

Q1 2021 Results

Emirates Integrated Telecommunications Company PJSC



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Signs of macro environment recovery coming through but still several uncertainties

The economy is pursuing its recovery trajectory

- The UAE has administered over 10m vaccine doses
- Meetings, Incentives, Conferencing, Exhibitions events are returning to Dubai
- Increased mobility

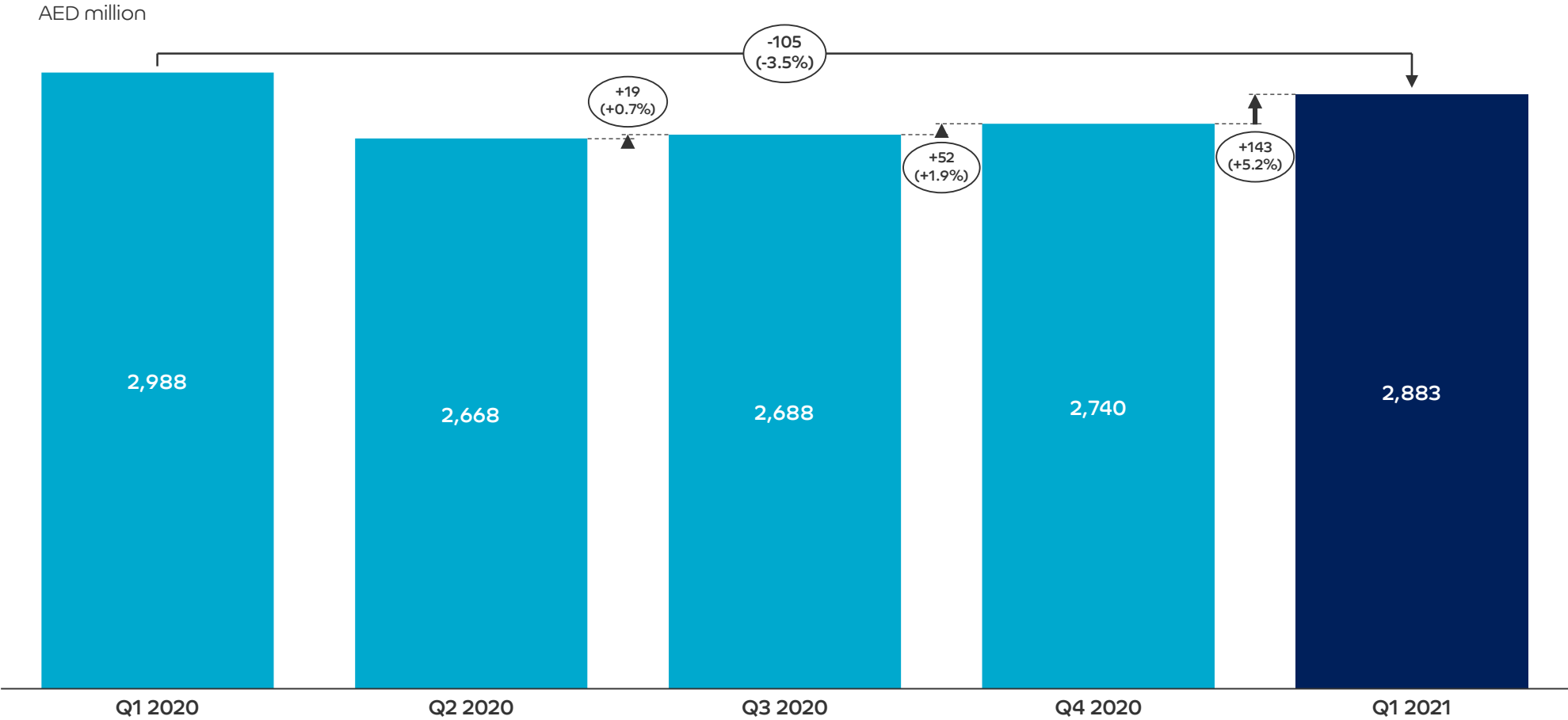
... However, there is still a high level of uncertainty and volatility driven by:

