



YTD Sep 2023 Financial Performance

1 November 2023



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Operations

Overview

Mohsin Al Marri

Acting Chief Executive Officer



Introduction to MEEZA

Established in 2008 as a Qatar Foundation joint venture, **MEEZA is an end-to-end managed IT services and solutions** provider in Qatar

In addition to operating **5 Data Centers (M-Vaults)**, the Company offers **Managed IT Services, Solution Services, Workplace Services, Cloud & Smart City services**

MEEZA offers **long-term contracts** to a client base which comprises strategic **sovereign entities**, international **hyper-scalers** and large **corporates**

MEEZA is the **first IT services company in Qatar to go public** through a book building exercise and an oversubscribed IPO. It is currently valued at QR ~1.6B.

Key Messages for nine months ended 30 September 2023



Healthy Growth

- +24% growth in Revenues YoY
- 9-month revenue exceeds QR 300M for the first time
- Net Profit of QR 46.0m, 29% growth YoY



Strong Demand

- >QR 311m in total contract value sold in first 9 months
- >QR 1.2b in committed contract value over the next 10+ years
- RFPs issued for data center expansion



Successfully Listed

- Listed on the Qatar Stock Exchange on 23 August 2023
- Share price has outperformed market and is up from IPO levels
- Enhanced governance and internal policies




