

**Kcell**



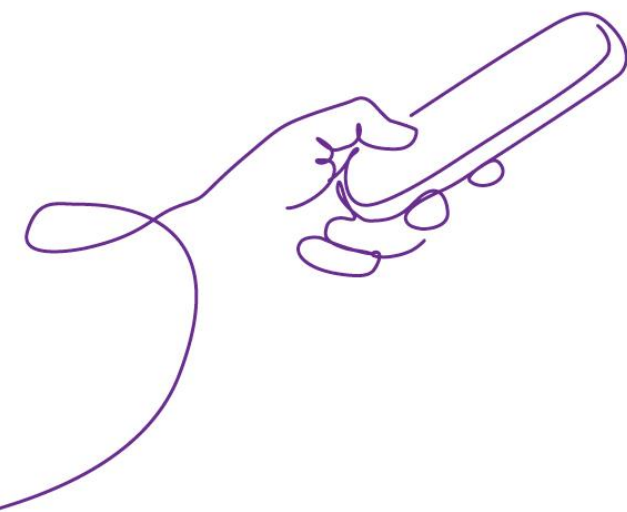
**Kcell JSC**  
Q4 and Full Year 2019  
Financial results

# Q4 2019 Highlights



- Total revenue up 11.1% year-on-year
- Service revenue remained on a positive trajectory and increased by 5.8% year-on-year
- Robust revenue growth in our B2B segment - up 13.6% year-on-year
- 12.7% year-on-year increase in ARPU
- EBITDA, excluding non-recurring items, up 8.6% year-on-year, underpinned by higher revenue, tight fiscal discipline and substantial cost optimisation
- Revenue from handset sales increased by 49% year-on-year

# Q4 2019 Summary



Net sales

KZT 42,487m  
(38,254)

Increase of 11.1% YoY

B2B revenue

KZT 5,335m  
(4,696)

Increase of 13.6% YoY

Net income

KZT 5,092m  
(3,661)

Increase of 39.1% YoY

Service revenue

KZT 35,511m  
(33,562)

Increase of 5.8% YoY

EBITDA\*

KZT 15,536m  
(14,301)

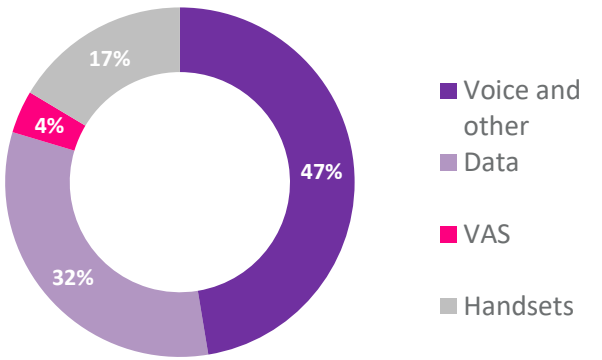
Increase of 8.6% YoY  
EBITDA margin 36.6% (37.4)

Subscribers

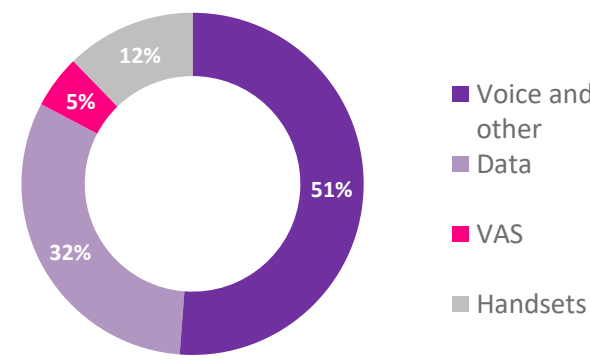
8,275 thousand  
(8,440)

