



Etihaad Etisalat Investor Relations

February 24, 2021

Investor Presentation

FY 2020

2 DISCLAIMER

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- **Key Financial Highlights**



4 MAJOR HIGHLIGHTS | 2020 KEY ACHIEVEMENTS

Achievements

- Mobily ranked the 9th most valuable Saudi Arabian brand valued at over SAR 4 billion increasing its value by 31%
- Mobily recorded the lowest number of complaints among the three operators in mobile internet and telecommunications services for seventh consecutive quarter*
- Mobily recorded the lowest number of complaints among the operators in fixed internet for sixth consecutive quarter*
- Mobily acquired 5G spectrum in 2.6 GHz and 3.7 GHz, and successfully expanded the 5G service coverage reaching 53 cities in the Kingdom
- Mobily succeeded in testing the TDD dynamic spectrum sharing feature between 4G and 5G technologies in the 2600 MHz band
- Mobily and Ericsson signed an agreement to empower digital transformation and IoT across the Kingdom's public and private sectors
- Mobily has successfully made the first 5G voice call (VoNR) in the Middle East, using 5G standalone (SA) network, as well as 5G (SA) network capability for data services, which offers independent 5G technology without any reliance on a 4G network
- Mobily partnered with Ericsson to trial 5G on the 800/1800 MHz band using Ericsson spectrum sharing technology



5 MAJOR HIGHLIGHTS | REGULATORY MEASURES AND TELECOM ENVIRONMENT

Regulatory and Telecom Environment

- Overall mobile internet average download speed improved in Q4 2020 by 32.85% to 97.54 Mbps, versus Q3 2020*
- Overall fixed internet average download speed improved in Q4 2020 by 9.21% to 76.85 Mbps, versus Q3 2020*
- CITC announced the updates on the “Telecom Act Bylaw”, which will contribute to enhancing transparency in the sector by clarifying all procedures and provisions related to sector regulations, in addition to raising the level of safeguard for users, investors, and service providers
- CITC signed three MoUs with global telecommunication firms (Ericsson, Nokia and Huawei) to support and enhance CITC’s plans and goals to enable the Kingdom’s digital transformation, and localize the latest technologies in accordance with the global practices
- Support of government through free access for most government apps and distance learning
- E-SIM launched, opening new opportunities for consumers, business and IoT
- Additional reduction of Mobile Termination Rates (MTR) for mobile and fixed call effective from June 2020
- 3M and 6M SAIBOR decreased further at the end of 2020 reaching to 0.82% and 0.87% respectively



6 MAJOR HIGHLIGHTS | A YEAR OF SUCCESSES

Performance Highlights

- “Empower the Digital Economy to Unlock Possibilities”
- COVID-19 pandemic effect on 2020 from the precautionary measures was minimal
- Strong achievement in our financial KPI’s:
 - The highest annual revenue levels in the last 5 years
 - The highest EBITDA level in the last 7 years
 - Efficiency measures taken and reflected in the healthy EBITDA margins
 - Managed to multiply our net profit by more than 24x versus 2019
- Resilient revenue streams drive the growth of 2020:
 - Growth of data revenues
 - Growth in Business Unit and wholesale revenues
 - Growth in subscribers base and improvement in mix
- The highest operational cash flow (EBITDA-CAPEX) since 2011, improved by 17% compared to 2019 reaching SAR 2,558 million



7 MAJOR HIGHLIGHTS | UNPRECEDENTED CHALLENGES

COVID-19 Impact

- COVID-19 impact felt across all areas of the economy, however the impact on the telecom sector was minimal
- Economic slowdown in Saudi Arabia and internationally
- Investment uncertainty from Business customers
- Reduced tourism out- and inbound
- Decrease in Hajj & Umrah pilgrims
- Projected GDP contraction of 3.8% for 2020, before projected return to growth in 2021
- Decrease in global oil prices in early 2020 which rebounded in Q4
- Data consumption increase from Consumers, Business and Government
- Push of economy digitalization is opportunity for telecom sector
- Low interest rate environment globally and nationally
- Increase in VAT from 5% to 15%



