



## Emirates Integrated Telecommunications Company reports Q2 2021 results

- Revenues are up 7 % on strong demand for 5G handsets and broadband services
- EBITDA grew 7.3% through cost saving initiatives and lower provisions
- Net profit jumped 11.4% to AED 240 million
- The Board of Directors approved an interim dividend of AED 0.10 per share

**Dubai, UAE, 26 July 2021** - Emirates Integrated Telecommunications Company PJSC ("EITC") published its financial results for the second quarter of 2021. It reported: (i) revenues of AED 2,855 million, a 7% increase year-on-year, (ii) an EBITDA of AED 1,130 million, a 7.3% increase year-on-year; (c) a net profit of AED 240 million, an 11.4% increase year-on-year and (d) capital expenditures of AED 649 million. On the basis of these results, the Board of Directors approved an interim dividend of AED 0.10 per share.

### Operating highlights

- Mobile services are primed for growth.** Our customer base grew 2.3% to 6.6 million as the economic recovery takes shape. Voice traffic rebounded ahead of pre-pandemic levels and compensated moderate data usage due to Wi-Fi offloading. Growing interest in 5G devices as well as attractive financing solutions for postpaid customers continue to fuel demand for handsets.
- Robust momentum in Fixed services.** Consumers are responding to our broadband offerings. During the quarter, we added 31k broadband subscribers - a step change compared to previous periods. We ended the period with 279k broadband customers.
- The modernisation of our technology infrastructure is progressing according to plan.** We pursued the modernisation of our 4G mobile network and accelerated 5G rollout. We signed agreements with NetCracker and Atos to support our IT and business transformation journeys.

### Financial highlights

- Revenues grew 7% yoy to AED 2,855 million.** Mobile revenues reversed its downward trend and stabilised at AED 1,295 million. Fixed revenues continued its growth path (+6.5% yoy) and reached an all-time high of AED 687 million: the enterprise and consumer segments both had a healthy performance. Other revenues increased 21.5% yoy to AED 873 million, buoyed mainly by handset sales as well as higher wholesale revenues.
- EBITDA increased by 7.3% yoy to AED 1,130 million** as we continue to implement our cost optimisation programme. Margins remained stable at 39.6% in spite of higher handset sales.
- Net profit jumped 11.4% to AED 240 million.** The increase in EBITDA was partially offset by higher depreciation and amortisation charges triggered by higher network investments and AED 18 million impairment charges on obsolete fixed assets.
- Capex increased 27.5% to AED 649 million** as we continue executing our infrastructure modernisation plan. As a result, operating free cash flow decreased 11.7% to AED 481 million.

### Financial summary

AEDm	Q2 2020	Q2 2021	change
Revenues	2,668	2,855	7.0%
EBITDA	1,054	1,130	7.3%
margin	39.5%	39.6%	0.1%
Net profit	215	240	11.4%
Capex	-509	-649	27.5%
capital intensity	19.1%	22.7%	3.7%
Operating free cash flow	545	481	-11.7%



**Mohamed Al Hussaini, Chairman commented:**

*"EITC had a solid performance during the second quarter. It is satisfying to see operating and financial metrics returning to growth. The company continues to deploy significant resources towards infrastructure expansion and modernisation. Fahad and his team have done a tremendous job repositioning the company for growth. The Board of Directors has great confidence in EITC's perspectives. We have approved an interim dividend of AED 0.10 per share."*

**Fahad Al Hassawi, CEO said:**

*"We have proved we can rebound from a challenging environment and deliver growth. We delivered a 7% growth in revenues. More significantly, I am very pleased that we stemmed the decline in mobile service revenues. We remain vigilant on our cost base as cost reduction initiatives helped push EBITDA and net profit up 7% and 11% respectively. With our customers in mind, we invested AED 649 million on our infrastructure as we seek to better serve them."*

*I am proud of our sustained commercial momentum. Our postpaid customers' interest in 5G handsets is growing and we have responded with a corresponding handset financing solution. In addition, our innovative broadband offers continue to generate interest and fuel growth. This helped us accelerate the pace of broadband net-adds. When it comes to digital connectivity, UAE consumers increasingly seek a provider with tariff plans that are easy to understand and who cares for its customers. I believe we are uniquely positioned to be their provider of choice."*

**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 Eikon DU.DU). Our core shareholders are government-related entities (Emirates Investment Authority 50.12%, Emirates International Telecommunications LLC 19.7%, Mamoura Diversified Global Holding PJSC 10.06%).

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