



etisalat

MOST VALUABLE  
BRAND IN THE  
MIDDLE EAST 2018

# Etisalat Group Capital Markets Day 2018

February 22nd, 2018

Fairmont Bab Al-Bahar, Abu Dhabi

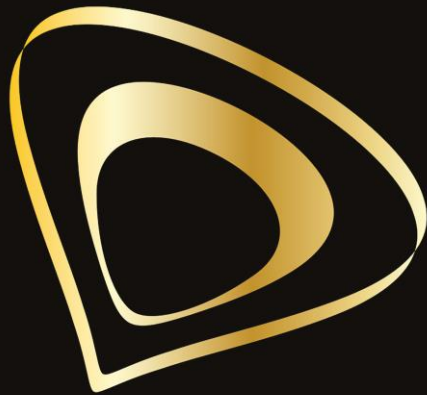
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Business Overview	Saleh Al-Abdooli	Chief Executive Officer – Etisalat Group
Etisalat Group Financial Results	Serkan Okandan	Chief Financial Officer – Etisalat Group
Etisalat Group International	Hatem Dowidar	Chief Executive Officer – Etisalat International
Etisalat Group Strategy	Khalifa Alshamsi	Chief Strategy & Governance Officer – Etisalat Group
Etisalat UAE Presentation	Khaled ElKouly	Chief Consumer Officer – Etisalat UAE
	Salvador Anglada	Chief Business Officer – Etisalat UAE
PTCL Group Presentation	Dr. Daniel Ritz	Chief Executive Officer – PTCL Group
Mobily Presentation	Ahmed Aboudoma	Chief Financial Officer – Mobily
Etisalat Misr Presentation	Hazem Metwally	Chief Executive Officer – Etisalat Misr
Closing Remarks	Saleh Al-Abdooli	Group Chief Executive Officer



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# Etisalat Group Capital Markets Day 2018

## Etisalat Group Business Overview

Saleh Al-Abdooli

Group Chief Executive Officer



# Etisalat Group continues to be amongst the region's top telecom groups supported by its wide reach, solid profitability, & strong cash flow generation



## Key Highlights

- 16 countries, over 142 million subscribers
- Revenue: AED 51.7 billion
- EBITDA: AED 26.0 billion (at 50% margin)
- OFCF: AED 18.0 billion (at 35% margin)
- Net Profit: AED 8.4 billion (at 16% margin)
- Dividends per Share: 80 fils (at 82% payout ratio)
- A robust credit rating with AA-/Aa3 by S&P Global and Moody's.

## Etisalat Group Operating Companies



Mobile & Fixed Services

Mobile Services

# Etisalat stands out as the Middle East's Most Valuable Brand, surpassing STC & Emirates with a brand value of 7.7Bn USD



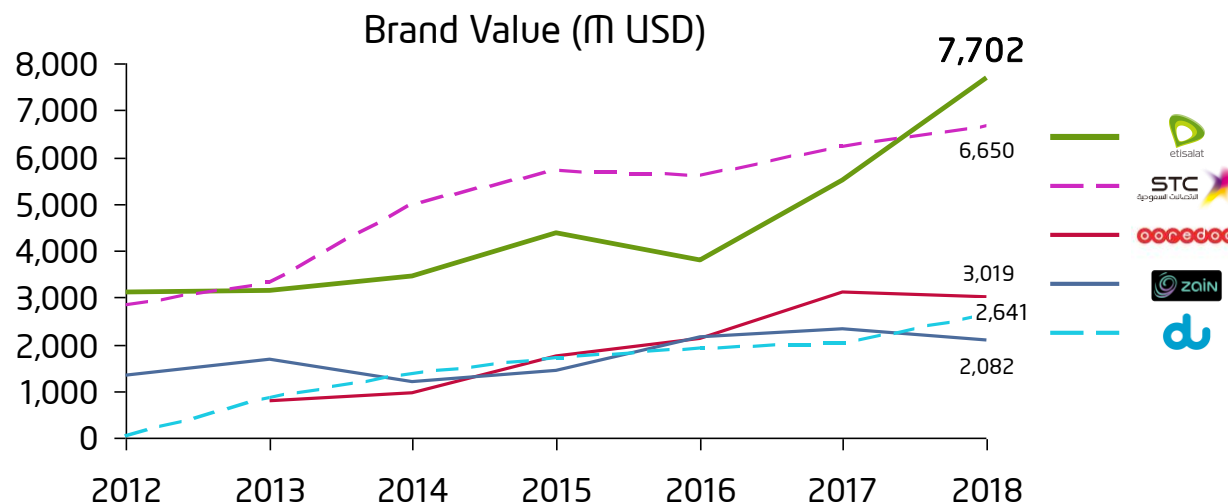
## Brand Ranking

Brand Rank	2015	2016	2017	2018
1				
2				
3				

Etisalat 2018  
Brand Value stands at

**USD 7.7 Bn**

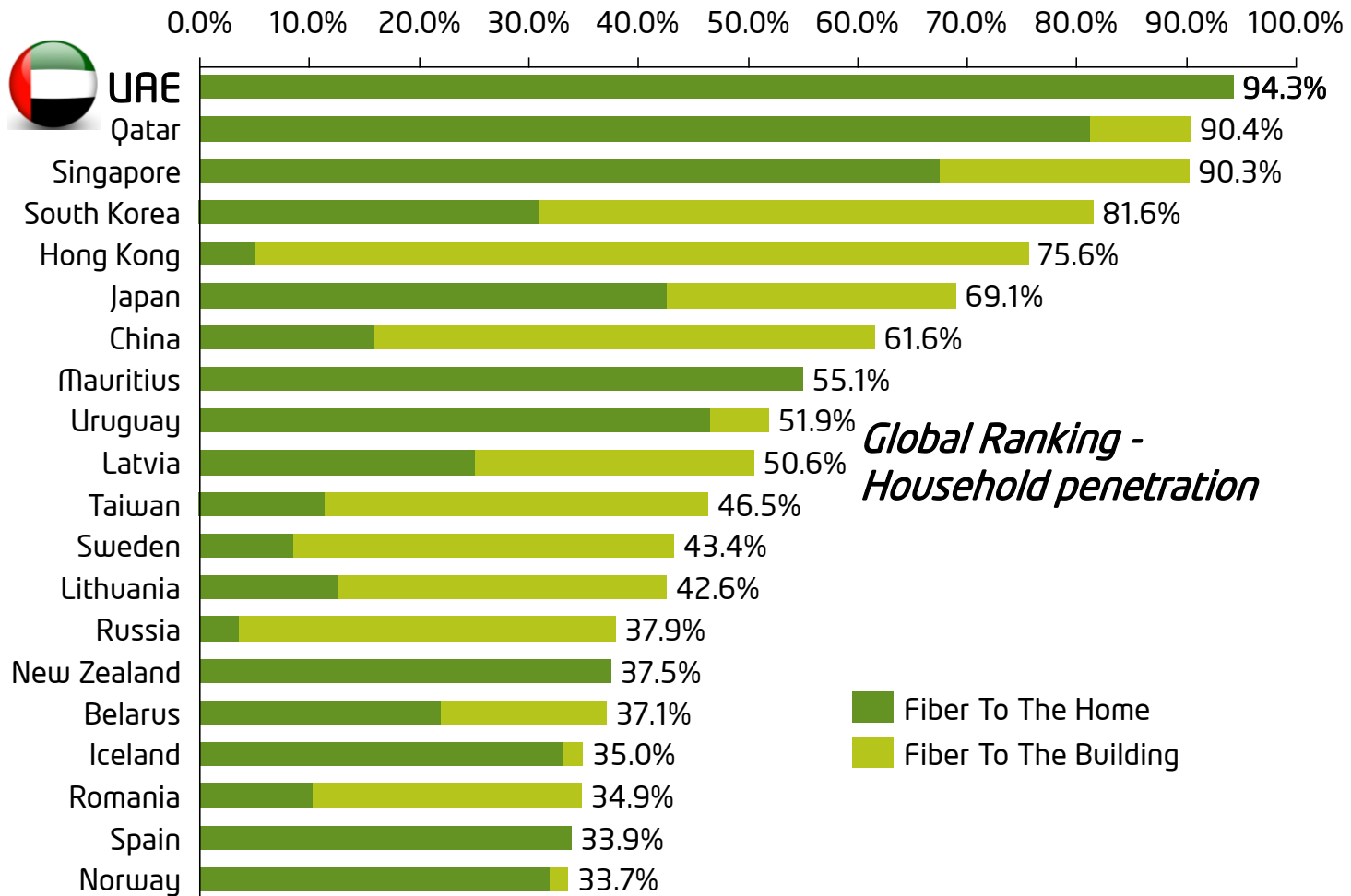
40% YoY growth



Source: Brand Finance, February 2018 (World's ONLY ISO Compliant Global Authority on Brand Valuation)

# We sustained our global leadership when it comes to fixed fiber network penetration as a result of our determined modernization strategy

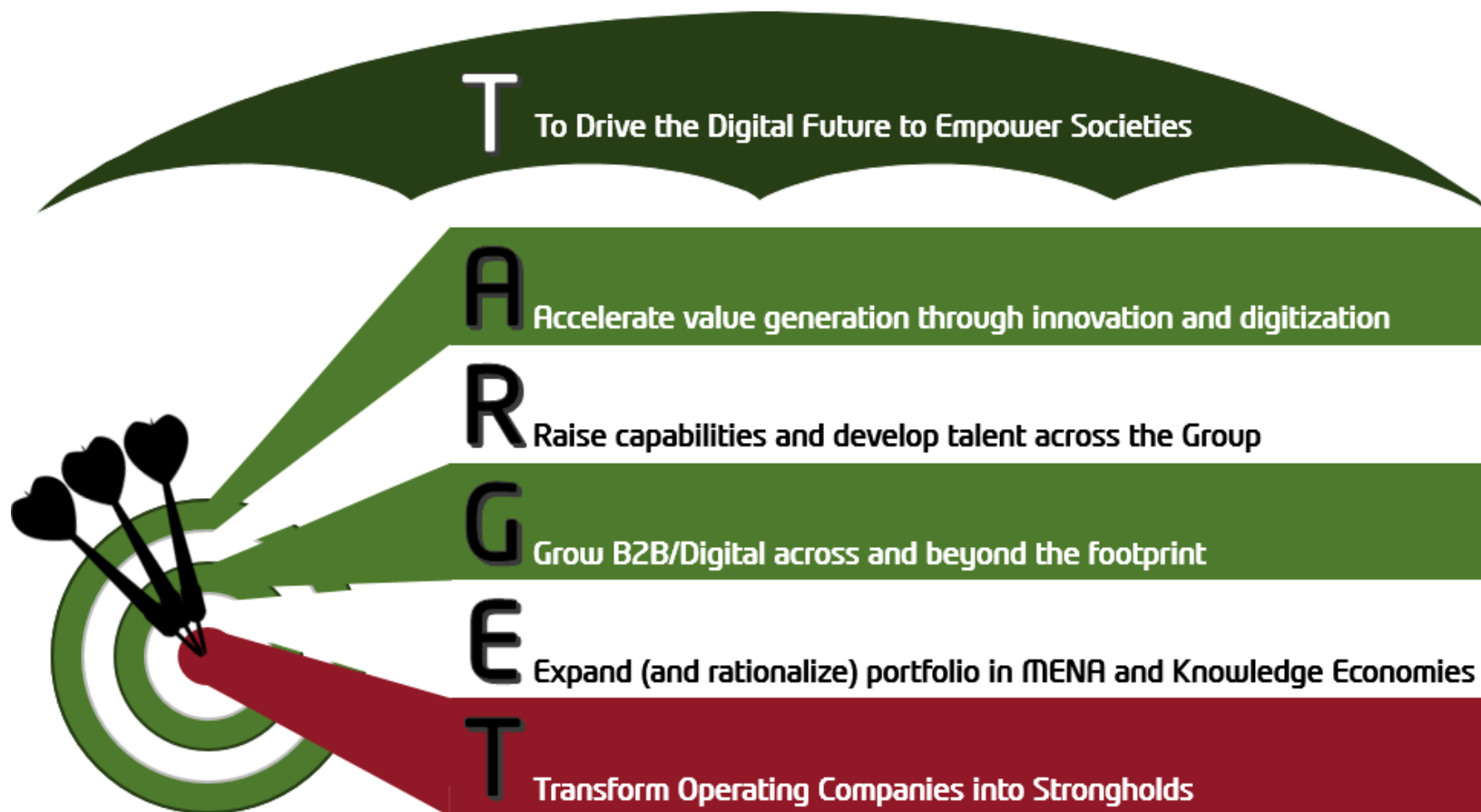
Global Rankings



Source: IDATE for FTTH Council Europe, September 2017 Update (Announced on February 2018) covering economies with at least 200,000 households and greater than 1% household penetration  
 Tenancies assumed at 1,896,583 household, percentage includes fiber to the curb

# In 2017, we reviewed our Group vision & strategy to reflect our digital ambition and key growth priorities...

## Key Achievements



# .. while delivering against various group wide & OpCos' specific initiatives

## Key Achievements

### Portfolio Rationalization



- 4G coverage in **MT** exceeding 93% of population (73% in 2016)
- **Universal license & spectrum acquisition**, in addition to concluding Level 1 restructuring at **Mobily**
- Ongoing **fixed network** transformation in **PTCL**
- Deployment of 4G network in **Egypt**
- **Sri Lanka** operations **under review**.

## Strategic Imperatives



### Digital Agenda

- Disseminating digital capabilities across the group.
- Expanding etisalat Digital outside markets by winning global service deals across our footprint.
- Fostering open innovation through collaboration with DFA for startups, launched 2 challenges pertaining to health and digital security risks.
- launched the Etisalat Digital Open Innovation Center.
- Introduced a sub brand "SWYP" for digital millennials

### Technological Leadership

- Continued strategic network investments to support company future, e.g. 5G pre-commercial launch, and Group cloud factory.
- Commercial launch of 4K TV service.
- Lunch of VoLTE HD voice, with around 900K Subscribers to date.
- Adoption of AI and RPAs.

### Synergy & Value Creation

- Achieved synergy at group level in wholesale business, through group to group roaming and capacity deals, in addition to boosting internalization of services.
- Enhanced value at group level through group procurement savings

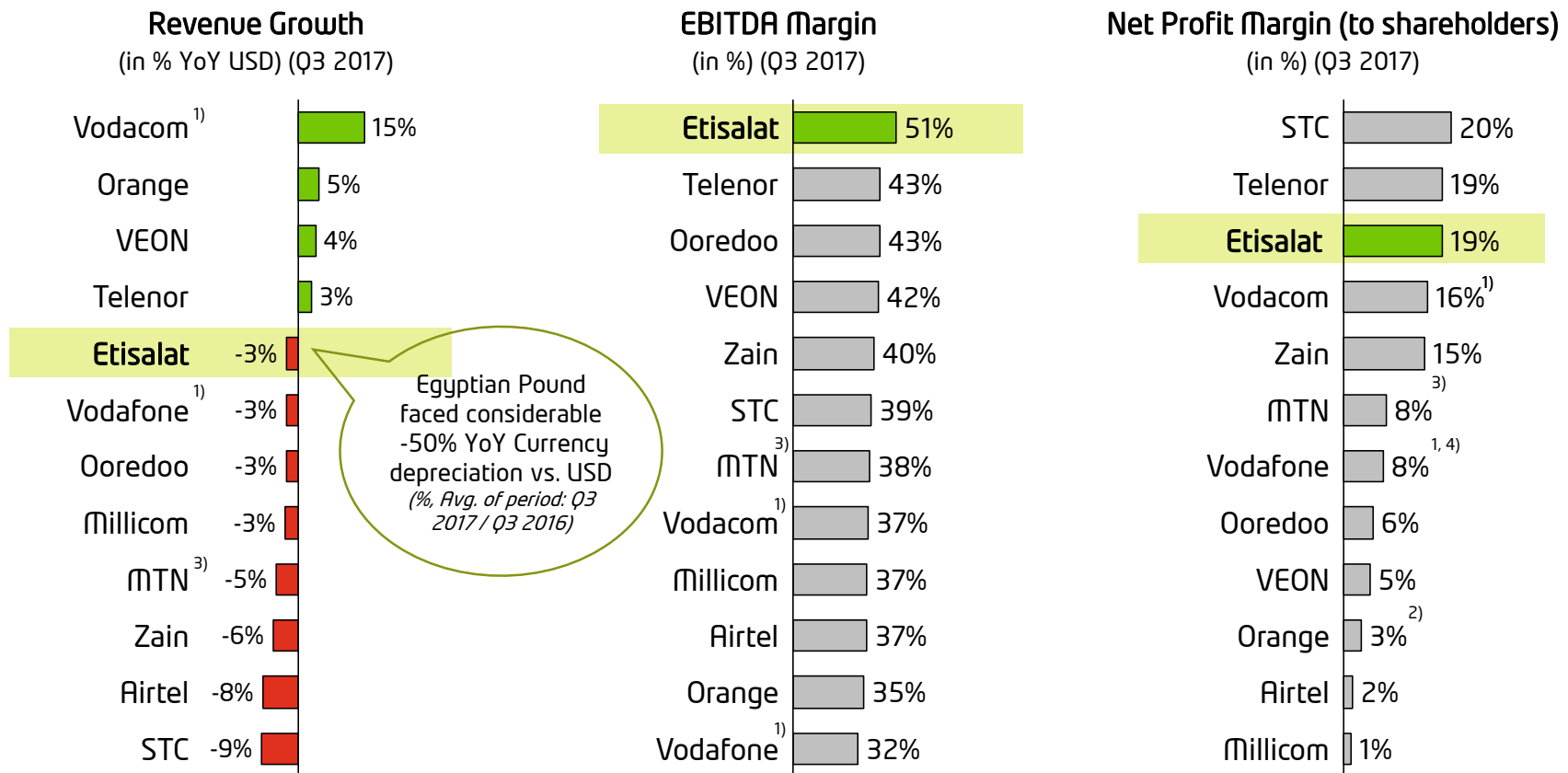
# Etisalat enjoys the highest EBITDA % and one of the highest Net Profit % among peers, despite unfavorable exchange rate movements impacting revenue growth



## Peer Groups Comparison

### Key performance indicators from a Shareholder Perspective

(Comparison on 3m basis, with some operators reporting EBITDA and Net Profit on a half-year basis)



Note 1: Vodafone, Vodacom Revenue growth, EBITDA and Net Profit margin are based on the reported half-year results covering the period of Q2/ Q3 2017  
 Note 2: Orange Net profit is reported on half year basis and is based on H1 2017  
 Note 3: MTN Revenue growth, EBITDA and Net Profit margin are based on the reported half-year results covering the period of H1 2017  
 Note 4: Vodafone reported Net Profit is Vodafone Adjusted Net Profit, i.e. before exceptional items (for example impairments)  
 Source: Company reports, Bloomberg



# We continue to operate in a dynamic industry with a range of challenges but also opportunities for growth...

## Industry Outlook

### Macro-Economic Outlook



Country level reforms ongoing across the footprint, particularly in KSA as part of the National Transformation Plan



Oil price currently high but still subject to risk albeit countries are in the process of diversifying their economies



FOREX volatility and devaluations driving uncertainty



Slight slow-down in population growth across certain OpCo countries



Regional instability driving uncertainty

### ICT Market Outlook



ICT remains a pivotal element of our OpCo countries' plans to boost economies



Rapidly changing consumer behavior, as they fully embrace digital lifestyles



Increasingly widespread usage of OTT apps to access services and content



OTT-based substitution of voice and SMS is putting increased pressure on core telco revenue, which remains sizeable



Strong demand for Data, TV and Digital services driving market growth



# ...fueled by new technologies and business models that are accelerating the transition into a digital future

## Industry Outlook

## Non-Exhaustive

### Selected Key Topics affecting the Telco Industry

Internet of  
[Every]Thing



Artificial Intelligence  
and Machine Learning



Big Data  
Analytics



Cyber Security



Next Generation  
Connectivity



Omni-channel  
Customer Experience



Robotics /  
Automation



Smart Cities /  
Verticals



Cloud



Blockchain



Entertainment  
Content, and AR/VR



e/m-Commerce



# As an industry leader, Etisalat has successfully launched pre-commercial 5G, achieving global speed records

Industry Outlook

Non-Exhaustive

## Selected Key Topics affecting the Telco Industry

Internet of  
[Every]Thing



Next Generation  
Connectivity



Cloud



**71Gbps**

*During Gitex October 2017*

Big Data  
Analytics

Cyber Security



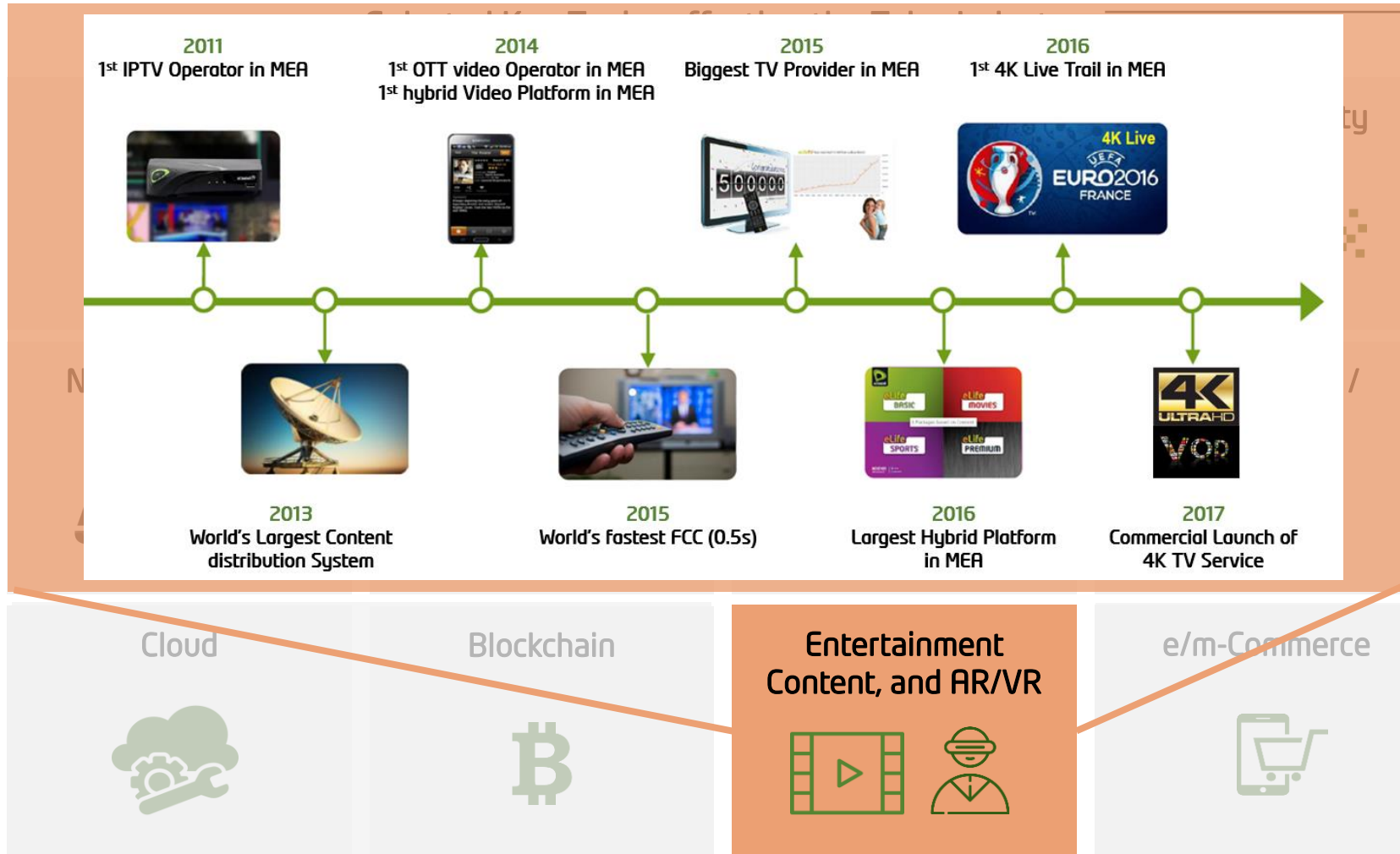
**5G pre-commercial  
site**

*Drone 360° Live VR, site operating on  
C-Band*

# Our focus on video and content started long time ago stemming from our understanding of its strategic importance

## Industry Outlook

## Non-Exhaustive



Source: GSMA, Ovum, Analysys Mason, BMI, Huawei, EIU, Pyramid Research, IMF, IDC, Gartner, Etisalat

FCC stands for Fast Channel Change

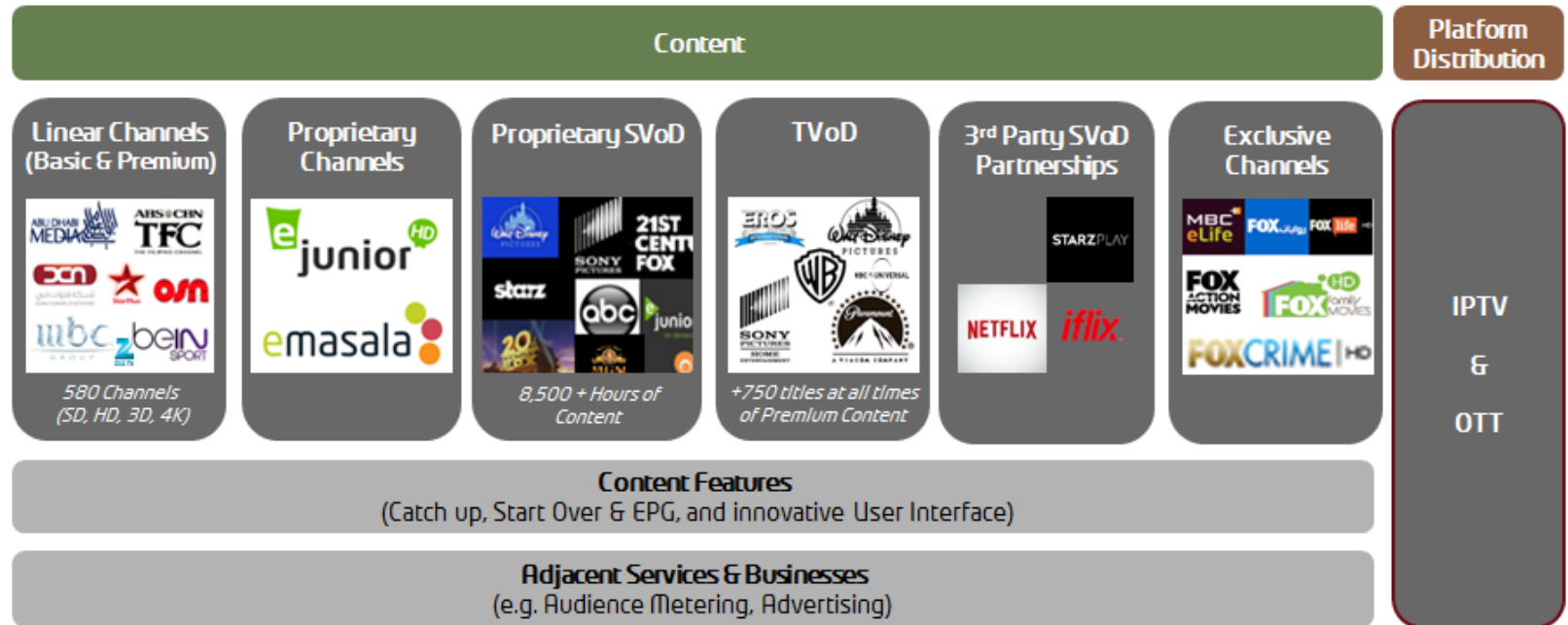
# Early entrance, comprehensive offering, and the partnership approach enabled EG to become a leading player in the Pay TV/Content space

Industry Outlook

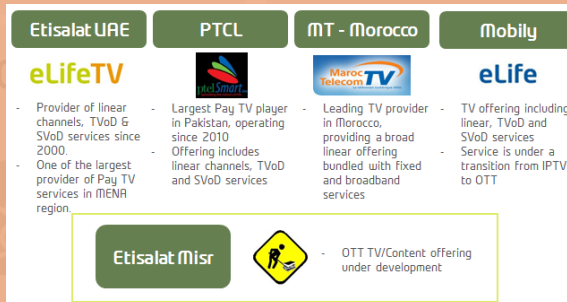


Non-Exhaustive

Etisalat E2E Media service offering



EG subsidiaries - TV/Content Engagement



Entertainment Content, and AR/VR



EG key partners



# Piloting and trialing futuristic technologies, as in AI and RPAs, for business benefit remains one of Etisalat's strategic imperatives

## Industry Outlook

## Non-Exhaustive

### Selected Key Topics affecting the Telco Industry

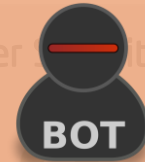
Internet of  
[Every]Thing



**Artificial Intelligence  
and Machine Learning**



Etisalat has launched a dedicated AI program to test possible use cases of AI for business benefit, e.g. Chabots for enhancing customer interactions



Next Generation  
Connectivity



Etisalat has implemented over 70 network and general automated services and robotics that enhanced compliance, efficiency, and reduced human error

Omni-channel  
Customer Experience



**Robotics /  
Automation**



Smart Cities /  
Verticals



Entertainment  
Content, and AR/VR



e/m-Commerce





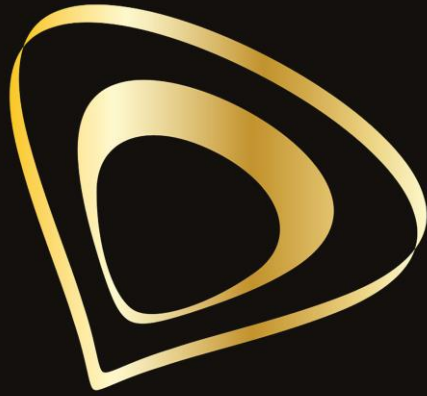


# Moving forward, we will continue to follow a growth path while focusing on multiple business critical missions



## Closing Remarks

- Focusing on the **implementation of our digital strategy** by working closely with all OpCo's to realize "TARGET".
- Focusing on **nurturing and institutionalizing innovation** within the organization's fabric, while elevating the innovation level in surrounding ecosystem by adopting **open innovation**.
- Sustaining our **technological leadership** by adopting, trialing, and rolling out next generation technologies that bring business value and enhance customer interactions.
- **Enhancing the bottom line** through initiatives that drive group wide synergy and value creation, operational excellence, and cost efficiency, which will support in mitigating the currency exposures in certain markets.
- Continue to invest in our **brand, talent and Group Family Culture** as key enablers for company growth.
- **Portfolio rationalization and optimization** will continue to be an area of focus, as we are trying to enhance the relevance and fit of individual investments within the bigger portfolio.
- We will continue to **pursue inorganic growth opportunities** that meet our investment criteria.



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# Etisalat Group Capital Markets Day 2018

## Group Financial Results

Serkan Okandan

Group Chief Financial Officer

# Etisalat Group Financial Highlights



<i>AED Million</i>	Q4 2017	Growth YoY%	Growth QoQ%	FY2017	Growth YoY%
Revenue	13,481	+4%	+5%	51,666	-1%
EBITDA	6,438	+3%	-2%	25,977	-1%
<i>EBITDA Margin</i>	<i>48%</i>	<i>-1pp</i>	<i>-3pp</i>	<i>50%</i>	<i>0pp</i>
Net profit	1,969	-12%	-35%	8,444	0%
<i>Net profit Margin</i>	<i>15%</i>	<i>-3pp</i>	<i>-18pp</i>	<i>16%</i>	<i>0pp</i>
Capex	2,645	-50%	+68%	8,040	-24%
<i>Capex/Revenue</i>	<i>20%</i>	<i>-21pp</i>	<i>+7pp</i>	<i>16%</i>	<i>-4pp</i>

## 4Q2017 Highlights

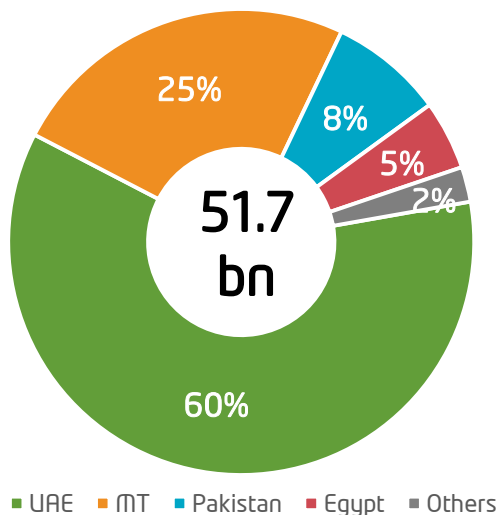
- Revenue growth is attributed to both domestic and int'l operations
- Lower EBITDA margin due to change in revenue mix
- Net profit impacted by higher royalty, taxation and minority interest
- Lower capital expenditure attributed to domestic and international operations

## FY2017 Highlights

- Revenue and EBITDA impacted by unfavourable exchange rate movement in Egyptian Pound
- Maintained strong EBITDA margin at 50% level
- Net profit slightly higher impacted by higher share of losses from associate and royalty charges
- Lower capital expenditure attributed to 4G license acquisition in Egypt prior year

# Etisalat Group Financial Highlights

Revenue Breakdown FY 2017 (AED m)

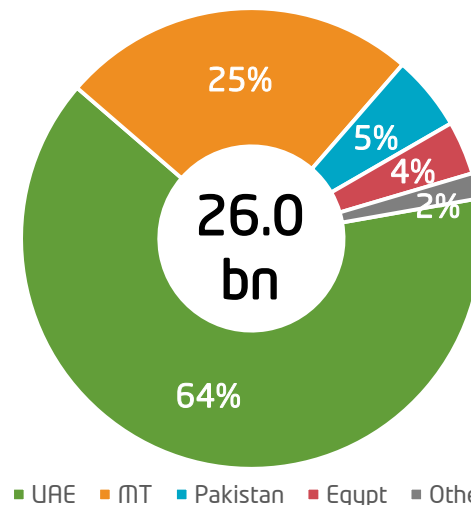


-1%

YoY Growth

UAE		+3%
MT Group	(LC -1%)	0%
Egypt	(LC +17%)	-38%
Pakistan	(LC 0%)	-1%

EBITDA Breakdown FY 2017 (AED m)



-1%

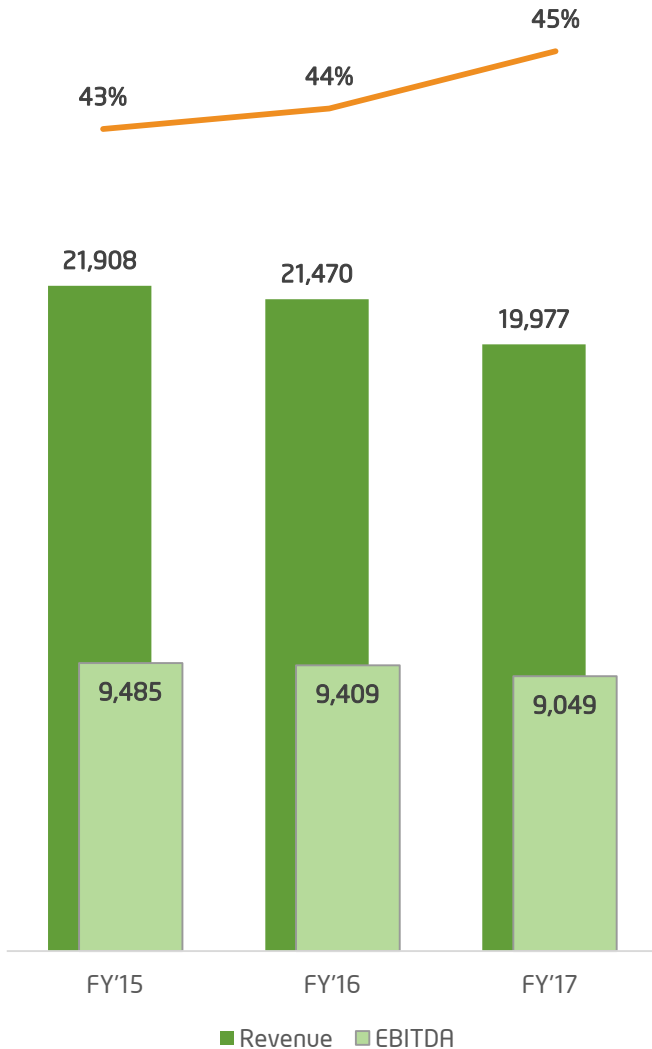
YoY Growth

UAE		+2%
MT Group	(LC +1%)	+3%
Egypt	(LC +20%)	-38%
Pakistan	(LC -1%)	-1%

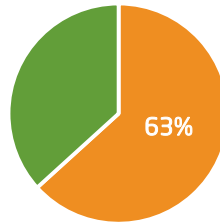
Represents others

# Int'l Operations Financial Highlights FY 2017

Revenue (AED m)/EBITDA (AED m) /  
EBITDA Margin (%)



*Maroc Telecom Group*



Revenue

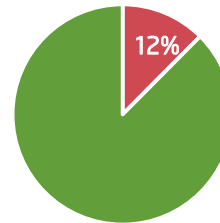
EBITDA

*EBITDA Margin*

Revenue & EBITDA (AED m) /  
EBITDA Margin (%) / YoY Growth %

	FY 2017	YoY Growth in AED	Growth in MAD
Revenue	12,638	0%	-1%
EBITDA	6,506	+3	+1%
<i>EBITDA Margin</i>	<i>51%</i>	<i>+2pp</i>	<i>+2pp</i>

*Etisalat Misr*



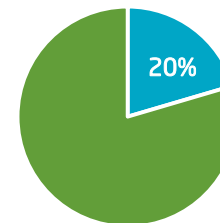
Revenue

EBITDA

*EBITDA Margin*

	FY 2017	YoY Growth in AED	YoY growth in EGP
Revenue	2,486	-38%	+17%
EBITDA	979	-38%	+20%
<i>EBITDA Margin</i>	<i>39%</i>	<i>Opp</i>	<i>Opp</i>

