



# Ooredoo Group

**FY 2019 Results**

Feb 2020



# Disclaimer

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- 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



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# Group Results

## Key Highlights

### Solid financial performance in challenging conditions



Group **Revenue** was stable at QAR 29.9 billion, in spite of the industry wide shift from voice to data consumption, a reduction in handset sales as well as macroeconomic and currency weakness in some of our markets.



FY 2019 Group **EBITDA** increased by 5% year-on-year to QAR 12.8 billion, with a corresponding EBITDA margin of 43%, driven by efficiency programs in operating companies and a positive impact from the implementation of the new IFRS 16 accounting standard.



Group **Net Profit** increased by 10% to QAR 1.7 billion in 2019 yoy, driven by an increase in EBITDA, a more favorable Foreign Exchange environment compared to 2018, partially offset by a negative IFRS16 impact on Net Profit. Ooredoo Qatar, Kuwait, Iraq, Tunisia, and Indonesia performed well. Furthermore Ooredoo Indosat's Profit benefited from the sale of 3,100 towers.



Increased **monetization of data business**, with significant data growth coming from consumer and enterprise customers: saw data revenue increasing to more than 50% of Group revenue.



**117 million customers**, up 2%

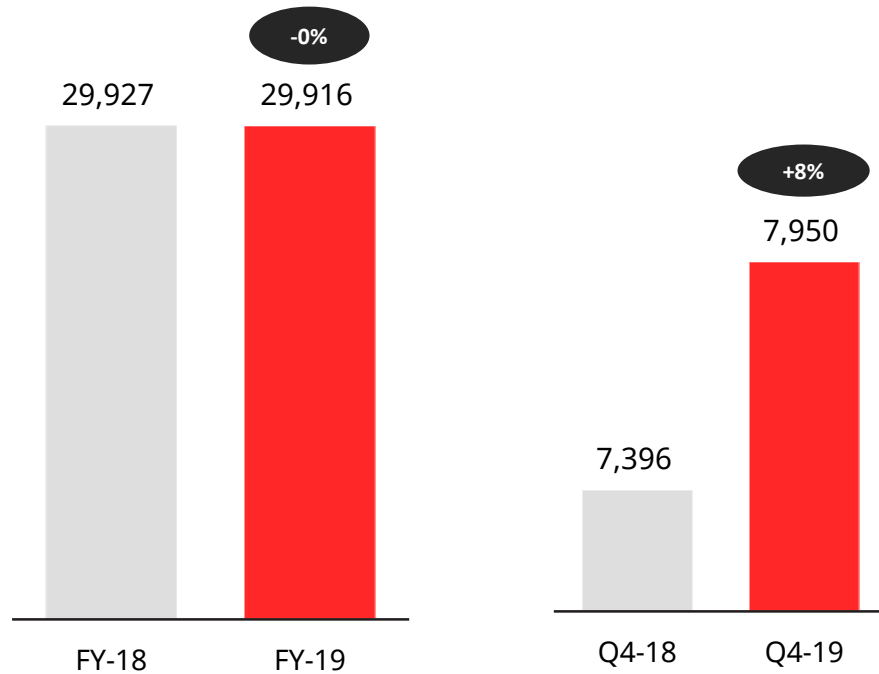
**5G at FIFA Club World championship in Doha**, excellent stadium-wide coverage

Further progress on **digital transformation**, with more innovative products e.g. **'ANA'** in Kuwait, a brand new, award winning fully digital mobile experience

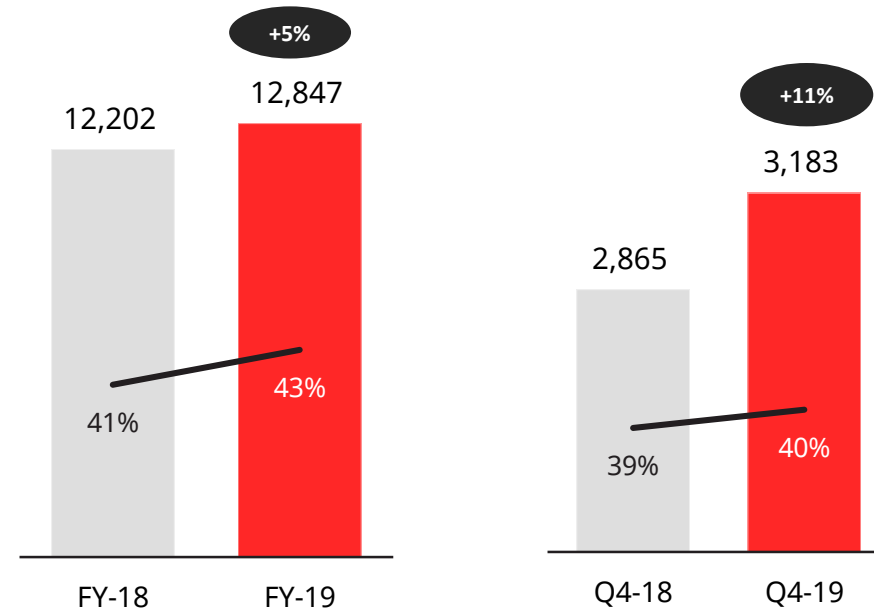
# Group Results

## Revenue and EBITDA

### Revenue (QARm)

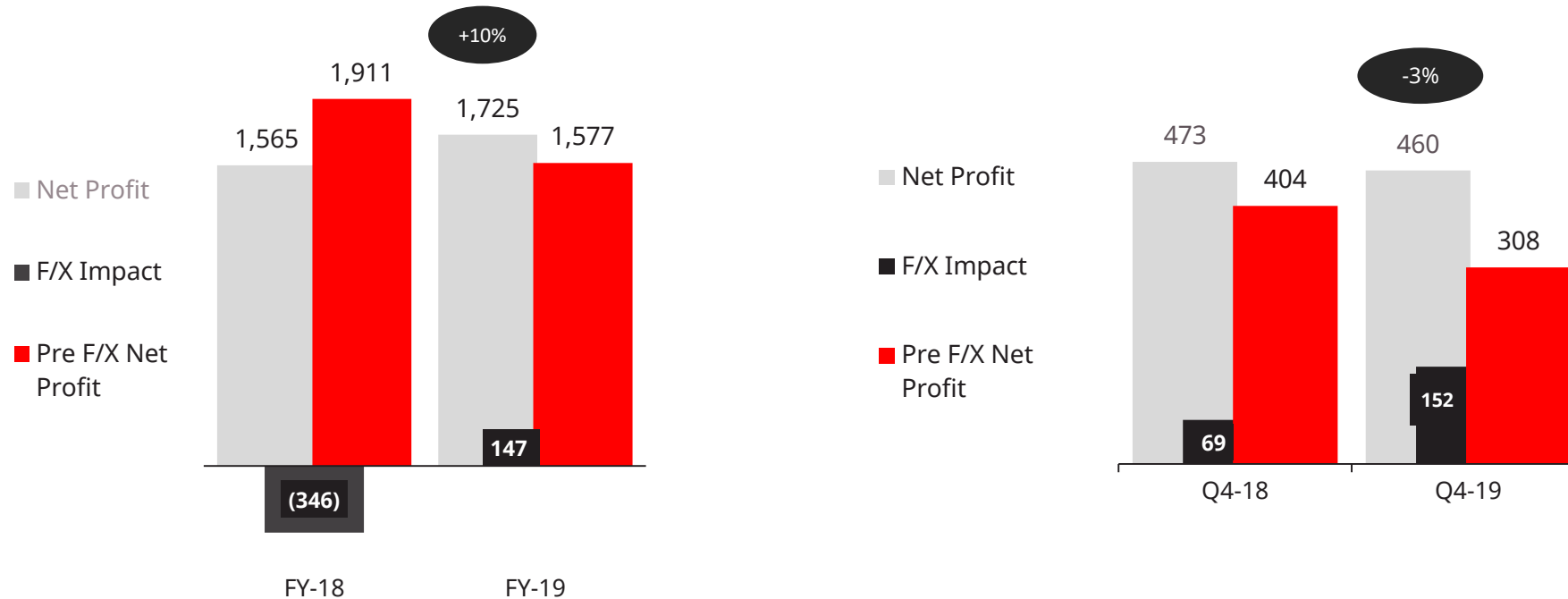


### EBITDA (QARm) and EBITDA Margin



- Revenue growth in L/C YoY terms in Indonesia, Oman, Iraq, Tunisia and Maldives offset by a decrease mainly in Algeria, Qatar & Myanmar; Kuwait increased service revenue
- EBITDA growth in most markets
- Excluding FX impact: Revenue +1% and EBITDA +6% yoy

