

Q3 2024

Results Presentation

30 October 2024



etisalat and

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Group Key Highlights

Hatem Dowidar, e& Group CEO

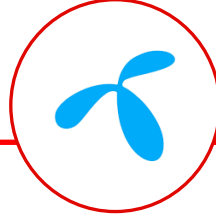
Executive Summary

Q3 2024 Overview



Successfully Completed Acquisition of PPF Telecom

e& acquired 50% +1
economic share in PPF
Telecom's assets be
under the new name "e&
PPF Telecom"



Acquisition of Telenor Pakistan

Progressing as planned
subject to regulatory
approvals



Full Year Guidance

Revising upward full
year guidance for
revenue and EPS

Key Highlights 9M 2024

Strong topline growth with stable EBITDA

**Strong topline growth
underpinned by domestic & Int'l...**



Revenue

AED 42.7 billion

*+9% Y-o-Y increase in Constant
Currency*



EBITDA

AED 19.4 billion

*Flat Y-o-Y in constant currency,
45% Margin*



Net Profit

AED 8.5 billion

+10% Y-o-Y growth

**...accommodated by stable
Telco performance...**



Telco Revenue

AED 39.6 billion

*+7% Y-o-Y increase in constant
currency with growth across most
key markets*



Telco EBITDA Margin

49%

*+2% Y-o-Y in constant currency
despite inflationary pressure*



CapEx

AED 5.3 billion

*+9% Y-o-Y increase with a stable
intensity ratio of 12%*

**...supported by solid financial
position & cash generation**



Operating Free Cashflow

AED 14.2 billion

with a margin of 33%



Net Debt/EBITDA

1.0x

*With a total net debt of **AED 25.9
billion***



Credit Rating

AA- | Aa3

*S&P and Moody's maintained
credit rating with a stable outlook*

Group Financial Highlights

Karim Bennis, e& Group CFO

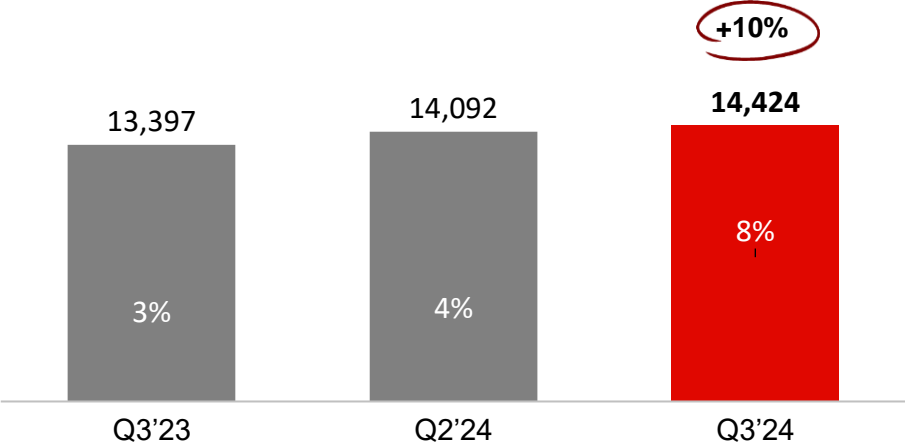
Group Revenue

Accelerated revenue growth

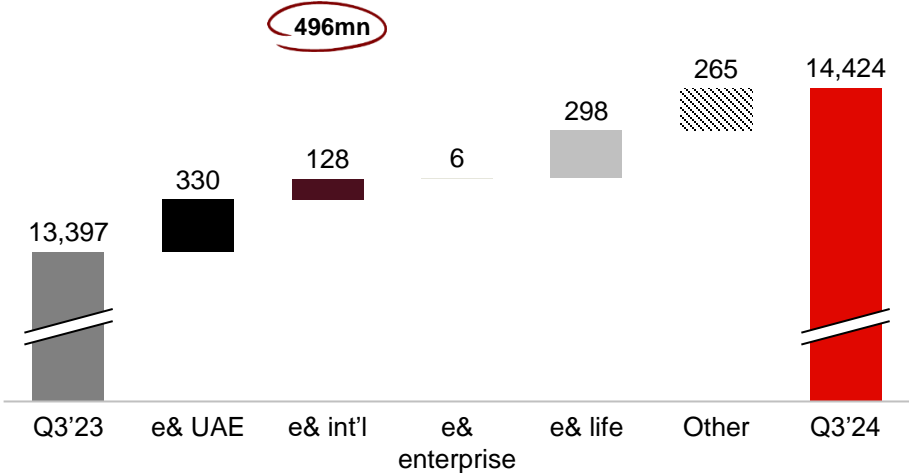
Key Highlights

- Strong & consistent revenue growth attributed to both telco and digital verticals
- **e& UAE** sustained solid commercial performance, up 4.2% y-o-y,
- e& int'l increased 2.6% y-o-y and 10% in constant currency:
 - MT Group - growth impacted by regulatory and operating environment in Morocco
 - Strong growth in Egypt was offset by EGP depreciation
 - Growth in Pakistan largely due to strong performance in Mobile and fixed BB
- **e& enterprise** growth impacted by project completion delay
- **e& life** strong growth attributed to fintech performance and consolidation of Careem Technologies

Revenue (AED mn) & YoY Growth (%)



Sources of Revenue Variance (AED mn)



Revenue by Vertical (AED mn)

	Q3 2024		Year-on-Year Variance	
			Reported Currency	Constant Currency
e& UAE	8,172	↔	+4%	
e& international	5,079	↔	+3%	+10%
e& enterprise	680	↔	+1%	
e& life	484	↔	+160%	

Maroc Telecom

e& Egypt

optcl

	Reported Currency	Constant Currency
Maroc Telecom	+1%	-1%
e& Egypt	-9%	+43%
optcl	+21%	+15%

Growth Y/Y in constant currency

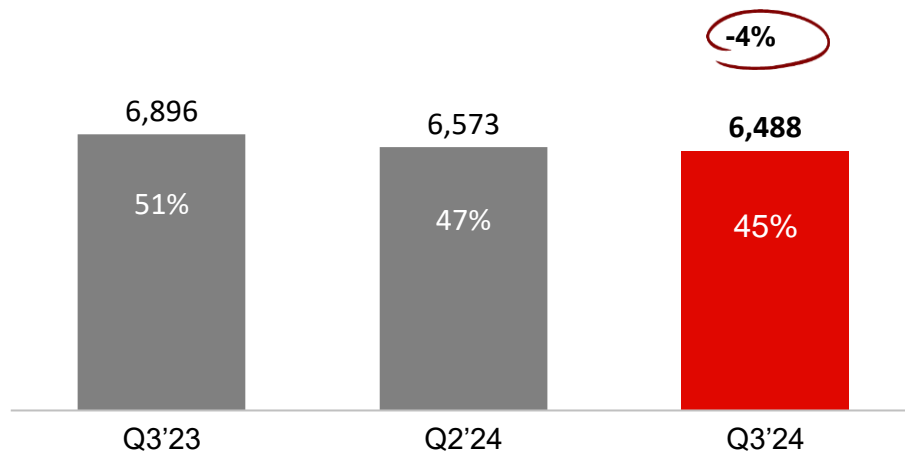
Group EBITDA

Margins impacted by inflationary pressure, changes in revenue mix and +ve one-offs in PY

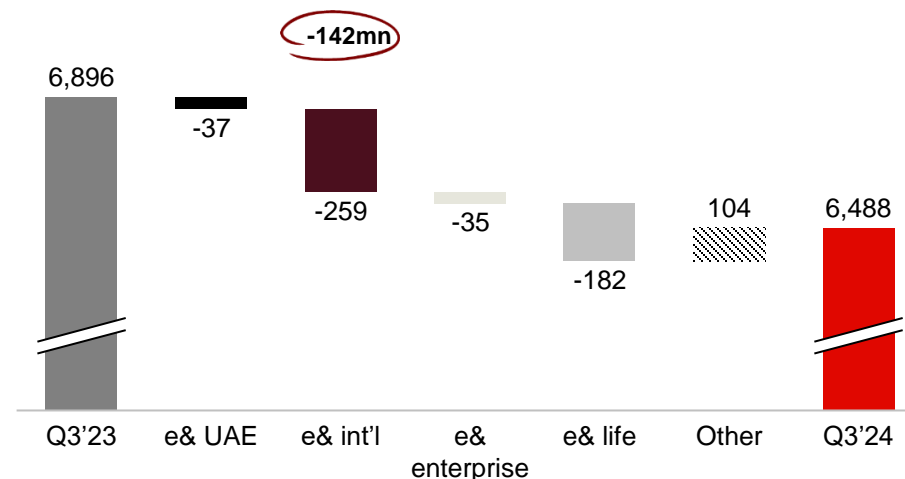
Key Highlights

- e& group EBITDA margin reached 45%, declining y-o-y due to changes in revenue mix.
- Telco EBITDA declined y-o-y by 2.8% in constant currency; Stable excluding positive one-offs from prior year.
- Telco EBITDA margin at 49%
- e& UAE** EBITDA slightly declined by (0.9%) maintaining robust EBITDA margin of 52%, despite changes in revenue mix.
- e& int'l** EBITDA declined by 6% y-o-y at constant currency due to inflationary pressures and PY positive one-offs; EBITDA increased by 2.2% in constant currency upon adjusting PY EBITDA.
- e& enterprise** EBITDA declined due to slower revenue growth.

