



Ooredoo Group

Q1 2020 Results

30 April 2020



Disclaimer

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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

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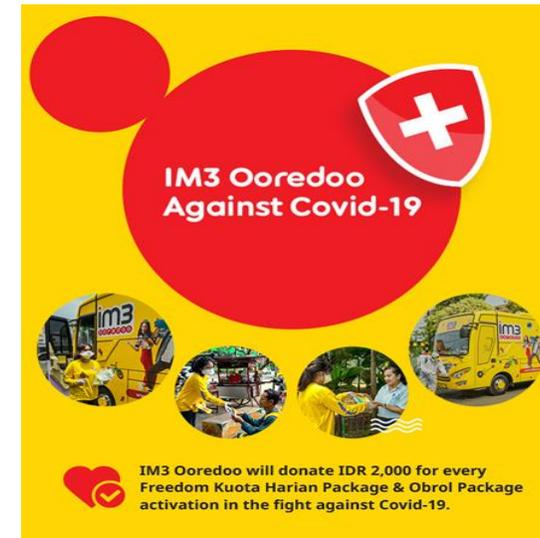
Covid 19 situation and Ooredoo priorities

“As we work together to overcome the challenges of the COVID-19 pandemic, our key priorities are clear:

- the health and safety of our staff and customers
- the continued provision of uninterrupted and high quality services to our consumer and business customers.

“We have a strong balance sheet, a well-diversified portfolio geographically and a resilient customer mix across prepaid, postpaid and enterprise. Our customers are now relying on Ooredoo’s service more than ever before.

“The investments we have made and continue to make in our digital transformation have ensured our business continuity and enabled us to provide essential services for our customers during these uncertain times.”



A little bit of distance,
to stay strong **together**
as a community.

#SocialDistance #TogetherAtHome
#Covid19

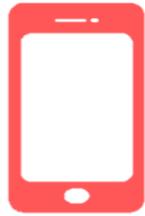
Group Results

Initial assessment of impact on our business:

Telecom is a resilient and defensive sector



Reduced roaming revenues due to travel restrictions



Decreased device sales (low margin business) due to store closures



Potential supply chain disruption, delaying CAPEX deployment



More need to communicate in crisis situation



Data consumption up during lockdown (entertainment, education, video conferencing)



Increased e-Shop and digital service usage



Potential increase in demand for cloud and data centre services

Negative

Positive

Long term opportunities:

- Digital Transformation & increased reliance on online services
- Necessary growth of 5G and acceleration of IoT services

Group Results

COVID-19 Initiatives

Social

- CSR activities and COVID-19 information campaigns to support to the community
- Free data & speed upgrades
- Support of key workers (health care, Government)
- Education initiatives (e-education, free websites)
- Extended data validity
- Free Ooredoo TV content (kids, education)
- Free mobile money transfers
- Extended barring process
- Donations
- Online gaming competitions (call of duty tournament)

Commercial

- Acceleration of digital transformation to ensure business continuity
- Focus on digital channels / online services (digital marketing campaigns, app sales, online payments, social media care)
- Change in marketing approach (more targeted through customer telemarketing and digital channels)
- Partial or total “work from home” launched for customer care operations
- Set-up/Increase of on e-shop fulfilment capacity and capabilities

Infrastructure

- Steps taken to ensure preparedness for increase in traffic and improved network performances
- Network Optimization and Soft Capacity Expansions
- Increased capacity on mobile and fixed
- Shift from business centers to residential (WFH)
- aggressive re-farming of 3G bands to LTE
- Avoiding and Managing Overload by: Video Quality Reduction, Fair Usage Policies (if necessary)

Health & Safety

- Overview of health and safety initiatives
- Work from home
 - Protective Attire
 - Temperature checks
 - Sanitisation procedures
 - Stay at home initiatives
 - Health & safety advice
 - Awareness and educational videos
 - Digital banners / posters on hygiene
 - Mass SMS info from health ministry

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Group Results

Key Highlights

Solid financial performance in challenging conditions



Revenue growth of 1% year-on-year to QAR 7.3 billion supported by robust growth in Indonesia, Tunisia, Myanmar and other markets, which was partially offset by a COVID-19 impact, a reduction in handset sales and macroeconomic weakness in some of our other markets.



EBITDA declined by 5% year-on-year to QAR 3.0 billion, impacted by measures to contain the spread of COVID-19 in many territories as well as challenging market conditions in Algeria, Qatar, Kuwait and Oman.



Group **Net Profit attributable to Ooredoo shareholders** declined by 8% to QAR 387 million in Q1 2020, compared to the same period last year, due to the reduction in EBITDA which was partially offset by a more favorable Foreign Exchange environment compared to the same period last year.



Data revenues accounts for more than 50% of total Revenue driven by our data leadership and digital transformation initiatives across the countries we operate in.

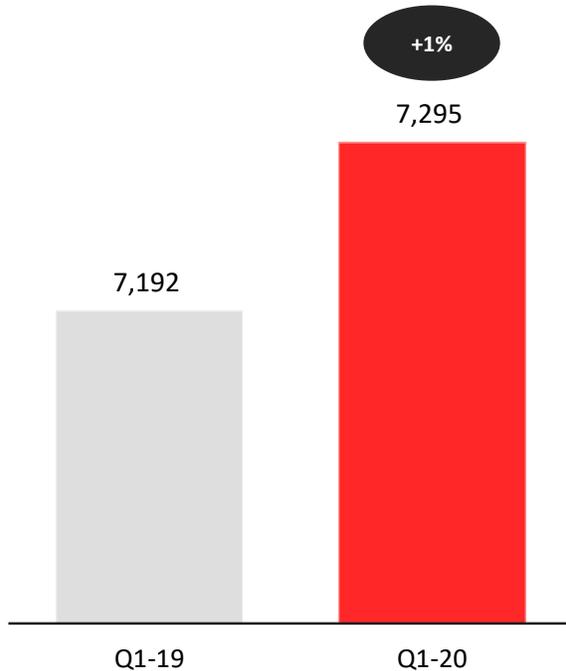


Ooredoo Group has **healthy cash reserve** and liquidity levels to be able to absorb the impact of **COVID-19** for the year 2020. As the COVID-19 lockdowns continues, it is expected to result in economic weakness in most of our markets with a corresponding impact on the performance of our operations.

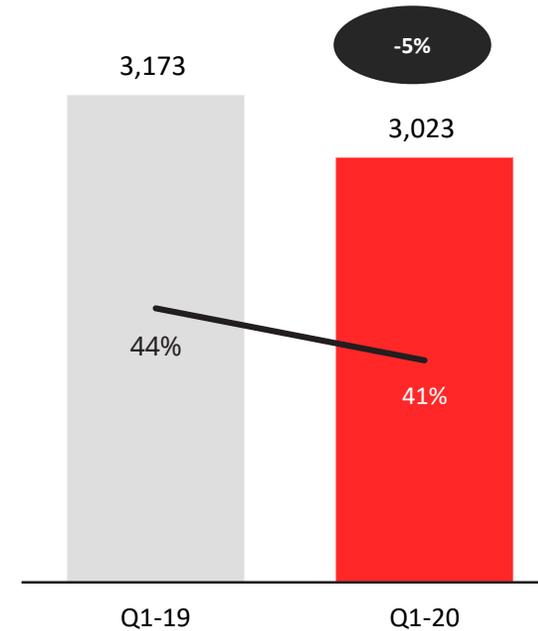
Group Results

Revenue and EBITDA

Revenue (QARm)

