



Ooredoo Group

Q3 2020 Results

29th Oct 2020



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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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Group Results

Key Highlights

Solid financial performance in challenging conditions



Revenue declined by 3% year-on-year to QAR 21.4 billion at 9M 2020, due to the COVID-19 impact, with a reduction in handset sales and roaming business as well as macroeconomic weakness in some of our markets. This was partially offset by growth in Indonesia. Positive trend of Revenue growth in the vast majority of our markets QoQ



EBITDA declined by 4% year-on-year to QAR 9.2 billion at 9M 2020, impacted by lower revenues and higher cost of sales as well as challenging market conditions in Algeria, Kuwait, Iraq and Oman

The company maintains its focus on digitalization and cost optimization, which is reflected in the strong EBITDA margin for the 9M and Q3 2020 periods



Group **Net Profit** attributable to Ooredoo shareholders increased by 16% year-on-year to QAR 1.5 billion at 9M 2020 due to a more favorable Foreign Exchange environment compared to the same period last year



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

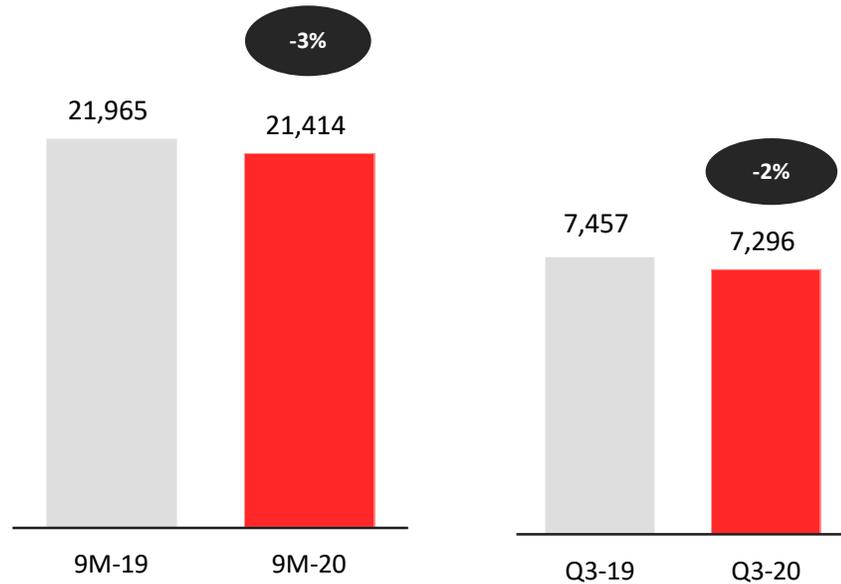


Ooredoo Group reinforced its leadership as a **digital enabler** with strong demand for its offerings including Ooredoo Oman's mobile wallet, Pay+, developed in conjunction with National Bank of Oman and Asiacell's new mobile app, which has become the most downloaded app by a telecom operator in Iraq

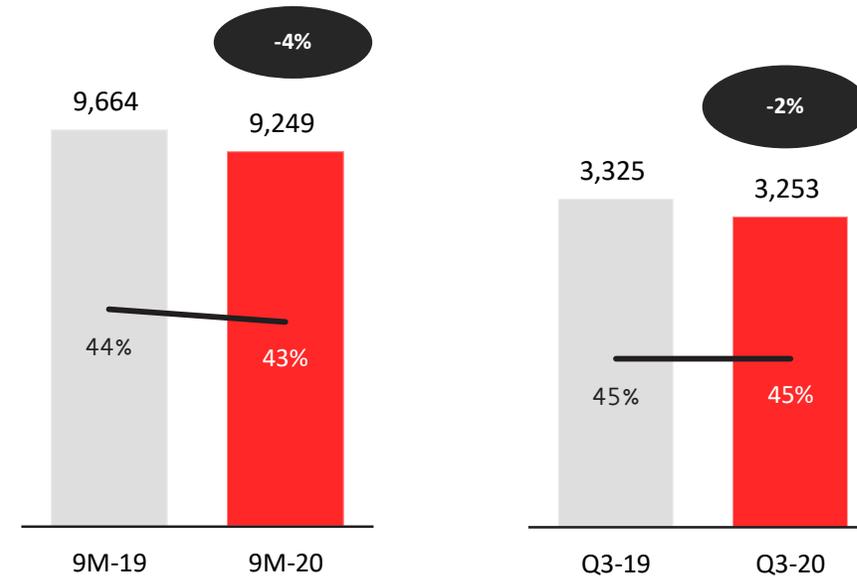
Group Results

Revenue and EBITDA

Revenue (QARm)



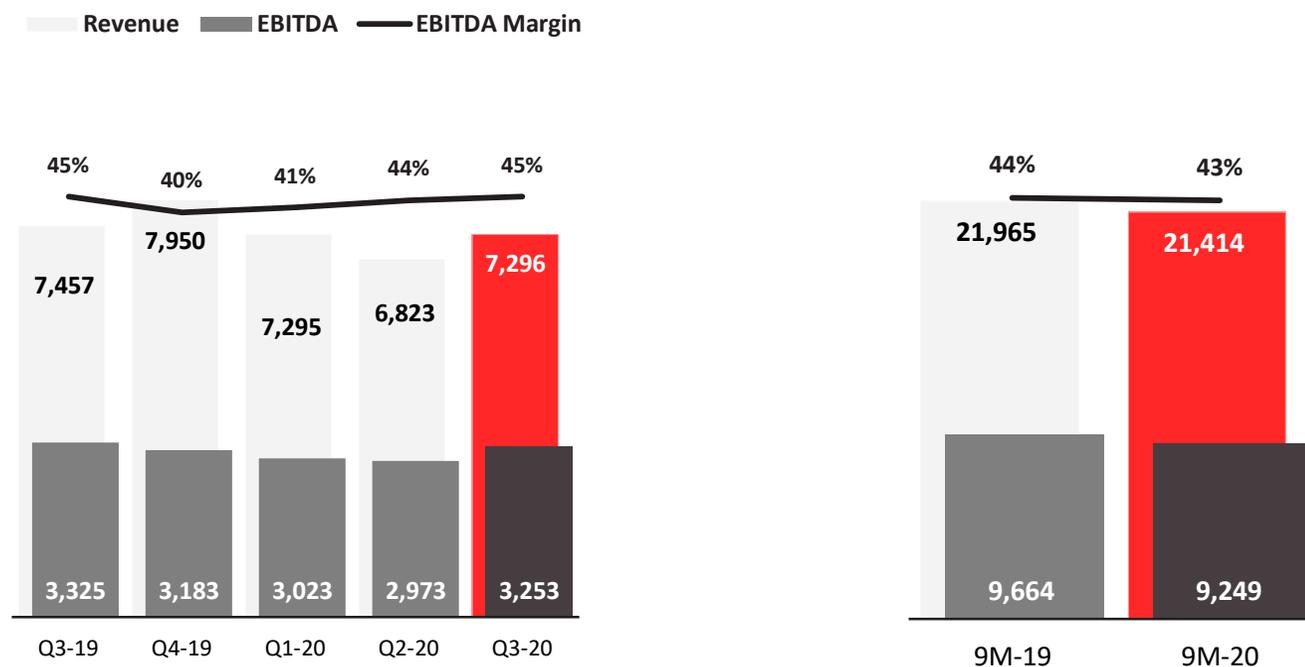
EBITDA (QARm) and EBITDA Margin



- Revenue growth in QAR in Indonesia, Tunisia, Myanmar and Palestine, vast majority of the Opco grew QoQ
- EBITDA growth in Indonesia and Palestine, strong finish with higher EBITDA towards the end of the Quarter

Quarterly Revenue and EBITDA trends

Revenue/EBITDA (QARm)

