

## Ooredoo Q.P.S.C.

### Ooredoo Group H1 2024

#### Ooredoo's commercial and financial performance remains solid Normalized Net Profit growth of 14%

**Doha, Qatar, 30 July 2024:** Ooredoo Q.P.S.C. ("Ooredoo") – Ticker: ORDS today announced its financial results for the six-month period-ended 30 June 2024.

#### Half year 2024 (H1 2024) Highlights:

- Revenue increased by 3% to QAR 11.8 billion
- EBITDA up by 6% to QAR 5.1 billion
- EBITDA margin increased to 43%, up by one percentage point (pp)
- Normalized Net Profit reached QAR 1.9 billion, up by 14%
- CAPEX spend of QAR 1.0 billion
- Normalized Free Cash Flow (FCF) growth of 6% to QAR 4.1 billion
- Customer base of 150.6 million (including IOH and excluding Myanmar)
- On track to meet FY 24 guidance

Consolidated Group	Quarterly Analysis			Half year Analysis		
	Q2 2024	Q2 2023	% Change	H1 2024	H1 2023	% Change
Revenue (QAR m)	5,934	5,774	3%	11,796	11,409	3%
EBITDA (QAR m)	2,568	2,404	7%	5,114	4,812	6%
EBITDA Margin (%)	43.3%	41.6%	1.6pp	43.3%	42.2%	1.2pp
EBITDA (QAR m) – Normalized	2,568	2,404	7%	5,114	4,755	8%
Net Profit attributable to Ooredoo Shareholders (QAR m)	959	834	15%	1,871	1,795	4%
Normalized Net Profit attributable to Ooredoo Shareholders (QAR m)	857	831	3%	1,861	1,625	14%
CAPEX (QAR m)	629	477	32%	1,011	873	16%
CAPEX/Revenue (%)	11%	8%	2pp	9%	8%	1pp
Free Cash Flow (QAR m) – Normalized	1,939	1,927	1%	4,103	3,883	6%
Customers (m)	50	56	-12%	50	56	-12%
Customers (m) – (excl Myanmar)	50	48	4%	50	48	4%
Customers (m) (incl IOH)	151	156	-4%	151	156	-4%

The disposal of Ooredoo Myanmar operation was completed on 31 May 2024 and Ooredoo Group financial results for H1 2024 include results for Ooredoo Myanmar until 31 May 2024.

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

“Ooredoo Group delivered a solid set of results for the first half of 2024. Revenue grew by 3% to QAR 11.8 billion with a noteworthy increase in normalized net profit of 14%. The sustained investment in our networks, strong market position and our commitment to customer excellence supported the performance.

In May, we completed the sale of Ooredoo Myanmar to Nine Communication Pte. This transaction is aligned to the ‘value focused pillar’ of our strategy to maintain leading market positions in the countries that we operate in.

Ooredoo continued to make good progress in executing its disciplined strategy aiming to unlock value through operational efficiencies and key strategic initiatives while navigating industry complexities.

Looking ahead as we strategically evolve toward becoming the leading digital infrastructure player in the region, we remain focused on efficiencies and value creation with a forward-thinking approach to navigate industry dynamics with resilience and adaptability.”

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

“The strong commercial and operational momentum carried into the first half of 2024, resulting in another strong quarter with growth across all key financial metrics.

In H1 2024, revenue grew by 3% to QAR 11.8 billion, while EBITDA increased by 6% to QAR 5.1 billion, resulting in an EBITDA margin of 43%, improving by 1 percentage point YoY. This growth reflects healthy operational performances in Iraq, Algeria, Qatar, Tunisia and Maldives.

Our clear focus on driving profitability has led to a Normalized Net Profit growth of 14% to QAR 1.9 billion while normalized Free Cash Flow grew by 6% to QAR 4.1 billion.

We continued to deliver on our strategic priorities with tangible progress in the first half of the year. In May, we completed the sale of our Myanmar operation after receiving all required approvals. On the fintech front, OFTI launched ‘walleii’, a mobile money app. Additionally, we established MENA Digital hub, our carrier-neutral data centre company.

We also strategically positioned Ooredoo at the forefront of AI innovation by collaborating with NVIDIA to become a NVIDIA Cloud Partner. This marks NVIDIA’s first major launch in the region, enabling us to deploy advanced AI technology across our data centres and accelerate digital transformation in the MENA region.

These achievements are thanks to the diligence, dedication and invaluable contribution of all Ooredoo colleagues.

Looking ahead, we are on track to meet our full-year targets. We remain committed to boosting profitability across our operations while advancing our strategic priorities as we forge ahead to become 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 centres, sea cable business, and fintech.



### **TowerCo**

In 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 primary focus is to finalize the transaction in each market. These transactions are anticipated to complete within the next 18 to 24 months.

