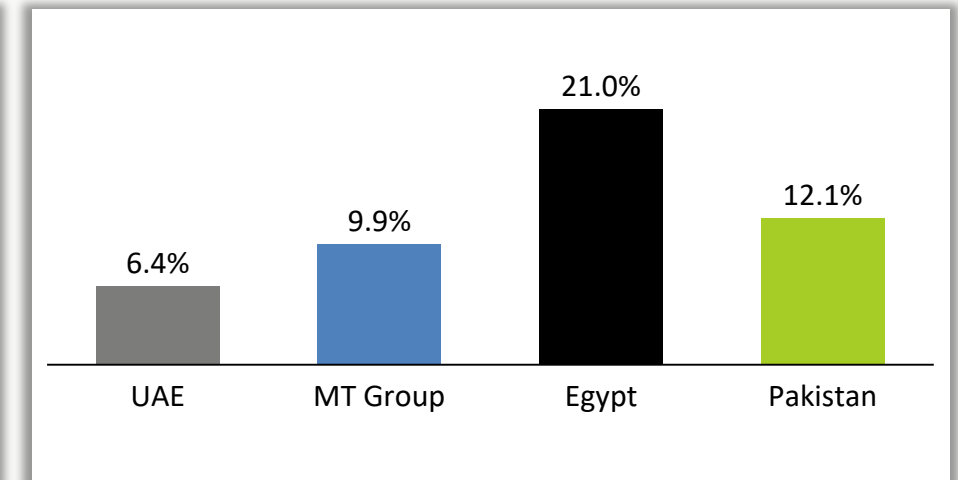
Sources of CAPEX Variance (AED m)



CAPEX Breakdown (Q1 2023)



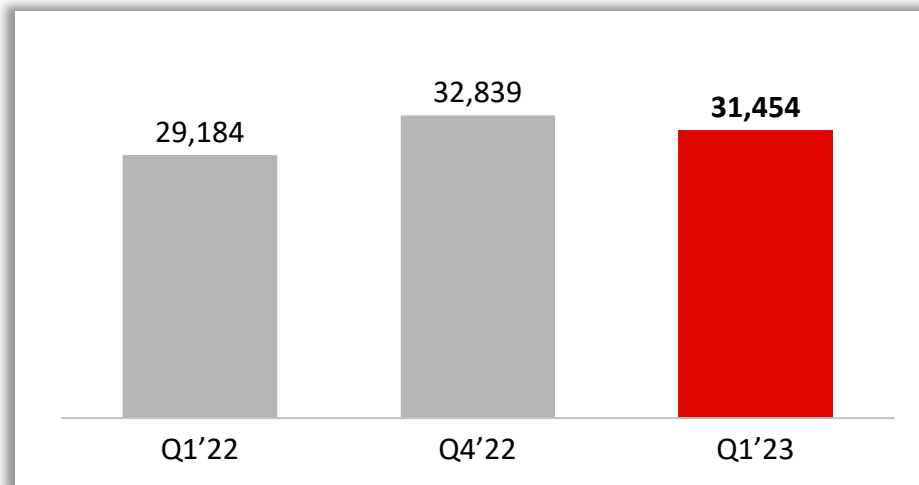
Q1 2023 Intensity Ratio by Key Operations (%)



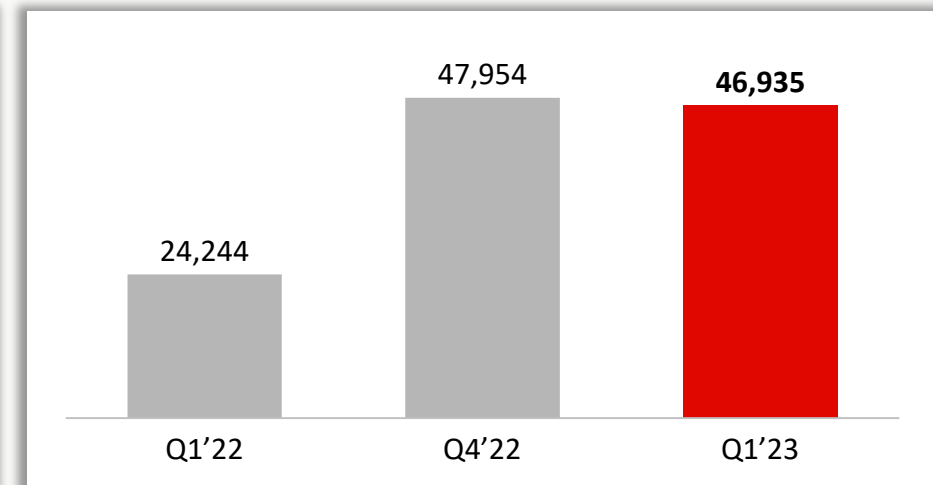
Strong balance sheet supporting Group growth potential

- Slight decline in cash balance vs. Q4'22 attributed to repayment of borrowings and softer working capital
- Slight decrease in debt balance since December 2022
- Maintained low leverage with Net Debt/EBITDA of 0.61x
- Maintaining high investment grade credit ratings

