



Ooredoo Group

1H 2019 Results

July 2019



Disclaimer

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 - 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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Group Results

Key Highlights

Solid financial performance in challenging conditions



H1 2019 **Revenue QAR 14.5 billion**, a decline of 4% from H1 2018, impacted by an industry wide shift from voice services to data services, macroeconomic and currency weakness in some of our markets



Group EBITDA for H1 2019 **increased by 2 percent YoY** with **44% EBITDA margin** and QAR 6.3 billion Group EBITDA supported by a positive IFRS 16 impact



Group **Net Profit QAR 841 million, up 22%** on 1H 2018, aided by a favorable FX environment and offset by a negative IFRS16



Increased **monetization of data business**, to **52%** of Group revenue. **Data** revenue QAR 7.5 billion



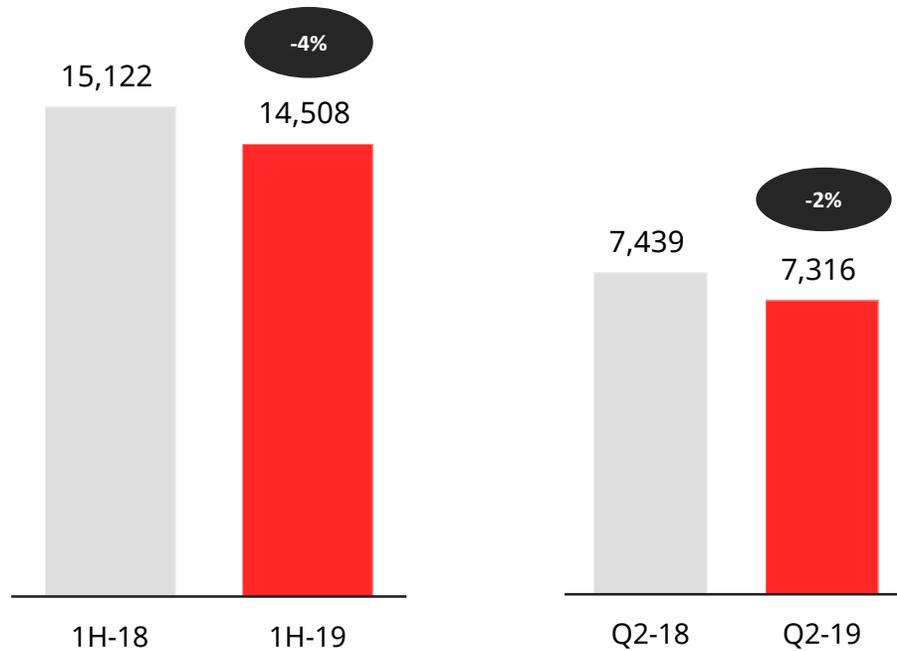
5G adoption leader

- **Ooredoo Kuwait** launched 5G commercially
- **2019 Emir Cup final**, Ooredoo Qatar achieving data speeds of up to 1.2 Gbps on 5G handsets

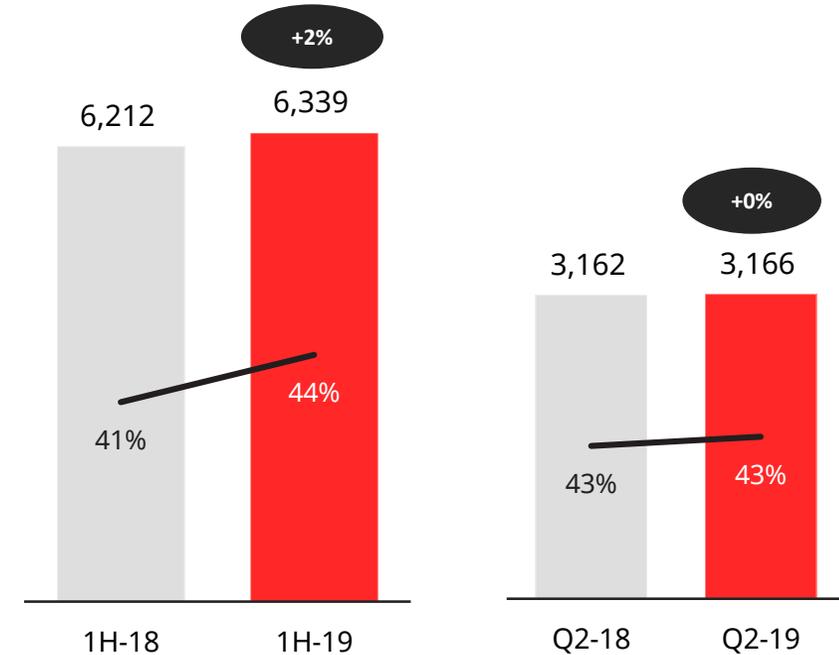
Group Results

Revenue and EBITDA

Revenue (QARm)

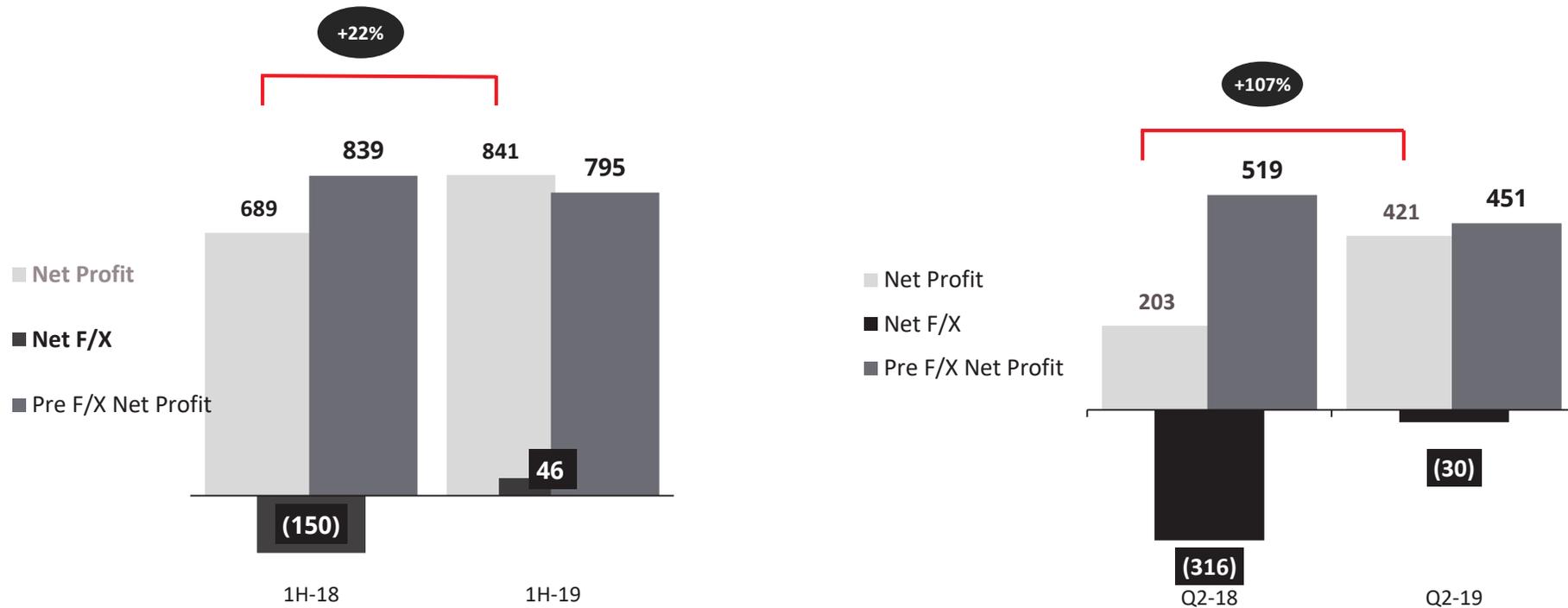


EBITDA (QARm) and EBITDA Margin



- Revenue growth in L/C terms in Indonesia and Tunisia offset by a decrease mainly in Kuwait, Qatar, Myanmar and Algeria
- EBITDA growth due to a favorable product mix, cost saving initiatives and IFRS 16 impact

Net Profit Attributable to Ooredoo shareholders (QARm)



