



FY 2018 Results

Emirates Integrated Telecommunications Company PJSC

20 February 2019



2018 : Key Highlights

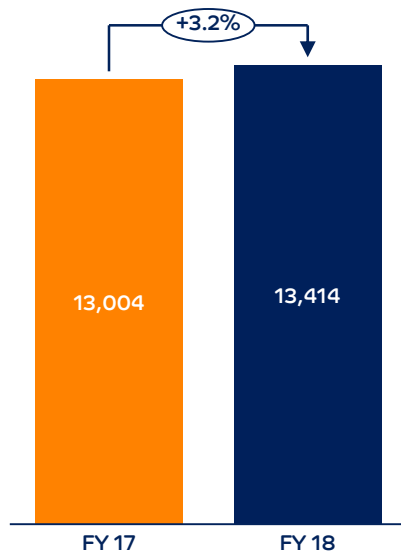


- Revenues up 3.2% to AED 13.41 billion in 2018 compared to last year, attributed to solid growth in fixed revenues & other revenues.
- Healthy increase in fixed line revenue by 9.1% in 2018 compared to last year. Fixed line subscriber base increased 3.9% in 2018, compared to last year.
- Mobile revenue was healthy at AED 7.10 billion in 2018, the biggest contributor to total revenue.
- EBITDA growth was supported by a strong efficiency programme and a reduction in operating expenses.
- Benefits of efficiency programme positively impact the company's profitability, as EBITDA growth is positive compared to same period last year.

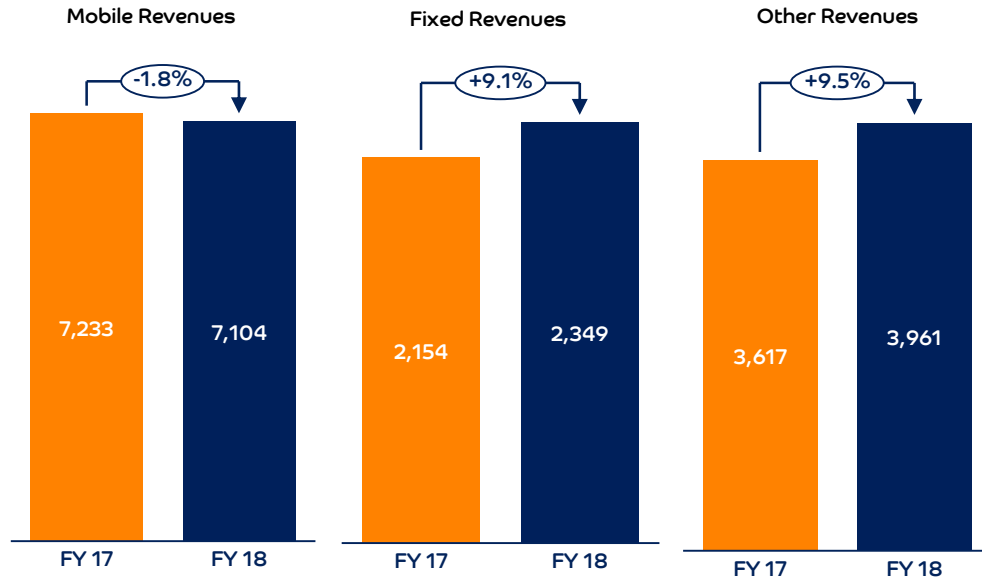
FY 2018 : Revenue Performance

eitc

Total Revenue (AED Mn.)



Segment Contributions (AED Mn.)



- Revenue growth largely supported by fixed line growth and growth in other segments.
- Mobile revenue segment was healthy during the year.

