



# Q1 2025 Earnings Release

Cairo, Egypt

13 May 2025

Telecom Egypt (Ticker: ETEL.CA; TEEG.LN) today announced its audited financial results, according to the Egyptian Accounting Standards (EAS), for the period ending 31 March 2025.

## Q1 2025 Key Highlights

- **Total revenue** increased by 42% YoY to reach EGP 24.8bn, led by strong growth momentum in the Retail segment, contributing 57% to total revenue and driving 56% of the YoY revenue growth.
- **Customer base** increased YoY across Mobile, Fixed Broadband, and Fixed Voice by 10%, 8%, and 4%, respectively.
- **EBITDA** grew by 49% YoY to EGP 10.9bn, reaching a robust margin of 44%, up from 42% in the previous year.
- **Income from VFE** increased by 3.6x YoY to reach EGP 3.2bn.
- **Normalized net profit** reached EGP 5.2bn, reflecting a 39% YoY increase and a 21% net profit margin.
- **In service CapEx** reported EGP 2.3bn (9% of sales), while Cash CapEx reported EGP 6.8bn (27% of sales).
- **Net debt/EBITDA** (annualized) improved to 1.6x compared to 2.2x in Q4 2024.
- **FCFF** (excluding EGP 0.2bn for licenses) amounted to EGP 3.8bn, implying a FCFF/EBITDA ratio of 35%.

**Mohamed Nasr, Managing Director and Chief Executive Officer, commented:**

"With 2025 well underway, I am pleased to report that our Q1 results affirm our strong growth trajectory. We remain optimistic about sustaining this momentum, supported by a favorable economic outlook in Egypt, where exchange rates remain stable within expected ranges, inflation is under control, and interest rates are on a downward path.

We started the year with total revenue rising 42% YoY to EGP 25 billion, driven by robust performances across both our Retail and Wholesale segments. EBITDA grew by 49% YoY, achieving a robust margin of 44%, as our operational efficiency enabled us to outpace inflationary cost pressures.



In the Retail segment, revenue increased by 40% YoY, led by a 45% growth in the Home & Consumer business unit following the 30% price adjustment in December 2024. Wholesale revenue rose 44% YoY, supported by exceptional growth in the Domestic and ICA business units, which expanded by 56% and 64% YoY, respectively. As Egypt's largest telecom infrastructure provider and a key regional player in the global connectivity landscape, we are now reaping the rewards of a decade of responsible, strategic investments. These efforts have uniquely positioned us to unlock the value of our extensive assets and capitalize on the accelerating demand for connectivity—both locally and globally. This is clearly reflected in our strong growth momentum and the continued trust of our local and international partners. .

Adjusting for EGP 0.7bn in FX loss in Q1 2025 and EGP 0.2bn FX gain in Q1 2024, normalized net profit grew 39% YoY to EGP 5.2 billion, recording a net profit margin of 21%. This growth was driven by strong operational performance and a 3.6x increase in income from VFF YoY, offsetting a 73% rise in interest expense. Cash CapEx declined 55% YoY, in line with our strategy to optimize spending while maintaining operational excellence and securing future growth. Our disciplined financial approach has driven strong cash flow generation, with FCFF, excluding EGP 0.2bn in licenses, reaching EGP 3.8bn, implying an FCFF/EBITDA of 35%. This performance aligns with our quarterly budget and keeps us well on track to achieve our full-year targets, highlighting our ability to allocate resources efficiently and strengthen our financial position.

In a dynamic, capital-intensive industry that demands continuous investment and innovation to secure long-term growth, we remain focused on optimizing our capital structure, enhancing profitability, and strengthening cash flow generation. Guided by a clear strategic vision that aligns with the Sustainable Development Goals and integrates leading ESG practices, and reinforced by strong partnerships and a highly committed team, we are well-positioned to deliver long-term, sustainable value to our stakeholders. Our commitment to operational efficiency and financial resilience gives us confidence in maintaining this positive momentum and unlocking further growth in the quarters ahead."

## Telecom Egypt - Main Events Year to Date

- ✓ 25 March 2025: Telecom Egypt Announces Leadership Changes
- ✓ 18 Feb 2025: Telecom Egypt and Orange Egypt Sign Agreements to Provide Transmission and Infrastructure Services
- ✓ 23 Jan 2025: Telecom Egypt Activates Mediterranean Subsea Link on 2Africa Using Cisco Technology
- ✓ 18 Jan 2025: Telecom Egypt Awarded 'Best Investor Relations – Telecom Company' at the International Finance Awards 2024



## Customer Base

(000s)	Q1 25	Q1 24	Δ % YoY	Q4 24	Δ % QoQ
Fixed Line					
Voice	13,339	12,783	4.3%	13,217	0.9%
Data	10,376	9,639	7.6%	10,255	1.2%
Mobile	14,306	13,002	10.0%	14,014	2.1%

## Revenue Breakdown

EGP mn	Q1 25	Q1 24	Δ % YoY	Q4 24	Δ % QoQ
Home & Consumer	11,857	8,171	45.1%	9,771	21.3%
Enterprise	2,401	1,994	20.4%	1,996	20.3%
Domestic Wholesale	2,703	1,735	55.8%	2,963	-8.8%
International Carriers	4,449	2,711	64.1%	4,184	6.3%
International Customers & Networks	3,388	2,876	17.8%	4,693	-27.8%

