

Q2 2018 Results

Emirates Integrated Telecommunications Company PJSC

July 19, 2018

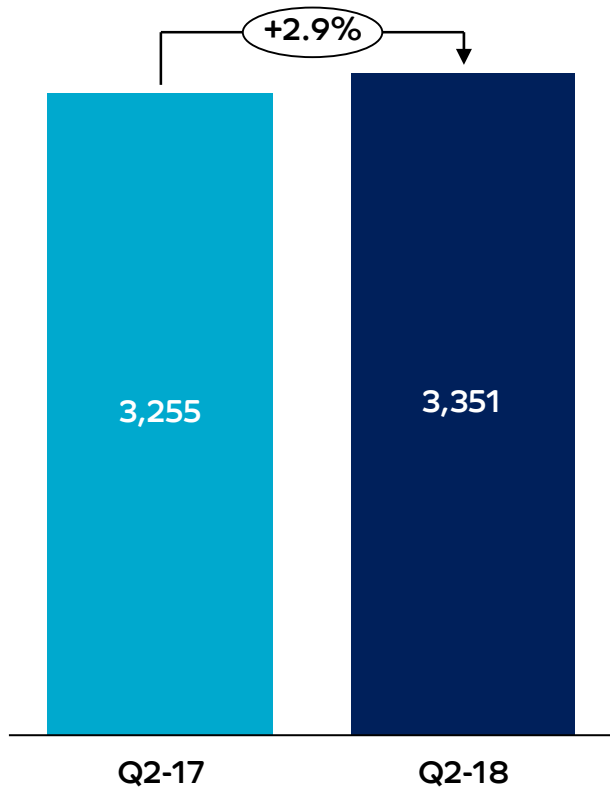


Q2 2018 : Key Highlights

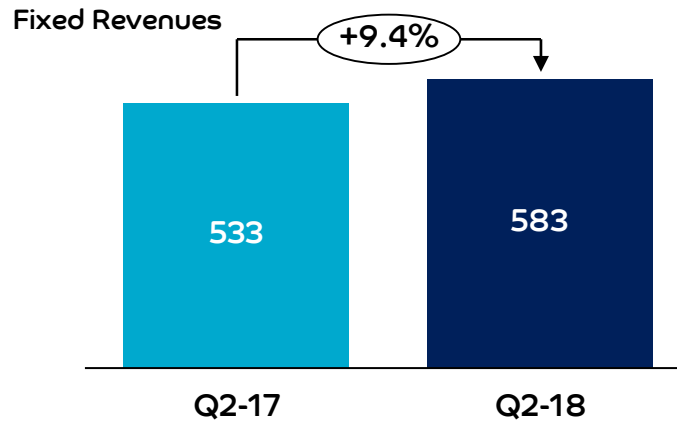
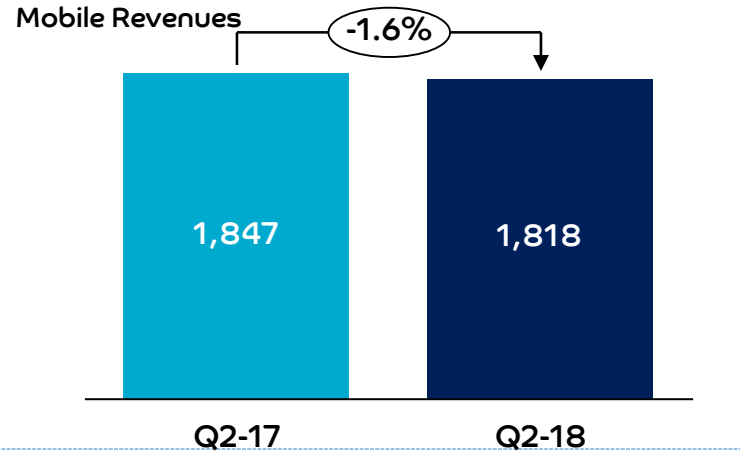
- Revenues up 2.9% to AED 3.35 billion in Q2 2018 compared to the same period last year, attributed to solid growth in fixed revenues and robust performance of mobile revenues
- Fixed line subscriber base increased 5.7% in Q2 2018, compared to the same period last year and mobile customer base of 8.73 million as at June 30 2018
- EBITDA growth of 4.7% to AED 1.41 billion for the second quarter of the year
- Benefits of efficiency programme positively impact company profitability, with EBITDA growth higher than revenue growth in Q2 2018, compared to the same period last year
- Proposed interim dividend payment of AED 589 million for the first half of 2018 at 13 fils per share, subject to shareholder approval at the AGM

Q2 2018 : Revenue Performance

Total Revenue (AED Mn.)