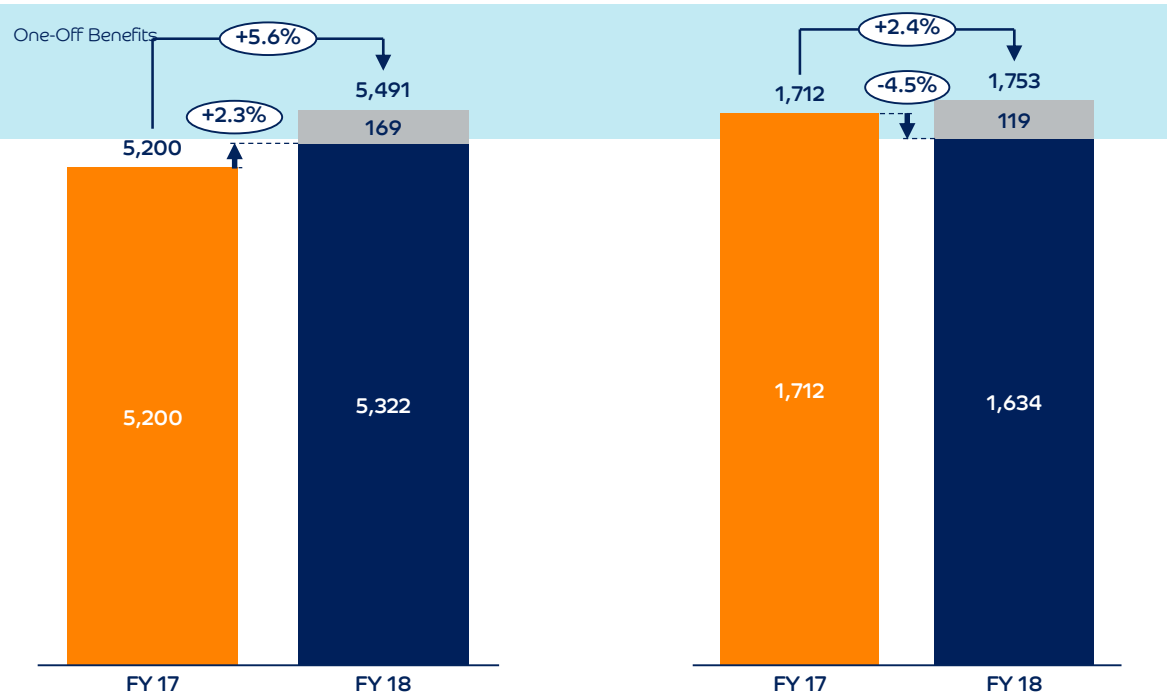
Note: In order to conform to the current period presentation, the comparative figures for the previous year/ period have been regrouped where necessary. Such regrouping did not affect the previously reported profit, comprehensive income or equity

FY 2018 : Profitability

EBITDA (AED Mn.)

Net Profit after Royalty (AED Mn.)

eitc

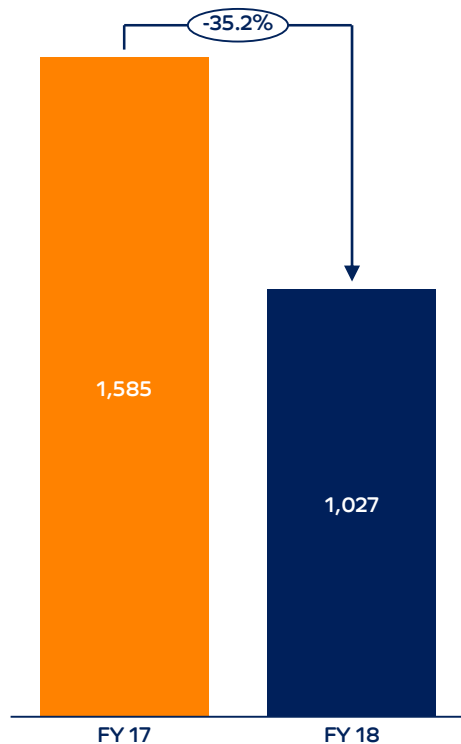


- In Q1 2018 EITC recorded a one-off reversal related to regulatory costs, which positively impacted company profitability for the year.
- Excluding the impact of the cost reversal, EBITDA increased by 2.3% and net profit after royalty decreased by 4.5% in 2018, compared to the previous year.

