

Date: 5 May 2024

التاريخ : 5 مايو 2024

Ref: COMP/625

المرجع : COMP/625

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-Q1
 of FY 2024**

**الموضوع / اجتماع مؤتمر المحللين / المستثمرين - الربع الأول من
 السنة المالية 2024**

With reference to the above subject, and adhering to article 8-4-2 regarding the listed companies' obligations (Analyst\Investor 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 المحللين/المستثمرين) نود الافادة بما يلي :

- 1- The Analyst / Investor conference for Q1 of FY 2024 was conducted today Sunday, May 5th 2024 at 2:00 PM (Kuwait Local Time) via live internet Broadcasting, No material information was disclosed during the conference.
- 2- Attached is the investor presentation for Q1 of FY 2024.
- 3- Kuwait Telecommunications Company stc will disclose the minutes of the Analyst / Investor Conference within three working days from the conference day.

- 1- انعقد مؤتمر المحللين / المستثمرين للربع الأول من السنة المالية 2024، اليوم الأحد 5 مايو 2024 في تمام الساعة 2:00 ظهراً (وفق التوقيت المحلي لدولة الكويت) عن طريق البث المباشر على شبكة الانترنت، علماً بأنه لم يتم الافصاح عن أي معلومة جوهرية جديدة خلال المؤتمر.
- 2- مرفق العرض التقديمي للمستثمرين للربع الأول من العام 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،



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

stc
 شركة الاتصالات الكويتية

نموذج الإفصاح عن معلومة جوهرية

Disclosure of Material Information Form

Date:	05/05/2024	التاريخ :
Name of The Listed Company:	اسم الشركة المدرجة	
Kuwait Telecommunications Company stc	شركة الاتصالات الكويتية stc	
Disclosure Title	عنوان الإفصاح	
Disclosure of Material Information	إفصاح معلومة جوهرية	
The Material Information	المعلومة الجوهرية	
As per article No. (8-4-2) "Continuing Obligations in the Premier Market" of Boursa Kuwait Rule Book, we would like to inform you that :	عملاً بأحكام المادة رقم (2-4-8) 'الالتزامات المستمرة للسوق الأول' من كتاب قواعد البورصة, يرجى العلم بأنه:	
1- The Analyst / Investor conference for Q1 of FY 2024 was conducted today Sunday, May 5 th 2024 at 2:00 PM (Kuwait Local Time) via live internet Broadcasting, No material information was disclosed during the conference.	1- انعقد مؤتمر المحللين / المستثمرين للربع الأول من السنة المالية 2024, اليوم الأحد 5 مايو 2024 في تمام الساعة 2:00 ظهراً (وفق التوقيت المحلي لدولة الكويت) عن طريق البث المباشر على شبكة الانترنت, علماً بأنه لم يتم الإفصاح عن أي معلومة جوهرية جديدة خلال المؤتمر.	
2- Attached is the investor presentation for Q1 of FY 2024.	2- مرفق العرض التقديمي للمستثمرين للربع الأول من العام 2024.	
3- Kuwait Telecommunications Company stc will disclose the minutes of the Analyst / Investor Conference within three working days from the conference day.	3- سوف تقوم شركة الاتصالات الكويتية stc بالإفصاح عن محضر المؤتمر خلال ثلاثة أيام عمل من تاريخ المؤتمر.	
Significant Effect of the material information on the financial position of the company	أثر المعلومة الجوهرية على المركز المالي للشركة	
No financial effect	لا يوجد أثر مالي	

stc

شركة الاتصالات الكويتية



Investors Presentation Q1-2024

May 5th, 2024

Investor Relations and M&A

Kuwait Telecommunications Company K.S.C.P.

Disclaimer

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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 or visit <https://www.stc.com.kw/en/about/investor-relations>*

stc at a glance

As of 31st March 2024



15
Years in operations



2.3 Mn
Subscribers



66
Outlets



2,085
Towers



100%
Coverage of Kuwait
Populated Area



KD 585 Mn
Market Cap.



