

Ooredoo Group FY 2017 Results

12 Feb 2018



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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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- The Ooredoo Group undertakes no obligation to update publicly or otherwise any forward-looking statements, whether as a result of future events, new information, or otherwise

Contents

- Results Review
- Operations Review
- Additional Information

Group Results

Key Highlights

[Overview](#)[Results Review](#)[Operations Review](#)[Additional Information](#)

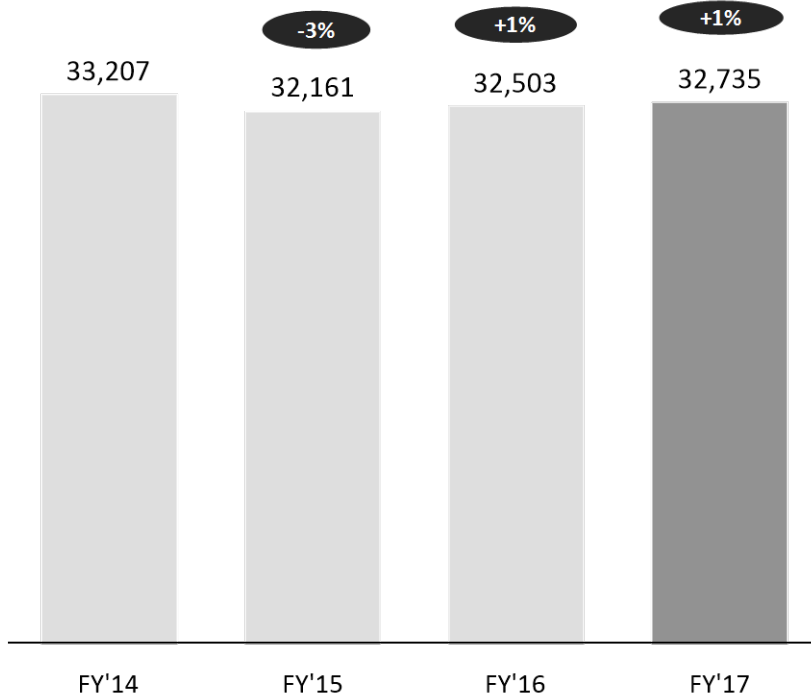
Solid financial performance - FY 2017 Upper half of guidance achieved in terms of revenue and EBITDA

- **Revenue** improved to QAR 32.7 billion, driven by strong contributions from Indonesia, Iraq, Kuwait, Maldives & Oman. Excl. F/X translation impact, revenues increased by 2% compared to the reported 1% revenue increase
- **Group EBITDA** increased 3% to QAR 13.8 billion, EBITDA margin reached 42%, a further improvement in operational performance from FY 2016 (41%). Excl. F/X translation impact, Group EBITDA increased by 4% yoy
- New Government levies in Oman and one off provision reversals in 2016 lead to a decrease in **Group Net Profit** to Ooredoo shareholders by 10% to QAR 2.0 billion. Excluding these, the normalized net profit attributable to Ooredoo shareholders increased by 1%.
- Continued **strong data growth (+16%)**, data revenue of QAR 15.3 billion in FY 2017; equivalent to 46% of Group revenue
- **Customer base** up 18% to reach 164 million, driven by Indonesia, Iraq, Oman, Algeria, Tunisia, Maldives & Palestine
- **Wataniya Mobile** launched services in the Gaza Strip in October 2017, and is now able to target a significant market, with the Gaza Strip constituting about 40% of the Palestinian market

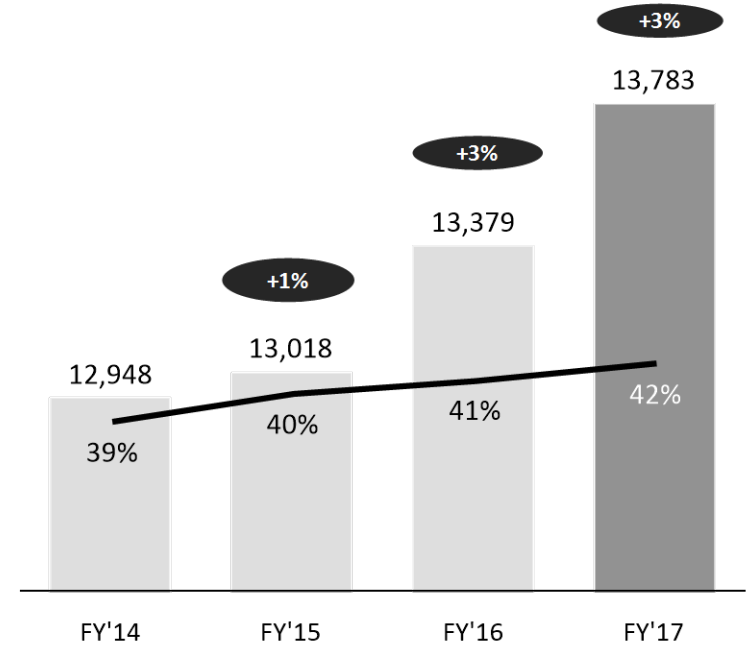
Group Results

Revenue and EBITDA

Revenue (QARm)



EBITDA (QARm) and EBITDA Margin



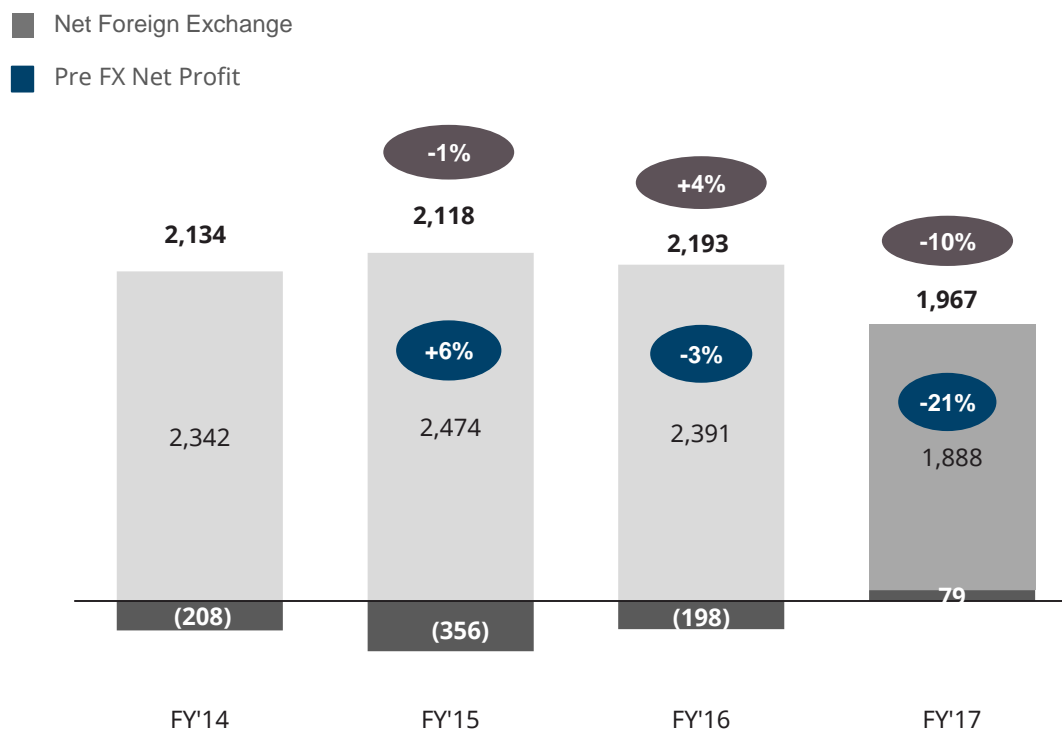
Revenue increase driven by Indonesia, Iraq, Kuwait, Maldives and Oman partially offset by Qatar, Myanmar and the North African Opcos. Excl. F/X translation impact, revenues up 2% and EBITDA by 4%.

