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

**Ooredoo Group announced increased Revenue of QAR 7.3 billion in Q1 2020**

**Net Profit of QAR 387 million**

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**Doha, Qatar, 29 April 2020:** Ooredoo Q.P.S.C. (“Ooredoo”) - Ticker: ORDS today announced its financial results for the quarter ended 31 March 2020.

**Financial Highlights:**

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| ­­ | **Quarterly Analysis** |
| Q1 2020 | Q1 2019 | % Change |
| **Consolidated Revenue (QAR m)** | 7,295 | 7,192 | 1% |
| **EBITDA (QAR m)** | 3,023 | 3,173 | -5% |
| *EBITDA Margin (%)* | 41% | 44% | - |
| **Net Profit Attributable to Ooredoo Shareholders (QAR m)** | 387 | 420 | -8% |
| **Customers in million (consolidated)** | 118 | 112 | 6% |

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* Revenue growth of 1% year-on-year to QAR 7.3 billion supported by robust growth in Indonesia, Tunisia, Myanmar and other markets, which was partially offset by a COVID-19 impact, a reduction in handset sales and macroeconomic weakness in some of our other markets.
* EBITDA declined by 5% year-on-year to QAR 3.0 billion, impacted by measures to contain the spread of COVID-19 in many territories as well as challenging market conditions in Algeria, Kuwait and Oman.
* Group Net Profit attributable to Ooredoo shareholders declined by 8% to QAR 387 million in Q1 2020, compared to the same period last year, due to the reduction in EBITDA which was partially offset by a more favorable Foreign Exchange environment compared to the same period last year.
* Data revenues accounts for more than 50% of total Revenue driven by our data leadership and digital transformation initiatives across the countries we operate in.
* Ooredoo Group has healthy cash reserve and liquidity levels to be able to absorb the impact of COVID-19 for the year 2020. As the COVID-19 lockdowns continues, it is expected to result in economic weakness in most of our markets with a corresponding impact on the performance of our operations.

**Operational highlights:**

* Ooredoo Group has changed its leadership team with the appointment of Sheikh Faisal Bin Thani Al Thani as Chairman of the Board of Directors of Ooredoo Group on 5 March 2020.
* Sheikh Mohammed Bin Abdulla Al Thani was appointed as Deputy Group Chief Executive Officer and Acting Chief Executive Officer of Ooredoo Qatar on 8 March 2020. Sheikh Mohammed has held various management positions within Ooredoo since he joined the company in 2009, and most recently, he was Chief Executive Officer of Ooredoo Kuwait.
* Mr. Fadi Kawar was appointed as Acting Chief Executive Officer of Ooredoo Kuwait on 8 March 2020 and Mr. Bassam Yousef Al Ibrahim was appointed as Deputy General Manager of Ooredoo Algeria on 1 March 2020.
* Ooredoo Qatar deployed Ericsson Spectrum Sharing sites which enable the running of 4G and 5G traffic simultaneously on the same frequency band and radio hardware, facilitating an efficient, flexible and smooth evolution towards nationwide 5G coverage.
* Ooredoo Myanmar upgraded the country’s most advanced 4G network which used the 900 MHz band and reached the vast majority of Myanmar’s population.

**COVID-19 Initiatives and Highlights**

* Implemented various initiatives to protect the health and wellbeing of employees and customers by adopting a work from home policy for non-frontline staff, enhanced sanitization of premises and mandatory use of PPE including masks.
* Launched several initiatives to support communities during the COVID-19 epidemic. Ooredoo Algeria teamed up with the Red Crescent to distribute hygiene kits and sanitize public spaces; Ooredoo Tunisia launched new nightly data bundles and free mobicash cards while Ooredoo Kuwait offered frontlines workers in the ministries and governmental organizations free internet access. Ooredoo Qatar offered free bandwidth upgrades for educational customers and 100GB of data for frontline workers.
* Transitioned marketing strategy from physical outdoor advertising to target digital advertising; increased adoption of digital channels such as the “*My Ooredoo” app* and increased home product deliveries.
* Ensured network readiness for increased fixed line and data usage, and increased monitoring to adequately re-distribute network traffic as work transitioned from business areas to residential areas.

**Commenting on the results, ­Sheikh Faisal Bin Thani Al Thani, Chairman of Ooredoo, said:**

“Ooredoo Group delivered a healthy set of results for the start of the year, reporting a 1% increase in revenues to QAR 7.3 billion in Q1 2020 compared to the same period last year.

The world is going through an unprecedented challenge as we all come together to tackle the COVID-19 pandemic. While the telecom sector is defensive and more resilient than others, we do expect to see some negative impact on our operations, similar to other global telecom operators. However, Ooredoo Group has a strong balance sheet, a well-diversified portfolio geographically and a diversified customer mix across prepaid, postpaid and enterprise, all of which will help us navigate these challenging times.

