

Q4 2020 Results

Emirates Integrated Telecommunications Company PJSC

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Signs of macro environment recovery coming through but still several uncertainties

The recovery is underway as economy reopens :

- Start of Covid-19 Vaccination
- Showcase of major events such as GITEX, Dubai Shopping Festival, World's Coolest Winter and IPL
- Increased tourist inflow and opening of major tourist attractions
- Increased mobility

... However, there is still a high level of uncertainty and volatility driven by:

- The increase of number of infection
- The impact of the second wave of coronavirus, new strain emerging, causing lockdown and flight restraints to/from certain countries
- The decline in population as a result of several lay-offs in impacted sectors
- The long term impact resulting from the adoption of VoIP/Video applications

Operational highlights and transformation plans

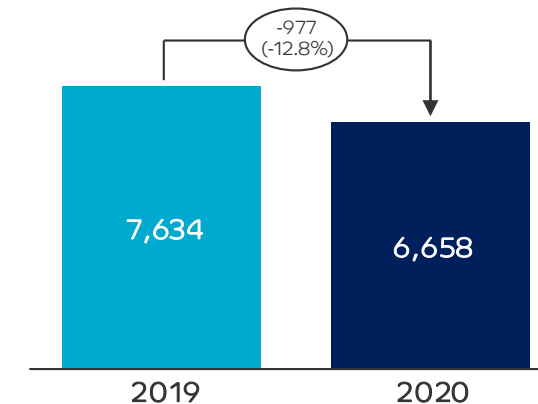
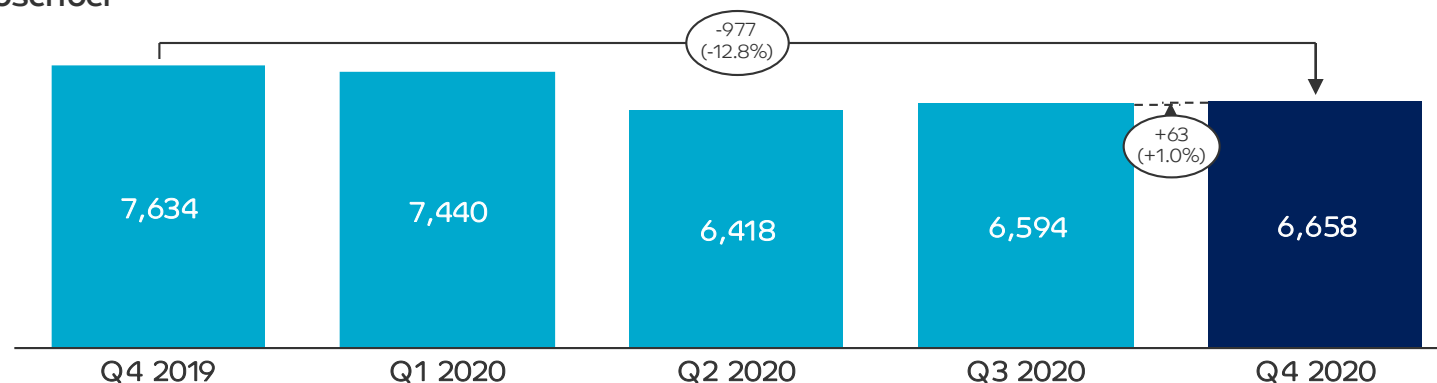
- **Operational highlights:**
 - Further quarter-over-quarter growth in Subscriber base and Revenues
 - Continuation of the ambitious 5G deployment
 - New operating model launched for better customer service, focus on innovation and the build-up of a full digital powerhouse
 - Launch of new iPhone 12 with 5G through du retails stores and online channels
 - Impairment of accounting Goodwill on broadcasting business acquired in 2005 due to COVID-19 impact and maturity of the business, resulting in a negative impact of AED 137 million on the Net Income.
- **Transformation plans undergoing steady progress:**
 - Continuation in the implementation of the IT transformation strategy
 - FUJI project in steady progress

The strong cash flow and the balance sheet reassured the board in proceeding with dividend distribution of 28 fils per share for the year 2020