- Infection rates have yet to drop noticeably
- The impact of new waves of coronavirus and new strains causing lockdown and flight restrictions to/from certain countries
- Population stabilizing (instead of growing) given that the industries most impacted by the pandemic have yet to re-hire
- The long term impact resulting from the adoption of VoIP/Video applications

Operational highlights and transformation plans

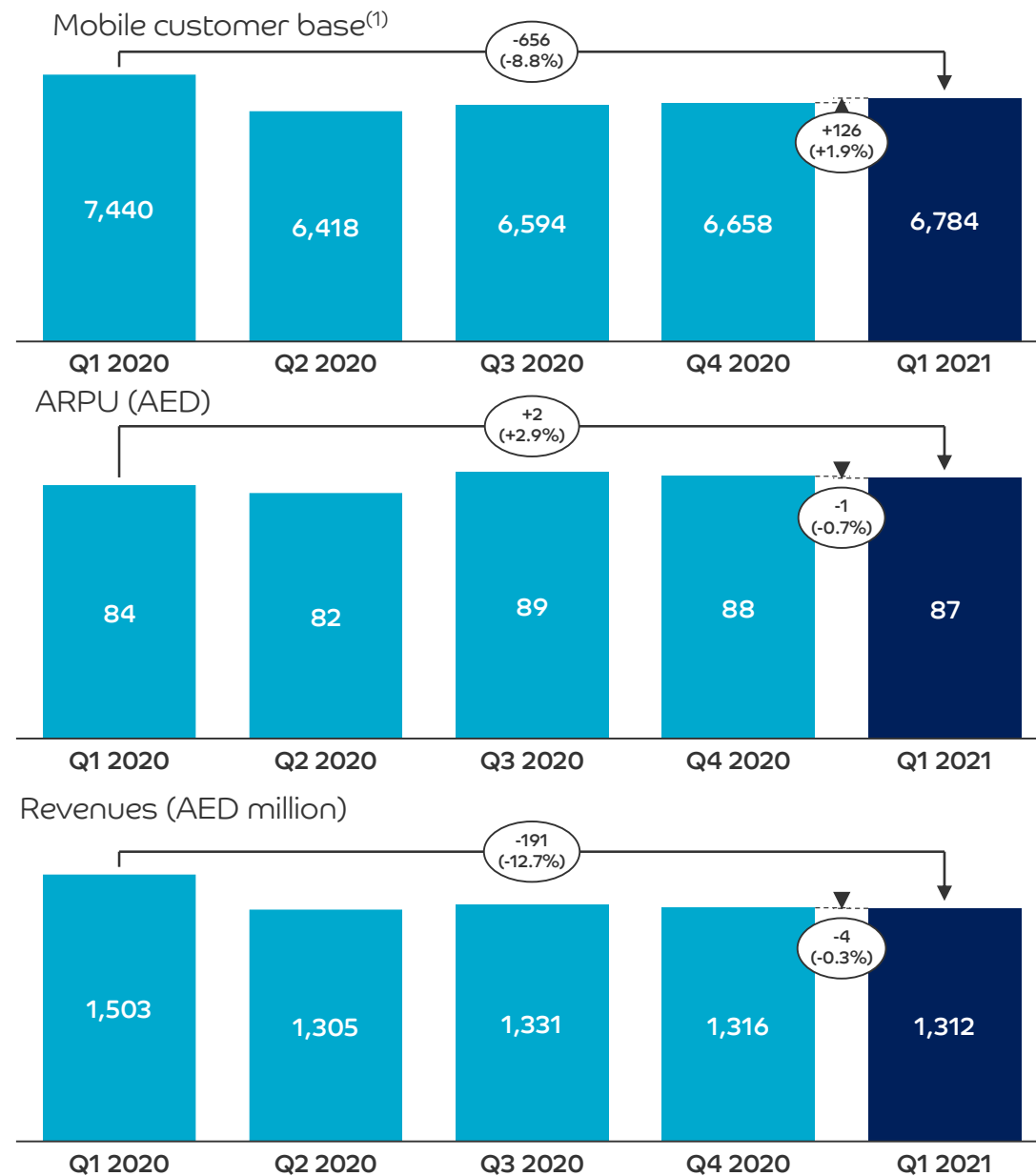
- Operational highlights
 - Acceleration of broadband net-adds
 - Continuation of our ambitious 5G deployment
 - iPhone 12 are selling-through our retail and online channels
- Transformation plans undergoing steady progress
 - New operating model launched for better customer service, focus on innovation and the build-up of a full digital powerhouse
 - Multi-year contract with Netcracker to support Business Support System digitalization