Operations

Commercial Overview


Dr. Fadi Nasser
Chief Commercial Officer




Service Mix and Business Models

Data Centers Services 


- Long Term Contracts
- MRR based
- Higher margins

Cloud Services 


- Mid-term contracts
- NRR/MRR based
- Mid-level margins

Managed IT Services 


- Mid-term contracts
- NRR/MRR based
- Mid-level margins

Solutions Services 

- Short to Mid-term contracts
- NRR
- Lower margins

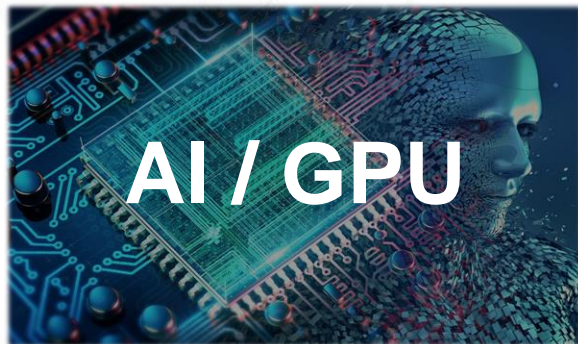
Workplace Services 

- Mid-term contracts
- MRR
- Mid-level margins

Master Service Integration 

- Mid to Long term contracts
- NRR/MRR
- Mixed margins

Global and Regional IT Trends | Local Impact





Operations

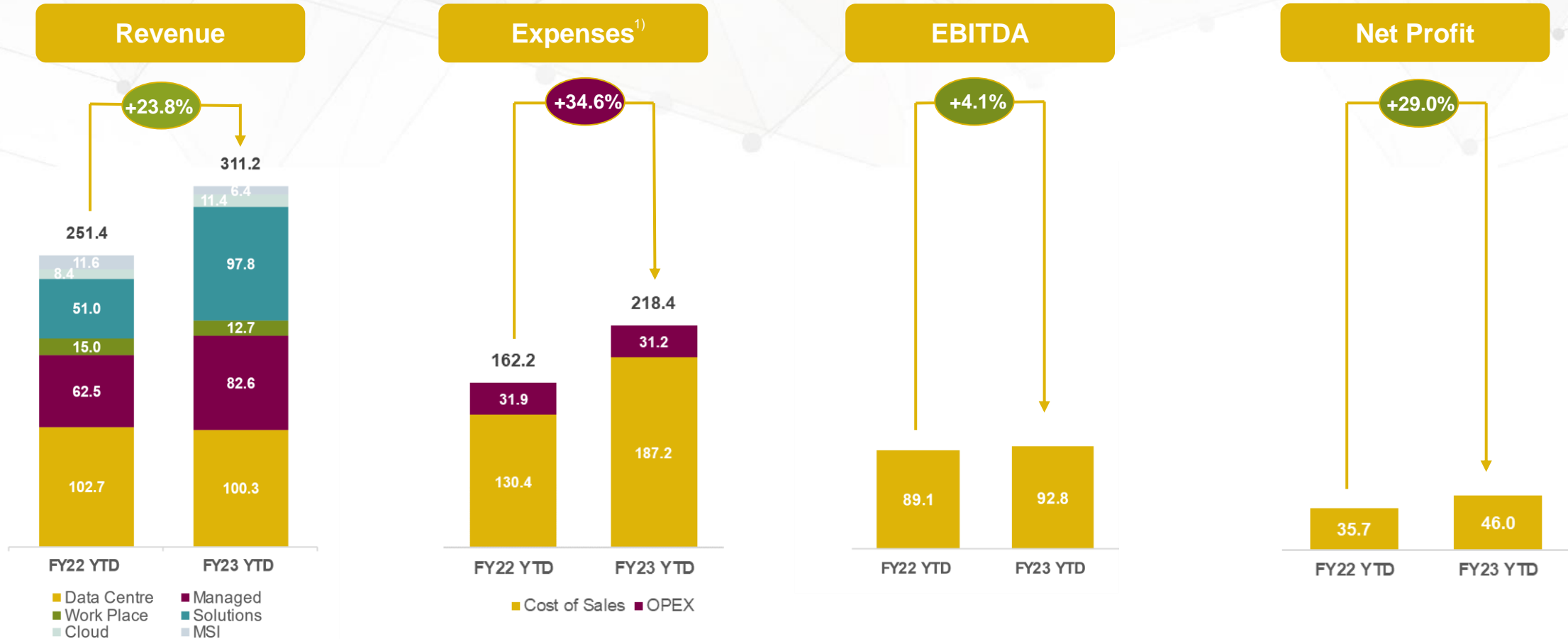
Financial Results

James Corby
Chief Financial Officer



YTD FY23 Financial Performance | YTD FY23 v YTD FY22

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

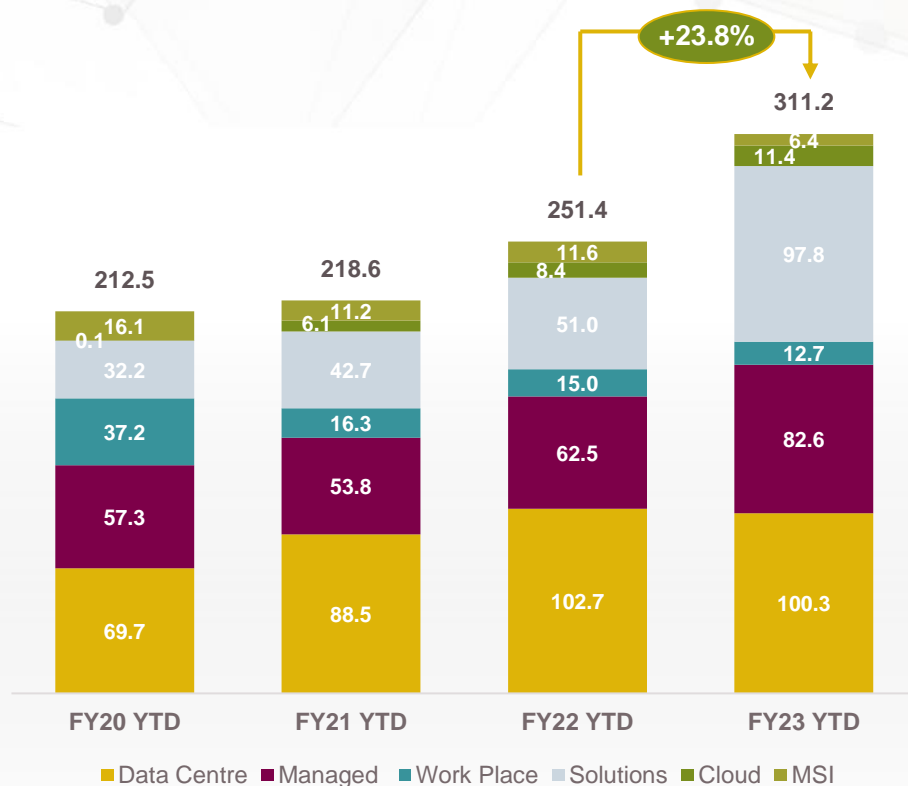


- **Total Revenue QR 59.8m (23.8%) higher** driven by to growth in Solution Services (91.8%) and Managed Services (32.0%)
- **Expenses QR 56.2m (34.6%) higher** primarily due to higher revenue and revenue mix
- **EBITDA QR 3.7m (4.1%) higher** led by higher revenue. **EBITDA margin of 29.8%, 5.6pp lower YoY**
- **Net Profit QR 10.4m (29.0%) higher** following EBITDA flow through further aided by lower depreciation and higher finance income