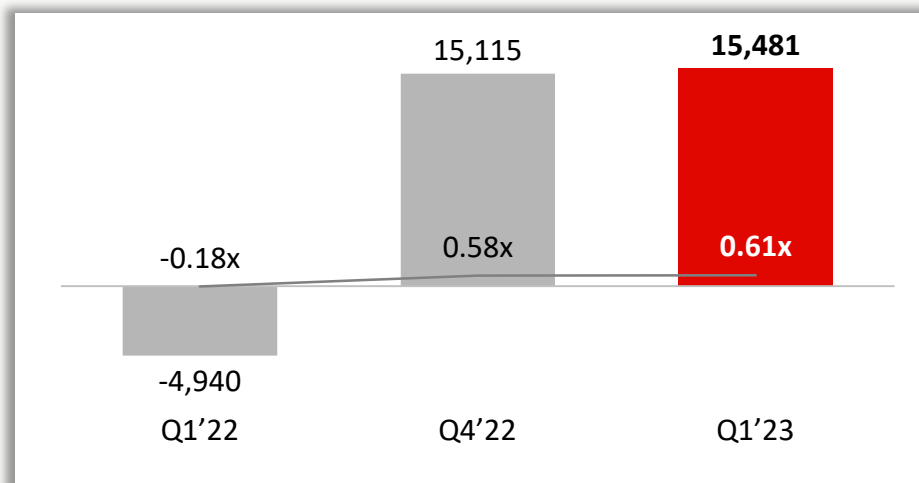
Cash & Cash Equivalents (AED m)



Total Debt (AED m)



Net Debt/(Cash) (AED m) & Net Debt/EBITDA (x)



Investment Grade Credit Ratings

S&P Global
Ratings

Rating: AA-
Outlook: Stable

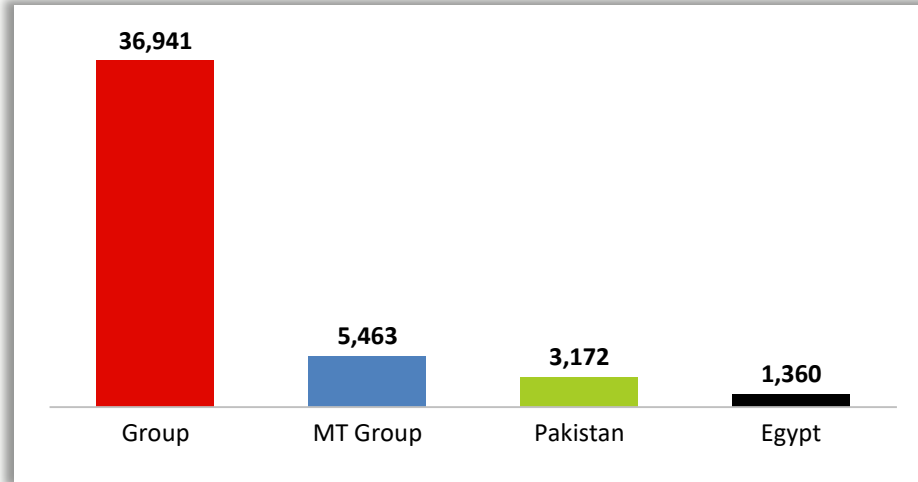
MOODY'S

Rating: Aa3
Outlook: Stable

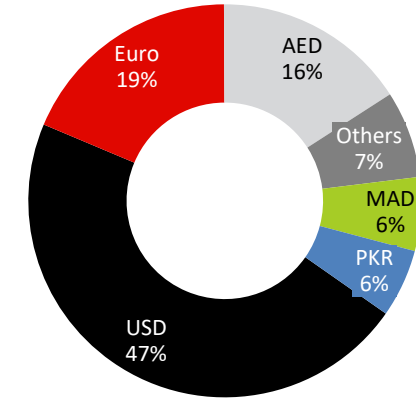
Diversified debt profile

- Total debt of AED 46.9 billion
- 79% of debt is at Group level, mostly in bank borrowings
- 63% of debt is in USD/AED
- Refinanced the bridge loan with a 3-year term loan
- Established and listed USD 5 billion sukuk programme

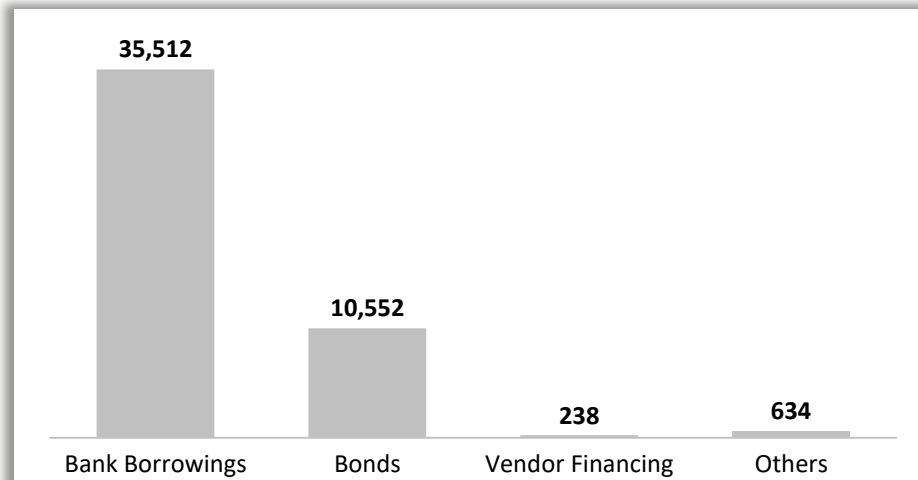
Borrowings by Operations (AED m)



