



# Ooredoo Group

Q4 2021 Results

February 2022



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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

### Positive financial performance driven by operational momentum



**Revenue** for 2021 reached **QAR 29.9 bn**, an increase of 4% 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 7%**



**Group EBITDA** for 2021 was **QAR 13.1 bn** with a corresponding **EBITDA margin of 44%**.

Mainly driven by growth in Indonesia, improving macroeconomic conditions in Kuwait and increased customer confidence in Algeria.

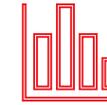
**Excluding FX impact, EBITDA growth rate stood at 11%.**



**Free cash flow** reached **QAR 8.2 bn** up **30%** from the same period last year.

Groupwide transformation program improved anchor metric of Free cash flow (EBITDA minus tangible Capex)

Several hundreds initiatives delivered performance efficiencies improving revenue, cost structure and organizational health.



**Group Net Profit** for 2021 decreased by 96%.

Reduction due to FX losses and the impairments in Myanmar, partly offset by profit from the sale and leaseback of Indosat Ooredoo's tower assets (QAR 1.0 Billion)

**Excluding these one-offs and FX impact, Net Profit grew 61%.**

The board recommended **Dividend** of **QAR 0.30** per share for FY 2021.



**In January 2022**, Ooredoo and CK Hutchison concluded the approved merger of Indosat Ooredoo and Hutchison 3 Indonesia ("H3I").

The merged entity - Indosat Ooredoo Hutchison - will be a **stronger number two telco operator in the market** and build on the complementary strengths of both companies.

# Group Results

## Key Highlights 2021

“We accelerated commercial momentum, resulting in a positive financial performance with higher revenues, an expanded customer base, healthy cash reserves and improved EBITDA.

### EXCELLENCE IN CUSTOMER EXPERIENCE

- 5G services are now available in five markets including Qatar, Kuwait, Oman, the Maldives and Indonesia.
- 4G coverage was extended in Algeria and Iraq, consolidating Asiacell's position as the number one mobile data network provider.
- Multiple fastest network awards by independent third party research companies.

### STRENGTHEN THE CORE / BRAVEHEART

- Ooredoo launched a companywide transformation programme (“braveheart”) in 2021
- The programme delivered significant performance efficiencies that led to enhanced revenue generation, cost structure and improved organisational health.
- Embedded performance management culture among the organization



### PEOPLE

- Ooredoo aims to become an employer of choice, through the evolution of a more agile, team-focused corporate culture.
- Ooredoo Qatar was certified as a 'Best Place to Work in Qatar' in 2021.

### VALUE FOCUSED PORTFOLIO

- Ooredoo Group and CK Hutchison announced the completion of the proposed merger, Indosat Ooredoo Hutchison, post-period.
- Indosat Ooredoo concluded one of the largest sale and leaseback deals in Asia with Edge Point Indonesia for more than 4,200 telecommunications towers, valued at USD 750 million.

### EVOLVE THE CORE / SMART TELCO

- Strong double digit growth of revenues beyond 20% from digital services across our footprint on a net revenue basis from platform services (e.g. A2P) and consumer services
  - Ooredoo signed multiple new partnerships with fintech players, premium entertainment services, gaming leaders and music providers.
  - Ooredoo Qatar launched its own eSports brand, “Ooredoo Nation – Gamers' Land.”
- Indosat Ooredoo launched a strategic partnership with Google Cloud to accelerate digital transformation.
- Algeria launched its digital prepaid offer, “Yooz”.

# Merger of Indosat and H3I

Creating a stronger No. 2 telco in Indonesia



## Indosat Ooredoo Hutchison

- Strategic partnership between Ooredoo Q.P.S.C. ("OG") and CK Hutchison ("CKH") with combined pre-synergy implied enterprise value of c.US\$6.0bn
- Building a new Indonesian world class digital telco company that will be a stronger No. 2 players in the market
- Combination of two leading digital telecoms and internet companies will provide accretive returns to all stakeholders
- Run-rate pre-tax synergies: c.US\$300~400mm; expected to be realized in 3-5 years

# Positive Impact for Indonesia & IOH

## Commitment to Indonesia and IOH

- Merged entity - **Indosat Ooredoo Hutchison** – remains listed on the Indonesian Stock Market, with Indosat Ooredoo Hutchison issuing new shares to H3I shareholders with a five-year lock-in period
- OG and CKH are **joint controlling shareholders** in the merged entity - both financially strong shareholders committed to driving growth in the Indonesian telecoms industry.

## Positive impact on Indosat Ooredoo's credit profile

- Combine strengths of both Indosat Ooredoo and H3I, which will strengthen IOH's position in Indonesia's competitive telecommunications market
- Enhance network quality and coverage through the consolidation of Indosat Ooredoo's and H3I's telecommunication networks and spectrum holdings. IOH will have the largest amount of spectrum in both the 1800 megahertz (MHz) and 2100 MHz bands in Indonesia given that IOH has been allowed to retain the majority of the spectrum under Indosat Ooredoo and H3I except for 2\*5 in 2100MHz, which is in line with the previous expectation and will bring great economic value to IOH
- Create significant operational synergies from decommissioning of duplicate telecom sites, and rationalization of sales and distribution networks
- Alleviate some of the competitive pressure in the market through the reduction in number of telecommunications operators in Indonesia

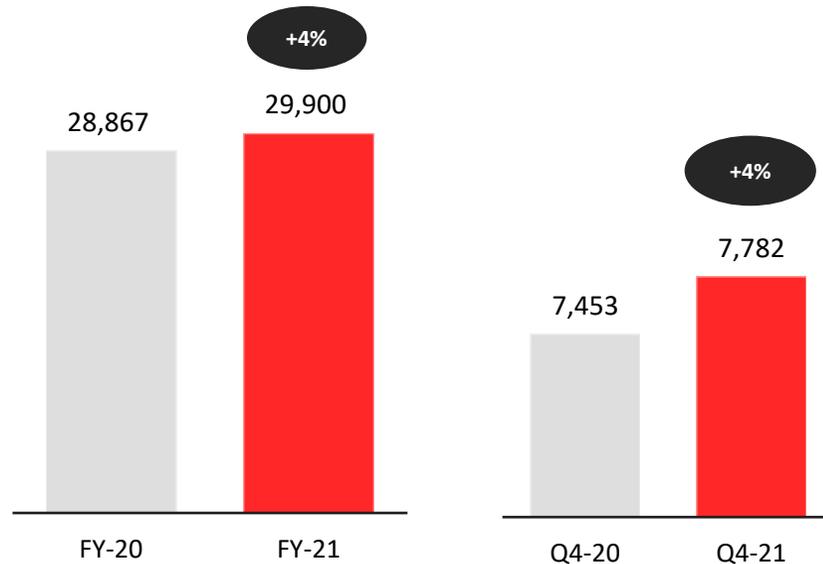
## Closing

- Closed on Jan 4, 2022 as per guidance after receiving all necessary regulatory approvals
- Remedies do not have a significant impact and hence we maintain our guidance on synergies
- New management team already in place and working as one team since Jan 4, 2022

