

## Ooredoo Q.P.S.C.

### Ooredoo Group announced Revenue of QAR 22 billion for 9M 2021 EBITDA increased 7% to QAR 10 billion

**Doha, Qatar, 27 October 2021:** Ooredoo Q.P.S.C. ("Ooredoo") - Ticker: ORDS today announced results for the nine months ended 30 September 2021.

#### Financial Highlights:

	Quarterly Analysis			9M Analysis		
	Q3 2021	Q3 2020	% Change	9M 2021	9M 2020	% Change
Consolidated Revenue (QAR m)	7,609	7,296	4%	22,118	21,414	3%
EBITDA (QAR m)	3,463	3,252	6%	9,904	9,248	7%
EBITDA Margin (%)	46%	45%	-	45%	43%	-
Net Profit/ Loss Attributable to Ooredoo Shareholders (QAR m)	197	650	- 70%	-760	1,468	n/a
Normalized NP (excl. FX, tower sales and impairment) (QAR m)	650	508	28%	1,580	1,119	41%
Customers in million (consolidated)	121	119	2%	121	119	2%

- **Revenue** for the nine months ended 30 September 2021 stood at QAR 22.1 billion, an **increase of 3%** compared to the same period last year. Mainly driven by growth in our home market Qatar, Indonesia, and Tunisia. **Excluding FX impact, revenue increased by 6%.**
- Group EBITDA for the nine-month period was QAR 9.9 billion with a corresponding EBITDA margin of 45%, driven by growth in Indonesia, Kuwait and Algeria. **The EBITDA growth rate stood at 7% and at 10% excluding FX impact.**
- **Consolidated customer base increased by 2% to exceed 120 million** due to strong performances in Indonesia, Oman, Algeria, and Iraq.
- Group Net Profit attributable to shareholders turned negative mainly due to FX losses and the impairments in Myanmar. The negative impact was partly offset by profit from the sale and leaseback of Indosat Ooredoo's tower assets (QAR 1,000 million) and reversals of COVID-19 FX provision. **Excluding these one-offs and FX impact, Net Profit increased by 41%.**

### Operational highlights:

- On September 16, Ooredoo Group and CK Hutchison announced the signing of definitive transaction agreements for the **proposed merger** of their respective telecommunications businesses in Indonesia. The merged entity, to be named **Indosat Ooredoo Hutchison**, is set to become a stronger number two telco operator in the market.
- On September 30, Ooredoo Group announced title sponsorship of Qatar's first-ever Formula 1 race, officially named the '**Formula 1 Ooredoo Qatar Grand Prix**'.
- On July 26, Ooredoo Group announced a partnership with Quest, the first and largest Qatari company specializing in eSports to launch its **own eSports brand, Ooredoo Nation – Gamers' Land**. As part of the agreement, Ooredoo will be launching a series of products, services and initiatives specifically geared towards the gaming audience.
- Post quarter, on October 25, Ooredoo won two awards: "**Leading Corporate for Investor Relations**", and "**Best Investor Relations Professional**" in Qatar at the 2021 Middle East Investor Relations Association ("MEIRA") Annual Conference

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

"We reported solid results for the nine months ended 30 September 2021, driven by the ongoing implementation of our digital strategy and cost optimisation programme. Revenues increased by 3%, and our EBITDA margin improved to 45%, up from 43% from 9M 2020, despite the challenges presented to us due to COVID-19.

As a leader in the industry, we strive to provide reliable connectivity and innovative products to our customers, which has, in turn, resulted in increased customer confidence in the business and an increase in our customer base by an additional two percent."

### Also commenting on the results, Aziz Aluthman Fakhroo, Managing Director of Ooredoo said:

"We are pleased to report the ongoing positive trend in the business as market activity improves in some of our core markets. This trend is even stronger excluding the FX impact with revenue growth of 6% and EBITDA growth of 10%.

Our Net Profit was impacted mainly due to FX losses and the impairment of our operations in Myanmar, due to the continued political unrest. The negative impact was partially offset by the gain realized on Indonesian tower sale and leaseback transaction. Excluding these one-offs and the FX impact, the Net Profit increased by 41%.

Our home market Qatar continues to deliver strong results with growth in revenue of 3% and a strong EBITDA margin of 54%.

Our cost control measures resulted in an improved EBITDA for Ooredoo Kuwait and Ooredoo Algeria.

Ooredoo Tunisia recorded an 8% increase in revenue for the nine-month period.

Ooredoo Oman's customer base increased by 6% and Asiacell recorded 7% more customers.

Finally, Indosat Ooredoo continues to deliver a strong set of results across the board, contributing significantly towards Group growth, with a 14% increase in revenue and an improved EBITDA margin of 50%. We expect to see significant growth following the proposed merger of Indosat Ooredoo and CK Hutchison which was announced in September. The merger will lead to the creation of a stronger number two telco operator in the Indonesian market and a new world-class digital telecoms and internet company for Indonesia. As a digital powerhouse, Indosat Ooredoo Hutchison will generate greater value for customers, shareholders, as well as the country, backed by its two strong and experienced holding companies, who will retain joint control of the merged entity and support its future growth

We remain optimistic about the growth of the business and look forward to continuing to deliver long-term value to all our key stakeholders.”

