



## Emirates Integrated Telecommunications Company PJSC Reports its full-year 2022 Results

Emirates Integrated Telecommunications Company PJSC reports, for the year-ended 31 December 2022, a record revenue growth of 9.2% to AED 12.75 billion and a 10.8% improvement in Net profit to AED 1.22 billion.

The Board of Directors recommends the distribution of an annual dividend of 24 fils per share.

**Dubai, UAE. 14 February 2023** - Emirates Integrated Telecommunications Company PJSC (“EITC”) announced its financial results for the year-ended 31 December 2022. Full-year revenues grew by 9.2% to AED 12.75 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 (+8.0%) thanks to continued strength in service revenues. Full-year EBITDA grew by 12.0% to AED 5.14 billion reflecting strong growth in service revenues and margin expansion as well as containment of cost increase despite inflationary pressure. Net profit for the year reached AED 1.22 billion as higher EBITDA and lower net finance costs were offset by an increase in depreciation and royalty charges. In 2022, EITC invested AED 2.2 billion as evidenced by the rapid 5G network roll-out. Operating Free Cash Flow (EBITDA – Capex) for the year increased by 47.3% to AED 2.9 billion thanks to higher EBITDA and the start of normalization of capex spend.

On the basis of these solid results, the Board recommends increasing the full-year dividend to 24 fils per share, out of which 11 fils per share were paid as an interim dividend in August 2022.

### 2022 Operating highlights

- **Our Mobile customer base grew 8.9% year-over-year.** We ended the year with 7.9 million subscribers on strong net-additions in the last quarter (494,000). This performance reflects the growth in postpaid customers as well as a significant increase in prepaid customers during Q4. Our postpaid customer base grew 10.7% to 1.5 million (Q4 2022 net-additions: 53,000) on healthy net-additions across the consumer and enterprise segments. Our prepaid customer base increased to 6.4 million subscribers (Q4 2022 net-additions: 441,000) driven in equal measures by population growth and high tourism activity.
- **Our Fixed customer base increased by 37.3% year-over-year.** We ended the year with 537,000 subscribers on solid net-additions of 27,000 in Q4 (full-year 2022 net-additions: 146,000). 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

- **Revenues in Q4 2022 grew by 8.0% year-over-year to AED 3,315 million.** Full-year revenues grew by 9.2% to AED 12,754 million.
  - **Mobile service revenues** in Q4 22 increased 7.6% year-over-year to AED 1,496 million on resurgent postpaid revenues. Mobile services revenues for the full-year were AED 5,748 million, an 8.4% increase on 2021.
  - **Fixed services** continued to perform strongly and consistently on sustained demand from the consumer and enterprise segments. Q4 22 revenues reached a new high of AED 916 million or



an 20.2% year-over-year growth. Fixed service revenues for the full-year increased 22.4% to reach AED 3,475 million.

- **“Other revenues”** in Q4 22 softened by 1.6% to AED 903 million as wholesale activities were reduced. ICT services continue to grow at a healthy pace. Equipment revenues (-9.5%) were impacted by supply chain issues. On a full-year basis, “Other revenues” remained stable at AED 3,532 million.
- **EBITDA in Q4 2022 grew 5.0% to AED 1,305 million on higher service revenues.** Service revenues (Q4 2022 +12.1%) which generate higher gross margin, contributed to the EBITDA increase. Full-year EBITDA grew 12.0% to AED 5,143 million thanks to strong service revenues growth, expansion of gross margins and sound cost optimization to contain the increase in operating expenses. As a result, full-year EBITDA margin expanded by 1 percentage point to 40.3%.
- **Q4 2022 Adjusted (for the one-off items in 2021) Net Profit increased 34.3% to AED 286 million** (in Q4 2021, the reported net profit of AED 321 million included AED 107 million of one-off benefits). Net profit for the full-year increased 10.8% to AED 1,220 million as higher EBITDA and lower net finance costs were offset by an increase in depreciation and royalty charges.
- **Capex in Q4 2022 amounted to AED 632 million (Q4 2021: AED 1,016 million)** while full-year Capex were AED 2,218 million (2021: AED 2,607 million). We continued to expand our 5G network (population coverage 94%), deploy fibre to the home and transform our existing IT and network infrastructure. Capital intensity moderated to 17.4% (2021: 22.3%).
- **Operating free cash flow (EBITDA – Capex) increased to AED 671 million in Q4 2022.** Full-year Operating free cash flow increased to AED 2,925 million. This strong performance is the cumulative effect of an increasing EBITDA and the start of normalization of capex spend.

#### Financial summary

AED million	Q4 2021	Q4 2022	change	2021	2022	change
Revenues	3,070	3,315	8.0%	11,682	12,754	9.2%
EBITDA	1,242	1,305	5.0%	4,592	5,143	12.0%
Margin	40.5%	39.4%	-1.1 pts	39.3%	40.3%	1.0 pt
Net profit	321	286	-10.7%	1,101	1,220	10.8%
Capex	-1,016	-632	-37.6%	-2,608	-2,218	-14.9%
capital intensity	33.0%	19.1%	-13.9 pts	22.3%	17.4%	-4.9 pts
Operating free cash flow	228	671	194.1%	1,985	2,925	47.3%
Margin	7.4%	20.3%	12.8 pts	17.0%	22.9%	5.9 pts

#### Malek Sultan Al Malek, Chairman commented

*“2022 was an extraordinary year. Our business performed exceptionally well thanks to a robust economic environment fueled by population growth, an increase in tourism activity, GDP growth as well as our strong commercial momentum. The delivery on our ambitious investment plans also allowed us to accelerate our growth and improve our positioning.*

*In 2022, we turned a net profit of AED 1.22 billion and generated an operating free cash flow of nearly AED 3 billion. Notwithstanding sustained investments, our business remains highly cash generative and our balance sheet solid with AED 5.3 billion in available liquidity.*



*I am pleased to announce that, on the basis of our financial results, the Board is recommending to increase the full-year dividend to 24 fils per share, out of which 11 fils per share were already paid in August 2022 as an interim dividend. This corresponds to a 14.3% increase and a distribution of 99.1% of net profit after appropriation for statutory reserves.*

*Our results confirm the success of our strategy and the efficiency of our operating model. I am optimistic that the management team will continue to deliver on our objectives."*

**Fahad Al Hassawi, CEO said:**

*"In 2022, we accelerated the recovery that we initiated the previous year. We increased our commercial dynamism and focused on innovation to capture value. Our new mobile products such as unlimited mobile data plans helped us reverse the declining trend in our mobile business. Our new fixed home wireless services have been extremely well-received and has attracted a new segment of customers. This allowed us to deliver an excellent 9.2% growth in revenues to reach AED 12.75 billion, surpassing pre-pandemic levels.*

*Our new business model, sharper focus, higher innovation and enhanced execution helped us deliver strong EBITDA at AED 5.14 billion up 12.0% and improve our margins. Our net profit stands at 1.22 billion, up 10.8%.*

*We made tangible progress on our 5G network roll-out, fiber deployment and IT transformation. I would particularly praise my team for their commercial dynamism, their management of the cost base in an inflationary environment and their continuous effort to transform the business.*

*We will continue on the same path to become a leading digital telecom operator. We have proved that we can innovate to push growth in our business. We will continue to invest in our infrastructure and in our people to accelerate innovation and continue our transformation programme."*

**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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