



Ooredoo Group

Q1 2019 Results

1 May 2019



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 - Our ability to manage domestic and international growth and maintain a high level of customer service
 - Future sales growth
 - Market acceptance of our product and service offerings
 - Our ability to secure adequate financing or equity capital to fund our operations
 - Network expansion
 - Performance of our network and equipment
 - Our ability to enter into strategic alliances or transactions
 - Cooperation of incumbent local exchange carriers in provisioning lines and interconnecting our equipment
 - Regulatory approval processes
 - Changes in technology
 - Price competition
 - Other market conditions and associated risks
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Contents

1

Results review

2

Operations review

3

Additional information



Group Results

Key Highlights

Solid financial performance in challenging conditions



Q1 2019 Revenue stood at **QAR 7.2 billion**, a decline of 6% YoY largely driven by:

- **Reduction in handset sales**
- Industry wide shift from voice services to data services
- Macroeconomic and **currency weakness** in some of our markets



Group EBITDA was **QAR 3.2 billion** with a corresponding **EBITDA margin of 44%**. **Group EBITDA increased by 4% YoY** mainly due to:

- Effective **cost management**
- Reduced cost of sales due to **lower handset sales**
- **Positive impact from the new IFRS 16 accounting standards**



Group Net Profit attributable to Ooredoo shareholders was **QAR 420m**, down 13% YoY. This decrease was due to:

- In Q1 2018 Ooredoo posted Foreign Exchange gains of QR 166m, whereas during this quarter the gain was limited to QR 77m
- **Excl. FX impact NP up by 8%**



Increased **monetization of data business**, with significant data growth coming from consumer and enterprise customers: saw **data revenue increase to 50% of Group revenue**. Revenue from data contributed QAR 3.6bn



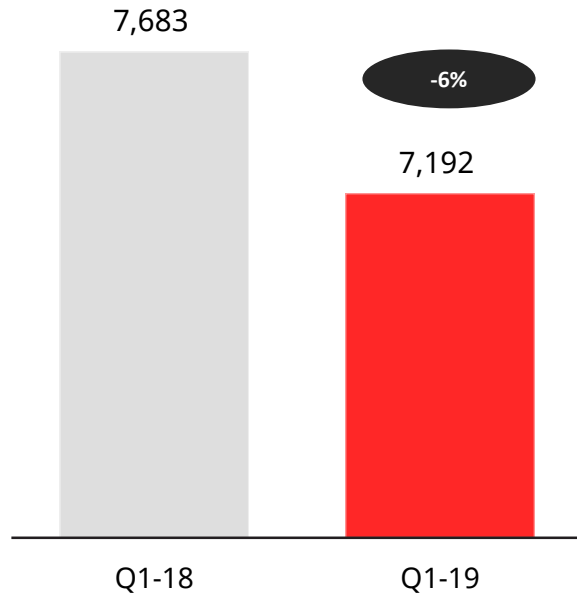
IFRS 16 accounting standards on leases

- Applied from 1 January 2019 **leases capitalized in the balance sheet QAR 5.4bn**
- As a result Group EBITDA has significantly improved by QAR 224m with a **positive impact on EBITDA margins (up 3 percentage points)**

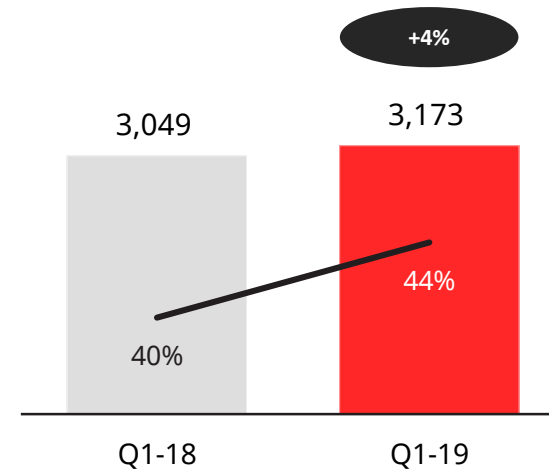
Group Results

Revenue and EBITDA

Revenue (QARm)

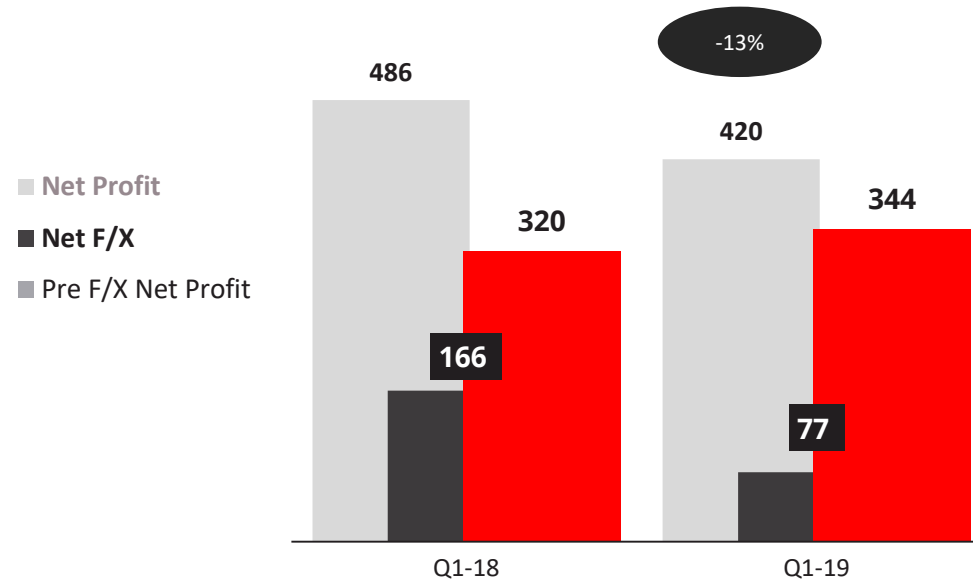


EBITDA (QARm) and EBITDA Margin



- Revenue growth in L/C terms in Oman, Indonesia, Maldives and Tunisia offset by negative FX impact in Tunisia and Algeria, lower handset sales
- Positive IFRS16 EBITDA impact, EBITDA growth in most markets, partially offset by Iraq, Algeria and Myanmar

Net Profit Attributable to Ooredoo shareholders (QARm)



