

Ooredoo Q.P.S.C.

Ooredoo Group announced 16% increase in Net Profit to QAR 1.5 billion at 9M 2020

Customer base increased by 3% to reach 119 million

Doha, Qatar, 28 October 2020: Ooredoo Q.P.S.C. (“Ooredoo”) - Ticker: ORDS today announced its financial results for the nine-month period ended 30 September 2020.

Financial Highlights:

	Quarterly Analysis			9M Analysis		
	Q3 2020	Q3 2019	% Change	9M 2020	9M 2019	% Change
Consolidated Revenue (QAR m)	7,296	7,457	-2%	21,414	21,965	-3%
EBITDA (QAR m)	3,253	3,325	-2%	9,249	9,664	-4%
EBITDA Margin (%)	45%	45%	-	43%	44%	-
Net Profit Attributable to Ooredoo Shareholders (QAR m)	650	424	53%	1,468	1,265	16%
Customers in million (consolidated)	119	116	3%	119	116	3%

- Revenue declined by 3% year-on-year to QAR 21.4 billion at 9M 2020, due to the COVID-19 pandemic impact, with a reduction in handset sales and roaming business as well as macroeconomic weakness in some of our markets. This was partially offset by growth in Indonesia.
- EBITDA declined by 4% year-on-year to QAR 9.2 billion at 9M 2020, impacted by lower revenues and higher cost of sales as well as challenging market conditions in Algeria, Kuwait, Iraq and Oman. The company maintains its focus on digitalization and cost optimization, which is reflected in the strong EBITDA margin for the 9M and Q3 2020 periods.
- Group Net Profit attributable to Ooredoo shareholders increased by 16% year-on-year to QAR 1.5 billion at 9M 2020 due to 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 pandemic.

Operational highlights:

- Ooredoo Group expanded its customer base by 3% to 119 million customers, boosted by additions in Indonesia and Myanmar during 9M 2020.
- Ooredoo Group reinforced its leadership as a digital enabler with strong demand for its offerings including Ooredoo Oman's mobile wallet, Pay+, developed in conjunction with National Bank of Oman and Asiacell's new mobile app, which has become the most downloaded app by a telecom operator in Iraq.
- Ooredoo Group launched a number of initiatives to support the communities in most need of assistance during the pandemic public health crisis, with a focus on the medical and education sectors. Initiatives included donating ventilators, defibrillators, patient monitors and other emergency medical equipment to hospitals in Myanmar; donating laptops to students and providing access to online education portals and app-based learning solutions in Oman and Algeria; as well as targeted customer relief packages and support, featuring complimentary data and bill payment flexibility across several markets.

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

"Ooredoo Group has been fortunate to have a well-diversified business - across geography and customer composition - in addition to a strong balance sheet, which has helped us maintain resilience during these challenging times. We reported a Group net profit of QAR 1.5 billion for the first nine months of 2020, an increase of 16% compared to the same period last year. We have seen a positive trend of Revenue growth in the vast majority of our markets when comparing the third quarter with the second quarter of 2020.

Digital transformation continues to be a key value driver for our business. Our leadership in this area enabled us to seamlessly respond to the new operating environment and serve our customers in a safe and convenient way, in spite of the movement restrictions. We expanded our customer base with the launch of new products such as Ooredoo Oman's mobile wallet, Pay+, and Asiacell's new mobile app which has become the most downloaded app by a telecom operator in Iraq.

For the communities we operate in, we launched a number of initiatives to provide support to medical centres through donation of medical equipment, and for students, we provided free data and e-learning platforms to support remote learning."

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

"Ooredoo Group reported a healthy set of results, despite challenging circumstances due to the COVID-19 pandemic. Group revenues for the first nine months of 2020 were QAR 21 billion, down 3% compared to the same period last year, due to macroeconomic weaknesses in some of our markets that were partially offset by a robust performance in Indonesia.

Indosat Ooredoo reported revenue growth of 6% as it implemented its strategy of offering simple, relevant, and transparent products. Ooredoo Kuwait experienced Revenue growth in Q3 over Q2 2020, Ooredoo Algeria showed signs off an improved market situation in the recent months. Ooredoo Oman increased 5G coverage further, while Asiacell is preparing for the launch of LTE in 2021. Ooredoo Tunisia improved its mobile data leadership position and in our home market in Qatar, we improved revenue sequentially and year on year in Q3.

We continued to focus on optimising our cost base to absorb some of the pressure from the decline in revenues. For the first nine months of 2020, Group EBITDA declined 4% to QAR 9.2 billion, compared to the same period last year, due to the decline in revenues. However, Group net profit increased 16% during the same period, benefitting from FX gains in certain markets.

Ooredoo Group continues to witness strong demand for its product and services, as demonstrated by the 3% increase in our customer base to 119 million during these challenging times, supported by strong customer growth in Indonesia and Myanmar.”

Operational Review

Middle East

Ooredoo Qatar

Ooredoo Qatar focused on growth and strengthened its leadership position in the face of a range of challenges caused by COVID-19 pandemic. While roaming revenue continued to be impacted by global travel restrictions, the company saw positive returns from fixed and ICT services in particular. Reported revenue was QAR 5.3 billion (9M 2019: QAR 5.4 billion). EBITDA stood at 2.9 billion (9M 2019: 3.0 billion). Total customers reached 3.3 million, up 2.7% year-on-year, with the mobile customer base growing by 3.2%, and the postpaid customer base up by 2.8%.

EBITDA margin sustained its positive trend at 55% (9M 2019: 56%).

