

# Ooredoo Group



## FY 2018 Results

February 2019

# Disclaimer

- Ooredoo (parent company Ooredoo Q.P.S.C.) and the group of companies which it forms part of (“Ooredoo Group”) cautions investors that certain statements contained in this document state Ooredoo Group management’s intentions, hopes, beliefs, expectations, or predictions of the future and, as such, are forward-looking statements
- 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
- This presentation does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire or dispose of securities in any company within the Ooredoo Group
- 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

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## 1. Results review

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# Group Results

## Key Highlights

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### Solid financial performance in challenging conditions

- 2018 **Revenue** was QAR 29.9 billion, driven by strong contributions from Oman and Kuwait. Group Revenue before the FX impact decreased by 6%, while reported Revenue decreased by 8% year-on-year
- Group **EBITDA** was QAR 12.2 billion with a corresponding EBITDA margin of 41%. Group EBITDA decreased by almost 11% year-on-year mainly due to lower revenues. Excluding foreign exchange impact, EBITDA decreased by 9%, year-on-year.
- Group **Net Profit attributable to Ooredoo shareholders** was QAR 1.6 billion. The positive performances in Iraq, Oman, Kuwait and Tunisia were offset by market challenges and lower revenues in Indonesia and Algeria. In Q4 2018 Net Profit improved by 40% compared to Q4 2017 mainly due to lower tax, regulatory provisions and Foreign Exchange gains in Q4 2018
- Increased **monetization of data business**, with significant data growth coming from consumer and enterprise customers: saw data revenue increasing to 47% of Group revenue. Revenue from data contributed QAR 14.2 billion
- Wataniya Mobile was successfully rebranded to **Ooredoo Palestine**, enabling it to benefit from group derived synergies, leading to improvements in Ooredoo Palestine's commercial and technical operations.

# Group Results - Revenue and EBITDA

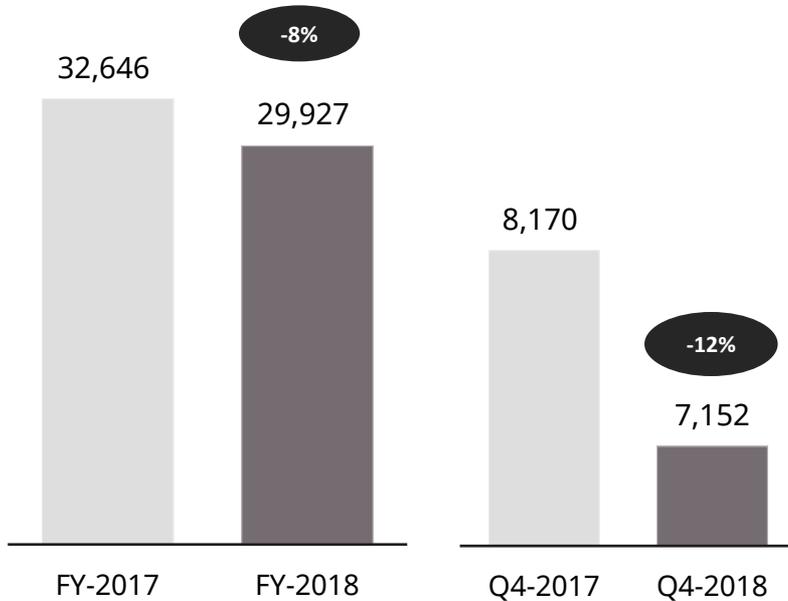
Overview

Results Review

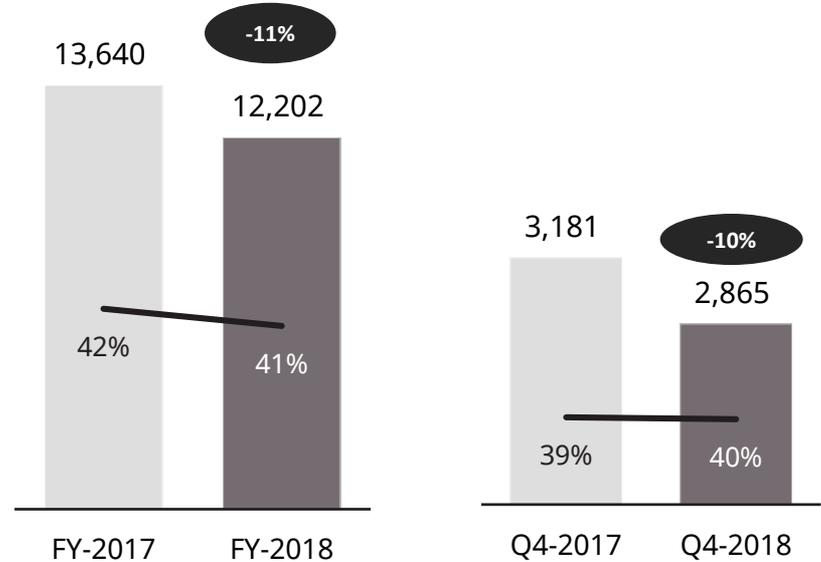
Operations Review

Additional Information

## Revenue (QARm)



## EBITDA (QARm) and EBITDA Margin



Revenue growth in L/C terms in Kuwait, Tunisia, Oman, Maldives and Palestine offset by a decrease mainly in Indonesia and Algeria, EBITDA growth in most markets excluding FX impact: Revenue -6% and EBITDA -9% yoy

# Group Results - Net Profit

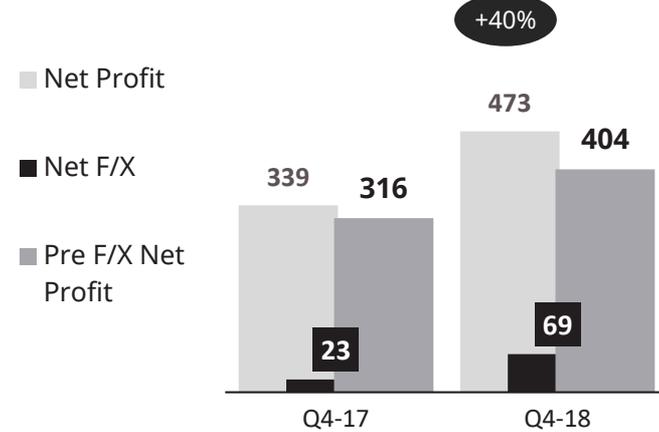
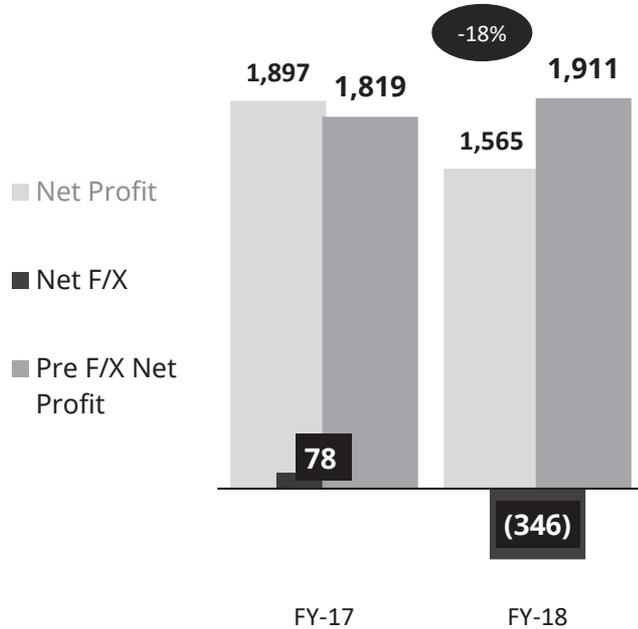
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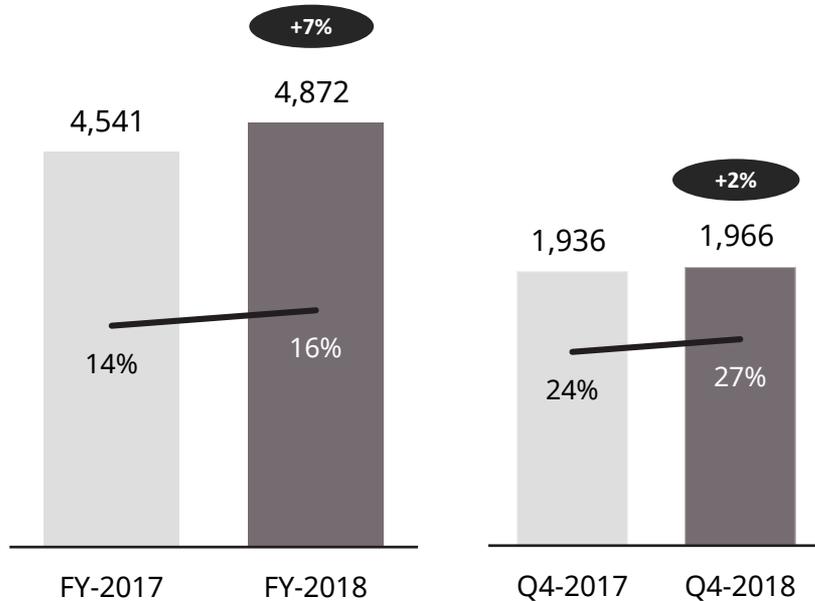
## Net Profit Attributable to Ooredoo shareholders (QARm)



