



Ooredoo Group

Q2 2020 Results

July 2020



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
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- 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

Solid financial performance in challenging conditions



COVID 19 response:

- enhancing health and safety and work from home initiatives
- uninterrupted connectivity and services for customers
- optimised data traffic flows across our fixed and mobile networks to accommodate the strong growth in data traffic during the pandemic
- relief to communities that need it the most and targeted CSR campaigns and donations



Revenue declined by 3% year-on-year to QAR 14 billion due to the COVID-19 impact, a reduction in handset sales and roaming business as well as macroeconomic weakness in some of our markets which was partially offset **by robust growth in Indonesia, Tunisia and Myanmar**



EBITDA declined by 5% year-on-year to QAR 6 billion, impacted by movement restrictions to contain the spread of COVID-19 in many territories as well as challenging market conditions in Iraq, Algeria, Kuwait and Oman



Group **Net Profit attributable to Ooredoo** shareholders declined by 3% to QAR 818 million in H1 2020, compared to the same period last year, due to the reduction in EBITDA which was partially offset by a more favorable Foreign Exchange environment compared to the same period last year



Data revenues account for more than 50% of total Revenue driven by our data leadership and digital transformation initiatives across the countries we operate in

Ooredoo Group maintained its world ranking in the 2020 Telecoms 300 report, **a top 50 global telecommunications brands for the fourth year** in a row, with **a brand value worth over USD 3.5 billion**. AA+ Brand Rating of for the second consecutive year

Group Results

COVID-19 Initiatives

Commercial

- **Optimised customer care activities to function effectively and safely during movement restrictions**
 - launched smart IVR to reduce calls to agents
 - Routine health checks for customer care agents
 - Transitioned call centres to WFH
- **Tailored promotions and offers for to support customers through COVID-19**
 - Free webex for businesses
 - Doubled data speeds and offered emergency credit
- **Ensure supply chain stability**
 - Adopted new digital solutions
 - Added distribution partners
 - Lobbied for key locations to remain open
- **Accelerated digital transformation**
 - Launched customer care apps in new territories
 - Increased portfolio of products available digitally
 - 24/7 access to digital care channels

Infrastructure

Initiated Business Continuity plans to satisfy the evolving customer needs during COVID-19 including:

- Rapid identification of potential bottle necks in fixed and mobile networks.
- Network optimisation to manage surging data usage and shifting consumer requirements.
- Deployed infrastructure and tools for to facilitate employees work from home.

Group Results

COVID- 19 Initiatives

CSR Initiatives

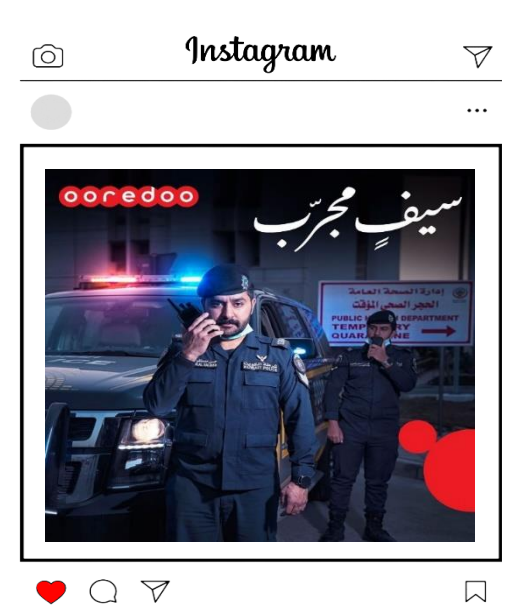
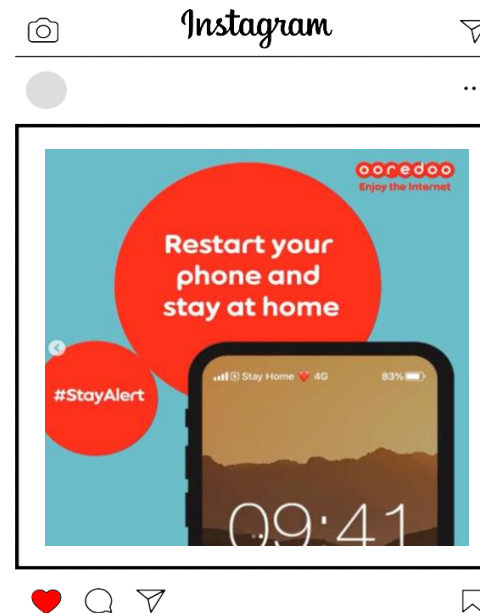
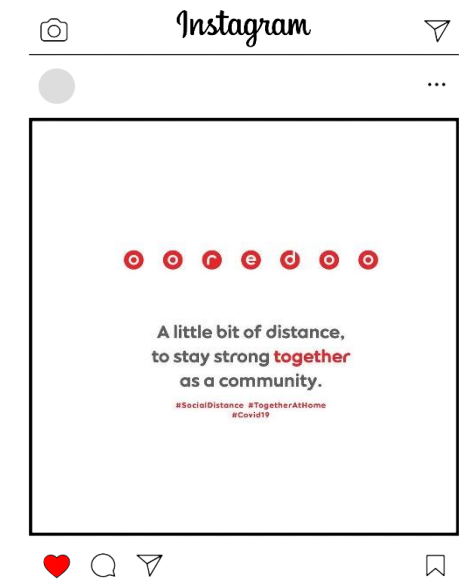
- CSR activities and COVID-19 information campaigns to support to the community
- Donation to local COVID-19 funds to support impacted communities and aid national governments
- Free data & speed upgrades to support of key workers in health care and government sectors
- Deployment of e-Learning platforms to support quality education from home.
- Promotion and offers to support customers including free internet for education sites, free credit transfers and data speed upgrade.
- Extension of credit terms to small and medium enterprises.

Overview

Results review

Operations review

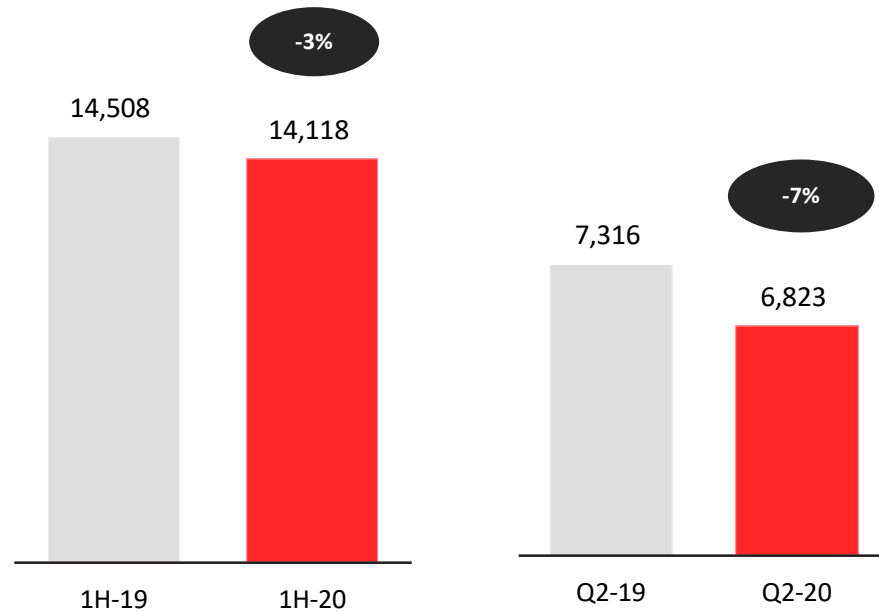
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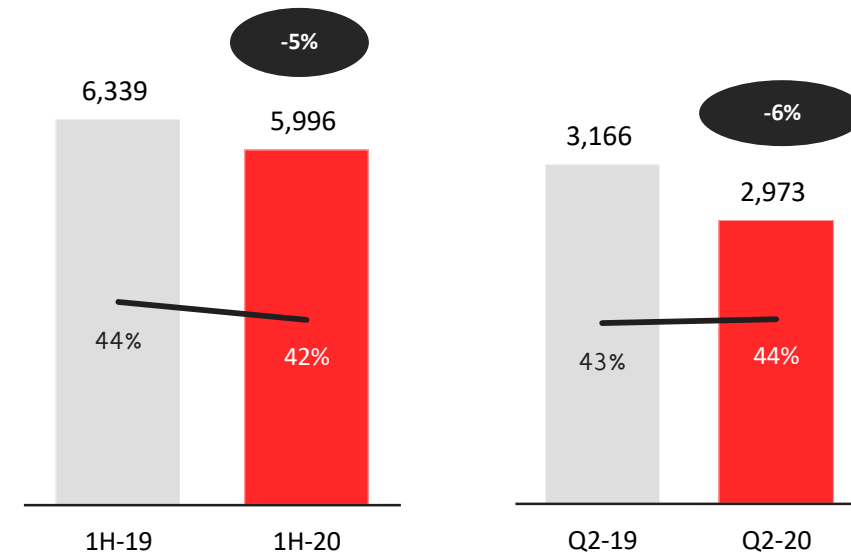
Group Results

Revenue and EBITDA

Revenue (QARm)



