

## 2020 budget: Preserving our growth momentum

Cairo, 18 December 2019: Telecom Egypt's Board of Directors approved the budget for the fiscal year 2020 according to the following KPIs:

- Low double digit revenue growth
- EBITDA margin in the mid to high twenties
- In-service CapEx to sales ratio of 30%

**Adel Hamed, Managing Director and Chief Executive Officer,** commented:

"Telecom Egypt's budget for 2020 reflects our strategy to position the company at the forefront of the ICT market and transform Egypt into a regional digital hub. To accomplish this, we will continue to invest in infrastructure expansions and contribute to significant national projects to seize all opportunities in the market. We will also build on our strong retail performance by preserving our growth momentum, especially in data services.

During 2019, we led the shift of the Egyptian fixed broadband market with the launch of 'WE SPACE' and complemented our retail portfolio by introducing our digital wallet, 'WE Pay'. In 2020, we expect to kick-off a number of projects, which will allow us to capitalize on 2019's growth and continue to monetize our investments. In terms of wholesale growth, the growth of our domestic and international businesses is expected to be driven by the mounting demand for infrastructure services by MNOs and ISPs and higher cable projects revenues.

This year marks the dedicated focus on customer experience and quality of service as we direct our spending towards systems and digital transformation within the organization. With that Telecom Egypt would have completed its elevated and expedited Capex spending cycle and hence its priorities will be focused on managing its cash flows in light of this remaining Capex outlay and the higher interest costs associated with the higher leverage. This is a challenge that we are planning to mitigate by setting relaxed payment terms with vendors, extracting synergies from existing assets and extracting cost efficiencies."

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## About Telecom Egypt

Telecom Egypt is the first total telecom operator in Egypt providing all telecom services to its customers including fixed and mobile voice and data services. Telecom Egypt has a long history serving Egyptian customers for over 160 years maintaining a leadership position in the Egyptian telecom market by offering its enterprise and consumer customers the most advanced technology, reliable infrastructure solutions and the widest network of submarine cables. Aside from its mobile operation "WE", the company owns a 45% 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. Please refer to Telecom Egypt's full financial disclosure on [ir.te.eg](http://ir.te.eg)

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