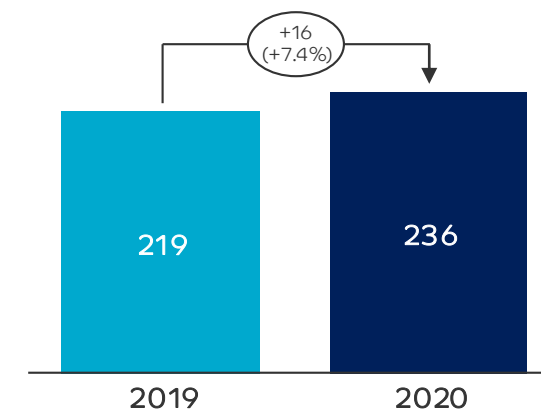
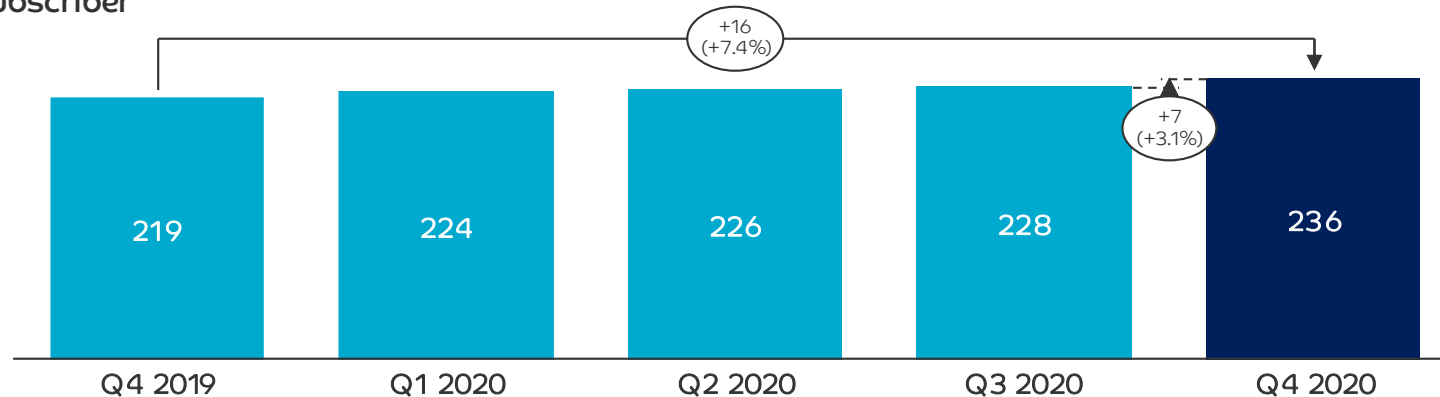
Sequential recovery of the mobile base and continuation of growth in the fixed base

In '000

Mobile Subscriber Base⁽¹⁾



Fixed Subscriber Base⁽²⁾

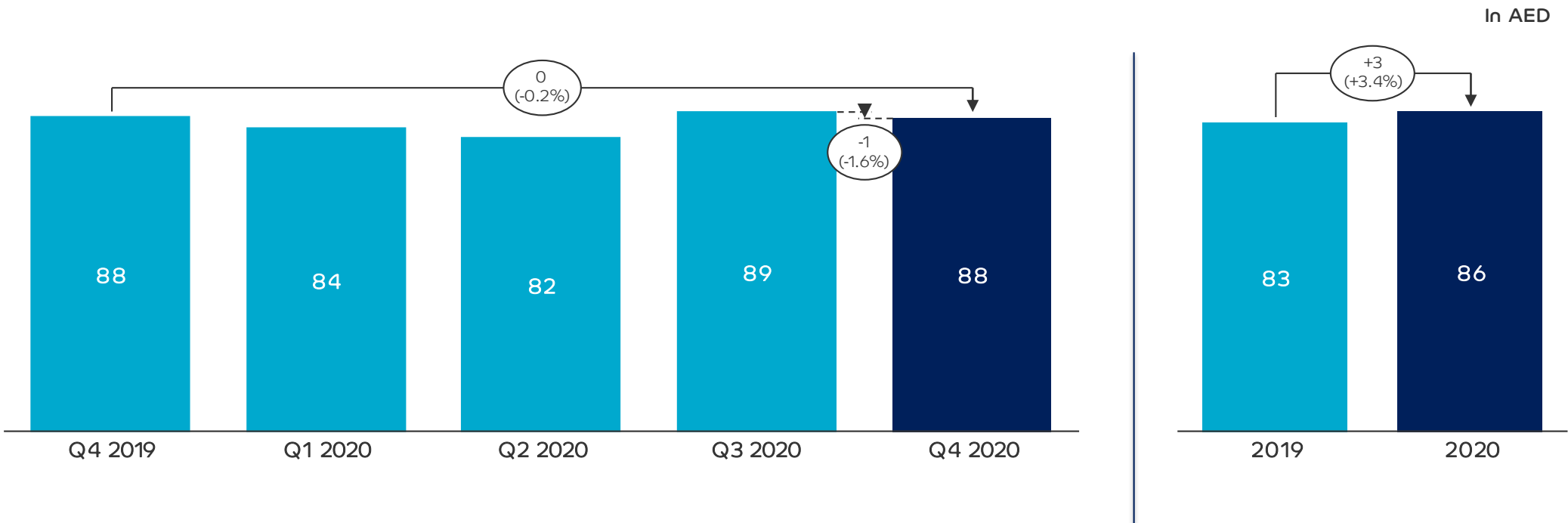


- QoQ growth in the mobile base reflecting further improvement in mobility and increased economic activity.
- The fixed base recorded an increase of 3.1% QoQ and a solid 7.4% growth YoY reflecting the continuation of the focus on the fixed business. Uncertainty remains as a result of the future evolution of the demographics in UAE.

