

GROUP STRATEGY

Aziz Aluthman Fakhroo, Group Managing Director & CEO

Capital Markets Day



FIFA WORLD CUP
Qatar 2022



ooredoo

OFFICIAL MIDDLE EAST & AFRICA TELECOMMUNICATIONS OPERATOR

Agenda

1

Our point of departure

2

Strategy & path forward

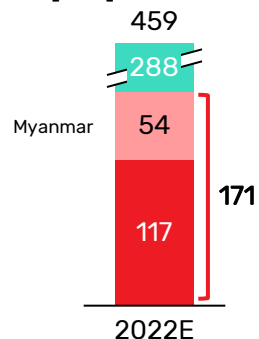
3

Value crystallization

Ooredoo Group Overview

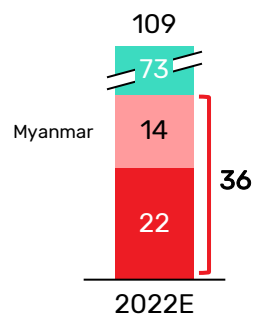
We are a key telco player in MENA with a portfolio exposed to dynamic growth markets with growing GDPs & population

Footprint
population
[Mn.]



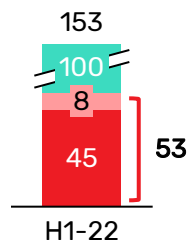
+25Mn. Population
Growth until 2025¹⁾

Footprint
households
[Mn.]

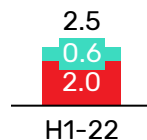


+6-8Mn. Household
Growth until 2025¹⁾

Wireless
subscribers
[Mn.]

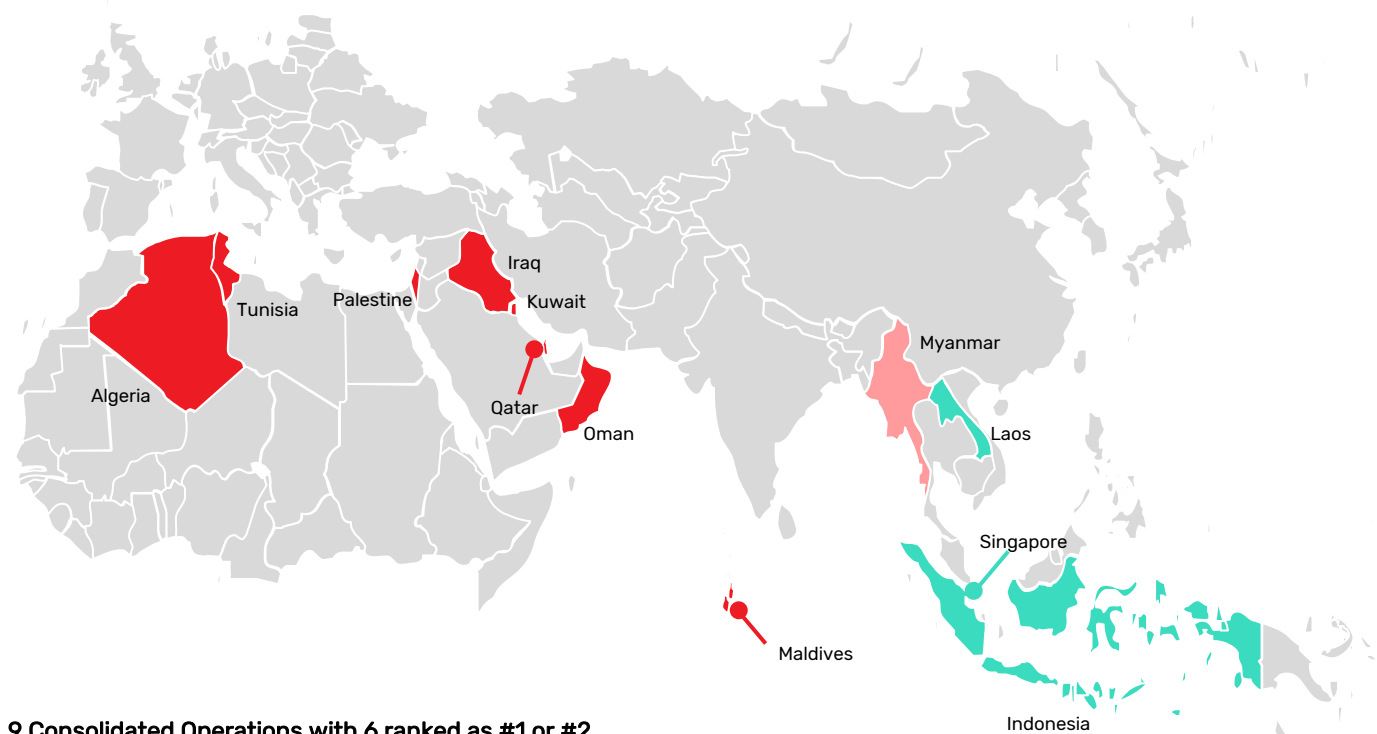


Stationary BB
subscribers
[Mn.]



Ooredoo Telecom Operations






































■ Ooredoo Consolidated Telecom Operations ■ Ooredoo Minorities / Affiliate Telecom Operations ■ Myanmar



- **9 Consolidated Operations with 6 ranked as #1 or #2**
- **Real GDP Growth of 7.6% CAGR (2019A-2022E, US\$ based)** in consolidated footprint
- **Footprint Inflation Rate of 5.5%** in 2022E

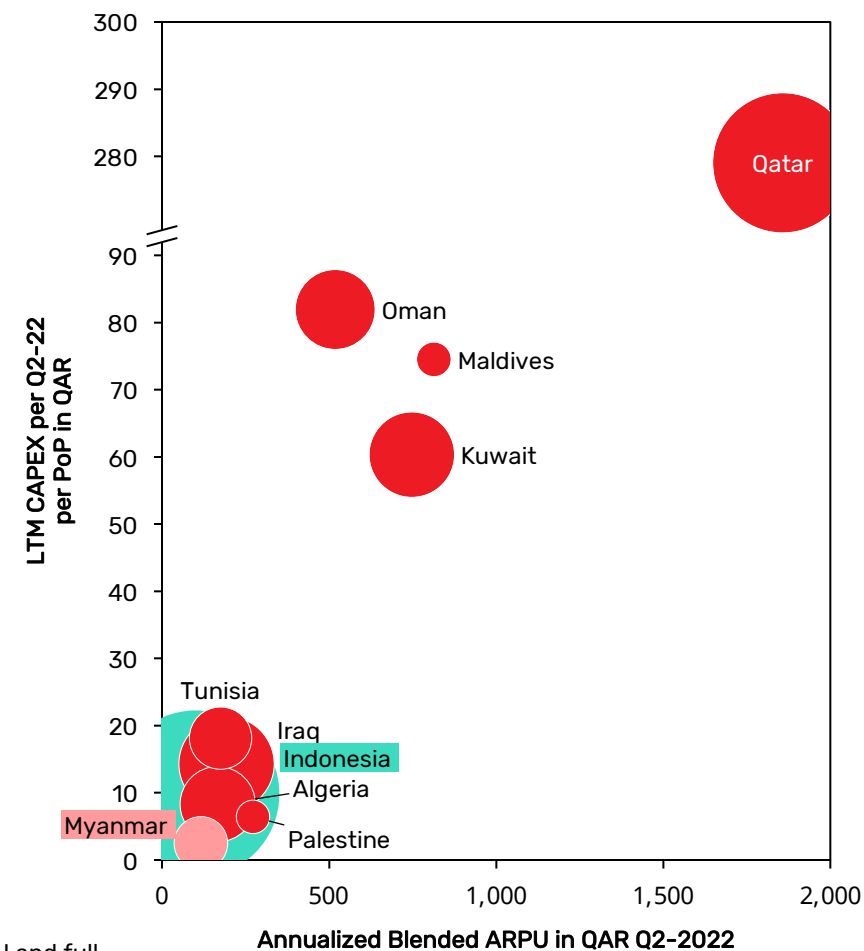
Ooredoo Group Overview

We are strongly positioned across a balanced portfolio.

Country	Market position	Business model			Total Customers H1-2022 [Thsd]
		Mobile	Fixed Wireless	Wireline Broadband	
 Qatar	1 of 2 players				3,172
 Iraq	1 of 3 players				16,326
 Tunisia	1 of 3 players				6,871
 Oman	2 of 2 players`				2,906
 Palestine	2 of 2+ players				1,386
 Maldives	2 of 2 players`				375
 Indonesia	2 of 5 players`				96,200
 Kuwait	3 of 3 players`				2,634
 Algeria	3 of 3 players				12,859
 Myanmar	4 of 4 players`				8,262

