

# BUSINESS OVERVIEW & STRATEGY



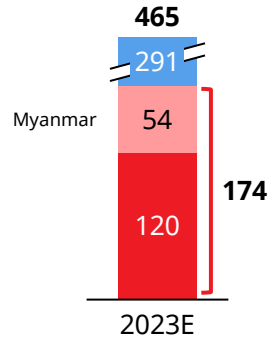
# AGENDA

- 1 **GROUP STRATEGY**
- 2 INDUSTRY TRENDS & OPPORTUNITIES
- 3 STRATEGY DELIVERY
- 4 OOREDOO AS AN INVESTMENT

# OOREDOO GROUP OVERVIEW

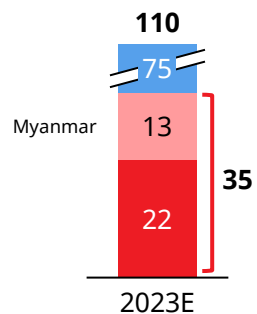
WE ARE A KEY TELCO PLAYER IN MENA WITH A PORTFOLIO EXPOSED TO MARKETS WITH GROWING GDP per CAPITA & POPULATION GROWTH

## FOOTPRINT POPULATION [Mn.]



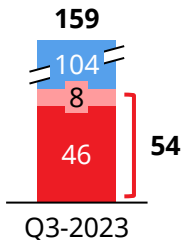
+27Mn. Population Growth until 2028<sup>1)</sup>

## FOOTPRINT HOUSEHOLDS [Mn.]

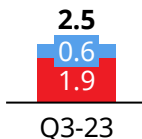


+9-11Mn. Household Growth until 2028<sup>1)</sup>

## WIRELESS SUBSCRIBERS [Mn.]

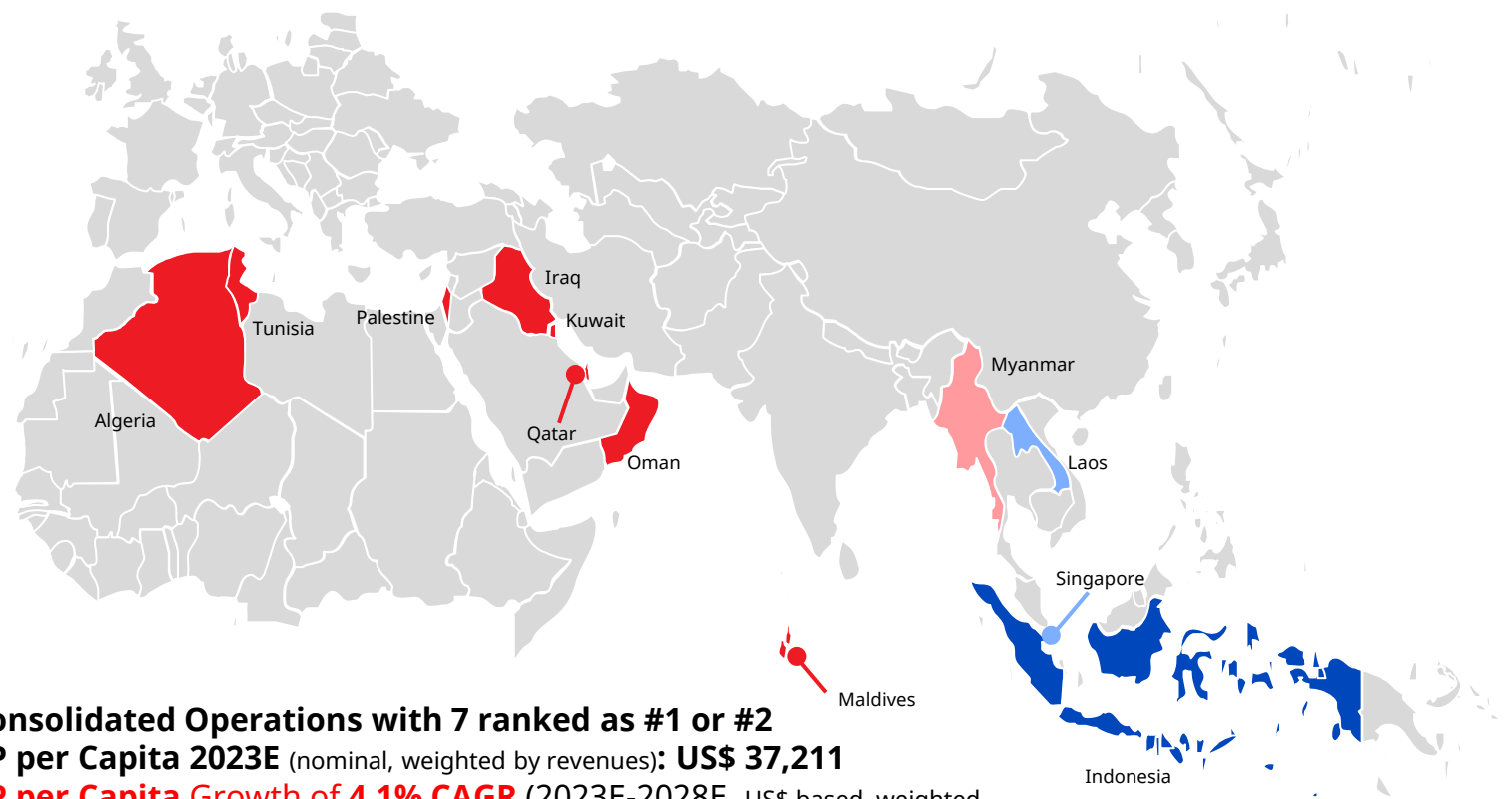


## STATIONARY BB SUBSCRIBERS [Mn.]



## OOREDOO TELECOM OPERATIONS

- Ooredoo Consolidated Telecom Operations
- Ooredoo Minorities / Affiliate Telecom Operations



- **9 Consolidated Operations with 7 ranked as #1 or #2**
- **GDP per Capita 2023E** (nominal, weighted by revenues): **US\$ 37,211**
- **GDP per Capita Growth of 4.1% CAGR** (2023E-2028E, US\$ based, weighted based on Ooredoo revenue exposure) in consolidated footprint
- **Footprint Inflation Rate of 5.1%** in 2023E

# OUR VISION – OOREDOO AS A SMART TELCO

WE STRENGTHEN ANALYTICS & API SKILLS RELATED TO A POSITION AS A SMART TELCO TO MAXIMIZE THE USE OF OUR ASSET BASE FOR OUR CONNECTIVITY BUSINESS



## HORIZON 2: SMART TELCO

UPGRADED TELCO & DIGITAL INFRA PROVIDER WITH ANALYTICS & API CAPABILITIES TO BE PRIME PARTNER 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 **enabling them across footprints**
- **agility in front end development & digital "shopping windows"** (UI/UX skills)
- **customer insights** to unlock up-/cross-selling of digital and connectivity products in our own customer base.
- **secure connectivity - protection of customers** from hacker attacks and digital fraud.
- Being the **digital infrastructure partner** to industry partners – passive infra, datacenters, fiber connectivity

## HORIZON 3: MULTI CORE

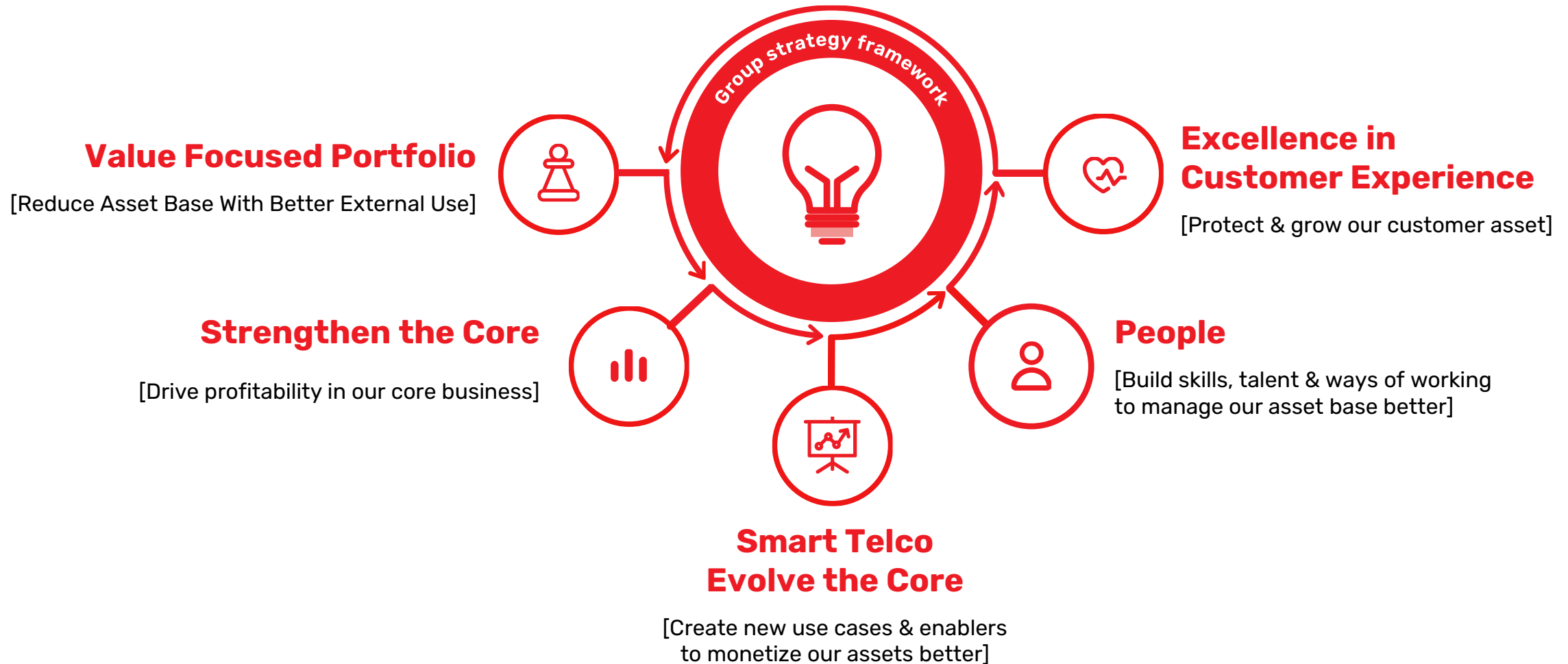
EXPANSION INTO DIGITAL ADJACENCIES THROUGH OWNED STANDALONE OPERATIONS

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



# OUR STRATEGY - SMART TELCO: 2022-2024

WE AFFIRM OUR STRATEGY AROUND THE FIVE PILLARS WE HAVE COMMUNICATED DURING LAST YEARS CAPITAL MARKETS DAY. WE PROGRESSED SEVERAL TRANSFORMATIVE PROGRAMS FOR OOREDOO

