



# Ooredoo Group

9M 2019 Results

October 2019



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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

Solid financial performance in challenging conditions, during the first 9M of the year



Group **Revenue** QAR 22.0 billion, a decline of 3% yoy (pre FX -1%), impacted by:

- fewer handset sales
- macroeconomic & currency weakness in some of our markets

**Strong Q3 2019** with some Revenue growth (+1% yoy) contributing to a strong EBITDA improvement (+6% yoy)



**EBITDA** up by 4% yoy (pre FX +5%) to QAR 9.7 billion, EBITDA margin of 44%, driven by:

- positive IFRS 16 impact
- group-wide efficiency program



Group **Net Profit** attributable to Ooredoo shareholders up 16% yoy to QAR 1.3 billion

- more favorable FX environment
- offset by a negative IFRS16 impact on NP



**Network expansion** continued to be a key driver of growth

- Indosat Ooredoo, Ooredoo Tunisia and Ooredoo Myanmar implemented further 4G rollout
- in Algeria 4G network has the highest population coverage in the country

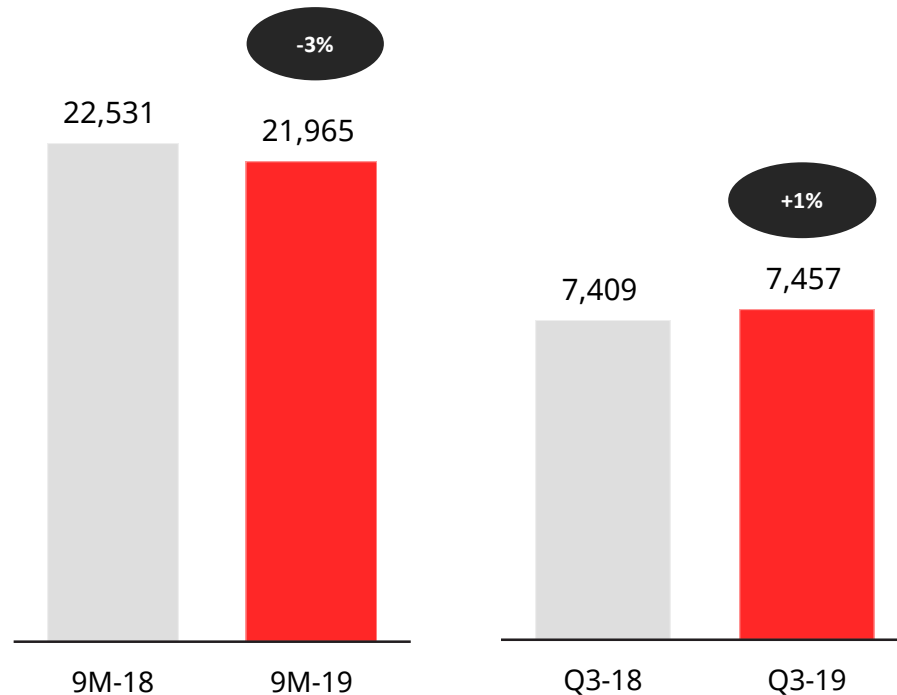


Ooredoo Group leads in **5G adoption** with live commercial 5G networks in Qatar and Kuwait and successful 5G testing in Oman

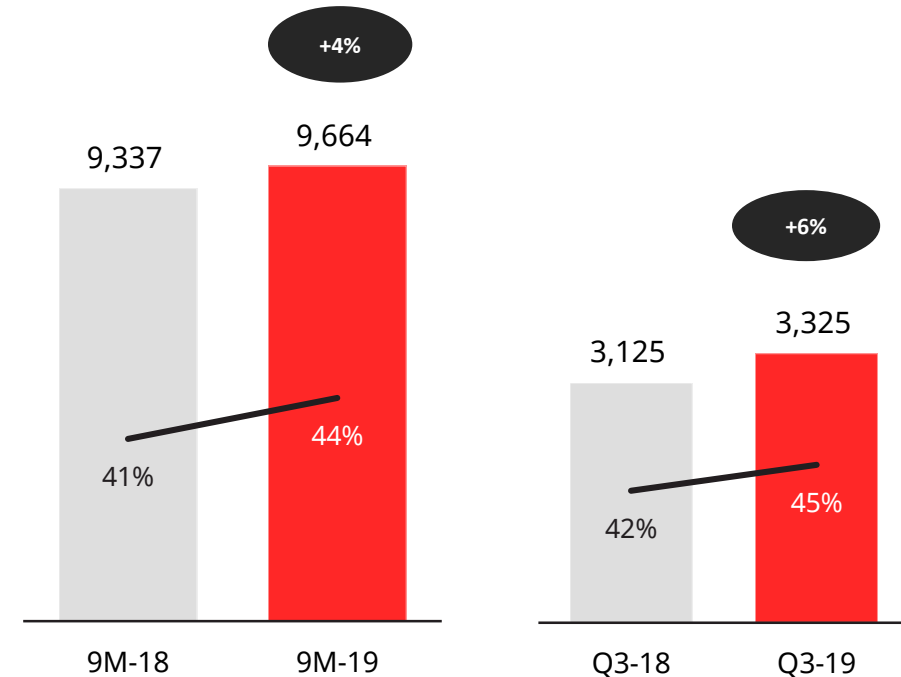
# Group Results

## Revenue and EBITDA

### Revenue (QARm)

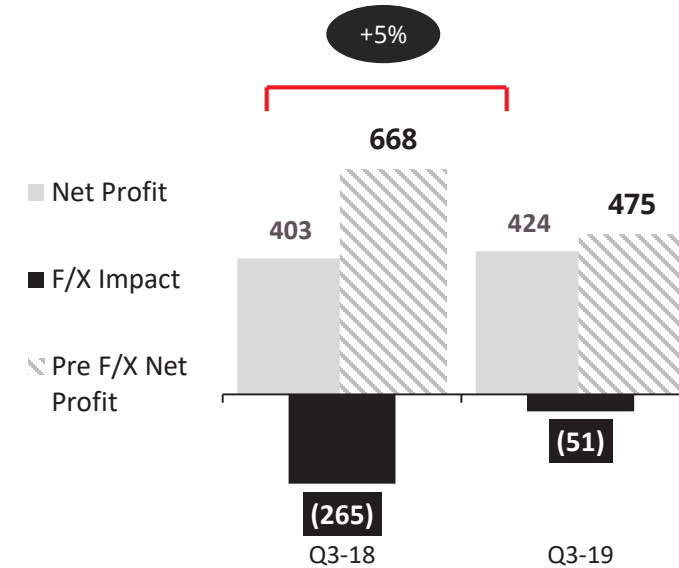
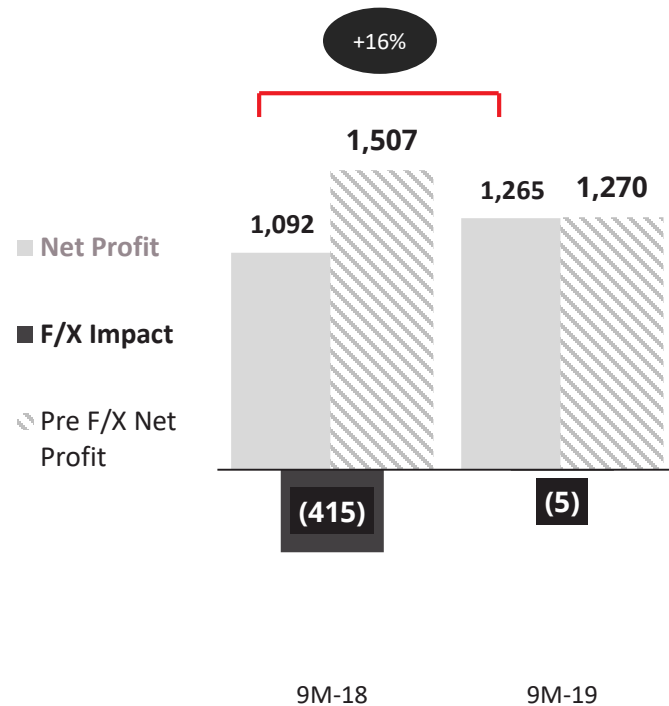


