



# Ooredoo Group

1H 2021 Results

July 2021



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  - 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



First half 2021 **revenue** stood at QAR 14.5 billion, an **increase of 3%** compared to the same period last year. Mainly driven by growth in our home market Qatar, Indonesia, and Tunisia. Excluding FX impact, revenue increased by 5%



**Group EBITDA** for H1 2021 was QAR 6.4 billion with a corresponding EBITDA margin of 44%, driven by growth in Indonesia, Qatar, Kuwait, Tunisia, and Algeria.

The **EBITDA growth rate stood at 7%** and at 10% excluding FX impact



**Group Net Profit** attributable to shareholders **turned negative** due to **impairments (QAR 2,341 million, mainly from Ooredoo Myanmar)** partially offset by profit from the sale and leaseback of Indosat Ooredoo's tower assets (QAR 1,000 million).

**Excluding the one offs and FX impact, Net Profit increased by 52%**



Consolidated **customer base increased by 1%** due to growth in Indonesia, Oman and Iraq, offsetting the decline in other markets



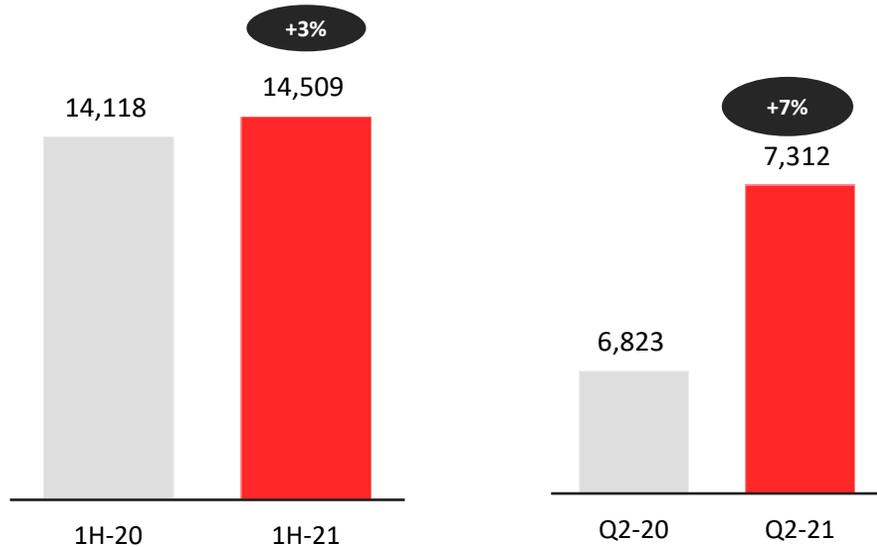
On May 11, regulators approved Indosat **Ooredoo's sale and leaseback** agreement with Edge Point Indonesia for more than 4,200 telecommunications towers.

The transaction was valued at USD 750 million, making it one of the **largest deals of its kind in Asia**

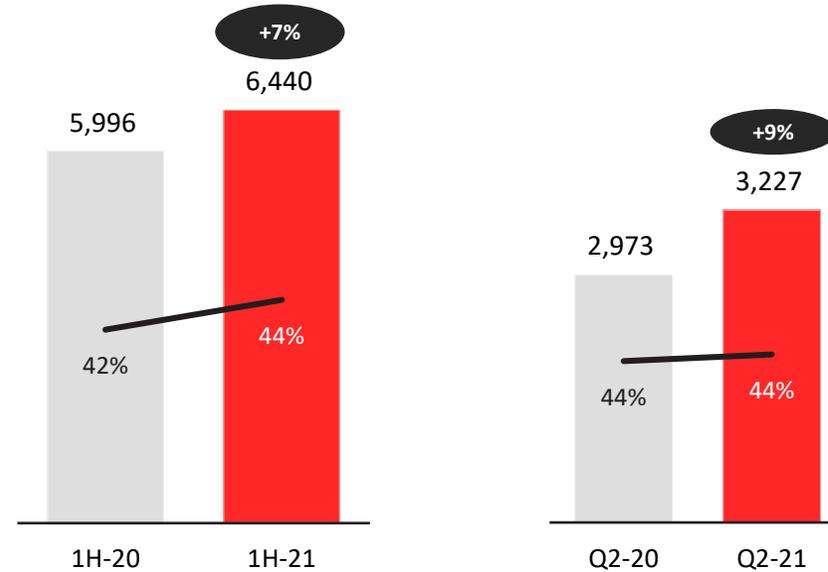
# Group Results

## Revenue and EBITDA

### Revenue (QARm)



### EBITDA (QARm) and EBITDA Margin



- **Healthy 3% Revenue growth** driven by Indonesia ,Qatar and Tunisia, partially offset by Asiacell, Oman and Myanmar. (excl. FX impact revenue by 5% in 1H 2021)
- **Strong EBITDA growth of 7%** mainly driven Indonesia , Qatar, Kuwait, Tunisia and ,Algeria partially offset by declines in Iraq, Oman and Myanmar. (excl. FX impact EBITDA up by 10% in 1H 2021)

