

Ooredoo Q.P.S.C.

Ooredoo Group Q3 2024

Ooredoo’s commercial and financial momentum continues as Normalised Net Profit rises 15%

Successful financing initiatives to power future growth and evolution into the region’s leading digital infrastructure provider

Doha, Qatar, 30 October 2024: Ooredoo Q.P.S.C. (“Ooredoo”) – Ticker: ORDS today announced its financial results for the nine-month period ended 30 September 2024.

Nine-months 2024 (9M 2024) Highlights:

- Revenue increased by 2% to QAR 17.7 billion
- EBITDA up by 4% to QAR 7.7 billion
- EBITDA margin increased to 44%, up by one percentage point (pp)
- Normalised Net Profit reached QAR 2.9 billion, up by 15%
- CAPEX spend of QAR 1.9 billion
- Customer base of 149.4 million (including IOH and excluding Myanmar)
- Secured QAR 2 billion, 10-year facility to accelerate expansion of our data centre business
- Post-period end, issued a USD 500 million 10-year bond with a record-tight spread to address upcoming maturity

Consolidated Group	Quarterly Analysis			YTD Analysis		
	Q3 2024	Q3 2023	% Change	9M 2024	9M 2023	% Change
Revenue (QAR m)	5,861	5,832	1%	17,657	17,240	2%
EBITDA (QAR m)	2,585	2,579	-	7,698	7,391	4%
EBITDA Margin (%)	44%	44%	-	44%	43%	1pp
EBITDA (QAR m) – Normalised	2,585	2,579	-	7,698	7,334	5%
Net Profit attributable to Ooredoo Shareholders (QAR m)	1,051	869	21%	2,923	2,664	10%
Normalised Net Profit attributable to Ooredoo Shareholders (QAR m)	1,042	909	15%	2,903	2,534	15%
CAPEX (QAR m)	935	719	30%	1,946	1,592	22%
CAPEX/Revenue (%)	16%	12%	4pp	11%	9%	2pp
Free Cash Flow (QAR m) – Normalised	1,650	1,860	-11%	5,753	5,742	-
Customers (m)	50.7	56.7	-11%	50.7	56.7	-11%
Customers (m) – (excl Myanmar)	50.7	48.3	5%	50.7	48.3	5%
Customers (m) (incl IOH)	149.4	156.1	-4%	149.4	156.1	-4%

The disposal of Ooredoo Myanmar operation was completed on 31 May 2024 and Ooredoo Group financial results for 9M 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 achieved Revenue growth of 2% to QAR 17.7 billion and a healthy 15% increase in normalised Net Profit in the first nine months of 2024.

The Group continues to reap the benefits of the initiatives undertaken over recent years to transform our operational model, focusing on high-value assets and achieving high-quality growth across the markets that we operate in.

We also secured funds through bank financing and a long-term bond issuance, underscoring the view from our banking partners and the market that Ooredoo is regarded as a reliable, secure and future-proofed investment option.

As we strategically evolve into a leading digital infrastructure provider serving the region, we will continue to prioritise efficiency and value creation, employing a flexible, dynamic and forward-thinking approach to power Ooredoo’s future growth.”

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

“Ooredoo Group delivered a robust performance during the third quarter of 2024, showing growth across most key financial metrics.

For the first nine months of 2024, Revenue grew by 2% to QAR 17.7 billion. Our commitment to operational efficiencies boosted the Group’s profitability resulting in an EBITDA increase of 4% to QAR 7.7 billion with an EBITDA margin of 44%, improving by 1pp year-on-year.

On a normalised basis, Net Profit grew by an impressive 15% to QAR 2.9 billion on the back of the strong operational performance.

The Group’s strong results continued to be supported by solid operational performances in Iraq, Algeria, Qatar, Tunisia and Maldives.

We advanced our journey toward becoming the MENA region’s leading digital infrastructure provider, achieving a major milestone in our strategic vision by securing QAR 2 billion through a significant financing initiative to accelerate the expansion of our data centre and AI business. We will strategically allocate these funds to carve out existing data centre assets from our telecom operations, with a focus on boosting capacity and upgrading infrastructure to meet rising demand. As one of the fastest-growing data centre markets globally, the MENA region holds significant untapped potential in AI, and we are committed to capitalising on this opportunity.

