



Emirates Telecommunications Group Company PJSC

Earnings Release – Third Quarter 2023

31 October 2023

The Group Reported Outstanding Q3 Financial Performance in Both Reported and Constant Currency. Guidance Revised Upward to Reflect the Strength and Resilience of our Operations

Key Highlights

Q3 2023		9M 2023	
167 million Aggregate Subscriber Base ↑ 3% y-o-y	AED 13.4 billion Revenue ↑ 3% y-o-y ↑ 8% y-o-y in Constant Currency	167 million Aggregate Subscriber Base ↑ 3% y-o-y	AED 40.0 billion Revenue ↑ 2% y-o-y ↑ 9% y-o-y in Constant Currency
AED 6.9 billion EBITDA 51% Margin ↑ 7% y-o-y in Constant Currency	AED 3.0 billion Net Profit After Federal Royalty ↑ 20% y-o-y	AED 19.6 billion EBITDA 49% Margin ↑ 3% y-o-y in Constant Currency	AED 7.7 billion Net Profit After Federal Royalty ↑ 5% y-o-y
AED 1.8 billion Capital Expenditure ↑ 11% y-o-y	AED 5.1 billion Operating Free Cash flow 38% Margin	AED 4.8 billion Capital Expenditure ↓ 5% y-o-y	AED 14.8 billion Operating Free Cash flow 37% Margin

Abu Dhabi, United Arab Emirates – 31st October 2023: In the third quarter of 2023, e& displayed resilience by recording strong top-line growth and delivering bottom line growth of 20% year over year. **Our confidence in the Group's performance is reflected in raising our FY 2023 guidance.**

- ▶ **Aggregate subscriber base** reached 167 million, representing a year over year increase of **3%** in Q3 2023
- ▶ **EBITDA** increased year over year by **3%** and increased **7%** in constant currency, translating to an EBITDA Margin of **51%**
- ▶ **CAPEX** reported an increase of **11%** with an intensity ratio of **13%**
- ▶ **Consolidated cash balance** amounted to AED **24.2** billion, leading to a net debt position of AED **22.7** billion
- ▶ **Revenue** increased year over year by **3%** with a constant currency growth of **8%** fuelled by growth across domestic and international operations
- ▶ **Net profit after federal royalty** reached a record AED 3.0 billion, increasing year over year by an outstanding **20%** with a net profit margin of **22%**
- ▶ **Operating free cashflow** reached **AED 5.1 bn** with a margin of **38%**

Key Developments for Q3 2023

e& Investment in PPF Telecom

e& acquires a controlling stake (50% + 1 economic share) in PPF Telecom's assets in Bulgaria, Hungary, Serbia, and Slovakia "PPF Telecom" in exchange for €2,150 million. The transaction bodes well with e&'s strategic ambition to expand its international vertical by diversifying into new geographies and enter the Central East Europe region.

e& enterprise Acquisition of Beehive

e& enterprise successfully completed the majority acquisition of 63.3% of Beehive, a peer-to-peer lending platform, for an amount of USD 23.6 million.

e& Partners with COP28 as Principal Technology Partner

The partnership reinforces e&'s COP27 pledge to attain net zero Scope 1 and 2 emissions for its group operations in the United Arab Emirates by 2030, aligning with the Group's strategy to approach net zero and champion global climate action for a sustainable future.

e& Joins the World Economic Forum's EDISON Alliance

e& announced it has joined the World Economic Forum's EDISON Alliance, reinforcing its commitment to making a positive impact on the world by prioritising digital inclusion in achieving the United Nations (U.N.) Sustainable Development Goals.

e& Partners with Indosat

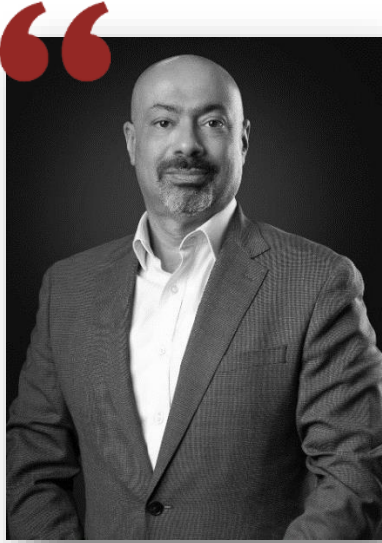
Indosat and e& will maximise the utilisation of each other's network infrastructure, technology, and customer base to offer broader services, improved connectivity, and a superior experience to customers.