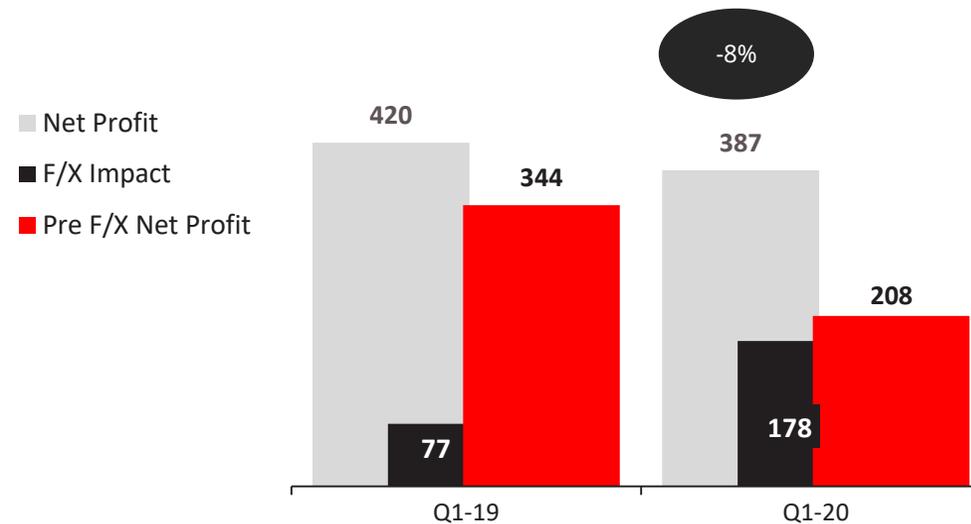


EBITDA (QARm) and EBITDA Margin



- Revenue growth of 1% yoy supported by robust growth mainly in Indonesia, Tunisia, Myanmar partially offset by a COVID-19 impact, a reduction in handset sales and macroeconomic weakness in some of our other markets
- EBITDA negatively impacted mainly due to challenging market conditions in Kuwait, Oman, Qatar and Algeria

Net Profit Attributable to Ooredoo shareholders (QARm)

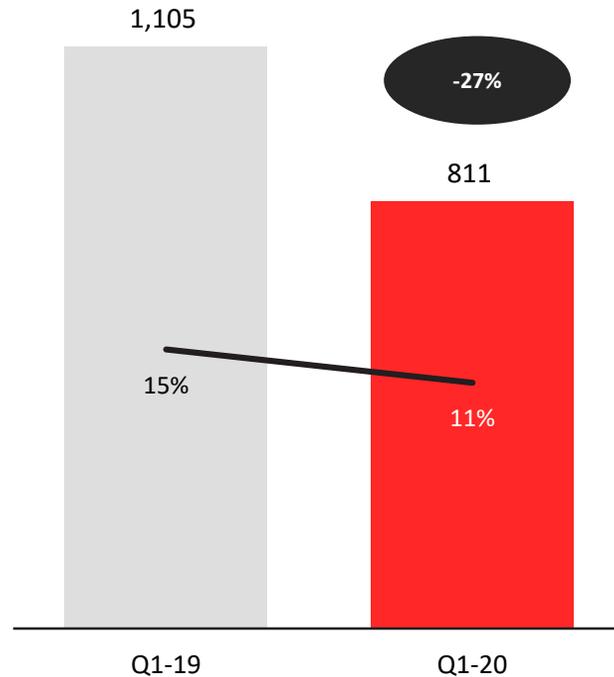


- Net profit down by 8%. Ooredoo Group has healthy cash reserves and liquidity levels that can absorb the impact of COVID-19 for the year 2020. Economic weakness, as a result from the COVID-19 lockdowns, is likely to have an impact on the performance of our operations.

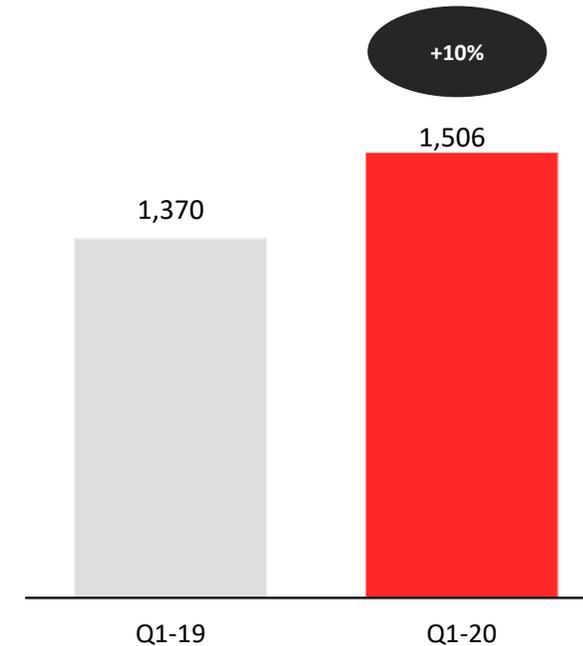
Group Results

Free Cash Flow and Capital Expenditure

CAPEX (QARm) & CAPEX/ Revenue (%)



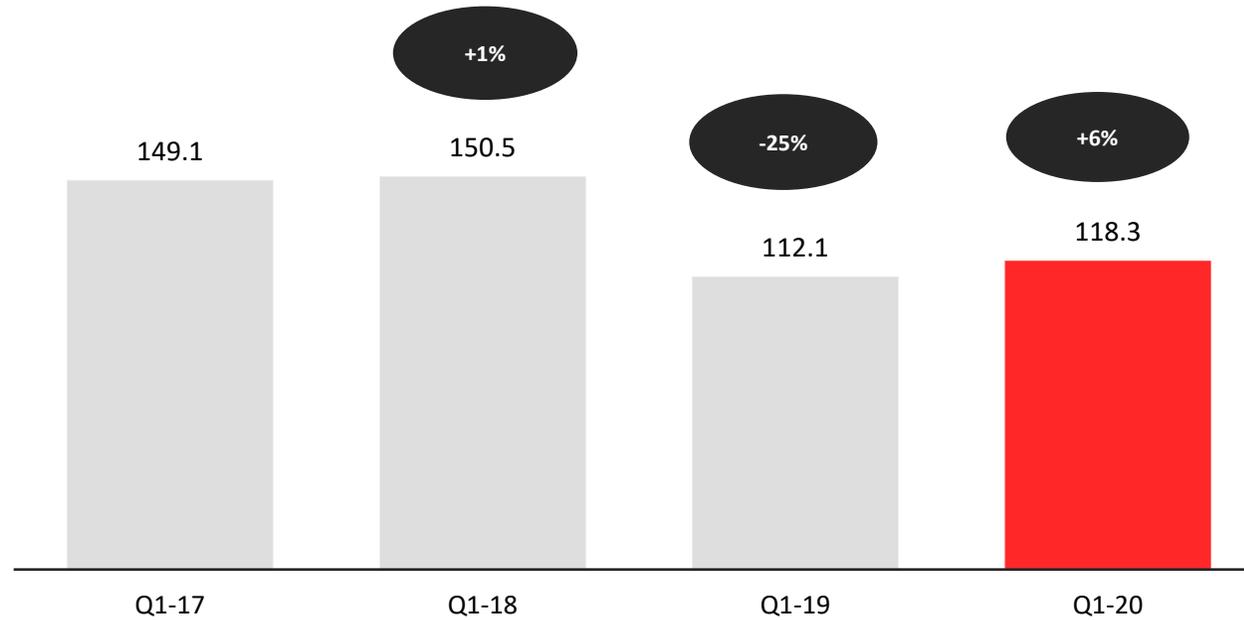
Free Cash Flow (QARm)



- Capex lower than in 2019, advantage of scale of Ooredoo Group and global sourcing strategy (RAN savings)
- Escalated 2019 Capex in Indonesia, 2020 Capex is back on normal track
- FCF positively impacted as Capex reduction was higher than the EBITDA decrease