- Net Profit increased by 22% partially aided by a favorable FX environment and offset by a negative IFRS16 impact on Net Profit in 1H 2019

Group Results

Free Cash Flow and Capital Expenditure

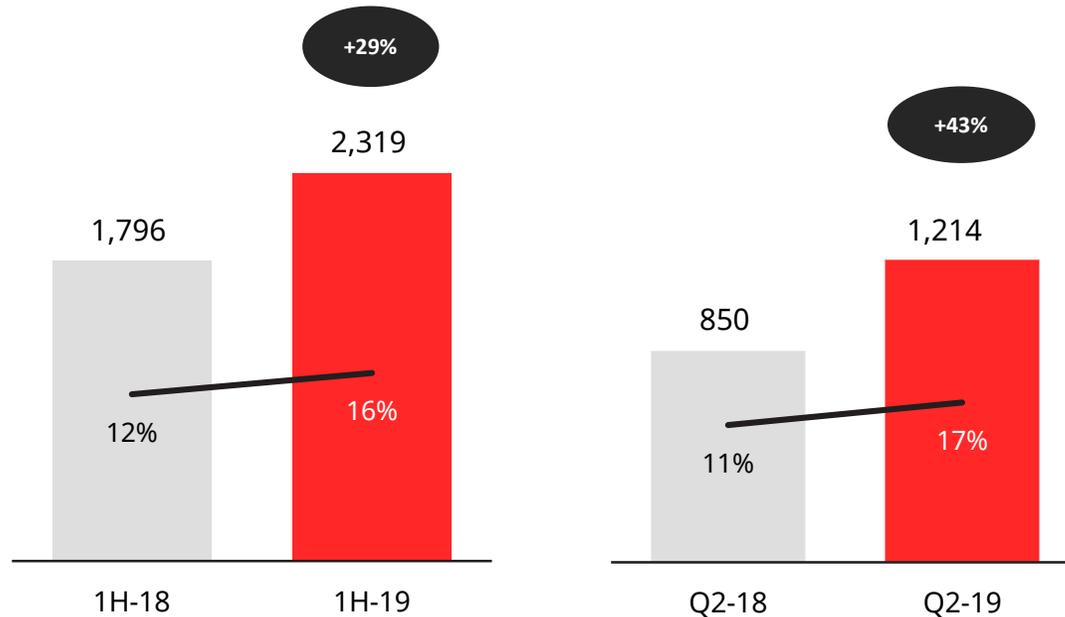
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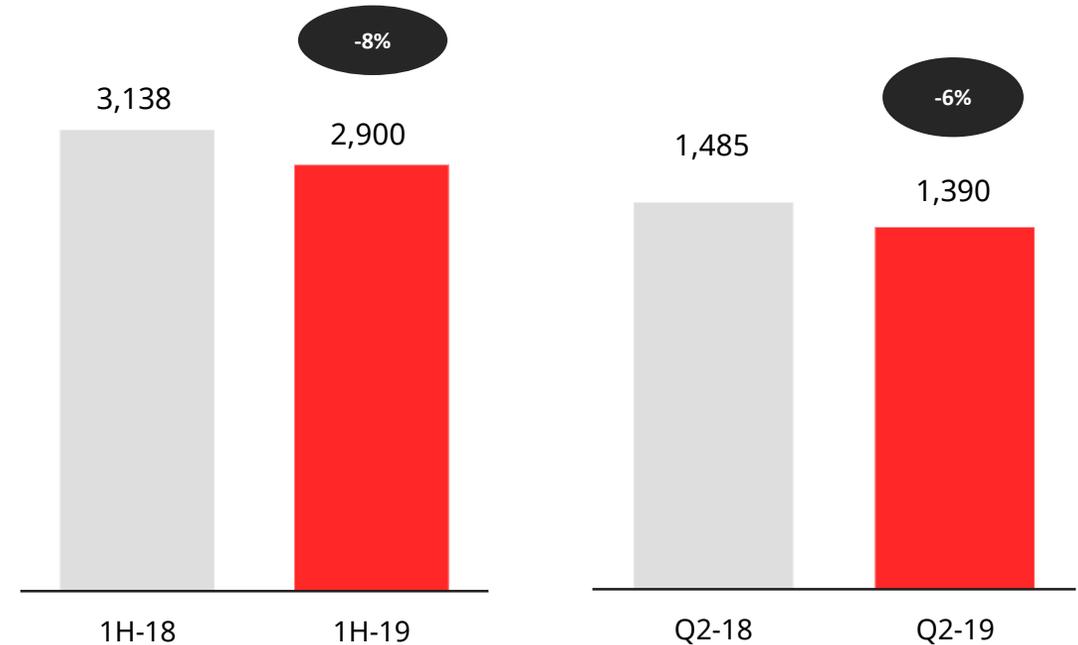
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CAPEX (QARm) & CAPEX/ Revenue (%)



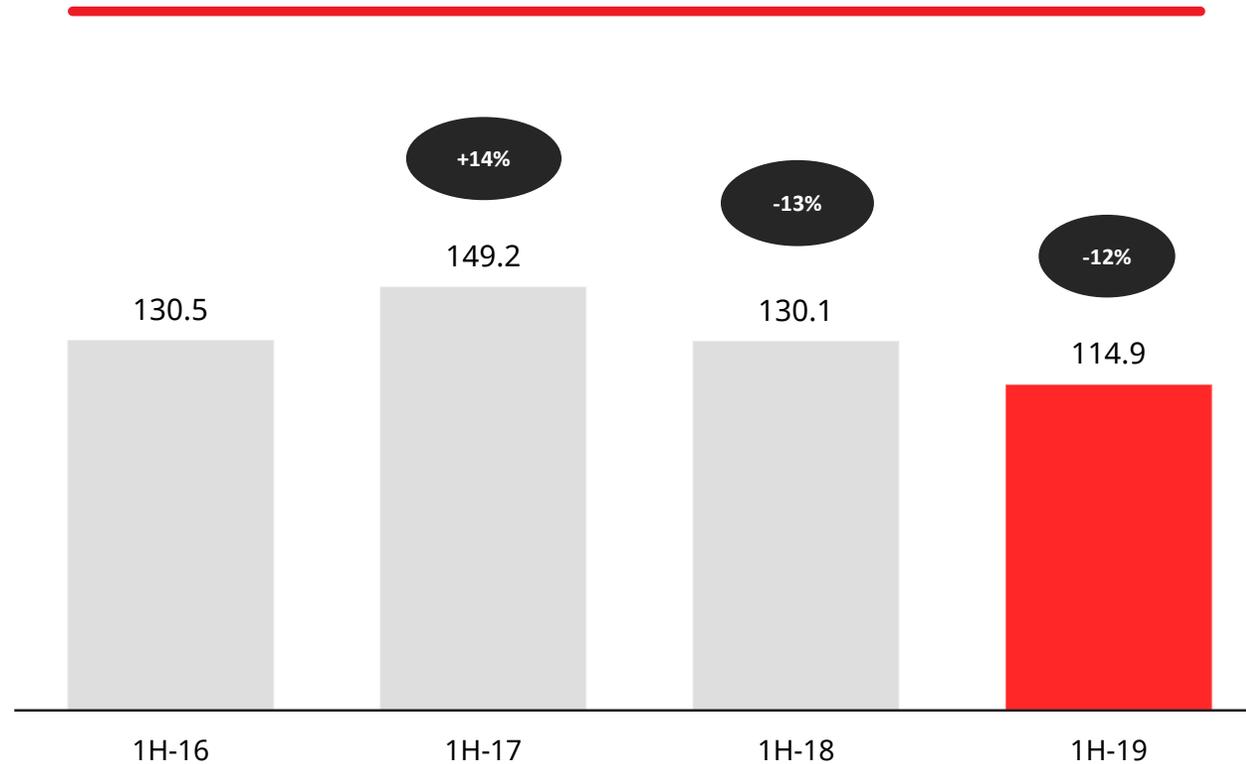
Free Cash Flow (QARm)



- Higher Capex investment to support network coverage and quality mainly in Indonesia
- Lower FCF due to higher Capex