# Group Results

## Net Profit

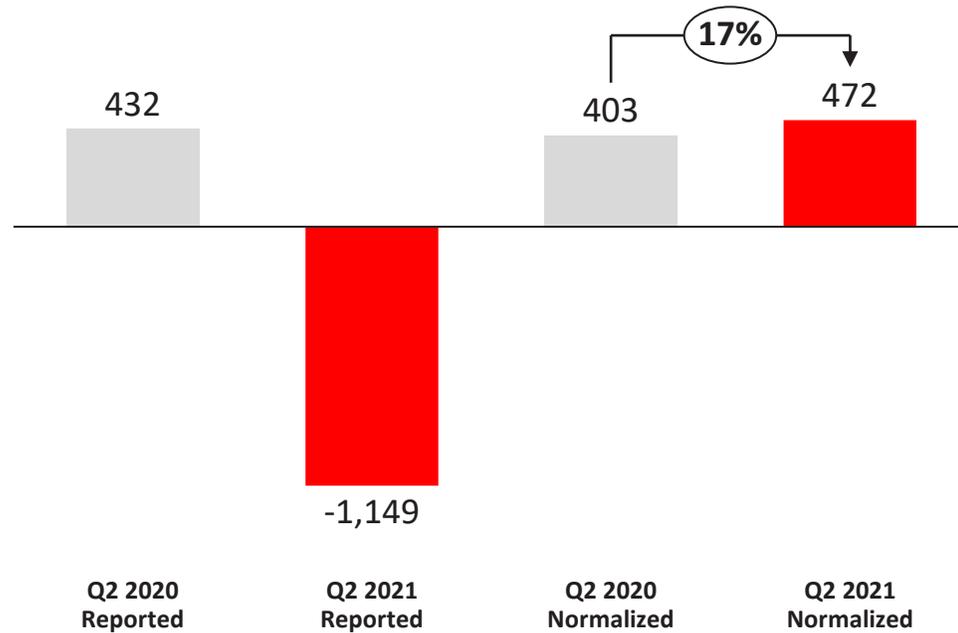
Overview

Results review

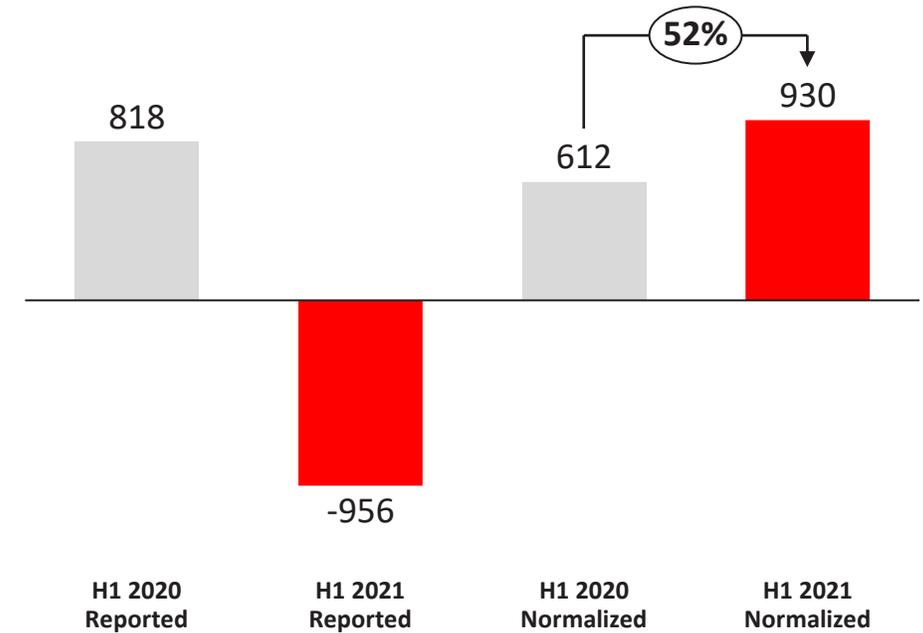
Operations review

Additional information

### Q2 Net Profit (QAR mn)



### H1 Net Profit (QAR mn)

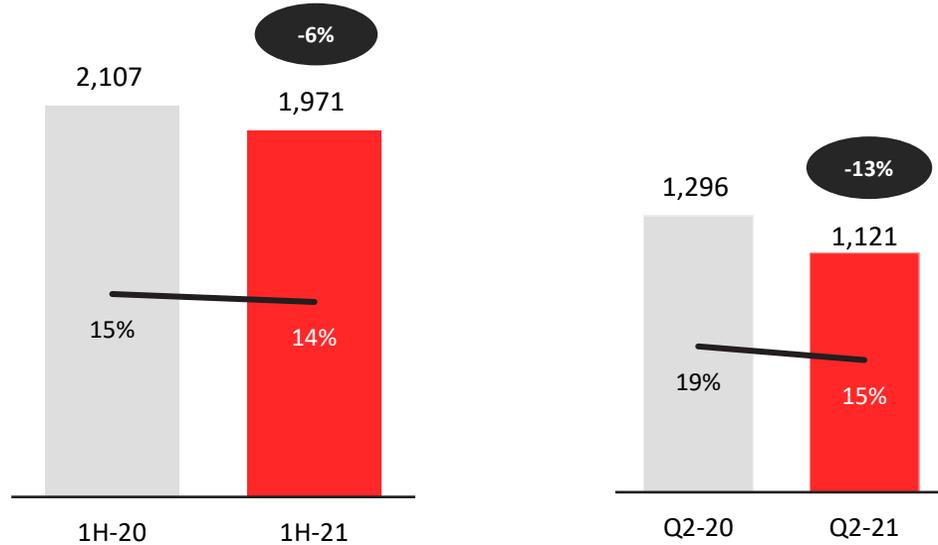


- Group Net Profit attributable to shareholders turned negative due to **impairments (QAR 2,341 million, mainly from Ooredoo Myanmar)** partially offset by profit from the sale and leaseback of **Indosat Ooredoo's tower assets (QAR 1,000 million)**. Fx loss of QAR 546Mn in H1 2021 compared to Fx gain of QAR 207Mn in H1 2020. Excluding the one offs and FX impact, Net Profit increased by 52%.

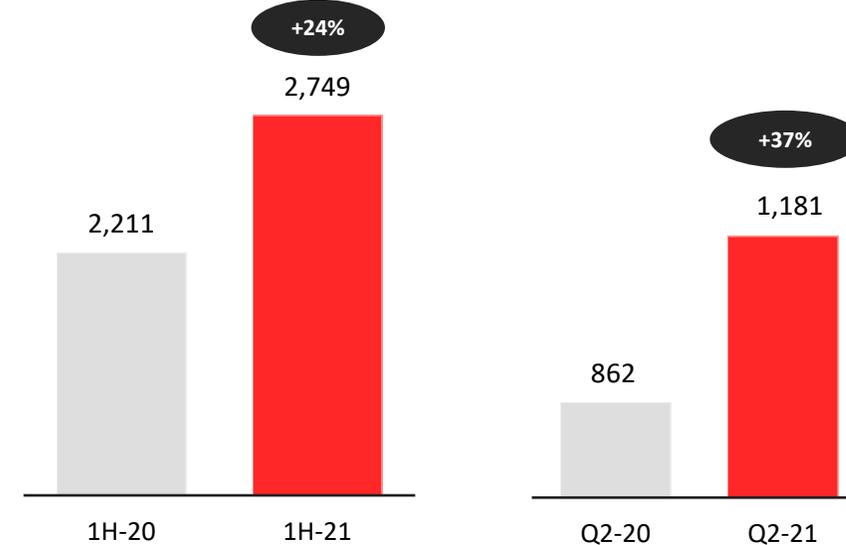
# Group Results

## Free Cash Flow and Capital Expenditure

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



### Free Cash Flow (QARm)

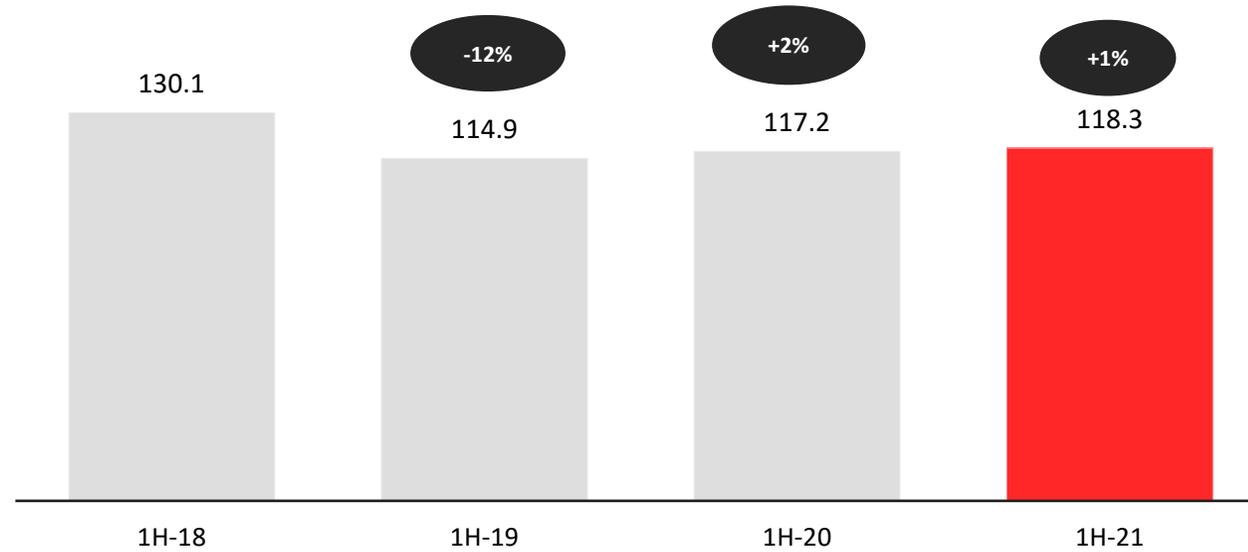


- Capex in line with guidance taking advantage of scale of Ooredoo Group and global sourcing strategy
- **Improved Free Cash Flow** due to improved EBITDA and reduced Capex

# Group Results

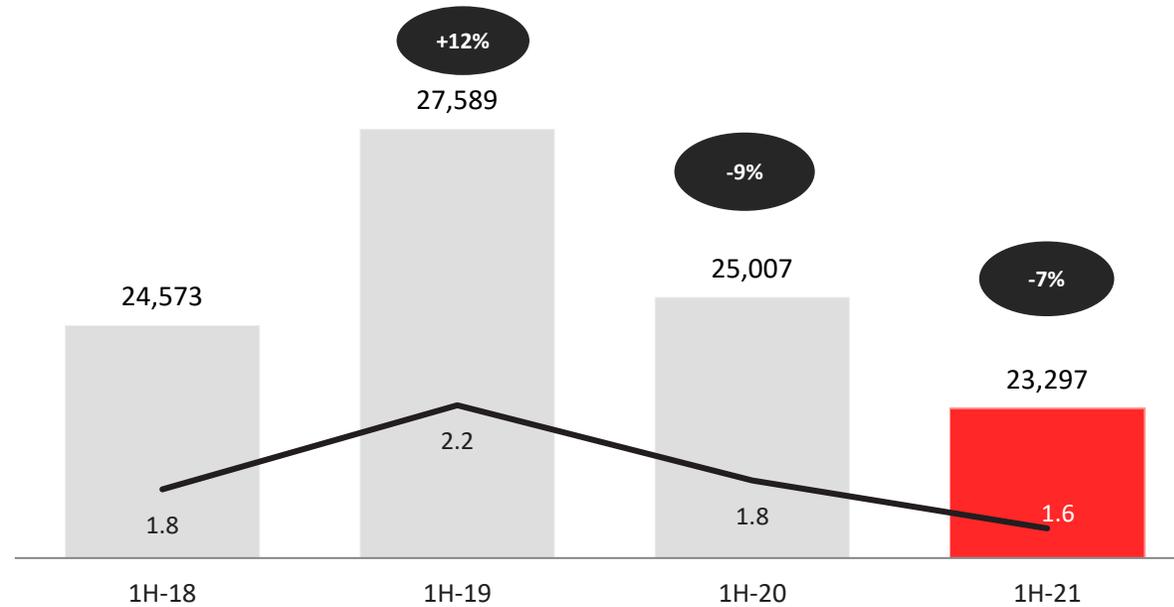
## Total customers

### Total Customers (million)



- Growing customer numbers in Indonesia, Oman and Iraq

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



- Net Debt to EBITDA ratio 1.6x positive trend of Group Net Debt reduction continued; supported by Indosat Ooredoo tower sale transaction
- Lower end of the board guidance between 1.5 and 2.5x (bank covenant 4x)

