

Q3 2023 Results Presentation

1 November 2023



A Global Technology Group

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**Group CEO
Hatem Dowidar**

Group Key Highlights

Group Q3 2023 Snapshot



Exemplifying financial resilience...

Revenue

AED 13.4 billion

+3% Y-o-Y growth in reported currency

EBITDA

AED 6.9 billion

+3% Y-o-Y growth in reported currency, **51% Margin**

Net Profit

AED 3.0 billion

+20% Y-o-Y growth in reported currency



... coupled with solid operational growth...

Subs

167 million

+3% Y-o-Y increase with growth across most key markets

CAPEX

AED 1.8 billion

11% Y-o-Y increase, leading to an intensity ratio of **13%**

Guidance Update

Revising our guidance for FY 2023 upward



... and a key focus on sustainability



New ESG team highlights e&'s increased focus and commitment to its ESG agenda



CO2 targets submitted to SBTi for validation



e& becomes COP28's Principal Technology Partner



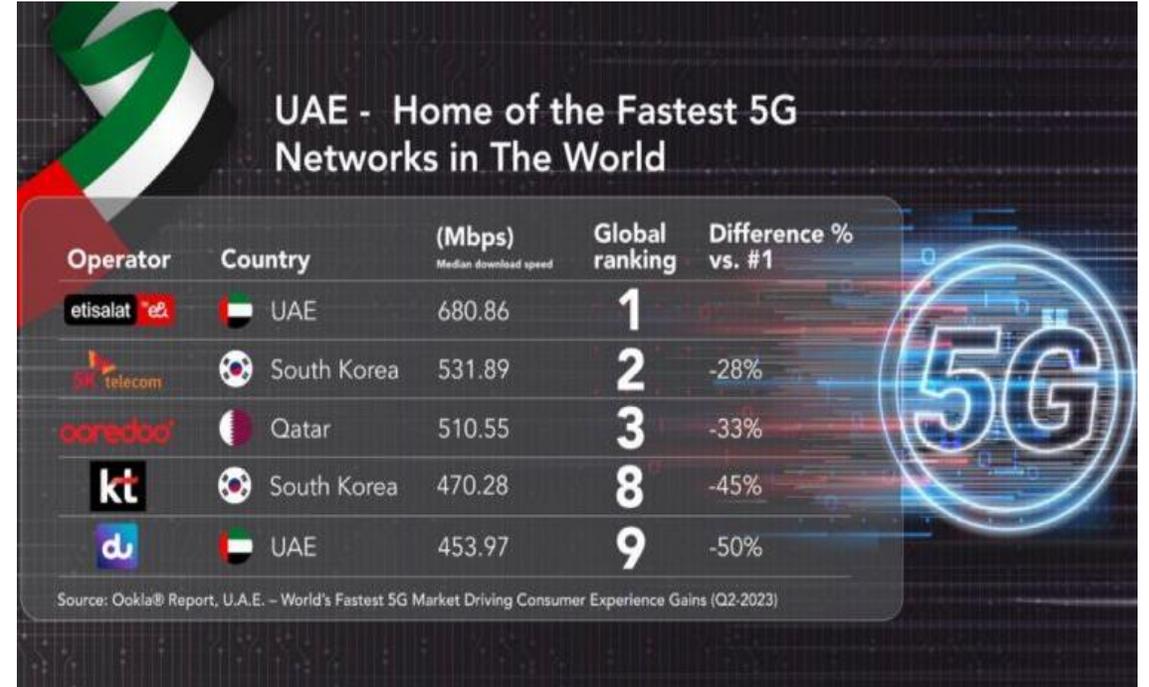
FTSE4good
e& is a member of FTSE4good Index

Q3 2023 Key Developments

GITEX Global 2023



Fastest 5G Network in the World



e& Capital Highlights



Leading \$5 million Series A financing round in Maxbyte for integrated digital & robotic solutions



Leading \$60m funding round for Airalo's eSIM marketplace growth plans



Investing in Ikigai Labs to bring generative AI for tabular data to all enterprises in MENA

1. Source: Ookla, as of September 2023,
2. Source: Ookla, as of Q2 2023

<p>Global City Rank #1 Dubai</p>	<p>#1 Globally in Mobile Speeds¹ UAE</p>	<p>212 Mbps</p>
<p>Global City Rank #1 Abu Dhab</p>	<p>#4 Globally in Fixed Speeds¹ UAE</p>	<p>232 Mbps</p>
<p>Global 5G Operator Rank #1 etisalat (681 Mbps)</p>	<p>#1 Globally in 5G Mobile Speeds² UAE</p>	<p>558 Mbps</p>

**Group CFO
Karim Bennis**

Group Financial Highlights



Q3 2023 Key Financial Highlights

Strong Q3 financial and operational metrics

Group Revenue
AED 13.4 billion
↑ 3% Y-o-Y



Group EBITDA
AED 6.9 billion
↑ 3% Y-o-Y



Net Profit
AED 3.0 billion
↑ 20% Y-o-Y



CAPEX
AED 1.8 billion
↑ 11% Y-o-Y



OpFCF
AED 5.1 billion
Stable Y-o-Y



Cash & Equivalents
AED 24.2 billion



Group Debt
AED 46.9 billion



Net Debt/EBITDA
0.88x



Credit Rating
AA- | Aa3
S&P | Moody's



Profit & Loss:

Revenue witnessed robust y-o-y growth in reported currency, spearheaded by an outstanding quarter in the UAE

EBITDA increased y-o-y despite inflationary and currency pressures



Cashflow:

Capital Expenditure increased y-o-y due to network expansion, while **OpFCF** remained robust supported by higher profitability



Balance Sheet:

Maintaining financial flexibility while investing in growth

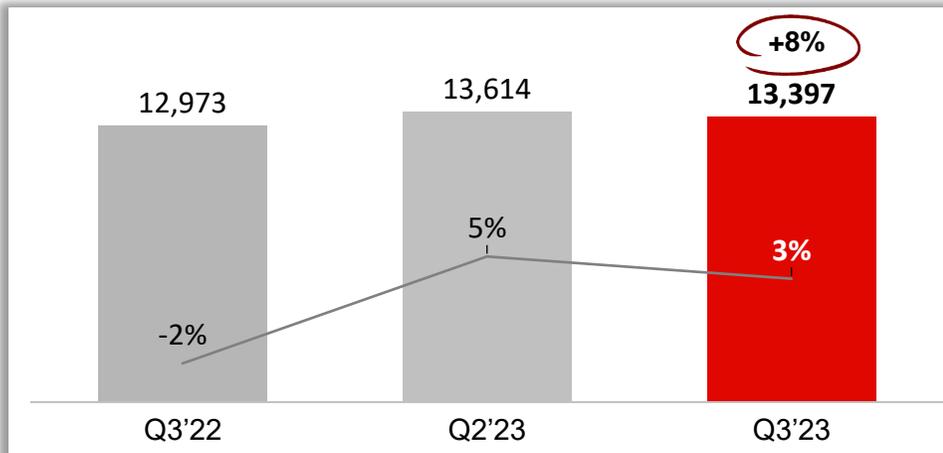
Group Revenue

Resilient across key markets

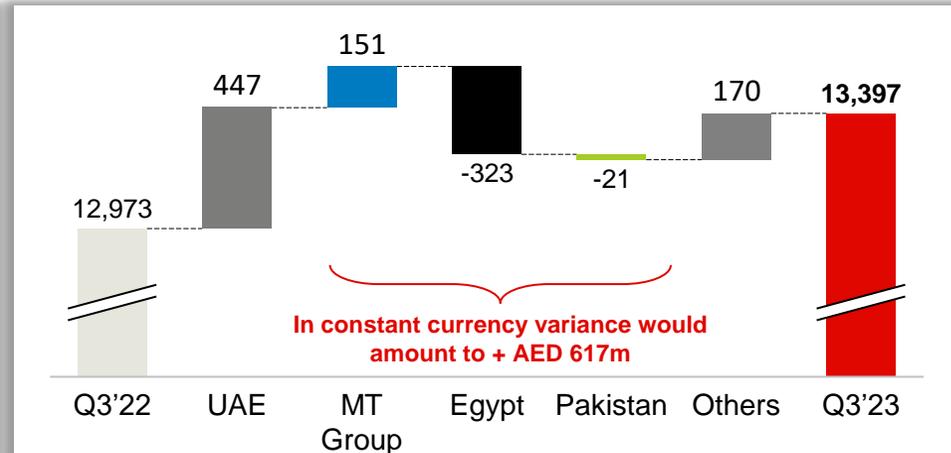
Key Highlights

- Strong Q3 revenue growth of 3.3%; constant currency growth of 8%
- Strong domestic revenue growth attributed to outstanding commercial performance and customer growth
- MT Group revenues increased primarily driven by strong performance of Moov Africa operations
- Sustained double-digit growth in Egypt in local currency due to strong growth of data and voice revenue
- Strong revenue growth in local currency in Pakistan across all segments

