

# Corporate Presentation

## telecomegypt

### September 2024



# Disclaimer

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# Company Snapshot

## Heritage Transformed



### Telecom Egypt's Incorporation

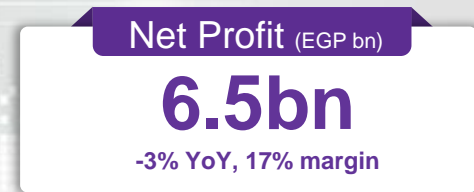
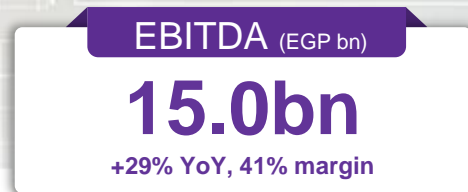
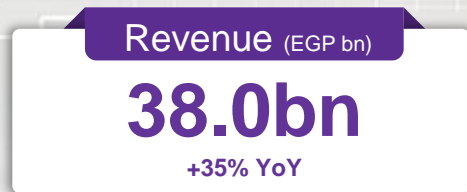
- Founded in 1854 with the first telegraph line in Egypt
- Incorporated in 1998, replacing the former Arab Republic of Egypt National Telecommunication Organization (ARENTO)
- Listed in 2005 on Egypt and London Stock Exchanges
- Acquired a 45% stake in Vodafone Egypt from 2003 to 2006
- Rebranded the retail business to WE in 2017 with the launch of mobile services



### About Telecom Egypt

Telecom Egypt is a fully integrated telecom operator providing a wide range of telecom services to a diverse customer base. Serving individuals, communities, SOHOs, SMEs, and large enterprises, Telecom Egypt offers a comprehensive, innovative, and diversified portfolio of services, ranging from fixed and mobile voice to essential data solutions that are crucial in today's digital landscape. The range of services also includes high-speed internet, smart solutions, data center facilities, and cloud computing solutions tailored for businesses. With a rich heritage of about 170 years, Telecom Egypt continues to lead the Egyptian telecom market by providing cutting-edge technology, robust infrastructure, and an extensive network of subsea cables to meet the needs of its enterprise and consumer clientele. The company's pivotal role in Egypt's telecommunications landscape is underscored by its expansive network coverage, broad service range, and dedication to fostering innovation. Aside from its mobile operation "WE", Telecom Egypt holds a significant 45% ownership 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.

### Financial Highlights (H1 2024)

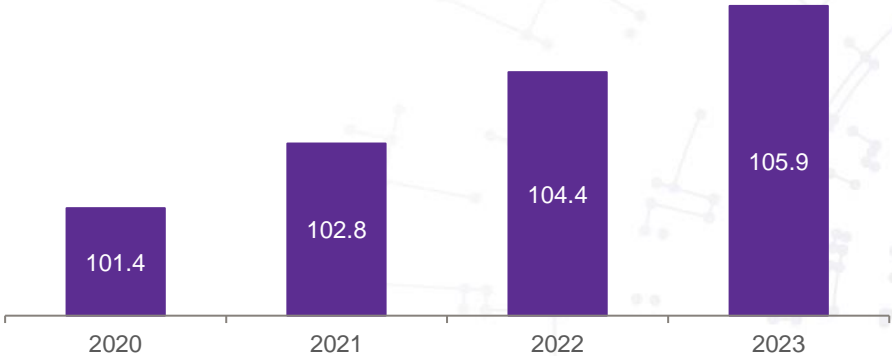




# Macro Overview

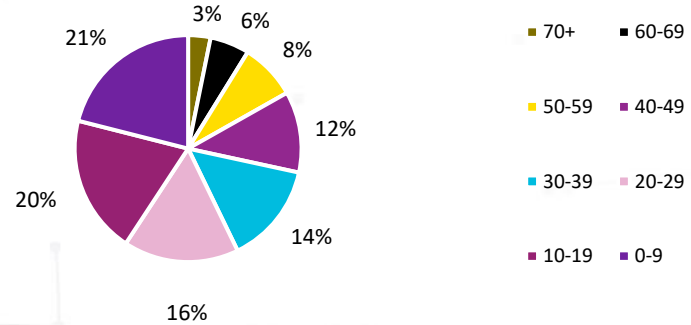
# Macroeconomic Indicators (1/2)

Population (mn)



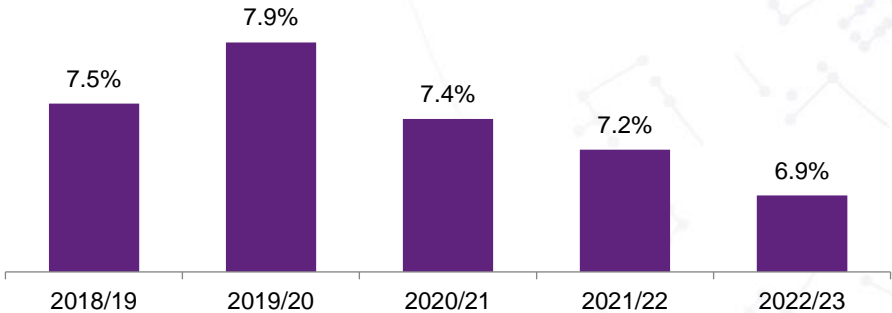
Source: CAPMAS

Age Distribution (% of Population)



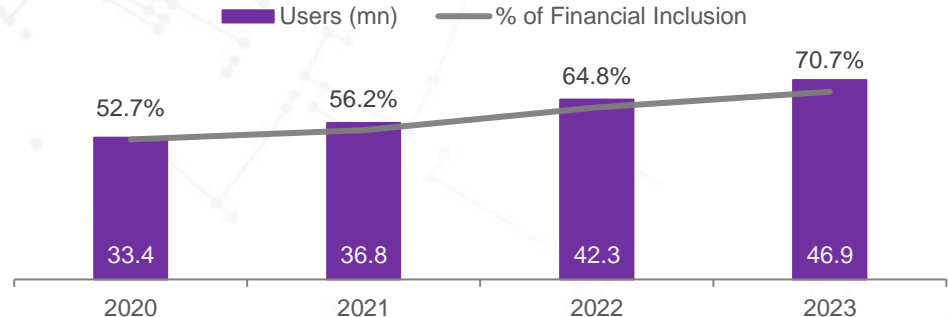
Source: CAPMAS  
57% of the population under 30 years

Unemployment Rate (% of Population)



Source: Ministry of Finance

Financial Inclusion\*

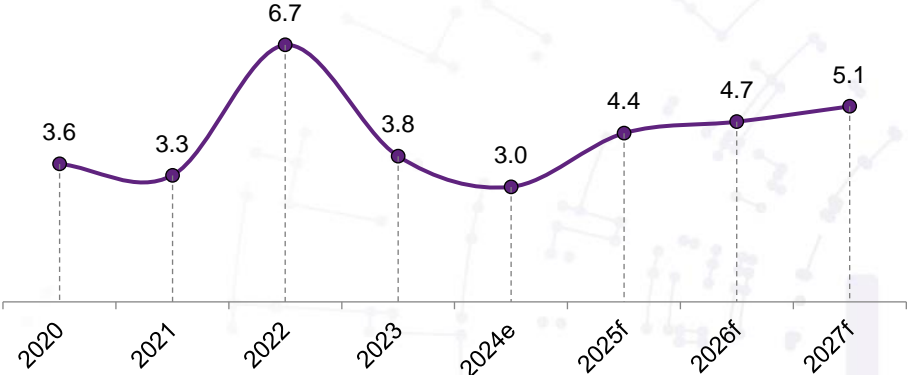


Source: CBE  
\* Aged 16 or above



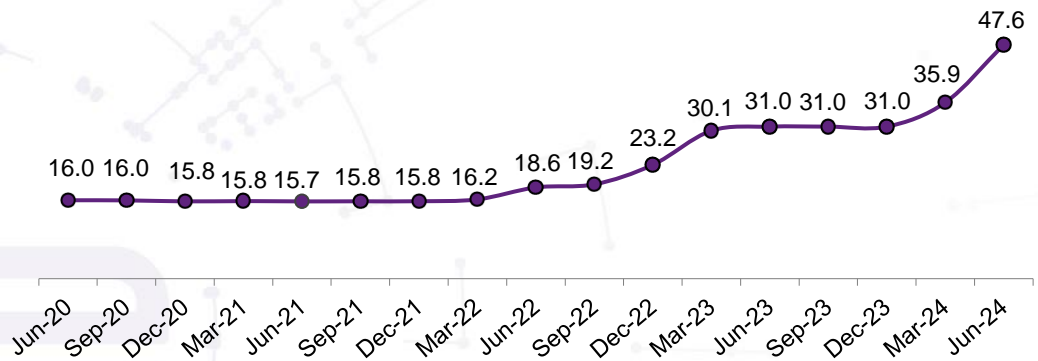
# Macroeconomic Indicators (2/2)

Real GDP Growth (%)



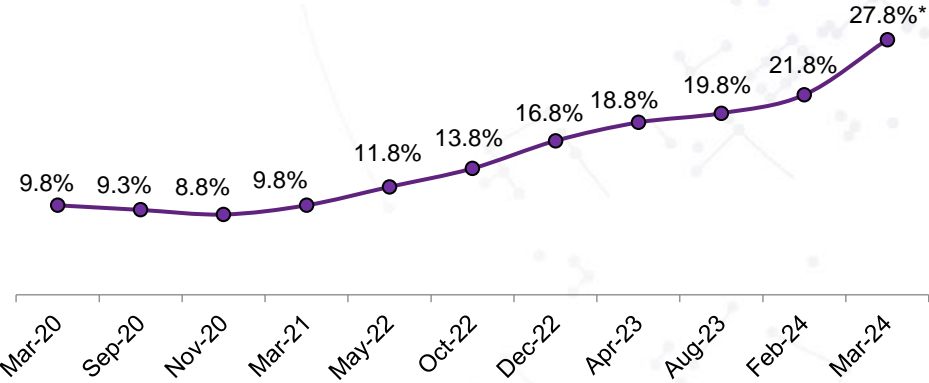
Source: IMF

Average USD to EGP Rate



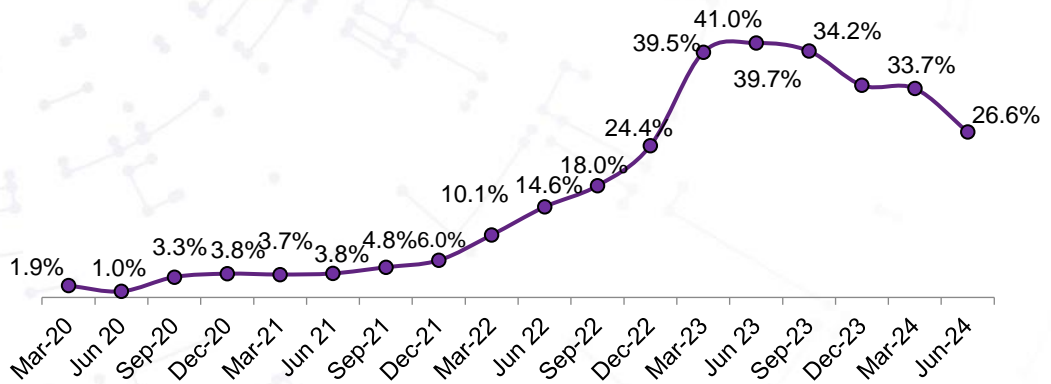
Source: Central Bank of Egypt

CBE Discount Rate



\*Latest rate to date  
Source: Central Bank of Egypt

Core Inflation (YoY)



Source: Central Bank of Egypt



# Telecom Egypt Overview



# A Robust Business Led by a Team of the Highest Caliber



**Mohamed Nasr Eldin**  
Managing Director &  
Chief Executive Officer



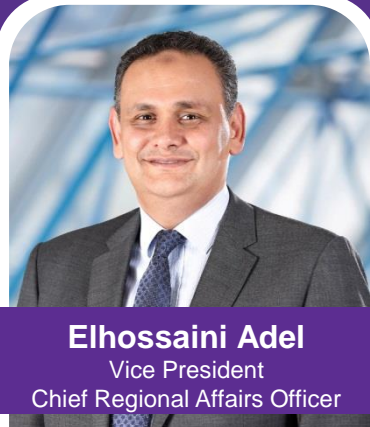
**Mohamed Abo-Taleb**  
Vice President  
Chief Commercial Officer



**Seif Allah Mounib**  
Vice President  
Chief International & Wholesale Officer



**Mohamed Alfowey**  
Vice President  
Chief Technology Officer



**Elhossaini Adel**  
Vice President  
Chief Regional Affairs Officer

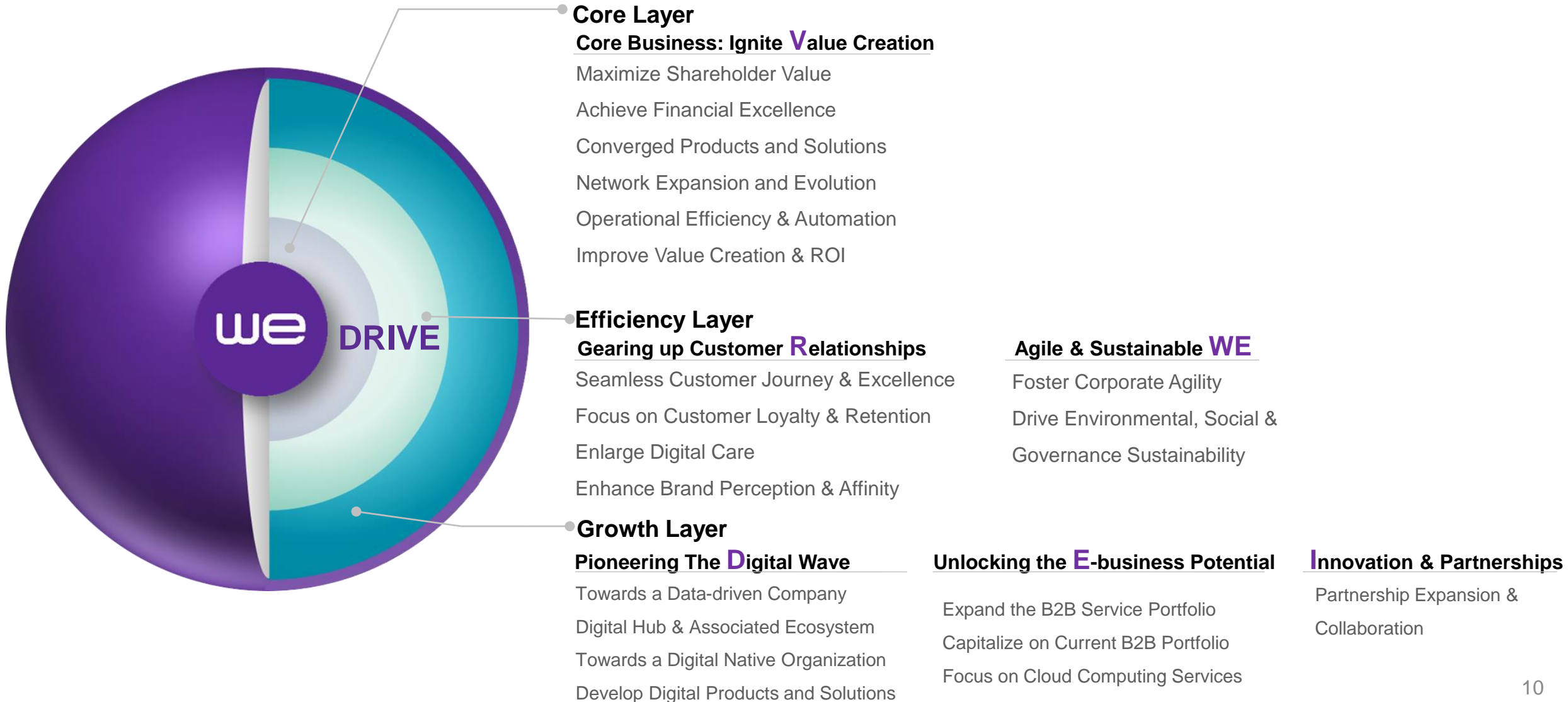


**Ramy Kato**  
Vice President  
Chief Customer Care Officer



**Wael Hanafy**  
Acting Vice President  
Chief Financial Officer

# Our Strategy - WE-DRIVE<sup>©</sup>



# Our Business Units

## Retail

### Consumer Services

Our consumer portfolio offers a range of services, including fixed voice and broadband, mobile voice and data, and other value-added services that provide customers with convenience, savings and integrated support.