# Group Results

## 2021 1H performance summary

| Group Financials<br>(QAR bn) | H1 2021<br>Actual | % Change<br>H1 2021 / 2020 | 2021 Full Year<br>Guidance over 2020 |
|------------------------------|-------------------|----------------------------|--------------------------------------|
| Revenue                      | 14.5              | 3%                         | -3% to +1%                           |
| EBITDA                       | 6.4               | 7%                         | -3% to +1%                           |
| CAPEX                        | 2.0               | -6.4%                      | 5bn to 6bn                           |

- 1H Revenue and EBITDA both **exceeding the guidance**
- Capex in 1H seasonably low
- Outlook for the remainder of the year depends on C19 developments in our markets

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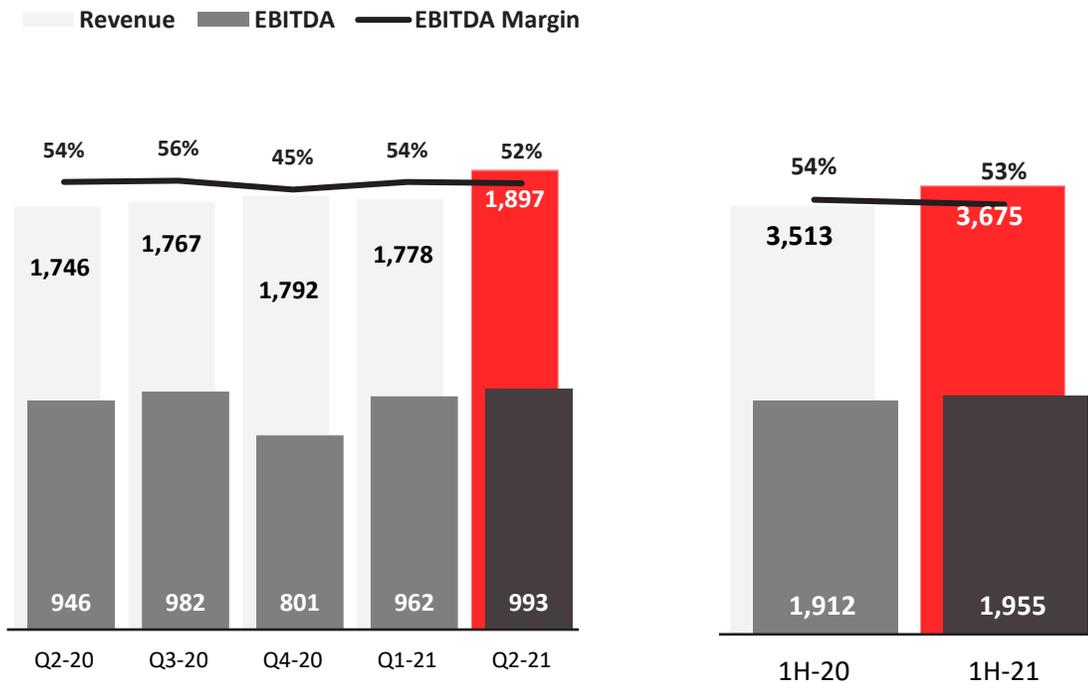
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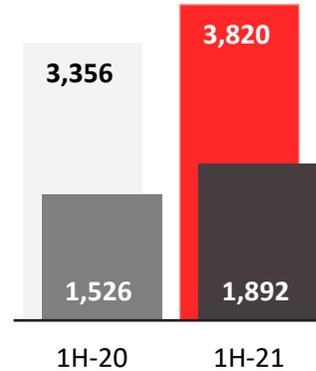
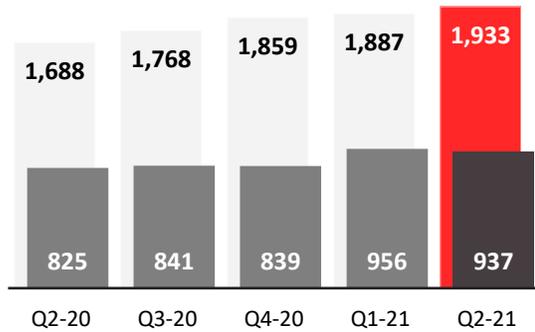
## QARm



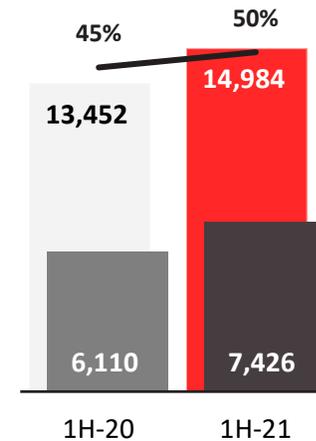
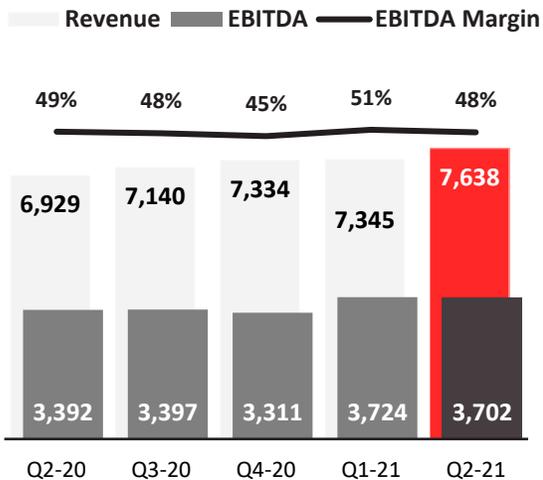
• 1 USD = 3.6415 Qatari Riyal (QAR)

- **Strong No.1 position maintained** - Ooredoo's fixed line and mobile networks in Qatar ranked among the fastest globally
- **Revenue grew by 5% yoy** driven by B2B, postpaid services, Mobile Financial Services (MFS), Ooredoo tv and higher sales of devices
- EBITDA grew 2% with a healthy **EBTIDA margin of 53%**
- Customer number reduced to 3 million due to population decrease (3.2 million in Q2 2020)
- Ooredoo ONE 'All-In-One' Home Service comprising of TV, Home broadband and landline Triple play helped us grow our Ooredoo tv customer base by 1%
- Additionally, Ooredoo Qatar attained Dell Platinum Status and won 'Emerging Partner of The Year' and 'Collaboration Partner of The Year' awards from Cisco.
- The company was part of the delegation representing Qatar at the St. Petersburg International Economic Forum (SPIEF) in June
- Ooredoo Qatar continues its Digital Transformation Journey, providing customers best Digital Care, Sell and Payments experience. More than 10% of Ooredoo Qatar customers decided to buy Online, and more than 70% interact with Ooredoo Digitally to manage their payments

