

Q3 2018 Results

Emirates Integrated Telecommunications Company PJSC

1st Nov 2018

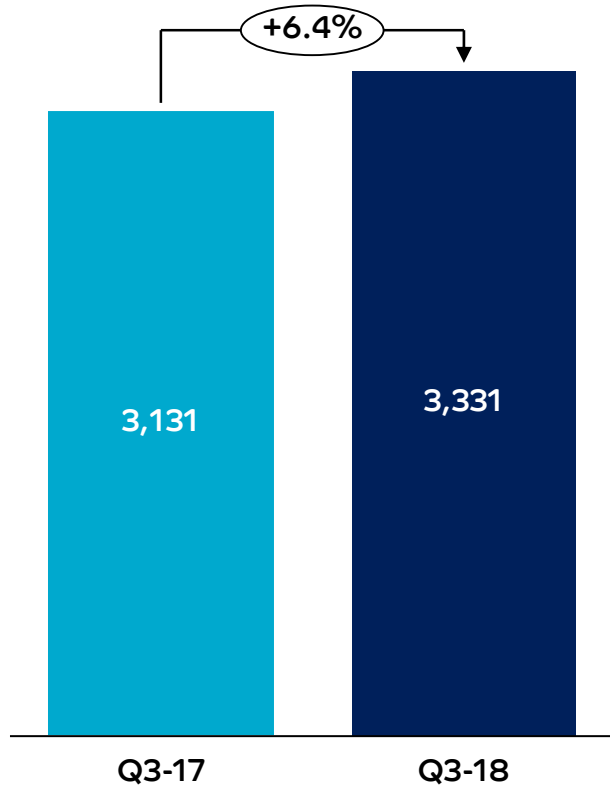


Q3 2018 : Key Highlights

- Revenues up 6.4% to AED 3.33 billion in Q3 2018 compared to the same period last year, attributed to solid growth in fixed revenues and robust performance of mobile revenues
- Healthy increase in fixed line revenue by 7.8% at Q3 2018 compared to same period last year
- EBITDA growth of 2.8% to AED 1.37 billion for the third quarter of the year
- Benefits of efficiency programme positively impact company profitability, as EBITDA has grown positively as compared to same period last year.
- Fixed line subscriber base increased 5.0% in Q3 2018, compared to the same period last year.

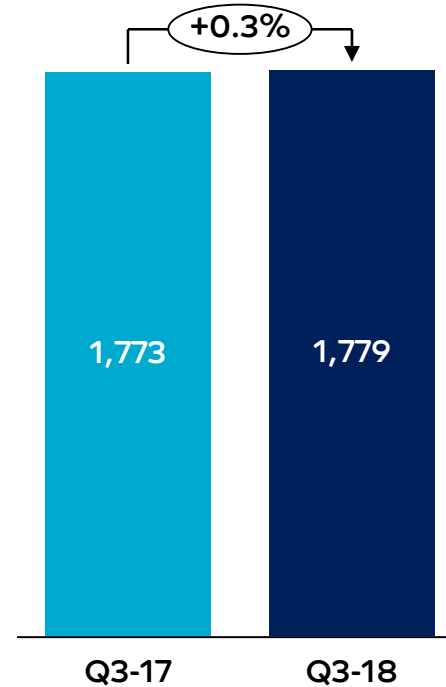
Q3 2018 : Revenue Performance

Total Revenue (AED Mn.)

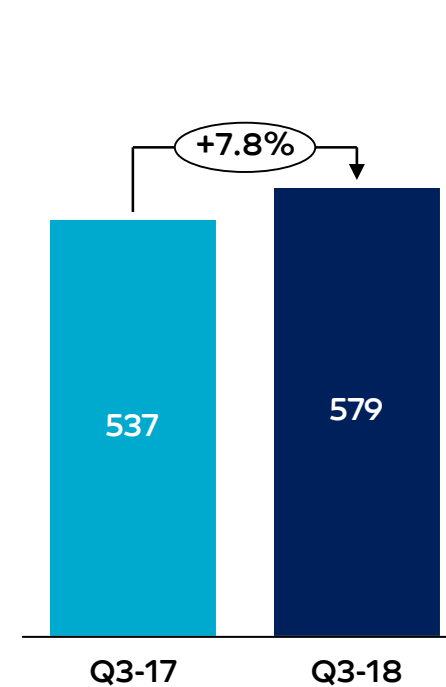


Segment Contributions (AED Mn.)