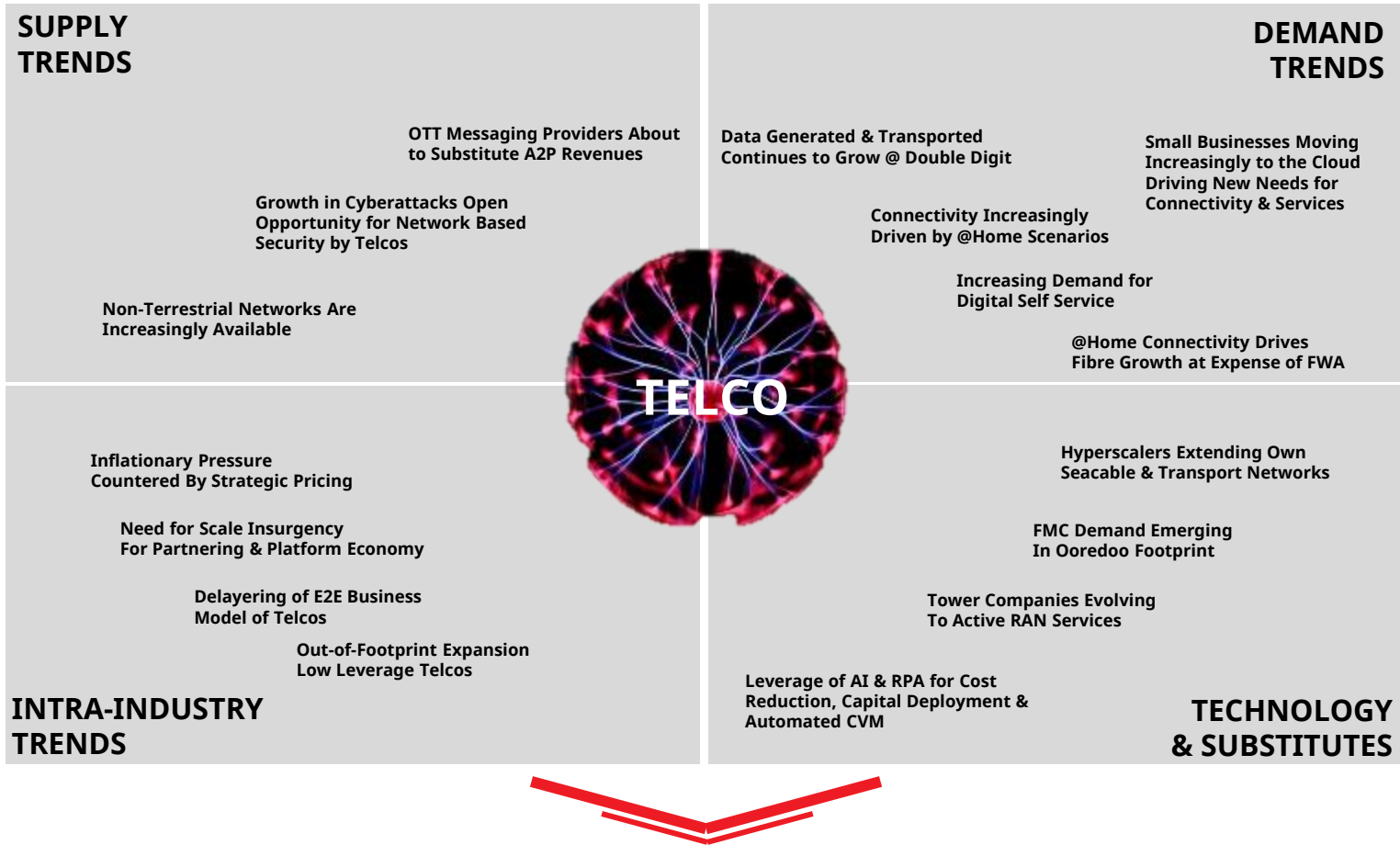


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# MACRO TRENDS SHAPING OUR INDUSTRY

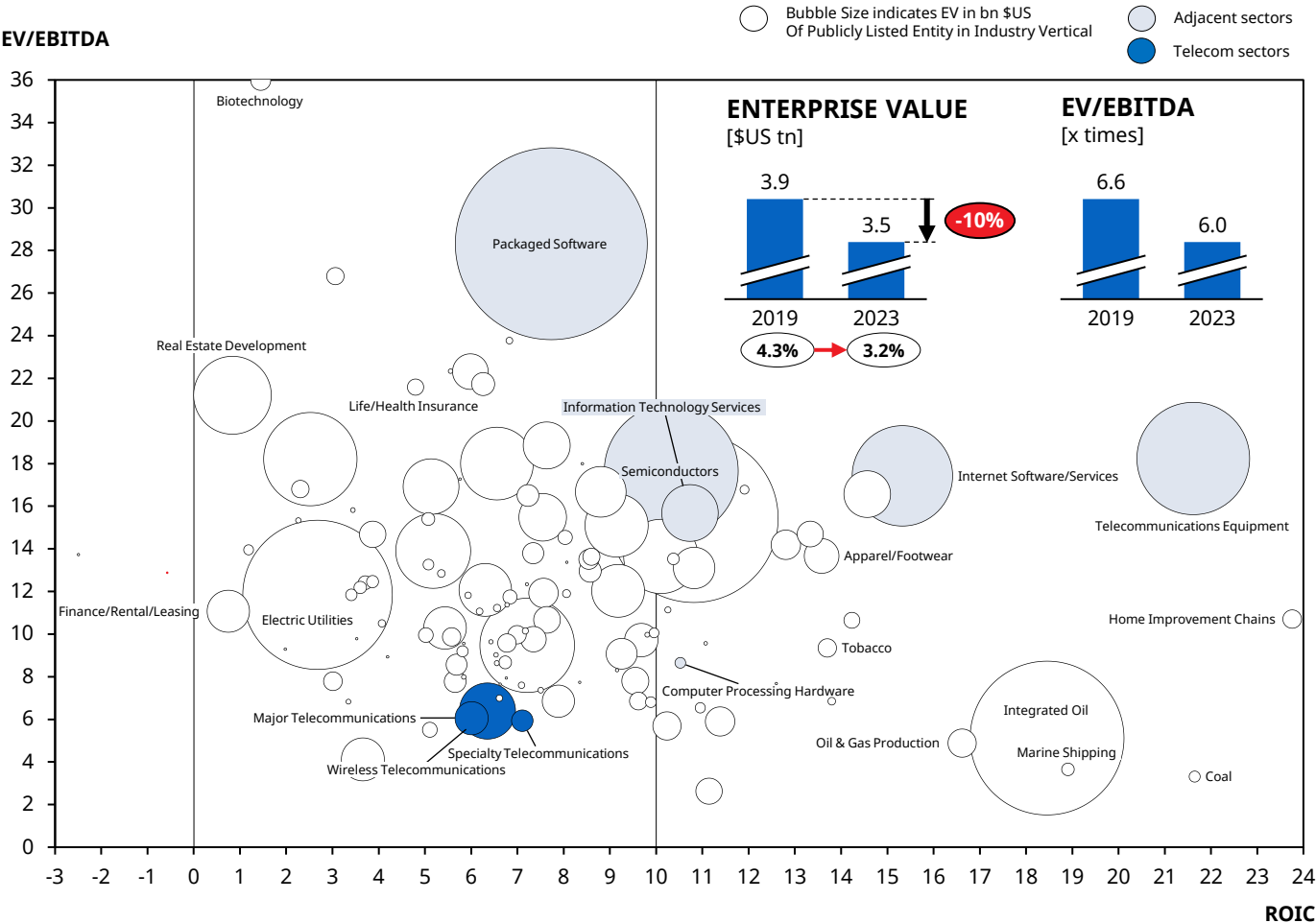
VARIOUS TRENDS ARE UNFOLDING, PRESENTING OPPORTUNITIES BUT ALSO EXERTING PRESSURE ON OUR INDUSTRY NECESSITATING A NEED FOR CHANGE



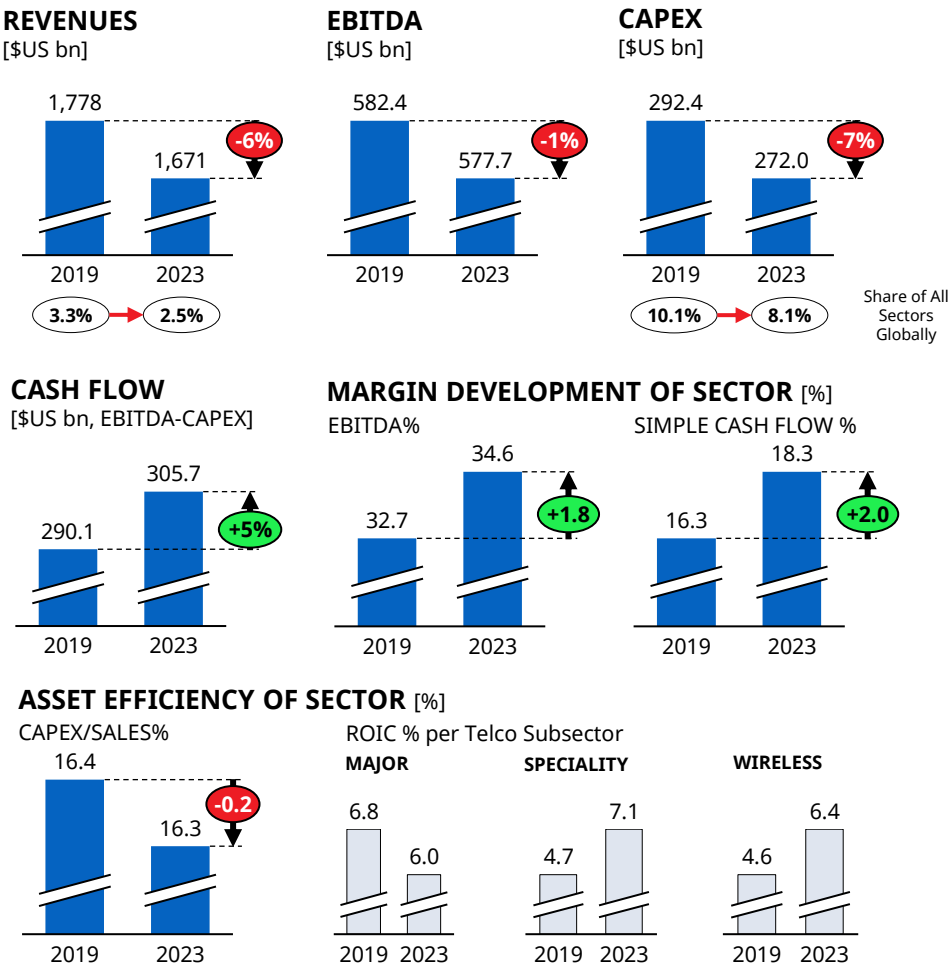
# OPERATING IN THE TELCO SECTOR.

THESE TRENDS ARE IMPACTING OUR INDUSTRY THAT EXPERIENCES DECLINE IN REVENUE AND EBITDA, WITH A GROWING EMPHASIS ON PROFITABILITY AND ASSET EFFICIENCY

## GLOBAL INDUSTRY COMPARISON



## TELECOMS METRICS GLOBAL

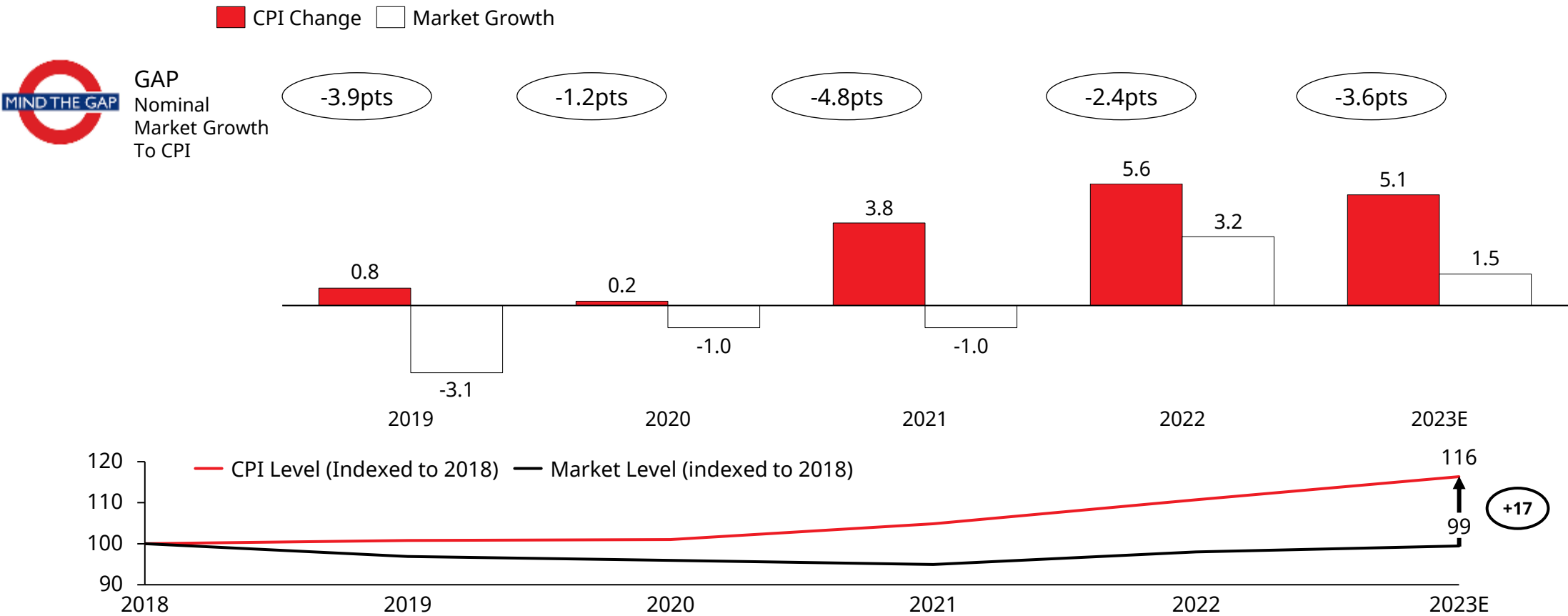


Source: Group Strategy, Factset, 20.10.2023



# INFLATION ABOVE MARKET GROWTH

TELCOS IN OUR MARKET SO FAR DID NOT SO FAR USE PRICING POWER TO COUNTER INFLATIONARY PRESSURE ON COST STRUCTURES



**Driving Payroll Cost to Expand\***

[~10.2% of Ooredoo Revenues '23]



