Press release

Ooredoo Q.P.S.C.

Ooredoo Group Q1 2024

Ooredoo Group reports 4% growth in revenues in Q1 2024, EBITDA increases by 6%

Doha, Qatar, 30 April 2024: Ooredoo Q.P.S.C. ("Ooredoo") – Ticker: ORDS today announced its financial results for the quarter ended 31 March 2024.

Quarter one (Q1 2024) Highlights:

- Revenue increased by 4% to QAR 5.9 billion
- EBITDA up by 6% to QAR 2.5 billion and EBITDA margin expanded to 43%, up by one percentage point (pp)
- Normalized Net Profit reached QAR 1.0 billion, up by 26%
- CAPEX spend of QAR 382 million
- Strong normalized Free Cash Flow (FCF) growth of 11% to QAR 2.2 billion
- Delivered a customer base of 159.3 million, up by 3% (including IOH)
- On track to meet FY 24 guidance

Consolidated Group	Quarterly Analysis		
	Q1 2024	Q1 2023	% Change
Revenue (QAR m)	**5,863**	**5,635**	**4%**
EBITDA (QAR m)	**2,546**	**2,408**	**6%**
EBITDA Margin (%)	*43.4%*	*42.7%*	*1pp*
EBITDA (QAR m) – Normalized	**2,546**	**2,351**	**8%**
Net Profit attributable to Ooredoo Shareholders (QAR m)	**913**	**961**	**-5%**
Normalized Net Profit attributable to Ooredoo Shareholders (QAR m)	**1,004**	**795**	**26%**
CAPEX (QAR m)	**382**	**396**	**-3%**
CAPEX/Revenue (%)	*6.5%*	*7.0%*	*0.5pp*
Free Cash Flow (QAR m) – Normalized	**2,164**	**1,956**	**11%**
Customers (m)	58.5	56.5	4%
Customers (m) (incl IOH)	159.3	155.0	3%

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

"Ooredoo commenced the first quarter of 2024 on a strong note, delivering revenue of QAR 5.9 billion, up by 4% with an increase in normalized net profit of 26%. This performance is supported by our commitment to excellence across our global footprint with the delivery of best-in-class connectivity and exceptional customer experience.

We are pleased to report that the recommendation by the Board of Directors to distribute a cash dividend of QAR 0.55 per share was approved by our shareholders during the AGM held on 6 March 2024.

Looking ahead, Ooredoo will continue to deliver lasting value for our stakeholders through operational efficiencies and key strategic initiatives. Our clear strategy, seasoned leadership, and advanced networks, positions us as an industry leader."

Also commenting on the results, Aziz Aluthman Fakhroo, CEO of Ooredoo Group said:

"Ooredoo made a strong start to the year, achieving solid financial KPIs with continued customer growth.

Revenue increased by 4% to QAR 5.9 billion. The solid topline growth and implementation of cost control measures led to the delivery of operating leverage, boosting profitability and efficiency; EBITDA expanded by 6% to QAR 2.5 billion with a healthy EBITDA margin of 43%, expanding by 1pp.

The Group's performance for the quarter was backed by the strong operational performance in Iraq, Algeria, Maldives, and Tunisia.

Ooredoo delivered a healthy normalized Net Profit of QAR 1.0 billion, up by 26% and normalized FCF generation of QAR 2.2 billion, up by 11%.

Ooredoo is progressing well against its strategic priorities; in our fintech operation, we are pleased to announce that in Oman, we have been granted a Payment Service Provider license on 28 April 2024.

The strong results achieved in the first quarter is thanks to the Ooredoo teams' diligent efforts and steadfast dedication to enhancing efficiency and profitability.

Looking ahead, Ooredoo aims to build on its successful transformation to drive new revenue sources and sustain its strong financial position, delivering greater value and returns for our stakeholders, 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.

Ooredoo is positioning itself as the leading digital infrastructure provider in the region by transforming into a telecom and infrastructure holding company with a delayered multi-business structure, optimizing capital deployment and operational focus for increased asset returns in telecommunications operations, towers, data centers, sea cable business, and fintech.

TowerCo
In 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. We are in process of closing the transaction in each of the markets.