CAPEX Intensity of Markets

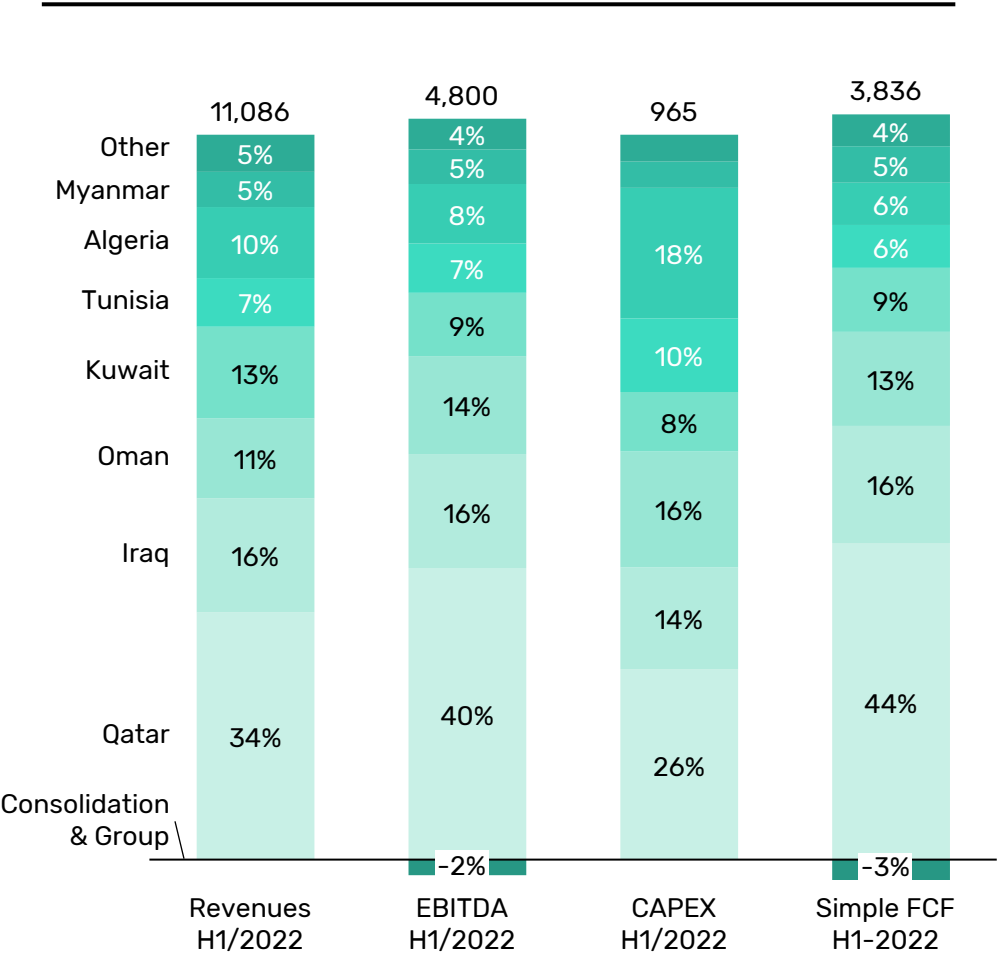
Represents Revenue Size H1-2022 in QAR



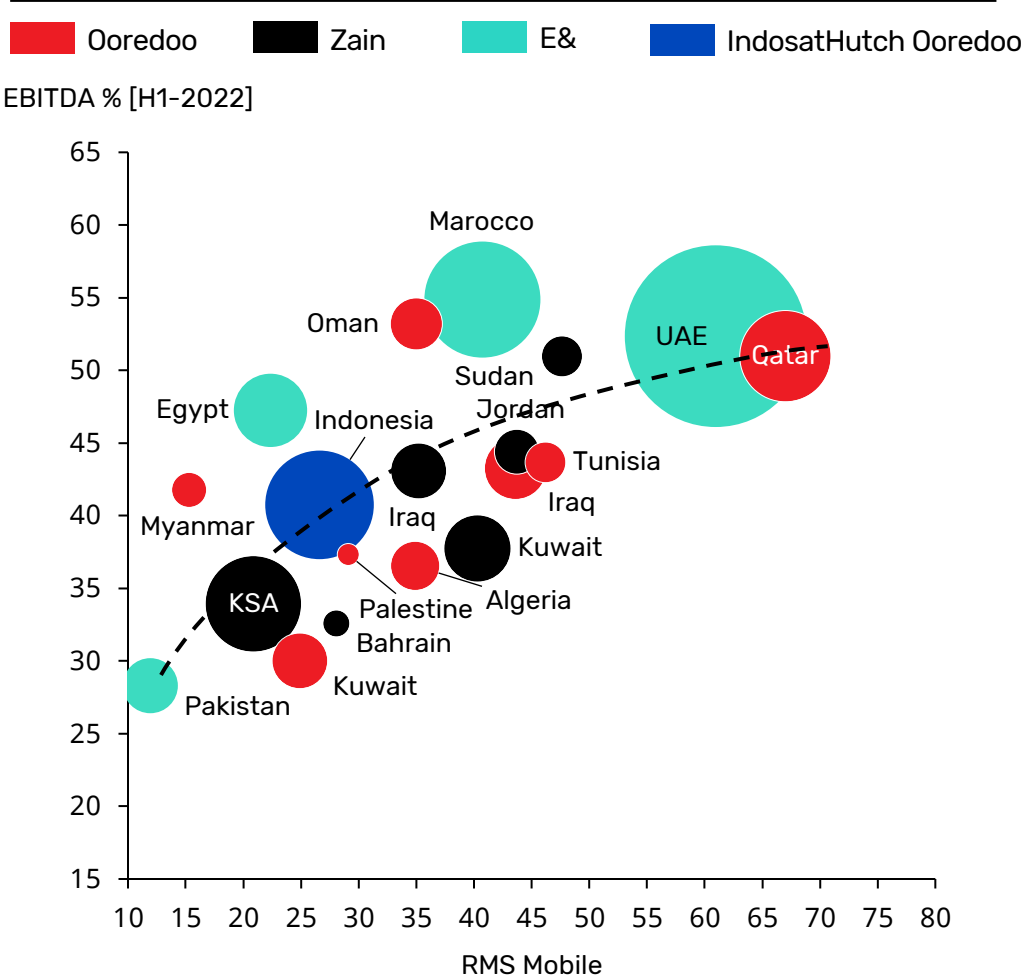
Ooredoo Group Overview

Qatar as our home market continues to be a strong contributor to our results. GCC countries represent more than 80% of group cash flow.

Geography contribution to Ooredoo Group

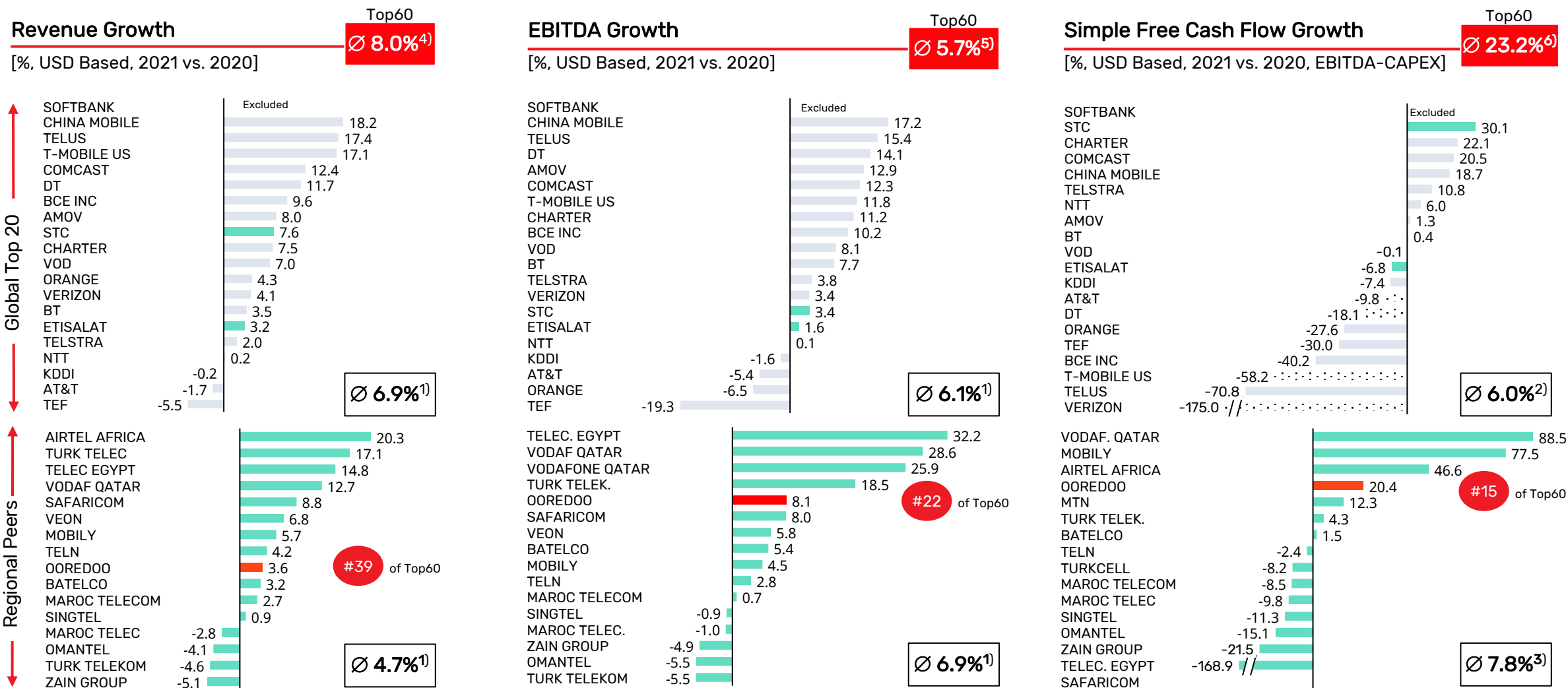


Countries – Relative market shares & profitability



Ooredoo Group Performance

Strong growth of cash flow compared to peers driven by efforts to drive CAPEX efficiencies & phasing of 5G investment cycle.



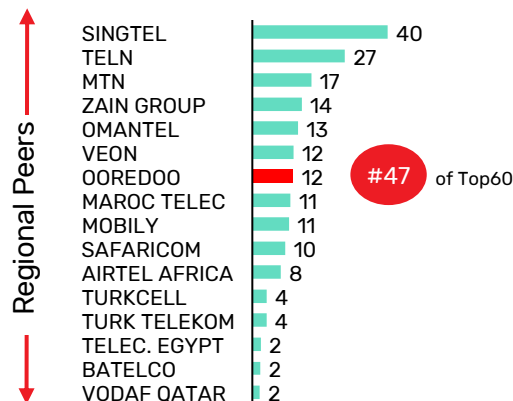
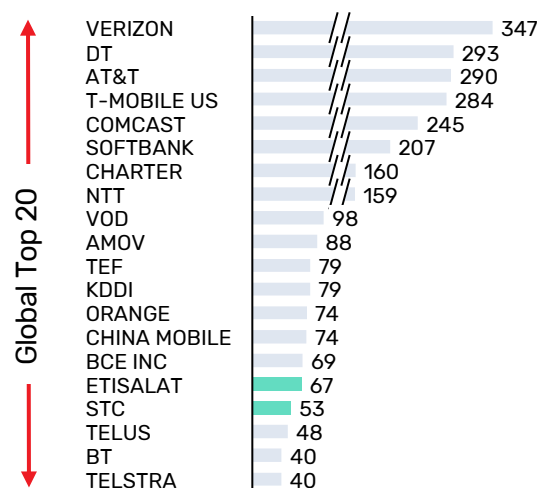
Source: Factset, Note: Revenue growth based on reporting currency and is influenced by high inflation lifts for selected peers (e.g. Turkey), revenue & EBITDA growth not cleansed for changes in consolidation scope. Verizon, AT&T and T-Mobile US SIMPLE FCF in 2021 heavily impacted by 5G Spectrum Auction 1) weighted average 2) weighted average excl. T-Mobile, Verizon, AT&T, DT 3) excl. Safaricom 4) weighted by USD revenues in 2021, excl. Softbank 5) weighted by USD EBITDA in 2021, excl. Softbank

Ooredoo Group Performance

While we have provided above average returns in our panel of the top 60 global telcos globally and also among regional peers, Ooredoo's multiple might have room to grow.