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

Group Results

Net Profit

Net Profit Attributable to Ooredoo Shareholders (QARm)

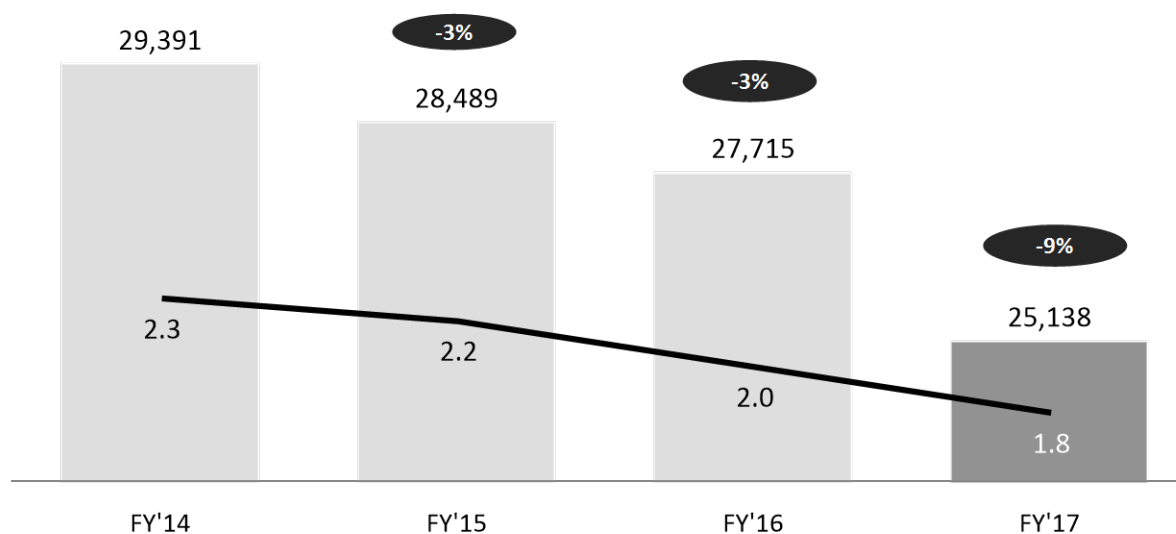


NP down due to new government levies in Oman and the effect of a provision reversals in 2016
Excluding these items the NP increased by 1%.

Group Results

Net Debt

Net Debt (QARm) and Net Debt / EBITDA



**Positive trend of lower Group Net Debt continued, Net Debt to EBITDA ratio reduced to 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

Capital Expenditure and Free Cash Flow

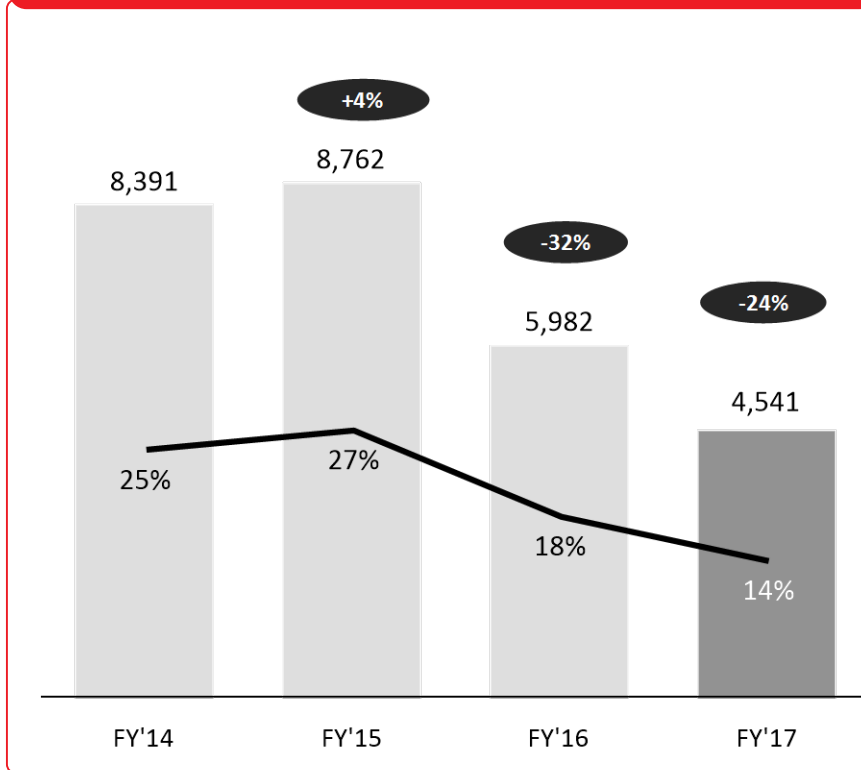
Overview

Results Review

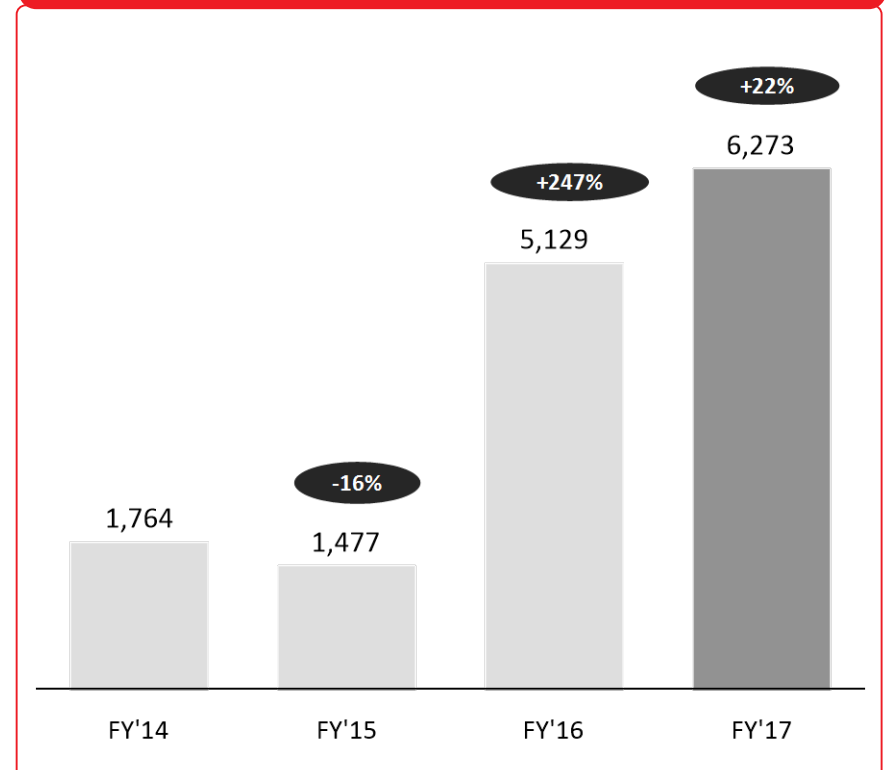
Operations Review

Additional Information

CAPEX (QARm) & CAPEX/ Revenue (%)



Free Cash Flow (QARm)