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

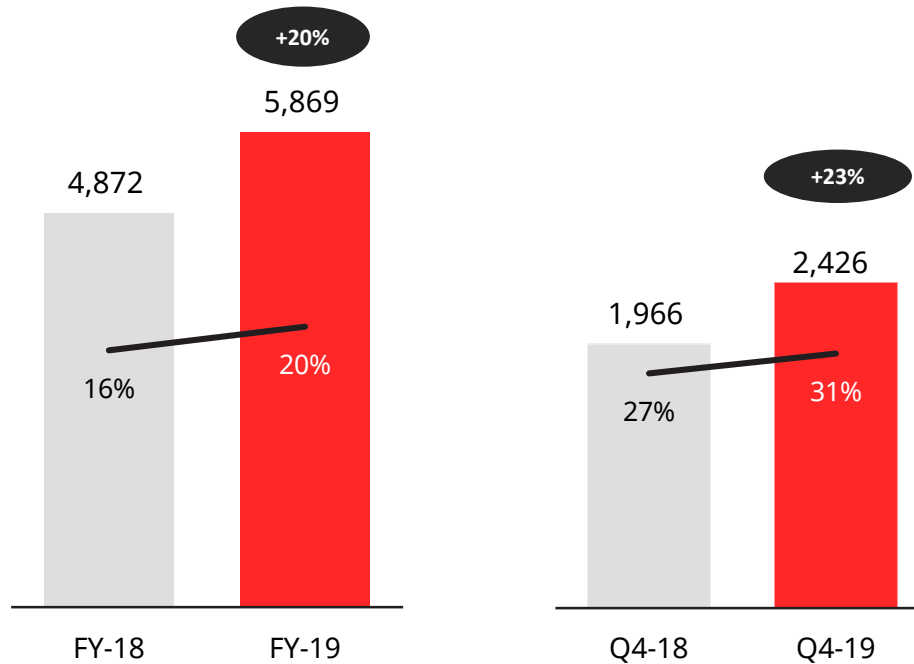


- 10% yoy Net Profit increase, driven by higher EBITDA, better FX environment (substantial FX loss in Myanmar in 2018), Indosat Ooredoo gain from the sale of 3,100 towers, good performances in Qatar, Iraq, Tunisia, Kuwait and Indonesia, which are partially offset by provisions and a negative IFRS 16 impact on NP

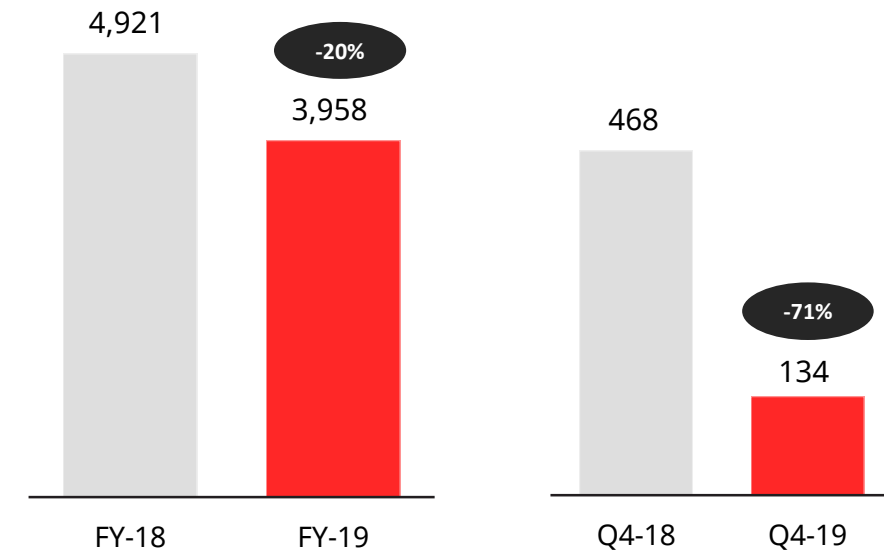
# Group Results

## Free Cash Flow and Capital Expenditure

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



### Free Cash Flow (QARm)



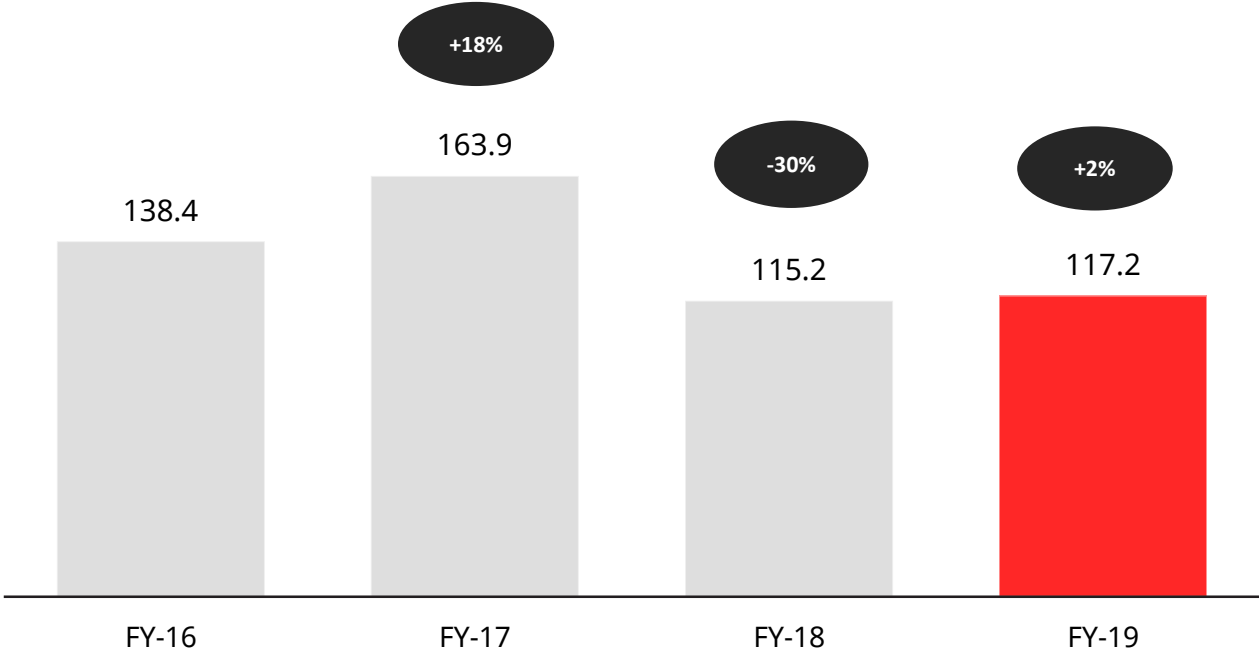
- Capex in line with guidance taking advantage of scale of Ooredoo Group and global sourcing strategy
- FCF in 2019 impacted by higher capex investment

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

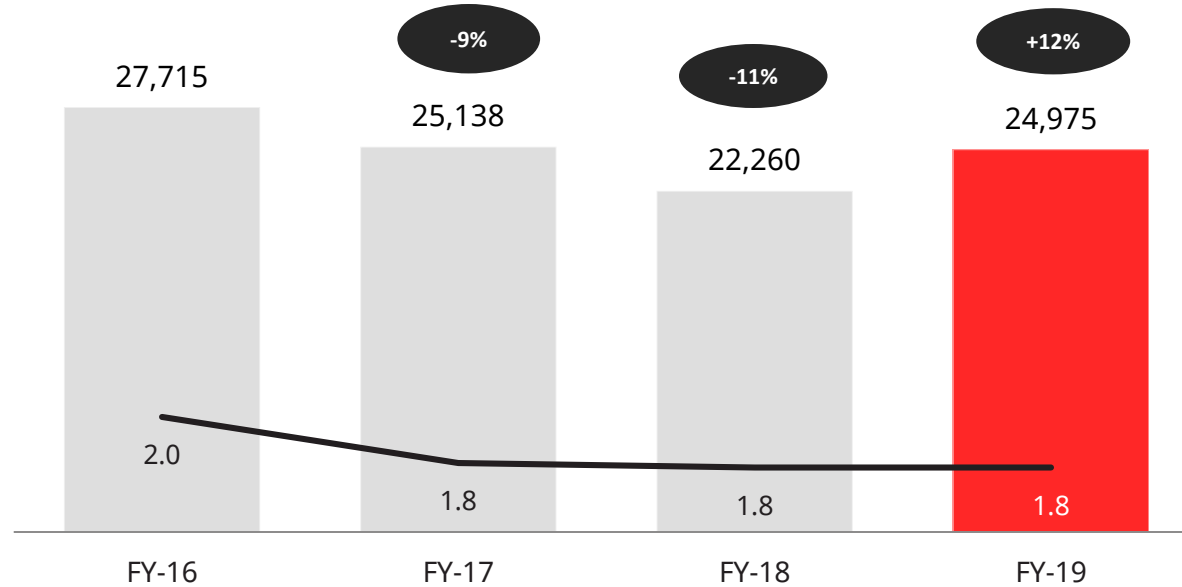
### Total Customers (millions)