e& at the Carrier Community Global Awards 2023

e& won the 'Middle East Operator of the Year' and the 'Best Regional SMS Service Provider' at the 7th Carrier Community Global Awards ceremony in Berlin, reaffirming its steadfast commitment to driving transformation and delivering exceptional performance in the industry.

etisalat by e& Launches uTap

etisalat by e& announced the launch of uTap, a powerful payment solution that revolutionises the way businesses manage their payments and streamlines operations, in collaboration with Network International LLC and Mswipe Technologies.



**Statement from Hatem Dowidar,
Group Chief Executive Officer of e&**

“e&’s strong performance this quarter is a testament to our resilience, and commitment to deliver value and growth to our customers and shareholders. We will continue our focus on championing innovation to enrich the lives of our customers and make a positive impact across the societies we serve. We remain committed to lead the change by taking our first steps in sustainable mobility and transforming our business with AI powered solutions while realising our vision of digitally empowering societies.

Looking ahead, we will continue to push the boundaries of technology and innovation, while our strong performance serves as a stepping stone toward a future where we continue to pioneer advancements and create even more value for all our stakeholders. Thanks to our talented teams, loyal customers and shareholders for their continued trust and support to our vision. Together, we are poised for even greater achievements to come in the near future.”



Subscribers

(Number in Thousands)	Q3 2023	Q3 2022	y-o-y
etisalat by e& UAE	13,963	13,335	4.7%
e& international	153,085	148,305	3.2%
Total Aggregate Subscribers	167,049	161,641	3.3%
<i>etisalat by e& UAE % of Total</i>	8.4%	8.2%	0.1 pp
<i>e& international % of Total</i>	91.6%	91.8%	-0.1 pp

Aggregate subscribers as of 30 September 2023 reached 167 million, once again recording the highest number of subscribers in the Group's history. This translated to net additions of 5.4 million during the last 12-month period, mainly due to strong subscriber acquisition in Egypt, Pakistan, UAE, Chad, Burkina Faso, Afghanistan, Togo, Niger, and Benin. Quarter over quarter subscriber base increased by 2.0 million subscribers.

In the **UAE**, etisalat by e& reaps the benefits of the UAE's expanding economy while continuously enhancing its customer experience through continued digitisation and data driven analytics to improve the customer journey and end user experience. As a result, the active subscriber base increased by a solid 4.7% year over year to mark 14.0 million subscribers in the third quarter of 2023. The mobile subscriber base increased by 5.6% year on year to reach 12.3 million subscribers attributed to solid year on year growth in both the prepaid and postpaid segments, up year over year 3.8% and 11.5% respectively, driven by launch of attractive and unique offerings such as Emirati freedom and freedom live and the prepaid promotional activities. eLife subscriptions continues to propel in its growth trajectory as a result of its superior network quality and rich content, growing 5.2% year on year to report 1.2 million subscribers. Total broadband segment remained steady year on year at 1.3 million subscribers.

For **Maroc Telecom**, the subscriber base reached 75.1 million subscribers as of 30 September 2023, representing a year over year decline of 0.7%. This was primarily attributable to the decline in subscriber base in Ivory Coast, Mali and Morocco which was impacted by market competitiveness.

Etisalat by e& **Egypt** continues to witness robust expansion as a result of the innovative offerings and improved market positioning. This allowed the subscriber base to expand by 10.3% increase year over year to 32.7 million subscribers.

In **Pakistan**, despite the challenging economic and business environment, the subscriber base showcased resilience growing 6.4% year over year to 27.6 million, attributed to strong mobile subscriber acquisition.