Decrease by 165,000 subscribers  
QoQ

Net sales breakdown Q4 2019

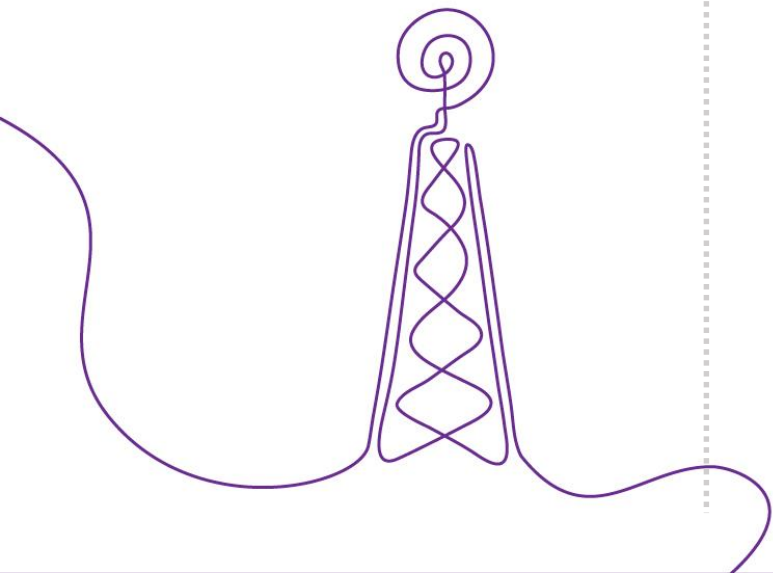
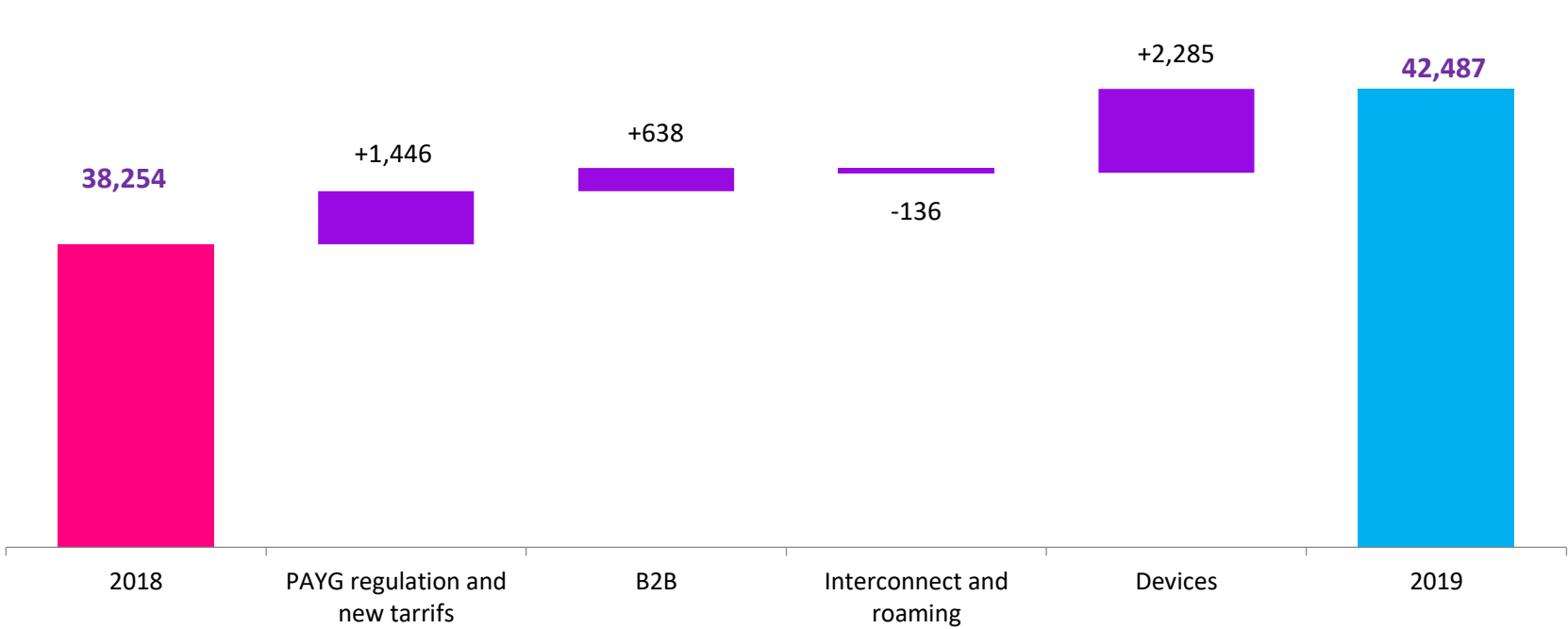


