

# OOREDOO GROUP

UPGRADE  
YOUR  
WORLD

## Q1 2024 RESULTS

06 May 2024

ooredoo<sup>o</sup>

# 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
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# Presenters



**Aziz Aluthman Fakhroo**  
Group CEO

**Strategy and vision**

**Results review**



**Abdulla Ahmed A Al-Zaman**  
Group CFO

**Operations review**



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**1 Strategy and vision**

**2 Results review**

**3 Operations review**

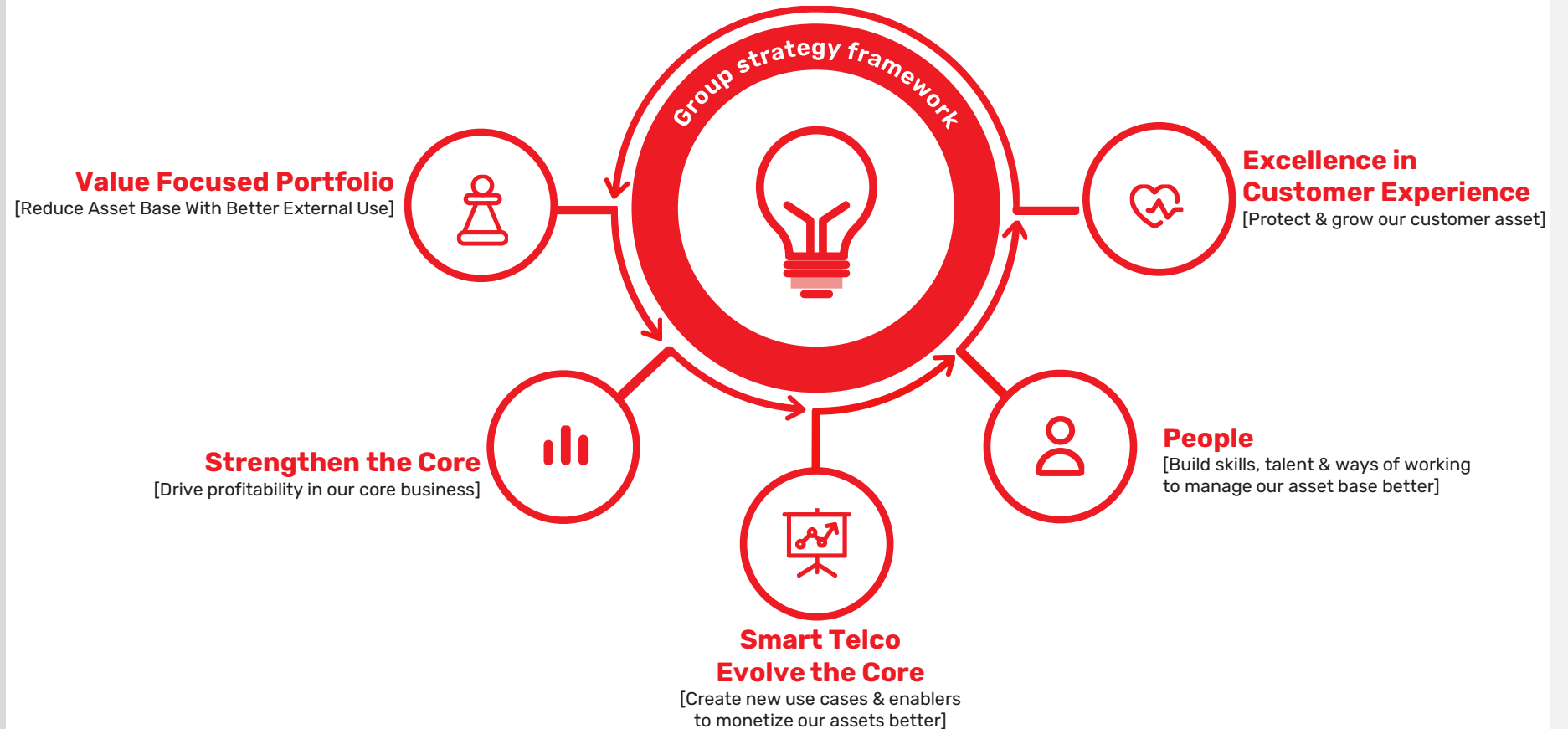
**4 Additional information**

## Our Vision

# Enriching people's digital lives

Positioning Ooredoo as the **Leading digital infrastructure provider** in the region

## Our Strategy (2022-2024)



# Strategy update



## Towers

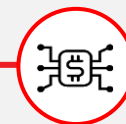
- Focus on closing transaction in each market



## Data centers

- Qatar and Tunisia DCs have been carved out into a new independent, specialized data center entities
- Carve-out of Kuwait expect to be completed in H1 2024; other countries will follow

**Aim and expect to expand capacity to over 100MW with a USD 1 billion investment over the medium to long-term**



## Fintech

- On 28 April, PSP licence granted in Oman
- Continue to pursue licence applications in Iraq, Kuwait & Tunisia in 2024

**Building an integrated marketplace to financially empower people and businesses in the MENA region**

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# Group results | Key highlights Q1 2024

## Healthy Revenue growth

**Increased 4%** to **QAR 5.9 billion** driven by LC revenue growth in most markets

## EBITDA expansion FCF generation

Reported **EBITDA grew 6%** (*normalized +8%\**) to **QAR 2.5 billion**

Reported **EBITDA margin of 43%, up 1pp** (*normalized +2pp\**)

Reported **FCF up 8%** (*normalized +11%\**) to **QAR 2.2 billion**

## Double-digit Normalized Net Profit growth

Normalized Net Profit **up 26%\*\*** to **QAR 1.0 billion**

Reported Net Profit declined **5%** to **QAR 0.9 billion**

\* EBITDA normalized for the IOH one-off tower sales gain of QAR 56mn in Q1 2023

\*\* NP Q1 2024: Normalized for foreign exchange impact (QAR 90mn) and impairment (QAR 1mn)

NP for Q1 2023: Normalized for foreign exchange impact (QAR 234mn), impairment (103mn), IOH tower sales (56mn) and NMTC legal case gain (QAR 446mn)



# Group Q1 2024 YoY highlights

Revenue



+4%

**QAR5.9bn**

EBITDA



+6% (\*+8%)

**QAR2.5bn**

EBITDA margin



+1pp (\*2pp)

**43%**

Capex intensity



0.5pp

**7%**

Free Cash Flow



+8% (\*+11%)

**QAR2.2bn**

Normalized  
Net Profit



+26%\* to **QAR1.0bn**

-5% to **QAR0.9bn**

Net Debt/EBITDA



-0.3x

**0.8x**

Customers



+4% to **58.5mn**

+3%\*\* to **159.3mn**

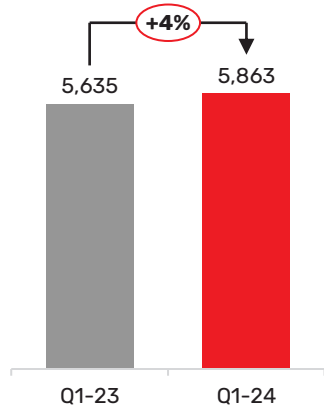
\*Normalized

\*\*Consolidated customer numbers plus IOH

# Revenue

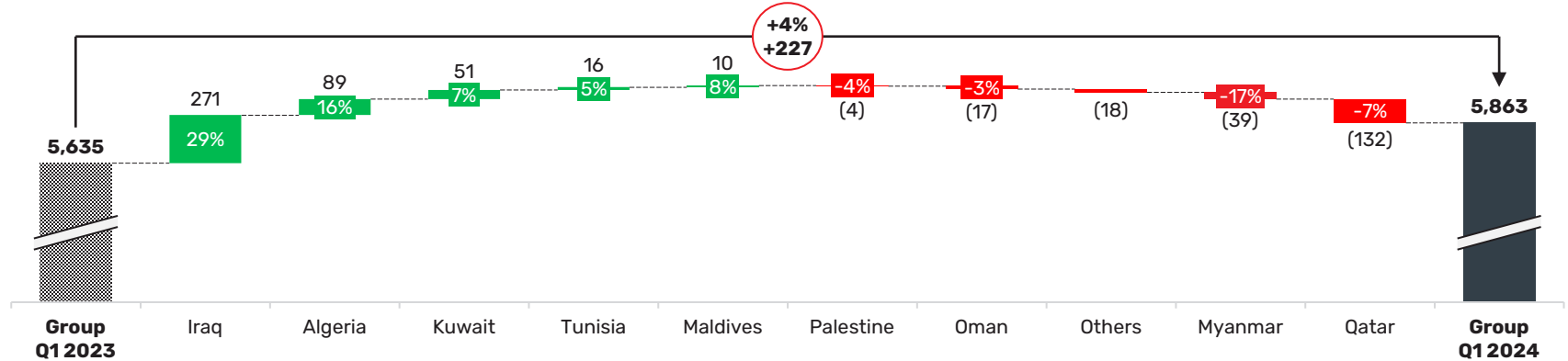
## Group revenue Q1 2024

(QAR mn)

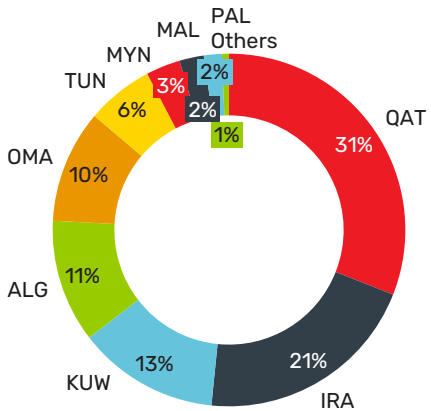


## Q1 2024 YoY change

Amount (QAR mn) and % - Quarterly



## Revenue breakdown (Q1 2024)



## Summary

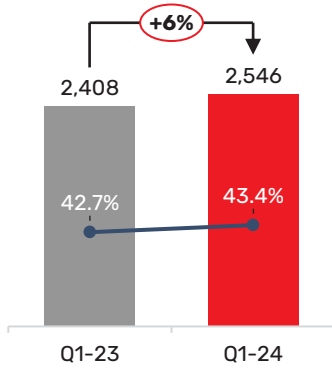
- Group revenue **increased by 4%**
- Solid topline growth in **Iraq, Algeria, Kuwait, Maldives and Tunisia**
- Myanmar topline growth in LC currency negatively impacted by FX depreciation (28%)
- Palestine impacted by the war
- Qatar revenue impacted by lower mobile, fixed services and device revenue partially due to spill-over impact from FIFA
- Oman revenue affected by increasing competitive intensity