### **Data centres**

Ooredoo announced the establishment of MENA Digital Hub, its carrier-neutral data centre company. In the first half of 2024 we carved out data centres in Qatar and Tunisia while the data centre in Kuwait was carved out in July 2024. These data centre assets were placed under the new independent, specialized data centre entity. The carve-out of data centre assets from other Ooredoo markets will follow later in 2024.

MENA Digital Hub aims to expand its capacity to over 120 megawatts with a USD 1 billion investment over the medium to long term, with significant progress already underway. This will include a new generation of sustainable, energy-efficient, and carrier-neutral data centres across the MENA region

Additionally, Ooredoo entered a strategic collaboration with NVIDIA to drive digitalization and innovation in the region. This collaboration will leverage NVIDIA's state-of-the-art AI platform, including advanced infrastructure, tools, and software. As an NVIDIA Network Cloud Partner, Ooredoo will deploy thousands of NVIDIA Tensor Core GPUs in its data centres, enhancing technological capabilities and positioning Ooredoo at the forefront of AI advancements.

To advance the transformation of digital infrastructure in the MENA region and drive strategic priorities, Ooredoo Group appointed Sunita Bottse, as the new CEO of MENA Digital Hub.

### **Fintech**

Ooredoo Financial Technology International (OFTI), a wholly owned Fintech holding company, continued to make strides in driving financial inclusion in the MENA region.

In Q2 2024, OFTI obtained a Payment Service Provider (PSP) license in Oman and has since commenced with a go-live with friends and family soft launch.

The Group is pursuing license applications in Kuwait, Iraq, and Tunisia in 2024.

The Company launched its brand 'walleii by Ooredoo' in Oman, the first Mobile Money app that offers a remittance marketplace enabling users (Ooredoo and non-Ooredoo customers) to make payments as well as send and receive money both domestically and internationally.

OFTI aims to build an integrated marketplace through the 'walleii' Mobile Money app to address the untapped potential in the MENA digital payment market, thereby financially empowering people and businesses in the MENA region.

### **Completion of the sale of Ooredoo Myanmar**

The sale of Ooredoo Myanmar was finally completed on 31 May 2024. The details of the consideration and net gain recorded on disposal is explained further in Ooredoo Group consolidated financial statements (Note 7).

The disposal is aligned to the Group's strategy of being the leading telecommunications operator in the markets that it operates in.



## Financial highlights

### Revenue

Revenue for the Group increased by 3% YoY to QAR 11.8 billion (H1 2023: QAR 11.4 billion) underpinned by the solid operational performance and continued commercial momentum in Iraq, Algeria, Kuwait, Tunisia and the Maldives. This was partially offset by lower revenues in Qatar and Oman.

### EBITDA & EBITDA Margin

EBITDA increased by 6% YoY to QAR 5.1 billion. EBITDA margin improved in the first half of the year by 1pp to reach 43%.

Iraq, Algeria, Qatar, Tunisia and Maldives contributed to the Group's improved profitability.

### Net Profit

The Group delivered a double-digit Normalized Net Profit growth of 14% YoY to QAR 1.9 billion (H1 2023: QAR 1.6 billion). Normalized Net Profit is adjusted for foreign exchange, impairments, and exceptional items.

Reported Net Profit reached QAR 1.9 billion (H1 2023: QAR 1.8 billion), up by 4% YoY.

### Capital expenditure (CAPEX)

Capex spend increased by 16% YoY to QAR 1.0 billion. This increase was driven by a ramp-up of investment in Algeria, Iraq, Qatar, Tunisia and Kuwait.

### Free Cash Flow

Free cash flow continued to demonstrate healthy growth thanks to the strong EBITDA performance. Normalized Free Cash Flow increased by 6% to QAR 4.1 billion, with increased contributions from Iraq, Qatar, Algeria, Tunisia and Maldives.

### Debt

Ooredoo Group maintained a robust financial and liquidity position while preserving an investment-grade rating. As of 30 June 2024, the Group's net-debt-to-EBITDA ratio stood at 0.6x, below the Board's guidance of 1.5x to 2.5x.

The Group's financial position remains secure against interest rate risks as approximately 97% of the debt is structured on a fixed-rate basis. Liquidity remains strong, with QAR 11.0 billion in cash reserves (net of restricted cash) and QAR 5.2 billion available in undrawn facilities.

### Customer base

The Group's customer base decreased by 12% YoY (increased by 4% YoY excluding Ooredoo Myanmar) to 49.7 million customers for H1 2024.

Including IOH, the customer base reached a total of 150.6 million, up by 2% (excluding Myanmar)

### Guidance

Ooredoo Group is making steady progress towards achieving its FY 2024 targets. Revenue is expected to remain stable with an EBITDA margin in the low 40s% range. Additionally, full-year CAPEX is expected to reach approximately QAR 3.5 billion as spend ramps up in the second half of the year.