EBITDA (AED mn) & Margin (%)



Sources of EBITDA Variance (AED mn)



EBITDA by Vertical (AED mn)

	Q3 2024		Year-on-Year Variance	
e& UAE	4,215	↔	-1%	
e& international	2,286	↔	-10%	-6%
e& enterprise	53	↔	-39%	
e& life	-185	↔	nm	

	Reported Currency	Constant Currency
Maroc Telecom	-2%	-4%
e& Egypt	-42%	-8%
optcl	-14%	-18%

Growth Y/Y in constant currency

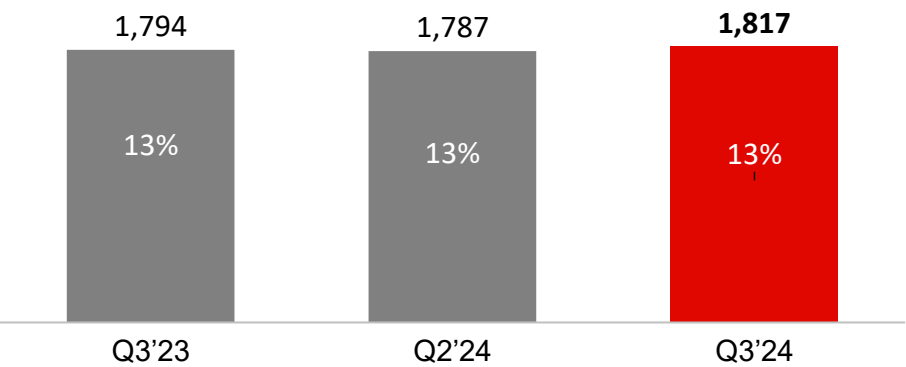
Group CAPEX

Investing for future growth

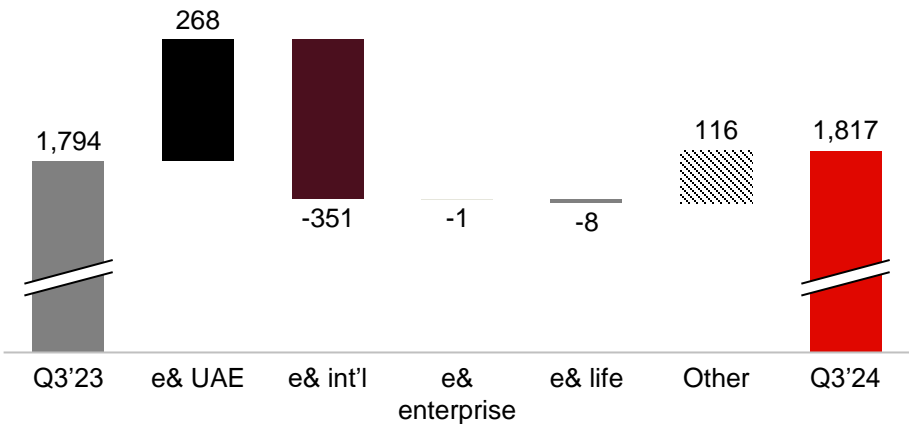
Key Highlights

- Overall capex remained stable capex spend y-o-y in absolute terms and as a percentage of revenue
- Higher capital spend in the UAE focused on 5G rollout, improving network quality and network modernization
- Lower capital spend in e& international attributed mainly to IMT group and Pakistan. Capex focused on networks expansion and capacity enhancement
- Low capex requirements for digital verticals

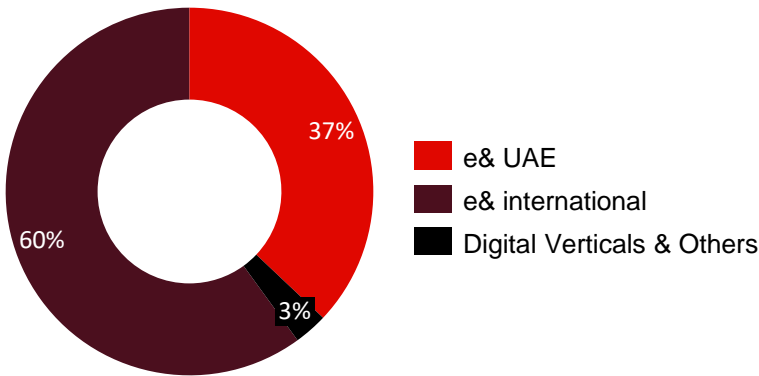
CAPEX (AED mn) & Intensity Ratio (%)



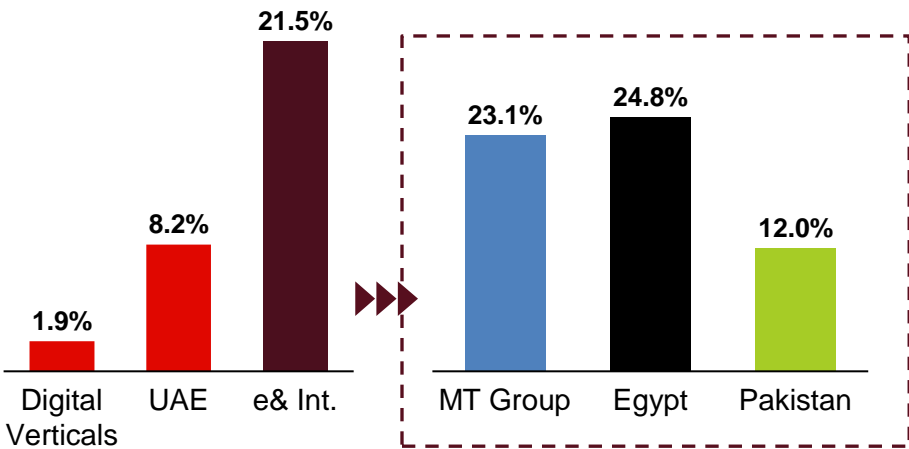
Sources of CAPEX Variance (AED mn)



CAPEX Breakdown (Q3 2024)



Q3 2024 Intensity Ratio by Key Operations (%)



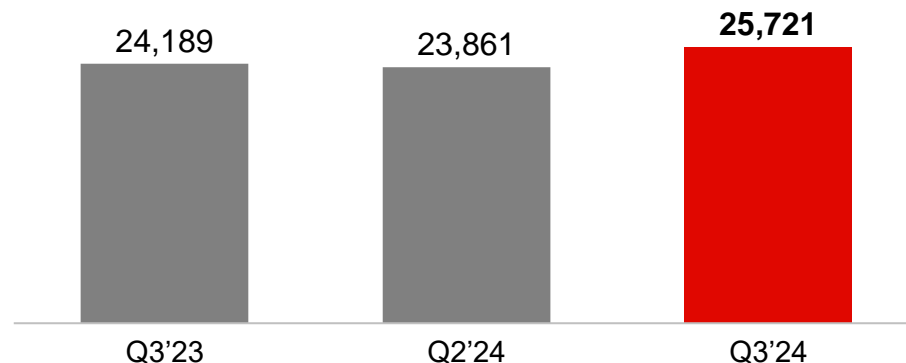
Group Financial Position

Robust liquidity position

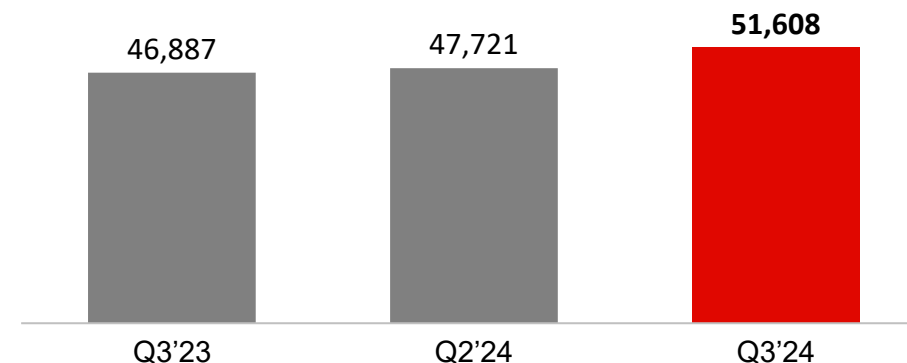
Key Highlights

- Improved cash balance supported by healthy cashflow generation
- Increased debt balance as a result of higher bank borrowings by MT Group
- Leverage ratio stood at 1.0x LTM EBITDA as of September 2024
- S&P Global and Moody's affirmed the group's investment grade credit ratings and stable outlook