## QARm

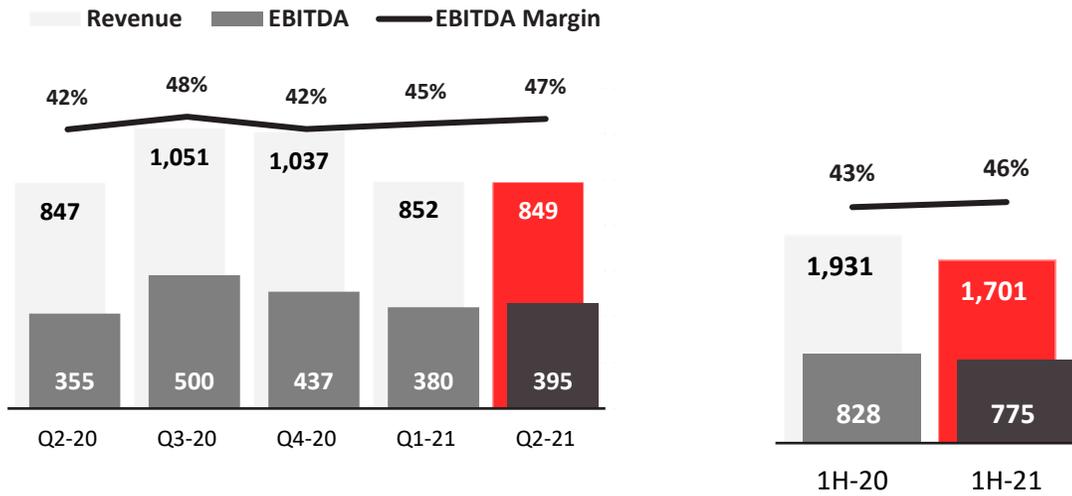


## IDRbn

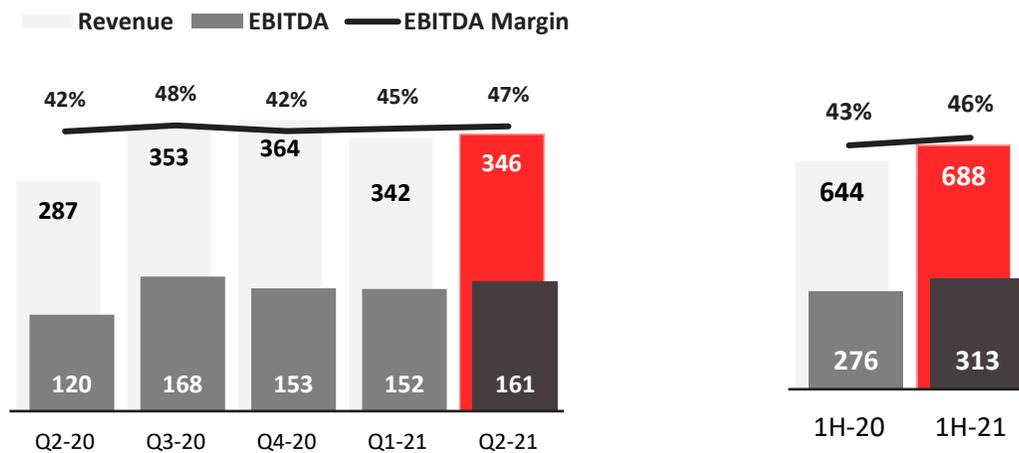


- Stellar performance by Indosat Ooredoo, **Revenue increased by 14%** outperforming the market
- **Strong EBITDA growth of 24%** driven by operational efficiencies and strong revenue growth, EBITDA margin up by 5 percentage points
- Healthy **customer base growth of 5%** supported by relentless focus on customer experience and simple products and pricing
- **Improved customer trust** in “Indosat Ooredoo” brand is reflected in highest growth in NPS, Customer Satisfaction (CSAT) and Brand Equity Index scores among all operators in Indonesia (YoY) (Measured by Nielsen)
- Smart **CAPEX Deployment**: CAPEX deployment is as per plan despite surge in COVID cases in Indonesia. Continued 4G network investments. Added ~16k 4G BTS YoY. 5G commercially launched
- **Tower sale**: regulator approved IO sale and leaseback agreement with PT EPID Menara Asset Co. for 4,247 towers at a total transaction value of IDR 10.5 trillion
- Hutch MoU potential combination of Indonesian business is extended until August 16 due to transaction size

## QARm



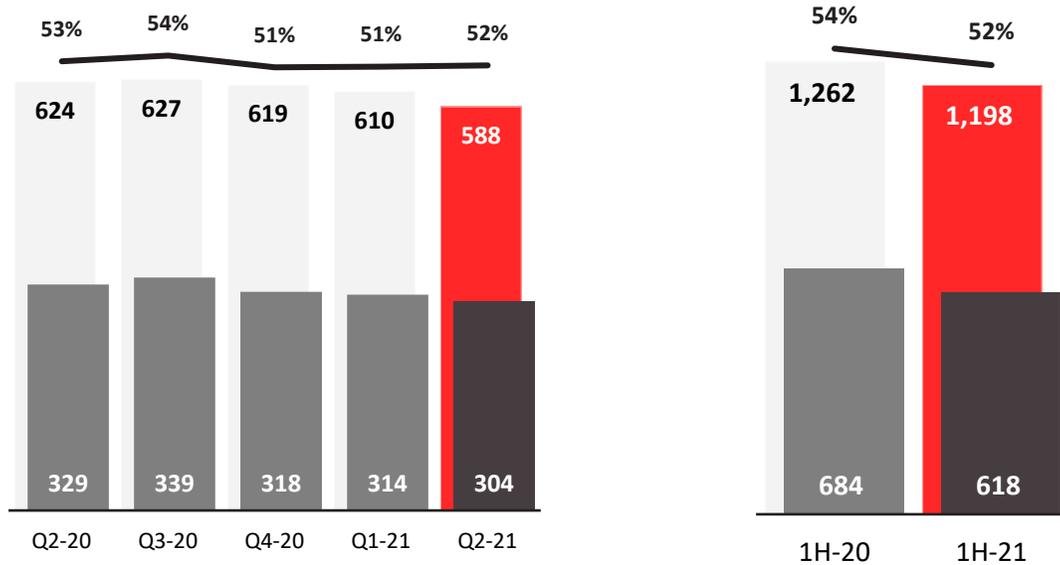
## IQDm



- Iraqi economy was impacted by weakening purchasing power following the **17% devaluation** of the Iraqi Dinar and the effect of the COVID-19 pandemic with partial lockdowns until middle of May
- Although we see a decline in QAR terms in local currency terms Revenue increased by 7%
- In Iraqi dinar terms EBITDA improved by 13%. Digital transformation program and new optimized lithium battery solutions helped to **improve EBITDA margins to 46%**
- **Customer base increased by 9%** to 14.5 million (Q2 2020: 13.3 million)
- Launching new digital partnership with BeIN, Google and Huawei
- **Asiacell e-commerce** launched
- Received two awards from the International Finance Organization “Leading mobile telecommunications provide in Iraq” & “The best CSR in Iraq”

## QARm

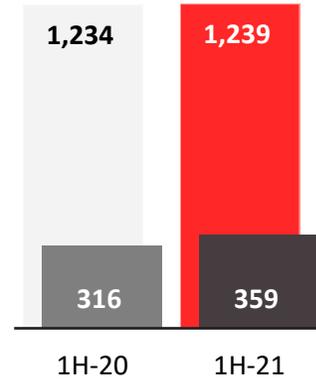
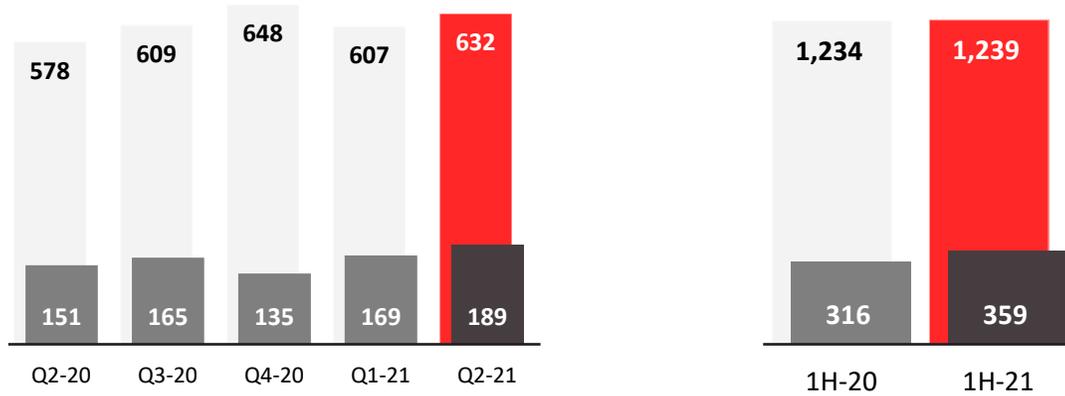
Revenue EBITDA EBITDA Margin



- COVID-19 pandemic contributed to a softening macroeconomic environment in Oman and **revenues declined 5% yoy**, due to lower consumer mobile prepaid revenue partially offset by postpaid revenue growth
- 5G revenue doubled sequentially from Q1 2021
- **EBITDA for the period decreased 10%**, mainly due to lower prepaid revenue. EBITDA margin improved from 51% to 52% in Q2 2021
- Customer base increased to 2.8m up 8%
- VAT launched as of 16<sup>th</sup> April
- Following the launch of 5G for fixed service in 2020, OO Launched 5G for mobile service
- On May 20, Ooredoo Oman announced the appointment of Noor Al Sulaiti as Chief Executive Officer, the first female CEO in one of Ooredoo Group's key markets

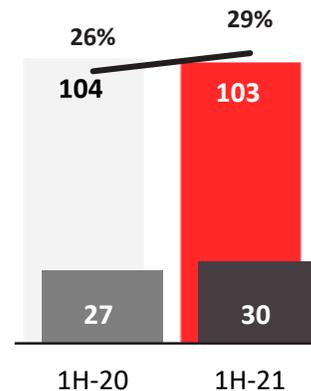
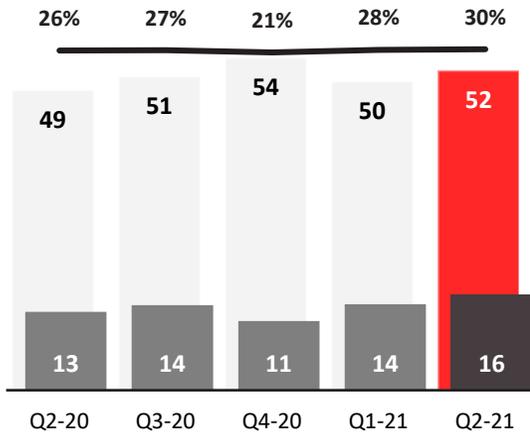
▪ 1 USD = 0.38463 Omani Rial (OMR)<sup>1</sup>