Segment Contributions (AED Mn.)

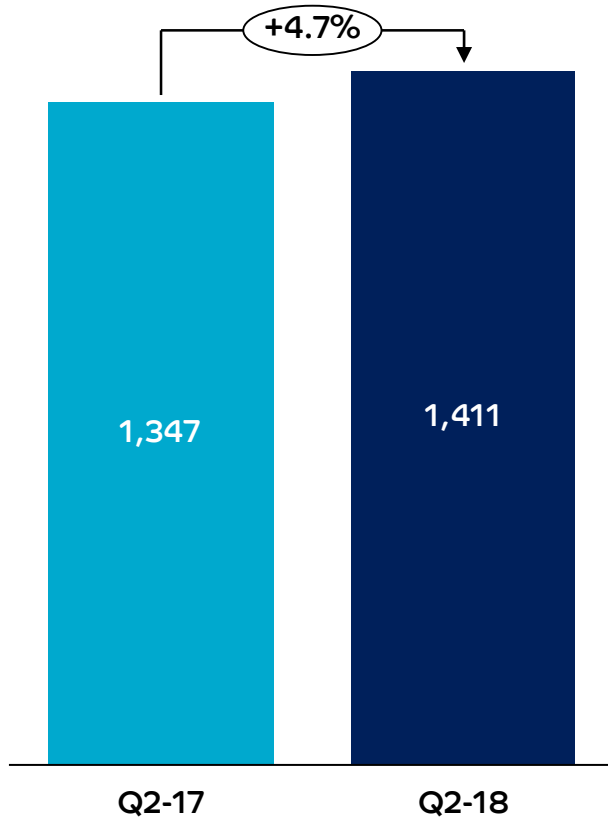


- Revenue growth supported by a growth in our fixed line revenue, up 9.4% in Q2 2018 compared to the same quarter last year
- Mobile revenues were impacted by seasonality, but maintained at stable revenues

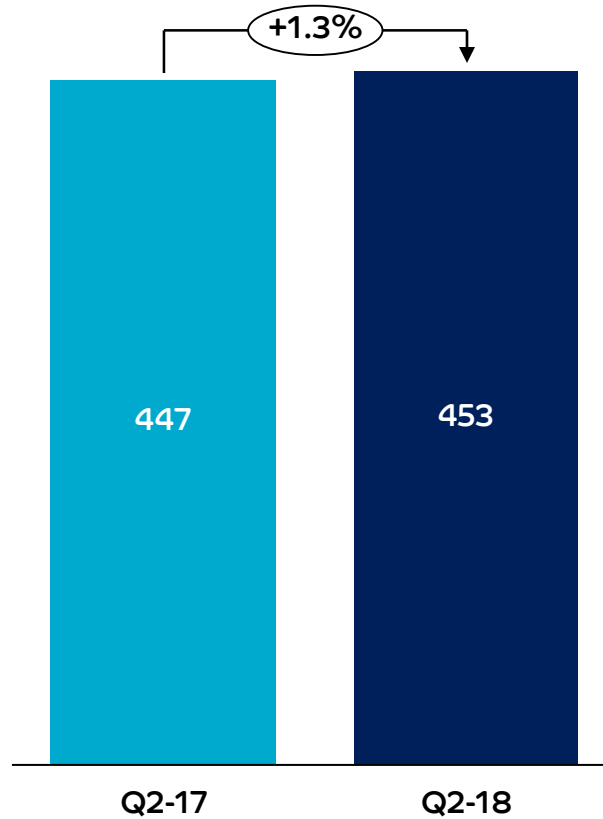
Notes: In order to conform to the current period presentation, the comparative figures for the previous year/ and period have been regrouped where necessary. Such regrouping did not affect the previously reported profit, comprehensive income or equity

Q2 2018 : Profitability

EBITDA (AED Mn.)



