Etihad Etisalat Investor Relations

October 28, 2024

Earnings Presentation

Q3 2024

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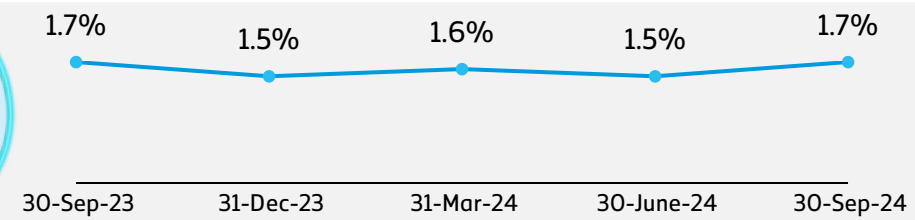
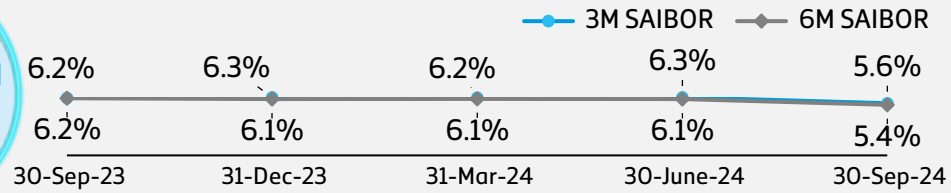
Saudi Regulatory and Telecom Environment

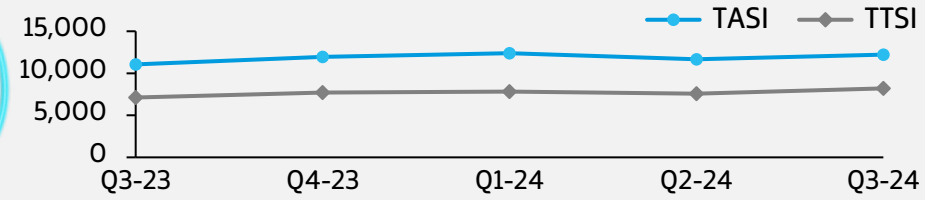
KSA annual inflation[1] 1.7%



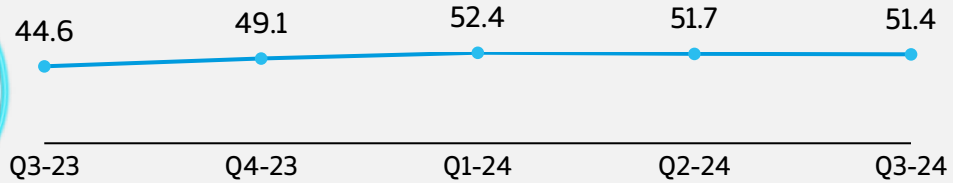
3M and 6M SAIBOR 5.6% and 5.4%



TASI and TTSI performance +10.6% and +15.3% YoY



Mobily share price performance +15.4% YoY



KSA median download speeds[2]

120.74 Mbps Mobile

112.45 Mbps Fixed broadband

Mobily achieved a strong speed in KSA for Q3-24

324.15 Mbps Mobile 5G

168.05 Mbps Fixed internet

Saudi Arabia ranked 2nd among G20 countries in the ITU's ICT Development Index. The Saudi ICT market is the largest and fastest-growing in the MENA region, with average monthly data consumption per person **>3x** global average[3]

CST has updated the **IoT Regulatory Framework**, the update aims to facilitate the journey for service providers and investors in IoT, align with the national regulations and adapt to the latest communication technologies used in IoT[3]

Mobily leads in download speed for popular gaming platforms in Saudi Arabia, ranking **#1** for PlayStation, Xbox, and Steam, and rated highest latency performance in **10 out of 18** of most popular video games[3]

1 General Authority for statistics report 2 Speedtest by Ookla 3 CST/MCIT reports and announcements

9M-24 in Review

February

FEB 4: Mobily Business is the "Digital Partner" in World Defense Show 2024

FEB 7: Mobily signed an interconnection agreement with China Mobile International Limited at the Capacity Middle East conference

FEB 15: Mobily won "Legal Tech Advocate of the Year" and "Legal Tech Collaboration of the Year" at the Saudi Legal Tech Forum for MENA

FEB 15: Mobily won Opensignal's "Video Experience" and "Download Speed Experience" Awards

March

MAR 5: Mobily achieved the "Best Customer Experience" award by CST for the third time in a row

MAR 7: Mobily signed multiple agreements with several key partners in LEAP 2024; Huawei, Ericsson, Nokia, Elm, Jahez and others

MAR 27: Brand Finance ranked Mobily as the fastest-growing telecom firm in the Middle East and recognized CEO Eng. Salman Al Badran as a top 10 global business leader and 1st in KSA on the brand protection index

April

APR 29: Mobily won three customer experience awards at the GCXA Awards ceremony

APR 30: Mobily joined the Ministry of Economy and Planning (MEP) Sustainability Champions program to promote sustainability in the Kingdom

May

MAY 13: Mobily participated as a Platinum Digital Partner in the SAMENA Council Leaders' Summit 2024