Data centers
Ooredoo Group continues to make good progress on the carve-out of its data centers to integrate into a new carrier neutral platform. Data centers from our Qatar and Tunisian operations have been carved out and placed under a new independent, specialized data center entity. The carve-out of Kuwait is expected to be completed in the first half of 2024 and other countries will follow soon thereafter.

The new data center company aims and expects to expand capacity to over 100 megawatts with a USD 1 billion investment over the medium to long term, with significant traction underway.

The Group has 26 active data centers across its footprint. As a market leader in its footprint, Ooredoo is uniquely positioned to meet rising demand for localized cloud services, AI and other developing customer needs for data center collocation.

Fintech
Ooredoo Financial Technology International (OFTI) was established as a wholly owned Fintech holding company. Since OFTI's inception in Q1 2023, it has made significant progress. In Qatar the legal carve-out of the fintech business has been completed. The operational and technical carve-out is well under way and is expected to be completed in 2025. A similar carve-out for the existing fintech business in the Maldives will commence in H2 2024.

OFTI is pleased to announce that the Payment Service Provider (PSP) license in Oman was granted on 28 April 2024. The product and technology solutions are ready for go-live with friends and family soft launch expected to commence in May 2024. The Group is pursuing license applications in Kuwait, Iraq, and Tunisia in 2024.

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

Financial highlights

Revenue

Revenue grew by a solid 4% YoY to QAR 5.9 billion (Q1 2023: QAR 5.6 billion) driven by the sustained commercial momentum in Iraq, Algeria, Kuwait, Maldives and Tunisia. This was partially offset by the Revenue decline in Qatar and Oman, along with the foreign exchange currency affecting Myanmar and the war impact in Palestine.

EBITDA & EBITDA Margin

The Group ended the first quarter of 2024 with an EBITDA of QAR 2.5 billion, a healthy growth of 6% YoY, demonstrating the strong operating leverage delivered by the business. EBITDA margin expanded by 1pp to 43%.

The Group's performance was supported by enhanced profitability in Iraq, Algeria, Tunisia, and Maldives. This was partially offset by lower EBITDA in Qatar, Oman, Myanmar and Kuwait.

Net Profit

Recorded a solid Normalized Net Profit growth of 26% YoY to end the first quarter of 2024 at QAR 1.0 billion (Q1 2023: 795 million). Normalized Net Profit is adjusted for foreign exchange, impairments, and exceptional items.

Reported Net Profit reached QAR 913 million (Q1 2023: QAR 961 million), down by 5% YoY. Q1 2023 included the one-off gain from the NMTC legal case.

Capital expenditure (CAPEX)

The Group spent QAR 382 million CAPEX for Q1 2024, reflecting a 3% YoY decrease.

Free Cash Flow

The robust expansion of EBITDA generated an 11% YoY increase in Normalized Free Cash Flow to QAR 2.2 billion. Iraq, Algeria, Tunisia, Maldives and Oman contributed positively to the FCF generation in Q1 2024.

Debt

Ooredoo Group sustained its robust financial and liquidity position while maintaining an investment grade rating. As of 31 March 2024, the Group's net-debt-to-EBITDA ratio stood at 0.8x, which is below the Board guidance of 1.5x to 2.5x.

The Group's financial position remains secure against interest rate risks as approximately 96% of the debt is structured on a fixed rate basis. Liquidity remains strong, with QAR 10.0 billion in cash reserves and QAR 5.1 billion available in undrawn facilities.

Customer base

The Group added 2.0 million customers YoY, up by 4%, to close Q1 2024 with a total of 58.5 million customers on the network.

Including IOH, the customer base reached a total of 159.3 million.

Operating Companies Q1 2024 highlights

Middle East

Ooredoo Qatar

In a highly competitive environment, revenue declined on a reported basis by 7% YoY to QAR 1,816 million. Q1 2023 included revenue from Ooredoo Financial Services, Data Centers and FIFA 2022 contracts for B2B services. Normalizing for the aforementioned items, revenue was 2% below prior year due to lower mobile, fixed services and device revenue.

EBITDA decreased by 4% YoY to QAR 948 million mainly impacted by lower revenue. On a normalized basis, EBITDA contracted by 2% YoY. Ooredoo Qatar improved its EBITDA margin to 52% from 51% in Q1 2023 due to a YoY improvement in the service gross margin.