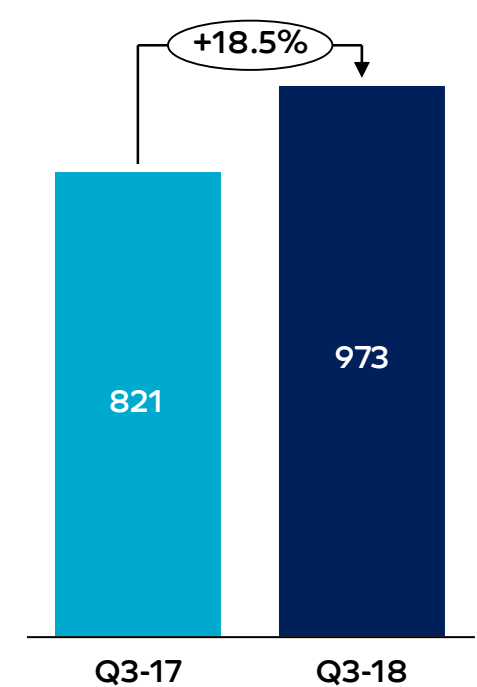
Mobile Revenues



Fixed Revenues



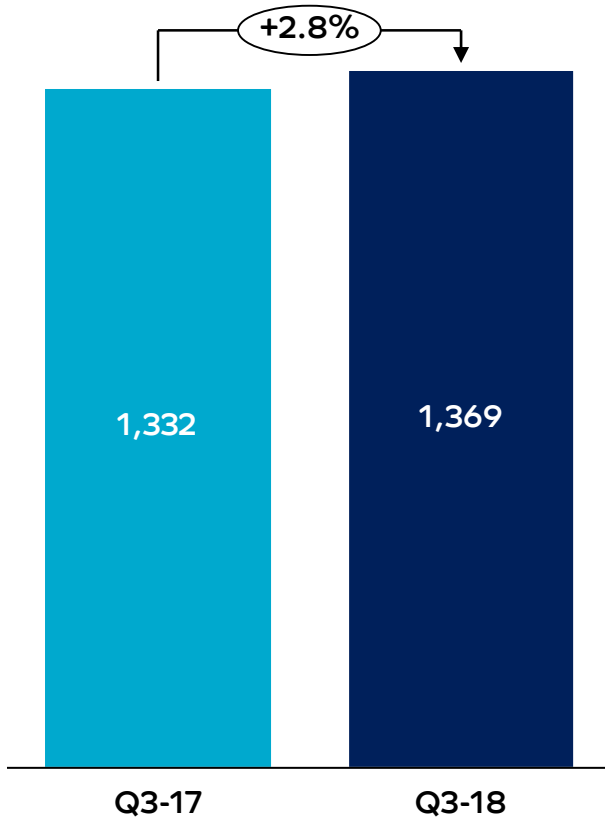
Other Revenues



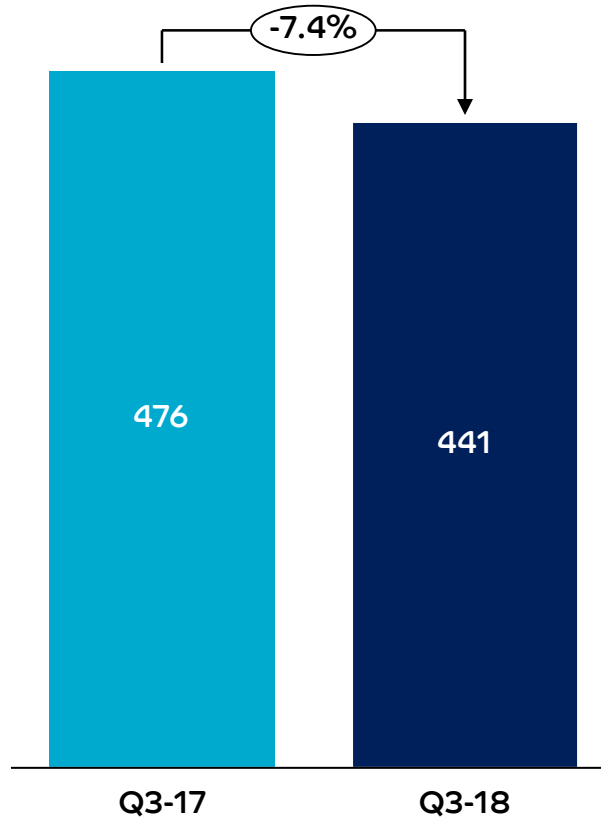
- Revenue growth largely supported by fixed line growth and growth in other segments.
- Robust performance of the mobile revenue segment

Q3 2018 : Profitability

EBITDA (AED Mn.)



