



Emirates Integrated Telecommunications Company PJSC Reports its Q1 2023 Results

Emirates Integrated Telecommunications Company PJSC delivers another quarter of strong operating and financial performance with a 19.1% increase in Net Profit

Dubai, UAE. 3 May 2023 — Emirates Integrated Telecommunications Company PJSC (“EITC”) announced its financial results for the quarter-ended 31 March 2023. Sustained demand for fixed and mobile services contributed to a significant 10% revenue growth to AED 3.44 billion and a 7.7% increase in EBITDA to AED 1.37 billion. Net profit jumped 19.1% to AED 370 million. Operating Free Cash Flow (EBITDA – Capex) was stable at AED 958 million.

Operating highlights

- **Our focused commercial initiatives drove a 9.4% increase in mobile customers.** We ended the quarter with 8.2 million subscribers on healthy net-additions across the postpaid and prepaid segments. We delivered a seventh consecutive quarter of postpaid net-additions (48,000) thanks to the success of our Unlimited non-stop data plans and sustained demand from the enterprise sector, and ended the quarter with 1.5 million postpaid customers. Our prepaid customer base increased to 6.7 million thanks to the continued attractiveness of our Flexi plans as well as brisk tourism activity.
- **Our consumer broadband offering remains extremely attractive.** We attracted nearly 18,000 new customers (Q1 22: 48,000) and ended the quarter with 554,000 broadband customers. This represents a 26.4% increase year-over-year. Again, our commercial initiatives across various product categories and the disciplined execution of our broadband strategy supported another quarter of solid performance.

Financial highlights

- **Revenues grew 10% to AED 3,441 million.** *Mobile service revenues* continued their recovery: the excellent performance of the postpaid segment drove a revenue growth of 6.3% to AED 1,491 million. *Fixed services revenues* jumped 15.0% to AED 936 million on sustained demand from consumer and enterprise customers. In aggregate, service revenues increased 9.5% to AED 2,427 million. *Other revenues* grew 11.2% to AED 1,014 million due to a recovery in handset sales and sustained growth of our ICT unit. Handset revenues increased 30.4% to AED 282 million on improved supply chain and higher availability of smartphones.
- **EBITDA increased by 7.7% year-over-year to AED 1,366 million.** Higher service revenues led to the increase in gross profit. This improvement was partially offset by a marginal increase in network expenses, higher spectrum costs (network expansion, greater 5G usage) as well as a normalization of provisions for impairment on trade receivables (Q1 22 provisions benefited from certain positive one-offs).
- **Net Profit jumped 19.1 % to AED 370 million** primarily due to higher EBITDA and an increase in finance income that is driven by higher interest rates and optimized cash management. These elements were partially offset by an increase in royalty expense.
- **Capex spend AED 408 million (capital intensity of 11.8 %).** Our spend during the quarter was focused on expanding our fibre network and our ongoing IT transformation.
- **Operating free cash flow (EBITDA – Capex) was stable at AED 958 million.**

Financial summary

AED million	Q1 2022	Q1 2023	change
Revenues	3,128	3,441	10.0%
EBITDA	1,269	1,366	7.7%
Net profit	311	370	19.1%
Capex	-304	-408	33.9%
capital intensity	9.7%	11.8%	2.1pp
Operating free cash flow	964	958	-0.6%
margin	30.8%	27.9%	-3.0pp



Fahad Al Hassawi, CEO said:

"I am very pleased with this quarter's results. Our commercial momentum remains intact and our portfolio of products and services continues to attract customers across all units. During the quarter, we added 48,000 mobile postpaid customers on strong enterprise demand and the attractiveness of our Unlimited Data Power Plans. We continued growing our broadband customers base by adding 18,000 home wireless and fibre clients.

We delivered a remarkable performance in the first quarter with double-digit revenue growth. Service revenues increased 9.4% as a result of a consistent and disciplined implementation of our commercial strategy.

While we continue to seek revenue growth and improve our market position, we are determined to improve profitability and generate higher shareholder value. We are monitoring our cost base for efficiency and focusing the spend on growth opportunities. As we transition to a digital-first telecom operator, our infrastructure investments remain a key element to provide best-in-class customer experience."

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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