MAY 28: Mobily signed an agreement with the telecom solutions provider MADA to provide innovative digital solutions in the international SMS services

MAY 28: Mobily MSCI ESG index rating upgraded from "A" to "AA"

June

JUN 13: Mobily is ranked among top 5 Inspiring Workplaces in MENA

JUN 27: Mobily signed a partnership agreement with Meshkati Solutions to develop and provide innovative smart home products and services to customers

July

JUL 4: Mobily has obtained the certificate of ISO 22361:2022 for its implementation of crisis management standards

JUL 28: Mobily has obtained the certificate of ISO 10002:2018 for its customer care services

August

AUG 28: Mobily has obtained the local content certificate for the fifth consecutive year

September

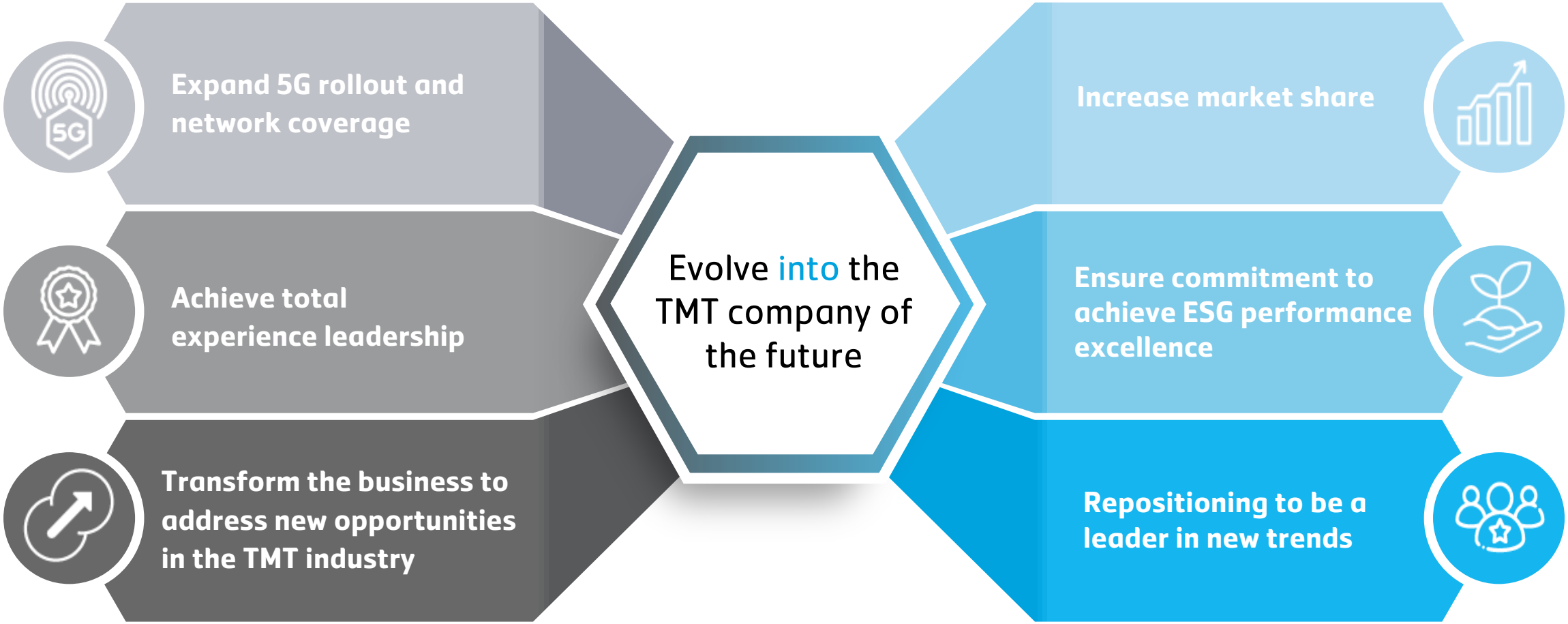
SEP 9: Mobily signed MVNO network hosting agreement with Red Bull Mobile

SEP 11: Mobily signed an agreement with Saudia allowing Neqaty members to benefit from Alfursan Loyalty Program

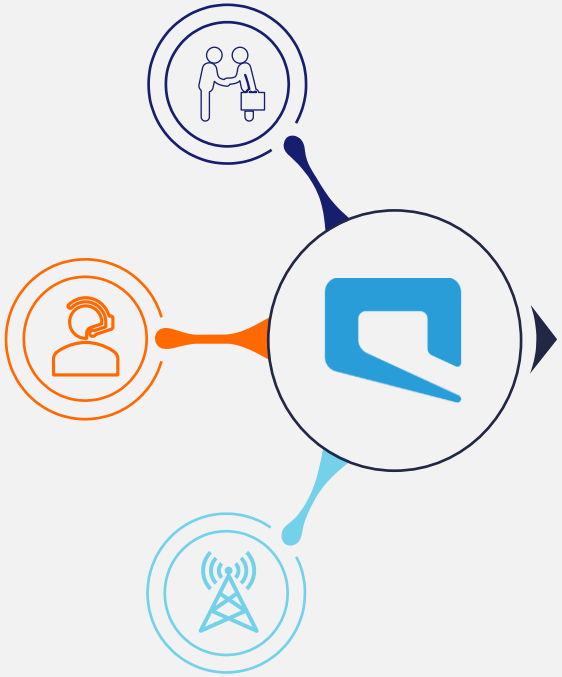
SEP 16: Mobily won 3 awards for Best Continuity and Resilience Team of 2024 in the Middle East, at the BCI annual event

