

Kcell Joint Stock Company

Delisting from LSE and AIX

Company delisting

Telecoms

24 February 2021

Price (GDR) **US\$5.85**

Market cap **US\$1,170m**

KZT416/US\$

Net debt (KZTbn) at FY20 excluding lease liabilities 50

Shares in issue 200m

Free float 25%

Code KCEL

Exchanges KASE, AIX, LSE

Following a directors' meeting yesterday, Kcell has announced its intention to delist its GDRs from the LSE and AIX. It expects to remain listed on the Kazakhstan Stock Exchange (KASE). Kcell believes that concentrating trading on the KASE will improve liquidity and the costs and efforts of maintaining an international listing are no longer justifiable, particularly given it has no plans to access the international capital markets. It will convene an EGM on 9 April to approve the cancellation and expects the delisting to take place around 7 July.

Year end	Revenue (KZTbn)	Adj EBITDA* (KZTbn)	Adj. EPS* (KZT)	EV/ EBITDA (x)	P/Adj EPS (x)	FCF yield (%)	Div yield (%)
12/19	156.7	64.4	102	8.4	23.8	4.5	1.2
12/20	174.7	72.1	123	7.5	19.8	5.9	2.7
12/21e	189.0	78.7	148	6.9	16.5	6.9	4.4
12/22e	196.6	81.5	158	6.6	15.4	8.3	5.1

Note: EBITDA and EPS are adjusted to exclude amortisation of acquired intangibles and exceptional items.

Share price performance



Business description

Kcell Joint Stock Company (Kcell) is a mobile operator in Kazakhstan and a listed subsidiary of Kazakhtelecom, a state-owned incumbent with a 70% share of the market. Consolidation is delivering dramatic improvements in the market and as a subsidiary of the dominant operator, Kcell is well positioned to benefit.

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