Revenue

(AED Million)	Q3 2023	Q3 2022	y-o-y	9M 2023	9M 2022	y-o-y
etisalat by e& UAE	8,130	7,683	5.8%	24,243	23,189	4.5%
e& international	4,950	5,125	-3.4%	14,466	15,634	-7.5%
<i>Maroc Telecom Group</i>	3,228	3,077	4.9%	9,529	9,403	1.3%
<i>etisalat by e& Egypt</i>	956	1,279	-25.3%	2,669	3,802	-29.8%
<i>PTCL Group</i>	611	632	-3.3%	1,835	2,056	-10.8%
<i>Etisalat Afghanistan</i>	154	136	13.4%	433	372	16.4%
Other	317	165	92.0%	1,304	477	173.6%
Consolidated Revenue	13,397	12,973	3.3%	40,014	39,300	1.8%
<i>etisalat by e& UAE % of Total</i>	60.7%	59.2%	1.5 pp	60.6%	59.0%	1.6 pp
<i>e& international % of Total</i>	36.9%	39.5%	-2.6 pp	36.2%	39.8%	-3.6 pp

Consolidated reported revenue for the third quarter of 2023 amounted to AED 13.4 billion, representing a 3.3% increase in comparison to the same period last year. It's worth highlighting that in the third quarter, exchange rates were lower in the Egyptian Pound and Pakistani Rupee as compared to the third quarter of the previous year. At constant exchange rates, revenue was robust and increased year over year by 8% reflecting growth in domestic and international markets.

In the **UAE**, revenue grew in the third quarter by 5.8% year on year to AED 8.1 billion. This increase is attributed to continued strong business activity in the country supported by robust overall economic growth in addition to the company's continuous focus on simplifying customer offerings and diversifying into new digital products. Mobile segment continued its year over year revenue growth at 2.6% to AED 2.9 billion due to the increase in subscribers as a result of successful offers and growth in outbound roaming. Fixed segment revenue also increased by 2.6% year over year reaching AED 2.9 billion, supported by new propositions such as Business Pro and Home Wireless services resulting in higher internet and data services offsetting legacy voice and the impact of termination of beIN contract on TV revenue. Other segment revenue increased year over year by a solid 14.7% to AED 2.3 billion due to increase in wholesale and handset revenues. Quarter over quarter revenue growth was relatively stable due to summer seasonality impact.

Reported revenues of **e& international** for the third quarter of 2023 decreased year over year by 3.4% but increased by 1.3% quarter on quarter to AED 5.0 billion. The decline is primarily attributable to the unfavourable exchange rate movements in the Egyptian Pound and Pakistani Rupee. At constant exchange rates, revenue of e& international remained resilient increasing year over year by 8.6%.

Maroc Telecom consolidated revenue for the third quarter of 2023 amounted to AED 3.2 billion, representing a year over year increase of 4.9% in reported currency. In local currency, revenue increased year over year by 0.4%. In Morocco, revenue declined year over year by 3.4% in local currency. The mobile segment revenue decreased by 3.5% year over year driven by service revenue being under pressure as a result of persistently unfavorable regulatory and competitive environment. The fixed segment decreased by 3.2% year on year due to lower legacy voice and decline in ADSL. Revenue from international operations "Moov Africa" increased by 5.6% year over year in Moroccan Dirham mainly due to strong growth of mobile data and mobile money.

In **Egypt**, reported revenue for the third quarter of 2023 was AED 1.0 billion, witnessing a 25.3% decline year over year. In local currency however, revenue increased by a robust 20.9% despite heightened inflationary pressures and the end of the national roaming agreement with Telecom Egypt in December 2022. The growth in the third quarter is attributed to the expansion of customer base contributing to growth in mobile data and voice revenue.

In **Pakistan**, reported revenue for the third quarter was AED 0.6 billion, representing a year over year decrease of 3.3%, primarily due to unfavourable exchange rate movements of the Pakistani Rupee against AED. In local currency, revenue increased by a strong 25.3% despite the challenging economic environment. This impressive

growth is attributed to the outstanding performance of fixed broadband, mobile data, business solutions as well as mobile banking services.