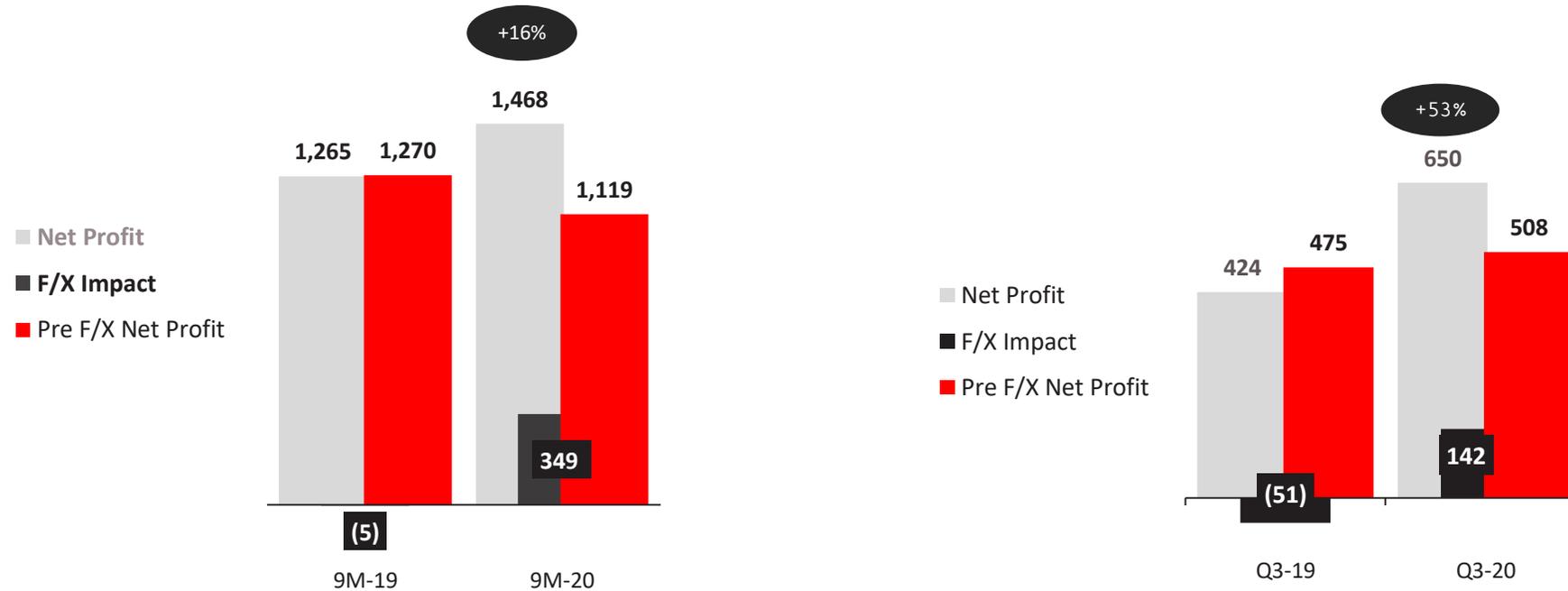


- Revenue and EBITDA growth in Q3 over Q2 2020 indicating a potential recovery, if the C19 pandemic does not deteriorate further

Group Results

Net Profit

Net Profit Attributable to Ooredoo shareholders (QARm)



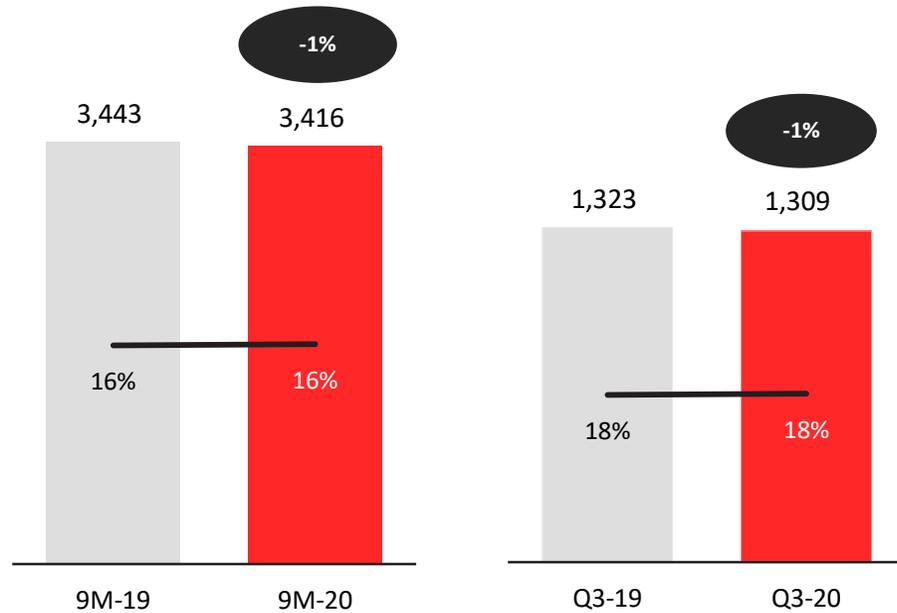
- Net Profit increased by 16% YoY driven by favorable exchange rates



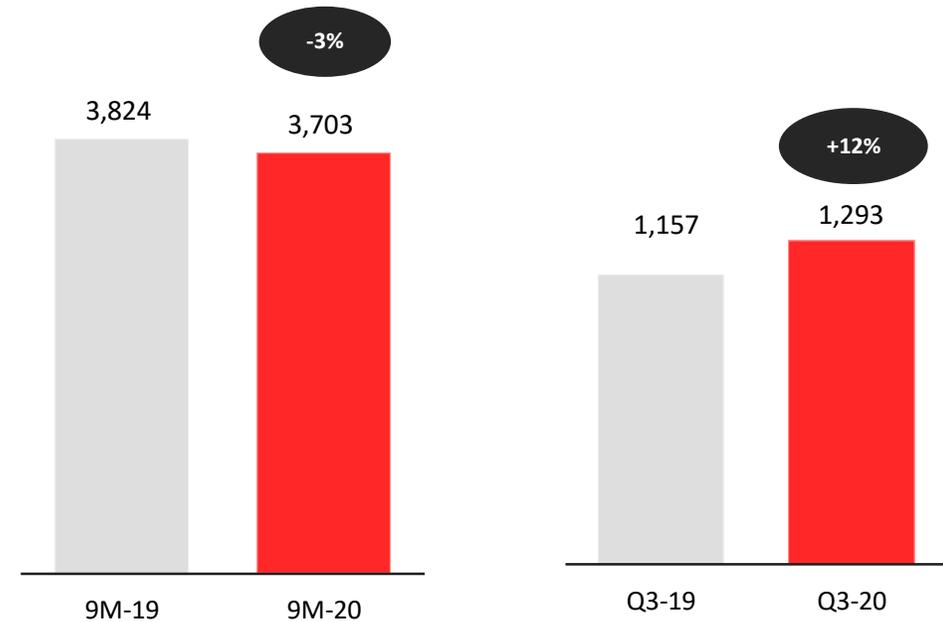
Group Results

Free Cash Flow and Capital Expenditure

CAPEX (QARm) & CAPEX/ Revenue (%)



Free Cash Flow (QARm)



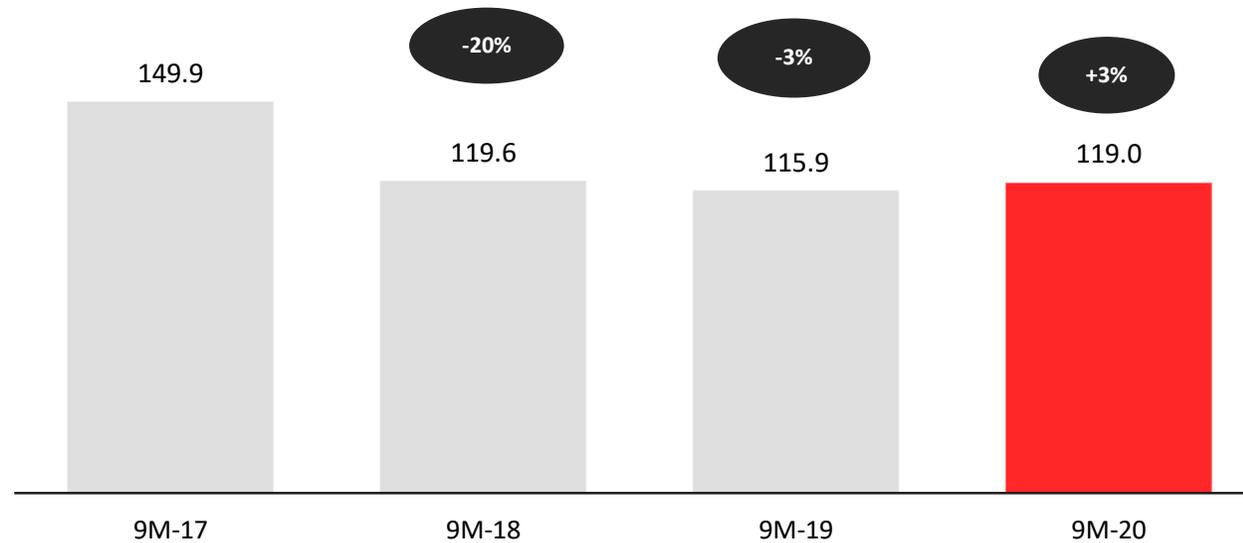
- Capex in line with guidance, selective investments in order to maintain excellent network quality in times of heavy traffic increase
- FCF impacted by lower EBITDA and slightly lower Capex

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)