*Pakistan*



Revenue

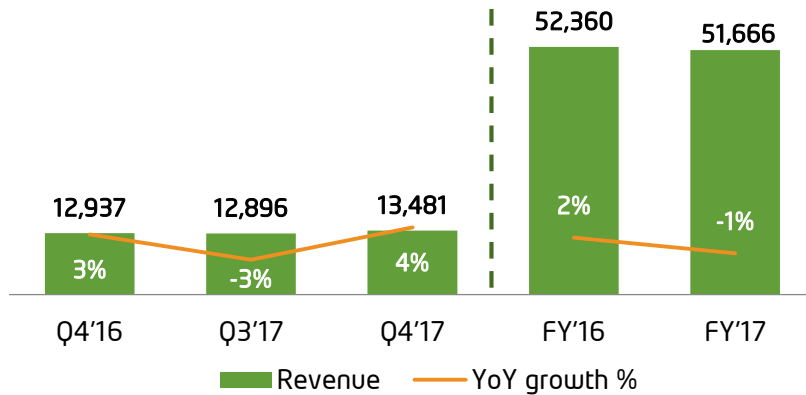
EBITDA

*EBITDA Margin*

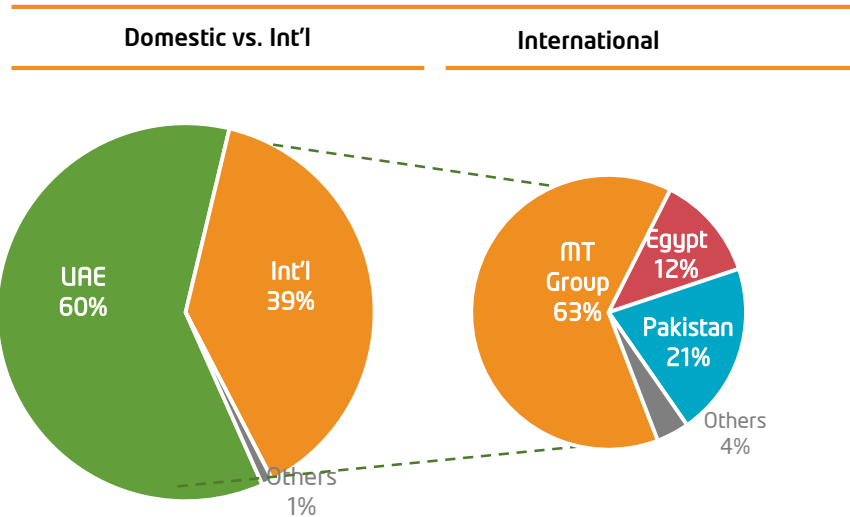
	FY 2017	YoY Growth in AED	YoY growth in PKR
Revenue	4,084	-1%	0%
EBITDA	1,373	-1%	-1%
<i>EBITDA Margin</i>	<i>34%</i>	<i>Opp</i>	<i>Opp</i>

# Group Revenue

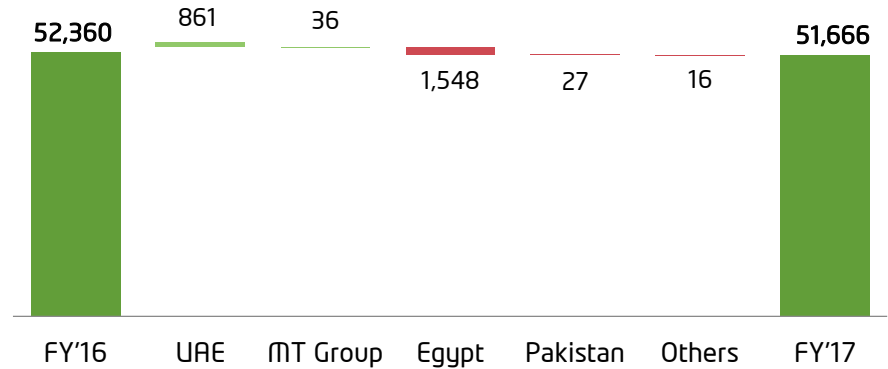
Revenue (AED m) and YoY growth (%)



Revenue by Cluster (FY'17)



Sources of Revenue growth - FY'17 vs FY'16 (AED m)



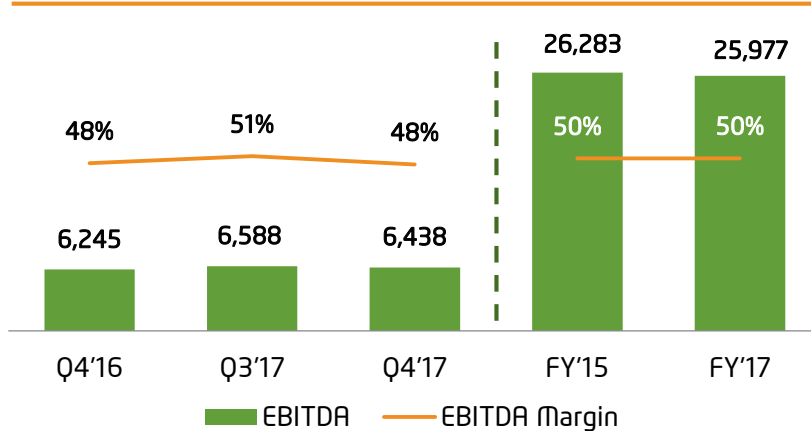
Highlights

- In FY'17 consolidated revenue decreased Y/Y by 1% attributed to Int'l operations that was impacted by currency depreciation in Egypt
- Growth in the UAE mainly due to higher broadband, digital services, handsets and wholesale revenues
- Revenues from international consolidated operations declined by 7%, resulting in 39% contribution to Group revenues, 2pp lower than prior year mainly attributed to currency devaluation in Egypt
  - Revenue growth in MT Group mainly from international operations and domestic fixed segment
  - Revenue growth in Egypt impacted by currency devaluation
  - Revenue growth in Pakistan impacted by lower subscriber base, usage and mobile broadband competition faced by EVO product

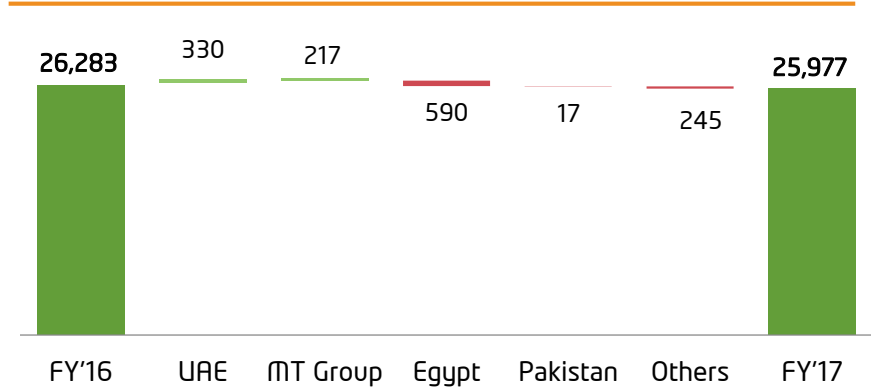


# Group EBITDA

EBITDA (AED m) & EBITDA Margin



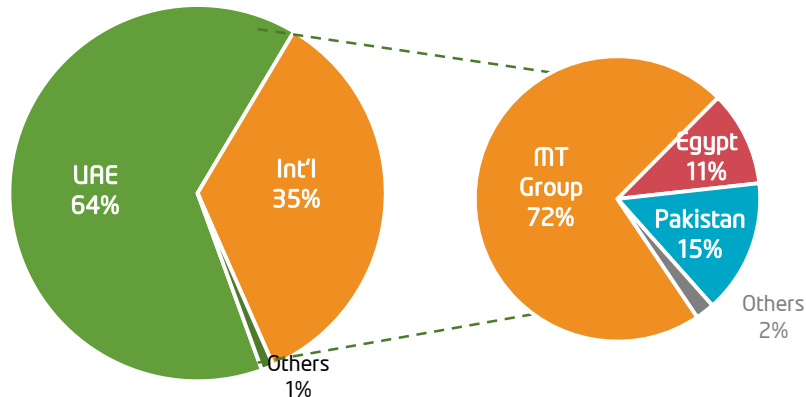
Sources of EBITDA growth - FY'17 vs FY'16 (AED m)



EBITDA by Cluster (FY'17)

Domestic vs. Int'l

International

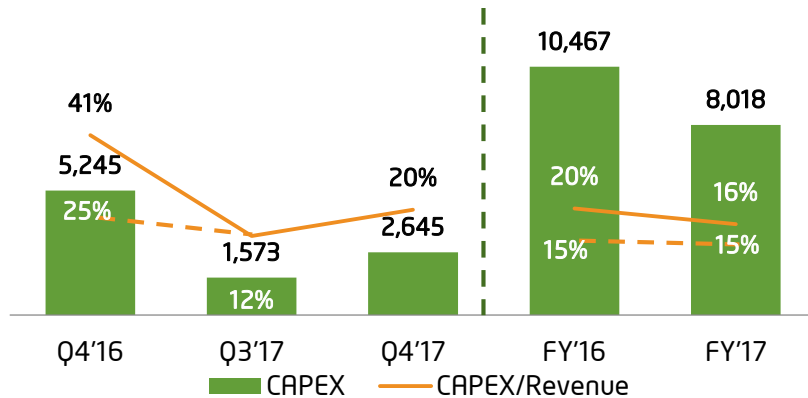


Highlights

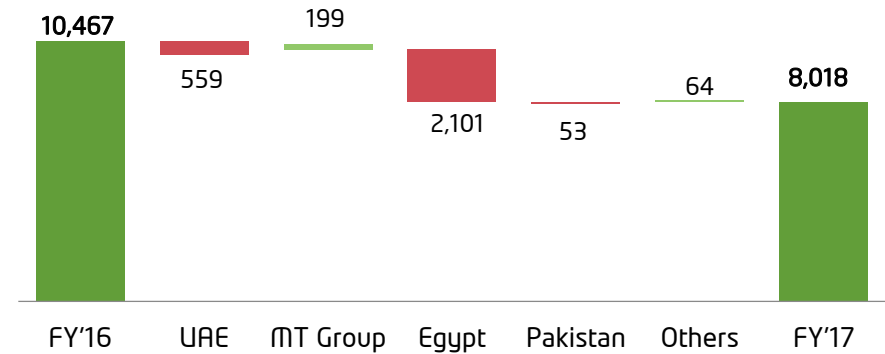
- FY'17 consolidated EBITDA decreased Y/Y by 1% mainly due to currency devaluation in Egypt
- EBITDA in the UAE positively impacted by higher revenue and lower operating costs
- EBITDA of consolidated international operations decreased Y/Y by 4% mainly due to currency devaluation, resulting in 35% contribution to Group EBITDA
  - Positive contribution from Maroc Telecom Group attributed to international operations
  - Egypt impacted by currency devaluation and inflationary pressure
  - Pakistan impacted by higher interconnection and termination costs

# Group Capex

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



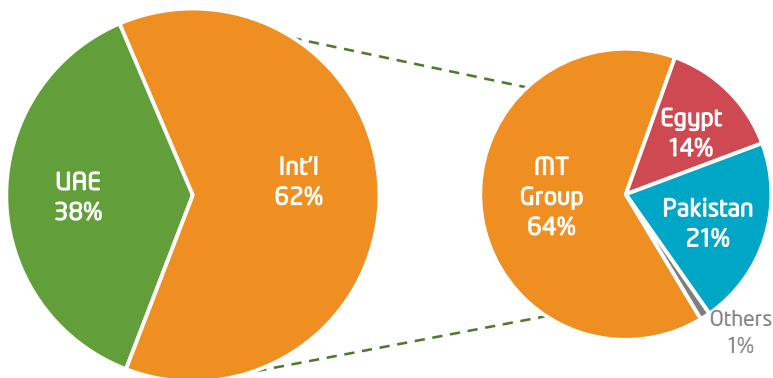
Sources of Capex growth - FY'17 vs FY'16 (AED m)



CAPEX by Cluster (FY'17)

Domestic vs. Int'l

International



## Highlights

- In FY'17 consolidated capex decreased Y/Y by 23% resulting in Capex / Revenue ratio of 16%
- Lower capital spend in the UAE focused on network maintenance and modernization
- Capital expenditure in international operations decreased by 28% and contributed 62% of consolidated Group Capex
  - Higher capex in MT Group attributed to 4G+ deployment in Morocco and network expansion in Int'l markets
  - Lower capex in Egypt attributed to acquisition of 4G license in prior year
  - Lower capex spend in Pakistan with focus on fixed network modernization

# Group Balance Sheet & Cash Flows

Balance Sheet (AED m)	Dec-16	Dec-17
Cash & bank Balances	23,676	27,125
Total Assets	122,521	128,284
Total Debt	22,279	24,705
Net Cash / (Debt)	1,398	2,420
Total Equity	55,915	57,704

Net cash position (AED m)	FY-16	FY-17
Operating	18,926	20,306
Investing	(9,361)	(7,567)
Financing	(7,726)	(9,027)
Net change in cash	1,839	3,712
<i>Effect of FX rate changes</i>	<i>355</i>	<i>(288)</i>
Reclassified as held for sales	60	25
Ending cash balance	23,676	27,125

## Investment Grade Credit Ratings

**S&P Global**

AA-/Stable



**Moody's**

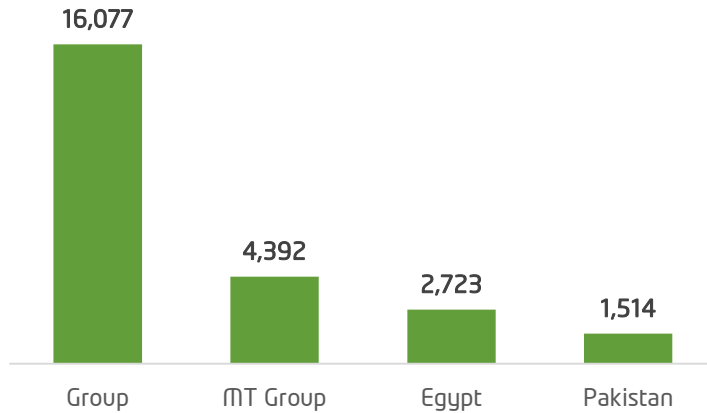
Aa3/Stable

## Highlights

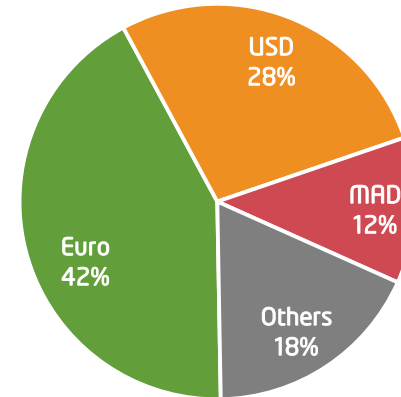
- Strong liquidity position with record cash balance
- Continued net cash position
- Higher operating cash flow due to improvements in working capital
- Lower investing cash flow due to lower capex
- Higher financing cash flow due to lower net proceeds from borrowings

# Debt Profile: Diversified debt portfolio

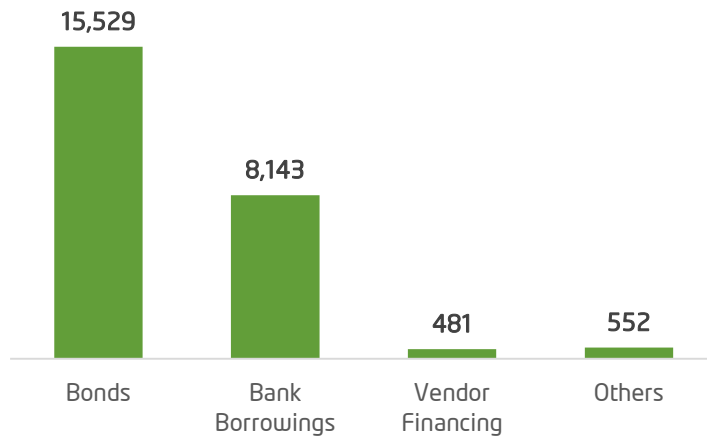
Borrowings by Operation Q4 2017 (AED m)



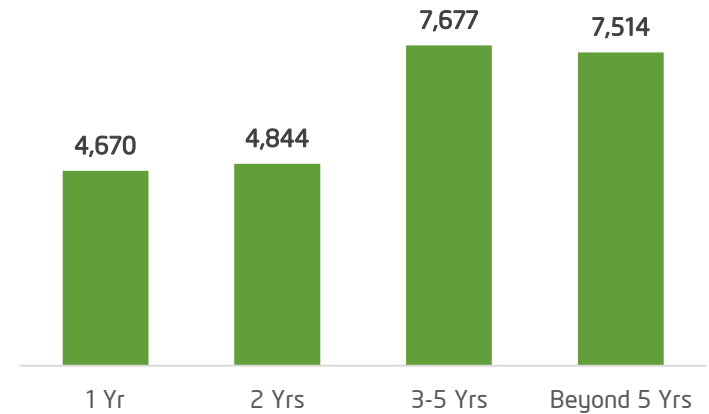
Borrowings by Currency Q4 2017



Debt by Source Q4 2017 (AED m)

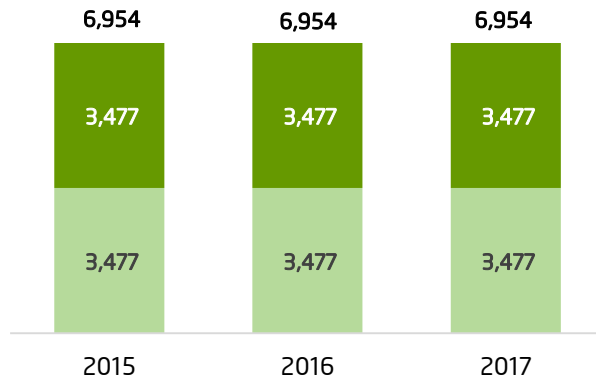


Repayment Schedule Q4 2017 (AED m)

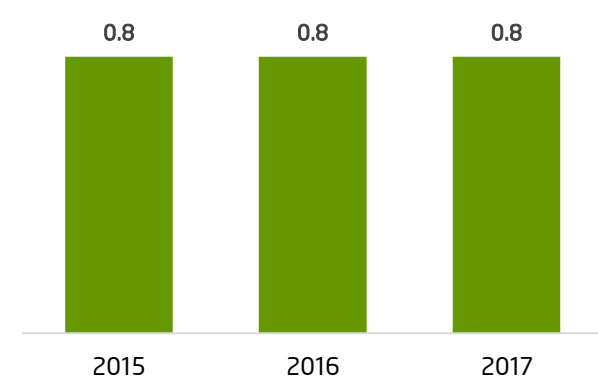


# Group Dividends: Proposed dividend for 2017 of 80 fils per share

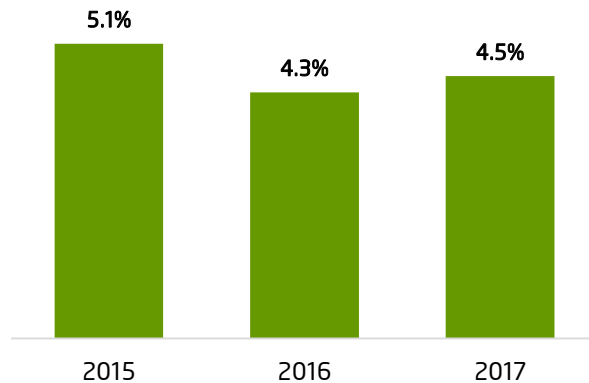
Cash Dividends (AED m)



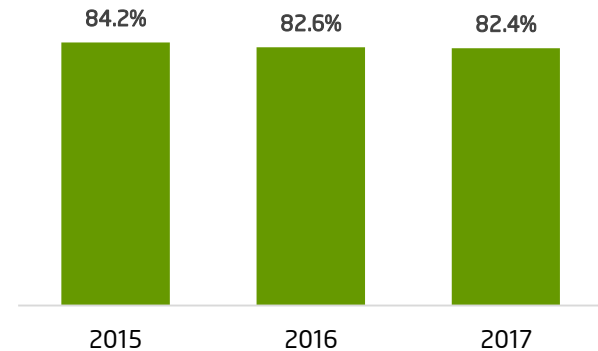
Dividends Per Share (AED)



Dividend Yield <sup>(1)</sup> (%)



Dividend Payout Ratio (%)



Proposed final dividend of 40 fils per share, bringing the full year dividend to 80 fils per share is subject to the shareholders approval on the AGM scheduled on March 21<sup>th</sup>, 2018

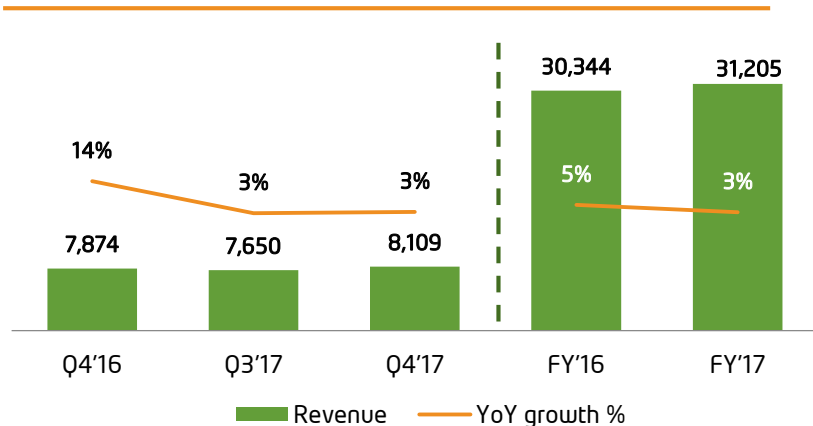
(1) Dividend yield is based on share price as of 24 August 2017 and 19 February 2018

# Country by Country Financial Review

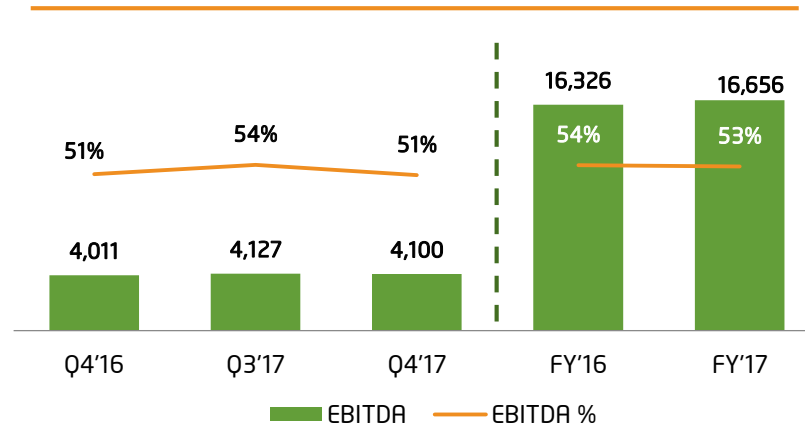


# UAE: Maintained revenue growth with improved profitability

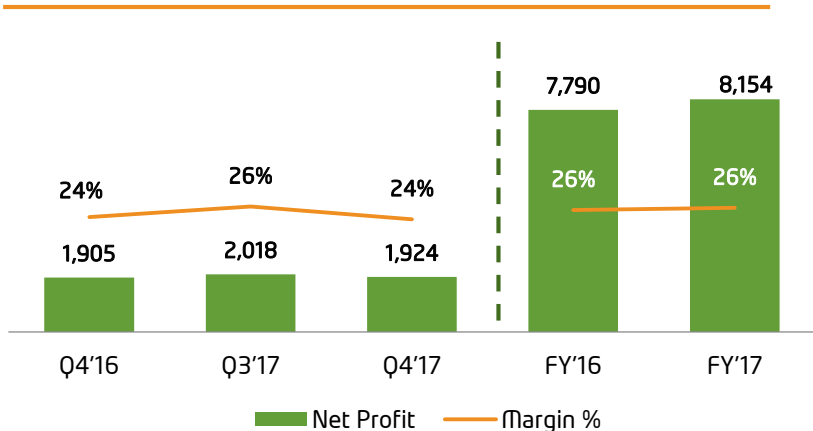
Revenue (AED m) / YoY Growth (%)



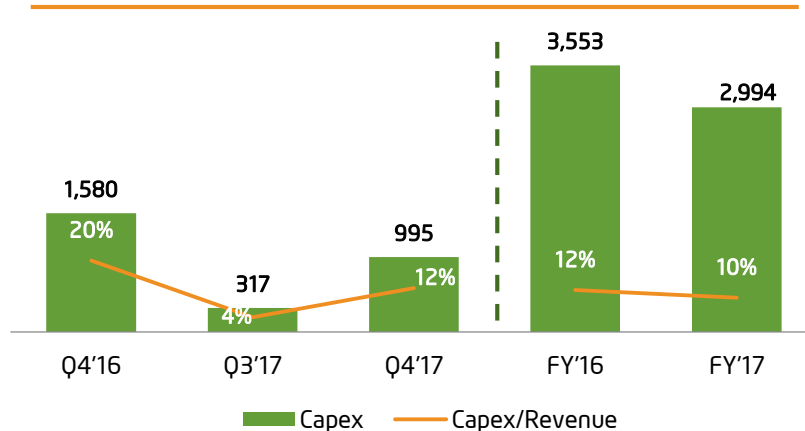
EBITDA (AED m) / EBITDA %



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

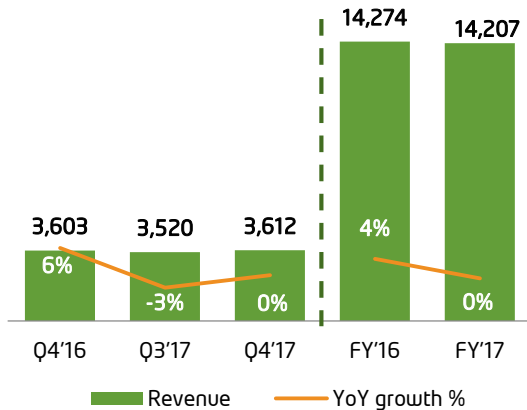


CAPEX (AED m) & CAPEX/Revenue Ratio (%)

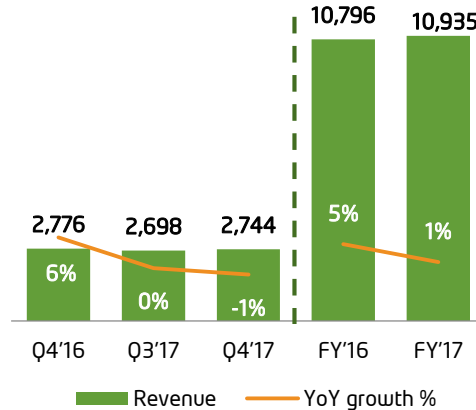


# UAE: Revenue Breakdown and Key KPIs

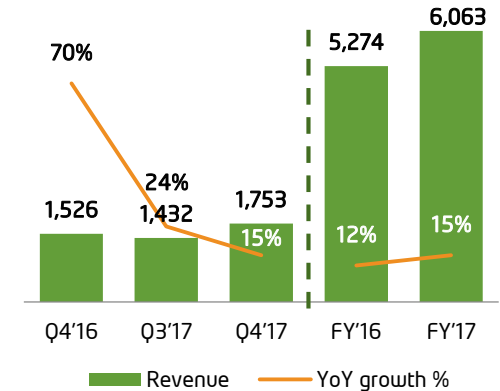
Mobile Revenues <sup>(1)</sup> (AED m)



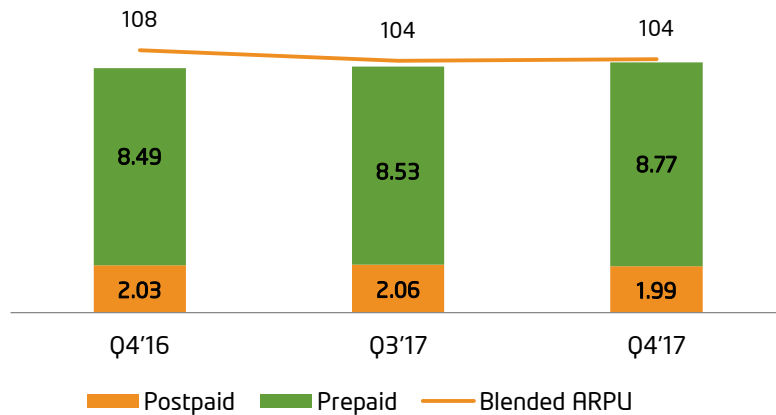
Fixed Revenues <sup>(2)</sup> (AED m)



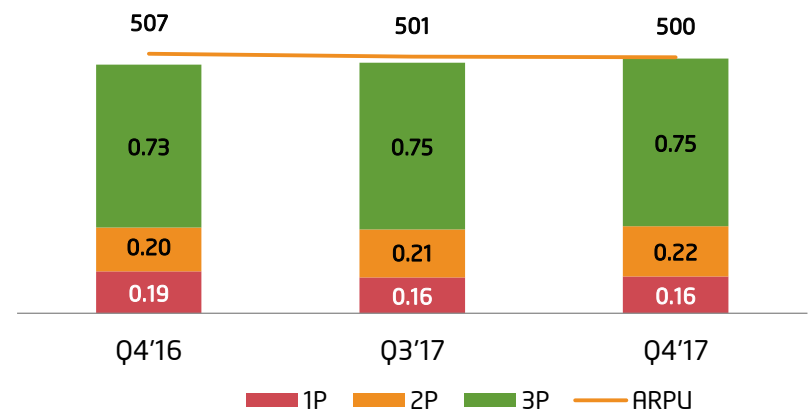
Other Revenues <sup>(3)</sup> (AED m)



Mobile Subs<sup>(4)</sup> (m) & ARPU<sup>(5)</sup> (AED)



Fixed Broadband <sup>(6)</sup> Subs (m) & ARPU <sup>(7)</sup> (AED)



(1) Mobile revenues includes mobile voice, data, rental, outbound roaming, visitor roaming, VAS, and 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), 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 line revenues divided by the average fixed subscribers.

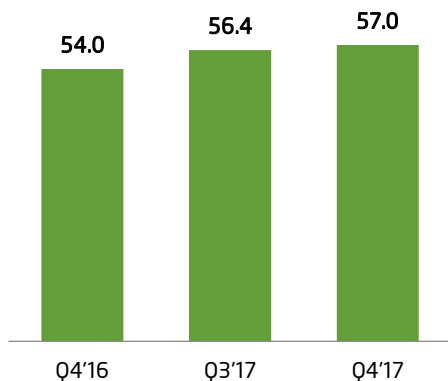


# Maroc Telecom: Improvement in operating margins and profitability

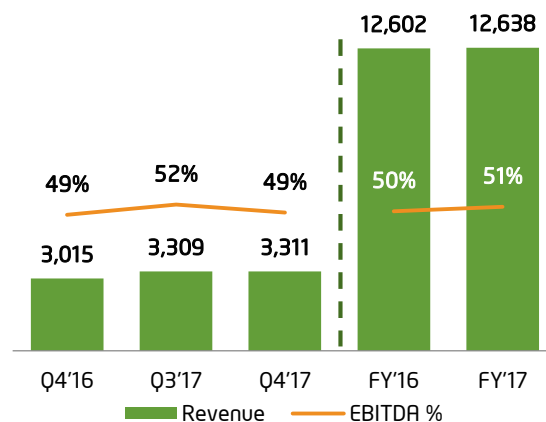
Morocco, Benin, Burkina Faso, CAR, CDI, Gabon, Mali, Mauritania, Niger and Togo



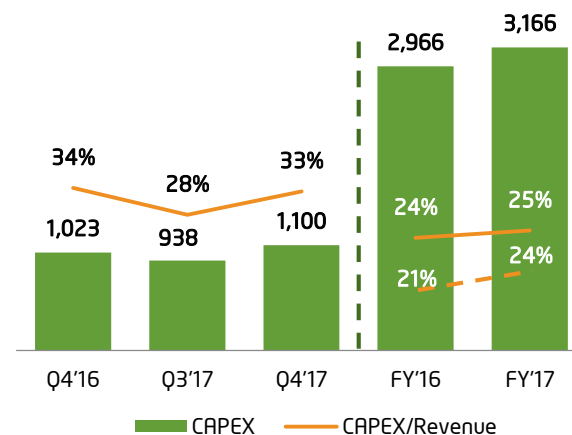
Subscribers (m)



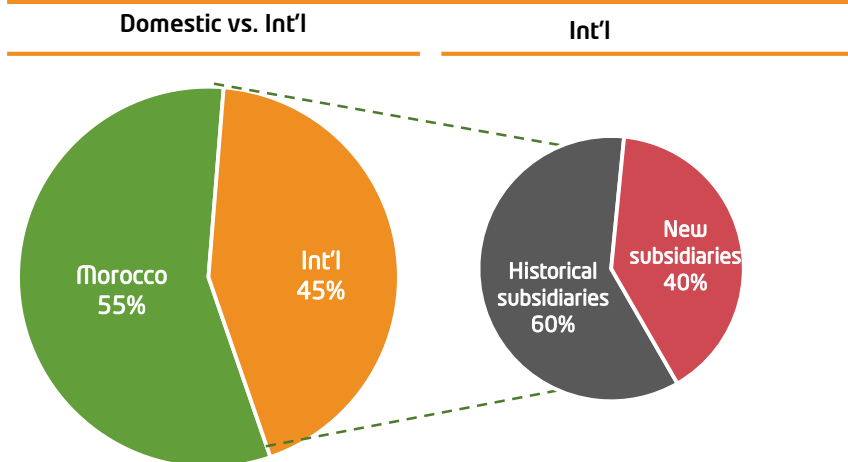
Revenue (AED m) / EBITDA Margin



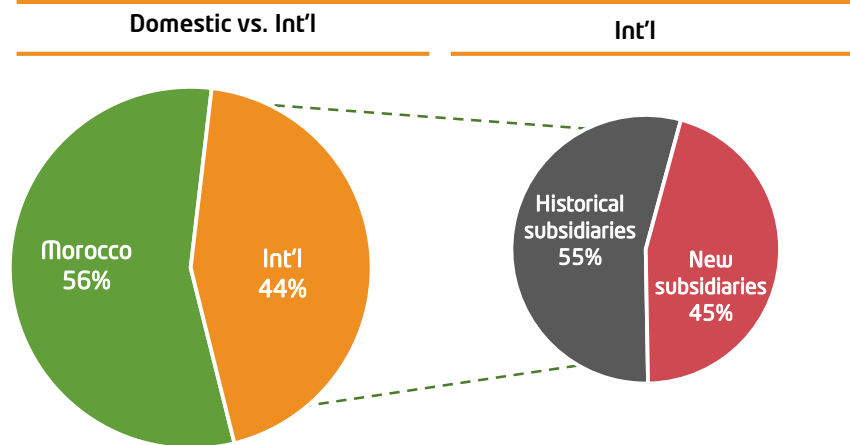
CAPEX (AED m) & CAPEX/Revenue Ratio (%)



Revenue Breakdown FY'17

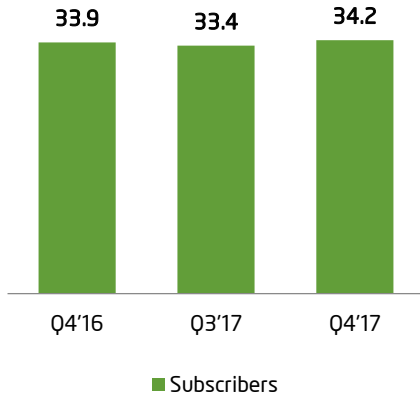


Capex Breakdown FY'17

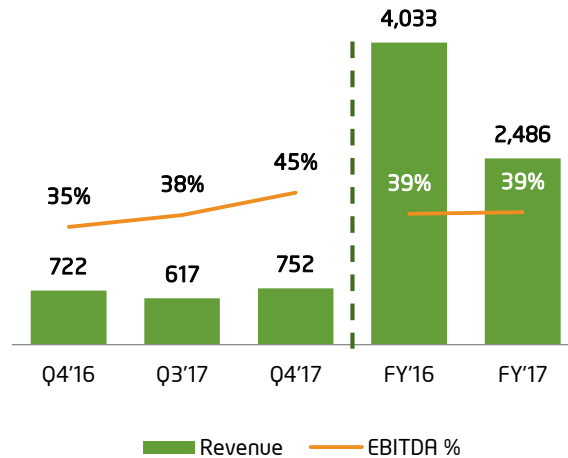


# Egypt: Launch of 4G services and entrance of 4th mobile operator while Etisalat reinforcing its 2nd position in the market

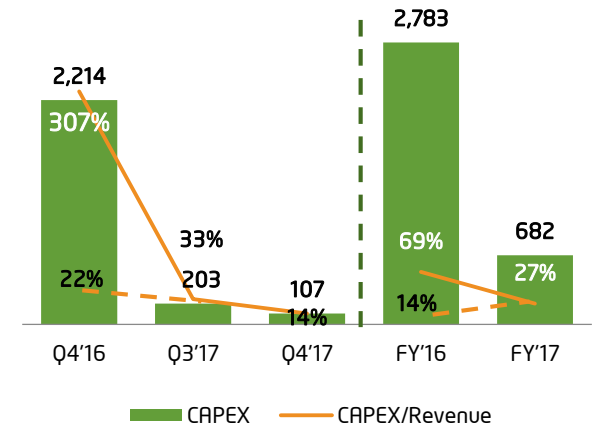
Total Subscribers <sup>(1)</sup> (m)



Revenue (AED m) / EBITDA Margin



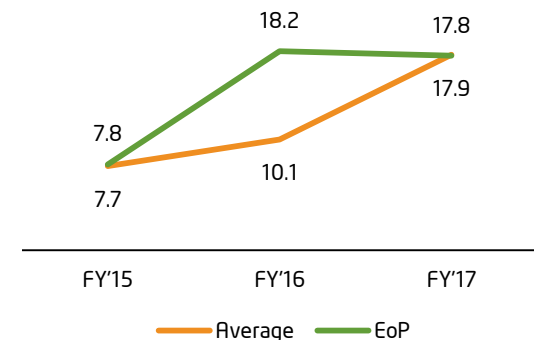
CAPEX (AED m) & CAPEX/Revenue Ratio (%)



## Highlights

- 4G services launched in September 2018
- Incumbent fixed operator launched mobile services
- Y/Y revenue growth impacted by steep currency devaluation
  - Strong revenue growth Y/Y in local currency
  - Revenue growth across all segments
- Maintained EBITDA margin despite inflationary pressure on opex
- Excluding 4G license cost from prior year, higher capital spending focusing on 4G deployment

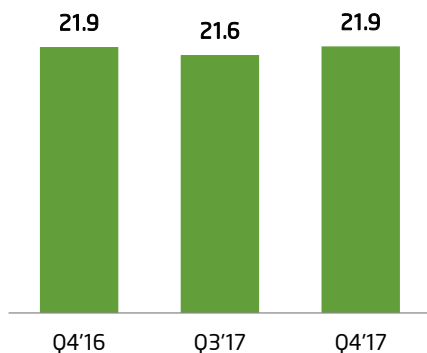
USD / EGP FX Rate (EGP)



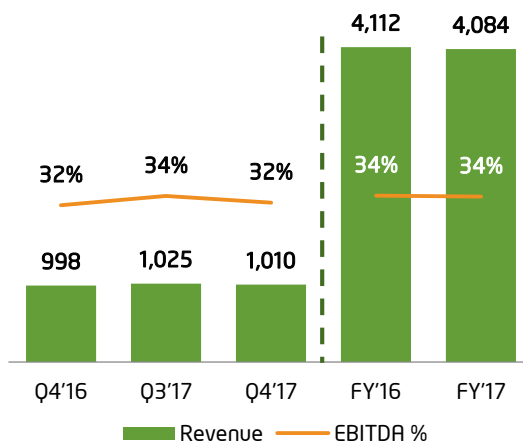
(1) Subscribers figures are based on Etisalat Group definition

# Pakistan: Stabilizing revenues with sustained profitability margins

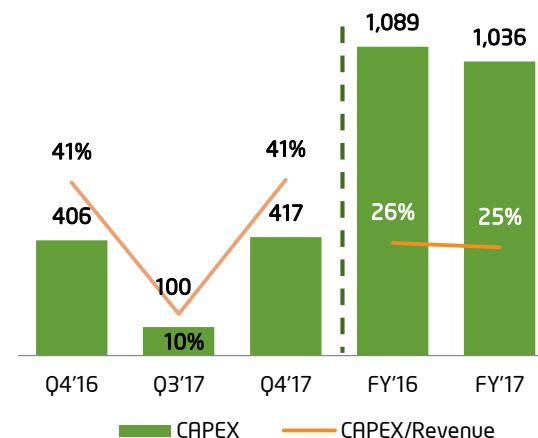
Subscribers (m)



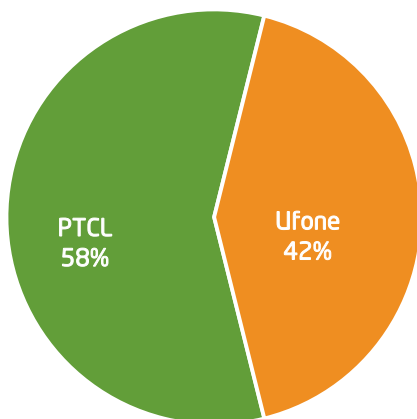
Revenue (AED m) / EBITDA Margin



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



Revenue Breakdown FY'17



Highlights

- Second consecutive quarter with positive mobile subscriber growth
- Slightly lower revenue Y/Y impacted by lower usage and increased mobile broadband competition facing EVO segment
- Stable EBITDA margin with focus on optimizing network costs
- Lower capex spend focused on fixed network modernization

# 2017 Actual Against Guidance: **Met 2017 guidance while over-achieving the revenue guidance for the year**

Financial KPI	Guidance 2017 in AED	Guidance 2017 Constant Currencies <sup>(1)</sup>	Revised Guidance 2017 in AED	Revised Guidance 2017 Constant Currencies <sup>(1)</sup>	Actual FY 2017 In AED	Actual FY 2017 Constant Currencies <sup>(1)</sup>
Revenue Growth %	Slightly Lower	1% - 2%	-2.5% to -3.0%	+1.5% to +2.0%	-1.3%	+2.4%
EBITDA Margin%	around 50%		50.0% to 51.0%		50.3%	
CAPEX / Revenue %	18% - 19%		15.5% - 16.5%		15.5%	

(1) Constant currency: Financial results assuming constant foreign currency exchange rates used for translation based on the rates in effect for the comparable prior-year period. In order to compute our constant currency results, we multiple or divide, as appropriate, our current AED results by the current year monthly average foreign exchange rates and then multiply or divide, as appropriate, those amounts by the prior year monthly average foreign exchange rates.