- Net Profit decreased by 13% yoy
- Excluding FX impact Net Profit up by 8%

Group Results

Free Cash Flow and Capital Expenditure

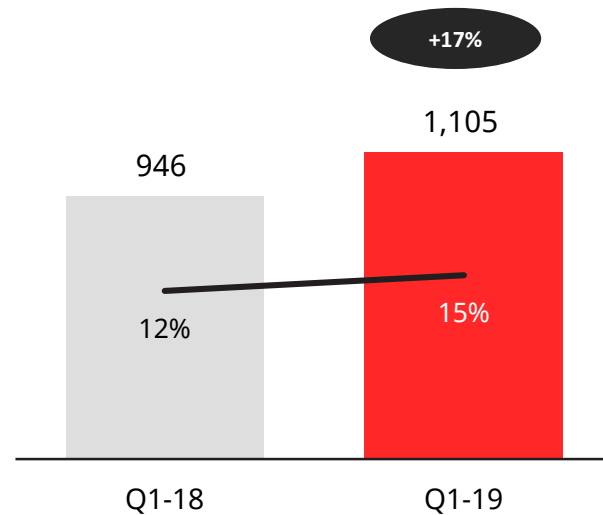
Overview

Results review

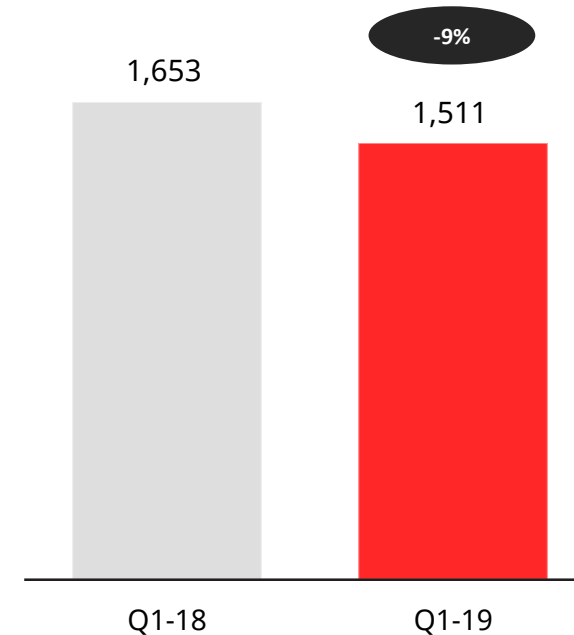
Operations review

Additional information

CAPEX (QARm) & CAPEX/ Revenue (%)



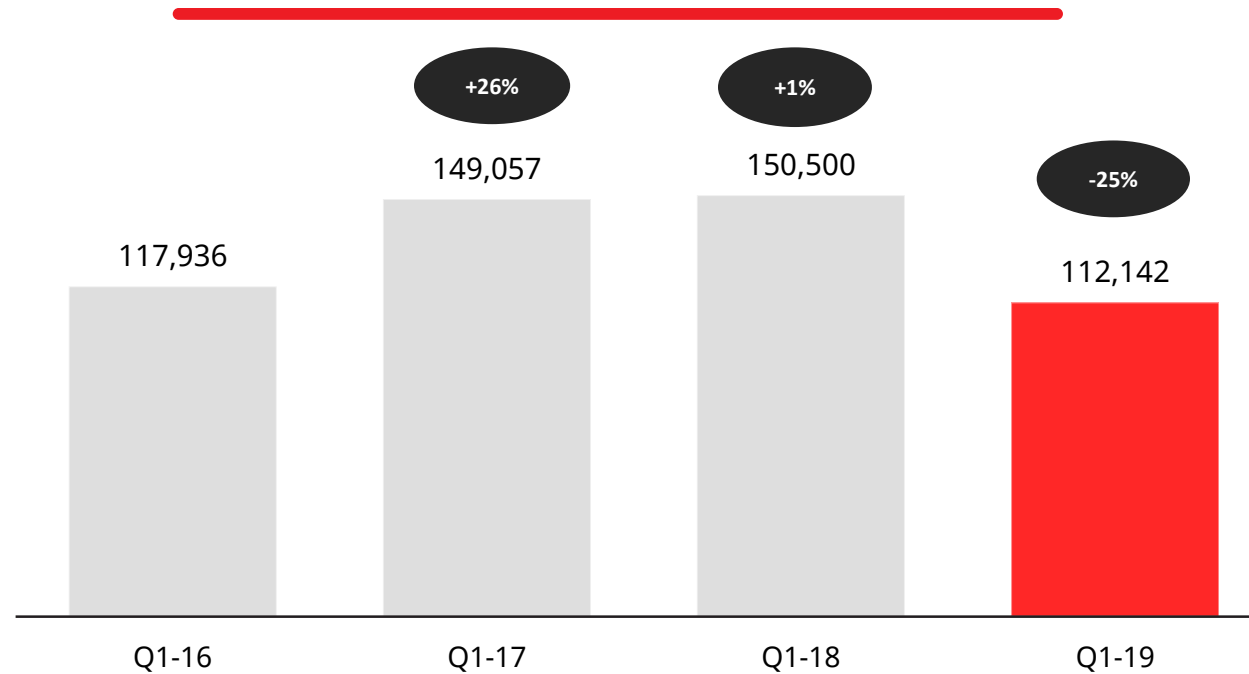
Free Cash Flow (QARm)



- Further investments in network capacity and quality, economies of scale realized via centralized Ooredoo Group procurement
- FCF impacted by higher Capex

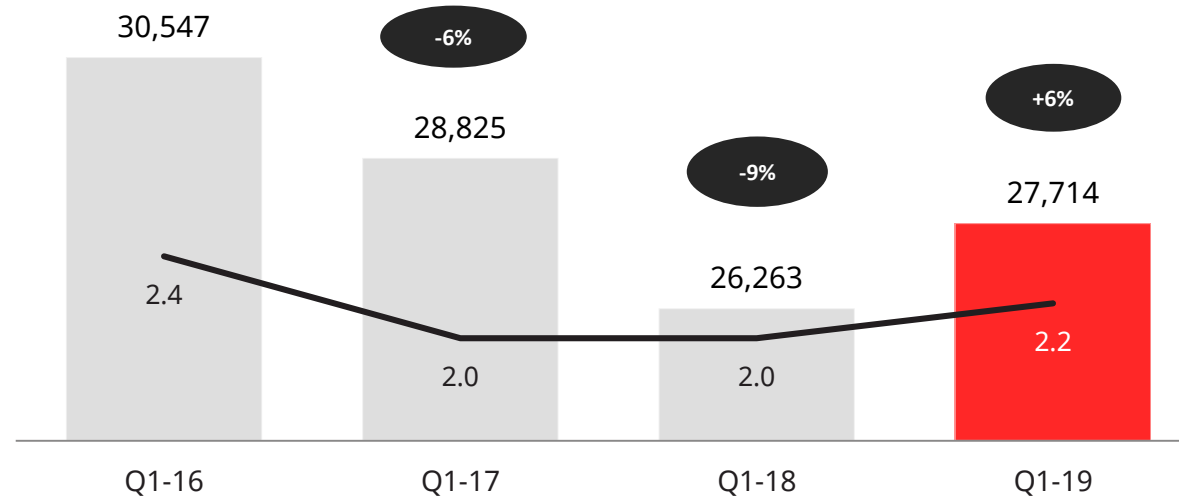
Note: Free Cash Flow = Net Profit plus Depreciation & Amortization less CAPEX; CAPEX excludes license fee obligations & right-of-use assets; Net Profit adjusted for extraordinary items

Total Customers (000)



- Customer base in Kuwait, Algeria, Tunisia, Myanmar, Maldives, Iraq, Qatar and Palestine increased
- Group customer number -25% (clean-up of the Indonesian customer base, post the new SIM regulation last year)

Net Debt (QARm) and Net Debt / EBITDA



- Net Debt to EBITDA ratio 2.2x (**1.8x excluding IFRS 16 impact**), within board guidance between 1.5x and 2.5x (bank covenant 4x)
- Seasonal increase due to dividend, regulatory, tax payments and IFRS16 impact

Group Results

2019 Q1 performance summary

Group Financials (QAR bn)	Q1 2019 Actual	% Change Q1 2019 / 2018 Excl. IFRS 16 impact	2019 Full Year Guidance over 2018 Excl. IFRS 16 impact
Revenue	7.2	-6%	-3% to 0%
EBITDA	3.2	-3%	-7% to -4%
CAPEX	1.1	17%	5.5bn to 6.5bn