8 **GAIN STRATEGY 2020+ | NEW CORPORATE STRATEGY LEADS THE PATH TO GROWTH IN 2020 AND BEYOND**



Empowering
the Digital
Economy to
Unlock
Possibilities

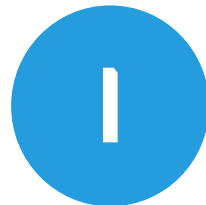
Priorities



GROW
core revenues



ACCELERATE
digital revenue streams



IMPLEMENT
and optimize efficient delivery



NURTURE
a positive experience for all

PURPOSE

To be the Better Choice to Unlock Possibilities

HOW

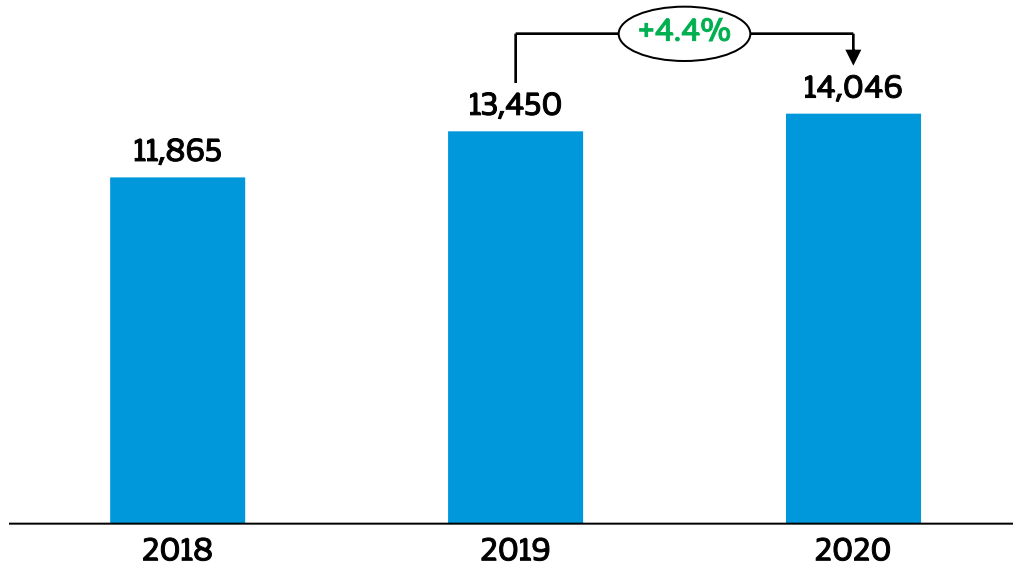
By Empowering the Digital Economy

BY BEING

The Everyday Hero

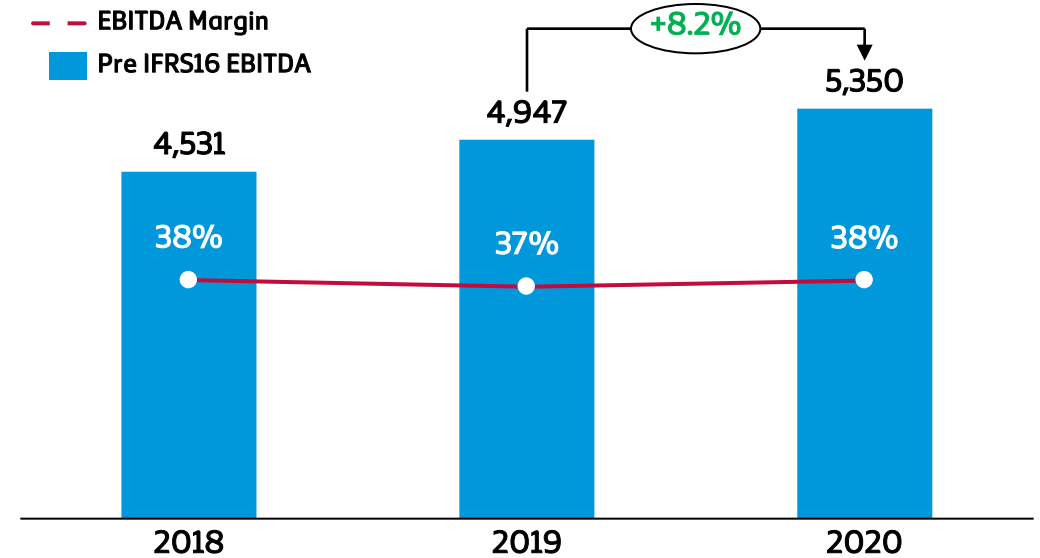
9 KEY FINANCIAL HIGHLIGHTS | RESILIENT REVENUES AND STRONG EBITDA

Revenues
(In SAR Million)



