



Etihad Etisalat Investor Relations

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October 21, 2021

# Investor Presentation

## Q3 2021

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# 3 CONTENT

- **Major Highlights**
  - Regulatory and Telecom Environment
  - Performance Highlights
  - Strategy
- **Key Financial Highlights**
- **Our ESG Achievements**



## 4 MAJOR HIGHLIGHTS | REGULATORY MEASURES AND TELECOM ENVIRONMENT

### Regulatory and Telecom Environment

- The kingdom of Saudi Arabia recorded the fastest mobile internet average download speed, where Q2 2021 overall mobile internet average download speed improved by 23.04% to reach 147.06 Mbps, versus Q1 2021\*
- Mobily achieved in Q2 2021 the lowest latency of all operators for 3 of the 4 most popular social media platforms, and the fastest access for 3 of the 4 most popular Video conferencing Platforms in the Kingdom\*
- Mobily maintained recording the lowest number of complaints for more than two years in mobile telecommunications services among the three operators in Q2 2021\*
- Mobily maintained recording the lowest number of complaints for more than two years in fixed internet and for four years in mobile internet among the three operators in Q2 2021\*
- Mobily was awarded as **Top-Rated Mobile Network in Saudi Arabia** by Ookla, which is based on Q1–Q2 customer satisfaction data submitted to Speedtest Intelligence
- CITC has launched the second phase of the open access project, which is dedicated to the business sector (FTTB), following the success of the first phase in enabling individuals to choose their FTTH service provider independently from the fiber infrastructure owner
- 3M and 6M SAIBOR increased reaching by the end of Q3 2021 to 0.81% and 0.86% respectively



## 5 MAJOR HIGHLIGHTS | SUSTAINED IMPROVEMENT

### Performance Highlights

- “Empower the Digital Economy to Unlock Possibilities”
- Strong achievement in our financial KPI’s:
  - The highest quarterly EBITDA level in the last 7 years
  - Efficiency measures taken and reflected in the healthy EBITDA level
  - The highest quarterly net income in the last 7 years
  - Net income increased by 27% YoY and 15% QoQ
- Resilient revenue streams drive the growth of the 9 months of 2021:
  - Consistent growth in business unit revenues
  - Growth in FTTH active base
  - Continued growth of subscribers base
- Strong operational cash flow (EBITDA-CAPEX), improved by 46% in 9M 2021, reaching SAR 3,213 million for the period