Ooredoo Qatar increased its customer base by 1% YoY to 3.1 million.

Ooredoo Kuwait

Revenue grew by 7% YoY to QAR 760 million underpinned by higher service revenue driven by the growth in voice and data.

EBITDA decreased by 25% YoY to QAR 172 million with a contraction in the EBITDA margin of 10pp to 23%. This decrease is attributable to a one-off bad debt provision raised in line with standard company policy. Normalizing for the aforementioned one-off bad debt provision, EBITDA increased by 1%.

Ooredoo Kuwait grew its customer base by 3% YoY to reach 2.9 million.

Ooredoo Oman

The performance remained affected by the highly competitive landscape in the market. Despite this, Ooredoo Oman grew its customer base and maintained a healthy EBITDA margin in Q1 2024.

Revenue reached QAR 607 million, declining by 3% YoY mainly due to lower mobile revenue.

The lower gross margin and increased operating costs led to a reduction of EBITDA by 5% YoY to QAR 280 million. EBITDA margin fell slightly by 1pp YoY to 46%. The ongoing cost efficiency program is expected to offset the decline of gross margin associated with revenue mix change.

The customer base showed an increase of 2% YoY to close Q1 2024 with 3.1 million customers.

Asiacell – Iraq

Asiacell had a strong start to the year, adding more customers to the network and delivering double-digit revenue and EBITDA growth.

The increased uptake in data services as well as favorable market dynamics drove a revenue increase of 29% YoY to QAR 1,209 million.

The robust topline result led to an EBITDA increase of 33% YoY to QAR 561 million and a 1pp expansion of the EBITDA margin to 46%.

Asiacell's performance was supported by the 6% YoY growth in its customer base to 18 million, benefitting from the favourable market dynamics.

Ooredoo Palestine

The operation's performance continued to be impacted by the challenging operating environment.

Revenue declined by 4% YoY to QAR 97 million and EBITDA decreased by 9% YoY to QAR 37 million. EBITDA margin for Q1 2024 was at 38%.

The customer base increased by 3% YoY to 1.5 million.

North Africa

Ooredoo Algeria

Ooredoo Algeria began the year on a high note with double-digit YoY increases in Revenue and EBITDA.

Revenue grew by 16% YoY to QAR 662 million underpinned by higher data revenue benefitting from the enhanced network.

The strong revenue growth and cost optimization generated an EBITDA of QAR 283 million, up by 27% YoY with an improved EBITDA margin of 43%, up by 4pp.

Ooredoo Algeria recorded a growth of 4% YoY in its customer base to 13.5 million.

Ooredoo Tunisia

Revenue for Q1 2024 was at QAR 360 million, up by 5% YoY, driven by the significant growth in mobile B2B and fixed activities of 31% and 25% YoY respectively.

EBITDA expanded by 44% YoY to QAR 143 million with an 11pp YoY improvement in the EBITDA margin to 40%. Q1 2023 EBITDA and margin included exceptional bad debts, normalizing for this the EBITDA growth would have been 4% YoY.

Customers grew by 1% YoY to 7.2 million.

Asia

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

IOH announced its Q1 2024 financial results on 30 April 2024. (IOH)

IOH had a strong start to the year and delivered 16% revenue and 21% EBITDA growth YoY. EBITDA margin grew by 2pp to 47% YoY.

Ooredoo Maldives

Revenue increased by 8% YoY to QAR 131 million on the back of the solid performance of mobile and fixed segments.

EBITDA grew by 4% YoY to QAR 70 million due to growth in the higher margin service revenue. EBITDA margin contracted by 2pp due to an increase in operating expenses mainly from network maintenance.

The customer base increased by 1% YoY to end Q1 2024 with 405k customers.

Ooredoo Myanmar

On a local currency basis, revenue grew by 14% YoY benefiting from growth in customers, B2C mobile voice and gaming revenue. EBITDA decreased by 10% YoY mainly due to a negative FX impact and an increase in fuel costs.

On a reported basis, revenue and EBITDA continued to be impacted by the Kyat's continued weakness.

The customer base increased by 7% YoY to 8.9 million supported by digitization efforts and value propositions.

- 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/

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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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