

### Etihad Etisalat Company (Mobily) achieves the highest revenue and net income in the past decade, driven by strong growth across all revenue streams

- Strong revenue growth of 6.7% to reach SAR 16.8 bn, and net income growth of 34.7% to reach SAR 2.2 bn for 2023 compared to 2022
- Achieved the highest level of EBITDA<sup>1</sup> in the past decade, with a growth of 7.2% for 2023 to reach SAR 6.6 bn, due to the increase in revenues as well as the Company's efficiency in managing its operations. This strong growth contributed to the continuous rise in free cash flow<sup>2</sup> by 5.4% to reach SAR 4.3 bn
- Reduced the debt portfolio by more than SAR 1.3 bn, fueling a sustained downtrend in the Net Debt/EBITDA<sup>1</sup> ratio to 1.20x

**Riyadh, Saudi Arabia:** Etihad Etisalat Company ("Mobily" or the "Company"), a leading Saudi Arabian telecommunications services provider, announces its financial results for FY 2023, achieving exceptional results that reinforce its leading position in the market.

### Financial Performance Highlights – FY 2023

- **Revenue** increased by 6.7% YoY to reach SAR 16,763 mn, reflecting strong revenue performance across all of the Company's segments. Mobily's customer acquisition strategy also contributed to an increase in the subscriber base, with mobile subscribers reaching 11.8 mn (9.9 mn prepaid subscribers, and 1.9 mn postpaid subscribers) and FTTH subscribers reaching 0.293 mn
- **EBITDA<sup>1</sup>** increased by 7.2% YoY to reach SAR 6,625 mn, supported by revenue growth and operational excellence. Mobily also recorded a strong **EBITDA margin** of 39.5%, compared to 39.3% in the previous year, reflecting the Company's operational efficiency
- **Net Income** increased by 34.7% YoY to reach SAR 2,232 mn, due to revenue growth, higher EBITDA<sup>1</sup>, and cost efficiency
- **CAPEX** reached SAR 2,318 mn, supported by the expansion of the 5G network, investment in the Internet of Things (IoT), and increased coverage of the fiber optic network (FTTH). This resulted in a CAPEX/revenue ratio of 13.8%, compared to 13.3% last year
- **Free Cash Flow<sup>2</sup>** increased by 5.4% YoY to reach SAR 4,307 mn, supported by solid EBITDA<sup>1</sup> growth

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1. EBITDA = Operating Income with Depreciation & Amortization and impairment of property and equipment added back

2. Free Cash Flow = EBITDA minus CAPEX

3. Net debt = total debt including short term Murabaha minus cash & cash equivalents

### Key Financial and Operational Performance Indicators

	2023	2022	%Δ YoY
Revenue	16,763	15,717	6.7%
EBITDA <sup>1</sup>	6,625	6,179	7.2%
EBITDA margin	39.5%	39.3%	0.2%
Net Income	2,232	1,657	34.7%
CAPEX	2,318	2,093	10.8%
CAPEX/Revenue	13.8%	13.3%	0.5%
Operational Cash Flow <sup>2</sup>	4,307	4,086	5.4%
Gross debt	11,701	13,040	(10.3%)
Net debt <sup>3</sup>	7,918	10,199	(22.4%)
Net debt/EBITDA (x)	1.20x	1.65x	(27.3%)
Subscribers base: Mobile	11.8	11.3	4.4%
Subscribers base: FTTH	0.293	0.278	5.4%

In SAR mn, unless stated otherwise

**Eng. Salman Abdulaziz Al Badran, Chief Executive Officer,** commented:

*"Our corporate strategy for 2023, which was launched in 2023, has successfully accelerated the pace of growth to move forward towards achieving our goals and solidifying Mobily's position as a leading digital partner in the TMT sector in the Kingdom. The Company saw its highest annual revenue in the past decade. The Company's strategic focus has been on diversifying its range of services, products and solutions to meet its customers' growing and changing needs, while always striving to provide the best services and experiences to stakeholders. Mobily is working to add value to shareholders by taking advantage of growth opportunities in the thriving Saudi market and establishing its position as a leading national corporation in new innovative trends, promoting innovation in the digital TMT sector, and achieving Vision 2030 aspirations. The Company also seeks to enhance its ability to benefit from its outstanding performance and exceptional agility to increase and diversify revenue sources and strengthen the digital transformation journey across all business segments, in addition to keeping pace with the new reality that this rapidly changing sector is witnessing, while keen to invest in innovation to transform that ambition into a tangible reality."*

