

Ooredoo Group

9M 2018 Results

September 2018



Disclaimer

- Ooredoo (parent company Ooredoo Q.P.S.C.) and the group of companies which it forms part of (“Ooredoo Group”) cautions investors that certain statements contained in this document state Ooredoo Group management's intentions, hopes, beliefs, expectations, or predictions of the future and, as such, are forward-looking statements
- Ooredoo Group management wishes to further caution the reader that forward-looking statements are not historical facts and are only estimates or predictions. Actual results may differ materially from those projected as a result of risks and uncertainties including, but not limited to:
 - 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
- This presentation does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire or dispose of securities in any company within the Ooredoo Group
- The Ooredoo Group undertakes no obligation to update publicly or otherwise any forward-looking statements, whether as a result of future events, new information, or otherwise

Contents

1. Results review

2. Operations review

3. Additional information

Group Results

Key Highlights 9M

[Overview](#)[Results Review](#)[Operations Review](#)[Additional Information](#)

Financial Highlights

- Ooredoo's results were negatively impacted by the overall FX weakness in Emerging Markets as well as the market situation in Indonesia following the new SIM card registration regulation
- Revenue was QAR 22.8 billion, driven by strong contributions from Qatar, Kuwait, Oman, Iraq and Myanmar, offset by reductions in Indonesia and Algeria. Group Revenue decreased by 7% yoy
- EBITDA margin stood at 41% and Group EBITDA stood at QAR 9.3 billion down by 11% yoy mainly due to lower revenue.
- Group Net Profit attributable to Ooredoo shareholders stood at QAR 1.1 billion. Positive performances in Iraq, Tunisia & Oman were offset by market challenges & lower revenue in Indonesia & Algeria and a substantial FX loss in Myanmar
- Increased monetization of data business, with significant data growth coming from consumer and enterprise customers: saw data revenue increasing to 46% of Group revenue. Revenue from data contributed QAR 10.5 billion at 9M 2018

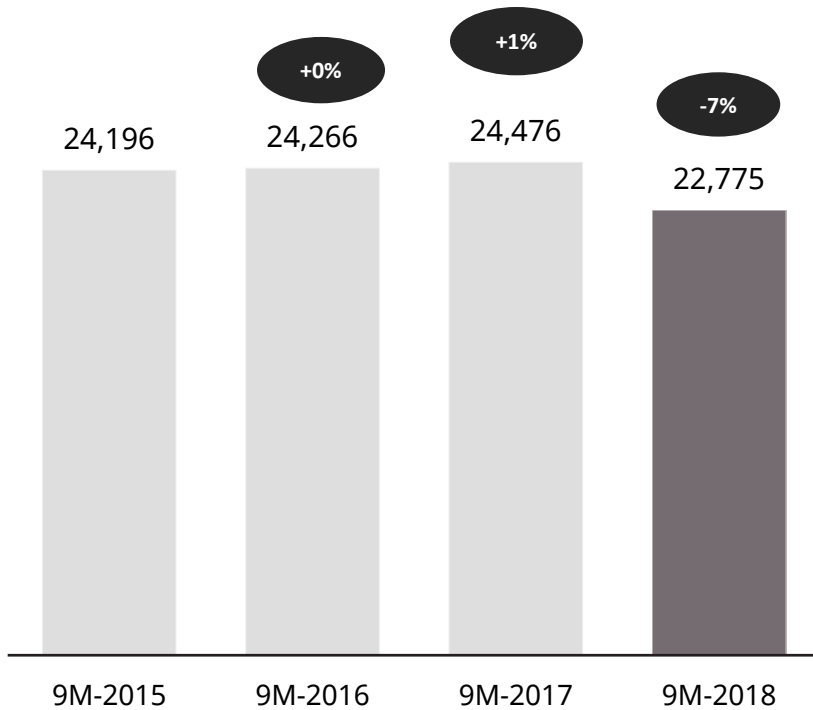
Operational Highlights

- Ooredoo Group continues to be recognised with world-class awards. In Oman, Telecoms World Middle East recognised Ooredoo Oman with two distinct awards for the "Best National Network Operator" and "The Best Digital Content". In Iraq, Asiaccell was awarded the CARE Award for excellence in customer service
- Ooredoo Group successfully introduced the first live eSIM on its world-class supernet network in Qatar and Kuwait
- Ooredoo Qatar tested the world's first self-driving 5G connected aerial taxis, and to have 80+ live 5G sites in Qatar on the 3.5GHz spectrum band
- Ooredoo's network was recognized by Ookla, the global leader in internet testing and analysis, as Qatar's fastest mobile network while in Algeria, Oman and Myanmar Ookla confirmed Ooredoo's data network leadership for its 3G and 4G networks
- Indosat Ooredoo appointed Mr. Chris Kanter as the new Chief Executive Officer of the company
- Ooredoo continues to be a data leader in its markets with 4G networks now available in 8 of Ooredoo's 10 markets

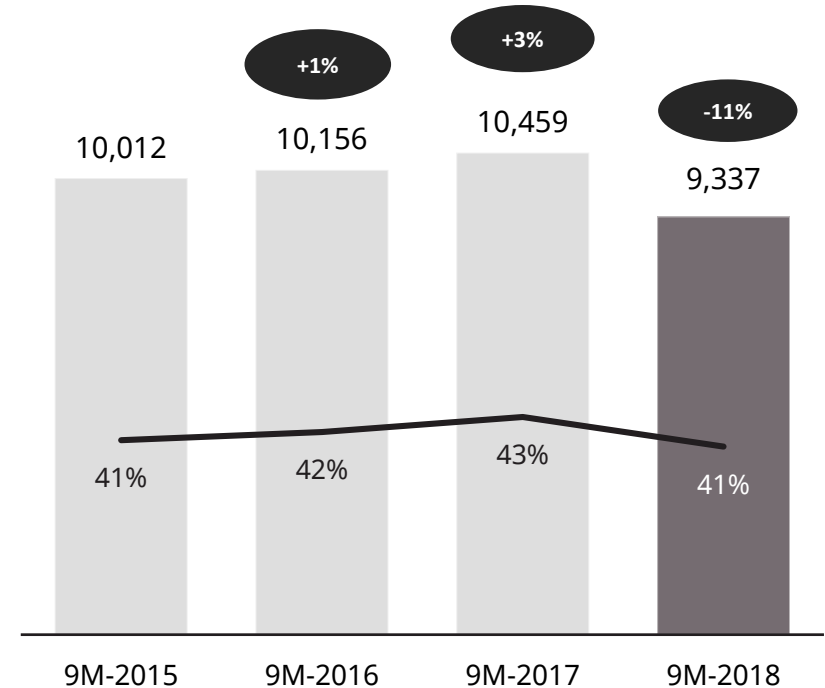
Group Results

Revenue and EBITDA

Revenue (QARm)



EBITDA (QARm) and EBITDA Margin



Local currency revenue growth in the most markets partially offset by challenging environment in Algeria & Indonesia; EBITDA growth in Qatar, Iraq, Oman, Tunisia, Palestine and Myanmar offset by Indonesia, Kuwait, and Algeria

