

## DISCLAIMER

*Emirates Telecommunications Group Company PJSC and its subsidiaries (“Etisalat Group” or the “Company”) have prepared this presentation (“Presentation”) in good faith, however, no warranty or representation, express or implied is made as to the adequacy, correctness, completeness or accuracy of any numbers, statements, opinions or estimates, or other information contained in this Presentation.*

*The information contained in this Presentation is an overview, and should not be considered as the giving of investment advice by the Company or any of its shareholders, directors, officers, agents, employees or advisers. Each party to whom this Presentation is made available must make its own independent assessment of the Company after making such investigations and taking such advice as may be deemed necessary.*

*Where this Presentation contains summaries of documents, those summaries should not be relied upon and the actual documentation must be referred to for its full effect.*

*This Presentation includes certain “forward-looking statements”. Such forward looking statements are not guarantees of future performance and involve risks of uncertainties. Actual results may differ materially from these forward looking statements.*

# 1. Business Overview

Saleh Al Abdooli  
Chief Executive Officer  
Etisalat Group

## ETISALAT GROUP FINANCIAL HIGHLIGHTS

AED Million	Q1 2018	Growth YoY%	Growth QoQ%
Revenue	13,104	+5%	-3%
EBITDA	6,479	+2%	0%
<i>EBITDA Margin</i>	<i>49%</i>	<i>-2pp</i>	<i>+2pp</i>
Net profit	2,112	0%	+7%
<i>Net profit Margin</i>	<i>16%</i>	<i>-1pp</i>	<i>+1pp</i>
Capex	1,294	-16%	-51%
<i>Capex/Revenue</i>	<i>10%</i>	<i>-3pp</i>	<i>-10pp</i>

### Q1 2018 Highlights

- Revenue growth Y/Y is attributed to both domestic and int'l operations
- EBITDA growth driven by performance of Int'l operations
- Lower EBITDA margin due to change in revenue mix
- Net profit impacted by higher depreciation charges, taxation and minority interest and lower finance and other income
- Lower capital expenditure attributed to domestic and international operations

(1) Prior period financial figures are restated to reflect IFRS15 adjustments

## ETISALAT GROUP FINANCIAL HIGHLIGHTS



- Healthy revenue (+5%) and EBITDA (+2%) growth Y/Y
- EBITDA Margin impacted by changes in revenue mix
- Improved free cash flow
- Results ahead of full year guidance



- Maintained subscribers growth momentum
- Stable revenue growth (+3%) despite slower economic activities
- Sustained Y/Y profitable growth
- Strengthening our digital capabilities



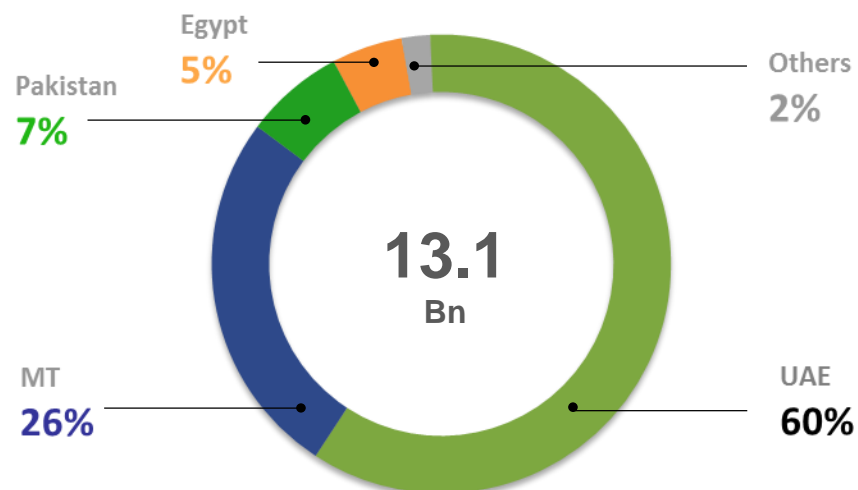
- Maroc Telecom Group improving performance of domestic and int'l operations
- Etisalat Misr maintained double digit revenue growth (+20% in EGP)
- Revenue growth in mobile and fixed broadband segments and ongoing network transformation program in Pakistan