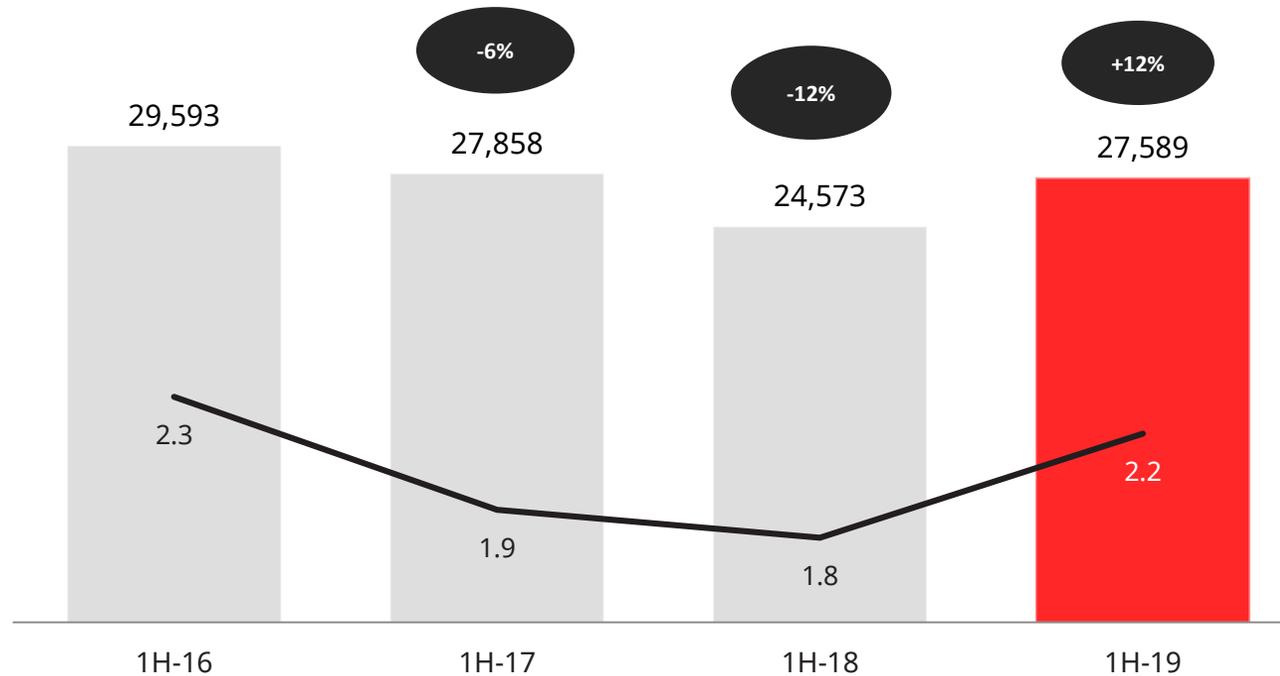
Note: Free Cash Flow = Net Profit plus Depreciation & Amortization less CAPEX; CAPEX excludes license fee obligations & right-of-use assets; Net Profit adjusted for extraordinary items

Total Customers (000)



- Growing customer numbers in all operations with the exception of Indosat Ooredoo (new SIM regulation in 2018) and Algeria
- Indosat Ooredoo reversed the negative trend and started to add 3m customers in Q2

Net Debt (QARm) and Net Debt / EBITDA



Pre IFRS 16:

- Net Debt QAR 22,868m
- Net Debt/EBITDA ratio: 1.9x

- Net Debt to EBITDA ratio 2.2x within board guidance between 1.5x and 2.5x (bank covenant 4x)

Group Results

2019 1H performance summary

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Group Financials (QAR bn)	1H 2019 Actual	% Change 2019/2018 Excl. IFRS 16 impact	Full Year Guidance excl. IFRS 16 impact
Revenue	14.5	-4%	-3% to 0%
EBITDA	6.3	-6%	-7% to -4%
CAPEX	2.3	29%	5.5bn to 6.5bn

- Guidance for 2019 has been given without IFRS 16 impact
- 1H Revenue lower than guidance, mainly due to lower handset sales
- Reported EBITDA **incl. IFRS16 impact was up by 2%**
- CAPEX higher mostly due to Indosat Ooredoo network investment

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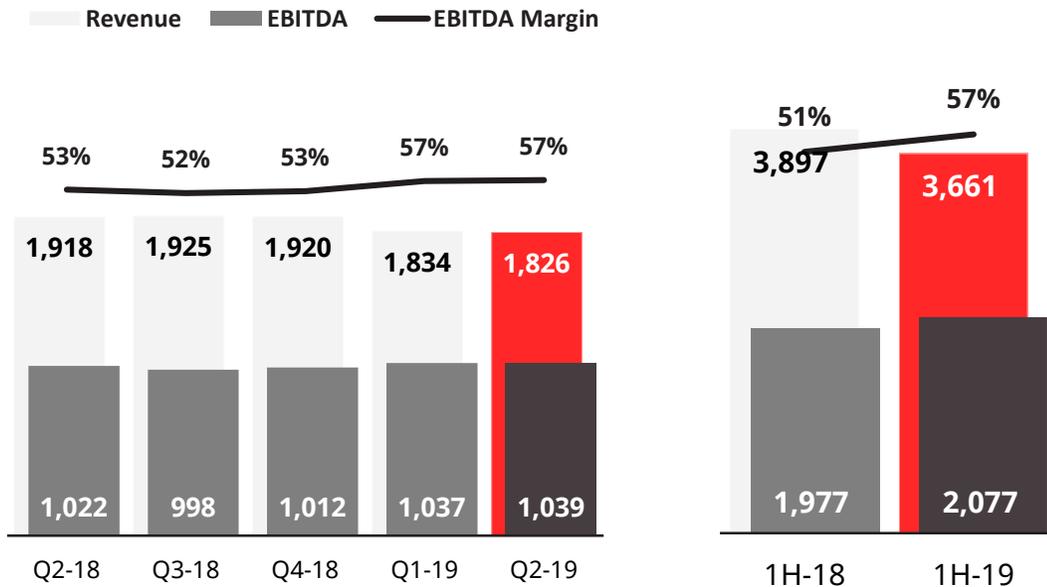
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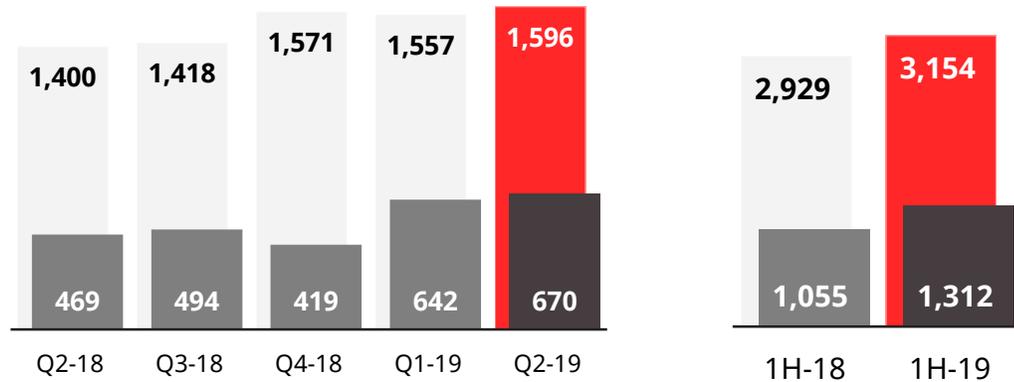
QARm