EBITDA (QARm) and EBITDA Margin

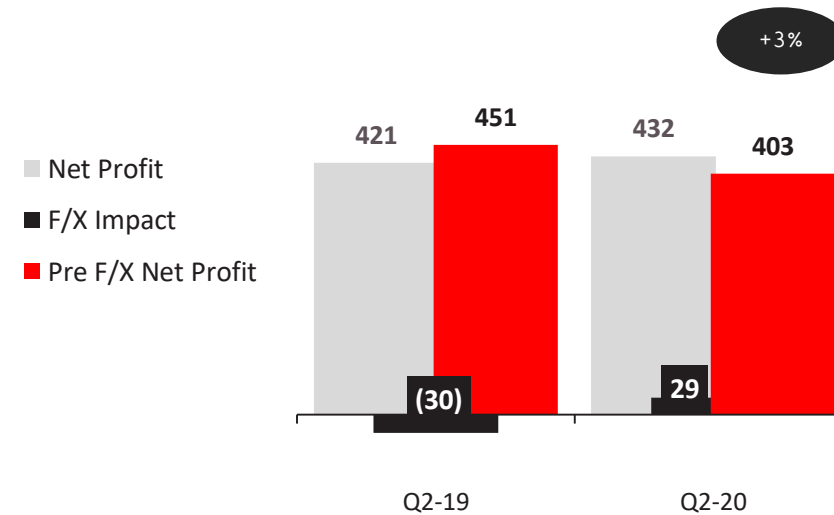
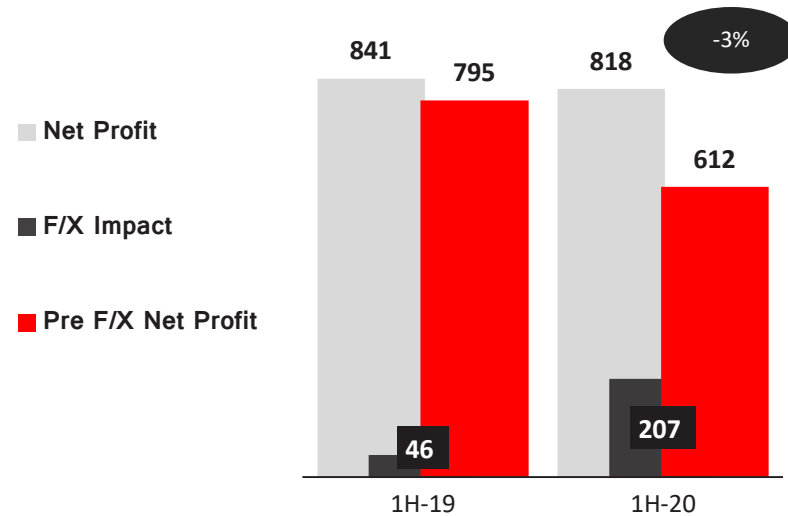


- Resilient performance against pandemic backdrop
- Revenue decreased, but growth in Indonesia, Myanmar, Tunisia and Palestine
- Excluding FX impact: Revenue -2% and EBITDA remained at -5%

Group Results

Net Profit

Net Profit Attributable to Ooredoo shareholders (QARm)

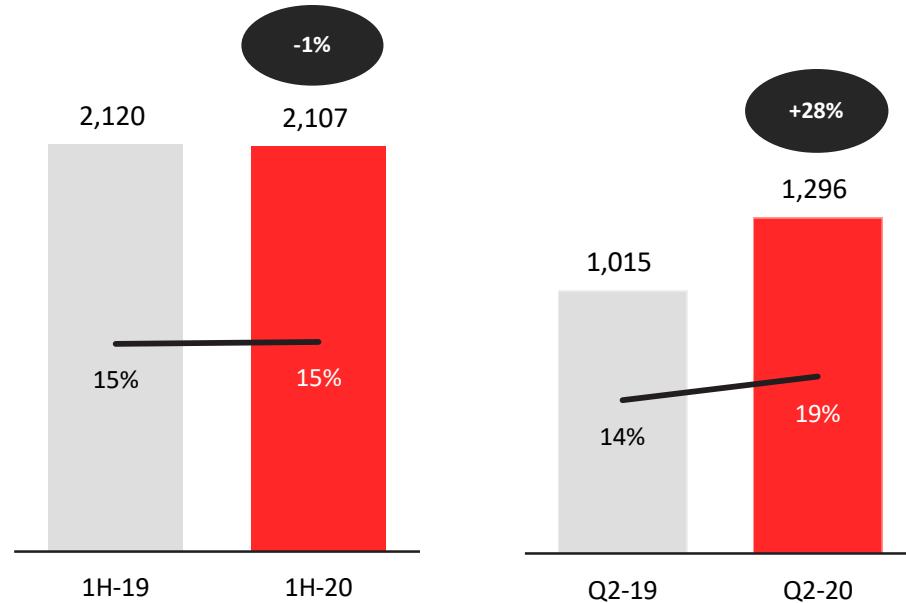


- Net Profit decreased by 3%, but improved in QoQ
- Economic weakness, as a result from the COVID-19 lockdowns, is likely to have an impact on the performance of our operations
- Ooredoo Group has healthy cash reserves and liquidity levels that can absorb the impact of COVID-19 for the year 2020

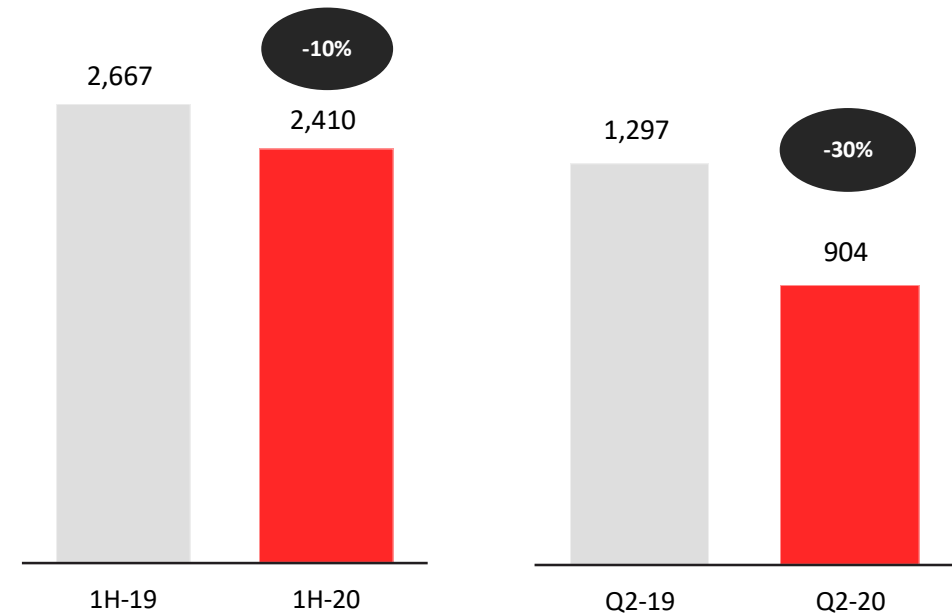
Group Results

Free Cash Flow and Capital Expenditure

CAPEX (QARm) & CAPEX/ Revenue (%)



Free Cash Flow (QARm)



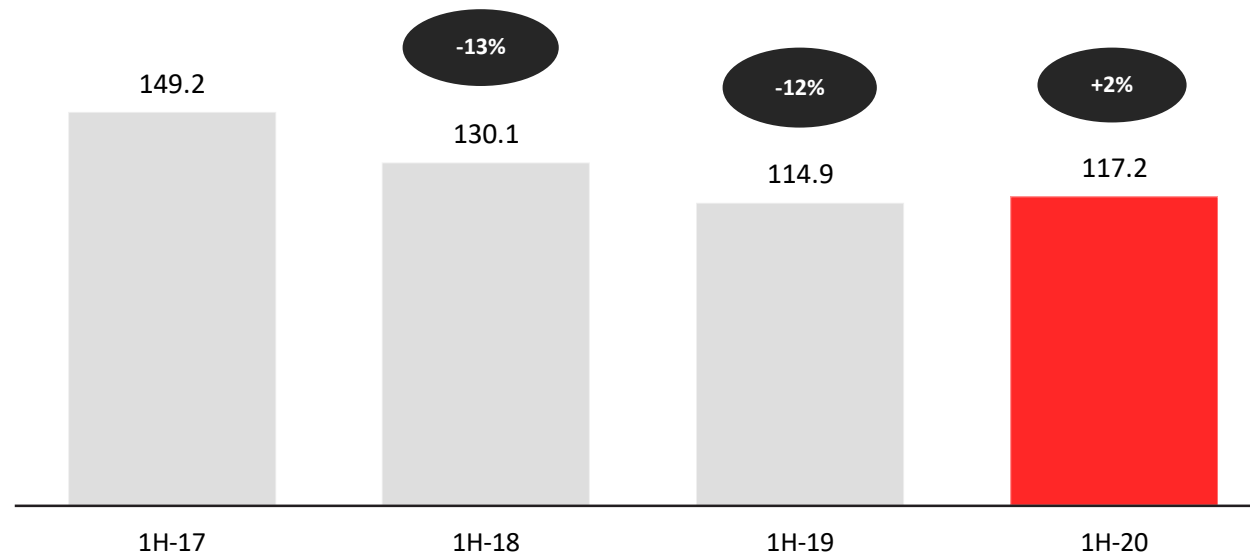
- Capex in line with guidance taking advantage of scale of Ooredoo Group and global sourcing strategy
- Decent FCF despite COVID 19 and challenging market conditions