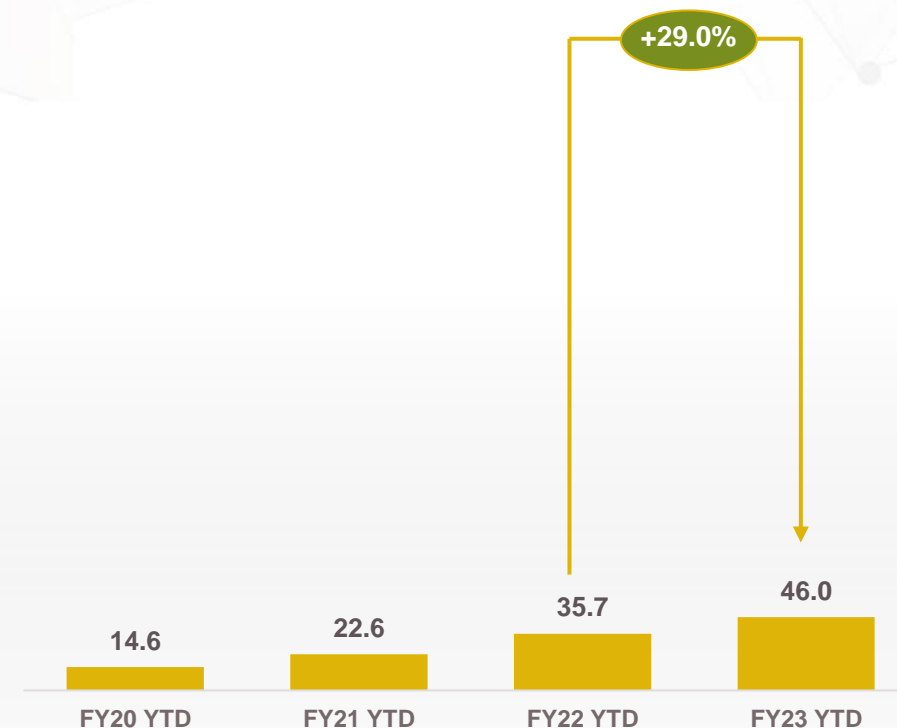
YTD FY23 Financial Performance | YTD YoY

YoY | QRm (rounded to nearest QR 100k)

