Kcell JSC

Fitch Ratings Affirms Kcell's 'BB+' Credit Rating with a Stable Outlook

Almaty, 20 November 2025. Kcell JSC (KASE, KCEL), one of Kazakhstan's leading mobile operators, announces that international rating agency Fitch Ratings has affirmed the company's long-term credit rating at 'BB+' with a Stable Outlook. According to Fitch, the rating reflects Kcell's strong position in the mobile market and its moderate level of leverage.

Commenting on the affirmation, Askar Zhambakin, Chairman of Kcell JSC, said: *"Fitch's confirmation is a sign of confidence – including from investors – and shows that we are on the right track. Over the past two years, we have significantly improved network quality by strengthening 4G, expanding coverage and launching large-scale 5G deployment. But there is still a lot to do. Kazakhstan is a vast country, and people need reliable connectivity. We will continue to invest in our network, enhance service quality and justify the trust of international analysts, our customers and our partners through tangible results and further infrastructure development nationwide."*

Fitch analysts note that Kcell continues to deliver growth in revenue and subscriber base through the expansion of convergent mobile and fixed bundles, supported by Kazakhtelecom's infrastructure and access to its customer base. Product and sales-channel synergies between the two operators remain key drivers of growth in the B2B segment, enabling Knell to offer converged solutions that combine fixed and mobile broadband with value-added services such as cloud and cybersecurity.

The company's financial metrics remain within comfortable levels and retain a healthy buffer, even against substantial investment in 4G expansion and the build-out of 5G, as well as higher borrowing costs following the National Bank's base-rate increase.

Commenting on the decision, Sabigat Rakhmetov, Chief Financial Officer of Kcell JSC, said: *"Fitch's decision to reaffirm Kcell's credit rating once again confirms the resilience of our financial performance, which is particularly important during an active investment cycle focused on network construction and modernization. In the first nine months of 2025, the company invested 82.8 billion tenge – a 27% increase compared to 2024 (65.1 billion tenge). We continue to strengthen our debt-management approach: all our liabilities are denominated in tenge, which removes foreign-exchange risk and helps keep interest costs low. The availability of sufficient committed credit lines provides additional flexibility and financial stability, enabling us to respond quickly to market conditions. These factors were also positively assessed by Fitch Ratings."*

Fitch analysts expect that Kcell's partnership with its parent company, Kazakhtelecom JSC, will support higher sales and growth in the corporate client portfolio, while convergence-based differentiation will help offset competitive pressure in a three-operator market.

Kcell's interim financial results for January–September 2025 underscore the company's strong operational and financial performance, further supporting the positive assessment from *Fitch Ratings*.

Kcell continues to strengthen its financial results, demonstrating steady growth across key indicators compared with the same period last year. Total revenue for the nine-month period reached KZT 192.7 billion, up 7% from 2024 (KZT 180.2 billion). Growth was primarily driven by the expansion of digital services and consistently high demand for mobile data.

Operating profit rose from KZT 25.8 billion to KZT 38.3 billion, an increase of 49%. Net profit grew even more significantly – from KZT 8.1 billion to KZT 14.9 billion, reflecting an 84% rise. This performance highlights improvements in operational efficiency and cost management.

Kcell continues to invest in network development, expanding coverage and accelerating the rollout of digital solutions, with a particular focus on service quality and customer experience.

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Kcell is a Kazakhstan-based digital telecommunications operator providing mobile and fixed (FMC) convergent communication services, data transmission and internet access, financial services, digital services and mobile applications, as well as IT solutions in system integration, Internet of Things (IoT), machine-to-machine (M2M) communications, big data processing, and cloud computing. The Company is Kazakhstan's leading provider of smartphone+plan bundled services.

Kcell has evolved into Kazakhstan's largest digital ecosystem, gaining a competitive edge through its wide range of value-added services, including mobile financial solutions, mobile TV, online films, music, books, and magazines, as well as through the development of tailored business solutions for corporate clients. The Company maintains a strong leadership position in the B2B market, driven by its strategy of developing vertical infrastructure solutions and deploying innovative technologies. Kcell's 5G network coverage reaches 51.29% of Kazakhstan's population, delivering consistently high service quality.

The Company operates under two well-recognized brands – Kcell and activ – both of which enjoy strong reputations in Kazakhstan's competitive telecommunications market for superior customer service. Through a clearly defined multi-brand architecture, Kcell enhances its efficiency in the B2C segment by optimizing bundle pricing, customer base profitability management, and network quality.