FY 2018 : Capex and Free Cash Flow

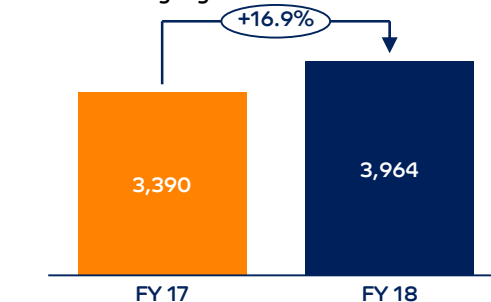
eitc

Capital Expenditure (AED Mn.)

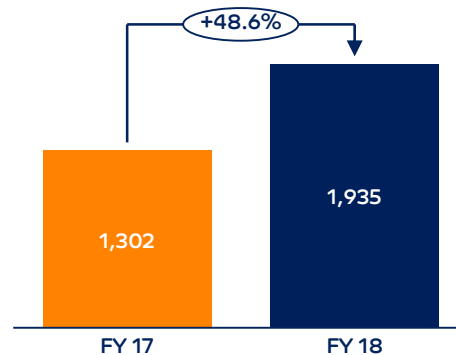


Free Cash Flow (AED Mn.)

FCF Before Royalty



FCF After Royalty

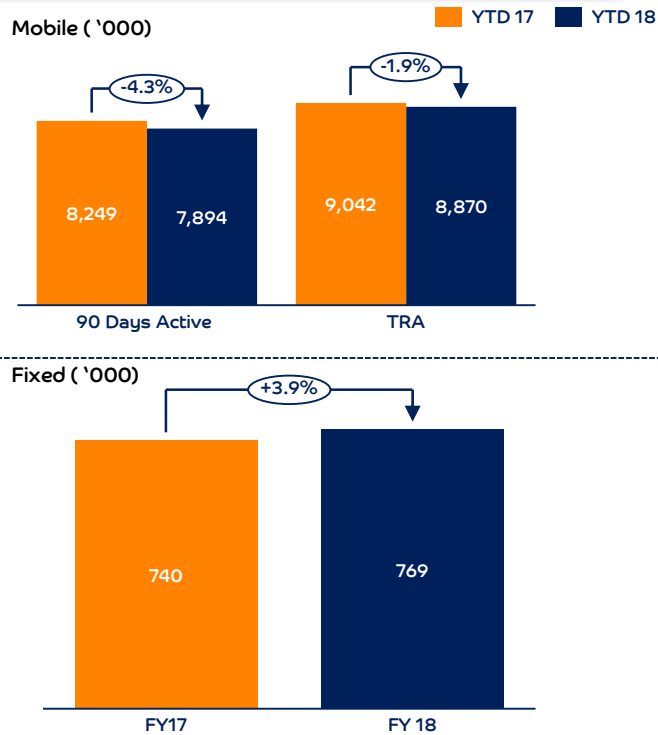


- FCF increased as a result of greater profitability and decreased capital expenditure in 2018 compared to the previous year.

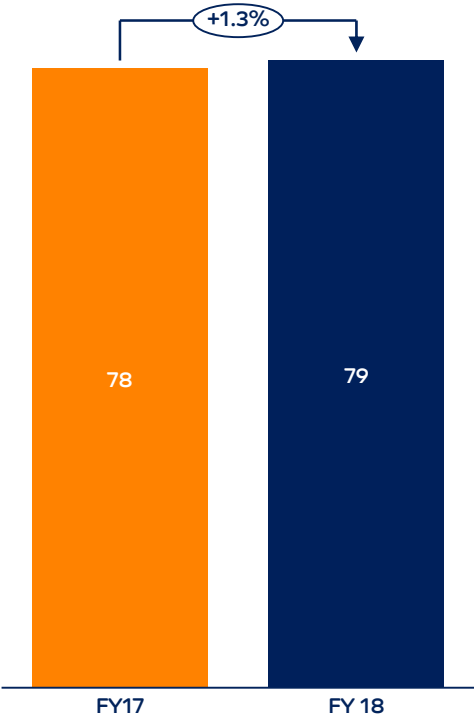
FY 2018 : Subscribers and ARPU



Subscribers (In '000)