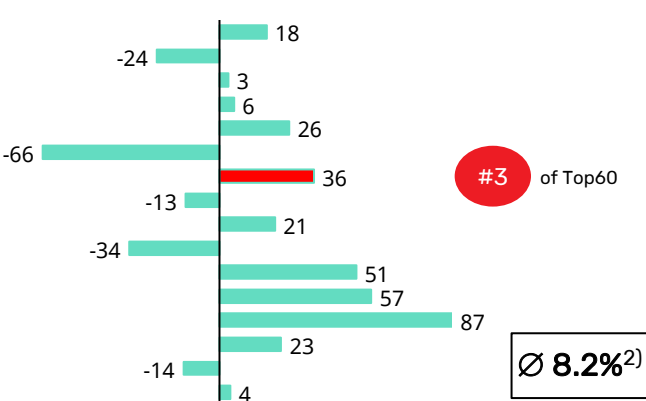
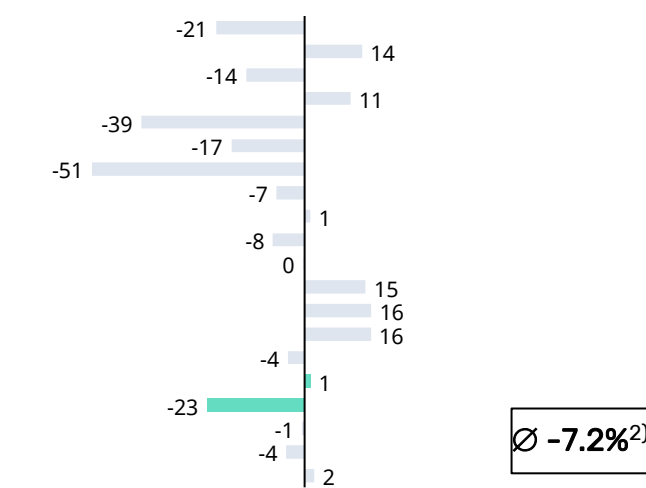
Enterprise Value

[Bn. USD, 15.09.2022]



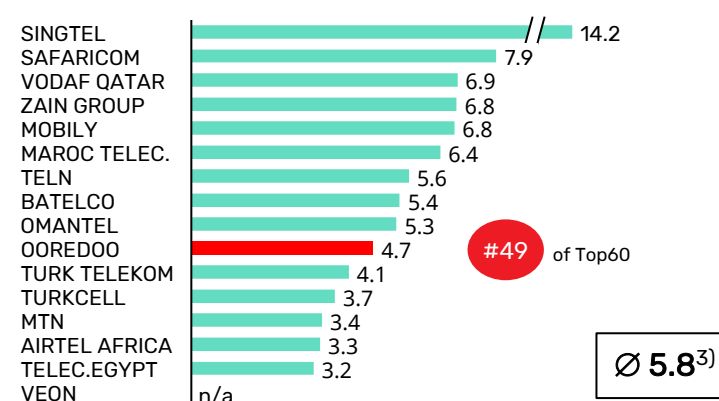
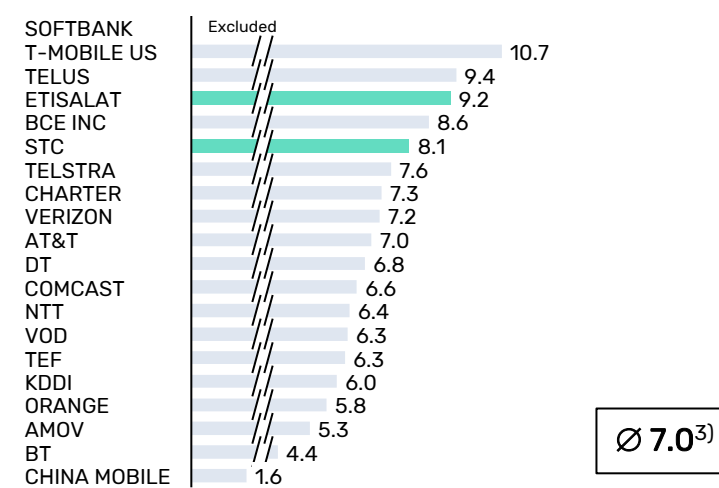
Total Shareholder Return

[%, DIVIDENDS REINVESTED¹⁾]



Enterprise Value/EBITDA 2022E

[15.09.2022]

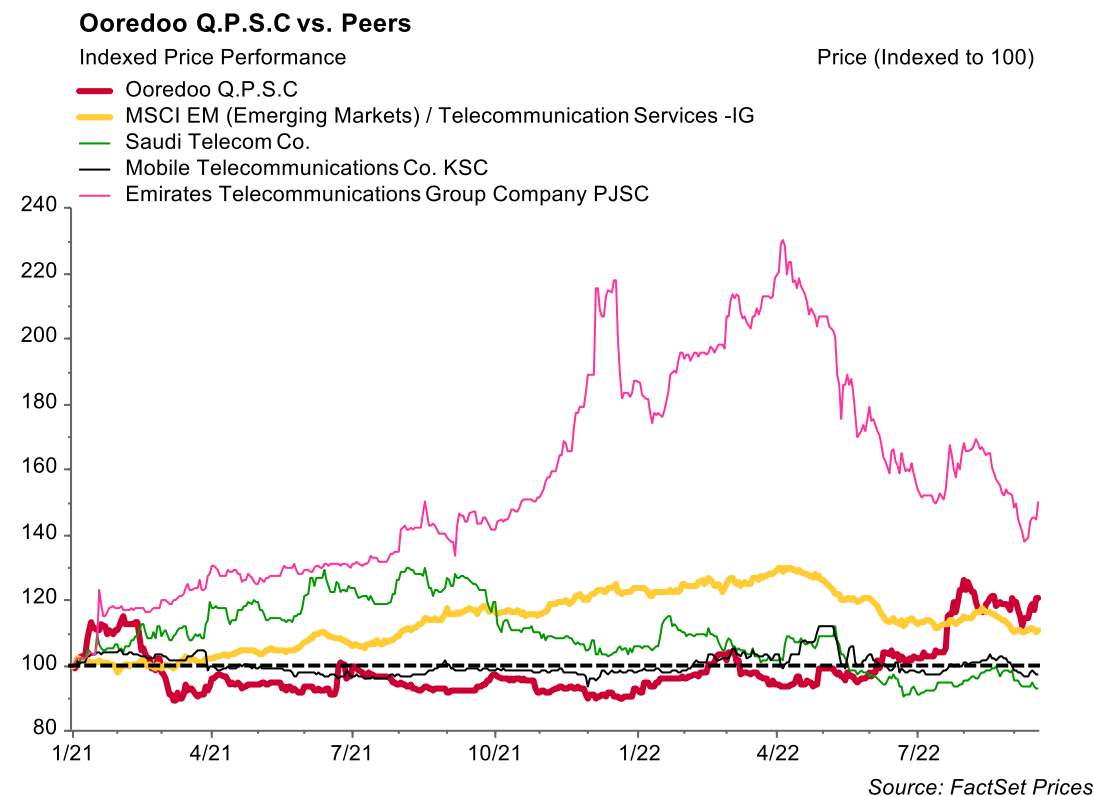


Share price evolution (Indexed)

The progressing underlying operating metrics have driven an outperformance of the stock index and most of our peers by Q2-2022.

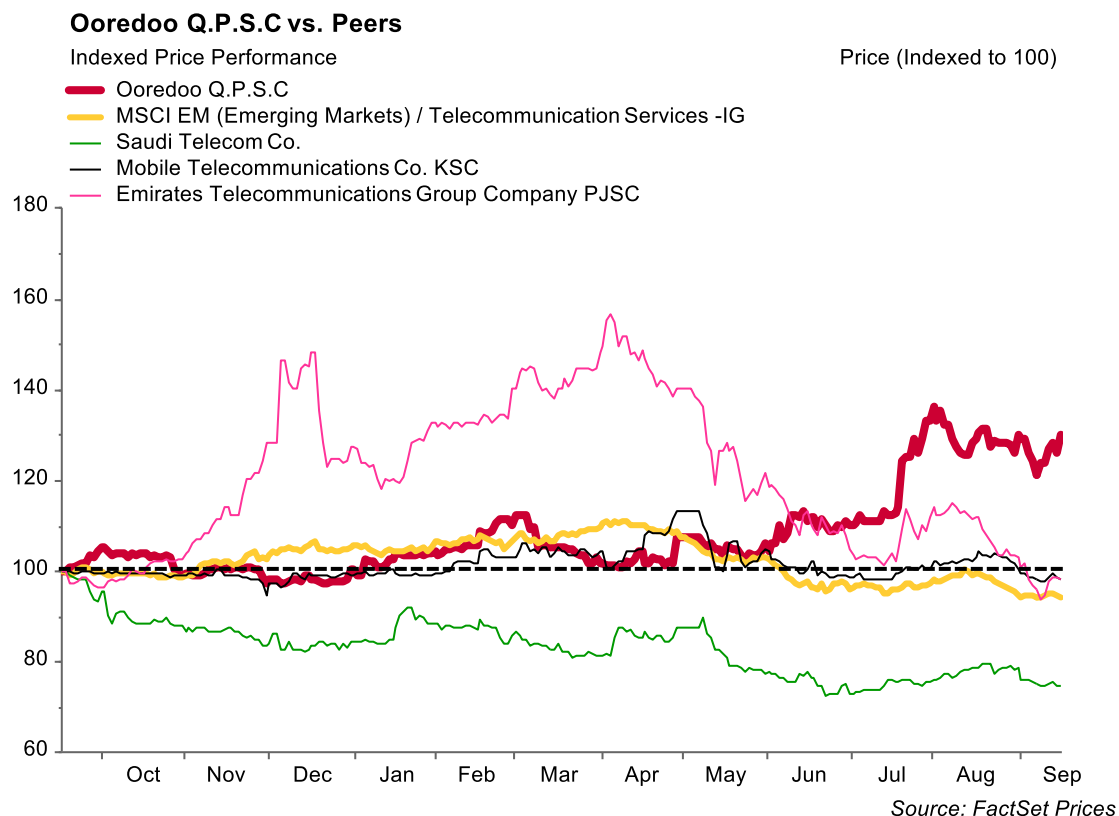
SHARE PRICE DEVELOPMENT SINCE START OF TRANSFORMATION

[Indexed to 100% at 30.12.2022 – 15.09.2022]