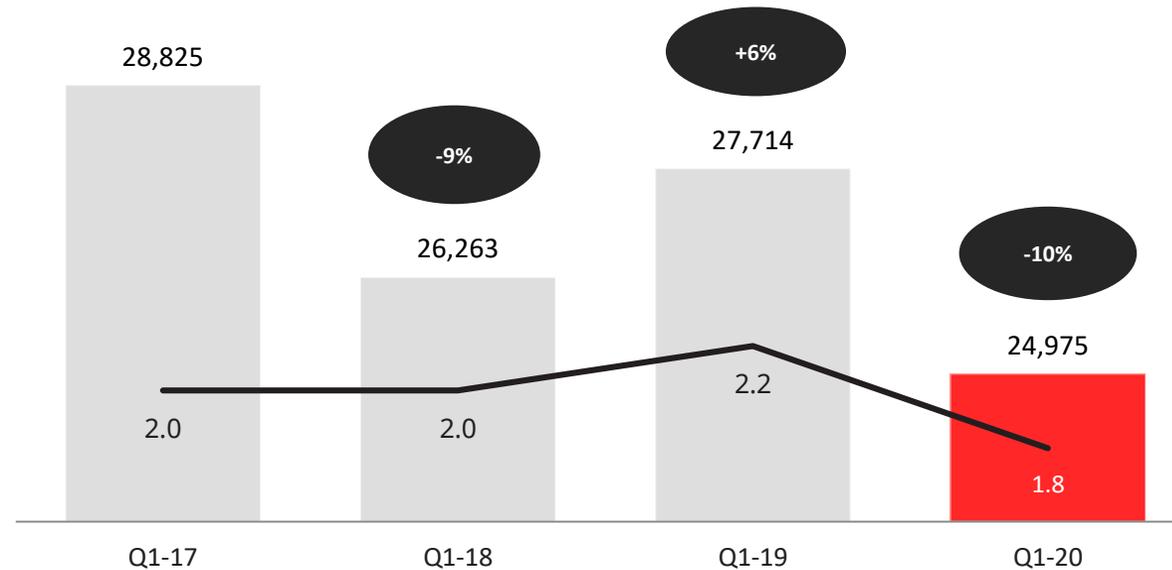
Note: Free Cash Flow = (Net Profit+ Depreciation+ Amortization+ ROU IFRS16 amortization + interest - Capex- lease payments under IFRS-16). Capex includes investment in tangible and intangible assets (excluding spectrum, license and leased assets capitalized under IFRS-16)

Total Customers (millions)



- Growing customer numbers mainly in Myanmar, Indonesia and Iraq

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 4.5)
- IRS16 implemented from 01 Jan 2019. Impact of approx. +0.3x on Net Debt/EBITDA

Group Results

2020 Q1 performance summary

| Group Financials (QAR bn) | 2020 Actual | % Change 2020 / 2019 | 2020 Full Year Guidance over 2019 |
|------------------------------|----------------|-------------------------|--------------------------------------|
| Revenue | 7.3 | 1.4% | -1.5% to +1.5% |
| EBITDA | 3.0 | -4.7% | -2% to +1% |
| CAPEX | 0.8 | -26.6% | 5.5bn to 6.5bn |

- Q1 Revenue at upper end of guidance
- Q1 EBITDA below guidance
- Capex in Q1 seasonably low
- **Guidance to be updated after Q2 with more visibility into COVID 19 impact for FY2020**

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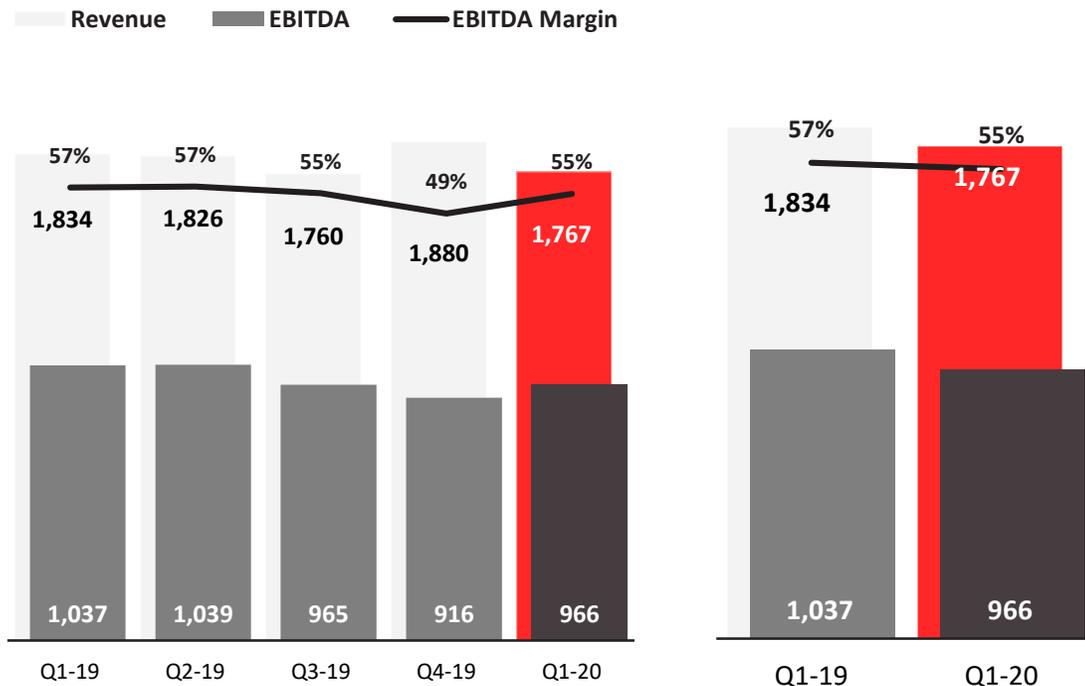
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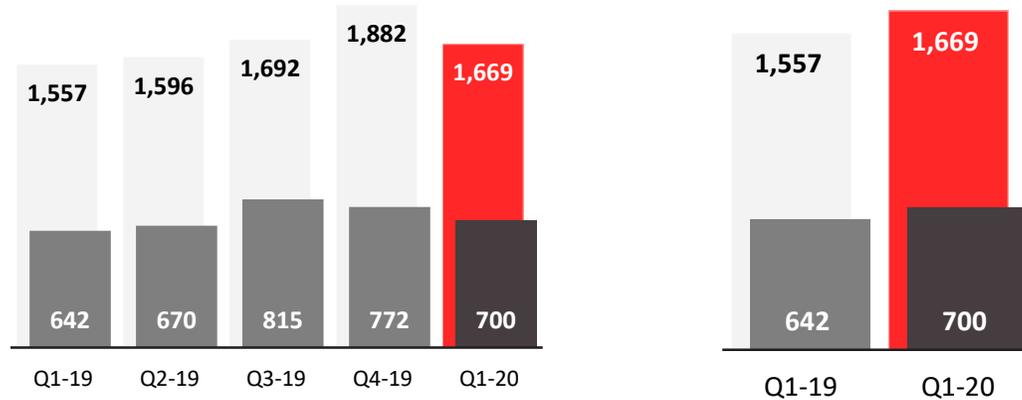


