



H1 2024 Earnings Call

31 July 2024



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Operations

Overview

Mohamed Alghaithani
Chief Executive Officer



Operational Highlights

Financials

- Revenue growth in higher margin segments – Data Centers (8%) and Managed Services (9%)
- 19.1% decrease in H1 Revenue due to drop in low-margin Solutions revenues
- H1 EBITDA margin increased to 34.4%, and highest H1 Net Profit on record of QR 29.9m



Operations

- QR 1.5b in committed contract value along with a net sales pipeline of QR 1.3b
- Collections of QR 160m H1 2024. A/R balance is down 16% in the last 12 months
- Total data center capacity utilization increased to 88% compared to 83% in June 2023



Growth

- MoU signed with AMD for strategic AI partnership
- MEEZA added to MSCI EM Small Cap Index





Operations

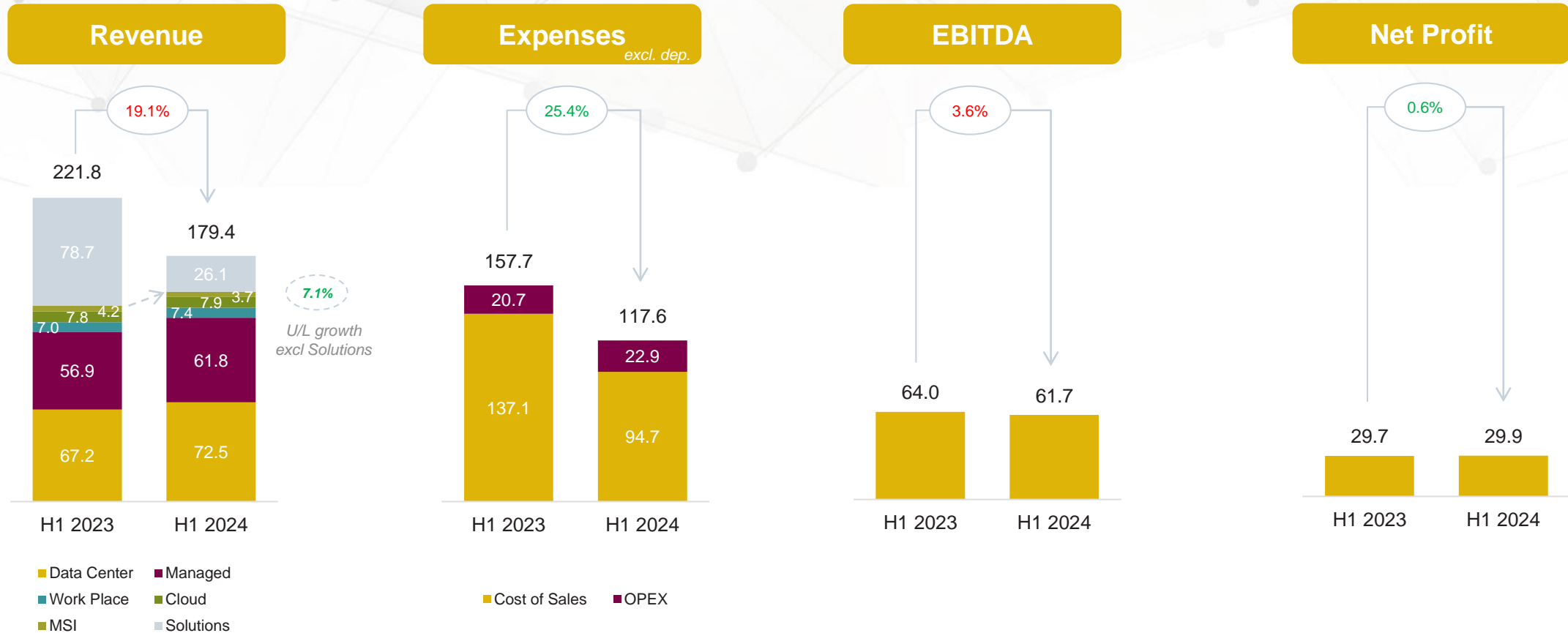
Financial Results

James Corby
Chief Financial Officer



YTD FY24 Financial Performance | H1 FY24 v H1 FY23

Year on Year | QRm (rounded to nearest QR 100k)

