



# Ooredoo Group

FY 2020 Results

Feb 2021



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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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- 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



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# Group Results

## Key Highlights

### Solid financial performance in challenging conditions



**Revenue declined** by 4% year-on-year to QAR 28.9 billion in 2020, due to the **COVID-19 pandemic impact**, with a reduction in handset sales and roaming business as well as **macroeconomic weakness** in some of our markets. This was **partially offset by growth in Indonesia, Myanmar and Palestine**.



**EBITDA declined** by 6% year-on-year to QAR 12.1 billion in 2020, impacted by lower revenues and challenging market conditions across most markets. The company maintains its focus on **digitalization and cost optimisation**, which has been reflected in a **healthy EBITDA margin** of 42% for FY 2020



Group **Net Profit attributable** to Ooredoo shareholders **decreased** by 35% year-on-year to QAR 1.1 billion in 2020 mainly due to **lower EBITDA and one off gains in 2019** from the Indonesian tower sales.



**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.



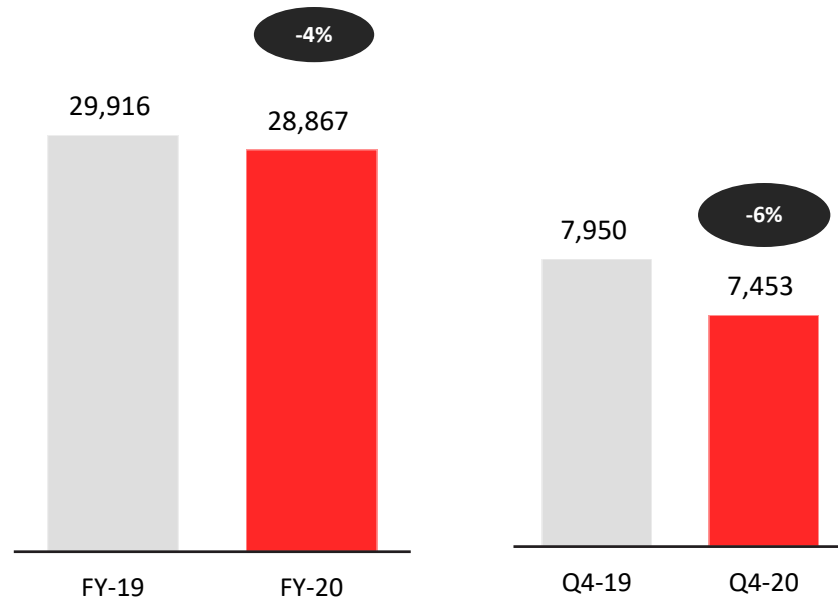
**Customer number up:** +3% to reach 121 million

Ooredoo Group maintains **healthy cash reserves** and liquidity levels, and with a solid net profit of QAR 1.1 billion, the Board recommends the distribution of a cash dividend of QAR 0.25 per share.

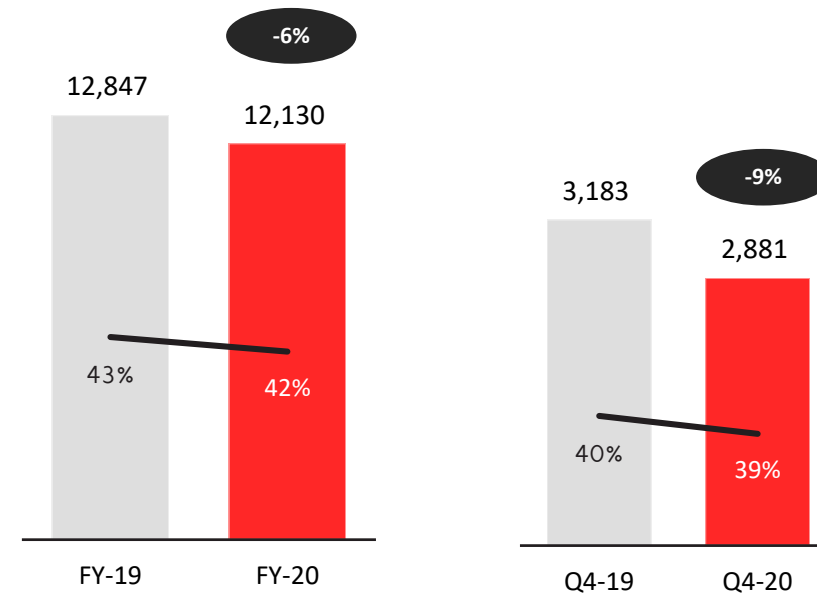
# Group Results

## Revenue and EBITDA

### Revenue (QARm)



### EBITDA (QARm) and EBITDA Margin

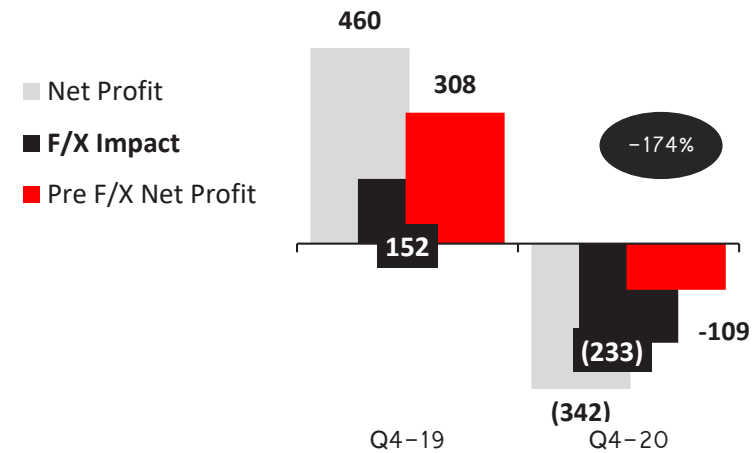
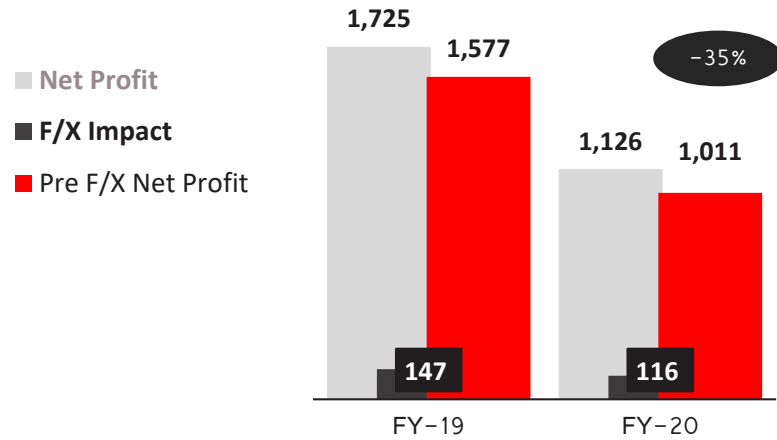


- Revenue declined year-on-year and in Q4 due to the COVID-19 pandemic impact, with a reduction in handset sales and roaming business as well as macroeconomic weakness in some of our markets. Partially offset by growth in Indonesia, Myanmar and Palestine.
- Healthy EBITDA margin of 42% for FY 2020. Lower revenues and challenging market conditions across most markets lead to a 6% decline by YoY. Maintaining focus on digitalization and cost optimisation