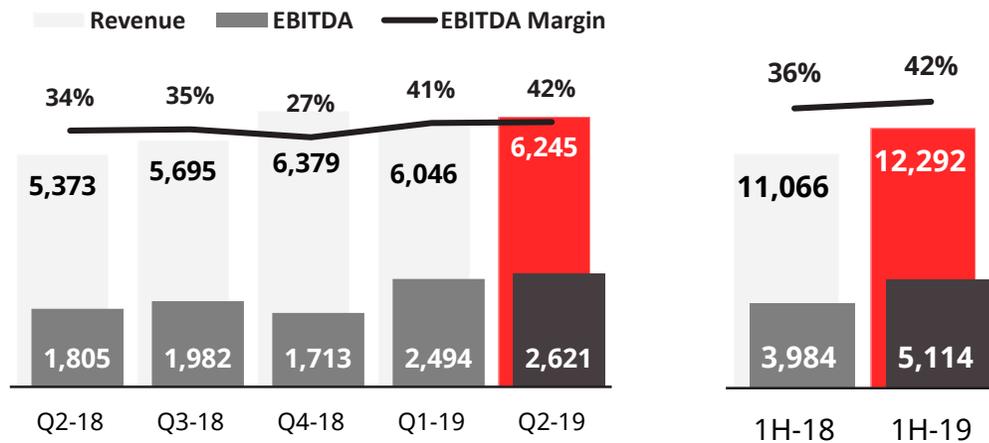
- Strong No.1 position maintained - Ooredoo' s fixed line and mobile networks in Qatar ranked among fastest globally
- Revenue down due to fewer handset sales
- Healthy EBITDA margin 57%, improved yoy and sequentially
- Pre IFRS16, EBITDA is QAR 2,040m, EBITDA margin of 56%
- Customer number stood at 3.3m, up 1% yoy , Ooredoo TV gains more customers due to new set top box
- Ooredoo has around 100 live 5G sites, 5G trials with a 'Virtual Stadium' were conducted at Mall of Qatar; "Ooredoo Sports" launched, an innovative conversational Artificial Intelligence (AI) platform
- Sponsorship agreement for Qatar national football team
- Ooredoo Fibre rollout program's success continues and now has 423k homes connected across the country
- Microsoft honored Ooredoo with Digital Transformation Award

• 1 USD = 3.6415 Qatari Riyal (QAR)

QARm



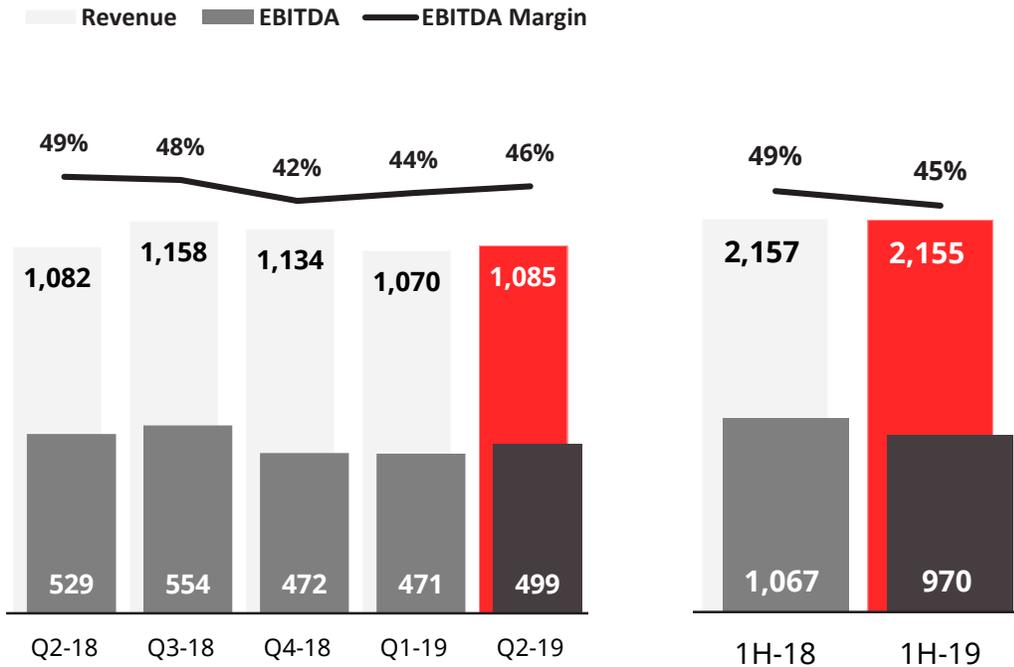
IDRbn



- Strong top line growth, revenue up by 11% in L/C driven by data revenue
- EBITDA continues to improve due to higher sales and cost optimization
- Pre IFRS16, EBITDA is QAR 1,230m, EBITDA margin of 39%
- Customer growth trend reversed, adding 3 million in Q2'19
- Network strengthens further with more 4G Plus deployment
- Post period: Very high investor demand for a new IDR bond and sukuk issuances in July 2019
- amount of IDR3.381tr (1.7x over-subscribed)
- tenures of 1 to 10 years

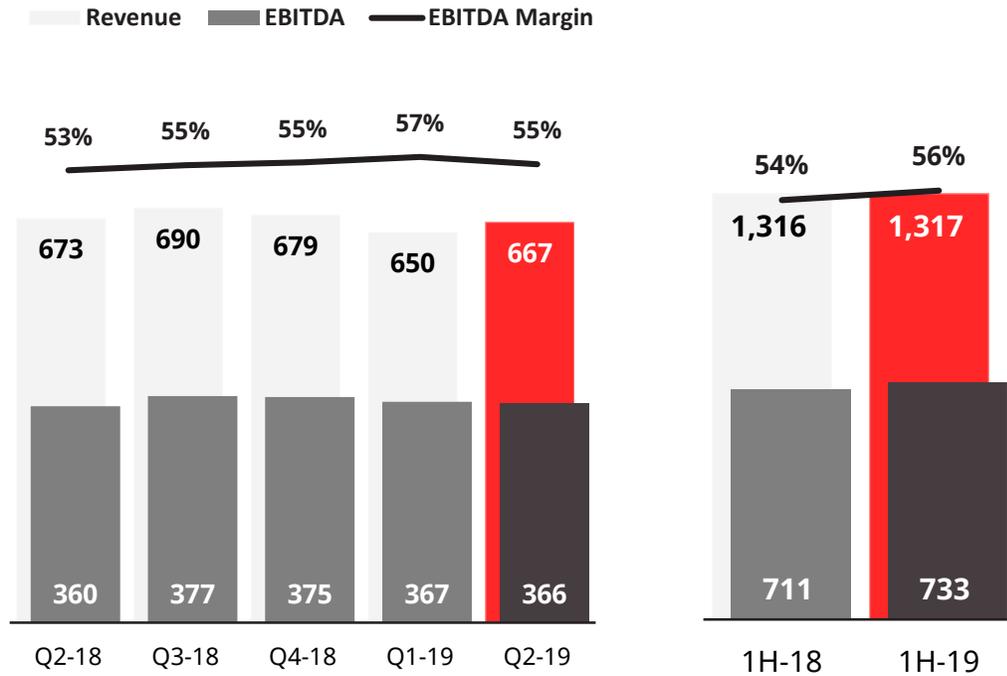
• Note: Average rate over the period (IDR) 1 USD = 14,192 Indonesia Rupiah (IDR)

QARm



- 1H revenue stayed flat YoY, intense price competition
- 1H EBITDA was down 9% as a result of increased sales and marketing activities to expand its customer base and data/fiber network cost
- Pre IFRS16, EBITDA is QAR 929m, EBITDA margin of 43%
- Customer base stood at 13.9 million in Q2 2019, grew by 6% YoY
- Further investment in network upgrades and expansion to accommodate increasing data demand and ensure full 3G coverage
- Restoration of sites in liberated areas almost complete

