

2019 budget: Investing for growth

Strong momentum at healthy margins

Cairo, 16 December 2018: Telecom Egypt's Board of Directors approved the budget for the fiscal year 2019 according to the following KPIs:

- Mid to high single digit revenue growth (excl. Bharti mid double digit)
- EBITDA margin in the mid to high twenties
- In-service CAPEX to sales ratio of 30%

Ahmed El Beheiry, Managing Director and Chief Executive Officer, commented:

"Our 2019 projections count on the robust growth across our operational segments driven by Telecom Egypt's footprint in the retail market, especially its strong growth in mobile and fixed broadband, along with its eagerness to seize all opportunities in the wholesale segment. We expect to end 2018 beating our revenue guidance due to the MENA acquisition and Bharti deal. While this generated non-recurring revenue, we expect to continue to grow from this high base in 2019.

Transformation is our adopted theme to boost growth and remain agile. Our WE brand is expected to continue to evolve and address more segments including corporates. Scaling our business by exploring all potentials in the ICT advancement field is the optimum route to navigate towards a progressive future. All sealed deals and signed agreements throughout the last couple of years along with vast infrastructure and network investments during previous years set a precedent for our upcoming courses of action.

We continue to stress on financial excellence, manage our cash flows to minimize interest expense and maintain our strong relationships with vendors to keep investing for growth at favorable payment terms. In 2019 we will continue to invest in our fiber network to meet the growing demand for our fixed and mobile broadband offerings as well as cater to the growing traffic of domestic and international operators."

- End -

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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