

# Ooredoo Oman Investor Presentation



Full year 2015 Performance

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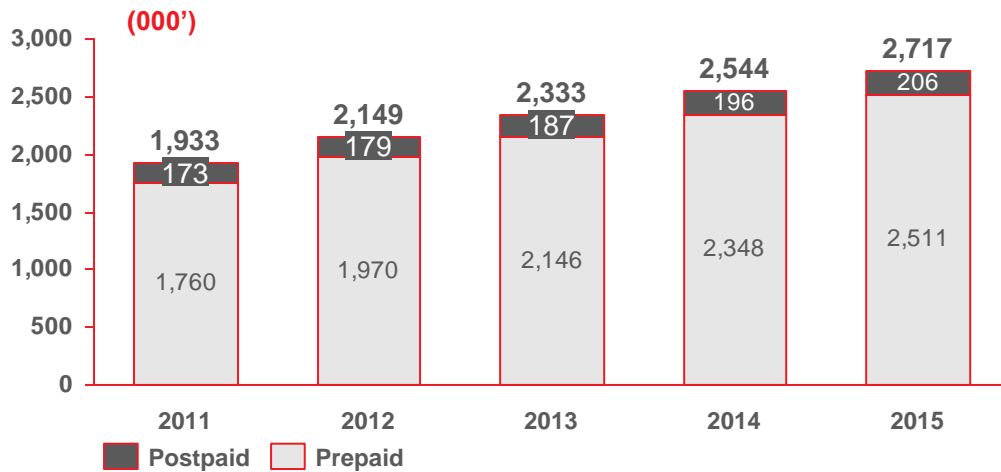
## Q4 2015 – Full Year Financial Results

	Full year ended 31 December			Three months ended 31 December		
	2015	2014	Change%	2015	2014	Change%
<b>Revenues (OMR m)</b>	252.1	226.7	11.2%	65.2	57.9	7.8%
<b>EBITDA (OMR m)</b>	137.5	117.7	16.8%	33.2	31.1	13.7%
<b>Net Profit (OMR m)*</b>	41.6	37.9	9.8%	9.2	10.8	10.8%
<b>Mobile and fixed customers ('000)</b>	2,788	2,602	7.1%			

- Revenues for the year 2015 grew by 11.2% to OMR 252.1 million compared with OMR 226.7 million in 2014. The growth is driven by increases in both mobile and fixed data revenue.
- EBITDA for the year 2015 stood at OMR 137.5 million compared to OMR 117.7 million for the year 2014. EBITDA growth for the year is driven by higher revenue.
- Net profit for 2015 was OMR 41.6 million compared with OMR 37.9 million in 2014. Increase in net profit for the year is driven by higher EBITDA partially offset by higher depreciation cost due to investment in network modernisation. Net profit for the year 2015 was also impacted by OMR 4.1 million due to provision for swapped out assets as part of network modernisation.
- Total number of customers grew by 7.1%, in 2015 from 2,601,704 to 2,787,999.
- The fixed service customer base increased by 22.8% to 70,771 in 2015 compared to 57,654 in 2014. The mobile post-paid customer base grew by 5.2% to 206,259 customers in 2015 compared with 196,142 customers in 2014. The mobile pre-paid customer base for 2015 increased by 6.9% to 2,510,969 compared to 2,347,908 of last year.

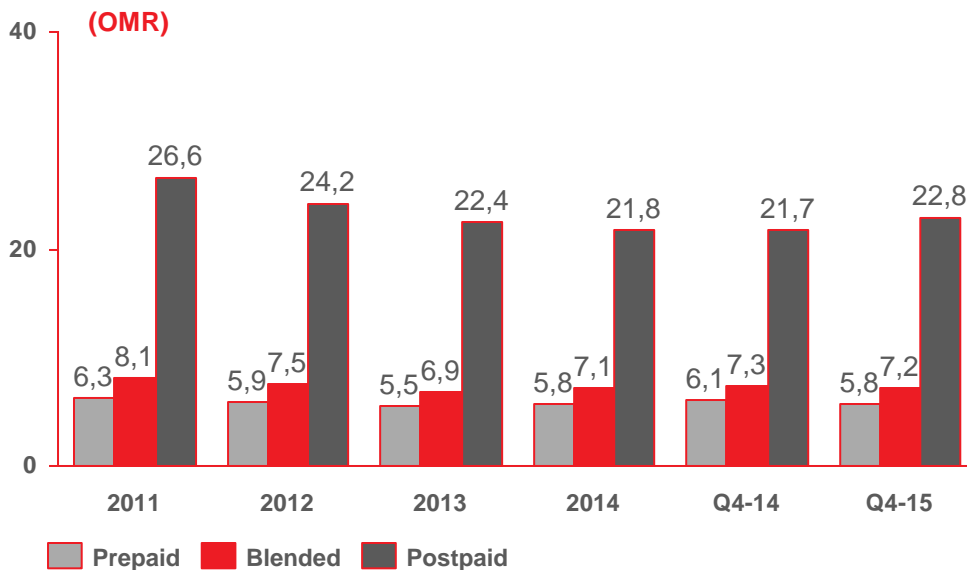
# Mobile customer base and ARPU

## End of period (EoP) moile customers breakdown



- The mobile pre-paid customer base by end of 2015 increased by 6.9% to 2,510,969 compared to 2,347,908 at the end of 2014.
- The mobile post-paid customer base by end of 2015 grew by 6.5% to 206,259 customers compared with 196,142 customers by end of 2014.