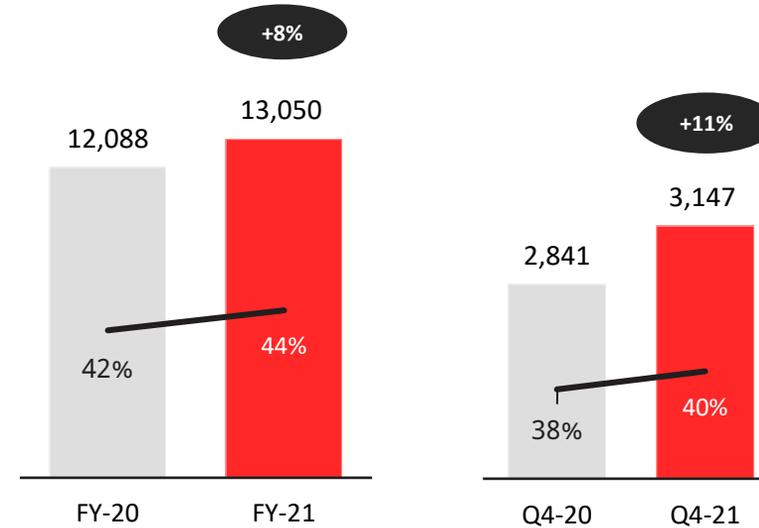
# Group Results

## Revenue and EBITDA

### Revenue (QARm)



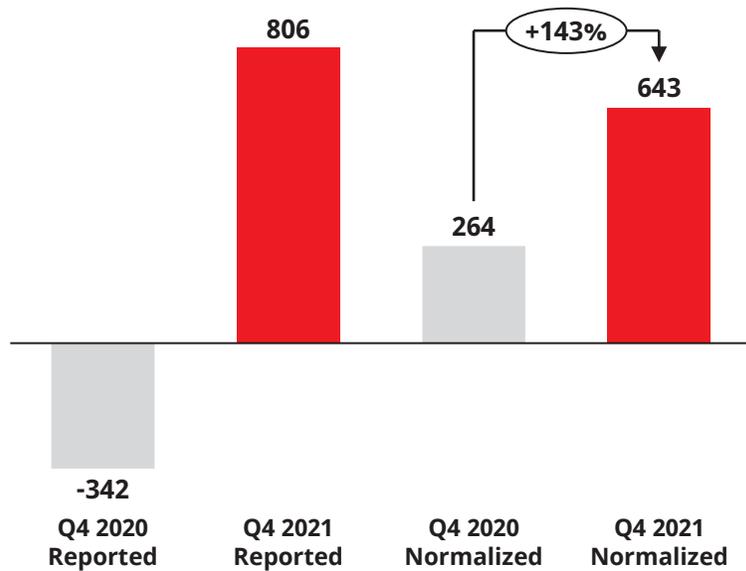
### EBITDA (QARm) and EBITDA Margin



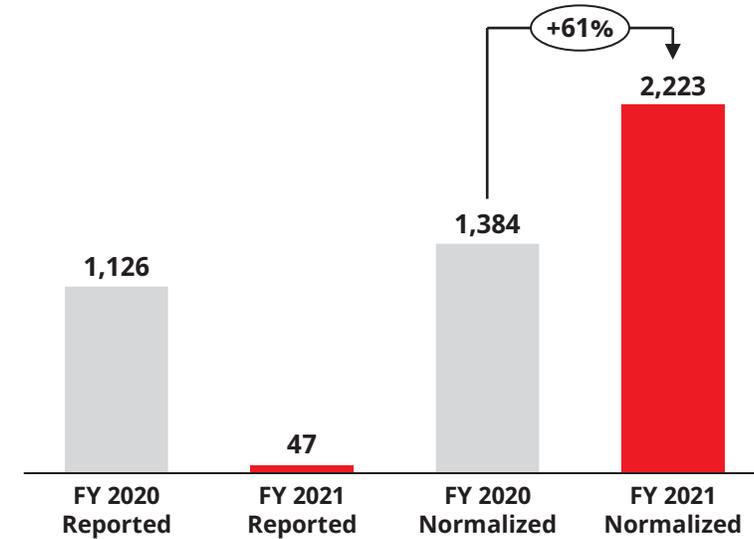
- 4% Revenue growth, increase in Indonesia, Qatar, Tunisia, Kuwait, Algeria, Maldives and Palestine.
- EBITDA up by 8% YoY driven by revenue increase and cost efficiencies.

### Net Profit Attributable to Ooredoo shareholders (QARm)

#### Q4 Net Profit (QARm)



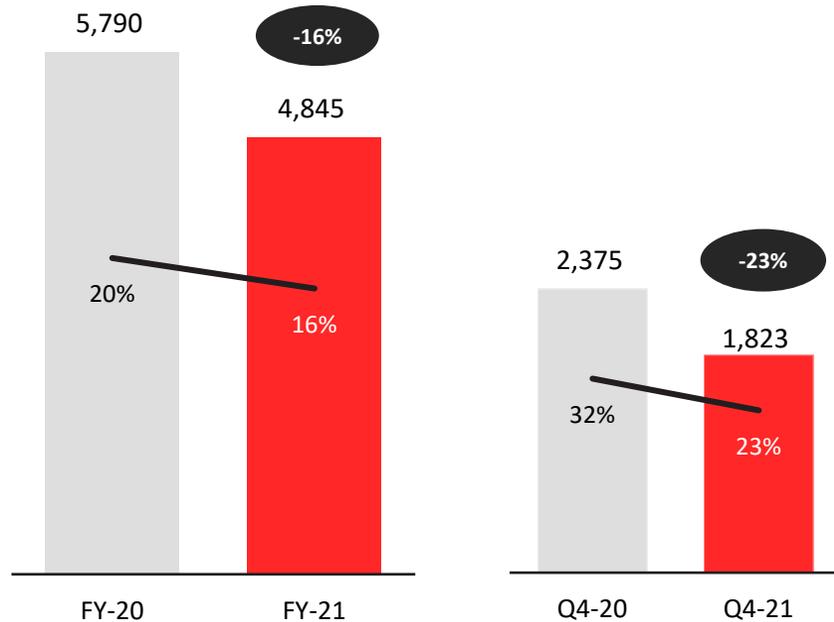
#### FY Net Profit (QARm)



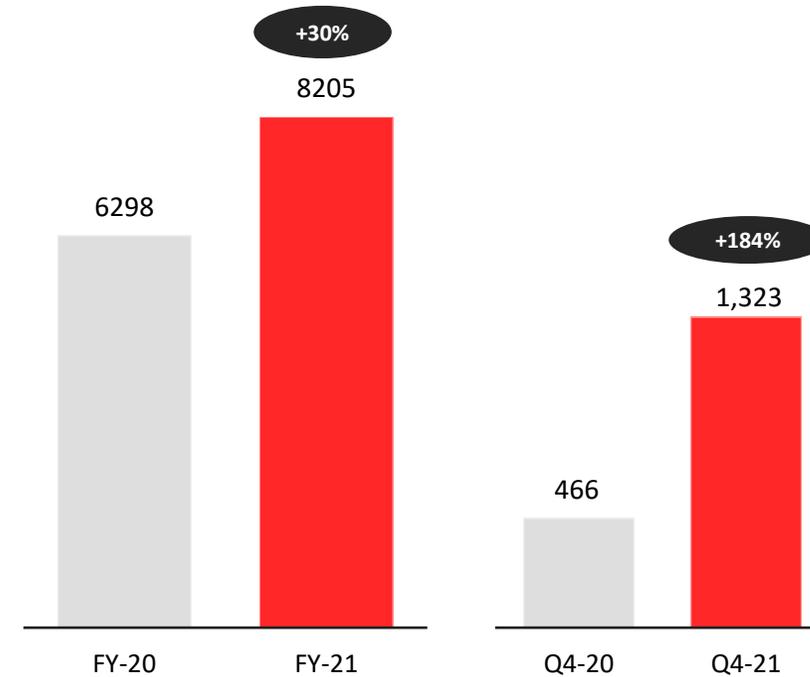
# Group Results

## Free Cash Flow and Capital Expenditure

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



### Free Cash Flow (QARm)



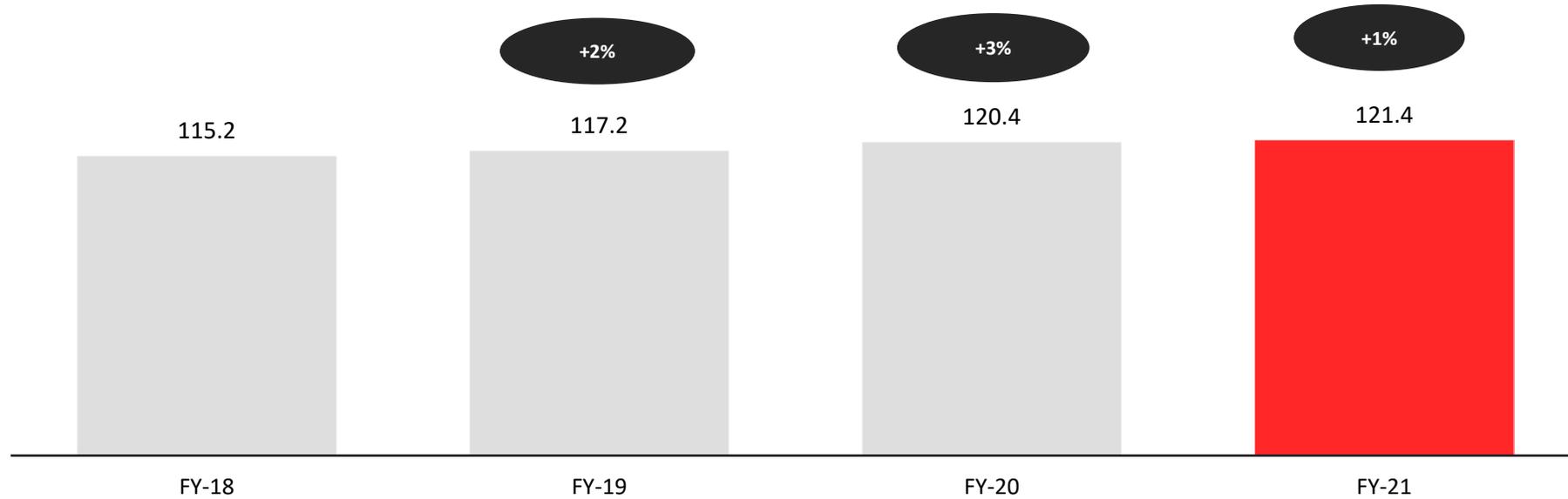
- Capex slightly below guidance, due to efficient procurement and selective Capex investments
- **Strong positive FCF trend** due to higher EBITDA (+8%) and lower Capex (-16%)

