

# Ooredoo Group 9M 2017 Results

30 October 2017



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  - 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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# Group Results

## Key Highlights – 9M 2017

### Revenue growth in local currency terms across our main markets

- Revenue stood at QAR 24.5 billion: In local currency terms growth in Indonesia, Oman, Kuwait, Tunisia, Iraq and the Maldives. Excluding Foreign Exchange translation impact, revenues would have increased by 2% compared to the reported 1% revenue increase .
- Group EBITDA increased to QAR 10.5 billion, EBITDA margin increase to 43%, indicating an improvement in operational performance from 9M 2016 (42%). Excluding Foreign Exchange translation impact, Group EBITDA would have increased by 4% year-on-year.
- Group Net Profit to Ooredoo shareholders decreased by 15% to QAR 1.6 billion. Excluding foreign exchange impact, net profit attributable to Ooredoo shareholders would have decreased by 8%. Net Profit for 9M 2016 benefitted from significant Foreign Exchange gains of QAR 200 million in 2016. However, these temporary gains were reversed in Q4 2016. Additional government levies in Oman, challenging market conditions in Qatar and unfavourable foreign exchanges rates in Tunisia impacted the Group Net Profit.

### Group customers increased by 13% YoY to almost 150 million

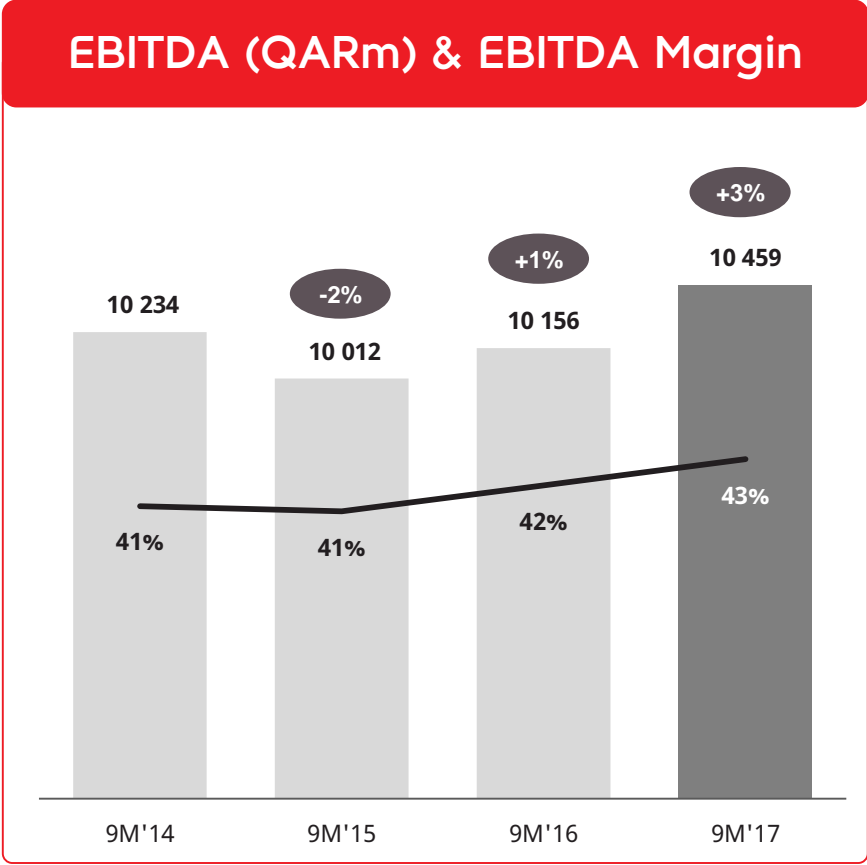
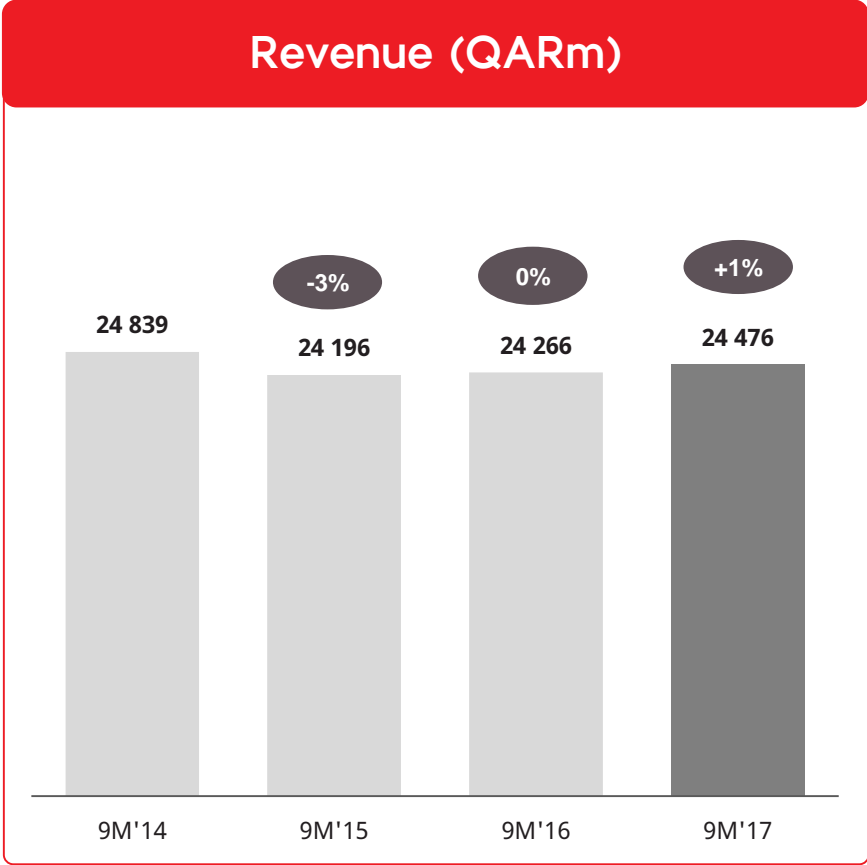
- Driven by strong growth in Indonesia, Iraq, Algeria, Tunisia, Oman, Qatar and the Maldives.

### Group Data revenue share in total revenue reached 45%

- Strong data growth from consumer and enterprise customers continued: data revenue increased to 45% of Group revenue. Revenue from data contributed QAR 11.1 billion in 9M 2017.

# Group Results

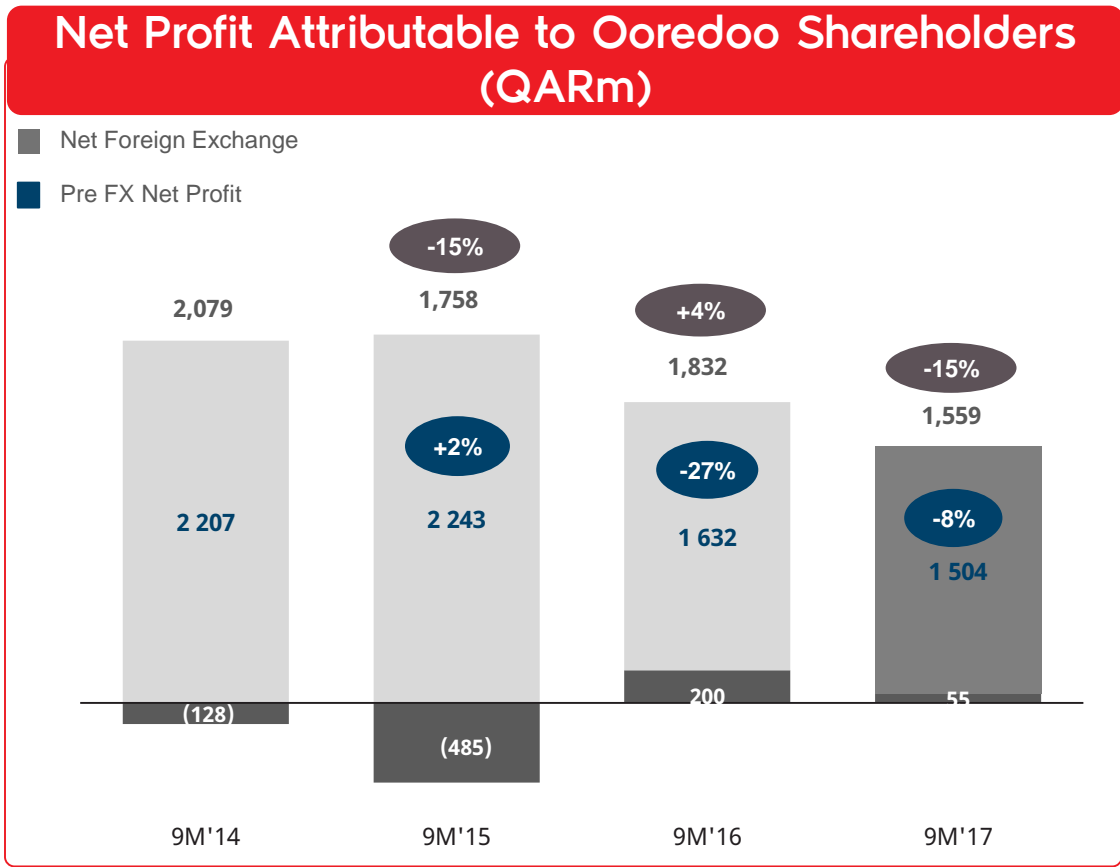
## Revenue and EBITDA



**Positive Revenue and EBITDA trends**  
 Revenue up in Indonesia, Oman, Kuwait, Iraq & Maldives, challenging environment in Qatar, Algeria & Myanmar  
 Excluding FX impact Revenue up 2% and EBITDA up 4%