# EBITDA

## Group EBITDA Q1 2024

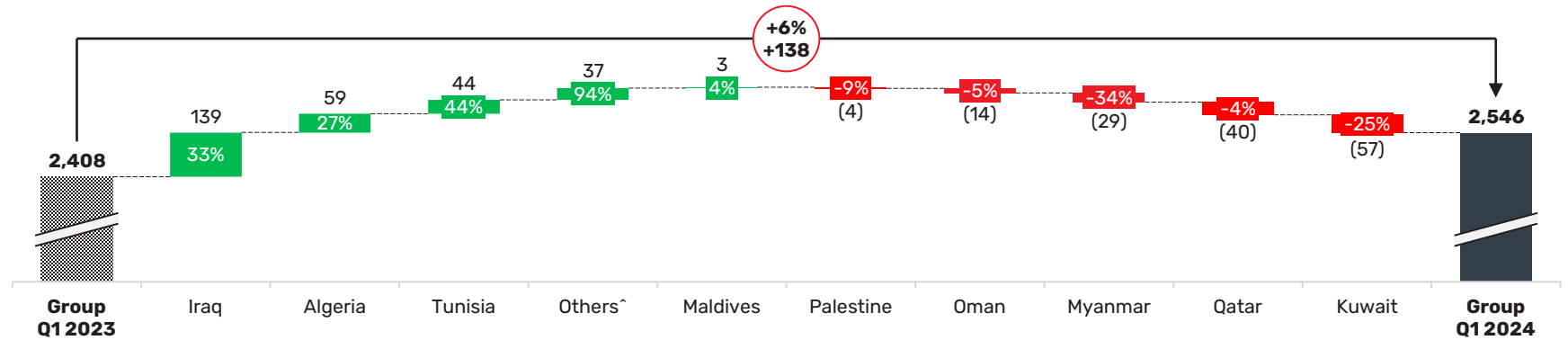
(QAR mn)

### EBITDA margin (%)

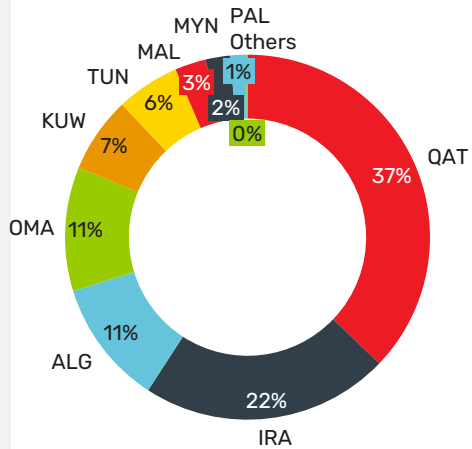


## Q1 2024 YoY change

Amount (QAR mn) and % - Quarterly



## EBITDA breakdown (Q1 2024)

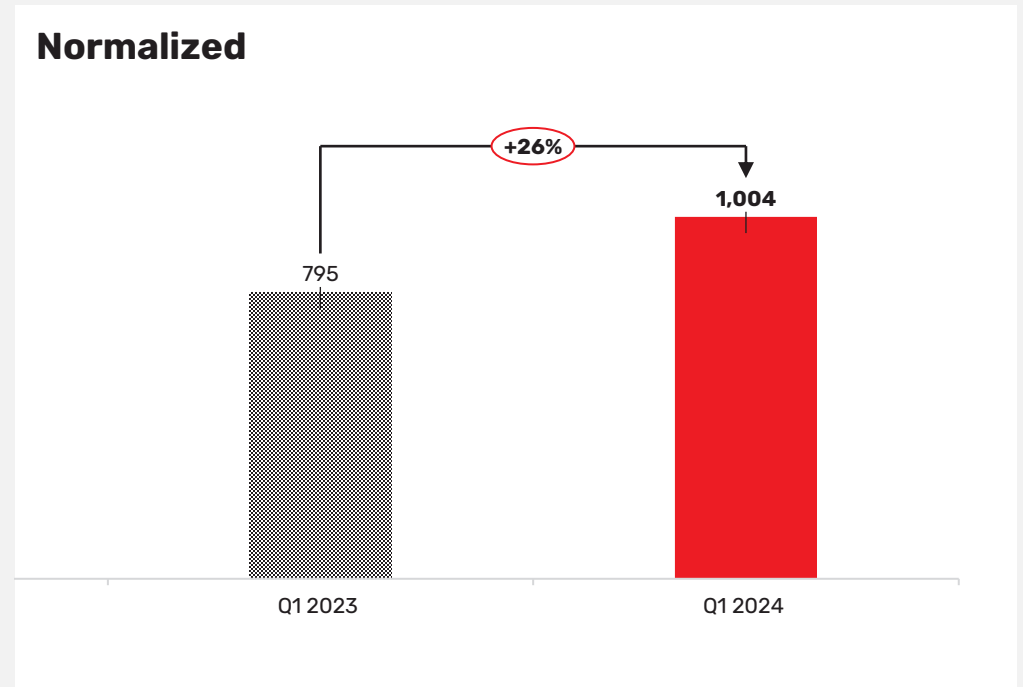
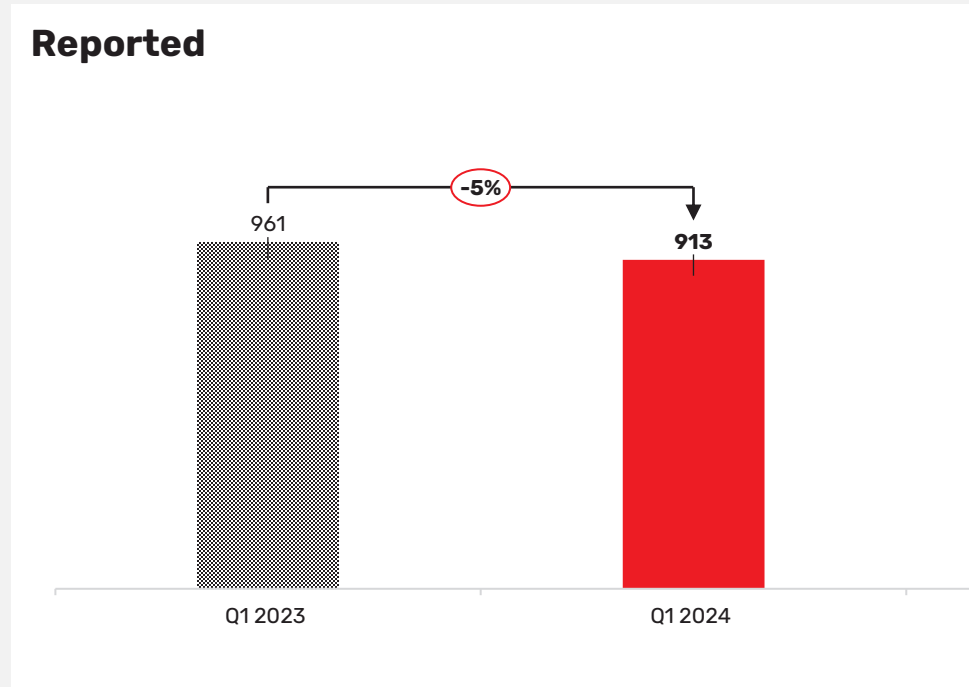


## Summary

- Group **EBITDA of QAR 2.5 billion, up by 6% (normalized up by 8%)**
- EBITDA margin expansion of 1pp to **43%**
- Benefitting from topline growth and implementation of cost-saving measures **boosting profitability and efficiency**
- Oman's EBITDA impacted by lower gross margin and higher OPEX
- Qatar EBITDA was mainly affected by lower revenue
- Kuwait EBITDA included a one-off bad debt provision

# Net Profit | Reported and Normalized

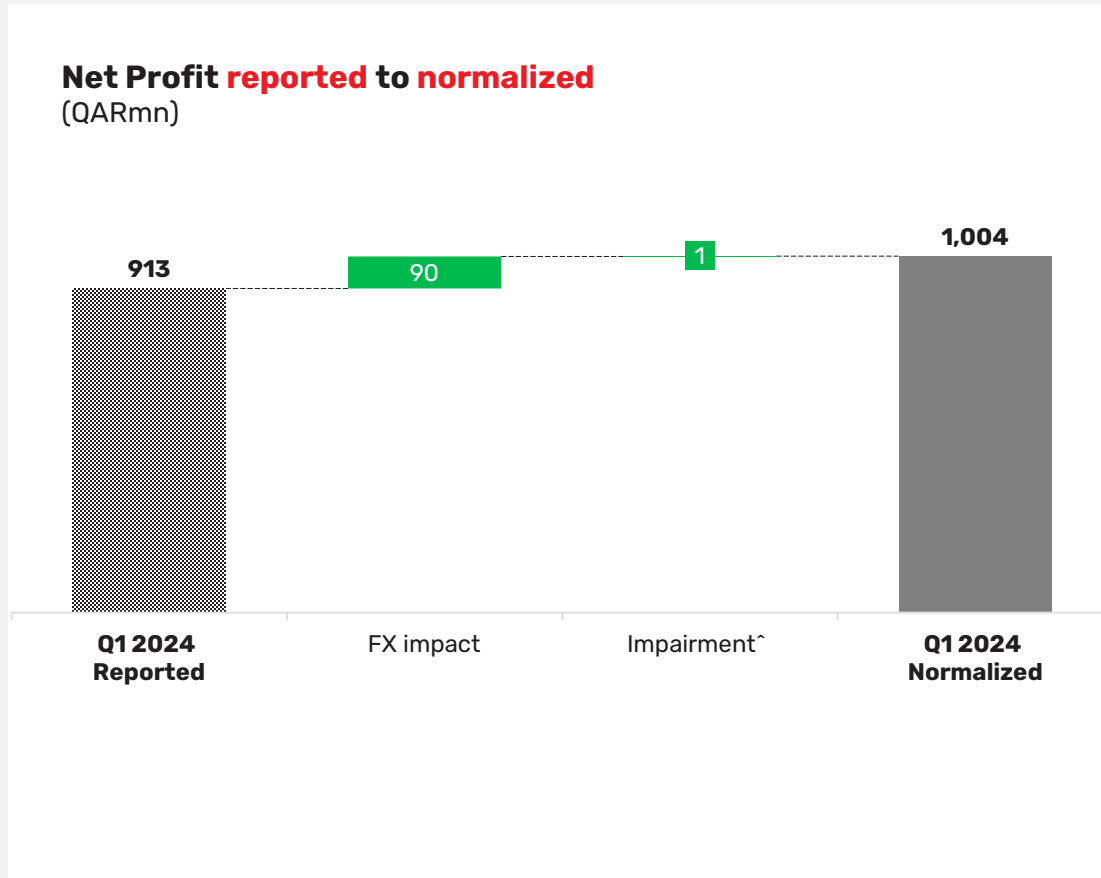
## Q1 2024 Net profit attributable to Ooredoo shareholders (QARmn)