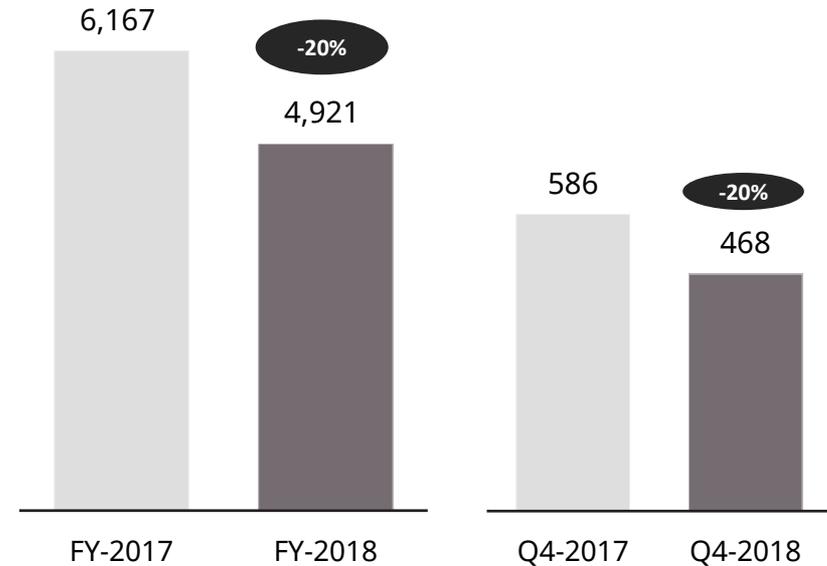
Net Profit decreased by 18% yoy, but improved in Q4 2018  
Substantial FX loss in Myanmar earlier in the year

# Group Results - Free Cash Flow and Capital Expenditure

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



## Free Cash Flow (QARm)



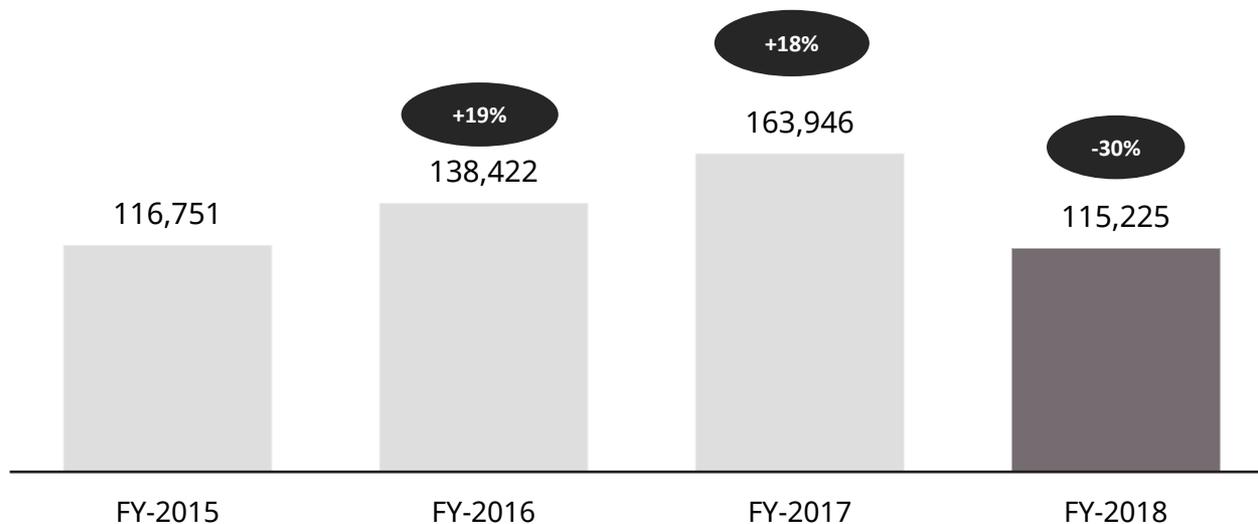
**Capex in line with guidance taking advantage of scale of Ooredoo Group and global sourcing strategy  
FCF impacted by lower EBITDA and slightly higher Capex**

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

# Group Results - Total Customers

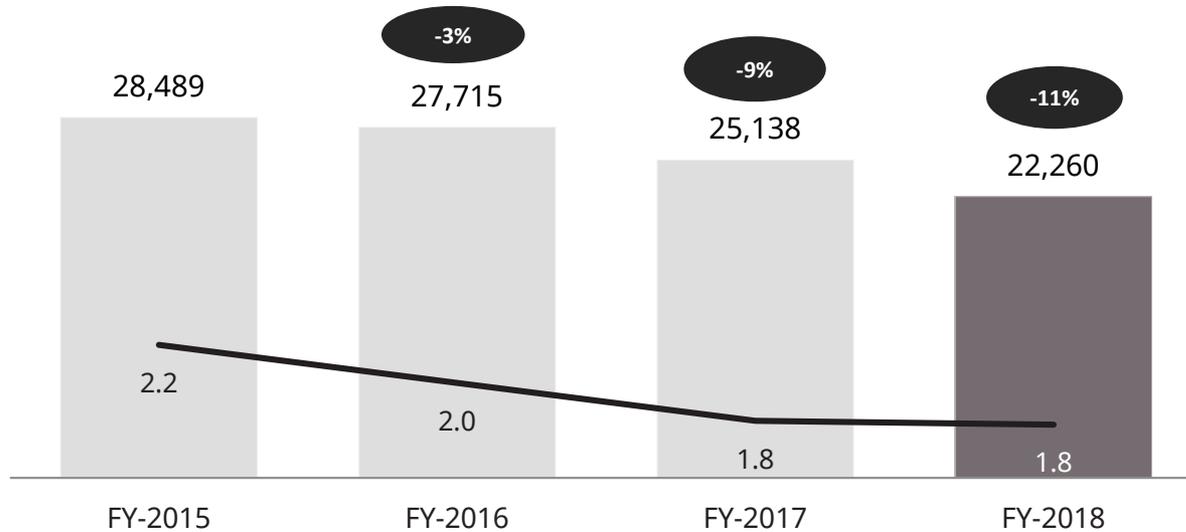
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## Total Customers (000)