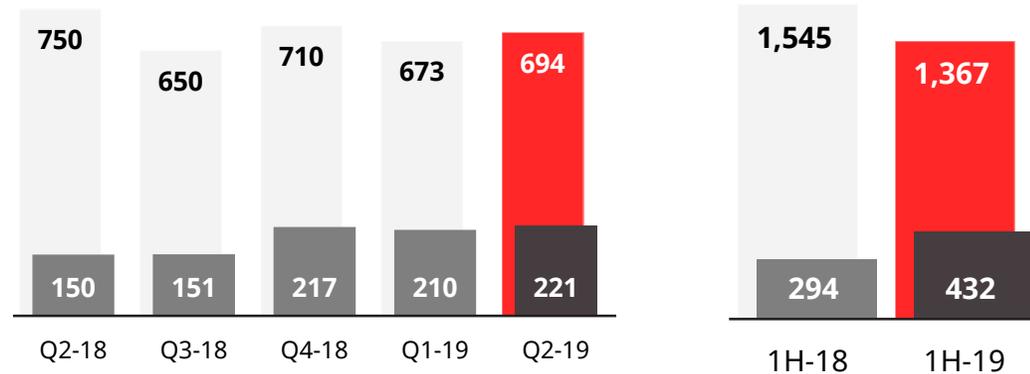
QARm



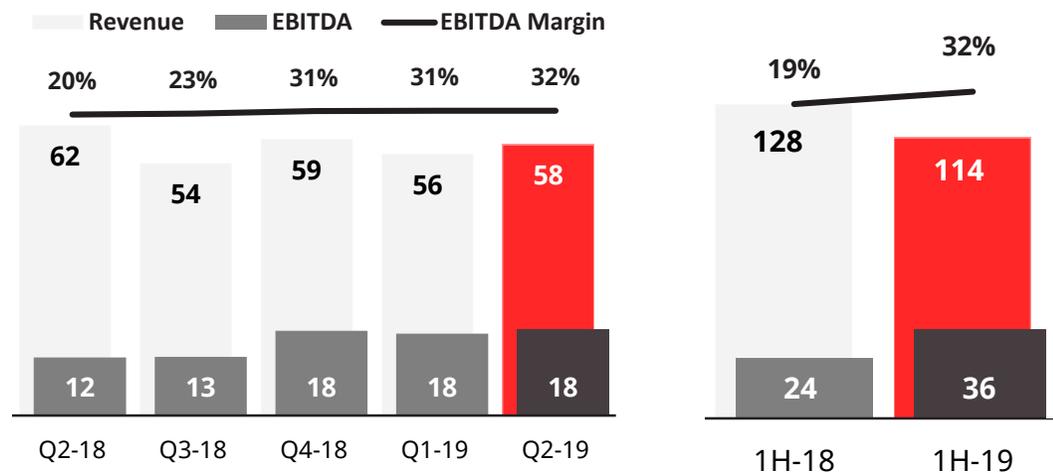
- Slight increase of revenue driven by fixed business
- EBITDA margin improved to 56%
- Pre IFRS16, EBITDA is QAR 712m, EBITDA margin of 54%
- Customer base increase by 5% to 3.1 million mainly in the prepaid segment
- New digital services “New Shababiah” all in one digital prepaid service and the “New Shahry” digital post-paid product
- Launch of new features in Ooredoo Oman’s app through its AI powered Chatbot
- Extended its 4G “Supernet network”, advanced 4G with MIMO technology, to 25 new areas

• Note: (1) Constant pegged currency 1 USD = 0.38463 Omani Rial (OMR)

QARm

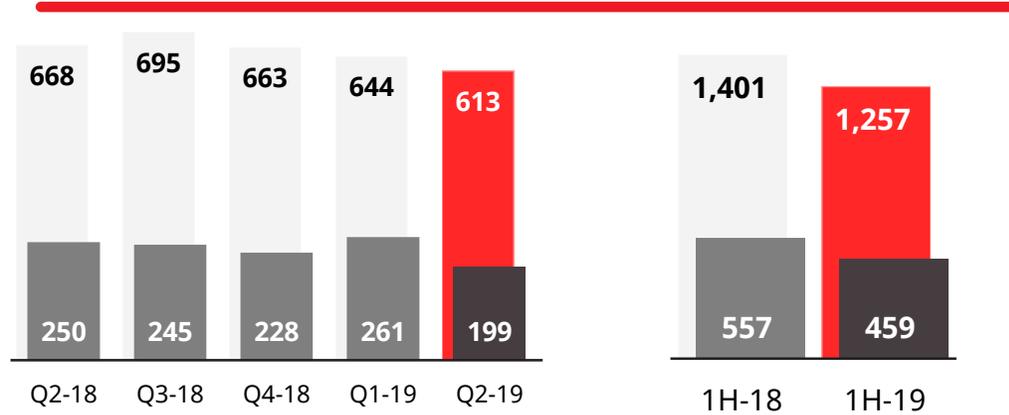


KWDm

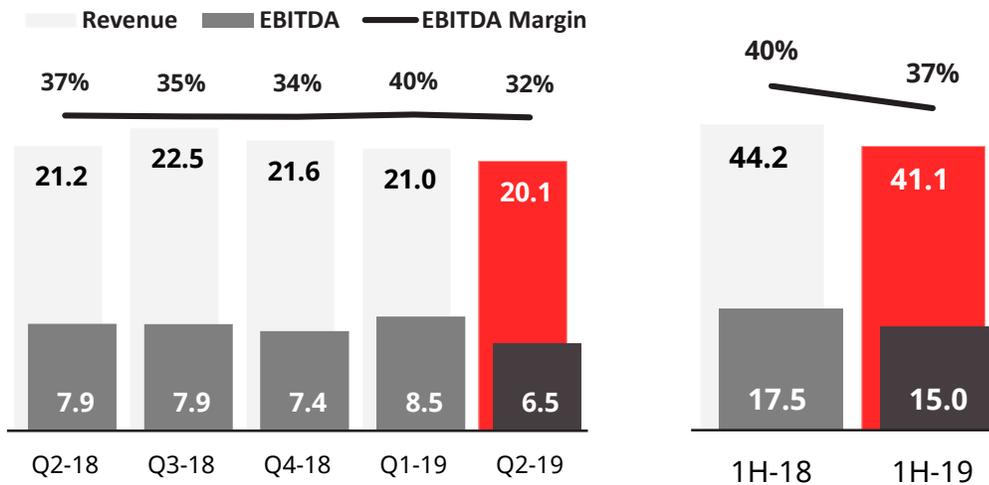


- 1H Revenue decreased by 12% due to reduction of handset sales in a very competitive market
- EBITDA surged by 47% due to favorable product mix and cost saving initiatives
- Pre IFRS16, EBITDA is QAR 364m, EBITDA margin of 27%
- Customer base stood at 2.5 million, up by 6% yoy; positive MNP trend
- Launch of commercial 5G network in June 2019

QARm

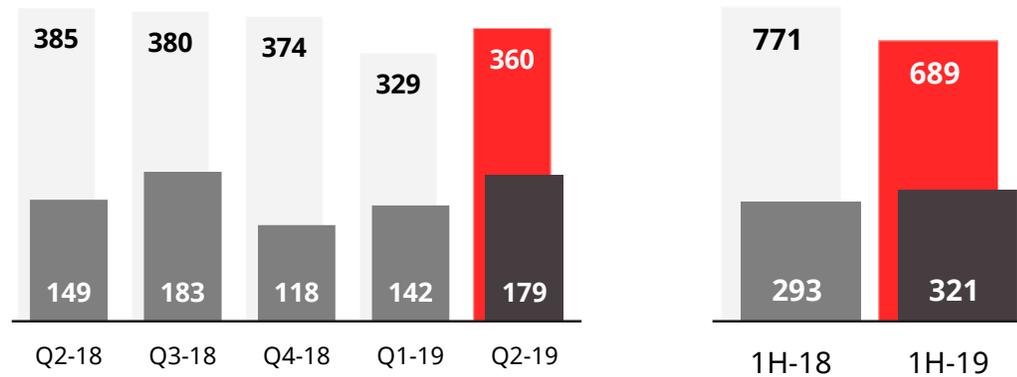


DZDbn

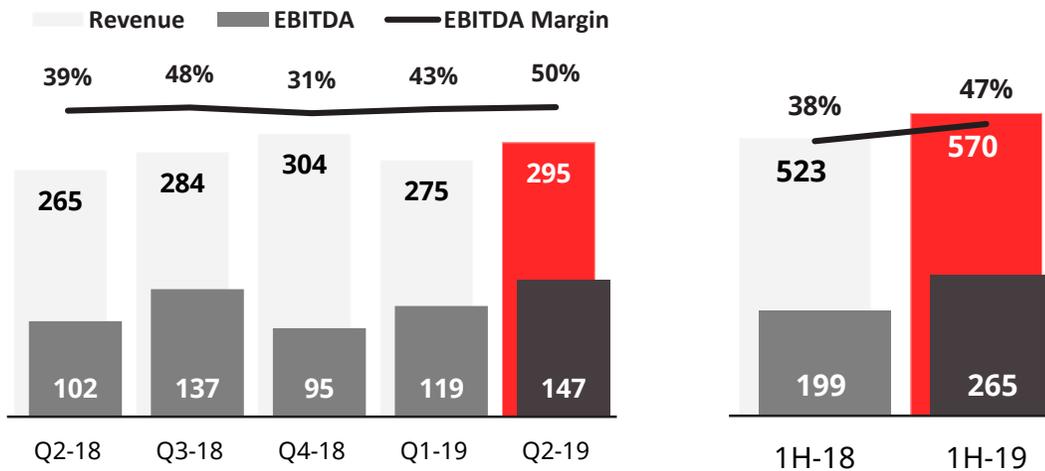


- Revenue decreased 7% yoy in local currency due to intense competition, political uncertainty, weak economy and overall shrinking market
- EBITDA lower due to decrease in revenue
- Pre IFRS16, EBITDA is QAR 405m, EBITDA margin of 32%
- Customer number stable at 13.6 million
- Network rollout reached highest 4G coverage in Algeria, 58% population, all 48 wilayas (States)
- Several new digital services in OTT video and sports were launched
- Data traffic more than doubled year on year

