# Results Presentation

# telecomegypt

## Q2 2025

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# H1 2025 Results Highlights

## Solid Growth with Enhanced Profitability

### Revenue *(EGP bn)*

**50.6bn**

**+33% YoY**

**Total revenue** grew 33% YoY, mainly driven by Data revenue, which increased 47% YoY, contributing 55% to the overall growth, followed by the International Incoming Calls revenue, which rose by 50% YoY, contributing 17% to total revenue growth.

### EBITDA *(EGP bn)*

**22.1bn**

**+43% YoY**

**EBITDA** increased by 43% YoY, with a margin of 44%. This strong result was supported by solid revenue growth and effective cost-optimization measures, enabling us to surpass our target margins despite inflationary pressures.

### Normalized Net Profit *(EGP bn)*

**10.3bn**

**50% YoY**

**Normalized net profit** rose to EGP 10.3bn, (adjusted for FX gain/loss), marking a 50% YoY increment and a 20% net profit margin in H1 2025 vs 18% in H1 2024.

### Customers *(mn)*

Fixed Voice: 13.6 **(6% YoY)**

Fixed Data: 10.6 **(8% YoY)**

Mobile: 14.6 **(12% YoY)**

Customer numbers continue to rise across the board.

# Main Events Year to Date

## Main Events


### 02 Jul 2025: SEA-ME-WE-6 Subsea Cable Completes its Two Landings and Crossing Activities in Egypt

Telecom Egypt, the total telecom operator in Egypt and one of the largest subsea cables operators in the region, along with SubCom, the global subsea data system supplier, announced the successful completion of the two landings of the Southeast Asia-Middle East-Western Europe 6 (SEA-ME-WE-6) subsea cable system in Egypt .

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### 11 Jun 2025: PCCW Global, Sparkle, Telecom Egypt and ZOI to Construct AAE-2 Subsea Cable Linking Asia, Africa, and Europe

In a landmark move to advance global connectivity, a consortium of four powerful subsea cable operators, namely PCCW Global, Sparkle, Telecom Egypt, and Zain Omantel International (ZOI) signed a Memorandum of Understanding (MoU) to collaborate on the construction of the Asia-Africa-Europe-2 (AAE-2) subsea cable system.

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### 25 Mar 2025: Telecom Egypt Announces Leadership Changes

Telecom Egypt announced changes to its Board of Directors, appointing Lobna Helal as Chair of the Board. She succeeds Dr. Magued Osman, who stepped down after a nine-year tenure, having served as Chair since 2016. Helal, an independent board member since March 2019, is the first woman to lead Telecom Egypt's Board, marking a significant milestone in the company's history.

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### 18 Feb 2025: Telecom Egypt and Orange Egypt Sign Agreements to Provide Transmission and Infrastructure Services

Telecom Egypt signed several landmark service agreements with Orange Egypt, aimed at enhancing strategic cooperation between the two companies. These agreements will enable Orange Egypt to enhance its technological services and better meet the needs of its customers…

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# Main Events Year to Date

## Main Events


**23 Jan 2025: Telecom Egypt Activates Mediterranean Subsea Link on 2Africa Using Cisco Technology**

Telecom Egypt announced the activation of a Mediterranean subsea link on the 2Africa subsea cable system. The project is in collaboration with Cisco, the worldwide leader in networking and security technologies.

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**18 Jan 2025: Telecom Egypt Awarded 'Best Investor Relations – Telecom Company' at the International Finance Awards 2024**

Telecom Egypt was honoured with the prestigious 'Best Investor Relations - Telecom Company' award at the International Finance Awards 2024 ceremony, held at the Jumeirah Emirates Towers in Dubai.

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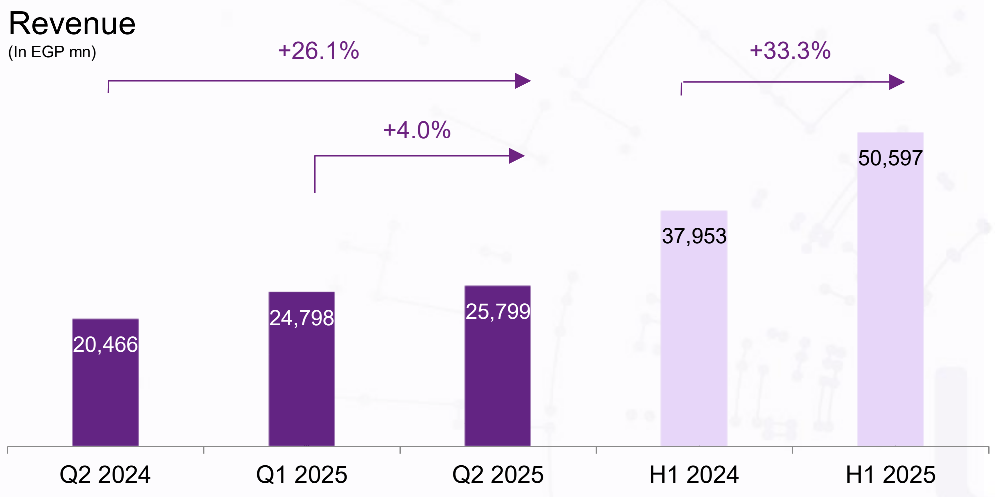
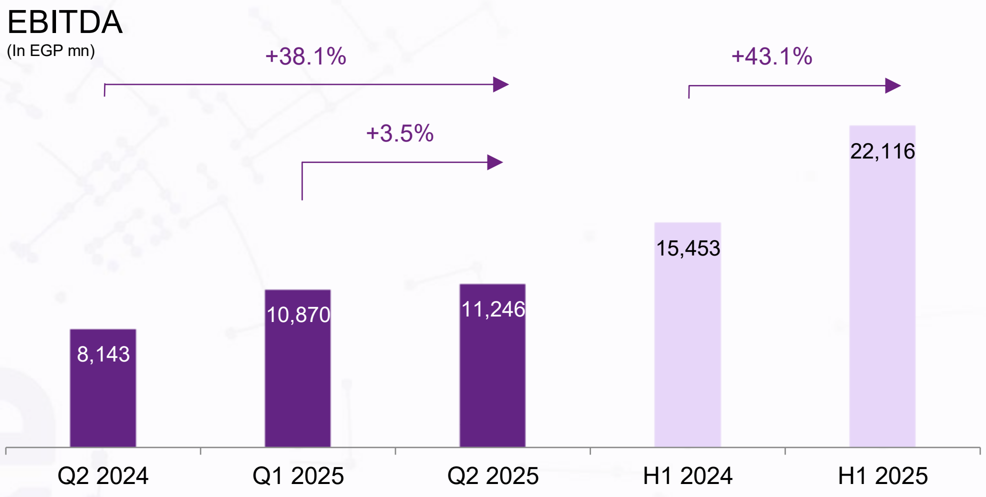
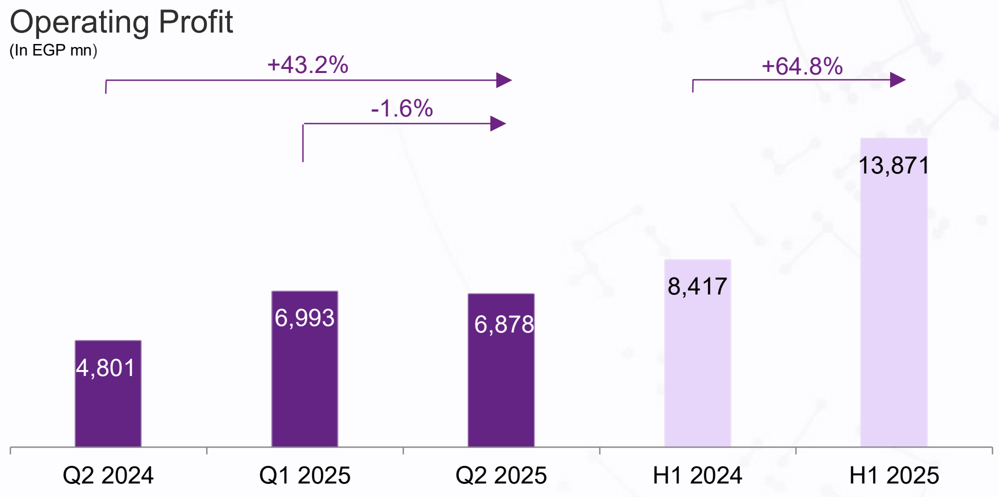
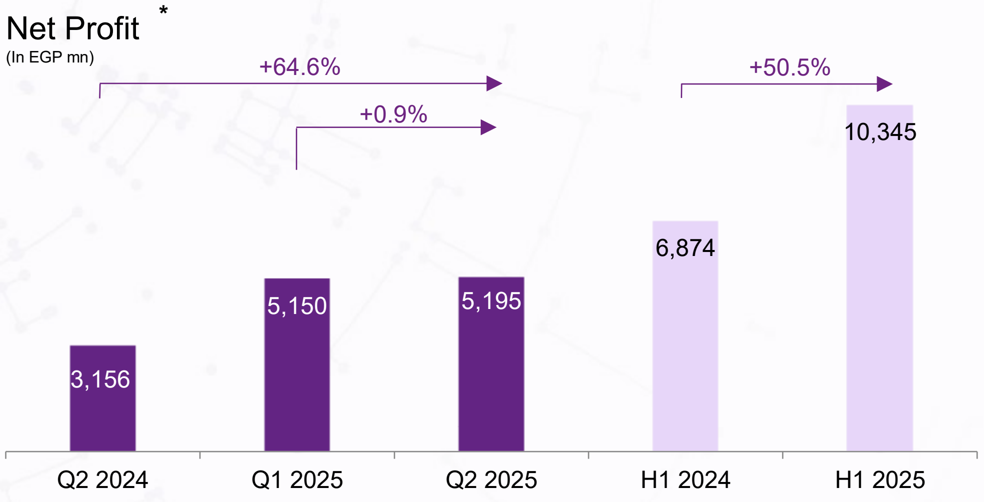
# Financial Highlights



