



Q1 2019 Results

Emirates Integrated Telecommunications Company PJSC

23rd April 2019



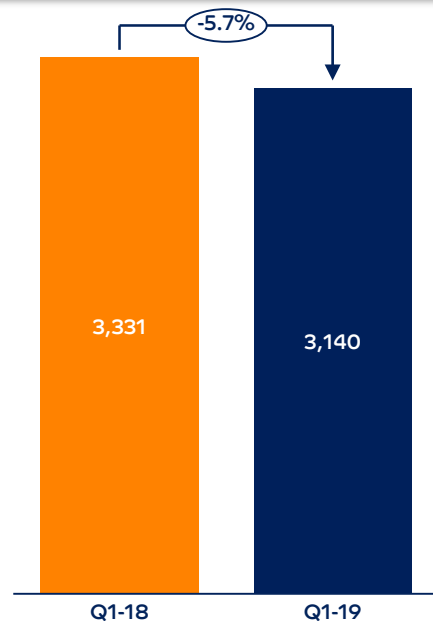
Q1 2019 : Key Highlights



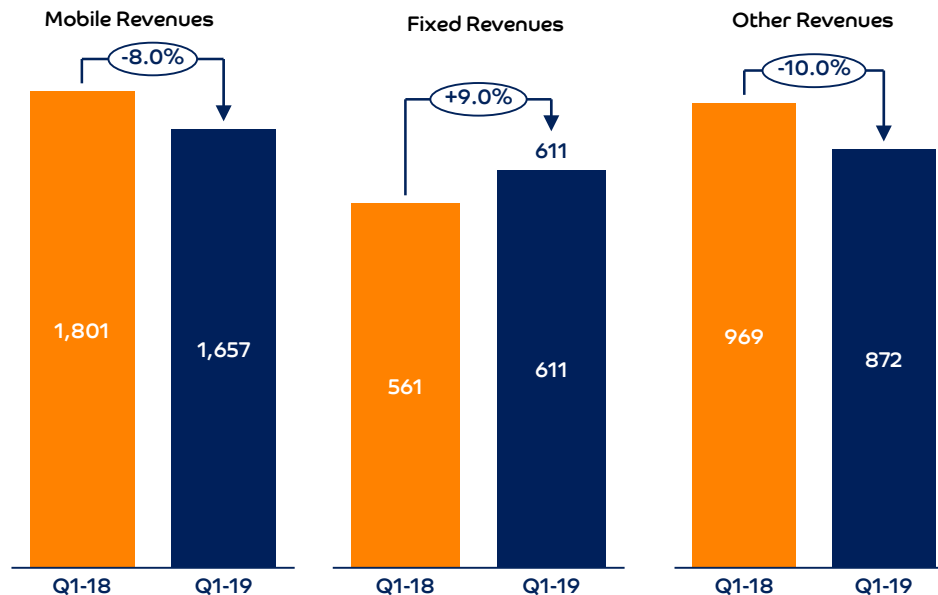
- EBITDA and Net Profit increased 4.7% and 14.0% respectively excluding exceptional one off item reversal benefit last year, compared to the same period last year. Including the impact of the cost reversal, EBITDA and Net profit after royalty decline by 6.9% and 12.3% respectively.
- Implementation of new accounting standard (IFRS16) has impacted Net profit after royalty adversely by 13m when compared to old standard. Net profit adjusted for IFRS16 and one off benefit would have been 17.2% higher than same period last year.
- In line with previous quarters, Fixed Revenue increased 9% to AED 611 million, while Mobile Revenue continues to be under pressure from declining voice revenues and increased consumption of data
- Continuous increase in Fixed-line base reached 772 thousands active customers, an increase of 2.5% compared to same period last year.
- The decline in mobile base as a result of a clean-up of prepaid customers in line with the "My Number My Identity" Campaign and focus to serve more high value post-paid customers, which gained 12.4% in Q1 2019.

Q1 2019 : Revenue Performance

Total Revenue (AED Mn.)



Segment Contributions (AED Mn.)