Direct Cost

(AED Million)	Q3 2023	Q3 2022	y-o-y	9M 2023	9M 2022	y-o-y
Direct Cost of Sales	3,454	3,218	7.3%	11,008	9,661	13.9%
Direct Cost of Sales	3,454	3,218	7.3%	11,008	9,661	13.9%

Consolidated direct cost for the third quarter of 2023 was 3.5 billion, an increase of 7.3% year over year to AED 3.5 billion. This increase is mainly attributed to higher handset cost to support growth in handset sales. As a percentage of revenue, it slightly grew by 1 percentage point in the third quarter to reach 26%.

Operating Expenses

(AED Million)	Q3 2023	Q3 2022	y-o-y	9M 2023	9M 2022	y-o-y
Staff Costs	1,046	1,023	2.3%	3,242	3,270	-0.9%
Depreciation & Amortisation	1,751	1,830	-4.3%	5,246	5,670	-7.5%
Network & Related Costs	704	696	1.3%	2,106	2,083	1.1%
Marketing Expenses	226	192	17.9%	638	631	1.1%
Other OpEx1	792	1,064	-25.6%	2,945	3,102	-5.1%
Total OpEx	4,519	4,804	-5.9%	14,177	14,756	-3.9%

Consolidated operating expenses for the third quarter of 2023 was AED 4.5 billion, a decrease of 5.9% compared to the same quarter of the previous year and a decrease of 2.8% from the second quarter of 2023 reflecting the Group's focus on cost discipline. The year on year reduction in operating expenses was mainly driven by lower depreciation and amortization costs and other operating expenses. This comes despite global inflationary pressures, especially with double digit inflation growth in both Egypt and Pakistan in addition to investment in new revenue streams.

Key components of operating expenses are:

- **Staff expenses** increased year over year by 2.3% to AED 1.0 billion for the third quarter of 2023. As a percentage of revenue, staff costs remained stable year over year at 8%. This increase is mainly attributed to an increment increase linked to inflation.
- **Depreciation and amortisation** decreased year over year by 4.3% to AED 1.8 billion in the third quarter of 2023. As a percentage of revenue, depreciation and amortisation expenses decreased by 1 percentage point year over year to 13%.
- **Network costs** increased by 1.3% year over year to AED 0.7 billion in the third quarter of 2023 as a result of higher energy prices. As a percentage of revenue, network costs remained relatively unchanged at 5%.
- **Marketing expenses** increased year over year by 17.9% to AED 0.2 billion in the third quarter of 2023 attributed to higher promotional activities supporting revenue growth. As a percentage of revenue, marketing expenses remained steady compared to the comparable period at 2%.

- **Other operating expenses** decreased by 25.6% year over year to AED 0.8 billion in the third quarter, mostly attributed to incurring forex gain in comparison to forex losses and lower general and administrative costs. As a percentage of revenue, other operating expenses decreased 2 percentage points to reach 6%.

EBITDA

(AED Million)	Q3 2023	Q3 2022	y-o-y	9M 2023	9M 2022	y-o-y
etisalat by e& UAE	4,334	4,104	5.6%	12,607	12,222	3.1%
e& international	2,545	2,532	0.5%	7,000	7,653	-8.5%
<i>Maroc Telecom Group</i>	1,812	1,717	5.6%	5,262	5,188	1.4%
<i>etisalat by e& Egypt</i>	513	610	-15.8%	1,139	1,802	-36.8%
<i>PTCL Group</i>	173	166	4.3%	474	568	-16.5%
<i>Etisalat Afghanistan</i>	47	40	16.7%	125	96	30.3%
Other	17	78	-77.8%	41	284	-85.6%
Consolidated EBITDA	6,896	6,714	2.7%	19,648	20,160	-2.5%
<i>etisalat by e& UAE % of Total</i>	62.8%	61.1%	1.7 pp	64.2%	60.6%	3.5 pp
<i>e& international % of Total</i>	36.9%	37.7%	-0.8 pp	35.6%	38.0%	-2.3 pp