(1) Mobile subscriber base as per TRA definition: A subscriber is accounted in the base is a subscriber that has made any transaction, including a non billable transaction, in the last 90 days

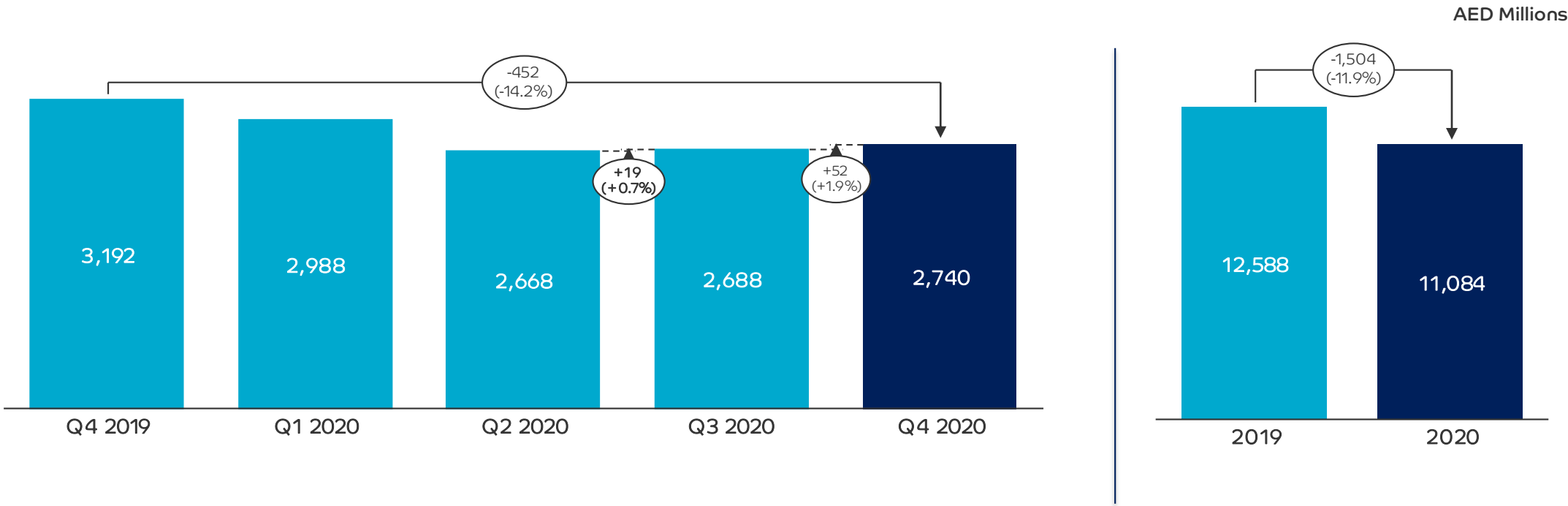
(2) Fixed Subscriber base are unique subscribers having active subscription plan (having access to service) for consumer segment.

ARPU reflecting Subscriber and Revenue mix impact



- Yearly improvement in ARPU is driven by the change in the mix of Prepaid & Postpaid subscribers despite decline in revenues.

Sequential growth of the quarterly revenues driven mainly by the growth of device and fixed revenues