- Growing customer numbers in Indonesia, Myanmar, Kuwait, Tunisia, & Palestine



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



**Pre IFRS 16:**

- Net Debt **QR 19,213m** (-14% YoY)
- Net Debt/EBITDA ratio: **1.5x**

- Positive trend of Group Net Debt reduction continued (Pre IFRS 16); **Net Debt to EBITDA ratio** 1.8x, lower end of the board guidance between 1.5 and 2.5x
- Pre IFRS 16 Net Debt/EBITDA ratio decreased to 1.5x
- **Bank covenant threshold for Net Debt/EBITDA increased to 4.5x** from 4.0x to accommodate IFRS 16 impact at Ooredoo QPSC
- Board leverage guidance remains at 1.5x – 2.5x, however, now including the IFRS 16 impact (of 0.3x)

- The Board recommends the distribution of a cash dividend of **QAR 0.25 per share for FY 2019**, in line with FY 2018
- AGM on 4<sup>th</sup> of March 2020
- Payout ratio for FY 2019: around 50%
- Ooredoo Board approved a **sustainable and progressive dividend policy** for the company, aiming for a dividend **payout in the range of 40% to 60% of normalized earnings**

# Group Results

## 2019 FY performance summary

Group Financials (QAR bn)	2019 Actual	% Change 2019 / 2018	2019 Full Year Guidance over 2018	2020 Full Year Guidance over 2019
Revenue	29.9	0%	-3.0% to 0%	-1.5% to +1.5%
EBITDA	12.8	-3%*	-7% to -4%*	-2% to +1%
CAPEX	5.9	+21%	5.5bn to 6.5bn	5.5 to 6.5bn

2019  
YOY

- Revenue at upper end of guidance, strong finish of the year
- EBITDA within guidance. Reported EBITDA positively impacted by IFRS16, pre IFRS EBITDA QAR 11.8bn
- Capex in line with guidance

2020  
YOY

- Revenue growth in local currency terms across our markets
- EBITDA levels are expected to stabilize
- Further Capex investment in 4G and 5G networks

\*Pre IFRS 16 EBITDA

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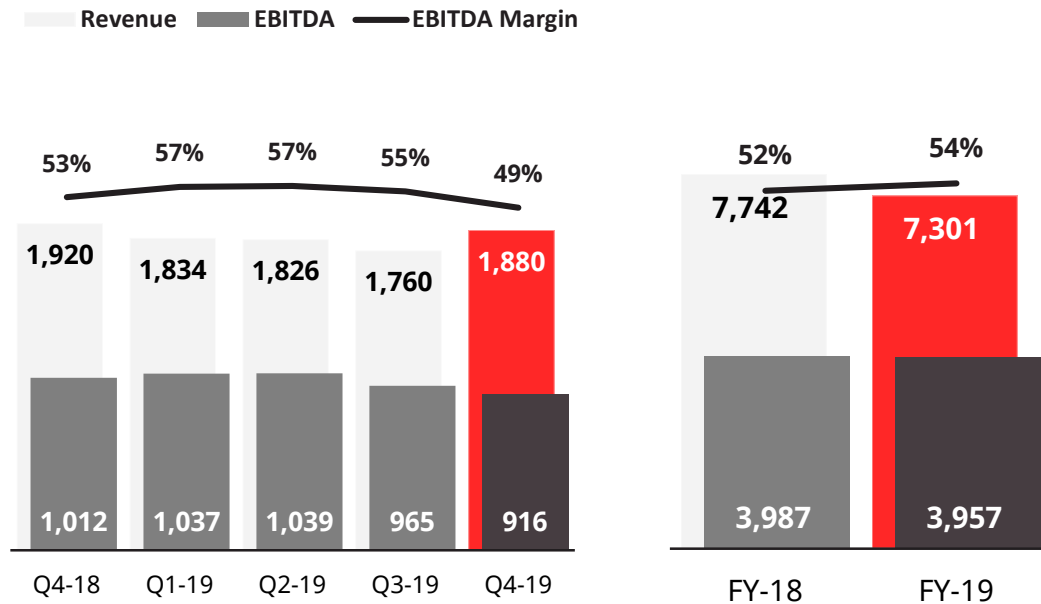
**Operations review**

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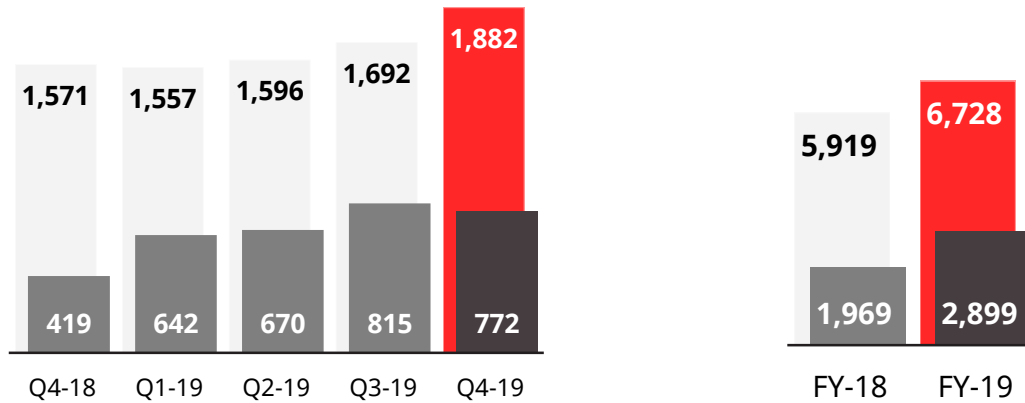
## QARm



• 1 USD = 3.6415 Qatari Riyal (QAR)

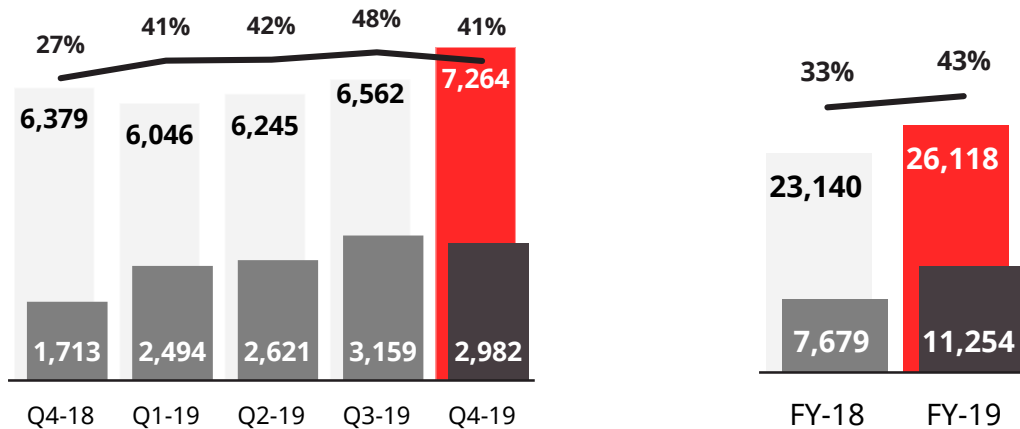
- Retained No.1 position - Ooredoo's fixed line and mobile networks in Qatar ranked among fastest globally
- FY Revenue down by 6% yoy mainly due to fewer handset sales, Q4 2019 up by 7% compared to Q3, supported by strong B2B services
- Customer base stood at 3.3m, up by 1% qoq
- EBITDA margins improved to 54% driven by favorable product mix and IFRS 16, Pre IFRS 16 EBITDA QAR 3,884m, EBITDA margin of 53%
- Flawless application of 5G stadium technology during the final round of the FIFA Club World Cup in Doha
- Ooredoo Money named Best Global Mobile Solution 2019 by MoneyGram
- Ooredoo was the Strategic Sponsor of QITCOM 2019 (largest information and communication event in Qatar)
- Continuously strong double digit growth in B2B/ICT
- Ooredoo ONE 'All-In-One' Home Service comprising of TV, Home broadband and landline Triple play helped us grow our OTV customer base by 1.4% compared to Q3 2019