## 2. Financial Overview

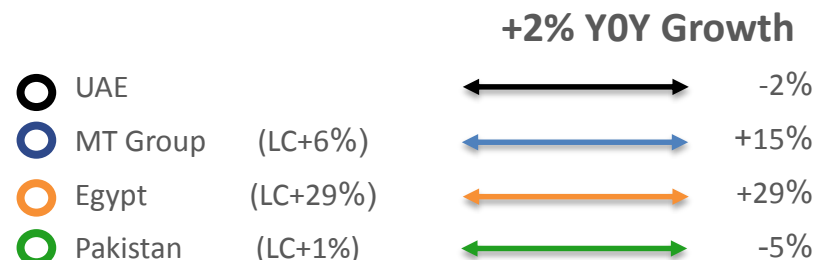
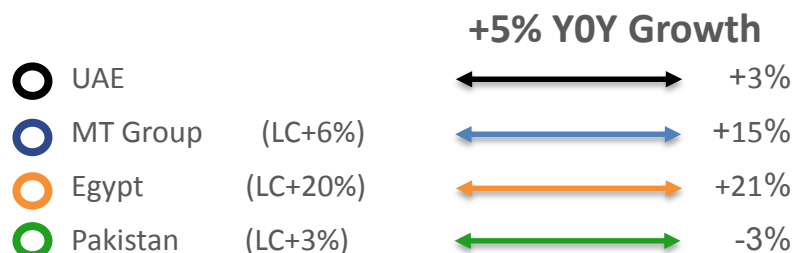
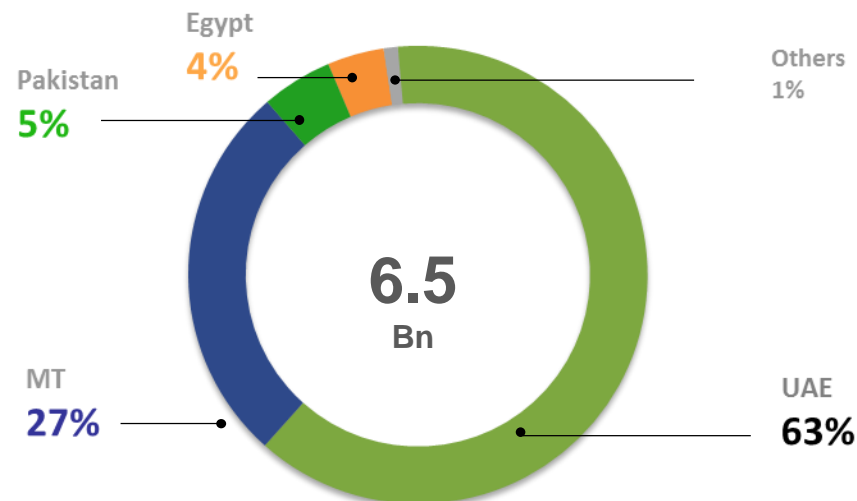
Serkan Okandan  
Chief Financial Officer  
Etisalat Group

# ETISALAT GROUP FINANCIAL HIGHLIGHTS

Revenue Breakdown Q1 2018 (AED m)



EBITDA Breakdown Q1 2018 (AED m)

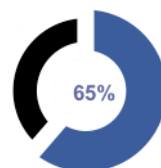
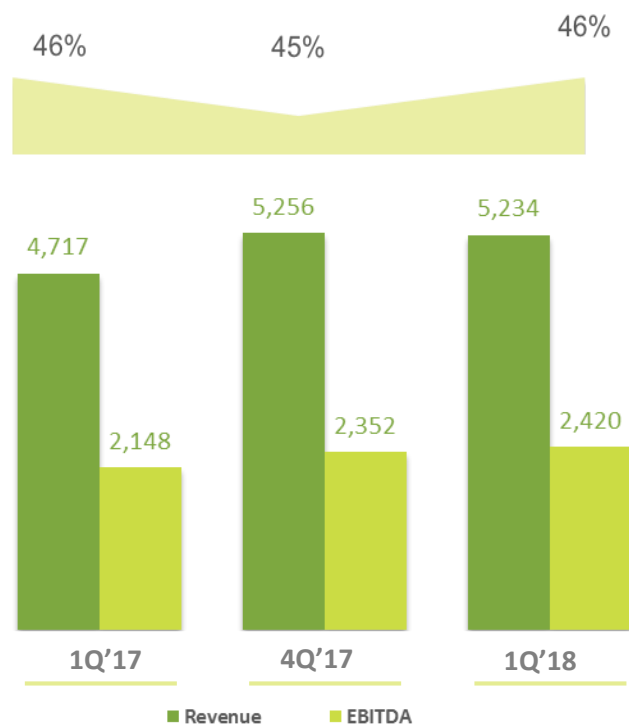


Represents others

(1) Prior period financial figures are restated to reflect IFRS15 adjustments

# INT'L OPERATIONS FINANCIAL HIGHLIGHTS Q1 2018

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



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

Maroc Telecom	Q1 2018	Growth in AED	Growth in MAD
Revenue	3,404	+15%	+6%
EBITDA	1,783	+15%	+6%
EBITDA Margin	52%	Opp	Opp

Etisalat Misr	Q1 2018	Growth in AED	Growth in EGP
Revenue	663	+21%	+20%
EBITDA	262	+29%	+29%
EBITDA Margin	39%	+2pp	+2pp

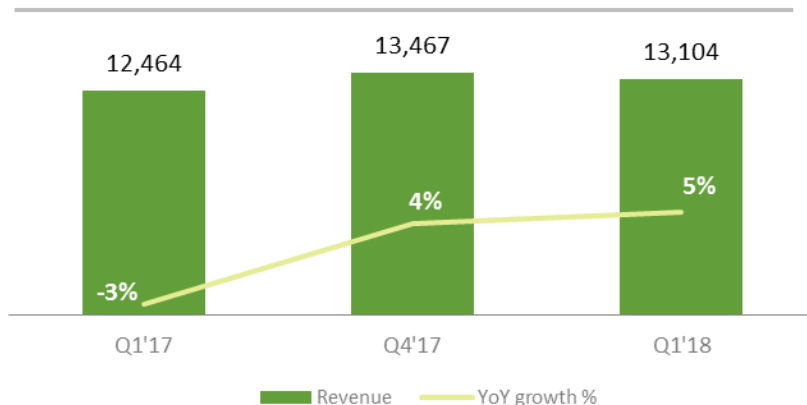
Pakistan	Q1 2018	Growth in AED	Growth in PKR
Revenue	998	-3%	+3%
EBITDA	337	-5%	+1%
EBITDA Margin	34%	-13pp	-1pp