## QARm



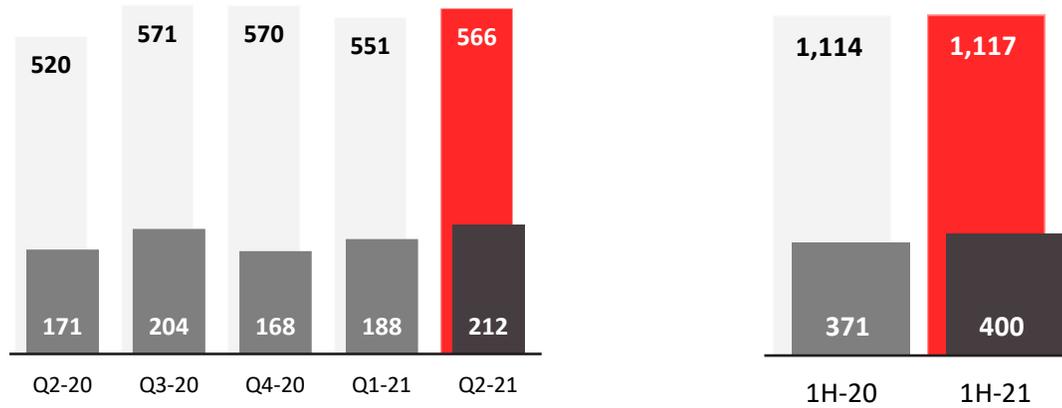
## KWDm

Revenue EBITDA EBITDA Margin

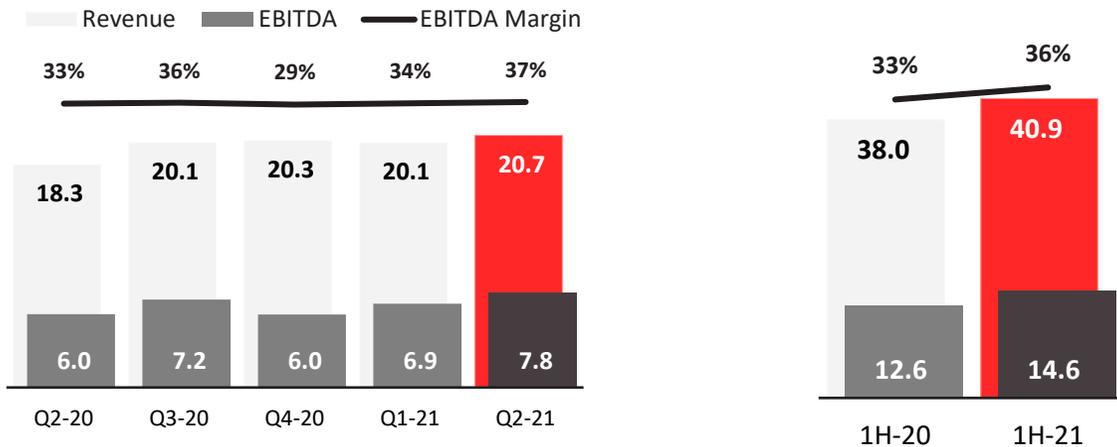


- COVID-19 pandemic continued to put pressure on Ooredoo Kuwait's performance
- **Slight increase in revenue** in H1 2021
- **EBITDA increased 13%** due to general cost saving activities in H1 2021, with an improved EBITDA margin of 29%
- Customer base in Q2 2021 reached 2.3 million (Q2 2020: 2.4 million), with a significant drop in overall Kuwaiti population
- O. Kuwait awarded as the "**fastest network in Kuwait 2021**" by leading independent research company"
- O. Kuwait launched its Cloud Connect service in partnership with Microsoft Azure to drive cloud adoption in Kuwait and accelerate digital transformation
- Ooredoo Kuwait was recognized by the Middle East Stevie Awards awarded the 'Innovation in Business Information Apps' Award for its **customer-centric solutions**. The company was also awarded the 'Innovative Achievement in Growth' and the 'Innovation in Customer Service Management, Planning & Practice - Telecommunications Industries' award for its innovative solutions for growth and customer service

## QARm



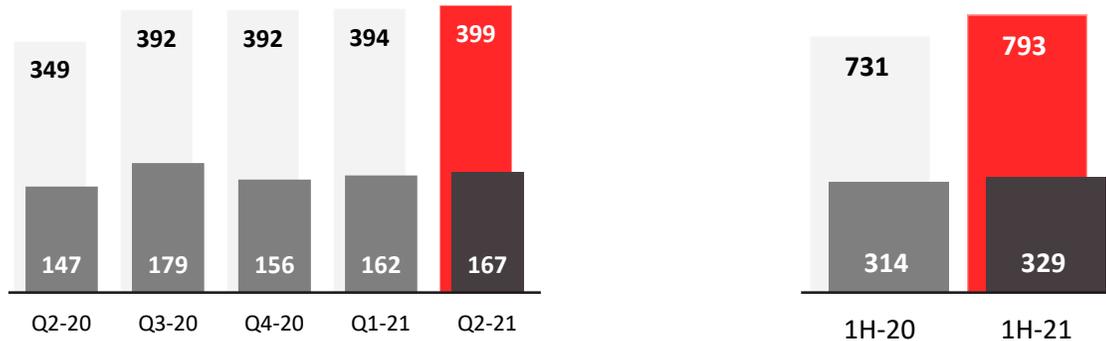
## DZDbn



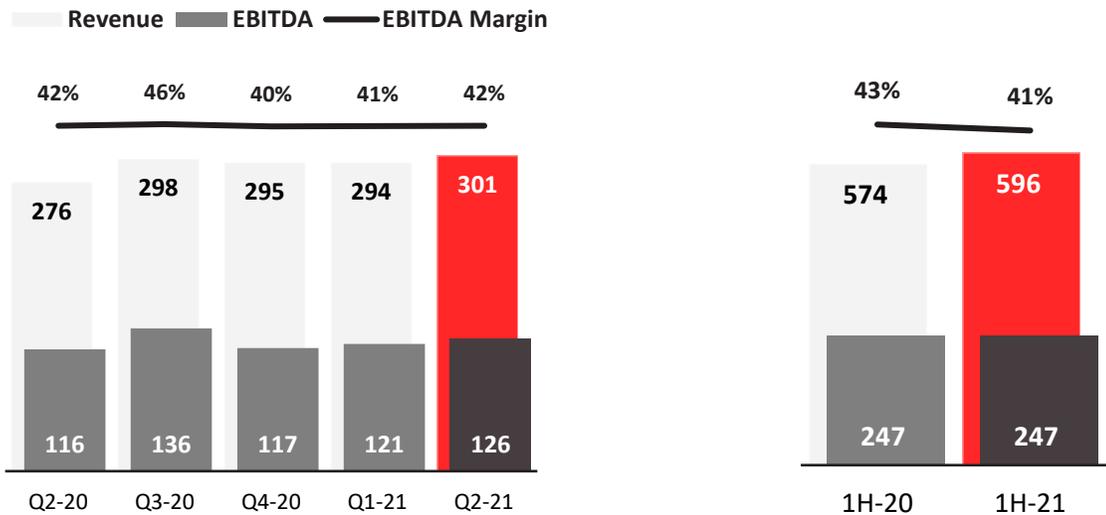
1 USD = 133.2 Algerian Dinar (DZD)

- The main macroeconomic indicators in Algeria started showing early signs of recovery, despite partial home confinement measures imposed in Algeria
- **Revenues stood flat at QAR 1.1 billion, but increased in local currency terms by 8%**
- **EBITDA margin improved to 36%** due to cost saving and digital efficiencies
- **Customer base** was 12.6 million in Q2 2021, **down 2%**
- Ooredoo Algeria's network site availability and 4G network rollout increased during the period
- Yooz, a new digital prepaid offer was launched by OA in April, targeting youth segment
- On May 20, Ooredoo Algeria announced the appointment of Bassam Yousef Al Ibrahim as Chief Executive Officer