Net sales breakdown Q4 2018

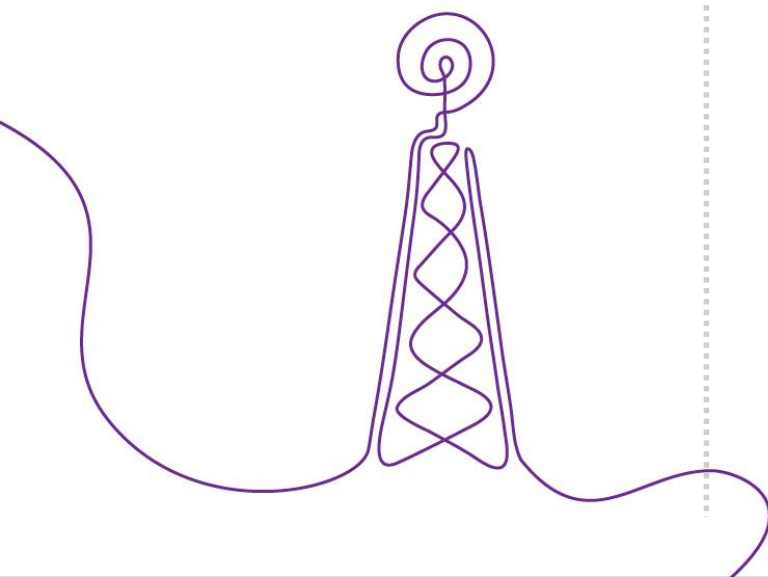
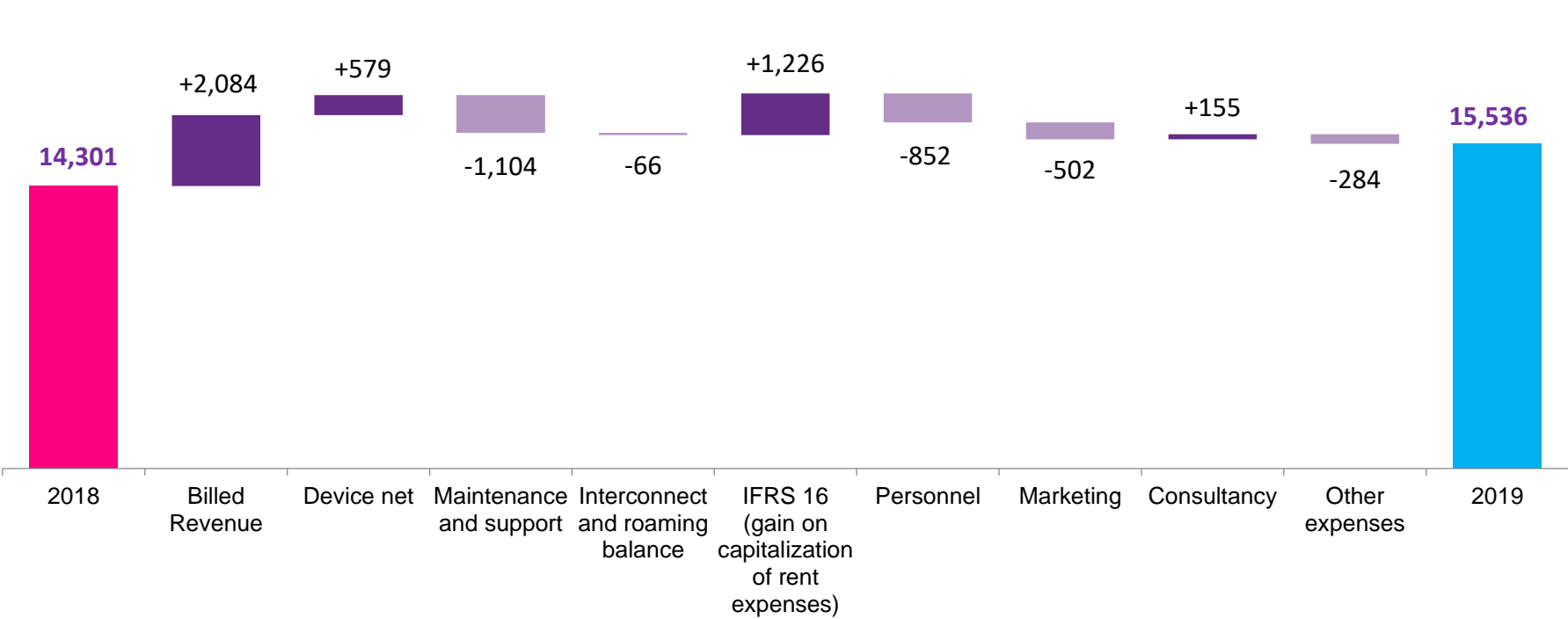


\*excluding non-recurring items

# Q4 Revenue Growth



# Q4 EBITDA\* Development



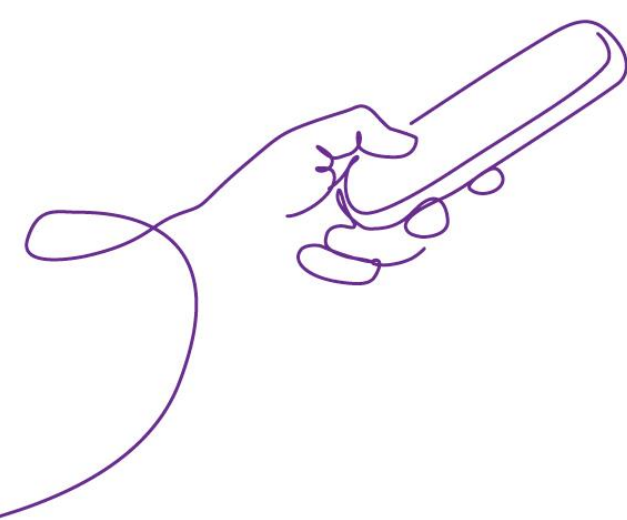
\*excluding non-recurring items

# FY 2019 Highlights



- Total revenue growth of 4.6 percent year-on-year
- The first improvement in our key financial indicators in five years:
  - Service revenue remained on a positive trajectory and increased by 4.8% year-on-year
  - 15.5% year-on-year increase in ARPU
  - EBITDA, excluding non-recurring items, up 24.7% year-on-year, and by 13.8%, excluding the application of IFRS 16 accounting standards, the increase underpinned by higher revenue, tight fiscal discipline and substantial cost optimisation
- Robust revenue growth in our B2B segment - up 16.2% year-on-year
- Handset sales grew by 3.6% year-on-year
- Launch of on-line store for handset sales
- Introduction of the first convergent product with Kazakhtelecom
- New projects: Private LTE, eSIM, scoring systems for banks and IoT project for farming

# FY 2019 Summary



Net sales

KZT 156,657m  
(149,701)

Increase of 4.6% YoY

B2B revenue

KZT 18,616m  
(16,021)

Increase of 16.2%\* YoY

Net income

KZT 10,117m  
(8,531)

