

Ooredoo Oman Performance – Q2 2020

Investor Presentation

18th August 2019
Conference Call



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Ooredoo Oman COVID-19 Response

- **Health and Safety of Employees**

- 100% working-from-home successfully implemented across the business within 4 days. Including Call Center.

- **Protecting the network to ensure speed and availability**

- Significant growth in data traffic seen across the network particularly in Home Broadband.
- Significant growth in Video and Gaming Traffic
- Special off peak data for citizens without HBB
- Launch 5G HBB

- **Shifting operations to digital channels**

- Significant growth in performance across all Digital Channels App / eShop / Social Media / Whatsapp
- Reorientation of logistics and supply to Home Delivery

- **Supporting the Government and Businesses**

- 'Stay at Home' Free local calls
- Partnership with MOE.
- Test kits for MOH.
- Free minutes and data for MOH and Emergency Workers.
- White listing education sites.

H1 Highlights – COVID 19 significant disruption

Market/Economy

- Jan – Feb HH Mourning Period
- 23rd of Feb H.M. Sultan Haitham bin Tariq made a royal speech after the 40 days mourning period to highlight focus of the new era
- March 23rd all shops closed and business level in the country reduced to minimum
- Oil prices crises started
- March first 5% government budget cut was announced
- Expat repatriations started in significant numbers
- Restrictions in movements between governates impacting logistics and distribution
- Second 5% government budget cut was announced
- Early signed of SME and Large Enterprises seeking waivers and deferments

H1 Highlights – COVID 19 significant disruption

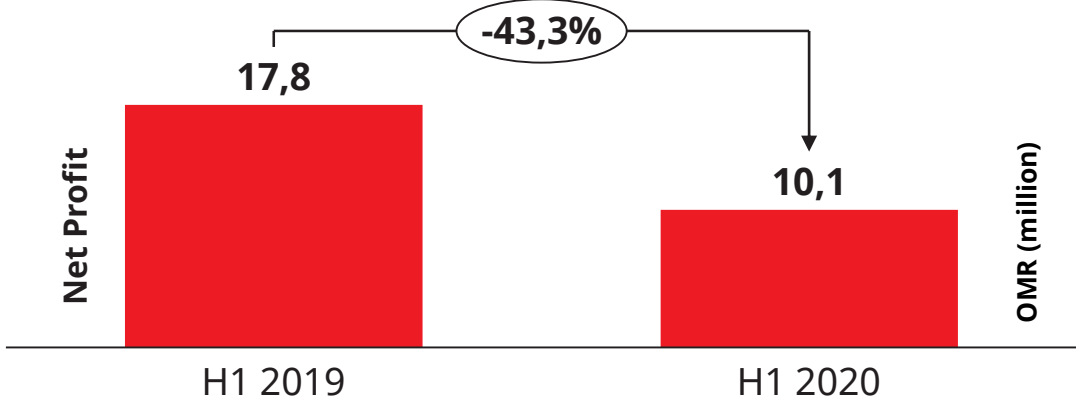
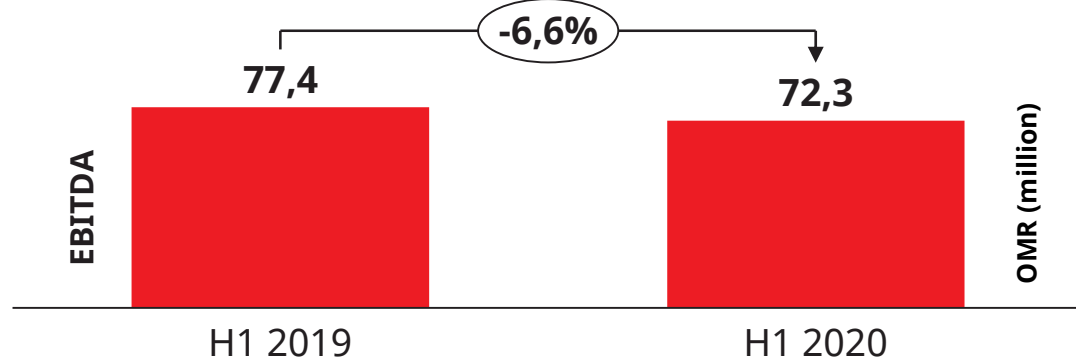
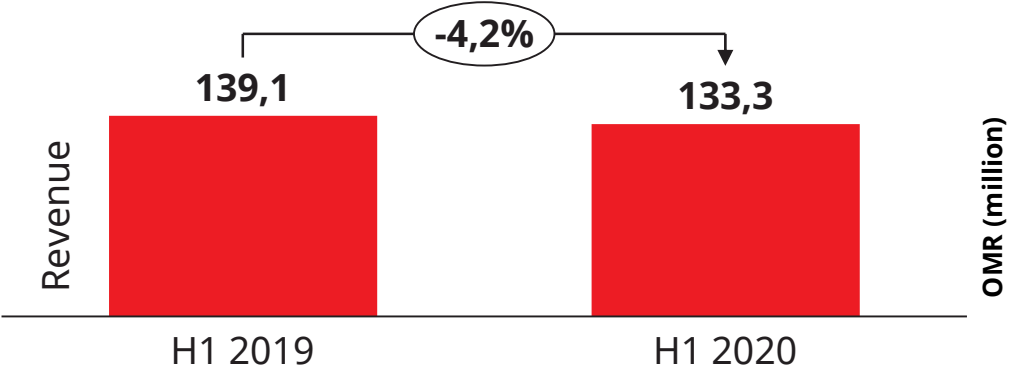
Product /Revenue

