



ETISALAT GROUP Q1 2021 RESULTS PRESENTATION

29 APRIL 2021 - ABU DHABI, UAE

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1. Business Overview

Hatem Dowidar
Chief Executive Officer
Etisalat Group

ETISALAT GROUP FINANCIAL HIGHLIGHTS

AED Million	Q1 2021	Growth YoY%	Growth QoQ%
Revenue	13,220	+0.8%	+1.2%
EBITDA	6,765	+0.7%	+7.4%
<i>EBITDA Margin</i>	<i>51%</i>	<i>0.0pp</i>	<i>+2.9pp</i>
Net profit	2,350	+7.9%	+14.7%
<i>Net profit Margin</i>	<i>18%</i>	<i>+1.2pp</i>	<i>+2.1pp</i>
Capex	1,078	-0.1%	-63.4%
<i>Capex/Revenue</i>	<i>8%</i>	<i>-0.1pp</i>	<i>-14.4pp</i>

Q1 2021 Highlights

- Revenue increase Y/Y is attributed to the international operations
- EBITDA increase Y/Y is driven by higher revenue and ongoing cost optimisation initiatives sustaining the agility and resilience of the Group
- EBITDA margin stable Y/Y
- Net profit increase Y/Y due to higher EBITDA, higher contribution from associates and lower impairment loss on trade receivables and lower losses on financial investments
- Capital expenditure stable Y/Y focused on network expansion and maintenance

ETISALAT GROUP FINANCIAL HIGHLIGHTS



- Expanding Etisalat Group customer base by 4%
- Delivering revenue growth despite ongoing impact of COVID-19
- Maintaining healthy EBITDA Margin at 51%
- Sustaining profitable growth and improving operating free cash flow



- Subscriber growth in mobile postpaid and eLife segments
- COVID-19 negatively impacting revenue and EBITDA growth
- EBITDA margin supported by cost optimisation measures
- Investing in network and digital capabilities



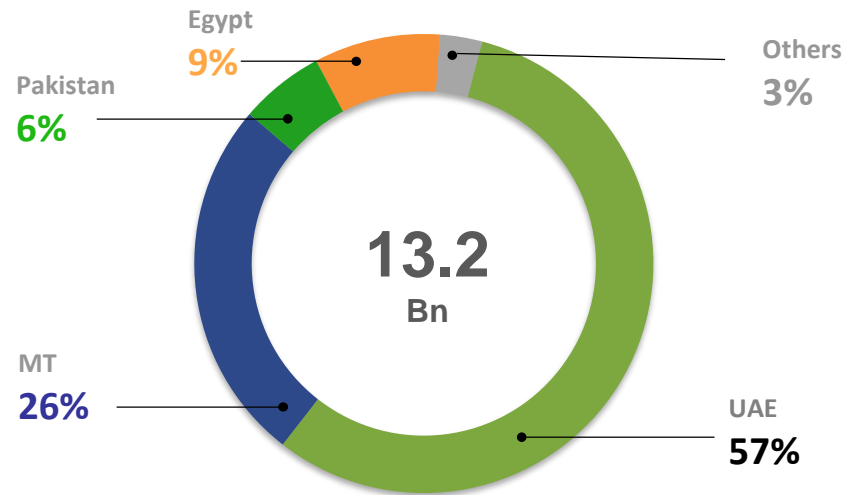
- Maroc Telecom Group performance is influenced by regulatory and competitive pressure in the domestic market that outweighed the growth in int'l operations
- Etisalat Misr sustained revenue growth momentum supported by mobile data
- Recovery in Pakistan operations attributed to revenue growth in all segments

2. Financial Overview

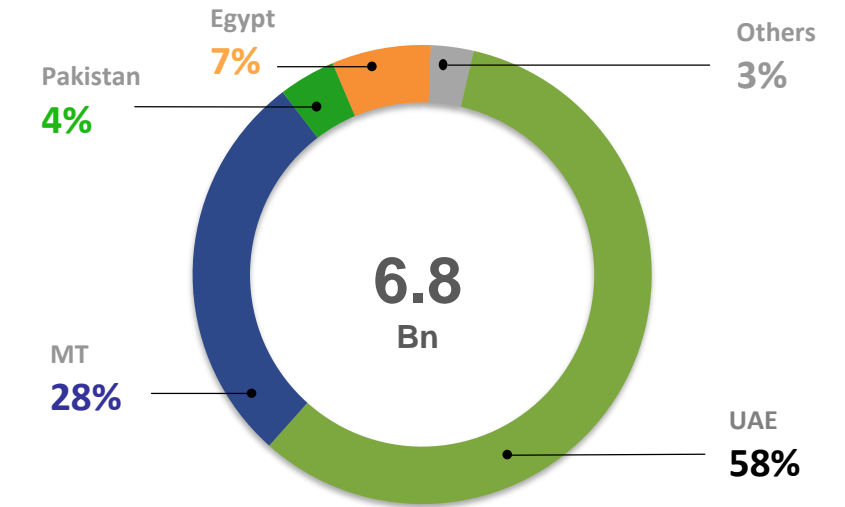
Karim Bennis
Chief Financial Officer
Etisalat Group