### EBITDA (QARm) and EBITDA Margin



- Positive overall growth in Q3 achieved, 9M Revenue growth in L/C terms in Tunisia, Indonesia and Maldives offset by lower handset sales in Qatar and Kuwait, weaker performances in Algeria and Myanmar
- EBITDA growth in most markets, due to a favorable IFRS 16 impact, product mix and cost saving initiatives
- **excluding FX impact: Revenue -1% and EBITDA +5% yoy**

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

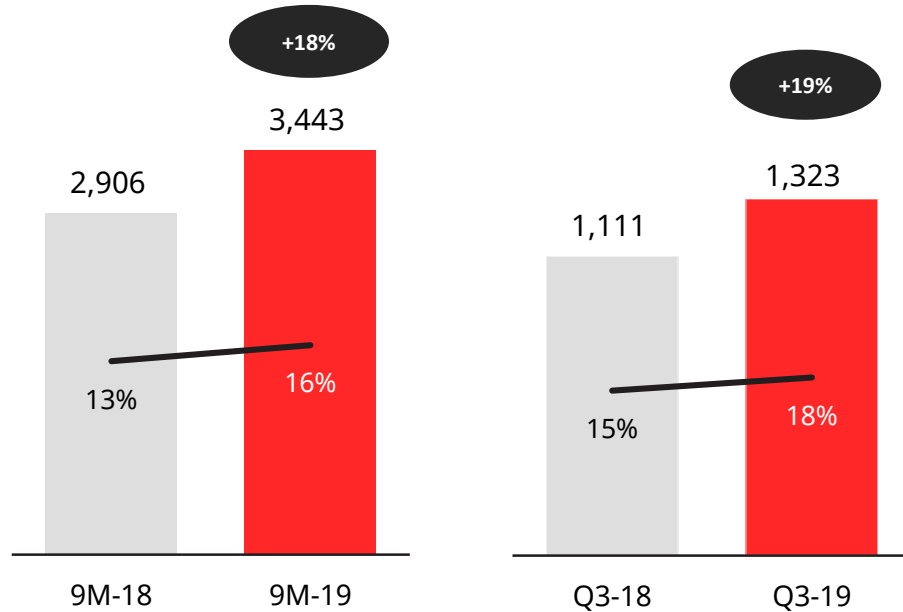


- Net Profit increased by 16% yoy due to a more favorable FX environment offset by negative IFRS16 impact on NP
- Pre FX Net Profit in 2018 included one off benefits from share of associates and one off ancillary services. Excluding these one offs 2019 pre FX Net profit would be around 50% higher than 2018

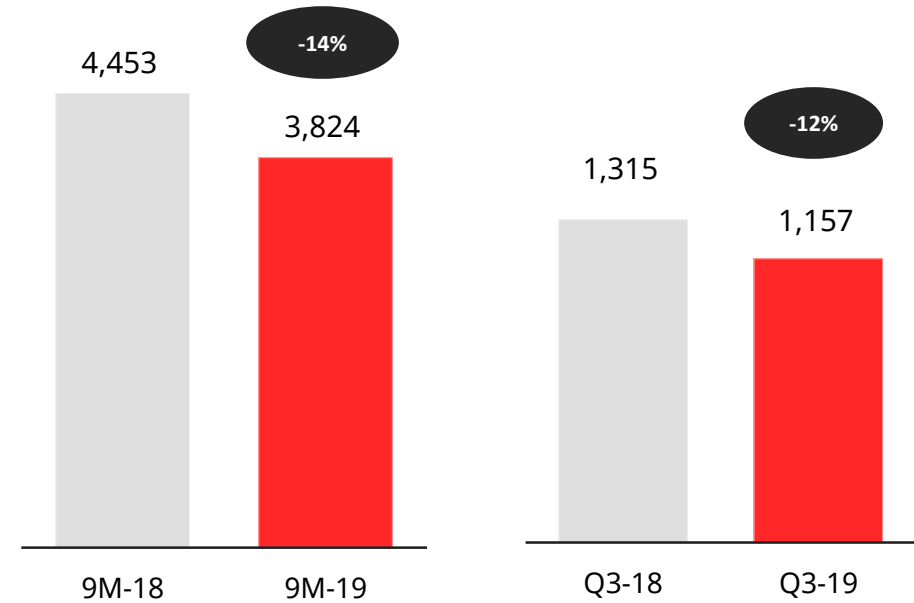
# Group Results

## Free Cash Flow and Capital Expenditure

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



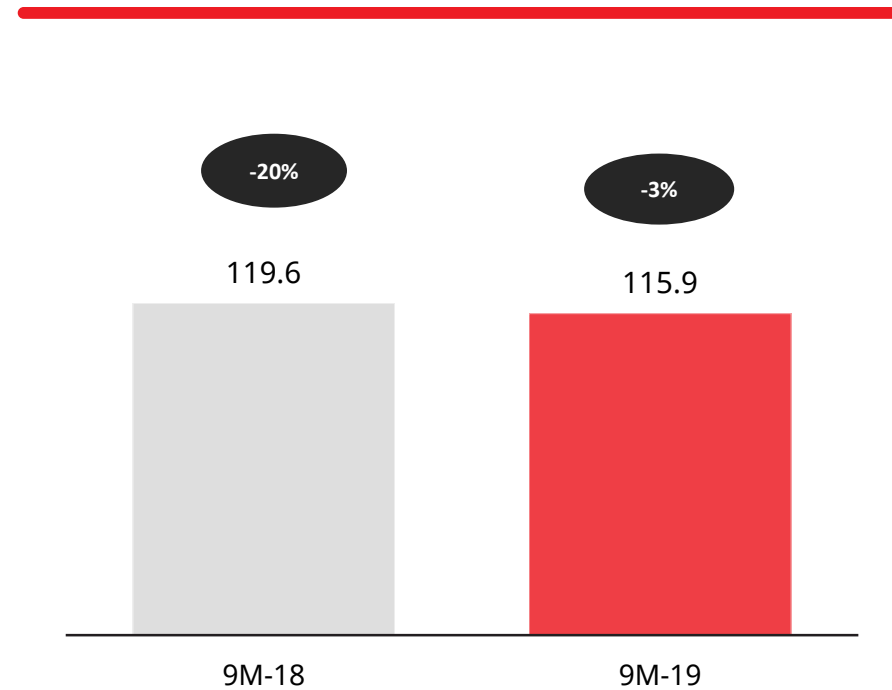
### Free Cash Flow (QARm)



- Capex investment on track and inline annual guidance, further network investment mainly in Indonesia in order to improve 4G coverage

Note: Free Cash Flow = (Net Profit+ Depreciation+ Amortization+ ROU IFRS16 amortization + interest - Capex- lease payments under IFRS-16). Capex includes investment in tangible and intangible assets (excluding spectrum, license plus leased assets capitalized under IFRS-16)