Capex below 2017 guidance due to cost savings and efficient centralized sourcing
Further improvement of free cash flow

Note: Free Cash Flow = Net Profit plus Depreciation & Amortization less CAPEX (net); CAPEX excludes license fee obligations; Net Profit adjusted for extraordinary items

Group Results

Total Customers

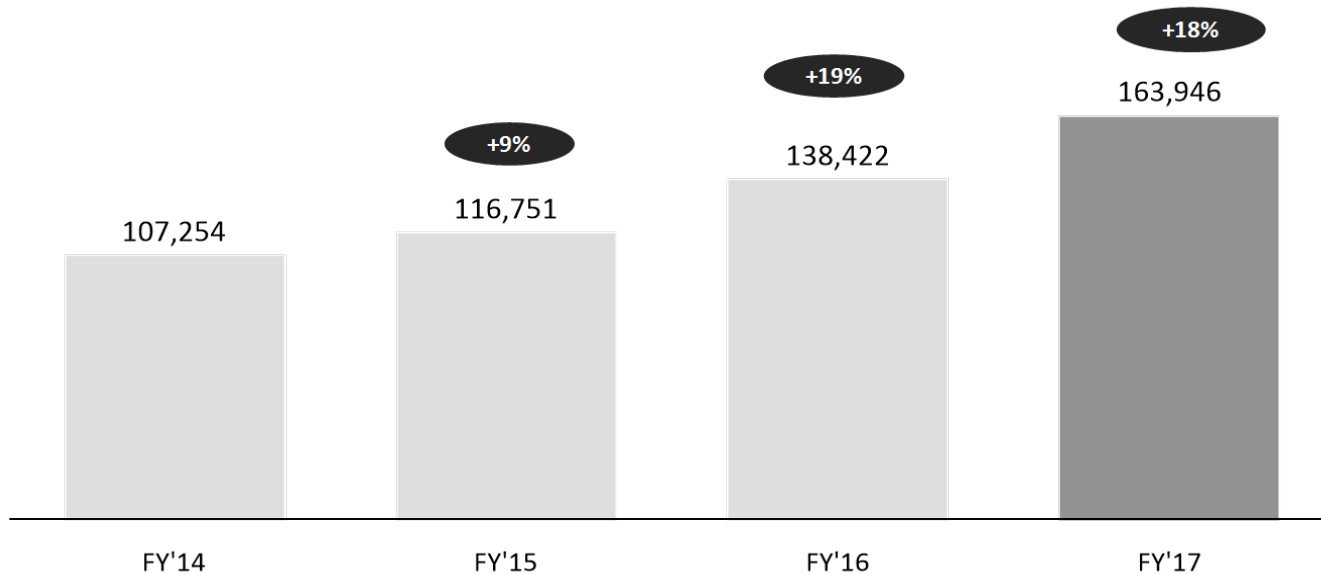
Overview

Results Review

Operations Review

Additional Information

Total Customers (000)



**More than 25 million net new customers added compared to last year
Mainly from Indonesia, Iraq, Oman, Algeria, Tunisia, Maldives and Palestine**

Group Results

2017 Performance & 2018 Guidance

Group Financials (QAR bn)	2017 Actual	% Change 2017 / 2016	2017 Full Year Guidance over 2016	2018 Full Year Guidance over 2017
Revenue	32.7	+1%	-1% to +2%	-1.5% to +1.5%
EBITDA	13.8	+3%	0% to +3%	-1.5% to +1.5%
CAPEX	4.5	-24%	5.5 bn to 6.5 bn	5 bn to 6 bn

2017 Revenue & EBITDA guidance fully delivered – BoD recommending QAR 3.5 cash dividend per share

2018 Guidance drivers:

- ✓ Growth continues in local currency terms across markets
- ✓ Potential FX impact on QAR numbers
- ✓ Disciplined CAPEX

Contents

- Results Review
- Operations Review
- Additional Information

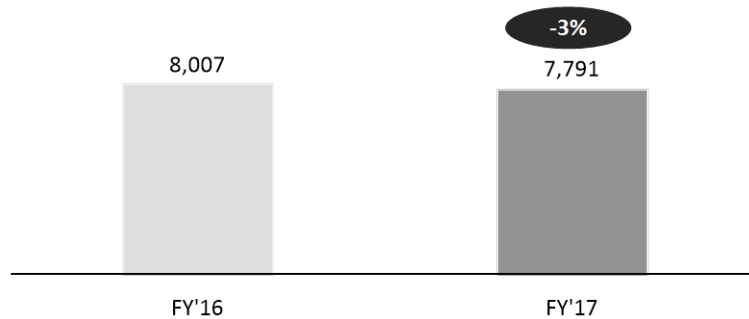
Group Operations

Qatar

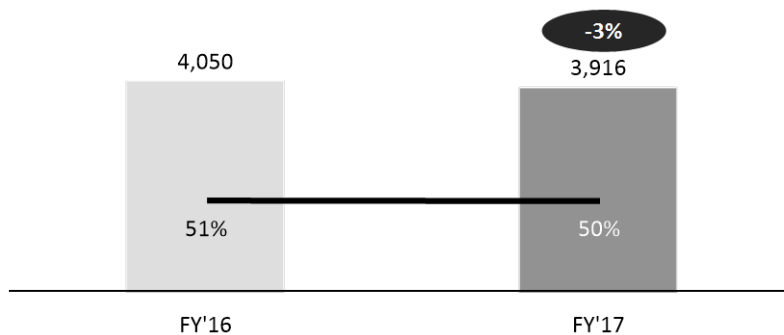
[Overview](#)[Results Review](#)[Operations Review](#)[Additional Information](#)

QARm

Revenue



EBITDA & Margin



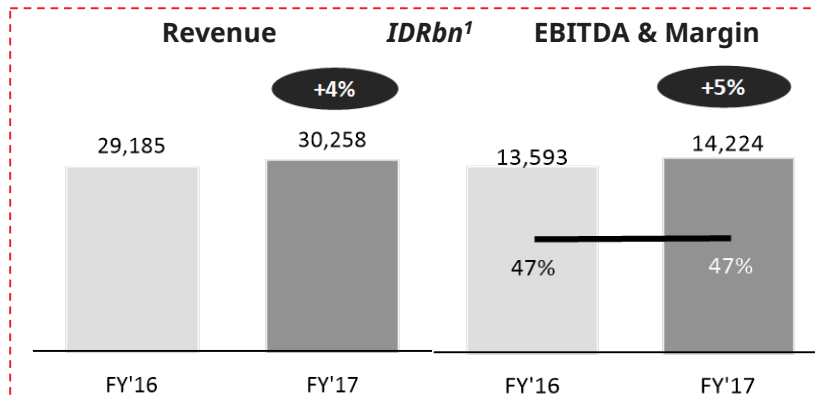
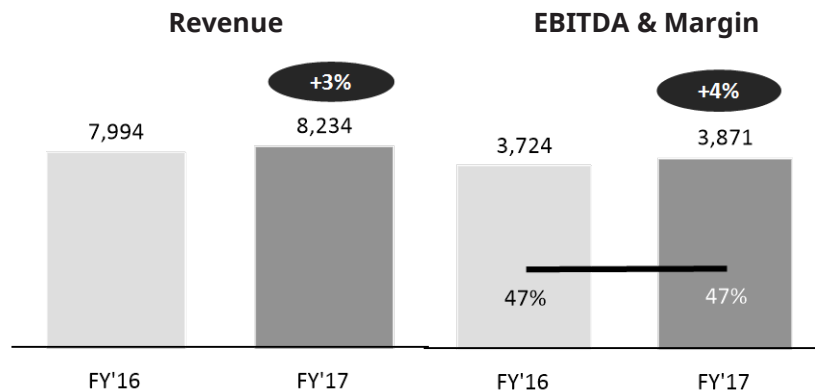
- 1 USD = 3.6415 Qatari Riyal (QAR)