ETISALAT GROUP FINANCIAL HIGHLIGHTS

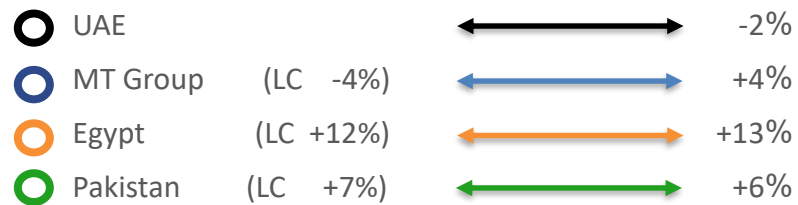
Revenue Breakdown Q1 2021 (AED m)



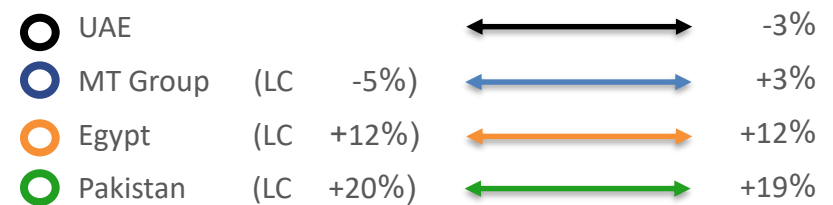
EBITDA Breakdown Q1 2021 (AED m)



YoY Growth +0.8%

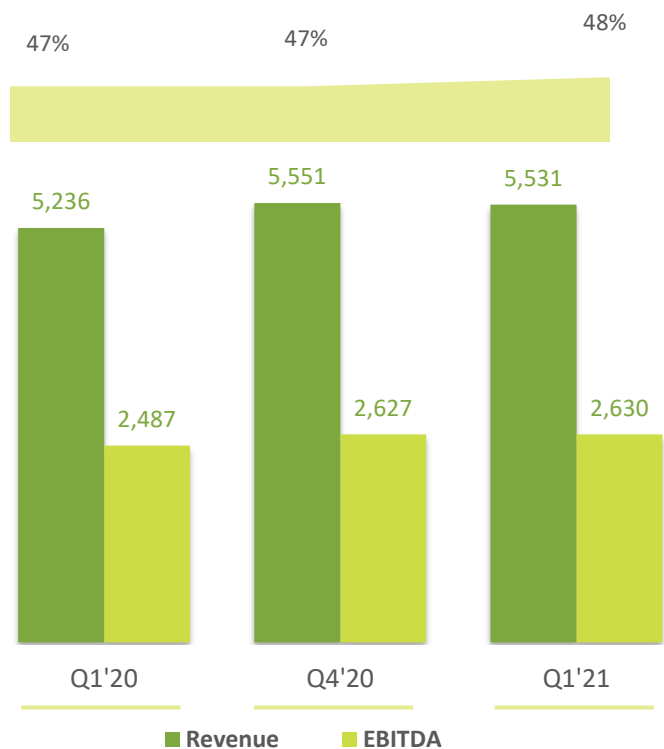


YoY Growth +0.7%



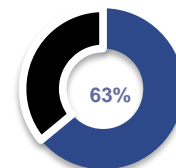
INT'L OPERATIONS FINANCIAL HIGHLIGHTS Q1 2021

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

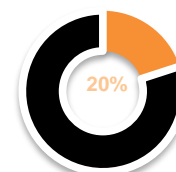


Revenue & EBITDA (AED m) / EBITDA Margin (%) / YoY Growth %

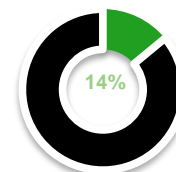
MT Group	Q1 2021	Growth in AED	Growth in MAD
Revenue	3,480	+4%	-4%
EBITDA	1,871	+3%	-5%
EBITDA Margin	54%	0pp	0pp



Egypt	Q1 2021	Growth in AED	Growth in EGP
Revenue	1,131	+13%	+12%
EBITDA	467	+12%	+12%
EBITDA Margin	41%	0pp	0pp

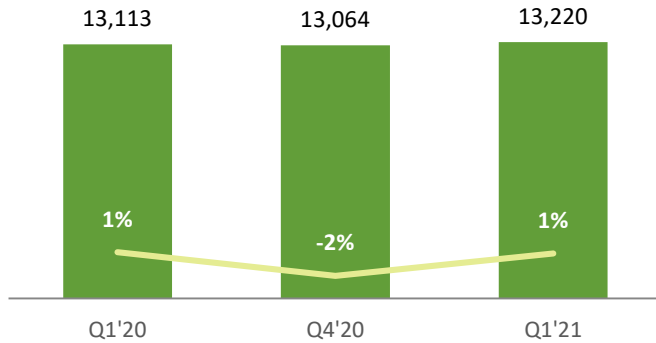


Pakistan	Q1 2021	Growth in AED	Growth in PKR
Revenue	789	+6%	+7%
EBITDA	256	+19%	+20%
EBITDA Margin	32%	+4pp	+4pp