EBITDA was strengthened by a range of cost optimisation measures, including franchising shops, re-negotiating major content deals, and an increased focus on digitisation and related programmes. The launch of Ooredoo ONE 'All-In-One' Home Service comprising TV, home broadband and landline triple play extended the range of home entertainment options for the community and contributed to customer growth for Ooredoo tv of 2% year-on-year.

Ooredoo Qatar's network enhancement programme ensured ~~that~~ network and telecom support and readiness ~~for~~ quarantine centres and hubs as required. More than 463,000 homes across the country are now connected to Ooredoo Fibre.

Ooredoo Oman

Lockdowns and movement restrictions which took place during the first nine months of 2020 impacted Ooredoo Oman's results for the period. Revenues declined 5% to QAR 1.9 billion compared to the same period last year, due to a reduction in mobile revenues. Consequently, EBITDA for the period declined 9% to QAR 1.0 billion compared to the same period last year.

Ooredoo Oman served a customer base of 2.6 million (9M 2019: 3.0 million) during the first nine months of 2020 as it expanded the coverage of its 5G Supernet Home Internet across the country. The company's mobile wallet, Pay+, developed in conjunction with National Bank of Oman, has seen great take-up, enabling customers to make contactless deposits, bill payments, transfers, and pay at over 3,000 merchants, using just their mobile numbers.

Ooredoo Oman remains committed to supporting the local community through these uncertain times by donating laptops to students and providing access to an online education portal and app-based learning solution through its enhanced digital tutorial app.

Ooredoo Kuwait

Ooredoo Kuwait reported revenues of QAR 1.8 billion for the first nine months of 2020, down 9% compared to the same period last year, due to softening macroeconomic conditions as a result of the COVID-19 pandemic as well as intense market competition.

EBITDA for the period was QAR 482 million, down 24% compared to the same period in 2019, due to the reduction in revenues. The company made good progress with the implementation of its cost optimisation plans as it seeks to absorb some of the pressure on the top line.

Ooredoo Kuwait continues to develop and improve its offering for its customer base of 2.4 million at the end of the first nine months of 2020 (9M 2019: 2.6 million) and in September celebrated 1000 days of data center services with zero downtime.

Asiacell — Iraq

Asiacell's performance for the first nine months of 2020 was impacted by movement restrictions across Iraq due to the COVID-19 pandemic. The company reported revenues of QAR 3.0 billion for the period, down 10% compared to the same period last year.

As a result, EBITDA declined 11% to QAR 1.3 billion during the first nine months of 2020 compared to the same period last year. However, the company's cost optimisation initiatives helped contain the impact from revenues, reflected in the stable EBITDA margin for 9M 2020 of 45%.

Asiacell's customer base was stable at 14.2 million (9M 2019: 14.1 million) at the end of 9M 2020, supported by the company's digital offering. Asiacell launched its mobile app which became the most downloaded app by a telecom operator in Iraq, with more than 1.5 million downloads.

North Africa

Ooredoo Algeria

Ooredoo Algeria was impacted by challenging market conditions characterised by intense price competition, softening macroeconomic environment and the 5% year on year depreciation of the Algerian Dinar.

The company reported revenues of QAR 1.7 billion for the first nine months of 2020, down 11% compared to the same period last year. Consequently, EBITDA for the nine-month period was down 13% to QAR 575 million. Ooredoo Algeria remains focused on optimising its cost base through a more efficient marketing spend.

Sequentially, revenues increased 10% in Q3 2020 compared to the previous quarter reflecting the initial stages of a recovery as movement restrictions ease and commercial activity resumes.

Ooredoo Algeria's customer base was 12.3 million at the end of the first nine months of 2020 compare to 13.4 million for the same period in 2019.

Ooredoo Tunisia

Ooredoo Tunisia reported revenue growth of 2% to QAR 1.1 billion, for the first nine months of 2020 compared to the same period last year, despite challenging macroeconomic conditions as a result of the COVID-19 pandemic.

Increased billing and collection cost reflecting a slowing economy contributed to a 6% decrease in EBITDA to QAR 494 million during 9M 2020 compared to the same period last year. Ooredoo Tunisia continues to implement its cost optimisation programme as well as enhance marketing spend through the use of digital channels.

Ooredoo Tunisia's customer base was 8.8 million (9M 2019: 9.1 million) in 9M 2020, reaffirming its position as the number one telecom player by customer market share. The company launched its updated "My Ooredoo App", in line with its strategy to boost its digital offering.

Asia

Indosat Ooredoo

Indosat Ooredoo's strategy to offer simple, relevant, and transparent products continues to yield results in a highly competitive environment. The company's revenues increased 6% to QAR 5.1 billion during the first nine months of 2020 compared to the same period last year, supported by strong mobile revenue.

Indosat Ooredoo's strong top line performance led to EBITDA growth of 11% for the nine-month period compared to the same period last year to QAR 2.4 billion, as the company increased efficiency and optimised costs. EBITDA margins for the period expanded to 46% compared 44% for the same period last year.

Indosat Ooredoo's customer base grew by 3% to 60.4 million, supported by the company's robust digital channels and by its leading network infrastructure.

Ooredoo Myanmar

Ooredoo Myanmar continued to make good progress on its digital transformation, supporting the growth of its customer base to 13.1 million at the end of the first nine months of 2020, up 31% compared to the same period last year.

Revenues for the nine-month period were QAR 872 million, up 8% compared of the same period last year, driven by favorable Foreign Exchange rates, increased data consumption which offset declines in voice revenue. EBITDA decreased 12% to QAR 198 million during the first nine months of 2020 compared to the same period last year, due to increased customer acquisition costs.

Ooredoo Myanmar supported the nation's efforts to combat COVID-19, by donating ventilators, defibrillators, patient monitors and other emergency medical equipment to the Yangon General Hospital.

Ooredoo's Q3 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.