*Note: All Indosat results as reported adhere to IFRS which may in some instances differ from INDOGAAP*

# Group Results Net Profit

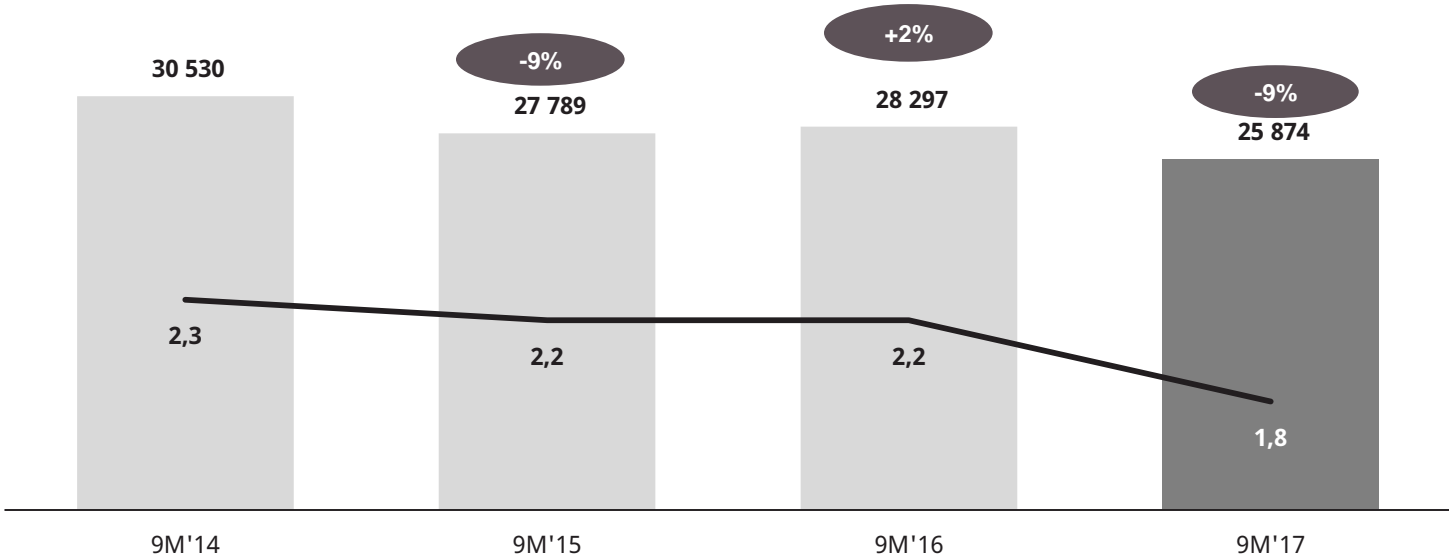


**Net Profit in 2016 benefitted from FX related gains, normalized NP is limited to an 8% decrease  
Additional Government levies in Oman, challenging environment in Qatar and devaluation of Tunisian Dinar**

# Group Results

## Net Debt

### Net Debt (QARm) & Net Debt/EBITDA ratio



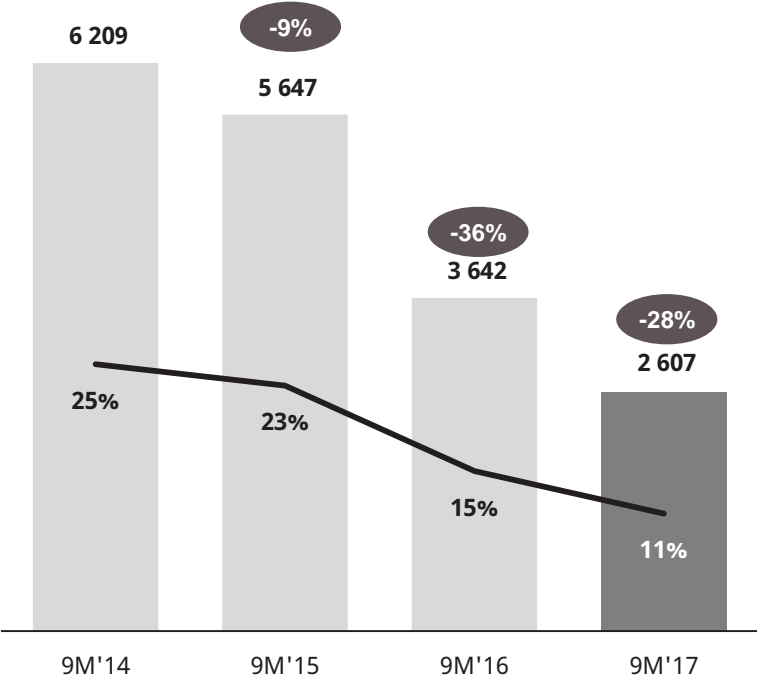
**Positive trend of lower Group Net Debt continued, Net Debt to EBITDA ratio at 1.8x  
Lower half of the board guidance between 1.5 and 2.5x (bank covenant 4x)**

*Note: Net Debt = Total interest bearing loans and borrowings (Net of project finance entities) + contingent liabilities (letters of guarantee + letters of credit + finance lease + vendor financing) – cash (net of restricted cash and below BBB+ rating)*

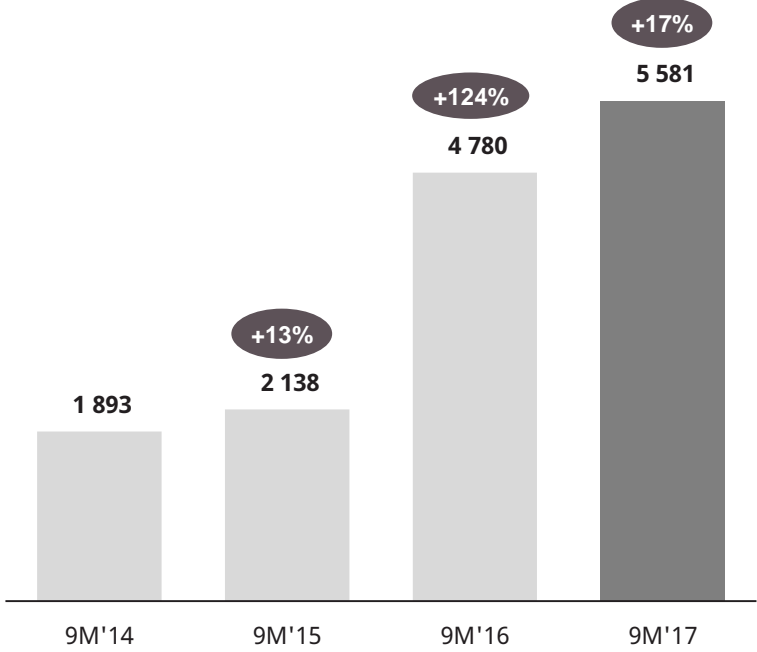
# Group Results

## Free Cash Flow and Capital Expenditure

### CAPEX (QARm) & CAPEX/Revenue (%)



### Free Cash Flow (QARm)



**Free Cash Flow improvement supported by lower CAPEX**  
**Investment into network continued to maintain strong competitive position**

