



Q3 2024 Earnings Call

28 October 2024



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Operations

Overview



Operational Highlights

Growth Drivers

- Signed a deal >QR 100 million to deliver 1 megawatt in M-VAULT 4
- Increased Data Center capacity utilization from 88% to 96%
- M-VAULT 4 expansion expected to start in Q4 FY24
- M-VAULT 6 build expected to start in H1 FY25



Financial Results

- Recurring revenues (excl. Solutions) increased 7.5% to reach QR 229.3 million
- Data Centers and Managed Services grew by 8% and 12%
- Gross margin expands 5.7pp to 32.7%
- Net Profit of QR 42.0 million impacted by drop in Solutions



Operational Indicators

- QR 1.5 billion in future committed contract value with a net pipeline exceeding QR 1.6 billion
- 7 major clients onboarded
- QR 278 million in collections YTD
- MEEZA added to Al Rayyan Islamic Finance Index



YTD YoY Comparison



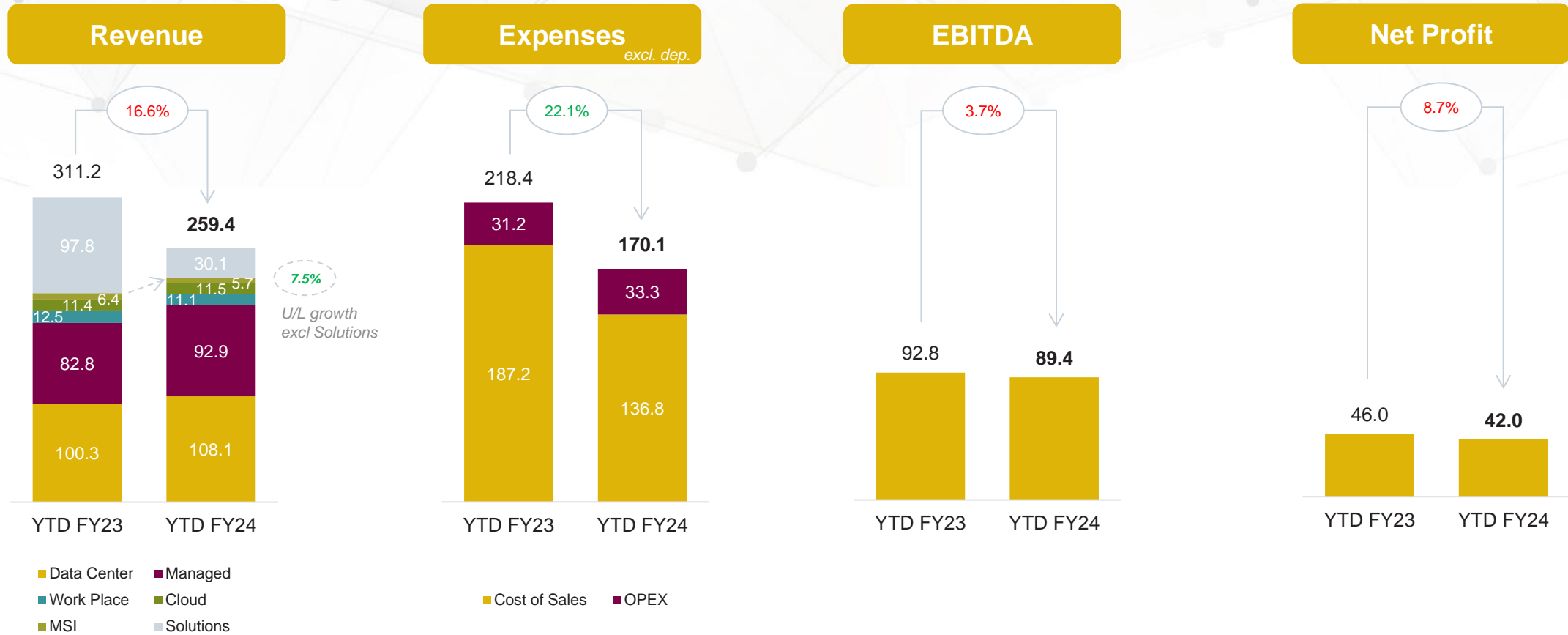
Operations

Financial Results