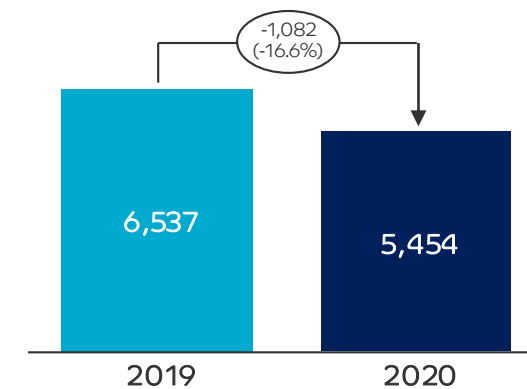
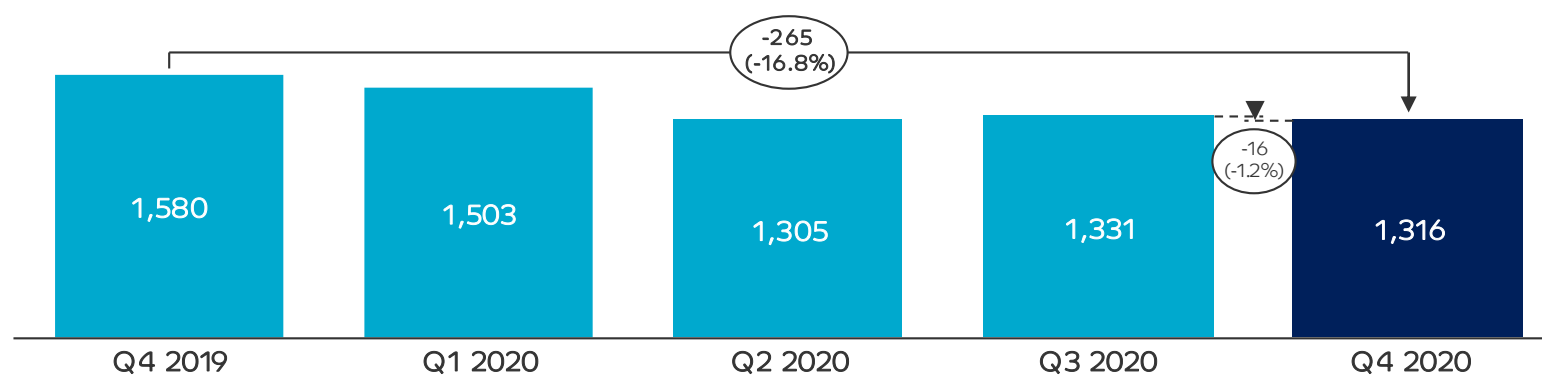


- Gradual improvement of quarterly revenues since Q2 but yearly revenues were subject to 11.9% erosion as a result of COVID-19.
- While yearly mobile revenues were strongly impacted by COVID-19 (limitation of travel, low mobility and reduction of the population), fixed revenues showed strong resilience and continued to grow both on a quarterly basis and year on year.

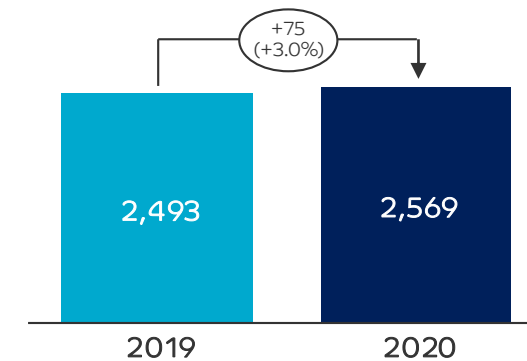
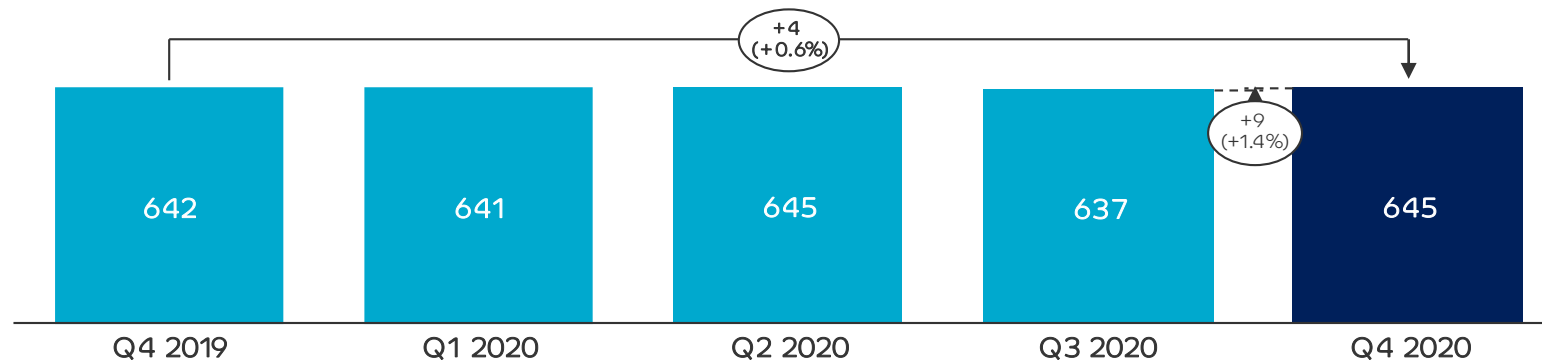
Recovery and stabilization in revenue segments