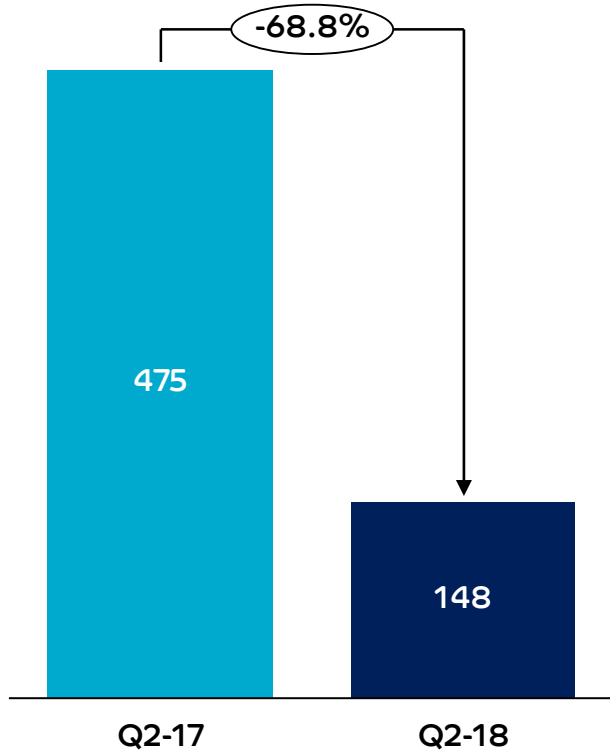
Net Profit after Royalty (AED Mn.)



- EBITDA growth of 4.7% is ahead of reported Revenue growth of 2.9% in Q2 2018, compared to Q2 2017.
- EBITDA growth is attributed to a solid revenue performance and the RESET efficiency programme

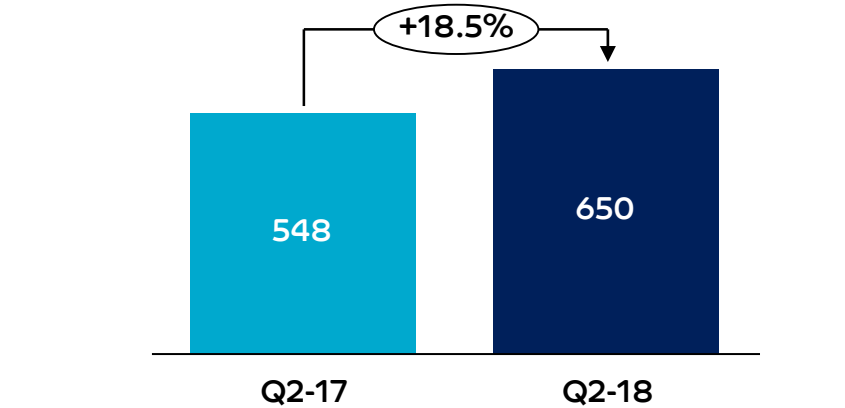
Q2 2018 : Capex and Free Cash flow

Capital Expenditure (AED Mn.)

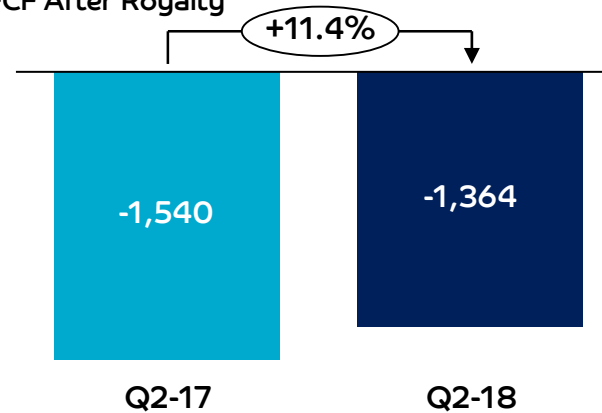


Free Cash Flows (AED Mn.)