Revenues: sequential growth of driven mainly by fixed and wholesale revenues



Mobile: commercial performance improving and revenues stabilised

- Customer base
 - YoY decline is due to a base effect. Covid-19 had little impact in Q1'20
 - QoQ growth shows further improvements in mobility and improved economic activity
- Commercial efforts are starting to be reflected in ARPU
 - Our unlimited Power Plans are getting more traction
 - Simplified prepaid offer
- Revenues are on a sustainable run-rate

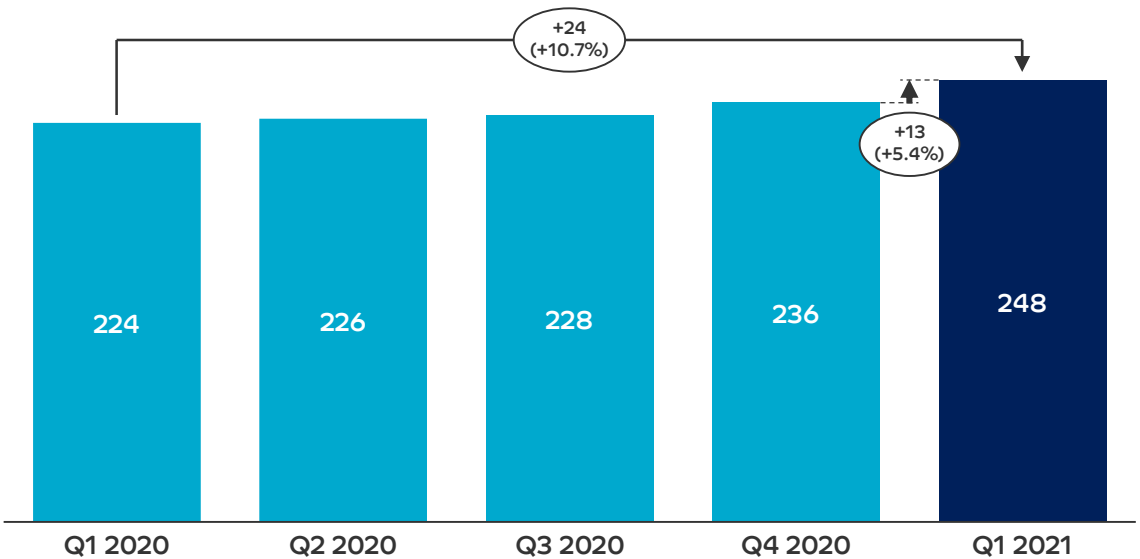


(1) Mobile subscriber base as per TRA definition: A subscriber is accounted in the base is a subscriber that has made any transaction, including a non billable transaction, in the last 90 days