## **Operational Review**

### **Middle East**

#### **Ooredoo Qatar**

Ooredoo Qatar saw growth during the period. Reported revenue was up 3% year-on-year to QAR 5.4 billion (9M 2020: QAR 5.3 billion), driven by growth in post-paid services, business-to-business revenue, sales of Ooredoo TV, mobile financial services (MFS) and increased sales of devices. EBITDA reached QAR 2.9 billion with EBITDA margin at 54% in line with the previous year. Total customers were 3.1 million.

On July 26, Ooredoo Group announced a partnership with Quest, the first and largest Qatari company specializing in eSports to launch its **own eSports brand, Ooredoo Nation – Gamers’ Land**. As part of the agreement, Ooredoo will be launching a series of products, services and initiatives specifically geared towards the gaming audience

The company continuously aims to be the provider of choice for ICT services and content within Qatar. In the B2B space, it launched the new Aamali service on the My Ooredoo Business Portal, enabling small businesses to customise voice, data, and international calling allowances in a bespoke package. In addition, Ooredoo Qatar upgraded its Business Broadband portfolio and continued to transform and digitalise fixed-line corporate services. Ooredoo Qatar was recognised as Microsoft’s ‘Qatar Partner of the Year’ and by Moneygram as ‘Partner of the decade’.

Ooredoo Qatar’s focus on digitisation delivered significant cost savings, with more customers migrating to online self-care and self-service. Major sponsorships announced during the period include title sponsorship of Qatar’s first-ever Formula 1 race, which will be officially named the **Formula 1 Ooredoo Qatar Grand Prix**, and a one-year renewal of the Ooredoo Cup.

#### **Ooredoo Oman**

Ooredoo Oman reported a decrease of 8% in revenue due to lower revenue in consumer mobile prepaid, increased competition in the market, as well as a slow recovering economy. EBITDA decreased by 12% to QAR 903 million, and EBITDA margin was 52%, down from 54% for the nine-month period in 2020.

Ooredoo Oman’s customer base increased to 2.8 million in the nine months ended 30 September 2021, compared to 2.6 million in the same period last year.

5G continues to perform exceedingly well in Oman driven by the continuous roll-out of 5G network with over 580 sites in total as of end September.

In October, Northern Oman was hit by the devastating Tropical Cyclone ‘Shaheen’, impacting 417 of Ooredoo Oman’s sites which recovered fully within seven days.

## **Ooredoo Kuwait**

The COVID-19 pandemic and a decline in Kuwait's population continued to put pressure on Ooredoo Kuwait's performance during 2021. However, with the gradual ease of travel restrictions, supported by the stabilisation of oil prices, Kuwait's population has witnessed a slight uptick. With this, the company reported a slight increase in revenue of QAR 1.9 billion for the nine months ended 30 September 2021. EBITDA increased 16%, supporting an improved EBITDA margin of 30%, up from 26% compared to the same period last year.

Ooredoo Kuwait's 5G rollout increased further during the period.

Ooredoo Kuwait's continued commitment to its customers through providing world-class services was recognised by the Stevie International Business Awards where the Company was awarded a Gold Stevie in the 'Mobile On-Demand Application' category for the My Ooredoo App, as well as a Bronze Stevie for Ooredoo Kuwait's volunteer program in the 'Corporate Social Responsibility Program of the Year' category.

Ooredoo Kuwait won the "fastest mobile network in Kuwait" in the Speedtest awards 2021 by a leading independent technology research company.

## **Asiacell – Iraq**

Asiacell reported revenue of QAR 2.8 billion during 9M 2021, a decrease of 8% mainly due to the devaluation of the Iraqi Dinar by 20%. In local currency terms, the revenue was up 12% and EBITDA increased by 16% supporting an EBITDA margin of 46% driven by ongoing cost optimisation initiatives.

During the quarter, Asiacell focused heavily on improving the customer experience by extending its 4G coverage and optimising the network, resulting in Asiacell's position as the number one mobile data network provider in Iraq. Furthermore, the Company increased its LTE enabled sites in the network with a significantly improved 4G data speed resulting in customers shifting from 3G to 4G during the period.

Asiacell's customer base increased by 7% to 15.2 million for the nine months ended 30 September 2021, compared to 14.2 million for the same period in 2020.

## **North Africa**

### **Ooredoo Algeria**

Economic activity in Algeria is showing signs of a slow recovery, despite the continued depreciation of the Algerian Dinar, (-9% yoy). Ooredoo Algeria's EBITDA increased by 6% for the nine months ended 30 September 2021. The company's focus on efficiency and cost optimisation supported a healthy EBITDA margin of 36%. While revenues stood flat at QAR 1.7 billion, in local currency terms revenue increased by 8%.