## Monthly ARPU – Post-paid, prepaid and blended

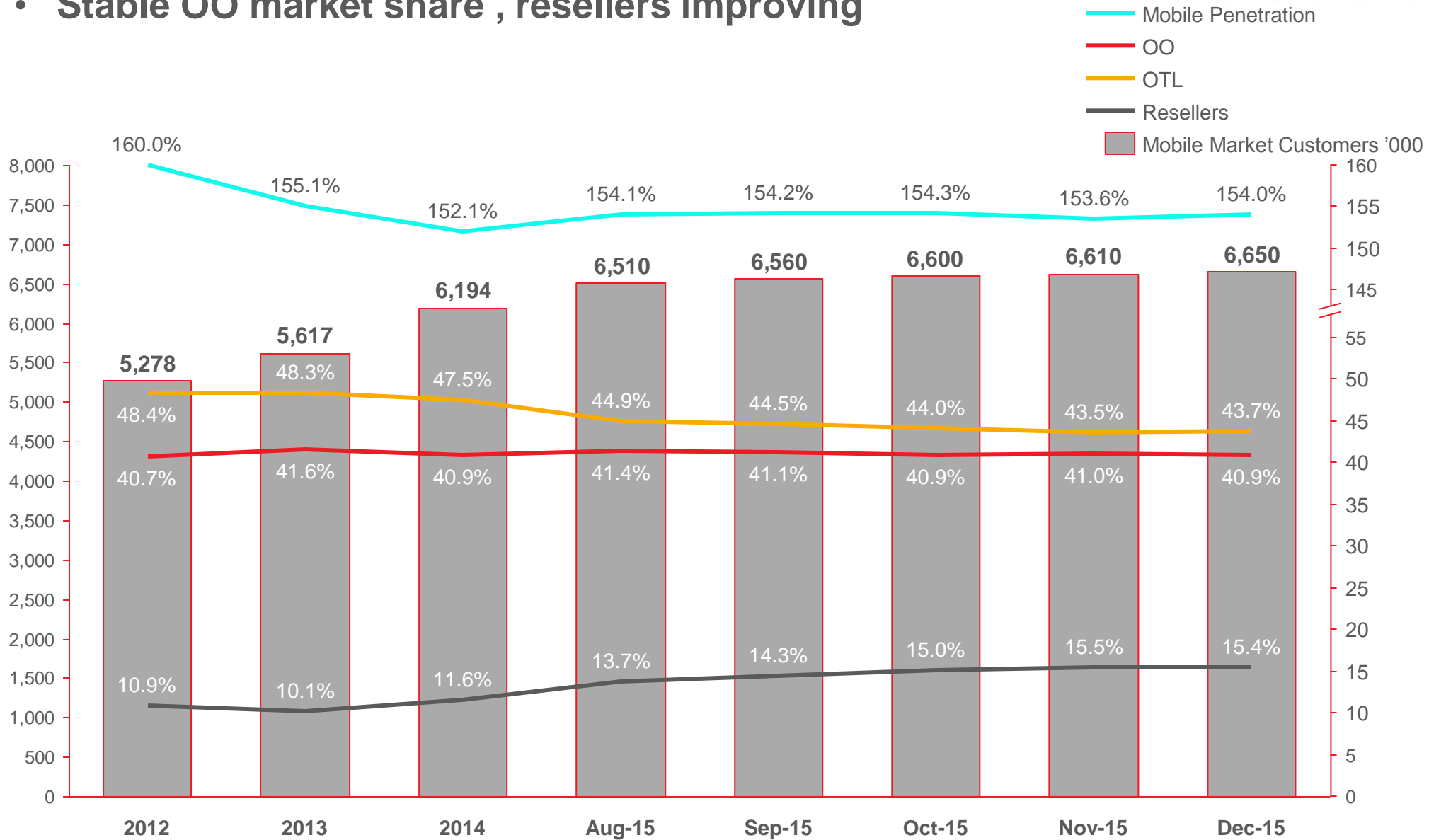


- Q4 2015 postpaid ARPU is higher than Q4 2014 driven by data revenue.