Group Results

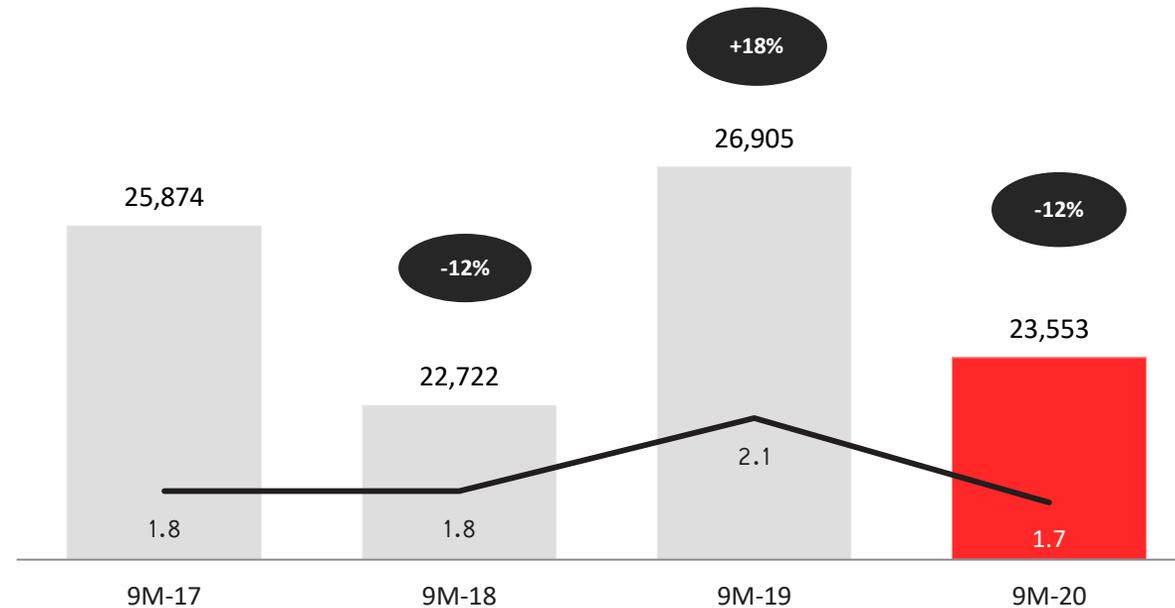
Total customers

Total Customers (millions)



- Growing customer numbers in Qatar, Indonesia, Iraq, Myanmar & Palestine

Net Debt (QARm) and Net Debt / EBITDA



- Positive trend of Group Net Debt reduction continued; Net Debt to EBITDA ratio 1.7x
- Lower end of the board guidance between 1.5x and 2.5x (bank covenant 4.5x)
- IFRS 16 implemented from 01 January 2019. Impact of approx. + 0.3x on Net Debt/EBITDA ratio

Group Results

2020 Q3 performance summary

Group Financials
(QAR bn)

9M 2020
Actual

% Change 9M
2020 / 2019

2020 Full Year
Guidance over 2019

Revenue	21.0	-2.5%	-1.5% to +1.5%
EBITDA	9.2	-4.3%	-2% to +1%
CAPEX	3.4	-0.8%	5.5bn to 6.5bn

- COVID 19 impacted revenue and EBITDA negatively
- Network and service level maintained despite surge in data traffic
- Telecom sector is a more defensive sector, customers are heavily relying on our service
- Q3 run rate for Revenue and EBITDA is close to the guidance level

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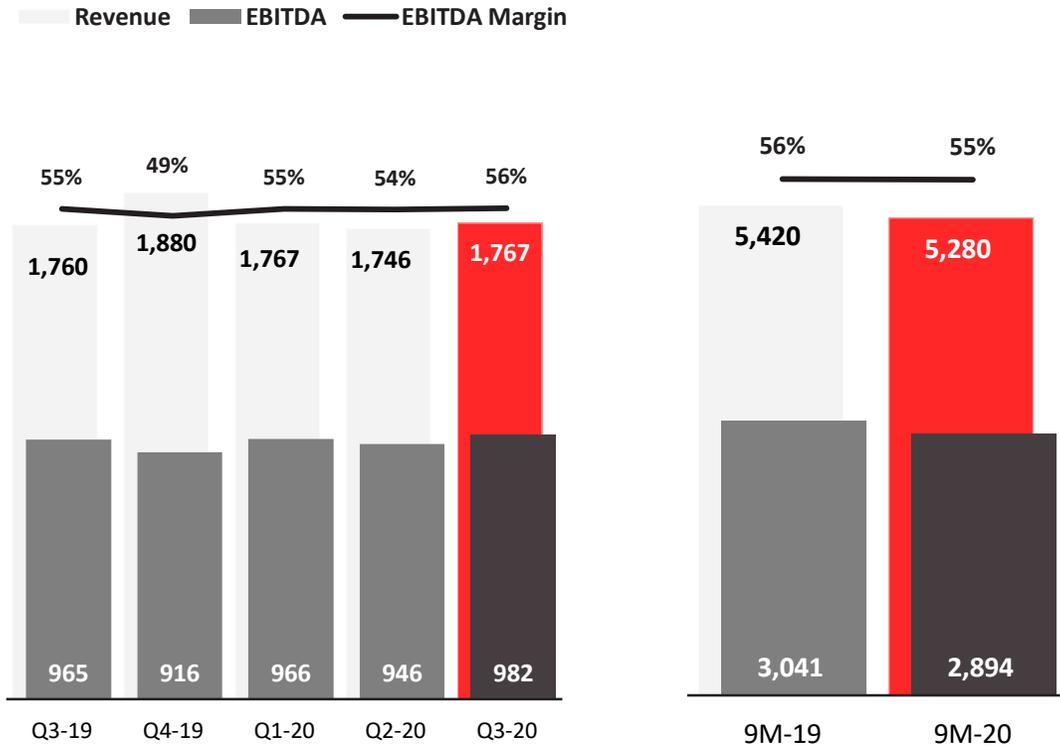
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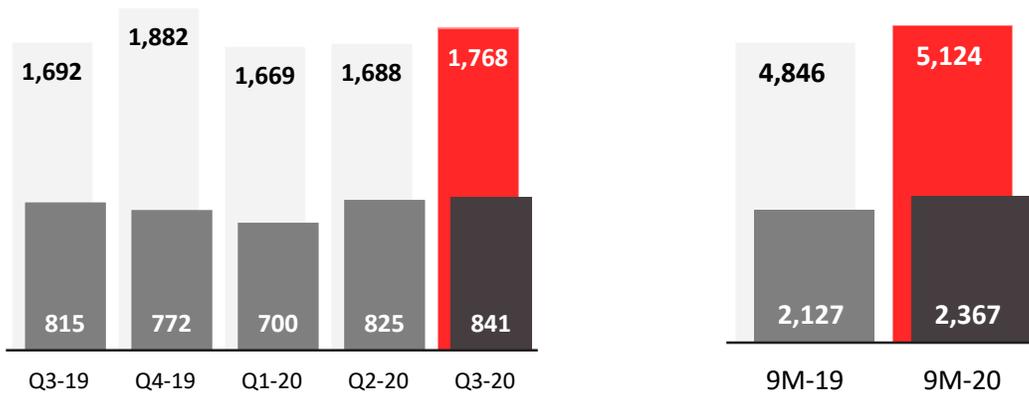
QARm



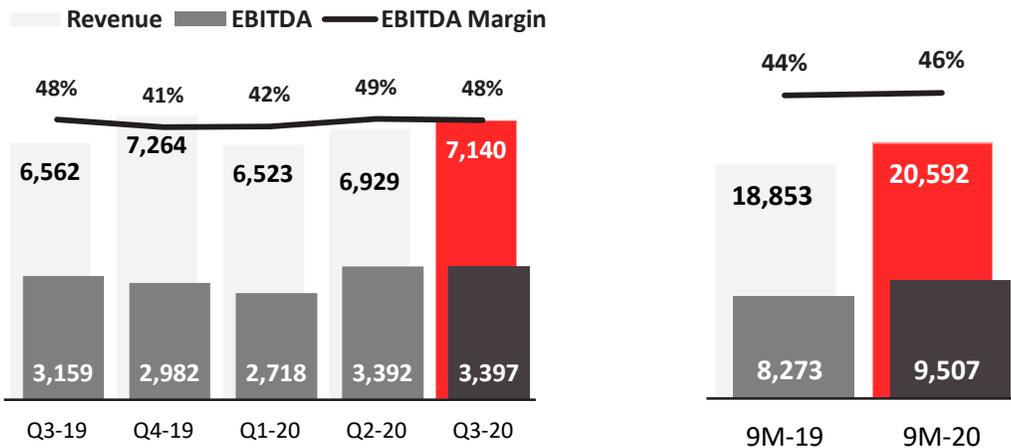
- Qatar is in phase 4 of the reopening program, number of positive C19 cases dropped significantly, business starting to open up, limited travel still impact roaming business negatively
- Revenue increased YoY and QoQ mainly due to growth in Fixed and ICT Services Revenue
- Healthy EBITDA margin 55%
- Customer number stood at 3.3m, up by 3%
- Extended network and telecom support and readiness to quarantine centers and hubs
- Successful promotions Netflix, OSN and Apple Tv
- The launch of Ooredoo ONE 'All-In-One' Home Service comprising TV, home broadband and landline triple play extended the range of home entertainment options for the community and contributed to customer growth for Ooredoo tv of 2% year-on-year
- Ooredoo Fibre rollout programme's success continues and now has 463k homes connected across the country