Note: (1) Constant pegged currency

Ooredoo Qatar

- Clear **market leadership** position maintained
- YoY Revenue decreased mainly due to lower mobile voice services, mega projects and lower roaming revenue. **QoQ revenue increase** due to the performance in mobile services and Ooredoo tv.
- Customer numbers reduced by 1.4% year on year to reach 3.44 million (EoY 2016: 3.48 million) , clean-up of customer data in Q4 2017, **customer market share slightly improved**
- 5G speed mobile experience possible in selected locations in Doha (up to 1.1 Gigabit per second)
- First to launch VoLTE on handsets in Qatar. 150K active users as of 31 December
- Ooredoo Fibre rollout programme passed 527k homes and connected 360k homes by end of 2017

QARm



- 1 USD = 13,381 Indonesia Rupiah (IDR)²

Note: (1) As per IFRS; (2) Average rate over the period (IDR)

Indosat Ooredoo

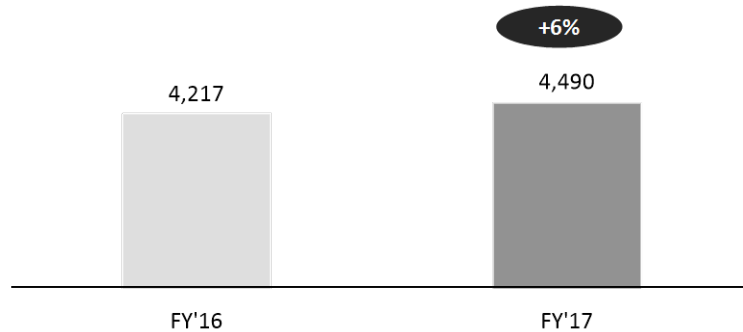
- **Good revenue growth** in consumer and especially B2B segment in a challenging, competitive landscape
- **Stable EBITDA margin**
- Solid data revenue growth
- In the 50th year of operation reached the mile stone of more than 110 million customers, 29% increase
- 4G coverage in more than 200 cities in Indonesia, reaching 45% of the population

Group Operations

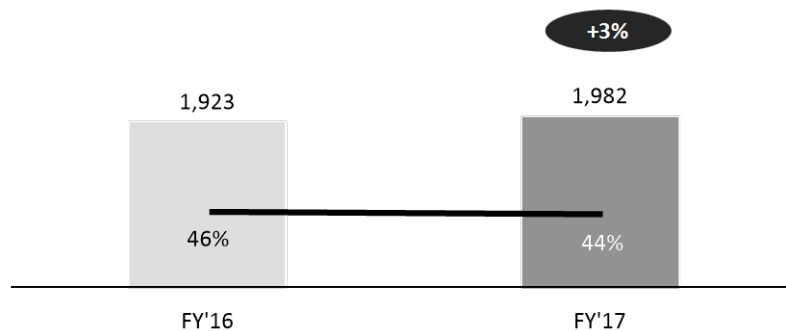
Iraq

QARm

Revenue



EBITDA & Margin



Asiacell

- **Healthy revenue trend** in a more stable market and **an improved security situation**
- Mosul, Kirkuk, Salahadeen and other areas back on air
- Maintaining No.1 position in terms of revenue share and data
- **Strong EBITDA margin of 44%** due to strict cost control
- **8% increase in customer numbers** to reach almost 13 million, mainly coming from Mosul and liberated areas

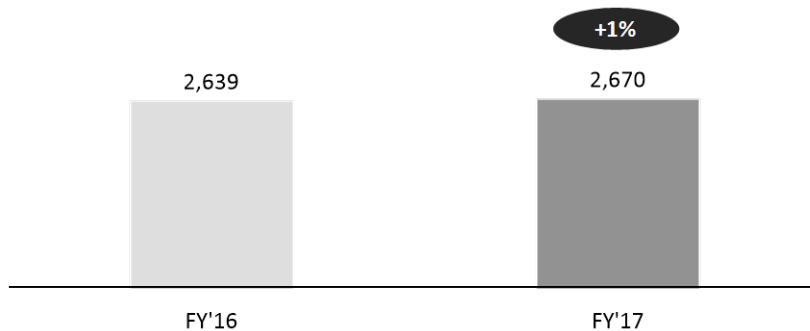
Group Operations

Oman

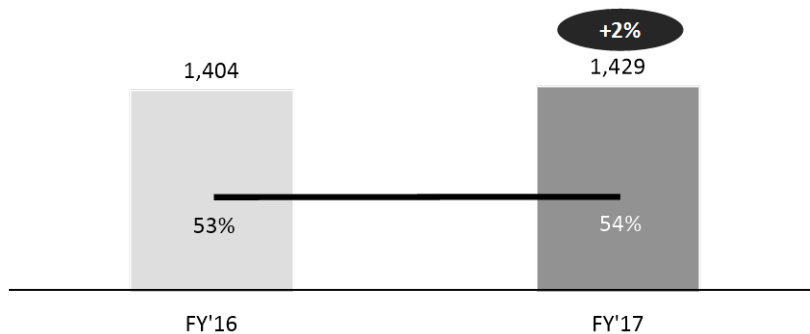
[Overview](#)[Results Review](#)[Operations Review](#)[Additional Information](#)

QARm

Revenue



EBITDA & Margin



- 1 USD = 0.38463 Omani Riyal (OMR)¹

Note: (1) Constant pegged currency

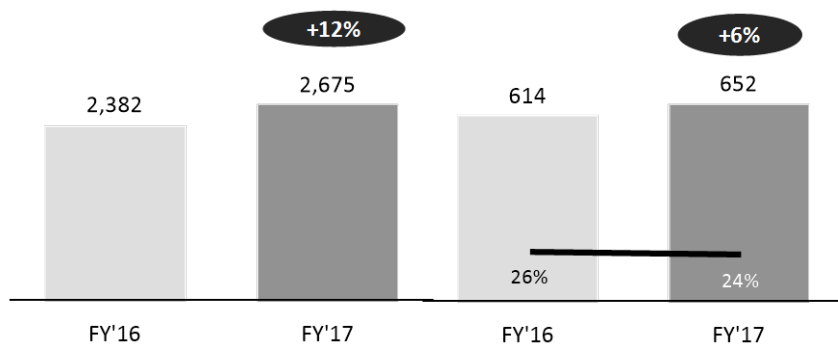
Ooredoo Oman

- **Revenue growth** is driven by increases in both mobile and fixed data revenue
- **EBITDA improved** due to higher revenue and cost efficiencies
- Business has been impacted by increase in royalty fees from 7% to 12% and an increase in income tax rate from 12% to 15%
- **Reaching more than 3 million customers**, number of fixed line customers increase by one third to reach more than 115k
- 4G coverage significantly extended
- More than half a million downloads of the all-new Ooredoo Oman app; new and efficient way of customer interaction