- Guidance for 2019 has been given without IFRS 16 impact
- Q1 Revenue lower than guidance, lower handset sales
- EBITDA slightly better than guidance
- Reported EBITDA incl. **IFRS16 impact was up by 4%**
- CAPEX higher YoY mostly due to Indosat Ooredoo network investment

Contents

1

Results review

2

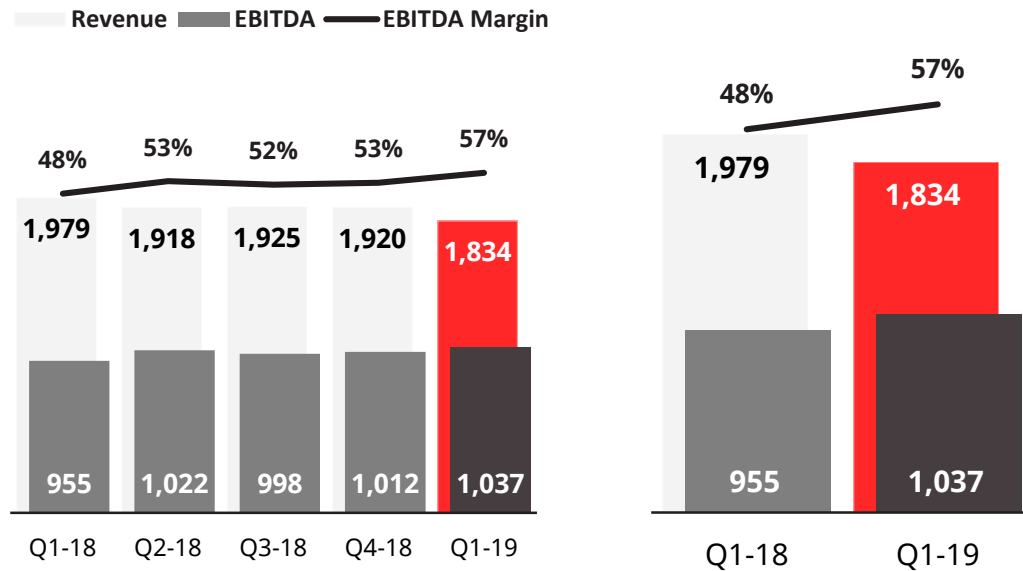
Operations review

3

Additional information

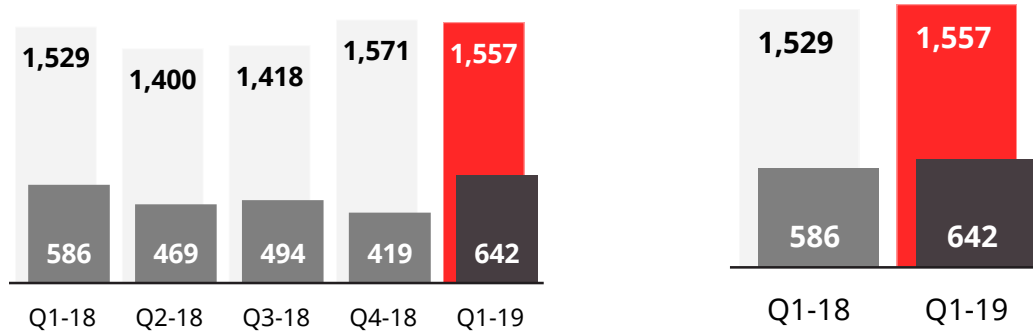


QARm

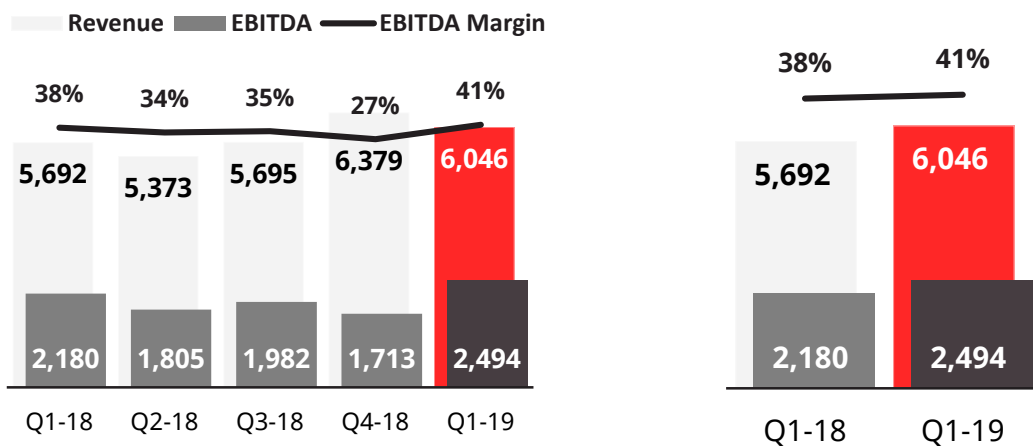


- Strong No.1 position maintained - Ooredoo's fixed line and mobile networks in Qatar ranked among fastest globally
- Service Revenue declined by 1% while reduced handsets sales led to an overall revenue decrease by 7%
- EBITDA margin up by 9 percentage points YoY due to favorable product mix and IFRS16 impact
- Pre IFRS16, EBITDA is QAR 1,020m, EBITDA margin of 56%
- 3.3m customers, flat YoY but up by 2% sequentially
- Ooredoo Fibre rollout program's success continues and now has 413k homes connected
- Launched Asian Football Cup free data promotion
- New IoT (Internet of things) platform launched
- E-labels (Digital Price Tag) launched in Ooredoo shops to increase customer convenience and become more environment friendly
- Ooredoo tv customer base grew by 9% compared to Q1 2018
- Ooredoo has more than 90 live 5G sites

QARm



IDRbn

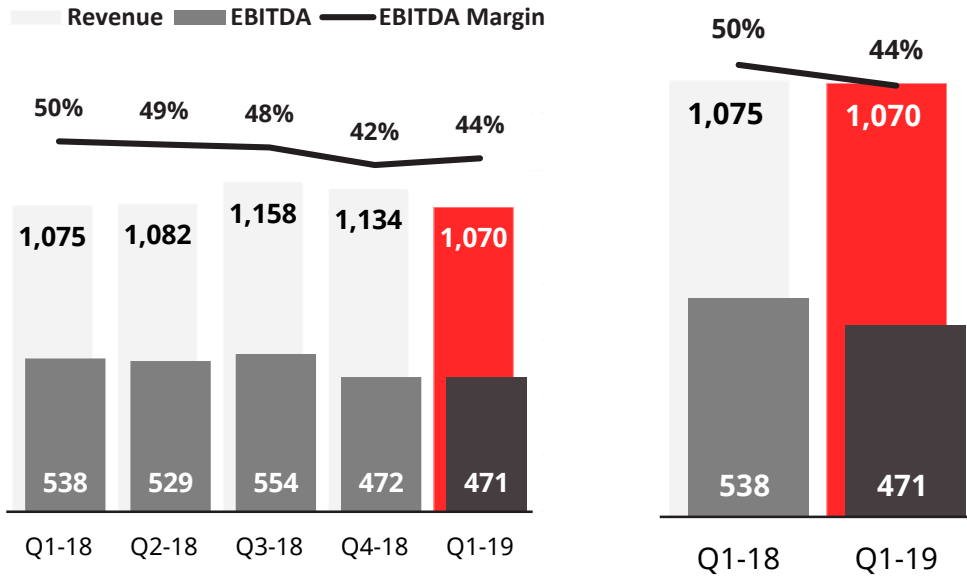


- Revenues grew up by 2% compared to Q1 2018, leaving the negative impact of the SIM card registration regulation behind
- Reclassification of Artajasa had a negative impact on YoY revenue comparison of QAR 38m, like for like revenue growth would have been 4%
- EBITDA grew faster than revenues, an increase of 10% YoY, reflecting the success of cost optimization initiatives, increased revenue and positive IFRS16 impact
- Pre IFRS16, EBITDA is QAR 602m (IDR 2,340bn), EBITDA margin of 39%
- Customer base declined by 8% QoQ to 53m due to registration restriction, stabilized churn rate
- 4G Plus has reached 422 cities
- 4G population coverage reached 81%