# 6 GAIN STRATEGY 2020+ | NEW CORPORATE STRATEGY LEADS THE PATH TO GROWTH IN 2020 AND BEYOND



Empowering  
the Digital  
Economy to  
Unlock  
Possibilities

## Priorities



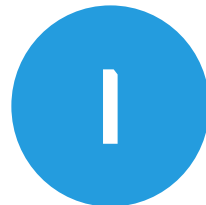
### **GROW**

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

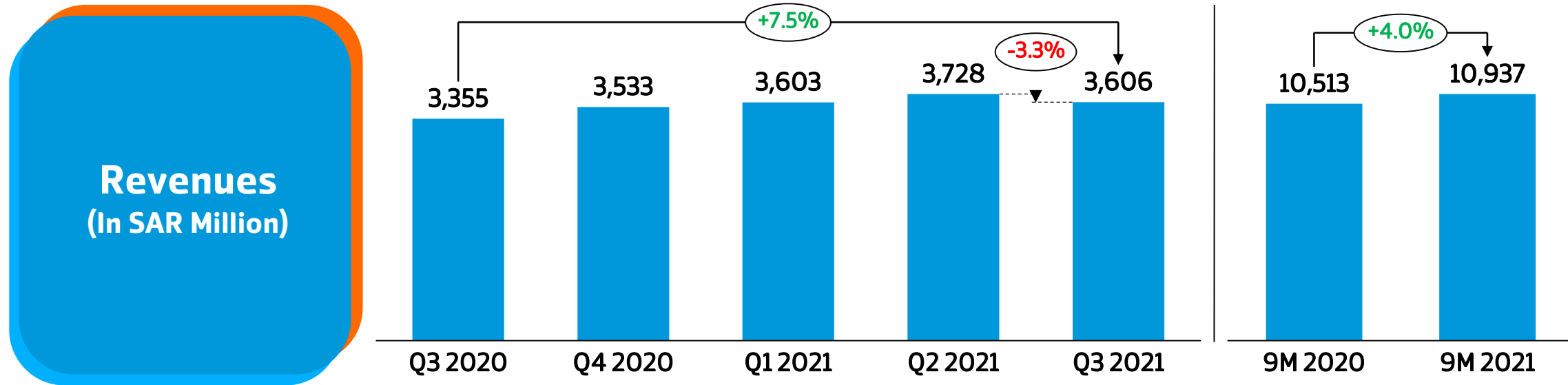
### **HOW**

By Empowering the Digital Economy

### **BY BEING**

The Everyday Hero

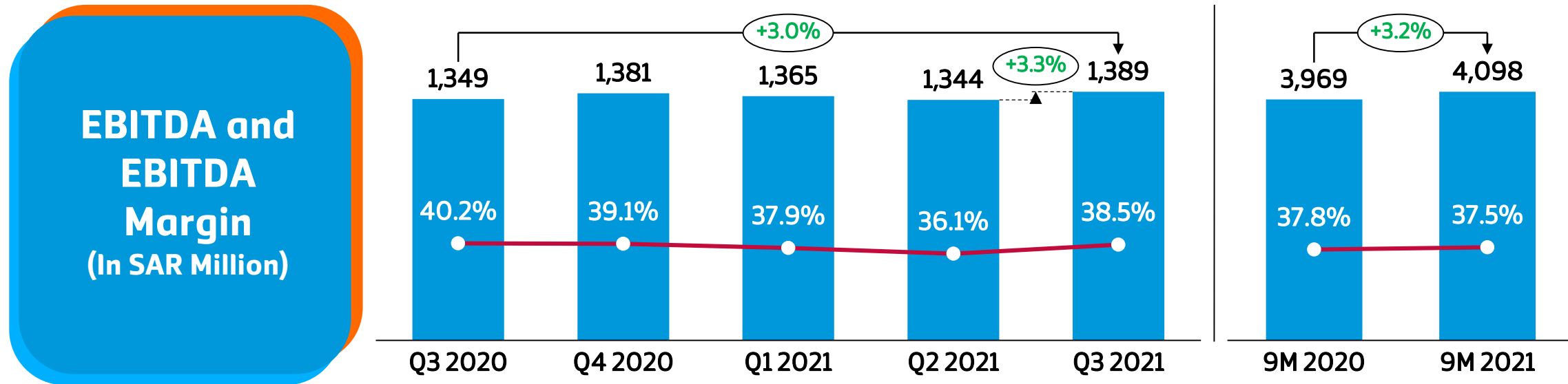
## 7 KEY FINANCIAL HIGHLIGHTS | RESILIENT REVENUES



- Q3 2021 revenues decreased by 3.3% QoQ as a result of the decline in devices sales and increased by 7.5% YoY
- For the nine months of 2021 Mobily's revenues increased to SAR 10,937 million compared to SAR 10,513 million for the same period of 2020 recording a growth by 4.0%
- Revenue growth is driven by the following:
  - Growth in business unit revenues and FTTH active base
  - Growth of subscribers base