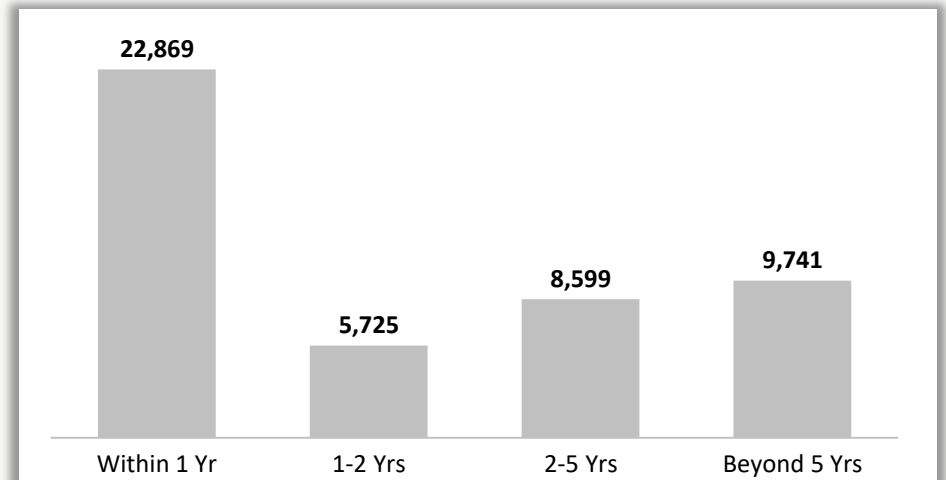
Borrowings by Currency (%)



Debt by Source (AED m)



Repayment Schedule (AED m)



Financial Highlights

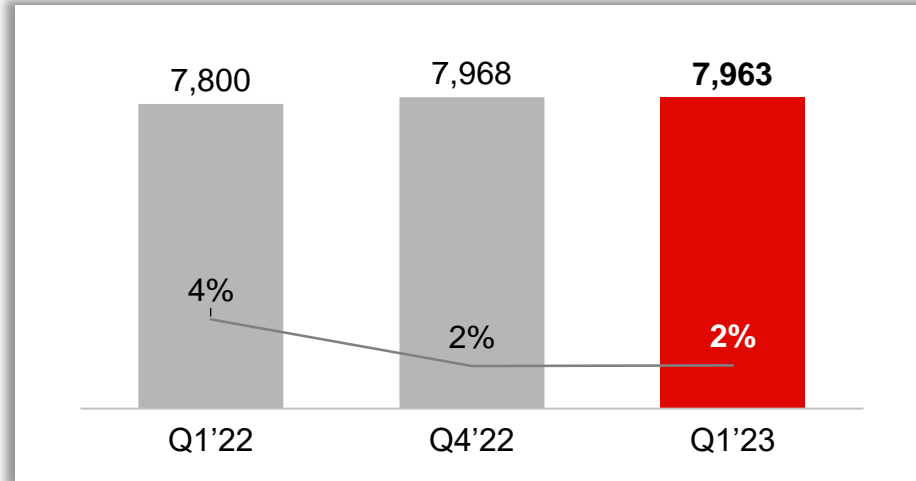
Country Performance



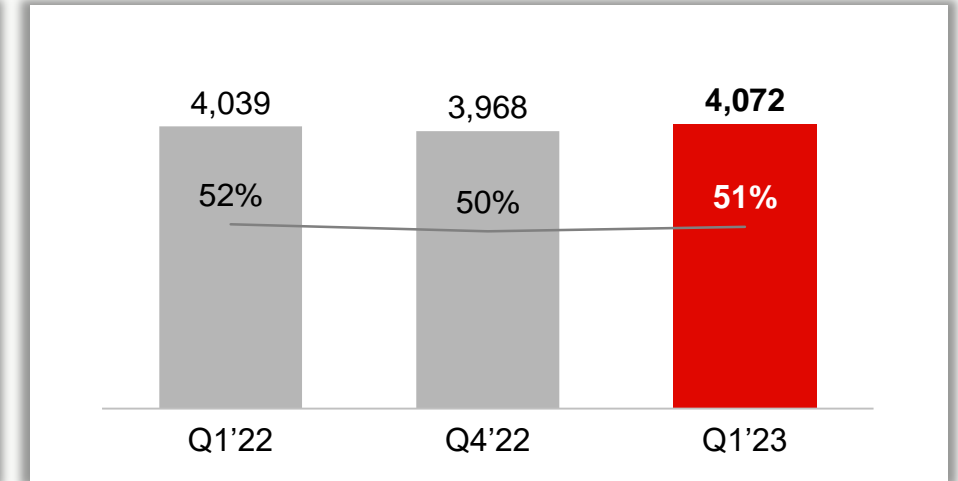
Steady revenue and profitability growth

- **Revenue growth** YoY despite the favourable impact of Expo Dubai on prior year results
- **EBITDA growth** driven by solid growth in revenue
- Maintained robust **EBITDA margin** at 51% level despite changes in revenue mix
- **Net profit growth** and margin improvement
- **Capital spending** focused on maintaining network quality

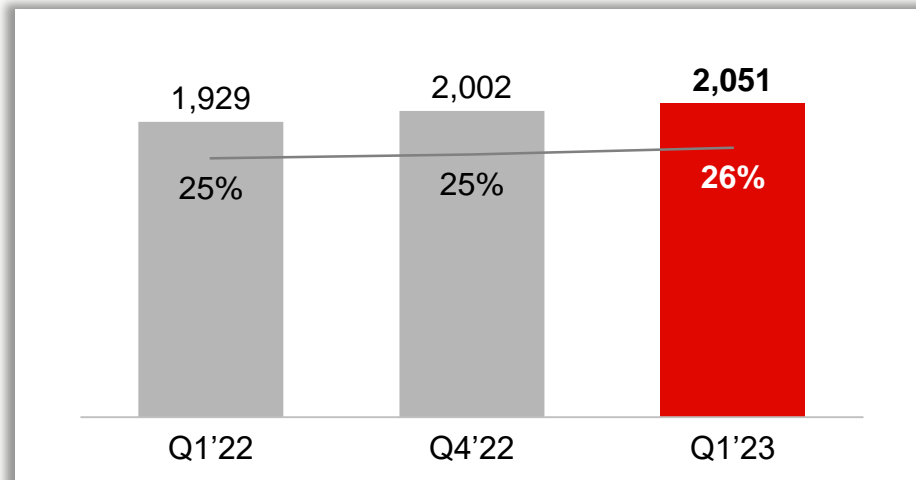
Revenue (AED m) & YoY Growth (%)