Ooredoo Algeria's "Yooz" continued to be a priority as the Company rolled out the new, optimised version of the app, reinforcing Ooredoo Algeria's position in the market and boosting growth across direct and indirect channels. Yooz is a digital prepaid offer targeting Algerian youth to help them personalise their own data plans virtually and access exclusive digital content. Customer number increased by 3% to reach 12.7 million.

Ooredoo Algeria's network site availability stood very high despite extensive forest wildfires, and 4G network rollout continued to increase during the period. Ooredoo Algeria launched an initiative to support areas impacted by the forest fires.

## **Ooredoo Tunisia**

Ooredoo Tunisia delivered robust results despite an increase in the number of COVID-19 cases, with revenue of QAR 1.2 billion for the nine months ended 30 September 2021, an increase of 8% compared to the same period last year.

Ooredoo Tunisia reported an EBITDA of QAR 511 million, up 3% compared to the same period last year. The company remains focused on the implementation of its value creation plan which includes expanding its digital proposition and streamlining its operations through the digitisation of its sales and distribution channels.

Ooredoo Tunisia changed the reporting methodology of its prepaid customer's base from the original life-cycle definition to the 90 days network activity definition to align with a common methodology across mobile operators within the country. Ooredoo Tunisia's customer base now stands at 7.2 million.

## **Asia**

### **Indosat Ooredoo**

Indosat Ooredoo continues to deliver strong growth, reporting a 14% increase in revenue to QAR 5.9 billion for the nine months ended 30 September 2021. EBITDA increased by 23% to QAR 2.9 billion mainly driven by solid top line growth and cost optimisation.

Indosat Ooredoo's relentless focus on customer experience and on offering innovative products led to an increase in the Company's customer base by 3%.

Furthermore, the Company is well ahead of its network roll-out and capacity expansion plans and has successfully launched commercial 5G services in Surabaya. This launch is a continuation of the 5G revolution in Indonesia, following the commercial launch of the 5G service in Solo and Jakarta.

### **Indosat Ooredoo Hutchison (IOH)**

In September, Ooredoo and CK Hutchison announced the proposed merger of Indosat Ooredoo and Hutchison 3 Indonesia ("H3I"). The merged entity, to be named Indosat Ooredoo Hutchison, will strengthen its position as number two telco operator in the market and build on the complementary strengths of both companies.

IOH will have sufficient size and scale, whilst providing a level playing field in a highly fragmented market, which will improve margins and be credit positive for the both the company and the sector.

The transaction has a combined pre-synergy implied enterprise value of approximately USD 6.0 billion. Annual run rate pre-tax synergies of approximately USD 300-400 million are expected to be realized over 3-5 years, mainly from decommissioning 25-30% of the combined sites.

Indosat Ooredoo Hutchison will remain listed on the Indonesian Stock Exchange and will be jointly controlled by the Ooredoo Group and CK Hutchison via Ooredoo Hutchison Asia – both financially strong shareholders committed to driving growth in the Indonesian telecoms industry.

The Indosat Ooredoo Board will consider declaring interim and final dividends to all current shareholders based on the proceeds from the tower sale in May 2021 (total deal consideration USD750 million). Ooredoo Group will

receive its share of the dividends based on its current 65% shareholding, net of expected deductions for withholding taxes.

Indosat Ooredoo shareholders who choose to dissent can be bought out at IDR 5,247 per share, the valuation of Indosat Ooredoo as per the IFA which is net of the expected dividend. Ooredoo expects that this merger will create significant value going forward for all shareholders who remain invested in the business.

### **Ooredoo Myanmar**

Authorities in Myanmar proclaimed a one-year State of Emergency in February 2021, which significantly impacted Ooredoo Myanmar's revenues. Furthermore, the Myanmar Ministry of Transport and Communications (MoTC) instructed operators to shut down all telco services in certain townships, placing further pressure on the Company's operations. Subsequently Ooredoo Myanmar reported an 8% decline in revenue to QAR 799 million impacted by FX depreciation. For the nine months ended 30 September 2021, the Company reported a 24% increase in EBITDA to QAR 244 million, partly assisted by lower cost of sales.

The Company launched a new game "Oomanji" on the My Ooredoo App which has been played over 25 million times since its launch, contributing to the 'My Ooredoo App' revenue. Furthermore, Ooredoo Myanmar continued to focus on its digitisation efforts with the launch of two more versions of the 'My Ooredoo App' that now includes a wallet feature, consolidating the GSM and mobile money business.

Ooredoo's Q3 2021 financial statements will be available on its website, accessible at: <http://www.ooredoo.com>.

### ***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 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 29 billion as of 31 December 2020. Its shares are listed on the Qatar Stock Exchange and the Abu Dhabi Securities Exchange.