



**etisalat and**

**Emirates Telecommunications Group  
Company PJSC**

**Earnings Release – Second Quarter 2024**

**31 July 2024**

**Outstanding performance in Q2 2024, driven by growth in both telecom & digital operations, resulting in strong cashflow generation supporting dividends growth**

## Key Highlights

Q2 2024		H1 2024	
<b>175</b> million	<b>AED 14.1</b> billion	<b>175</b> million	<b>AED 28.3</b> billion
<b>Aggregate Subscriber Base</b> ↑ 6% y-o-y	<b>Revenue</b> ↑ 4% y-o-y ↑ 6% y-o-y in Constant Currency	<b>Aggregate Subscriber Base</b> ↑ 6% y-o-y	<b>Revenue</b> ↑ 6% y-o-y ↑ 8% y-o-y in Constant Currency
<b>AED 6.6</b> billion	<b>AED 3.2</b> billion	<b>AED 12.9</b> billion	<b>AED 5.5</b> billion
<b>EBITDA</b> 47% Margin ↑ 2% y-o-y in Constant Currency	<b>Net Profit After Federal Royalty</b> ↑ 25% y-o-y	<b>EBITDA</b> 46% Margin ↑ 3% y-o-y in Constant Currency	<b>Net Profit After Federal Royalty</b> ↑ 17% y-o-y
<b>AED 1.8</b> billion	<b>AED 4.8</b> billion	<b>AED 3.4</b> billion	<b>AED 9.5</b> billion
<b>Capital Expenditure</b> ↓ 8% y-o-y	<b>Operating Free Cash flow</b> 34% Margin	<b>Capital Expenditure</b> ↑ 13% y-o-y	<b>Operating Free Cash flow</b> 34% Margin

**Abu Dhabi, United Arab Emirates – 31 July 2024:** Solid revenue growth in the second quarter of 2024, supported by all verticals in group, predominantly led by strong domestic performance and growth in international operations in constant currency.

### Second Quarter Highlights:

- ▶ **Aggregate subscriber base** reached **175 million**, representing a year over year increase of **6%** in Q2 2024
- ▶ **EBITDA** remained stable year over year while growing **2%** in constant currency to report **AED 6.6 billion**, resulting in an EBITDA Margin of **47%**
- ▶ **CAPEX** decreased year over year by **8%** to **AED 1.8 billion**, resulting in an intensity ratio of **13%**
- ▶ **Consolidated cash balance** amounted to **AED 23.9 billion**, leading to a net debt position of **AED 23.9 billion** and equivalent to Net Debt /EBITDA of **0.91x**
- ▶ **Revenue** increased year over year by a solid **4%** with a constant currency growth of **6%** to **AED 14.1 billion** fuelled by growth across domestic and international operations
- ▶ **Net profit after federal royalty and corporate tax** reached **AED 3.2 billion**, increasing year over year by **25%** with a net profit margin of **22%**
- ▶ **Operating free cashflow** increased year over year by **3%** to **AED 4.8 billion**, with a margin of **34%**
- ▶ Board approved **interim dividends per share (DPS)** of **41.5 fils** for **H1 2024**

## Key Developments for Q2 2024

### **e& held its AGM**

The General Assembly discussed and passed agenda items including the amendments in the Group Dividend Policy and the voting results of the non-governmental board member elections.

### **e& leads as the Top Telecoms Employer Brand**

e&, the global technology group, attained the highest position in Brand Finance's inaugural Employer Brand Report 2024 with its UAE entity ranking as the Top Global Telecoms Employer.

### **e& enterprise signs an agreement to acquire 100% stake of GlassHouse**

e& enterprise signed a binding agreement with Mediterra Capital & the individual selling shareholder to acquire 100% of GlassHouse, a Türkiye-based cloud services provider, for an enterprise value of US\$60mn on a cash free, debt free basis. This acquisition is aligned with the group strategy to diversify revenue streams.

### **GTAA Founding Parties Sign Agreement to establish a Joint Venture**

Global Telco AI Alliance (GTAA), comprised of e&, SKT, DT, Singtel, and SoftBank Corp. signed the agreement to establish a JV, focused on Co-developing and Launching a Multilingual Telco LLM, at TM Forum's DTW24-Ignite.