### Enterprise Services & Solutions

Our enterprise portfolio provides total telecom services and solutions covering mobile/fixed voice and data services/integrated solutions (networks, cloud, IOT, managed services, smart cities solutions) for small and large businesses in the private and public sectors.



## Wholesale

### Domestic Wholesale

Our domestic wholesale portfolio provides a range of services including infrastructure and access facilities that are required by operators in the domestic market.

### International Carriers Affairs (ICA)

Our international wholesale voice solutions include transit and termination services offered through more than 70 direct relations with international carriers, generating foreign currency earnings. In addition, our extensive global partnership network and bilateral agreements keep our customers connected via international roaming services with an optimal cost structure.

### International Cables & Networks (IC&N)

Our cable business provides global connectivity solutions through substantial investments in international digital infrastructure, enabling more than 90% of the internet traffic to be exchanged between Asia, Africa and Europe. In addition, by capitalizing on Egypt's strategic location and extensive coastal length, we offer enhanced diversity with our subsea assets, making us the partner of choice for more than 170 global players and cementing our role as a central telecommunication hub.

Furthermore, our digital business, which forms part of our IC&N business, provides innovative data center solutions and enhanced connectivity in a reliable and sustainable manner to international customers. Our Internet Exchange Point, the first in Egypt, enables networks to exchange local and regional traffic between our data center customers to the internet in Africa, Asia and Europe.

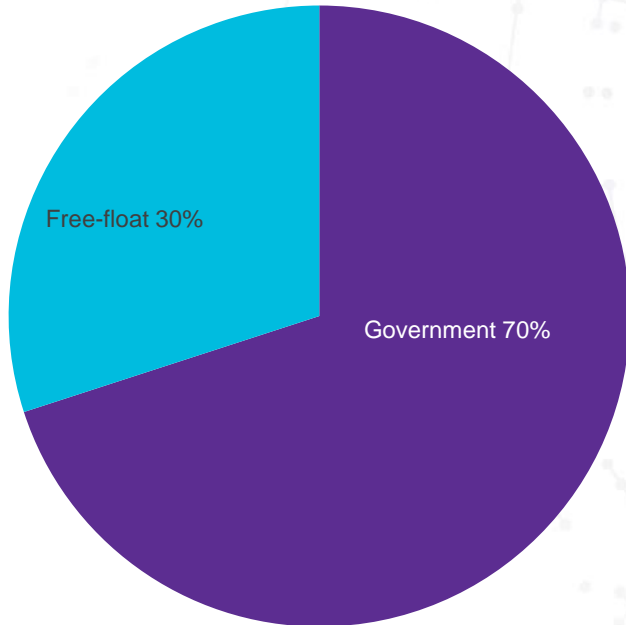
# Shareholder Structure

Highly Diversified Solid Institutional Shareholder Base

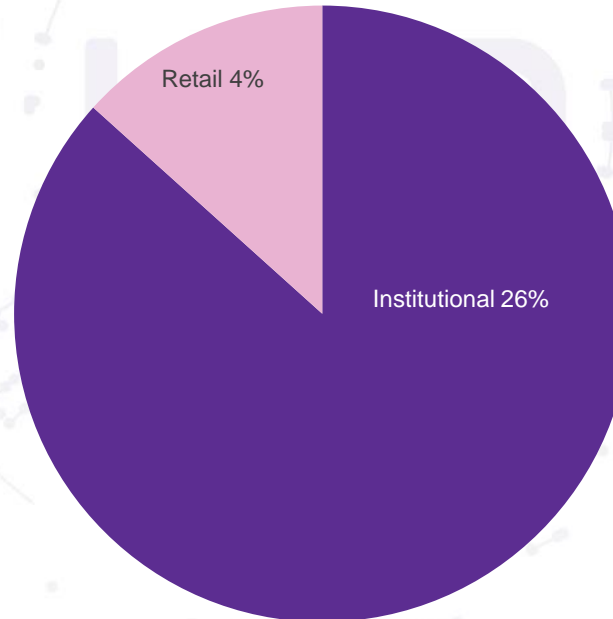


Market Cap of **USD 1.2bn** | ETEL EY/ ETEL.CA (as of 31 July 2024)

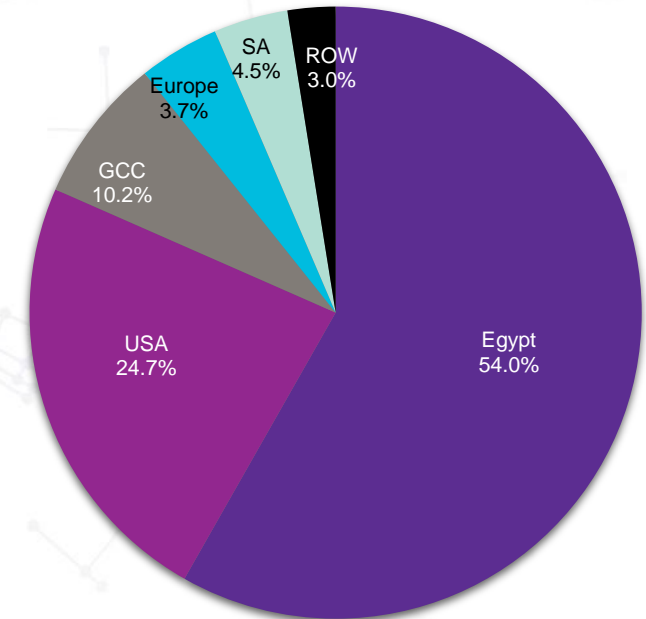
### Ownership Composition



### Free-float Composition



### Breakdown of Free-float by Country





# Network Leadership

# 5G (1/2)

Telecom Egypt, the First 5G Network Provider in the Country



**5G**

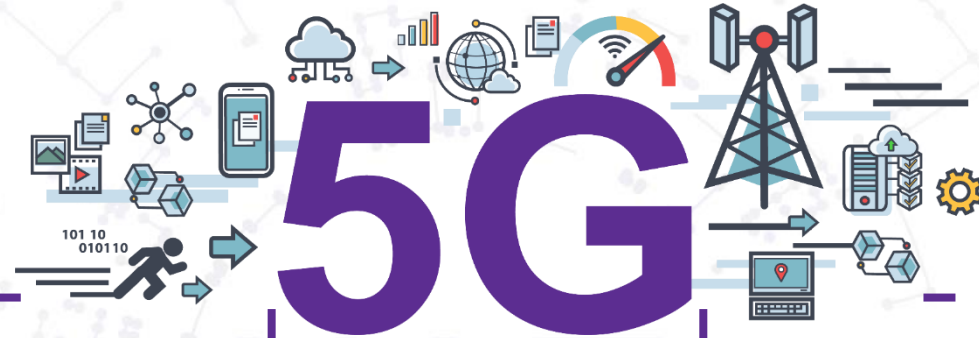
**we**

**The First 5G Service Provider in Egypt**

Icons: Wi-Fi, globe, cloud, airplane, smartphone, server tower, car, boat, AR glasses, people, 5G tower.

# 5G (2/2)

## Empowering New User Experiences and Future-proofing Businesses



### Speed

**5G** offers significantly faster upload and download speeds compared to 4G. This speed improvement enhances streaming, video calls and content with minimal buffering, online gaming, and large file downloads.



### Latency

One of the key benefits of **5G** is its low latency- the delay between sending and receiving information-which can be as low as 1 millisecond. This is critical for real-time applications.



### Network Efficiency

**5G** optimizes network resources, allowing more devices to connect simultaneously. It ensures efficient data transfer even during peak usage.



### Big Data

**5G** network is the main channel to achieve data terminal to data center transmission in the process of big data application.



### Technology

**5G** drives innovation in augmented reality (AR), virtual reality (VR), and immersive experiences. It opens up new possibilities for consumers.



### Internet of Things

**5G** enables seamless communication between a vast number of devices. It supports smart homes, connected cars, and industrial automation.

# Our Cable Network

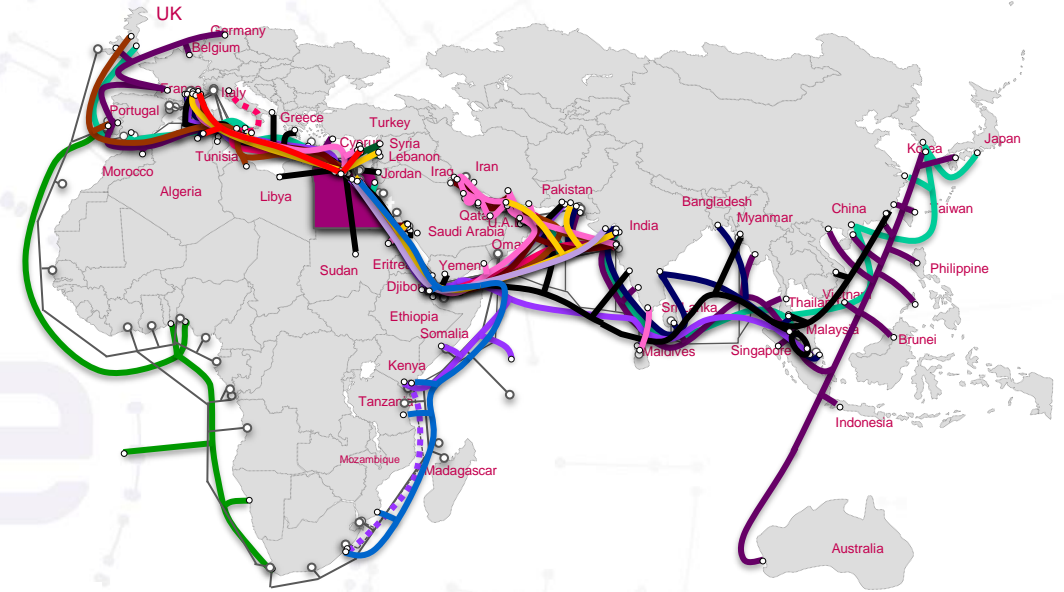
## Expanding our Reach



### IC&N

Positioning Telecom Egypt as the regional Asian and East African gateway to Europe for traffic originating from countries in Asia, the Middle-East and Africa

15	Submarine Cables in Service
6+	Planned Submarine Cables
10	Cable Landing Stations in Service
4+	Planned Cable Landing Stations
10	Diverse Terrestrial Crossing Routes
4+	Planned Terrestrial Crossing Routes



1997	FEA (FLAG Europe Asia)	2010	IMEWE	2023	EQUIANO
1997	ALETAR/BERYTAR	2011	GBI	2024	2Africa
1998	SEA-ME-WE-3	2012	EIG	2024	Africa-1
2005	SEA-ME-WE-4	2014	MENA	2024	IEX
2006	FALCON/HAWK (2011)	2016	SEA-ME-WE-5	2024	Medusa
2009	SEACOM/TATA TGN	2017	AAE-1	2025	SMW-6
2010	TE North	2022	PEACE		

### Diversify Telecom Egypt International Service Portfolio

- Extend Telecom Egypt’s international service portfolio by developing new value-added services
- Leverage partnerships with global operators to enhance international brand image

### Expand Telecom Egypt’s International Reach

- Expand Telecom Egypt’s international footprint by deploying PoPs and expanding our customer base
- Identify opportunities for new business development (e.g. TE-North expansion or deployment of new cable systems)
- Seek partnerships with international carriers to enter new markets

### Enhance Sales Capabilities

- Develop sales capabilities and enhance international account management
- As part of Telecom Egypt’s focus on customer centricity, the sales & business development division has been restructured into three key geographic regions: (i) Africa (ii) Asia (iii) Europe & the rest of the world

• Egypt-Jordan Link • Egypt-Sudan Link • Egypt-Libya Link

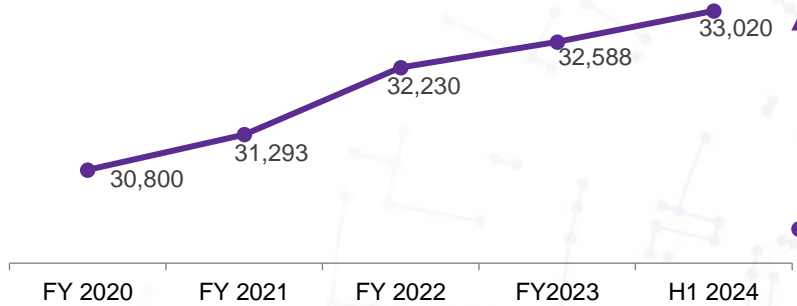


# Digitizing Egypt

Bridging the Digital Gap and Enhancing the Lives of all Egyptians



Fiber Access Network Capacity  
(In 000 Homes)



c. **96%**

of households replaced with fiber optics technology (FTTC)



Government buildings, public services and other

- Automating and deploying high-speed fiber networks to government services such as post offices, tax offices, tourist sites (including buses) and 4 and 5 star hotels.
- Providing Fiber-to-the-Building (FTTB) technology to digitally transform 31k government buildings in three phases. Key civil service buildings connected to date include utilities, documentation, transportation, traffic enforcement, and public prosecution.