• Note: Free Cash Flow = (EBITDA minus tangible Capex)

# Group Results

## Total customers

### Total Customers (Millions)

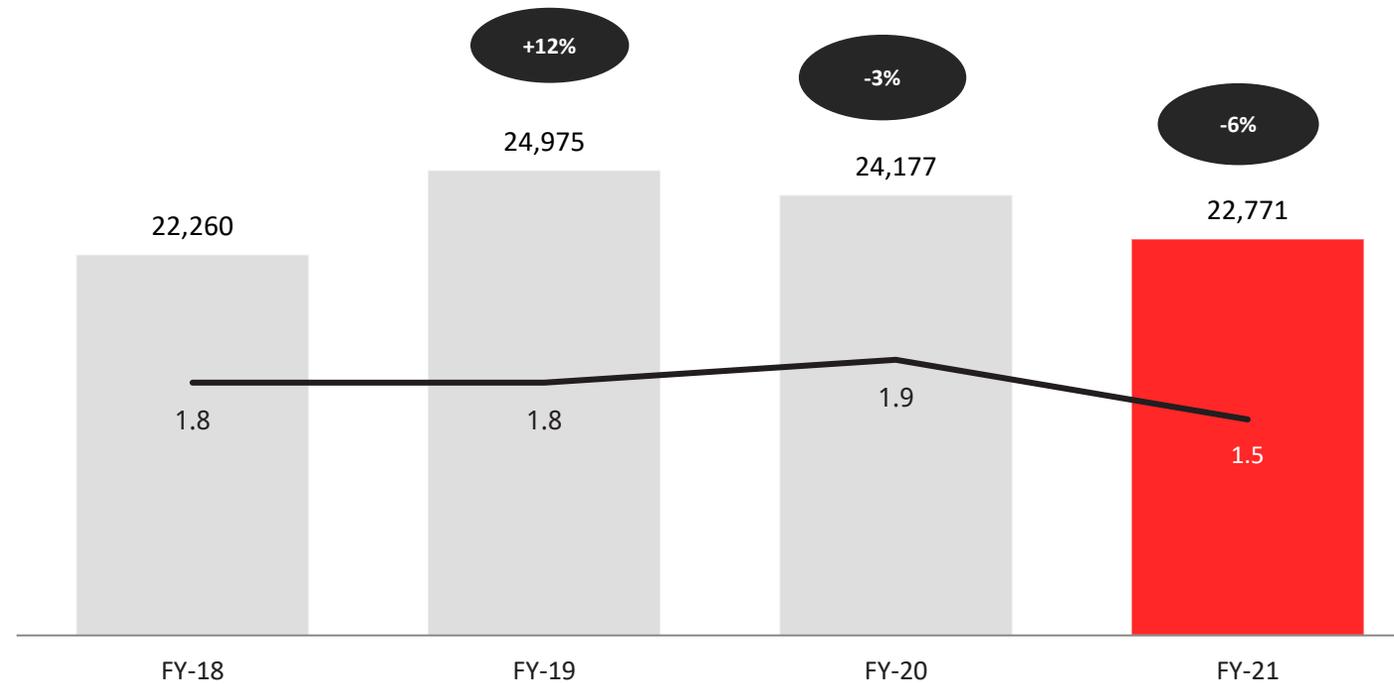


- Growing customer numbers in **Indonesia, Iraq, Algeria, Qatar, Oman and Maldives.**

# Group Results

## Net debt

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



- Positive trend of Group Net Debt reduction continued; Net Debt to EBITDA ratio 1.5x
- Lower end of the board guidance between 1.5 and 2.5x (Bank Covenant 4.5x)
- Net Debt figures stated above prepared according to loan documentation and includes Indosat Ooredoo debt

# Group Results

## 2021 performance summary & Guidance for 2022

Overview

**Results review**

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Group Financials  
(QAR bn)

FY 2021  
Actual

% Change  
FY 2021 / 2020

2021 Full Year  
Guidance over 2020

2021 Proforma\*

2022 Full Year  
Guidance over 2021

Revenue	29.9	4%	-3% to +1%	21.9	-2% to +2%
EBITDA	13.1	8%	-3% to +1%	9.2	-3% to +1%
CAPEX	4.8	-16%	5bn to 6bn	3.1	2.75bn to 3.25bn

- Full Year Revenue and EBITDA both exceeding the guidance
- Capex slightly below lower end of the guidance, due to efficient procurement and selective Capex investments

\* Proforma figures excluding Indonesia

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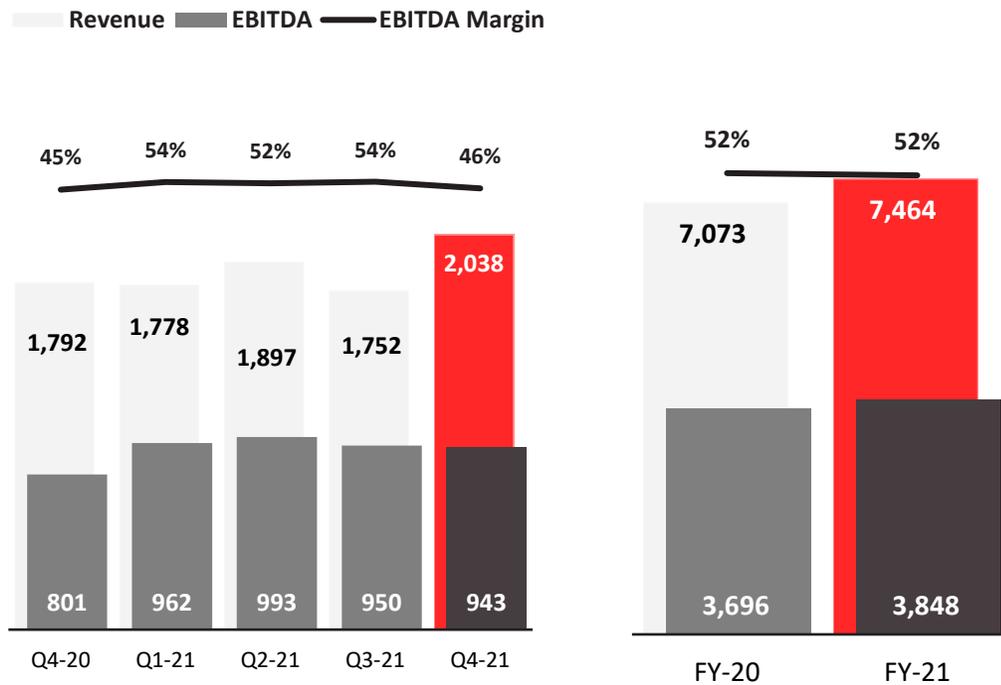
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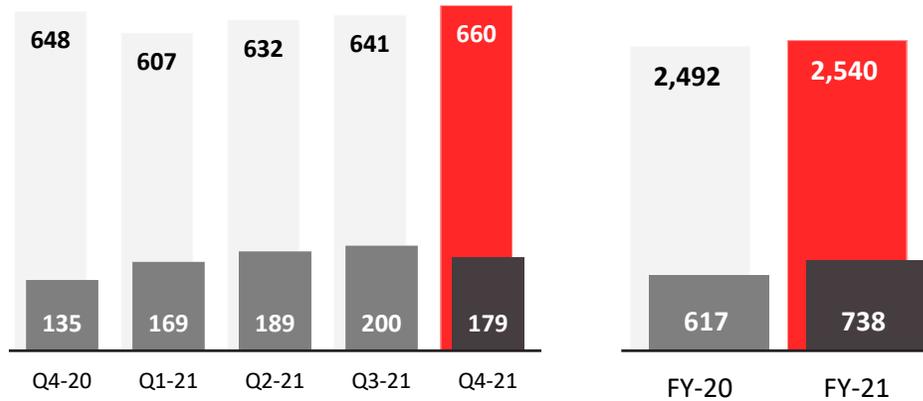


