



ETISALAT GROUP Q3 2020 RESULTS PRESENTATION

22 OCTOBER 2020 - ABU DHABI, UAE

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1. Business Overview

Hatem Dowidar
Chief Executive Officer (Interim)
Etisalat Group

COVID-19: SUPPORTING OUR STAKEHOLDERS

Safety

Continued to prioritize employee and customer safety

Offering reliable and secure connectivity in support of our communities

Commercial & Network

Accelerated digitalisation initiatives and innovative offerings

Focus on network resilience and capacity

ETISALAT GROUP FINANCIAL HIGHLIGHTS

AED Million	Q3 2020	Growth YoY%	Growth QoQ%	9M 2020	Growth YoY%
Revenue	13,039	+0%	+4%	38,644	-1%
EBITDA	6,904	+2%	+6%	20,142	+0%
<i>EBITDA Margin</i>	53%	+1pp	+1pp	52%	+0pp
Net profit	2,412	+6%	+1%	6,979	+4%
<i>Net profit Margin</i>	18%	+1pp	-1pp	18%	+1pp
Capex	1,545	-17%	+1%	4,152	-15%
<i>Capex/Revenue</i>	12%	-2pp	-0pp	11%	-2pp

Q3 2020 Highlights

- Revenue is higher Y/Y by 0.5% despite the impact of COVID-19 pandemic across our markets impacting mobile prepaid, roaming revenue and handset sales.
- EBITDA increase Y/Y is driven by ongoing cost optimization initiatives and one-off item related to resolution of disputes.
- EBITDA margin increase Y/Y to 53%
- Net profit Y/Y increased due to higher EBITDA and better performance by associates.
- Lower capital expenditure Y/Y attributed to international operations.

ETISALAT GROUP FINANCIAL HIGHLIGHTS



- Expanding Etisalat Group customer base by +1%
- COVID-19 driving revenue slowdown
- Improved EBITDA Margin to 53%
- Maintaining profitable growth and improving operating free cash flow



- Subscriber growth in mobile postpaid and eLife segments
- COVID-19 negatively impacting revenue and EBITDA growth
- Maintained EBITDA margin by focusing on cost optimization measures
- Continued network investment and digitalization



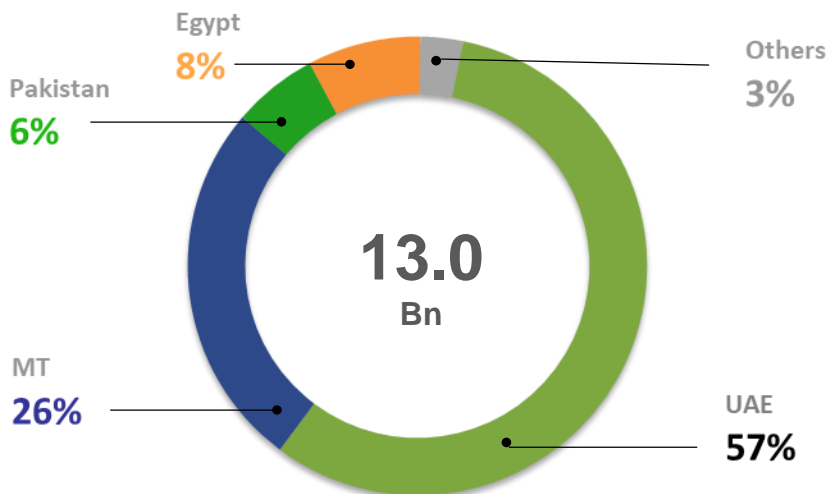
- Maroc Telecom Group revenue impacted by loss of significant revenue from tourism and Moroccans living abroad as a result of the COVID-19 crisis.
- Etisalat Misr sustained revenue growth momentum supported by mobile data;
- Pakistan operations impacted by currency devaluation; However, revenue trend improvement in local currency

2. Financial Overview

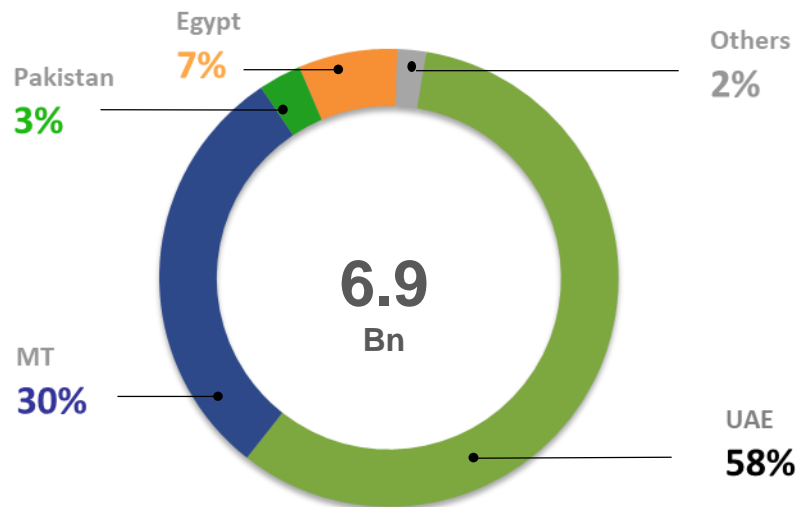
Karim Bennis
Chief Financial Officer
Etisalat Group

