



ETISALAT GROUP
Q4 2020 RESULTS PRESENTATION

23 FEBRUARY 2021 - ABU DHABI, UAE

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1. Business Overview

Hatem Dowidar
Chief Executive Officer
Etisalat Group

ETISALAT GROUP FINANCIAL HIGHLIGHTS

AED Million	Q4 2020	Growth YoY%	Growth QoQ%	FY 2020	Growth YoY%
Revenue	13,064	-2.1%	+0.2%	51,708	-0.9%
EBITDA	6,301	+0.4%	-8.7%	26,443	+0.3%
<i>EBITDA Margin</i>	<i>48%</i>	<i>+1.2pp</i>	<i>-4.7pp</i>	<i>51%</i>	<i>+0.6pp</i>
Net profit	2,048	+4.4%	-15.1%	9,027	+3.8%
<i>Net profit Margin</i>	<i>16%</i>	<i>+1.0pp</i>	<i>-2.8pp</i>	<i>+17%</i>	<i>+0.8pp</i>
Capex	2,944	-26.7%	+90.6%	7,096	-20.2%
<i>Capex/Revenue</i>	<i>23%</i>	<i>-7.6pp</i>	<i>+10.7pp</i>	<i>14%</i>	<i>-3.3pp</i>

Q4 2020 Highlights

- Revenue decrease Y/Y is attributed to the UAE operations that was partially compensated by growth in international operations
- EBITDA stable Y/Y despite the lower revenue is driven by ongoing cost optimisation initiatives and lower provision for bad debt
- Improvement in Y/Y EBITDA margin
- Net profit increase Y/Y due to better contribution from associates, lower impairment and lower net finance and other costs
- Lower capital expenditure Y/Y attributed to the UAE operations

FY 2020 Highlights

- Revenue decrease Y/Y is attributed to COVID-19 impact across our markets impacting mobile prepaid, roaming revenue and handset sales
- EBITDA stable Y/Y despite the lower revenue is driven by ongoing cost optimisation initiatives
- EBITDA margin increase Y/Y to 51%
- Net profit increase Y/Y due to better performance by associates, lower impairment and royalty
- Lower capital expenditure in domestic and international operations

ETISALAT GROUP FINANCIAL HIGHLIGHTS



- Expanding Etisalat Group customer base by 4%
- COVID-19 driving revenue slowdown
- EBITDA Margin improvement to 51%
- Maintaining profitable growth and improving operating free cash flow
- Full year DPS of 80 fils in addition to a special one-time DPS of 40 fils



- Subscriber growth in mobile postpaid and eLife segments
- COVID-19 negatively impacting revenue and EBITDA growth
- EBITDA margin improvement by focusing on cost optimisation measures
- More disciplined approach in capex deployment



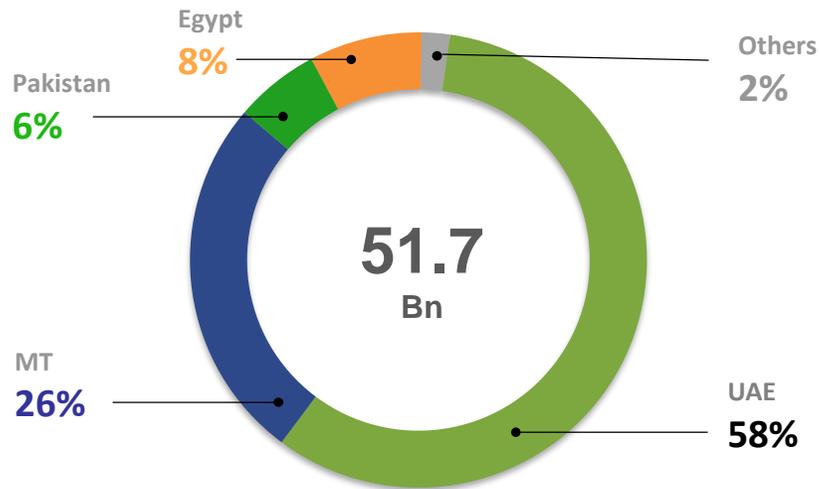
- Maroc Telecom Group performance supported by growth in int'l operations and domestic fixed BB offsetting the decline in mobile segment in Morocco due to competitive pressure
- Etisalat Misr sustained revenue growth momentum supported by mobile data
- Recovery in Pakistan operations attributed to revenue growth of fixed and U Bank operations in local currency

2. Financial Overview

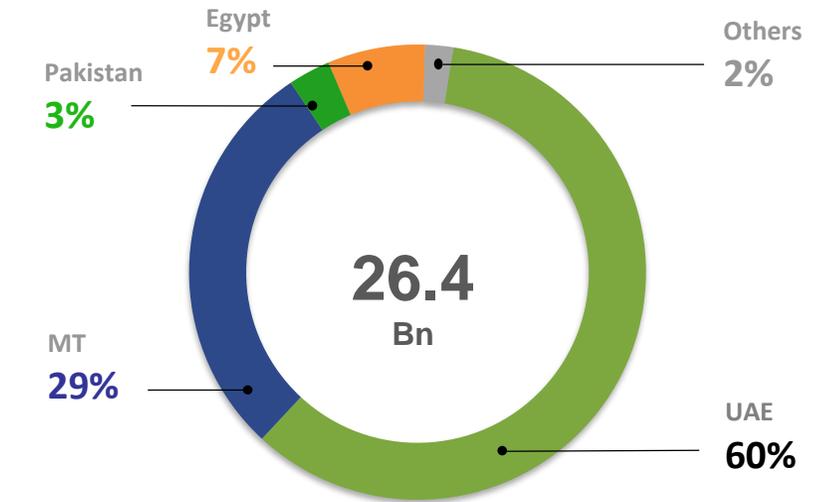
Karim Bennis
Chief Financial Officer
Etisalat Group

