

التاريخ : 29 أكتوبر 2024  
 المرجع : COMP/675

Date :29 October 2024

Ref: COMP/675

Mr. Mohammad Saud Al-Osaimi  
 CEO - Boursa Kuwait  
 State of Kuwait

السيد / محمد سعود العصيمي المحترم  
 الرئيس التنفيذي - شركة بورصة الكويت  
 دولة الكويت

تحية طيبة وبعد

Dear Sirs,

**Subject: Analyst \ Investors Conference Meeting  
 for the Third Quarter of the Fiscal year 2024**

**الموضوع / اجتماع مؤتمر المصلين / المستثمرين - الربع الثالث  
 عن السنة المالية 2024**

With reference to the above subject, and adhering to article 8-4-2 regarding the listed companies' obligations (Analyst \ Investors conference), we would like to inform you that:

بالإشارة إلى الموضوع أعلاه، وعملاً بأحكام المادة 8-4-2 من كتاب قواعد البورصة بشأن التزامات الشركات المدرجة (الافصاح عن مؤتمر المصلين / المستثمرين) نود الافادة بما يلي :

- 1- The analyst / Investors conference for the third Quarter of the fiscal Year 2024 was conducted Today Tuesday, October 29<sup>th</sup> 2024 at 2:00 PM ( Kuwait Local Time) via live internet Broadcast, noting that no material information was discussed during the conference.
- 2- Attached is the investors' presentation for the third Quarter of the fiscal Year 2024.
- 3- Kuwait Telecommunications Company stc will disclose the minutes of the Conference within three working days from the conference day.

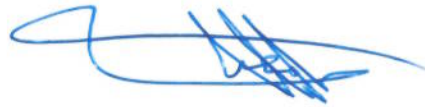
1- انعقد مؤتمر المصلين / المستثمرين للربع الثالث عن السنة المالية 2024، اليوم الثلاثاء 29 أكتوبر 2024 في تمام الساعة 2:00 ظهراً (وفق التوقيت المحلي لدولة الكويت) عن طريق بث مباشر على شبكة الانترنت، علماً بأنه لم يتم الافصاح عن أي معلومة جوهرية جديدة خلال المؤتمر.

2- مرفق العرض التقديمي للمستثمرين للربع الثالث عن السنة المالية 2024.

3- سوف تقوم شركة الاتصالات الكويتية stc بالافصاح عن محضر المؤتمر خلال ثلاثة أيام عمل من تاريخ المؤتمر.

Sincerely yours,

وتفضلوا بقبول فائق الاحترام،



معزز بن عبدالله الضراب  
 الرئيس التنفيذي  
 Muataz Abdullah Aldharrab  
 Chief Executive Officer

stc  
 شركة الاتصالات الكويتية

**نموذج الافصاح عن معلومة جوهرية**  
**Disclosure of Material Information Form**

<b>Date:</b>	<b>29/10/2024</b>	<b>التاريخ :</b>
<b>Name of The Listed Company:</b>	<b>اسم الشركة المدرجة</b>	
Kuwait Telecommunications Company stc	شركة الاتصالات الكويتية stc	
<b>Disclosure Title</b>	<b>عنوان الافصاح</b>	
Disclosure of Material Information	افصاح معلومة جوهرية	
<b>The Material Information</b>	<b>المعلومة الجوهرية</b>	
<p>As per article 8-4-2 regarding the listed companies' obligations (Analyst\ Investors conference) we would like to inform you that:</p> <p>1- The analyst / Investors conference for the third Quarter of the fiscal Year 2024 was conducted Today Tuesday, October 29<sup>th</sup> 2024 at 2:00 PM ( Kuwait Local Time) via live internet Broadcast, noting that no material information was discussed during the conference</p> <p>2- Attached is the investors' presentation for the third Quarter of the fiscal year 2024.</p> <p>3- Kuwait Telecommunications Company stc will disclose the minutes of the Conference within three working days from the conference day.</p>	<p>عملاً بأحكام المادة 8-4-2 من كتاب قواعد البورصة بشأن التزامات الشركات المدرجة ( الافصاح عن مؤتمر المحللين / المستثمرين ) نود الافادة بما يلي :</p> <p>1- انعقد مؤتمر المحللين / المستثمرين للربع الثالث عن السنة المالية 2024, اليوم الثلاثاء 29 اكتوبر 2024 في تمام الساعة 2:00 ظهراً (وفق التوقيت المحلي لدولة الكويت) عن طريق بث مباشر على شبكة الانترنت، علماً بأنه لم يتم الافصاح عن أي معلومة جوهرية جديدة خلال المؤتمر.</p> <p>2- مرفق العرض التقديمي للمستثمرين للربع الثالث عن السنة المالية 2024.</p> <p>3- سوف تقوم شركة الاتصالات الكويتية stc بالافصاح عن محضر المؤتمر خلال ثلاثة أيام عمل من تاريخ المؤتمر.</p>	
<b>Significant Effect of the material information on the financial position of the company</b>	<b>أثر المعلومة الجوهرية على المركز المالي للشركة</b>	
No financial effect	لا يوجد أثر مالي	





# Investors Presentation Q3-2024

**October 29<sup>th</sup>, 2024**

**Investor Relations and M&A**

Kuwait Telecommunications Company K.S.C.P.