ETISALAT GROUP FINANCIAL HIGHLIGHTS

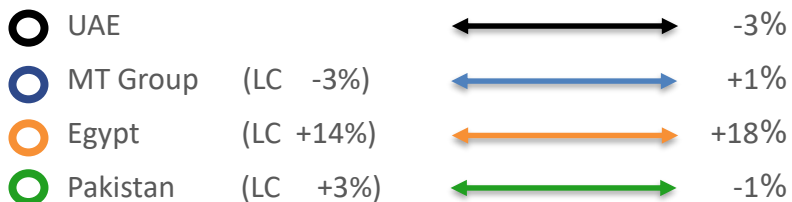
Revenue Breakdown Q3 2020 (AED m)



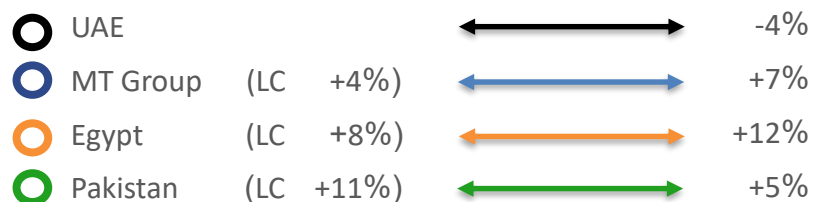
EBITDA Breakdown Q3 2020 (AED m)



YoY Growth 0.5%

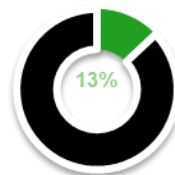
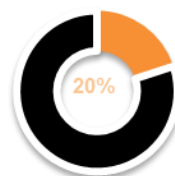
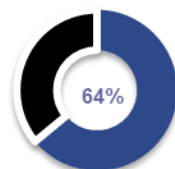
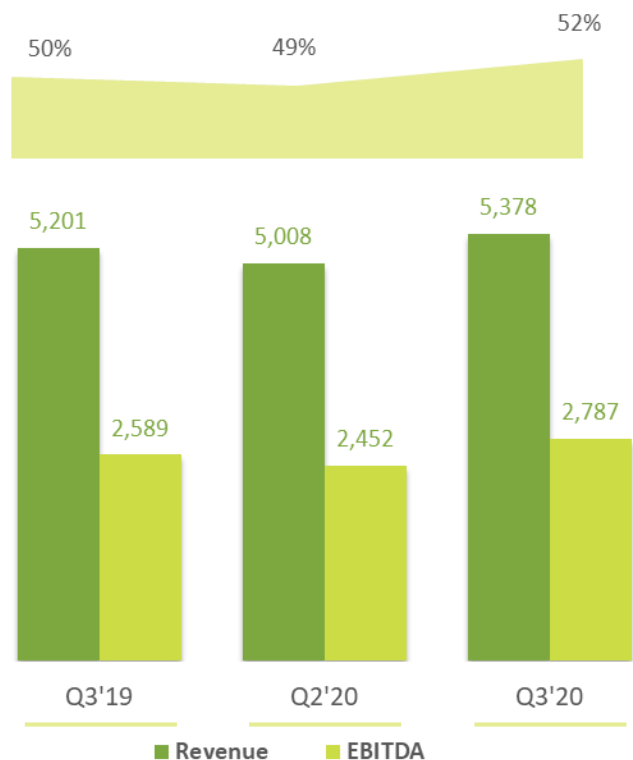


YoY Growth +2.2%



INT'L OPERATIONS FINANCIAL HIGHLIGHTS Q3 2020

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



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

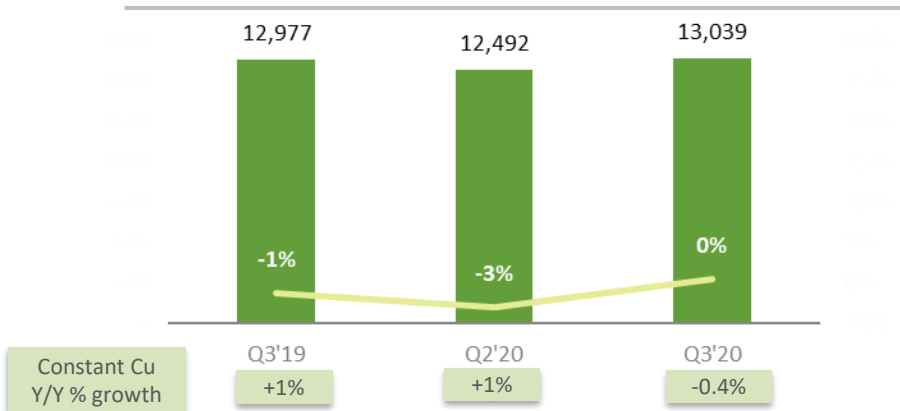
MT Group	Q3 2020	Growth in AED	Growth in MAD
Revenue	3,449	+1%	-3%
EBITDA	2,042	+7%	+4%
EBITDA Margin	59%	+4pp	-1pp

Egypt	Q3 2020	Growth in AED	Growth in EGP
Revenue	1,075	+18%	+14%
EBITDA	483	+12%	+8%
EBITDA Margin	45%	-3pp	-3pp

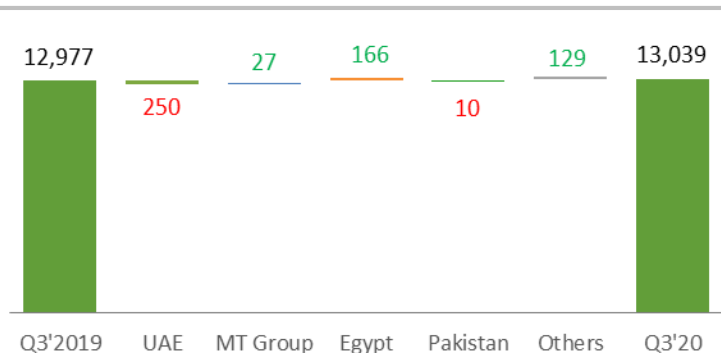
Pakistan	Q3 2020	Growth in AED	Growth in PKR
Revenue	722	-1%	+3%
EBITDA	232	+5%	+11%
EBITDA Margin	32%	+2pp	+2pp