# Group Results

## Net Profit

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

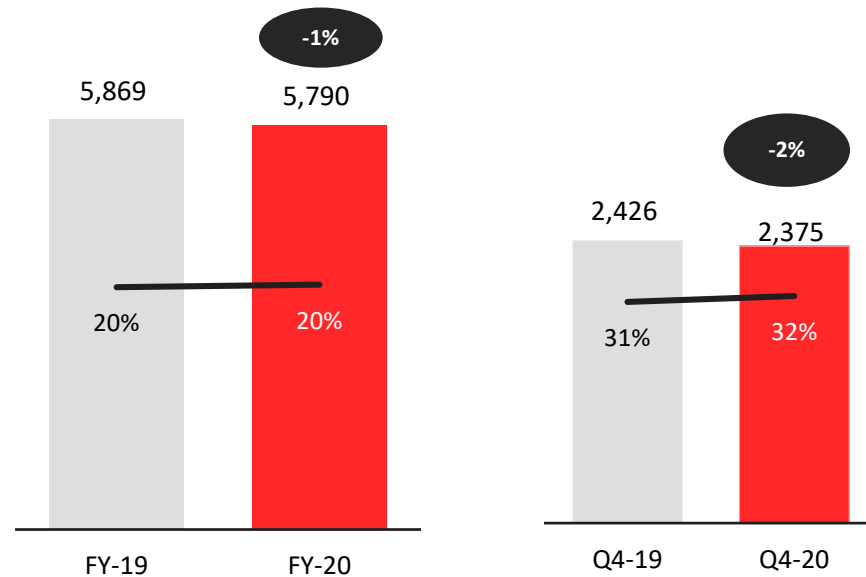


- **FY and Q4 20 Net Profit decreased** YoY due to **lower EBITDA** and a one off gain from **Indonesian tower sales in 2019**
- In addition Q4 2020 numbers were impacted by Foreign Exchange losses mainly due to the devaluation of the Iraqi dinar and a one off impairment from an investment

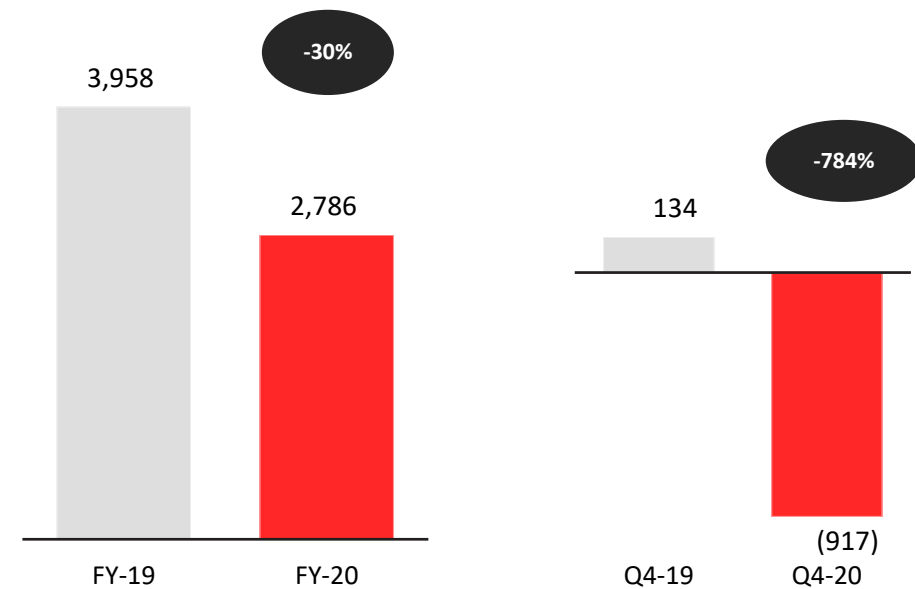
# Group Results

## Free Cash Flow and Capital Expenditure

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



### Free Cash Flow (QARm)



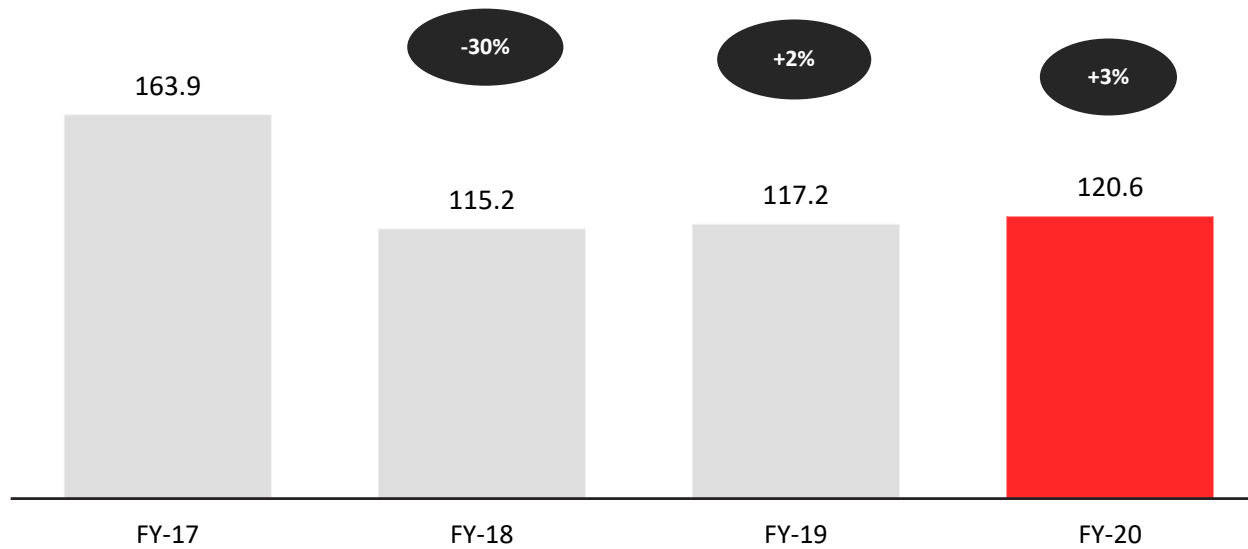
- Capex in line with guidance, selective investments in order to maintain excellent network quality in times of heavy traffic increase
- Drop in Q4 2020 FCF was on account of the decrease in Net Profit in Q4

• 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 and leased assets capitalized under IFRS-16 )

# Group Results

## Total customers

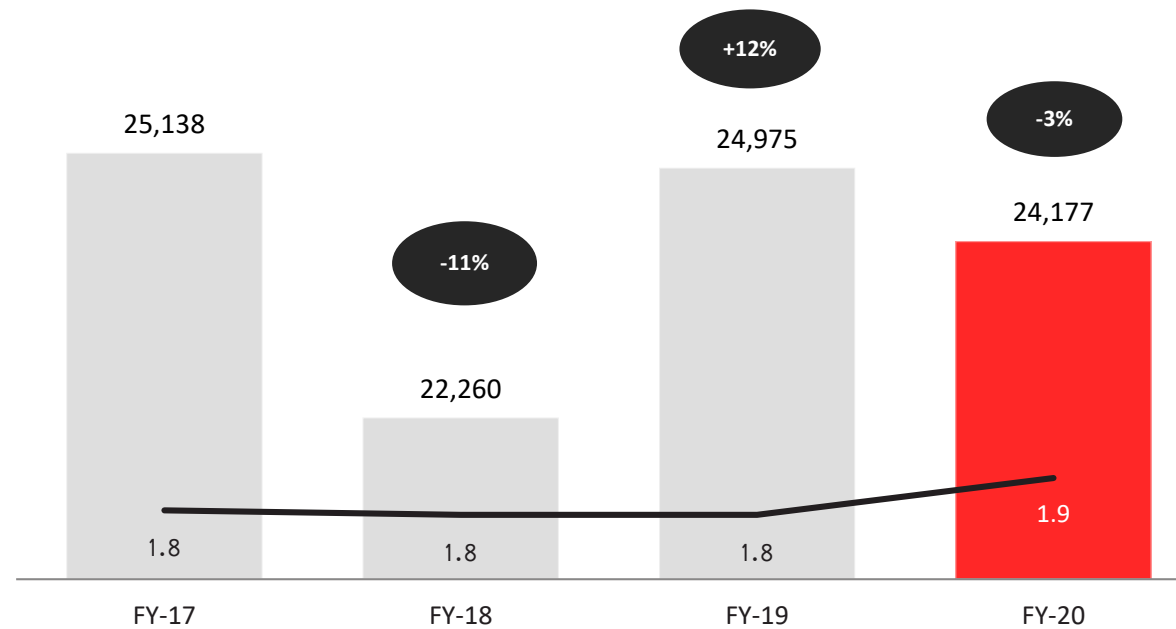
### Total Customers (millions)