## Telecom Egypt's Contribution to Digital Egypt 2030:



FTTH rollout

- Accelerating FTTH rollout across the country as legacy copper infrastructure is phased out



Greenfield deployment

- Greenfield deployment covering the New Administrative Capital (Egypt's first smart city), in addition to FTTH rollout in high-density areas, with a plan to deploy 4G Fixed Wireless Access (FWA) in areas not covered by FTTH.



Education

- Providing high fiber connectivity to education directorates, schools and universities around the country



هيئة المجتمعات العمرانية  
NUCA

- Providing FTTH connections to all the new urban communities (NUCA)



حياتة كريمه  
لكل مصري - لكل قرية

- Providing FTTH networks and cell sites under the Presidential Hayat Karima initiative to villages in rural areas. Progress to date:
  - 704 villages have been completed
  - 310 villages are operational
  - 212k existing customers have been relocated
  - 247 cell sites have been completed



# Retail Segment

# Retail Segment

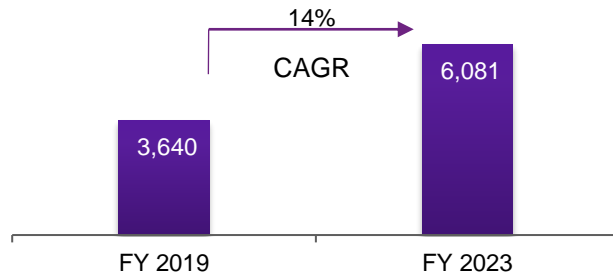
## Strong Growth Momentum Driven by Data Services



### Voice



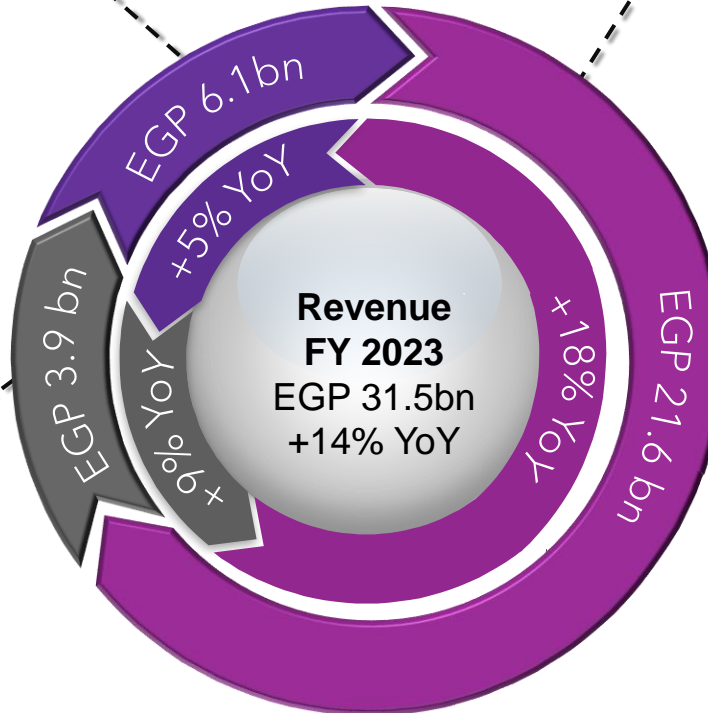
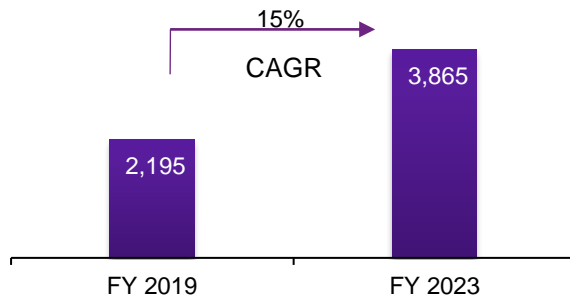
- Growing Mobile customer base
- Growing Fixed Voice customer base driven by Fixed Broadband connectivity



### Other



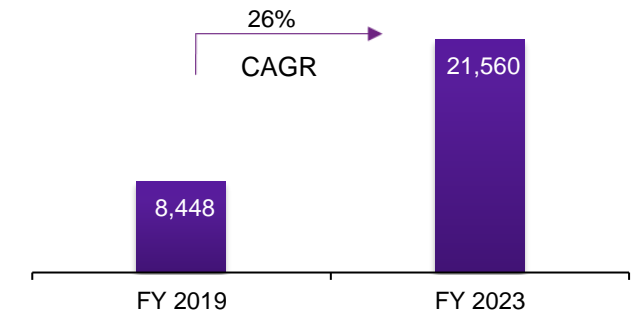
- Managed Services
- Complimentary Access Services
  - Governmental Entities
  - Private Sector
- Subsidiaries i.e. MERC, Xceed, and Centra



### Data

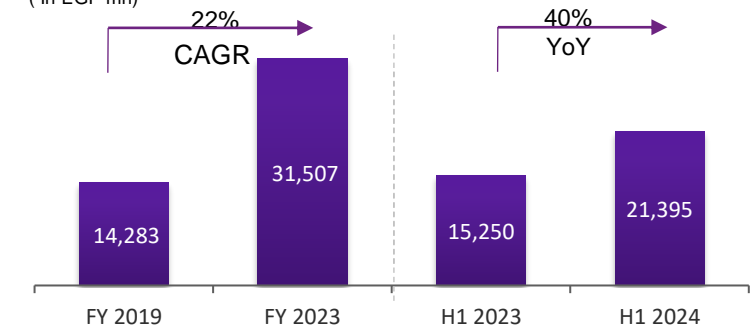


- Underpenetrated Data market leading to a growing Fixed & Mobile customer base
- Improved Broadband connectivity and the continuous demand for higher usage enhances ARPU



### Retail Revenue Growth

(In EGP mn)

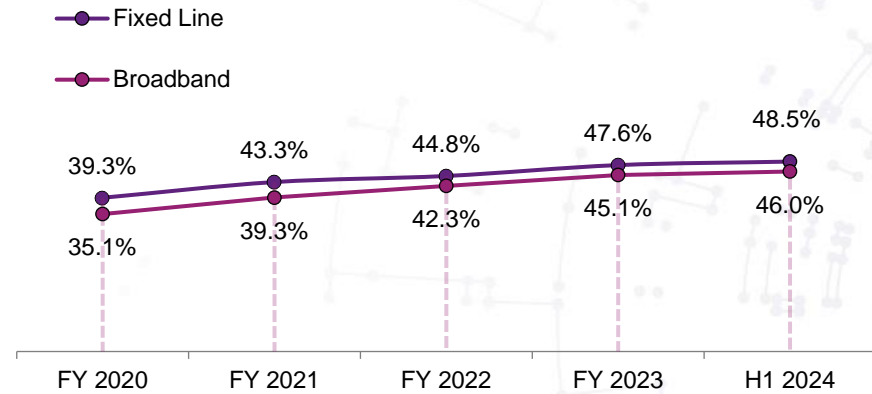


# Fixed Services

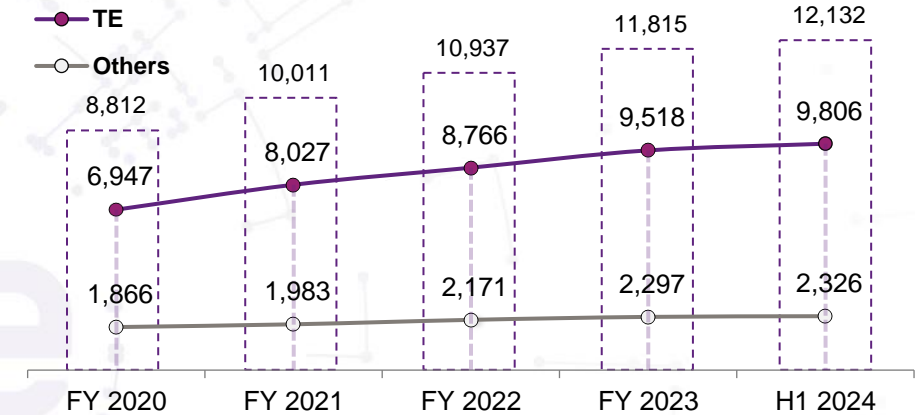
## Expanding Customer Base and Healthy ARPUs



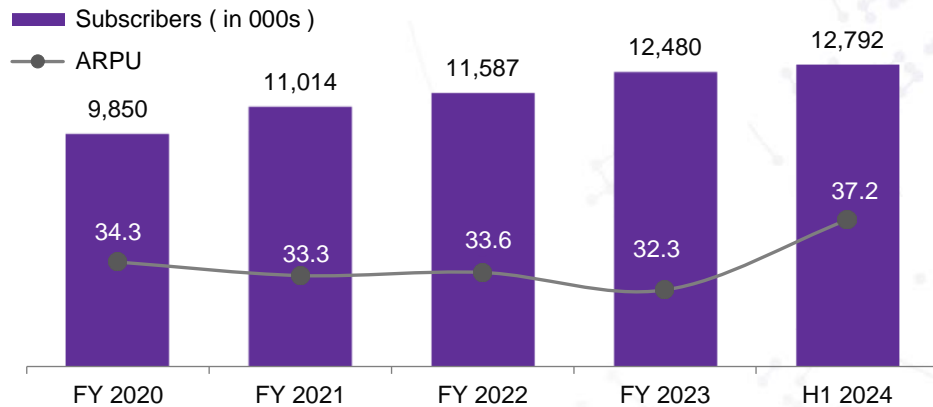
Market Fixed Voice and Broadband Household Penetration



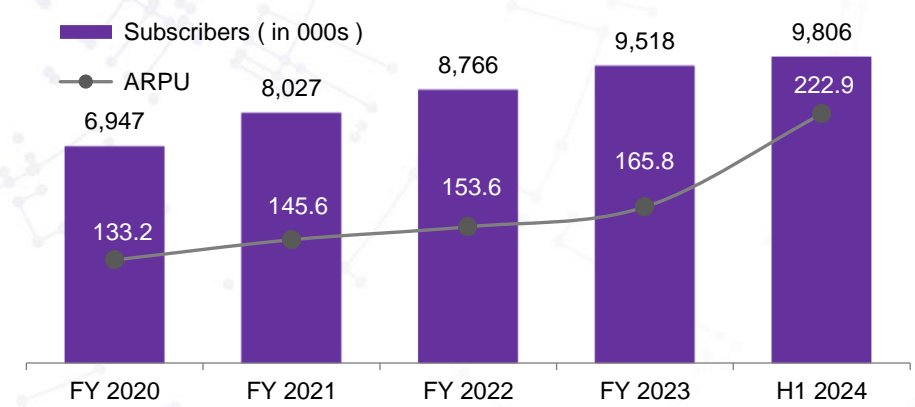
Market Fixed Broadband Subscribers (In 000s)



WE Fixed Voice Subscribers



WE Fixed Broadband Subscribers



# WE SPACE

## New Shift in our Fixed Broadband Offering



### Bundle Comparisons



Date

Apr 2018

Oct 2020

Jan 2024



Speed

5-100 Mbps

30-200 Mbps

30-200 Mbps

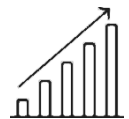


Price

110-300 EGP

120-1000 EGP

160-1350 EGP



Quota

100-500 GB

140-1000 GB

140-1000 GB

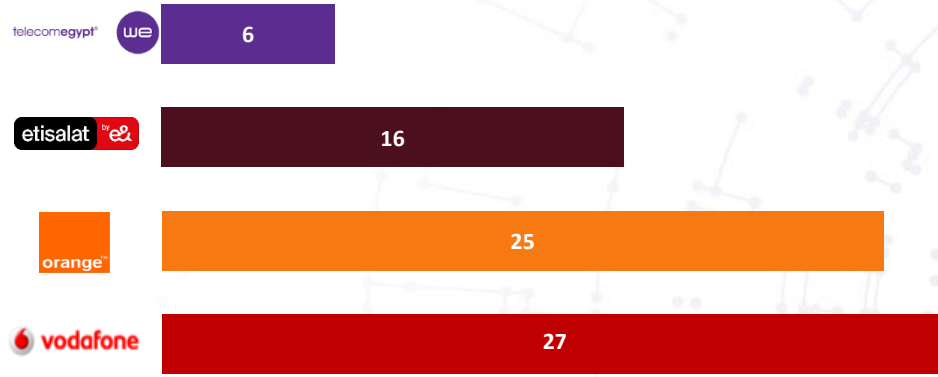


# Mobile Market

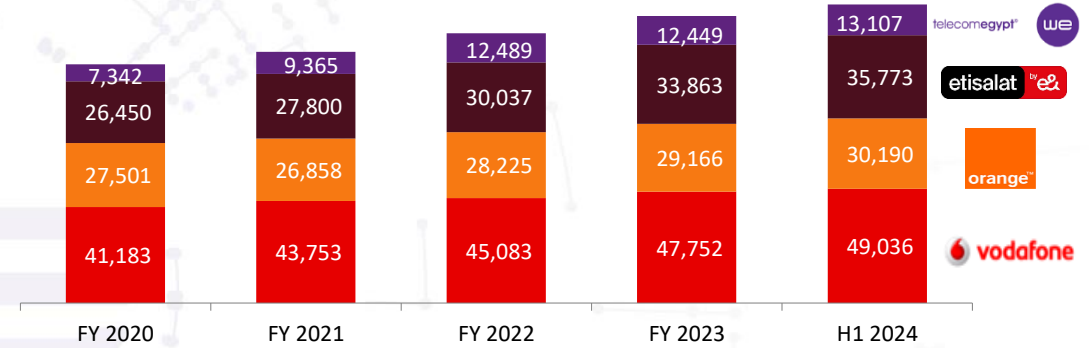
## An Ever-expanding Customer Base



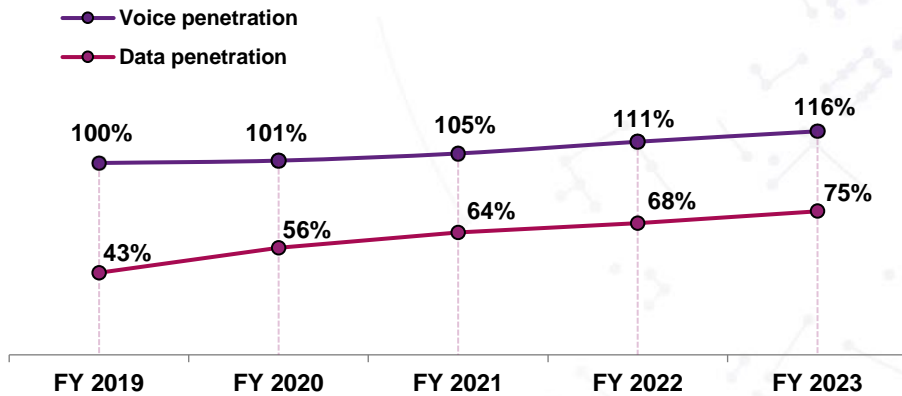
Number of Years in the Egyptian Mobile Market  
(In mn)