## QARm

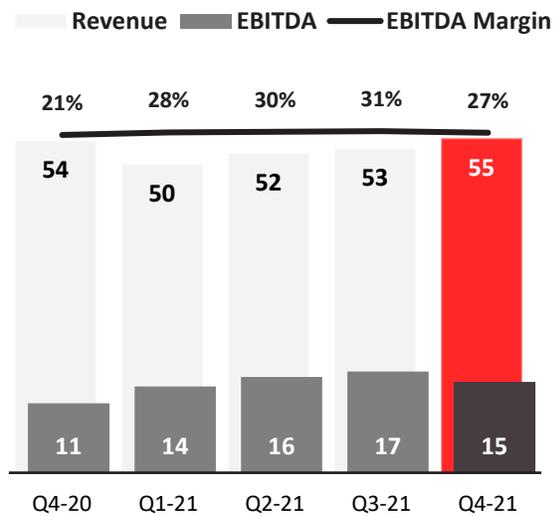


- **Strong No.1 position maintained** - Ooredoo's fixed line and mobile networks in Qatar ranked among fastest globally
- **Revenue grew by 6%** compared to YTD 2020 mainly due to growth in Postpaid Services, Ooredoo TV, B2B revenue, MFS and higher sale of devices
- **Healthy EBITDA margin 52%**
- Customer number stood at 3.2m
- New partnership with Quest, the first and largest Qatari company specializing in eSports to launch its **own eSports brand, Ooredoo Nation - Gamers' Land**
- Launch of our new Aamali Build Your Own plans for Small Businesses, available using My Ooredoo Business Portal
- Ooredoo Qatar was recognised as **Microsoft's 'Qatar Partner of the Year'** and by **Moneygram as 'Partner of the decade**
- On September 30, Ooredoo Group announced title sponsorship of Qatar's first-ever Formula 1 race, officially named the **'Formula 1 Ooredoo Qatar Grand Prix'**

## QARm

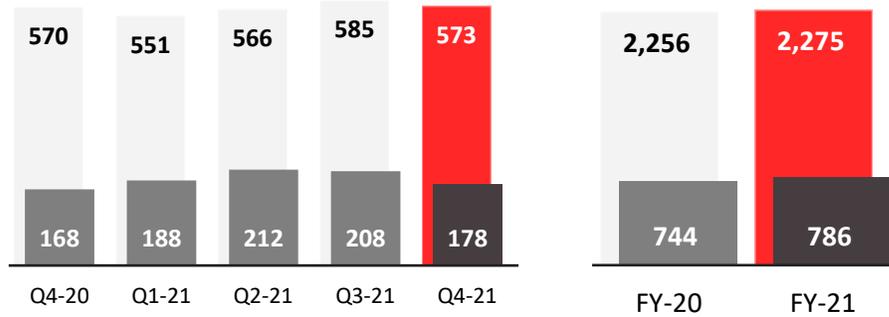


## KWDm

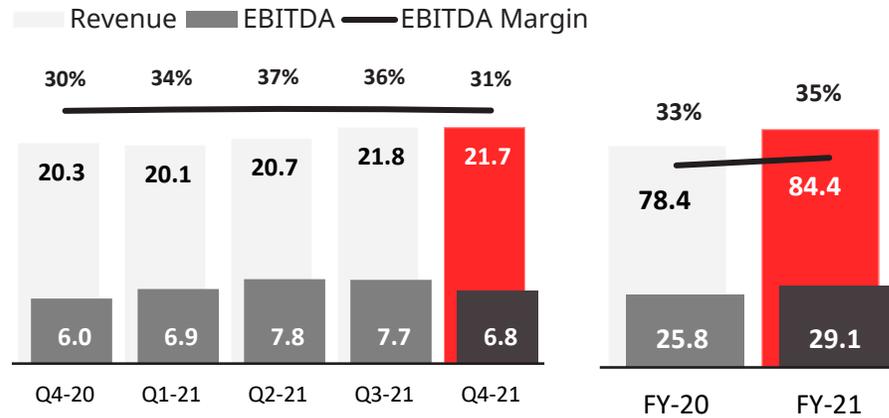


- COVID-19 pandemic continued to have a negative impact on Kuwait economy. Revenue pressure to continue for mid-term due to COVID 19, low pricing and economy slowdown
- Slight increase in revenue by 2% as compared to last year
- EBITDA Margin increased to 29% in 2021 compared to 25% last year
- Customer base in Q4 2021 reached 2.5 million
- Further 5G Roll out
- O. Kuwait awarded as the **“fastest network in Kuwait 2021”** by leading independent research company”
- Ooredoo Kuwait’s was recognized with multiple awards in 2021:
  - Gold Stevie for “Mobile On-Demand Application”
  - Bronze Stevie for “Corporate Social Responsibility Program of the Year”

## QARm

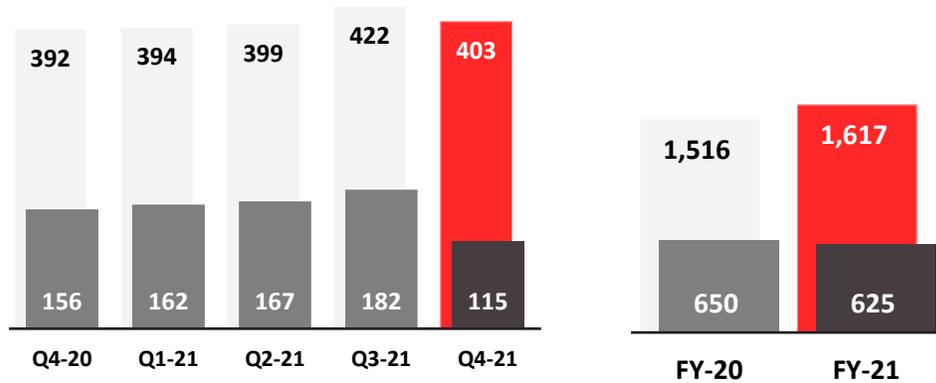


## DZDbn

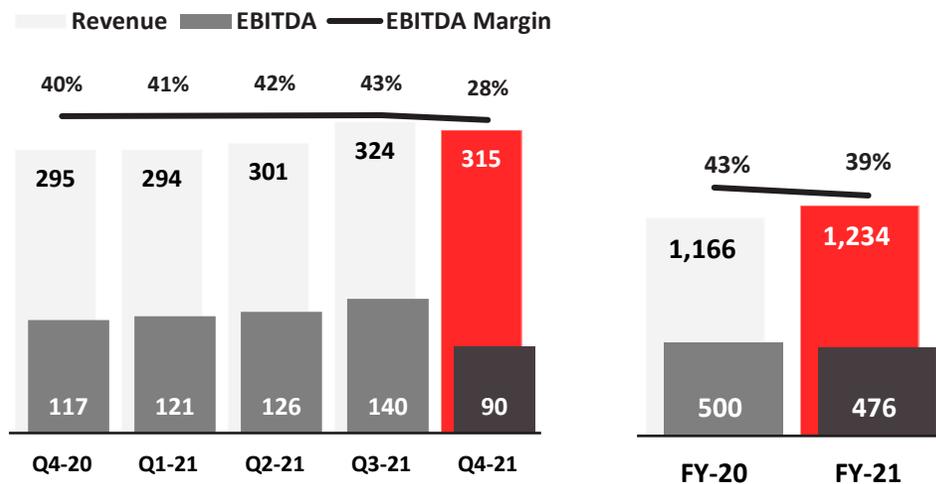


- Economic activity in Algeria is showing signs of a **slow recovery**, despite the continued depreciation of the Algerian Dinar (-7% yoy)
- While revenues stood flat at QAR 2.3 billion, in local currency terms **revenue increased by 8%**
- Ooredoo Algeria's **EBITDA increased by 6%**. The company's focus on efficiency and cost optimisation supported a healthy EBITDA margin of 35%.
- Customer base was 12.8 million in Q4 2021, up 2%
- New Yooz App, a digital prepaid offer used by 250k Algerian youth.

