

Ooredoo Q.P.S.C.

Ooredoo Group announced Revenue of QAR 11 billion for H1 2022 Net Profit turned positive

Doha, Qatar, 27 July 2022: Ooredoo Q.P.S.C. (“Ooredoo”) - Ticker: ORDS today announced its financial results for the half year ended 30 June 2022.

Financial Highlights:

Due to the **merger of Indosat Ooredoo (IO) and Hutchison in Indonesia** as of January 4, 2022, the **accounting treatment of Ooredoo’s previous largest international operation has been changed**. Indosat Ooredoo Hutchison (“IOH”) Revenue, EBITDA, customers, and Capex are **no longer consolidated**, as the operation is now classified as a **“joint venture company.”** For **“a like for like” comparison**, we have added a **proforma table** excluding the Indonesian consolidated results in 2021 and normalising for major non-recurring items.

Proforma Numbers	Normalised Proforma, excl. Indosat Ooredoo in Q2 2021*			Normalised Proforma excl. IO in H1 2021		
	Q2 2022	Q2 2021	% Change	H1 2022	H1 2021	% Change
Consolidated Revenue (QAR m)	5,541	5,379	3%	11,086	10,689	4%
EBITDA (QAR m)	2,234	2,185	2%	4,555	4,473	2%
EBITDA Margin (%)	40%	41%	n/a	41%	42%	n/a
Net Profit attributable to Ooredoo Shareholders (QAR m)	649	472	37%	1,326	930	43%
CAPEX (QAR m)	593	729	-19%	965	1,219	-21%
CAPEX/Revenue (%)	11%	14%	n/a	9%	11%	n/a
Free Cash Flow (QAR m)	1,640	1,455	13%	3,590	3,254	10%
Customers in million (consolidated)	55	58	-6%	55	58	-6%

Reported Numbers	Quarterly Analysis			Half Year Analysis		
	Q2 2022	Q2 2021	% Change	H1 2022	H1 2021	% Change
Consolidated Revenue (QAR m)	5,541	7,312	-24%	11,086	14,509	-24%
EBITDA (QAR m)	2,479	3,227	-23%	4,800	6,440	-25%
EBITDA Margin (%)	45%	44%	n/a	43%	44%	n/a
Net Profit attributable to Ooredoo Shareholders (QAR m)	816	(1,149)	n/a	1,475	(956)	n/a
CAPEX (QAR m)	593	1,122	-47%	965	1,971	-51%
CAPEX/Revenue (%)	11%	15%		9%	14%	
Free Cash Flow (QAR m)	1,886	2,106	-10%	3,836	4,469	-14%
Customers in million (consolidated)	55	118	-54%	55	118	-54%

Normalised Proforma numbers excluding IO and major non-recurring items:

- **Revenue** for the half year ended 30 June 2022 stood at **QAR 11 billion, an increase of 4%** compared to the same period last year.
- **Group EBITDA** for the period was **QAR 4.5 billion, an increase of 2%**. EBITDA has been normalized for two Indonesian non-recurring item, i.e., the data centre deal in 2022 and the tower sale & lease back in 2021.
- **CAPEX** for the period stood at **QAR 965 million**.
- **Free Cash Flow increased 10%** to reach **QAR 3.6 billion**
- **Net Profit** for the period stood at QAR 1.3 billion **up 43%** from the first half of 2021. NP has been normalised in the same manner as EBITDA plus impairments and FX impact.
- **Consolidated customer base stood at 55 million**, driven by growth most markets offset by a decline in Myanmar.

Operational highlights:

- **FinTech:** On April 13, **Ooredoo Money in Qatar signed a partnership with Thunes**, a global cross-border payments platform headquartered in Singapore, to offer real-time money transfers to multiple international mobile wallets
- On May 21 **Ooredoo Kuwait** became the first telecom company to obtain a license for **cloud computing services**
- On July 3, Ooredoo Group announced a joint agreement with international communications company, **BICS**, to create an innovative voice business model that will deliver innovative solutions in artificial intelligence, machine learning, and fraud protection.

- On June 22, Ooredoo Qatar's CEO, Sheikh Mohammed Bin Abdulla Al Thani, participated in the 2022 Qatar Economic Forum Powered by Bloomberg, in a high-level roundtable entitled '**Tech Cities: Infrastructure for a Connected World**'.
- During the first half of the year, **Ooredoo Group won seventeen accolades at international award ceremonies**, recognizing its commitment to market-leading product offerings and innovation.

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

"Ooredoo Group had a good start to the year. Taken the deconsolidation of our Indonesian operation into account we delivered growth in revenues and a Net Profit of QR 1.3 billion up 43% over the first half of 2021. Our strategy to provide robust connectivity and superior customer experiences is clearly paying off.

As we enter the second half of the year, we are more determined and ambitious to leverage the growing opportunities in the market to build a world-class data experience for our customers. Led by our digital transformation strategy, we are well positioned to see strong returns as we continue to be agile and adapt to the fast-changing nature of our markets."

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

"Ooredoo Group delivered strong results for the first half of 2022. In local currency terms all our operations have grown their Revenues. Normalized Proforma revenue increased by 4% yoy supported by a stable EBITDA margin of 41%. The success of our transformation strategy is evident and proven through our improved free cash flow of QAR 3.6 billion, which increased by 10%.

In our home market of Qatar, we reported revenue of QAR 3.8 billion, an increase of 3%, and a customer base increase of 5% to 3.2 million.

Ooredoo Kuwait revenue was up 13% to reach QAR 1.4 billion and it became the first telco in Kuwait to obtain a Cloud Service Provider license from the Communication and IT Regulatory Authority.