**Growing customer numbers in Iraq, Kuwait, Tunisia, Myanmar & Palestine offset by the SIM card registration regulation impact in Indonesia**

## Net Debt (QARm) and Net Debt / EBITDA



Positive trend of Group Net Debt reduction continued; Net Debt to EBITDA ratio 1.8x  
Lower end of the board guidance between 1.5 and 2.5x (bank covenant 4x)

# Group Results

## 2018 FY performance summary

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Group Financials (QAR bn)	2018 Actual	% Change 2018 / 2017	2018 Full Year Guidance over 2017	2019 Full Year Guidance over 2018
Revenue	29.9	-8.3%	-3.5% to -6.5%	-3% to 0%
EBITDA	12.2	-10.5%	-5.5% to -8.5%	-7% to -4%
CAPEX	4.9	7.3%	4.5bn to 5.5bn	5.5bn to 6.5bn

2018  
YoY

- Lower Revenue due to IFRS 15 impact and continued market competition in Myanmar and Algeria
- Lower EBITDA due to lower Revenues
- Capex in line with guidance

2019  
YoY

- Revenue growth in local currency terms across our markets; expecting FX depreciation
- Lower EBITDA (excluding IFRS 16) due to lower revenue in 2019 and one off benefit from share of associates in 2018
- CAPEX (excluding IFRS 16 impact) higher YoY mostly due to Indosat Ooredoo

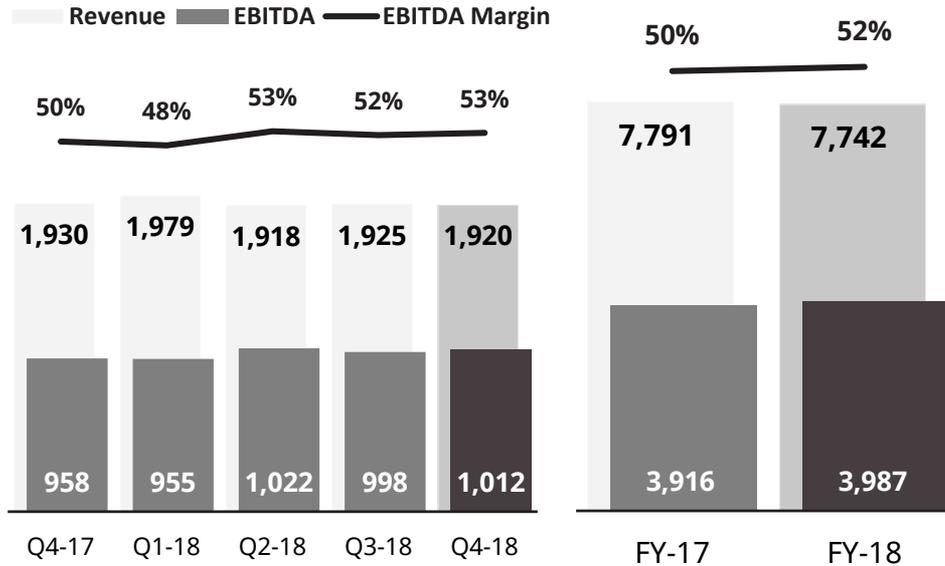
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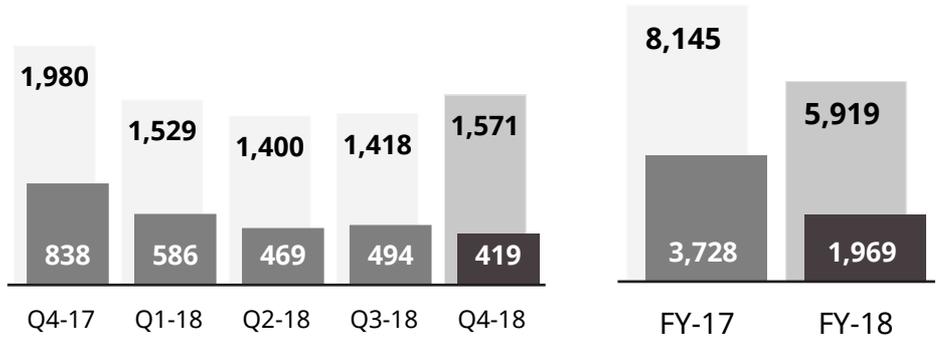
## QARm



- Strong No.1 position maintained - Ooredoo's fixed line and mobile networks in Qatar ranked among fastest globally
- Revenue slightly down due to fewer handset sales, underlying service revenue stable
- Healthy EBITDA margin 53%, improved yoy and sequentially
- Customer number stood at 3.3m, down yoy but up sequentially
- Ooredoo tv customer base up by 4% qoq and 14% compared to Q4 2017
- Ooredoo has 90 live 5G sites
- Quality and variety of "Our freedom initiatives" offering worry free roaming and local data access has resulted in improved customer satisfaction
- Ooredoo Fibre rollout program's success continues and now has 405k homes connected across the country

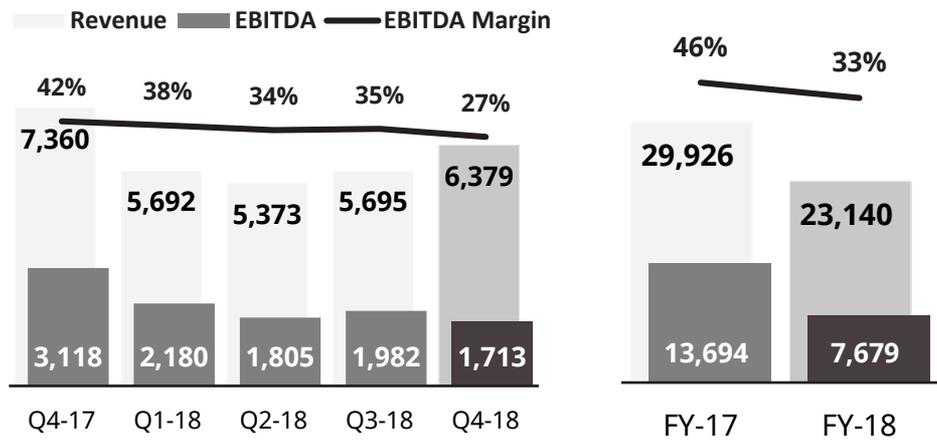
# Indonesia

## QARm



- Strong return on the top line is recorded for two consecutive quarters, post sim card registration
- Continue to pursue tariff adjustment across product lines to improve revenue share
- Q4 EBITDA temporary under pressure due to investment on network expansion and marketing expenses
- 4G Population coverage reached 80%
- 4G BTS reached 17K
- 4G Plus launched in 4 provinces recording substantial data traffic
- Churn continue to improve with customer base recorded at 58 million
- Vikram Sinha (former CEO of Ooredoo Maldives and Myanmar) announced as advisor to CEO of Indosat Ooredoo