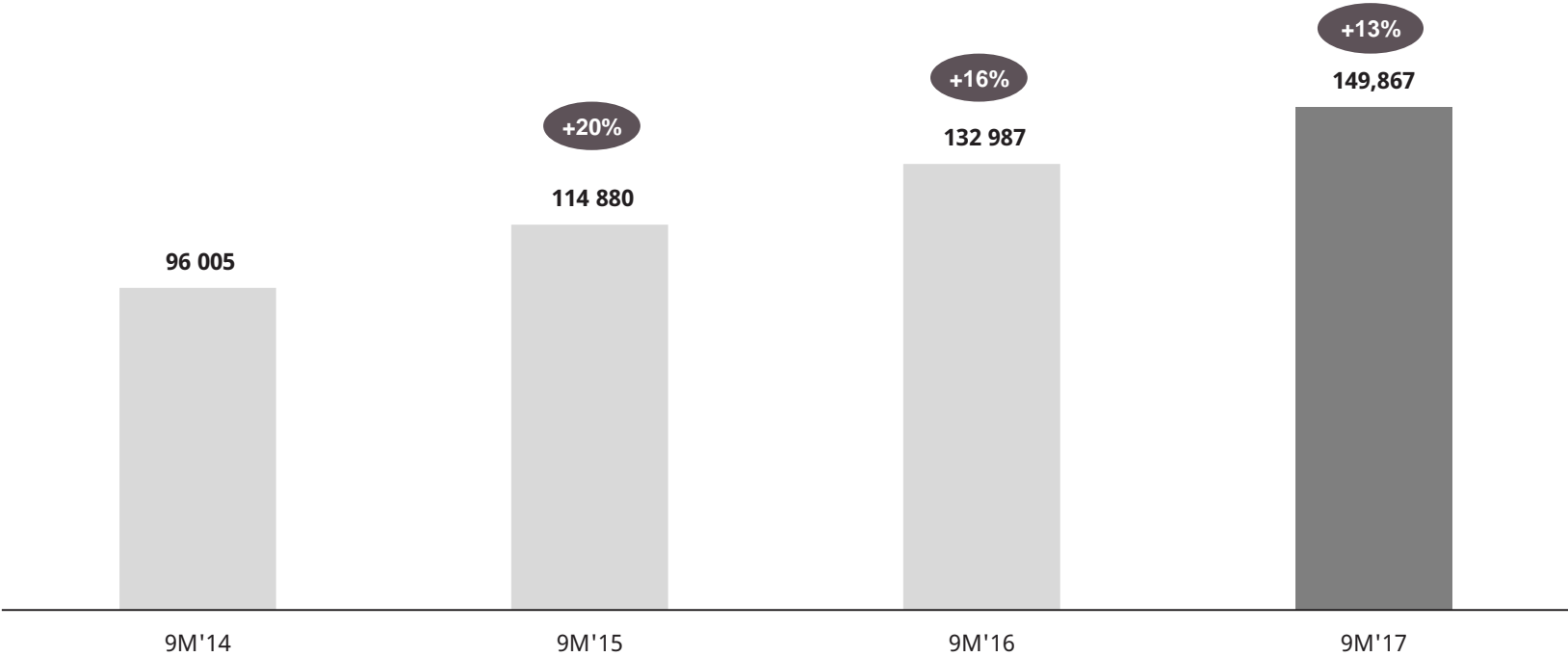
*Note: Free cash flow = Net profit plus depreciation and amortization less Capex; Capex excludes license fee obligations; Net profit adjusted for extraordinary items.*



# Group Results

## Total Customers

### Total Customers (000)



**Solid customer growth continued driven by Indonesia, Iraq, Algeria, Tunisia, Oman, Qatar and the Maldives**  
**Almost 17 million net new customers gained YoY**

# Group Results

## 2017 9M performance summary

QAR Billion	9M 2017	% Change 9M 2017 / 9M 2016	2017 Annual Guidance
Consolidated Revenue	24.5	+1%	-1% to +2%
EBITDA	10.5	+3%	0% to +3%
Capital Expenditure	2.6	-28%	5.5 bn to 6.5 bn

Revenue on the upper side of full year Guidance  
EBITDA better than forecasted, Capex traditionally highest in Q4

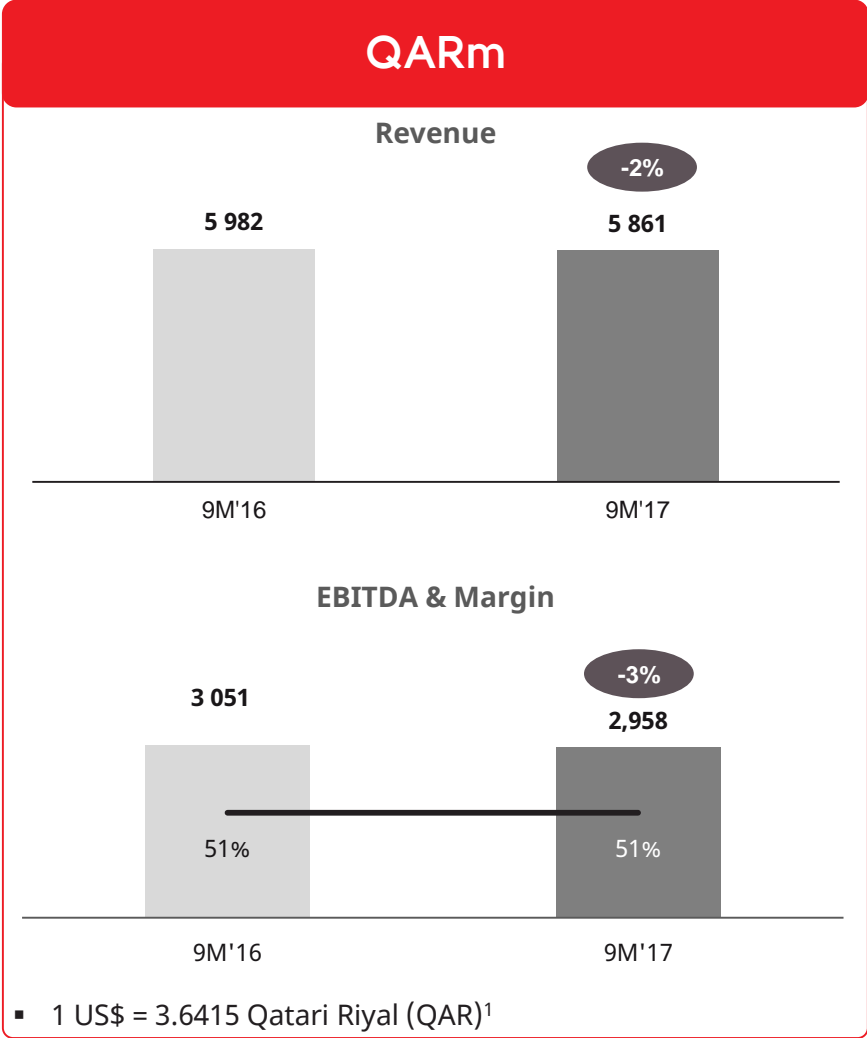
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# Group Operations Qatar