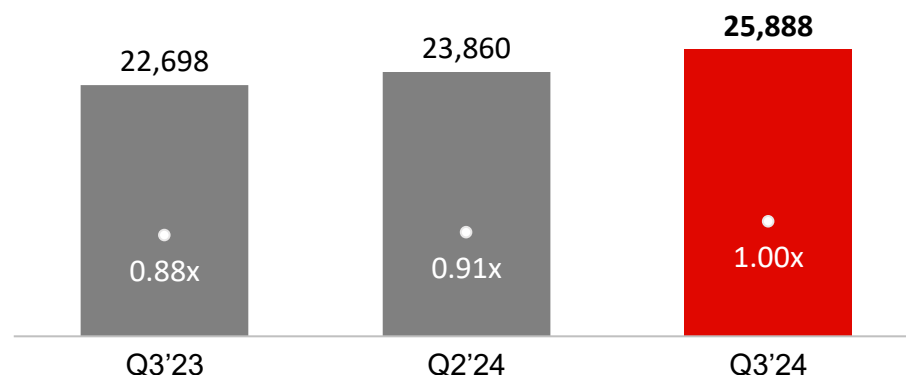
Cash & Cash Equivalents (AED mn)



Total Debt (AED mn)



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



Investment Grade Credit Ratings

S&P Global
Ratings

Rating: AA-
Outlook: Stable

MOODY'S

Rating: Aa3
Outlook: Stable

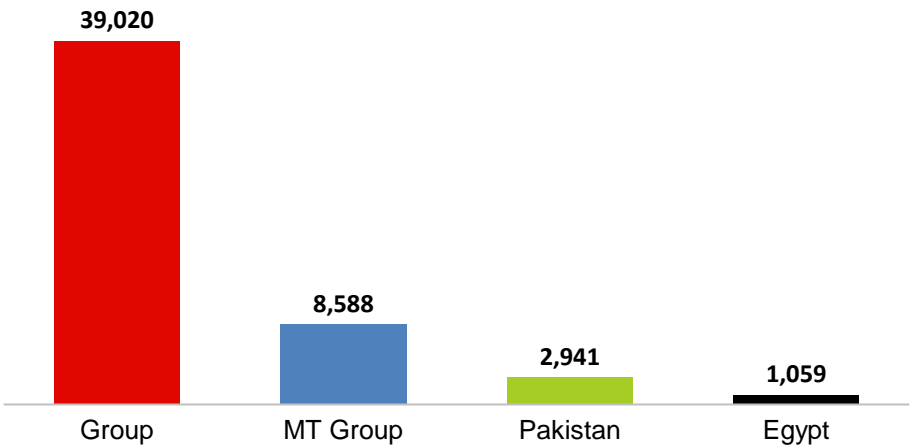
Group Debt Profile

Diversified sources of debt

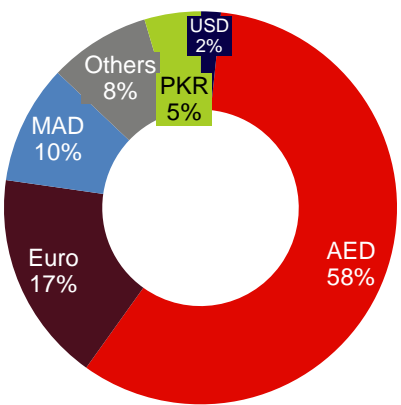
Key Highlights

- Total debt of AED 51.6 bn
- 76% of debt is at Group level, mostly in bank borrowings
- 60% of debt is in USD/AED
- To refinance debt maturing in less than 1-2 years

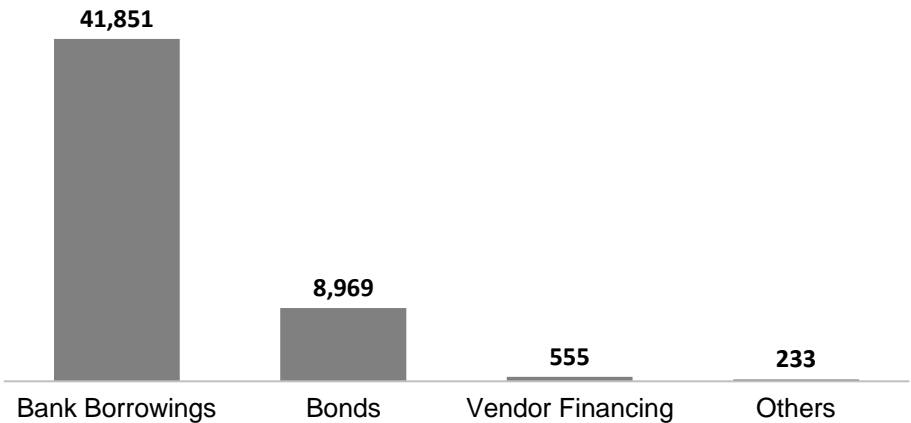
Borrowings by Operations (AED mn)



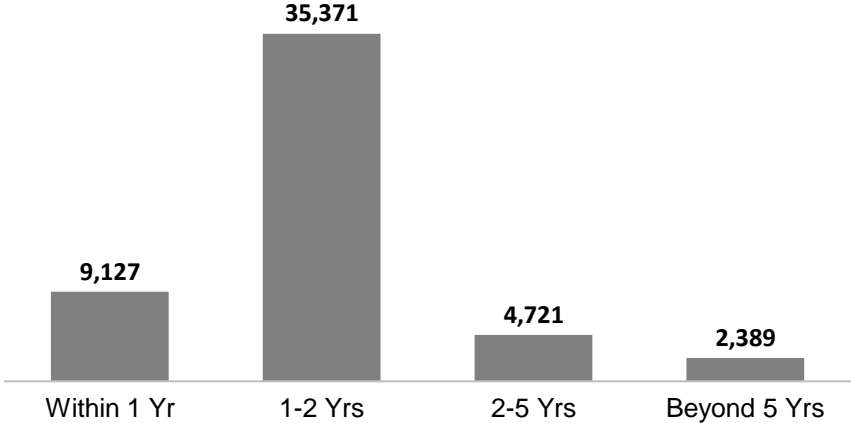
Borrowings by Currency (%)



Debt by Source (AED mn)



Repayment Schedule (AED mn)

