

Q4 2022 Results Presentation

07 March 2023



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		FY'22	FY'21	Y/Y%	Constant Currency Y/Y%
Strong revenue growth in constant currency driven by strong performance in key markets	Revenue (AED m)	52,434	53,342	-1.7%	+4.7%
Strong growth in constant currency despite inflationary pressure supported by effective cost management	EBITDA (AED m)	26,202	26,721	-1.9%	+3.7%
Sustained stability in EBITDA margin despite inflationary pressures and forex volatility	EBITDA Margin (%)	50.0%	50.1%	-0.1%	
Growth in net profit attributed to higher contribution from associates and other income and lower depreciation and amortization	Net Profit (AED m)	10,007	9,317	+7.4%	
Robust improvement in net profit margin	Net Profit Margin (%)	19.1%	17.5%	+1.6%	
Disciplined capital spending as we continuously invest in the quality, coverage and performance of our networks	CAPEX (AED m)	8,037	8,362	-3.9%	
Free cashflow witnessed a slight decline on the back of weaker currency	FCF (AED m)	18,165	18,358	-1.1%	

Group

- e& was named **the most valuable portfolio of telecom brands in the MEA region** by the Brand Finance Global 500 report
- e& **increased its ownership in Vodafone Group** to 11% in 2022 and subsequently to 14% as of February 2023
- e& enterprise formed a **JV with Bespin Global** to offer cloud managed and professional services in the METAP region
- e& **committed to achieving a net zero** operation in the UAE by 2030 during its participation at COP27, becoming the **first private sector entity in the country to join the UICCA** to support the UAE's net zero strategy

etisalat by e&

- **Strong revenue and EBITDA growth** supported by ongoing improvement in business activities and cost optimization
- etisalat by e& also retained its position as **the strongest telecom brand across all categories in the MEA region** and was ranked in the **top three telecom brands globally**
- Launched first rewards-based, consumer fitness and wellness platform **“GoWell”** in the UAE

e& international

- **Delivered strong growth** in constant currency across key markets
- etisalat by e& Egypt delivered **consistent double digit growth** in constant currency due to strong operational performance
- PTCL Group **improved financial performance** in local currency despite macroeconomic conditions

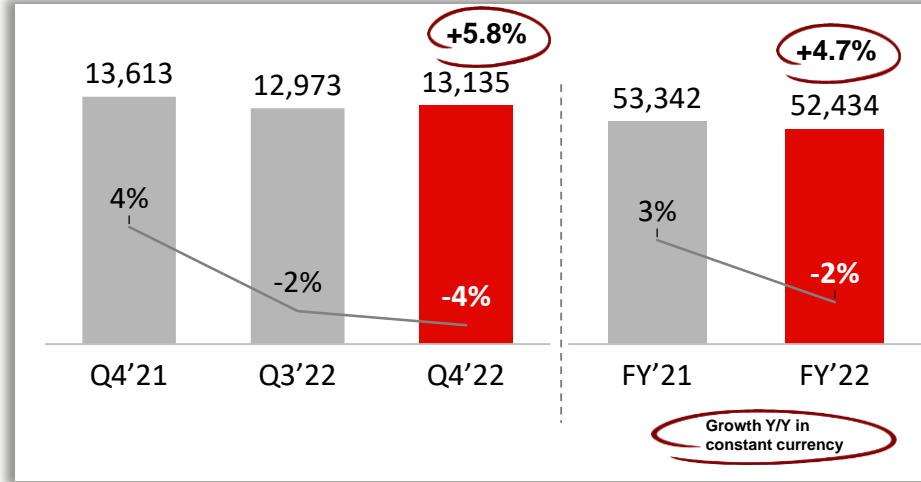
Achieved all guided figures reflecting profound resilience in times of turbulent macro-economic headwinds

Key Metrics	FY 2022 Guidance	Status	Reported Figures
Revenue Y-o-Y Growth in Constant Currency (%)	Low-to-mid single-digit growth		+4.7%
EBITDA Margin (%)	50%-51%		50.0%
EPS (AED)	~1.12		1.15
CAPEX/Revenue (%)	14.5% - 15.5%		15.3%

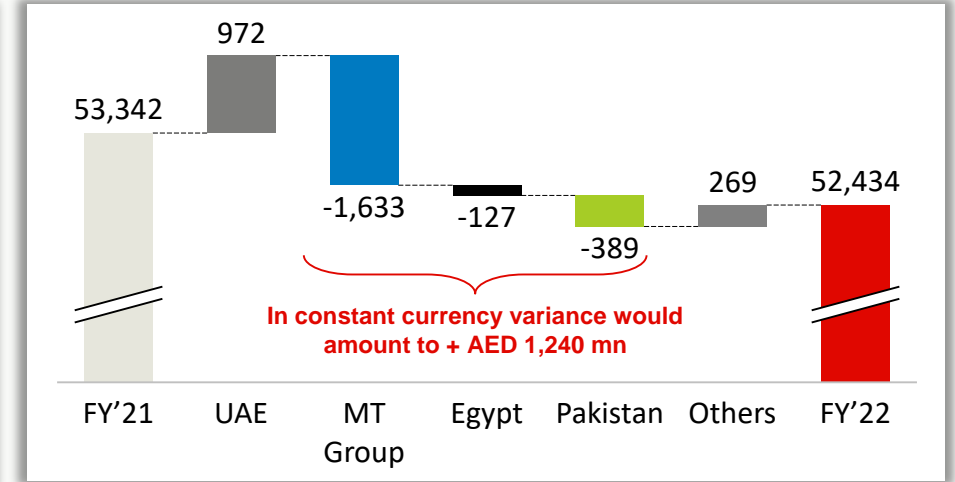
Strong revenue growth at constant currency

- Strong performance in UAE attributed to population growth and strong business activities
- MT Group revenues remained relatively flat in constant currency
- Consistent double-digit growth in local currency due to data, voice and wholesale revenue growth
- PTCL Group delivered strong revenue growth in local currency across all segments

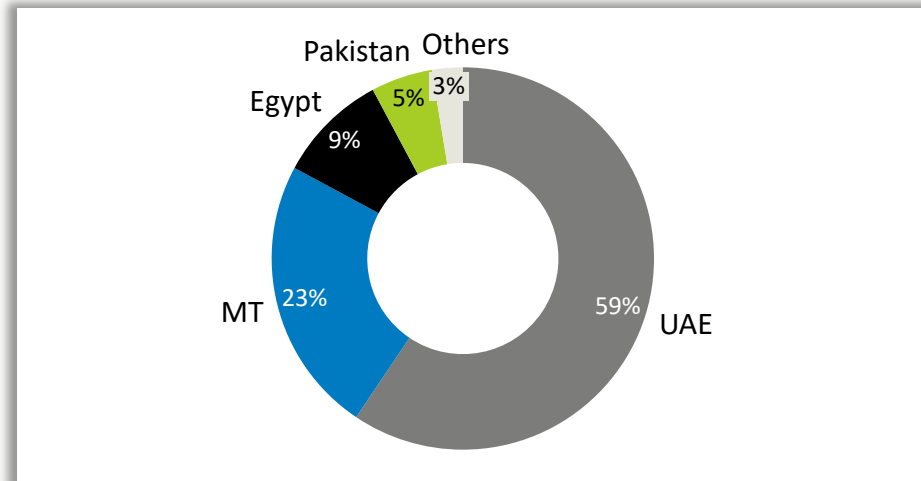
Revenue (AED m) & YoY Growth (%)



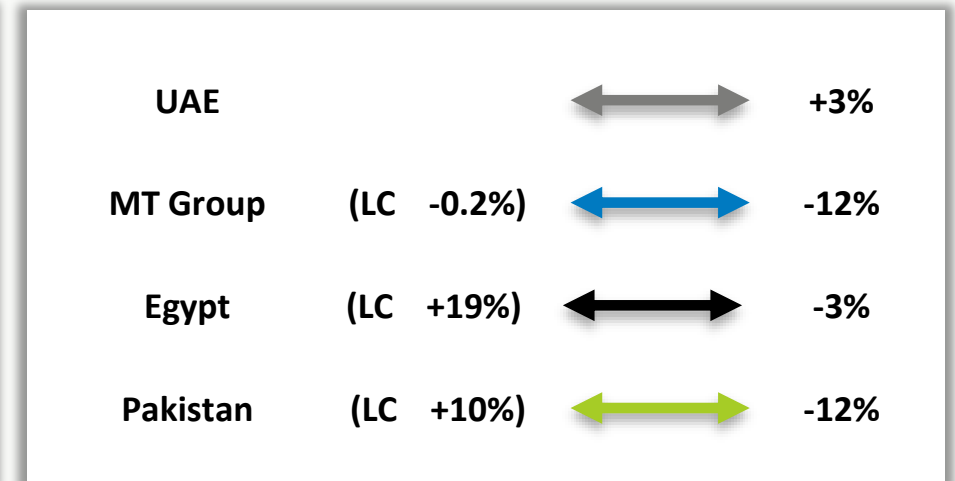
Sources of Revenue Variance (AED m)



Revenue Breakdown (FY 2022)