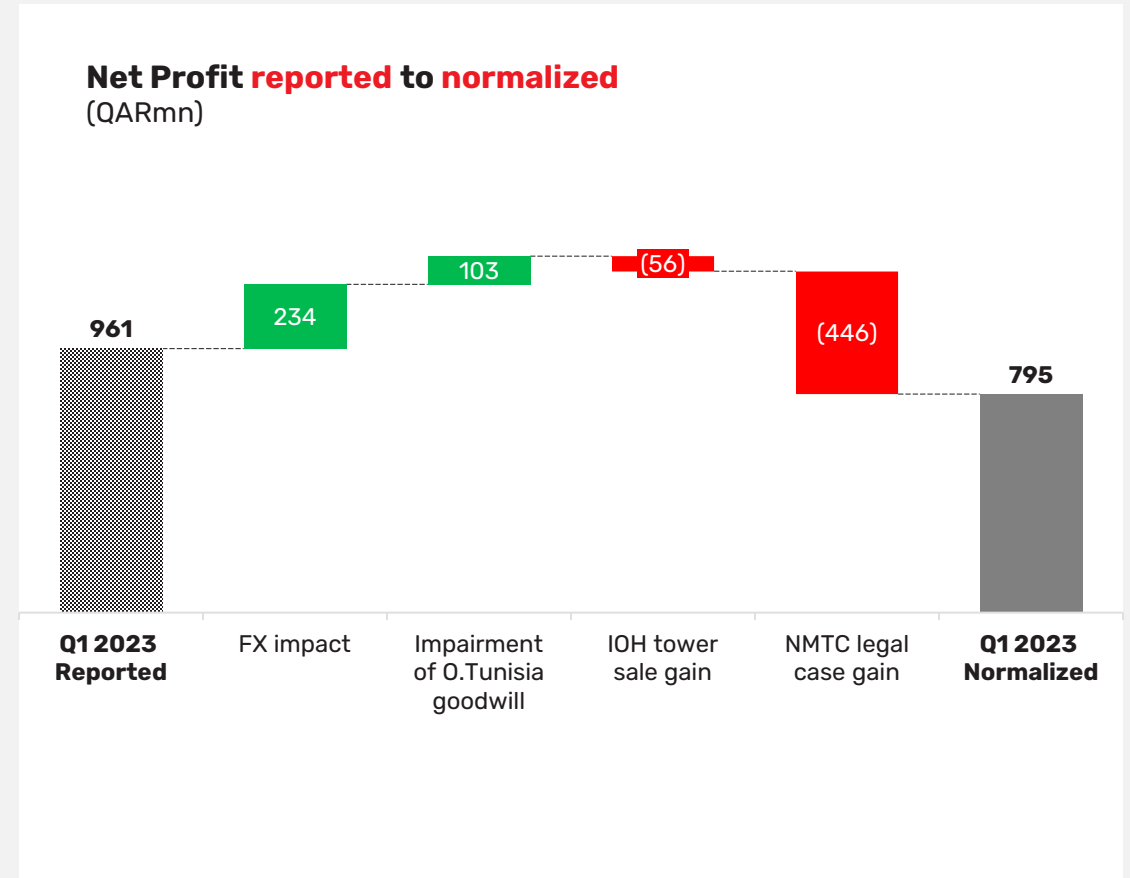
- Normalized Net Profit (excludes FX impact, impairments & major one-offs) increased **by 26%** to **QAR 1.0 billion**
- Q1 2023 includes major one-offs: NMTC legal case gain, IOH gain on tower sale and impairment

# Net Profit | Reported to Normalized reconciliation

## Q1 2024



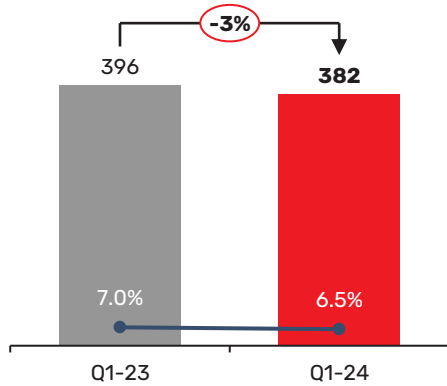
## Q1 2023



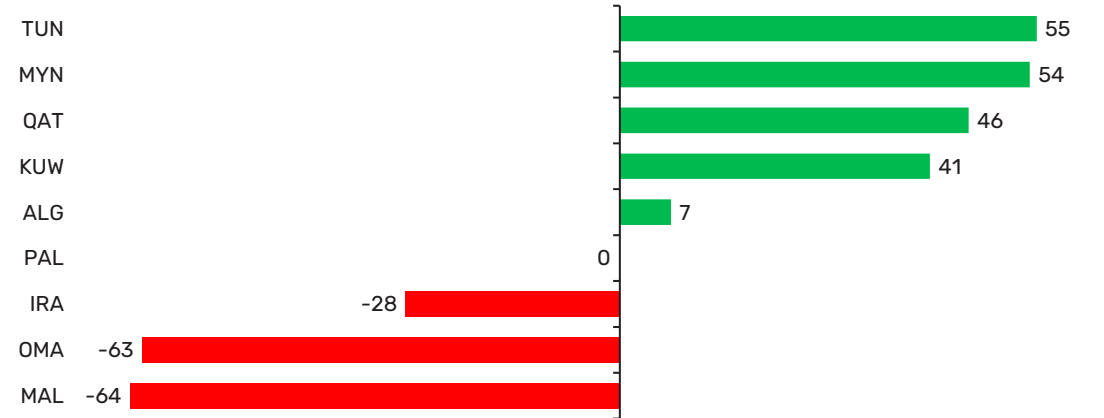
<sup>^</sup>Impairments Q1 24: O.Palestine fixed assets (QAR 1mn)

# Capex

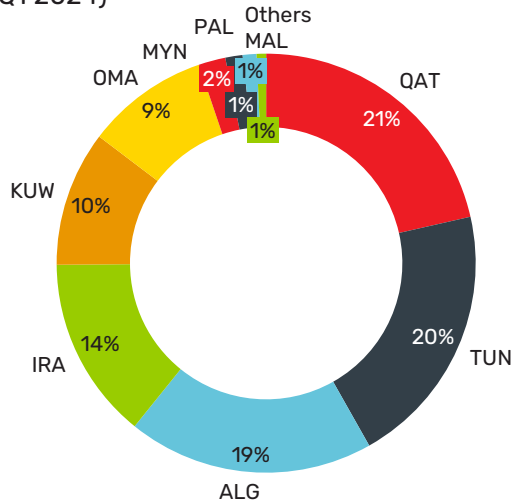
Group Capex Q1 2024 (QAR mn) & Capex / Revenue %



Q1 2024 (Change %)



Capex breakdown (Q1 2024)



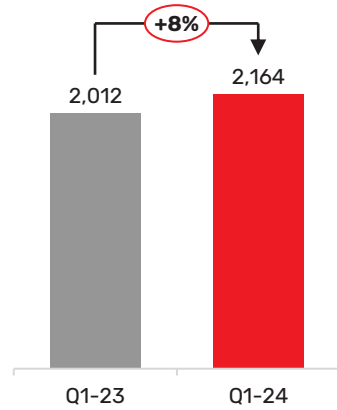
Q1 2024 summary:

- **Tunisia:** Driven by investments in Fibre, Submarine Cable & TDD projects
- **Maldives:** Lower in Q1 2024 since last year included strategic projects i.e. Disaster Recovery site and Subsea Cable
- **Iraq:** Lower due to timing of projects
- **Algeria:** Driven by more network rollout investments
- **Kuwait:** Higher due to digital spend
- **Oman:** Driven by lower spend in 5G/DSS.
- **Qatar:** Higher due to network investments and security management
- **Myanmar:** Higher due to project timings

# Free Cash Flow (FCF: EBITDA – Capex )

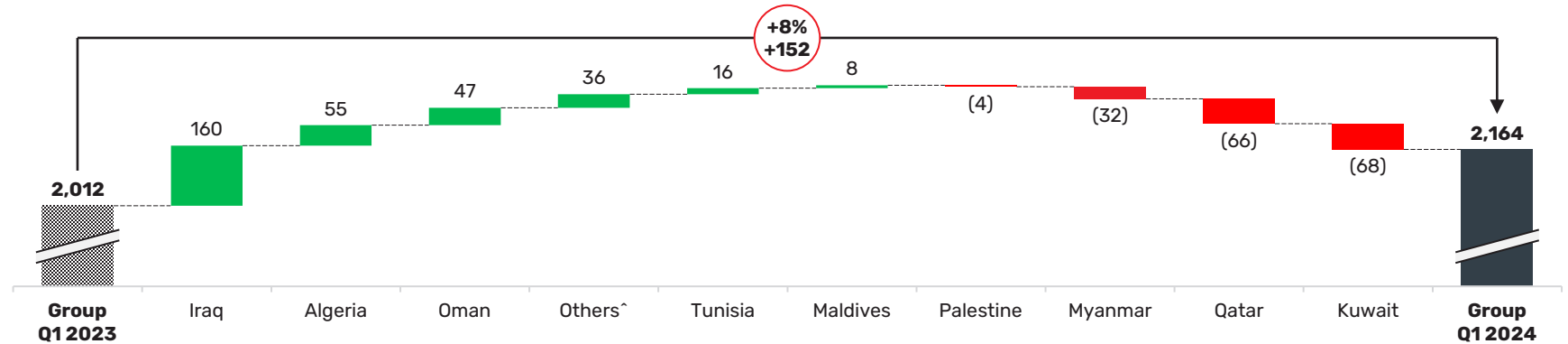
## Group FCF Q1 2024

(QAR mn)