- Prepaid impacted heaviest by COVID ‘non mobility’
- ‘Stay at home’ free local calls offer (ended after Ramadan) adding additional negative impact on revenue
- Prepaid Sim sales down by around 50% /Recharges down by 13%
- Roaming Revenue impacted
- Retail device inventory offloaded to wholesale market
- Bad debt provisions up

However,

- Demand for Home Broadband and growth in data traffic
- Growth in post paid and post paid data traffic
- Off peak data traffic growth driven by special offer
- B2B revenue stable
- Digital channel adoption increased significantly

H1 2020- Revenue , EBTIDA, and Net Profit (NP)



We launched several digital services to augment the “Stay Home” plan

Digital Sales - On eShop



Switching to Ooredoo

Easy port-in online



Upgrade to Postpaid

Upgrade in 3 easy steps



5G Home Internet

Ordering online with benefits



SIM replacement / reactivation

Delivery anywhere in Oman



Express delivery

Providing instant gratification to customers

Digital Care - On App/Whatsapp



Advanced trouble ticketing

Issues resolved anytime



Ordering via Whatsapp

As simple as texting a friend



Multi-lingual support

It's like you're speaking to a friend,
rather than an agent

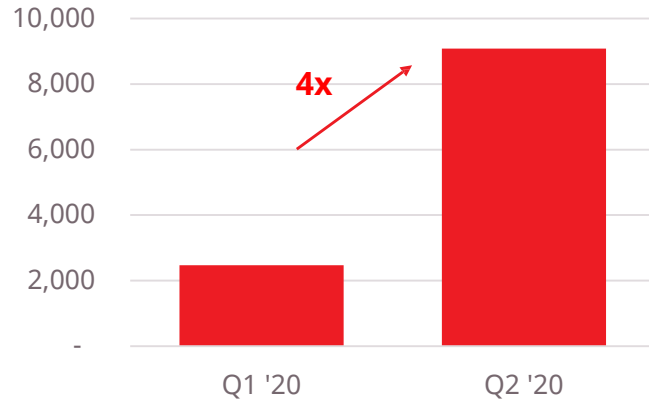


Quick bill payment / recharges

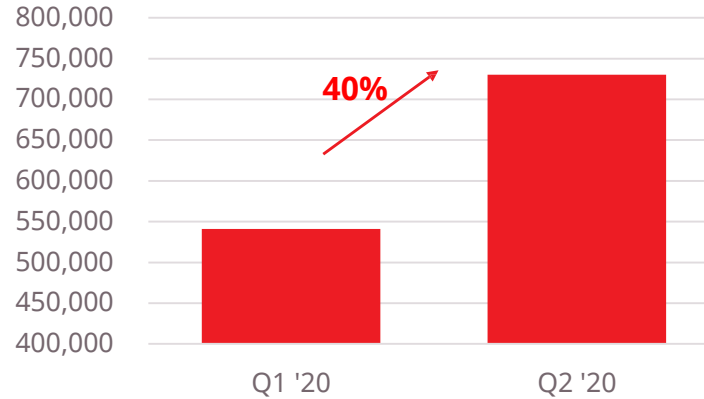
One tap and your bills are paid

Significant growth in performance across all Digital Channels

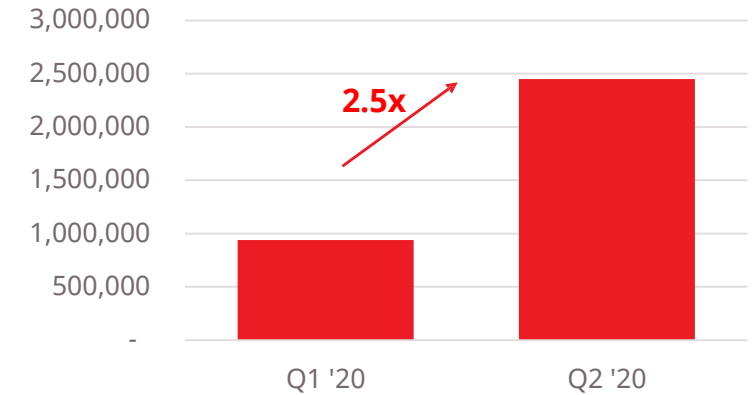
eShop



App



App Bot Interactions



On a quarter-on-quarter comparison before & after lockdown, there was an **~ 4X increase in Digital Sales**



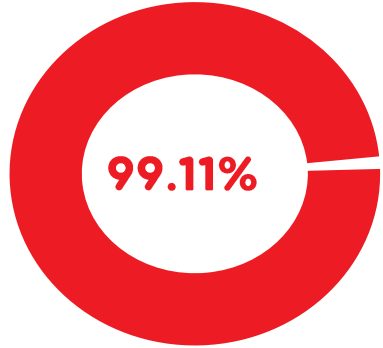
App daily **active users** increased by **~ 40%** since lockdown