# 2018 Guidance: Continue to invest in technology while protecting operating margins and free cashflow

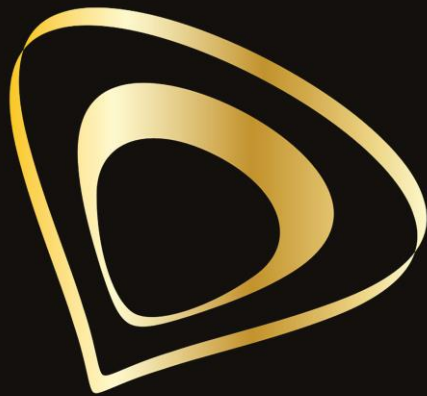
Financial KPI	Actual FY 2017		Guidance 2018 in AED
	in AED	Constant Currencies <sup>(1)</sup>	
Revenue Growth %	-1.3%	+2.4%	Slightly lower
EBITDA Margin%	50.3%		49% - 50%
CAPEX / Revenue %	15.5%		18% - 19%

- (1) Constant currency: Financial results assuming constant foreign currency exchange rates used for translation based on the rates in effect for the comparable prior-year period. In order to compute our constant currency results, we multiple or divide, as appropriate, our current AED results by the current year monthly average foreign exchange rates and then multiply or divide, as appropriate, those amounts by the prior year monthly average foreign exchange rates.

Q&A

THANK YOU





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# Etisalat Group Capital Markets Day 2018

## Etisalat International Business Overview

Hatem Dowidar

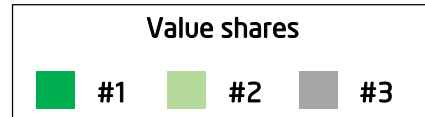
Chief Executive Officer - Etisalat International

# Agile portfolio of Int'l investments after further optimization

## Etisalat Group International Footprint - Key Developments

### Etisalat Group

- International Portfolio with presence in 15 countries (outside UAE); 13 markets consolidated
- Focus on in-market scale i.e. #1 or strong #2 in the majority of markets and in all key Operations



Successful turnaround of Moov OpCos<sup>3</sup>

Exited Nigeria

Capital increase in Egypt

New TSSA with Mobily<sup>2</sup>

Reviewing Sri Lanka position/ in-market consolidation



(1) Egypt is #2/4 in mobile market and #3/4 considering fixed and wholesale; Pakistan is #2/4 considering total market  
 (2) TSSA stands for Technical Services and Support Agreement  
 (3) Moov OpCos (ex Atlantique Telecom OpCos) are: Cote d'Ivoire, Niger, Togo, Benin, Gabon and CAR

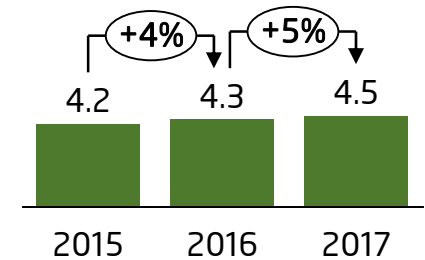
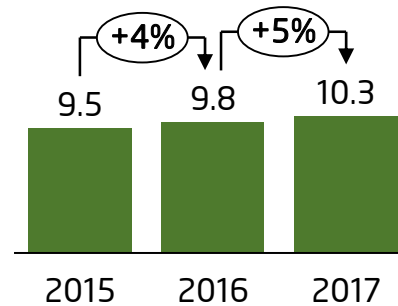
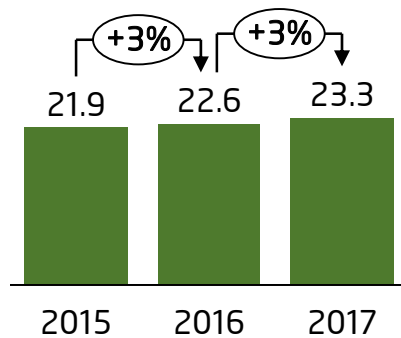
# International investments are a solid platform for profitable and cash generating growth...

Revenues <sup>(2)</sup> (AED bn)

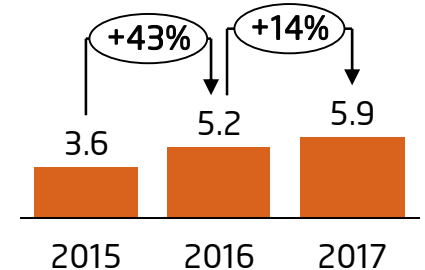
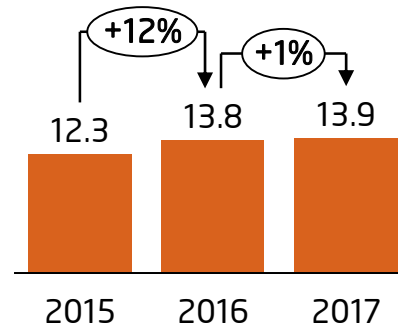
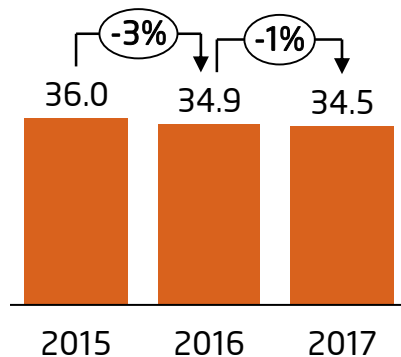
EBITDA <sup>(2)</sup> (AED bn, %)

OFCF Proxy <sup>(2),(3)</sup> (AED bn, %)

Etisalat  
International  
Consolidated



Etisalat  
International  
aggregated  
perspective<sup>1</sup>



(1) Including Mobily (KSA), which is an associate but excluding Etisalat Nigeria, Zantel, Canar and Sri Lanka from 2015 onwards

(2) The evolution of financial KPIs is made with constant FX, using 2015 rates

(3) OFCF proxy defined as EBITDA - CapEx; CapEx excluding the cost of license acquisition

# ... laid on Etisalat operations in 4 sizable markets

## 2017 ACHIEVEMENTS

### Leadership position

- Revenues: 35.0 bn MAD (-0.8% YoY)
- EBITDA: 17.2 bn MAD (+1.5% YoY), 49.1% margin
- Net Profit: 5.7 bn MAD (+4.4% YoY), 16.8% margin



#1-2 in 7 out  
10 markets

MT

### Profitable challenger

- Revenues: 12.1 bn EGP (+16.7% YoY)
- EBITDA: 4.7 bn EGP (+19.8% YoY), 39.2% margin
- Net Profit: 1.0 bn EGP (Net losses in 2016), 8.0% margin

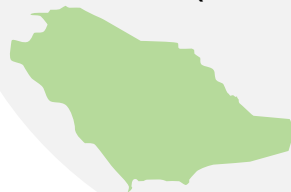


#2/4<sup>1</sup> (value)

Egypt

### Strong challenger, turnaround in progress

- Revenues: 11.4 bn SAR (-9.7% YoY)
- EBITDA: 3.6 bn SAR (-10.4% YoY), 32.1% margin
- Net Losses: -0.7 bn SAR, -6.2% margin



Saudi Arabia  
#2/3 (value)

Pakistan  
#2/4<sup>1</sup> (value)



### Incumbent, profitable integrated player

- Revenues: 117.0 bn PKR (-0.1% YoY)
- EBITDA: 39.4 bn PKR (-0.7% YoY), 33.7% margin
- Net Profit: 4.3 bn PKR (+167% YoY), 3.7% margin

(1) Egypt is #2/4 in mobile market and #3/4 considering fixed and wholesale; Pakistan is #2/4 considering total market

# MT is successfully protecting its leadership position in domestic market and continued growth of AT OpCos

## Morocco: undisputed leader



Above 60% value share  
in mobile market



Intact leadership of  
Fixed market

- Leading position in a challenging market:
  - Market slowdown, driven by OTT, and impacting MT incoming Int'l ICX
  - Intense competition

Despite relevant challenges, leading  
position is preserved

## MT OpCos: overall solid growth



Defend leadership in  
historic subsidiaries,  
operating mostly in  
mature markets



Gain value shares in new  
subsidiaries, closing the  
gap with competitors in  
term of coverage and QoS

International operations now contribute  
45% of MT revenues (43% in 2016)

# Etisalat Misr took over the #2 position in Egypt mobile market

Delivered best network  
quality with fast LTE roll-out



Continue growth after  
Telecom Egypt entry in  
mobile arena

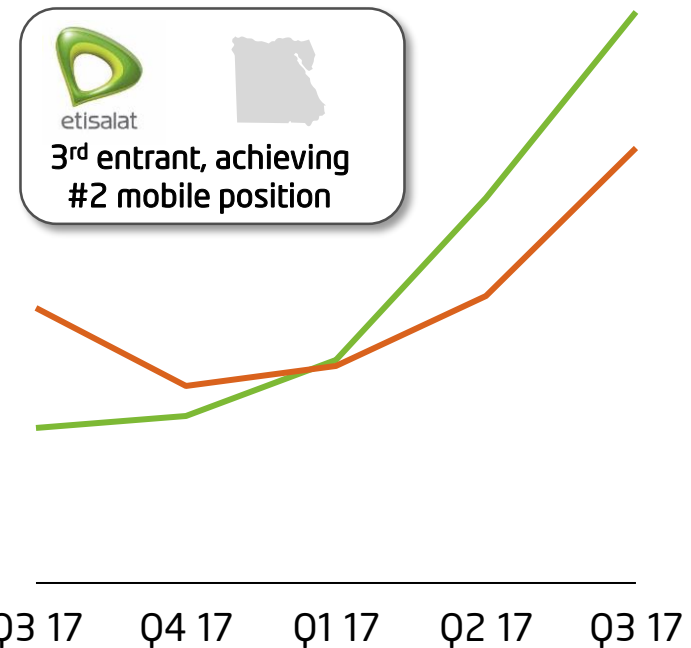
Back to strong levels of  
profitability after EGP decline  
in 2016



Etisalat Misr outgrow the market in a very  
dynamic, eventful year

## Mobile Service revenues (LCY)

Etisalat Previous #2





# In Pakistan, positive developments both in fixed and mobile arms



Fixed Line business  
recovering



Transforming PTCL infrastructure to serve Pakistan appetite for **fixed connectivity** with **high quality of service**



Mobile business has  
turned around



Re-starting growth engine, reaching **critical scale** in subscriber base to stay **relevant** in mobile market

Consolidated Net profit margin of PTCL Group more than doubled from 2016 levels

# Mobily is showing signs of improvement despite a challenging market in Saudi Arabia

## In a challenging market ...

- Difficult macro environment
- Regulatory evolution: reduction of MTR and opening access to most of VoIP

... Mobily has taken decisive steps toward operational RISE



New and stronger  
management team

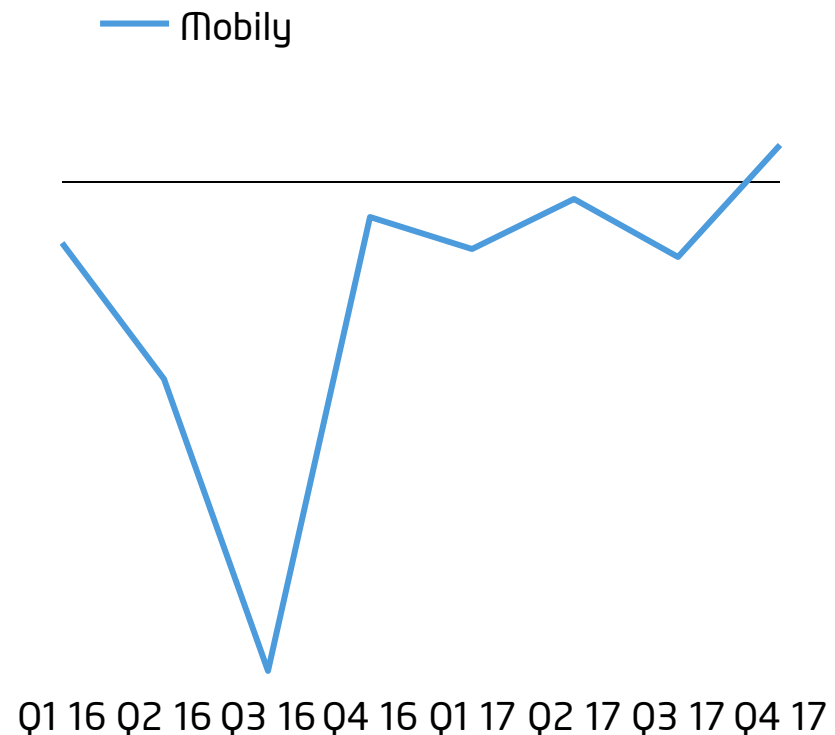
New Strategy implementation  
underway



Successful acquisition of  
additional spectrum



## Mobily QoQ revenues evolution (%)





Overall, Etisalat views the foundation of its International presence and value creation in 4 strongholds

Key players in 4 sizable markets...



Egypt



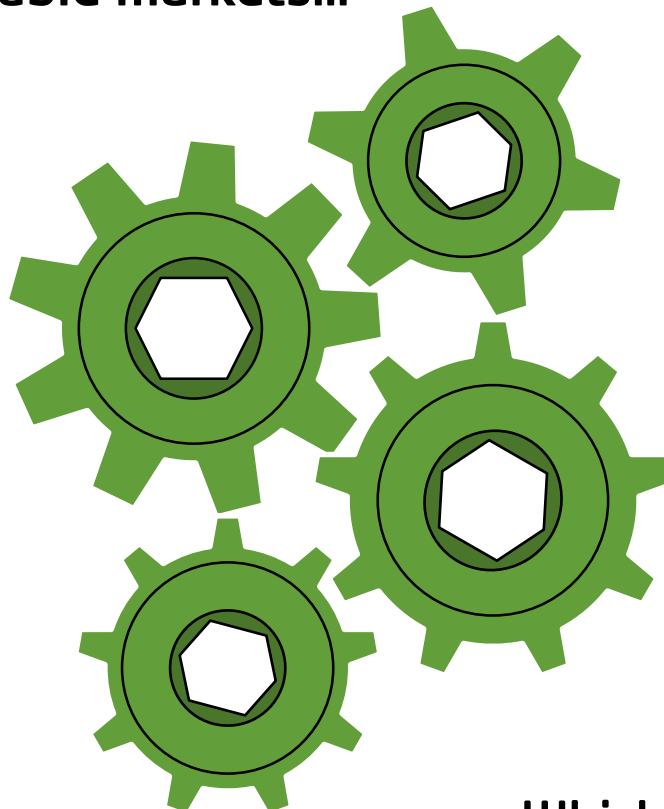
Saudi Arabia



Pakistan



Morocco



- #1 or strong #2 position to secure scale
- Towards solid margins of profitability and relevant cash generation
- Convergent Ready or Moving towards Convergence

... Which represent the engine for Etisalat International growth

# Guidelines and priorities for portfolio development focused on reinforcing our existing footprint positioning

## Etisalat Group M&A Guidelines and priorities

## Primary Focus

### Optimize existing footprint

Explore strategic options for current portfolio, including, where required;

- Selective divestments
- In-market consolidation
- Acquisition of licenses and spectrum
- Bolt-on acquisitions

### Seek opportunistic investments in new geographies

- Acquisitions within target geographies
- Very selective on greenfields (must be sizeable opportunity adjacent to core operation)

### Enter New Business with solid potential

- New business development, strategic partnerships and Joint Ventures
- Selective acquisitions to accelerate business development in select areas



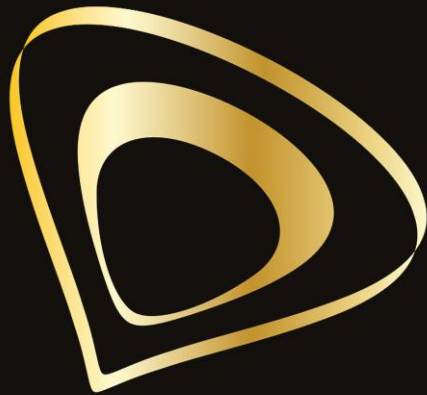
# Way forward / Key messages



- **International operations are a relevant contributor to Etisalat Group**
  - Including Mobily, Int'l Operations generate revenues of ~ 10bn USD a year with ~41% EBITDA margin
  - On consolidated level they represents 39% of Etisalat Group revenues with 45% EBITDA margin
  - Int'l portfolio is growing at constant rate, especially cash flow generation
- **Strengthened the position in Int'l operations despite several challenges from macro and regulatory environment**
  - Morocco successfully protecting its leadership position while improving Int'l operations
  - Etisalat Misr became #2 operator with improved profitability
  - In Pakistan, improved fixed segment positioning with network transformation program and ignited growth in the mobile operation
  - In KSA, turnaround in progress to strengthen #2 position; early signs of improvement despite a challenging market
- **Pursue selective inorganic growth opportunities that reinforce existing footprint**

Q&A

THANK YOU



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MIDDLE EAST 2018**

# Etisalat Group Capital Markets Day 2018

## Introducing the New Vision and Strategy for Etisalat Group

Khalifa Alshamsi

Chief Strategy & Governance Officer - Etisalat Group

## Key External Drivers and Implications

- OpCo Country Vision snapshot
- Industry drivers
- International best practices overview

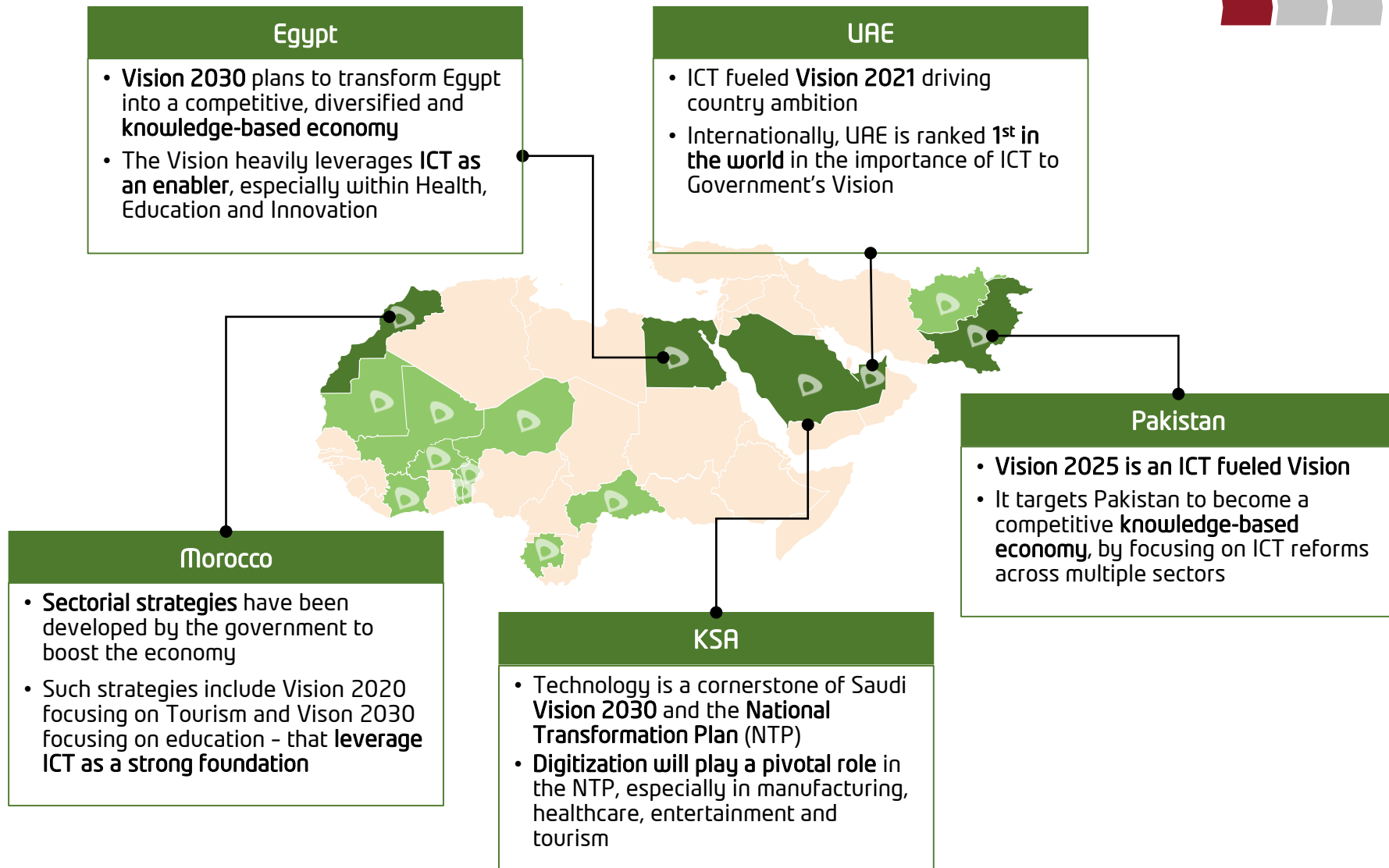
## Summary of New Vision

- Context for a new Group Vision
- Definition of the new Group Vision
- Relationship with OpCo Vision statements

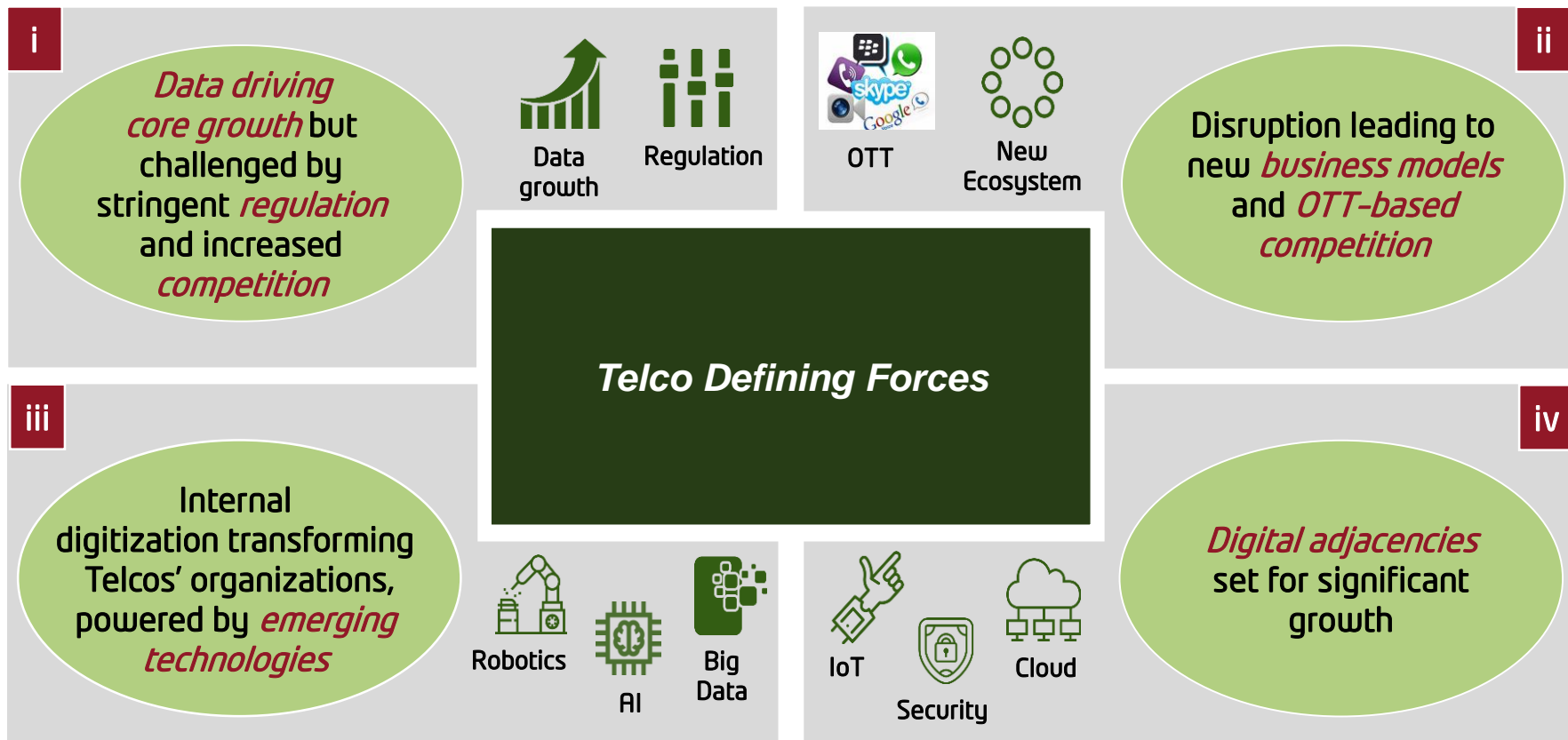
## Summary of New Strategy

- Overview of five strategic pillars
- Closing messages

# Our OpCo countries are introducing transformative plans that leverage ICT to boost economies

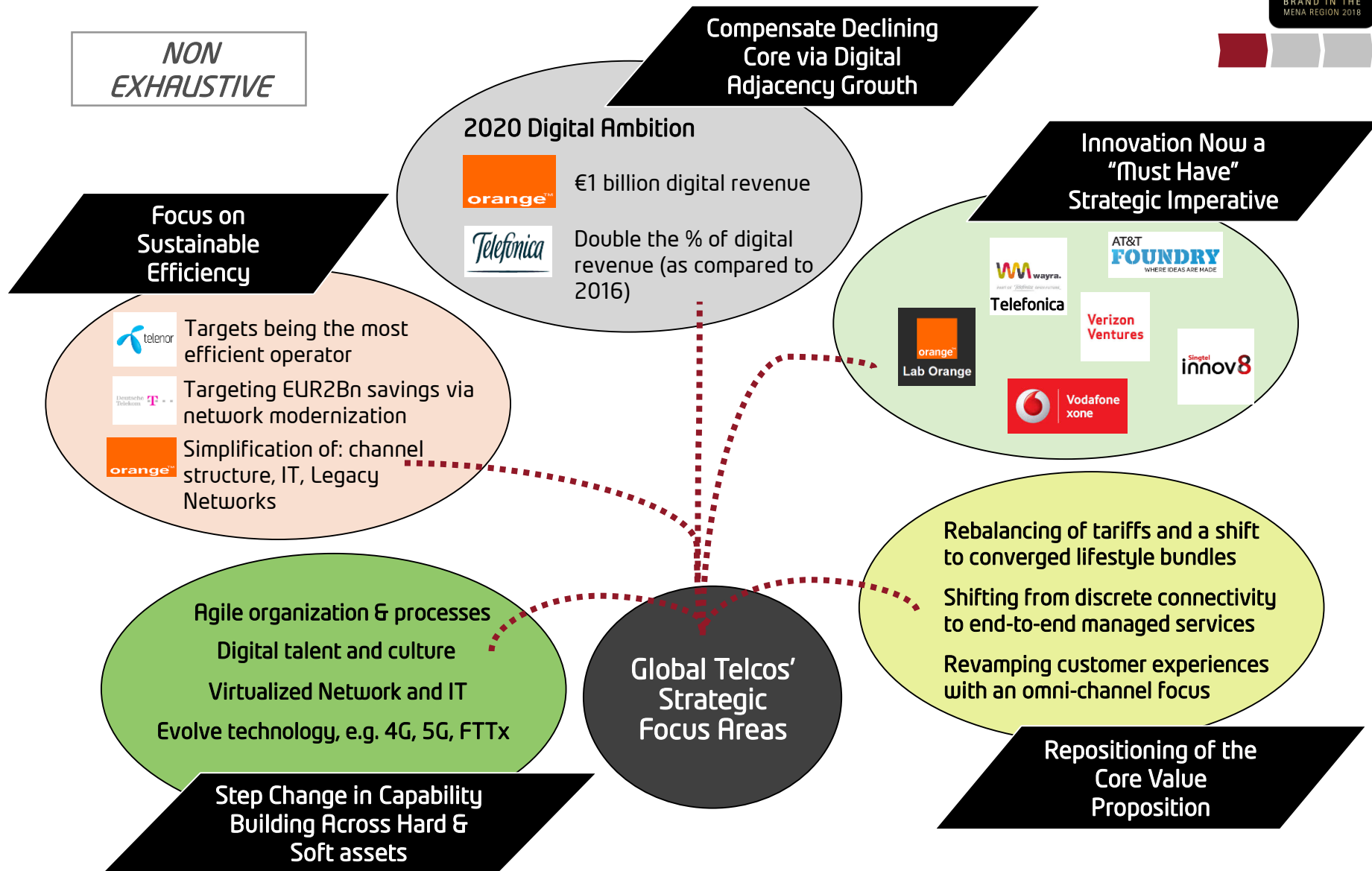


# Within the telco sector, the industry continues to be shaped by four major inter-related forces...



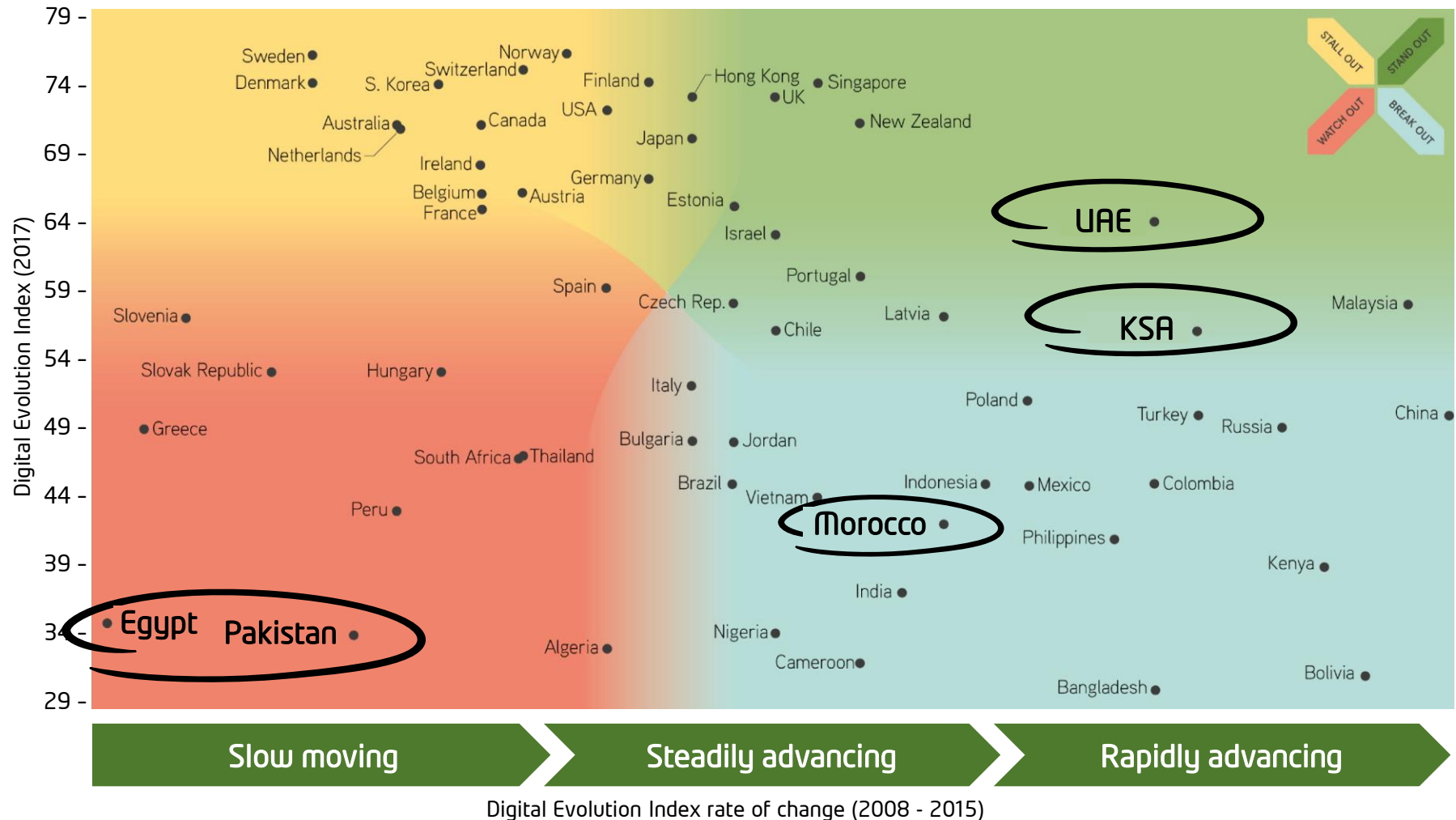


# ...and accordingly, Global Telcos are adapting their strategic focus areas



# All Etisalat Group OpCo markets are evolving, albeit at different trajectories, towards a digital future

## Digital Evolution Index (2017) vs Rate of change in Digital Evolution Index (2008-2015)



# Consequently, we have adopted a bold new vision for Etisalat Group, which is highly aspirational and has a digital focus

## Old Vision

"To be the leading and most admired emerging markets telecom group"

## New Vision



# This new vision addresses the future of the industry, our winning role and our value add...

## Envisioned Future



- Our vision for the future is for everyone and everything to be seamlessly connected, benefiting from tailored digital solutions delivered via a world-class digital experience  
i.e. a **"Digital Future"**
- In this Digital Future, the core remains relevant but challenged, it will open up new possibilities and also create new business models

## Winning Role



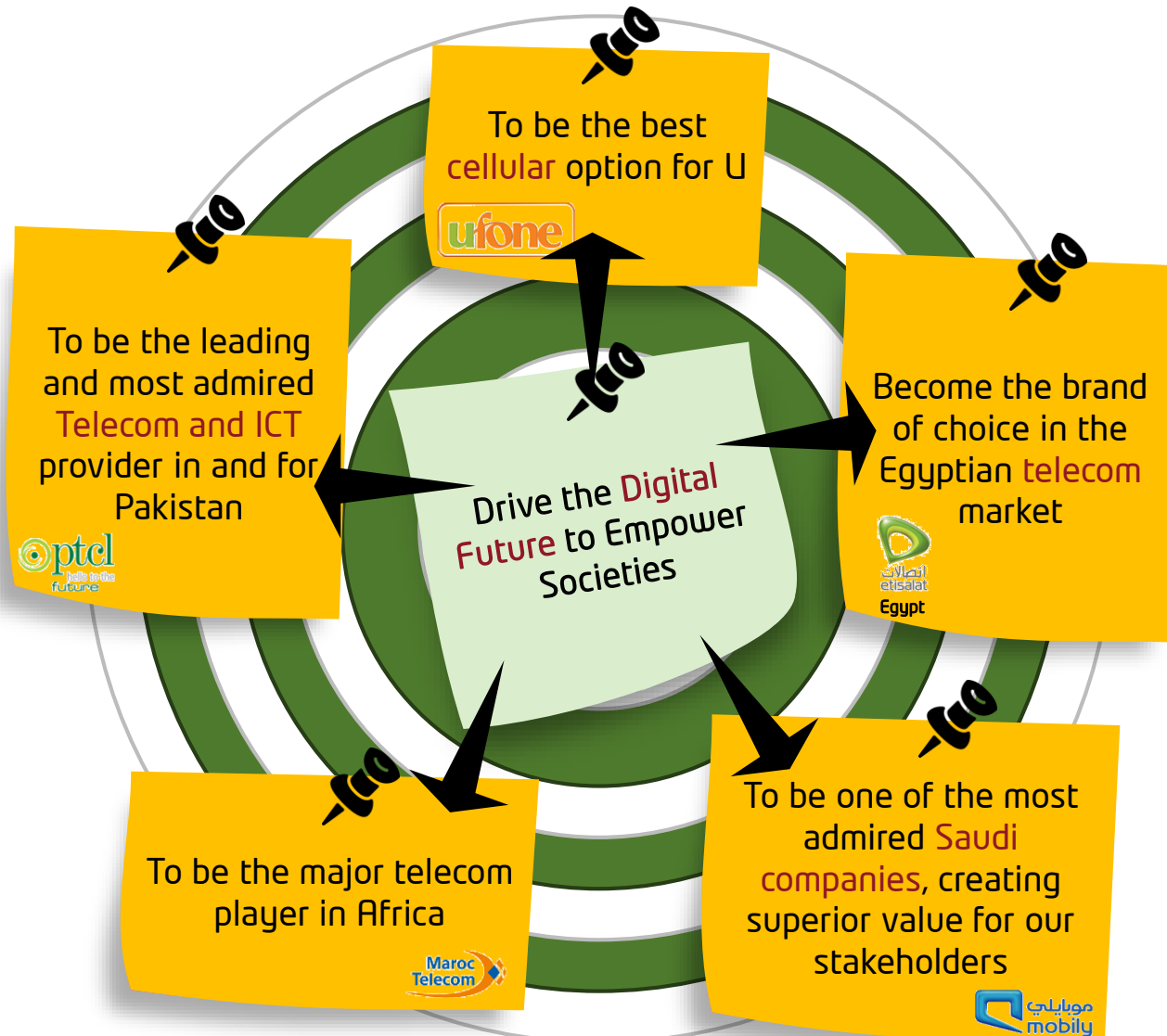
- Etisalat has to be proactive to retain a leading role over the evolving ecosystem along with enriching customer relationships
- Therefore, Etisalat has to **"Drive"** the evolution of the ecosystem through transforming and expanding its core business, diversifying its portfolio, enriching capabilities and driving innovation balanced with world-class efficiency

## Value Add



- Consequently, Etisalat will **"Empower Societies"** thus enabling everyone to fully maximize their true potential in the digital future

...and will inspire and accelerate our OpCos that have telco-focused visions to a *telco+digital* positioning



# To realize the new vision, Etisalat Group has introduced a new Strategy structured around five pillars



- Transform Operating Companies into Strongholds



- Expand portfolio in MENA and Knowledge Economies



- Grow B2B/Digital across the footprint



- Raise capabilities and develop talent across the Group



- Accelerate value generation through innovation and digitization



# Transform OpCos into Strongholds: Etisalat provides both Transformational and Group support



## Etisalat intervention in Must-win battles through:

### Transformational Support

- Network & IT excellence
- Strategy execution management
- Commercial/Marketing revamp
- Digital capabilities uplift
- Regulatory agenda management
- etc.



