



Etihad Etisalat Investor Relations

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July 28, 2022

# Earnings Presentation

## Q2 2022

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# Saudi Regulatory and Telecom Environment

## Macro indicators

Annual Inflation  
**+ 2.3%** in June 2022<sup>1</sup>  
3M and 6M SAIBOR  
increased to **2.9%** and  
**3.3%** respectively by  
the end of Q2 2022

## Penetration

Internet penetration  
**98.1%**  
Mobile IoT subscribers  
**10 Million** in 2021<sup>2</sup>

## Data Consumption

Mobile internet data  
consumption average  
for individuals reached  
to **33 GB** during  
December 2021<sup>2</sup>

## Next Generation Wi-Fi

CITC has announced the  
launch of **Wifi-6e** as  
part of a raft of  
measures aimed at  
boosting connectivity<sup>2</sup>

## Fastest response

CITC grants '**Fastest  
response time for  
mobile internet and 5G  
networks in KSA**' to  
Mobily<sup>2</sup>

## New internet exchange

Mobily launched **Equinix  
Internet Exchange** in  
partnership with  
Equinix to enhance the  
quality and speed of  
the internet

## Hajj season

Mobily's 5G coverage  
areas increased by  
**125%**; **225%** in 5G data  
traffic, **130%** in voice  
calls through 4G and  
**75%** in Int. calls vs. 2019

## ESG

Mobily MSCI ESG index  
rating upgraded to **BBB**  
in the rating round of  
May 2022, the highest  
rating among Telecom  
operators<sup>3</sup>



# Performance Highlights



## “Empower the Digital Economy to Unlock Possibilities”

### Strong achievement in our financial KPI's:

- The highest quarterly revenues in the past 7 years
- The highest net income level in the past 7 years
- Efficiency measures taken and reflected in the strong EBITDA level
- 47.5% YoY and 12.7% QoQ growth in Net Income
- Ongoing deleveraging strategy

The improvement in the company's efficiency in managing its operations is showing in the increase of our net profit by 44.5% in the first six months of 2022

### Resilient revenue streams drive the growth of the first half of 2022:

- Growth in wholesale, business and consumer units' revenues
- Growth in FTTH active base
- Continued growth of overall subscribers base



# Strategy and Strategic Pillars



**GROW**

core revenues



**ACCELERATE**

digital revenue streams



**IMPLEMENT**

and optimize efficient delivery



**NURTURE**

a positive experience for all

## 2022 Goals

Our GAIN strategy is focused on achieving the ambition of an integrated telecommunications company along with accelerating the preparation to be a digital telecommunications accompany by:

- Building new revenue streams across digital, information and communications technology (ICT)
- Enhancing partnership-ready agile operating model
- Differentiating through innovative products and services
- Optimizing cost per transaction

### Market

Gain confidence of the market

### Regulator

Gain respect of CITC

### Shareholders

Gain trust of the Shareholders

### Consumers

Gain loyalty of the consumers

### Businesses

Gain attention of the businesses

### Employees

Gain engagement of employees

### Business Partners

Gain interest of the business partners

### Society

Gain appreciation of the society

## PURPOSE

To be the Better Choice to Unlock Possibilities

## HOW

By Empowering the Digital Economy

## BY BEING

The Everyday Hero

## Gain Strategy 2020+

Focus on growth and transformation



Grow the core by focusing more on high value segment



Engage with customers in a digital way



Enter into new business areas (e.g. fintech)