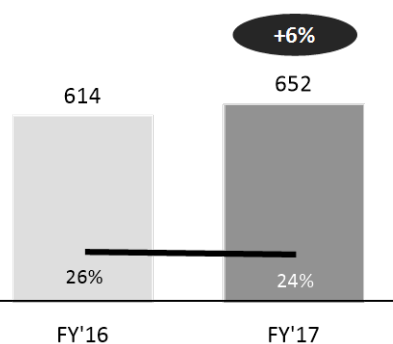
Group Operations Kuwait

QARm

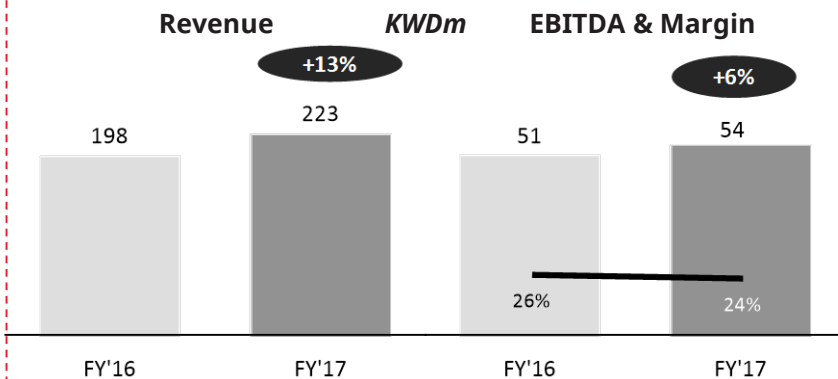
Revenue



EBITDA & Margin

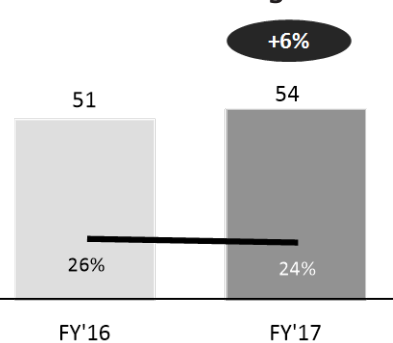


Revenue



KWDm

EBITDA & Margin



- 1 USD = 0.3034 Kuwait Dinar (KWD)¹

Note: Average rate over the period (KWD)

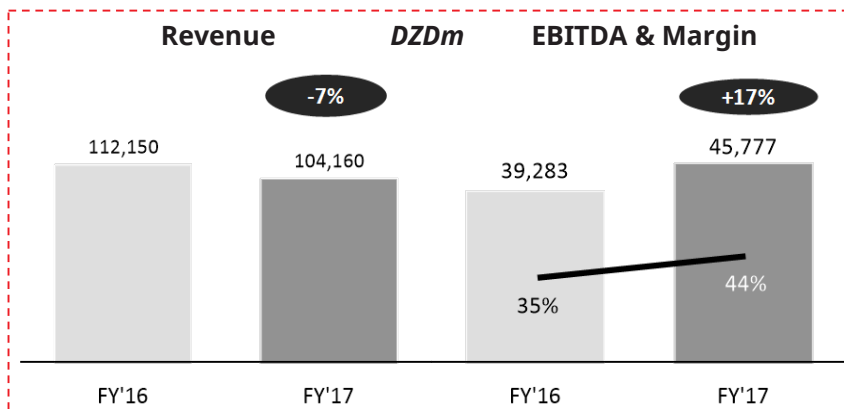
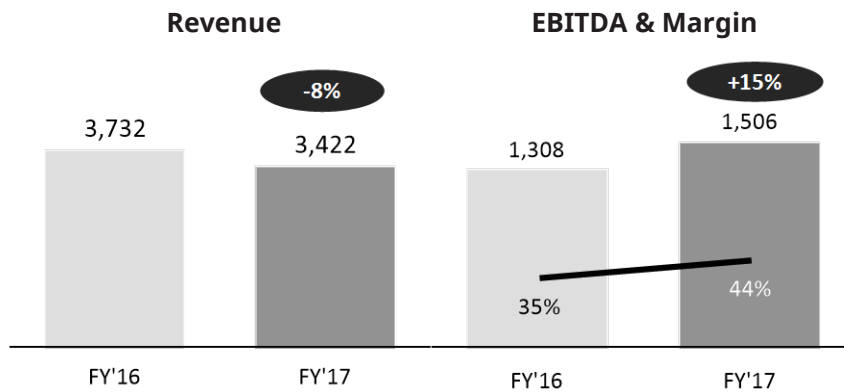
Ooredoo Kuwait

- Overall market conditions remain difficult due to intense competition and weak macro environment
- Higher non-recurring business driving **revenue increase**
- RAN swap project successfully completed
- Successful iPhone 8 and X launch
- Customer base decreased by 6% to 2.2 million due to overall market condition
- Company preparing 4.5G network in anticipation of future growth opportunities in addition to extension of the existing network

Group Operations

Algeria

QARm



▪ 1 USD = 110.9 Algerian Dinar (DZD)¹

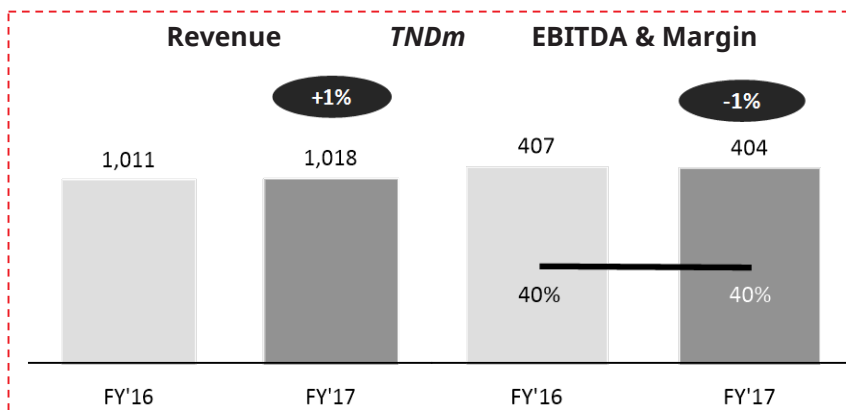
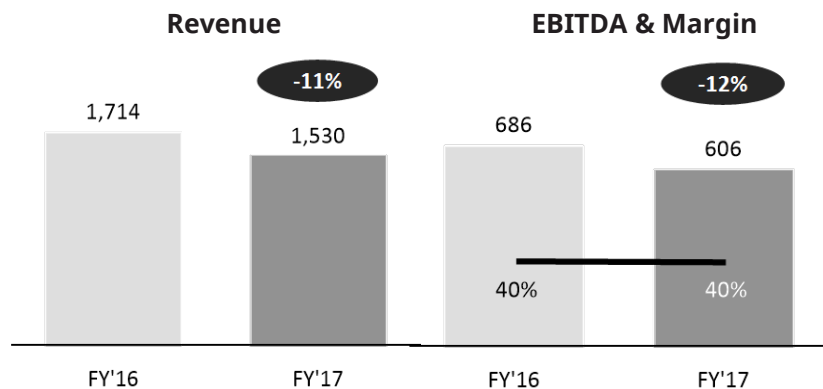
Note: Average rate over the period (DZD)

Ooredoo Algeria

- Ooredoo Algeria stabilized leadership position in revenue market share despite difficult economic conditions and a declining market
- **No.1 position in data** supported by continued growth in data users and usage
- Increase in VAT continues to negatively impact revenue
- Focus on cost optimization efforts lead to **substantial improvement of EBITDA**
- Further deployment of 4G network, now covering more than a quarter of the population. Target to cover 48 wilayas (the whole country) by Q1 2018, largest 4G network in the country

Group Operations Tunisia

QARm



- 1 USD = 2.424 Tunisian Dinar (TND)¹

Note: Average rate over the period (TND)