The investments we have made and continue to make in our digital transformation have ensured our business continuity and enabled us to provide essential services and uninterrupted connectivity for our customers during these uncertain times. During the period we upgraded our 4G network in Myanmar to the most advanced level in the country and in our home market of Qatar we took another step towards nationwide 5G coverage by deploying Spectrum Sharing sites which enables the running of 4G and 5G traffic simultaneously on the same frequency.

At Ooredoo our key priorities are clear: the health and safety of our employees and customers, as well as the continued provision of uninterrupted and high-quality services for our consumer and business customers. Now more than ever, it is imperative that we adhere to our vision of “*Enriching people’s digital lives”* as our networks play a vital role in connecting communities and empowering businesses. Across all our operations, we have optimised network capacity and have managed the flow of data traffic from business centres to residential areas to ensure uninterrupted and high-speed connectivity for all our customers.

For our office employees, we have adopted work from home policies, and for our frontline workers we have implemented strict health and safety measures which are in line with directives received from government and health authorities. Many of the communities in the territories that we operate in have been severely impacted by the pandemic. Across all our operations, we have launched several initiatives to ease the burden on the groups impacted the most, by offering free data packages, making donations, and contributing to raising awareness of prevention measures. “

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

“In Q1 2020 Ooredoo Group has increased our revenue and we have delivered good results Growth was driven by strong performances in most of our markets, and in particular in Indonesia and Tunisia where revenues grew 7% and 16% respectively, supported by Indosat Ooredoo’s refreshed strategy and the implementation of Ooredoo Tunisia’s value creation plan. Business in Myanmar has been growing as well. Ooredoo Qatar continues to be our highest revenue generator, reporting QAR 1.8 billion in total revenues for Q1 2020.

The implementation of nationwide lockdowns across many of our geographies impacted EBITDA as margins came under pressure due to changing customer behaviour. EBITDA for Q1 2020 was QAR 3.0 billion compared to QAR 3.2 billion for the same period last year. We continue to implement strong cost optimisation programmes across all our OpCos to manage some of the impact from the pandemic and weakening economic activity.

Our leading digital infrastructure and focus on customer experience enabled us to grow our user base by 6% during the first quarter of 2020 compared to the same period last year. Our digital platforms and home deliveries enabled our customers to avail our services and manage their accounts from the safety of their homes. In Oman, we continued to deliver double digit growth in fixed revenues, in Iraq, we increased our customer base, while in Tunisia we maintained our number 1 position by customer market share.”

**Operational Review**

**Middle East**

**Ooredoo Qatar**

Ooredoo Qatar reported stable Revenue of QAR 1.8 billion (Q1 2019: QAR 1.8 billion). EBITDA stood at QAR 966 million (Q1 2019: QAR 1,037 million). Customer numbers stood at 3.3 million. The company saw an increase in digital sales and digital service revenue during the period.

Network innovation continued to be a priority. Ooredoo Qatar’s content and entertainment services saw good growth, with a growing customer base for Ooredoo tv. The company also continued to drive 5G progress with more than 100,000 customers signing up to the new Shahry 5G and Qatarna 5G plans.

Towards the end of the period, Ooredoo Qatar saw some business impact from the COVID-19 outbreak, particularly on B2B revenue. The company launched the #StayHomeWithOoredoo campaign, which included dedicated offers and services for customers, and increased bandwidth allowance for school and university customers for free, to support distance learning.

**Ooredoo Oman**

The company’s revenues for the first quarter of 2020 were QAR 638 million, down by almost 2% compared to QAR 650 million reported in Q1 2019. Revenue reduction was partially offset by fixed line revenues, which continued to deliver double digit growth for the first quarter of the year.

EBITDA for Q1 2020 was QAR 356 million with a strong EBITDA margin of 56%, supported by cost management initiatives across the business including renegotiation of various contracts, which partially offset some of the declines in revenues during the period. For the first quarter of the year, 15% of total revenues was spent in capex, which was mainly used for network upgrades and maintenance, as well as IT transformation initiatives, and in line with the company’s digitalization strategy.

Ooredoo Oman has planned multiple initiatives to support the local community and its customers during this time including supporting front line and medical staff, conducting educational campaigns and supporting local businesses.

**Ooredoo Kuwait**

[[1]](#footnote-1)The company’s revenues in Q1 2020 were QAR 656 million compared to QAR 673 million in Q1 2019 in a competitive environment. Furthermore the COVID-19 lockdown added pressure on the economy and correspondingly impacted the performance of Ooredoo Kuwait. Going forward, the company will continue to optimize costs to manage the pressure on revenues as the COVID-19 situation continues to develop, parallel to a low pricing and economic slowdown environment.

Despite a difficult operating environment, the company continued to focus on its digital strategy and successfully converted more of its existing users to 5G plans to take advantage of the superior connectivity that the technology offers. Ooredoo Kuwait’s digital technology enabled it to seamlessly serve its customer base of 2.5 million in Q1 2020 through the My Ooredoo app and other digital channels. Simultaneously, the company continued to fulfil home deliveries of products and SIM cards for customers across the country.