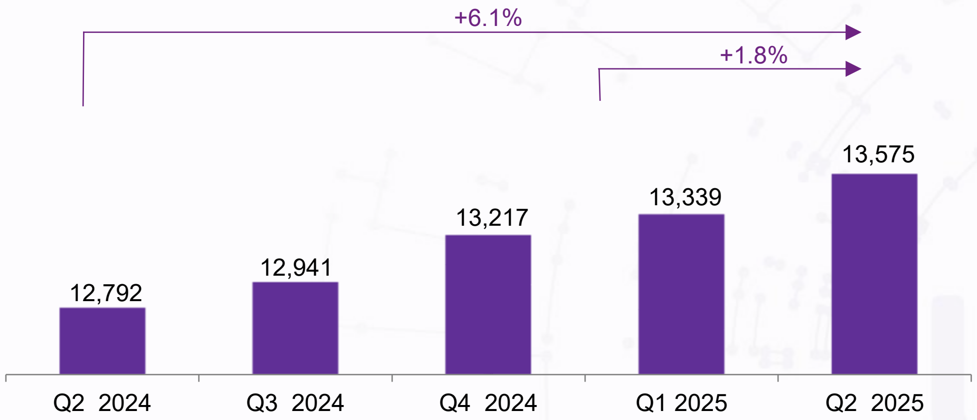



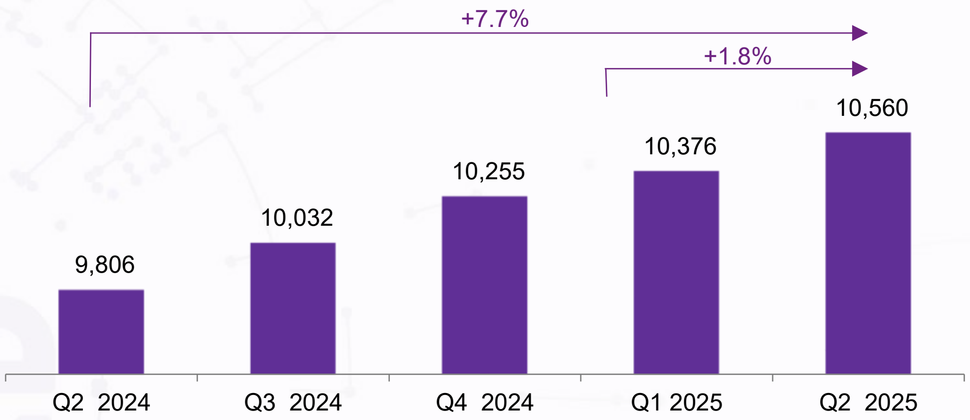

* **All values are normalized to** exclude FX gains/losses

# Customer Base and ARPU

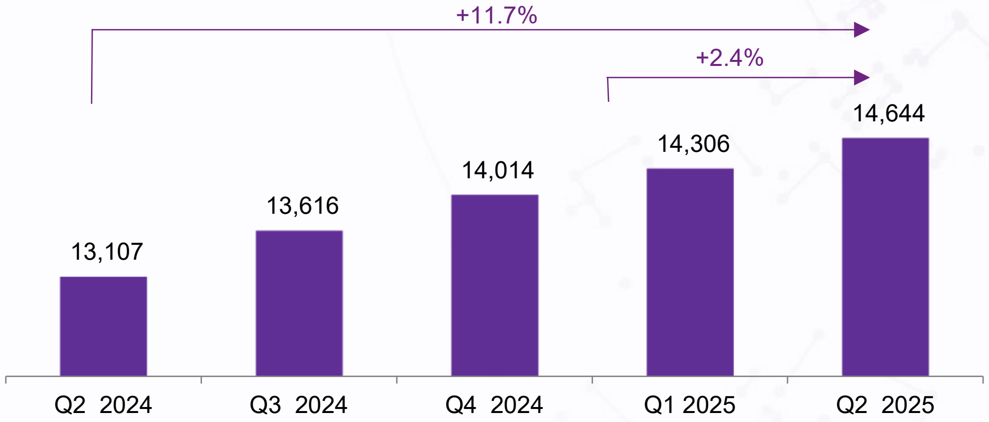
## Fixed Line
*(In 000s)*



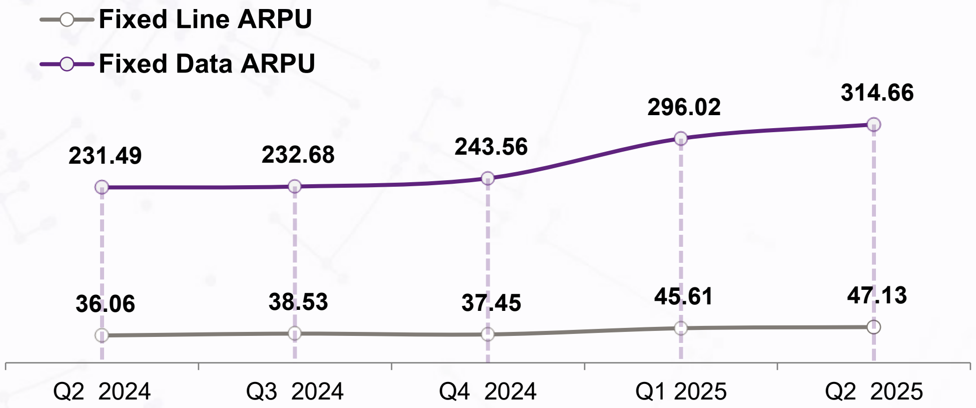

## Fixed Broadband
*(In 000s)*




## Mobile
*(In 000s)*

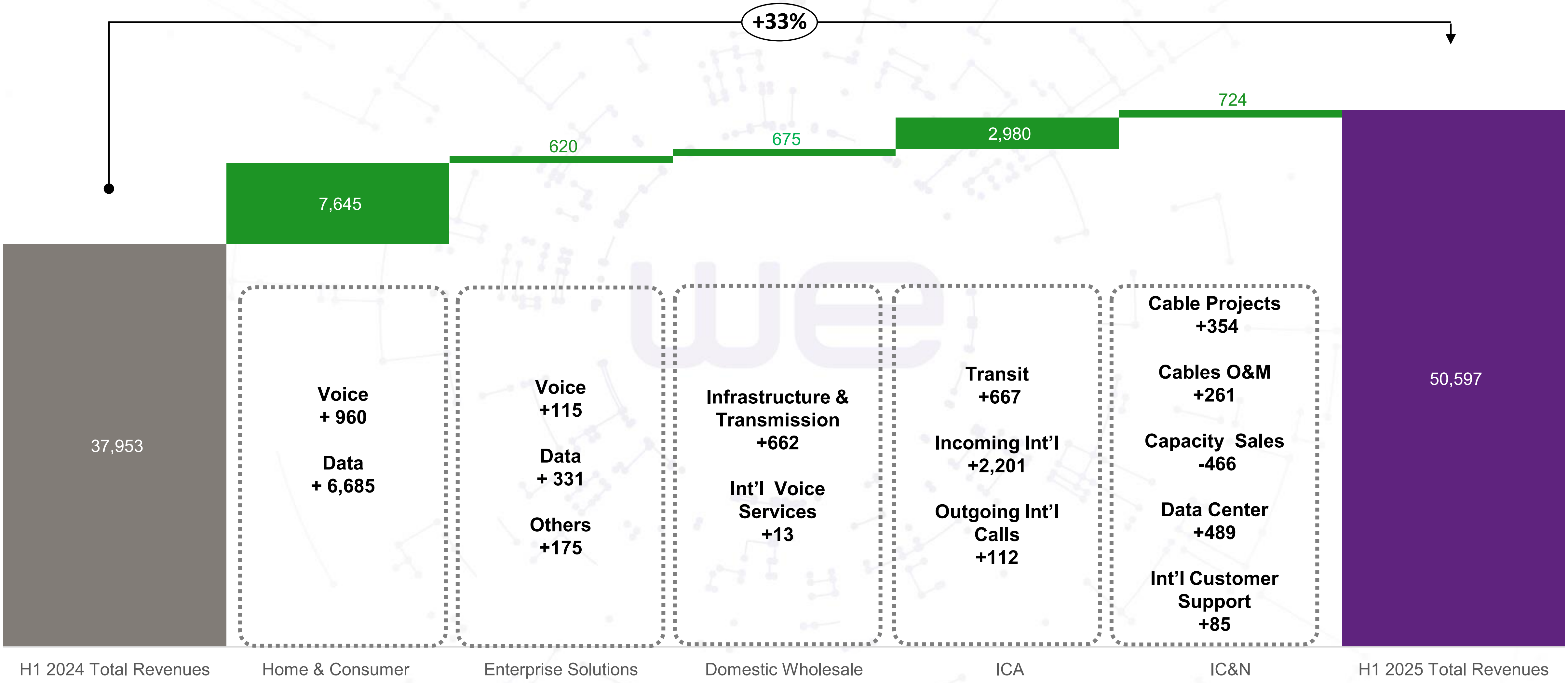



## ARPU
*(In EGP)*

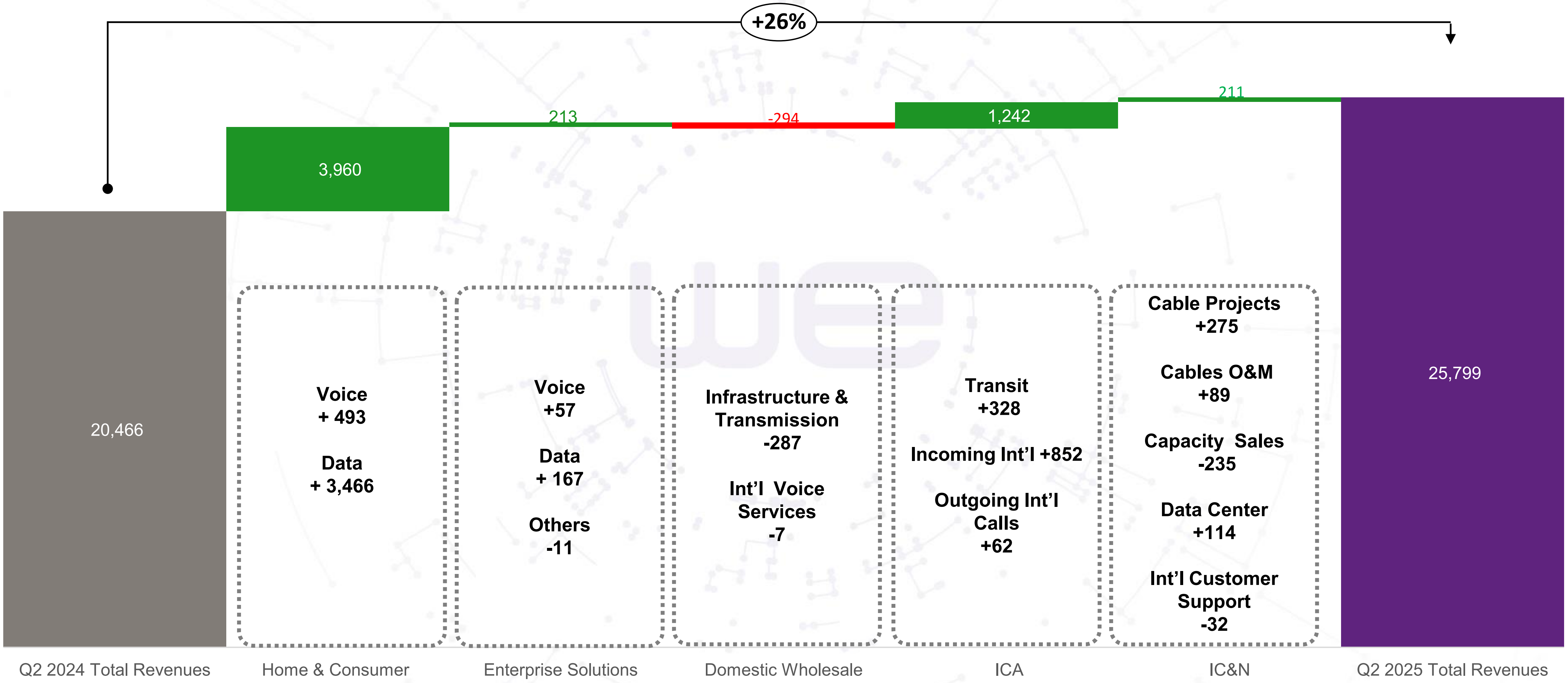


# Total Revenues

## H1 2025 YoY (EGP mn)

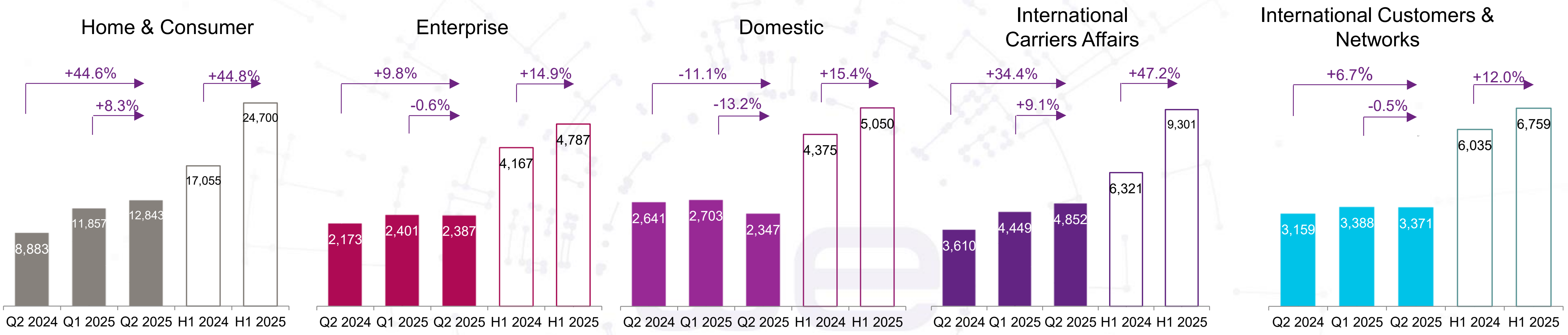


# Total Revenues
## Q2 2025 YoY (EGP mn)



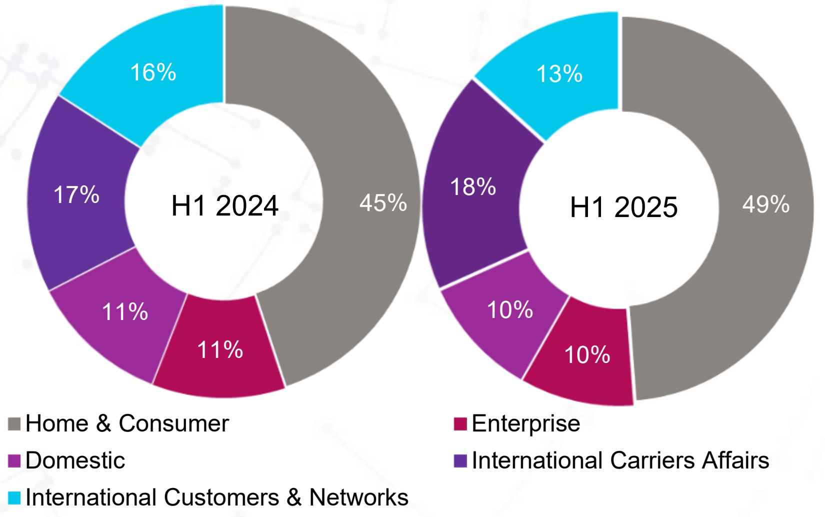
# Revenue by Business Unit

## Retail Segment Drives Sustained Growth




**H1 2025 Performance**

- ✓ **Total revenue** rose 33% YoY to EGP 50.6bn, with the Retail segment accounting for 58% of total revenue and driving 65% of the YoY revenue growth
- ✓ **Home & Consumer** revenues rose by 45% YoY, led by a 46% surge in Data revenue to EGP 21.2bn. This was fuelled by a higher ARPU (37%), following price adjustments in 2024.
- ✓ **Enterprise revenues** grew 15% YoY, with Managed Data services contributing EGP 347mn to revenue.
- ✓ **Mobile revenues** increased 36% YoY, benefiting from increased ARPU following last year's price adjustments and a 12% YoY expansion in the customer base.
- ✓ **Domestic Wholesale revenues** increased 15% YoY, mainly driven by a 15% YoY climb in Infrastructure revenue, totalling EGP 5.0bn.
- ✓ **ICA revenues** expanded 47% YoY, accounting for 24% of total revenue growth, with International Incoming Calls revenue up 50% YoY to EGP 6.6bn, mainly on a 24% YoY higher international incoming calls traffic and supported by FX gains.
- ✓ **IC&N revenues** recorded a 12% YoY increase, led mainly by strong Cable Projects (+27% YoY) and International Customer Support (+7% YoY), which more than offset lower Capacity Sales (-20% YoY).