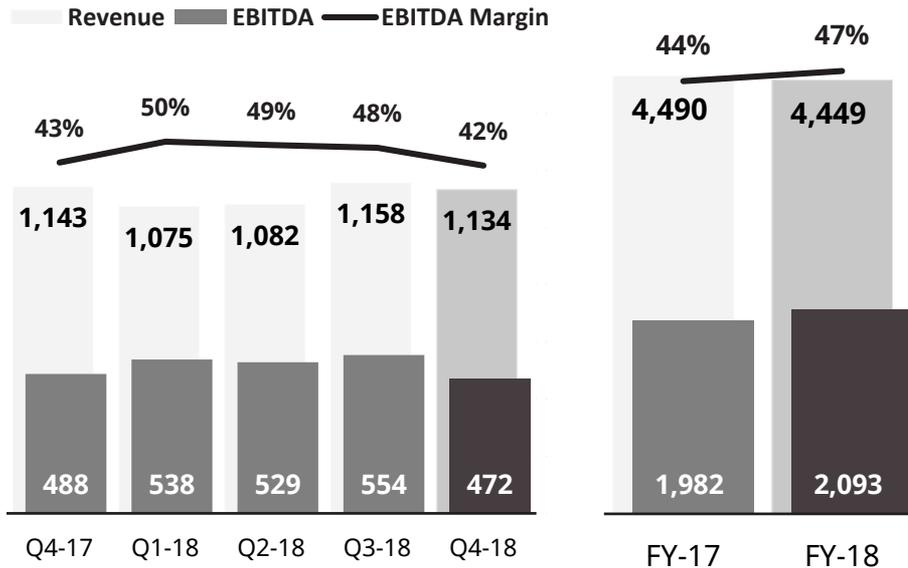
## IDRbn



Note: Average rate over the period (IDR)

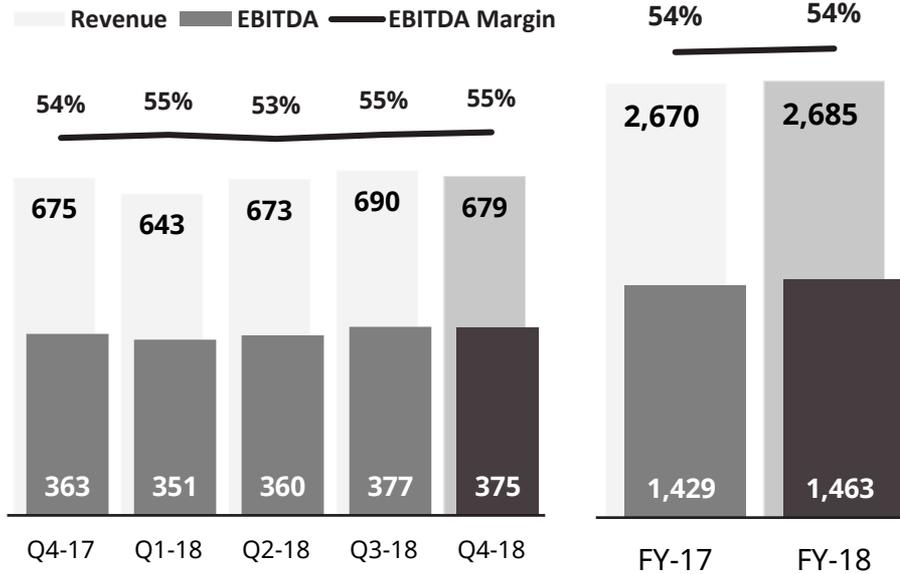
1 USD = 14,237 Indonesia Rupiah (IDR)

## QARm



- Security situation stabilized further
- Excluding IFRS 15 impact, Asiacell's full year revenue increased by 3.3% YoY
- Higher data revenue
- Yoy EBITDA increase by 6% due to cost control
- Q4 EBITDA was lower due to revenue impact and also due to one-off provisions relating to year-end. Q4 EBITDA margin was similar to that of previous year
- Customer base stood at 14.2 million in Q4 2018; grew by 7.4% QoQ
- Launched new B2B product line in November
- Asiacell received Logic Manager's Risk Maturity Model Award, a distinction reserved for the most successful enterprise risk management programs

## QARm

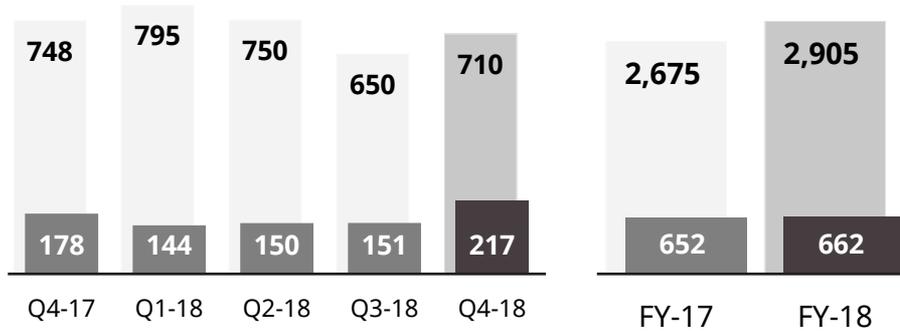


- YoY revenues growth was driven by increases in both mobile and fixed data revenue. Excluding IFRS 15 impact, OML's full year revenue increased by 3.1% YoY in local currency terms
- EBITDA margin was stable
- Customer base stood stable at 3.0 million, new registration standards from the regulator
- Oman mobile license renewed from Feb 2020 for 15 years, renewal fee OMR 75 million to be paid in two installments in 2020 and 2021

• Upfront commission netting off in Q4 2018 for Iraq, Oman and Myanmar are reallocated for all four quarters of 2018

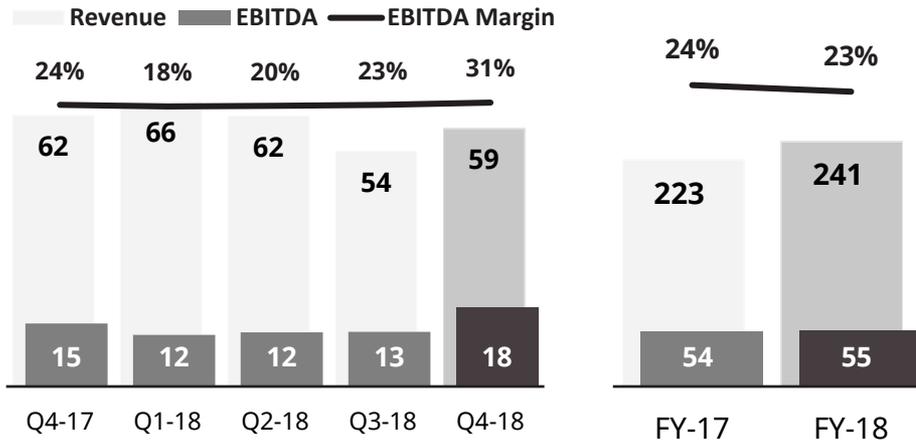
• Note: (1) Constant pegged currency      ▪ 1 USD = 0.38463 Omani Rial (OMR)<sup>1</sup>