FCF Before Royalty



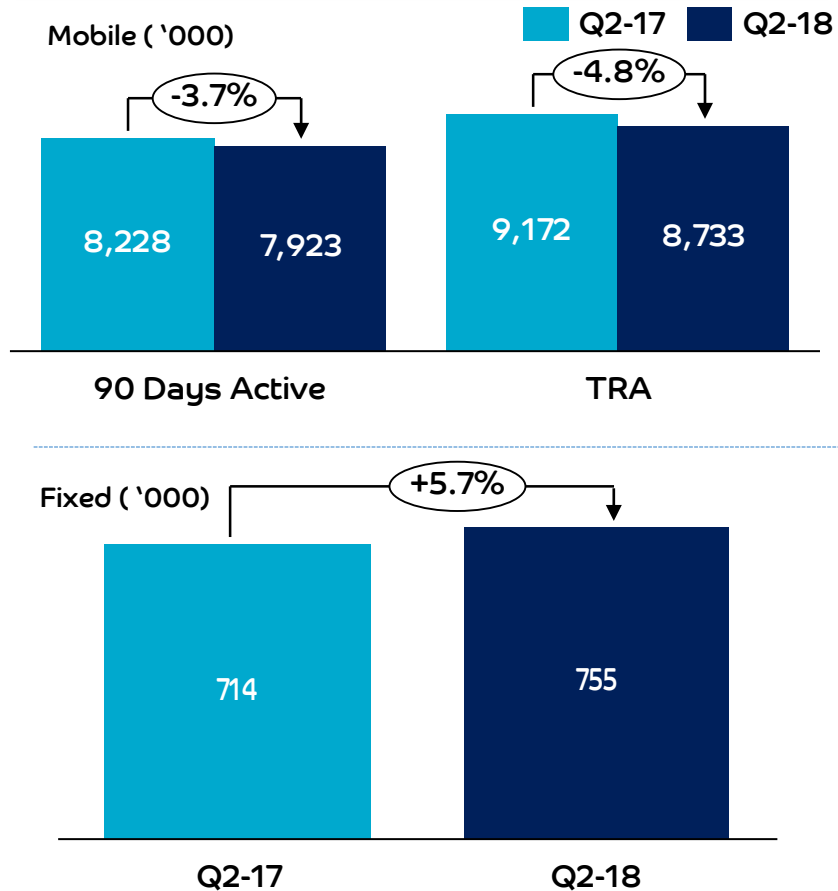
FCF After Royalty



- FCF has increased as a result of greater profitability and decreased capital expenditure compared to the same period in the previous quarter
- Capital expenditure is generally lower in the first half of the year and is expected to pick up in Q3 and Q4 of 2018

Q2 2018 : Subscribers and ARPU

Subscriber (In '000)



Mobile ARPU (In AED)



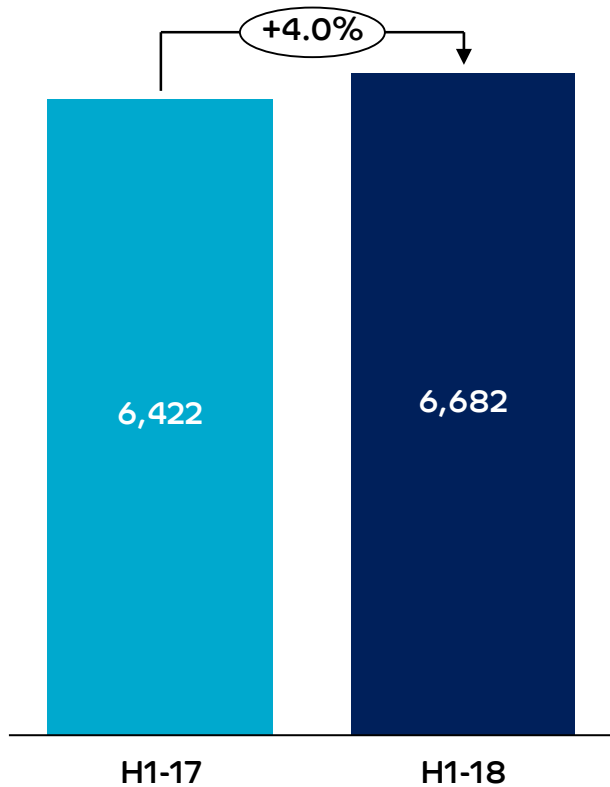
- Mobile subscriber base declined by 3.7% compared to previous year as we continued our focus on the value rather than volume. This is evident in our ARPU growth by 1.6%.
- Fixed line subscriber growth is driven by consumer segment.

Notes: Mobile subscriber numbers disclosed for the period are in line with the definition set by the UAE Telecommunications Regulatory Authority (TRA). As per the TRA definition, an active subscriber is a subscriber that did any transaction, including a non-billable transaction, in the last 90 days. EITC's definition of an active subscriber account for only those subscribers who did a billable transaction during the last 90 days.