## 8 KEY FINANCIAL HIGHLIGHTS | EBITDA LEVELS REMAIN HEALTHY



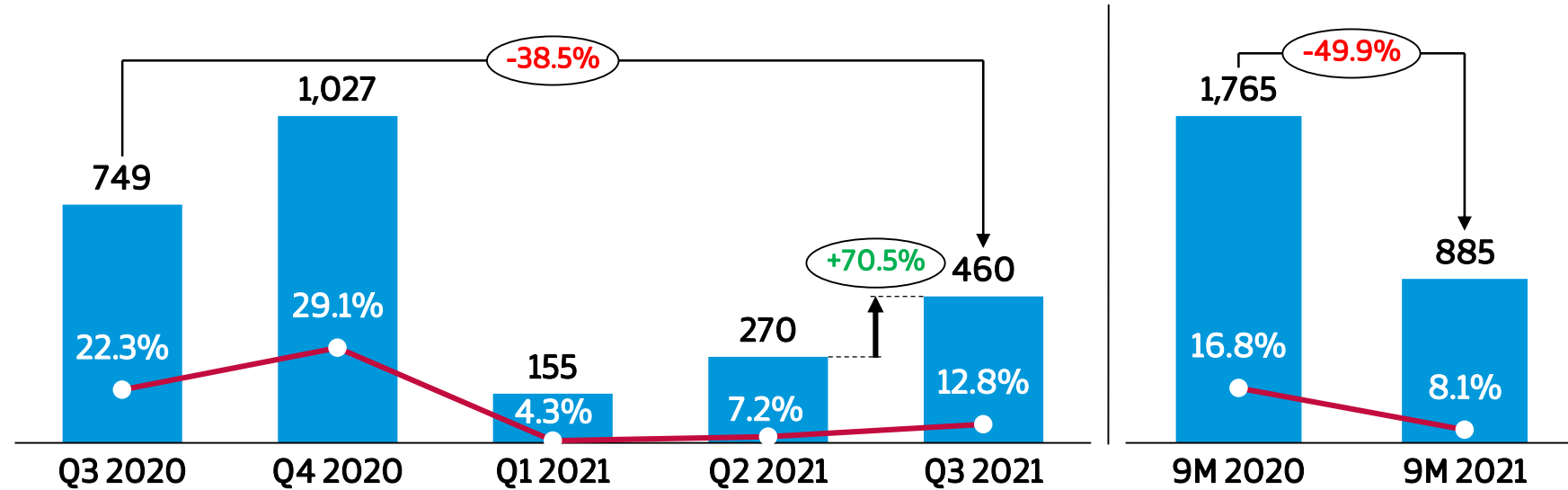
- Q3 2021 EBITDA increased by 3.3% QoQ and by 3.0% YoY to reach SAR 1,389 million
- 9M 2021 EBITDA improved by 3.2% compared to 9M 2020, with an EBITDA margin of 37.5%
- EBITDA growth is driven by the topline performance improvement and the growth of gross profit