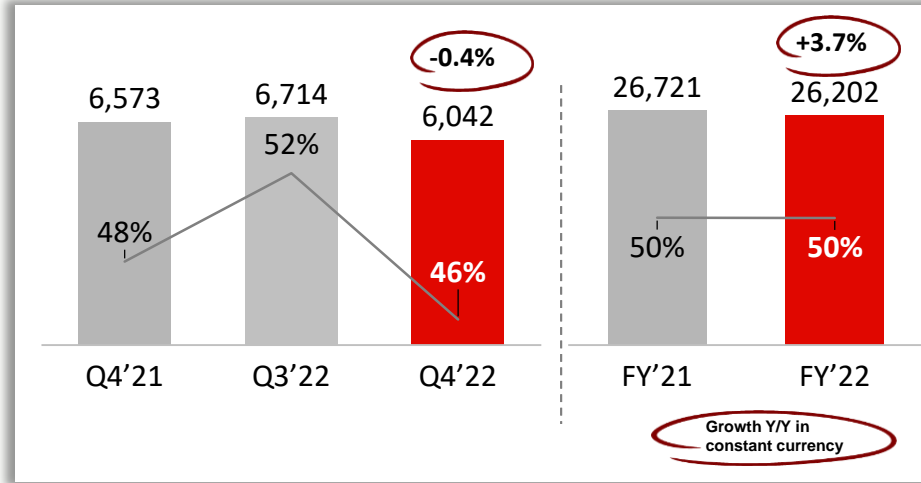
Revenue Growth by OpCo (FY 2022)



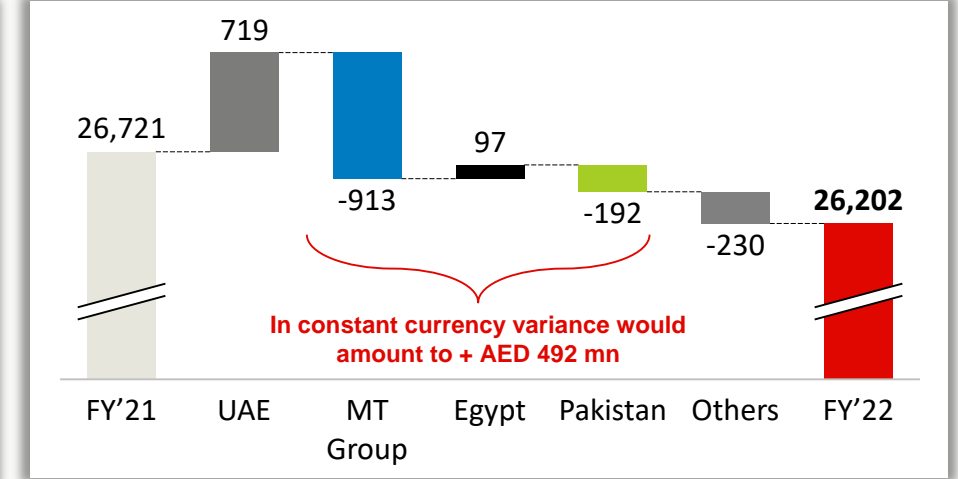
Robust EBITDA margin despite inflationary pressure

- EBITDA in constant currency increased yoy by 3.7%
- Steady margin at 50%
- EBITDA growth in the UAE supported by higher revenue and cost efficiencies
- Maroc Telecom’s EBITDA impacted by pressure on revenue
- Strong EBITDA growth in Egypt in both constant and reported currency
- EBITDA in Pakistan impacted by higher energy costs and advance income tax

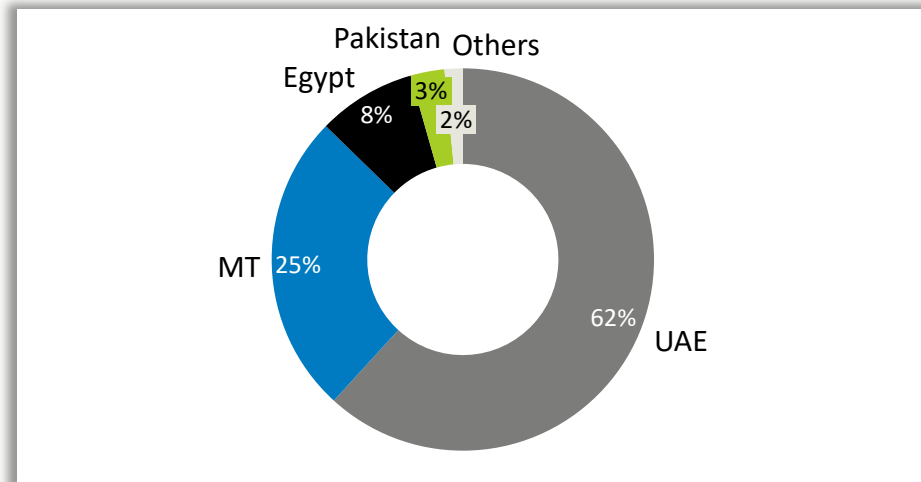
EBITDA (AED m) & Margin (%)



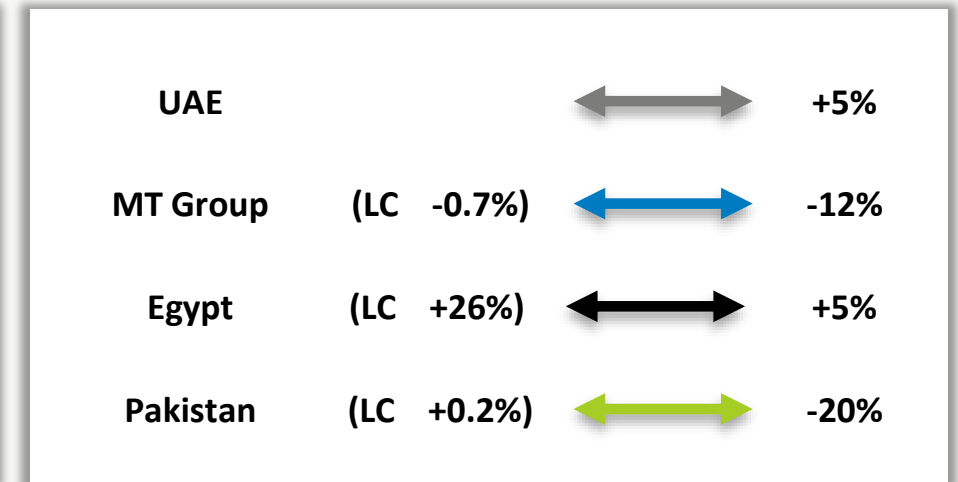
Sources of EBITDA Variance (AED m)



EBITDA Breakdown (FY 2022)



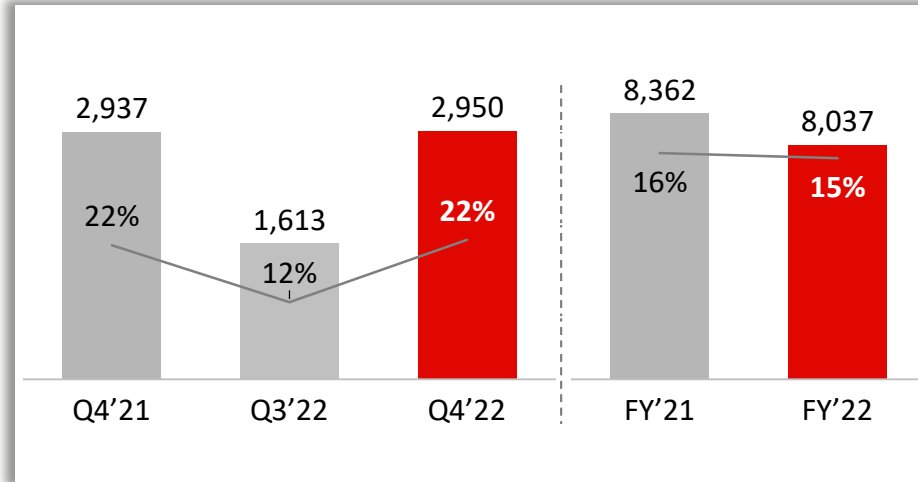
EBITDA Growth by OpCo (FY 2022)



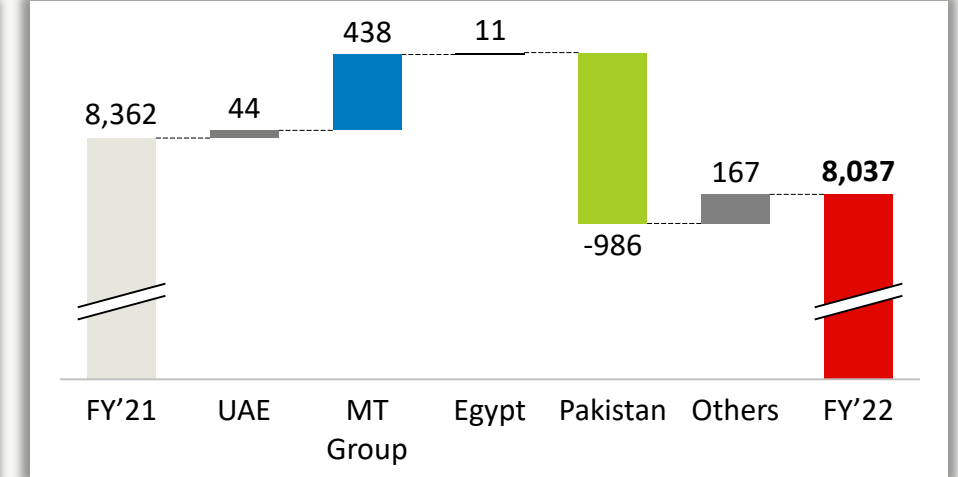
Invest in building premium networks

- Lower CAPEX spend (-4%) with relatively stable capex intensity ratio
- Capital spend in the UAE focused on 5G network deployment and digitalisation
- MT Group CAPEX focused on FTTH and mobile network expansion across most markets
- CAPEX spend in Egypt, focused on spectrum acquisition and network deployment
- Lower CAPEX in PTCL Group mainly attributed to spectrum acquisition in previous year; CAPEX focused on FTTH and mobile coverage