ETISALAT GROUP FINANCIAL HIGHLIGHTS

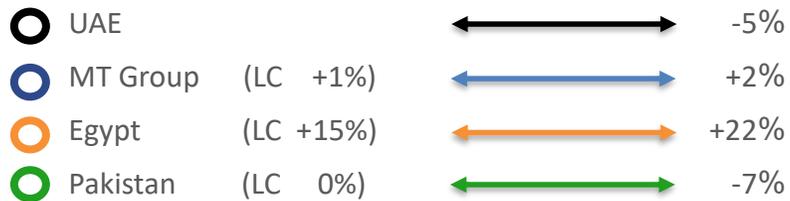
Revenue Breakdown FY 2020 (AED m)



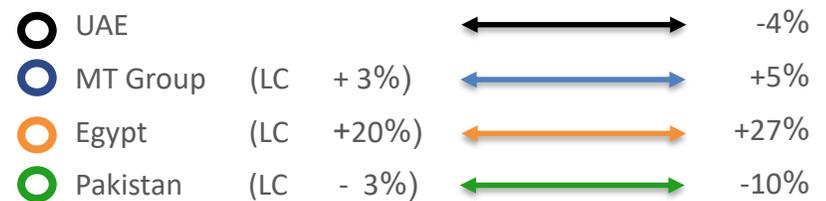
EBITDA Breakdown FY 2020 (AED m)



YoY Growth -0.9%

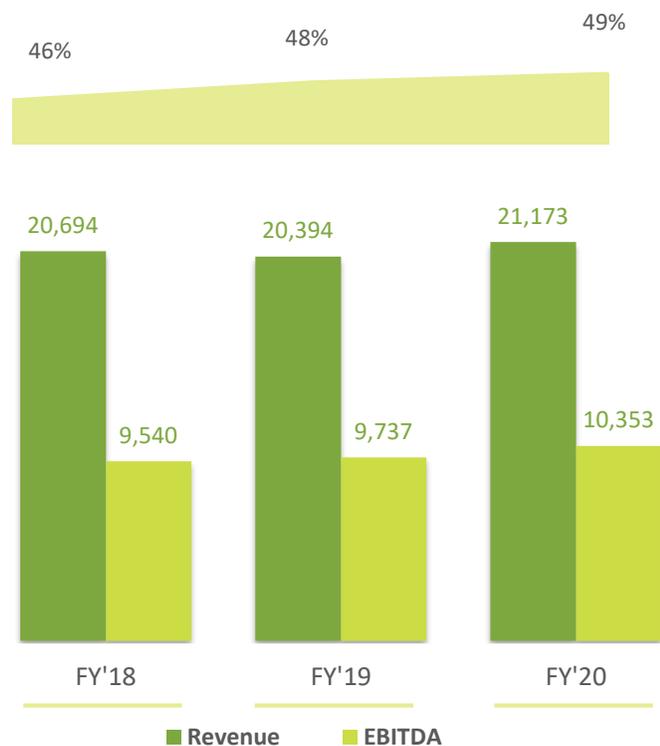


YoY Growth +0.3%



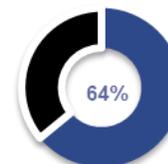
INT'L OPERATIONS FINANCIAL HIGHLIGHTS FY 2020

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



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

MT Group	FY 2020	Growth in AED	Growth in MAD
Revenue	13,535	+2%	+1%
EBITDA	7,565	+5%	+3%
EBITDA Margin	56%	+1pp	+1pp



Egypt	FY 2020	Growth in AED	Growth in EGP
Revenue	4,170	+22%	+15%
EBITDA	1,726	+27%	+20%
EBITDA Margin	41%	+2pp	+2pp

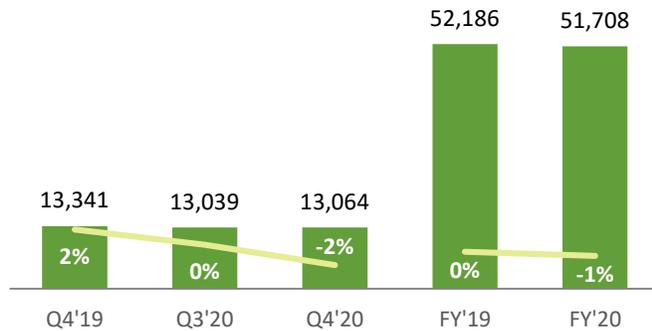


Pakistan	FY 2020	Growth in AED	Growth in PKR
Revenue	2,940	-7%	0%
EBITDA	912	-10%	-3%
EBITDA Margin	31%	-1pp	-1pp