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*For further information about **stc** Kuwait, or the materials contained within this document, please direct your enquiries to our Investor Relations team via email at [investor.relations@stc.com.kw](mailto:investor.relations@stc.com.kw) or visit <https://www.stc.com.kw/en/about/investor-relations>*

# stc at a glance

As at 30 September 2024



**15**  
**Years in operations**



**2.3 Mn**  
**Subscribers**



**66**  
**Outlets**



**2,128**  
**Towers**



**100%**  
**Coverage of Kuwait**  
**Populated Area**



**KD 542.3 Mn**  
**Market Cap.**



**KD 0.543**  
**Share Price**



**Ticker**



**%178**  
**Kuwait Market**  
**Penetration**



**Listed In**  
**Boursa Kuwait**  
**FTSE**  
**MSCI**



# LEAD<sup>2</sup> pillars



## Lift the core

by capturing growth opportunities across youth, high-value expat and SME segments



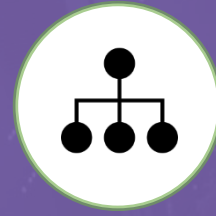
## Expand ICT

business in scale and scope and position stc as a professional services provider



## Accelerate innovation

leveraging Group, non-telco partners & startup ecosystem



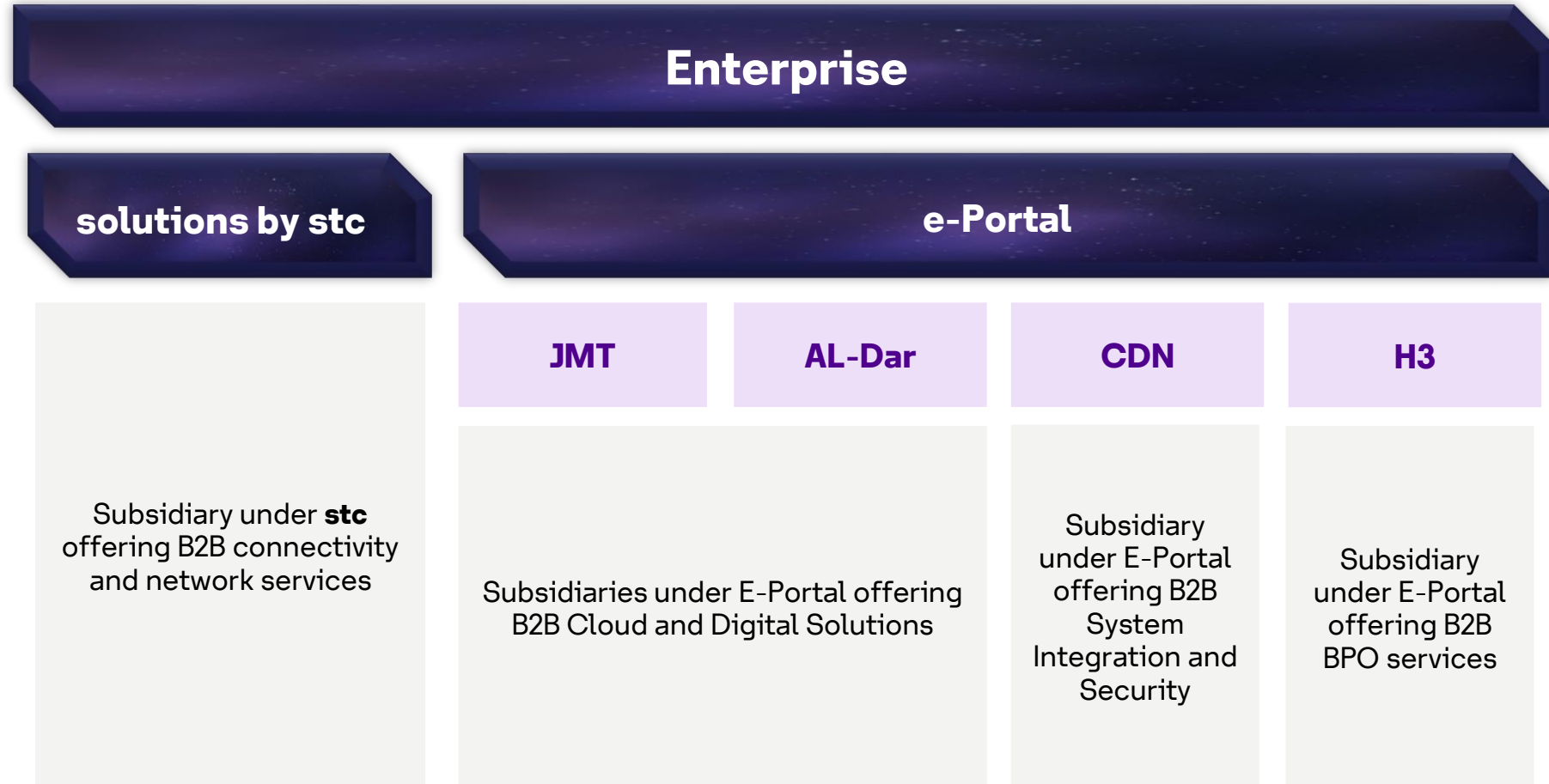
## Deploy an efficient &

**digital** operating model that is fit for growth

# stc Kuwait subsidiaries | operating in the ICT and B2B space



**stc** Kuwait focus is on consumer, delivering services such as prepaid, postpaid MBB and voice, and devices





## B2C



- Introduced innovative smart home solutions
- Launched first exclusive plans designed for the youth in Kuwait called 'youth all the way'
- Signed strategic partnerships with various companies to enrich 'youth from stc'

