**Ooredoo Q.P.S.C.**

**Ooredoo Group announced QAR 29.9 billion Revenue in FY 2019**

**Net Profit increased 10% to QAR 1.7 billion**

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**Doha, Qatar, 13 February 2020:** Ooredoo Q.P.S.C. (“Ooredoo”) - Ticker: ORDS today announced its financial results for the year ended 31 December 2019.

**Financial Highlights:**

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| --- | --- | --- | --- | --- | --- | --- |
| ­­ | **Quarterly Analysis** | | | **Full Year Analysis** | | |
| Q4 2019 | Q4 2018 | % Change | FY 2019 | FY 2018 | % Change |
| **Consolidated Revenue (QAR m)** | 7,950 | 7,396 | 8% | 29,916 | 29,927 | 0% |
| **EBITDA (QAR m)** | 3,183 | 2,865 | 11% | 12,847 | 12,202 | 5% |
| *EBITDA Margin (%)* | 40% | 39% | - | 43% | 41% | - |
| **Net Profit Attributable to Ooredoo Shareholders (QAR m)** | 460 | 473 | -3% | 1,725 | 1,565 | 10% |
| **Customers in million (consolidated)** | 117 | 115 | 2% | 117 | 115 | 2% |

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* Strong Q4 2019 with Revenue growth (+8% yoy) contributing to a strong EBITDA improvement (+11% yoy)
* Reported 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 some operating companies and a positive impact from the implementation of the new IFRS 16 accounting standard.
* Group Net Profit attributable to Ooredoo shareholders increased by 10% to QAR 1.7 billion in 2019, compared to last year. Growth was driven by an increase in EBITDA, a more favorable Foreign Exchange environment compared to 2018, which was partially offset by a negative IFRS16 impact on Net Profit. Ooredoo Qatar, Kuwait, Tunisia, Iraq and Indonesia performed well. Furthermore Ooredoo Indosat’s Profit benefited from the sale of 3,100 towers.

The Board recommends the distribution of a cash dividend of QAR 0.25 per share. Additionally, the 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.

**Operational highlights:**

* The Group customer base was 117 million, up by 2% compared to 2018, mainly driven by new customers in Indonesia, Myanmar and Kuwait.
* Ooredoo Group leads in 5G adoption with live commercial 5G networks in Qatar and Kuwait and successful 5G testing in Oman. Ooredoo Qatar applied 5G technology during the FIFA Club World Cup Final in December 2019 in Doha with excellent coverage and network quality. In Oman Ooredoo showcased the power of 5G at experience zones in its stores across Muscat and Salalah.
* Ooredoo launched a number of innovative products including ‘ANA’ in Kuwait, a brand new fully digital mobile experience which gained the distinction of ‘Best Digital Service’ at the Telecoms World Middle East Awards 2019.
* Ooredoo continued to be a pioneer in emerging markets, becoming the first company in Algeria to offer 4G services to all 48 Wilayas (provinces), building the fastest mobile network in Myanmar, reconnecting services to the liberated areas in Iraq and achieving the widest 3G coverage in the country, and capturing a strong 4G market leadership position in Tunisia.
* In Q4 2019, Indosat Ooredoo concluded the sale of 3,100 telecommunication towers with a total transaction amount of IDR 6.39 trillion (equivalent to QAR 1,644 million). This transaction will allow Indosat Ooredoo to further invest into the network and improve customer experiences.
* Post period, Ooredoo Maldives’ telecommunications license, which encompasses mobile, fixed and internet services, was extended by 15-years starting as of Feb 1, 2020.

**Commenting on the results, H.E. Sheikh Abdulla Bin Mohammed Bin Saud Al-Thani, Chairman of Ooredoo, said:**

“In 2019 we made good progress with the execution of our ambitious digital transformation strategy, transforming our core user experience online and making it easier for our customers to find and use our services. We continued to invest in our-state-of-the-art network, as well as introducing and enhancing 5G services in key markets to support the next generation of digital services.

Testament to the success of our strategy is that more than 50 percent of Group revenues now come from data, which is an important milestone for a telecommunications company that continues to evolve and develop.

Our internal change programme is also aligned with our digital transformation strategy, and encompasses every aspect of our operation, from talent management to sales, marketing and customer care, enabling us to further optimise our cost base while ensuring a user experience that enhances the digital lives of our customers.

Importantly, our strategy enabled us to deliver a strong financial performance in 2019, with reported net profit attributable to shareholders up by 10% to QAR 1.7 billion. Therefore, I am pleased to announce that the Board of Directors will recommend the distribution of a cash dividend of QAR 0.25 per share at the annual general meeting in March 2020. Our Board approved a sustainable and progressive dividend policy for the company, aiming for a dividend pay-out range of 40% to 60% of normalised earnings.