Increase B2B share by focusing on prioritized verticals

### Advanced Analytics

Improve decision-making based on near real-time insights

### Platform Play and Agile IT

Enable a large ecosystem of partners across the value chain

### Integrated Gigabit Network

Provide seamless access with more focus on virtualization and network slicing

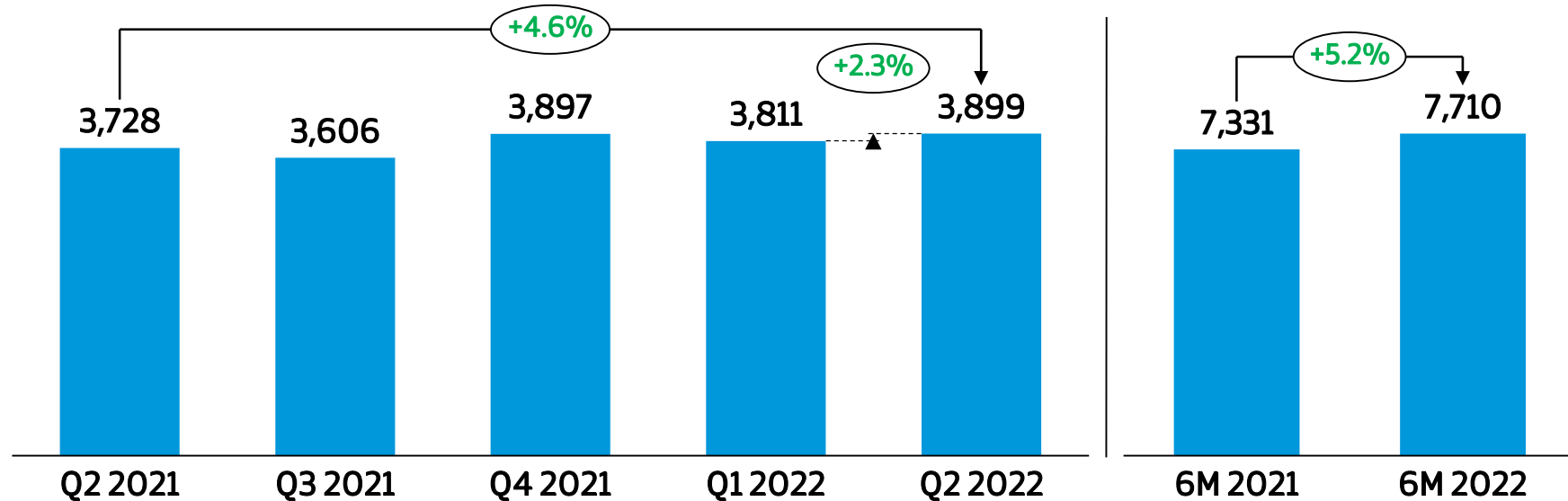
### Digital Operating Model

Asset monetization, governance, culture, capability development etc.



# Key Financial Highlights | Resilient Revenue Growth

Revenues  
(In SAR Million)



Succeeded in growing the quarterly Revenues to achieve the highest Revenues levels in the last 7 years

Revenues increased **4.6%** YoY and **2.3%** QoQ to **SAR 3,899** million:

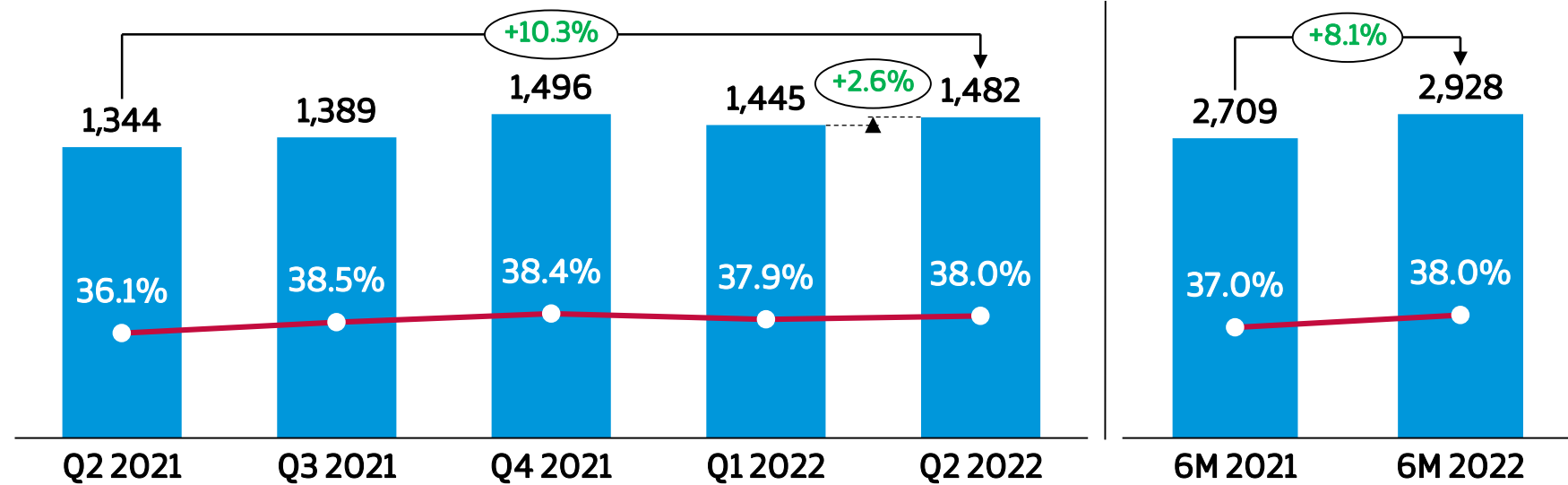
- Improvement in **Wholesale** unit revenues
- Strong **Business** segment growth, thanks to products innovation, digital solutions, and expansion in projects

Revenues in H1 2022 rose by **5.2%** to **SAR 7,710** million, driven by the growth of all revenue streams



# Key Financial Highlights | Steady EBITDA Performance

EBITDA and  
EBITDA Margin  
(In SAR Million)



EBITDA increased **10.3%** YoY to **SAR 1,482** million:

- The YoY improvement in EBITDA was supported by the resilient top-line performance
- EBITDA Margin reached a strong levels, as a result of ongoing operational efficiency measures

Mobily's EBITDA increased **2.6%** QoQ, as a result of the growth in revenues

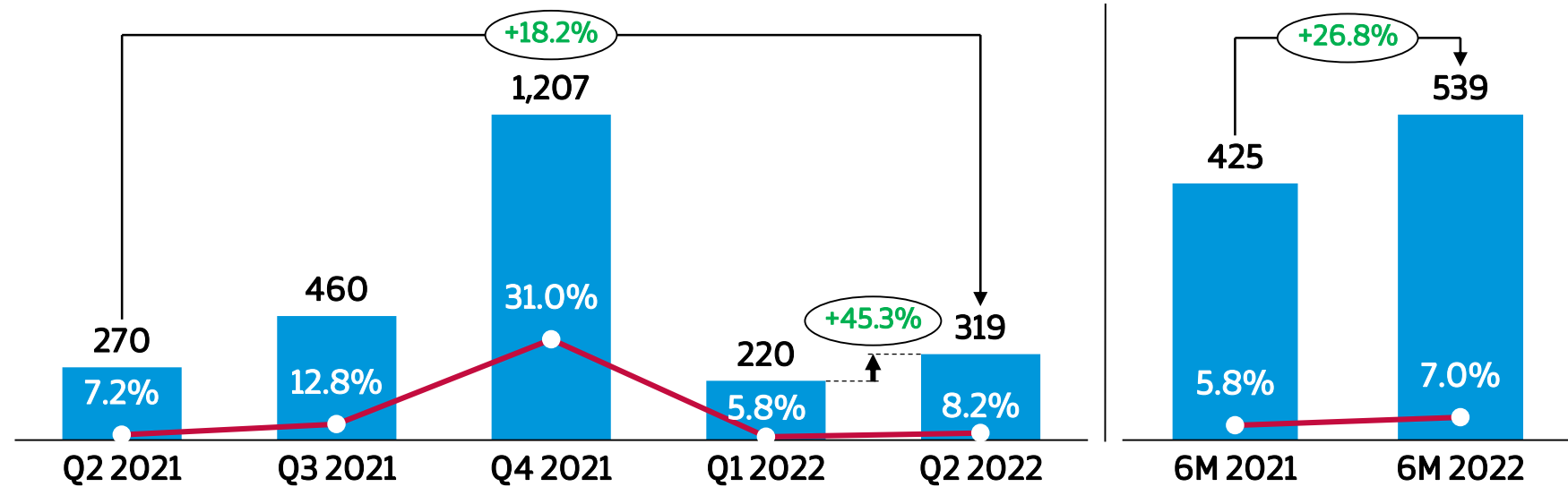
EBITDA in H1 2022 improved by **8.1%** compared to H1 2021, with an EBITDA margin of **38.0%**





