

Ooredoo Q.P.S.C.

Ooredoo Group announced Revenue of QAR 14 billion and Net Profit of QAR 818 million in H1 2020

Customer base increased by 2% to reach 117 million

Doha, Qatar, 28 July 2020: Ooredoo Q.P.S.C. ("Ooredoo") - Ticker: ORDS today announced its financial results for the half year ended 30 June 2020.

Financial Highlights:

	Quarterly Analysis			Half Year Analysis		
	Q2 2020	Q2 2019	% Change	H1 2020	H1 2019	% Change
Consolidated Revenue (QAR m)	6,823	7,316	-7%	14,118	14,508	-3%
EBITDA (QAR m)	2,973	3,166	-6%	5,996	6,339	-5%
EBITDA Margin (%)	44%	43%	-	42%	44%	-
Net Profit Attributable to Ooredoo Shareholders (QAR m)	432	421	3%	818	841	-3%
Customers in million (consolidated)	117	115	2%	117	115	2%

- Revenue declined by 3% year-on-year to QAR 14.1 billion due to the COVID-19 impact. A reduction in handset sales and roaming business as well as macroeconomic weakness in some of our markets was partially offset by robust growth in Indonesia, Tunisia and Myanmar.
- EBITDA declined by 5% year-on-year to QAR 6.0 billion, impacted by movement restrictions to contain the spread of COVID-19 in our markets as well as challenging market conditions in Algeria, Kuwait, Iraq and Oman.
- Group Net Profit attributable to Ooredoo shareholders declined by 3% to QAR 818 million in H1 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 account 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.

Operational highlights:

- COVID 19 response: Ooredoo Group remained sharply focused on mitigating the impact of COVID-19 during Q2 2020. Measures included enhancing health and safety and work from home initiatives for employees, continuing to provide uninterrupted connectivity and services for customers, optimised data traffic flows across our fixed and mobile networks, relief to communities that need it the most and targeted CSR campaigns and donations.
- Ooredoo Group enabled more people to work, study and socialize from home, with its customer base increasing by 2% to 117 million customers, boosted by additions in Myanmar and Qatar during H1 2020.
- Ooredoo Group continued to demonstrate its global leadership in 5G commercial deployment, with Ooredoo Oman being the latest to launch 5G Home Internet, enabling customers to experience connectivity up to 10 times faster than current home internet services and bringing high speed internet access to new areas of the country.
- In Qatar, Ooredoo reached a milestone of half a million mobile postpaid customers, while its 5G plans, launched in December 2019, have attracted more than 200,000 customers.
- Ooredoo Group maintained its world ranking in the 2020 edition of the Telecoms 300 report, as one of the top 50 global telecommunications brands for the fourth year in a row, with a brand value worth over USD 3.5 billion. It also maintained its Brand Rating status of AA+ for the second consecutive year.
- Ooredoo Group launched a Ramadan campaign under the theme “*In a time when we can't be together, at least we can still be close,*” showcasing the power of technology to bring families and friends together during the traditional Holy Month, and to enable communities around the world to overcome the current disruptions in their daily lives.

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

“Ooredoo Group, with its strong balance sheet and geographically diversified operations, has built a resilient business to successfully navigate the COVID-19 pandemic. Due to our strong digital capabilities, and innovative technology, Ooredoo Group was able to partially contain the erosion in its bottom line, despite the decline in revenues. Consequently, Ooredoo Group reported Net Profits of QAR 818 million for the first half of 2020, which were slightly down compared to the same period last year.

The COVID-19 pandemic has disrupted our world in an unprecedented manner and has impacted every aspect of our lives. Throughout this period, our priorities at Ooredoo Group have been clear: the health and safety of our employees and customers; the continued provision of uninterrupted services to keep our customers connected at all times, and the empowerment of frontline workers and disadvantaged communities through CSR activities and donations. For our customers, we provided more value with free data offers, upgrades and bundles, free access to educational and health resources online and increased convenience with access to fully digital services.

Digital transformation and technology continue to be a driving force for Ooredoo Group and our early investments in this area have enabled us to seamlessly respond to the new operating environment and serve our customers in a safe and convenient way. To accommodate the steep growth in data traffic during the pandemic, we are continuously optimising data traffic flows across our fixed and mobile networks. Additionally, experience sharing and cross-OpCo collaboration activities were implemented to help reduce the required resources and time to market.

These efforts have enabled us to stay true to our mission of enriching the digital lives of our customers, which is now more important than ever, and therefore, we have managed to accelerate our digital transformation plans across all markets. We now offer 5G speeds in three of our markets, with Ooredoo Oman being the latest to launch 5G Home Internet plans in Q2 2020 and 5G trials are ongoing in Indonesia, Myanmar and Maldives.”