1 USD = 3.6415 Qatari Riyal (QAR)

QARm



IDRbn

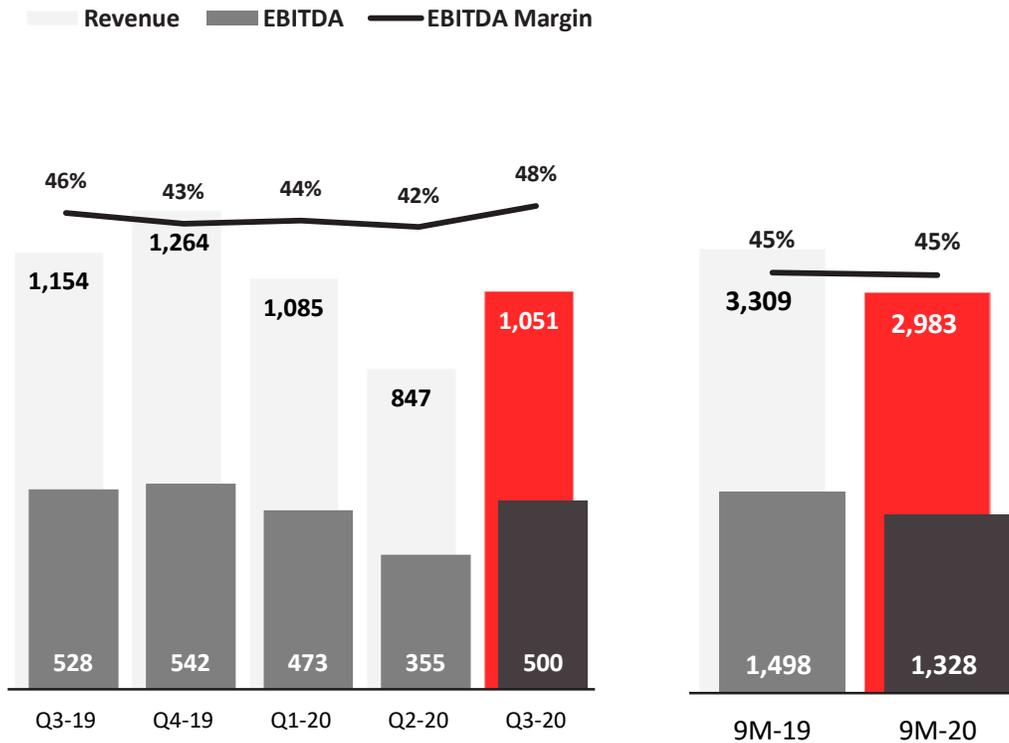


- Positive turnaround momentum maintained solid top-line growth of 6% YoY, driven by mobile and data revenue on the back of enhanced network
- Strong growth in data demand
- EBITDA increase of 11% to QAR 2.4 billion, driven by top-line growth and focused cost discipline
- EBITDA margin increased to 46% in 9M 2020, compared to 44% for 9M 2019
- Customer base reaches 60 million registering 3% growth
- Indosat's myim3 becomes the highest rated telco app in Indonesia rated 4.2 in playstore way above competition rating that are below 4.0
- Accelerating 4G network roll-out, added 30,000 BTS. Doubled 4G BTS Y-o-Y, 14% 4G BTS Q-o-Q

1 USD = 14,647 Indonesia Rupiah (IDR)

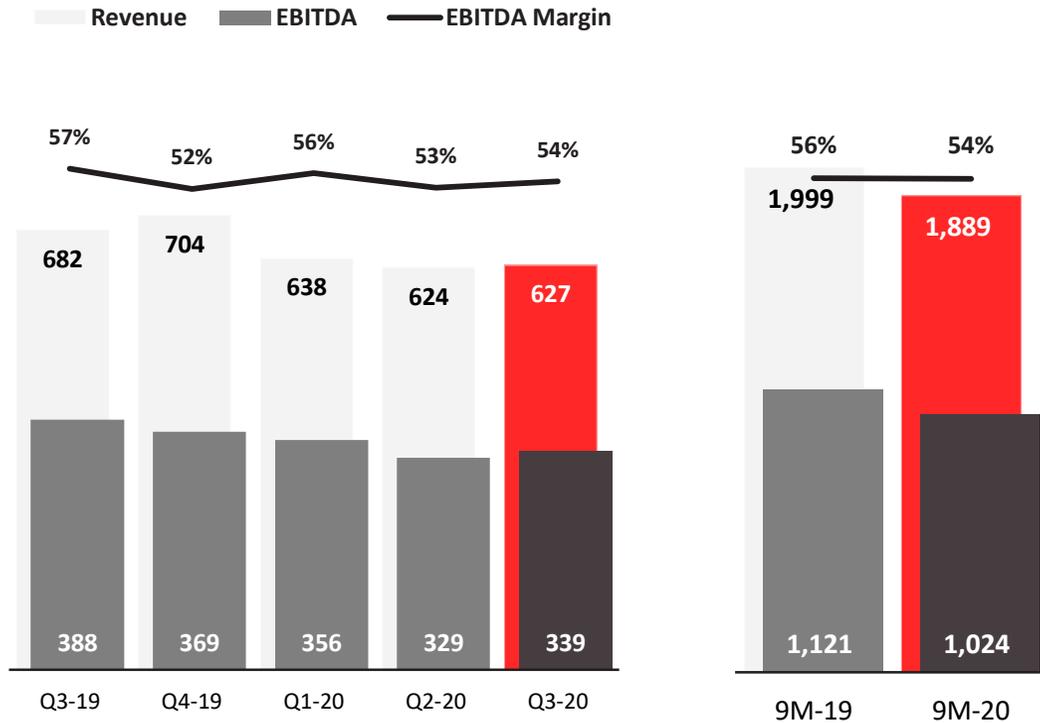


QARm



- Negative impact of C19 / movement restrictions in 1H has started to ease off. Voice services which was significantly impacted in Q1 and Q2 area is gradually recovering
- Cost optimization led to stable EBITDA margins
- Customer base stood at 14.2 million 1% increase compare to Q3 2019
- Further LTE preparation for 4G launch in 2021 across Iraq
- Five Metro Fiber locations completed. 284Km of Metro Fiber completed