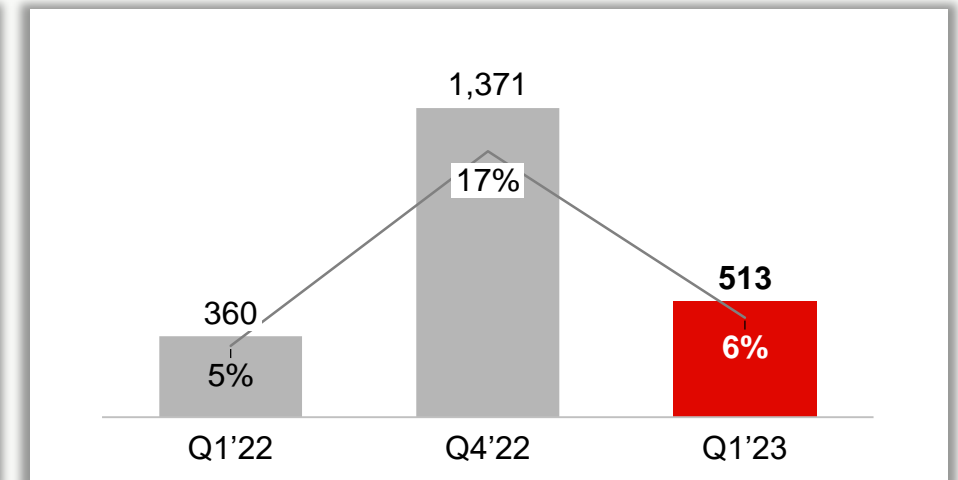
EBITDA (AED m) & EBITDA Margin (%)

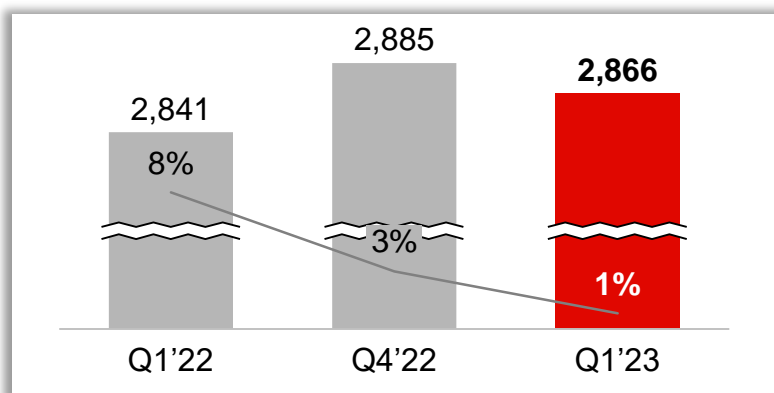
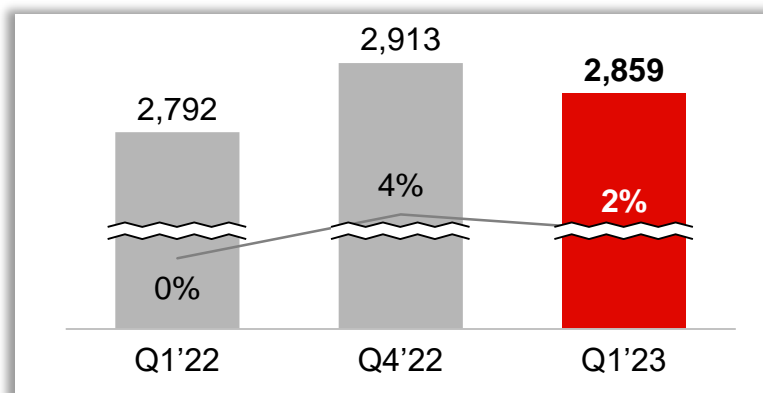
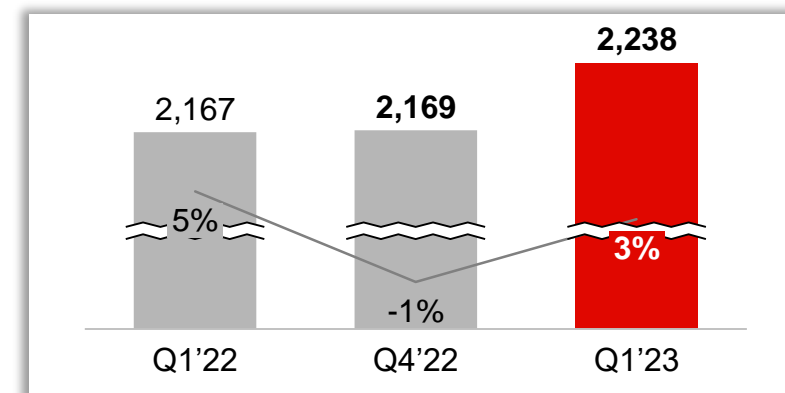
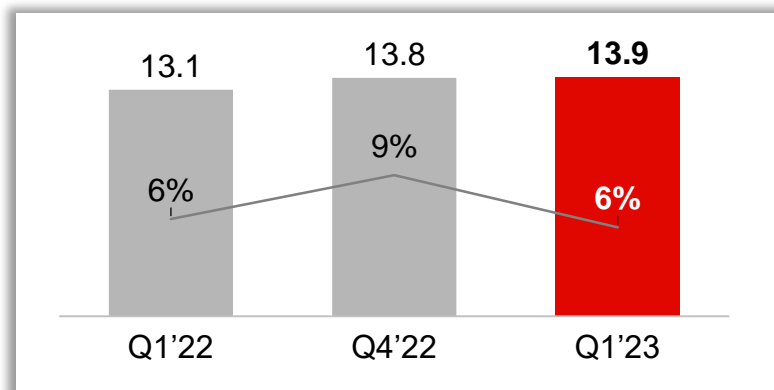
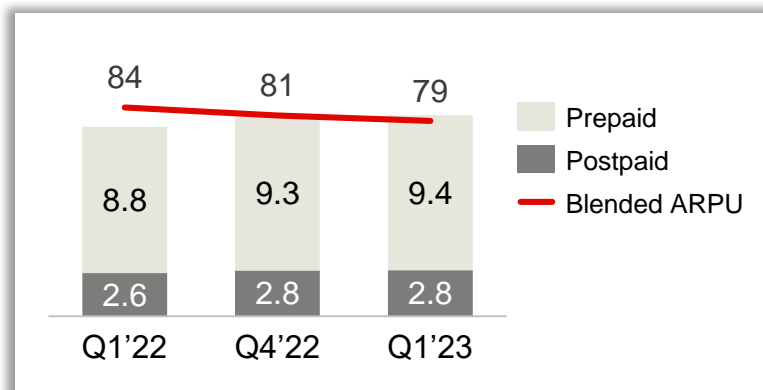
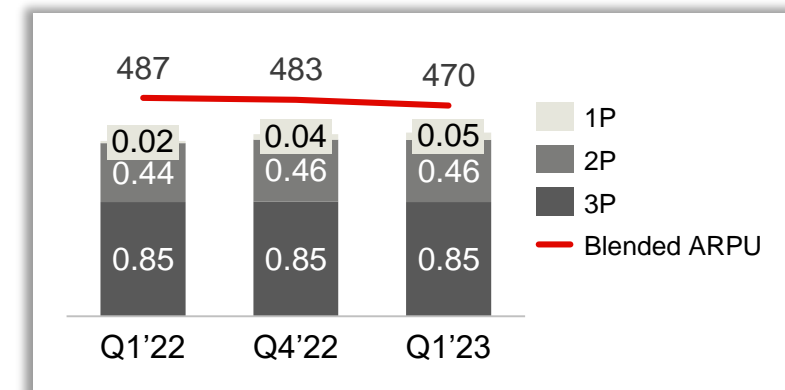