## QARm



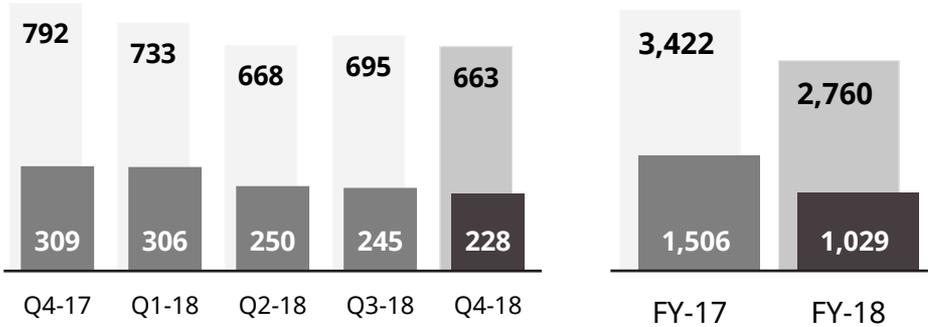
- QoQ Revenue increased by 9% driven by higher recurring and device sales
- EBITDA margin improved sequentially to 30.6% due to seasonality, slight pricing recovery and one off adjustment in cost provisions
- Customer base stood at 2.3 million, up by 4% yoy; Positive MNP trend
- In January 2019 the first international trial 5G call in the region between Ooredoo Kuwait and Ooredoo Qatar conducted
- Boursa Kuwait signed an agreement with Ooredoo Kuwait, to host their disaster recovery (DR) data center
- Ooredoo Kuwait ranked number 1 “employer of choice” by LinkedIn
- Ooredoo won 3 Advertising Creativity Awards

## KWDm

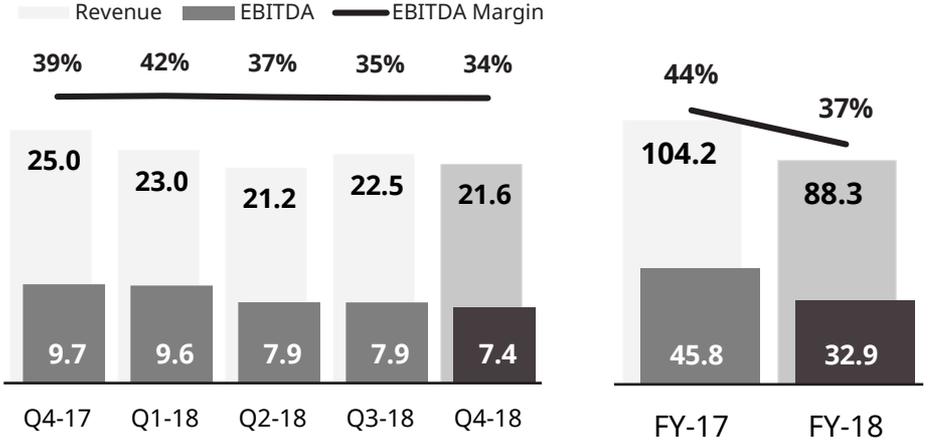


# Algeria

## QARm



## DZDbn



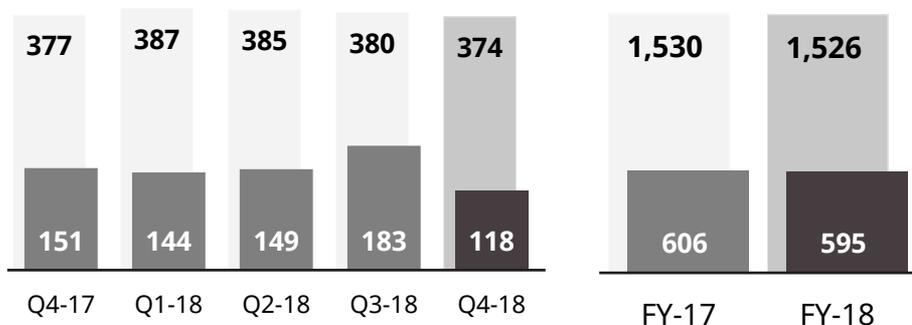
- Revenue decreased 4% QoQ in local currency due to intense competition, weak economy and overall market shrinking
- EBITDA lower due to decrease in revenue
- Customer number stood at 13.9 million down yoy (-3%) but up sequentially (+1%)
- Ookla confirmed Ooredoo 3G and 4G data networks leadership
- Network rollout reached highest 4G coverage in Algeria, 48% population, all 48 wilayas (States)
- Ooredoo increased its brand equity maintaining its position of most valuable brand in the market thanks to strong brand presence across corporate communication, product marketing and football club sponsorship



Note: Average rate over the period (DZD)

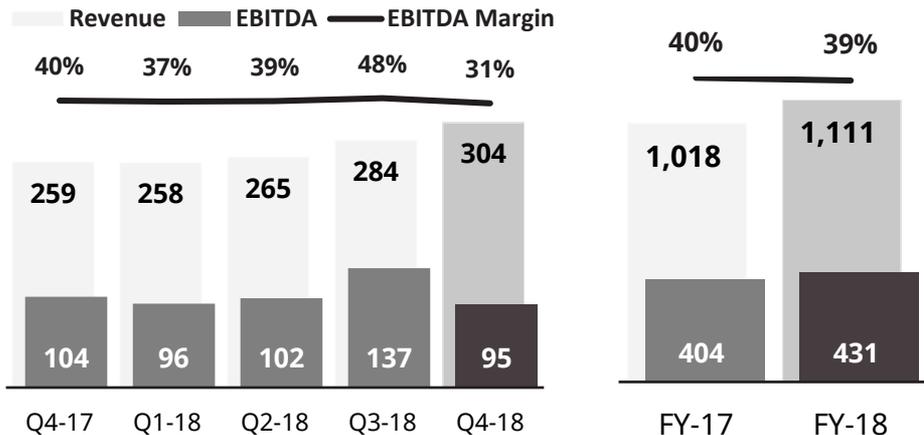
1 USD = 116.6 Algerian Dinar (DZD)

## QARm

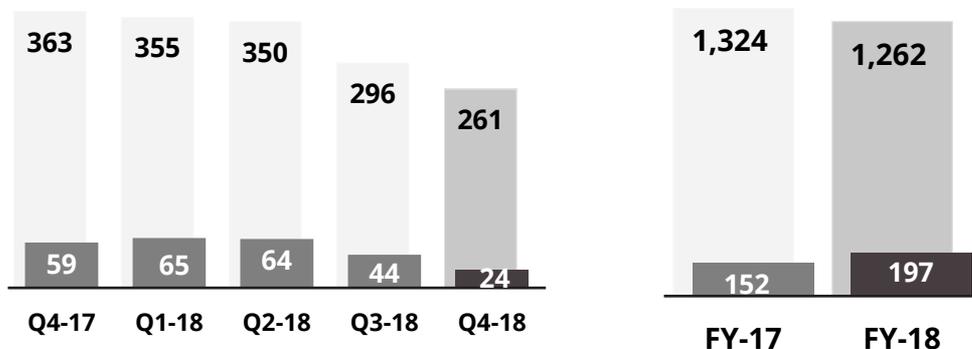


- 9% Revenue growth yoy in local currency terms, offset by FX depreciation of the Tunisian Dinar of 9%
- Q4 EBITDA decrease due to higher opex mainly due to change in royalty accounting and some seasonality
- Mobile market leadership enhanced
- Customer number reached 9.1 million, an increase of 8% yoy
- Rapid expansion of 4G roll-out
- Further investment in Fixed Wireless Broadband