EBITDA Margin (%)	Q3 2023	Q3 2022	y-o-y	9M 2023	9M 2022	y-o-y
etisalat by e& UAE	53%	53%	-0.1 pp	52%	53%	-0.7 pp
e& international	51%	49%	2.0 pp	48%	49%	-0.6 pp
<i>Maroc Telecom Group</i>	56%	56%	0.3 pp	55%	55%	0.0 pp
<i>etisalat by e& Egypt</i>	54%	48%	6.0 pp	43%	47%	-4.7 pp
<i>PTCL Group</i>	28%	26%	2.0 pp	26%	28%	-1.8 pp
<i>Etisalat Afghanistan</i>	31%	30%	0.9 pp	29%	26%	3.1 pp
EBITDA Margin	51%	52%	-0.3 pp	49%	51%	-2.2 pp

Group reported consolidated EBITDA for the third quarter of 2023 witnessed a 2.7% increase year on year and a 5.0% increase quarter on quarter to AED 6.9 billion, resulting in an EBITDA margin of 51%. Growth was attributable to strong revenue growth coupled with a profound cost discipline, all amid inflationary pressures and a challenging macro environment that continues to impact our international operations and resulting in currency devaluation. At constant exchange rates, Group consolidated EBITDA increased by 6.9% year over year.

In the **UAE**, EBITDA in the third quarter of 2023 was AED 4.3 billion, representing a 5.6% increase year over year and leading to an EBITDA margin of 53%, consistent with the third quarter of the previous year. The increase in EBITDA is primarily attributed to strong focus on profitable revenue growth and continued cost efficiency.

Reported EBITDA of **e& international** increased by 0.5% year over year to AED 2.5 billion in the third quarter, resulting in a 36.9% contribution to the Group's consolidated EBITDA. In constant currency, EBITDA increased by 11.6% year on year despite inflationary pressures and challenging macro environment impacting our operations.

Maroc Telecom's reported consolidated EBITDA for the third quarter of 2023 increased by 5.6% to AED 1.8 billion and resulted in an EBITDA margin of 56%, stable versus the same period in the prior year. In Moroccan Dirhams, EBITDA in absolute terms increased by 1.0% year over year attributed to an increase in Moov Africa by 3.2% that offset the slight decline of 0.4% in the EBITDA of the Moroccan operations which was as a result of the topline pressure.

In **Egypt**, reported EBITDA in the third quarter decreased year on year by 15.8% to AED 0.5 billion representing EBITDA margin of 54% which increased 6 percentage points year on year. In local currency however EBITDA

increased by 35.8% year over year. The increase in EBITDA was mainly due to higher revenue as well as one-off benefit related to tax settlement.

In **Pakistan**, reported EBITDA in the third quarter of 2023 increased year on year by 4.3% to AED 0.2 billion with EBITDA margin increasing year over year by 2 percentage points to 28%. In local currency, EBITDA grew 35.5% year over year, benefiting from one-off item. Underlying operating expenses continue to be affected by the unfavorable macroeconomic challenges such as increasing energy and fuel costs.

Net Profit After Federal Royalty

(AED Million)	Q3 2023	Q3 2022	y-o-y	9M 2023	9M 2022	y-o-y
Consolidated Net Profit	2,979	2,484	20.0%	7,689	7,349	4.6%
Earnings Per Share	0.34	0.29	20.0%	0.88	0.84	4.6%
<i>Net Profit Margin</i>	<i>22%</i>	<i>19%</i>	<i>3.1 pp</i>	<i>19%</i>	<i>19%</i>	<i>0.5 pp</i>

Consolidated net profit after federal royalty attributed to the owners of the company increased year over year by an impressive 20.0% to reach a record AED 3.0 billion in the third quarter of 2023 and net profit margin increased by 3 percentage points to 22%. The increase was mainly due to higher EBITDA, higher dividends received from Vodafone Group, higher income from associates and lower depreciation and amortization charges.

Earnings per share (EPS) amounted to AED 0.34 in the third quarter, an increase of 20.0% as compared to EPS of the comparable period the previous year.