KD 0.586
Share Price



Ticker

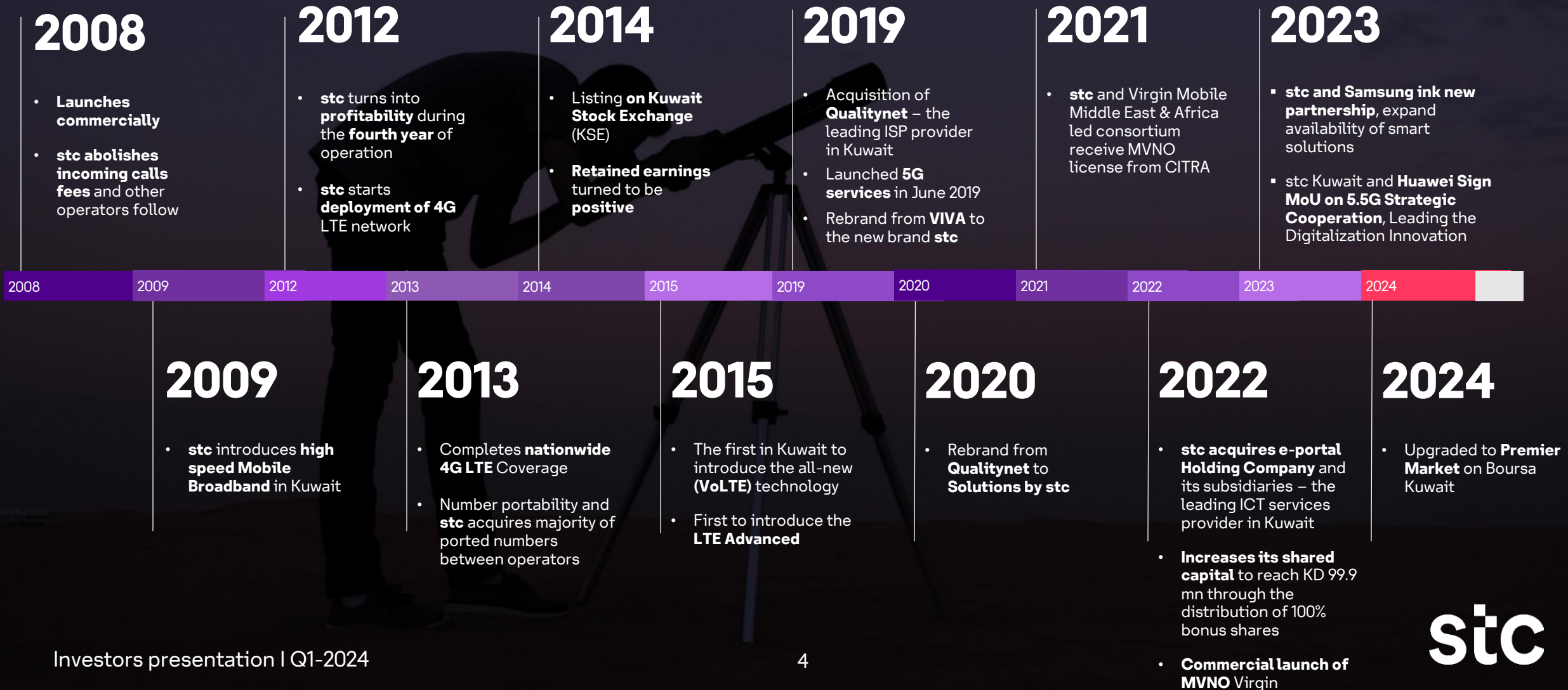


%179
Kuwait Market
Penetration



Listed In
Boursa Kuwait
FTSE
MSCI

Key Milestones



LEAD² pillars



Lift the core

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



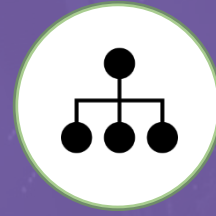
Expand ICT

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



Enterprise

solutions by stc

e-Portal

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

Subsidiary under **stc** offering B2B connectivity and network services

JMT **AL-Dar**

Subsidiaries under E-Portal offering B2B Cloud and Digital Solutions

CDN

Subsidiary under E-Portal offering B2B System Integration and Security

H3

Subsidiary under E-Portal offering B2B BPO services



Operational Performance | Highlights

As of 31st March 2024

Technology

- Enterprise achieved groundbreaking 10Gbps in first ever 6GHz IMT frequency spectrum trial
- stc and Huawei Signed Strategic Cooperation MoU to Accelerate 5.5G Era
- Launched Pioneering 5G RedCap FWA in the Middle East

B2C

- Introduced innovative smart home solutions in partnership with HomeWagon
- 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'

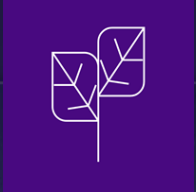
B2B

- Introduced next-generation Multi-Tenant SIEM Service for Small, Medium and Large Enterprises



Sustainability at stc | small move. Big impact

ESG Framework:



Caring for the Environment

Objective: To improve our products, operations, & practices to efficiently reduce our environmental impact.



Empowering People

Objective: To offer our people the freedom to make decisions, provide them with the tools and training to make a change, celebrate their success, and create a culture of trust & respect



Improving Standards of Living

Objective: To make life better and to increase quality of living for individuals and communities through promoting sustainable practices



Promoting Digital Innovation & Technologies

Objective: To promote digital innovation & best technology solutions to expand our operations and create new market opportunities



Operating with Integrity

Objective: To operate with integrity through building trust & respect with others. Set ambitious goals to create a better world using high sustainable values