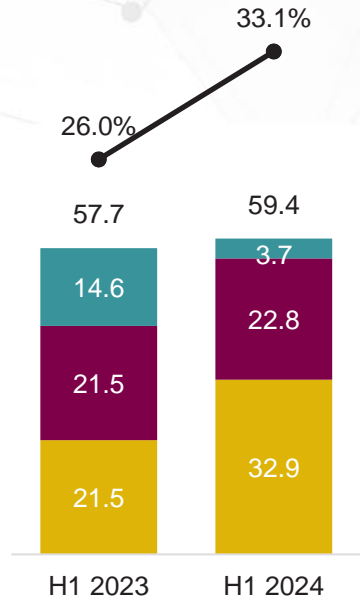


- Total Revenue decreased by 19.1% due to low-margin Solution Services, underlying Revenue growth of 7.1% excluding Solutions
- Expenses decreased by 25.4% due to lower revenue, cost optimization and one-off cost actualization
- EBITDA 3.6% lower led by lower revenue. EBITDA margin 34.4%, 5.5pp higher YoY primarily due to revenue mix and lower cost of sales
- Net Profit 0.6% higher primarily due to higher gross margin and higher finance income

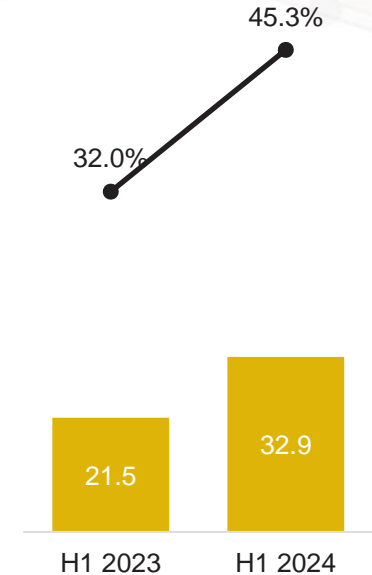
YTD FY24 Gross Margin Analysis | H1 FY24 v H1 FY23