• Note: Average rate over the period (IDR)

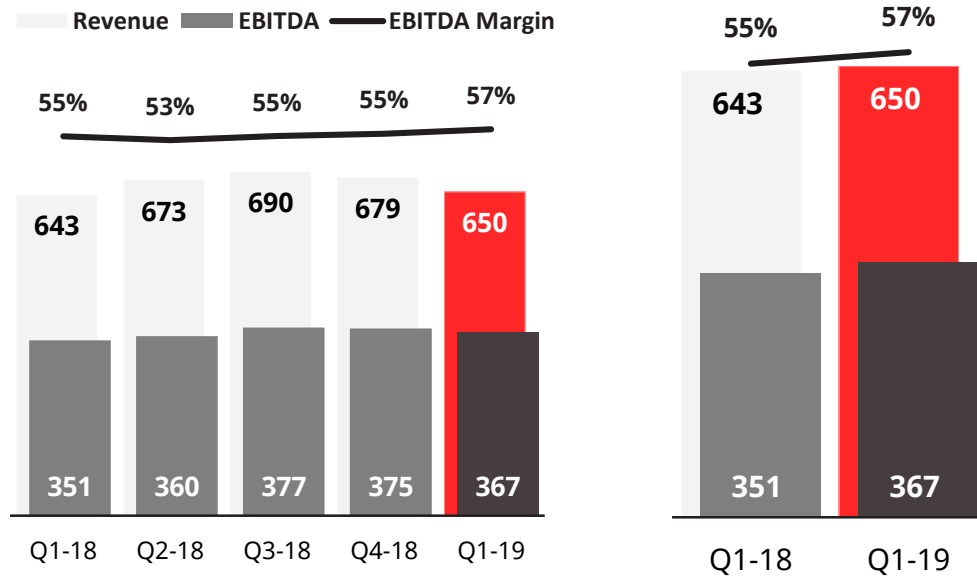
1 USD = 14,139 Indonesia Rupiah (IDR)

QARm



- Q1 revenue at QAR 1.1bn similar level YoY
- EBITDA was down 12% to QAR 471m during the quarter, as a result of increased sales and marketing activities to expand its customer base
- Pre IFRS16, EBITDA is QAR 454m, EBITDA margin of 42%
- Customer base up by 10% YoY to 14.2m at the end of the first quarter of 2019

QARm

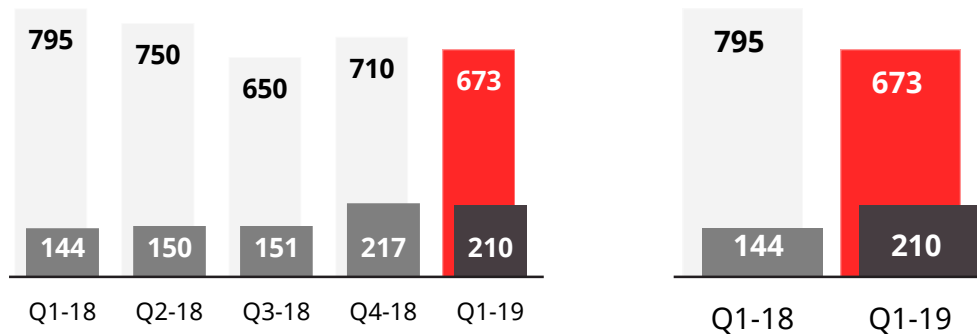


- Continued growth in Revenue, EBITDA and Net Profit
- Revenue growth by 1% mainly due to fixed line business and a strong performance in post-paid mobile revenues
- EBITDA increased 5%, and EBITDA margin was strong at 57%, up from 55% in Q1 2018, mainly due to IFRS16
- Pre IFRS16, EBITDA is QAR 351m, EBITDA margin of 54%
- Ooredoo Oman’s customer base remained stable at 3.0m in Q1 2019
- Continue to focus on digital enablement (new business app, digital shary product (post-paid), new Shababiah (pre-paid), monthly passport product
- 4G coverage now over 95% of the population

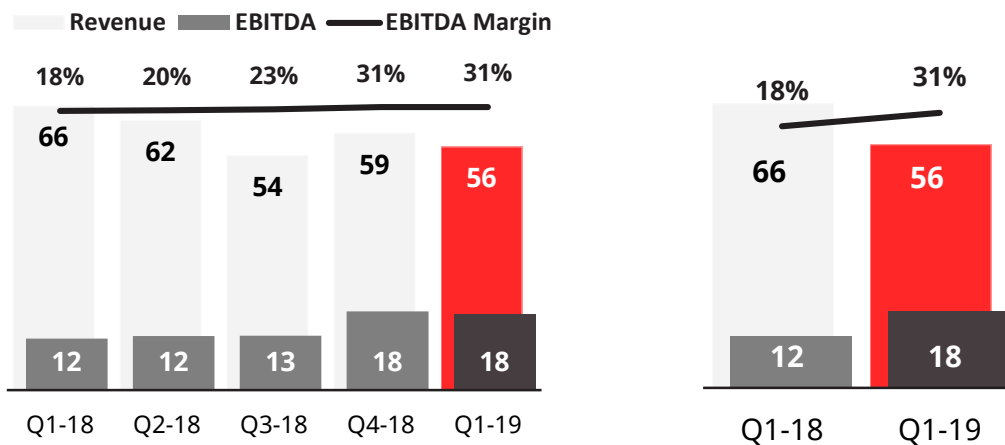
• Note: (1) Constant pegged currency

1 USD = 0.38463 Omani Rial (OMR)1

QARm



KWDm

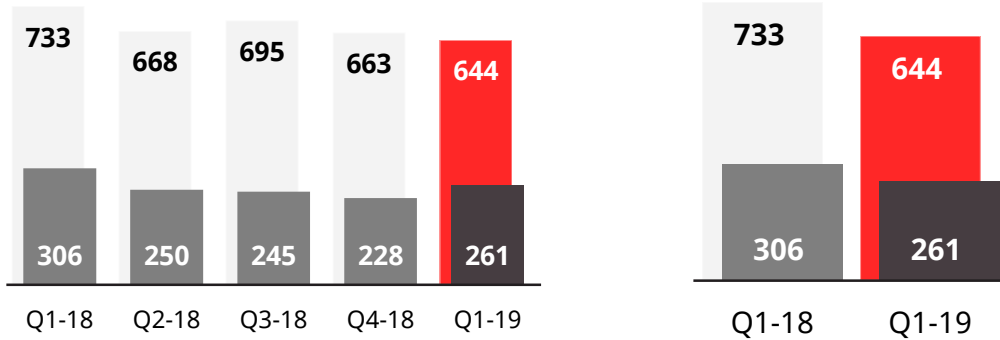


- Revenue was down 15% due to the reduction in handset sale in a highly competitive market
- EBITDA growth of 46% and margin improvement to 31% due to favorable mix between service revenue and handset sales, a positive IFRS 16 impact as well as improved efficiencies and cost optimizations across the business
- Pre IFRS16, EBITDA is QAR 182m (KWD 15m), EBITDA margin of 27%
- Customer base increased to 2.5m in Q1 2019, up by 13% compared to Q1 2018