## QARm

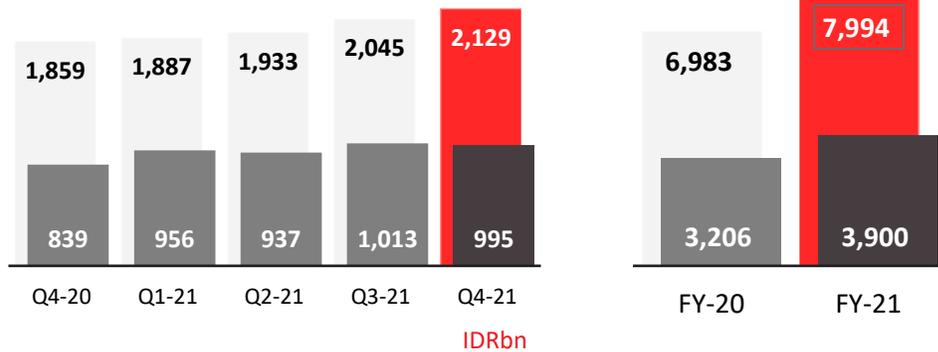


## TNDm



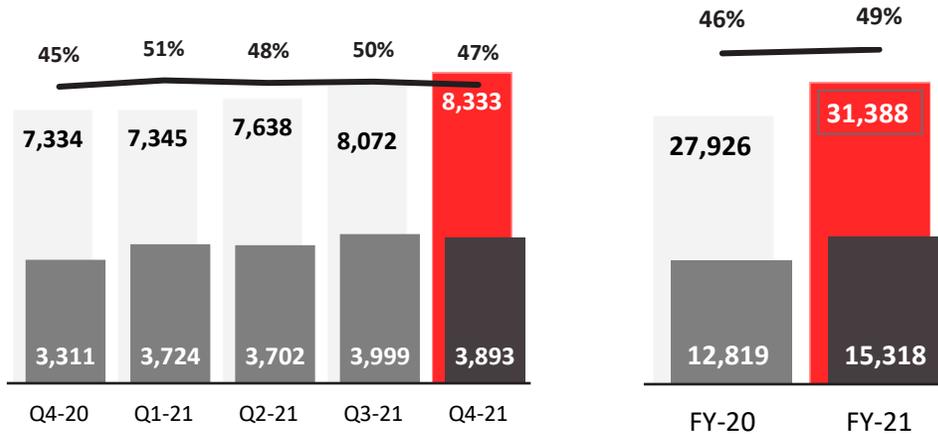
- **Robust results** despite many COVID-19 cases, with **revenue increase of 7%** compared to the same period last year
- EBITDA down 4% mainly due a transformation program in Q4.
- Ooredoo Tunisia changed the reporting of its prepaid customer's base from the original life-cycle definition to 90 days network activity definition: customer base decreased to 6.9 million. On a like for like comparison customer number increased by 7% YoY

## QARm



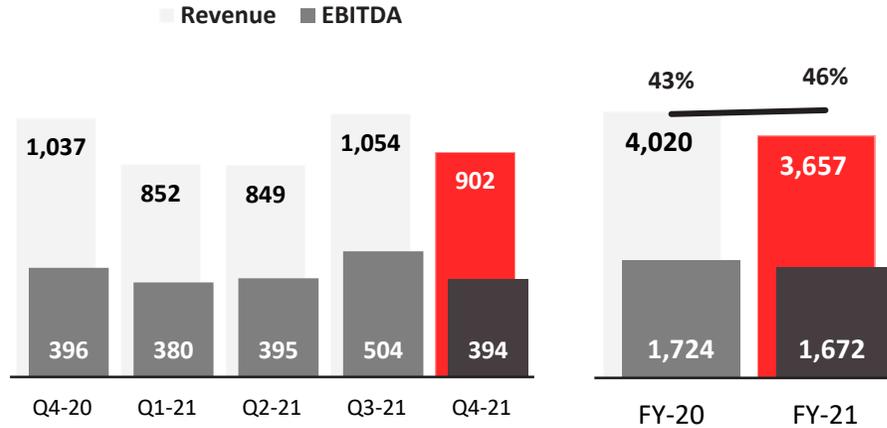
IDRbn

Revenue EBITDA EBITDA Margin

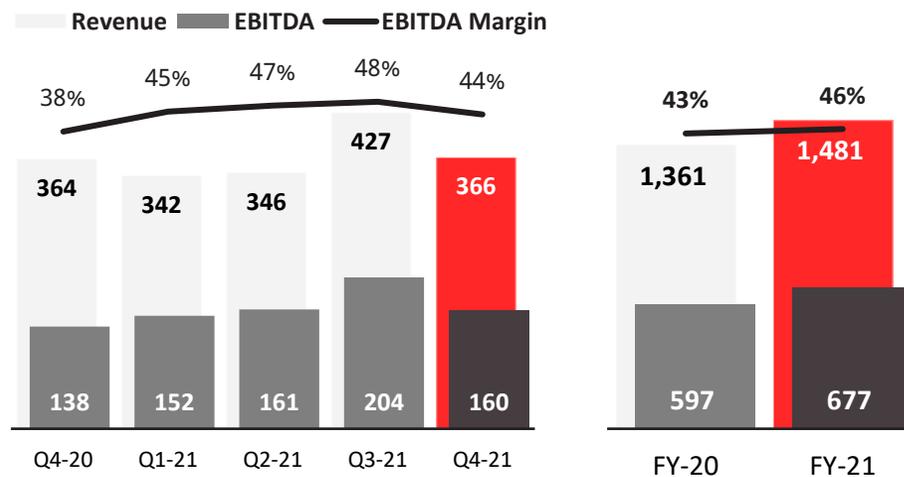


- Indosat Ooredoo continues to deliver strong growth, reporting a **14% increase in revenue to QAR 7.9 billion**
- EBITDA **increased by 22% to QAR 3.9 billion** mainly driven by solid top line growth and cost optimisation
- Healthy customer base growth **increased by 6%**
- 5G commercially launched in Surabaya, Solo and Jakarta, in Q4 Makassar and Balikpapan added.
- Ooredoo and CK Hutchison concluded the approved merger of Indosat Ooredoo and Hutchison 3 Indonesia (“H3I”) in January 2022, creating a stronger number two telco operator in the market
- Successful tower Deal concluded in H1 (total consideration USD 750 million).

## QARm

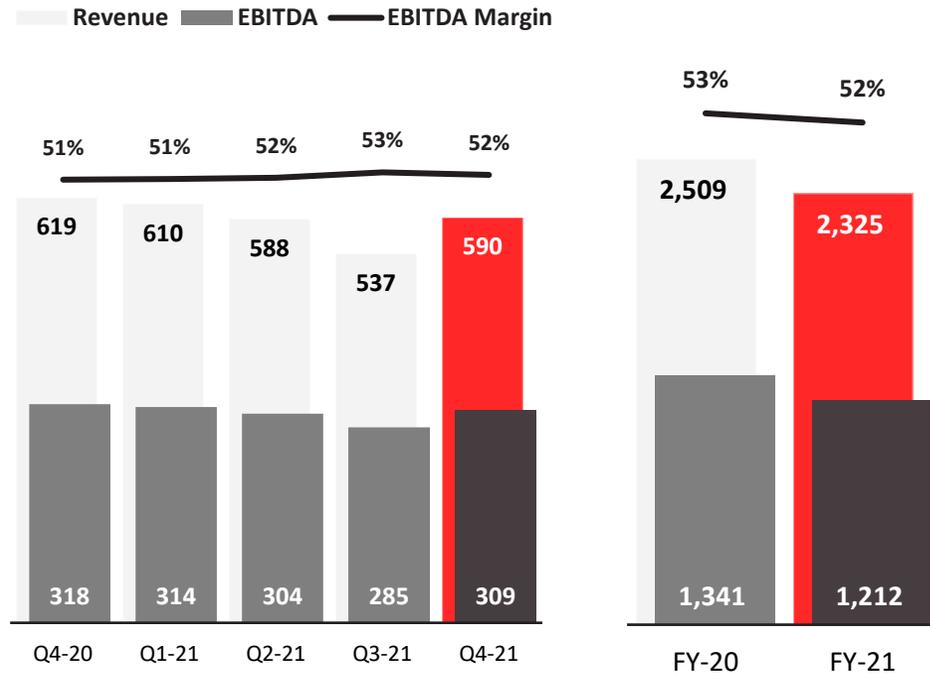


## IQDbn



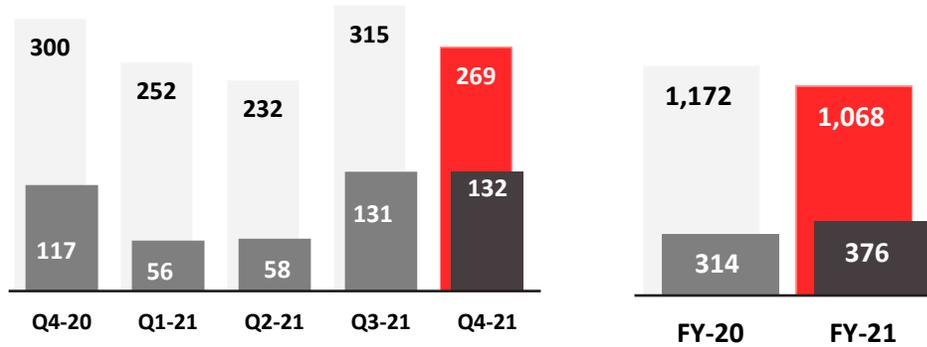
- Iraqi economy was impacted by weakening purchasing power following the 18% devaluation of the Iraqi Dinar and the effect of the COVID-19 pandemic
- Although we see a decline in QAR terms in **local currency terms Revenue increased by 9%**
- In Iraqi dinar terms EBITDA improved by 13%. EBITDA margins stood at 46%
- Customer base **increased by 9% to 15.9 million**
- Significant increase in data consumption after Asiacell extended its 4G coverage to 90% of the sites, launched 4G+ and increased LTE-enabled sites in the network
- In Q4 2021, Asiacell's 'Yooz', a digital lifestyle app that offers exclusive value for the youth in Iraq,

