

Etisalat Group

February 19st, 2020

Jumeirah Saadiyat, Abu Dhabi



2020 | Capital
Markets
Day

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Agenda

Business Overview	Saleh Al-Abdooli	Chief Executive Officer Etisalat Group
Etisalat Group Financial Results	Serkan Okandan	Chief Financial Officer Etisalat Group
Etisalat Group International	Hatem Dowidar	Chief Executive Officer Etisalat International
Etisalat Group Strategy	Khalifa Alshamsi	Chief Corporate Strategy & Governance Officer Etisalat Group
Etisalat UAE Consumer	Khaled ElKouly	Chief Consumer Officer Etisalat UAE
Etisalat UAE Business	Salvador Anglada	Chief Business Officer Etisalat UAE
Etisalat Misr	Hazem Metwally	Chief Executive Officer Etisalat Misr
Mobily	Salman Bin Abdulaziz Al Badran	Chief Executive Officer Mobily
PTCL Group	Rashid Khan	Chief Executive Officer PTCL Group
Closing Remarks	Saleh Al-Abdooli	Chief Executive Officer Etisalat Group



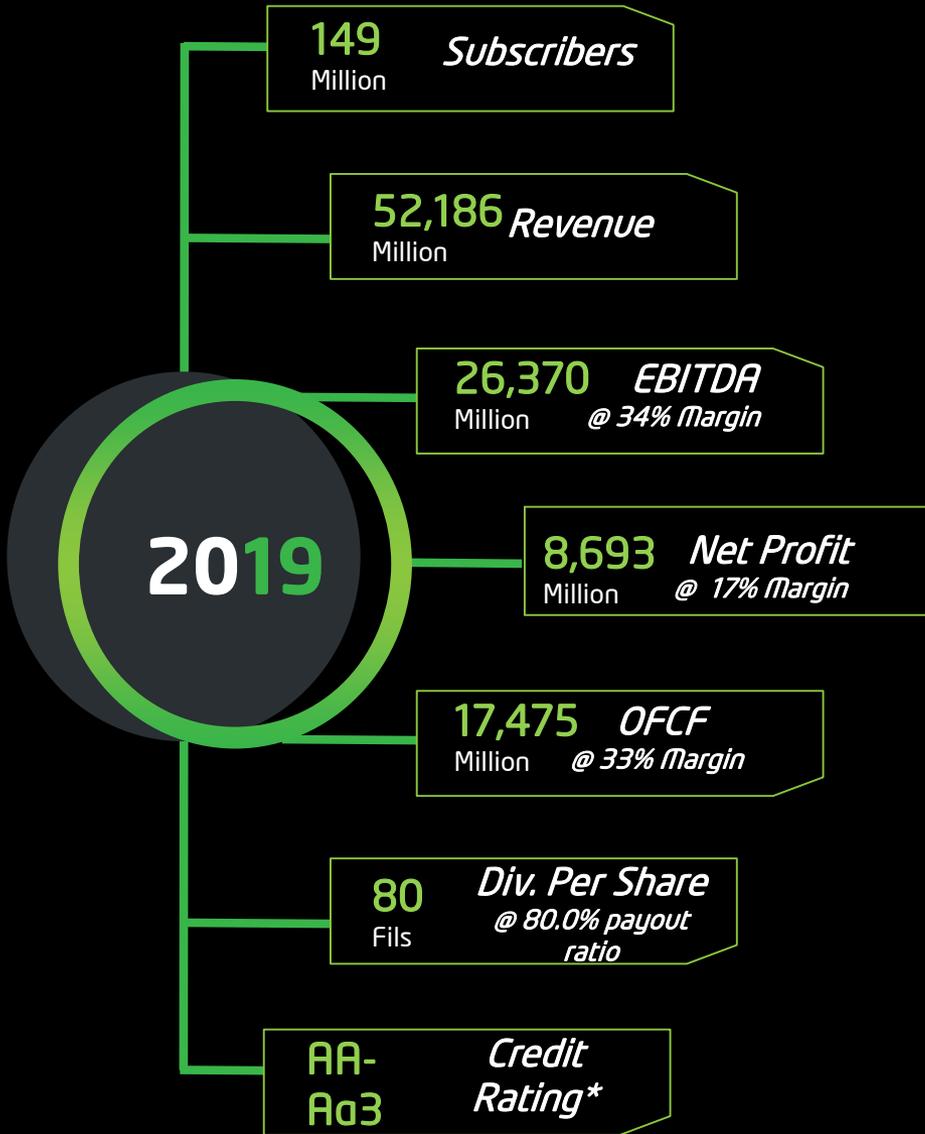
An aerial photograph of a telecommunications tower. The tower is a tall, white, cylindrical structure with a circular platform at the top. Several workers in high-visibility green and yellow safety gear are visible on the platform, working on the tower's equipment. The tower is situated in a desert-like environment with sandy ground and some paved areas. A large green diagonal graphic element is overlaid on the left side of the image.

Business Overview

Saleh Al-Abdooli

Chief Executive Officer
Etisalat Group

1 Our Group at a glance...



Source: Etisalat Group

* By S&P Global and Moody's

Mobile & Fixed Services

-  UAE
-  KSA
-  Morocco
-  Burkina Faso
-  Pakistan
-  Mauritania
-  Mali
-  Gabon



Mobile Services

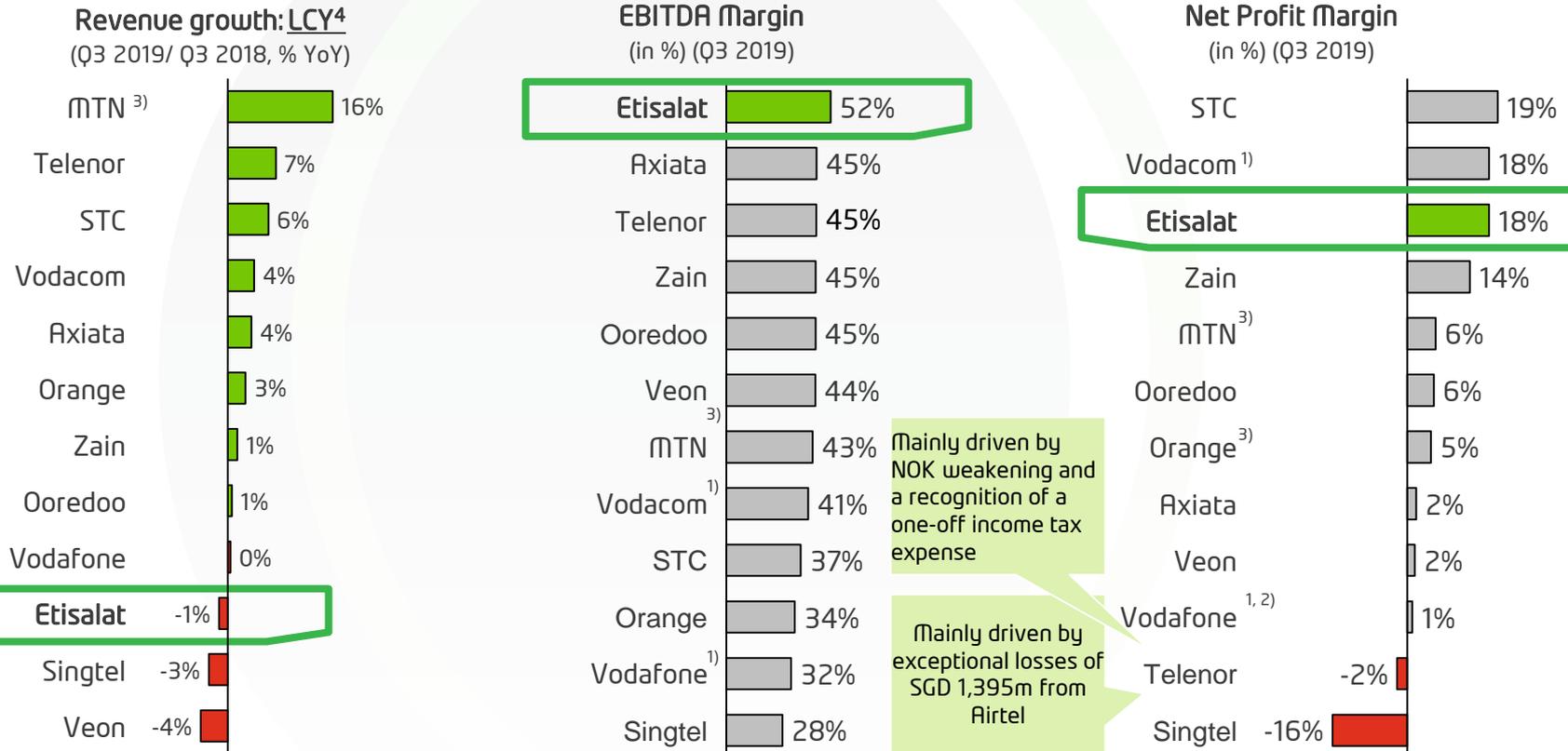
-  Egypt
-  Benin
-  Togo
-  Afghanistan
-  Cote d'Ivoire
-  Niger
-  Central Africa
-  Chad

All of Etisalat OpCos rank first or second in terms of value share with the exception of Cote d'Ivoire and Central Africa

Etisalat Group enjoys the highest EBITDA % and one of the highest Net Profit % amongst peers, revenues are challenged predominantly by FX erosion in some markets



Key performance indicators (Comparison on 3m basis)



Note 1: Vodafone, Vodacom EBITDA and Net Profit margin are based on the reported half-year results covering the period of Q2 and Q3 19

Note 2: Vodafone reported Net Profit is Vodafone Adjusted Net Profit, i.e. before exceptional items (for example impairments)

Note 3: MTN does not report financials in Q1 and Q3: performance of H1 19 are reported instead; Orange Net profit is based on H1 19

Note 4: With LCY is intended the evolution in the currency used by the Telecom Groups to report their financial results, not the performance on organic/ constant-currency basis

Source: Company reports, Etisalat International Strategy & Performance analysis

2019 was another positive year for the Group, with many key achievements that successfully translated our strategy & plans

Portfolio Related

- Acquisition of **Tigo Chad** as part of MT Group.
- Turnaround continues strongly in **Mobily**. New 2020-2022 Strategy
- Record year in **Etisalat Misr** in terms of growth, supported by favorable FX movement
- **PTCL Group** improving top line despite challenging conditions related to unfavorable FX movement and reinstatement of taxes
- Enhanced **Synergy at Group level** in the areas of Wholesale and Procurement

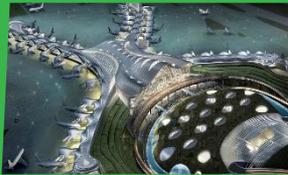
Network Leadership

- Enhancing of **4G and 3G** coverage in all OpCos
- Launch of **5G** in UAE market
- Commercial launch of **4G** in Burkina Faso, and **3G** network in Central African Republic
- Launch of 8,200 KM of **submarine cable** to connect sub-Saharan subsidiaries of MT Group
- UAE achieves the highest Global Household **Fiber** penetration
- UAE recognized by Ookla® as the fastest **Mobile** network in the MENA Region, and the fastest **Fixed** broadband network in the Middle East, Africa & Arabian region (Etisalat ranked 2nd globally in mobile speed in Dec. 19)

Digital Agenda

- **Key wins** in the IoT, security, and cloud with key governmental and enterprise entities across all OpCos.
- Introduction of new **digital channels**, and enhancement of existing ones increased share of digital transactions in sales, recharges & payments, and care, mainly in UAE, KSA, and Pakistan markets
- Launch of **e-Wallet** in UAE, the digital payment service, while registering growth in active users and transactions of Egypt and Pakistan mobile wallets (Egypt Cash and UPaisa)
- **Acquisition of Help AG** for cyber security solutions to enhance digital services portfolio
- In FinTech, signing an agreement to create **UAE Trade Connect** platform to digitize trade in the UAE

5G Commercial Launch in UAE stands out as a hallmark for Etisalat's technological leadership and a key feat in 2019



Etisalat to provide 5G at Abu Dhabi's Midfield Terminal



Etisalat successfully dials in 5G call from Burj Khalifa



Etisalat enables 5G network at F1 Abu Dhabi Grand Prix

24 NOVEMBER 2019



Etisalat empowers 'Etisalat Metro station' with 5G

Emirates News Agency | Dec 14, 2019 at 1:33 PM



Etisalat standalone 5G test achieves 3.1 Gbps download throughput

RCR Wireless News | December 9, 2019

[BACK TO MAIN NEWS PAGE](#)

Etisalat recently recognized as the fastest mobile network in MENA region Telecom services operator Etisalat already made headlines for completing the first end-to-end standalone 5G call in the Middle East and North Africa



Etisalat was recognized by Ookla® as the fastest Mobile network in MENA, and the fastest Fixed broadband network in the Middle East, Africa & Arabian region



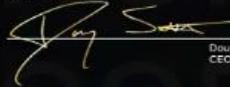
MENA's Fastest Mobile Network

Etisalat

IS HEREBY NAMED THE 2019 AWARD WINNER FOR FASTEST OPERATOR BY OOKLA IN RECOGNITION OF PROVIDING THE FASTEST SPEEDS FOR THE Q1-Q2 AWARD PERIOD.

Given on
September 25th
2019

AWARDED BY



Doug Suttles
CEO



Middle East, Africa and Arabian Region's
Fastest Fixed Network

Etisalat

IS HEREBY NAMED THE 2019 AWARD WINNER FOR FASTEST PROVIDER BY OOKLA IN RECOGNITION OF PROVIDING THE FASTEST SPEEDS FOR THE Q1-Q2 AWARD PERIOD.

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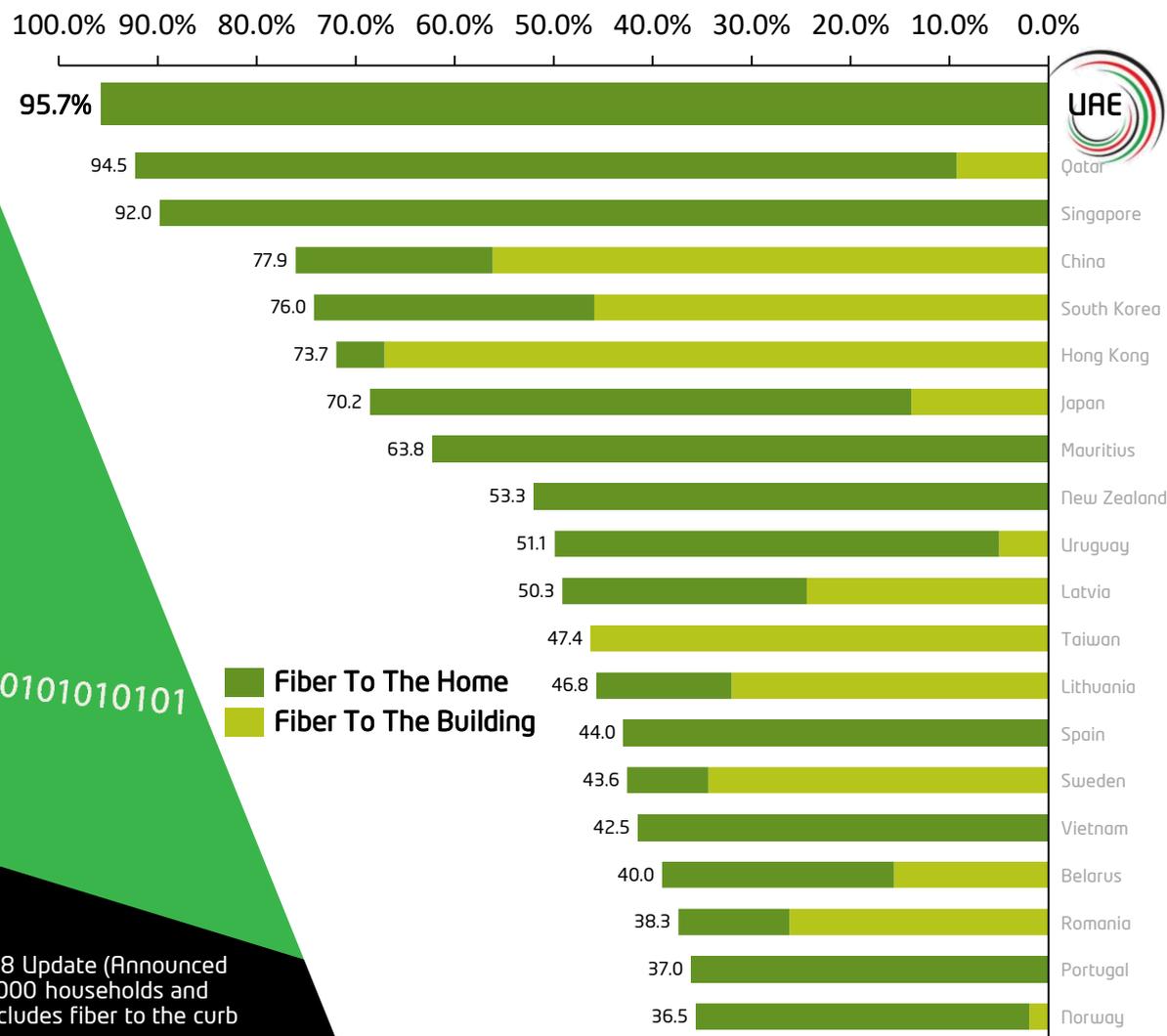


Doug Suttles
CEO



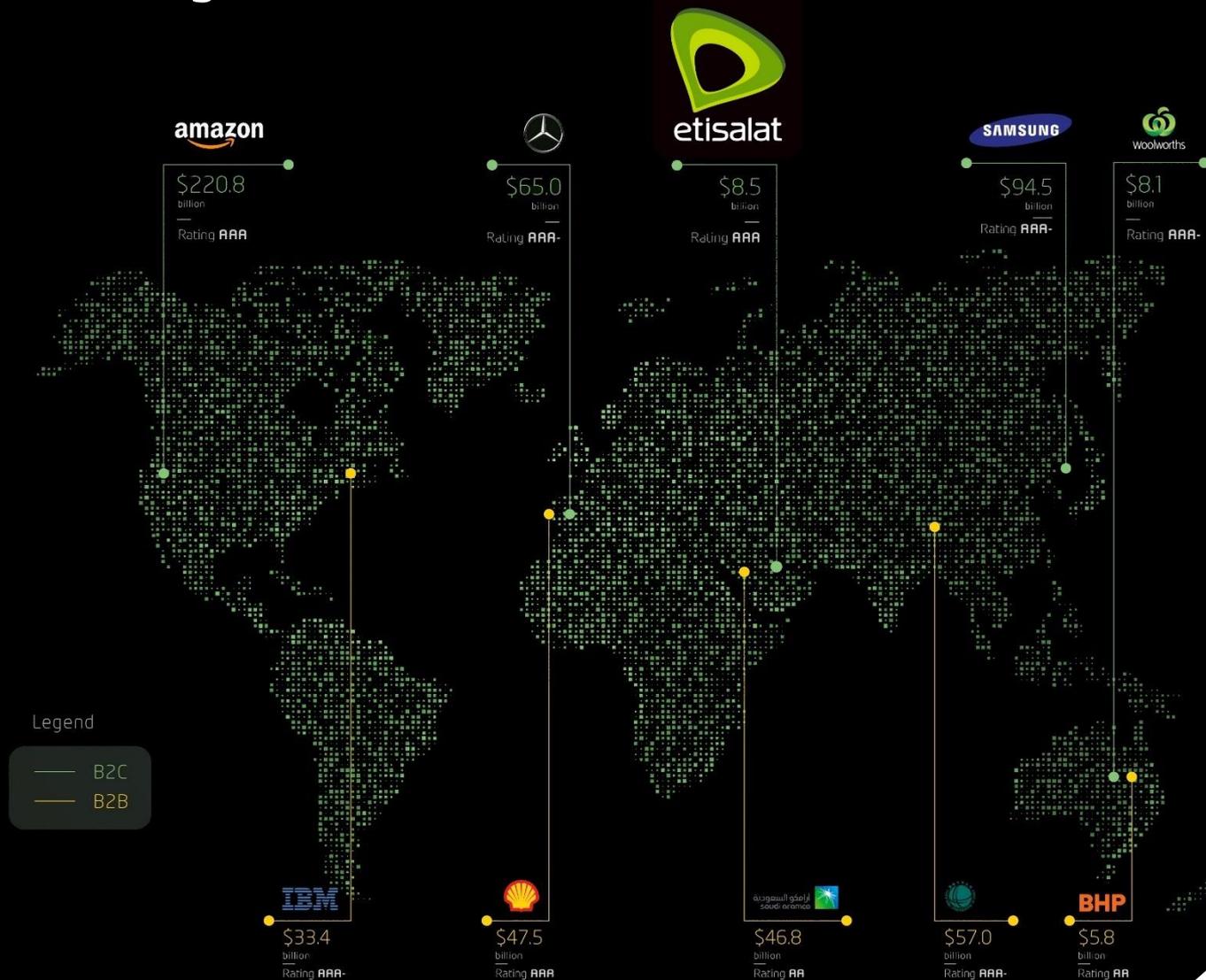
We are the global leaders when it comes to fixed fiber network penetration for the 3rd consecutive year, hence enabling larger capacities, faster speeds, and diverse portfolio

Global Ranking - Household penetration



Source: IDATE for FTTH Council Europe, September 2018 Update (Announced on March 2019) covering economies with at least 200,000 households and greater than 1% household penetration - Percentage includes fiber to the curb

Etisalat is the most valuable consumer brand in MEA for the 3rd consecutive year



The Macro-economic Environment Across the Footprint Offers both Opportunities to Exploit and Challenges to Mitigate

Key Macro-Economic Drivers

Highlights



Economic outlook across our footprint is cautiously optimistic, against a backdrop of slowing global growth and heightened geo-political risks

- Overall population growth of ~2% across the footprint, mainly in tech-savvy youth and increased urbanization
- Real GDP growth for 2020 is markedly different across the footprint ranging between 2.2% in KSA to 5.9% in Egypt
- Forex devaluation uncertainties in Pakistan



ICT/Digital remains a pivotal element of our OpCo countries' plans to boost economies

- ICT-driven transformative plans gaining scale and momentum e.g. Vision 2021 in UAE, Vision 2030 in KSA and Egypt



Oil price faces continued uncertainty along with several economic risks

- Softening global demand has pushed oil prices downwards
- Brent oil average price is forecasted to drop in 2020
- Global economic risks e.g. trade tensions



A range of sectors are set for growth

- Strong tourism growth expected across footprint driven in part by changes to VISA rules across a range of countries
- Ongoing execution of infrastructural expansion projects across footprint e.g. Neom project in KSA and CPEC in Pakistan

Several topics are expected to strongly evolve in the coming period, with varying implications on our industry & ecosystem

Next Generation Connectivity



- 5G fueling intelligent connectivity
- Accelerated rollout and adoption of 5G
- Expansion of 5G use cases for consumer, enterprise, and Industrial
- Explosion of connected devices

Hyper Automation



- Expansion of automation functions
- E2E Integration of automated islands to deliver "hyper automation"
- Moving from Digital second, to "Digital First" and to "Digital Only" service offering

Autonomous Everything



- Expansion of autonomous use cases: cars, taxis, drones, trucks and utility vehicles
- Maturing ecosystem, i.e. infrastructure and regulations
- Powered by Edge and Cloud computing

Practical Blockchain



- Expansion of use cases beyond Crypto-currencies and payments
- Practical simplified approach for deployment
- Democratized with Blockchain-as-a-service models

Everything as a Service



- Covering all enterprise solutions
- New subscriptions models
- Powered by Cloud computing
- Offers include: AI as a Service, Distributed Ledger as a Service, etc.

Next Generation Computing



- Hyper and Distributed Cloud
- Quantum computing for enterprise and scientific applications
- Advanced Edge computing, e.g. multi-access and AI at the Edge

Content & Multi-experiences



- Growth in content volume, providers and reach
- New major VOD and gaming players
- Game Streaming as a new growing market
- Increased adoption of 4K/8K, AR, immersive & multi sensory interfaces "Extended Reality"

Digital Responsibility



- Data security and privacy
- Sustainability in design & operations
- Increased adoption of biometric authentication

Next Generation Connectivity

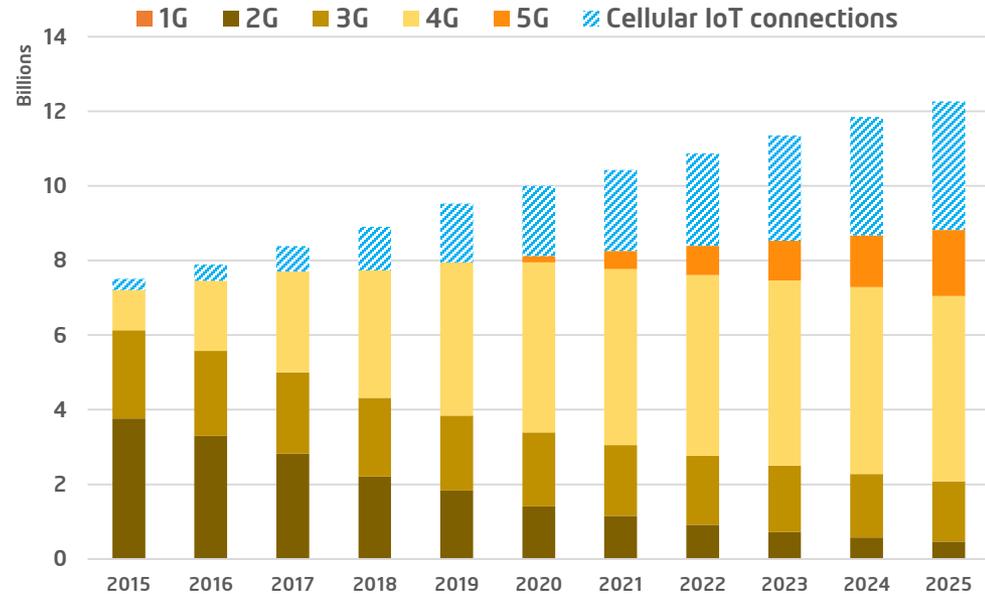


- 2020 will continue to witness **accelerated 5G deployments** across the globe, bringing faster data speeds and more reliable networks for Consumer & B2B devices, e.g. smart phones, tablets, wearables, smart home appliances, and IoT connectivity modems.
- By 2025, connectivity and traffic profiles will witness a large shift in virtue of 5G:
 - Mobile subscriptions will grow up to above **8.8 Billion** (excluding cellular IoT).
 - 5G will account for over **20%** of mobile subscriptions
 - **45%** of global mobile data traffic will be carried by 5G networks
- **5G equipped devices** will power data-intensive uses case in almost all industries, such as transportation, manufacturing, Smart City and others.

Source: Ericsson, GSMA
EB stands for Exabyte

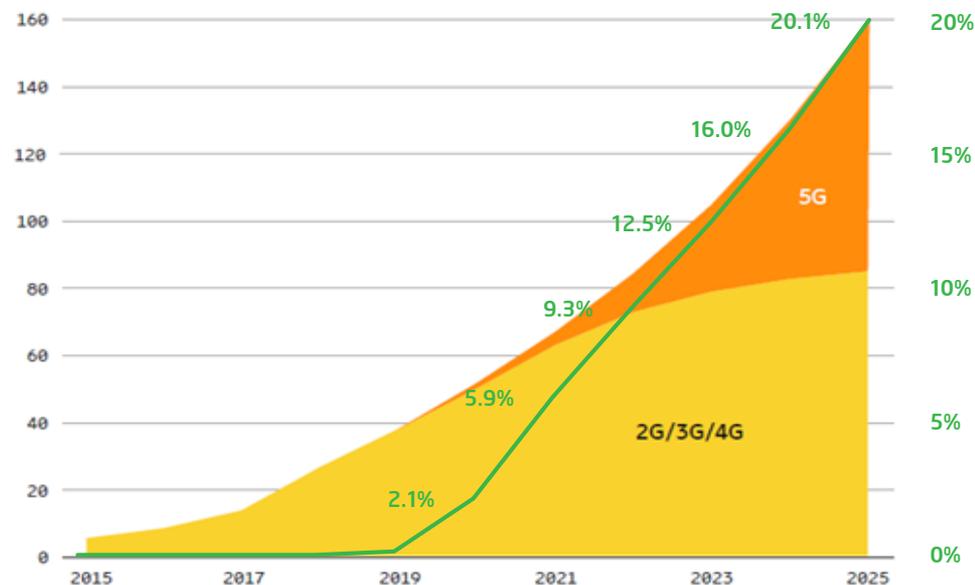


Mobile Subscriptions by Technology



Global mobile data traffic (EB per month)

Percentage of 5G mobile subscriptions*



* Excluding Cellular IoT

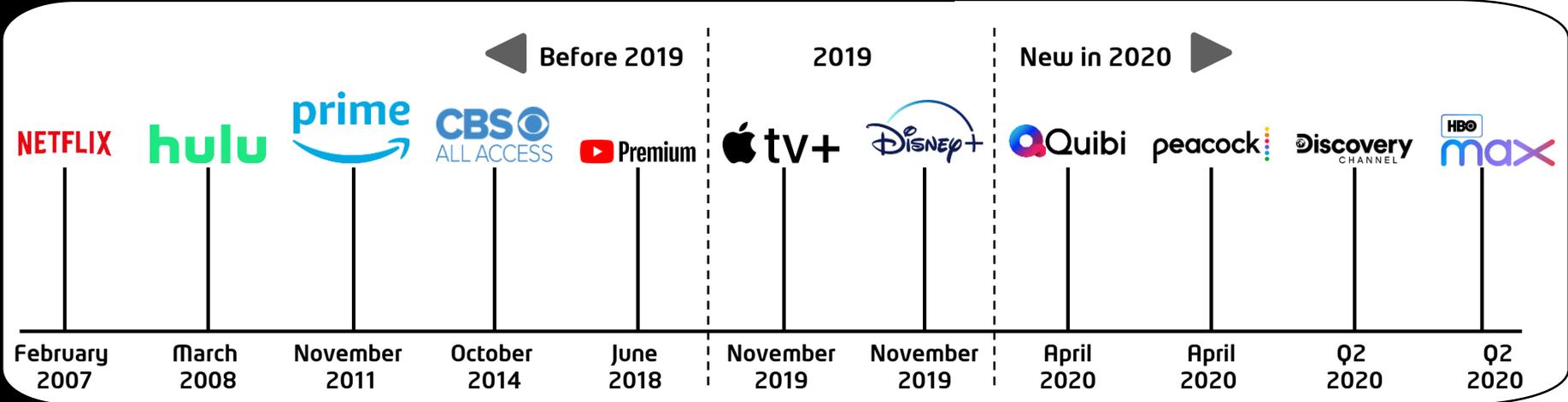
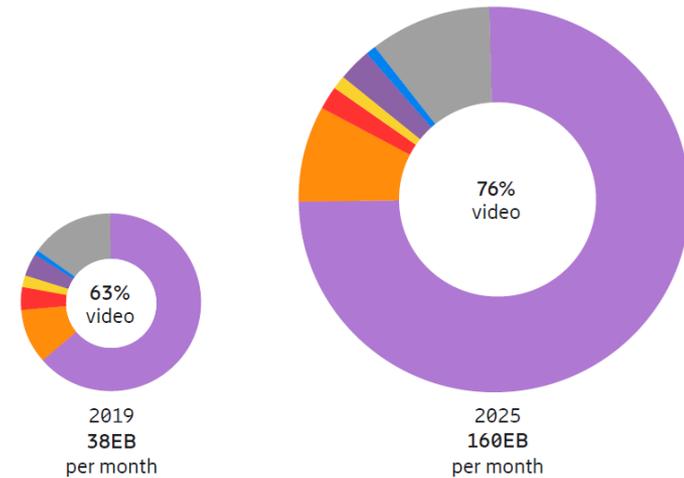
Content & Multi-experiences



- By 2025, data monthly consumption will grow over **4 folds** from 2019, with video accounting for than **76%** of all mobile traffic.
- Content consumption will change with the **proliferation of immersive experience formats** such as AR and 4K/8K, and multi sensory interfaces such as haptic wearables and smart speakers.
- **Growth in appetite for VoD** is driving OCSs (Original Content Studios) and content aggregators to launch new platforms.
- Competitive VoD market will open the door for **advertising-subsidized packages** to capture price-sensitive segments

Mobile Data Traffic by Application

■ Video
 ■ Social networking
 ■ Web browsing
 ■ Audio
 ■ P2P file sharing
 ■ Other segments
 ■ Software download and update



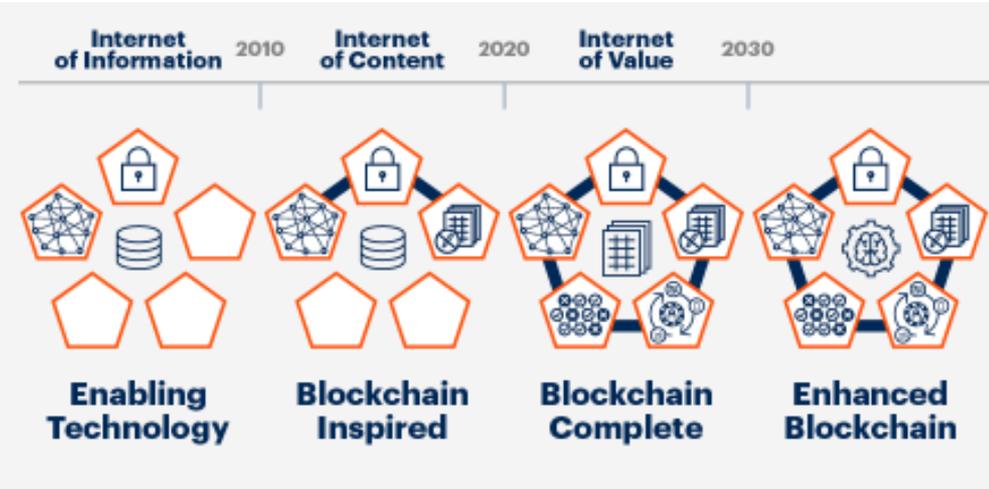
Source: Ericsson, Public Websites
EB stands for Exabyte

Practical Blockchain



- An **expansion in use cases** beyond Crypto-currencies and payments is expected.
- Microsoft, Amazon, Samsung, IBM and many other vendors are **democratizing Blockchain**, with simplified ecosystem and BaaS (Blockchain as a Service) cloud platforms
- Gartner predicts Blockchain spectrum to **mature around 2025**.

The Gartner Blockchain Spectrum (Emerged in 2008)



Venture Capital investment in Blockchain reached **\$2.85** billion in 2018, an increase of **316%** over 2017

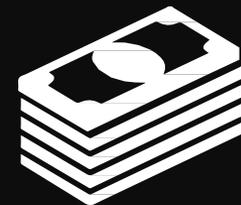


Source: KPMG, Gartner

Worldwide spending on Blockchain solutions is forecast to reach **\$11.7** billion in 2022



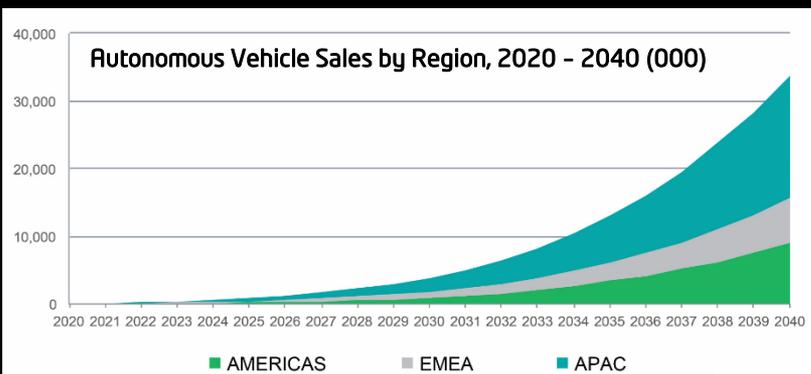
The business value added by Blockchain will surpass **\$176** billion by 2025 and **\$3.1** trillion by 2030



Autonomous Everything



- Expansion of **autonomous use cases**: cars, taxis, drones, trucks and utility vehicles
- **Maturing ecosystem**, i.e. infrastructure and regulations
- Powered by Edge and Cloud computing
- Volumes of Autonomous Cars in specific will surpass **51,000** units in 2021 when personally owned autonomous cars reach individual buyers for the first time, and nearly **1 million** units will be sold in 2025 across shared fleets and individually owned cars," .



Source: IHS Markit, Public Sources



DUBAI'S AUTONOMOUS TRANSPORTATION STRATEGY

TRANSFORMING DUBAI TO AUTONOMOUS MODE BY 2030

396 million increase in individual productivity hours (13%)	900 million reduction in transportation costs per km (44%)	1.5 billion reduction in environmental pollution (12%)	18 billion increase in public transport efficiency ratio (20%)
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Moving forward, we will continue to push the implementation of our Group digital strategy "TARGET" across key priorities

T

To Drive the Digital Future to Empower Societies

A

Accelerate value generation through innovation & digitization

R

Raise capabilities and develop talent across the Group

G

Grow B2B/Digital across the footprint

E

Expand portfolio in MENA and Knowledge Economies

T

Transform Operating Companies into Strongholds

Growth-
Focused
Strategic
Priorities

Efficiency-
Focused
Strategic
Priorities

Cross-Group

OpCo Specific

For UAE, "NEXT" remains our guiding compass, which involves pursuing several other mission-critical focus areas

Non-exhaustive

5G Roll-out
& Network
Modernization

5G

Supporting
National Agenda



Digital Growth



Efficiency



Digitalization



Accelerating Analytics, AI, and Automation tracks (AAA)

Overall, Etisalat Group is determined to lead as a digital telco with enhanced efficiency, improved digitization and digital revenues as the key sustainable drivers for growth

- We are progressing steadily in **delivering against our strategy**, strategic objectives, and shareholders expectations.
- 2020 will witness larger focus on several priorities:
 - **Digital services revenue acceleration** for consumer & business as the key sustainable driver for growth.
 - Continued **growth and defense of core business** with strong focus on bundles, data, and recurring revenues.
 - **Efficiency enhancement** through streamlined and agile operations, the adoption of AI and RPA, predictive analytics and driving group wide synergy, which will support in mitigating the currency exposures in certain markets.
 - **Improved Digitization** through new and improved digital channels while stimulating adoption and usage, hence empowering customers and pushing self care while improving their experience.
- Sustaining our **technological leadership** and rolling out 5G network in UAE and selected markets is a main theme, infrastructure investments will continue at solid pace to support our digital transformation, support the delivery of business value and to enhance customer interactions.
- We will continue to invest in our **brand, talent and Group Family Culture** as key enablers for company growth.
- **Portfolio optimization** remain relevant, we will continue to **pursue inorganic growth opportunities** that meet our investment criteria.