SEP 16: Mobily signed a partnership agreement with MBC Media Solutions (MMS) to sponsor the live broadcast of the Saudi Pro League across the Middle East

Strategy 2023+



Operational Performance Highlights



Business

- Positioned as a leading ICT player in KSA by developing internal capabilities, expanding product portfolio and strengthening partnerships to deliver a comprehensive end-to-end ICT ecosystem
- Delivered flagship digital solutions projects to enhance Mobily's digital capabilities related to public sector organizations
- Collaborated with Monsha'at and other key strategic partners to expand Mobily's presence in the region

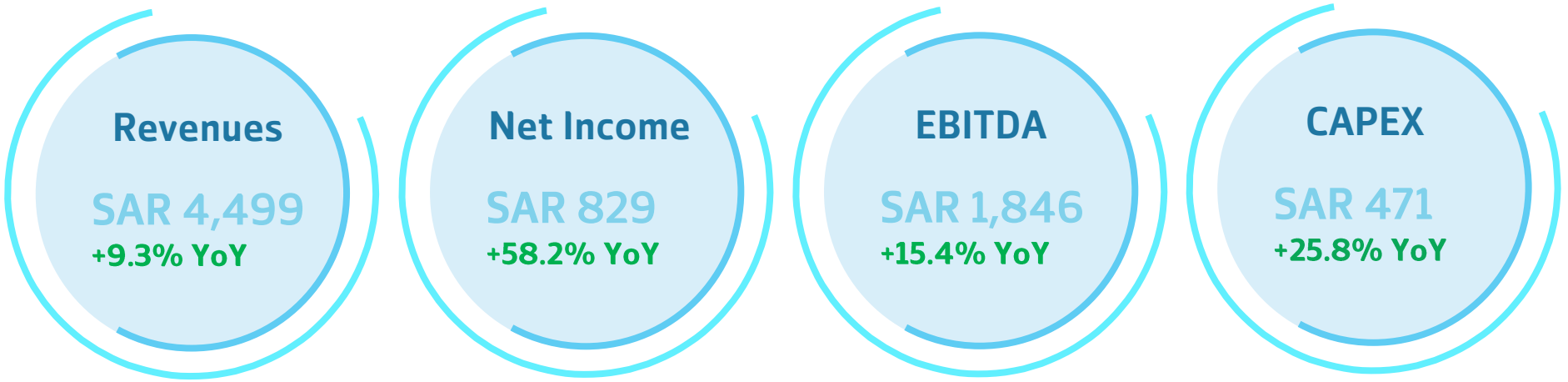
Consumer

- Launched Postpaid X-Stream, the only package in the market offering free streaming content, including platforms like OSN+, Amazon Prime, and Mobily TV
- Signed new loyalty partnerships with major brands, including Saudi Airlines, Flynas, and various apparel groups
- Prioritized customer satisfaction by consistently implementing improvements and addressing customer feedback

Wholesale and Carrier services

- Signed a new agreement to onboard Red Bull Mobile as an MVNO, expanding our service offerings and strengthening our market position
- Expanded market reach by securing connectivity services deals with national and international clients
- Participated as a gold sponsor of the Submarine Network World conference, showcasing Mobily's innovative services and solutions that support the initiatives of Saudi Vision 2030

Financial Performance Highlights (SAR Million)