- Mobily continued to grow its Revenue by 4.4% in 2020 compared to 2019 as a result of the following:
 - Growth of data revenues and FTTH active base
 - Growth in Business Unit, wholesale revenues
 - Growth in subscribers base and improvement in mix
- That marked the highest revenues levels in the past five years

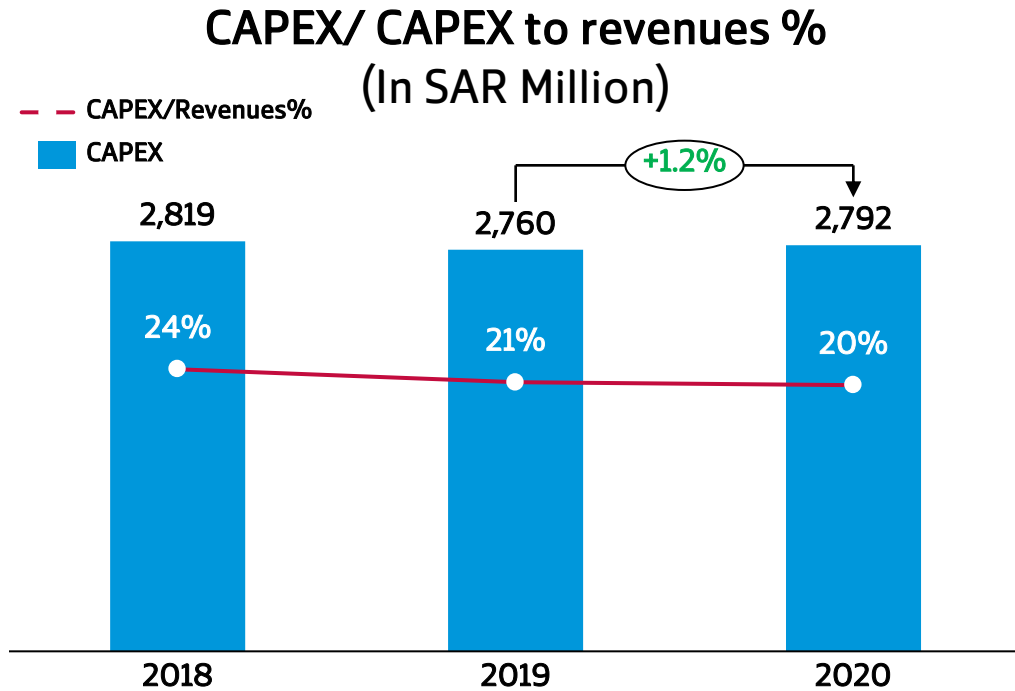
EBITDA and EBITDA Margin
(In SAR Million)



- 2020 EBITDA increased by 8.2% versus 2019
- The YoY EBITDA growth is driven by Mobily's efficiency in managing its operations and better revenue mix and topline performance improvement
- Growth in revenues translate to the improvements in EBITDA levels to achieve the highest level of EBITDA in the past seven years

