



Emirates Integrated Telecommunications Company PJS Reports its full-year 2021 Results

Emirates Integrated Telecommunications Company PJS reports a 5.4% growth in full-year Revenues to AED 11.7 billion, a 1.9% growth in full-year EBITDA to AED 4.6 billion and an annual Net Profit of AED 1.1 billion. In 2021, the Company deployed a record AED 2.6 billion in capital investment.

The Board of Directors recommends a final dividend of AED 0.11 per share

Dubai, UAE. 11 February 2022 - Emirates Integrated Telecommunications Company PJS (“EITC”) announced its financial results for the year-ended 31 December 2021. Full-year revenues grew by 5.4% to AED 11.7 billion on sustained demand for broadband services and 5G handsets as well as a gradual recovery of mobile services. Revenues in Q4 staged a remarkable growth (+12%) thanks to several commercial initiatives supported by improving market conditions. Full-year EBITDA grew by 1.9% to AED 4.6 billion reflecting revenue growth and cost saving initiatives. We note the exceptional performance in Q4 as EBITDA increased by 20.5%. Net profit for the year reached AED 1.1 billion. In 2021, EITC invested a record amount of AED 2.6 billion as evidenced by the rapid 5G network roll-out. Despite the magnitude of investments, Operating Free Cash Flow (EBITDA – Capex) for the year remains strong at AED 2 billion.

On the basis of these results, the Board recommends a dividend, for the year 2021, of 21 fils per share, out of which 10 fils per share were already paid as an interim dividend on 24 August 2021.

2021 Operating highlights

- **Our Mobile customer base grew by a remarkable 8.9% year-over-year.** We ended the year with 7.3 million subscribers on record net-additions in Q4. This growth reflects the growth in postpaid customers as well as a significant increase in prepaid customers during Q4. Our postpaid customer base grew to 1.3 million reflecting our continuous focus on both the consumer and enterprise segments. Our prepaid customer base increased to 5.9 million subscribers thanks to the release of mobility restrictions (domestic and international) and higher tourist activity driven by Expo 2020.
- **Our Fixed customer base increased by an impressive 66% year-over-year.** We ended the year with 390,000 subscribers on another record net-additions in Q4. Our customer base has grown consistently throughout each quarter. This solid performance was driven by our commercial initiatives across various product categories and the disciplined execution of our broadband strategy.

Financial highlights

- **Q4 2021 Revenues grew by 12% year-over-year to AED 3,070 million.** Full-year revenues grew by 5.4% to AED 11,682 million:
 - In Q4, **mobile service revenues** recovered significantly to AED 1,390 million (+5.6%). Mobile services generated full-year revenues of AED 5,301 million.
 - **Fixed services** continued to perform strongly and consistently on sustained demand from the consumer and enterprise segments: Q4 revenues reached a historical high of AED 763 million or an 18.3% year-over-year growth while full-year fixed service revenues registered a growth of 10.7% to reach AED 2,844 million.
 - Q4 “**Other revenues**” increased by 17.7% to AED 917 million thanks to a recovery in wholesale revenues, sustained growth in ICT services and handset sales as well as increased roaming revenues. Full-year “Other revenues” grew 15.5% year-over-year to AED 3,537 million.
- **Q4 EBITDA increased by 20.5% year-over-year to AED 1,242 million on higher revenues and non-recurring income.** Service revenues (Q4 2021 +9.8%) which have higher margins, contributed to the EBITDA



increase. During the quarter, we recognized a non-recurring income of AED 130 million related to the settlement of a legal dispute and provisioned for AED 34 million in exceptional charges. Full-year EBITDA grew 1.9% to AED 4,592 million thanks to a AED 71 million reduction in bad debt charges on improved collection as well a one-off benefit from the settlement of a legal dispute.

- **Q4 Net Profit increased to AED 321 million.** This is primarily due to higher EBITDA. Net Profit for the full-year was AED 1,101 million.
- **Q4 Capex amounted to AED 1,013 million** while full-year Capex was AED 2,602 million. This represents an exceptional investment year with a capital intensity of 22.3% as we continued to expand our 5G network (which now covers 90.7% of the population) and transform our existing IT and network infrastructure.
- **Operating free cash flow (EBITDA – Capex) decreased to AED 230 million in Q4 2021 solely on higher capex.** Full-year Operating free cash flow remained significant at AED 1,990 million despite a capex increase of AED 731 million.

Financial summary

| AED million | Q4 2020 | Q4 2021 | change | 2020 | 2021 | change |
|--------------------------|---------|---------|--------|--------|--------|--------|
| Revenues | 2,740 | 3,070 | 12.0% | 11,084 | 11,682 | 5.4% |
| EBITDA | 1,031 | 1,242 | 20.5% | 4,507 | 4,592 | 1.9% |
| margin | 37.6% | 40.5% | 2.8% | 40.7% | 39.3% | -1.4% |
| Net profit | 48 | 321 | 562.7% | 1,443 | 1,101 | -23.7% |
| Capex | -541 | -1,013 | 87.3% | -1,871 | -2,602 | 39.1% |
| capital intensity | 19.7% | 33.0% | 13.3% | 16.9% | 22.3% | 5.4% |
| Operating free cash flow | 490 | 230 | -53.2% | 2,636 | 1,990 | -24.5% |
| margin | 17.9% | 7.5% | -10.4% | 23.8% | 17.0% | -6.7% |

Malek Sultan Al Malek, Chairman commented

"While 2020 was challenging and tumultuous, 2021 was a year of recovery and transformation. In 2021, we returned to growth thanks to our consistent and disciplined strategy execution supported by a gradual improvement of market dynamics. During the year, we continued our ambitious investment program to accelerate the transformation and deployment of our infrastructure into a next-generation network for the benefit of our customers. We also fine-tuned our operational model and governance to evolve with our market, our industry and our customers' needs. In 2021, we generated a Net Profit of AED 1.1 billion and an operating free cash flow of nearly AED 2 billion. Despite significant investments, our business remains very cash generative and our balance sheet solid with AED 5.6 billion in available liquidity.

I am pleased to announce that, on the basis of our financial results, the Board is recommending a dividend, for the year 2021, of 21 fils per share, out of which 10 fils per share were already paid in August 2021 as an interim dividend. This corresponds to a distribution of 96% of net profit after appropriation for statutory reserves."



Fahad Al Hassawi, CEO said:

"While 2021 presented its set of challenges, EITC emerged stronger and with an even greater sense of purpose. We built a tremendous commercial momentum by focusing on our customers. We are anticipating their requirements and we provide them innovative products and services. This drove an increase in our postpaid mobile and broadband customer base in the last quarter.

I am proud that we delivered growth in service revenues. Fixed service revenue trends from the consumer and enterprise segments remain buoyant. I am especially pleased to report that mobile service revenues returned to growth in Q4 following 12 consecutive quarters of decline. This vindicates our strategic roadmap and we have no plans to slow down.

We also continued managing our P&L and Cash Flow in a very dynamic manner. The launch of several savings initiatives coupled with the return of growth allowed us to increase our EBITDA.

We continued our ambitious deployment plans. We spent a record AED 2.6 billion on capex during 2021. This reflects our confidence in the future, our focus on fulfilling future customer demand and our ambition to be at the forefront of technological evolution. We have expanded our fibre footprint in terms of backhaul and premises connected. Our IT infrastructure continues its transformation.

We have the financial flexibility to pursue our exciting growth journey. My team and I are motivated by our financial and commercial perspectives for 2022."

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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 Company LLC 19.7%, Mamoura Diversified Global Holding PJSC 10.06%).

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