## QARm

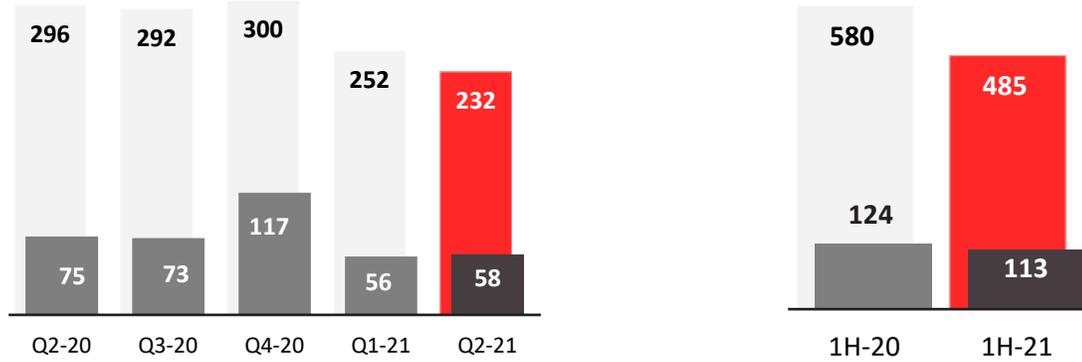


## TNDm

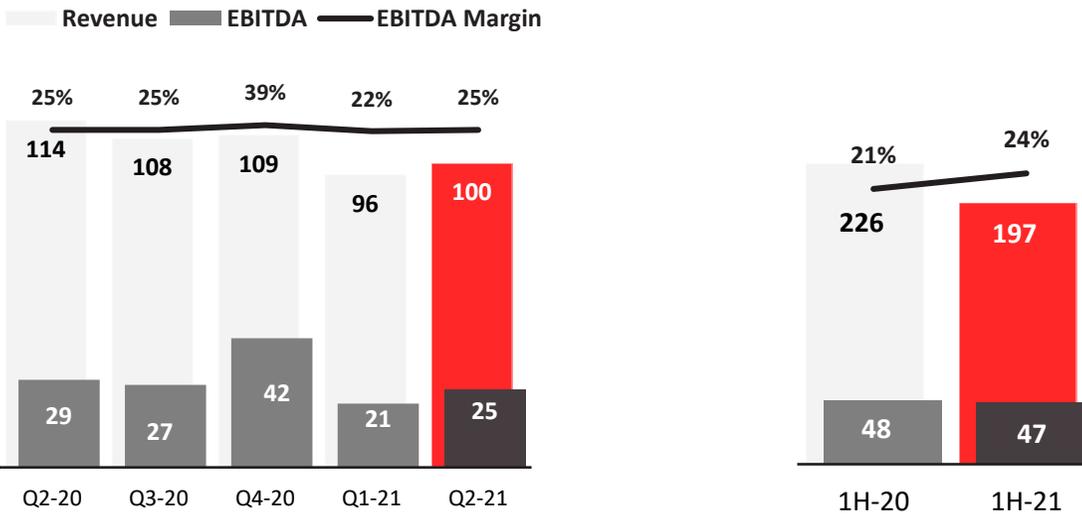


- Revenue **increase of 8%** compared to the same period in the previous year supported by **favorable FX trends**
- EBITDA up 5% with a **healthy EBITDA margin of 41%** in H1 due to FX and the implementation of value creation plan focusing on digitization of sales and distribution channels
- Ooredoo Tunisia changed the reporting of its prepaid customer's base from the original life-cycle definition to 90 days network activity definition: customer base stood at 7.2 million

## QARm



## MMKbn



- Political developments in Myanmar including **restrictions on mobile and wireless broadband** impacted Ooredoo Myanmar's performance in H1 2021
- **1H 2021 Revenues declined by 16% and EBITDA by 9% yoy**, as restrictions impacted data revenues which were partially offset by an increase in voice revenues. Restrictions started to ease off towards the end of Q2
- FX declined by approx. 3%
- Customer base decreased by 7% to 13.8 million yoy, trend started to reverse towards the end of the Quarter
- Launched two new popular versions of "My Ooredoo App"

1 USD = 1.481 Myanmar Kyat (MMK)



## 2021 Ooredoo Capital Markets Day

**Save the date: CMD Sep 2021, in Doha**

*(location and timing to be confirmed)*

*More details in due course*

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# Today's Presenters



## Mr. Aziz Aluthman Fakhroo

*Managing Director  
Ooredoo Group*

- Mr. Aziz Aluthman Fakhroo was appointed as Managing Director of Ooredoo Group in 2020, and has been a Board Member since 2011. He is currently also a Senior Advisor to Qatar's Minister of Finance, and a Board Member at Accor SA
- Previously he served as Deputy Undersecretary for Budget, Treasury and Financial affairs at the Ministry of Finance, and as Co-head of M&A at Qatar Investment Authority (QIA)
- Mr. Aziz holds a Bachelor of Business Administration from ESLSCA Business School in Paris



## Sheikh Mohammed Al Thani

*Deputy Group CEO and Chief Executive Officer of  
Ooredoo Qatar*

- Sheikh Mohammed joined Ooredoo in 2009 and was Chief Executive Officer of Ooredoo Kuwait before being appointed as Deputy Group CEO and CEO of Ooredoo Qatar. He is currently the Chairman of the Board of Directors of Ooredoo Kuwait and President Commissioner of Indosat Ooredoo
- Sheikh Mohammed holds a Master's degree in Finance and Accounting from the University of Cardiff, UK and a Bachelor's degree in Accounting from Qatar University



## Mr. Abdulla Ahmed Al-Zaman

*Ooredoo Group CFO  
Ooredoo Group*

- Mr. Abdulla Ahmed Al-Zaman was appointed as Chief Finance Officer ooredoo Group in March 2021. Previously he CFO at Ooredoo Qatar since January 2018, after joining the Group in 2013 and holding multiple senior roles. He is responsible for facilitating organisational accountability and transparency, maintaining sustainable value for shareholders and other stakeholders.
- Mr. Al-Zaman has extensive experience in leadership roles within finance, both in telecommunications and other industries. He holds a bachelor's degree in Finance & Business Administration from California, USA, and an EMBA from the University of Hull, UK.

# Today's Presenters



**Sara Al Sayed**

*Specialist, Investor Relations  
Ooredoo Group*

- Sara joined Ooredoo in 2013 and is currently working in the Investor Relations team. Prior to joining the Investor Relations division, she spent 7 years in Ooredoo's group finance department
- She holds a Bachelor's degree in Marketing and International Business from Qatar University and a CIRO Certificate from MEIR



**Andreas Goldau, CFA**

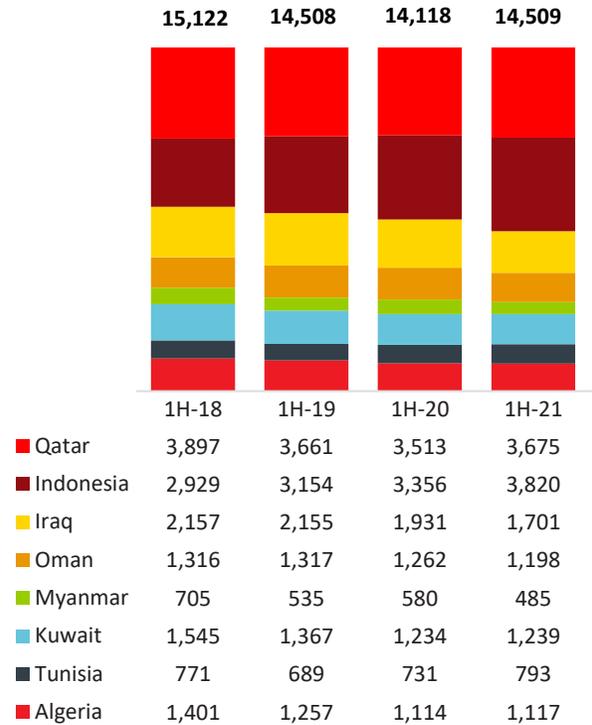
*Senior Director, Investor Relations  
Ooredoo Group*

- Andreas joined Ooredoo in 2009 and holds the role of Head of Investor Relations. Andreas is a CFA Charter holder and has a Diploma in Business Management from the University of Mannheim, Germany
- He has more than 15 years of experience in managing and setting up Investor Relations functions with companies listed in the US, Europe, Middle East and Japan