Environmental

Social

Governance

Financial Performance | Highlights

As of 31st March 2024

Revenue
KD 87.4 Mn

+0.9% YoY

Net Profit
KD 8.8 Mn

+7% YoY

EBITDA
KD 21.8 Mn

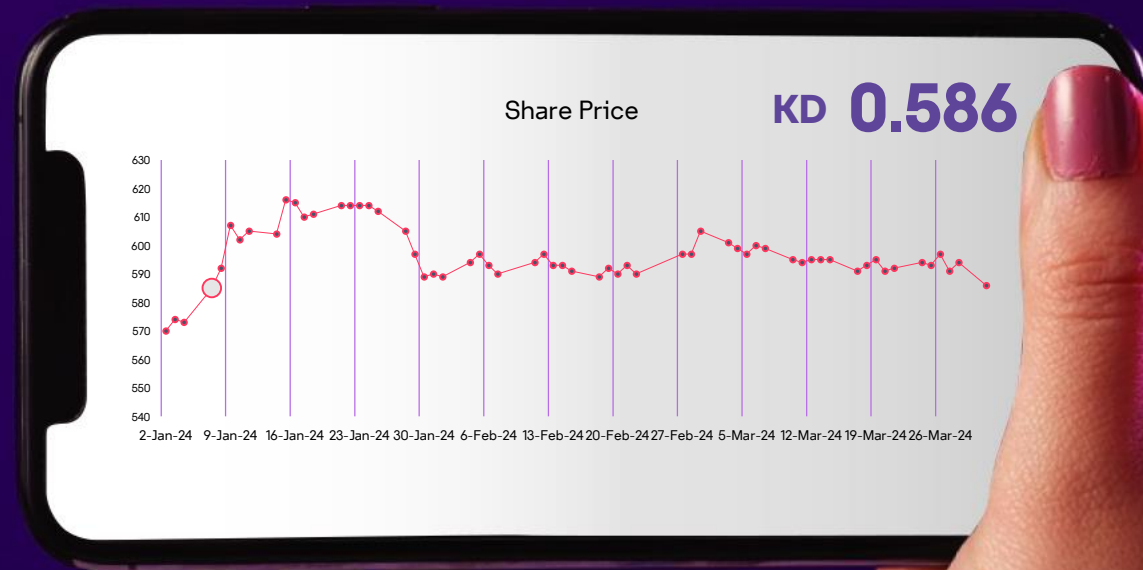
+1.1% YoY

EPS
fiš 9

+7% YoY

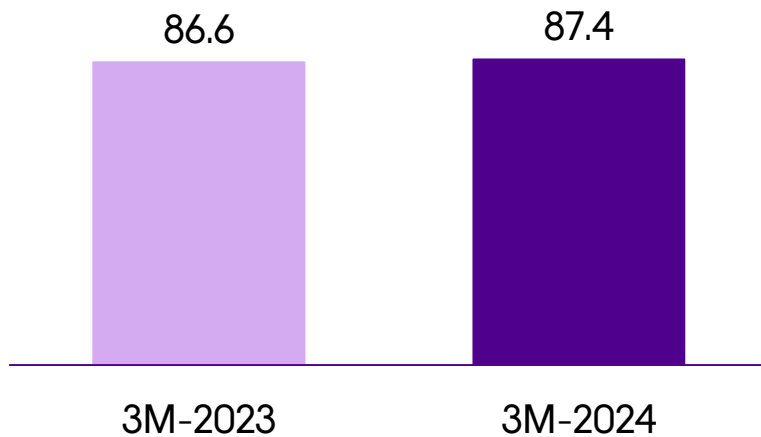
CAPEX
KD 13.5 Mn

+18.4% YoY

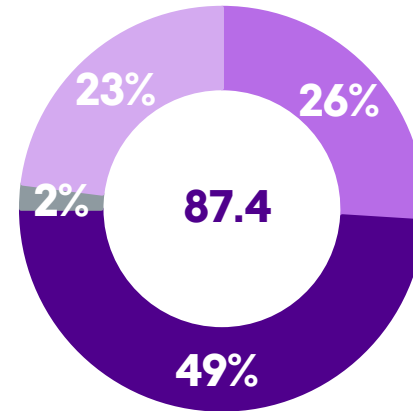


Financial Performance | Highlights

Revenue (KD Million)



Revenues Segmentation