## B2B



- Signed a strategic contract with the Ministry of Electricity, Water & Renewable Energy to supply Smart Electricity Meters
- Awarded numerous ICT projects through our subsidiaries in both the public and private sectors
- Introduced next-generation Multi-Tenant SIEM Service for SMEs

## Technology



- In the process of launching the 5G Advanced (5.5G)
- Enterprise achieved groundbreaking 10Gbps in first ever 6GHz IMT frequency spectrum trial
- stc and Huawei Signed MoU to Accelerate 5.5G Era
- Launched Pioneering 5G RedCap FWA in the Middle East





**01**

## **#1 Ideal Employer**

For engineers and IT professionals in Kuwait according to Universum's custom research in comparison with 19 of the strongest brands in Kuwait



**02**

## **ICT Telecom Award-Kuwait**

For the entry 5G at the Middle East Technology Excellence Awards





Revenue

**KD 261.8 Mn**

**+0.8% YoY**



EBITDA

**KD 63.7 Mn**

**+1.2% YoY**



Net Profit

**KD 24.7 Mn**

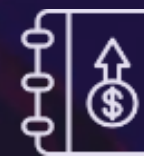
**+1.4% YoY**



EPS

**25.0 fils**

**+1.4% YoY**

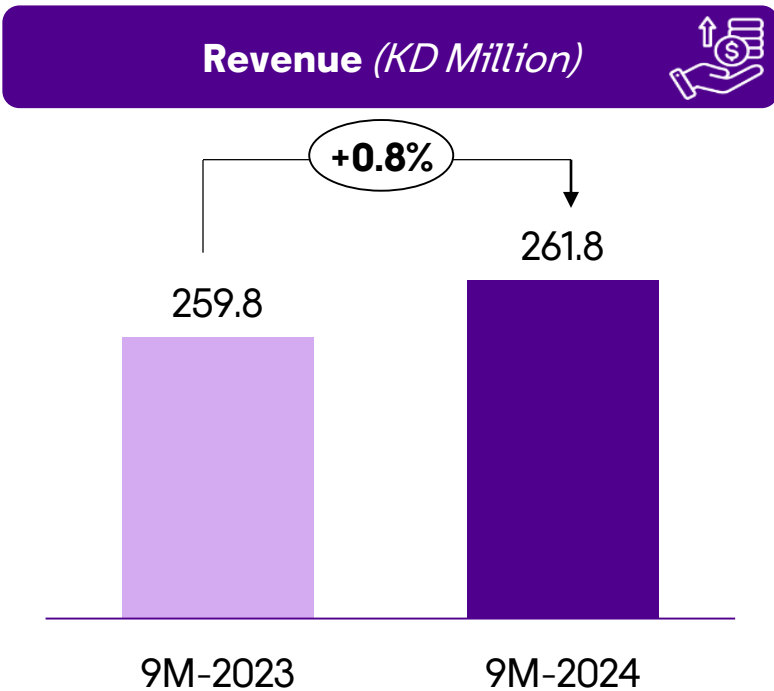


CAPEX

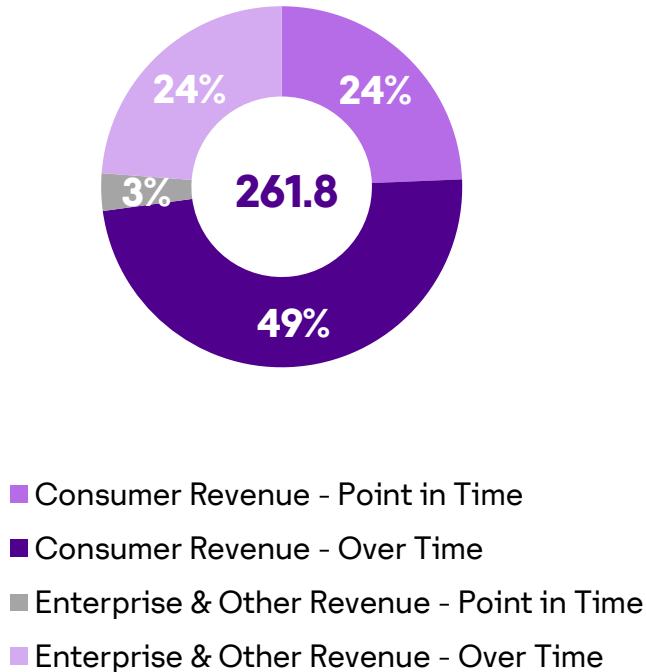
**KD 24.3 Mn**

**+8.7% YoY**

# Financial Performance | Highlights



## Revenues Segmentation



**Revenues** increase is attributed to the increase in Consumer sector revenues, which make up 73% of total revenues, while Business sector revenues accounted for 27% of the company's total revenues.