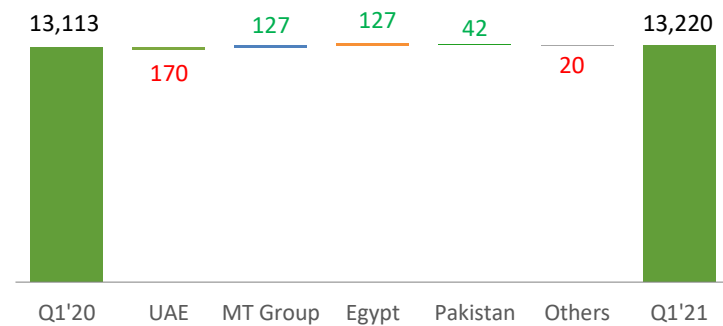


GROUP REVENUE

Revenue (AED m) & YoY Growth (%)



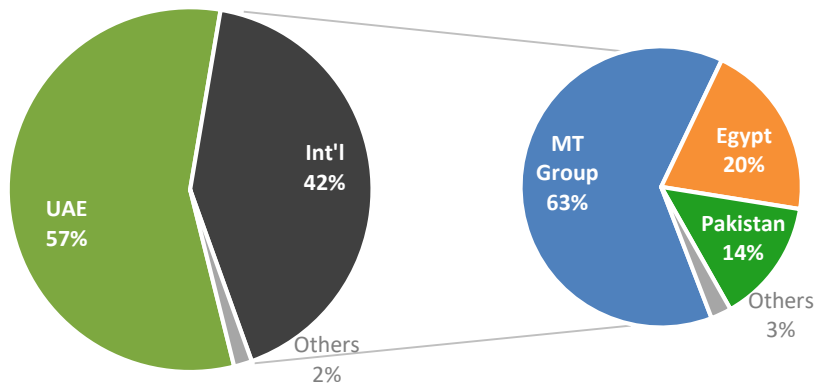
Sources of Revenue Growth – Q1 2021 vs Q1 2020 (AED m)



Revenue by Cluster (Q1 2021)

Domestic vs. Int'l

International

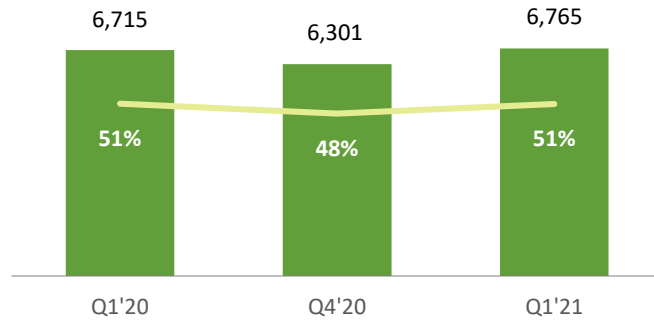


Highlights

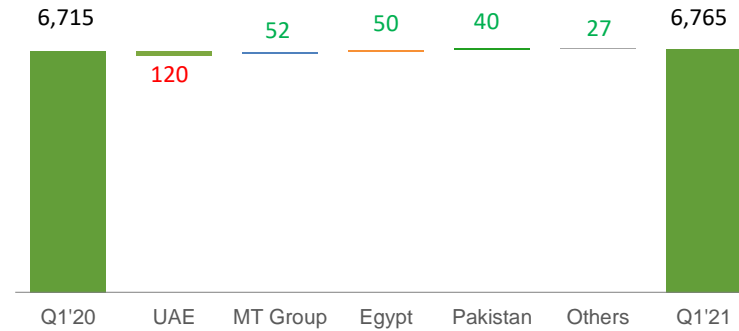
- In Q1'21 consolidated revenue increased by 0.8% attributed to international operations
- UAE revenue growth impacted by lower voice revenue, mobile roaming due to ongoing effect of COVID-19 impact
- Revenue from international consolidated operations increased by 6% Y/Y resulting in 42% contribution to Group revenue:
 - Revenue growth in MT Group attributed to favorable exchange rate movement, growth in int'l subsidiaries and fixed broadband in Morocco
 - Revenue growth in Egypt mainly attributed to strong growth in mobile data
 - Revenue growth in Pakistan attributed to all segment

GROUP EBITDA

EBITDA (AED m) & EBITDA Margin (%)



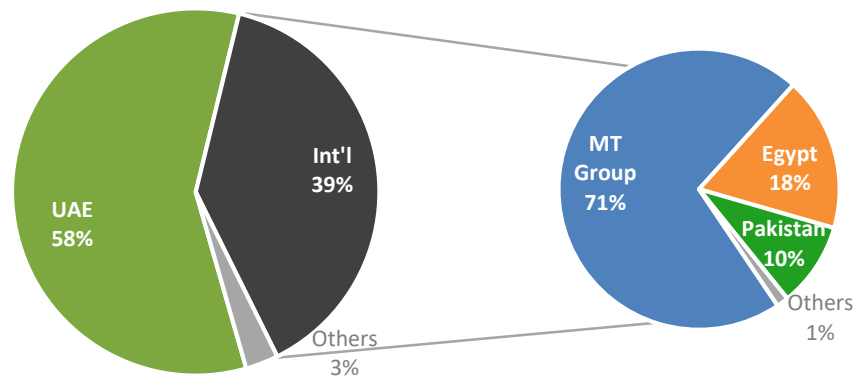
Sources of EBITDA Growth –Q1 2021 vs Q1 2020 (AED m)



EBITDA by Cluster (Q1 2021)