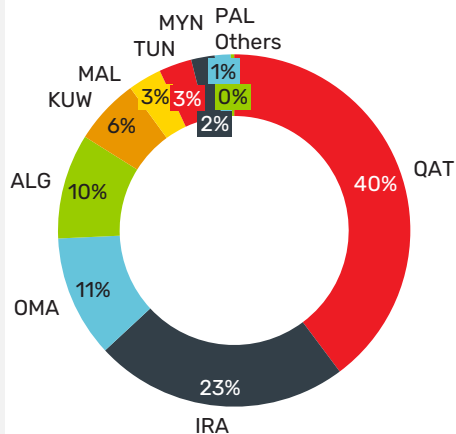


## Q1 2024 YoY Change

Amount (QAR mn) and % - quarterly



## FCF breakdown (Q1 2024)

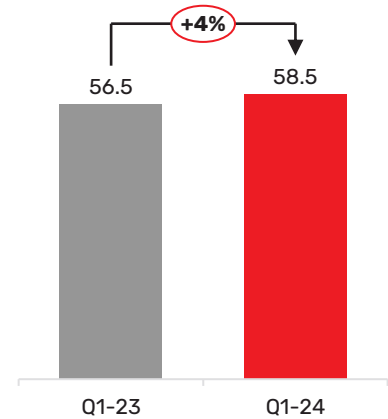


## Summary

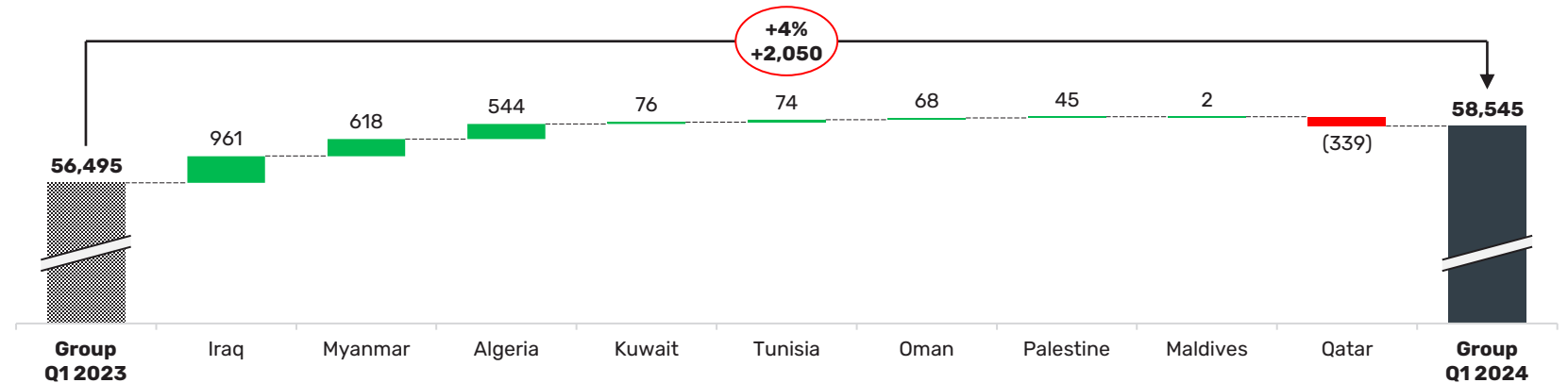
- Group free cash flow **up by 8% (normalized FCF up by 11%) to QAR 2.2 billion**
- EBITDA expansion supported the strong FCF generation

# Customer base

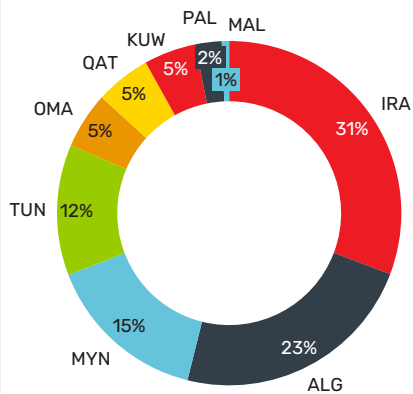
**Total Customers at Q1 2024**  
(mn)



**YoY Change ('000)**



**Customers breakdown**  
(Q1 2024)



## Summary

- Customer base increased by 2.0 million (+4%) to **58.5 million** (excluding IOH)  
 — including IOH, customers +3% to **159.3 million**
- **Decent customer additions** across all our operations offset by a decline in Qatar due to a change in the definition of the prepaid base. On a like-for-like basis, customers in **Qatar increased by 1%**
- **IOH** customers grew by **2% to 100.8 million**. IOH numbers are not consolidated



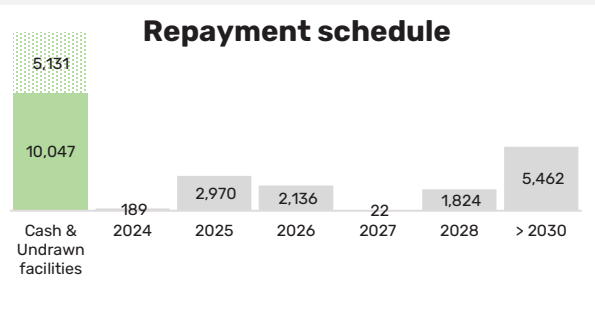
# Debt Profile

## Strong investment grade rating

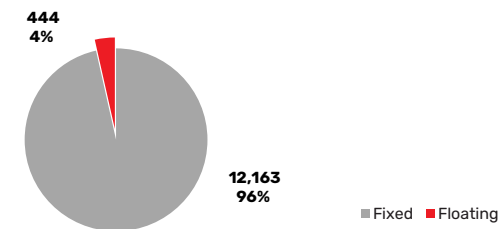
- **Net Debt/EBITDA ratio of 0.8x**, below current Board guidance of 1.5x to 2.5x
- **Strong liquidity position** (combination of Cash and undrawn RCFs )
- **QAR 5,131m undrawn RCFs available predominantly in USD** (~USD1.4bn equivalent of which USD950m for Qatar and USD459m for other OPCOs)
- **Balanced and long maturity profile**
- **Very minimal interest rate risk** with high fixed-rate debt share (~96%) and Ooredoo cash balances covering the floating rate portion of debt
- **S&P and Moody's maintained investment grade rating**

\*Approx. 97% of borrowings are in US dollars

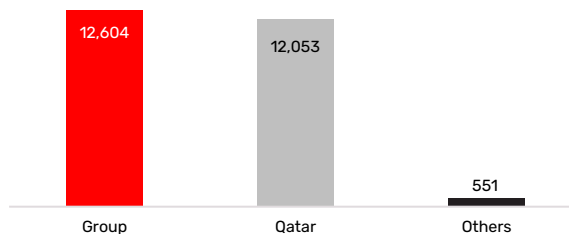
QAR'mn



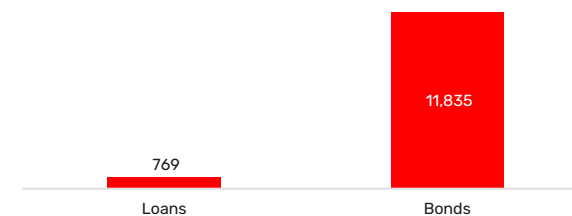
## Fixed vs Floating rate debt portion



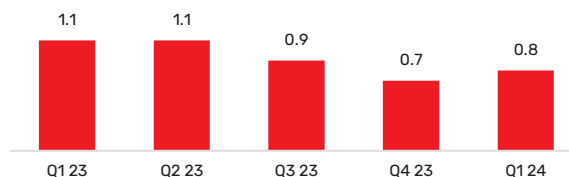
## Borrowings by operations



## Drawn debt by source



## Net Debt/EBITDA ratio (x)



## Ratings

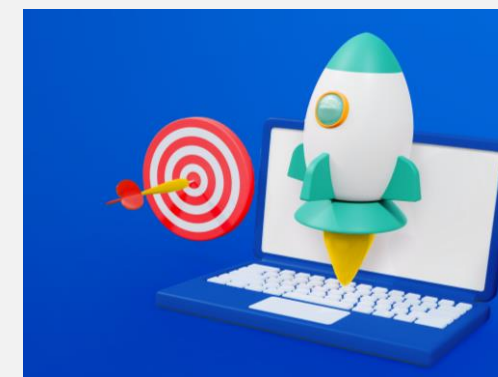
**S&P Global**  
**A / STABLE**

**MOODY'S**  
**A2 / STABLE**

# Q1 2024 Actual & FY 2024 Guidance

Group Finance KPIs	Q1 2024	% change (YoY)	FY 2024 Guidance
Revenue	QAR 5.9 billion	+4%	Flat
EBITDA margin	43%	+1pp	~ low 40%'s
Capex	QAR 382 million	-3%	~QAR 3.5 billion

- On track to meet guidance



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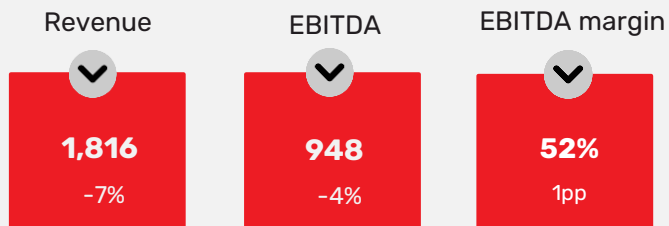
**1 Strategy and vision**