Ooredoo Tunisia

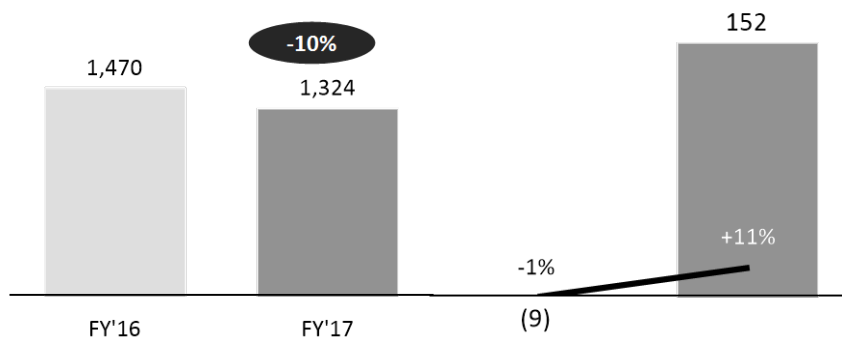
- 1% revenue **growth in local currency terms**, offset by FX depreciation of the Tunisian Dinar by 11%, decline in mobile termination rates and a slow overall Tunisian Telecom market
- Market leadership position maintained**
- Data business offsetting drop in voice segment
- Tight cost control, renegotiation of supplier contracts
- Further focus on data business offering innovative products (e.g. 4G mi-fi, secured wi-fi solutions for businesses)
- Further expansion of 4G roll-out and fixed line business
- Good traction in fixed line business
- Customer base increased by 5%** to reach 8.4 million end of 2017

Group Operations Myanmar

QARm

Revenue

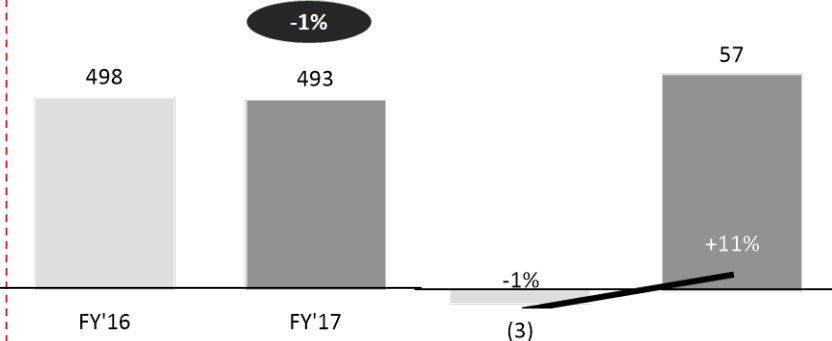
EBITDA & Margin



Revenue

MMKBn

EBITDA



- 1 US\$ = 1.356 Myanmar Kyat (MMK)

Note: (1) average rate over the period (MMK)

Ooredoo Myanmar

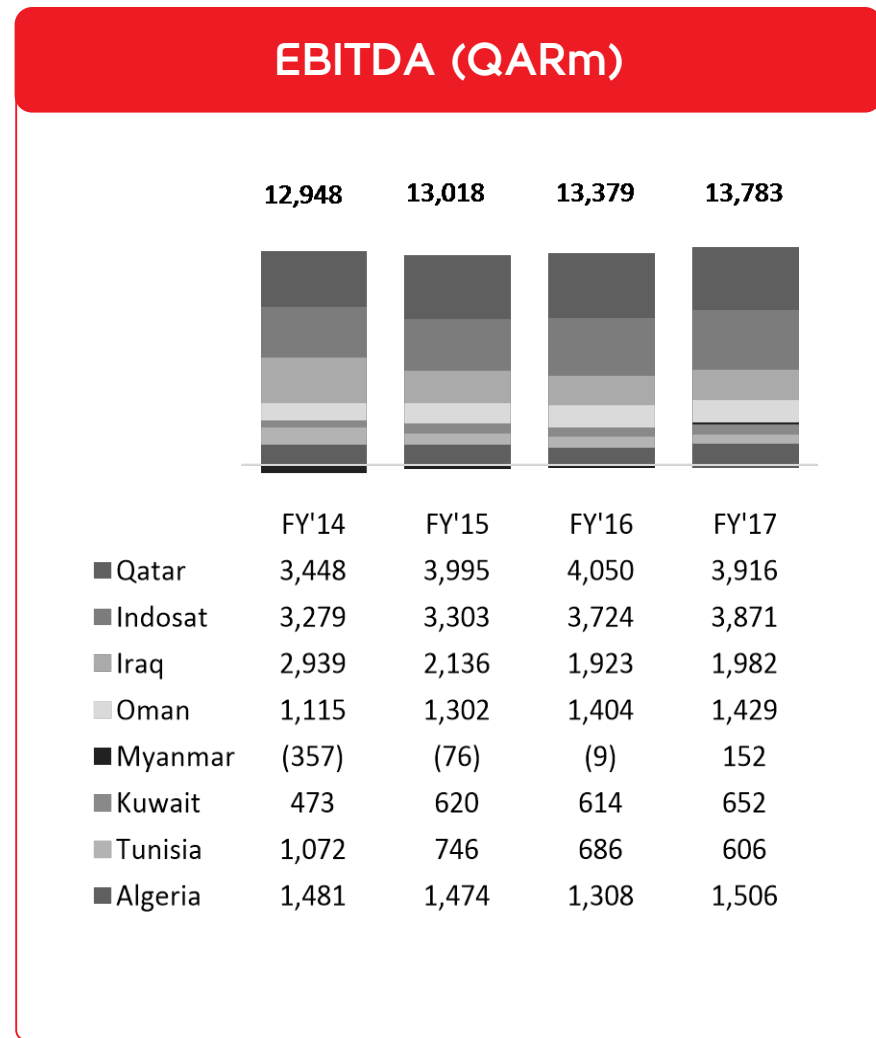
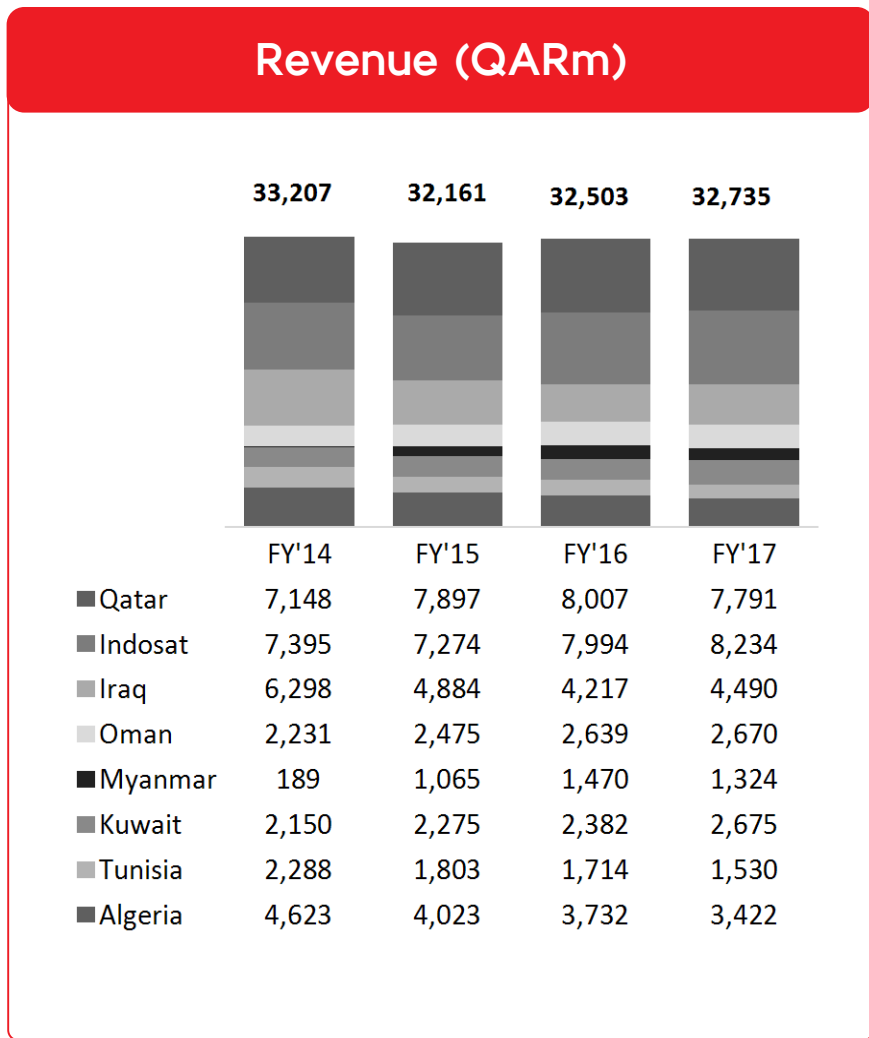
- Recurring revenues increased by 7% YoY in local currency terms supported by data growth; QAR figures negatively impacted by currency depreciation of 9%
- EBITDA margin improvement continued driven by gross margin growth and OPEX management; recorded highest double-digit quarterly EBITDA margin of 16.4% in Q4-2017
- OML is now offering full **2G/3G/4G services** to Myanmar market; 4G roll-out continued nation-wide
- Delivered solid performance in B2B with strong revenue growth, underscored by the best NPS and brand health scores
- Extension of offerings in the FTTX space with launch in Mandalay (one of the main cities)