# Income Statement (H1 2025)

| In EGP mn | H1 2025 | H1 2024 | YoY | Q2 2025 | Q1 2025 | Q2 2024 | QoQ | YoY |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | **50,597** | **37,953** | 33% | **25,799** | **24,798** | **20,466** | 4% | 26% |
| Home | 24,700 | 17,055 | 45% | 12,843 | 11,857 | 8,883 | 8% | 45% |
| Enterprise | 4,787 | 4,167 | 15% | 2,387 | 2,401 | 2,173 | -1% | 10% |
| Domestic | 5,050 | 4,375 | 15% | 2,347 | 2,703 | 2,641 | -13% | -11% |
| ICA | 9,301 | 6,321 | 47% | 4,852 | 4,449 | 3,610 | 9% | 34% |
| IC&N | 6,759 | 6,035 | 12% | 3,371 | 3,388 | 3,159 | -1% | 7% |
| Employee cost | (7,714) | (6,672) | 16% | (3,883) | (3,831) | (3,463) | 1% | 12% |
| Call costs | (7,962) | (5,895) | 35% | (4,217) | (3,746) | (3,290) | 13% | 28% |
| CoGS* | (10,246) | (7,675) | 34% | (5,134) | (5,112) | (4,329) | 0% | 19% |
| S&D* | (1,360) | (1,373) | -1% | (684) | (677) | (815) | 1% | -16% |
| G&A* | (1,199) | (886) | 35% | (637) | (562) | (426) | 13% | 49% |
| **EBITDA** | **22,116** | **15,453** | 43% | **11,246** | **10,870** | **8,143** | 3% | 38% |
| *Margin* | *44%* | *41%* | *299 bps* | *44%* | *44%* | *40%* | *(25 bps)* | *380 bps* |
| Other (expense) / income | 185 | 84 | 120% | 104 | 81 | 187 | 28% | -45% |
| Depreciation | (6,673) | (5,476) | 22% | (3,562) | (3,111) | (2,841) | 15% | 25% |
| Amortization | (1,219) | (1,192) | 2% | (594) | (625) | (605) | -5% | -2% |
| (Pro)/ Reversal of ECL provision | (537) | (452) | 19% | (315) | (222) | (84) | 41% | -275% |
| Operating profit | 13,871 | 8,417 | 65% | 6,878 | 6,993 | 4,801 | -2% | 43% |
| *Margin* | *27%* | *22%* | *524 bps* | *27%* | *28%* | *23%* | *(154 bps)* | *320 bps* |
| Income from investments | 6,732 | 2,985 | 126% | 3,544 | 3,187 | 2,086 | 11% | 70% |
| Net finance (cost) / income | (280) | (701) | -60% | 576 | (857) | (792) | -167% | -173% |