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 as sets (excluding spectrum, license and leased assets capitalized under IFRS-16)

Group Results

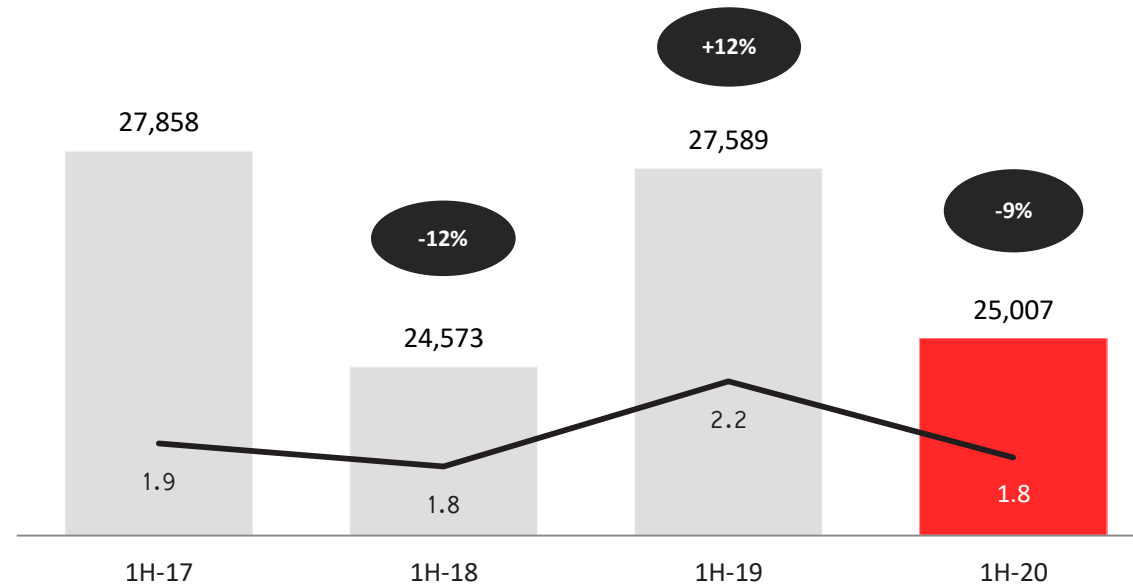
Total customers

Total Customers (Millions)



- Customer number growth mainly supported by new subscribers in Myanmar and Indonesia

Net Debt (QARm) and Net Debt / EBITDA



- Positive trend of Group Net Debt reduction continued; Net Debt to EBITDA ratio 1.8x
- Lower end of the board guidance between 1.5 and 2.5x (bank covenant 4.5x)
- IFRS 16 implemented from 01 January 2019. Impact of approx. + 0.3x on Net Debt/EBITDA ratio

Group Results

2020 1H performance summary

Group Financials (QAR bn)	1H 2020 Actual	% Change 2020/2019	2020 Full Year Guidance over 2019
Revenue	14.1	-3%	-1.5% to +1.5%
EBITDA	6.0	-5%	-2% to +1%
CAPEX	2.1	-3.8%	5.5bn to 6.5bn

- COVID 19 impacted revenue and EBITDA negatively
- Network and service level maintained despite surge in data traffic
- The situation with COVID-19 is evolving rapidly as governments across all our territories continue to implement or revise measures. Telecom sector is a more defensive sector, customers are heavily relying on our service

Contents

1

Results review

2

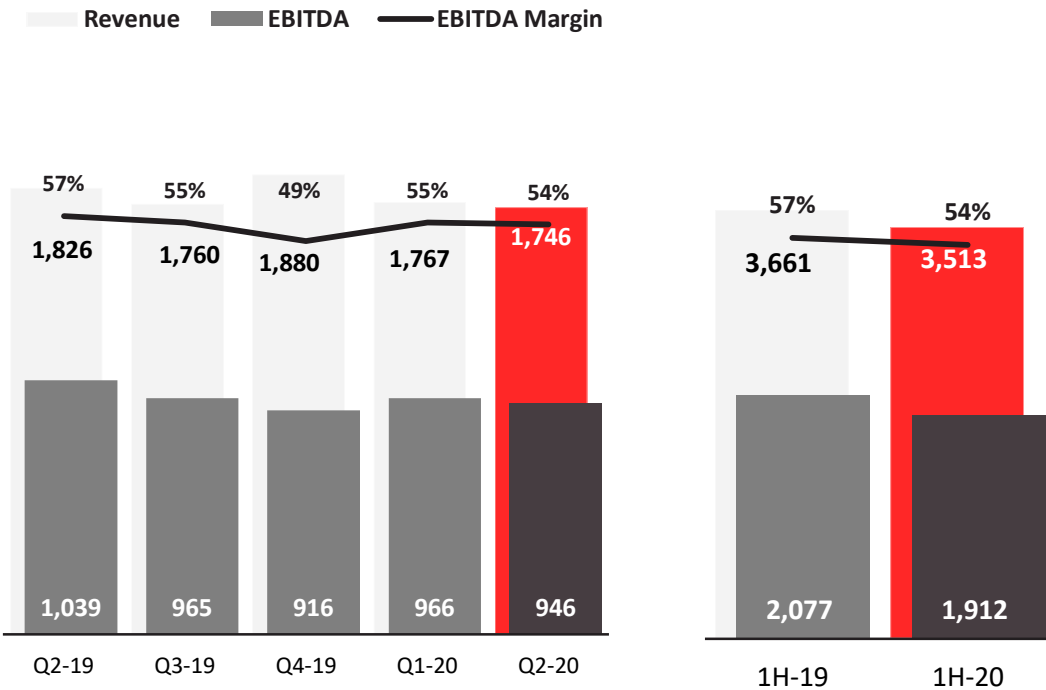
Operations review

3

Additional information



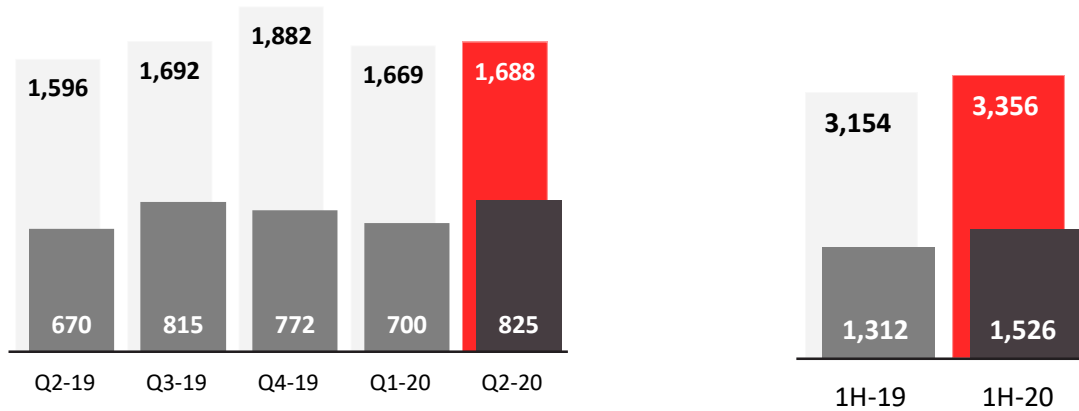
QARm



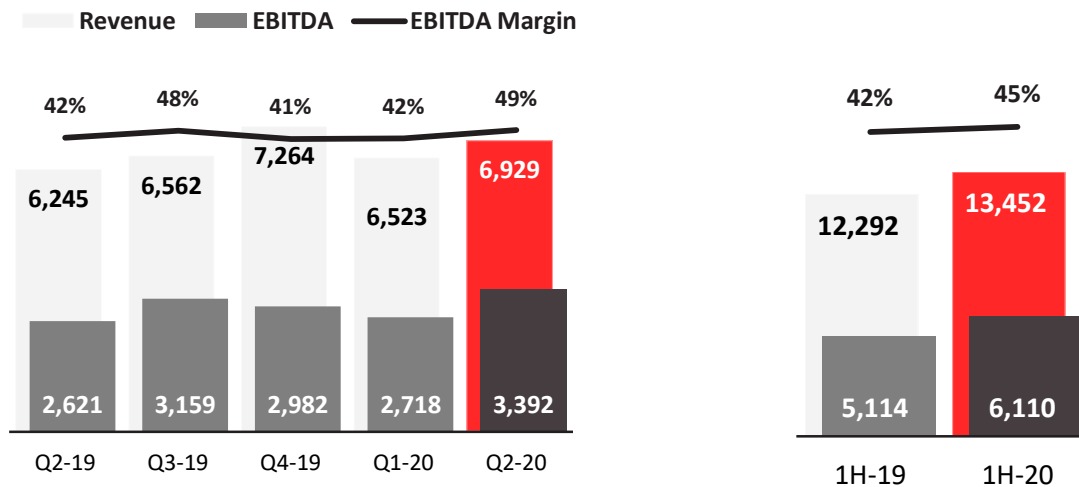
• 1 USD = 3.6415 Qatari Riyal (QAR)