## QARm



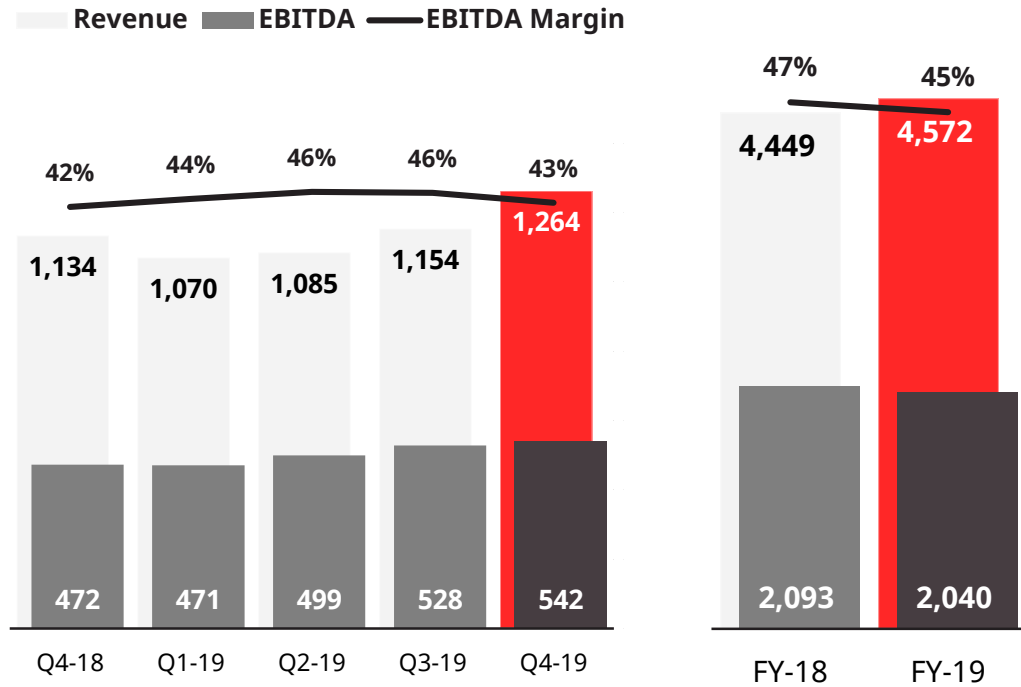
## IDRbn

Revenue EBITDA EBITDA Margin



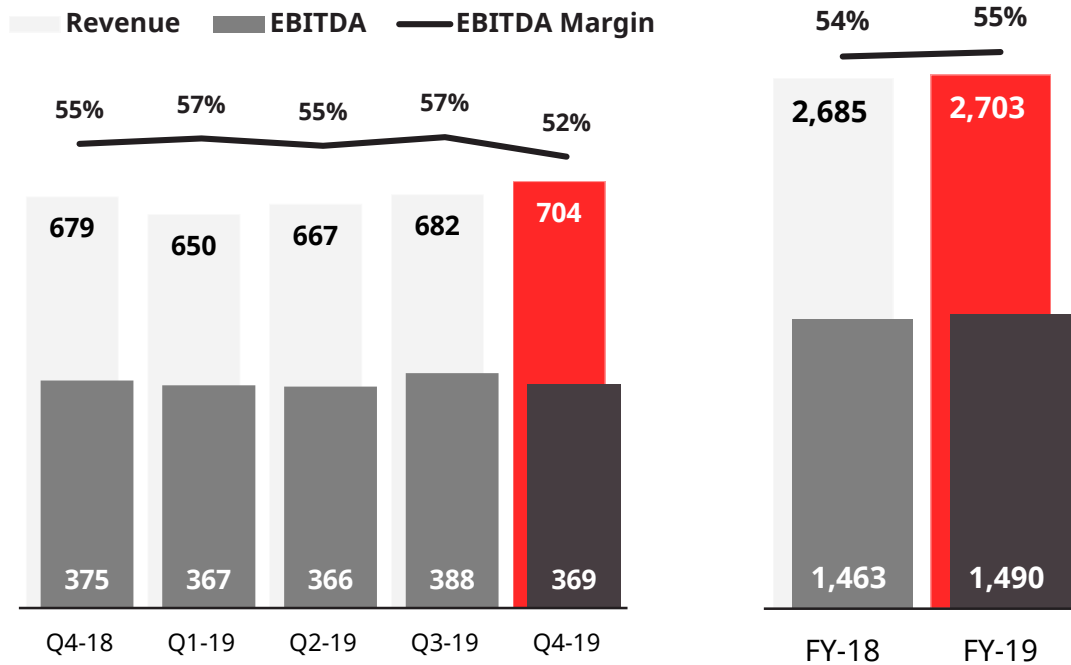
- Solid Top line growth due to strong cellular and data business, third consecutive growth quarter recorded
- EBITDA margins improved to 43% driven by favorable product mix, efficiency, and IFRS 16
- Pre IFRS 16 EBITDA QAR 2,662m, EBITDA Margin of 40%
- Customer base grew by 2% yoy to reach 59.3m
- Freedom internet family introduced in Oct 2019 to address the markets need for simple, transparent, and worry-free product
- Massive network rollout maintained, 4G BTS reached 29K
- Closing sale of 3,100 towers with a transaction value of IDR 6.4Tn (QAR 1.6bn)
- Post period in Feb 2020, IO announced a restructuring of the organization for future growth. Focus on more empowered and agile regional teams, managed network services, and right sizing of the organization. This action will allow the company to focus on streamlining resources and further improved customer experience

## QARm



- Asiacell’s full year revenue increased by 3% YoY, revenue increased every quarter this year
- EBITDA margins stood at 45%
- Pre IFRS 16 EBITDA QAR 1,963m, EBITDA margin of 43%
- Customer base stood at 14.2 million
- Good growth in data users and data revenue during the year
- Mixed impact of Government internet restrictions in October and November (less data, but more voice revenue)
- Asiacell is well prepared for LTE license, timing tbc
- More than 500 new sites added in FY 19

## QARm

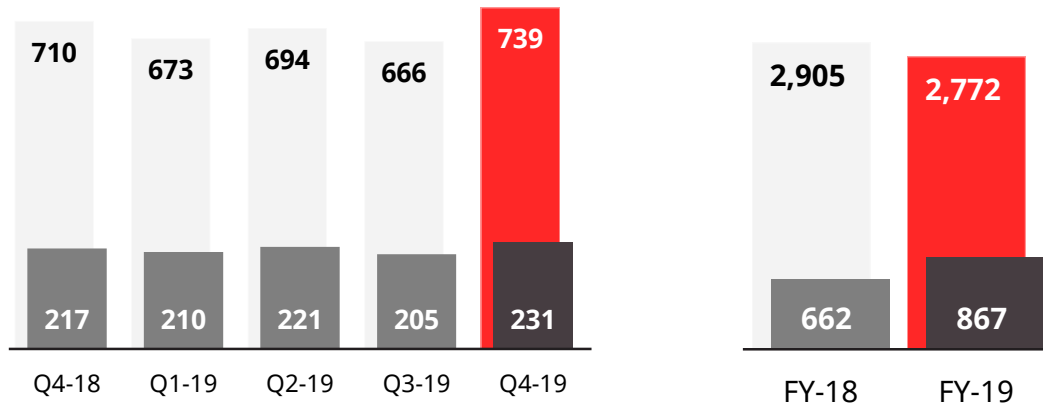


- Total revenue increased by 1%, yoy driven by higher fixed revenue and device sales
- EBITDA margins improved by 1%, mainly due to adoption of IFRS 16
- Pre IFRS 16 EBITDA QAR 1,420m, EBITDA margin of 53%
- Customer base stood at 2.9 million
- Ooredoo Oman expanded its broadband network to cover all Wilayahs across the Sultanate, and the company's Supernet network now covers over 98% of Oman's population