Increase of 18.6% YoY

Service revenue

KZT 137,564m  
(131,269)

Increase of 4.8% YoY

EBITDA\*

KZT 63,533m  
(50,943)

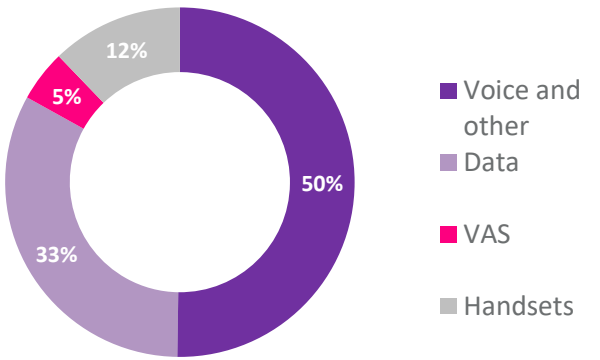
Increase of 24.7 % YoY\*  
EBITDA margin 40.6% (34.0)

Subscribers

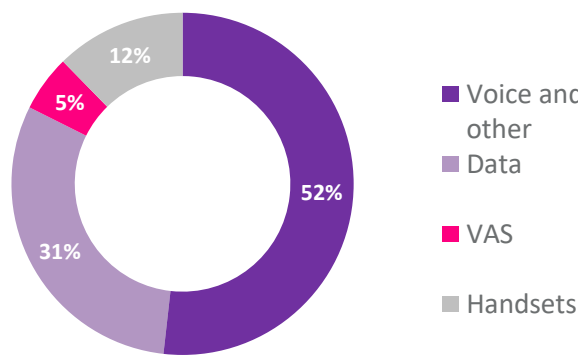
8,275 thousand  
(8,969)

The number of subscribers decreased as a result of moving from quantity driven distribution to value driven acquisition

Net sales breakdown FY 2019

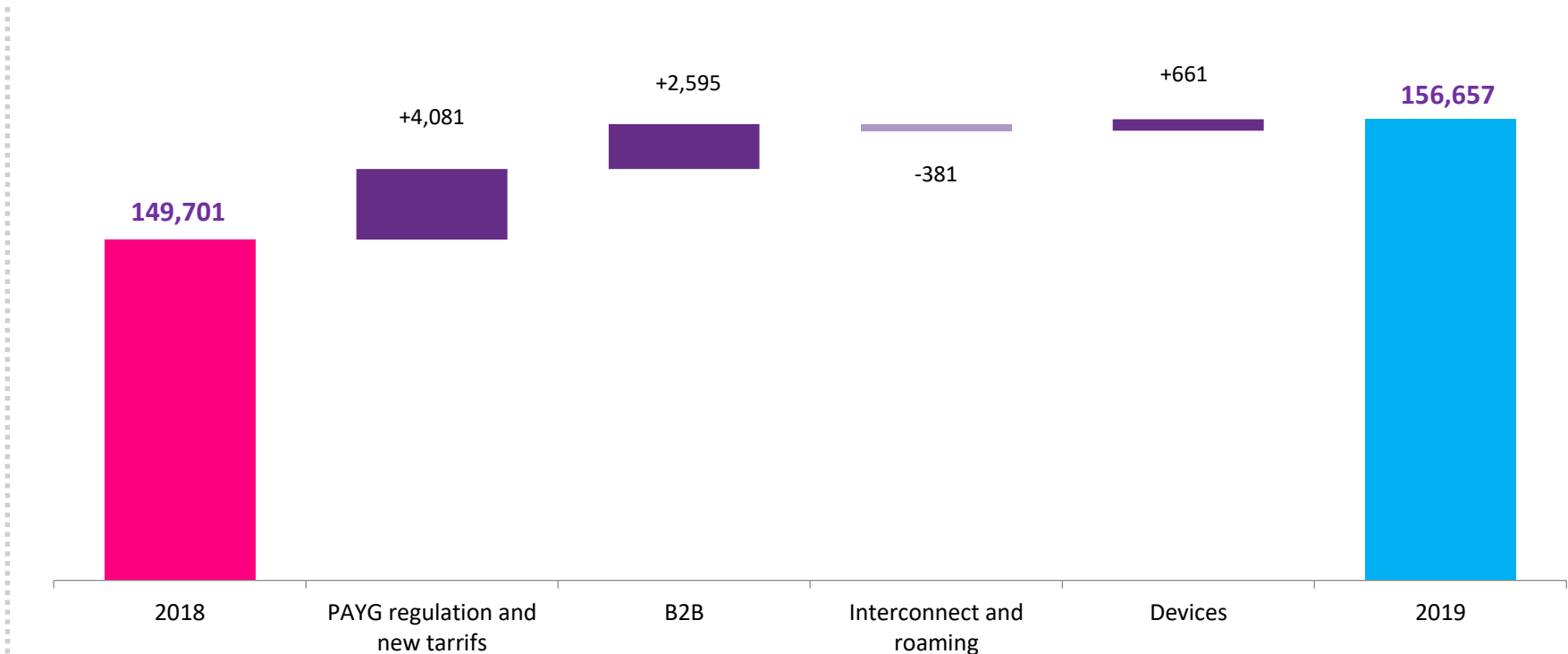
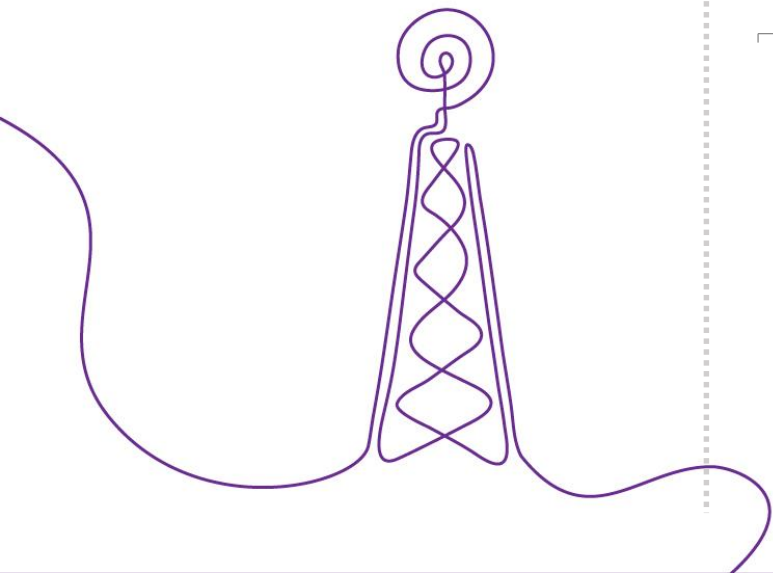