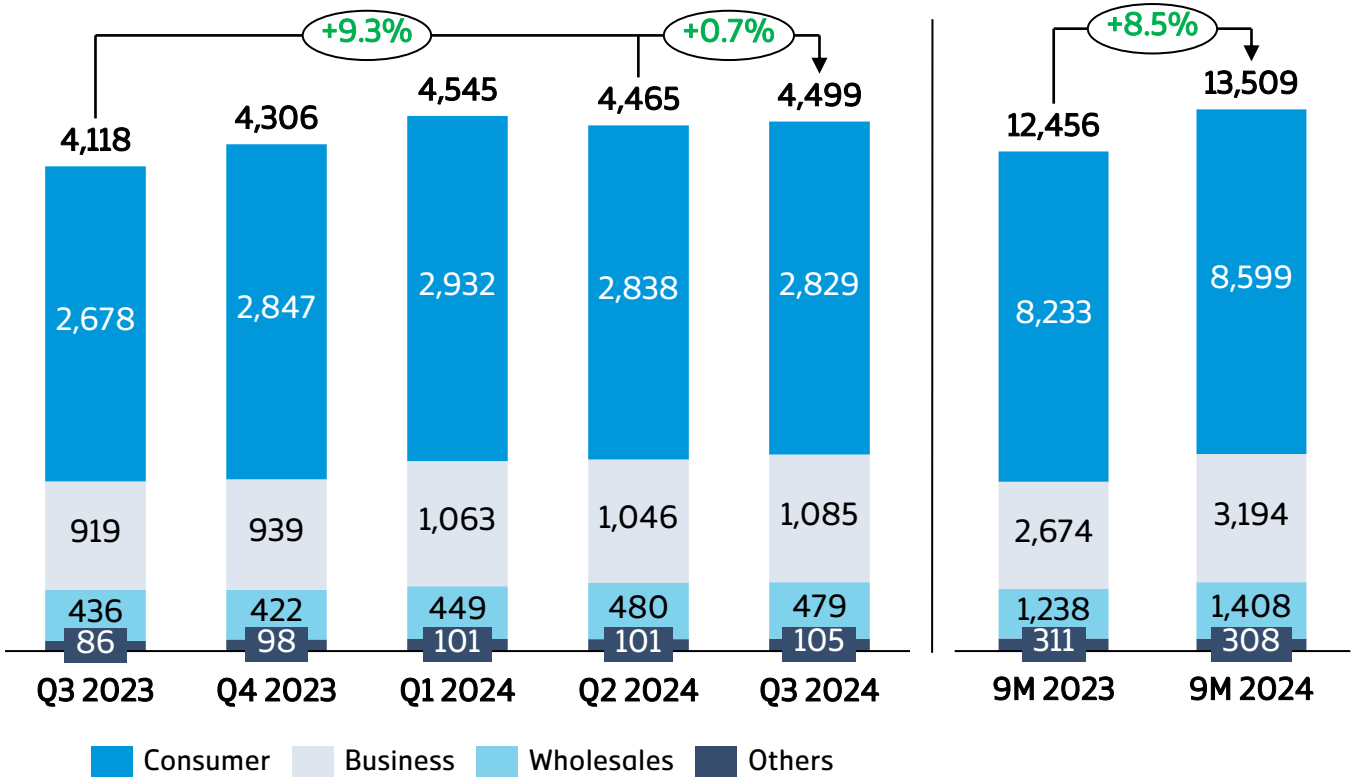
Strong achievements in our financial KPI's:

- Achieved notable revenue growth, supported by growth across all revenue streams
- Delivered strong EBITDA level, reflecting continued revenue growth
- Attained impressive net income growth of **58.2%** YoY
- Drove our CAPEX through investing in innovation and emerging technologies

"Leadership in Enriching your Digital World"

Key Financial Highlights | Historic Revenue Boost

Revenues (SAR Million)



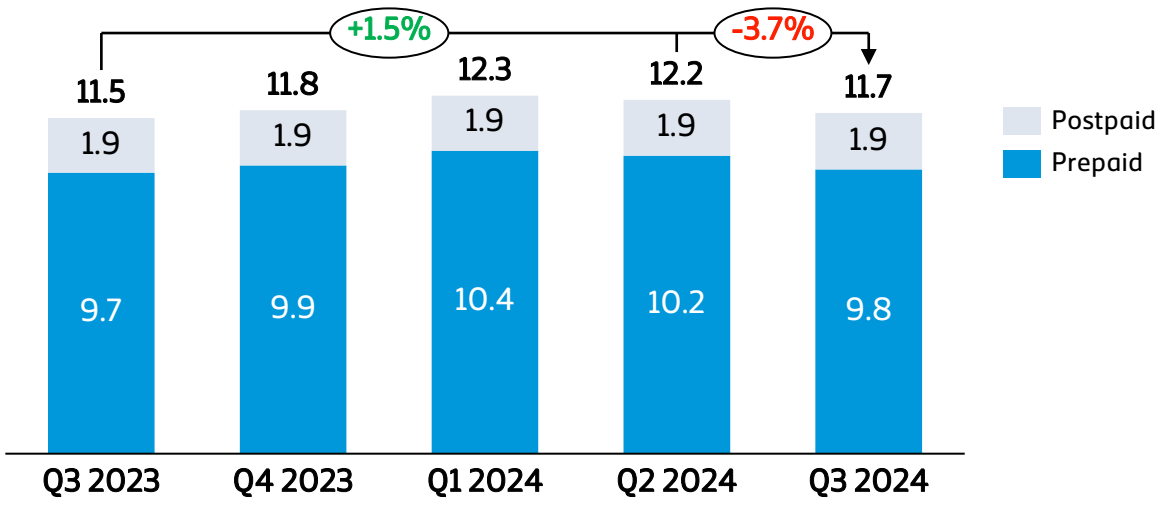
Revenues increased **9.3%** YoY and **0.7%** QoQ to **SAR 4,499** million:

- All revenue streams contributed to the YoY growth, with the **Business** segment leading the way and also driving the QoQ growth

Revenues increased **8.5%** in 9M-24 to **SAR 13,509** million, fueled by the expansion of all revenue streams