Operationally, we are leading the industry through innovation and by offering our customers world class services that complement their digital lifestyles. In our home market of Qatar, we were honoured to be recognised as the best ‘Global Mobile Solution’ in 2019 by MoneyGram, for our mobile payment solution, Ooredoo Money. In Kuwait, we were awarded the ‘Best Digital Service’ at the Telecoms World Middle East Awards 2019, for ANA, a fully digital mobile experience launched early last year.”

**Also commenting on the results, Sheikh Saud bin Nasser Al Thani**, **Group Chief Executive Officer of Ooredoo said:**

“Ooredoo Group delivered a strong set of results in 2019, against a backdrop of an evolving telecommunications industry. Our success was driven by the precise execution of our digital transformation strategy, in concert with the culture of innovation which permeates Ooredoo Group. This enabled us to remain agile and meet the changing needs of our customers.

Group revenue was stable at QAR 29.9 billion in 2019, 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.

Throughout the year, we made significant productivity improvements as we digitised our processes and optimised our cost base. EBITDA for 2019 was QAR 12.8 billion, an increase of 5% compared to the previous year. Similarly, our EBITDA margin improved to 43% in 2019, compared to 41% in the previous year driven by improvements in Qatar, Kuwait, Tunisia, Indonesia and Maldives.

Ooredoo Qatar managed to improve EBITDA margins from 52% in 2018 to 54% in 2019 and demonstrated readiness to support major sporting events with a flawless application of 5G stadium technology during the final round of the Fifa Club World Cup in Doha.

Our strategy in Indonesia supported a strong recovery in Indosat Ooredoo’s financial performance which delivered revenue growth of 14% and EBITDA growth of 47% in 2019, compared to the previous year.

Our digital distribution strategy in Myanmar was well received by the market and supported an expansion in Ooredoo Myanmar’s user base by 20%.

An optimised product mix and careful cost management contributed to a 31% growth in Ooredoo Kuwait’s EBITDA, despite competitive market pressures.”

**Operational Review**

**Middle East**

**Ooredoo Qatar**

Ooredoo Qatar delivered a steady performance in 2019, building on its global leadership in 5G services to provide an excellent online experience for customers. Revenue stood at QAR 7.3bn, impacted by a fall in handset sales but enhanced by business-to-business growth. Ooredoo Qatar reported stable EBITDA of QAR 4.0bn with an increased EBITDA margin of 54%. Customer numbers were 3.3 million by year-end in line with 2018.

Ooredoo Qatar’s strong 5G presence continued to be well received by customers, while an enhanced portfolio of digital services contributed to a growth in post-paid customers. The new Ooredoo ONE ‘all-in-one' home service increased the number of digital entertainment customers.

A focus on cost optimization, through multiple initiatives and further digitization, helped to boost efficiency throughout 2019. The increasing range of online and digital channels for self-service and self-care made it easier for customers to find, buy and use Ooredoo services in Qatar.

**Ooredoo Oman**

Ooredoo Oman reported good financial results, with revenues increasing to QAR 2.7 billion for the year 2019. The company successfully migrated some of its prepaid customers to post-paid plans in line with its strategy to target higher value customers. This resulted in higher revenues. Customer base stood at 2.9 million at the end of 2019. EBITDA improved by 2% to QAR 1.5 billion in 2019.

In support of Oman’s 5G ambitions, Ooredoo Oman participated in the Telecommunications Regulatory Authority’s ‘5G Roadmap’ event and showcased the power of 5G at experience zones in its stores across Muscat and Salalah.

During the year, Ooredoo Oman expanded its broadband network to cover almost all Wilayahs across the Sultanate, and the company’s Supernet network now covers over 98% of Oman’s population.

**Ooredoo Kuwait**

Ooredoo Kuwait’s innovative product offering enabled it to grow its customer base by 12% to 2.6 million at the end of 2019 compared to the previous year, as the company progresses towards a 5G enabled future.

EBITDA during the year increased 31% to QAR 867 million supported by an improved product mix, efficiency initiatives and the positive impact from the implementation of the accounting standard IFRS 16. Revenue was down 5% to QAR 2.8 billion in 2019 compared to the previous year, partially due to a reduction in handset sales and competitive market dynamics.

During the last quarter of the year, Ooredoo Kuwait launched 5G internet plans and 5G MiFi router. Earlier in the year, Ooredoo Kuwait launched ‘ANA’, a brand new fully digital mobile experience which gained the distinction of ‘Best Digital Service’ at the Telecoms World Middle East Awards 2019.

