



Etihad Etisalat Investor Relations

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October 25, 2022

# Earnings Presentation

## Q3 2022

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# Saudi Regulatory and Telecom Environment

## Macro Indicators

Annual Inflation  
+ **3.1%** in September 2022<sup>1</sup>  
3M and 6M SAIBOR  
increased to **4.1%** and  
**3.5%** respectively by the  
end of Q3 2022

## KSA Internet Speeds

Overall mobile internet  
average download  
speed increased by  
**27.2%** in Q2 2022, to  
**187 Mbps**, compared to  
Q2 2021<sup>2</sup>

## Next Generation Wi-Fi

CITC has performed the  
first global live demo of  
an end-to-end AFC  
system to enable **WiFi-6E**  
technology<sup>2</sup>

## Spectrum Trading Regulations

CITC published the  
**Spectrum Trading  
Regulations** as part of the  
efforts to implement its  
National Spectrum  
Strategy (2020-2025)<sup>2</sup>

## Fastest Response

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

## Customer Care Services

Mobily obtains  
**(ISO 10002) Certificate**  
for its application of  
international standard  
of customer service

## Mobily Pay

Mobily activated  
**Mobily Pay** services for  
all users

## ESG

Mobily launched its **first**  
tower to generate energy  
through eco-friendly  
sources using wind  
turbines and solar panels



# Mobily's 9M In Review

# 22

January 18

Partnered with The Diriyah E-prix in cooperation with Formula E. The partnership reflects Mobily's commitment to support and encourage sustainability

February 02

Won The Best Customer Experience Award 2021

February 02

Partnered with Cisco to build region's largest IoT Cloud Platform to boost Saudi Arabia's digitization

February 13

Obtained (ISO 9001:2015) certificate for Legal Services

February 13

Obtained (ISO 9001:2015) Certificate for Customer Journey and Satisfaction

March 16

Recognized as Fastest Growing Saudi Telecoms Brand

March 06

Won two Ookla Speedtest Awards at Mobile World Congress 2022 KSA categories, based on its speedtest rating score for Q3 to Q4 in 2021

March 28

Mobily Pay awarded license to offer digital payments and e-wallet services

April 07

Recognized as the 4th Best Workplace in Saudi Arabia according to LinkedIn classification



April 12

Mobily Pay signed a strategic partnership with Visa

April 12

Obtained (ISO 31000:2018) Certificate for Risk Management System

May 18

Recognized as the 1st certified operator in the Apple Certified Operator trainers program (IMME) in region

June 02

Signed a strategic MoU with Telecom Egypt to build the first direct bilateral submarine cable system linking the Kingdom of Saudi Arabia with the Arab Republic of Egypt

June 02

Mobily Pay signed a strategic agreement with MoneyGram

June 19

Launched Equinix Internet Exchange in partnership with Equinix to enhance the quality and speed of the internet

June 23

MSCI ESG index upgraded Mobily rating to BBB in the rating round of May 2022, the highest rating among Saudi Telecom operators

June 30

Launched the revamped Investor Relations webpage

August 17

Obtained the Golden Award (HCM Excellence) 2022 presented by Brandon Hall Group for the Talent Acquisition category

August 17

Activated Mobily Pay services for all users

August 31

Obtained (ISO 10002) certificate for Customer Care Services

September 20

Launched the revamped Sustainability webpage

September 27

Launched its first tower to generate energy through environmentally friendly sources using wind turbines and solar panels



# 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.



# Performance Highlights



## “Empower the Digital Economy to Unlock Possibilities”

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

- Consistent revenue growth attributed to improvement in all revenue streams
- Resilient EBITDA growth and operational excellence
- Sustained growth in Net Income levels
- Strong deleveraging strategy outcomes

