

## Ooredoo Q.P.S.C.

**Solid FY 2023 performance with 2% Revenue and 4% EBITDA growth**  
**Reported Net Profit reached a record high of QAR 3.0 billion**  
**Board proposed a cash dividend of QAR 0.55 per share, up 28%**

**Doha, Qatar, 12 February 2024:** Ooredoo Q.P.S.C. (“Ooredoo”) – Ticker: ORDS today announced its financial results for the year ended 31 December 2023.

### Full-year 2023 (FY 23) Highlights:

- Revenue increased by 2% to QAR 23.2 billion
- EBITDA up by 4% to QAR 9.7 billion and EBITDA margin expanded to 42%, up by one percentage point (pp)
- Normalized Net Profit, reached QAR 3.3 billion, up by 16%
- CAPEX spend of QAR 2.8 billion with stable capex intensity
- Strong normalized Free Cash Flow (FCF) growth of 6% to QAR 6.8 billion
- Delivered a customer base of 156.4 million (including IOH)
- Full-year 2023 guidance targets met

Consolidated Group	Quarterly Analysis			YTD Analysis		
	Q4 2023	Q4 2022	% Change	FY 2023	FY 2022	% Change
Revenue (QAR m)	5,923	5,845	1%	23,164	22,698	2%
EBITDA (QAR m)	2,326	2,238	4%	9,717	9,375	4%
EBITDA Margin (%)	39%	38%	1pp	42%	41%	1pp
EBITDA (QAR m) – Normalized	2,289	2,238	2%	9,623	9,129	5%
Net Profit attributable to Ooredoo Shareholders (QAR m)	352	277	27%	3,016	2,360	28%
Normalized Net Profit attributable to Ooredoo Shareholders (QAR m)	745	687	8%	3,279	2,821	16%
CAPEX (QAR m)	1,229	1,174	5%	2,821	2,729	3%
CAPEX/Revenue (%)	21%	20%	-	12%	12%	-
Free Cash Flow (QAR m) – Normalized	1,060	1,064	-	6,802	6,401	6%
Customers (m)	57.6	56.0	3%	57.6	56.0	3%
Customers (m) (incl IOH)	156.4	158.2	-1%	156.4	158.2	-1%



**Commenting on the results, HE Sheikh Faisal Bin Thani Al Thani, Chairman of Ooredoo, said:**

“Ooredoo strives to enhance people’s digital lives and deliver value to its stakeholders. In 2023, we continued to provide best-in-class connectivity and deliver superior customer experience by investing in our capabilities and infrastructure. Revenue grew by 2% to QAR 23.2 billion while reported Net Profit increased by a healthy 28% to QAR 3.0 billion, a historical high.

I am pleased to announce that the Board of Directors will recommend a cash dividend distribution of QAR 0.55 per share, in line with our sustainable and progressive dividend policy, at the Annual General Meeting in March.

Our success is facilitated by our ongoing digital transformation, which not only contributes to our resilience but also empowers us to capitalize on market opportunities and position ourselves for long-term sustainable growth. Our adaptability in navigating a dynamic market landscape ensures sustained success and attractive returns.

Looking forward, we remain dedicated to our strategic path that unlocks capital and enhances value for our stakeholders, solidifying our position as an industry leader.”

**Also commenting on the results, Aziz Aluthman Fakhroo, Managing Director and CEO of Ooredoo Group said:**

“2023 was a noteworthy year. We improved our financial position and made substantial progress against our strategic priorities.

We delivered financial results in line with our full-year 2023 guidance. Revenue grew by 2% to QAR 23.2 billion. EBITDA increased by 4% to QAR 9.7 billion and the EBITDA margin expanded by 1pp to 42%, supported by topline growth and disciplined approach to costs.

The growth for the year was driven by solid performances in Iraq, Kuwait, Algeria, and Maldives.

The Group achieved an all-time high reported Net Profit of QAR 3.0 billion, up by 28% and strong normalized FCF generation of QAR 6.8 billion, up 6%.

We announced the establishment of the region’s largest independent tower company in partnership with Zain and TASC at a USD 2.2 billion valuation, marking a significant milestone.

These accomplishments are the result of teamwork, and I am immensely proud of my colleagues’ dedication.