- More than 120 million customers, growth driven by new customers in Myanmar, Indosat and Iraq



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



- Positive trend of Group Net Debt reduction continued; Net Debt to EBITDA ratio slightly higher to 1.9x due to lower EBITDA
- Lower end of the board guidance between 1.5x 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 FY performance summary

Group Financials (QAR bn)	2020 Actual	% Change 2020 / 2019	2020 Full Year Guidance over 2019	2021 Full Year Guidance over 2020
Revenue	28.9	-3.5%	-1.5% to 1.5%	-3% to +1%
EBITDA	12.1	-5.6%	-2% to +1%	-3% to +1%
CAPEX	5.8	-1.3%	5.5bn to 6.5bn	5.0 to 6.0bn

2020  
YoY

- Revenue and EBITDA negatively impacted by Covid 19
- Telecom sector is a more defensive sector, customers are heavily relying on our service
- Network and service level maintained despite surge in data traffic
- Capex in line with guidance

2021  
YoY

- Actual results will be impacted by C19 developments and resulting adverse conditions, as well as by the length of time that such adverse conditions continue in some of our markets
- Expecting improvements in Revenue and EBITDA run rates
- Reduced Capex yoy guidance as we already launched 5G in Qatar, Kuwait, Oman and the Maldives

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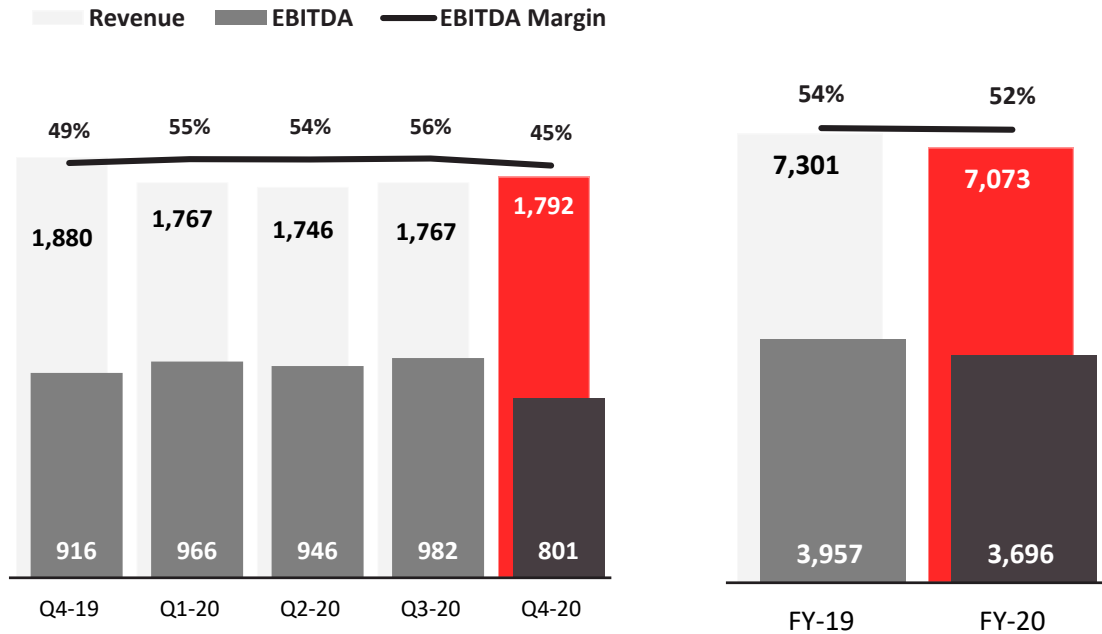
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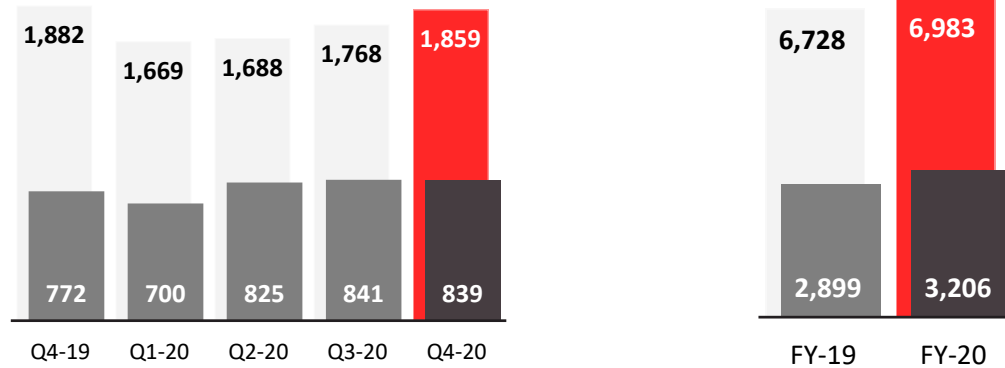
## QARm



• 1 USD = 3.6415 Qatari Riyal (QAR)

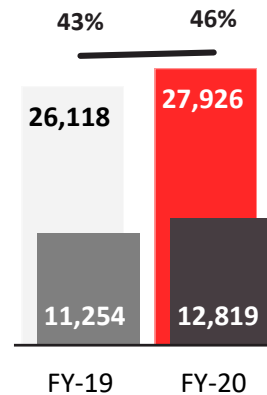
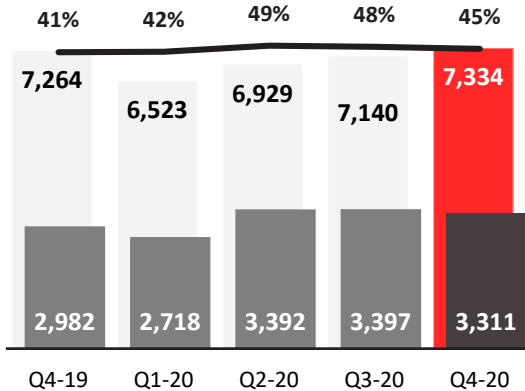
- Covid 19 impact weaker than in most countries, business started to open up, limited travel still impacted roaming business negatively
- FY20 a slight drop in revenue YoY (-3%) mainly due to the pandemic situation, positive trend in Q4 over Q3
- Healthy EBITDA margin of 52%, drop in Q4 due to higher handset sales and compensation for a brief network disruption in November 2020 (50% discount on monthly bill)
- Customer number stood at 3.3m a marginal increase YoY, growth in postpaid and Ooredoo tv customer numbers
- Extended network and telecom support to quarantine centres and hubs
- Ooredoo was also named one of 10 best brands in Qatar in efforts to combat COVID-19
- Launched OSN Streaming App with postpaid services
- Launched the new Ooredoo Money Android App