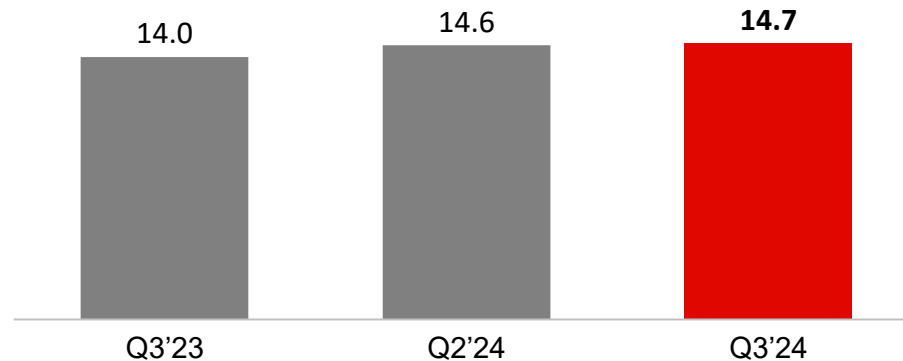


Continued topline growth

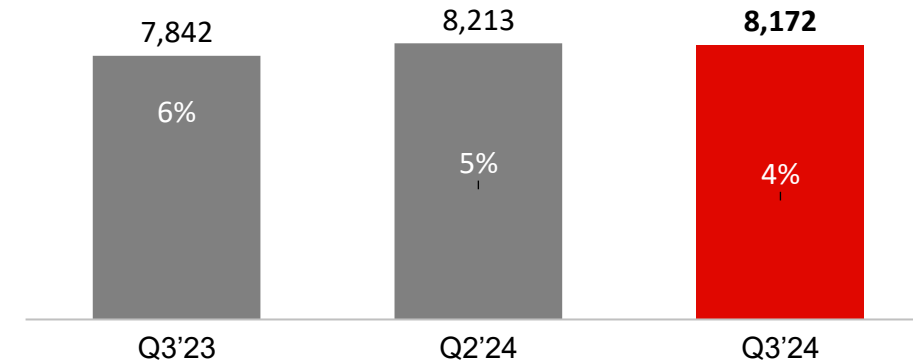
Key Highlights

- Expanding customer base by connecting a net of 0.7 million new customers
- Sustained revenue growth driven by solid execution and healthy operating environment leading to growth across all segments
- Slight y/y decline in EBITDA with margin at 52%, reflecting changes in revenue mix
- Higher capital spending due to increased investment and timing; focused on 5G coverage, network quality and modernisation

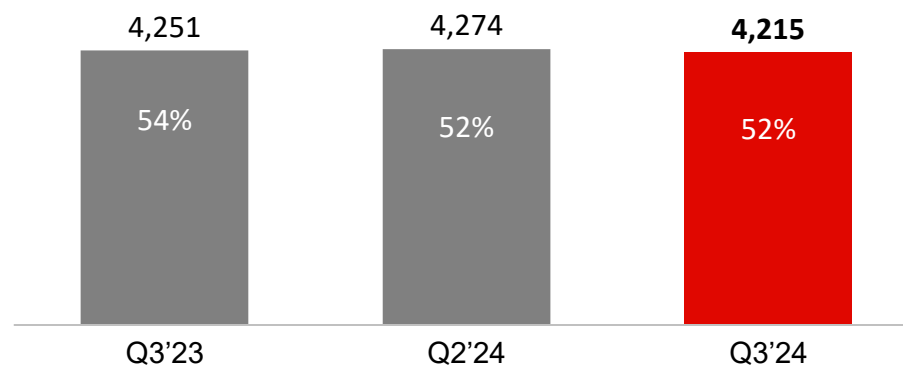
Subscribers (mn)



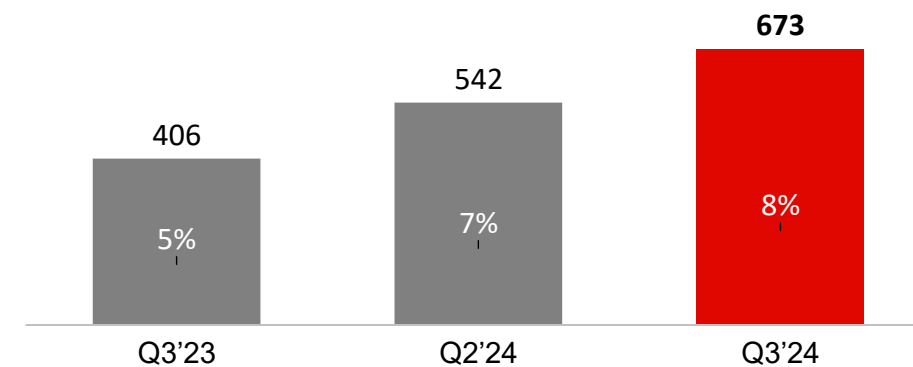
Revenue (AED mn) & YoY Growth (%)



EBITDA (AED mn) & EBITDA Margin (%)

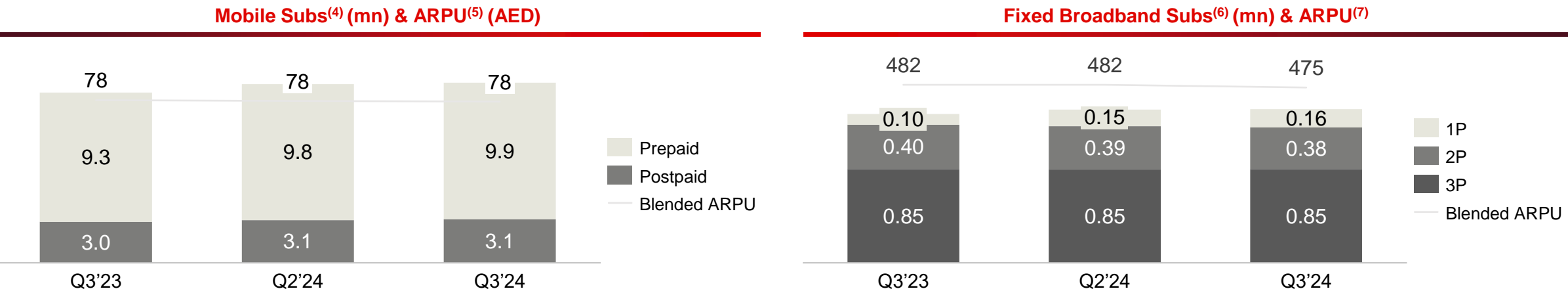
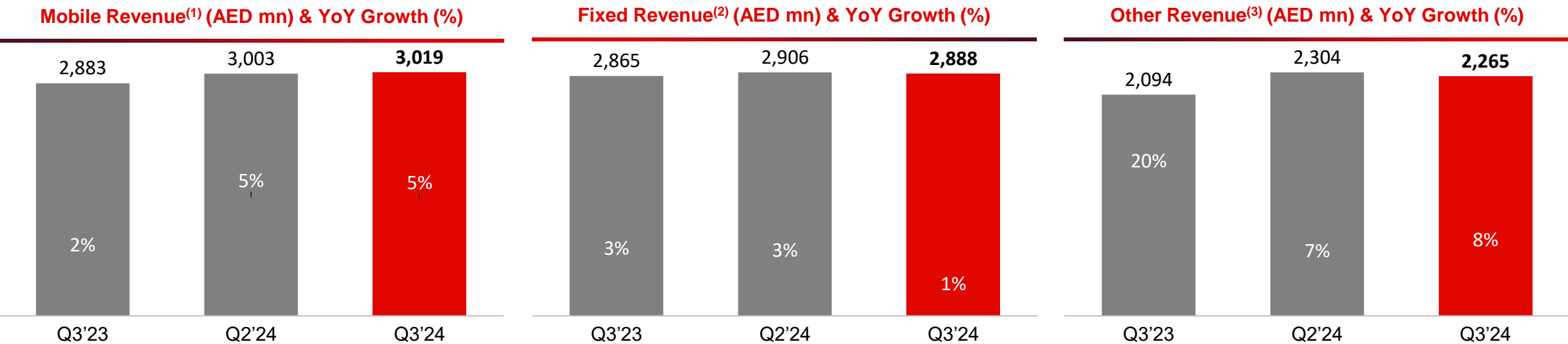



CAPEX (AED mn) & CAPEX / Revenue (%)