YTD FY24 Financial Performance | YTD FY24 v YTD FY23

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



- Total Revenue decreased by 16.6% due to low-margin Solution Services, underlying Revenue growth of 7.5% excluding Solutions
- Expenses decreased by 22.1% as a result of lower revenue, cost optimization and one-off cost actualization
- EBITDA 3.7% lower from revenue flow through. EBITDA margin increased 5.5pp to 34.4% driven by increase in higher margin segments
- Net Profit 8.7% lower from EBITDA flow through and lower finance income, but Net Profit Margin improved by 1.4pp to 16.2%

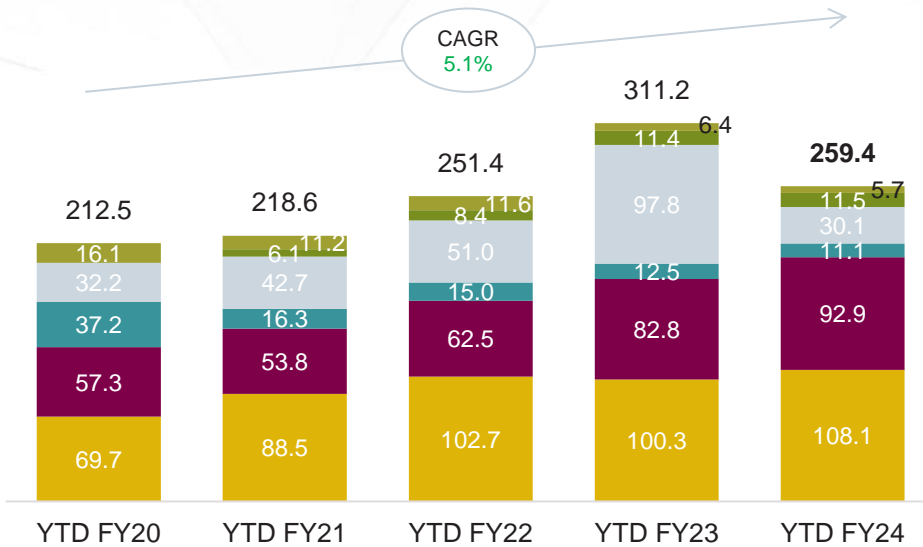
YTD FY24 Financial Performance | YTD Sep FY Trend

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

Revenue

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

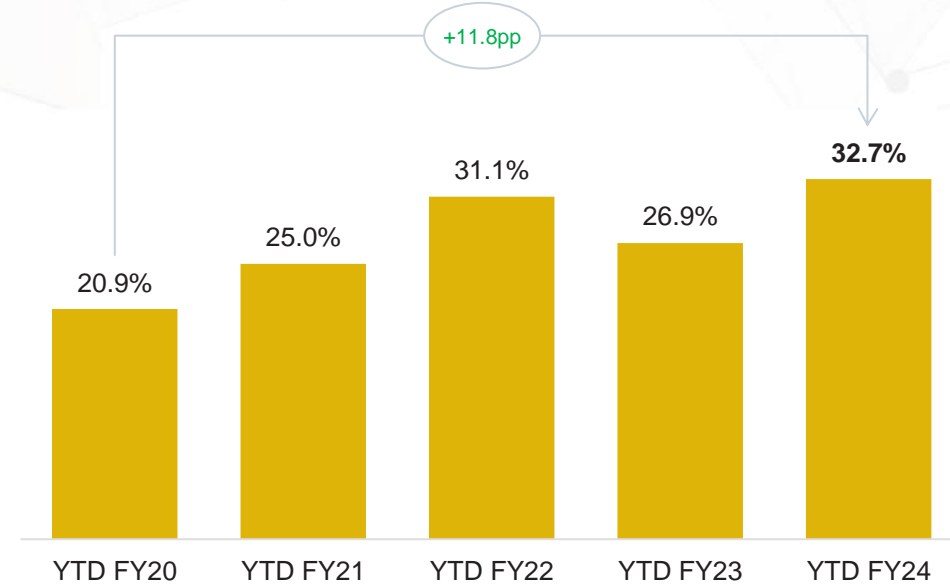
CAGR
5.1%



Revenue
excl.
Solutions

YTD FY	Revenue excl. Solutions
YTD FY20	180.4
YTD FY21	176.0
YTD FY22	200.4
YTD FY23	213.4
YTD FY24	229.3