- Total revenue decline was mainly impacted by decrease in mobile revenues. As a result of industry shift from voice and SMS towards higher data usage, as well as increased competition.
- Fixed revenue are growing steadily in line with growth from previous quarters.
- Other Revenues mainly impacted by decline in Handset related revenues.

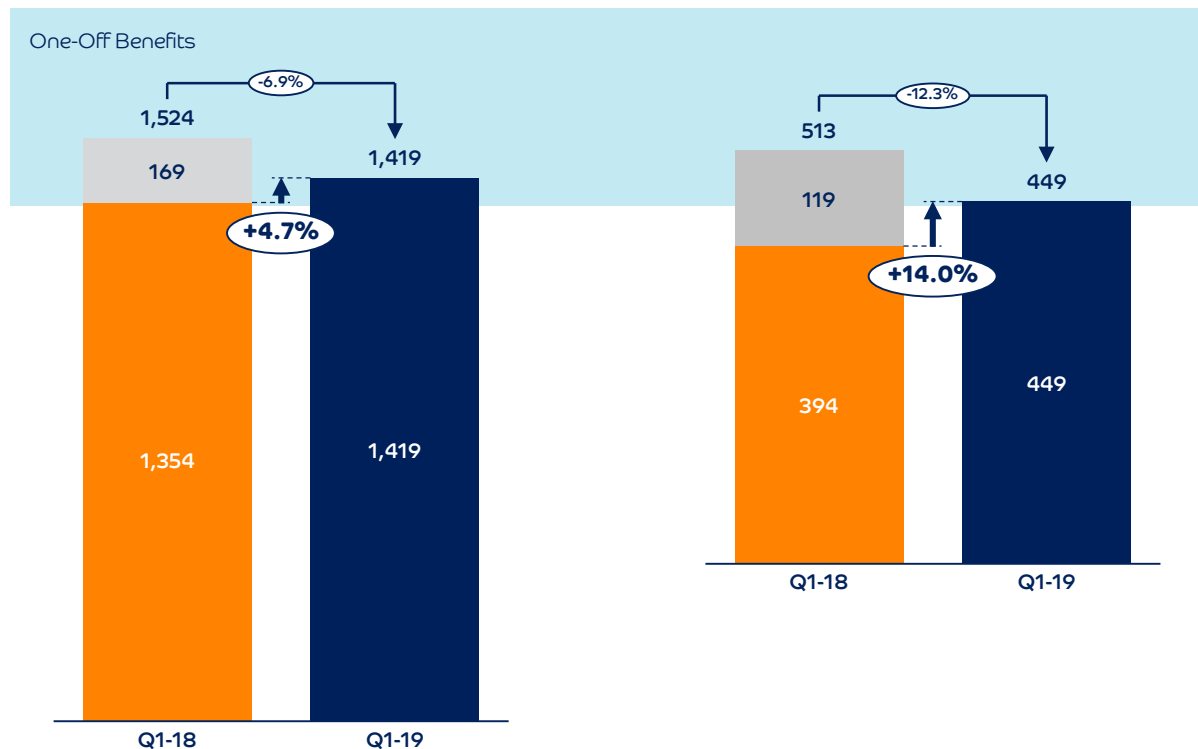
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Q1 2019 : Profitability

EBITDA (AED Mn.)

Net Profit after Royalty (AED Mn.)