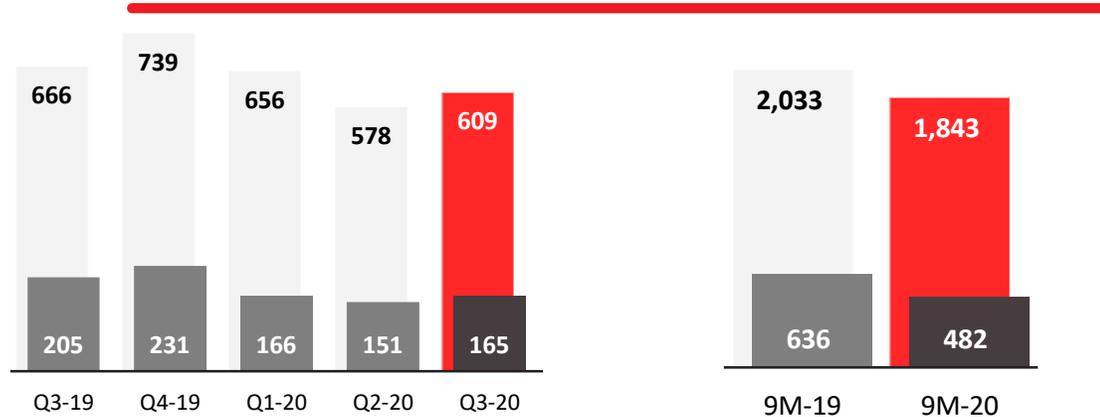
QARm



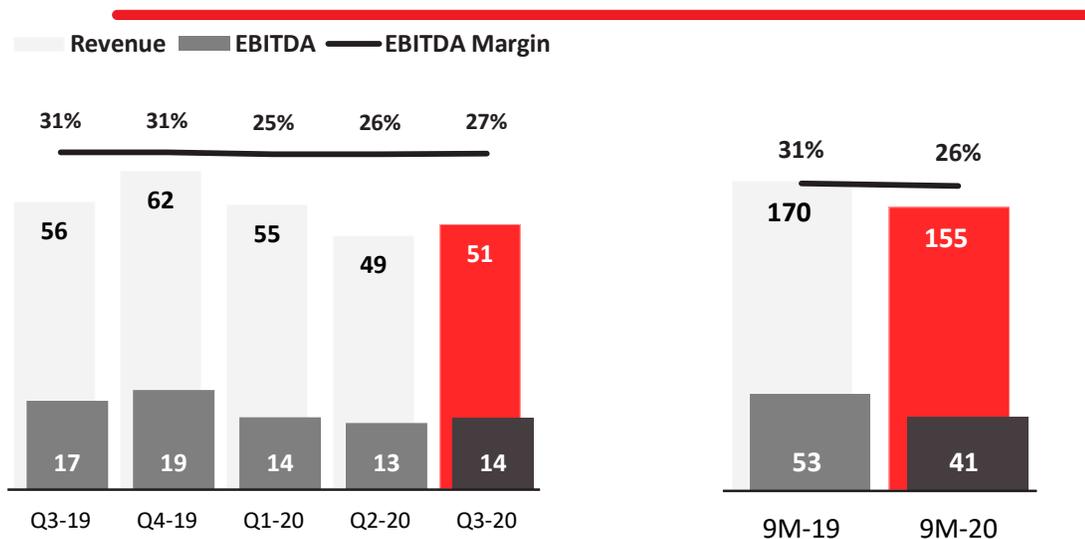
- C19 impact (lockdown and movement restrictions) and a reduction in expatriate population led to decrease in Revenues
- EBITDA margin drop due to lower sales, sequentially both revenue and EBITDA showed a positive trend in Q3
- Customer base stood at 2.6 million, 11% decrease
- A successful launch of mobile wallet, Pay+, enabling customers to make contactless deposits, bill payments, transfers, and pay at over 3,000 merchants, using just their mobile numbers
- Rollout of 5G picked up pace extending the coverage of our 5G Supernet Home Internet to more areas of Oman

1 USD = 0.38463 Omani Rial (OMR)¹

QARm



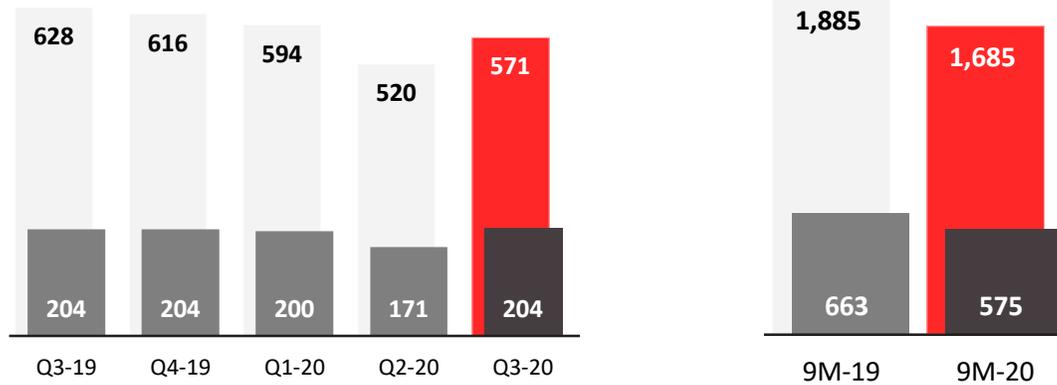
KWDm



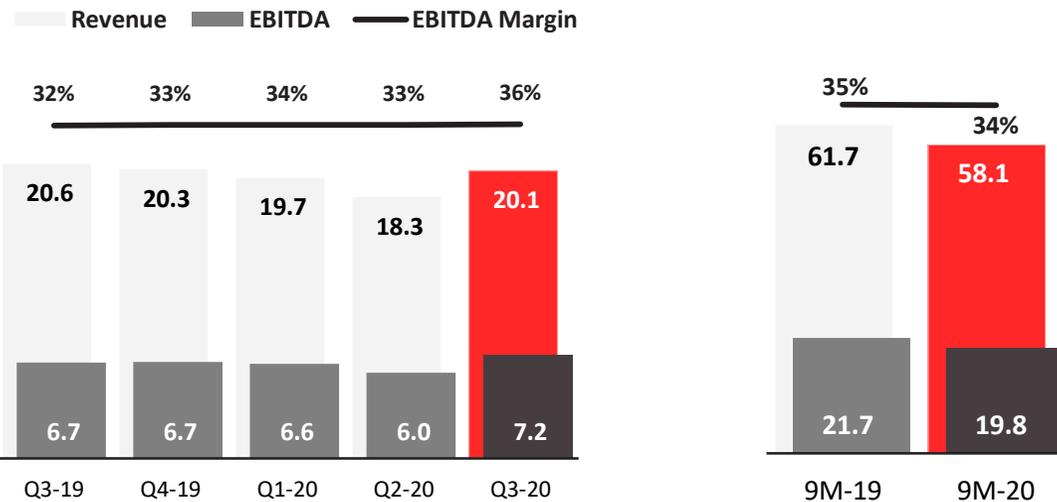
- Revenue and margins are lower compared to last year, softening macroeconomic conditions as a result of the COVID-19 pandemic as well as intense market competition
- Revenue improved compared to previous quarter as life is gradually going back to normal
- EBITDA Margin increased to 27% in Q3'20 from 26% in Q2'20
- Customer base stood at 2.4 million, down by 6% yoy
- Positive MNP trend
- In September celebrated 1,000 days of data center services with zero downtime
- 5G internet campaign, Mega device offers, iPhone 11 campaign, Samsung s20 ultra with shamel, Huawei P40 and Back to school campaign

1 USD = 0.3072 Kuwait Dinar (KWD)

QARm



DZDbn

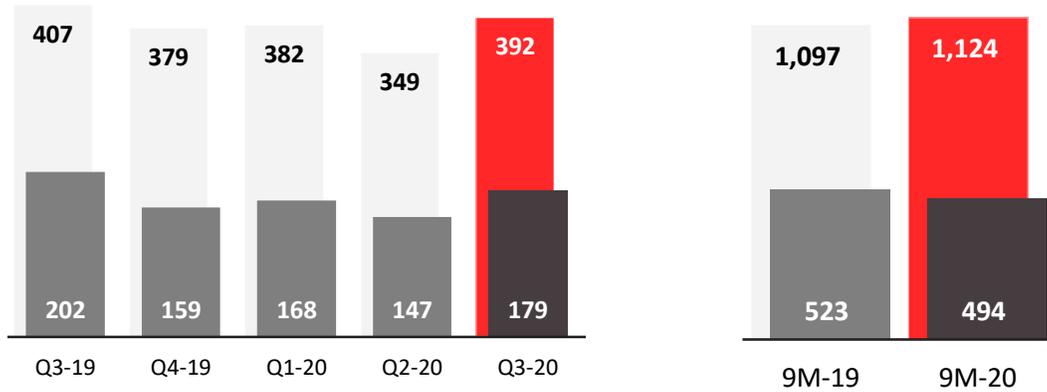


1 USD = 125.7 Algerian Dinar (DZD)

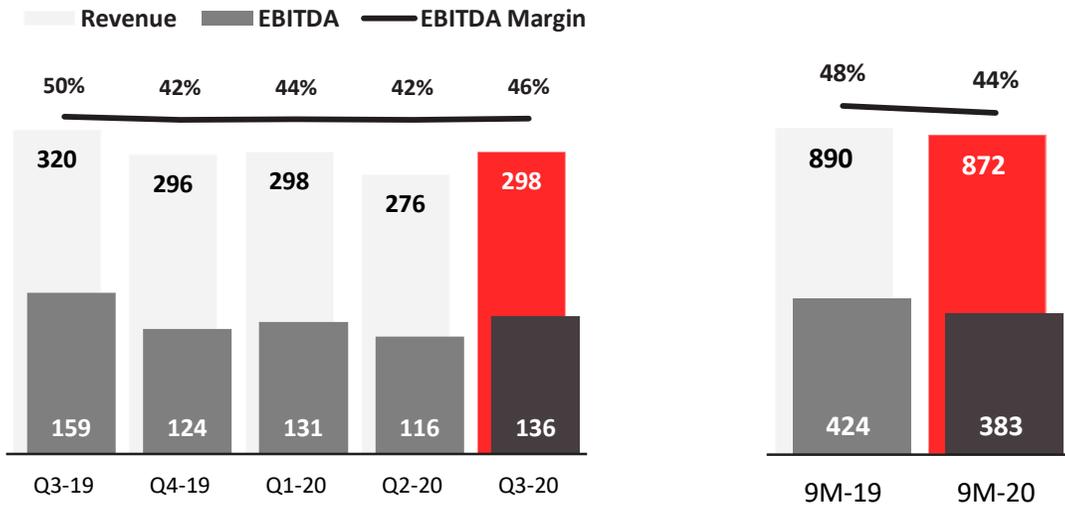


- Weak economy, fluid political situation, intense price competition and C19 impacted the overall market. Partial curfew, closed airports, schools have just reopened again end of October
- Positive trend QoQ in terms of revenue and EBITDA reflecting initial stages of market recovery
- EBITDA lower due to decrease in revenue, EBITDA margin stood at 34%
- Customer number stood at 12.3 million down by 8%

