



ETISALAT GROUP Q4 2019 RESULTS PRESENTATION

18 FEBRUARY 2020 - ABU DHABI, UAE



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GROUP FINANCIAL REVIEW



ETISALAT GROUP FINANCIAL HIGHLIGHTS

AED Million	Q4 2019	Growth YoY%	FY 2019	Growth YoY%	Growth YoY% Constant Exchange Rates
Revenue	13,341	+2%	52,186	0%	+1%
EBITDA	6,277	+1%	26,370	+2%	+3%
<i>EBITDA Margin</i>	47%	-1pp	51%	+1pp	+1pp
Net Profit	1,963	-3%	8,693	+1%	
<i>Net Profit Margin</i>	15%	-1pp	17%	0pp	
Capex	4,014	+19%	8,895	+6%	
<i>Capex/Revenue</i>	30%	+4pp	17%	+1pp	

Q4 2019 Highlights

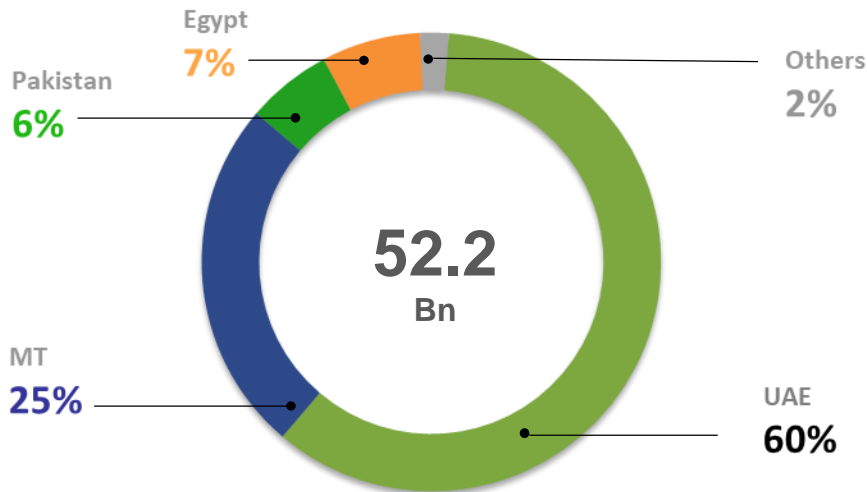
- Revenue decline Y/Y is attributed to unfavorable exchange rate movements in Pakistani Rupee and Moroccan Dirham, as well as reinstatement of tax on telecom services in Pakistan; Revenue grew in constant exchange rates by 3%
- EBITDA increase Y/Y is attributed to higher revenue
- EBITDA margin impacted by changes in revenue mix
- Net profit declined Y/Y impacted by one-off impairment charges
- Higher capital expenditure mainly attributed to the UAE operations.

FY 2019 Highlights

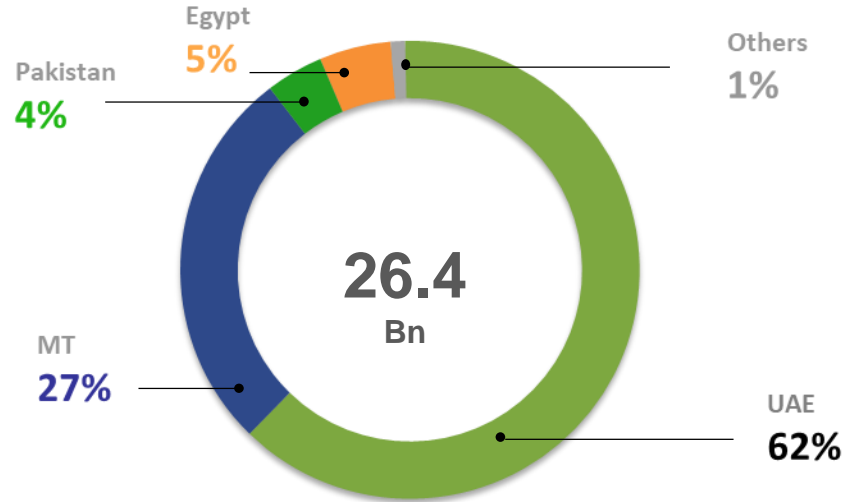
- Revenue decline Y/Y is attributed to unfavorable exchange rate movements in Pakistani Rupee and Moroccan Dirham, as well as reinstatement of tax on telecom services in Pakistan; Revenue grew in constant exchange rates by 1%
- EBITDA increase Y/Y is driven by lower termination and roaming costs, network costs, operating leases and general expenses
- Improvement in EBITDA margin
- Net profit increased Y/Y attributed to higher EBITDA, forex gain and higher net finance income
- Higher capital expenditure attributed to the UAE operations.

ETISALAT GROUP FINANCIAL HIGHLIGHTS

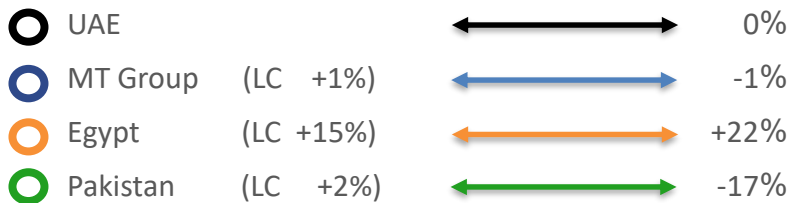
Revenue Breakdown FY 2019 (AED m)



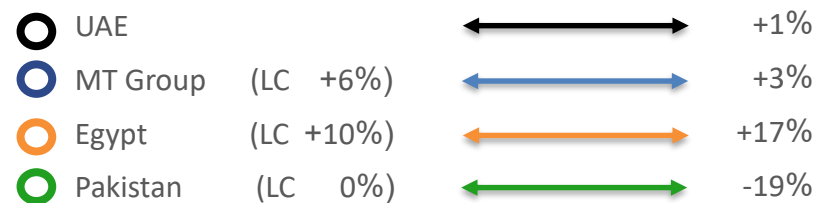
EBITDA Breakdown FY 2019 (AED m)