Gross Margin %



Gross
Margin
(QR)

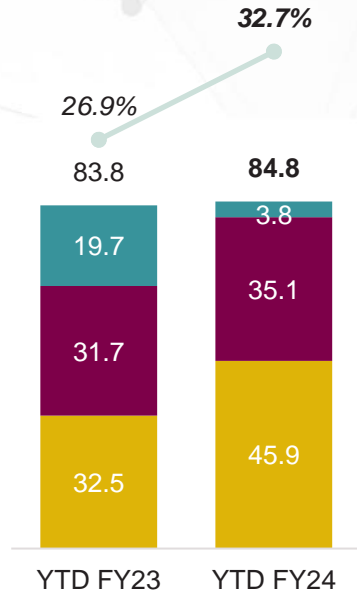
YTD FY	Gross Margin (QR)
YTD FY20	44.3
YTD FY21	54.6
YTD FY22	78.1
YTD FY23	83.8
YTD FY24	84.8

- Revenue growth across key higher margin segments: Data Centre Services (8%) & Managed Services (12%)
- Highest Gross Margin YTD (QR 84.8m) in Company's history despite drop in Solutions
- Gross Margin % continued strong trend to reach 32.7%, highest level in past 5 years

YTD FY24 Gross Margin Analysis | YTD FY24 v YTD FY23

Year on Year | QRm

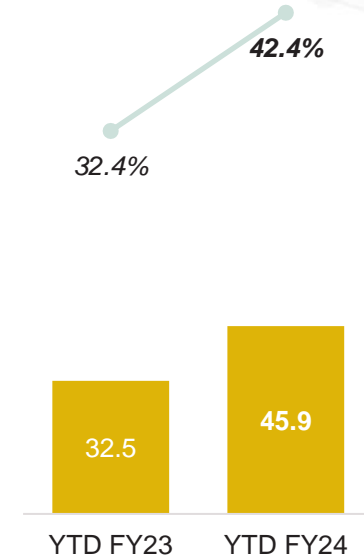
Total



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

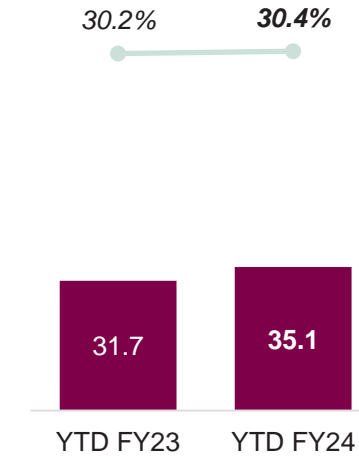
Data Center

Colocation, data suite, hyperscalers



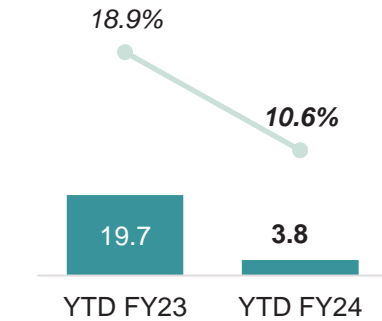
MS, Cloud & Workplace

Tailored IT services incl. applications & infrastructure, provision & management of end-to-end network solutions



Solutions & MSI

Ad hoc IT consultancy, integration, hardware, software resale and installation services, and smart cities systems integrator services

