

Kuwait Telecommunications Company K.S.C.P.

9M - 2023

For the nine months ended 30 September 2023

Earnings Release

A close-up photograph of a person wearing a white lab coat, holding a black pen over a tablet device. The person's hands are the central focus, with the pen held between the fingers. The background is a soft, out-of-focus white. A purple and red graphic overlay is present in the middle of the image, containing the text 'Earnings Release'.

stc

stc's financial results

For the nine months ended 30 September 2023

Kuwait Telecommunications Company (**stc**), a world-class digital leader providing innovative services and platforms to customers and enabling the digital transformation in Kuwait, announced its financial results for the nine months ended 30 September 2023; whereby **stc**'s revenue increased to reach KD 259.8 mn, while the net profit reached KD 24.4 mn.

stc's financial results for the financial period ended 30 September 2023 reflect the Company's flexibility through implementing its operational performance and digital transformation-based strategy in addition to the continuous efforts and professionalism of its staff.

stc has also enhanced its position in the Kuwaiti Telecom market and demonstrated its ability to overcome the economic challenges to keep up with the business operations & strengthen the digital transformation strategy through launching a number of advanced products and services backed by the 5G technology.

Key Figures & Ratios	9M-2022	9M-2023	Change
Subscribers (Mn)	2.3	2.4	7%
Revenue (KD Mn)	249.4	259.8	4.2%
EBITDA	60.6	63.0	3.9%
EBITDA Margin (%)	24.3%	24.2%	-0.1pt.
Net Profit (KD Mn)	24.3	24.4	0.5%
Net Profit Margin (%)	9.7%	9.4%	-0.3pt.
EPS (Fils)	24	24	0.5%
Equity (KD Mn)	231.6	235.9	2%
BVPS (Fils)	232	236	2%

Key Financial Highlights

The nine months ended 30 September 2023

- **stc**'s revenue increased by 4.2% during the nine months period ended 30 Sep 2023 to reach KD 259.8 mn, compared to KD 249.4 mn recorded during the same period in 2022.
- EBITDA witnessed an increase of 3.9% to reach KD 63.0 mn during the first nine months of 2023 compared to KD 60.6 mn during the same period in 2022.
- EBITDA margin reached 24.2% in the first nine months of 2023 compared to 24.3 % during the same period of 2022.
- Net profit witnessed a growth rate of 0.5% reaching KD 24.4 mn in the first nine months of 2023 compared to KD 24.3 mn during the same period in 2022.
- Book value per share increased by 2% to reach 236 fils during the nine months ended 30 Sep 2023 compared to 232 fils during the same period in 2022.
- Shareholders' equity reached KD 235.9 mn by the end of Sep 2023 compared to KD 231.6 mn during the same period in 2022.
- **stc**'s customer base reached 2.4 mn by the end of Sep 2023, representing a growth of 7% compared to that in Sep 2022, which highly contributed to **stc**'s growth in revenue during the nine months period ended 30 Sep 2023.

CEO Statement

In this regard, Eng. Maziad Bin Nasser Alharbi, stc's Chief Executive Officer, has stated that: "Kuwait Telecommunications Company (stc) continues to reap its achievements of implementing its corporate strategy and the strategic expansion of its operations throughout the past years. Whereby, stc achieved robust financial and operational results during the first nine months of 2023 demonstrating the Company's commitment to enhance its internal capabilities and expanding its operations to deliver unique services in terms of design and efficiency besides driving the digital transformation process. In this regard, stc leverages its well-established sophisticated network to provide a wide range of services that meet the different needs of the individual and enterprise sectors. Not to mention the in-depth expertise of its subsidiaries specializing in delivering fixed communication and ICT services, to provide high-quality, innovative, and comprehensive solutions to the enterprise sector.