- Consumer Revenue - Point in Time
- Consumer Revenue - Over Time
- Enterprise & Other Revenue - Point in Time
- Enterprise & Other Revenue - Over Time

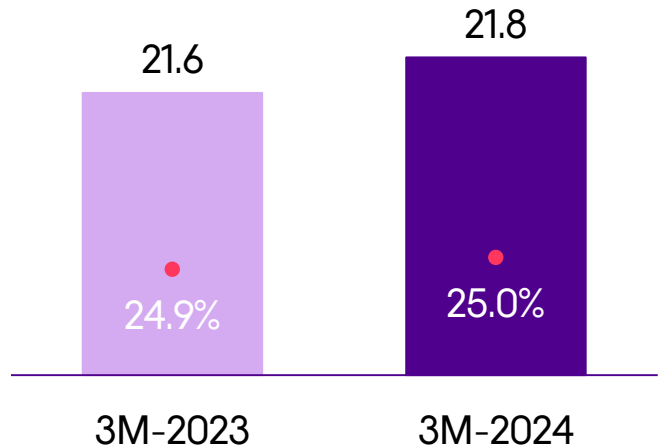
Revenues mainly driven by the increase in **consumer revenues** due to the increase of device sales and other streams of revenues.

Financial Performance | Highlights

EBITDA and EBITDA Margin



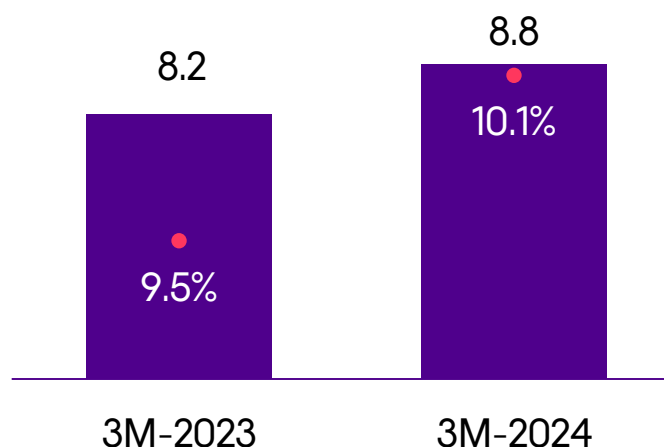
■ EBITDA (KD Million) ● EBITDA Margin (%)



