



Arab Republic of Egypt
Ministry of Communications
and Information Technology



Title: Telecom Egypt Q2 Revenues Hit 6.6 Bln
Source: Ahram Website

Telecom Egypt announced its second quarter of 2019 results ending on 30 June, stating that total revenues recorded EGP 6.6 billion, growing by 24 percent year-over-year (YoY). Retail revenues increased by 32 percent YoY, driven mainly by the rise in Home and Consumer data revenues which constitute 64 percent of the total retail growth.

Mobile revenues increased by 15 percent quarter-on-quarter, in spite of a stable customer base, due to the increase of high-value customers. Enterprise Solutions increased across the business lines, recording a 35 percent hike on the same period in 2018 on the back of growth in managed services and NUCA projects.

For the first quarter of 2019, the total consolidated revenues recorded EGP 12.7 billion, increasing by 25 percent YoY as a result of higher data services and increased cable projects revenues mainly owed to the recognition of the \$20 million PEACE cable crossing.

Customer base demonstrated improved trends across all segments with fixed voice customers growing by 11 percent YoY, fixed broadband increasing by 19 percent YoY and mobile reporting a 29 percent growth.

“Meanwhile, the company recorded a total cost of EGP 1 billion for the Early Retirement Programme (ERP) with 2,000 employees signing up, which will be paid to the employees in Q3. Such cost led to the decline of EBITDA to reach EGP 2.6 billion and net profit stabilising at EGP 2.1 billion,” Telecom Egypt stated.

“Excluding the ERP, EBITDA would reach EGP 3.6 billion, growing by 11 percent YoY and recording a margin of 29 percent and net profit of EGP 2.9 billion. Normalised net profit increased by 41 percent YoY as a result of forex gains, EBITDA growth and the rebound in Vodafone’s investment income,” the company added.

“This quarter, our operational and financial performance demonstrated our ability to successfully execute our strategy and maximise our return on investment by enhancing the quality of our services, which was clearly reflected in the notable growth of our data revenue. The recognition of PEACE cable revenue that was introduced last April also contributed to the 24 percent YoY top line growth,” Group Chief Executive Adel Hamed said.

“We are very pleased with the launch of WE SPACE internet offerings that represent a shift in the Egyptian broadband market through the introduction of high speed bundles with speeds that start from up to 30 Mbps instead of 5Mbps, allowing us to better monetise our network investments. Additionally, the company has completed the groundwork for the preparation of the nationwide launch of IPTV services and the WE Wallet to fulfil our strategy of leading the market as a total ICT provider. In parallel to our strong revenue growth, we successfully implemented cost cutting initiatives including the restructuring of our debt, which lowered this quarter’s interest costs, and the activation of the early retirement programme that will further reduce our expenses on the short-run,” Hamed stated.