(1) Prior period financial figures are restated to reflect IFRS15 adjustments

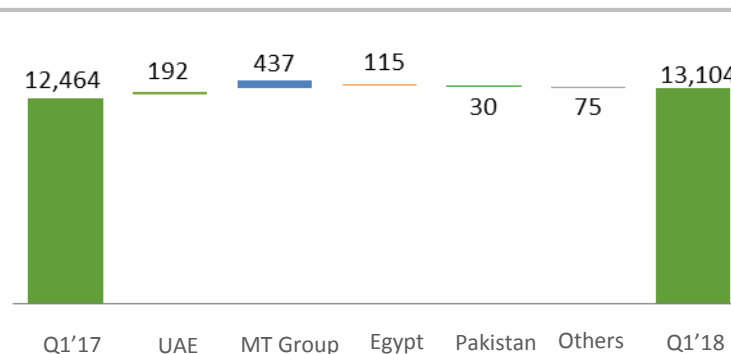


# GROUP REVENUE

Revenue (AED m) and YoY growth (%)



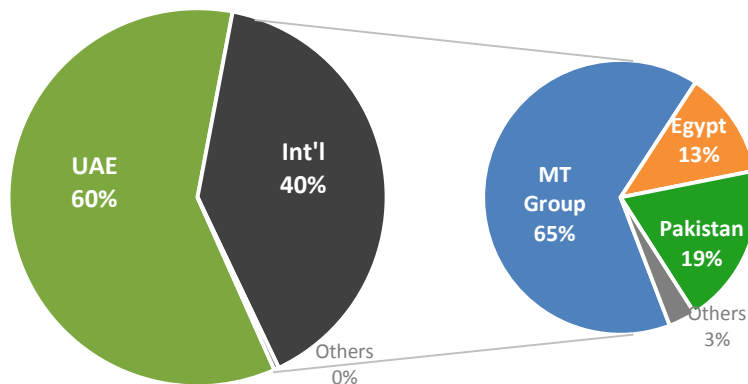
Sources of Revenue growth Q1 2018 Vs. Q1 2017 (AEDm)



Revenue by Cluster (1Q'18)

Domestic vs. Int'l

International



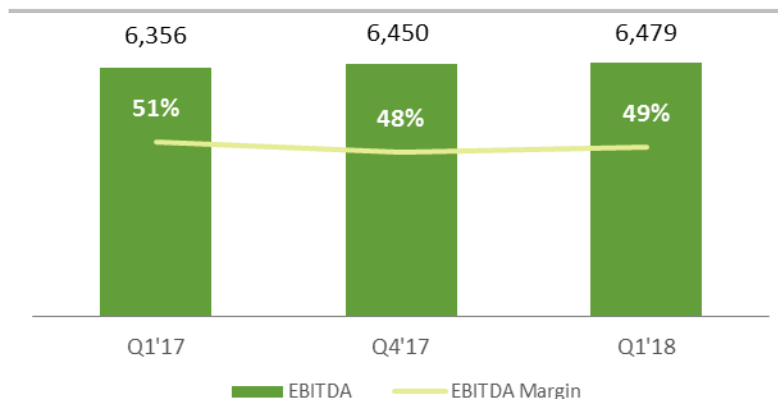
## Highlights

- In Q1'18 consolidated revenue increased Y/Y by 5% attributed to domestic and Int'l operations
- Growth in the UAE mainly due to higher digital services, handsets and wholesale revenues
- Revenues from international consolidated operations increased by 11%, resulting in 40% contribution to Group revenues, 2pp higher than prior year
  - Revenue growth in MT Group attributed to domestic and international operations
  - Revenue growth in Egypt attributed to mobile broadband
  - Revenue growth in Pakistan negatively impacted by currency devaluation

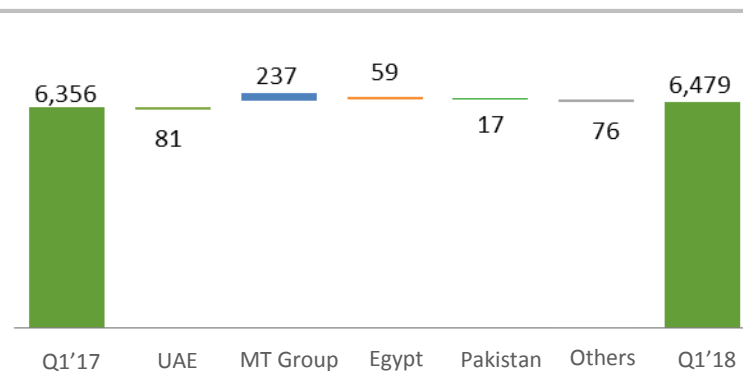
(1) Prior period financial figures are restated to reflect IFRS15 adjustments

## GROUP EBITDA

EBITDA (AED m) & EBITDA Margin



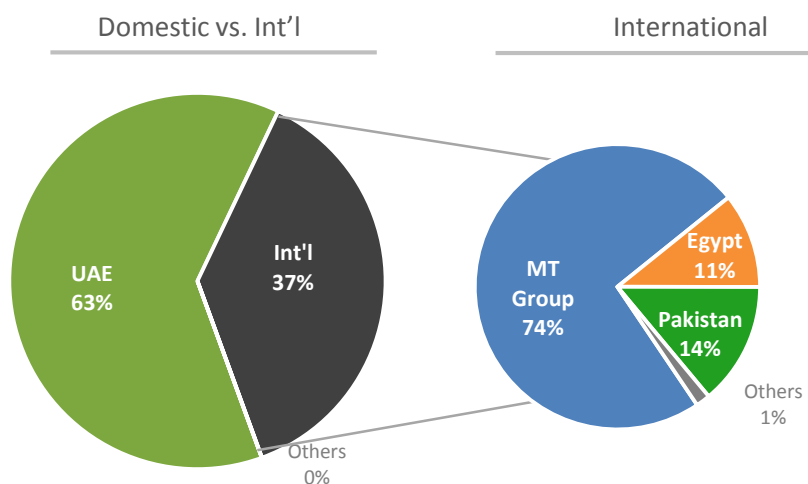
Sources of EBITDA growth – Q1 2018 vs Q1 2017 (AED m)