QARm



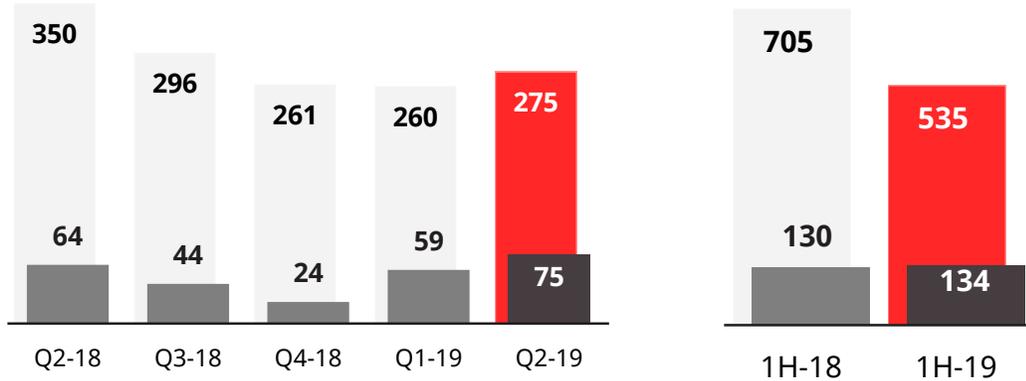
TNDm



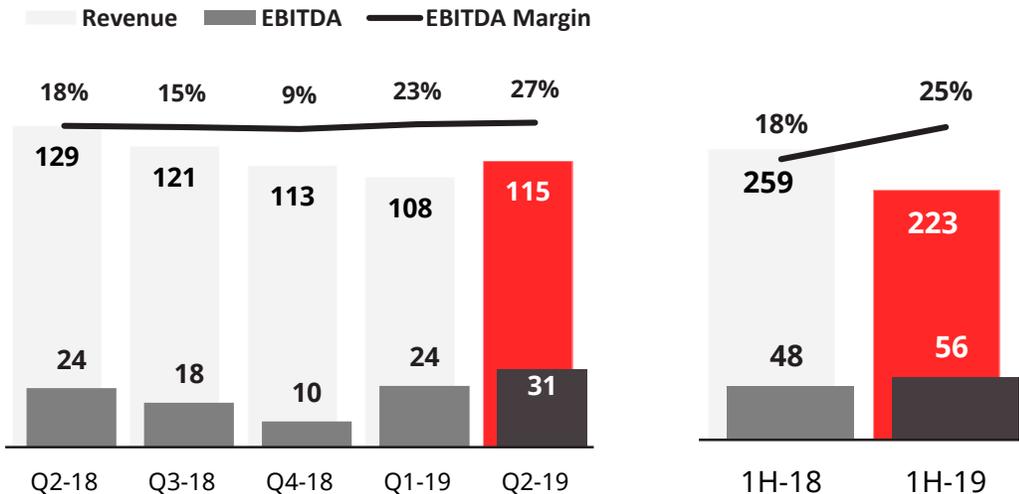
- 1H 9% Revenue growth yoy in local currency terms
- LC revenue growth driven by mobile data, fixed business and B2B
- EBITDA margins improved to 47%, following revenue growth, costs containment and timing difference of some marketing spend
- Pre IFRS16, EBITDA is QAR 304m, EBITDA margin of 44%
- Customer number reached 8.8 million, an increase of 5% yoy
- Ooredoo Tunisia recognized as “Best Customer Service” in Tunisia

• Note: Average rate over the period (TND) 1 USD = 3,015 Tunisian Dinar (TND)¹

QARm



MMKbn



- Q2'19 revenue improved 6% QoQ (in LC) driven by mobile data growth and supported by regulatory intervention (regulator asked operators to stop aggressive market promotions in Feb'19)
- H1'19 revenue declined by 14% YoY (in LC) due to aggressive pricing in the market which started in the second half of 2018
- Q2'19 EBITDA and EBITDA% increased QoQ supported by revenue growth and cost saving initiatives
- Pre IFRS16, EBITDA is QAR -10m, EBITDA margin of -2%
- YoY FX depreciation of 12% impacted QAR reported numbers
- Customer base reached over 11.1 million, increase of 19% YoY
- Supernet wireless broadband business continued to grow customers and revenues
- In line with Digital initiatives, My Ooredoo app is successful in supporting customer loyalty and data growth

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Key Operations Importance to Group

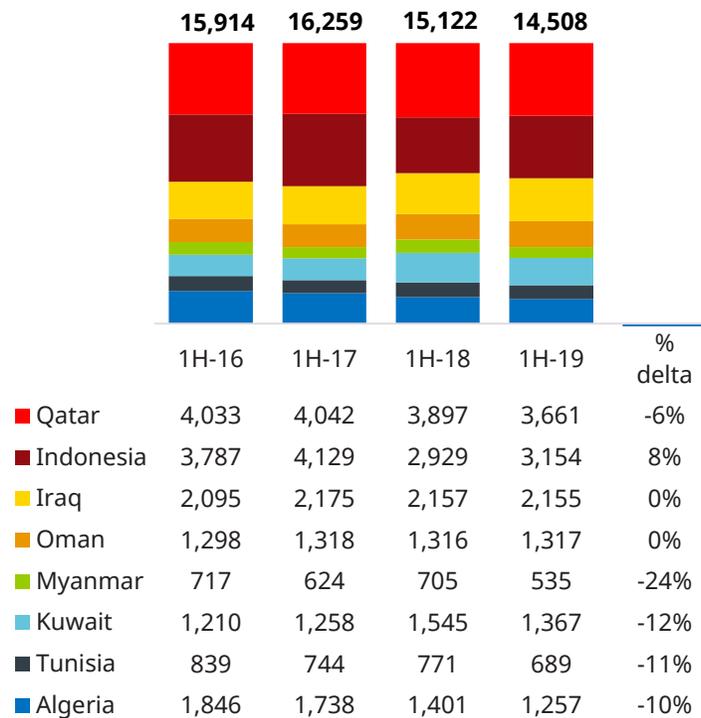
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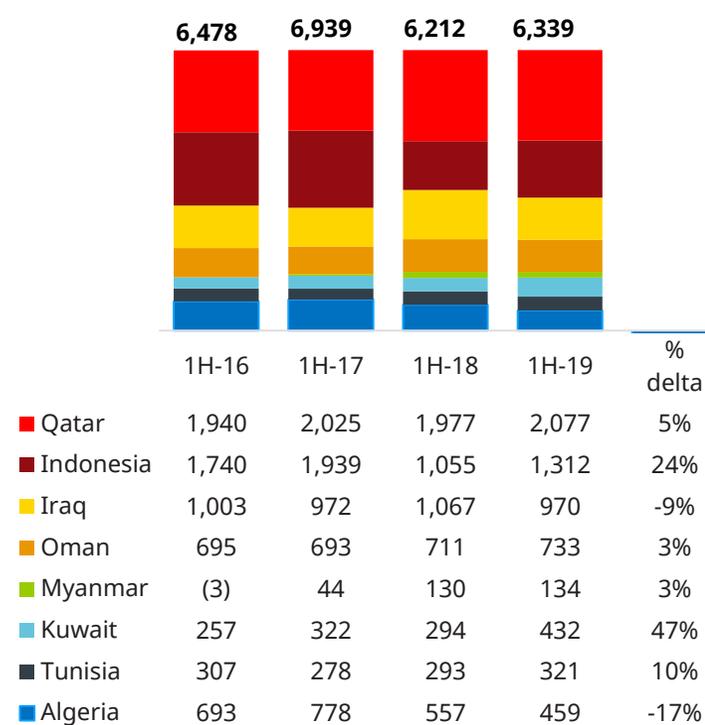
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Revenue (QARm)