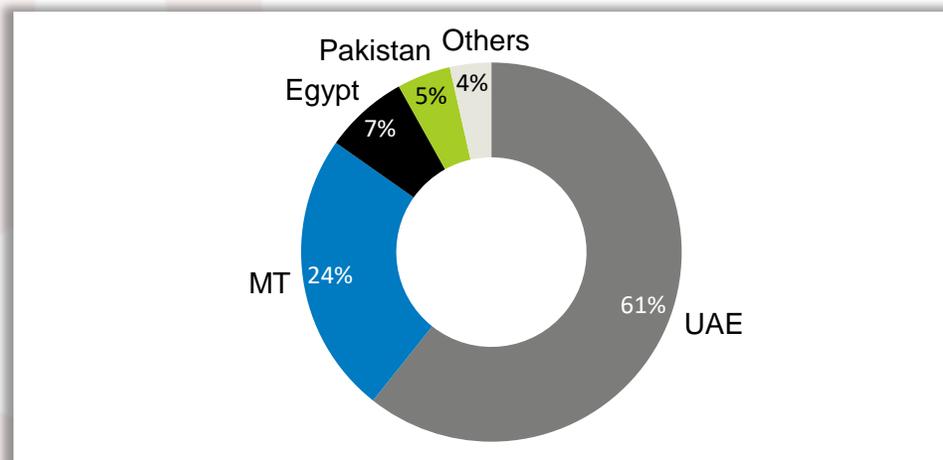
Revenue (AED m) & YoY Growth (%)



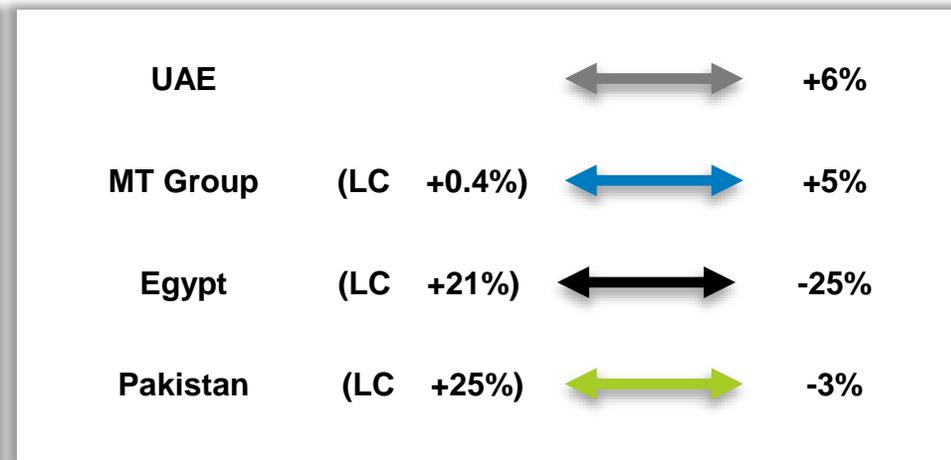
Sources of Revenue Variance (AED m)



Revenue Breakdown (Q3 2023)



Revenue Growth by OpCo (Q3 2023)



Growth Y/Y in constant currency

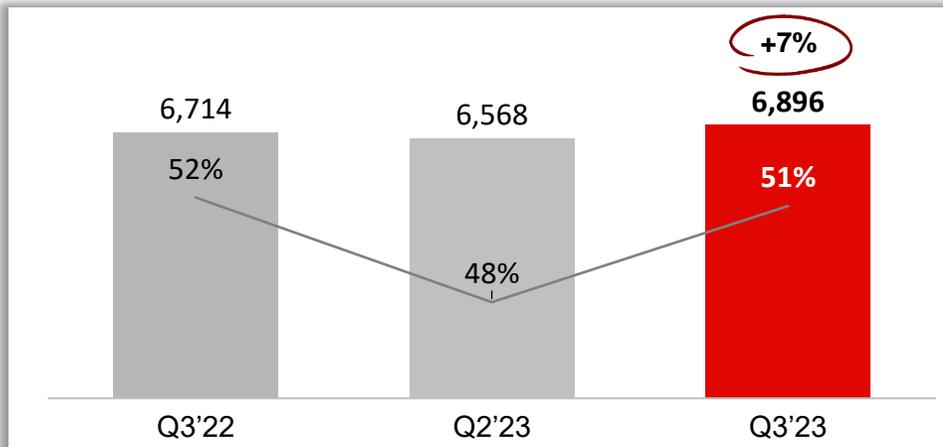
Group EBITDA

Robust EBITDA and margin

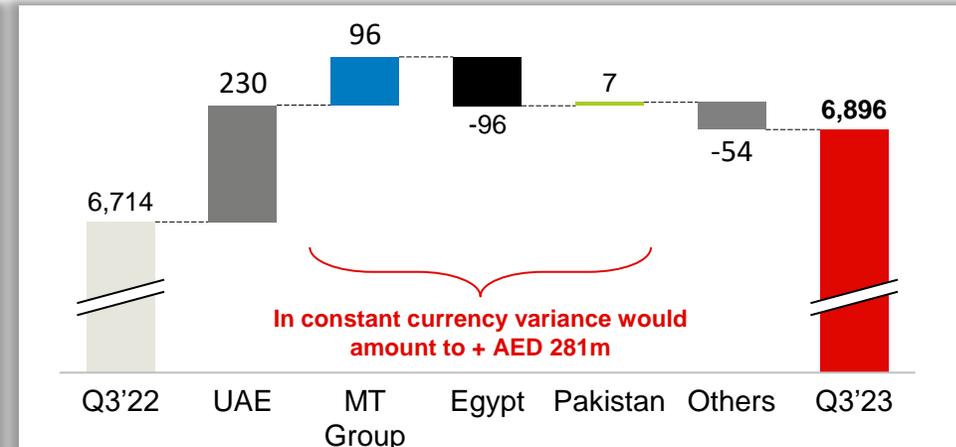
Key Highlights

- EBITDA increased by 2.7% YoY in reported currency & 6.9% in constant currency attributable to the strong revenue growth
- Strong EBITDA growth in the UAE supported by profitable revenue growth
- Maroc Telecom's EBITDA growth attributed to int'l operations
- Egypt EBITDA grew in local currency, benefiting from one-off item
- Pakistan EBITDA growth due to higher revenue

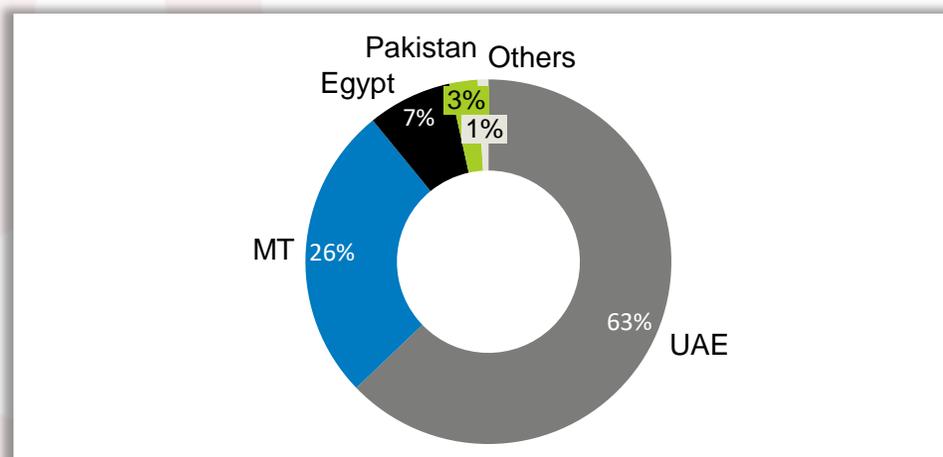
EBITDA (AED m) & Margin (%)