### Resilient revenue streams drive the growth of 9M-22:

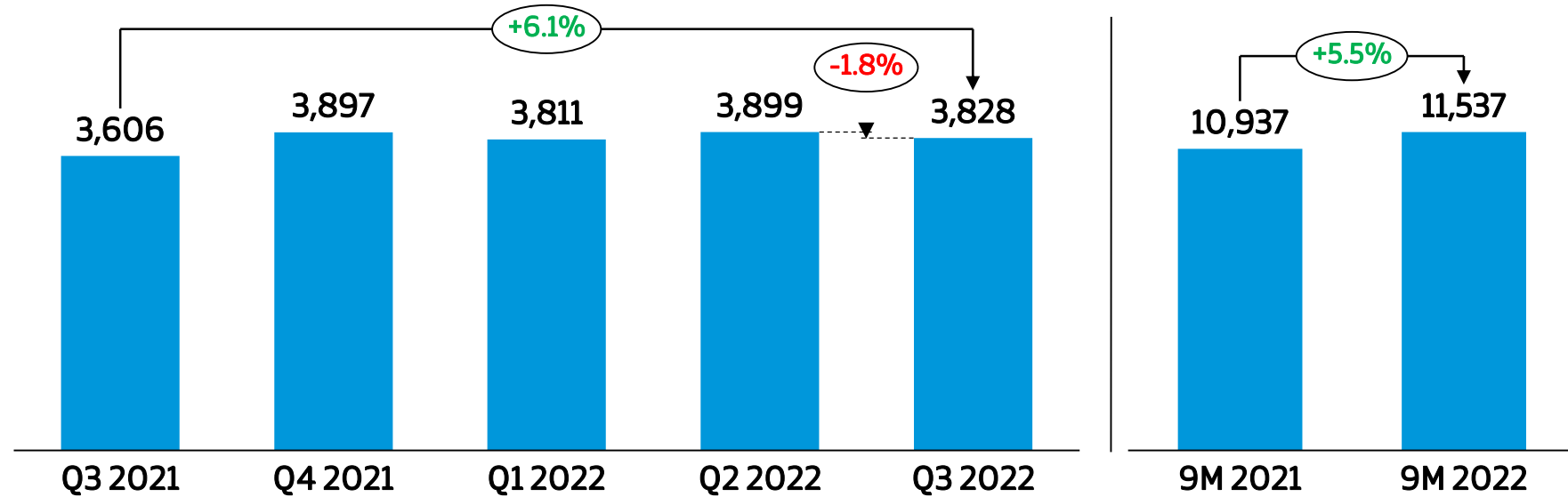
- Consistent growth in wholesale, business and consumer units' revenues
- Growth in FTTH active base
- Continued growth of overall subscribers base

Remarkable growth in 9M-22 net profit, by 40%, compared to 9M-21, reaching SAR 1,051 million, reflecting Mobily's continued growth momentum and consistent efficiency in managing its operations



# Key Financial Highlights | Resilient Revenue Growth

Revenues  
(In SAR Million)



Revenues increased **6.1%** YoY to **SAR 3,828** million:

- Notable growth in **wholesale** unit, and consistent performance in **consumer** and **business** units
- Healthy growth in FTTH active base and overall subscriber base

Revenues decreased **1.8%** QoQ due to the seasonal nature of devices in **consumer** unit

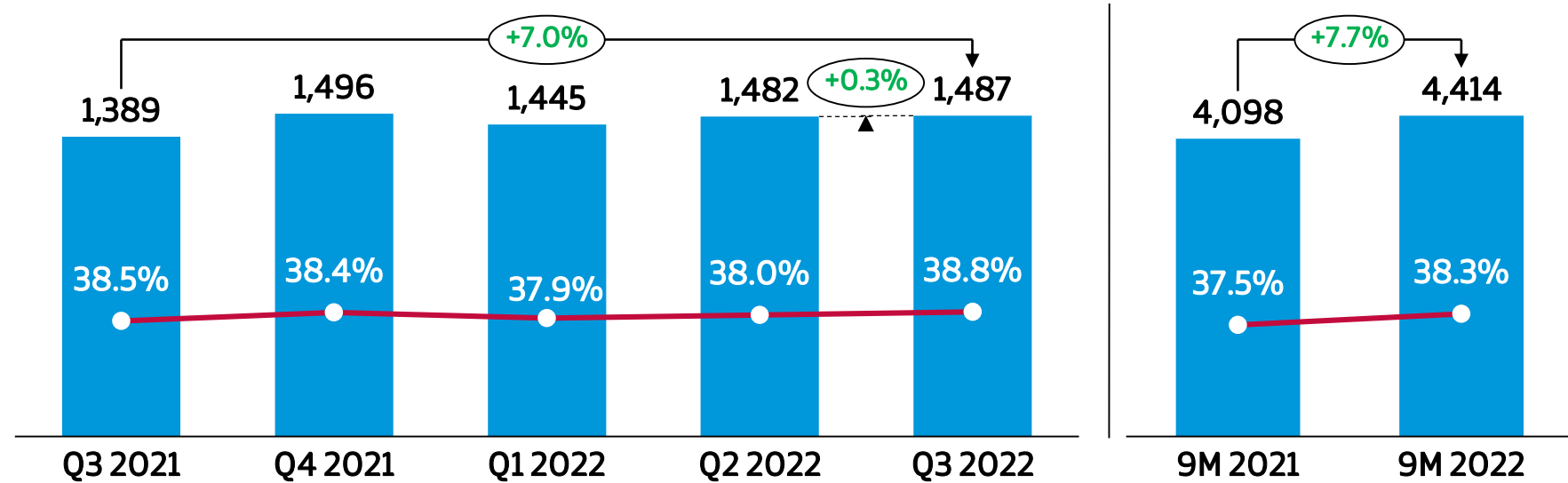
Revenues in 9M 2022 rose by **5.5%** to **SAR 11,537** million, driven by the growth of all revenue streams