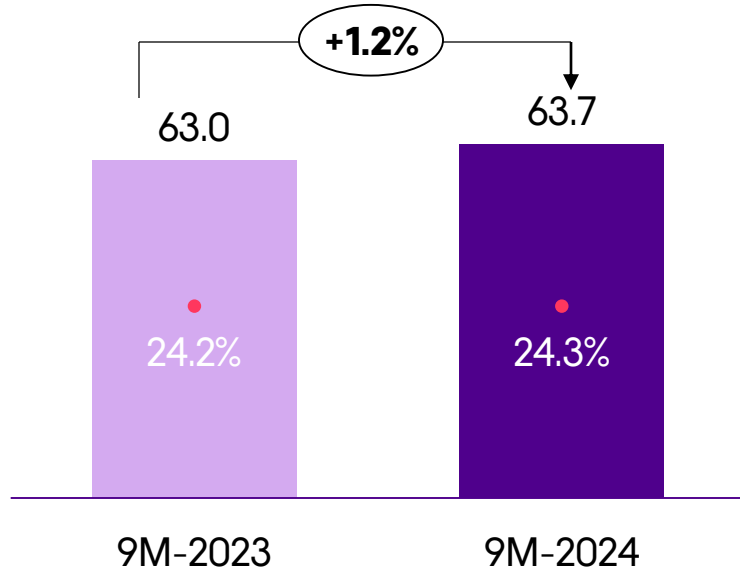


# Financial Performance | **Highlights**

## EBITDA and EBITDA Margin



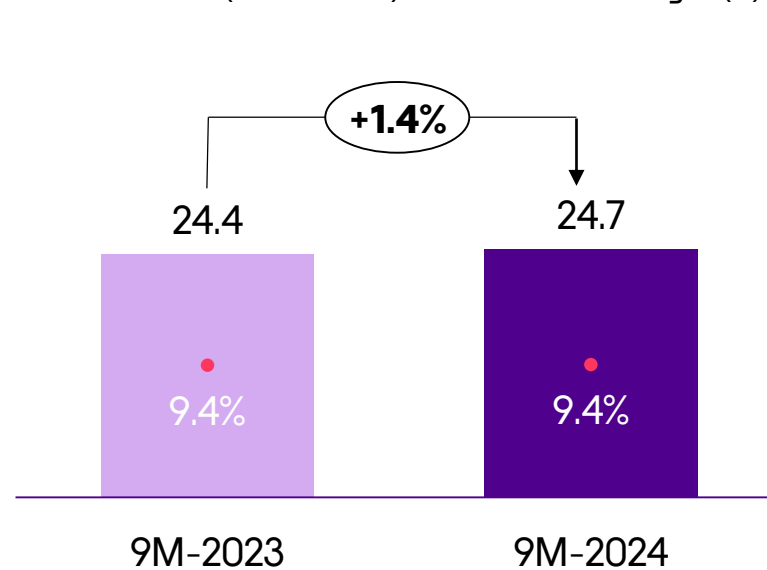
■ EBITDA (KD Million)    ● EBITDA Margin (%)



## Net Profit and Profit Margin



■ Net Profit (KD Million)    ● Net Profit Margin (%)

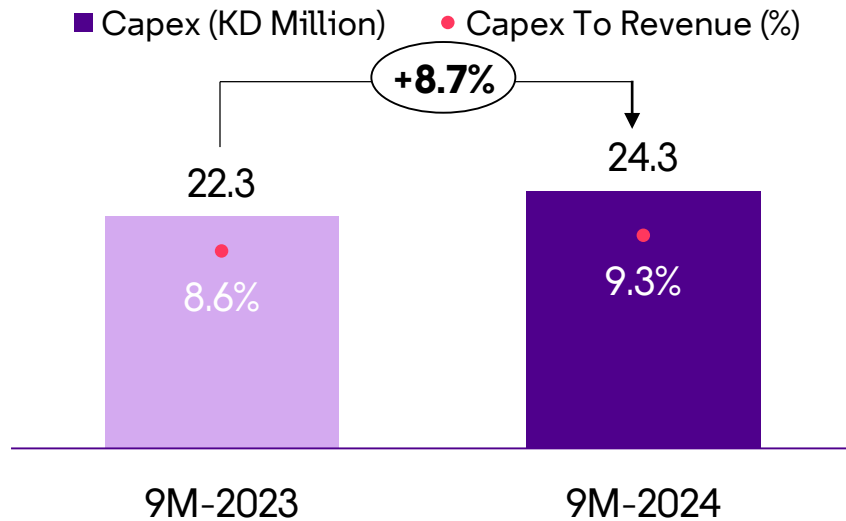


**EBITDA** Improvement driven by the ongoing optimization of our revenue mix, coupled with the realization of synergies across our subsidiaries