Net sales breakdown FY 2018



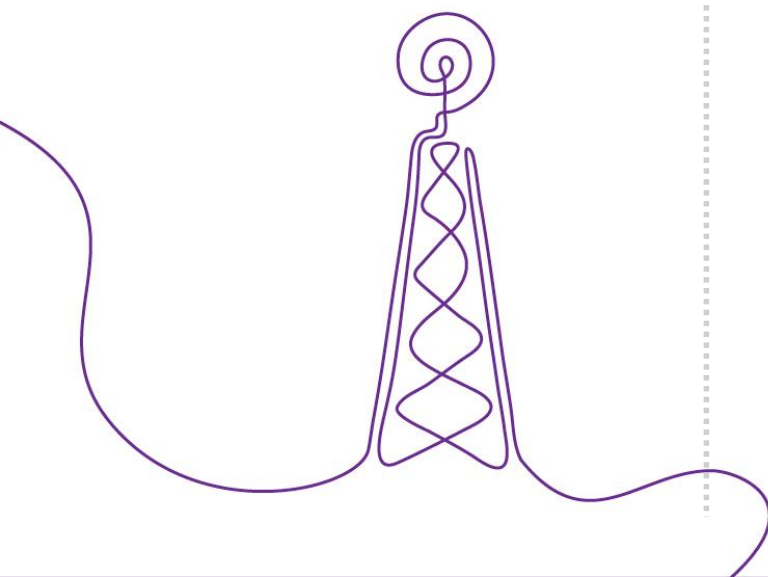
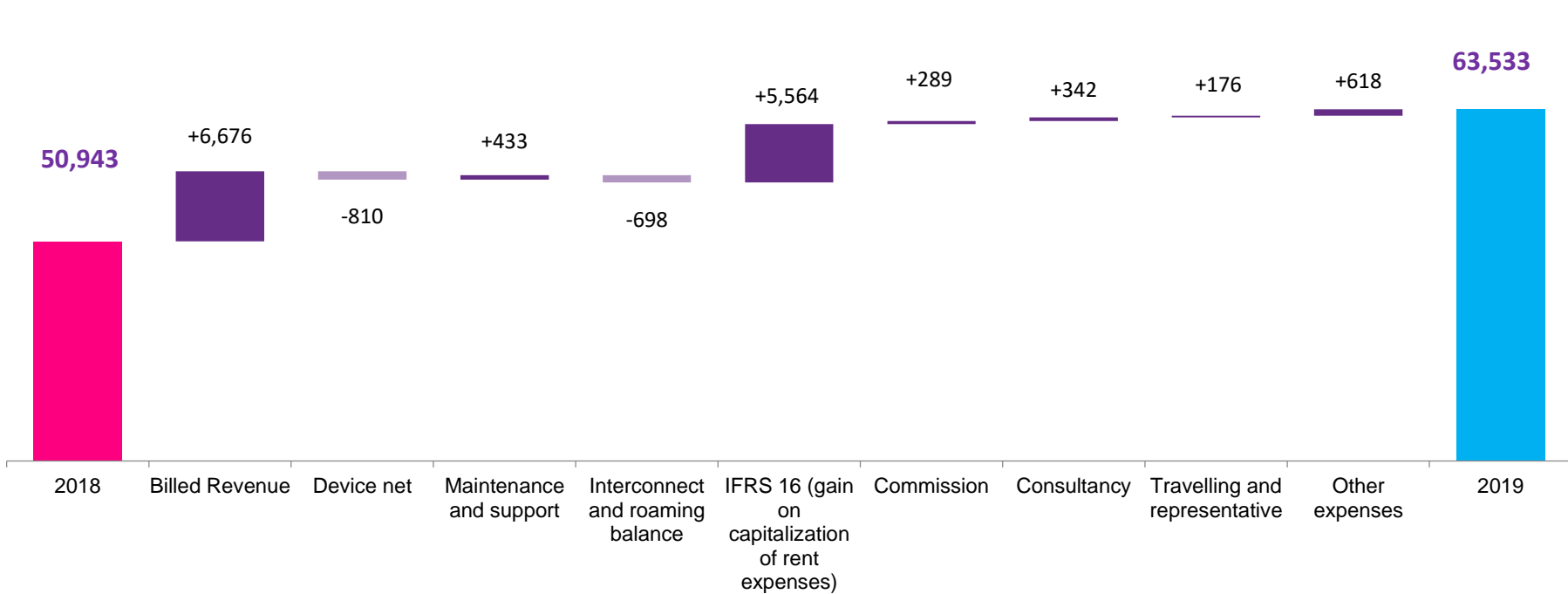
\*excluding non-recurring items