Domestic vs. Int'l

International

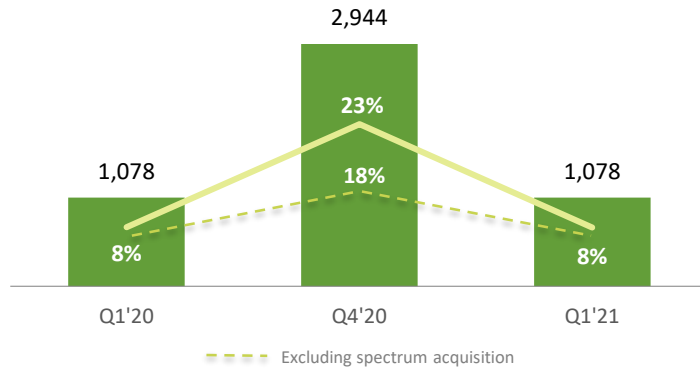


Highlights

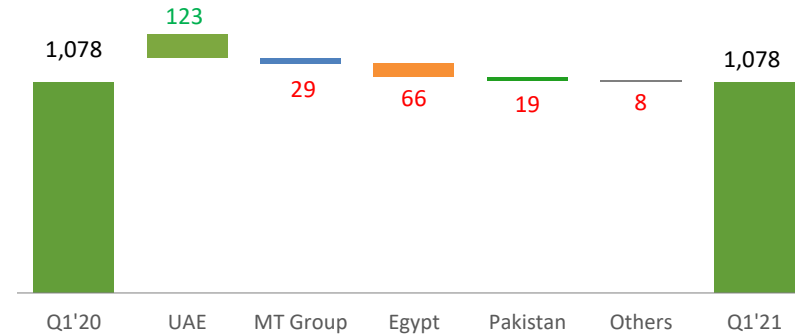
- In Q1'21 consolidated EBITDA increased by 0.7% attributed to better revenue and ongoing cost optimization initiatives
- EBITDA in the UAE impacted by lower revenue as a result of the COVID-19 impact
- EBITDA of consolidated international operations increased by 6% Y/Y resulting in 39% contribution to Group EBITDA:
 - Positive contribution from Maroc Telecom Group attributed to favorable exchange rate movement and performance of international subsidiaries
 - Positive contribution from Egypt due to robust revenue growth
 - Positive contribution from Pakistan due to higher revenue and lower operating expenses

GROUP CAPEX

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



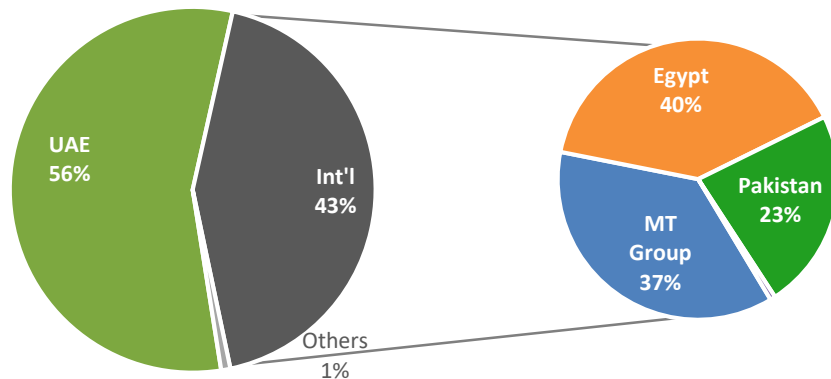
Sources of Capex Growth – Q1 2021 vs Q1 2020 (AED m)



Capex by Cluster (Q1 2021)

Domestic vs. Int'l

International



Highlights

- In Q1'21 consolidated capex was stable to resulting in a Capex / Revenue ratio of 8%
- Higher capital spend in the UAE focused on investment in network modernisation and maintenance
- Capital expenditure in international operations declined Y/Y by 21% and contributed 43% to consolidated Group capex:
 - Lower capex spend in both domestic and international operations of MT Group
 - Lower capex spend in Egypt focused on network deployment
 - Lower capex spend in Pakistan focused on mobile network enhancement

GROUP BALANCE SHEET & CASH FLOWS

Balance Sheet (AED m)	Dec-20	Mar-21
Cash & bank Balances	31,345	33,530
Total Assets	133,018	134,886
Total Debt	26,701	25,322
Net Cash / (Debt)	4,644	8,209
Total Equity	60,550	56,439

Cash Flow (AED m)	Mar-20	Mar-21
Operating	4,174	3,925
Investing	(897)	(729)
Financing	439	(1,222)
Net change in cash	3,716	1,974
Effect of FX rate changes	228	184
Reclassified as held for sales	(26)	27
Ending cash balance	33,574	33,530

Investment Grade Credit Ratings



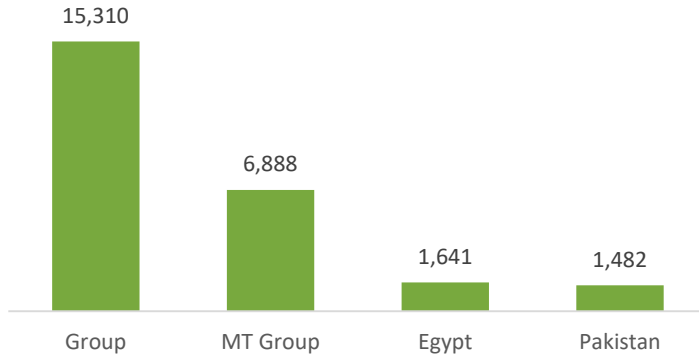
Highlights

- Better liquidity position with net cash balance
- Slightly lower operating cash flow due to changes in working capital
- Lower investing cash outflow attributed to lower cash capex
- Higher financing cash outflow mainly attributed to repayment of bank borrowings
- Maintained high credit ratings with stable outlook