YOY Growth 0%

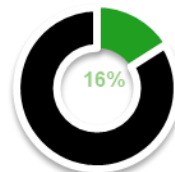
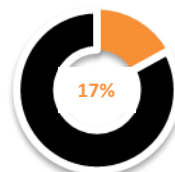
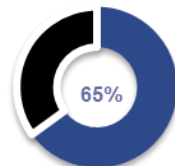
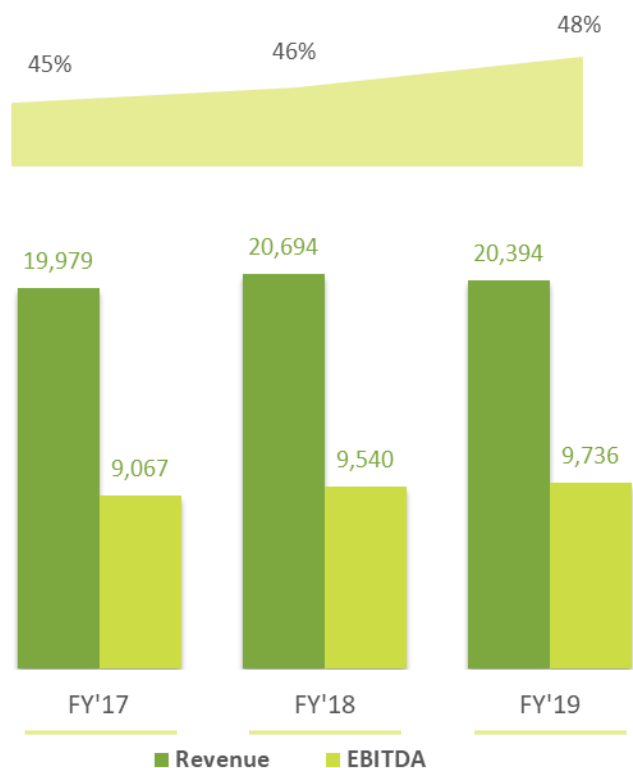


YOY Growth +2%



INT'L OPERATIONS FINANCIAL HIGHLIGHTS FY 2019

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



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

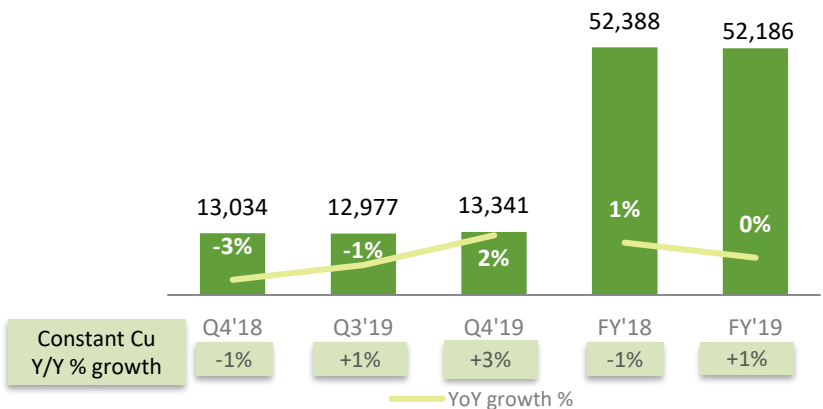
MT Group	FY 2019	Growth in AED	Growth in MAD
Revenue	13,221	-1%	+1%
EBITDA	7,214	+3%	+6%
EBITDA Margin	55%	+2pp	+2pp

Egypt	FY 2019	Growth in AED	Growth in EGP
Revenue	3,430	+22%	+15%
EBITDA	1,354	+17%	+10%
EBITDA Margin	39%	-2pp	-2pp

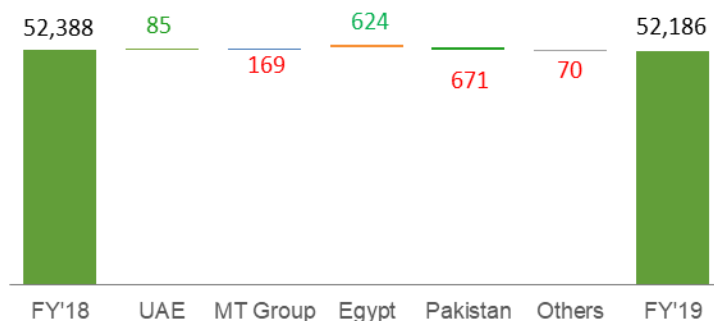
Pakistan	FY 2019	Growth in AED	Growth in PKR
Revenue	3,178	-17%	+2%
EBITDA	1,017	-19%	0%
EBITDA Margin	32%	-1pp	-1pp

GROUP REVENUE

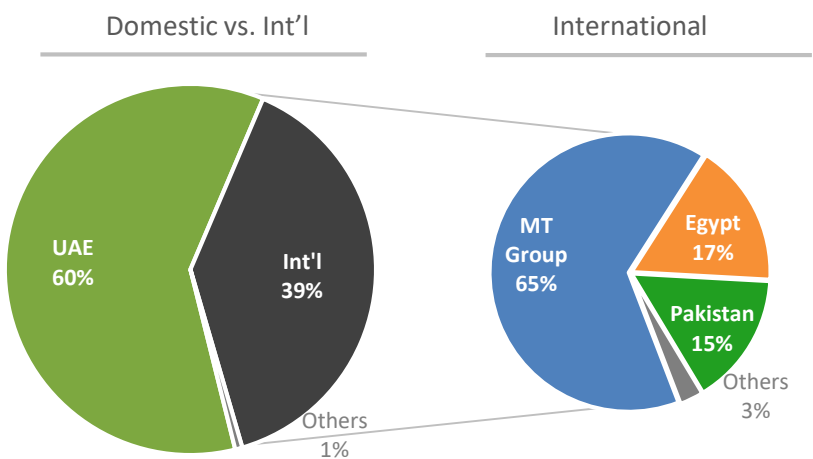
Revenue (AED m) & YoY Growth (%)



Sources of Revenue Growth – FY 2019 vs FY 2018 (AED m)



Revenue by Cluster (FY 2019)