Contents

- Results Review
- Operations Review
- Additional Information

Additional Information

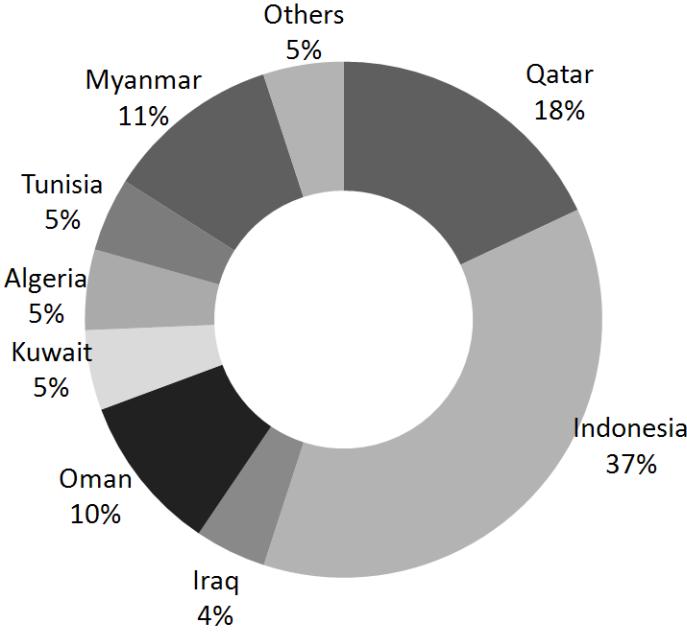
Group Revenue and EBITDA breakdown



Group Operations Breakdown

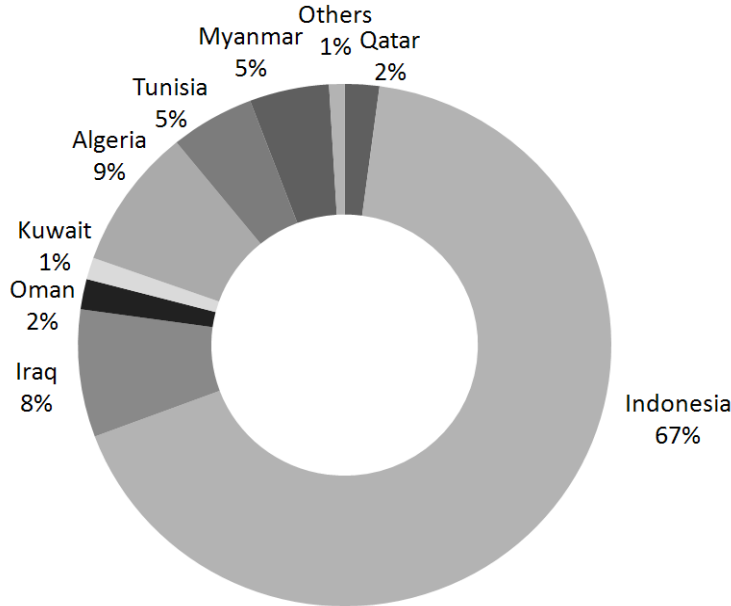
CAPEX & Customers

CAPEX Breakdown (%)



FY 2017 CAPEX = QAR 4.5 billion

Customer Breakdown (%)

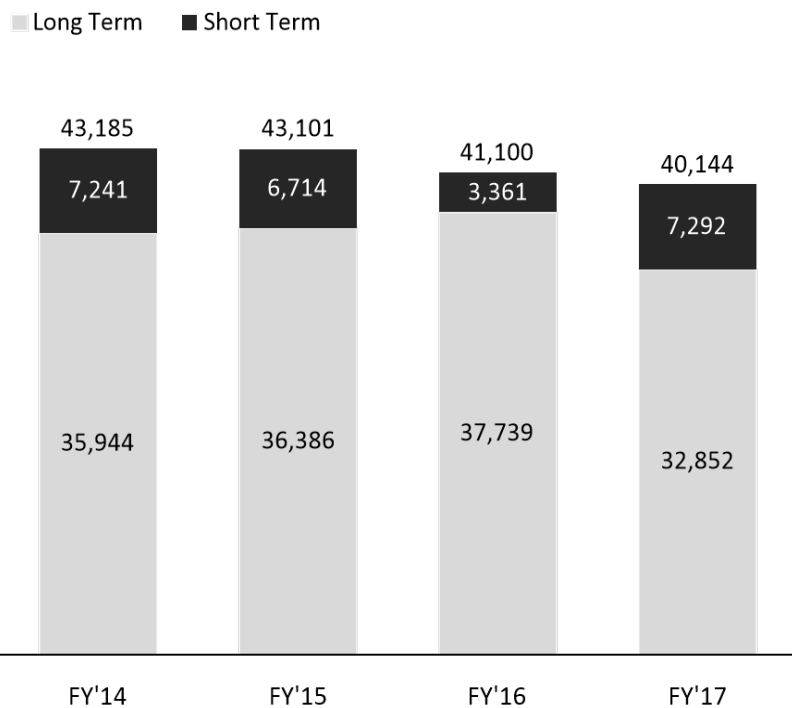


FY 2017 Total Customers = 163.9 million

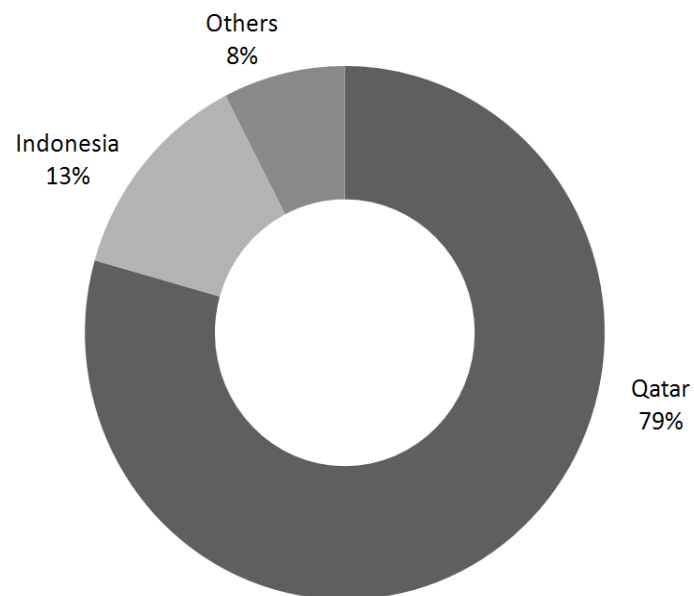
Group Results

Total Group Debt Breakdown

Total Group Debt (QARm)



