

Earnings Release

Kuwait Telecommunications Company K.S.C.P

First Half
2018

For the Six Months Ended 30 June 2018



VIVA's financial results

For the Six Months Ended 30 June 2018

VIVA, Kuwait's fastest-growing and most developed telecom operator, announced the financial results for the six-month period ended 30 June 2018; whereby VIVA's net profit grew to reach KD 23.8 million recording a growth of 21% compared to the same period in 2017; whereas the revenues during the first six-month period in 2018 reached KD 149.1 million. VIVA achieved these results due to a bundle of innovative plans and offers to meet all customers segments' needs, in addition to direct customer-focused marketing campaigns.

These results reflect VIVA's focus on achieving superior customer experience, high quality of services, innovative promotions and packages offered to its customers to meet their needs and expectations, inspired by our customers' confidence which motivates us to provide the best services with the highest possible quality.

Key Figures & Ratios	HI-2017 (Restated)	HI-2018	Change
Subscribers (Mn)	2.24	2.35	5.1%
Revenue (KD Mn)	138.6	149.1	7.6%
EBITDA	32.3	37.0	14.5%
EBITDA Margin (%)	23.3%	24.8%	1.5pt.
Net Profit (KD Mn)	19.7	23.8	21%
Net Profit Margin (%)	14.2%	16.0%	1.8pt.
EPS (Fils)	39	48	21%
Equity (KD Mn)	133.7	165.7	24%
BVPS (Fils)	268	332	24%

Key Financial Highlights

- VIVA's revenue grew by 7.6% during the HI 2018 to reach KD 149.1 million as compared to KD 138.6 million recorded during HI 2017.
- VIVA's customers' reached 2.35 million by end of June 2018 compared to 2.24 to the same period of 2017.
- VIVA's EBITDA reached KD 37.0 million KD during the six months ended 30 June 2018 with an EBITDA Margin of 24.8% as compared to KD 32.3 million and margin of 23.3% during the same period last year.
- The net profit reached KD 23.8 million (earning per share 48 fils) during HI 2018 as compared to KD 19.7 million (earning per share 39 fils) recorded during HI 2017.
- Shareholders' equity base to stand at KWD 165.7 million at the end of June 2018 with a growth rate of 24% compared to KWD 133.7 million at the end of June 2017.

Key News, Developments & Operational Highlights

- VIVA The First in Kuwait to Physically Demo its 5G Services:** VIVA, launched the fifth-generation "5G". Being the first tel-com company in Kuwait to bring the unrivalled 5G to reality by physically showcasing the customers' experience with the technology, reflects its continuous commitment to its customers to deliver up-to-date technologies that meet their aspirations.
- VIVA Reap Three Accolades at ME Call Centre Awards 2018 by Insights:** VIVA, has been recognized as "Best Industry Call Centre", "Regional Problem Solver" and "Best Medium Help Desk". VIVA received these significant accolades at the annual "Middle East Call Centre Awards 2018" event held on 25th of April 2018, in Dubai, and organized by Insights Middle East, the leading organization in the call centre and professional services industry.
- VIVA Launches 'VoLTE Plus':** VIVA launched Voice over Long Term Evolution Plus 'VoLTE Plus' technology for users of iPhone 8, iPhone 8 Plus, and iPhone X and iOS 11.3 or higher (both caller and receiver). VIVA is first telecom operator in the region to offer this new service to its customers.

Subscribers (Mn)



Revenue (KD Mn)



EBITDA (KWD Mn)



Net Profit (KD Mn)



Chairman Statement

Commenting on the six-month's financial results, Dr. Mahmoud Ahmed Abdulrahman, VIVA's Chairman said: "Despite the high competition witnessed in Kuwait Telecommunication Market, VIVA was able to achieve growth in profitability and revenues to sustain the operational efficiency to ensure generating positive return to our shareholders. These Results were achieved by an integrated management approach from a highly professional team that reinforces VIVA's substantial and positive role as a leading telecommunications company that always provides intelligent communications solutions to satisfy the needs of its customers and meet their needs".