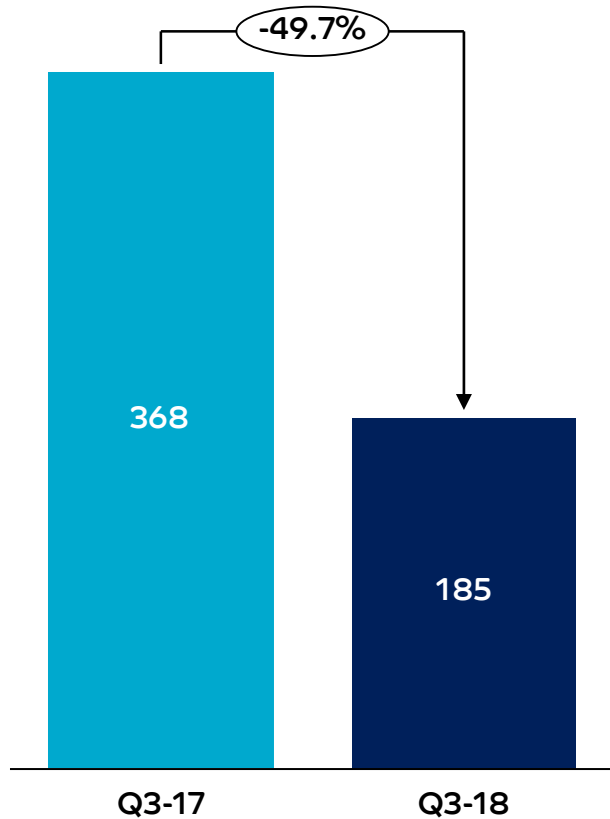
Net Profit after Royalty (AED Mn.)



- EBITDA growth supported by strong performance of our fixed line revenue, up 2.8% in Q3 2018 compared to the same quarter last year
- EBITDA growth is attributed to a solid revenue performance and the efficiency program

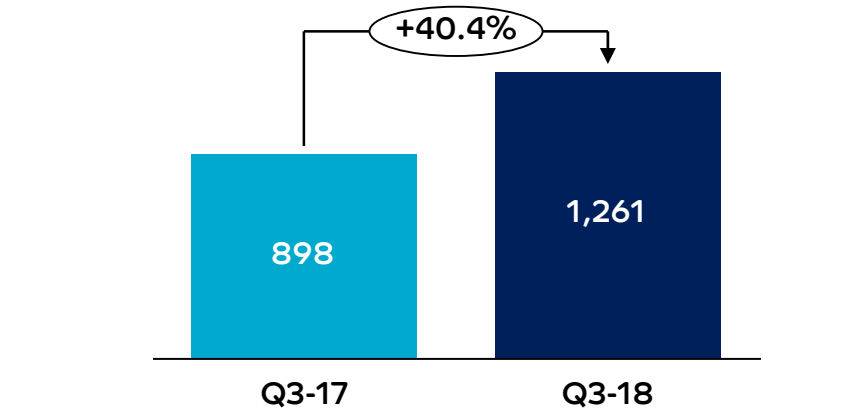
Q3 2018 : Capex and Free Cash Flow

Capital Expenditure (AED Mn.)

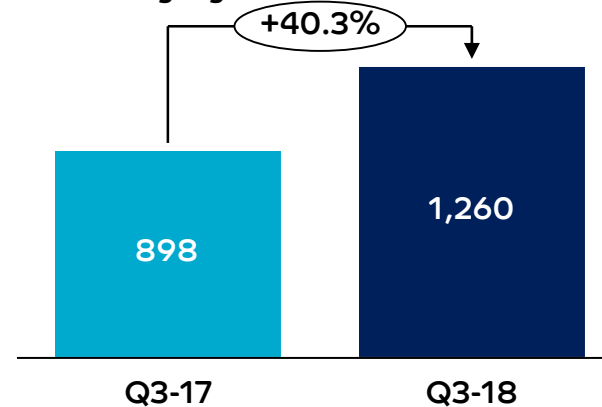


Free Cash Flow (AED Mn.)