**2 Results review**

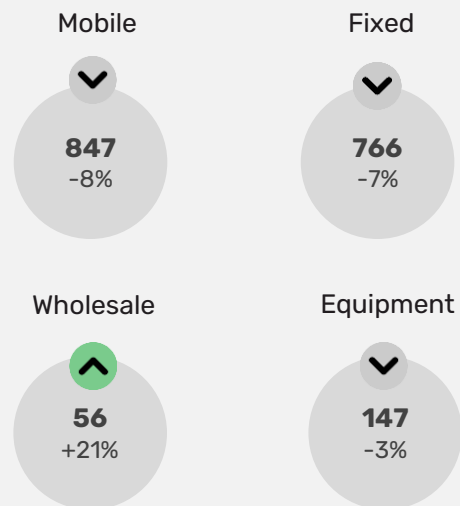
**3 Operations review**

**4 Additional information**

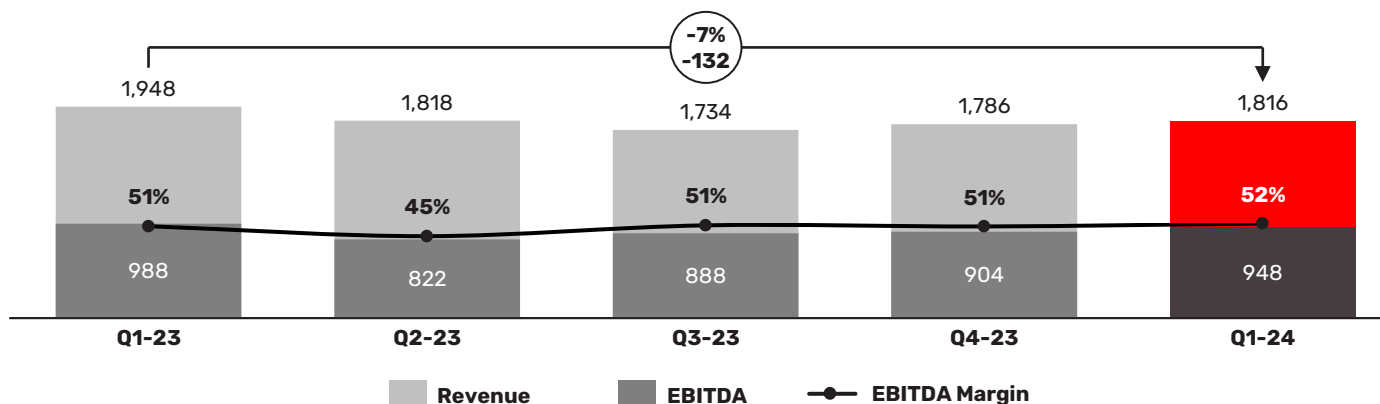
### Q1 2024 (QAR mn, % YoY)



### Revenue segments (QAR mn, % YoY)



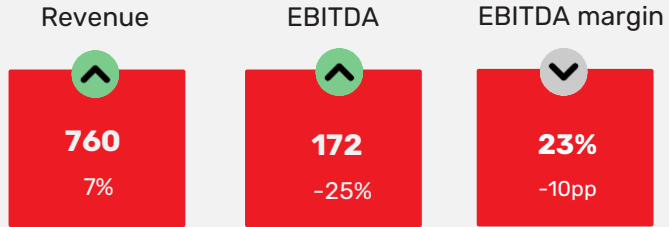
### Quarterly Trend (QAR mn)



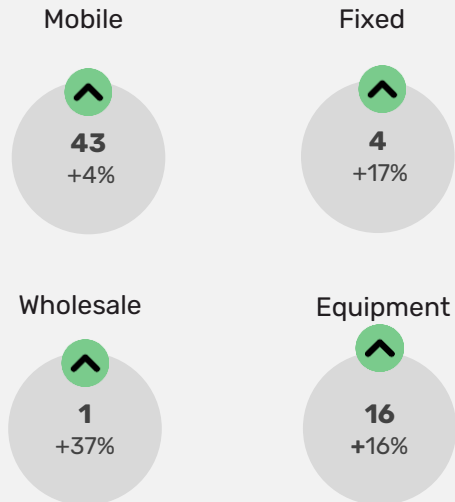
### Q1 2024

- **Revenue decreased by 7% YoY** impacted by:
  - Q1 2023 included:
    - FIFA 2022 contracts for B2B services
    - Revenue from Ooredoo Financial Services and Data Centers
  - Normalizing for the above, **revenue was 2% lower** YoY due to lower mobile, fixed services and device revenue (highly competitive environment)
- **EBITDA declined** by 4% YoY, impacted by softer topline performance. On a normalized basis, EBITDA was 2% lower YoY
- **EBITDA margin** healthy at **52%**, up by 1pp due to improved service gross margin
- Customer base increased by **1% to 3.1 million**

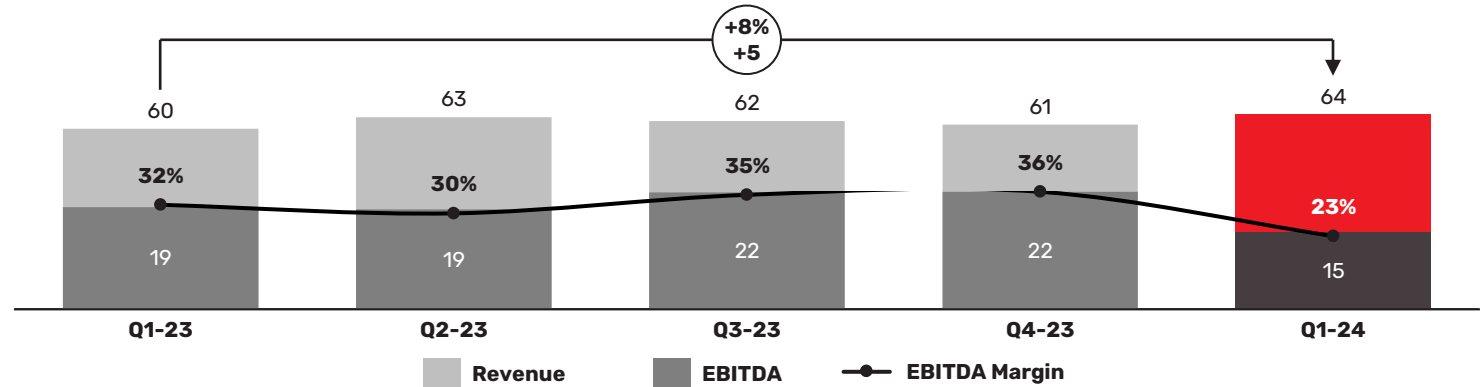
## Q1 2024 (QAR mn, % YoY)



## Revenue segments (KWD mn, % YoY)



## Quarterly Trend (KWD mn)



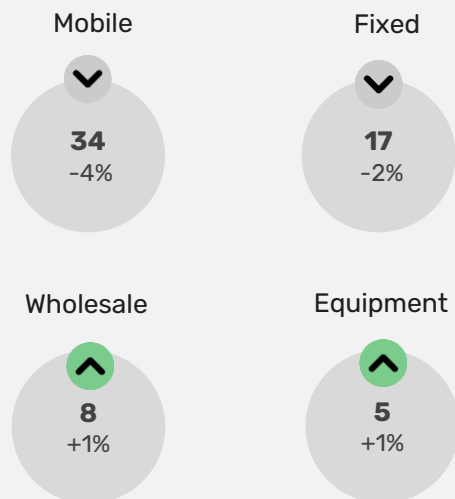
## Q1 2024

- **Revenue growth** of 8% YoY in LC driven by higher service revenue (mainly data/digital revenue)
- **EBITDA decreased** by 24% YoY in LC, due to a one-off bad debt provision raised. Normalizing for the one-off provision, EBITDA **increased by 1%**
- **EBITDA margin** of 23%, down by 10pp YoY diluted mainly by the one-off provision
- **Customer base** up by 3% YoY, closing at **2.9 million**

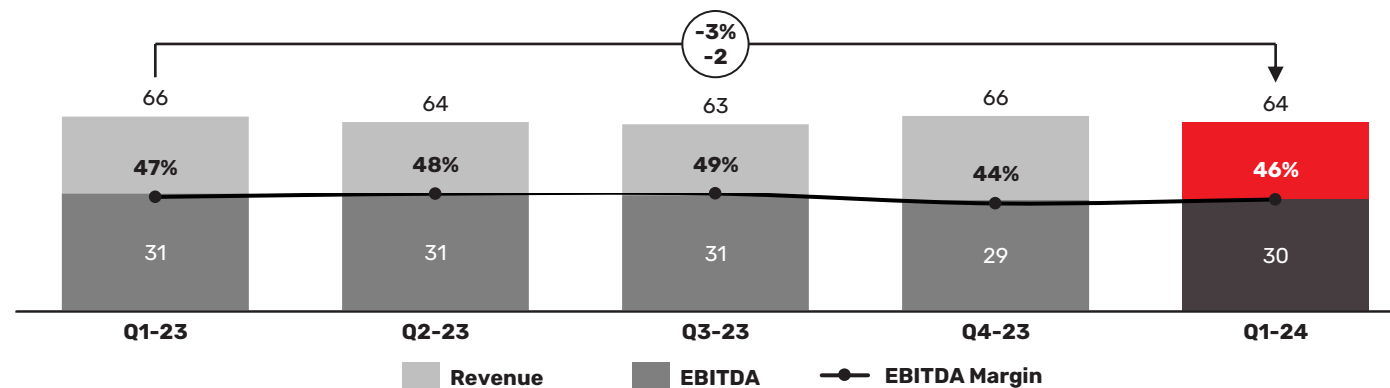
## Q1 2024 (QAR mn, % YoY)



## Revenue segments (OMR mn, % YoY)



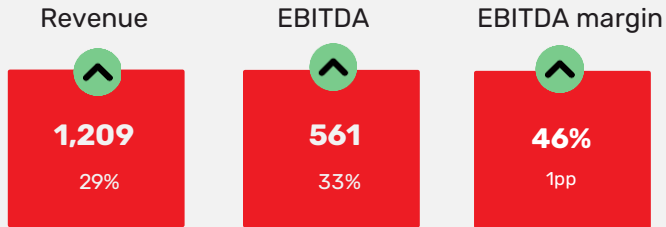
## Quarterly Trend (OMR mn)



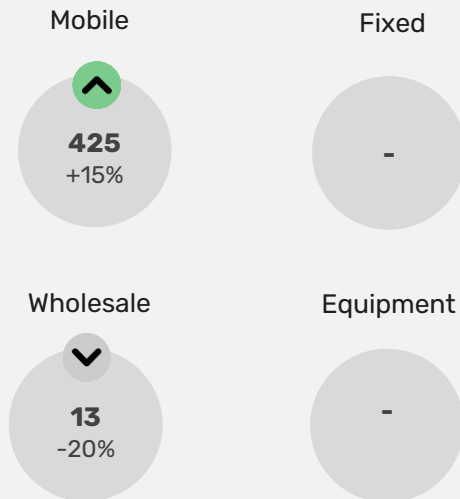
## Q1 2024

- **Revenue** was lower YoY by **3%**, affected by lower mobile revenue. The performance remained impacted by an intense competitive environment
- Pressure on topline, gross margin as well as slightly higher operational costs led to an **EBITDA decrease** of **5%** YoY
- Healthy **EBITDA margin** of **46%** despite the highly competitive environment
- **Expanded** customer base by **2%** YoY to **3.1 million**