**Increase in Network Utilities**

[Fuel, Power, Security]  
[~2.5% of Ooredoo Revenues '23]



**Increase in Labor Intensive Vendor Cost**

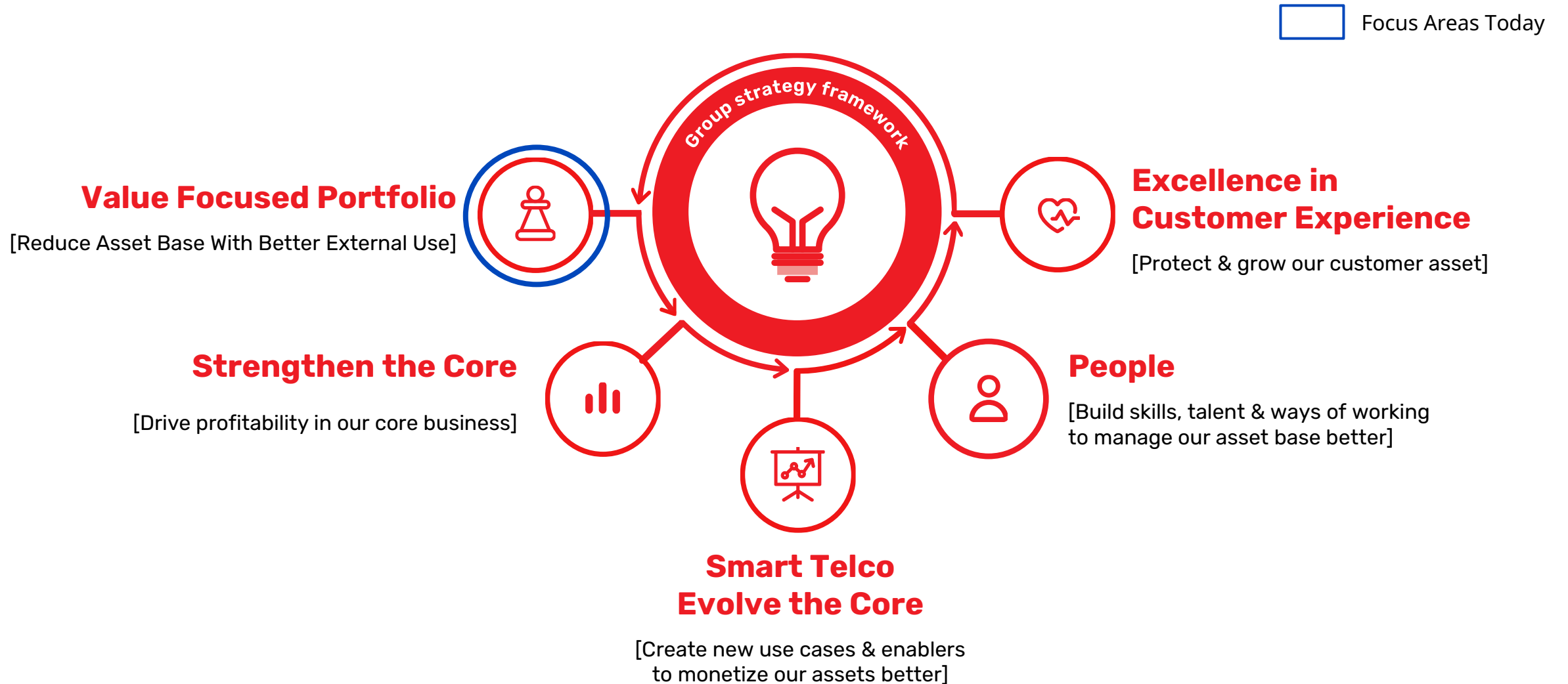
\* FY2022

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# OUR STRATEGY TO MOVE TO SMART TELCO: 2022-2024

WE HAVE PROGRESSED OUR STRATEGIC PILLAR “VALUE FOCUSED PORTFOLIO” WITH SEVERAL STRUCTURAL MOVES



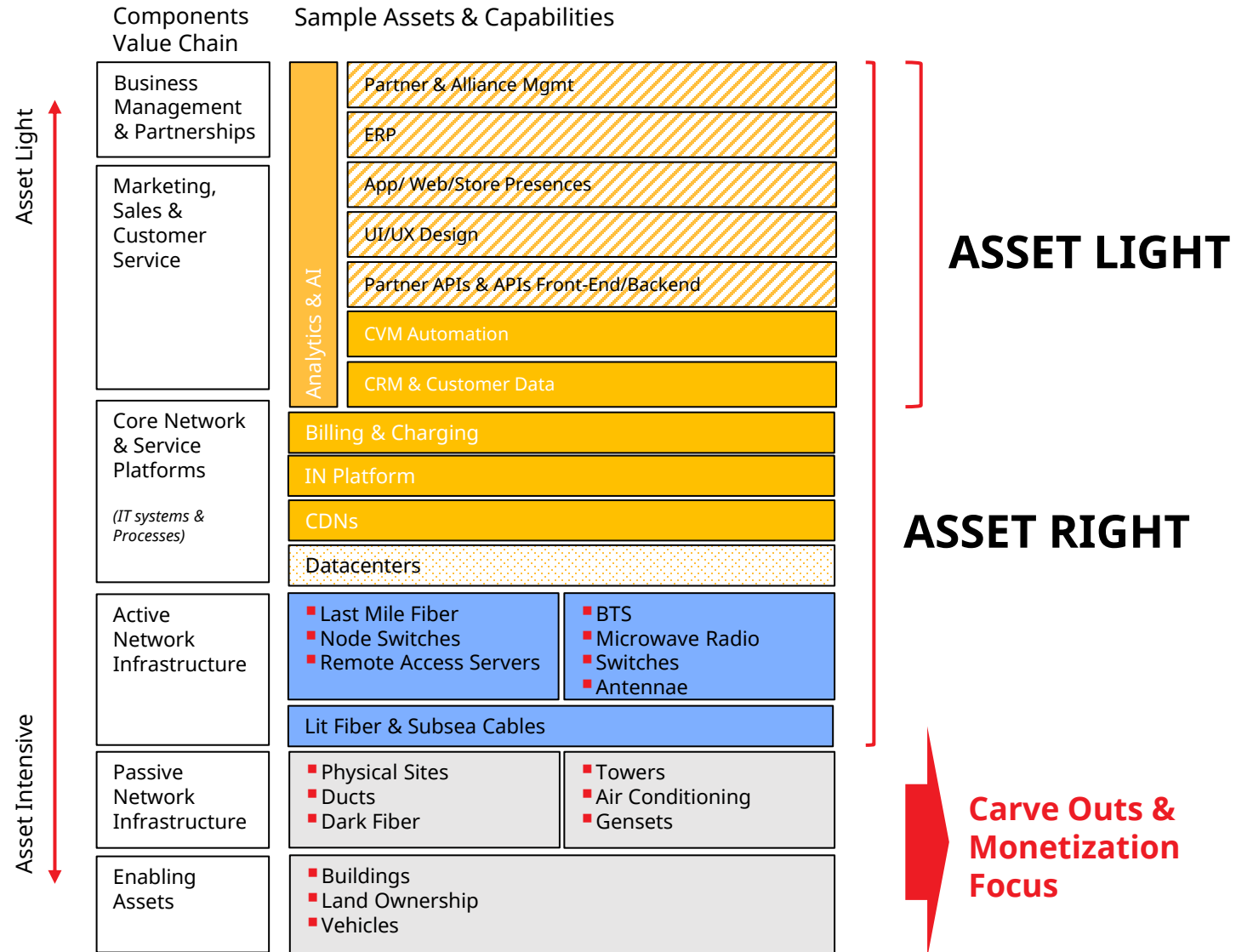
# VALUE FOCUSED PORTFOLIO-DELAYERING OF TELCO BUSINESS MODEL



TELCOS ARE RESTRUCTURING TOWARD A VALUE-FOCUSED PORTFOLIO, EMPHASIZING AN ASSET-RIGHT APPROACH AND MOVING AWAY FROM OUTDATED CONCEPTS LIKE ASSET-LIGHT



ooredoo

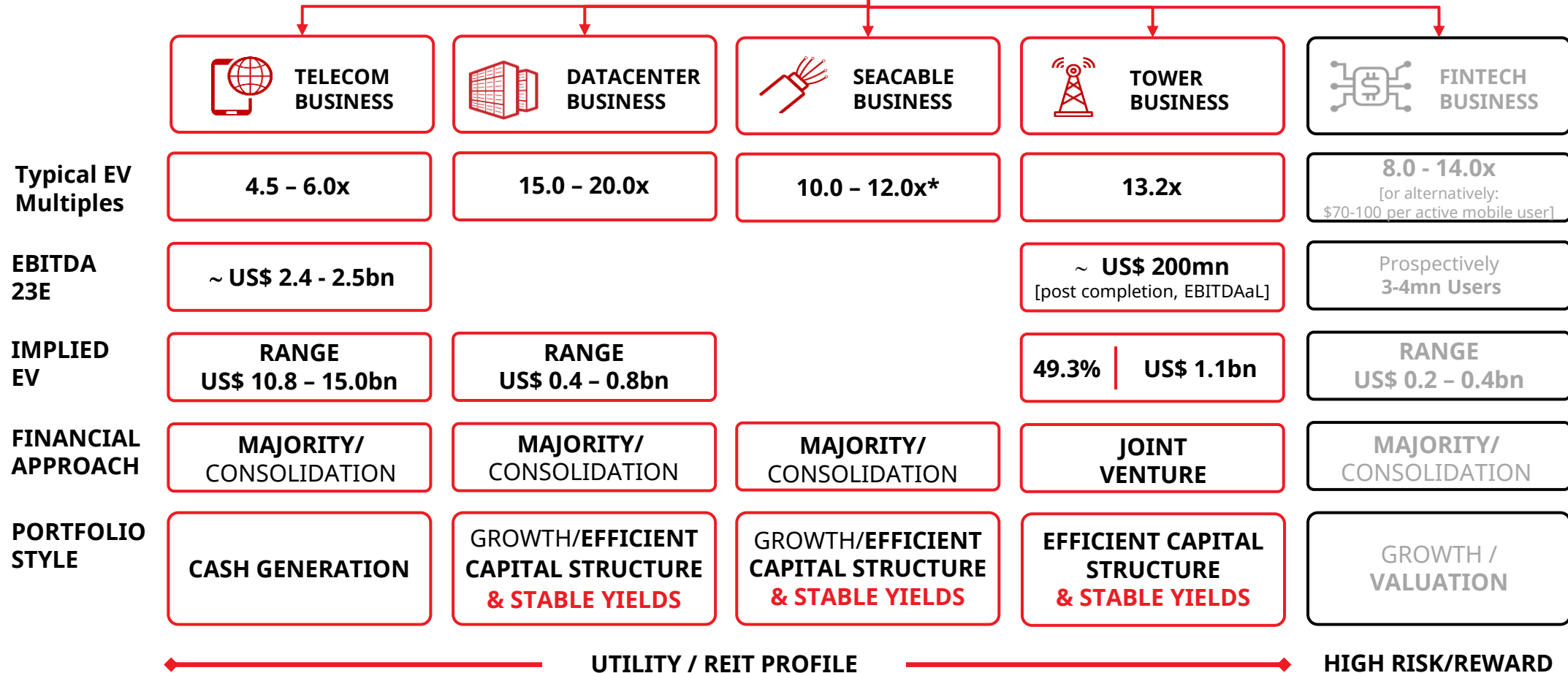




# VALUE FOCUSED PORTFOLIO – GROUP STRUCTURE

WE ARE TRANSFORMING OOREDOO INTO A TELECOM HOLDING WITH FOUR PILLARS, EXPECTED TO CONTRIBUTE TO VALUE CRYSTALLIZATION FOR SHAREHOLDERS