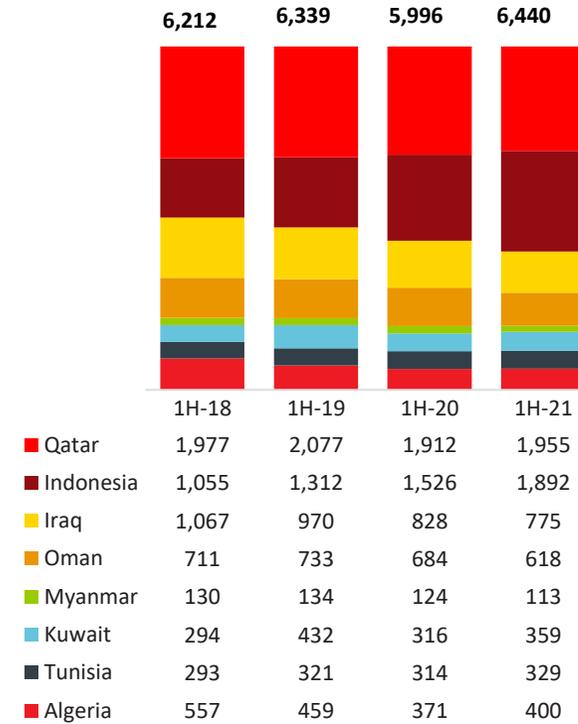
# Additional Information

## Key Operations Importance to Group

### Revenue (QARm)



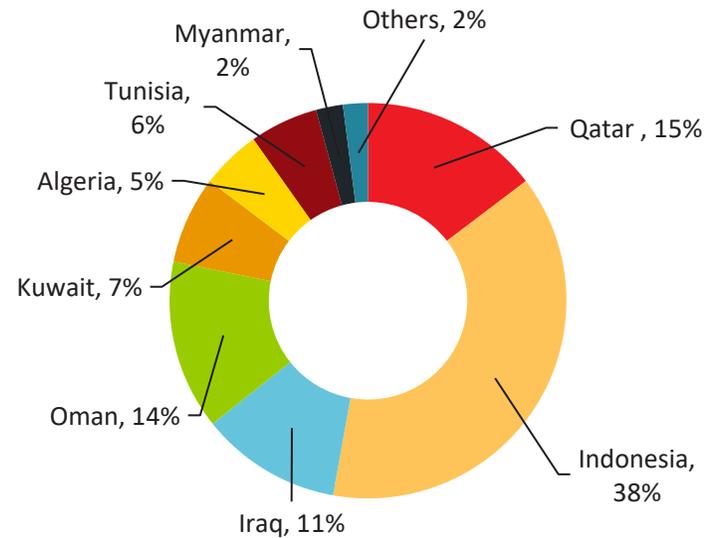
### EBITDA (QARm)