Sources of EBITDA Variance (AED m)



EBITDA Breakdown (Q3 2023)



EBITDA Growth by OpCo (Q3 2023)

UAE		↔	+6%
MT Group	(LC +1%)	↔	+6%
Egypt	(LC +36%)	↔	-16%
Pakistan	(LC +36%)	↔	+4%

Growth Y/Y in constant currency

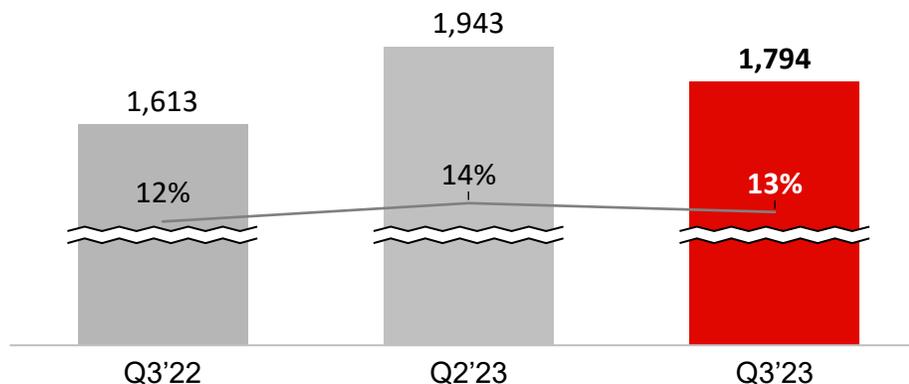
Group CAPEX

Enhancing networks capabilities

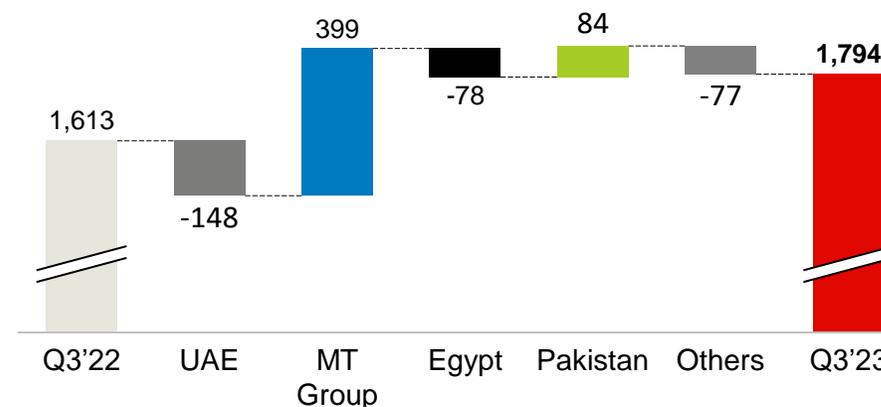
Key Highlights

- Capex increased by 11.2% YoY while intensity ratio increased by 1 percentage point
- Lower capital spend in the UAE with focus on network speed and modernisation
- MT Group capex focused on 4G & FTTH networks expansion and network capacity
- Lower capital spend in Egypt focused on network coverage and capacity
- Higher capex in PTCL Group focused on expansion of FTTH and mobile networks

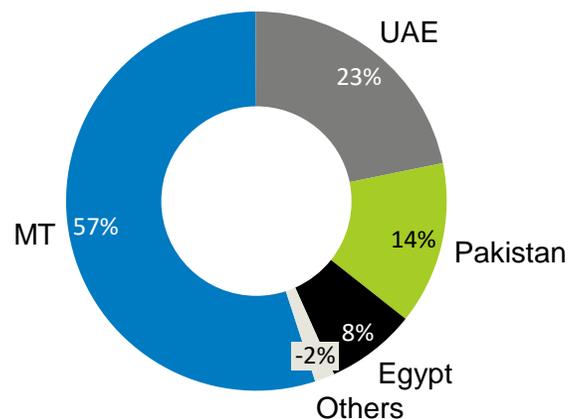
CAPEX (AED m) & Intensity Ratio (%)



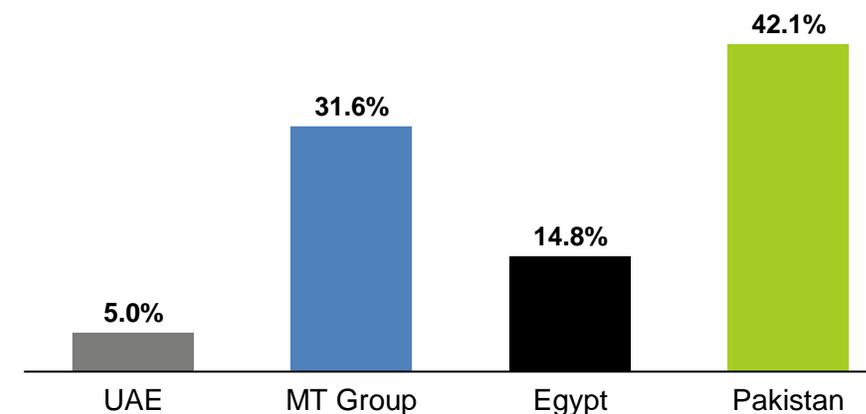
Sources of CAPEX Variance (AED m)



CAPEX Breakdown (Q3 2023)



Q3 2023 Intensity Ratio by Key Operations (%)



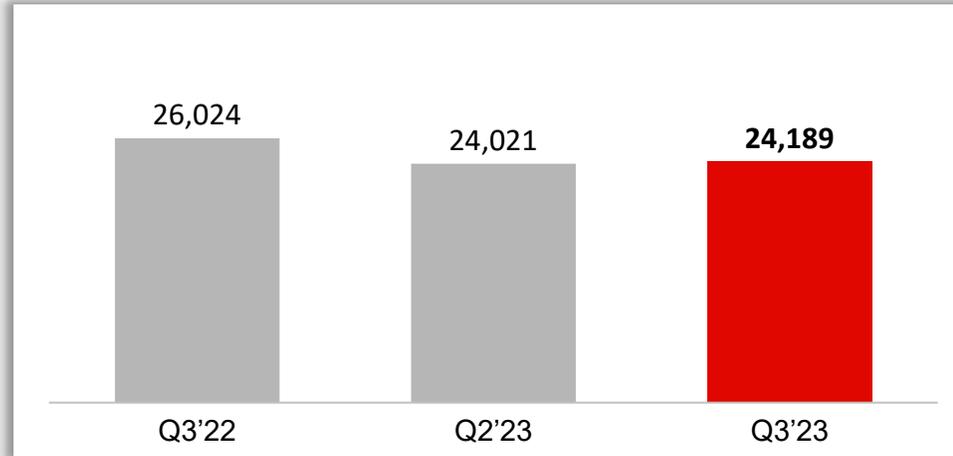
Group Financial Position

Robust liquidity position

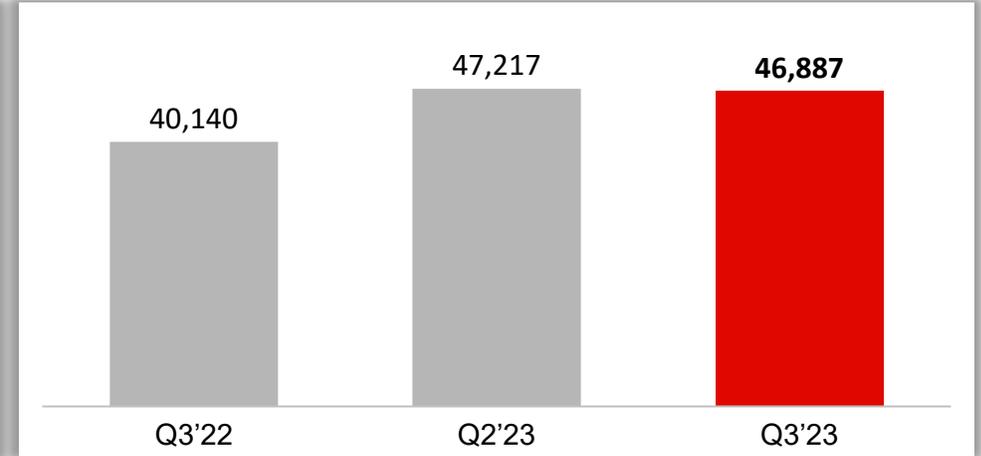
Key Highlights

- Stable cash balance compared to June attributed to payment of interim dividends offset by FCF generation
- Increased debt year over year to support growth opportunities
- Leverage remains below 1.5x Net Debt/EBITDA level
- Committed to investment grade credit profile