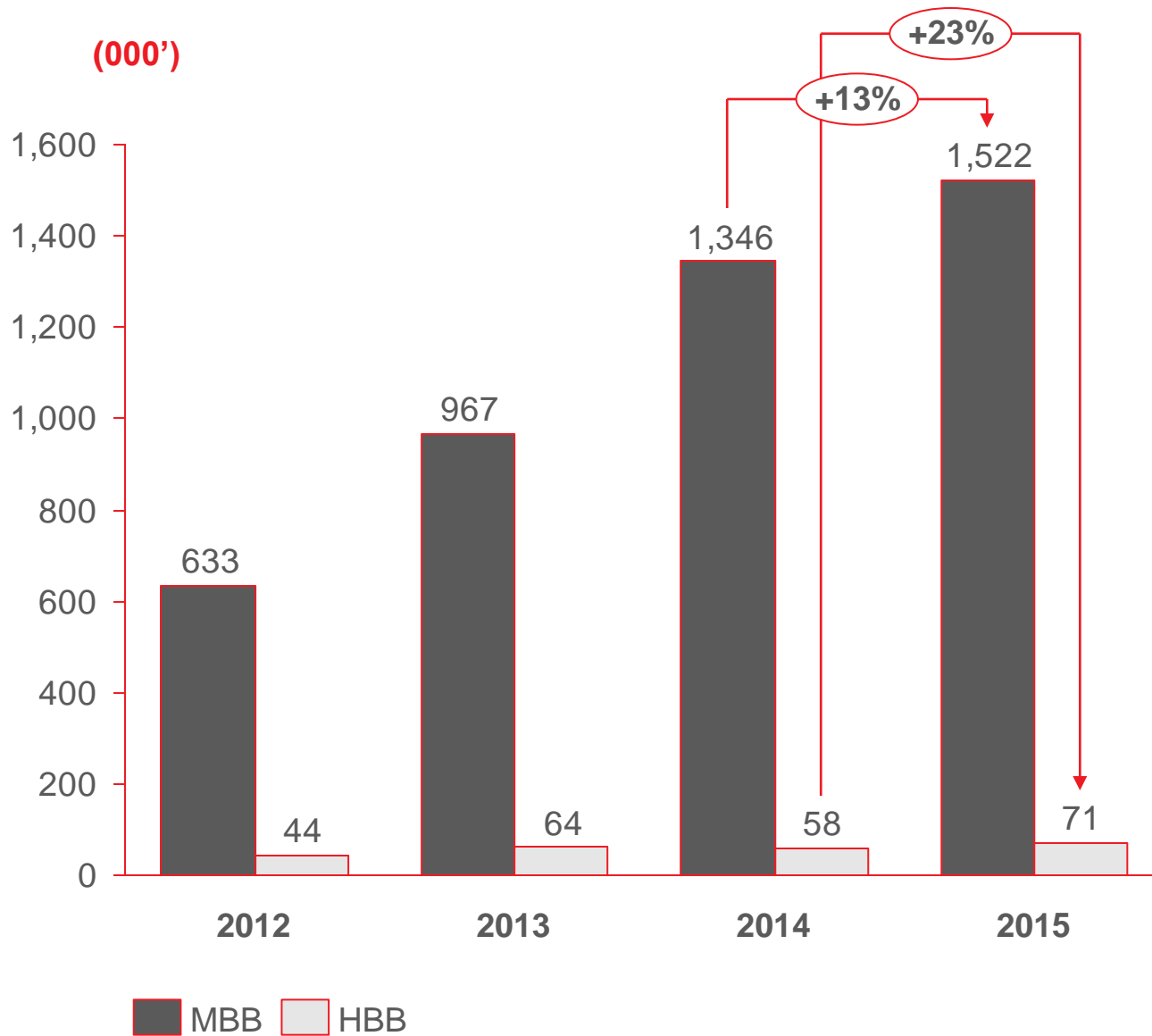


# Mobile Market Share-Customers

- Stable OO market share , resellers improving



# Ooredoo MBB and HBB customers



- Fixed service customers increased by 23% Y-Y.
- WiMax technology for HBB converted to LTE TDD completed
- Mobile broadband customers grew by 13% Y-Y, supported by growth in data products as well as modernization of network
- Smart device penetration across mobile base now at 74%.



# Q4 2015 – FY Operational Focus

## Network Modernization /Turbocharging

- 2nd Leg of fiber infrastructure connecting Muscat to Salalah has been completed
- All backbone traffic is running now on own OO own fiber network with no dependency on competition
- Back Bone rollout obligation of 5335 Km has been endorsed by TRA
- 2nd International POP for Ooredoo Oman has been established in Frankfurt
- All Fast HBB customers have been migrated to 4G (LTE TDD) network & WiMAX network was shutdown
- 50% increase in Muscat HBB 4G (LTE TDD) network capacity by increasing bandwidth from 20 to 30 Mhz
- Additional 70 4G (LTE TDD) collocated sites integration completed

## Customer Experience

### Customer Service :

- Customer service team have launched the new call back feature for the High value customers, which will allow our High Value customer to set their preferred time to be called back during the peak time.
- Our Next best action (upselling and cross selling) revenue generated by the CS team (IVR& Champion ) for Q4 was 80,000 OMR

### Customer Experience :

- Ooredoo continued to roll-out the ResponseTek 'Voice of the Customer' by introducing 2 new touch points (Products & Promotions)

### Billing & Collection :

- Ooredoo Oman has launched a new structure for its bills which is designed to be clearer to understand.
- Postpaid E-Bill Penetration reached to 78% in 2015 compared to 43% in 2014.

# Q4 2015 - FY Consumer and B2B Focus

## KPI's

- Best ever quarter for revenue in consumer and business segments
- Main drivers of the performance were:
  - Prepaid and postpaid segments both contributing
  - Mobile data revenues exceeding targets with a strong growth of customers using 4G (>550K and of Q4 2015)
  - Home Broadband (HBB) revenues growing with customer base exceeding 70K
- Focus on Postpaid
  - We launched our new Shahry Plans, with bundled subscriptions now representing 30% of our postpaid base
  - Started device sales in Ooredoo shops and franchisees
- Focus on Home Broadband (HBB)
  - We launched Superfast Fibre using the OBC network

## Ooredoo brand performance

- Our Brand Equity score more than doubled year on year (Q4 to Q4) from 1.7 to 3.8

## Launches

### Consumer:

- New Shahry Plans
- New Superfast Fibre plans
- Ooredoo eShop
- Suhoola Plan
- Friendly user trial Ooredoo TV (OTT)
- iPhone 6S
- National Day offer

### Business:

OO was awarded data backbone contract (single largest contract in OO history)

## Revenue Evolution

- Continued strong growth in data usage and revenue.
- Over 48% of mobile revenue come from data