As we look ahead, we will continue to drive operational efficiency for profitability and cash generation while advancing our strategic priorities as we evolve toward becoming the leading digital infrastructure provider in the region.”

**Strategic review**

Ooredoo remains committed to its strategy based on five fundamental pillars: delivering exceptional customer experience, empowering our people, and nurturing talent, driving innovation as a smart telco, continuously evolving and fortifying our core operations, and maintaining a value-focused portfolio.

On 6 December, we held our 2023 Capital Markets Day, where we presented the progress made on our strategic initiatives within the Towers, Data Centers, and Fintech verticals. (Refer to the link for the material: [CMD](#))

**TowerCo**

On 5 December 2023, Ooredoo Group, Zain Group and TASC Towers Holding jointly announced signing of definitive agreements to create the largest tower company in the MENA region, in a cash and share deal. The transaction has crystallized the value of our tower assets.



#### Transaction highlights:

- Ooredoo, Zain and TASC Towers Create the Largest Tower Company in the MENA Region valued at USD 2.2 billion
- This transaction concerns tower assets in Qatar, Kuwait, Jordan, Iraq, Algeria and Tunisia
- The acquisition and merger of close to 30,000 strong tower asset is expected to create significant value, capital efficiencies and empower MENA's digital future
- This independent company's operating model is to provide passive infrastructure as a service and contribute to the reduction of the MENA region's carbon footprint
- Combined markets of Qatar, Kuwait, Jordan, Iraq, Algeria and Tunisia expected to achieve a run-rate revenue of USD 500 million annually
- Ooredoo Group will own 49.3% shareholding in the independent tower company

Refer to the link for the full published announcement: [Towers](#)

#### **Data centers**

Ooredoo made progress on the carve-out of its data centers to integrate into a new carrier neutral platform. Qatar and Tunisia have been carved out. The carve-out of Kuwait, and Iraq are expected to be completed in the first half of 2024.

The Group has 23 active data centers in its footprint.

The data center carve-out aims to expand capacity to 120 megawatts with a USD 1 billion investment over the medium to long term. As the market leader in its footprint, Ooredoo is uniquely positioned to meet rising demand for localized cloud services.

#### **Fintech**

Ooredoo Financial Technology International (OFTI) was established as a wholly owned Fintech holding company. The fintech business in Qatar has been carved out and will be allocated under the FinTech holding company later this year. The Group plans to undertake a similar carve-out in Maldives as well.

In 2023, we applied for a Payment Service Provider (PSP) license in Oman and received an approval in principle from the Central Bank. We are now in testing phase to receive the final approval and launch our Fintech product in Oman. The Group will continue to pursue license applications in Kuwait, Iraq, and Tunisia this year.

OFTI aims to build an integrated marketplace to financially empower people and businesses in the MENA region.

### **Financial highlights**

#### **Revenue**

Revenue grew ahead of FY 23 guidance target with an increase of 2% YoY to QAR 23.2 billion (2022: QAR 22.7 billion) driven by sustained growth in Iraq, Algeria, Kuwait, and Maldives. This was partially offset by a decline in Revenue in Qatar, Tunisia as well as in Myanmar and Palestine (due to foreign exchange depreciation).

#### **EBITDA & EBITDA Margin**

Ooredoo's focus on profitability led to an EBITDA of QAR 9.7 billion, up by 4% YoY. EBITDA margin expanded by 1pp to 42% thanks to healthy service revenue growth and disciplined approach to cost control.

The strong profitability improvement in Iraq, Algeria, and Kuwait was partially offset by lower EBITDA in Qatar, Oman, and Tunisia.



## **Net Profit**

Net Profit increased 28% YoY to QAR 3.0 billion (2022: QAR 2.4 billion).

Normalized Net Profit grew by 16% YoY to reach QAR 3.3 billion, compared to QAR 2.8 billion in FY 2022. Normalized Net Profit is net profit adjusted for foreign exchange, impairments, and exceptional items (QAR 446 million gain from the NMTC legal case, Meeza IPO gain of QAR 139 million, QAR 56 million gain on the disposal of towers and QAR 37 million gain on data center carve out in Indonesia).

The delivery of these strong Net Profit figures is a testament to the Group's ongoing focus on profitability and efficient operational management.