He added: "VIVA has demonstrated its ability to achieve growth in the net profit amid the current fierce conditions in Kuwait Telecommunication sector and the decline in telecom tariffs thus pressurizing the profit margin of all telecom companies in Kuwait. VIVA managed to achieve net profit of KD 23.8 million (earnings per share of 48 fils) during the six month period ended 30 June 2018 compared to net profit of KD 19.7 million (earnings per share of 39 fils) during the same period in 2017."

CEO Statement

On his part, Eng. Salman bin Abdulaziz Al Badran, VIVA's CEO said: "Results of the six-month period ended 30 June 2018 came in line with VIVA's goals and boundless ambitions to achieve an increase in its operational revenues, profitability and strengthen its leadership in the telecommunication market. It is noteworthy to mention that, VIVA has won many awards including "Best Network Development", in the MENA region, presented at the third annual 5G MENA Awards 2018 Ceremony, and "Speedtest Award Winner 2017 - Kuwait's Fastest Mobile Network" by Ookla, and launched Voice over Long Term Evolution Plus 'VoLTE Plus' technology, and was the first telecom company in Kuwait that has physically demo its "5G" services to its customers."

Al-Badran added: "VIVA has achieved good levels of revenues and increase in the profitability which improved the company's financial and operational efficiency. As a result, VIVA recorded revenues of KD 149.1 million during the first six-month period in 2018 and achieved net profit of KD 23.8 million (earnings per share of 48 fils) recording growth of 21% compared to the same period in 2017, whereas EBITDA reached KD 37 million compared to KD 32.3 Million during the same period in 2017. On the other hand, VIVA customer base has reached 2.35 million at the end of June, 2018".

CFO Statement

On his part, Mr. Mohammed Bin AbdulMohsen Al-Assaf, VIVA's CFO, said that "VIVA's financial results reflect its ability to compete, sustain revenues and maintain its position as the second largest telecom operator in the Kuwaiti market in term of market share in the telecommunication sector. The company managed to reach nearly 0x leverage ratio due to its safe financial policy at the end of June 2018 as compared to 0.27x recorded at end of June 2017".

Al-Assaf said, "we started to observe the impact of the cost optimization program adopted by the company during the current year on profitability, as the company adopted a balanced and effective financial policy in managing CAPEX and operating expenses". He added: "We will continue our hard work in implementing our strategy to maintain our competitive edge and achieve further growth and success in the Kuwaiti telecom market through offering innovative products and services in line with the latest technology to meet our customers' needs".

YTD-2018 Stock



Closing Price (KD)	High Price (KD)	Low Price (KD)	Volume Traded (Mn Shares)	Value Traded (KD Mn)	Number of Deals	Share Turnover (%)	YTD-2018 Return (%)
0.701	0.950	0.683	3.91	2.92	3,743	0.78%	-12.3%

Source: Boursa Kuwait,

Note: Data provided in the above table as of 30 June 2018.

About VIVA

VIVA is the fastest-growing telecom operator in Kuwait. Launched in December 2008, VIVA makes things 'More' for its customers by transforming communication, information and entertainment experiences. The company has rapidly established a pioneer position in the market through its customer centric approach. VIVA's quest is to be the mobile brand of choice in Kuwait by being transparent, engaging, energetic and fulfilling. VIVA continues to take a considerable share of the market by offering an innovative range of best value products, services and content propositions; a state of the art, nationwide network and world-class service. VIVA offers internet speeds of more than 100 Mbps, due to the implementation of the most advanced fourth generation "4G LTE" network in Kuwait resulting in superior coverage, performance and reliability, and has been recognized as "Speedtest Award Winner 2017 - Kuwait's Fastest Mobile Network", based on Ookla's analysis of Speedtest Intelligence data in Q2-Q3 2017.

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