FCF Before Royalty



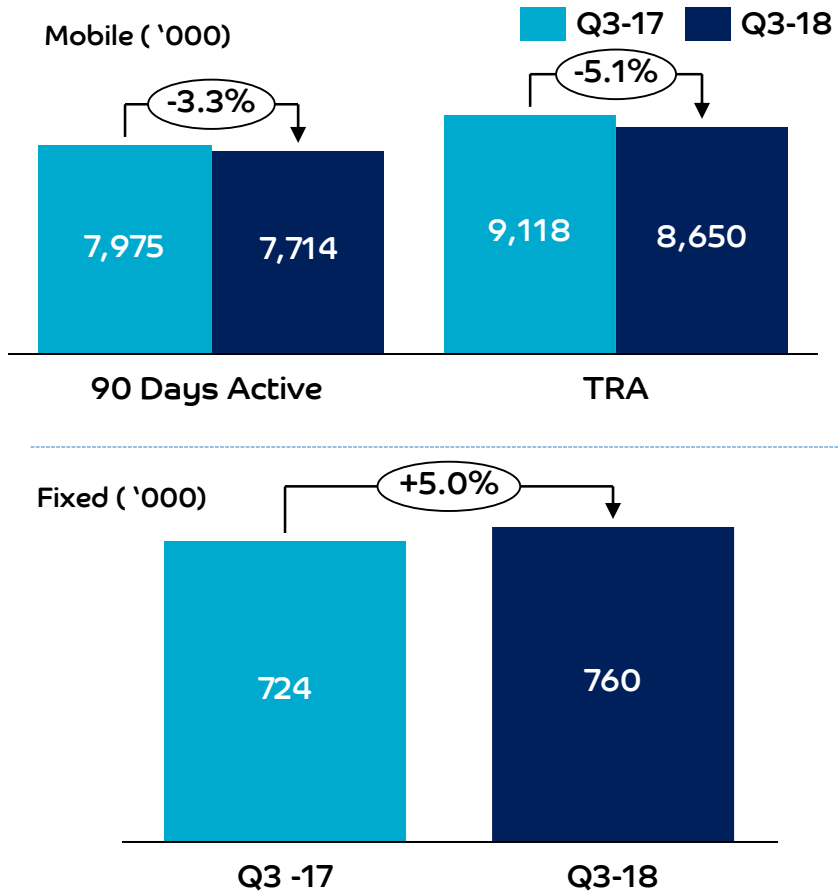
FCF After Royalty



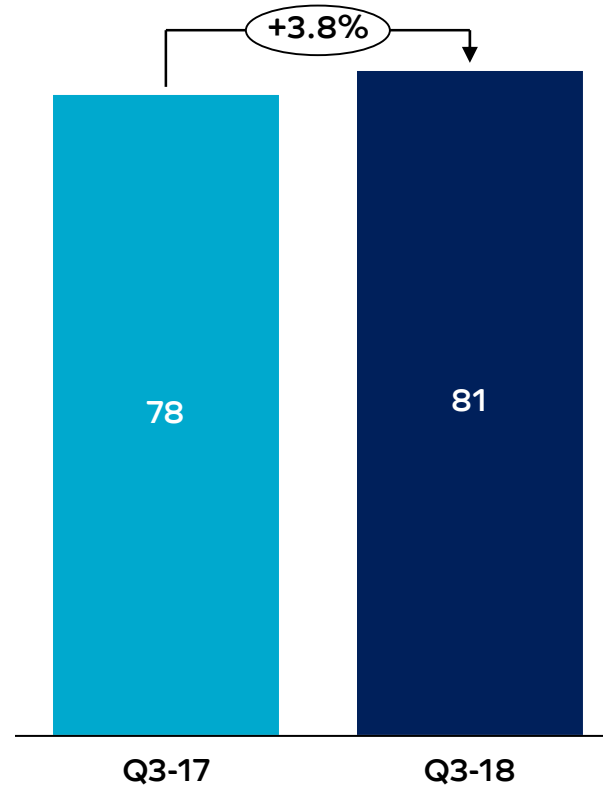
- FCF has increased as a result of greater profitability and decreased capital expenditure compared to the same period in the previous quarter

Q3 2018 : Subscribers and ARPU

Subscribers (In '000)



Mobile ARPU (In AED)



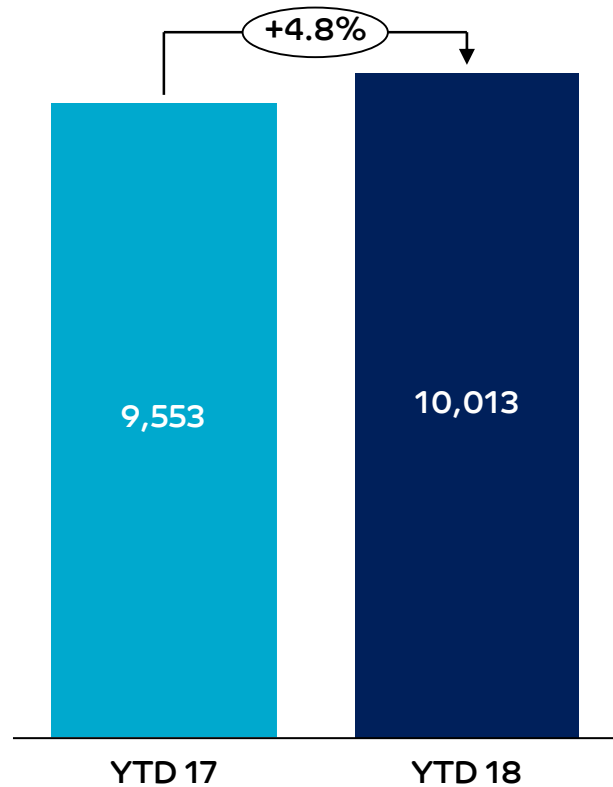
- Mobile subscriber base declined by 3.3% compared to previous year as we continued our focus on value rather than volume. This is evident in our ARPU growth of 3.8%.
- Fixed line subscriber growth is driven by the consumer segment.