# Financial highlights

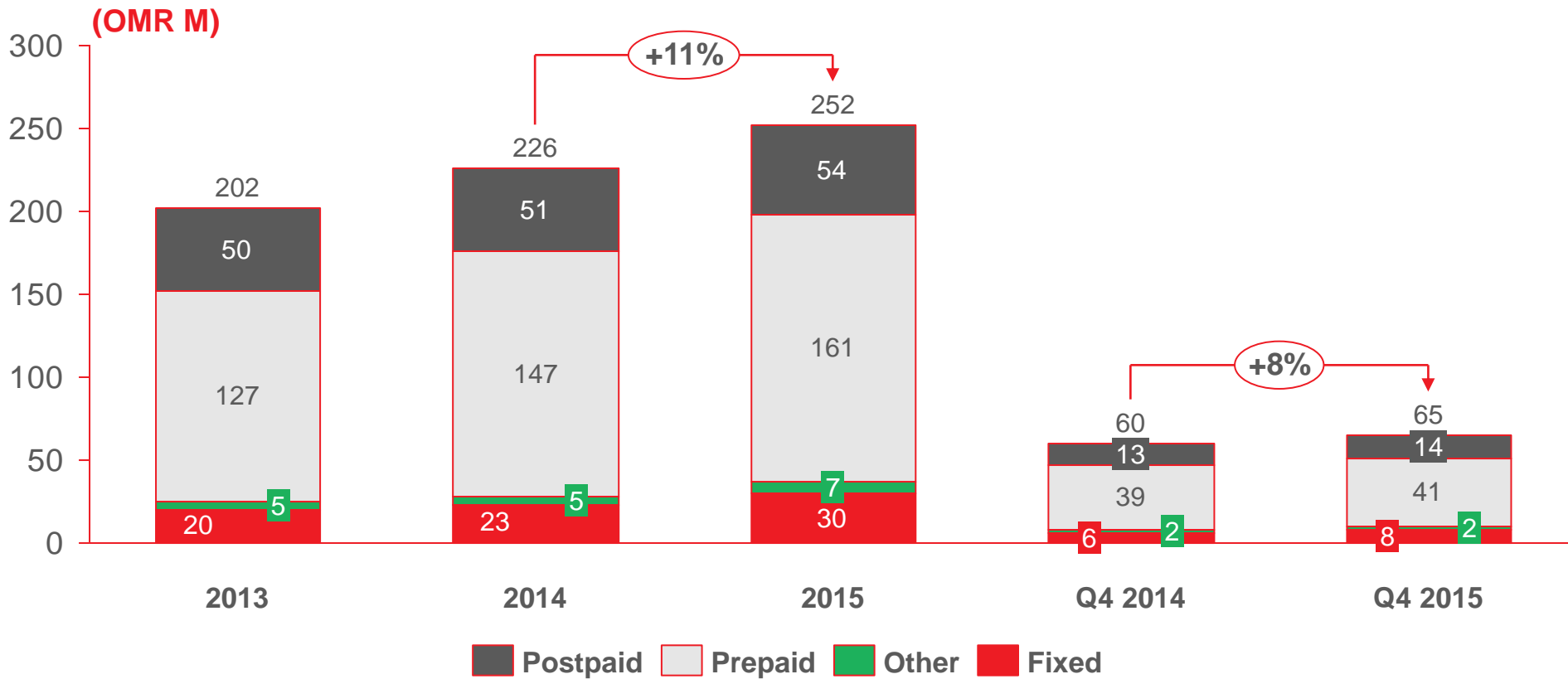


# Audited Income Statement for the year ended 31 Dec 2015

	Actual 2015	Actual 2014	% Diff
<b>GROSS REVENUE</b>	<b>252.1</b>	<b>226.7</b>	<b>11.2%</b>
Other Income/(expenses)	(3.8)	(0.2)	
	<b>248.3</b>	<b>226.5</b>	<b>9.6%</b>
<b>Operating Expenses</b>	<b>66.8</b>	<b>60.6</b>	<b>10.2%</b>
General and admin expenses	55.3	55.0	
<b>EBITDA</b>	<b>137.5</b>	<b>117.7</b>	<b>16.8%</b>
Margin %	54.5%	51.9%	
Depreciation and amortization	57.3	49.8	15.1%
<b>EBIT</b>	<b>80.2</b>	<b>67.9</b>	<b>18.1%</b>
Margin %	31.8%	30.0%	
Royalty	17.8	15.3	16.3%
<b>NET PROFIT</b>	<b>41.6</b>	<b>37.9</b>	<b>9.8%</b>
Margin %	15.9%	16.1%	
Capex	77.3	84.8	- 8.8%
Headcount	1026	1049	- 2.2%