Mobile Market Subscribers  
(In 000s)

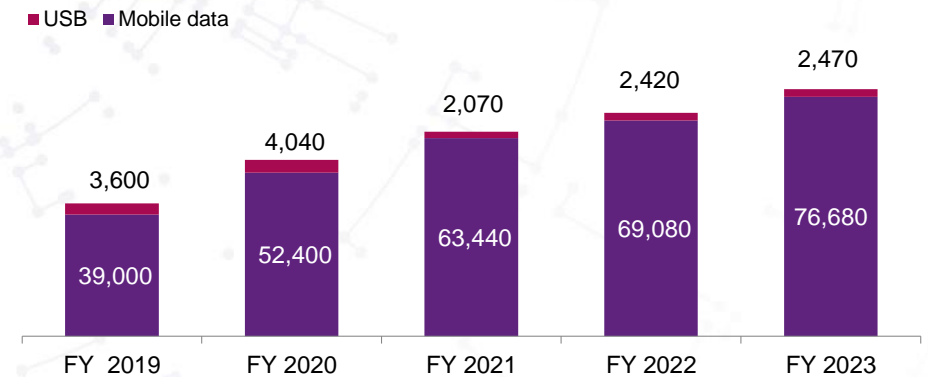


Mobile Market Voice and Data Penetration



Source: MCIT & Operators' Disclosures

Mobile Data Market Subscribers  
(In mn)



Source: MCIT

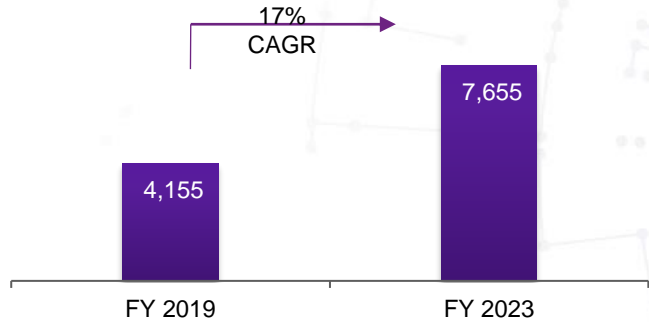


# Wholesale Segment

# Wholesale Segment

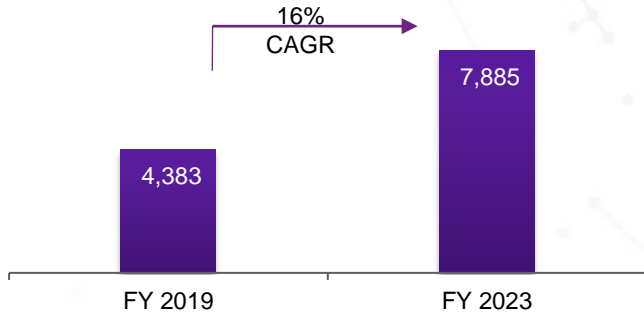
## Domestic

- Egypt's telecom infrastructure provider
- 3-10 year agreements with MNOs
- Indirect play on Data market growth



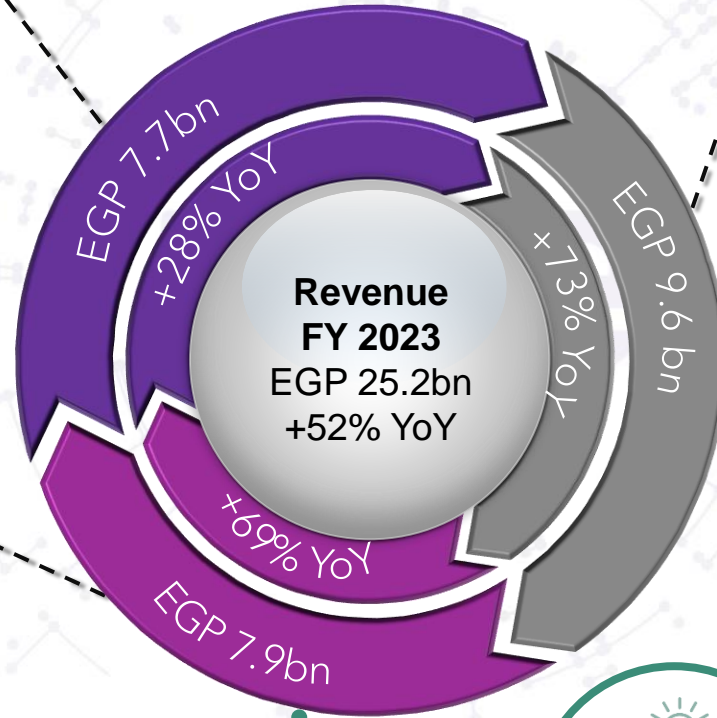
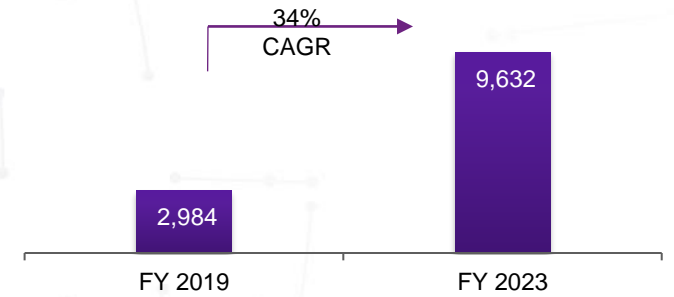
## ICA (International Carrier Affairs)

- The primary provider of international calls to MNOs
- 4-5 year agreements with MNOs

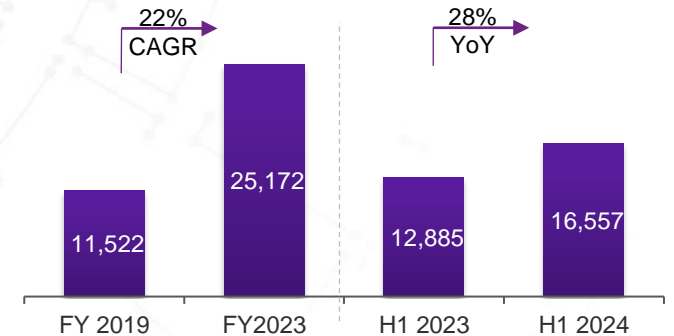


## IC&N (International Cables & Networks)

- Largest international network footprint in the region
- Preferred East-West international route
- Positioning Telecom Egypt as an eminent digital hub



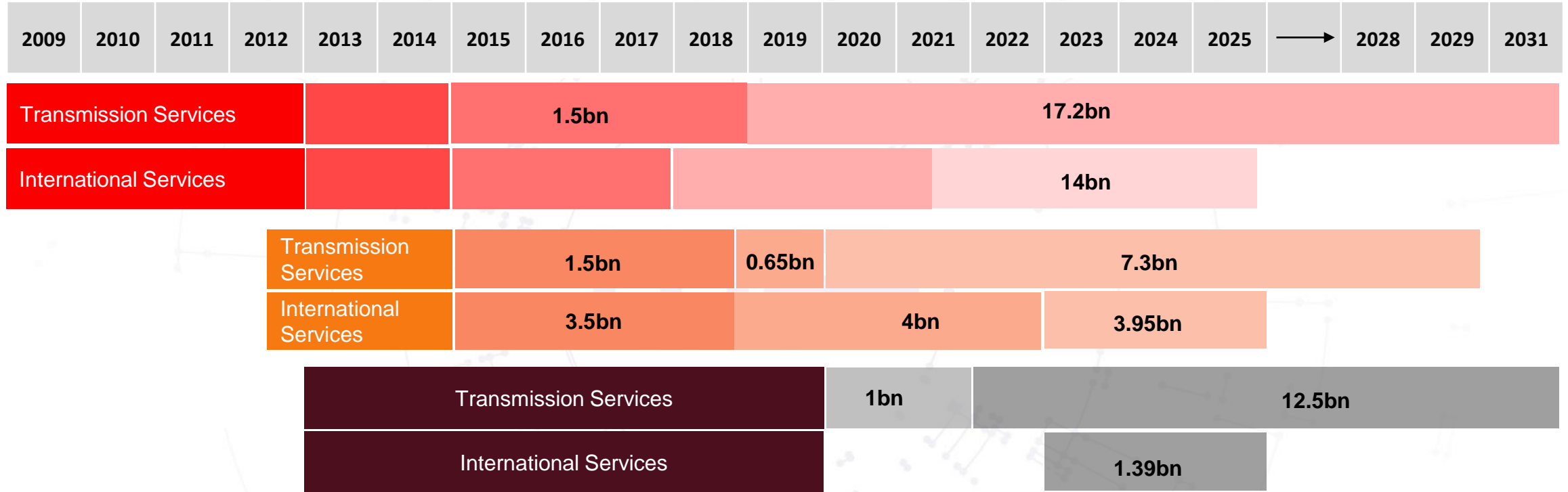
Wholesale revenue growth (In EGP mn)





# Agreements with Domestic MNOs

Securing Long-term Revenue Streams



## Our Main Goals

**1** Securing longer-term agreements with domestic mobile operators

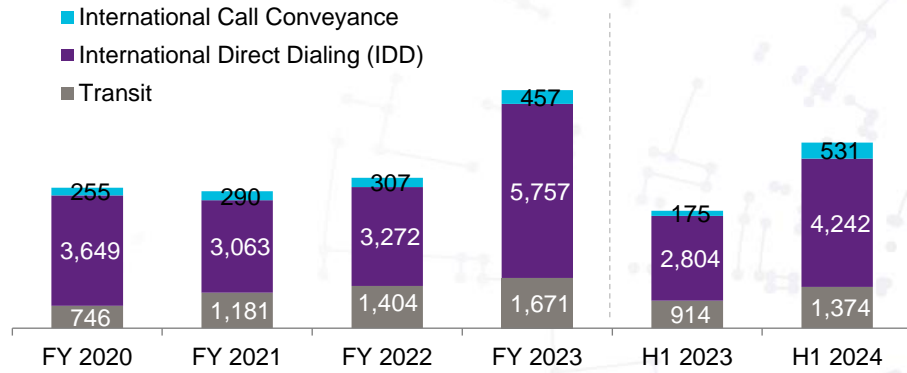
**2** Boosting our wholesale revenue stream by monetizing our infrastructure investments

# International Services

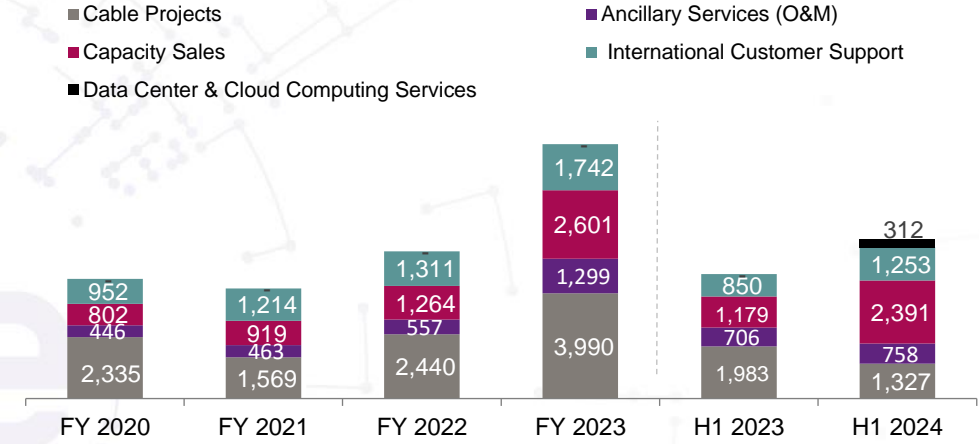
## Healthy Performance Across the Majority of our Business Lines



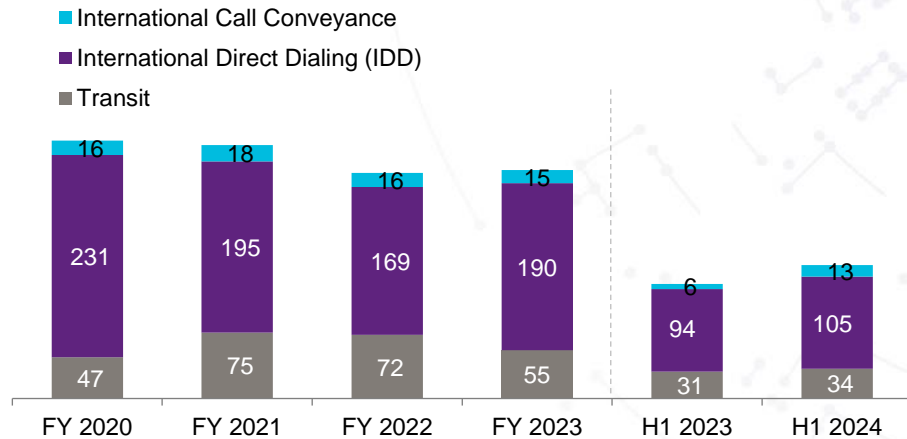
Int'l Carriers Revenue Breakdown  
(In EGP mn)



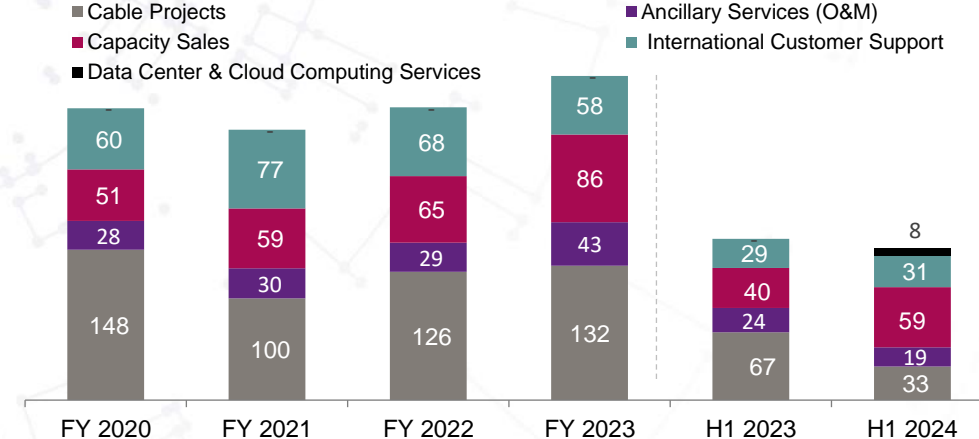
Int'l Cables & Networks Revenue Breakdown  
(In EGP mn)