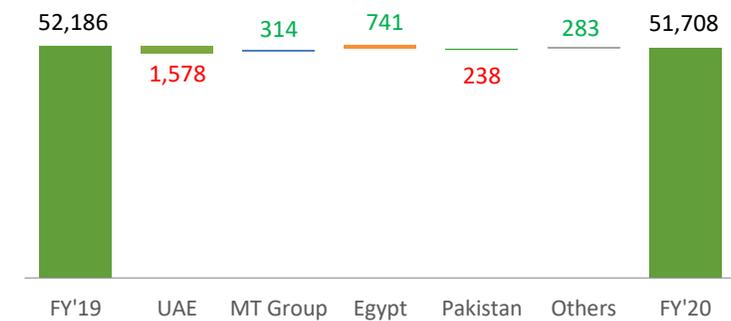


GROUP REVENUE

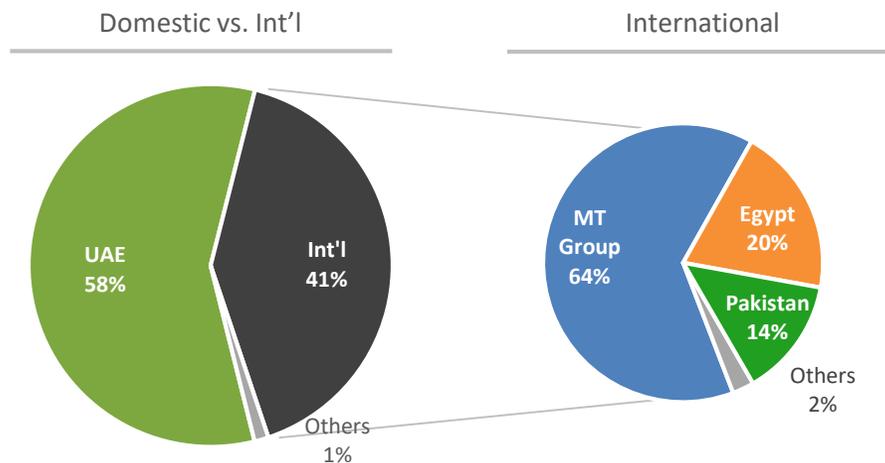
Revenue (AED m) & YoY Growth (%)



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



Revenue by Cluster (FY 2020)

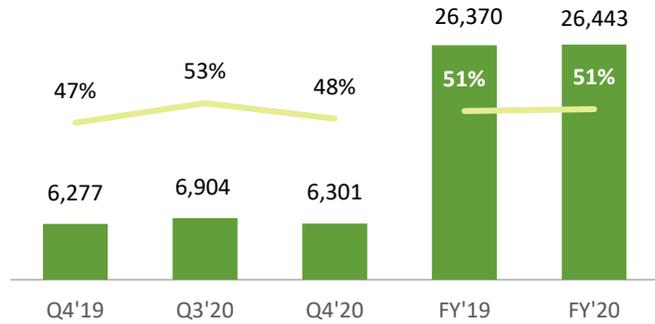


Highlights

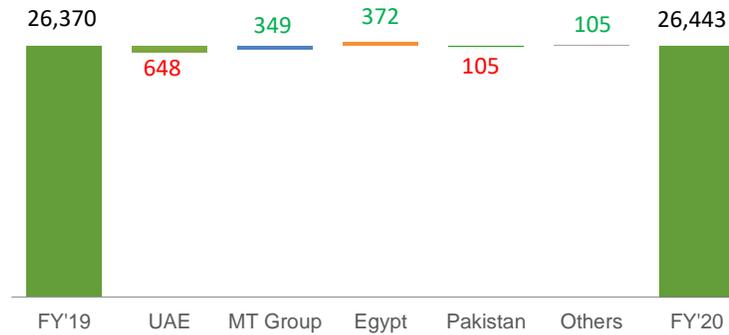
- In FY'20 consolidated revenue decreased by 0.9% attributed to COVID-19 impact driving slowdown in domestic operations
- UAE revenue growth impacted by lower voice revenue, mobile roaming and handsets sales due to the COVID-19 impact
- Revenue from international consolidated operations increased by 4% Y/Y resulting in 41% contribution to Group revenue:
 - Revenue growth in MT Group mainly attributed to int'l subsidiaries and fixed broadband in Morocco
 - Revenue growth in Egypt mainly attributed to strong growth in mobile broadband
 - Revenue growth in Pakistan negatively impacted by currency devaluation while it was stable in local currency

GROUP EBITDA

EBITDA (AED m) & EBITDA Margin (%)



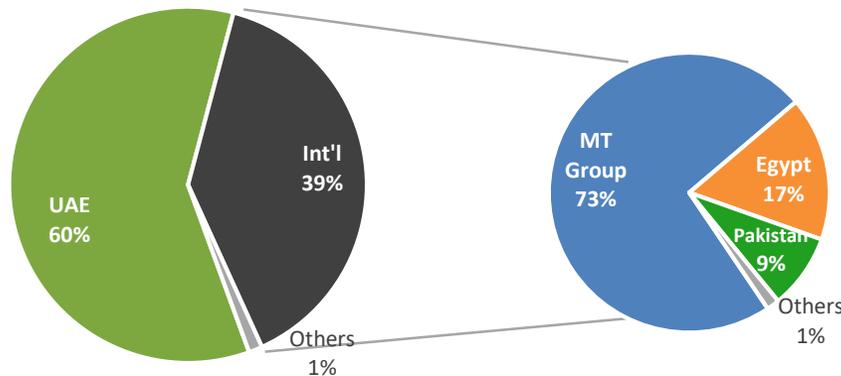
Sources of EBITDA Growth – FY 2020 vs FY 2019 (AED m)