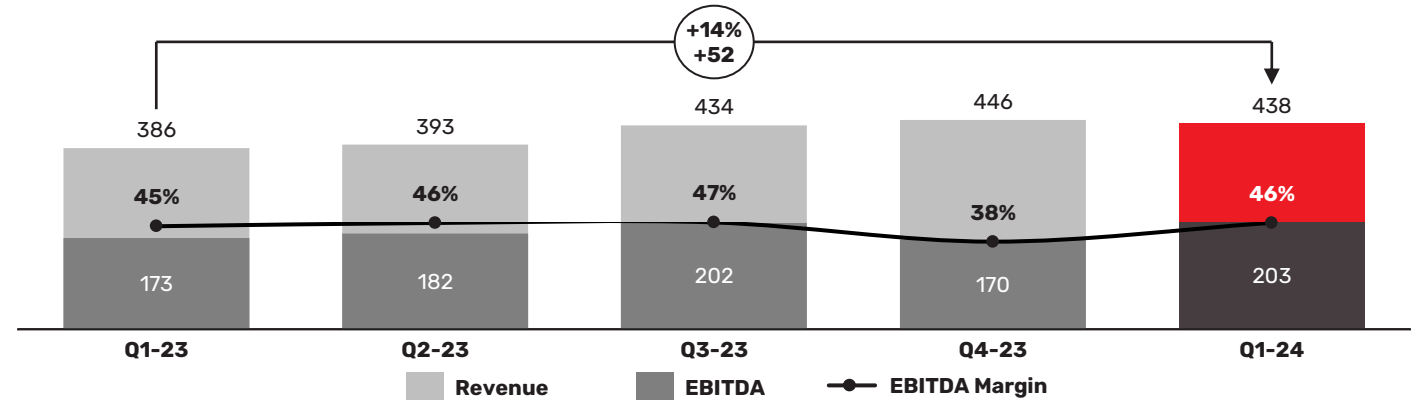
## Q1 2024 (QAR mn, % YoY)



## Revenue segments (IQD mn, % YoY)



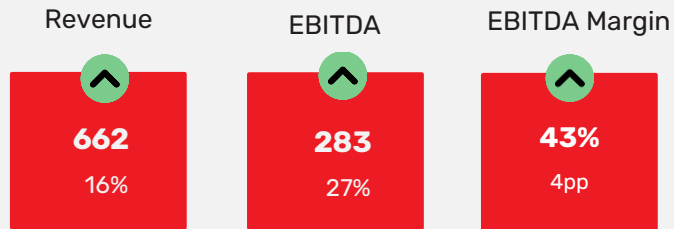
## Quarterly Trend (IQD bn)



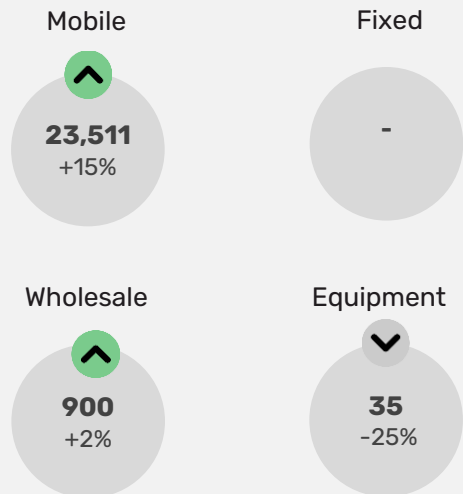
## Q1 2024

- Strong performance driven by **increased customer base, uptake of data services and favourable market dynamics**
- **Revenue grew 14% YoY** in LC, supported by voice and data
- Robust revenue performance and disciplined cost control led to **17% LC growth in EBITDA YoY**
- **EBITDA margin expanded by 1pp YoY** to a solid **46%**
- Customer base expanded by **6% to 18 million**

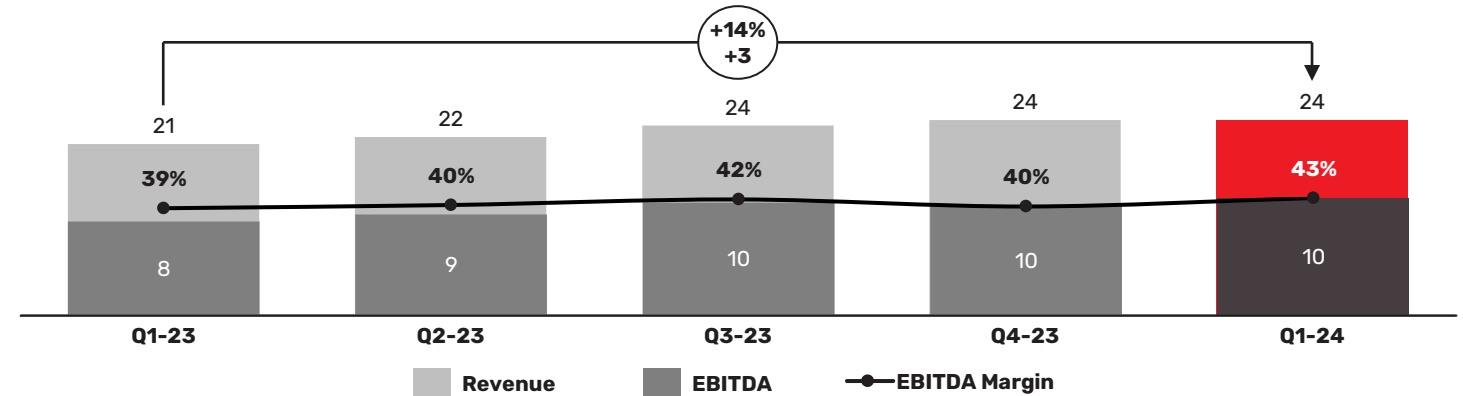
## Q1 2024 (QAR mn, % YoY)



## Revenue segments (DZD mn, % YoY)



## Quarterly Trend (DZD bn)

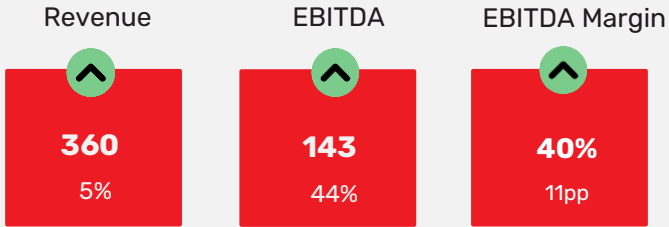


## Q1 2024

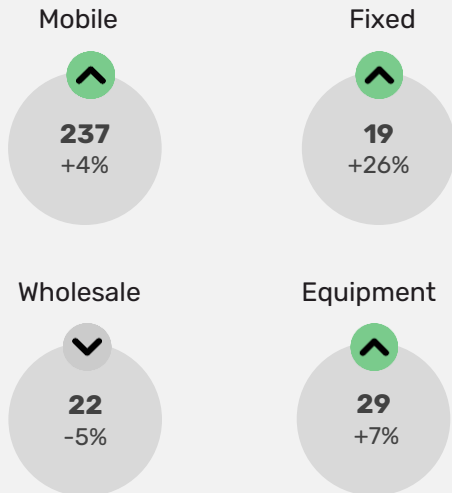
- **Revenue increased** by **14%** YoY in LC, driven by higher data revenue from the enhanced network and increased customer base
- **EBITDA up** by **25%** YoY in LC aided by strong revenue growth and focus on cost optimization
- **EBITDA margin** expansion of **4pp** to **43%**
- Algerian Dinar appreciated by 1%, reported revenue & EBITDA **up** by **16%** and **27%** respectively
- Customer base was **up** by **4%** YoY to **13.5 million**



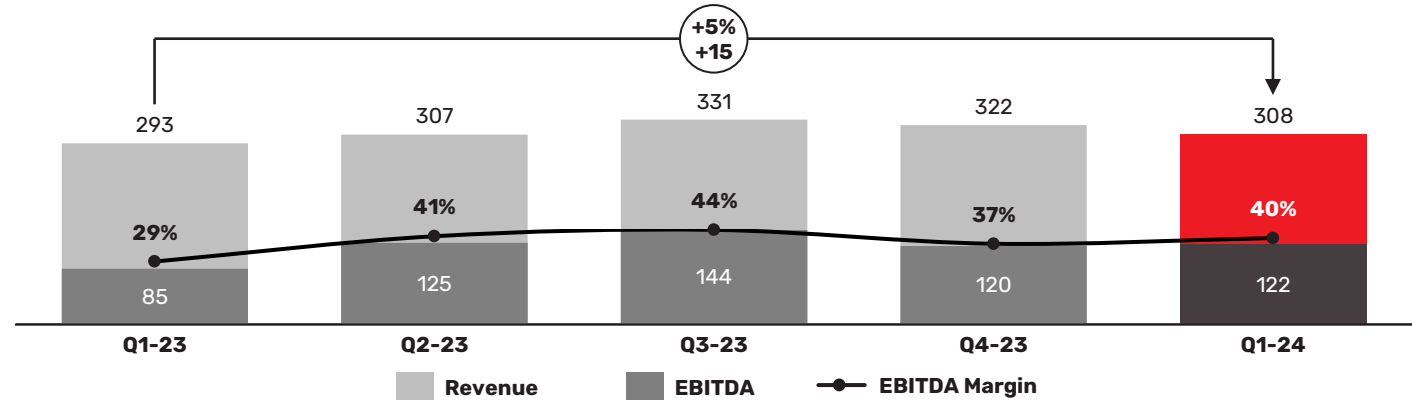
### Q1 2024 (QAR mn, % YoY)



### Revenue segments (TND mn, % YoY)



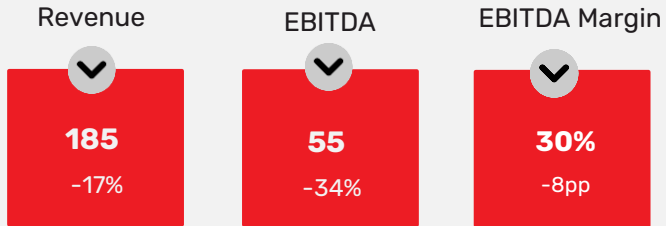
### Quarterly Trend (TND mn)