SHARE PRICE DEVELOPMENT 1 YEAR

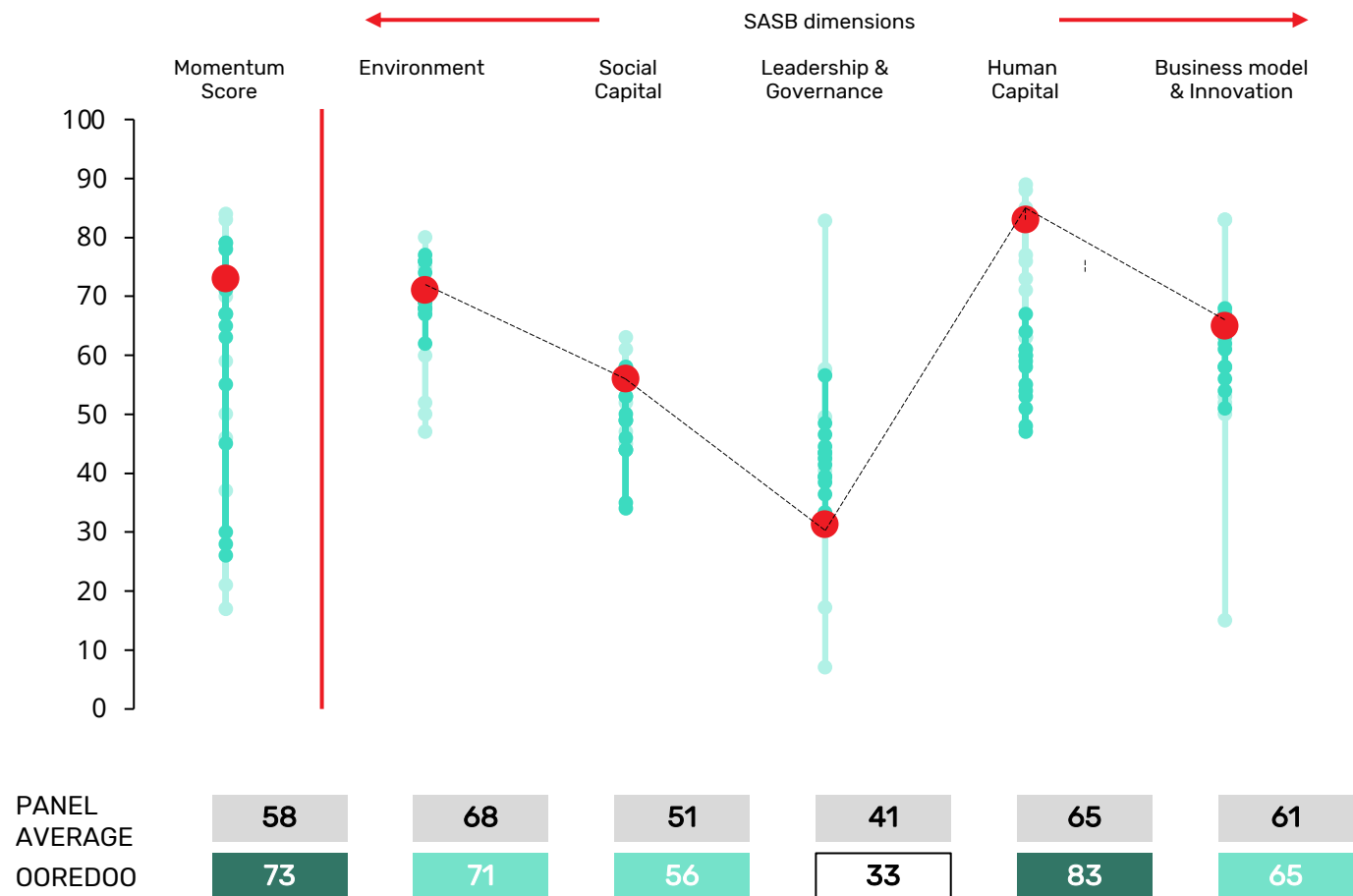
[Indexed to 100% at 16.09.2021 – 15.09.2022]



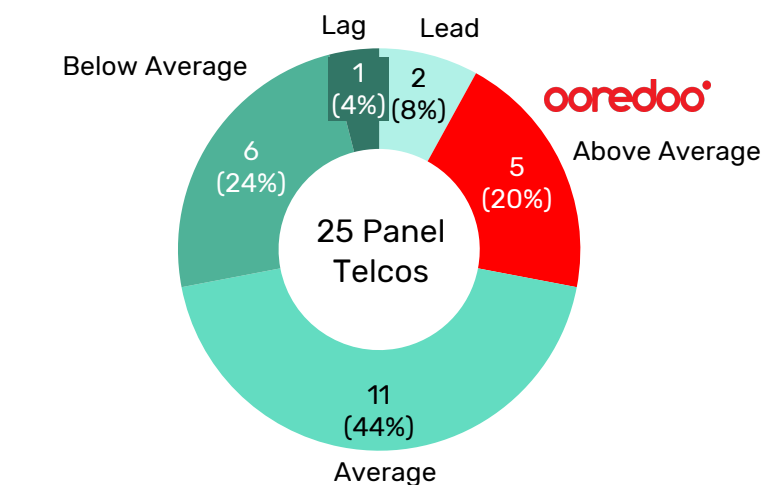
Ooredoo & ESG

We have progressed in our ESG ratings evidenced by a good momentum score – nevertheless we have further opportunities to improve.

ESG Ranking – Ooredoo Group



ESG Overall Ranking



Good Position in Peer Panel

- Data Privacy and Security
- Human Capital
- Social Capital

Sample Opportunities

- Energy efficiency
- Gender diversity in Leadership

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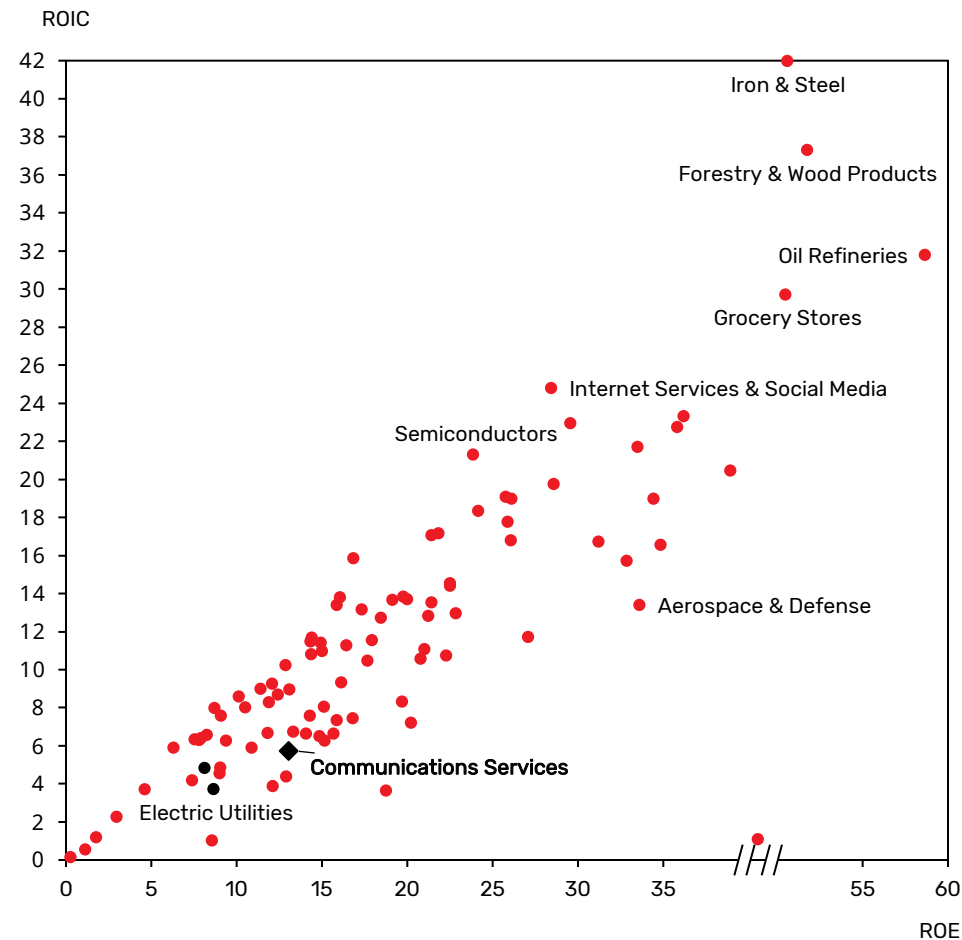
Strategy & path forward

3

Value crystallization

Our motivation – solving an industry problem

We focus our strategy on an underlying weakness of the telecoms industry – its return on equity & invested capital.



Communication
Services

ROE #68
of 99 Industries

ROIC #84
of 99 Industries

... hence the stock market values
Communication services at rather
lower multiples compared to other
industries.

Our vision – Ooredoo as a smart telco

We aim to develop and strengthen both skills related to a position as a smart telco making maximum use of our asset base as a connectivity business.



HORIZON 2: SMART TELCO UPGRADED TELCO WITH ANALYTICS & API CAPABILITIES TO BE PRIME TELCO TO PARTNER WITH FOR DIGITAL SERVICES

HORIZON 1: EFFICIENT BITPIPE STAY A TRADITIONAL TELCO - RUN WITH EXCELLENCE IN EXECUTION

Excellence with regards to

- customer experience,
- operating cost efficiency
- smart CAPEX deployment
- network quality and
- product offerings

Excellence with regards to

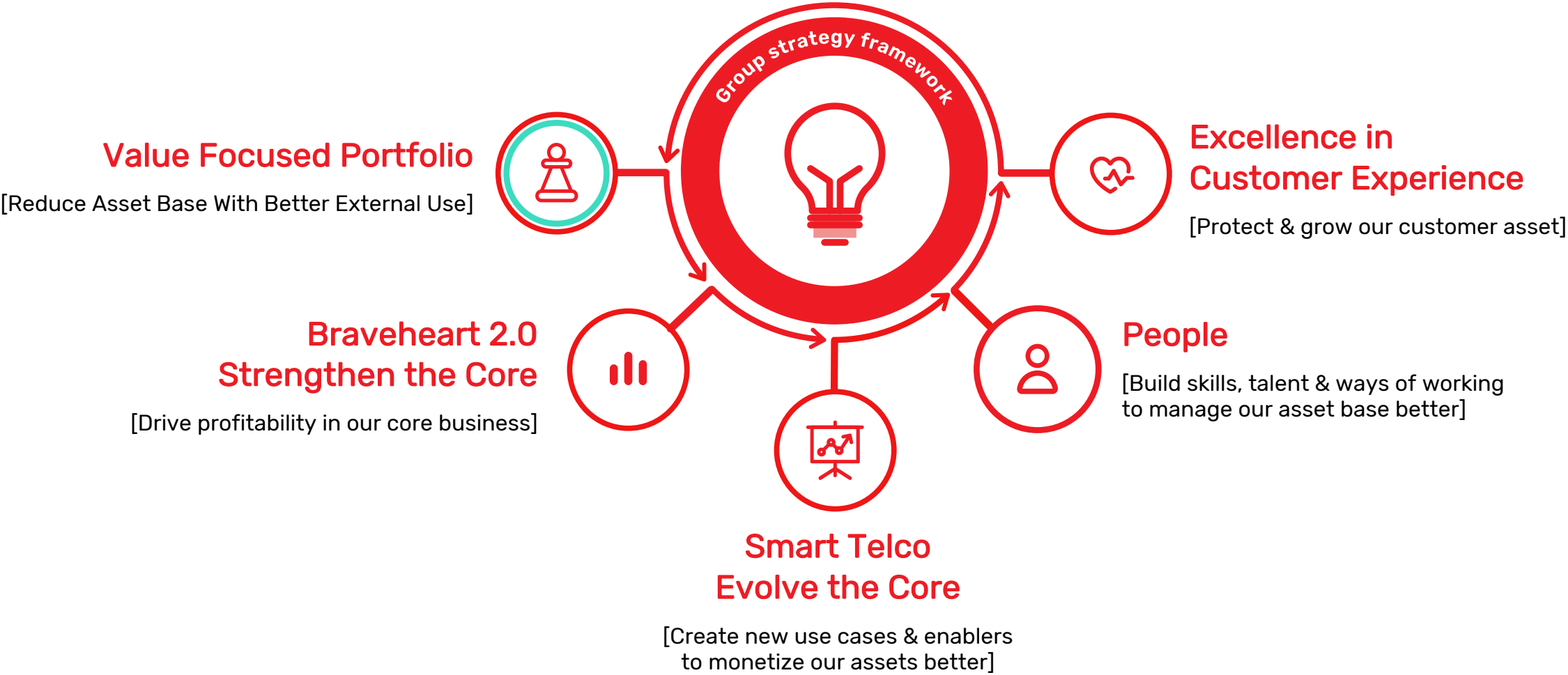
- ease of partnering with digital service players and
- enabling them across footprints
- agility in front end development &
- digital "shopping windows" (UI/UX skills)
- and customer insights to unlock up-/cross-selling of digital products to own customer base.
- Protection of customers from hacker attacks and digital fraud.