Year on Year | QRm

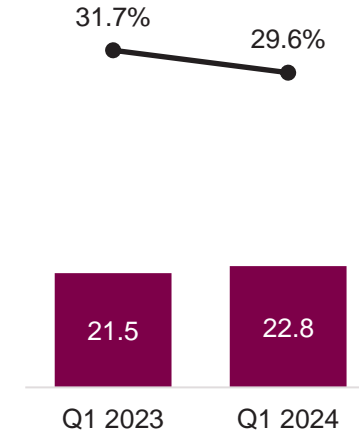
Total



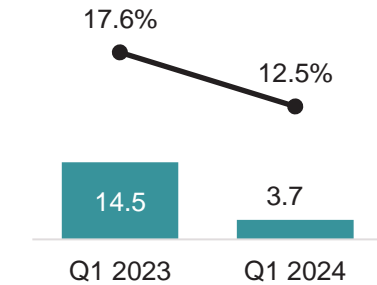
Data Center



Managed, Cloud & Workplace



Solutions & MSI



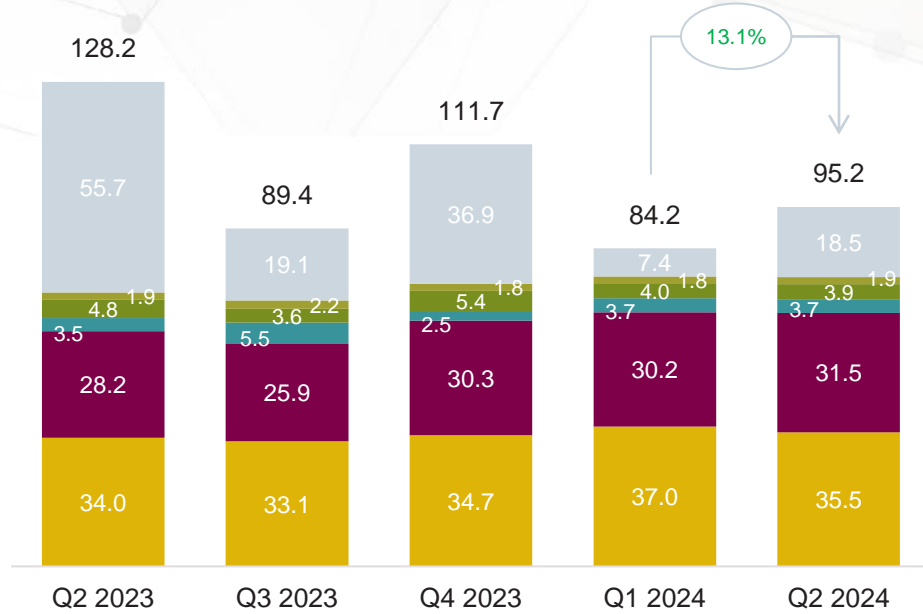
- Solutions & MSI
- Managed, Cloud & Workplace
- Data Center

- Gross Margin improved 7.1pp YoY driven by higher Data Centre revenue, cost optimization and one-off cost actualization

YTD FY24 Financial Performance | Q2 Trend

Quarter on Quarter | QRm

Revenue



Net Profit



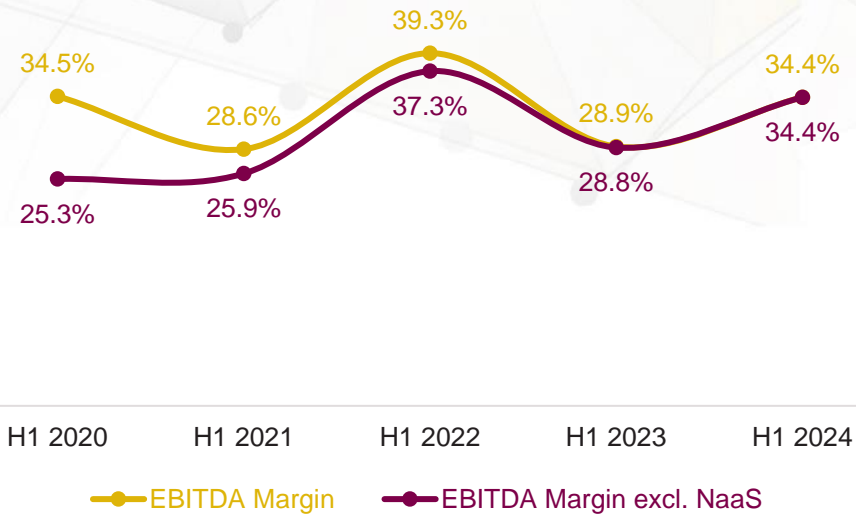
■ Data Center ■ Managed ■ Work Place ■ Cloud ■ MSI ■ Solutions

- Total Revenue increased 13.1% QoQ primarily due to higher Solution Services (150%) and Managed Services (4%) revenue
- Net Profit 56.3% higher QoQ primarily due to higher revenue, revenue mix and one-off cost actualization