**Net Profit** marking a growth of 1.4% during the first nine months of 2024.

# Financial Performance | Highlights

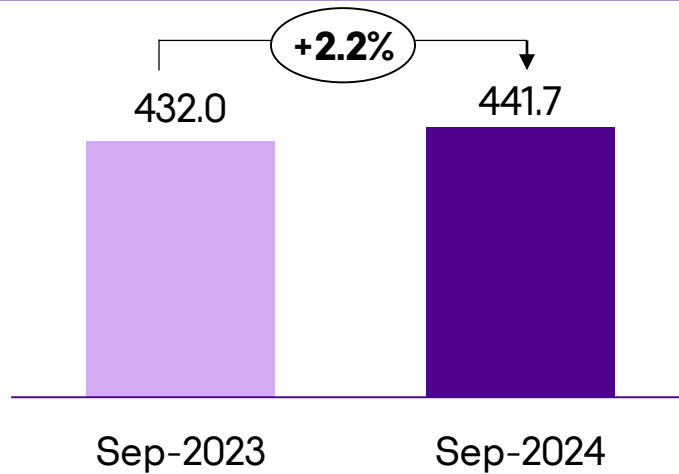
## Capex and Capex to Revenue



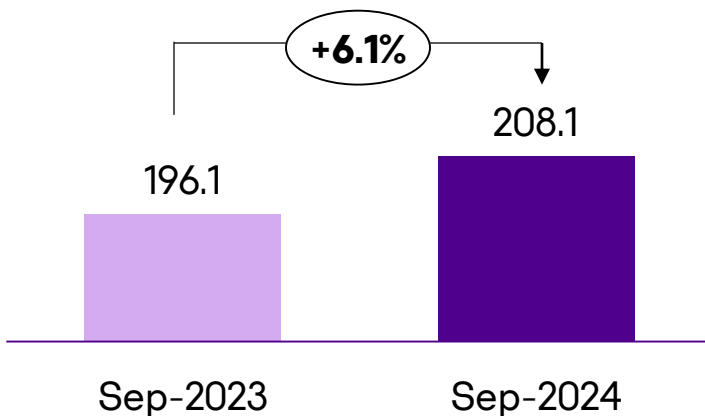
**stc** will continue its investments in network expansion, modernization and investments in digitization to be in line with strategic pillars.

# Financial Performance | Highlights

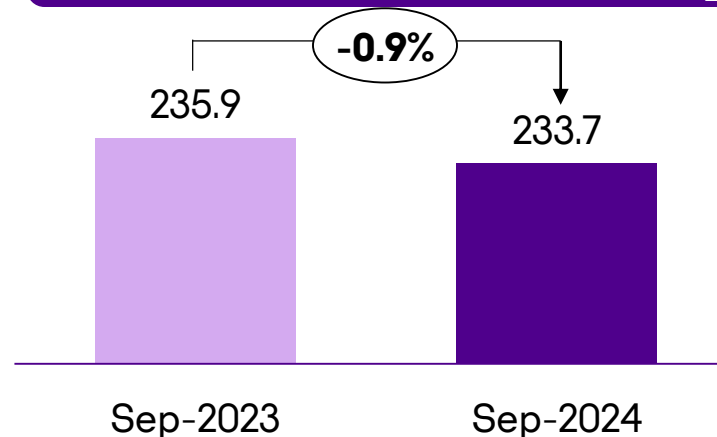
## Total Assets (KD Million)



## Total Liabilities (KD Million)



## Shareholders Equity (KD Million)

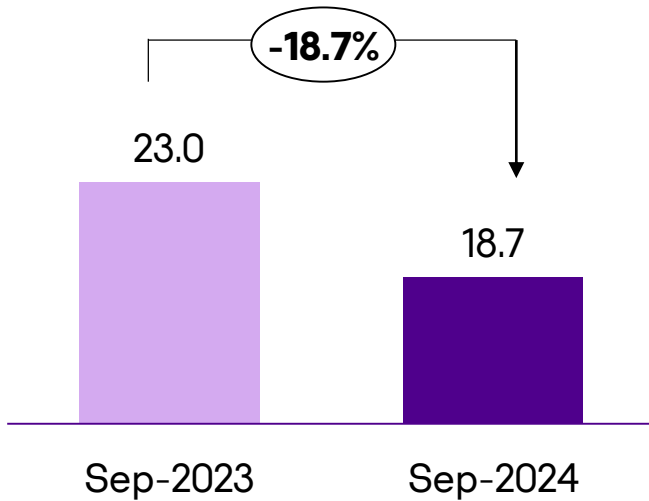


**stc** has maintained a healthy and strong balance sheet position as well as key financial ratios with robust earnings growth and efficient capital management