## QARm



## IDRbn

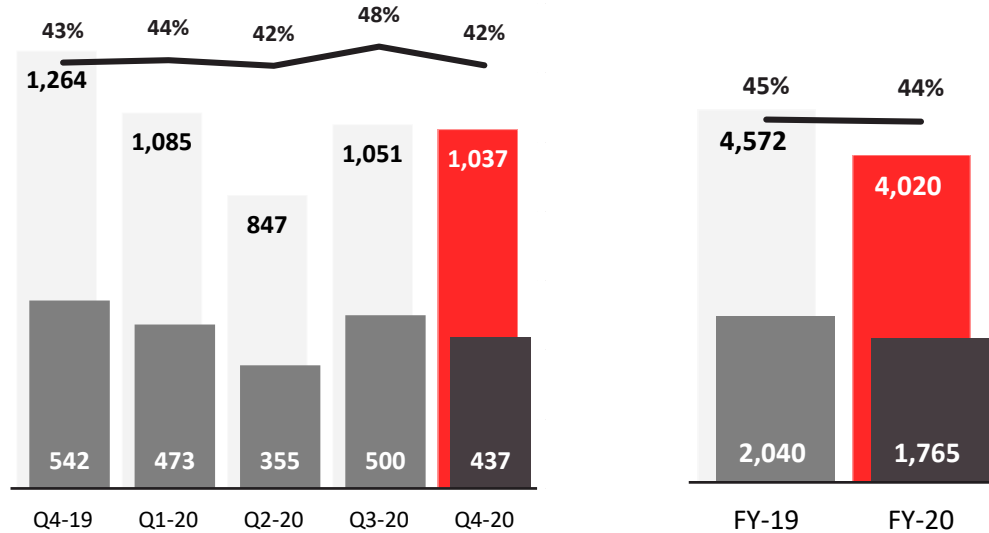
Revenue EBITDA EBITDA Margin



- Solid revenue growth of 4% in 2020, positive growth in every quarter. Positive turnaround momentum, driven by mobile and data revenue on the back of enhanced network and simplified price plans
- YoY EBITDA grew by 11% driven by continuous revenue growth momentum and focus on operational efficiencies despite Covid 19 impact and price dilution by competitors
- EBITDA margin increased to 46% in 2020, compared to 43% in 2019
- Customer base reaches 60.3 million registering 2% growth
- One of the most improved networks globally in terms of video experience. IO received “Global Rising Star award 2020” at the Opensignal Global Mobile Experience Awards
- Responding to market dynamics to cater 4G traffic demand and decline in 2G & 3G, allocated more spectrum and infrastructure from 3G to support the 4G growth
- Launched digital brand, myim3 becomes highest rated telco app in Indonesia
- On 28 December 2020, Ooredoo Group entered into an exclusive and non-legally binding MoU with CK Hutchison in relation to a potential transaction to combine their respective telecommunications businesses in Indonesia. The exclusivity period for the MoU is valid until 30 April 2021

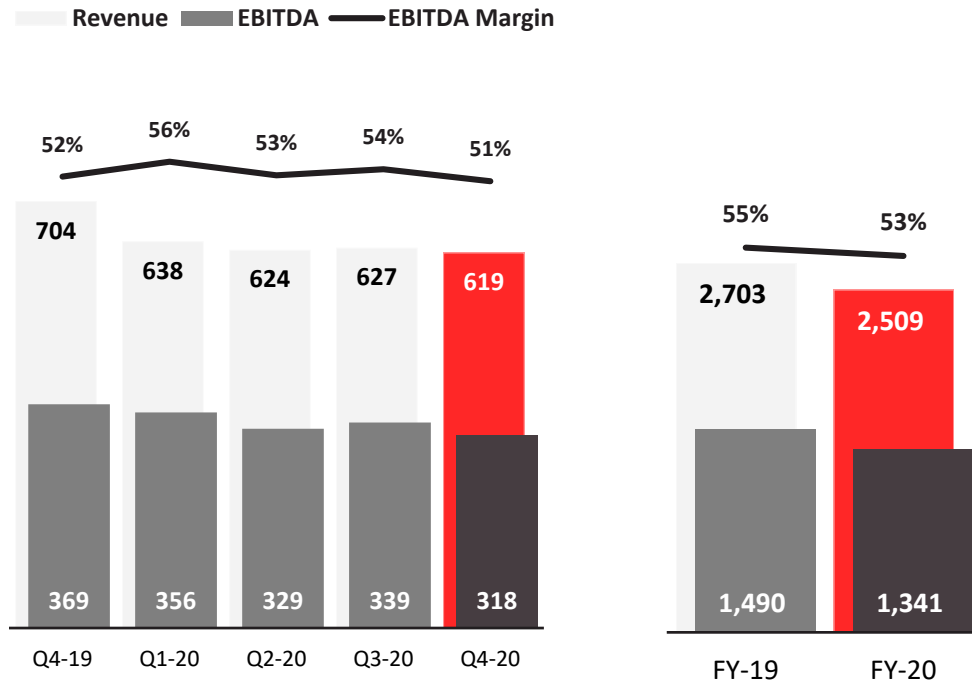
## QARm

Revenue EBITDA EBITDA Margin



- Negative impact of Covid 19 / movement restrictions heavily impacted revenue, down by 12% YoY
- Covid 19 restrictions from the first half of the years have started to ease off. Voice services which were significantly impacted in H1 are gradually recovering
- Iraqi dinar devaluated 16% in December
- EBITDA margins stood at 44% supported by cost optimisation initiative and its digital transformation strategy
- The total customer base reached 14.7 million by end of 2020, increased by 4% YoY
- Starting 2021, the Company signed with CMC an annex worth of \$234 m to renew the Company license for 8 years (5 years ending August 2027 in addition to a 3 years extra period ending August 2030)
- 4G experimental services launched towards the end of January 2021

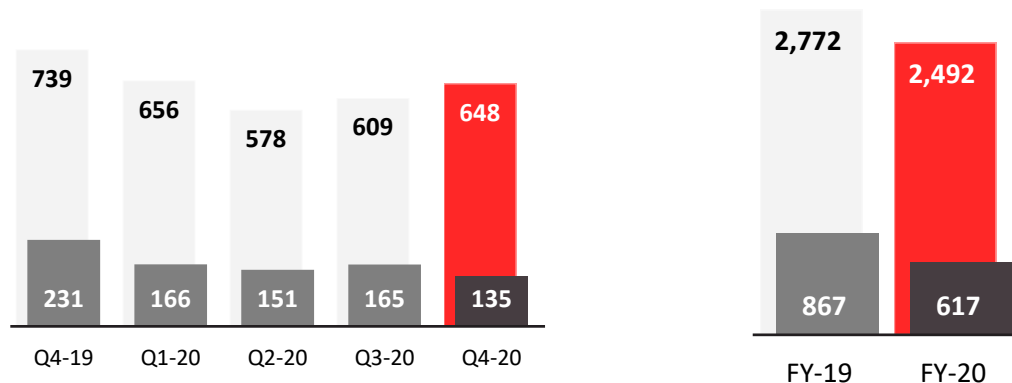
## QARm



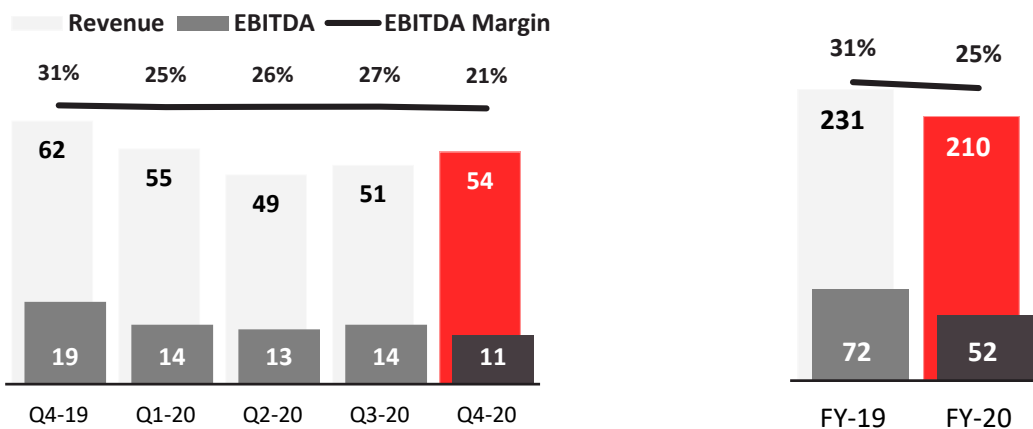
- COVID-19 pandemic related lockdowns and movement restrictions lead to a reduction of FY revenue by 7%
- Consequently, EBITDA for the year declined 10% to QAR 1.3 billion compared to 2019
- Ooredoo Oman's customer base in 2020 was 2.8 million, as it expanded the coverage of its 5G home broadband to new areas of the Sultanate and introduced new retail and business products like eshop, Pay+ mobile money and 5G business services
- Third player has not launched operations
- Ooredoo Oman running successful post paid campaigns in the consumer sector
- Expanding 5G home broadband to new areas
- Ooredoo Oman bought additional 5G spectrum 5Ghz spectrum cost is OMR 7.2 Mn valid for 15 years for 100 MHz

