



Emirates Integrated Telecommunications Company PJSC Reports its Q2 2023 Results

Emirates Integrated Telecommunications Company PJSC delivers another quarter of strong operating and financial performance with an impressive 31.2% increase in net profit.

On the basis of these results, the Board of Directors' approved the distribution of an interim half year cash dividend of AED 0.13 per share.

Dubai, UAE. 26 July 2023 — Emirates Integrated Telecommunications Company PJSC ("EITC") announced its financial results for the quarter-ended 30 June 2023. On the back of strong demand for postpaid mobile and fixed services, service revenues grew by 8.9% supporting the growth of total quarterly revenue to reach AED 3.35 billion. EBITDA increased by 20% to AED 1.52 billion and Net profit jumped by 31.2% to AED 397 million. Operating Free Cash Flow (EBITDA – Capex) grew by 43.3% to AED 1 billion.

Operating highlights

- Reflecting our focus on delivering innovative services and personalized experiences to our customers, **our mobile customer base grew 8% yoy to 8 million subscribers** while tapering over the quarter. Our Unlimited data plans and growing demand from the enterprise sector delivered eighth consecutive quarter of postpaid net-additions (13,000). Our prepaid customer base grew 7.4% yoy to register 6.5 million customers, despite declining over the quarter reflecting the typical seasonality impact.
- **Our fixed offering continues its growth with 559,000** broadband customers, representing 18.3% growth year-over-year. The continued expansion of our fibre network and the disciplined execution of our broadband strategy supported another quarter of steady performance.

Financial highlights

- **Revenues grew 6.7% to AED 3,347 million.** *Mobile service revenues* continued their strong growth recording 7.6% expansion to AED 1,513. *Fixed services revenues* grew 10.9% to AED 948 million following a sustained demand from consumer and enterprise customers. In aggregate, service revenues increased 8.9% to AED 2,461 million. *Other revenues* grew by 1.1% to AED 885 million due to healthy growth in roaming services as well as ICT services fueled by demand for security, datacentre and cloud services.
- **EBITDA increased by 20.0% year-over-year to AED 1,520 million.** Gross profit was boosted by higher service revenues, improvement of the revenue mix and one-off reversal. This improvement of the gross margin was reflected in the EBITDA due to effective cost management and ongoing operational efficiency.
- **Net Profit jumped 31.2 % to AED 397 million** primarily due to higher EBITDA and excellent management of the cost base. These were partially offset by an increase in royalty expense and higher D&A charges.
- **Capex spend AED 506 million (capital intensity of 15.1%).** Our spend during the quarter was directed towards 5G deployment, expanding our fibre network and our ongoing IT transformation. Traffic on our 5G network continues to grow rapidly reflecting the higher adoption and improved customer experience.
- **Operating free cash flow (EBITDA – Capex) was up 43.3% at AED 1,016 million.**



Financial summary

AED million	Q2 2022	Q2 2023	change
Revenues	3,137	3,347	6.7%
EBITDA	1,267	1,520	20.0%
Net profit	303	397	31.2%
Capex	-558	-506	-9.3%
capital intensity	17.80%	15.10%	2.7pp
Operating free cash flow	709	1,016	43.3%

Malek Al Malek, Chairman commented:

"Amid the burgeoning UAE economy and robust non-oil sector performance, we have persevered in sustaining our momentum, yielding an exceptional array of results. I take great pride in our proactive and dynamic commercial strategy, coupled with our unwavering dedication to excellence that has catalyzed EITC to ascend to new heights and spurred strong performance across all key financial indicators. We remain committed to continuously improving our operational efficiencies and advancing our transformation projects, both of which are integral to our ongoing success. Considering these factors and our solid performance, it is with pleasure that I announce the Board of Directors' approval of an interim half-year cash dividend distribution of AED 0.13 per share."

Fahad Al Hassawi, CEO said:

"I am very pleased with our performance this quarter, as our financial results highlight our ongoing dedication to executing our strategy of enhancing customer experience and offering innovative products, services and solutions. The strong demand for our Unlimited Data Power Plans, has allowed us to add 13,000 mobile postpaid customers during this period. Furthermore, we have consistently expanded our broadband customer base by acquiring over 5,000 home wireless and fibre clients, demonstrating our ability to excel in a rapidly evolving business environment."

Our strategic, commercial and investment initiatives have yielded a high growth of 8.9% in our service revenues, making a significant contribution to our improved EBITDA and overall profitability. This success is a testament to our continuous commitment to creating shareholder value for our shareholders through enhanced profitability and a stronger market position. We remain resolute in our disciplined cost management approach and our dedication to investing in high-growth opportunities. This unwavering focus drives our transformation journey as a digital-first telecom operator, committed to delivering an unparalleled customer experience. I take immense pride in our sustained commercial vitality and the role it plays in achieving our goals."

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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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