| Net interest (exp.) / income | (6,392) | (4,512) | 42% | (3,226) | (3,166) | (2,754) | 2% | 17% |
| Tax | (3,410) | 326 | -1145% | (1,906) | (1,504) | (710) | 27% | 169% |
| **Net Profit** | **10,507** | **6,511** | 61% | **5,862** | **4,646** | **2,629** | 26% | 123% |
| *Margin* | *21%* | *17%* | *361 bps* | *23%* | *19%* | *13%* | *399 bps* | *987 bps* |
| Net Profit (Adj.) | **10,345** | **6,874** | 50% | **5,195** | **5,150** | **3,156** | 1% | 65% |
| *Margin* | *20%* | *18%* | *233 bps* | *20%* | *21%* | *15%* | *(63 bps)* | *472 bps* |
| EPS | 6.16 | 3.81 | 61% | 3.43 | 2.72 | 1.54 | 26% | 123% |

*COGS exclude D&A, employee & call costs. While S&D and G&A exclude employee costs & D&A
Note: All financial figures reported are based on the consolidated financials under EAS

**Revenue**

- **Top-line revenue** witnessed a significant 33% YoY increase, driven by a 39% YoY increase in **Retail revenue** and a 26% YoY increase in **Wholesale revenue**.
- **Data** was the main growth driver, reaching EGP 22.1bn, contributing to 55% of the annual growth. This was supported by price adjustments in 2024, as well as a growing customer base. **International Incoming Call revenue** rose 50% YoY, contributing 17% to total revenue growth

**Expenses**

- **Employee costs** increased 16% YoY, with the employee-cost-to-revenue ratio reaching 15%, an improvement compared to 18% in H1 2024.
- **Total call costs** inflated by 35% YoY, largely driven by the currency devaluation.
- **Marketing expenses--**as a percentage of revenue--slightly declined to 1% in H1 2025 vs 2% in H1 2024

**EBITDA**

- **EBITDA** witnessed a 43% YoY increase, recording a margin of 44%. This strong result was supported by solid revenue growth and effective cost-optimization measures, enabling us to surpass our target margins despite inflationary pressures.