▪ 1 USD = 0.38463 Omani Rial (OMR)<sup>1</sup>

## QARm



## KWDm

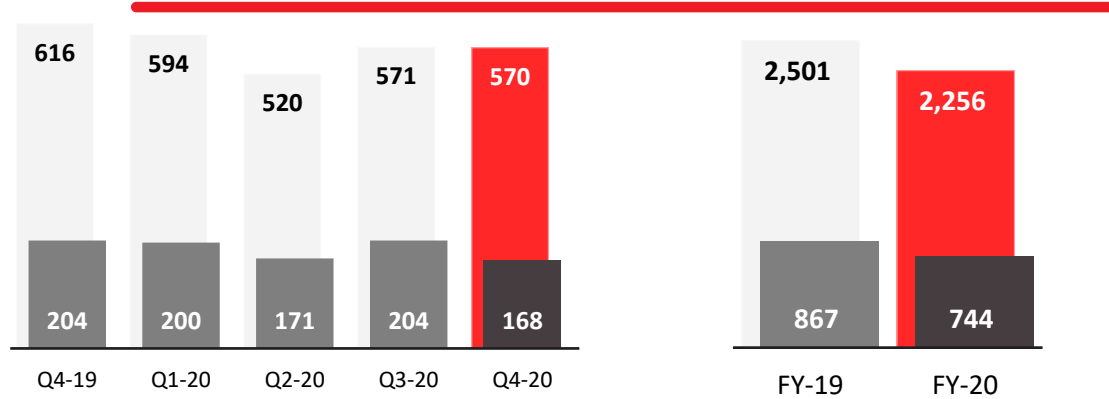


1 USD = 0.3068 Kuwait Dinar (KWD)

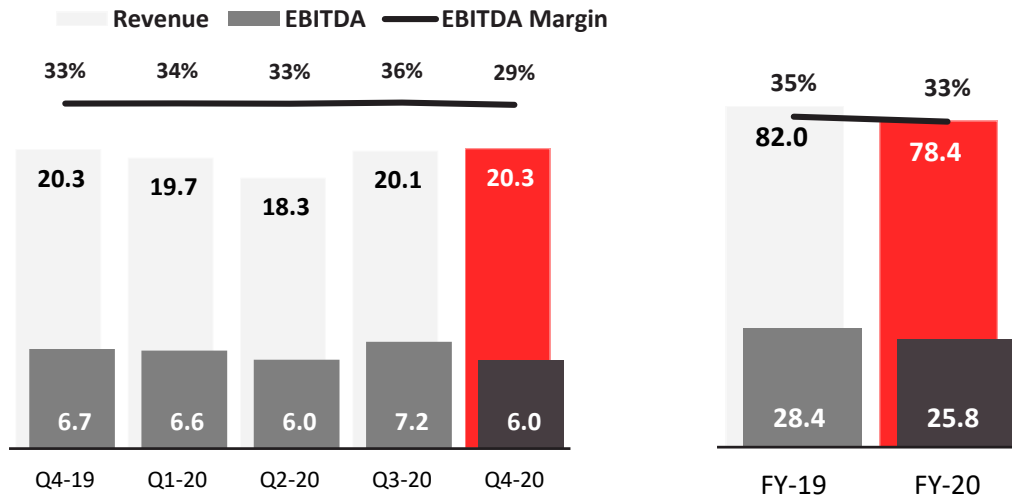
- Revenue (-10%) and EBITDA (-29%) are lower compared to last year, due to COVID-19 pandemic related softer macroeconomic conditions as well as intense market competition
- Revenue improved compared to previous quarter (+6%) as life is gradually going back to normal, reflecting the initial stages of a recovery
- EBITDA margin stood at 25% , the company remains committed to its cost optimisation program to absorb some of the pressure from the top line
- Customer base stood at 2.5 million, down by 2% YoY
- First operator to launch prepaid 5G internet in Kuwait in 2020
- Roll out of further 5G sites continues
- Ooredoo Kuwait collaborates with Citrix to offer innovative B2B solutions
- Ooredoo Kuwait awarded ‘Best Loyalty and Rewards Program’
- Recognised by the Kuwait Red Crescent Society which honored the voluntary role Ooredoo Kuwait employees performed to support society throughout the ongoing pandemic



## QARm



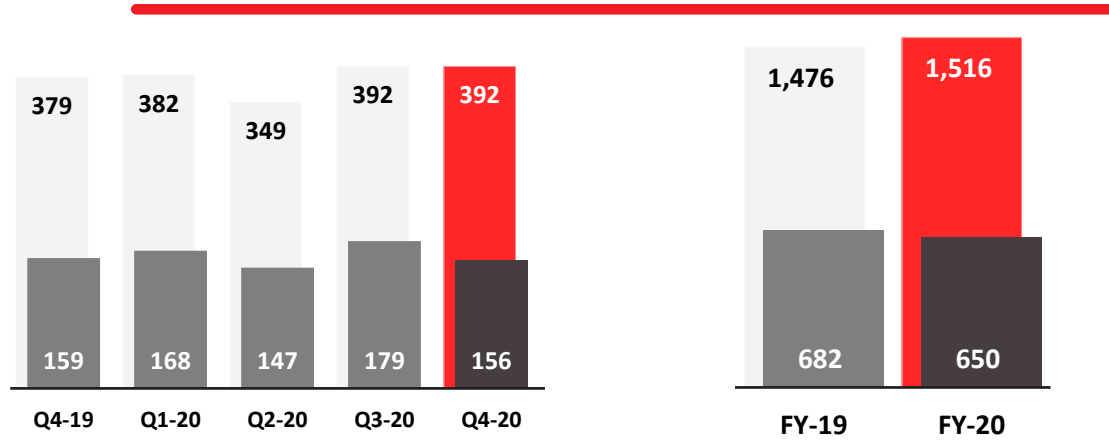
## DZDbn



- Algeria continues to suffer from a weak macroeconomic environment, intensified by the COVID-19 pandemic, strong price competition and a 5% year on year depreciation of the Algerian Dinar
- Ooredoo Algeria reported a 10% decrease in revenue in 2020.
- Sequentially, the company recorded revenue growth, reflecting the initial stages of a recovery as movement restrictions eased and commercial activity resumed
- EBITDA 14% lower due to decrease in revenue, EBITDA margin stood at 33%, Ooredoo Algeria maintained its focus on cost optimisation and implemented a number of initiatives including optimising spend and digital efficiencies
- Customer number stood at 12.5 million down by 1% compared to 2019

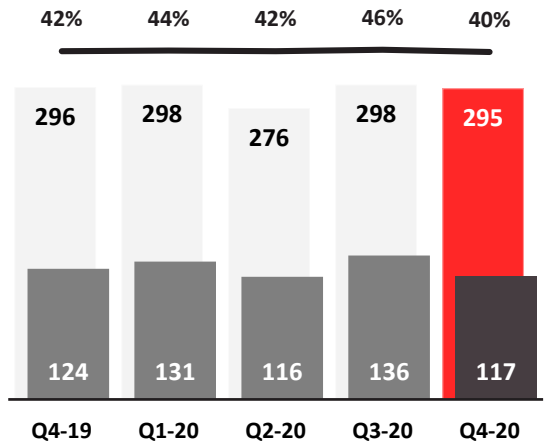
1 USD = 126.7 Algerian Dinar (DZD)