GROUP REVENUE

Revenue (AED m) & YoY Growth (%)



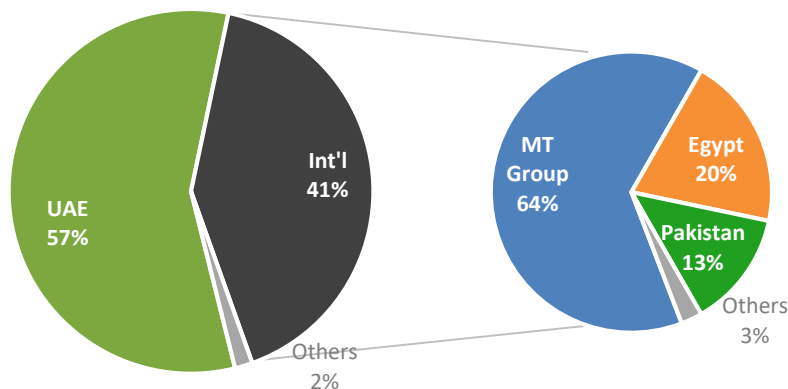
Sources of Revenue Growth – Q3 2020 vs Q3 2019 (AED m)



Revenue by Cluster (Q3 2020)

Domestic vs. Int'l

International

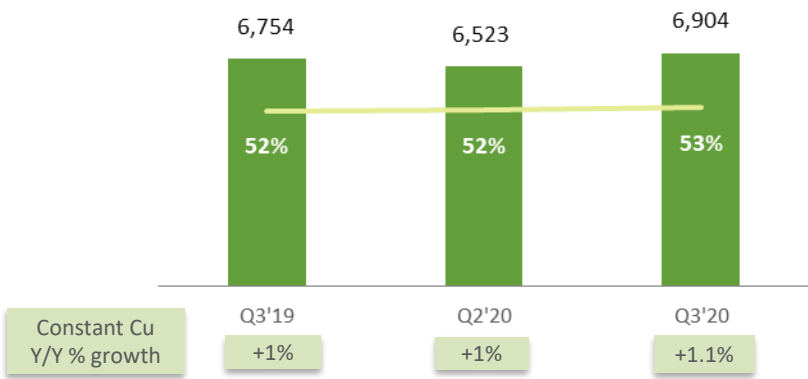


Highlights

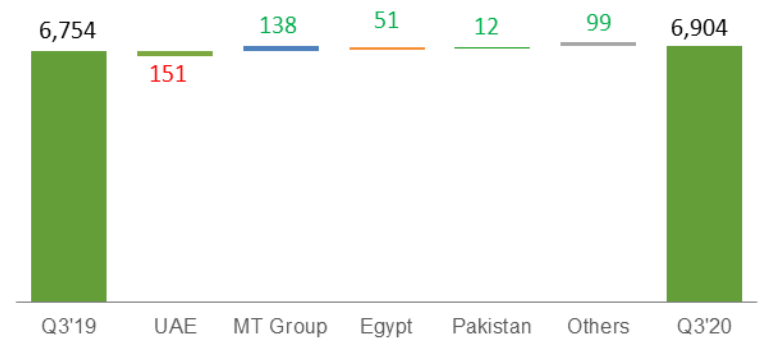
- In Q3'20 consolidated revenue increased by 0.5% as COVID-19 related driving revenue slowdown
- UAE revenue growth impacted by lower voice revenue, mobile roaming and handsets sales on the back of COVID-19 impact
- Revenue from international consolidated operations increased by 3% resulting in 41% contribution to Group revenue:
 - Revenue growth in MT Group in local currency impacted by loss of revenue from tourism and Moroccans living abroad as a result of the COVID-19 crisis
 - Revenue growth in Egypt mainly attributed to strong growth in mobile broadband
 - Revenue growth in Pakistan negatively impacted by currency devaluation while slightly grew in local currency

GROUP EBITDA

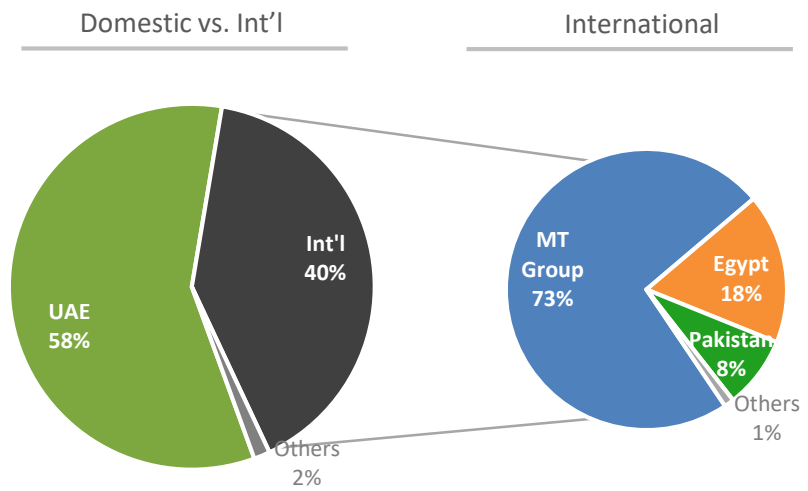
EBITDA (AED m) & EBITDA Margin (%)