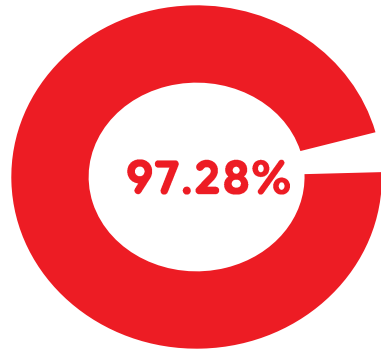
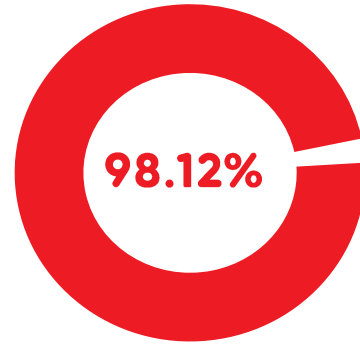
Increase in interactions by ~ 2.5x quarter-on-quarter

5G & Digitalization - 5G network Launched

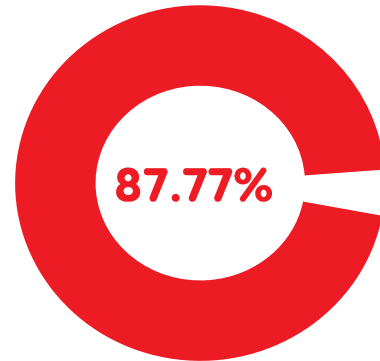
2G Population



3G Population



4G LTE Population

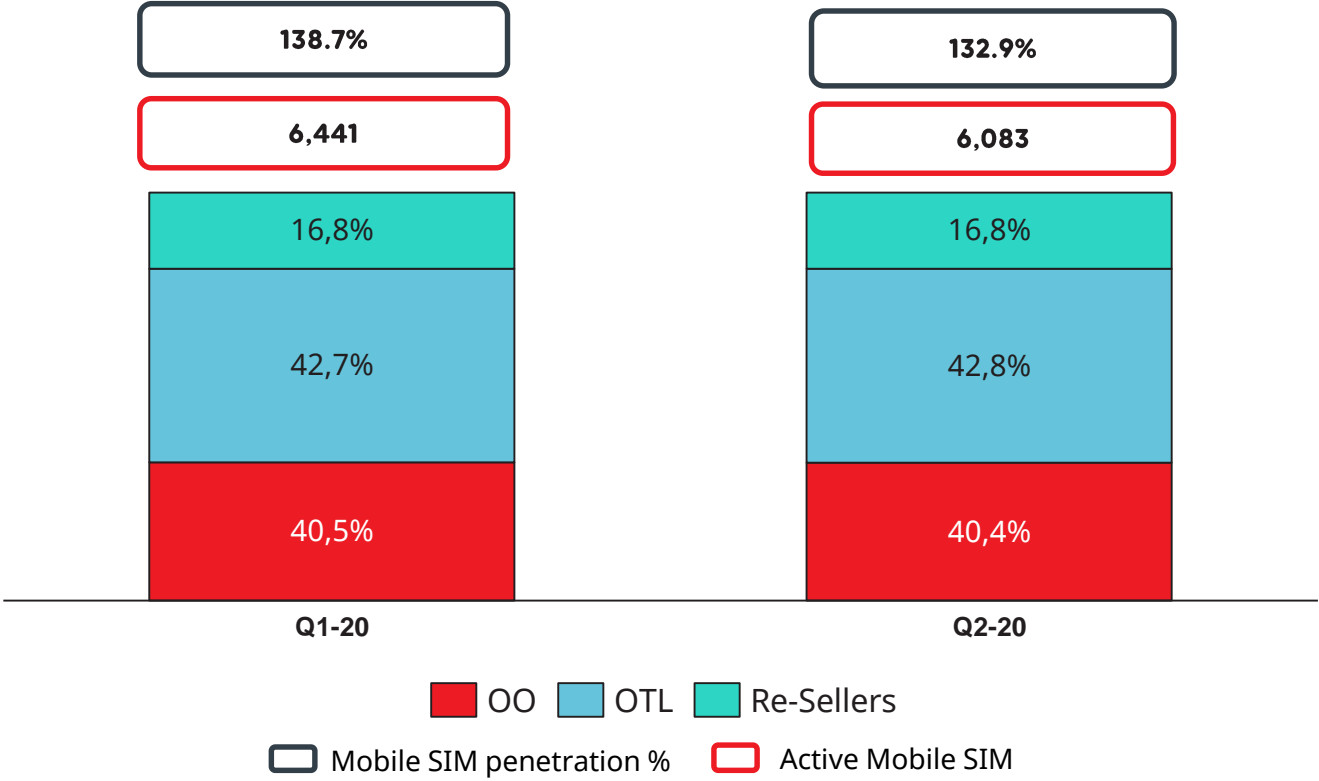


Fast HBB (households)

Network & IT focus areas:

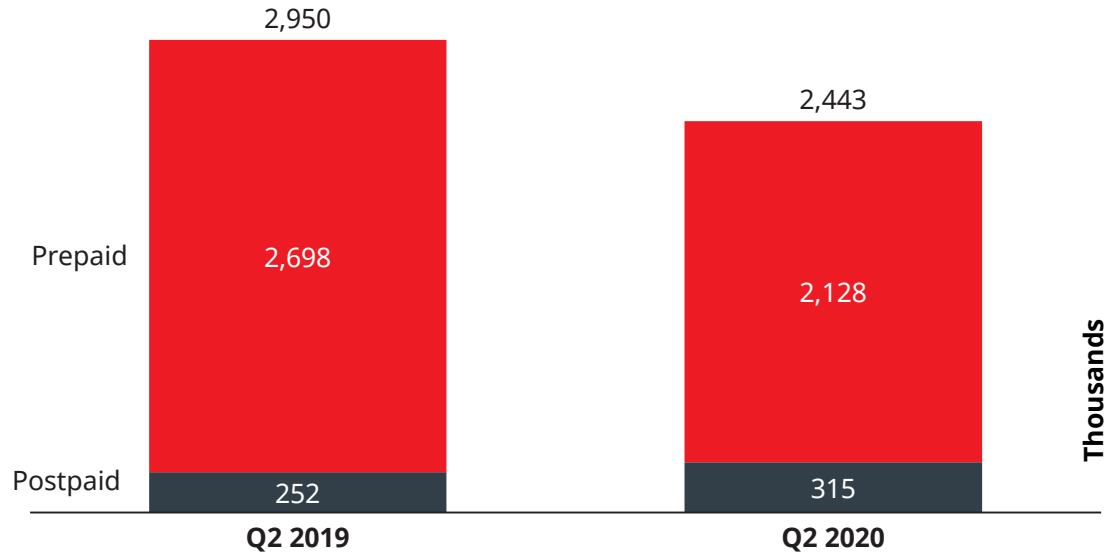
- **5G network Launched.** In Q2 2020 81 sites on-air.
- **25 additional 4G LTE sites** with different carriers came on-air by Q2 2020,
- **increasing LTE coverage to 97.28%.**
- **163 cells expanded** with the additional carrier of L2100 using temporary allocated band of 5MHz to cater the capacity impact due to COVID-19
- **Fast HBB rollout and upgrades** continued in Q2 2020 with:
 - **3 new coverage sites.**
 - **650 cells with capacity expansion**
 - **Furthermore 295 cells expanded** with additional carrier of L1800 using temporary allocated band of 10MHz
- **Super Fast HBB coverage** extended to new areas with FTTH network.

Market Share – Market contracting due to COVID 19 but Share stable.