Key Financial Highlights | Resilient Subscriber Growth

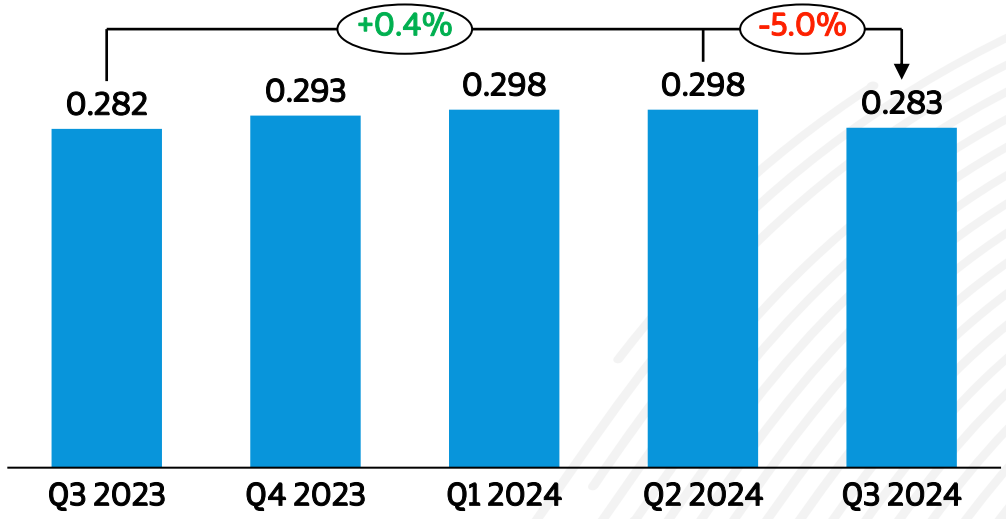
Mobile Subscribers (In Million)



Mobile subscribers increased 1.5% YoY and decreased (3.7%) QoQ to 11.7 million:

- Postpaid reached 1.9 million subs
- Prepaid reached 9.8 million subs

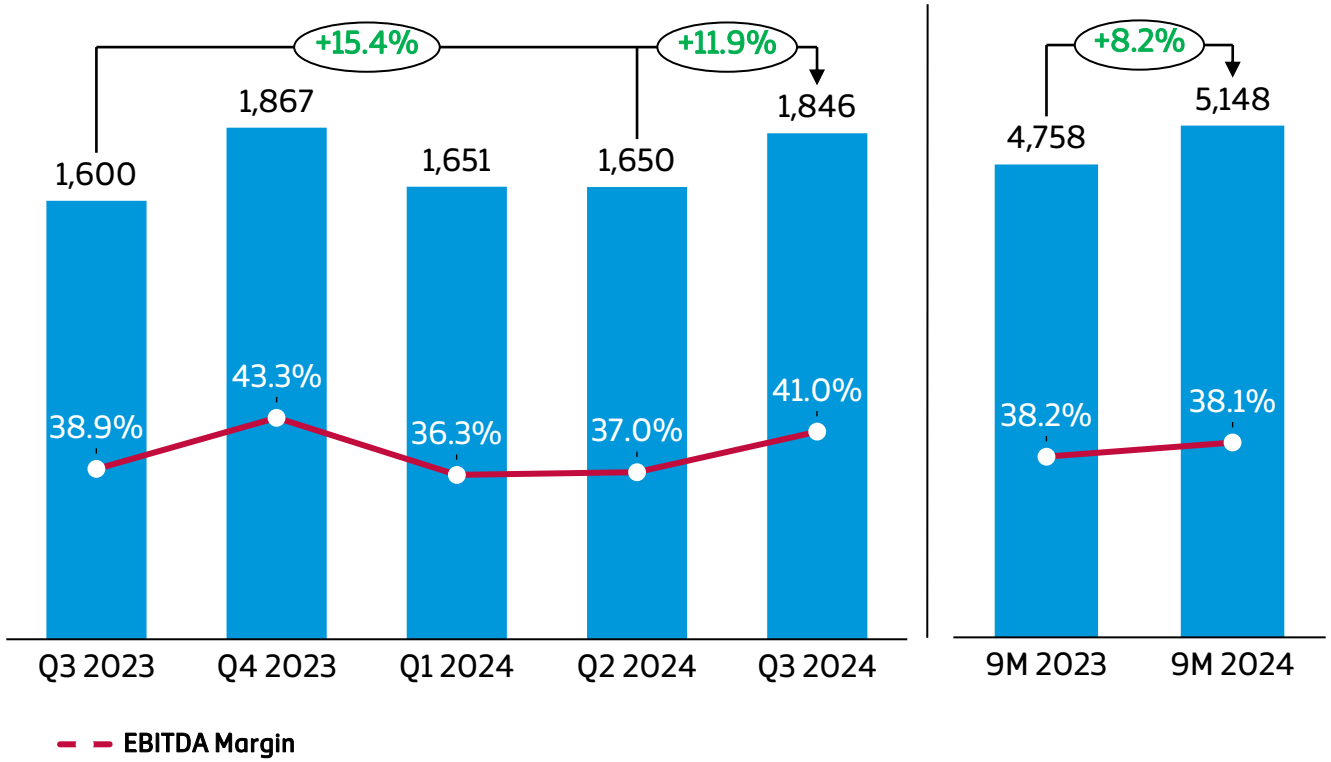
FTTH Subscribers (In Million)