Int'l Carriers Revenue Breakdown  
(In USD mn)



Int'l Cables & Networks Revenue Breakdown  
(In USD mn)





# **Investment in Vodafone Egypt**

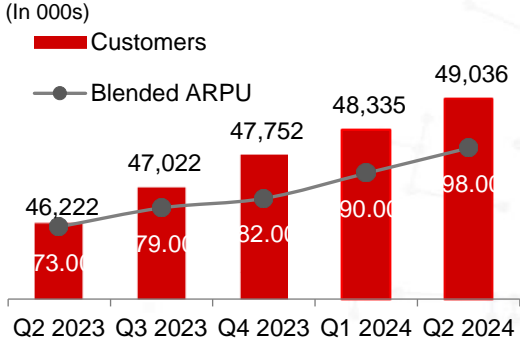


# Our Investment in Vodafone Egypt

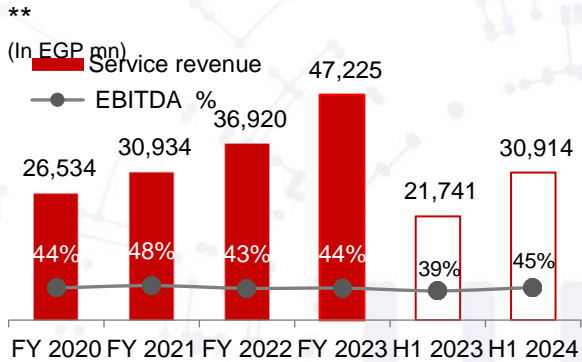
## A Rebalanced Shareholder Agreement to Extract Returns

### Financial and Operational KPIs\*

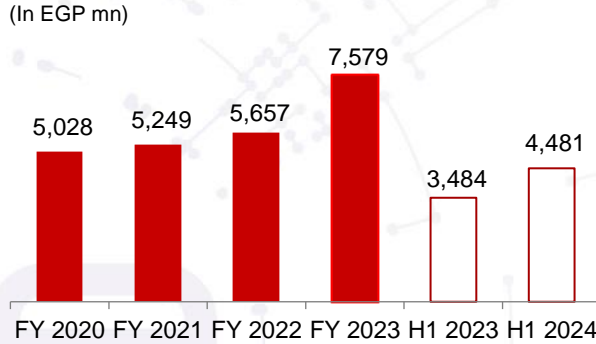
#### Mobile Customers



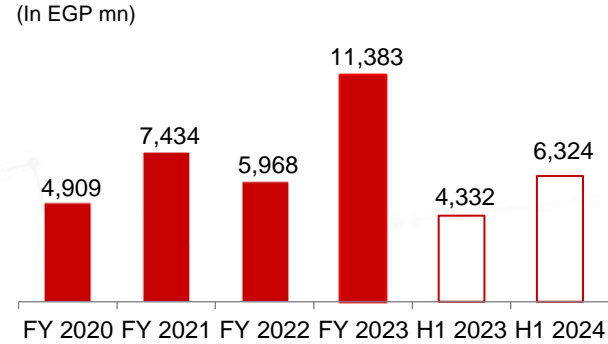
#### Service Revenue



#### CapEx \*\*



#### Net Profit \*\*



\*Figures are adjusted to match Telecom Egypt's fiscal year

\*\* Service revenue, EBITDA and CapEx figures are based on IFRS, while net profit is based on EAS

### Modified Shareholders' Agreement



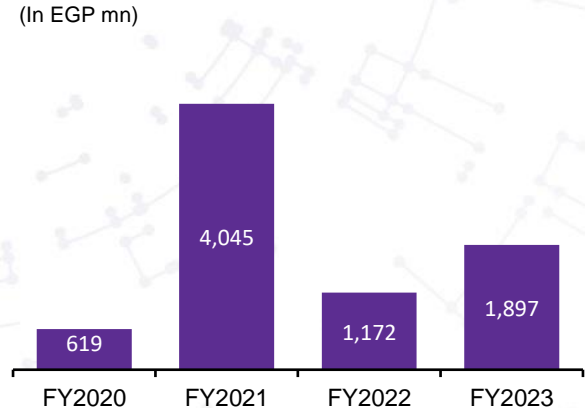
Telecom Egypt has the right to buy Vodafone Group's shares in Vodafone Egypt, or can directly or indirectly effect a major shareholder change through the right of refusal (RoFR) process. A longer RoFR duration is permissible, and an independent valuation expert may be appointed.

Minimum commitment of 60% of FCF to be distributed annually.

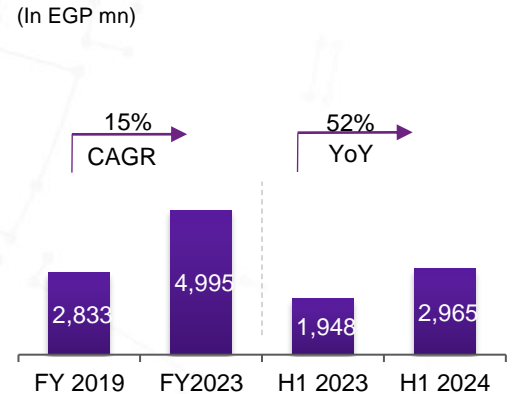
Vodafone Egypt is to periodically disclose more information to Telecom Egypt, in addition to assisting with any due diligence process in the event of a full or partial sale.

Tag along option for any portion of Telecom Egypt's shares in Vodafone Egypt, in addition to any other rights under Egyptian law.

### Vodafone Dividends Distribution



### Income from Vodafone





# H1 2024 Highlights



# H1 2024 Results Highlights

Price-Ups Across Retail Segment Alleviate Inflation Pressures

Revenue (EGP bn)

**38.0bn**  
+35% YoY

**Total revenue** climbed 35% YoY, backed by a 46% YoY increase in Data revenue across the Retail segment, contributing 40% to total revenue, followed by International Direct Dialing (IDD) revenues and International Capacity Sales, which increased by 51% and 103% YoY, respectively.

EBITDA (EGP bn)

**15.5bn**  
+29% YoY

**EBITDA** increased 29% YoY, reaching a margin of 41%. The top-line's robust growth, combined with effective cost optimization strategies, has successfully sustained the margin at targeted levels, despite prevailing inflationary pressures.

Net Profit (EGP bn)

**6.5bn**  
-3% YoY

**Net profit** came in almost flat YoY, recording a margin of 17%. The strong operational growth, along with the substantial 52% YoY growth in VFE's income, supported by the recent price up, managed to neutralize the pressure of a 2.6x YoY higher interest expense and the EGP 0.5bn FX losses due to the currency devaluation.

Customers (mn)

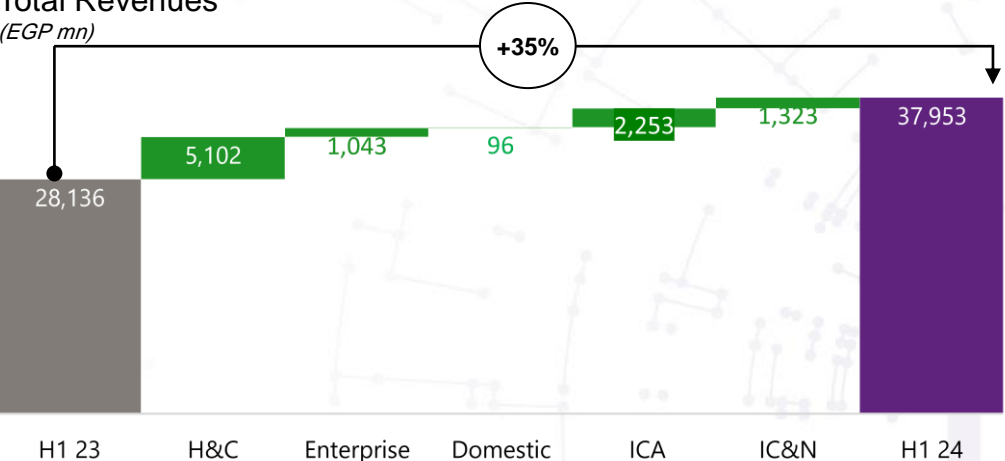
Fixed Voice: 12.8 (8% YoY)  
Fixed Data: 9.8 (8% YoY)  
Mobile: 13.1 (4% YoY)

**Customer base** continues to steadily grow across all segments.

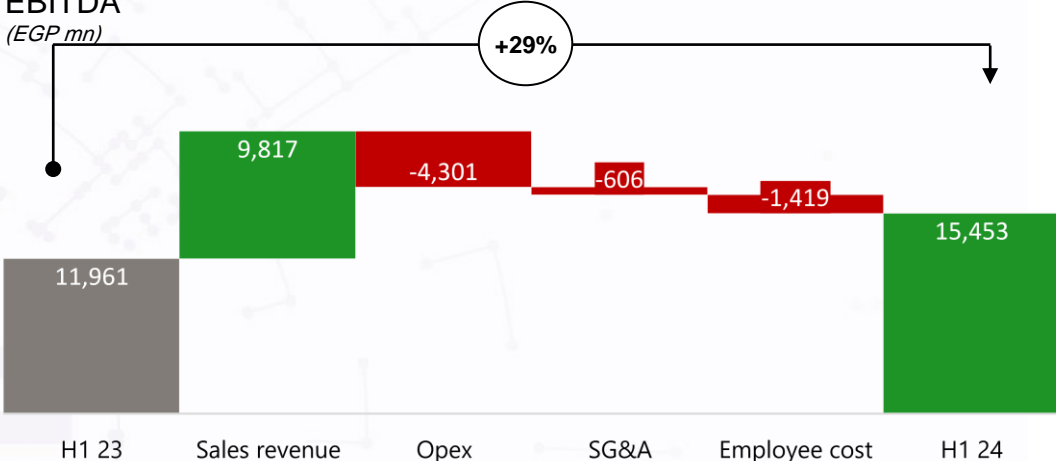


# Financial Overview H1 2024

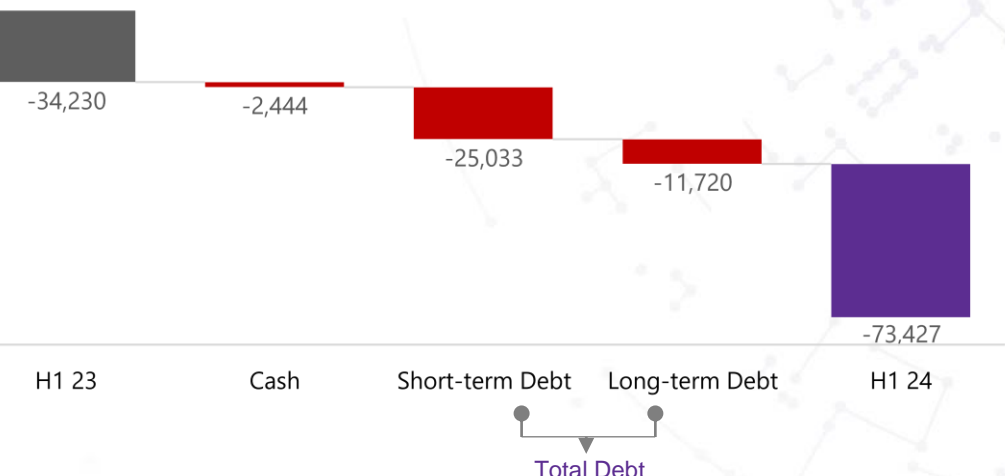
Total Revenues  
(EGP mn)



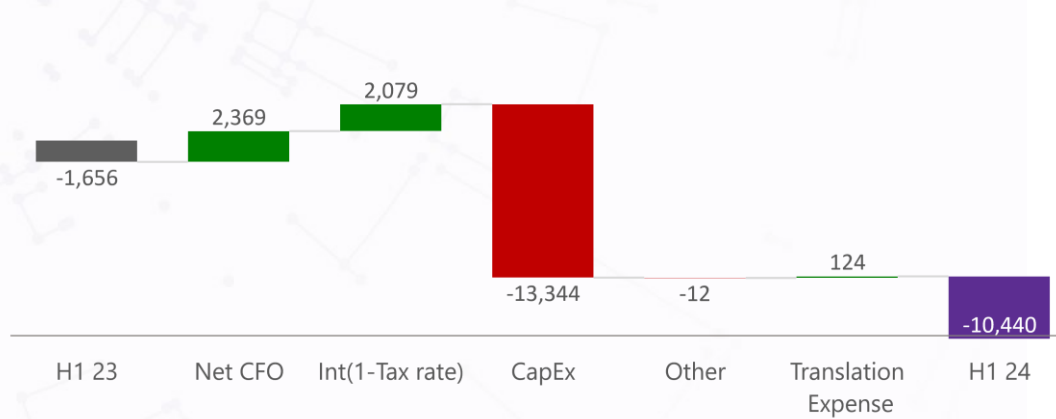
EBITDA  
(EGP mn)



Net Debt  
(EGP mn)



FCFF  
(EGP mn)