HORIZON 3: MULTI CORE EXPANSION INTO DIGITAL ADJACENCIES THROUGH OWNED STANDALONE OPERATIONS

Expanding into digital adjacencies,
building up new skills
(IT/Tech/Sales/Business) in new areas



Our strategy 2022-2024



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Value crystallization

Strategy – Value focused portfolio

To improve return on assets we focus our actions around Ooredoo's portfolio around three main building blocks.

We have to alter
Suboptimally used assets



Telco Operations



Towers



Datacenters

Strategic Direction

- Review operations for ability to achieve/maintain #1 and #2 positions in their local markets
- Participate in consolidation opportunities towards #1/#2 positions (*e.g. Indonesia*)
- Dispose off assets with no path to consolidation or organic growth to #2 (*e.g. Myanmar*)

- Carve out tower operations as separate standalone entities to drive more efficiency and utilize different capital structure
- Explore strategic options for the tower operations in MENA

- Carve out datacenters as stand-alone BU for 3rd party use
- Partner with strategic minority investor for expertise & co-invests
- Build scaled **carrier-neutral** datacenter platform in MENA servicing hyperscalers & enterprises
- Create option to crystallize value

Rationale/ Belief

- Improved return on asset profile of Ooredoo through implicit relationship between market share & profitability
- Attractiveness for 3rd parties to partner with Ooredoo

- Operations as separate BU (partially owned by 3rd party) will unlock top line growth through new tenants and cost efficiencies
- Valuation arbitrage vs. telco core business

- Cyclical growth opportunity in MENA region
- More efficient capital structure & efficiency capture possible
- Telcos with parenting advantage in MENA region if it can be combined with specific datacenter expertise



Value focused portfolio – Telco Operations

Ooredoo has already executed in Indonesia a first step in participating in in-market consolidation and creation of a strong #2 in Indonesia.



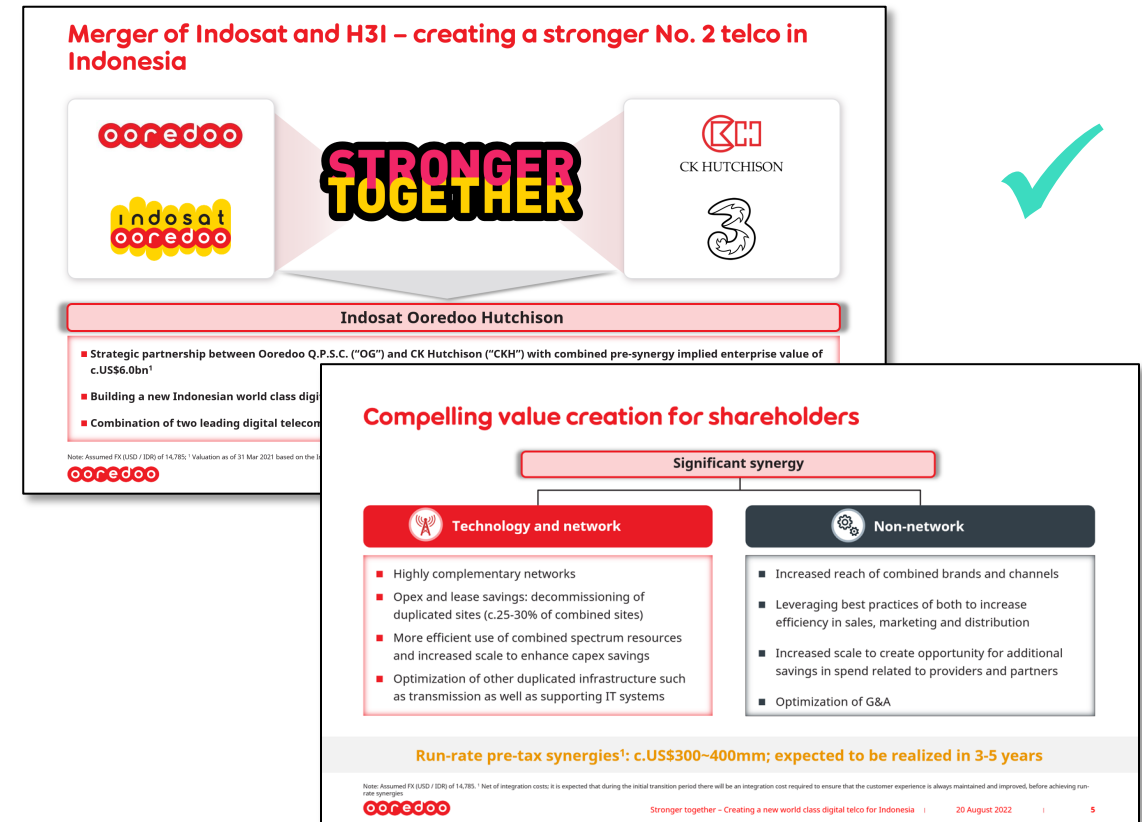
VALUE FOCUSED PORTFOLIO

- Value crystallisation of hidden portfolio assets, as well as
- strengthening existing assets to drive higher capital returns for Ooredoo



Telco Operations

- Review operations for ability to achieve/maintain #1 and #2 positions in their local markets
- Participate in consolidation opportunities towards #1/#2 positions (*e.g. Indonesia*)
- Dispose off assets with no path to consolidation or organic growth to #2 (*e.g. Myanmar*)



SYNERGIES & INTEGRATION WELL ON TRACK



Value focused portfolio – Telco operations

We are taking the next steps in our portfolio as well with the intended sale of our operations in Myanmar.



VALUE FOCUSED PORTFOLIO

- Value crystallisation of hidden portfolio assets, as well as
- strengthening existing assets to drive higher capital returns for Ooredoo



Telco Operations

- Review operations for ability to achieve/maintain #1 and #2 positions in their local markets
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Sale of Ooredoo Myanmar

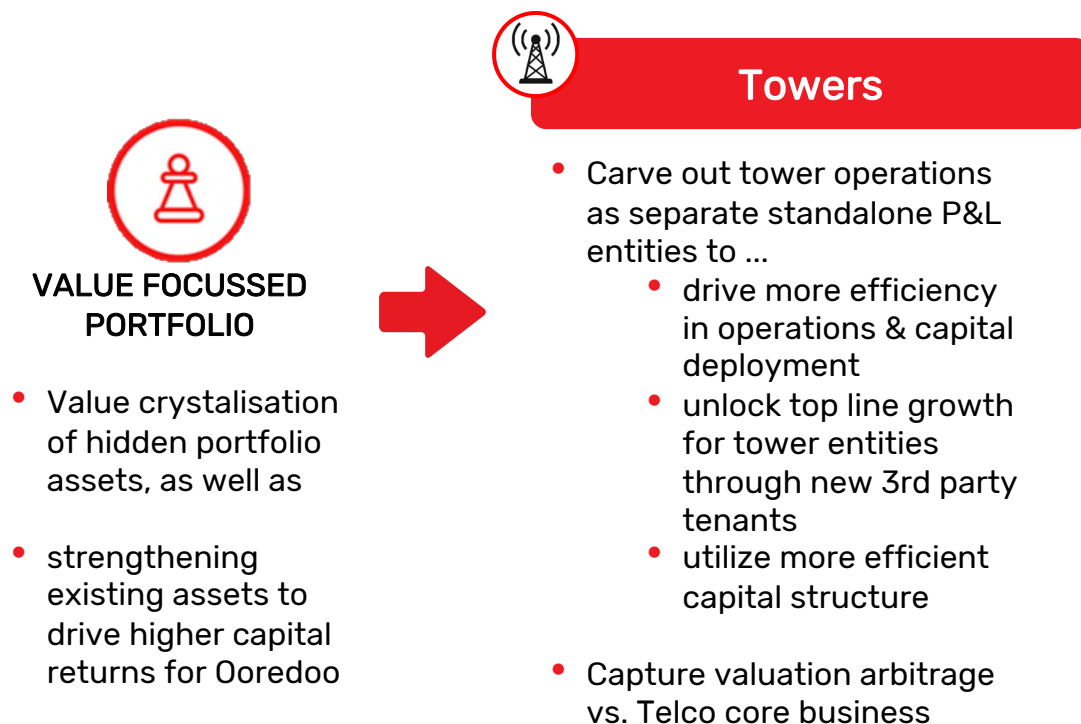
- Intended sale of Ooredoo Myanmar to Nine Communications Pte. Ltd announced on Sept. 8th, 2022
- Total equity consideration of USD 162 Mn for Ooredoo's 100% stake in Ooredoo Myanmar
- Valuation of Ooredoo Myanmar as the #4 mobile operator in Myanmar with an enterprise value of USD 576 Mn. compares favourably to precedent transactions in Myanmar.
- Closing targeted before year end 2022.
- Ooredoo Group leaves a strong performing Ooredoo Myanmar with solid recovery of performance during 2021/2022.

Value focused portfolio – Towers

To crystallize value for shareholders we are in the process to explore strategic options for our MENA tower portfolio.