### Highlights

- Q1'18 consolidated EBITDA increased Y/Y by 2% mainly due to International operations.
- EBITDA in the UAE negatively impacted by higher cost of sales and network costs
- EBITDA of consolidated international operations increased Y/Y by 13%, resulting in 37% contribution to Group EBITDA
  - Positive contribution from Maroc Telecom Group attributed to Morocco and international operations
  - Positive contribution from Egypt due to higher revenues
  - Pakistan negatively impacted by currency depreciation

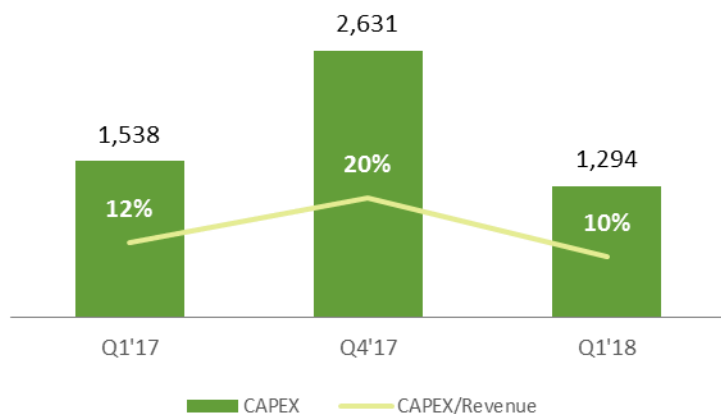
EBITDA by Cluster (Q1'18)



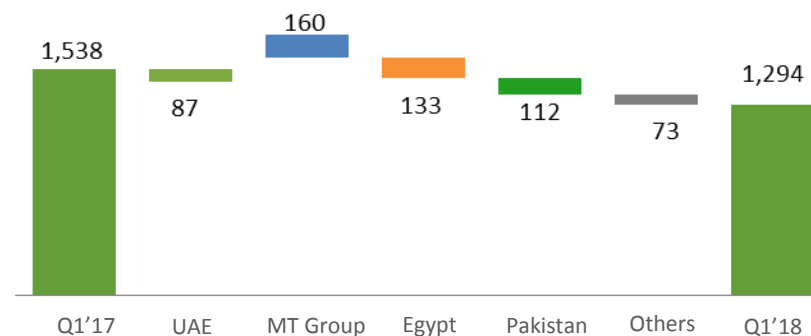
(1) Prior period financial figures are restated to reflect IFRS15 adjustments

## GROUP CAPEX

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



Sources of Capex growth – Q1 2018 vs Q1 2017 (AED m)



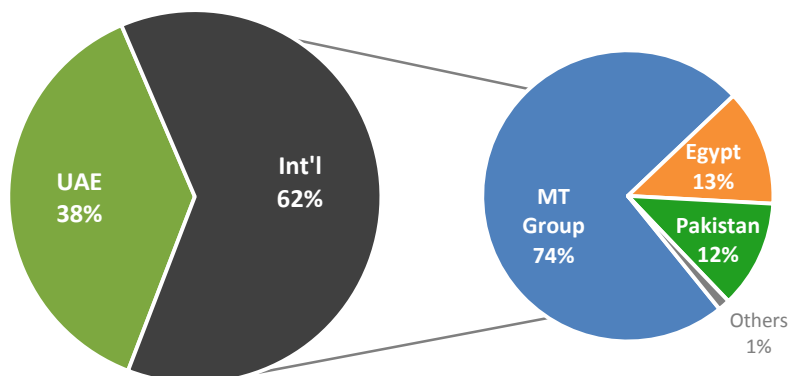
### Highlights

- In Q1'18 consolidated capex decreased Y/Y by 16% resulting in Capex / Revenue ratio of 10%
- Lower capital spend in the UAE focused on network maintenance and digital transformation
- Capital expenditure in international operations decreased by 10% and contributed 62% of consolidated Group Capex
  - Higher capex in MT Group attributed to network expansion in Int'l markets
  - Lower capex in Egypt with focus on 4G deployment
  - Lower capex spend in Pakistan with focus on fixed network modernization

CAPEX by Cluster (Q1'18)

Domestic vs. Int'l

International



(1) Prior period financial figures are restated to reflect IFRS15 adjustments

## GROUP BALANCE SHEET & CASH FLOWS

Balance Sheet (AED m)	Dec-17	Mar-18
Cash & bank Balances	27,125	25,748
Total Assets	128,894	127,180
Total Debt	24,705	24,167
Net Cash / (Debt)	2,420	1,581
Total Equity	58,206	56,835

Cash flow (AED m)	Mar-17	Mar-18
Operating	5,251	4,683
Investing	(1,519)	(1,278)
Financing	(194)	(4,758)
Net change in cash	3,538	(1,353)
<i>Effect of FX rate changes</i>	10	(22)
Reclassified as held for sales	7	(2)
Ending cash balance	27,231	25,748