Group Results

Net Profit

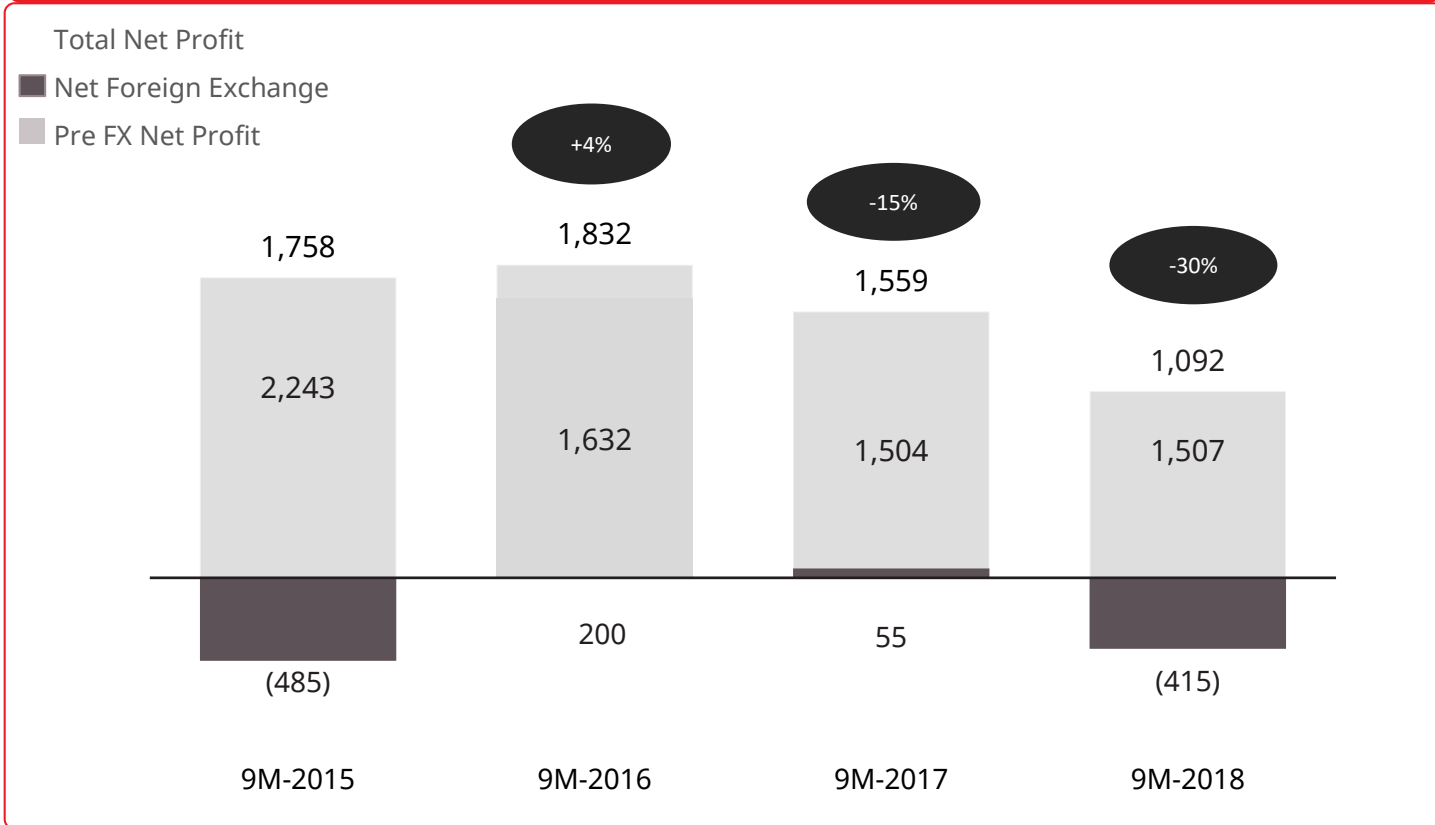
Overview

Results Review

Operations Review

Additional Information

Net Profit Attributable to Ooredoo shareholders (QARm)

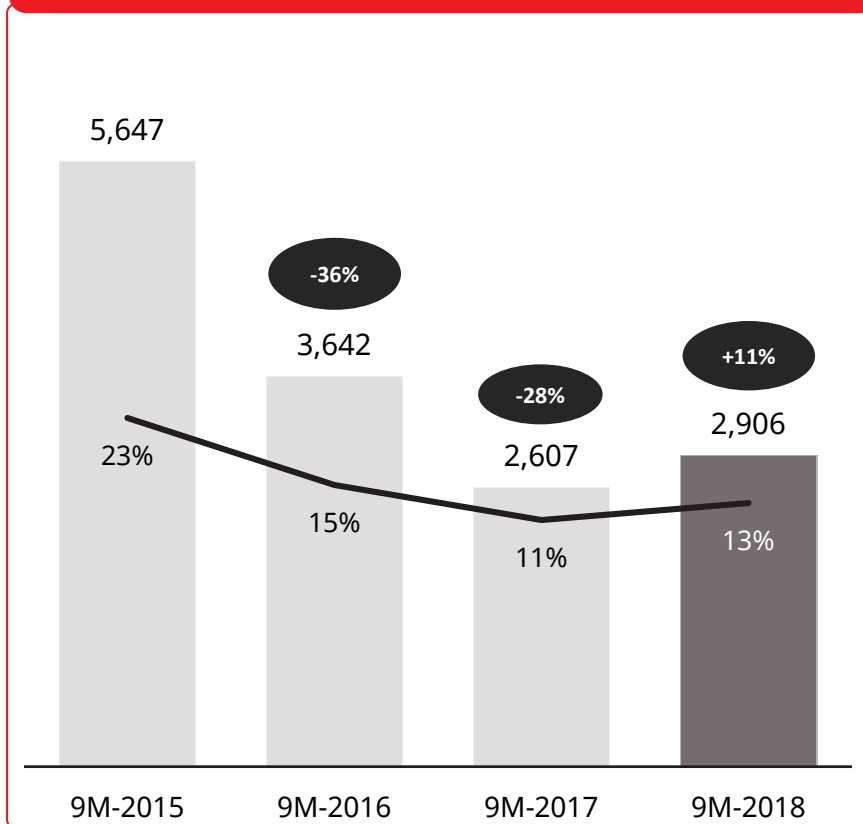


Pre FX Net Profit remains at the same level compared to the reported drop of 30%
Substantial FX loss mainly from Myanmar

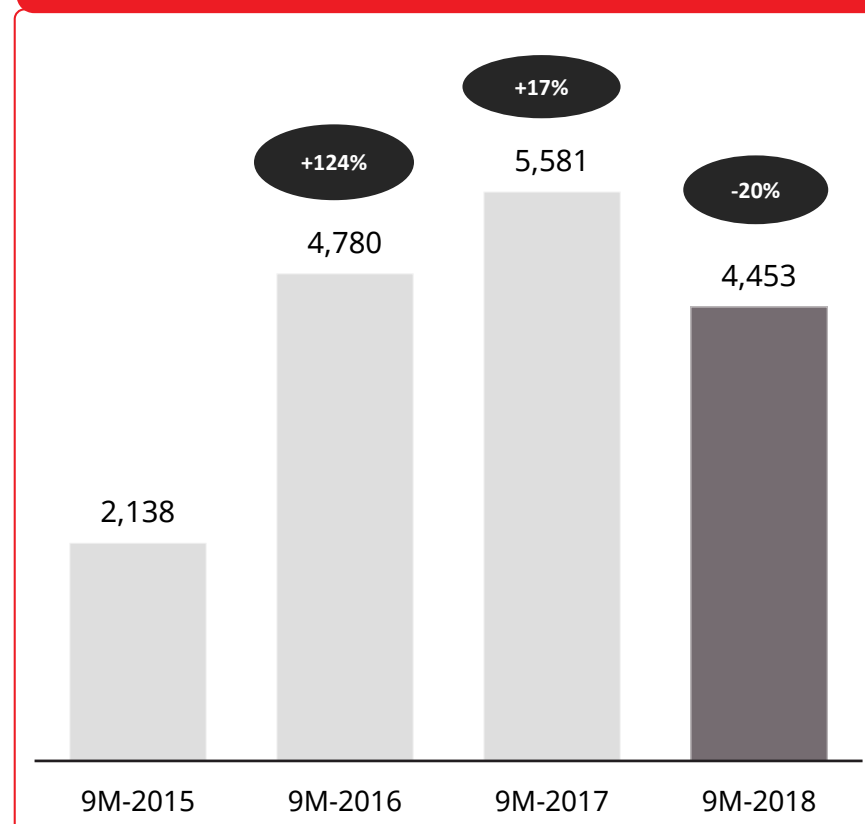
Group Results

Free Cash Flow and Capital Expenditure

CAPEX (QARm) & CAPEX/ Revenue (%)