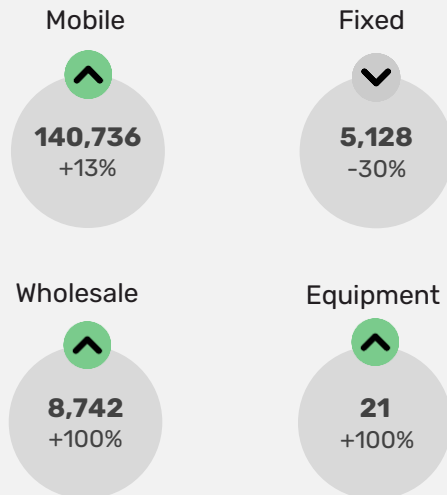
### Q1 2024

- **Revenue grew by 5%** YoY in LC driven by significant growth in mobile B2B and fixed business, up 31% and 26% YoY in LC respectively
- Good revenue performance & managed costs led to improvement in EBITDA of **44%** YoY in LC
- Healthy **EBITDA margin of 40%, up 11pp** YoY
- Q1 2023 EBITDA and margin were impacted by one-off bad debt provision. Normalizing for this, **EBITDA** growth would be 4% YoY
- Customer base up **by 1% YoY to 7.2 million**

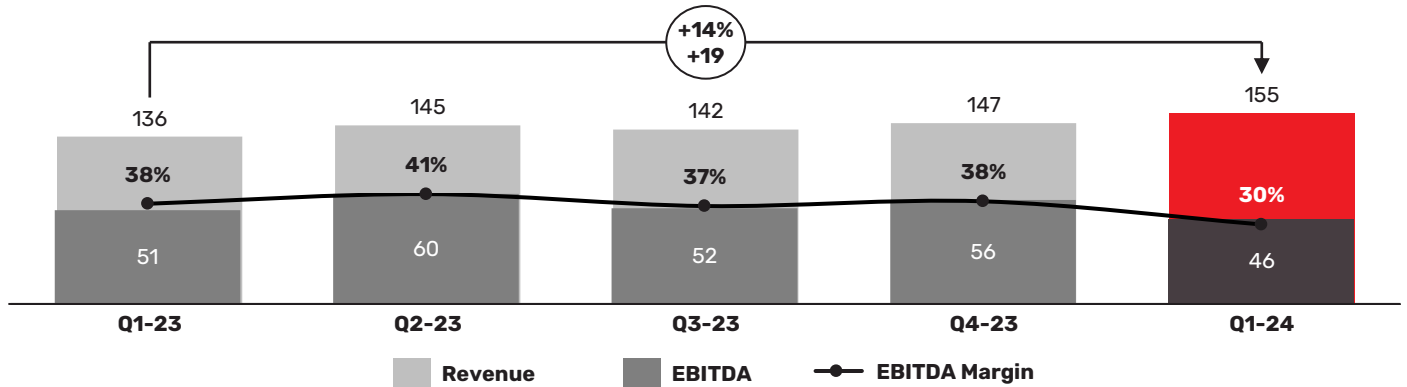
## Q1 2024 (QAR mn, % YoY)



## Revenue segments (MMK mn, % YoY)



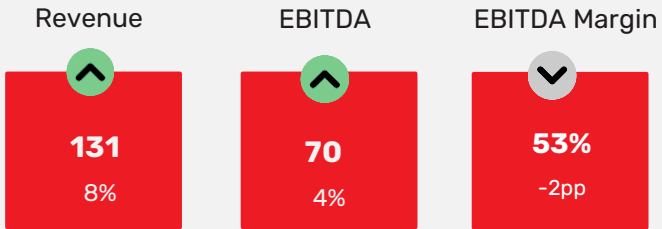
## Quarterly Trend (MMK bn)



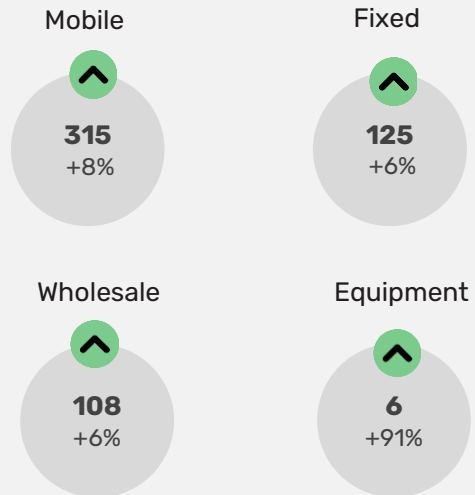
## Q1 2024

- Revenue **increased by 14%** YoY in LC driven by higher B2C mobile voice and gaming revenue
- Currency depreciation impact of 28%
- **EBITDA decreased by 10%** YoY in LC, impacted by negative FX impact and increased fuel costs reducing the **EBITDA margin to 30%**
- Increase in customers of **7%** YoY to reach **8.9 million**

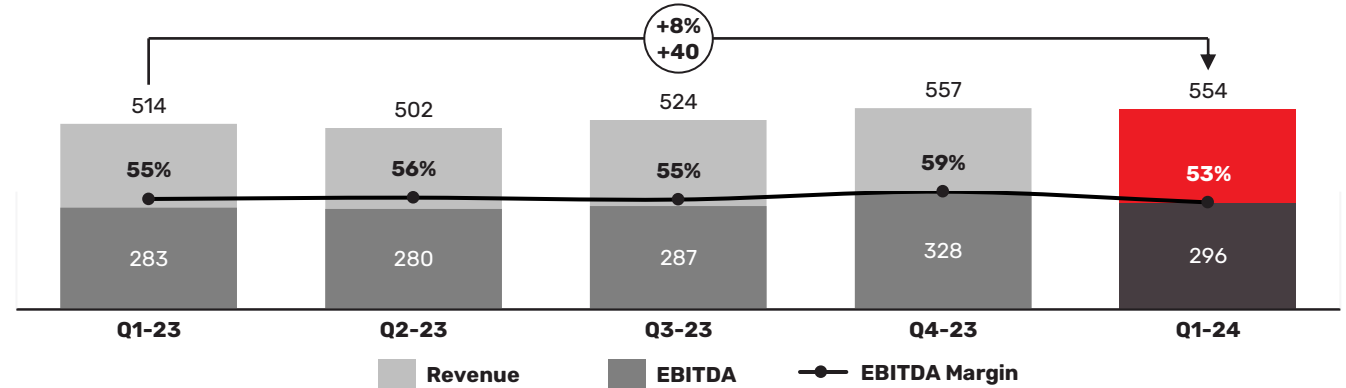
## Q1 2024 (QAR mn, % YoY)



## Revenue segments (MVR mn, % YoY)



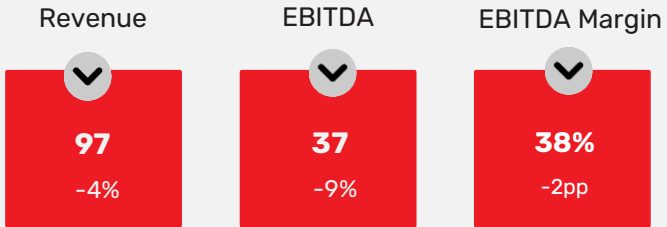
## Quarterly Trend (MVR mn)



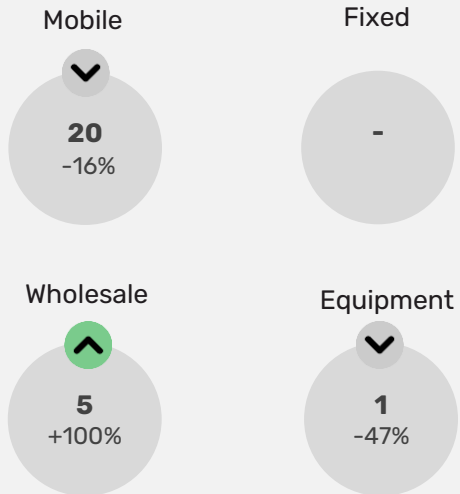
## Q1 2024

- Solid performance of mobile and fixed segments, led to an **increase in revenue of 8% YoY**
- **EBITDA increased by 4% YoY**, supported by good topline growth slightly offset by higher Opex mainly from network maintenance costs
- Solid **EBITDA margin of 53%**
- **Customers up by 1% YoY to 405k**

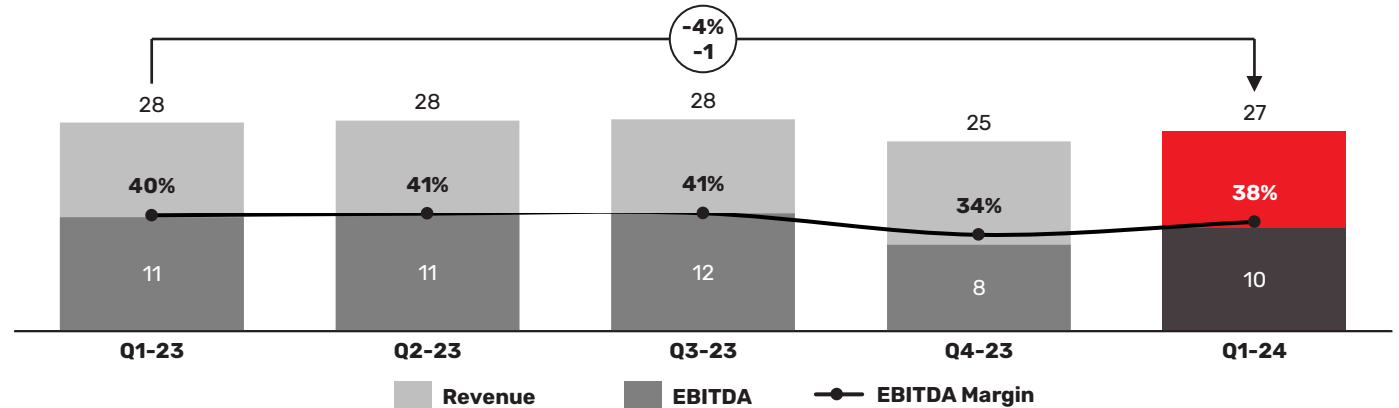
## Q1 2024 (QAR mn, % YoY)



## Revenue segments (USD mn, % YoY)



## Quarterly Trend (USD mn)



## Q1 2024

- Results were **impacted by the challenging operating environment**
- Local currency depreciation of 4% against US dollar (reporting currency)
- **Revenue and EBITDA decreased YoY by 4% and 9% respectively** on a reported basis due to current situation and FX impact
- **EBITDA margin of 38%**
- Sustained support to customers and maintained connectivity, **customer base grew by 3% YoY to 1.5 million**