Etisalat
Group
Financial
Results

Serkan Okandan

Chief Financial Officer
Etisalat Group

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	

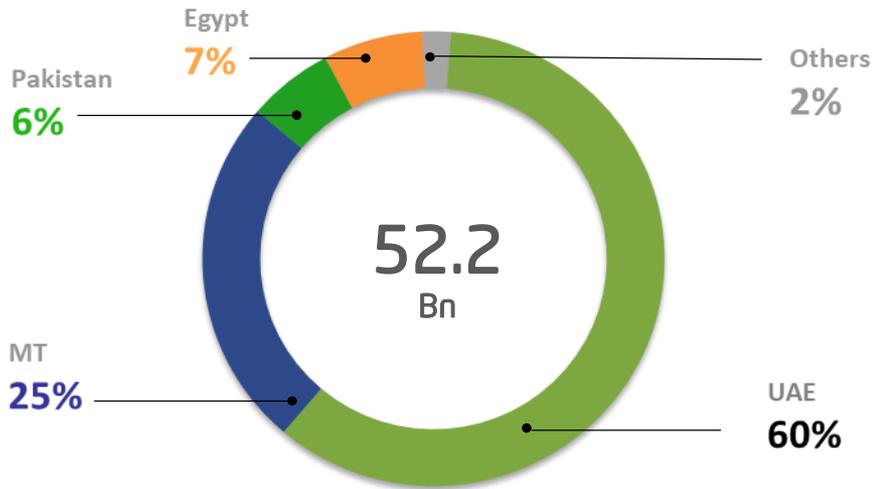
Q4 2019 Highlights

- 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

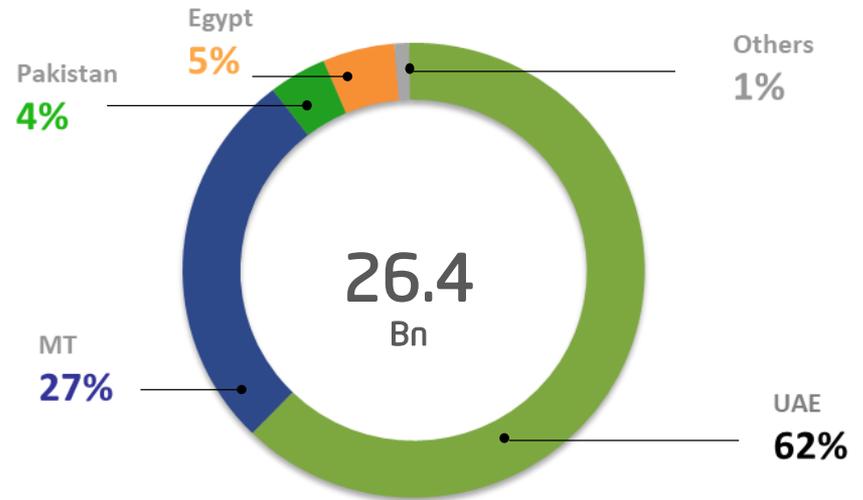
- Revenue decline Y/Y is attributed to unfavorable exchange rate movements in Pakistani Rupee and Moroccan Dirham, as well as reinstatement of tax on telecom services in Pakistan; Revenue grew in constant exchange rates by 1%
- EBITDA increase Y/Y is driven by lower termination and roaming costs, network 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.

Revenue Breakdown FY 2019 (AED m)



YOY Growth 0%

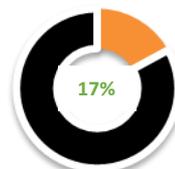
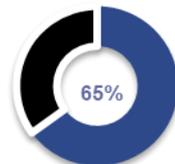
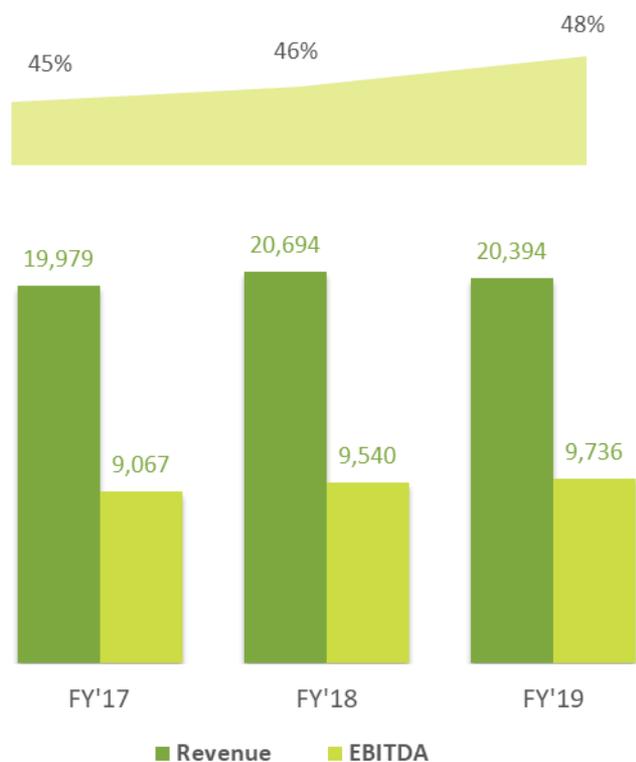
EBITDA Breakdown FY 2019 (AED m)



YOY Growth +2%

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

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



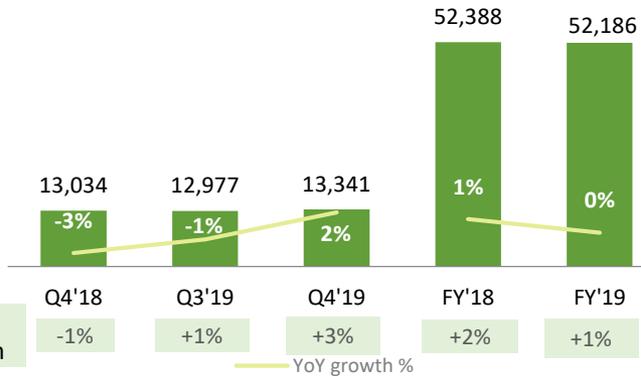
MT Group	FY 2019	Growth in AED	Growth in MAD
Revenue	13,221	-1%	+1%
EBITDA	7,214	+3%	+6%
EBITDA Margin	55%	+2pp	+2pp

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

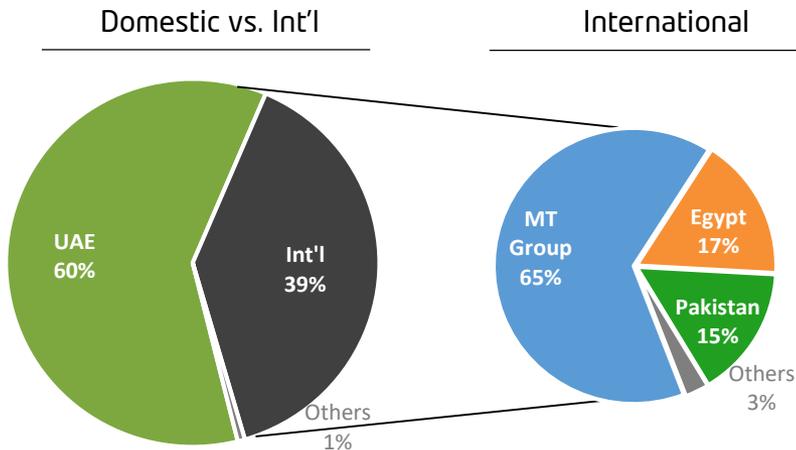
Pakistan	FY 2019	Growth in AED	Growth in PKR
Revenue	3,178	-17%	+2%
EBITDA	1,017	-19%	0%
EBITDA Margin	32%	-1pp	-1pp



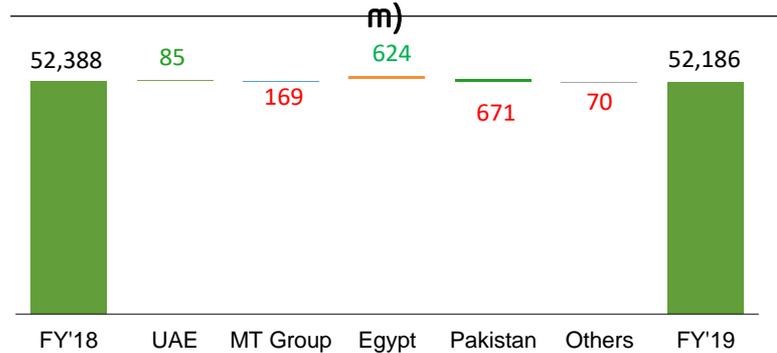
Revenue (AED m) & YoY Growth (%)



Revenue by Cluster (FY 2019)



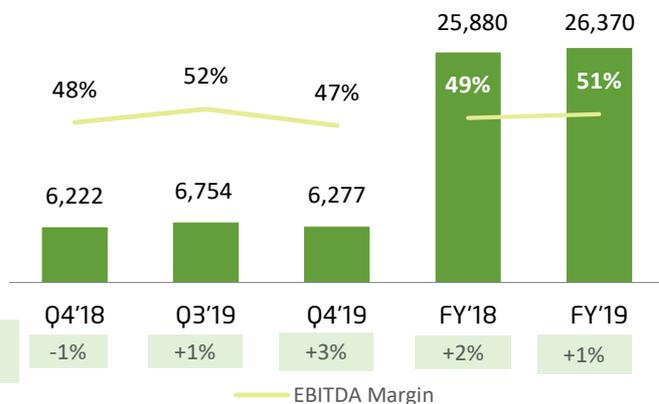
Sources of Revenue Growth - FY 2019 vs FY 2018 (AED m)



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

EBITDA (AED m) & YoY Growth (%)

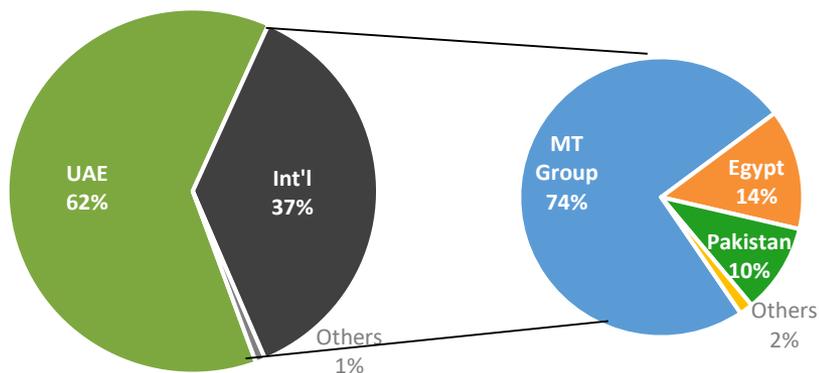


Constant Cu
Y/Y % growth

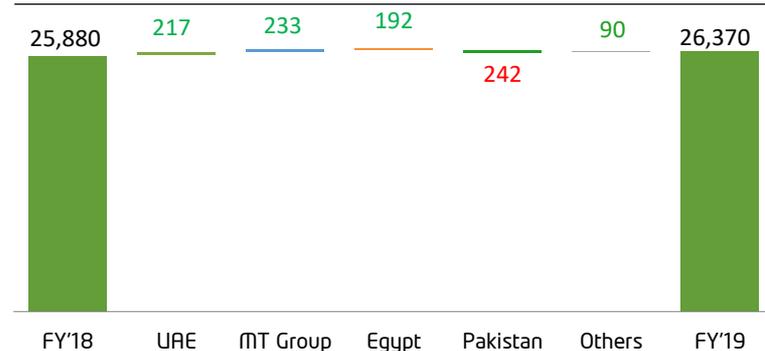
EBITDA by Cluster (FY 2019)

Domestic vs. Int'l

International



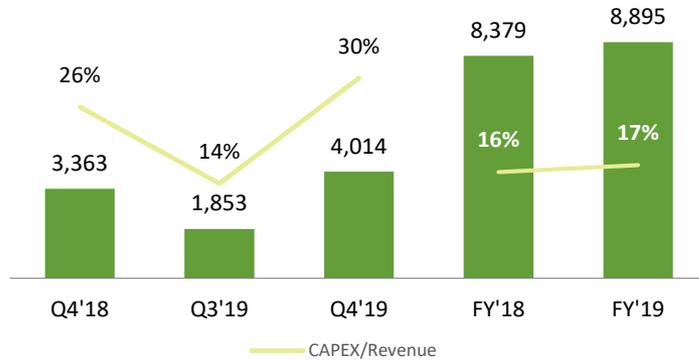
Sources of EBITDA Growth - FY 2019 vs FY 2018 (AED)



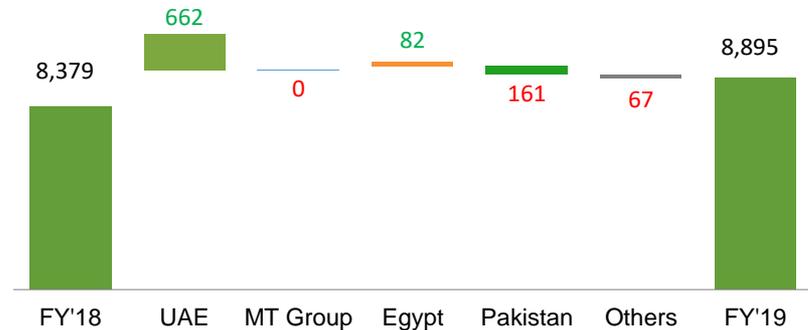
Highlights

- 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

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



Sources of Capex Growth - FY 2019 vs FY 2018 (AED)



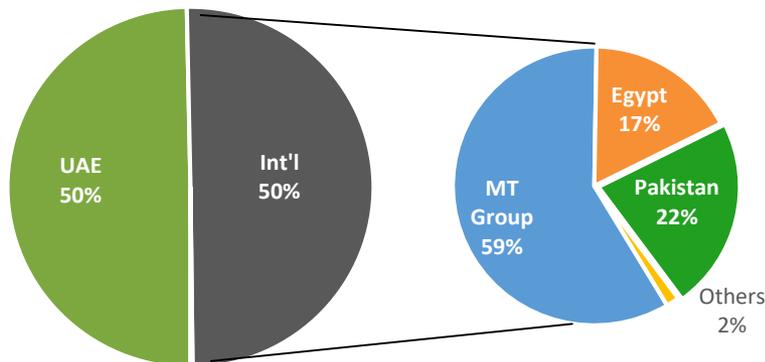
Highlights

- 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

Capex by Cluster (FY 2019)

Domestic vs. Int'l

International



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.

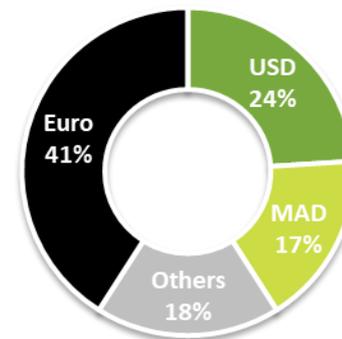
Debt Profile: Diversified Debt Portfolio



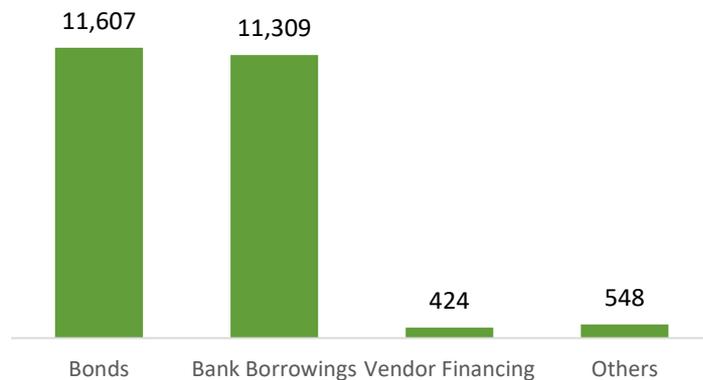
Borrowings by Operation Q4 2019 (AED m)



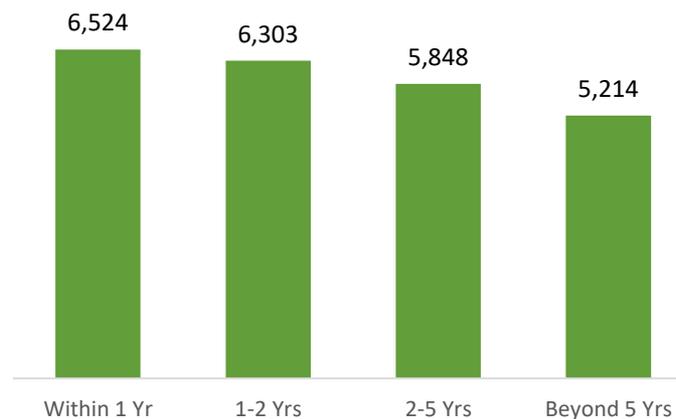
Borrowings by Currency Q4 2019 (%)



Debt by Source Q4 2019 (AED m)



Repayment Schedule Q4 2019 (AED m)



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

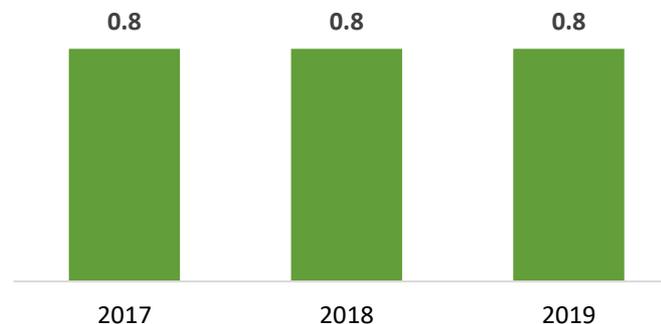
Group Dividends: Proposed DPS of AED 80 Fils for FY 2019



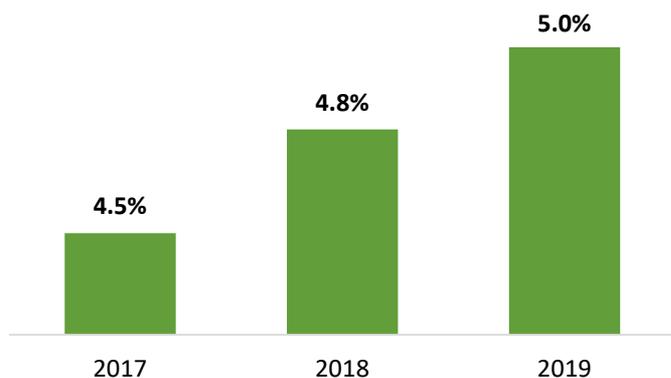
Cash Dividends (AED m)



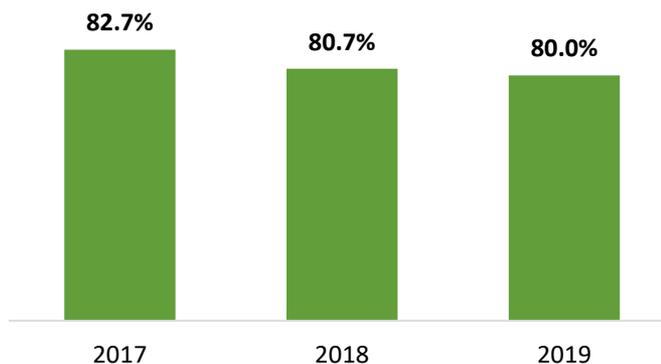
Dividends Per Share (AED)



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

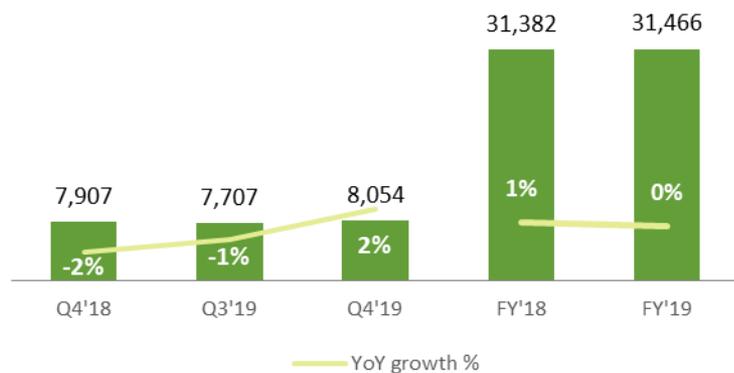
Note: (1) Dividend yield is based on share per price as of 21 August 2019 and 9 February 2020



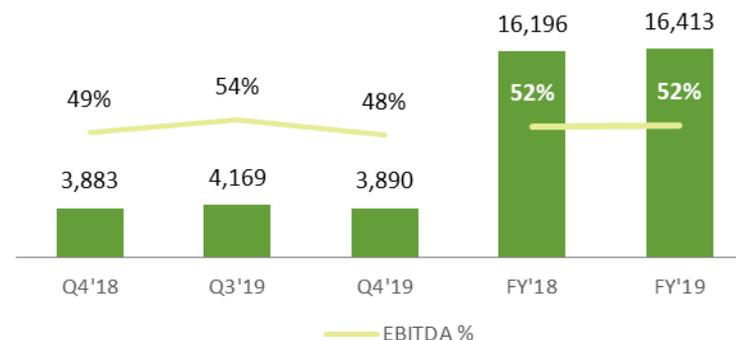
**COUNTRY BY
COUNTRY FINANCIAL
REVIEW**

UAE: Maintaining Profitability Margins While Investing in New Technologies

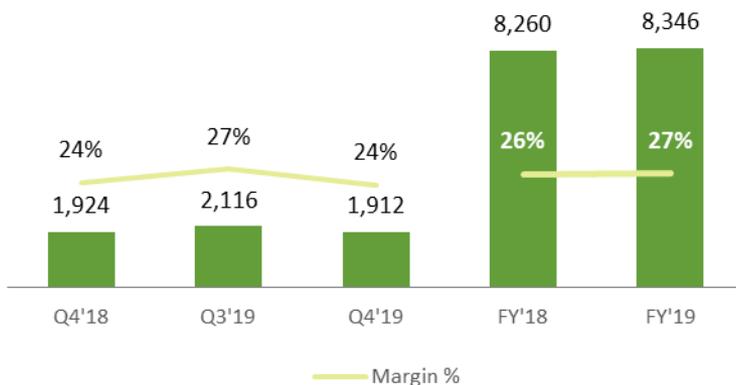
Revenue (AED m) / YoY Growth (%)



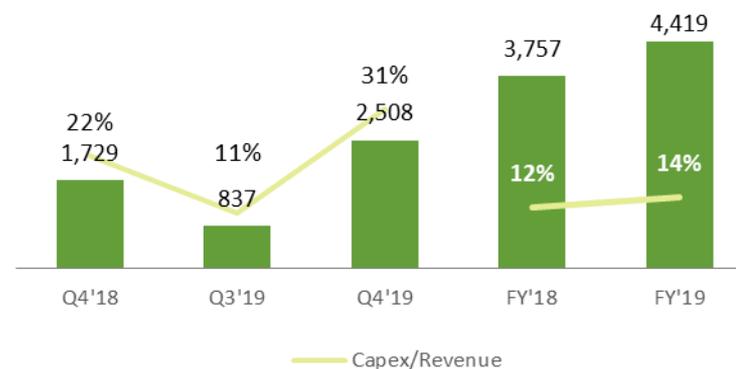
EBITDA (AED m) / EBITDA Margin (%)



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

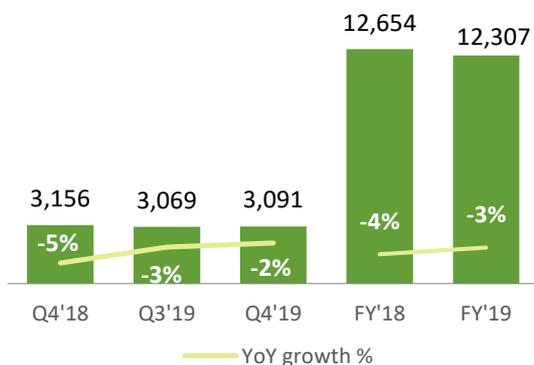


CAPEX (AED m) & CAPEX / Revenue Ratio (%)



UAE: Revenue Breakdown and Key KPI's

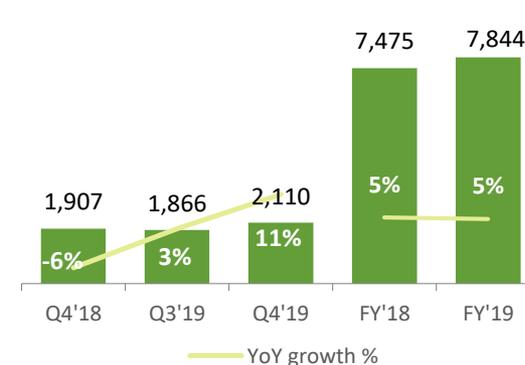
Mobile Revenues⁽¹⁾ (AED m)



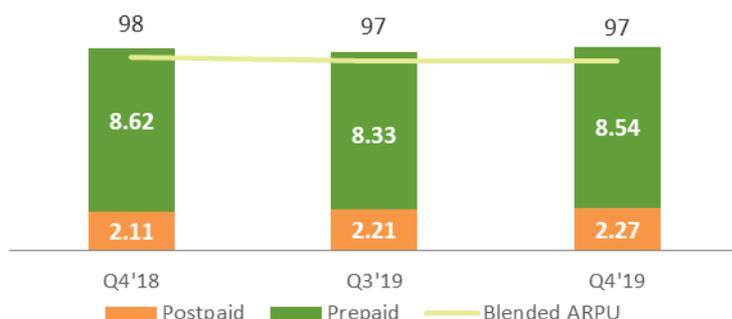
Fixed Revenues⁽²⁾ (AED m)



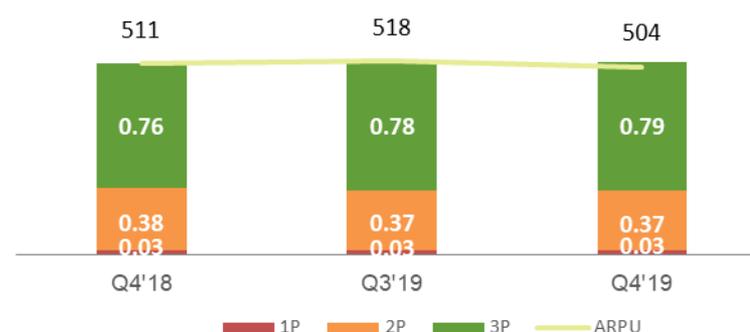
Other Revenues⁽³⁾ (AED m)



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) Other 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.

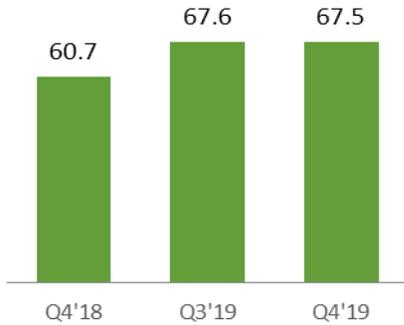
(6) Fixed broadband subscriber numbers calculated as total of residential DSL (Al-Shamil), corporate DSL (Business One) and E-Life subscribers.

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

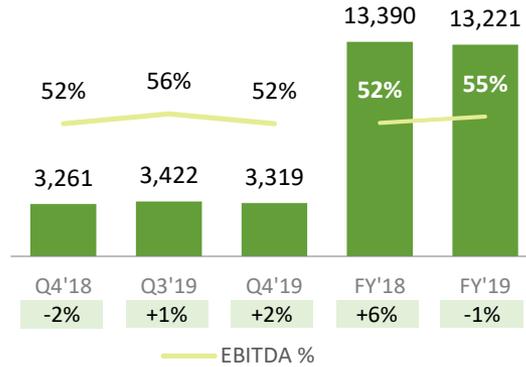
Maroc Telecom: Expanding International Footprint

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

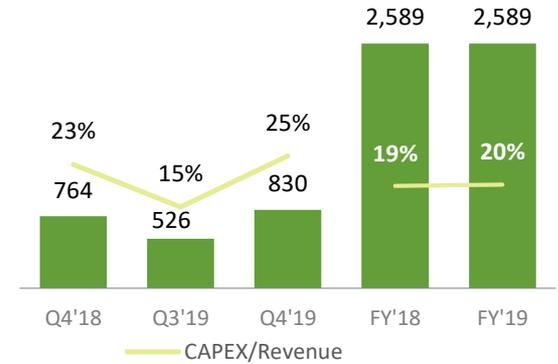
Subscribers (m)



Revenue (AED m) / EBITDA Margin (%)



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



Y/Y % Growth (AED)

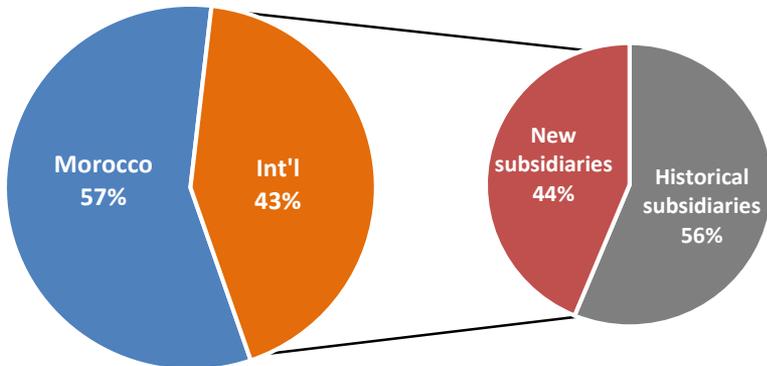
EBITDA %

CAPEX/Revenue

Revenue Breakdown (FY 2019)

Domestic vs. Int'l

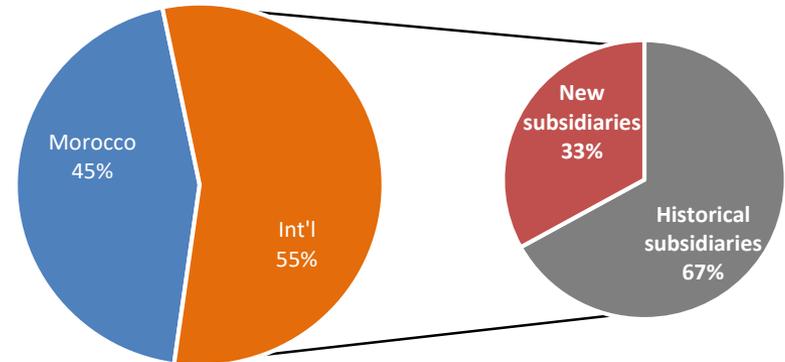
International



Capex Breakdown (FY 2019)

Domestic vs. Int'l

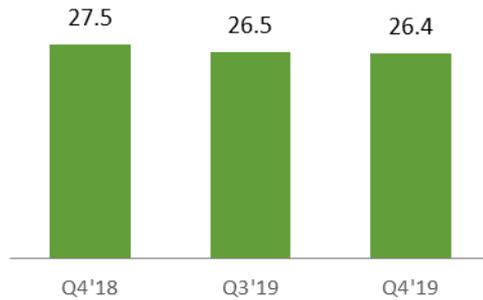
International



Egypt: Strong revenue growth and profitability

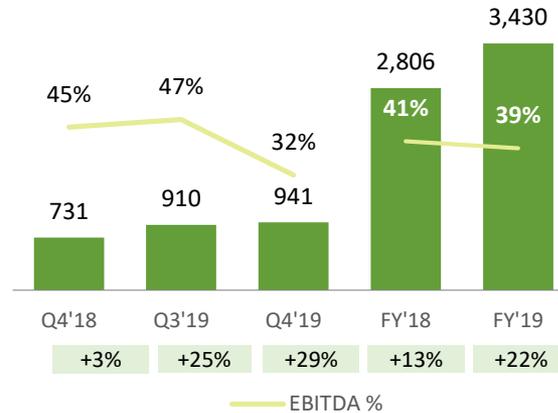


Subscribers (m)

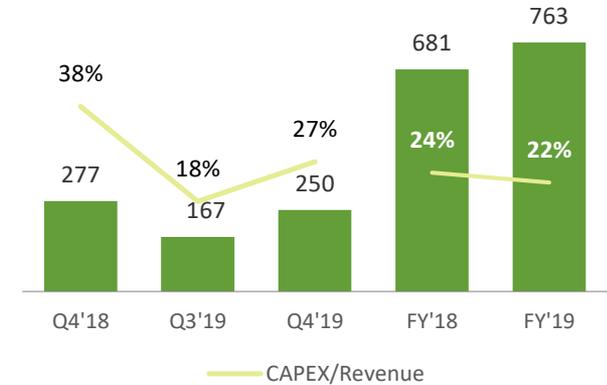


Y/Y % Growth (AED)

Revenue (AED m) / EBITDA Margin (%)



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



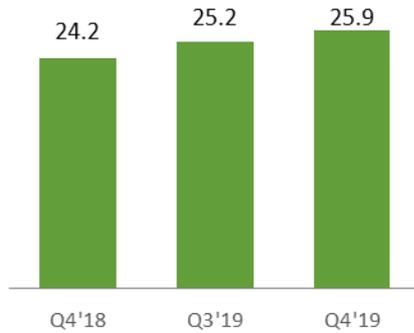
Highlights

- 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

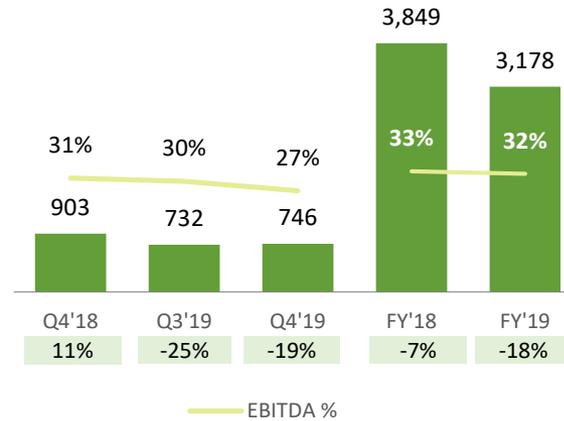


Subscribers (m)



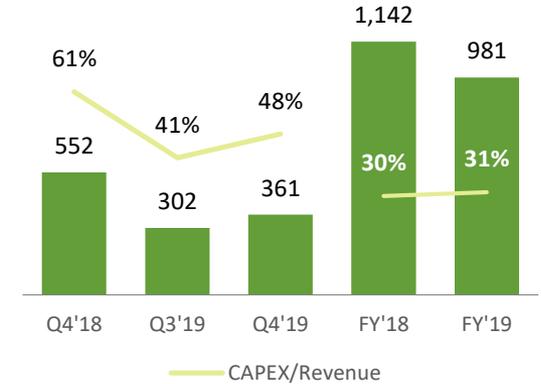
Y/Y % Growth (AED)

Revenue (AED m) / EBITDA Margin (%)



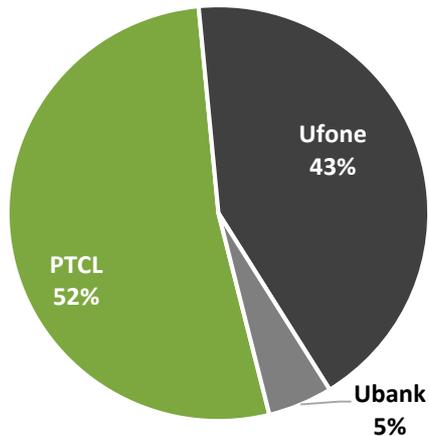
EBITDA %

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



CAPEX/Revenue

Revenue Breakdown (FY 2019)



USD / PKR FX Rate (PKR)



2019 Actual 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%

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

A stylized world map in shades of gray, overlaid on a background of overlapping white and light gray planes that create a 3D effect.