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

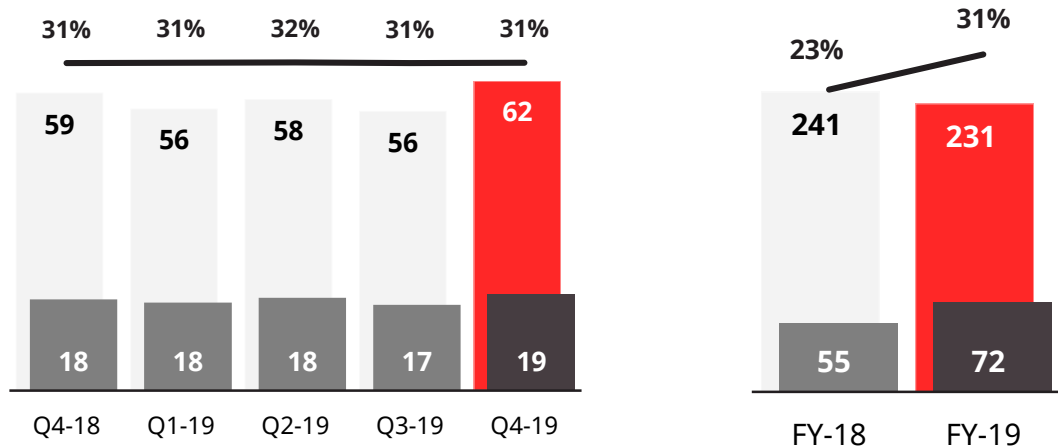


## QARm



## KWDm

Revenue EBITDA EBITDA Margin

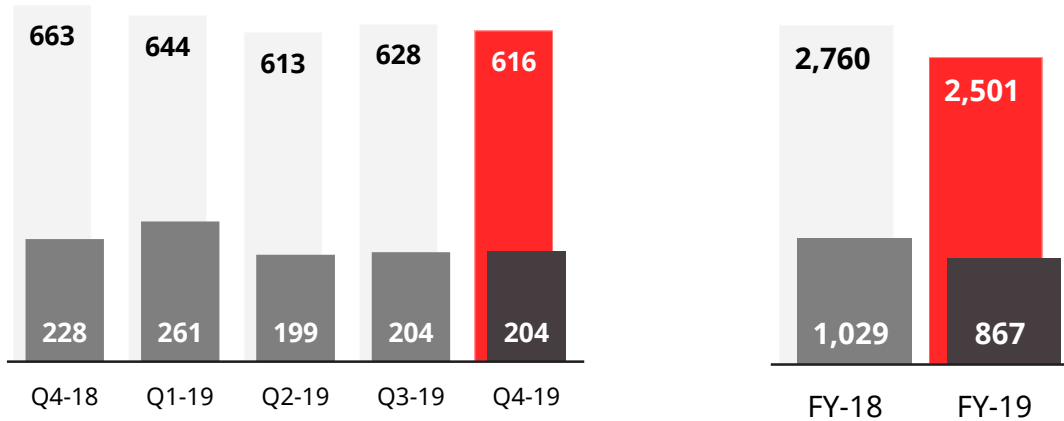


- QoQ Revenue increased by 11%
- EBITDA margin improved yoy to 31% due to more favorable product mix and IFRS 16
- Pre IFRS 16 EBITDA QAR 732m, EBITDA margin of 26%
- Customer base stood at 2.6 million, up by 12% yoy
- Ooredoo Kuwait wins 'Best Digital Service' award for ANA at Telecoms World Mideast

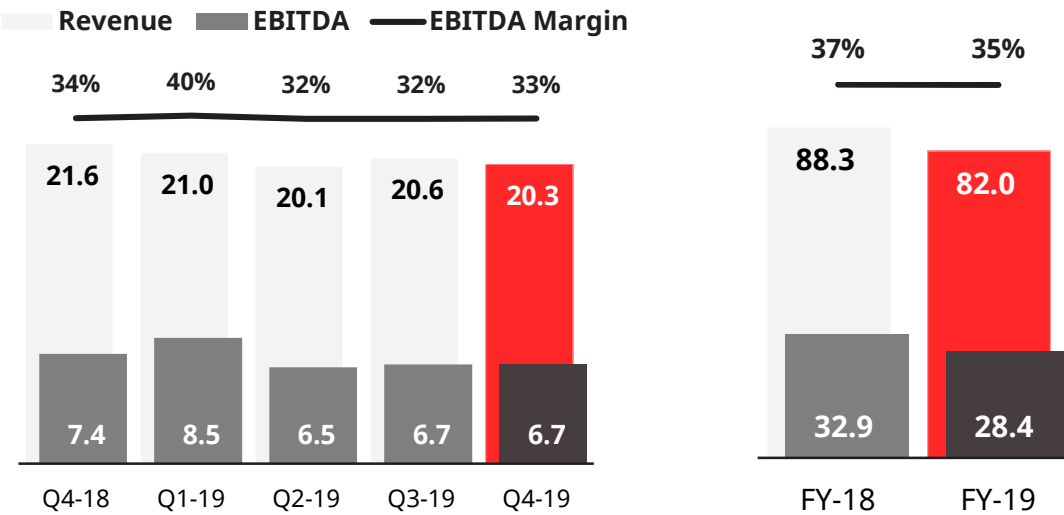
• Note: Average rate over the period (KWD)

• 1 USD = 0.3039 Kuwait Dinar (KWD)

## QARm



## DZDbn

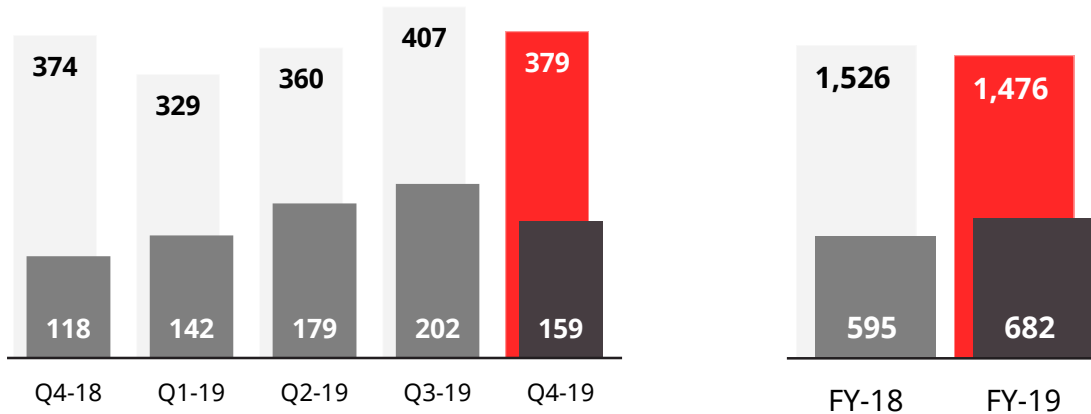


- Revenue decreased 2% QoQ due to intense competition, weak economy resulting in an overall market shrinking
- EBITDA lower due to decrease in revenue
- Pre IFRS EBITDA QAR 747m, EBITDA margin of 30%
- Customer number stood at 12.6 million down yoy (-9%) , due to a clean up of the customer base
- Ookla confirmed Ooredoo 3G and 4G data networks leadership
- Network rollout continued, first operator to cover all 48 wilayas (States)

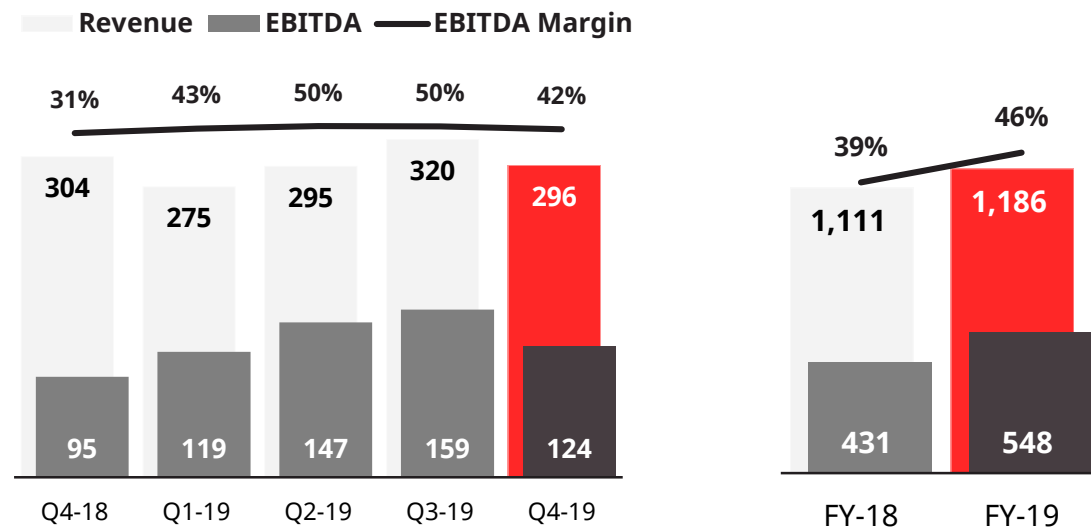
• Note: Average rate over the period (DZD)

