



**Etihad Etisalat Investor Relations**

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July 29, 2021

# Investor Presentation

## Q2 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

- Overall mobile internet average download speed improved in Q1 2021 by 22.53% to 119.52 Mbps, versus Q4 2020\*
- Mobily achieved in Q1 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\*
- CITC announced that it has awarded licenses to two new mobile virtual network operators (MVNOs), bringing the total number of mobile virtual network operators inside the Kingdom to four
- Mobily has ranked first in the Regulatory Compliance Index of the Communications and Information Technology Commission (CITC) in Q2 of 2021, which measures the compliance of Telecom Providers with Unified License to the CITC's regulations
- Mobily maintained recording the lowest number of complaints for two years for mobile and fixed telecommunications services as well as the mobile and fixed internet among the three operators in Q1 2021\*
- 3M SAIBOR decreased further reaching by the end of Q2 2021 to 0.79%



## 5 MAJOR HIGHLIGHTS | SUSTAINED IMPROVEMENT

### Performance Highlights

- “Empower the Digital Economy to Unlock Possibilities”
- Strong achievement in our financial KPI’s:
  - The highest quarterly revenues levels in the last 5 years
  - Efficiency measures taken and reflected in the healthy EBITDA level
  - Net income increased by 32% YoY and 8% QoQ
- Steady topline growth in the first half of 2021:
  - Consistent growth in business unit revenues
  - Continued growth of subscribers base and improvement of subscribers mix
  - Growth in FTTH active base
- Strong operational cash flow (EBITDA-CAPEX), improved by 42% in H1 2021, reaching SAR 2,284 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