Mobile ARPU (In AED)



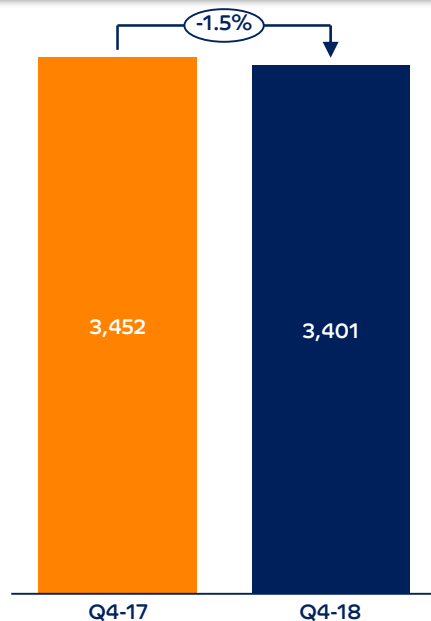
- Mobile subscriber base declined by 4.3% compared to previous year as we continued our focus on value rather than volume. This is evident in our ARPU growth of 1.3% in 2018, compared to 2017.
- Fixed line subscriber growth was driven by the consumer segment.

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 who had a billable transaction during the last 90 days.

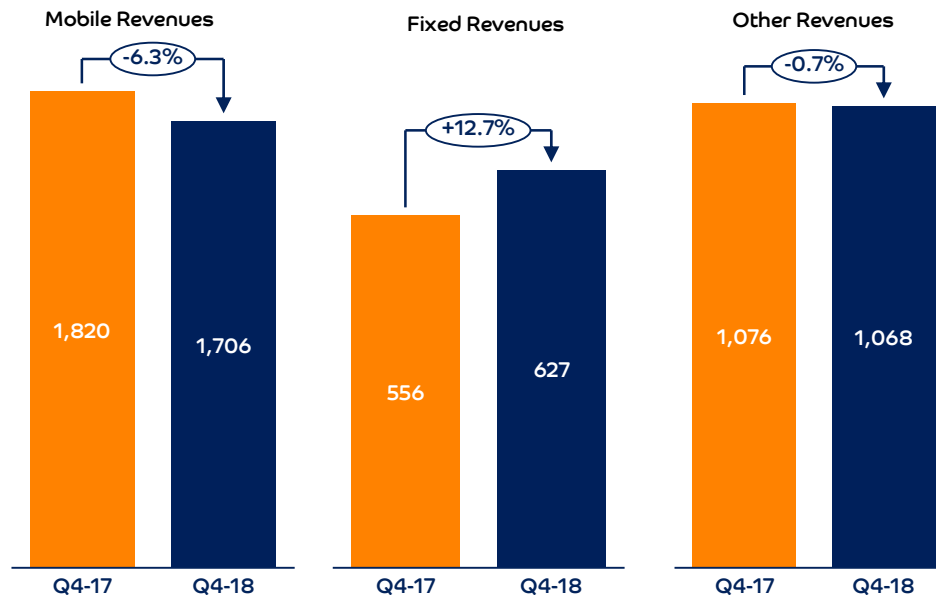
Q4 2018 : Revenue Performance

eitc

Total Revenue (AED Mn.)



Segment Contributions (AED Mn.)