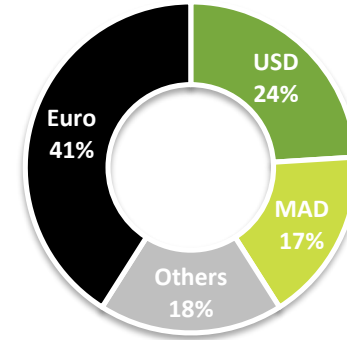
Note: Debt represents interest bearing debt i.e. bonds, banks borrowings, vendor financing and other financial obligations. It excludes lease obligations.

DEBT PROFILE: DIVERSIFIED DEBT PORTFOLIO

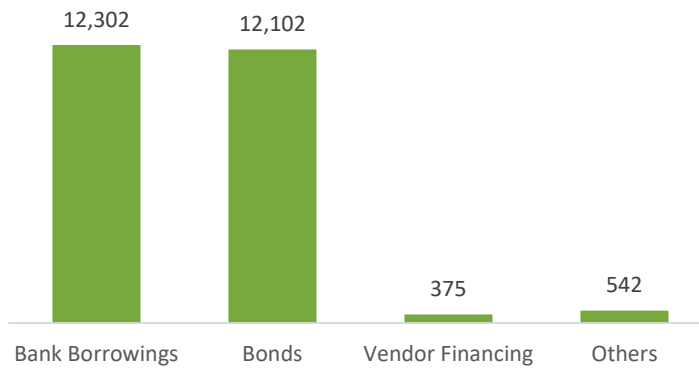
Borrowings by Operation Q1 2021 (AED m)



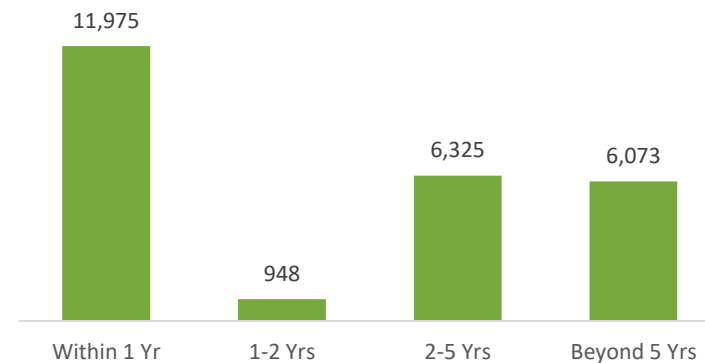
Borrowings by Currency Q1 2021 (%)



Debt by Source Q1 2021 (AED m)



Repayment Schedule Q1 2021 (AED m)



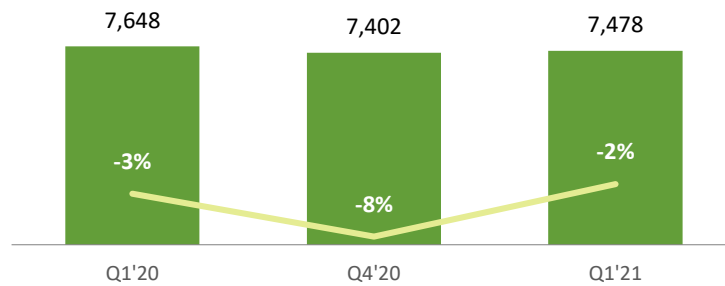
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**COUNTRY BY
COUNTRY FINANCIAL
REVIEW**

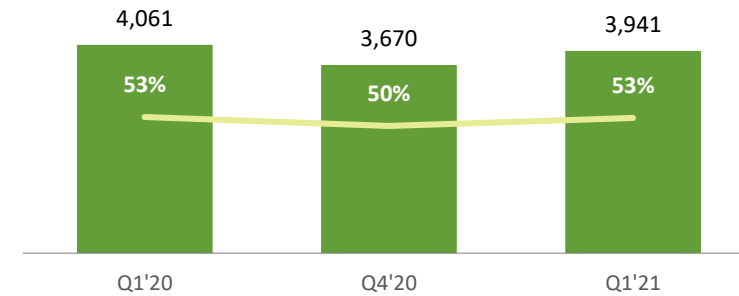


UAE: RESILIENT PERFORMANCE DESPITE COVID-19 IMPACT YOY COST OPTIMISATION INITIATIVES SUSTAINED PROFITABILITY MARGINS

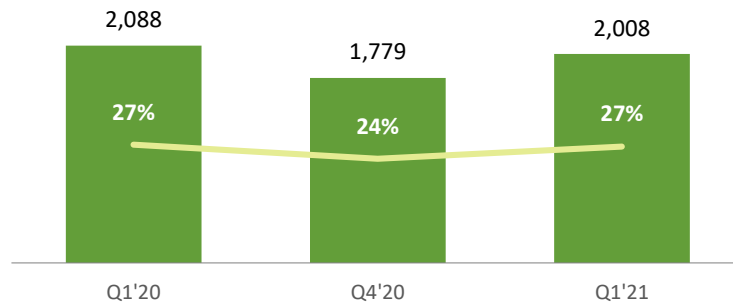
Revenue (AED m) / YoY Growth (%)