**ooredoo**





# PORTFOLIO STRATEGY – VALUE FOCUSED PORTFOLIO.

TO BOOST ASSET RETURNS, WE FOCUS ON FOUR KEY BUILDING BLOCKS IN OOREDOO'S PORTFOLIO

WE HAVE TO ALTER  
**SUBOPTIMALLY USED ASSETS**



## TELCO OPERATIONS



## TOWERS



## DATACENTERS



## PORTFOLIO HYGIENE

### 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

- Release resources from non-core assets & assets without path to control for redeployment
- Asset-Examples:
  - **Meeza (10%)**, IPO Proceeds
  - **Highland Capital Partners**

### 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

- Asset that are locked up in low yielding areas to be released for higher return in core business
- Assets that are locked up in passive investments and can not create synergies with core business should be released

### EXAMPLES

Indosat Ooredoo Hutchison

Ooredoo Myanmar

Presented Today: Towers

Presented Today: Datacenters

Meeza (10%) – IPO Proceeds

Highland Capital Partners



# VALUE FOCUSED PORTFOLIO – TELCO OPERATIONS.

STRONG PERFORMANCE OF THE MERGED INDOSAT OOREDOO HUTCHISON AS #2 IN THE INDONESIAN MARKET HAS SEEN THE VALUE OF OUR STAKE SUBSTANTIALLY INCREASING



## VALUE FOCUSED PORTFOLIO

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

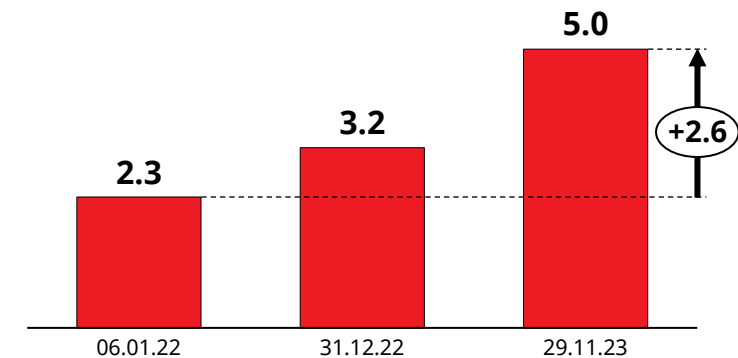


## TELCO OPERATIONS

- 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*)

## MARKET CAP DEVELOPMENT INDOSAT OOREDOO HUTCHISON

[Bn. USD]



Value Lift of Market Cap of  
Ooredoo Stake:

**>850Mn US\$**

Source: Factset, 30.11.2023

# TOWERS – THE LARGEST TOWER COMPANY IN MENA.

WE HAVE KEPT OUR PROMISE TO CRYSTALLIZE VALUE WITH OUR TOWER TRANSACTION SIGNED THIS WEEK WITH ZAIN GROUP & TASC



## CORNERSTONES OF OUR TRANSACTION


- We have crystallized value of our tower assets across **5 markets** with more than **18 Thsd Ooredoo towers** at a **value of US\$1.7bn** assigned to our assets
- **49.3% shareholding** in the largest tower platform in the MENA region
- **Cash equalization payments** to Ooredoo to adjust value imbalance as markets get closed.
- **Independent management team** to realize synergies, capture cost efficiencies and drive tenancy growth

... more in our deep dive later.








# DATACENTER – MARKET OPPORTUNITY MENA.

NASCENT MENA MARKET DRIVEN BY HYPERSCALER DEMAND GROWING BY A CAGR OF >20% UNTIL 2028 WHICH WILL SATISFY PENT-UP DEMAND IN THE REGION





**Hyperscaler Deployment**  



Hyperscale demand expected to almost quadruple, supported by significant major hyperscaler deployment announcements include Google in Qatar and Kuwait, as well as Oracle, Azure and AWS in Oman



**Government Led Initiatives**  



Multiplication of government-led initiatives, including a strengthening of data sovereignty regulations and digitalization laws, as well as digital and IT transformation programs are boosting data center demand



**Under-penetrated Markets**  


On a per pop basis, Colocation demand in MENA is lower than developed market, but are expected to catch up by 2030

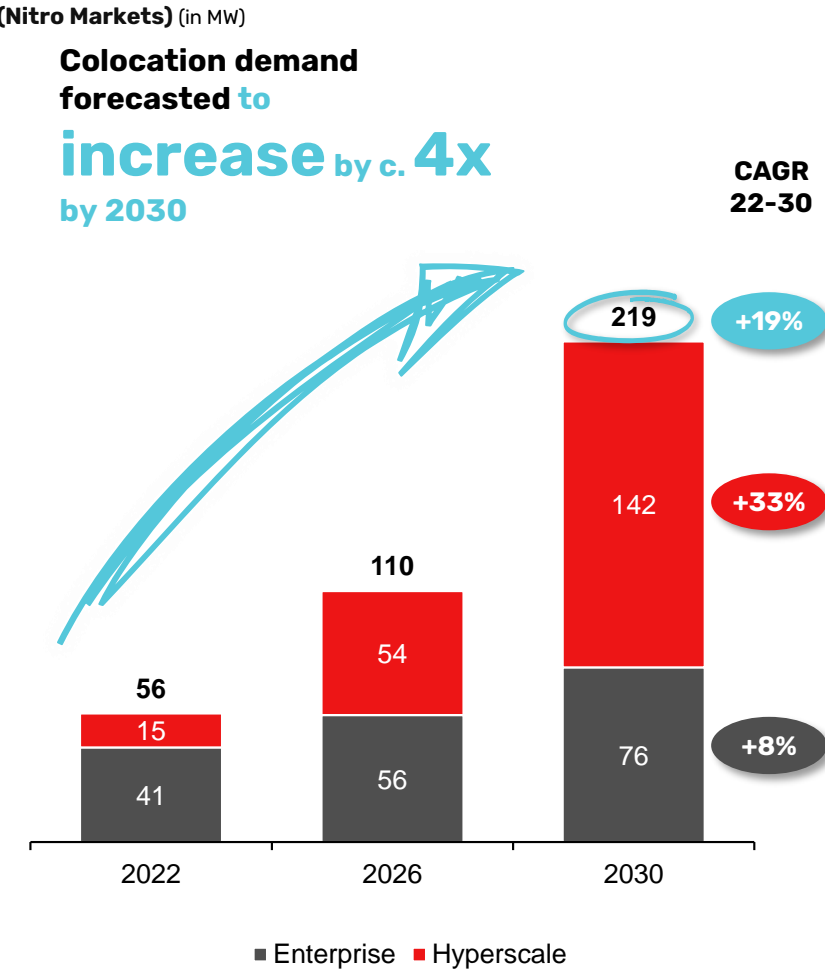
Country	US	AU	UK	JPN	QA	OM	KWT	TN	IRQ
MW/pop m, 2022	29.9	25.5	21.0	12.2	10.5	1.8	1.4	0.6	0.1

**Low Energy Prices**  


Average electricity rates in MENA markets are generally lower compared to benchmarks from more developed countries and the World average

Country	Germany	UK	Holland	Oman	USA	Tunisia	Kuwait	Iraq	Qatar
prices in \$/kWh	0.449	0.405	0.381	0.166	0.136	0.101	0.049	0.041	0.036

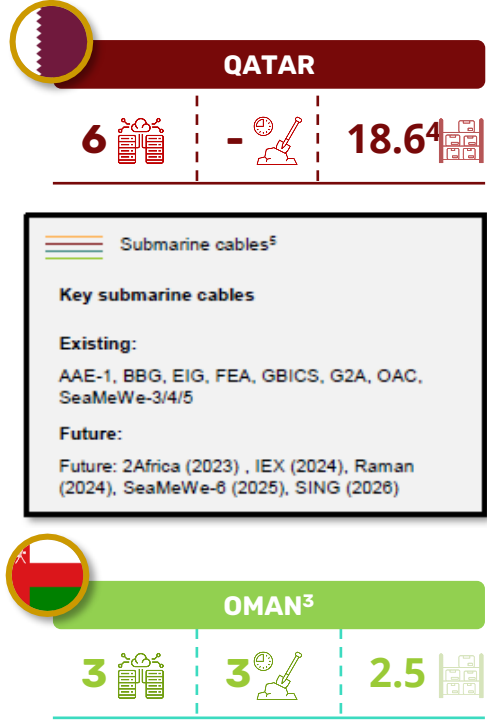
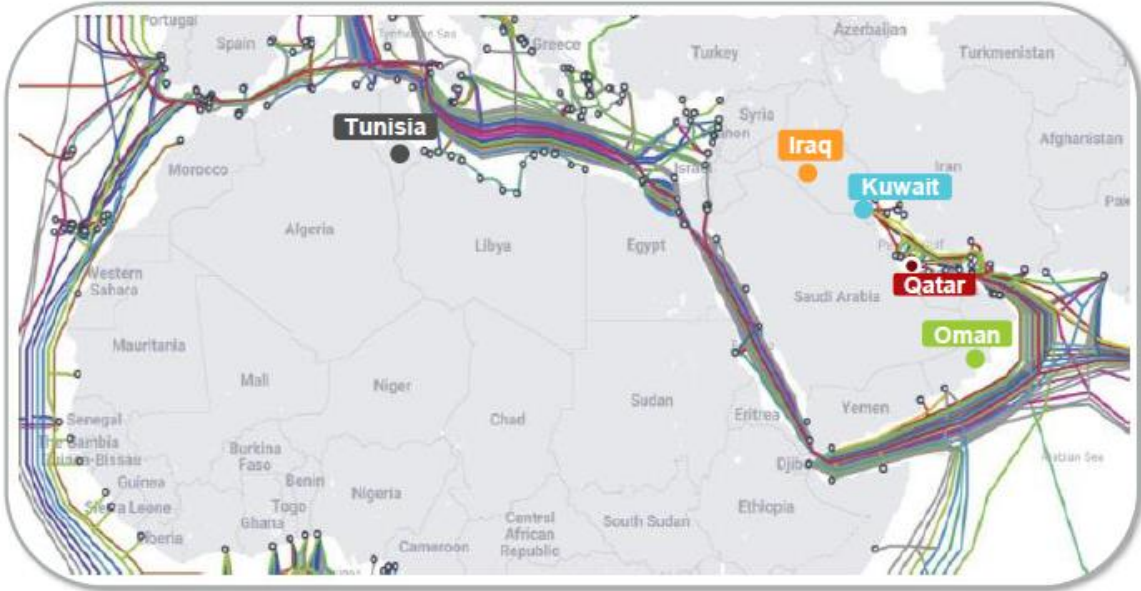
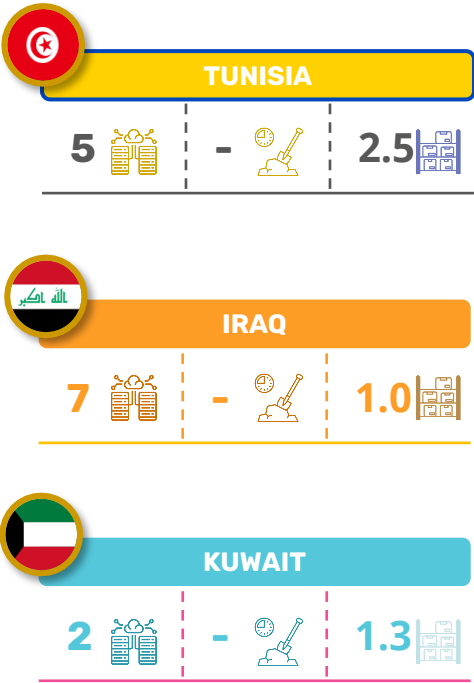
## ENTERPRISE & HYPERSCALE COLOCATION DEMAND



Sources: Altman Solon, Globalpetrolprices, countries' visions and strategies, press, company information

# DATACENTER – OOREDOO ASSETS.

BULK OF OOREDOO ASSETS IN QATAR BUT WITH LARGE OPPORTUNITIES ALSO SURFACING IN OTHER MARKETS. CONNECTIVITY CAPABILITIES SUPPORT ABILITY TO EXECUTE