Net Profit and Profit Margin



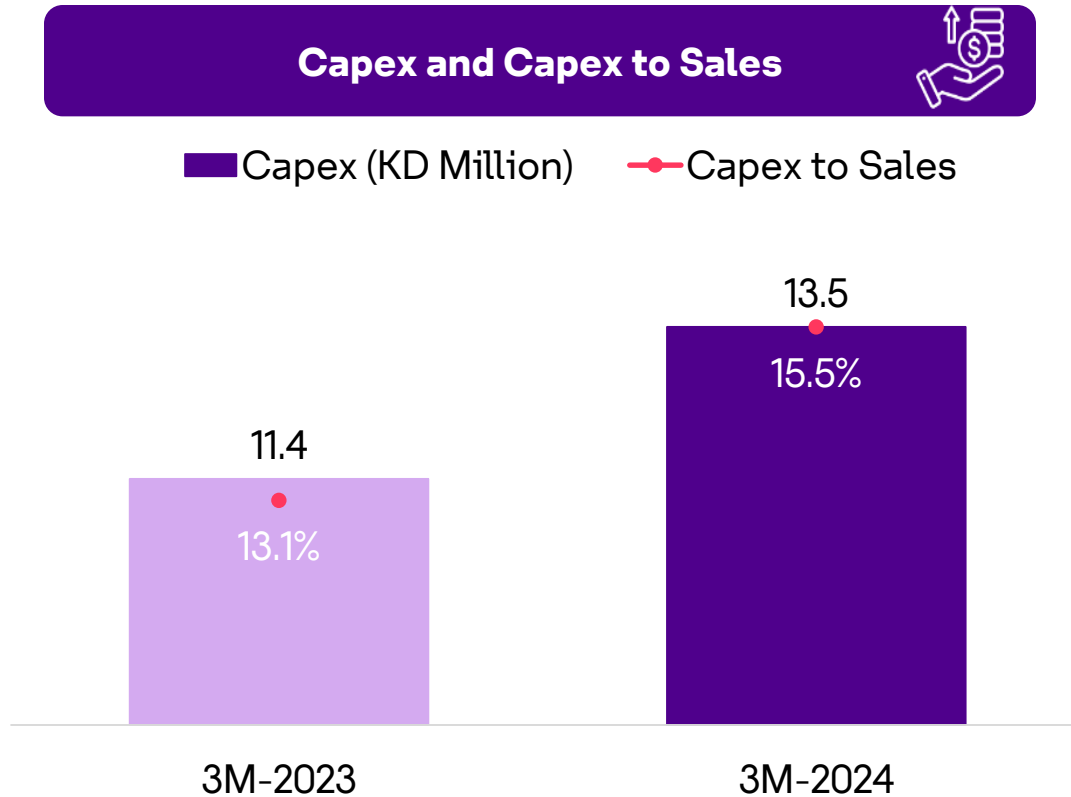
■ Net Profit (KD Million) ● Profit Margin



EBITDA improvement despite the increase in provisions and the continuity of the cost optimization program.

Net Profit increased by 7% in Q1-2024 compared to the same period of last year, showing an improvement relevant to the company's constant focus on its revenue optimization.