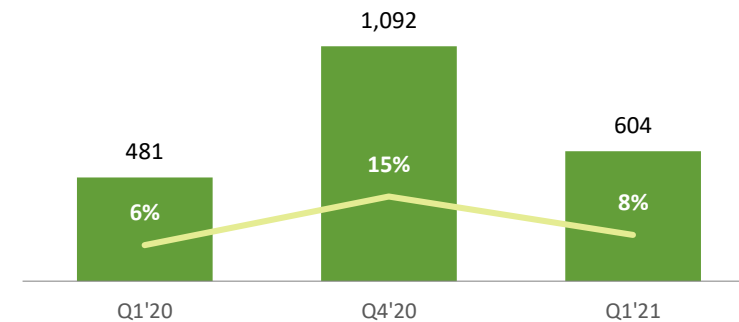
EBITDA (AED m) / EBITDA Margin (%)



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

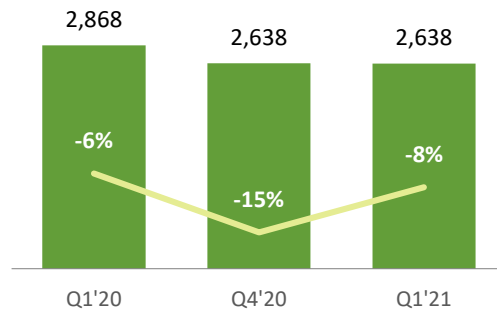


Capex (AED m) & Capex / Revenue Ratio (%)

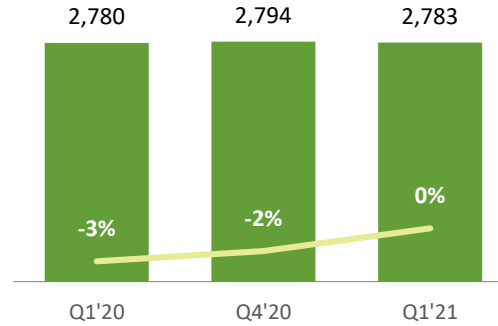


UAE: REVENUE BREAKDOWN AND KEY KPIs

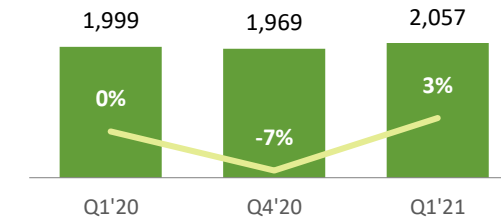
Mobile Revenues⁽¹⁾ (AED m)



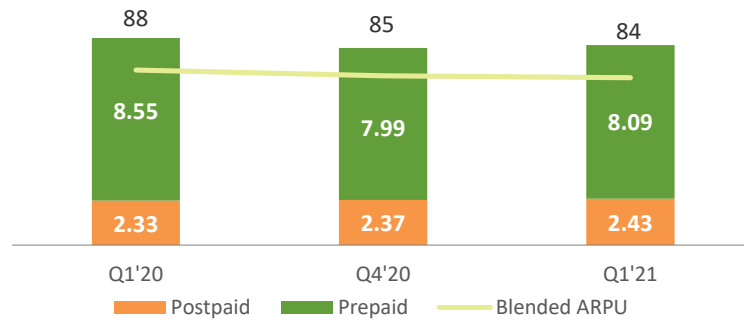
Fixed Revenues⁽²⁾ (AED m)



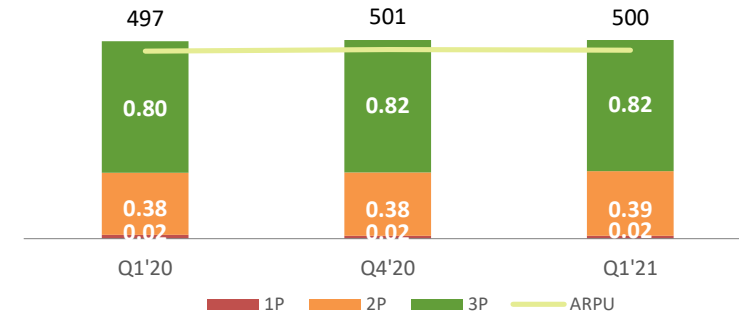
Other Revenues⁽³⁾ (AED m)



Mobile Subs⁽⁴⁾ (m) & ARPU⁽⁵⁾ (AED)



