

2022 guidance: Higher margins and improved cash flows

Cairo, 27 October 2021: Telecom Egypt's Board of Directors approved 2022 budget. The guidance for 2022 will be within the following KPIs:

- Early double digit revenue growth
- EBITDA margin in the mid to high thirties
- In-service CapEx-to-sales ratio in the mid-twenties
- FCFF to EBITDA of early double-digit

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

Telecom Egypt's 2022 budget foresees another year of strong operational and financial performance. The strong data momentum witnessed during the pandemic has persisted throughout 2021 and is expected to continue to drive the company's top line growth during 2022. Our data performance will also continue to drive direct and indirect growth across our business lines, opening up new opportunities for us to grasp by capitalizing on our enhanced infrastructure services, international presence, and cost optimization efforts, which will ultimately filter through to healthy margins and higher profitability.

Going forward, our CapEx cycle is expected to slow down as we have nearly completed our copper-to-fiber replacement program. We plan to diversify our investments to include our mobile network, data centers, and internal system upgrades to grow our service portfolio and enhance customer experience. Additionally, we plan to follow through with our financing strategy to deleverage over time while enhancing our financing cost.

We expect our free cash flow to grow during the upcoming year on the back of strong operational cash flow, CapEx rationalization efforts, and certainty on dividends from Vodafone. This will support us in maximizing shareholder value while we tackle our strategic goals of becoming a leading ICT provider and a facilitator of Egypt's plan to become a regional digital hub.

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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

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