



PRESS RELEASE

Kazakhtelecom has summed up its 9 months results

23.11.2022

Astana city

Kazakhtelecom JSC net profit for the first 9 months of this year exceeded KZT 88 billion, having increased by 2.4% compared to the same period last year. Whereas, according to the previously published consolidated statements, in the first half of 2022, the telecom operator showed a decrease in net profit by 13% to KZT 50.5 billion, which was due to increase in costs aimed at support and improvement of financial wellbeing of employees. Moreover, in the first quarter of the year during tragic January events the company took unprecedented measures supporting its subscribers. However, in the 3rd quarter, the company managed to completely neutralize these negative deviations.

Meanwhile in early September, as part of the support measures package, the country's largest telecom operator exempted residents and entrepreneurs of the Auliekolsky district of Kostanay region affected by large-scale forest fires from subscription fees until the end of this year. In addition, the debts and penalties of the people and businesses were written off. Despite the decline of financial indicators after implementation of all the social initiatives both in the first quarter and in the autumn the company managed to achieve and improve the net profit result for the same period of 2021.

"This year has really turned out to be difficult for the country, and both for businesses and citizens. However, I think we have successfully overcome all the difficulties and are now building together the New Kazakhstan announced by the President of the country, and Kazakhtelecom is directly involved in this project. We are actively developing digital services and helping industrial and commercial enterprises of the country, local and central executive bodies become digital too. A few years ago, we started using big data extensively in our work – and during this time we have created a number of our own tools in this segment, that allow us to implement projects that are necessary for the whole country. The main result of our work is that today, about 99% of the country's population has the opportunity to use modern digital technologies," said Kuanyshebek Yesseyev, Chairman of the Board of Kazakhtelecom JSC.

Among the company's major and significant projects this year were network deduplication, modernization and construction of the "last mile" line both in the city and in the countryside, the development of FWA technology - fixed wireless communication, as well as installation of additional caching servers of global content providers Akamai, Facebook, Google, Cloudflare, Netflix, Meta. Moreover, the Company has taken measures in order to improve quality of services for Facebook Instagram, Whatsapp, Facebook, IGTV/Reels users, and thanks to Kazakhtelecom's cache servers traffic localization, response delays have been reduced by up to 15%.

"Despite the difficult economic situation, our company's revenue increased by almost 10% in the first 9 months and amounted to more than KZT 470 billion (in 2021 - KZT 433 billion), including data transmission services revenue growth amounted to 9.5%, interconnect revenue growth - more than 15%. The book value of the company's common shares, calculated in accordance with the requirements of Kazakhstan Stock Exchange JSC, has increased by almost 40% since December 31, 2021, amounting to more than KZT 37 thousand," said Lyudmila Atamuratova, Chief Financial Officer of Kazakhtelecom JSC.

Taking into account early partial repayment of financial liabilities, financial stability of the group of companies has significantly strengthened – Net debt/ EBITDA decreased to 0.08x as of the end of the 3rd quarter of 2022 (as of 30.09.2021 - 0.81x).

It should also be reminded, that according to the results of the first half of the year, total revenue of Kazakhtelecom group of companies increased by 7% compared to the same period in 2021 (KZT 283 billion) and exceeded KZT 301 billion. At the same time, EBITDA (the amount of profit before interest, taxes, depreciation and amortization expenses) decreased by 1%, amounting to KZT 139 billion. And in mid-November, the company paid dividends in the amount of more than KZT 39 billion out of 2021 retained earnings, which is almost 2 times higher than the amount of payments for 2020.

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