Ooredoo's Tower Strategy

Implication

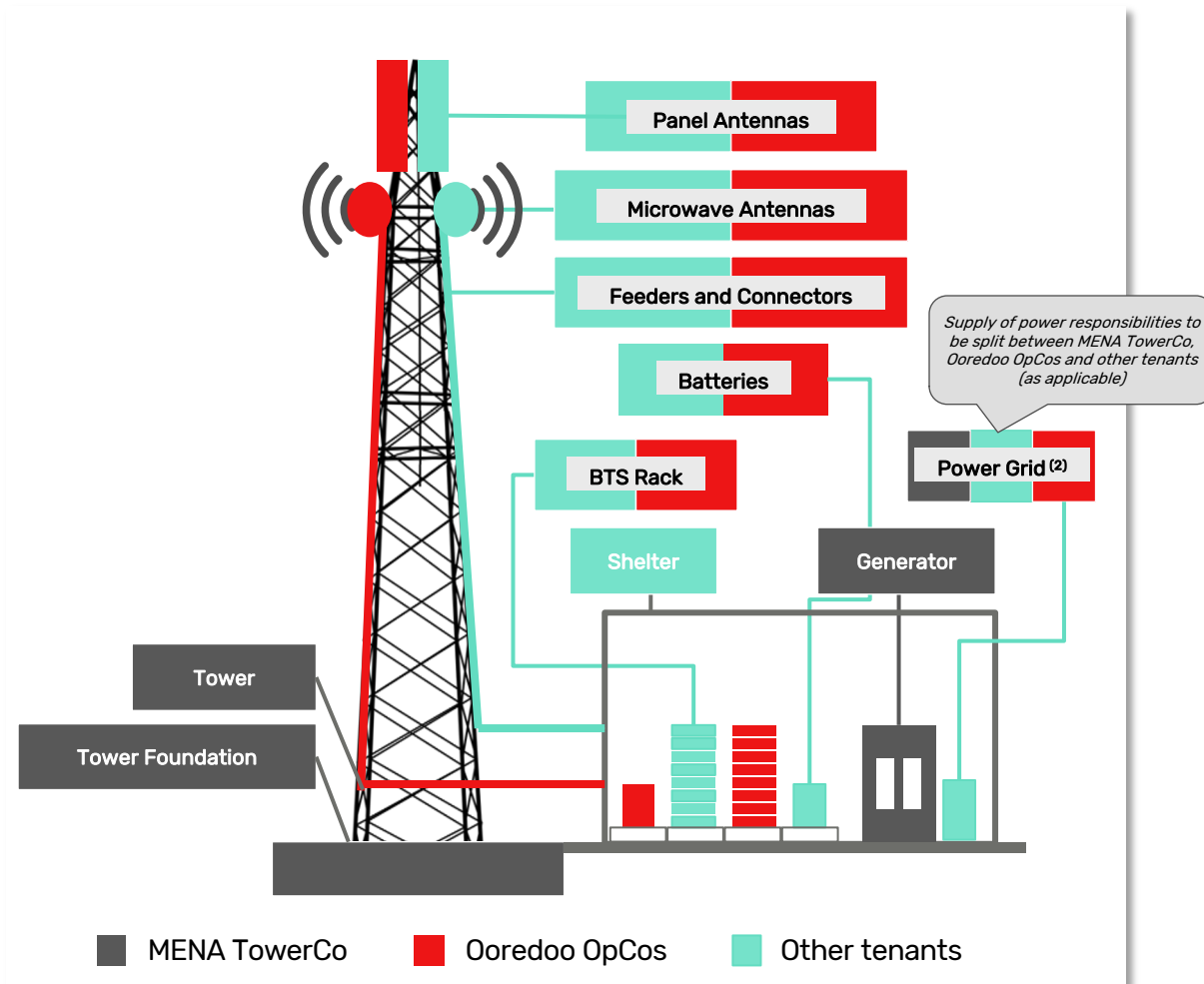


- 1 Establishment of standalone local tower companies managed as independent, at arms length entities
- 2 Ooredoo is willing to **dispose off a sizable stake**
 - in its tower portfolio or
 - the individual tower assetsacross 6 countries of its footprint to investors to crystallize value of our tower assets for shareholders.
- 3 In case of transaction(s), Ooredoo would be able to deploy proceeds against higher yielding opportunities
- 4 A potential transaction(s) supports the creation of a prospering tower industry in the respective MENA countries that creates benefits for future infrastructure deployments nationally



Value focused portfolio – Towers

We have developed a clear separation between our telco operations and the tower business to be run as an independent entity focused on passive INFRA.



	Ooredoo OpCos	MENA TowerCo
Assets	RAN and microwave equipment Base Transceiver Station rack Batteries Grid power supply ⁽²⁾ Land ⁽¹⁾	Tower Tower foundation Shelters incl. AC and cooling Grid connection ⁽²⁾ Back up and off-grid
Contracts	Grid electrics ⁽²⁾ Active operations and maintenance	Existing tower contracts with 3 rd parties Passive operations and maintenance Ground lease
Tower Types	In Building Solution (IBS) Microsites Mobile Base Transceiver Station Removable sites (cell on wheels)	Greenfield Rooftop Hubs Repeaters

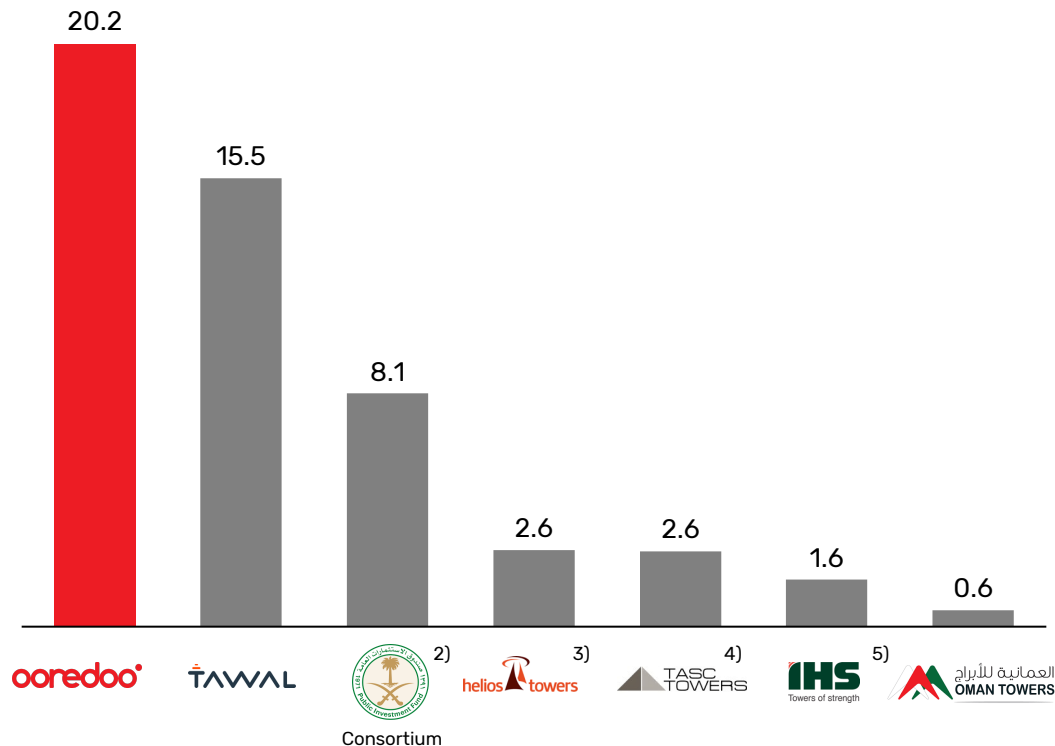


Value focused portfolio – Towers

Our tower assets are as a block as well as individually in a strong position in the MENA region.

Largest Block of Towers in MENA

[Number of Sites by TowerCos in MENA Countries¹⁾



Source: Analysys Mason, Company Information, Public Information

Notes:

1) Based on disclosed counts in the public domain

2) Based on Feb-2022 acquisition of an 80% stake in Zain KSA's passive infrastructure

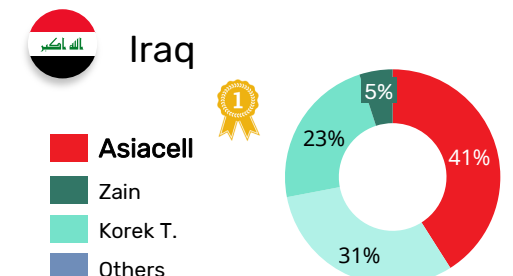
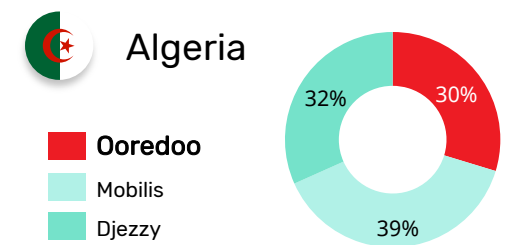
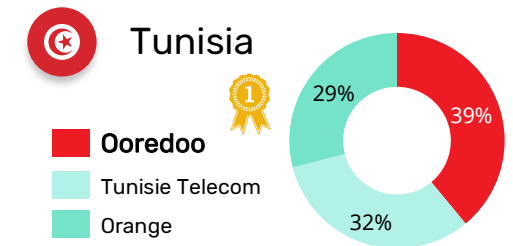
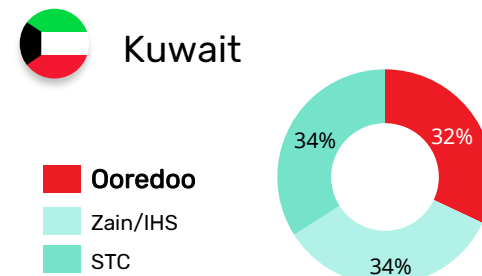
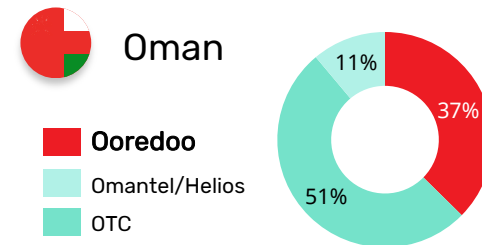
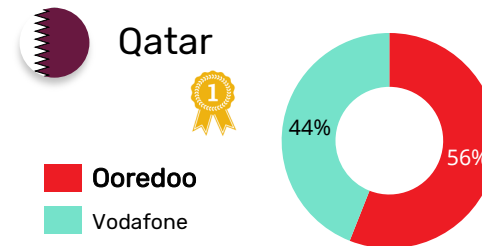
3) Total portfolio of 14.7k sites (incl. committed BTS) across 11 countries (Senegal, Ghana, Gabon, Chad, Congo Brazzaville, DRC, Tanzania, Malawi, Madagascar, South Africa and Oman)

4) Based on Dec-2021 sale and leaseback agreement with Zain

5) 30.5+k towers across 9 countries (Peru, Columbia, Brazil, Cote d'Ivoire, Nigeria, Cameroon, Rwanda, Zambia and Kuwait)

Strong Market Positions of Tower Assets

[% Share of Sites, 2021; excl. transmission only sites]