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 had any transaction, including a non-billable transaction, in the last 90 days. EITC's definition of an active subscriber account for only those subscribers that had billable transaction during the last 90 days.

ARPU calculations are based on 90 days active customers.

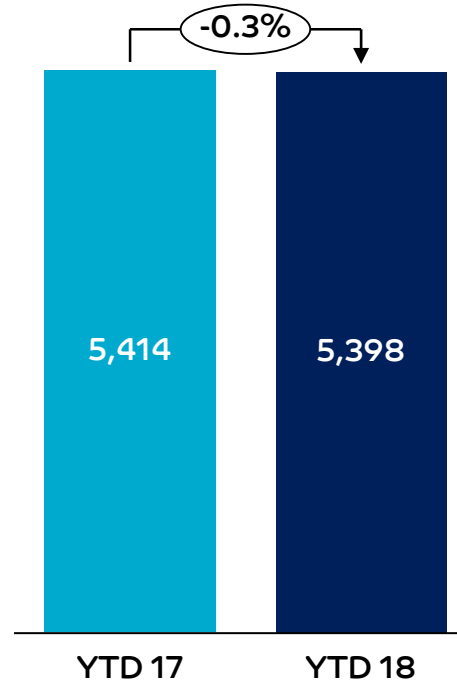
YTD 2018 : Revenue Performance

Total Revenue (AED Mn.)

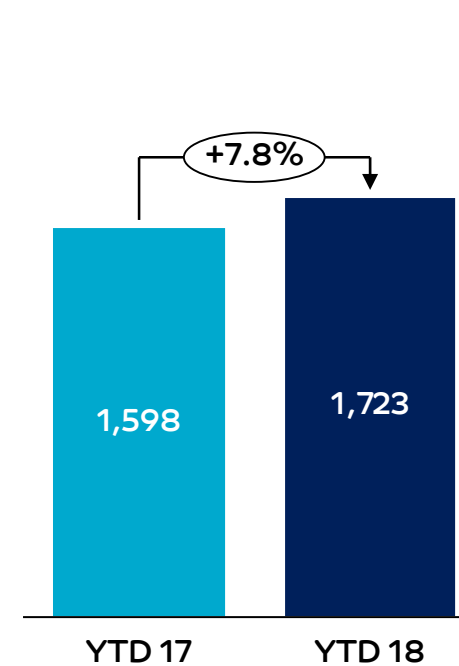


Segment Contributions (AED Mn.)