CAPEX

(AED Million)	Q3 2023	Q3 2022	y-o-y	9M 2023	9M 2022	y-o-y
etisalat by e& UAE	406	554	-26.8%	1,598	1,314	21.6%
e& international	1,441	1,049	37.5%	3,153	3,715	-15.1%
<i>Maroc Telecom Group</i>	<i>1,020</i>	<i>621</i>	<i>64.3%</i>	<i>2,085</i>	<i>2,018</i>	<i>3.3%</i>
<i>etisalat by e& Egypt</i>	<i>142</i>	<i>220</i>	<i>-35.4%</i>	<i>465</i>	<i>1,102</i>	<i>-57.8%</i>
<i>PTCL Group</i>	<i>258</i>	<i>173</i>	<i>48.7%</i>	<i>533</i>	<i>548</i>	<i>-2.8%</i>
<i>Etisalat Afghanistan</i>	<i>22</i>	<i>35</i>	<i>-37.5%</i>	<i>70</i>	<i>47</i>	<i>49.0%</i>
Other	-53	10	-618.4%	83	59	40.0%
Group CAPEX	1,794	1,613	11.2%	4,833	5,087	-5.0%
<i>etisalat by e& UAE % of Total</i>	<i>22.6%</i>	<i>34.4%</i>	<i>-11.7 pp</i>	<i>33.1%</i>	<i>25.8%</i>	<i>7.2 pp</i>
<i>e& international % of Total</i>	<i>80.3%</i>	<i>65.0%</i>	<i>15.3 pp</i>	<i>65.2%</i>	<i>73.0%</i>	<i>-7.8 pp</i>

Intensity Ratio (%)	Q3 2023	Q3 2022	y-o-y	9M 2023	9M 2022	y-o-y
etisalat by e& UAE	5%	7%	-2.2 pp	7%	6%	0.9 pp
e& international	29%	20%	8.7 pp	22%	24%	-2.0 pp
<i>Maroc Telecom Group</i>	<i>32%</i>	<i>20%</i>	<i>11.4 pp</i>	<i>22%</i>	<i>21%</i>	<i>0.4 pp</i>
<i>etisalat by e& Egypt</i>	<i>15%</i>	<i>17%</i>	<i>-2.3 pp</i>	<i>17%</i>	<i>29%</i>	<i>-11.5 pp</i>
<i>PTCL Group</i>	<i>42%</i>	<i>27%</i>	<i>14.7 pp</i>	<i>29%</i>	<i>27%</i>	<i>2.4 pp</i>
<i>Etisalat Afghanistan</i>	<i>14%</i>	<i>26%</i>	<i>-11.5 pp</i>	<i>16%</i>	<i>13%</i>	<i>3.5 pp</i>
Group Intensity Ratio	13%	12%	1.0 pp	12%	13%	-0.9 pp

Consolidated capital expenditure increased 11.2% year over year to AED 1.8 billion in the third quarter of 2023 resulting in a capital intensity ratio of 13%, 1 percentage point the same period of the prior year. Capital investment

continued to focus on providing the best experience to our customers by modernising our networks and deploying the latest technologies.

In the **UAE**, capital expenditure during the quarter amounted to AED 0.4 billion, a 27% decrease in comparison to the same period last year. Capital intensity ratio was 5%, 2 percentage points lower when compared to the same quarter of the prior year. Capital spending in the UAE allowed the company to continue to deliver global leading fixed and mobile networks to its customers. etisalat by e& has achieved 10Gbps throughput on the 6GHz band, a significant milestone that positions the UAE at the forefront of 5G-Advanced network capabilities.

Capital expenditures in **e& international** in the third quarter of 2023 increased by 37% compared to the same period last year to AED 1.4 billion. International operations represented 80% of the Group's total consolidated capital expenditure.

In **Maroc Telecom**, capital expenditure for the third quarter increased in AED by 64% year over year to AED 1.0 billion, resulting in a capital intensity ratio of 32%. Capital spending increased year over year in local currency in Morocco by 54% and in Moov Africa's operations by 58%. Capital spending focused on expanding fibre-to-the-home (FTTH) and 4G mobile networks coverage and increasing network capacity to cater for the higher data customer demand.