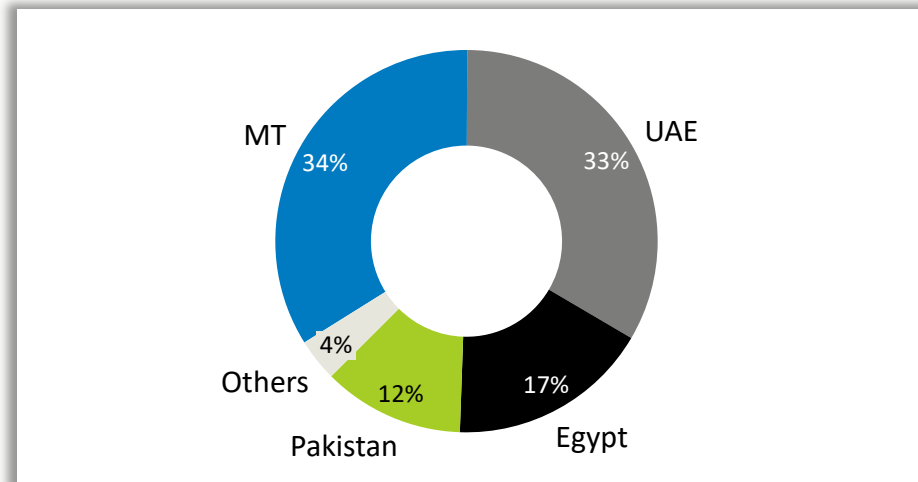
CAPEX (AED m) & Intensity Ratio (%)



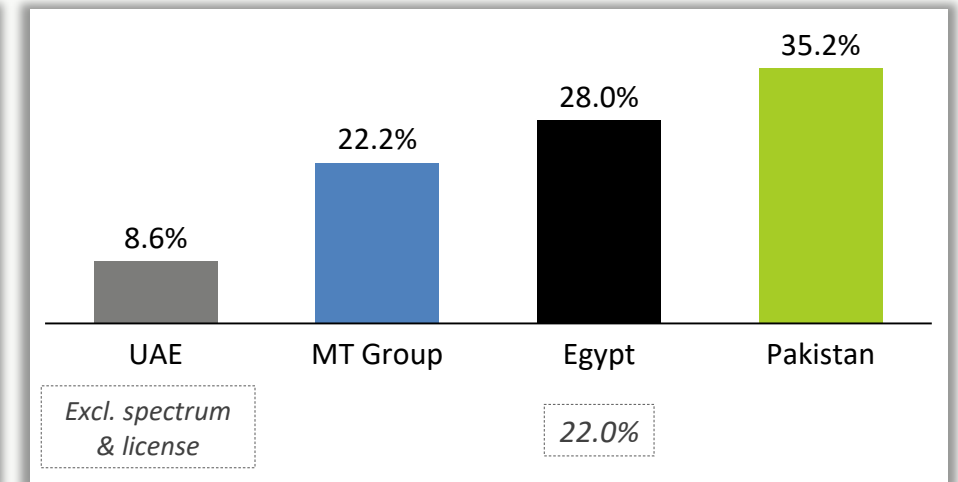
Sources of CAPEX Variance (AED m)



CAPEX Breakdown (FY 2022)



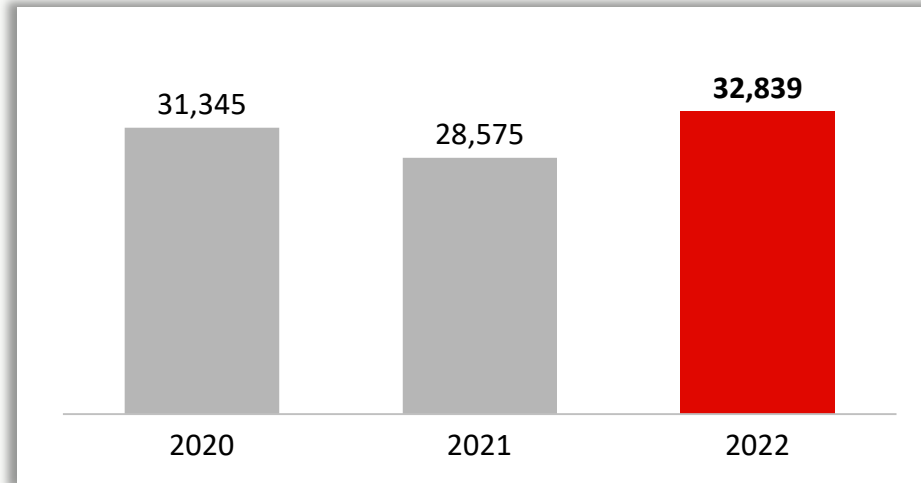
FY 2022 Intensity Ratio by Key Operations (%)



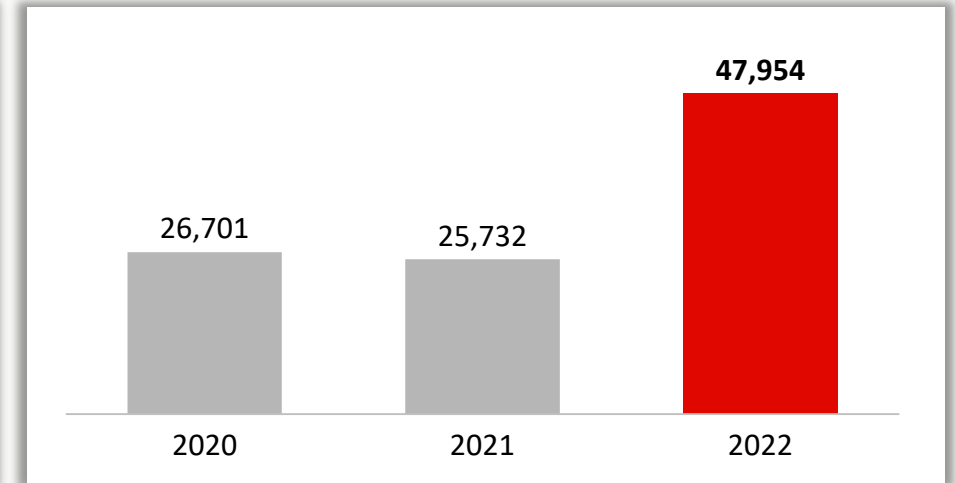
The Group maintained a position of balance sheet strength, despite robust expansionary measures

- Increase in cash balance supported by growth in operating cash flow and efficient working capital
- Increase in debt balance to finance the Group's strategic investments
- Maintained low leverage with Net Debt/EBITDA of 0.58x
- Maintaining high investment grade credit ratings

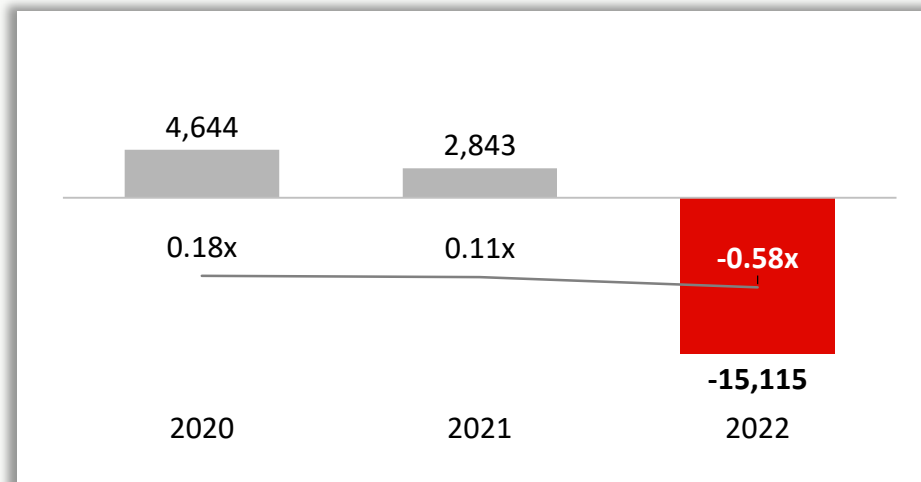
Cash & Cash Equivalents (AED m)



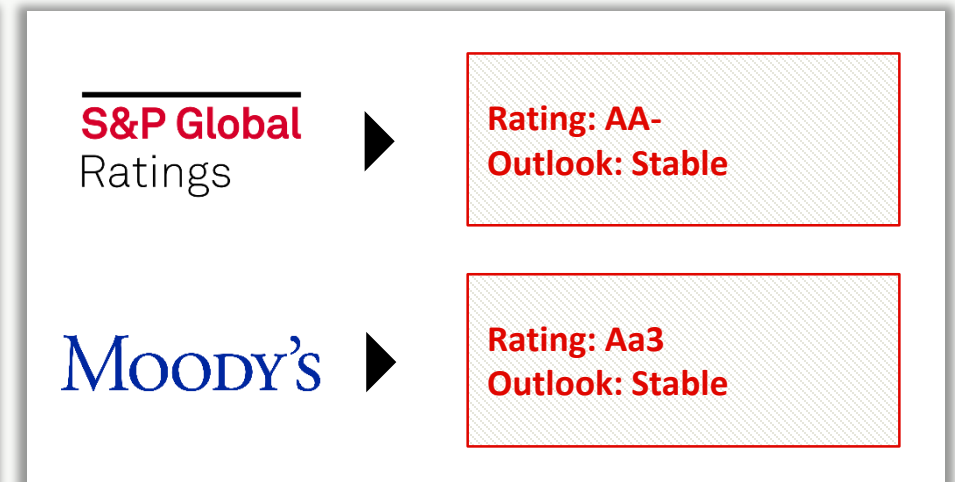
Total Debt (AED m)