- Despite strict C19 measures, limited retail shop opening and loss of roaming business the revenue drop was contained at 4%
- Healthy EBITDA margin 54%
- Customer number increased by 1% yoy to reach 3.4 million including more than 200,000 Shahry 5G and Qatarna 5G plans customers
- “#StayHomeWithOoredoo” continued to provide dedicated services for customers working from home, interactive ‘Hadaya’ Ramadan campaign used by more than 300,000 customers via the Ooredoo app
- Ooredoo Fibre rollout program’s success continues and now has 455k homes connected across the country.
- Extended network and telecom support and readiness to quarantine centres and hubs
- Ooredoo provided double data to mobile customers
- Free Mobile Money Remittance, new mobile money promotions
- Post Q: New speed record of 4 Gbps using the latest Ericsson Radio System products on 5G on 200MHz in 3.5 Ghz band spectrum trial

QARm



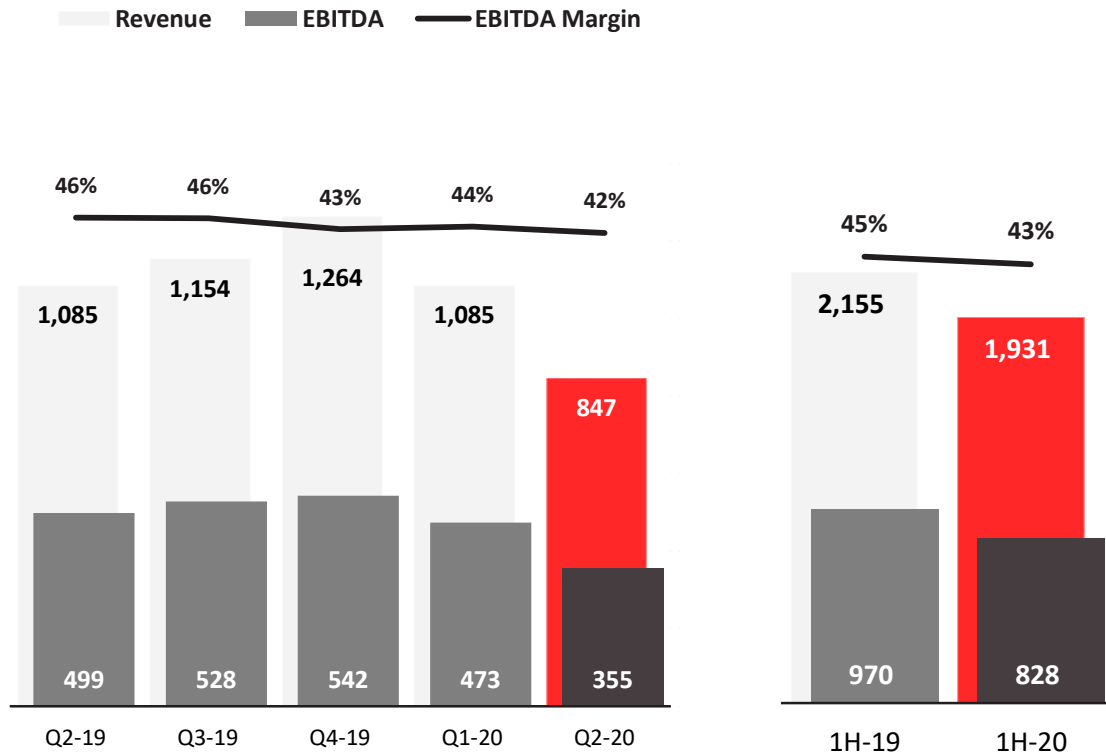
IDRbn



- Positive turnaround momentum maintained solid top-line growth of 6% YoY, driven by data revenue on the back of enhanced network experience and distribution expansion. Our focus on simplified and relevant consumer offerings driving sustainable ARPU growth.
- Continued data traffic growth, improving network experience despite data demand growth.
- EBITDA increase of 16% to QAR 1.5 billion, driven by top-line growth and focused cost discipline.
- EBITDA margin increased to 45% in H1 2020, compared to 42% in H1 2019.
- Customer base reaches 57.2 million registering 1% growth

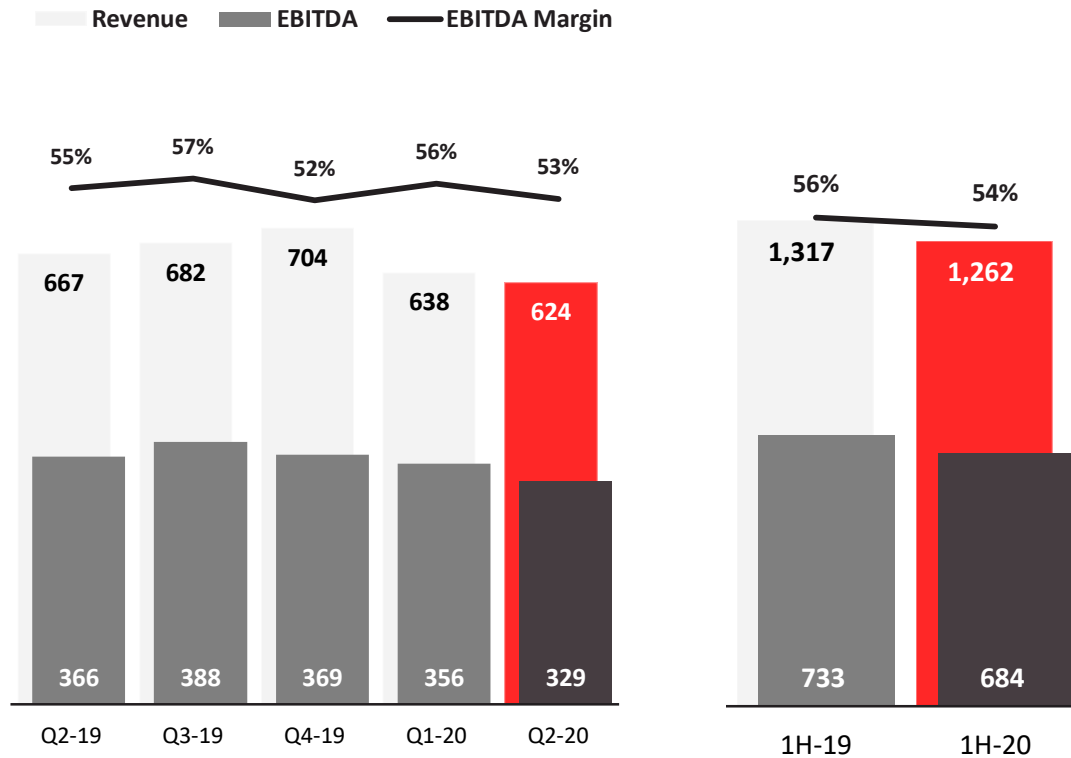
• Note: Average rate over the period (IDR) • 1 USD = 14,617 Indonesia Rupiah (IDR)

QARm



- Strict lockdown measures and C19 brought Revenue down by 10% yoy
- Lower revenue impacted EBITDA, optimising operational efficiency and controlling its marketing spend resulted in an EBITDA margin of 43%.
- Customer base stood at 13.3 million, a decrease by 4%
- Asiacell offered its customers data bonus on recharge, double their quota on emergency credit and extended the validity of prepaid lines
- Continued preparation of 4G launch, as the Government committed to allow operators to launch LTE services in 2021
- Asiacell CSR: donated to support the efforts to confront COVID-19 epidemic by allocating approx. QAR 6 million to different Iraqi government bodies