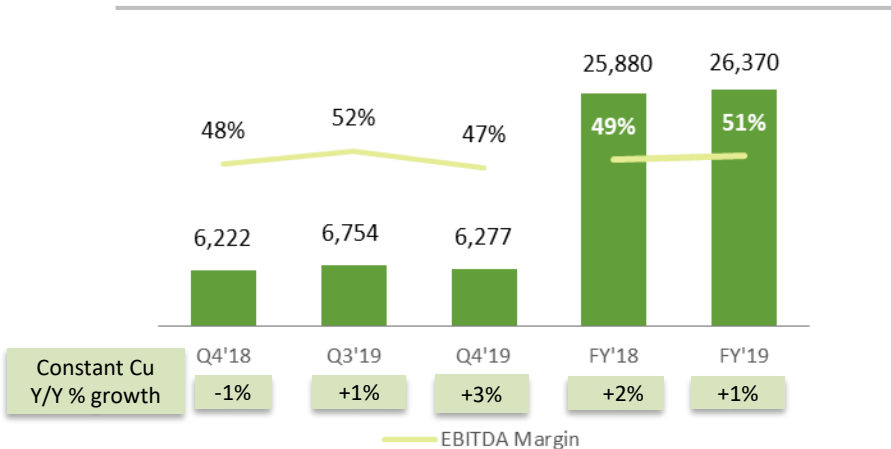


Highlights

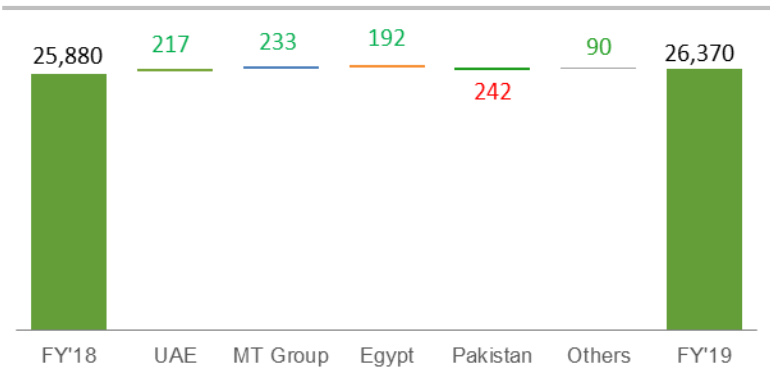
- In FY'19 consolidated Y/Y revenue was stable attributed to unfavourable currency impact. In constant currency revenue grew Y/Y by 1%
- Growth in the UAE impacted by mobile prepaid segment and handset sales; However, it maintained strong performance in the fixed internet, TV, digital services and wholesale segment.
- Revenues from international consolidated operations decreased by 1%, resulting in 39% contribution to Group revenues:
 - Revenue growth in MT Group negatively impacted by currency and performance of International operations while benefited from the consolidation of Tigo Chad
 - Revenue growth in Egypt mainly attributed to strong growth in mobile broadband
 - Revenue growth in Pakistan negatively impacted by currency devaluation and slower growth in mobile segment

GROUP EBITDA

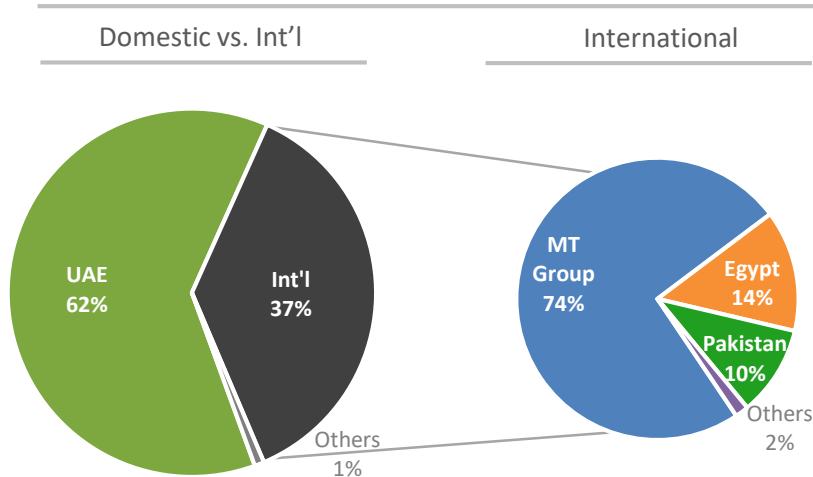
EBITDA (AED m) & EBITDA Margin (%)



Sources of EBITDA Growth – FY 2019 vs FY 2018 (AED m)



EBITDA by Cluster (FY 2019)

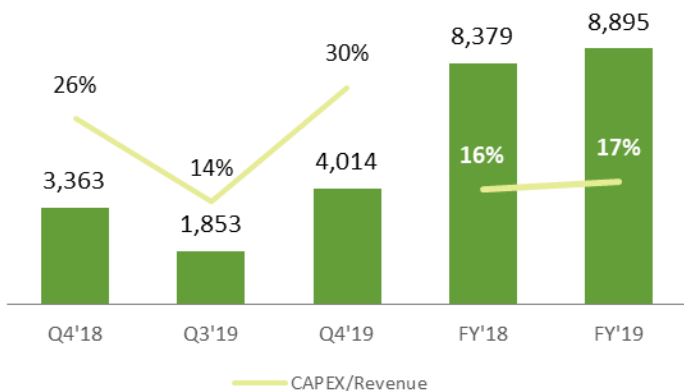


Highlights

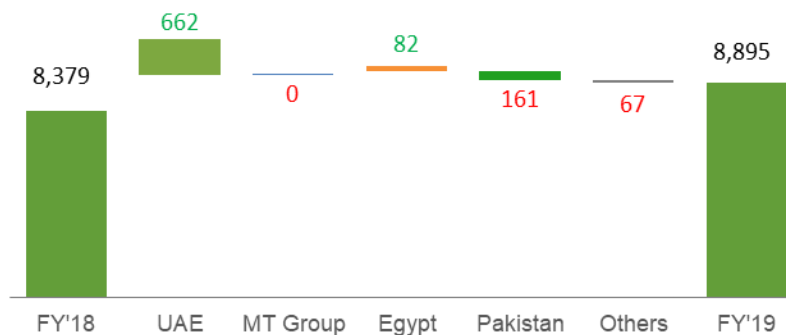
- In FY'19 consolidated EBITDA increased Y/Y by 2%; in constant currency EBITDA increased Y/Y by 3%.
- EBITDA in the UAE positively impacted by higher revenue, lower cost of sales and adoption of IFRS 16.
- EBITDA of consolidated international operations increased Y/Y by 2%, resulting in 37% contribution to Group EBITDA:
 - Positive contribution from Maroc Telecom Group attributed to performance of both domestic and international operations
 - Positive contribution from Egypt due to higher revenues
 - Negative contribution from Pakistan impacted by currency devaluation and lower revenue