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



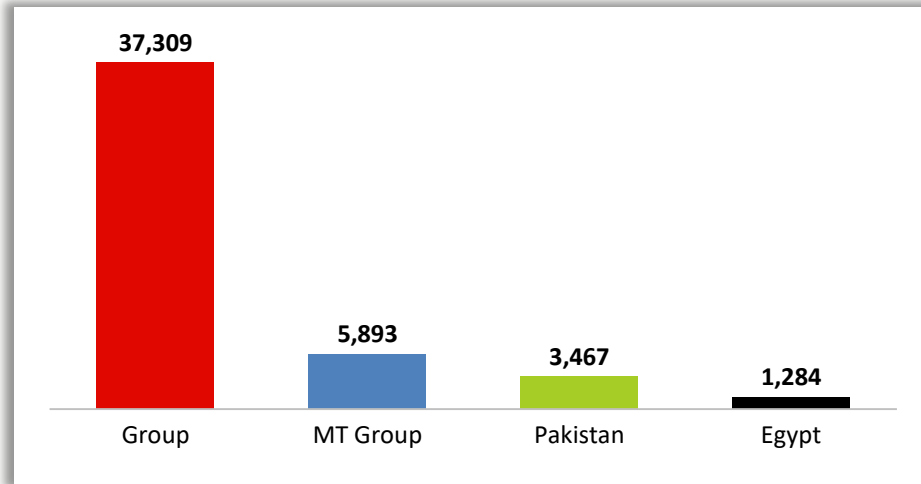
Investment Grade Credit Ratings



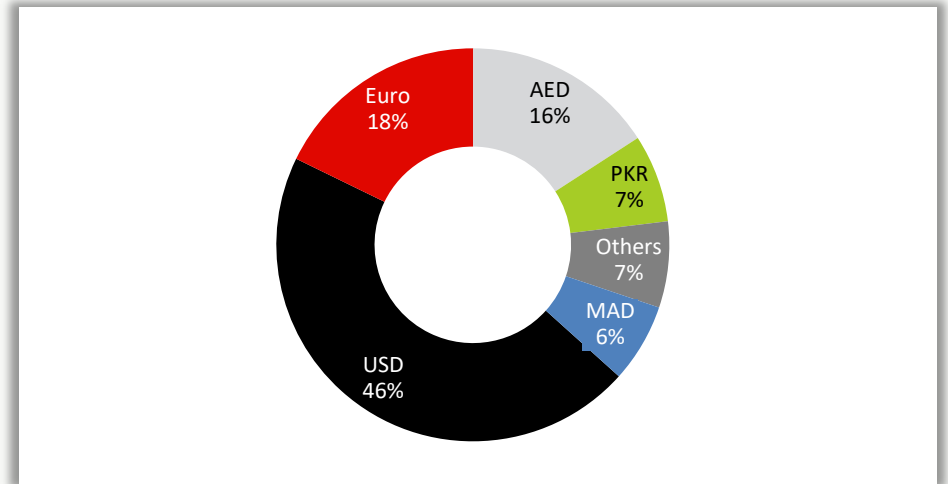
Diversified debt profile

- Total debt of AED 48.0 billion
- 78% of debt is at Group level mostly in bank borrowings
- 61% of debt is in USD/AED
- Debt maturing within a year to be refinanced

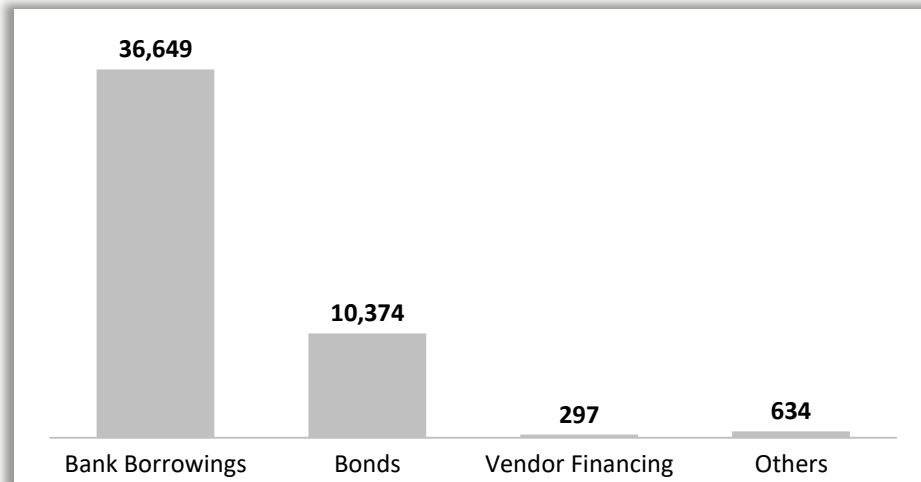
Borrowings by Operations (AED m)



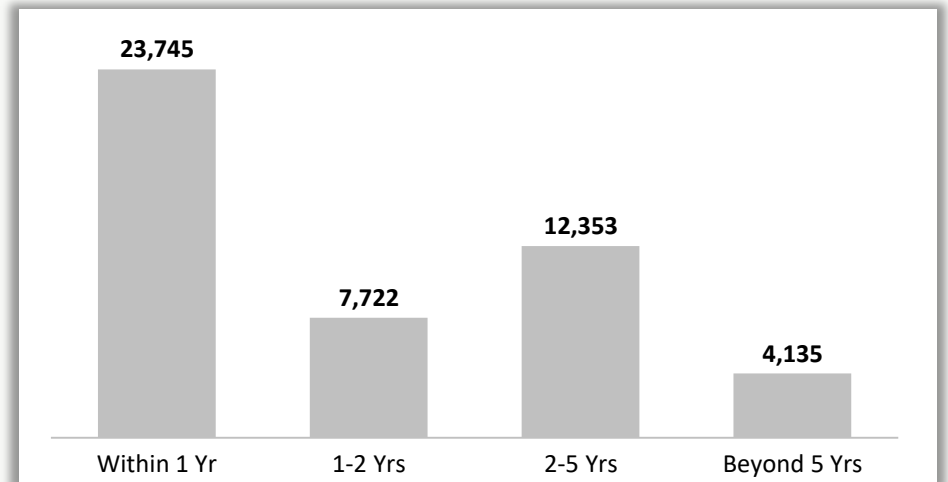
Borrowings by Currency (%)



Debt by Source (AED m)



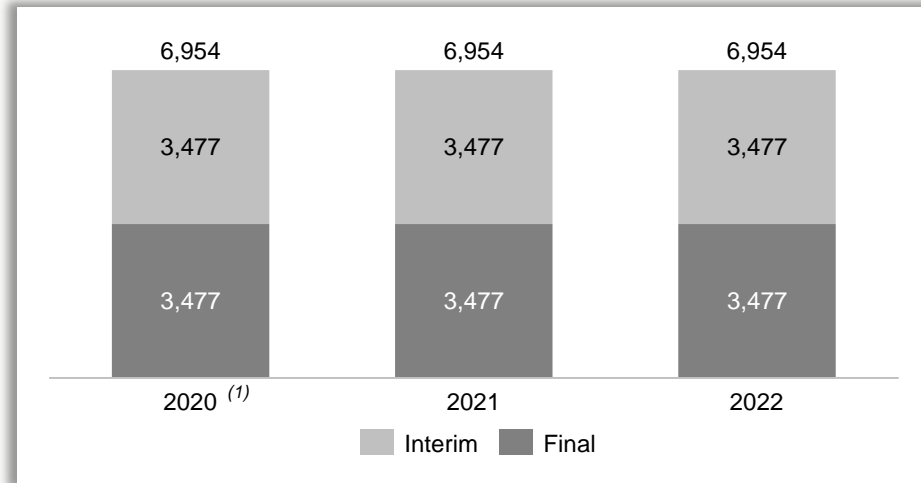
Repayment Schedule (AED m)



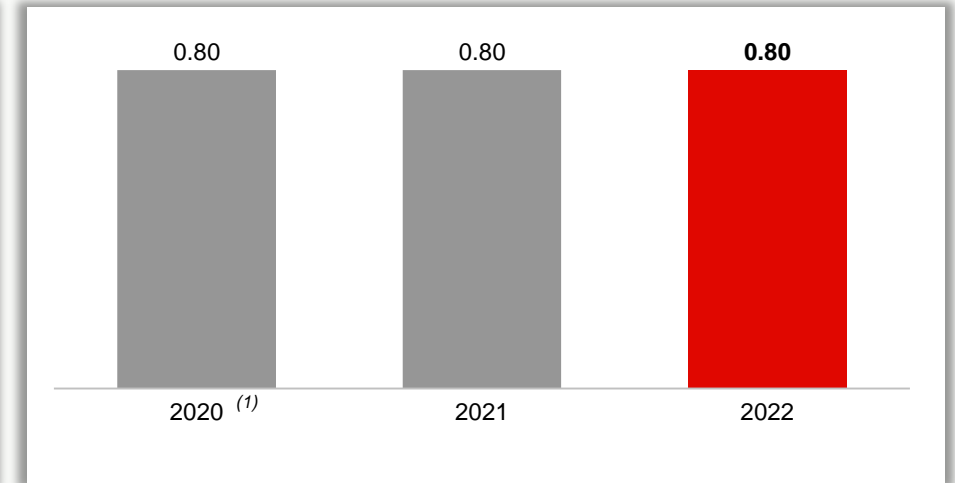
Balanced shareholders remuneration with consistent history of dividend payment