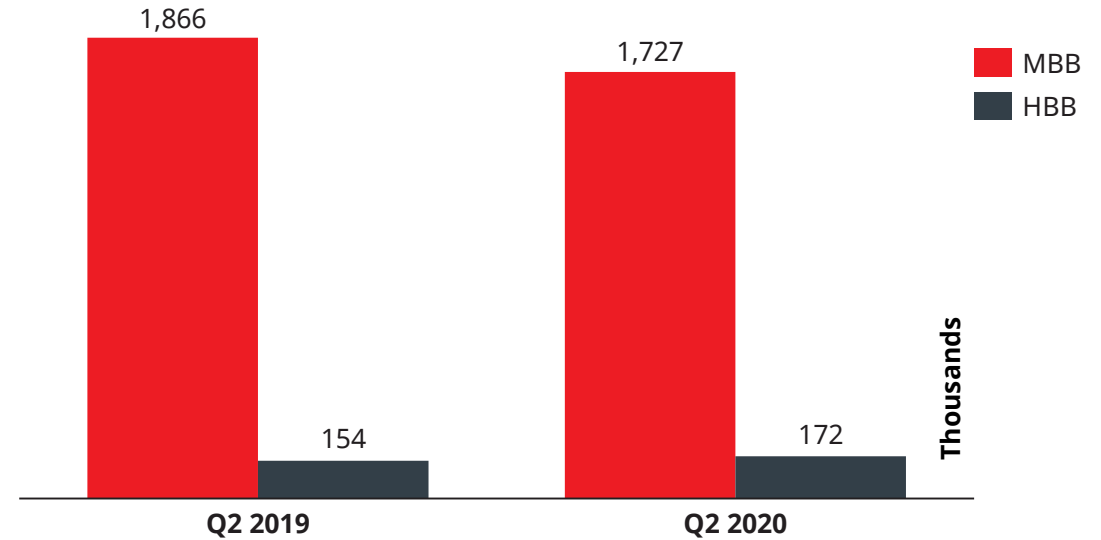


Oman Mobile Market Share – Customers

Growth in postpaid customer and Home Broadband customer base