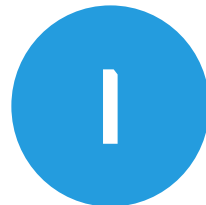
### **GROW**

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

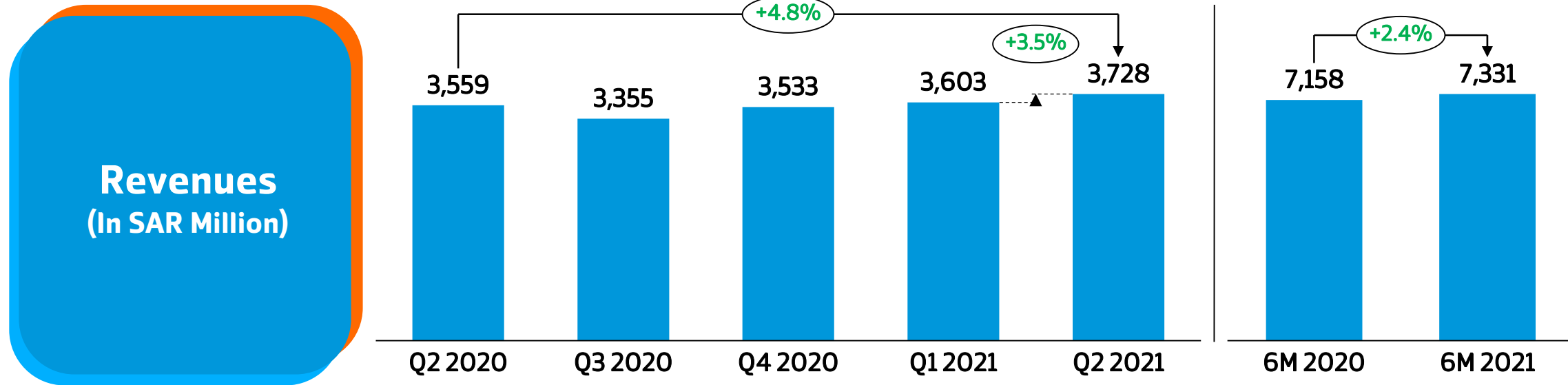
### **HOW**

By Empowering the Digital Economy

### **BY BEING**

The Everyday Hero

## 7 KEY FINANCIAL HIGHLIGHTS | CONSISTENT GROWTH OF THE TOPLINE

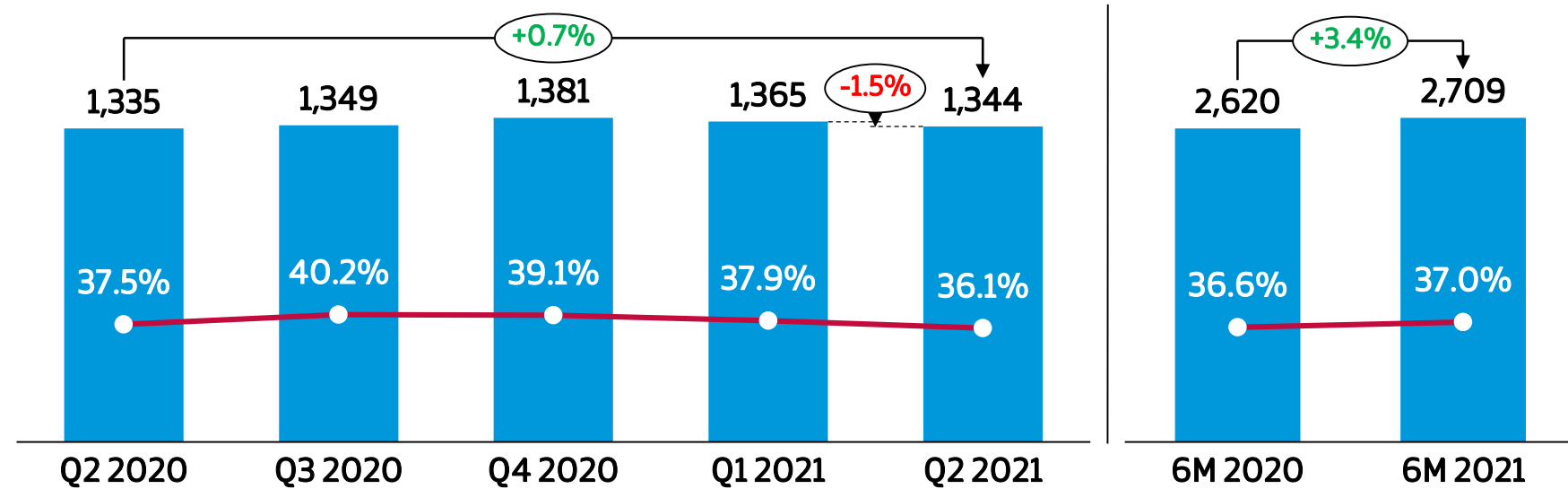


- Succeeded in growing the quarterly Revenues to achieve the highest Revenues levels in the last 5 years
- Mobily continued to grow its quarterly revenues in Q2 2021 recording an increase of 3.5% QoQ and 4.8% YoY
- Mobily's H1 2021 revenues rose to SAR 7,331 million, up from SAR 7,158 million in H1 2020 achieving an increase of 2.4% despite the MTR reduction
- Revenue growth is driven by the following:
  - Growth in business unit revenues and FTTH active base



## 8 KEY FINANCIAL HIGHLIGHTS | EBITDA LEVELS REMAIN HEALTHY

**EBITDA and  
EBITDA  
Margin  
(In SAR Million)**



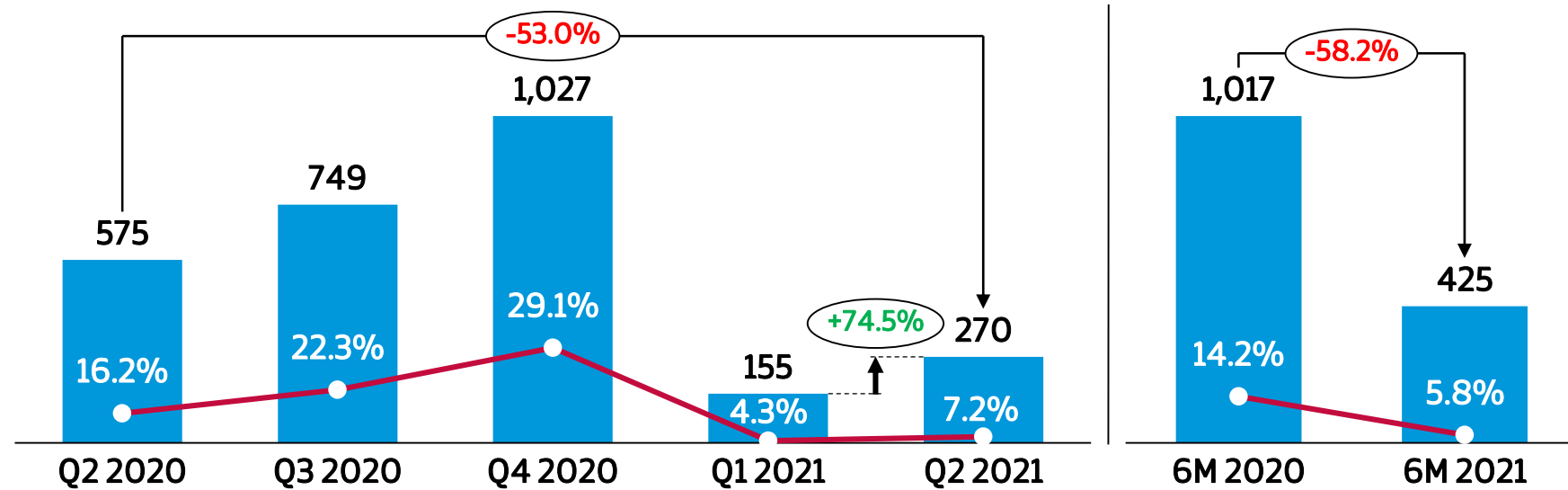
- Q2 2021 EBITDA increased by 0.7% YoY to reach SAR 1,344 million and decreased by 1.5% QoQ
- H1 2021 EBITDA improved by 3.4% compared to H1 2020, with EBITDA margin of 37.0%
- EBITDA YoY growth is driven by the topline performance improvement and EBITDA margin maintained healthy levels