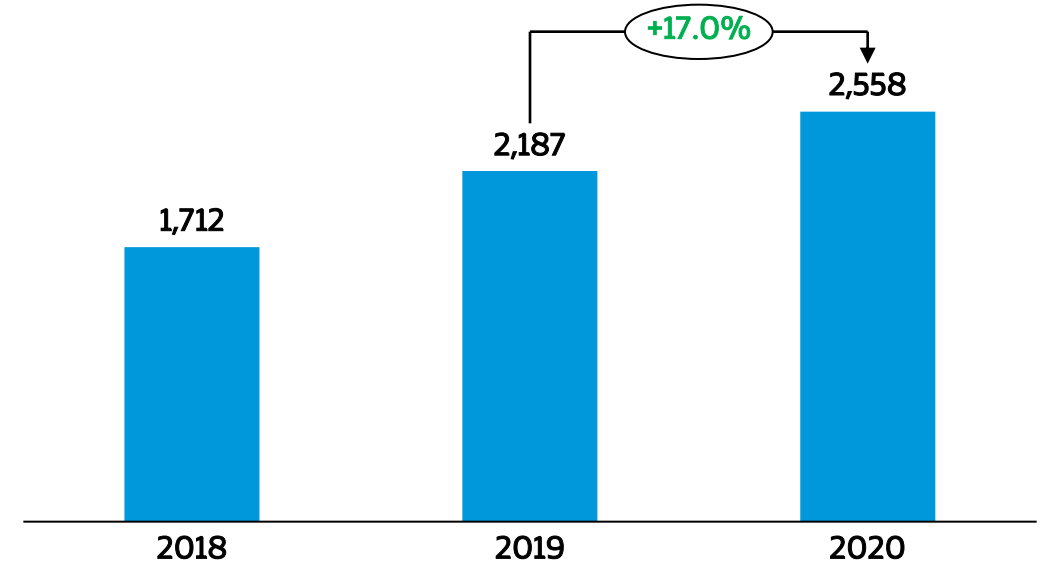


10 KEY FINANCIAL HIGHLIGHTS | CAPEX INTENSITY AND OPERATIONAL CASH FLOW GROWTH



- CAPEX in 2020 increased by 1.2% to reach SAR 2,792 million versus SAR 2,760 million in 2019 and the CAPEX intensity ratio (CAPEX to revenues) at 20%
- CAPEX continuity reflects Mobily's commitment to invest in the infrastructure and improve the quality of service