EBITDA by Cluster (FY 2020)

Domestic vs. Int'l

International



Highlights

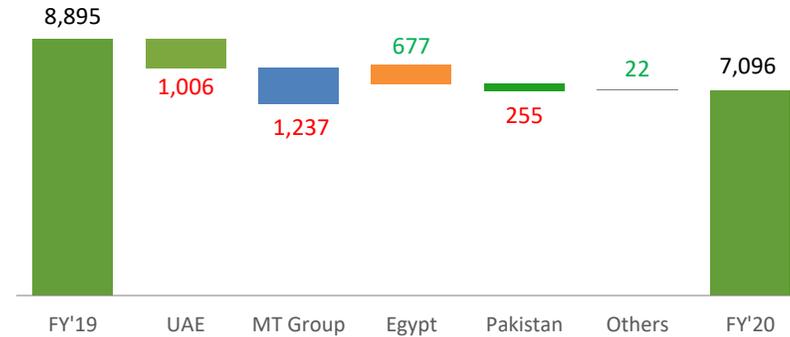
- In FY'20 consolidated EBITDA increased by 0.3% attributed to cost control measures that compensated the impact of revenue decline
- EBITDA in the UAE impacted by lower revenue as a result of the COVID-19 impact
- EBITDA of consolidated international operations increased by 6% Y/Y resulting in 39% contribution to Group EBITDA:
 - Positive contribution from Maroc Telecom Group attributed to performance of international subsidiaries
 - Positive contribution from Egypt due to robust revenue growth
 - Negative contribution from Pakistan impacted by currency devaluation and higher cost of sales

GROUP CAPEX

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



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



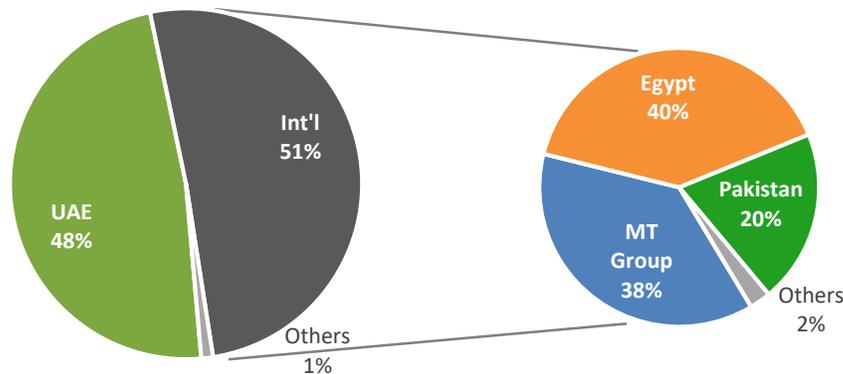
Highlights

- In FY'20 consolidated capex decreased by 20% resulting in a Capex / Revenue ratio of 14%
- Lower capital spend in the UAE focused on investment in data centres, the network's capacity and speed, and 5G deployment
- Capital expenditure in international operations declined Y/Y by 19% and contributed 51% to consolidated Group capex:
 - Lower capex spend in both domestic and international operations of MT Group with focus on FTTH network
 - Higher capex spend in Egypt due to spectrum acquisition
 - Lower capex spend in Pakistan focused on mobile network enhancement

Capex by Cluster (FY 2020)

Domestic vs. Int'l

International



GROUP BALANCE SHEET & CASH FLOWS

Balance Sheet (AED m)	Dec-19	Dec-20
Cash & bank Balances	29,657	31,345
Total Assets	128,266	133,018
Total Debt	23,889	26,701
Net Cash / (Debt)	5,768	4,644
Total Equity	57,767	60,550

Cash Flow (AED m)	Dec-19	Dec-20
Operating	19,426	18,968
Investing	(8,603)	(7,129)
Financing	(9,678)	(9,443)
Net change in cash	1,145	2,396
Effect of FX rate changes	174	(684)
Reclassified as held for sales	(24)	(23)
Ending cash balance	29,657	31,345

Investment Grade Credit Ratings



AA-/Stable



Aa3/Stable

Highlights

- Improved liquidity with net cash position
- Slightly lower operating cash flow due to changes in working capital
- Lower investing cash outflow attributed to lower cash capex
- Slightly lower financing cash outflow mainly attributed to higher net proceeds from bank borrowings
- Maintained high credit ratings with stable outlook

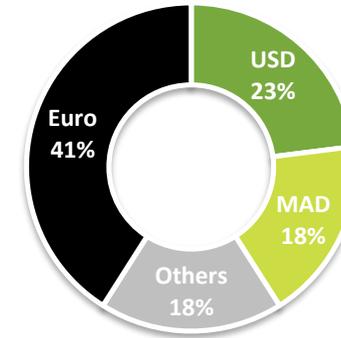
Note: Debt represents interest bearing debt i.e. bonds, banks borrowings, vendor financing and other financial obligations. It excludes lease obligations.