Sources of EBITDA Growth – Q3 2020 vs Q3 2019 (AED m)



EBITDA by Cluster (Q3 2020)

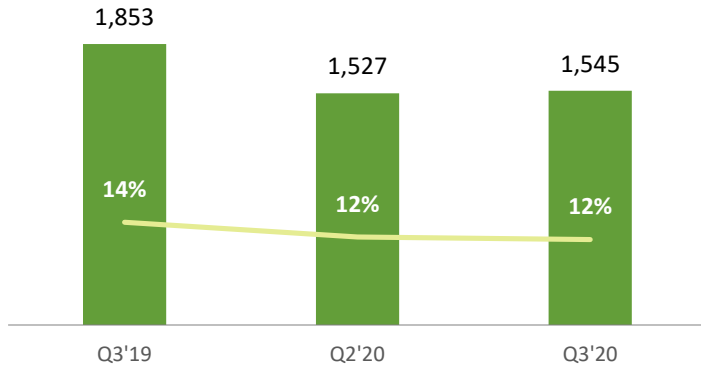


Highlights

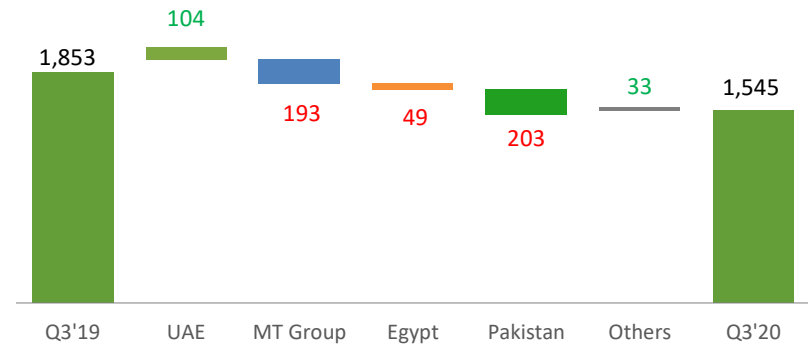
- In Q3'20 consolidated EBITDA increased Y/Y by 2% attributed to one-off related to resolution of disputes and ongoing cost control measures
- EBITDA in the UAE impacted by lower revenue as a result of the COVID-19 impact
- EBITDA of consolidated international operations increased Y/Y by 8% resulting in 40% contribution to Group EBITDA:
 - Positive contribution from Maroc Telecom Group attributed to one-off item related to resolution of disputes
 - Positive contribution from Egypt due to robust revenue growth
 - Positive contribution from Pakistan due to cost controls measures

GROUP CAPEX

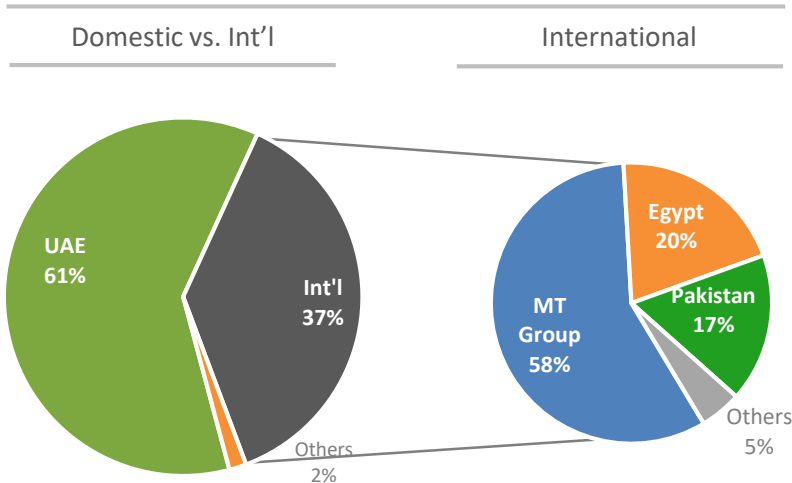
CAPEX (AED m) & CAPEX/Revenue Ratio (%)



Sources of Capex Growth – Q3 2020 vs Q3 2019 (AED m)



CAPEX by Cluster (Q3 2020)



Highlights

- In Q3'20 consolidated capex decreased Y/Y by 17% resulting in a Capex / Revenue ratio of 12%
- Higher capital spend in the UAE focused on investment in data centres, the network's capacity and speed and 5G deployment
- Capital expenditure in international operations declined Y/Y by 43% and contributed 37% to consolidated Group Capex:
 - Lower capex spend in domestic operations of MT Group
 - Lower capex spend in Egypt with focus on network capacity
 - Lower capex spend in Pakistan focused on mobile network enhancement

GROUP BALANCE SHEET & CASH FLOWS

Balance Sheet (AED m)	Dec-19	Sep-20
Cash & bank Balances	29,657	26,952
Total Assets	128,266	126,343
Total Debt	23,889	26,028
Net Cash / (Debt)	5,768	924
Total Equity	57,767	57,656

Cash Flow (AED m)	Sep-19	Sep-20
Operating	10,692	10,506
Investing	(4,572)	(4,317)
Financing	(8,529)	(8,681)
Net change in cash	(2,409)	(2,492)
<i>Effect of FX rate changes</i>	504	(187)
Reclassified as held for sales	(27)	(26)
Ending cash balance	26,429	26,952