### Group Support

- Access to Etisalat **centers of excellence** (e.g. Cloud factory, Active sharing, Digital capabilities, HR, Procurement and C&W...)



- Commercial/ Marketing excellence
- Customer experience uplift
- Regulatory agenda management
- etc.

- Focused Commercial/ Marketing excellence
- Network excellence
- etc.

*SELECTED  
EXAMPLES*

Protect  
and  
sustain  
stronghold  
status

Transform  
into  
stronghold  
status

# **Transform OpCos into Strongholds: A key focus area of Group support being centered on Customer Experience uplift**

NON EXHAUSTIVE

## Customer Experience Uplift Areas of Focus

### Optimize Traditional Channels

- Improving efficiency and experience of contact centers by **integrating AI**
- Contact center and back office workflow **automation** and **simplification**
- Enhanced visibility of billing by providing **real-time usage data**
- Optimization of **customer centers** across footprint

### Increase Digital Channel Penetration

- Launched **Self-Service Kiosks**
- Increased use of **Social media** as a support channel
- **Website redesign**
- Expansion of **EPMs<sup>1</sup>** network and continuous **push for the use of digital channels** for bill payments/recharges

### Enhance Service Design Approach

- Transition to **End-to-End Journey led design approach**
- A range of projects launched with new **digital design methodology**
- **Consistent and regular measurement** of end-to-end Customer Experience

### Develop Talent

- Staff **recruited** with the required **new skills**
- Enhanced training to **develop staff** in both traditional and digital skills domains
- Agents with **retention skills** recognized, compensated and promoted





# **Expand** portfolio in MENA and Knowledge Economies: **Target** inorganic growth opportunities



## Investment Thesis

Target inorganic growth opportunities through majority control of well-positioned operators within target geographies, and continue to explore opportunities to optimize portfolio in order to balance growth and shareholder returns

## Target Geographies

Middle East



Africa



Asia



Europe

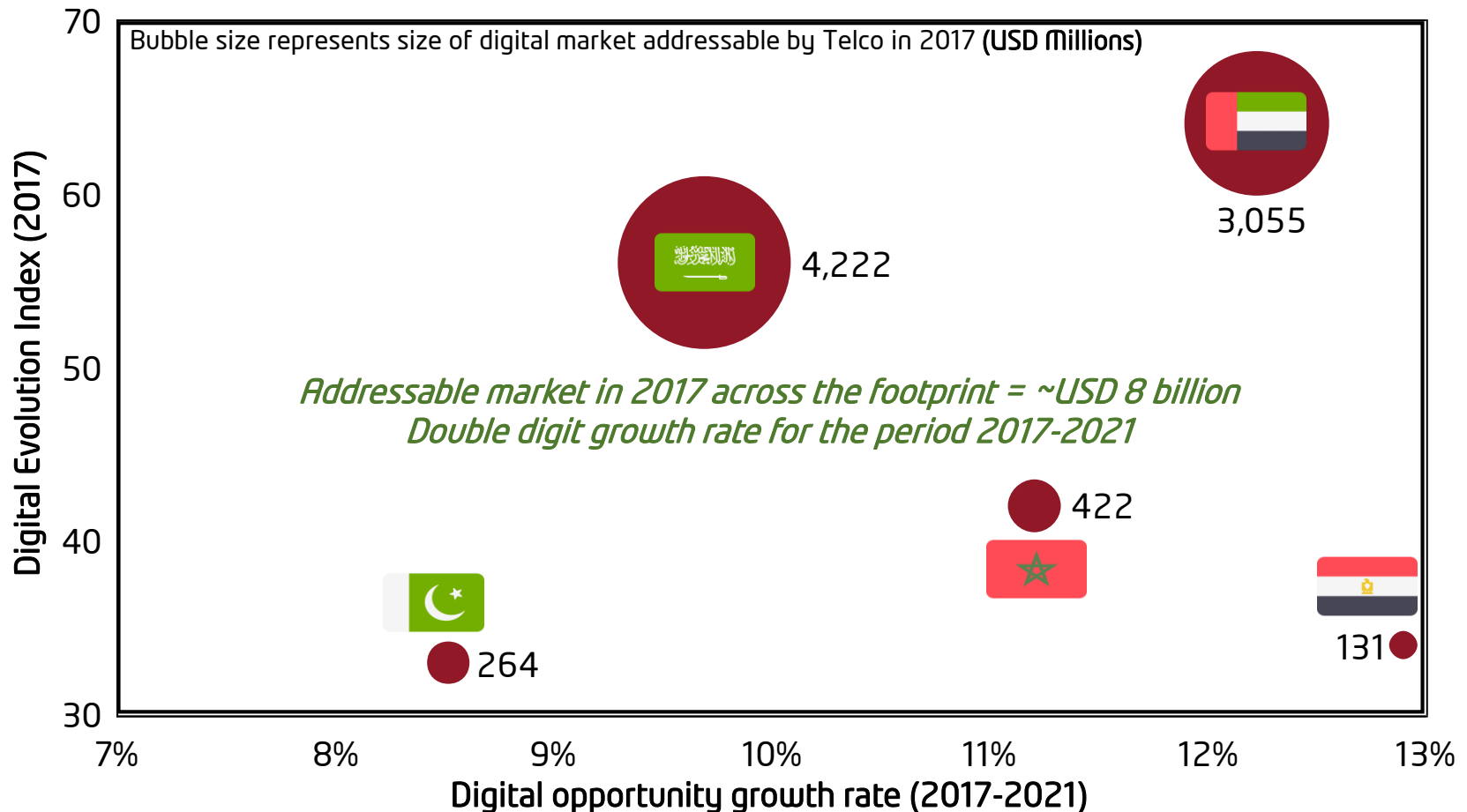




# Grow B2B/Digital across the footprint: Across our footprint, the Digital sector offers huge growth opportunities



## Digital Market Opportunity Size Across OpCo Countries





# **Grow** B2B/Digital across the footprint: We have clearly defined areas of Group support to maximize the Digital opportunity



## Scope of B2B/Digital Uplift Areas

Enrich B2B/Digital Services Portfolio

Uplift B2B/Digital-related Capabilities

Support Go-to-Market & Delivery for Megaprojects

Support OpCos in Driving National Digital Agendas

Share **Best Practices** and Knowledge

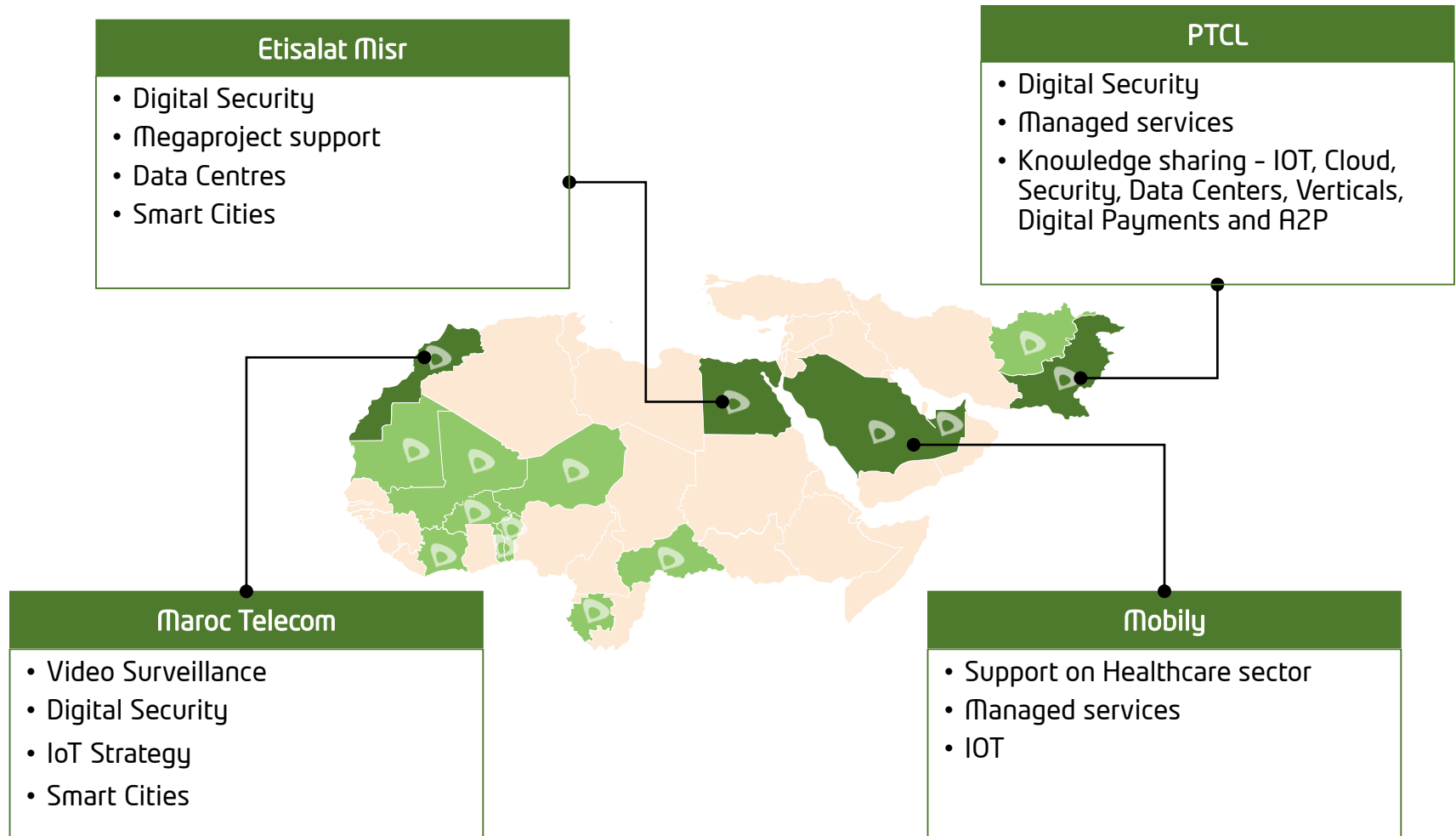
Provide Consultancy and **Professional Services** Support

**Extend** Etisalat Group Digital **Platforms and Services**

Provide **PMO** Support



# *Grow* B2B/Digital across the footprint: Specifically, Etisalat Group is extending customized support across our footprint

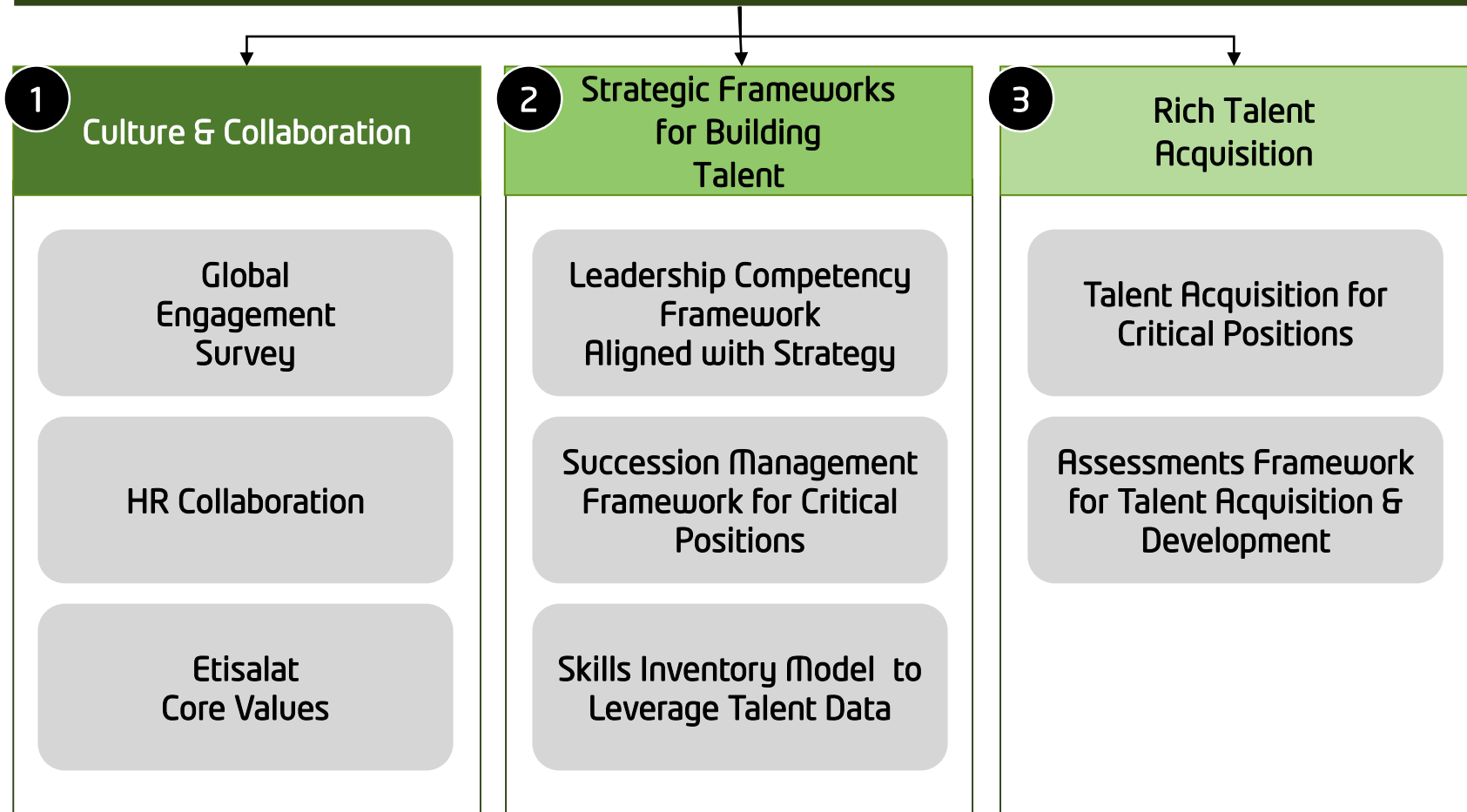




# **Raise** capabilities and develop talent across the Group: **HR** Strategy focuses on three key pillars

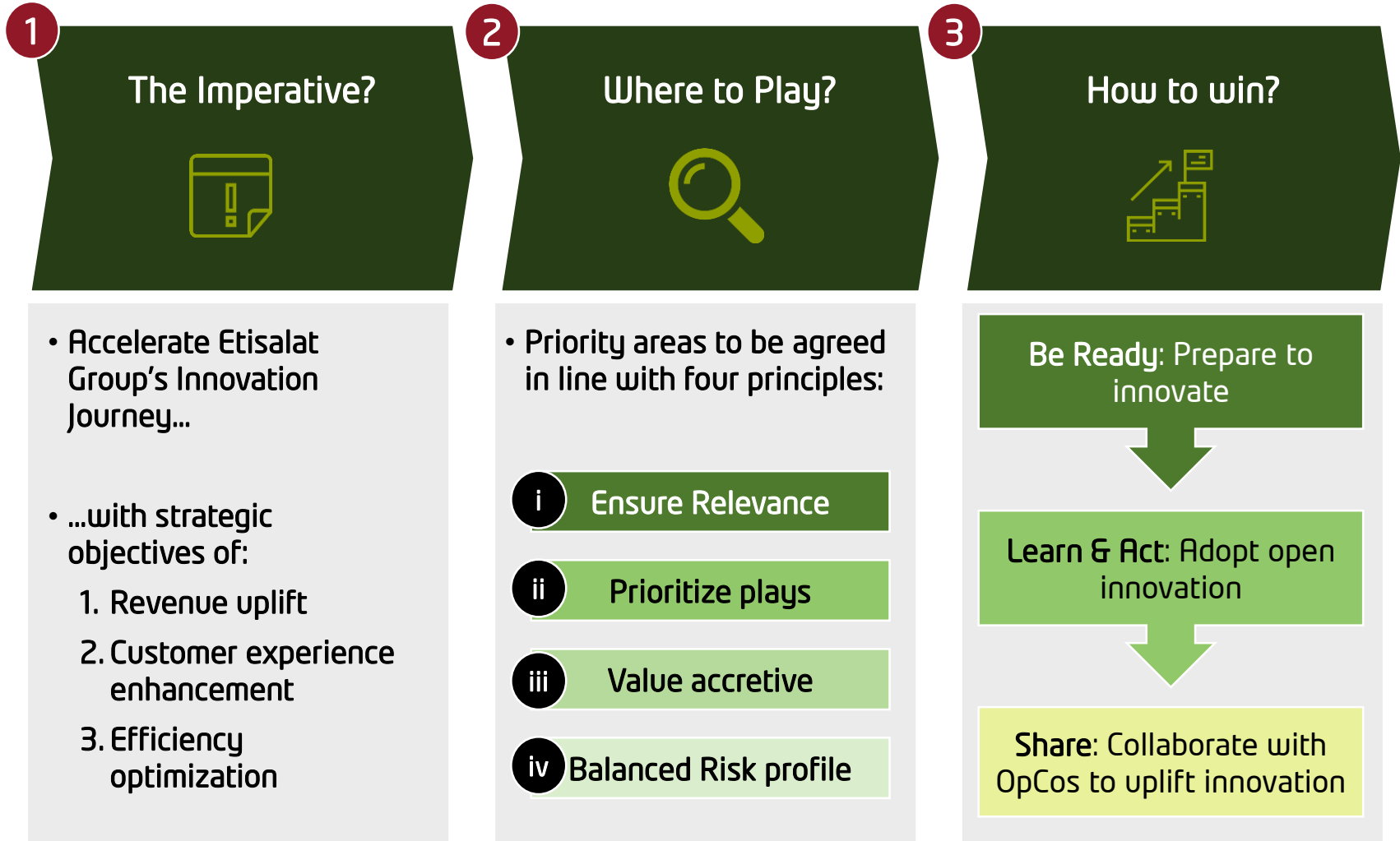


## Talent & Culture Strategy to Ensure Execution Capability is in Place



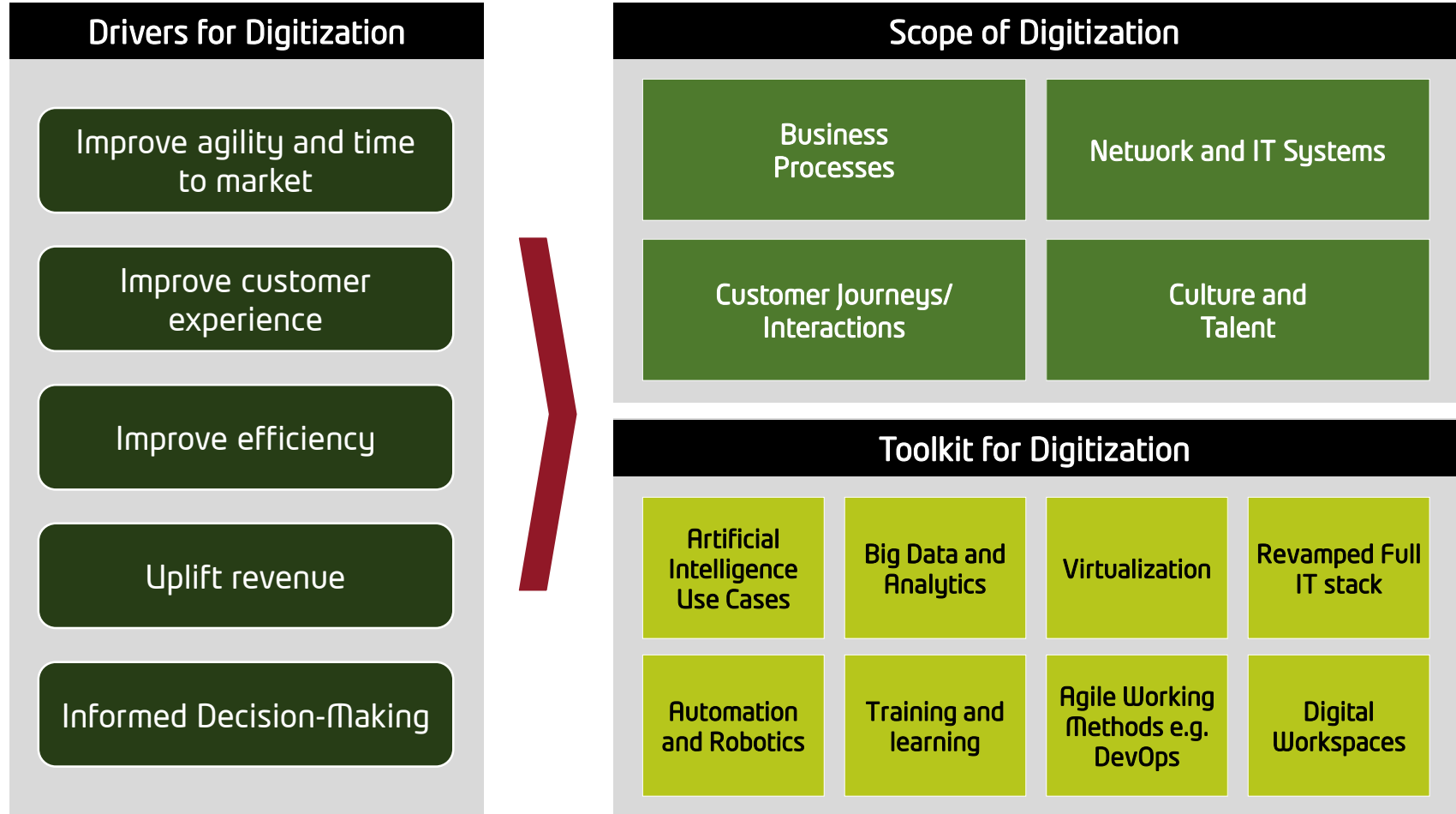


# **Accelerate** value generation through innovation and digitization: Focus is on readiness and innovation toolkit expansion





# **Accelerate** value generation through innovation and digitization: Internal digitization leveraged to transform organizations





# **Accelerate** value generation through innovation and digitization: With specific internal digitization initiatives underway



NON EXHAUSTIVE

**Network Modernization:** Continued roll-out of our NFV and SDN plans

**Future Networks:** Preparation for 5G (three main use cases: eMBB, mMTC and URLLC), focused roll-out of NB-IOT, video delivery optimization etc.

**Big Data :** Multiple use cases centered on e.g. real time applications (location based, event based campaigns) and analytics (e.g. fraud detection, cost optimization, segmentation)

**AI:** Multiple use cases centered on e.g. Consumer Cognitive Automation (Chatbot) and Business Cognitive Automation

**Robotics Process Automation:** Focus on processes across multiple domains, including: contact center, network, B2B and sales

**Digital Talent:** Focus on both development and acquisition of digital talent in key areas e.g. Big Data, AI, service design, virtualization etc.



**"TARGET" unites both our vision and strategic pillars whilst conveying a clear sense of direction and focus**

**T** To Drive the Digital Future to Empower Societies

**A** Accelerate value generation through innovation and digitization

**R** Raise capabilities and develop talent across the Group

**G** Grow B2B/Digital across the footprint

**E** Expand portfolio in MENA and Knowledge Economies

**T** Transform Operating Companies into Strongholds





## Closing messages



1

Etisalat Group continues to deliver industry leading financial results

2

Data and digital adjacencies are driving growth, however, hyper competition and digital disruption need to be managed

3

In line with market evolution, Etisalat has set a bold, new vision:  
*"Drive the Digital Future to Empower Societies"*

4

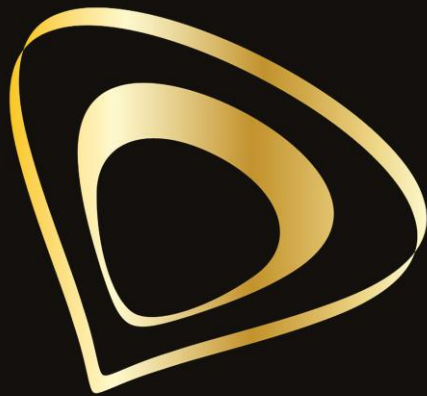
To realize the new vision, Etisalat Group has introduced a new Strategy structured around five pillars

5

"TARGET" unites both our vision and strategic pillars whilst conveying a clear sense of direction and focus

Q&A

THANK YOU



etisalat

MOST VALUABLE  
BRAND IN THE  
MIDDLE EAST 2018

# Etisalat Group Capital Markets Day 2018

## Etisalat UAE Consumer Overview

Khaled Elkhoully

Chief Consumer Officer - Etisalat UAE



# Key Highlights FY2017

## Financial

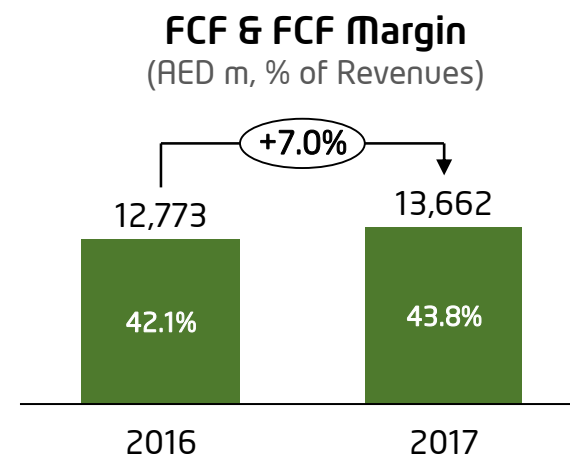
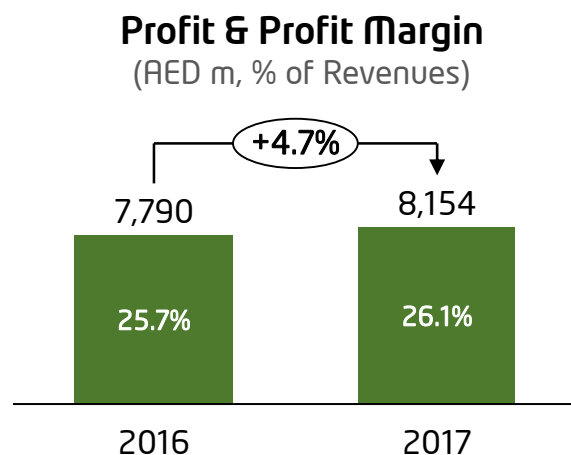
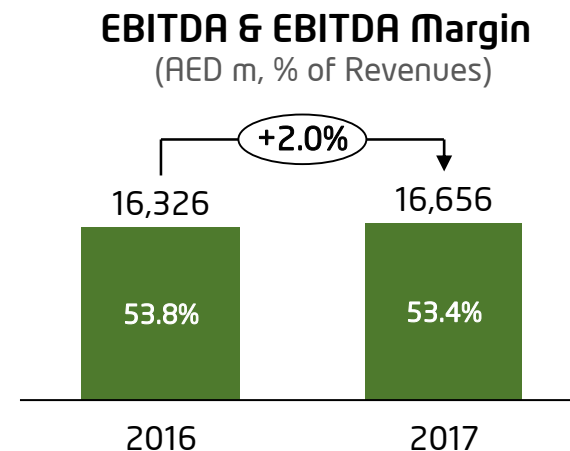
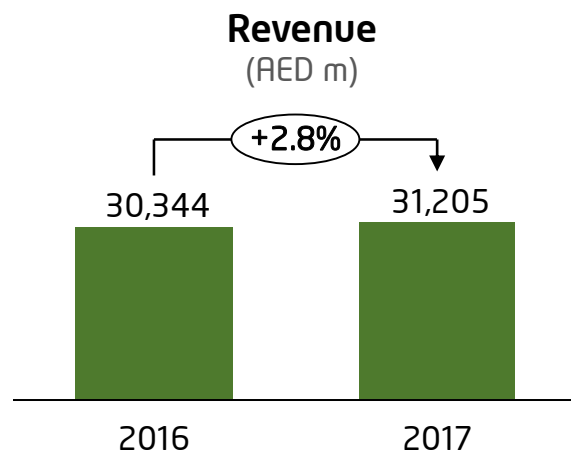
- **Strong +2.8% YoY revenue growth**
  - Fifth consecutive year of topline growth with 2013-17 CAGR of 6.0%
- **Reinforcement of Etisalat's value share, which has consistently increased YoY, reaching 70.6% in 2017**
- **EBITDA margin at 53.4%, one of the highest in the industry**
- **Healthy +4.7% YoY growth in Net Profit with increase of the profit margin to 26.1%**
- **Strong delivery of cash-flow (+7.0% YoY) confirms healthy ROI on FTTH, LTE and ICT investments**

## Strategic

- **Etisalat recognized as the most valuable brand in the region by Brand Finance**
- **Strong subscriber growth in both Mobile (+3% YoY) and eLife (+5% YoY)**
- **Continued monetization of our network investments** in both LTE (via the launch of prepaid combos, data promotions, etc.) and FTTH (i.e. push towards higher speed and better content packages)
- **Launch of swyp** to cater to the needs of the Youth segment and **Smiles platform** to increase customer engagement
- Completion of rollout of another 16 **Smart stores** in 2017, reaching in total 119 across UAE
- **Digital and Customer Experience transformation efforts are paying results**, with measurable improvements in customer satisfaction and reduced cost to serve



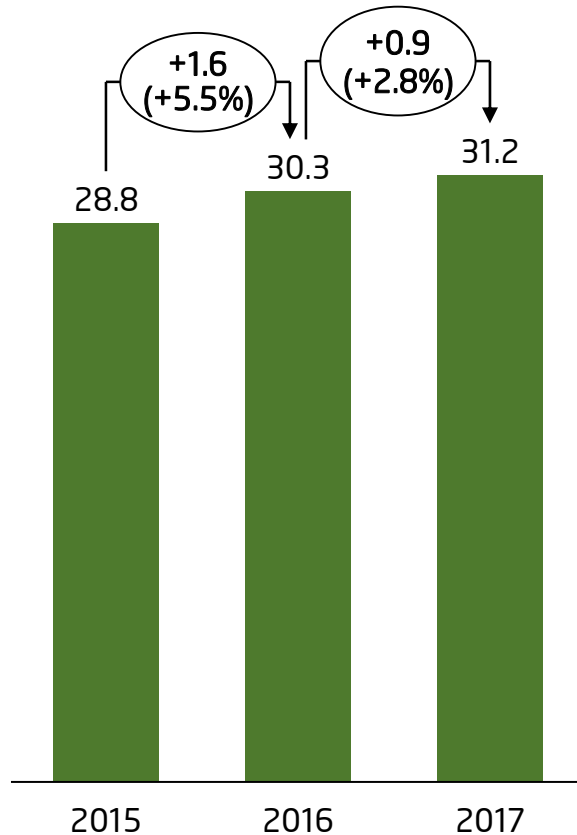
# Business Review - Financial Overview



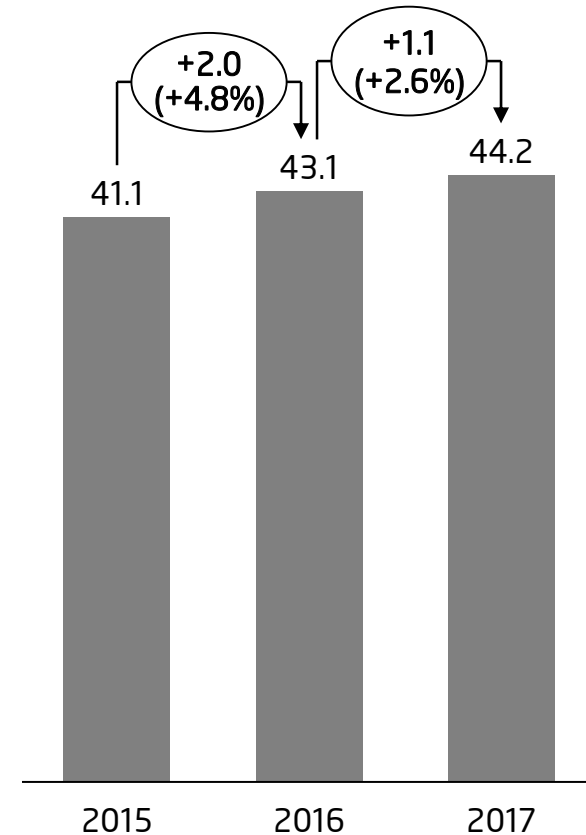
Note: Free cash Flow represents EBITDA less Capex

**Despite the challenging macroeconomic context, our topline grew by 2.8% and we continued to strengthen our value share**

**Etisalat UAE Revenues**  
(AED billion)

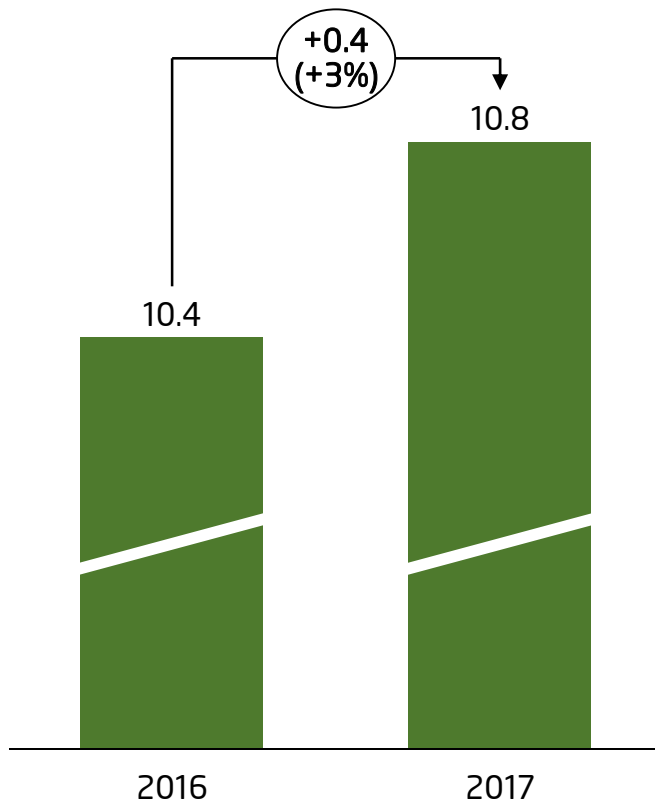


**UAE Market Revenues**  
(AED billion)



# Solid subscriber growth in Mobile (+3% YoY growth) with Etisalat reinforcing its leadership in the market

Etisalat UAE Mobile Subscribers  
(millions)



## Performance Highlights

- **Solid mobile subscriber growth (+3% YoY)**, despite the weaker macroeconomic scenario, increased competition from new brands, and regulatory obligations (i.e. mobile re-registration)
- **Strong leadership in MNP**, with Etisalat capturing more subscribers than competition

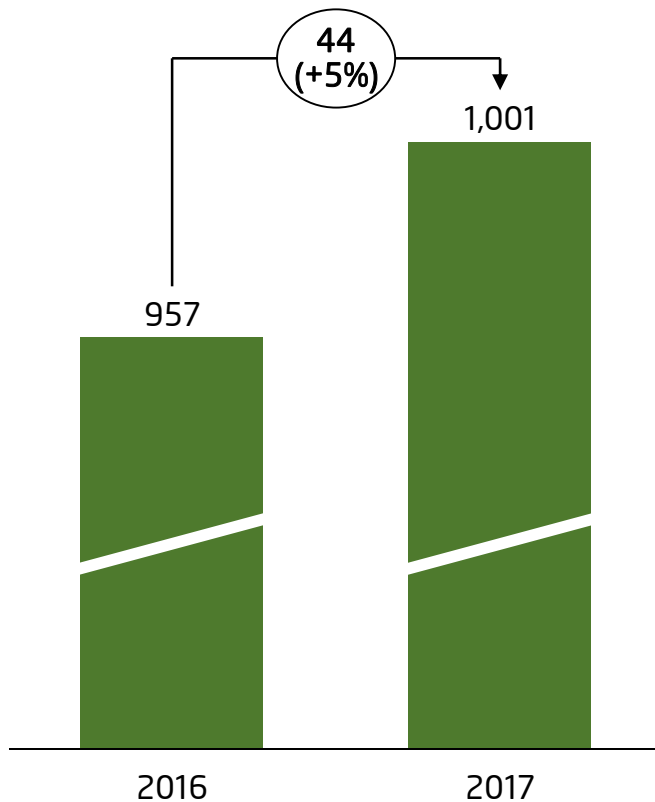
## Strategic Priorities

- **Drive data monetization** with innovative data offers and **neutralize the impact from OTT** by pushing bundles/combo and monetizing the access
- **Continue to leverage on segmented approaches**, to capture incremental growth while minimizing price erosion, and ensure optimal value vs. volume balance
- Continue to **drive the Customer Experience and Digital** as key competitive advantages



