



Emirates Integrated Telecommunications Company PJSC Reports Q2 2022 Results

Emirates Integrated Telecommunications Company PJSC reports strong performance with a 26.2% increase in net profit.

On the basis of these results, the Board of Directors approved the distribution of an interim cash dividend of AED 0.11 per share.

Dubai, UAE. 21 July 2022 — Emirates Integrated Telecommunications Company PJSC (“EITC”) published its financial results for the quarter-ended 30 June 2022. Revenues increased by 9.9% to AED 3.14 billion on sustained demand for broadband and mobile services. EBITDA improved by 12.1% to AED 1.27 billion thanks to a sharp increase in service revenues and gross margin expansion. Net profit increased by 26.2% to AED 303 million. Operating Free Cash Flow (EBITDA – Capex) grew 47.7% to AED 709 million thanks to higher EBITDA and Capex spend that is beginning to normalize. On the basis of these results, the Board of Directors approved an interim cash dividend of AED 0.11 per share representing a 10% increase over the previous year’s interim dividend.

Operating highlights

- **Our mobile customer base grew 13.0% to 7.4 million subscribers.** We highlight the sustained performance of our postpaid segment with net-additions of 24,000, a fourth consecutive quarter of growth, to reach 1.4 million subscribers. We ended the quarter with 6.1 million prepaid customers. The prepaid visitor customer base tapered following the conclusion of Expo 2020 and the start of the low tourist season. Excluding visitor SIMs, our prepaid customer base remained stable when compared to the previous quarter.
- **Our consumer broadband customer base increased 69.5% to 473,000.** We attracted 35,000 new customers (Q2’21: 31,000). This strong performance is due to a combination of connecting new premises to our fiber network and our attractive commercial offering.

Financial highlights

- **Revenues grew 9.9% to AED 3,137 million.** *Mobile service revenues* continued their recovery: revenues increased 8.6% to AED 1,406 million while handset sales generated revenues of AED 196 million. *Fixed services revenues* jumped 24.4% to AED 855 million as our consumer and enterprise segments continue to perform. In aggregate, service revenues increased 14.1% to AED 2,261 million.
- **EBITDA increased by 12.1% year-over-year to AED 1,267 million.** This improvement was mainly driven by higher service revenues and improving gross margin. Given mobile and fixed services’ higher profitability, EBITDA margins expanded by 80bp to 40.4%.
- **Net Profit jumped 26.2% to AED 303 million.** The impact of higher EBITDA was partially offset by greater depreciation charges and Federal royalty charges.
- **Capex spend moderated to AED 558 million on a capital intensity of 17.8%.** This reflects the usual seasonality as most of the Capex spend is skewed towards the second half of the year. More importantly, our capex profile is continuing to normalize following two consecutive years of high capital intensity.
- **Operating free cash flow (EBITDA – Capex) increased by 47.7% to AED 709 million.** This is the combined result of an improving EBITDA and lower capex.

Financial summary

AED million	Q2 2021	Q2 2022	change
Revenues	2,855	3,137	9.9%
EBITDA	1,130	1,267	12.1%
Margin	39.6%	40.4%	0.8pts
Net profit	240	303	26.2%
Capex	650	558	-14.1%
capital intensity	22.8%	17.8%	-5.0pts
Operating free cash flow	480	709	47.7%



Malek Al Malek, Chairman commented:

"EITC delivered an excellent set of results. The recovery trend seen towards the end of last year, is morphing into a growth trajectory that is driving revenues back to pre-COVID levels and an improvement in profitability. We are maintaining a dynamic and proactive commercial approach: we will continue launching new products and services for the benefit of our customers. Our transformation projects, a key enabler of these commercial initiatives, are progressing according to plan. With these elements in mind and on the basis of our solid results, I am pleased to announce that the Board of Directors approved the distribution of an interim cash dividend of AED 0.11 per share."

Fahad Al Hassawi, CEO said:

"I am really delighted by this quarter's performance. We have delivered three consecutive quarters of improvements and growth. Crucially, our service revenues have been and will continue to be a significant driver of profitability. Q2'22 service revenues have reached a three-year high. Our commercial and investment efforts continue to bear fruits. We had a fourth consecutive quarter of net-additions on the high-value postpaid segment. Our customer acquisition on the consumer broadband services remains robust. We are also actively managing the efficiency of our business to drive profitability. Cash generation will sustainably improve as our Capex program continues to normalize."

As the UAE economy and population grow, I am confident we will continue to improve our positioning through the various initiatives we are launching."

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

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