Free Cash Flow (QARm)



Higher CAPEX and lower EBITDA lead to FCF reduction
Economies of scale for Ooredoo Group and global sourcing strategy for efficient network investments

Note: Free Cash Flow = Net Profit plus Depreciation & Amortization less CAPEX; CAPEX excludes license fee obligations; Net Profit adjusted for extraordinary items

Group Results

Total Customers

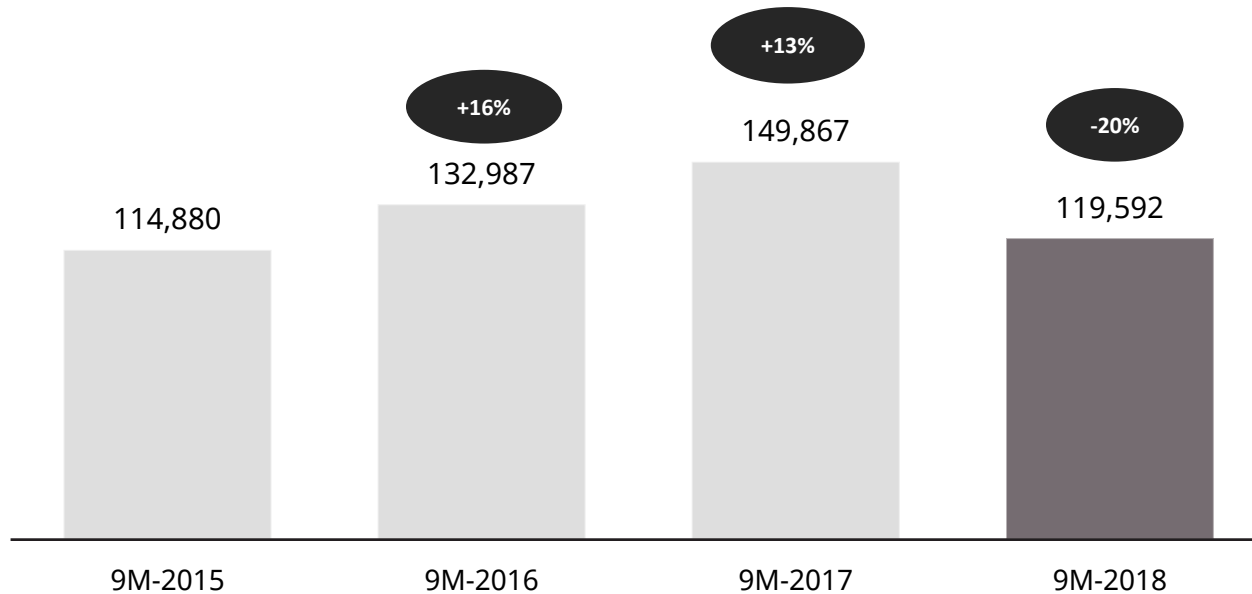
Overview

Results Review

Operations Review

Additional Information

Total Customers (000)



Growing customer numbers in Iraq, Kuwait, Tunisia, Myanmar & Palestine offset by the SIM card registration regulation in Indonesia (process now finalized)

Group Results

Net Debt

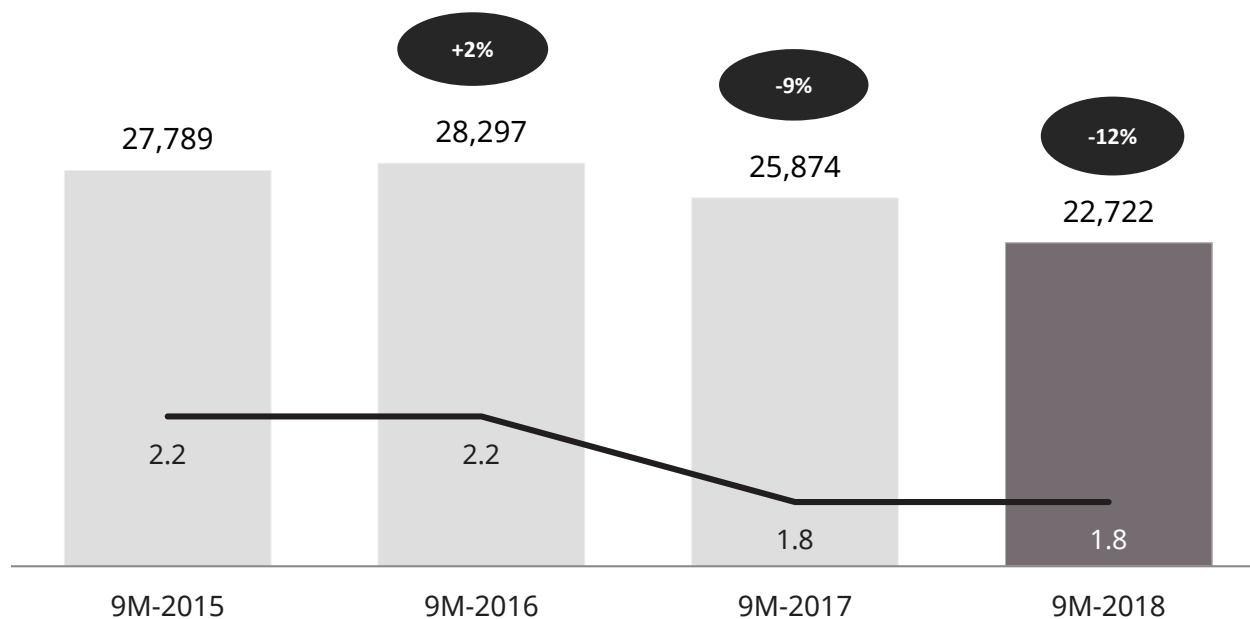
Overview

Results Review

Operations Review

Additional Information

Net Debt (QARm) and Net Debt / EBITDA



**Positive trend of lower Group Net Debt continued, Net Debt to EBITDA ratio at 1.8x
Lower half of the board guidance between 1.5 and 2.5x (bank covenant 4x)**

Group Results

2018 9M performance summary

[Overview](#)
[Results Review](#)
[Operations Review](#)
[Additional Information](#)

Group Financials (QAR bn)

2018 Actual

% Change 2018 / 2017

2018 Full Year Guidance over 2017

| Group Financials (QAR bn) | 2018 Actual | % Change 2018 / 2017 | 2018 Full Year Guidance over 2017 |
|---------------------------|-------------|----------------------|-----------------------------------|
| Revenue | 22.8 | -7% | -3.5% to -6.5% |
| EBITDA | 9.3 | -11% | -5.5% to -8.5% |
| CAPEX | 2.9 | 11% | 4.5 bn to 5.5 bn |

Market challenges in Indonesia and Algeria as well as high negative FX impact
Cautiously optimistic about Indonesian turn around