- Proposed final dividends of 40 fils per share bringing the full year dividends to 80 fils per share
- Subject to shareholder approval in the AGM scheduled for 11 April 2023

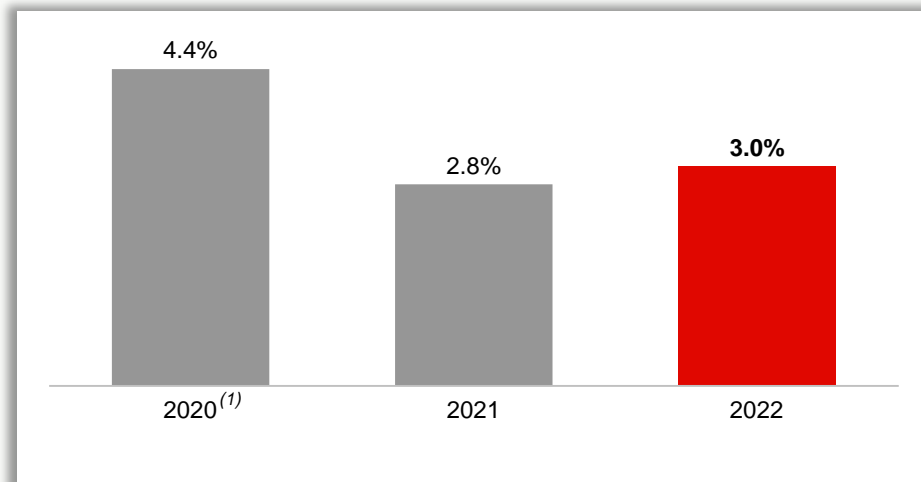
Cash Dividends (AED m)



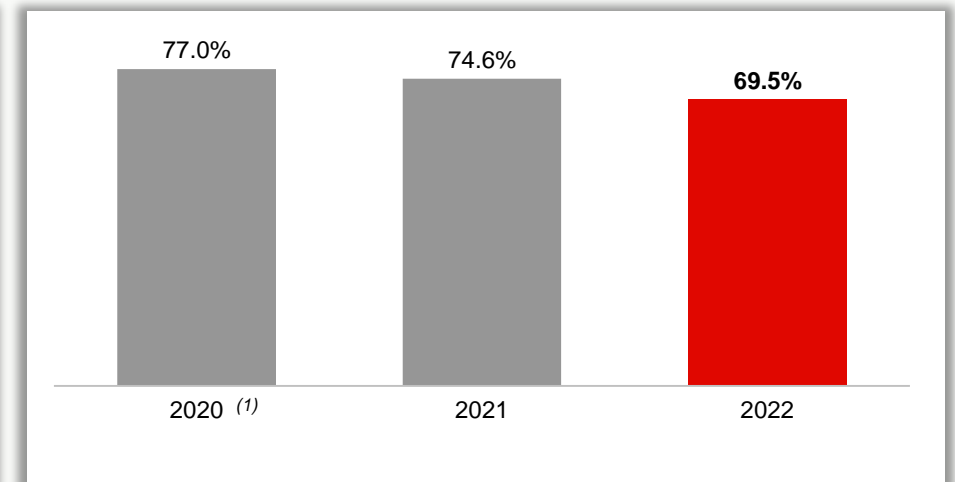
Dividends per Share (AED)



Dividend Yield ⁽²⁾ (%)



Dividend Payout Ratio (%)



(1) Excludes the one-time nonrecurring special dividend of AED 0.4

(2) Dividend yield is based on pay date and 1 March 2023 for proposed final dividend

Financial Highlights

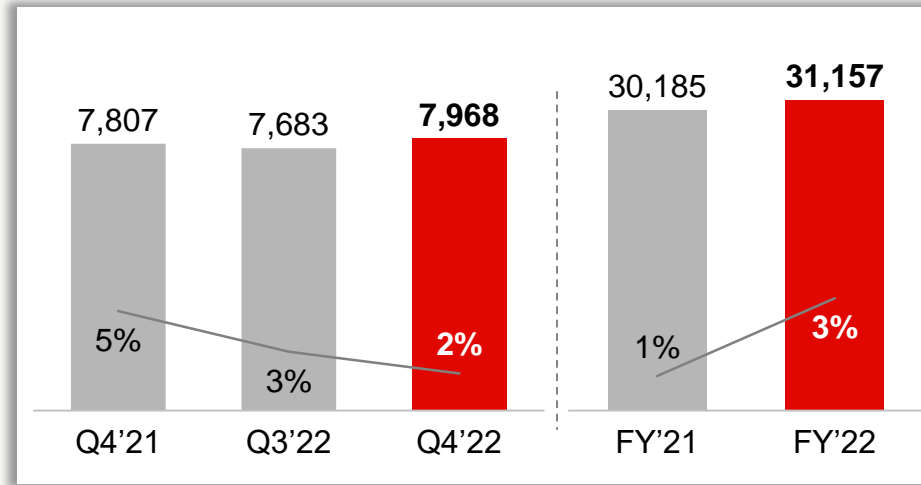
Country Performance



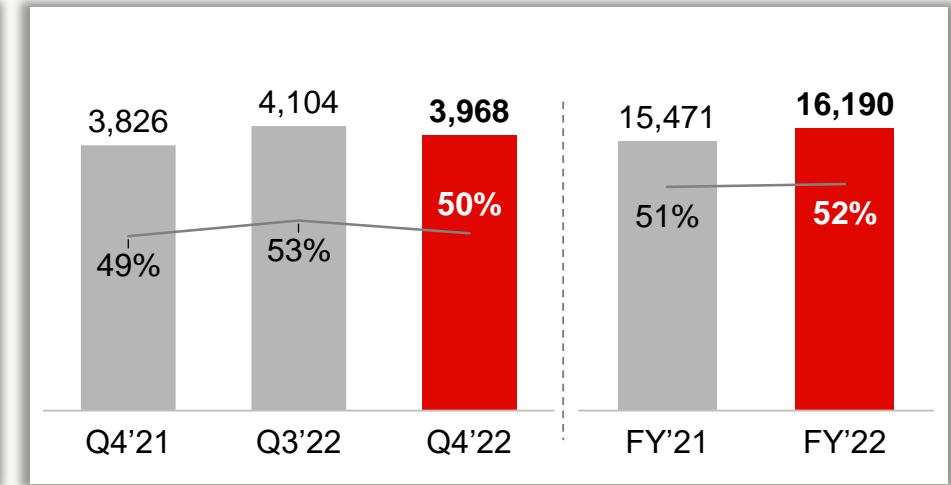
Strong business & tourism momentum supporting growth

- **Revenue growth** supported by subscriber growth, strong recovery in mobile revenue, and digital services
- **EBITDA growth** driven by solid service revenue growth and continued cost efficiencies
- Robust **EBITDA margin** at 52% level
- **Improved net profit** and maintained solid margin
- **Stable CAPEX / revenue** focused on expanding superior network

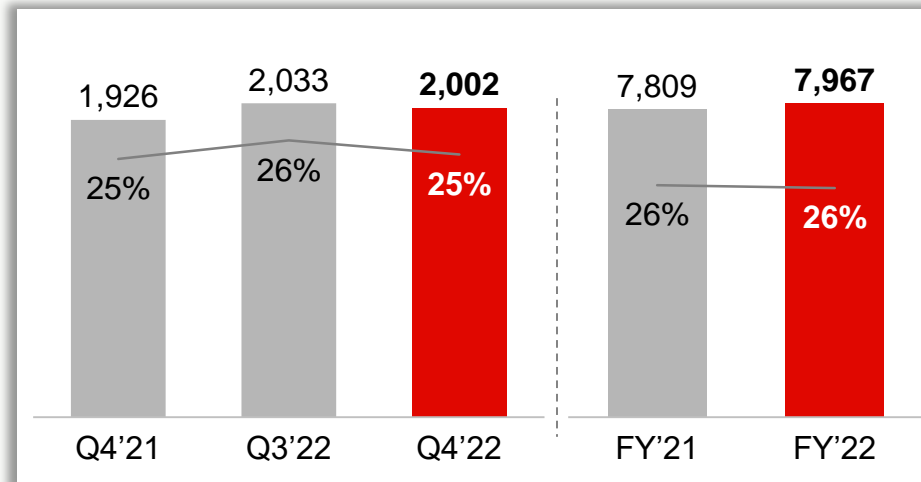
Revenue (AED m) & YoY Growth (%)