### Investment Grade Credit Ratings



AA-/Stable



Moody's

Aa3/Stable

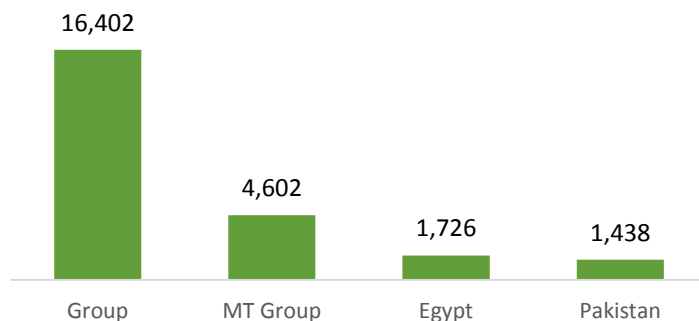
### Highlights

- Maintained strong liquidity position
- Continued net cash position
- Lower operating cash flow due to changes in working capital
- Higher financing cash flow due to payment of final dividends for FY2017 and lower net proceeds from borrowings

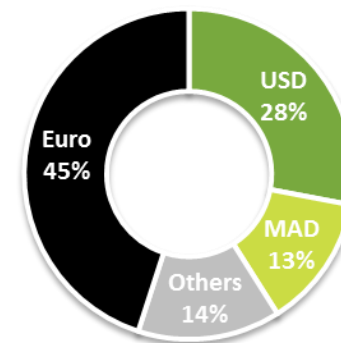
(1) Prior period financial figures are restated to reflect IFRS15 adjustments

## DEBT PROFILE: DIVERSIFIED DEBT PORTFOLIO

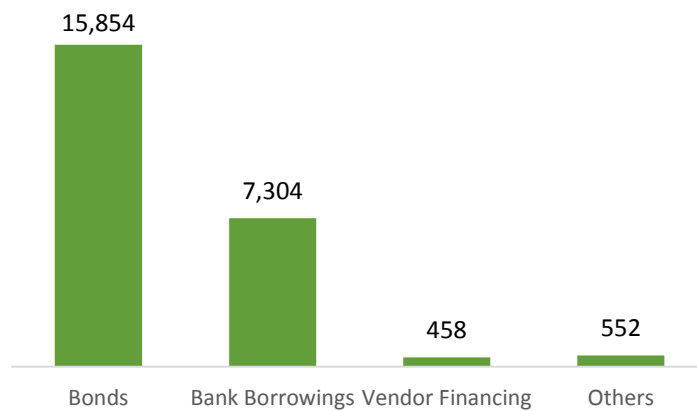
Borrowings by Operation Q1 2018 (AED m)



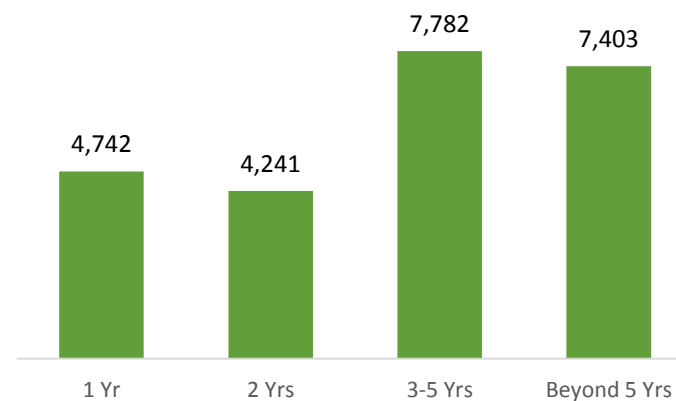
Borrowings by Currency Q1 2018 (%)



Debt by Source Q1 2018 (AED m)



Repayment Schedule Q1 2018 (AED m)