# 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]



### VALUE FOCUSED PORTFOLIO

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



### DATACENTERS

- Carve out datacenters as stand-alone BU for 3rd party use
- More efficient capital structure & efficiency focus
- 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 from Datacenter opportunity at a later stage

**Ooredoo Group  
Datacenter  
MW growth**

**~4x**

**Investment  
Aspiration**

**>\$1bn.**

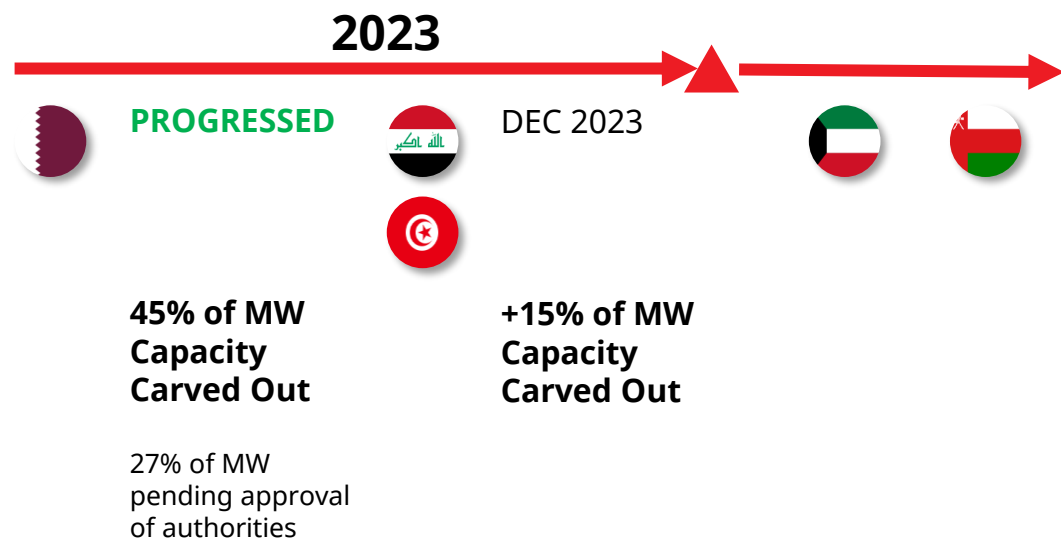
**Regional Platform  
Established As  
Standalone BU**

**2023**

# DATACENTER – STATUS OF CARVE OUT & STRATEGIC INVESTOR.

WE HAVE BIDS RECEIVED FOR OUR DATACENTER ASSETS AND INTEND TO ANNOUNCE OUR STRATEGIC PARTNER BY Q1-2024 OR EARLIER

## CARVE OUT PROGRESS



- Respective Carve Out Structures Have Been Prepared
- Local Regulatory Engagements Are In Progress
- Core assets in Qatar have been moved already to new SPV

## STRATEGIC INVESTOR PROGRESS



**Bids Received** From Multiple Parties

**Strategic Partners Shortlisted** & Selection Process for Strategic Investor Near Conclusion

**Investment Hypothesis** of Ooredoo **Confirmed** by Value of Bids

**Finalization of Negotiations** with Shortlisted Bidders Ongoing, Expected to Close Q1-2024

## MARKET DEMAND MATERIALIZATION



**Strong demand** indications for datacenter/ colocation space from Hyperscalers and others

# INTERNATIONAL CONNECTIVITY – NEW OPPORTUNITY (I/II)

Seacable



WE ARE LOOKING AT OPPORTUNITIES IN INTERNATIONAL CONNECTIVITY FOR INVESTMENTS & A FOCUSED SET-UP IN OOREDOO

## OOREDOO's INTERNATIONAL CONNECTIVITY STRATEGY



### VALUE FOCUSED PORTFOLIO

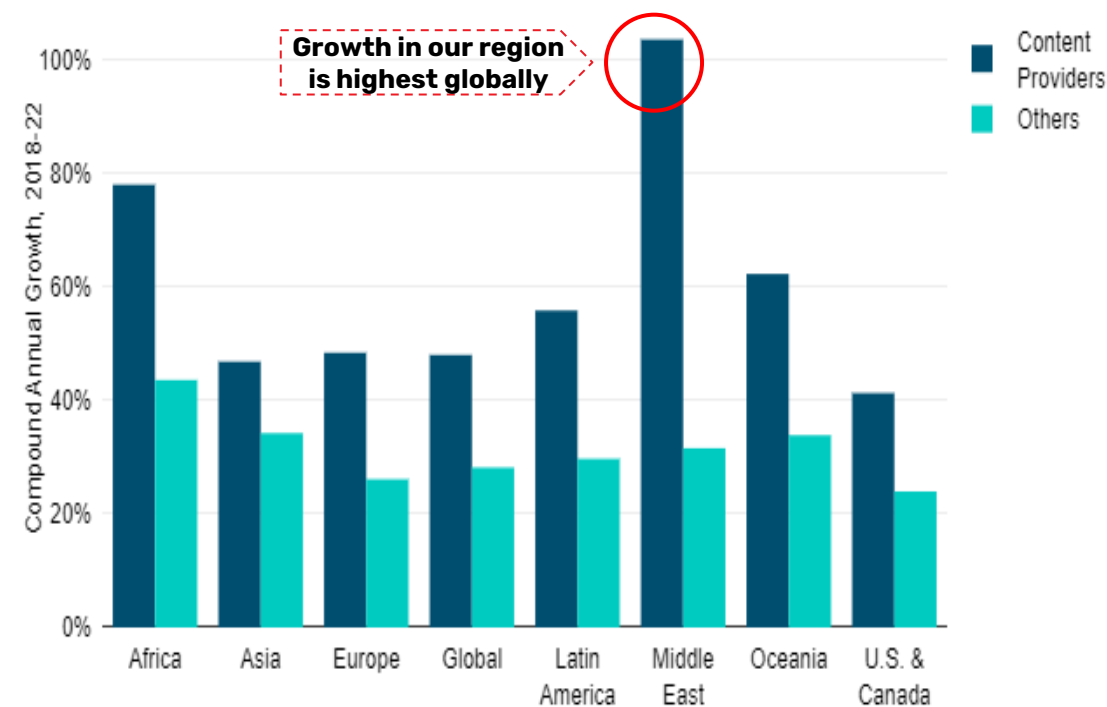
- Value crystallisation of hidden portfolio assets, as well as
- strengthening existing assets to drive higher capital returns for Ooredoo



### INTERNATIONAL CONNECTIVITY

- Assess investment into international connectivity for the Gulf region in partnership with hyperscalers
- Carve out related Ooredoo assets into a focused entity that builds international connectivity capacity along
  - emerging demand of Ooredoo and
  - 3rd parties in the Gulf Region
- Establish efficient capital structure & efficiency focus

## BANDWIDTH GROWTH IN THE REGION



Source: TeleGeography

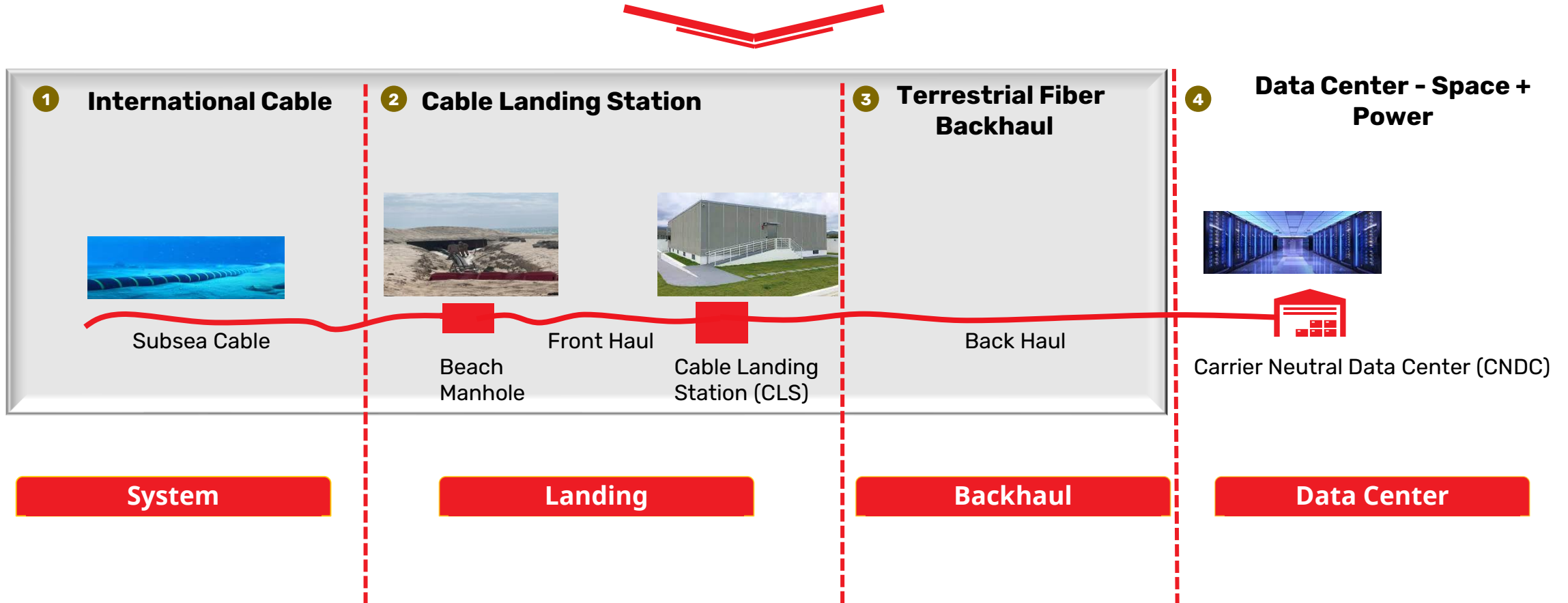
# INTERNATIONAL CONNECTIVITY – NEW OPPORTUNITY (II/II).

Seacable



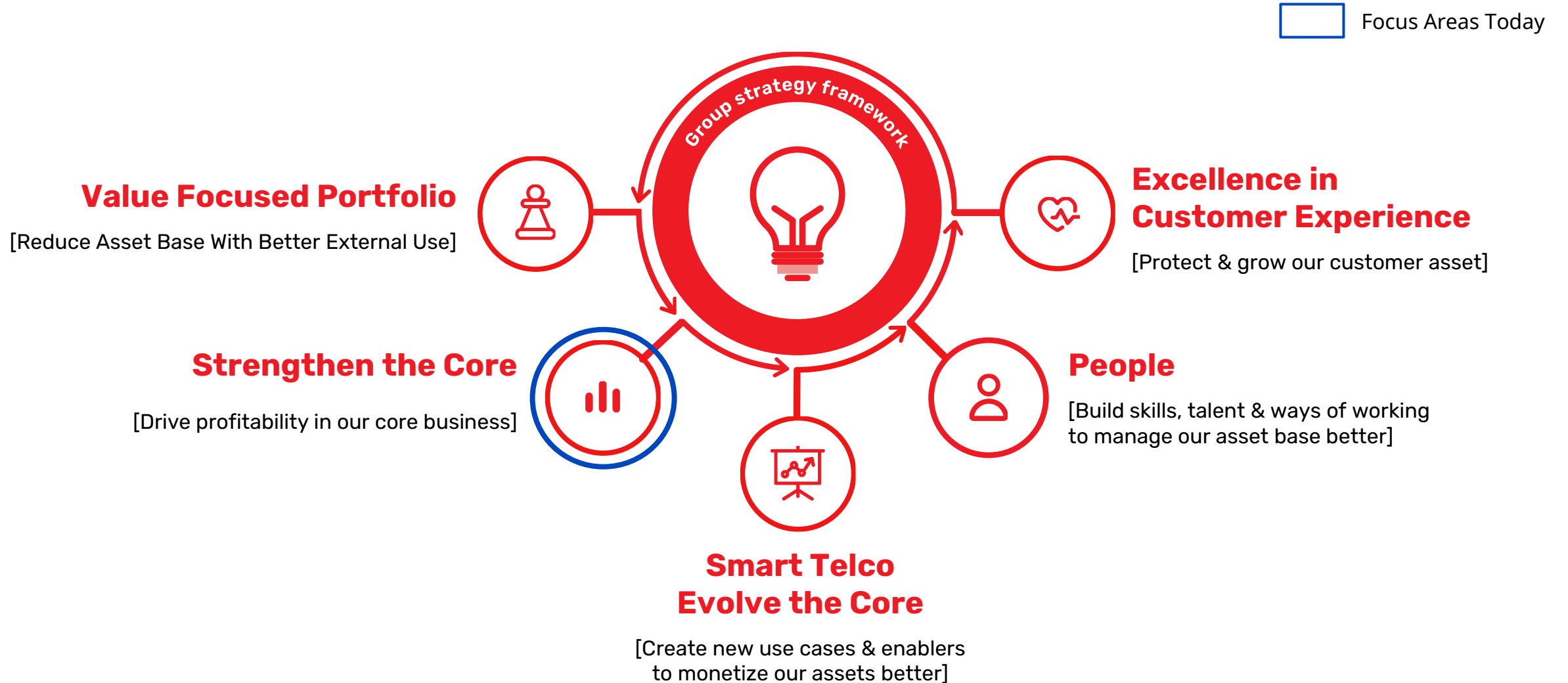
A FOCUS ON INTERNATIONAL CONNECTIVITY IS COMPLEMENTARY TO OUR DATACENTER ACTIVITIES AND BENEFITS FROM SIMILAR CUSTOMER RELATIONSHIPS

