



Emirates Integrated Telecommunications Company PJSC Reports its Q2 2024 Results

Sustained exceptional performance with quarterly revenues growing by 7.3%, first half EBITDA Margin expanding to 44.0% and first half Net Profits rising by 54.2% year-over-year

On the basis of these results, the Board of Directors approved the distribution of an interim cash dividend of AED 0.20 per share, a 53.8 % increase year-over-year

Q2 2024 Key takeaways

- Strong financial performance with top-line and bottom-line growth, continuation of the robust performance witnessed in Q1'24
- Major milestone achieved in our ICT business with a strategic partnership with Oracle Alloy

Dubai, UAE. 29 April 2024 - Emirates Integrated Telecommunications Company PJSC announced its financial results for Q2 2024. Revenues increased by 7.3% to AED 3.6 billion demonstrating our strong product offerings. EBITDA increased by 3.2% to AED 1.6 billion reflecting the top line growth. Net Profit reached AED 581 million, a 46.3% increase year over year primarily reflecting the strong EBITDA growth. Capex was at AED 442 million, while Operating Free Cash Flow (EBITDA – Capex) was AED at 1.1 billion, a 10.9% increase year over year.

Operating highlights

- Our mobile customer base grew 2.9% year-over-year to 8.2 million subscribers, while tapering over the quarter, reflecting the typical seasonality impact. The postpaid customer base grew by 11.3% year over year to 1.7 million subscribers highlighting the attractiveness of our innovative enterprise connectivity solutions and the continuing success of consumer product launches such as “du Smart Car”. The prepaid customer base grew by 0.9% to 6.5 million customers with voice and data growth offset by a normalisation of the tourist influx.
- Our Fixed customer base rose by a strong 12.7% year-over-year to 630,000 subscribers, with net-additions of 15,000 subscribers over the quarter. Our Home Wireless plans continue to be the main growth driver boosted by new attractive offerings such as the launch of Home Wireless Gaming, while enterprise connectivity also performed strongly during the quarter.



Financial highlights

- **Revenues** grew by 7.3% to year-over-year to AED 3,592 million on the back of strong growth in mobile and “other revenues”.
 - **Mobile service revenues** grew 6.6% year-over-year to AED 1,612 million primarily driven by robust growth in postpaid revenues, increased demand from the enterprise sector and the success of our innovative offers. The growing subscriber base also positively impacted mobile revenues.
 - **Fixed service revenues** increased by 3.5% to reach AED 982 million, with the growth primarily attributed to our Home Wireless product and enterprise broadband plans which remain extremely attractive.
- “**Other revenues**” increased by 12.7% to AED 998 million, driven by strong growth in revenues from ICT and wholesale services.
- **EBITDA** grew 3.2% to AED 1,570 million and EBITDA margin was at 43.7%. Excluding the Q2 2023 positive on-off, we have registered a high single digit EBITDA growth year-over-year. On a normalised basis, the EBITDA margin expanded by over 1 point year-over-year.
- **Net Profit** grew by 46.3% to AED 581 million, mainly reflecting higher EBITDA.
- **Capex** was AED 442 million (Q2 2023: AED 504 million). Capital intensity is moderating at 12.3% (Q2 2023: 15.1%) and reflecting a typical capex phasing pattern. Focus of our investment programme continues to be enhancement of the 5G coverage, fibre deployment and the ongoing transformation of our IT and network infrastructure.
- **Operating free cash flow** (EBITDA – Capex) increased by 10.9% to AED 1,127 million, reflecting EBITDA growth and Capex moderation.

Financial summary

AED million	Q2 2023	Q2 2024	change	H1 2023	H1 2024	change
Revenues	3,347	3,592	+7.3%	6,787	7,174	5.7%
EBITDA	1,520	1,570	+3.2%	2,886	3,157	9.4%
Margin	45.4%	43.7%	-1.7 pts	42.5%	44.0%	+1.5 pts
Net profit	397	581	+46.3%	768	1,184	54.2%
Capex	-504	-442	-12.3%	912	801	-12.1%
capital intensity	15.1%	12.3%	-2.8 pts	13.4%	11.2%	-2.3 pts
Operating free cash flow	1,016	1,127	+10.9%	1,974	2,356	19.3%
Margin	30.4%	31.4%	+1.0 pts	29.1%	32.8%	+3.7 pts



Malek Al Malek, Chairman said:

"The first half of 2024 saw EITC deliver another record set of results. The management remained focused on strategy execution, delivering profitable growth in our core business and beyond and creating value to our shareholders. The company remained at the forefront of technological innovation to offer the best experience to our customers in areas including Fintech and AI. The Company's strategy to deliver unmatched experiences to customers has resulted in the du brand now being the 3rd strongest in the UAE. The country's macro-economic environment was very supportive to our activity and we remain well positioned to support the UAE government digital strategy, as demonstrated by the plan to launch Hyperscale Cloud and Sovereign AI Services for the Government. Reflecting our dedication to excellence in governance, we made strategic additions to our Board of Directors by welcoming four new members with valuable experience and perspectives. In light of our sustained strong performance and healthy balance sheet, I am pleased to announce that the Board of Directors approved the distribution of an interim cash dividend of AED 0.20 per share, representing an increase of 53.8% compared to interim dividends of 2023. This reflects the Board's confidence in the Company's ongoing success and outlook and our commitment to delivering value to our shareholders."

Fahad Al Hassawi, CEO said:

"Our unwavering commitment to excellence, our focused strategy and efficient resource management have enabled us to deliver another strong operational and financial performance in the second quarter of the year. We have grown our subscriber base, revenues, profitability and cash generation, solidifying the stellar start we made this year. Our commercial momentum led to a strong growth in our service revenues in Q2 buoyed by significant large enterprise deals with a robust pipeline of new projects as well as the launch of new innovative consumer products. In Fintech, the first full quarter of du Pay has exceeded our expectations, marking a significant milestone in our innovation journey and further expanding our market reach capabilities. Our results for the first half give us full confidence in delivering our upward revised full year financial guidance. Going forward we will remain focused on executing our strategy and are committed to investing in our future, enhancing 5G coverage and continuing to transform our IT and network infrastructure, thus building a solid foundation for long-term growth and creating value for our shareholders."

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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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