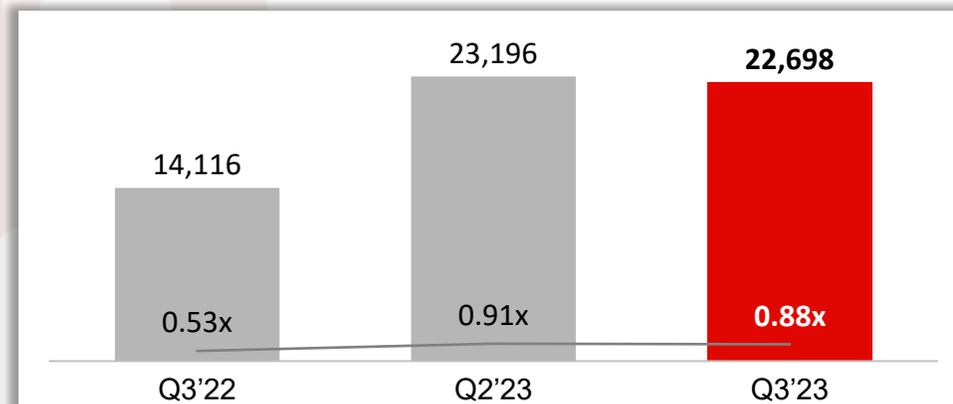
Cash & Cash Equivalents (AED m)



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

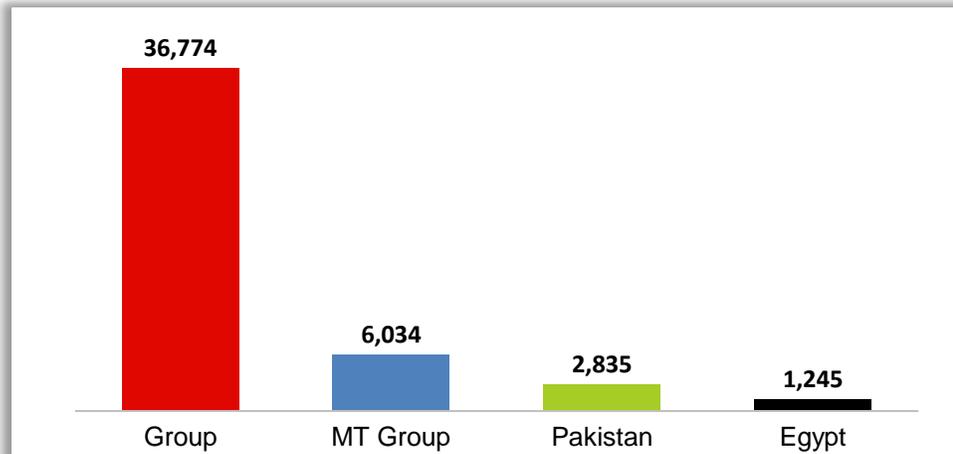
Group Debt Profile

Diversified long-term debt profile

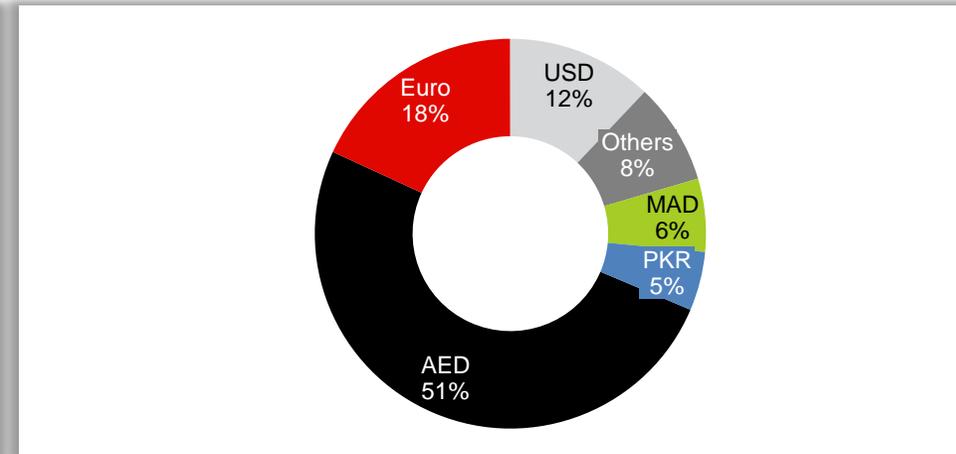
Key Highlights

- Total debt of AED 46.9 billion
- 78% of debt is at Group level, mostly in bank borrowings
- 63% of debt is in USD/AED
- Strong liquidity to cover short term debt maturities with 76% of debt due after 1 year

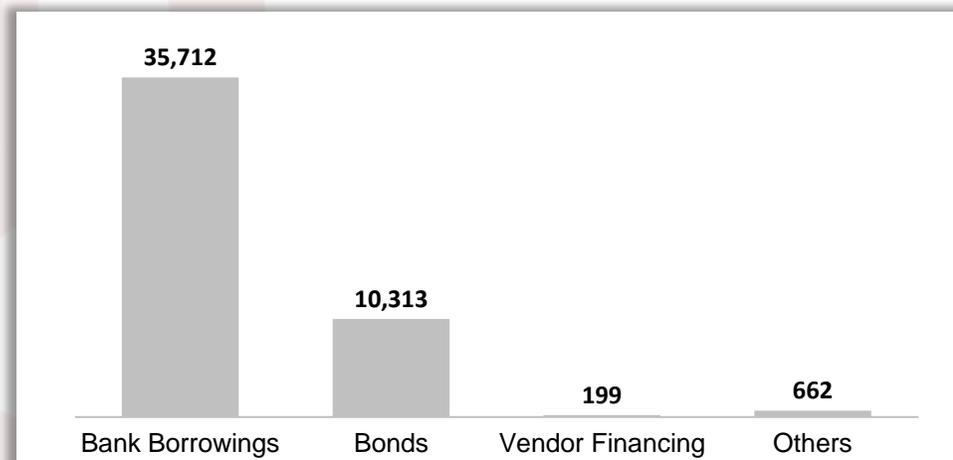
Borrowings by Operations (AED m)



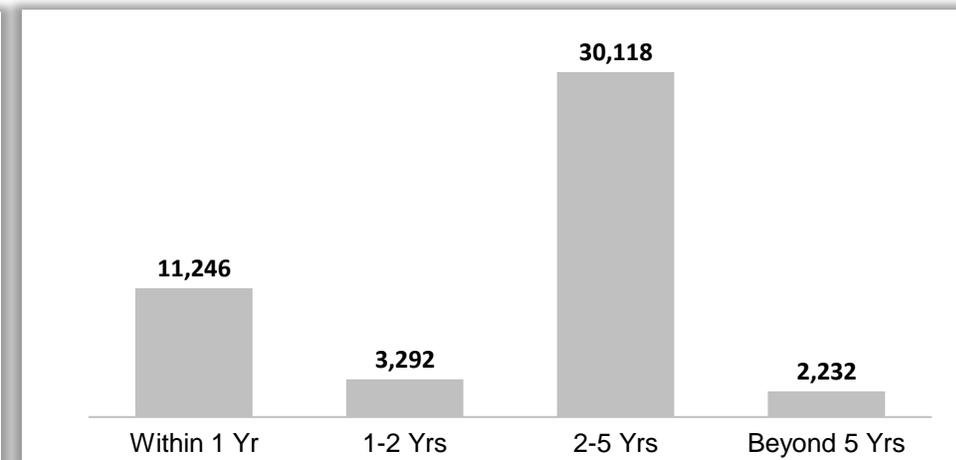
Borrowings by Currency (%)



Debt by Source (AED m)



Repayment Schedule (AED m)

