

# Earnings Release

Kuwait Telecommunications Company K.S.C.P

# 2017

## First Half

**VIVA**



## Earnings Release H1-2017

## VIVA's financial results for the 6 months ended 30 June, 2017

VIVA, Kuwait's fastest-growing and most developed telecom operator, announced the financial results for the six-month period ended 30 June 2017; whereby VIVA's net profit grew to reach KD 19.5 million recording a growth of 1% compared to the same period in 2016; whereas the revenues during the first six-month period in 2017 reached KD 133 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.

VIVA continued to 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	H1 - 2016	H1 - 2017	Change
Subscribers (Mn)	2.4	2.2	-7%
Revenue (KD Mn)	140.0	133.1	-5%
Operating Profit (KD Mn)	20.4	20.8	2%
Operating Profit Margin (%)	15%	16%	+1pt.
Net Profit (KD Mn)	19.4	19.5	+1%
Net Profit Margin (%)	14%	15%	+1pt.
EPS (Fils)	39	39	0 %
Equity (KD Mn)	112.3	147.2	+31%
BVPS (Fils)	225	295	+31%

### Key Financial Highlights

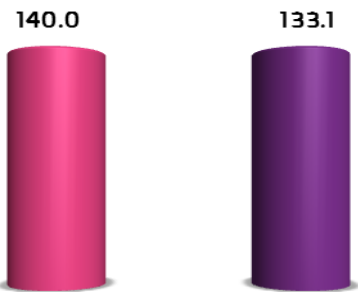
- VIVA's revenue declined by 5% during the H1 2017 to reach KD 133.1 million as compared to KD 140.0 million recorded during H1 2016.
- VIVA's customers' reached 2.2 million by end of June 2017.
- Operating profit reached KD 20.8 million KD during the six months ended 30 June 2017 with an operating Profit Margin of 16% as compare to KD 20.4 million and margin of 15% during the same period last year.
- The net profit reached KD 19.5 million (earning per share 39 fils) during H1 2017 as compared to KD 19.4 million (earning per share 39 fils) recorded during last year.
- Shareholders' equity base to stand at KWD 147.2 million at the end of June 2017 with a growth rate of 31% compared to KWD 112.3 million at the end of June 2016.



## Key News, Developments & Operational Highlights

- VIVA Wins "Best Telecommunications Company of the year, Kuwait 2016 Award":** International Finance", the preeminent international magazine, awarded VIVA in recognition of the telecom firm's exceptional performance and leadership role through innovative solutions and technology, which serve all the segments in the Kuwaiti market.
- VIVA Receives Prestigious ISO 27001:2013 Global Certification:** VIVA has received the ISO/IEC 27001:2013 certification for Information Security Management System, attaining global status by meeting applicable mandatory requirements from two leading entities International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC).
- VIVA and Zain in Kuwait collaborate to launch first VoLTE interconnection in MENA region:** Zain and VIVA, Kuwait's leading telecom operators, jointly announced the successful establishment of the first Voice Over LTE (VoLTE) interconnection.
- VIVA Inked an Agreement for Cash Dividends Transfer with Kuwait Clearing Company (KCC):** VIVA has recently inked an agreement for Cash Dividends Transfer with Kuwait Clearing Company (KCC) in cooperation with the National Bank of Kuwait (NBK).
- VIVA Wins the Excellence Award for "VIP Customer Service" in Telecommunications Sector:** VIVA won the excellence award for "VIP Customer Service" in Kuwaiti telecommunications sector, as part of the second edition of the Kuwait Public Relations and Customer Service Award hosted by Kuwait's Public Relations Association under the patronage of His Highness the Amir Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah.

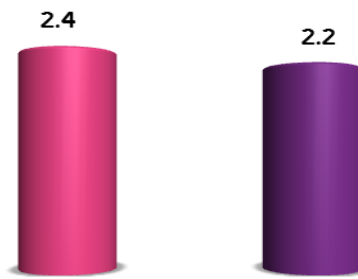
**Revenue (KD Mn)**



6M-16

6M-17

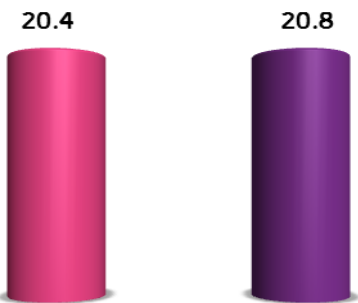
**Subscribers (Mn)**



Jun-16

Jun-17

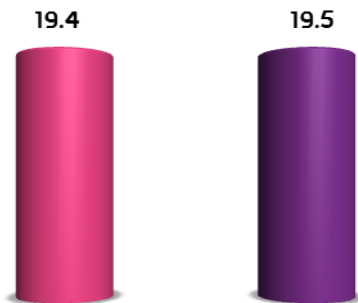
**Operating Profit (KWD Mn)**



6M-16

6M-17

**Net Profit (KD Mn)**



6M-16

6M-17

## Earnings Release H1-2017

### Chairman Statement

Commenting on the six-month's 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 a growth in the profitability, in addition to sustaining the operational efficiency thus generating positive return to our shareholders. The witnessed growth in VIVA's profits was a result of the approved business strategy to be one of the most developed telecom companies in Kuwait and the region. Moreover, our positive and key role, as a pioneer telecom company, always contributes in providing smart telecommunications solutions to satisfy our customers' aspirations and needs."