# Income Statement (H1 2024)

In EGP mn	H1 2024	H1 2023	YoY	Q2 2024	Q1 2024	Q2 2023	QoQ	YoY
<b>Revenue</b>	<b>37,953</b>	<b>28,136</b>	<b>35%</b>	<b>20,466</b>	<b>17,487</b>	<b>14,177</b>	<b>17%</b>	<b>44%</b>
Home	17,223	12,122	42%	8,979	8,244	6,205	9%	45%
Enterprise	4,172	3,129	33%	2,176	1,996	1,438	9%	51%
Domestic	4,370	4,274	2%	2,637	1,733	1,805	52%	46%
ICA	6,147	3,894	58%	3,511	2,636	2,035	33%	73%
IC&N	6,041	4,717	28%	3,163	2,878	2,695	10%	17%
<b>Employee Cost</b>	<b>(6,672)</b>	<b>(5,252)</b>	<b>27%</b>	<b>(3,463)</b>	<b>(3,209)</b>	<b>(2,746)</b>	<b>8%</b>	<b>26%</b>
Call Costs	(5,895)	(4,129)	43%	(3,290)	(2,605)	(2,189)	26%	50%
CoGS*	(7,675)	(5,140)	49%	(4,329)	(3,345)	(2,505)	29%	73%
S&D*	(1,373)	(1,054)	30%	(815)	(558)	(598)	46%	36%
G&A*	(886)	(599)	48%	(426)	(460)	(318)	-7%	34%
<b>EBITDA</b>	<b>15,453</b>	<b>11,961</b>	<b>29%</b>	<b>8,143</b>	<b>7,309</b>	<b>5,820</b>	<b>11%</b>	<b>40%</b>
<i>Margin</i>	<i>41%</i>	<i>43%</i>	<i>(180 bps)</i>	<i>40%</i>	<i>42%</i>	<i>41%</i>	<i>(201 bps)</i>	<i>(126 bps)</i>
Other (Expense)/Income	84	43	94%	187	(103)	73	-281%	157%
Depreciation	(5,476)	(3,767)	45%	(2,841)	(2,635)	(1,997)	8%	42%
Amortization	(1,192)	(1,027)	16%	(605)	(587)	(518)	3%	17%
(Pro)\ Reversal of ECL Provision	(452)	(101)	346%	(84)	(368)	(77)	-77%	10%
Operating Profit	8,417	7,109	18%	4,801	3,616	3,302	33%	45%
<i>Margin</i>	<i>22%</i>	<i>25%</i>	<i>(309 bps)</i>	<i>23%</i>	<i>21%</i>	<i>23%</i>	<i>278 bps</i>	<i>17 bps</i>
Income from Investments	2,985	1,964	52%	2,086	899	1,070	132%	95%
Net Finance (Cost)/Income	(701)	(375)	87%	(792)	91	(125)	-967%	535%
Net Interest (Exp.)/Income	(4,512)	(1,526)	196%	(2,754)	(1,758)	(874)	57%	215%
Tax	326	(473)	-169%	(710)	1,036	(487)	-168%	46%
<b>Net Profit</b>	<b>6,511</b>	<b>6,696</b>	<b>-3%</b>	<b>2,629</b>	<b>3,882</b>	<b>2,882</b>	<b>-32%</b>	<b>-9%</b>
<i>Margin</i>	<i>17%</i>	<i>24%</i>	<i>(664 bps)</i>	<i>13%</i>	<i>22%</i>	<i>20%</i>	<i>(935 bps)</i>	<i>(748 bps)</i>
EPS	3.81	3.92	-3%	1.54	2.27	1.69	-32%	-9%

## Revenue

- Top-line witnessed a significant 35% YoY increase, on a 40% increase in Retail revenue and a 28% increase in Wholesale revenue.
- Data was the largest contributor to revenue growth, with 48%, thanks to the price up across all retail segments in January 2024 and the 8% increase in customer base. IDD showed an increase of 51% YoY, owed to 13% YoY higher traffic and the foreign currency appreciation, while Capacity Sales climbed 103% YoY to report EGP 2.4bn, affected positively by the foreign currency appreciation as well.

## Expenses

- Employee costs increased 27% YoY, representing an employee cost to revenue of 18%, slightly lower than the 19% reported in H1 2023.
- Total call costs inflated by 43% YoY, mainly on currency devaluation and supported by a 13% YoY higher outgoing traffic and 12% YoY higher incoming traffic.
- Marketing expense grew 38% YoY, almost maintaining 2% of the top-line as last year.

## EBITDA

- EBITDA increased 29% YoY, reaching a margin of 41%. The top-line's robust growth, combined with effective cost optimization strategies, has successfully sustained the margin at targeted levels, despite prevailing inflationary pressures.

## Other OPEX

- D&A hiked 39% YoY related to new additions of CapEx, as well as the capitalized FX in light of the special accounting treatment.
- ECL provision reported EGP 0.45bn, mainly to account for outstanding balances affected by the currency devaluation.

## Non-Operational

- Income from VFE increased by 52% YoY reporting EGP 3.0bn, backed by higher operating margins caused by the price up, despite the FX loss recognized on their P&L during Q1 2024 related to the currency devaluation.
- Interest expense hiked by 2.6x YoY due to the appreciation of foreign currency debt balances (EGP 50.6bn vs EGP 32.6bn in FY 2023), increasing the effective interest rate from 11% in FY 2023 to 15% in H1 2024.

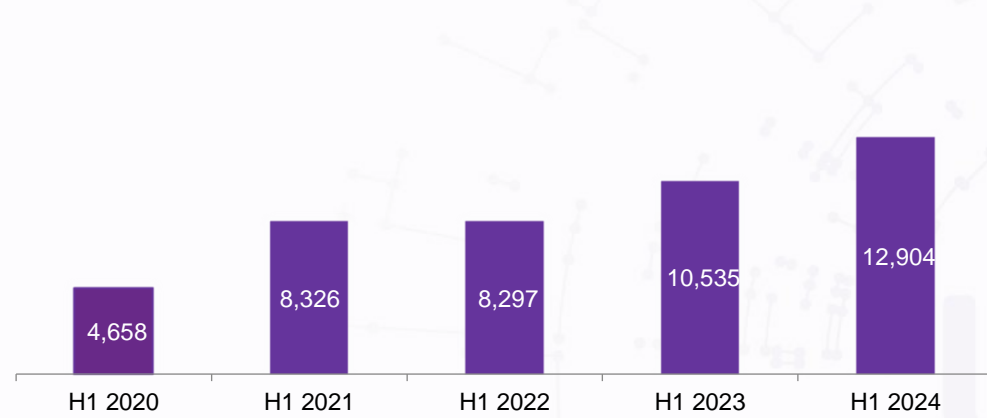
## Net Profit

- Net profit came in almost flat YoY, recording a margin of 17%. The strong operational growth, along with the substantial 52% YoY growth in VFE's income, supported by the recent price up, managed to neutralize the pressure of a 2.6x YoY higher interest expense and the EGP 0.5bn FX losses due to the currency devaluation.

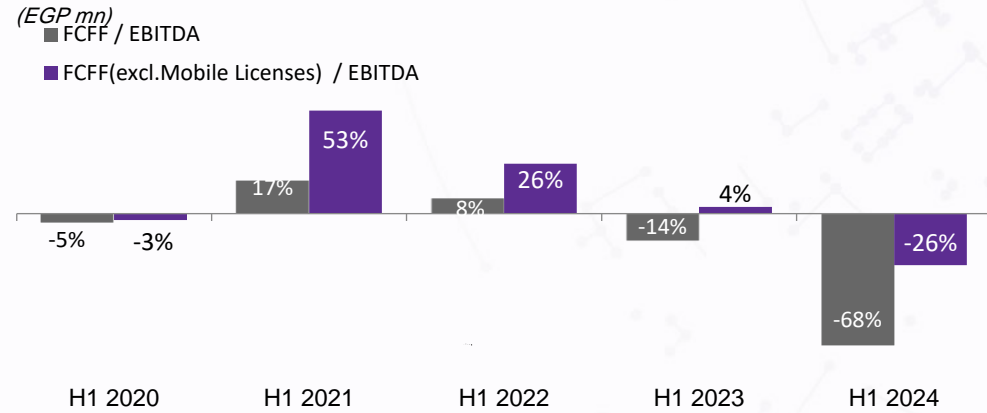


# Cash Flow Analysis

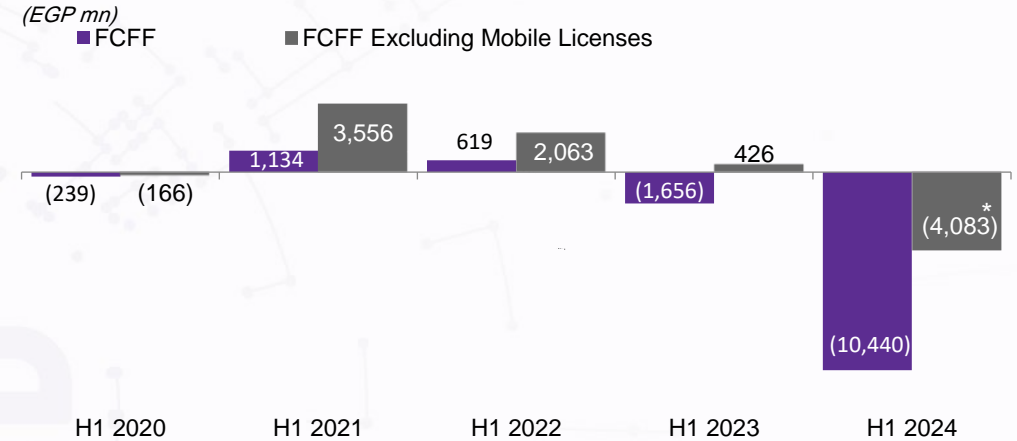
Net Cash from Operating Activities  
(EGP mn)



FCFF/EBITDA

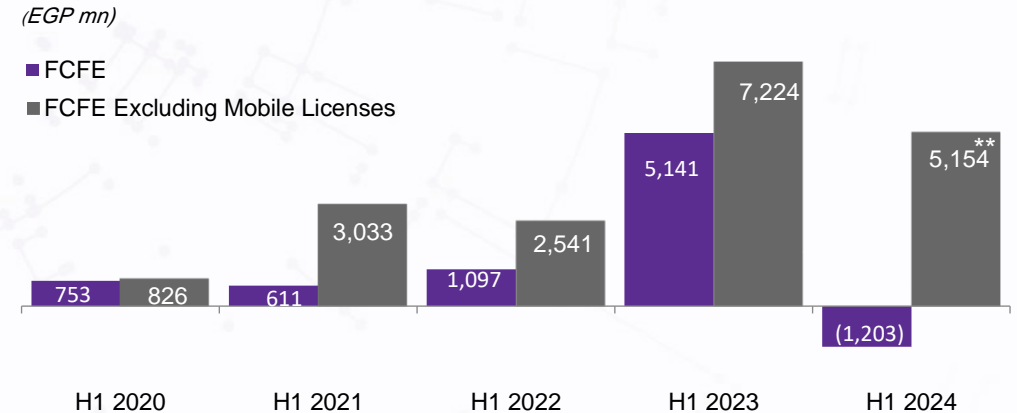


FCFF



\*After accounting for the EGP 3.1bn received from VFE in July 2024 (net of tax), FCFF, excluding licenses, stands at EGP -958mn

FCFE



\*\*After accounting for the EGP 3.1bn received from VFE in July 2024 (net of tax), FCFE, excluding licenses, amounts to EGP 1.9bn

# Main Events Year to Date (1/3)

## Main Events



### 07 Aug 2024: Telecom Egypt Selects Mada Communications as its Preferred Partner for International SMS Services

Telecom Egypt announced that it has signed a multi-year agreement with Mada Communications (Mada®), a leading telecoms solutions provider, to be its preferred strategic international SMS service provider.

[Read More](#) ←



### 15 Jul 2024: Telecom Egypt Enhancing Mobile Data Service in Strategic Hot Spots Using Nokia 5G Technology

Telecom Egypt announced a new partnership with Nokia to bring 5G technology to Egypt for the first time. The collaboration aims to revolutionize the country's telecom landscape by introducing the transformative power of 5G to cities such as Alexandria, Giza, Luxor, and Aswan.

[Read More](#) ←



### 01 Jul 2024: Telecom Egypt and 4iG Group to Partner in Modernizing Egypt's Digital Infrastructure

Telecom Egypt and 4iG Group, the leading telecommunications and IT group in Hungary and the Western Balkans, signed a Memorandum of Understanding (MoU) to establish a joint venture to build, operate and commercialize Fiber-To-The-Home and Fiber-To-The-Site fiber access infrastructure on a wholesale basis in Egypt.

[Read More](#) ←



### 05 Jun 2024: SubCom and Telecom Egypt Complete IEX Cable Landings in Egypt

Telecom Egypt and SubCom, the global subsea data system supplier, along with the India-Europe-Xpress (IEX) partners, announced the successful completion of IEX Subsea system's landings in Egypt.

[Read More](#) ←

# Main Events Year to Date (2/3)

## Main Events



### 22 May 2024: Telecom Egypt to Refinance Short-Term Facilities with new USD 200mn Medium-Term Loan Facility from Banque Misr, UAE

Telecom Egypt signed an agreement to secure a USD 200m medium-term loan from Banque Misr, UAE. Banque Misr, UAE is the Mandated Lead Arranger and the Facility Agent.

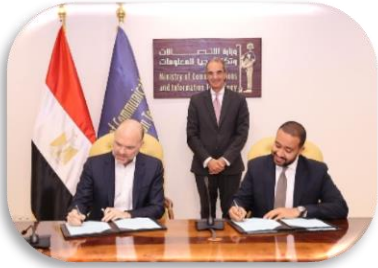
[Read More](#) ←



### 21 May 2024: Telecom Egypt Partners with Huawei Cloud to Host Huawei's First Public Cloud in Egypt and Northern Africa

In a significant step towards accelerating Egypt's digital transformation strategy, Telecom Egypt and Huawei Cloud have successfully joined forces to launch Huawei's first locally based public cloud platform in Egypt and Northern Africa.

[Read More](#) ←



### 19 Mar 2024: Telecom Egypt and EXA Infrastructure Partner to Promote Intercontinental Traffic via WeConnect

Telecom Egypt and EXA Infrastructure, a leading European fiber backbone and transatlantic subsea cable infrastructure provider, announced their partnership to reshape East-to-West traffic flows entering the Mediterranean.

[Read More](#) ←



### 07 Feb 2024: ICE IV Project Propels Intra Asia to India, Middle East, and Beyond

e&, Telecom Egypt, Telin, and a major Indian operator have signed a new Memorandum of Understanding (MoU) to form a consortium with the aim of developing the ICE IV Project. This new Data Center (DC) to DC system shall seamlessly connect the Intra Asia region to India and the Middle East on a unique route that will break the mold between these regions.

[Read More](#) ←

# Main Events Year to Date (3/3)

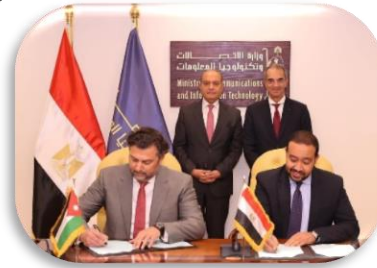
## Main Events



### 01 Feb 2024: 4iG and Telecom Egypt Sign Terms of Cooperation for the Creation of an Express Subsea Cable between Albania and Egypt

4iG Plc info-communications company and Telecom Egypt have reached an agreement on the terms of cooperation for the construction of an express subsea cable between Albania and Egypt.

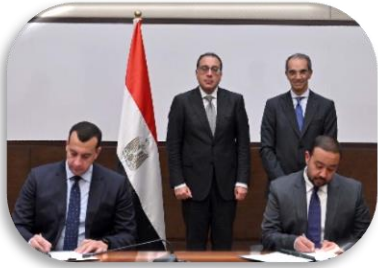
[Read More](#) ←



### 25 Jan 2024: Telecom Egypt and NaiTel Join Forces to Build a new Subsea Cable “Coral Bridge” between Egypt and Jordan

In a ground-breaking move to enhance regional connectivity, Telecom Egypt has joined forces with NaiTel, together, they announce the signing of a Joint Build Agreement to construct Coral Bridge.