Driven by stc's unwavering dedication to expand, innovate and provide services devoted to enhance the customer experience, stc has successfully retained its competitive position in the ICT market in Kuwait through implementing its future corporate strategy. Accordingly, stc is keen to constantly update its corporate strategy in line with the latest developments in the sector in order to enable the Company to capture all the available opportunities in the ICT market in Kuwait.

stc is always keen on enhancing its digital services to improve and upgrade its integrated services that enables the Company to maintain its market share by enhancing its services and providing its customers with an unparalleled experience through strengthening its digital channels as well as leveraging its solid infrastructure to reach a new level of exceptional speeds and better coverage in line with the intense competition in the ICT sector in the State of Kuwait."

Commenting on the announcement of company's financial results for the nine months period ended September 30, 2023, Eng. Maziad bin Nasser Al Harbi added: "stc has achieved strong financial results by leveraging its technical and human capabilities in accordance with the aspirations and expectations of both its customers and shareholders. Whereby, stc's total revenue reached KD 259.8 mn in the first nine months of 2023 with a growth rate of 4.2% compared to the KWD 249.4 mn in the same period the previous year. This growth is attributed to the expansion of the Company's operations through its focus on providing digital services to the enterprise sector as well as offering integrated technical solutions to companies across various sectors. It is worth noting that in addition to stc's focus on driving its operations towards new areas of sustainable growth through a series of innovative initiatives aimed at optimizing operations and delivering high-quality services and products that cater to the needs of its customers' requirements, the Company has successfully enhanced its operations through its well-developed evolving infrastructure."



Eng. Maziad Al Harbi
Chief Executive Officer

Total Revenue (KD Mn)

259.8

EBITDA (KD Mn)

63.0

Net Profit (KD Mn)

24.4

CEO Statement...cont'd

Al Harbi added: "These outcomes resulted in a growth of EBITDA by 3.9% to reach KD 63 million in the first nine months of 2023 compared to KD 60.6 million in the same period of 2022 supported by the increase in the Company's revenue. As a result, the company's net profit during the nine months period ended 30 September 2023 reached KD 24.4 million with a growth of 0.5% compared to KD 24.3 million during the same period in 2022. **stc's** customer base reached approx. 2.4 million customers at the end of September 2023".

Commenting on stc's financial position as of September 30, 2023, Alharbi said: "**stc's** total assets reached KD 432.0 mn by the end of September 2023, while the total shareholders' equity increased by 2% reaching KD 235.9 mn by the end of September 2023 compared to KD 231.6 mn during the same period in 2022. Whereby, **stc** has a strong solvency position amongst its peers in the Middle East."

Al Harbi Noted: "**stc** is committed to continuously review and update its financial and operational strategies with the aim of enhancing the Company's capabilities with exceptional effectiveness. By keeping abreast of the latest developments in the telecom industry **stc** is determined to channel its resources into delivering a comprehensive range of services including voice, digital and data solutions to enhance profitability, achieve the desired financial and operational outcomes and ensure its sustained cash flow."

Regarding stc's Corporate Social Responsibility (CSR), Alharbi stated: "The Company has continued to enhance its comprehensive and sustainable CSR activities through launching numerous community-based campaigns and initiatives that added value to the local community, while spreading a positive and lasting impact. **stc's** CSR program primarily focused on activities and initiatives that empower the youth in collaboration with governmental entities, non-profit organizations, and institutions within the private sector. The activities were carried out under the umbrella of the "Weyak" initiative, which was designed to support small and medium-sized Kuwaiti companies, start-ups, as well as the "upgrade" educational initiative.

In Terms of sustainability, Alharbi emphasizes **stc's** role in enhancing its sustainability standards, while maintaining its ongoing efforts to integrate sustainable practices into the Company's corporate strategy. As part of its comprehensive CSR framework, **stc** will continue to form collaborative partnerships with both the public and private sectors, enhance communication with the local community, and increase public awareness of the concept of social responsibility."