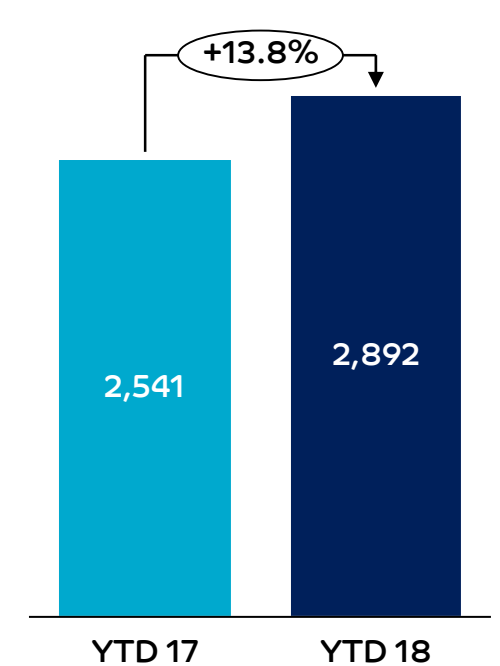
Mobile Revenues



Fixed Revenues



Other Revenues

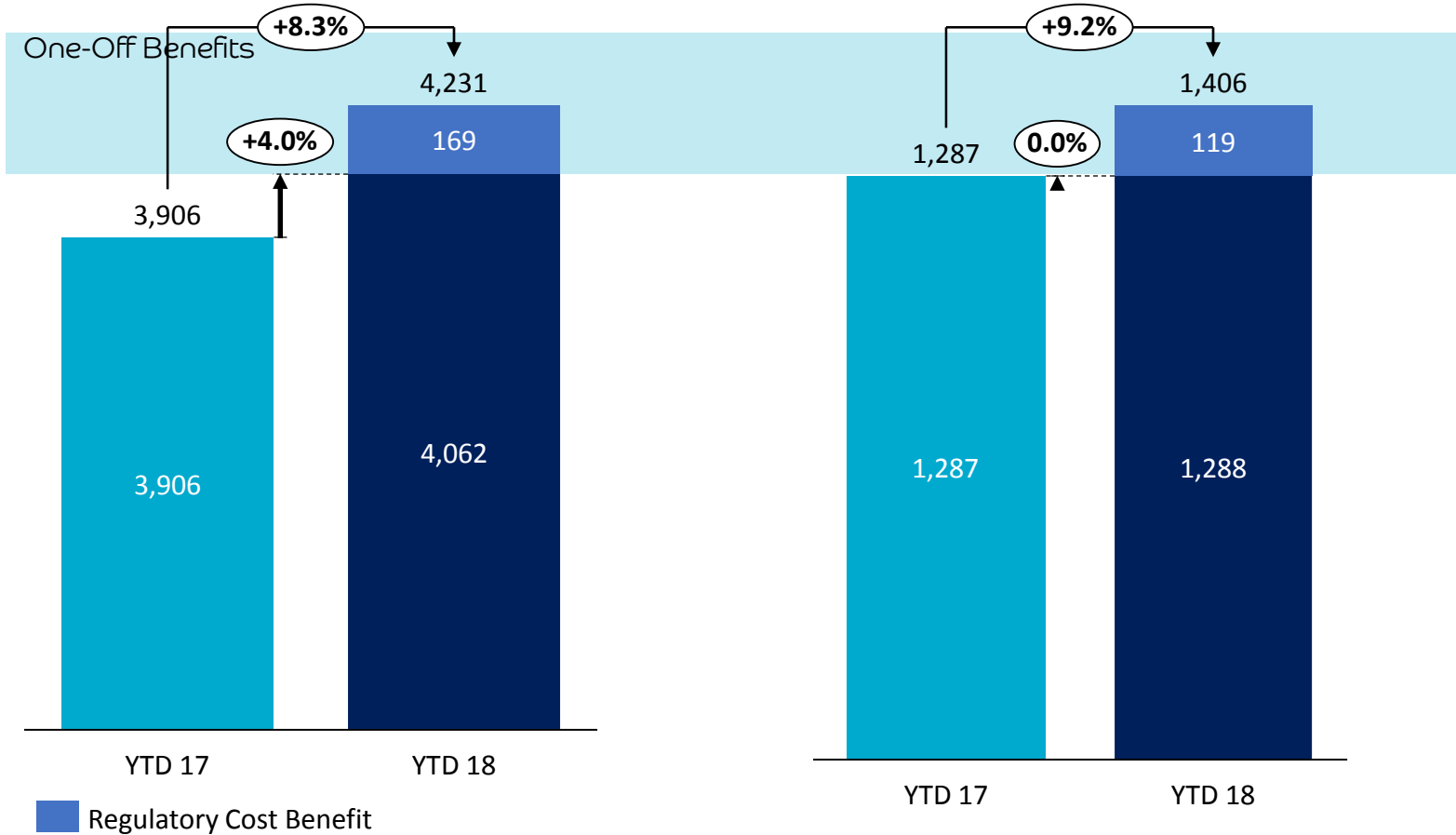


- Revenue growth largely supported by fixed line growth and growth in other segments.
- Mobile revenue segment was stable for the year to date period

YTD 2018 : Profitability

EBITDA (AED Mn.)

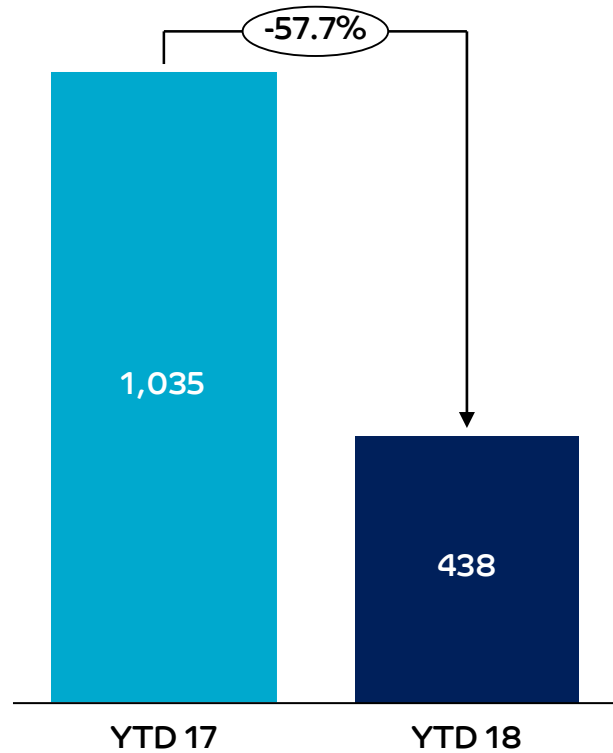
Net Profit after Royalty (AED Mn.)