QARm



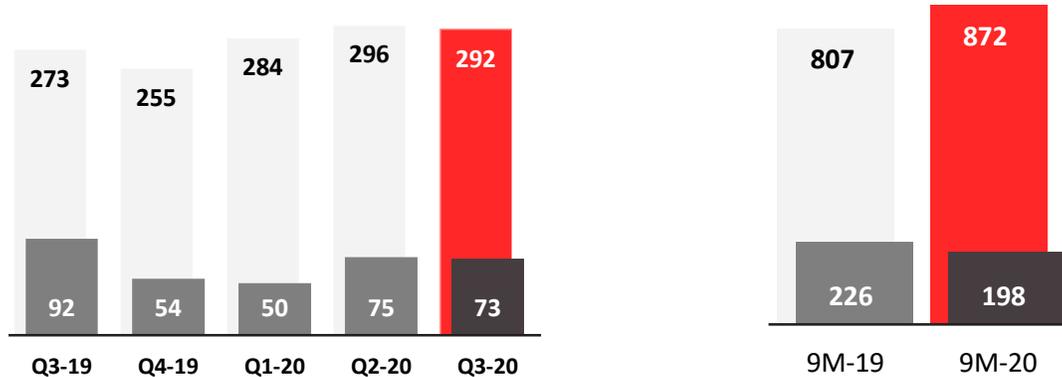
TNDm



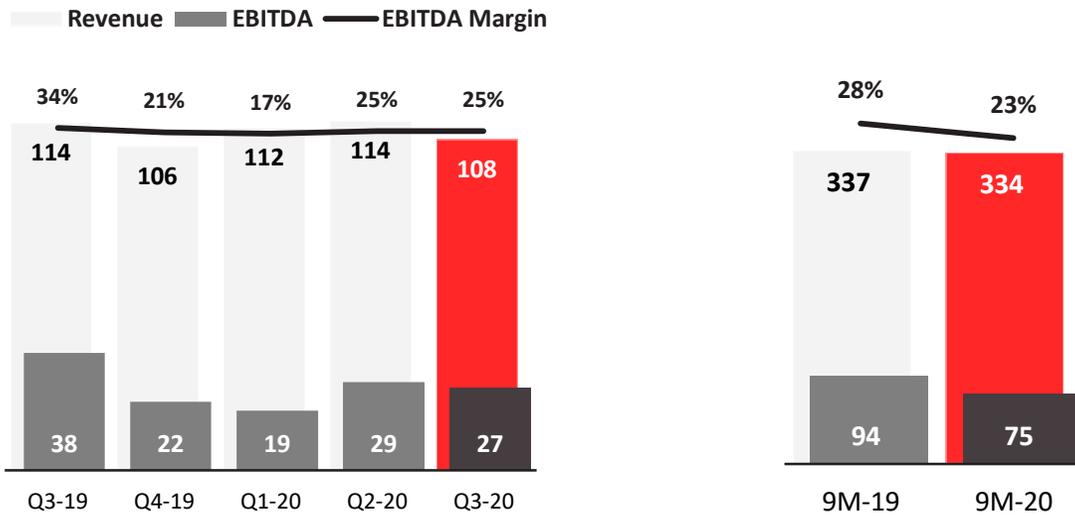
1 USD = 2.828 Tunisian Dinar (TND)¹

- Despite challenging macroeconomic conditions as a result of the C19 pandemic, revenue grew by 2%
- A slowing economy and one-off reversals that took place in 2019 contributed to a 6% decrease in EBITDA. Cost optimization continues
- Customer number reached 8.8 million, decreased by 3%
- OT enhanced its digital transformation strategy to adapt the market reality during C19 crisis by providing a best digital experience to its customers: increasing percentage of Digital sales and Digital Care

QARm



MMKbn



1 USD = 1,399 Myanmar Kyat (MMK)



- Revenue is up by 8% YoY driven by increased usage of data services which offset decline in voice revenue and also impacted by favorable Foreign Exchange rates YoY
- EBITDA decreased due to increased customer acquisition costs partly offset by lower operational costs
- Customer base reached 13.1 million and up 31% compared to the same period last year resulting in increased customer market share
- Launched exciting new customer promotion as the 6th Anniversary campaign and “Amazing FriYAYs !”
- Highly successful “Don Don Don” bonus data campaign drove higher usage and higher SIM sales
- OML’s continued focus on digital resulted in “My Ooredoo” App customers increase to 3.35 mn monthly active users, along with the launch of an exciting new version of the App



2020 upcoming events (tbc)

- Nov 3-4, BoA Virtual Mena Conference
- Nov 18-19, Morgan Stanley virtual TMT conference
- Nov 23-26, Arqam virtual conference

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Dividend policy

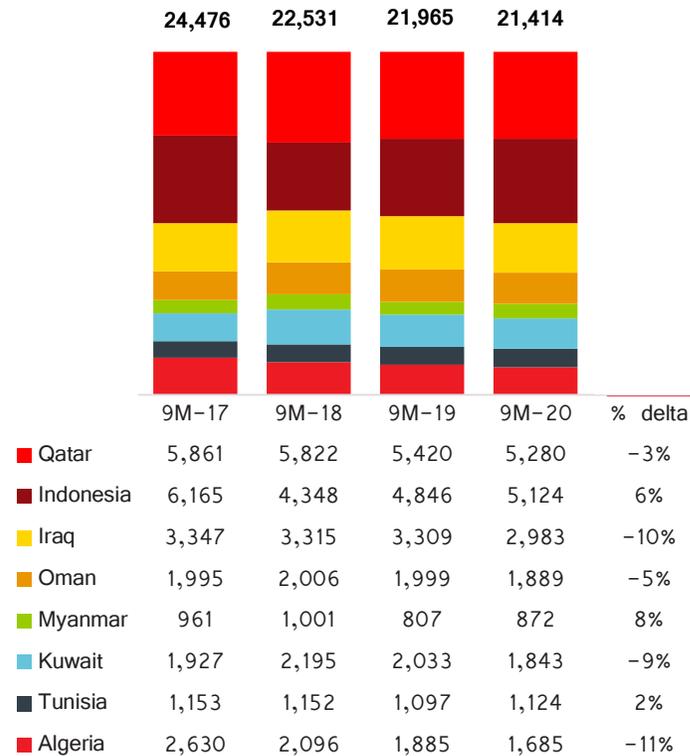
Dividend policy Q4 2019:

“The Ooredoo Board approved a sustainable and progressive dividend policy for the company, aiming for a dividend payout in the range of 40% to 60% of normalized earnings”

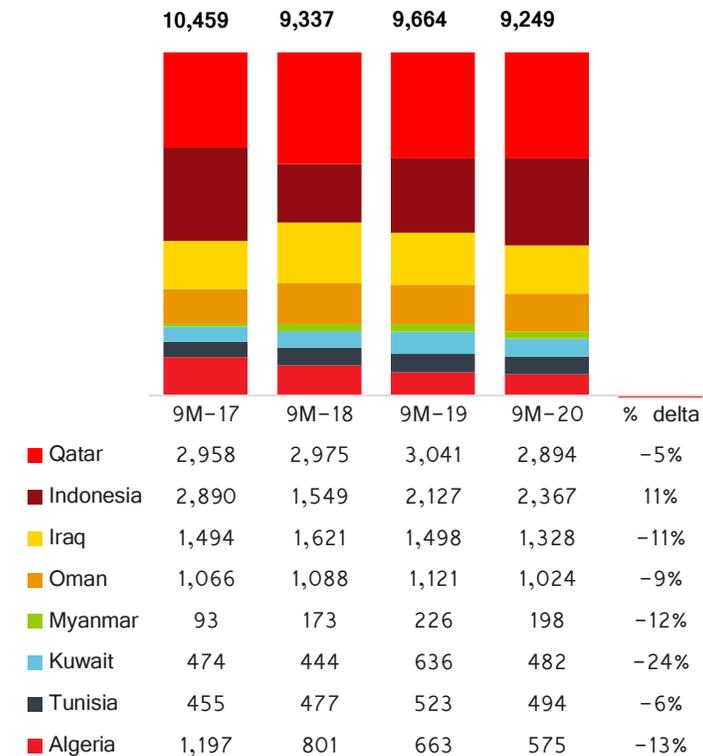
Additional Information

Key Operations Importance to Group

Revenue (QARm)