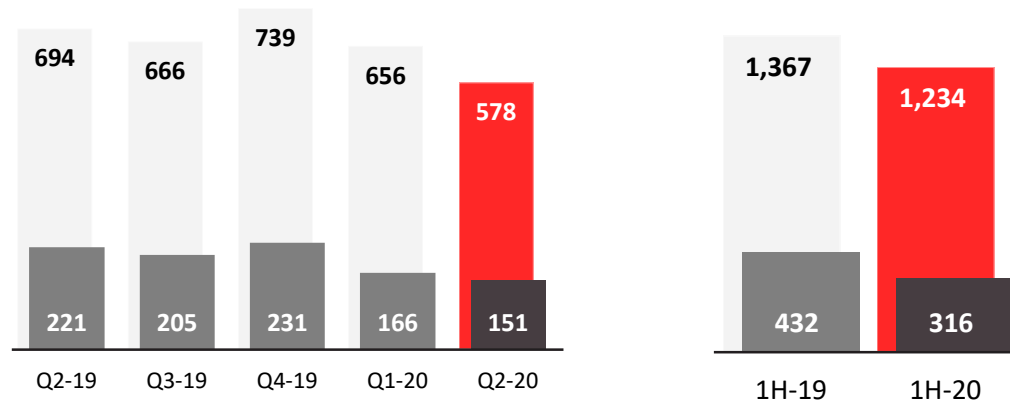
QARm



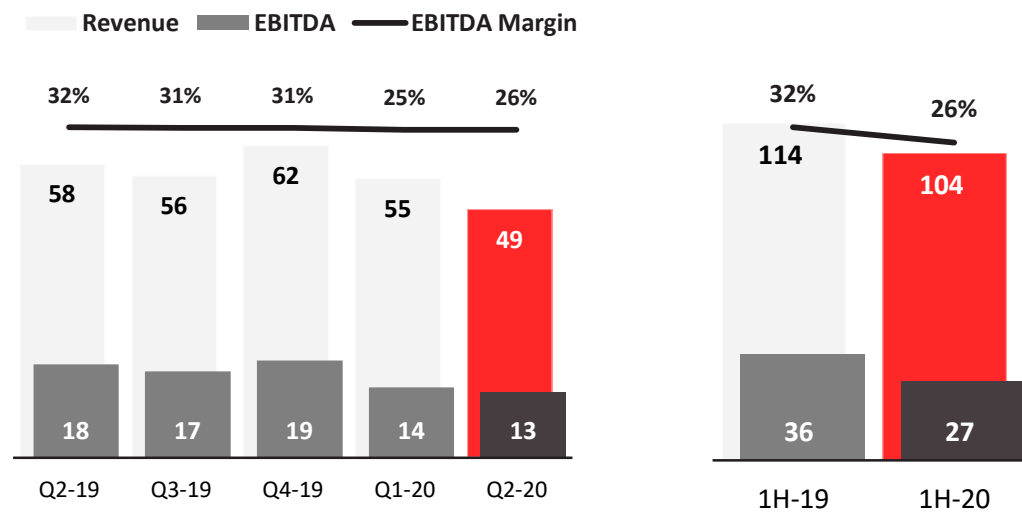
- Revenues decreased by 4%, due to a decline in prepaid mobile and roaming revenues
- EBITDA declined 7% due to lower revenue with an EBITDA margin of 54%. Focus on optimizing its marketing and advertising spend
- Customer base dropped by 16% to 2.6 Million mainly in pre-paid base due to C19, slowdown of economy, store closures and mobility restrictions. Growth in postpaid, fixed LTE HBB and FTTH customer numbers
- Ooredoo Oman accelerated digital transformation with services available through the app, eShop, WhatsApp and Social Media
- Supporting education, OO partnered with the Ministry of Education to launch an e-learning platform. Additionally, the company offered free minutes to help connect families and communities during the COVID-19 pandemic
- OO won two gold Stevie Awards Middle East 2020 for “Innovative Use of Technology in Customer Service” and “Innovation in the management, planning application of technologies”. And the “Excellence in Digital Transformation and Innovation Telecom Industry in the Middle East”, by the Annual Global Brands Magazine Awards

• Note: (1) Constant pegged currency • 1 USD = 0.38463 Omani Rial (OMR)¹

QARm



KWDm

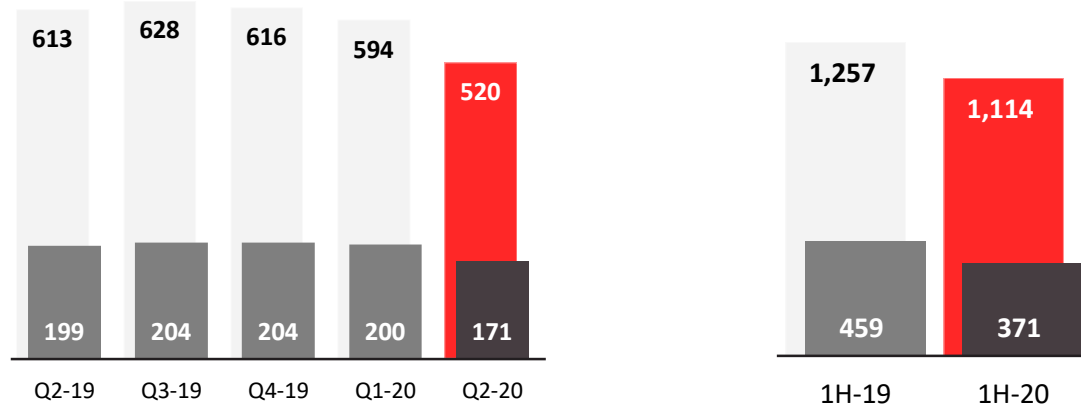


- Due to the COVID-19 pandemic and countrywide lockdown in Q2'20, Revenue decreased by 10% yoy due to lower Service and Equipment Revenue
- Ooredoo Kuwait offered all workers in the ministries and governmental organizations 5GB of free data a day and unlimited local calls, in support of their efforts to contain the spread of COVID-19
- The drop in Revenue had a negative impact on EBITDA for H1 2020
- EBITDA margin down year on year to reach 26%, but increased slightly over Q1 2020
- Customer base stood at 2.4 million
- A special promotion “Saif mujarab” campaign , Switch to 5G campaign, Ramadan promotions, iPhone 11 series, Samsung S20 Ultra & Huawei P40 devices with Shamel

• Note: Average rate over the period (KWD)

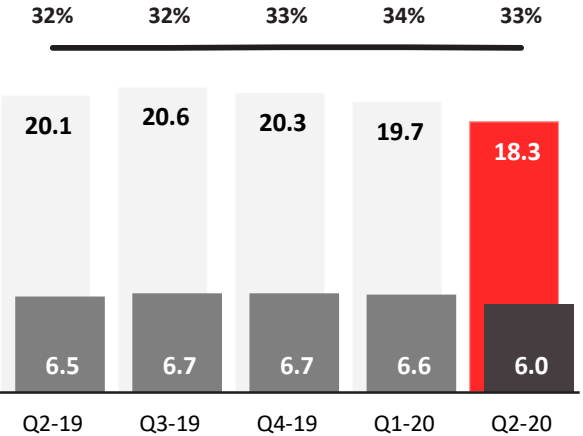
• 1 USD = 0.3077 Kuwait Dinar (KWD)

QARm



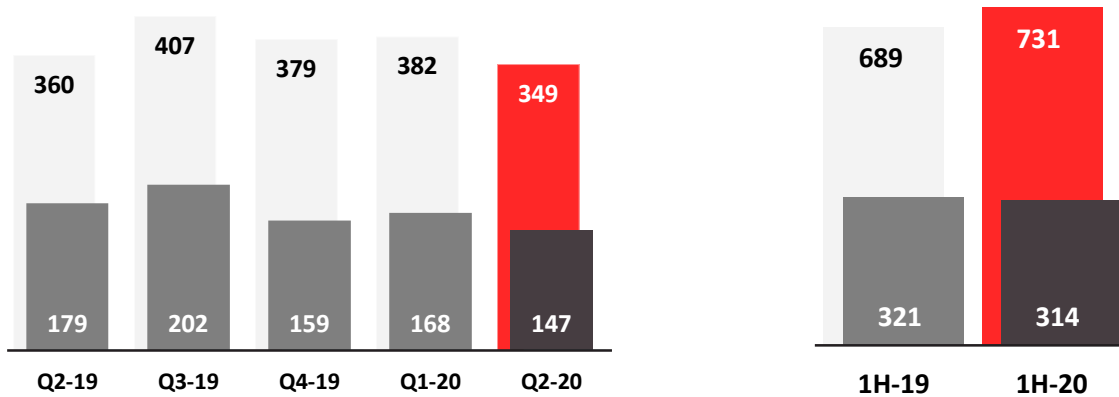
DZDbn

Revenue EBITDA EBITDA Margin

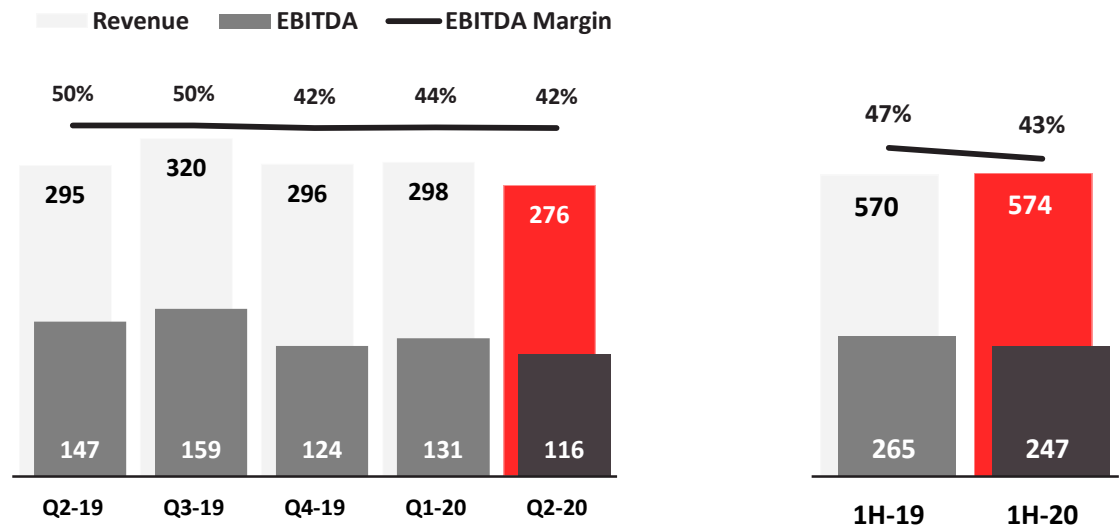


- Ooredoo Algeria performance impacted by challenging economic conditions, intense price competition and currency depreciation as the Algerian Dinar depreciated by 4% YoY
- Revenue decreased 11% yoy due to the market slow down and COVID 19 impact
- EBITDA lower due to decreased revenue, EBITDA margins at 33%
- Customer number stood at 12.9 million
- Further network improvement, solid leadership position based on independent third party tests for both on 3G and 4G
- Ooredoo Algeria launched 'Dima Ooredoo', a new digital portfolio launched through an innovative interactive campaign featuring sitcom actors; and launched 'Yara', a VOD platform that attracted 350,000 daily active users, as it continues to develop its digital ecosystem across all 48 Wilayas, to better serve its 12.9 million-strong customer base