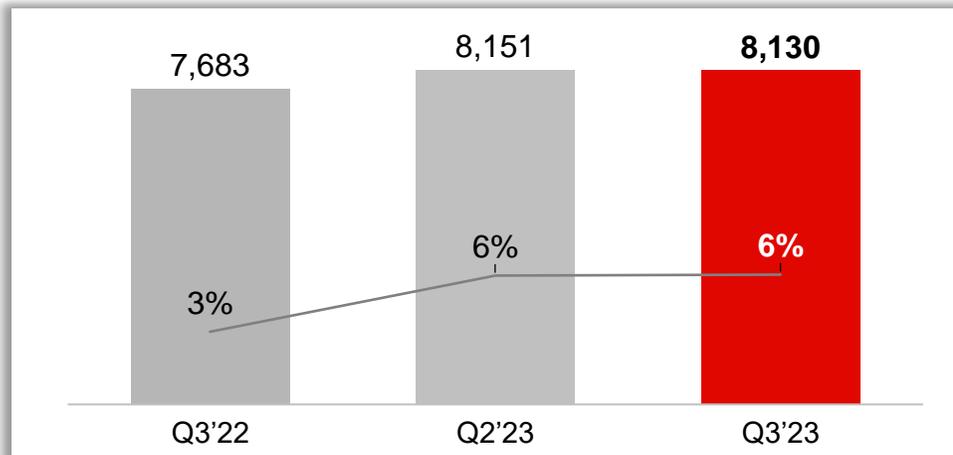


Strong growth across all key metrics

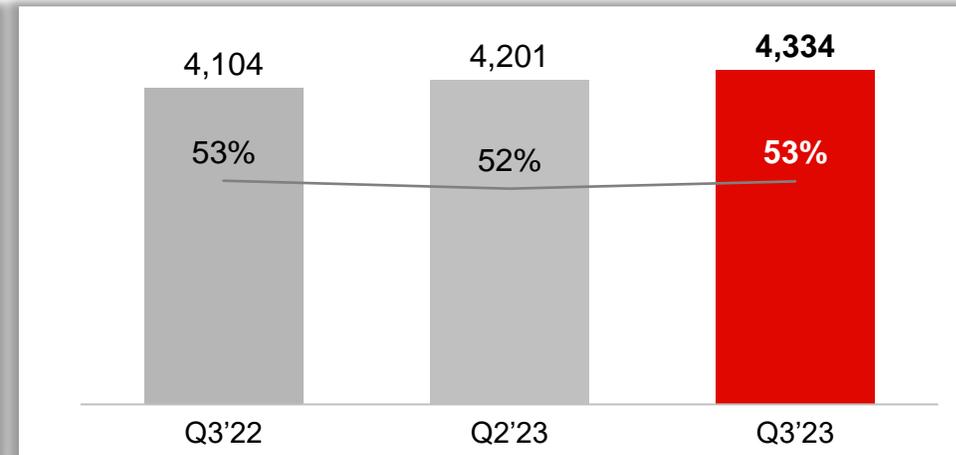
Key Highlights

- Revenue acceleration driven by subscriber growth and sustained commercial momentum
- EBITDA growth remained strong due to revenue growth
- Robust EBITDA margin at 53% level despite changes in revenue mix
- Sustained net profit and margin improvement
- Capex spend focused on 5G deployment and network speed

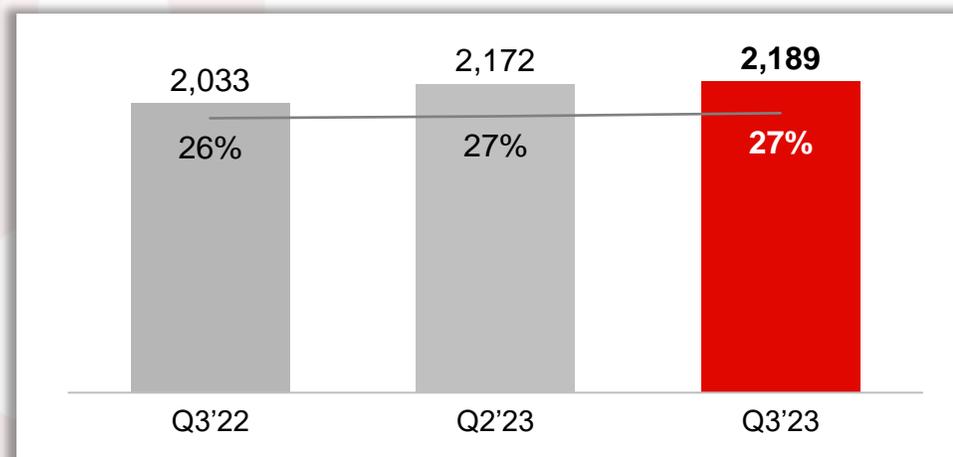
Revenue (AED m) & YoY Growth (%)



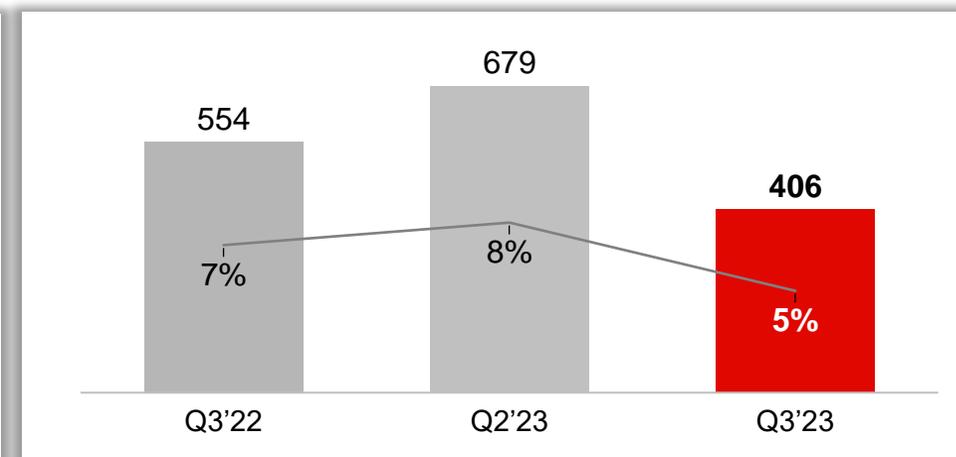
EBITDA (AED m) & EBITDA Margin (%)



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



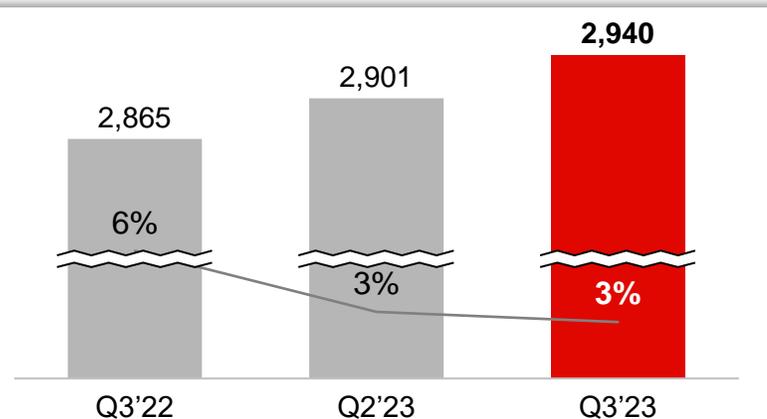
CAPEX (AED m) & CAPEX / Revenue (%)