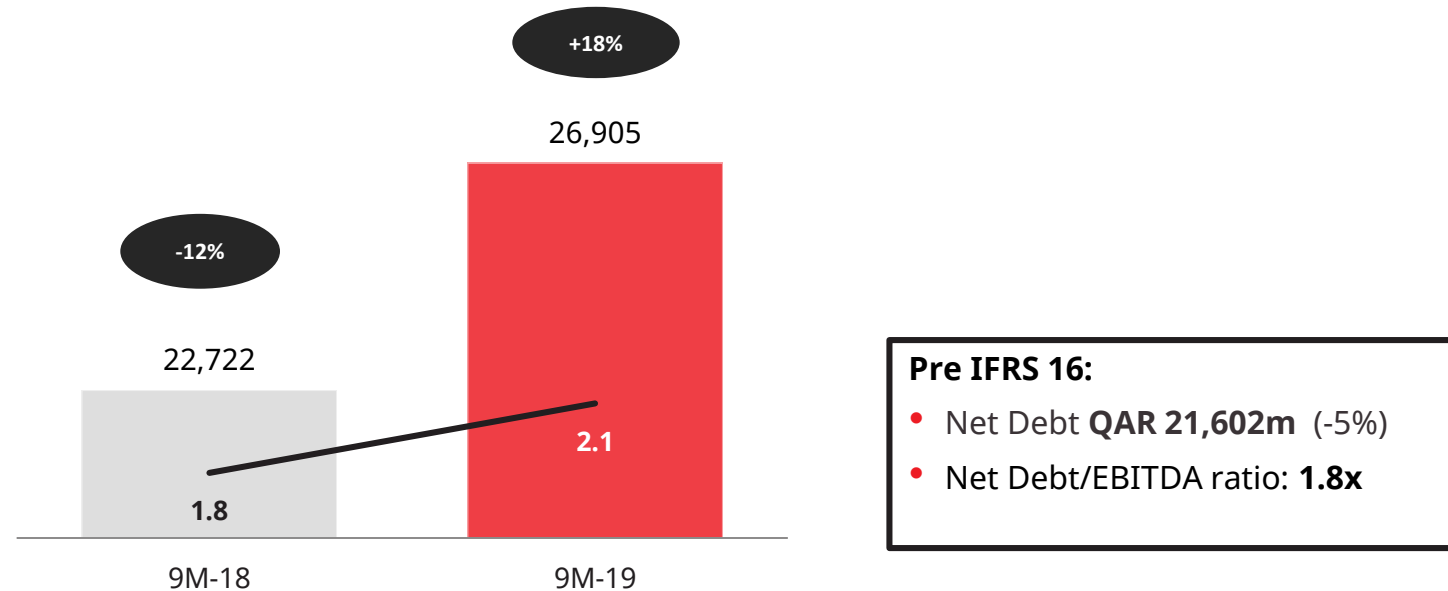
### Total Customers (millions)



- Customer number slightly reduced, lower customer base has higher quality customers with lower likelihood of churn
- Indosat Ooredoo continued sequential positive trend by adding 2m customers in Q3



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



- Positive trend of Group Net Debt reduction (Pre IFRS-16) continued; Net Debt to EBITDA ratio 1.8x (pre IFRS 16)
- Lower end of the board guidance between 1.5 and 2.5x (pre IFRS 16)
- **Bank covenant threshold for Net Debt/EBITDA increased to 4.5x** from 4.0x post IFRS 16 impact at Ooredoo QPSC

# Group Results

## 2019 Q3 performance summary

Group Financials (QAR bn)	9M 2019 Actual	% Change 9M 2019 / 2018 excl. IFRS 16 impact	2019 Full Year Guidance over 2018 Excl. IFRS 16 impact
Revenue	22.0	-3%	-3% to 0%
EBITDA	8.9*	-5%*	-7% to -4%
CAPEX	3.4	18%	5.5bn to 6.5bn

- Strong Q3 performance brings revenue back inline with guidance for 2019
- Reported EBITDA incl. IFRS16 impact was up by 4%
- EBITDA in 2018 has been positively impacted by one off benefits from share of associates, excluding this one off EBITDA margin increased by 1%
- CAPEX higher yoy mainly due to Indosat Ooredoo and Asiacell network investments

\*EBITDA incl. IFRS 16 impact stood at QAR 9.7b (+4%) yoy

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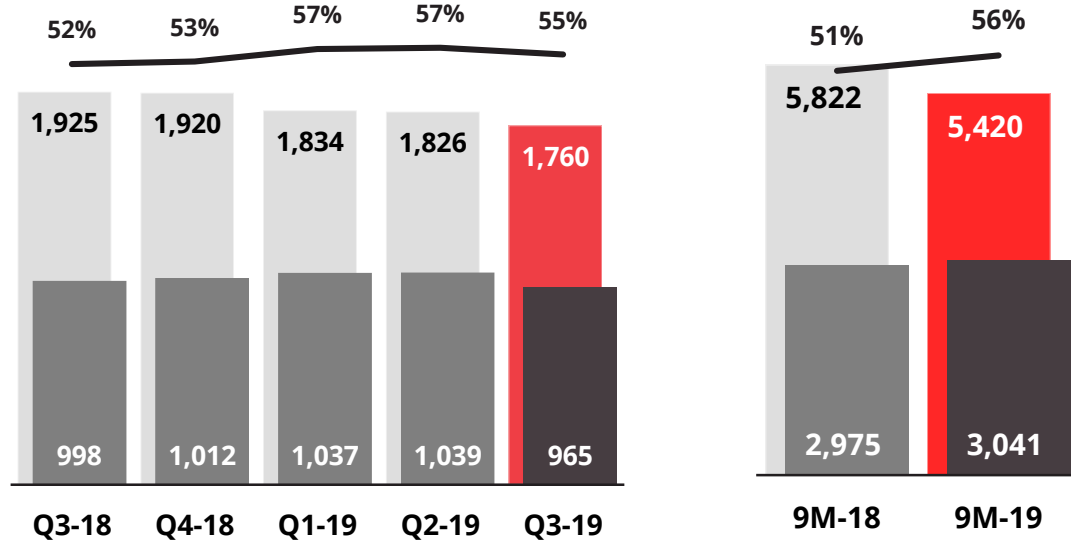
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## QARm