# Key Financial Highlights | Steady EBITDA Performance

## EBITDA and EBITDA Margin (In SAR Million)



EBITDA increased **7.0%** YoY to **SAR 1,487** million:

- EBITDA growth is driven by the topline performance and operational excellence improvements
- EBITDA Margin reached a strong levels at **38.8%**

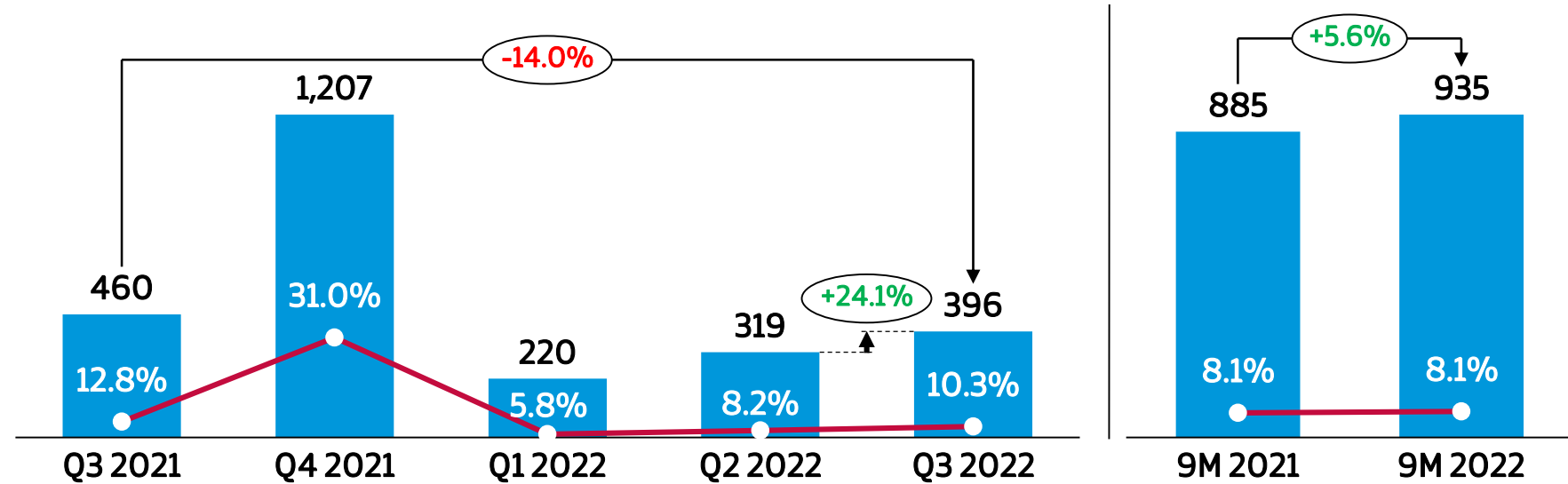
Mobily's EBITDA increased **0.3%** QoQ as a result of ongoing operational efficiency

EBITDA in 9M 2022 improved by **7.7%** compared to 9M 2021, with an EBITDA margin of **38.3%**



