



Emirates Integrated Telecommunications Company

PJSC reports Q1 2021 results

- Revenues grew for a third consecutive quarter by 5.2% quarter-over-quarter
- Net profit¹ grew 38.7% compared to the previous quarter
- Sustained capital deployment with a capital intensity of 19.7%

Dubai, UAE, 27 April 2021 - Emirates Integrated Telecommunications Company PJSC ("EITC") published today its financial results for the first quarter of 2021. It reported: (i) Revenues of AED 2.88 billion, 5.2% higher than the previous quarter, reflecting the Company's commercial efforts and gradual improvement in the general environment; (ii) an EBITDA of AED 1.12 billion, 8.7% higher than the previous quarter; (c) a Net profit of AED 257 million, 4.3x the previous quarter's or 38.7% higher when excluding goodwill impairment charge in Q4 2020; and (d) Capital expenditures of AED 568 million.

Q1 2021 highlights

Revenues grew for a third consecutive quarter (+5.2% quarter-over-quarter) to AED 2.88 billion as economic activity in the United Arab Emirates continued to improve and the Company's various commercial efforts started to bear fruit.

- **Mobile revenues** stabilised at AED 1.31 billion. This stability is due to a 1.9% growth in the mobile subscriber base to 6.8 million mobile customers which mitigates a slight ARPU dilution (-0.7% quarter-on-quarter). On a year-on-year comparison, mobile revenues show a 12.7% erosion given that COVID-19 had limited impact on Q1 2020. An improving customer mix helped drive ARPU higher by 2.9% year-over-year to AED 87.
- **Fixed revenues** continued its growth path at +2.8% quarter-on-quarter (+3.4% year-on-year) and reached an all-time high of AED 663 million. The Company had an encouraging start of year with 13k Broadband net-adds and ended the quarter with 248k Broadband customers.
- **Other revenues²** grew by 16.5% quarter-on-quarter (+7.6% year-on-year) to AED 908 million. This growth is the result of wholesale revenues, ICT and strong demand for the iPhone 12.

EBITDA improved from AED 1.03 billion in Q4 2020 to AED 1.12 billion (+8.7% quarter-on-quarter). The improvement is driven by greater revenues lifting gross profit and lower outsourcing & contracting costs on a one-off volume-related rebate.

Net profit more than quadrupled from AED 48 million in Q4 2020 to AED 257 million. Q4 2020 results were impacted by the goodwill impairment on the broadcasting business. Excluding this exceptional item, Q1 2021 net profit grew by 38.7% on higher EBITDA and slightly lower depreciation and amortisation charges.

¹ In comparison to Q4 2020 net profit before goodwill impairment

² Other revenues include Interconnect, international voice transit, handset and visitor roaming revenues



Capex were at AED 568 million (+83% year-on-year) reflecting the continuation of the implementation of the Company's capital deployment plan (capital intensity 19.7%). In Q1 2021, our investments were focused mainly on the core network as well as 5G roll-out and on improving mobile coverage and capacity.

Operating free cash flow (EBITDA – Capex) of AED 552 million represents a 12.5% quarter-on-quarter growth and 42.3% year-on-year decline.

Commenting on the results, Fahad Al Hassawi, Acting CEO of EITC said: *"The end of Q1 marks the end of a full year of COVID 19. During Q1 2021, we continued seeing additional signs of gradual recovery in our general macro-environment. The COVID-19 vaccination campaign is hitting its stride with over 10 million vaccine doses administered to the nation's residents. Mobility is increasing with the hospitality sector opening up, international tourism improving and people adapting their lives to COVID 19 situation. Telecommunication needs remains a key component of everyone's life."*

During the quarter, we continued investing in our network. Our capital allocation plan is validated by encouraging Broadband net-adds trends and sell-through of iPhone 12. We added 13k Broadband customers during the quarter, which is nearly as much as the annual net-adds in previous years. Strong demand for iPhone 12 and other 5G enabled handsets are a precursor for demand for 5G services.

Our customers are evolving, so are we. We will not thrive by simply meeting their expectations: we continue to anticipate their needs and delight them. For this reason, we initiated a transformation late last year and deliberately stepped up our capital allocation. The new operating model seeks to deliver deeper and more personalised customer engagement, a faster go-to-market approach, and a purpose and performance driven culture. We are committed to investing in our customers and the UAE. I believe our investments in human and technology infrastructure will allow us to be more agile."

ENDS

About Emirates integrated Telecommunications Company PJSC

The Emirates Integrated Telecommunications Company PJSC (EITC) was founded in 2005. We are the UAE's second licensed telecommunications operator. We operate under two brands: du (launched in 2007) and Virgin Mobile the region's first digital service (started operations in September 2017).

We are listed on the Dubai Financial Market (DFM) and trade under the DU ticker (Bloomberg DU UH, Refinitiv DU.DU). Our core shareholders are government-related entities (Emirates Investment Authority 50.12%, Emirates International Telecommunications 19.7%, Mamoura Diversified Global Holding PJSC 10.06%).

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