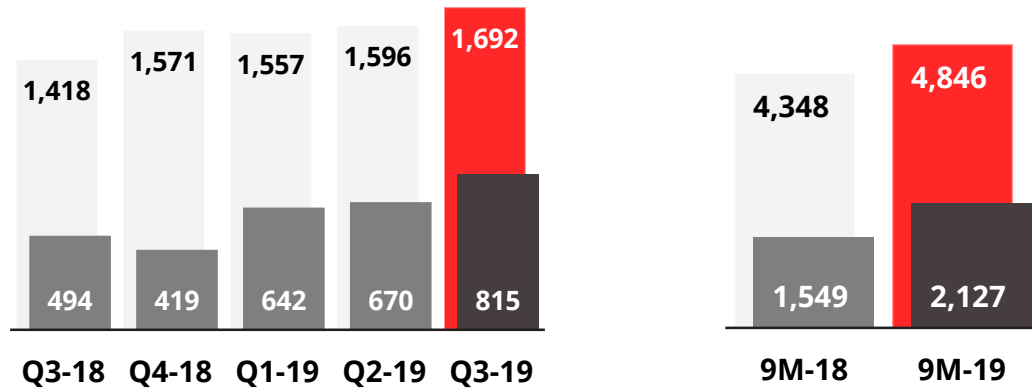
Revenue EBITDA EBITDA Margin



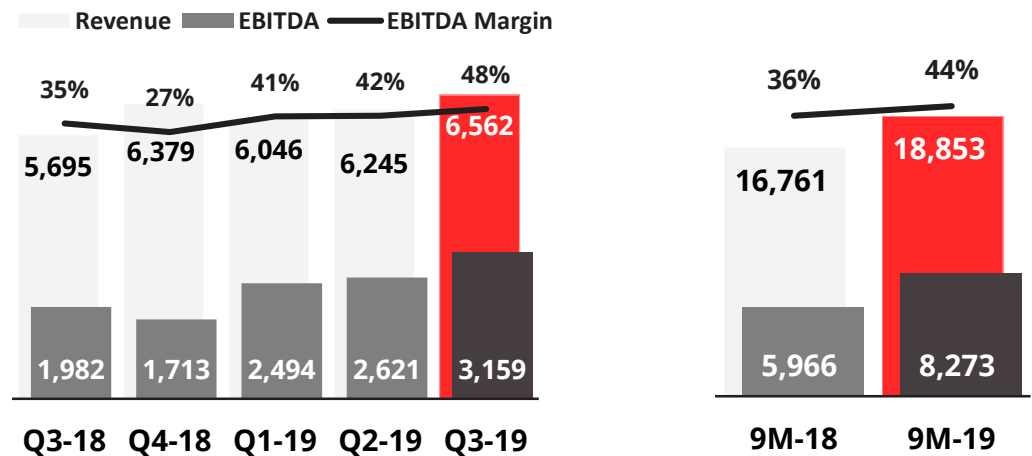
- Revenue slightly down predominately due to less devices sale
- Healthy EBITDA margin of 56%, supported by digital initiatives and cost saving activities
- Pre IFRS 16 EBITDA QAR 2,986m, EBITDA margin of 55%
- Customer number stood at 3.2million, down 0.5% yoy
- Ooredoo was National Partner of IAAF World Athletics Championships
- Ooredoo ONE 'All-In-One' Home Service Launched
- Qatar's leading network received four awards from Ookla for best mobile network, fastest mobile network, best mobile coverage and fastest ISP
- First telecom operator globally to launch 3D virtual store providing complete digital user experience
- Ooredoo Fiber rollout program's success continues and now has 433k homes connected across the country

• 1 USD = 3.6415 Qatari Riyal (QAR)

## QARm

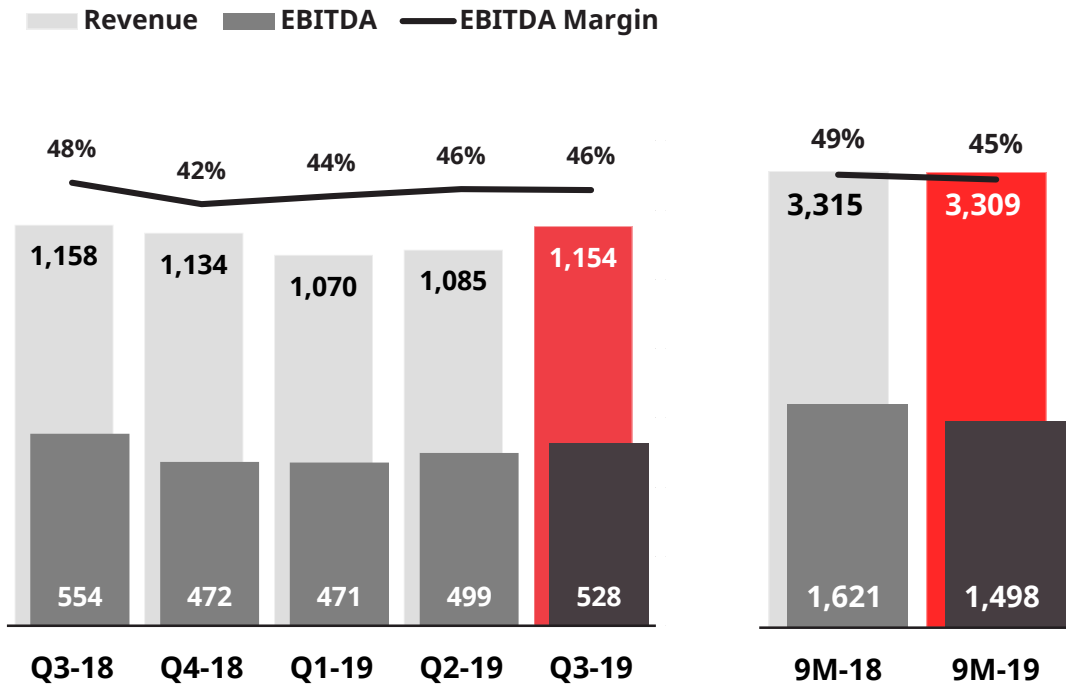


## IDRbn



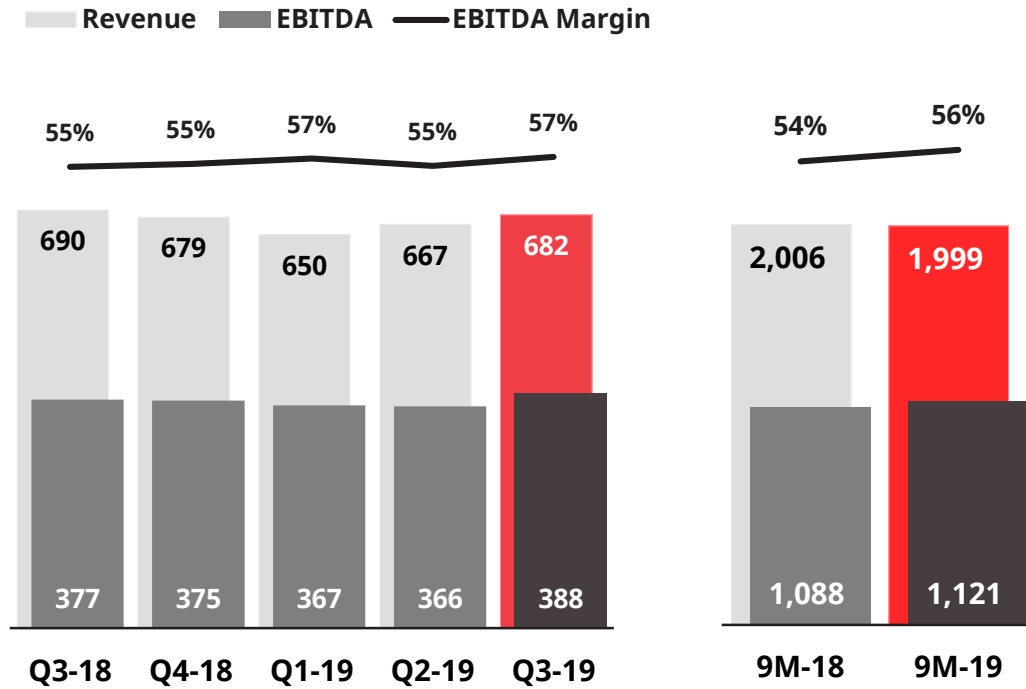
- Strong top line yoy growth due to strong cellular revenue increase boosted by data revenue growth
- Pre IFRS 16 EBITDA QAR 1,960m, EBITDA margin of 40%
- Three consecutive quarters of EBITDA growth
- Customer base continues to grow on a qoq basis by 2million to 59m
- Massive network roll-out maintained, 4G BTS reached 29K
- Sale of 3,100 towers with potential value of IDR 6.4Tn (approx. QAR 1.6b) to Protelindo and Mitratel (subsidiary of TelKom Indonesia), the assets will be leased back for 10 years at attractive rates, deal expected to close end of the year

## QARm



- Sequential growth in revenue and EBITDA in a price competitive market
- Increasing data revenue
- Pre IFRS 16 EBITDA QAR 1,439m, EBITDA margin of 43.5%
- 9M EBITDA decrease due to network expansion and one-off items in 2018
- Customer base stood at 14million in Q3 2019 up 6% yoy
- No official timeline for 4G launch yet, discussions with regulator ongoing