Net Profit (AED m) & Profit Margin (%)



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



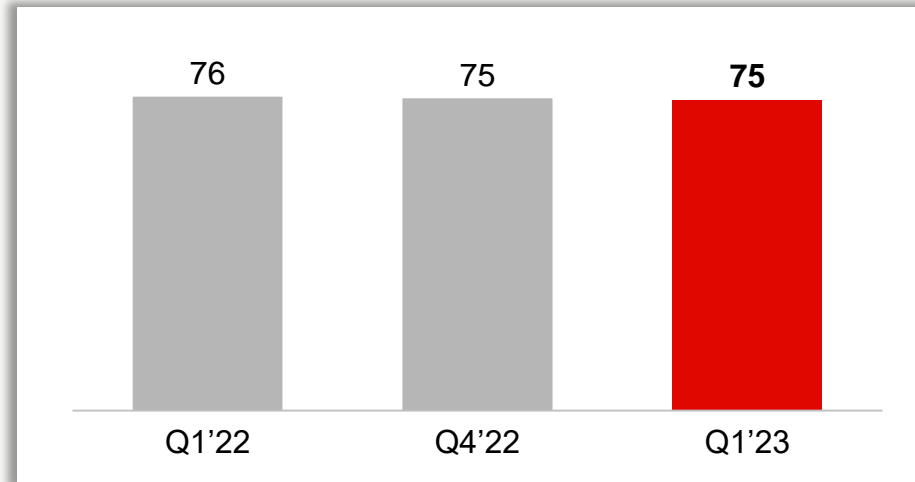
Mobile Revenue⁽¹⁾ (AED m) & YoY Growth (%)**Fixed Revenue⁽²⁾ (AED m) & YoY Growth (%)****Other Revenue⁽³⁾ (AED m) & YoY Growth (%)****Total Subscribers (m) & YoY Growth (%)****Mobile Subs⁽⁴⁾ (m) & ARPU⁽⁵⁾ (AED)****Fixed Broadband Subs⁽⁶⁾ (m) & ARPU⁽⁷⁾**

- (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.

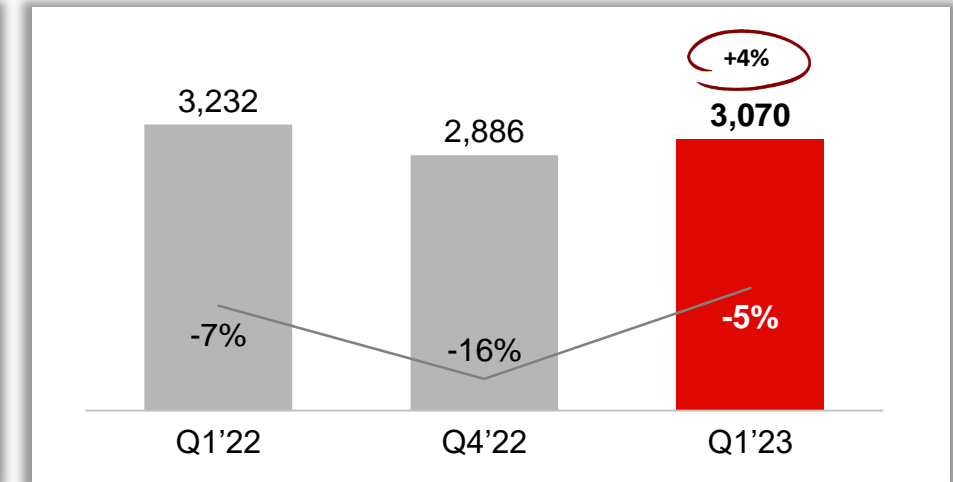
Revenue and EBITDA growth in local currency