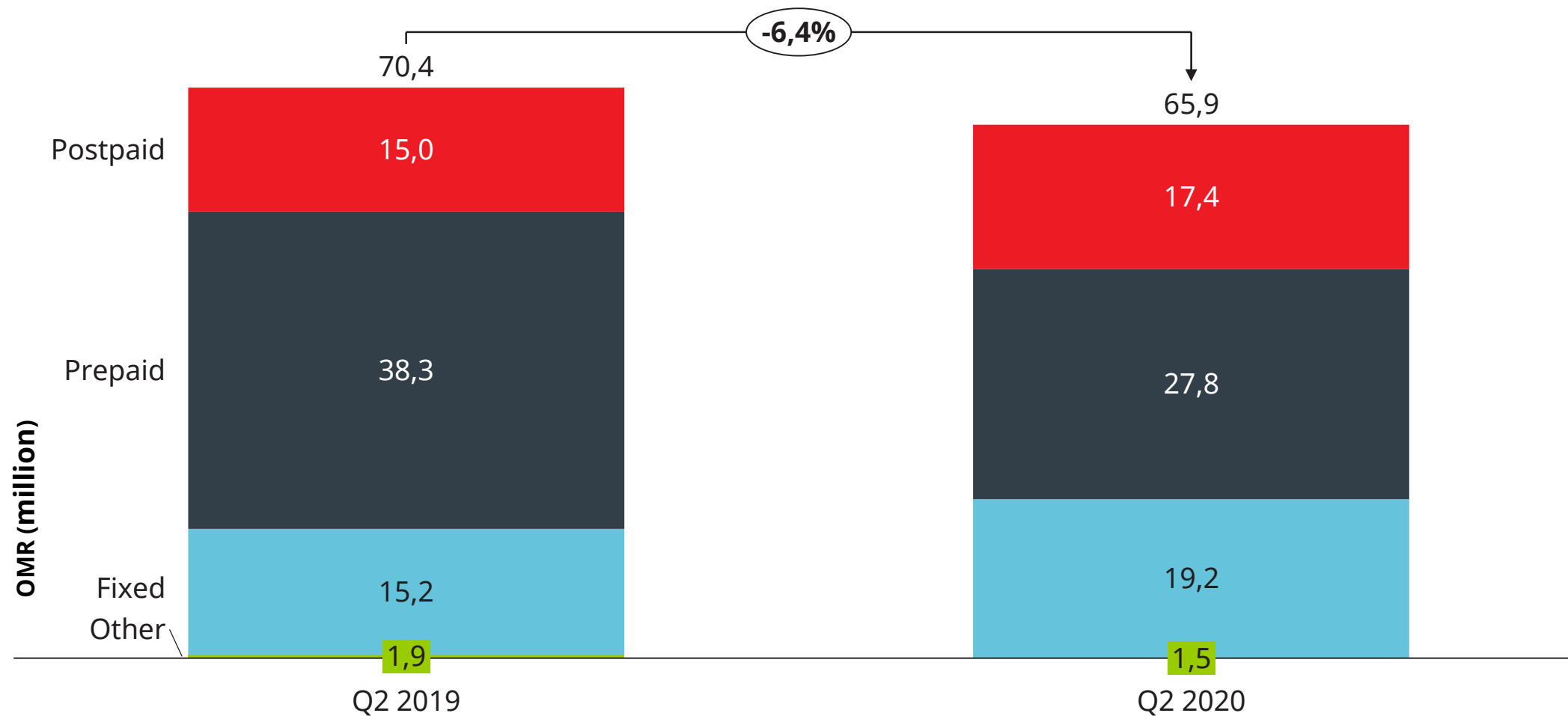


Ooredoo Oman Mobile Market Share - Customers

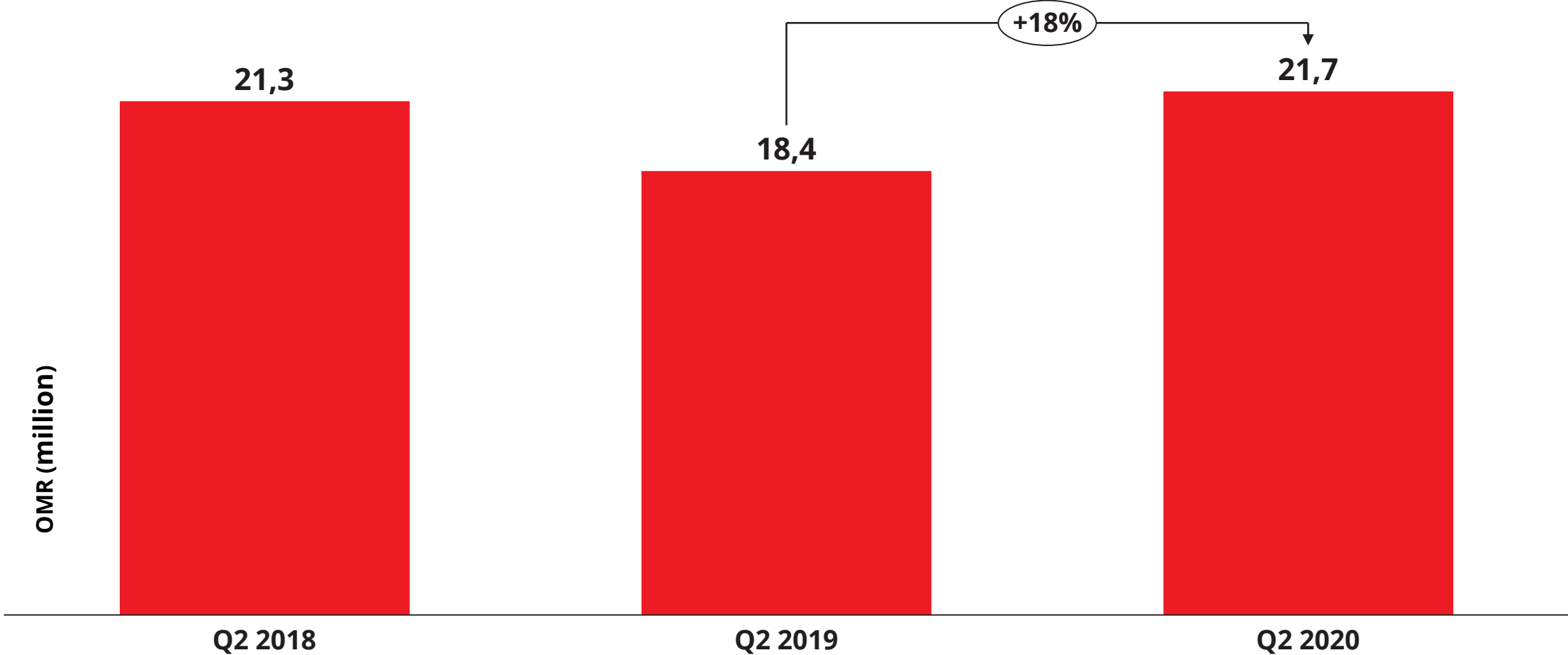


Ooredoo Oman MBB and HBB customers