**Etisalat
Group
International**

Hatem Dowidar

**Chief Executive Officer
Etisalat International**

International portfolio of 15 countries ...Etisalat is #1 or #2 in value share in most of the portfolio markets



Etisalat International



- After the acquisition of Tigo Chad, Etisalat Int'l Portfolio has presence in 15 countries (outside UAE); 14 markets consolidated
- #1 or #2 value share position in 13 out of these 15 markets

Note 1: Egypt is #2/4 in mobile market and #3/4 considering fixed and wholesale; Pakistan is #2/4 considering total market

On its own, from a revenue perspective, Etisalat Int'l (aggregated) is already larger than many key Telecom Groups in MENA



Leading
(>12bn USD
revenues)



Strong
(8 to 12bn USD
revenues)



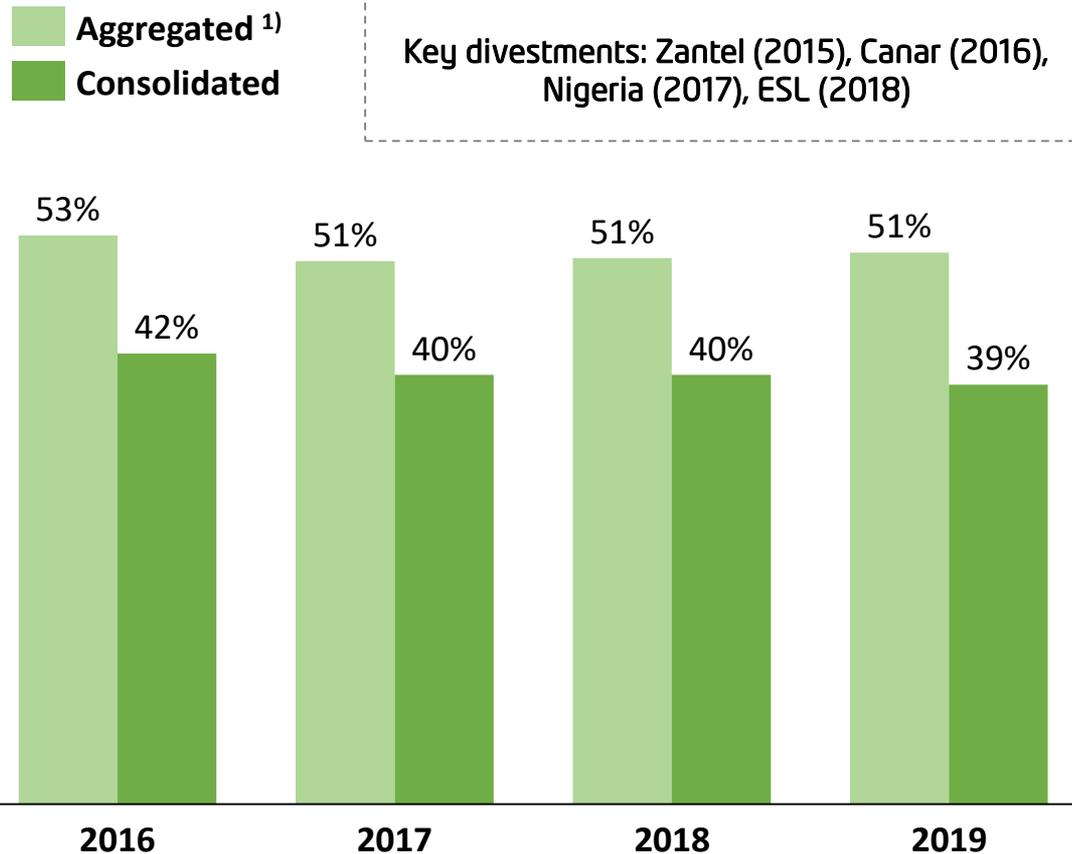
Challengers
(<8bn USD
revenues)



At aggregated level, contribution of Int'l portfolio to Etisalat Group is steadily above 50% despite FX devaluation and exiting subscale markets



Etisalat International revenues contribution (%)



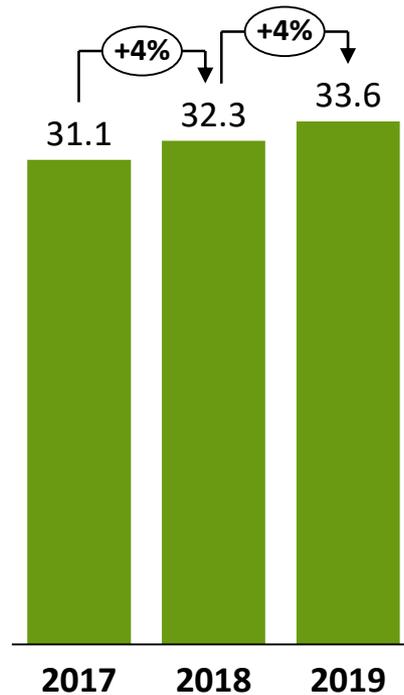
- Significant growth in all 4 strongholds - MT Group, Mobily, Etisalat Misr and PTCL - reflected only at aggregated level
- Contribution impacted by EGP (end-2016) and PKR (2019) devaluation

Etisalat Int'l continue to deliver strong performance and is a key contributor for Etisalat Group profitable growth

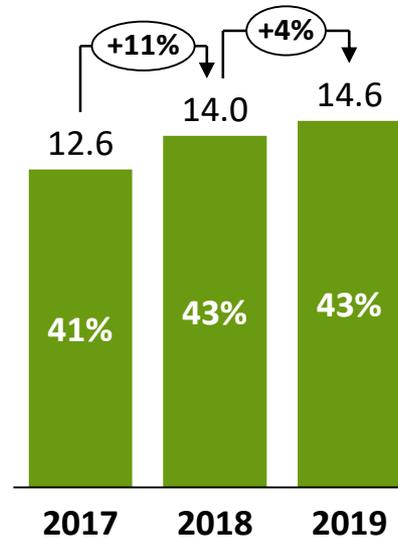


Etisalat
International
aggregated
perspective¹

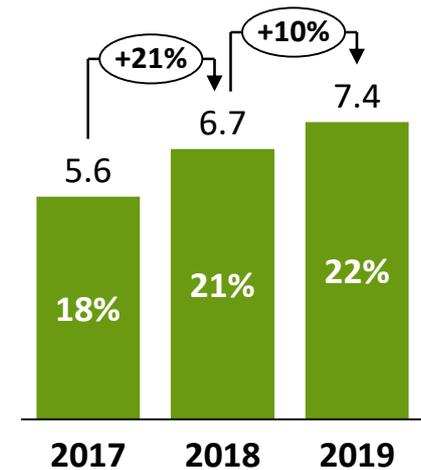
Revenues (AED bn)



EBITDA (AED bn, %)



OFCF Proxy (AED bn, %)



Note 1: Including Mobily (KSA), which is an associate and therefore not consolidated into Etisalat Group P&L
Source: Etisalat Group Investor relations, Etisalat International S&P Analysis

Double digit growth for challengers in KSA and Egypt, incumbents in Morocco and Pakistan defending market leadership but hit by one offs



2019 ACHIEVEMENTS

Leadership position

Revenues: 36.5 bn MAD (+1% YoY)
 EBITDA: 19.9 bn MAD (+6% YoY), 54% margin
 Net Profit³: 2.7 bn MAD (-55% YoY), 7.5% margin



MT

Profitable challenger

Revenues: 15.7 bn EGP (+15% YoY)
 EBITDA: 6.2 bn EGP (+10% YoY), 40% margin
 Net Profit: 1.2 bn EGP (+30% YoY), 12% margin



Egypt

Strong challenger, accelerating turnaround

Revenues: 13.4 bn SAR (+13% YoY)
 EBITDA: 4.9 bn SAR (+9% YoY), 37% margin
 Net Profit: 33m SAR, (from 123m Net losses in 2018), 0.2% margin



Saudi Arabia

#2/3 (value)

Pakistan

#2/4¹ (value)



Incumbent, profitable integrated player

Revenues: 129.5 bn PKR (+2% YoY)
 EBITDA: 41.4 bn PKR (+0% YoY), 32% margin
 Net Profit²: 2.4 bn PKR (-58% YoY), 2% margin

Note 1: Egypt is #2/4 in mobile market and #3/4 considering fixed and wholesale; Pakistan is #2/4 considering total market

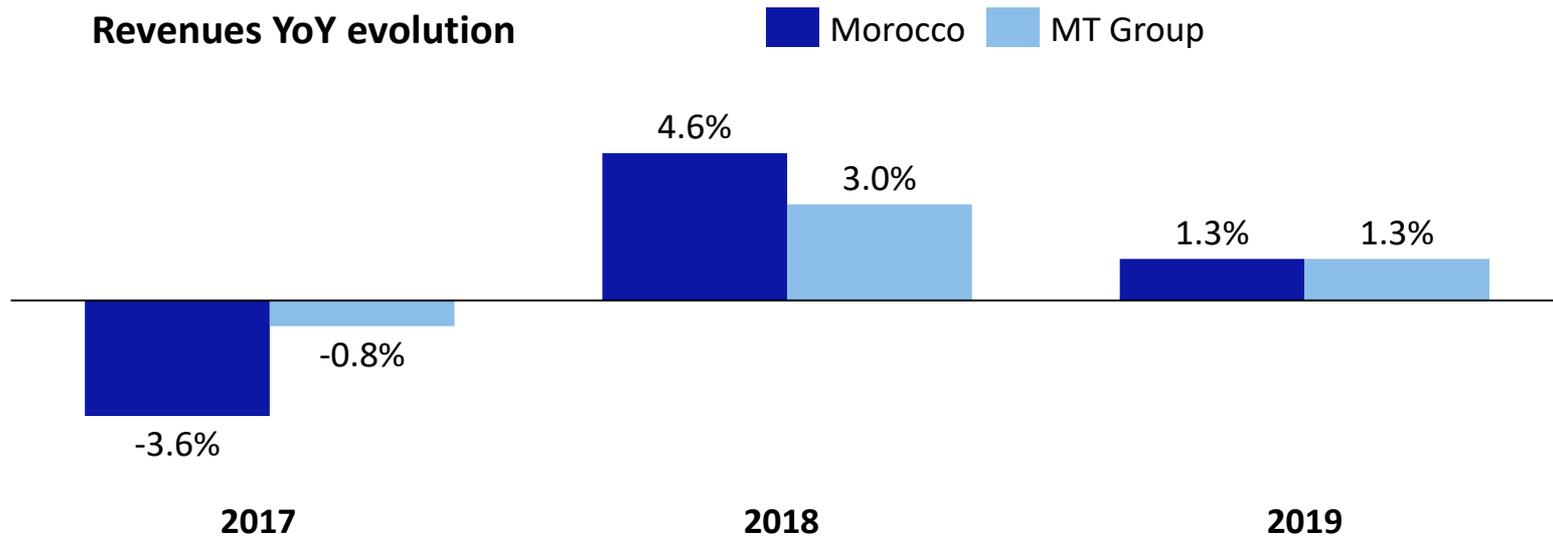
Note 2: Negatively impacted by unfavorable FX movement and resulting high inflation

Note 3: Negatively impacted by Regulatory fine in Morocco

Source: Etisalat Group Investor relations, Etisalat International S&P Analysis

Maroc Telecom growth story driven by appetite for Data in Morocco and West Africa subsidiaries

Revenues YoY evolution



 Strong bet on 4G spectrum and fixed Network enhancement

  Investment in 3G and 4G license (Benin & Niger)

 Upgrade of access and transmission network to support Data and Voice growth (CDI)

 Expansion of the 4G network to 99% of overall sites along with investment in transmission backbone

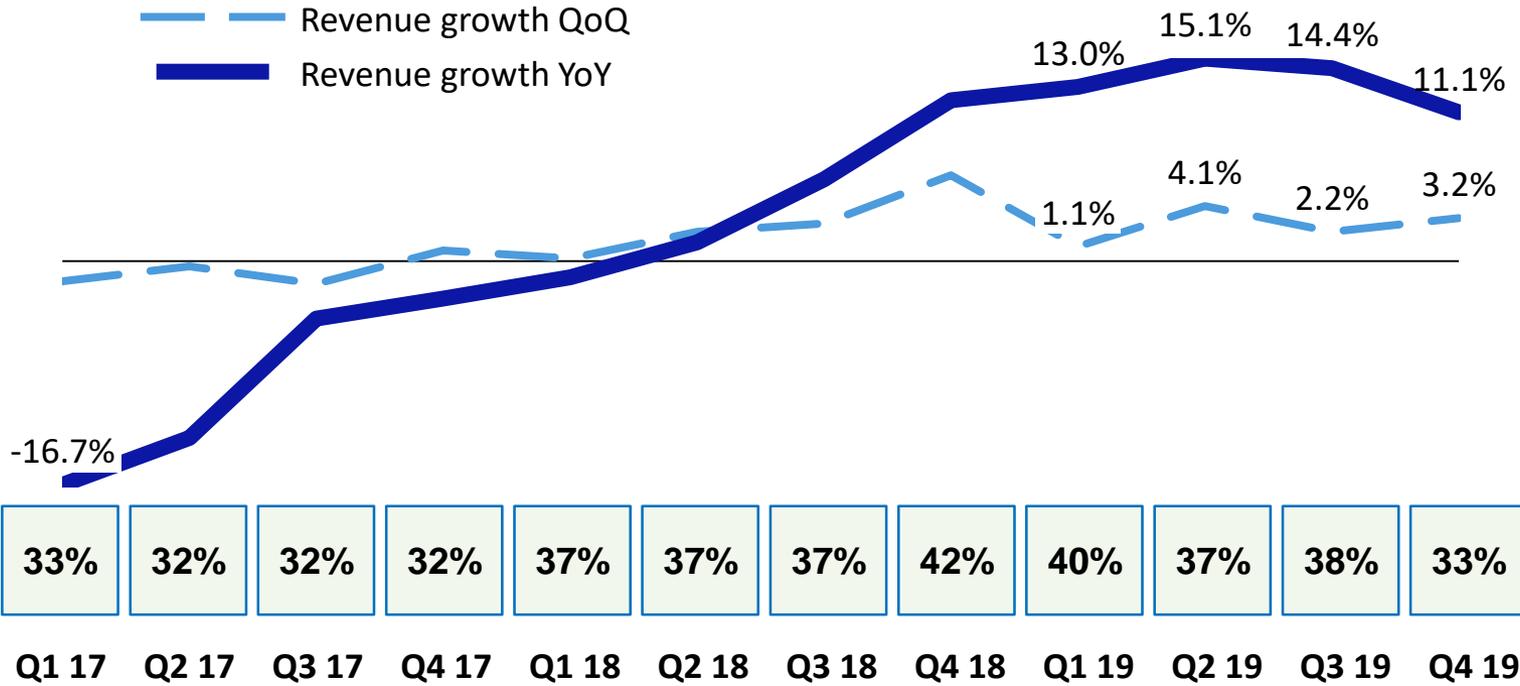
  4G in Togo, Mali

 Moroccan operations continue to grow, lifted by steady increase of Data users and FTTH coverage

 Acquisition of Tigo Chad

 Global mobile license to Onatel (Burkina Faso) and launch of 4 G

Mobily turnaround completed and now unlocking growth opportunity in Saudi market



EBITDA Margin	Q1 17	Q2 17	Q3 17	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19
	33%	32%	32%	32%	37%	37%	37%	42%	40%	37%	38%	33%



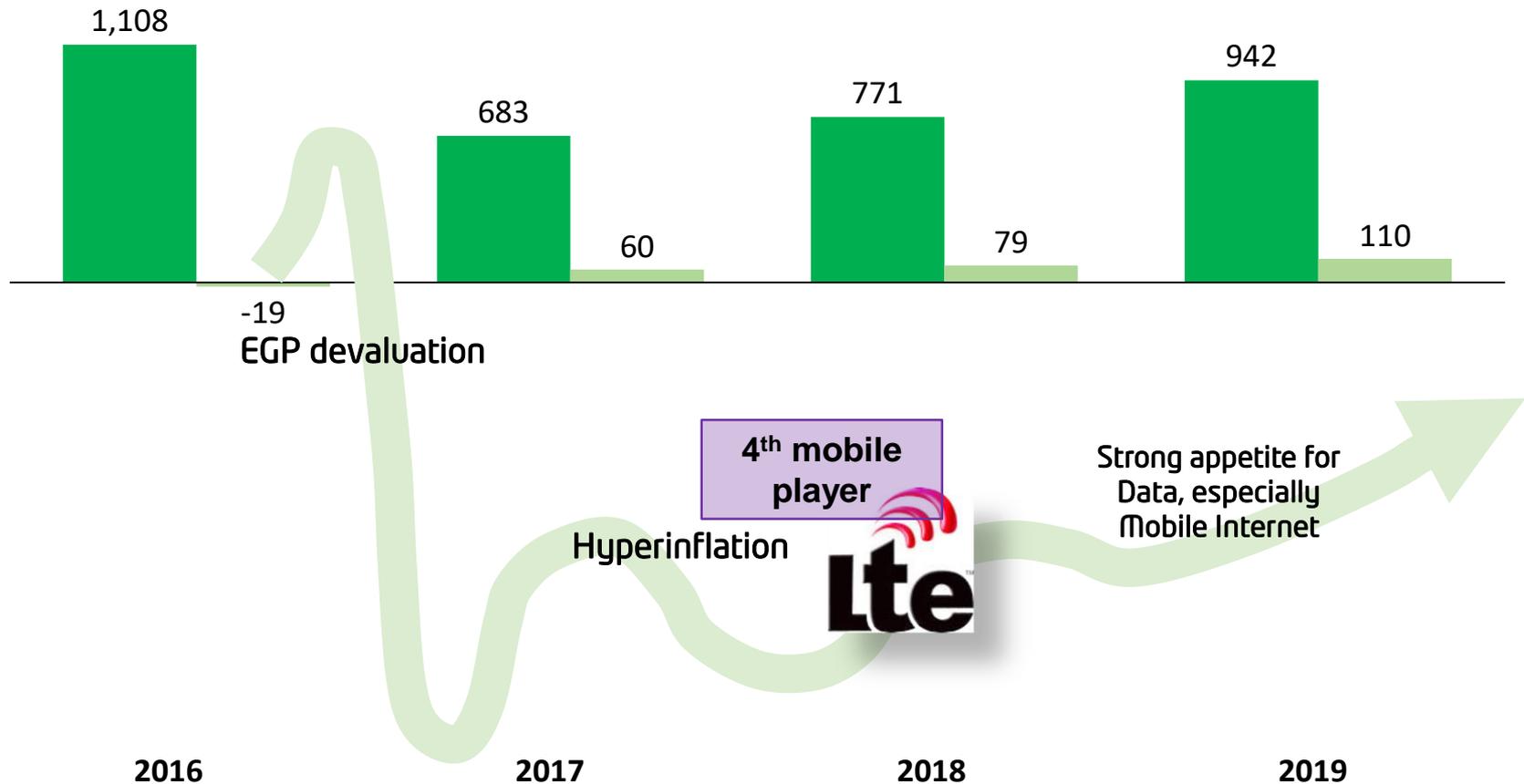
Source: Etisalat Group Investor relations, Etisalat International S&P Analysis

Etisalat Misr is maintaining strong growth while investing in network infrastructure



Revenues evolution – USD Million

Revenues Net Profit

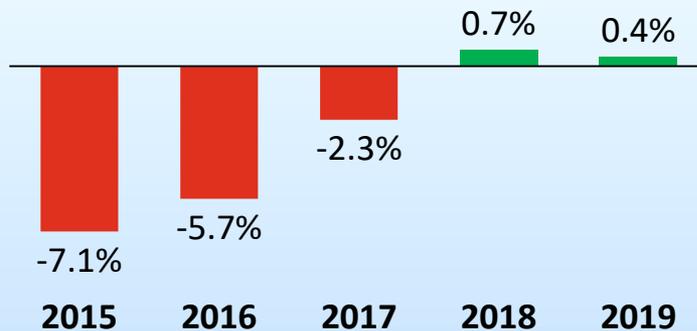


In Pakistan, PTCL Group is stabilizing fixed business while gaining momentum in mobile



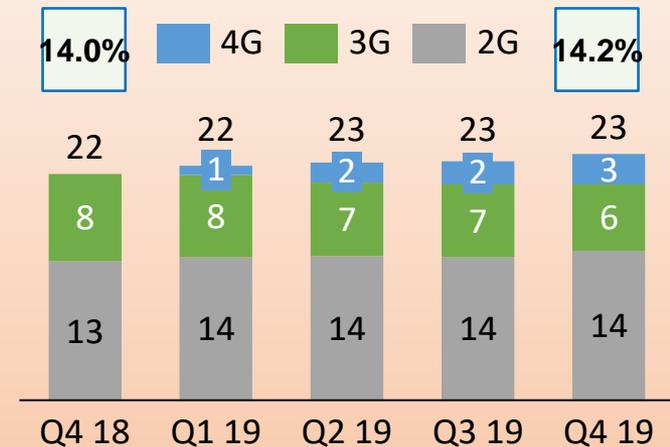
- Investment in Fixed Network transformation delivering value
- Strong growth in Business segment

FY Revenues YoY



- Ufone continued its acquisition drive to cross 23m subs and edging up its market share
- Launch of LTE services in Q1 2019

90 Days Subs



Strong discipline in portfolio development



1

Consolidation & Divestments

- Continue optimizing footprint via in-market consolidation, acquisition of licenses and spectrum and bolt-on acquisitions
- Divestments now largely completed and not a focus area

2

Opportunistic expansion in new geographies

- Screen potential opportunities within target geographies
- Opportunities must meet investment criteria, and based on strict business and financial rationale

3

Enhance offering with bolt-on opportunities

- Explore new business development, strategic partnerships and Joint Ventures in selected areas (including in UAE)
- Focus on Digital
- Increasing focus on financial services

- Continue stronghold strategy reinforcing position in our key markets
- Leverage on new services (for example digital, mobile financial services) to create additional streams to complement core revenues
- Explore growth through inorganic acquisitions which meet our investment criteria



**Etisalat
Group
Strategy**

Khalifa Alshamsi

**Chief Corporate Strategy &
Governance Officer
Etisalat Group**



Our Vision - "Drive the Digital Future to Empower Societies"

Which involves a progressive evolution into a portfolio of Digital Telcos



1

Etisalat Group Strategic Synopsis: Focus on strategic priorities to continually transform OpCos into “Strongholds”

2

Etisalat UAE Strategic Synopsis: Defend the Core, Grow Digital and Transform into an Agile, Digital and Efficient Organization

The Macro-economic environment across the Footprint offers both opportunities to exploit and challenges to mitigate

Global Economic Snapshot:

The Global Economic outlook is classified as "Fragile" and expected to grow by 2.5%¹ in 2020

Further, Global outbreak of coronavirus has significantly increased economic uncertainty

Saudi Arabia



Morocco



Egypt



Pakistan



2020 Real GDP growth across the footprint is cautiously optimistic with a range of 2.2% in KSA² to 5.9% in Egypt², countered by forex uncertainty and downward oil price pressure

The population across our footprint is expected to grow by ~2% with growth in tech-savvy youth population and increased urbanization

Ongoing execution of infrastructural expansion projects across footprint e.g. Neom project in KSA and CPEC in Pakistan

ICT/Digital remains a pivotal element of our OpCo countries' plans to boost economies e.g. Vision 2030 of KSA and Vision 2030 in Egypt

Key Telco/ICT drivers across the Etisalat Group footprint



<i>Core Market Drivers</i>	Huge demand for high speed data	Driven by increasing demand of high quality content, gaming, smartphone penetration, increasing penetration of social media apps and digital online solutions
	Challenging regulatory & legal framework	<ul style="list-style-type: none"> • Such as setting New Policies and Obligations • Lack of spectrum availability • New fees & taxes
	Highly competitive markets	<ul style="list-style-type: none"> • Intense price war from traditional players • Increasing adoption of OTT substitutes • New potential licenses e.g. MVNO, IoT etc.
<i>Digital Growth</i>	Growth in B2B and B2C digital	<ul style="list-style-type: none"> • Digital transformation of industries drives growth in ICT/Digital B2B • Media and financial services drives B2C digital services growth
<i>Key Enablers</i>	Diverse technology landscape	<ul style="list-style-type: none"> • Advanced markets are deploying 5G along with network cloudification • Others are in the process of 3G to 4G and copper to fiber migration • All need to digitally transform
	Increasing digital customer interactions	<ul style="list-style-type: none"> • Growth in tech-savvy population and smartphone penetration drives digital customer interactions • Telcos are promoting digital channels to improve experience and efficiency

We continue our focused execution of the Etisalat Group, TARGET Strategy...



Etisalat Group Strategy: TARGET

**T**

To Drive the Digital Future to Empower Societies

A

Accelerate value generation through innovation and digitization

R

Raise capabilities and develop talent across the Group

G

Grow B2B/Digital across the footprint

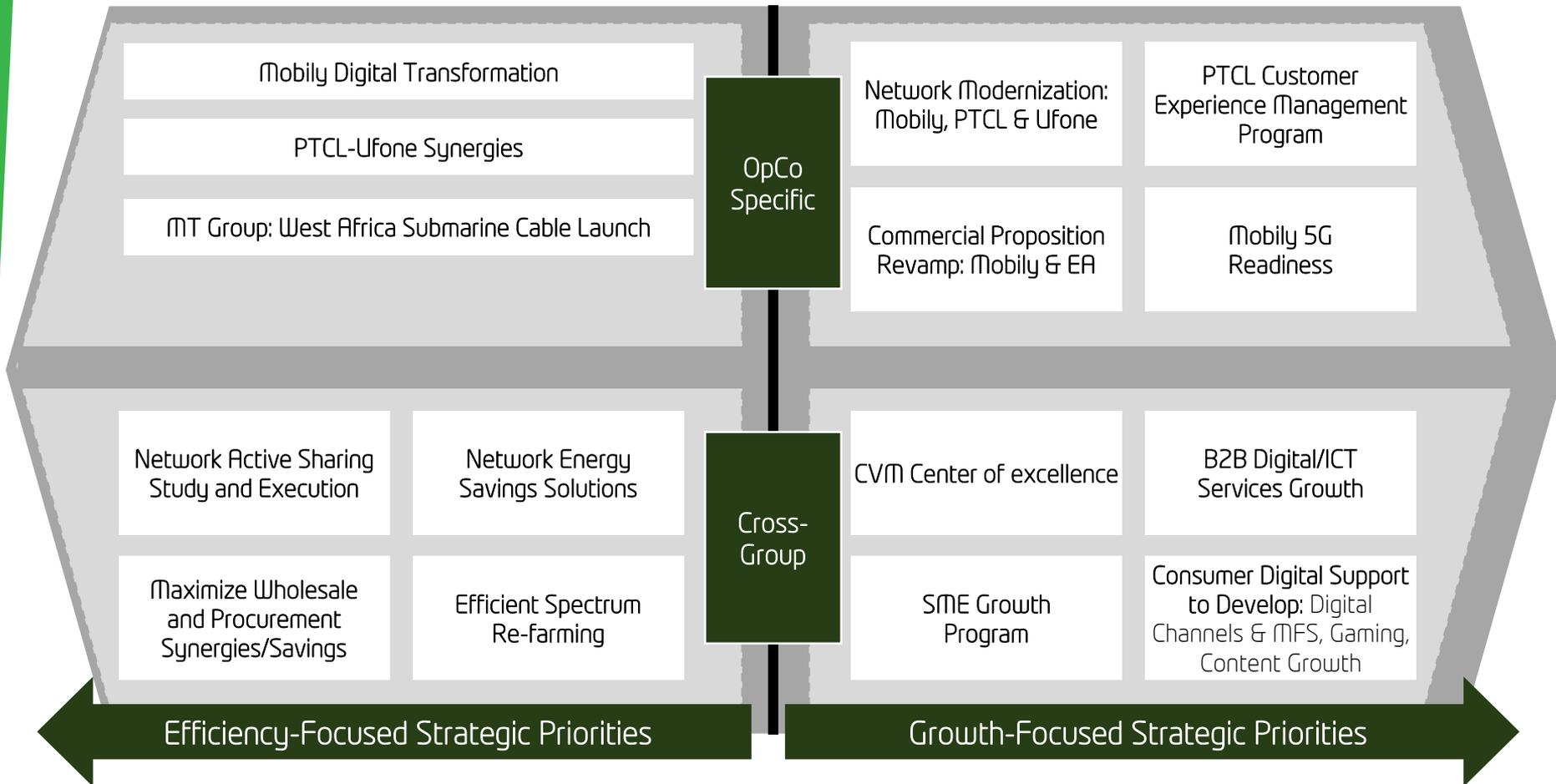
E

Expand portfolio in MENA and knowledge economies

T

Transform operating companies into strongholds

...with our current strategic priorities focused on Growth and Efficiency



In UAE, the Macro-Economic outlook remains modest and Expo 2020 is expected to provide a boost

UAE Leadership has set a digitally fueled Vision and has introduced multiple initiatives to ensure Vision realization

Pressure on UAE Oil Sector:
weaker global demand driving oil
prices down

*Brent oil average price is forecasted to drop
to USD58/B in 2020*

Uncertain economic conditions ultimately
driving weaker household and private
consumption

*Private consumption dropped from ~50%
of Real GDP in 2010 to ~30% in 2018*

Modest population growth rate,
with shift to lower income groups

*Population growth estimated at 1.3% a year, with >70%
population in very low and low income groups*

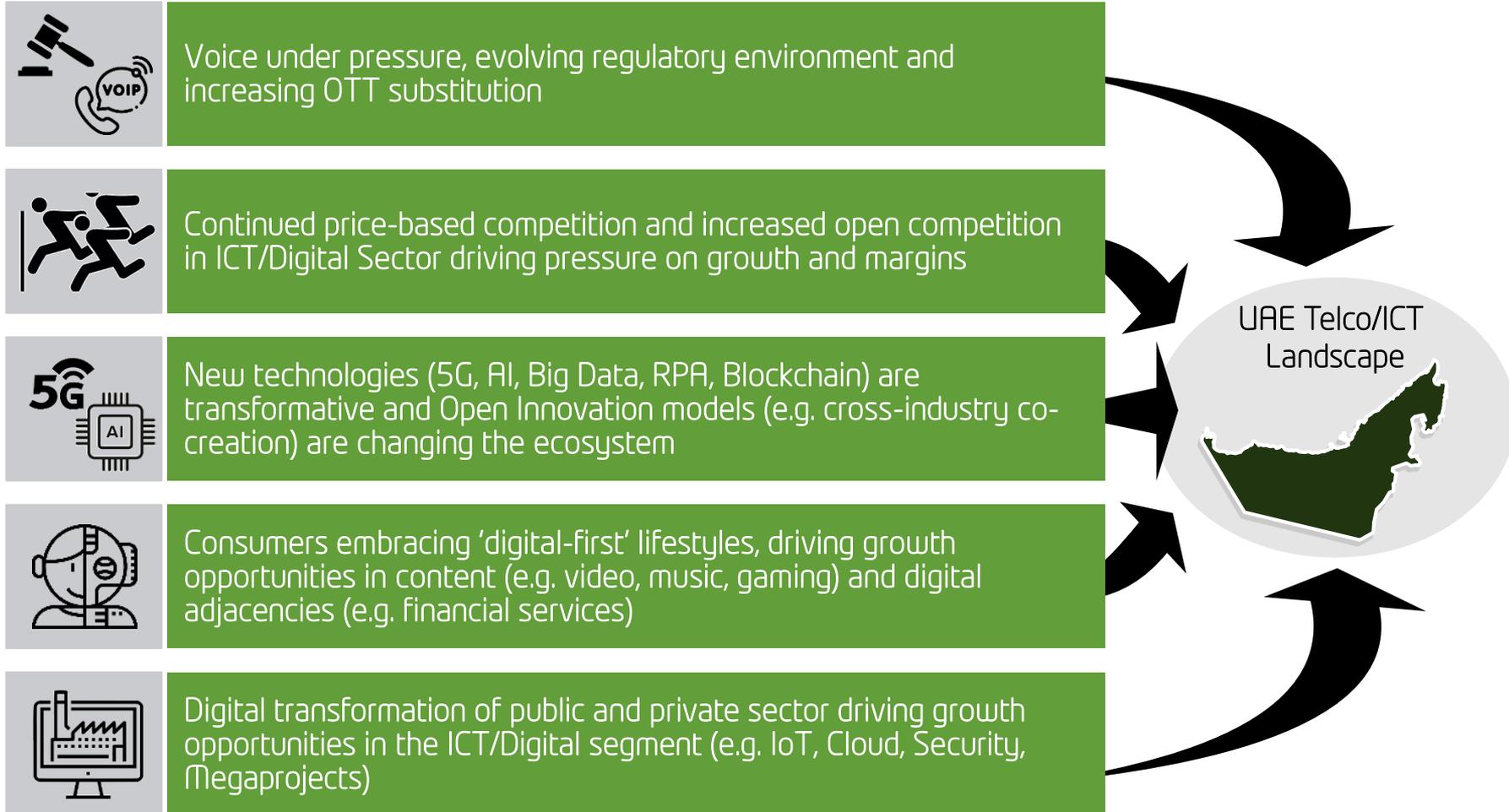
Expo expected to provide a
boost, due to increased levels
of activity driving investment

*Non-oil growth could pick up to around 3% percent in
2020, on the back of Expo 2020 and fiscal stimulus*

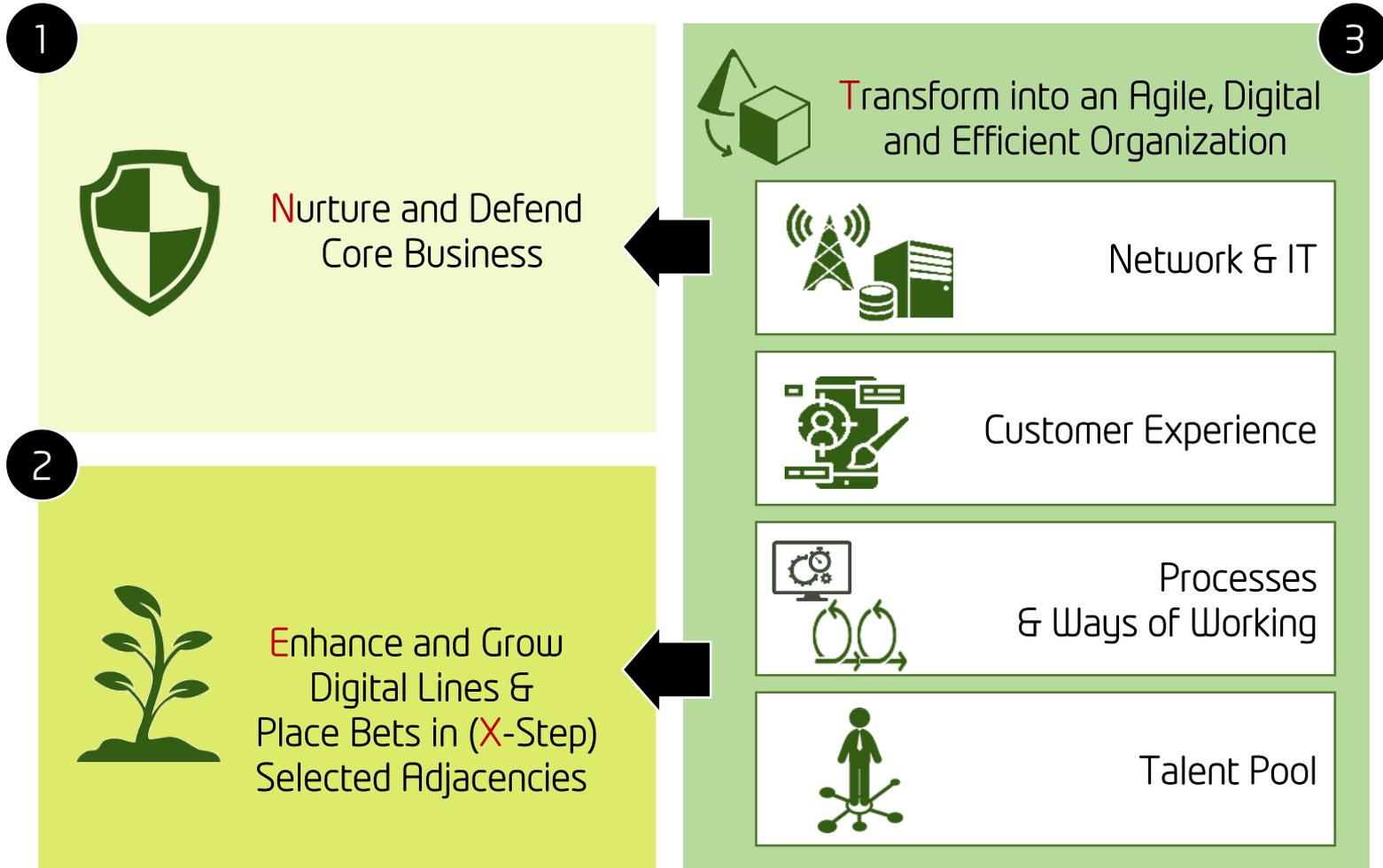
Continuous Increase in Federal Budget

2% budget increase in 2020 Versus 2019

We observe five major market drivers that are shaping the future UAE Telco/ICT landscape



Etisalat UAE response - 2020+ Strategic Pillars of our NEXT Strategy...



...executed via a portfolio of strategic priorities...