# 9 KEY FINANCIAL HIGHLIGHTS | CONTINUOUS EFFORTS TOWARDS CAPEX RATIONALIZATION

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

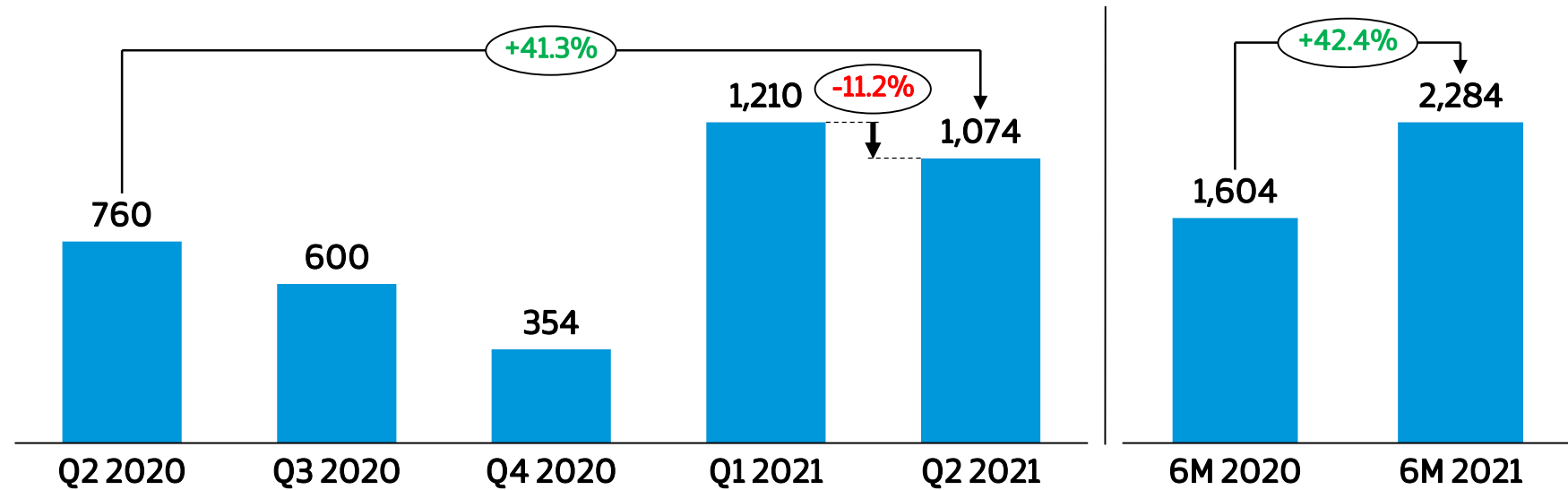


- CAPEX in Q2 2021 increased by 74.5% to reach SAR 270 million QoQ and decreased by 53.0% YoY
- CAPEX in H1 2021 decreased by 58.2% to reach SAR 425 million compared to SAR 1,017 million in H1 2020 due to the aggressive CAPEX investments to deploy the 5G in the previous period