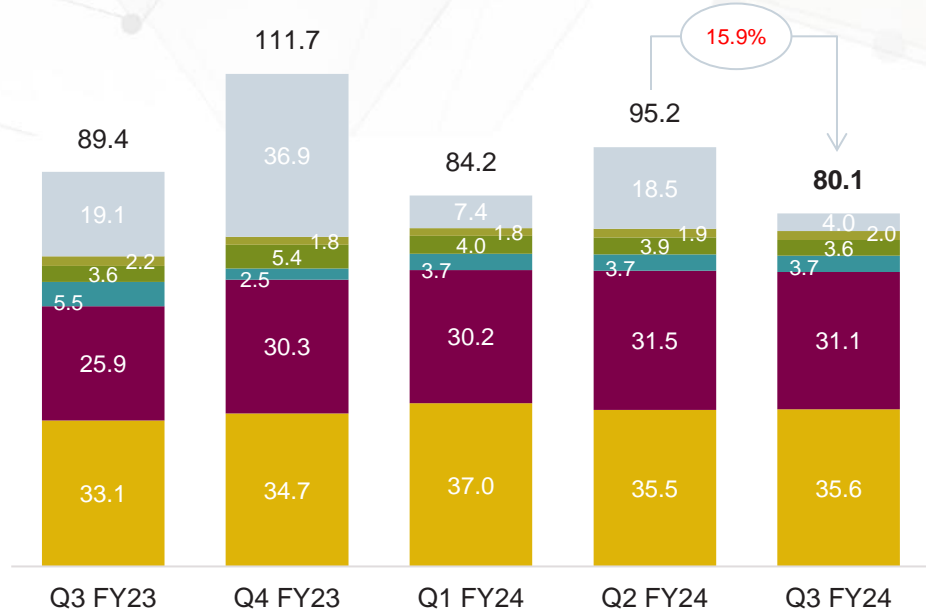


- Data Centre Gross Margin improved to 42.4% as a result of revenue growth and one-off cost actualization
- Other recurring revenues (MS, Cloud and Workplace) maintained healthy margins >30%

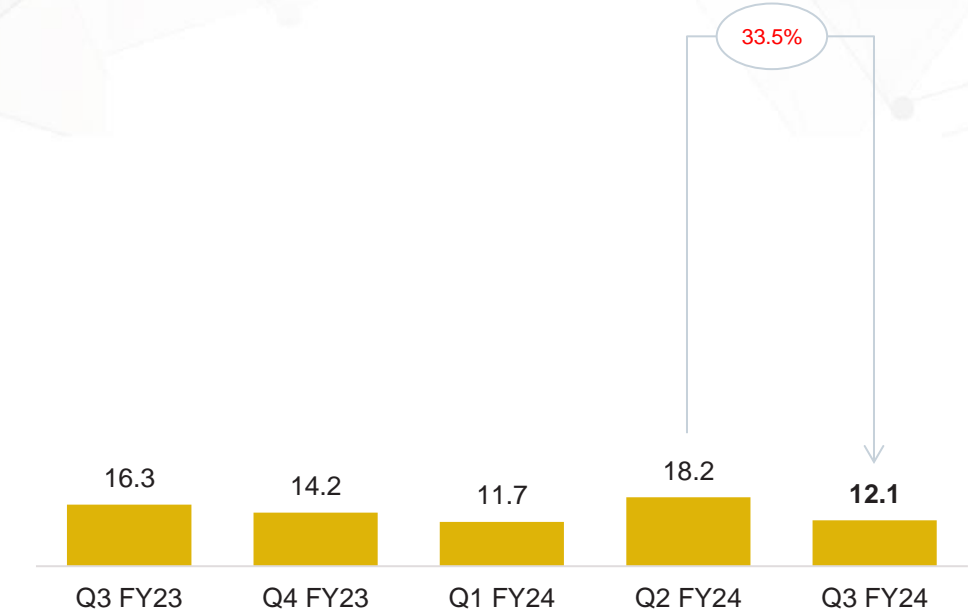
YTD FY24 Financial Performance | Quarterly Trend