### **e& UAE unveils blueprint for AI application**

e& UAE released a new whitepaper, offering a blueprint for navigating the future of telecommunications with artificial intelligence (AI). The whitepaper explores e& UAE's strategic integration of more than 400 AI use cases and 160 machine learning (ML) models across its operations.

### **e& enterprise and Payit partner to offer payment experience**

e& enterprise announced a strategic partnership with Payit from First Abu Dhabi Bank (FAB) to transform payment acceptances and elevate customer satisfaction for businesses across the UAE. The partnership will increase digital payment adoption rates, boost conversion rates and enhance overall customer satisfaction.

### **e& welcomes Cato Networks to SmartHub**

Through this partnership a new Point-of-Presence (PoP) will be established within e&'s SmartHub Data Centre. As one of the UAE's premier carrier-neutral data facilities, e&'s SmartHub will serve as a crucial platform for Cato Networks' business customers enabling them to access enhanced interconnectivity and Secure Access Service Edge (SASE) technology.

### **Update on PPF Telecom Acquisition**

The European Commission (EC) has opened an investigation to assess e& acquisition of PPF Telecom assets under the Foreign Subsidies Regulation ('FSR'). e& group is cooperating with the EC to conclude its process and remains fully committed to the transaction.

### **Decision of the Court of Appeal of Casablanca regarding Maroc Telecom and Wana Litigation**

On 3 July 2024, the Court of Appeal of Casablanca's rejected the appeal filed by Maroc Telecom "MT", a subsidiary of e&. This decision upholds the Commercial Court of Rabat's ruling from 29 January 2024, mandating MT to pay MAD 6.4 billion (AED 2.3 billion) to Wana Corporate for alleged anti-competitive practices. MT to appeal the decision to the Court of Cessation.



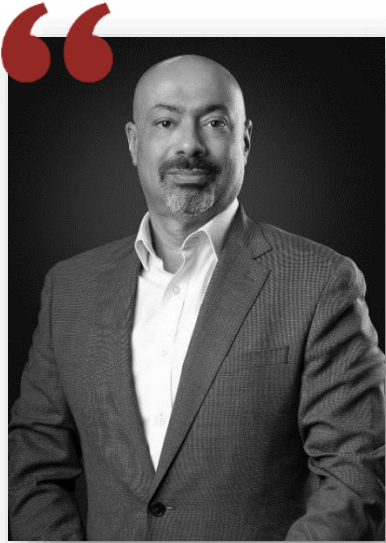
**Statement from H.E. Jassem Mohamed Alzaabi,  
Chairman of e&**

e& showcased remarkable resilience and sustained its upward trajectory in the first half of 2024, achieving consolidated net profits of AED 5.5 billion, representing a year-over-year growth of 17 per cent. This robust performance was driven by our unwavering commitment to excellence and innovation.

We are proud of the progress made in the first half of 2024, which was bolstered by our recent acquisitions, partnerships, and strategic expansion of our digital services portfolio. These efforts significantly strengthen e&'s position as a leader in digital transformation, providing state-of-the-art solutions to our diverse customer base.

Reflecting on e&'s growth trajectory and future prospects despite challenges in some of our markets, H.E. Alzaabi commented, "e& remains committed in delivering top-tier services and advanced technologies with a focus on purpose and value. Our ongoing investments in digital infrastructure and emerging technologies position us as a driving force for innovation and growth, making us the preferred partner in advancing the digital economy. With the support and vision of the UAE leadership, we will continue to play a crucial role in shaping the digital landscape and driving socio-economic progress, thereby reinforcing the UAE's status as a global innovation hub."

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

e&'s performance in the first half of 2024 highlights our dedication and efforts to foster growth and efficiency while demonstrating resilience and adaptability to the various challenges in some of our markets.

e& achieved impressive results with consolidated revenue increasing by 6 per cent to AED 28.3 billion, and consolidated EBITDA rising by 2 per cent year-over-year to AED 12.9 billion. Our success is driven by our relentless pursuit of technological innovation, delivering tangible value to our customers and shareholders. We have embraced advanced and emerging technologies, launching numerous AI-driven initiatives and platforms, underscoring our leadership in digital transformation. Strategic partnerships have enhanced our service portfolio, while we continue to expand our global presence through successful acquisitions.