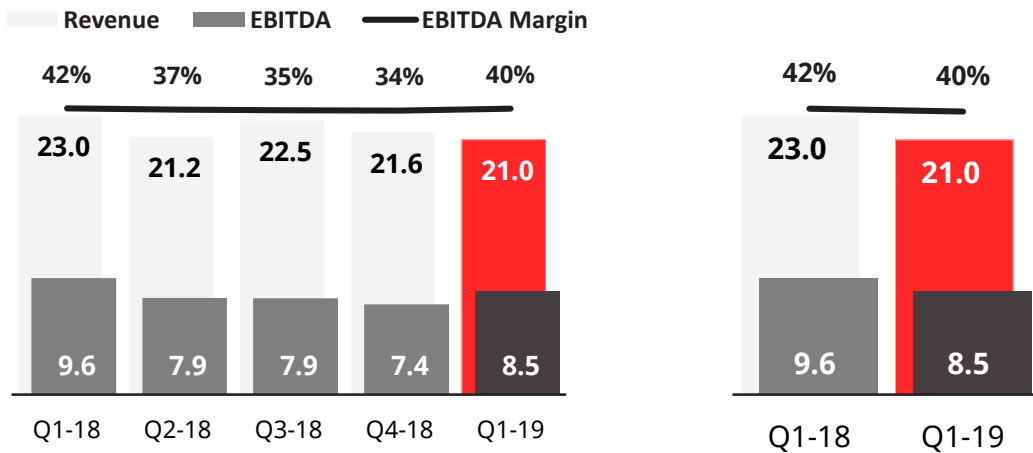
• Note: Average rate over the period (KWD)

1 USD = 0.3035 Kuwait Dinar (KWD)

QARm



DZDbn

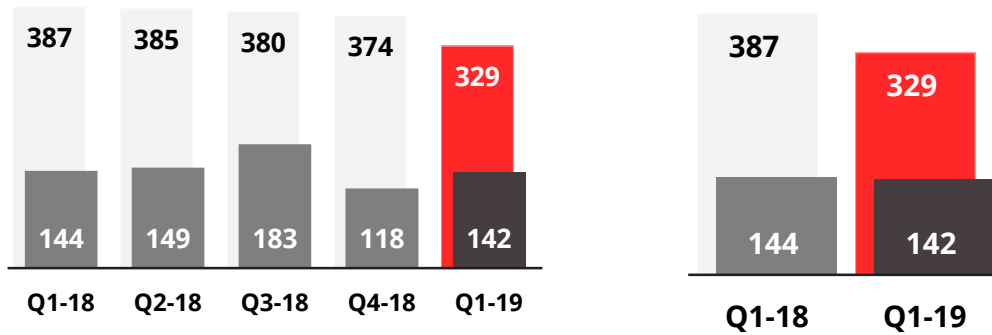


- Algerian market impacted by weak economic conditions, political uncertainty and intense price competition
- Depreciation of Algerian Dinar (4%) had further negative impact on revenue
- EBITDA was QAR 261m in Q1 2019, down from QAR 306m in Q1 2018, EBITDA margin sequentially improved from 34% to 40%, including IFRS16 impact
- Pre IFRS16, EBITDA is QAR 229m (DZD 7.5bn), EBITDA margin of 36%, improving over Q4 2018 34%
- Customer number increased by 4% YoY
- 4G rollout ongoing, highest 4G coverage in Algeria, more than half of the population covered, launched in all 48 wilayas
- La Gold promotions (data x3) aimed at high end customers is the most noticeable consumer promotion

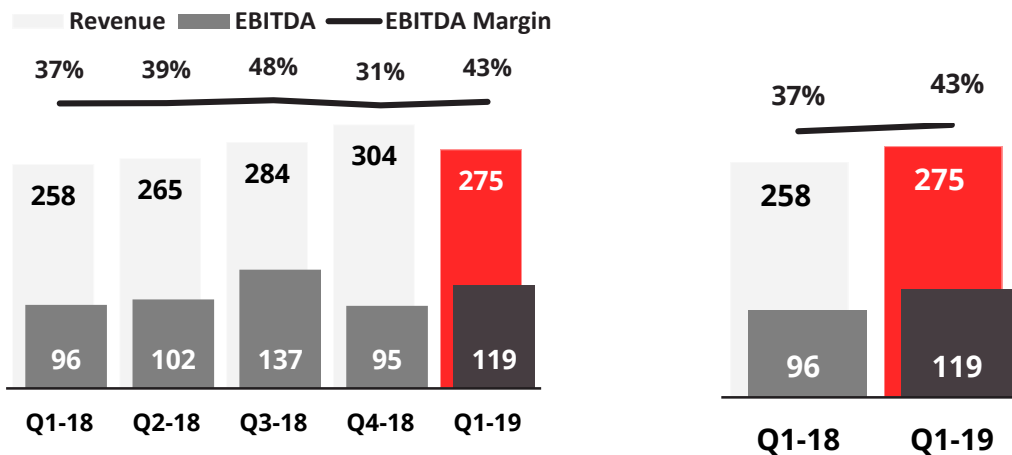
• Note: Average rate over the period (DZD)

1 USD = 118.7 Algerian Dinar (DZD)

QARm



TNDm

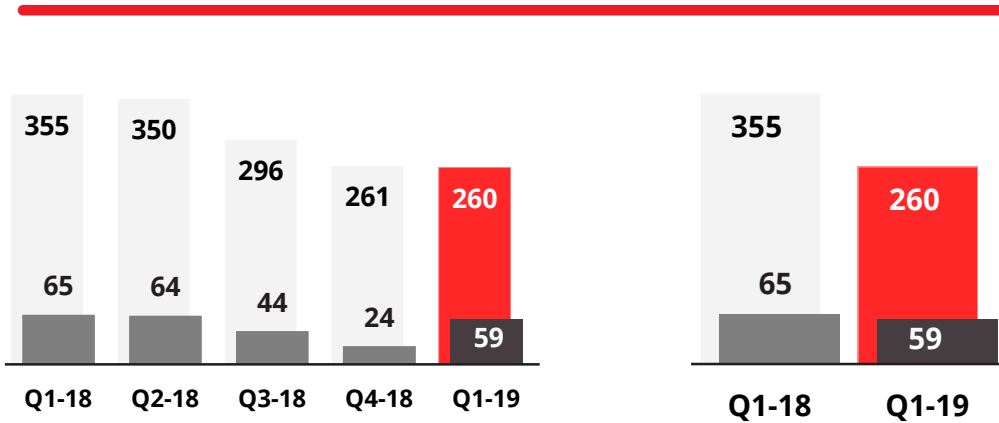


- 7% Revenue growth in local currency terms driven by gains in data, international and fixed revenues
- 20% Tunisian Dinar depreciation YoY
- Customer base up by 7% YoY to reach 9.1m
- EBITDA margin grew from 37% to 43% as a result of increased revenue, decrease in cost of sale (lower handset sales) and IFRS16 impact
- Pre IFRS16, EBITDA is QAR 134m (TND 112m), EBITDA margin of 41%
- No.1 mobile customer market share position maintained
- Revamp of “mobicash” app, mobile money