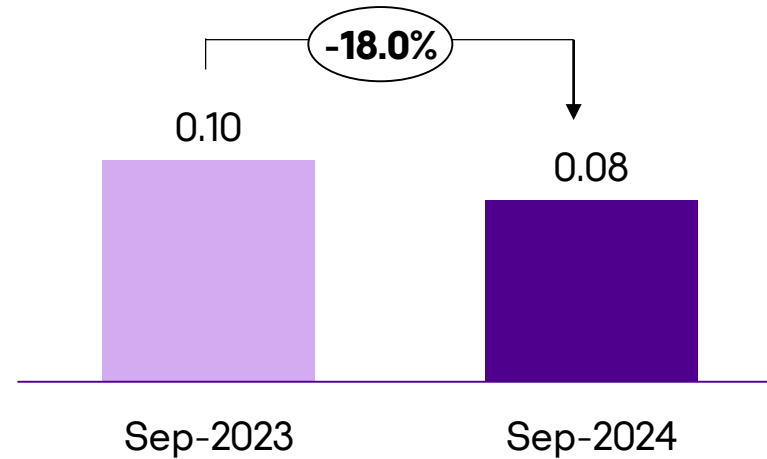


# Financial Performance | Highlights

## Total Debt (KD Million)



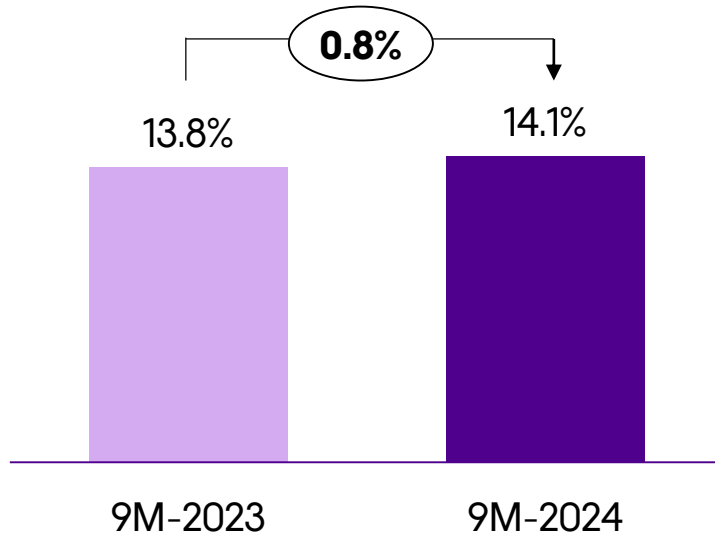
## Total Debt / Equity (X)



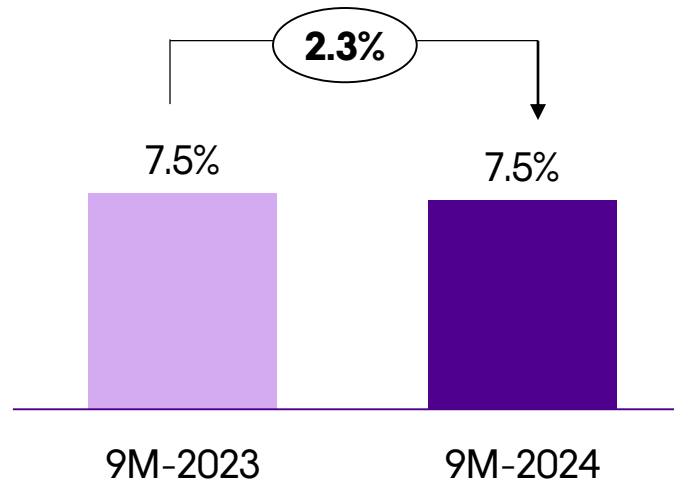
**stc** has a strong solvency position amongst the telecom companies in the Middle East.

# Financial Performance | Highlights

## Return on Equity



## Return on Assets



**ROE** and **ROA** have shown a positive trend YoY, indicating improved efficiency and profitability, and reflecting **stc's** effective capital management

# stc Share Performance | Highlights

As at 30 September 2024

Number of Shares

Paid Up Capital

**998.7 Mn**

**KD 99.9 Mn**

P/E

**16.2x**

P/B

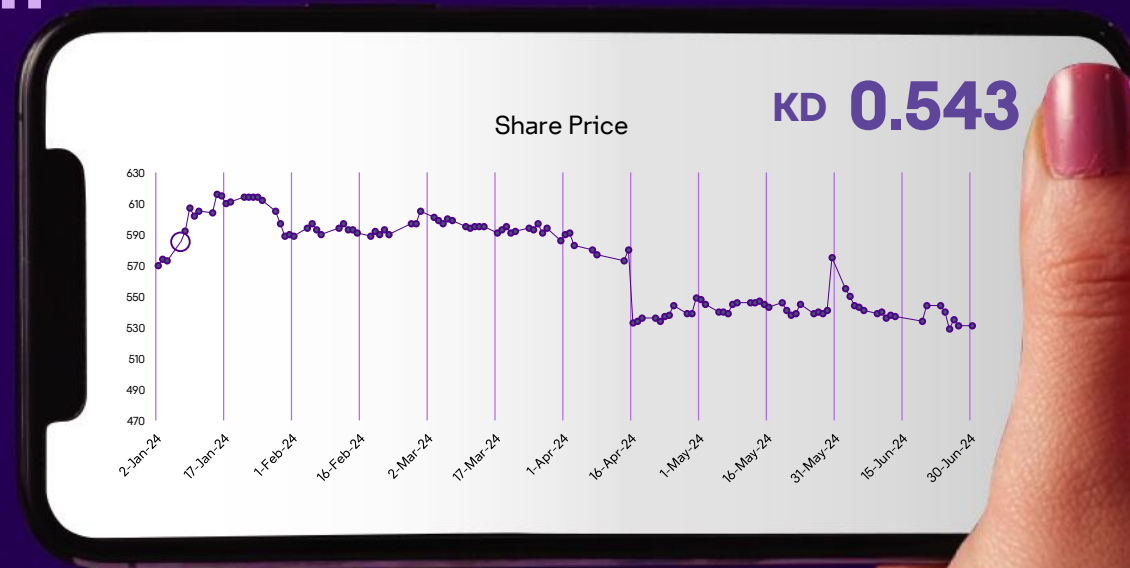
**2.4x**

BVPS

**234 fils**

Dividend Yield

**6.5%**





The image features a blue background with two hands reaching towards each other. The hands are positioned diagonally, with one hand on the left and one on the right, their fingers slightly curled as if about to grasp each other. The lighting is soft, highlighting the contours of the hands. Overlaid in the center is the text 'Q&A' in a large, white, sans-serif font.

