

Ooredoo Kuwait Reports Revenue of KWD 294 million for the First Half of 2020

Kuwait City, Kuwait, 22nd July 2020: National Mobile Telecommunications Company K.S.C.P “Ooredoo” (Ticker: OOREDOO) announced today 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 (KWD m)	138.3	156.1	-11%	294.1	310.4	-5%
EBITDA (KWD m)	46.2	57.3	-19%	99.0	115.9	-15%
<i>EBITDA margin (%)</i>	33%	37%	-	34%	37%	-
Net Profit attributable to NMTC (KWD m)	(0.1)	8.5	N/A	1.7	17.3	-90%
Consolidated Customers (m)	25.9	26.7	-3%	25.9	26.7	-3%

- Consolidated customer base decreased by 3% to 25.9 million in H1 2020, compared to 26.7 million in H1 2019.
- Revenues in KWD were impacted by lower sales in Kuwait (substantial support for local customers free of charge), a decrease in Algerian revenue mainly due to the weak economic environment, currency devaluation and price competition and the impact of the Corona virus and related business limitations across all operations. Consequently, consolidated revenue decreased by 5% to KWD 294.1 million in H1 2020, compared to KWD 310.4 million for the same period in 2019.
- EBITDA decreased by 15% for H1 2020 to KWD 99.0 million, compared to KWD 115.9 million for the same period in 2019.
- Net profit attributable to NMTC was KWD 1.7 million for H1 2020 compared with KWD 17.3 million for the same period in 2019, due to the decline in EBITDA
- The consolidated earnings per share was 3 fils for H1 2020, compared to 35 fils per share earned for the same period last year.

Sheikh Saud Bin Nasser Al Thani, Chairman of the Board of Directors commented:

“The first half of 2020 was a challenging time for everyone around the world, with significant disruptions in our daily lives as communities and government came together to help contain the spread of COVID-19. Ooredoo Kuwait’s (NMTC) key priorities during this period were the health and wellbeing of our employees and customers, the provision of uninterrupted connectivity to support working, studying and socializing from home, and the empowerment of communities most affected by the pandemic. For example, in Kuwait we 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 fight the pandemic, and in Tunisia we launched new nightly data bundles and free mobicash cards.

Our business was impacted by the COVID-19 pandemic as movement restrictions and retail closures resulted in changes in customer consumption patterns, and monetizable mobile usage shifted to all-inclusive fixed lines services. Therefore, NMTC reported revenues of KWD 294.1 million during the first half of 2020, down 5% compared to the same period last year. The decline in revenue flowed through to our EBITDA and Net Profit which were KWD 99.0 million (H1 2019: KWD 115.9 million) and KWD 1.7 million (H1 2019: KWD 17.3 million) during H1 2020.

Despite movement restrictions and store closures, our consolidated customer base at the end H1 2020 was a healthy 25.9 million compared to 26.7 million for the same period last year as we focused on extending our digital channels to better serve our customers remotely.

In Kuwait, we maintained the course on our digital strategy and successfully and utilized the Ooredoo app and other digital channels to safely engage and serve our customers by offering home deliveries of products and SIM cards across the country.

In Tunisia, revenues increased 7% in H1 2020 compared to the same period last year as we maintained our position as the Number 1 telecom player by customer market share.

Our performance in 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.

In Palestine we continued to grow our user base which was up by 6% to 1.4 million customers in H1 2020, and also focused on cost optimisation, resulting in a 17% increase in EBITDA to KWD 4.8 million for the same time period.

In Maldives we increased our efforts towards digitalization with innovative solutions such as the launch of the first of its kind Digital Centre that contains a 24-hour self-service kiosks that enables customers to purchase SIMs, recharge, pay bills and cash in m-Faisaa digital currency safely and with minimal human contact.”

Review of Operations

The Group's operational performance can be summarized as follows:

Ooredoo – Kuwait operations

Ooredoo's customer base in Kuwait decreased to 2.4 million in H1 2020 compared to 2.5 million for the same period in 2019. Revenues were KWD 104.2 million in H1 2020, compared to KWD 114.1 million for the same period in 2019. EBITDA decreased to KWD 26.7 million in H1 2020 compared to KWD 36.0 million for the same period in 2019. 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.

Ooredoo - Tunisia

Ooredoo's customer base in Tunisia stood at 8.8 million customers in H1 2020. Revenues increased by 7% to reach KWD 61.8 million in H1 2020 compared to KWD 57.5 million for the same period in 2019 reflecting a good business performance in the local market. EBITDA was KWD 26.6 million in H1 2020 compared to KWD 26.8 million for the same period in 2019.

Ooredoo – Algeria

Customer base in Algeria decreased to 12.9 million in H1 2020 compared to 13.6 million for the same period in 2019. Business in Algeria was negatively impacted by the devaluation of the Algerian Dinar, a weak economic environment and intense price competition. Consequently, revenues decreased to KWD 94.1 million in H1 2020, compared to KWD 104.9 million for the same period in 2019. EBITDA was KWD 31.3 million in H1 2020, down from KWD 38.3 million for the same period in 2019. Algerian Dinar depreciated by 3% year on year.

Ooredoo - Palestine

Customer base in Palestine increased by 6% to reach 1.4 million customers in H1 2020. Revenue increased by 6% to KWD 15.1 million in H1 2020, compared to KWD 14.2 million for the same period in 2019. EBITDA was strong, increasing 17% to KWD 4.8 million in H1 2020, compared to KWD 4.1 million for the same period in 2019, driven by operational efficiencies across the business.

Ooredoo - Maldives

Ooredoo Maldives reported a 4% decrease in revenues to KWD 19.0 million in H1 2020, compared to KWD 19.7 million for the same period in 2019. EBITDA was KWD 9.7 million in H1 2020 compared to KWD 10.9 million for the same period in 2019. Ooredoo Maldives now serves a total of 372k customers.

For more information, please visit www.ooredoo.com.kw

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For Media Inquiries:

Ooredoo (NMTC)
Fatemah Dashti, PR & Media
PO Box 613, Safat 13007, Kuwait
E-mail: fdashti@ooredoo.com.kw

About Ooredoo Kuwait (NMTC)

Commercially launched in December 1999, the Company's share price as of 30 June 2020 was KWD 0.666, giving a market valuation for Ooredoo (NMTC) of KWD 0.3 Billion.