1



Nurture and Defend Core Business

Maximize growth in broadband with increasing focus on 5G

Maximize value and loyalty of customer base via AI-driven value management and rich segmentation

Mitigate cannibalization impact of OTT/VoIP through tailored offers and recurring revenue (Post/Prepaid)

Expand E2E managed services portfolio on top of our connectivity

Enrich SMB value proposition via bundling core services with digital

2



Enhance and Grow Digital Lines & Place Bets in (X-Step) Adjacencies

Expand Etisalat Digital (IOT, Cloud, Security & Megaprojects) via best fit organic and inorganic moves (e.g. HelpAG value extraction)

Scale up Consumer moves into adjacencies e.g. Smiles, Gaming, eWallet

Enrich TV/Video Value Proposition and Experience

Create Core and Digital Integrated Lifestyle and Business Bundles

3



Transform into an Agile, Digital and Efficient Organization

Create a programmable, secure Network powered by Big Data, Cloud, AI, 5G, Slicing and Edge

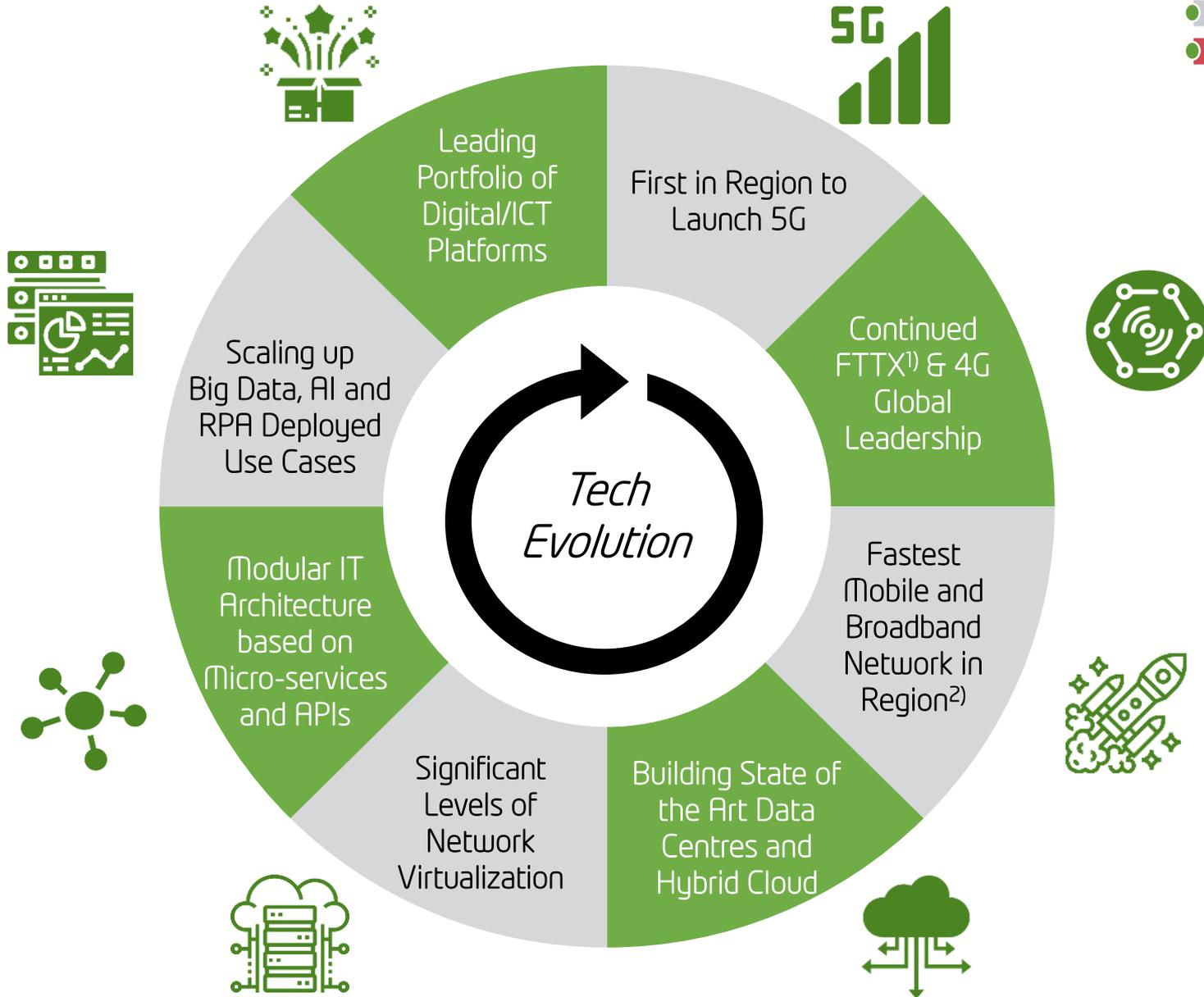
Deliver a simple, personalized, digital first (Care and Sales) experience

Transition to agile at scale and develop new operating models e.g. increased innovation focus

Re-imagine and digitize Processes via Big Data, AI and RPA

Continue to build digital talent pool via digital ways of learning

....powered by sustained technology leadership

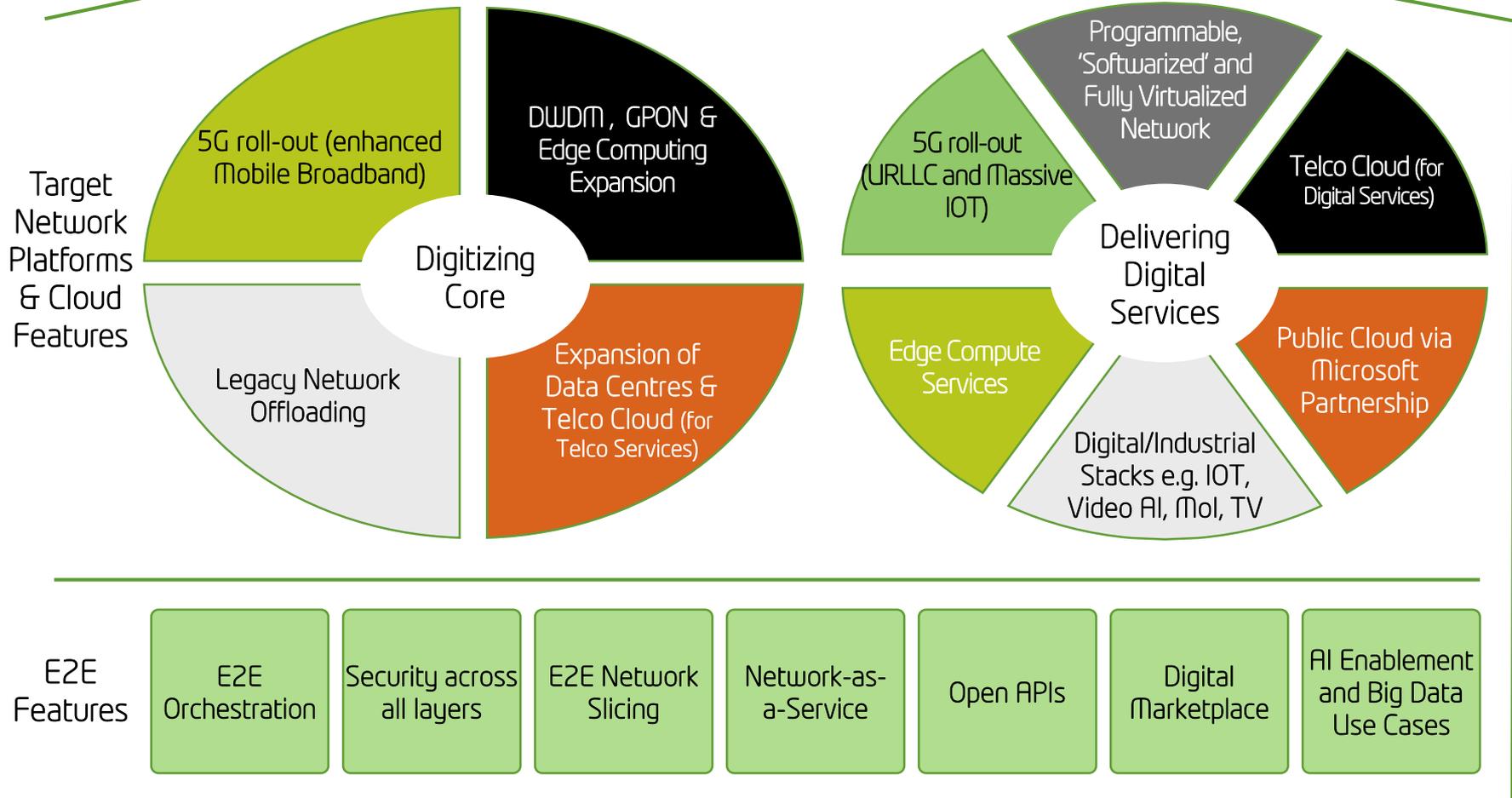


Source: Etisalat Technology; (1) FTTH Council; (2) OOKLA

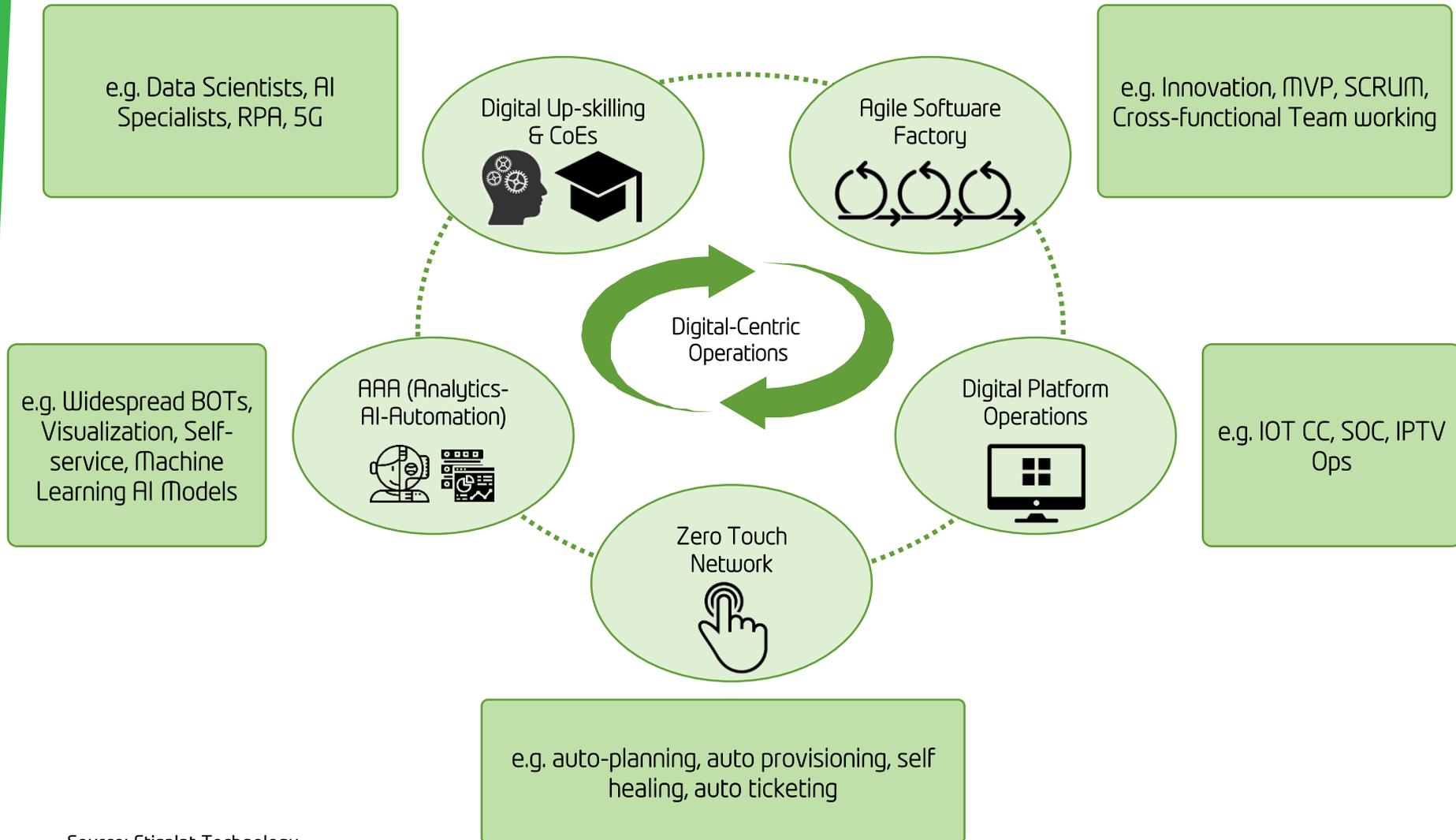
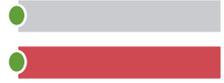
Of note, going forward, we are in the process of digitizing all aspects of our network...



Future of Networks



...while transitioning to a fully digital centric operations model



Overall summary...



We remain committed to our Vision – “Drive the Digital Future to Empower Societies”, which targets the progressive transformation of our portfolio into Digital-Telcos

We continue the execution of our “TARGET” Strategy at Group level with priorities focused on driving both growth and efficiency

Our “NEXT” Strategy execution within the UAE is continuing at apace with strong focus on defending the core, growing digital lines and transformation of the Company

Q&A



Thank
You



Etisalat UAE
Consumer

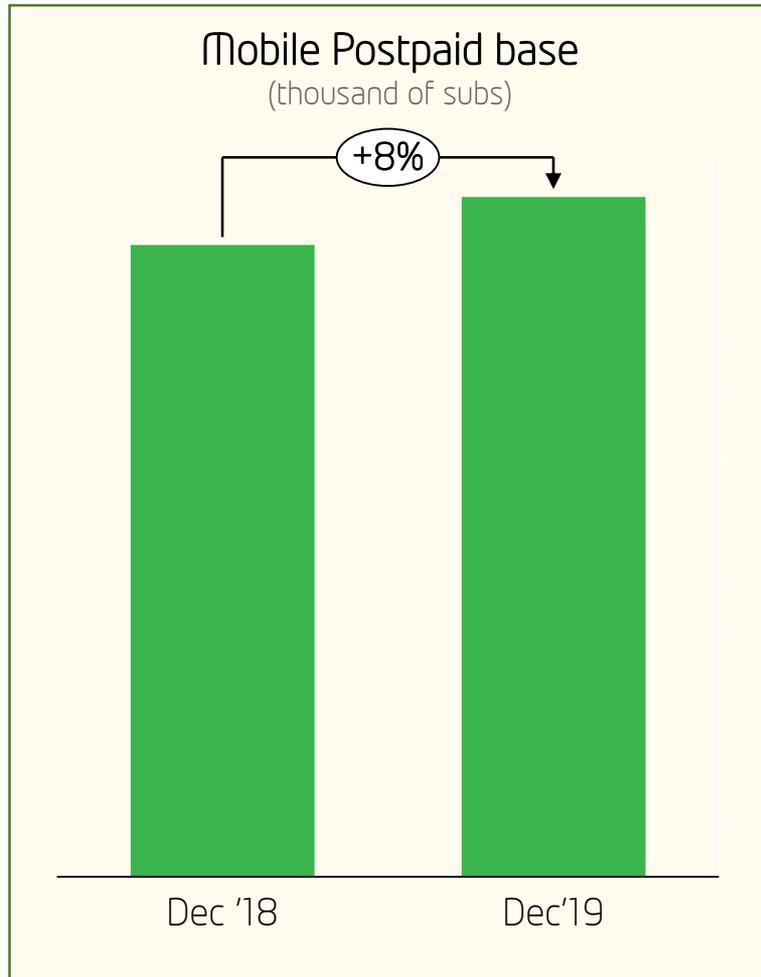
Khaled ElKouly

Chief Consumer Officer
Etisalat UAE



In the mobile segment, postpaid continued to be the driver of growth allowing us to lock-in a larger share of revenues

Performance of Mobile services



Performance Highlights

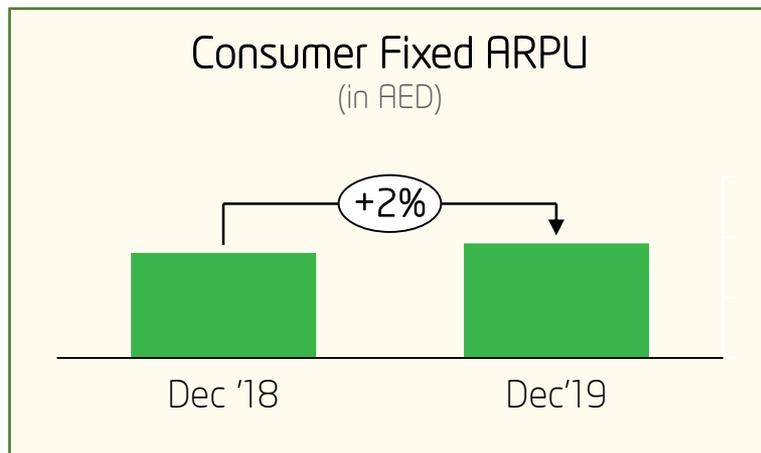
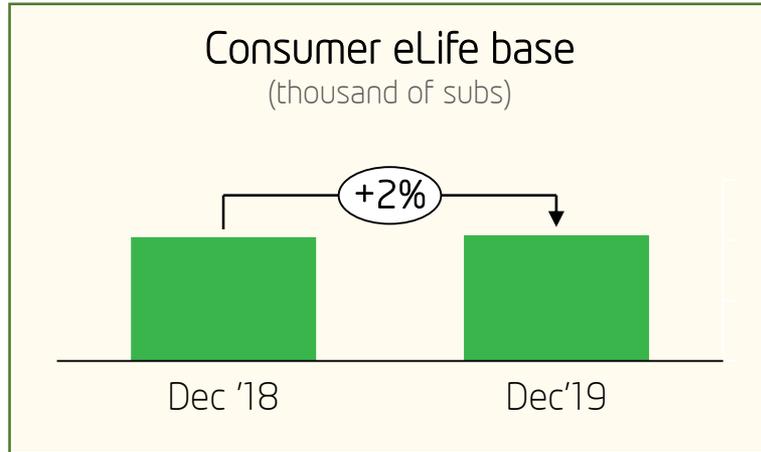
- Despite the less favorable macroeconomic context, postpaid subs continued to grow with a YoY rate of 8%, growing their share in the base and allowing us to gradually reshape the business structure and growth profile
- The major driver of growth was 'Freedom' plans, which was further fueled by the launch of Freedom Unlimited and introduction of Roam Like Home

Strategic Priorities

- Sustain focus on our segmented approach in the development of propositions as well as on upselling/ migrating prepaid customers to bundles or postpaid, aimed at improving our business resiliency
- Improve loyalty via retention excellence and augment personalization efforts to reach, via the deployment of AI, segment of 'one' level

In the home segment, we continued to register solid growth in terms of subscribers and enhance customers' ARPU

Performance of Fixed services



Performance Highlights

- Continued to register a solid growth in terms of both subscribers and ARPU, driven by an ongoing push for packages with higher speeds and enriched content
- In line with UAE's leadership vision to reach a top position globally in terms of internet speeds, Etisalat increased the entry-level speeds reaching 250 Mbps

Strategic Priorities

- Continue to monetize superior connectivity and network via several marketing campaigns throughout the year
- Expand our portfolio of OTT services in the Digital Entertainment space by enhancing our content availability & delivery as well as customer reach, through partnerships and development of own platforms

In addition, Etisalat was officially recognized as having the region's fastest mobile and broadband network and...

Fastest mobile and broadband network in the region

Fastest in the region

Recognised by Ookla® as the region's fastest **mobile** and **broadband** network



Based on analysis by Ookla® of Speedtest Intelligence data for Q1-Q2 2019 in MENA for mobile and FCC, Africa and Middle East Region for fixed. Data benchmarks used under license and acquired with permission.

...as the most valuable consumer brand in MENA for the 3rd consecutive year

Most Valuable Consumer Brand in MENA in 2020

ETISALAT BRAND STANDING TALL ACROSS MIDDLE EAST AND AFRICA REGION BRAND FINANCE® GLOBAL 500 REPORT 2020



**MOST VALUABLE
CONSUMER BRAND
IN MEA**



**MOST VALUABLE
TELECOMS BRAND
IN MEA**



**MOST VALUABLE
TELECOMS BRAND
PORTFOLIO
IN MEA**



**STRONGEST TELECOMS
BRAND IN
MEA**

On Mobile, we developed innovative propositions designed around the evolving needs of our segments

Commercial Highlights - Freedom Unlimited and Wasel Go

Positioning of Consumer UAE mobile propositions



Emirati



White Collars



Single Professionals



Blue Collars



Youth



Visitors

Emirati plan



Freedom Unlimited



Enjoy unlimited local & international calls on Freedom plans
Freedom, your choice. your rules
etisalat.ae/freedomunlimited



WaselGo



Five



Swyp



Visitor line



Launched **Freedom Unlimited**, offering Freedom postpaid customers, for the first time in the UAE, unlimited local and international calls on select plans

Introduced **WaselGo**, an all-new plan offering roll-over for the first time in UAE by giving customers the access to weekly bundles of minutes and data

We launched "Freedom Unlimited" offering for the first time in the UAE, unlimited local and international calling on select plans and...



Commercial Highlights - Freedom Unlimited



...introduced "Roam Like Home", enabling Freedom users to enjoy a seamless roaming experience by using their local allowances while travelling abroad

Commercial Highlights - Roam Like Home



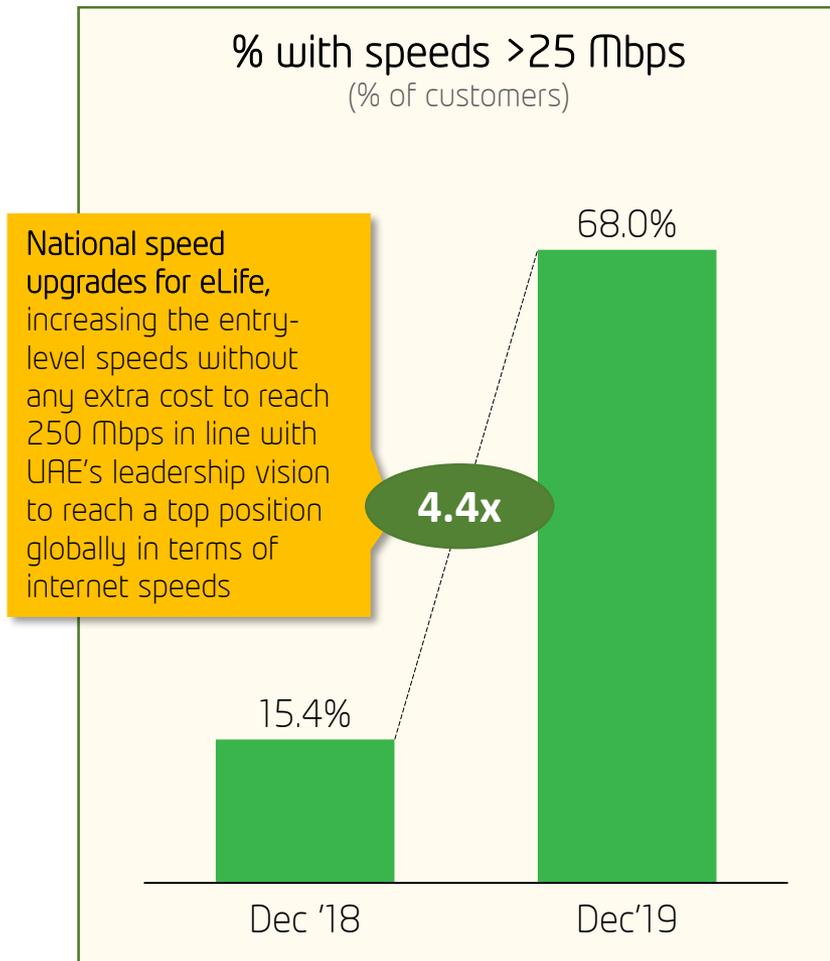
In line with our customer-centric approach, we also reinforced and launched various other propositions and promotions to complement our portfolio

Commercial Highlights - Other Launches & Promotions

Data	<p>Non-exhaustive</p>  <p>Non Stop Data</p>  <p>Super data blocks</p>	<p>Non-exhaustive</p>  <p>International voice calling plans</p>
	<p>Non-exhaustive</p>  <p>Weekly combo</p>  <p>Haji pack</p>	<p>Non-exhaustive</p>  <p>National Day promotion</p>  <p>Ramadan Bonus campaign</p>
Roaming		Special occasions

On eLife, we provided higher internet speeds to significantly more HHs, in line with UAE's vision to reach a top position in terms of speeds and...

Commercial Highlights - eLife Unlimited



Source: Etisalat Consumer



...kept expanding our portfolio to adjacent home services, aiming to tap into major customer lifestyle trends

Commercial Highlights - eLife Cloud Gaming and Home Protection

eLife TV Gaming

All you need is a joystick.
Introducing **eLife TV gaming**.

The UAE's first cloud gaming platform

etisalat.ae/elifetvgaming

Together Matters | 




Home Protection

Accidents can happen
Protect your home contents with **eLife Home Protection**

Together Matters




On Devices, we launched the region's first 5G-enabled device and introduced 'Upgrade Anytime', as we continued to expand our portfolio

Commercial Highlights - Reinforcement of Etisalat's position as operator of choice

5G-enabled devices

Non-exhaustive

Are you ready to experience the first 5G network in the MENA?

Get the first 5G phone
ZTE Axon 10 Pro
from AED 241/ month

Together Matters

A WHOLE NEW WORLD OF
TOGETHERNESS



Launched the first 5G smartphone in the MENA region and kept enhancing our portfolio of 5G-enabled devices

SAMSUNG Galaxy Note10-5G

YouTube Premium

galaxy 5G Note10+

Get 4 months of ad-free YouTube



Upgrade Anytime



iPhone 11

Introduced one of the best upgrade programs in the world, allowing customers to enjoy a free upgrade to Apple's new generation phones 90 days from the subscription date

Portfolio expansion

Non-exhaustive

SAMSUNG

Galaxy Fold



HUAWEI nova 4

GET BAND BY EXCHANGE

Etisalat Exclusive Offer



WATCH



Amazing devices. Incredible sale.

Up to 85% OFF

Devices Festival



See the bigger picture with Samsung 4K UHD Smart TV

From AED 100/month

Together Matters



Together Matters



Beyond the core, we introduced eWallet, a new digital payment service regulated and licensed by the Central Bank of UAE

Commercial Highlights - eWallet





PAY for entertainment with eWallet
Fast. Secure. Easy.
Payments & Transfers

800eWallet
www.e-wallet.ae

www.e-wallet.ae
800eWallet



LICENSED BY THE CENTRAL BANK OF THE U.A.E.

OF THE U.A.E. BANK THE CENTRAL LICENSED BY



e wallet
PAY for entertainment

Mega Sales & Promotions with eWallet



Etisalat established a joint venture with Noor bank, to offer e-wallet services, a new digital payment service regulated and licensed by the Central Bank of the UAE, aimed at empowering UAE customers with safe, convenient, and flexible payment solutions using a mobile device

Also, opened up Smiles for everyone in UAE and launched a new credit card in partnership with CBD, which contributed to strong growth in users, getting us close to the mark of 2 million

Commercial Highlights - Smiles

The Smiles app is now for everyone in the UAE
Deals & discounts on any mobile number at thousands of stores



Don't miss out anymore!
The Smiles app is now for everyone in the UAE. Enjoy tons of deals and discounts on shopping, wellness, travel, dining and entertainment across thousands of stores. Download the app now and spread the Smiles.

An app for everyone

Up to 16% back with the new **CBD Smiles Visa Signature Card**
Get up to 16% back on points with the CBD Smiles Visa Signature Card across retail services, shopping, groceries, restaurants and much more. Join now and get 10,000 bonus Smiles points.
SMS: 5133* to 4266

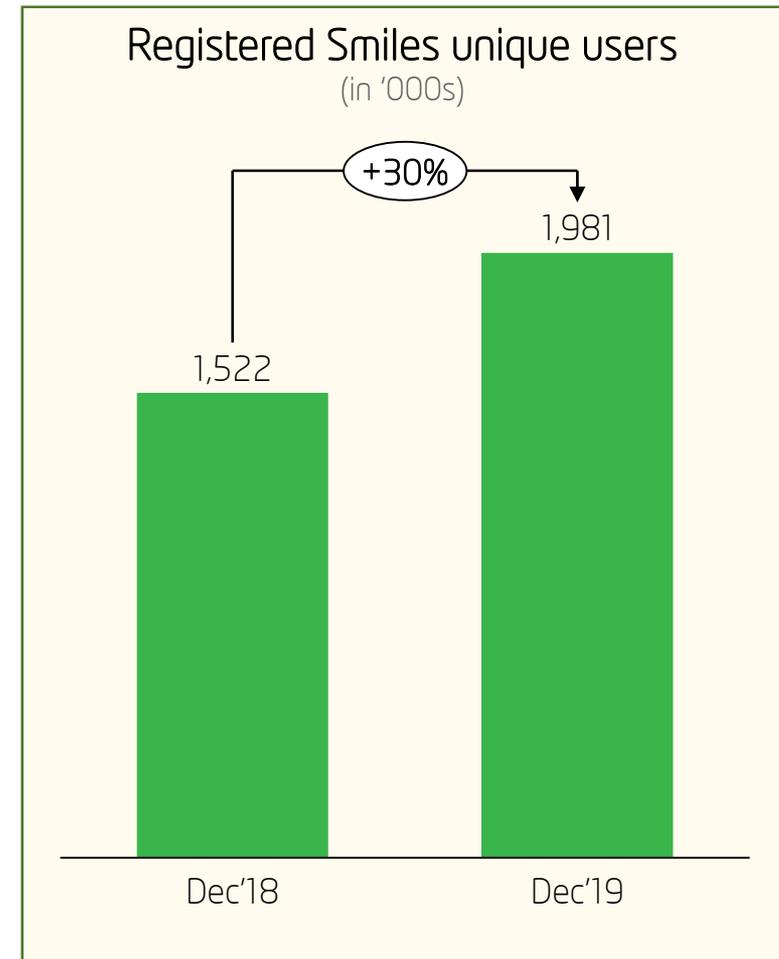


smiles

Available on Google play and App Store

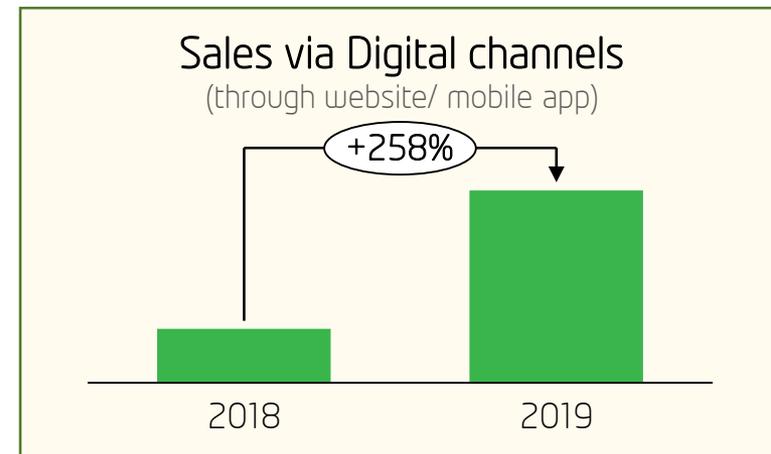
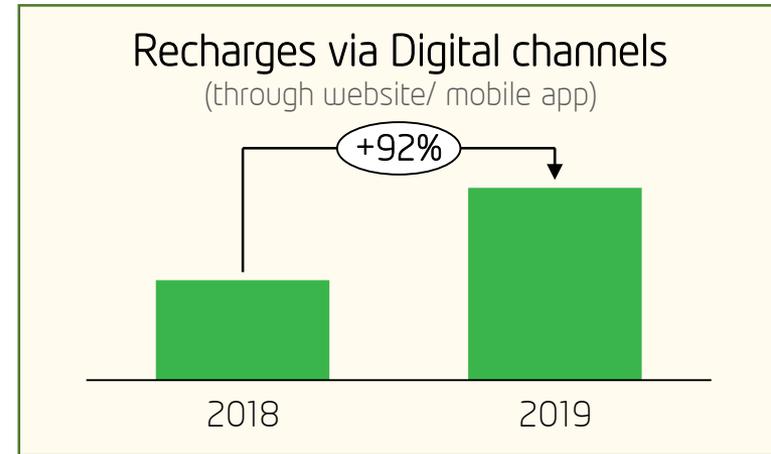
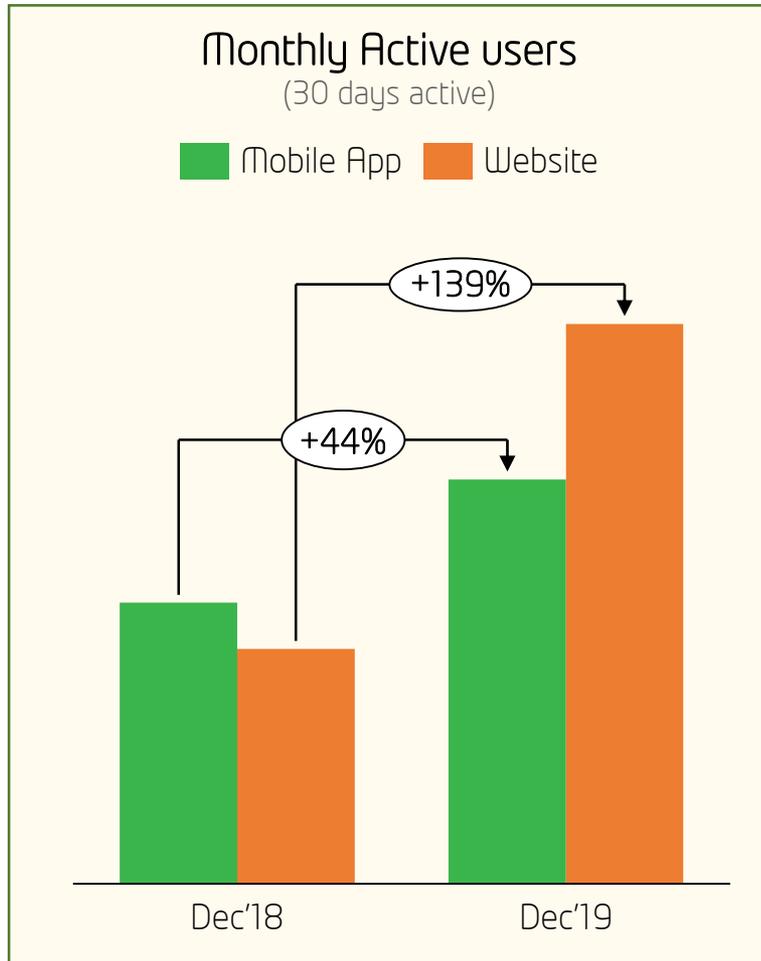
Available on Google play and App Store

Available on Google play and App Store



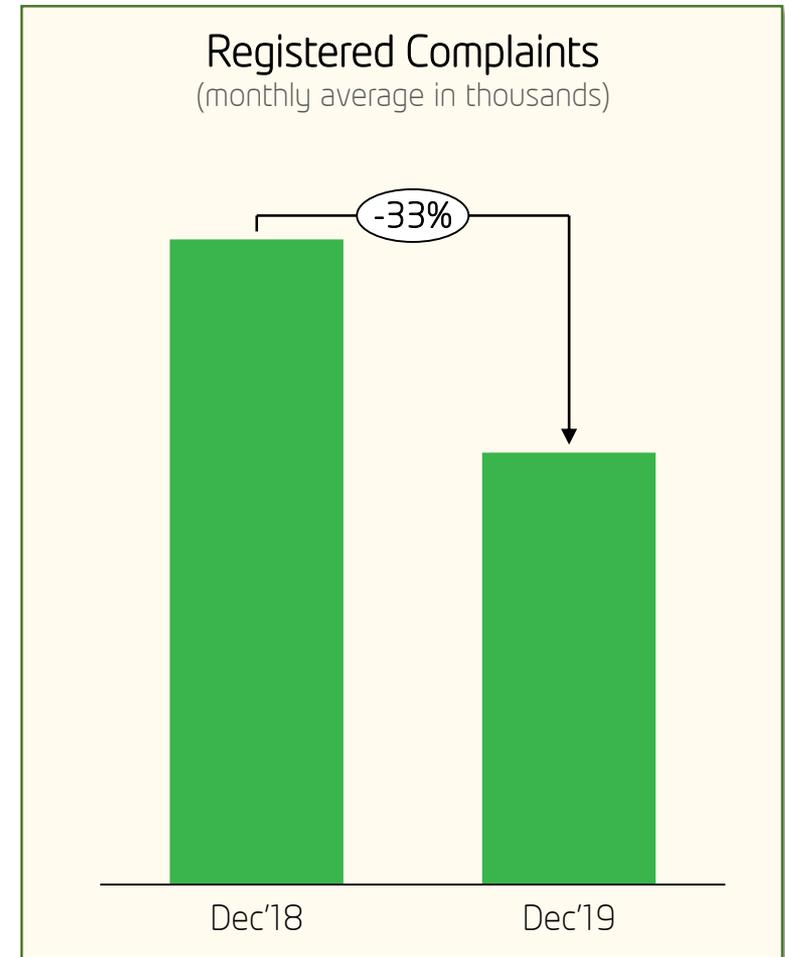
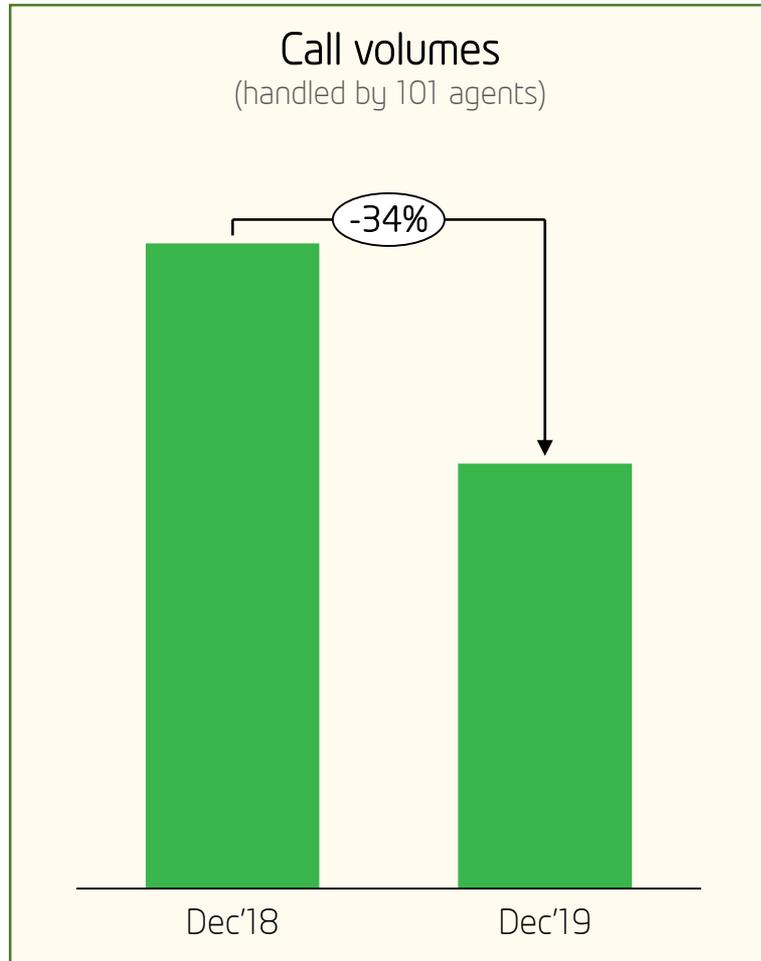
In the digital front, the adoption of our digital touch points continued at great speeds and reflected on their contribution to total sales & recharges

Operational Highlights - Digital Channels



In Customer Care, the enhancements in our products and complaint handling processes combined with our automation efforts, led to significant operational efficiencies

Operational Highlights - Customer Care



In Sales, as a response to the TRA's new guidelines, we implemented an aggressive roll-out plan of over 250 permanent kiosks to mitigate the impact on sales operations