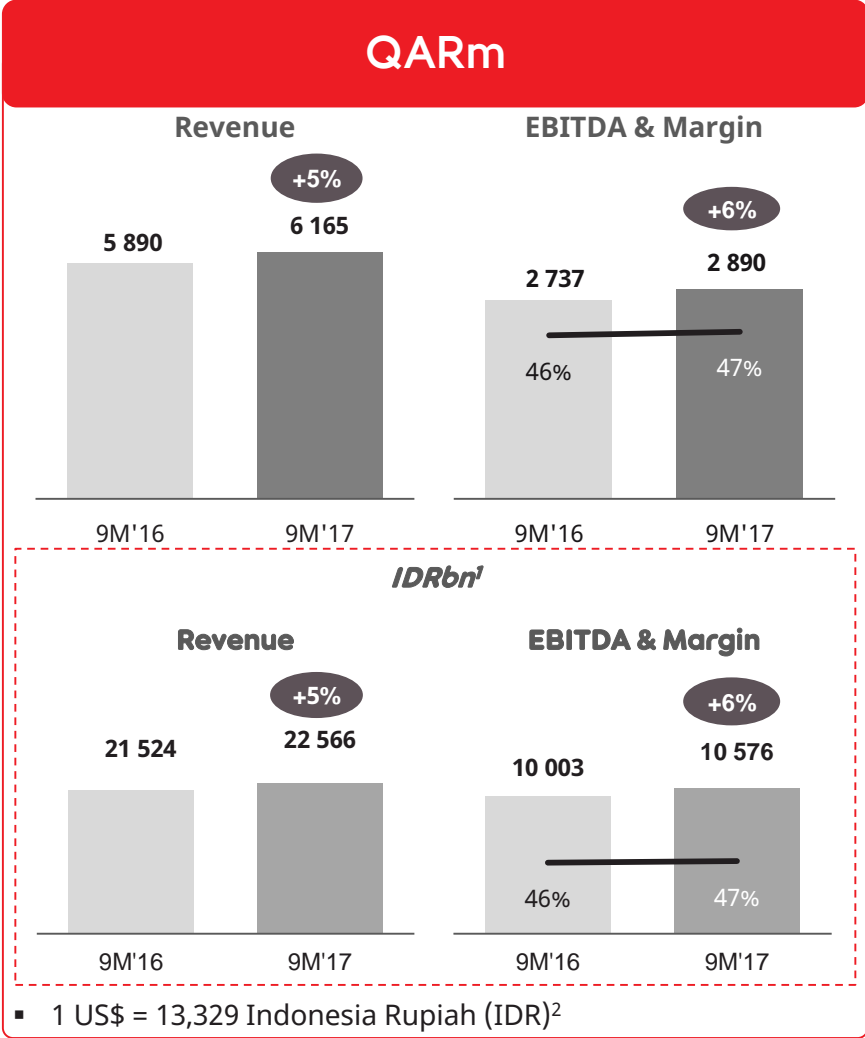
Note: (1) Constant -pegged currency

## Ooredoo Qatar

- Strong market leadership position maintained – Ooredoo’s mobile and fixed line networks ranked among the fastest globally
  - Customer numbers increased by +3% yoy to reach 3.5 million
  - Less international visitors during Eid holidays in August negatively impacting revenue (-2%) and EBITDA (-3%)
  - Good contribution from Ooredoo TV segment (4K Entertainment)
- New promotions:
- “Qatarna Pack” (unlimited local calls, local & roaming data)
  - 50 Mbps fibre plan (double speed)
- Ooredoo Fibre rollout programme more than 500k homes passed, 347k homes connected



# Group Operations Indonesia

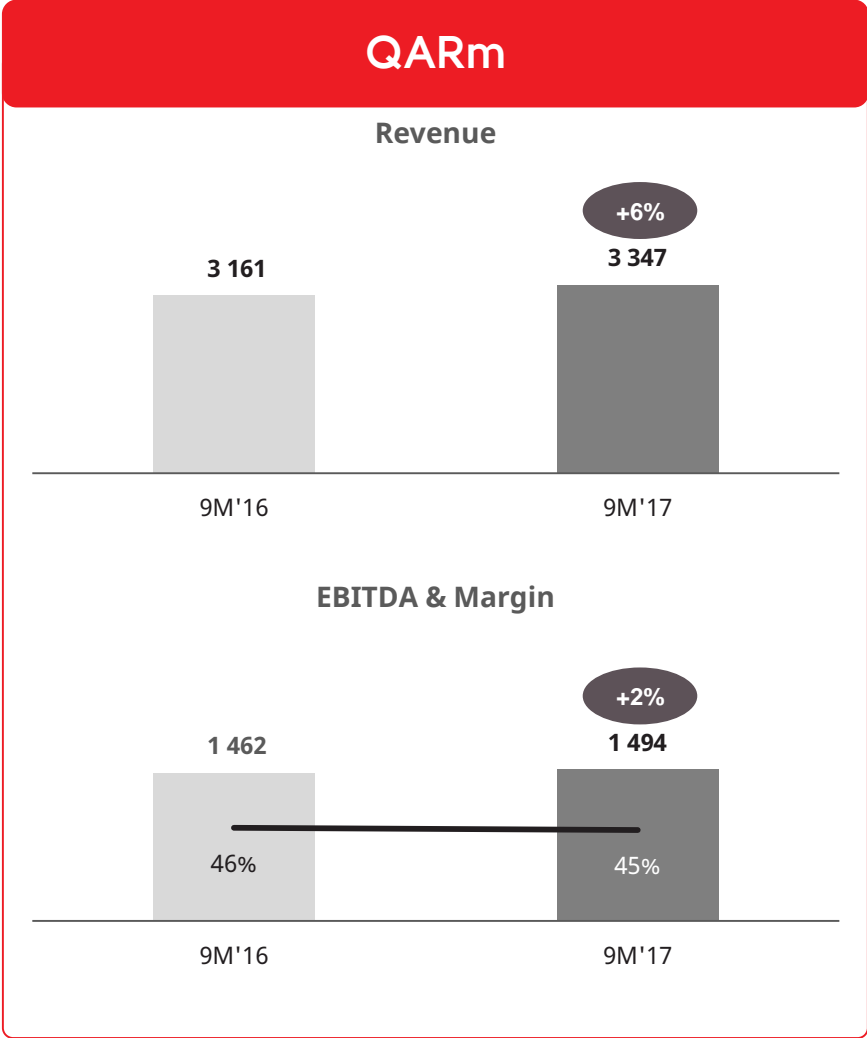


Note: ((1) As per IFRS; (2) Nine month average rate January – September

## Indosat Ooredoo

- Strong revenue growth and gross margin improvement resulted in better EBITDA margin
- Customer number increased by 19% (yoy) to reach 97 million
- Competition in mobile intensified during Q3' 17
- Strong data revenue growth yoy driven by both mobile and fixed
- 4G coverage reached 175 cities in Indonesia covering 32% population

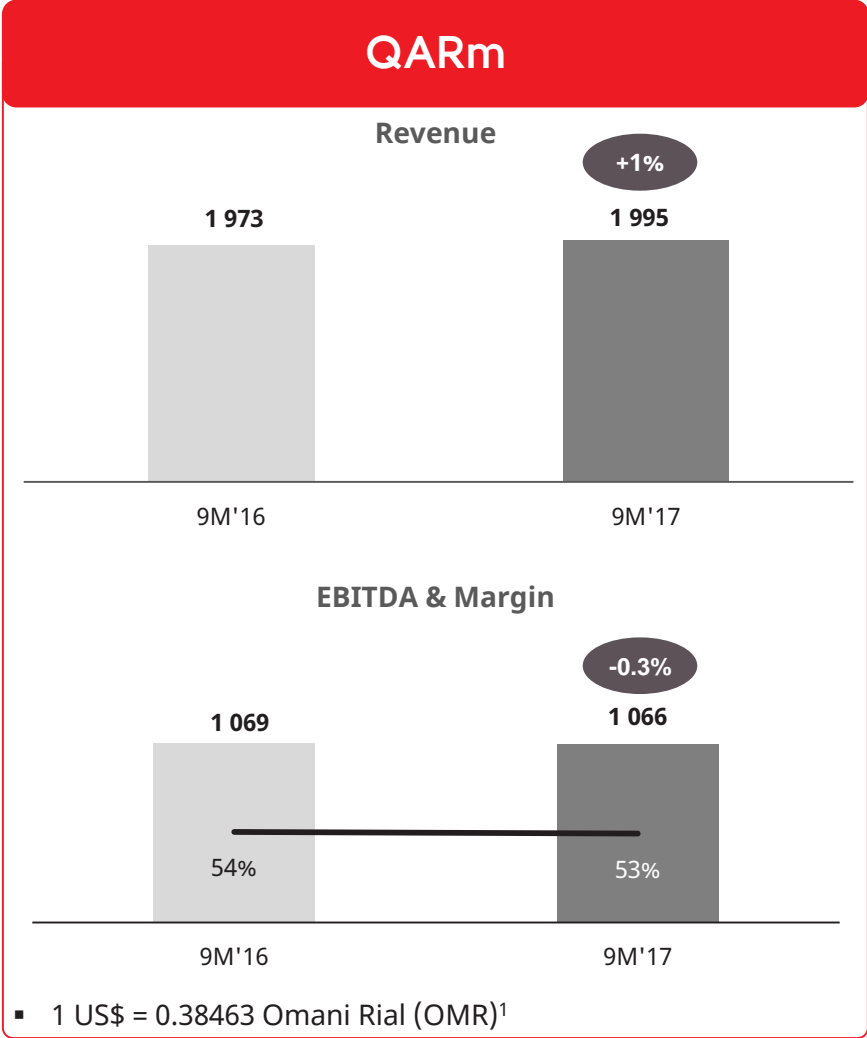
# Group Operations Iraq



## Asiacell

- Solid growth in revenue, EBITDA and customer numbers in 2017
- Customer base increased to 12.5 million as of September 2017 (up by 11%) driven by business returning to newly liberated areas
- Tight cost control continues