# Likewise, strong growth in Home segment, with +5% YoY growth of eLife base and reinforced market leadership

Etisalat UAE eLife Subscribers  
(thousands)



## Performance Highlights

- **eLife base has reached and surpassed for the first time the 1.0 million subscribers**, placing Etisalat as the global leader in FTTH
- **Push of top-tier bundles** (more speed and content) is driving **positive ARPU development** and increased product stickiness

## Strategic Priorities

- **Continue to monetize connectivity and network**, by pushing high-speed and content-rich bundles, via several marketing campaigns throughout the year
- **Expand the competitive advantage around content, user interface and overall experience**, in order to minimize market share and price risk
- **Continue to drive the Customer Experience and Digital as key competitive advantages**

Our leadership and strong market presence led to Etisalat being recognized as the most valuable brand in the region



**Brand Finance®**  
Global 500

## Most Valuable Brands by Region



# In line with our segmented market approach and Digital strategy, we've launched swyp, a digital-first proposition

## Highlights

- swyp is our new brand to **target exclusively 15-29 year olds**
- swyp is a **digital-first proposition**, co-designed with the target segment
- As a result, we have a **data rich proposition** (mobile data bundles and free Wi-Fi), that also includes **non-telecom benefits and perks** for a greater differentiation vs. competition
- Being restricted to 15-29 year olds, the **experience and communication is mostly digital**, fitting the target audience

### Mobile Data

5 GB of social apps at full speed + optional packages

[SEE MORE](#)



### swyp perks

Easy to use free vouchers for shopping, dining and entertainment

[SEE MORE](#)



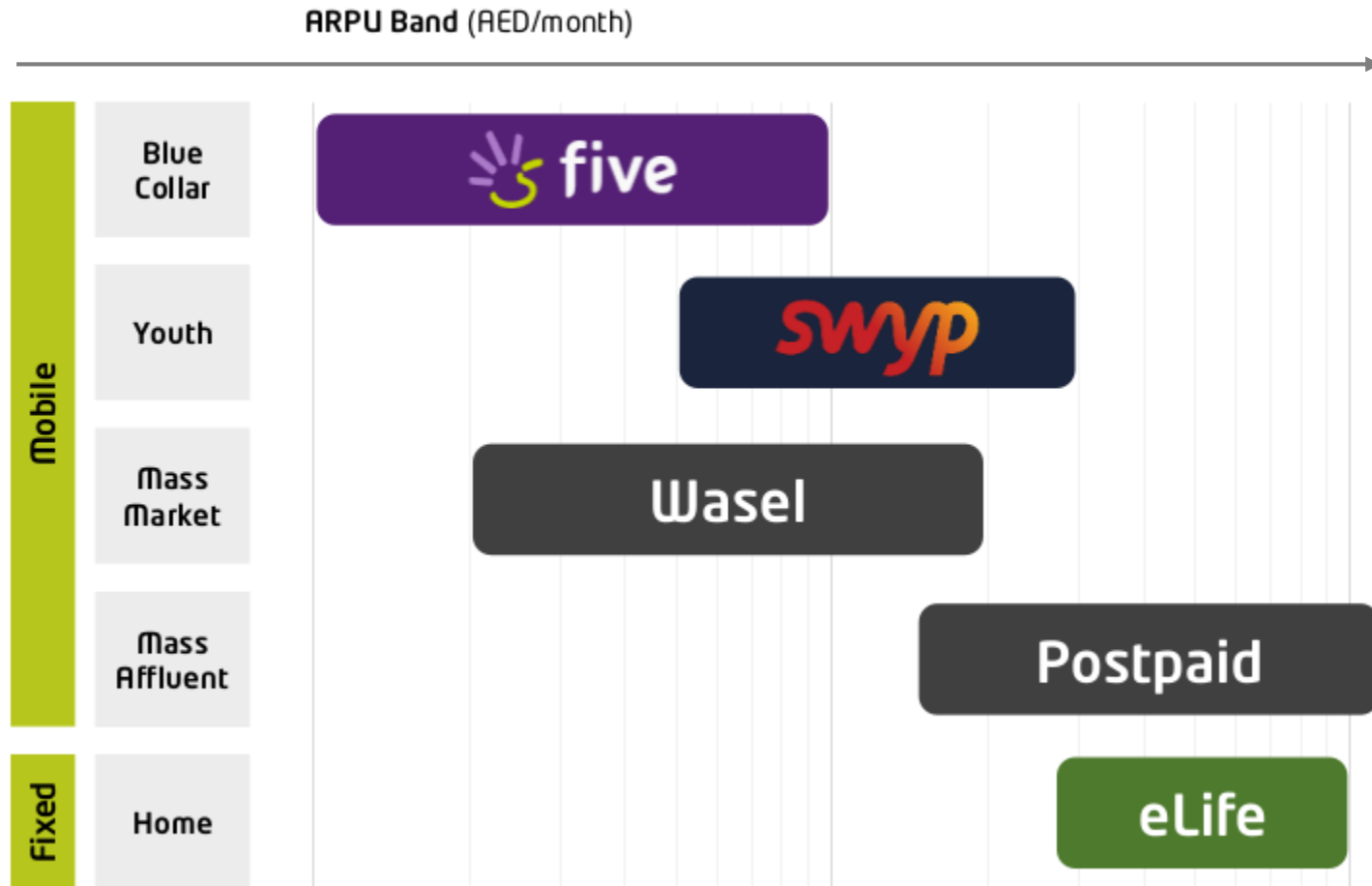
### Free nationwide WiFi

Login once to swyp WiFi and you will always be connected to any hotspot

[SEE MORE](#)

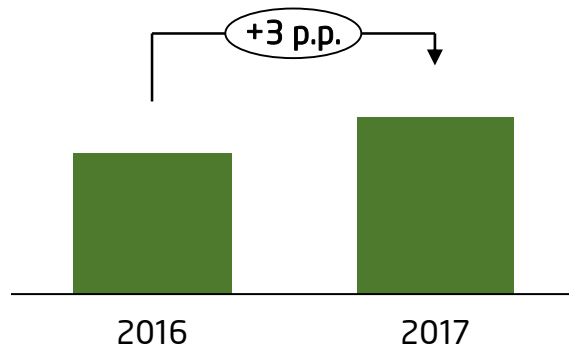


swyp follows our brand segmentation strategy, and should support share gains in the youth sub-segment

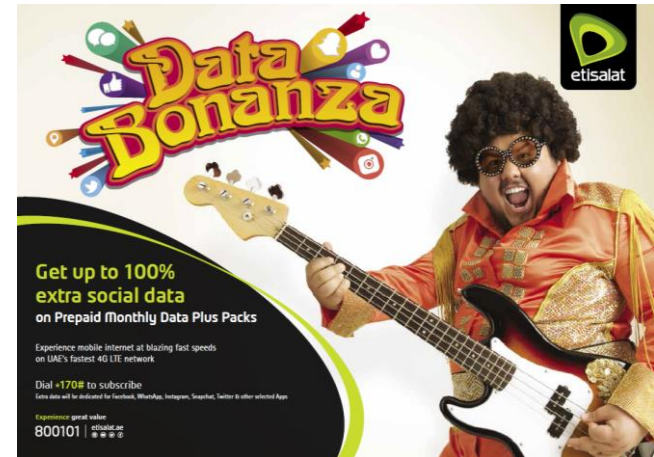


# Monetizing data traffic growth (+45% YoY) continues to be a priority in order to ensure adequate ROI of our LTE investments

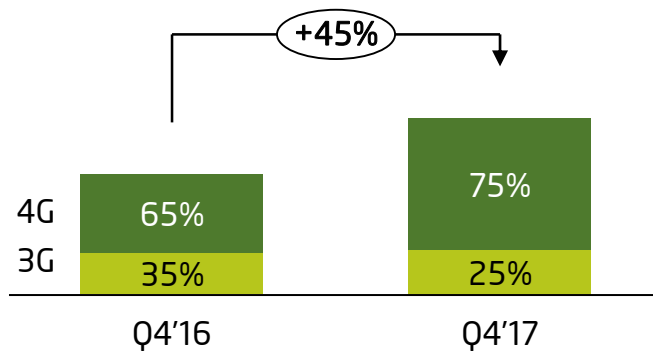
## Data as % of Mobile Revenue



## Commercial Highlights



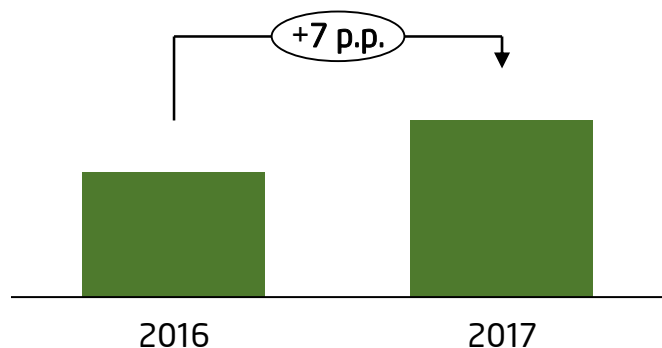
## Mobile Data Traffic





# Similar efforts on FTTH monetization, with strong focus on monetizing higher speeds and TV content

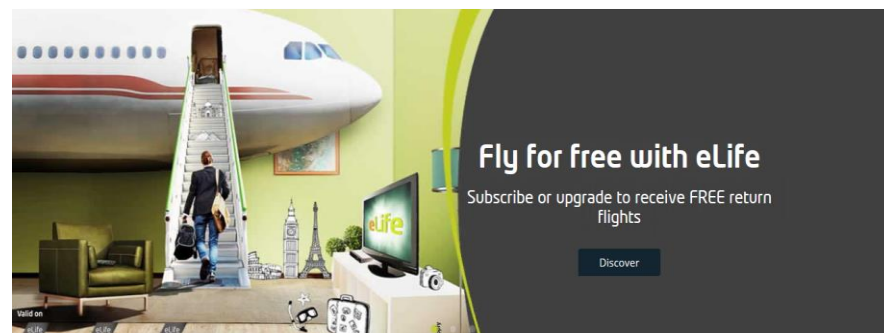
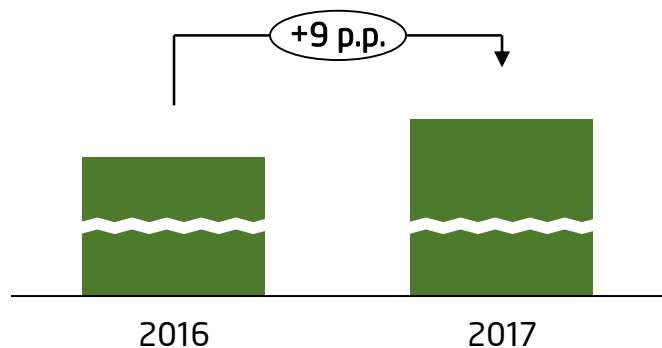
**% of High-End 3P Bundles**  
(% of Gross Adds)



## Commercial Highlights



**% of customers with  $\geq 10$  Mbps**  
(% of customers)



# On TV, our positioning was significantly enhanced thanks to exclusive deals and partnerships with FOX, MBC and Starz Play

## Commercial Highlights

**Get your first month of STARZ PLAY FREE!**

Customers who connect or upgrade to eLife can enjoy a free month of **STARZ PLAY** on eLife TV.



etisalat  
FAMILY ENTERTAINMENT SPORTS PREMIUM

**eLife TV is the Home of MBC HD channels**

Watch all the best MBC shows at home or on the go across the UAE!

Every eLife TV customer now has access to the entire line-up of MBC channels and onDemand shows. Best of all, eLife TV subscribers have exclusive access to watch on the go, anywhere in the UAE with the eLifeON App! If you're a fan of MBC there is only one choice, eLife TV.

Anywhere, any time, with eLifeON App

Entertainment the way you want it

For queries:  
Fadi Darwish  
01-85-8042  
Email: fadidawish@etisalat.ae



**BE SPOILT FOR CHOICE.**

Enjoy entertainment like never before. Fox Networks Group has added three new channels to its Middle East portfolio. Fox Life, Fox Showcase - the network's first Arabic channel and Fox Crime, all exclusively available on eLife.

With an interesting mix of programs on food, travel, home and wellness, the best stories from around the world and unique crime and investigation shows, get ready to be spoilt for choice.



FOX life Be inspired  
FOX Showcase روايات عالمية  
FOX CRIME MOST WANTED

Available exclusively on eLife TV

As the operator of choice for smart devices in UAE, we expanded our portfolio to increase our revenue resilience

## Commercial Highlights

### iPhone X

Say hello to the future.



**Open up to bigger worlds at an affordable price**

Explore new and exciting boundaries with Samsung Galaxy S8/S8+ and Gear VR bundles, for as low as AED 124 per month.



**SAMSUNG**



**Mi 6**

**AED 1,499** **PRE-ORDER NOW**

**Mi Devices**  
Get your hands on the latest Mi devices Offered exclusively from Etisalat



**SAMSUNG** Galaxy Note8

**Be the first to own Galaxy Note8**

**Pre-order now**


Receive a complimentary AOD spec cover



**Nokia devices are back**

The Nokia 3 starting from AED 22

**Nokia 3**



**Get up to 38% discount on your Samsung gadget**

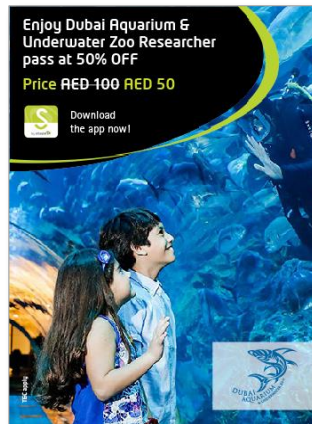
Smart technology with Smart Pay and Standalone payment options



**SAMSUNG**



# We launched a new digitally centric engagement platform, Smiles, which is showing strong uptake and satisfaction



500,000+  
active users



460,000+  
purchases



50,000+  
daily users



4.1-4.5  
app rating<sup>1</sup>



200+  
partners

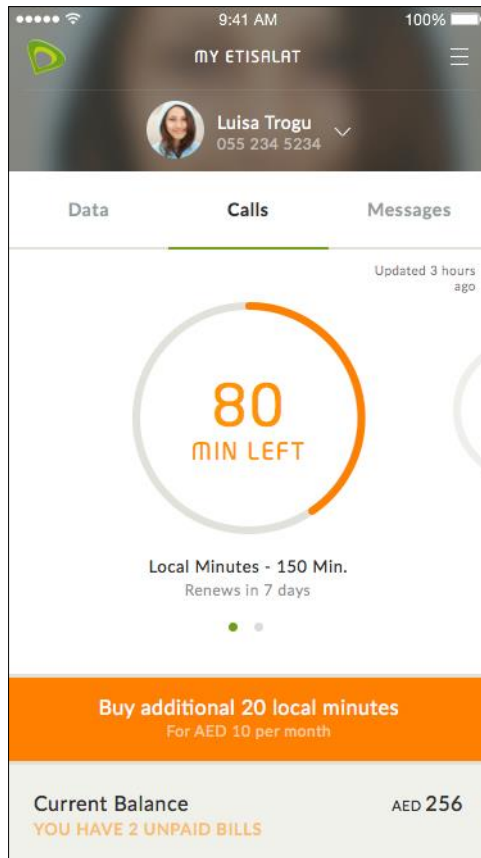


1,500+  
outlets

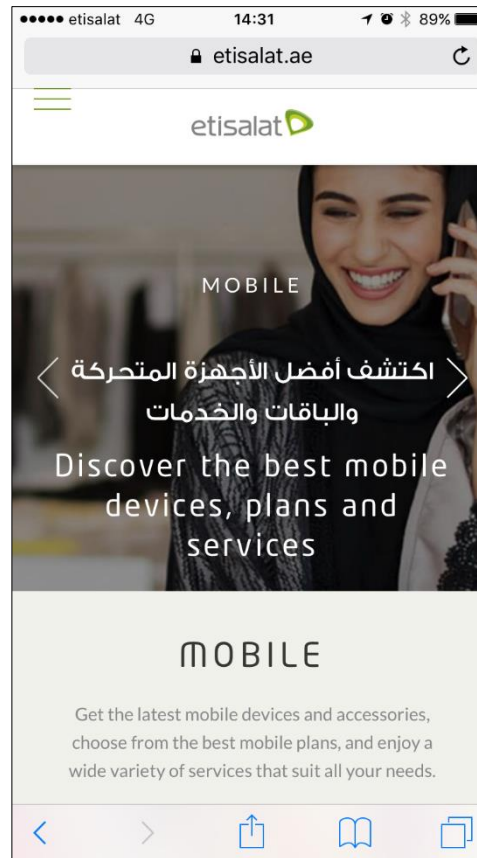
Note: Smiles launched in May'17; figures are updated till Dec'17

# In the CEX front, we revamped the UI for the major touch-points to better meet consumer needs and achieve efficiencies

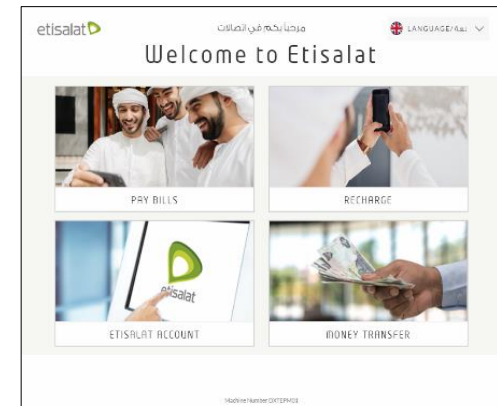
## Mobile App



## Website



## EPMs



**We continued to revamp our retail experience by rolling out 16 new smart stores to better meet customer expectations**

**Ajman City Center**

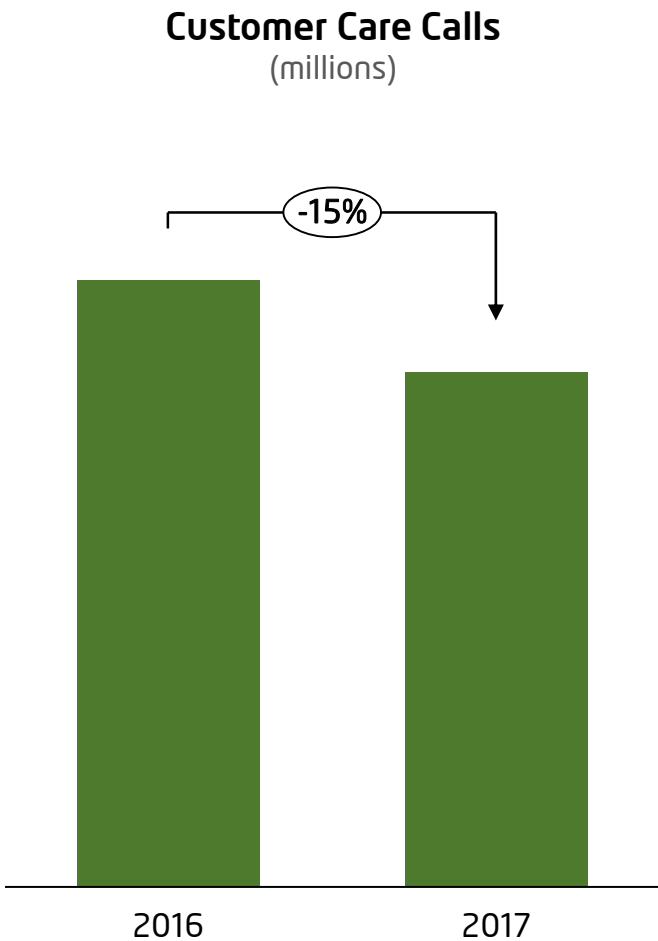
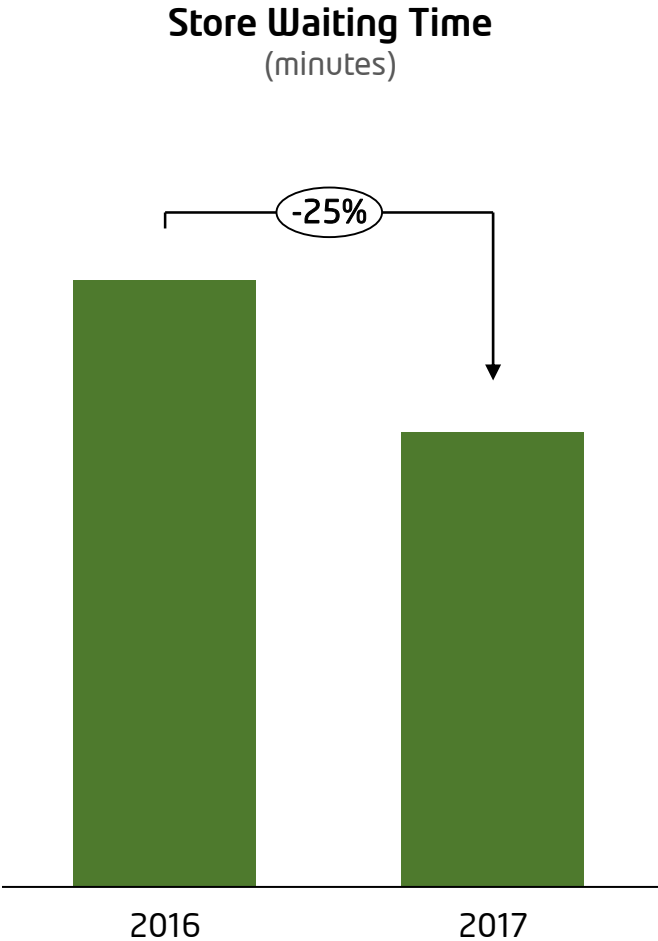


**Riverland, Dubai Parks & Resorts**

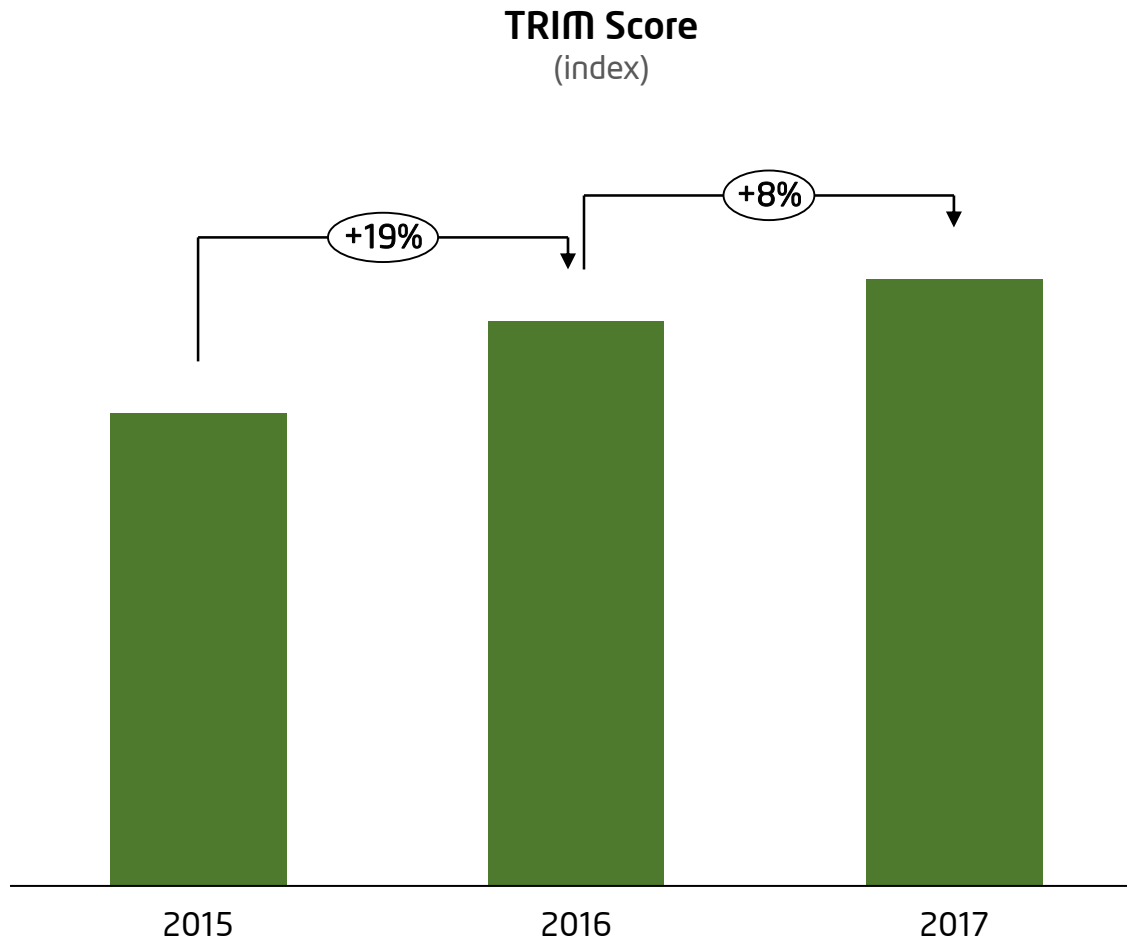




# Our Customer Experience transformation is delivering strong improvements, and driving efficiencies in the cost to serve



... as well as relevant improvements in Customer satisfaction and loyalty, as measured by TRIM



## In summary...

- **Positive +2.8% YoY top-line growth of Net Revenues**, resulting in the 5th consecutive year of growth in our turnaround story
- Etisalat was recently recognized as the **most valuable brand in the region**, continuing to **expand its customer based (+3% YoY on mobile, +5% YoY on eLife)** and reinforcing its market share
- **Data monetization** efforts continue to deliver good results in both mobile and fixed, ensuring an **adequate ROI for the investments on LTE and FTTH**
- Following the strategy to **better segment our market** and **rise customer engagement**, we have **launched swyp (a “digital first” brand** to cater for the needs and wants of the youth segment) and **Smiles, a new digitally centric engagement platform**, which is showing strong uptake and satisfaction
- Digital and **Customer Experience transformation continues to deliver measurable impact**, with improvements on the cost to serve, and most importantly on the Customer satisfaction and loyalty ratings

Q&A

THANK YOU





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MOST VALUABLE  
BRAND IN THE  
MIDDLE EAST 2018

# Etisalat Group Capital Markets Day 2018

## Etisalat UAE Business Overview

Salvador Anglada

Chief Business Officer - Etisalat UAE

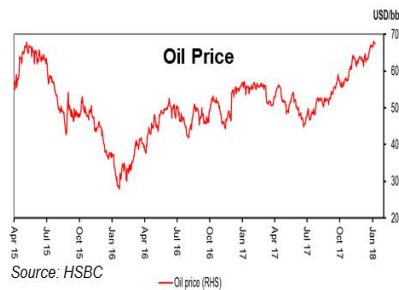


# Different elements continue influencing the UAE economy although we expect steady recovery in 2018

## UAE Economy Key Influencers

### Favorable Influencers

#### Oil Prices Recovery



#### UAE Government Budget Expansion

UAE Government Budget (Billion AED)			
Government	2017	2018	YoY Growth
Federal	49	51.4	4.9%
Abu Dhabi *	100	100	0%
Dubai	47	56.6	20.4%

\*Estimate

### Annual GDP Growth

	2016	2017 Estimated	2018 Forecast
Worldwide GDP Growth (IMF)	3.2%	3.7%	3.9%
UAE GDP Growth (Emirates NBD)	3.0%	2.0%	3.4%

### Dampening Influencers

#### Regional Instability

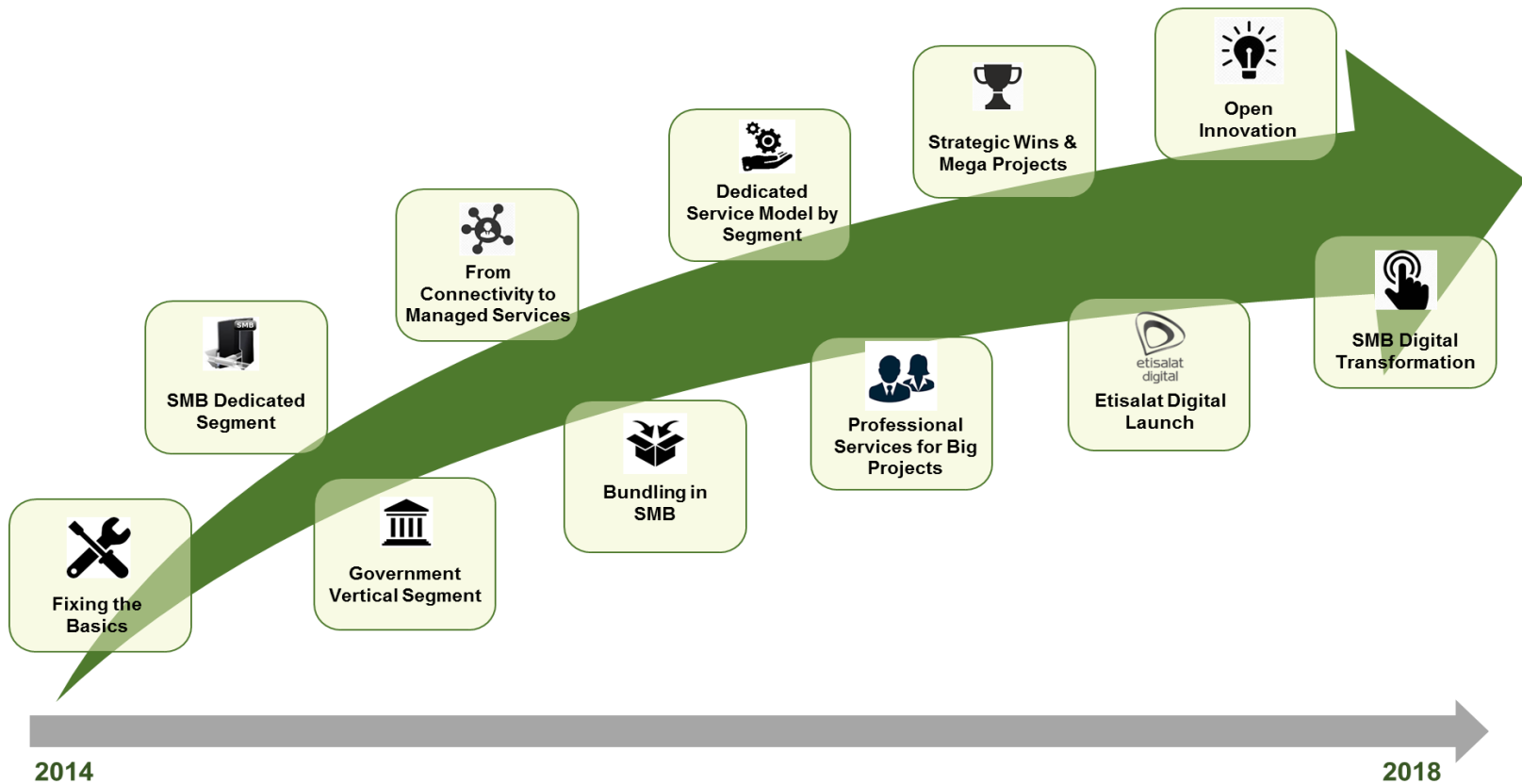


#### Introduction of VAT





# We have continued reinforcing our capabilities to become a digital telco





# Our vision and strategy evolve to be the 'digital solutions platform' for our customers



## Our Vision...

“To be the digital solutions platform for government and businesses in a hyper-connected world”

## Our Strategy...

**Platforms**

Building Platforms

**Power**

Power to the User

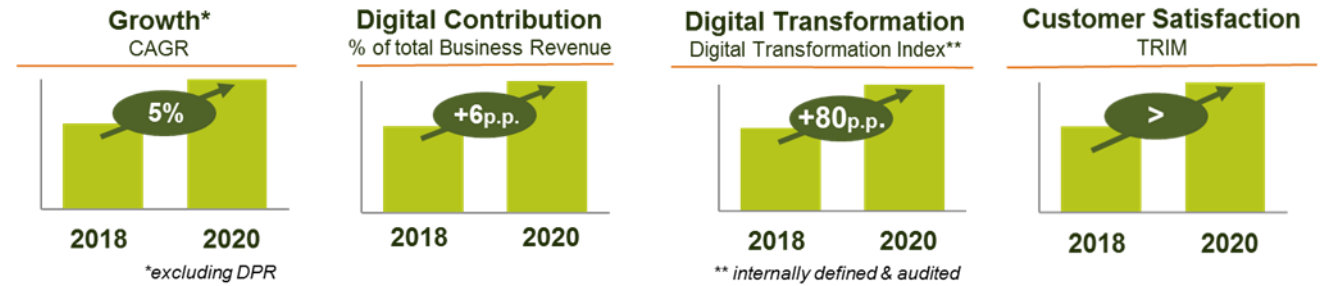
**Process**

Smarter & More Intelligent

**People**

Scalable Learning Environment

## Our Goals...



# In mobile we are differentiating through propositions that provide great experience and control

## MobileHub



Our flagship proposition providing full control to our customers

## Enhanced Mobile Roadshows



The best mobile employee program for our business customers

## Mobile First



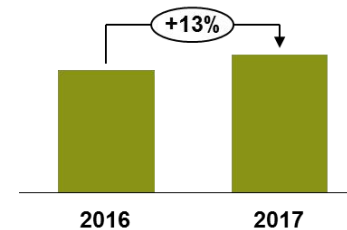
New data rich non-stop mobile tariffs

Launched in Jan'18

500+ Roadshows in 2018

## Business Mobile Customer Base Performance

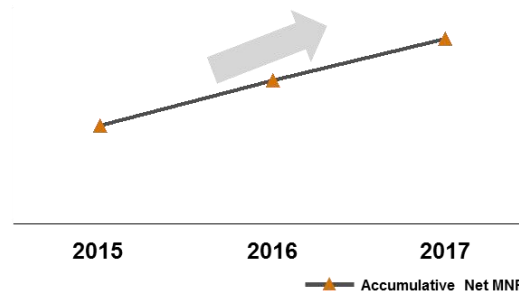
### Average Customer Base\* Number of lines



Business Mobile Subscriber Base

\*company owned company paid lines, excluding data SIMs

### Business Yearly MNP Number of lines



# SMB segment is transforming to become the platform for communications and digital services

## The Best Telco Infrastructure in the Region

### 3X Speed Broadband Upgrade



Speed Upgrade  
Customer Base  
Coverage

> 60%

Starting speed @ 50 Mbps\*

\*for bundles

## Enhanced SMB Digital & Telco Bundling

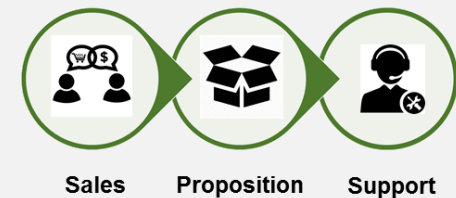


Digital Contribution  
in SMB Revenue  
by 2020

10%

## Build New Capabilities for Sustainable Digital Growth

### SMB End-to-End Model

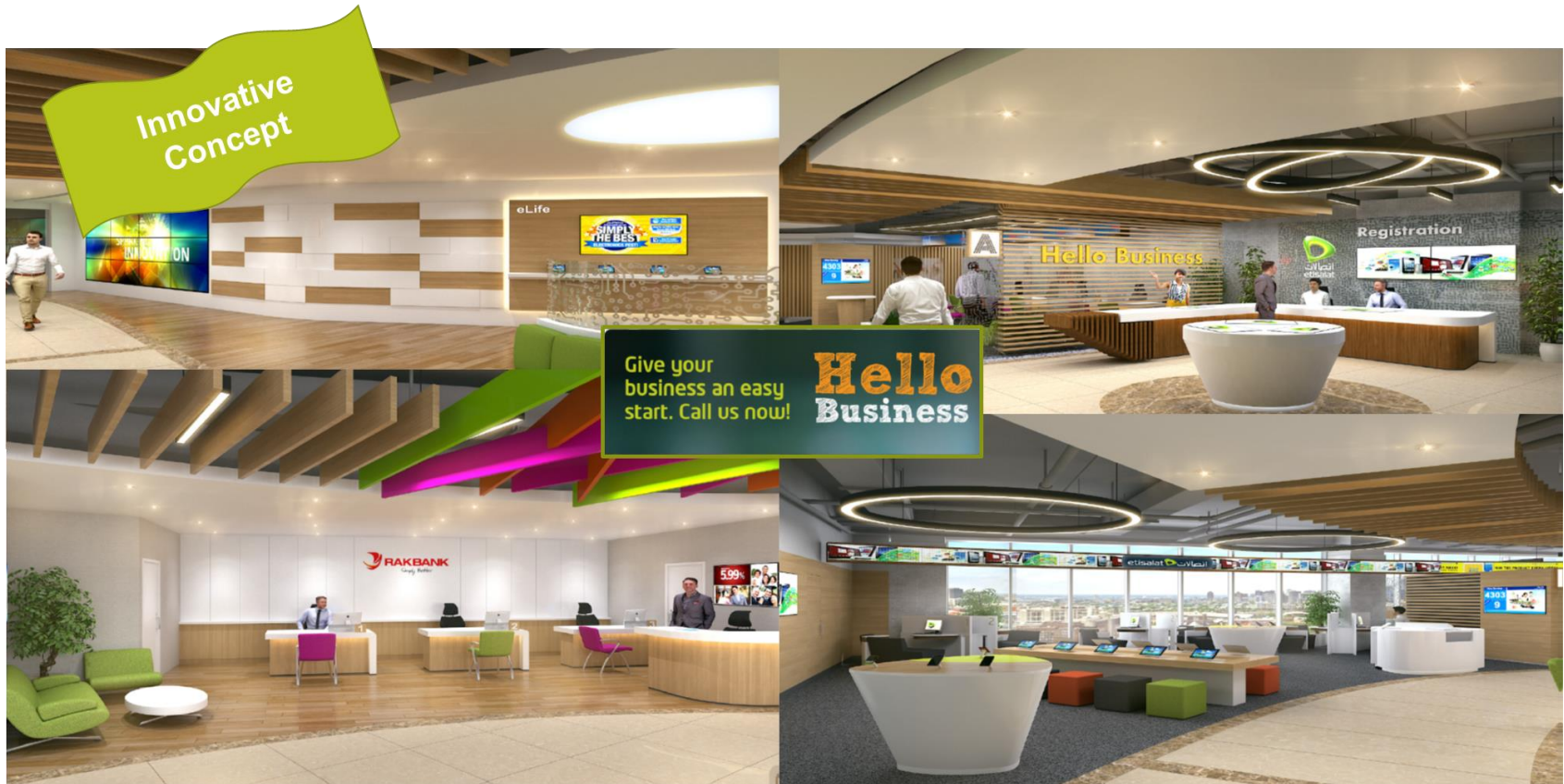


SMB Transformation  
Program to be  
completed by

2019



# SMB Hello Business Hub is the first true one-stop-shop to set up new businesses in the UAE



# We are extending and virtualizing Etisalat managed connectivity proposition as an engine of additional growth

## From Connectivity to Managed Connectivity

### Managed Connectivity Proposition

- Connectivity
- Backup
- 24x7 Management & Monitoring
- SLA
- Managed Services Portal