After the quarter ended, we successfully completed a historic, oversubscribed USD 500 million 10-year international bond issuance, marking the narrowest spread over 10-year U.S. Treasuries in our company’s history. The strong demand for this bond highlights investors’ confidence in our strategy, as well as our operational and financial performance.

These key strategic achievements, along with the Group’s sustained strong performance, are owed to the diligence and dedication of our team.

We remain committed to enhancing profitability across our operations while advancing our strategic priorities as we strive to become the leading digital infrastructure provider in the region.”

Strategic review

Ooredoo remains committed to its strategy, which is 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.



We have a balanced portfolio which provides exposure to dynamic growth markets with fast-growing GDPs and population growth trends, and we will continue to provide strong shareholder value by rolling-out strategic growth initiatives and making smart investments across our markets.

Ooredoo is positioning itself as the leading digital infrastructure provider in the region by transforming into a telecom and infrastructure holding company with a delayed multi-business structure, optimising 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 the signing of definitive agreements to establish the largest tower company in the MENA region through a cash and share deal.

The primary focus remains on finalising the closing of the transactions in each market, starting with Qatar, which is progressing well. These transactions are expected to be completed within 18 to 24 months from the announcement date.

Data centres

Ooredoo announced the establishment of a carrier-neutral data centre company with a dedicated and experienced CEO.

Our data centre assets in Qatar, Tunisia and Kuwait have already been carved out and placed under the new independent, specialised data centre entity. The carve-out of data centre assets from other Ooredoo markets is expected to be completed in 2025.

In September 2024, Ooredoo announced the successful signing of a QAR 2 billion, 10-year financing deal with QNB, Doha Bank, and Masraf Al Rayan to accelerate data centre expansion, representing the largest ever transaction in Qatar's tech industry. The funds will be strategically utilised to separate existing data centre assets from Ooredoo's telecom operations, with a substantial portion allocated to expanding capacity and upgrading infrastructure to meet the rising demand for AI, Cloud services, and hyperconnectivity across the MENA region.

This builds on Ooredoo's recent strategic initiatives to position itself at the forefront of AI advancement. In June 2024, Ooredoo entered a strategic collaboration with NVIDIA to drive digitalisation and innovation in the region by leveraging NVIDIA's advanced AI platform. As an NVIDIA Network Cloud Partner, Ooredoo will deploy thousands of Tensor Core GPUs in its data centres, enhancing its technological capabilities and positioning the company at the forefront of AI advancements.

As part of our journey to becoming the region's leading digital infrastructure provider, the data centre company aims to expand its capacity to over 120 megawatts with a USD 1 billion investment over the medium to long term. This will include a new generation of sustainable, energy-efficient, and carrier-neutral data centres across the MENA region.

Fintech

Ooredoo Financial Technology International (OFTI), a wholly owned Fintech holding company, remains committed to advancing initiatives that promote financial inclusion.

OFTI is a large player in Qatar with a transaction value of more than USD 6 billion per year and a 20% market share in international remittances.

In 2024, OFTI obtained a Payment Service Provider (PSP) license in Oman and Maldives. It is in advanced stages of discussions with the regulator in Tunisia and continues to pursue license applications in Iraq and Kuwait.

The Company launched its brand 'walleii by Ooredoo', the mobile money app that provides a



financial ecosystem for consumers and merchants to simplify their money management, allowing them to receive, send and spend both domestically and internationally.

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

Financial highlights

Revenue

Group revenue increased by 2% YoY to QAR 17.7 billion (9M 2023: QAR 17.2 billion), driven by strong operational performance in Iraq, Algeria, Kuwait, Tunisia and Maldives. This increase was partially offset by a decrease in revenue from Qatar and Oman.