Quarter on Quarter | QRm

Revenue



Net Profit



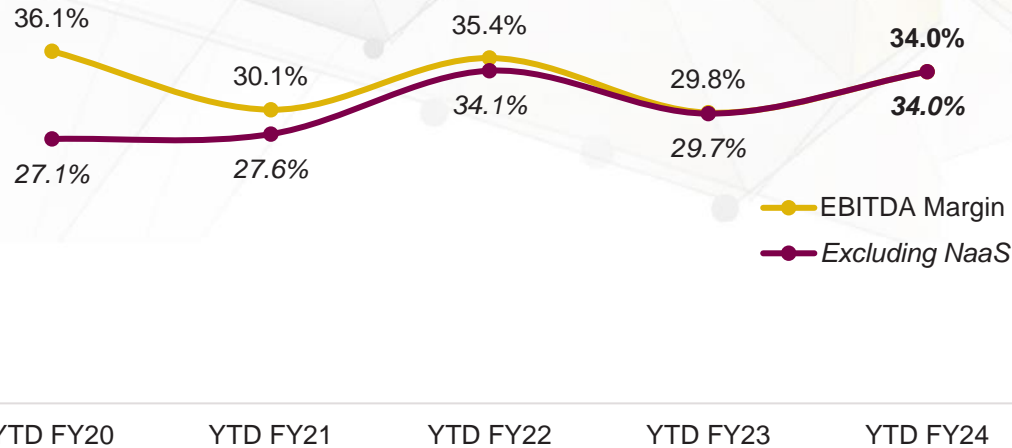
■ Data Center ■ Managed ■ Work Place ■ Cloud ■ MSI ■ Solutions

- Total Revenue decreased 15.9% QoQ due to lower Solution Services revenue offset by growth in Data Centre and Managed Services segments
- Net Profit 33.5% lower QoQ primarily due to lower revenue and one-off cost actualization

YTD FY24 Financial Performance | YTD FY24 Margins

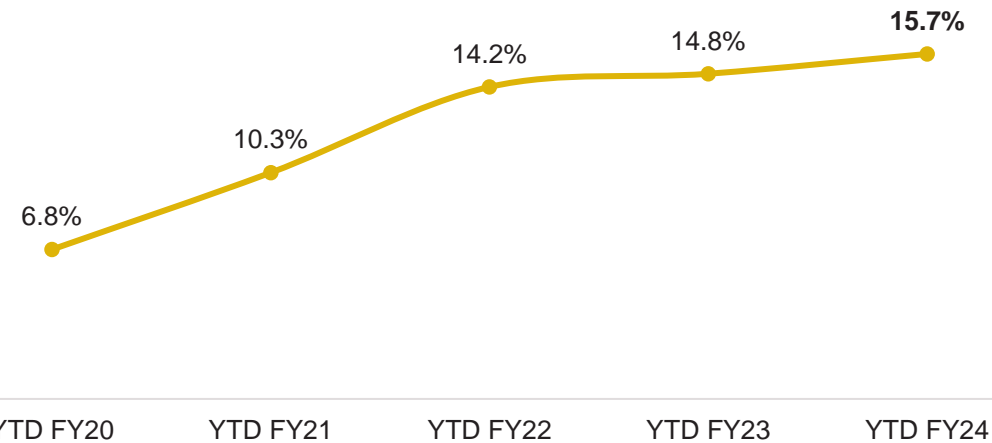
Year on Year

EBITDA Margin



EBITDA margin excluding NaaS contract increased by 6.9pp since FY20 driven by revenue growth in high margin segments and cost optimization