## QARm

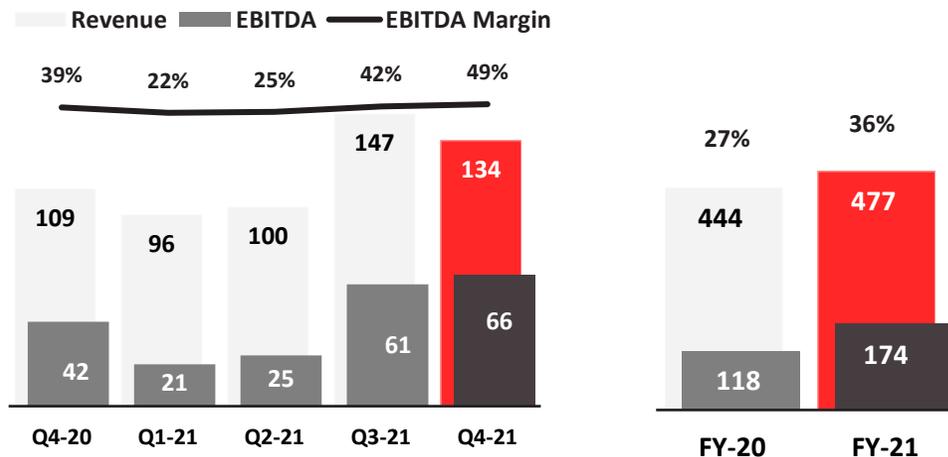


- COVID-19 pandemic contributed to a softening macroeconomic environment in Oman and revenues declined 7% yoy, due to lower consumer mobile prepaid revenue partially offset by postpaid revenue growth
- EBITDA for the period decreased 10%, mainly due to lower prepaid revenue. EBITDA margin stood at 52%
- **Customer base increased to 2.9m up 2%**
- The 3rd mobile network operator (Vodafone) launched during Q4 2021 which impacted the overall telecoms market in Oman.
- Further 5G roll-out.
- Launch of International money transfer service via our mobile money platform (Pay+).
- In October, Northern Oman was hit by the devastating Tropical Cyclone 'Shaheen', impacting more than 400 of Ooredoo Oman's sites which recovered fully within seven days

## QARm



## MMKbn



- Situation in the country impacted Ooredoo Myanmar’s revenues. With easing of the data restrictions and reinstatement of the pricing floor by regulator, business improved in H2’21
- Ooredoo Myanmar reported an 9% decline in revenue to QAR 1,068 million impacted by FX depreciation. **In L/C terms Revenues up by 8%**
- **A 20% increase in EBITDA** to QAR 376 million, supported by cost controls.
- My Ooredoo App had over 2.7 million monthly active users in December 2021.
- The Company launched a new game “Oomanji” on the My Ooredoo App which has been played over 25 million times since its launch, contributing to the ‘My Ooredoo App’ revenue



## 2022 Ooredoo Capital Markets Day

**New Date: September 2022 TBC**

***(Hopefully welcoming you IRL in Doha)***

***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



**Ahmad Al Naama**

*Senior Manager, Investor Relations  
Ooredoo Group*

- Ahmad joined Ooredoo in 2014 and is currently working in the Investor Relations team. Prior to joining the Investor Relations division, he spent 8 years in Ooredoo's group Treasury department handling corporate finance.
- He holds a Bachelor's degree in Computer Science and an MBA Certificate from HEC Paris.



**Andreas Goldau, CFA**

*Senior Director, Investor Relations  
Ooredoo Group*

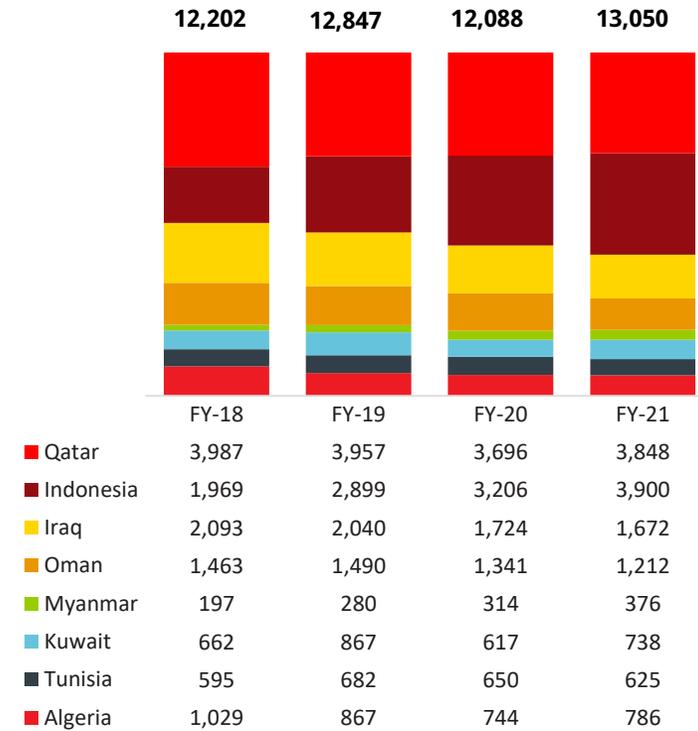
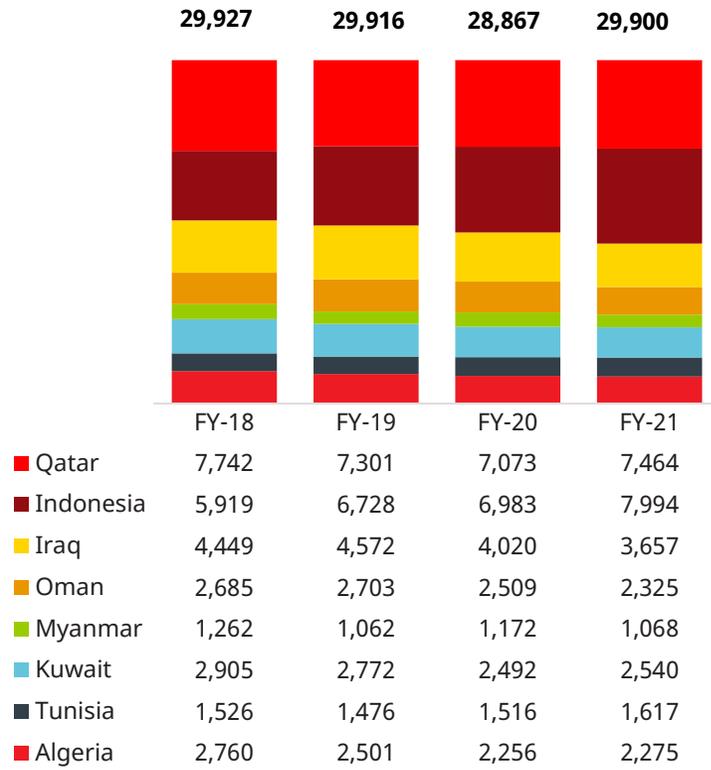
- Andreas joined Ooredoo in 2009 and holds the role of Head of Investor Relations. Andreas is a CFA Charter holder and has a Diploma in Business Management from the University of Mannheim, Germany
- He has more than 15 years of experience in managing and setting up Investor Relations functions with companies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

# Additional Information

## Key Operations Importance to Group

### Revenue (QARm)

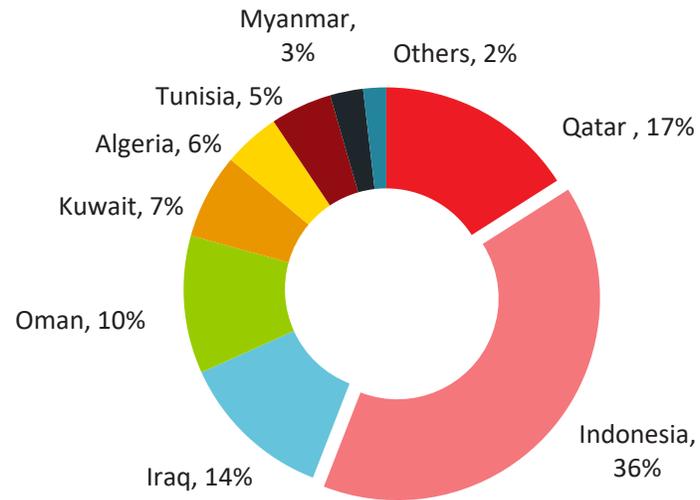
### EBITDA (QARm)