• 1 USD = 119.4 Algerian Dinar (DZD)

## QARm



## TNDm

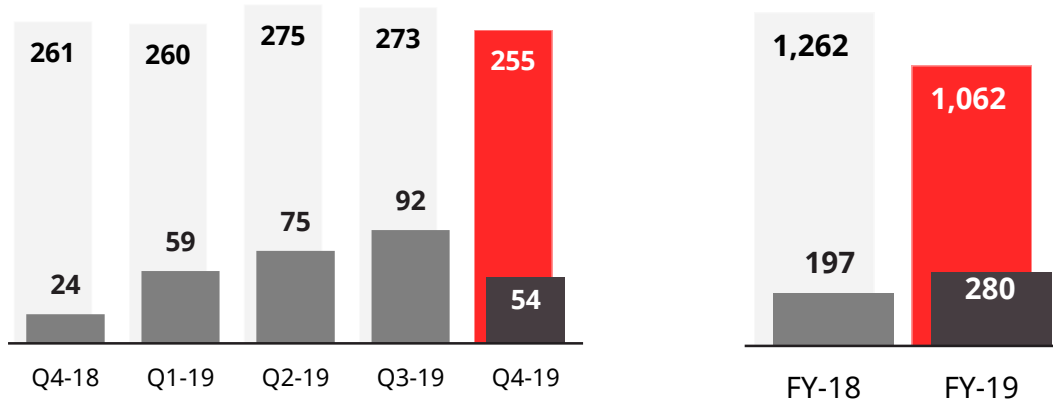


- Revenue grew 7% in LC currency yoy supported by strong mobile revenue growth as well as increase in data and fixed Revenue
- Solid FY EBITDA up by 27% in LC currency well ahead of last year driven by strong Revenue and OPEX optimization as well as implementation of IFRS 16
- Pre IFRS 16 EBITDA QAR 646m, EBITDA margin of 44%
- Total Customer base reached 9.2 million, an increase of 1% yoy
- OT has successfully moved towards digitalization by providing a best digital experience to its customers: increasing percentage of Digital sales and Digital Care
- Strong mobile market leadership further enhanced

• Note: Average rate over the period (TND)

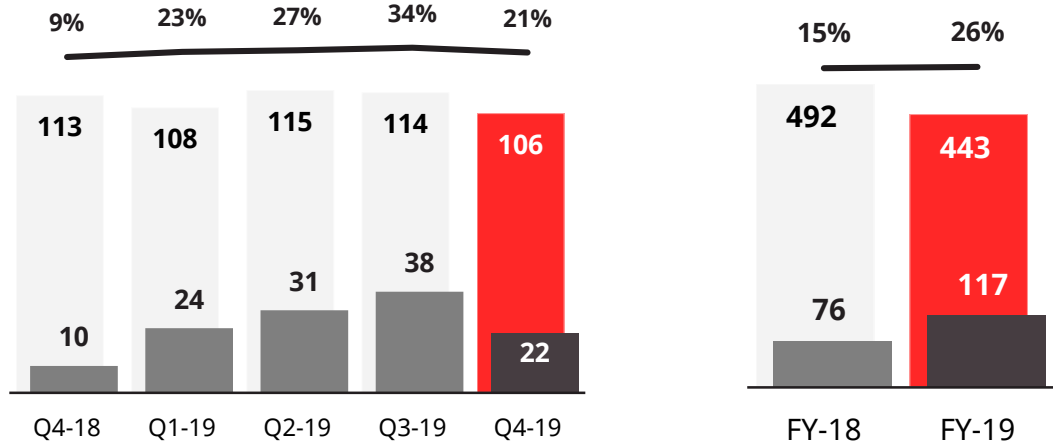
• 1 USD = 2.933 Tunisian Dinar (TND)<sup>1</sup>

## QARm



## MMKbn

Revenue EBITDA EBITDA Margin



- Revenue impacted by 4th operator entry and FX depreciation
- FY EBITDA increased YoY impacted by IFRS-16; EBITDA declined QoQ mainly due to one-off cost of new acquisitions in the quarter
- Pre IFRS 16 EBITDA QAR -14m, EBITDA margin of -1.3%
- Customer base increased by 20% to over 11.5m with +1.5m net-adds in Q4 2019
- OML further investing in 4G and maintaining robust network across the country; top operator in speed
- Supernet wireless broadband continues good momentum with sustained revenue and customer growth
- My Ooredoo App monthly active users continues to increase; Google play carrier billing launched
- Successful Digital Literacy CSR program

• 1 USD = 1,518 Myanmar Kyat (MMK)

Diamond Sponsor



Silver Sponsor



Independent Assurance Provider



# حفل توزيع جوائز برنامج التميز في علاقات المستثمرين Investor Relations Excellence Program Awards' Ceremony

5 FEBRUARY 2020 – ٥ فبراير ٢٠٢٠



**2020 Qatar Exchange Annual IR Excellence**

We would like to thank you for your support for  
the fifth year on winning four awards



## 2020 Ooredoo Capital Markets Day

**Save the date: CMD 21<sup>st</sup> Sep 2020**

*(location and timing to be confirmed)*

*More details in due course*

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# Additional Information

## Key Operations Importance to Group

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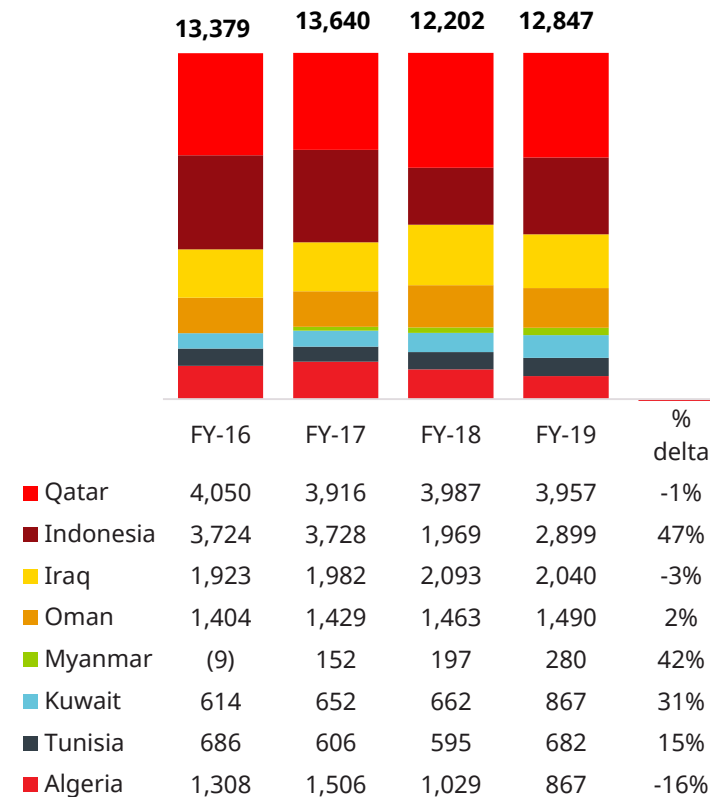
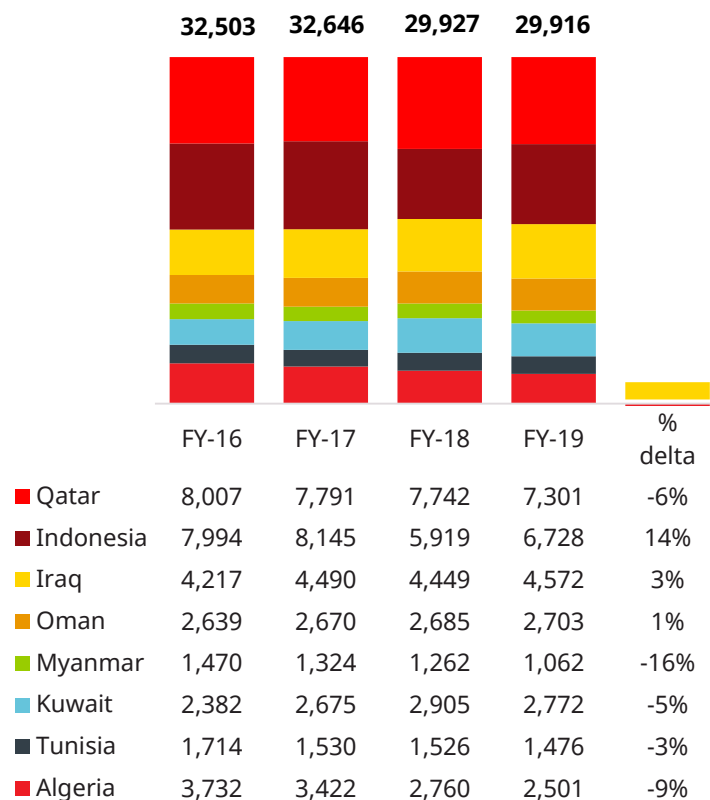
Results review