“Looking ahead, I am confident that our dedication to empowering individuals, businesses, and communities through technology will pave the way for growth and create a meaningful impact in people’s lives. Despite the challenges in some markets, we will focus on seizing the opportunities ahead. With the unwavering efforts of our teams, we can accelerate our progress, take bold actions to enhance our value proposition, and expand access to connectivity. We are deeply grateful to our customers and shareholders for their continued support and trust as we explore new avenues and achieve new milestones.

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## Subscribers

(Number in Thousands)	Q2 2024	Q2 2023	y-o-y
e& UAE	14,600	13,944	4.7%
e& international	160,548	151,066	6.3%
<b>Total Aggregate Subscribers</b>	<b>175,148</b>	<b>165,010</b>	<b>6.1%</b>

**Aggregate subscribers** as of 30 June 2024 reached 175.1 million, representing staggering net additions of 10.1 million during the last 12-month period, driven by robust subscriber acquisition in UAE, Egypt, Pakistan and Moov Africa operations. Quarter over quarter subscriber base increased by 2.6 million subscribers.

In the **UAE**, we're doubling down in our home market by enhancing and expanding our product base as well as leveraging our new digital verticals to create multiple synergetic opportunities; all while reaping the benefits of the UAE's economic prosperity. As a result, our active subscriber base increased 4.7% year-over-year to report 14.6 million in the second quarter of 2024. The mobile subscriber base increased by 5.4% year on year to reach 12.9 million subscribers attributed to solid growth in both the prepaid and postpaid segments, up year over year 4.8% and 7.5% respectively, driven by launch of attractive offerings and enhanced customer experience supported by the world's fastest 5G speed network. On the fixed platform, eLife subscriptions increased year on year by 4.2% to 1.2 million subscribers. Total broadband segment witnessed a slight increase of 0.6% to reach 1.4 million subscribers.

For **e& international**, total subscribers witnessed robust growth of 6.3% year over year to reach a total of 160.5 million subscribers. This is due to connecting additional 9.5 million subscribers in the last 12 months.

For **Maroc Telecom Group's** subscriber base reached 78.4 million subscribers as of 30 June 2024, representing a year over year increase of 5.1%. This was primarily attributable to the exceptional subscriber growth in Moov Africa subsidiaries, especially in Benin, Burkina Faso, Gabon, Ivory Coast, Togo, Niger, Chad and Central African Republic.

**e& Egypt** added an outstanding 4.2 million subscribers, expanding its subscriber base year over year by 13.3% to 35.8 million subscribers, serving as a testament to Egypt's resilience as a consumer driven economy.

In **Pakistan**, subscriber base increased by 4.1% year over year to 28.0 million, attributed to strong customer acquisition in mobile and FTTH segments.

## Revenue

(AED Million)	Q2 2024	Q2 2023	y-o-y	H1 2024	H1 2023	y-o-y
e& UAE	8,213	7,852	4.6%	16,424	15,619	5.2%
e& international	4,951	4,889	1.3%	9,969	9,516	4.8%
<i>Maroc Telecom Group</i>	3,206	3,230	-0.8%	6,365	6,301	1.0%
<i>e&amp; Egypt</i>	826	894	-7.6%	1,861	1,713	8.6%
<i>PTCL Group</i>	733	616	19.0%	1,382	1,223	13.0%
<i>Etisalat Afghanistan</i>	187	149	25.4%	361	279	29.3%
e& enterprise	641	599	7.0%	1,339	1,169	14.5%
e& life	510	286	78.3%	957	571	67.7%
Others <sup>(1)</sup>	-222	-12	nm	-382	-258	48.2%
<b>Consolidated Revenue</b>	<b>14,092</b>	<b>13,614</b>	<b>3.5%</b>	<b>28,306</b>	<b>26,617</b>	<b>6.3%</b>

**Consolidated reported revenue** amounted to AED 14.1 billion, representing a solid increase of 3.5% compared to the same period last year. In constant currency, revenue grew a solid 6.3% y-o-y. Growth was attributed to the strong performance in all verticals, both in telecom and digital.

