

# Earnings Release

**Kuwait Telecommunications Company K.S.C.P**

**For the three Months Ended 31 March 2018**



## VIVA's financial results

### For the three Months Ended 31 March 2018

VIVA, Kuwait's fastest-growing and most developed telecom operator, announced the financial results for the Q1 ended on 31 March 2018; whereby VIVA's revenues reached KWD 77.6 million compared to KD 68.1 million recorded during Q1-2017; whereas the net profit in Q1-2018 reached KWD 11.57 million compared to KD 11.60 million reported during Q1-2017. The Q1 Results of 2018 are fully compliant with new IFRS standards namely 15 & 9 effective 1st January 2018 with full retrospective approach for the comparative period in 2017 in order to provide better comparability and transparency of the financial figures.

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	Q1-2017 (Restated)	Q1-2018	Change
Subscribers (Mn)	2.27	2.32	2.2%
Revenue (KD Mn)	68.1	77.6	13.9%
EBITDA	17.6	18.0	2.1%
EBITDA Margin (%)	25.9%	23.2%	-2.7pt.
Net Profit (KD Mn)	11.60	11.57	-0.2%
Net Profit Margin (%)	17%	14.9%	-2.1pt.
EPS (Fils)	23	23	-0.2%
Equity (KD Mn)	125.7	153.4	22%
BVPS (Fils)	251.6	307.3	22%

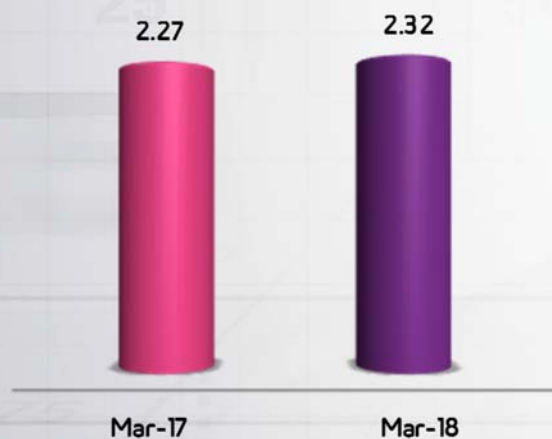
### Key Financial Highlights

- On quarterly basis VIVA recorded a remarkable performance with revenues rising by 13.9% to reach KD 77.6 million during Q1-2018 compared to Q1-2017.
- VIVA's customers' reached 2.32 million by end of March 2018, increased by 2.2% as compared to the subscriber base at the end of March 2017.
- EBITDA reached KD 18 million during Q1-2018 with EBITDA Margin 23.2% as compare to KD 17.6 million and margin of 25.9% during Q1-2017.
- The net profit reached KD 11.57 million (earning per share 23 Fils) in Q1-2018, decreased by -0.2% as compared to KD 11.60 million (earning per share 23 Fils) recorded during Q1-2017.
- Shareholders' equity base reached KWD 153.4 million at the end of March 2018 with a growth rate of 22% compared to KWD 125.7 million at the end of March 2017.

## Key News, Developments & Operational Highlights

- VIVA and Boubyan Bank Ink a MultiCurrency Financing agreement of KD 40m:** VIVA, Kuwait's fastest-growing and most developed telecom operator, and Boubyan Bank inked a multi-currency financing agreement of KD 40 million which includes a Murabaha facility according to Islamic Sharia Compliance. The financing agreement came in a 5 years tenor. Which will aid VIVA's plans to upgrade the network and expand it in the State of Kuwait.
- VIVA Successful Implementation of Oracle Fusion Revenue Management Cloud:** VIVA in cooperation with Oracle successfully launched Fusion Revenue Management (FRM) system. FRM is the first cloud based application for VIVA, and the first fully automated revenue management system in GCC that complies with International Financial Reporting Standards.
- VIVA Holds its Annual General Meeting for the Year Ending on 31st December 2017:** VIVA held its Annual General Meeting (AGM) at the Regency Hotel on 28th March 2018, and the attendance represented 78.173 % from the total shareholders.
- VIVA enhanced availability in 23 New Coops in Kuwait:** VIVA enhanced availability at 23 new Cooperative Societies "Coop" in different areas in Kuwait. The expansion will help in facilitating reach and keep customers posted regularly with the latest VIVA products and services with ease and convenience.

### Subscribers (Mn)



### Revenue (KD Mn)



### EBITDA (KWD Mn)



### Net Profit (KD Mn)



## Chairman Statement

Commenting on the Q1-2018 financial results, Dr. Mahmoud Ahmed Abdulrahman, VIVA's Chairman said: "Despite the high competition witnessed in the Kuwaiti Telecom Market, VIVA was able to achieve profitability and sustain the operational efficiency to ensure generating positive return to our shareholders. VIVA achieved these results due to an integrated management approach by 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."

Dr. Abdulrahman added: "VIVA was able to achieve Revenue of KD 77.6 million during the Q1- 2018 compared to Revenues of KD 68.1 million during Q1-2017. These results achieved by VIVA during the first quarter of 2018 reflect the efficient business strategy adopted by the company to achieve outstanding results despite of the increasing competition. Also, VIVA managed to achieve positive earnings for its shareholders as a result of the commitment to elevate the quality of customer service and improving the operational efficiency".

## CEO Statement

On his part, Eng. Salman bin Abdulaziz Al Badran, VIVA's CEO said: "Results of Q1-2018 came in line with VIVA goals and boundless ambitions to achieve an increase in its operational revenues and strengthen its leadership in the telecom market. It is noteworthy to mention that VIVA won recently "Best Network Development Award" by 5G MENA, "Speedtest Award Winner 2017 - Kuwait's Fastest Mobile Network" by Ookla, and it is pioneer in the middle east in providing the latest products and services to its customers among telecom operators in the middle east region, and achieved successfully the establishment of the first Voice Over LTE (VoLTE) interconnection in the Middle East and North Africa region in partnership with local networks, which fosters its leadership in providing the latest technology that will enable customers to exchange information and communicate at higher speeds."

Al-Badran added: "VIVA has achieved good levels of profitability which improved the company's financial and operational efficiency. As a result, VIVA recorded higher revenues of KD 77.6 million during Q1-2018 and achieved net profit of KD 11.57 million (earnings per share of 23 fils) as compared to revenue of KD 68.1 million and profit of KD 11.6 million (earnings per share of 23 fils) . VIVA achieved an EBITDA of KD 18 Million during the Q1- 2018 compared to EBITDA of KD 17.6 million during Q1-2017. On the other hand, VIVA customer base has reached 2.32 million at the end March, 2018.

## CFO Statement

On his part, Mr. Mohammed Bin AbdulMohsen Al-Assaf, VIVA's CFO, said: "VIVA's financial results reflected its ability to compete, sustained revenues and maintain its position as the second largest telecom operator in the Kuwaiti market in term of revenues in the telecom sector. VIVA is proud to announce that we're fully compliant with new IFRS standards namely 15 & 9 effective 1st January 2018 with full retrospective approach. This will assist the investor community for better comparability and transparency of the financial figures.

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 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 (%)	YTD-2018 Return (%)
0.950	0.950	0.762	2.21	1.73	2,178	0.44%	18.7%

Source: Boursa Kuwait,

Note: Data provided in the above table as of 31 March 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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