# Group Operations Breakdown

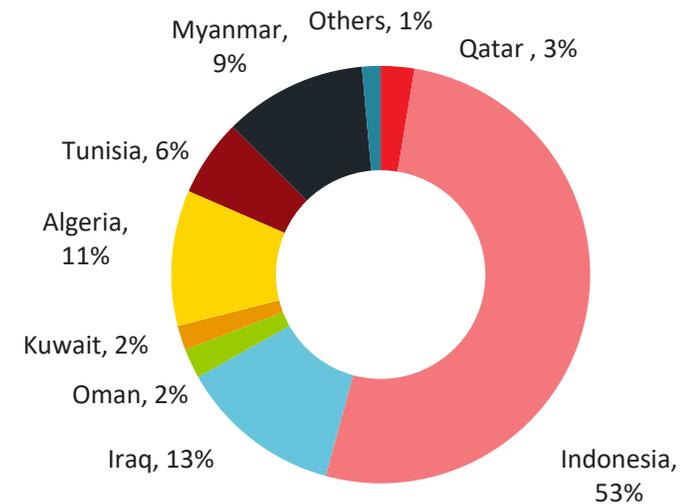
## CAPEX & Customers

### CAPEX Breakdown (%)



12M 2021 CAPEX = QAR 4,845 million

### Customer Breakdown (%)

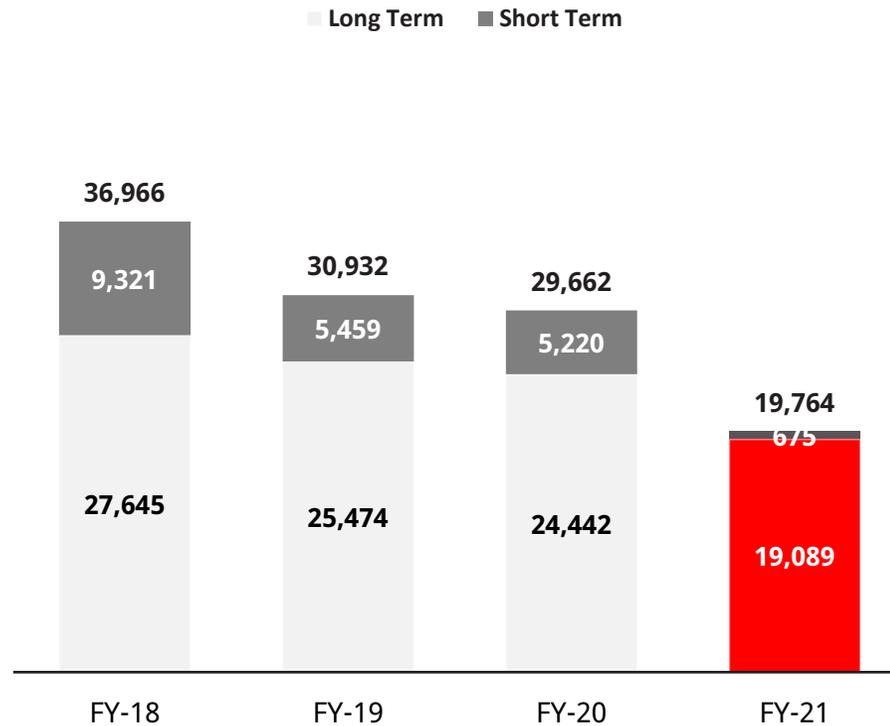


12M 2021 Total Customers = 121 million

# Group Operations Breakdown

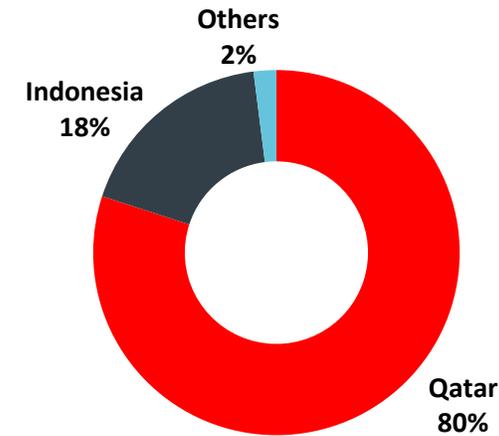
## Total Group Debt Breakdown

### Total Group Debt (QARm)

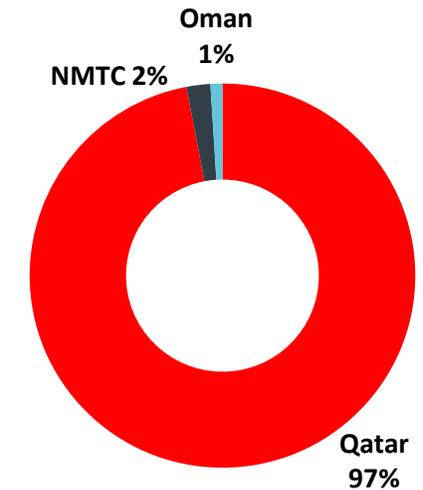


### Total Group Debt Breakdown

Including Indosat Ooredoo



Excluding Indosat Ooredoo



Consolidated Group debt reduced. Well balanced debt profile. Opco debt primarily in local currency

Indosat Ooredoo reported as "Asset held for Sale" in 2021 and debt of QAR 4,344m excluded from FY-21 figure above

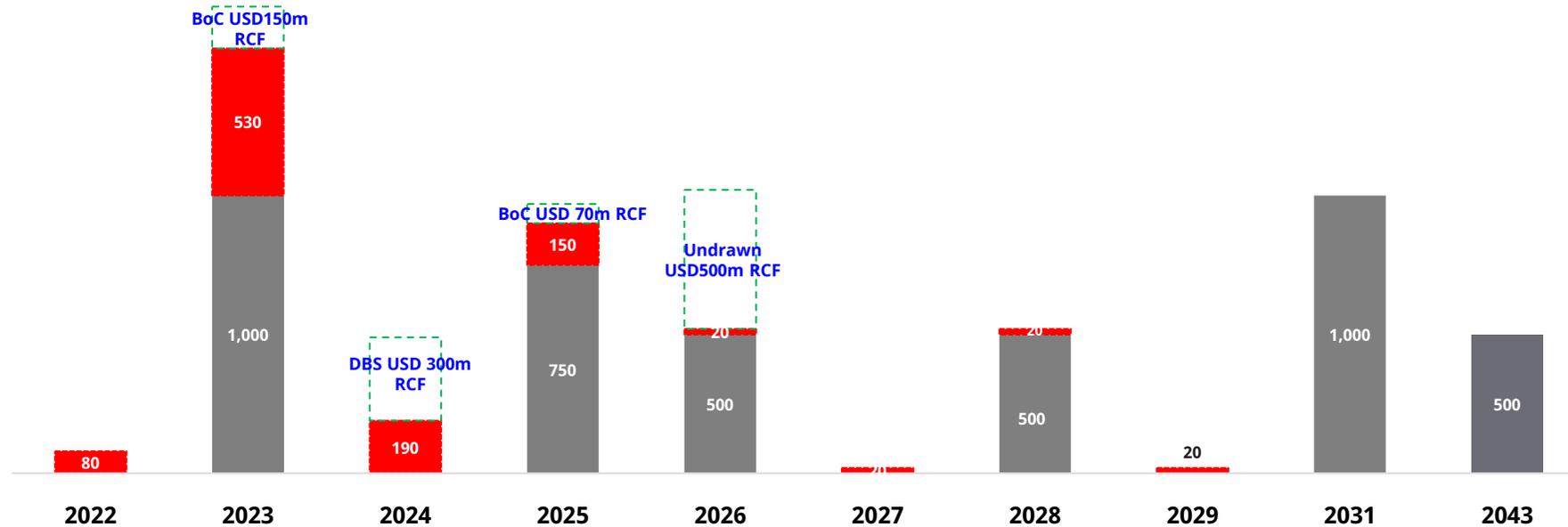
• Note: Qatar debt includes bonds issued by Ooredoo International Finance Ltd.