- Stable YoY **subscriber** base
- **Revenue growth** in local currency attributed to growth in Moov Africa operations and FBB in Morocco
- **EBITDA growth** in local currency with stable EBITDA margin
- Lower **capital spending** focused on expanding FTTH and mobile network coverage and capacity

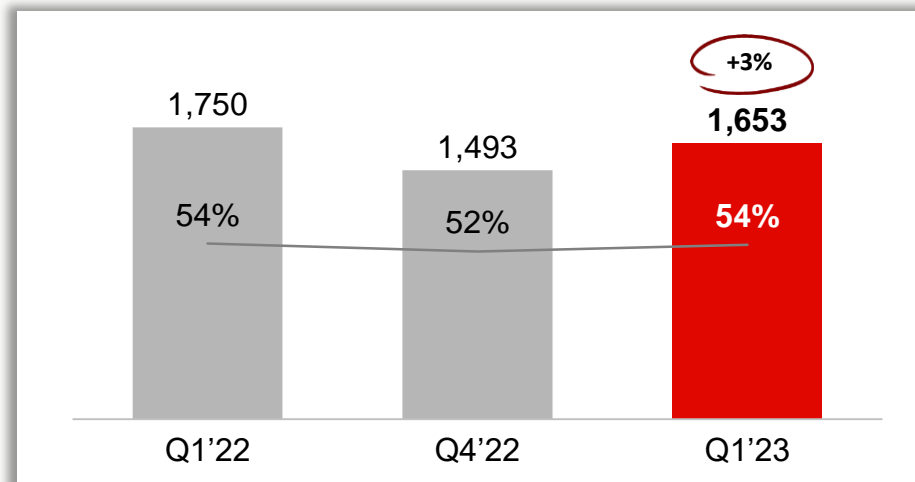
Subscribers (m)



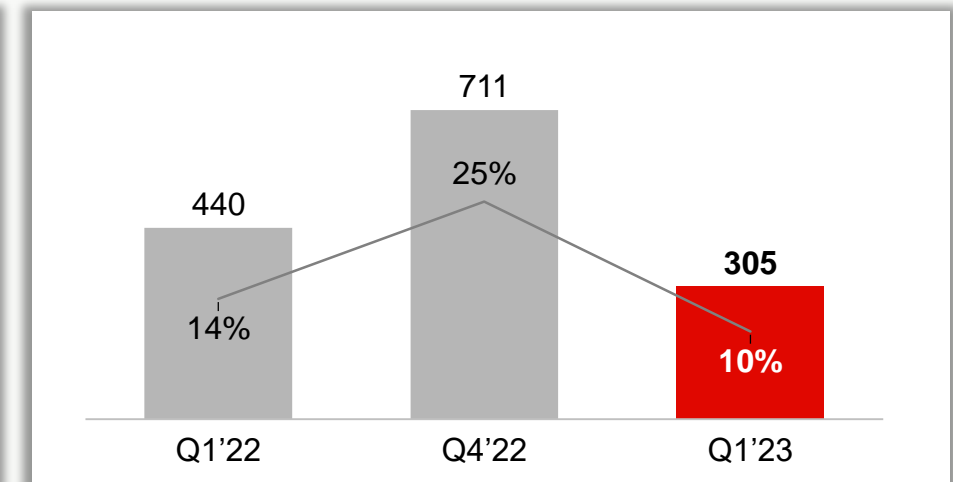
Revenue (AED m) & YoY Growth (%)



EBITDA (AED m) & EBITDA Margin (%)



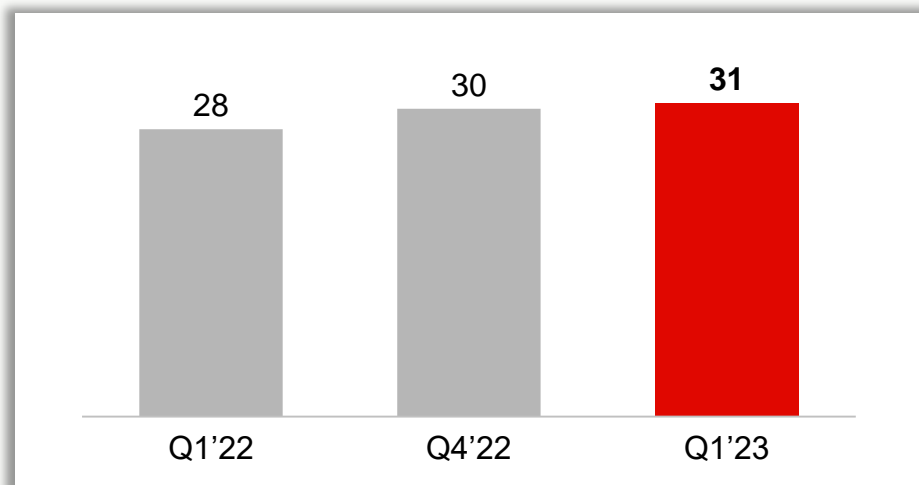
CAPEX (AED m) & CAPEX / Revenue (%)