Net Profit Margin

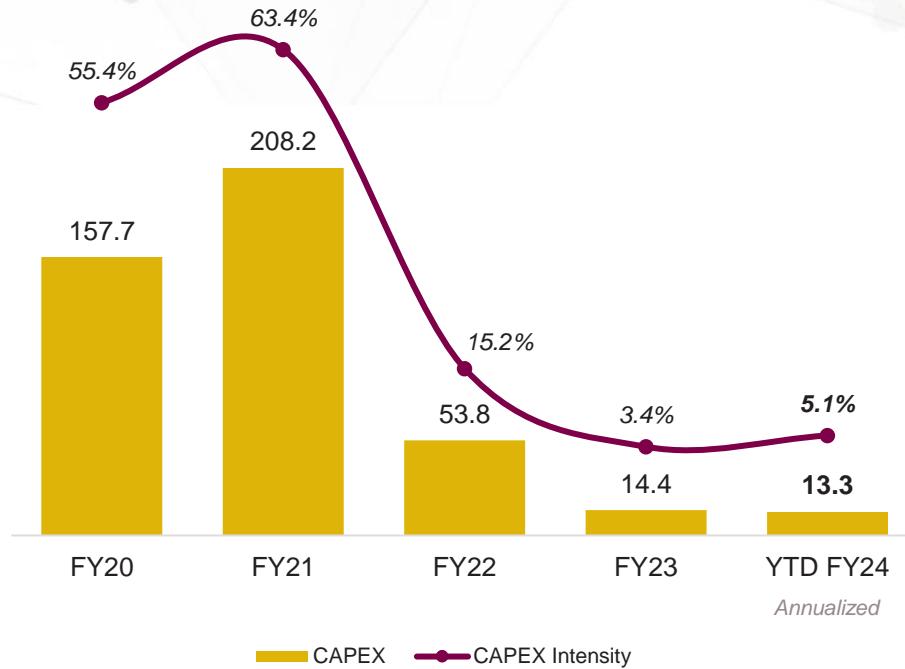


Net Profit Margin expands 8.9pp since FY20 driven by higher EBITDA flow through, higher returns from capital expenditure and lower depreciation

YTD FY24 Financial Performance | Capital Expenditure

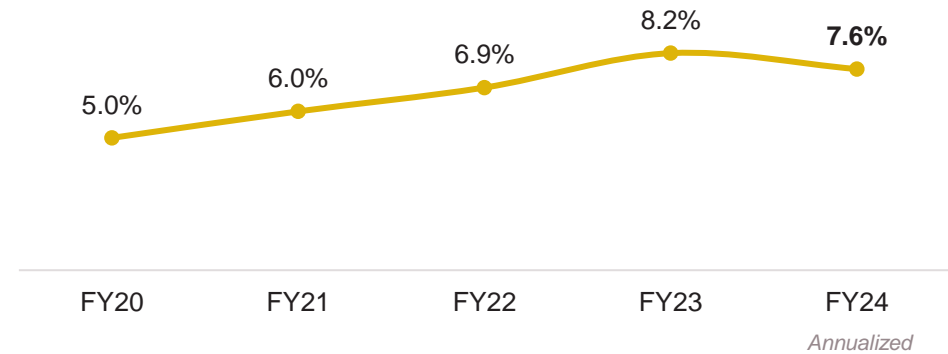
QRm

CAPEX



Return on Capital Employed

(Net Profit + Borrowing costs) / Average (Equity + Loans)



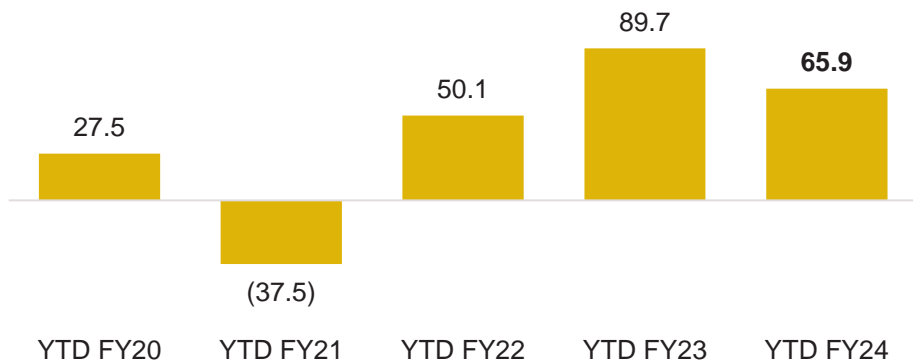
- FY20 & FY21 CAPEX impacted by the construction of MV2 extension (0.9MW) and MV4 (4 MW)
- FY22 CAPEX driven by MV5 construction (1.2MW)
- FY23 and FY24 CAPEX mainly includes maintenance and replacement CAPEX, ramp up starting in 2025