QARm



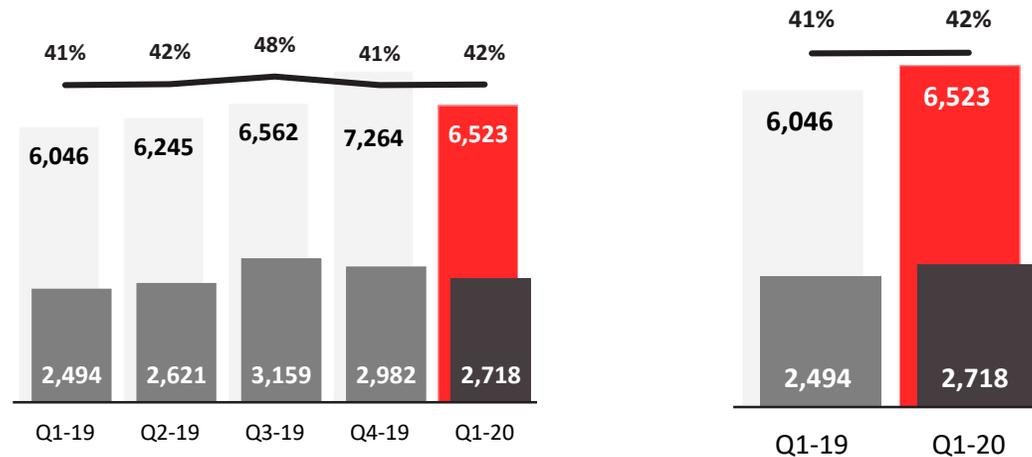
- Strong No.1 position maintained - Ooredoo's fixed line and mobile networks in Qatar ranked among fastest globally
- Revenue slightly down due to decrease in prepaid services not fully offset by increase in postpaid
- Healthy EBITDA margin 55%, improved sequentially
- Customer number stood at 3.3m
- Further extension of 5G network, exceeding 100k customers on new Shahry 5G and Qatarna 5G plans
- In March negative C19 impact mainly on B2B, special promotions launched double data allowance and higher speed
- #StayHome With Ooredoo for Shahry/Qatarna/MBB/Prepaid/Ooredoo One
- Ooredoo sponsored 2020 Qatar Total Open & Qatar ExxonMobil Open 2020
- Ooredoo organised Doha Marathon 2020
- The Fixed Numbering Portability project went live on 15 March 2020

QARm



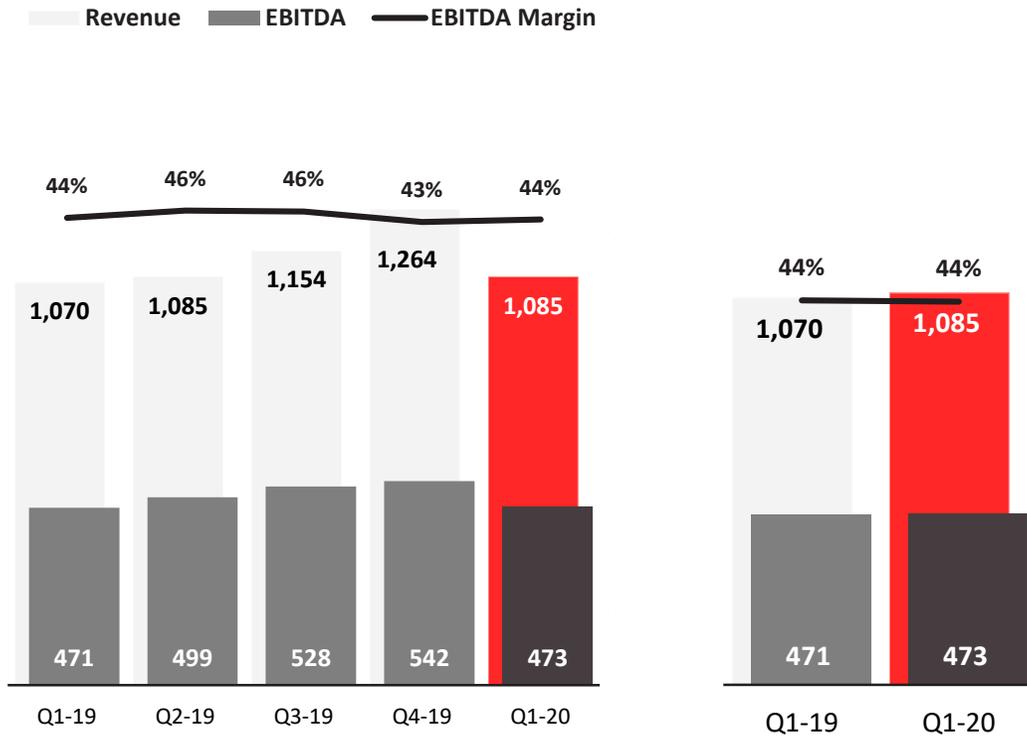
IDRbn

Revenue EBITDA EBITDA Margin



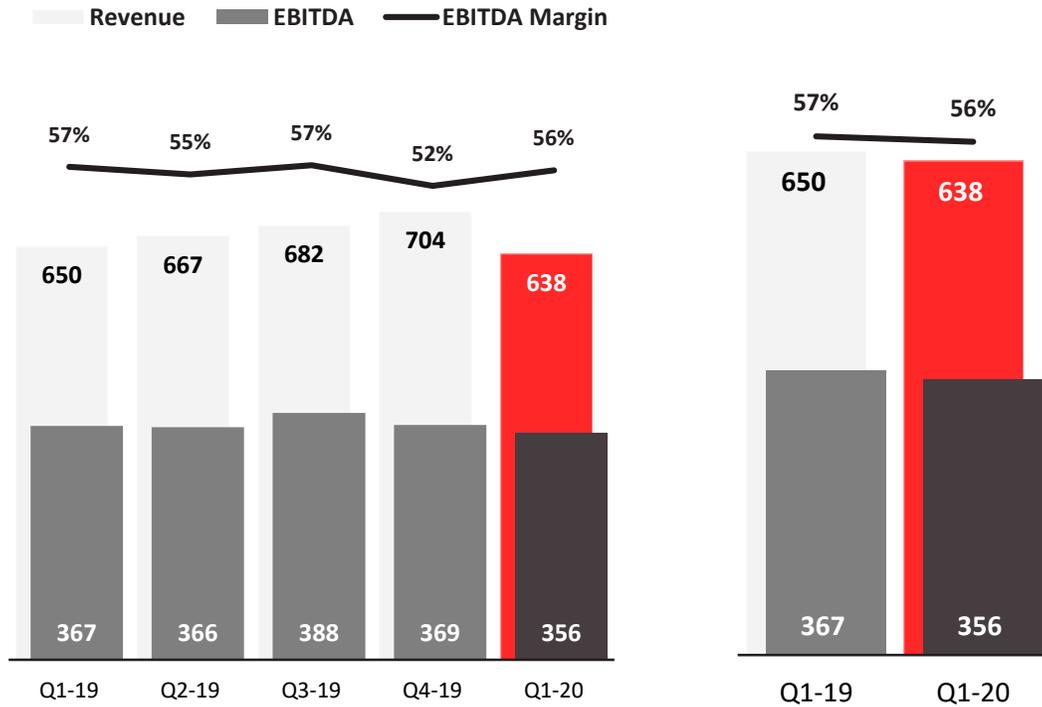
- Positive momentum at beginning of the year, revenue increased by 8% YoY (in IDR)
- Q1 EBITDA up by 9% YoY
- ARPU uplift driven by strong data traffic increase, moving away from unlimited portfolio
- Fast paced 3G/4G network expansion; adding 30k 4G BTS YoY
- Customer base reaching 56 Million, up 5% yoy
- COVID-19 precautions and special promotions in place