Ooredoo Kuwait offered all workers in the ministries and governmental organizations 5GB of free data a day and unlimited local calls, in support of their efforts to contain the spread of COVID-19.

**Asiacell - Iraq**

Asiacell reported revenue growth to QAR 1.09 billion in Q1 2020, up from QAR 1.07 billion in Q1 2019. The company maintained a healthy EBITDA margin of 44% in Q1 2020, while EBITDA grew to QAR 473 million, marginally up from QAR 471 million reported for the same period last year.

Asiacell’s customer base increased by 5% to reach almost 15 million customers at the end of Q1 2020 as the company supported the government’s calls to stay at home by delivering SIMs & scratch cards to customers’ doors through mobile buses. Customers also benefited from extended payment plans during the period to help ease the burden on their personal finances.

The company continued to support communities across Iraq by donating to the Iraqi government and to the government of the Kurdistan Autonomous Region to manage the current crisis as well as extending an education campaign across its social media channels and through recorded call announcements encouraging citizens and residents to stay at home.

**North Africa**

**Ooredoo Algeria**

Ooredoo Algeria reported revenues of QAR 594 million in Q1 2020, down 8% over Q1 2019 driven by a challenging economic environment and significant declines in the month of March as measures taken to curtail the spread of COVID-19 came into effect. Consequently, EBITDA declined 23% to QAR 200 million in Q1 2020 compared to the same period last year, and the company has taken steps to optimise its expenses, particularly across its marketing and advertising spend.

Ooredoo Algeria launched several initiatives during the quarter to support its customer base of 12.3 million during the lockdown. To sustain the increase in data traffic, Ooredoo Algeria increased transmission capacity across all 48 Wilayas.

In addition, several initiatives were implemented to support communities across the country. These included the use of Ooredoo’s digital platforms to raise awareness on COVID-19 prevention in addition to the deployment of its e-learning platforms to support the ongoing education of students during the crisis. Ooredoo Algeria also teamed up with the Red Crescent to distribute hygiene kits and help sanitise public spaces.

**Ooredoo Tunisia**

Ooredoo Tunisia had a strong quarter, with growth across the board, despite challenging circumstances as the economy contracted following measures taken to stem the spread of COVID-19. Revenues grew 16% to QAR 382 million during the first quarter of 2020 compared to the same period last year, driven by a good performance of the B2B, Fixed and Data segments. The company continued to leverage its 4G network to drive data usage.

Careful cost optimisation initiatives have been implemented across the board, including migration to digital marketing, to partly mitigate some of the declines in revenue that are expected as the economy slows. Consequently, EBITDA for Q1 2020 increased by 18% to QAR 168 million compared to the same period last year supporting EBITDA margin improvement to a healthy level of 44% for Q1 2020.

Ooredoo Tunisia’s customer base remained stable at 9 million customers in Q1 2020, reaffirming its position as the number one telecom player by customer market share. Supporting its customers during these challenging times, Ooredoo Tunisia launched new nightly data bundles and free mobicash cards.

**Asia**

**Indosat Ooredoo**

Indosat Ooredoo maintained its growth trajectory from 2019 reporting a 7% increase in revenues to QAR 1.7 billion in Q1 2020 compared to the same period last year, mainly driven by higher ARPU due to a significant increase in data traffic. Strict cost management contributed to EBITDA growth of 9% to QAR 700 million during the first quarter of 2020 compared to the same period last year as the company reorganised operations to achieve greater efficiency. EBITDA margin increased to 42% for the same period, up from 41% in Q1 2019.

Indosat Ooredoo’s customer base grew by 5% to 56 million, compared to the same period last year, as the company continued to offer transparent and flexible solutions to its customers powered by its leading physical and digital infrastructure.

Indosat Ooredoo continues to implement a careful cost management program to mitigate some of the expected revenue declines as people and businesses across Indonesia are impacted by the COVID-19 pandemic. The company has also taken steps to ensure network readiness for the anticipated surge in fixed line and data usage.

**Ooredoo Myanmar**

Ooredoo Myanmar continued to focus on its digital transformation strategy with the deployment of Myanmar’s most advanced 4G network. As 4G adoption continues to grow, Ooredoo Myanmar’s 4G LTE Turbo, which uses the 900 MHz band and reaches the vast majority of Myanmar’s population, supported a 43% increase in the company’s customer base to 15.6 million in Q1 2020, representing a record in customer additions for the quarter.

Ooredoo Myanmar reported revenues of QAR 284 million for the first quarter of 2020 up 9% compared to the same period last year, driven by strong growth in data consumption during the period. Increased customer acquisition costs contributed to a compression of margins causing a decline in EBITDA to QAR 50 million compared to QAR 59 million in Q1 2019.

The company’s 3G and 4G networks are ranked number one for speed in the country while the “My Ooredoo” app continued to attract more customers demonstrating, strong demand for Ooredoo Myanmar’s digital offering.

Ooredoo’s Q1 2020 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.

1. [↑](#footnote-ref-1)