## QARm



## TNDm

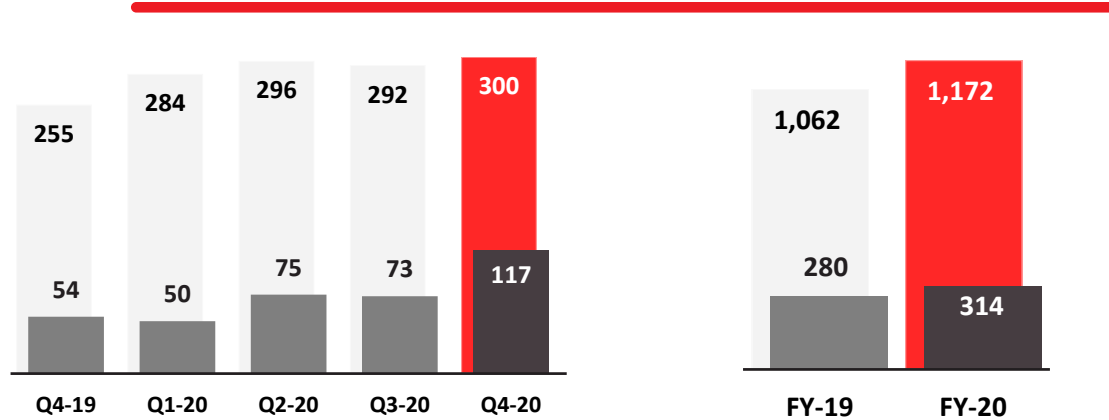
Revenue EBITDA EBITDA Margin



- Despite challenging macroeconomic conditions as a result of the COVID-19 pandemic, Ooredoo Tunisia reported revenue growth of 3%, YoY and 4% QoQ
- EBITDA reduced by 5% as billing and collection cost increased due to a slowing economy, EBITDA margins stood at healthy 43%
- Customer number reached 8.1 million, decreased by 12%
- Reaffirming its position as the number one telecom player by customer market share
- Ooredoo Tunisia continued its network dominance by registering the fastest 4G mobile data speeds in the nation

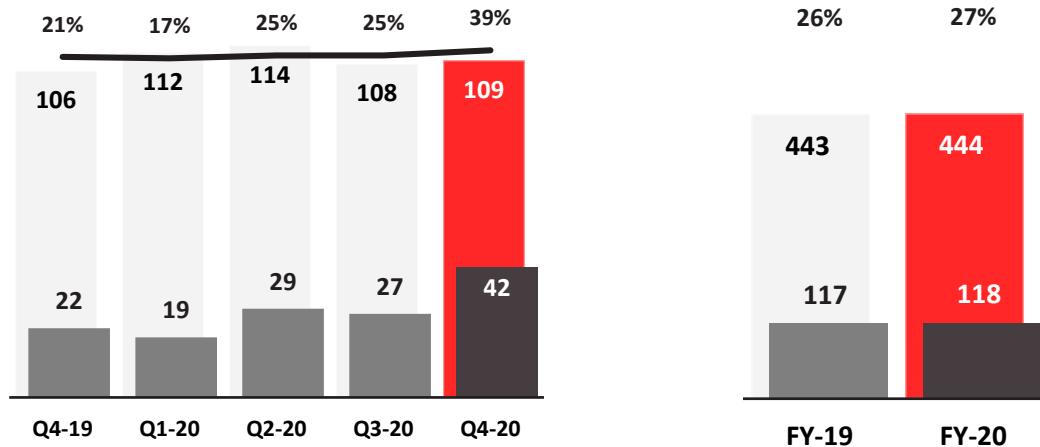
1 USD = 2.805 Tunisian Dinar (TND)  
)1

## QARm



## MMKbn

Revenue EBITDA EBITDA Margin



- Ooredoo Myanmar delivered a robust set of results despite challenging circumstances due to the COVID-19 pandemic
- Revenue is up by 10% YoY mainly driven by an appreciation of the Myanmar Kyat, but also driven by increased usage of data services which offset decline in voice revenue
- Ooredoo Myanmar continued to implement its cost optimisation strategy, which, along with the increase in revenue and the strengthening of the Kyat lead to a 12% EBITDA increase
- Customer base reached 14.7 million, up 28% YoY, driven by the digital customer acquisition strategy, resulting in increased customer market share
- Ooredoo continued with the exciting new 6th Anniversary campaign and “Amazing FriYAYs!” launched in Q3 2020
- Market leading infrastructure supported a significant increase in data traffic in Q4 2020
- Focus on offering a seamless digital experience resulted in an increase in the monthly active users of the My Ooredoo App to 3.2 million.
- **Post period:** Our main priorities continue to be supporting Ooredoo Myanmar, ensuring the wellbeing of our employees in the country and providing telecommunications services for our customers

1 USD = 1,381 Myanmar Kyat (MMK)

# Make it easy to find, buy and use our services online.



**Digital Marketing**



**Digital Sales**



**Digital Care**

## **Digital Enablers**



**Digital organization &  
Talents**



**Technology &  
Platforms**



**Digital analytics and  
CVM**



**Agile way of work &  
cross functional  
support**



## 2021 upcoming events (tbc)

- March 1-2 Third EFG Hermes Virtual Investor Conference
- Ooredoo Group Q1 2021 results : April 28 (tbc)

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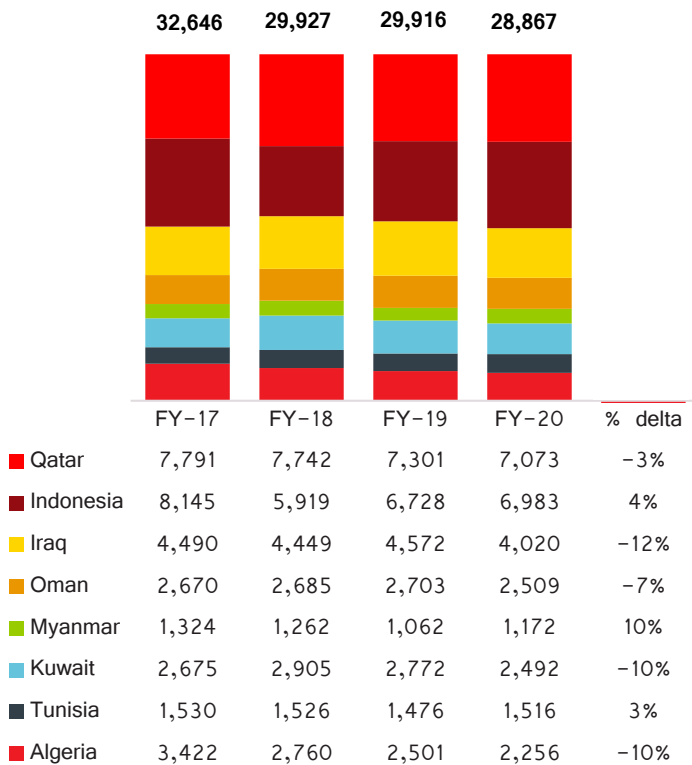
Additional information