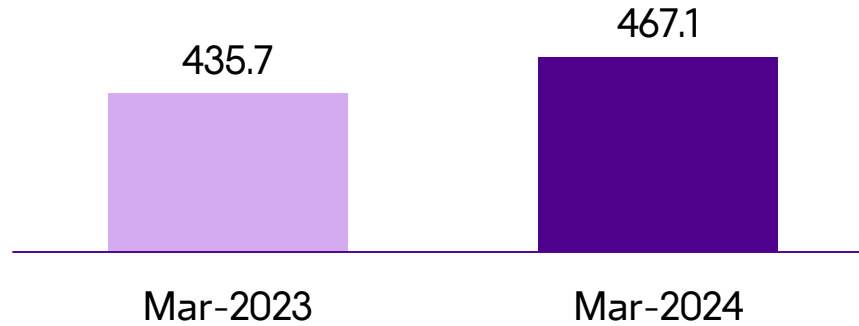
Financial Performance | Highlights



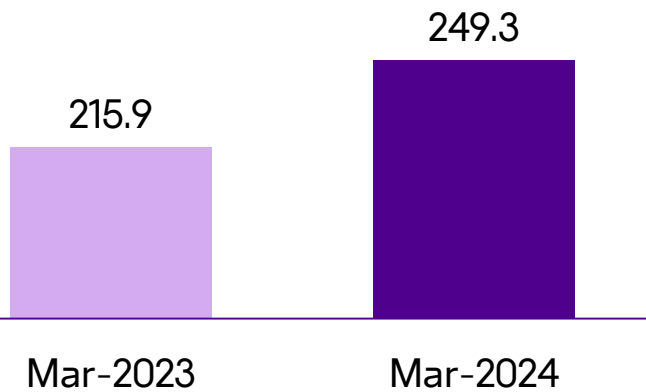
stc will continue its investments in network expansion, modernization and investments in digitization (i.e. IT BSS transformation) to be in line with strategic pillars.

Financial Performance | Highlights

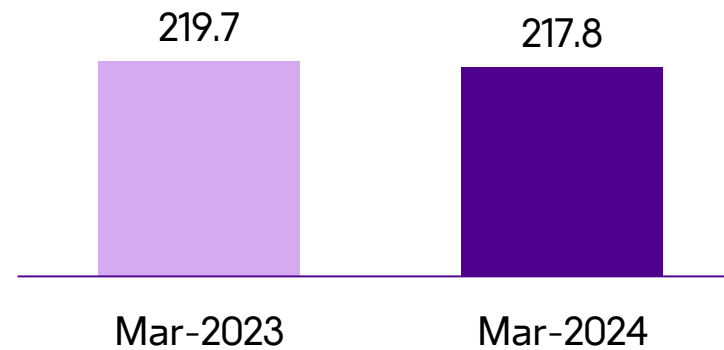
Total Assets (KD Million)



Total Liabilities (KD Million)



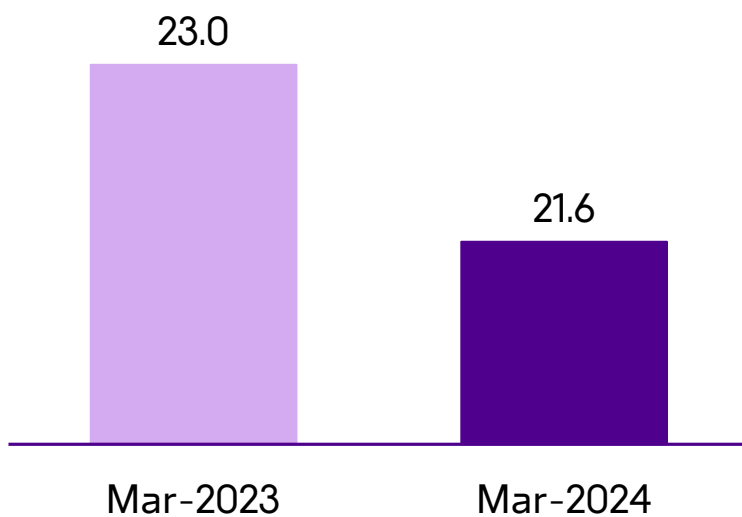
Shareholders Equity (KD Million)