## Income Statement Summary

EGP mn	Q1 25	Q1 24	Δ % YoY	Q4 24	Δ % QoQ
<b>Revenue</b>	<b>24,798</b>	<b>17,487</b>	<b>41.8%</b>	<b>23,606</b>	<b>5.0%</b>
<b>EBITDA</b>	<b>10,870</b>	<b>7,309</b>	<b>48.7%</b>	<b>9,468</b>	<b>14.8%</b>
EBIT	10,183	4,520	125%	8,148	25.0%
NPAT	4,646	3,882	20%	1,461	218.0%
EPS	2.72	2.27	20%	0.86	218.0%
<b>Margins</b>					
EBITDA Margin %	43.8%	42%	204 bps	40%	373 bps
EBIT Margin %	41.1%	26%	1,522 bps	35%	655 bps
NPAT Margin %	18.7%	22%	-347 bps	6%	1,255 bps



## Results Discussion

### Q1 2025

- **Top-line** amounted to EGP 24.8bn, witnessing 42% YoY growth, driven by a 40% YoY increase in Retail revenue and a 44% YoY increase in Wholesale revenue.
- **Home & Consumer** recorded EGP 11.9bn, achieving 45% YoY growth, driven by a 46% increase in Data revenue, which contributed 44% to top-line growth. This performance was supported by higher ARPU (38% YoY), driven by direct price adjustments in 2024, along with an expanding customer base and an increase in data consumption.
- **Enterprise** increased by 20% YoY to EGP 2.4bn, primarily driven by Fixed Data services, representing 58% of the business unit's growth.
- **Mobile** recorded a 35% YoY growth, primarily driven by higher ARPU (direct price adjustment) and a 10% YoY expansion in the customer base.
- **Domestic Wholesale** amounted to EGP 2.7bn, delivering a strong 56% YoY increase, primarily driven by a 55% growth in Infrastructure revenues, following the revised agreements with VFE and Orange Egypt.
- **ICA** grew 64% YoY to reach EGP 4.4bn, contributing 24% to the top-line growth. This was mainly due to a 72% YoY increase in IDD revenues, driven by the positive effect of the FX rate on the USD-denominated revenue streams, along with a 22% YoY rise in international incoming calls traffic.
- **IC&N** amounted to EGP 3.4bn, witnessing 18% YoY growth, contributing 7% to top-line growth.
- **EBITDA** increased by 49% YoY in Q1 2025 to EGP 10.9bn, with the margin improving to 44%, compared to 42% in Q1 2024, highlighting improved operational efficiency and sustained profitability.
- **Normalized net profit** increased by 39% YoY to EGP 5.2bn (adjusted for EGP 0.7bn FX loss in Q1 2025 and for EGP 0.2bn FX gain in Q1 2024). Without normalizing for the FX loss/gain, net profit recorded EGP 4.6bn in Q1 2025, achieving a 20% YoY growth and recording a 19% margin, with the strong operational performance partially flowing through to the bottom line, despite continued pressure from finance costs.



## Balance Sheet Summary

EGP mn	Q1 25	FY 24	Δ %
Current Assets	48,743	42,949	13%
Net Fixed Assets	103,105	104,141	-1%
Long Term Investments	22,032	18,848	17%
Other Long Terms Assets	31,054	32,014	-3%
<b>Total Assets</b>	<b>204,933</b>	<b>197,953</b>	<b>4%</b>
Current Liabilities (Excl. Debt)	48,965	47,171	4%
Current Portion of Long Term Debt	43,368	42,315	2%
Long Term Debt	40,748	38,411	6%
Other Non-Current Liabilities	25,760	24,118	7%
<b>Total Liabilities</b>	<b>158,841</b>	<b>152,015</b>	<b>4%</b>
<b>Total Shareholder Equity</b>	<b>46,092</b>	<b>45,938</b>	<b>0%</b>
<b>Total Liabilities &amp; Shareholder Equity</b>	<b>204,933</b>	<b>197,953</b>	<b>4%</b>

## Cash Flow Summary

EGP mn	Q1 25	Q1 24	Δ %
Net Cash Provided by Operating Activities	7,694	8,618	-10.7%
Net Cash Used in Investing Activities	-6,632	-14,845	-55.3%
Net Cash Used in Financing Activities	3,484	5,312	-34.4%
<b>Net Change in Cash &amp; Cash Equivalents</b>	<b>4,546</b>	<b>-914</b>	<b>-597.3%</b>
Translation Differences of Foreign Entities	2	151	-98.4%
Beginning of the Period Cash	7,565	10,443	-27.6%
<b>End of Period Cash</b>	<b>12,114</b>	<b>9,679</b>	<b>25.2%</b>

– End –

Please refer to Telecom Egypt's full financial statements, available for download from the investor relations website [ir.te.eg](http://ir.te.eg)

For more information, contact:

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## About Telecom Egypt

Telecom Egypt is a total telecom operator in Egypt, providing a wide array of telecom services to a diverse customer base. Serving individuals, communities, SOHOs, SMEs and large enterprises, Telecom Egypt offers a comprehensive, innovative, and diversified portfolio of services, ranging from fixed and mobile voice to essential data solutions that are crucial in today's digital landscape. These services also include high-speed internet, smart solutions, data center facilities, and cloud computing solutions tailored for businesses.

With a rich heritage of about 170 years, Telecom Egypt continues to lead the Egyptian telecom market by providing cutting-edge technology, robust infrastructure, and an extensive network of subsea cables to meet the needs of its enterprise and consumer clientele. The company's pivotal role in Egypt's telecommunications landscape is underscored by its expansive network coverage, broad service range, and dedication to fostering innovation. Aside from its mobile operation "WE", Telecom Egypt holds a significant 45% ownership stake in Vodafone Egypt. Telecom Egypt's shares and GDRs (Ticker: ETEL.CA; TEEG.LN) are traded on the Egyptian Exchange and the London Stock Exchange.