GROUP CAPEX

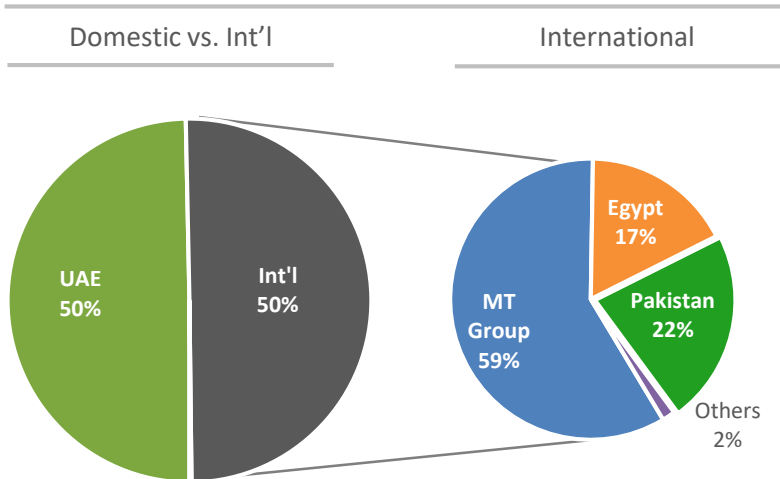
CAPEX (AED m) & CAPEX/Revenue Ratio (%)



Sources of Capex Growth – FY 2019 vs FY 2018 (AED m)



CAPEX by Cluster (FY 2019)



Highlights

- In FY'19 consolidated capex increased Y/Y by 6% resulting in a Capex / Revenue ratio of 17%
- Higher capital spend in the UAE focused on deployment of 5G network, investment in data centres and network modernization
- Capital expenditure in international operations was stable Y/Y and contributed 50% to consolidated Group Capex:
 - Higher capex spend in local currency in MT Group attributed to the operations in Morocco
 - Higher capex in Egypt with focus on 4G deployment
 - Higher capex spend in Pakistan in local currency focused on completion of the fixed network modernization and mobile network enhancement

GROUP BALANCE SHEET & CASH FLOWS

Balance Sheet (AED m)	Dec-18	Dec-19
Cash & bank Balances	28,361	29,657
Total Assets	125,243	128,266
Total Debt	23,526	23,889
Net Cash / (Debt)	4,835	5,768
Total Equity	57,245	57,767

Cash Flow (AED m)	Dec-18	Dec-19
Operating	19,039	19,426
Investing	(7,764)	(8,603)
Financing	(10,122)	(9,678)
Net change in cash	1,154	1,145
<i>Effect of FX rate changes</i>	132	174
Reclassified as held for sales	(50)	(24)
Ending cash balance	28,361	29,657

Investment Grade Credit Ratings



AA-/Stable



Moody's

Aa3/Stable

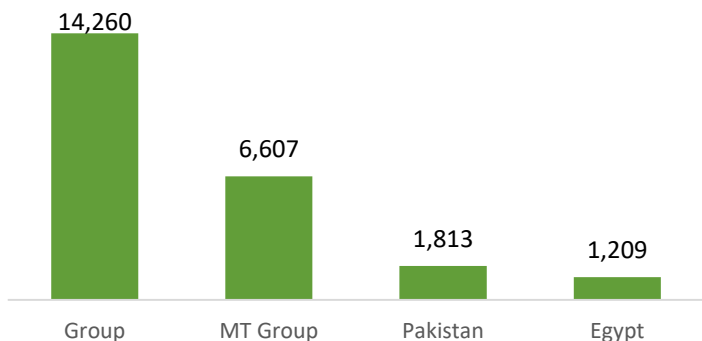
Highlights

- Improved liquidity position with positive net cash position
- Slightly higher operating cash flow due to changes in working capital
- Higher investing cash flow attributed to higher network investment and 5G roll out.
- Lower financing cash outflow mainly attributed to higher proceeds from bank borrowings.

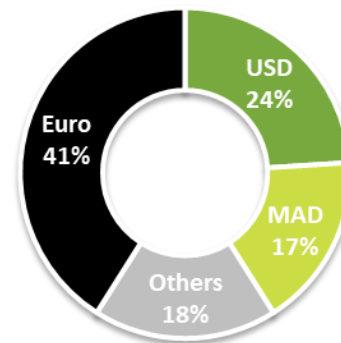
Note: Debt represents interest bearing debt i.e. bonds, banks borrowings, vendor financing and other financial obligations. It excludes lease obligations.

DEBT PROFILE: DIVERSIFIED DEBT PORTFOLIO

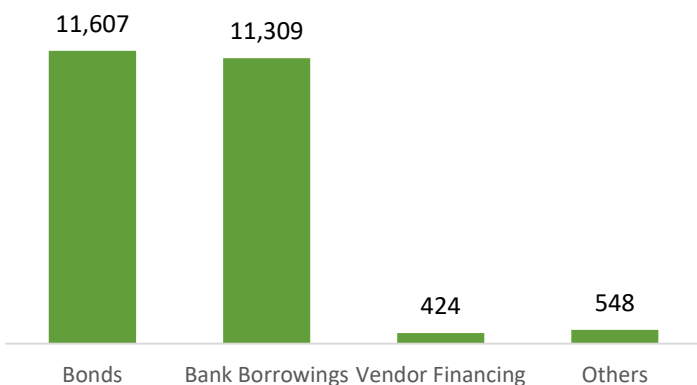
Borrowings by Operation Q4 2019 (AED m)



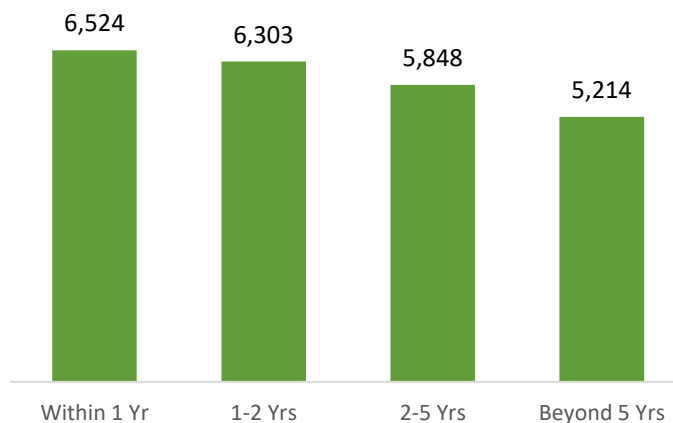
Borrowings by Currency Q4 2019 (%)