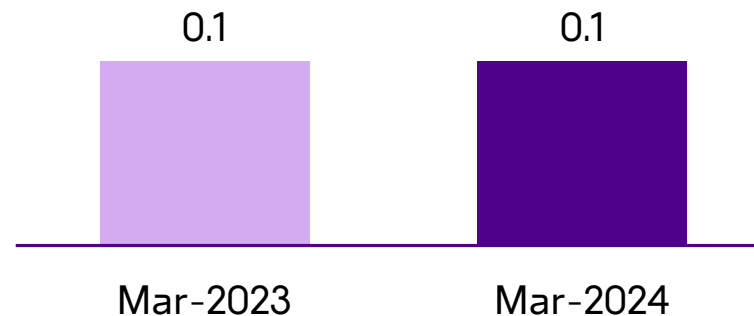
The enhanced cash flow management and the optimization of working capital, resulted in a notable increase in cash and cash equivalents.

Financial Performance | **Highlights**

Total Debt (KD Million)



Total Debt / Equity (X)

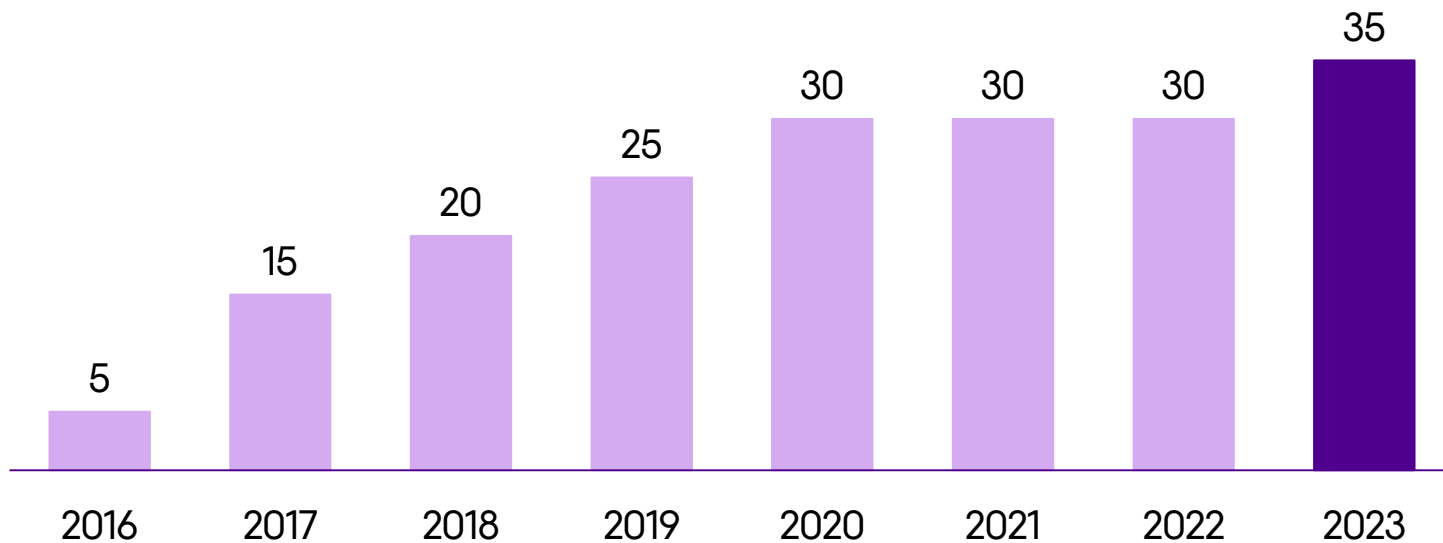


stc has a strong solvency position amongst the telecom companies in the Middle East.

Maintains a relatively lower debt levels and stable debt to equity ratio.

Financial Performance | Highlights

Cash Dividends*



*From 2016 until 2021, cash dividends per share is adjusted based on **stc**'s new number of shares resulted from the 100% bonus shares

Dividends Payout Ratio (%)

107%

In 2024, **stc** paid the highest dividends since inception of 35 fils per share for the FY-2023, yielding to a dividend's payout ratio of 107%.

