

Earnings Release

Kuwait Telecommunications Company K.S.C.P

9 Months

2018

For the Nine Months Ended 30 September 2018



VIVA's financial results

For the Nine Months Ended 30 September 2018

VIVA, Kuwait's fastest-growing and most developed telecom operator, announced the financial results for the nine-month period ended 30 September 2018; whereby VIVA's net profit grew to reach KD 37.4 million recording a growth of 29.8% compared to the same period in 2017; whereas the revenues during the nine-month period in 2018 reached KD 214.8 million. VIVA achieved these results due 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; in addition to a bundle of innovative plans and offers to meet all customers segments' needs , as well as 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	9M-2017 (Restated)	9M-2018	Change
Subscribers (Mn)	2.20	2.20	0.1%
Revenue (KD Mn)	209.3	214.8	2.6%
EBITDA	48.5	57.7	19.0%
EBITDA Margin (%)	23.2%	26.9%	3.7pt.
Net Profit (KD Mn)	28.8	37.4	29.8%
Net Profit Margin (%)	13.8%	17.4%	3.7pt.
EPS (Fils)	58	75	29.8%
Equity (KD Mn)	142.9	179.3	25%
BVPS (Fils)	286	359	25%

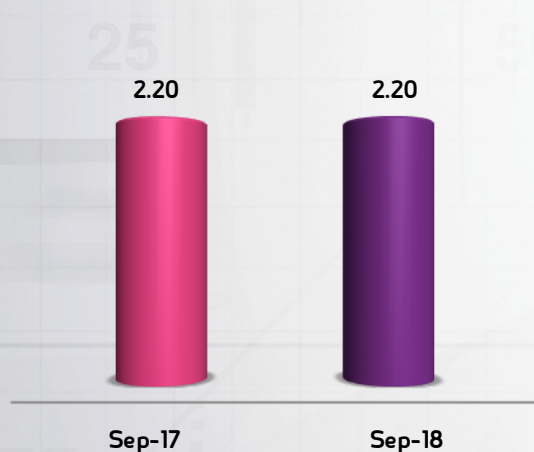
Key Financial Highlights

- VIVA's revenue grew by 2.6% during the 9M- 2018 to reach KD 214.8 million as compared to KD 209.3 million recorded during 9M 2017.
- VIVA's customers' reached 2.20 million by end of Sep 2018 compared to the same level by the end Sep of 2017.
- VIVA's EBITDA reached KD 57.7 million during the nine months ended 30 September 2018 with an EBITDA Margin of 26.9% as compared to KD 48.5 million and margin of 23.2% during the same period last year.
- The net profit reached KD 37.4 million (earning per share 75 fils) during 9M 2018 as compared to KD 28.8 million (earning per share 58 fils) recorded during the same period last year, the increase in net profit attribute to the increase in revenues and also due to cost optimization initiatives.
- Shareholders' equity base stood at KWD 179.3 million at the end of September 2018 with a growth rate of 25% compared to KWD 142.9 million at the end of September 2017.

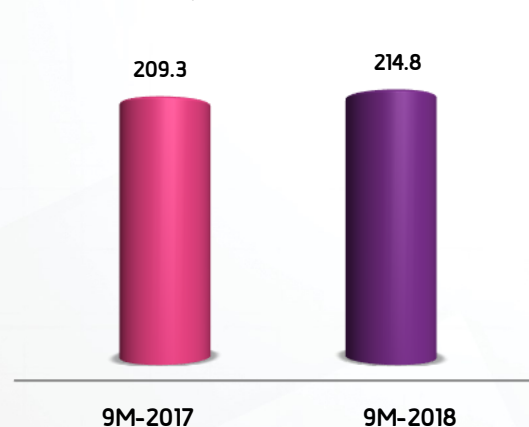
Key News, Developments & Operational Highlights