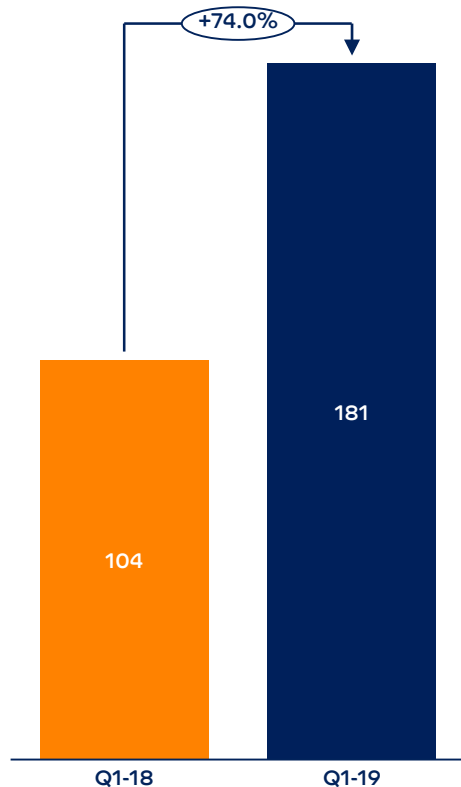
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- In Q1 2018 eitc received one-off benefit of 169m on regulatory charges.
- EBITDA and Net Profit increased 4.7% and 14.0% respectively excluding exceptional one off item reversal benefit last year, compared to the same period last year. Including the impact of the cost reversal, EBITDA and Net profit after royalty decline by 6.9% and 12.3% respectively.
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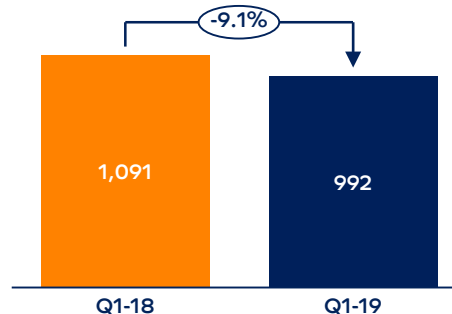
Q1 2019 : Capex and Free Cash Flow

Capital Expenditure (AED Mn.)

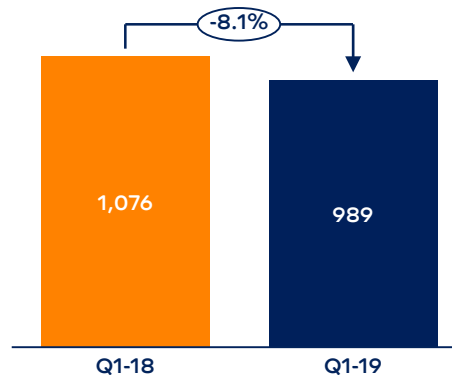


Free Cash Flow (AED Mn.)

FCF Before Royalty



FCF After Royalty



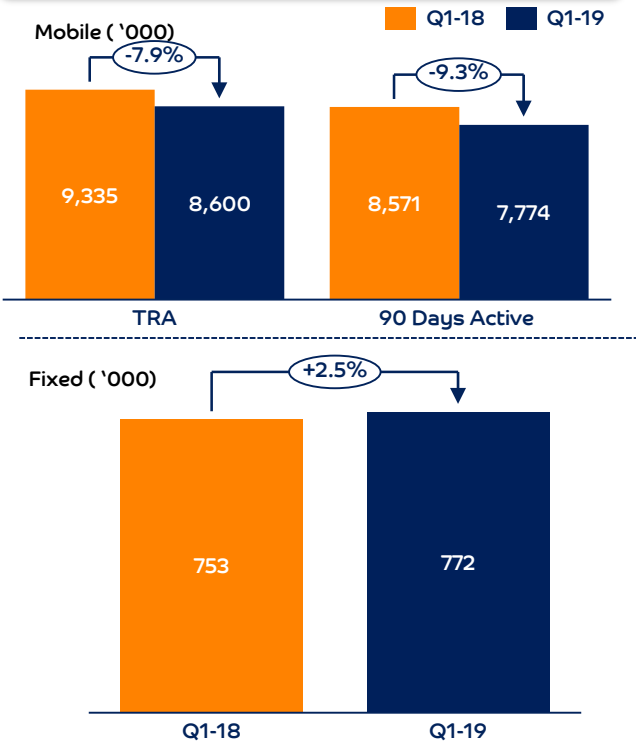
- Q1 2019 capital expenditure has increased due to acceleration of investment in upcoming technologies.
- Q1 2019 Free Cash flow decline 8.1% as compared to same period mainly due to increased capital expenditure.