QARm

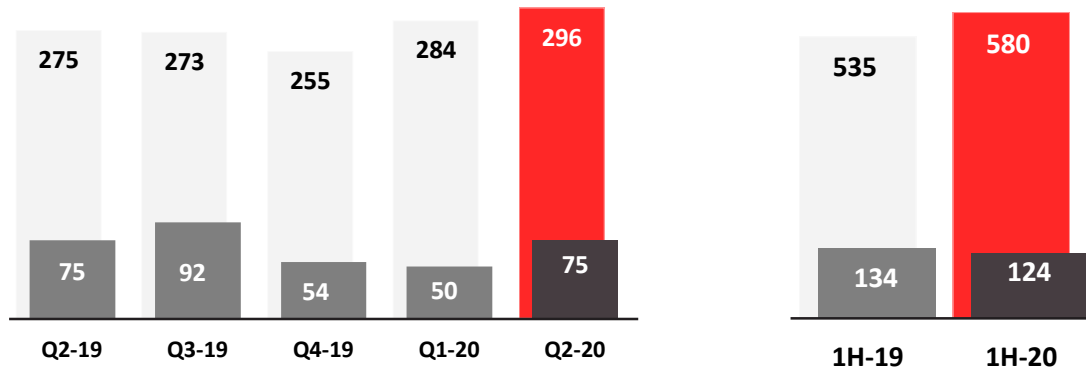


TNDm

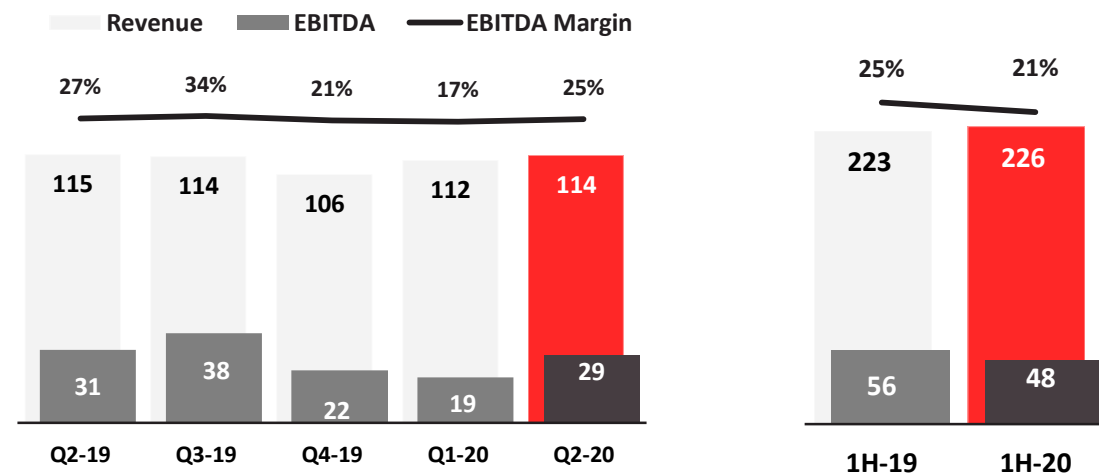


- Another very strong performance. Revenue increased by 6% despite deteriorating economic conditions following the implementation of Government measures to control the spread of the COVID-19 pandemic
- EBITDA declined 2% during H1 2020 due to increased bad debt provisions as the economy slowed and one-off reversals that took place in H1 2019
- Stable customer number of 8.8 million
- Digital transformation strategy by providing a best digital experience to its customers: increasing percentage of Digital sales and Digital Care
- Free Mobicash card promotion
- OT supported hospitals and confinement centres with data access throughout the pandemic

QARm



MMKbn



- Very strong growth in revenue (8% YoY) driven by healthy growth in data consumption partly offset by lower voice revenue; also supported by currency appreciation
- Reduced EBITDA margin YoY primarily due to higher customer acquisition cost. Sequentially EBITDA margin improved.
- Customer base reached 14.8 million, up by 34% YoY
- Good digitalization progress with higher “My Ooredoo App” customers and increased digital sales
- OM 3G and 4G networks are ranked number one for speed

• 1 USD = 1.423 Myanmar Kyat (MMK)



2020 upcoming events (tbc)

- **21 Sept, Ooredoo Capital Markets Day Doha & Virtual**
- **21 Sept - 1 Oct EFG Virtual Mena Conference (exact two days tbc)**
- 22-24 Sep, JP Morgan annual EM credit conference Virtual
- **End of Oct ORDS Q3 results**
- First week of November, Qatar Exchange/ Goldman Sachs Virtual conference
- Nov 3-4 BoA Virtual Mena Conference
- 23-26 November, Arqaam virtual conference

Contents

1

Results review

2

Operations review

3

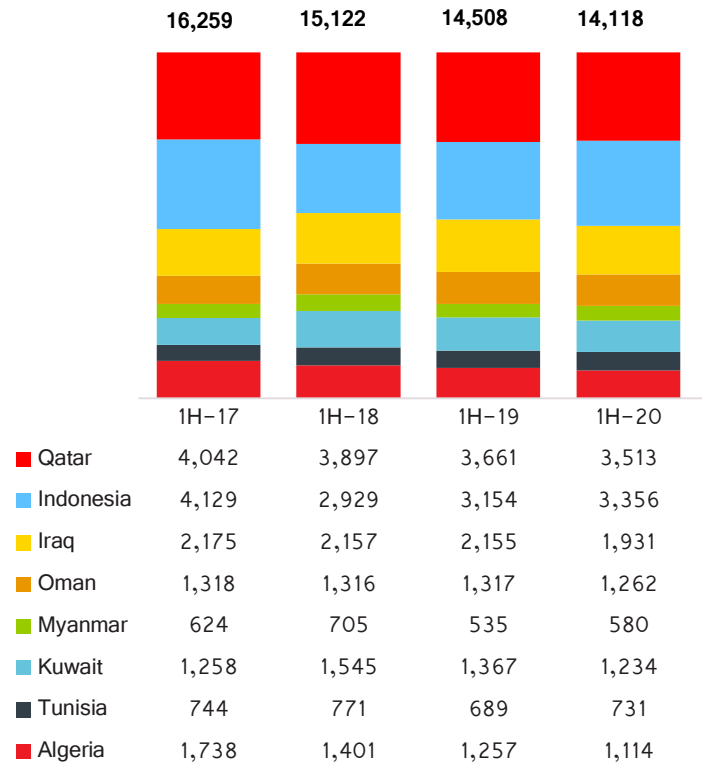
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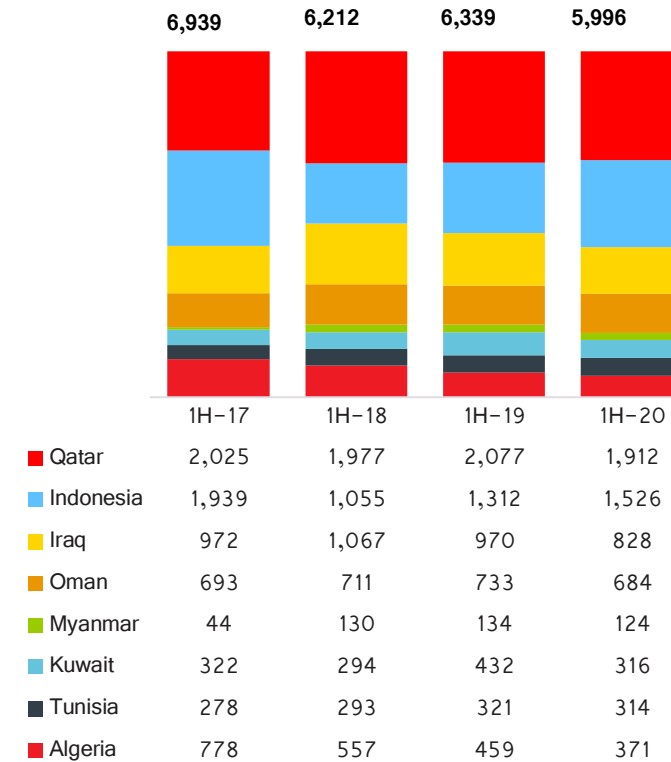
Additional Information

Key Operations Importance to Group

Revenue (QARm)



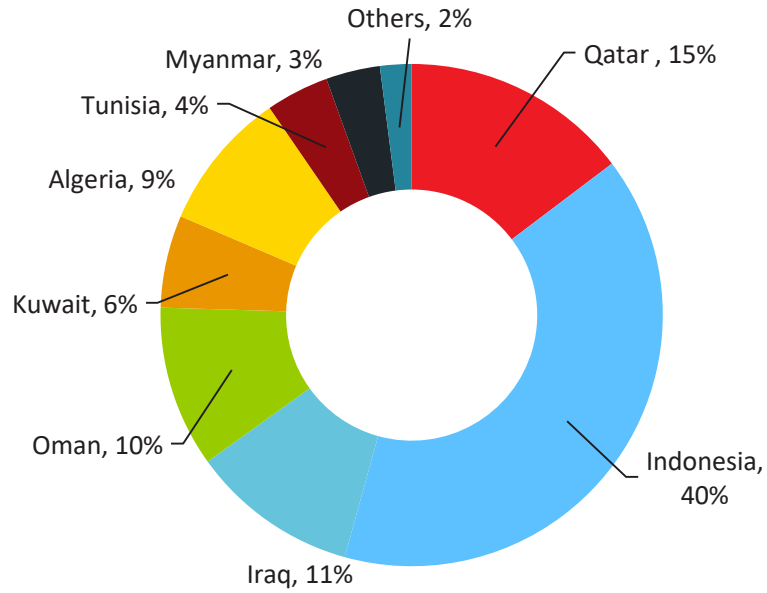
EBITDA (QARm)