DEBT PROFILE: DIVERSIFIED DEBT PORTFOLIO

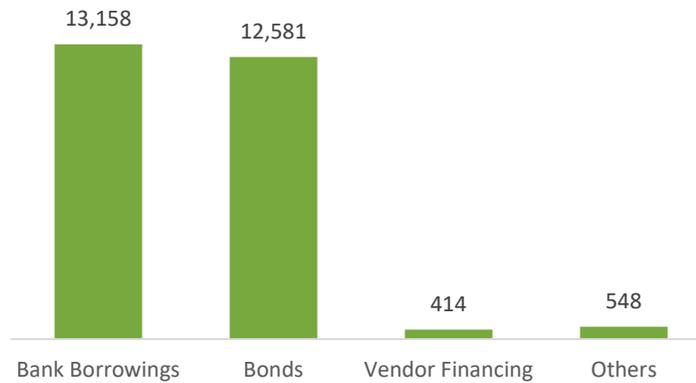
Borrowings by Operation Q4 2020 (AED m)



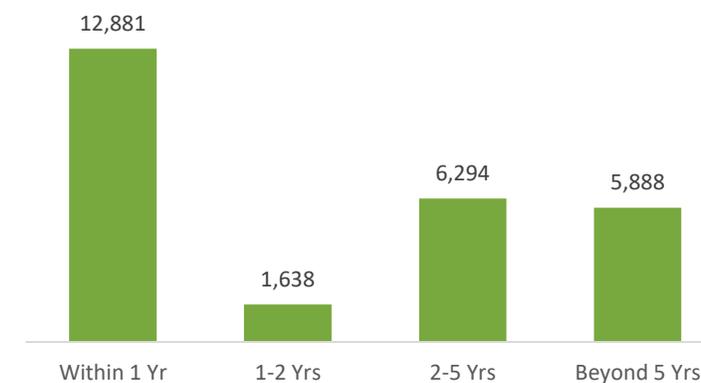
Borrowings by Currency Q4 2020 (%)



Debt by Source Q4 2020 (AED m)



Repayment Schedule Q4 2020 (AED m)



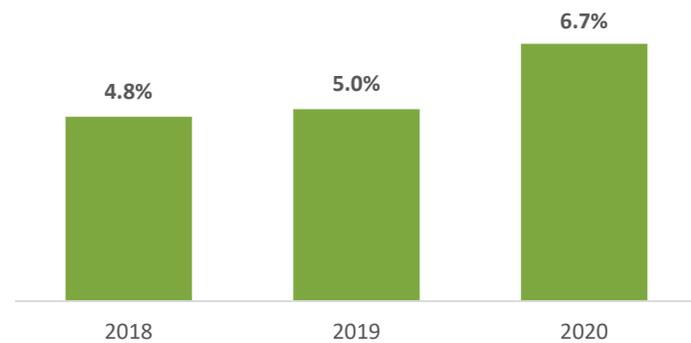
Note: Debt represents interest bearing debt i.e. bonds, banks borrowings, vendor financing and other financial obligations. It excludes lease obligations.

GROUP DIVIDENDS: PROPOSED DPS of AED 80 FILS FOR FY 2020 AND ADDITIONAL ONE-TIME SPECIAL DPS OF AED 40 FILS

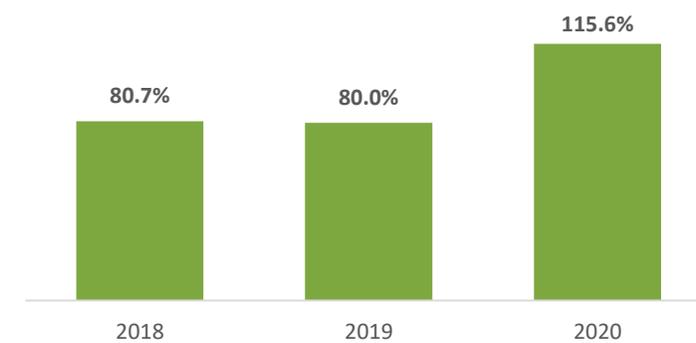
Cash Dividends (AED m)



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. In addition, proposed one-time special dividend of 40 fils per share. As a result, the DPS for 2020 is AED 1.20 and is subject to shareholder approval in the AGM scheduled for 17 March 2021

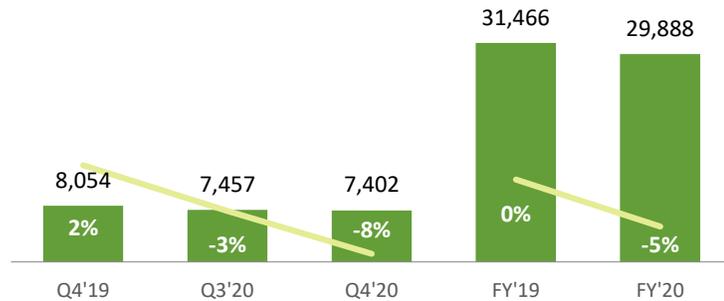
(1) Dividend yield is based on share per price as of 11 May 2020, 11 August 2020 and 22 February 2021