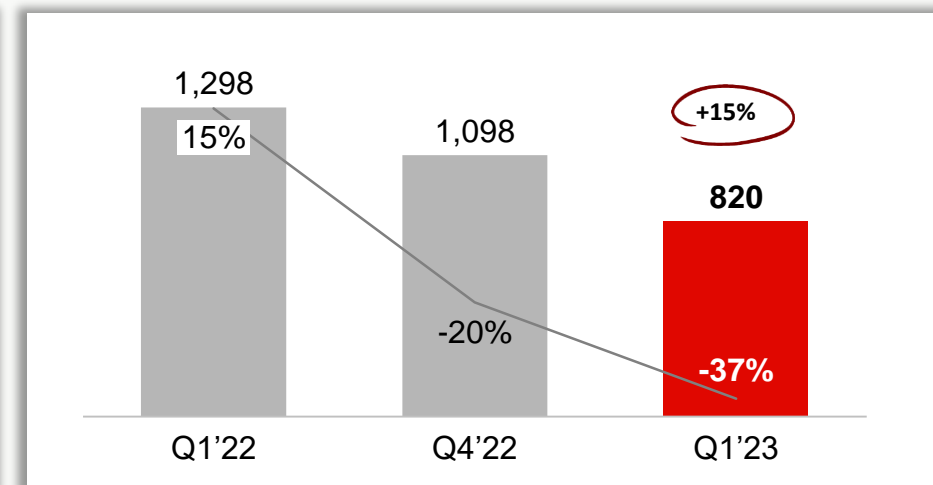
Unfavourable macro factors heavily impacted results

- Strong YoY **subscriber growth**
- **Double-digit revenue growth** in local currency attributed to data and voice services
- **EBITDA** in local currency impacted by inflationary pressure and end of national roaming agreement
- **Capital spending** focused on expanding network coverage

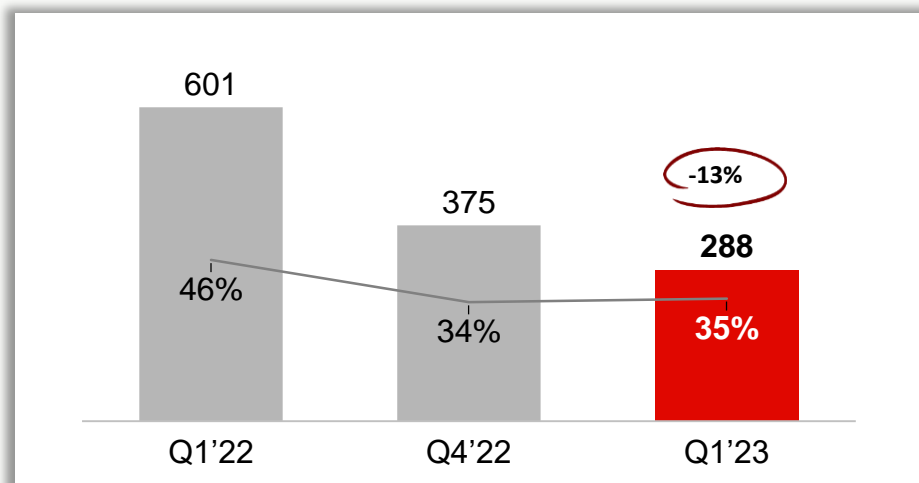
Subscribers (m)



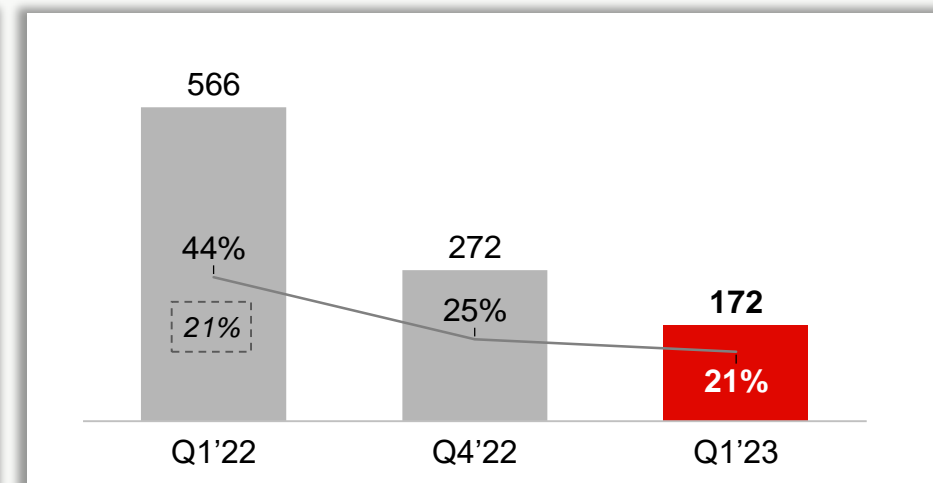
Revenue (AED m) & YoY Growth (%)



EBITDA (AED m) & EBITDA Margin (%)