# Key Financial Highlights | CAPEX Rationalization Continues

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

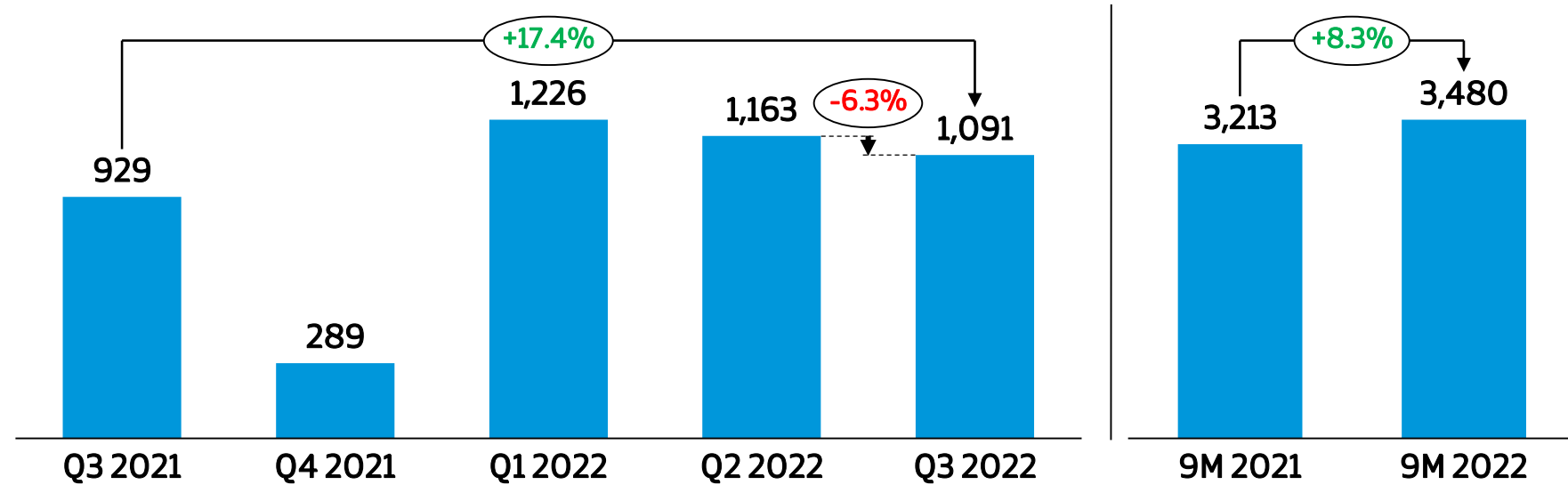


- CAPEX in 9M 2022 increased by **5.6%** compared to 9M 2021 to reach **SAR 935** million
- Consistent rationalization of CAPEX in line with the company's strategy to enable digital transformation and support innovation in products and services



# Key Financial Highlights | Healthy Cash Generation

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

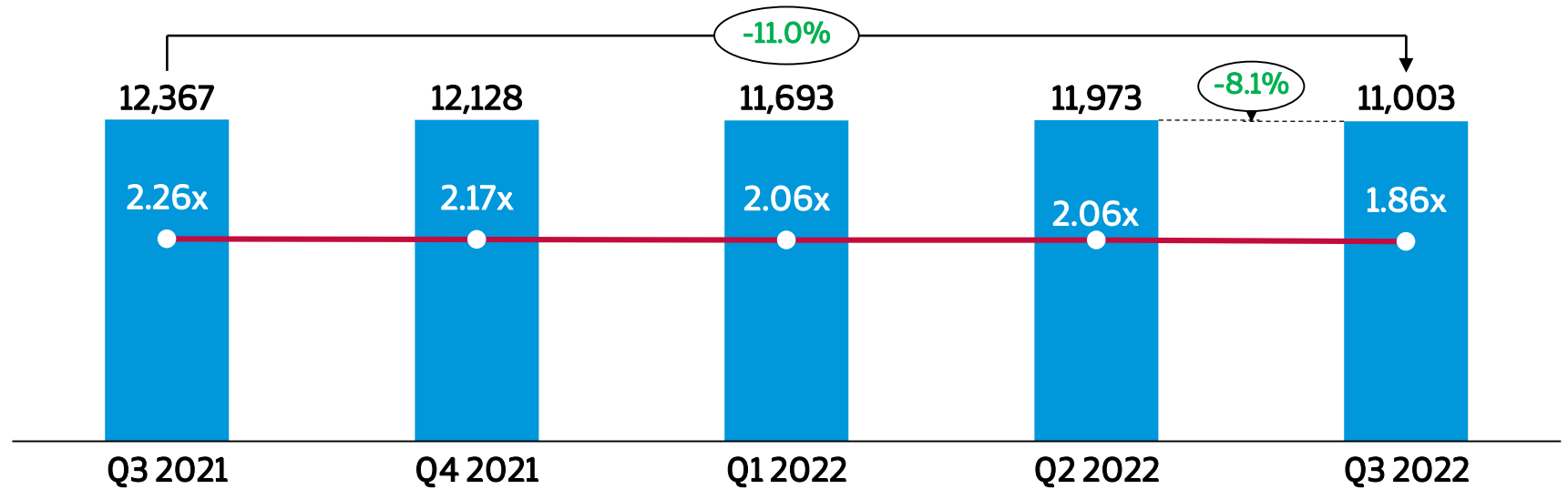


- Operational Cash Flow increased **17.4%** YoY, primarily due to solid EBITDA growth
- Operational Cash Flow decreased **6.3%** QoQ affected by the increase of CAPEX
- 9M 2022 Operational Cash Flow increased by **8.3%** compared to 9M 2021 to reach **SAR 3,480** million