**COUNTRY BY
COUNTRY FINANCIAL
REVIEW**

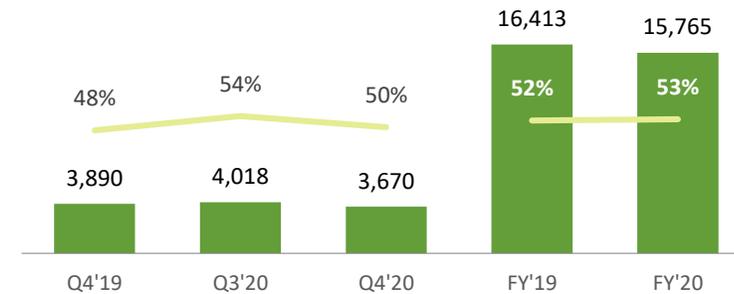


UAE: COVID-19 DRIVING REVENUE SLOWDOWN COST OPTIMISATION INITIATIVES SUPPORTED PROFITABILITY MARGINS

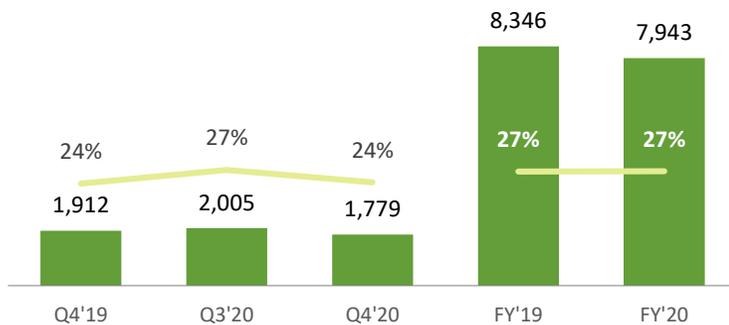
Revenue (AED m) / YoY Growth (%)



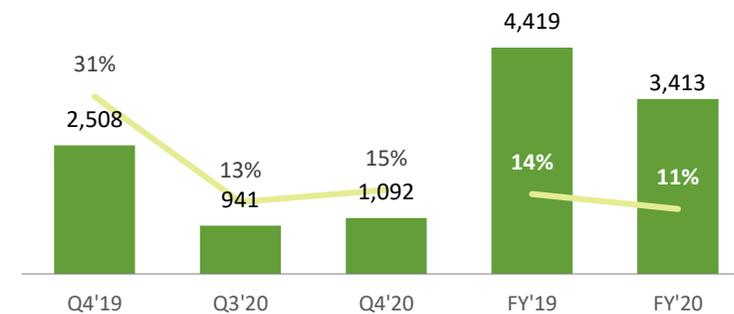
EBITDA (AED m) / EBITDA Margin (%)



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

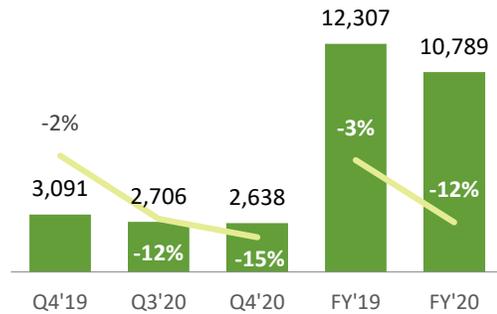


Capex (AED m) & Capex / Revenue Ratio (%)

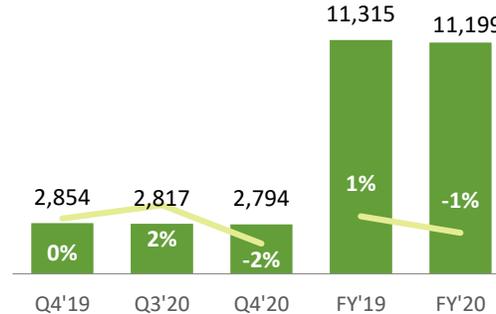


UAE: REVENUE BREAKDOWN AND KEY KPIs

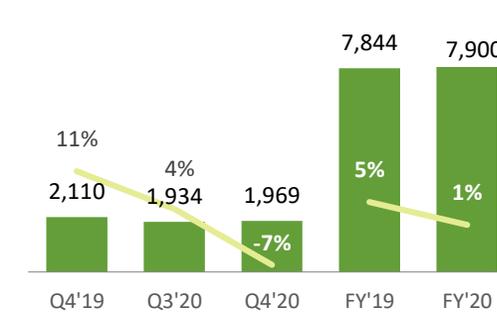
Mobile Revenues⁽¹⁾ (AED m)



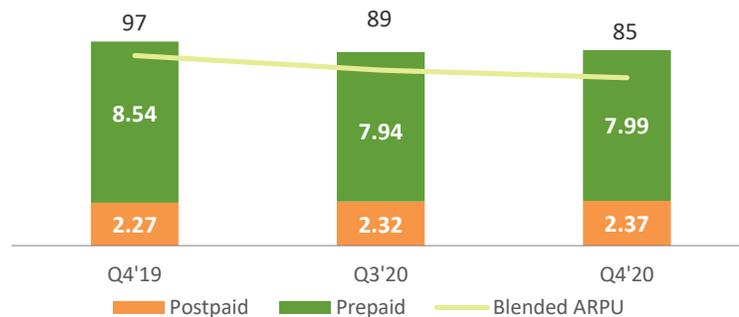
Fixed Revenues⁽²⁾ (AED m)



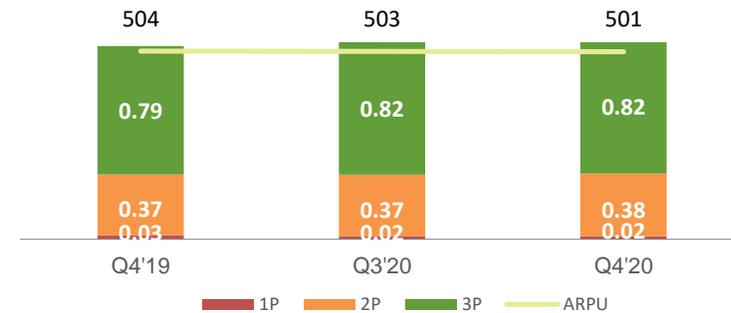
Other Revenues⁽³⁾ (AED m)