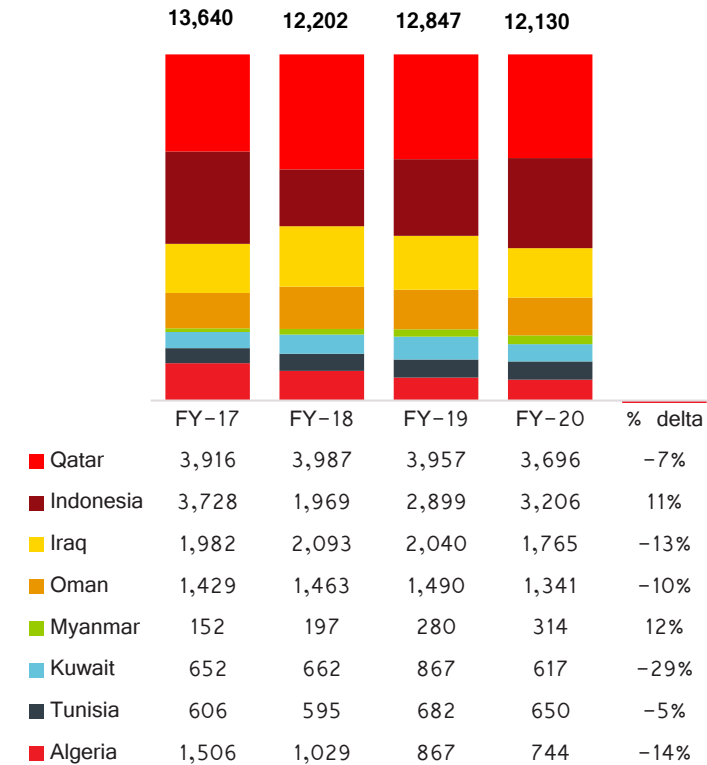
# Additional Information

## Key Operations Importance to Group

### Revenue (QARm)



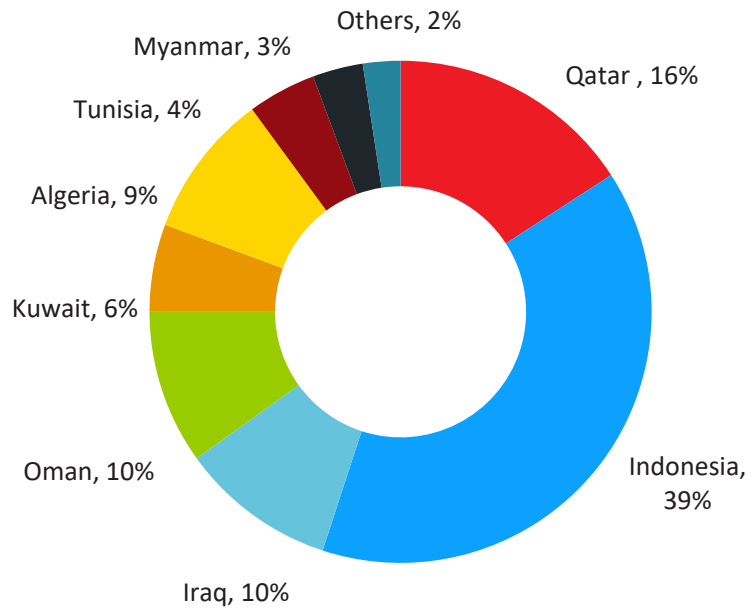
### EBITDA (QARm)



# Group Operations Breakdown

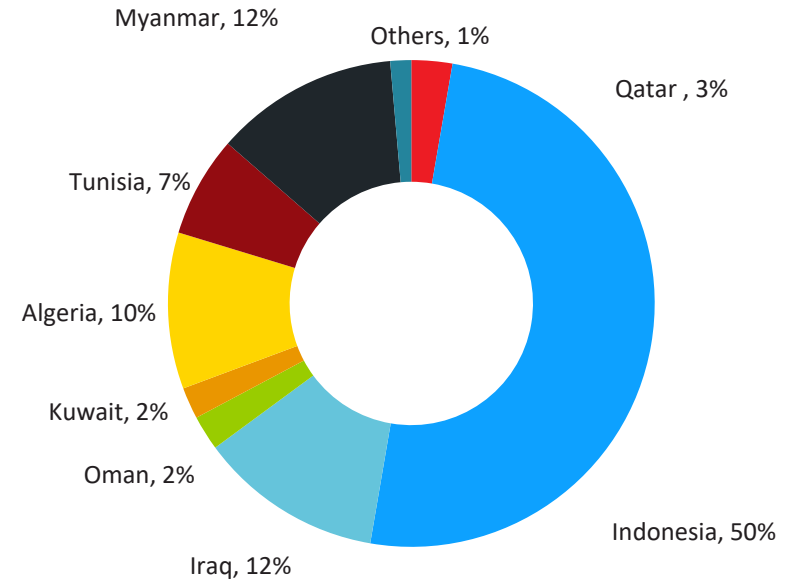
## CAPEX & Customers

### CAPEX Breakdown (%)



**FY 2020 CAPEX = QAR 5,790 million**

### Customer Breakdown (%)



**FY 2020 Total Customers = 120.6 million**

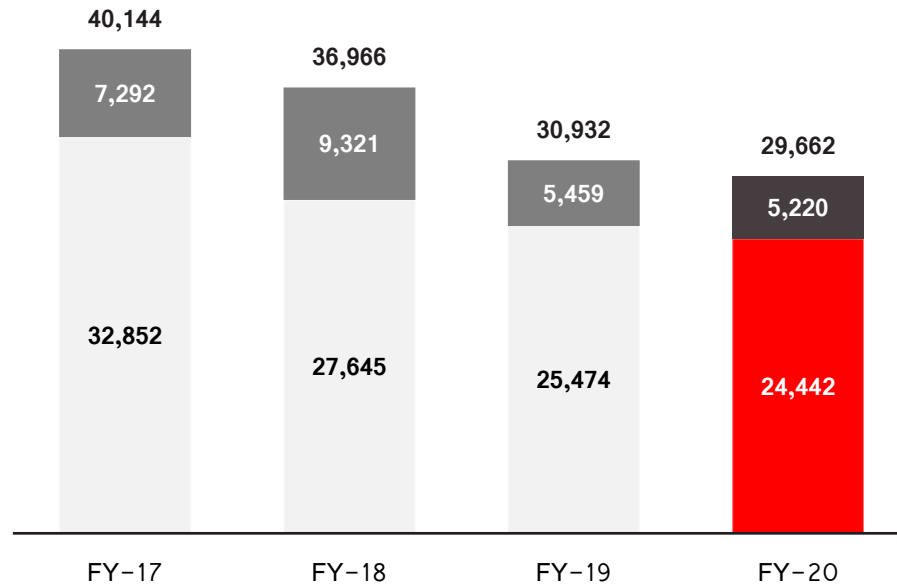


# Group Operations Breakdown

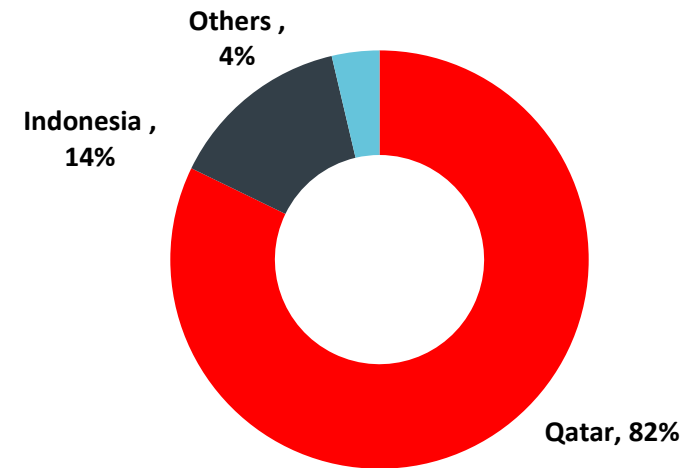
## Total Group Debt Breakdown

### Total Group Debt (QARm)

■ Long Term ■ Short Term



### Total Group Debt Breakdown

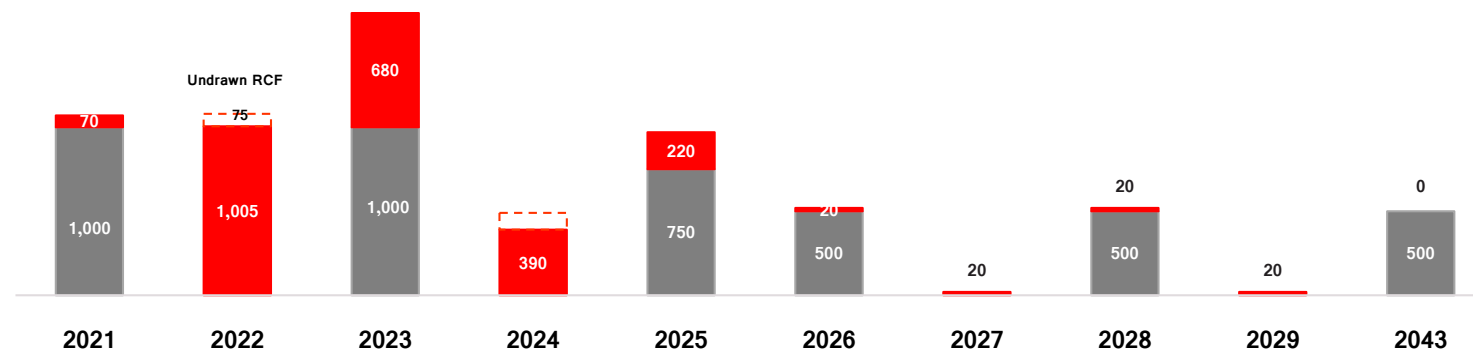


**Total Group debt reduced, well balanced profile  
OpCo debt primarily in local currency**

• 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	Fixed Rate	28-Aug-25	Fixed Rate Bonds due 2023	1,000	3.25%	21 Feb 2023	ISE
USD1bn RCF	1,000	925	Libor + Spread	07-Jun-22	Fixed Rate Bonds due 2025	750	5.00%	19 Oct 2025	LSE
USD200mn Amortizing Loan	200	120	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	200	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					
USD 100m RCF	100	100	Libor + Spread	28-July 25					
<b>Total Loans</b>	<b>3,524</b>	<b>2,445</b>			<b>Total Bonds</b>	<b>4,250m</b>			