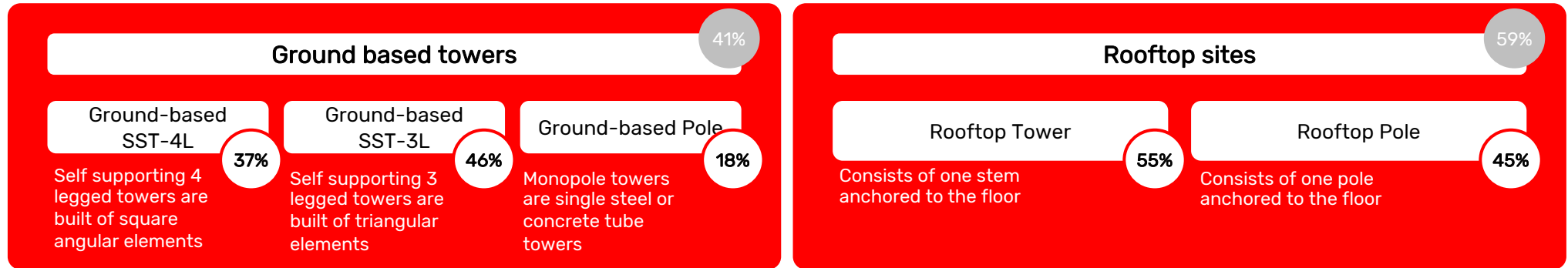




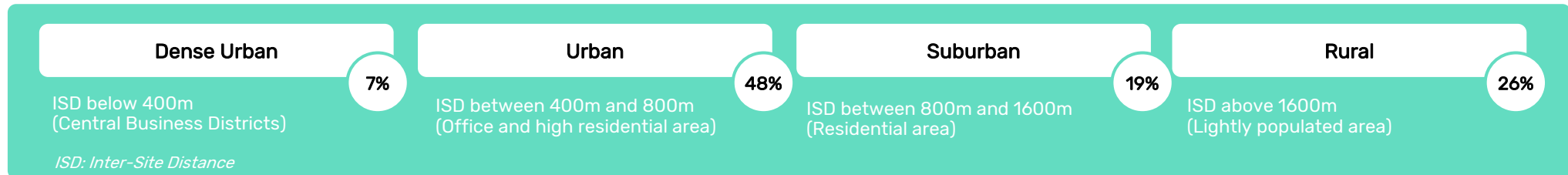
Value focused portfolio – Towers

Our MENA portfolio is attractive and geared towards dense urban & urban sites.

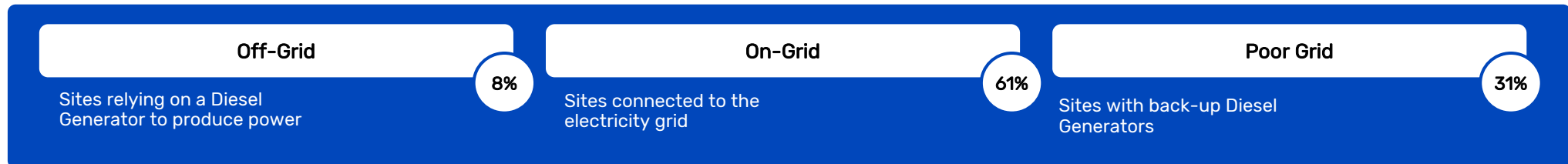
PORTFOLIO BY TYPE/ CATEGORY



PORTFOLIO BY GEOGRAPHY



PORTFOLIO BY POWER SOURCE





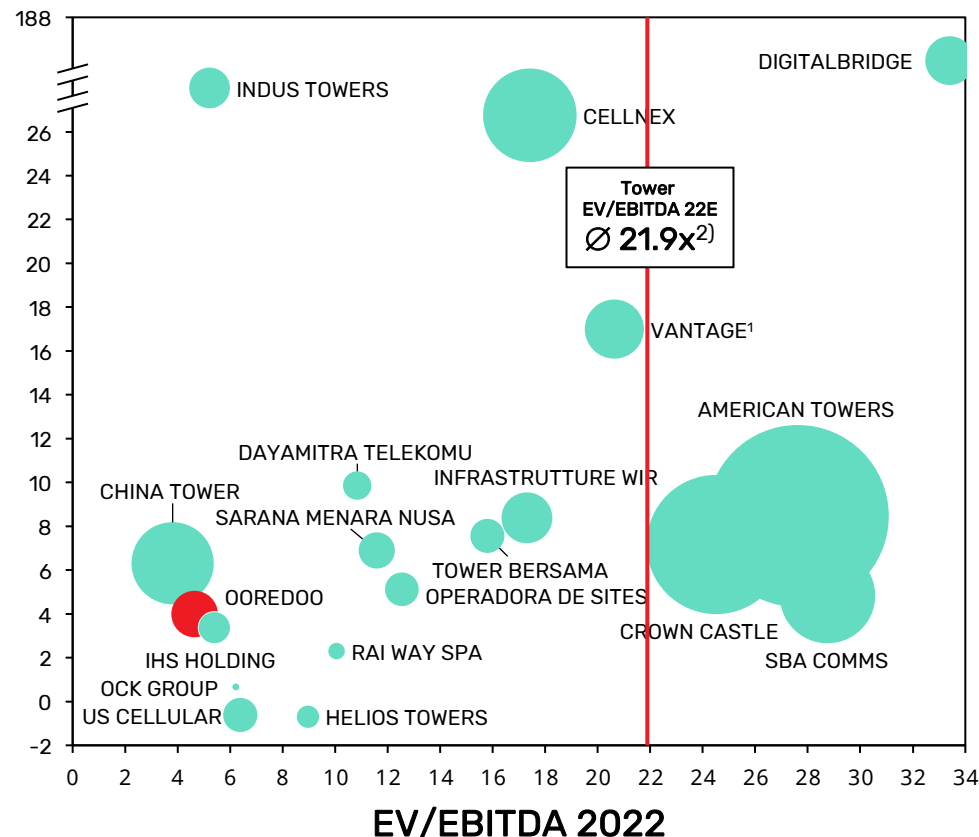
Value focused portfolio – Towers

Both trading multiples of publicly listed tower companies as well as recent transactions point to valuation arbitrage versus telco valuations.

Trading multiples – Towers

[EV/EBITDA2022E MULTIPLE AND EBITDA CAGR]

EBITDA CAGR ('20-21)



Source: Factset 15.08.2022, Notes: 1) Vantage EBITDA CAGR based on Calendar year 2021/2022E 2) weighted average of full panel

Transaction multiples – Towers

Year	Country	Buyer	Target	EV (\$ MM)	Towers (#)	EV / Tower (\$ 000')	EV/EBITDA LTM
2022	Germany and Austria	Digital Bridge & Brookfield	DT Towers	17,521	40,000	438	27.3x
2022	Belgium	Digital Bridge	Telenet	819	3,322	246	25.1x
2022	Sweden	Brookfield & Alecta	Telia Sweden	1,198	3,800	315	28.2x
2021	Norway, Finland	Brookfield & Alecta	Telia Norway	1,807	4,700	384	27.2x
2021	Oman	Helios Towers	Omantel	575	2,890	199	14.4x
2021	Madagascar & Malawi	Helios Towers	Airtel	123	1,213	101	15.4x
2021	Poland	Cellnex	Polkomtel	1,936	7,000	277	14.0x
2021	Netherlands	Cellnex	TMNL	1,830	4,134	443	24.3x
2020	Italy, UK, Ireland, Austria, Sweden, Denmark	Cellnex	CKH Towers	11,813	24,600	480	32.0x
2020	Poland	Cellnex	Play	1,578	7,000	225	21.9x
2020	Senegal	Helios Towers	Free Senegal	189	1,220	155	9.9x
2019	Burkina Faso, Kenya, Ghana, Niger, Uganda	American Tower	Eaton Towers	1,850	5,500	336	15.0x
2018	Tanzania	American Tower	Airtel Towers	179	1,350	133	10.0x

Source: Mergermarket, TowerXchange, Public Information

Notes: 1) Perimeter not limited to towers 2) Based on NTM Adjusted EBITDA

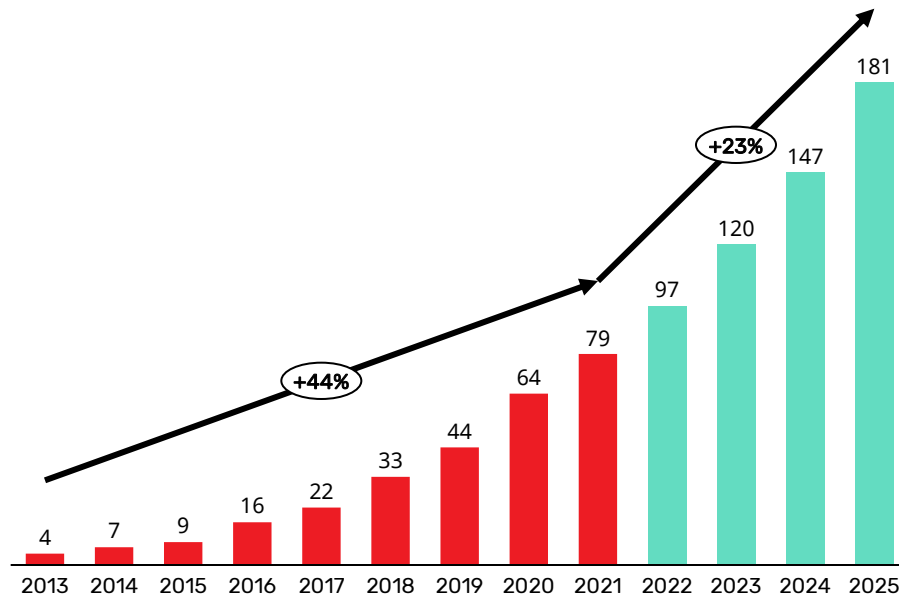


Value focused portfolio – Datacenters

We expect the growth of data being created and used to continue for the foreseeable future constituting a major growth opportunity in MENA.