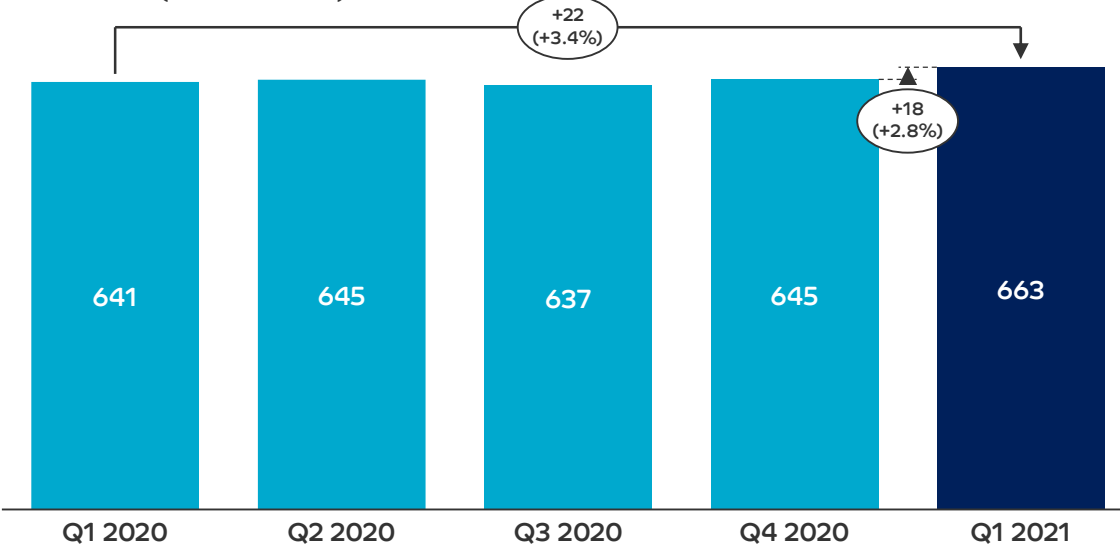
Fixed: resilient and consistent performance

- Net-adds (+13k) represents a new quarterly record
- Revenues continues to grow and reached an all-time high

Fixed customer base⁽¹⁾



Revenues (AED million)



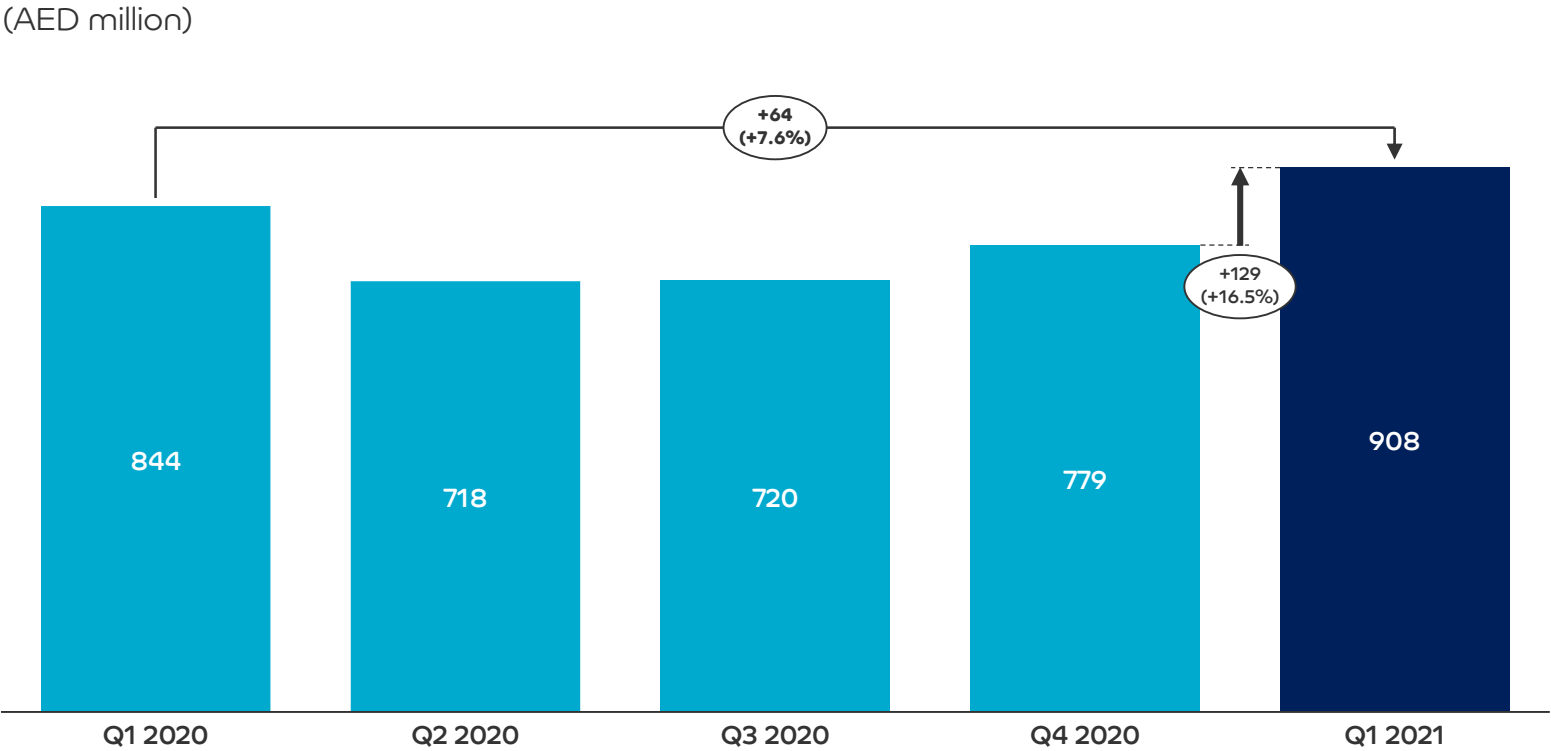
(1) Fixed customer base are unique subscribers having active subscription plan (having access to service) on the consumer segment.