**Relevant Hyperscalers are talking to us actively across all of these elements in combination**



# OUR STRATEGY TO MOVE TO SMART TELCO: 2022-2024









































WE HAVE PROGRESSED OUR STRATEGIC PILLAR “VALUE FOCUSED PORTFOLIO” WITH SEVERAL STRUCTURAL MOVES



# OOREDOO's CORE - MARKET POSITIONS

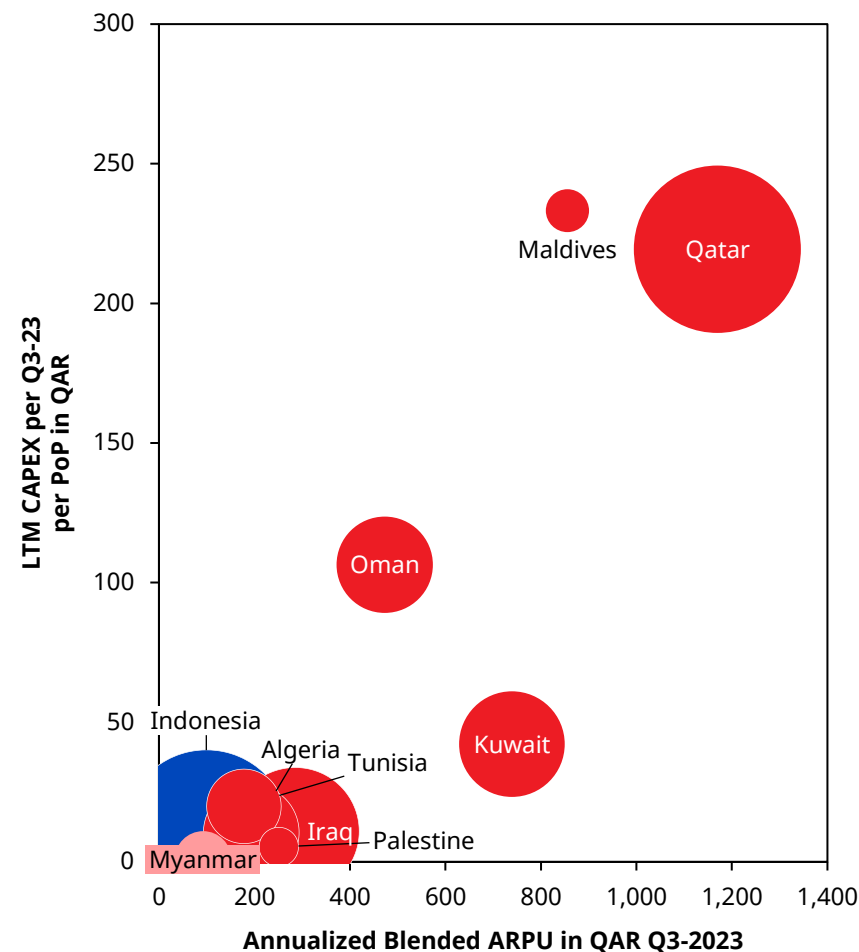
WE ARE STRONGLY POSITIONED ACROSS A BALANCED PORTFOLIO OF DIVERSE MARKETS WITH MOST OF OUR MARKETS BEING #1 or #2



Country	Market Position	Business Model				TOTAL CUSTOMERS Q3-2023 [Thsd]
			Mobile	Fixed Wireless	Wireline Broadband	
 Qatar	1 of 2 players	  				2,931
 Iraq	1 of 3 players	  				17,133
 Tunisia	2 of 3 players	  				7,303
 Oman	2 of 3 players`	  				3,070
 Palestine	2 of 2+ players	  				1,434
 Maldives	2 of 2 players`	  				391
 Indonesia	2 of 5 players`	  				99,400
 Kuwait	3 of 3 players`	  				2,884
 Algeria	2 of 3 players	  				13,198
 Myanmar	4 of 4 players`	  				8,369

CAPEX Intensity of Markets

 Represents Revenue Size Q3-2023 YTD in QAR



Sources: CAPEX Indonesia based on 2023FC, Qatar plotting based on combined Fixed & Mobile ARPU and full Qatar CAPEX



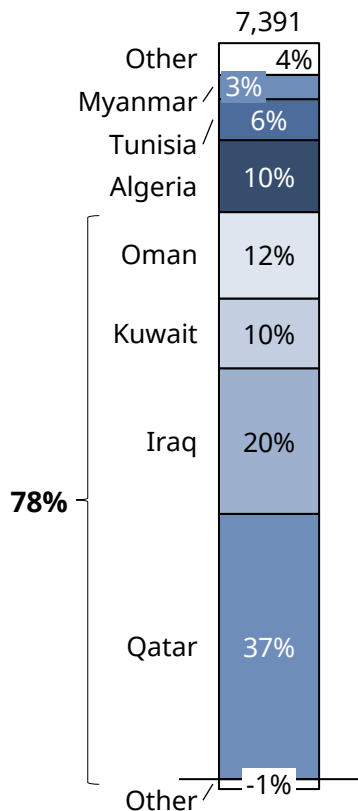
# OOREDOO's CORE - PORTFOLIO QUALITY



THE PERCEPTION OF OUR PORTFOLIO APPEARS BIASED AS "HIGH RISK" DESPITE THE MAJORITY OF OUR PROFITABILITY BEING DERIVED FROM OUR OPERATIONS IN STABLE GCC COUNTRIES

## GROUP EBITDA

[QAR mn, Q3/2023 - YTD]



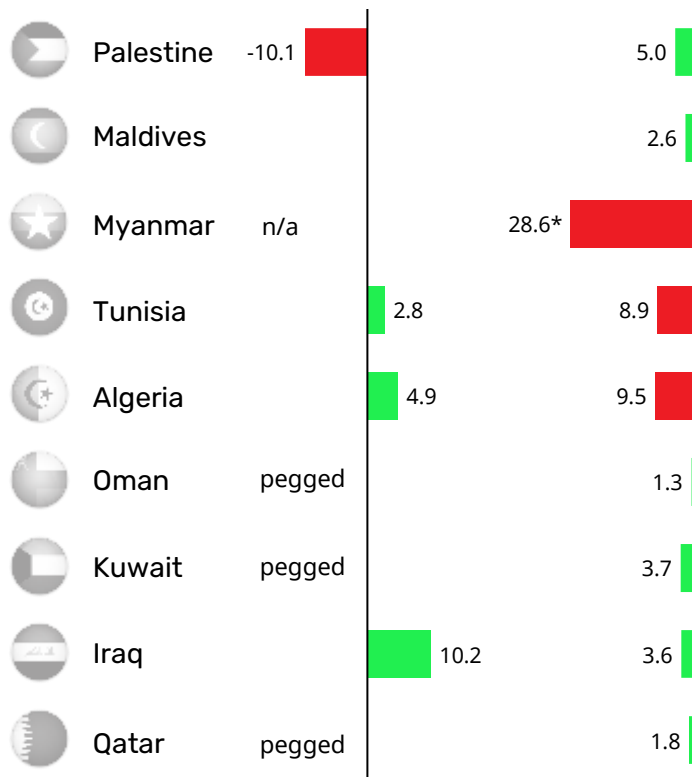
## PORTFOLIO RISK COUNTRIES

### CURRENCY DEVALUATION

YoY Change Vs USD (Q3-23) in %

### INFLATION RATE

YoY Change in %, Sept 23



## STRUCTURAL HEALTH OF MARKET

### GROWTH POTENTIAL

CAGR % [23FC-26E] Connectivity, LC

### PRICING AGGRESSIVENESS

Price Change per GB [23 vs 22] Price per GB in US\$ [23]



## COMPETITIVE PERFORMANCE

### NETWORK STRENGTH

Consistency Quality Advantage\*\* Core Excellent

### PROFITABILITY CHANGE %

EBITDA (QAR) LIFT in % LTM Q3-23 vs. FY20



\* Last available: June 2023, \*\* % GAP to reference competitor in respective market - Tutela score to Tutela score, score shows Q3-23 with Palestine anomaly