# Revenue (Best performance since launch)



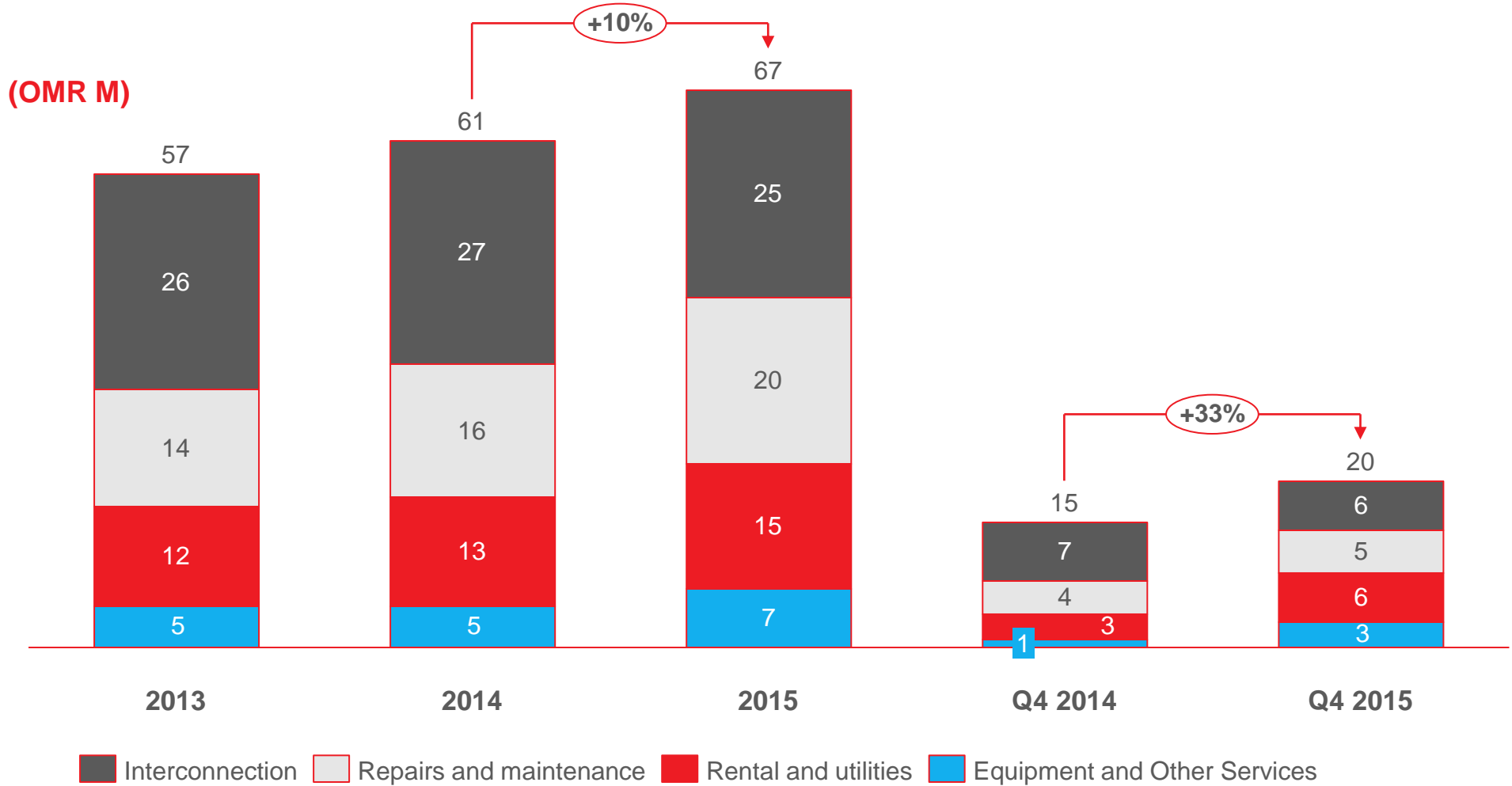
- The increase in revenue is driven by fixed and mobile data revenues as well as in roaming.

Notes Source Ooredoo  
 (1) Other revenue mainly includes inbound roaming and wholesale revenue from resellers