**Operating Profit**

- **Operating profit** surged by 65%, driven by strong operational performance which offset the 18% increase in D&A expenses.

**Non-Operational**

- **VFE income** reached EGP 6.7bn in H1 2025 up from EGP 3.0bn in H1 2025, mainly due to price-ups effected in 2024.
- **Interest expense** increased 40% YoY, despite an unchanged total debt base of EGP c80bn, as the percentage of EGP debt increased to 51% in H1 2025 compared to 37% in H1 2024, leading to an effective interest rate of 17% vs 15% in H1 2024.

**Net Profit**

- **Normalized net profit** rose to EGP 10.3bn, (adjusted for FX gain of EGP 0.2bn in H1 2025 and FX loss of EGP 0.5bn in H1 2024). This significant growth was driven by the significant top line growth and a surge in VFE Income (2.3x), which helped counterbalance the negative impact of rising interest expenses (+40%) and D&A (+18%).

# Income Statement (Q2 2025)

| *In EGP mn* | H1 2025 | H1 2024 | YoY | Q2 2025 | Q1 2025 | Q2 2024 | QoQ | YoY |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | **50,597** | **37,953** | 33% | **25,799** | **24,798** | **20,466** | 4% | 26% |
| Home | 24,700 | 17,055 | *45%* | 12,843 | 11,857 | 8,883 | *8%* | *45%* |
| Enterprise | 4,787 | 4,167 | *15%* | 2,387 | 2,401 | 2,173 | *-1%* | *10%* |
| Domestic | 5,050 | 4,375 | *15%* | 2,347 | 2,703 | 2,641 | *-13%* | *-11%* |
| ICA | 9,301 | 6,321 | *47%* | 4,852 | 4,449 | 3,610 | *9%* | *34%* |
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| **EBITDA** | **22,116** | **15,453** | *43%* | **11,246** | **10,870** | **8,143** | *3%* | *38%* |
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| Other (expense) / income | 185 | 84 | *120%* | 104 | 81 | 187 | *28%* | *-45%* |
| Depreciation | (6,673) | (5,476) | *22%* | (3,562) | (3,111) | (2,841) | *15%* | *25%* |
| Amortization | (1,219) | (1,192) | *2%* | (594) | (625) | (605) | *-5%* | *-2%* |
| (Pro)/ Reversal of ECL provision | (537) | (452) | *19%* | (315) | (222) | (84) | *41%* | *-275%* |
| Operating profit | 13,871 | 8,417 | *65%* | 6,878 | 6,993 | 4,801 | *-2%* | *43%* |
| *Margin* | *27%* | *22%* | *524 bps* | *27%* | *28%* | *23%* | *(154 bps)* | *320 bps* |
| Income from investments | 6,732 | 2,985 | *126%* | 3,544 | 3,187 | 2,086 | *11%* | *70%* |
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| Net interest (exp.) / income | (6,392) | (4,512) | *42%* | (3,226) | (3,166) | (2,754) | *2%* | *17%* |
| Tax | (3,410) | 326 | *-1145%* | (1,906) | (1,504) | (710) | *27%* | *169%* |
| **Net Profit** | **10,507** | **6,511** | *61%* | **5,862** | **4,646** | **2,629** | *26%* | *123%* |
| *Margin* | *21%* | *17%* | *361 bps* | *23%* | *19%* | *13%* | *399 bps* | *987 bps* |
| Net Profit (Adj.) | **10,345** | **6,874** | *50%* | **5,195** | **5,150** | **3,156** | *1%* | *65%* |
| *Margin* | *20%* | *18%* | *233 bps* | *20%* | *21%* | *15%* | *(63 bps)* | *472 bps* |
| EPS | 6.16 | 3.81 | *61%* | 3.43 | 2.72 | 1.54 | *26%* | *123%* |

* COGS exclude D&A, employee & call costs. While S&D and G&A exclude employee costs & D&A
Note: All financial figures reported are based on the consolidated financials under EAS

**Revenue**

- Top-line revenue increased by 26% YoY, driven by a 38% YoY increase in Retail revenue and a 12% YoY increase in Wholesale revenue. Data was the key growth driver, marking a 46% YoY increase, representing 68% of the total revenue growth. This growth is attributed to the base effect of price ups across the Retail segment in 2024, as well as a steadily expanding customer base and increased data consumption.
- In the **Wholesale segment**, revenue grew 12% YoY mainly due to a 33% YoY growth in International Incoming Call revenue, primarily fueled by increasing international call traffic by 25% YoY and supported by foreign currency appreciation.

**Expenses**

- **Employee costs** increased 12% YoY; however, the employee cost-to-revenue ratio decreased from 17% in Q2 2024 to 15% in Q2 2025.
- **Total call costs** grew by 28% YoY, mainly due to the currency devaluation.
- Marketing expenses decreased by 40% YoY, reflecting management's continued cost containment efforts.

**EBITDA**

- **EBITDA** increased by 38% YoY, recording an improved margin of 44% vs 40% in Q2 2024.

**Operating Profit**

- **Operating profit** grew 43% YoY, fueled by robust operational performance and cost optimization efforts, which offset the 21% rise in D&A.