Operational Highlights - Sales

Opening up of permanent kiosks across UAE

Inside supermarket & labor camps

Inside community centers

Inside large shopping centers & malls

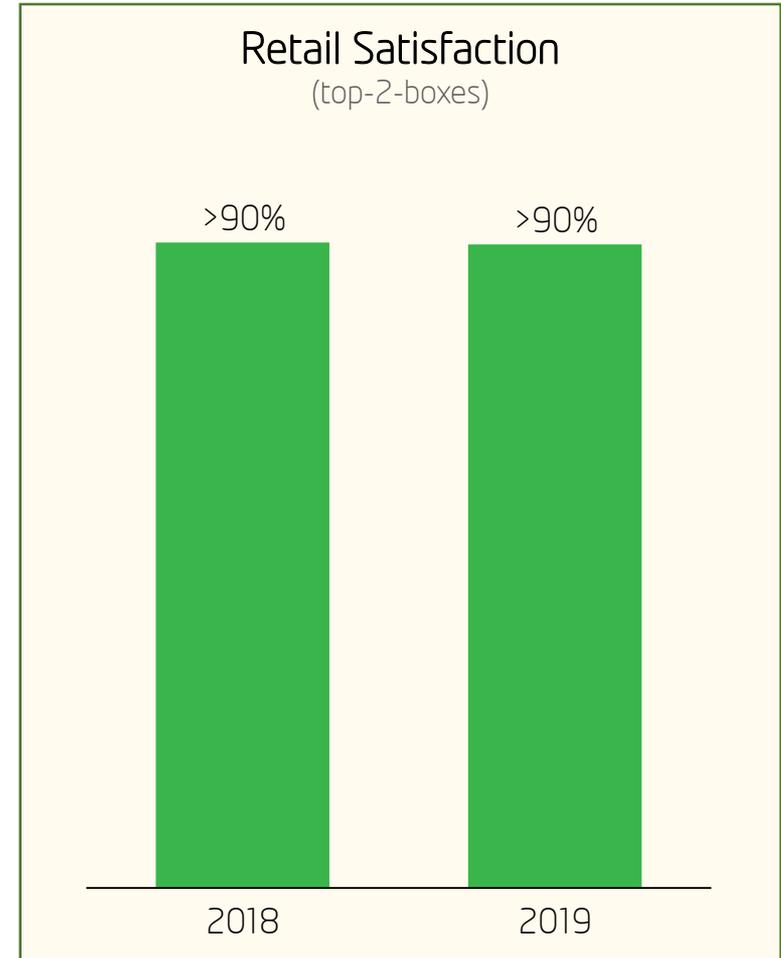
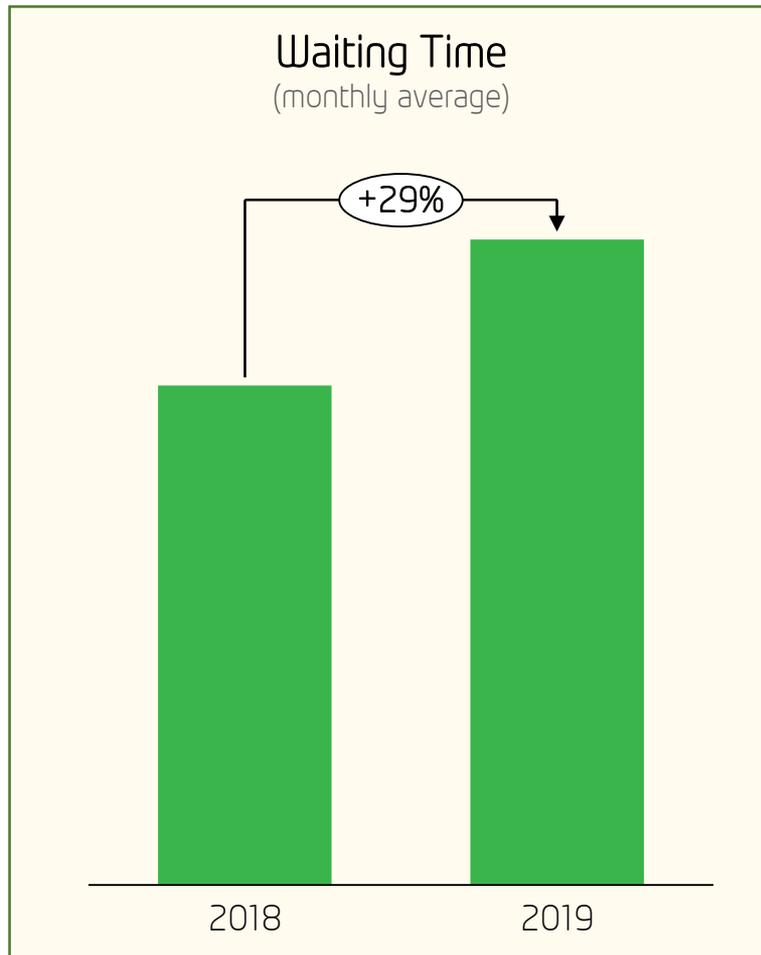


250+
kiosks

...and continued to focus on driving cost efficiencies in Retail, while maintaining our excellent customer satisfaction ratings



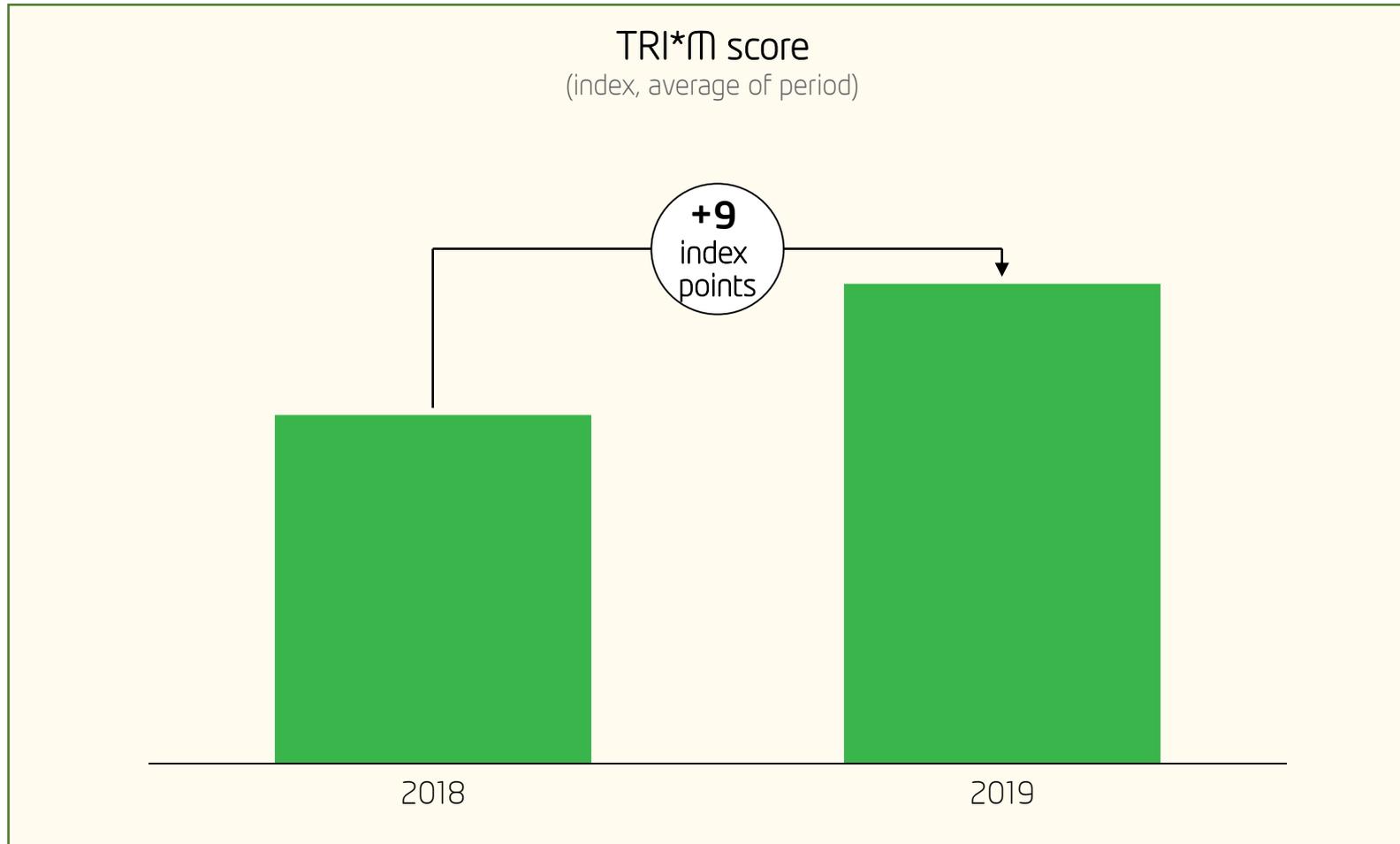
Operational Highlights - Retail



Finally, all our efforts on multiple fronts further strengthened the relationship with our customers, as reflected in the TRI* \mathcal{M} score



Operational Highlights - TRI* \mathcal{M}



Q&A



Thank
You



**Etisalat UAE
Business**

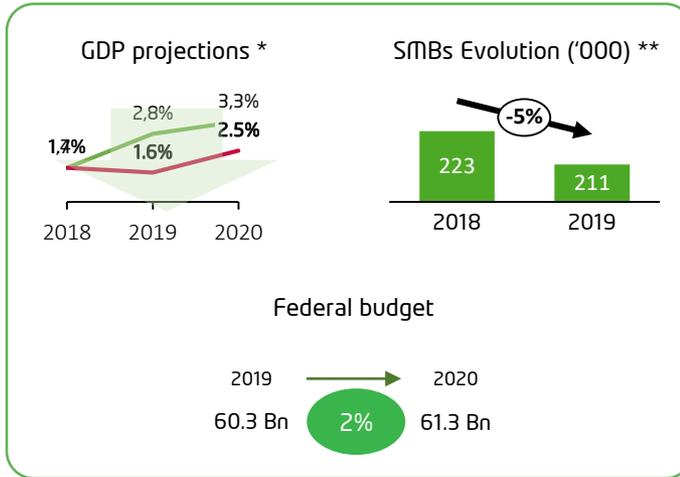
Salvador Anglada

**Chief Business Officer
Etisalat UAE**

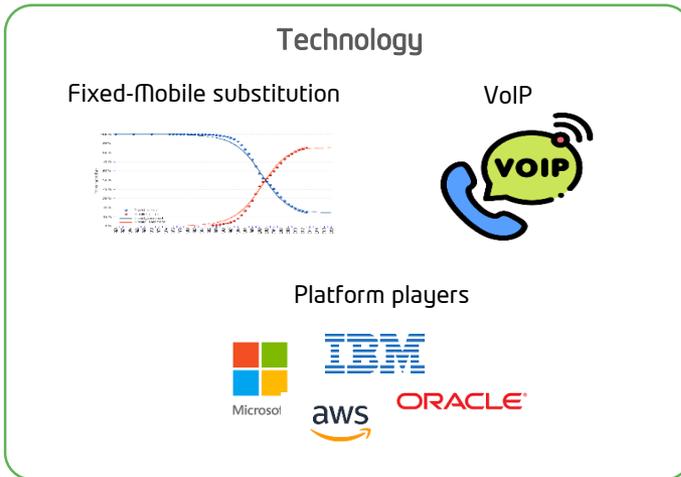


Business segment context is defined by a high pressure on core services due to market saturation, Etisalat's high market share and high average prices

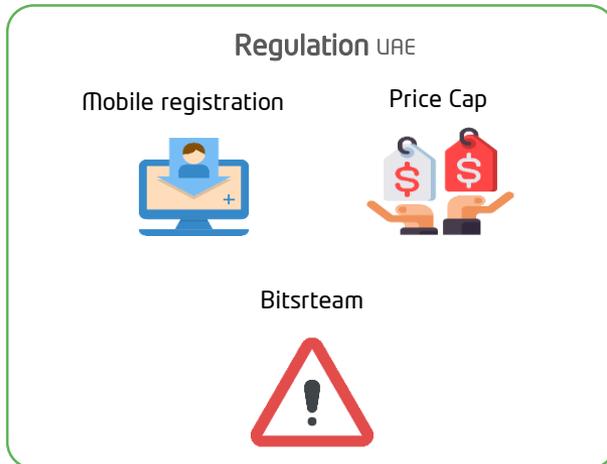
UAE Economy



Technology



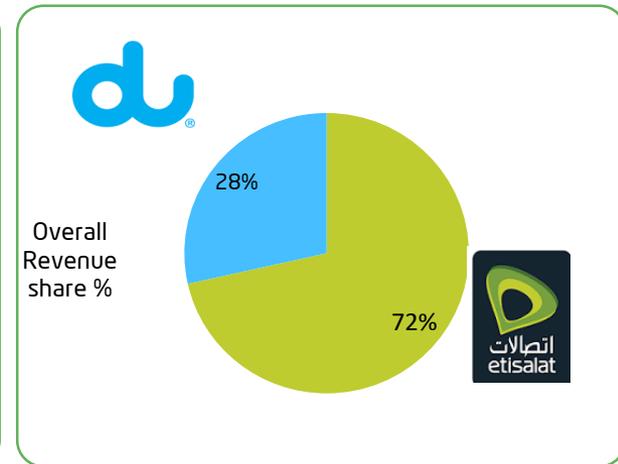
Regulations UAE



Competition



Our Positioning



Source: Etisalat Business

* GDP projections for the UAE reviewed downwards by the IMF, Emirates NBD ** National program for SME in the UAE

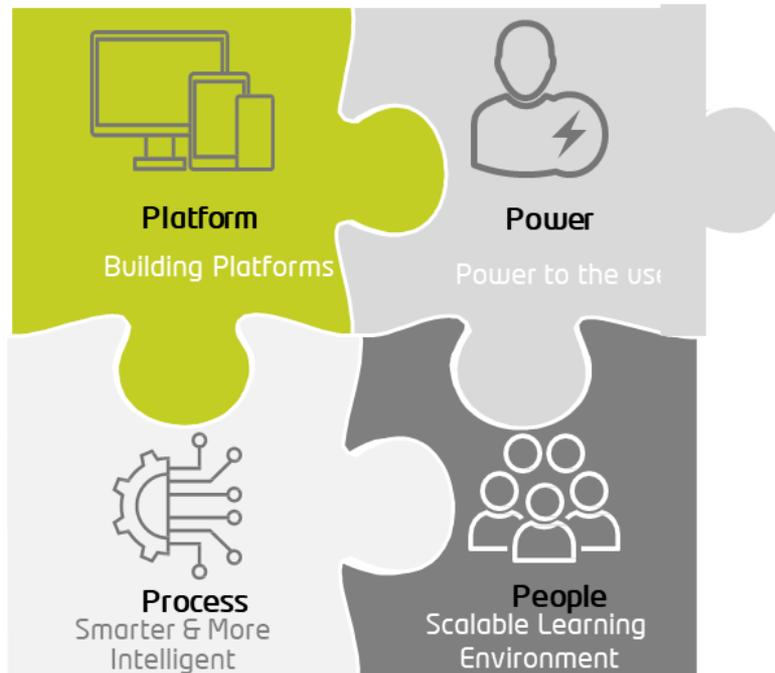
In 2018 we updated our vision and strategy to evolve our business to become a relevant digital player in the market

Our Vision



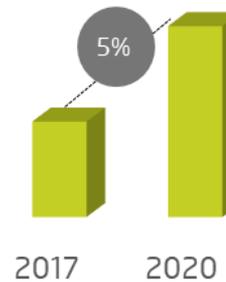
To be the Digital Solutions platform for Government & Businesses in a Hyper-connected world

Our Strategy

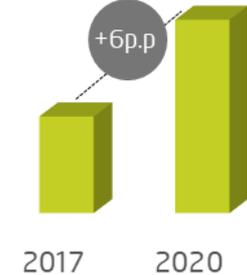


Our Goals

Growth
CAGR



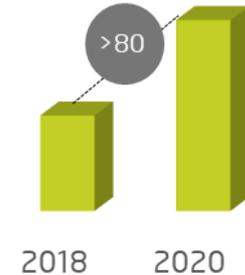
Digital Contribution
% of Total Business Revenue



Digital Transformation
Digital Transformation Index*



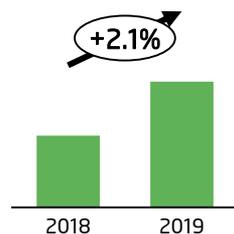
Customer Satisfaction
Trim



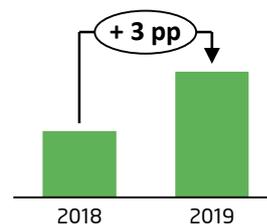
While transforming our business, we have been able to grow leveraging on digital services and enhancing customer experience

	2018 ✓	2019 ✓	2020
Mobile	Mobile Control Platform	Excellence in Mobile	Unlimited Voice
Managed Services	E2E managed services	Network Virtualization	Extended E2E Network Cloud Solutions
SMB	SMB Bundling	Business Edge SMB Digital Platform	SMB vertical solutions
Digital	#FutureNow	First Inorganic Move Co-creation Lab	International Expansion Disrupting technologies
Transformation	Robotics Process Automation	Digital Channels Expansion Virtual Agent contact center	Full Internal Digital Transformation
Collaboration	Agile at scale	Business Design Studio	Collaboration tools and spaces

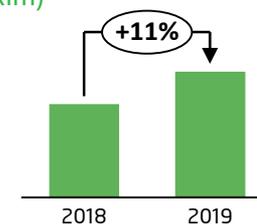
Revenue
(AED m)



ICT/ Digital
Contribution

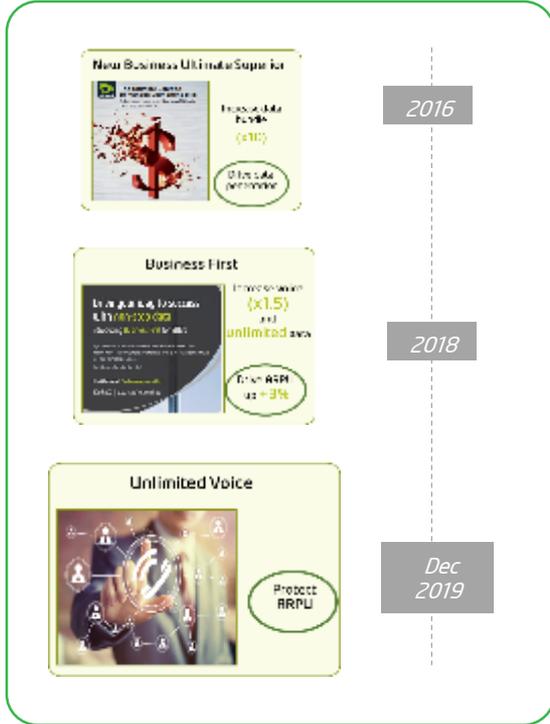


Customer
Experience (TRIM)

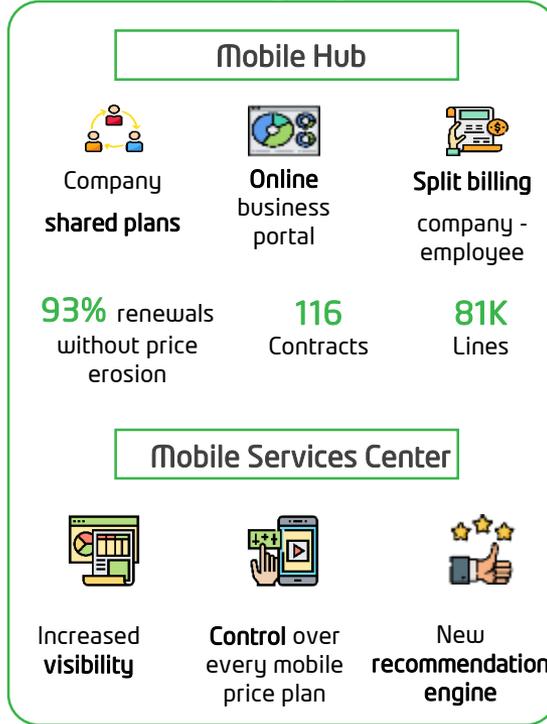


In Mobile, we have defended our market share building platforms to create customer stickiness and minimize price erosion

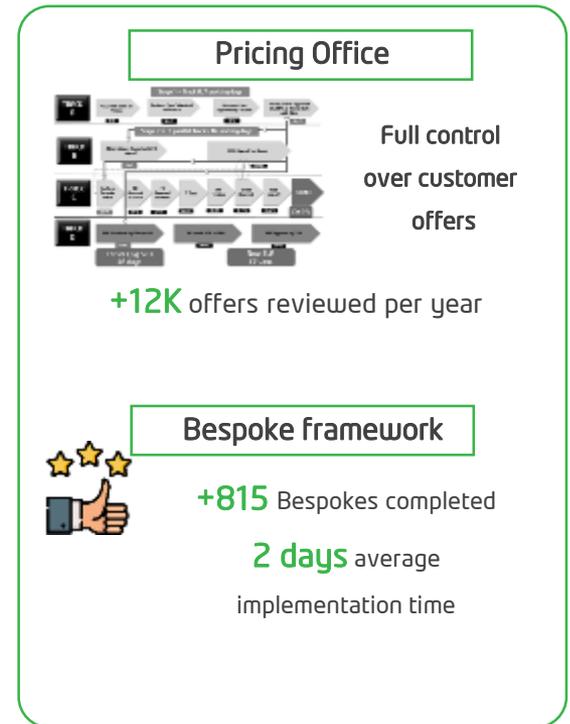
Portfolio Evolution: transit towards data tariffs



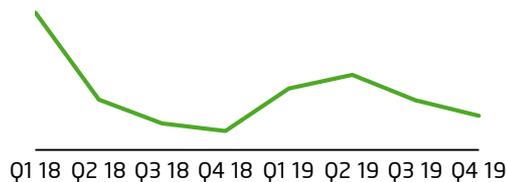
Platforms to maximize loyalty



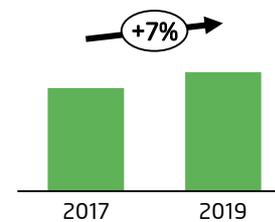
Flexibility & Price Control



Net MNP Evolution ('000)



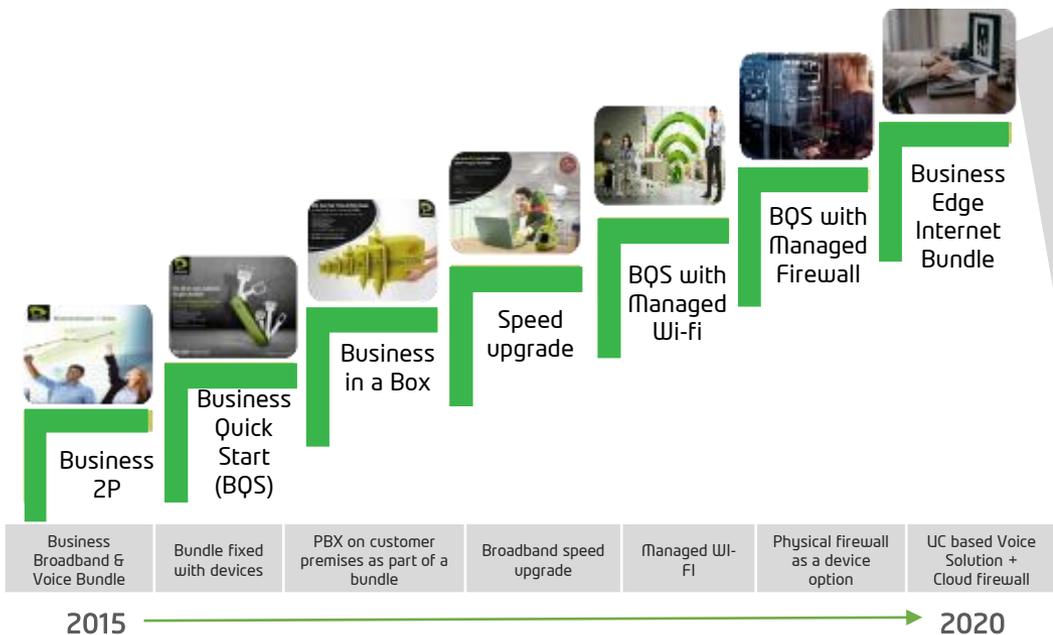
Customer base Evolution



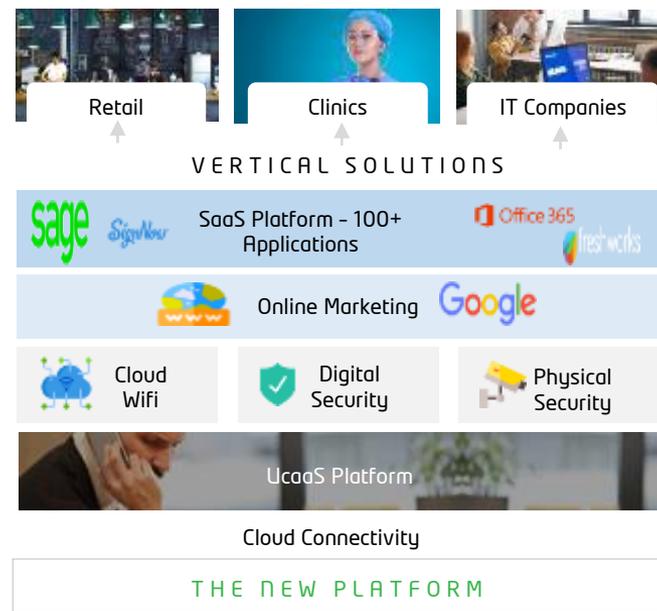
In SMB, we have protected our revenues by bundling our connectivity with additional services and creating an e2e cloud digital offering



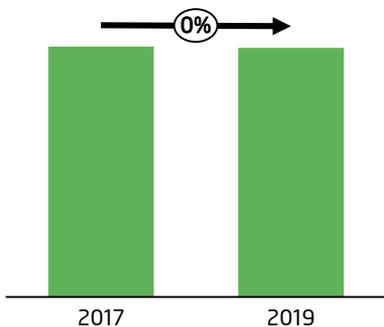
Offer Evolution



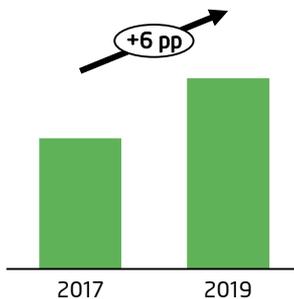
Business Edge



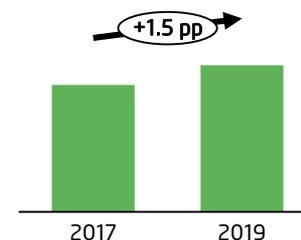
SMB Revenues (AED - Bn')



Bundles over total connections (%)



Digital revenue over total SMB revenues (%)



We continued evolving from managed connectivity to E2E managed services



E2E Managed Services



Managed Voice

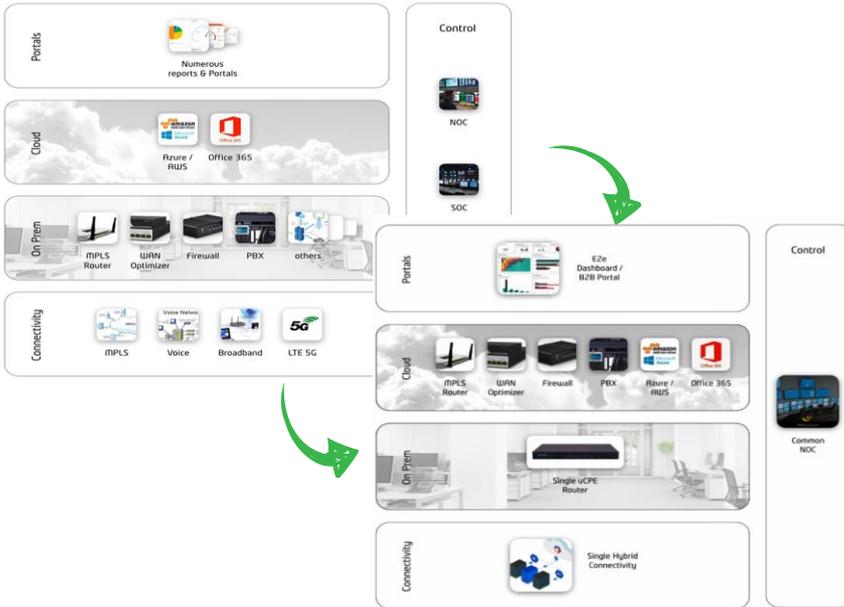


WiFi



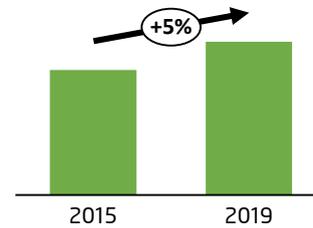
Managed Security

From Premises to Cloud

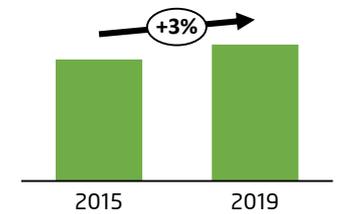


Performance

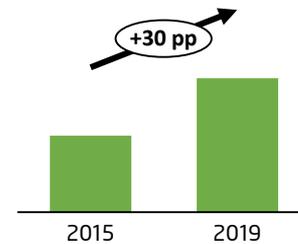
Total No. of Links ('000)



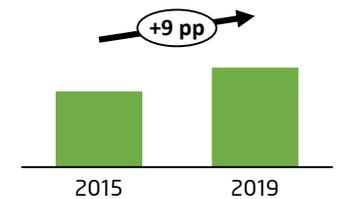
Revenue (AED - Bn)



Managed Links over total (%)



Managed Service Revenues over Total (%)



Etisalat Digital has continued to be our engine of growth supporting our customers in their digital transformation journey

Best Digital Experts

+400 Expert **25** Nationalities



30%
Business



70%
Engineering / Operations



Industry Experts



Designers



Enter. & Digital Architects



Data Scientists



Dig. Engineers



Project Management

Advanced Digital Platforms



13 Data Centers



EICloud



Global Cyber Security Center



Video Cloud AI



IoT Platform



Command & Control Centres

Agile Service Models



24/7 Operations

Proactive Monitoring



Integrated & Customizable

Flexible Business Models



References

Cumulative Total
Contract Value

+7Bn



We have built an e2e value proposition with a balanced contribution from the different business line

Smart Government & Education



Digital Healthcare



Defense, Public Safety & Transportation



Entertainment, Retail & Smart Developments



FUTURE NOW
etisalat digital

CoCreation Lab

ScaleUps Program

IoT Partnerships P.

Open Innovation C.



In Expo we continue building the fastest, smartest and most connected site on earth

Site Readiness



Infrastructure

- Two on site pops ✓
- 600KM+ Telecom Fiber 80%
- Mobile Deployment 52%



Cloud

- Multicloud AWS/EIC ✓
- # of Virtual Machines +900



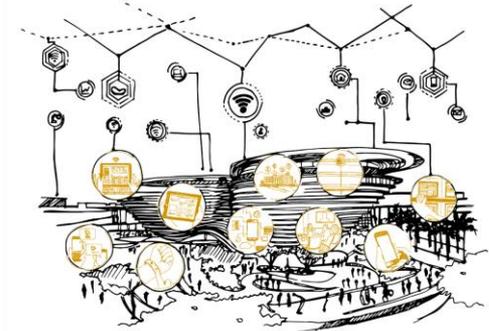
Applications

- # of Expo Applications 93%
- Ticketing & Access Control 75%
- Command & Control center Integration 50%



Complete value proposition for Pavilions

- Internet Connectivity
- Private Network
- Mobile Hub
- CloudTalk
- Devices
- VSaaS
- Managed Wi-Fi
- Building Management System
- Pavilion Analytics
- Targeted Marketing
- Screen & Content Management



Brand Activations & Sponsorships

Campaigns



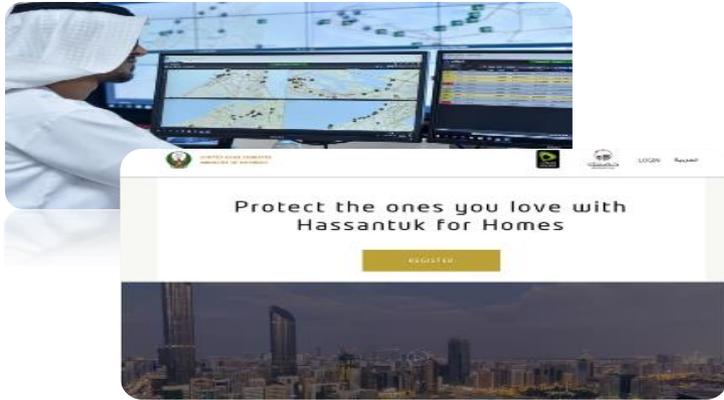
Volunteer Program



30K
Volunteers

We have continued to deliver Hassantuk project, our smart fire alarm system across the UAE having installed more than 10K villas so far

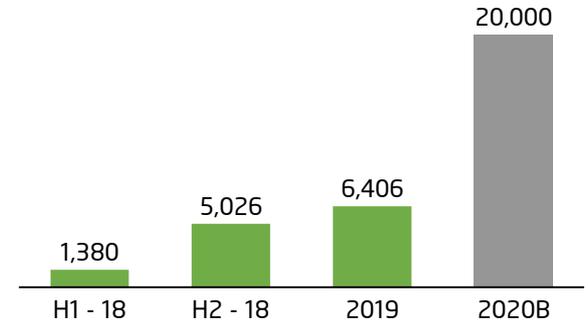
Smart Fire Alarm System for 7 emirates



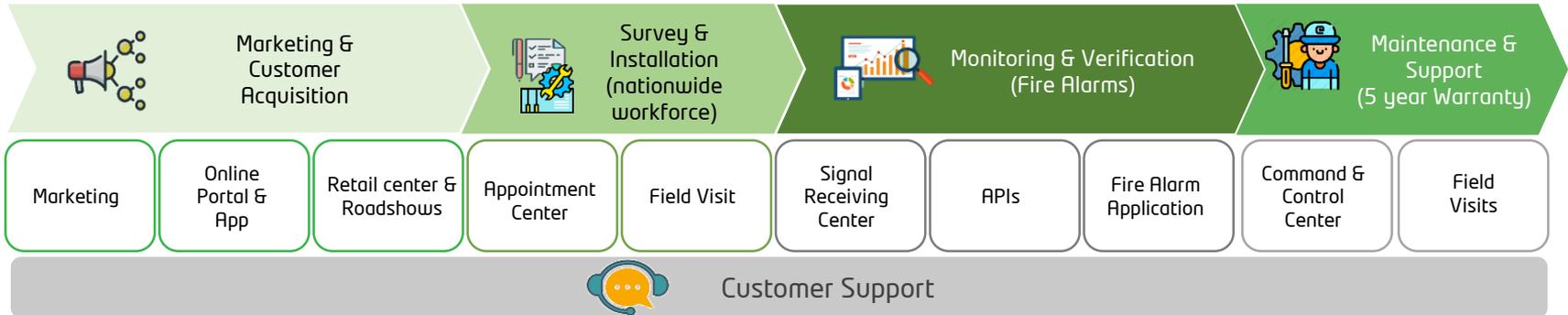
+10k Villas
2018-YTD

+6k Villas
2019

Villa Installations Evolution



Value Chain



In 2019 we built our AI Video Cloud Platform and we were awarded by Dubai Police to deliver Dubai Safe City project (Oyoon)



Model for Modern Safe City

EVC PLATFORM



Abandoned Objects



Overcrowds



Driving Behavior



Wrong Way



B&W Listing

Correlating Events



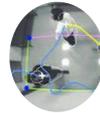
Face Recognition



Plate Recognition



Behavior Analysis



People Counting



Heat Mapping

Running Advanced Analytics



Touristic areas



Airports



Roads



Public Transport



Shopping Areas

Gathering visual information

EDGE

Oyoon Project



- ✓ Video Cloud Platform
- ✓ > 10,000 Cameras
- ✓ Analytics & Forensic Analysis
- ✓ Central Video Recording
- ✓ Managed Services & Connectivity

Additional Pipeline



المركز التجاري العالمي في دبي
DUBAI WORLD TRADE CENTRE



Dubai Airports
Connecting the World

DP WORLD



وزارة التربية والتعليم
MINISTRY OF EDUCATION

We have also secured our first smart district reference at JLT



Scope

Water Quality Monitoring

Smart Parking System

District Unified Command & Control Center

Environmental Monitoring

Smart Lighting Control System

Community Portal & App

Smart Building Management System

Waste Management

Smart Kiosk & Public Wifi

Smart District Platform

5G Connectivity

Key facts

- **5** Smart Buildings with **+20,000** connectivity points
- **1,000** car slots under Smart Parking system
- **50** water quality and environmental monitoring sensors
- **800** Smart Lamps
- **5** Smart Kiosks
- **78** Waste Management bins

This year, we have executed our first inorganic move with the acquisition of Help AG, a trusted security specialist company

Help AG

+100 Employees

Portfolio

Help AG/ED Value Chain



Strategic Consulting	System Integration	Network Security	Managed Security	Cyber Security	OT Security	Technical Support
Existing ED	Reinforced ED/Help AG	New Capability Help AG				

Benefits

Leading player and unlock additional value

Speed

Scale

Skills

Credentials

Source: Etisalat Business

We are investing in new sources of growth with the international expansion in KSA and launching UAE Trade connect

Etisalat Digital KSA Office establishment and operational launch in Q2

2020



Opportunities in KSA



نيوم NEOM



Ministry of Interior
Kingdom of Saudi Arabia

ارامكو السعودية
Saudi Aramco

Security Operations with Help AG KSA



Blockchain JV with 8 Banks

2020

8 Banks joined the UAE Trade Connect (UTC) platform in efforts to digitize trade in the UAE



Through our #FutureNow program we have continued fostering innovation and we will be opening a second hub in Abu Dhabi