**Asiacell - Iraq**

Asiacell reported revenue growth of 3% to QAR 4.6 billion in 2019, despite a flat customer base of 14.2 million customers. The company maintained a healthy EBITDA margin of 45% in 2019 while EBITDA declined slightly from QAR 2.1 billion in 2018 to QAR 2.0 billion in 2019.

Asiacell upgraded its entire network to support 3G, achieving the widest 3G coverage in the country in 2019. Committed to bringing connectivity to all communities it serves, Asiacell restored service to liberated regions and further expanded to the south of the country.

**North Africa**

**Ooredoo Algeria**

Persistent economic weakness, intense price competition and currency depreciation impacted Ooredoo Algeria’s financial performance. The company reported revenues of QAR 2.5 billion in 2019 compared to 2.8 billion in 2018, as the Algeria dinar depreciated 2% against the Qatari Riyal during the period. EBITDA was QAR 867 million, down from QAR 1.0 billion in the previous year.

Ooredoo Algeria’s customer base was 12.6 million at the end of 2019. The company continued to strengthen and expand its 4G network by installing 1,400 new technical sites across the country, enabling it to become the first operator in Algeria to cover all 48 wilayas with 4G. Ooredoo Algeria’s market leading network infrastructure is supporting its digital ecosystem, which now encompasses gaming, e-learning, sports and youth content and which is gaining immense popularity among the youth in the country. Ooredoo Algeria’s ‘Haya’ Music app was the leading music streaming service in Algeria in 2019 and won international recognition with the “Bronze Stevie Award.”

**Ooredoo Tunisia**

Ooredoo Tunisia’s value creation plan enabled the company to deliver a healthy set of results in a challenging market environment. The company’s EBITDA grew by 15% to QAR 682 million in 2019 compared to the previous year, as it continued to focus on optimising costs and driving efficiency across the business. Consequently, EBITDA margin increased to 46% in 2019, a significant improvement from 39% in the previous year.

Revenue declined by 3% to QAR 1.5 billion in 2019 compared to the previous year, mainly due to the depreciation of the Tunisian Dinar, which declined 10% during the year compared to the Qatari Riyal. In local currency terms, Ooredoo Tunisia reported a 7% increase in revenue, supported by the company’s push to drive data usage and convert prepaid customers to higher value post-paid customers.

Consequently, Ooredoo Tunisia’s customer base grew by 1% to 9.2 million customers at the end of 2019, reaffirming its position as the number 1 telecom player by customer market share.

**Asia**

**Indosat Ooredoo**

Indosat Ooredoo had a robust 2019 as it refreshed its strategy to serve the needs of Indonesia’s evolving telecommunications landscape. The company reported year on year growth of 2% in its customer base to reach 59 million customers, supported by the expansion and improvements to its 4G BTS network and the use of digitisation to enhance its customer experience.

In addition, the company’s strategy to target longer term, higher value customers and reduce churn supported revenue growth of 14% to QAR 6.7 billion in 2019 compared to the previous year, testament that it has the right commercial strategy in place to maximise shareholder value. A more favourable product mix and efficiency improvements across the business contributed to the expansion of Indosat Ooredoo’s EBITDA margin to 43% (2018: 33%) and the increase in EBITDA to QAR 2.9 billion in 2019.

Indosat Ooredoo concluded the sale of 3,100 telecommunication towers with a total transaction amount of IDR 6.39 trillion (equivalent to QAR 1,644 million).

**Ooredoo Myanmar**

Through the careful execution of its digital transformation strategy, Ooredoo Myanmar streamlined operations and improved customer experience. The company grew its customer base by 20% to 11.5 million at the end of 2019 compared to the previous year, supported by the company’s growing digital offering and optimised customer acquisition strategy.

EBITDA increased by 42% to QAR 280 million in 2019 compared to the previous year, mainly due to the positive IFRS 16 impact. EBITDA margin expanded substantially during the year to 26% compared with 16% in 2018. Revenue for 2019 was QAR 1.1 billion, down 16% compared to the previous year. This was due to a 6% depreciation of the local currency, the Myanmar Kyat in 2019 and due to the entrance of the fourth operator, which led to aggressive price competition in the market.

Ooredoo’s FY 2019 financial statements will be available on its website, accessible at: [http://www.ooredoo.com](http://www.ooredoo.com/en/investors).

***For further information:***

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**About Ooredoo**

Ooredoo is an international communications company operating across the Middle East, North Africa and Southeast Asia. Serving consumers and businesses in 10 countries, Ooredoo delivers the leading data experience through a broad range of content and services via its advanced, data-centric mobile and fixed networks.

Ooredoo generated revenues of QAR 30 billion as of 31 December 2019. Its shares are listed on the Qatar Stock Exchange and the Abu Dhabi Securities Exchange.