- VIVA Recognized as Leading Corporate for Investor Relations in Kuwait 2018 - third in the Middle East by MEIRA:** Viva has been recognized as "Leading Corporate for Investor Relations in Kuwait" and third in the Middle East. Viva received this significant award during The Gala which took place at the 10th annual conference of the Middle East Investor Relations Association "MEIRA" in presence of the biggest listed shareholding companies on the stock exchanges in the GCC and the Middle East Region.
- VIVA and Al-Aaly Ink Strategic Partnership Agreement:** Viva and Al-Aaly inked a strategic partnership agreement that authorizes Al-Aaly to be the master and exclusive distributor for VIVA prepaid lines and recharge cards in the Kuwaiti telecom market. Al-Aaly is one of the leading payment solution specialists in Kuwait. Its humble beginning was from a great vision to make possible a value added service for the customers to get rid of the tiresome and time consuming conventional methods of payment solution.
- VIVA Sponsors ArabNet Kuwait Conference 2018:** VIVA's participation aimed to reinforce the relation between Telecom sector and Entrepreneurs to support the vision of HH the Emir of Kuwait Sheikh Sabah AL-Ahmad AL-Jaber AL-Sabah, about transforming Kuwait to a financial and commercial center "Kuwait 35".

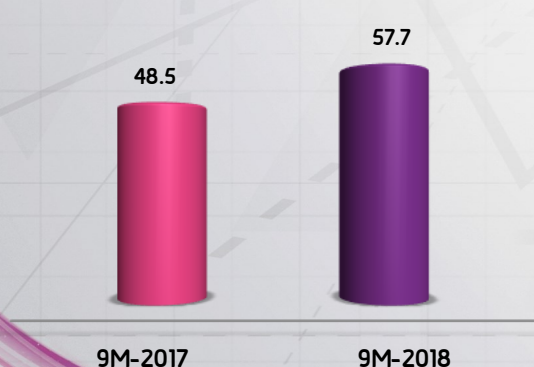
Subscribers (Mn)



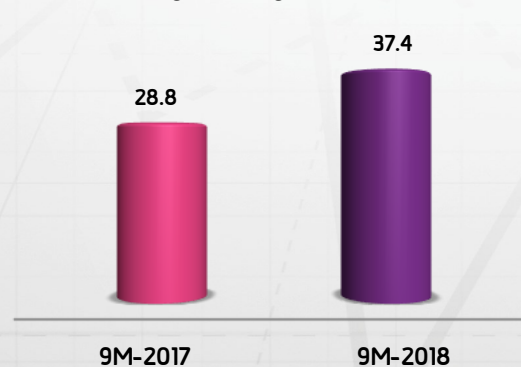
Revenue (KD Mn)



EBITDA (KWD Mn)



Net Profit (KD Mn)



Chairman Statement

Commenting on the nine-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 promotes VIVA's substantial and positive role as a leading telecommunications company that always provides intelligent communications solutions to meet its customers' 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 growth of revenues. VIVA managed to achieve net profit of KD 37.4 million (earnings per share of 75 fils) during the nine month period ended 30 September 2018 compared to net profit of KD 28.8 million (earnings per share of 58 fils) during the same period in 2017."