Other revenues ⁽¹⁾: growth driven by improving macro

AED Millions



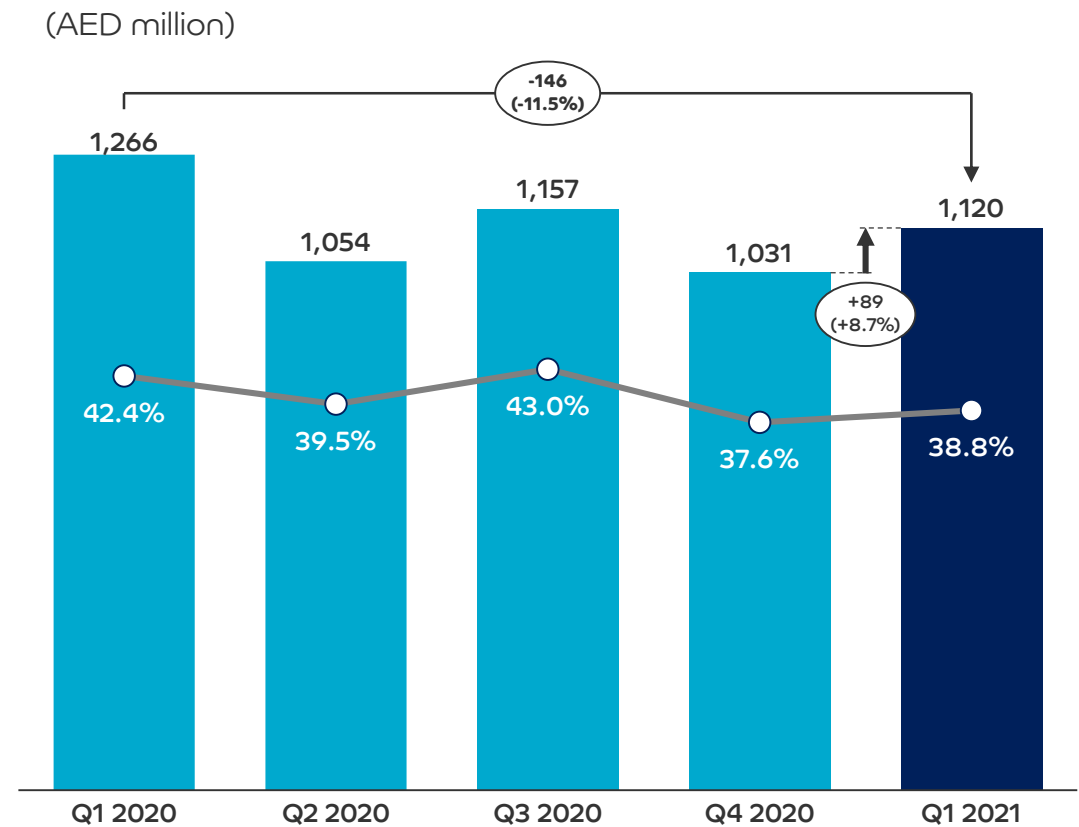
- Wholesale revenue visibility improving
 - Interconnect revenue stream is returning
 - Visitor roaming is increasing
- Strong demand for the iPhone 12 fuel handset sales