# Key Financial Drivers

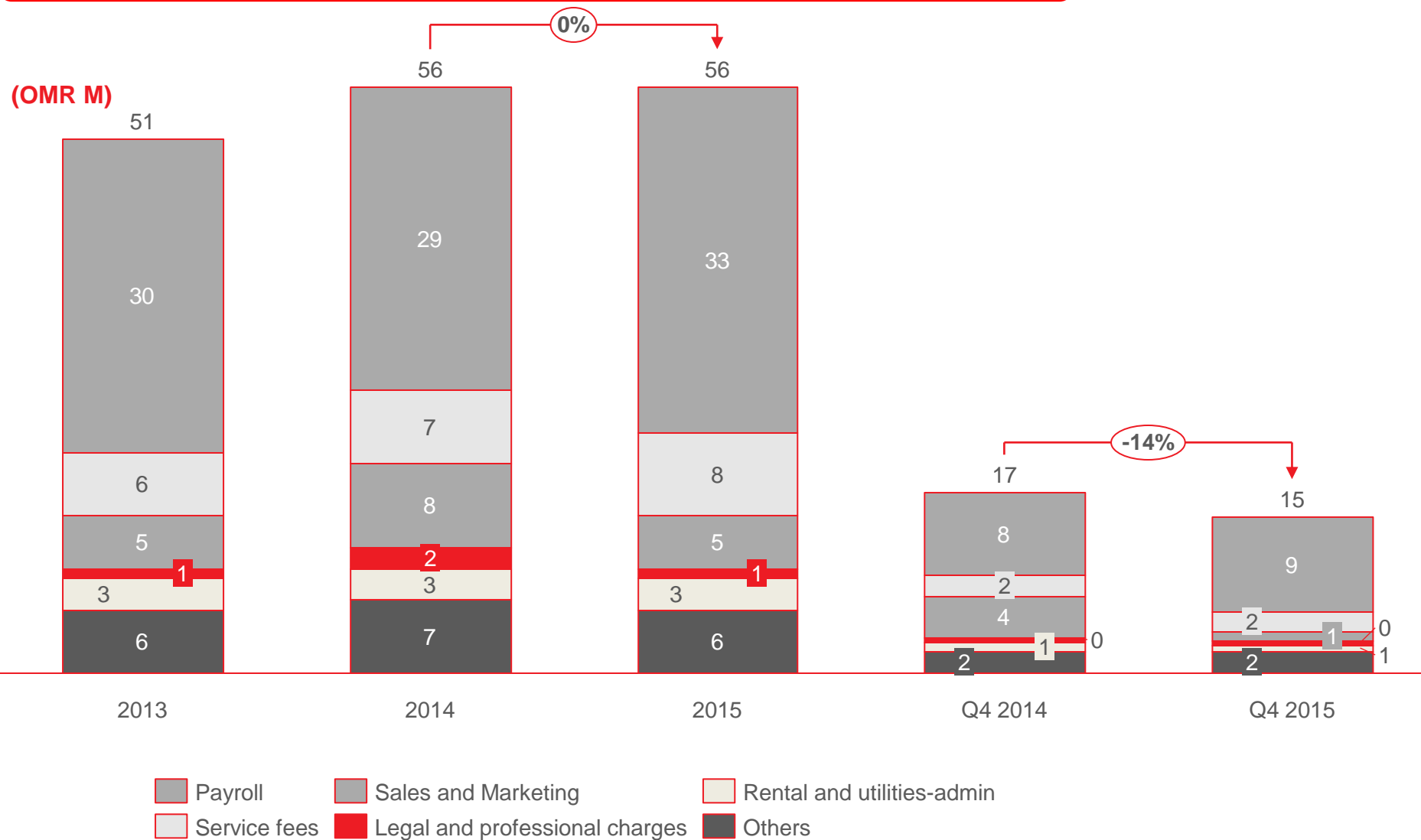
## Operating expenses



- Network maintenance increase is driven by manage service related cost due to network expansion and rentals as well as utilities increase driven by revised colocation rates.

# Key Financial Drivers

## SG&A Expenses



- SG&A expenses have reduced due to lower sales and marketing expenses offset by a slight increase in payroll expenses

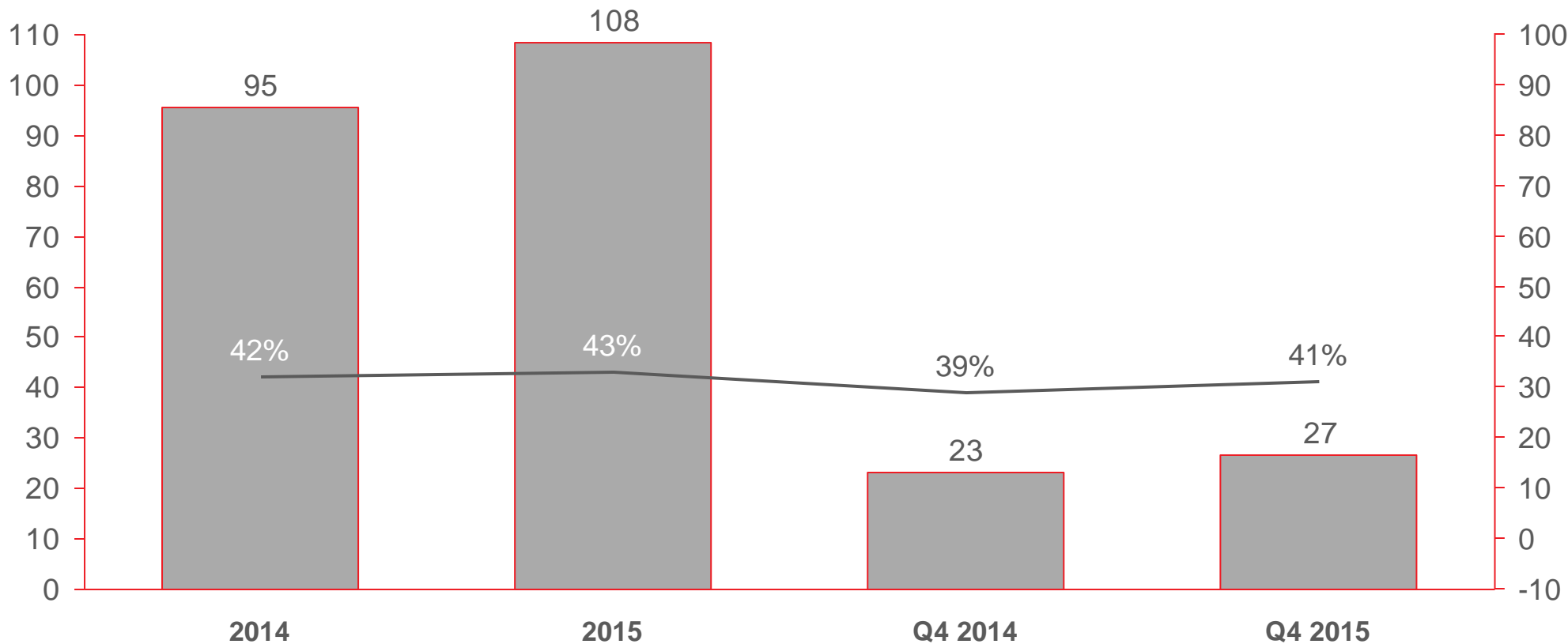


# EBITDA

Adj. EBITDA<sup>(1)</sup>

(OMR M)

Margin (%)



- EBITDA as a percentage of revenues has increased as data gained in significance versus other products.