# Group Operations Oman

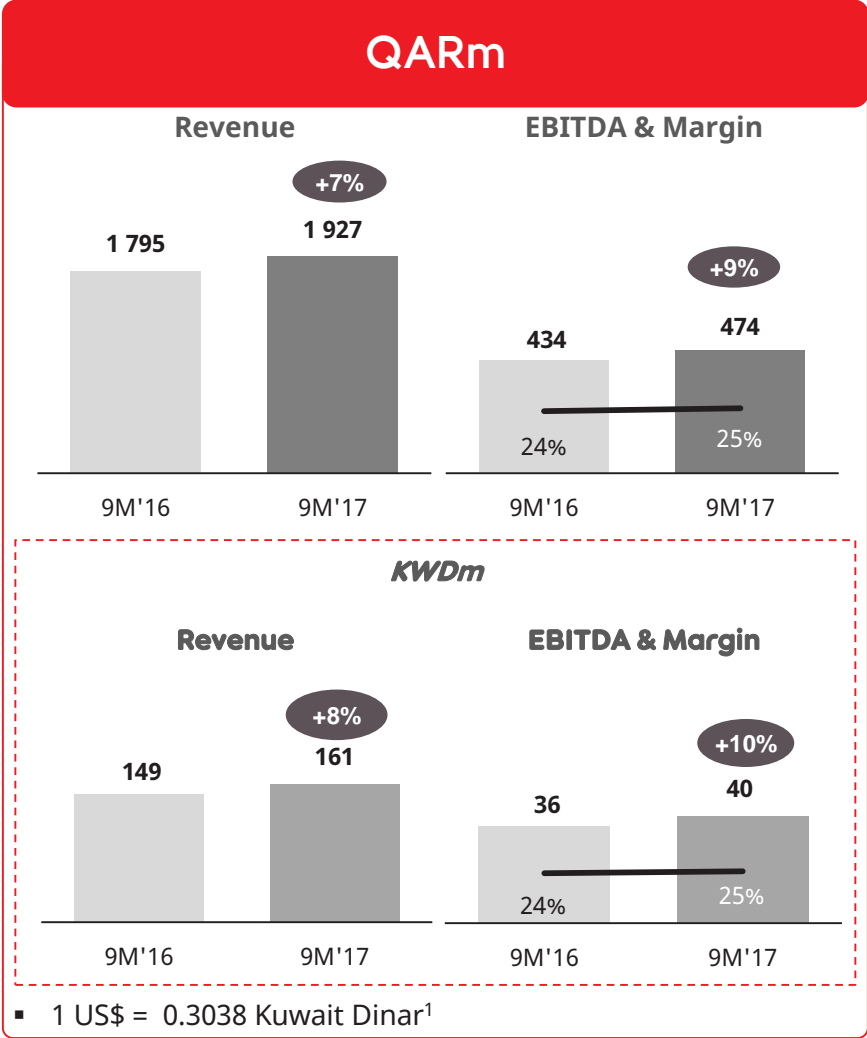


Note: Note: (1) Constant-pegged currency

## Ooredoo Oman

- Mobile and fixed data driving increase in overall revenue
- Customer growth continued in all segments with an increase of 4% YoY to 3 million
- Bottom line results were impacted by increase in royalty fee from 7% to 12% and an increase in income tax rate from 12% to 15%
- Process for third licenses issuance cancelled by Omani government, new focus on a license between local investment fund and a selected global strategic partner

# Group Operations Kuwait



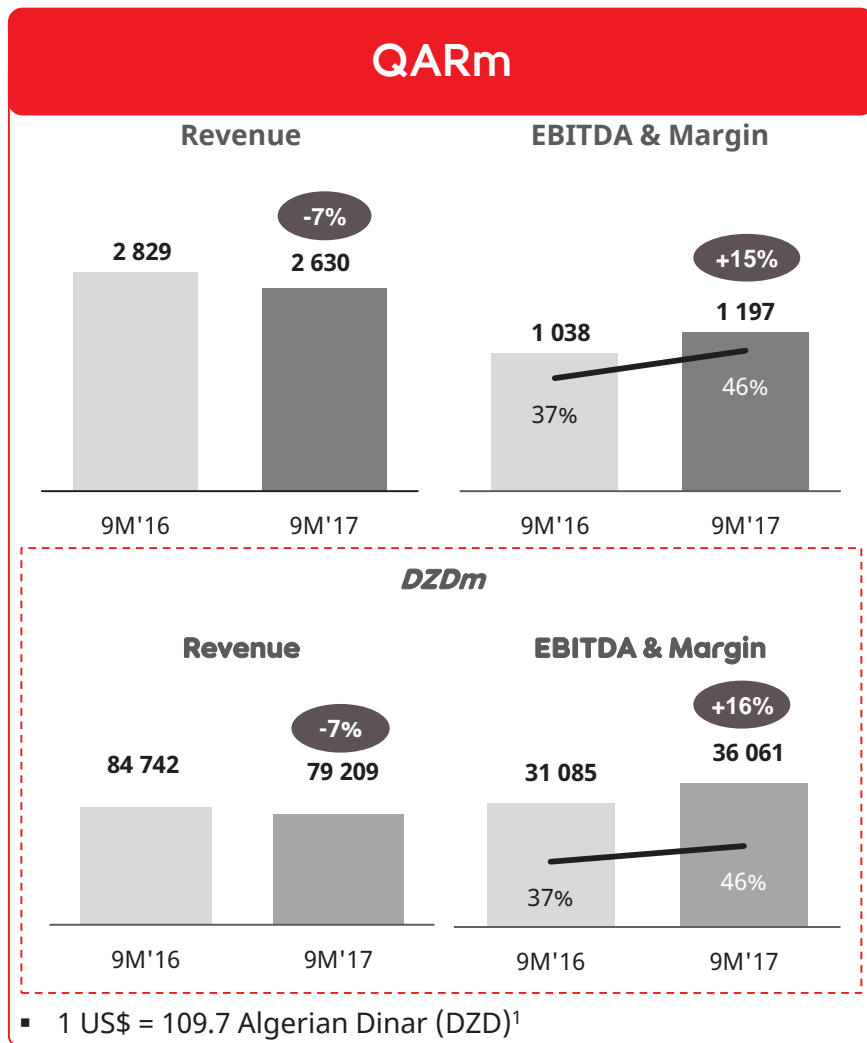
Note: (1) Nine month average rate January – September

## Ooredoo Kuwait

- Fierce competition and challenging economic situation continues in Kuwait, declining customer base in the market
- Increase in revenue driven by higher non-recurring revenue
- Customer number stood at 2.3 million
- Successful launch of iPhone 8, high market interest for an attractive offer
- Cost efficiency program in place
- Network upgrade is progressing ahead of the planned target