<sup>1)</sup> Others include non-telco and non-digital revenue streams and adjustments related to the reporting period.

**e& UAE**, revenue increased 4.6% year over year reaching AED 8.2 billion. This performance is attributed to it's strategic focus to diversify into new digital products in both the consumer and business segments coupled by an outstanding operating environment underpinned by growing population and influx of visitors. Mobile segment maintains its growth trajectory with a 4.8% year over year growth to reach AED 3.0 billion due to the increase in subscribers (+5.4%) aided by strong commercial execution of go-to-market strategy resulting in uptake of our bundled offers and growth in outbound roaming. Fixed segment revenue witnessed a strong increase of 2.9% year over year reaching AED 2.9 billion as a result of growth in business segment driven by voice and fixed data services. Other segment revenue increased year over year by a solid 6.6% to AED 2.3 billion due to increase in wholesale, handset revenues, and ICT projects.

**e& international** reported revenue increased by 1.3% year over year accommodated by strong performance in PTCL and Afghanistan. At constant exchange rates, revenues increased by 9.0% year over year portraying a negative impact in foreign exchange movements due to Egyptian Pound (EGP).

**Maroc Telecom** consolidated revenue for the second quarter of 2024 amounted to AED 3.2 billion decreasing 0.8% year over year attributed to the performance of operations in Morocco. In local currency, revenue declined by 1.2% year over year. In Morocco, revenue declined year over year by 2% in local currency attributed to the mobile segment revenue being under pressure as a result of continuous unfavorable regulatory and competitive environment, leading to a year over year decline of 5.0%. The fixed segment witnessed an increase of 1% year over year supported by a 6.5% growth in fixed broadband. Revenue from international operations "Moov Africa" increased by 0.2% year over year in Moroccan Dirham which was also partially subdued by the appreciation of the MAD against the CFA and cut in mobile termination rates in few countries.

**Egypt** revenue decreased year over year by 7.6% to reach AED 0.8 billion. In constant currency, revenues saw outstanding year on year growth, up 42.7% versus the same comparable period the year prior attributed to increase in subscriber base and growing voice and data revenue.

In **Pakistan**, reported revenue reached AED 0.7 billion with a solid increase of 19.0% compared to Q2 2023. Revenue growth was largely due to strong performance in the consumer segment, boosted by significant growth in fixed broadband, mobile data and business solutions. In local currency, revenue grew 16.3% year over year.

**e& enterprise**, reported year over year growth 7.0% to reach AED 0.6 billion. This was predominantly due to organic growth in various business segments, including cloud services, cybersecurity, and IoT.

**e& life** witnessed robust revenue growth year over year of 78.3% to reach AED 0.5 billion. Growth was mainly due to the recent consolidation of Careem Technologies.

## Direct Cost

(AED Million)	Q2 2024	Q2 2023	y-o-y	H1 2024	H1 2023	y-o-y
Direct Cost of Sales	4,052	3,862	4.9%	8,270	7,554	9.5%
Direct Cost of Sales	4,052	3,862	4.9%	8,270	7,554	9.5%

**Consolidated direct cost** amounted to AED 4.1 billion in the second quarter of 2024, up 4.9% year over year mainly attributed to higher handset cost to support growth in sale of smart living devices. As a percentage of revenue, direct cost represented 29% which slightly increased by 0.4% versus the same period of the previous year.

## Operating Expenses

(AED Million)	Q2 2024	Q2 2023	y-o-y	H1 2024	H1 2023	y-o-y
Staff Costs	1,236	1,084	14.0%	2,483	2,196	13.1%
Depreciation & Amortisation	1,736	1,733	0.2%	3,487	3,495	-0.2%
Network & Related Costs	790	707	11.7%	1,542	1,402	10.0%
Marketing Expenses	263	213	23.3%	535	412	29.8%
Other OpEx <sup>(2)</sup>	962	913	5.3%	2,335	2,153	8.5%
<b>Total OpEx</b>	<b>4,986</b>	<b>4,650</b>	<b>7.2%</b>	<b>10,383</b>	<b>9,658</b>	<b>7.5%</b>

**Consolidated operating expenses** increased by 7.2% compared to the same period of the previous year, mainly driven by the consolidation of the new acquired entities under digital verticals as well as the impact of inflationary pressure leading to higher staff costs, marketing expenses, network costs, and other operating expenses. As percentage of revenue, the Group continues to maintain a sound cost discipline with operating expenses remaining relatively stable at 35% despite increased inflationary pressures and utility costs.