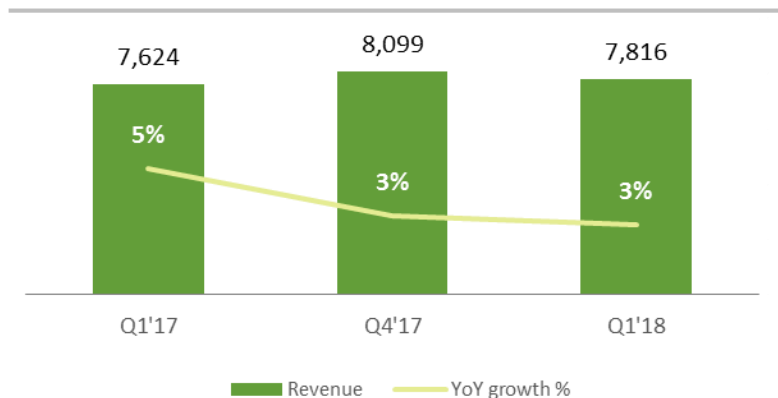


# **COUNTRY BY COUNTRY FINANCIAL REVIEW**

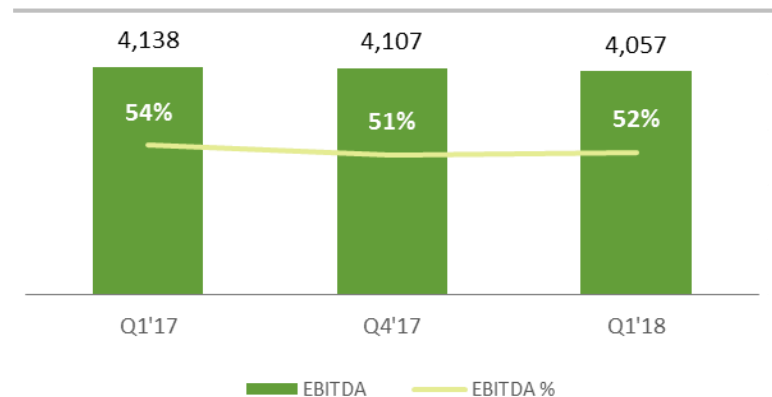


## UAE: TOP-LINE AND BOTTOM-LINE GROWTH

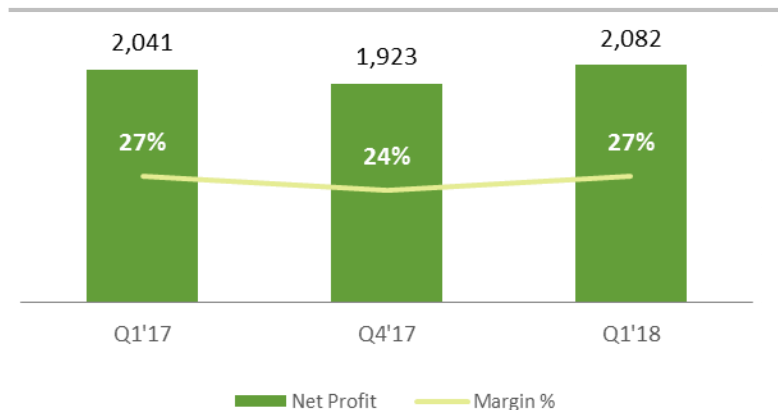
Revenue (AED m) / YoY Growth (%)



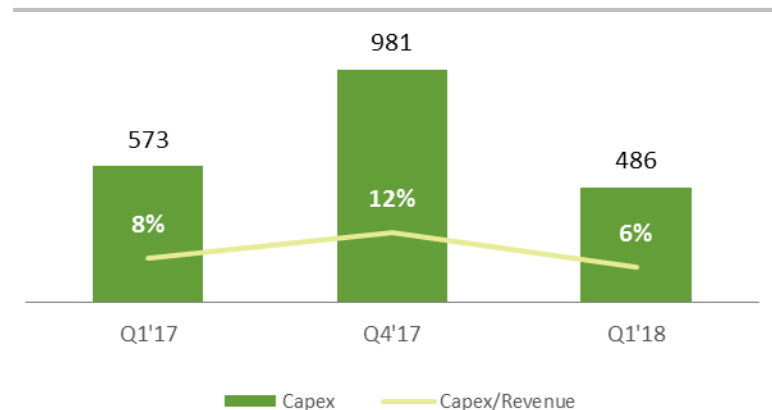
EBITDA (AED m) / EBITDA %



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



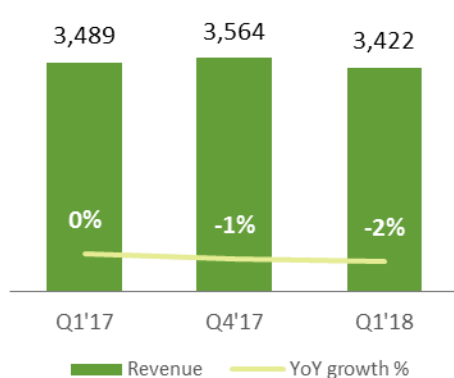
CAPEX (AED m) & CAPEX / Revenue Ratio (%)



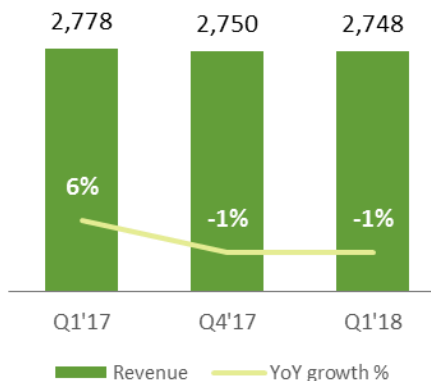
(1) Prior period financial figures are restated to reflect IFRS15 adjustments

## UAE: REVENUE BREAKDOWN AND KEY KPI'S

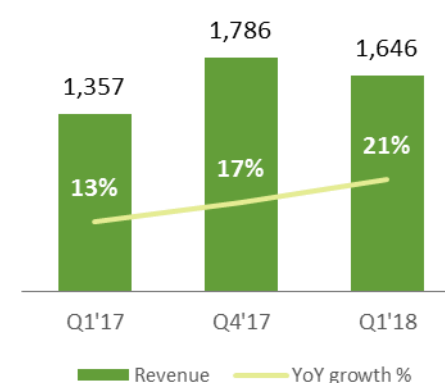
### Mobile Revenues<sup>(1)</sup> (AED m)



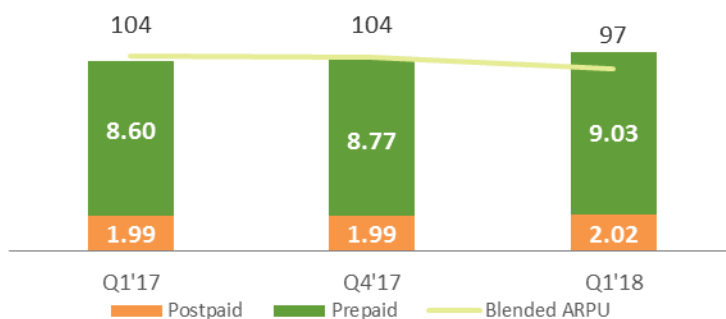
### Fixed Revenues<sup>(2)</sup> (AED m)