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

“Ooredoo Group reported revenues of QAR 14.1 billion in H1 2020, down 3% year-on-year due to movement restrictions designed to contain the spread of the pandemic, reductions in handset sales and macroeconomic weakness in some of our other markets. This was partially offset by strong performances in Indonesia, Tunisia and Myanmar. Indosat Ooredoo’s revenues increased 6%, driven by its refreshed strategy and Ooredoo Tunisia’s value creation plan supported a 6% rise in its revenues. Strong demand for data supported an 8% increase in Ooredoo Myanmar’s revenue during the period.

Group EBITDA declined 5% to QAR 6.0 billion during H1 2020, compared to the same period last year, due to declining revenue and challenging market conditions in Algeria, Kuwait, Iraq and Oman. Across all our OpCos we remain committed to carefully optimising costs and driving operational efficiencies.

In our home market of Qatar, our post-paid customer base crossed the half a million mark and the 5G plans launched in December attracted over 200,000 customers already.

In Kuwait and Oman, we have partnered with the respective Ministry of Education to launch e-learning platforms from home for the upcoming school year 2020–2021. With digitalization at our core, we continue to invest in new products and services to power the future of connectivity. In Oman we launched 5G Home Internet which enables customers to experience connectivity up to 10 times faster than the current home internet services, while bringing high speed internet access to new areas of the country, and in Algeria we continue to operate the fastest 4G network in the country spanning all 48 Wilayas.

Operational Review

Middle East

Ooredoo Qatar

Ooredoo Qatar withstood significant pressure and strengthened its leadership position during the first half of 2020, despite the unique challenges created by the global COVID-19 pandemic and its impact on roaming revenue and shop accessibility in particular. Reported revenue was down 4% year-on-year to QAR 3.5 billion (H1 2019: QAR 3.7 billion). EBITDA stood at QAR 1.9 billion (H1 2019: QAR 2.1 billion). Customer numbers were 3.4 million, up 1.3% year-on-year.

The strength of Ooredoo Qatar’s network proved an important asset during the period, as the company re-optimised its mobile and fixed network to accommodate a significant increase in data traffic demand and extended network and telecom support to quarantine centres and hubs across the country. In addition, more than 200,000 customers have now signed-up for Shahry 5G and Qatarna 5G plans.

Ooredoo Qatar's #StayHomeWithOoredoo continued to provide dedicated services for customers working from home, while the 'Hadaya' campaign for Ramadan, which encouraged customers to interact with the Ooredoo app, saw more than 300,000 customers participate. Ooredoo Qatar's popular loyalty programme Nojoom celebrated its 11th anniversary with a variety of promotions. The company also launched Ooredoo Money sub-wallets for family members and domestic staff and partnered with Netflix to bring the streaming service to Ooredoo tv.

Ooredoo Oman

Ooredoo Oman reported revenues of QAR1.3 billion, a reduction of 4% compared to the first half of 2019 due to a decline in prepaid mobile and roaming revenues as well as fewer sales due to retail outlet closures (for up to 14 weeks). Free local call offers were extended to the community in support of the national "Stay at Home" initiative during the period.

EBITDA declined 7% to QAR 684 million during the first half of 2020, compared to the same period in the previous year. Ooredoo Oman's commitment to maintaining operational efficiency enabled it to maintain a robust EBITDA margin of 54% for H1 2020 as the company focused on optimising its marketing and advertising spend.

The company continued to deliver innovative solutions to its customer base of 2.6 million customers, such as the launch of 5G Home Internet in the Sultanate which offers connectivity of up to 10 times faster than current home internet services and brings high speed internet access to new areas.

Supporting education in these times of uncertainty, Ooredoo Oman partnered with the Ministry of Education to launch an e-learning platform for the academic year 2020-2021. Additionally, during H1 2020 the company offered free minutes to help connect families and communities during the COVID-19 pandemic.

Ooredoo Oman won two gold awards at the Stevie Awards Middle East 2020 for "Innovative Use of Technology in Customer Service" and "Innovation in the management, planning application of technologies". The company was also awarded "Excellence in Digital Transformation and Innovation Telecom Industry in the Middle East, by the Annual Global Brands Magazine Awards after being evaluated alongside 10,000 companies.

Ooredoo Kuwait

Ooredoo Kuwait reported revenues of QAR 1.2 billion for the first half of 2020, down 10% compared to the same period last year, as measures implemented to manage the COVID-19 pandemic — such as Free Daily 5GB Internet usage and Free Unlimited Local Calls — impacted an already competitive market environment.

The decline in Revenue had a negative impact on Ooredoo Kuwait's EBITDA for H1 2020, which stood at QAR 316 million compared to QAR 432 million during the same period last year. The company enhanced its plans to drive efficiency and further optimise costs in order to manage the pressure on its top line.