UAE Breakdown & Key KPIs

Elevating revenues across the board supported by strong operational KPIs



 etisalat and e2

(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

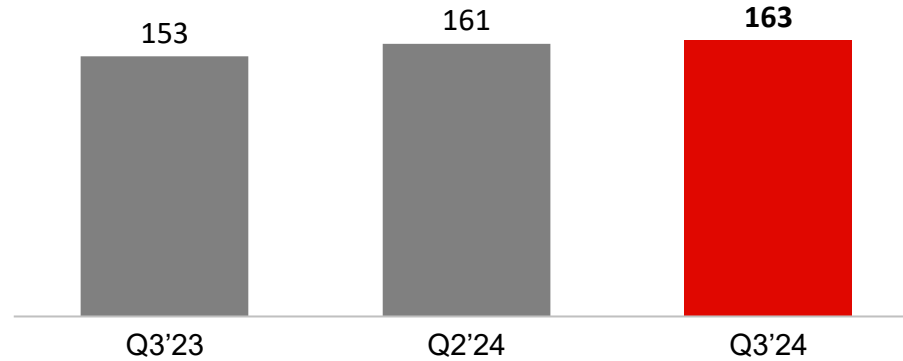
e& international

Solid revenue growth in constant currency

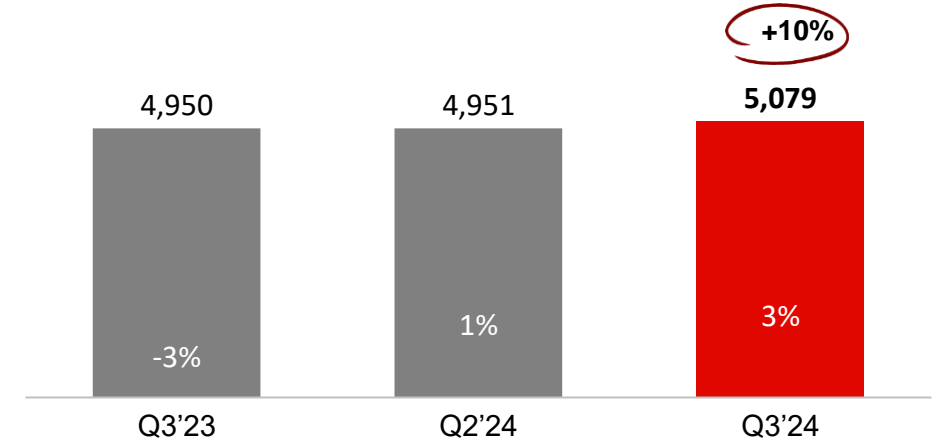
Key Highlights

- International subscribers grew 6% y-o-y, reaching 163mn mainly on growing base of Egypt and Moov Africa
- In constant currency, revenues increased by 10% on strong performance in Egypt, Pakistan and Afghanistan
- EBITDA decreased by 6% in constant currency mainly due to strong continued inflationary pressures and one-off items in PY; EBITDA increased by 2.2% in const. cu. upon adjusting PY EBITDA
- Lower capital spending y-o-y mainly in Maroc Telecom and Pakistan with spend focused on enhancing networks capacities

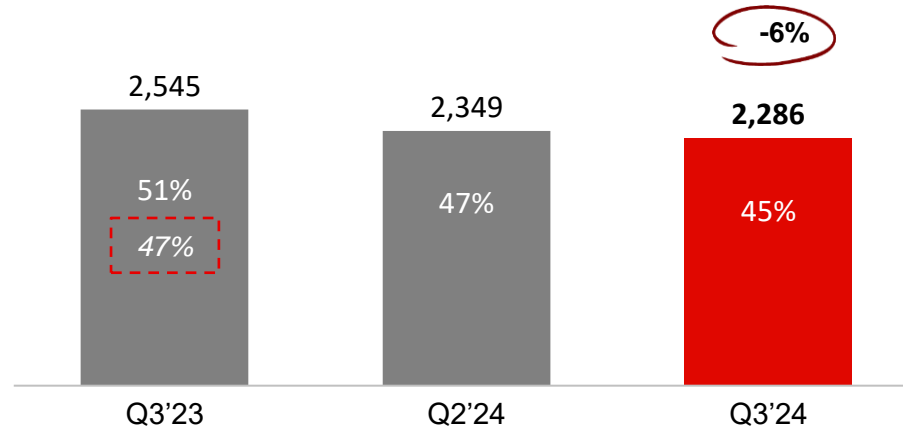
Subscribers (mn)



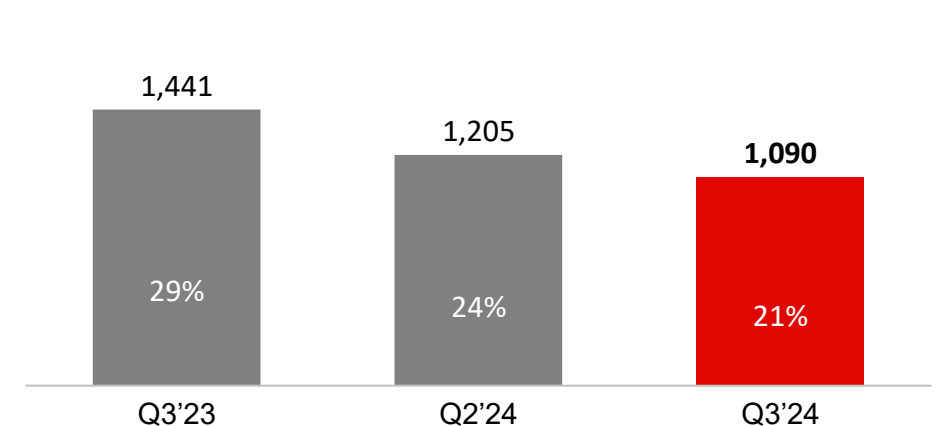
Revenue (AED mn) & YoY Growth (%)



EBITDA (AED mn) & EBITDA Margin (%)



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



EBITDA Margin Excluding one-off

Growth Y/Y in constant currency

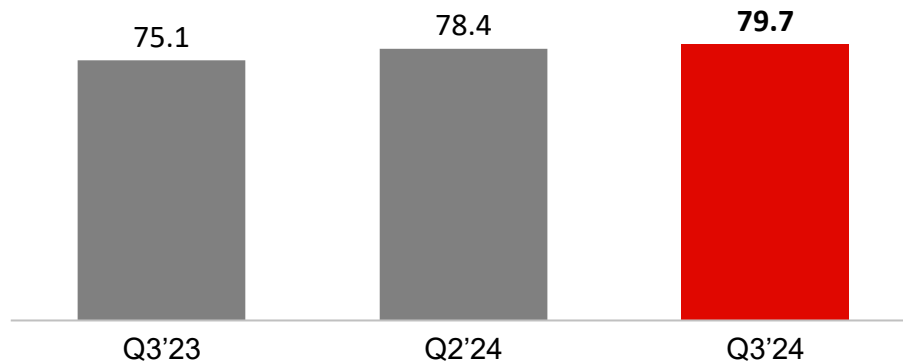
Maroc Telecom Group

Persisting regulatory and competition headwinds in Morocco impacting performance

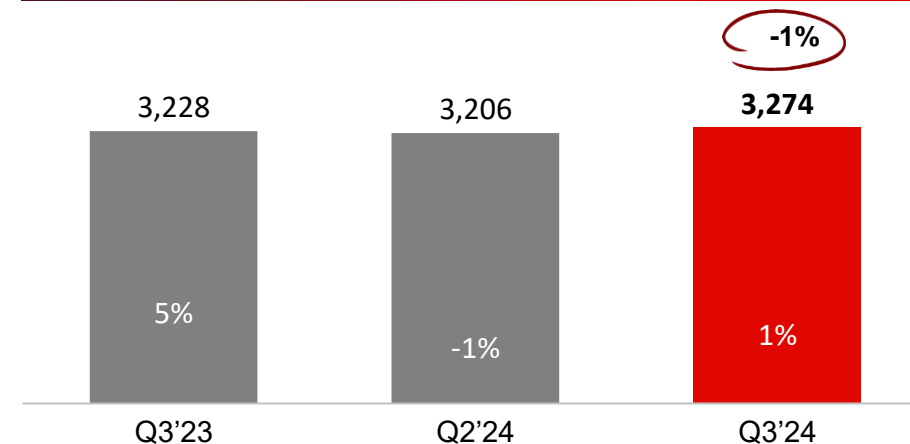
Key Highlights

- Year on year growth in subscriber base attributed to Moov Africa
- Revenue growth impacted by mobile segment in Morocco that was partially compensated by growth in Fixed and Moov Africa operations
- EBITDA declined Y/Y impacted by lower performance in Morocco and FX;
- EBITDA margin declined slightly to reach 54%
- Capital spending focused on networks capacities and expansions