- In Q1 2018 EITC recorded a one-off reversal related to regulatory costs, which positively impacted company profitability year to date.
- Excluding the impact of the cost reversal, year to date 2018 EBITDA and net profit after royalty increased by 4.0% and 0.0% respectively, when compared to same period last year

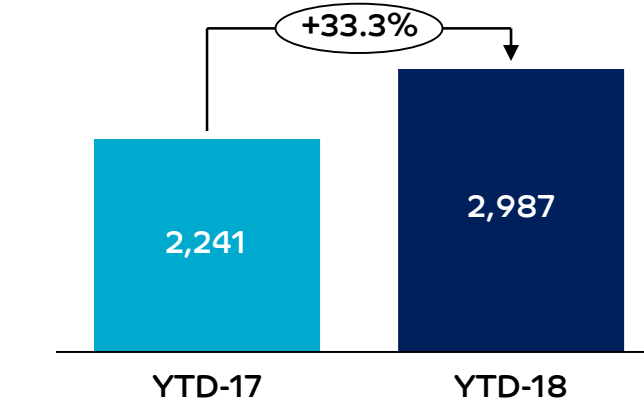
YTD 2018 : Capex and Free Cash Flow

Capital Expenditure (AED Mn.)

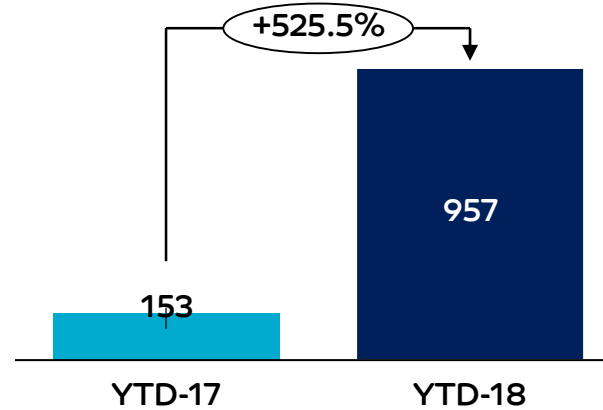


Free Cash Flow (AED Mn.)

FCF Before Royalty



FCF After Royalty



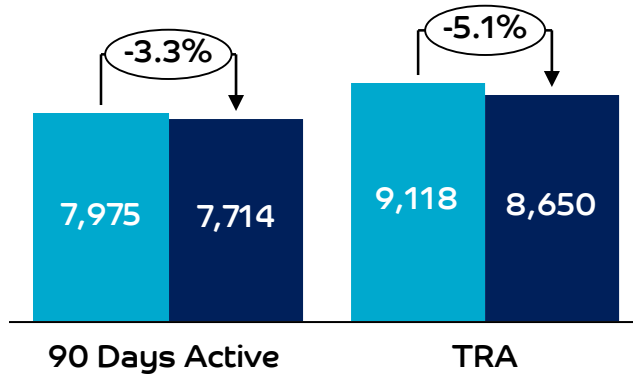
- FCF has increased as a result of greater profitability and decreased capital expenditure compared to the same period in the previous year

YTD 2018 : Subscribers and ARPU

Subscribers (In '000)

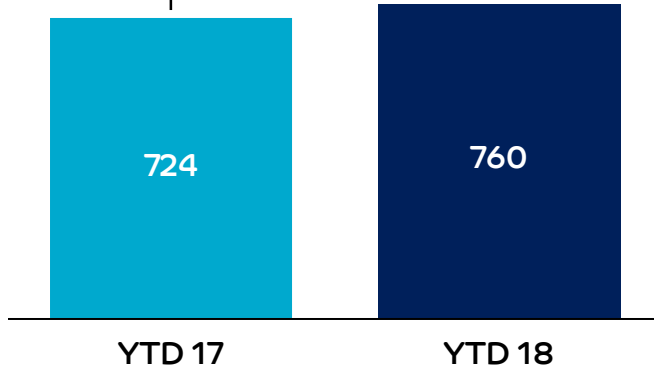
Mobile ('000)