EBITDA Margin (%)

24.2%

Net Profit Margin (%)

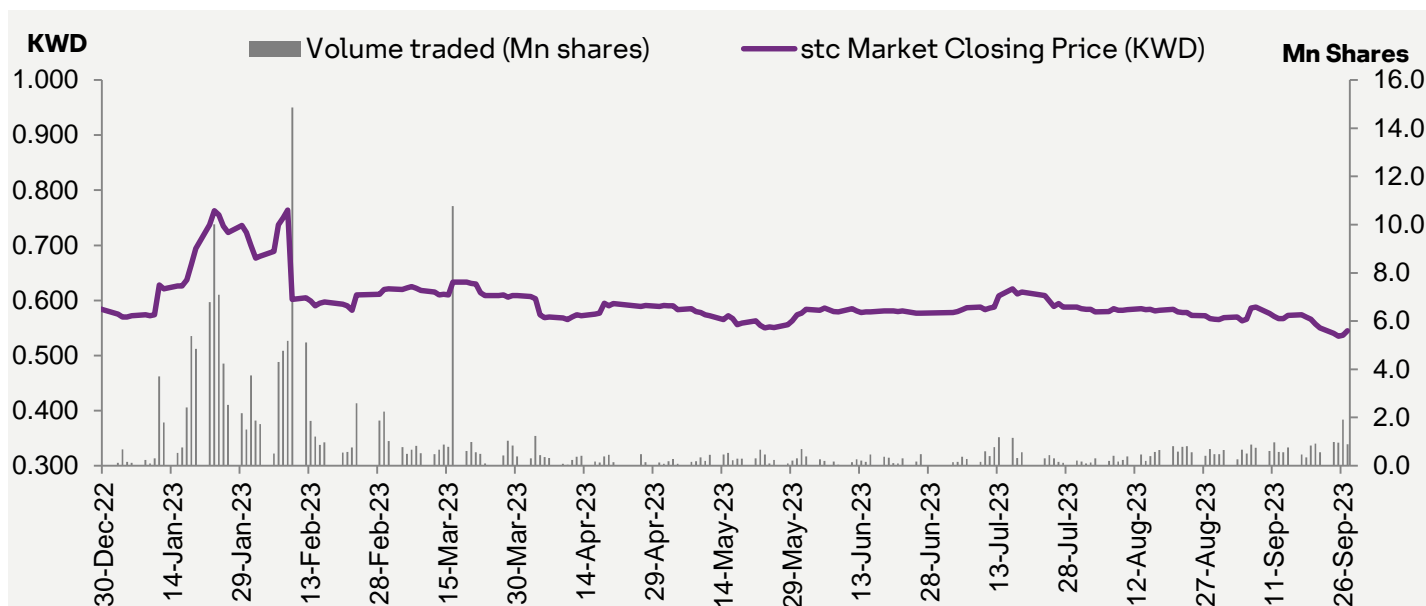
9.4%

EPS (Kuwaiti Filis)

24

YTD-2023 Stock

Performance and Indicators



Closing Price (KD)	High Price (KD)	Low Price (KD)	Volume Traded (Mn Shares)	Value Traded (KD Mn)	Number of Deals	Share Turnover (%)	Total YTD Return - 2023 (%)*
0.545	0.793	0.532	184.1	119.1	44,030	18.4%	(1.7%)

Source: Boursa Kuwait, Note: Data provided in the above table as of 30 September 2023

*Total YTD Return - 2023 includes the cash dividends distributed throughout 2022, of 30 fils per share.

About stc

Kuwait Telecommunications Company (stc), is a leading brand in the telecommunications industry established in December 2008 as a subsidiary of stc Group, the world-class digital leader, providing innovative services and platforms, and enabling the digital transformation of the region. With a share capital of KD 99.9 mn, stc was listed on the Boursa Kuwait in December 2014. In 2019, stc has fully acquired the share capital of Qualitynet General Trading and Contracting Company (solutions by stc) - the leading Internet Service Provider in Kuwait. In April 2022, stc acquired the entire share capital of e-portal Holding Company and its subsidiaries - the leading ICT services provider in Kuwait. stc strives to provide its customers, both consumers and enterprise (stc business), with a unique pool of products and services that satisfy their aspirations and cater to their needs. stc offers numerous opportunities in the fields of telecommunications, entertainment, information, digital and data transfer services, and delivers the best customer experience around the clock.

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