FTTH subscribers increased 0.4% YoY and declined (5.0%) QoQ at 0.283 million subs

Key Financial Highlights | Sustained EBITDA Performance

EBITDA and EBITDA Margin (SAR Million)



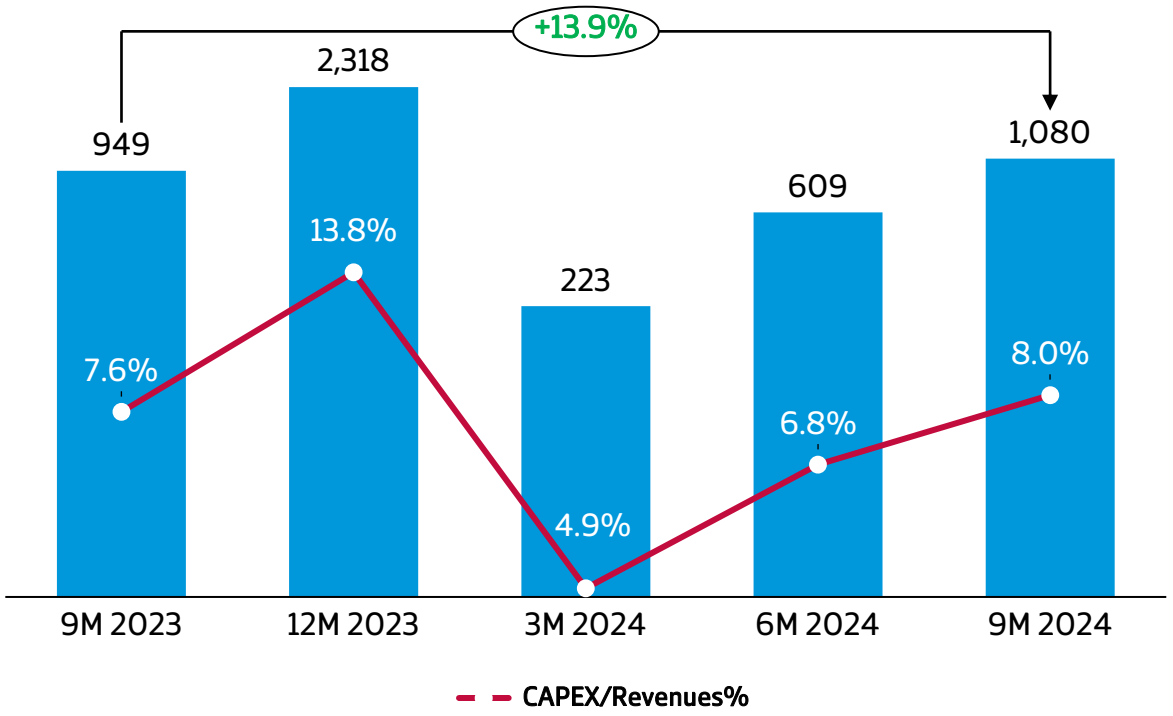
EBITDA increased **15.4%** YoY and **11.9%** QoQ at **SAR 1,846** million:

- Top line growth supported the YoY improvement in EBITDA
- Resilient EBITDA Margin level at **41.0%** reflecting operational efficiency

EBITDA increased **8.2%** in 9M-24 to **SAR 5,148** million, with an EBITDA margin of **38.1%**