Contents

1. Results review

2. Operations review

3. Additional information

Group Operations

Qatar

Overview

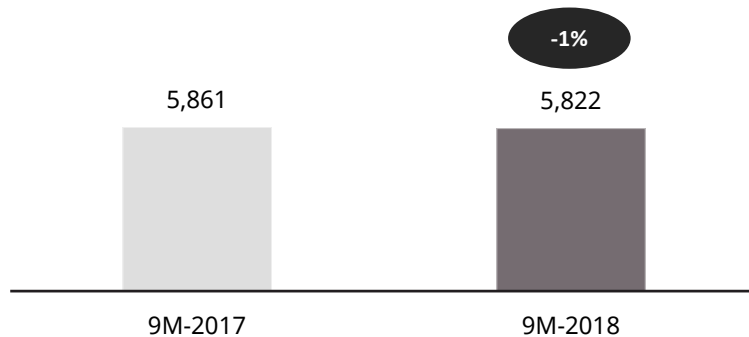
Results Review

Operations Review

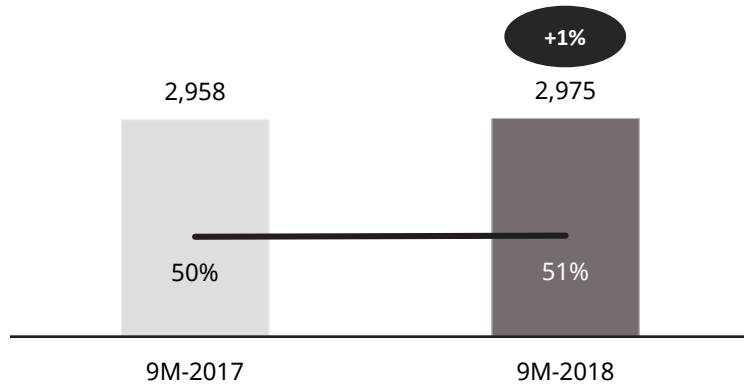
Additional Information

QARm

Revenue



EBITDA & Margin



▪ 1 USD = 3.6415 Qatari Riyal (QAR)

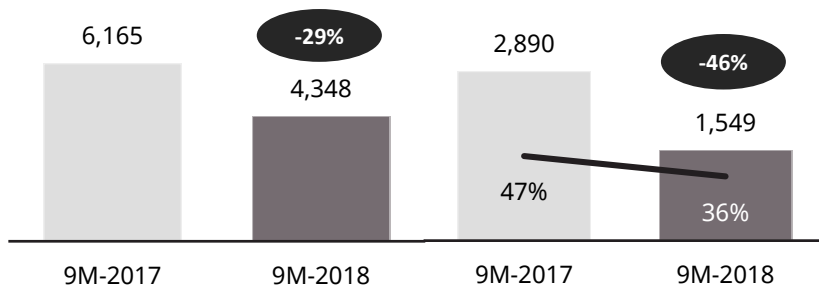
Ooredoo Qatar

- Compared to Q2 2018, Revenue went slightly up in Q3 2018 mainly due to Ooredoo TV and devices revenue
- YoY EBITDA increased due to cost efficiencies
- Ooredoo has more than 80 live 5G sites
- Qatar also tested the world's first self-driving 5G-connected aerial taxi
- Customer numbers stood at 3.3m down 8% YoY but flat QoQ
- Successfully introduced the first live eSIM on its world-class Supernet network.
- Ooredoo Fibre rollout program's success continues and now has 394k homes connected across the country

QARm

Revenue

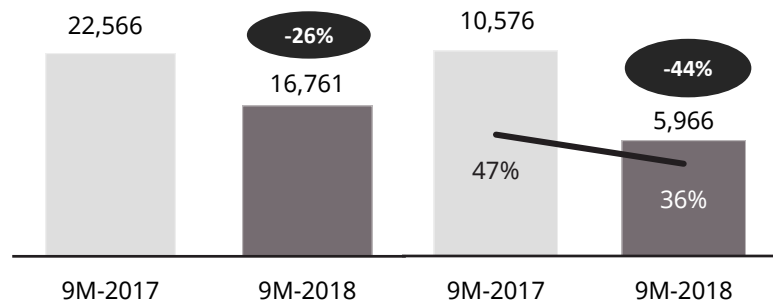
EBITDA & Margin



Revenue

IDRbn¹

EBITDA & Margin



▪ 1 USD = 14,050 Indonesia Rupiah (IDR)²

Note: Average rate over the period (IDR)



Indosat Ooredoo

- Weak 9M revenue and EBITDA due to lower B2C sector
- Q3 on Q2 top line growth re-started, supported mostly by data revenue, however legacy revenue decline is still hindering the overall growth.
- EBITDA margin slight improvement from Q2 (34%) to Q3 (35%)
- Data price increase resulted in better data monetization
- Price increase continues, supported by peers and it will lead to better market environment
- Ex-Java network expansion plan on schedule, 4G plus rollout in 3 out of 5 provinces done in Lampung, South Kalimantan South Sulawesi
- Customer number dropped to 64m, customer churn starting to stabilize post new SIM registration regulation, trend to single SIM users
- Post tsunami/earthquake, Indosat Ooredoo provided free call and data services and mobile health clinics to victims, no material network damage

Group Operations

Iraq

Overview

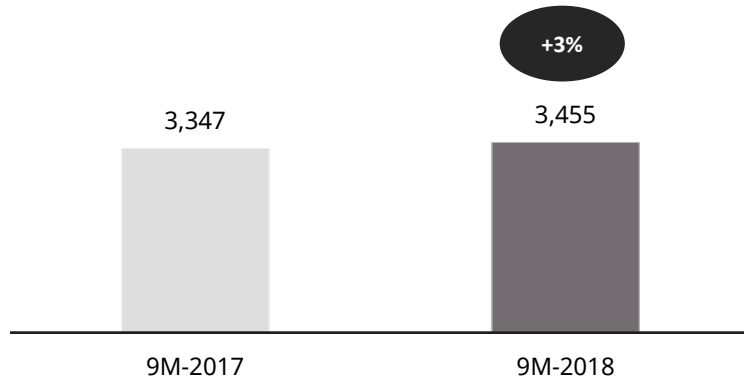
Results Review

Operations Review

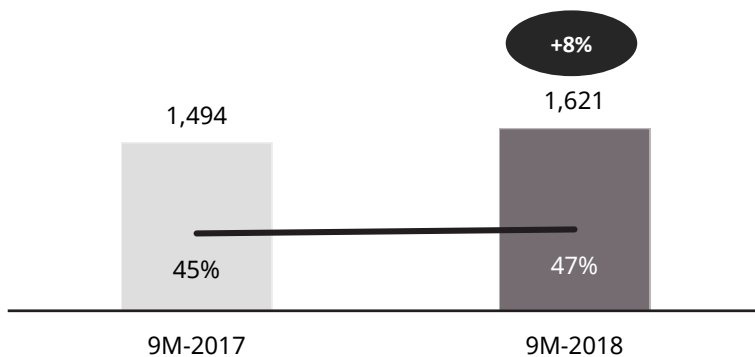
Additional Information

QARm

Revenue



EBITDA & Margin



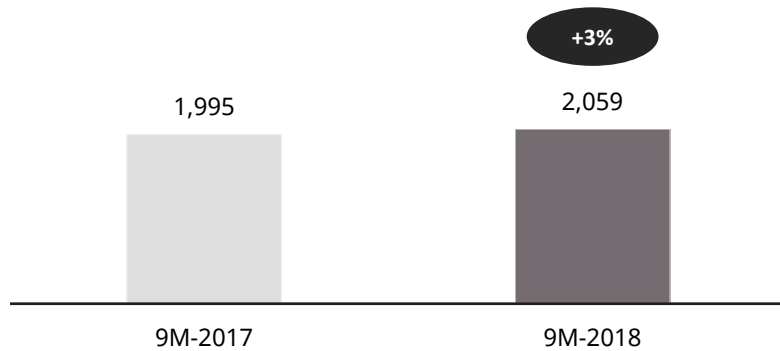
Asiacell

- Recovery continues with growth in revenue, EBITDA and customer numbers
- Further improvement in security and economic situation in the country
- EBITDA growing quicker than revenue due to efficient cost control
- Customer base increased to 13.3 million as of September 2018 (up by 6%) driven by business returning to newly liberated areas
- Asiacell received the CARE Award – for excellence in Customer Care services