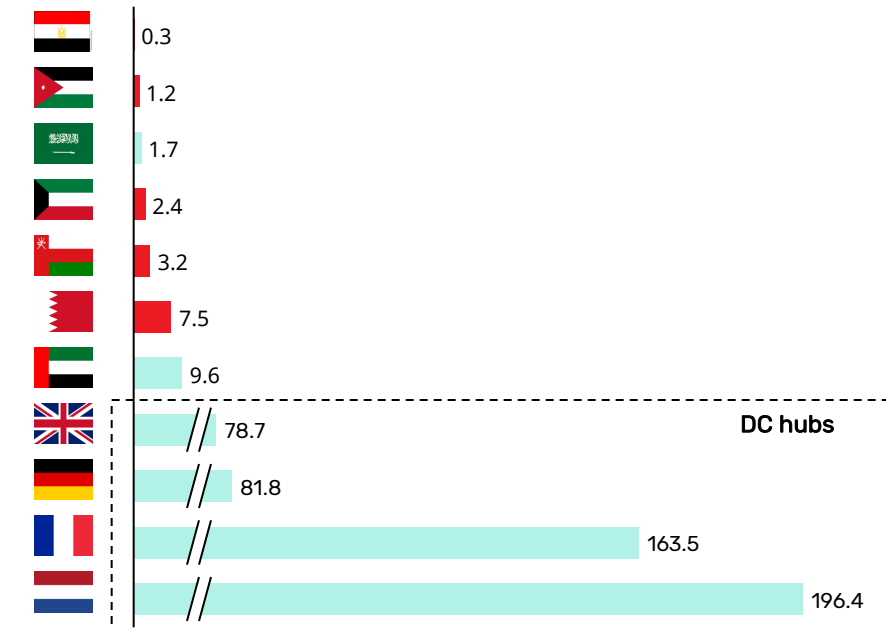
Cyclical data growth

[Zettabytes; DATA CREATED/CONSUMED & STORED GLOBALLY]



Datacenter capacity – MENA vs. EU hubs

[MW per Mn. Inhabitants, 2020]



Data growth drivers

Enterprise/ Government
Digitalisation

Cloud Service Take Up vs. On
Premise IT

B2C: Further Take Up of
Streaming & Gaming

B2B: Use of Big Data for Data
Analytics & AI

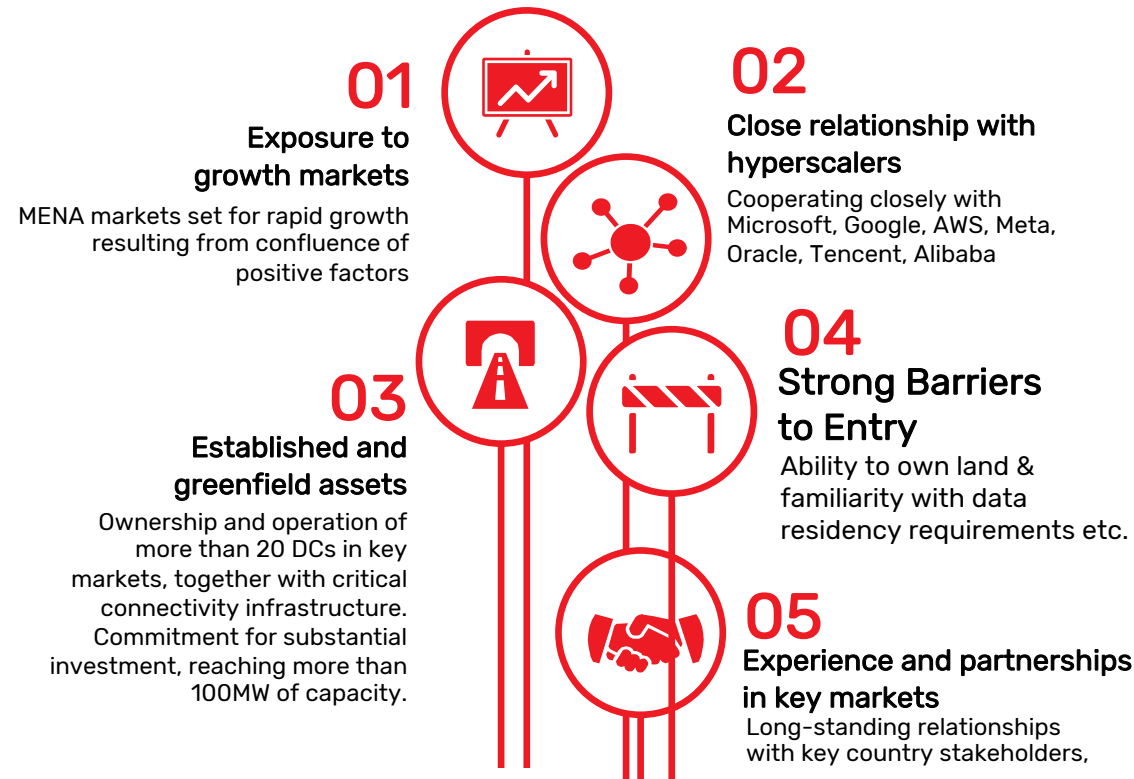
Proliferation of Smart-Devices
w/ better Resolutions



Value focused portfolio – Datacenters

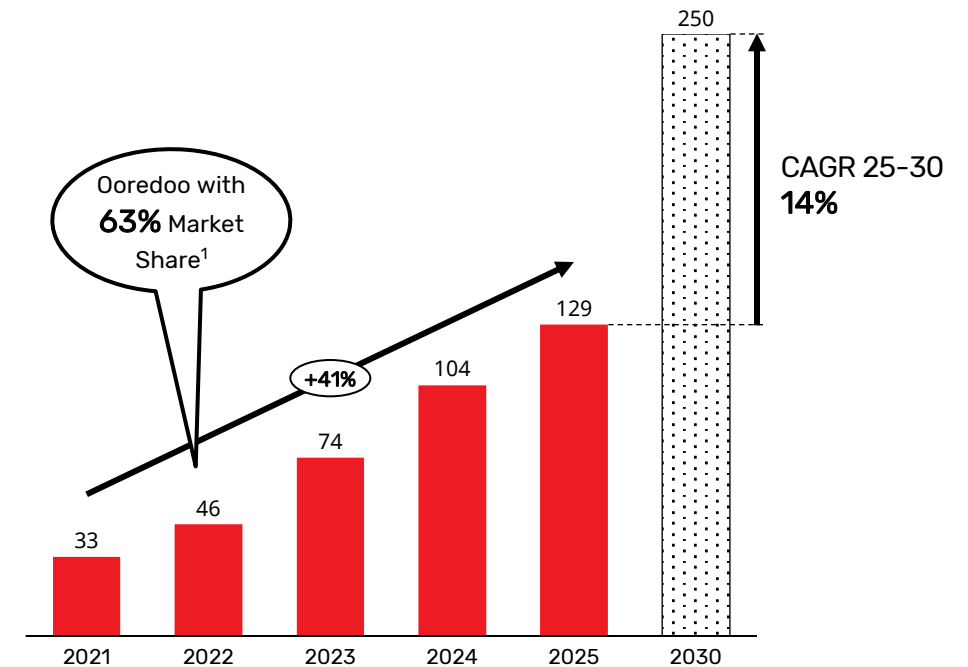
The high valuations of existing datacenter players & recent transaction multiples confirm the attractiveness & inherent growth profile of the sector.

Ooredoo's advantages in datacenter space in MENA



Datacenter growth in Ooredoo footprint

[TOTAL MW]

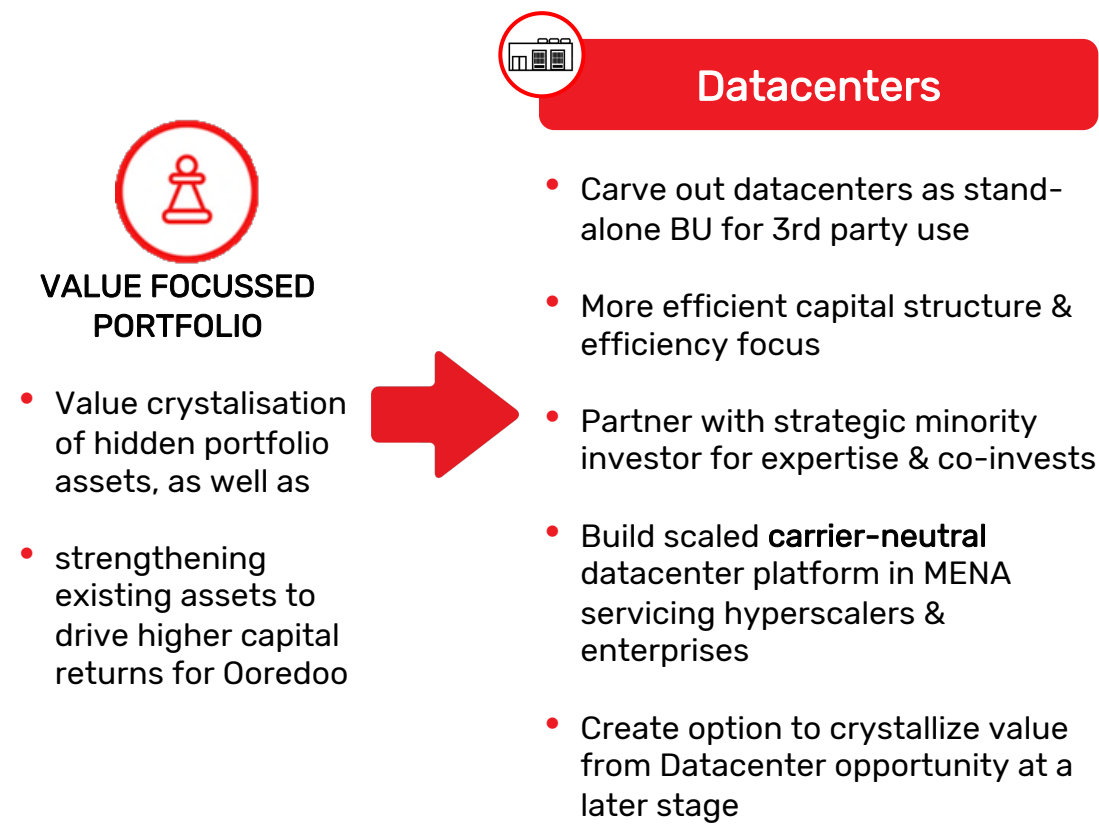




Value focused portfolio – Datacenters

Ooredoo is committed to develop the datacenter opportunity together with a strategic partner and substantial joint investments.

Ooredoo’s datacenter strategy



Ooredoo’s MENA datacenter platform targets

[Mid-/Long-Term Targets]

Ooredoo Group
Datacenter
MW growth

~4x

Investment
Aspiration

>\$1bn.

Regional Platform
Established As
Standalone BU










2023



Value focused portfolio – Datacenters

The high valuations of existing datacenter players & recent transaction multiples confirm the attractiveness & inherent growth profile of the sector.

Trading multiples

Company		EV (\$m)	EV/EBITDA LTM	EV/MW (\$m)
Equinix, Inc. (REIT)		77,574	32.2x	60.5
Digital Realty Trust, Inc.		52,971	23.5x	28.5
Iron Mountain Inc.		26,044	16.9x	70.6
CyrusOne Inc.		15,217	27.3x	NA
GDS Holdings Limited		12,054	26.8x	11.9
Switch, Inc.		6,023	23.1x	NA
NEXTDC Limited		4,150	40.1x	46.1
SUNeVision Holdings Ltd.		4,881	34.2x	60.8
Keppel DC REIT		3,689	NA	12
Average		22,511	28.0x	41.5
Median		12,054	27.1x	46.1

Transaction multiples

Year	Target	Target Country	Acquirer	EV/EBITDA LTM	EV/MW (\$m)
Pending	Switch	US	DigitalBridge Group	33.3x	22
Pending	VNET	China	Hina Group; Industrial Bank	12.3x	10.5
2022	Teraco Data / Environments	South Africa	Digital Reality Trust	37.5x	46.7
2022	CyrusOne	United States	DataBank	NA	15.8
2021	Dodid Pte	Singapore	Empyrion DC	NA	11.7
2021	MainOne	Nigeria	Equinix	14.0x	64
2020	Rack Centre	Nigeria	Actis	NA	17.2
2020	Universo Online (UOL)	Brazil	Digital Colony	15.0x	NA
Average				22.4x	26.8
Median				15.0x	17.2

Ooredoo assets in select markets as of today [in MW IT Capacity]