Debt by Source Q4 2019 (AED m)



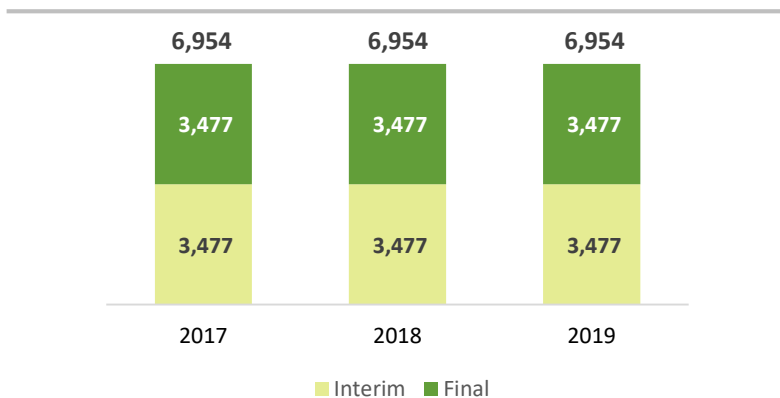
Repayment Schedule Q4 2019 (AED m)



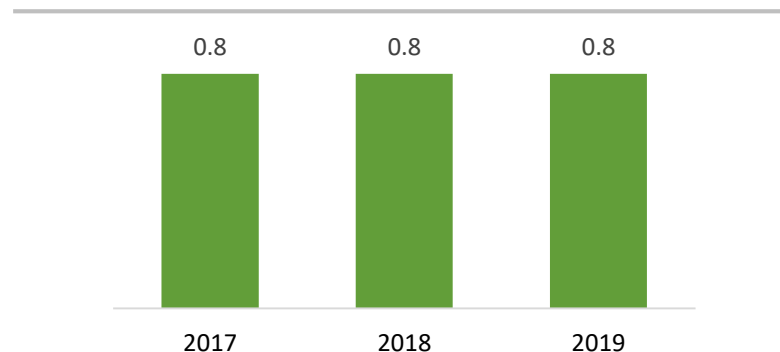
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GROUP DIVIDENDS: PROPOSED DPS OF AED 80 FILS FOR FY 2019

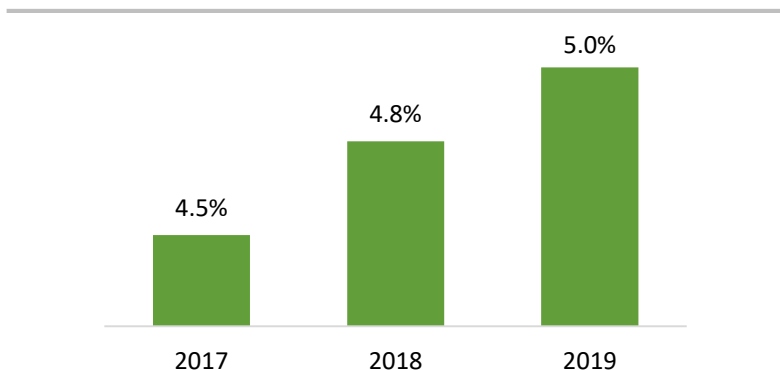
Cash Dividends (AED m)



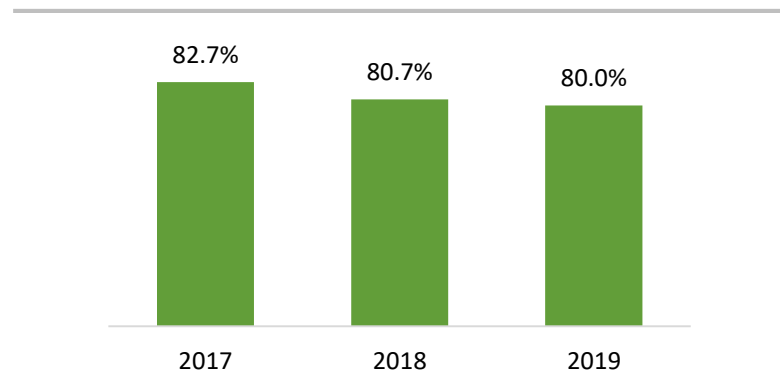
Dividends Per Share (AED)



Dividend Yield⁽¹⁾ (%)



Dividend Payout Ratio (%)



Proposed final dividends of 40 Fils per share bringing the full year dividends to 80 Fils per share is subject to shareholders approval in the AGM scheduled for 24 March 2020

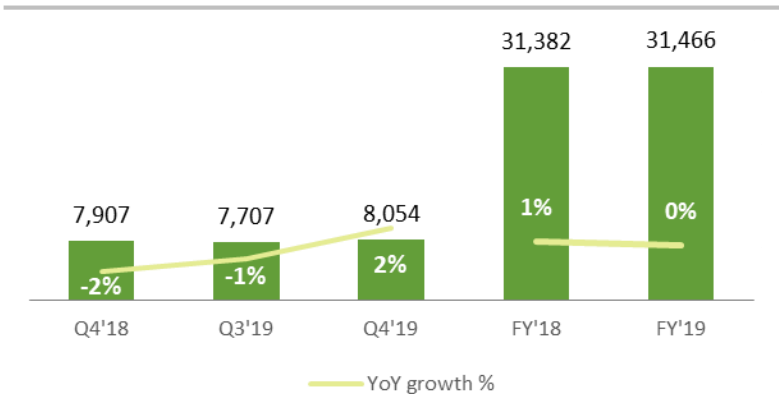
(1) Dividend yield is based on share per price as of 21 August 2019 and 9 February 2020