QARm



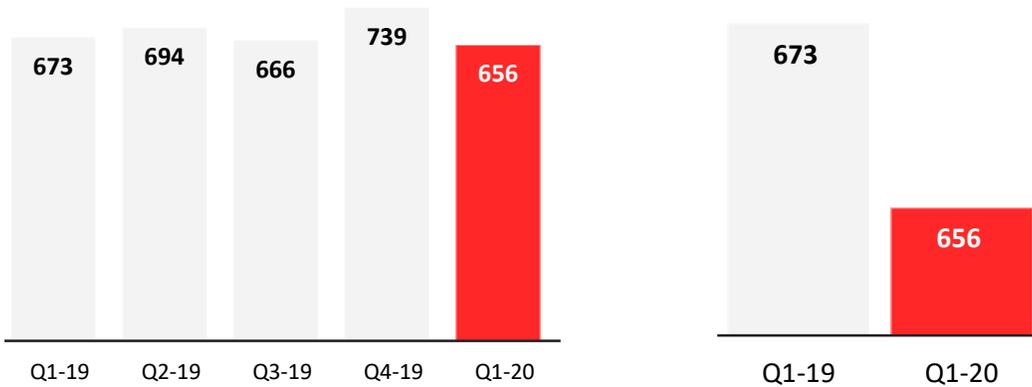
- Customer base stood at 14.8 million up 5% YoY due to good growth in data users during the period
- Revenue is higher than last year driven by growth in DATA and VAS revenues; impacted by COVID-19 in March 2020.
- Stable EBITDA and EBITDA% YoY
- Asiacell is well prepared for LTE license, timing to be communicated
- During COVID-19, in order to enable the learning community for students, teachers, universities, and professionals in Iraq and KRG, Asiacell is working with multiple education platform providers and with the Ministry of Education of KRG and Iraq to provide free access to their education platforms

QARm



- Total revenue for Q1 2020 down by 2 % compared to Q1 2019, strong growth in fixed line does not fully compensate drop in prepaid mobile business
- EBITDA margin was stable 56%, EBITDA impacted by lower revenues
- Customer base stood stable at 2.8 million
- Oman mobile license renewed from Feb 2020 for 15 years
- COVID-19 impact on revenue observed in March; digital sale and care is playing its role to serve customers

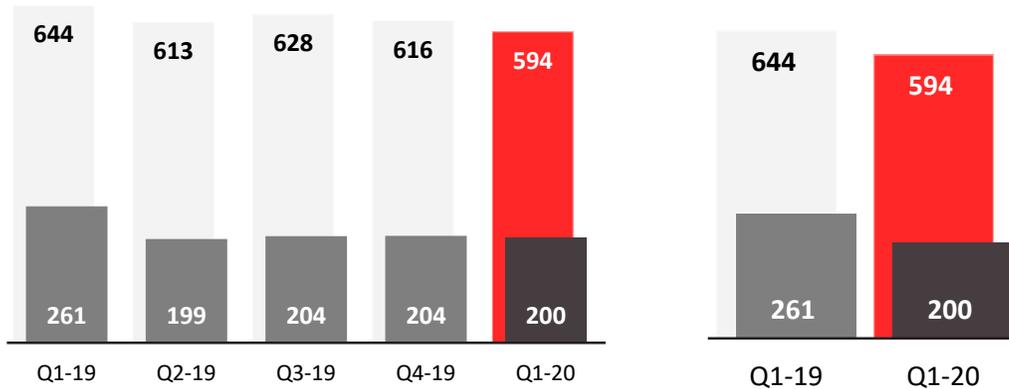
QARm



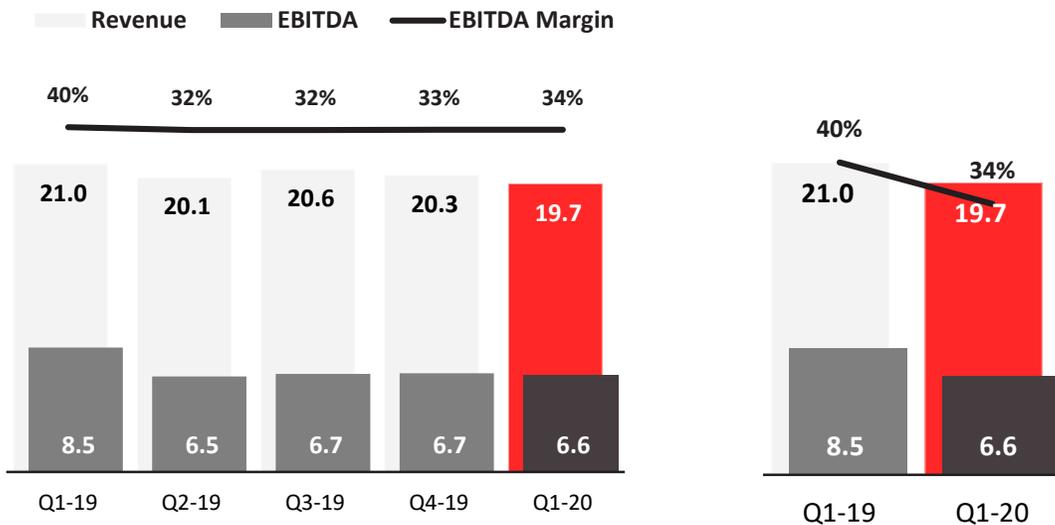
- Ooredoo Kuwait revenues in Q1 2020 were QAR 656 million compared to QAR 673 million in Q1 2019 in a competitive environment
- COVID-19 lockdown added pressure on the economy and correspondingly impacted the performance of Ooredoo Kuwait
- Continued to focus on its digital strategy and successfully converted more of its existing users to 5G plans to take advantage of the superior connectivity that the technology offers.
- Customer base stable stood at 2.4 million
- COVID - 19 CSR : Free 5 GB internet daily & unlimited local calls and free internet to governmental + ministries managing the pandemic
- Ooredoo Kuwait offered all workers in the ministries and governmental organizations 5GB of free data a day and unlimited local calls, in support of their efforts to contain the spread of COVID-19

➤ Following the guidance from the Capital Market Authority in Kuwait, Ooredoo Kuwait (NMTC) will be publishing Q1 2020 financial accounts only in July 2020 in line with all listed Kuwaiti companies. Therefore Ooredoo Q.P.S.C. disclosure is limited this quarter as it contains less details than usual for the operation in Kuwait