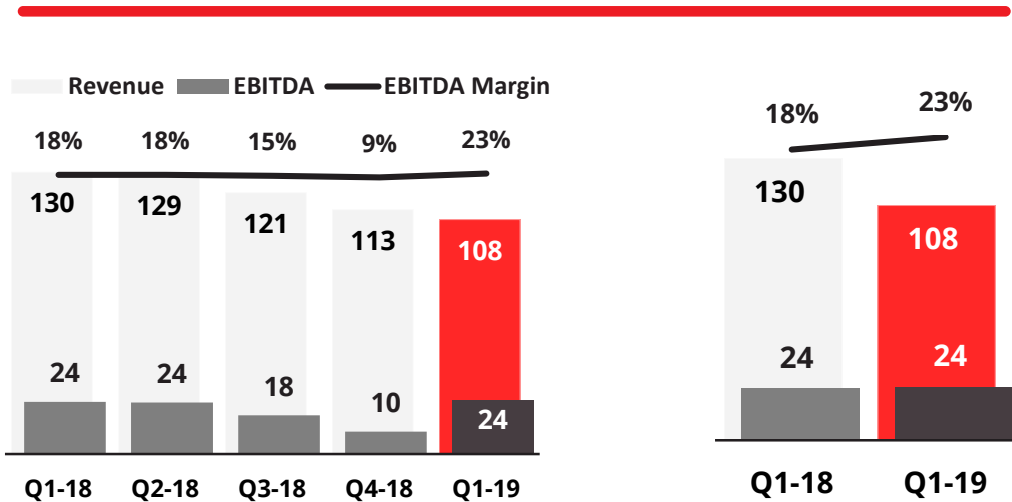
• Note: Average rate over the period (TND)

1 USD = 3.048 Tunisian Dinar (TND)

QARm



MMKbn



- Depreciation of Myanmar Kyat (-12% YoY) and aggressive promotions by the fourth player resulted in revenue decrease
- Revenue started to improve from mid February 2019 as the regulator stopped top-up bonus promotions for all operators
- Pre IFRS16, EBITDA is break-even due to intense price competition
- Customer base grew to 10.9m up 20%
- OML's 2019 "get digital" initiative shows strong momentum, My Ooredoo App reached more than 1m active users

• Note: Average rate over the period (MMK)

1 USD = 1,518 Myanmar Kyat (MMK)



2019 Ooredoo Capital Markets Day

Save the date: CMD 19th June 2019, in Oman

Bar Al Jissa (Shangri-La)

More details in due course

Contents

1

Results review

2

Operations review

3

Additional information



Additional Information

Key Operations Importance to Group

Overview

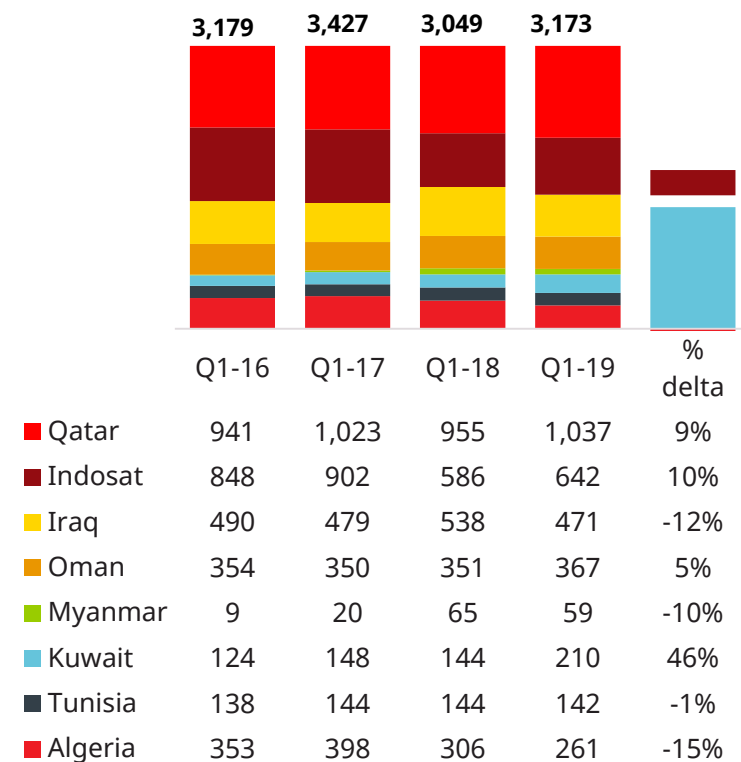
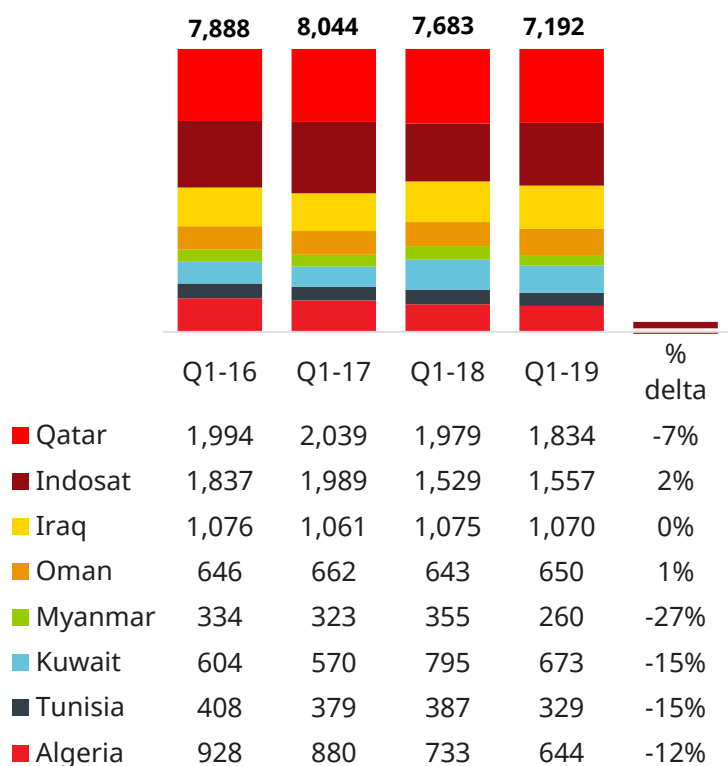
Results review

Operations review

Additional information

Revenue (QARm)

EBITDA (QARm)