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

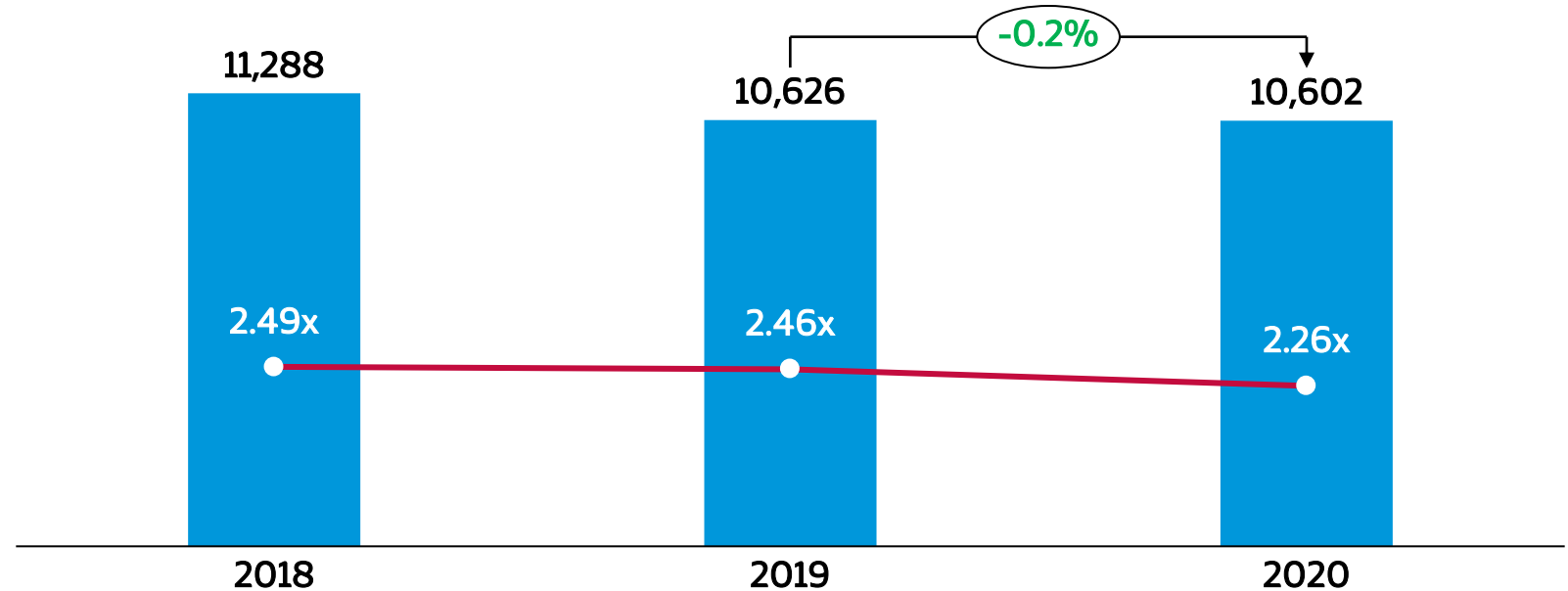


- Operational Cash Flow (EBITDA - CAPEX) for 2020 increased to SAR 2,558 million or 17% compared to 2019 due to the topline growth and continued efficiency in operational cost management



11 KEY FINANCIAL HIGHLIGHTS | BALANCED NET DEBT LEVELS

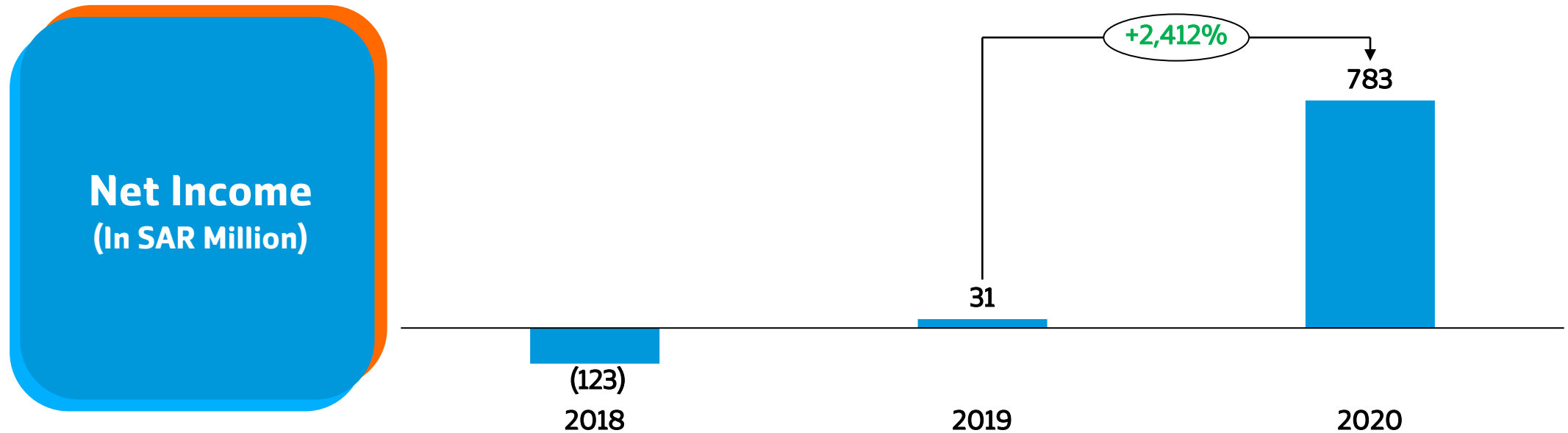
**Net Debt and
Net Debt
/EBITDA
(In SAR Million)**



- Healthy Net debt to EBITDA ratio at 2.26x in 2020
- During 2020 Mobily has reduced its total debt by more than SAR 1 billion
- The company's ability to reach healthy levels of its net debt was reflected in the decrease of financial charges for 2020 to reach SAR 561 million compared to SAR 929 million in 2019; representing a decrease of 39.6%



12 KEY FINANCIAL HIGHLIGHTS | GAINING PROFITABILITY



- Mobily succeeded in recording a net profit of SAR 783 million for 2020, more than 24x higher than 2019 net profit which amounted to SAR 31 million: reflecting Mobily's performance and operational development
- The net profit evolution is mainly due to the following:
 - Topline performance improvement
 - Strong and healthy EBITDA
 - Decrease of financing charges



Q&A





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Thank you

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