

Press Release to be published on October 27th October, 2020

Ooredoo Kuwait Group Reports improvement in Revenue & EBIDTA in Q3 2020 compared to Q2 2020

Kuwait City, Kuwait: National Mobile Telecommunications Company K.S.C.P “Ooredoo” (Ticker: OOREDOO) announced today its financial results for the nine months ended 30 September 2020:

Financial Highlights:

| | Quarterly Analysis | | | Nine Months Analysis | | |
|---|--------------------|---------|----------|----------------------|---------|----------|
| | Q3 2020 | Q3 2019 | % change | 9M 2020 | 9M 2019 | % change |
| Consolidated Revenue (KWD m) | 147.6 | 159.7 | -8% | 441.7 | 470.0 | -6% |
| EBITDA (KWD m) | 52.6 | 58.5 | -10% | 151.6 | 174.4 | -13% |
| <i>EBITDA margin (%)</i> | 36% | 37% | - | 34% | 37% | - |
| Net Profit attributable to NMTC (KWD m) | 4.2 | 6.2 | -32% | 5.9 | 23.5 | -75% |
| Consolidated Customers (m) | 25.3 | 26.8 | -6% | 25.3 | 26.8 | -6% |

- Consolidated customer base decreased by 6% to 25.3 million in the nine months ended 30 September 2020, compared to 26.8 million for the same period in 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, price competition and the impact of the Corona virus and related business limitations across all operations. Consequently, consolidated revenue decreased by 6% to KWD 441.7 million for the nine months ended 30 September 2020, compared to KWD 470.0 million for the same period in 2019.
- EBITDA decreased by 13% for the nine months ended 30 September 2020 to KWD 151.6 million, compared to KWD 174.4 million for the same period in 2019.
- Net profit attributable to NMTC was KWD 5.9 million for the nine months ended 30 September 2020 compared with KWD 23.5 million for the same period in 2019, due to the decline in EBITDA
- The consolidated earnings per share was 11.7 fils for the nine months ended 30 September 2020, compared to 46.9 fils per share earned for the same period last year.

Sheikh Saud Bin Nasser Al Thani, Chairman of the Board of Directors commented: “During this challenging period, we focused on providing uninterrupted connectivity for all our customers, while supporting our employees and the wider community through innovative services and access to data. In Kuwait, we became the first telecommunications company to launch an e-learning solution to support schools across the country and in Tunisia we supported hospitals and confinement centres with free data access throughout the pandemic.

As we refocused our efforts on expanding our digital customer acquisition and care channels, we maintained a healthy consolidated customer base of 25.3 million at the end of the first nine months of 2020 compared with 26.8 million for the same period last year.

However, as with the telecom sector globally, our financial results for the first nine months of 2020 were impacted by the pandemic and resulting economic slowdown, which further deteriorated economic conditions in some of our markets of operations. NMTC reported revenues of KWD 441.7 million during the first nine months of 2020, down 6% compared to the same period last year. The decline in revenue flowed through to our EBITDA and Net Profit.

Ooredoo Kuwait saw an increase of 5% in revenues, an 8% improvement in EBITDA and a 2% in customer base in 3Q 2020 compared to the previous quarter reflecting a gradual recovery from the Covid-19 situation. In Kuwait, we continued to invest in our digital strategy and expanded our 5G offering to serve our customer base of 2.4 million users. In Tunisia our revenues grew 4% to KWD 94.7 million for 9M 2020 compared to the same period last year, despite a challenging economic backdrop.

Our performance in Algeria continued to be impacted by challenging economic conditions, intense price competition and currency depreciation as the Algerian Dinar depreciated by 4% year on year.

In Palestine, our focus on efficiency and cost optimisation continued to deliver results. EBITDA increased 19% during the first nine months of 2020 compared to the same period last year to KWD 7.7 million.

In Maldives we continued to develop our enterprise offering with the launch of Ooredoo Centribiz, a simplified, managed telephony solution for small enterprises.”

Review of Operations

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

Ooredoo – Kuwait operations

Ooredoo Kuwait Revenues were KWD 155.4 million at 9M 2020, compared to KWD 169.7 million for the same period in 2019 and EBITDA KWD 40.6 million at 9M 2020 compared to KWD 53.1 million for the same period in 2019. Ooredoo Kuwait offered special benefits for workers in the ministries and governmental organizations to support their efforts in fighting crisis and free 5GB data a day and unlimited local calls for all its customers, during the COVID-19 crisis. Ooredoo Kuwait also witnessed a multi-fold increase in digital user numbers and digital sales backed up by an easy to use Ooredoo App.

Ooredoo - Tunisia

Ooredoo's customer base in Tunisia decreased to 8.8 million customers at 9M 2020 (9M 2019 9.1 million). Revenues increased by 4% to reach KWD 94.7 million at 9M 2020 compared to KWD 91.5 million for the same period in 2019. EBITDA was KWD 41.6 million at 9M 2020 compared to KWD 43.7 million for the same period in 2019.

Ooredoo – Algeria

Customer base in Algeria decreased to 12.3 million at 9M 2020 compared to 13.4 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 142.1 million at 9M 2020, compared to KWD 157.3 million for the same period in 2019. EBITDA was KWD 48.5 million at 9M 2020, down from KWD 55.3 million for the same period in 2019. Algerian Dinar depreciated by 4% year on year.

Ooredoo - Palestine

Customer base in Palestine increased by 3% to reach 1.3 million customers at 9M 2020. Revenue increased by 4% to KWD 23.1 million at 9M 2020, compared to KWD 22.2 million for the same period in 2019. EBITDA was strong, increasing 19% to KWD 7.7 million at 9M 2020, compared to KWD 6.5 million for the same period in 2019, driven by operational efficiencies across the business.

Ooredoo - Maldives

Ooredoo Maldives reported a 10% decrease in revenues to KWD 26.3 million at 9M 2020, compared to KWD 29.3 million for the same period in 2019. EBITDA was KWD 13.1 million at 9M 2020 compared to KWD 16.0 million for the same period in 2019. Ooredoo Maldives now serves a total of 354k customers.

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

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About Ooredoo Kuwait (NMTC)

Commercially launched in December 1999, the Company's share price as of 30 September 2020 was KWD 0.602, giving a market valuation for Ooredoo (NMTC) of KWD 0.3 Billion.