Co- Creation
Lab



#FutureNow
Calls



IoT Partnership
Program



Open Innovation
Center



Q2 2020
AUH



- 31 Design Thinking Workshops
- 194 Service Concepts Created



- 17 Challenges Launched
- 20 Program participants

OTTOGEE

maxbyte
TECHNOLOGY LS

NAYAN

DOTS
DESIGNED SMARTER

- 20 IoT Companies Onboarded



- +650 Visits since 2018



We are executing our internal digital transformation around 6 pillars with the objective to become a digital division by 2021

Business Transformation pillars

1 We are transforming our offering

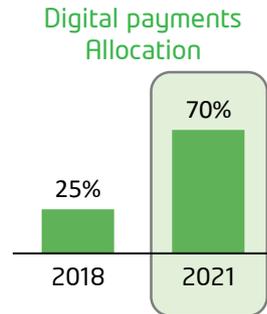
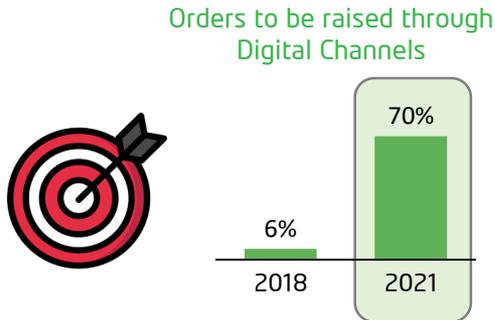
2 expanding to digital channels

3 & making our digital channels the preferred option for our customers

4 We are also automating our internal processes

5 putting more intelligence into our sales

6 & changing the way we work



Source: Etisalat Business

Aspirations



- 1 We are progressing in our **transformation journey** to become a **digital telco**
- 2 We continue **protecting our core services** by adding value with **new digital and managed services** while delivering **superior customer experience**
- 3 We are launching **“Business Edge”** as the **best in class SMB platform** to grow in this segment
- 4 **Etisalat Digital** has consolidated as **Etisalat’s engine of growth** and we will accelerate further through **geographic and inorganic moves**

Q&A



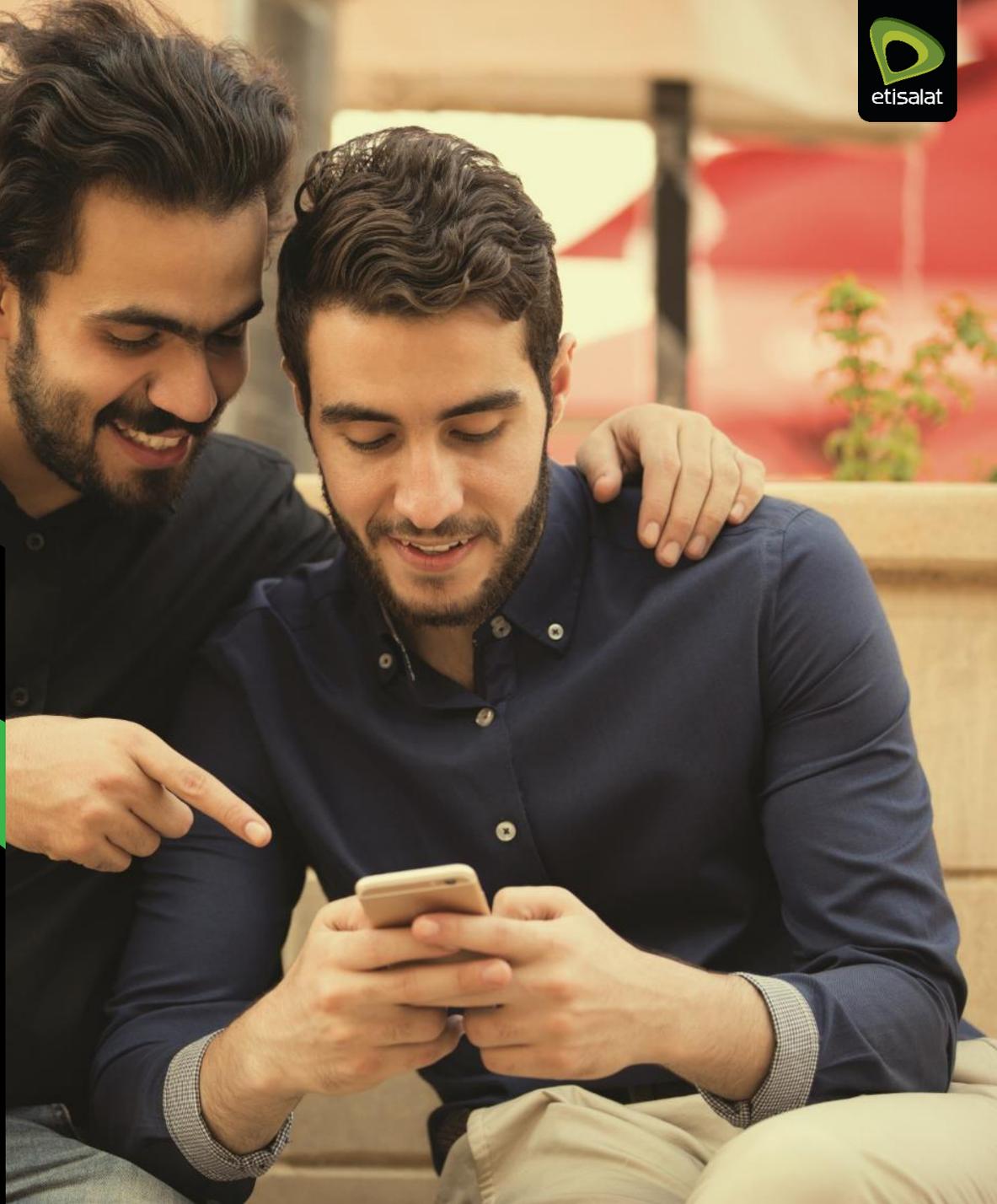
Thank
You



Etisalat
Misr

Hazem Metwally

Chief Executive Officer
Etisalat Misr



Progressing steadily towards higher shareholders expectations by enhancing company value drivers



2019
16 %
CONSUMER
GROWTH

2019
24 %
EBU
GROWTH

2019
50 %
MOBILE
INTERNET
REVENUE
GROWTH

2019
74%
MOBILE
INTERNET
TRAFFIC
GROWTH

2019
17%
ARPU
GROWTH

2019
15 %
GLOBAL
REVENUE
GROWTH

2019
39.5 %
EBITDA
MARGIN

2019
33 %
LOWER
DEBT
BALANCE
Vs 2018

INTERCONNECTION
SETTLEMENT
10 YEARS OF LEGAL
DISPUTES END

GATED COMMUNITY
LICENSES
TRIPLE PLAY
ACTIVATED

2019
14 %
NET
PROFIT
MARGIN

2019
53 %
NET
PROFIT
GROWTH


**#1 African
Operator**
Best African
Operator Award
Dec,19


**#1 Revenue
Growth Rate**
vs. competition


#1 App Rating
 


**#1 Network
TRI*M**


**#1 Retail
TRI*M**
Q4-19


**#2 Overall
NPS**

Favorable country outlook highlighted by macroeconomic stabilization after years of critical reforms

Positive macroeconomic outlook despite manageable challenges

NETWORK INVESTMENTS



Frequent investments needed to cater for increasing data traffic and any new technology

DIGITIZATION



Expanding on digital & reinforcing operational efficiency

MARKET REGULATIONS & COMPETITION



Channel restrictions and state development tax on new lines; coupled by high competition & (WE) sole control over infrastructure

ECONOMIC REFORMS



Economic reforms and associated impact on expenditures

GROWTH MOMENTUM

- Egypt Is #1 in Population among Arab countries (~51% < 24 years)
- IMF expectation for real GDP to grow by 5.9% in '20 vs. 5.6% in '19

POSITIVE INDICATORS

- Egypt's unemployment rate fell to 7.5% in Jun' 2019 compared with 9.9% in Jun'18, recording the lowest figure since 1999
- The CBE monetary policy took down inflation from its highest of 33% in July 2017 to 7.1% in Dec 2019 (13.9% 2019 average)
- EGP/USD appreciated to 15.85 in Jan-20 vs. 17.93 in Dec'18
- Interest rates fell by 450 basis points in 2019 (from 17.75% to 13.25%)

INTERNATIONAL TESTIMONIAL

- IMF completed the 5th and final review worth \$2bn under the 3 years Extended Fund Facility (bringing total disbursements to \$12bn)
- Egypt is the 5th fastest growing nation brand (49th in 2019 vs. 54th in 2018) as per Brand Finance's list of the most valuable nation brands

STABILITY AND MEGA PROJECTS

- Fitch and Moody's upgraded Egypt's credit rating to B+ and B2 respectively with a stable outlook
- Egypt's tourism revenues reached USD 12.57bn in 2019 recording a growth of 28.2% compared with 2018
- Egypt is undertaking various Mega projects signaling for political stability and allowing for many investment opportunities

OUTLOOK IMF 2024



2024

6.0 %
REAL GDP
2019
5.6 %



2024

7.0 %
INFLATION
2019
13.9 %



2024

5.4 %
UNEMPLOYE-
MENT
2019
7.5 %

Egyptian Telecom industry landscape continues to offer promise and opportunity while posing challenges & risks to be managed



Market Attractiveness

STC signed an MOU to acquire Vodafone's stake in Vodafone Egypt which reaffirms investors' confidence in the Egyptian market



Mobile Market Growth

Mobile market sustains strong growth (~14% in 2019)¹ outpacing overall GDP and many other industries



Youth

Egypt's mass population of youth is one of the main growth pillars for telecom, EM is the 1st operator in Egypt to launch a full digitally customizable tariff gaining traction among youth



Digitization

Digitization became one of the main enablers & opportunities in the market. EM building its digital capabilities to enhance its OpEx and CapEx structure, while driving new revenue streams.



LTE

LTE significant and healthy traffic growth in the market. EM data traffic² grew by 50% in 2019)



Enterprise

Enterprise market growth (EM EBU revenue grew by ~24% in 2019) supported by country's mega projects. EM signed a new contract for New Capital smart control systems installation, & triple play services for Cairo Festival City



Adjacencies

Opportunity to export ICT services, business process outsourcing, microfinance, and mobile money services (EM Cash Wallet transactions and value increased by 112% & 131% respectively in 2019)

Economic reforms and associated impact on costs

TE Controlling Transmission Pricing



Over the past four years Etisalat Misr claimed & reinforced its market position by outpacing market growth



15 %
REVENUE
GROWTH



8 %
REVENUE
GROWTH ¹



14.5 %
REVENUE
GROWTH



~EGP **1.5 bn**
MOBILE
REVENUE ¹



27.6%



41%

28%

39.5%



26.1%



29%

24.7%

33%



44.4%



44%

44.7%

47%



1.9%



NA

2.7%

NA

Focusing on **Customer Growth** through **differentiated** and **digitized** offerings, while concentrating on **high value segment, and gated communities services**

Aiming to **accelerate digital development** and provide innovative **solutions** and **unmatched customer experience**

Focusing on **high value** and **data** segments, adopting **more-for-more** proposition approach, while adopting a **Digital First** approach driving structural cost reduction

Hammering on **1st national brand, 1st integrated operator** (fixed & ADSL bundling) while **directing** spending towards **systems** and **digital transformation**

External environment effectively managed with favorable outcomes

Settlement of Interconnect Legal Disputes

Ending **10** years of interconnection tariff disputes



- ✓ Settlement effectuated a **settled interconnection regime** with less room for disputes

Results of this settlement process:

- ✓ A settlement agreement between EM & VF Egypt
- ✓ A settlement agreement between EM & OR Egypt
- ✓ Symmetrical interconnection termination rates for at least 5-yrs

Gated community license

Comprehensive Telecom Offering



- ✓ License allowed EM to provide **Triple play services** in closed compounds, i.e. Cairo Festival City

Premium Telecommunications Services:

- ✓ Access networks infrastructure
- ✓ Network infrastructure sharing with other operators
- ✓ Fiber optics
- ✓ Internet
- ✓ Fixed line
- ✓ Video on Demand (VoD)
- ✓ Surveillance cameras
- ✓ Value added services (VAS)

Maintained our strong performance in consumer and enterprise segments while leading the way to digital transformation

Enablers

Performance

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Consumer</p> 	<p>Increasing uptake of well positioned segmented market platforms contributing to robust growth</p>	<p>Mass</p> 	<p>High Value</p> 	<p>Youth</p> 	<p>Young Professionals</p> 	<p>16% CONSUMER REVENUE GROWTH Vs 10% last year</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Enterprise</p> 	<p>Enterprise sales transformation efforts along with distinct propositions accelerated growth year-on-year</p>	<ul style="list-style-type: none"> EBU segment showing an accelerated growth of 24% driven by SMB & connectivity Acquiring gated community license considered as a main pillar for EBU arm revenue growth 	 <p>GSM, connectivity, solutions & mobile broadband all contribute to a remarkable EBU y-o-y revenue growth</p>	<p>24% EBU REVENUE GROWTH</p>		

EM's Digital Transformation Technology Tracks

Enablers

Performance

Digitization

Customer Experience

Focused on building digital capabilities, phasing uptake & extending digital across all platforms



Digital Touch points

- My Etisalat App
- Web dashboard
- I-pipe self care

71%
UNIQUE DIGITAL USERS GROWTH '19 vs '18

EM MOBILE APP Best Rated Operator App



Digital purchases

- M-commerce & e-shop

131%
WALLET CASH GROWTH '19 vs '18

171%
E-SHOP REVENUE GROWTH '19 vs '18

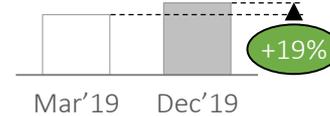


Digital CVM

- I-Pipe & RTIM

64%
REAL-TIME CVM campaigns online vs. offline

ENGAGED CVM CUSTOMERS, Unique engaged base monthly, MN



Rich content

- Sports, Music & Games

8.5mn
ETISALAT SPORTS BASE VS. 5.3MN IN DEC-18

2.8mn
SONGS 9 CONTENT PROVIDERS

IT Digitized Operations

81%
OPEX/CAPEX SAVINGS IT VIRTUALIZATION USE CASE



Operates one of the most solid transactional IVRs in the region

71% IVR Utilization



Adopted WATSON Chabot system

60% chat bot utilization



RPA's reduced global handling time & needed FTEs

72% AHT reduction

Customer Care Productivity Boost via Digital

2019 Digitization impact of ~EGP 0.5bn in revenues & cost savings

Operational Efficiency

Focused on implementing a company-wide digital transformation program, developing smart processes & promoting efficient operations

4G Network Offering Superior Customer Experience



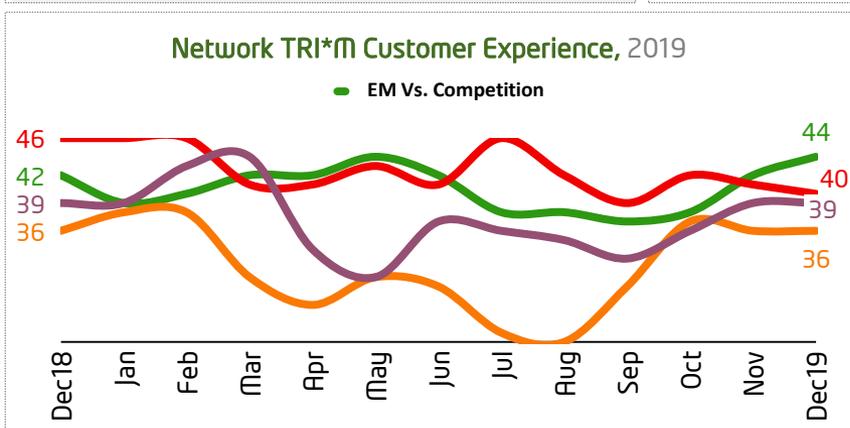
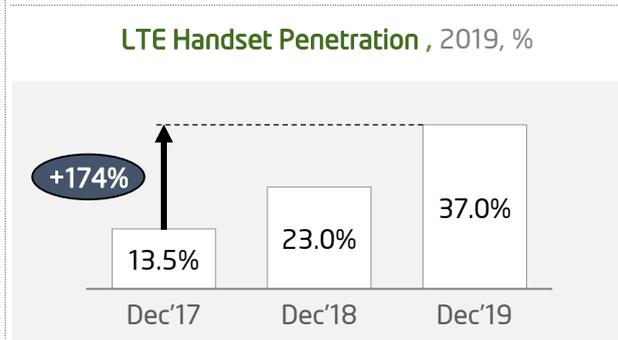
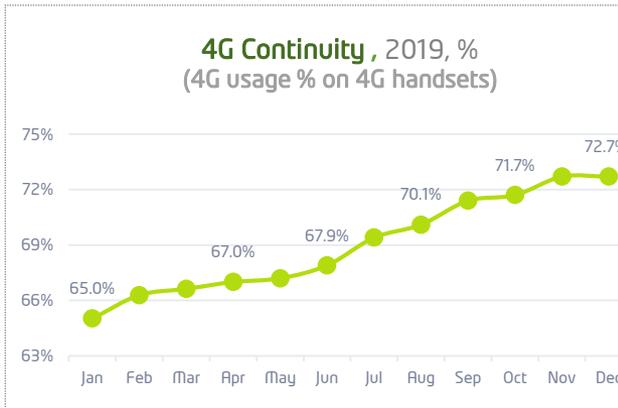
Network Performance

- Total sites in 2019 > 7,500 sites
- Total expansions of 3G/4G reached 12,741 with growth of ~96% over 2018
- 4G Throughput reached ~18.2 MBPs



Investment Appetite

- In light of huge traffic growth, EM plans to invest ~EGP10 bn in the coming 3 years and keep upgrading network efficiency by investing in latest technologies to maintain service quality and customer satisfaction



2019
12,741
3G/4G
EXPANSIONS

2019
18.2 mbps
4G
THROUGHPUT

2019
50 %
DATA
TRAFFIC
INCREASE

2019
20 %
MI
ARPU
GROWTH

2019
25 %
DATA
CUSTOMERS
GROWTH

ENVIRONMENT

Management focus on allocating efforts and appropriate resources to manage & interact effectively with external environment

BEYOND 2020

WIN CUSTOMER

Continue the journey of propositions differentiation with 1st to market moves offering a progressive experience



SHAREHOLDERS

Continue delivering value to shareholders despite challenging market conditions & increasing competition, focusing on cash flow & dividends



DIGITIZATION

- Expanding on digital self service and digital core propositions & optimizing cost
- Utilizing digital assets to actively play in content, E-commerce & M-commerce services

ADJACENCIES

- Expand on enterprise mega projects & new services (IoT, Triple Play, fixed services, gated communities & financial services)

Q&A



Thank
You



Mobily

Salman Bin Abdulaziz Al
Badran

Chief Executive Officer
Mobily



Major Highlights | 2019 Key achievements

Achievements

- SEC awarded smart meter project to a consortium of Etihad Etisalat Co. (Mobily) and Al- Fanar Construction for the central and eastern parts of the Kingdom, The project will start on Dec. 19 and is expected to be completed by March 30, 2023
- Mobily successfully conducted 5G site tests in cooperation with Ericsson
- Signing and launch of the First Joint ICT Academy Agreement with Huawei
- Mobily and Ericsson signed an agreement to reinforce advanced IoT solutions and new generation Networks
- Signed a financing agreement with Alinma Bank to replace existing debt, and for general corporate purposes, including capital expenditure
- Signed a SAR 7.6 billion refinancing agreement with a group of Saudi Banks with the purpose of replacing the existing syndicate financing and reducing the cost of financing with better financing Terms and Conditions



Major Highlights | A year of successes

Performance Highlights

“Empower the Digital Economy to Unlock Possibilities”

- Strong achievement in our financials KPI's :
 - The highest annual revenue growth in the last 4 years.
 - The highest EBITDA level in the last 6 years.
 - The First annual net profit in the past 5 years.
- Steady growth of topline:
 - Growth in Data and Business Unit revenues
 - Continued growth of subscribers base and improvement of subscribers mix
- The highest operational cash flow (EBITDA-CAPEX) since 2011, improved by 28%, reached SAR 2,187 mn for the period



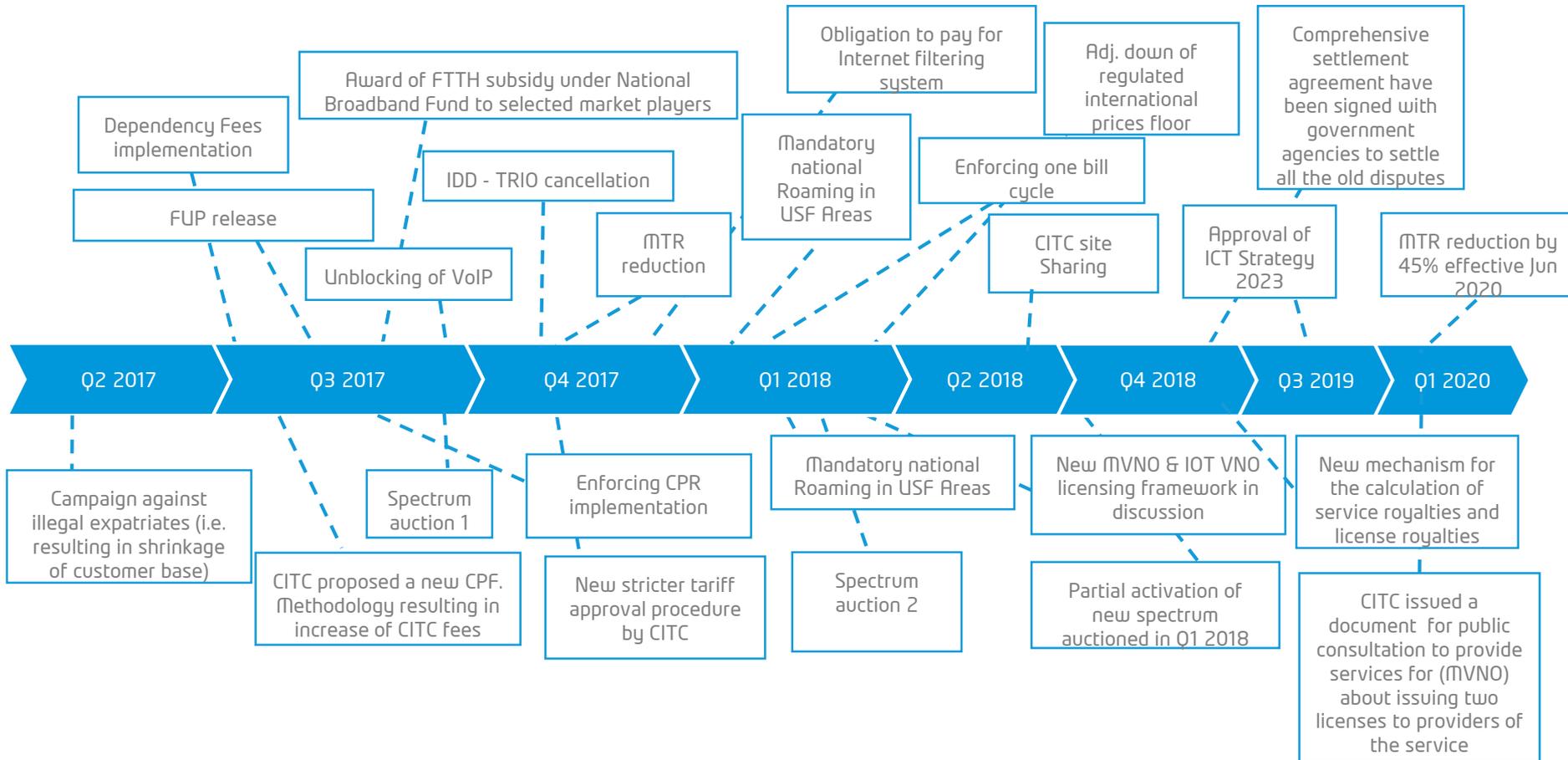
Macro Environment | General overview

Macro Environment

- Total mobile subscriptions in Saudi Arabia reached 41.63 MN, with a voice penetration rate of 124.6%
- Overall mobile download speed improved by 15.1% to 41.2 Mbps, versus Q2 2019*
- Mobily recorded the lowest number of complaints for voice, data and fixed line services among the three operators in the first three quarters of 2019*
- 3M SAIBOR and LIBOR decreased at the end of 2019 to reach 2.23 and 1.90 respectively
- 6M SAIBOR and LIBOR decreased at the end of 2019 to reach 2.26 and 1.90 respectively
- The Council of Ministers has endorsed a five-year strategy for the communications and information technology sector "ICT Sector strategy 2023"
- Total number of Hajj pilgrims in 1440H (2019) rose to 2.49 million, up by 5% over 2018



Telecom Overview | Regulatory measures implemented

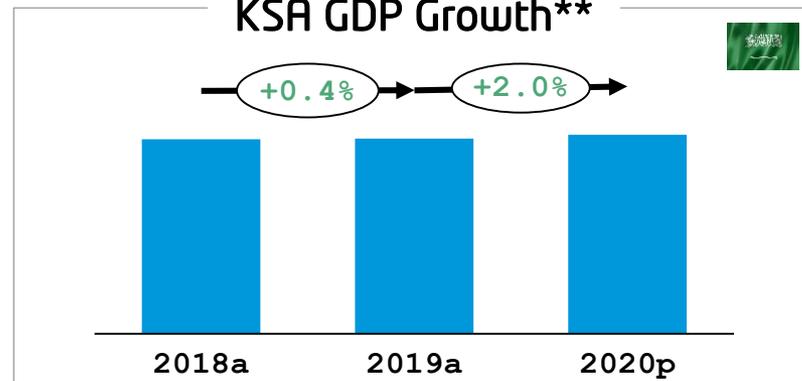


KSA Market | KSA economy is a key global player

GDP 2019* (nominal)

+1↑	18 th		SA	762 BN USD
	29 th		AE	428
	40 th		EG	299
	42 st		PK	278
	58 th		MA	121

KSA GDP Growth**



KSA Telecom Market



- Founded 1998
- Incumbent full service telecom operator offering landline, mobile, internet services, data network
- 70% revenue market share***



- Founded 2004
- 2nd mobile service telecom operator offering mobile, internet services, data network
- 19% revenue market share***



- Founded 2008
- 3rd mobile service telecom operator offering mobile, internet services, data network
- 12% revenue market share***

(*) IMF 2019 est. for selected countries, in BN USD. Ranking trend compared to 2018. (**) KSA Central Dept for Statistics & Information 01/2020, International Monetary Fund 09/2019. (***) Revenue market share: operator annual statements FY 2019 in Jan/Feb 2020, STC excl. 3.691 MSAR of other operating segments STC Kuwait, STC Bahrain, STC Solutions, Intigral, STC Specialized (Specialized by STC), Sapphire, Aqalat, Towers Co. and STC Pay.

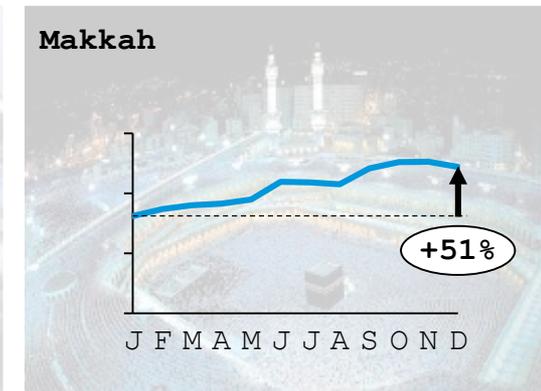
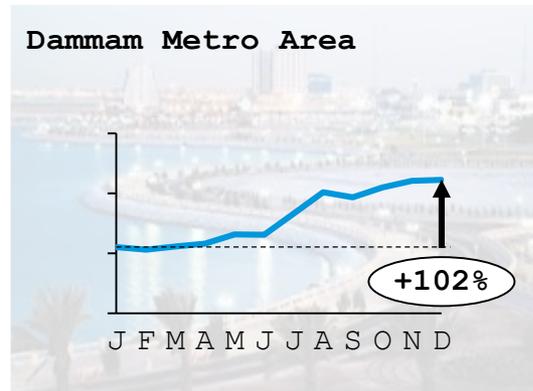
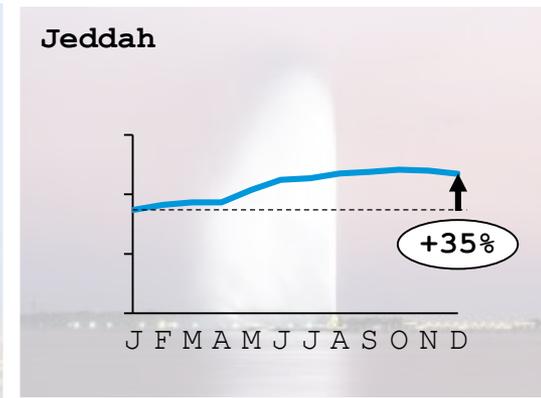
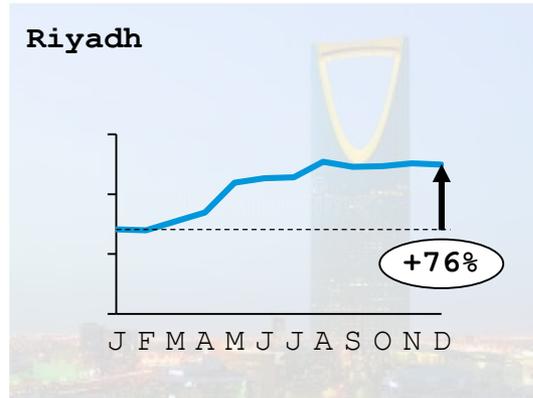
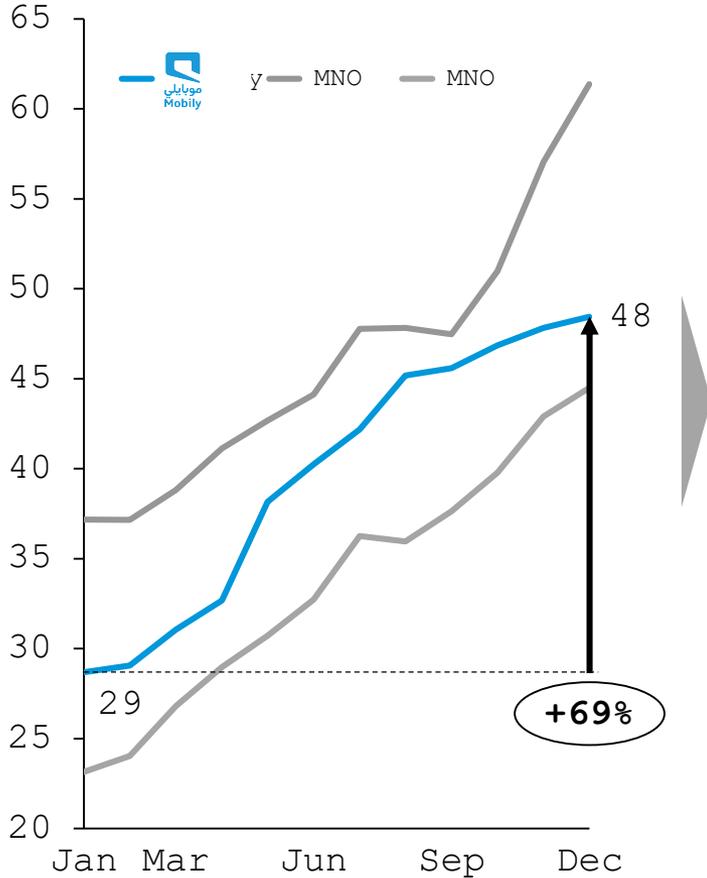


KSA Market | Saudi market presents many opportunities related to government and B2B



Network | 4G rollout continues. Speed increased by +69%

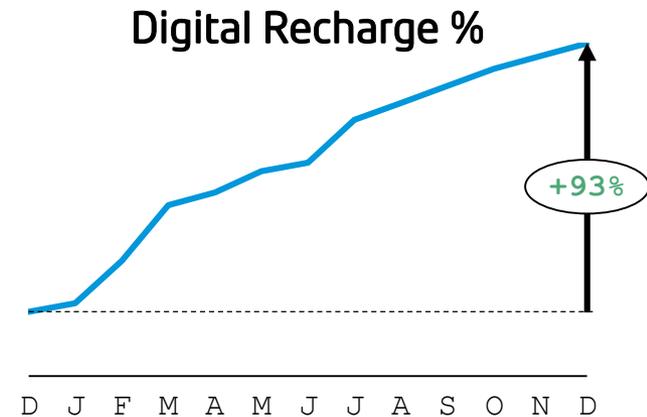
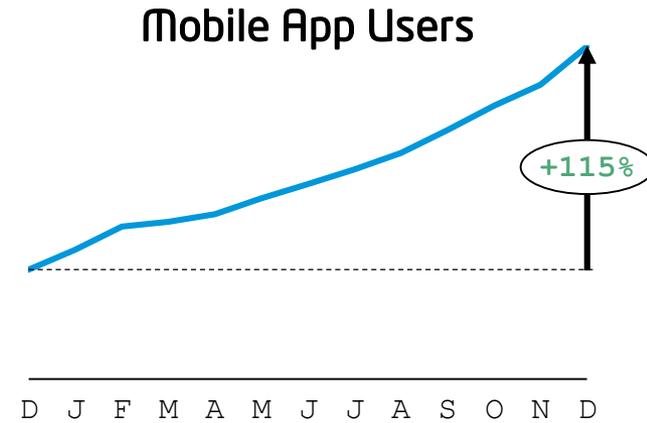
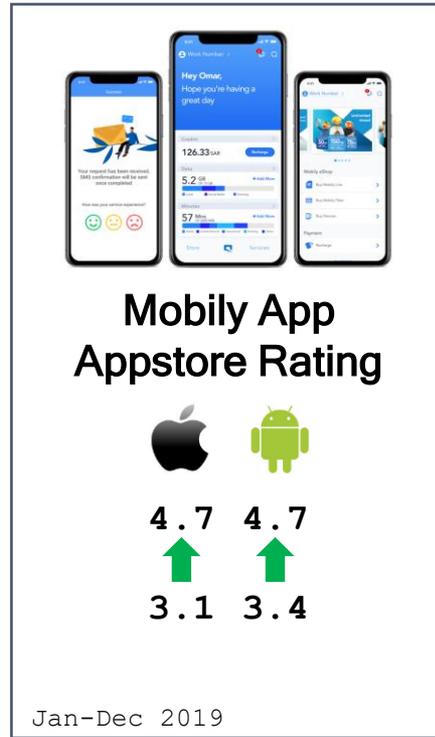
Speed Test LTE (2019) KSA Overall



Source: Ookla. Download speed. Speed shown in Mbps



Digitization | The eShop and Mobily App have digitized our customer interfaces

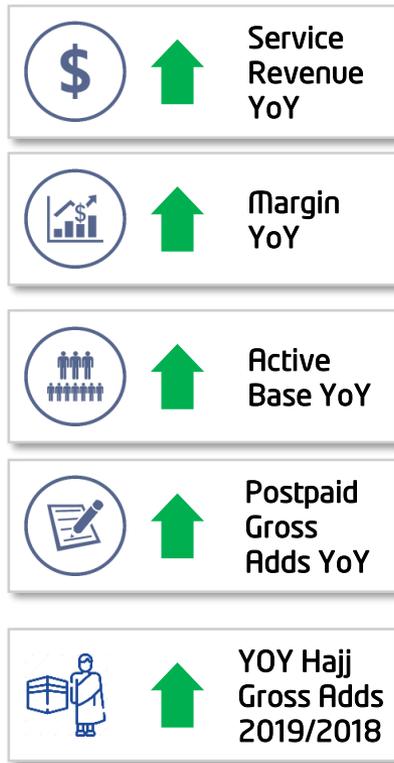


Note: Unique mobile app user per month (app user can have multiple sessions MSISDNs under his profile). eShop incl. eshop and self-service kiosks

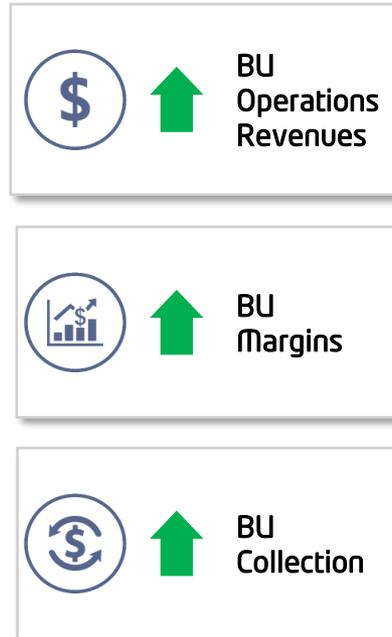


Commercial | Performance improvement continues across Consumer, Business and Wholesale business areas

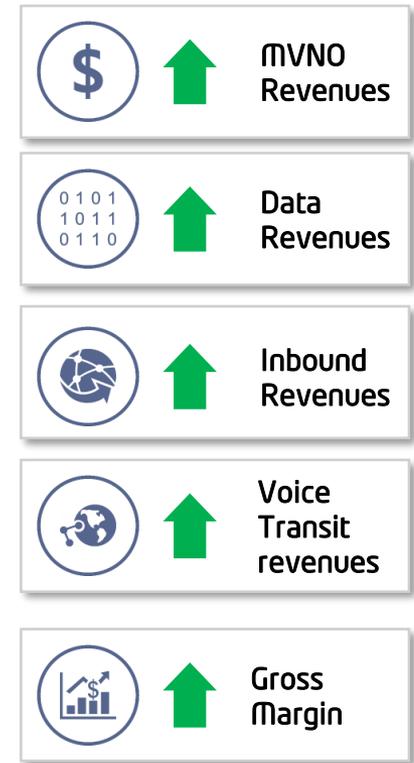
Consumer



Business



Wholesale



Consumer | Numerous tailored propositions for prepaid, postpaid, broadband data push and FTTH have driven growth



Postpaid



Prepaid



Hybrid



Postpaid Devices

Air Fiber 5G Launch



Roaming



RAQI Summer

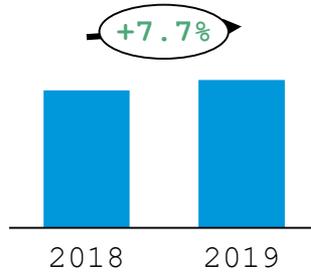


Hajj 2019 | Hajj was a success across the board for Mobily

Total Gross Adds
'000 activations



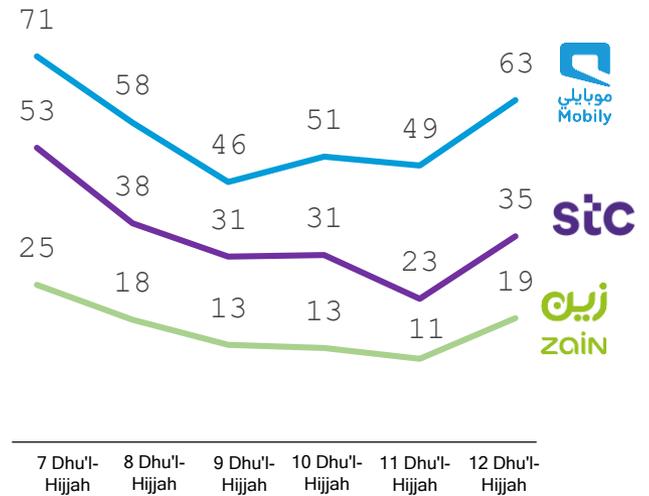
Total Revenue
'000 SAR



Total Data Traffic
'000 TB



Speed Test LTE (Hajj 2019)
(Mbps)



All values apply to Hajj seasons 2018 or 2019

Better Data Experience:
Mobily has managed to deliver better DL speed data user experience by **33%** despite the traffic growth.