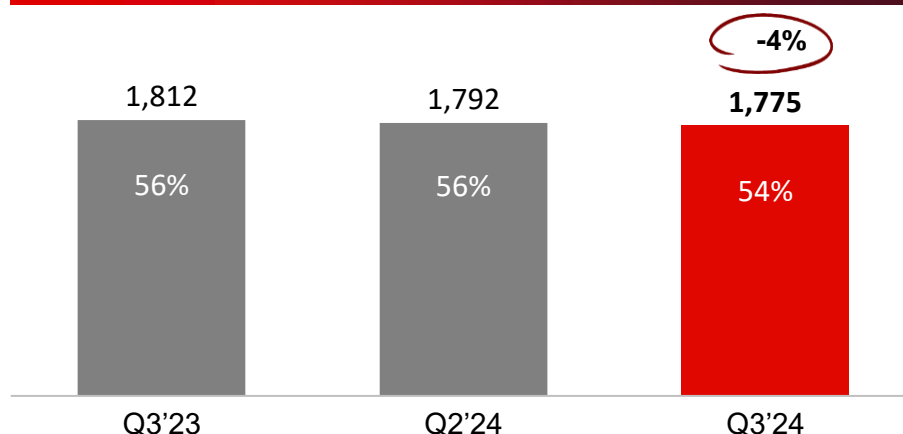
Subscribers (mn)



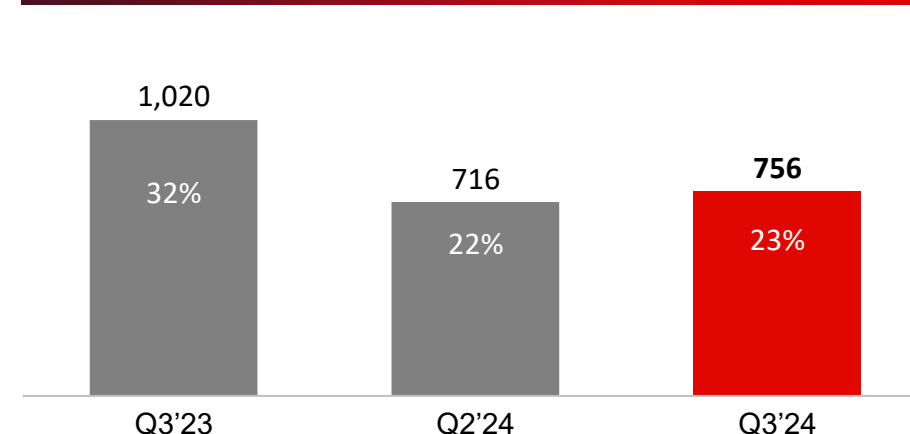
Revenue (AED mn) & YoY Growth (%)



EBITDA (AED mn) & EBITDA Margin (%)



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



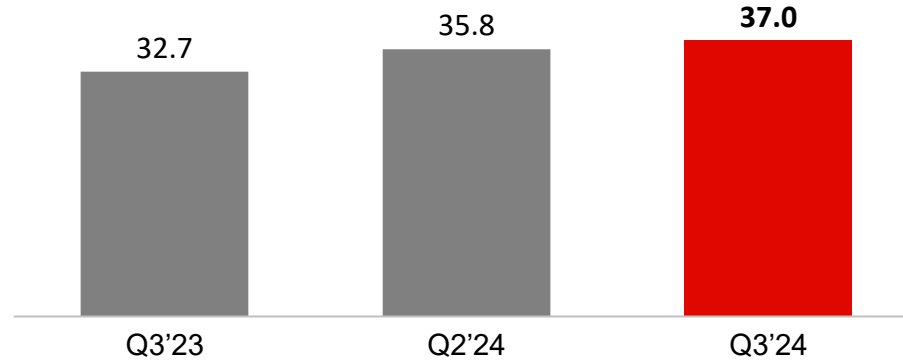
Growth Y/Y in
constant currency

Strong overall performance, EBITDA decline due to one-off in comparable period

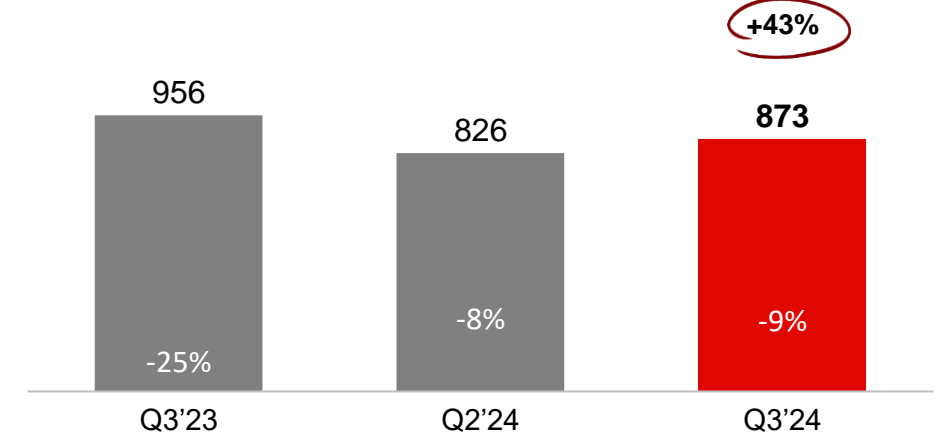
Key Highlights

- Higher customer base by 12.9% y-o-y attributed to attractive commercial offerings
- Strong double digit revenue growth in local currency attributed to mobile data and voice services supported by volume and price increase
- EBITDA increased year over year by 30% in local currency upon normalizing PY EBITDA for one-off positive item
- Higher capital spending year over year focused on network rollout and capacity

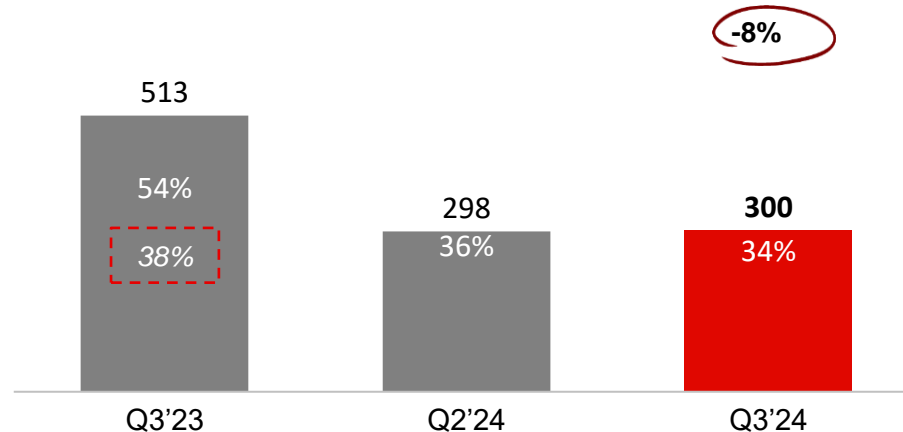
Subscribers (mn)



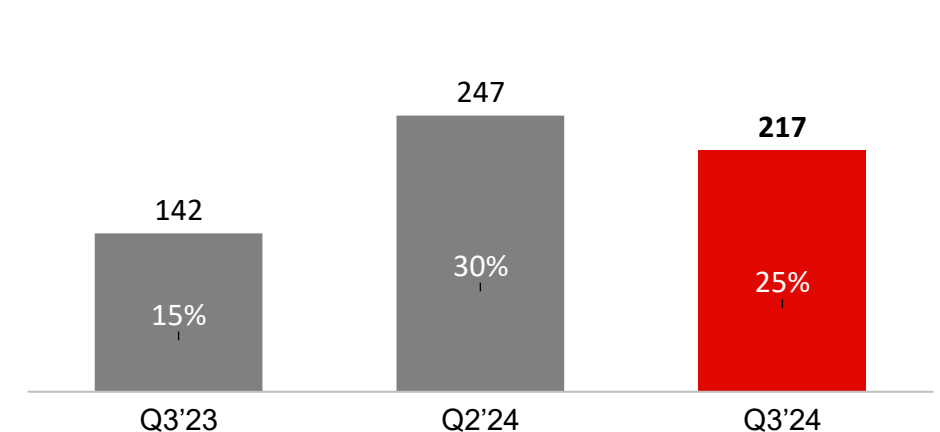
Revenue (AED mn) & YoY Growth (%)



EBITDA (AED mn) & EBITDA Margin (%)