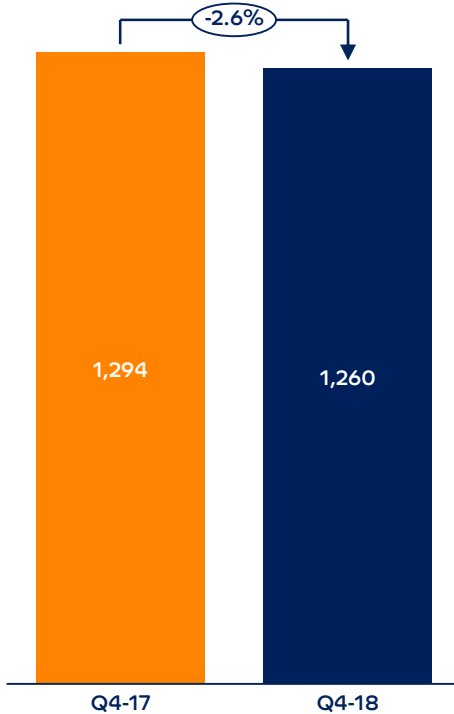


- Total revenue decline was mainly due to a decrease in mobile revenues with customers moving away from voice and consuming more data, as well as increased competition.
- Fixed revenue growth was in line with previous quarters.

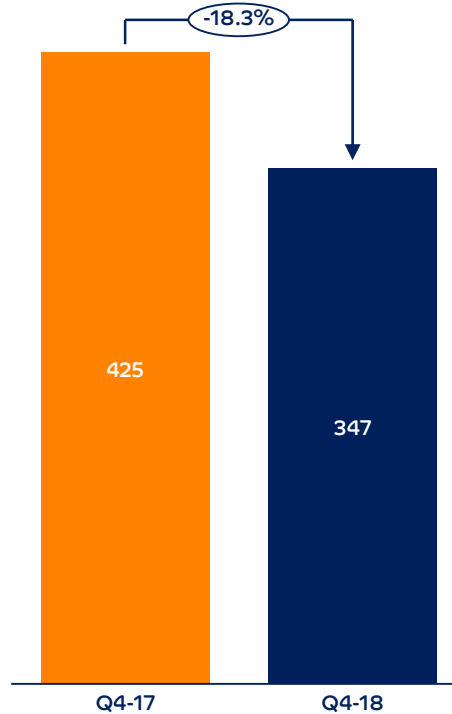
Note: In order to conform to the current period presentation, the comparative figures for the previous year/ period have been regrouped where necessary. Such regrouping did not affect the previously reported profit, comprehensive income or equity

Q4 2018 : Profitability

EBITDA (AED Mn.)



Net Profit after Royalty (AED Mn.)

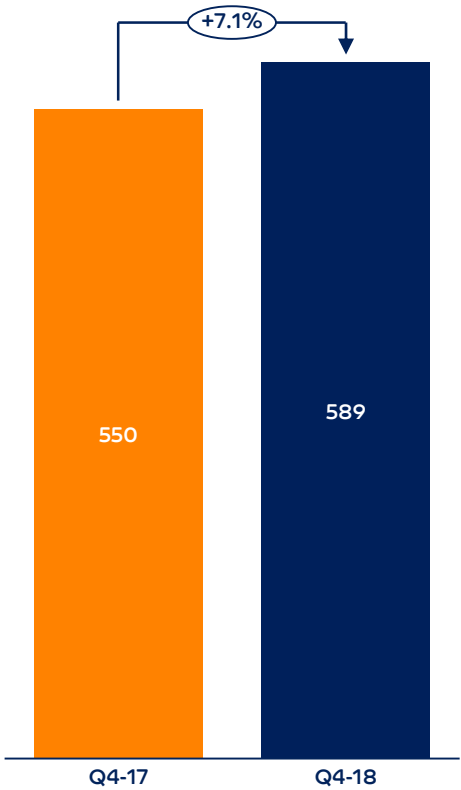


- EBITDA decreased by 2.6%, mainly driven by lower revenues.
- Net profit decreased by 18.3% compared to Q4 2017 mainly due to lower EBITDA as well as cost related to asset write-off in Q4 2018.