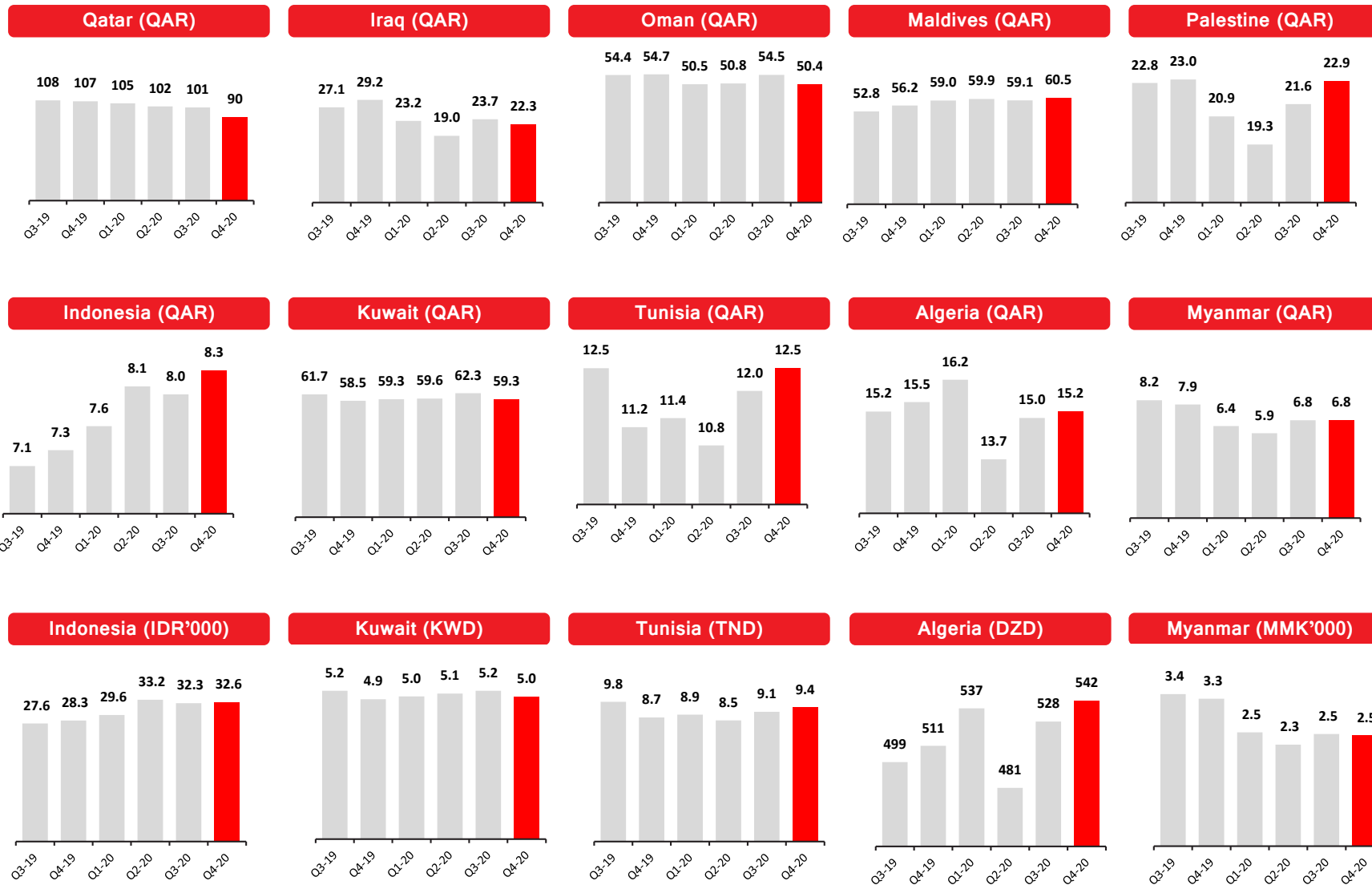
Total outstanding debt as at 31 December 2020 at Ooredoo Q.P.S.C. level

USD 6,695 million

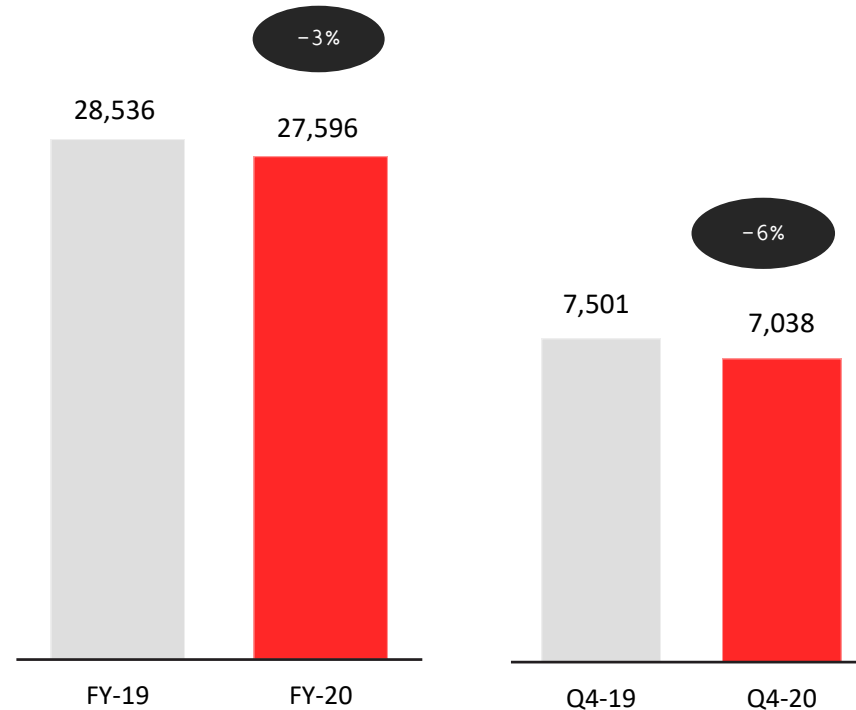
Long term Debt Profile remains well balanced | 2021 maturities addressed by drawing of RCF 2022

\* Based on the rates applicable for the usage levels

# Blended ARPU



## Service Revenue (QARm)



# 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

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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	Indefinite
Iraq	--	--	Emiri Decree	
			30 August 2007	29 August 2022- 2G & 3G renewal under discussion
Oman	6 June 2009	6 June 2034	23 February 2020	22 February 2035
Algeria	--	--	2G: 14 Jan. 2004 3G: Dec. 2013 4G: 25 Sep. 2016	2G: 13 Jan. 2024 3G: Dec. 2028 4G: 24 Sep. 2031
Tunisia	May 2012	May 2027	2G: 15 May 2017 3G: 11 July 2012 4G: 30 March 2016	2G: 14 May 2022 3G: 10 July 2027 4G: 29 March 2031
Indonesia	21 May 2004	Indefinite	March 1993	Indefinite
Maldives	14 December 2015 (ISP)	13 December 2030	1 February 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