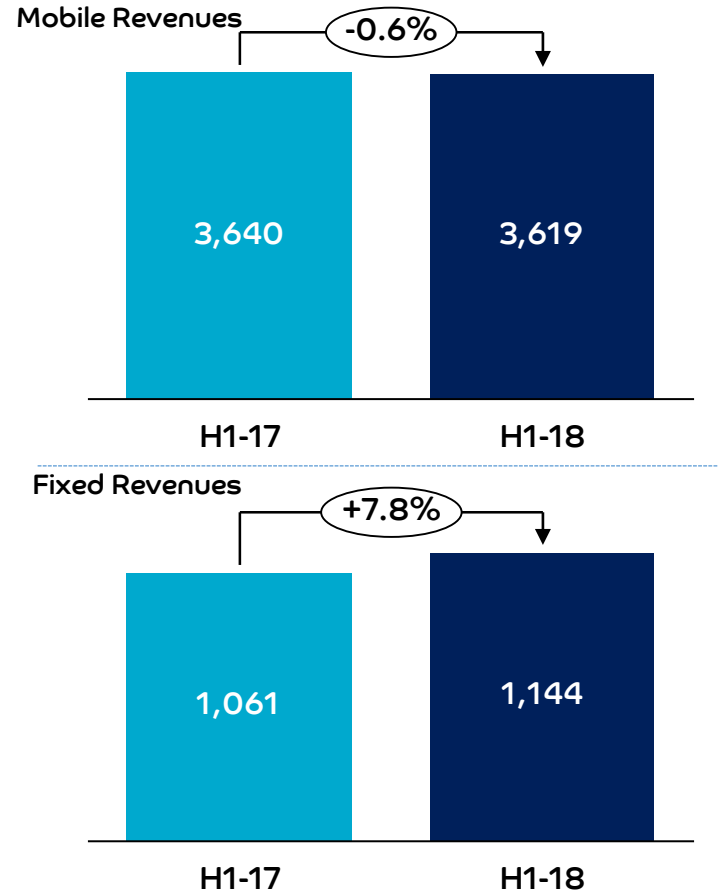
ARPU calculations are based on 90 days active customers.

H1 2018 : Revenue Performance

Total Revenue (AED Mn.)



Segment Contributions (AED Mn.)



- In line with Q2 2018 results, growth for H1 2018 has mainly come from our fixed business, including managed services and data mena.
- Implementation of IFRS 15 marginally impacted mobile revenues.

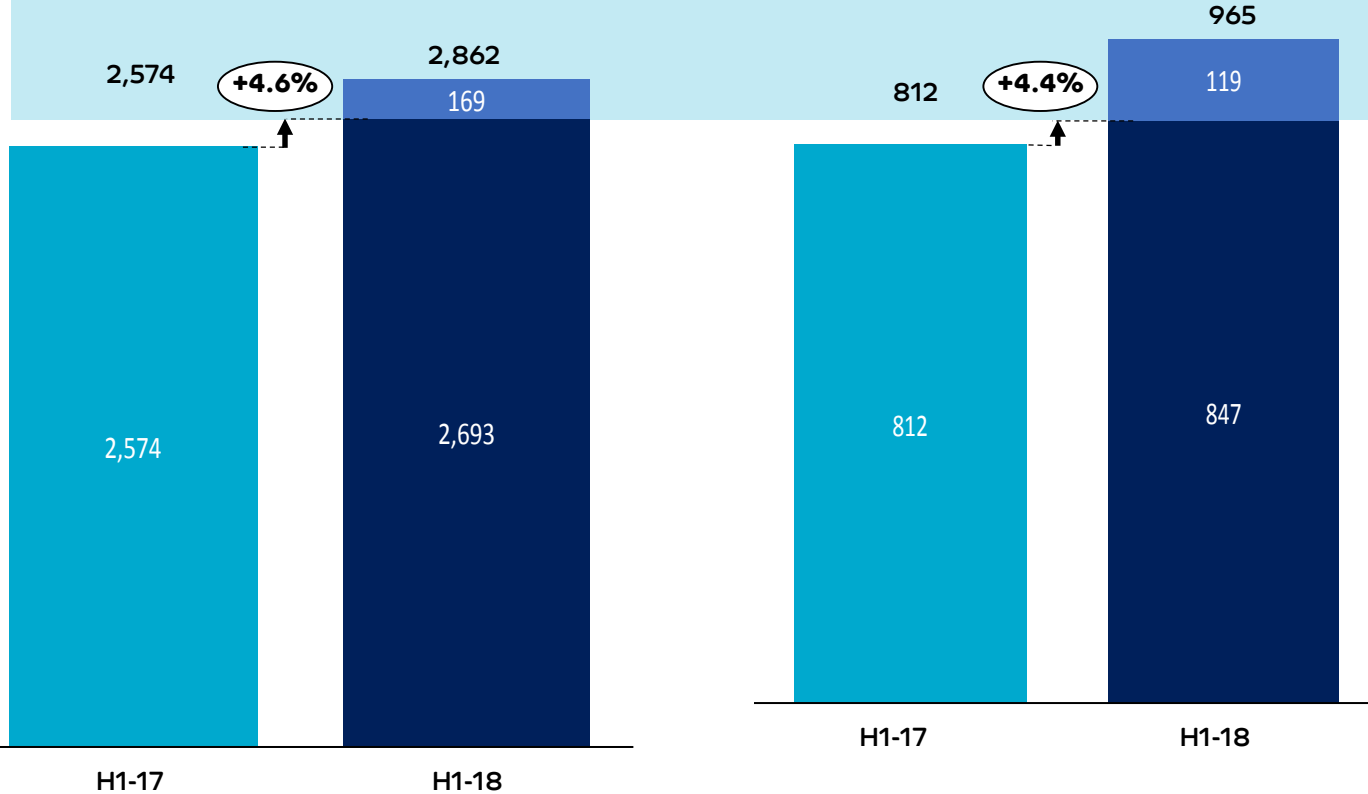
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H1 2018 : Profitability