Ooredoo Oman's customer base increased to 2.9 million while revenue was up by 2% and EBITDA by 5% despite a new entrant in the Omani market.

Ooredoo Algeria and Ooredoo Tunisia both reported revenue growth in local currency terms of 4% and 2% respectively.

Asiacell continued their strong performance and revenue increased 3%.

The integration between Indosat Ooredoo and Hutchison in Indonesia is progressing well, with the merged entity, Indosat Ooredoo Hutchison, on track to hit its targets outlined at the start of 2022.

We look forward to continuing to deliver on this continued growth and will provide further updates in due course."

Operational Review

Middle East

Ooredoo Qatar

Ooredoo Qatar reported revenue of QAR 3.8 billion (H1 2021: QAR 3.7 billion), an increase of 3% driven by growth in postpaid, Ooredoo tv, Ooredoo Fintech and business-to-business services. EBITDA stood at 1.9 billion (H1 2021: QAR 2.0 billion). Customer numbers increased to 3.2 million (H1 2021: 3 million), a 5% increase, in line with population growth in Qatar.

The OTV customer base grew by 10% compared to H1 2021, driven by the popularity of Ooredoo tv's triple play service. Service revenue grew by 5%.

As part of its ongoing investment in innovation, Ooredoo Qatar signed a Memorandum of Understanding with Siemens and Microsoft to develop digital, Internet of Things (IoT) and software analytics solutions to serve smart infrastructure applications in different market segments, with a particular focus on urban environments.

Ooredoo Oman

Despite increased competition in the market, Ooredoo Oman delivered good results for the first half of the year.

The Company reported revenues of QAR 1.2 billion (+2%) for the period, primarily driven by higher wholesale revenue and device sales. EBITDA for the period increased 5% to QAR 650 million, supported by a healthy EBITDA margin of 53%.

Testament to its continuous efforts to introduce innovative products, Ooredoo Oman received the bronze award at the Annual Middle East and North Africa (MENA) Stevie Awards for 'Excellence in Innovation in Technology Industries'. The Company's customer base stands at 2.9 million.

Ooredoo Kuwait

Kuwait lifted all COVID-19 restrictions in May which resulted in improved economic conditions. Ooredoo Kuwait reported 13% increase in revenue to QAR 1.4 billion, an increase in EBITDA by 17%, supported by an improved EBITDA margin of 30%, up from 29% compared to the same period last year.

In line with Ooredoo's strategy to provide uninterrupted digital solutions to its customers, Ooredoo Kuwait reiterated its commitment to being one of the leading companies in information technology solutions through becoming the first telco in Kuwait to obtain a Cloud Service Provider license from the Communication and IT Regulatory Authority (CITRA).

Asiacell – Iraq

Asiacell reported revenue of QAR 1.7 billion, an increase of 3%, driven by the Company's strategy to mitigate lower voice revenues due to the ongoing political instability in Iraq.

Higher energy and increased leased line cost negatively impacted Asiacell's EBITDA by 3% to reach QR 755 million.

Asiacell's 4G+ technology, which has been launched in all major cities across Iraq, has resulted in enhanced speed and better customer experience.

The Company's customer base stands at 16.3 million, an increase of 13%.

North Africa

Ooredoo Algeria

Ooredoo Algeria reported revenue of QAR 1.1 billion in H1 2022, a decrease of 3% compared to the same period last year, and a flat EBITDA of QAR 397 million. In local currency terms revenue increased by 4%.

The Company continued to focus on efficiency and cost optimisation which supported a healthy EBITDA margin of 37%.

Ooredoo Algeria's customer base increased by 2% to 12.9 million.

Ooredoo Algeria continues to reinforce its commitment to offer world-class service to its customers which was recognised by the International Business Awards where Ooredoo Algeria received the 'Innovation in Consumer Products & Services' Award for its YOOZ offering. The company was also awarded the 'Best Exemplary Employer' award for its human resources strategy during the Covid 19 pandemic.

Ooredoo Tunisia

Ooredoo Tunisia reported revenue of QAR 741 million, a decrease of 6% for the half year ended 30 June 2022. In local currency terms Revenue increase 2%, despite a decline in the Tunisian economy due to the ongoing war between Russia and Ukraine, which resulted in a hike in fuel and food prices, as well as a decline in the tourism sector.

The Company reported an EBITDA of QAR 324 million for the period.

In line with its commitment to its customers, Ooredoo Tunisia launched 'Ooredoo EZ', the first e-gaming platform in Tunisia, and the Company's customer base stands at 6.9 million.

Asia

Indosat Ooredoo Hutchison

The merger between Indosat Ooredoo and 3 Indonesia closed on January 4, resulting in the formation of Indosat Ooredoo Hutchison (IOH) - now considered a joint venture, as opposed to a subsidiary. With this, Ooredoo Group only recognises 33% of IOH's profits as a contribution towards the Group's net income, and no longer consolidates the Company's revenue or EBITDA contribution.

IOH reports their Q1 results on 29 July 2022.

Ooredoo Myanmar

Despite the shutdown of internet services in parts of Sagaing region and the tax increase on data services to 15%, Ooredoo Myanmar reported revenues of QAR 545 million, an increase of 12% and a 101% increase in EBITDA supported by strong ARPU growth.

Customer number decreased to 8.3 million (down 40%) due to the introduction of Sim card taxes.

Ooredoo Myanmar has invested heavily in fostering a positive working environment which was recognised at the Asia-Pacific Stevie Awards where Ooredoo Myanmar was awarded the “Innovative Achievement in Human Resources” and the “Most Valuable Corporate Response (COVID 19 Response)” awards.

Ooredoo’s H1 2022 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 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 2021. Its shares are listed on the Qatar Stock Exchange and the Abu Dhabi Securities Exchange.