Launched  
in 2014

60%  
Managed Connectivity  
Base Penetration in  
2017

## End-to-End Managed Propositions

### Managed Services End-to-End Proposition

Routers

Switches

Wifi

Firewalls

IP  
Telephony

Connectivity-Voice, Data, Internet



360 Visibility (Portal)



Comprehensive SLA



One stop shop



Lower TCO

- Increase our **share of wallet**
- Increase **customer stickiness**
- New **revenue stream**

Launched  
in 2017

## Moving to SDN/NPV



PrivateConnect



SDWAN  
National & Global



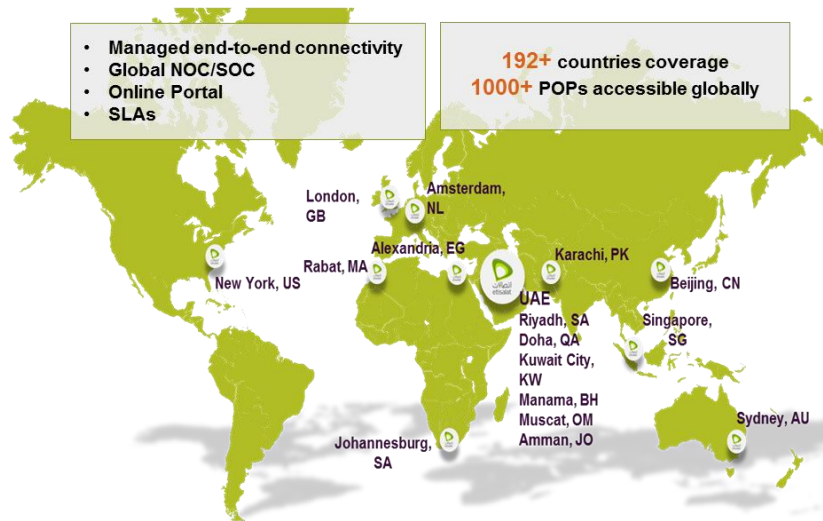
Virtualized Network  
Functions (VNF)

- Customer empowerment
- Agility
- Efficiency

Full Program  
Launch in  
2018

# Etisalat continues investing to become the 'Global Services' regional leader

## Global Services Proposition & Network Coverage

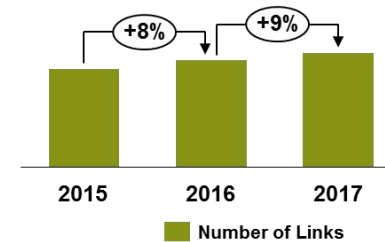


### 2018 Key Highlights

- New POPs- 11 new nodes
- London Office- first sales office outside the UAE
- SDN/NFV Global- to be launched in Q2'18

## Global Services Performance

### Global Services Links (Number of Links)



## Global Services Customers Across Various Sectors



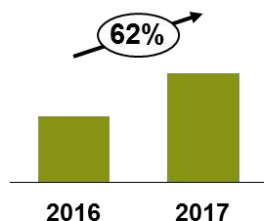
New Customers  
added in 2017



# Etisalat Digital has been rolled out and is the engine of Etisalat business unit growth

## Etisalat Digital Performance

Etisalat Digital Revenue  
(Million AED)



## Etisalat Digital Capabilities



# Concluded a strategic partnership with Microsoft to create the first hyper-scale public cloud in the Middle East and Africa



## Partnership Advantages

- ✓ First mover advantage
- ✓ Leading edge technology
- ✓ Joint Go-To-Market
- ✓ Joint infrastructure (private & public)
- ✓ Market makers



## Unique Customer Selling Points

- ✓ Local data residency
- ✓ Ultra-low latency
- ✓ Cost competitiveness
- ✓ Hybrid integration

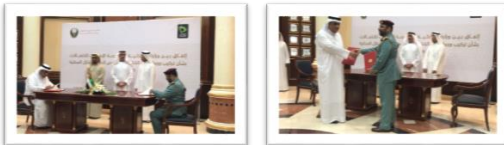
# We continue creating important references in different verticals that will be replicated in the future



## Smart Monitoring System for Homes in the UAE 300,000 Villas

### Project Scope

- Supply and Installation of fire alarm solution across the UAE
- Real time remote monitoring using IoT Wireless technology
- Dedicated Command Control Center



Customer: Ministry of Interior Civil Defense



## Smart Surveillance & Security Solution for Petrol Stations 101 Petrol Stations

### Project Scope

- End-to-end smart surveillance & security solution
- Managed Connectivity
- 24/7 support & real time monitoring



## Managed POS

### Project Scope

- End to End managed POS (point of sale) solution
- Connectivity- M2M & fixed connectivity
- 24 x 7 Monitoring and Support



## Digital Solutions for Dubai Safari Zoo

### Project Scope

- Access controls
- Ticketing system & kiosks
- Visitors mobile application & portal



# Work is underway to deliver Expo2020 Dubai the fastest, smartest and best connected places in the world



EXPO  
2020  
DUBAI  
UAE



OFFICIAL PREMIER PARTNER

To be ready  
one year ahead  
of the opening

“As a premier partner of Dubai Expo 2020 for telecom and digital solutions, we will provide visitors and participants with **cutting edge immersive smart living experience** that brings the Expo themes to life”





# Etisalat is embracing open innovation to accelerate digital transformation and growth

## Etisalat Digital Open Innovation Center

**50+**  
Customer  
Visits\*



*\*since opening in Dec 2017*

## Partnership with Dubai Future Accelerators

**4**  
Challenges  
Launched



Digital Health



Digital Security



Transformation of  
Visitor Experience



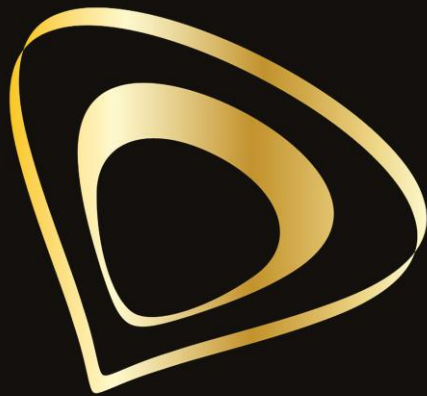
Digital Self Care  
Channels



- ❖ We will continue in our **transformation towards a digital telco**
- ❖ Our core business will further expand through **innovative mobile propositions** and **end-to-end managed services**
- ❖ **SMB segment** has the potential to grow through bundling of telecom services and digital solutions
- ❖ **Etisalat Digital** will remain to be the source of growth with potential to expand outside the UAE
- ❖ **Open innovation** will allow us to accelerate the launch of new services and solutions

Q&A

THANK YOU



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MIDDLE EAST 2018

# Etisalat Group Capital Markets Day 2018

## PTCL Group Operations

Dr. Daniel Ritz

Chief Executive Officer – PTCL Group



# Key Highlights FY2017

## Financial (PKR)

**consolidated  
net profit  
+168%**

**Stable  
consolidated  
revenue 117 B  
& EBITDA 40 B**

**PTCL  
Corporate  
revenue  
+11%**

**PTCL  
DSL revenue  
+4%**

**PTCL:  
Dividend of  
5 B (Yield  
7,7%)**

## Strategic

### PTCL:

- Major network transformation for high speed data and growth in DSL, 31 exchanges completed out of 100.
- Launch of LTE services in AJK, Baluchistan, KPK and central Punjab.
- Launch of cloud based services in June 2017 and added 39 new customers and new ICT partnerships – Microsoft, Oracle, Etisalat, Dell EMC

### Ufone:

- Stabilizing market share.
- Price rationalization to support revenue growth.
- Cost leadership.

### PTCL Group:

- Group synergies worth PKR 2.5 B achieved
- Integration of Finance and Procurement functions
- 137% growth in Ubank revenue

# Presentation Overview

---

- 1 Overview of the Operating Environment**
- 2 Key operational and financial highlights of 2017**
- 3 Management focus during 2017 / Key developments**
- 4 Strategic priorities/Way forward**

# Country highlights



- 6th most populous country 207 Mn with annual Growth rate of 2,4%
- Urban population is 75 Mn which is 36% of total population.
- ~51% population is <24 years of age which is positive for uptake of data.

- GDP of 304 B with growth ~ 5,3% which is highest during last 10 years
- Inflation CPI at 4,1%
- CPEC mega project of US\$46 billion – will provide major support for development of infrastructure in coming years
- Aggressive infrastructure development by the government
- Pak rupee devalued against USD in Dec 17 ~ 4,7%

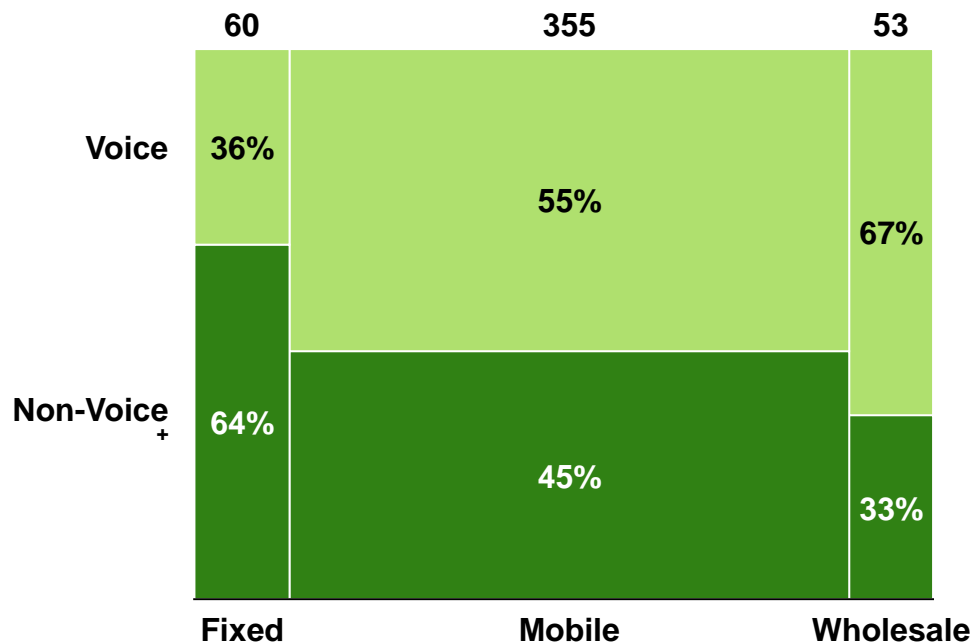


- Penetration: Cellular 71%, 3G/4G 24%, Fixed Broadband 8,8%
- 3rd LTE license auction of 1800 MHz won by Jazz @ USD 295 M (+ tax 29.5 M USD)
- GST @ 19,5% was imposed on Data services in Punjab.

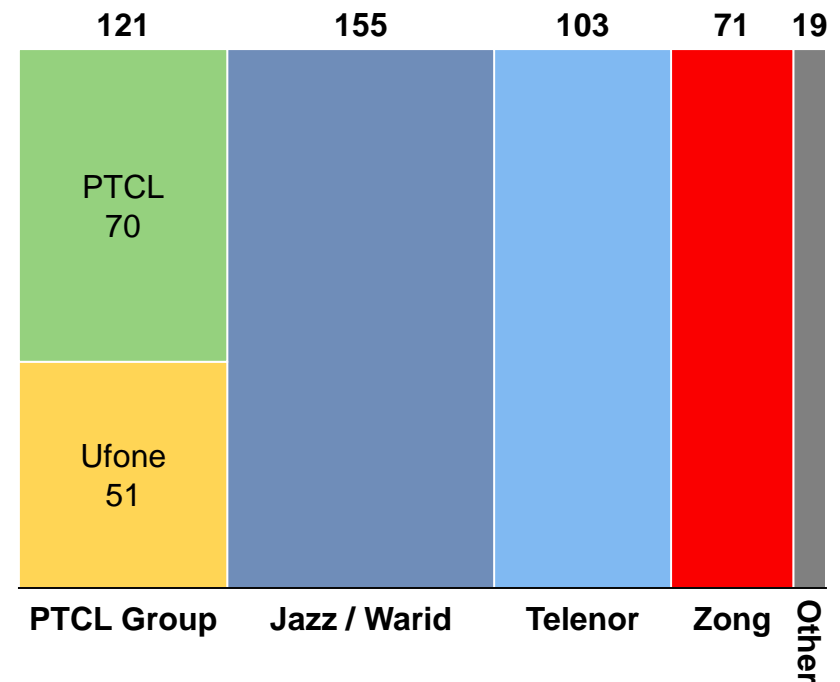
# Telco market overview

Total market value 469 PKR b

2017: Overall Market Value ~ PKR 469bn



Market map 2017 by competitor (PKR b)



<sup>+</sup>Includes dongles revenue

# PTCL Group - a strong full service provider



## Market Positioning

- Strong # 2 by revenue
- #1 in Fixed
- #4 in Mobile
- Only player with Fixed and Mobile

## Fixed

- Largest fiber footprint in Pakistan > 38,000 KM of Fiber
- Market leader with 89% value share in fixed broadband
- Broadband customers: 1,9 Mn
- Market leader in Corporate & C&WS

## Mobile

- 18,5 Mn cellular subscribers
- More than 8,000 mobile towers
- 2<sup>nd</sup> in TRI\*M results.

## Microfinance Bank

- Enables the mobile financial services business of the group
- Profitable and well positioned to tap into the nascent E-Commerce market
- 33% increase in number of branches during the year (Total branches are 100)
- 91 % increase in advances to customers.

# Presentation Overview

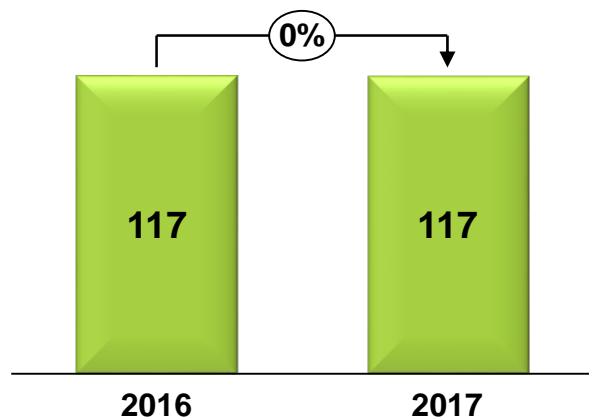
---

- 1 Overview of the Operating Environment**
- 2 Key operational and financial highlights of 2017**
- 3 Management focus during 2017 / Key developments**
- 4 Strategic priorities/Way forward**

# PTCL Group - Key financial highlights 2017

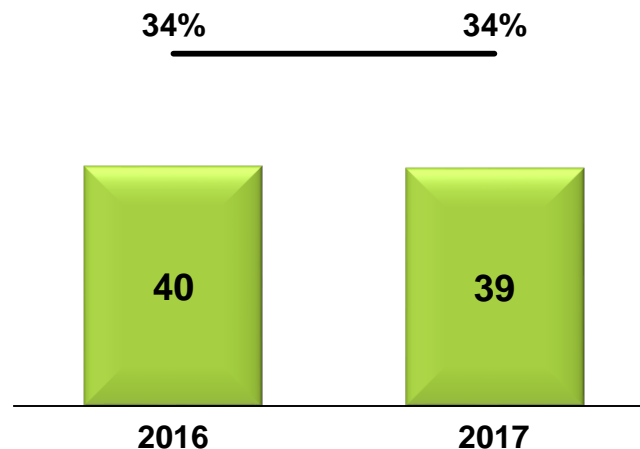
## Revenue / Revenue Growth (%)

(Pkr b)



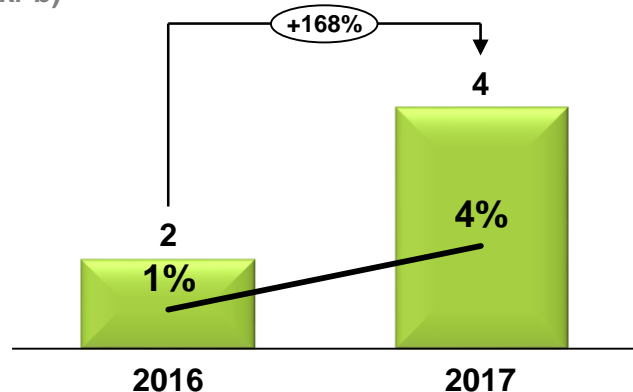
## EBITDA / EBITDA Margin (%)

(Pkr b)



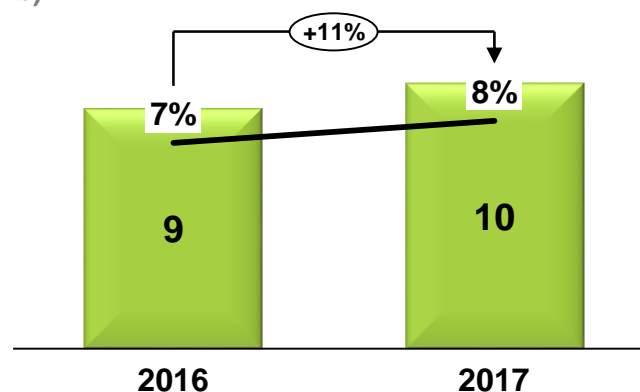
## Net Profit /Profit Margin (%)

(Pkr b)



## Free Cash flow & FCF/Revenue (%)

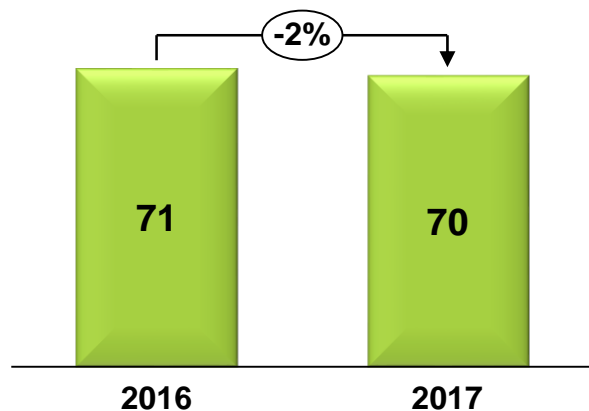
(Pkr b)



# PTCL - Key financial highlights 2017

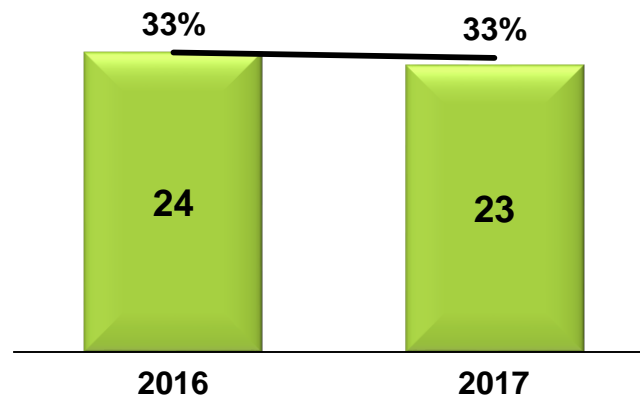
Revenue / Revenue Growth (%)

(Pkr b)



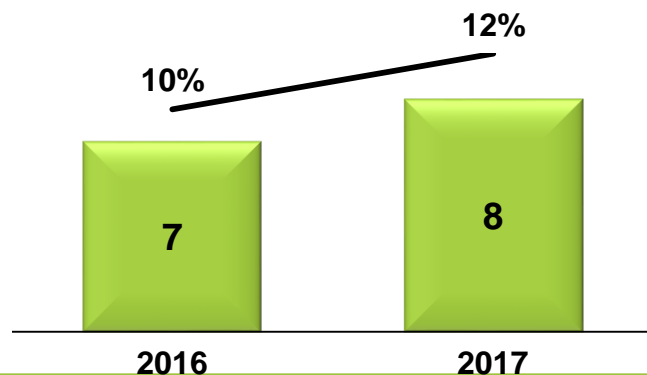
EBITDA / EBITDA Margin (%)

(Pkr b)



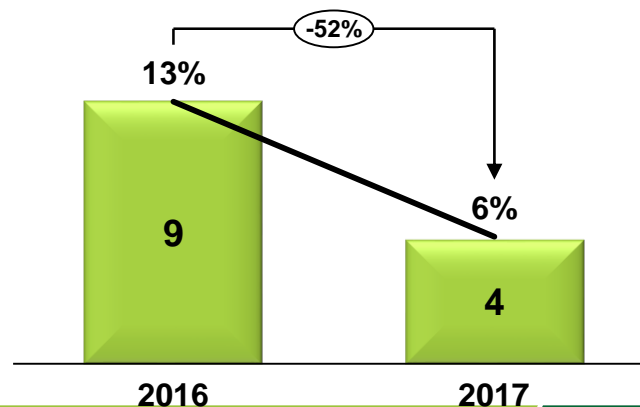
Net Profit /Profit Margin (%)

(Pkr b)



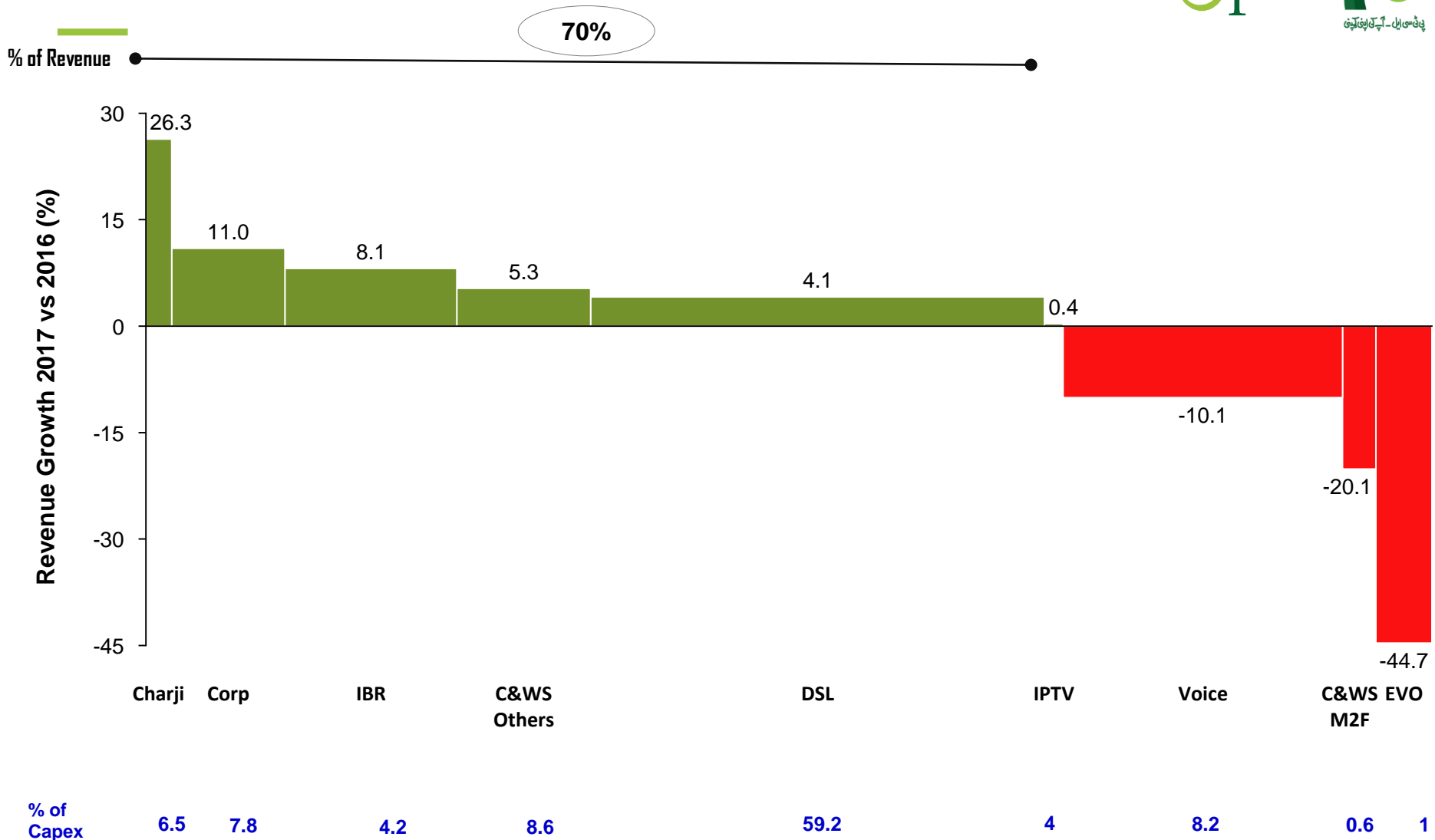
Free Cash flow & FCF/Revenue (%)

(Pkr b)



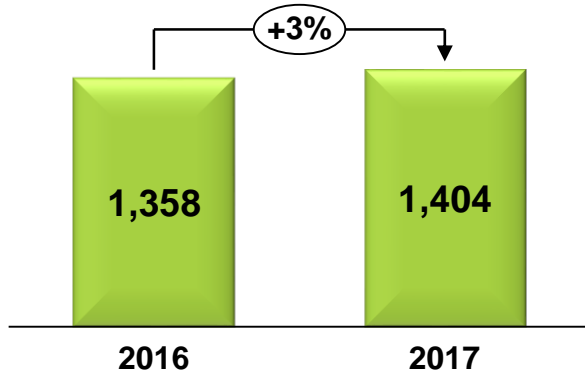


# PTCL: 70% of revenue base showing growth.

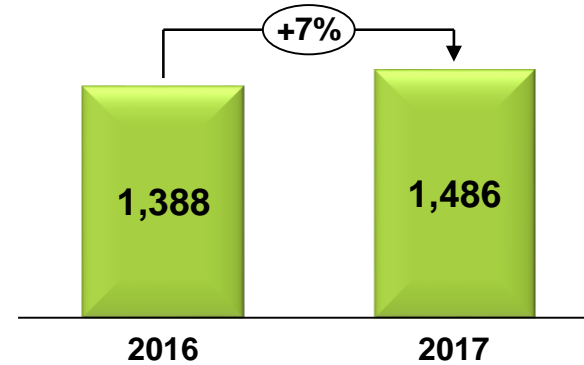


# PTCL - Key operational highlights 2017

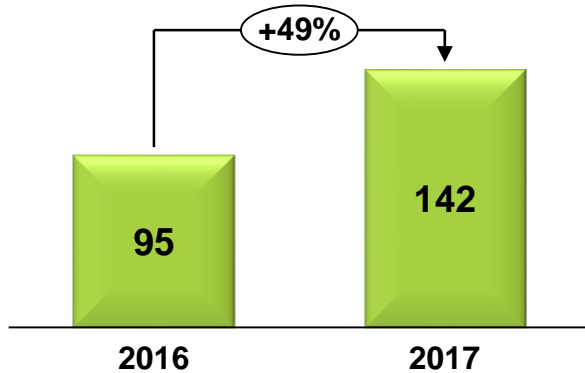
Subs – DSL (K)



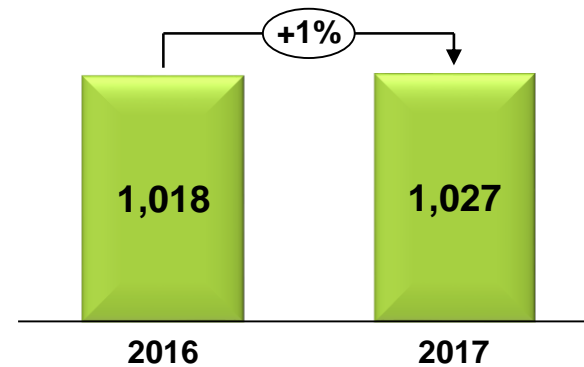
ARPU – DSL (PKR)



Subs – Charji (K)



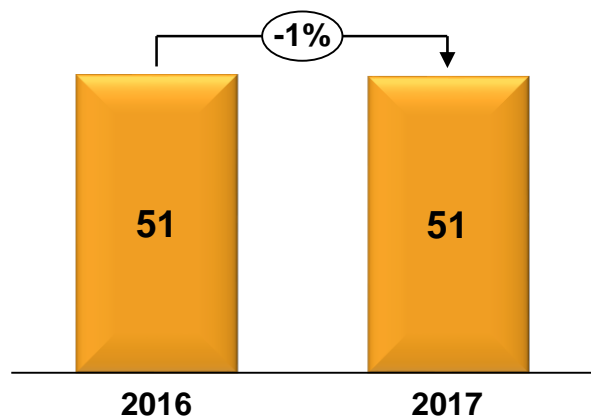
ARPU – Charji (PKR)



# Ufone - Key financial highlights 2017

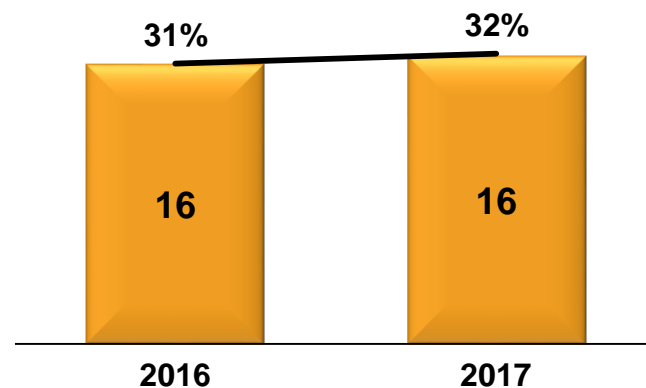
Revenue / Revenue Growth (%)

(Pkr b)



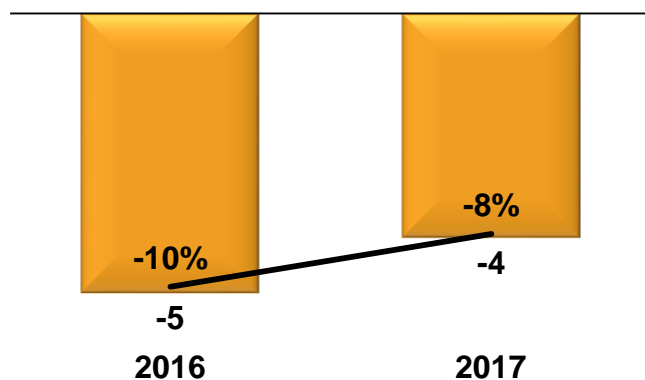
EBITDA / EBITDA Margin (%)

(Pkr b)



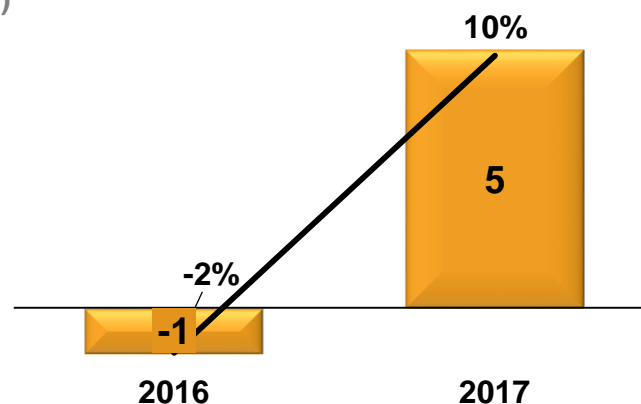
Net Profit /Profit Margin (%)

(Pkr b)



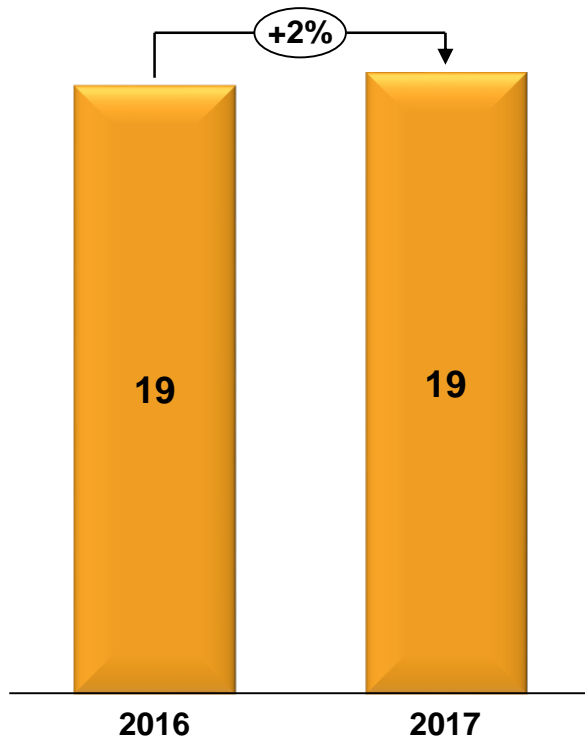
Free Cash flow & FCF/Revenue (%)

(Pkr b)

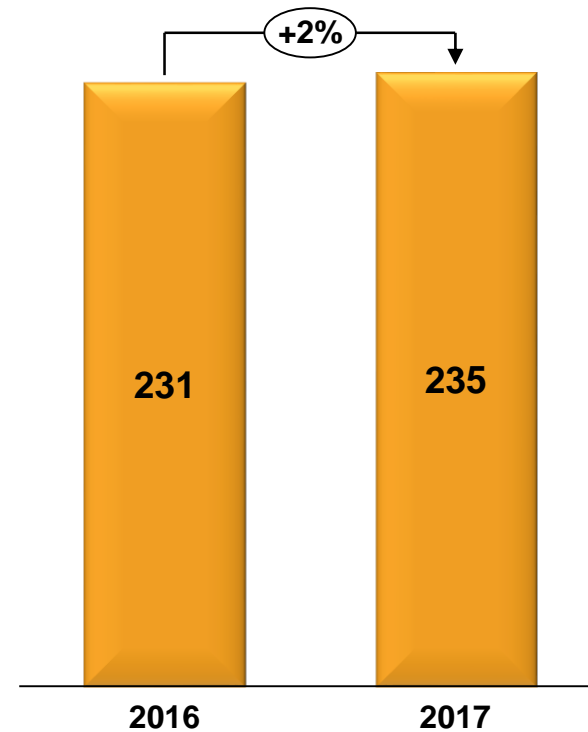


# Ufone - Key operational highlights 2017

Subs – Ufone (M)



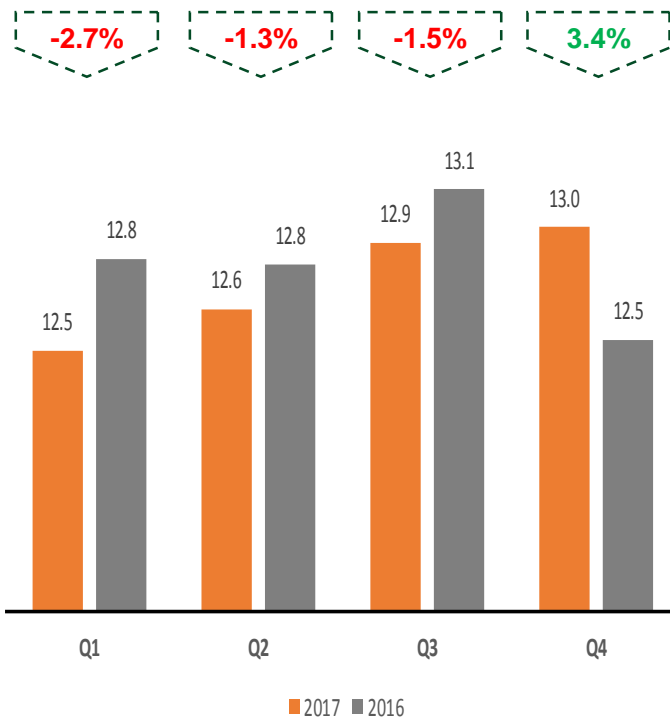
ARPU – Ufone (PKR)



# Ufone: Improved quarter-on-quarter revenue

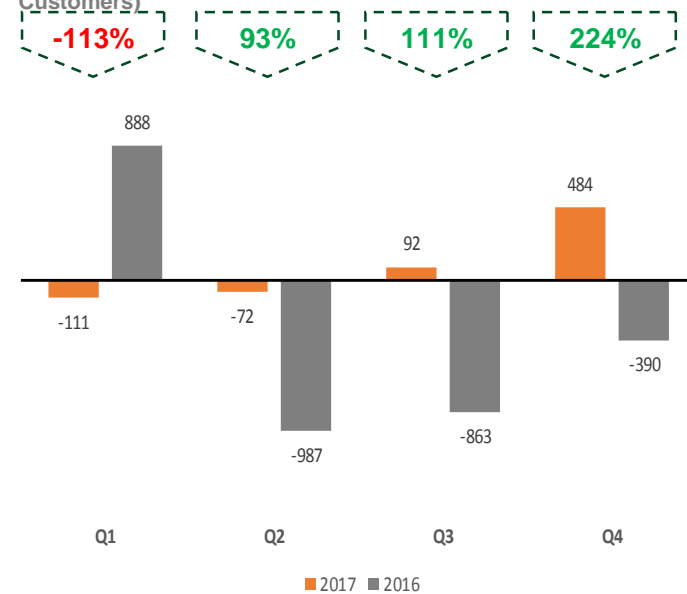
## Quarterly Revenue

(Billion PKR)



## Quarterly Net Additions

(Thousand Customers)



# Presentation Overview

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- 1 Overview of the Operating Environment**
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# PTCL - Network Transformation Project

## Objective

Increase the revenue and improve customer experience for Broadband services

## Strategy

Top 100 Exchanges  
Protect & Grow

Rest of Pakistan  
Grow and maintain

## Scope

Top 100 Exchanges targeting 51% of DSL base and 54% of DSL revenue.  
Targeted QoS improvement in Rest of Pakistan

## Specifications

Enable minimum 8 ~ 20Mbps reliable high speed Internet.  
Selected customers can have up to 50Mbps  
Deploy FTTH in selected areas of the exchanges  
FTTH will give speed up to 100 Mbps