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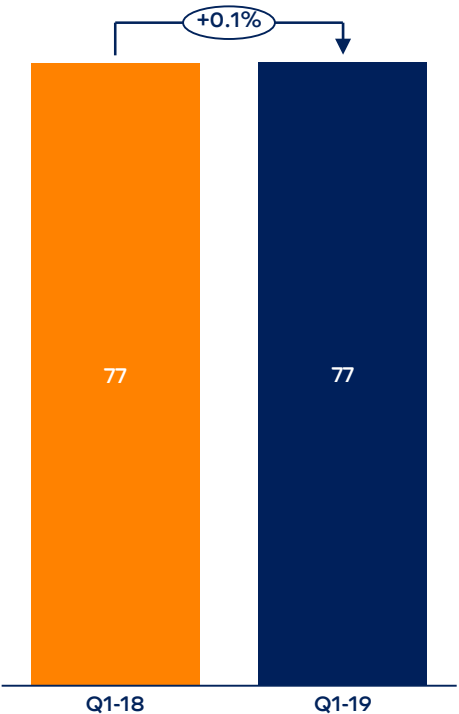
Q1 2019 : Subscribers and ARPU



Subscribers (In '000)



Mobile ARPU (In AED)



- Mobile subscriber base declined by 9.3% in Q1 2019 compared to the same period last year as we continued our focus on value rather than volume.
- Fixed line subscriber growth was driven by the consumer segment.

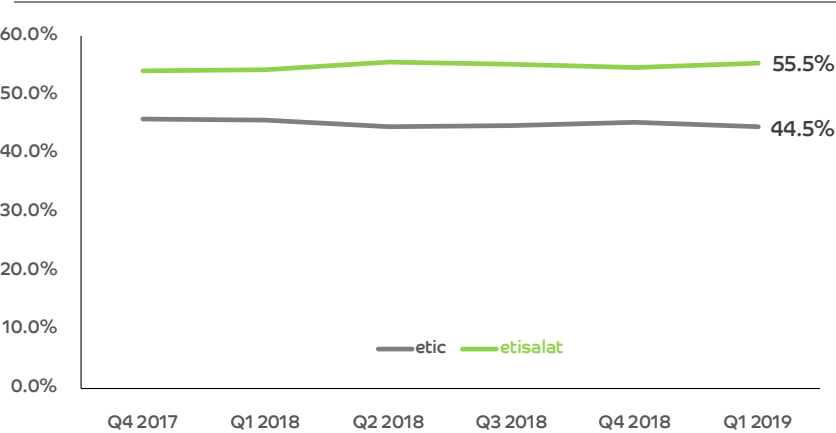
Notes: Mobile subscriber numbers disclosed for the period are in line with the definition set by the UAE Telecommunications Regulatory Authority (TRA). As per the TRA definition, an active subscriber is a subscriber that had any transaction, including a non-billable transaction, in the last 90 days.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

Market overview

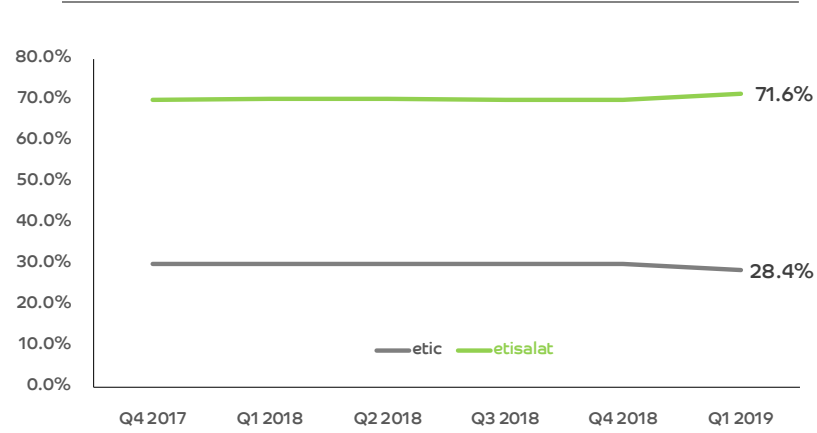
Market share consolidation – sustain competitiveness in the market



UAE Mobile Subscribers - Market share quarterly evolution



UAE Telecom Market – Revenue share quarterly evolution



* etic revenue share for the last 12 months is 29.6%

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



Thank You

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