# Q1 2024 Results



Total Revenue

USD 873 Mn  
IDR 13.8 Tn

▲ 15.8% YoY

Normalized Net-Profit

USD 80 Mn  
IDR 1.2 Tn

▲ 339.1% YoY

EBITDA

USD 411 Mn  
IDR 6.5 Tn

▲ 22.1% YoY

EBITDA Margin

47%

▲ 2.4% YoY

Data Traffic

3,858 PB

▲ 14.3% YoY

Cellular Revenue

USD 735 Mn  
IDR 11.6 Tn

▲ 13.6% YoY

Mobile Customers

100.8 Mn

▲ 2.3 Mn YoY

HBB Customers

339.4 K

▲ 327.5 K YoY

Own App MAU

39.2 Mn

▲ 25.7% YoY

ARPU

USD 2.4  
IDR 37.5 K

▲ 13.9% YoY

Total 4G BTS

183,760

▲ 20.8% YoY

FX Rate IDR 15,853



# IR updates

## Upcoming Conferences (tbc)

### **Arqaam 11<sup>th</sup> Annual MENA Conference**

Dubai, 27-28 May

### **BofA Emerging Markets Corporate Conference**

Miami, 29-30 May

### **HSBC GCC Exchanges Conference**

London, 10-11 June





**Q&A**

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**1 Strategy and vision**

**2 Results review**

**3 Financial review**

**4 Additional information**



# KPIs Technology: Q1 2024

Country	Total Sites	4G FDD Sites as % of total towers	4G Population Coverage %	5G Population coverage %	Total Data Volume GB	4G Contribution in total traffic %	Data Volume Grow %
Algeria	7,310	91.61%	77.00%	n/a	384,256,368	88.23%	40.35%
Iraq	7,647	99.33%	98.45%	n/a	257,370,851	90.37%	69.24%
Kuwait	2,863	99.86%	97.20%	88.87%	443,990,217	54.20%	29.90%
Maldives	750	99.73%	100%	37.00%	20,144,642	86.97%	42.19%
Myanmar	5,837	99.23%	90.89%	n/a	79,976,329	96.71%	55.97%
Oman	2,883	95.63%	98.08%	87.00%	197,607,696	41.30%	20.22%
Qatar	3,970	96.60%	99.90%	98.94%	104,394,580	64.24%	13.08%
Tunisia	2,803	98.61%	98.22%	n/a	204,569,299	92.78%	28.51%
Palestine*	1,010	70.99%	93.40%	n/a	11,973,681	99.50%	-0.84%
<b>Total</b>	<b>35,073</b>	<b>94.32%</b>			<b>1,704,283,663</b>	<b>73.09%</b>	<b>35.15%</b>

Values as reported by OpCos in March 2024 report.

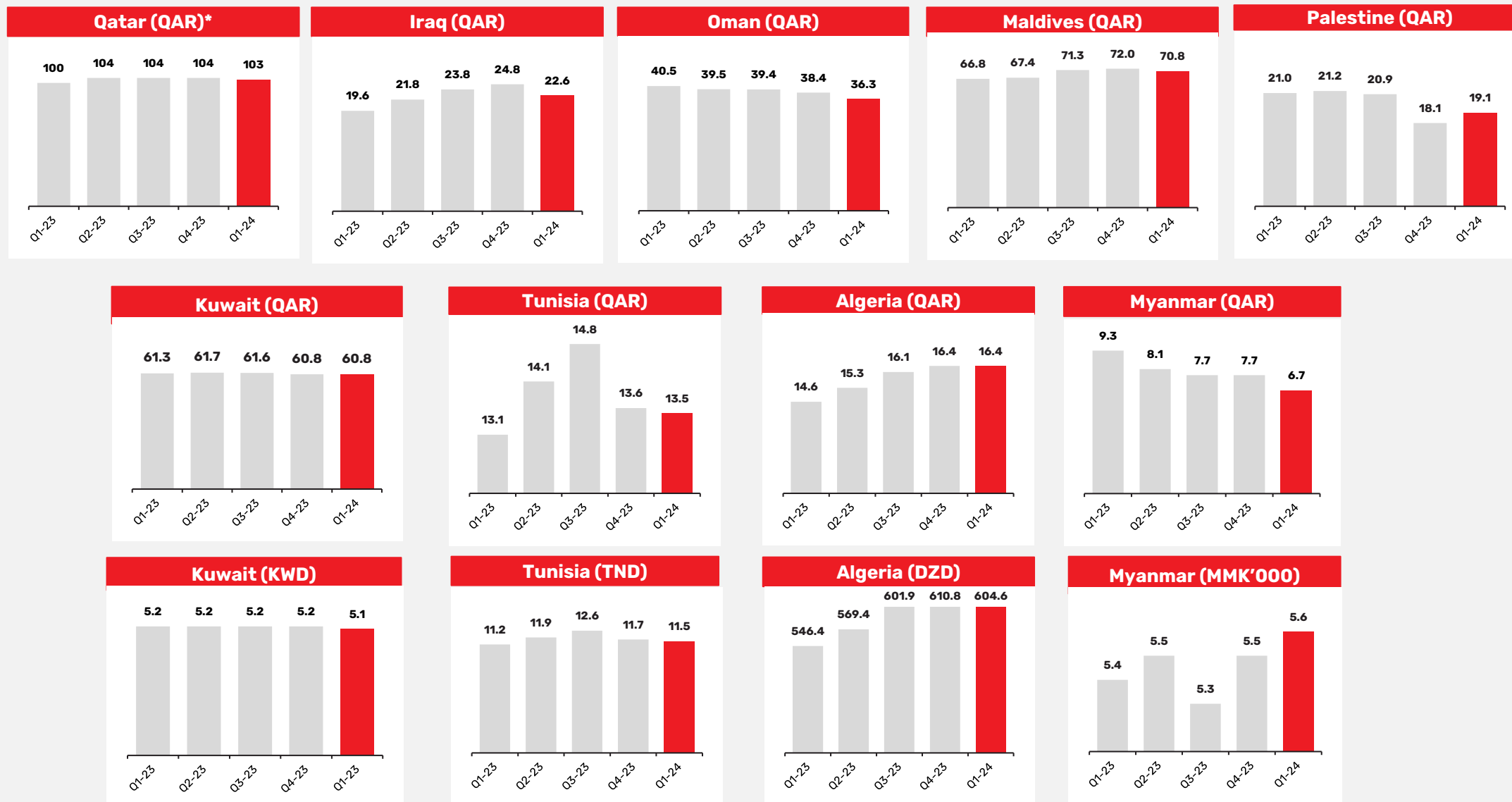
\*Palestine has only 3G coverage, all figures from Palestine column are referring to 3G, not 4G

## KPIs Commercial: Q1 2024 (3 months)

Country	Churn Mobile	Churn Fixed	NPS	Data users ('000)	MyOoredoo App users ('000)	Digital recharge	RMS (*)	Number of complaints per 1000 subs	Post paid as % of total subs
Algeria	3%	NA	35	7,775	1,136	96%	34%	0.5	15%
Iraq	7%	NA	41	9,745	4,110	47%	NA	2	1%
Kuwait	3%	2%	52	2,052	1,580	50%	26%	5	29%
Maldives	4%	2%	25	254	214	38%	44%	5	24%
Myanmar	2%	1%	51	6,213	2,378	45%	NA	18	NA
Oman	2%	3%	10	1,728	973	42%	30%	4	25%
Qatar	5%	2%	41	1,685	1,129	70%	70%	8	38%
Tunisia	7%	2%	26	3,768	1,417	37%	34%	3	15%

\*RMS figure as per latest available quarter

# Blended ARPU



\*Qatar Mobile ARPU was restated from Q1 2022 due to changes in definition (from Q2 2023) for Prepaid customers to include 90-day active customers from 365-day previously and changes in Postpaid ARPU calculations

# Opcos licence general information

## Fixed Licence

Country	Issuance date	Expiry date
<b>Qatar</b>	7 October 2007	6 October 2032
<b>Kuwait</b>	--	--
<b>Iraq</b>	--	--
<b>Oman</b>	8 June 2009	7 June 2034
<b>Algeria</b>	--	--
<b>Tunisia</b>	May 2012	May 2027
<b>Indonesia</b>	17 March 2003	Indefinite
<b>Maldives</b>	18 August 2015 (VOIP)	31 January 2035
<b>Palestine</b>	--	--
<b>Myanmar</b>	5 February 2014	04 February 2029

## Mobile Licence

Issuance date	Expiry date
7 October 2007	6 October 2027
13 October 1997 Emiri Decree	Indefinite
30 August 2007	29 August 2030
23 February 2020	22 February 2035
2G: 14 Jan. 2004	2G: 13 March 2029
3G: 02 Dec. 2013	3G: 01 Dec. 2028
4G: 04 Sep. 2016	4G: 03 Sep. 2031
2G: 14 May 2017	2G: 13 May 2027
3G: 24 May 2012	3G: 23 May 2027
4G: 15 March 2016	4G: 14 March 2031
March 1993	Indefinite
1 February 2020 (20 yr extension to existing license)	31 January 2035
14 March 2007	10 September 2029
5 February 2014	4 February 2029

# Statutory corporate income tax (CIT) rates

Country	Statutory CIT rate	Losses Carry Forward Allowed	Comments
Algeria	26%	4 years	
Iraq	15%	5 years	
Kuwait	15%	3 years	GCC companies (including NMTC) are exempted from CIT, but are subject to 4.5% Zakat, KFAS & National Labour Support Tax on consolidated profits
Maldives	15%	5 years	
Myanmar	22%	3 years	
Oman	15%	5 years	
Palestine	20%	5 years	
Qatar	10%	5 years	No CIT is levied on a corporate entity that is wholly owned by Qatari nationals and GCC nationals that are resident in Qatar and companies listed on Qatar Stock Exchange. Listed companies are subject to 2.5% Sport and Social Contribution levy For QFC entities, no CIT on foreign revenues and 10% CIT on local source revenues
Singapore	17%	Indefinitely	
Tunisia	15% 35%	5 years	. 15% standard CIT rate . 35% CIT rate applies to oil companies, banks, financial institutions and <b>telecommunication companies</b> . 4% (3%) Social Solidarity Contribution Fee (increased from 1% as of 2022) is applicable to companies subject to CIT rate of 35% (15%)

# THANK YOU

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