Dividend Yield (%)

6.2%

Dividend Yield has been calculated based on the FY-2023 closing share price of KD 0.563

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 dramatic, with a strong blue hue and some red highlights on 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 – March 2024)
- Income Statement (2021 – 3M 2024)

Statement of Financial Position (2021 – March 2024)

Statement of Financial Position	2021 KD Mn	2022 KD Mn	2023 KD Mn	March-2023 KD Mn	March-2024 KD Mn
Assets					
Property and equipment	185.0	171.2	161.9	167.3	160.8
Goodwill and intangible assets	27.2	42.1	40.7	45.8	48.4
Trade and other receivables	16.0	5.1	0.4	4.5	0.4
Contract Assets	-	16.3	18.7	15.7	20.6
Total non-current assets	228.2	234.6	221.7	233.4	230.3
Inventories	10.8	7.9	12.8	16.1	16.4
Prepayments and other current assets	7.8	9.1	9.5	6.8	8.0
Trade and other receivables	32.4	47.3	56.9	51.7	57.4
Contracts assets	49.4	46.5	45.3	46.6	47.0
Cash, cash balances and deposits	65.2	79.0	101.4	81.1	108.0
Total current assets	165.6	189.8	226.0	202.2	236.8
Total assets	393.8	424.4	447.7	435.7	467.1
Equity And Liabilities					
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)	0.2	(0.0)
Retained earnings	135.5	88.9	91.6	67.1	65.4
Total equity	237.2	241.4	243.9	219.7	217.8
Employees' end of service benefits	11.2	12.1	13.6	12.3	13.9
Islamic financing facilities	2.3	23.0	17.3	21.6	15.8
Trade and other payables	4.9	6.4	8.7	5.6	12.4
Total non-current liabilities	18.5	41.5	39.5	39.5	42.0
Islamic financing facilities	2.7	-	5.8	1.4	5.8
Trade and other payables	135.5	141.4	158.6	175.0	201.5
Total current liabilities	138.2	141.4	164.3	176.4	207.3
Total liabilities	156.6	183.0	203.8	215.9	249.3
Total equity and liabilities	393.8	424.4	447.7	435.7	467.1

Income Statement (2021 – 3M 2024)

Income Statement	2021 KD Mn	2022 KD Mn	2023 KD Mn	3M 2023 KD Mn	3M 2024 KD Mn
Revenue	296.3	336.4	351.4	86.6	87.4
Operating expenses	(158.8)	(189.3)	(194.6)	(47.4)	(48.2)
Staff costs	(24.6)	(26.7)	(27.2)	(6.8)	(6.7)
Expected credit losses on trade & other receivables and contract assets	(7.8)	(11.0)	(14.9)	(2.6)	(3.9)
Depreciation, amortization and write-offs	(46.0)	(50.8)	(50.1)	(13.0)	(12.5)
General and administrative expenses	(26.0)	(27.5)	(30.4)	(8.3)	(6.9)
Finance costs	(3.0)	(1.4)	(2.0)	(0.5)	(0.7)
Impairment of goodwill	(2.0)	-	-	-	-
Share of results from associate	(0.1)	-	-	-	-
Other income	19.0	5.3	2.4	0.6	0.9
Profit before Contributions to KFAS, NLST, Zakat and BOD Remuneration	47.1	35.0	34.6	8.7	9.5
KFAS	(0.4)	(0.4)	(0.3)	(0.1)	(0.1)
NLST	(1.1)	(0.9)	(1.0)	(0.2)	(0.3)
Zakat	(0.5)	(0.4)	(0.4)	(0.1)	(0.1)
BOD remuneration	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)
Net Profit for the Year/Period	44.9	33.2	32.7	8.2	8.8
Basic and Diluted Earnings per share (Fils)*	45	33	33	8	9

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

Shukran!

شُكْرًا

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☎ : +965 5000 1911


🌐 : www.stc.com.kw



IR App

 stc Kuwait

 Kuwait Telecommunication Company (**stc**)

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