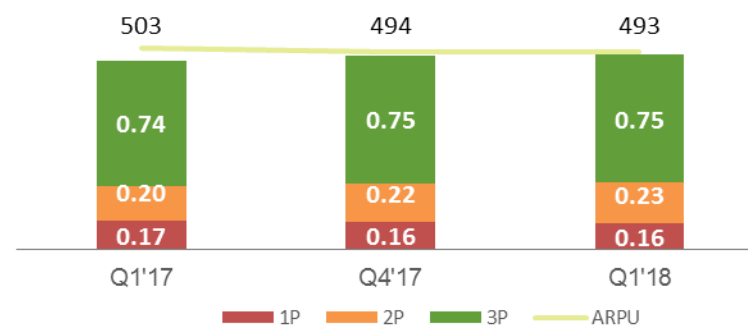
### Other Revenues<sup>(3)</sup> (AED m)



### 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.

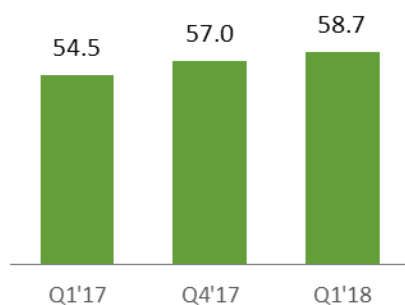
(7) ARPL ("Average Revenue Per Line") calculated as fixed line revenues divided by the average fixed subscribers.



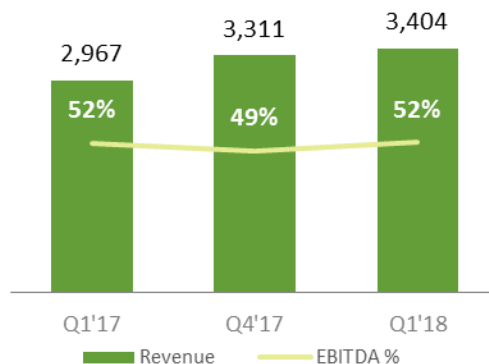
# MAROC TELECOM: REVENUE GROWTH IN DOMESTIC & INT'L OPERATIONS

Morocco, Benin, Burkina Faso, CAR, CDI, Gab on, Mali, Mauritania, Niger & Togo

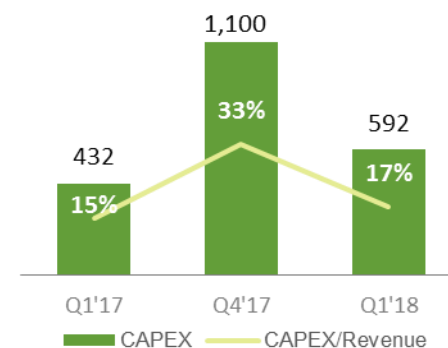
Subscribers (m)



Revenue (AED m) / EBITDA Margin



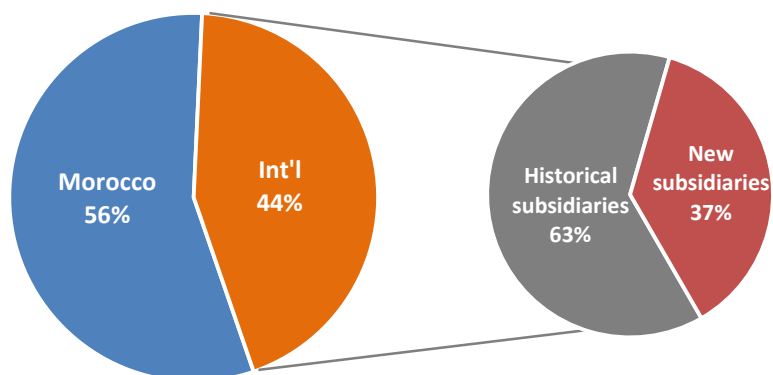
CAPEX (AED m) & CAPEX/Revenue Ratio (%)



