Kcell JSC

Moody’s Assigns Investment-Grade Baa3 Rating to Kcell JSC with a Stable Outlook

Almaty, September 29, 2026 – Kcell JSC (“Kcell” or the “Company”) (KASE: KCEL) announces that the international rating agency Moody’s Ratings has assigned the Company a long-term issuer rating of Baa3, which stands one notch above its current Fitch Ratings credit rating of BB+.

The Baa3 rating belongs to the investment-grade category and marks the highest international credit rating in Kcell’s history. This assignment has become an important milestone in the Company's development and reflects Kcell’s strong market position, sustainable financial standing, clear prospects for credit profile optimization, and its strategic relationship with Kazakhtelecom JSC. It also reflects the Company's inclusion in the Samruk-Kazyna JSC group and its critical role in scaling Kazakhstan's digital infrastructure.

Among the key rating factors, Moody’s highlights that Kcell’s Baa3 issuer rating reflects the Company's strong competitive positions as Kazakhstan's second-largest mobile telecommunications operator. This position is supported by high-quality spectrum holdings, nationwide network coverage, leadership positions in 5G, improving subscriber trends, and recent market share gains. Additionally, the agency notes its expectation that Kcell will start generating positive free cash flow and credit metrics will improve over the next one to two years, as capex moderates and recent network investments increasingly support revenue and EBITDA growth.

A key driver behind the rating is the robust support from Kcell’s controlling shareholder and the Company’s full integration into the Samruk-Kazyna group. Moody’s highlights Kcell's close strategic relationship with Kazakhtelecom, which provides operational benefits through fibre infrastructure, converged product offerings, customer cross-selling opportunities, and financial support, including guarantees on certain debt facilities designed to optimize financing terms.

The final rating also factors in ultimate ownership by Samruk-Kazyna, together with its close oversight of the company's strategy and financial profile. This underscores Kcell's strategic importance in advancing Kazakhstan's digitalisation agenda through the expansion of affordable nationwide internet connectivity. Consequently, the agency assesses the likelihood of extraordinary state support for Kcell, should the need arise, as high.

“Securing our inaugural Moody’s rating at the investment-grade level of Baa3 is a major milestone for Kcell. It serves as an independent validation of our business model's resilience and the Company's strategic importance to Kazakhstan’s telecommunications sector,” said Askar Zhambakin, Chief Executive Officer of Kcell JSC. “As the only mobile operator within the Samruk-Kazyna portfolio, we highly value the strategic role of the Fund, as well as the continuous support of our controlling shareholder, Kazakhtelecom. We are currently executing a large-scale network and 5G infrastructure development program, creating a strong foundation to enhance the quality and accessibility of digital services. Kcell’s commanding market presence, the scale of our ongoing initiatives, and the backing of the group provide a solid launchpad for the Company’s long-term, sustainable growth.”

Moody’s takes a positive view of Kcell’s liquidity profile. The agency assesses that the Company’s available liquidity sources are sufficient to fully cover its debt obligations, capital expenditures, and operational needs over the next 12 to 18 months.

“Achieving the Baa3 investment-grade rating is a major result of our consistent efforts to strengthen Kcell’s credit profile and diversify our funding sources,” noted Sabigat Rakhmetov, Chief Financial Officer of Kcell JSC. “We actively collaborate not only with leading tier-one commercial banks – such as Halyk Bank of Kazakhstan JSC, Bank of China Kazakhstan SB JSC, and Nurbank JSC – but also with major development institutions, including the Development Bank of Kazakhstan JSC and the Eurasian Development Bank.

Furthermore, we are highly active across the KASE and AIX capital markets, continuously expanding our access to diverse financing instruments. For us, transparency, a high standard of corporate governance, and an open dialogue with investors, creditors, and rating agencies remain foundational priorities. This new rating significantly broadens Kcell's capabilities in the financial markets, creating a robust foundation for building an efficient, well-balanced financing structure to support the Company's future development."

The stable outlook reflects Moody's expectation that the company's EBITDA will gradually improve and credit ratios will strengthen as the company starts monetising its network investments, while investments moderate over the next 12-18 months.

For the six-month period, the company's revenue increased by 10.8% year-on-year to KZT 138.4 billion. This growth was primarily driven by increased consumption of mobile data and digital services, alongside an expanding subscriber base, achieved without any changes to tariff policies. The company's operational efficiency continued to strengthen, with EBITDA rising by 13% to reach KZT 53.8 billion, and the EBITDA margin increasing to 38.9%. Net profit came in at KZT 7.9 billion, marking a 40.5% increase compared to the same period last year.

Concurrently, Kcell maintains a high level of investment in telecommunications infrastructure. In the first half of 2026, capital expenditures exceeded KZT 32 billion, directed toward further expanding network coverage, constructing new base stations, and enhancing connectivity quality. The company's subscriber base grew by 11.2% to reach 9.05 million customers, reflecting the effectiveness of its commercial strategy, the competitiveness of its product portfolio, and sustained demand for the company's services.

The development of the fifth-generation network remains the key driver of growth. At the end of the first half of the year, the number of 5G base stations in the Kcell network reached 3,034 across the entire territory of Kazakhstan. The Company also continues to expand access to modern connectivity services in rural areas.

The Company continued its active development of telecommunications infrastructure. During the first half of the year, more than 650 new base stations were put into operation, over half of which support 5G technology. The sequential expansion of the network achieved a population coverage level of 91.37% for the 4G network, and 64.29% for the 5G network.

Among the factors constraining Kcell's credit rating, the agency notes the current elevated capex requirements primarily linked to the ongoing 5G rollout and network modernisation programme, temporary negative free cash flow during this active investment cycle phase, and the necessity to further monetise recent network investments. At the same time, Moody's expects a transition to positive free cash flow and an improvement in credit metrics as the most capital-intensive phase of the investment programme concludes.

Kcell has consistently strengthened its credit profile. In 2017, Fitch Ratings assigned the Company an inaugural long-term credit rating of BB with a stable outlook. In 2020, this rating was upgraded to BB+. The assignment of the Baa3 rating by Moody's marks the next major milestone, lifting Kcell's international credit rating into the investment-grade category for the first time in the Company's history.

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About Kcell

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 developed into Kazakhstan's largest digital ecosystem, leveraging a competitive advantage driven by value-added services such as mobile financial services, mobile TV, online movies, music, e-books, and magazines, alongside unique customized business solutions for corporate clients. Kcell holds a leading position in the B2B market by executing a strategy focused on vertical and infrastructure solutions, as well as the development and deployment of innovative technologies. The Company’s 5G network coverage spans 64.29% of the population of the Republic of Kazakhstan, delivering high-quality services.

Kcell operates under the well-established Kcell and activ brands, which have earned a strong reputation in highly competitive telecommunications markets through high-quality customer service. Powered by a clear multi-brand architecture, Kcell drives business efficiency in the B2C segment through optimized bundle pricing, customer base profitability management, and premium network quality.