AED Millions

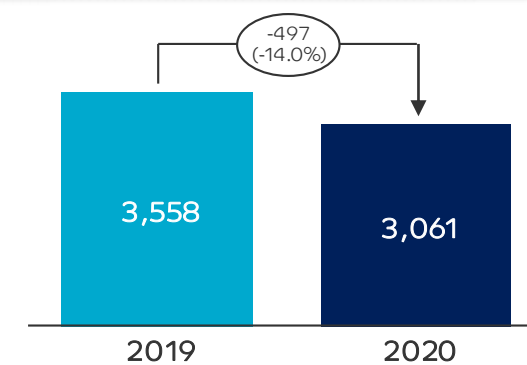
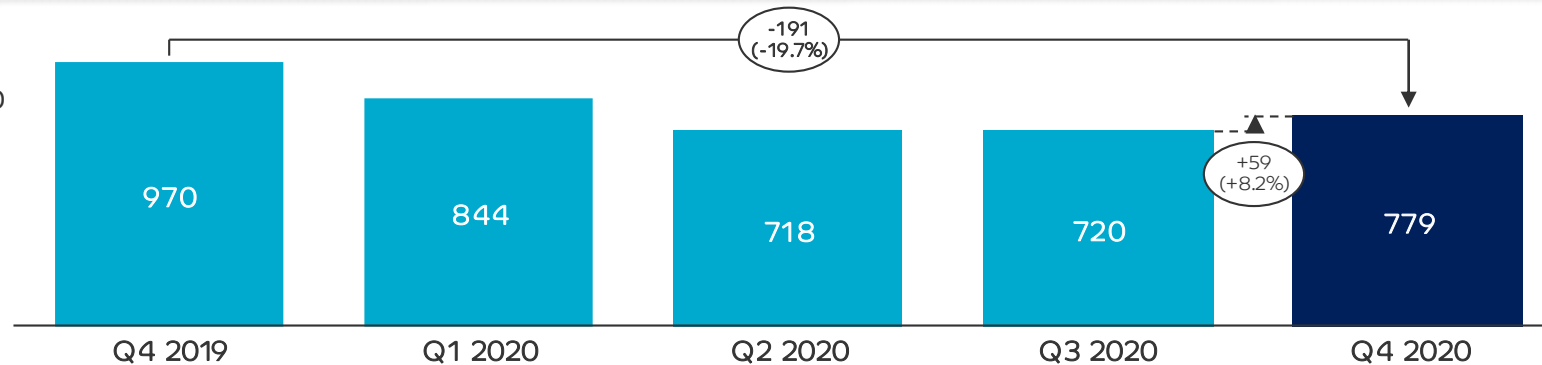
Mobile Revenues



Fixed Revenues

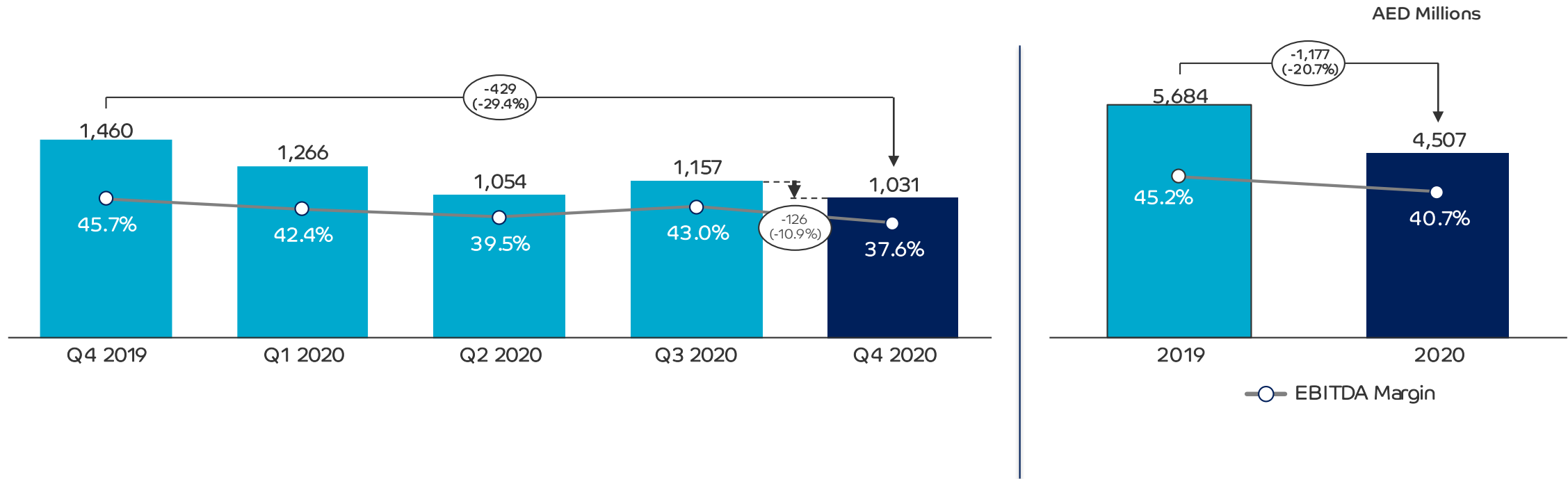


Other Revenues⁽¹⁾



(1) Other revenues include mainly Interconnect, international voice transit, handset and visitor roaming revenues