The increase in revenue across the Group demonstrates the positive return on our investments while ensuring excellence in customer service. The combination of fixed asset investments, introduction of new and innovative products and improving customer satisfaction across the markets continue to support our bottom line and deliver sustained growth.

EBITDA & EBITDA Margin

Focused efforts on profitability resulted in an EBITDA growth of 4% YoY to QAR 7.7 billion along with a 1pp improvement in the EBITDA margin, reaching 44%.

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

Our continued efforts around improved operational efficiency is having a solid and positive impact on EBITDA.

Net Profit

The Group delivered strong double-digit Normalised Net Profit growth of 15% YoY to QAR 2.9 billion (9M 2023: QAR 2.5 billion). Normalised Net Profit is adjusted for foreign exchange, impairments, and exceptional items.

Reported Net Profit was up by 10% YoY to reach QAR 2.9 billion (9M 2023: QAR 2.7 billion) for the nine-month period ended 30 September 2024.

Capital expenditure (CAPEX)

Capital expenditure rose to QAR 1.9 billion, marking a 22% increase, primarily due to increased investments in Iraq, Kuwait, Oman, Algeria, Tunisia and Qatar.

Free Cash Flow

Normalised Free Cash Flow remained flat at QAR 5.8 billion. The strong EBITDA performance was offset by an acceleration of network projects.

Debt

Ooredoo Group upheld a strong financial and liquidity position, sustaining investment-grade ratings.

As of 30 September 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 98% of the debt is structured on a fixed-rate basis. Liquidity remains strong, with QAR 12.4 billion in cash reserves (net of restricted cash) and QAR 5.2 billion available in undrawn facilities.

Following the period end on 10 October 2024, Ooredoo successfully completed a USD 500 million, 10-year issuance of senior unsecured 144A/RegS notes. The Notes were issued by our wholly owned subsidiary, Ooredoo International Finance Limited, under the existing USD 5 billion Global



Medium Term Notes programme on the Irish Stock Exchange and are unconditionally and irrevocably guaranteed by Ooredoo. The Notes are rated A2 by Moody's and A by S&P.

The Notes carry an annual coupon rate of 4.625% and will mature on 10 October 2034. The transaction achieved a spread of 88 basis points over 10-year U.S. Treasuries, marking the tightest spread ever achieved in Ooredoo's history, as well as one of the lowest for an emerging market corporate issuer and the lowest for a global telecommunications company on a 10-year bond since 2020.

Proceeds from the issuance, which was oversubscribed by 3.6 times, will be used for Ooredoo's general corporate purposes, including refinancing of its existing indebtedness.

Customer base

The Group's customer base decreased by 11% YoY (increased by 5% YoY excluding Ooredoo Myanmar) to 50.7 million customers for 9M 2024.

Including IOH, the customer base reached a total of 149.4 million, up by 1% (excluding Myanmar)

Operating Companies 9M 2024 highlights

Middle East

Ooredoo Qatar

Reported revenue decreased by 4% YoY to QAR 5,276 million. The previous year's revenue base (9M 2023) included revenue from Data centres, FIFA 2022 contracts for B2B services and one-off project revenue. Normalising for these items, revenue was 1% below prior year mainly due to lower mobile services.

EBITDA expanded by 4% YoY to QAR 2,804 million on a reported basis primarily due to a one-time bad debt provision recorded in 9M 2023. On a normalised basis, EBITDA remained flat YoY.

Solid EBITDA margin expansion of 4pp to 53%, supported through disciplined cost control.

Ooredoo Qatar increased its customer base by 1% YoY, reaching 3.0 million. As part of an ongoing focus to enhance customer experience and transform service delivery, Ooredoo Qatar partnered with Oracle in a multi-year agreement to drive digital innovation, operational excellence, and customer-centric solutions.

Ooredoo Kuwait

The operation achieved solid revenue growth of 6% YoY to QAR 2,328 million driven by an increase in service revenue due to higher usage of data and digital services and equipment revenue.

The one-off bad debt provisions recorded in 2024 led to a decrease in EBITDA of 15% YoY to QAR 607 million and a reduction in the EBITDA margin by 6pp to 26%. Normalising for the one-off bad debt provisions, EBITDA decreased by 2% YoY.