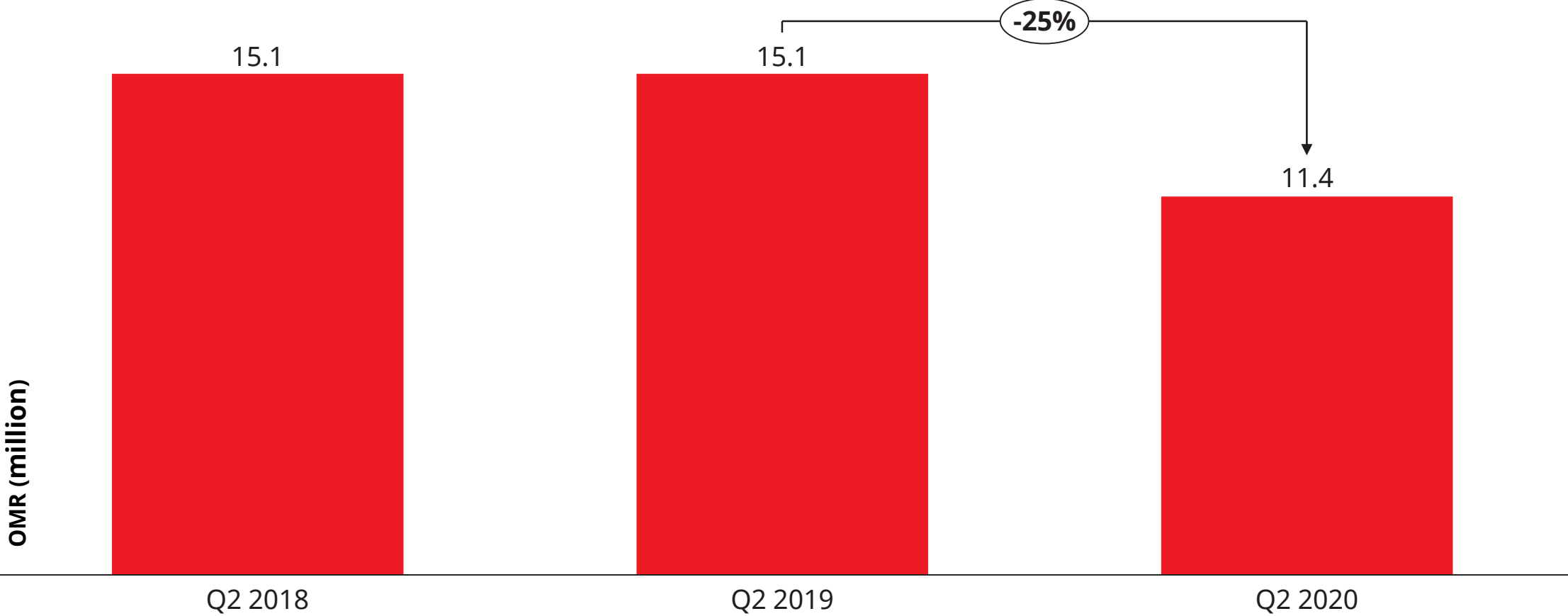
Revenue



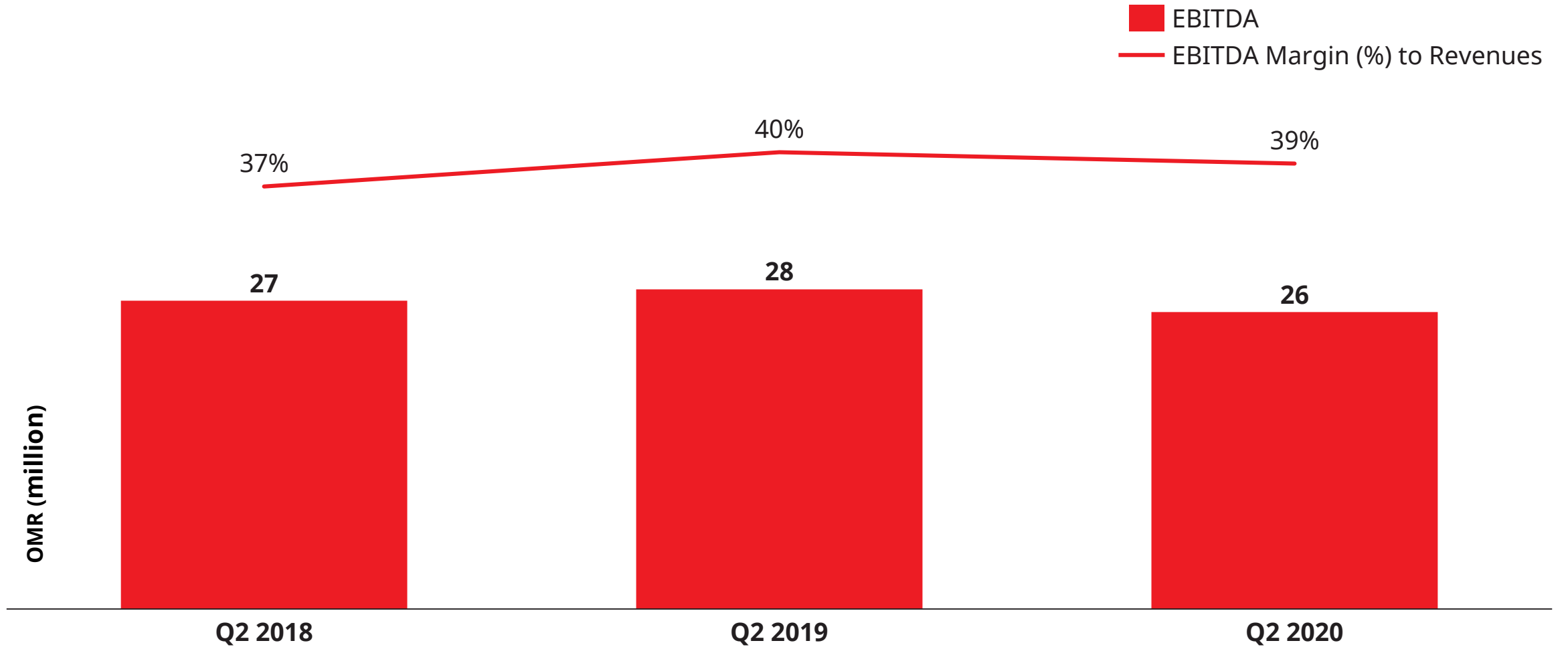
Operating Expenses



Selling General and Administrative Expenses (SG&A)