eitc

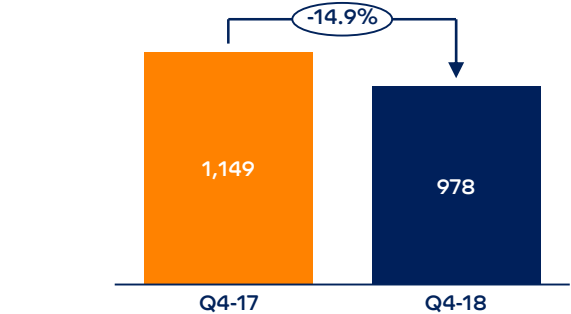
Q4 2018 : Capex and Free Cash Flow

Capital Expenditure (AED Mn.)

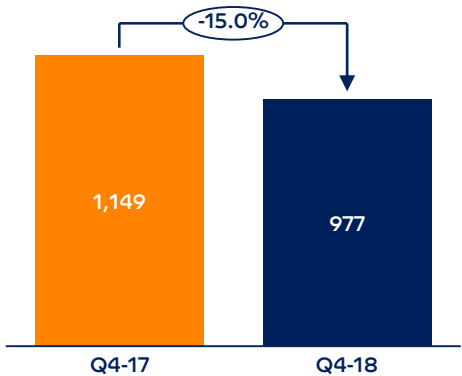


Free Cash Flow (AED Mn.)

FCF Before Royalty



FCF After Royalty

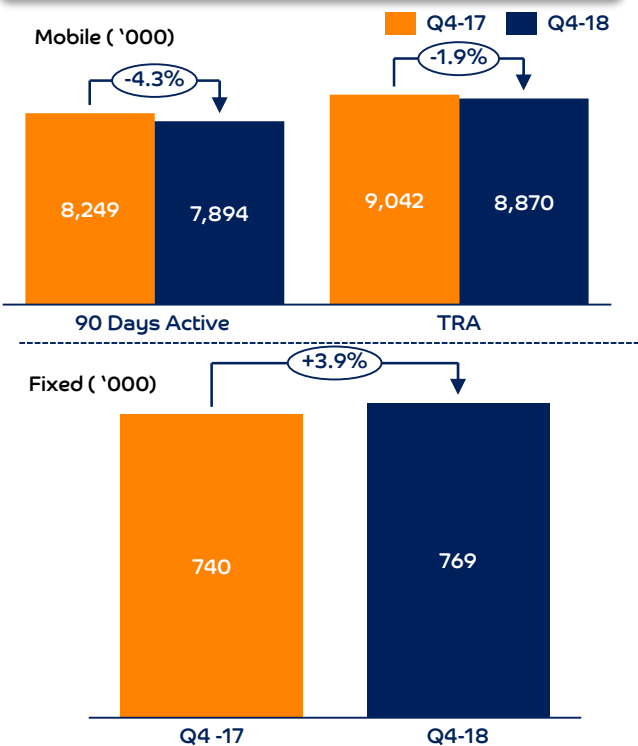


In Q4 2018, FCF before royalty decreased by 14.9% compared to same period last year due to higher capital expenditure and lower EBITDA.