Ooredoo Kuwait's customer base remained flat, ending the period with 2.9 million customers.

Ooredoo Oman

Ooredoo Oman's mobile business remained challenged by intense competition within the Omani market. These challenging market dynamics contributed to a 2% YoY fall in revenue to QAR 1,786 million and a 6% decline in EBITDA to QAR 824 million, which was impacted by lower service revenue and higher operating costs.

Ooredoo Oman closed the period with 2.8 million customers on its network.



The operation is undertaking several initiatives to enhance its competitive advantage in the market, including extending its 5G network and testing 5.5G, as well as conducting interactive marketing campaigns.

Asiacell - Iraq

Asiacell continued its strong momentum into quarter three, bolstered by higher customer acquisitions and a strong performance in the data segment.

The operation achieved double-digit revenue growth of 19% YoY to QAR 3,847 million. EBITDA expanded by 23% YoY to QAR 1,825 million with a 1pp margin improvement to 47%.

Asiacell added 9% more customers to its network YoY to reach a customer base of 18.6 million.

Ooredoo Palestine

Despite a challenging operating environment, Ooredoo Palestine demonstrated resilience and actively supported its customers ensuring their continued connectivity. This includes providing free integrated bundles, in the form of voice and data packages, as a humanitarian aid to keep people connected as well as successfully deploying the first 'Cell on Wheel' aimed at improving network efficiency and expanding coverage across the Gaza Strip.

The customer base increased by 8% YoY to 1.5 million. Revenue decreased by 2% YoY to QAR 299 million and EBITDA declined by 7% YoY to QAR 115 million affected by the challenging conditions and foreign exchange fluctuations. EBITDA margin for the period ended at 39%.

North Africa

Ooredoo Algeria

Ooredoo Algeria maintained its strong growth trajectory reaping the benefits of strategic investments within a high-quality network.

Revenue grew by 16% YoY to QAR 2,097 million, primarily driven by growth in data and digital revenue.

Strong revenue growth drove an expansion in EBITDA of 24% YoY to QAR 907 million with an enhanced EBITDA margin of 43%, up by 3pp.

Ooredoo Algeria expanded its customer base by 10% YoY to 14.5 million helped by continued network densification which is improving customer satisfaction and boosting commercial performance.

Ooredoo Tunisia

Ooredoo Tunisia delivered a solid performance by focusing on innovation, customer experience, and operational efficiency.

Revenue grew by 4% YoY to QAR 1,142 million underpinned mainly by strategic investments in the fixed business.

Solid revenue growth and effective cost management achieved an EBITDA growth of 13% YoY to QAR 470 million while EBITDA margin expanded by 3pp to 41%.

9M 2023 EBITDA included exceptional bad debts, normalising for the exceptional bad debts, EBITDA increased by 3% YoY.

The customer base was lower by 4% YoY with a total of 7.0 million customers.



Asia

Indosat Ooredoo Hutchison (IOH)

IOH, equity-accounted JV, announced its Q3 2024 financial results on 30 October 2024 ([IOH](#)), realising strong YoY growth across all key metrics: revenue up by 12%, EBITDA grew by 15% and EBITDA margin expanded by 1pp to 48%.

Ooredoo Maldives

Ooredoo Maldives delivered healthy growth with a revenue increase of 6% to QAR 387 million backed mainly by growth in the mobile segment.

Higher service revenue supported an EBITDA increase of 3% YoY to QAR 207 million. EBITDA margin decreased by 2pp to 54% mainly due to higher operating costs.

The customer base increased by 2% YoY to 399k customers. During the period, Ooredoo's 5G nationwide coverage was expanded and now covers 60% of the country's population making it the widest 5G network in the Maldives.

- 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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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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Ooredoo Group management wishes to further caution the reader that forward-looking statements are not historical facts and are only estimates or predictions. Actual results may differ materially from those projected as a result of risks and uncertainties including, but not limited to:

- *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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