Revenue



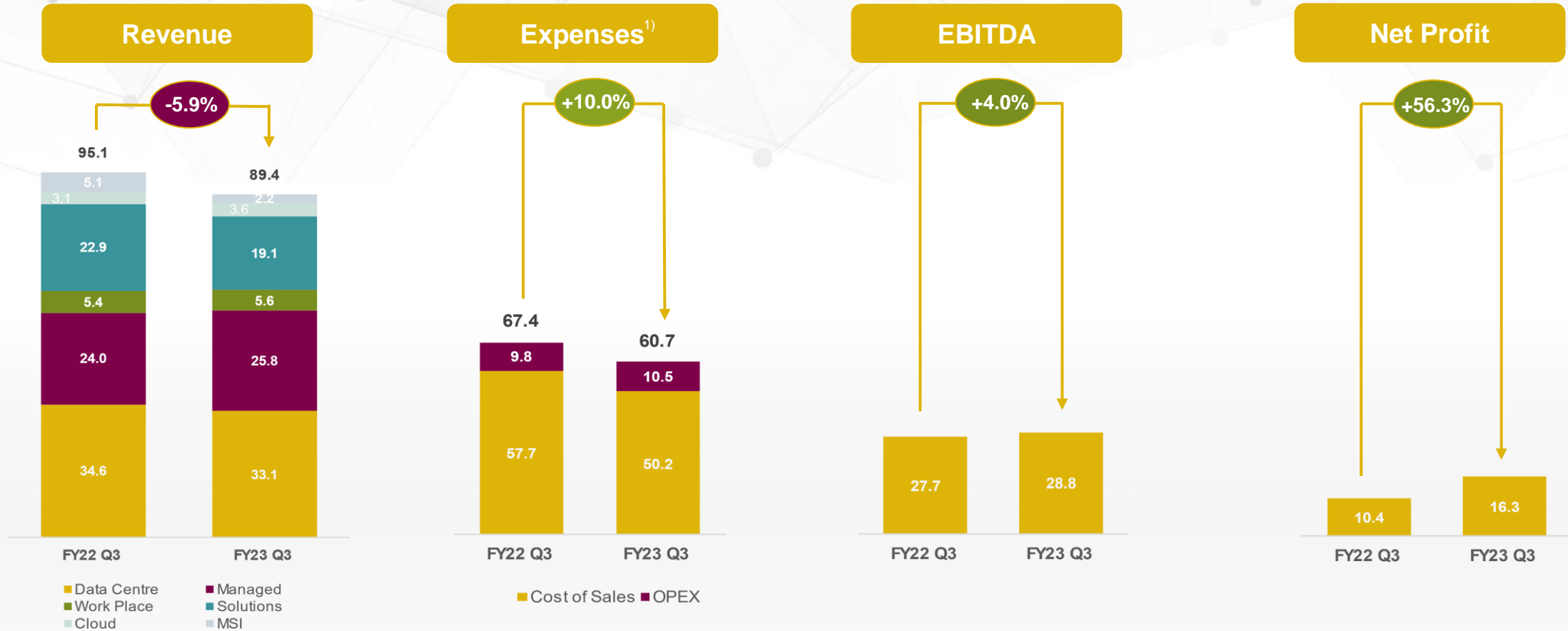
Net Profit



- **Total Revenue grew 23.8% (QR 59.8m) YoY** led by increase in Solution Services (91.8%) and Managed Services (32.0%) partially offset by lower Workplace Services (15.6%) and Master Systems Integrator revenue (45.3%)
- **Net Profit 29.0% higher YoY** primarily due to higher revenue, higher finance income and lower OPEX

Q3 FY23 Financial Performance | Q3 FY23 v Q3 FY22

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



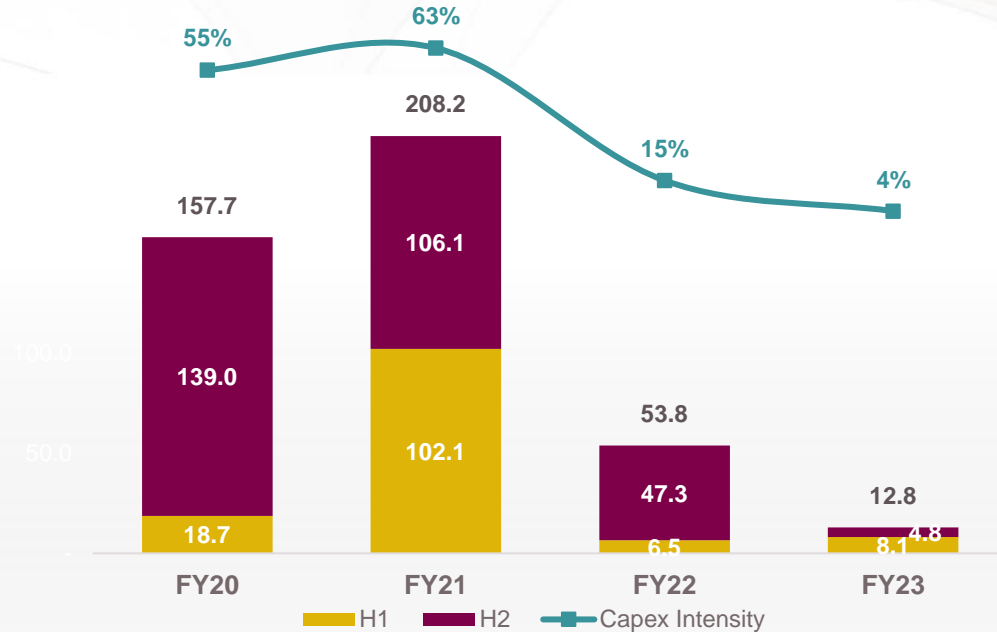
- **Total Revenue declined QR 5.7m (5.9%)** due to lower Solution Services (16.4%) and MSI (57.3%)
- **Expenses QR 6.8m (10.0%) lower** primarily due to lower revenue, revenue mix and cost optimization
- **EBITDA QR 1.1m (4.0%) higher** led by revenue mix and cost optimization. **EBITDA margin of 32.0%, 3.1pp higher YoY**
- **Net Profit QR 5.9m (56.3%) higher** following EBITDA flow through further aided by lower depreciation & higher finance income