• Excluding Indosat reflects Indosat Asset and Liabilities classified separately as "Held for Sale"

# Group Results

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

(USD mn)



**Liquidity at comfortable levels.**  
**USD1bn RCF maturing in 2022 prepaid and cancelled using the USD 1bn bond issued in April 2021**

\* Based on the rates applicable for the usage levels

# Group Results

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

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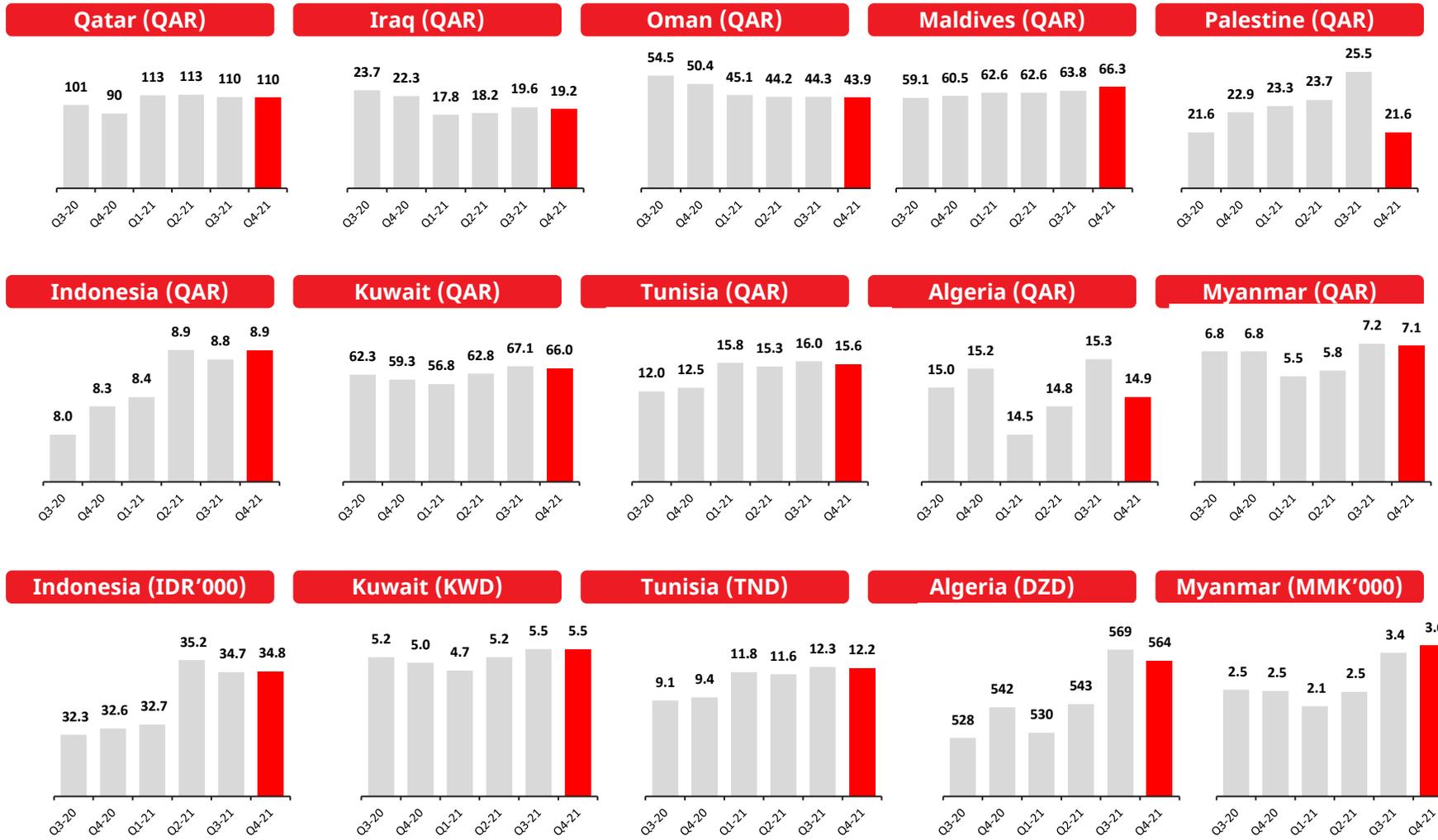
Loans (in USD m)	Facility	Usage	Rate *	Maturity
QNB QAR3bn RCF	824	0	QAR MM rate	31-Jan-22
KFW USD200mn Amortizing Loan	200	80	Libor + spread	12-Jul-23
ICBC USD 100m Term Loan	100	100	3MLibor + spread	08-Oct-23
BoC USD 150mn RCF	150	0	Libor + spread	30-Oct-23
ICBC USD 100m Term Loan	100	100	3M Libor + spread	31-Oct-23
ICBC USD 100m Term Loan	100	100	3M Libor + spread	13-Dec-23
DBS USD 300m RCF	300	0	Libor + spread	16-May-24
ADB Term loan Tranche 'A'	350	350	Libor + spread	23-Mar-25
KFW USD150mn Term Loan	150	120	Fixed rate	28-Aug-25
BoC USD 100m RCF	100	30	Libor + spread	28-July 25
USD 500mn RCF – Stan Chart	500	0	Libor + spread	19-Apr-26
ADB Term loan Tranche 'B'	150	150	Fixed rate	14-Sep-29
<b>Total Loans</b>	<b>3,024</b>	<b>1,030</b>		

Bonds (in USD m)	Issue Amount	Interest	Maturity	Listed in
Fixed Rate Bonds due 2023	1,000	3.25%	21 Feb 2023	ISE
Fixed Rate Bonds due 2025	750	5.00%	19 Oct 2025	LSE
Fixed Rate Bonds due 2026	500	3.75%	22 Jun 2026	ISE
Fixed Rate Bonds due 2028	500	3.875%	31 Jan 2028	ISE
Fixed Rate Bonds due 2031	1000	2.625%	08 April 2031	ISE
Fixed Rate Bonds due 2043	500	4.50%	31 Jan 2043	ISE
<b>Total Bonds</b>	<b>4,250m</b>			

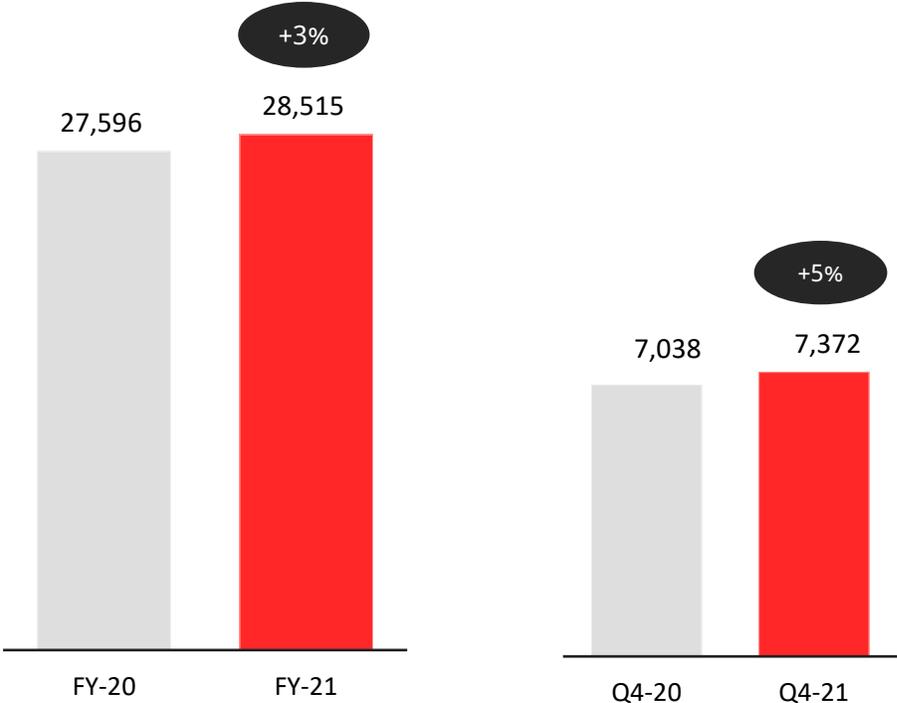
**Total outstanding debt as at 31 December 2021 at Ooredoo Q.P.S.C. level**

**USD 5,280 million**

# Blended ARPU



## Service revenue (QARm)



# Dividend policy

- The Ooredoo Board has 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

# OPCOs Licence General Information

Overview

Results review

Operations review

**Additional information**

Country	Fixed Licence		Mobile Licence	
	Issuance Date	Expiry Date	Issuance Date	Expiry Date
<b>Qatar</b>	7 October 2007	6 October 2032	7 October 2007	6 October 2027
<b>Kuwait</b>	--	--	13 October 1997 Emiri Decree	Indefinite
<b>Iraq</b>	--	--	30 August 2007	29 August 2030
<b>Oman</b>	6 June 2009	5 June 2034	23 February 2020	22 February 2035
<b>Algeria</b>	--	--	2G: 14 Jan. 2004 3G: 02 Dec. 2013 4G: 04 Sep. 2016	2G: 13 Jan. 2024 3G: 01 Dec. 2028 4G: 03 Sep. 2031
<b>Tunisia</b>	May 2012	May 2027	2G: 14 May 2017 3G: 24 May 2012 4G: 15 March 2016	2G: 13 May 2022 3G: 23 May 2027 4G: 14 March 2031
<b>Indonesia</b>	17 March 2003	Indefinite	March 1993 01 February 2020	Indefinite
<b>Maldives</b>	18 August 2015 (VOIP)	17 August 2030	(20 yr extension to existing license)	31 January 2035
<b>Palestine</b>	--	--	14 March 2007	10 September 2029
<b>Myanmar</b>	5 February 2014	04 February 2029	05 February 2014	04 February 2029

# 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	22%	3 years	Effective from 1st October 2021, the corporate tax rate is 22%. The Myanmar Losses C/Fwd Allowed is 6 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.

ooredoo

Thank You