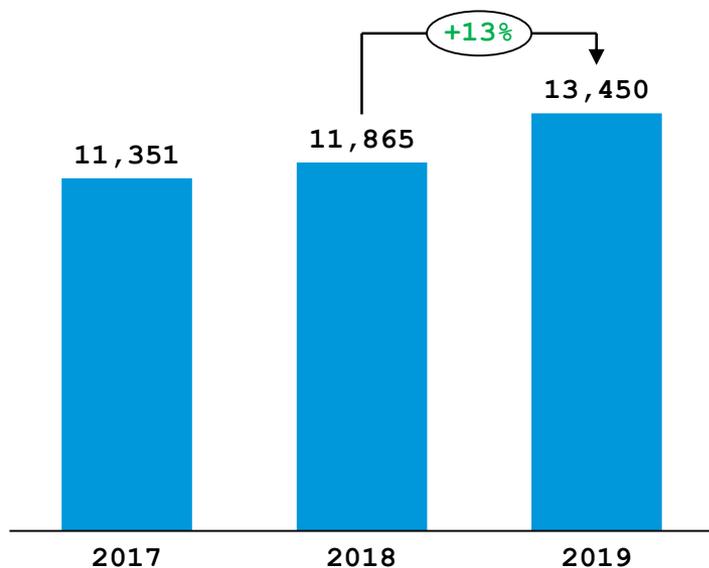
Better Speech KPIs:
Improvement in CS calls drop by **30%** was achieved despite the reduction of 2G frequency bands.

Better Paging Success Ratio:
Paging SR enhanced in Haram by **2%** after applying several actions.



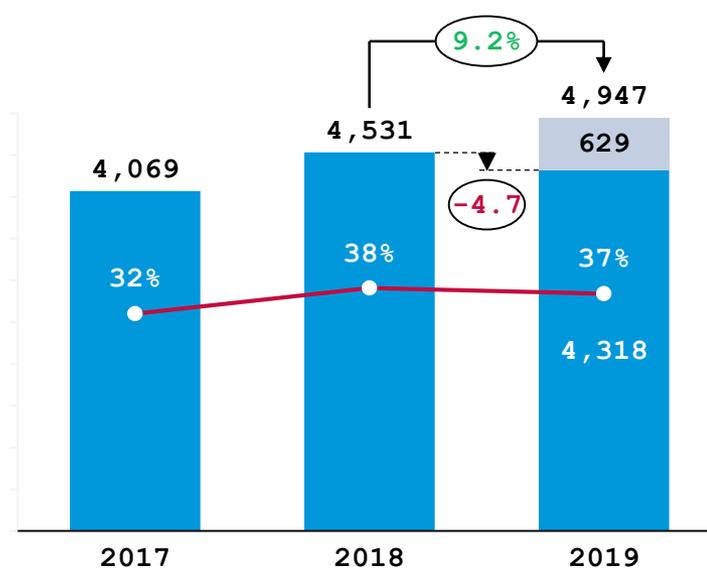
Key Financial Highlights | Revenues Growth And Strong EBITDA

Revenues
(In SAR Million)



■ Revenue

EBITDA and EBITDA Margin
(In SAR Million)



- - EBITDA margin

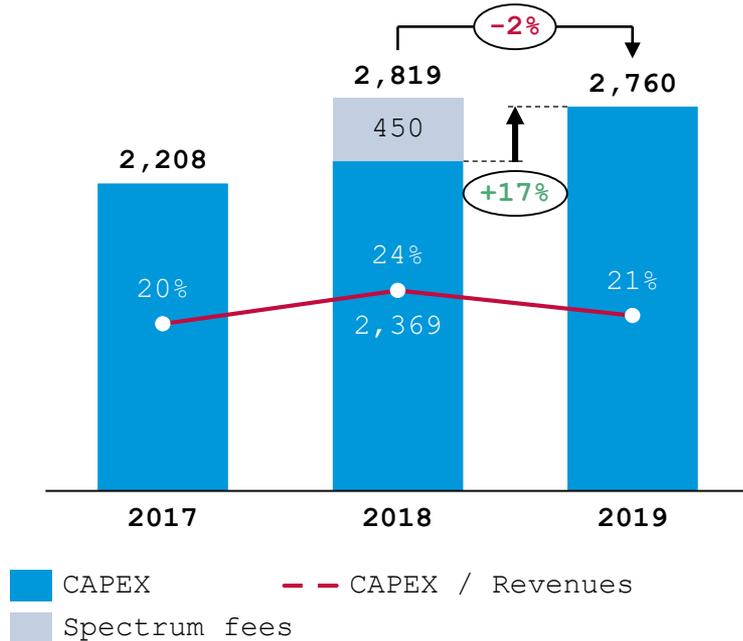
■ IFRS16 Impact

■ Pre IFRS16 EBITDA

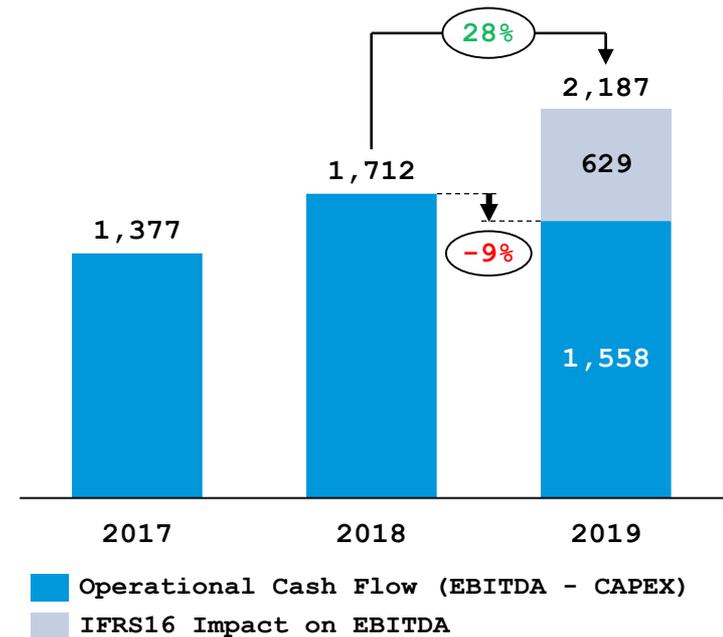


Key Financial Highlights | CAPEX Intensity and Operational Cash Flow Growth

CAPEX/ CAPEX to revenues %
(In SAR Million)

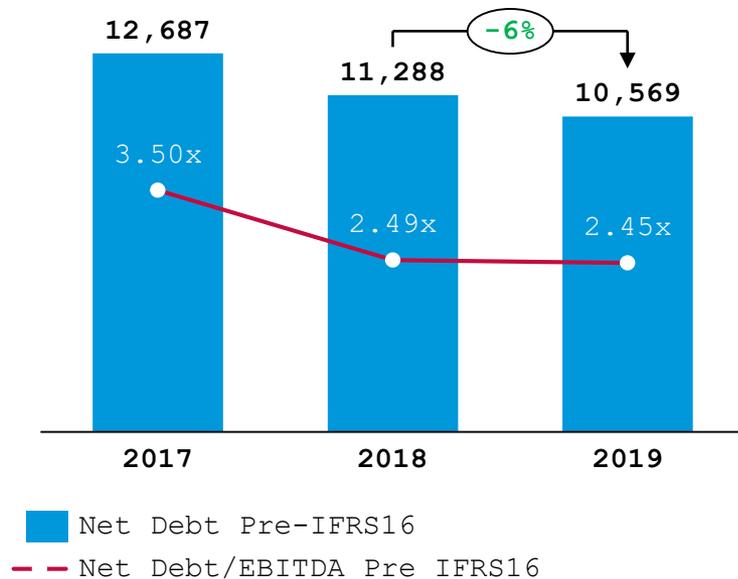


Operational Cash Flow (EBITDA - CAPEX)
(In SAR Million)

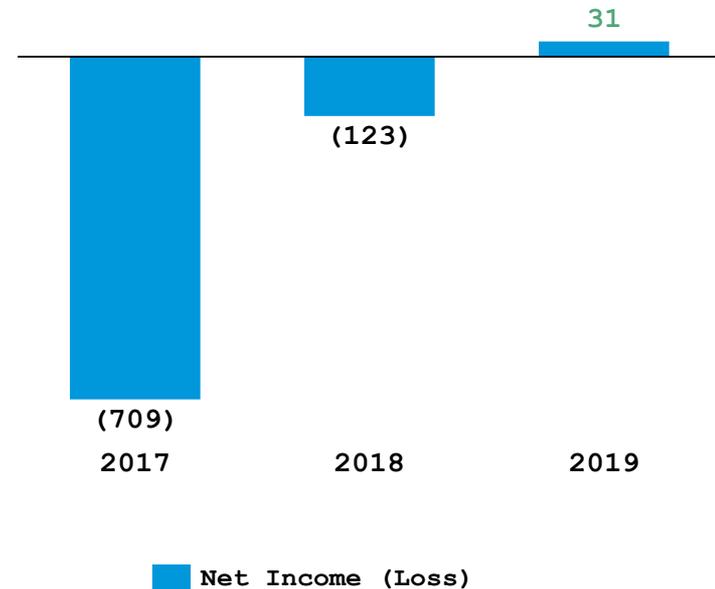


Key Financial Highlights | Net Debt And First Positive Net Profit

Net Debt and Net Debt/EBITDA
(In SAR Million)



Net Income (Loss)
(In SAR Million)



GAIN Strategy 2020+ | New corporate strategy leads the path to growth in 2020 and beyond

Priorities

G Grow Core Revenues

A Accelerate Digital Revenue Streams

I Implement & Optimize Efficient Delivery

N Nurture a Positive Experience for All



Purpose
To be the Better Choice
to Unlock Possibilities



How
By Empowering
the Digital
Economy

By Being
The Everyday
Hero

GAIN Strategy 2020+ | Focus on growth and transformation



Advanced Analytics → Improve decision making based on near real-time insights

Platform Play & Agile IT → Enable a large ecosystem of partners across the value chain

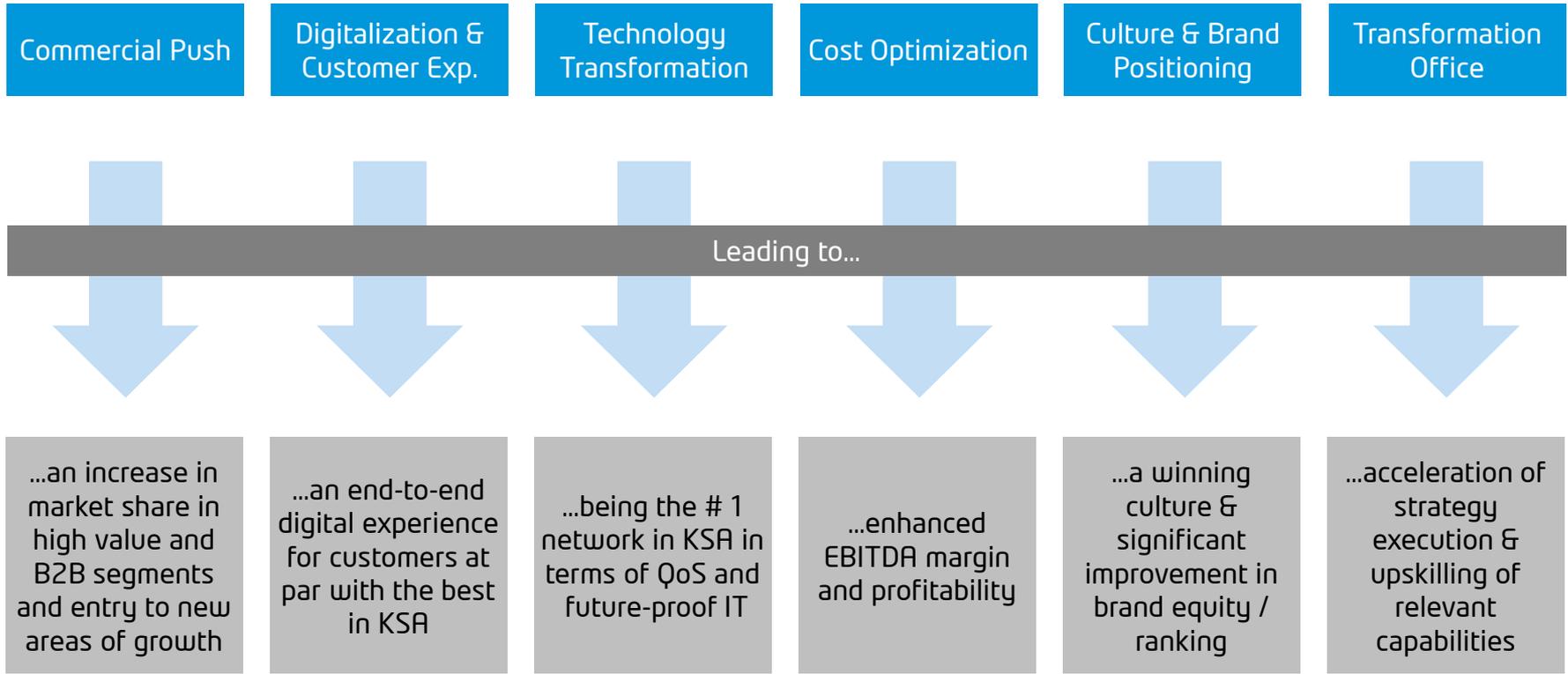
Integrated Gigabit Network → Provide seamless access with more focus on virtualization and network slicing

Digital Operating Model → Asset monetization, governance, culture, capability development etc.



GAIN Strategy 2020+ | Mobily undergoes a transformation to ensure successful implementation of GAIN

Transformation Workstreams



Outlook | In summary, our journey will enable us to grow sustainably and to transform ourselves for the future

- 1** As we find new ways to grow, we will not lose our **existing momentum**
- 2** Growth will be **sustainable and profitable**
- 3** Sustainable **competitive advantages** will be built around specific areas
- 4** The whole organization **rallies around the strategy** with **collaborative culture**
- 5** We will deliver the strategy through **exceptional execution and strong capabilities**



Q&A



Thank
You



PTCL Group

Rashid Khan

Chief Executive Officer
PTCL Group



2019 was a challenging year as Pakistan entered into the IMF plan resulting into a tough macro-economic situation with rising taxation, significant rupee devaluation, high inflation and shrinking growth

PTCL Group - Key Highlights FY 2019



2% growth in consolidated revenue; mainly impacted due to regulatory changes in 2019
Organic annual consolidated revenue growth is 3.5%

Consolidated Revenue [PKR]	Consolidated EBITDA [PKR]	Consolidated Net Profit [PKR]
129 ^{Bn}	41 ^{Bn}	2.4 ^{Bn}
▲ 2.1%	▼ 1.0%	▼ 58%

Key Strategic & Operational Highlights



- PTCL revenue grew by 0.4% supported by improvement in customer experience, Corporate Services, DSL, FTTH & IPTV
- FTTH subs grew by 159%, complimented by 172% revenue growth



- Sub base crossed 23 Mn by net addition of 1.8 Mn and ~1Mn data subs with market share increasing to 14.2%
- Network upgraded by addition of 2,400 LTE, 800 3G upgrades and 100 new coverage sites



- 48% revenue growth supported by increase in deposit base by 13% and loan base by 27%
- Branch network grew to 201 with addition of 60 new branches in 2019

A growing and young population with a lot of potential

5th

Largest Country
by Population
[Annual growth rate of 2.4%]

150_{mn}

Population Below
Age 30

1.1%

Spend on Telecom
from GDP

Pakistan's economic outlook remains challenging with inflationary pressures affecting consumer spending



IMF plan has led to tough policy decisions

GDP

PKR 38.5 Trillion

CPI

Inflation

11.6%

[set to decline in the future]

USD-Rupee parity stable

[PKR/\$ 154.9]

Risk Rating

Moody's B3 stable
S&P Stable

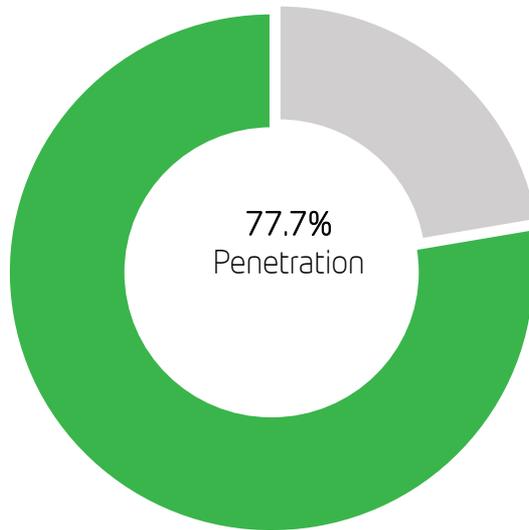
Telecom Market - Subscribers and Penetration



Significant opportunity in fixed line broadband segment for growth

Mobile Subscribers & Penetration

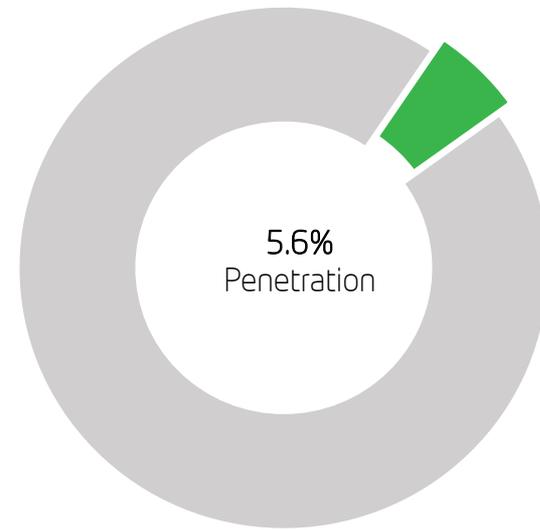
As % of Population



Mobile
165 Million
[3G/4G 76 Million]

Fixed Broadband Subscribers & Penetration

As % of Households

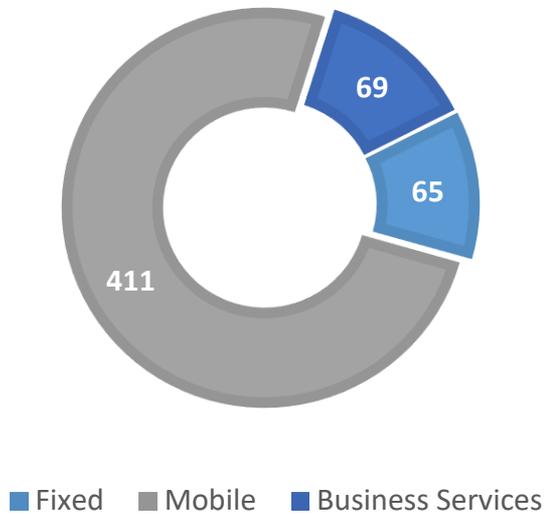


¹ Fixed Broadband
1.86 Million

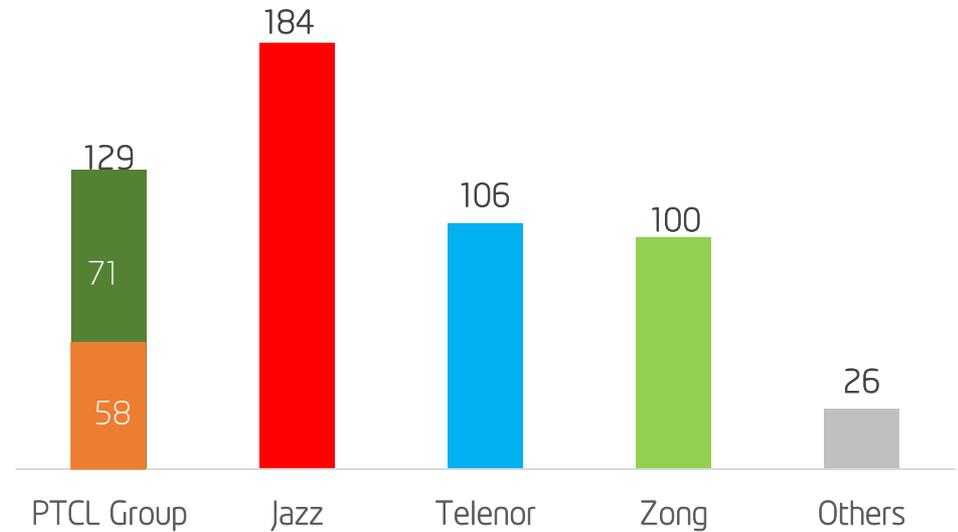
¹ Only includes DSL and FTTH
Source: PTA & Economic Survey of Pakistan

PTCL Group holds 2nd position with 24% of the market value share

Total market value - PKR 545 bn



Market map by competitor - PKR Bn



¹ Includes digital services, fixed wireless dongles business

² PTCL Group Revenue includes standalone revenue of PTCL and Ufone Only



Highly competitive 4 player mobile landscape

Growing FTTH market with 7 active players



Telecom sector continues to be highly taxed & regulated



Successful 5G trials conducted by 2 mobile operators

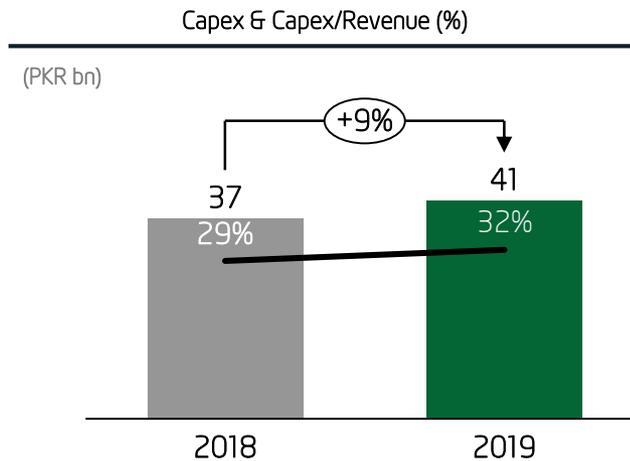
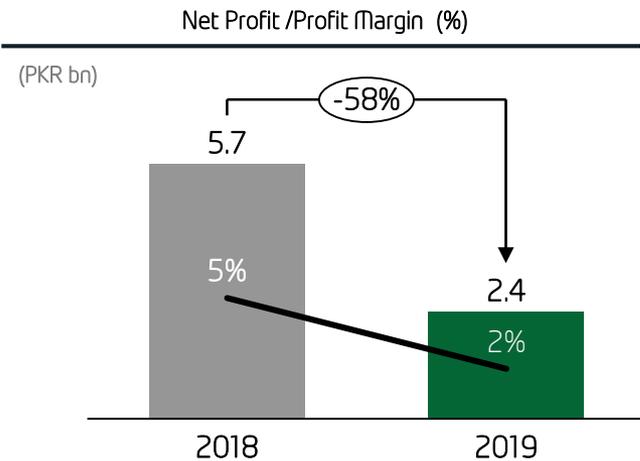
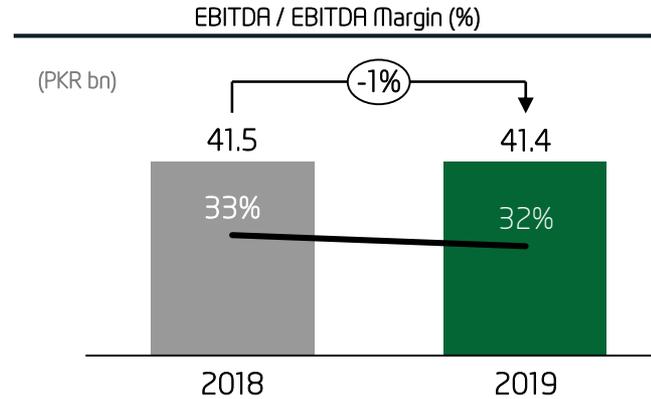
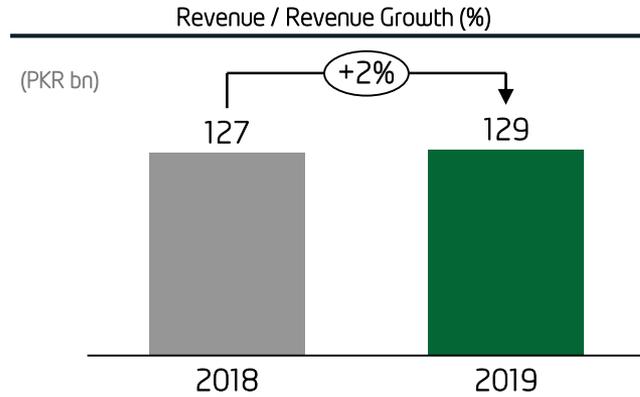


Leading mobile operators exploring FTTH market

PTCL Group - Key Financial Highlights



YoY growth of 2% in Revenue and stable EBITDA



PTCL growth drivers & challenges 2019



FTTH remained the star performer with 172% YoY revenue growth



Corporate, Carrier and Wholesale businesses continued significant growth



Operational excellence led to reduction in MTTR, improvement in service KPIs leading to improvement in TRIM scores

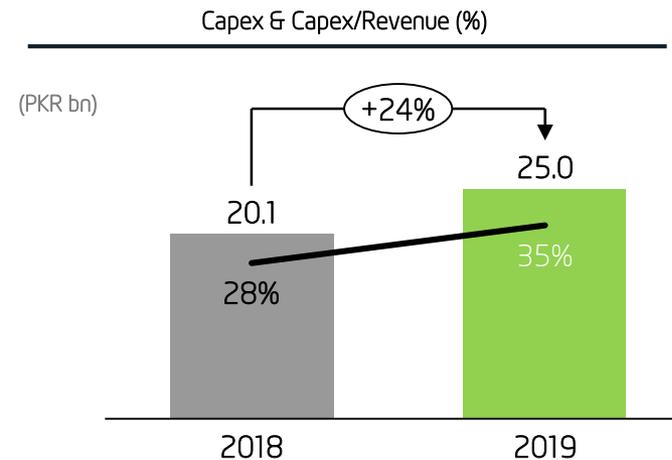
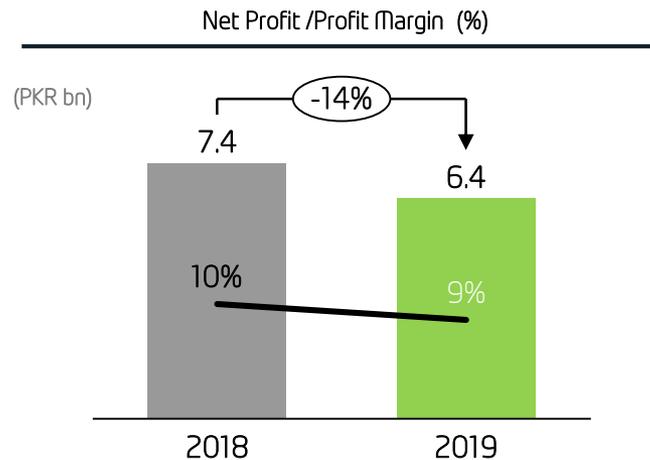
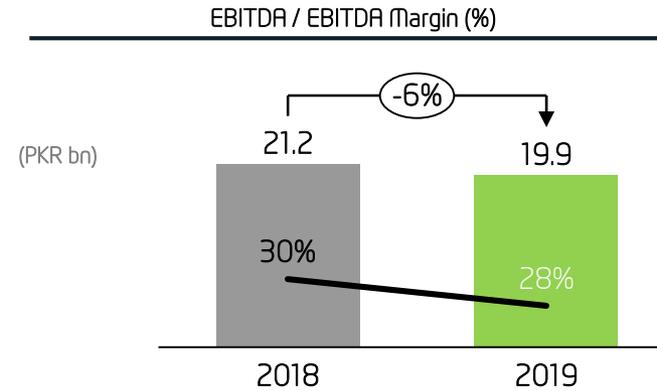
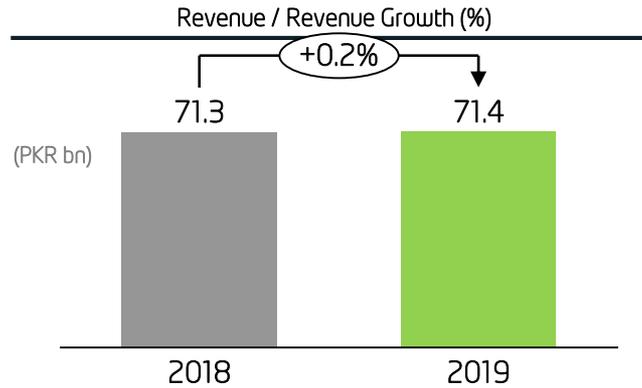


Limited coverage footprint in high SEC areas & stiff competition in low-end of the market

PTCL - Key Financial Highlights



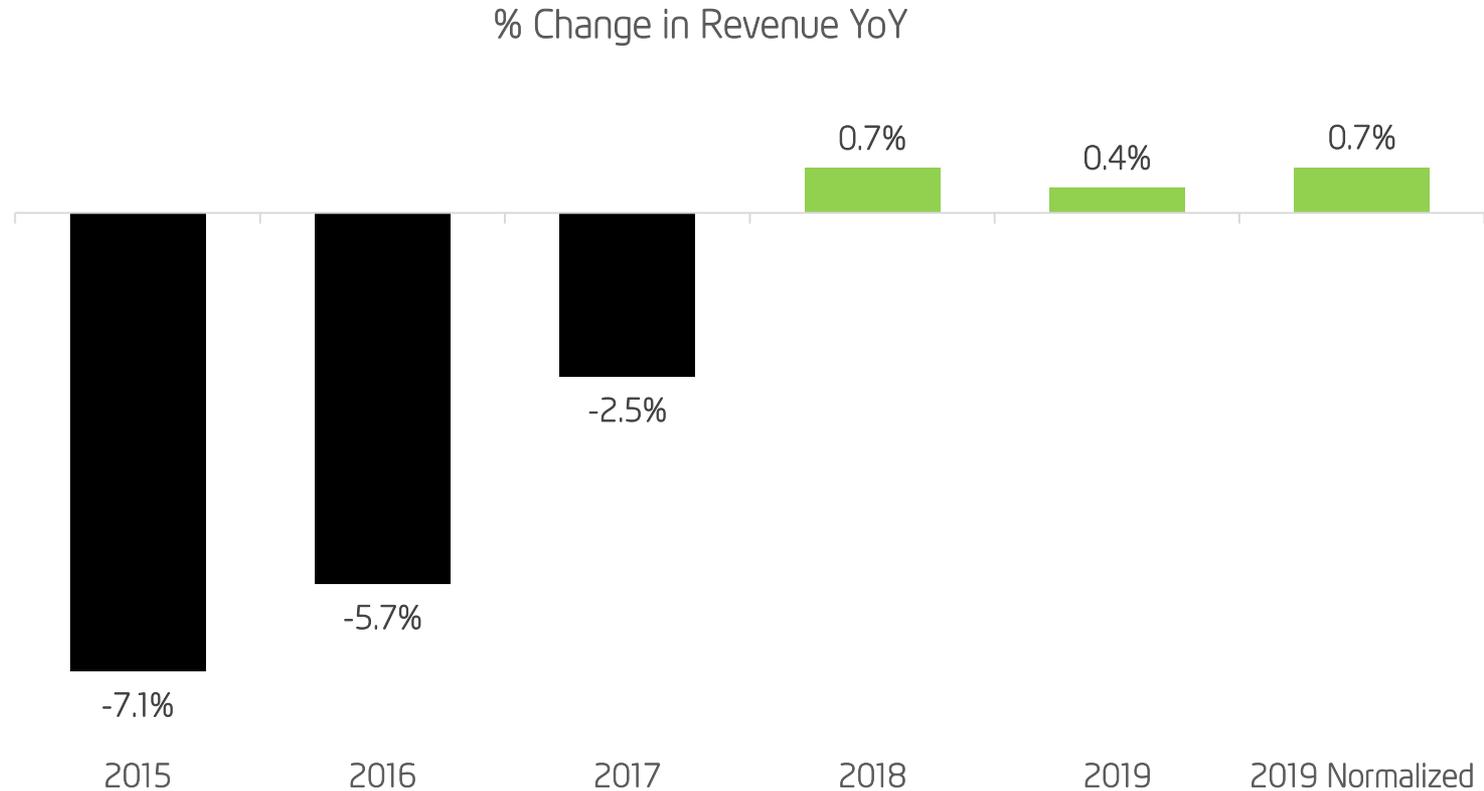
YoY change in EBITDA



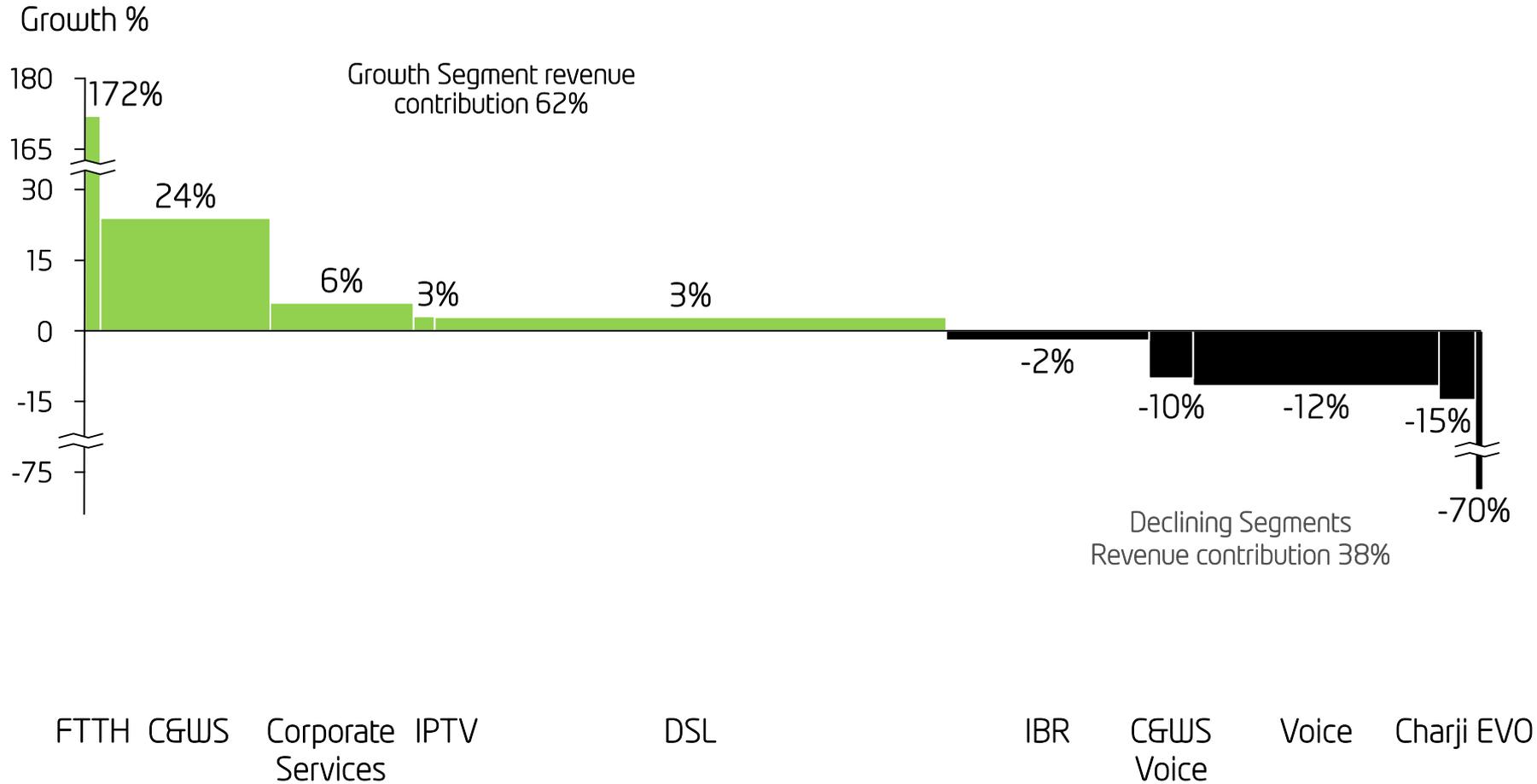
PTCL Revenue Growth



YoY revenue has increased by 0.4% in 2019, while normalized revenue grew by 0.7%



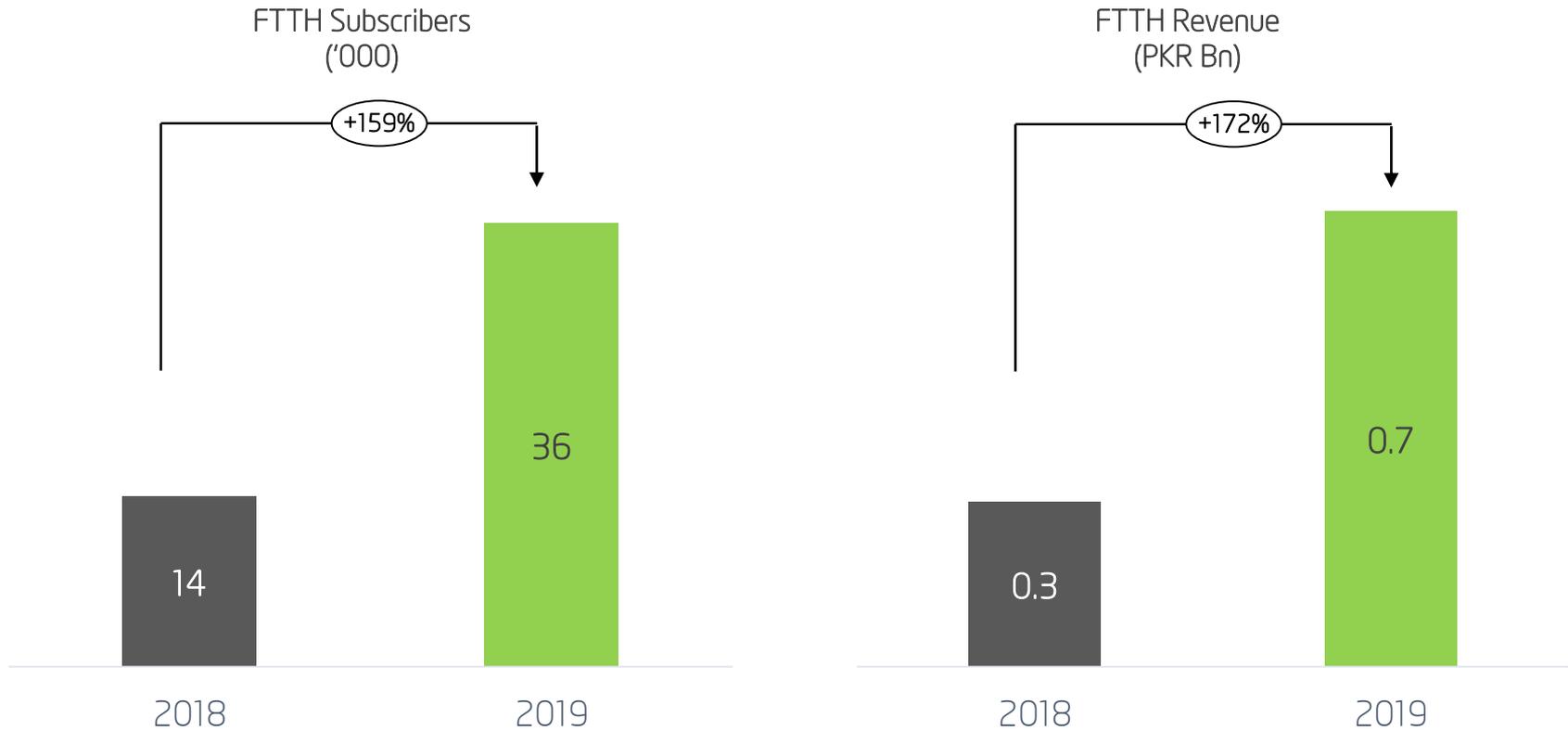
Revenue Segments Composition and Growth - 2019 Vs 2018