# Group Operations Algeria

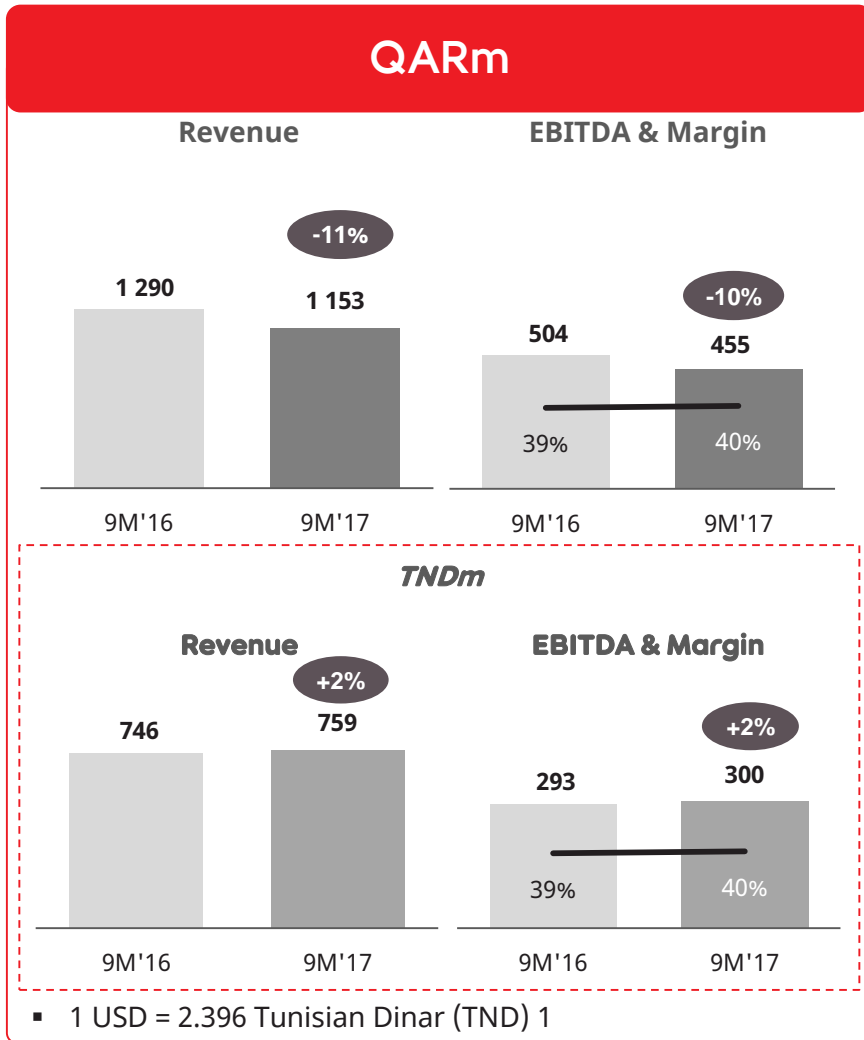


Note: (1) Nine month average rate January – September

## Ooredoo Algeria

- Ooredoo Algeria grew further revenue market share despite challenging market conditions and fierce price competition
- Revenue impacted by increased VAT and challenging economic environment
- Data revenue sustained growth
- Customer number up by 5% to reach 14.2 million
- Ongoing cost optimization efforts and declining handset subsidies to offset overall revenue market decline resulting in improved EBITDA margin

# Group Operations Tunisia

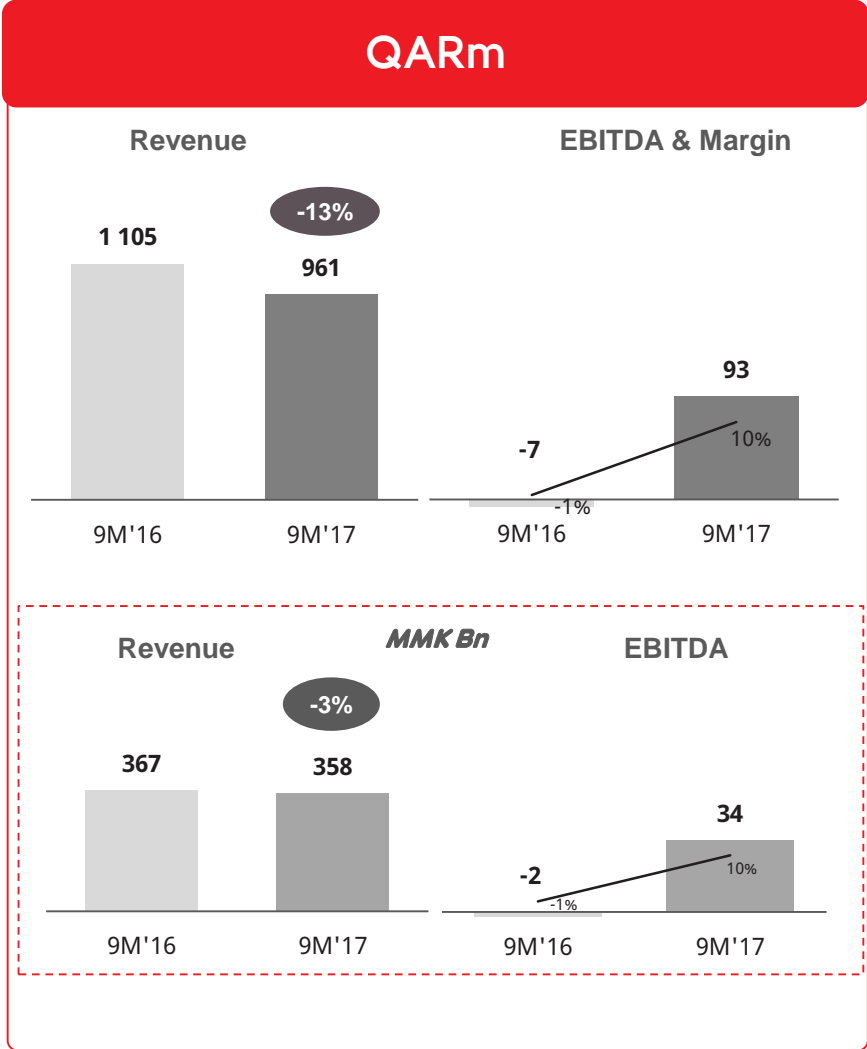


Note: (1) Nine month average rate January – September

## Ooredoo Tunisia

- Against a backdrop of slow economic growth and local currency devaluation (12%), Ooredoo Tunisia grew revenue and EBITDA in local currency terms
- Customers number reached 8.3 million, an increase of 6% yoy
- Data revenue offsets the revenue loss in voice
- Fixed revenue shows further positive growth
- Cost optimization program materialized further savings

# Group Operations Myanmar



## Ooredoo Myanmar

- Despite challenging market conditions, Ooredoo Myanmar recorded strong recurring revenue growth yoy in local currency terms, impacted by currency depreciation (down 9%)
- Mobile data segment continues growth, driven by data bundles and higher smartphone penetration
- Adjustment for inactive subscribers lead to a 12% decrease in customer base serving 7.7 million customers
- Gained revenue market share sequentially in a highly competitive market
- Delivered double digit EBITDA margin in the quarter for the first time since inception, driven mainly from gross margin improvement and lower OPEX intensity
- Launched mobile money services branded M-Pitesan (M-Cash)

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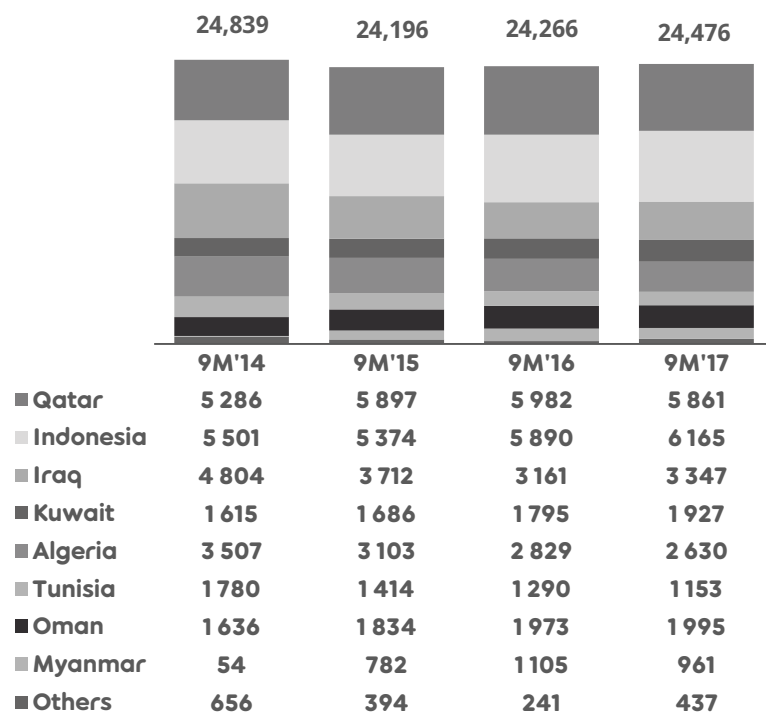
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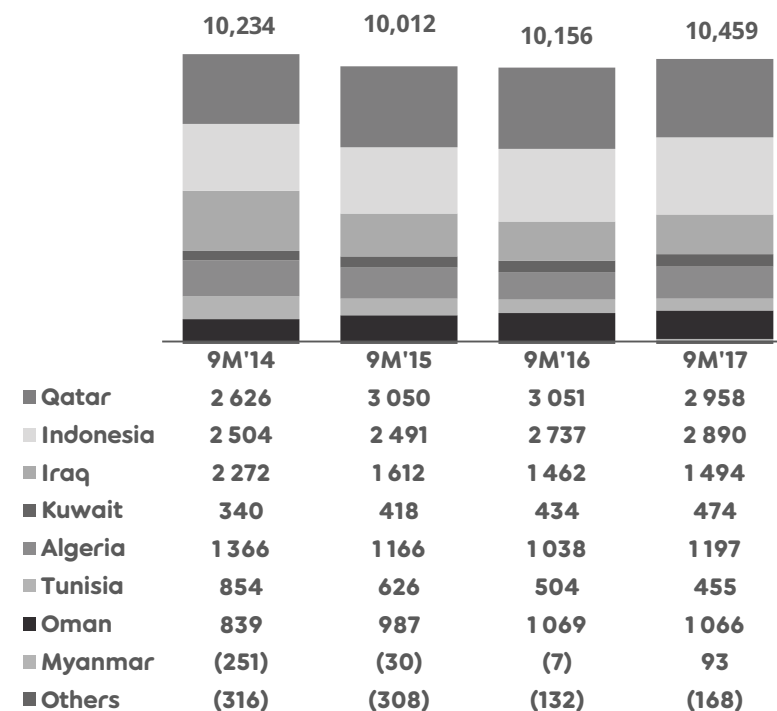
# Additional Information