EBITDA (AED Mn.)

Net Profit after Royalty (AED Mn.)

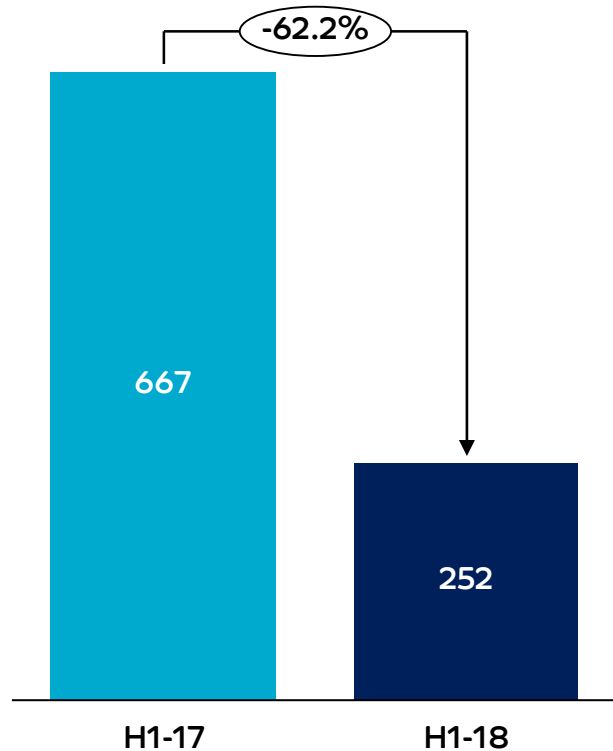
One-Off Benefits



- H1 2018 EBITDA and Net Profit was impacted by a one off benefit received from the reversal of regulatory charges in Q1 2018, Excluding the impact of the one-off benefit, EBITDA and net profit after royalty increased by 4.6% and 4.4% respectively for the same period.
- Like for like EBITDA and Net Profit growth was driven by growth in revenue as well as operational expense optimization during the first half of the year.

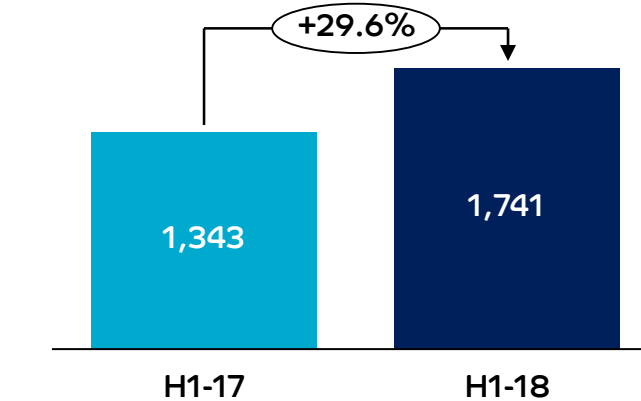
H1 2018 : Capex and Free Cash flow

Capital Expenditure (AED Mn.)

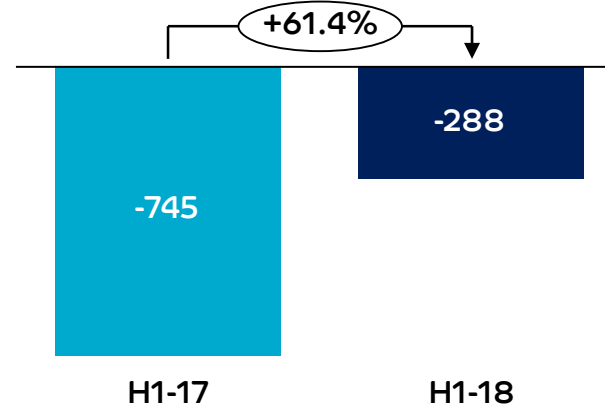


Free Cash Flows (AED Mn.)