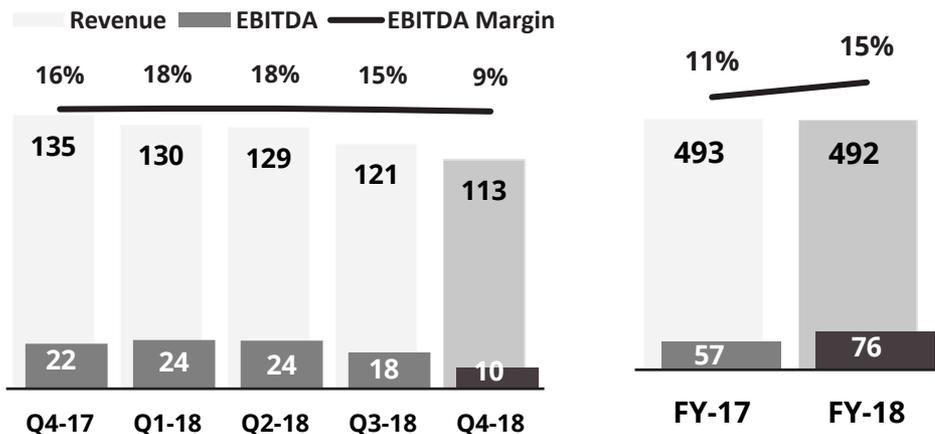
## TNDm



## QARm



## MMKbn



- Revenue negatively impacted by aggressive pricing initiated by the new market entrant. Discount on floor pricing peaked at 55%; Excluding IFRS 15 impact, OML's full year revenue increased by 5% YoY in local currency terms
- Customer base reached 9.6 million, despite the aggressive pricing strategy in the market Ooredoo Myanmar could increase customer base
- OML continued to be the most recommended brand by its users and retained No.1 position in the NPS scores
- After successfully piloted "Supernet wireless" in Q3 2018, Q4 shows a significant growth in number of subscriptions.
- Digital Initiatives gained momentum with My OML App monthly active users reaching 15% of monthly data users



## **2019 Qatar Exchange Annual IR Excellence**

**We would like to thank you for your support for  
the forth year on winning five awards**

# 2019 Ooredoo Capital Markets Day

Save the date: CMD 19<sup>th</sup> June 2019, probably in Oman

(location and timing to be confirmed)

More details in due course

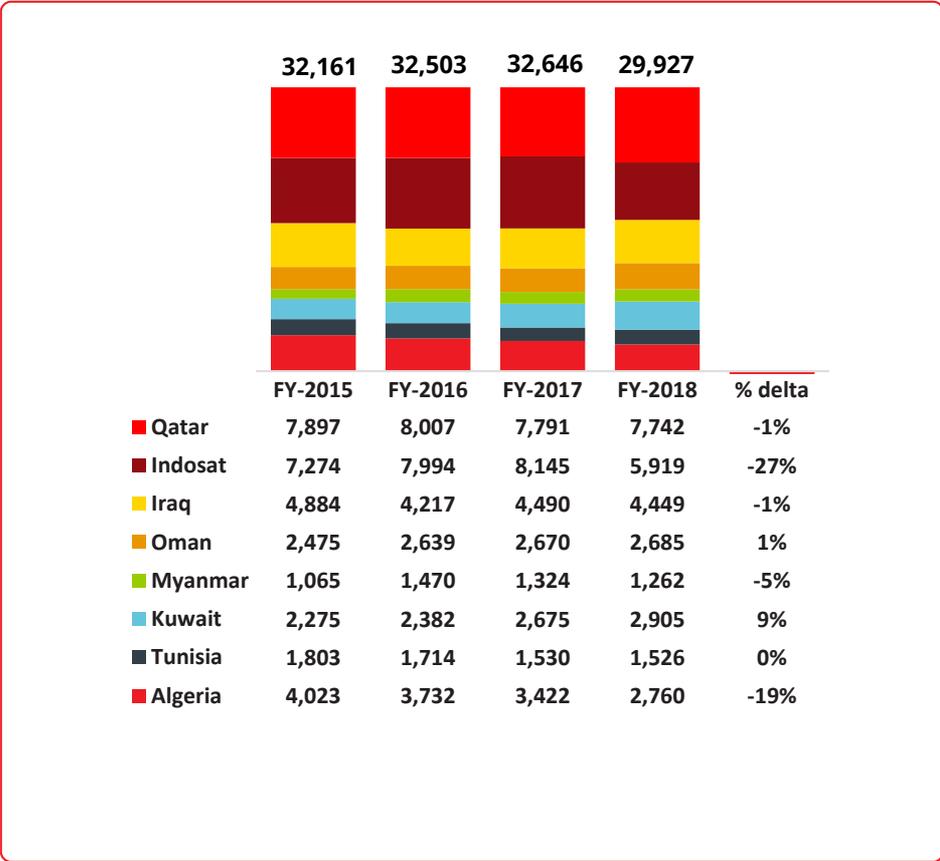
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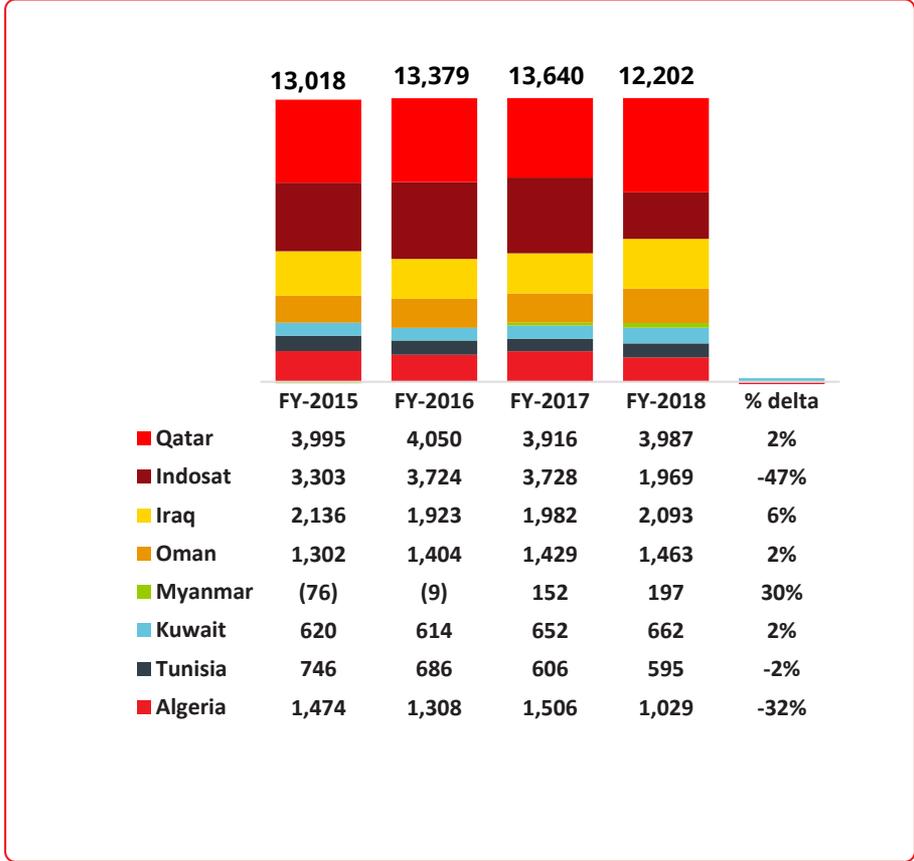
# Additional Information

## Key Operations Importance to Group

### Revenue (QARm)



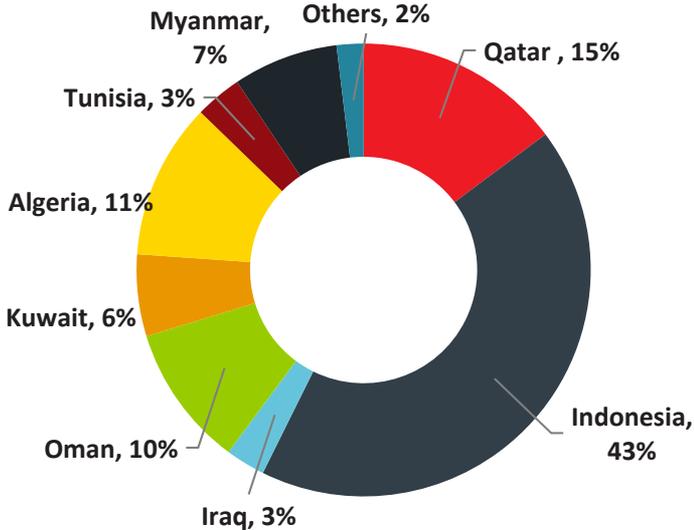
### EBITDA (QARm)