## Group Revenue and EBITDA Breakdown

### Revenue (QARm)



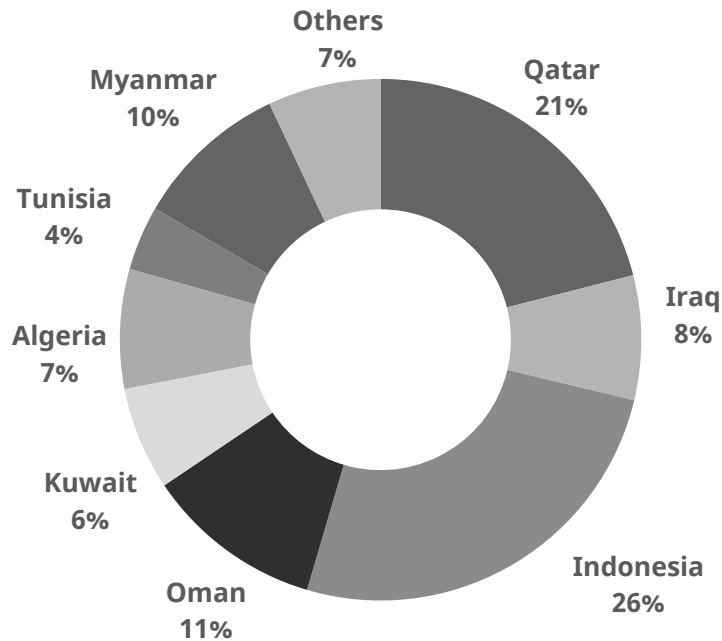
### EBITDA (QARm)