1) Excluding depreciation

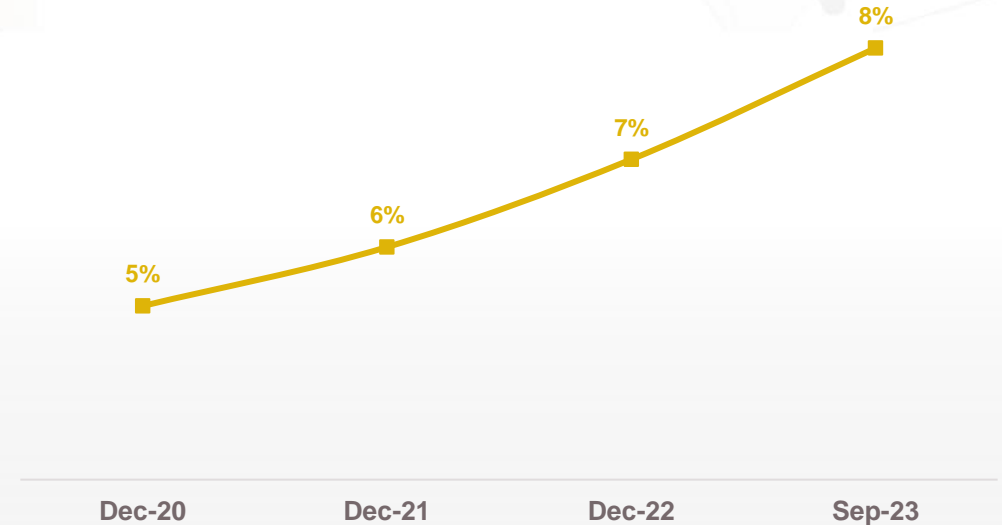
YTD FY23 Financial Performance | Capital Expenditure

QRm (rounded to nearest QR 100k), unless stated

CAPEX



Return of Capital Employed (ROCE)*



- **FY20 & FY21 CAPEX** impacted by the construction of MV2 extension (0.9MW) and MV4 (4 MW)
- **FY22 CAPEX** driven by MV5 construction (1.2MW)

* H2 for FY23 is only July 2023 to September 2023

- **ROCE increasing from 5% in December 2020 to 8% in September 2023** driven by growth of higher margin services

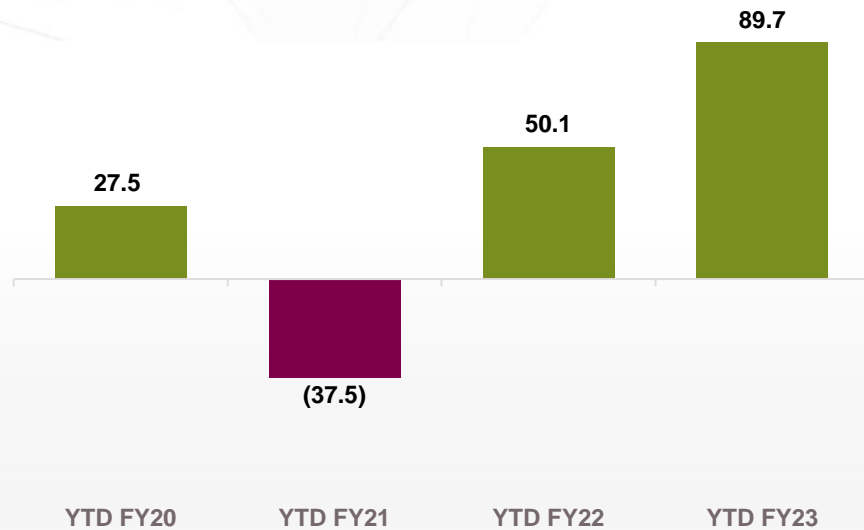
* ROCE calculated as: $(\text{Net Profit} + \text{Borrowing costs}) / \text{Average (Equity} + \text{Loans)}$ on annualized net profit based on YTD FY23



YTD FY23 Financial Performance | Cash Flow from Operations

QRm (rounded to nearest QR 100k), unless stated

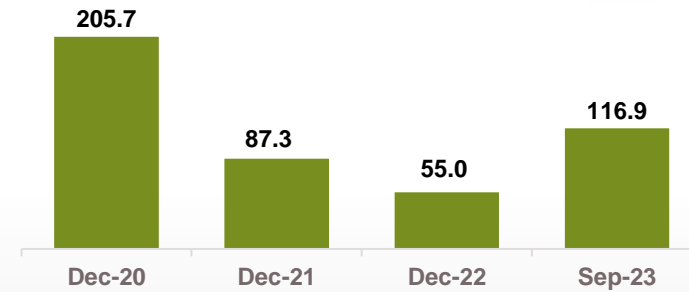
Cash generated from Operations *



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

- **FY21** impacted by working capital
- **FY23** primarily driven by collections and timing of payables

