

**"ҚАЗАҚТЕЛЕКОМ"
АКЦИОНЕРЛІК
ҚОҒАМЫ**



ҚАЗАҚТЕЛЕКОМ
"KAZAKHTELECOM JOINT STOCK COMPANY"

**АКЦИОНЕРНОЕ
ОБЩЕСТВО
"КАЗАХТЕЛЕКОМ"**

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Astana city

Fitch Ratings confirms its forecast of Kazakhtelecom revenue growth

Following its official affirmation of Kazakhtelecom's credit rating at BBB- (outlook "Stable") international credit rating agency Fitch Ratings published its annual detailed report on the company's credit rating. In it the agency confirms its forecast of revenue growth and strong financial profile announced in the beginning of the month when the rating was affirmed.¹

According to Fitch Ratings' analysts, Kazakhtelecom JSC benefits from developed network infrastructure owned by the company, as well as strong financial profile. The high rating of creditworthiness of the country's largest telecom operator is underpinned by the company's market-leading position in all telecom segments in Kazakhstan. In 2021, the company's market share was 93% in fixed voice, 71% in fixed broadband, 59% and 37% in mobile and pay-TV services, respectively, accounting for more than 60% of total telecom market by revenue.

*"Just recently Fitch Ratings has affirmed Kazakhtelecom's rating at BBB- (outlook "Stable"), not only noting financial stability of the company but also emphasizing good results achieved despite all the challenges as well as its growth opportunities in the nearest future, - reminded **Kazakhtelecom Chief Financial Officer Lyudmila Atamuratova**. – Moreover, despite the projected rise in capital expenditures the agency does not expect a significant increase in the company's leverage".*

In the agency has also noted comfortable liquidity of the company, that has at its disposal both significant cash on balance and available for drawdown from credit facilities. At the same time Kazakhtelecom is not exposed to FX risk, since all its debt is local-currency denominated.

Earlier, Fitch Ratings has already noted the strong market positions of Kazakhtelecom, which, according to analysts, are similar to such European operators as the Dutch Royal KPN N.V. (KPN; BBB/Stable) and the British BT Group (BT; BBB/Stable), as well as the Turkish operator Turk Telekomunikasyon A.S. (TT; B/Negative), but at a much smaller scale. The table below shows that Kazakhtelecom is also in the lead in terms of such indicators as EBITDA margin and FCF margin.

¹ The report is available at www.fitchratings.com

Peer Financial Summary

Company	Issuer Default Rating	Financial Statement Date	Revenue (EUR Mil.)	EBITDA Margin (%)	FCF Margin (%)	EBITDA Net Leverage (x)	EBITDA Interest Coverage (x)
Kazakhtelecom JSC	BBB-	2021	1217	43.7	16.9	0.5	6.9
	BBB-	2020	1030	43.3	7.4	1.1	5.3
Royal KPN N.V.	BBB	2021	6122	37.7	3.6	2.3	11.1
	BBB	2020	5302	43.1	-3.5	2.3	9.7
BT Group plc	BBB	2022	24646	32.4	-1.7	1.7	10.9
	BBB	2021	25086	30.8	-0.8	1.7	10.5
Turk Telekomunikasyon A.S.B	BB-	2021	2271	44.8	15.1	1.1	9.1
	BB-	2020	3131	43.6	15.6	1.1	6.6

Source: Fitch Ratings, Fitch Solutions, Company Filings.

For reference: Kazakhtelecom JSC - the largest infocommunications operator in the Republic of Kazakhstan, was established in 1994. With the company's shares listed on the Kazakhstan Stock Exchange high transparency level is ensured for the investors, partners and other affiliated parties. On December 8 Fitch Ratings affirmed Kazakhtelecom at BBB- with a Stable Outlook.

***Kazakhtelecom JSC,
Communications Department***