Mobile Subs⁽⁴⁾ (m) & ARPU⁽⁵⁾ (AED)



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



(1) Mobile revenues includes mobile voice, data, rental, outbound roaming, VAS, and mobile digital services
 (2) Fixed revenues includes fixed voice, data, rental, VAS, internet and TV services
 (3) Others Revenues includes ICT, managed services, wholesale (local and int'l interconnection, transit and others), visitor roaming, handsets and miscellaneous
 (4) Mobile subscribers represents active subscriber who has made or received a voice or video call in the preceding 90 days, or has sent an SMS or MMS during that period
 (5) Mobile ARPU ("Average Revenue Per User") calculated as total mobile revenue divided by the average mobile subscribers.
 (6) Fixed broadband subscriber numbers calculated as total of residential DSL (Al-Shamil), corporate DSL (Business One) and E-Life subscribers.
 (7) ARPL ("Average Revenue Per Line") calculated as fixed broadband line revenues divided by the average fixed broadband subscribers.

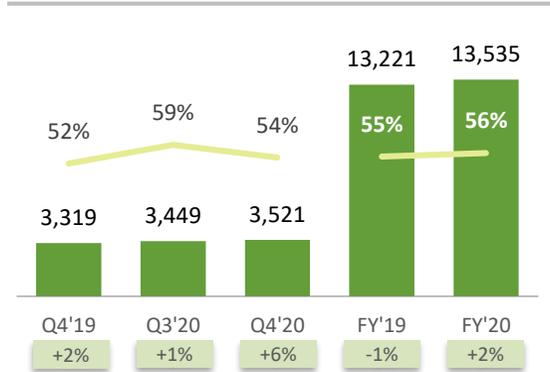
MAROC TELECOM: GROWTH IN INT'L OPERATIONS WITH SUSTAINED PROFITABILITY

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

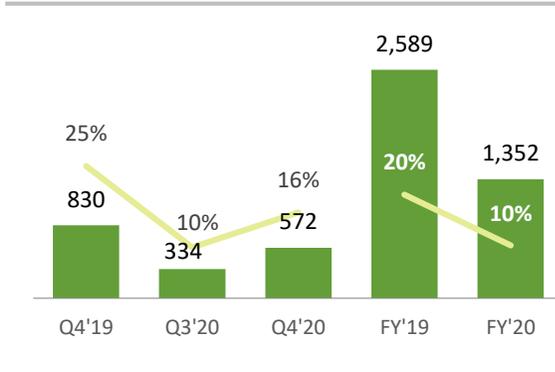
Subscribers (m)



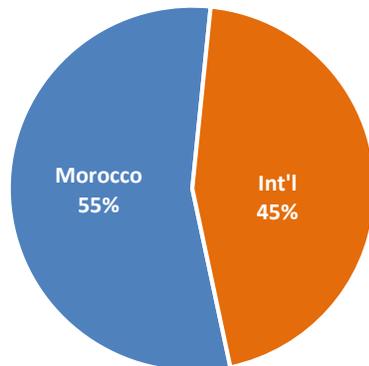
Revenue (AED m) / EBITDA Margin (%)



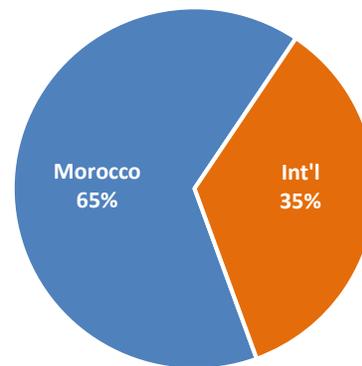
Capex (AED m) & Capex/Revenue Ratio (%)



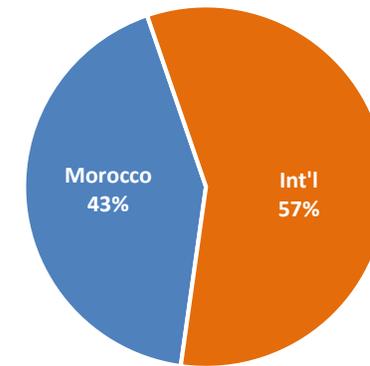
Revenue Breakdown FY 2020



EBITDA Breakdown FY 2020



Capex Breakdown FY 2020



EGYPT: STRONG REVENUE GROWTH AND PROFITABILITY

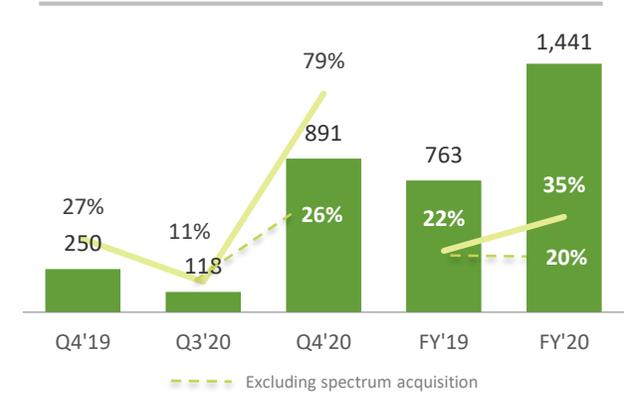
Subscribers (m)



Revenue (AED m) / EBITDA Margin (%)