### Key components of operating expenses are:

- Staff expenses** increased year over year by 14.0% to AED 1.2 billion. As a percentage of revenue, staff expenses increased 0.8 percentage points to reach 8.8%.
- Depreciation and Amortisation** remained relatively stable year over year with a slight 0.2% to report AED 1.7 billion. As a percentage of revenue, depreciation and amortization expenses declined by 0.4 percentage points to reach 12.3%.
- Network costs** increased by 11.7% year over year to AED 0.8 billion as a result of expanded network and higher energy prices. As a percentage of revenue, network costs increased slightly by 0.4 percentage points year over year to report 5.6%.
- Marketing expenses** increased year over year by 23.3% to AED 0.3 billion to support growing revenue streams. As a percentage of revenue, marketing expenses increased to reach 1.9% increasing 0.3 percentage points year over year.
- Other operating expenses** increased by 5.3% year over year to AED 1.0 billion, mostly attributed to the spike in consultancy and IT costs which increased 33.7% and 33.5% year over year, respectively. As a percentage of revenue, other operating expenses remained almost stable at 6.8%.

## EBITDA

(AED Million)	Q2 2024	Q2 2023	y-o-y	H1 2024	H1 2023	y-o-y
<b>e&amp; UAE</b>	<b>4,274</b>	<b>4,100</b>	<b>4.2%</b>	<b>8,503</b>	<b>8,112</b>	<b>4.8%</b>
<b>e&amp; international</b>	<b>2,349</b>	<b>2,331</b>	<b>0.8%</b>	<b>4,578</b>	<b>4,454</b>	<b>2.8%</b>
Maroc Telecom Group	1,792	1,797	-0.3%	3,473	3,449	0.7%
e& Egypt	298	337	-11.7%	645	626	3.1%
PTCL Group	193	149	28.8%	338	302	12.1%
Etisalat Afghanistan	66	48	39.0%	121	78	56.2%
<b>e&amp; enterprise</b>	<b>63</b>	<b>95</b>	<b>-33.9%</b>	<b>152</b>	<b>160</b>	<b>-5.0%</b>
<b>e&amp; life</b>	<b>-211</b>	<b>-10</b>	<b>2014.2%</b>	<b>-365</b>	<b>-28</b>	<b>1185.0%</b>
<b>Others</b>	<b>99</b>	<b>52</b>	<b>89.8%</b>	<b>82</b>	<b>53</b>	<b>53.8%</b>
<b>Consolidated EBITDA</b>	<b>6,573</b>	<b>6,568</b>	<b>0.1%</b>	<b>12,949</b>	<b>12,751</b>	<b>1.6%</b>

2) Other operating expenses include regulatory expenses, consultancy costs, operating lease rentals, IT Costs, and others



(AED Million)	Q2 2024	Q2 2023	y-o-y	H1 2024	H1 2023	y-o-y
<b>e&amp; UAE</b>	<b>52%</b>	<b>52%</b>	<b>-0.2 pp</b>	<b>52%</b>	<b>52%</b>	<b>-0.2 pp</b>
<b>e&amp; international</b>	<b>47%</b>	<b>48%</b>	<b>-0.2 pp</b>	<b>46%</b>	<b>47%</b>	<b>-0.9 pp</b>
Maroc Telecom Group	56%	56%	0.3 pp	55%	55%	-0.2 pp
e& Egypt	36%	38%	-1.7 pp	35%	37%	-1.8 pp
PTCL Group	26%	24%	2.0 pp	24%	25%	-0.2 pp
Etisalat Afghanistan	35%	32%	3.5 pp	34%	28%	5.8 pp
<b>e&amp; enterprise</b>	<b>10%</b>	<b>16%</b>	<b>-6.0 pp</b>	<b>11%</b>	<b>14%</b>	<b>-2.3 pp</b>
<b>e&amp; life</b>	<b>-41%</b>	<b>-3%</b>	<b>-37.9 pp</b>	<b>-38%</b>	<b>-5%</b>	<b>-33.2 pp</b>
<b>EBITDA Margin</b>	<b>47%</b>	<b>48%</b>	<b>-1.6 pp</b>	<b>46%</b>	<b>48%</b>	<b>-2.2 pp</b>