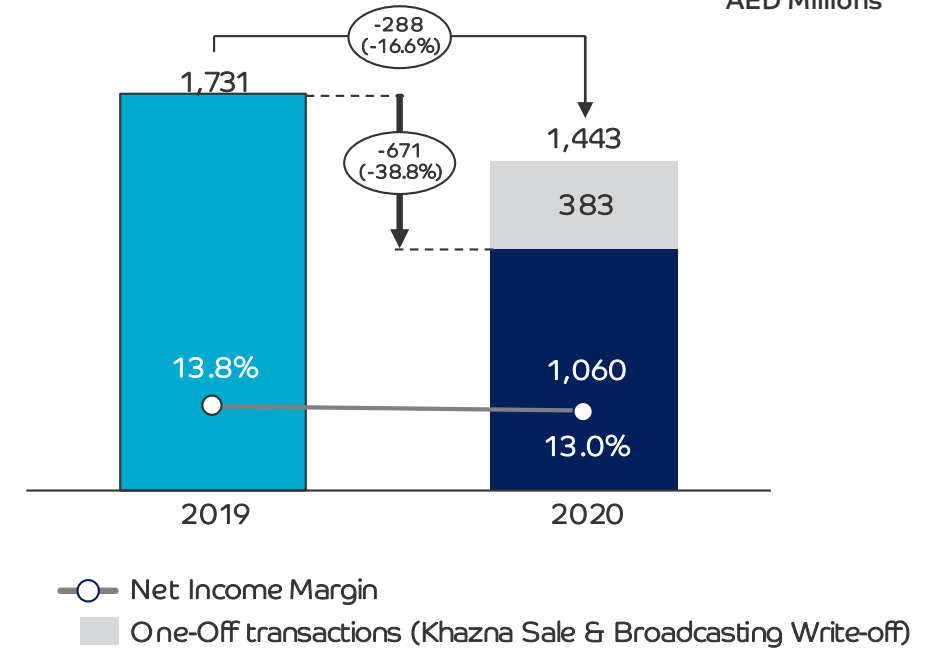
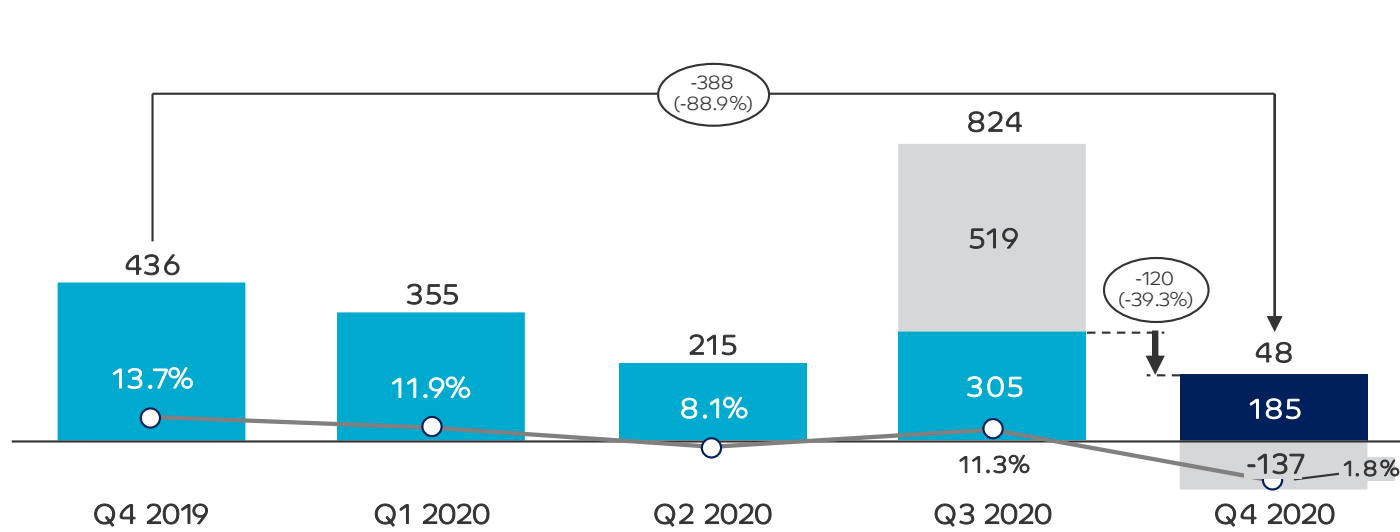
Containment of EBITDA erosion for the full year



- Decline in quarterly EBITDA is due to a change in the revenue mix, an increase in expenses related to network maintenance, driven by network expansion.
- YoY EBITDA decline attributable to the decline in revenues due to the negative impact of COVID-19.