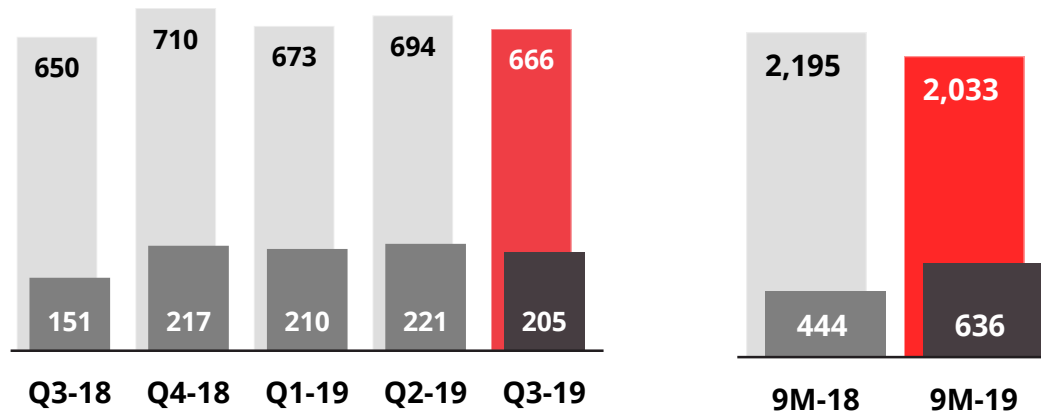
## QARm



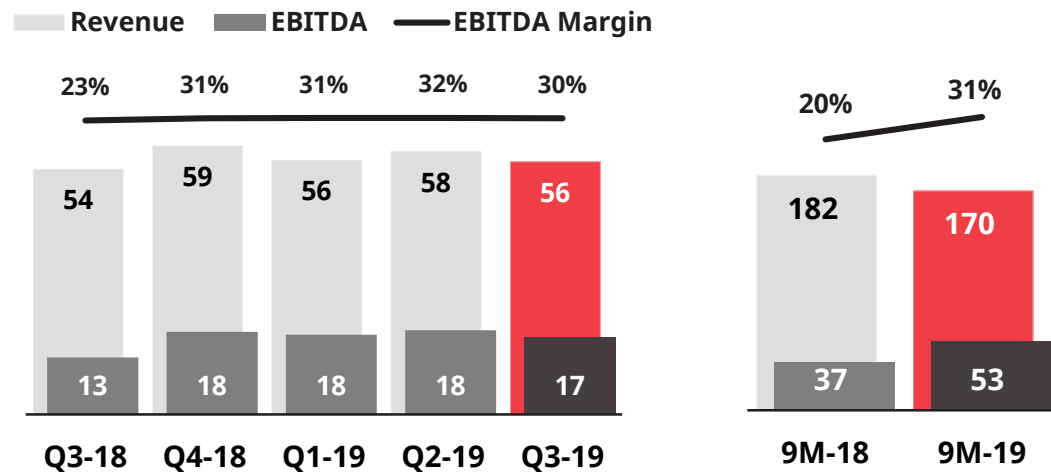
- Sequential improvements in revenue driven by double digits' growth in fixed revenue
- Pre IFRS 16 EBITDA QAR 1,086m, EBITDA margin of 54%
- Customer number stood at 3million up 2%, increased across all segments, market leading customer satisfaction and NPS (Net promoter Score)
- Digital customer channels is growing quicker than traditional channels
- Multiple award winner P3 test, best network coverage for data, voice and 4G
- Best customer experience in Oman award at CX Week Middle East
- Best Performance company in Muscat Security Market award
- Friendi network (MVNO) launched in July 2019 on Ooredoo Oman network

• Note: (1) Constant pegged currency • 1 USD = 0.38463 Omani Rial (OMR)<sup>1</sup>

## QARm



## KWDm

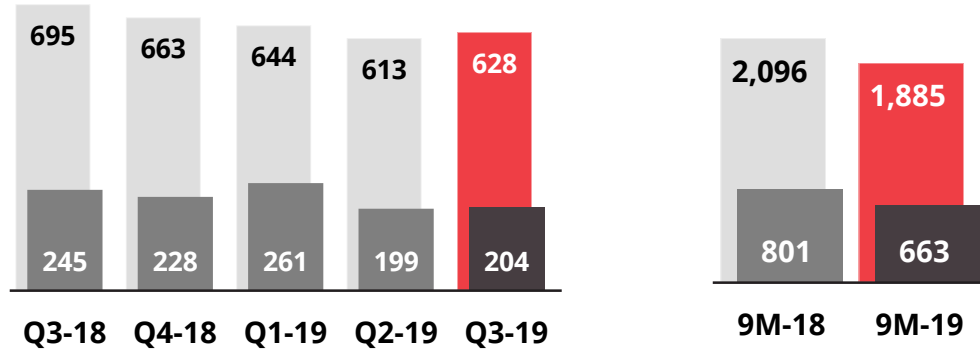


- EBITDA and EBITDA margins improved in 9M due to favorable product mix. Fewer handset sales led to a decrease in revenue but a substantial improvement in margins. Margins were also supported by higher market prices and IFRS 16
- Pre IFRS 16 EBITDA QAR 532m, EBITDA margin of 26%
- Customer base stood at 2.6 million, up by 13% yoy
- Market continues to be very competitive however, the value erosion has stabilized in the post-paid voice segment, and marginally improved for Data segment
- 5G voice rate plans launched with handset bundles

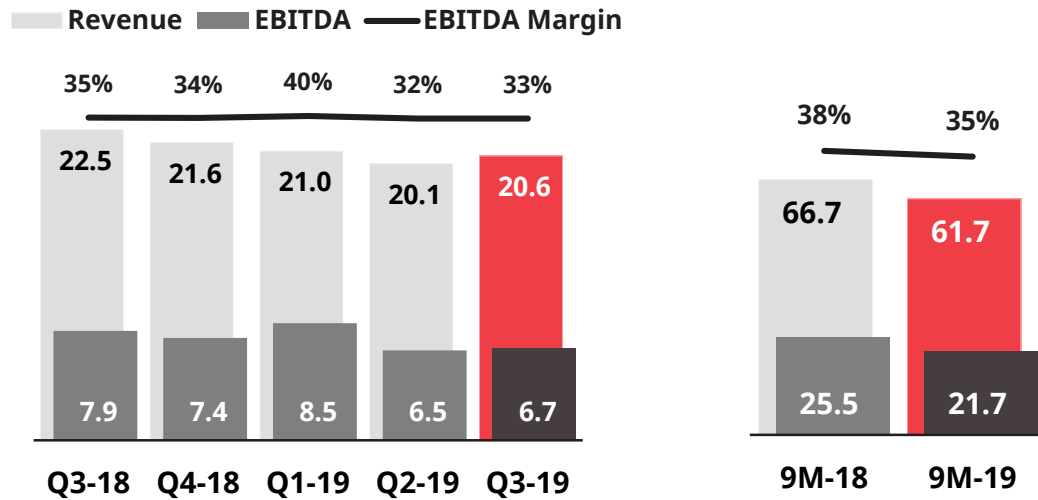
Note: Average rate over the period (KWD) • 1 USD = 0.3039 Kuwait Dinar (KWD)