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



EBITDA Margin Excluding one-off

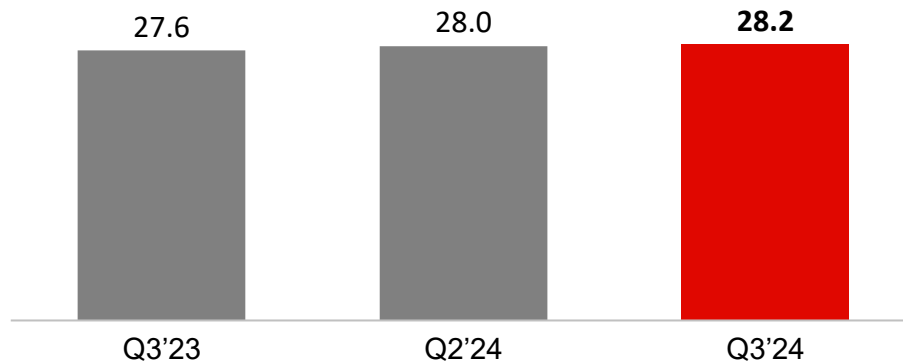
Growth Y/Y in constant currency

Higher revenues offset by macroeconomic conditions

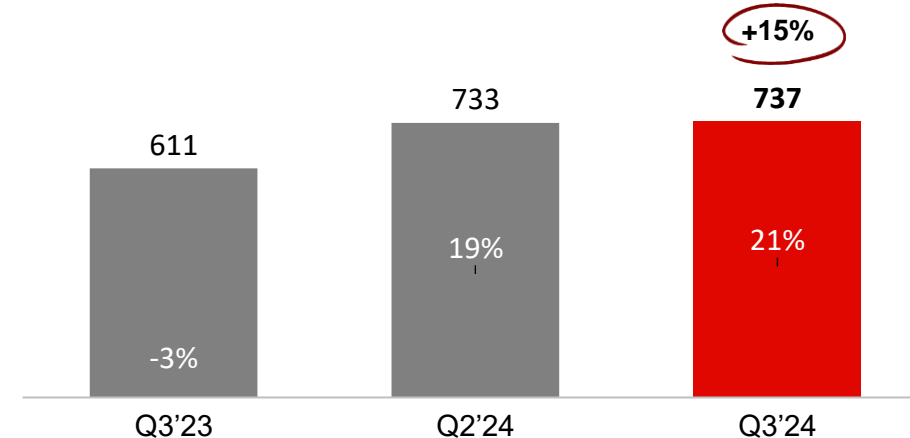
Key Highlights

- Subscribers base increased y/y by 2% due to mobile and FTTH customers
- Strong revenue growth attributed to higher demand for data and price increase
- EBITDA decrease was mainly attributed to the impact of cost inflation and one-off benefit in prior year; Excluding PY one-off, EBITDA grew by 14%
- Capex declined y/y impacted by projects phasing. Spend focused on FTTH network and capacity enhancement

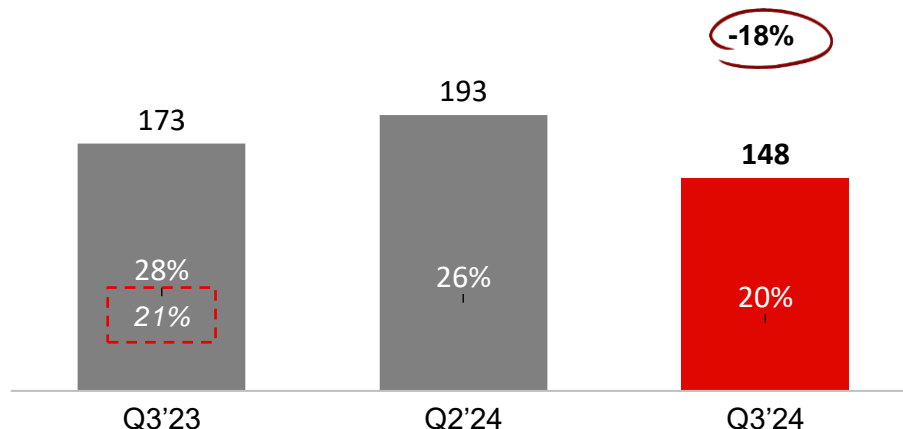
Subscribers (mn)



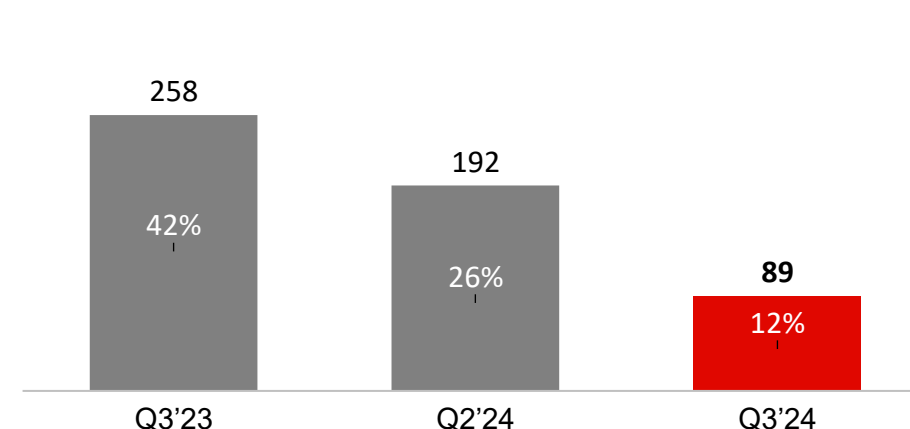
Revenue (AED mn) & YoY Growth (%)



EBITDA (AED mn) & EBITDA Margin (%)