YTD FY24 Financial Performance | YTD Cash Flow from Operations

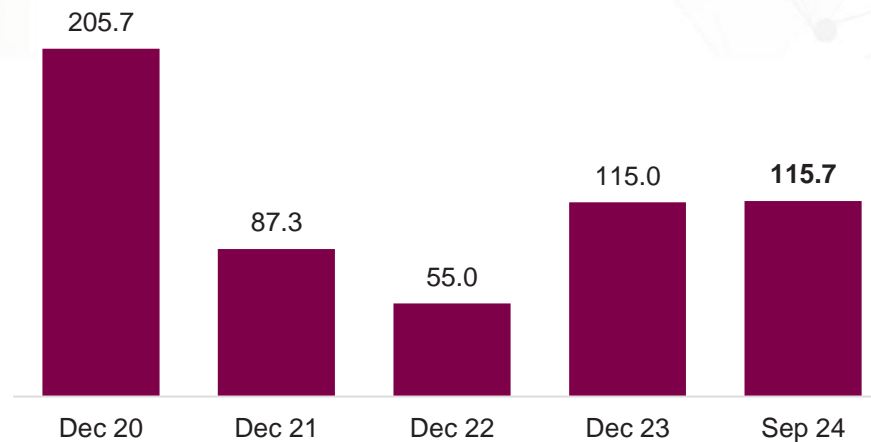
QRm

Cash generated from Operations

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



Net Cash



Dividend	33.0	-	66.0	18.4	52.7
Cash	265.8	235.7	203.4	250.0	240.7
Debt	60.2	148.4	148.4	135.0	124.9

- FY24 cash flow impacted by vendor payments and prepayments partially offset by higher collections
- Company in net cash position of QR 115.7m with QR 240.7m cash on hand

Q&A



Appendix



YTD FY24 | Statutory results

Consolidated Statement of Income & Statement of Financial Position

QR 000's (unless otherwise stated)	Sep 30, 2024 (un-audited)	Sep 30, 2023 (un-audited)	YoY
Revenue	259,436	311,231	(51,795)
Cost of sales	(174,635)	(227,377)	52,742
Gross profit	84,801	83,854	947
General and administrative expenses	(37,329)	(35,025)	(2,304)
Operating profit	47,472	48,829	(1,357)
Other income/(expenses)	615	(16)	631
Finance income	6,770	10,354	(3,584)
Interest expense on lease liabilities	(6,289)	(6,257)	(32)
Finance costs	(6,570)	(6,893)	323
Profit for the period	41,998	46,017	(4,019)
Other comprehensive income	-	-	-
Total comprehensive income for the period	41,998	46,017	(4,019)
Basic and diluted earnings (QR Per share)	0.06	0.07	N/A
Number of Shares (000's)	648,980	648,980	N/A



QR 000's (unless otherwise stated)	Sep 30, 2024 (un-audited)	Dec 31, 2023 (Audited)	YoY
ASSETS			
Non-current assets			
Property, plant and equipment	455,490	475,280	(19,790)
Right-of-use assets	136,867	143,231	(6,364)
Contract asset	9,488	11,162	(1,674)
Other non-current assets	2,531	4,447	(1,916)
Total non-current assets	604,376	634,120	(29,744)
Current assets			
Prepayments and other assets	32,914	18,754	14,160
Due from related parties	95,767	43,719	52,048
Contract asset	78,102	120,548	(42,446)
Trade and other receivables	88,573	122,978	(34,405)
Cash and bank balances	240,665	249,975	(9,310)
Total current assets	536,021	555,974	(19,953)
Total assets	1,140,397	1,190,094	(49,697)
EQUITY and LIABILITIES			
Equity			
Share capital	648,980	648,980	-
Statutory reserve	18,736	14,537	4,199
Retained earnings	41,052	55,942	(14,890)
Total equity	708,768	719,459	(10,691)
Non-current liabilities			
Employees' end of service benefits	11,998	11,251	747
Contract liability	30,441	33,466	(3,025)
Lease liabilities	141,173	148,396	(7,223)
Borrowings	111,543	121,597	(10,054)
Total non-current liabilities	295,155	314,710	(19,555)
Current liabilities			
Contract liability	20,103	16,104	3,999
Lease liabilities	10,476	9,934	542
Borrowings	13,404	13,404	-
Due to related party	3,044	6,193	(3,149)
Trade and other payables	89,447	110,290	(20,843)
Total current liabilities	136,474	155,925	(19,451)
Total liabilities	431,629	470,635	(39,006)
Total equity and liabilities	1,140,397	1,190,094	(49,697)



Thank You

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