Operations review

**Additional information**

### Revenue (QARm)

### EBITDA (QARm)





# Group Operations Breakdown

## CAPEX & Customers

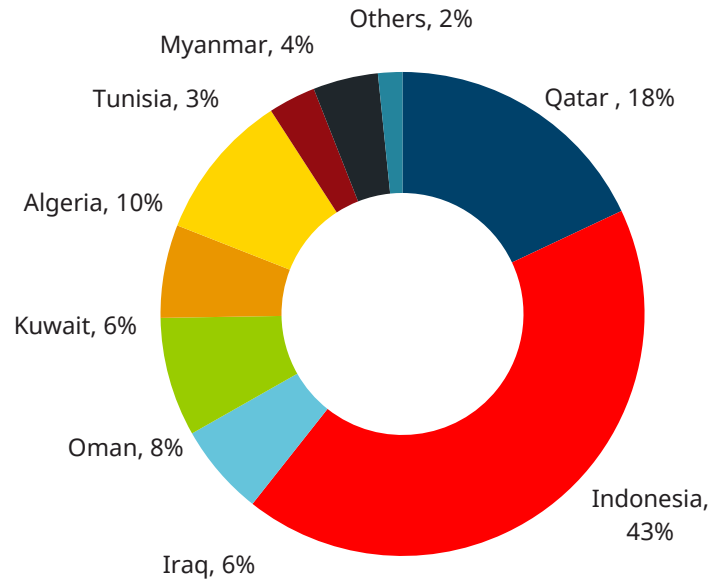
Overview

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Operations review

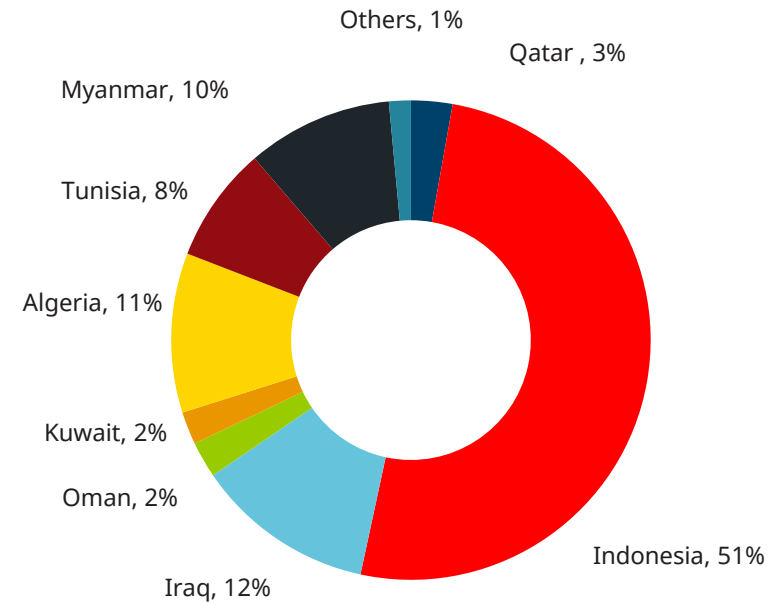
**Additional information**

### CAPEX Breakdown (%)



**FY 2019 CAPEX = QAR 5,869 million**

### Customer Breakdown (%)

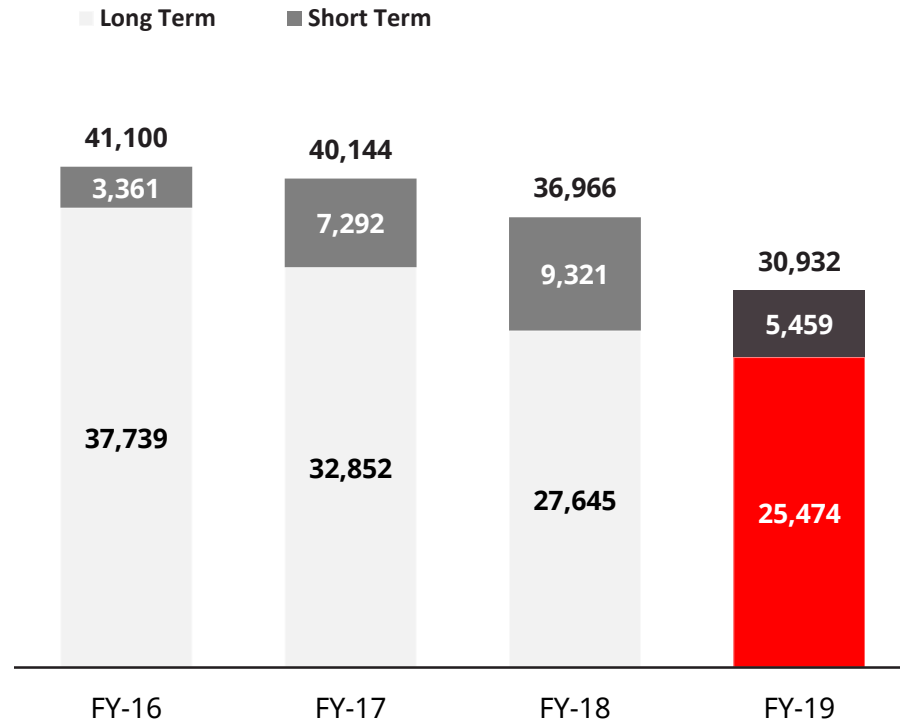


**FY 2019 Total Customers = 117 million**

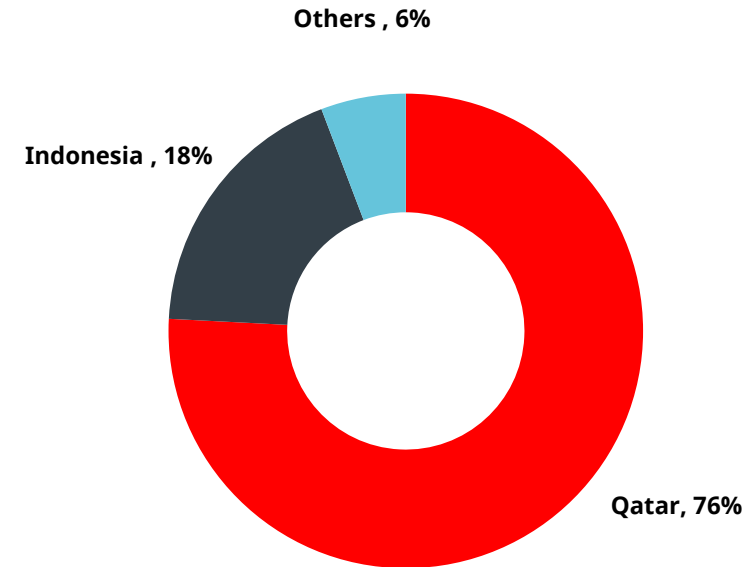
# Group Operations Breakdown

## Total Group Debt Breakdown

### Total Group Debt (QARm)



### Total Group Debt Breakdown

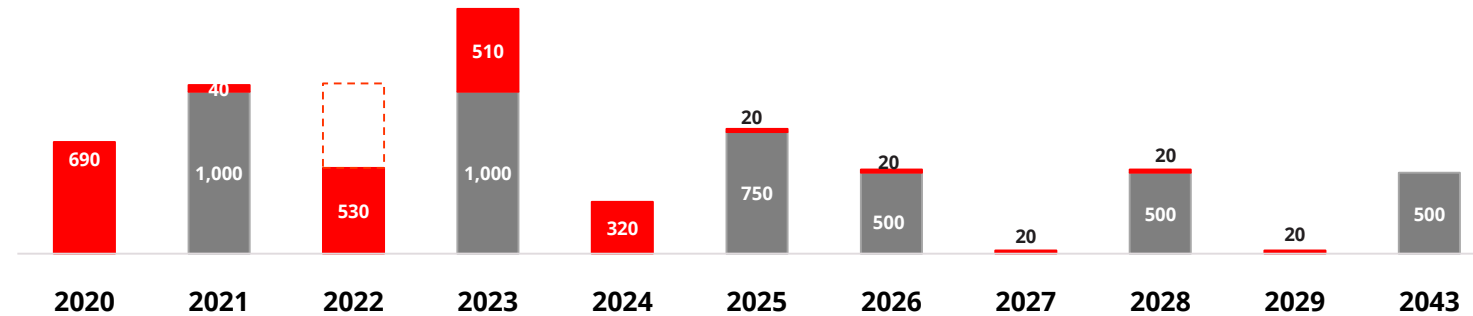


**Total Group debt reduced, well balanced profile  
OpCo debt primarily in local currency**

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

# Group Results

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

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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					
ADB Amortizing Term loan Tranche 'B'	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>			