# Key Financial Highlights | Ongoing Deleveraging

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



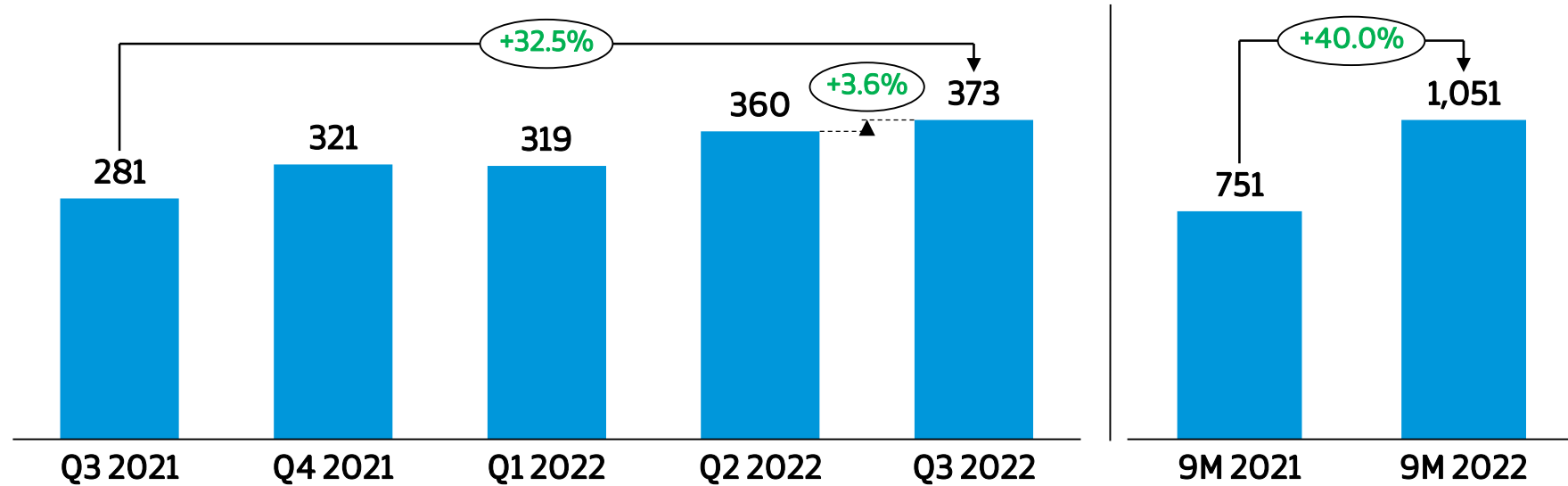
Net Debt and Net Debt/EBITDA improvement:

- Healthy Net Debt/EBITDA ratio at **1.86x** at the end of Q3 2022
- Mobily's ongoing deleveraging strategy; during the last **9** months Mobily has reduced its debt balance by more than **SAR 1** billion



# Key Financial Highlights | Sustained Profitability

## Net Income (In SAR Million)



Net Income increased by **32.5%** YoY, on the back of:

- Maximized revenue growth of **6.1%** YoY, along with strong EBITDA growth of **7.0%** YoY
- Disciplined cost management

Net Income increased **3.6%** QoQ due to the company's efficiency in managing its operations

Mobily achieved **40.0%** increase in 9M 2022 Net Income, reaching **SAR 1,051** million compared to 9M 2021