# Additional Information

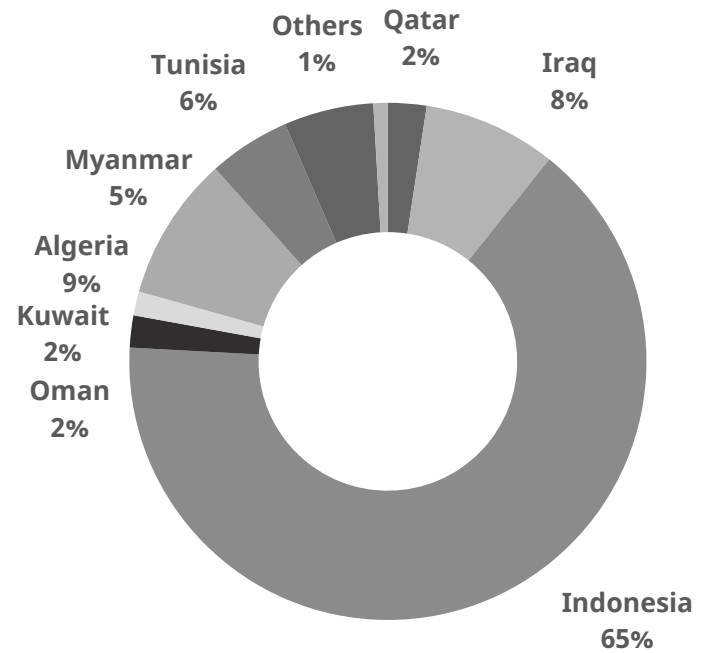
## Group CAPEX and Customers Breakdown

### CAPEX Breakdown (%)



9M 2017 CAPEX = QAR 2,607 m

### Customers Breakdown (%)

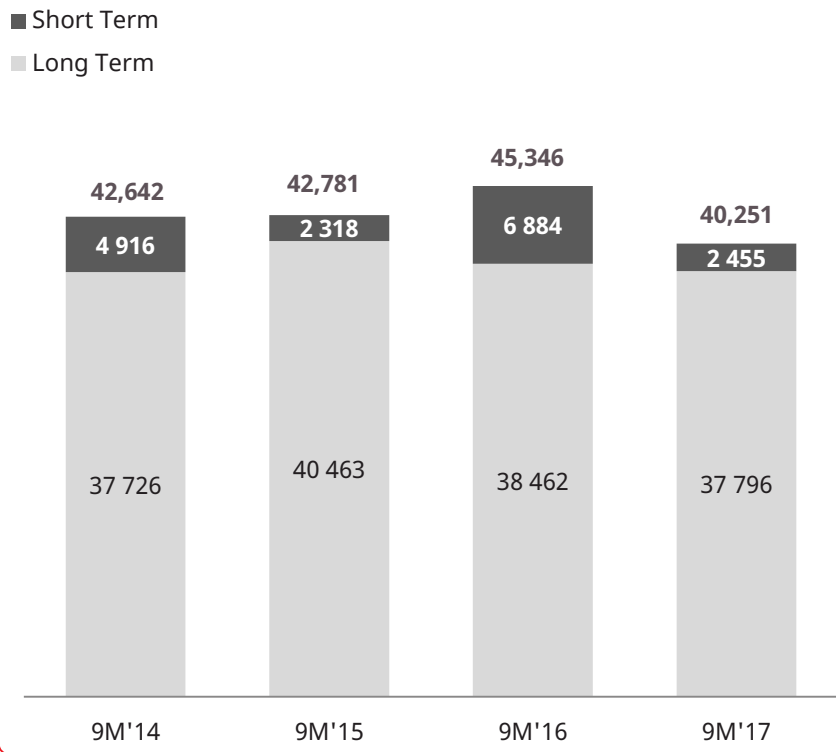


9M 2017 Total Customers = 150 m

# Group Results

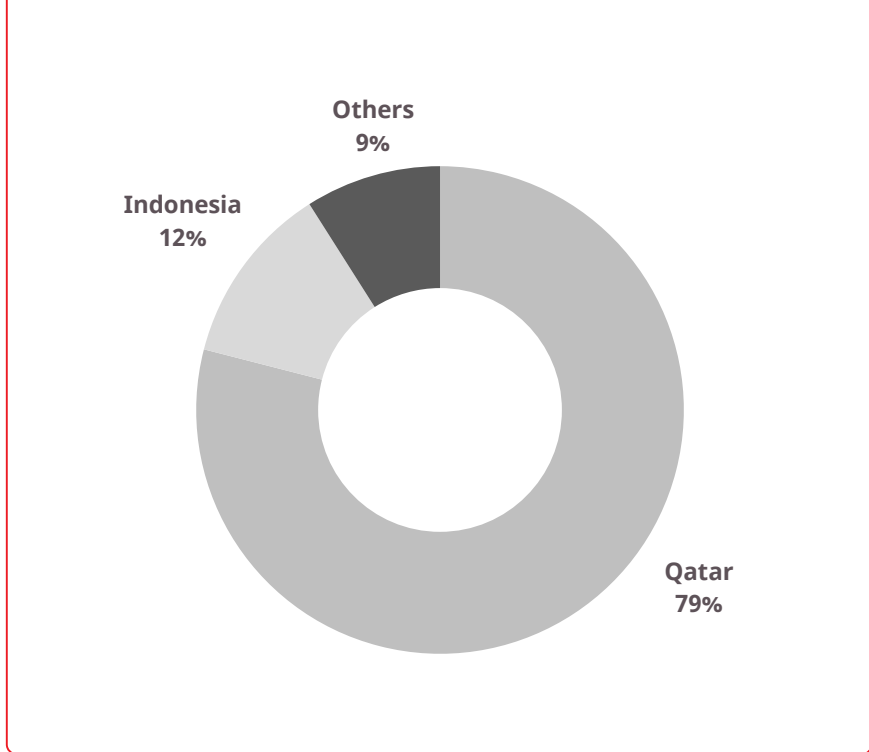
## Total Group Debt Breakdown

### Total Group Debt (QARm)



**Temporary increase in Group debt in 2016 due to prefunding of USD 1 Billion Bond, repaid on 14th October 2016**

### Total Group Debt Breakdown (as of September 30, 2017)

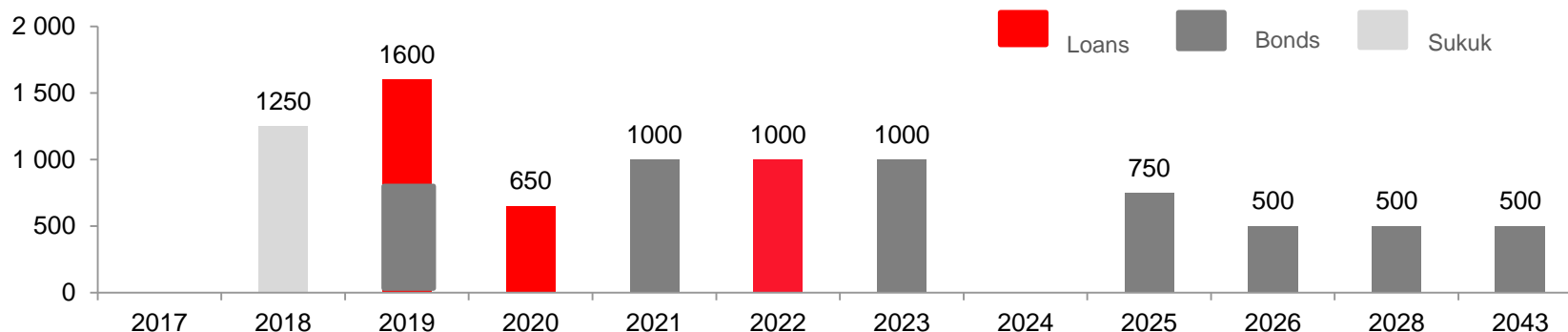


**Group debt mainly at Corporate level**

*Note: Includes Ooredoo International Finance Limited and Ooredoo Tamweel Limited*

# Group Results

## Debt Profile – Ooredoo QPSC level



Loan Type (in USD mn)	Amount	Usage	Rate*	Maturity	Bonds/Sukuk (in USD mn)	Issue Amount	Interest/Profit Rate	Maturity	Listed in
QAR3bn RCF	824	0	QAR Money Market	31 Jan 2018	Fixed Rate Bonds due 2019	600	7.875%	10 Jun 2019	LSE
USD1bn RCF	1,000	1,000	Libor + 100bps	17 May 2019	Fixed Rate Bonds due 2021	1,000	4.75%	16 Feb 2021	LSE
USD 500mn RCF	500	500	Libor + 88bps	06 May 2020	Fixed Rate Bonds due 2023	1,000	3.25%	21 Feb 2023	ISE
USD150mn Term Loan	150	150	Libor + 90bps	31 Aug 2020	Fixed Rate Bonds due 2025	750	5.00%	19 Oct 2025	LSE
USD1bn RCF	1,000	1000	Libor+ 140bps	07 Jun 2022	Fixed Rate Bonds due 2026	500	3.75%	22 Jun 2026	ISE
					Fixed Rate Bonds due 2028	500	3.875%	31 Jan 2028	ISE
					Fixed Rate Bonds due 2043	500	4.50%	31 Jan 2043	ISE
					Sukuk due 2018	1,250	3.039%	03 Dec 2018	ISE
<b>Total Loans</b>	<b>3,474 m</b>	<b>2,650 m</b>			<b>Total Bonds and Sukuk</b>	<b>6,100 m</b>			

Total outstanding debt as at 30 September, 2017 at Ooredoo QPSC level

USD 8,750 million

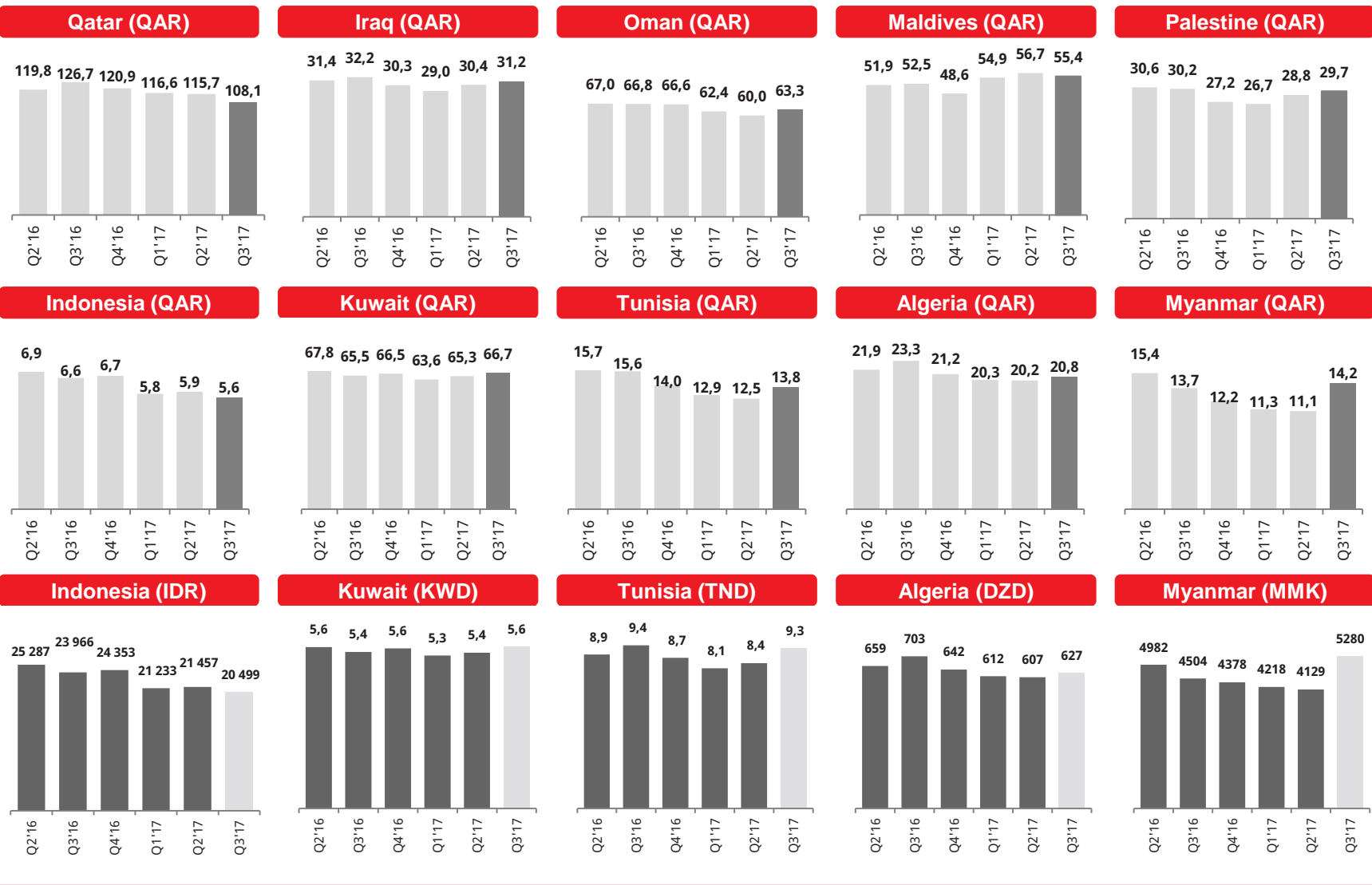
\* Fully drawn basis

*Long term debt profile is well balanced*



# Group Operations Breakdown

## Blended ARPU



# Additional Information

## Statutory Corporate Tax Rates

	Statutory Tax Rate	Losses C/Fwd Allowed	Notes
Algeria	26%	4 years	
Indonesia	25%	5 years	
Iraq	15%	5 years	
Kuwait	15%	3 years	GCC companies (including NMTC) are exempted and are subjected to 4.5% Zakat, KFAS & national Labour Support Tax on consolidated profits
Maldives	15%	5 years	
Myanmar	25%	3 years	
Oman	15%	5 years	
Palestine	20%	5 years	
Qatar	10%	3 years	Qatari/GCC owned companies and companies listed on Qatar Exchange are exempt
Singapore	17%	Indefinitely	
Tunisia	35%	5 years	1) 25% is the standard tax rate; 2) 35% tax rate applies to oil companies, banks, financial institutions including insurance companies and telecommunication companies



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