Investment Grade Credit Ratings



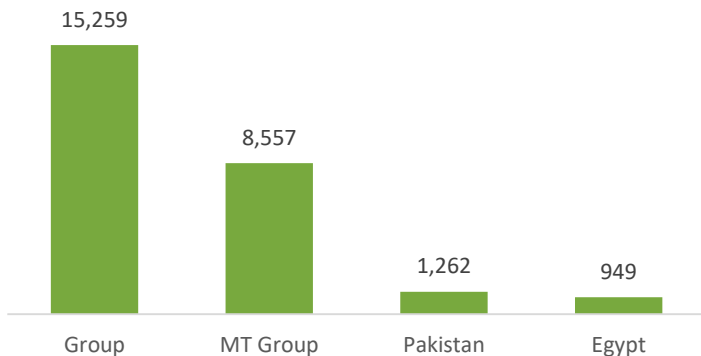
Highlights

- Maintained strong liquidity position with net cash position
- Slightly lower operating cash flow due to changes in working capital
- Slightly lower investing cash outflow attributed to asset disposals and lower cash capex
- Slightly higher financing cash outflow mainly attributed to higher net proceeds from borrowings and MT donation to anti-COVID fund

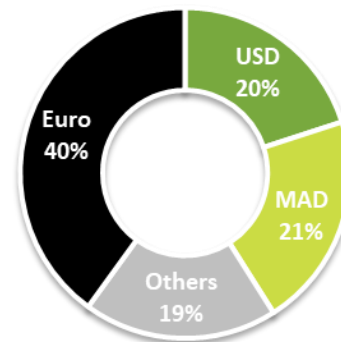
Note: Debt represents interest bearing debt i.e. bonds, banks borrowings, vendor financing and other financial obligations. It excludes lease obligations.

DEBT PROFILE: DIVERSIFIED DEBT PORTFOLIO

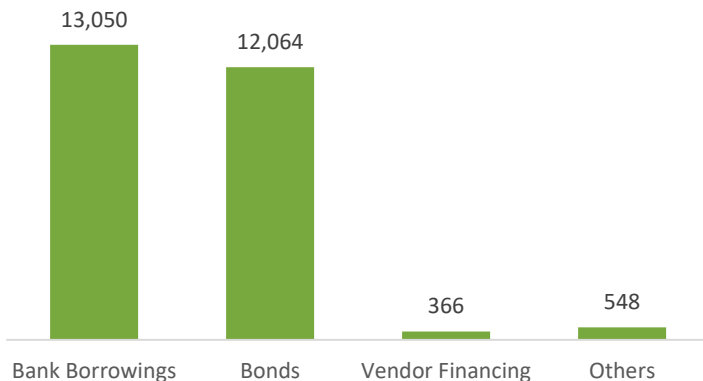
Borrowings by Operation Q3 2020 (AED m)



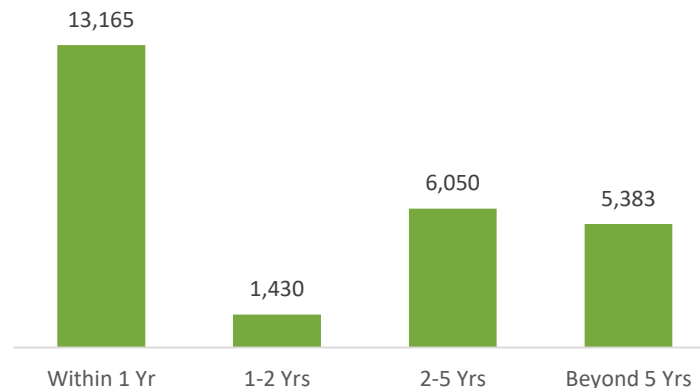
Borrowings by Currency Q3 2020 (%)



Debt by Source Q3 2020 (AED m)



Repayment Schedule Q3 2020 (AED m)