COUNTRY BY COUNTRY FINANCIAL REVIEW

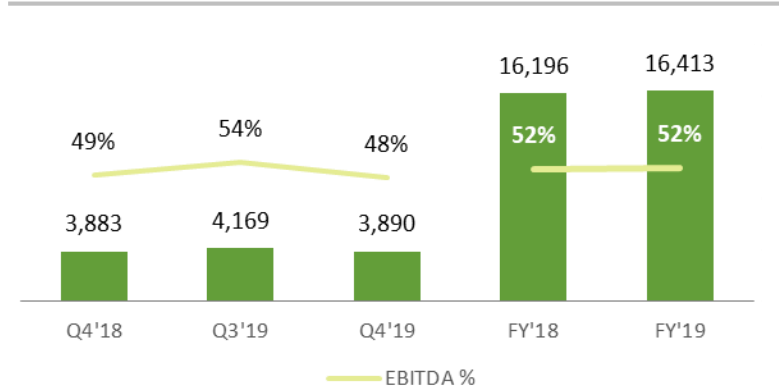


UAE: MAINTAINING PROFITABILITY MARGINS WHILE INVESTING IN NEW TECHNOLOGIES

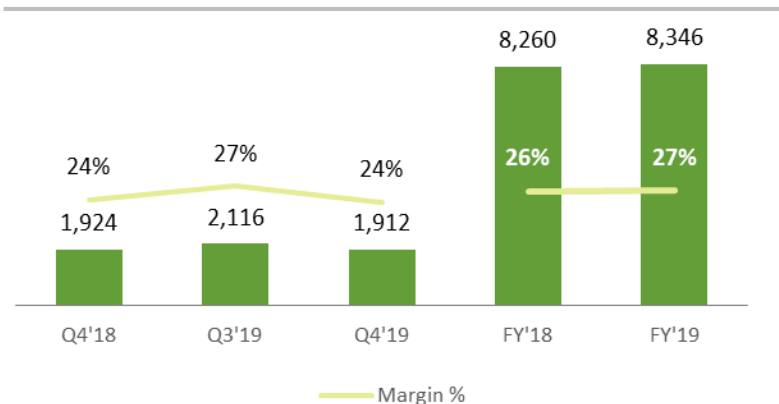
Revenue (AED m) / YoY Growth (%)



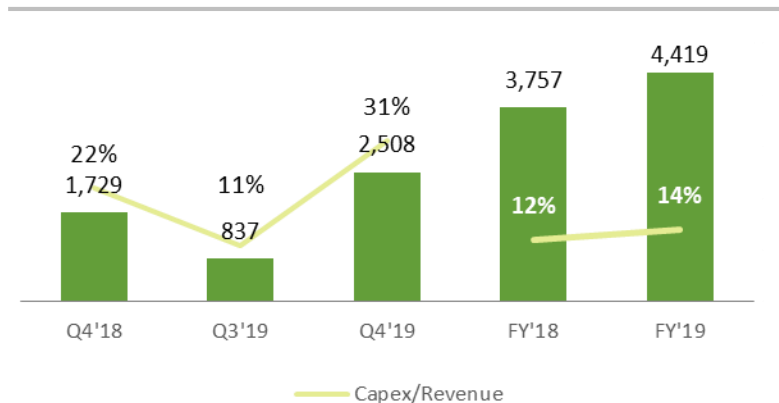
EBITDA (AED m) / EBITDA Margin (%)



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

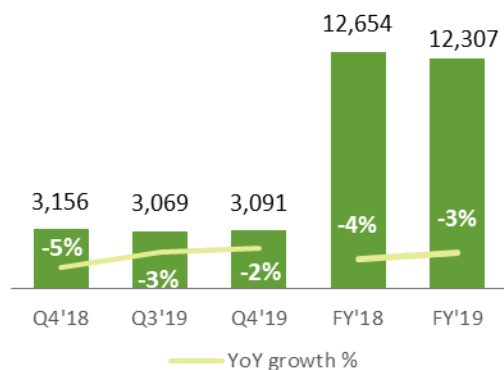


CAPEX (AED m) & CAPEX / Revenue Ratio (%)

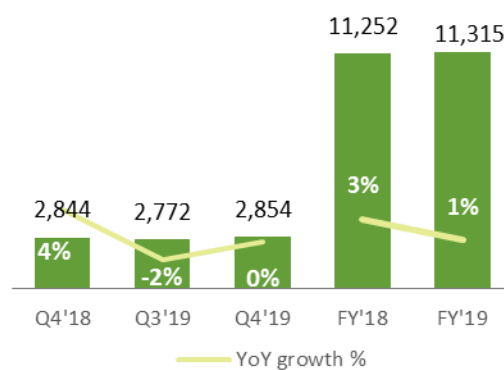


UAE: REVENUE BREAKDOWN AND KEY KPIs

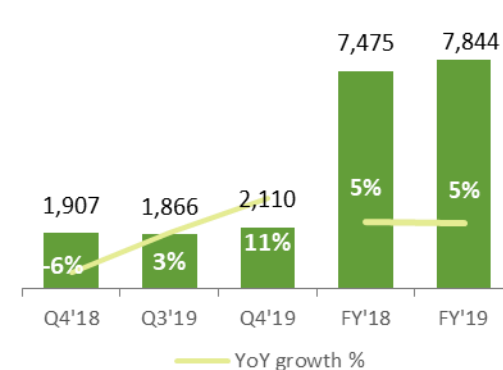
Mobile Revenues⁽¹⁾ (AED m)



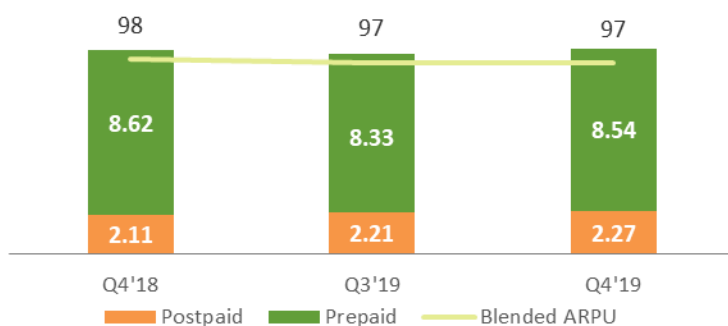
Fixed Revenues⁽²⁾ (AED m)



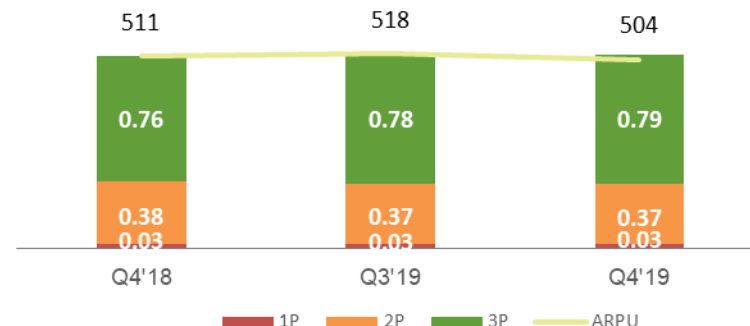
Other Revenues⁽³⁾ (AED m)