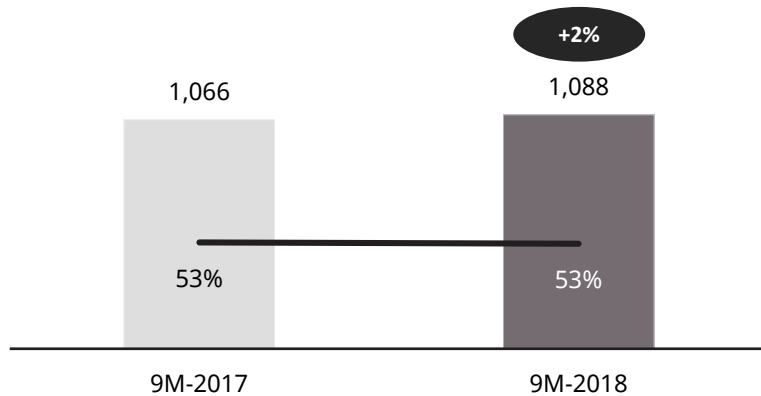
Group Operations Oman

QARm

Revenue



EBITDA & Margin



▪ 1 USD = 0.38463 Omani Rial (OMR)¹

Note: (1) Constant pegged currency

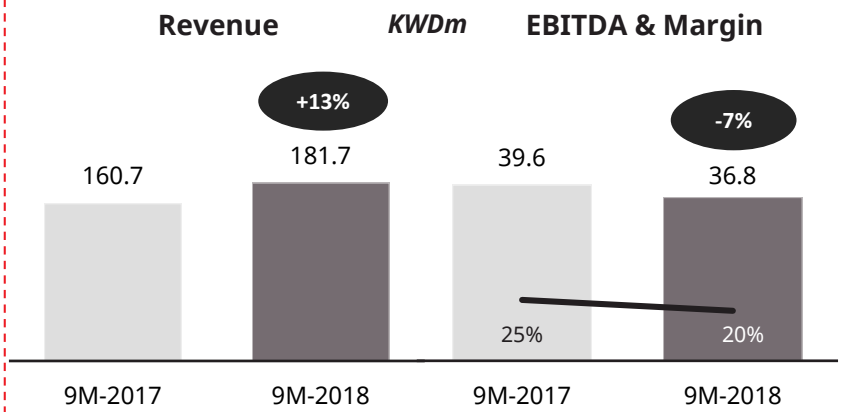
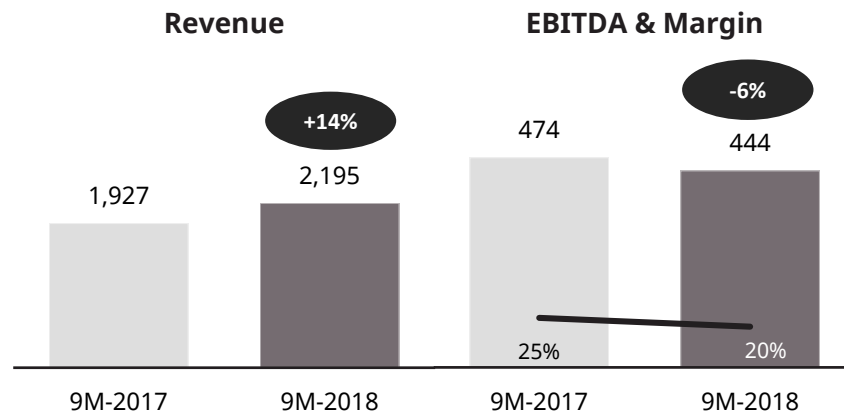
Ooredoo Oman

- Healthy revenues and EBITDA growth driven by increases in both mobile and fixed data revenue
- Customer base stood at 2.9 million in Q3 2018 compared to 3.0 million last year, the slight decrease was driven by new registration standards from the regulator
- Continued investment in our network, 4G network covers 94% of the population
- Ooredoo Oman won two prestigious awards at Telecoms World Middle East, for “Best Operator Network” and “Best Digital Content”

Group Operations

Kuwait

QARm



▪ 1 USD = 0.3015 Kuwait Dinar (KWD)¹

Note: Average rate over the period (KWD)

Ooredoo Kuwait

- YoY revenue increase driven by higher non-recurring revenue
- Higher handset sales negatively impacted EBITDA margin, sequentially improved to 23% in Q3 2018 from 20% in Q2 2018
- Customer number increased by 2% to 2.3 m yoy
- Key promotional campaigns including Ooredoo passport with international internet packages, iPhoneXs with post paid packages, World Cup offer, “back to school”, postpaid offer “enjoy the internet” and “Shamel Home”, with new plans and bundled surveillance cameras
- Successfully tested eSIM on Ooredoo network

Group Operations Algeria

Overview

Results
Review

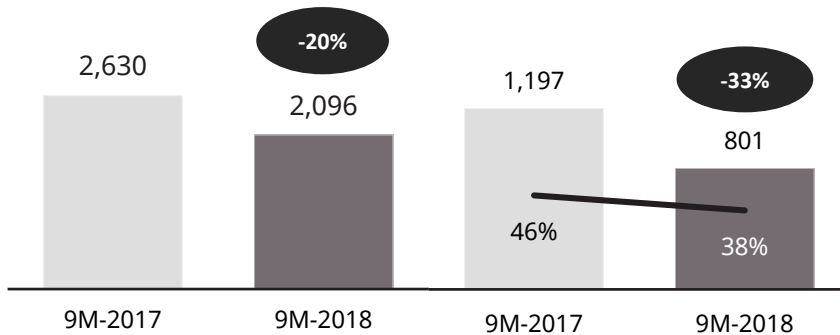
Operations
Review

Additional
Information

QARm

Revenue

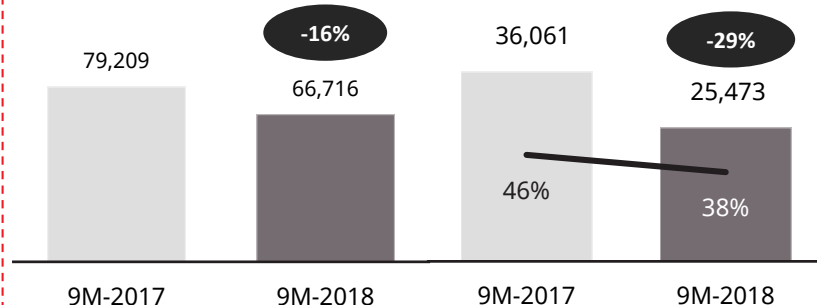
EBITDA & Margin



Revenue

DZDm

EBITDA & Margin



▪ 1 USD = 115.9 Algerian Dinar (DZD)¹

Note: Average rate over the period (DZD)

Ooredoo Algeria

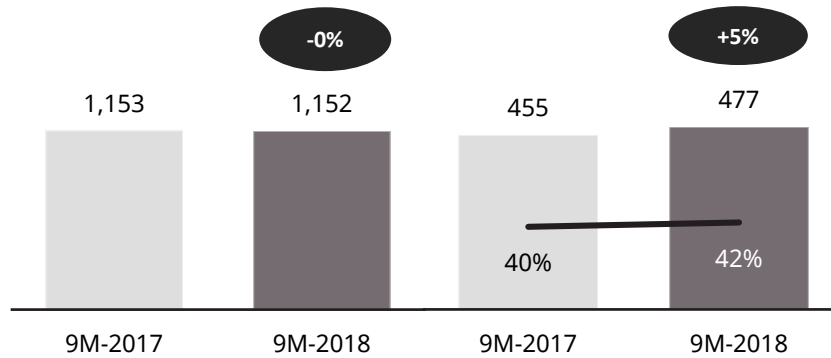
- Algerian mobile market steadily dropped due to persistent price war and weak economic conditions
- QoQ Total revenue grew 6% with stable Revenue share
- Ooredoo Algeria maintains mobile data leadership with continued growth in data users, 4G users have increased 56% QoQ driving record usage
- Ookla confirmed Ooredoo 3G and 4G data networks leadership for the last 6 months
- Customer number stood at 13.8 million down by 3% YoY, slightly up QoQ