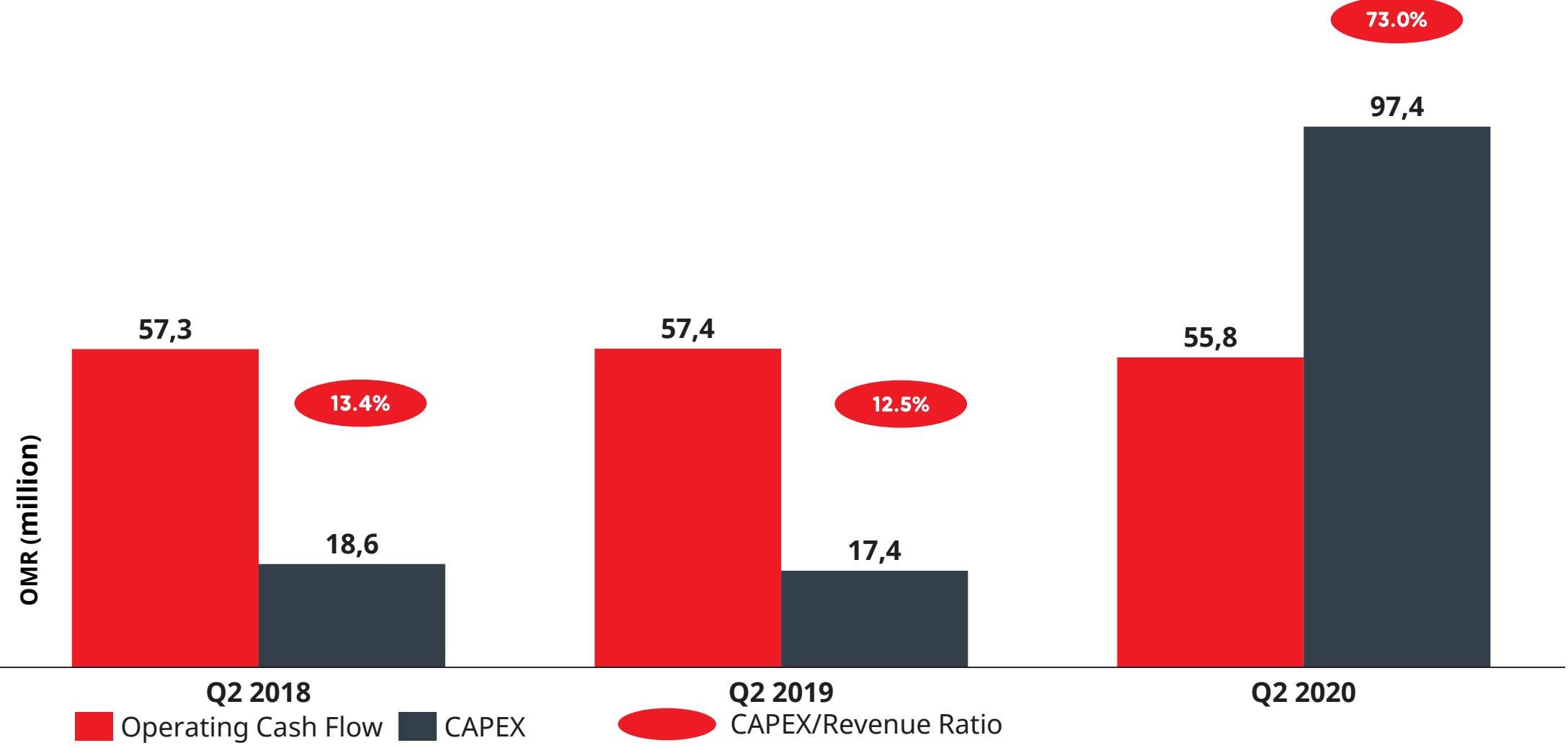


Adjusted EBITDA*

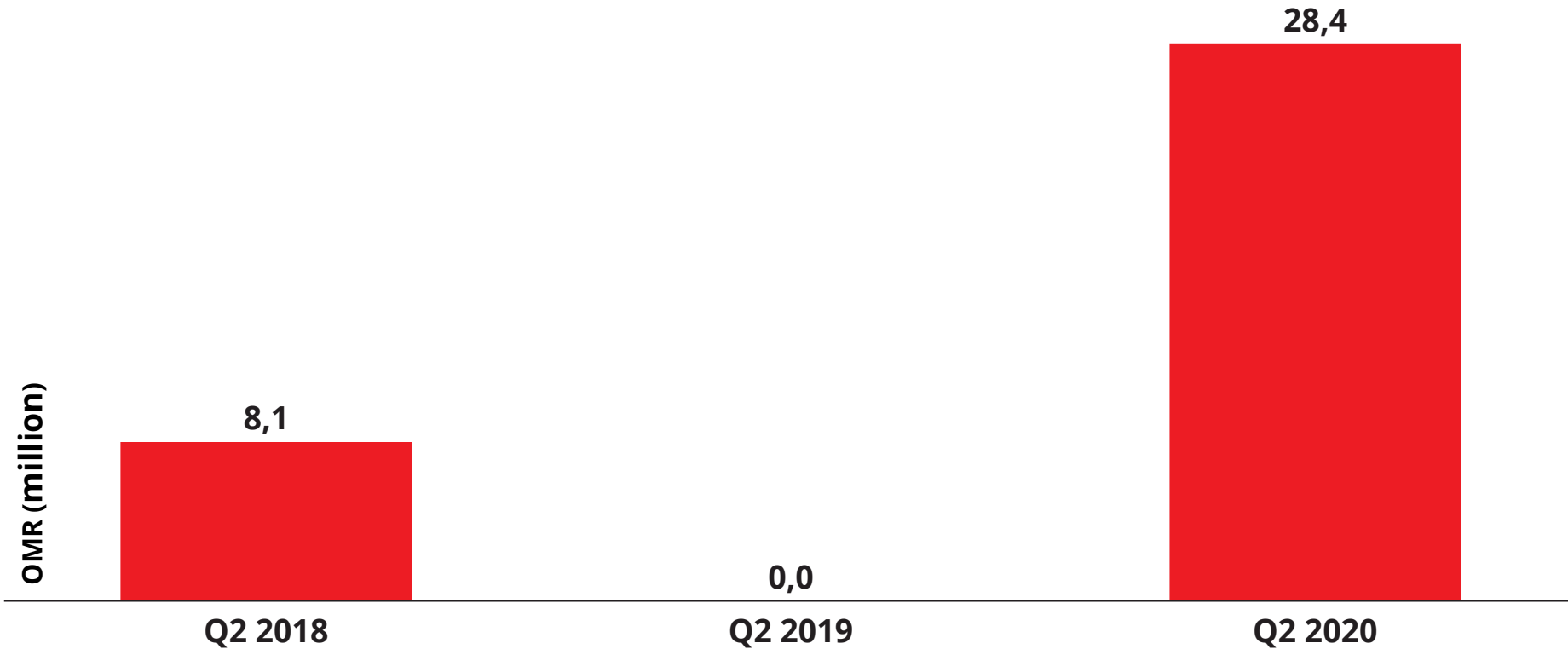


*Adj. EBITDA = Revenues – Operating Expenses – General and Administrative Expenses (including service fees) – royalty – other expenses

Operating cash flow before working capital – Q2 2020 CAPEX including OMR 75m for mobile license renewal



Net Debt/Annualized Adj. EBITDA



- As on Jun 2020 company have unutilized funds of OMR 45 m

Note: Adj. EBITDA = Revenues – Operating Expenses – General and Administrative Expenses (including service fees) – royalty

Achievements, offers and awards

- Ooredoo Joins Hands with Ministry of Education to Launch E-Learning Platform for Academic Year 2020-2021
- Ooredoo's B2B App Offers Businesses Digital Solutions They Can Rely on
- Start the first phase of construction of our brand-new Data Centre, including an initiative to on-board Omani businesses for the building and supplies for the project.
- Ooredoo has been awarded “Excellence in Digital Transformation & Innovation - Telecom Industry” in the Middle East by the annual Global Brands Magazine Awards
- Ooredoo has won two highly coveted Gold Stevie® awards at the 2020 Middle East Stevie Awards for *Innovative Use of Technology in Customer Service*, for the *Ooredoo Oman App*, and *Innovation in Technology Management, Planning & Implementation* for digital transformation



Summary

■ Market

- Net profit decreased by 43.3 % primarily by the decrease lower EBITDA driven by COVID impact on revenues and the stay at home free local calls and drop in prepaid mobile business and roaming revenues
- Net Profit Further impacted by Amortisation of new licence cost and growth in depreciation of new assets including 5G.

■ Commercial and operational

- Data represents 71% of overall revenues
- Despite the challenging market, we have accelerated our digital transformation with services available through our App, eShop, WhatsApp and Social Media.”
- Ooredoo has been entirely engaged in extending its full support to key public sector institutions and other customers as a response to the COVID-19 pandemic.
- Providing free services for health and emergency services workers, support to various educational institutes to enhance distance learning by providing zero rating for educational websites special support to hospitals across Oman.

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Thank You