Revenue Breakdown Q1'18

Domestic vs. Int'l

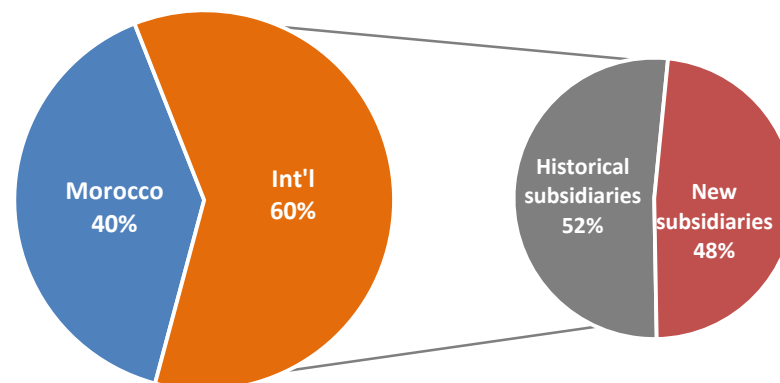
International



CAPEX Breakdown Q1'18

Domestic vs. Int'l

International

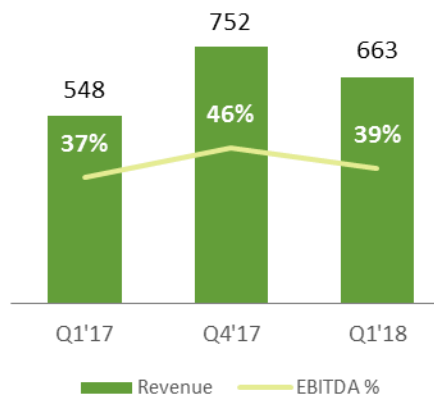


(1) Prior period financial figures are restated to reflect IFRS15 adjustments

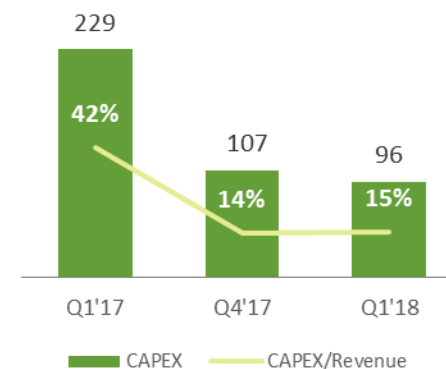
# EGYPT: STRONG REVENUE GROWTH WITH IMPROVED MARGINS

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

Revenue (AED m) / EBITDA



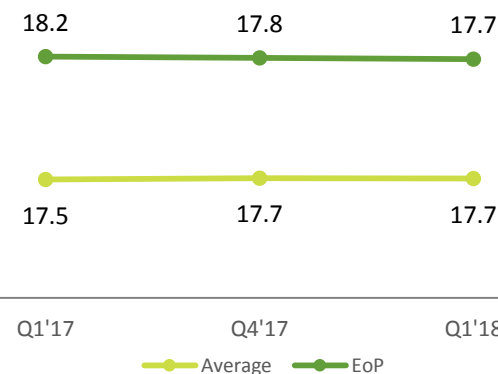
CAPEX (AED m) &amp; CAPEX/Revenue Ratio (%)



## HIGHLIGHTS

- Regulatory restriction negatively impacted customer acquisitions
- Y/Y revenue growth attributed to mobile data, voice and national roaming segments
- Improved Y/Y EBITDA margin
- Capital spending focused on 4G deployment

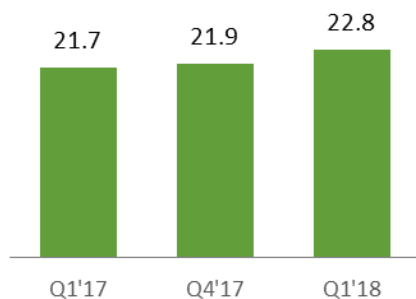
## USD / EGP FX Rate (EGP)



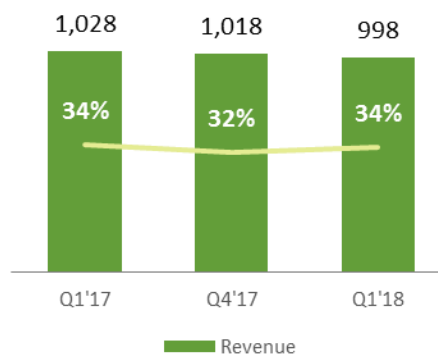
(1) Subscribers figures are based on Etisalat Group definition  
 (2) Prior period financial figures are restated to reflect IFRS15 adjustments

## PAKISTAN: STRONG GROWTH IN SUBSCRIBERS

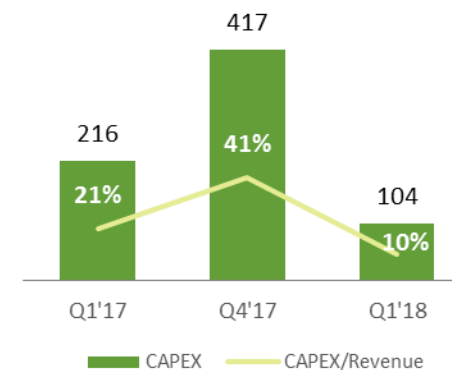
Subscribers (m)



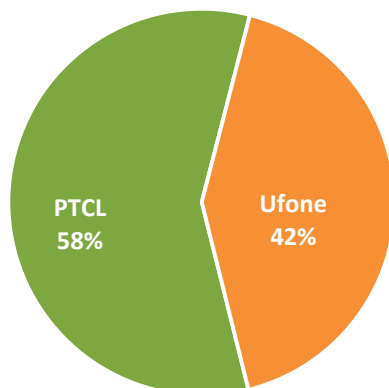
Revenue (AED m) / EBITDA Margin



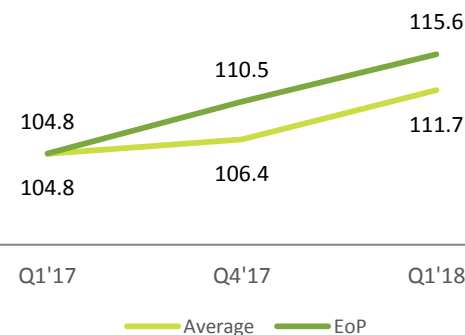
CAPEX (AED m) &amp; CAPEX/Revenue Ratio (%)



REVENUE BREAKDOWN Q1'18



USD / PKR FX Rate (EGP)



## 2018 ACTUAL AGAINST GUIDANCE: BETTER PERFORMANCE IN REVENUES WHILE IN LINE WITH EBITDA MARGIN

Financial KPI	Guidance 2018 in AED	Actual Q1 2018 in AED
Revenue Growth %	Slightly lower	+5%
EBITDA Margin%	49% - 50%	49%
CAPEX / Revenue %	18% - 19%	10%

(1) Prior period financial figures are restated to reflect IFRS15 adjustments

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

Introducing Etisalat Investor Relations App



ETISALAT GROUP INVESTOR RELATIONS

Email: [ir@etisalat.ae](mailto:ir@etisalat.ae)

Website: [www.etisalat.com/en/ir/index.jspr](http://www.etisalat.com/en/ir/index.jspr)