# 9 KEY FINANCIAL HIGHLIGHTS | CONTINUOUS EFFORTS TOWARDS CAPEX RATIONALIZATION

**CAPEX and CAPEX / Revenues%**  
(In SAR Million)

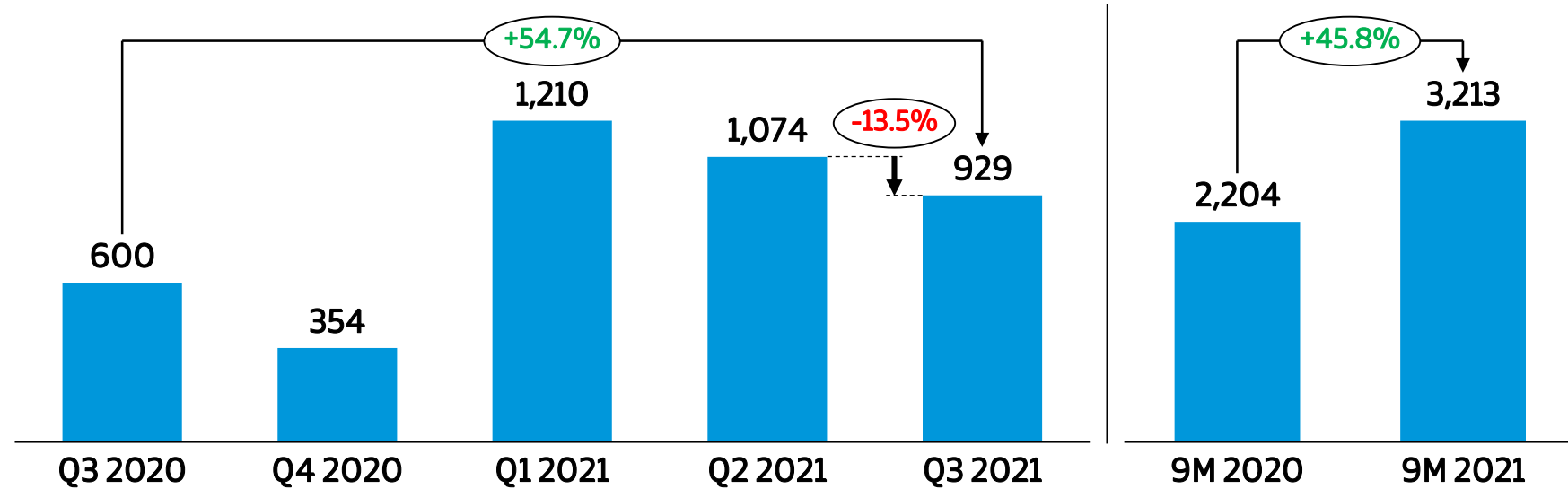


- CAPEX in Q3 2021 increased by 70.5% QoQ to reach SAR 460 million and decreased by 38.5% YoY
- CAPEX in 9M 2021 decreased by 49.9% to reach SAR 885 million compared to SAR 1,765 million in 9M 2020 due to the aggressive CAPEX investments to deploy the 5G in the previous period



# 10 KEY FINANCIAL HIGHLIGHTS | CONTINUOUS FOCUS ON CASH FLOW GENERATION

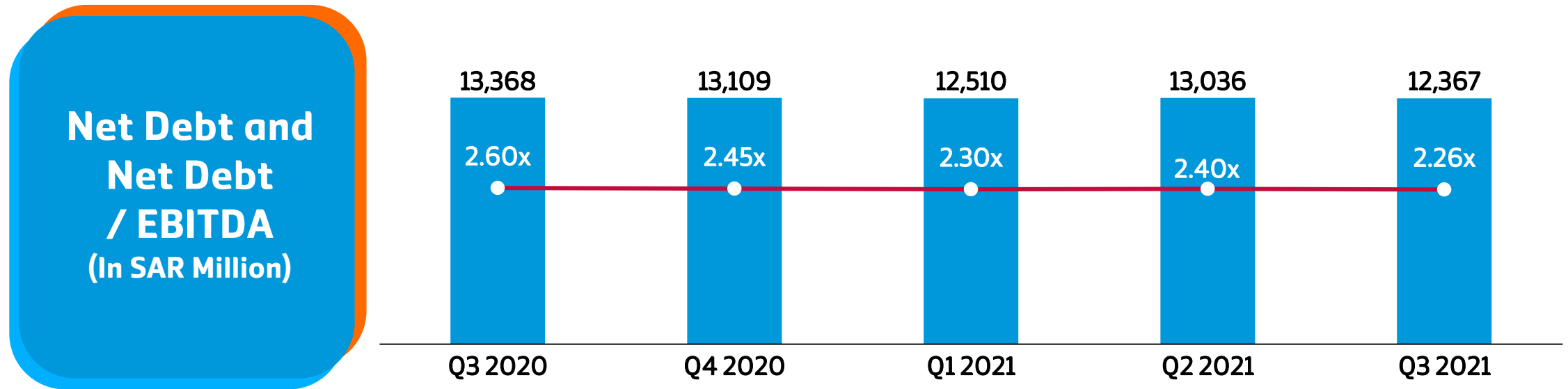
**Operational Cash Flow (EBITDA – CAPEX)**  
(In SAR Million)



- Q3 2021 Operational Cash Flow (EBITDA - CAPEX) increased by 54.7% YoY to reach SAR 929 million and decreased by 13.5% QoQ despite the improvement on EBITDA, the decrease was effected by the increase of CAPEX
- 9M 2021 Operational Cash Flow (EBITDA - CAPEX) increased by 45.8% to reach SAR 3,213 million
- Healthy operational cash flow generation was mainly driven by healthier EBITDA levels