Group Operations Breakdown

CAPEX & Customers

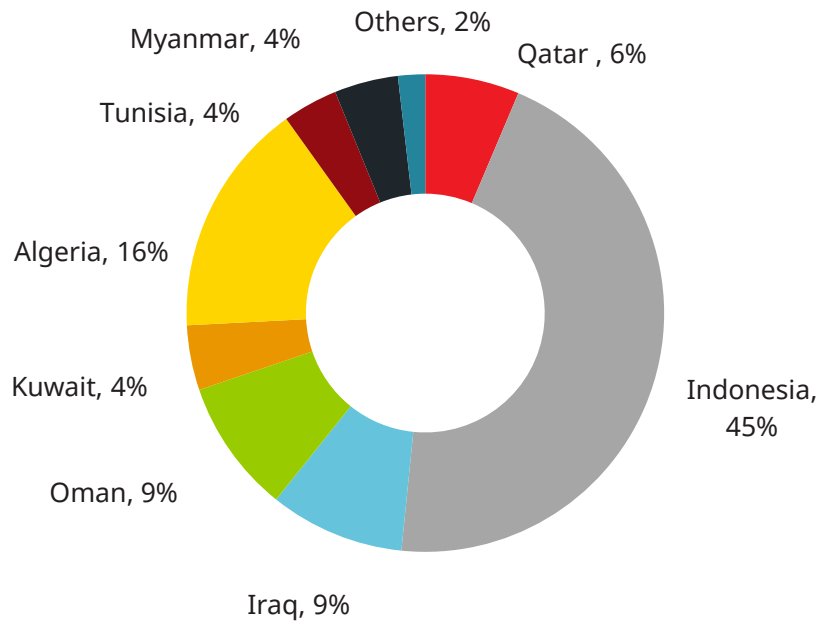
Overview

Results review

Operations review

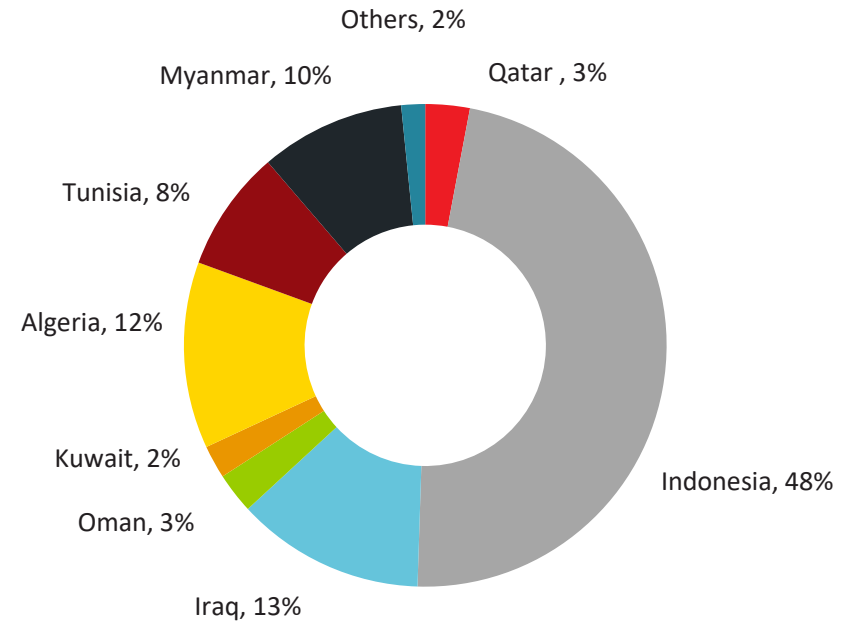
Additional information

CAPEX Breakdown (%)



Q1 2019 CAPEX = QAR 1,105m

Customer Breakdown (%)



Q1 2019 Total Customers = 112m

Group Operations Breakdown

Total Group Debt Breakdown

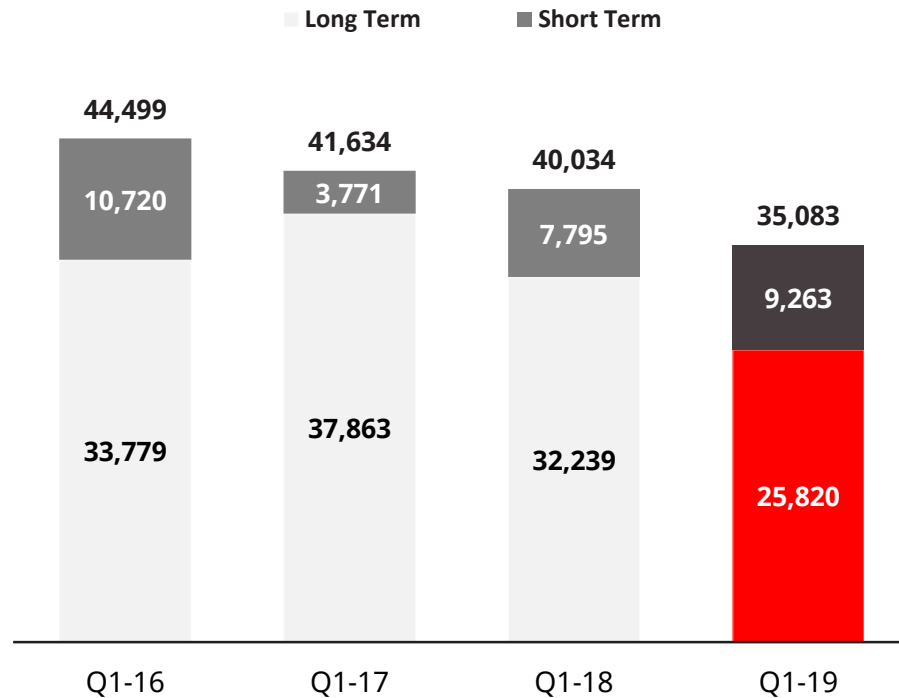
Overview

Results review

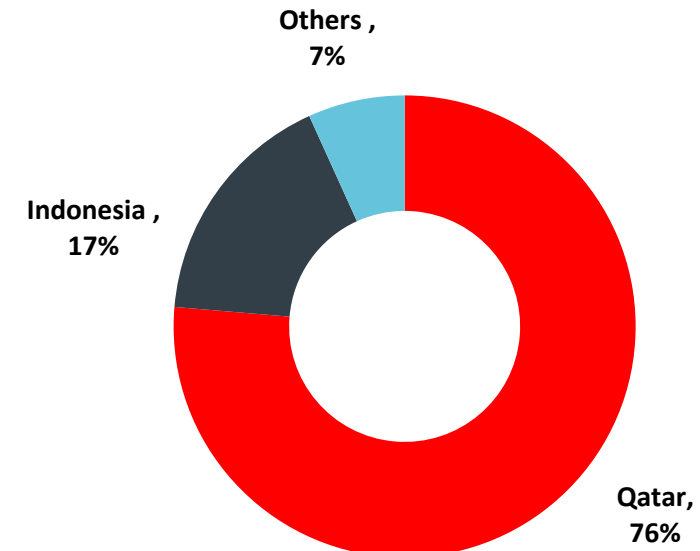
Operations review

Additional information

Total Group Debt (QARm)