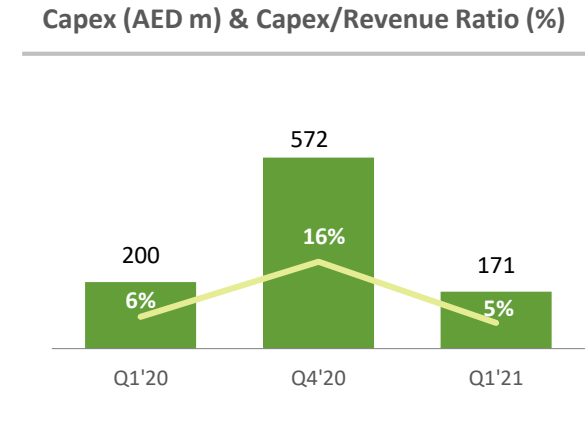
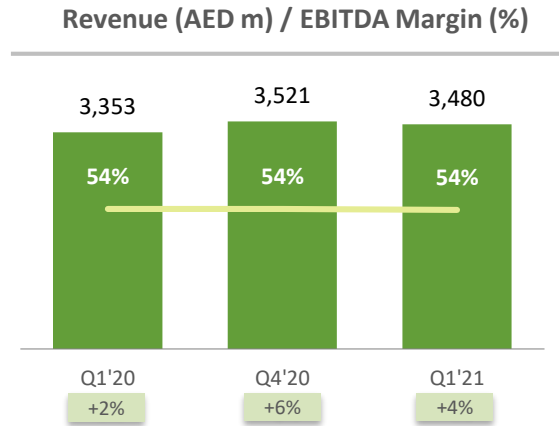
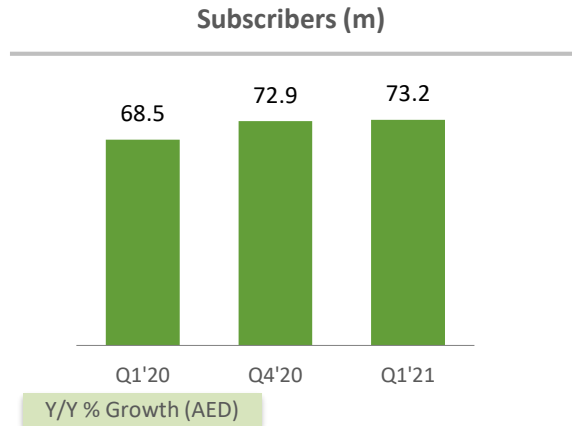
Fixed Broadband⁽⁶⁾ Subs (m) & ARPU⁽⁷⁾ (AED)



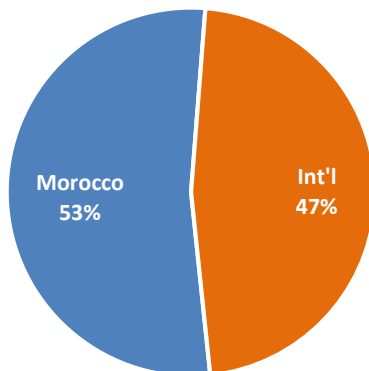
- (1) Mobile revenues includes mobile voice, data, rental, outbound roaming, VAS, and mobile digital services
- (2) Fixed revenues includes fixed voice, data, rental, VAS, internet and TV services
- (3) Others Revenues includes ICT, managed services, wholesale (local and int'l interconnection, transit 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: INCREASED REGULATORY AND COMPETITIVE PRESSURE IN DOMESTIC MARKET

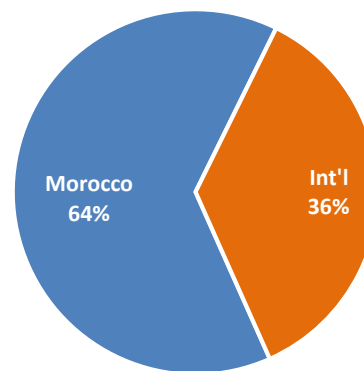
Morocco, Benin, Burkina Faso, CAR, CDI, Chad, Gabon, Mali, Mauritania, Niger & Togo