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

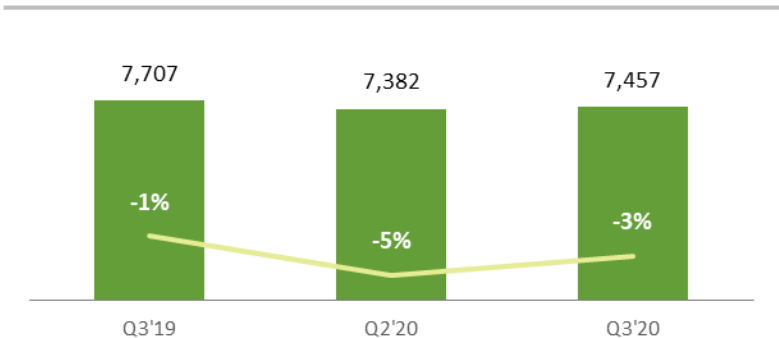
COUNTRY BY COUNTRY FINANCIAL REVIEW



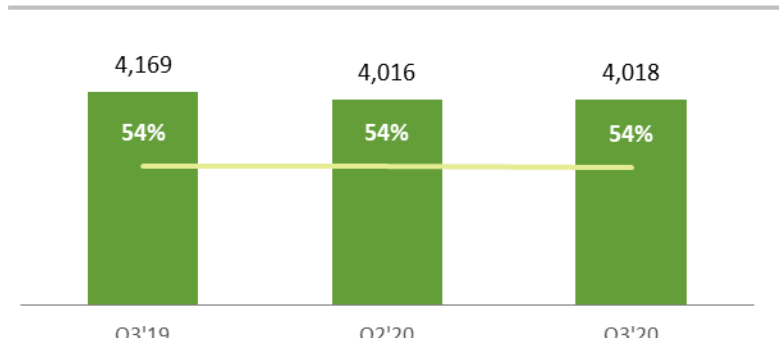
UAE: COVID-19 DRIVING REVENUE SLOWDOWN

COST OPTIMISATION INITIATIVES SUPPORTED PROFITABILITY MARGINS

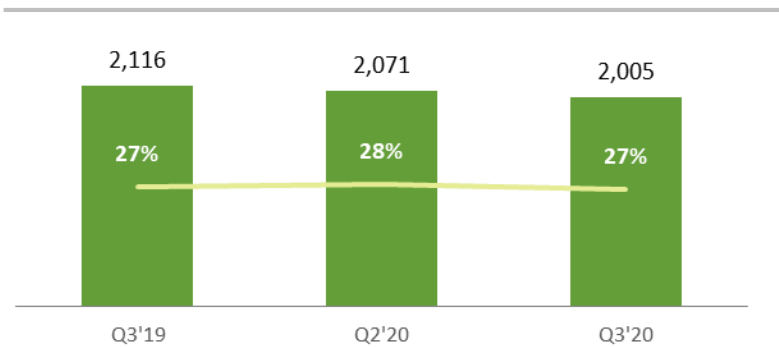
Revenue (AED m) / YoY Growth (%)



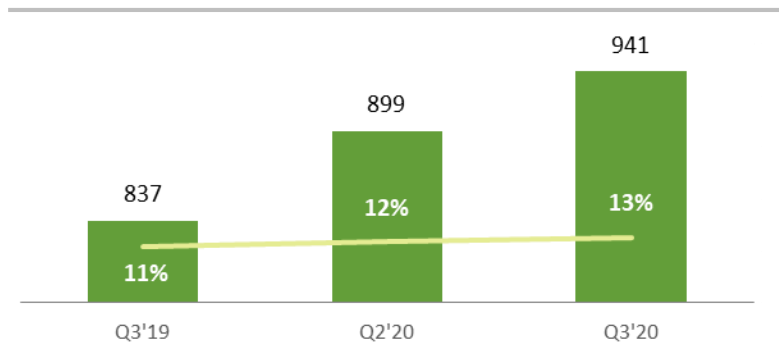
EBITDA (AED m) / EBITDA Margin (%)



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

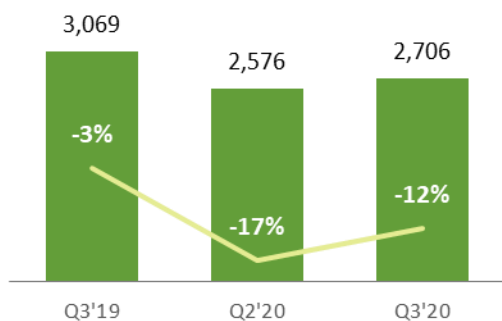


CAPEX (AED m) & CAPEX / Revenue Ratio (%)

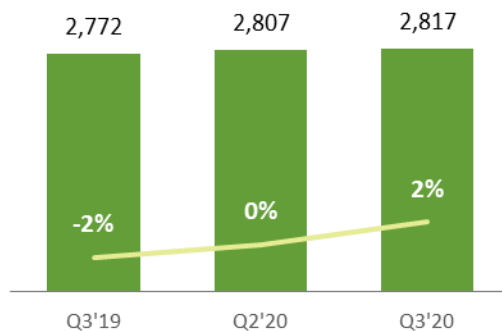


UAE: REVENUE BREAKDOWN AND KEY KPIs

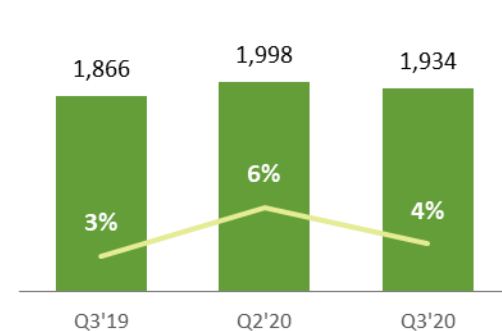
Mobile Revenues⁽¹⁾ (AED m)



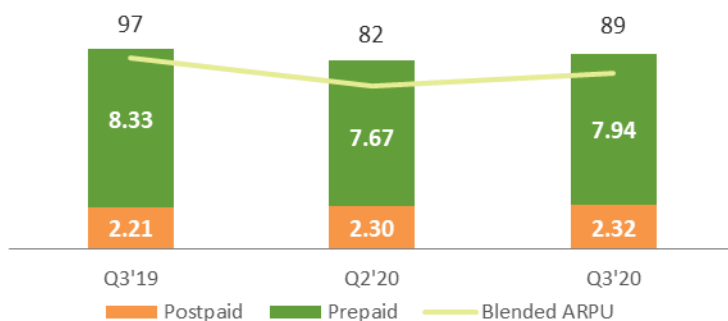
Fixed Revenues⁽²⁾ (AED m)



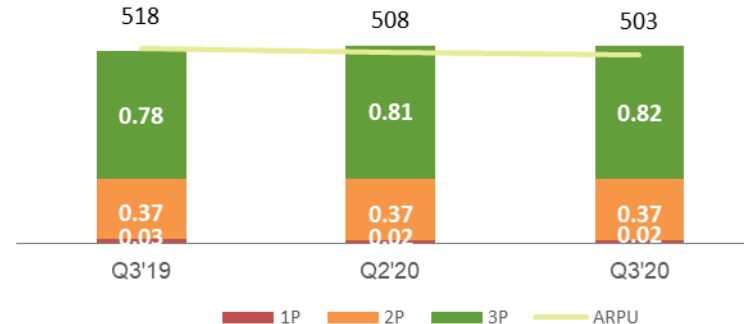
Other Revenues⁽³⁾ (AED m)