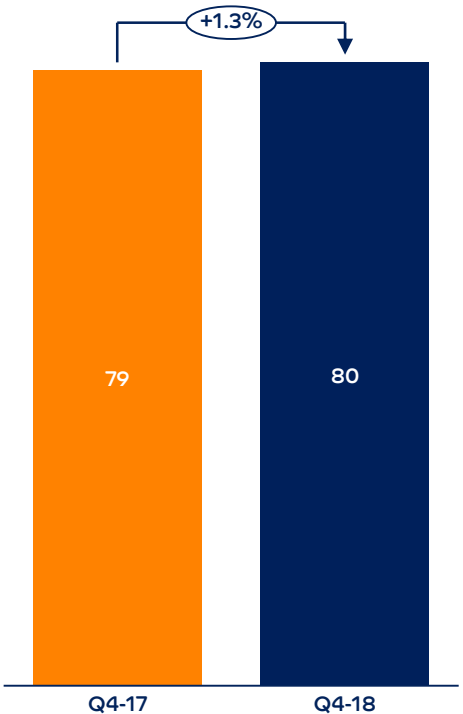


Q4 2018 : Subscribers and ARPU

Subscribers (In '000)



Mobile ARPU (In AED)



- Mobile subscriber base declined by 4.3% in Q4 2018 compared to the same period last year as we continued our focus on value rather than volume. This is evident in our ARPU growth of 1.3% for the 2018 period, compared to 2017.
- Fixed line subscriber growth was driven by the consumer segment.

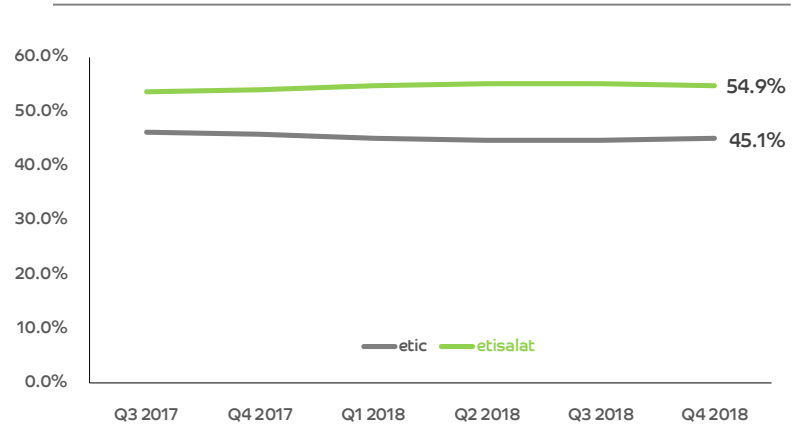
Notes: Mobile subscriber numbers disclosed for the period are in line with the definition set by the UAE Telecommunications Regulatory Authority (TRA). As per the TRA definition, an active subscriber is a subscriber that had any transaction, including a non-billable transaction, in the last 90 days.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

Market overview

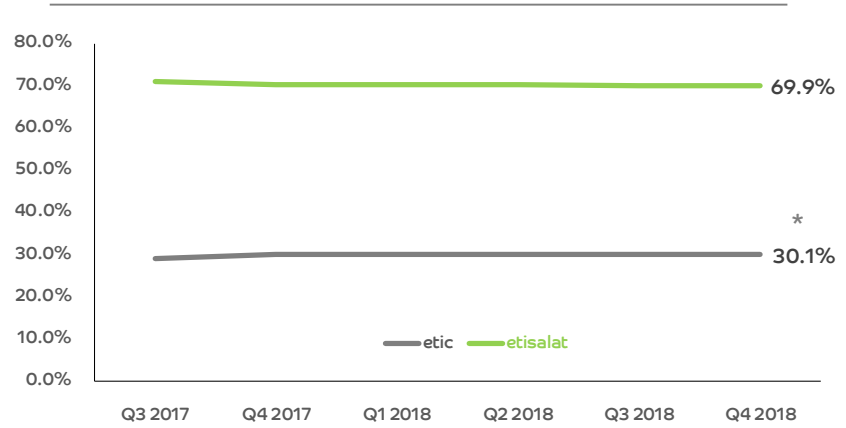
Market share consolidation – sustain competitiveness in the market



UAE Mobile Subscribers - Market share quarterly evolution



UAE Telecom Market – Revenue share quarterly evolution



* EITC revenue share for the last 12 months was 29.9%



Thank You

eitc