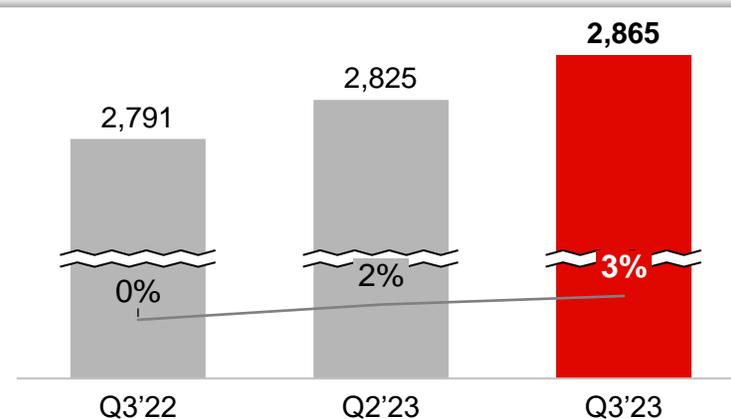
UAE Breakdown & Key KPIs

Strong results across the operational performance & subscriber gains

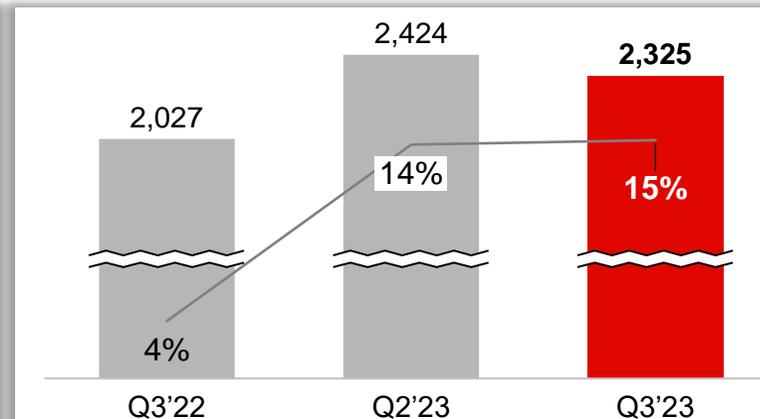
Mobile Revenue⁽¹⁾ (AED m) & YoY Growth (%)



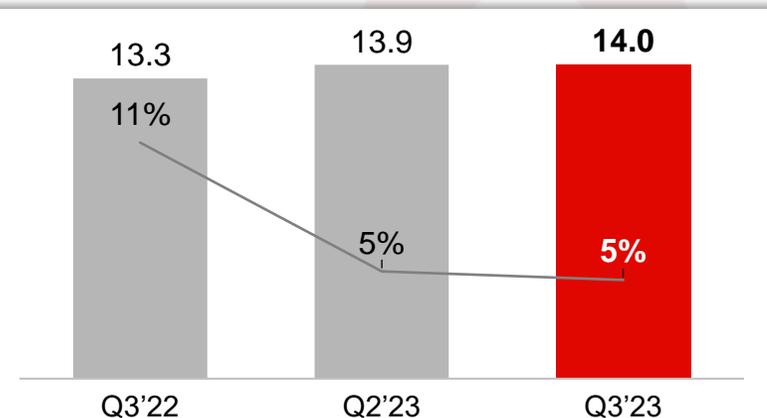
Fixed Revenue⁽²⁾ (AED m) & YoY Growth (%)



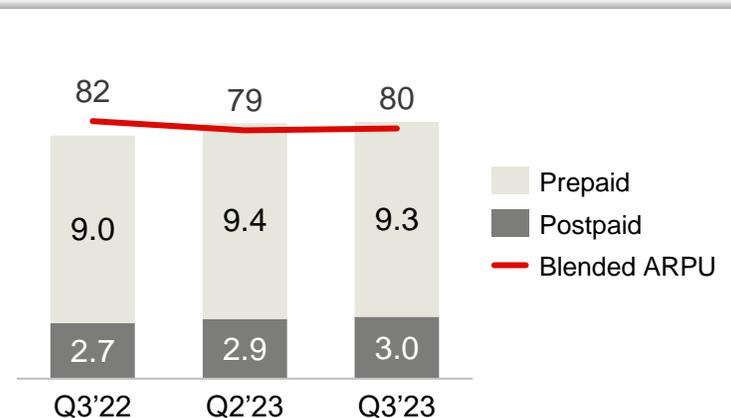
Other Revenue⁽³⁾ (AED m) & YoY Growth (%)



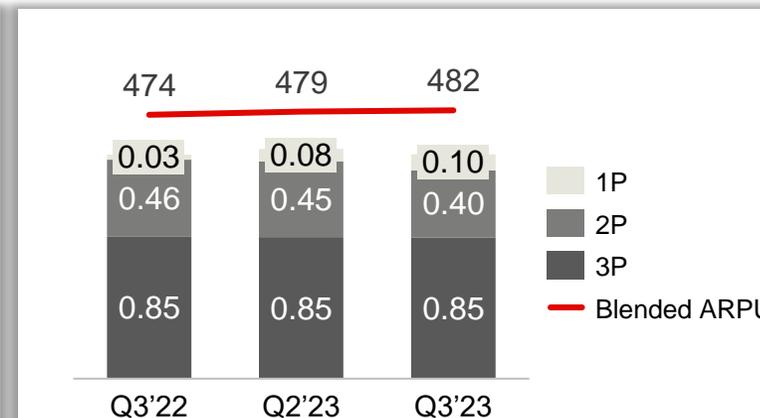
Total Subscribers (m) & YoY Growth (%)



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.

Maroc Telecom Group

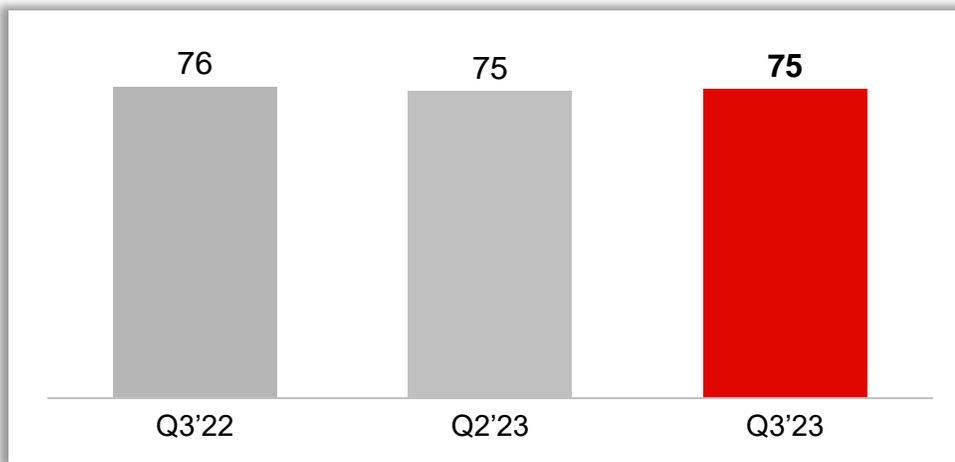
Int'l growth offsetting softness in Morocco



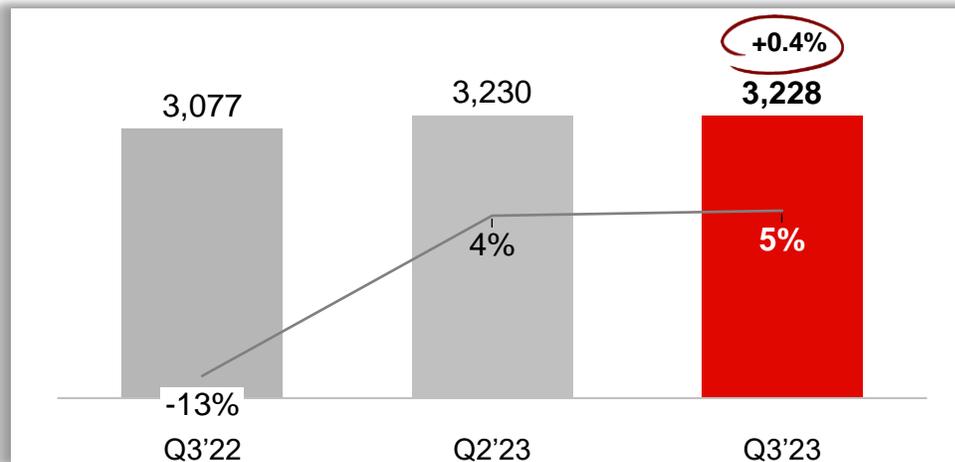
Key Highlights

- Slight Y/Y decline in subscriber base
- Revenue growth in Moov Africa operations
- EBITDA growth driven by revenue growth and improved cost control; EBITDA margin stable at 56%
- Higher capital spending focused on expanding 4G networks, FTTH and enhancing network capacity
- Donation of MAD 700 million to the earthquake aid in Morocco