## Operating Companies H1 2024 highlights

### Middle East

#### **Ooredoo Qatar**

Reported revenue decreased by 5% YoY to QAR 3,579 million. H1 2023 included revenue from Data centres, FIFA 2022 contracts for B2B services and one-off project revenue. Normalizing for these items, revenue was 1% below prior year due to lower mobile services, fixed services and device revenue.

EBITDA increased by 5% YoY to QAR 1,900 million on a reported basis mainly due to a one-off bad debt provision in H1 2023. On a normalized basis, EBITDA increased by 1% from H1 2023. EBITDA margin expanded by 5pp to 53%.

Ooredoo Qatar closed the first half of the year with a customer base of 3.0 million, up by 1% YoY supported by continuous enhancements of value propositions and digital innovation.

#### **Ooredoo Kuwait**

The underlying performance of the operation remained healthy with an 8% YoY revenue increase to QAR 1,571 million. Service revenue continued to grow due to increased usage in data and digital.

EBITDA decreased by 10% YoY to QAR 406 million while EBITDA margin contracted by 5pp to 26%, impacted by a one-off bad debt provision that was raised in Q1 2024. Normalizing for the one-off bad debt provision, EBITDA increased by 3% for H1 2024.

Ooredoo Kuwait added more customers to end H1 2024 with a customer base of 2.9 million, up by 2% YoY.

#### **Ooredoo Oman**

Competitive intensity in the mobile segment remained elevated placing pressure on Ooredoo Oman's mobile service revenue and causing a 3% YoY revenue decline to QAR 1,198 million.

EBITDA decreased by 6% YoY to QAR 555 million impacted by lower service revenue and gross profit as well as higher operating costs. EBITDA margin contracted slightly by 1pp YoY to 46%.

Ooredoo Oman's customer base decreased by 6% YoY to close H1 2024 with 2.9 million customers.

#### **Asiacell - Iraq**

Asiacell had a strong performance in H1 2024, with double-digit revenue growth of 23% YoY to QAR 2,486 million. This growth was underpinned by customer additions and an increased adoption of data services leading to a stronger performance in the data segment.

EBITDA grew by 27% YoY to QAR 1,176 million with a 2pp margin improvement to 47%.

Customers grew by 7% YoY to reach a customer base of 18.3 million.

#### **Ooredoo Palestine**

Amid a challenging operating environment, Ooredoo Palestine continuously supported its customers and ensured they remained connected. The customer base increased by 9% YoY to 1.5 million.

Revenue decreased by 2% YoY to QAR 198 million and EBITDA weakened by 6% YoY to QAR 77 million, impacted by challenging conditions and FX movement. EBITDA margin for H1 2024 was at 39%.



## **North Africa**

### **Ooredoo Algeria**

Ooredoo Algeria continued to build on its strong momentum, maintaining double-digit growth in revenue and EBITDA.

Revenue grew by 15% YoY to QAR 1,345 million, benefitting primarily from higher data and digital revenue supported by the high-quality network.

The strong revenue growth led to enhanced profitability with EBITDA of QAR 563 million, up by 21% YoY with an improved EBITDA margin of 42%, up by 2pp.

During the first half of the year, Ooredoo Algeria grew its customer base by 5% YoY to 13.7 million. The ongoing network densification is positively impacting customer satisfaction and commercial performance.

### **Ooredoo Tunisia**

The operation recorded a strong financial performance for the first half of 2024 with an expansion in revenue and profitability while continuing to invest in key areas of the business.

Revenue grew by 3% YoY to QAR 731 million backed by strategic investment in the fixed business.

Good revenue growth and strong cost control, led to an improved EBITDA performance, up by 20% YoY to QAR 297 million while EBITDA margin expanded by 6pp to 41%. H1 2023 EBITDA and margin included exceptional bad debts. Normalizing for the exceptional bad debts, EBITDA increased by 5% YoY.

Customers remained flat at 6.9 million.

## **Asia**

### **Indosat Ooredoo Hutchison (IOH)**

IOH, equity-accounted JV, announced its H1 2024 financial results on 30 July 2024 ([IOH](#)), achieving solid YoY growth across all key metrics: revenue up by 13%, EBITDA grew by 18% and EBITDA margin expanded by 2pp to 48%.

### **Ooredoo Maldives**

During the first half of 2024, Ooredoo Maldives achieved a robust performance, with YoY revenue increase of 8% to QAR 259 million supported mainly by growth in the mobile segment.

EBITDA marked a 4% growth YoY to QAR 138 million supported by higher service revenue. EBITDA margin contracted by 2pp to 54% due to higher network costs.

The customer base increased by 1% YoY to end H1 2024 with 402k customers.

**- 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 nine 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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- *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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