## **Capital expenditure (CAPEX)**

Group CAPEX spend at QAR 2.8 billion for FY 2023, reflecting a 3% YoY growth.

## **Free Cash Flow**

Normalized Free Cash Flow increased by 6% YoY to QAR 6.8 billion supported by EBITDA expansion. Solid performances in Iraq, Kuwait, Algeria, and Maldives contributed positively to additional FCF generation in the year.

## **Debt**

Ooredoo Group retained its robust investment grade rating in 2023. Leverage (Net Debt/EBITDA) ratio of 0.7x, remains well below the Board's guidance range of 1.5x to 2.5x. Furthermore, the Group's financial position remains secure from interest rate risks as approximately 96% of the debt is structured on a fixed rate basis. Liquidity remains strong, with QAR 10.5 billion in cash reserves and QAR 5.0 billion available in undrawn facilities.

## **Customer base**

Across the Group, most of the operations added customers to the network closing the year with a total customer base of 57.6 million, up by 3% YoY.

Including IOH, the customer base reached a total of 156.4 million.

## **Dividends**

The Board will recommend the distribution of a cash dividend of QAR 0.55 per share at the Annual General Meeting, to be held in March 2024. This represents an increase of 28% YoY and a payout of 59% of normalized earnings and is in line with the dividend policy. Ooredoo Group has a sustainable and progressive dividend policy which aims for a payout in the range of 40% to 60% of normalized earnings.

## **Operating Companies FY 2023 highlights**

### **Middle East**

#### **Ooredoo Qatar**

Ooredoo Qatar increased its customer base by 2% YoY (excluding the FIFA 2022 connections) to 3.0 million despite a challenging operating environment (softer economic activity and increased competition in the mobile segment).

Qatar delivered revenue of QAR 7,286 million in 2023 (2022: QAR 7,960 million). On a reported basis, this reflects an 8% decrease YoY as the FY 2022 base was bolstered by the World Cup. During the year, the operation decided to scale down the low margin wholesale business and



carved-out Ooredoo Financial Services. On a like-for-like basis excluding the FIFA impact, revenue remained flat.

EBITDA decreased by 6% YoY to QAR 3,603 million due to a higher comparison base and one-off impacts. Normalizing for the aforementioned items and as well as one-off provisions, EBITDA declined by 1% YoY.

The operation sustained a solid EBITDA margin of 49%, up by 1pp YoY.

### **Ooredoo Kuwait**

Ooredoo Kuwait delivered a strong result for the year, supported by the drive for operational efficiencies. The focus on profitability boosted Ooredoo Kuwait to second position in terms of EBITDA market share, marking a significant achievement.

Revenue grew by 4% YoY to QAR 2,914 million, supported by higher service revenue (in voice and data).

Revenue growth and cost efficiencies contributed to an EBITDA expansion of 14% YoY to QAR 971 million and a 3pp improvement in the EBITDA margin to close at 33%.

Ooredoo Kuwait grew its customer base by 5% YoY to reach 2.8 million subscribers supported by a strong performance in the prepaid segment.

### **Ooredoo Oman**

Ooredoo Oman grew its customer base by 2% YoY to 3.1 million subscribers.

Revenue remained flat at QAR 2,453 million mainly due to lower mobile prepaid, wholesale business and fixed revenues as the competitive environment in Oman intensified in the year.

EBITDA declined by 9% YoY to QAR 1,156 million, impacted mainly by lower gross margin and higher operating costs. The operation sustained a solid EBITDA margin of 47%.

### **Asiacell - Iraq**

Asiacell maintained a strong performance throughout 2023, delivering double-digit revenue and EBITDA growth while expanding its customer base.

Revenue increased 21% YoY to QAR 4,452 million supported by higher data revenue, which in turn primarily drove an increase in EBITDA of 24% YoY to QAR 1,953 million. The operation delivered a healthy margin of 44%, up by 1pp.

The customer base increased 4% YoY to 17.7 million due to favorable market dynamics.

### **Ooredoo Palestine**

The customer base increased by 2% YoY to 1.4 million customers. Ooredoo Palestine maintained its market leadership position for customer satisfaction.

Revenue declined by 6% YoY to QAR 397 million due to a challenging operating environment. Excluding the negative FX impact, revenue increased by 2%.