**Group reported consolidated EBITDA** for the second quarter of 2024 reached AED 6.6 billion, stable versus the same comparable period of the previous year. In constant currency, the Group delivered 2.1% growth y-o-y supported by healthy upside in revenues offsetting the inflationary impact on operating costs. EBITDA margin was impacted by changes in revenue mix as we expand our digital verticals. As a result, consolidated EBITDA margin reached 47% while consolidated Telco EBITDA margin remained solid at 50%.

In the **UAE**, reported EBITDA reached AED 4.3 billion increasing 4.2% year over year and leading to an EBITDA margin of 52%, slightly lower by 0.2 percentage points versus the second quarter of the previous year. The increase in EBITDA is primarily attributed to strong operating leverage coming from positive revenue growth and continued focus on operational efficiency.

**e& international's** EBITDA increased 0.8% year over year to AED 2.3 billion due to higher revenues, resulting in EBITDA margin of 47% slightly lower by 0.2 percentage points versus its comparable period the previous year. This was mainly due to inflationary pressure and unfavourable movement in EGP against AED.

**Maroc Telecom Group** reported EBITDA declined by 0.3% to AED 1.8 billion. However, EBITDA margin remained resilient and increased 0.3 percentage point year over year to 56%. In Moroccan Dirhams, EBITDA declined by 1.0% impacted by EBITDA decline in Moov Africa of 3.2% mainly due to devaluation of CFA against MAD.

In **Egypt**, EBITDA reached AED 0.3 billion decreasing 11.7% compared to last year. However, in constant currency EBITDA sustained outstanding double-digit growth of 36.5% attributed to revenue growth.

In **Pakistan**, EBITDA increased year over year 28.8% to AED 193 million. Similarly, in constant currency, EBITDA grew year over year by 26.1% due to strong revenue growth. EBITDA margin increased 2 percentage points despite inflationary pressure driven by unfavorable macroeconomic conditions.

**e& enterprise** EBITDA declined 33.9% year over year to AED 63 million, mainly due to lower revenue and positive one-off in previous year.

**e& life** reported negative EBITDA of AED 211 million mainly as a result of the consolidation of Careem Technology that is still focused on growth and expansion of the business.

## Net Profit After Federal Royalty & Taxes

(AED Million)	Q2 2024	Q2 2023	y-o-y	H1 2024	H1 2023	y-o-y
<b>Consolidated Net Profit</b>	<b>3,165</b>	<b>2,522</b>	<b>25.5%</b>	<b>5,495</b>	<b>4,709</b>	<b>16.7%</b>
<b>Earnings Per Share (AED)</b>	<b>0.36</b>	<b>0.29</b>	<b>25.5%</b>	<b>0.63</b>	<b>0.54</b>	<b>16.7%</b>
<b>Net Profit Margin</b>	<b>22.5%</b>	<b>18.5%</b>	<b>3.9 pp</b>	<b>19.4%</b>	<b>17.7%</b>	<b>1.7 pp</b>

**Consolidated net profit after federal royalty & corporate tax attributed to the owners of the company** saw strong growth in the second quarter of 2024, increasing year over year by 25% to reach a record AED 3.2 billion resulting in net profit margin of 22%. This growth is mainly attributed to higher share of results from associates.

**Earnings per share (EPS)** amounted to AED 0.36 in the second quarter.

## Interim Dividends

On 31 July 2024, the Board of Directors approved an interim dividend distribution for the six months period ended 30 June 2024 at the rate of 41.5 fils per share. Shareholders registered in the Company's Shareholders Register at the end of 12 August 2024 (Record Date), will be eligible for the dividend distribution.