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

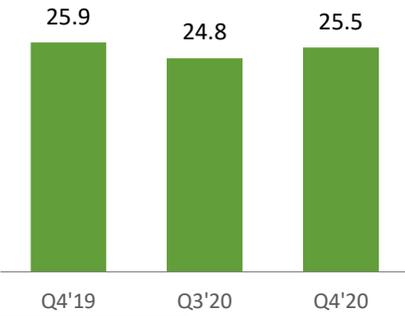


Highlights

- Y/Y stability in subscriber base
- Y/Y revenue growth attributed to data and wholesale segments
- Y/Y EBITDA growth mainly attributed to higher revenue
- Capital spending increased in Q4 due to the new spectrum acquisition

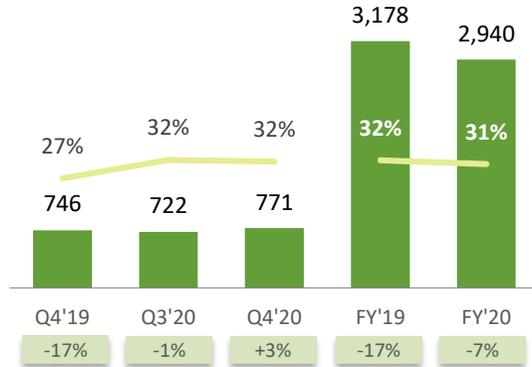
PAKISTAN: STABLE PERFORMANCE IN LOCAL CURRENCY

Subscribers (m)

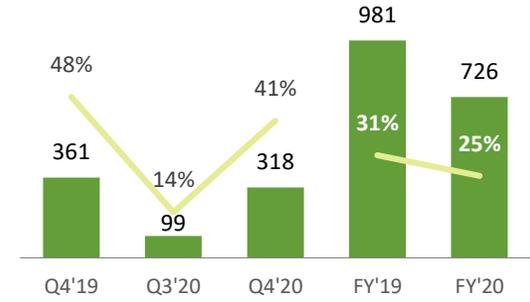


Y/Y % Growth (AED)

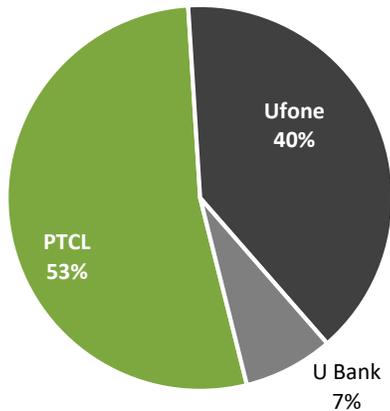
Revenue (AED m) / EBITDA Margin (%)



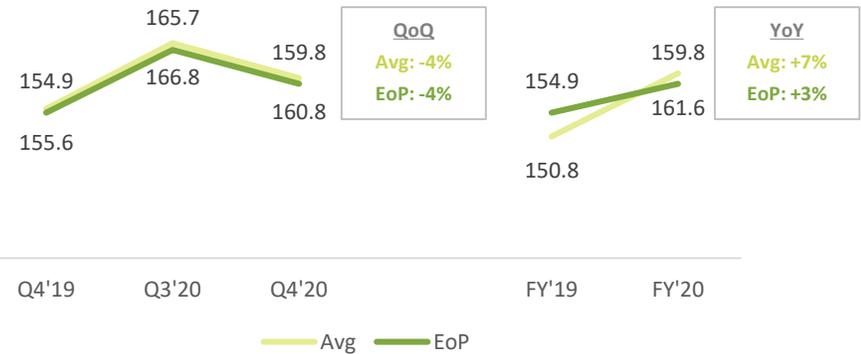
Capex (AED m) & Capex/Revenue Ratio (%)



Revenue Breakdown FY 2020



USD / PKR FX Rate (PKR)



FY 2020: AGILITY ON COST OPTIMISATION INITIATIVES SUPPORTS PROFITABILITY RESILIENCE

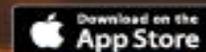
<p>Revenue</p> <p>51.7 AED Billion</p> <p>YOY Growth -0.9% ↓</p>	<p>EBITDA</p> <p>26.4 AED Billion</p> <p>YOY Growth +0.3% ↑</p>	<p>Net Profit</p> <p>9.0 AED Billion</p> <p>YOY Growth +3.8% ↑</p>	<p>CAPEX</p> <p>7.1 AED Billion</p> <p>YOY Growth -20.2% ↓</p>
<p>Free Cash Flow</p> <p>19.3 AED Billion</p> <p>FCF % 37.4%</p> <p>YOY Growth 10.7% ↑</p>	<p>EBITDA %</p> <p>51.1%</p> <p>YOY Growth +0.6pt ↑</p>	<p>Net Profit %</p> <p>17.5%</p> <p>YOY Growth +0.8pt ↑</p>	<p>CAPEX Intensity</p> <p>13.7%</p> <p>YOY Growth -3.3pt ↓</p>

2021 GUIDANCE

Financial KPI	Actual 2020 in AED	Guidance 2021 in AED
Revenue Growth %	-0.9%	Stable
EBITDA Margin%	51.1%	49% - 50%
EPS (AED)	1.04	Stable
CAPEX / Revenue %	13.7%	16% - 18%

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

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ETISALAT GROUP INVESTOR RELATIONS

Email: ir@etisalat.ae

Website: www.etisalat.com