Notwithstanding the top-line challenges, the operation benefited from sustained cost optimization in the year, resulting in EBITDA remaining flat YoY (excluding the negative FX impact, EBITDA increased by 14%) with a robust EBITDA margin of 39%.

### **North Africa**



## **Ooredoo Algeria**

Ooredoo Algeria delivered a healthy performance for the year. Revenue increased by 11% YoY to QAR 2,462 million supported by higher data revenue driven by a rise in data usage. The appreciation of the Algerian Dinar by 5% against the Qatari Riyal also contributed to the increase in revenue.

The operation continued to optimize cost across the business, driving profitability. EBITDA increased by 26% YoY to QAR 992 million while EBITDA margin expanded by 5pp to 40%.

Ooredoo Algeria recorded a growth of 3% YoY in its customer base to 13.4 million, primarily driven by the ongoing network densification to improve the customer satisfaction in coverage and experience.

The strong result was attained in a challenging operating environment where competition in the mobile segment intensified during the year and in parallel, regulatory constraints limited the supply of handsets into the Algerian market.

## **Ooredoo Tunisia**

The customer base grew by 2% YoY to 7.3 million as Ooredoo Tunisia maintained its leadership position on the mobile segment and continued to attract fixed subscribers.

The mobile market in Tunisia experienced a slowdown. Revenue was flat YoY at QAR 1,470 million. EBITDA decreased by 15% YoY to QAR 556 million while the EBITDA margin eroded by 7pp to 38%.

Considering these challenges, management remains attentive to the cost structure and is seeking to improve the operation's effectiveness and efficiency.

## **Asia**

### **Indosat Ooredoo Hutchison (IOH) | Accounted for as a joint venture**

IOH announced its FY 2023 financial results on 7 February 2024. [\(IOH\)](#)

In local currency, the operation delivered a solid performance. Revenue grew by 10%. An even stronger growth of 22% was reported for EBITDA, resulting in a healthy EBITDA margin of 47%, up by 5pp.

## **Ooredoo Maldives**

The Maldives operation ended the year with a solid set of results. Revenue increased by 9% YoY to QAR 495 million with growth across all business segments.

EBITDA grew 14% YoY to QAR 278 million due to growth in the higher margin service revenue as well as effective cost control measures.

The customer base closed at almost 400k customers, up by 1% YoY.

## **Ooredoo Myanmar**

In September 2022, Ooredoo Group announced the sale of its telecom business in Myanmar to Nine Communications Pte. Ltd. The intention remains to complete the transaction which remains subject to customary closing conditions, including ongoing regulatory approvals in Myanmar.

The customer base increased by 13% YoY to 8.5 million. Active digitization efforts have contributed to an improved customer experience as expressed in Net Promotor and Customer satisfaction scores.



On a local currency basis, revenue grew by 4% YoY supported by customer growth and pricing optimizations. EBITDA improved by 4% YoY owing to revenue uplift and rigid cost control. This good result was achieved in a challenging operating environment.

On a reported basis (in Qatari Riyal), Revenue and EBITDA continued to be impacted by the sustained weakness in the Kyat.

**- Ends -**

## **About Ooredoo**

Ooredoo is an international communications Company operating across the Middle East, North Africa, and Southeast Asia. It serves consumers and businesses in ten countries, delivering Ooredoo a broad range of content and services through its advanced, data-centric mobile and fixed networks. As of 31 December 2023, Ooredoo generated full-year Revenue of QAR 23 billion. Its shares are listed on the Qatar Stock Exchange and the Abu Dhabi Securities Exchange.

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For additional information, including detailed supplemental schedules, financial statements, and details about our investor call, please visit our website at [www.ooredoo.com/en/investors/](http://www.ooredoo.com/en/investors/)

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- *Our ability to manage domestic and international growth and maintain a high level of customer service*
- *Future sales growth*
- *Market acceptance of our product and service offerings*
- *Our ability to secure adequate financing or equity capital to fund our operations*
- *Network expansion*
- *Performance of our network and equipment*
- *Our ability to enter into strategic alliances or transactions*
- *Cooperation of incumbent local exchange carriers in provisioning lines and interconnecting our equipment*
- *Regulatory approval processes*
- *Changes in technology*
- *Price competition*
- *Other market conditions and associated risks*

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