

Emirates Integrated Telecommunications Company PJSC (“du”) Announces 3.7% growth in its first 9 month Adjusted Net Profit to reach AED 1.29 billion

Dubai, UAE, [29 October] 2019: Emirates Integrated Telecommunications Company PJSC (“du”) published today its financial results for the nine-month period ended 30 September 2019, reporting Revenues of AED 9.4 billion, an EBITDA of AED 4.22 billion and a Net Profit after royalty of AED 1.29 billion.

For Q3 2019, EITC reported Revenues of AED 3.07 billion, an EBITDA of AED 1.33 billion and a Net Profit after royalty of AED 381 million.

2019 Q3 and First 9 Months Major KPIs

(AED million)	Third Quarter			Year to Date		
	Q3 2018	Q3 2019	% change	YTD 2018	YTD 2019	% change
Revenues	3,331	3,067	-7.9%	10,013	9,396	-6.2%
Fixed revenues	579	623	7.7%	1,723	1,851	7.5%
Mobile revenues	1,779	1,605	-9.8%	5,398	4,956	-8.2%
Other revenues	973	838	-13.9%	2,892	2,588	-10.5%
EBITDA	1,369	1,332	-2.7%	4,231	4,224	-0.2%
Adjusted EBITDA (like-for-like ¹)	1,453	1,332	-8.3%	4,297	4,224	-1.7%
Net Profit after royalty	441	381	-13.5%	1,406	1,294	-7.9%
Adjusted Net Profit after royalty (like-for-like ¹)	428	381	-11.0%	1,249	1,294	3.7%
Mobile subscriber base ³ (thousands)	8,650	7,736	-10.6%	8,650	7,736	-10.6%
Fixed subscriber base ² (thousands)	760	771	1.5%	760	771	1.5%

Commenting on the results, Osman Sultan, EITC’s Chief Executive Officer, said:

“I am pleased to report for the first nine months of the 2019 year a 3.7% growth in our adjusted (like-for-like¹) Net Profit after royalty which reached AED 1.29 billion. We were able to achieve this result despite several challenges in our market where certain of our business lines which reached maturity are subject to pressure on their top line. During the first 9 months of the year we were able to report a total revenues of AED 9.4 Billion driven by a healthy increase of 7.5% in our fixed business revenues that absorbed part of the 8.2% decline in mobile revenues.”

“Our fixed business continue to register regular growth of the subscriber base² which reached 771 thousands, an increase of 1.5%. We continue to focus our efforts on attracting high value post-paid mobile customers to improve the mix of our mobile subscriber base amounting to 7.74 million subscribers³, leading to a 2.5% increase in mobile ARPU⁴ during the period.”

¹ For Q3 2019 Like-for-like means that net profit after royalty (respectively the EBITDA) for Q3 2018 is adjusted by deducting AED 13 million (adding AED 84 million) corresponding to the impact of IFRS16 on Q3 2019.

For 9M 2019 Like-for-like means that Net Profit after royalty (respectively the EBITDA) for YTD 2019 is adjusted by deducting AED 119 million (deducting AED 169 million) corresponding to the impact of the one-off regulatory cost registered in Q1 2018 and deducting AED 39 million (and adding AED 235 million) corresponding to the impact of IFRS-16 on 9M 2019.

² Fixed subscriber base refers to the number of contracts rather than the home passed.

³ Mobile subscriber base refers to the active base as per the TRA definition, an active subscriber is a subscriber that had any transaction, including a non-billable transaction in last 90 days.

⁴ Average Revenue Per User

“We continue our transformation efforts to cope with a changing business paradigm and increase the efficiency of the business. Our EBITDA for the first 9 months was at AED 4.22 billion virtually flat on a reported basis and with a contained erosion of 1.7% on a like-for-like basis reflecting efficiency efforts all over the organisation to absorb an important part of the pressure on the Revenues. As a part of our operational improvements we have made significant progress during the quarter to advance our digital strategy, while also strengthening our customer proposition.”

“We have also accelerated in Q3 2019 the deployment of our network and in particular our 5G deployment. Our Capex for the first 9 month-period increased by 82% compared to same period last year to reach AED 799 million almost doubling the capital intensity of the business. These continuous investments confirm our commitment to provide our customers with the latest technologies and products and our regular efforts towards improving customer experience.”

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About Emirates Integrated Telecommunications Company PJSC (EITC)

The Emirates Integrated Telecommunications Company PJSC (EITC) was founded in 2005 as the UAE’s second licensed telecommunications provider. EITC has two telecommunications brands under its umbrella: the du brand was launched in 2007 and serves almost 8 million active subscribers and over 100,000 businesses throughout the UAE; EITC has launched its second brand, Virgin Mobile, the region’s first digital service, in September 2017.

EITC is 50.12 percent owned by Emirates Investment Authority, 10.06 percent by Mamoura Diversified Global Holding PJSC, 19.7 percent by Emirates International Telecommunications and the remaining by public shareholders and national companies. Listed on the Dubai Financial Market (DFM), the company trades under the name ‘du’.

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