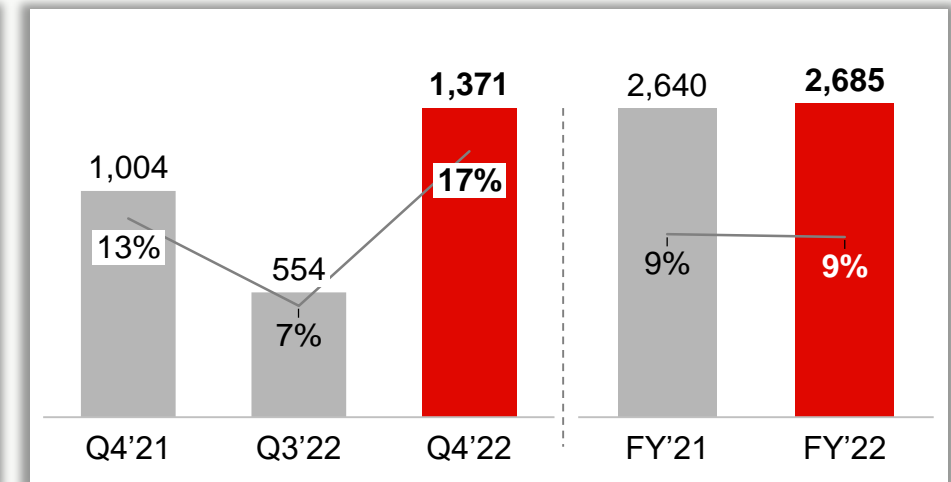
EBITDA (AED m) & EBITDA Margin (%)



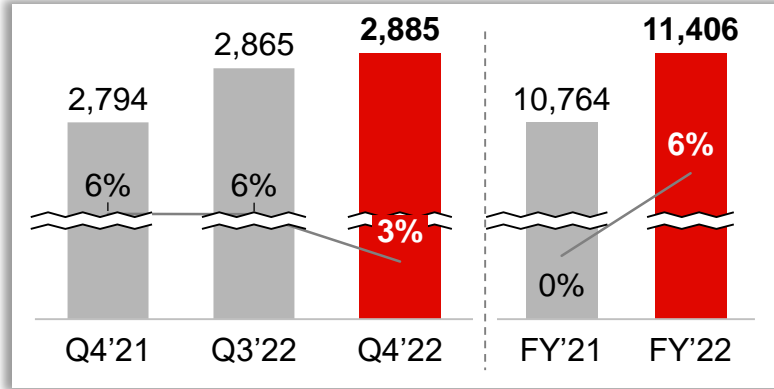
Net Profit (AED m) & Profit Margin (%)



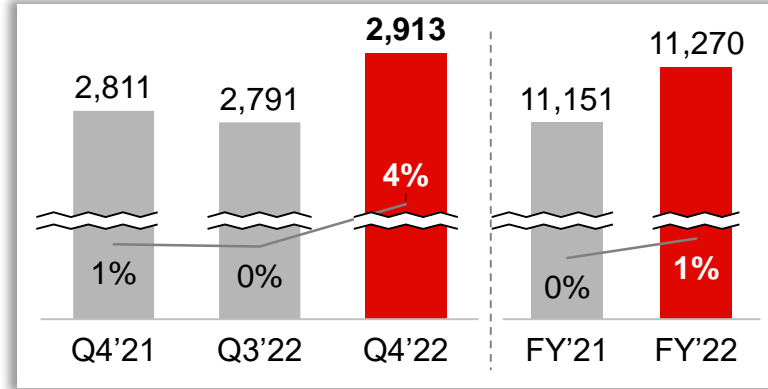
CAPEX (AED m) & CAPEX / Revenue (%)



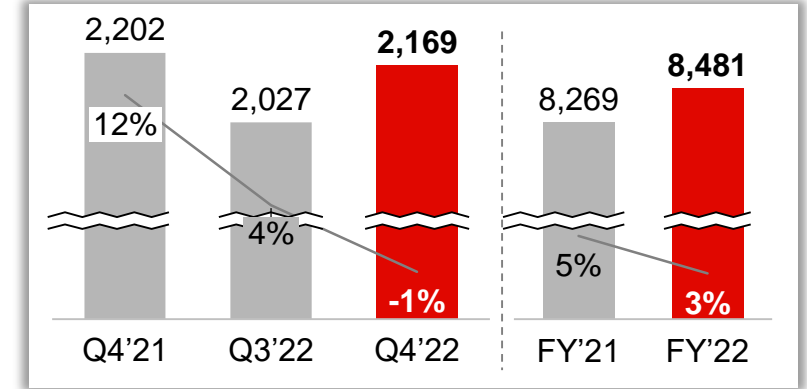
Mobile Revenue⁽¹⁾ (AED m) & YoY Growth (%)



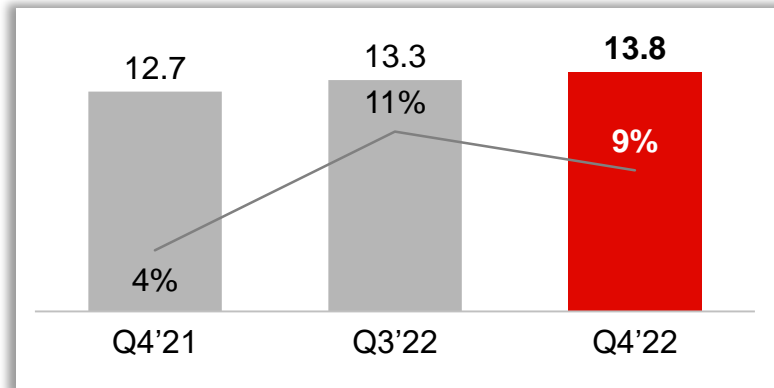
Fixed Revenue⁽²⁾ (AED m) & YoY Growth (%)



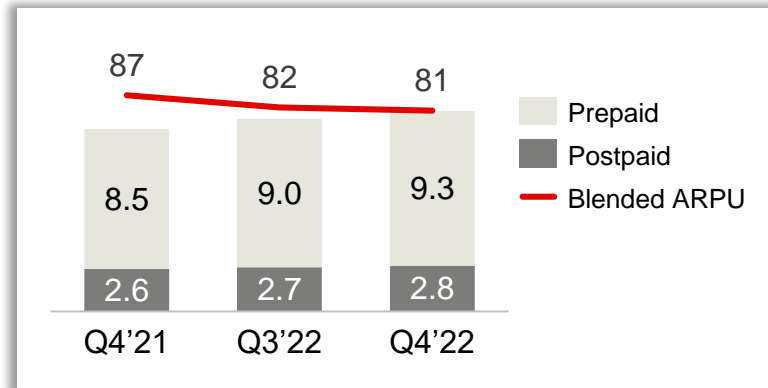
Other Revenue⁽³⁾ (AED m) & YoY Growth (%)



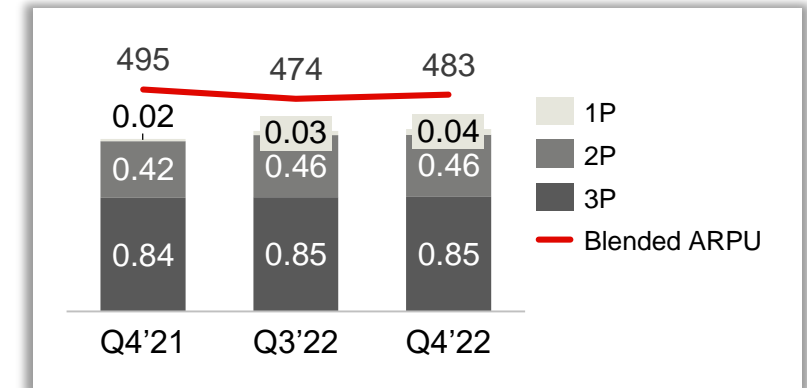
Total Subscribers (m)



Mobile Subs⁽⁴⁾ (m) & ARPU⁽⁵⁾ (AED)



Fixed Broadband Subs⁽⁶⁾ (m) & ARPU⁽⁷⁾

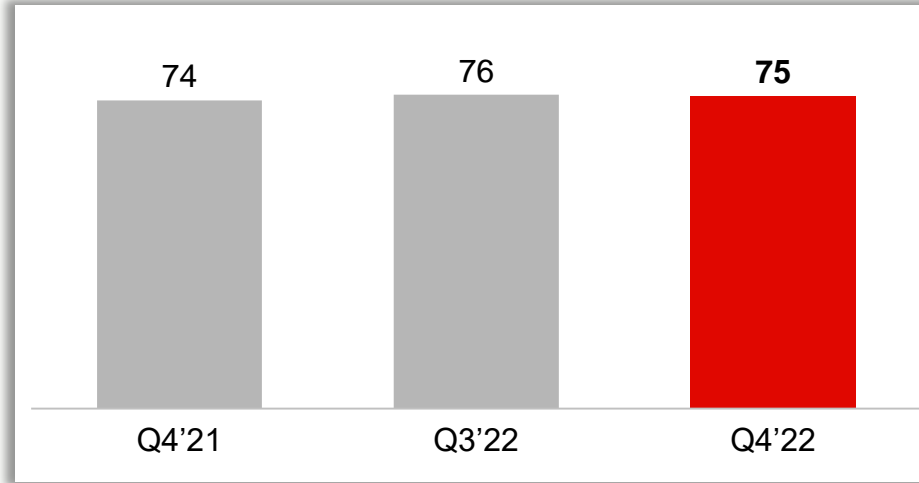


(1) Mobile revenues includes mobile voice, data, rental, outbound roaming, VAS, and mobile digital services
 (2) Fixed revenues includes fixed voice, data, rental, VAS, internet and TV services
 (3) Others Revenues includes ICT, managed services, wholesale (local and int'l interconnection, transit and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