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



EBITDA Margin Excluding one-off

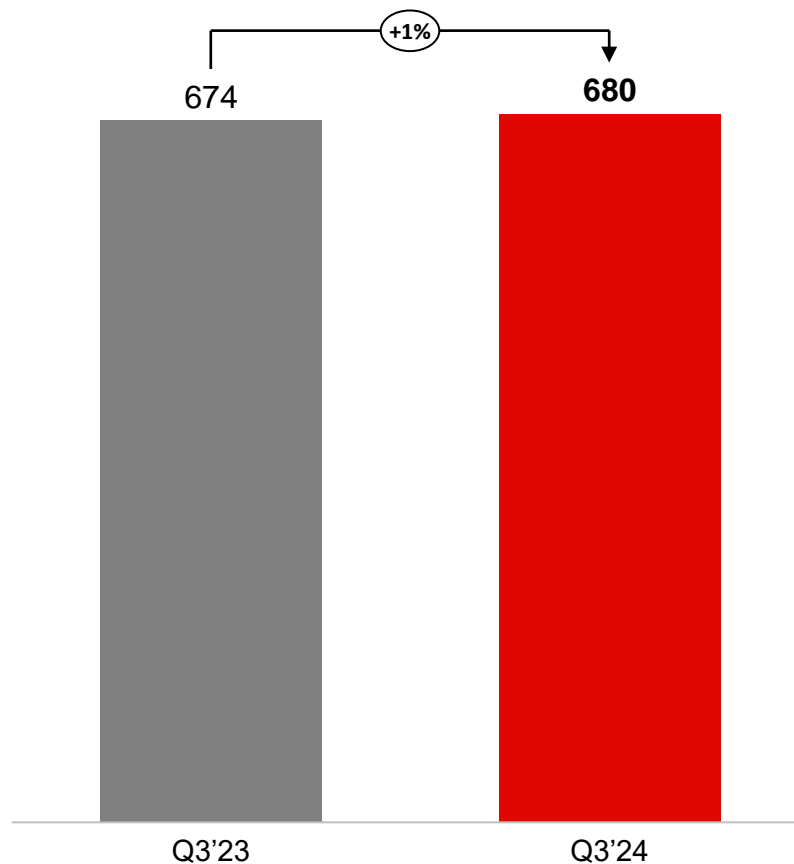
Growth Y/Y in constant currency

Growth in Cyber and Cloud offset slowdown in IoT; higher contribution from KSA

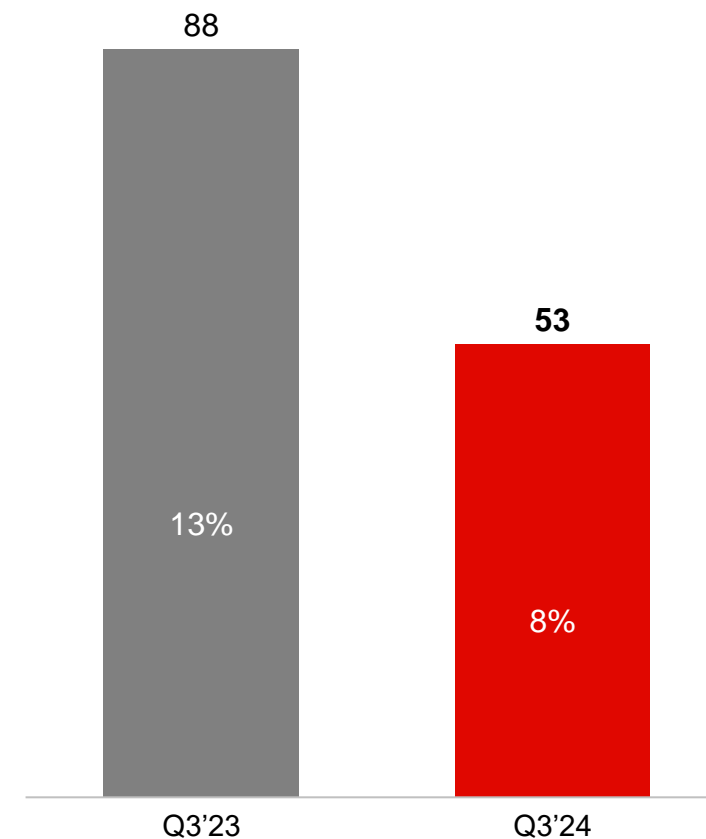
e& enterprise Highlights

- Revenue growth is flat YoY, mainly driven by IoT projects delay
- Sustained revenue growth in cyber and cloud segments
- Robust double-digit growth continues in KSA (+80% YoY)
- EBITDA performance impacted by lower revenues
- Glasshouse acquisition was successfully completed and has been consolidated from the 1st of September
- AWS 6-year strategic collaboration signed with strong revenue uplift

Revenue (AED mn) & YoY Growth (%)



EBITDA (AED mn) & EBITDA Margin (%)

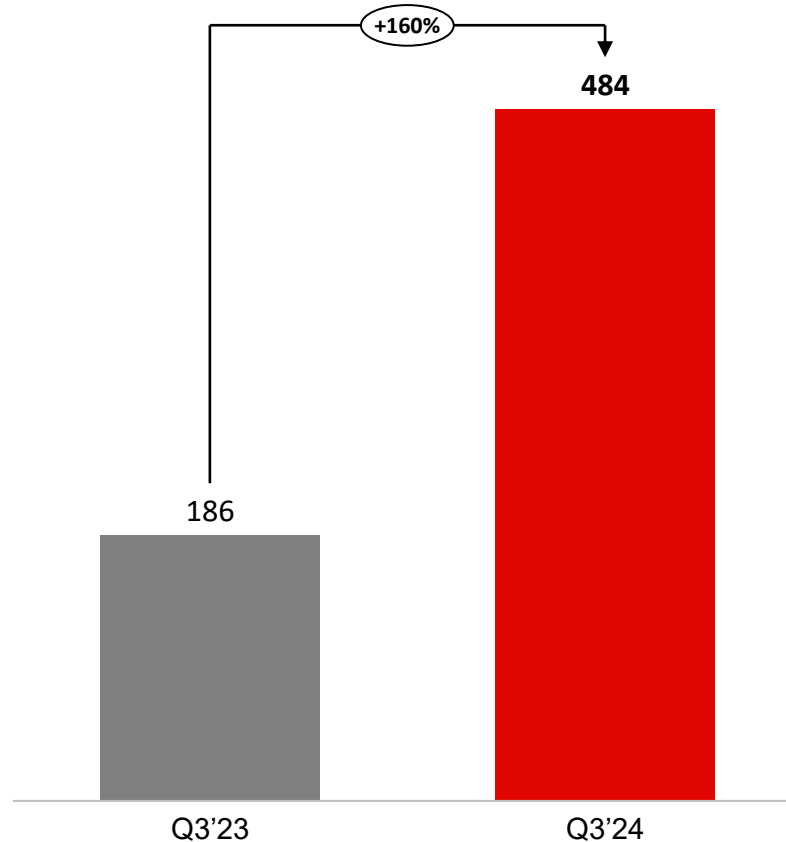


Strong topline growth across different segments

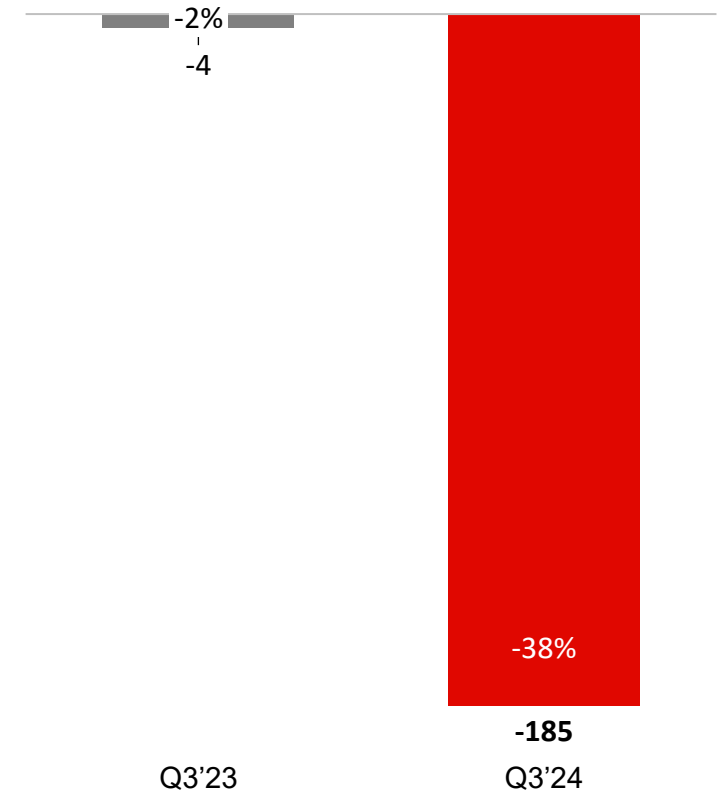
e& life Highlights

- e& life maintained strong year over year revenue growth (+160%)
- Growth was strong across all e& life companies, and especially robust within e& money and Careem Technologies
- EBITDA trend is due to investments in growth business (consolidation of Careem Technologies)

Revenue (AED mn) & YoY Growth (%)




EBITDA (AED mn) & EBITDA Margin (%)



Careem

 **+ 177% Total GTV** in Q3'24 versus Q3'23 ¹

 **GTV per USER** grew by **+122%** in Q2'24 compared to Q3'23

 **CAREEM +** reached **50% of MAU** base in Q3'24 **+18%** vs. Q3'23



e& life

e& money

3x
TOTAL GTV
Q3'24 vs Q3'23

2.4x
REMITTANCE GTV
Q3'24 vs Q3'23



703K+
CARDS ISSUED
as of Q3'24

1.29M+
REGISTERED USERS
as of Q3'24

evision STARZPLAY

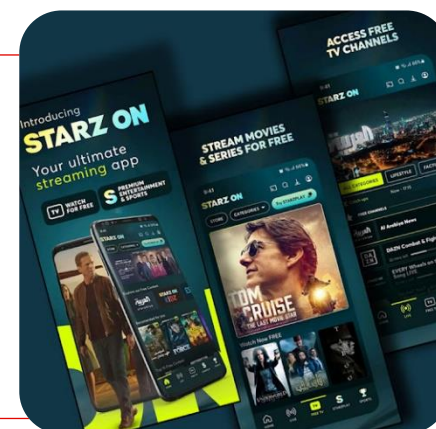
+4.1M

STARZ ON Installs since Jan'24 launch

Most Downloaded SVOD/AVOD App
in the **GCC** ahead of Netflix

1.44M+

STARZ ON Monthly Active Users, growing by **+103K users** and **+1000 Hours** of **new AVOD content** vs. Q2-24³



FY 2024 Guidance:

Revising our full year revenue and EPS guidance

		9M 2024 Actual	FY 2024 Guidance	Updated Guidance
Telecom	Revenue Growth Y-o-Y in Constant Currency (%)	7%	Mid-Single Digit	High Single Digit
	EBITDA Margin (%)	49%	~ 49%	~49
	CAPEX Intensity Ratio (%)	13%	~16%	~16%
e& enterprise ⁽¹⁾	Revenue Growth Y-o-Y in Constant Currency (%)	10%	Strong Double Digit	Double digit
	EBITDA Margin (%)	10%	~13%	~11%
e& life ⁽¹⁾	Revenue Growth Y-o-Y in Constant Currency (%)	90%	~2x	~2X
	EBITDA Margin (%)	-38%	Negative	Negative
Group	Earnings Per Share (AED)	0.97	~1.20	1.22 – 1.23

we are&