## KPIs

Increase  
Revenue

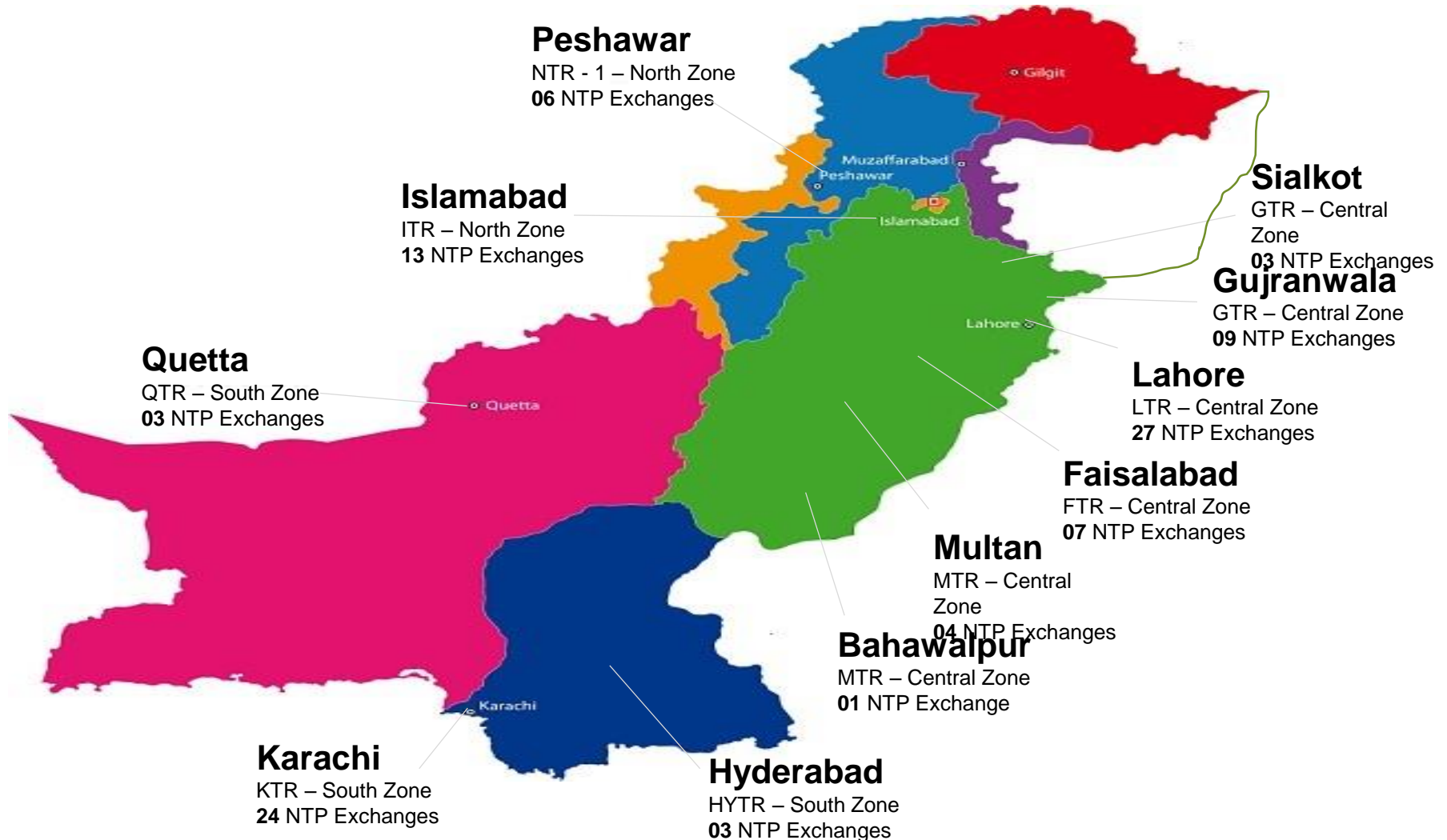
Improve  
ARPU

Increase  
Gross  
Adds

Reduce  
Churn

Reduce  
Complaints

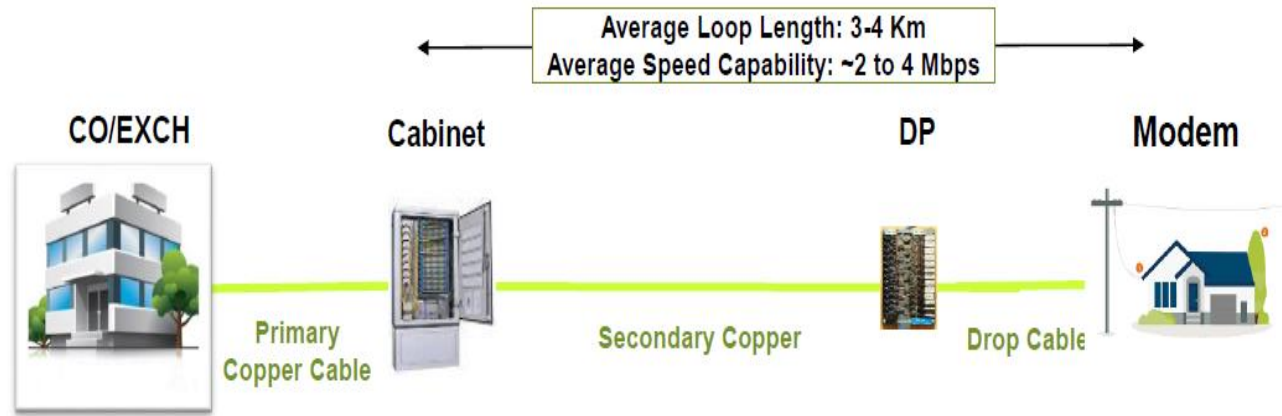
# NTP 100 Exchanges - all over Pakistan



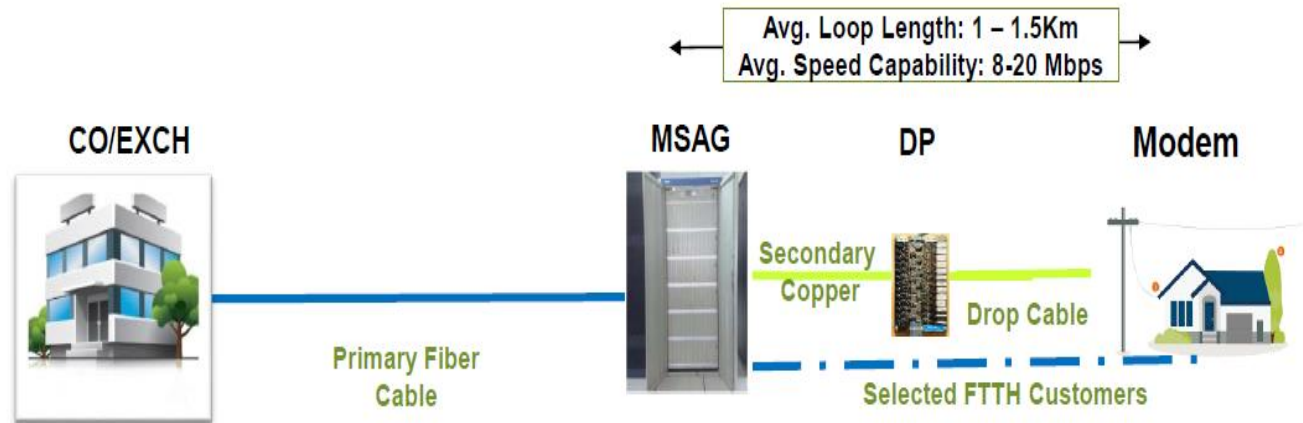


# Reducing Loop Lengths, increasing Speeds

BEFORE  
TRANSFORMATION

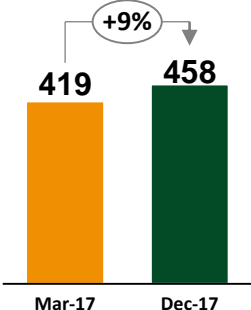
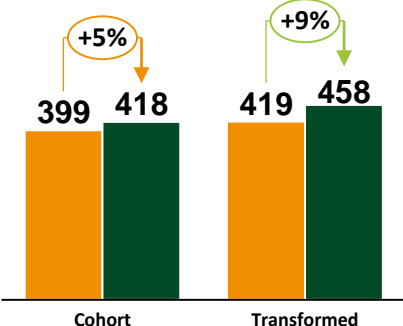
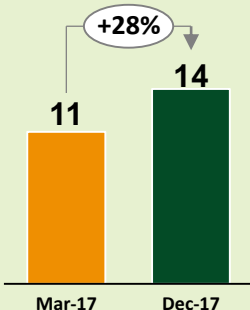


AFTER  
TRANSFORMATION



# NTP driving strong revenue growth

## Monthly Revenues growing compared to all benchmarks

Pre vs. Post	Transformed vs. Cohort	Gulgasht Exchange
 <p>419 458</p> <p>Mar-17 Dec-17</p> <p>Pre Transformation Post Transformation</p>	 <p>399 418 419 458</p> <p>Cohort Transformed</p> <p>Mar-17 Dec-17</p>	 <p>11 14</p> <p>Mar-17 Dec-17</p> <p>Pre Transformation Post Transformation</p>
31 Exchanges progress of March compared with December.	Cohort is of 43 exchanges other than NTP to match the base and monthly revenue	<ul style="list-style-type: none"> <li>- MTR – Central Zone</li> <li>- Base: 7,184</li> <li>- Transformed Month: May - 2017</li> </ul>

# Key Highlights of Ufone Turnaround 2017

## Infrastructure

Strengthening of network via U900 in major metros; increasing 3G footprint by **~29%**

**422** new coverage sites (164 for HVC, 90 for 3G coverage in high revenue areas, 168 in USF area)

Largest recipient of USF funds, for under served areas; winning 64% bids worth **~USD 72 'Mn**

## Distribution

BVS footprint increased by **28%**

Relationship strengthening with 'high footfall' retailers

**~66%** higher sales in Q4'17 vs Q4'16

**~28%** increase in High Value Sales in Q4'17 vs Q4'16

## Commercial

Smart price ups helped improve the ARPU slightly: Super Card, PAYG packages

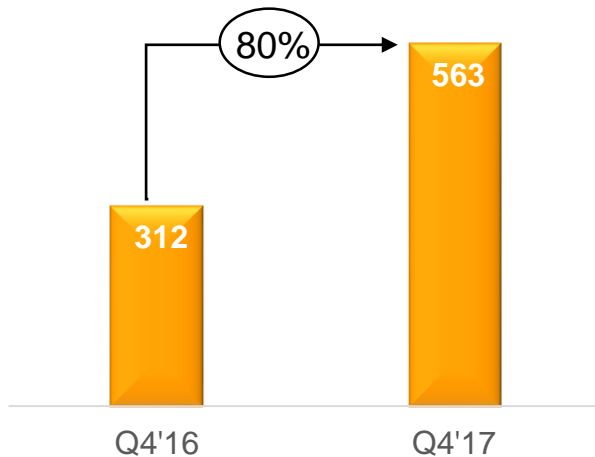
Simplification of product portfolio: **closure of 32 products**

Building on brand communication of **'Convenience'**

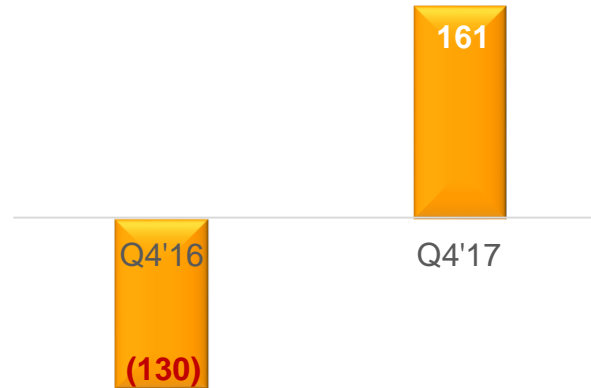
Opex saving of **~USD 13.5** achieved during the year

# Ufone's 'Win SIM Share' strategy has laid the foundation of growth in FY 2018

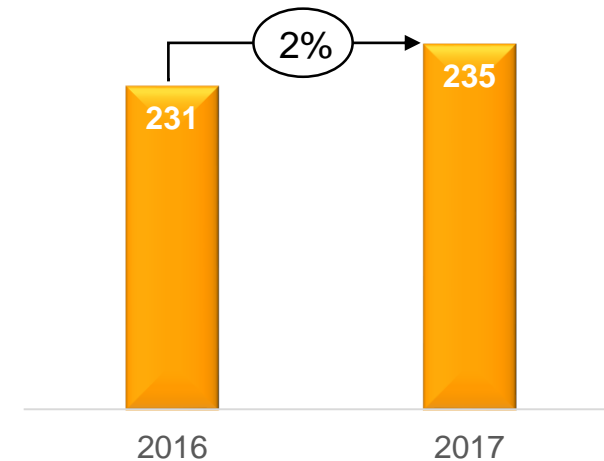
Avg. Monthly Gross Adds  
(‘K)



Avg. Monthly Net Adds  
(‘K)



Blended ARPU  
(Pkr/Month)



# TRI\*M scores were also maintained, despite limited coverage and spectrum

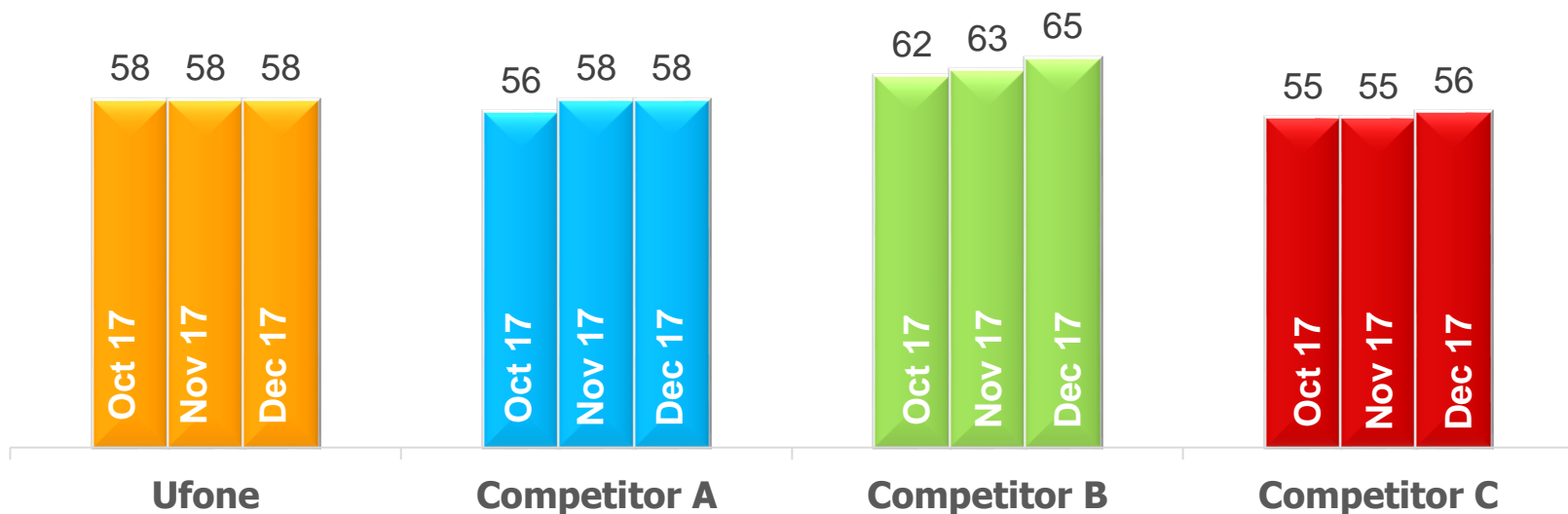
TRI\*M  
Ranking

2

2

1

4



# Presentation Overview

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# Strategic priorities / Way forward

## Theme

## Description

### PTCL

- Grow Consumer Broadband business aggressively (Fixed and Fixed wireless)
- Deliver network transformation and LTE migration, drive FTTH deployment
- Grow ICT business aggressively, leverage partnerships
- Capitalize on tower fiberisation opportunity, maintain IP Bandwidth market leadership

### Ufone

- Increase subscriber market share to improve top line
- Secure additional spectrum, while re-farming existing spectrum resources
- Maintain cost leadership.

### Ubank

- Capturing the untapped opportunities in the attractive Microfinance Market
- Regaining ground on the branchless banking business
- Increased contribution to Group profitability

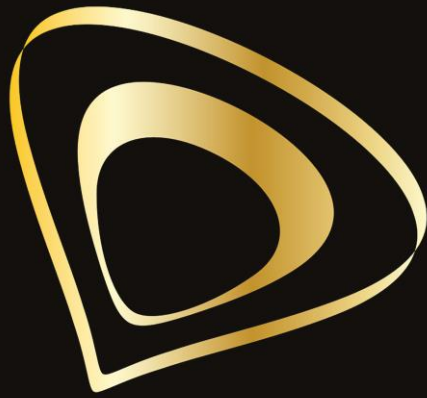
### Group

- Drive cross selling and bundling opportunities
- Extract operational synergies between group companies

Q&A

THANK YOU





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BRAND IN THE  
MIDDLE EAST 2018

# Etisalat Group Capital Markets Day 2018

## Mobily Operations

Ahmed A. Aboudoma

Chief Executive Officer - Etihad Etisalat (Mobily)

# Challenging macroeconomics environment

## Macro Environment

- Saudi Arabia partially removed the subsidies from certain utilities weighing on consumer purchase power.
- Fees on expat and dependents have been applied since July 2017, starting with 100 SAR per month per dependent creating pressure on expat population.
- To reduce the impact of the removed of the subsidies, Saudi Gov. deposited 2 BSAR into the accounts of subscribed eligible citizens, the Gov. have allocated in its 2018 budget 32 BSAR to be spent for the Citizen's Account.
- VAT is imposed on a wide range of goods and services in Saudi Arabia starting January 1, 2018.

# Large telecom market

## Telecom Market

- KSA is the largest telecom market in the Middle-East (~US\$18 Mds)
- 3 players market and 3 MVNOs
- Young population with high percentage level of smart segment
- Large expats population (~30%)
- High level of penetration ~136% but recently affected with a loss of 34 pts of penetration due to the fingerprint registration process implementation.

# 2017 in Mobily

- **Focus in 2017 was to rebuild Mobily foundations:**
  - Analyzing legacy issues
  - **The approach was to fix root causes rather than scratching the surface**
  - Starting to devise a new strategy fitting the company abilities
  - **Rolling out the implementation of the new strategy**
- **Keeping an eye on the operational performance while fixing the basics...**
  - Commercial performance improvement
  - Financial stabilization and early signs of growth
- **...and even over performing the market**
  - Top line growth
  - Revenues share
- **Within a very challenging regulatory environment**

# 2017 at glance: fixing the root cause rather than scratching the surface...

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## SELECTION

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### Strategy

- New vision & brand positioning
- Launched CEX & digital transformation program
- Built new capabilities (analytic & research)

### HR

- Defined new organization and governance (incl. leadership assessment)
- Refining the HR framework (retain and attract talent)
- Enhance quality of execution and culture mindset
- Revamp product portfolio

### Commercial

- Refocus on BU
- Developed a new sales operating model
- Improved the customer care support

### Technology

- IT transformation
- Network modernization under-way and successful spectrum acquisition

### Finance

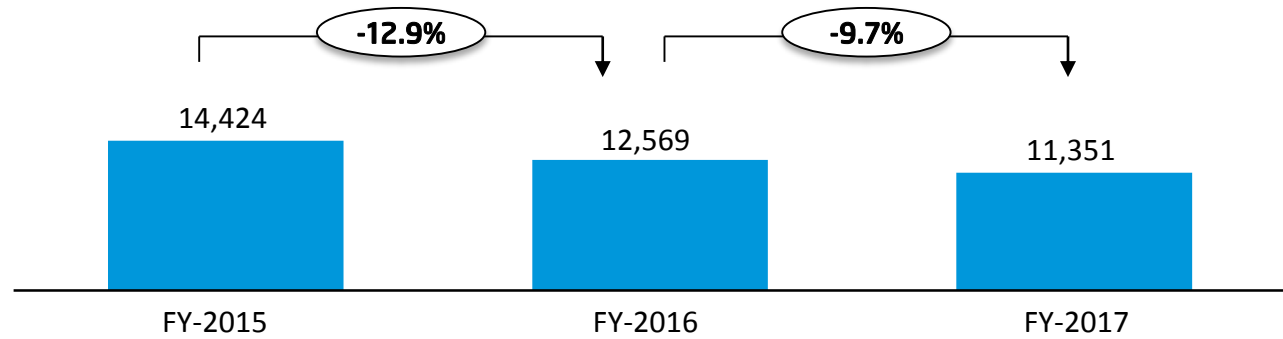
- Refinancing
- Cost optimization

**... Meanwhile not loosing focus on operational performance...**

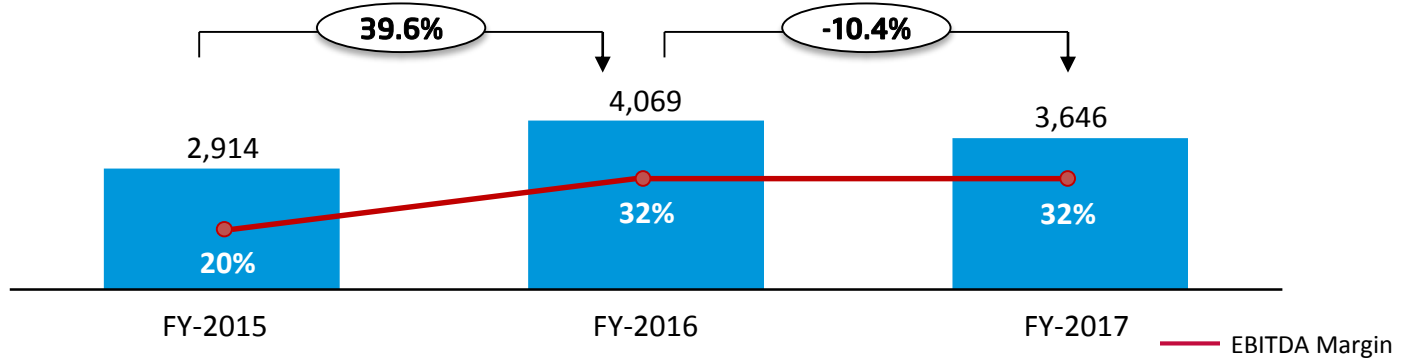
# High Level FY 2017 Results 1/2

In SAR mn

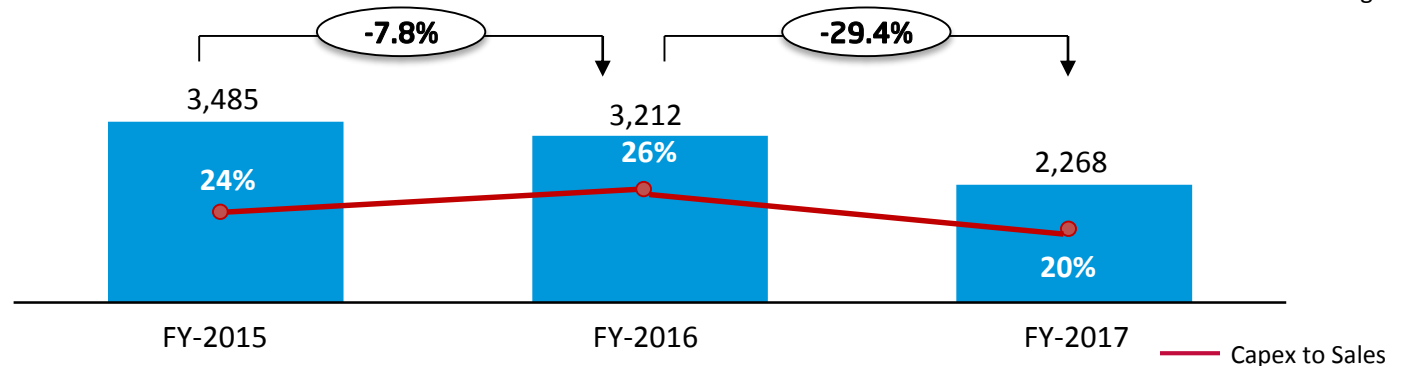
## Revenues



## EBITDA & EBITDA margin



## Capex & Capex to Sales

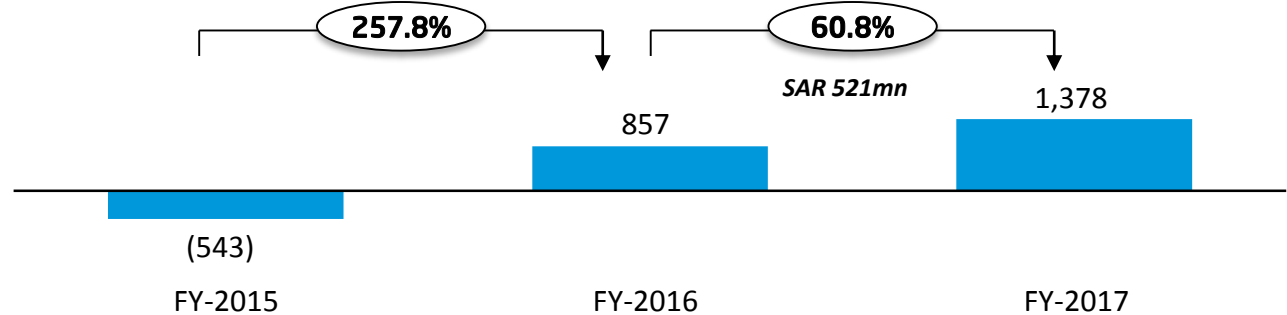


Source: Mobily financials

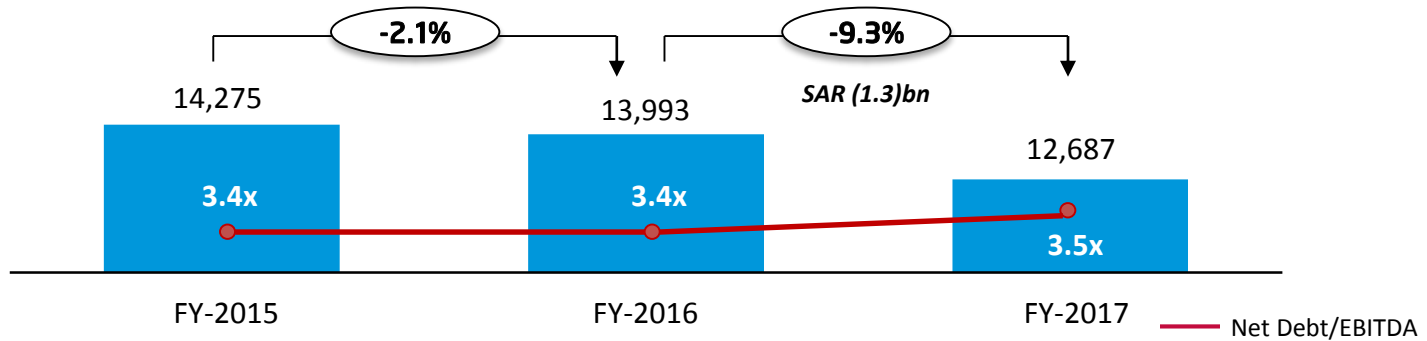
# High Level FY 2017 Results 2/2

In SAR mn

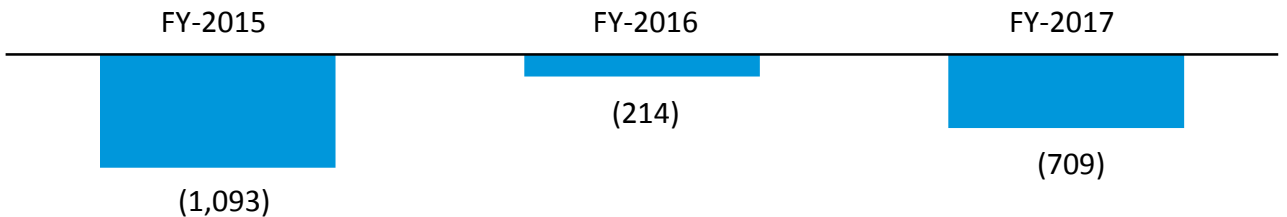
## Operational Cash Flow



## Net Debt & Net Debt/EBITDA



## Net Income



Source: Mobily financials

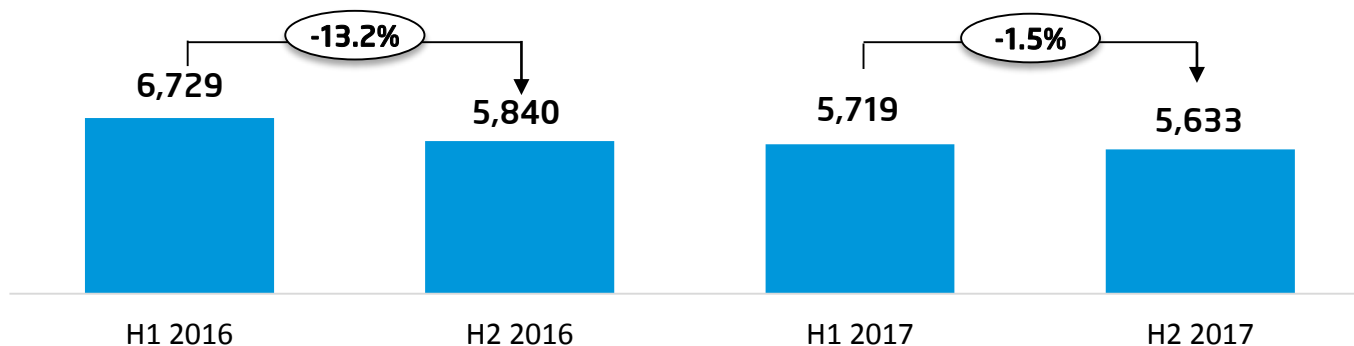


# Financial stabilization in 2017

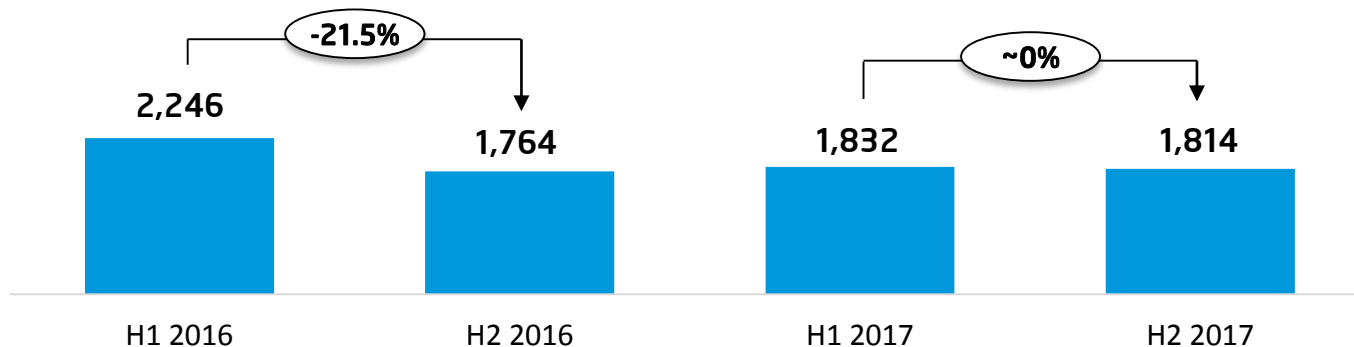
*Strong H-o-H improvement*

In SAR mn

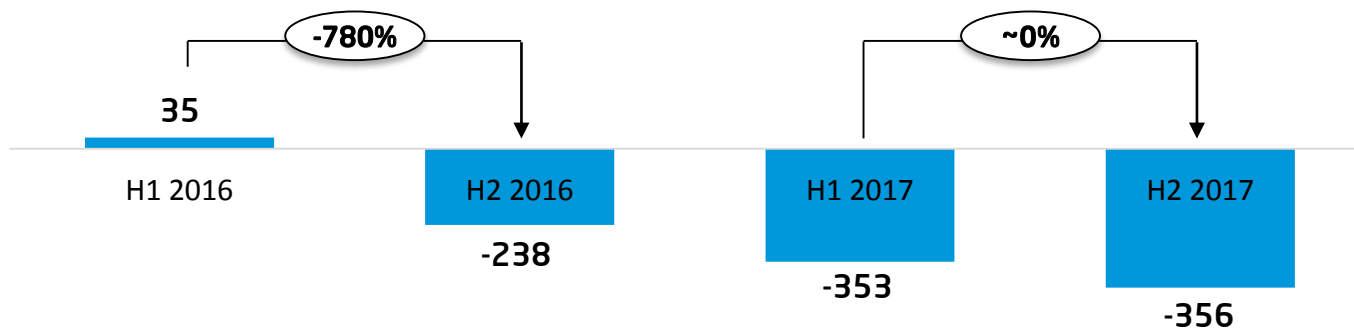
Revenues



EBITDA



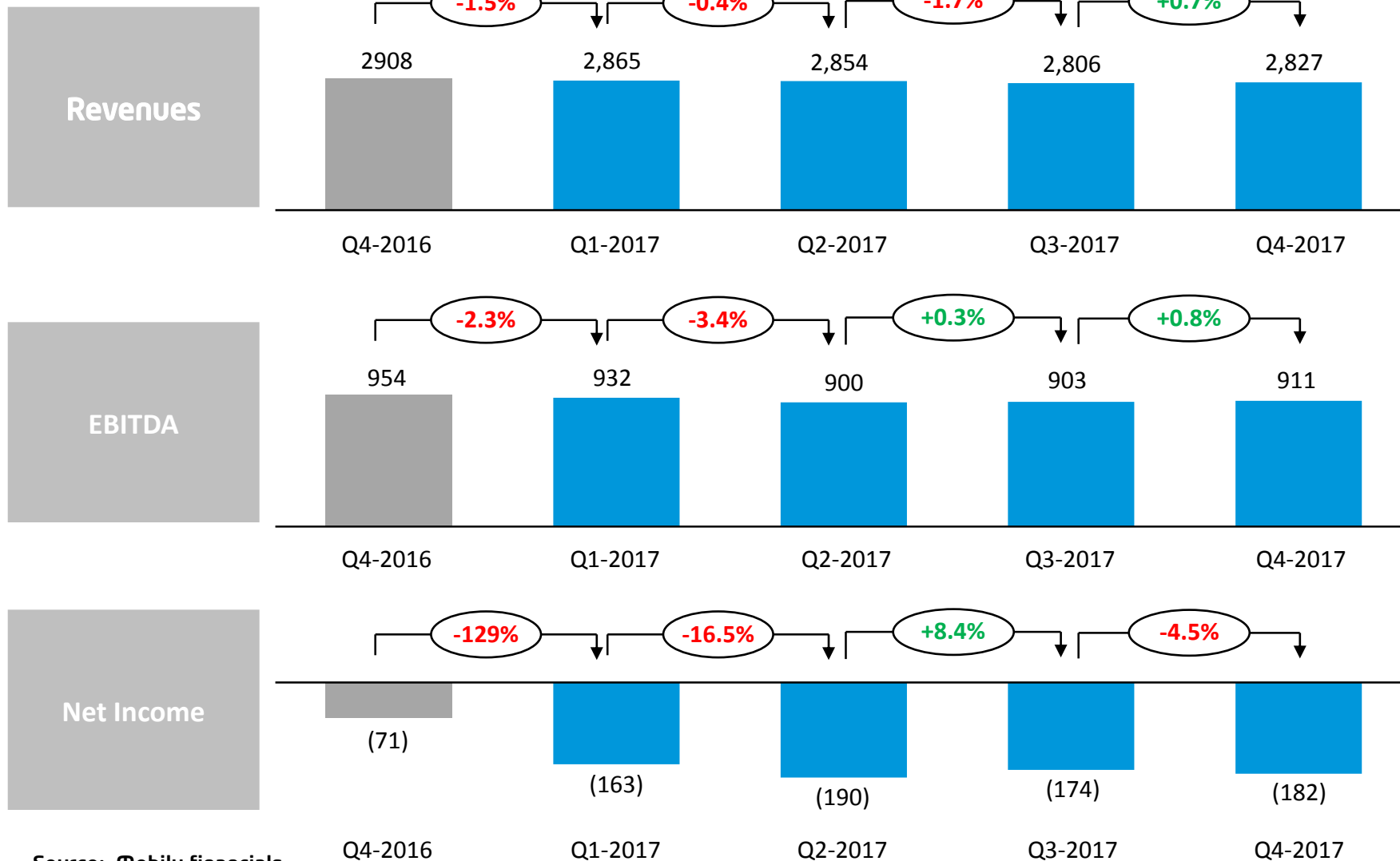
Net Income



Source: Mobily financials

# For the first time since 2015, growth of Top Line and continuation of EBITDA growth in Q4

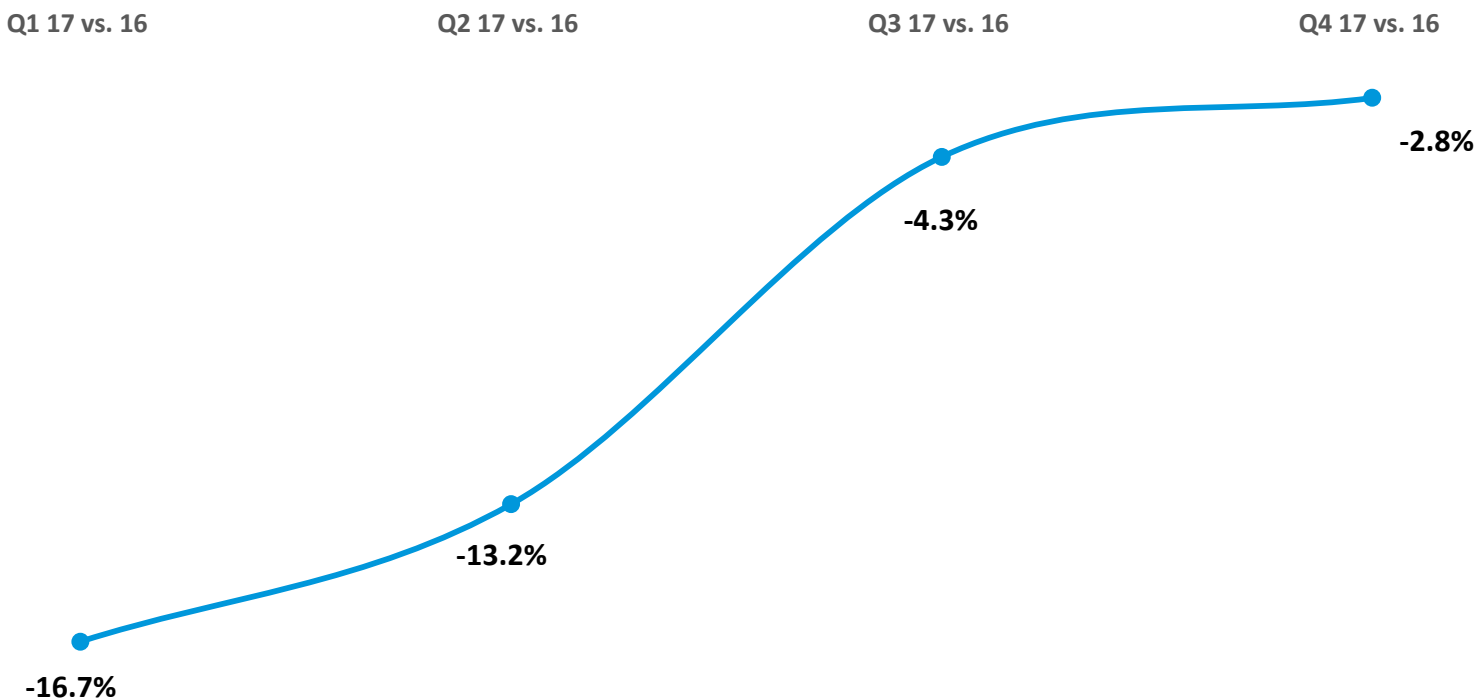
In SAR mn



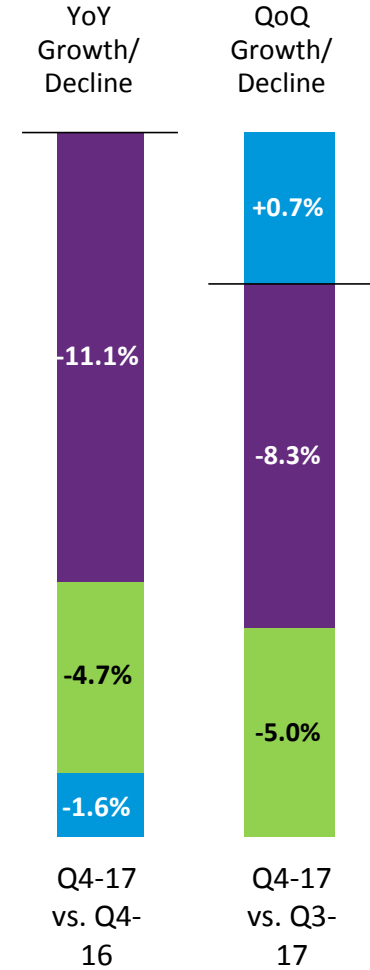
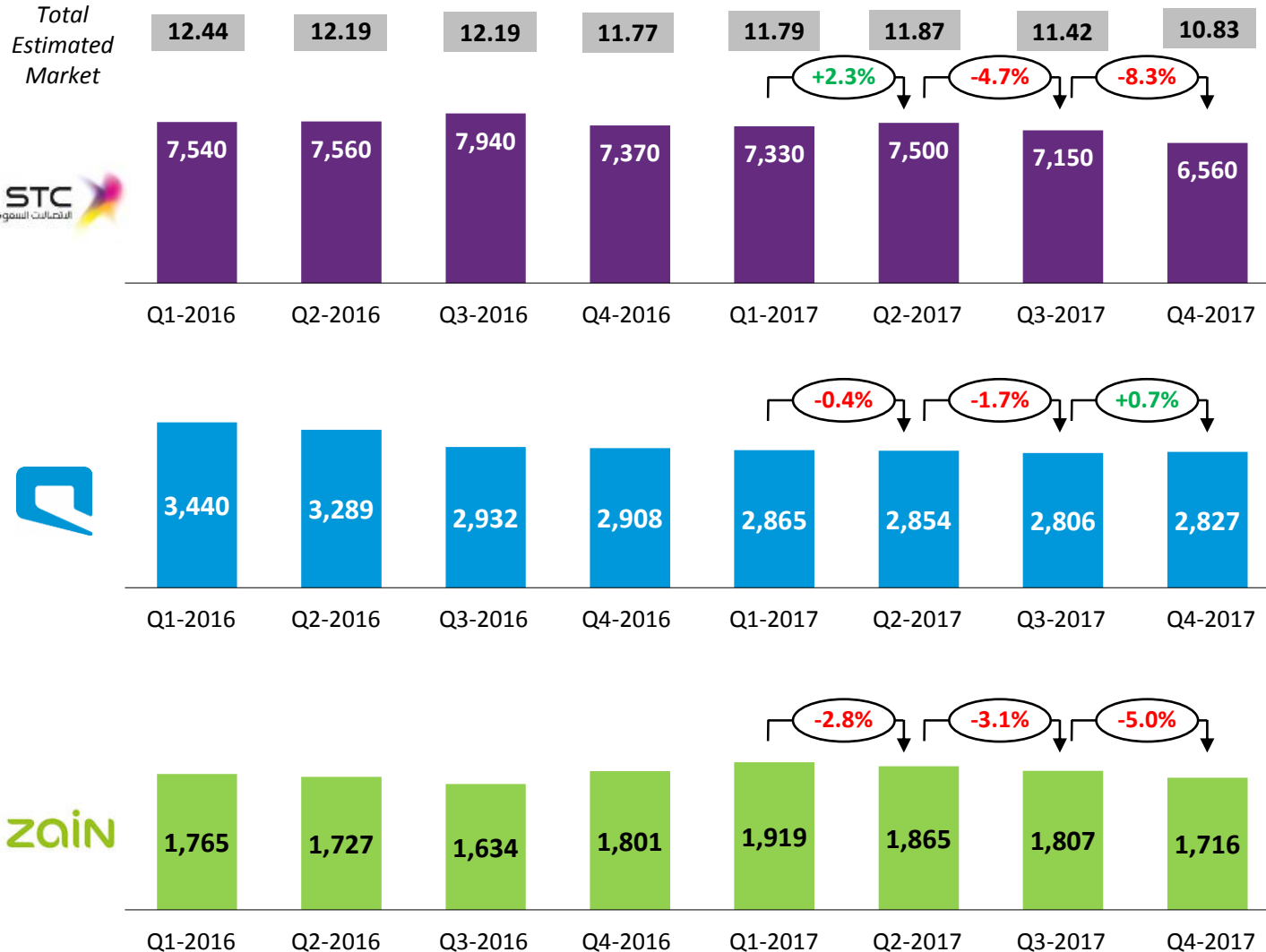
# 2017 vs. 2016 Q-o-Q Revenues Performance