In **Egypt**, capital expenditure for the third quarter decreased by 35% year over year to AED 0.1 billion resulting in a capital intensity ratio of 15%, which was 2 percentage points lower than the same period of the prior year. Capital spending focused on 4G deployment and upgrading of network capacity.

In **Pakistan**, capital expenditure for the third quarter increased by 49% year over year to AED 0.3 billion resulting in a capital intensity ratio of 42%, 15 percentage points higher than the comparable period in the prior year. Capital spending focused on expansion of FTTH network and enhancement of the mobile and fixed network's capacity.

Debt

Total consolidated gross debt amounted AED 46.9 billion as of 30 September 2023, as compared to AED 48.0 billion as of 31 December 2022; a decrease of AED 1.1 billion as a result of repayment of bank borrowings.

Consolidated debt breakdown by operations as of September 2023 is as following:

- Group (AED 36.8 billion)
- Maroc Telecom Group (AED 6.0 billion)
- PTCL Group (AED 2.8 billion)
- etisalat by e& Egypt (AED 1.2 billion)

Around 76% of the debt balance is of long-term maturity that is due after 1 year. Currency mix of borrowings is 51% in AED, 18% in Euros, 12% in USD and 19% in other currencies.

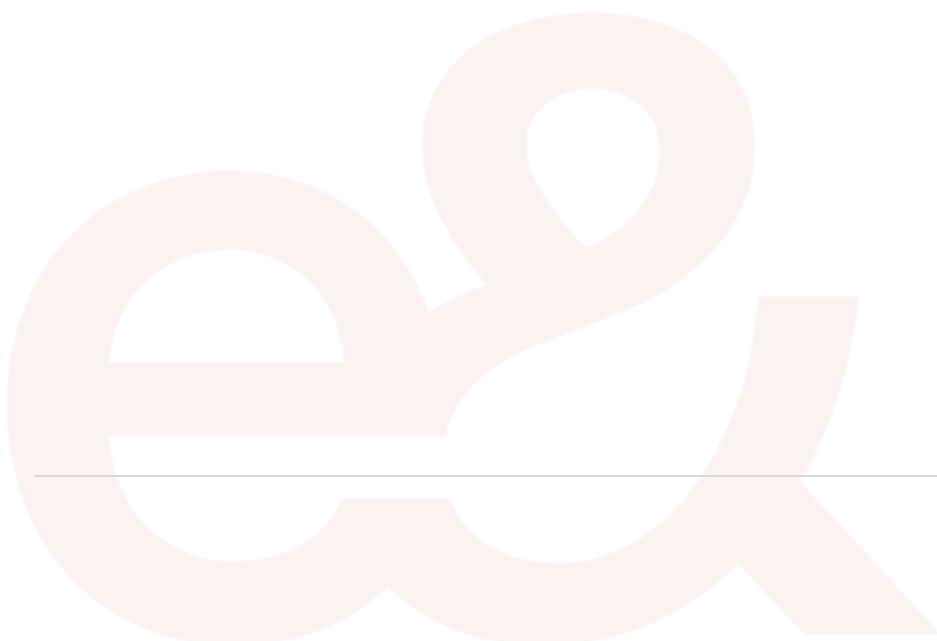
Consolidated cash balance amounted to AED 24.2 billion as of 30 September 2023 leading to a net debt position of AED 22.7 billion and a Net Debt /EBITDA ratio of only 0.88x.

Performance Against Guidance FY 2023

9M 2023 performance is ahead of management’s full year guidance in revenue growth at constant currency and capital spending. Management revised upward full year guidance for 2023.

Financial KPI	Guidance FY 2023	Revised Guidance FY 2023	Actual 9M 2023
Revenue Growth% (Constant Currency)	Low-to-mid single-digit growth	High single-digit growth	+8.9%
EBITDA Margin%	~ 49.0%	~49.0%	49.1%
EPS (AED)	1.13 - 1.15 ⁽¹⁾	~1.15	0.88
CAPEX/ Revenue %	15% - 17%	~15%	12.1%

1) EPS Guidance includes dividend from Vodafone Group, expected to materialize in H2 2023.