FCF Before Royalty



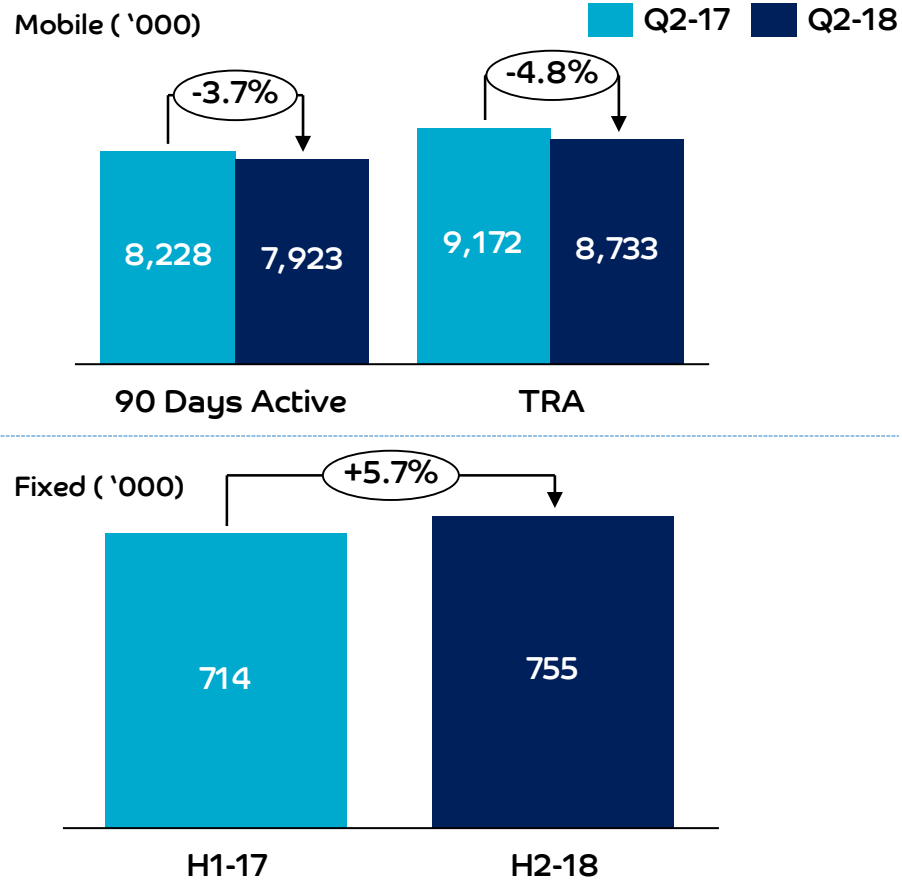
FCF After Royalty



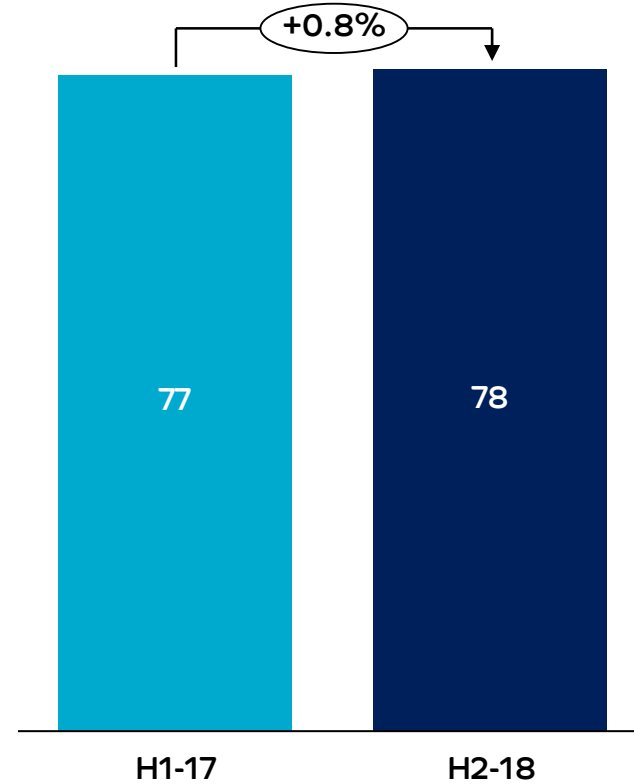
- FCF has increased as a result of greater profitability and decreased capital expenditure compared to the same period in the previous year
- Capital expenditure is lower in first half mainly due to very focused expansion approach. We expects CAPEX to pick up in second half of 2018.