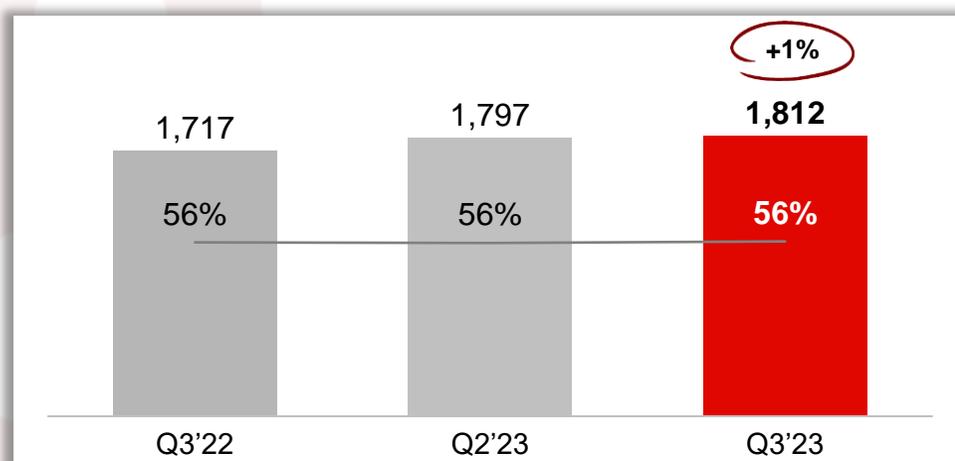
Subscribers (m)



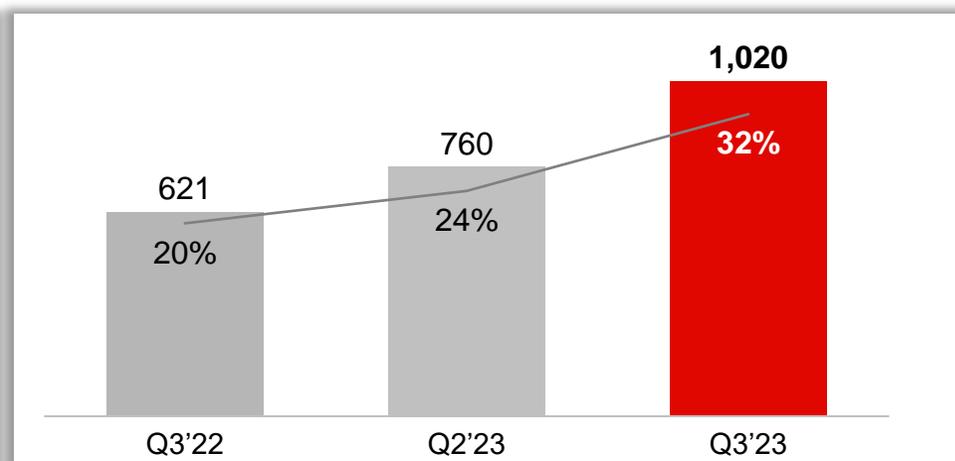
Revenue (AED m) & YoY Growth (%)



EBITDA (AED m) & EBITDA Margin (%)



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



Growth Y/Y in local currency

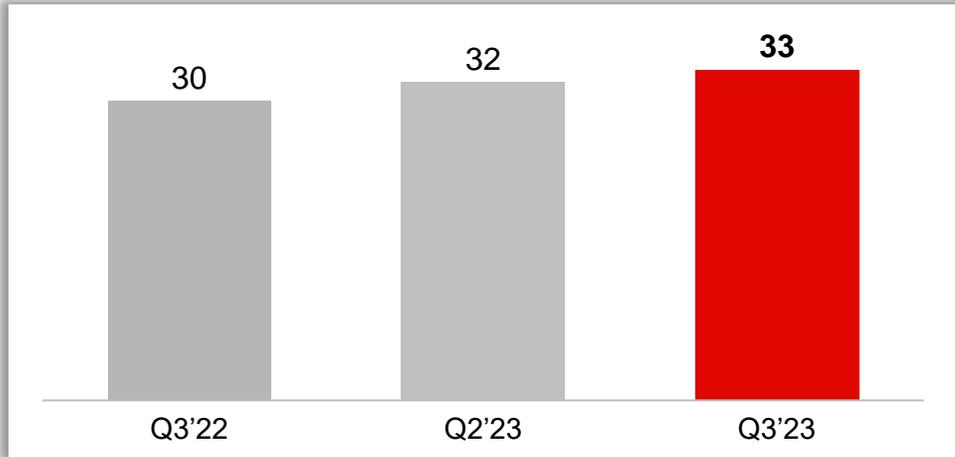
etisalat by e& Egypt

Steady growth in local currency

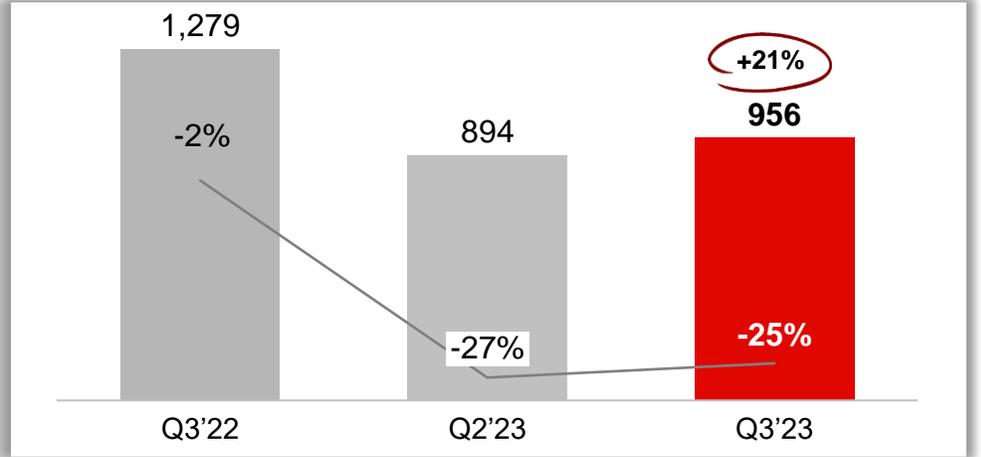
Key Highlights

- Sustained YoY subscriber growth
- Strong revenue growth in local currency attributed to mobile data and voice services and supported by subs growth
- EBITDA remained resilient in local currency
- Adjusting for one-off, EBITDA margin is 38%
- Capital spending focused on network modernization and coverage

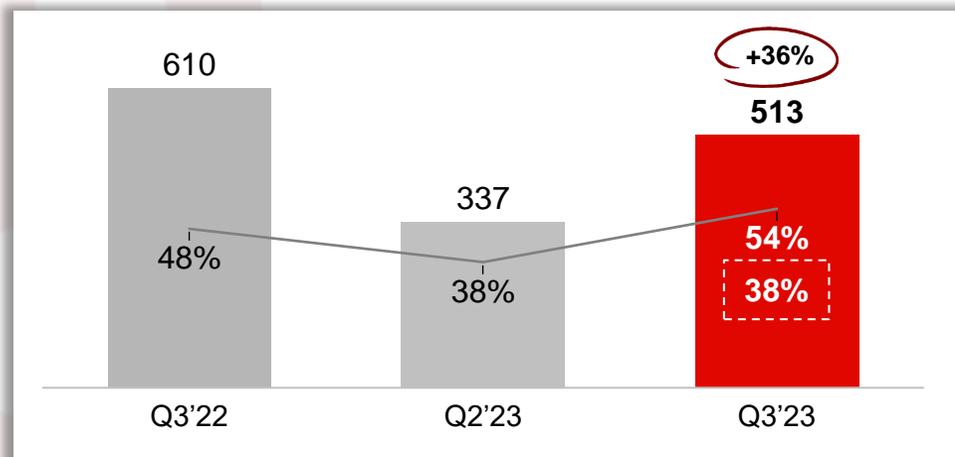
Subscribers (m)