## CAPEX

(AED Million)	Q2 2024	Q2 2023	y-o-y	H1 2024	H1 2023	y-o-y
<b>e&amp; UAE</b>	<b>542</b>	<b>679</b>	<b>-20.1%</b>	<b>1,256</b>	<b>1,192</b>	<b>5.3%</b>
<b>e&amp; international</b>	<b>1,205</b>	<b>1,137</b>	<b>6.0%</b>	<b>2,045</b>	<b>1,712</b>	<b>19.5%</b>
Maroc Telecom Group	716	760	-5.8%	1,185	1,065	11.3%
e& Egypt	247	151	63.7%	395	324	22.2%
PTCL Group	192	202	-5.0%	410	275	48.8%
Etisalat Afghanistan	50	24	108.2%	55	48	14.8%
<b>Others</b>	<b>39</b>	<b>127</b>	<b>-69.0%</b>	<b>139</b>	<b>136</b>	<b>2.0%</b>
<b>Group CAPEX</b>	<b>1,787</b>	<b>1,943</b>	<b>-8.0%</b>	<b>3,440</b>	<b>3,040</b>	<b>13.2%</b>

Intensity Ratio (%)	Q2 2024	Q2 2023	y-o-y	H1 2024	H1 2023	y-o-y
<b>e&amp; UAE</b>	<b>7%</b>	<b>9%</b>	<b>-2.0 pp</b>	<b>8%</b>	<b>8%</b>	<b>0.0 pp</b>
<b>e&amp; international</b>	<b>24%</b>	<b>23%</b>	<b>1.1 pp</b>	<b>21%</b>	<b>18%</b>	<b>2.5 pp</b>
Maroc Telecom Group	22%	24%	-1.2 pp	19%	17%	1.7 pp
e& Egypt	30%	17%	13.0 pp	21%	19%	2.4 pp
PTCL Group	26%	33%	-6.6 pp	30%	23%	7.1 pp
Etisalat Afghanistan	27%	16%	10.6 pp	15%	17%	-1.9 pp
<b>Group Intensity Ratio</b>	<b>13%</b>	<b>14%</b>	<b>-1.6 pp</b>	<b>12%</b>	<b>11%</b>	<b>0.7 pp</b>

**Consolidated capital expenditure** decreased 8.0% year over year to AED 1.8 billion in Q2 2024 leading to a capital intensity ratio of 13%, down 1.6 percentage points versus the same period of the prior year. The Group aim for a balanced long-term capital investment continued to focus on supporting revenue growth while 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 0.5 billion, a 20.1% decrease in comparison to the same period last year. Capital intensity ratio was 7%, 2.0 percentage points lower when compared to the same quarter of the prior year. Capital spending in the UAE focused on 5G deployment and network modernisation aimed at enhancing customers' experience via the world's fastest 5G speed and highest FTTH penetration.

Capital expenditures in **e& international** in the second quarter of 2024 increased by 6.0% year over year to AED 1.2 billion, resulting in capital intensity ratio of 24%, up almost 1 percentage point versus same period of the prior year. International operations represented 67% of the Group's total consolidated capital expenditure.

**Maroc Telecom** capital expenditure for the second quarter declined in AED by 5.8% year over year to AED 0.7 billion, resulting in a capital intensity ratio of 22%. Capital spending increased year over year in local currency in

Morocco by 1.5% and decreased in Moov Africa's operations by 14.2%. Capital spending focused on expanding fibre-to-the-home (FTTH) and 4G mobile networks coverage and increasing network capacity to cater for the customers' higher data demand.

In **Egypt**, capital expenditure for the second quarter increased by 63.7% year over year to AED 0.2 billion resulting in a capital intensity ratio of 30%, which was 13.0 percentage points higher 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 second quarter decreased by 5.0% year over year to AED 0.2 billion resulting in a capital intensity ratio of 26%, 6.6 percentage points lower 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 debt <sup>(3)</sup> amounted AED 47.7 billion as of 30 June 2024, as compared to AED 49.0 billion as of 31 December 2023; a decrease of AED 1.3 billion as a result of repayment of bank borrowings.

### Consolidated debt breakdown by operations as of June 2024 is as following:

- Group (AED 38.6 billion)
- Maroc Telecom Group (AED 5.1 billion)
- PTCL Group (AED 2.9 billion)
- e& Egypt (AED 1.1 billion)

Around 88% of the debt balance is of a long-term maturity that is due after 1 year. Currency mix of borrowings is 63% in AED, 18% in Euros and 19% in other currencies.