**Non-Operational**

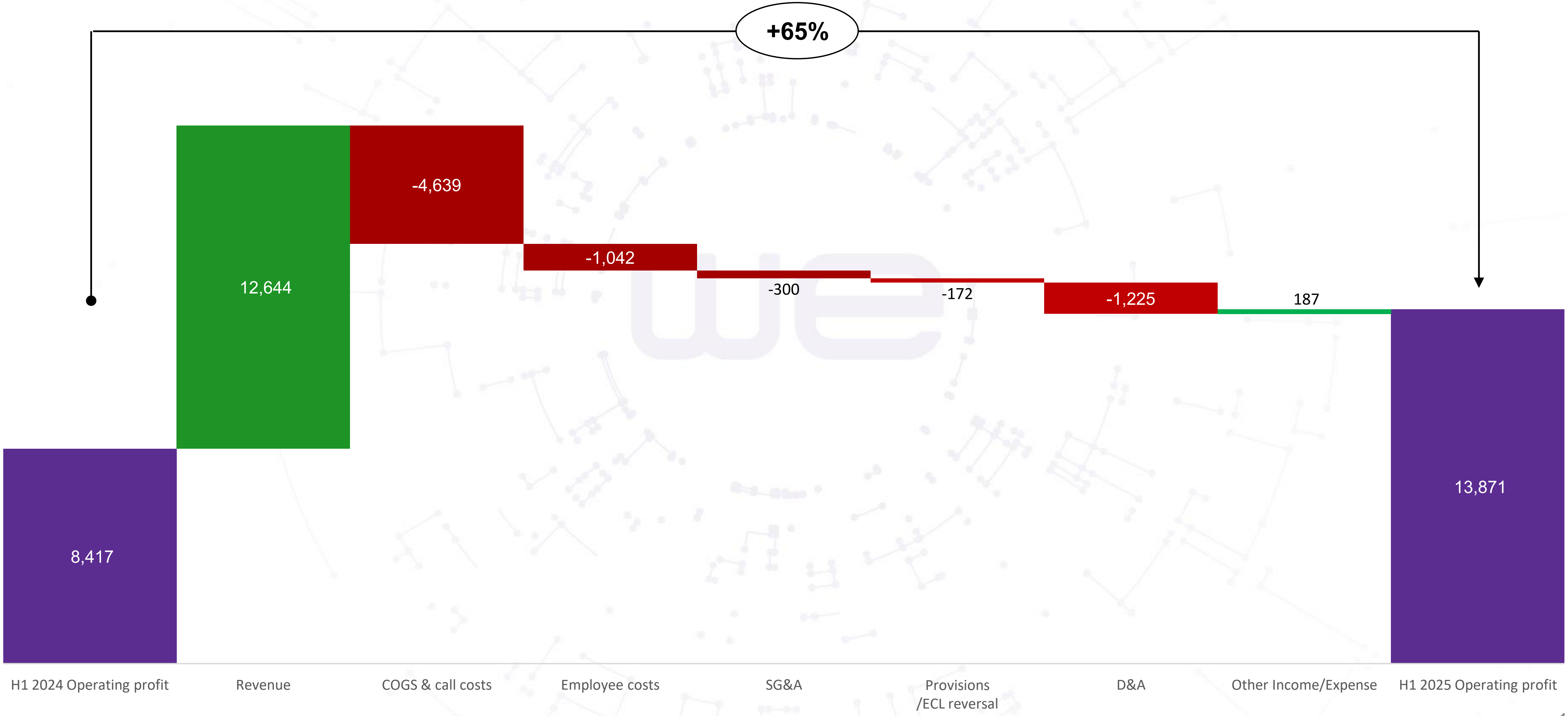
- **VFE income** increased 69% YoY reporting EGP 3.5bn, backed by higher operating performance caused by organic growth, including price-ups.
- Interest expense increased by 18% YoY, driven mainly by the increase of the EGP denominated debt from 37% in Q2 2024 to 51% in Q2 2025, raising the effective interest rate to 16% in Q2 2025.

**Net Profit**

- **Net profit more than** doubled YoY to EGP 5.9bn, supported by a favourable revenue mix and increased investment income.