## QARm

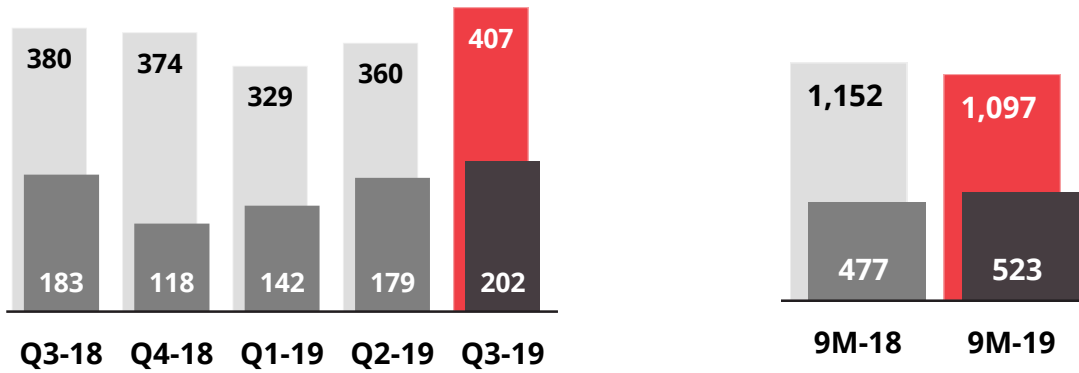


## DZDbn



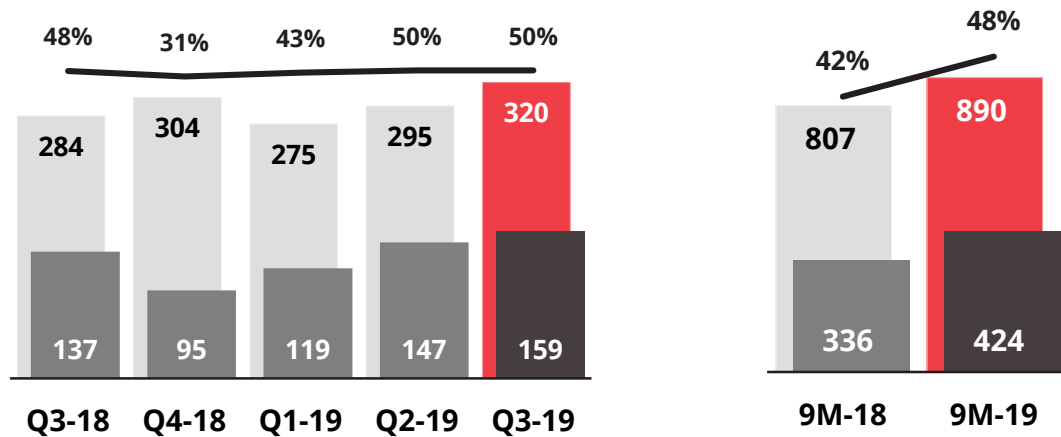
- Unstable political situation with a transitional government slowing down overall market and regulatory decisions, economic slowdown continues while inflation goes up, new elections scheduled for Dec 2019
- Revenue decreased 8% yoy in local currency due to intense competition, weak economy and overall market shrinking partially offset by higher data revenue
- EBITDA lower due to decrease in revenue
- Pre IFRS 16 EBITDA QAR 581m, EBITDA margin of 31%
- Customer number stood at 13.4 million down yoy (-3%)
- Expansion of 4G network (64% population coverage)

## QARm



## TNDm

Revenue EBITDA EBITDA Margin

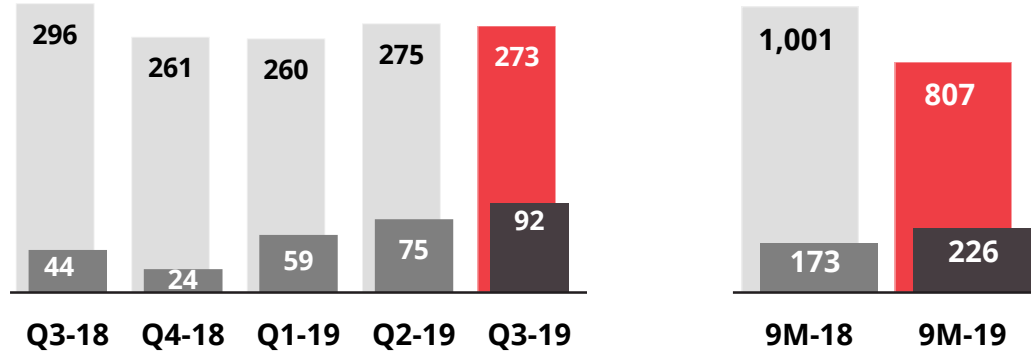


- OT recorded a good performance in revenue and EBITDA in L/C terms yoy supported by data and fixed revenue as well as stabilized voice revenue
- Solid OT EBITDA well ahead of last year driven by strong revenue and OPEX optimization
- Pre IFRS 16 EBITDA QAR 498m, EBITDA margin of 45%
- 4G capacity increase signals a continuing opportunity for OT to enhance data experience
- Digitalization: improve digital service revenue and enhance customer interactions through digital channels
- Mobile Market leadership enhanced
- Customer number reached 9 million, an increase of 3% yoy
- “Customer service of the year” award for Ooredoo Tunisia

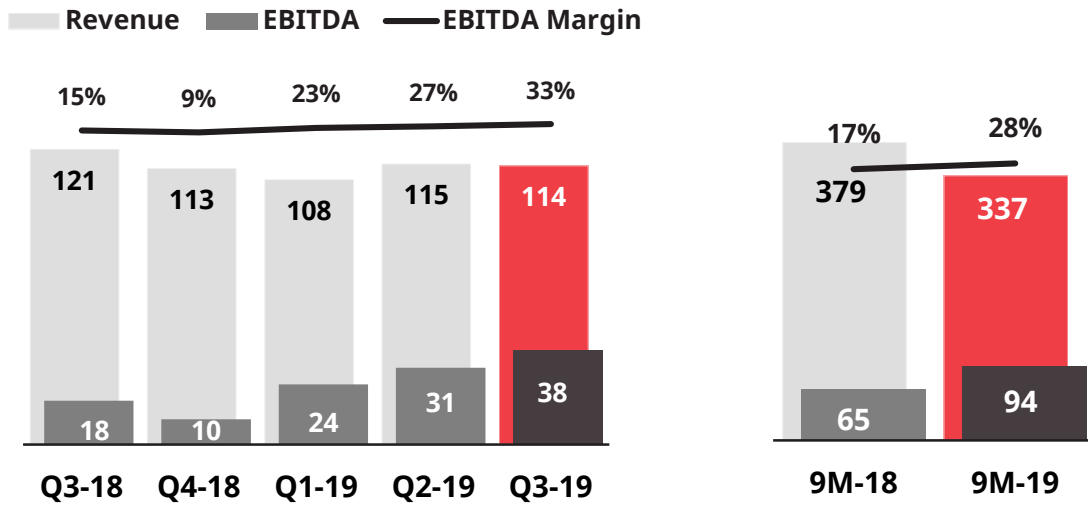
Note: Average rate over the period (TND)

• 1 USD = 2.964 Tunisian Dinar (TND)<sup>1</sup>

## QARm



## MMKbn



- 9M revenue declined due to aggressive pricing in the market and launch of the fourth operator
- EBITDA increase supported by IFRS 16 impact
- Pre IFRS 16 EBITDA QAR 8m, EBITDA margin of 1%
- Customer number stood at 10million, up by 6% yoy
- Digital initiatives are continuing with positive momentum with very successful "My Ooredoo App"
- Wireless Broadband business continued effective acquisition strategy with sustained growth in service revenues in Q3
- We continue to lead the market on content and e-commerce partnerships in retail, transportation and payment sector