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

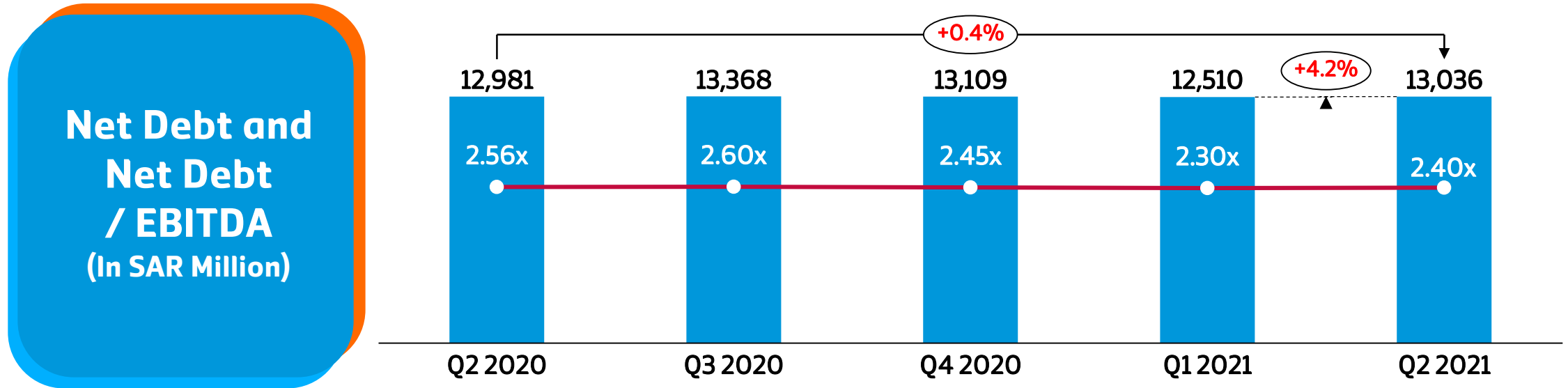
**Operational Cash Flow (EBITDA – CAPEX)**  
(In SAR Million)



- Q2 2021 Operational Cash Flow (EBITDA - CAPEX) increased by 41.3% to reach SAR 1,074 million YoY and decreased by 11.2% QoQ
- H1 2021 Operational Cash Flow (EBITDA - CAPEX) increased by 42.4% to reach SAR 2,284 million
- Healthy operational cash flow generation was mainly driven by healthier EBITDA levels



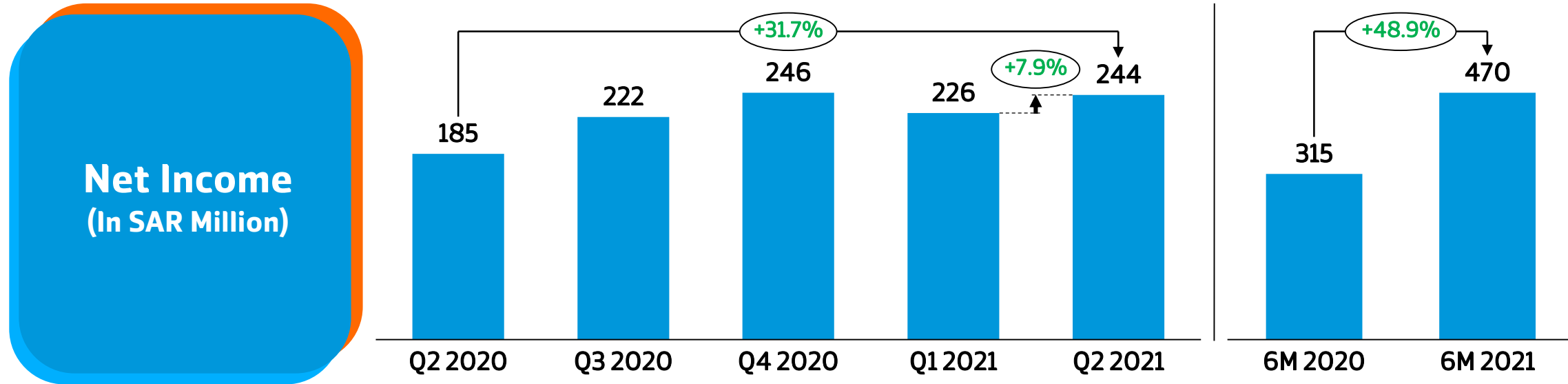
# 11 KEY FINANCIAL HIGHLIGHTS | BALANCED NET DEBT LEVELS



- Healthy Net debt to EBITDA ratio at 2.40x at the end of Q2 2021
- Q2 2021 Financial charges has declined by 3.8% QoQ and 12.5% YoY to reach SAR 121 million
- The company's ability to reach healthy levels of its net debt was reflected in the decrease of financial charges for H1 2021 to reach SAR 248 million representing a decrease by 17.6% compared to H1 2020



## 12 KEY FINANCIAL HIGHLIGHTS | GAINING PROFITABILITY



- Q2 2021 net income increased by 31.7% YoY and 7.9% QoQ reflecting Mobily's performance and operational development
- Mobily achieved 48.9% increase in H1 2021 net income reaching SAR 470 million compared to H1 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





**Thank you**

**Email:**

**[IRD@mobily.com.sa](mailto:IRD@mobily.com.sa)**

**Website: [Investor Relations Page](#)**