QARm

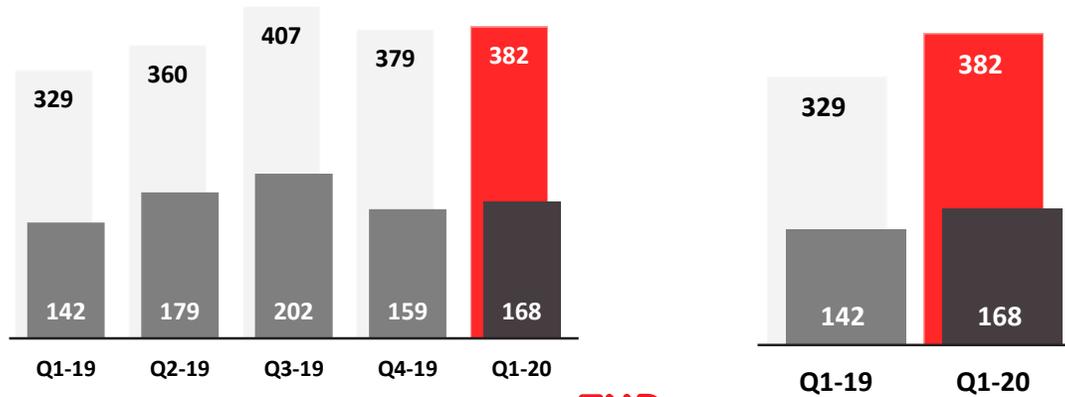


DZDbn

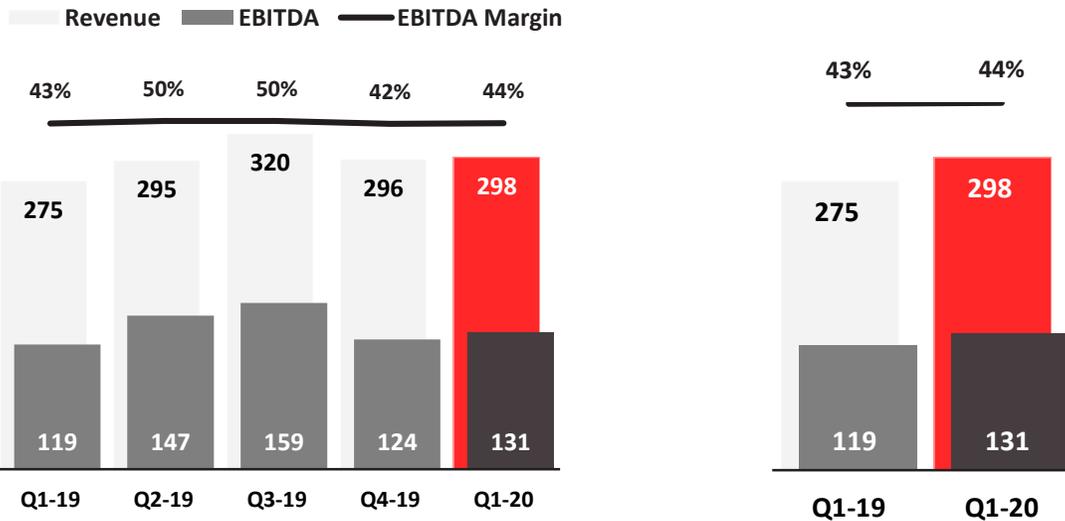


- Ooredoo Algeria performance impacted by intense competition, a weak economy and an overall market shrinking
- EBITDA lower due to decreased revenue, EBITDA margins improved sequentially to 34%
- Customer number stood at 12.3m
- Further network improvement, solid leadership based on March '20 Ookla results perspective both on 3G and 4G
- Comprehensive program of Covid19 activities incl. health prevention campaign (TVC, several digital content,) promotion of educational content and e-learning platform, ensure service continuity across in technology, sales and marketing, customer care and HR
- Digital opportunities have been reprioritized and a range of CSR activities have been developed and implemented to mitigate the health crises and highlight OA's commitment to Algeria
- Bassam Al Ibrahim appointed as Deputy General Manager of Ooredoo Algeria

QARm



TNDm

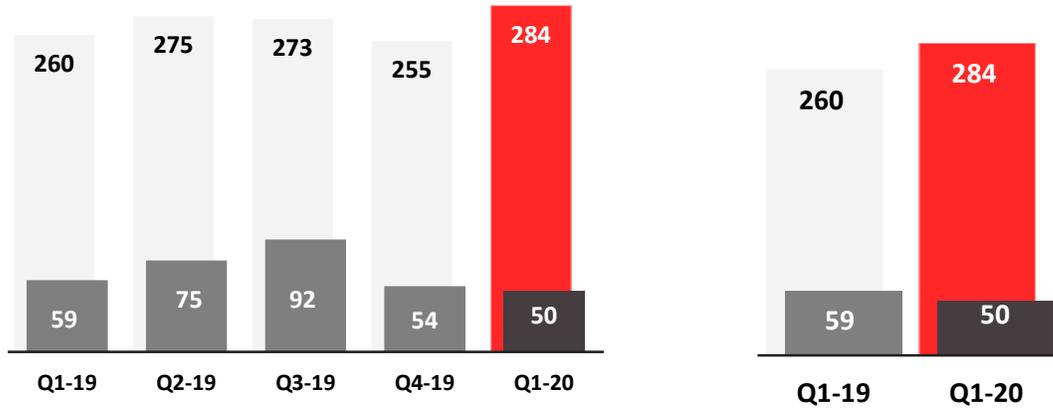


- Very strong performance of Ooredoo Tunisia in Q1 with 8% Revenue growth yoy in local currency terms
- Improved EBITDA margins to 44% due to cost optimization program, improvement yoy and sequentially
- Mobile market leadership enhanced, strong performance in B2B sector and extended digital channels further (digital sales and digital care)
- Customer number stood at 9.1 million
- Special offers launched to support customers and enhance digital channels during lockdown : new 25GB night bundle, Free mobicash card at the time of crisis

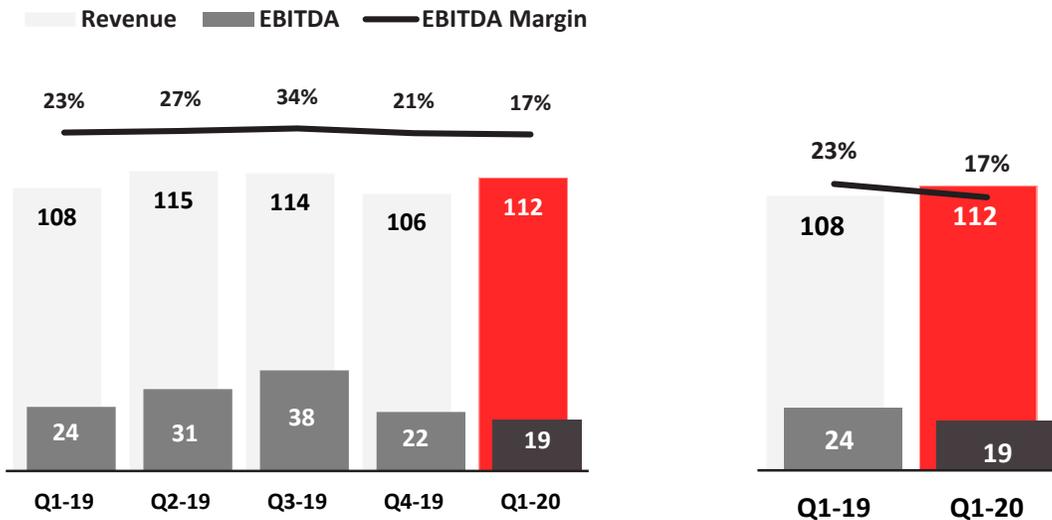
• Note: Average rate over the period (TND)

• 1 USD = 2.836 Tunisian Dinar (TND)¹

QARm



MMKbn



- Total revenue improved yoy and sequentially mainly from data revenues supported by increased 4G national coverage
- Strong customer acquisition resulted in 15.6mn customers (+35% QoQ) and increased market share
- EBITDA supported by cost controls however declined QoQ mainly due to higher cost of sales resulting from customer acquisition costs
- 4G LTE national network upgrade completed sustaining Ooredoo's leading network position in the country
- Ooredoo's "Supernet wireless" fixed wireless broadband service continues to increase customers and revenues
- Digital Initiatives continued the positive momentum with "My Ooredoo" App monthly active users reaching over 2mn
- Special COVID-19 initiatives in place

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2020 Ooredoo Capital Markets Day and virtual conferences

*Upcoming virtual conferences events:
Citi 18-19 May and BoA 2-4 June
More details [Here](#)*

*Save the date: CMD 21st Sep 2020
(location and timing to be confirmed)
More details in due course*