Consolidated cash balance amounted to AED 23.9 billion as of 30 June 2024 leading to a net debt position of AED 23.9 billion and a Net Debt /EBITDA ratio of 0.91x.

## Performance Against Guidance FY 2024

H1 2024 performance is ahead of management's full year guidance in revenue growth at constant currency and capital spending. Management reiterates full year guidance for 2024.

Vertical	Key Metric	H1 2024 Actual	FY 2024 Guidance
Telecom	Revenue Growth Y-o-Y In Constant Currency (%)	+7%	Mid-Single Digit
	EBITDA Margin (%)	50%	~49%
	CAPEX Intensity Ratio (%)	13%	~16%
e& enterprise <sup>(4)</sup>	Revenue Growth Y-o-Y In Constant Currency (%)	+15%	Strong Double Digit
	EBITDA Margin (%)	11%	~13%
e& life <sup>(4)</sup>	Revenue Growth Y-o-Y (%)	+68%	~2x
	EBITDA Margin (%)	Negative	Negative
Group <sup>(5)</sup>	Earnings Per Share (AED)	0.63	~1.2

## Key Financial Highlights

### P&L Statement:

(AED million)	Q2 2024	Q1 2024	Q2 2023	q-o-q	y-o-y
Revenue	14,092	14,214	13,614	-0.9%	3.5%
EBITDA	6,573	6,376	6,568	3.1%	0.1%
EBITDA Margin (%)	46.6%	44.9%	48.2%	1.8 pp	-1.6 pp
Federal Royalty	(1,404)	(1,345)	(1,411)	4.5%	-0.5%
Net Profit	3,165	2,330	2,522	35.9%	25.5%
Net Profit Margin (%)	22.5%	16.4%	18.5%	6.1 pp	3.9 pp

### Balance Sheet:

(AED million)	30 Jun 2024	31 Dec 2023
Cash & Bank Balances	23,861	28,989
Total Assets	143,172	146,904
Total Debt	47,721	49,041
Net Cash / (Debt)	(23,860)	(20,051)
Total Equity	50,467	51,074

3) Note: Debt represents interest bearing debt i.e. bonds, banks borrowings and vendor financing  
4) Before applying transfer pricing  
5) Excluding ongoing M&A transactions

**Cashflow Statement:**

(AED million)	H1 2024	H1 2023
Operating	4,253	2,988
Investing	(2,934)	(5,879)
Financing	(6,038)	(5,801)
Net change in cash	(4,720)	(8,692)
Effect of FX rate changes	(409)	(127)
Ending cash balance	23,861	24,021

**Foreign Exchange Rates**

	<u>Average Rates</u>			<u>Closing rates</u>		
	Q2'23	Q2'24	y-o-y	Q2'23	Q2'24	y-o-y
EGP - Egyptian Pound	0.1189	0.0770	-35.26%	0.1189	0.0765	-35.66%
SAR - Saudi Riyal	0.9790	0.9791	0.01%	0.9792	0.9789	-0.02%
CFA - Central African Franc	0.0061	0.0060	-0.91%	0.0061	0.0060	-2.06%
PKR - Pakistani Rupee	0.0129	0.0132	2.31%	0.0128	0.0132	2.97%
AFA - Afghanistan Afghani	0.0417	0.0504	20.83%	0.0420	0.0510	21.34%
MAD - Moroccan Dirham	0.3634	0.3662	0.76%	0.3708	0.3683	-0.66%
Eur - Euro	3.9871	3.9509	-0.91%	4.0115	3.9286	-2.06%

**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 million)	Q2 2024	Q1 2024	Q2 2023
EBITDA	6,573	6,376	6,568
Depreciation & Amortization	(1,736)	(1,751)	(1,733)
Exchange Gain/(Loss)	9	(267)	4
Share of Associates and JV's results	691	453	167
Assets impairment and other losses	0	0	(5)
Operating Profit before Royalty	5,538	4,810	5,001



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## About e&

e& is an international, blue-chip organisation with operations in 32 countries across the Middle East, Africa and Asia. 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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