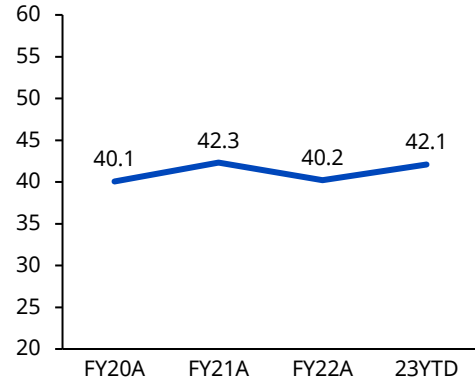


# OOREDOO's CORE vs PEERS - ORGANIC PROFITABILITY

OOREDOO HAS A SOLID MARGIN LEVEL & TRAJECTORY COMPARED TO ITS PEERS. DESPITE HAVING A RATHER LOW MULTIPLE

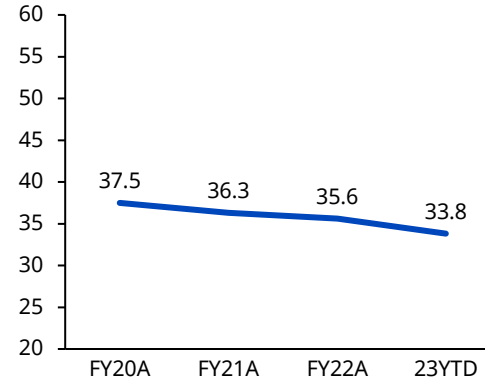
## OOREDOO GROUP

[US\$ mn] — EBITDA%  
Incl. IOH as affiliate & normalized



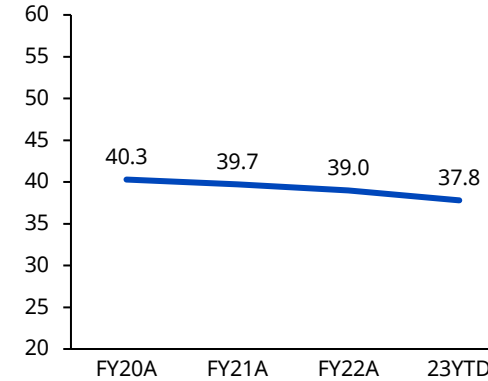
## stc GROUP

[US\$ bn] — EBITDA%



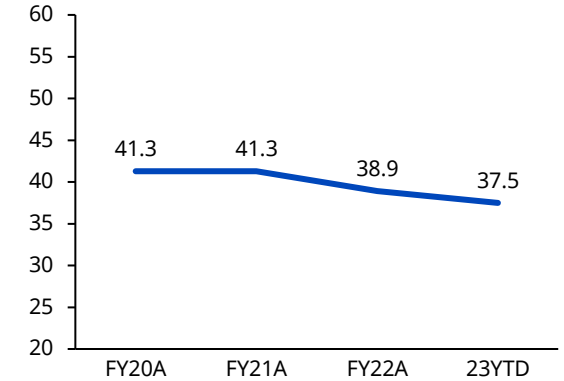
## E& GROUP

[US\$ mn] — EBITDA%



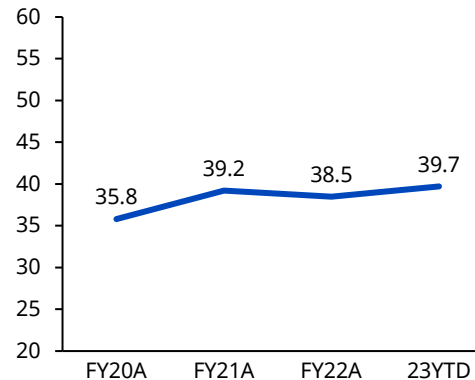
## ZAIN GROUP

[US\$ bn] — EBITDA%



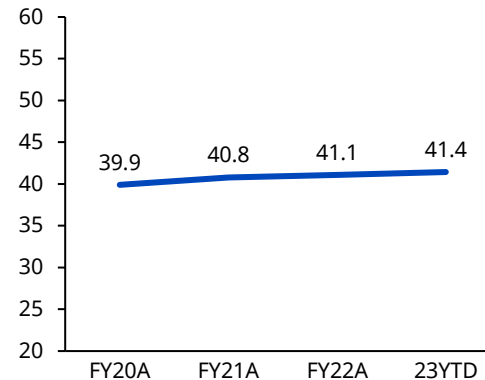
## VODAFONE QATAR

[US\$ mn] — EBITDA%



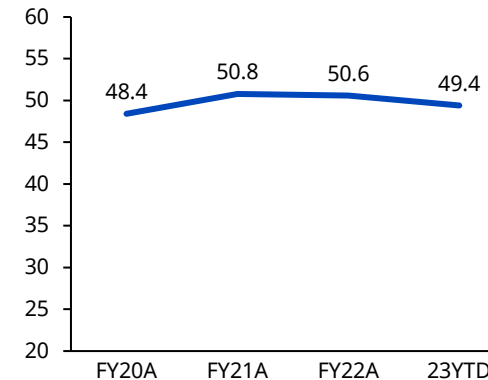
## BEYON/BATELCO

[US\$ bn] — EBITDA%



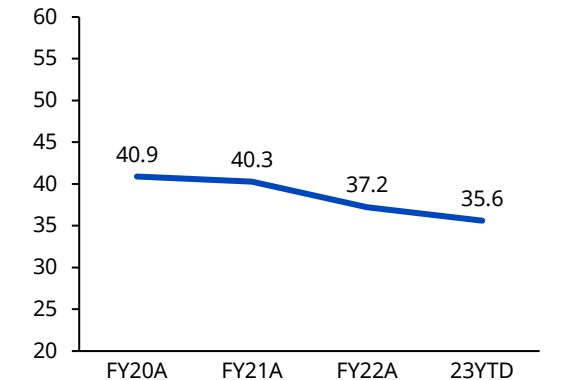
## MTN GROUP

[US\$ mn] — EBITDA%



## OMANTEL GROUP

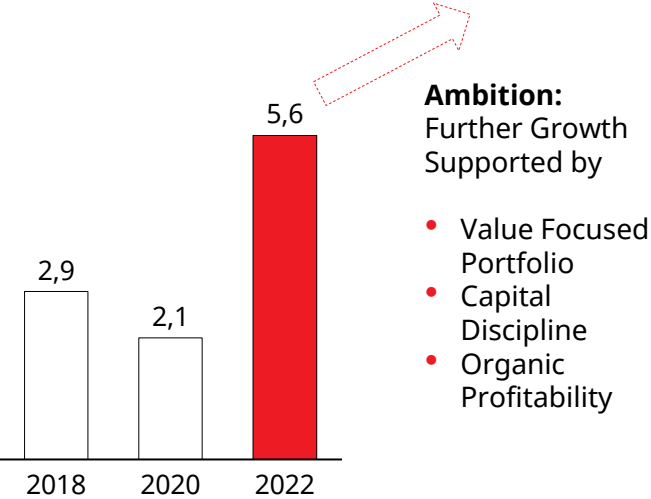
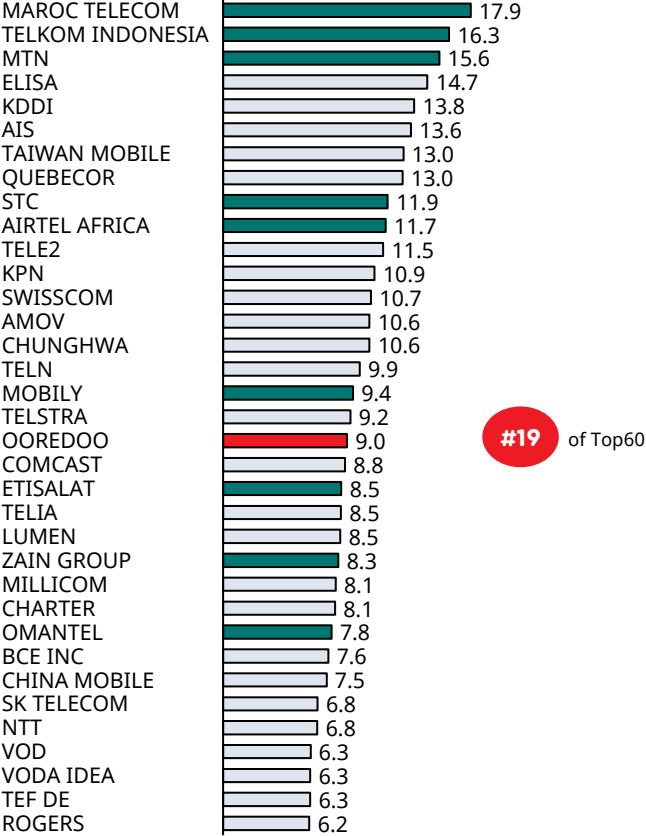
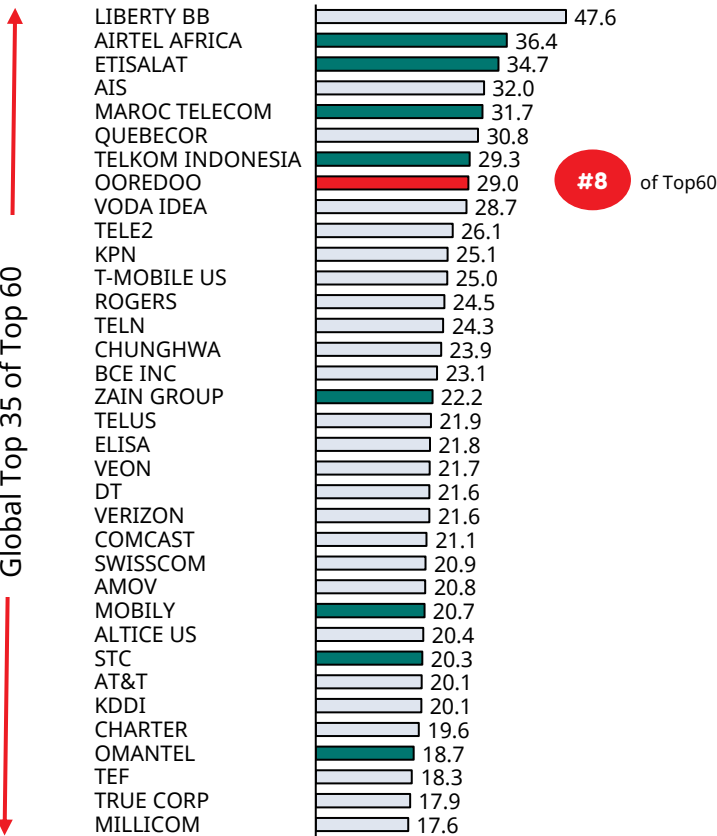
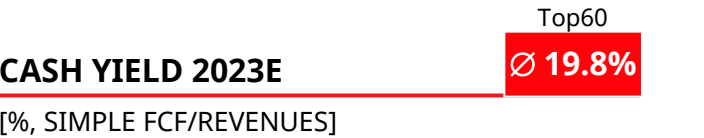
[US\$ bn] — EBITDA%





# OOREDOO's CORE - OPERATIONAL CASH GENERATION CAPACITY

OUR PORTFOLIO HAS A LEADING CASH GENERATION CAPACITY. WITH OUR STRUCTURAL PORTFOLIO MOVES WE EXPECT TO GROW ROIC FURTHER TO SUSTAIN VALUE CREATION FOR SHAREHOLDERS



Source: Factset

# AGENDA

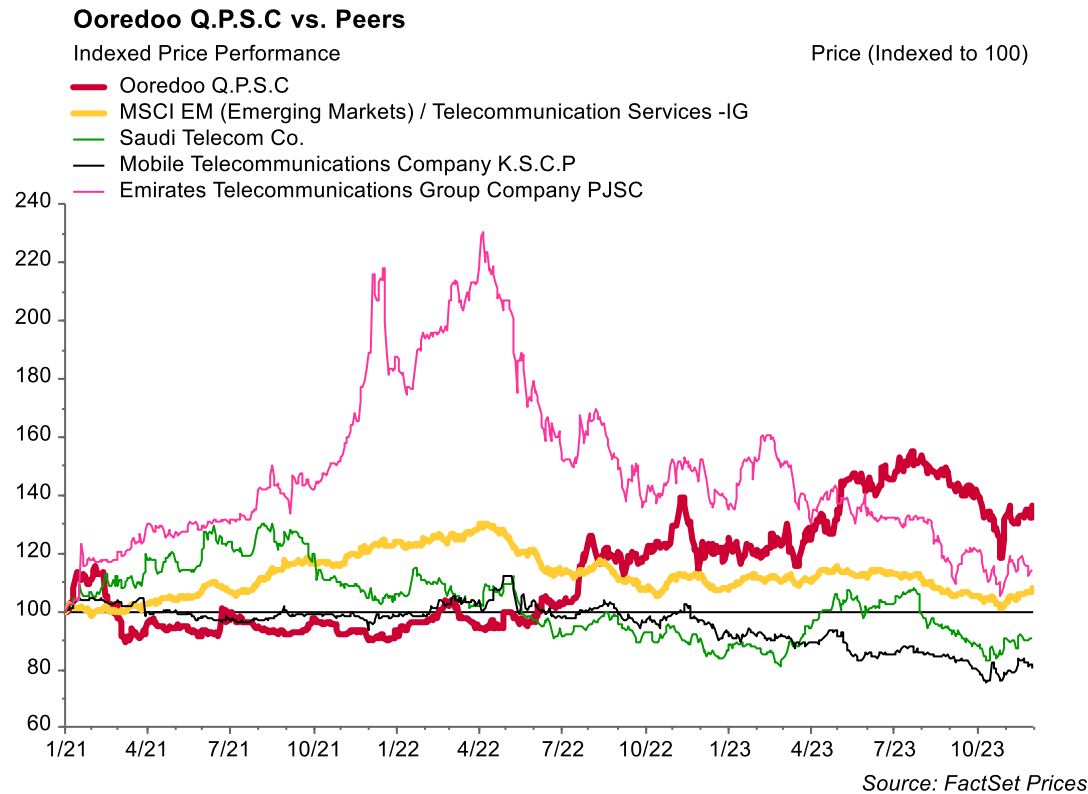
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# POINT OF DEPARTURE - SHARE PRICE EVOLUTION [Indexed].

DESPITE A DIFFICULT EXTERNAL ENVIRONMENT, WE HAVE SEEN A SUBSTANTIAL SHARE PRICE LIFT SINCE MAY 2022 AGAINST RELEVANT INDICES OUTPERFORMING REGIONAL PEERS.