Note: EBITDA is earnings before interest, tax, depreciation, amortization and goodwill write-off

Solid Yearly Net income

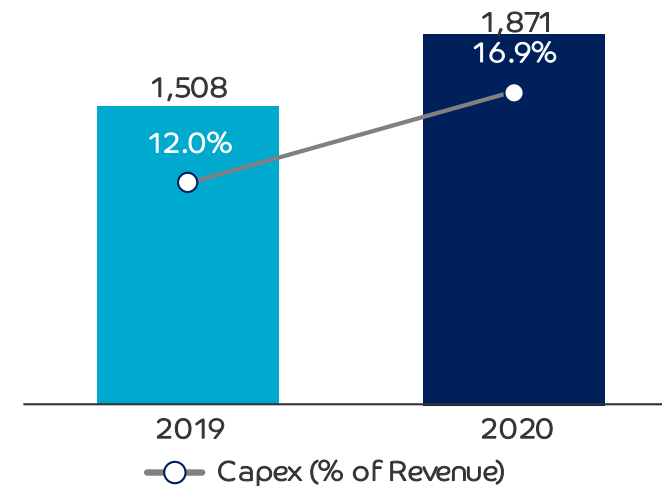
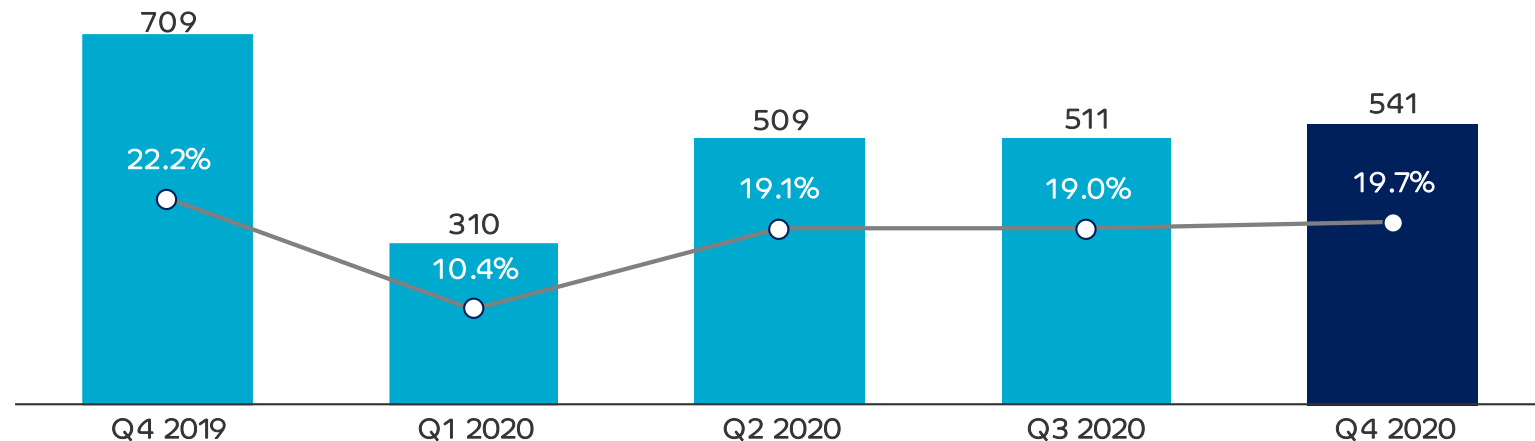


- Q4 Net income was negatively impacted by AED 137 million related to the write-off in broadcasting business goodwill.
- Full year Net income remains solid at AED 1.46 billion supported by the sale of eitc stake in Khazna during Q3 2020.