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# Additional Information

## Key Operations Importance to Group

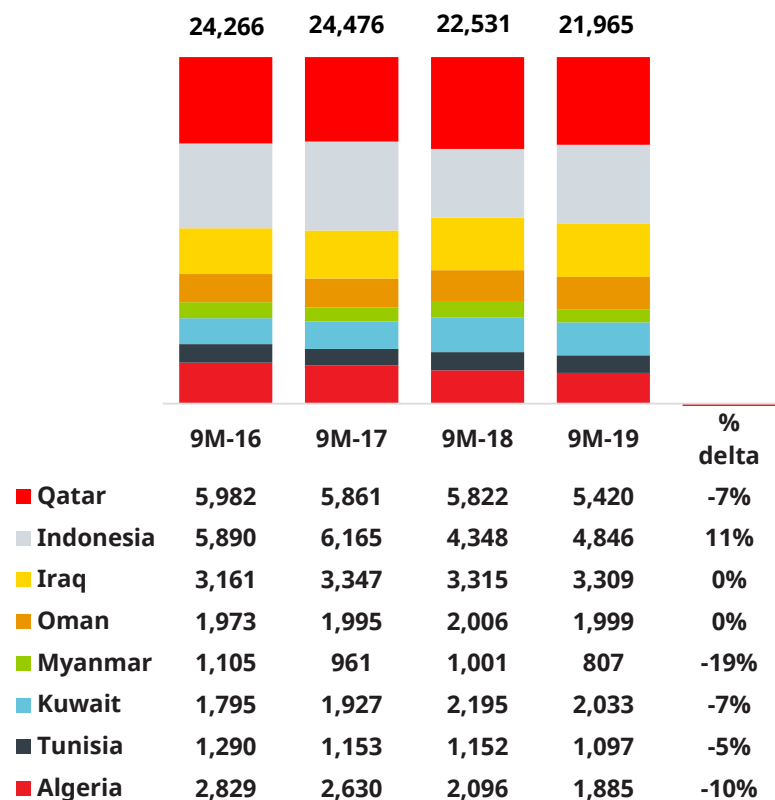
Overview

Results review

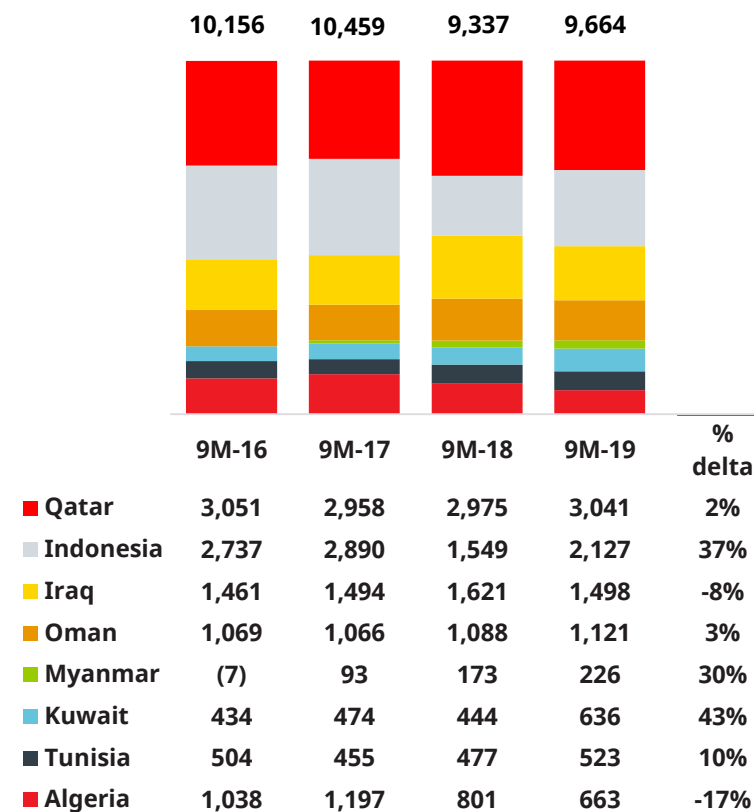
Operations review

**Additional information**

### Revenue (QARm)



### EBITDA (QARm)



# Group Operations Breakdown

## CAPEX & Customers

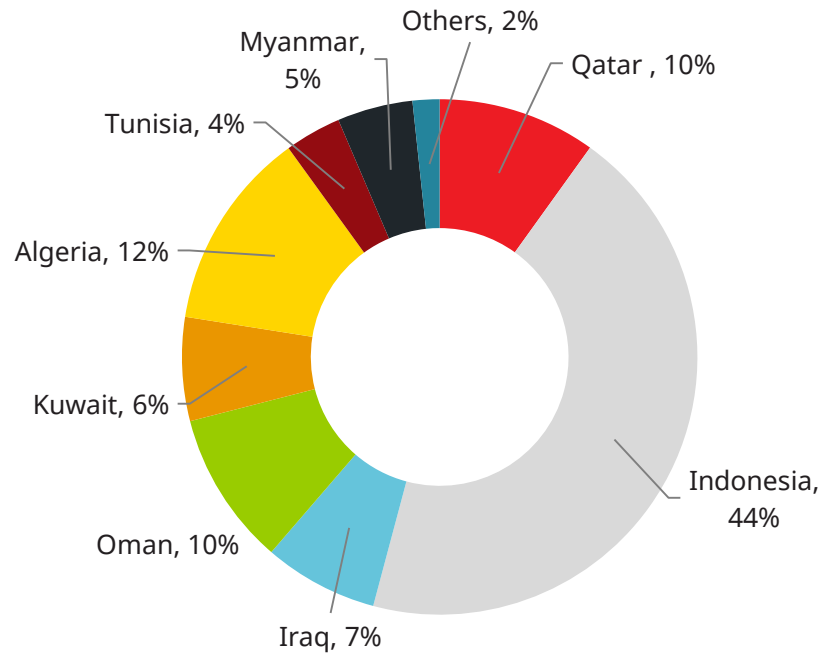
Overview

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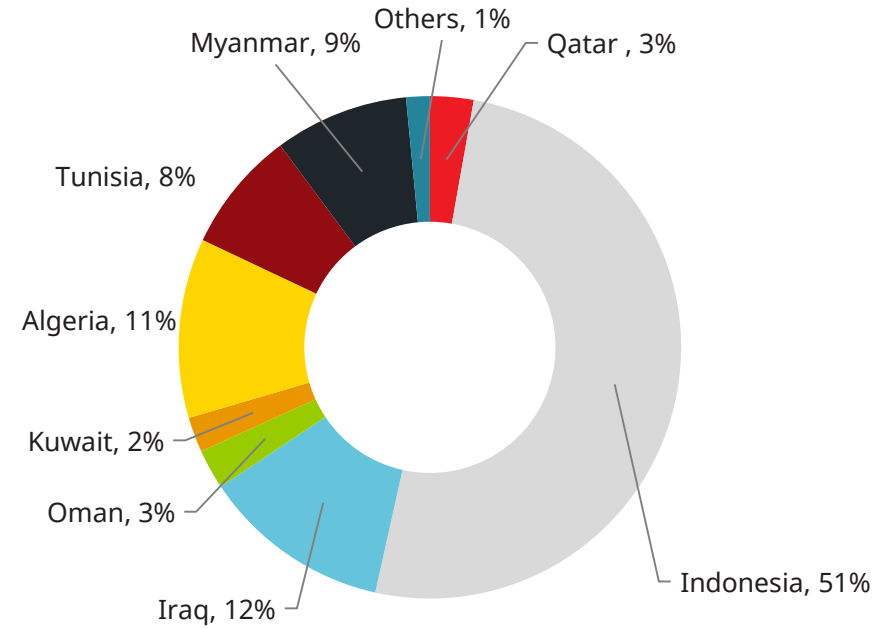
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### CAPEX Breakdown (%)