# Q&A

# Appendix

- Statement of Financial Position (2021 – September 2024)
- Income Statement (2021 – 9M 2024)
- Kuwait's Macroeconomic Environment

# Statement of Financial Position (2021 – September 2024)

<b>Statement of Financial Position</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>Sept 2023</b>	<b>Sept 2024</b>
	KD Mn	KD Mn	KD Mn	KD Mn	KD Mn
<b>Assets</b>					
Property and equipment	185.0	171.2	161.9	160.5	155.7
Goodwill and intangible assets	27.2	42.1	40.7	43.2	44.3
Trade and other receivables	16.0	5.1	0.4	0.2	0.7
Contract Assets	-	16.3	18.7	15.6	19.2
<b>Total non-current assets</b>	<b>228.2</b>	<b>234.6</b>	<b>221.7</b>	<b>219.5</b>	<b>219.9</b>
Inventories	10.8	7.9	12.8	14.4	11.1
Prepayments and other current assets	7.8	9.1	9.5	10.4	9.8
Trade and other receivables	32.4	47.3	56.9	60.4	60.3
Contracts assets	49.4	46.5	45.3	45.2	46.9
Cash, cash balances and deposits	65.2	79.0	101.4	82.2	93.7
<b>Total current assets</b>	<b>165.6</b>	<b>189.8</b>	<b>226.0</b>	<b>212.6</b>	<b>221.8</b>
<b>Total assets</b>	<b>393.8</b>	<b>424.4</b>	<b>447.7</b>	<b>432.0</b>	<b>441.7</b>
<b>Equity And Liabilities</b>					
Share capital	49.9	99.9	99.9	99.9	99.9
Statutory reserve	26.2	52.5	52.5	52.5	52.5
Voluntary reserve	26.2	-	-	-	-
Other reserves	(0.8)	0.2	(0.1)	0.3	(0.0)
Retained earnings	135.5	88.9	91.6	83.3	81.3
<b>Total equity</b>	<b>237.2</b>	<b>241.4</b>	<b>243.9</b>	<b>235.9</b>	<b>233.7</b>
Employees' end of service benefits	11.2	12.1	13.6	12.7	14.4
Islamic financing facilities	2.3	23.0	17.3	18.7	12.9
Trade and other payables	4.9	6.4	8.7	5.2	12.1
<b>Total non-current liabilities</b>	<b>18.5</b>	<b>41.5</b>	<b>39.5</b>	<b>36.6</b>	<b>39.5</b>
Islamic financing facilities	2.7	-	5.8	4.3	5.8
Trade and other payables	135.5	141.4	158.6	155.2	162.9
<b>Total current liabilities</b>	<b>138.2</b>	<b>141.4</b>	<b>164.3</b>	<b>159.5</b>	<b>168.6</b>
<b>Total liabilities</b>	<b>156.6</b>	<b>183.0</b>	<b>203.8</b>	<b>196.1</b>	<b>208.1</b>
<b>Total equity and liabilities</b>	<b>393.8</b>	<b>424.4</b>	<b>447.7</b>	<b>432.0</b>	<b>441.7</b>