Mobile Subs⁽⁴⁾ (m) & ARPU⁽⁵⁾ (AED)



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

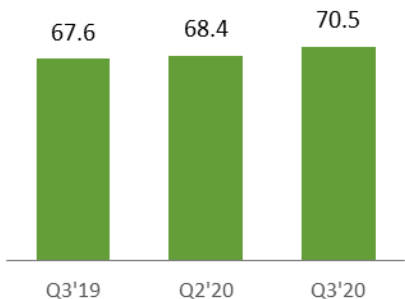


(1) Mobile revenues includes mobile voice, data, rental, outbound roaming, VAS, and mobile digital services
 (2) Fixed revenues includes fixed voice, data, rental, VAS, internet and TV services
 (3) Others Revenues includes ICT, managed services, wholesale (local and int'l interconnection, transit and 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: REVENUE IMPACTED BY COVID-19

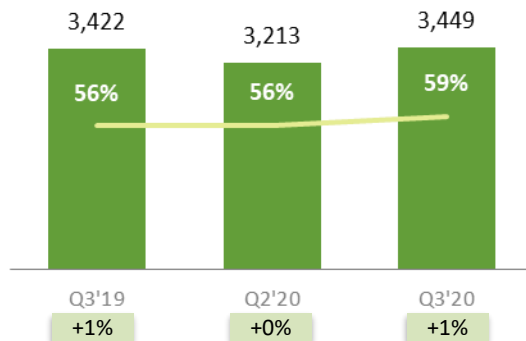
Morocco, Benin, Burkina Faso, CAR, CDI, Chad, Gabon, Mali, Mauritania, Niger & Togo

Subscribers (m)

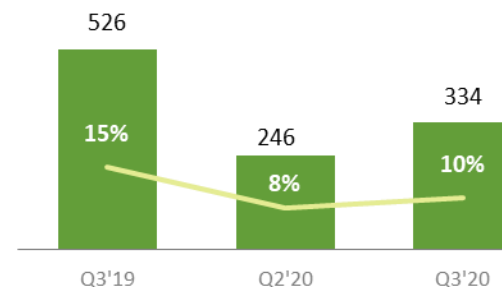


Y/Y % Growth (AED)

Revenue (AED m) / EBITDA Margin (%)

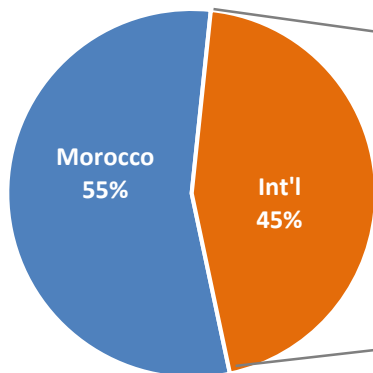


CAPEX (AED m) & CAPEX/Revenue Ratio (%)

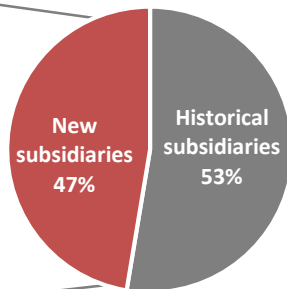


Revenue Breakdown Q3 2020

Domestic vs. Int'l

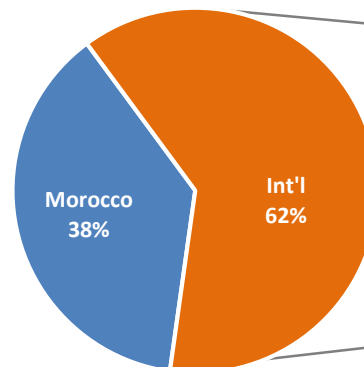


International

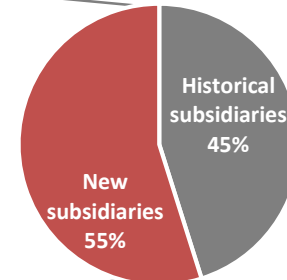


CAPEX Breakdown Q3 2020

Domestic vs. Int'l

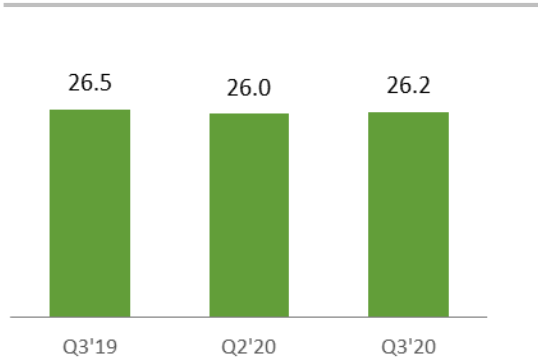


International



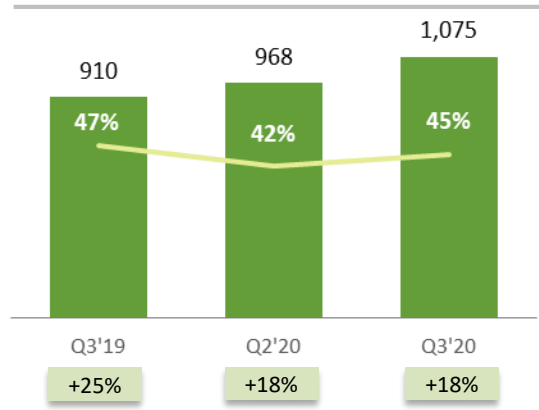
EGYPT: STRONG REVENUE GROWTH AND PROFITABILITY

Subscribers (m)