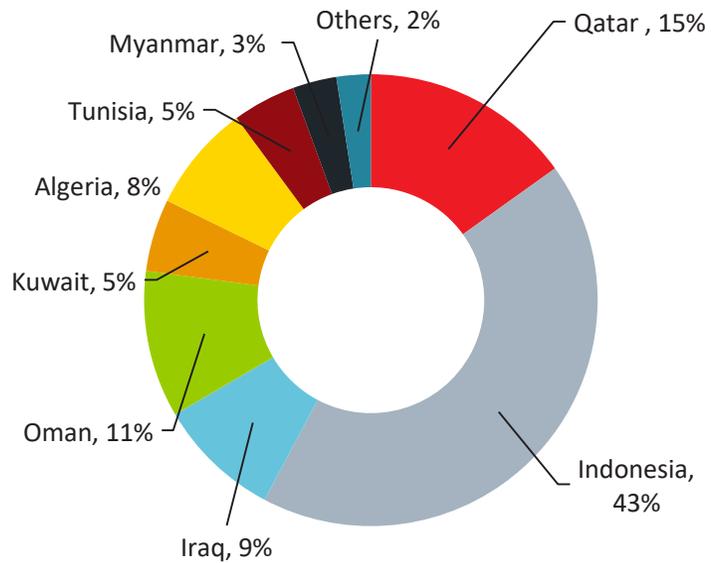
EBITDA (QARm)



Group Operations Breakdown

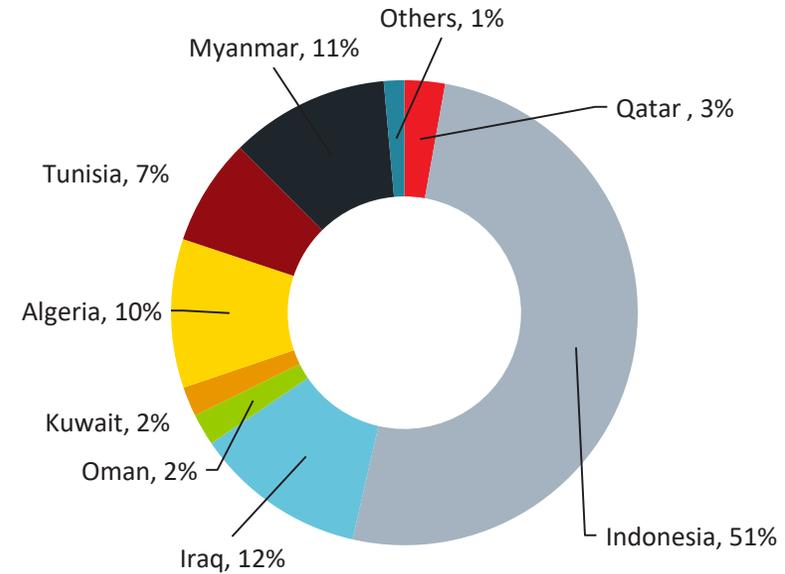
CAPEX & Customers

CAPEX Breakdown (%)



9M CAPEX = QAR 3,416 million

Customer Breakdown (%)

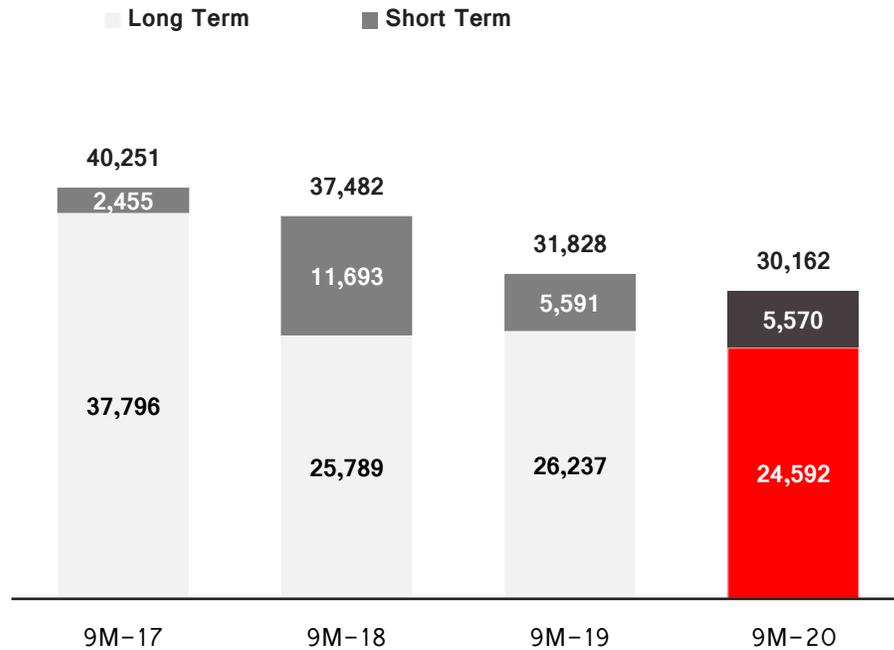


9M Total Customers = 119 million

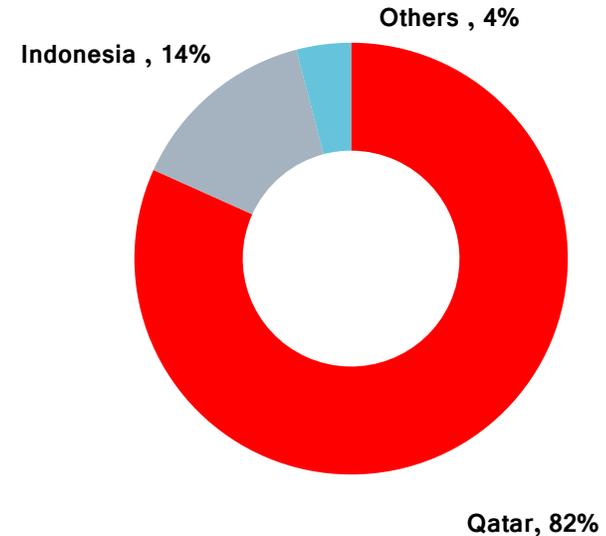
Group Operations Breakdown

Total Group Debt Breakdown

Total Group Debt (QARm)



Total Group Debt Breakdown

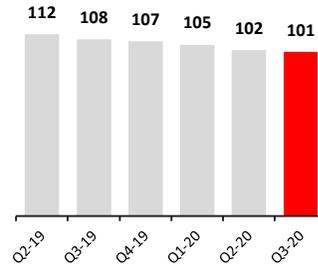


**Total Group debt reduced, well balanced profile
OpCo debt primarily in local currency**

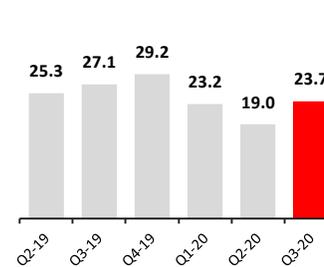
• Note: Qatar debt includes Ooredoo International Finance Ltd. and Ooredoo Tamweel Ltd.