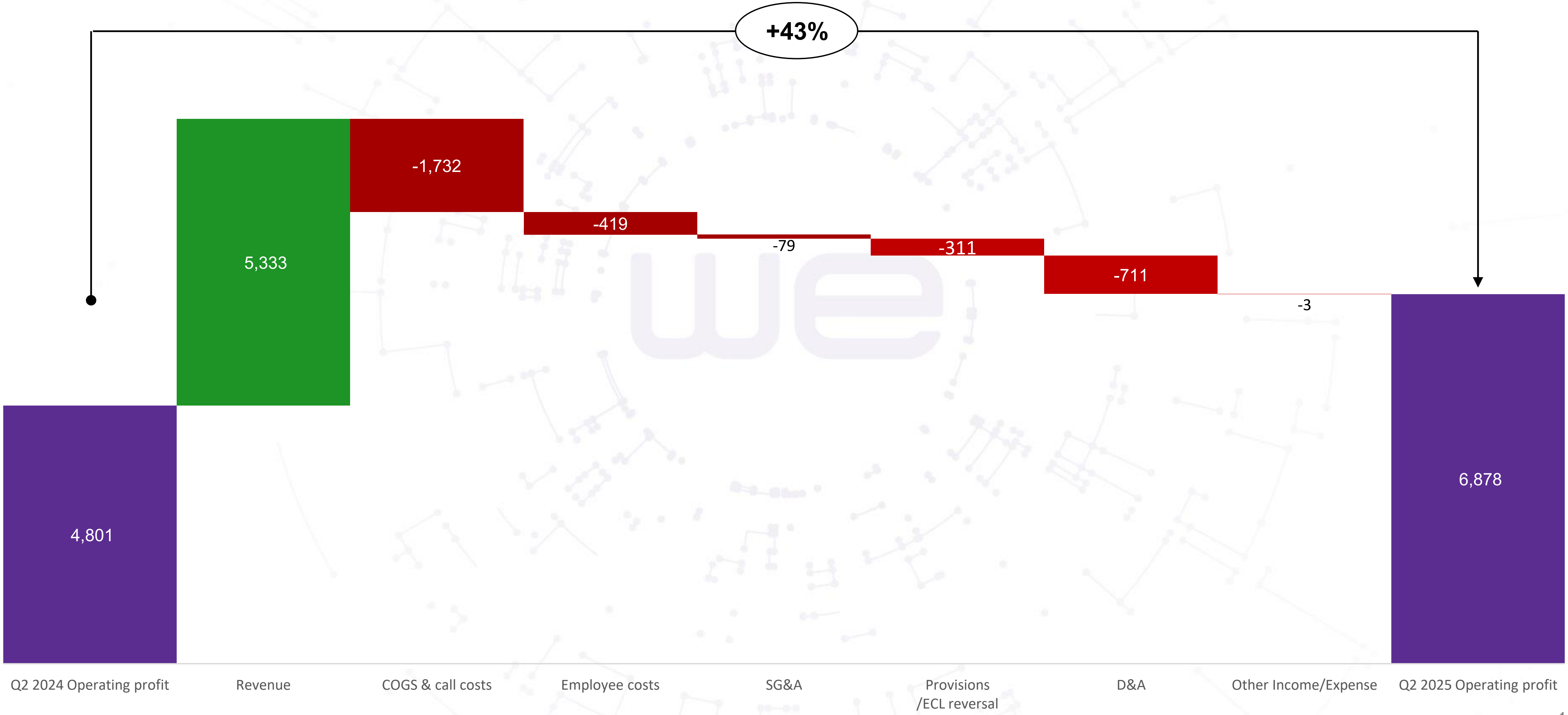
# Operating Profit

## H1 2025 YoY (EGP mn)



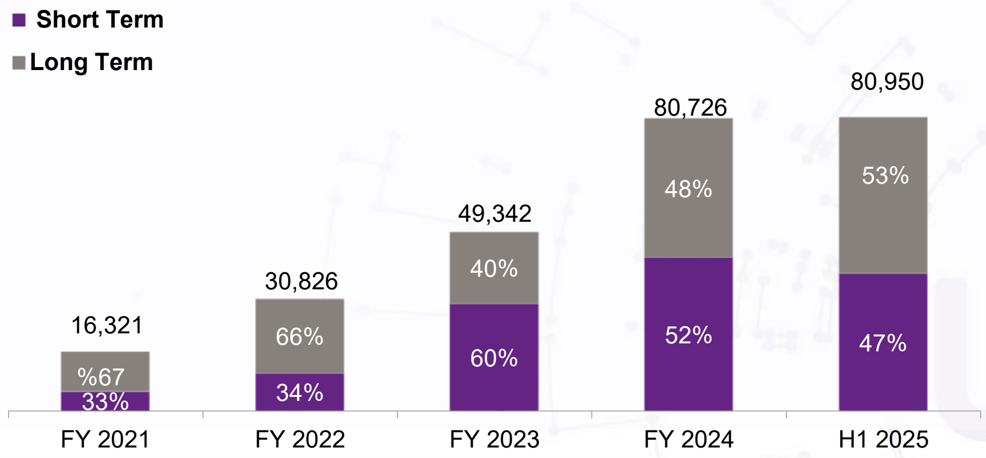
# Operating Profit

## Q2 2025 YoY (EGP mn)

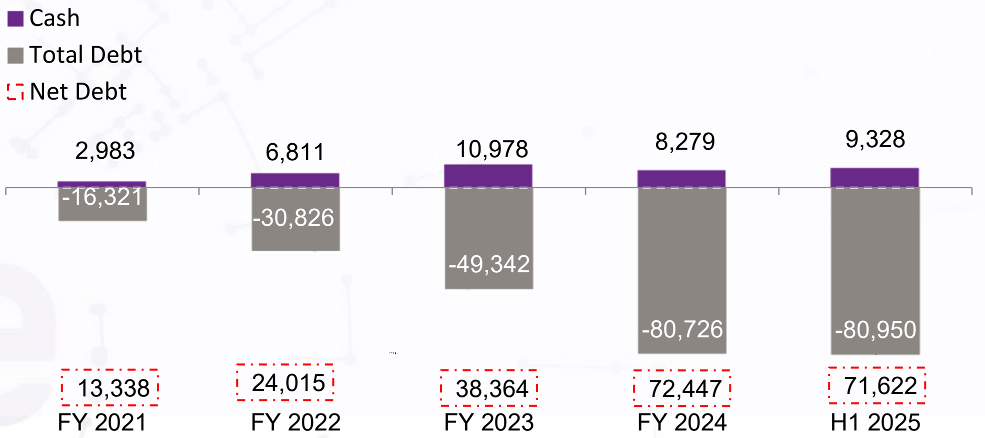


# Balance Sheet Highlights

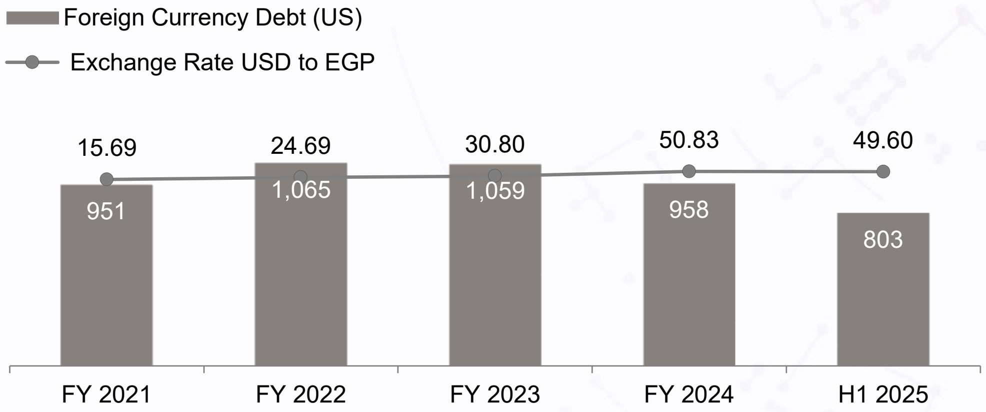
## Total Debt
*(EGP mn)*



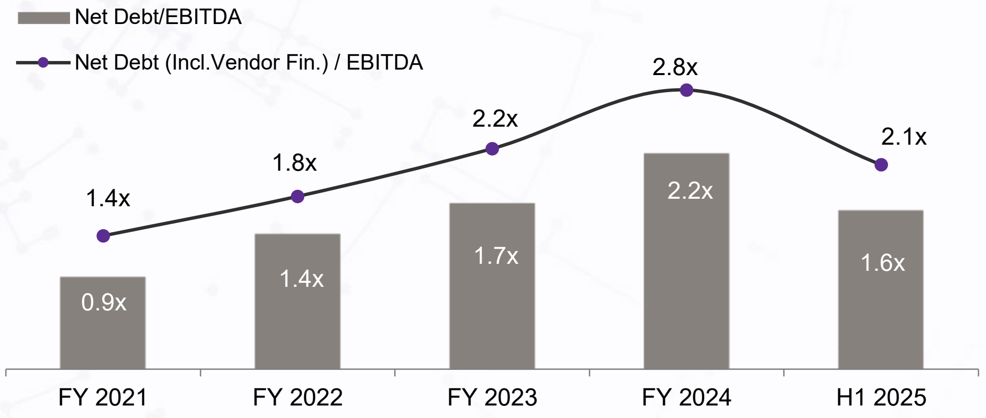

## Net Debt
*(EGP mn)*




## Debt – Foreign Currency Portion
*(USD mn)*

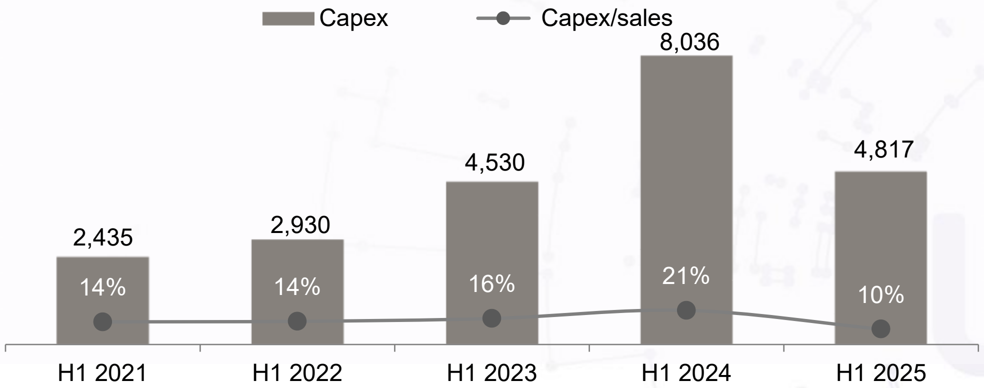



## Net Debt/EBITDA

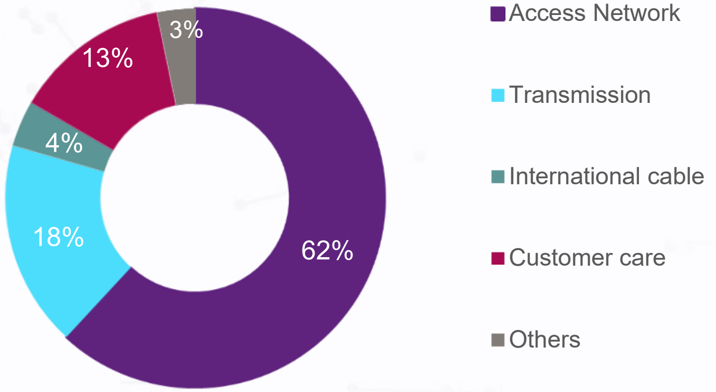


# CapEx Analysis

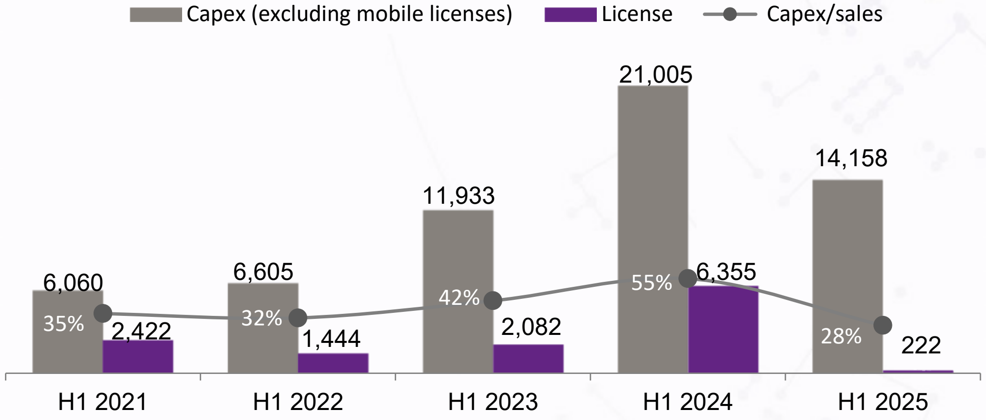
## In-Service CapEx
*(EGP mn)*



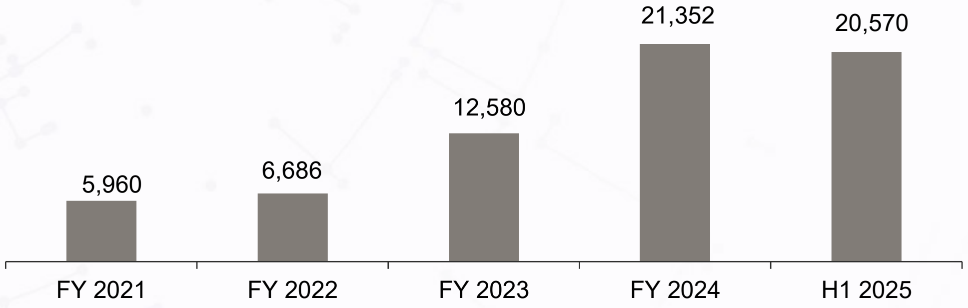

## Breakdown of In-Service CapEx




## Cash CapEx
*(EGP mn)*



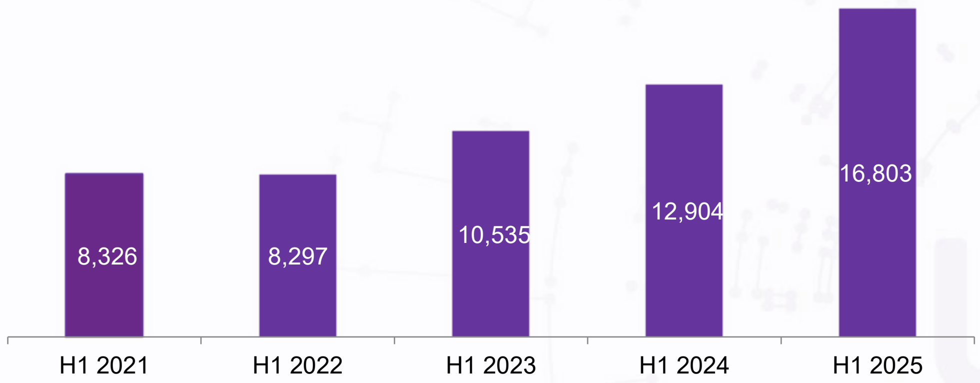

## Vendor Financing Obligations *
*(EGP mn)*