# Key Financial Highlights | Capex Rationalization Continues

CAPEX and  
CAPEX-to-  
revenues %  
(In SAR Million)



CAPEX expanded **18.2%** YoY and **45.3%** QoQ to **SAR 319** million:

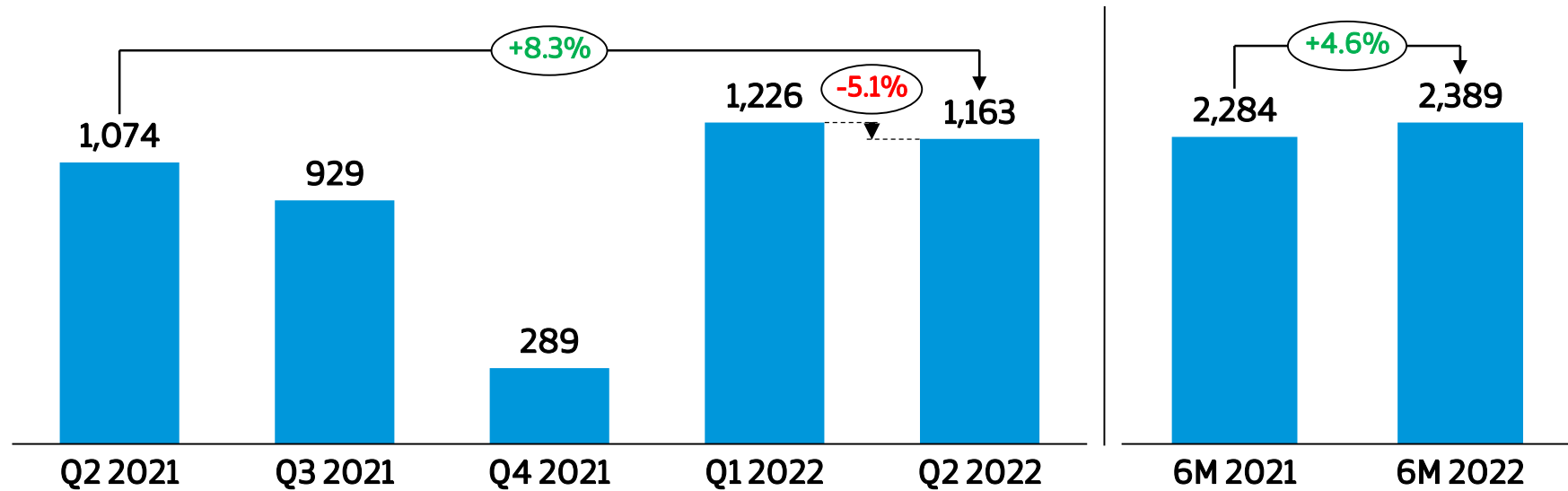
- The increase in CAPEX, compared to last year, was essentially toward the continued roll-out of 5G, and Internet-of-Things (IoT) infrastructure

CAPEX in H1 2022 increased by **26.8%** compared to H1 2021 to reach **SAR 539** million



# Key Financial Highlights | Healthy Cash Generation

Operational  
Cash Flow  
(EBITDA –  
CAPEX)  
(In SAR Million)



Operational Cash Flow increased **8.3%** YoY, primarily due to:

- Solid EBITDA growth, slightly offset by the increase in CAPEX

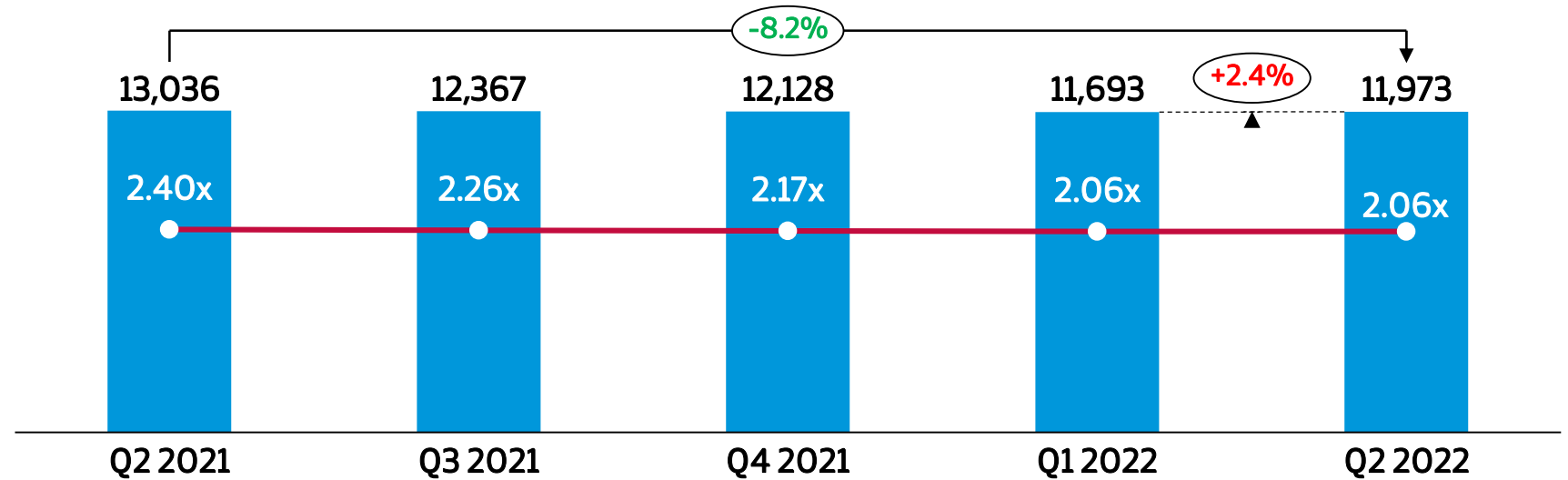
Operational Cash Flow decreased **5.1%** QoQ despite the improvement on EBITDA, the decrease was affected by the increase of CAPEX

H1 2022 Operational Cash Flow increased by **4.6%** compared to H1 2021 to reach **SAR 2,389** million