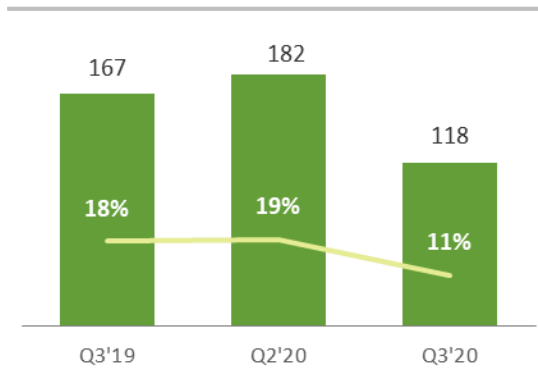


Y/Y % Growth (AED)

Revenue (AED m) / EBITDA Margin (%)



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

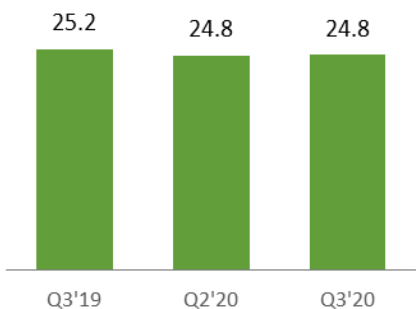


Highlights

- Y/Y revenue growth attributed to data and wholesale segments
- Y/Y EBITDA growth mainly attributed to higher revenue and lower costs of sales
- Capital spending decreased and focused on network capacity

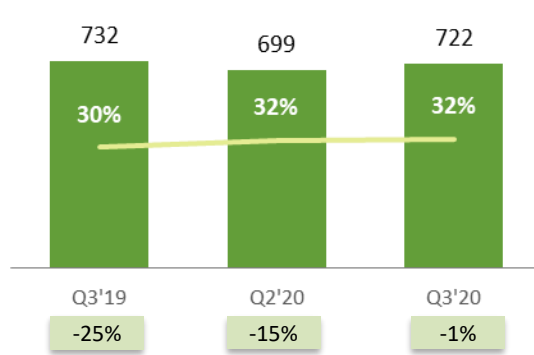
PAKISTAN: STABILIZING REVENUE AND EBITDA MARGIN

Subscribers (m)

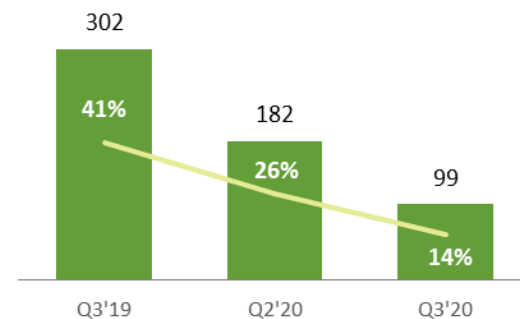


Y/Y % Growth (AED)

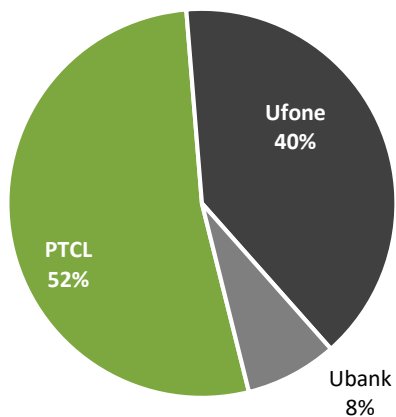
Revenue (AED m) / EBITDA Margin (%)



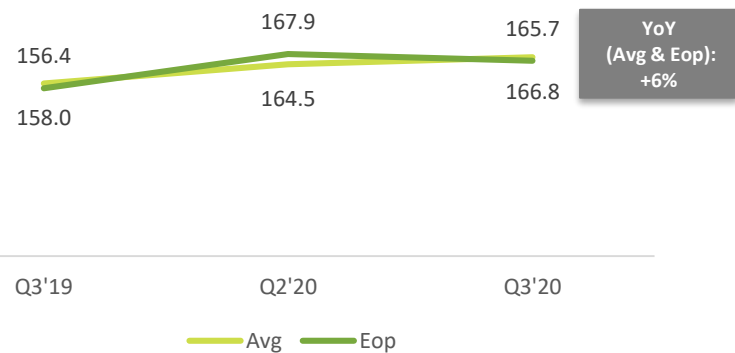
CAPEX (AED m) & CAPEX/Revenue Ratio (%)



REVENUE BREAKDOWN Q3 2020



USD / PKR FX Rate (PKR)



9M 2020: AGILITY ON COST OPTIMIZATION INITIATIVES SUPPORTS PROFITABILITY RESILIENCE

Revenue

38.6

AED Billion

YOY Growth

-0.5% ↓

EBITDA

20.1

AED Billion

YOY Growth

+0.2% ↑

Net Profit

7.0

AED Billion

YOY Growth

+3.7% ↑

CAPEX

4.2

AED Billion

YOY Growth

-14.9% ↓

Free Cash Flow

16.0

AED Billion

FCF %

41.4%

YOY Growth

5.1% ↑

EBITDA %

52.1%

YOY Growth

+0.4pt ↑

Net Profit %

18.1%

YOY Growth

+0.7pt ↑

CAPEX Intensity %

10.7%

YOY Growth

-1.8pt ↓

Etisalat's financial and corporate
information **in one click**

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