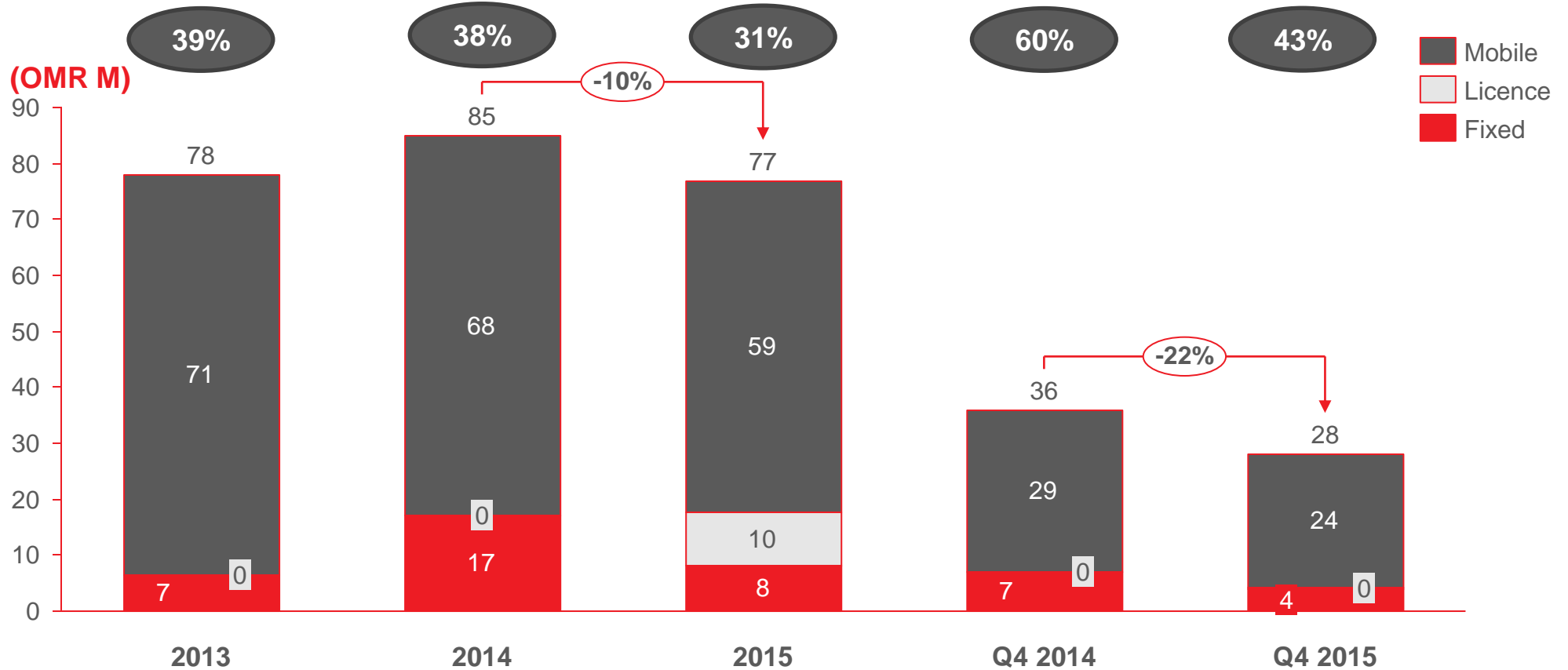
Source Ooredoo  
 (1) Adj. EBITDA = Revenues – Operating Expenses – General and Administrative Expenses (including service fees) - royalty



# Key Financial Drivers

## Capital expenditure

### Capex/Revenue



- CAPEX spend has been lower in Q4 2015 and for the year 2015 as the network modernization is coming to it's final phase.