Group Operations Breakdown

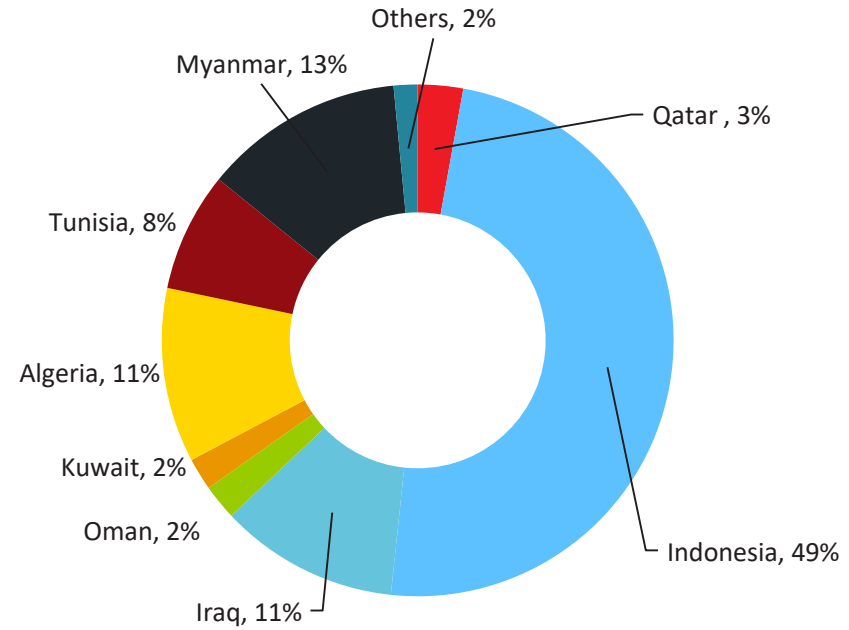
CAPEX & Customers

CAPEX Breakdown (%)



1H 2020 CAPEX = QAR 2,107 million

Customer Breakdown (%)

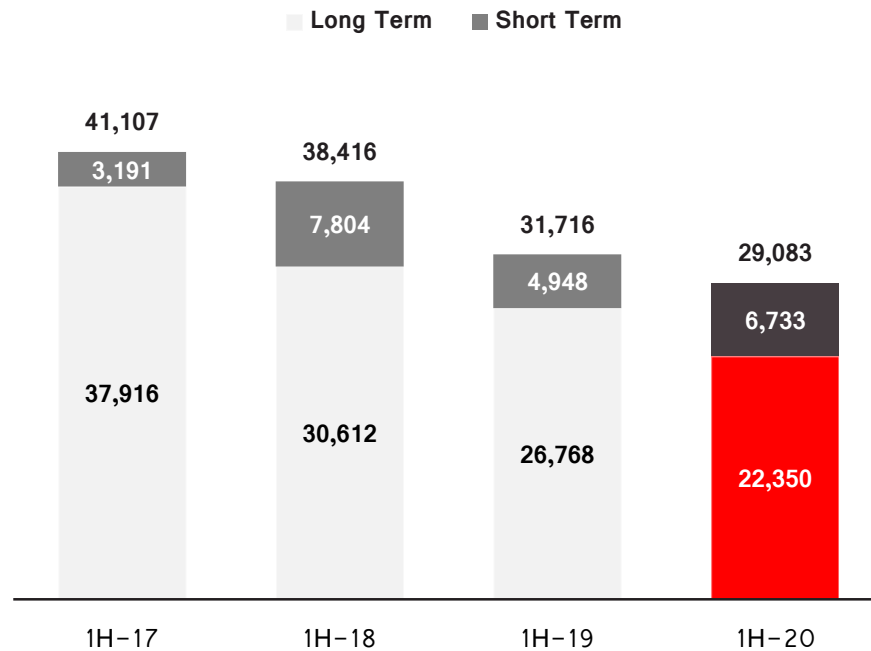


1H 2020 Total Customers = 117 million

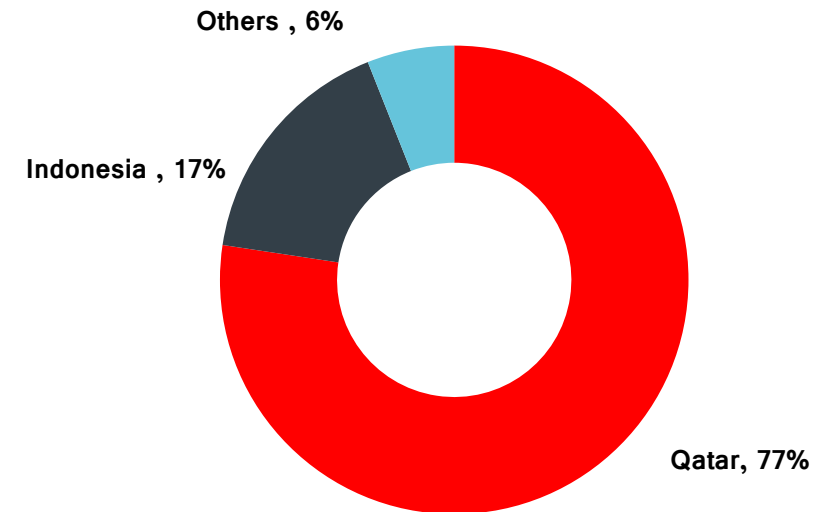
Group Operations Breakdown

Total Group Debt Breakdown

Total Group Loans and Borrowing (QARm)