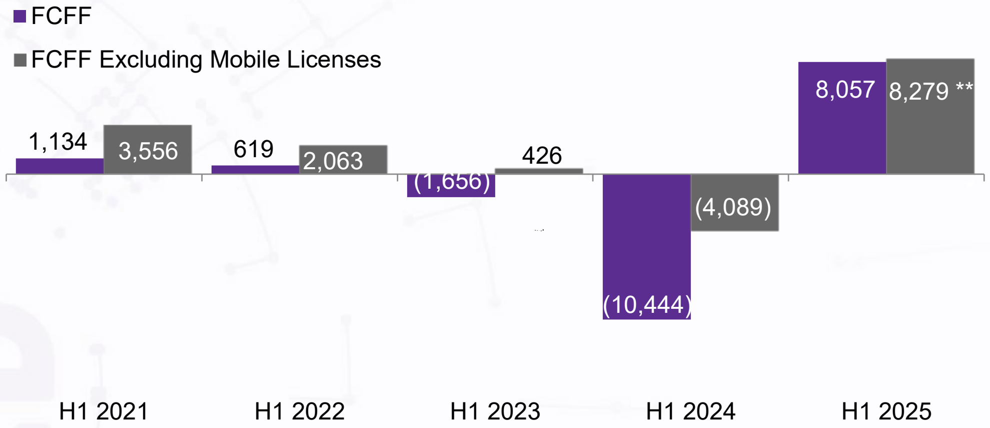

* Based on USD and EURO exchange rates as of 30 June 2025.

# Cash Flow Analysis

## Net Cash from Operating Activities
*(EGP mn)*

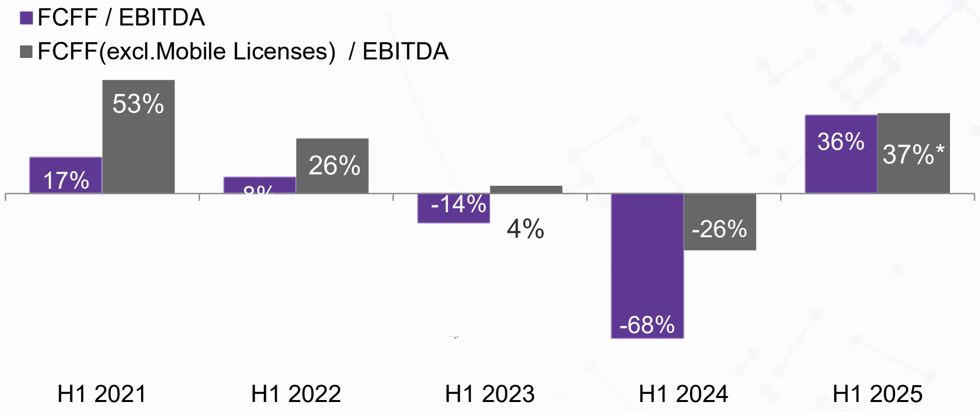



## FCFF
*(EGP mn)*



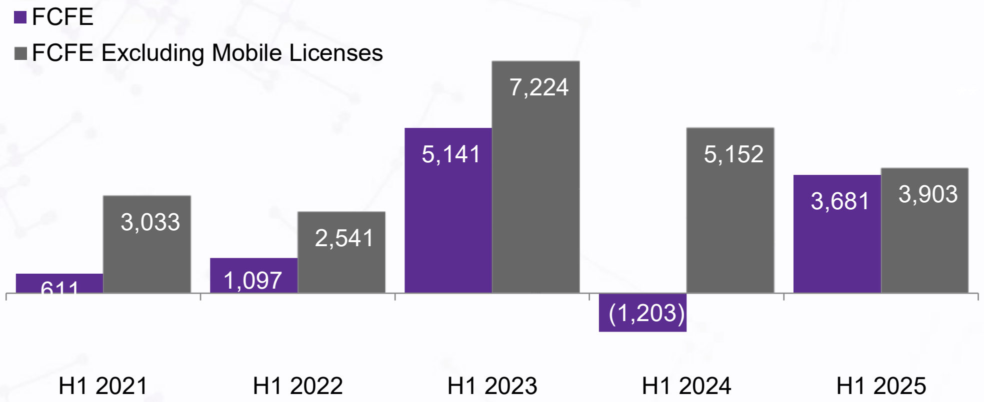

**Excluding the mobile license CapEX of c. EGP 0.2bn, FCFF reaches EGP 8.3bn

## FCFF/EBITDA
*(EGP mn)*




* Excluding the mobile license CapEX of c. EGP 0.2bn, FCFF/EBITDA reaches 37%

## FCFE
*(EGP mn)*



# Our Performance in Context

| | H1 2025 actual | FY 2025 budget |
|---|---|---|
| Revenue growth YoY | 33% | Low 20s |
| EBITDA margin (%) | 44% | High 30s |
| CapEx/Sales (%) | In-service: 10%<br>Cash: 28% | In-service:<br>Low 20s |
| FCFF/EBITDA (%) | 36% | Early 40s |

# Thank You

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