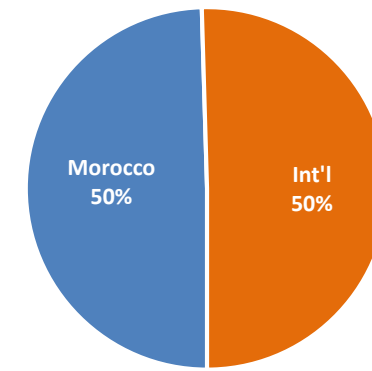
Revenue Breakdown Q1 2021



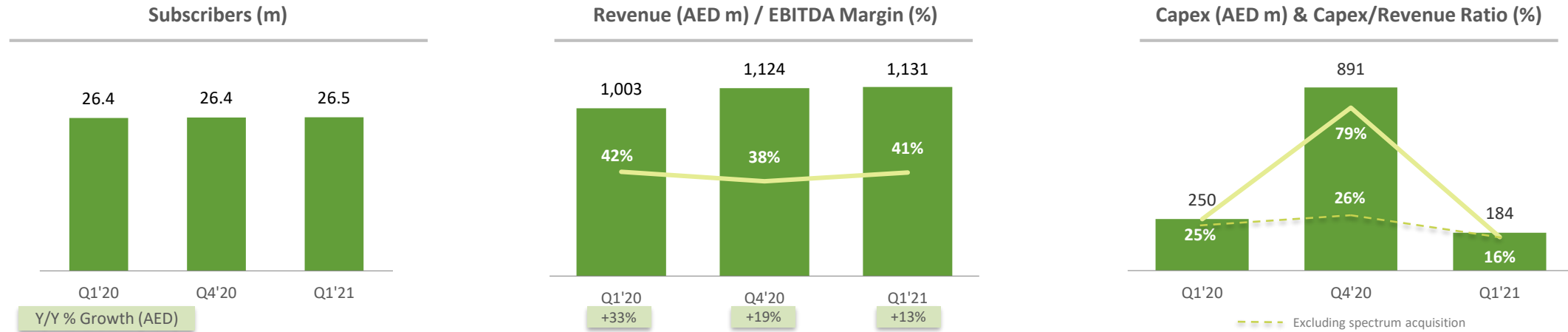
EBITDA Breakdown Q1 2021



Capex Breakdown Q1 2021



EGYPT: STRONG REVENUE GROWTH AND PROFITABILITY

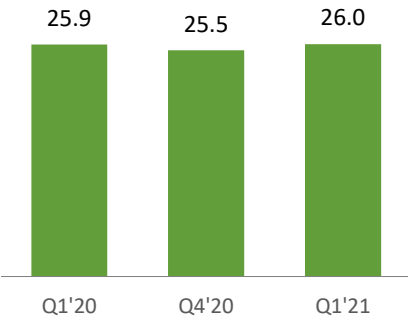


Highlights

- Y/Y improvement in subscriber base
- Y/Y revenue growth attributed to data and wholesale segments
- Y/Y EBITDA growth mainly attributed to higher revenue
- Lower capital spending Y/Y focused on network coverage and capacity

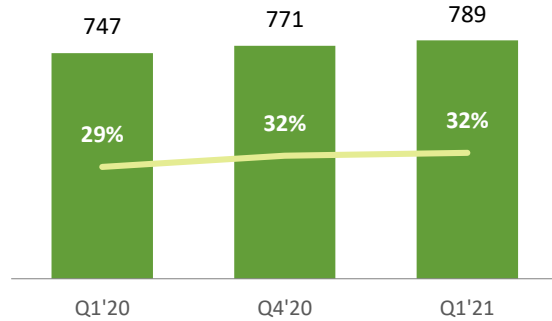
PAKISTAN: IMPROVEMENT IN TOPLINE AND PROFITABILITY

Subscribers (m)



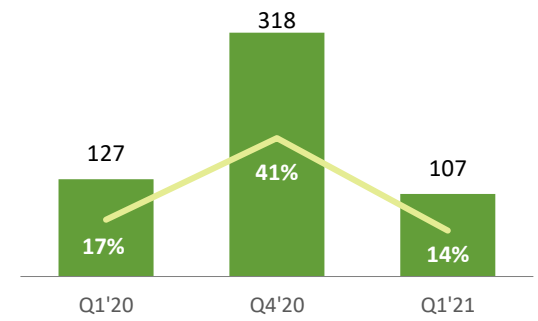
Y/Y % Growth (AED)

Revenue (AED m) / EBITDA Margin (%)



Y/Y % Growth (AED)

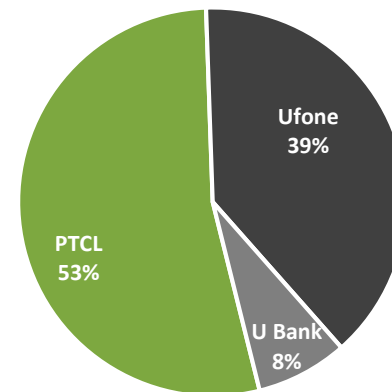
Capex (AED m) & Capex/Revenue Ratio (%)



Highlights

- Y/Y stability in subscriber base while improved quarter over quarter
- Y/Y revenue growth attributed to all segments
- Y/Y EBITDA growth mainly attributed to higher revenue and lower operating expenses; resulting in higher EBITDA margin Y/Y
- Lower capital spending Y/Y focused on mobile network

Revenue Breakdown Q1 2021



3M 2021: AGILITY ON COST OPTIMIZATION INITIATIVES WITH FOCUS ON MARGINS AND CASH GENERATION

<p>Revenue</p> <p>13.2 AED Billion</p> <p>YOY Growth +0.8% ↑</p>	<p>EBITDA</p> <p>6.8 AED Billion</p> <p>YOY Growth +0.7% ↑</p>	<p>Net Profit</p> <p>2.3 AED Billion</p> <p>YOY Growth +7.9% ↑</p>	<p>CAPEX</p> <p>1.1 AED Billion</p> <p>YOY Growth -0.1% ↓</p>
<p>Free Cash Flow</p> <p>5.7 AED Billion</p> <p>FCF % 43.0%</p> <p>YOY Growth 0.9% ↑</p>	<p>EBITDA %</p> <p>51.2%</p> <p>YOY Growth +0.0pt ↑</p>	<p>Net Profit %</p> <p>17.8%</p> <p>YOY Growth +1.2pt ↑</p>	<p>CAPEX Intensity</p> <p>8.2%</p> <p>YOY Growth -0.1pt ↓</p>

2021 ACTUAL AGAINST GUIDANCE: BETTER PERFORMANCE THAN GUIDANCE

Financial KPI	Guidance 2021 in AED	Actual Q1 2021 in AED
Revenue Growth %	Stable	+0.8%
EBITDA Margin%	49% - 50%	51.2%
EPS (AED)	Stable	0.27
CAPEX / Revenue %	16% - 18%	8.2%

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

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ETISALAT GROUP INVESTOR RELATIONS

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