[Read More](#) ←



### 17 Jan 2024: Telecom Egypt Secures the First 5G License in Egypt

The National Telecommunications Regulatory Authority (NTRA) has granted Telecom Egypt the country’s first license to install and operate fifth-generation (5G) networks for cell phones.

[Read More](#) ←



# **Historical Performance (2020-2023)**

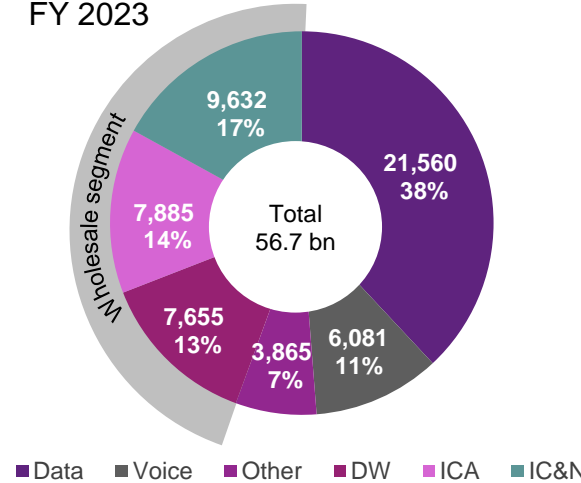


# Top-line Breakdown

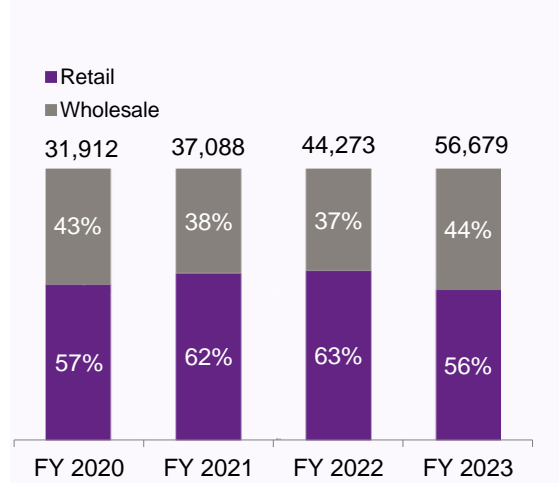
## FY 2023 Performance

- ✓ **Total revenue** increased by 28% YoY, landing at an astounding EGP 56.7bn, with Retail comprising 56% of the total revenue (driven by higher Data revenue and other Enterprise revenue) and Wholesale growth mainly driven by higher USD denominated revenue streams.
- ✓ **Home & Consumer** increased by 15% YoY, landing at EGP 25.1bn, mainly driven by 18% growth in Data revenue from an expanding customer base and higher ARPU.
- ✓ **Enterprise** up 8% YoY mainly due to EGP 3.9bn Other Enterprise revenue, the largest share of which was Managed Services (EGP 2.4bn, up 22% YoY).
- ✓ **Mobile** revenue increased 19% YoY, contributing to a low double-digit of retail revenue—slightly higher than the FY2022 contribution—thanks to a healthy ARPU and stable subscriber base.
- ✓ **Wholesale** surged by 52% YoY to EGP 25.2bn, comprising mainly EGP 7.6bn in Infrastructure revenue (MNOs and IRU circuits), EGP 5.8bn in IDD revenue, and EGP 4.0bn in Cable revenue.

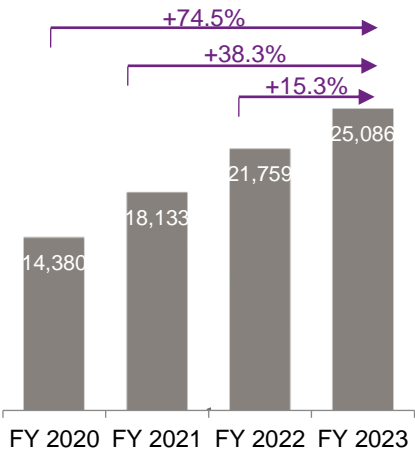
Revenue Breakdown FY 2023



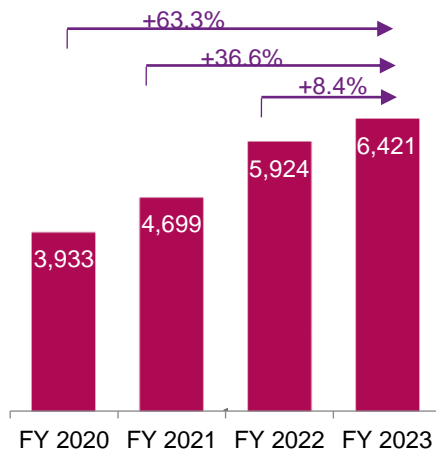
Revenue Segment



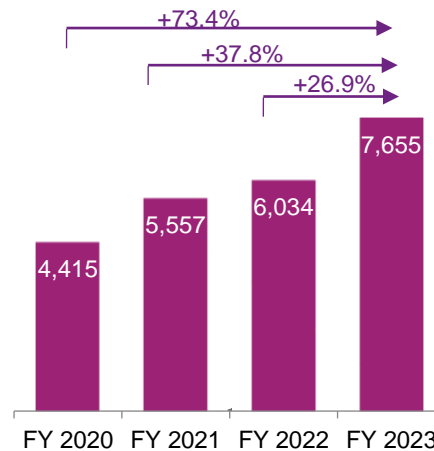
Home & Consumer



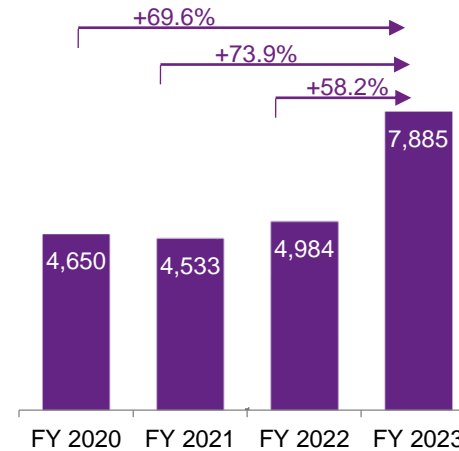
Enterprise



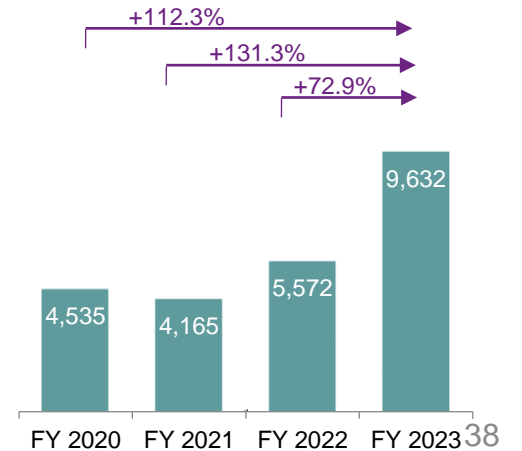
Domestic



International Carriers Affairs



International Cables & Networks

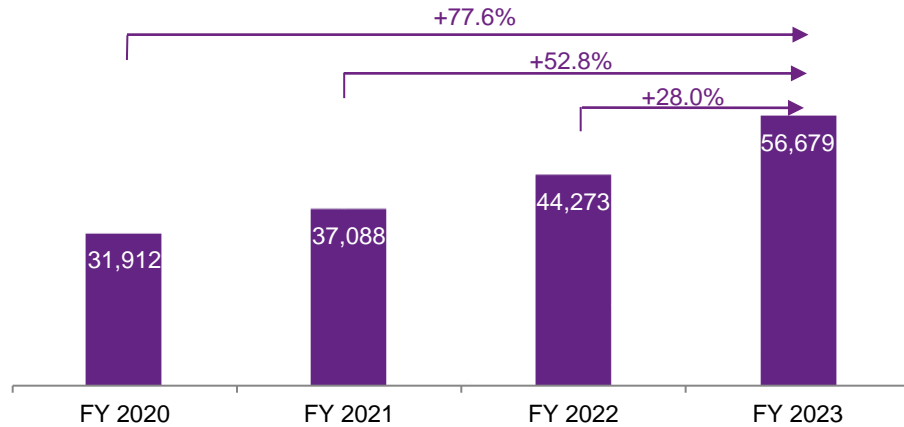


# Financial Highlights

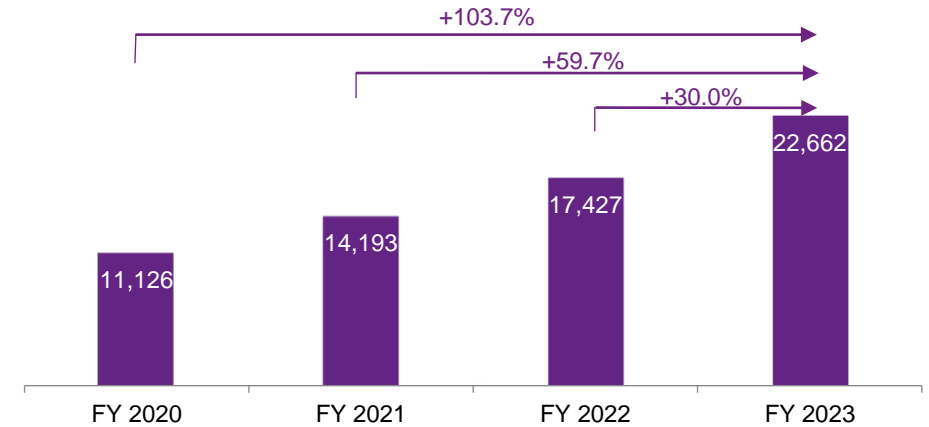
Excellent Operational Performance in a Volatile Market



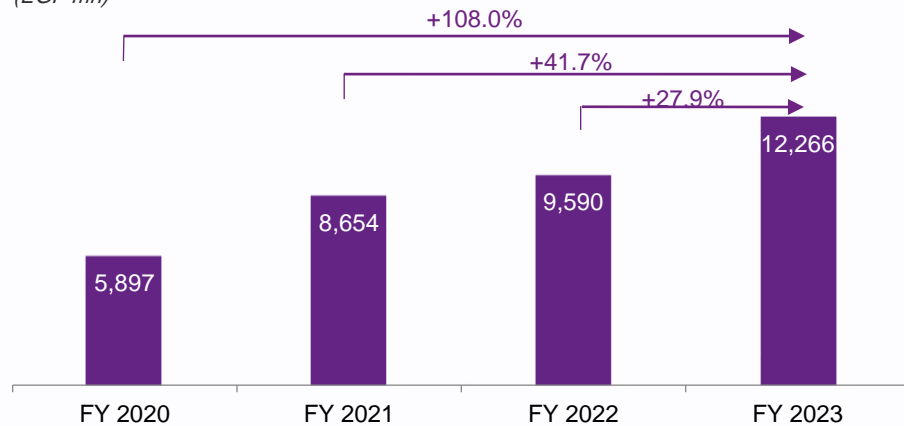
Revenue  
(EGP mn)



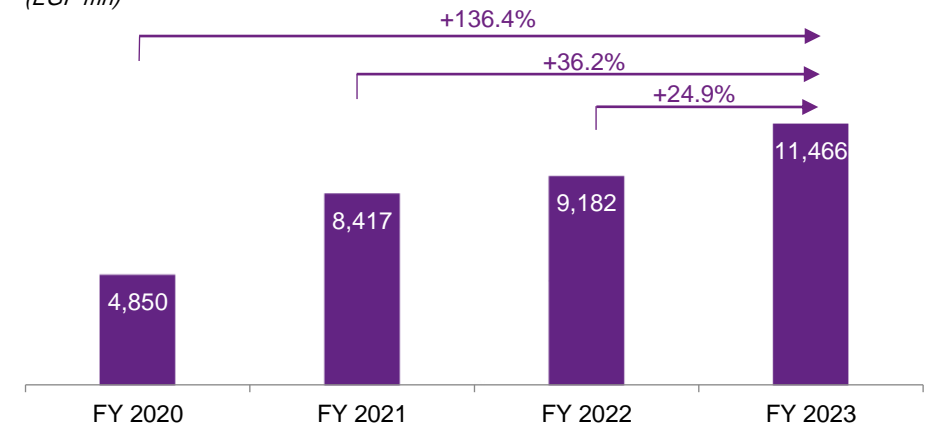
EBITDA  
(EGP mn)



Operating Profit  
(EGP mn)



Net Profit  
(EGP mn)



# Historical 4-Year Income Statement Summary

EGP mn	FY 2020	FY 2021	FY 2022	FY 2023	Growth YoY		
					FY 2021	FY 2022	FY 2023
<b>Revenue</b>	<b>31,912</b>	<b>37,088</b>	<b>44,273</b>	<b>56,679</b>	16%	19%	28%
Home & Consumer	14,380	18,133	21,759	25,086	26%	20%	15%
Enterprise	3,933	4,699	5,924	6,421	19%	26%	8%
Domestic Wholesale	4,415	5,557	6,034	7,655	26%	9%	27%
International Carriers	4,650	4,533	4,984	7,885	-3%	10%	58%
International Cables & Networks	4,535	4,165	5,572	9,632	-8%	34%	73%
Total Employee Cost	(6,861)	(7,501)	(8,655)	(11,007)	9%	15%	27%
Call Costs	(5,585)	(6,021)	(6,717)	(8,348)	8%	12%	24%
COGS (excl. Above Expenses)	(5,869)	(6,783)	(8,560)	(11,034)	16%	26%	29%
S&D (excl. Salaries, D&A)	(1,755)	(1,695)	(1,750)	(2,099)	-3%	3%	20%
G&A (excl. Salaries, D&A)	(717)	(894)	(1,164)	(1,530)	25%	30%	31%
<b>EBITDA</b>	<b>11,126</b>	<b>14,193</b>	<b>17,427</b>	<b>22,662</b>	28%	23%	30%
<i>Margin</i>	<i>35%</i>	<i>38%</i>	<i>39%</i>	<i>40%</i>	341 bps	109 bps	62 bps
Other (Income)/Expenses	(63)	328	364	40	619%	11%	89%
Depreciation	(4,461)	(4,882)	(6,166)	(8,133)	9%	26%	32%
Amortization	(704)	(941)	(1,556)	(2,030)	34%	65%	30%
(Provision)\ Reversal of Expected Credit Loss Provision	0	(45)	(479)	(273)		975%	-43%
Operating Profit	5,897	8,654	9,590	12,266	47%	11%	28%
<i>Margin</i>	<i>18%</i>	<i>23%</i>	<i>22%</i>	<i>22%</i>	485 bps	(167 bps)	(2 bps)
Income from Investments	2,206	3,343	2,695	5,033	52%	-19%	87%
Net Finance (Cost)/Income	(433)	337	(519)	(254)	178%	-254%	-51%
Net Interest (Expense)/Income	(1,046)	(1,208)	(1,111)	(3,655)	15%	-8%	229%
Tax	(1,767)	(2,705)	(1,467)	(1,917)	53%	-46%	31%
<b>Net Profit</b>	<b>4,850</b>	<b>8,417</b>	<b>9,182</b>	<b>11,466</b>	74%	9%	25%
<i>Margin</i>	<i>15%</i>	<i>23%</i>	<i>21%</i>	<i>20%</i>	750 bps	(196 bps)	(51 bps)
EPS	2.31	4.34	4.61	5.70	88%	6%	24%