Group Operations Tunisia

QARm

Revenue

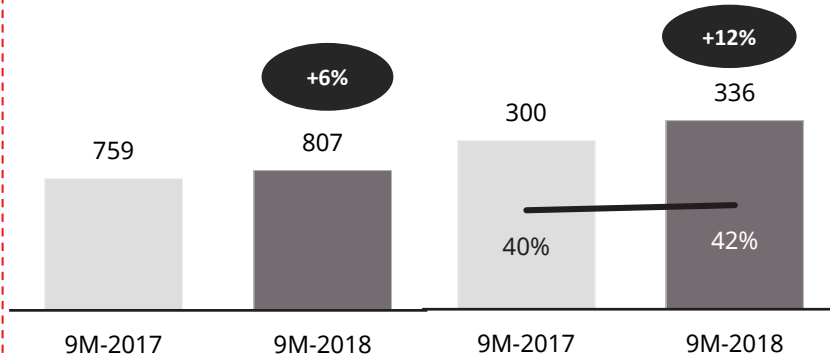
EBITDA & Margin



Revenue

TNDm

EBITDA & Margin



▪ 1 USD = 2.553 Tunisian Dinar (TND)¹

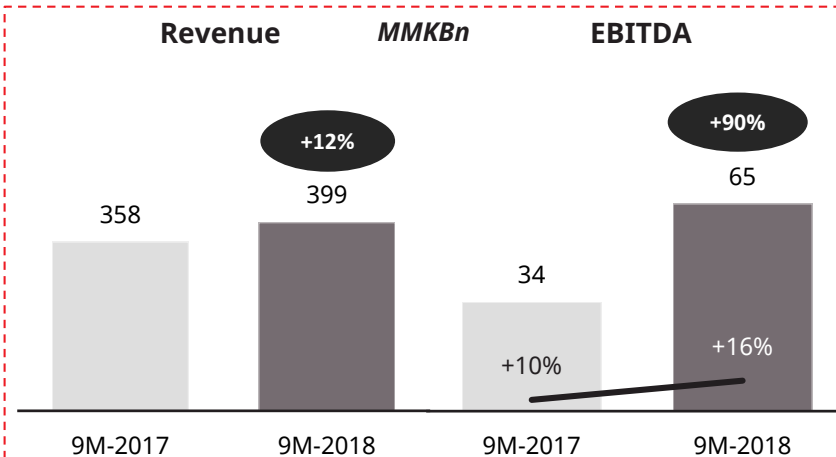
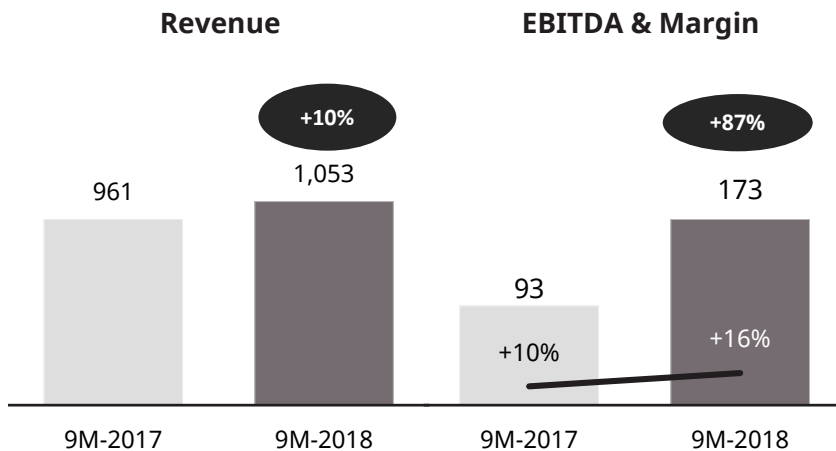
Note: Average rate over the period (TND)

Ooredoo Tunisia

- Revenue in Tunisian Dinar terms is 6% above last year, however, flat in Qatari Riyals terms due to FX devaluation
- Growth mainly driven by fixed line and B2B services
- EBITDA improved by 12% in local currency terms due to tight cost control
- Customers number reached 8.8 million, an increase of 5% yoy
- OT is holding the leading position in mobile data subscriptions (according to the regulator's release as of July 2018)
- Fixed revenue shows further positive growth
- "TEDALLEL" promotion gives customers flexibility to choose between voice, data and VAS content (music, VOD, gaming)

Group Operations Myanmar

QARm



▪ 1 US\$ = 1.386 Myanmar Kyat (MMK)

Ooredoo Myanmar

- Strong top-line performance growth YoY driven by customer and data growth amid increased competition due to forth player entrant in June 18
- EBITDA continued to improve further due to as a result of cost optimization initiatives
- Total customer base grew by 1.7Mn YoY (+23% YoY)
- New pricing framework implemented from September 18
- Ooredoo was recently acknowledged the fastest 3G/4G network in Myanmar from Ookla's Speed test Intelligence
- 4G coverage was extended to 283 townships resulting in almost 86% LTE penetration of addressable devices
- FIFA broadcasting and Myanmar Idol related sponsorships supporting brand image

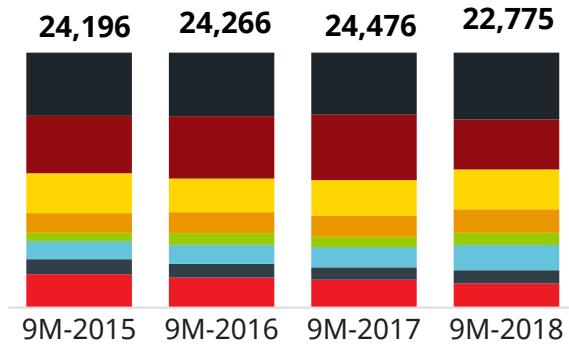
Contents

1. Results review
2. Operations review
- 3. Additional information**

Additional Information

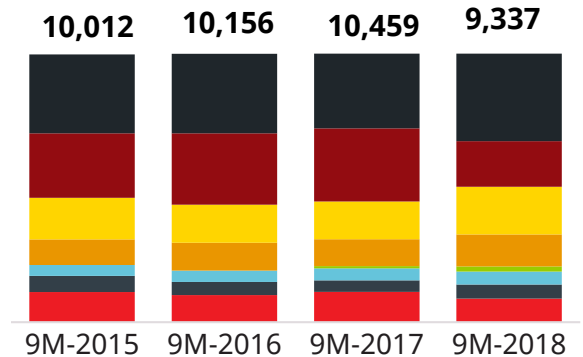
Key Operations Importance to Group

Revenue (QARm)



| | | | | |
|-----------|-------|-------|-------|-------|
| ■ Qatar | 5,897 | 5,982 | 5,861 | 5,822 |
| ■ Indosat | 5,374 | 5,890 | 6,165 | 4,348 |
| ■ Iraq | 3,712 | 3,161 | 3,347 | 3,455 |
| ■ Oman | 1,834 | 1,973 | 1,995 | 2,059 |
| ■ Myanmar | 782 | 1,105 | 961 | 1,053 |
| ■ Kuwait | 1,686 | 1,795 | 1,927 | 2,195 |
| ■ Tunisia | 1,414 | 1,290 | 1,153 | 1,152 |
| ■ Algeria | 3,102 | 2,829 | 2,630 | 2,096 |

EBITDA (QARm)