Loans and Borrowing Breakdown

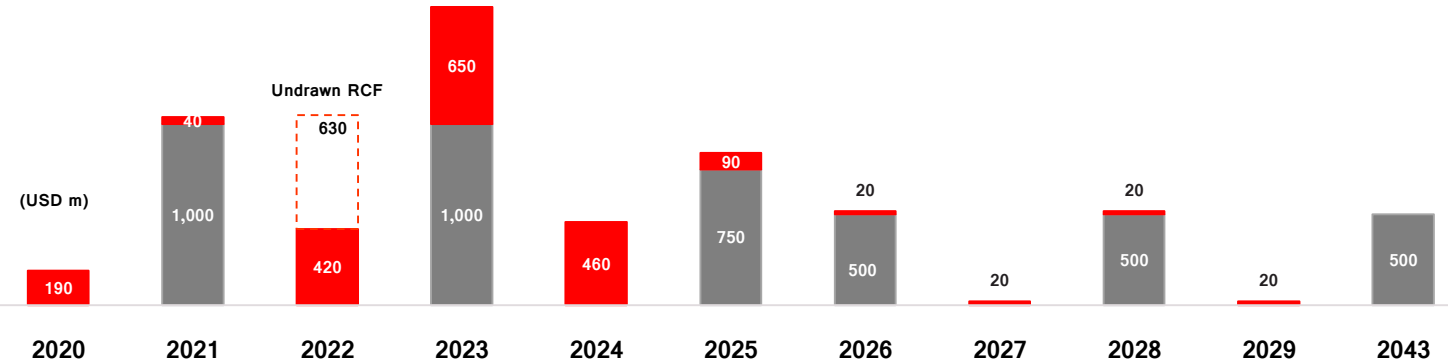


**Total Group debt reduced, well balanced profile
OpCo debt primarily in local currency**

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

Group Results

Debt Profile – Ooredoo Q.P.S.C. level



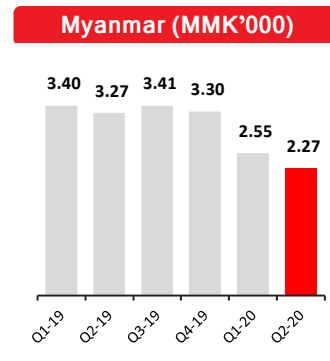
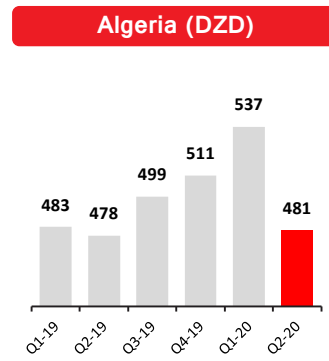
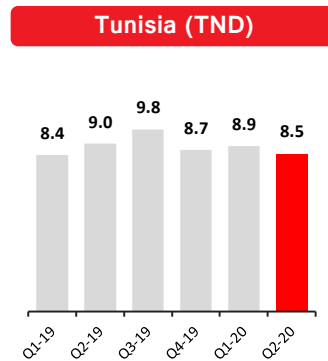
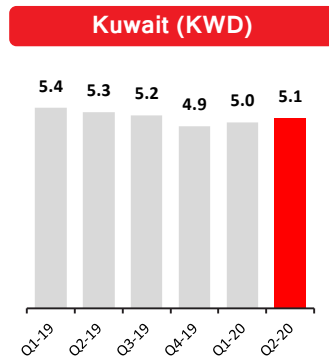
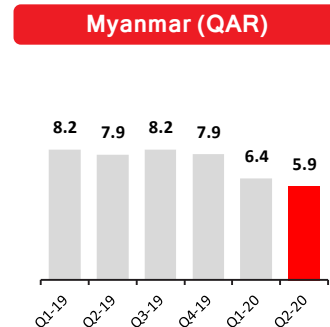
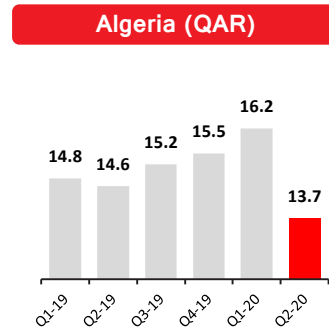
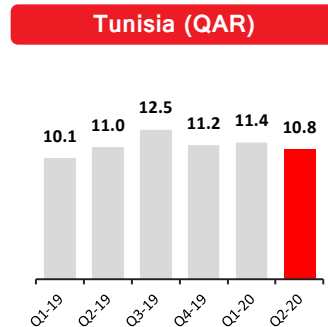
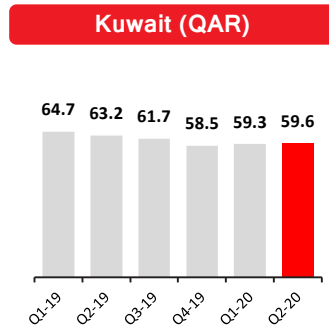
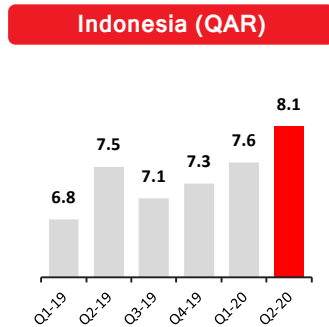
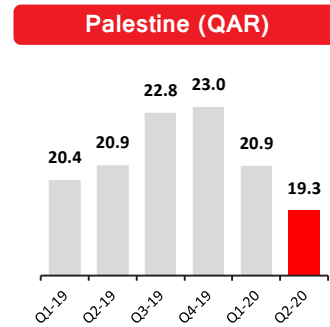
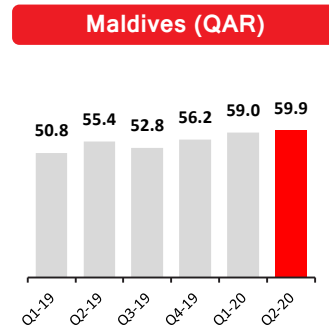
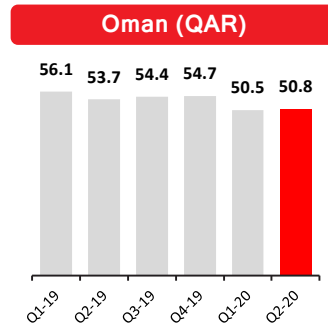
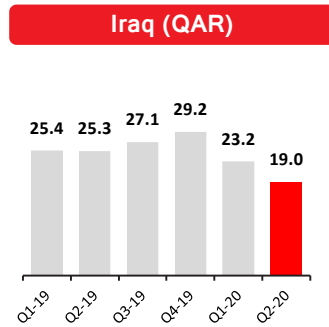
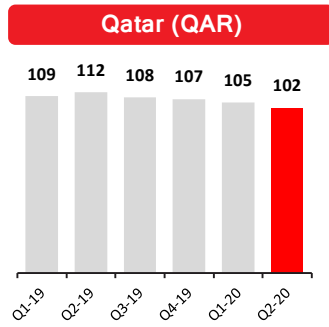
Loans (in USD m)					Bonds (in USD m)				
Amount	Usage	Rate*	Maturity	Issue Amount	Interest	Maturity	Listed in		
QNB QAR3bn RCF	824	0	QAR MM rate	31-Jan-22	Fixed Rate Bonds due 2021	1,000	4.75%	16 Feb 2021	LSE
USD150mn Term Loan	150	150	Libor + spread	31-Aug-20	Fixed Rate Bonds due 2023	1,000	3.25%	21 Feb 2023	ISE
USD1bn RCF	1,000	370	Libor + spread	07-Jun-22	Fixed Rate Bonds due 2025	750	5.00%	19 Oct 2025	LSE
USD200mn Amortizing Loan	200	160	Libor + spread	12-Jul-23	Fixed Rate Bonds due 2026	500	3.75%	22 Jun 2026	ISE
USD 100m Term Loan	100	100	Libor + spread	08-Oct-23	Fixed Rate Bonds due 2028	500	3.875%	31 Jan 2028	ISE
USD 150mn RCF	150	150	Libor + spread	30-Oct-23	Fixed Rate Bonds due 2043	500	4.50%	31 Jan 2043	ISE
USD 100m Term Loan	100	100	Libor + spread	31-Oct-23					
USD 100m Term Loan	100	100	Libor + spread	13-Dec-23					
USD 300m RCF	300	300	Libor + spread	16-May-24					
ADB Term loan Tranche 'A'	350	350	Libor + spread	23-Mar-25					
ADB Term loan Tranche 'B'	150	150	Fixed Rate	14-Sep-29					
Total Loans	3,424	1,930			Total Bonds	4,250m			

Total outstanding debt as at 30 June 2020 at Ooredoo Q.P.S.C. level

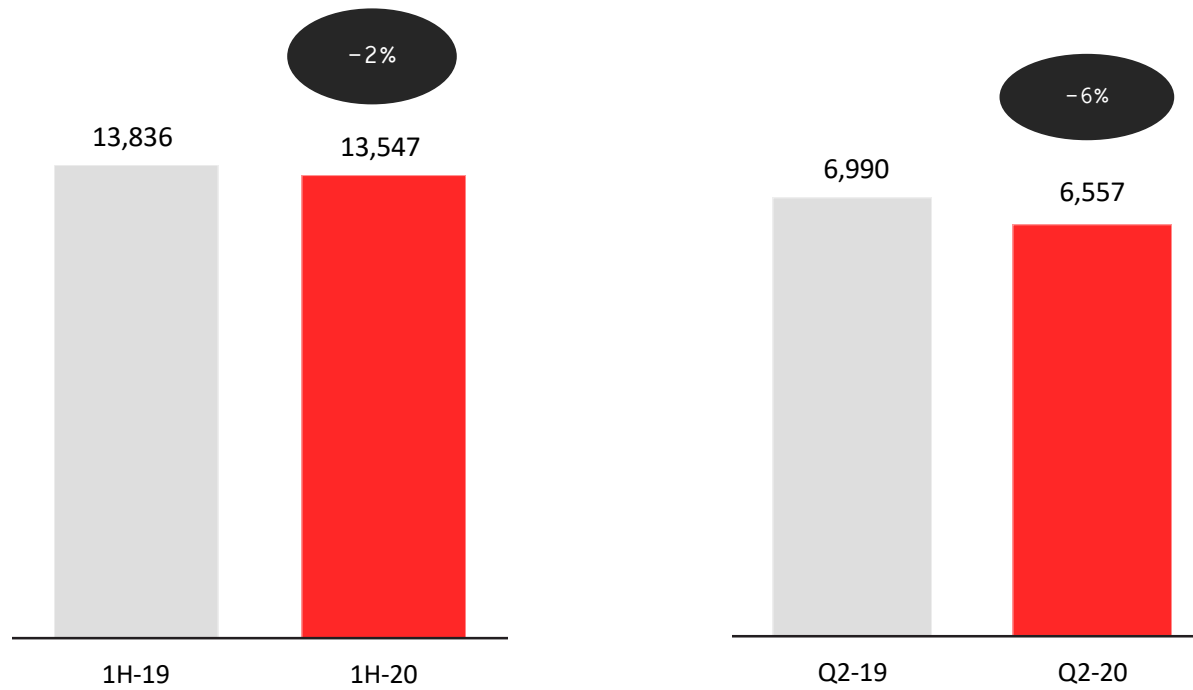
USD 6,180 million

Long term Debt Profile remains well balanced

Blended ARPU



Service Revenue



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	25%	3 years	
Oman	15%	5 years	
Palestine	20%	5 years	
Qatar	10%	3 years	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.

OPCOs Licence General Information

[Overview](#)

[Results review](#)

[Operations review](#)

[Additional information](#)

Country	Fixed Licence		Mobile Licence	
	Issuance Date	Expiry Date	Issuance Date	Expiry Date
Qatar	7 October 2007	6 October 2032	7 October 2007	6 October 2027
Kuwait	--	--	13 October 1997 Emiri Decree	Indefinite
Iraq	--	--	30 August 2007	29 August 2022- 2G & 3G renewal under discussion
Oman	6 June 2009	6 June 2034	19 Feb 2020	18 February 2035
Algeria	--	--	2G: 14 Jan. 2019 3G: Dec. 2014 4G: 25 Sep. 2016	2G: 13 Jan. 2024 3G: Dec. 2029 4G: 24 Sep. 2031
Tunisia	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
Indonesia	21 May 2004	Indefinite	11 October 2006	Indefinite
Maldives	14 December 2015 (ISP)	13 December 2030	29 January 2020 (15 year extension to existing license)	28 January 2035
Palestine	--	--	14 March 2007	10 September 2029
Myanmar	5 February 2014	04 February 2029	05 February 2014	04 February 2029

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Thank You