He added: "VIVA was able to achieve net profit of KD 19.5 million (earnings per share of 39 fils) during the six month period ended 30 June 2017 compared to net profit of KD 19.4 million (earnings per share of 39 fils) during the same period in 2016. These results achieved by VIVA during the first six-month period in 2017 reflect the efficient business strategy adopted by the company to achieve outstanding results despite of the increasing competition. In addition, 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 the six-month period ended 30 June 2017 came in line with VIVA's 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 has won many awards including "Best Telecommunications Company of the year, Kuwait 2016" by International Finance Magazine in recognition of the telecom firm's exceptional performance and leadership role through innovative solutions and technology, which serve all the segments in the Kuwaiti market, the "Best Contact Centre Experience", "Excellence Governance Award", "VIP Customer Service Award", ISO/IEC 27001:2013 certification for Information Security Management System, attaining global status by meeting applicable mandatory requirements from two leading entities International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC). In addition VIVA successfully established the first Voice Over LTE (VoLTE) interconnection in the Middle East and North Africa region in partnership with a local network, and was the first telecom company in Kuwait that has successfully tested the fifth-generation "5G" in its lab that will enable customers to exchange information and communicate at high speed."

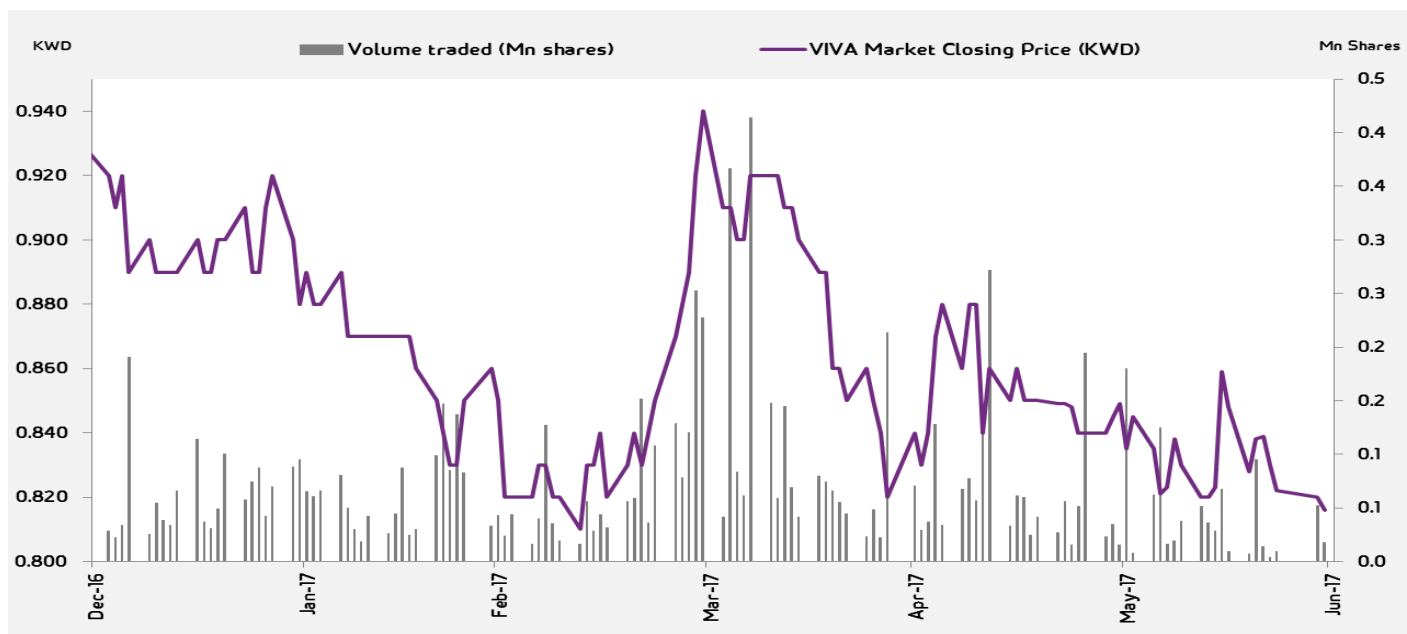
Al-Badran added: "VIVA has achieved good levels of profitability which improved the company's financial and operational efficiency. As a result, VIVA recorded revenues of KD 133 million during the first six-month period in 2017 and achieved net profit of KD 19.5 million (earnings per share of 39 fils), whereas the operating profit has reached KD 20.8 million during the same period. On the other hand, VIVA customer base has reached 2.2 million at the end of June, 2017. 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 revenues in the telecom sector.

The company managed to decrease its leverage ratio due to its conservative financial policy to reach 0.27x at the end of June 2017 as compared to 0.55x recorded at end of June 2016. 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."

## Earnings Release HI-2017

## YTD-2017 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-2017 Return (%)
0.816	0.940	0.800	8.75	7.49	4,888	1.75%	-12.3%

Source: Boursa Kuwait,

Note: Data provided in the above table as of 30 June, 2017

## About VIVA

VIVA is the fastest-growing telecom operator in Kuwait. Launched in December, 2008, and was listed on Kuwait Stock Exchange during December, 2014. VIVA makes things possible for its customers by transforming communication, information and entertainment experiences. The company has rapidly established an unrivalled 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.

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