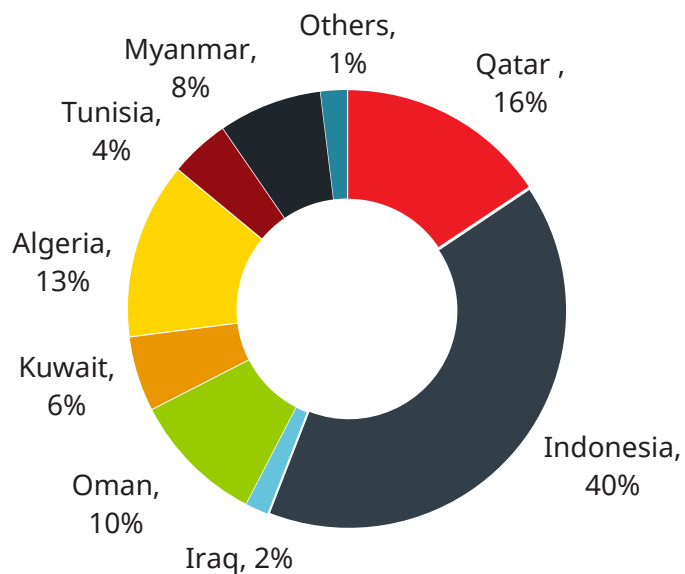


| | | | | |
|-----------|-------|-------|-------|-------|
| ■ Qatar | 3,050 | 3,051 | 2,958 | 2,975 |
| ■ Indosat | 2,491 | 2,737 | 2,890 | 1,549 |
| ■ Iraq | 1,612 | 1,461 | 1,494 | 1,621 |
| ■ Oman | 987 | 1,069 | 1,066 | 1,088 |
| ■ Myanmar | (30) | (7) | 93 | 173 |
| ■ Kuwait | 418 | 434 | 474 | 444 |
| ■ Tunisia | 626 | 504 | 455 | 477 |
| ■ Algeria | 1,166 | 1,038 | 1,197 | 801 |

Group Operations Breakdown

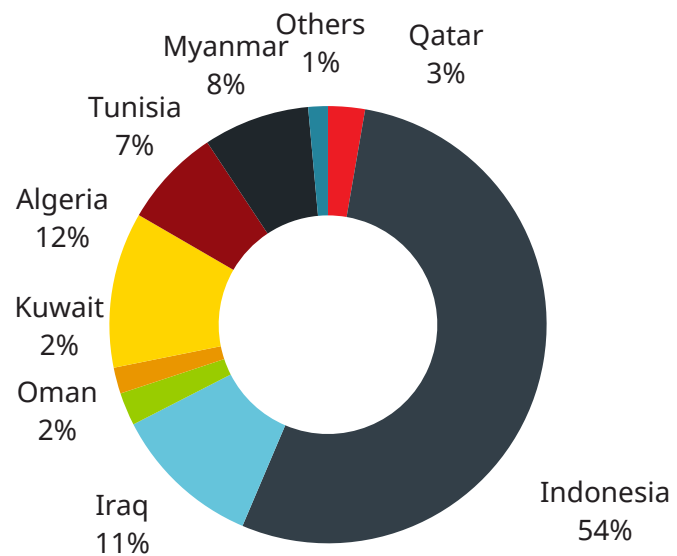
CAPEX & Customers

CAPEX Breakdown (%)



9M 2018 CAPEX = QAR 2,906 million

Customer Breakdown (%)

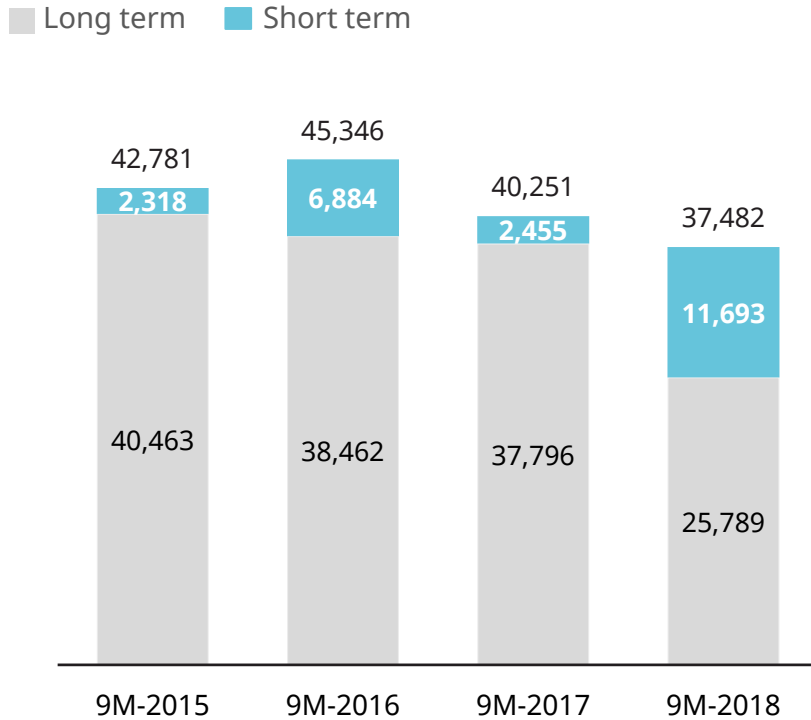


9M 2018 TOTAL CUSTOMER = 120 million

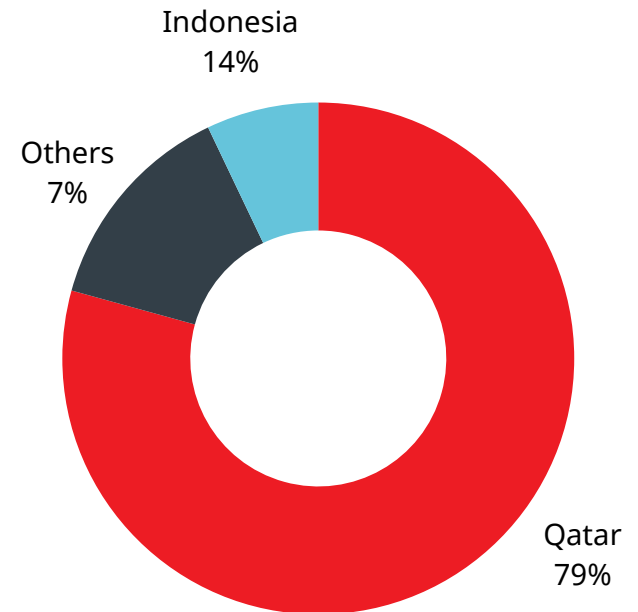
Group Results

Total Group Debt Breakdown

Total Group Debt (QARm)



Total Group Debt Breakdown (as at September 30, 2018)