# FY 2019 Revenue Growth



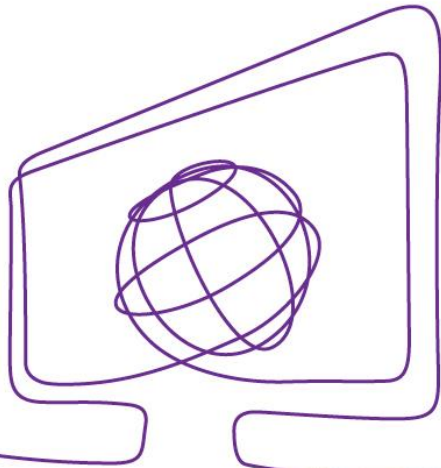


# FY EBITDA\* Development



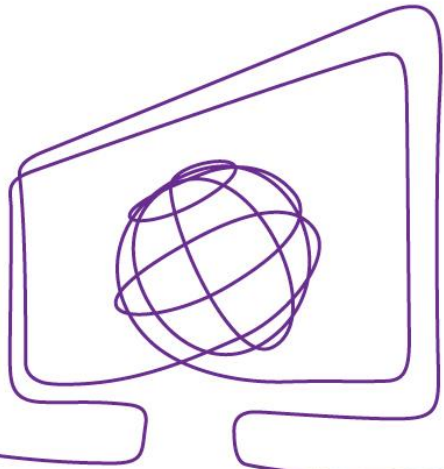
\*excluding non-recurring items

# Strategic Priorities



1. Maintain our number one position across all our operations
  - #1 operator for smartphone users
  - #1 operator in B2B segment
2. Offer a diversified product range that meets the ever-evolving needs of all customer segments
3. Continue to identify synergies across the entire group
4. Focus on and further develop handset sales business
5. Data monetisation
6. Focus on areas with clear potential for substantial growth
  - Mobile financial services
  - Big data
  - Introduction of 5G infrastructure and services

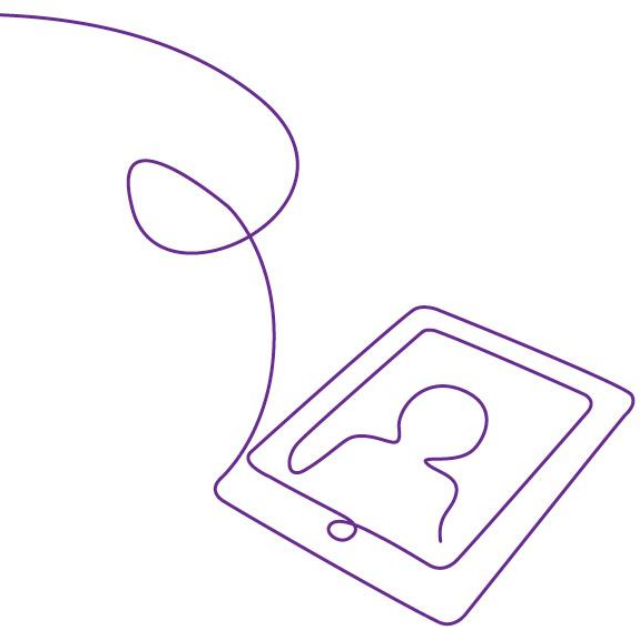
# Positive revenue trend



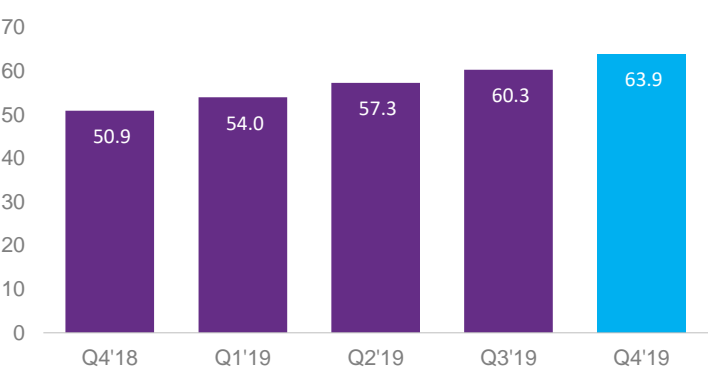
Revenue growth driven by a number of factors including:

- Improved pay as you go (PAYG) billing for bundled offers
- Launch of new tariff plans with unlimited access to social networks
- Growing number of subscribers transitioning to new offers with enlarged content
- Increased number of subscribers on fixed contracts with higher levels of ARPU, as a result of growth in number of devices sold through on-line shop

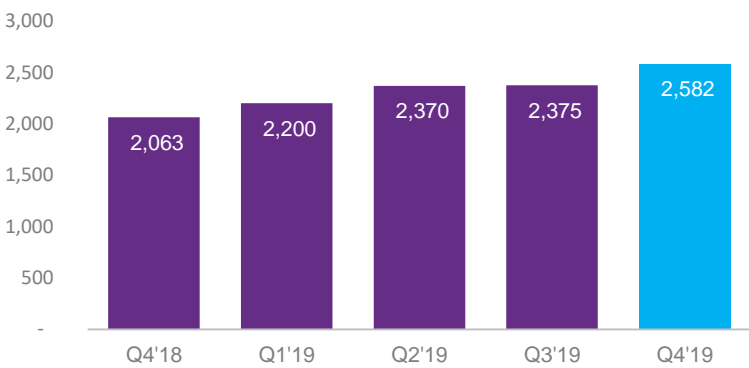
# Commercial trends



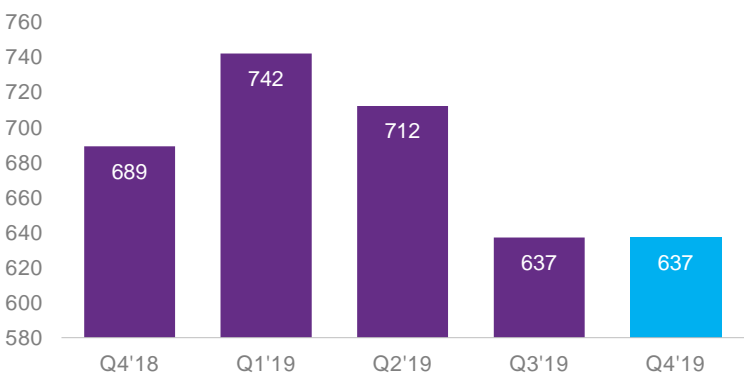
4G device penetration %\*



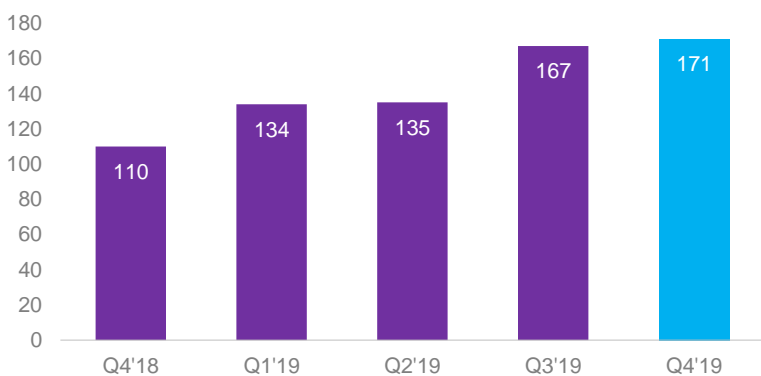
4G data users ('000)



OTT users ('000)

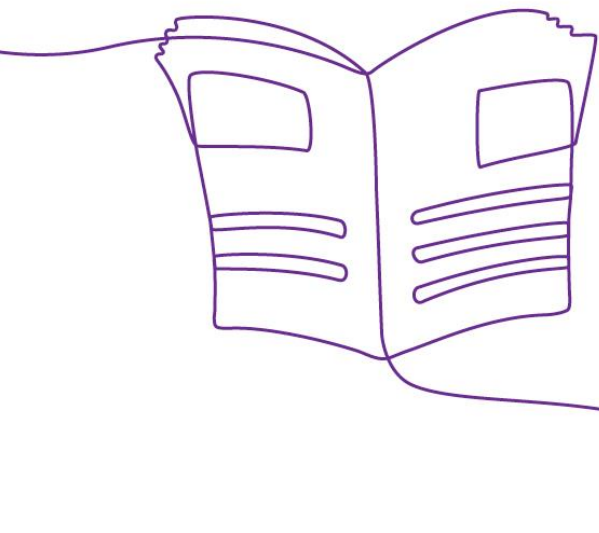


MFS users ('000)