(Net Debt) / Net Cash



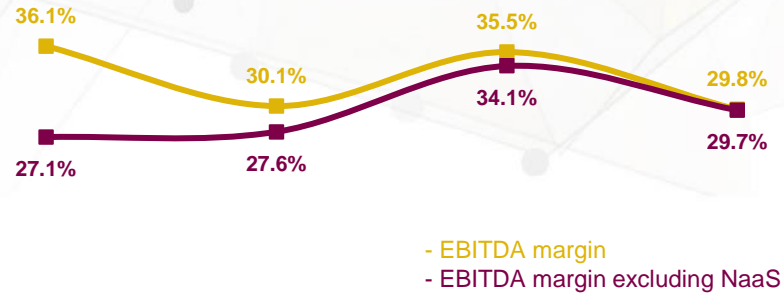
Dividend	33.0	-	66.0	18.4
Cash	265.8	235.7	203.4	258.6
Debt	60.2	148.4	148.4	141.7

- Company in a **net cash** position of QR 116.9m with QR 258.6m cash on hand

YTD FY23 Financial Performance | Efficiencies & Margins

Year on Year

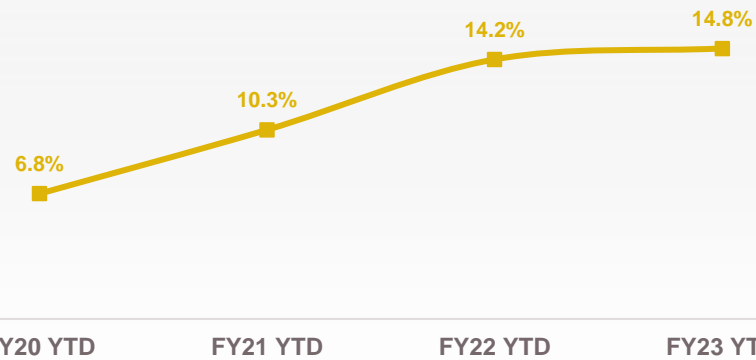
EBITDA Margin



- EBITDA margin in FY20 inflated by the NaaS contract
- **EBITDA margin excluding NaaS increasing by 2.6pp since FY20** driven by Revenue mix and cost optimization

FY20 YTD FY21 YTD FY22 YTD FY23 YTD

Net Profit Margin



- **Net Profit Margin expands 4.5pp since FY20** driven by EBITDA flow through, higher returns from capital expenditure and higher finance income

FY20 YTD FY21 YTD FY22 YTD FY23 YTD



Operations

Q&A





Operations

Appendix



YTD FY23 | Statutory results

Consolidated Statement of Income & Statement of Financial Position

QR 000's (unless otherwise stated)	30-Sep-23	30-Sep-22	YoY
Revenue	311,231	251,382	59,849
Cost of sales	(227,377)	(173,269)	(54,108)
Gross profit	83,854	78,113	5,741
General and administrative expenses	(35,026)	(33,851)	(1,175)
Finance income	10,354	2,484	7,871
Interest expense on lease liabilities	(6,257)	(6,484)	227
Finance costs	(6,893)	(4,613)	(2,280)
Other income/(expenses)	(16)	11	(27)
Profit for the period	46,017	35,659	10,358
Other comprehensive income	-	-	-
Total comprehensive income for the period	46,017	35,659	10,358
Basic and diluted earnings (QR Per share)	0.07	0.05	N/A
Number of Shares (000's)	648,980	648,980	N/A

* On 26 September 2022 it was resolved to convert the advances from shareholders into share capital and retained earnings issuing new shares with a nominal value of QR 1 (instead of QR 1,000), thus increasing the number of shares to 648,980,000