■ YTD 17 ■ YTD 18

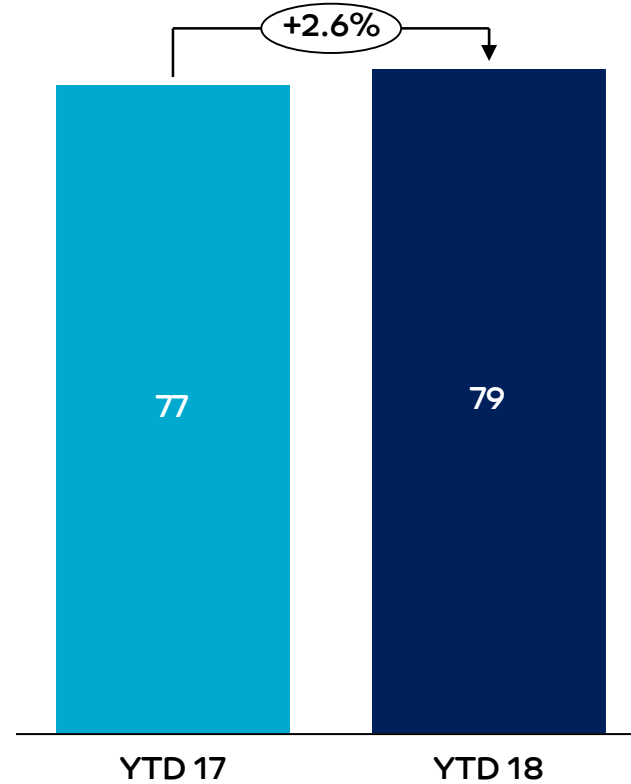


Fixed ('000)

+5.0%



Mobile ARPU (In AED)



- Mobile subscriber base declined by 3.3% compared to previous year as we continued our focus on value rather than volume. This is evident in our ARPU growth of 2.6% for the 9M 2018 period, compared to 9M 2017.
- Fixed line subscriber growth is driven by the consumer segment.

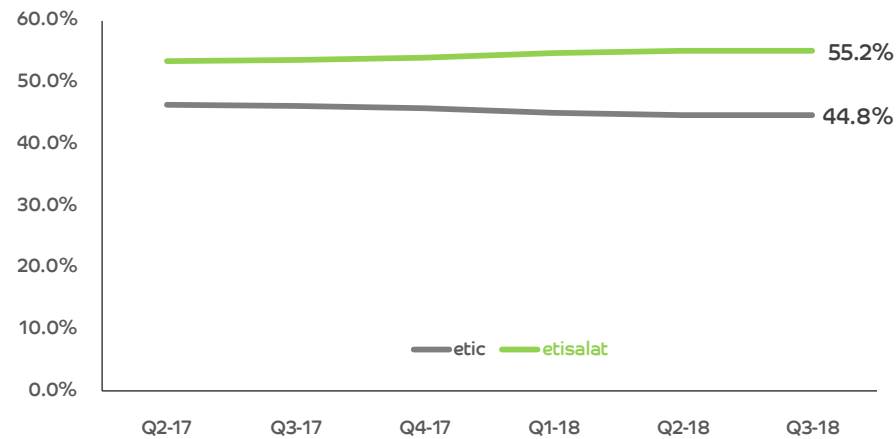
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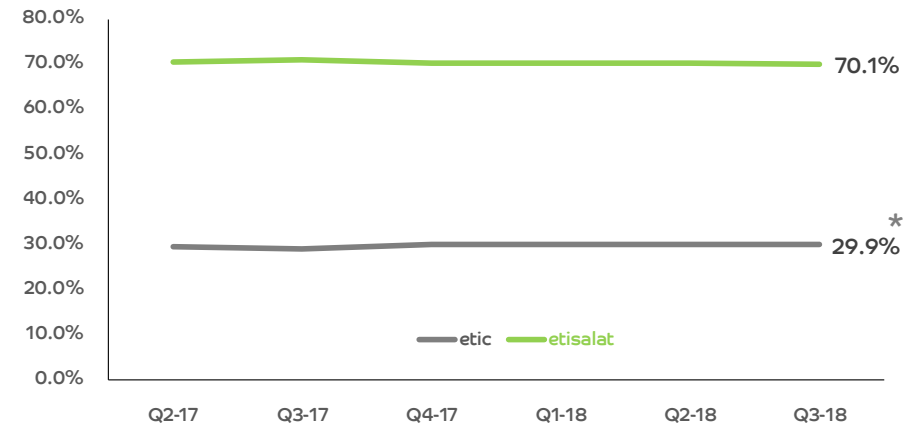
Market overview

Market share consolidation – sustain competitiveness in the market

UAE Mobile Subscribers - Market share quarterly evolution



UAE Telecom Market – Revenue share quarterly evolution



* etic revenue share for the last 12 months is 29.9%

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



Thank You

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