Key Financial Highlights | Purposeful Investment Plan

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

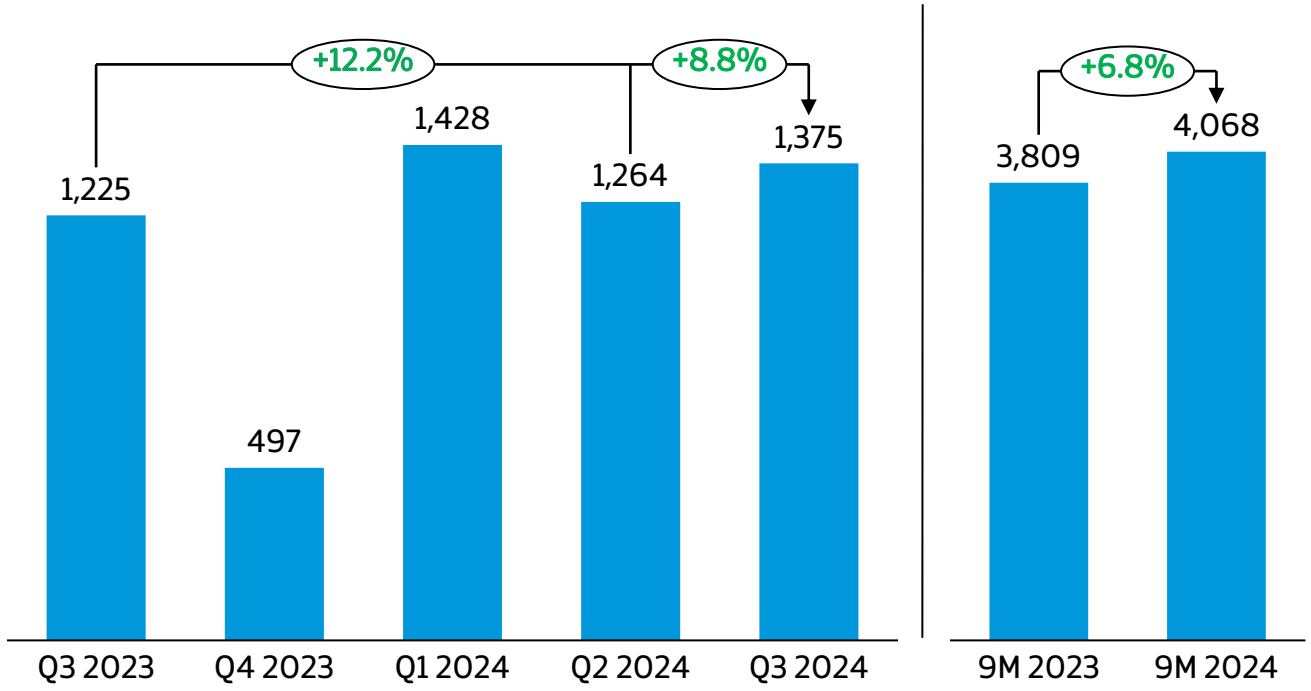


CAPEX in 9M-24 increased by 13.9% YoY to SAR 1,080 million:

- Allocated investments to advance connectivity through acceleration of 5G network, IoT infrastructure, data centers and submarine cables
- CAPEX/revenue ratio reached a level of 8.0%

Key Financial Highlights | Strong Cash Generation

Free Cash Flow (EBITDA – CAPEX) (SAR Million)

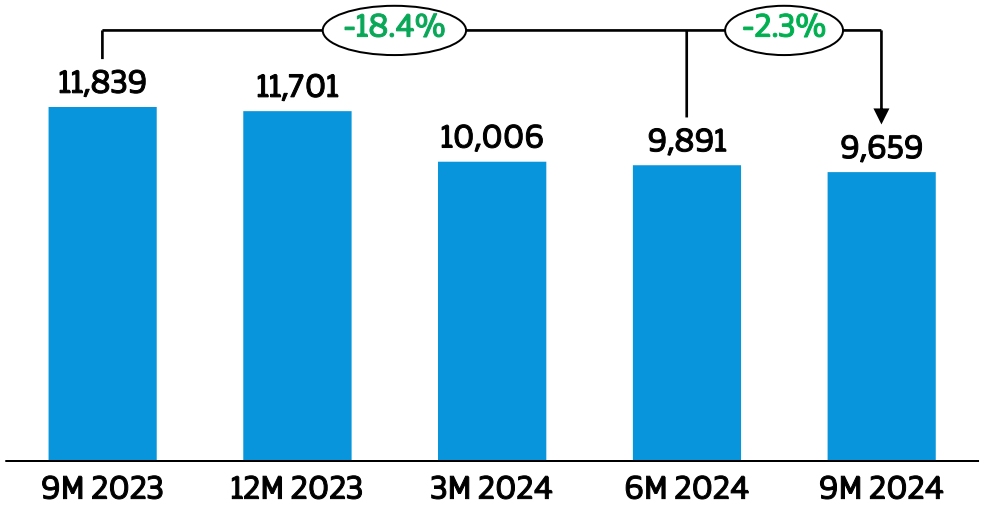


Free Cash Flow grew by 12.2% YoY and 8.8% QoQ due to the growth in EBITDA

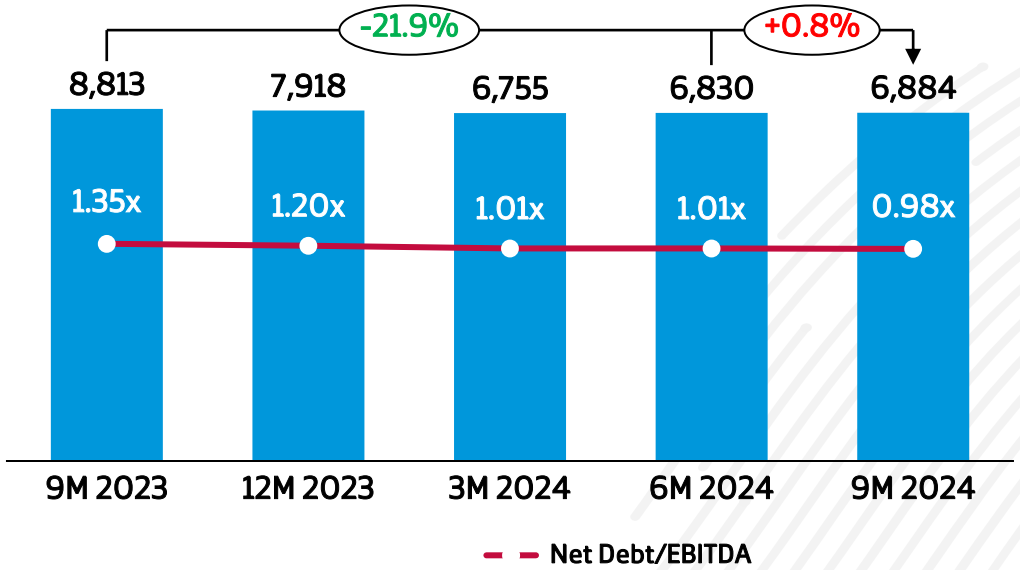
9M-24 Free Cash Flow increased by 6.8% to reach SAR 4,068 million.