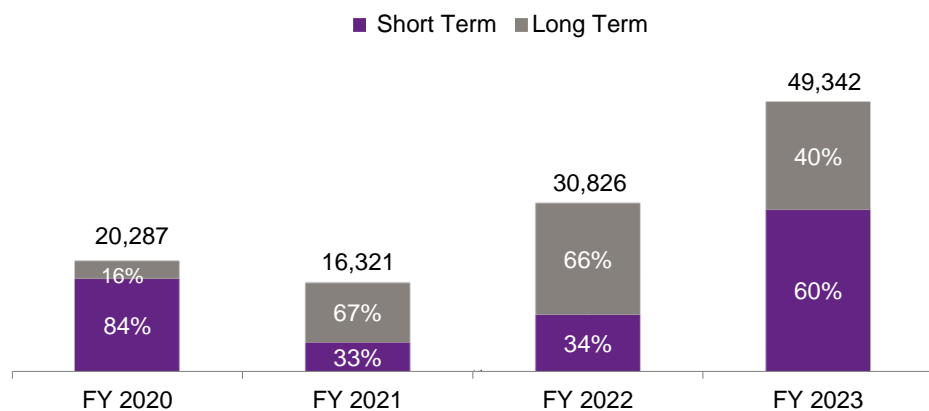
Note: All financial figures reported are based on the consolidated financials under EAS



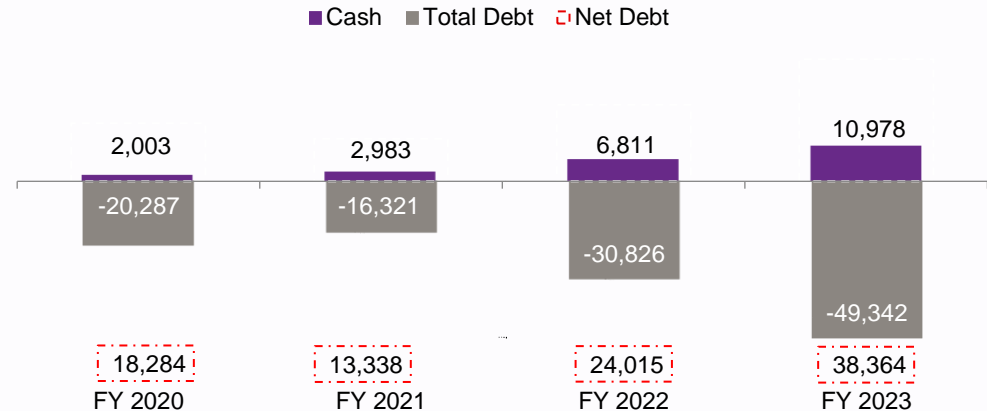


# Balance Sheet Highlights

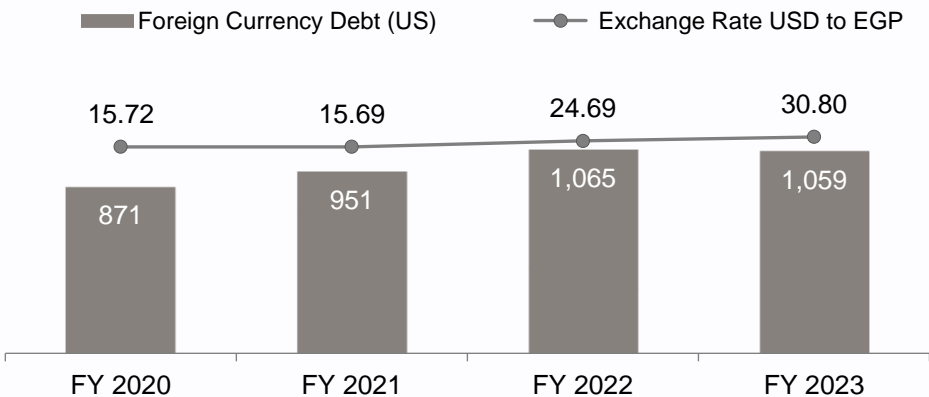
Total Debt  
(EGP mn)



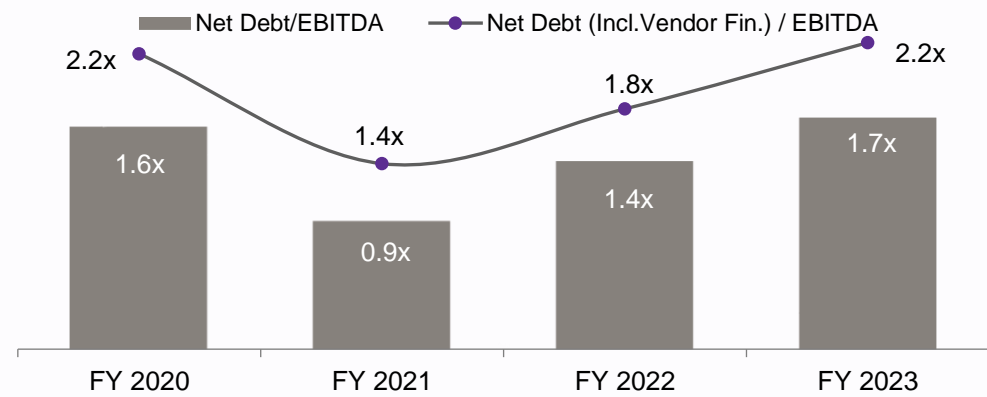
Net Debt  
(EGP mn)



Debt – Foreign Currency Portion  
(USD mn)



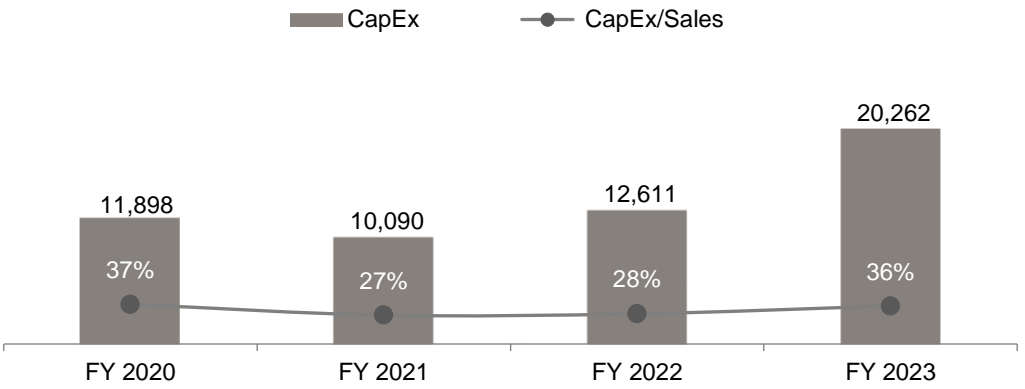
Net Debt/EBITDA  
(Based on Annualized EBITDA)



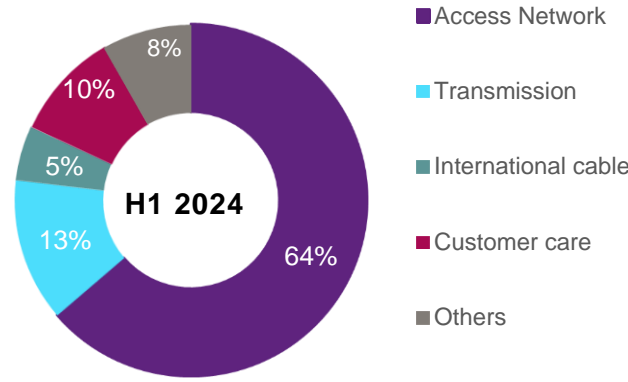


# CapEx Analysis

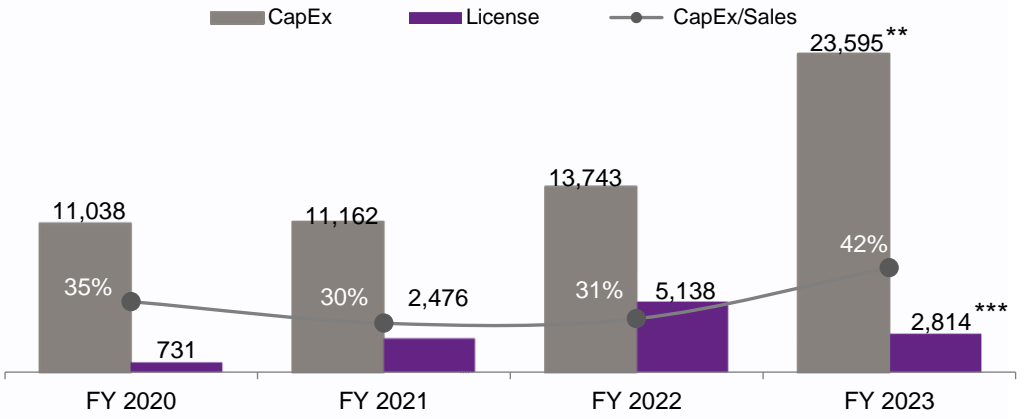
## In-Service CapEx (EGP mn)



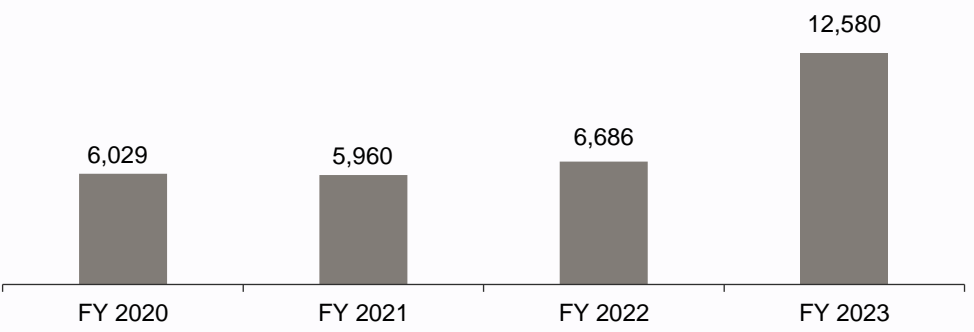
## Breakdown of In-Service CapEx



## Cash CapEx\* (EGP mn)



## Vendor Financing Obligations\* (EGP mn)



\* High CapEx figures are due to increased procurement and upfront settlement of obligations  
 \*\* Include NUCA, H.Karima, & digitization projects of c. EGP2bn  
 \*\*\* Includes a portion of other assets

\* Based on USD and EURO exchange rates as of 31 December 2023

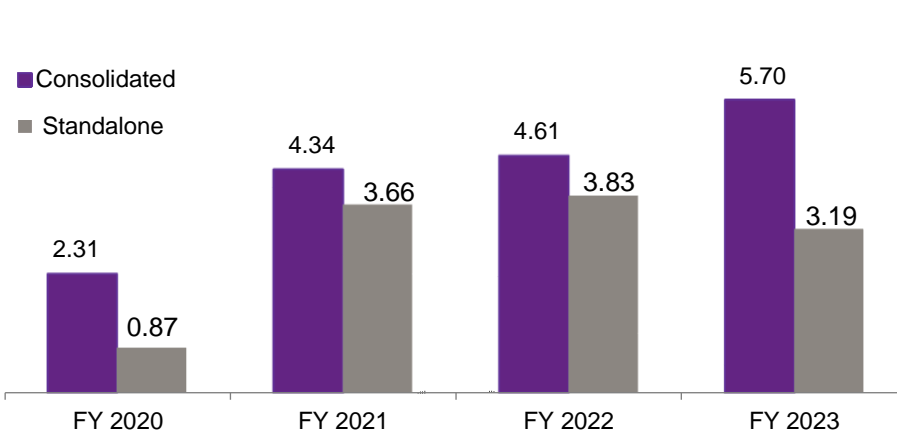


# Dividend Analysis

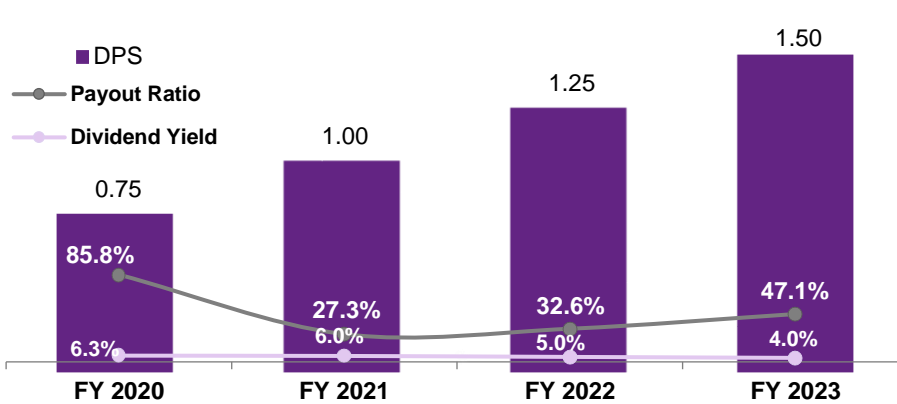
Steady dividend payments while reinvesting funds to support business-growth initiatives: a solid demonstration of Telecom Egypt's financial strength and reassurance of its future prospects and performance.

FY 2023 Multiples*	
PE	6.61x
PS	1.13x
EV/EBITDA	4.53x

### EPS After Appropriations (In EGP)



### Dividend Analysis Ratio on Standalone Financials (In EGP)



\*As of 31 December 2023



# Our Performance in Context

	H1 2024 actual	FY 2024 budget
Revenue growth YoY	35%	Mid double-digit
EBITDA margin (%)	41%	High 30s
CapEx/Sales (%)	In-service: 21% <sup>2</sup>	In-service: Mid 20s <sup>1</sup>
FCFF/EBITDA (%)	-26% <sup>2</sup>	Early 40s

1) Revised, excluding the mobile licenses CapEx  
2) Excluding the mobile licenses CapEx



# Thank You

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