Group Operations Breakdown

CAPEX & Customers

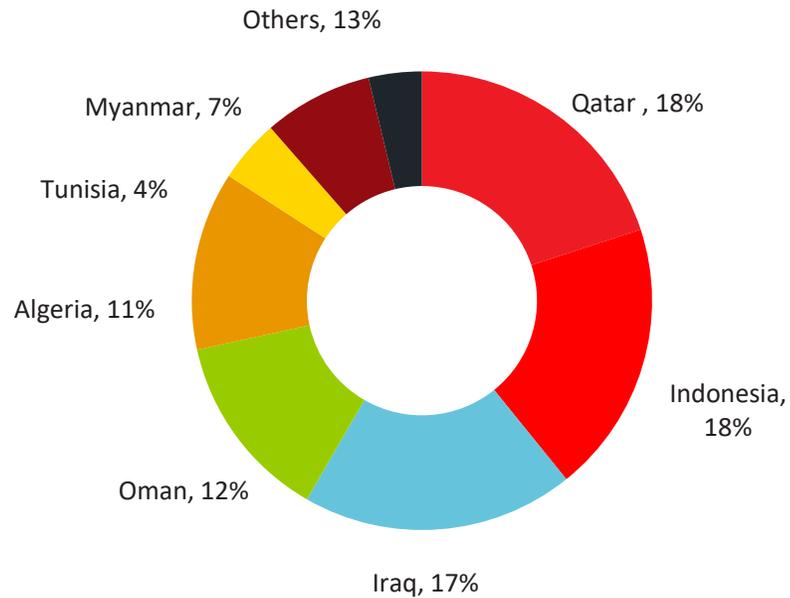
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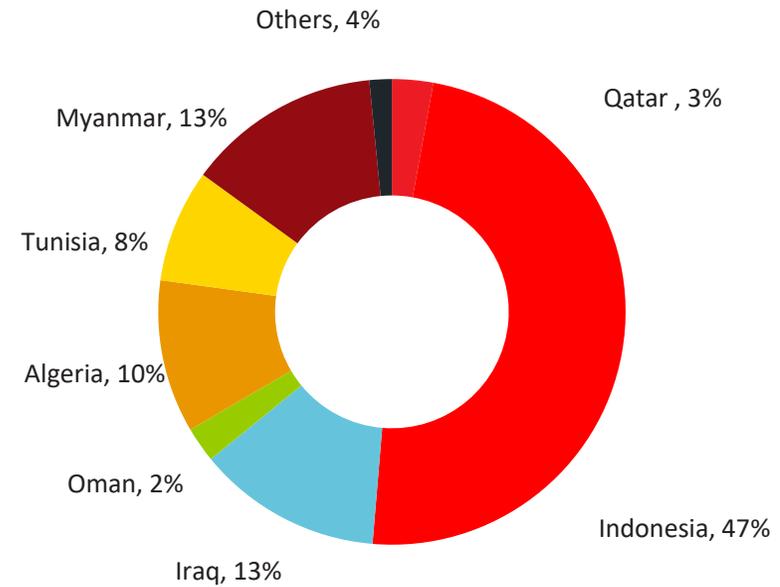
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CAPEX Breakdown (%)



Q1 2020 CAPEX = QAR 811 million

Customer Breakdown (%)



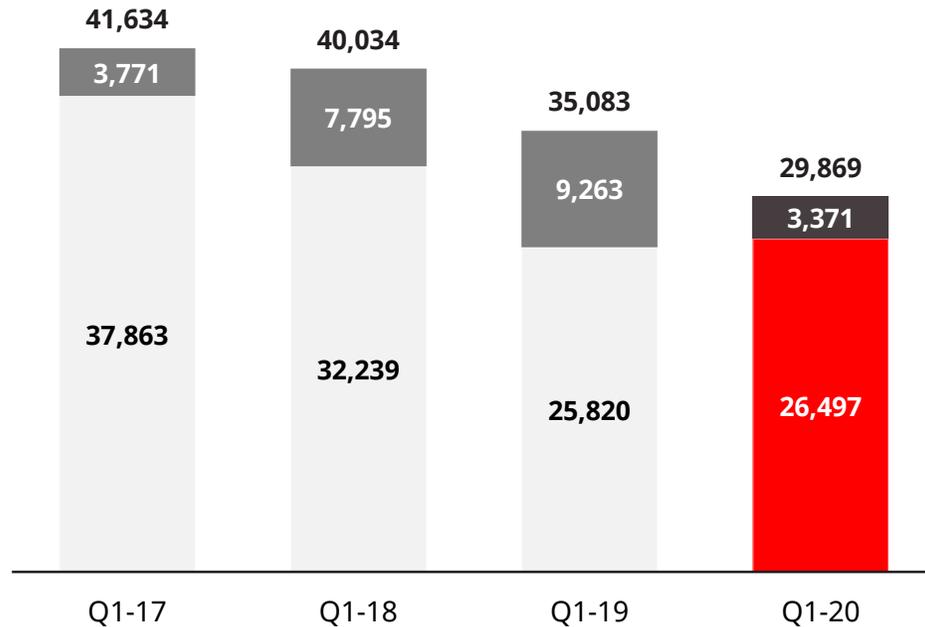
Q1 2020 Total Customers = 118 million

Group Operations Breakdown

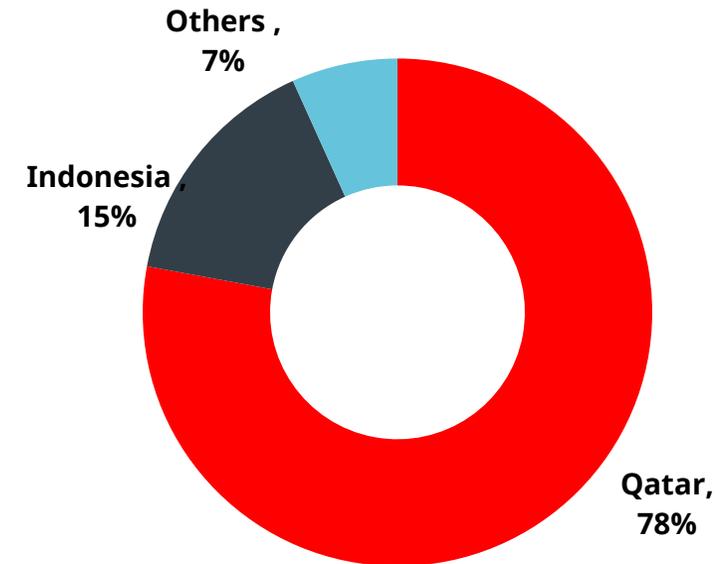
Total Group Loans & Borrowings Breakdown

Total Group Loans and Borrowing (QARm)

■ Long Term ■ Short Term



Total Loans and Borrowing Breakdown

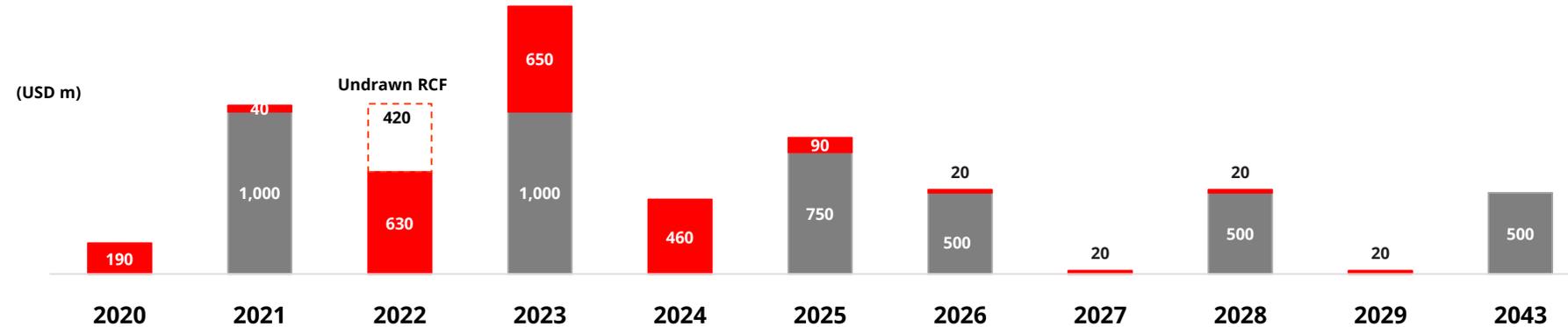


Total Group debt reduced, well balanced profile
OpCo debt primarily in local currency