Key Financial Highlights | Debt Reduction Success

Gross Debt
(SAR Million)



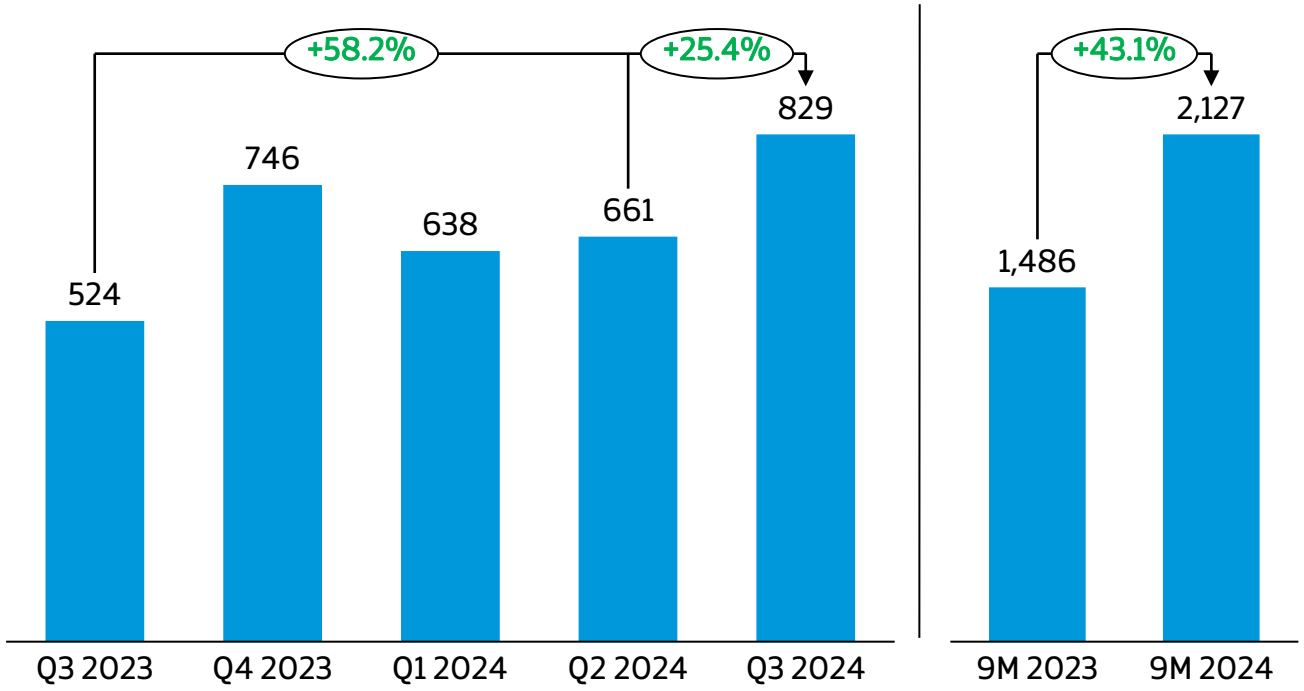
Net Debt and Net Debt/EBITDA
(SAR Million)



- Gross Debt declined by (18.4%) YoY and (2.3%) QoQ to reach SAR 9,659 million
- Net Debt decline of (21.9%) YoY and increase of 0.8% QoQ as a result of the decline in debt portfolio
- Continued to achieve a remarkable Net Debt/EBITDA ratio at 0.98x
- Mobily has reduced its debt balance by more than SAR 2.1 bn YoY

Key Financial Highlights | Continuous Profit Generation

Net Income (SAR Million)



- Net Income increased by 58.2% YoY and 25.4% QoQ to reach SAR 829 million, reflecting higher revenue and operational excellence
- Net Income grew by 43.1% in 9M-24, reaching SAR 2,127 million

Towards Achieving Our FY-24 Performance Guidance...

9M-24 Actual		FY-24 Guidance
8.5%	Revenue Growth	Mid- to high- single digit growth
38.1%	EBITDA Margin	37-38%
0.98x	Net Debt/EBITDA	1.1x
8.0%	CAPEX Intensity	14-16%


Q&A

APPENDIX: Sustainability at Mobily

Aligning with National and International Frameworks

- Saudi Vision 2030
- Saudi ICT Strategy 2023
- Saudi Green Initiative
- SDG's
- UN Global Compact
- Global Reporting Initiative

Mobily Contribution to the Sustainable Development Goals work

ESG Performance at a Glance

Upgraded to 'AA' in MSCI ESG Index – highest-rated company in MENA region	Launched Mobily Recycling Initiative to promote the circular economy	Launched Mobily's new 'RISILIENT' cybersecurity strategy for 2023-27	+59,000 hours of structured employee learning materials and courses	Sponsored Monsha'at's Biban 23 to support the Kingdom SMEs sector

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Thank you

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