**Mr. Khalid Abdulrahman Abanami, Chief Financial Officer,** commented:

*"Mobily delivered a standout performance in 2023, driven by its continuous efforts to promote innovation, digital transformation, and diversify its sources of income. 2023 results showed a remarkable 34.7% rise in net income to SAR 2.2 billion, the highest in a decade. This stellar growth, fueled by revenue and EBITDA expansion, empowered us to offer 26.1% higher dividends to shareholders, reflecting our commitment to sustainable value creation. We also continued our deleveraging strategy this year, which contributed to supporting our direction to continue reducing the net debt/EBITDA, which reached 1.20x by the end of 2023. Mobily remains at the forefront of the digital transformation journey in the Kingdom, embracing stakeholder-driven growth and contributing to Vision 2030 aspirations."*

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### Business Performance Highlights

Mobily launched its new five-year strategy in 2023, which aims to solidify its position as a leading TMT Company and a digital partner that supports the Kingdom's journey towards integrated digital transformation. This strategy is based on a number of key axes that aim to create added value for all stakeholders and establish Mobily's position as a preferred partner.

Mobily puts its customers at the top of its priorities; therefore, the Company is committed to providing an exceptional customer experience by understanding and meeting its customers' changing needs through innovative services and products that meet their aspirations. It also seeks to achieve market leadership by investing in the latest global technologies and using them to develop innovative services that meet the diverse needs of customers and contribute to strengthening its competitive position. During the year, the Company collaborated with several major companies to enhance the customer experience; it launched a new intelligent platform to manage the customer experience across multiple areas such as technology, purchasing, and marketing. In addition, Mobily also employed a cognitive platform that uses AI and automation to conduct network analysis and optimization, and it developed a digital twin for Hajj to forecast, simulate, and predict Hajj performance ahead of the season to proactively resolve and enhance customer experience. As a result of its efforts to address customer concerns promptly and effectively, customer complaints decreased significantly by 40%, reflecting the Company's ongoing commitment to raising the standards and quality of service provided.

Since digital transformation is a cornerstone of the Kingdom's future, Mobily places this axis at the heart of its strategy. It seeks to strengthen the Company's innovation culture by supporting R&D, encouraging employees to brainstorm new ideas, and providing them with the appropriate environment to turn these ideas into reality. It also continued to focus on increasing its share of the telecom sector in the Kingdom, where it continued to expand the deployment of 5G services during the year, with 5G coverage reaching 84% in 7 major cities in the Kingdom.

Environmental and social sustainability is another key pillar of Mobily's strategy, as the Company is committed to sustainable operating practices and strengthens its cooperation with various stakeholders to support the achievement of sustainability goals in the Kingdom. During the year, the Company strengthened its management of natural resource conservation, where it launched comprehensive awareness programs to promote a culture of sustainability among its employees and customers, along with investing in the adoption of advanced technologies such as smart meters and air conditioning systems to significantly reduce energy consumption. Mobily has also been keen to implement the 3Rs principle to minimize waste generation. The Company's achievement of an "A" rating in the MSCI ESG Index - the first telecom Company to receive this rating in the Kingdom, making it one of only four companies in the Kingdom to receive this rating - reflects Mobily's continuous efforts to incorporate ESG practices into the core of its business and its ongoing commitment to achieving sustainable development goals in the Kingdom.

The Board of Directors of Etihad Etisalat (Mobily) expressed its confidence in the Company's capabilities and exceptional potential to continue its growth and development journey and provide high-quality and efficient connectivity services. The Board also affirmed its commitment to achieving the Company's strategic ambitions, creating added value for its shareholders, and actively participating in providing new opportunities to support the digital economy, in line with Saudi Vision 2030.

# Etihad Etisalat (Mobily) Earnings Release for Fiscal Year 2023

## February 20, 2024



### Performance Guidance – FY 2024

	2024
Revenue Growth	Mid- to high- single digit growth
EBITDA Margin	37-38%
Net debt/EBITDA (x)	1.1x
CAPEX/Revenue	14-16%

– ENDS –

The condensed consolidated financial statements for the year ended 31<sup>st</sup> December 2023 will be available through Mobily's Investor Relations Website, and Mobily's IR App on smartphones and tablets, after being published on the Saudi Exchange website.

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### About Etihad Etisalat Company

Etihad Etisalat Company (Mobily) is a leading Saudi Arabian telecommunications services provider that caters to three main sectors: individuals, business, and carriers. Mobily has one of the largest wireless networks by coverage in Saudi Arabia and the region, one of the widest fiber-to-the-home (FTTH) networks, and one of the largest data center systems in the world. The Company was both established and listed on the Saudi Exchange in 2004. It has a share capital of SAR 7,700 mn, divided into 770 mn shares of SAR 10 each.

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### Investor Relations App



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