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

EBITDA: at an inflection point

- Product costs: increase due to higher handset sales
- Marketing costs: adjusting the way we spend
- Network operations and maintenance costs: structural increase related to our capital deployment plan
- Outsourcing & contracting: one-off impact from a volume-based rebate
- Provision for impairment on receivables: normalization of provisions in Q1 2021

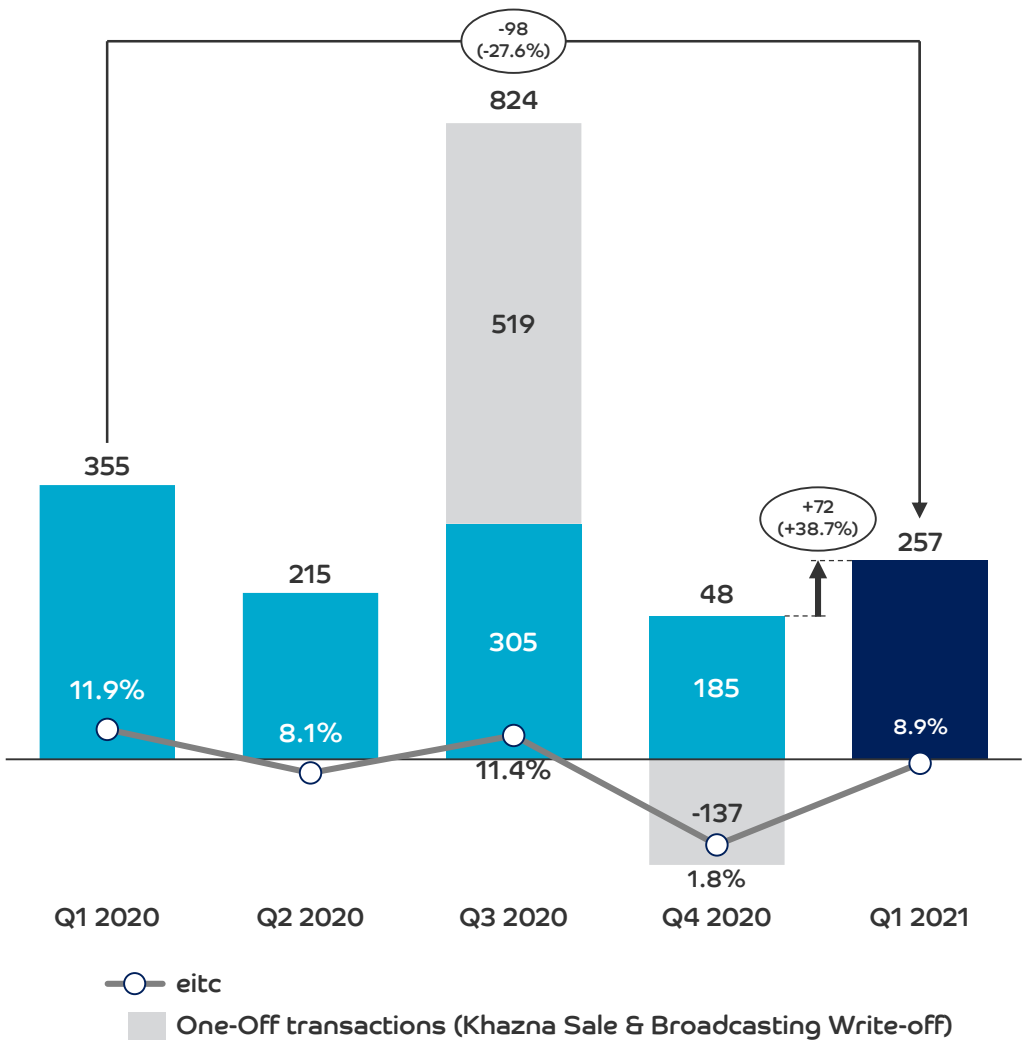


Net profit

AED Millions

- Lower EBITDA
- Depreciation and amortization charges increase due to higher capex
- Net finance costs: lower interest income on lower liquidity

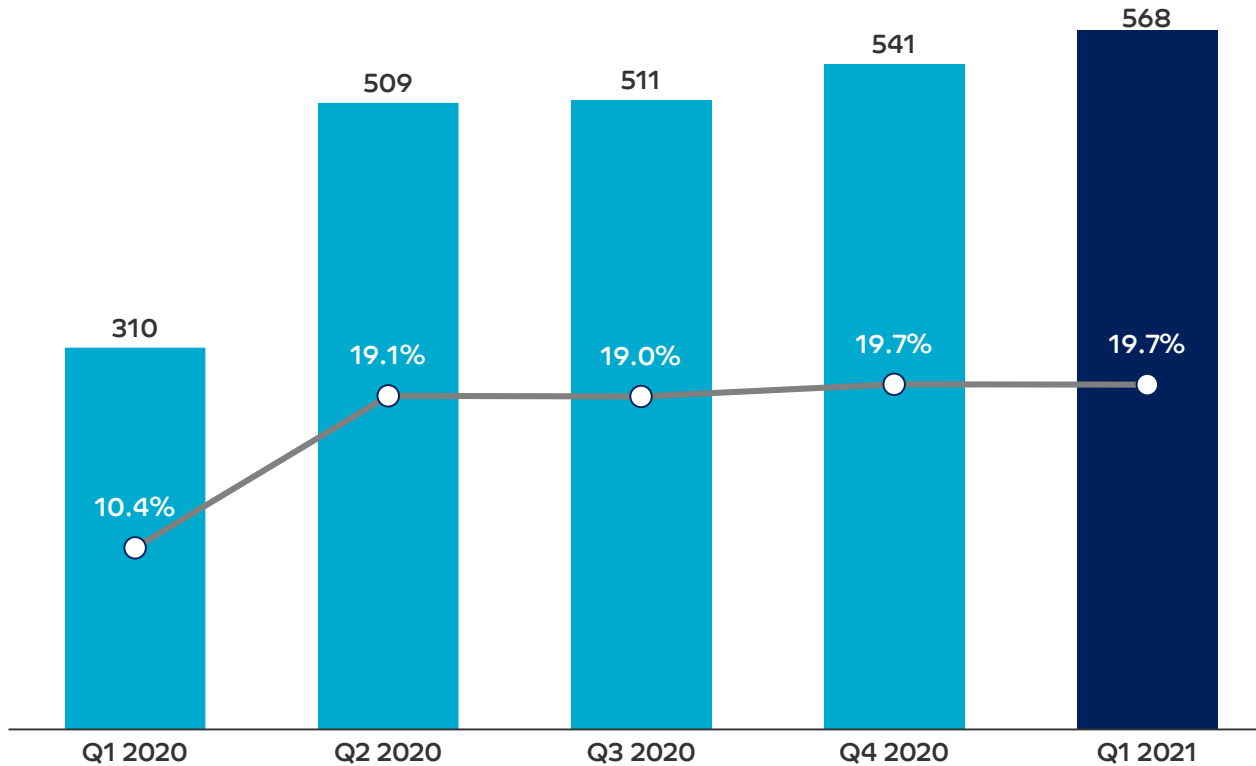
(AED million)