Source Ooredoo

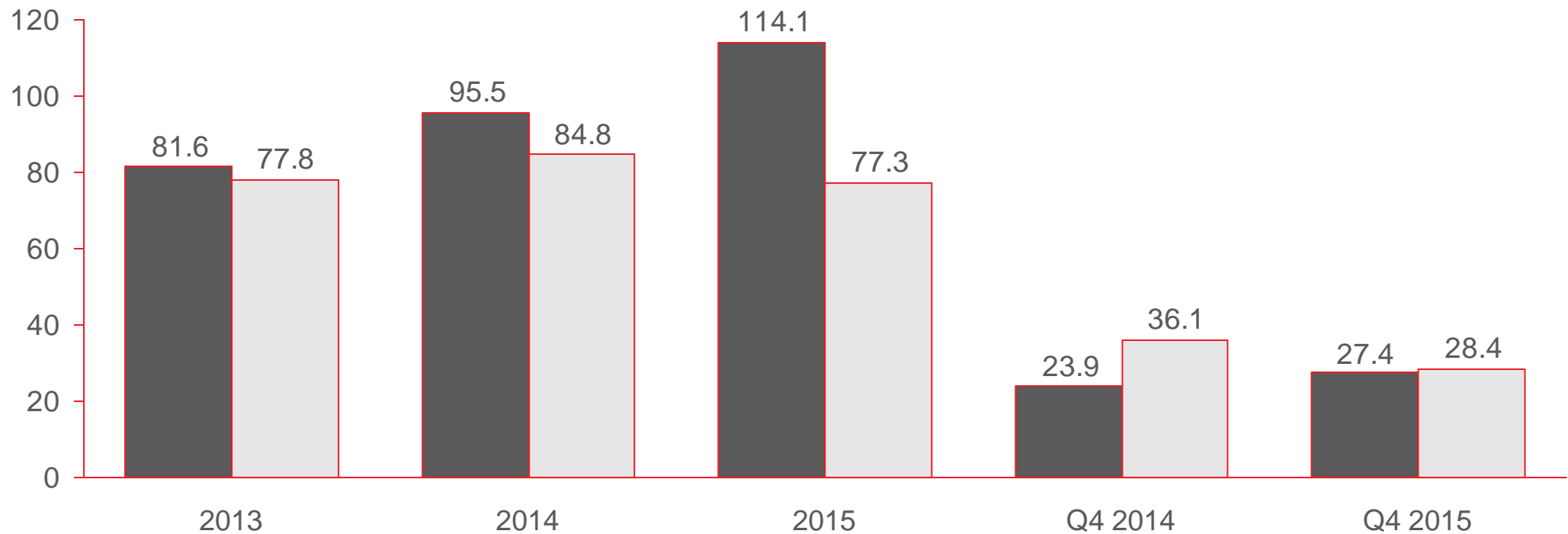


# Key Financial Drivers (Steady Cash Flow)

## Operating cash flow before working capital

(OMR M)

Operating Cash Flow  
CAPEX



- Improved operating cash flow generation mainly due to revenue increase.

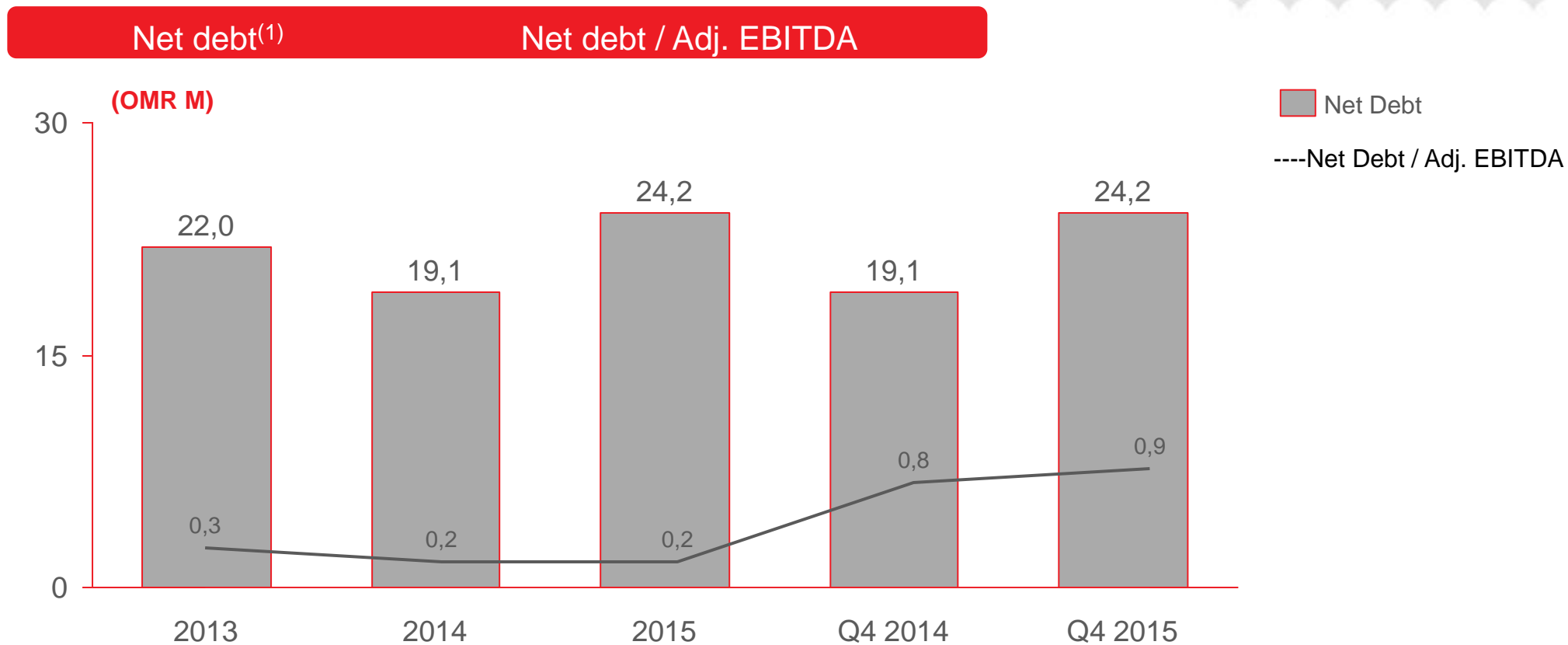
Source

Ooredoo





# Net Debt (Improvement in leverage)



- As on Dec 2015 we have unutilized funds of OMR 44m
- In January new loan facility of OMR 68.1 m

Note

Source Ooredoo  
 (1) Adj. EBITDA = Revenues – Operating Expenses – General and Administrative Expenses (including service fees) – royalty



# Summary

- Market
  - Full year revenue and EBITDA growth of 11.2 % and 16.8 % respectively,
  - Strong revenue growth is driven by increases in both mobile and fixed data revenue.
  - 7.1% growth in total number of customers.
- Commercial and operational
  - More than 48% of our mobile revenue is coming directly from data.
  - The completion of our fibre backbone will provide a second-to-none customer experience.
  - The investment in modernising and expanding our network is also a factor in customer growth and we will continue to provide the coverage and speed, with our expanding 4G footprint as well as our recently completed national fibre backbone
- Future top line growth opportunities
  - Mobile, Home and Business broadband.
  - Full service provider for corporate services.
- Future bottom line growth
  - Strong operating leverage of fixed line business.
  - Reduction in national transmission cost.
  - Overall cost reduction and quality improvement.
- Strong cash flow generation



Thank you