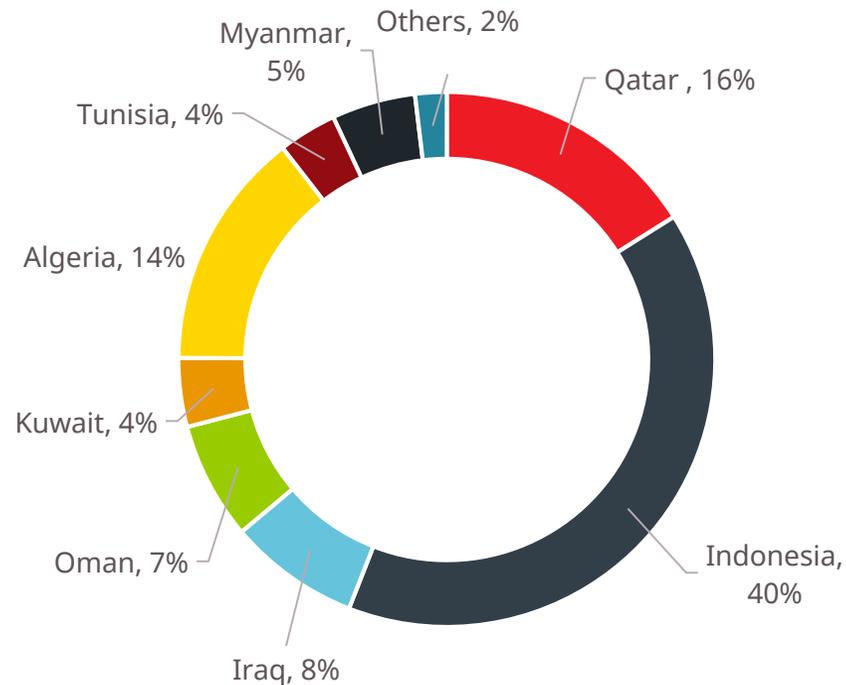
EBITDA (QARm)



Group Results

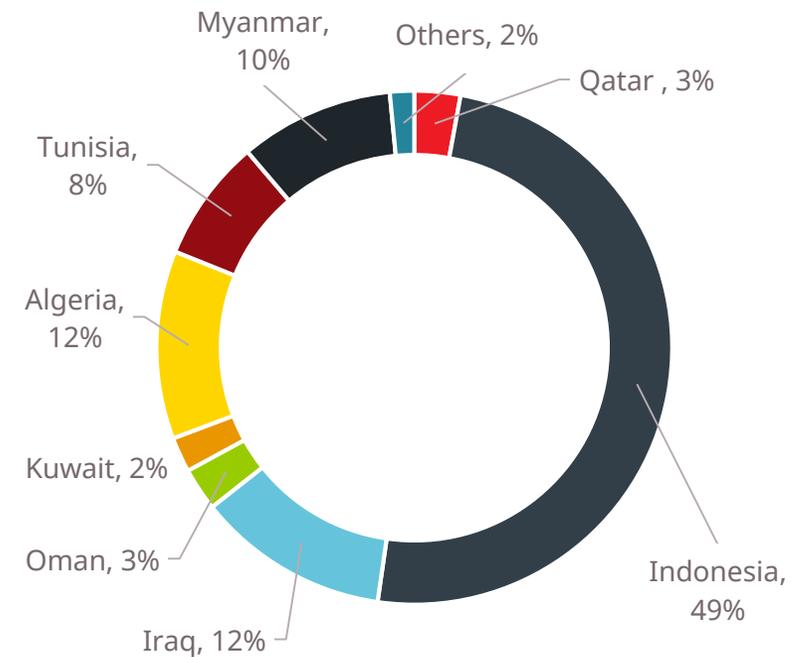
CAPEX & Customers

CAPEX Breakdown (%)



1H 2019 CAPEX = QAR 2,319 million

Customer Breakdown (%)

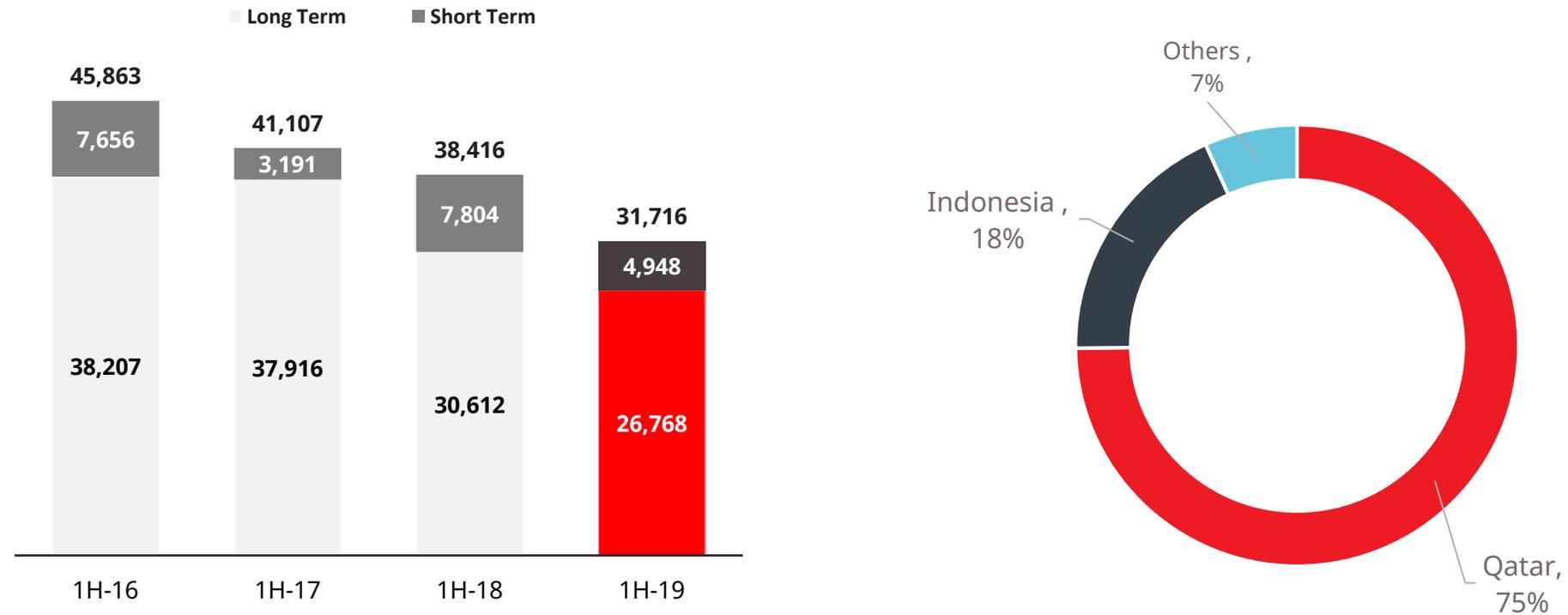


1H 2019 Total Customers = 115 million

Group Results

Total Group Loans and Borrowings

Total Group Loans and Borrowings (QARm)