*Y-o-Y performance is steadily improving*

## Revenues Q-o-Q 2017 vs. 2016 performance

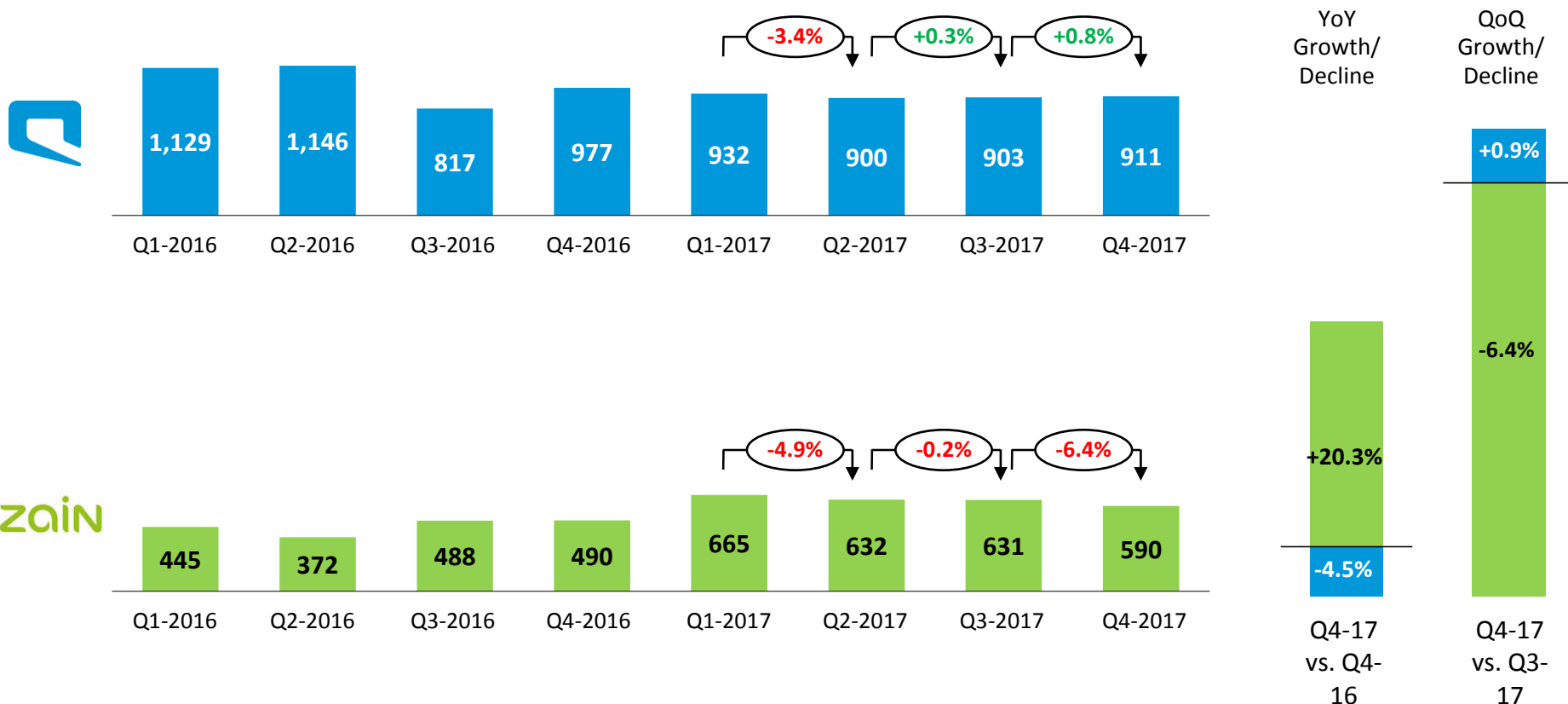


# Mobily is the only players to grow Q-o-Q and witnessed the minimum decline Y-o-Y



# Mobily's EBITDA has grown over the past two quarters while Zain's has declined every quarter in 2017

In SAR mn



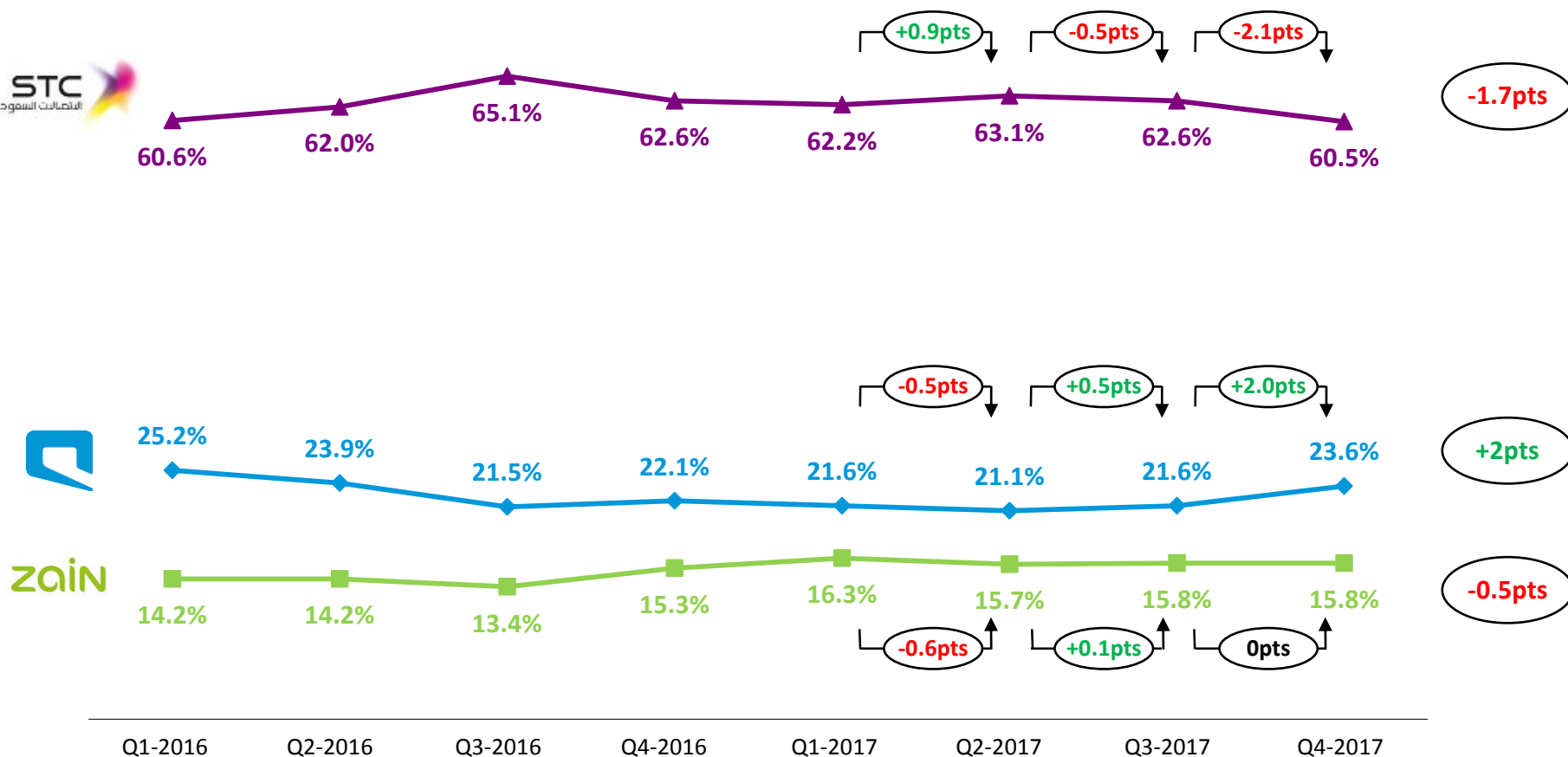
Source: Companies financials

# Mobily is outperforming the market

*Mobily is the only telco to grow its revenues share in 2017*

## KSA Wireless Telecom - Revenues Share (in %)

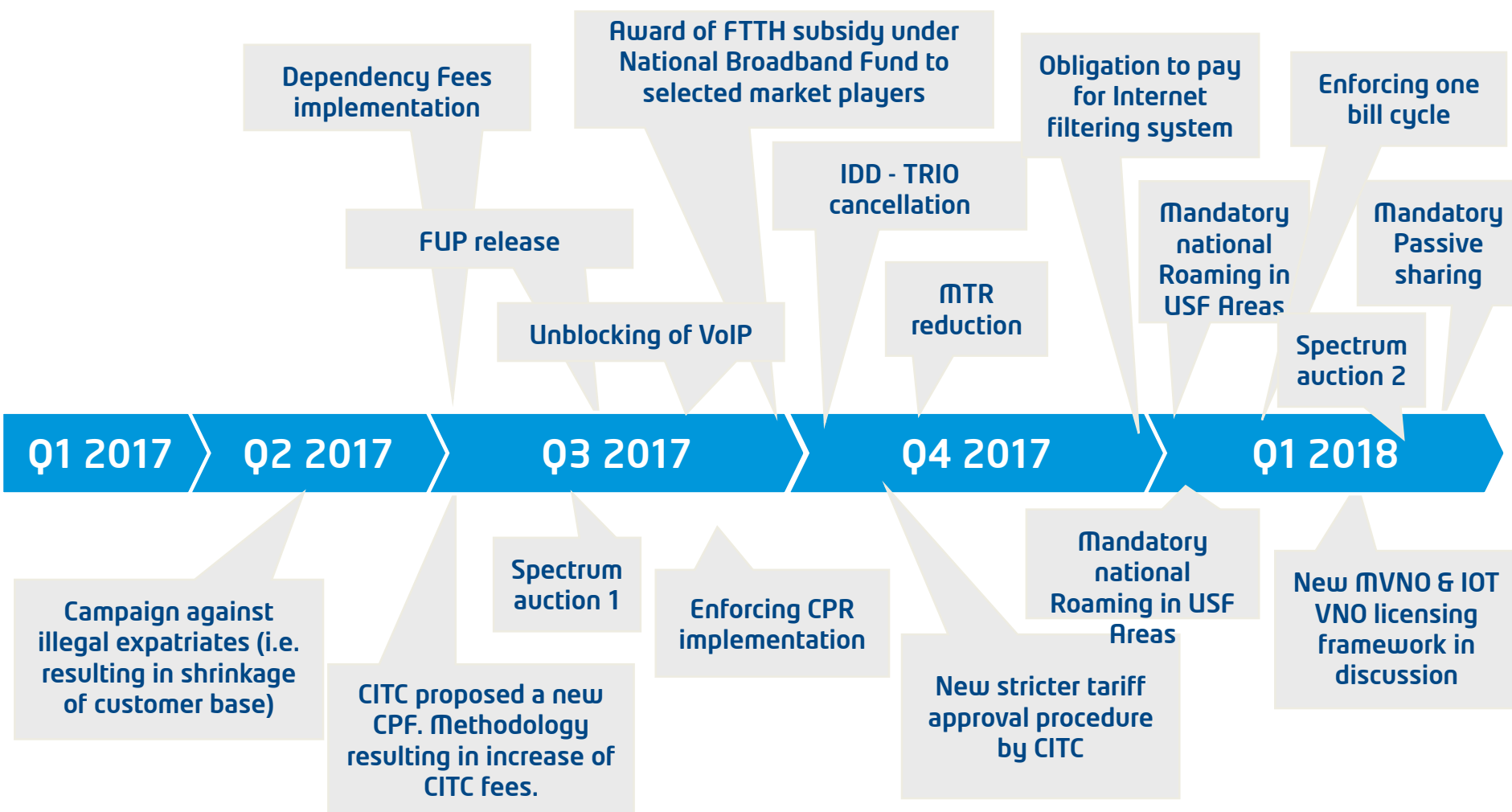
FY 2017



Source: Mobily financials Note: STC domestic revenues estimation

# Within a challenging regulatory environment

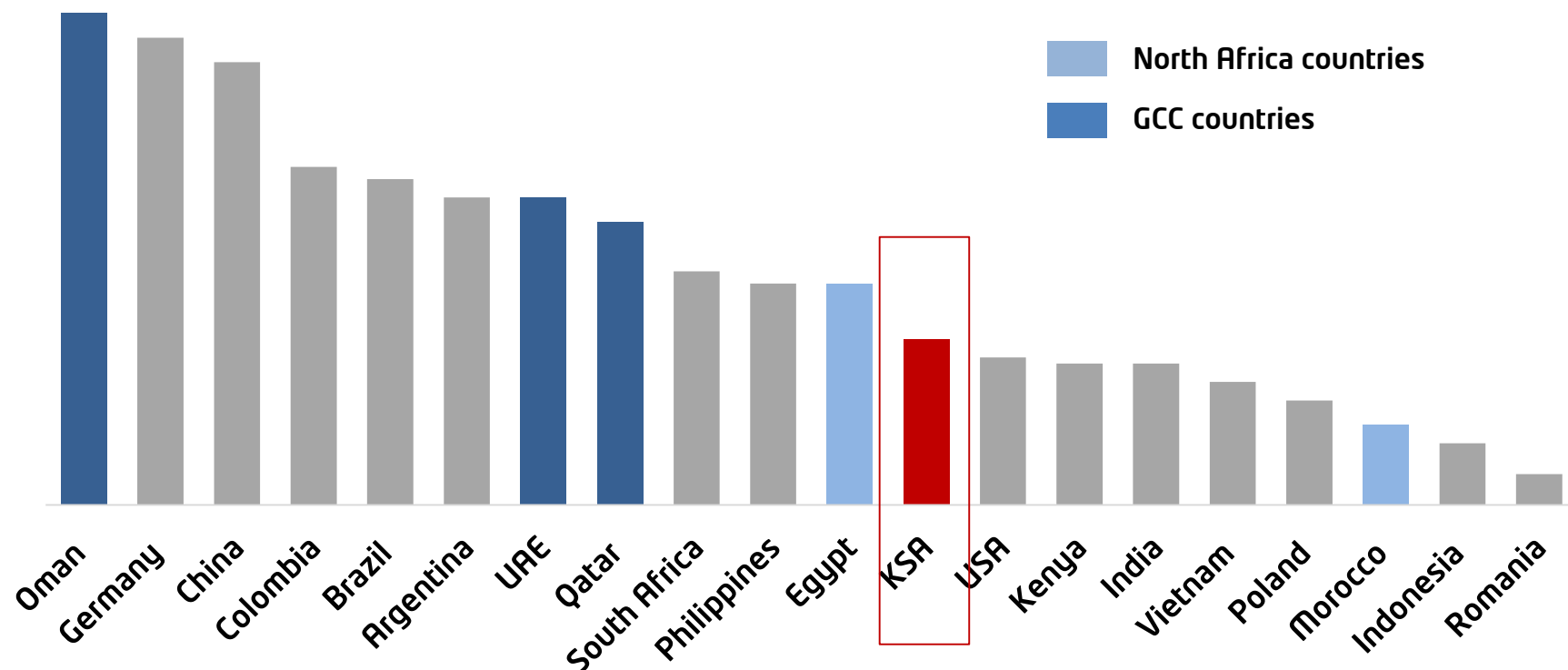
*Multiple regulatory measures implemented in 2017 and continued in Q1 2018*



# Prices are low in KSA

*Data prices decreased by 5 times compared to Q1 2016*

Price per GB



Lowest achieved price per GB, SIM-only postpaid plans, selected countries H2 2016

Source: Analysis Mason

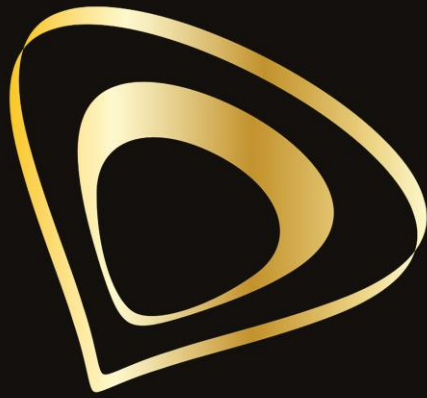


# Way forward

- Strictly driving the implementation of the new strategy with customer experience & digital transformation at its heart
- Continuation of regulatory pressure
- Anticipation of some price rationalization in the market
- Continuation of strong data growth
- Strong execution push on IT transformation and network modernization
- Cost optimization program strictly followed
- Participate and take a fair share of government increased telecom spending
- Focus on postpaid segment and SME large market opportunities
- Explore the mobile financial services market potential

Q&A

THANK YOU



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MOST VALUABLE  
BRAND IN THE  
MIDDLE EAST 2018

# Etisalat Group Capital Markets Day 2018

## Etisalat Misr Operations

Hazem Metwally

Chief Executive Officer – Etisalat Misr

# Macroeconomic Positive Outlook despite Short-term Bottleneck

## Despite challenging Market conditions ...



TE mobile operator (WE) entering the market hammering **on local brand image** and **competitive data offers**



**EGP/USD** reaching **17.78** in Dec'17 compared with **18.24** in Dec'16; with a stable outlook



Inflation reaching **22%** in Dec'17 (**dropping** from **31%** in Mar'17) affecting consumer telecom spending



Following the high **inflation** rates, multiple interest rate hikes reaching **19.75% in Q4'17** from (12.75% in Q4'16), more rational rates expected with recovering economy

## ... positive macroeconomic outlook lies ahead

- Egypt **ranks #1 in Population** among Arab countries (~50% < 24 years old), **with IMF expectation for real GDP growth of 4.8% in 2018** (revised from 4.5% initial fcst) and **4.2% in 2017** (revised from 3.5% initial fcst)
- **Net foreign direct investments** reached a 14% growth recording ~\$8bn in 2017 against ~ \$7bn in 2016, while **Int'l Monetary Reserve** reached first-time record of **\$37bn since 2011**
- **Zohr natural gas field** has started **production** with **initial expectation of saving \$60mn per month and \$2bn annually** after **finalizing project as announced by the Oil minister**
- **IMF** completed two reviews under the three years **\$12bn Extended Fund Facility** bringing total disbursements of **\$6bn**
- **S&P and Fitch revised** Egypt's credit rating of B- and B respectively from stable outlook to positive outlook\*

Sources: IMF report Oct'17 | Central bank of Egypt | Ministry of Finance | Trading Economics | oil minister announcement

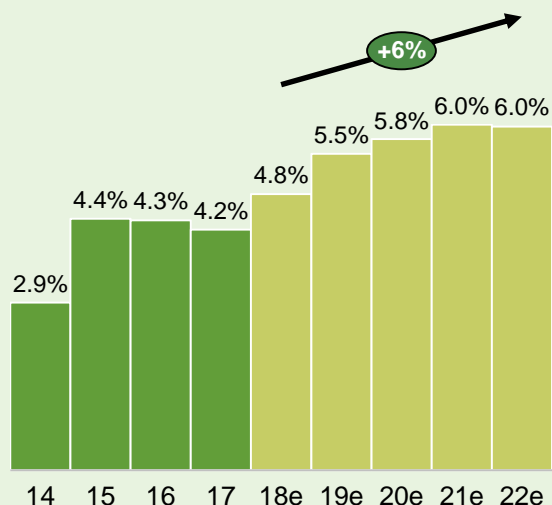
\* S&P Rating: Nov-17, Fitch Rating: Jan-18

# Macroeconomic indicators reinforcing the signals for positive future outlook

## Egypt's Economic Indicators

### Real GDP Growth Rate

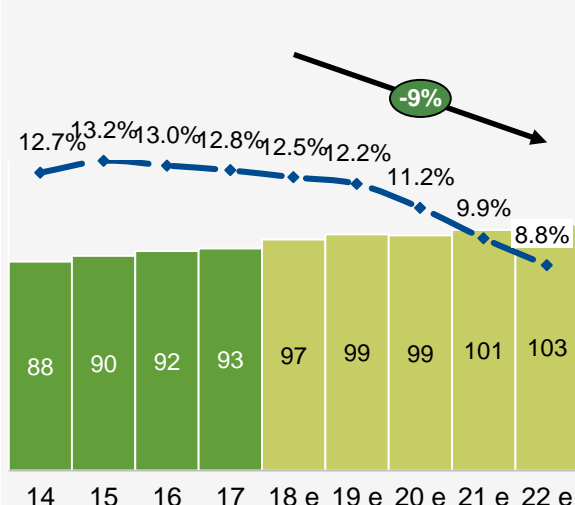
%, IMF estimate



- Starting 2015, Real GDP has been following a positive trend reflecting **political** and **economic reforms**

### Population and Unemployment

Millions, %, IMF estimate

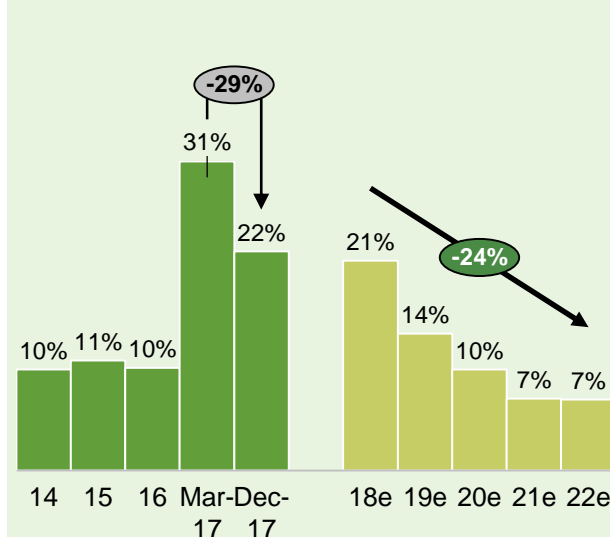


- Population** has been growing by more than 2% Y/Y, while **Unemployment** has been following a declining trend Y/Y starting 2015, signaling economic growth aspirations

⦿ Growth ⦿ CAGR (2018 – '22)

### Inflation Rate (period average)

%, IMF estimate



- Despite 2017 high inflation, IMF forecasts more optimistic inflation rates in the future

# TE dispute settled out of court after almost ~10 years

## Interconnect Legal Disputes

EM & TE sign an agreement to settle historical disputes



TE finally settled on **EGP1.45 BN** as EM's dues against **incoming international calls** covering the period from 2007 till June 2017



## International Voice Agreement

Pending since launch



Signed **int'l voice agreement** with TE, **5yrs duration**, reviewed after 3, setting the interconnect price **till 2022**

## National Roaming Agreement

The only operator to sign



Etisalat Misr **solely** signs a 5-yr commercial agreement (reviewable after 3-yrs) to provide **national roaming services nationwide**

# Promising telecom sector in Egypt, despite new competition entry



## Market Attractiveness

**Etisalat** and **Orange** shareholder taken decision to **increase Capital** reaffirms investors' **confidence** in the Egyptian market



## Market Growth

Mobile market **sustains strong growth** (~15% in 2017) outpacing overall GDP and many other industries



## Youth

With ~50% of the population less than 24 years of age, **Youth remain to be Etisalat's heartland**



## 4G/LTE

**LTE expected huge traffic growth**, (EM LTE traffic contribution reached ~28% since launch) supported by growing number of smartphone users and **internet penetration** reaching **41.2%**



## Digitalization

Offering a **compelling, integrated digital services** and **enhancing customer experience**



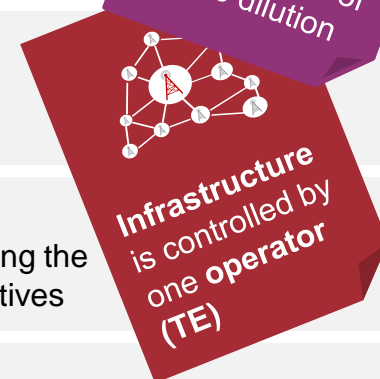
## Enterprise

**Enterprise and high value** market with a **double digit growth** (EM EBU growth nearing the 21% mark in 2017) supported by the country's mega projects and micro financing initiatives



## Adjacencies

Opportunity to export **ICT services**, **business process outsourcing**, and **mobile money services** i.e. Financial Inclusion Global Initiative accelerated by the World Bank paving the way for uptake of payment solutions (EM e-wallet transactions' volume and value grew in 2017 by ~330%, and ~175%, respectively)



# EM remarkably became 2<sup>nd</sup> market player across all KPIs

 Value Share

 EBITDA Margin

 Market share



**18%** Revenue Growth



2016  
27.7%



39%



32%



**Focus** on **Data**, **Youth**, and **Enterprise** segments supported by **resources optimization** and **Capital** increase



**6%** Revenue Growth



30%



30%



31%



Capitalizing on **Capital** increase, and **rebranding** to retrieve its market **position**



**19%** Revenue Growth



43%



44%



37%



**Focus** on **high value** and **data** segments, adopting **more-for-more** proposition approach



**-** Revenue Growth



-



-



-



Hammers on **1<sup>st</sup> national brand**, **1<sup>st</sup> integrated operator**, and **lowest mobile internet prices**



# Strong-in market performance driven by well-positioned consumer tariffs and enterprise transformation

Enablers		Performance					
<div>Consumer</div> <div></div>	Increasing <b>uptake</b> of <b>well positioned segmented</b> market platforms contributing to robust growth	<div></div> <div>Mass</div>	<div></div> <div>Youth</div>	<div></div> <div>Data Centric</div>	<div></div> <div>Young Professionals</div>	<div></div> <div>High Value</div>	
		<div>7.1%</div> <div>ARPU Uplift</div>	<div>7.6%</div> <div>Exceeding ARPU expectations</div>	<div>26%</div> <div>ARPU Uplift</div>	<div>9.4%</div> <div>Base mix improvement</div>	<div>21%</div> <div>Av. Revenue growth rate m-o-m in H2</div>	
<div>Enterprise</div> <div></div>	Enterprise <b>sales transformation</b> efforts along with <b>distinct propositions</b> accelerated growth year-on-year	<div>Enterprise Revenue growth rate %, year-on-year</div> <div></div>		<div><ul style="list-style-type: none"><li>EBU segment showing an accelerated <b>growth</b> of <b>21%</b> driven by <b>SMB &amp; connectivity</b></li><li>Sales <b>focused</b> on the <b>fundamentals</b>; <b>acquiring new SMEs</b>, large accounts, and <b>farming</b> in <b>existing</b> accounts</li></ul></div>		<div>29%</div> <div>EBU ARPU growth</div>	<div>32%</div> <div>Connectivity Revenue growth rate</div>
				<div>81%</div> <div>Solutions Revenue growth rate</div>	<div>15%</div> <div>GSM Revenue growth rate</div>		
<div>Digital</div> <div></div>	Focused on <b>building digital capabilities</b> , increasing <b>uptake</b> through an <b>aggressive acquisition</b> plan & <b>extending digital</b> across all platforms	<div>Digital Customer Adoption Users, Millions</div> <div></div>		<div><ul style="list-style-type: none"><li>EM leading customer experience indices (TRI*M/NPS),</li><li>EM has the Mobile App best TRI*M scores and <b>leader for 3 consecutive months</b></li></ul></div>		<div>Mobile App TRI*M Score 2017,</div> <div></div>	

# Etisalat Misr operating model proved successful to drive remarkable performance

## 2017 challenges

## Achievements

## Drivers

2017 challenges	Achievements	Drivers
<b>Economics</b> <ul style="list-style-type: none"> <li>Currency floatation</li> <li>Subsidy removal</li> <li>New taxes &amp; VAT</li> <li>Inflation &amp; interest rates</li> </ul>	<div> <b>18%</b> Global revenue growth                 </div> <div> <b>28%</b> Data growth                 </div> <div> <b>21%</b> Enterprise revenue growth                 </div> <div> <b>9%</b> ARPU growth EGP26.8 up from EGP24.5                 </div> <div> <b>EGP 1 bn</b> Monthly revenue &gt;EGP1bn mark                 </div> <div> <b>39%</b> EBITDA margin                 </div> <div> <b>18%</b> EBITDA growth                 </div> <div> <b>Remarkable</b> Net profit Regaining profitability                 </div>	<ul style="list-style-type: none"> <li>Well positioned <b>consumer</b> tariffs and <b>enterprise</b> transformation</li> <li><b>Efficient</b> operational performance</li> <li>Cost <b>optimization</b> initiatives</li> <li>Effective <b>risk management</b> and <b>corporate finance</b></li> </ul>
<b>Competition</b> <ul style="list-style-type: none"> <li>WE (TE mobile operator)</li> <li>Two world's class competitors</li> <li>Less frequency Vs. competition</li> <li>Competition intensive CapEx investment</li> </ul>	<div> <b>Libor hedging</b> Agreement concluded                 </div> <div> <b>Financing restructure</b> Capital increase                 </div> <div> <b>31%</b> Market share                 </div> <div> <b>28.4%</b> Value share                 </div> <div> <b>28%</b> EBITDA share                 </div>	<ul style="list-style-type: none"> <li>Delivering personalized, innovative &amp; cost effective services.</li> <li>Focusing on customer growth through diffrentiation &amp; segmentation</li> <li>Strong 4G roll out reaching 2,632 sites with smart frequency utilization</li> </ul>
<b>Regulatory</b> <ul style="list-style-type: none"> <li>Legal disputes</li> <li>Managing external environment</li> </ul>	<div> <b>TE dispute settlement</b> Settlement out of court after 10 years                 </div> <div> <b>Legal disputes +ve signals</b> More control over disputes with positive signals                 </div> <div> <b>Signed agreements</b> Signed <b>5 years National Roaming</b> and <b>incoming int'l voice</b> (reviewable after 3-yrs) with TE                 </div>	<ul style="list-style-type: none"> <li><b>Management focus</b> on allocating <b>efforts</b> and appropriate <b>resources</b> to manage &amp; <b>interact effectively</b> with external environment</li> </ul>

# Pursuit for Mobile Broadband Leadership

Vigorously expanded our 4G footprint to assert our customer centricity objectives

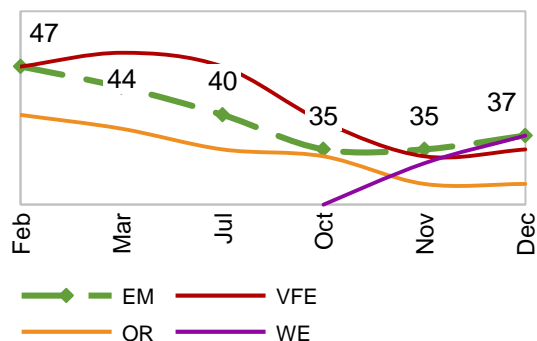
## Sites rollout



**Total Rolled out sites; 7267 sites**

- 6,567 3G Sites, represents ~90% of total sites which supported our TRIM superiority

Network trim index  
2017



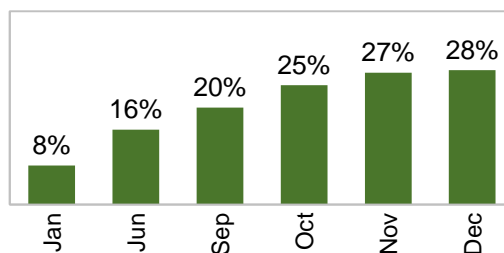
## LTE readiness



**Rolled out LTE sites; 2632 sites**

- Throughput reached ~22 MBPS (~90% growth over last year) and 104 TB LTE traffic

EM 4G contribution % of total traffic  
%, 2017



- EM plans to invest ~EGP6bn in its network in the coming 3 years to cater for data growth and superior customer experience

EM 4G expanded footprint driven by our speedy technology advancement and SIM cards readiness ahead of competition



2,632 2017  
LTE Sites  
1,000 2016



21.8 MBPS 2017  
Throughput  
11.5 MBPS 2016



104 TB 2017  
LTE daily traffic  
17 TB 2016



10.4 MN  
Smartphones  
4.7 MN  
LTE terminals

## 2018 and beyond

## Value



**1** Emphasis on fundamental **execution** and deliver **value** to **shareholders** through a **double** digit growth & **healthy** cash flow

4G



**2** Continue building a **superior** network offering best **4G performance, optimizing CapEx** for revenue yield

## Environment



**3** Managing competitive landscape to **avoid price war & shredding** market **value** via a robust mitigation plan from technology & commercial perspective

## Customer



**4** Focus on **customer revenue growth** through **differentiated** & segmented offerings

## Digitalization



**5** Continue enhancing customer **experince** inline with our **digital journey** & direct sales expansion

## Conversion



**6** Offer fully **integrated fixed & mobile** services

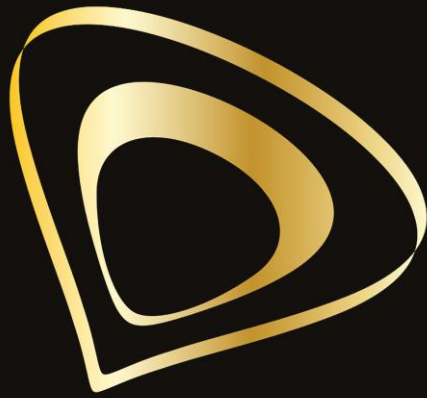
## Adjacencies



**7** **Enhancing adjacent** revenue streams through outsourcing business & **mobile money** services

Q&A

THANK YOU



etisalat

MOST VALUABLE  
BRAND IN THE  
MIDDLE EAST 2018

# Etisalat Group Capital Markets Day 2018

## Closing Remarks

Saleh Al-Abdooli

Group Chief Executive Officer