## SHARE PRICE DEVELOPMENT SINCE START OF TRANSFORMATION

[Indexed to 100% at 01.01.2021 – 30.11.2023]

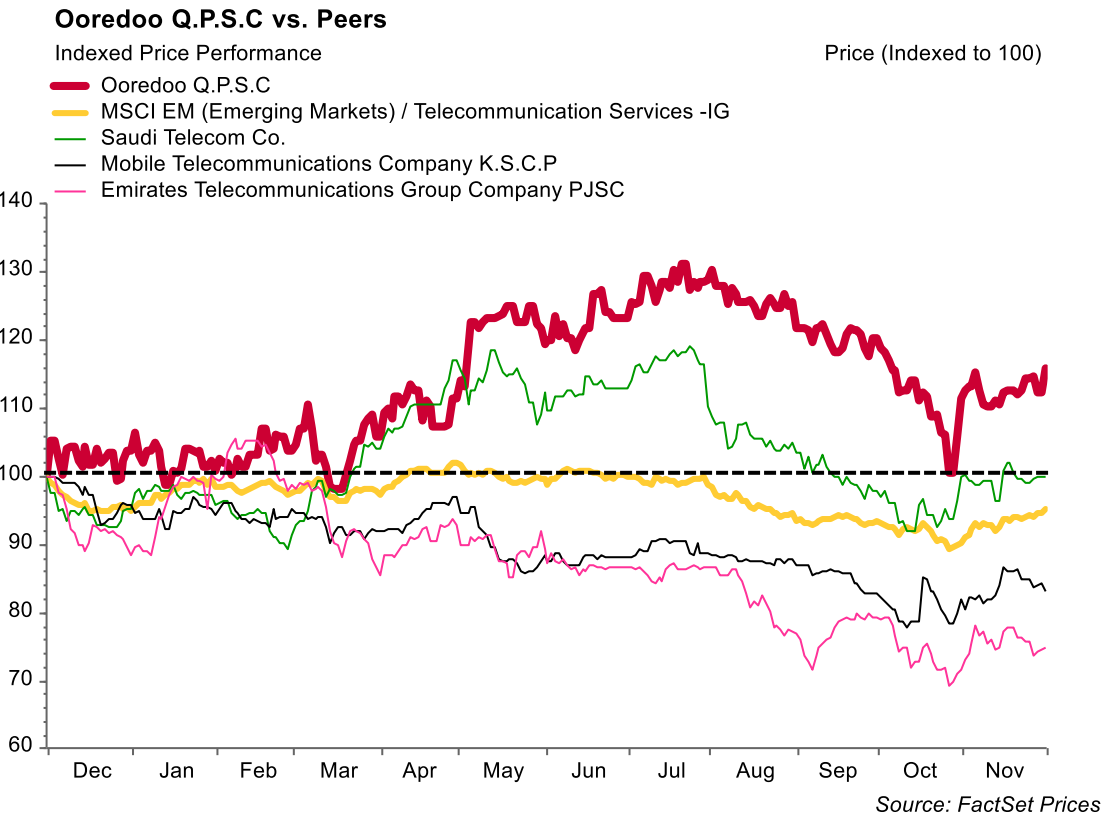


Market Cap [Bn. USD]

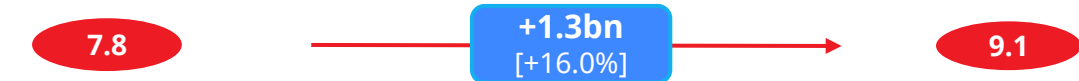


## SHARE PRICE DEVELOPMENT 1 YEAR

[Indexed to 100% at 30.11.2022 – 30.11.2023]

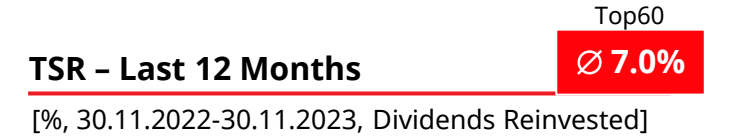
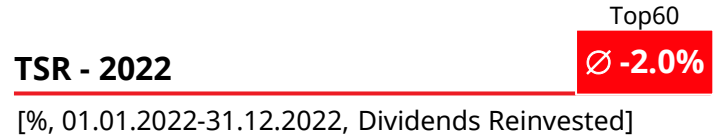
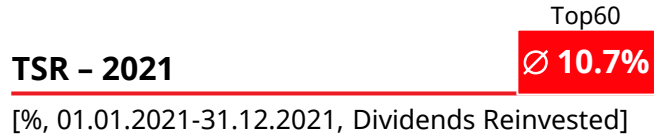


Market Cap [Bn. USD]



# TSR OUTPERFORMANCE

THE STRONG SHARE PRICE PERFORMANCE HAS MADE OOREDOO IN 2022 THE #1 PERFORMER IN TSR AMONG THE LARGEST 60 TELCOS. RECENTLY PRESSURE DUE TO PALESTINE CONFLICT

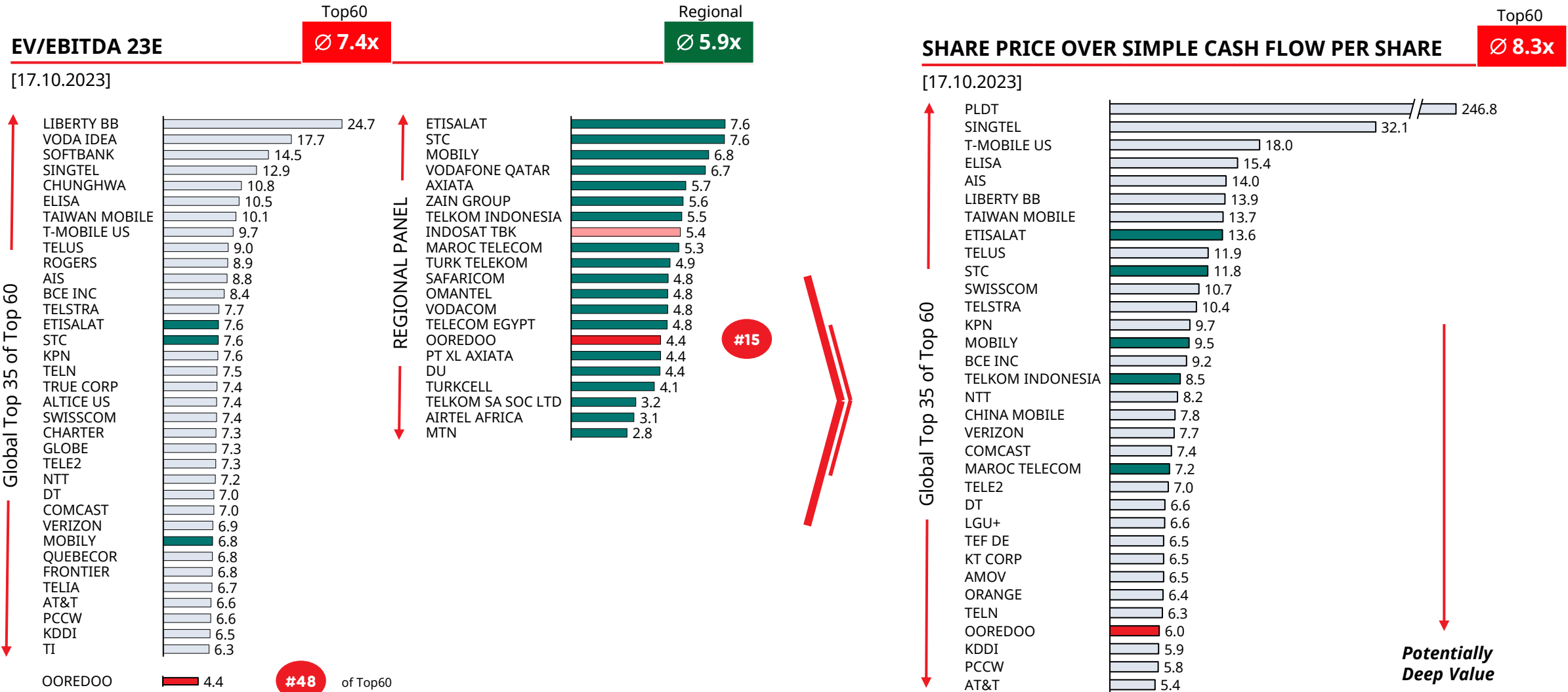


Source: Factset, Note: TSR average for Top60 weighted by market cap of respective player



# VALUATION - A PENDING OPPORTUNITY

OOREDOO PRESENTS A DEEP VALUE OPPORTUNITY WITH RELATIVELY LOW MULTIPLES, UNDERSCORED BY OUR ROBUST CASH GENERATION CAPABILITIES



Source: Factset, Note: EV/EBITDA23E average for Top60 weighted by enterprise value of respective player, Simple Cash Flow : EBITDA - CAPEX

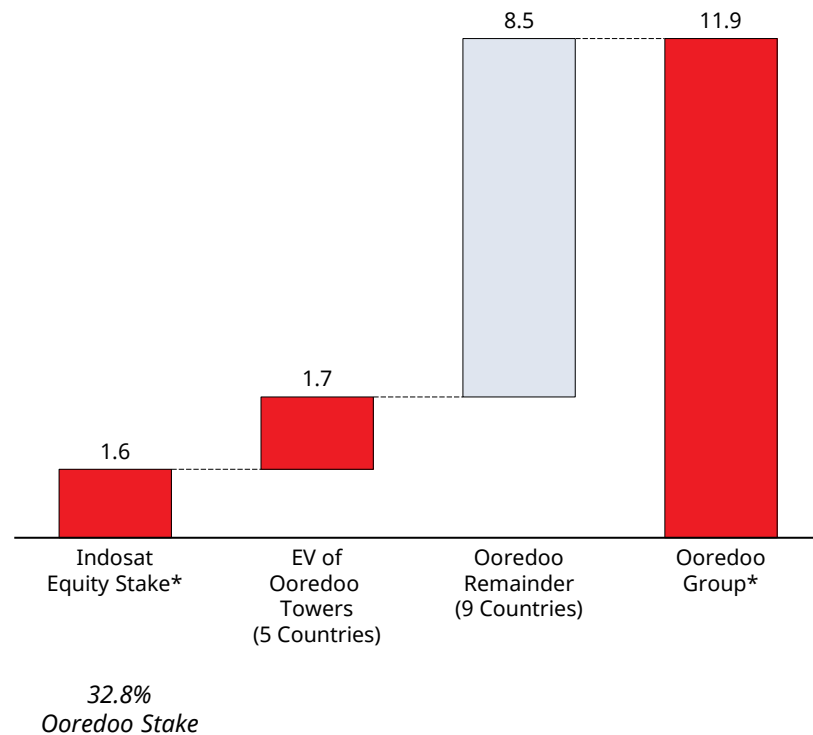


# VALUE FOCUSED PORTFOLIO – DEEP VALUE.

DEEP VALUE ON MULTIPLES, CASH GENERATION CAPABILITY COMBINED WITH THE IMPACT FROM OUR STRUCTURAL MOVES – WE REPRESENT AN ATTRACTIVE INVEST OPPORTUNITY

## SOTP – ENTERPRISE VALUE OF OOREDOO TODAY

Based on 30.11.2023 – Source: Factset, Own Estimates, US\$ bn.

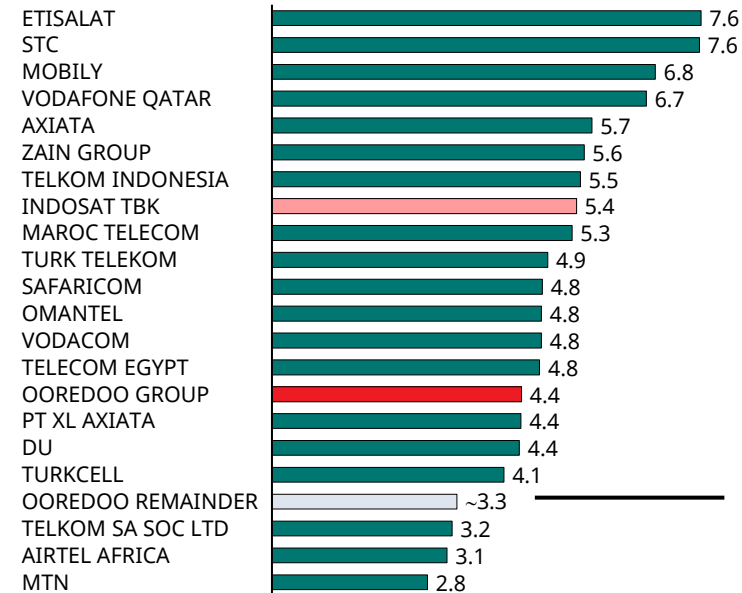


## EV/EBITDA 23E

Based on 30.11.2023 – Source: Factset & Ooredoo Estimates

Regional

Ø 5.9x



**78% OF EBITDA OF OOREDOO GROUP  
FROM VERY STABLE GCC COUNTRIES**

**UPGRADE YOUR PORTFOLIO ... WITH OOREDOO !!!**



# THANK YOU

Upgrade your world.  
Upgrade your portfolio.

ooredoo<sup>®</sup>