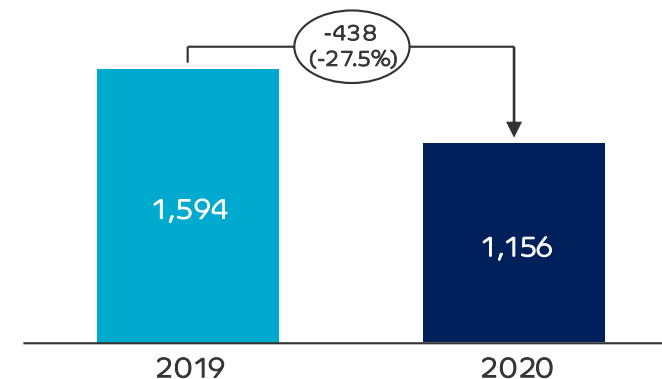
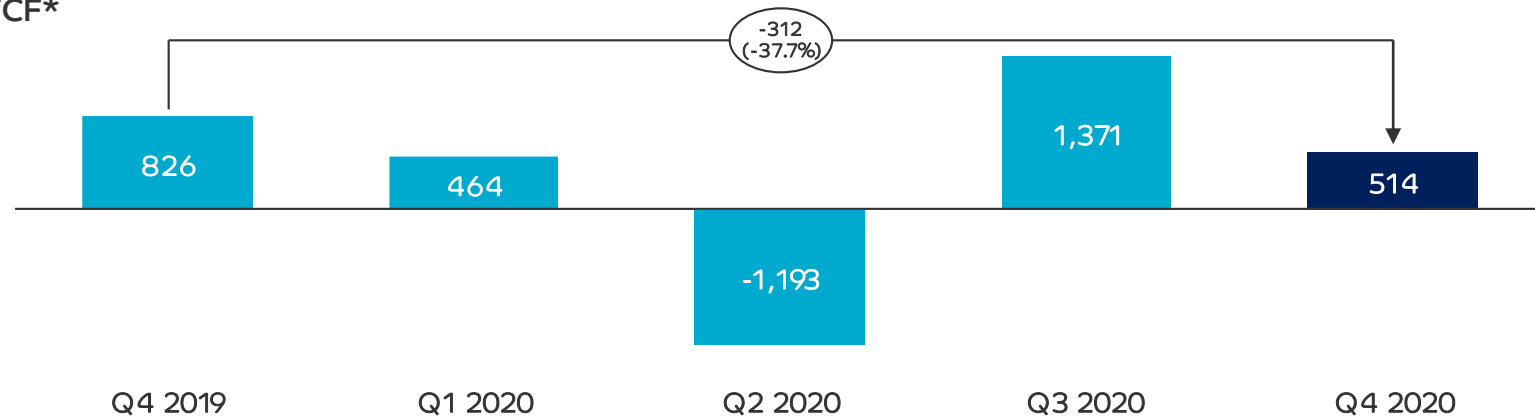
Continuation of the ambitious deployment plans and healthy cash flow

AED Millions

Capex



FCF*



- Strong capital intensity at 16.9% for the year reflects the consistent execution of ambitious deployment plans.
- Despite COVID-19 impact on the business, free cash flow stood at AED 1.16 billion.

* FCF: Free cash flow is post royalty payment

Looking forward: Continued focus on infrastructure deployment and operational efficiencies

- Deploying its 5G infrastructure
- Stabilization of new operating model
- Adjusting in an agile way to the evolution of the situation
- Continued network monetization drive
- Focus on operational efficiencies for increased profitability
- Exploring possibilities in new ICT and other non-core products and services

Thank you.

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Appendices

Key Performance Indicators

AED Millions	Fourth Quarter Analysis			2020 Analysis		
	Q4 2019	Q4 2020	% Change	2019	2020	% Change
Revenues	3,192	2,740	(14.2%)	12,588	11,084	(11.9%)
Fixed revenues	642	645	0.6%	2,493	2,569	3.0%
Mobile revenues	1,580	1,316	(16.8%)	6,537	5,454	(16.6%)
Other revenues	970	779	(19.7%)	3,558	3,061	(14.0%)
EBITDA ⁽¹⁾	1,460	1,031	(29.4%)	5,684	4,507	(20.7%)
Net Income	436	48	(88.9%)	1,731	1,443	(16.6%)
Capex	709	541	(23.7%)	1,508	1,871	24.1%
Free Cash Flow ⁽²⁾	826	514	(37.7%)	1,594	1,156	(27.5%)
Mobile subscriber base ⁽³⁾ (thousands)	7,634	6,658	(12.8%)	7,634	6,658	(12.8%)
Fixed subscriber base ⁽⁴⁾ (thousands)	219	236	7.4%	219	236	7.4%

(1) Earnings before interest, tax, depreciation, amortization and goodwill write-off

(2) Free Cash Flow represents the amount of cash generated from operational activities minus cash generated from investment activities and royalty payments

(3) Mobile subscriber base refers to the active base as per the TRA definition: an active subscriber is a subscriber that has made any transaction, including a non-billable transaction, in last 90 days.

(4) Fixed subscriber base refers to subscribers having an active subscription plan (having access to service) for consumer segment.