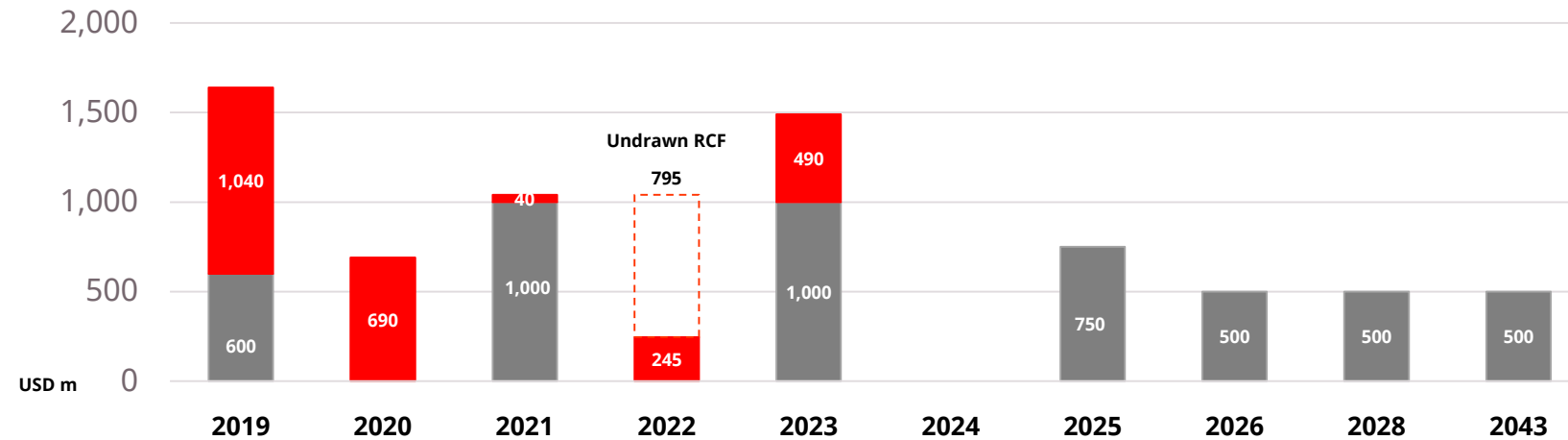
Total Group Debt Breakdown



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

Group Results

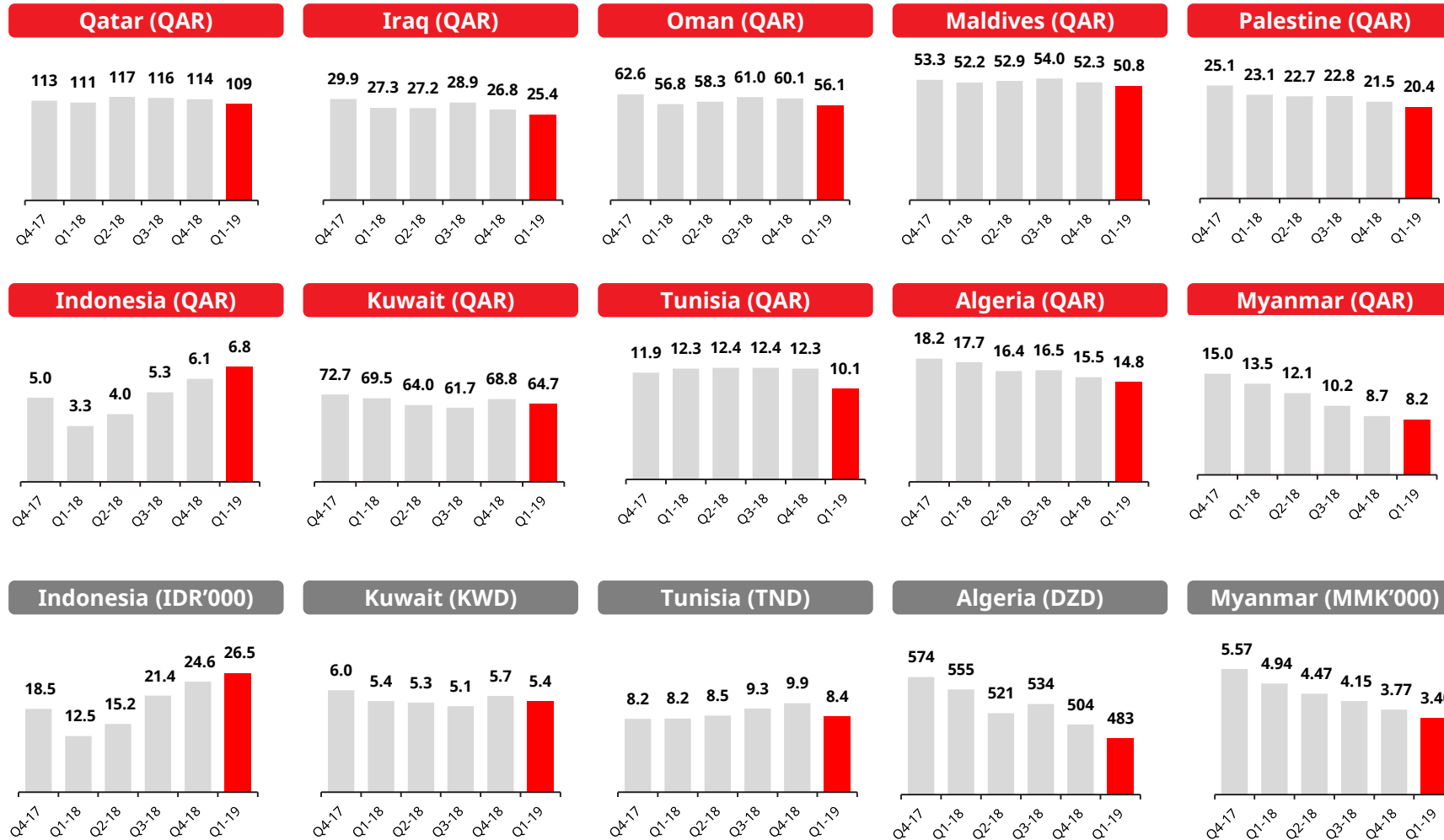
Debt Profile – Ooredoo Q.P.S.C. level

[Overview](#)
[Results review](#)
[Operations review](#)
[Additional information](#)


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 2019	600	7.875%	10 Jun 2019	LSE
USD1bn RCF	1,000	1000	Libor + spread	16-May-19	Fixed Rate Bonds due 2021	1,000	4.75%	16 Feb 2021	LSE
USD 500mn RCF	500	500	Libor + spread	06 May 2020	Fixed Rate Bonds due 2023	1,000	3.25%	21 Feb 2023	ISE
USD150mn Term Loan	150	150	Libor + spread	31-Aug-20	Fixed Rate Bonds due 2025	750	5.00%	19 Oct 2025	LSE
USD1bn RCF	1,000	205	Libor + spread	07-Jun-22	Fixed Rate Bonds due 2026	500	3.75%	22 Jun 2026	ISE
USD200mn Amortizing Loan	200	200	Libor + spread	12-Jul-23	Fixed Rate Bonds due 2028	500	3.875%	31 Jan 2028	ISE
USD 100m Term Loan	100	100	Libor + spread	08-Oct-23	Fixed Rate Bonds due 2043	500	4.50%	31 Jan 2043	ISE
USD 150mn RCF	150	150	Libor + spread	30-Oct-23					
USD 100m Term Loan	100	100	Libor + spread	31-Oct-23					
USD 100m Term Loan	100		Libor + spread	13-Dec-23					
Total Loans	4,124m	2,505m			Total Bonds	4,850m			

Debt reduced by USD 605m in Q1 2019. Quarter end Gross Debt of USD 7,355m
Liquidity at comfortable levels

Blended ARPU



Statutory Corporate Tax Rates

Markets	Statutory Tax Rate	Losses C/Fwd Allowed	Notes
Algeria	26%	4 years	
Indonesia	25%	5 years	
Iraq	15%	5 years	
Kuwait	18%	3 years	GCC companies (including NMTC) are exempted and are subjected to 4.5% Zakat, KFAS & national Labour Support Tax on consolidated profits
Maldives	15%	5 years	
Myanmar	25%	3 years	
Oman	15%	5 years	
Palestine	20%	5 years	
Qatar	10%	3 years	Qatari/GCC owned companies and companies listed on Qatar Exchange are exempt
Singapore	17%	Indefinitely	
Tunisia	35%	5 years	1) 25% is the standard tax rate; 2) 35% tax rate applies to oil companies, banks, financial institutions including insurance companies and telecommunication companies, 3) 1% Solidarity Social Contribution to Finance Social Security Fund is applicable as of 1 January 2018.

Thank You

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