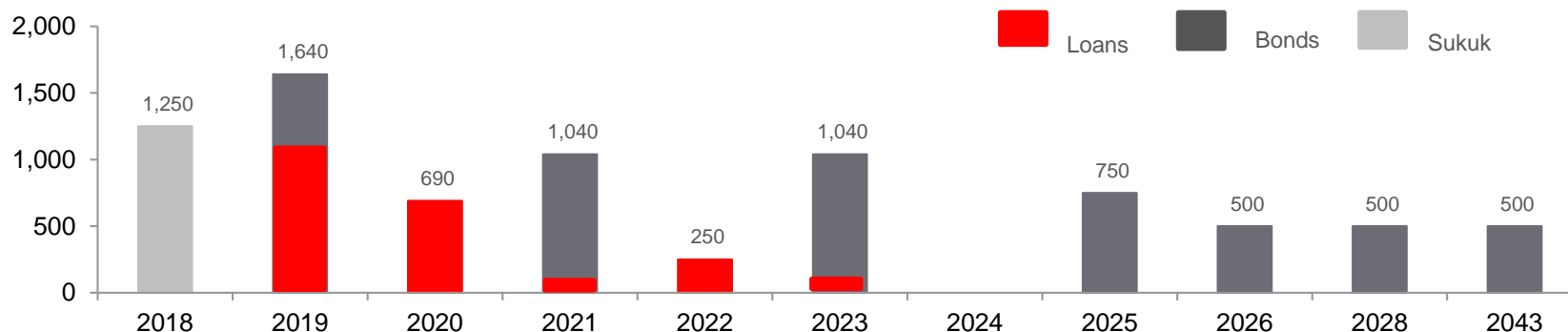


**Total Group debt reduced, well balanced profile
OpCo debt primarily in local currency**

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

Group Results

Debt Profile – Ooredoo Q.P.S.C. level



| Loan Type (in USD mn) | Amount | Usage | Rate* | Maturity | Bonds/Sukuk (in USD mn) | Issue Amount | Interest/ Profit Rate | Maturity | Listed in |
|---------------------------|----------------|----------------|------------------|--------------|------------------------------|----------------|-----------------------|-------------|-----------|
| QAR3bn RCF | 824 | 0 | QAR Money Market | 31 Jan 2020 | Fixed Rate Bonds due 2019 | 600 | 7.875% | 10 Jun 2019 | LSE |
| USD1bn RCF | 1,000 | 1,000 | LIBOR based | 17 May 2019 | Fixed Rate Bonds due 2021 | 1,000 | 4.75% | 16 Feb 2021 | LSE |
| USD 500mn RCF | 500 | 500 | LIBOR based | 06 May 2020 | Fixed Rate Bonds due 2023 | 1,000 | 3.25% | 21 Feb 2023 | ISE |
| USD150mn Term Loan | 150 | 150 | LIBOR based | 31 Aug 2020 | Fixed Rate Bonds due 2025 | 750 | 5.00% | 19 Oct 2025 | LSE |
| USD1bn RCF | 1,000 | 210 | LIBOR based | 07 Jun 2022 | Fixed Rate Bonds due 2026 | 500 | 3.75% | 22 Jun 2026 | ISE |
| USD 200mn amortizing loan | 200 | 200 | LIBOR based | 12 July 2023 | Fixed Rate Bonds due 2028 | 500 | 3.875% | 31 Jan 2028 | ISE |
| | | | | | Fixed Rate Bonds due 2043 | 500 | 4.50% | 31 Jan 2043 | ISE |
| | | | | | Sukuk due 2018 | 1,250 | 3.039% | 03 Dec 2018 | ISE |
| Total Loans | 3,674 m | 2,060 m | | | Total Bonds and Sukuk | 6,100 m | | | |

Total outstanding debt as at 30 September 2018 at Ooredoo Q.P.S.C. level **USD 8,160 million**

* Based on the rates applicable for the usage levels

Long term debt profile is well balanced. Debt maturing in December 2018 proactively addressed

Group Operations Breakdown

Blended ARPU

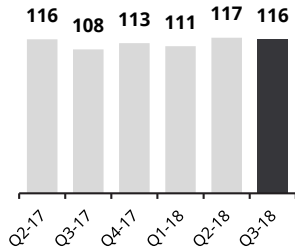
Overview

Results Review

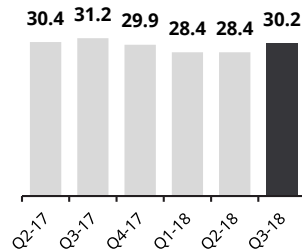
Operations Review

Additional Information

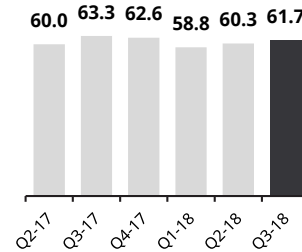
Qatar (QAR)



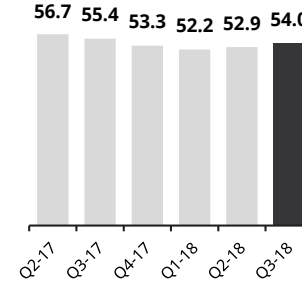
Iraq (QAR)



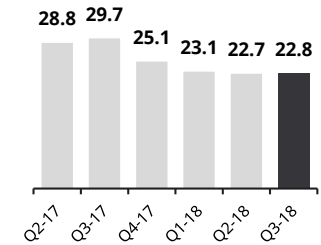
Oman (QAR)



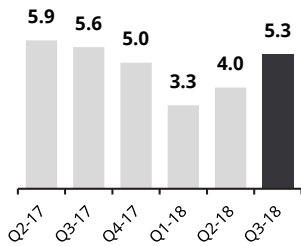
Maldives (QAR)



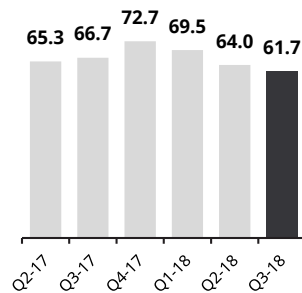
Palestine (QAR)



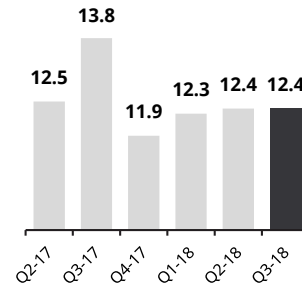
Indonesia (QAR)



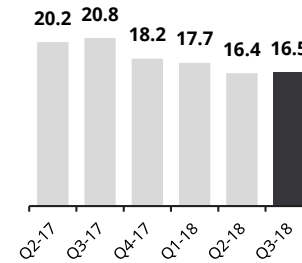
Kuwait (QAR)



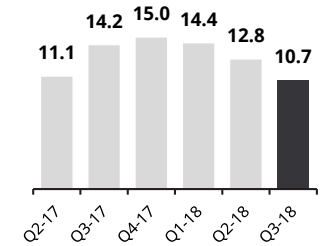
Tunisia (QAR)



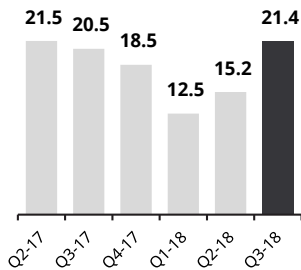
Algeria (QAR)



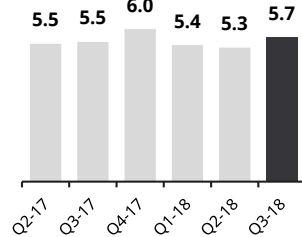
Myanmar (QAR)



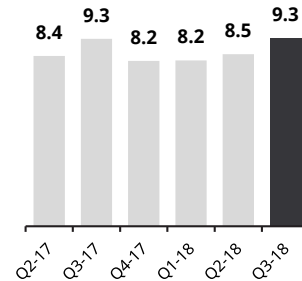
Indonesia (IDR'000,000)



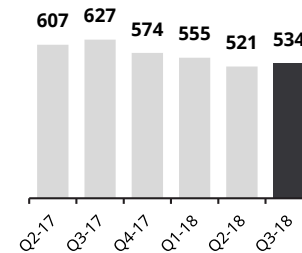
Kuwait (KWD)



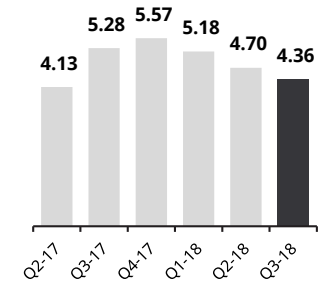
Tunisia (TND)



Algeria (DZD)



Myanmar (MMK'000)



Additional Information

Statutory Corporate Tax Rates

[Overview](#)
[Results Review](#)
[Operations Review](#)
[Additional Information](#)

| | Statutory Tax Rate | Losses C/Fwd Allowed | Notes |
|-----------|--------------------|----------------------|--|
| 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 |



Thank You

Full year results 13th February TBC

