



## Kcell JSC

### Results for the first half year of 2024

**Almaty, 15 August 2024. Kcell Joint Stock Company ("Kcell" or "Company") (KASE: KCEL)** - one of the leading providers of mobile telecommunications services in Kazakhstan, informs its shareholders and investors about the results for the first six months of 2024.

Kcell, Kazakhstan's leading mobile operator, presented today its consolidated financial statements for the first half of 2024.

The Company maintains high margins despite significant investment in network infrastructure and equipment. This, combined with a "balanced" approach to financing, ensures the operator and management maintain financial strength and profitability.

The Company has increased its revenue by 9.7% year-on-year to KZT 119.8 billion for the six months of 2024. Revenue from contracts with customers reached KZT 116.9 billion, representing an 8.7% increase over the comparable period of 2023. Service revenue also saw a significant growth, reaching KZT 98.3 billion, an 8.3% increase vs. the first half of last year.

*"I believe, the Company has shown a good result in the first half of the year. The business margin indicator is maintained at a high level despite the increase in costs associated mainly with the implementation of the strategic 5G project with delayed effects. As you know, since the beginning of 2023, we have deployed the next generation network in the country. In just a year and a half, we have installed about 900 5G base stations across the country, with 40 stations in the last week alone. We are providing hundreds of thousands of people in Kazakhstan in almost 20 cities with telecom services using fifth generation communication technology",* noted Askar Zhambakin, Chairman of the Management Board of Kcell JSC.

The financial statements show that EBITDA (earnings before interest, taxes and depreciation) in H1 2024 was KZT 41 billion, with a net profit of KZT 5.5 billion. The negative impact on net profit is a result of financing costs, radio spectrum costs and amortization associated with the implementation of the capital-intensive 5G project.

The Company is certain that the transition to new technologies will contribute to the growth of operating indicators. The ARPU level has increased to KZT 2095, representing a 12% increase. The amount of data consumed increased to 407 petabytes in the first half of 2024. Furthermore, the share of 5G smartphones in the monthly active base in the cities of Almaty and Astana reached more than 30%.

*"We're looking for ways to reduce the cost of debt financing required for the construction of the 5G network. and we keep financial stability in check. We have significant access to capital (Fitch Ratings credit rating level 'BB+', outlook 'Stable') and a significant margin of financial strength (net debt/EBITDA ratio does not exceed 1.5),"* said Lyudmila Atamuratova, Director of the Financial Accounting and Reporting Department of Kcell JSC.

The 'net debt/EBITDA' ratio not exceeding 1.5 (one point five tenths) is a clear indication that the Company has a moderate debt load and is able to repay its debts in a relatively short period of time using the current cash flow. This is a positive signal for investors and creditors, as it demonstrates the Company's financial strength and low risk of default.

## **Enquiries**

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## **About Kcell**

Kcell is a Kazakh provider of digital telecommunications services: mobile communications and converged services of fixed communications (FMC), data transmission and Internet access, financial services, digital services and mobile applications, IT solutions in the field of system integration, the Internet of things, machine-to-machine connectivity, big data collection and processing and cloud computing. Kcell is also a leading mobile operator in Kazakhstan providing the 'smartphone + tariff' service.

Kcell has become the largest digital ecosystem in Kazakhstan with competitive advantages through its value-added services such as mobile financial services, mobile TV, online movies, music, books and magazines, as well as unique solutions for business customers. Kcell holds leading positions in the B2B market thanks to its strategy of vertical infrastructure solutions and development and implementation of the cutting-edge technologies. The company's 4G/LTE network covers 82.97% of the country's population and provides high quality services.

Kcell operates under its two brands - Kcell and activ that are widely recognized in our highly competitive telecom market due to the high quality of customer service. Thanks to its clear multi-brand architecture, Kcell increases its business efficiency in the B2C segment through optimal pricing for bundled offerings, customer base profitability management and network quality.