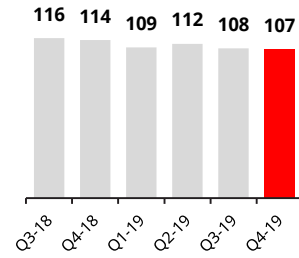
**Total outstanding debt as at 31 December 2019 at Ooredoo Q.P.S.C. level**

**USD 6,440 million**

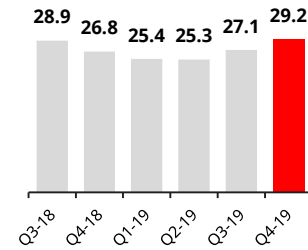
\* Based on applicable usage level

# Blended ARPU

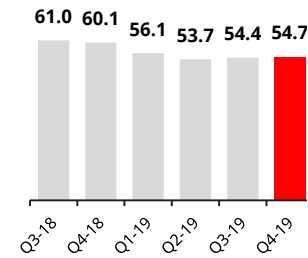
**Qatar (QAR)**



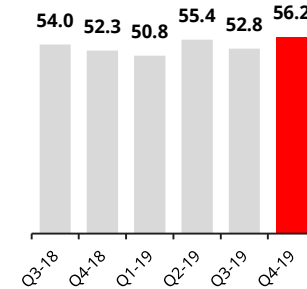
**Iraq (QAR)**



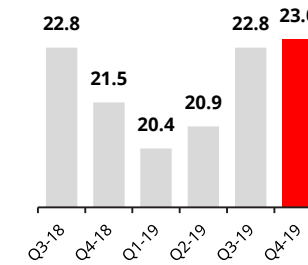
**Oman (QAR)**



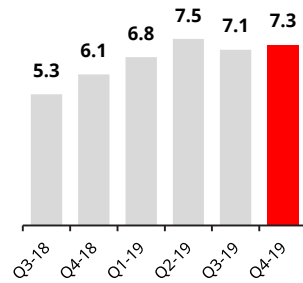
**Maldives (QAR)**



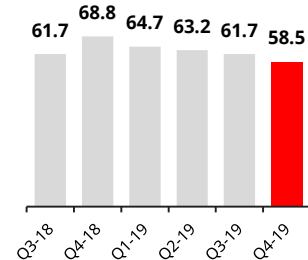
**Palestine (QAR)**



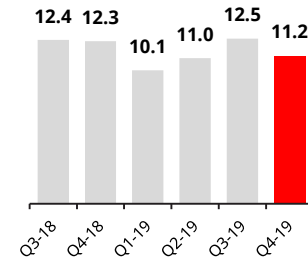
**Indonesia (QAR)**



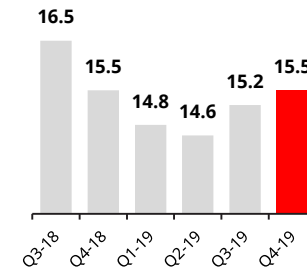
**Kuwait (QAR)**



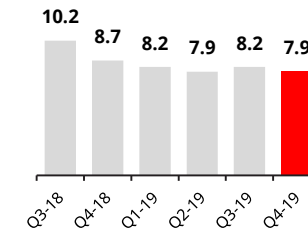
**Tunisia (QAR)**



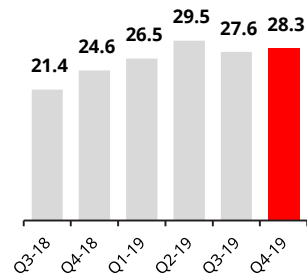
**Algeria (QAR)**



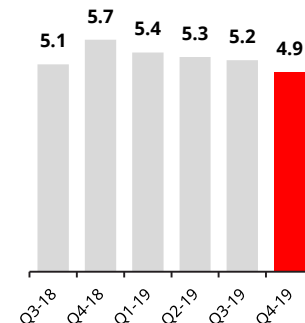
**Myanmar (QAR)**



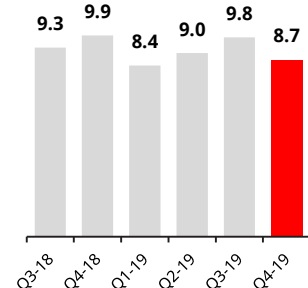
**Indonesia (IDR'000)**



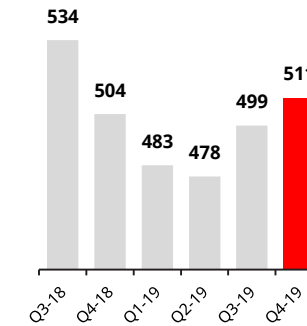
**Kuwait (KWD)**



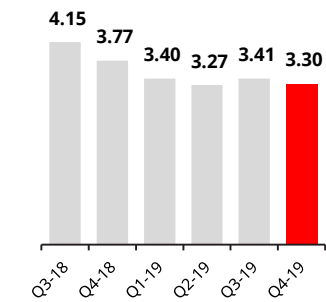
**Tunisia (TND)**



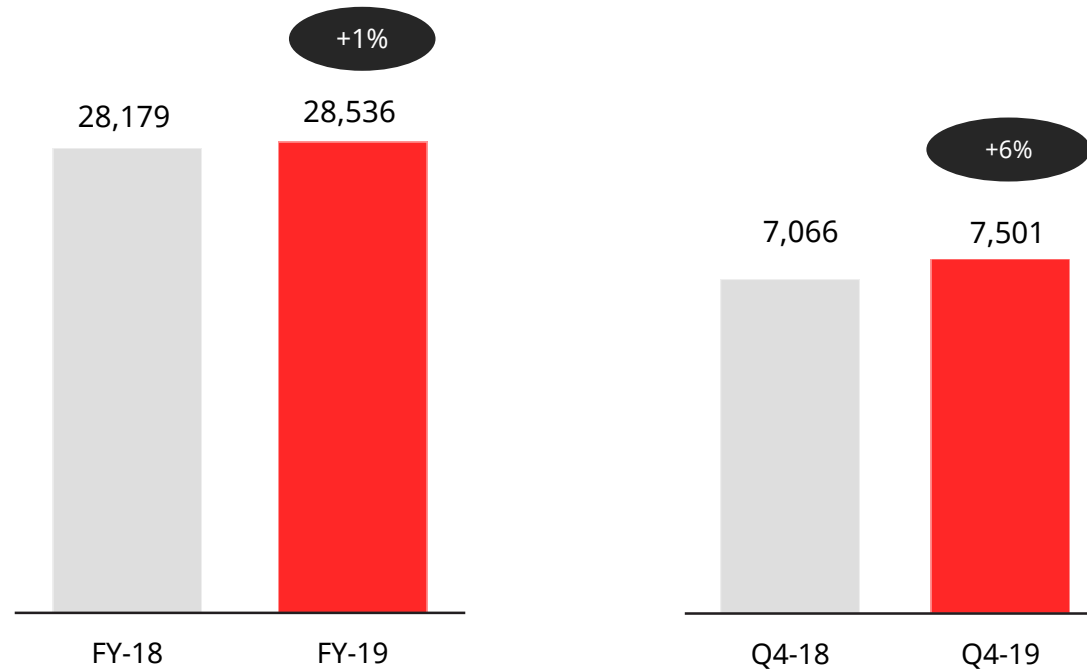
**Algeria (DZD)**



**Myanmar (MMK'000)**



## Service revenue



# 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 15 years extension agreed
<b>Algeria</b>	--	--	2G: 14 Jan. 2019 3G: Dec. 2014 4G: 25 Sep. 2016	2G: 13 Jan. 2024 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	29 January 2020 (20 yr extension to existing license)	28 January 2035
<b>Palestine</b>	--	--	14 March 2007	10 September 2029
<b>Myanmar</b>	5 February 2014	04 February 2029	05 February 2014	04 February 2029

# 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) 2% Solidarity Social Contribution Fee to finance Social Security Fund is applicable as of FY 2019.

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Thank You