# Group Operations Breakdown

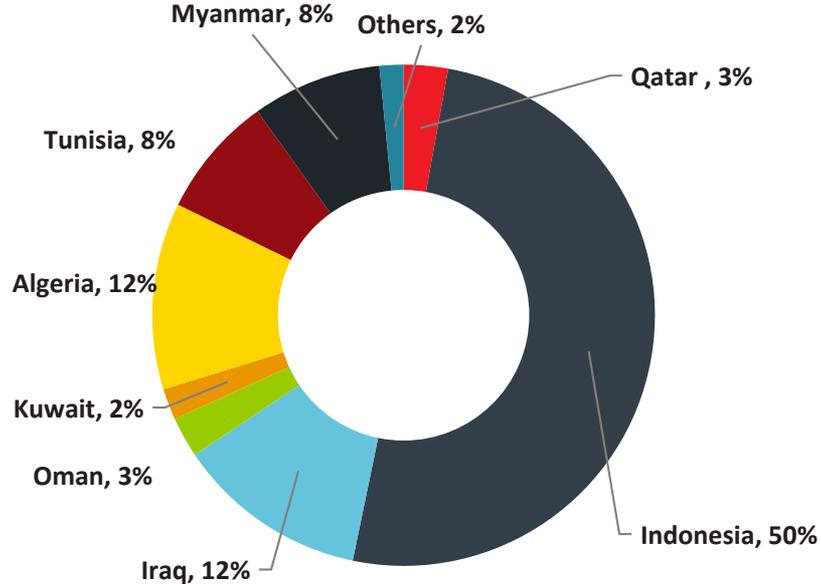
## CAPEX & Customers

### CAPEX Breakdown (%)



FY 2018 CAPEX = QAR 4,872 million

### Customer Breakdown (%)

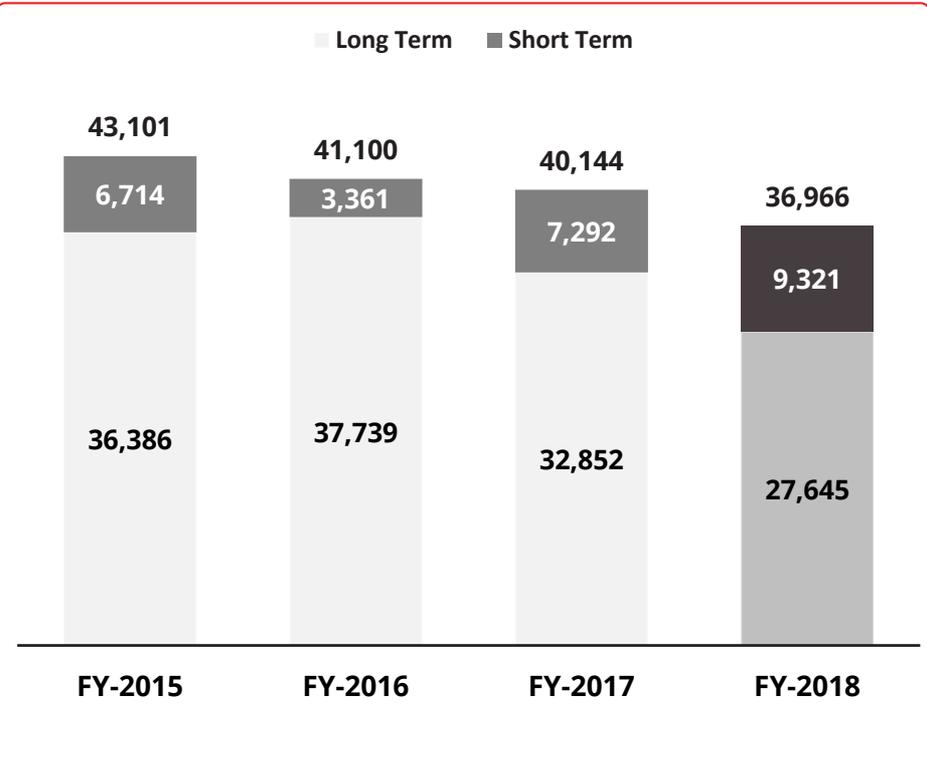


FY 2018 Total Customers = 115 million

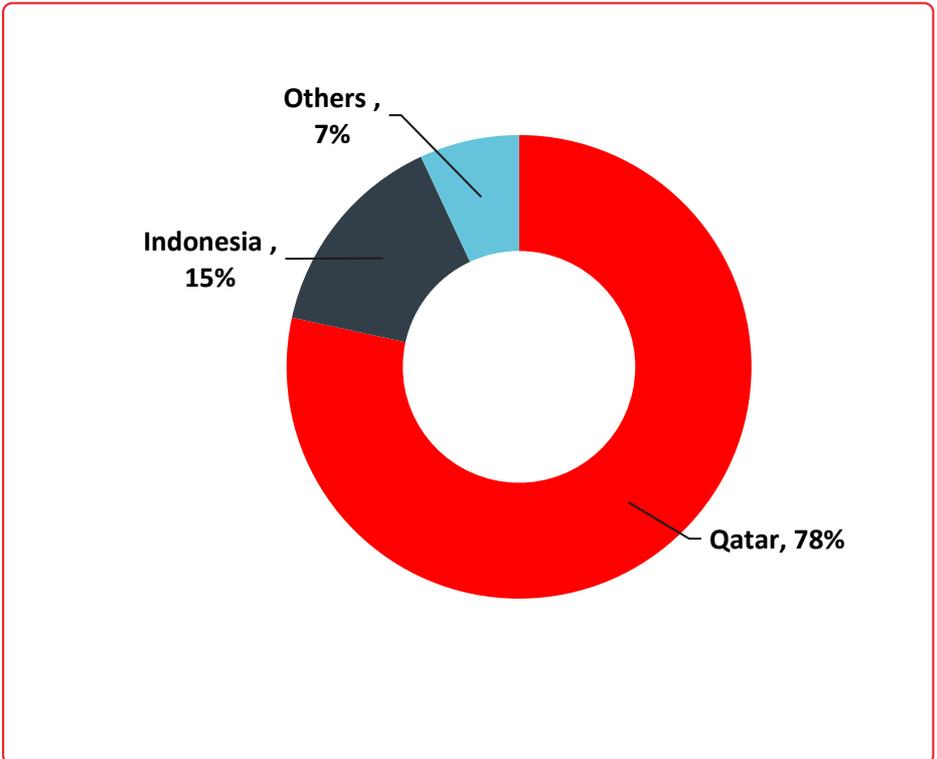


# Group Results - Total Group Debt Breakdown

## Total Group Debt (QARm)



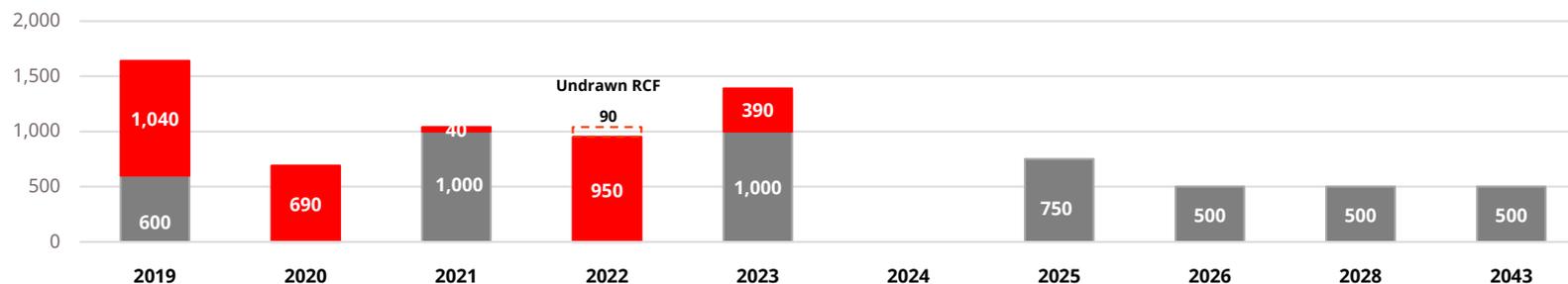
## Total Group Debt Breakdown



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

# Group Results

## Debt Profile – Ooredoo Q.P.S.C. level

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Loans (in USD mn)					Bonds (in USD mn)					
	Amount	Usage	Rate*	Maturity		Issue Amount	Interest/	Maturity	Listed in	
QNB QAR3bn RCF	824	0	QAR MM rate	31 Jan 2020	Fixed Rate Bonds due 2019	600	7.875%	10 Jun 2019	LSE	
USD1bn RCF	1,000	1000	Libor based	16 May 2019	Fixed Rate Bonds due 2021	1,000	4.75%	16 Feb 2021	LSE	
USD 500mn RCF	500	500	Libor based	06 May 2020	Fixed Rate Bonds due 2023	1,000	3.25%	21 Feb 2023	ISE	
USD150mn Term Loan	150	150	Libor based	31 Aug 2020	Fixed Rate Bonds due 2025	750	5.00%	19 Oct 2025	LSE	
USD1bn RCF	1,000	910	Libor based	07 Jun 2022	Fixed Rate Bonds due 2026	500	3.75%	22 Jun 2026	ISE	
USD200mn Amortizing Loan	200	200	Libor based	12 July 2023	Fixed Rate Bonds due 2028	500	3.875%	31 Jan 2028	ISE	
USD 100m Term Loan	100	100	Libor based	8 Oct 2023	Fixed Rate Bonds due 2043	500	4.50%	31 Jan 2043	ISE	
USD 100m Term Loan	100	100	Libor based	31 Oct 2023						
USD 100m Term Loan	100	0	Libor based	13 Dec 2023						
USD 150mn RCF	150	150	Libor based	30 Oct 2023						