• 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-22 | Fixed Rate Bonds due 2021 | 1,000 | 4.75% | 16 Feb 2021 | LSE |
| USD150mn Term Loan | 150 | 150 | Libor + Spread | 31-Aug-20 | Fixed Rate Bonds due 2023 | 1,000 | 3.25% | 21 Feb 2023 | ISE |
| USD1bn RCF | 1,000 | 580 | Libor + Spread | 07-Jun-22 | Fixed Rate Bonds due 2025 | 750 | 5.00% | 19 Oct 2025 | LSE |
| USD200mn Amortizing Loan | 200 | 160 | Libor + Spread | 12-Jul-23 | Fixed Rate Bonds due 2026 | 500 | 3.75% | 22 Jun 2026 | ISE |
| USD 100m Term Loan | 100 | 100 | Libor + Spread | 08-Oct-23 | Fixed Rate Bonds due 2028 | 500 | 3.875% | 31 Jan 2028 | ISE |
| USD 150mn RCF | 150 | 150 | Libor + Spread | 30-Oct-23 | Fixed Rate Bonds due 2043 | 500 | 4.50% | 31 Jan 2043 | ISE |
| 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 | | | | | |
| ADB Term loan Tranche 'A' | 350 | 350 | Libor + Spread | 23-Mar-25 | | | | | |
| ADB Term loan Tranche 'B' | 150 | 150 | 3.096% | 16-Sep-29 | | | | | |
| Total Loans | 3,424m | 2,140m | | | Total Bonds | 4,250m | | | |

Total outstanding debt as at 31 March 2020 at Ooredoo Q.P.S.C. level

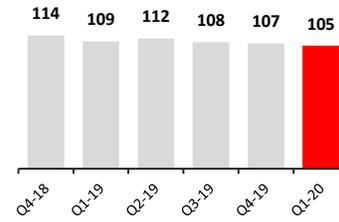
USD 6,390 million

Long term Debt Profile remains well balanced | USD 0.5bn RCF due May 2020 prepaid in Q1 2020

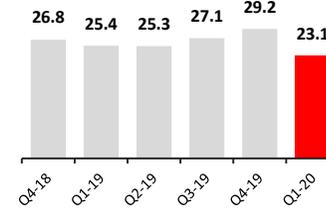
* Based on applicable usage level

Blended ARPU

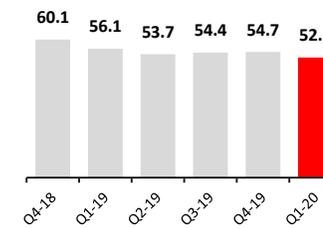
Qatar (QAR)



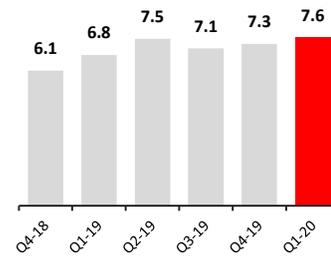
Iraq (QAR)



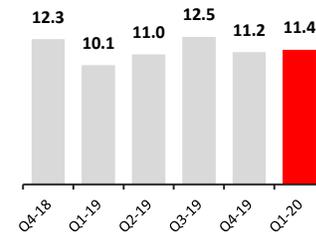
Oman (QAR)



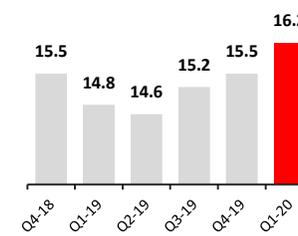
Indonesia (QAR)



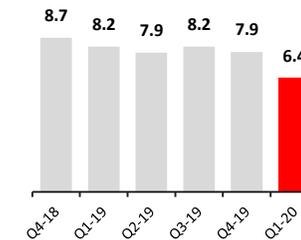
Tunisia (QAR)



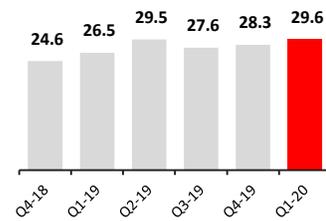
Algeria (QAR)



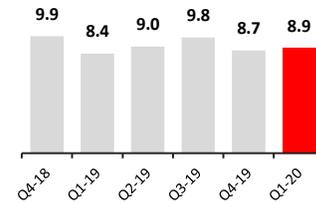
Myanmar (QAR)



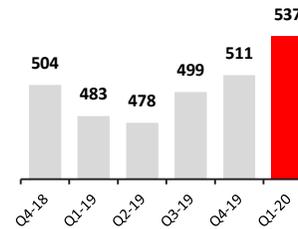
Indonesia (IDR'000)



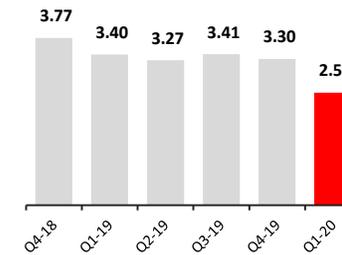
Tunisia (TND)



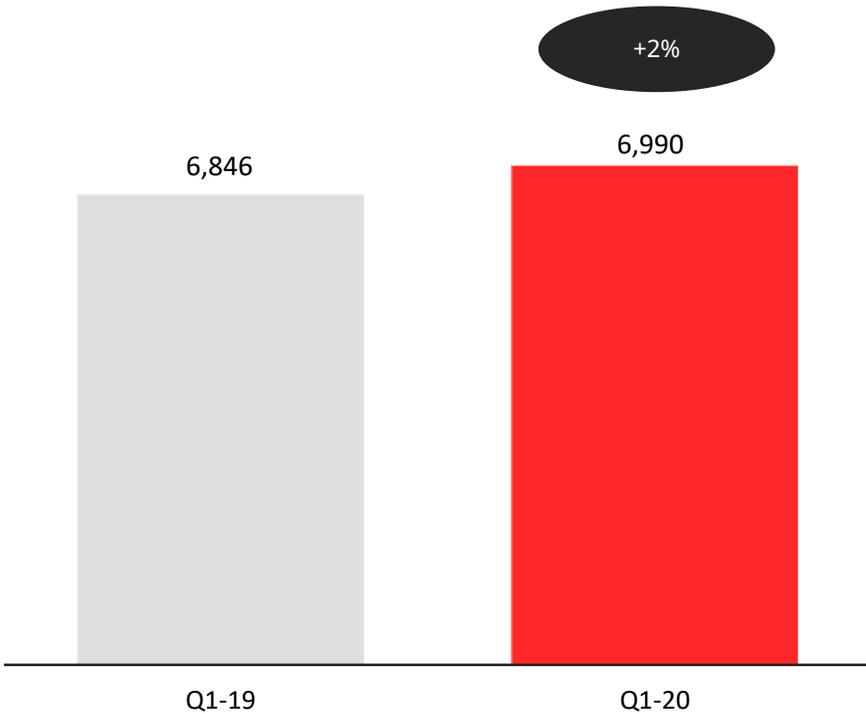
Algeria (DZD)



Myanmar (MMK'000)



Service revenue



Statutory Corporate Tax Rates

| Markets | Statutory Tax Rate | Losses C/Fwd Allowed | |
|-----------|--------------------|----------------------|---|
| Algeria | 26% | 4 years | |
| Indonesia | 22% | 5 years | The Tax Rate is 22% for tax years 2020 and 2021, 20% for tax year 2022 onwards |
| 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) 2% Solidarity Social Contribution Fee to finance Social Security Fund is applicable as of FY 2019. |

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 2035 |
| Algeria | -- | -- | 2G: 14 Jan. 2019 3G: Dec. 2014 4G: 25 Sep. 2016 | 2G: 13 Jan. 2024 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 | Indefinite | 11 October 2006 29 January 2020 | Indefinite |
| Maldives | 14 December 2015 (ISP) | 13 December 2030 | (20 yr extension to existing license) | 28 January 2035 |
| 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