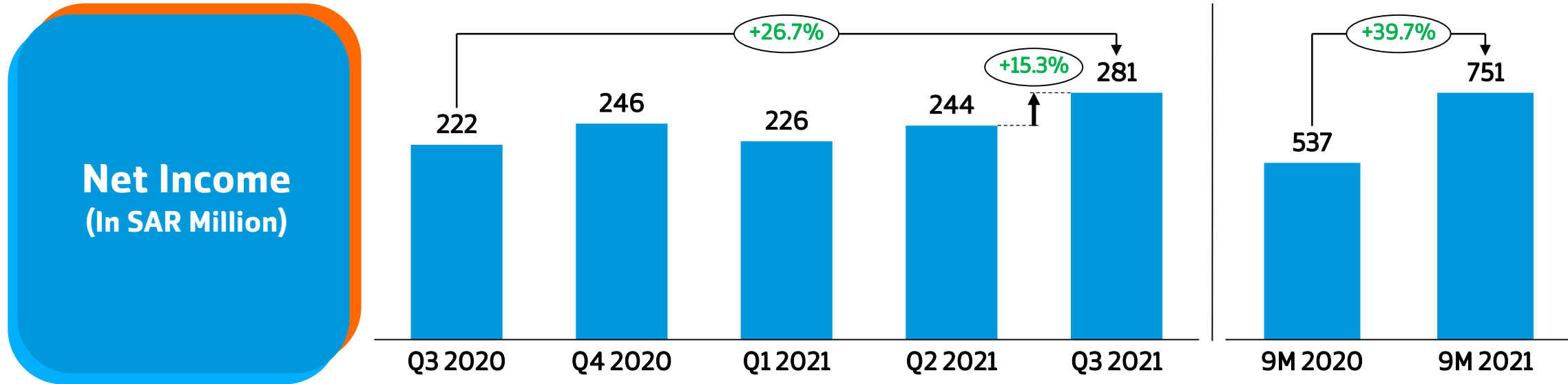
# 11 KEY FINANCIAL HIGHLIGHTS | BALANCED NET DEBT LEVELS



- Healthy Net debt to EBITDA ratio at 2.26x at the end of Q3 2021
- Q3 2021 Financial charges has increased by 3.2% QoQ and declined by 6.4% YoY to reach SAR 125 million
- The company's ability to reach healthy levels of its net debt was reflected in the decrease of financial charges for 9M 2021 to reach SAR 373 million representing a decrease by 14.1% compared to 9M 2020



## 12 KEY FINANCIAL HIGHLIGHTS | GAINING PROFITABILITY



- Q3 2021 net income increased by 26.7% YoY and 15.3% QoQ achieving the highest quarterly net income level in the last 7 years and reflecting Mobily's performance and operational development
- Mobily achieved 39.7% increase in 9M 2021 net income reaching SAR 751 million compared to 9M 2020
- Net income growth primarily driven by the following:
  - consistent revenue growth
  - Strong and healthy EBITDA
  - The company's efficiency in managing its operations



# 13 OUR ESG ACHIEVEMENTS | WE CONTINUE TO STRENGTHEN OUR CORPORATE SOCIAL RESPONSIBILITY PRACTICES

## Environmental Safeguarding our Environment



### Energy Savings

- Phase 1 of our ongoing project to replace conventional lighting with LED bulbs in flagship Mobily locations has achieved a 16% reduction in electricity consumption, and significantly reduced associated carbon emissions
- Our efforts to install air containment systems in our data centers have achieved significant energy and cost savings

## Social Caring for our Community and Country



### Supporting the Kingdom's Diverse Communities

- Mobily maintained a social impact partnership with the Ministry of Housing's Jood Eskan platform, which aims to involve the broader Saudi community to provide housing support to those in need
- We also launched a partnership with the Ministry of Human Resources and Social Development (MHRSD) to design customized initiatives that contribute to society

## Governance

Mobily is committed to strong and transparent corporate governance. By putting in place the right governance framework, the Board and management have set a culture of integrity, transparency and accountability across Mobily that enables the Company to gain success through governance excellence. Our governance framework ensures the long-term health of the Company and helps us make decisions that are important to our employees, customers and investors



### Cultivating Awareness and Engagement

- We clearly identify Mobily operations and activities that affect the environment in our Hazard Identification and Risk Assessment (HIRA) materials
- Mobily seeks to foster environmental awareness through:
  - Engagement campaigns
  - Yammer platform
  - Employee Safety Surveys



### Cultivating Awareness and Engagement

- We established a virtual training program to allow employees to focus on their professional development during the COVID-19 lockdown
- We partnered with the Sports for All (SFA) foundation to increase physical activity of Mobily employees





# Q&A





**Etihad Etisalat Investor Relations**

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October 20, 2021

**Thank you**

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