



Emirates Integrated Telecommunications Company PJSC Reports its Q3 2023 Results

Emirates Integrated Telecommunications Company PJSC delivers an excellent operating and financial performance with an impressive 57.7% increase in Net Profit.

Dubai, UAE, 30 October, 2023 — Emirates Integrated Telecommunications Company PJSC (“EITC”) announced its financial results for the quarter-ended 30 September 2023, with Net Profit that soared by a remarkable 57.7% to AED 504 million, its highest quarterly level over the last three years. The sustained demand for postpaid mobile and fixed services resulted in service revenues growth of 5.5%, pushing the total quarterly revenues to AED 3.3 billion. EBITDA rose by 13.8% to AED 1.48 billion and Operating cash flow increased by 65.1% to AED 956 million.

Operating highlights

- **Our mobile customer base grew 9.4% year-over-year to 8.1 million subscribers**, demonstrating our ability to retain and attract new customers through the provision of innovative products, services and solutions. The rising demand from the enterprise sector for mobile services coupled with steady growth in the consumer segment delivered a ninth consecutive quarter of postpaid net-additions (32,200) with total postpaid subscribers reaching 1.6 million. Our prepaid customer base grew 9.2% year-over-year closing at 6.5 million customers, driven by attractive and unique offerings.
- **Our fixed customer base continues its double-digit growth reaching 573,000** broadband customers. Our broadband strategy built around offering various means of access consistent with our customer needs supported a 12.4% year-over-year growth and an addition of over 13,000 customers over the quarter.

Financial highlights

- **Revenues grew 3.7% to AED 3,291 million.** *Mobile service revenues* continue to grow at a steady pace, recording a 5.7% growth to AED 1,525 million. *Fixed services revenues* were at AED 939 million, registering another quarter of consistent growth at 5.3%. In aggregate, service revenues increased 5.5% to AED 2,464 million. *Other revenues* recorded a slight decline of 1.5% to AED 827 million due to lower hubbing and handset revenues partially offset by the growth in roaming and ICT service revenues.
- **EBITDA was at 1,483 million, representing an increase of 13.8% year-over-year.** The important growth in EBITDA was primarily driven by higher service revenues and an improved gross margin resulting in particular from a better revenue mix and the favorable impact of optimizing our content strategy. EBITDA improvement was also the result of our ongoing commitment to cost optimization and operational efficiency, which led to a 2.8% reduction in Opex.
- **Net Profit jumped 57.7% to AED 504 million** primarily due to higher EBITDA, higher interest income and one-off reversal.
- **Capex spend was at AED 527 million (capital intensity of 16.0%).** We continue to direct the majority of our spend towards 5G deployment to enhance indoor coverage, our ongoing IT transformation and the expansion of our fibre network.
- **Operating free cash flow (EBITDA – Capex) was up 65.1% at AED 956 million** following EBITDA growth and the normalization of Capex.



Financial summary

AED million	Q3 2022	Q3 2023	change
Revenues	3,175	3,291	3.7%
EBITDA	1,303	1,483	13.8%
Net Profit	319	504	57.7%
Capex	-724	-527	-27.1%
Capital intensity	22.8%	16.0%	6.8pp
Operating free cash flow	579	956	65.1%

Fahad Al Hassawi, CEO said:

"We were able, once again, to deliver an excellent quarter recording growth on all our financial and operational KPIs and to report the highest quarterly net income over the last 3 years. This outstanding financial and operational performance reflects the disciplined execution of our strategy, our commercial dynamism and the continuous innovation that we have been bringing to the market.

During this quarter, we have been very active pushing further the deployment of our 5G network which reached 98.5% coverage and is now transporting significant part of our traffic. We continued innovating through the products and services we offer, which now includes the Business Starter offering and Esaad promotions. We also continued expanding our partnerships with the government and private sectors, such as MOHRE and GoDaddy. By end of the quarter, we added 85,700 mobile customers, 32,200 postpaid and 53,500 prepaid, and 13,800 fixed customers.

The growth of our quarterly service revenues at 5.5%, coupled with a rigorous management of our cost base allowed us to register a double-digit growth on all our major profitability KPIs: 13.8% on EBITDA, 65.1% of Operating cash flow and 57.7% on Net Profit. We continue to invest in our IT infrastructure and 5G rollout to enhance our customer experience and to create and unlock shareholder value while conducting our transformation journey towards a leading digital telco."

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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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