CEO Statement

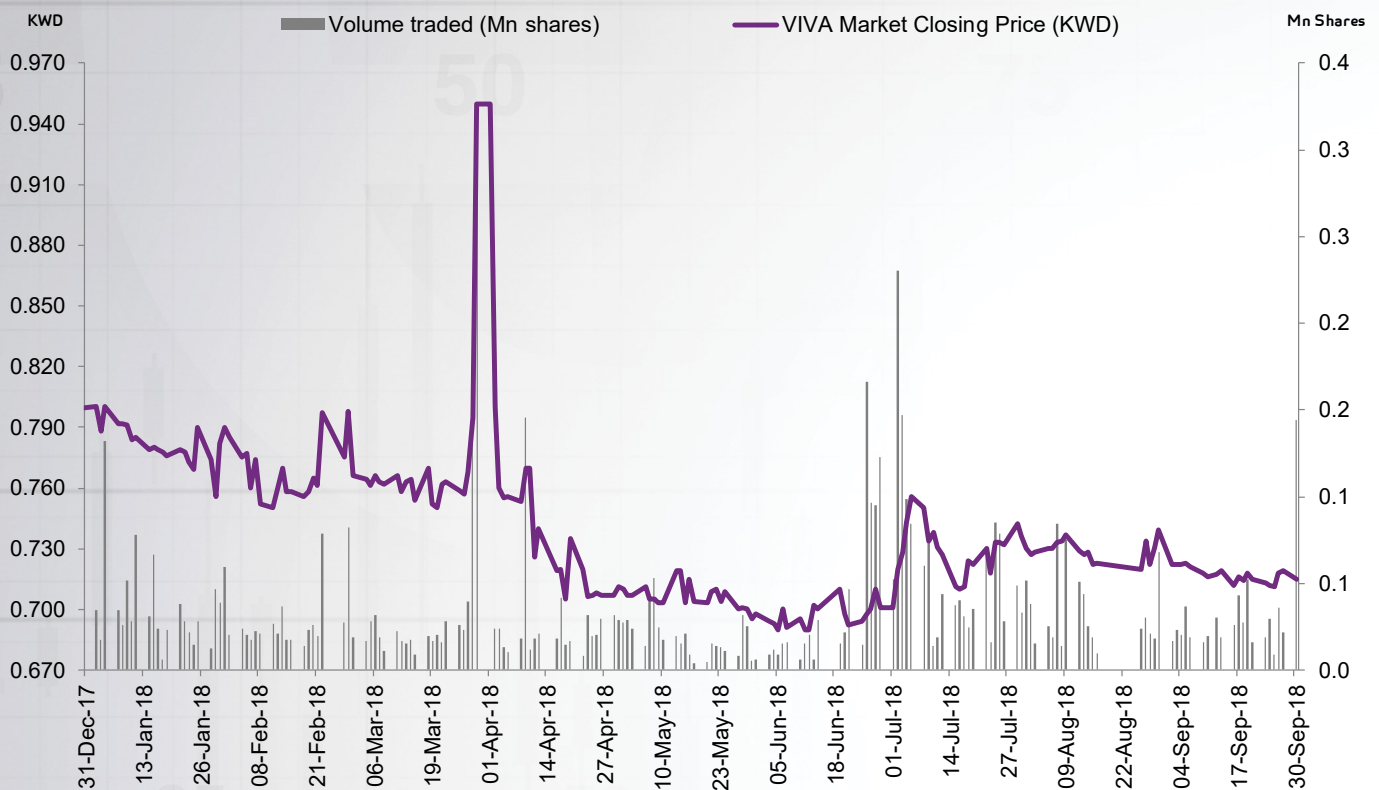
On his part, Eng. Salman bin Abdulaziz Al Badran, VIVA's CEO said: "Results of the nine-month period ended 30 September 2018 came in line with VIVA's goals and boundless ambitions to achieve an increase in its operational revenues, profitability and strengthen its leadership in the telecommunication market. It is noteworthy to mention that, VIVA has won many awards including "Leading Corporate for Investor Relations in Kuwait" and third in the Middle East by MEIRA, "Best Network Development" in the MENA region presented at the third annual 5G MENA Awards 2018 Ceremony, "Speedtest Award Winner 2017 - Kuwait's Fastest Mobile Network" by Ookla, 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."

He 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 214.8 million during the nine-month period in 2018 and achieved net profit of KD 37.4 million (earnings per share of 75 fils) recording growth of 29.8% compared to the same period in 2017, whereas EBITDA reached KD 57.7 million compared to KD 48.5 Million during the same period in 2017. On the other hand, VIVA customer base has reached 2.20 million at the end of September, 2018".

CFO Statement

On his part, Mr. Mohammed Bin AbdulMohsen Al-Assaf, VIVA's CFO, said: "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. 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 (%)
0.715	0.950	0.683	6.52	4.81	6,053	1.30%	-10.5%

Source: Boursa Kuwait,

Note: Data provided in the above table as of 30 Sep 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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