H1 2018 : Subscribers and ARPU

Subscriber (In '000)



Mobile ARPU (In AED)



- Mobile subscriber base declined by 3.7% compared to previous year as we continued our focus on the value rather than volume. This is evident in our ARPU growth by 0.8%.
- Fixed line subscriber growth is driven by consumer segment.

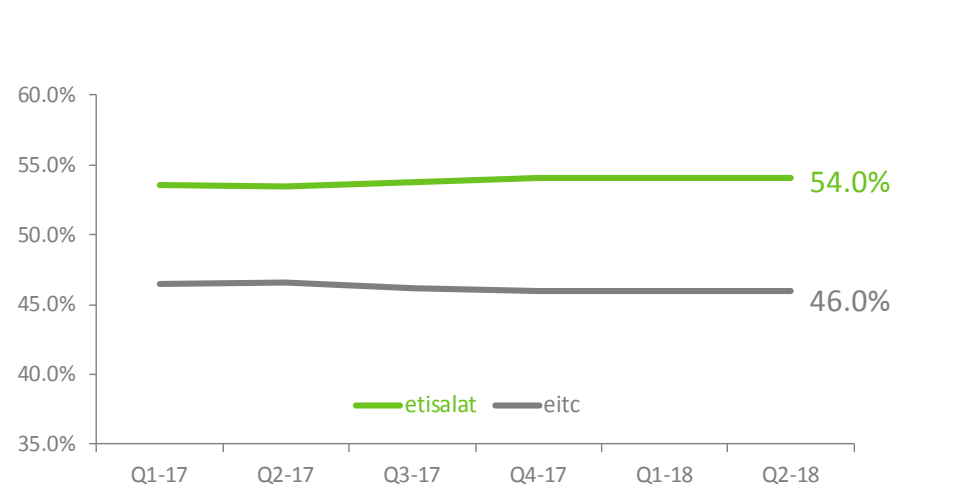
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ARPU calculations are based on 90 days active customers.

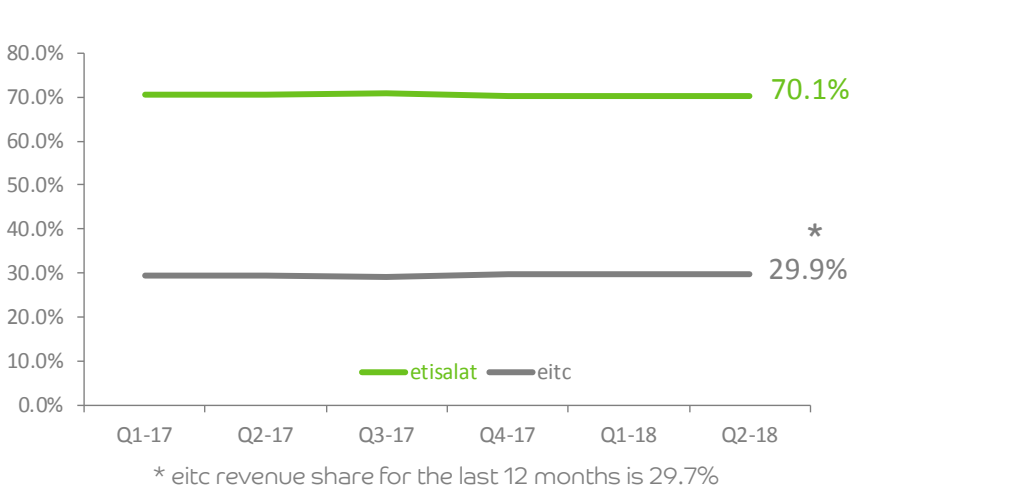
Market overview

Market share consolidation – sustain competitiveness in the market

UAE Mobile Subscribers - Market share quarterly evolution



UAE Telecom Market – Revenue share quarterly evolution



Source: TRA Market Statistics April 2018, Etisalat Quarterly analyst presentations/ earning release & internal estimates



Thank You

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