Total Group Debt Breakdown (as at December 31, 2017)

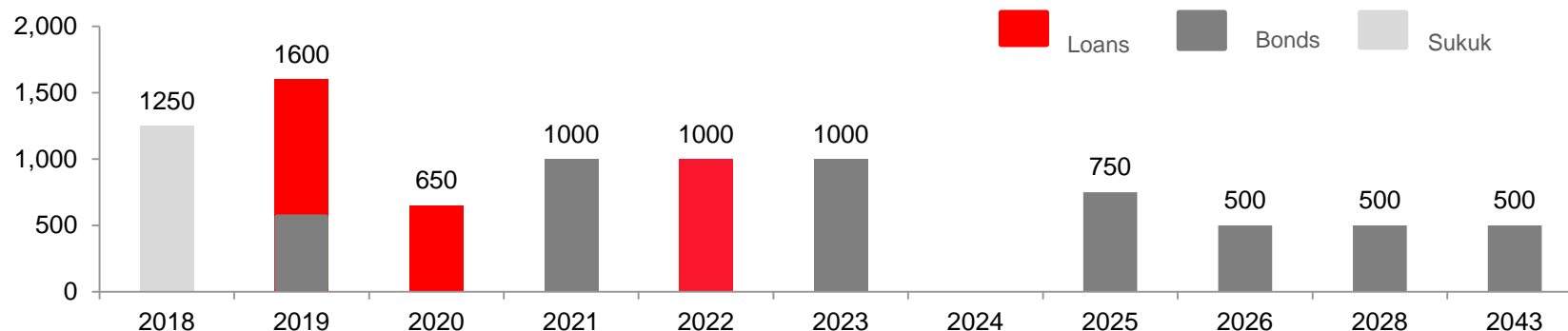


**Total Group debt reduced, well balanced profile
OpCo debt primarily in local currency**

Note: Qatar debt includes Ooredoo International Finance Ltd. and Ooredoo Tamweel Ltd.

Group Results

Debt Profile – Ooredoo Q.P.S.C. 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
Total Loans	3,474 m	2,650 m			Total Bonds and Sukuk	6,100 m			

Total outstanding debt as at 31 December, 2017 at Ooredoo Q.P.S.C. level

USD 8,750 million

* Fully drawn basis

Long term debt profile is well balanced

Group Operations Breakdown

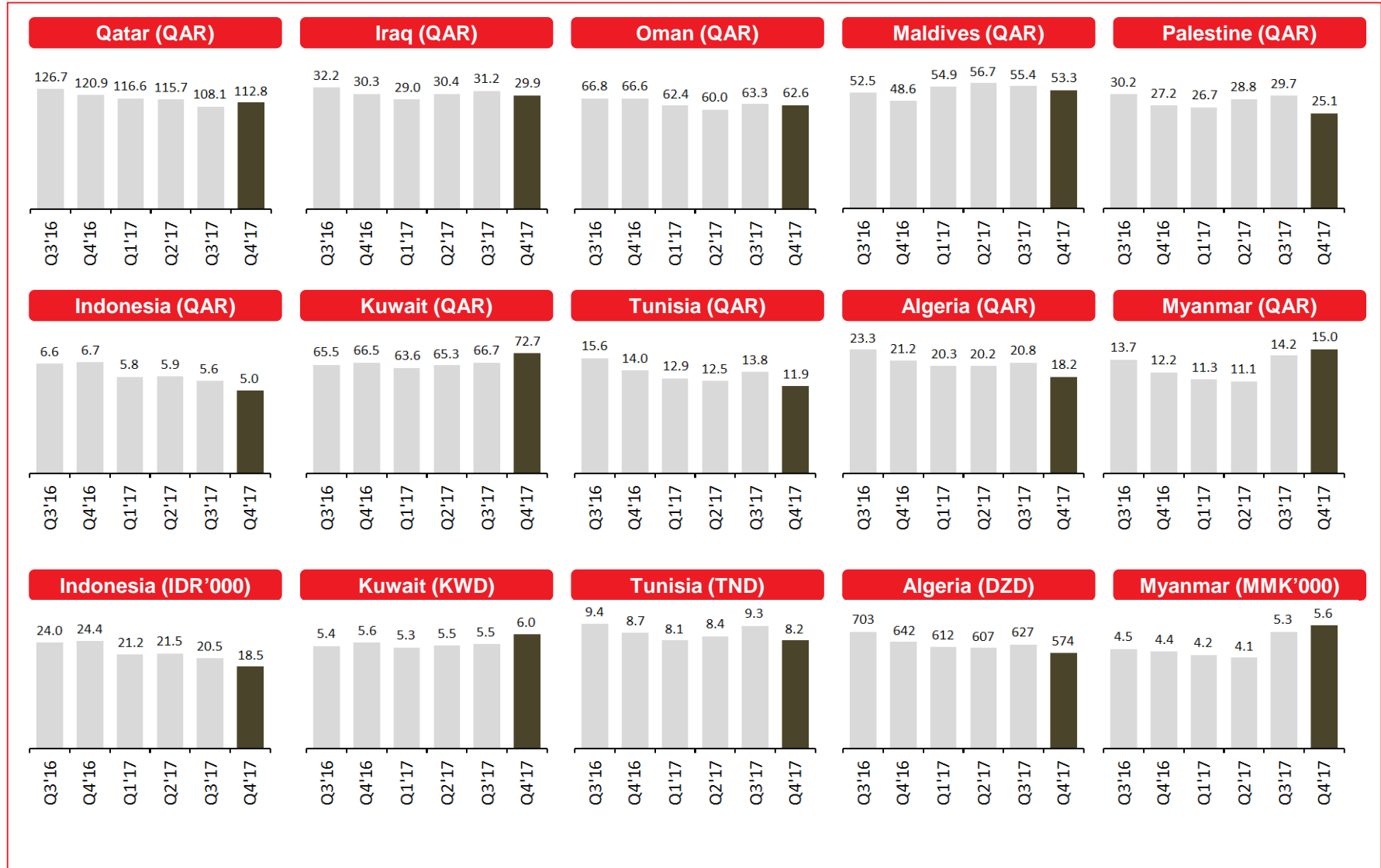
Blended ARPU

Overview

Results Review

Operations Review

Additional Information



Additional Information

Statutory Corporate Tax Rates

[Overview](#)
[Results Review](#)
[Operations Review](#)
[Additional Information](#)

	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



Next Quarterly Results (tbc)

Q1: April 25

1H July 25

Q3 October 29

Thank You

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