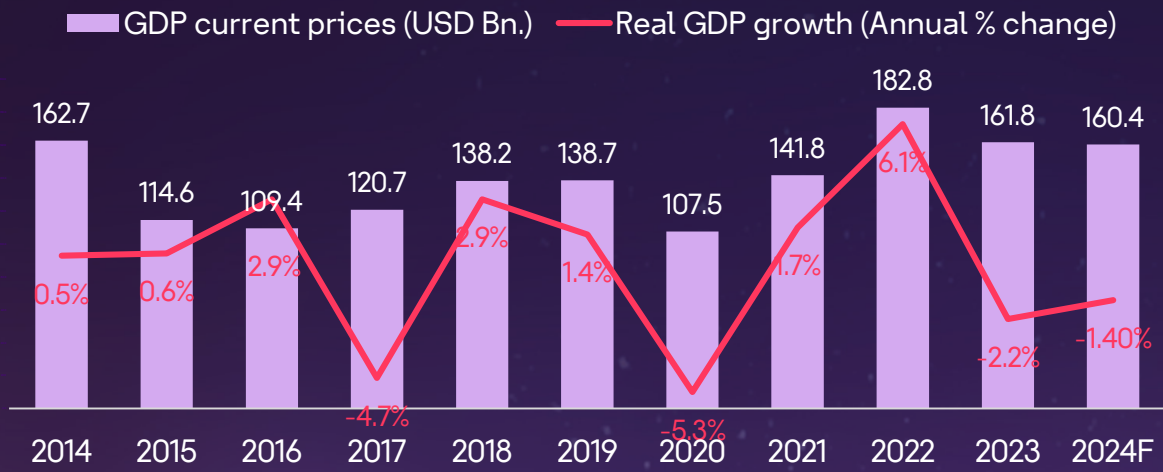


# Income Statement (2021 – 9M 2024)

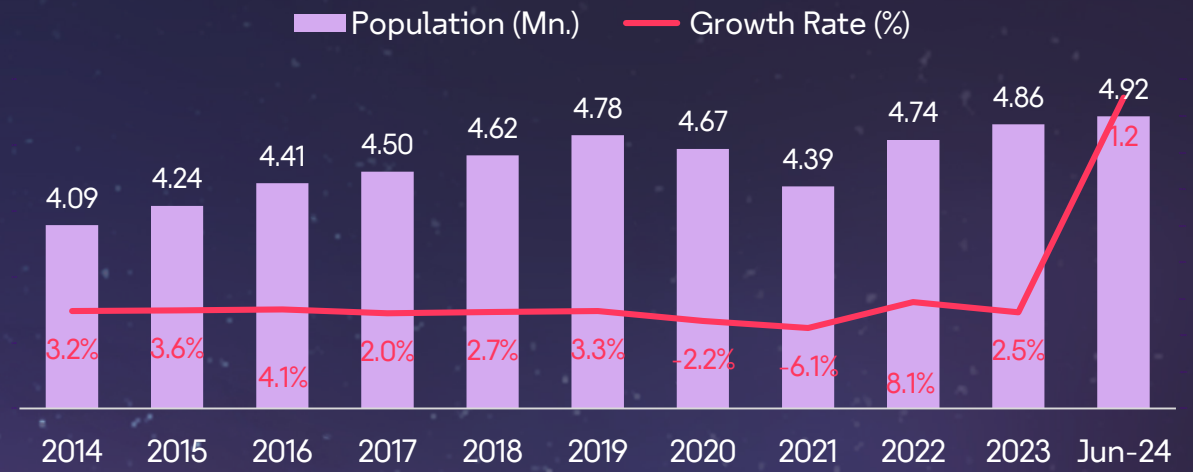
Income Statement	2021 KD Mn	2022 KD Mn	2023 KD Mn	9M 2023 KD Mn	9M 2024 KD Mn
Revenue	296.3	336.4	351.4	259.8	261.8
Operating expenses	(158.8)	(189.3)	(194.6)	(143.9)	(147.9)
Staff costs	(24.6)	(26.7)	(27.2)	(20.2)	(19.6)
Expected credit losses on trade & other receivables and contract assets	(7.8)	(11.0)	(14.9)	(10.1)	(9.2)
Depreciation, amortization and write-offs	(46.0)	(50.8)	(50.1)	(37.0)	(37.6)
General and administrative expenses	(26.0)	(27.5)	(30.4)	(22.8)	(21.5)
Finance costs	(3.0)	(1.4)	(2.0)	(1.5)	(1.9)
Impairment of goodwill	(2.0)	-	-	-	-
Share of results from associate	(0.1)	-	-	-	-
Other income	19.0	5.3	2.4	1.3	2.2
<b>Profit before Contributions to KFAS, NLST, Zakat and BOD Remuneration</b>	<b>47.1</b>	<b>35.0</b>	<b>34.6</b>	<b>25.7</b>	<b>26.4</b>
KFAS	(0.4)	(0.4)	(0.3)	(0.3)	(0.4)
NLST	(1.1)	(0.9)	(1.0)	(0.6)	(0.7)
Zakat	(0.5)	(0.4)	(0.4)	(0.3)	(0.3)
BOD remuneration	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
<b>Net Profit for the Year/Period</b>	<b>44.9</b>	<b>33.2</b>	<b>32.7</b>	<b>24.4</b>	<b>24.7</b>
<b>Basic and Diluted Earnings per share (Fils)*</b>	<b>45</b>	<b>33</b>	<b>33</b>	<b>24</b>	<b>25</b>

\*2021 EPS has been restated based on the distribution of 100% bonus shares in 2022.

# Kuwait's Macroeconomic Environment



Source: IMF



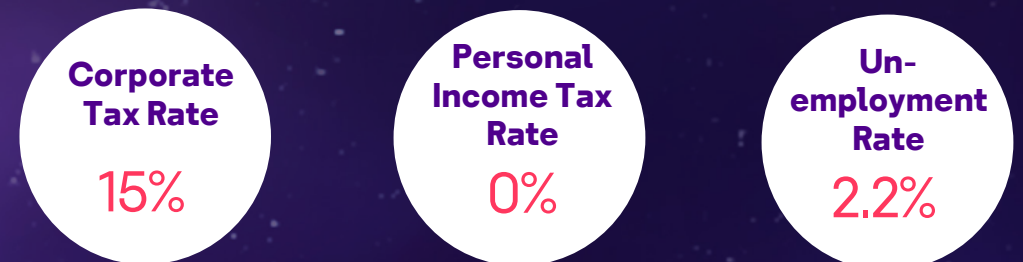
Source: PACI Kuwait as of June 2024

## Kuwait Credit Rating



Source: Moody's as of 30.09.2024

## Kuwait Market Tax Rates



Source: CBK

Shukran!

شُكْرًا



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