Key Financial Highlights

P&L Statement:

(AED m)	Q3'23	Q2'23	Q3'22	QoQ	YoY
Revenue	13,397	13,614	12,973	-1.6%	3.3%
EBITDA	6,896	6,568	6,714	5.0%	2.7%
EBITDA Margin (%)	51.5%	48.2%	51.8%	3.2 pp	-0.3 pp
Federal Royalty	(1,777)	(1,411)	(1,565)	25.9%	13.6%
Net Profit	2,979	2,522	2,484	18.1%	20.0%
Net Profit Margin (%)	22.2%	18.5%	19.1%	3.7 pp	3.1 pp

Balance Sheet:

(AED m)	September 2023	December 2022
Cash & Bank Balances	24,189	32,839
Total Assets	139,510	145,085
Total Debt	46,887	47,954
Net Cash / (Debt)	(22,698)	(15,115)
Total Equity	48,173	49,999

Cashflow Statement:

(AED m)	9M'23	9M'22
Operating	8,736	10,944
Investing	(6,424)	(20,406)
Financing	(10,613)	7,450
Net change in cash	(8,301)	(2,013)
Effect of FX rate changes	(349)	(298)
Reclassified as held for sales	0	(240)
Ending cash balance	24,189	26,024

Foreign Exchange Rate

	Average Rates			Closing Rates		
	Q3'22	Q3'23	YOY	Q3'22	Q3'23	YOY
EGP - Egyptian Pound	0.1922	0.1189	-38.17%	0.1880	0.1189	-36.80%
SAR - Saudi Riyal	0.9772	0.9791	0.20%	0.9750	0.9792	0.43%
CFA - Central African Franc	0.0056	0.0060	7.47%	0.0054	0.0059	10.08%
PKR - Pakistani Rupee	0.0163	0.0125	-23.12%	0.0159	0.0127	-19.81%
AFA - Afghanistan Afghani	0.0409	0.0441	7.71%	0.0413	0.0464	12.39%
MAD - Moroccan Dirham	0.3497	0.3636	3.97%	0.3316	0.3572	7.71%

Reconciliation of non-IFRS Financial Measurements

We believe that EBITDA is a measurement commonly used by companies, analysts and investors in the telecommunications industry, which enhances the understanding of our cash generation ability and liquidity position, and assists in the evaluation of our capacity to meet our financial obligations. We also use EBITDA as an internal measurement tool and, accordingly, we believe that the presentation of EBITDA provides useful and relevant information to analysts and investors.

Our EBITDA definition includes revenue, staff costs, direct cost of sales, regulatory expenses, operating lease rentals, repairs and maintenance, general financial expenses, and other operating expenses.

EBITDA is not a measure of financial performance under IFRS, and should not be construed as a substitute for net earnings (loss) as a measure of performance or cash flow from operations as a measure of liquidity. The following table provides a reconciliation of EBITDA, which is a non-IFRS financial measurement, to Operating Profit before Federal Royalty, which we believe is the most directly comparable financial measurement calculated and presented in accordance with IFRS.

(AED m)	Q3'23	Q2'23	Q3'22
EBITDA	6,896	6,568	6,714
Depreciation & Amortization	(1,751)	(1,733)	(1,830)
Exchange Gain/ (Loss)	(84)	(4)	127
Share of Associates and JV's results	177	167	127
Impairment and other losses	-	(5)	-
Operating Profit before Royalty	5,407	5,001	4,885

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About e&

e& is an international, blue-chip organisation with operations in 16 countries across the Middle East, Africa and Asia. It is one of the leading technology group with one of the largest market capitalisations among global telcos. It is a highly rated organisation with ratings from Standard & Poor’s and Moody’s (AA-/Aa3).

The Group’s shareholding structure consists of 60% held by the Emirates Investment Authority and 40% free float. e& (Ticker: EAND) is quoted on the Abu Dhabi Securities Exchange (ADX).

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