Mobile Subs⁽⁴⁾ (m) & ARPU⁽⁵⁾ (AED)



Fixed Broadband⁽⁶⁾ Subs (m) & ARPU⁽⁷⁾ (AED)

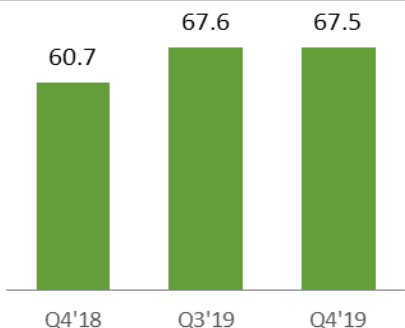


(1) Mobile revenues includes mobile voice, data, rental, outbound roaming, VAS, and mobile digital services
 (2) Fixed revenues includes fixed voice, data, rental, VAS, internet and TV services
 (3) Others Revenues includes ICT, managed services, wholesale (local and int'l interconnection, transit and others), visitor roaming, handsets and miscellaneous
 (4) Mobile subscribers represents active subscriber who has made or received a voice or video call in the preceding 90 days, or has sent an SMS or MMS during that period
 (5) Mobile ARPU ("Average Revenue Per User") calculated as total mobile revenue divided by the average mobile subscribers.
 (6) Fixed broadband subscriber numbers calculated as total of residential DSL (Al-Shamil), corporate DSL (Business One) and E-Life subscribers.
 (7) ARPL ("Average Revenue Per Line") calculated as fixed broadband line revenues divided by the average fixed broadband subscribers.

MAROC TELECOM: EXPANDING INTERNATIONAL FOOTPRINT

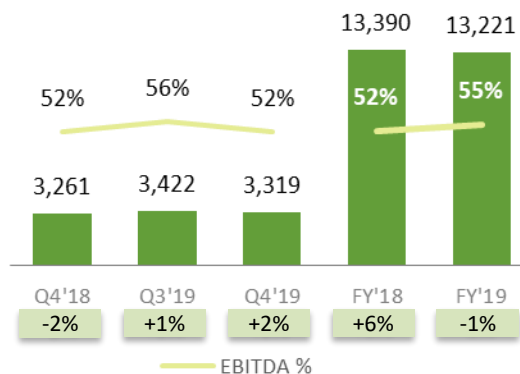
Morocco, Benin, Burkina Faso, CAR, CDI, Chad, Gabon, Mali, Mauritania, Niger & Togo

Subscribers (m)

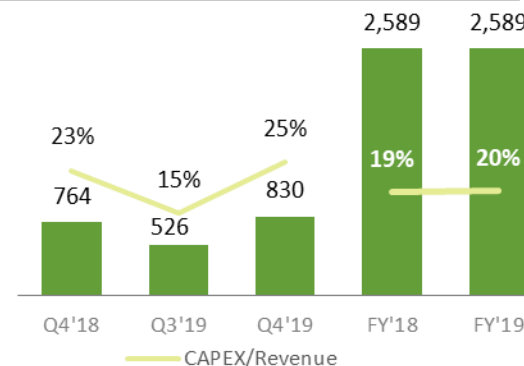


Y/Y % Growth (AED)

Revenue (AED m) / EBITDA Margin (%)

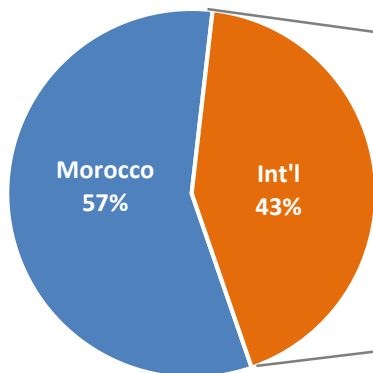


CAPEX (AED m) & CAPEX/Revenue Ratio (%)

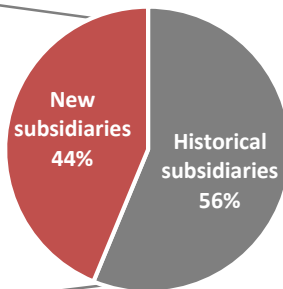


Revenue Breakdown FY 2019

Domestic vs. Int'l

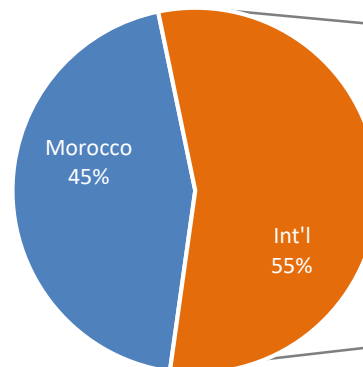


International

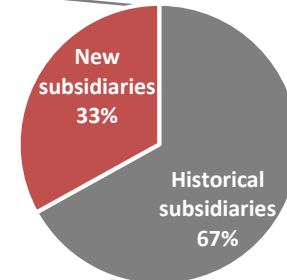


CAPEX Breakdown FY 2019

Domestic vs. Int'l

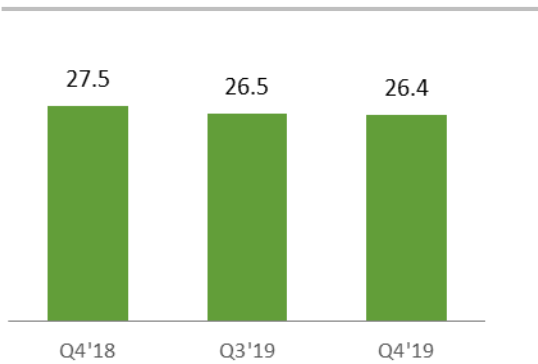


International



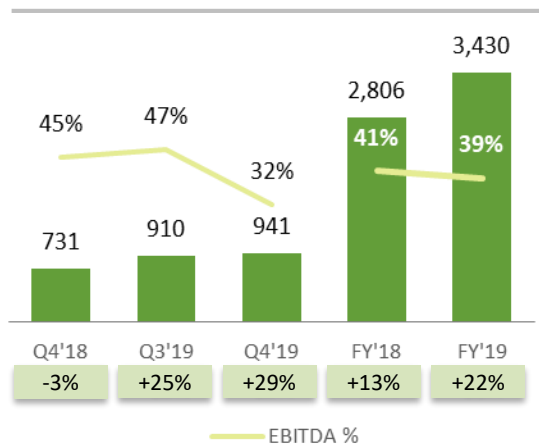
EGYPT: STRONG REVENUE GROWTH AND PROFITABILITY

Subscribers (m)