# Key Financial Highlights | Ongoing Deleveraging

## Net Debt and Net Debt/EBITDA (In SAR Million)



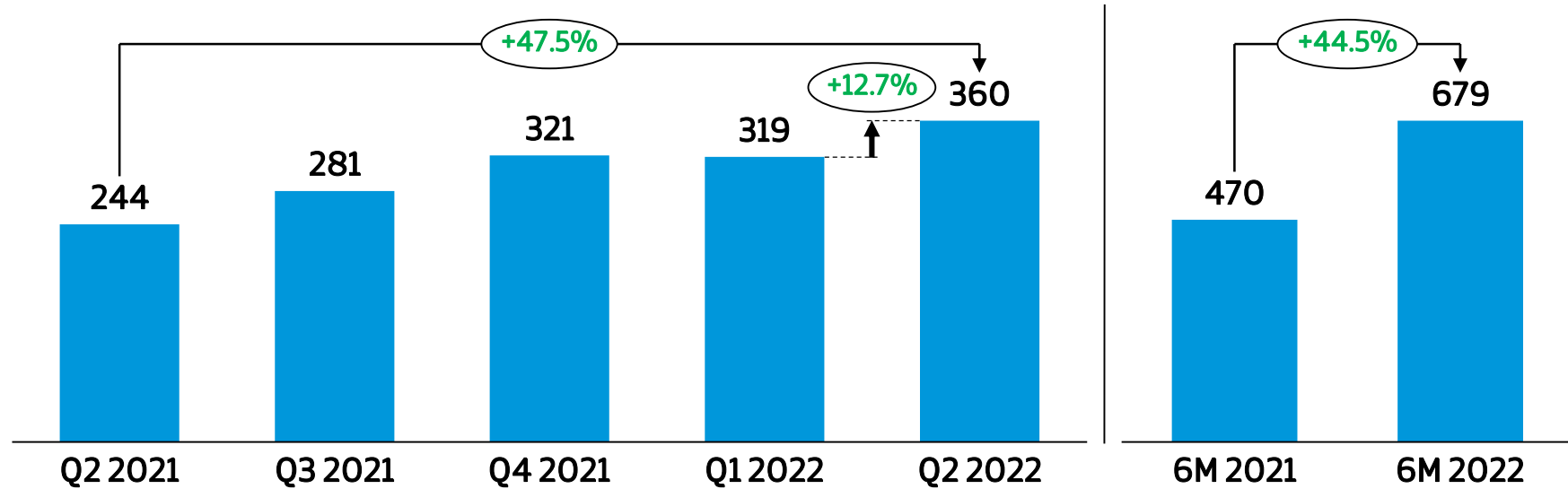
Net Debt and Net Debt/EBITDA improvement:

- Healthy Net Debt/EBITDA ratio at **2.06x** at the end of Q2 2022
- Mobily's ongoing deleveraging strategy
- During the last **12** months Mobily has reduced its debt balance by more than SAR 1 billion



# Key Financial Highlights | Sustained Profitability

Net Income  
(In SAR Million)



Succeeded in growing the quarterly Net Income to achieve the highest Net Income levels in the last 7 years

Net Income increased by **47.5%** YoY, on the back of:

- Resilient revenue growth of **4.6%** YoY, along with strong EBITDA growth (**+10.3%** YoY)
- Net Income was further supported by disciplined cost management
- Net Income increased **12.7%** QoQ due to the Company's efficiency in managing its operations