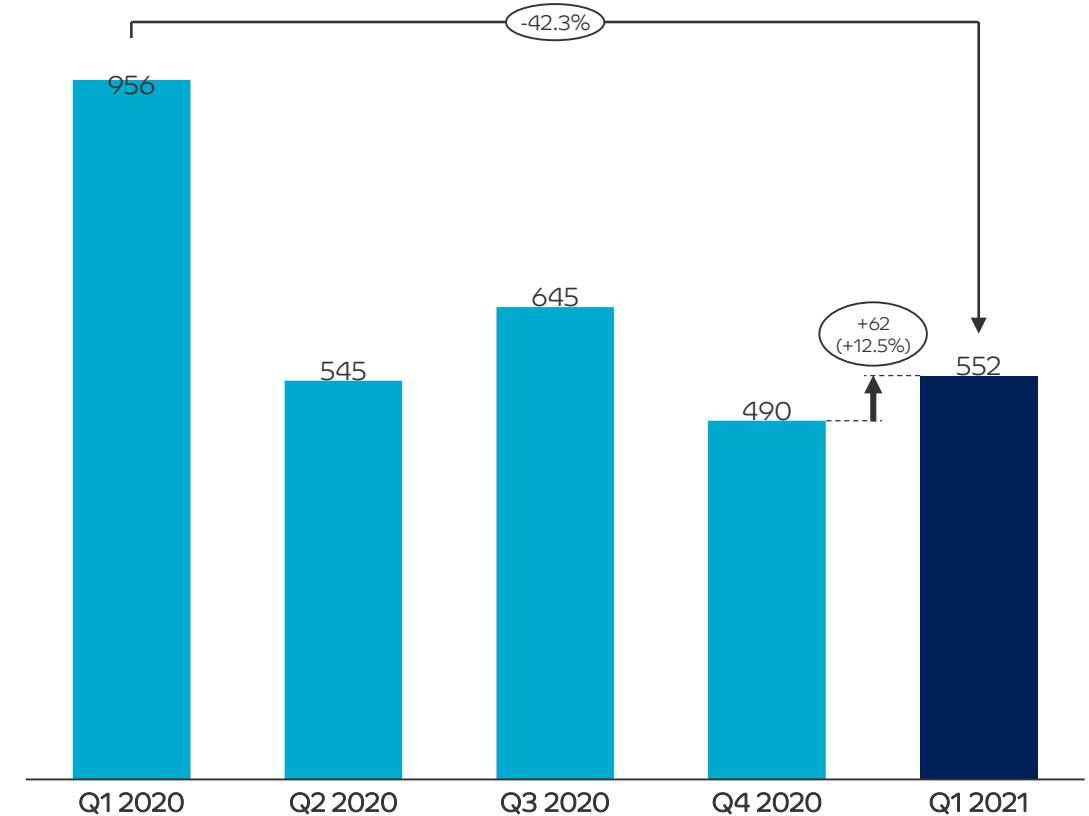
We remain cash generative despite ambitious capital deployment plans

- Capital spend on coverage, capacity and new technology
- Despite COVID-19 restrictions, we generated AED 552 million in Operating free cash flow (EBITDA – Capex)

Capex (AED million)



Operating free cash flow (AED million)



- Global vaccination campaign may help ease local and international mobility restrictions
- New way of working highlights small and large businesses' ICT requirements
- Monetising our infrastructure investments
- Focus on operational efficiencies to improve profitability