**Q3 2019 CAPEX = QAR 3,443 million**

### Customer Breakdown (%)

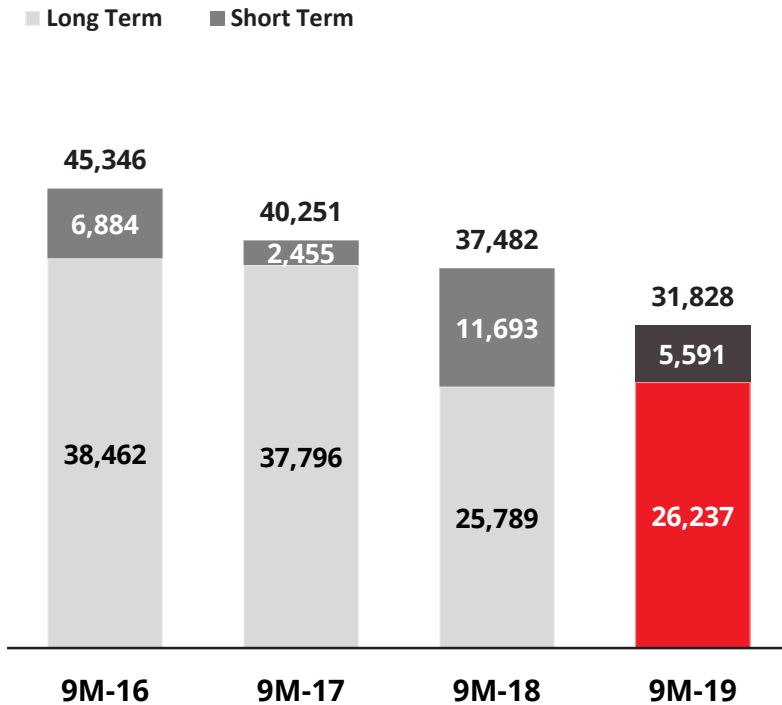


**Q3 2019 Total Customers = 116 million**

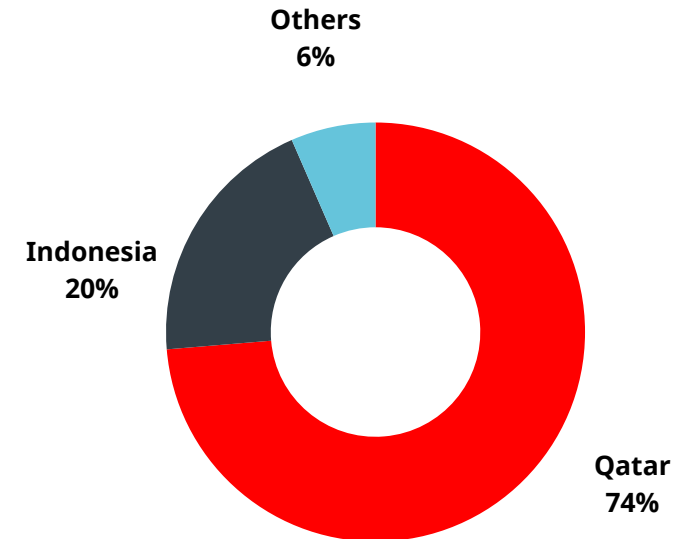
# Group Operations Breakdown

## Total Group Debt Breakdown

### Total Group Debt (QARm)



### Total Group Debt Breakdown

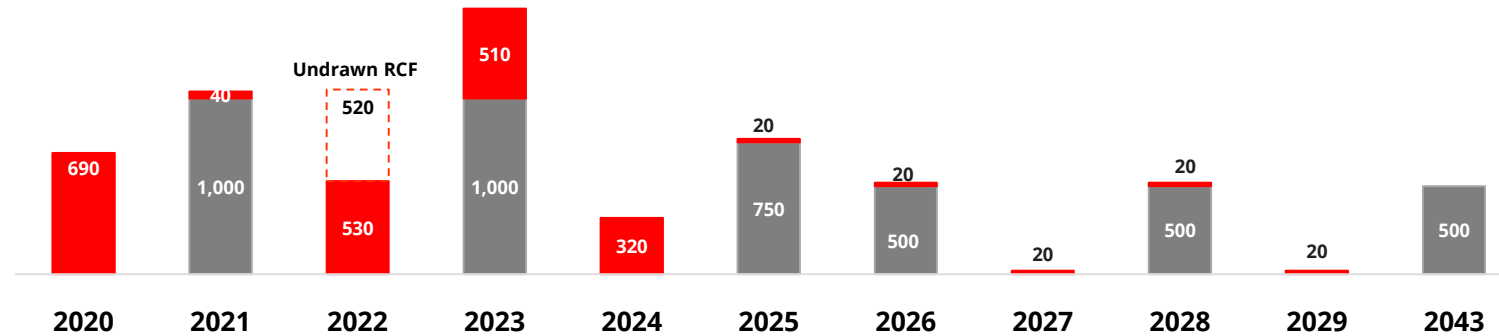


**Total Group debt reduced further  
OpCo debt primarily in local currency**

• Note: Qatar debt includes Ooredoo International Finance Ltd. Group Debt figure excludes vendor financing, leases and non funded liabilities

# Group Results

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

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Loans (in USD m)					Bonds (in USD m)				
	Amount	Usage	Rate*	Maturity		Issue Amount	Interest	Maturity	Listed in
QNB QAR3bn RCF	824	0	QAR MM rate	31-Jan-20	Fixed Rate Bonds due 2021	1,000	4.75%	16 Feb 2021	LSE
USD 500mn RCF	500	500	Libor	06 May 2020	Fixed Rate Bonds due 2023	1,000	3.25%	21 Feb 2023	ISE
USD 150mn Term Loan	150	150	Libor	31-Aug-20	Fixed Rate Bonds due 2025	750	5.00%	19 Oct 2025	LSE
USD 1bn RCF	1,000	480	Libor	07-Jun-22	Fixed Rate Bonds due 2026	500	3.75%	22 Jun 2026	ISE
USD200mn Amortizing Loan	200	160	Libor	12-Jul-23	Fixed Rate Bonds due 2028	500	3.875%	31 Jan 2028	ISE
USD 100m Term Loan	100	100	Libor	08-Oct-23	Fixed Rate Bonds due 2043	500	4.50%	31 Jan 2043	ISE
USD 150mn RCF	150	150	Libor	30-Oct-23					
USD 100m Term Loan	100	100	Libor	31-Oct-23					
USD 100m Term Loan	100	100	Libor	13-Dec-23					
USD 300m RCF	300	300	Libor	16-May-24					
USD 150m Amortizing Term loan	150	150	3.096%	16-Sep-29					
<b>Total Loans</b>	<b>3,574m</b>	<b>2,190m</b>			<b>Total Bonds</b>	<b>4,250m</b>			

Total outstanding debt as at 30 September 2019 at Ooredoo Q.P.S.C. level

USD 6,440 million

**Well placed for the refinancing of the 2020 debt maturity**

\* Based on the rates applicable for the usage levels



# Blended ARPU



# Statutory Corporate Tax Rates

Markets	Statutory Tax Rate	Losses C/Fwd Allowed	
Algeria	26%	4 years	
Indonesia	25%	5 years	
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) 1% Solidarity Social Contribution to Finance Social Security Fund is applicable as of 1 January 2018.

# OPCOs Licence General Information

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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 2022
<b>Oman</b>	6 June 2009	6 June 2034	19 February 2005	18 February 2020
<b>Algeria</b>	--	--	2G: 14 Jan. 2004 3G: Dec. 2014 4G: 25 Sep. 2016	15 years extension agreed 2G: 13 Jan. 2019 (Formal decree for having extended the license by 15 more years awaited) 3G: Dec. 2029 4G: 24 Sep. 2031
<b>Tunisia</b>	May 2012	May 2027	2G: 15 May 2017 3G: 11 July 2012 4G: 30 March 2016	2G: 14 May 2032 3G: 10 July 2027 4G: 29 March 2031
<b>Indonesia</b>	21 May 2004	Unlimited	11 October 2006	Indefinite
<b>Maldives</b>	14 December 2015 (ISP)	13 December 2030	1 February 2005	31 January 2020 (extension by 15 more years formally awaited)
<b>Palestine</b>	--	--	14 March 2007	10 September 2029
<b>Myanmar</b>	5 February 2014	04 February 2029	05 February 2014	04 February 2029

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Thank You