Blended ARPU

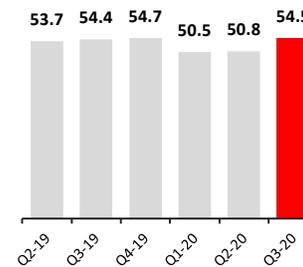
Qatar (QAR)



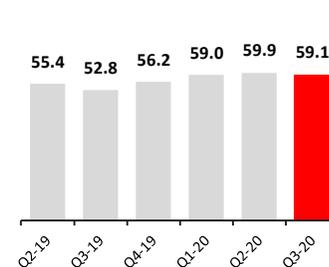
Iraq (QAR)



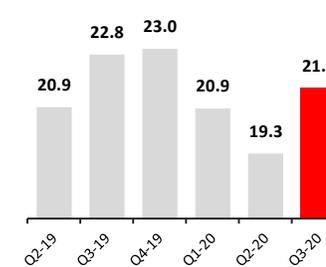
Oman (QAR)



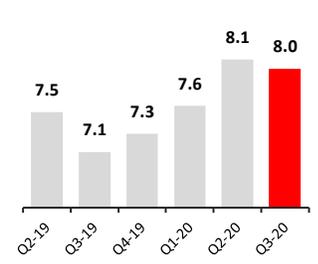
Maldives (QAR)



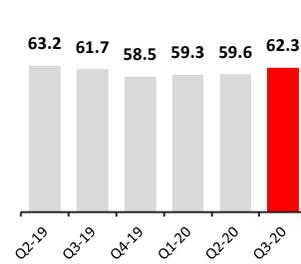
Palestine (QAR)



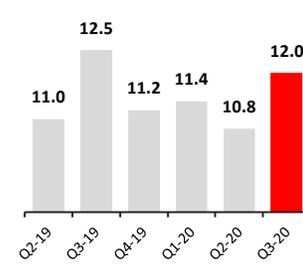
Indonesia (QAR)



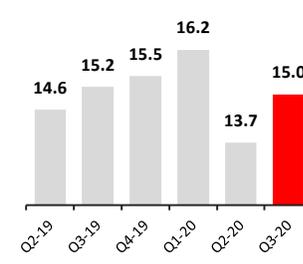
Kuwait (QAR)



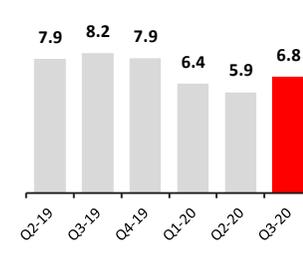
Tunisia (QAR)



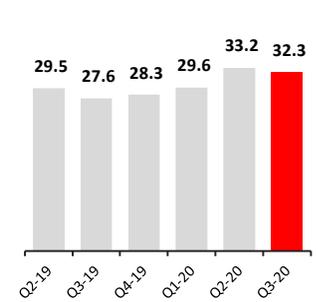
Algeria (QAR)



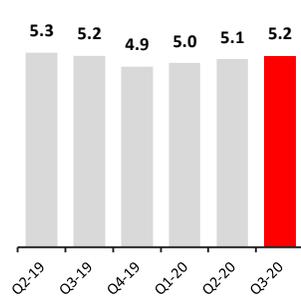
Myanmar (QAR)



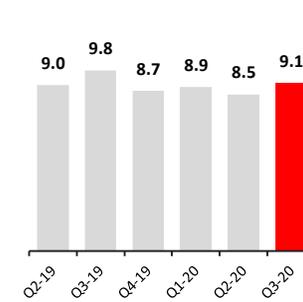
Indonesia (IDR'000)



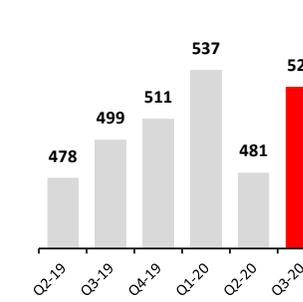
Kuwait (KWD)



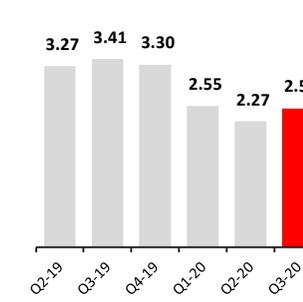
Tunisia (TND)



Algeria (DZD)

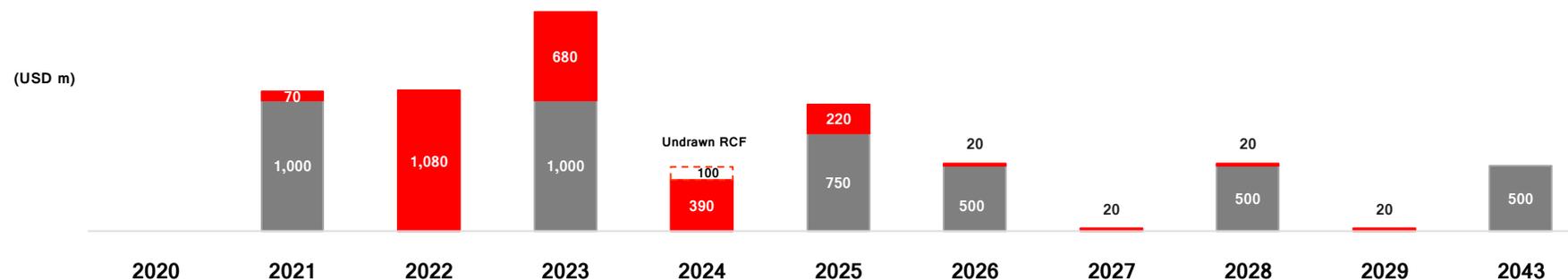


Myanmar (MMK'000)



Group Results

Debt Profile – Ooredoo Q.P.S.C. level



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	Fixed Rate	28-Aug-25	Fixed Rate Bonds due 2023	1,000	3.25%	21 Feb 2023	ISE
USD1bn RCF	1,000	1,000	Libor + spread	07-Jun-22	Fixed Rate Bonds due 2025	750	5.00%	19 Oct 2025	LSE
USD200mn Amortizing Loan	200	120	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	200	Libor + spread	16-May-24					
ADB Term loan Tranche 'A'	350	350	Libor + spread	23-Mar-25					
ADB Term loan Tranche 'B'	150	150	Fixed Rate	14-Sep-29					
USD 100m RCF	100	100	Libor + spread	28-July-25					
Total Loans	3,524	2,520			Total Bonds	4,250m			

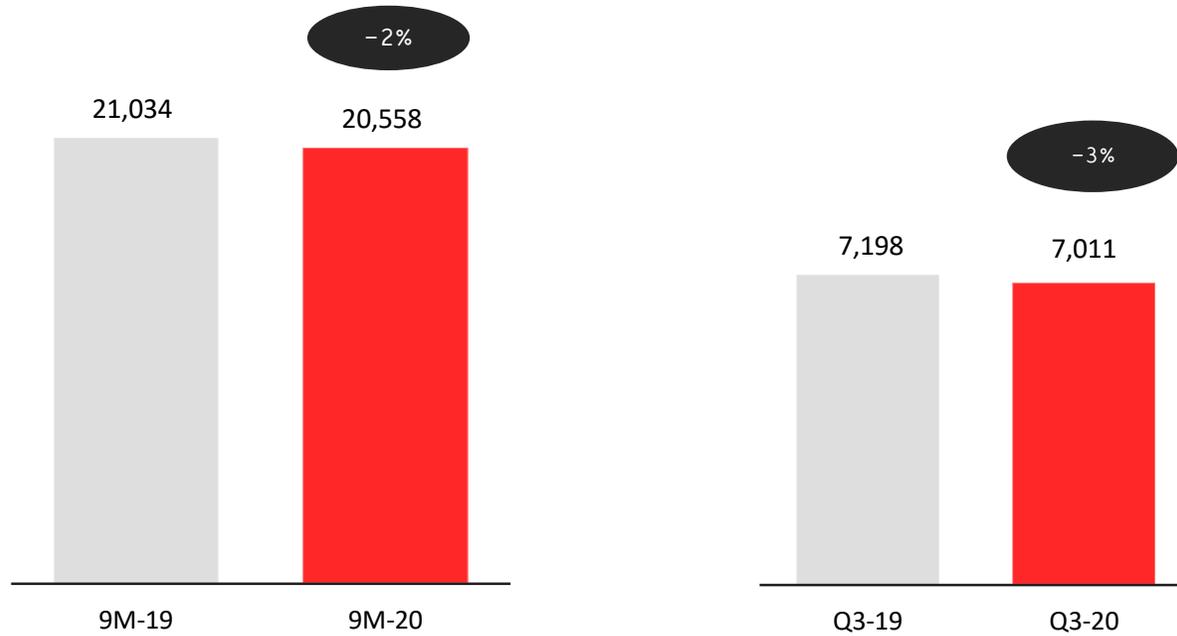
Total outstanding debt as at 30 Sep 2020 at Ooredoo Q.P.S.C. level

USD 6,770 million

Long term Debt Profile remains well balanced | 2021 maturities addressed proactively

* Based on the rates applicable for the usage levels

Service Revenue (QARm)



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	
Maldives	15%	5 years	GCC companies (including NMTC) are exempted and are subjected to 4.5% Zakat, KFAS & National Labour Support Tax on consolidated profits
Myanmar	25%	3 years	
Oman	15%	5 years	
Palestine	20%	5 years	
Qatar	10%	3 years	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

Overview

Results review

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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- 2G & 3G renewal under discussion
Oman	6 June 2009	6 June 2034	19 Feb 2020	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 (15 year extension to existing license)	Indefinite
Maldives	14 December 2015 (ISP)	13 December 2030	14 March 2007	28 January 2035
Palestine	--	--	05 February 2014	10 September 2029
Myanmar	5 February 2014	04 February 2029		04 February 2029

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Thank You