<b>Total Loans</b>	<b>4,124m</b>	<b>3,110m</b>			<b>Total Bonds</b>	<b>4,850m</b>				

Total outstanding debt as at 31 Dec 2018 at Ooredoo Q.P.S.C. level

USD 7.960 million

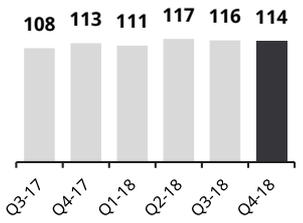
Sukuk of US\$1.25 bn fully repaid in December 2018 and US\$1.64 bn due in mid-2019 already pro-actively addressed. Liquidity at comfortable levels



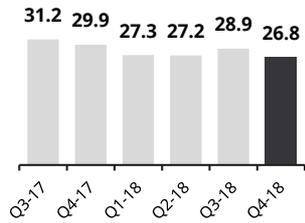
\* Based on the rates applicable for the usage levels

# Blended ARPU

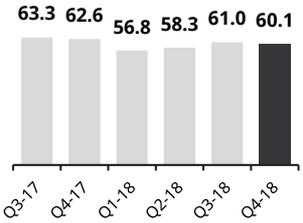
## Qatar (QAR)



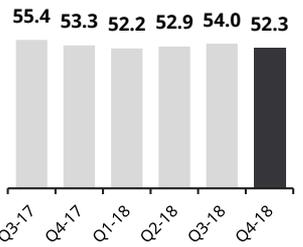
## Iraq (QAR)



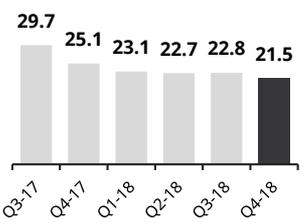
## Oman (QAR)



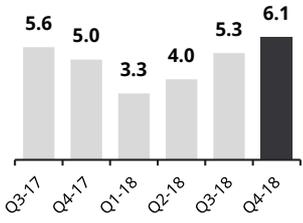
## Maldives (QAR)



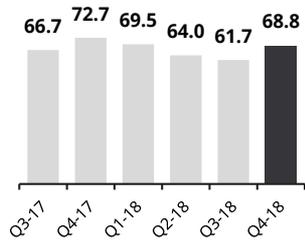
## Palestine (QAR)



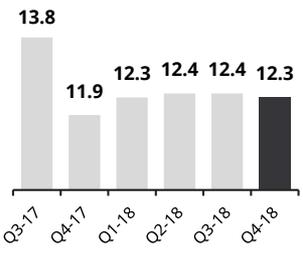
## Indonesia (QAR)



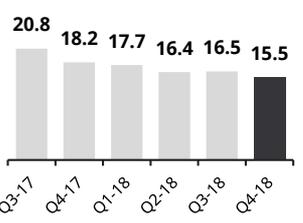
## Kuwait (QAR)



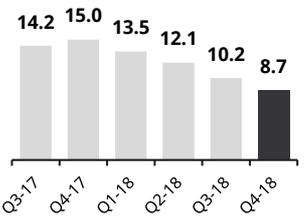
## Tunisia (QAR)



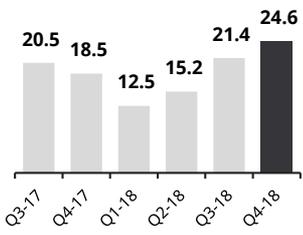
## Algeria (QAR)



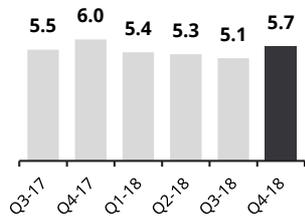
## Myanmar (QAR)



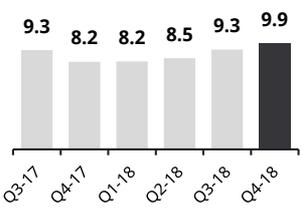
## Indonesia (IDR'000)



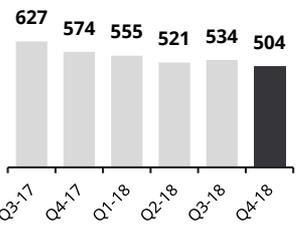
## Kuwait (KWD)



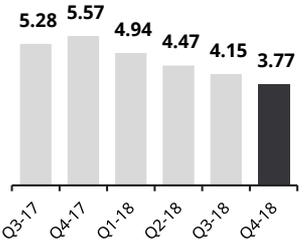
## Tunisia (TND)



## Algeria (DZD)



## Myanmar (MMK'000)



# 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	18%	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, 3) 1% Solidarity Social Contribution to Finance Social Security Fund is applicable as of 1 January 2018.



**Thank You**

Next Quarterly Results (tbc)