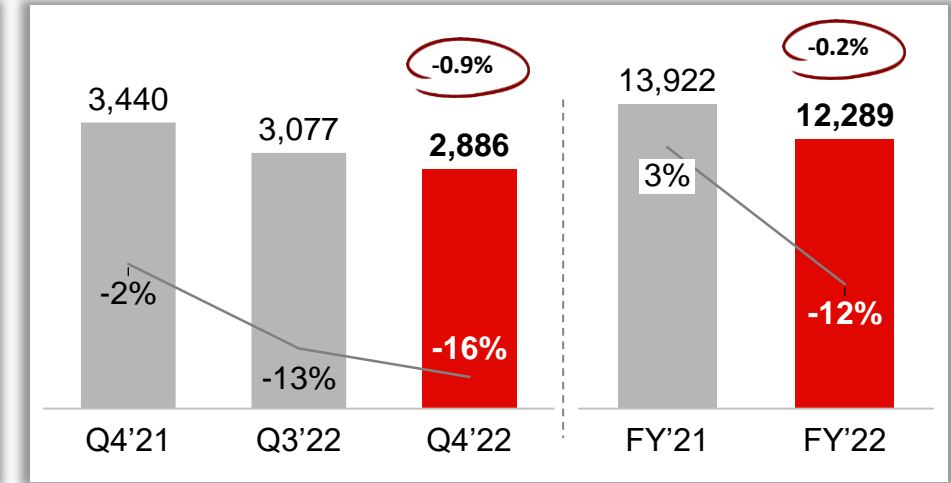
Maintained exceptional EBITDA margin despite pressure in domestic market

- Subscriber growth YoY is driven by international operations
- Stable revenue growth** in local currency –regulatory and competitive pressure in mobile in Morocco mostly offset by growth in FBB and Moov Africa operations
- Maintained high EBITDA margin**
- Capital spending focused on expanding **FTTH and mobile network** coverage and capacity

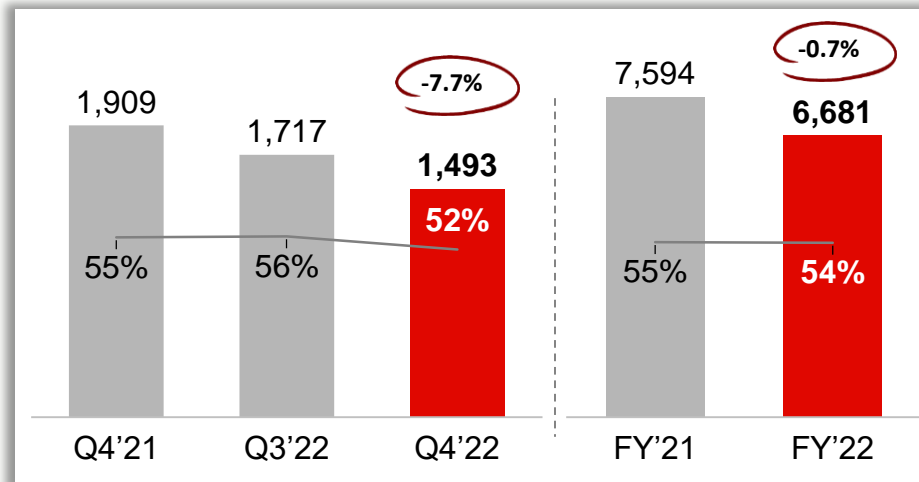
Subscribers (m)



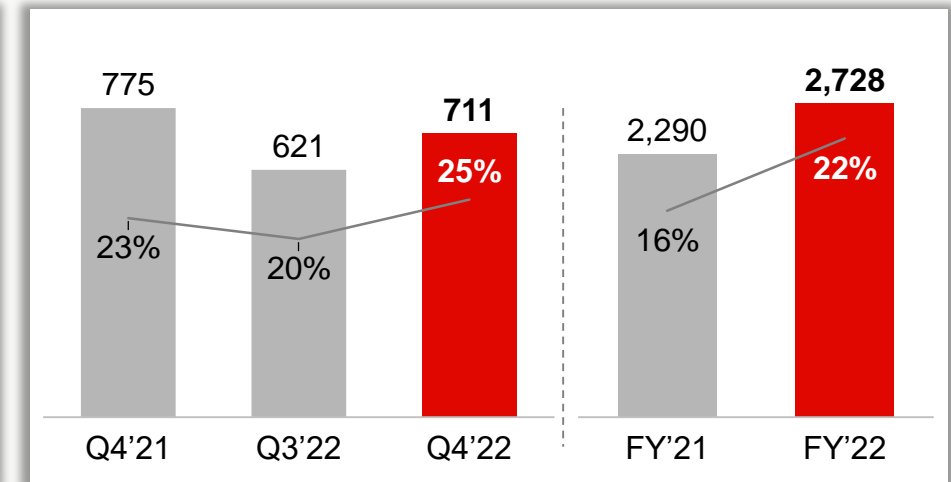
Revenue (AED m) & YoY Growth (%)



EBITDA (AED m) & EBITDA Margin (%)



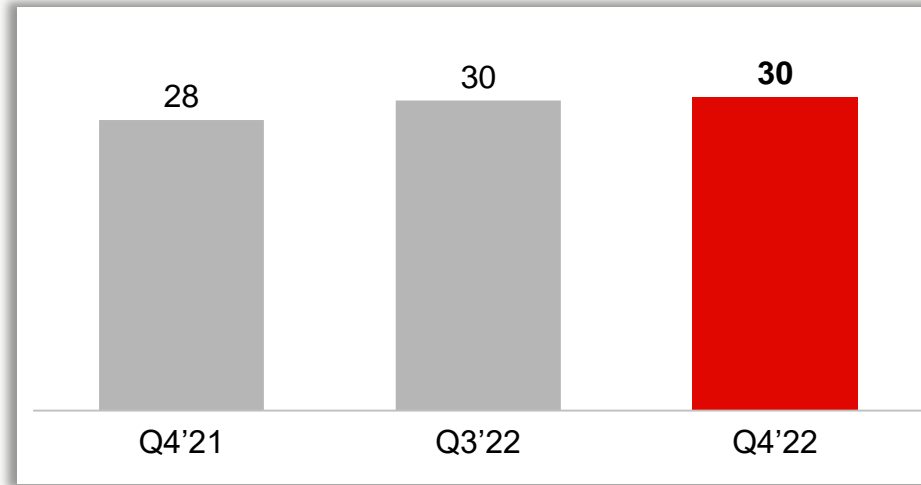
CAPEX (AED m) & CAPEX / Revenue (%)



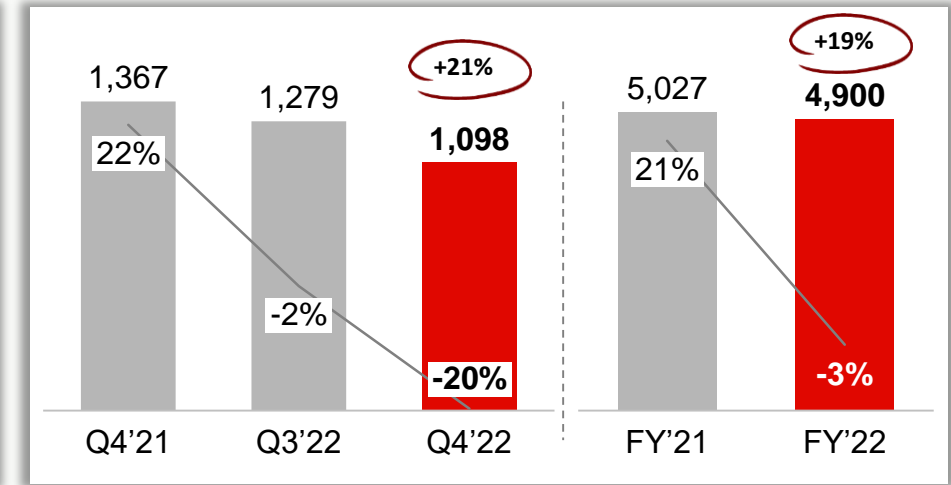
Strong growth momentum

- Subscriber growth YoY backed by spectrum acquisition
- High double-digit revenue growth** in local currency attributed to data, voice and wholesale segments
- Strong **EBITDA growth** supported by improvement in revenue and cost optimisation, resulting in improved EBITDA margin
- Capital spending focused on spectrum acquisition and expanding network coverage

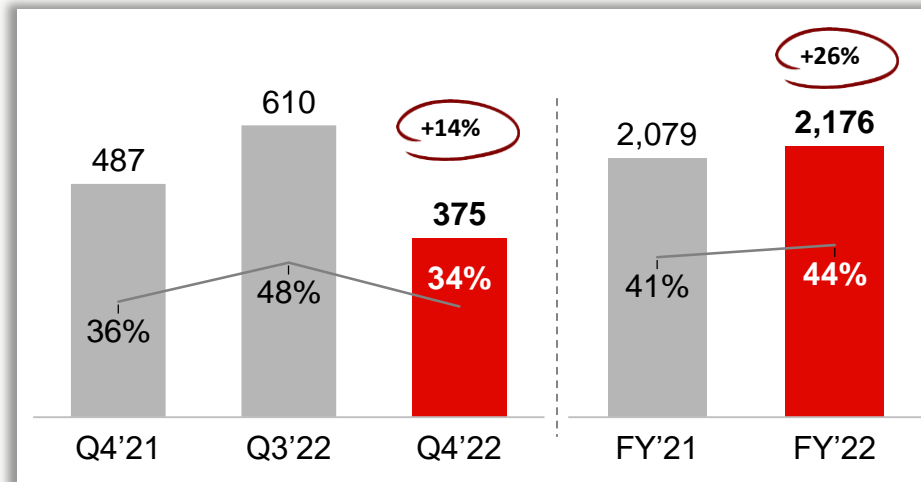
Subscribers (m)