YTD FY24 Financial Performance | Q2 Efficiencies & Margins

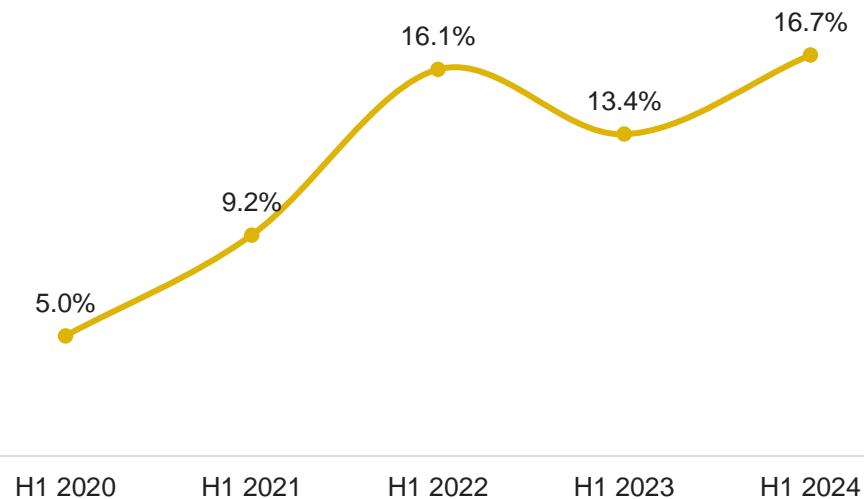
Year on Year

EBITDA Margin



- EBITDA margin in FY20 inflated by the NaaS contract
- EBITDA margin excluding NaaS increasing by 9.1pp since FY20 driven by revenue mix and cost optimization

Net Profit Margin

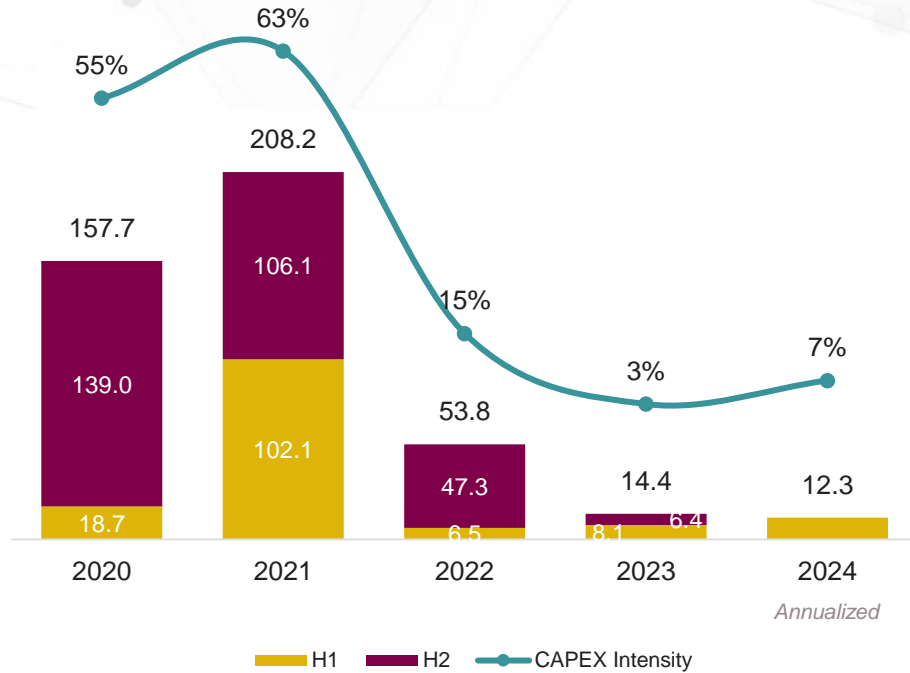


- Net Profit Margin expands 11.7pp since FY20 driven by EBITDA flow through, higher returns from capital expenditure and higher finance income