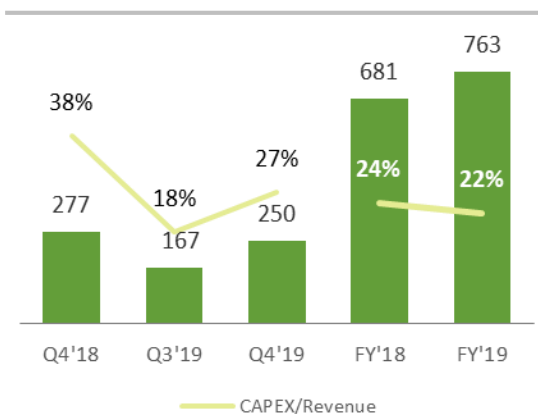


Y/Y % Growth (AED)

Revenue (AED m) / EBITDA Margin (%)



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

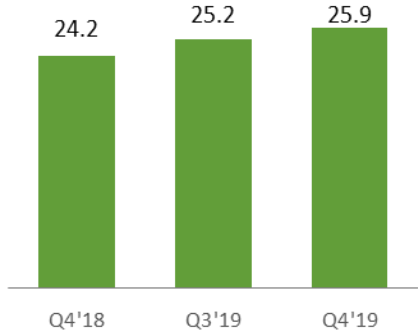


Highlights

- Regulatory restrictions continue to negatively impact customer acquisitions
- Y/Y revenue growth across all segments
- Y/Y EBITDA growth with improvement in margin attributed to higher revenue and one-off settlement with other MNOs
- Capital spending increased and focused on 4G deployment and enhancement of network capacity

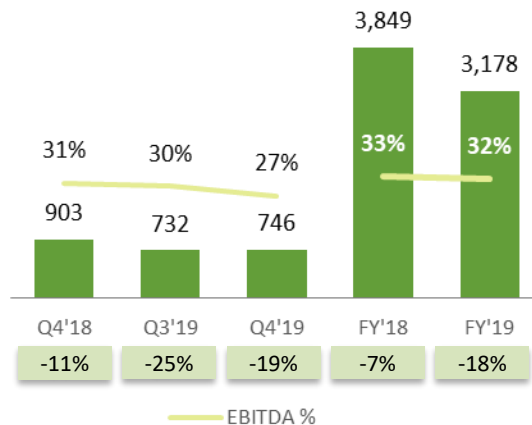
PAKISTAN: MAINTAINED SUBSCRIBER GROWTH AND REVENUE GROWTH IN LOCAL CURRENCY

Subscribers (m)

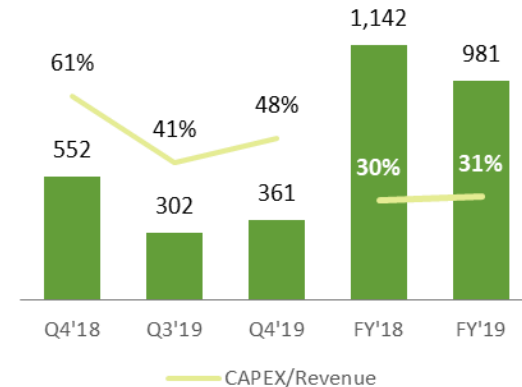


Y/Y % Growth (AED)

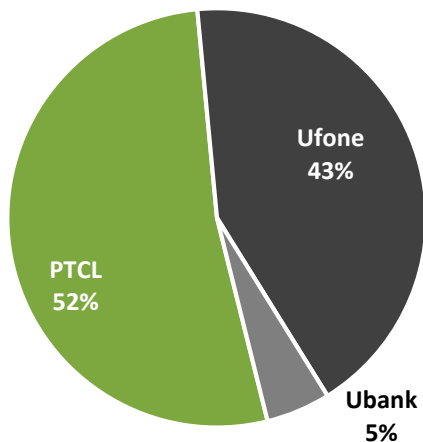
Revenue (AED m) / EBITDA Margin (%)



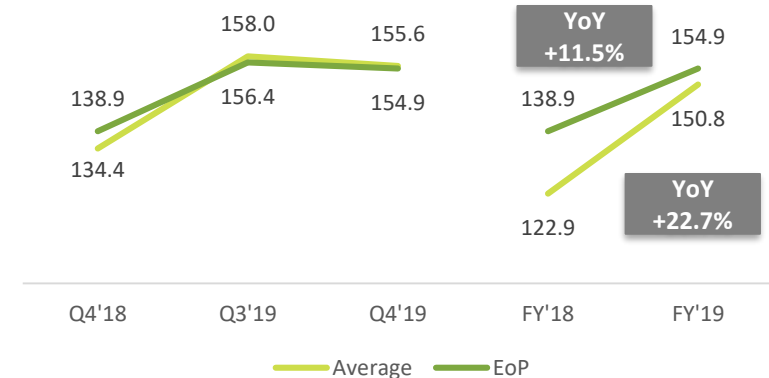
CAPEX (AED m) & CAPEX/Revenue Ratio (%)



REVENUE BREAKDOWN FY 2019



USD / PKR FX Rate (PKR)



2019 ACTUAL AGAINST GUIDANCE: MET MOST OF 2019 GUIDANCE

Financial KPI	Original Guidance 2019 in AED	Revised Guidance 2019 in AED	Actual 2019 in AED
Revenue Growth %	Slightly lower	Around -1.0%	-0.4%
EBITDA Margin%	48% - 49%	50% - 51%	50.5%
EPS (AED)	0.99 – 1.02	1.00 – 1.02	1.00
CAPEX / Revenue %	18% - 19%	15% - 16%	17.0%

2020 GUIDANCE: INVESTING IN THE FUTURE

Financial KPI	Actual 2019 in AED	Guidance 2020 in AED
Revenue Growth %	-0.4%	Around -1%
EBITDA Margin%	50.5%	48% - 49%
EPS ⁽¹⁾ (AED)	1.00	1.00 - 1.02
CAPEX / Revenue %	17.0%	18% - 19%

(1) EPS guidance excludes the impact of a potential share buyback

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