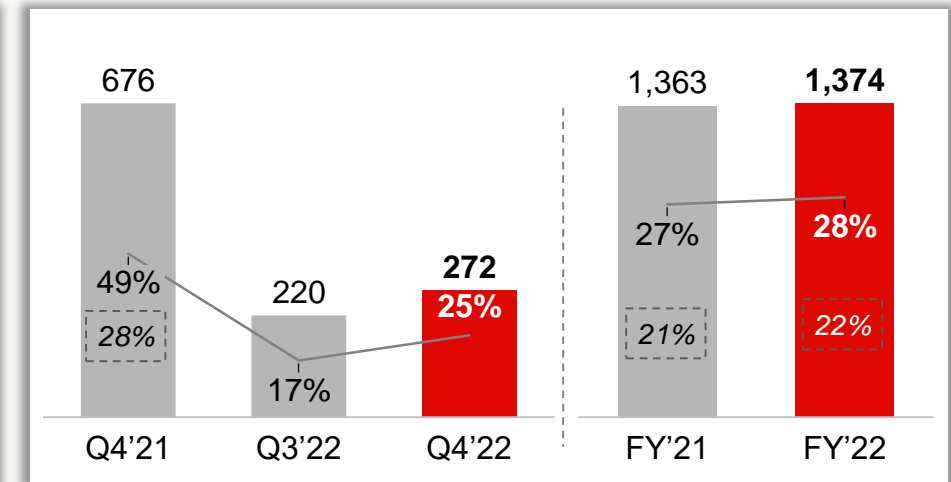
Revenue (AED m) & YoY Growth (%)



EBITDA (AED m) & EBITDA Margin (%)



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



Excluding Spectrum

Growth Y/Y in local currency

Improved performance in local currency despite challenging macroeconomic conditions

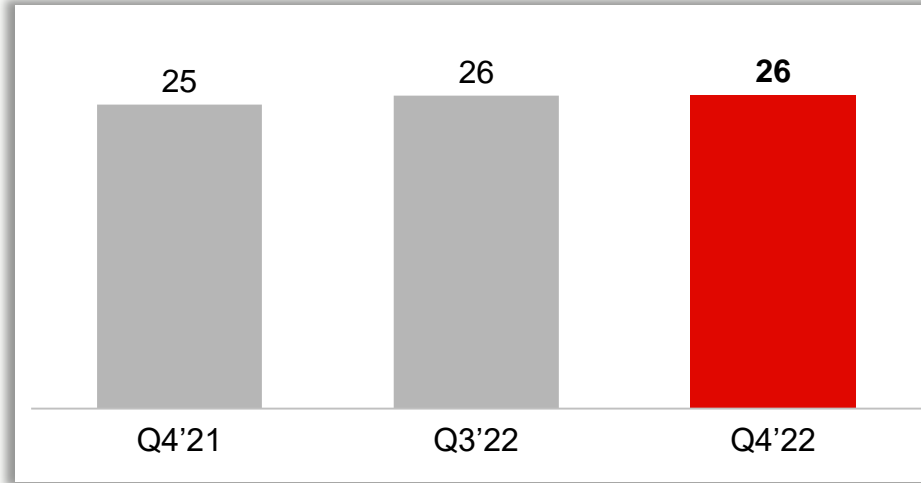
Subscriber growth in high value segments

Strong revenue growth in local currency with **growth in all segments** -mobile, fixed and microfinance

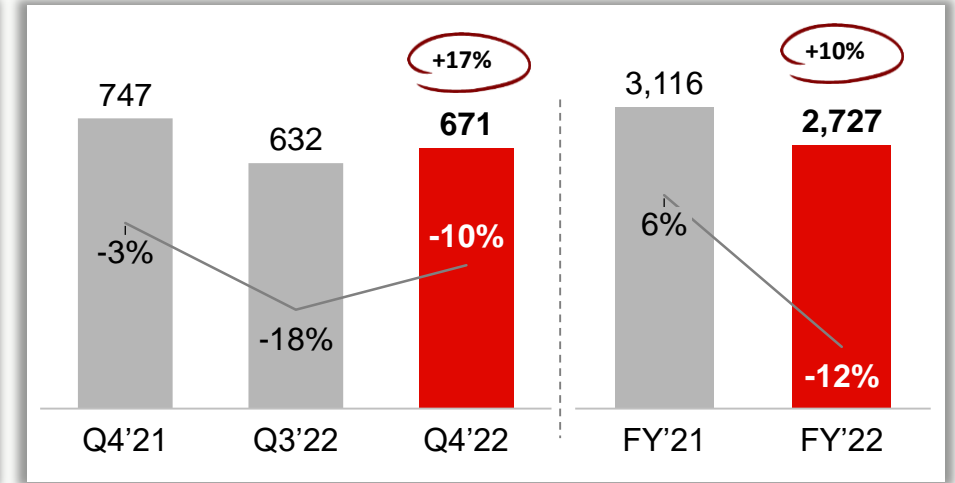
EBITDA remained steady in local currency impacted by increased energy costs and inflationary pressure

Lower capital spending mainly due to spectrum acquisition in previous year; Spending focused on mobile and fibre network rollout

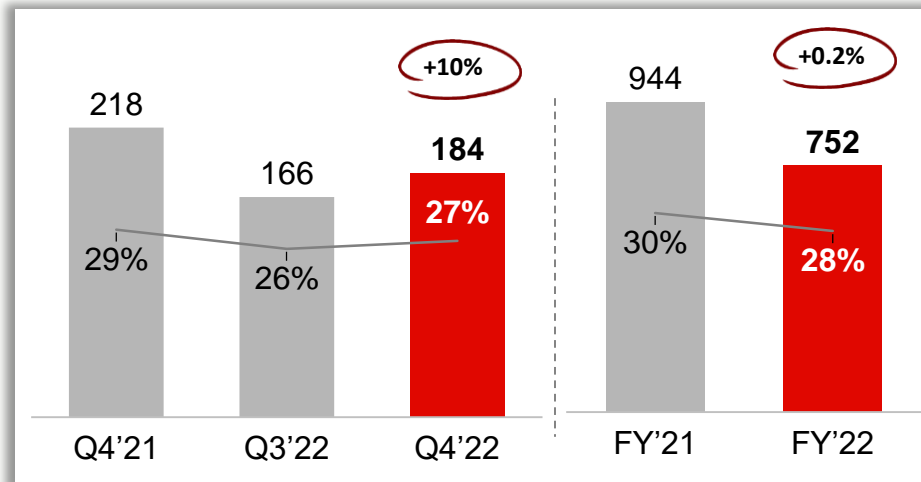
Subscribers (m)



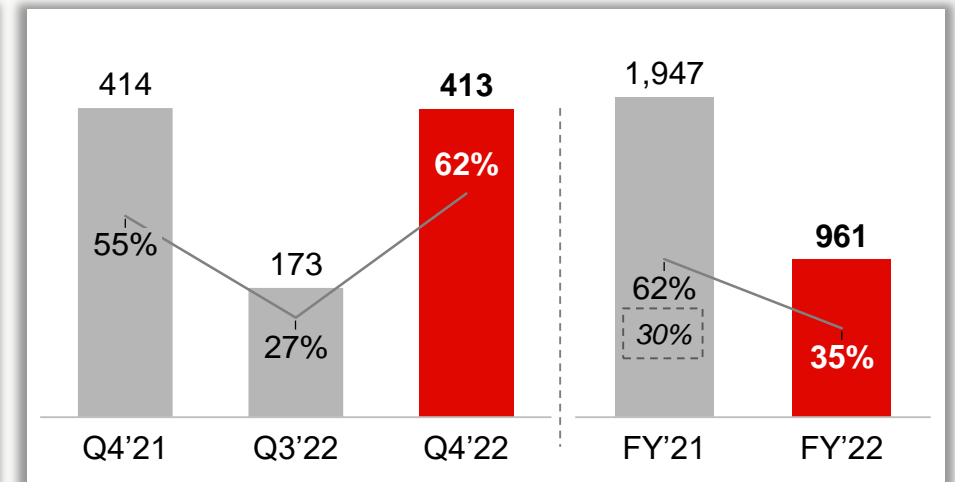
Revenue (AED m) & YoY Growth (%)



EBITDA (AED m) & EBITDA Margin (%)



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



Excluding Spectrum

Growth Y/Y in local currency



Positive Outlook for 2023

	FY 2022 Actual	FY 2023 Guidance
Revenue Growth Y-o-Y In Constant Currency (%)	+4.7%	Low to mid single digit growth
EBITDA Margin (%)	50.0%	~ 49.0%
EPS (AED)	1.15	1.13 – 1.15
Intensity Ratio (%)	15.3%	15% - 17%
Dividend (AED)	0.80	0.80

we are&