QR 000's (unless otherwise stated)	30-Sep-23	31-Dec-22	PTD
ASSETS			
Non-current assets			
Property, plant and equipment	485,309	508,493	(23,184)
Right-of-use assets	143,993	151,941	(7,948)
Other non-current assets	9,039	12,102	(3,063)
Total non-current assets	638,341	672,536	(34,195)
Current assets			
Prepayments and other assets	31,849	33,037	(1,188)
Due from related parties	107,595	110,390	(2,795)
Trade and other receivables	175,475	132,183	43,292
Cash and bank balances	258,599	203,405	55,194
Total current assets	573,518	479,015	94,503
Total assets	1,211,859	1,151,551	60,308
EQUITY and LIABILITIES			
Equity			
Share capital	648,980	648,980	-
Statutory reserve	8,515	8,515	-
Advances from shareholders	-	-	-
Retained earnings /(accumulated losses)	49,270	21,687	27,583
Total equity	706,765	679,182	27,583
Non-current liabilities			
Employees' end of service benefits	11,411	10,821	590
Contract liability – long term	23,683	27,205	(3,522)
Lease liabilities	152,838	155,791	(2,953)
Borrowings	128,155	134,858	(6,703)
Total non-current liabilities	316,087	328,675	(12,588)
Current liabilities			
Contract liability – short term	734	3,159	(2,425)
Lease liabilities	9,179	8,283	896
Borrowings	13,548	13,548	-
Trade and other payables	165,546	118,704	46,842
Total current liabilities	189,007	143,694	45,313
Total liabilities	505,094	472,369	32,725
Total equity and liabilities	1,211,859	1,151,551	60,308

*



Company Highlights

Provision world-class
End-to-end Managed IT
Services and Solutions



Established
in 2008



Certified LEED
Platinum and Gold
State-of-the-art Data
Centres



Five Tier III certified
datacentres offering
uptime of 99.98 %



1st Company to
achieve 4 Star SDI
(Service Desk Institute)



1st Centralised
Command & Control
Centre in Qatar









1st Commercial
Security Operations
Centre in Qatar



Systems integrator in
the area of Smart Cities
and internet of Things



End-to-end IT Service Portfolio

 <h3>Data Centers Services</h3>	 <h3>Cloud Services</h3>	 <h3>Managed IT Services</h3>	 <h3>Solutions Services</h3>	 <h3>Workplace Services</h3>	 <h3>Master Service Integration</h3>
<p>Development, management and leasing out of physical data centers for clients to safely store their servers and data.</p> <ul style="list-style-type: none">• Colocation• Data suites	<p>Leveraging MEEZA's data center infrastructure to provide public and private cloud services to its clients.</p> <ul style="list-style-type: none">• Email• Collaboration• Media Analytics• Cloud Monitoring• Storage-aaS• Backup-aaS	<p>Tailored IT solutions provided to clients who outsource their IT workload without going fully cloud-based.</p> <p>This includes cyber-security solutions such as Security Operations Centers (SOCs)</p>	<p>Ad-hoc IT consultancy, integration, hardware/software resale and installation services for customers who need tailored IT stacks handed over for self management</p>	<p>Provision of onsite resources for various skill sets to assist the client in operating end-user devices, IT systems, and networks.</p>	<p>Provision of multiple IT product lines, project management, operations, and hardware & software resale.</p> <p>MEEZA is responsible for the set-up and maintenance of the IT infrastructure of Msheireb smart city.</p>

Key Investment Highlights

Leading Position in Digitalization

- World is experiencing a data boom, creating significant demand for data centers and IT services
- Operate in a market where energy prices and telecom connectivity are favorable making supply chains reliable
- Qatar's Data Center pioneer

Unique Product Offering

- Fully integrated, end-to-end IT services in Qatar offering managed services, solution services, and cloud services
- Five state-of-the-art data centers with guaranteed uptime of 99.98%
- Ongoing expansion plans

Strong Financials

- Strong stable growth over the last 3 years with revenue growing 11.3% CAGR between 2020 and 2022
- Net income growing at a CAGR of 22.4% over the last 3 years to reach 52.1 million in 2022
- Healthy financial position with a growing fixed asset base, significant cash reserves, and low leverage

Long-term customer relationships

- Client base of numerous strategic sovereign entities, international hyper-scalers and large corporates.
- Majority long-term contracts
- Recurring revenue streams, high visibility on cash flows, and ability to cross-sell new managed services

Experienced Leadership

- Senior management team with significant professional experience delivering key strategic projects
- Blend of local Qatari leaders coupled with the global expertise of foreign senior management members
- Experience from some of the largest technology and service provider companies in the world



Thank You

MEEZA Investor Relations



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