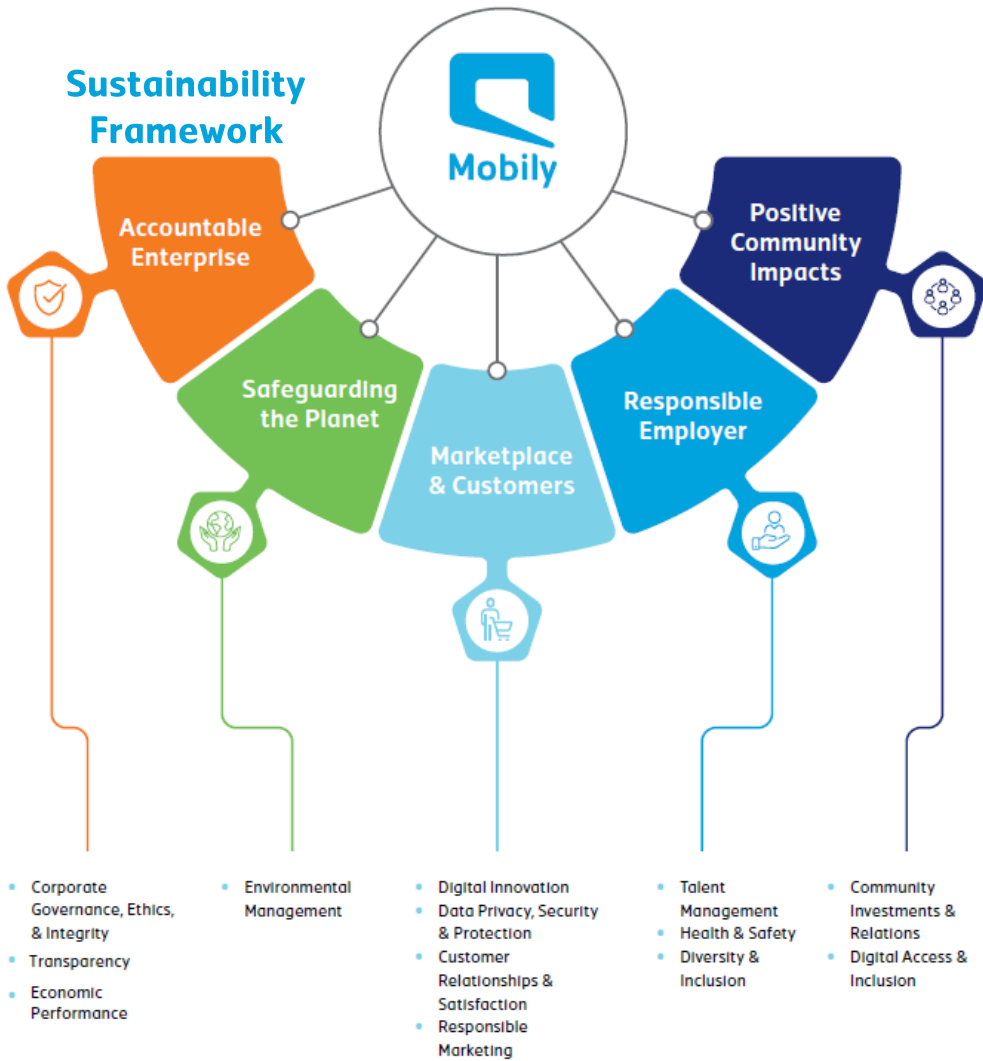
Mobily achieved **44.5%** increase in H1 2022 Net Income reaching **SAR 679** million compared to H1 2021



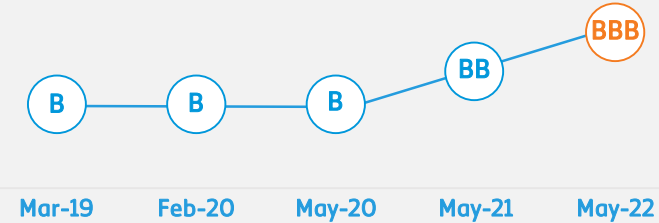
# Q&A



# Sustainability at Mobily



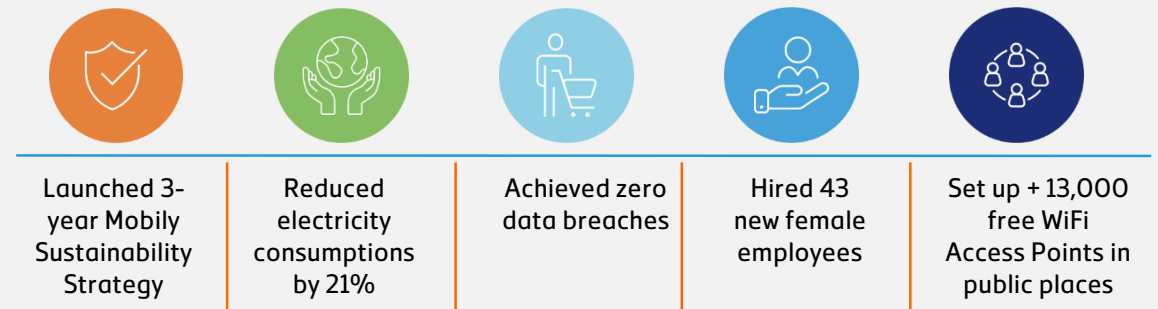
## Mobily MSCI ESG Index rating



## Our Contribution to the Sustainable Development Goals work



## ESG 2021 Performance at a Glance





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**Thank you**

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