Despite these market challenges, Ooredoo Kuwait continues to progress with its digital strategy to better serve its customer base of 2.4 million. Strong demand for the company's 5G home broadband product enabled it to grow its 5G user base during the period and its fully digital mobile solution, ANA, remains popular with a user base of over 10,000.

Ooredoo Kuwait became the first telecommunications company in Kuwait to launch an e-learning solution as it sought to support schools across the country in the provision of uninterrupted education throughout the COVID-19 pandemic.

Asiacell — Iraq

Government measures designed to limit the spread of the COVID-19 pandemic impacted Asiacell's results for the half year ended June 30, 2020. The company reported revenues of QAR 1.9 billion in H1 2020, down 10% compared to the same period last year. As a result, EBITDA declined to QAR 828 million (H1 2019: QAR: 970 million) during the first half of 2020. Asiacell continued to manage costs to absorb the impact of revenue declines by optimising operational efficiency and controlling its marketing spend.

Asiacell's customer base decreased by 4% to 13.3 million customers at the end of H1 2020, as movement restrictions and curfews were implemented across the country. To help keep communities connected during the COVID-19 pandemic, Asiacell offered its customers data bonus on recharge, doubled their quota on emergency credit and extended the validity of prepaid lines.

The company continued to prepare for the launch of 4G as the Government committed to allow operators to launch LTE services in 2021.

North Africa

Ooredoo Algeria

Ooredoo Algeria continued to be impacted by challenging economic conditions, intense price competition and currency depreciation as the Algerian Dinar depreciated by 3% year on year. The company reported revenues of QAR 1.1 billion in H1 2020, down 11% compared to the same period last year. Consequently, EBITDA declined to QAR 371 million (H1 2019: QAR 459 million) during the first half of 2020. Ooredoo Algeria remains focused on optimising its cost base through a more efficient marketing spend.

Ooredoo Algeria launched 'Dima Ooredoo', a new digital portfolio launched through an innovative interactive campaign featuring sitcom actors; and launched 'Yara', a VOD platform that attracted 350,000 daily active users, as it continues to develop its digital ecosystem across all 48 Wilayas, to better serve its 12.9 million-strong customer base.

The company donated to the Red Crescent to support the fight against the COVID-19 pandemic.

Ooredoo Tunisia

Ooredoo Tunisia reported revenues of QAR 731 million for the half year ended 30 June 2020, up 6% compared to the same period last year, despite deteriorating economic conditions following the implementation of Government measures to control the spread of the COVID-19 pandemic.

EBITDA declined 2% to QAR 314 million during H1 2020 due to increased bad debt provisions as the economy slowed and one-off reversals that took place in H1 2019. The company continued to focus on cost optimisation to manage the deceleration in revenue growth.

Ooredoo Tunisia's customer base remained stable at 8.8 million customers in H1 2020, reaffirming its position as the number one telecom player by customer market share. The company supported hospitals and confinement centres with data access throughout the pandemic and extended its free Mobicash card promotion until the end of July.

Asia

Indosat Ooredoo

Indosat Ooredoo continues to deliver strong growth reporting revenues of QAR 3.4 billion for H1 2020, up by 6% compared to the same period in 2019. Growth was driven by the company's strategy to target higher margin customers contributing to ARPU expansion to reach a 5-year high, and robust growth in data traffic due to work from home initiatives through the COVID-19 pandemic.

The Company's EBITDA increased by 16% to QAR 1.5 billion for the half year period, driven by revenue growth and organisational restructuring to drive efficiency and optimise costs. Consequently, EBITDA margin increased to 45% in H1 2020, compared to 42% in H1 2019.

Indosat Ooredoo's customer base grew by 1% to 57.2 million, supported by the company's robust digital channels – able to serve its customers in a safe and efficient manner during the pandemic – and by its leading network infrastructure.

Ooredoo Myanmar

Ooredoo Myanmar delivered a healthy set of results for the first half of 2020 as it grew its customer base and continued its digital transformation agenda. The company's customer base increased 34% to 14.8 million in H1 2020 compared to the same period last year.

Revenues increased by 8% to QAR 580 million during the first half of 2020, compared to the same period in 2019, supported by currency appreciation and a healthy growth in data consumption which offset declines in voice revenue. EBITDA for H1 2020 was QAR 124 million, down 7% compared to the same period in the previous year due to increased customer acquisition costs.

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.

During the period, Ooredoo Myanmar offered free data to encourage SIM registration, in line with local regulations.

Ooredoo's Q2 2020 financial statements will be available on its website, accessible at: <http://www.ooredoo.com>.

For further information:

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Follow us on Twitter: [@OoredooIR](https://twitter.com/OoredooIR)

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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.