



Emirates Integrated Telecommunications Company PJSC Reports its Q1 2024 Results

Impressive 63% surge in Net Profit on robust top line growth and significant margin improvement

Q1 2024 Key takeaways

- Outstanding profitability, driven by top-line growth, margin expansion, and operational efficiency improvements
- Launch of “du Pay” an important step towards diversifying business activities
- New royalty and corporate tax regime in place
- Guidance re-affirmed highlighting confidence in executing our strategy

Dubai, UAE. 29 April 2024 - Emirates Integrated Telecommunications Company PJSC published today its financial results for Q1 2024. Revenues increased by 4.1% to AED 3.58 billion reflecting our continuous commercial momentum and market competitiveness. EBITDA soared by 16.2% to AED 1.59 billion reflecting top line growth, margin expansion as well as continued focus on enhancing operational efficiency. EBITDA margin expanded by 4.6 points to reach an impressive 44.3%. Net Profit reached AED 603 million, a substantial 62.7% increase year on year primarily reflecting the strong EBITDA growth. Capex was at AED 359 million, while Operating Free Cash Flow (EBITDA – Capex) for the year was up 28.2% to AED 1.2 billion.

Launch of “du Pay”

On April 1st, the company launched its digital financial services under the brand “du Pay” to provide transformative fintech solutions for UAE residents. This is a significant milestone that supports the UAE's commitment to fostering innovation, competition, and financial inclusion. Leveraging du's robust brand identity and extensive customer reach, “du Pay” is poised to accelerate the transition towards a cashless economy and digitalization by providing unparalleled financial services.

Operating highlights

- **Our mobile customer base grew 5.7% year-over-year** to 8.7 million subscribers. The strong net-additions of 108,000 subscribers over the quarter highlights the continued success of our commercial campaigns. The postpaid customer base grew by a remarkable 10.1% to 1.7 million subscribers (Q1 2024 net additions: 47,000) highlighting our attractive offering for enterprises and the success of our consumer offers such as unlimited data Power Plan. The prepaid customer base grew by 4.7% to 7.0 million customers (Q1 2024 net additions: 61,000) driven by our attractive data and voice offers such as Alo, Easy and Flexi plans.
- **Our Fixed customer base rose by a strong 11.1% year-over-year** to 616,000 subscribers, with net-additions of 12,000 subscribers over the quarter. This significant growth underscores the success of our



strategic positioning and is driven by the continuous success of our Home wireless plans and the sustained growth of our broadband customer base.

Financial highlights

- **Revenues** grew by 4.1% year-over-year to AED 3,581 million on the back of strong mobile revenues growth.
 - **Mobile service revenues** grew 7.4% year-over-year to AED 1,602 million primarily driven by higher postpaid revenues thanks to the sustained demand from the enterprise sector and the success of our offers. Prepaid revenues continue to grow driven by the higher subscriber base.
 - **Fixed services revenues** reached AED 961 million, a 2.7% year-over-year growth mainly driven by our Home Wireless and enterprise broadband plans which remain extremely attractive.
 - **“Other revenues”** were broadly stable at AED 1,018 million as higher interconnect and inbound roaming revenues offset the reduction in hubbing revenues.
- **EBITDA** grew 16.2% to AED 1,587 million driven by higher revenues and favourable mix resulting in an improvement of our gross margin aided by our focus on operational efficiency and excellent management of our cost base. EBITDA margin expanded by a remarkable 4.6 percentage points to 44.3%.
- **Net Profit** surged by 62.7% to AED 603 million, mainly reflecting higher EBITDA.
- **Capex** amounted to AED 359 million (Q1 2023: AED 408 million). Capital intensity is moderating at 10.0% (Q1 2023: 11.8%) and reflecting the usual capex phasing pattern. These investments are directed towards continuous 5G coverage and fibre deployment as well as the ongoing transformation of our IT and network infrastructure.
- **Operating free cash flow** (EBITDA – Capex) increased by 28.2% to AED 1,229 million, reflecting EBITDA growth and capex reduction. Our capacity to consistently generate cash from our operations is reinforcing our balance sheet and enables us to invest in our future growth as well as create value to our shareholders.

Financial summary

AED million	Q1 2023	Q1 2024	change
Revenues	3,441	3,581	+4.1%
EBITDA	1,366	1,587	+16.2%
Margin	39.7%	44.3%	+4.6 pts
Net profit	370	603	+62.7%
Capex	-408	-359	-12.0%
capital intensity	11.8%	10.0%	-1.8 pts
Operating free cash flow	958	1,229	+28.2%
Margin	27.8%	34.3%	+6.5 pts



Fahad Al Hassawi, EITC's CEO, commented:

"2024 has kicked off on an extremely positive note. We strengthened our position as a major operator in the telecommunications industry by delivering an excellent operational and financial performance and executing on our strategic initiatives in core and non-core areas of our business. We expanded our customer base and achieved robust revenue growth, underscoring the strength of our offerings and our unwavering commitment to excellence. We have further optimized our operations, thus significantly boosting our bottom line. Looking ahead, we are confident in our ability to sustain this positive momentum and we will continue to innovate and lead in the rapidly evolving telecom landscape while creating long-term value for our stakeholders."

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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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