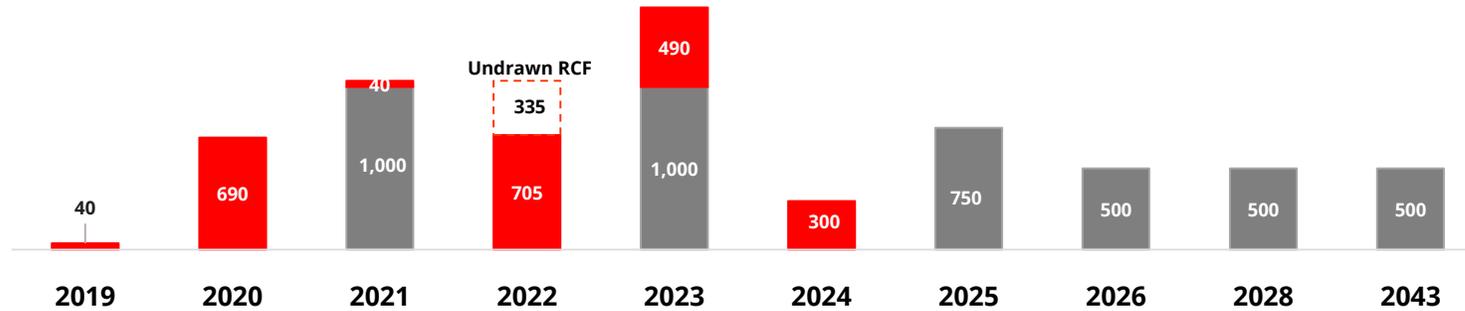


Total Group debt reduced, well balanced profile
OpCo debt primarily in local currency

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

Group Results

Debt Profile – Ooredoo Q.P.S.C. level

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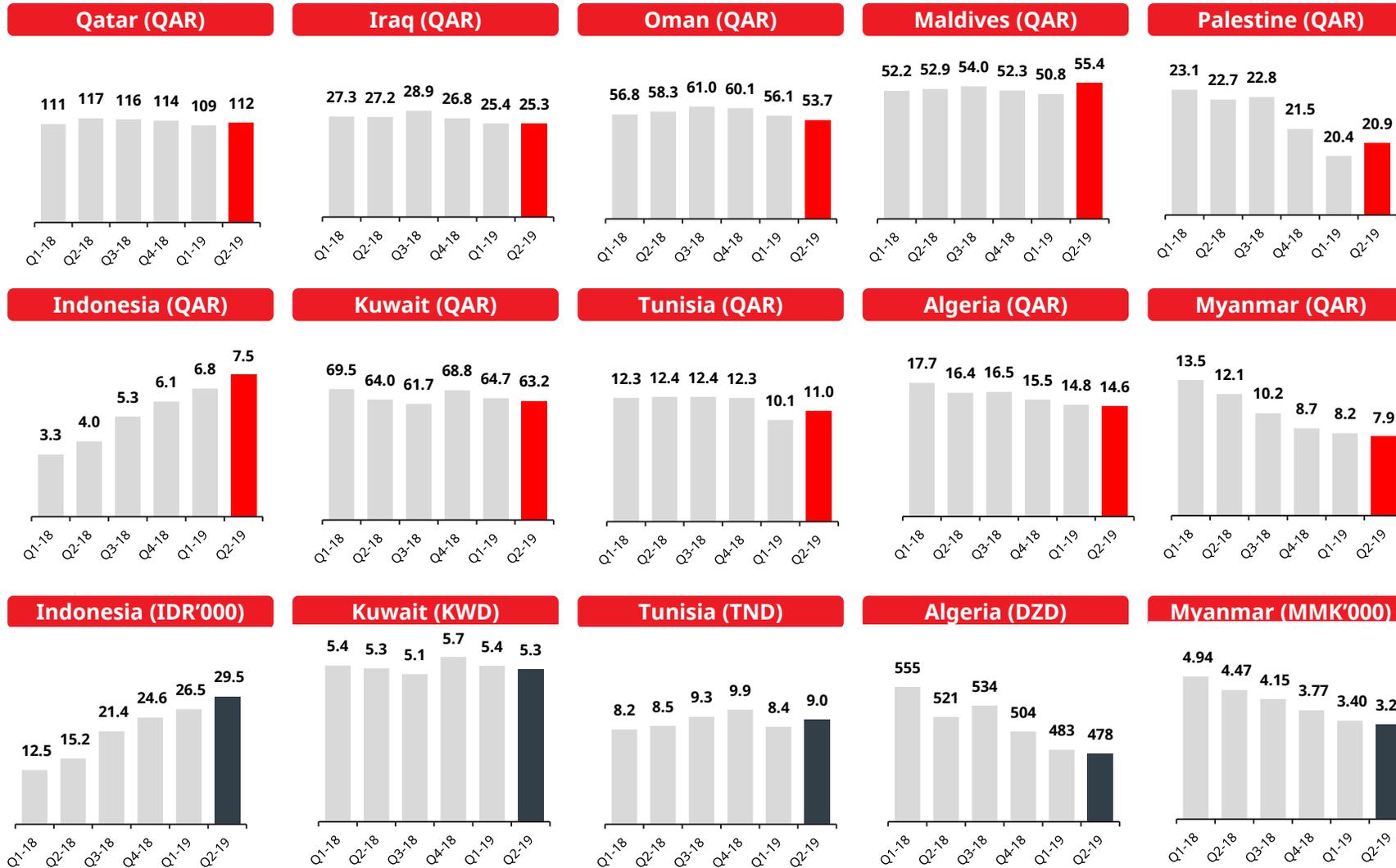
Loans (in USD m)					Bonds (in USD m)				
	Amount	Usage	Rate*	Maturity		Issue Amount	Interest	Maturity	Listed in
QNB QAR3bn RCF	824	0	QAR MM rate	31 Jan 20	Fixed Rate Bonds due 2021	1,000	4.75%	16 Feb 21	LSE
USD 500mn RCF	500	500	Libor + spread	06 May 20	Fixed Rate Bonds due 2023	1,000	3.25%	21 Feb 23	ISE
USD150mn Term Loan	150	150	Libor + spread	31 Aug 20	Fixed Rate Bonds due 2025	750	5.00%	19 Oct 25	LSE
USD1bn RCF	1,000	665	Libor + spread	07 Jun 22	Fixed Rate Bonds due 2026	500	3.75%	22 Jun 26	ISE
USD200mn Amortizing Loan	200	200	Libor + spread	12 Jul 23	Fixed Rate Bonds due 2028	500	3.875%	31 Jan 28	ISE
USD 100m Term Loan	100	100	Libor + spread	08 Oct 23	Fixed Rate Bonds due 2043	500	4.50%	31 Jan 43	ISE
USD 150mn RCF	150	150	Libor + spread	30 Oct 23					
USD 100m Term Loan	100	100	Libor + spread	31 Oct 23					
USD 100m Term Loan	100	100	Libor + spread	13 Dec 23					
USD 300m RCF	300	300	Libor + spread	16 May 24					
Total Loans	3,424m	2,265m			Total Bonds	4,250m			

Total outstanding debt as at 30 June 2019 at Ooredoo Q.P.S.C. level

USD 6,515 million

Ooredoo Q.P.S.C. repaid USD 1.6bn of maturing debt in Q2 2019

Blended ARPU



Statutory Corporate Tax Rates

Markets	Statutory Tax Rate	Losses C/Fwd Allowed	
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, 3) 1% Solidarity Social Contribution to Finance Social Security Fund is applicable as of 1 January 2018.

OPCOs Licence General Information

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Country	Fixed Licence		Mobile Licence	
	Issuance Date	Expiry Date	Issuance Date	Expiry Date
Qatar	7 October 2007	6 October 2032	7 October 2007	6 October 2027
Kuwait	--	--	13 October 1997 Emiri Decree	Indefinite
Iraq	--	--	30 August 2007	29 August 2022
Oman	6 June 2009	6 June 2034	19 February 2005	18 February 2020 15 years extension agreed
Algeria	--	--	2G: 14 Jan. 2004 3G: Dec. 2014 4G: 25 Sep. 2016	2G: 13 Jan. 2019 (under discussion) 3G: Dec. 2029 4G: 24 Sep. 2031
Tunisia	May 2012	May 2027	2G: 15 May 2017 3G: 11 July 2012 4G: 30 March 2016	2G: 14 May 2032 3G: 10 July 2027 4G: 29 March 2031
Indonesia	21 May 2004	Unlimited	11 October 2006	Indefinite
Maldives	14 December 2015 (ISP)	13 December 2030	1 February 2005	31 January 2020
Palestine	--	--	14 March 2007	10 September 2029
Myanmar	5 February 2014	04 February 2029	05 February 2014	04 February 2029

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Thank You