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



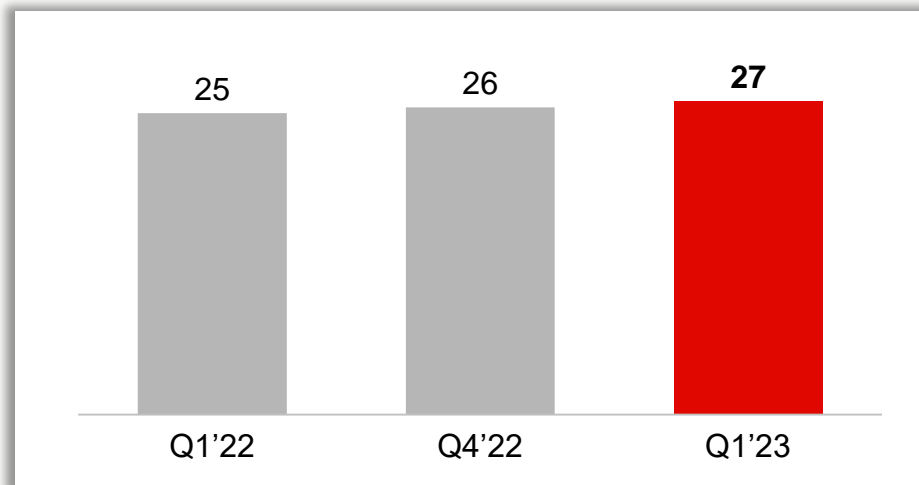
Excluding Spectrum

Growth Y/Y in local currency

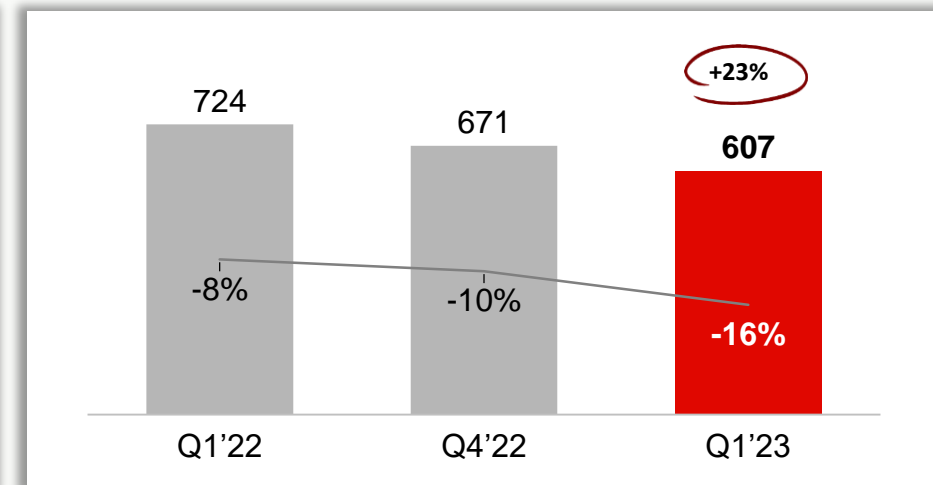
Strong growth in local currency despite challenging macro conditions

- YoY **subscriber growth** mainly in mobile and fixed segments
- **Strong revenue growth** in local currency with growth in mobile, fixed and microfinance
- **EBITDA growth** in local currency despite increased energy costs and inflationary pressure
- Lower **capital spending** focused on expansion of fibre network

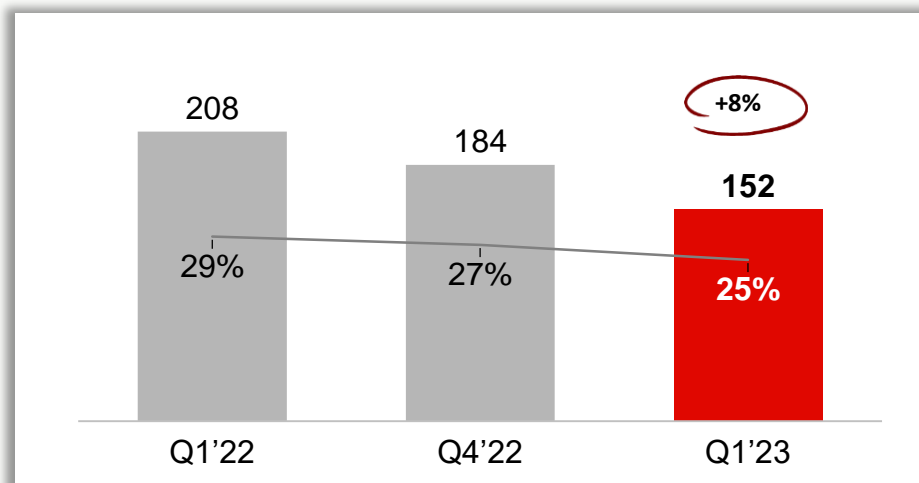
Subscribers (m)



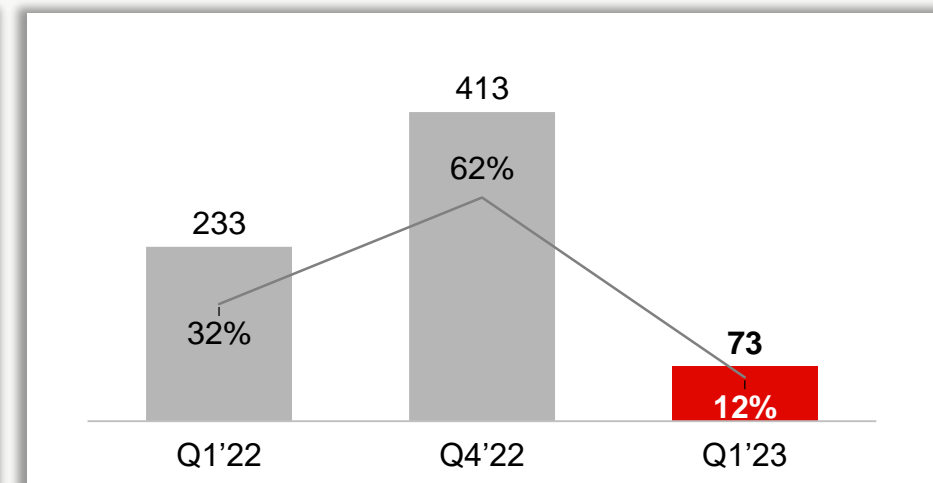
Revenue (AED m) & YoY Growth (%)



EBITDA (AED m) & EBITDA Margin (%)



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





Revenue Growth Y-o-Y
In Constant Currency
(%)



Low to mid single digit
growth

EBITDA Margin
(%)



~ 49.0%

EPS
(AED)



1.13 – 1.15

Capex / Revenue
(%)



15% - 17%

3M 2023 Actual

+6.6%

48%

0.25

8.4%

we are&