# Group Operations Breakdown

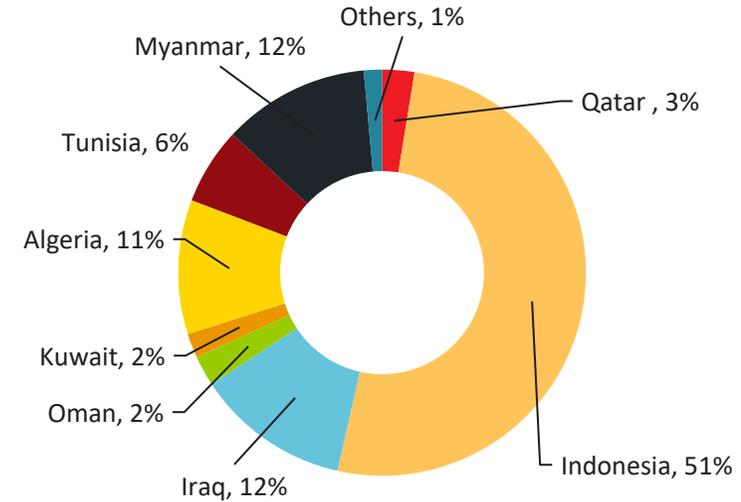
## CAPEX & Customers

### CAPEX Breakdown (%)



1H 2021 CAPEX = QAR 1,971 million

### Customer Breakdown (%)

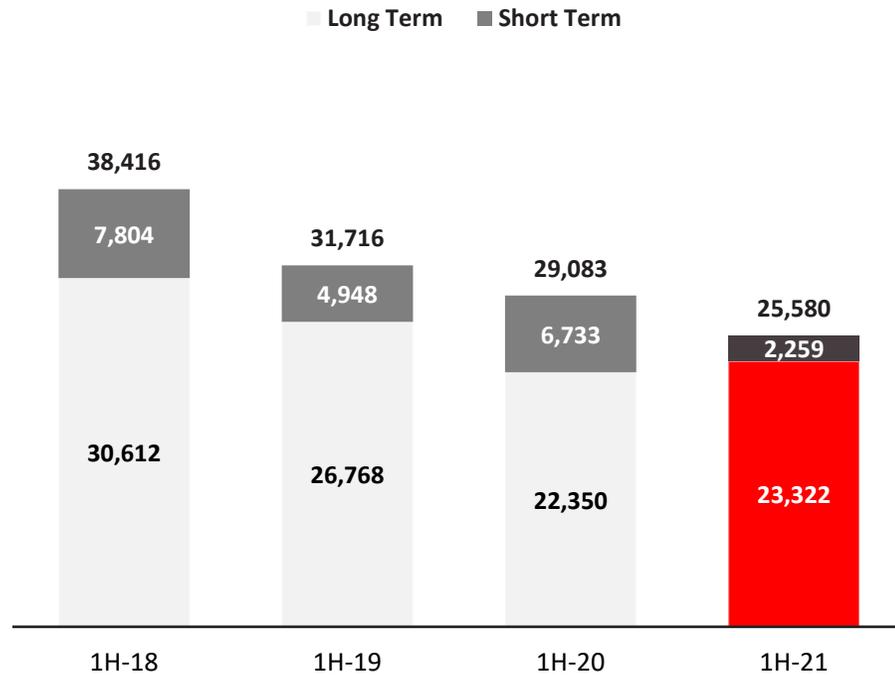


1H 2021 Total Customers = 118 million

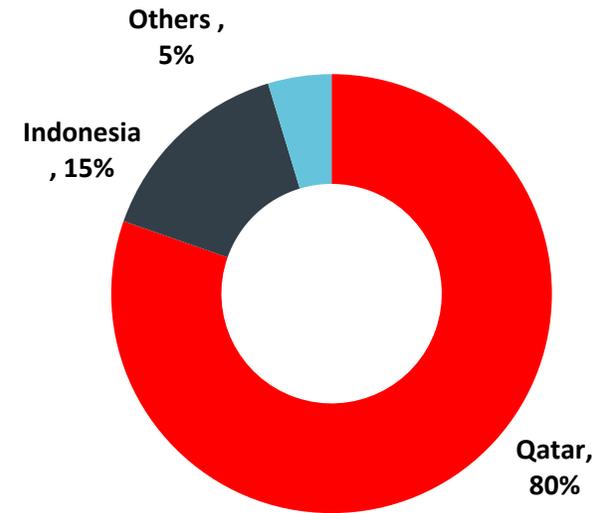
# Group Operations Breakdown

## Total Group Debt Breakdown

### Total Group Debt (QARm)



### Total Group Debt Breakdown

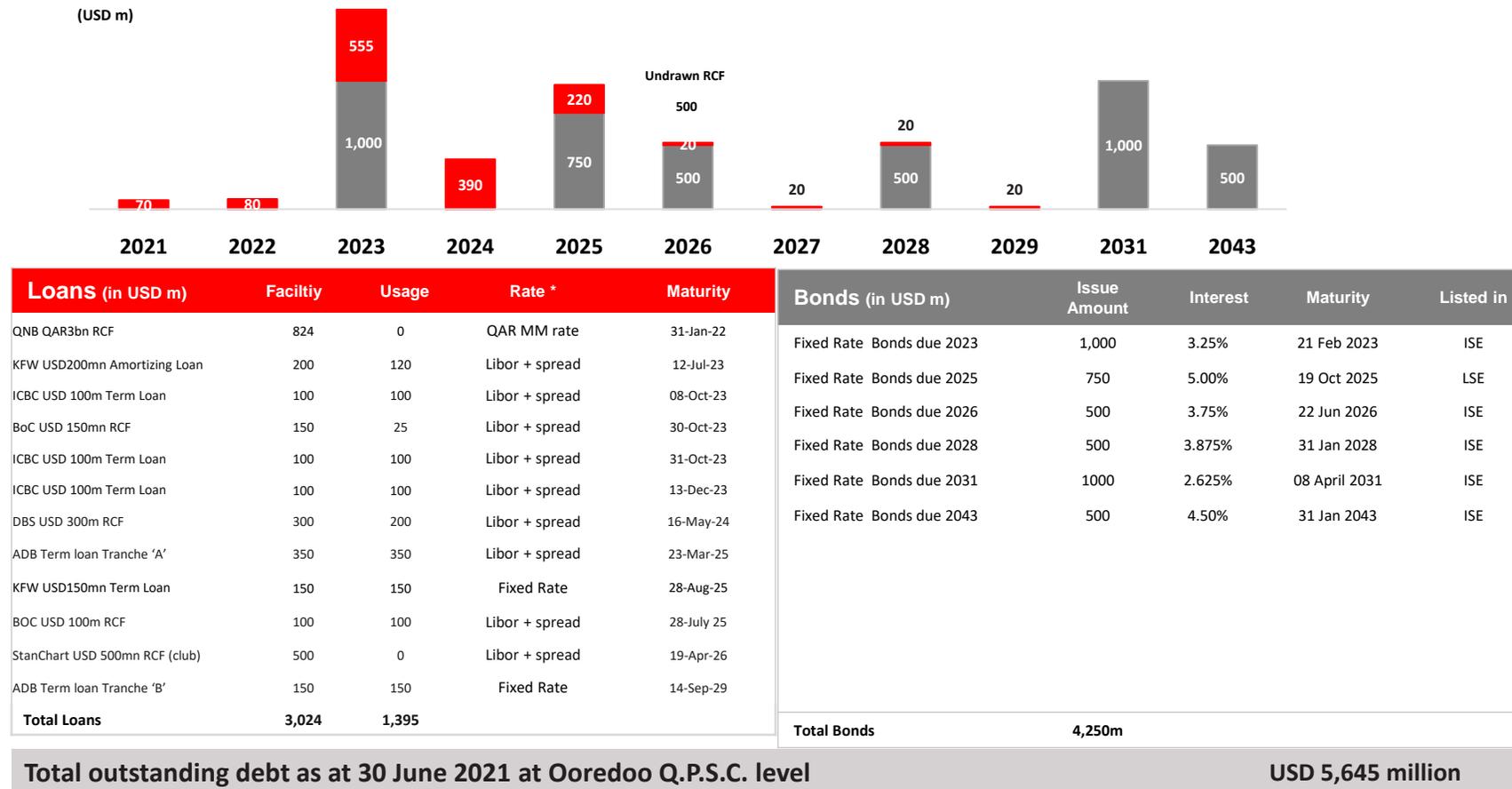


**Total Group debt reduced, well balanced profile**  
**OpCo debt primarily in local currency**

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

# Group Results

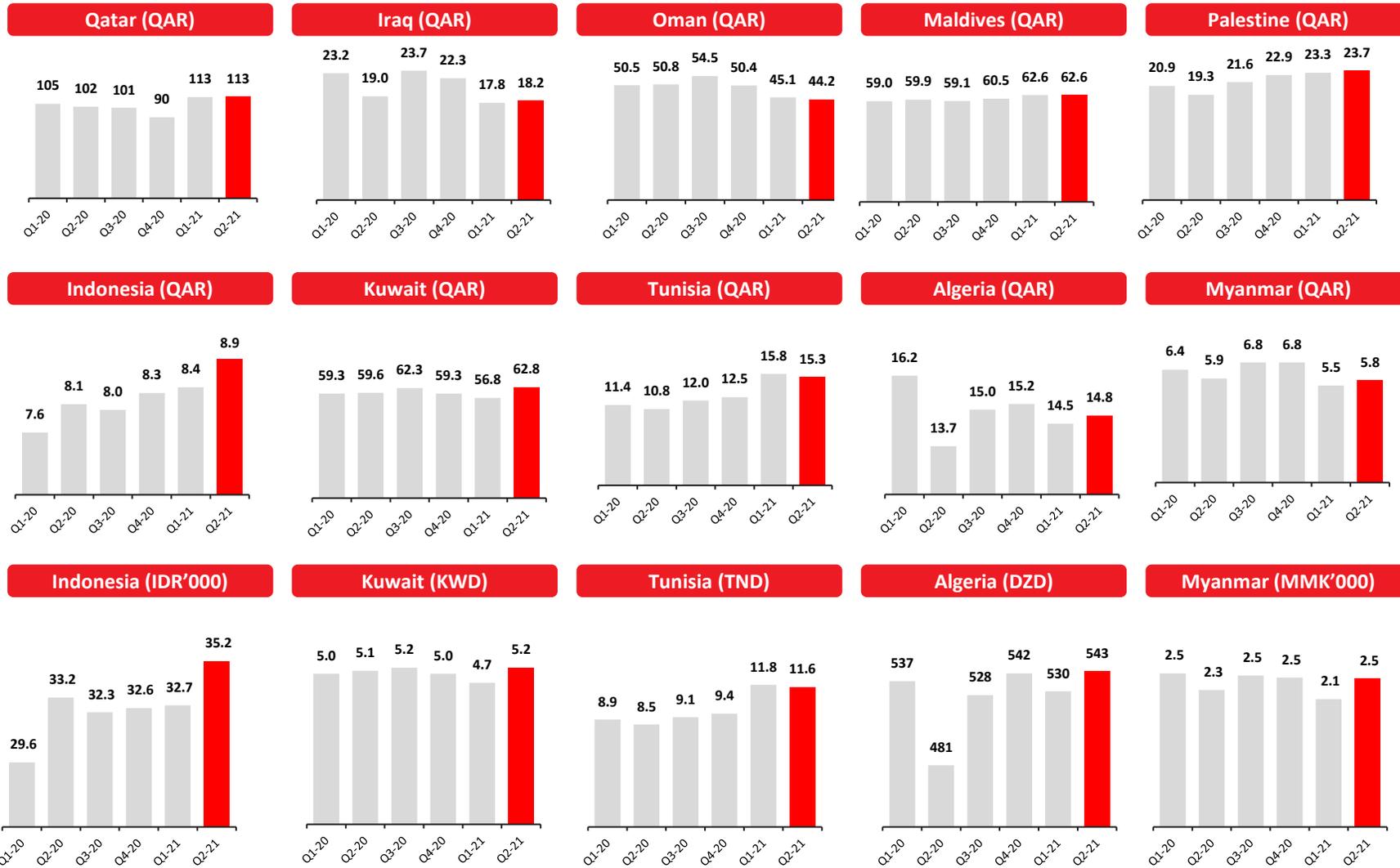
## Debt Profile – Ooredoo Q.P.S.C. level



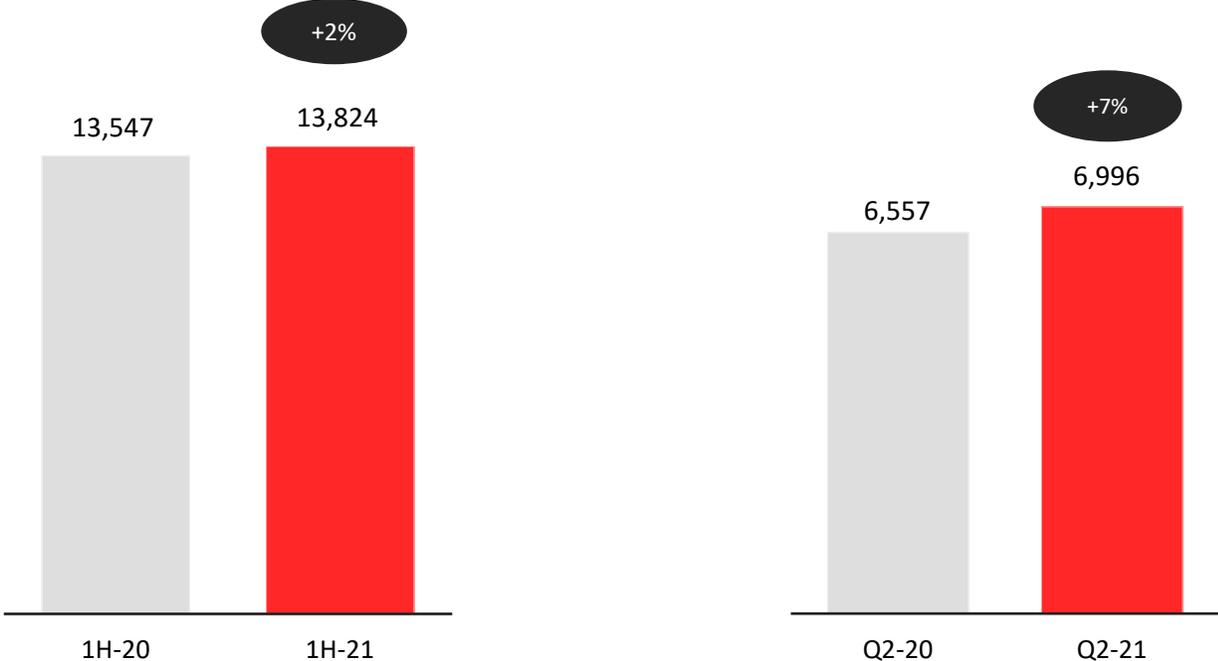
**Long term Debt Profile remains well balanced**  
**USD 1bn RCF due in June 2022 was prepaid and cancelled using bond proceeds.**  
**USD 500mn 5 years RCF signed in April 2021**

\* Based on the rates applicable for the usage levels

# Blended ARPU



## 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              | 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

Overview

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**Additional information**

| 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<br>Emiri Decree                           | Indefinite   |
| Iraq      | --                       | --               | 30 August 2007  | 29 August 2030   |
| Oman      | 6 June 2009              | 5 June 2034      | 23 February 2020  | 22 February 2035   |
| Algeria   | --                       | --               | 2G: 14 Jan. 2004<br>3G: 02 Dec. 2013<br>4G: 04 Sep. 2016  | 2G: 13 Jan. 2024<br>3G: 01 Dec. 2028<br>4G: 03 Sep. 2031 |
| Tunisia   | May 2012                 | May 2027         | 2G: 14 May 2017<br>3G: 24 May 2012<br>4G: 15 March 2016   | 2G: 13 May 2022<br>3G: 23 May 2027<br>4G: 14 March 2031  |
| Indonesia | 17 March 2003            | Indefinite       | March 1993  | Indefinite   |
| Maldives  | 18 August 2015<br>(VOIP) | 17 August 2030   | 01 February 2020<br>(20 yr extension to existing license) | 31 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