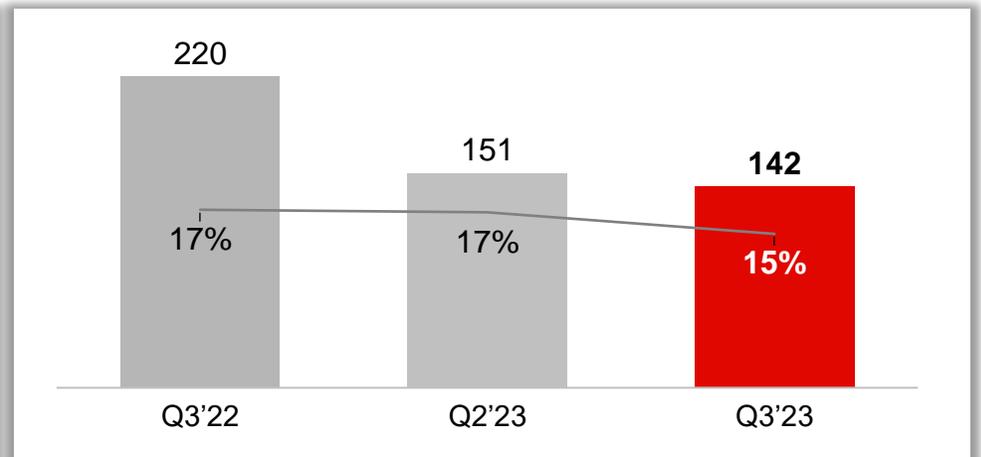
Revenue (AED m) & YoY Growth (%)



EBITDA (AED m) & EBITDA Margin (%)



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



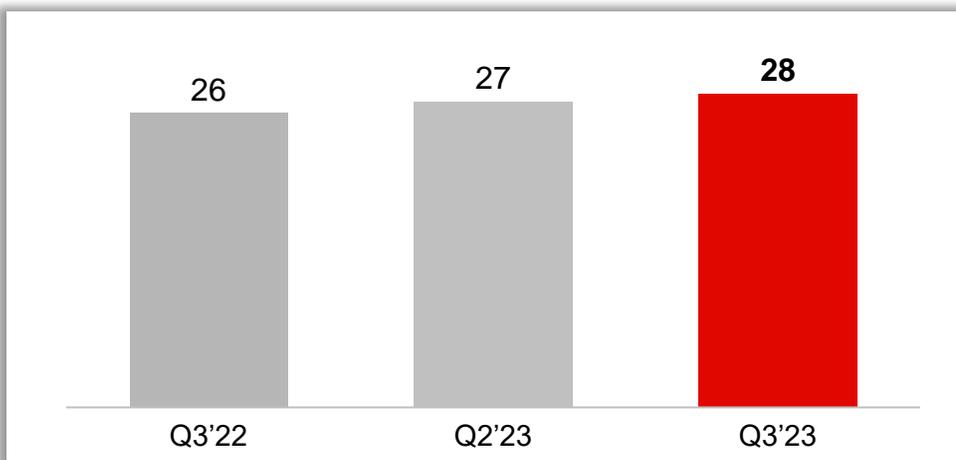
EBITDA Margin if adjusted for one-off

Growth Y/Y in local currency

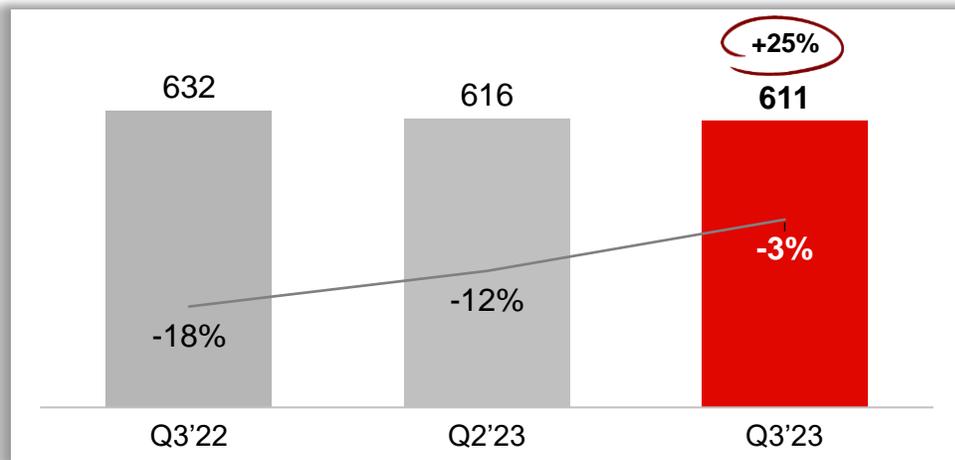
Key Highlights

- Strong increase in mobile subscriber base
- Revenue growth in local currency attributed to mobile data, fixed broadband, business solutions, and mobile banking services
- EBITDA growth due to higher revenue and one-off item
- Higher capital spending focused on enhancing mobile network capacity and expansion of FTTH and mobile networks

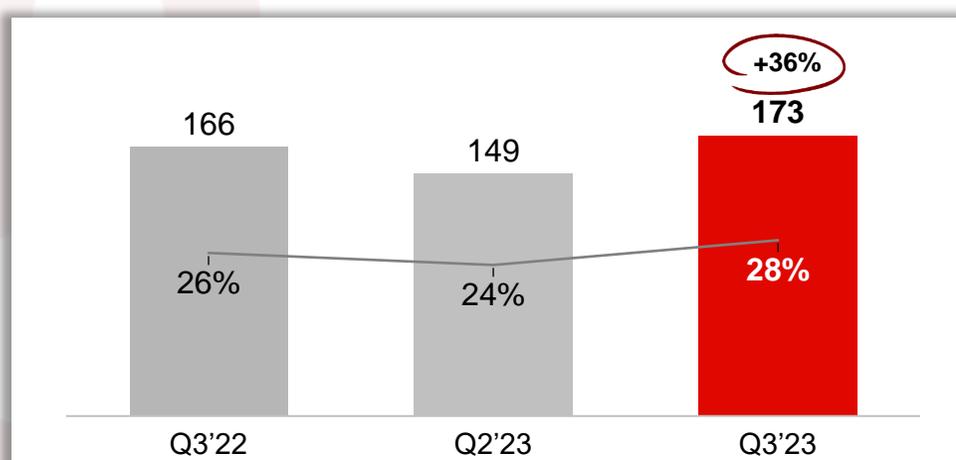
Subscribers (m)



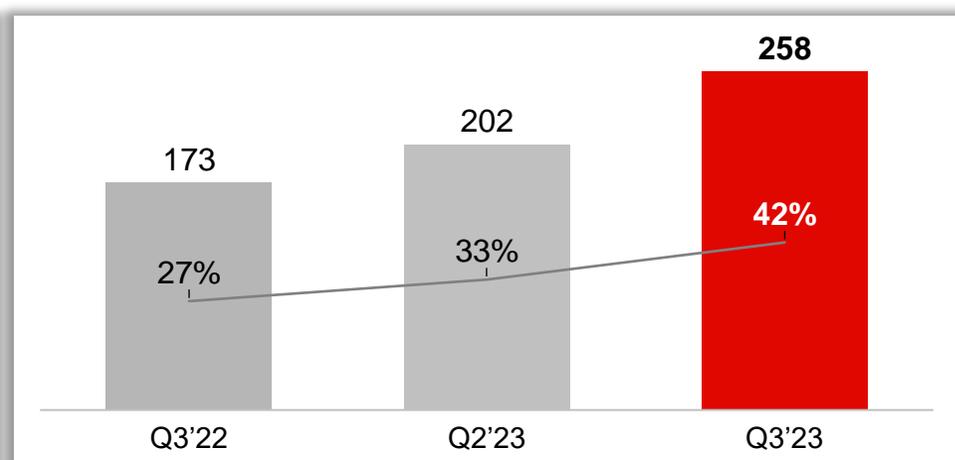
Revenue (AED m) & YoY Growth (%)



EBITDA (AED m) & EBITDA Margin (%)



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



Growth Y/Y in local currency

FY 2023 Guidance:

Revising our guidance upward driven by outstanding performance



	FY 2023 Original Guidance	FY 2023 Revised Guidance	9M 2023 Actual
Revenue Growth Y-o-Y in Constant Currency (%)	Low to mid single digit growth	High single digit growth	+8.9%
EBITDA Margin (%)	~ 49.0%	~49%	49.1%
EPS ⁽¹⁾ (AED)	1.13 – 1.15	~1.15	0.88
Capex / Revenue (%)	15% - 17%	~15%	12.1%

(1) EPS guidance includes dividends income from Vodafone

we are&