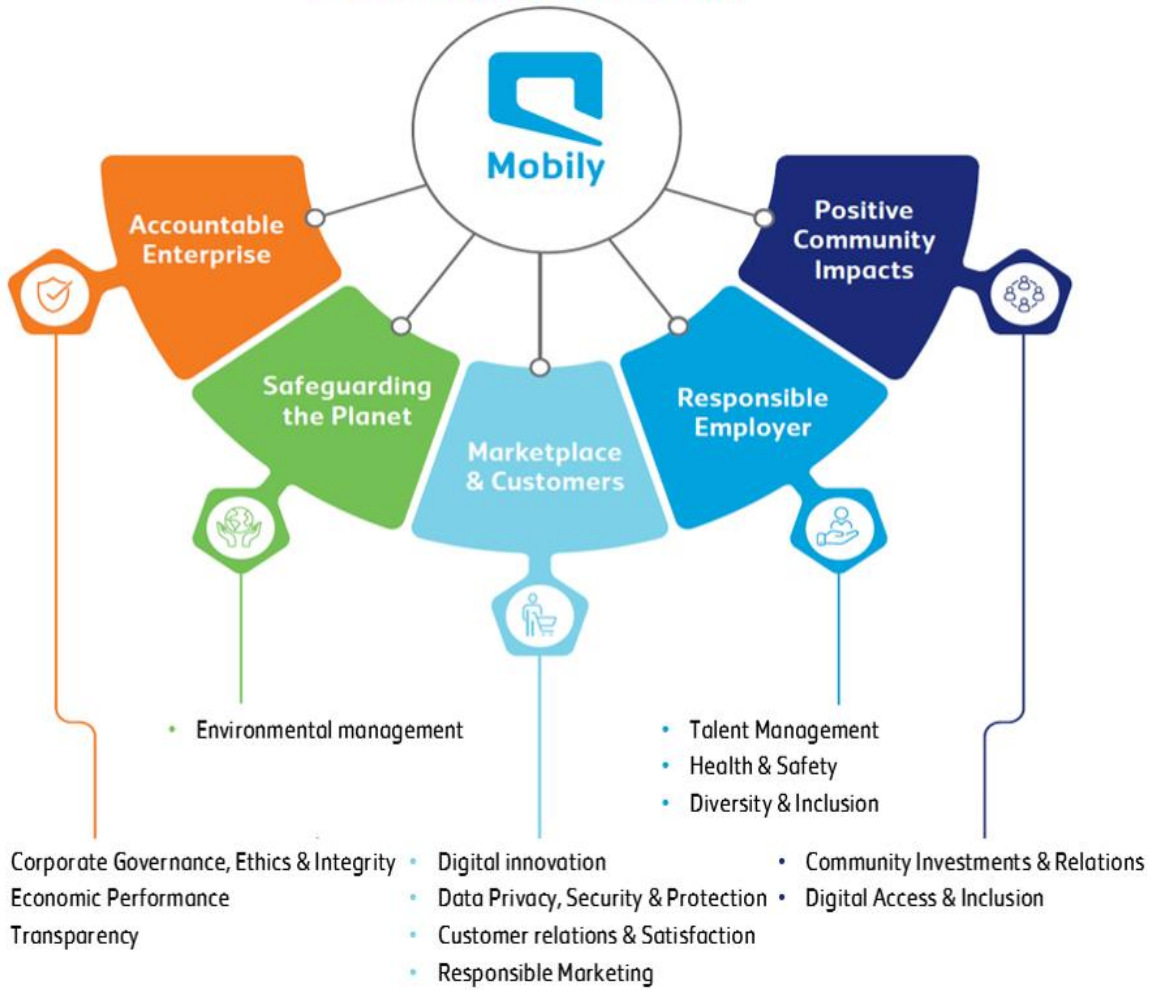
# Q&A



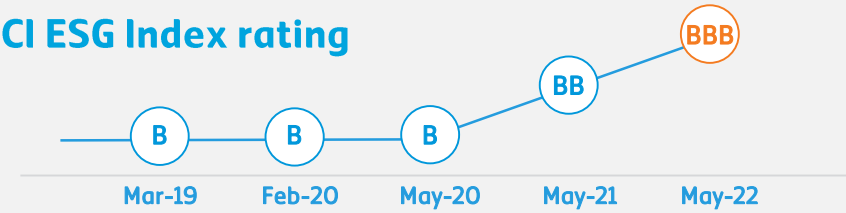


# Sustainability at Mobily

## Sustainability Framework



## Mobily MSCI ESG Index rating



## Our Contribution to the Sustainable Development Goals work



## ESG 2021 Performance at a Glance

<b>From 48% to 1%</b> Reduction in the A2P SMS bypass fraud infection rate	<b>A smart Meter system</b> Has been implemented to measure power consumption	<b>Zero</b> Data breaches over the years has been maintained	<b>231,935</b> Total hours of training for employees	<b>+13,000</b> Free Wi-Fi points in public places



[Sustainability webpage](#)





**Etihad Etisalat Investor Relations**

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**Thank you**

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