PTCL - Key Operational Highlights



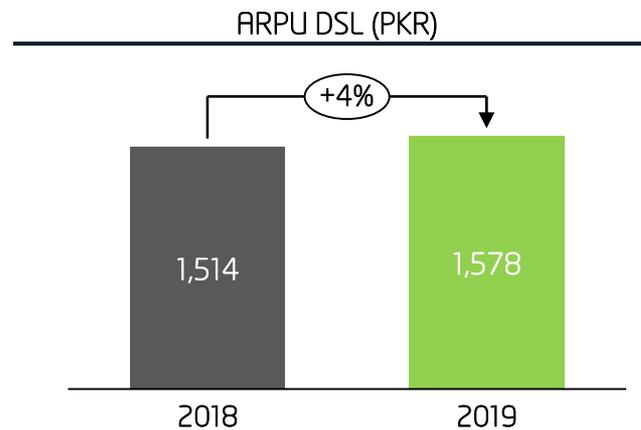
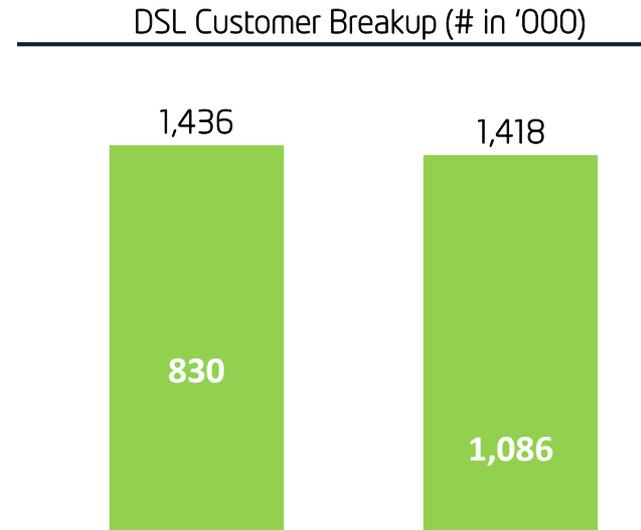
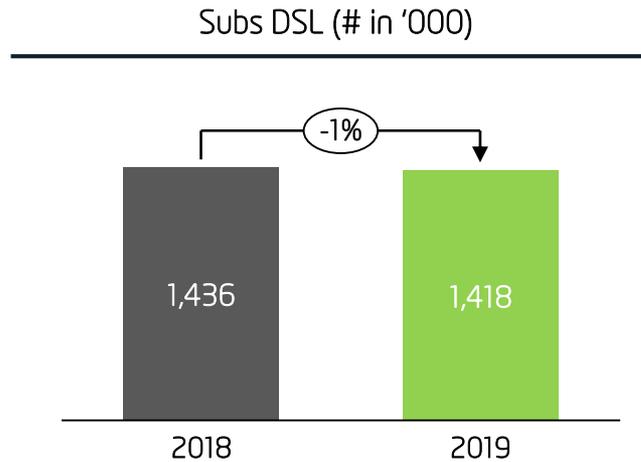
Significant growth in FTTH Business



PTCL - Key Operational Highlights



Increase in ARPUs based on shifting of subscribers on higher bandwidth packages

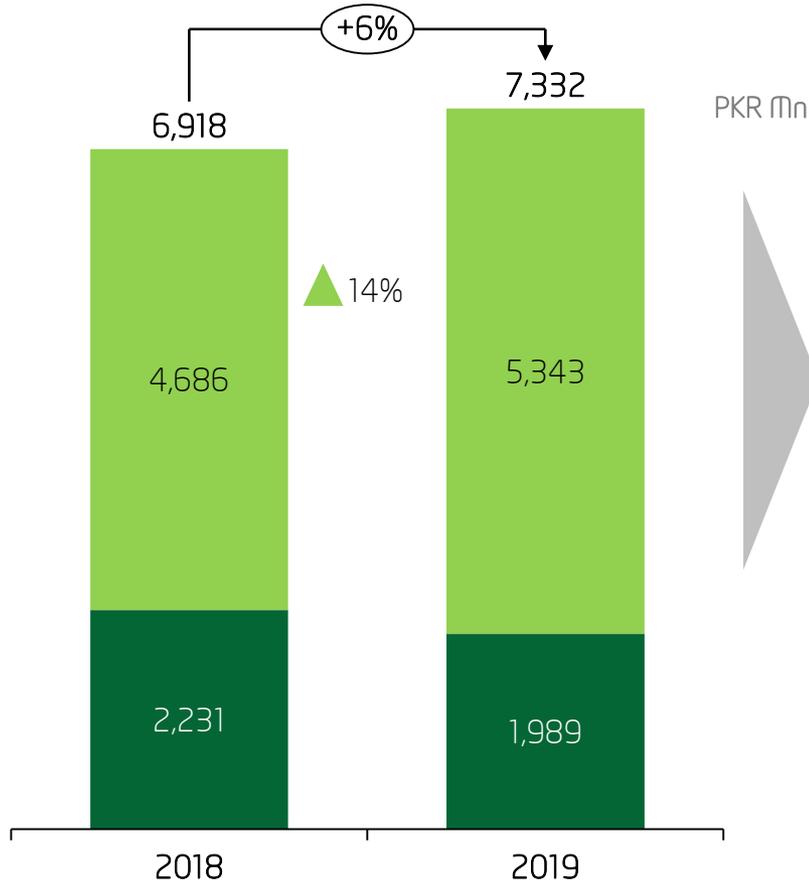


Source: Company records

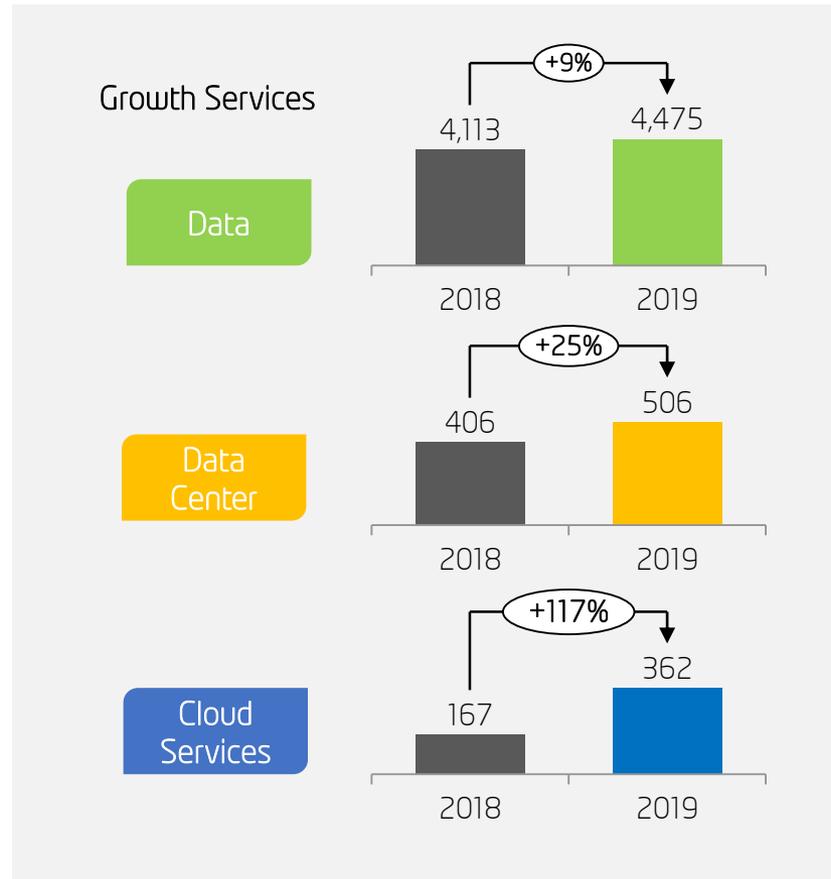
PTCL Corporate Business



Overall 6% growth mainly driven by 14% increase in growing segments which includes Data, Data centers & Cloud Services



■ Growth Services
■ Core Services



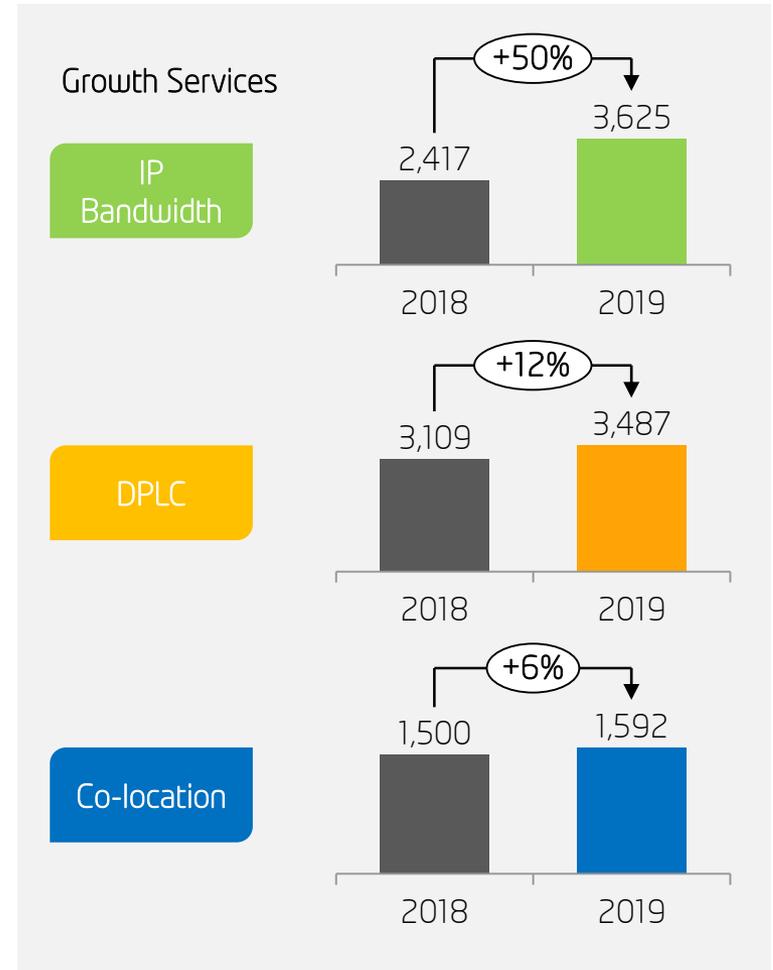
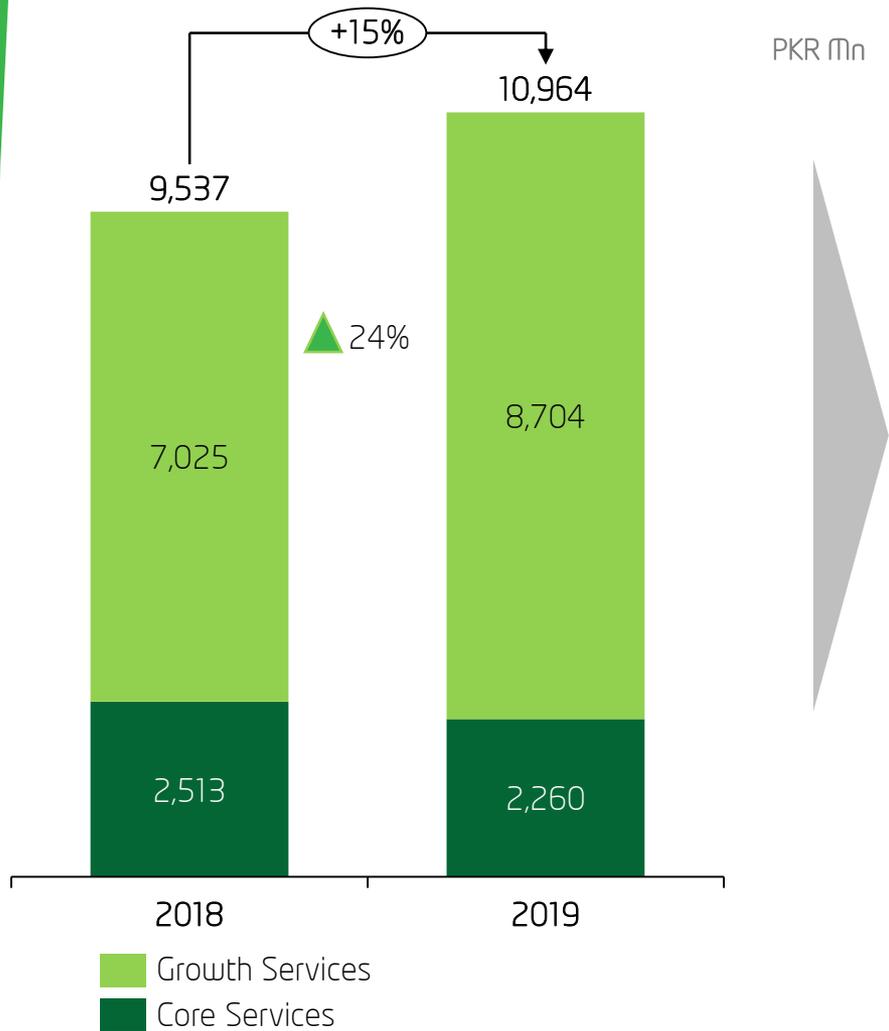
Source: Company records



Carrier & Wholesale Business



15% growth in Carrier Business mainly driven by 50% growth in IP Bandwidth Services and 12% growth in DPLC.



Ufone continued its growth trajectory in 2019



Significant revenue growth helped beat the no. 2 operator



Continuous acquisition drive led to increase in market share to 14.2%



Re-farmed the existing spectrum to launch LTE to fulfil growing data demand



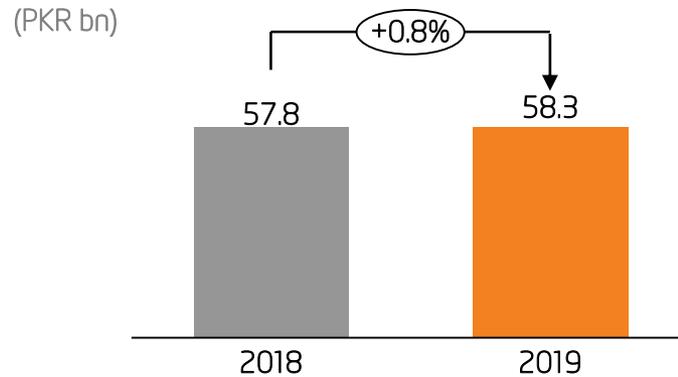
Bridged 3G coverage gap vs competition by expanding footprint to 84% of network

Ufone key financial highlights

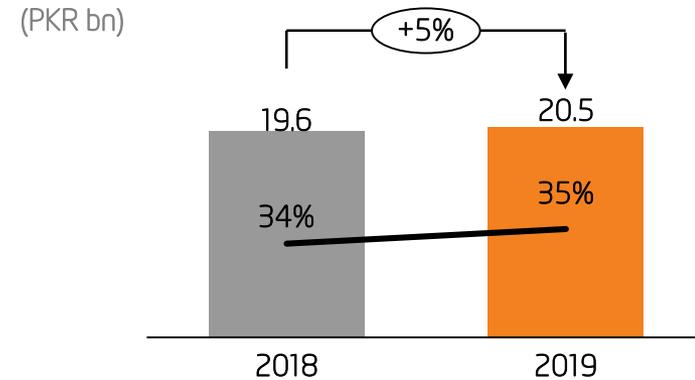


Strong topline organic growth of 6.8% & improvement in EBITDA

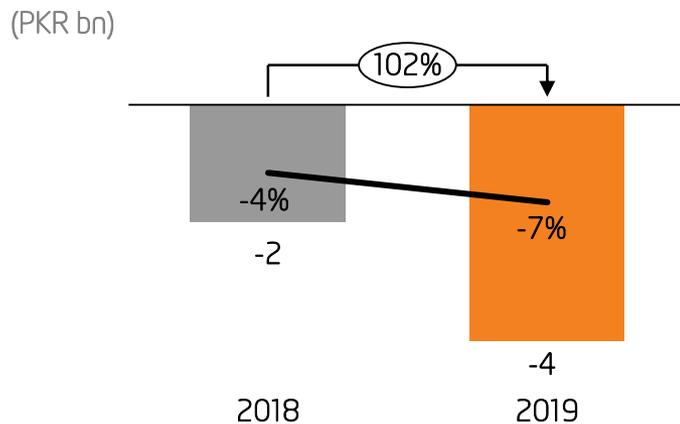
Revenue / Revenue Growth (%)



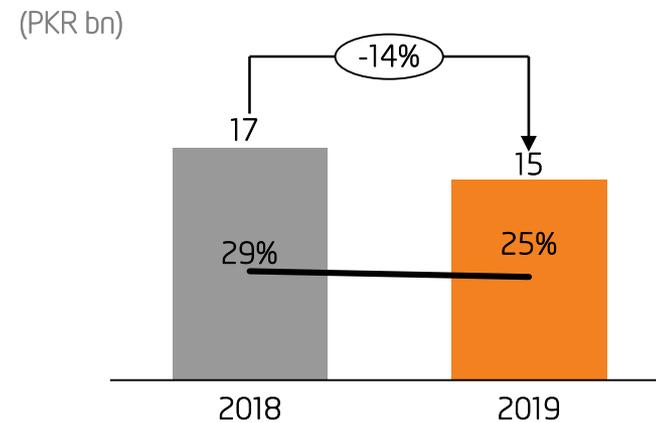
EBITDA / EBITDA Margin (%)



Net Profit / Profit Margin (%)



Capex & Capex/Revenue (%)

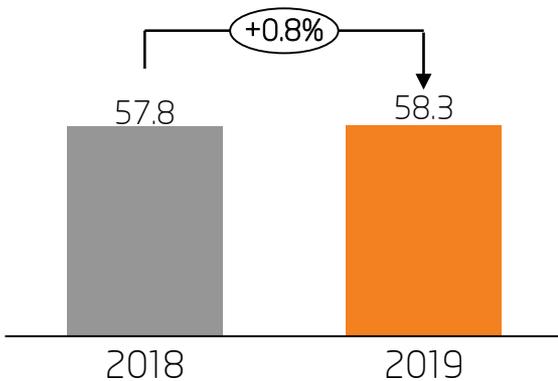


Ufone Normalized Revenue Growth



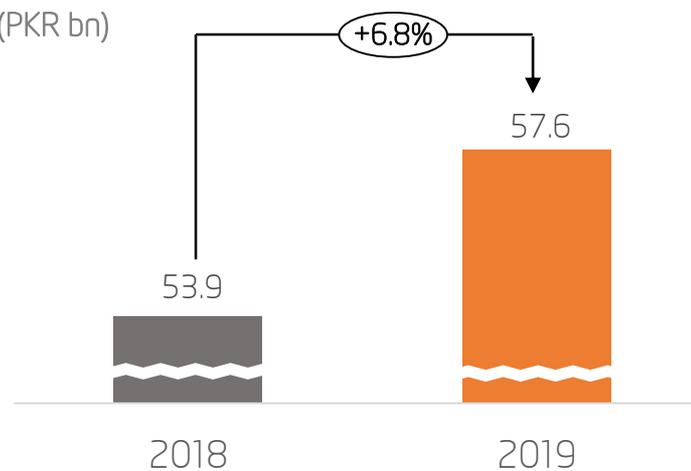
Revenue / Revenue Growth (%)

(PKR bn)



Normalized Revenue / Revenue Growth (%)

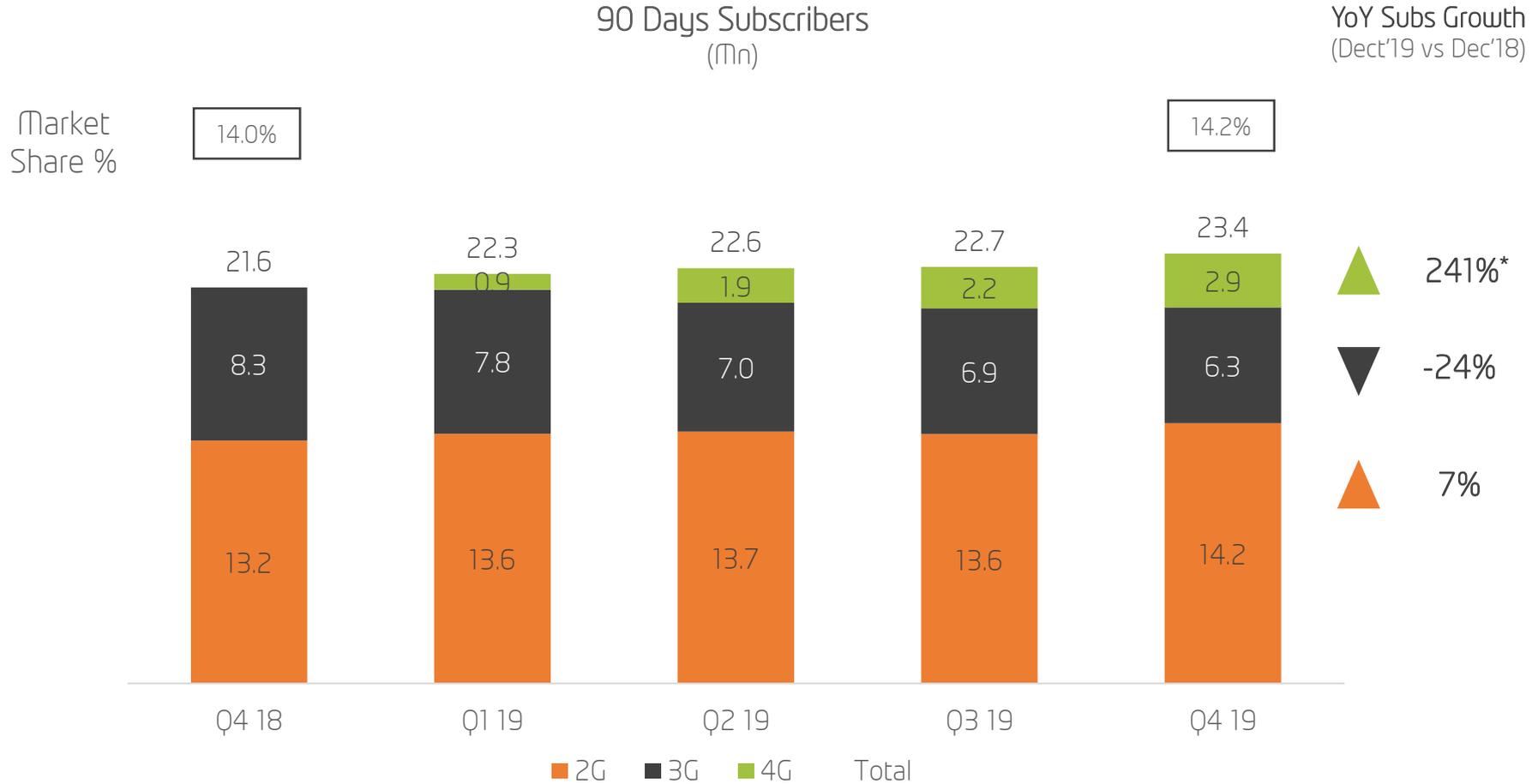
(PKR bn)



Spectrum re-farming & investment led to data subscriber growth



Market share improved from 14% to 14.2%



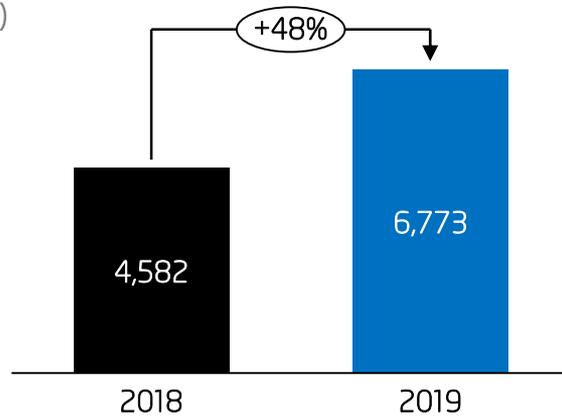
Ubank - Key Financial Highlights 2019



YoY 48% growth in revenue

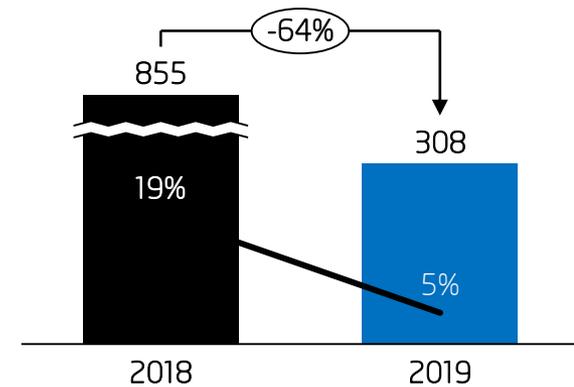
Revenue / Revenue Growth (%)

(PKR Mn)



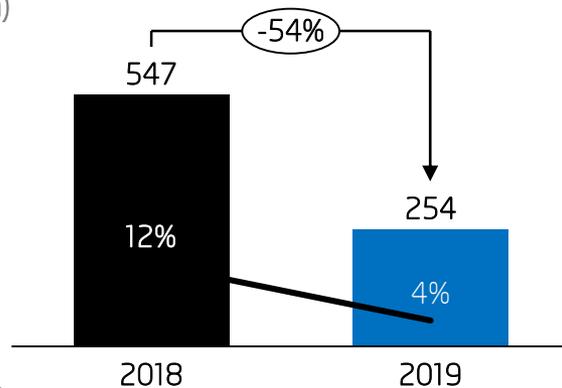
Operating Profit / Operating Profit Margin (%)

(PKR Mn)

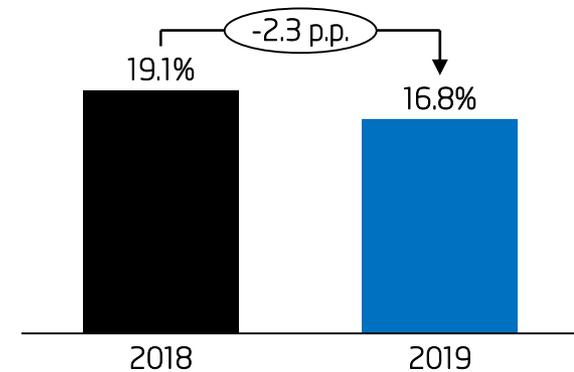


Net Profit / Profit Margin (%)

(PKR Mn)



Capital Adequacy Ratio (%)



Ubank - Key Operational Highlights 2019



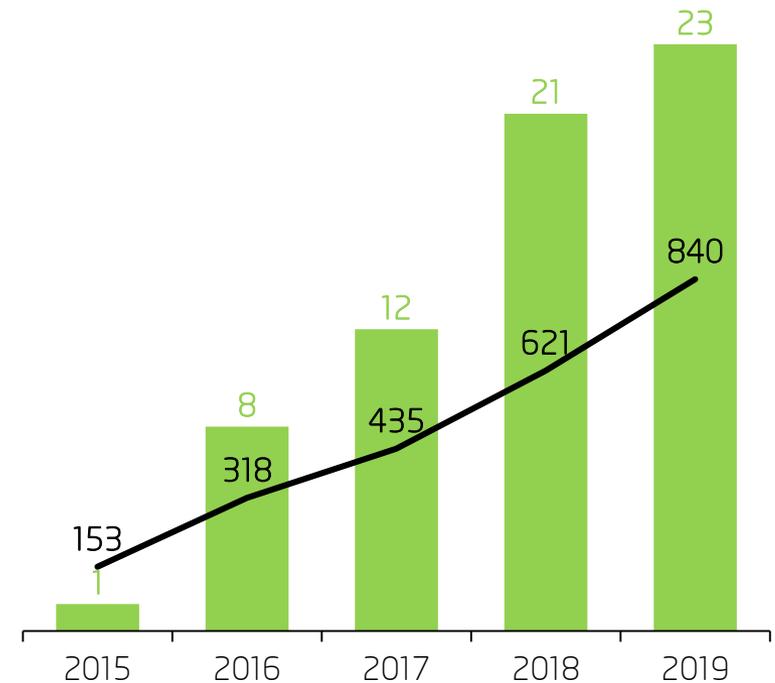
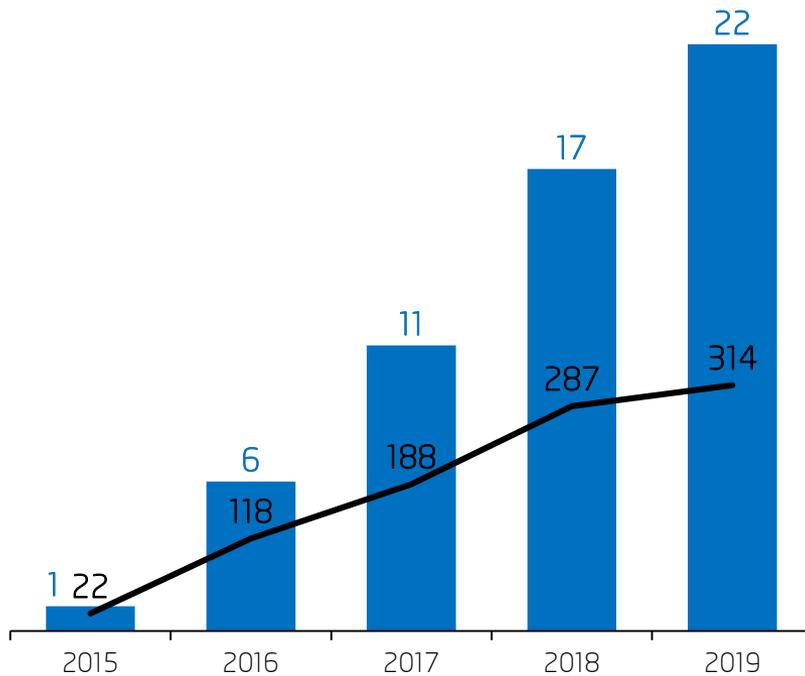
Loan base and deposit base grew, supported by expansion in branch network from 141 to 201 outlets

Loan Customers & Loan Portfolio

Deposits Customers and Deposits

— Loan Customers ('000)
 ■ Loan Portfolio (PKR Bn)

— Deposit Customers ('000)
 ■ Deposits (PKR Bn)





- Build FTTH network & improve retention by further enhancing experience
- Build/grow ICT, corporate & wholesale segments



- Focus on spectrum acquisition to address underserved subscriber base
- Further expand 4G footprint to grow data subscribers



- Grow microfinance business aggressively while keeping NPL in check
- Digitize loan disbursement process into mobile wallets

Q&A



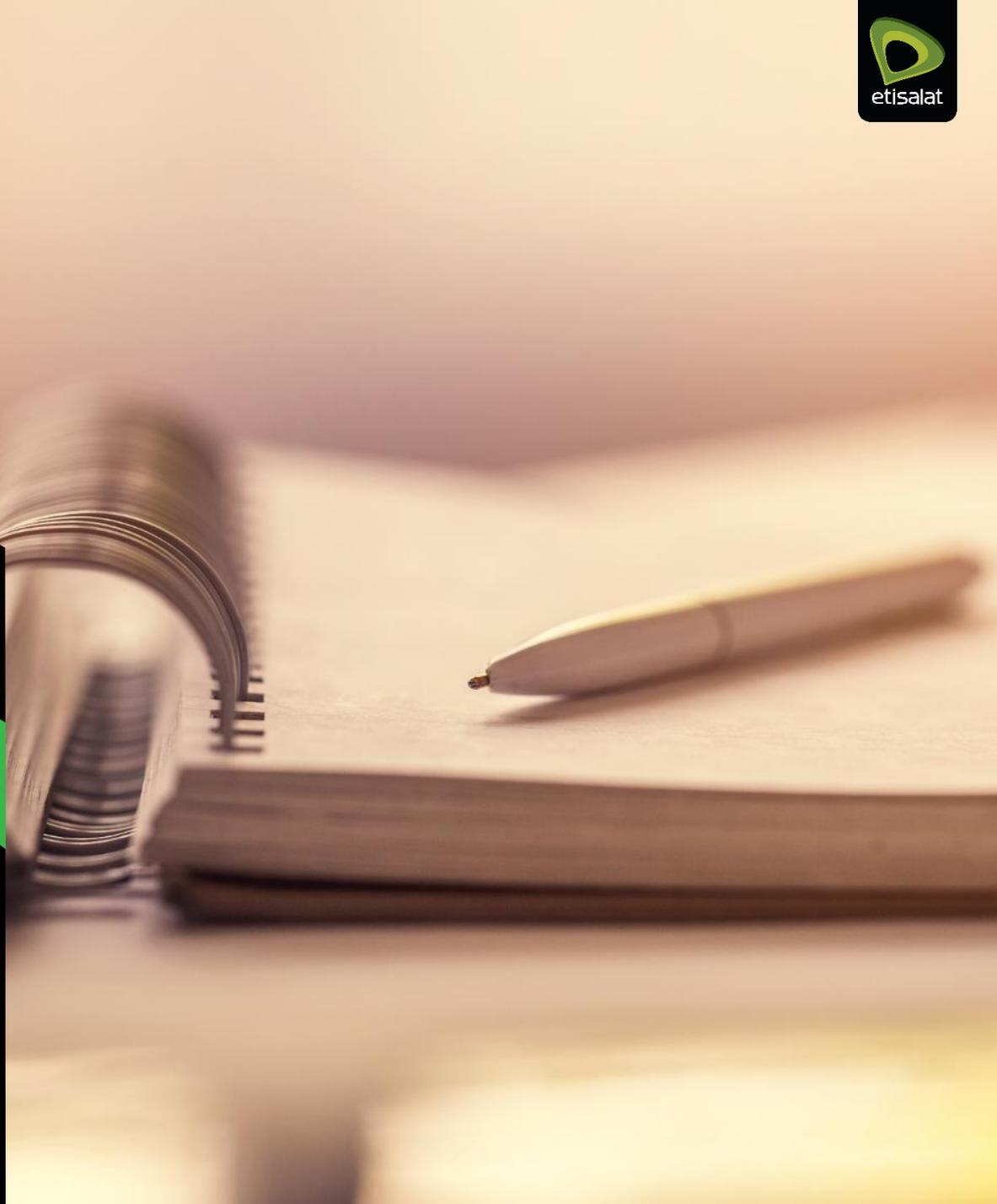
Thank
You



**Closing
Remarks**

Saleh Al-Abdooli

**Chief Executive Officer
Etisalat Group**





Thank
You