YTD FY24 Financial Performance | Capital Expenditure

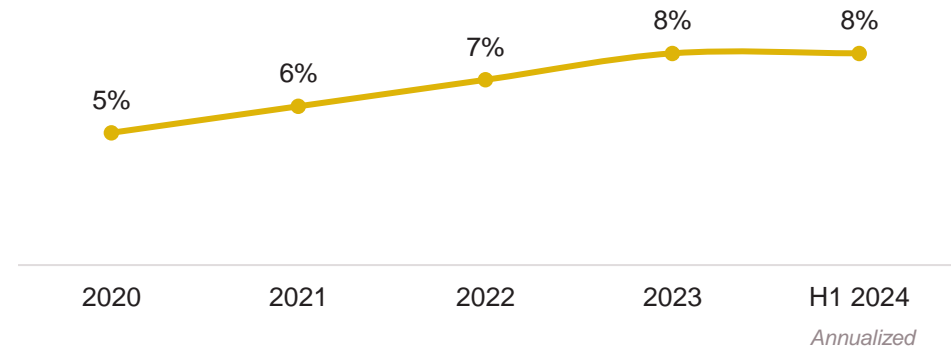
QRm

CAPEX



Return on Capital Employed

$(\text{Net Profit} + \text{Borrowing costs}) / \text{Average (Equity} + \text{Loans)}$



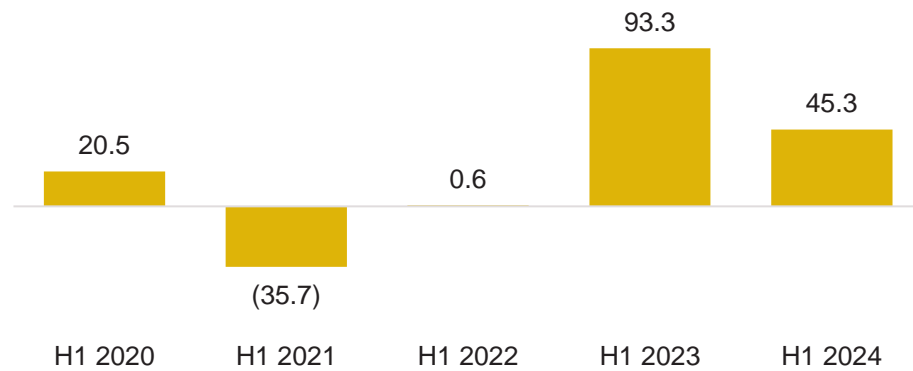
- FY20 & FY21 CAPEX impacted by the construction of MV2 extension (0.9MW) and MV4 (4 MW)
- FY22 CAPEX driven by MV5 construction (1.2MW)
- FY23 and FY24 CAPEX mainly includes maintenance and replacement CAPEX

YTD FY24 Financial Performance | H1 Cash Flow from Operations

QRm

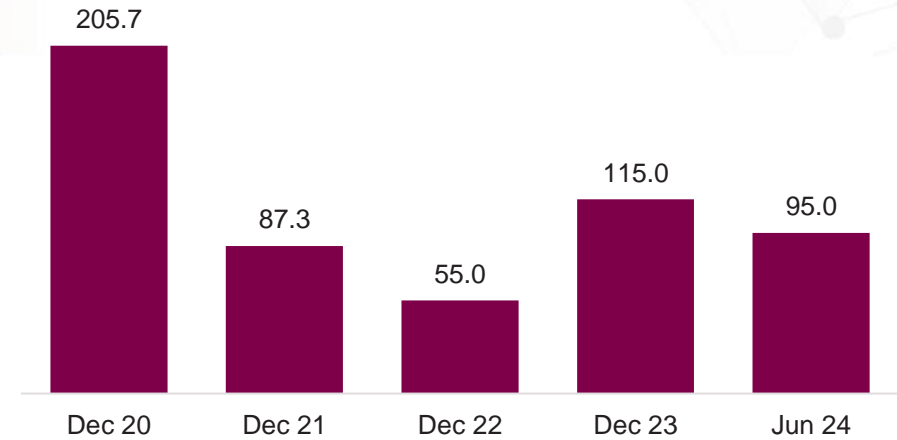
Cash generated from Operations

Cash generated from operations as per statement of cash flows net of lease payments



- FY24 cash flow impacted by vendor payments and prepayments partially offset by higher collections

(Net Debt) / Net Cash



Dividend	33.0	-	66.0	18.4	52.7
Cash	265.8	235.7	203.4	250.0	223.3
Debt	60.2	148.4	148.4	135.0	128.3

- Company in net cash position of QR 95.0m with QR 223.3m cash on hand

Q&A



Thank You

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