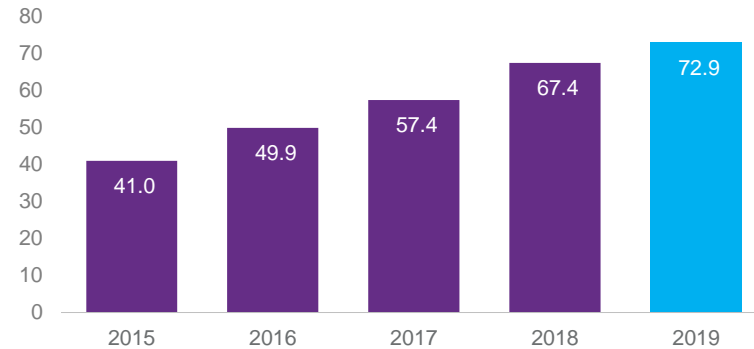


\*% in the Company's network

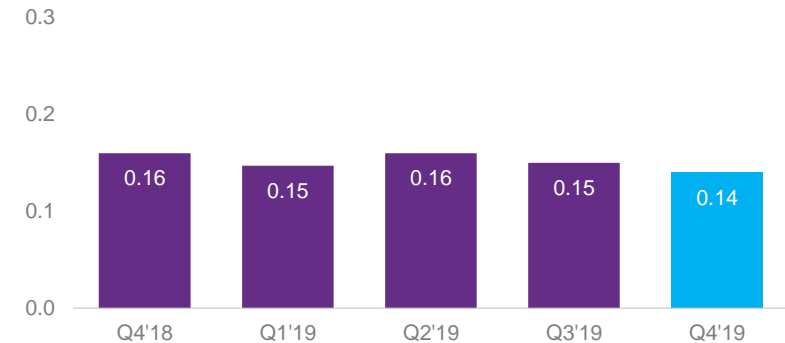
# Data usage & revenues



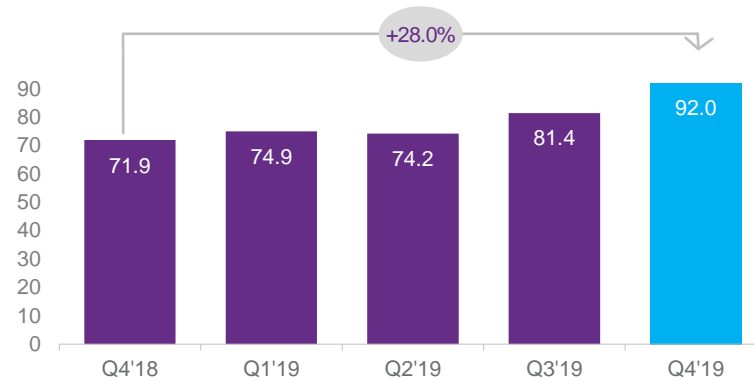
## Smartphone penetration %\*



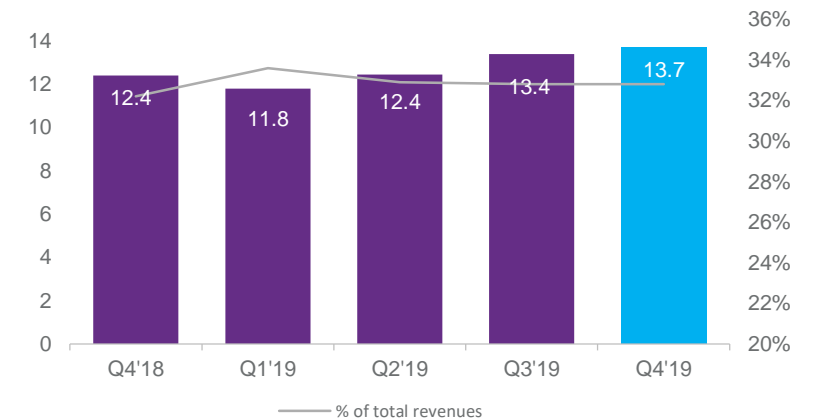
## Average revenue per MB (KZT)



## Data traffic (PB)



## Data revenue (bln KZT)



\*% in the Company's network

# CAPEX

LTE traffic

69%

of total traffic data

LTE population coverage

62.2%

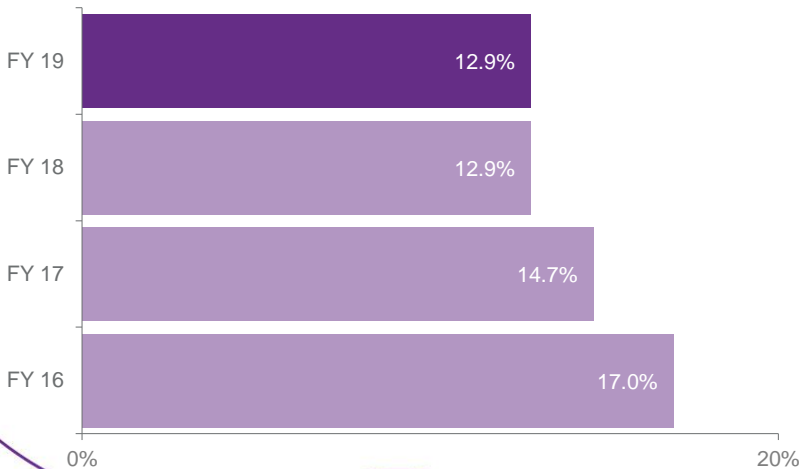
YTD investments (KZT mln)

20,200

3G population coverage

80.5%

## CAPEX-to-sales ratio\*



\*2016 excludes KZT 26,000 million for LTE frequencies

# Forward looking statement

Statements made in this document may be related to future status or circumstances, including future performance and other trend projections are forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of Kcell.

