



Press Release

For immediate release (Not Before)

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## Batelco Achieves a 9% YoY Increase in Net Profit Attributable to Equity Holders for the Quarter Ended 30 September 2021

**\*\*Batelco Announces Financial Results for the first nine months of 2021\*\***

**Manama, Bahrain:** Batelco (Ticker: BATELCO), today announced its financial results for the third quarter of 2021, the three months ended 30 September 2021 (Q3), and for the first nine months of 2021, the period ended 30 September 2021.

Batelco announced net profit attributable to equity holders of the company for Q3 2021 of BD15.7M (US\$41.6M), a 9% increase from BD14.4M (US\$38.2M) for the corresponding quarter of 2020. Likewise, net profit attributable to equity holders of the company for the first nine months of 2021 of BD53.2M (US\$141.1M) has increased by 6% from BD50.3M (US\$133.4M) for the corresponding period in 2020. The increase in net profit is mainly attributable to steady increases in revenues for the first nine months of the year. Earnings per share (EPS) are 9.5 fils for the third quarter of 2021 compared to 8.7 fils in Q3 2020 resulting in an EPS of 32.2 fils for the period compared to an EPS of 30.4 for the same period in 2020.

Total comprehensive income attributable to equity holders in Q3 2021 was reported at BD13.4M (US\$35.5M), a 25% decrease from BD17.8M (US\$47.2M) in the third quarter of 2020 mainly due to foreign currency translation differences. However, total comprehensive income attributable to equity holders of the company for the first nine months of 2021 is up by 41% from BD43.0M (US\$114.1M) in 2020 to BD60.6M (US\$160.7M) in 2021.

Revenues for the third quarter in 2021 of BD98.2M (US\$260.5M) increased by 2% compared to BD95.9M (US\$254.4M) in Q3 2020. Similarly, revenues for the first nine months of 2021 were BD296.4M (US\$786.2M), an increase of 4% when compared to BD285.7M (US\$757.8M) of revenues for the same

period in 2020. The increase in revenues is mainly due to YoY increases in fixed broadband, adjacent services and wholesale revenues of 15%, 15% and 3% respectively.

Operating profit for Q3 2021 is up by 8% to BD21.8M (US\$57.8M) from BD20.2M (US\$53.6M) in Q3 2020; while year-on-year operating profits increased by 5% from BD67.6M (US\$179.3M) in 2020 to BD71.0M (US\$188.3M) in 2021.

EBITDA stands at BD40.6M (US\$107.7M) in Q3 2021 compared to BD38.2M (US\$101.3M) in Q3 2020, an increase of 6%. For the nine months of 2021, EBITDA increased by 5% from BD120.1M (US\$318.6M) in 2020 to BD126.0M (US\$334.2M) in 2021, with a healthy EBITDA margin of 43%.

Batelco's balance sheet remains strong with total equity attributable to equity holders of the company of BD478.6M (US\$1,269.5M) as of 30 September 2021, 1% higher than BD473.2M (US\$1,255.2M) reported as of 31 December 2020. Total assets of BD999.1M (US\$2,650.1M) as of 30 September 2021 have increased by 1% compared to total assets of BD992.2M (US\$2,631.8M) as of 31 December 2020. Net assets as of 30 September 2021 which stand at BD517.4M (US\$1,372.4M) are 1% higher than BD512.1M (US\$1,358.4M) reported as of 31 December 2020. The Company's cash and bank balances are a substantial BD196.1M (US\$520.2M), which reflects the 2021 interim dividend of 13.5 fils per share paid in August 2021.

## Financial and Operational Highlights

	Nine Month Period Ended 30.09.2021		Nine Month Period Ended 30.09.2020		Growth	Q3 2021		Q3 2020		Growth
	BDM	US\$M	BDM	US\$M	%	BDM	US\$M	BDM	US\$M	%
<b>Gross Revenues</b>	296.4	786.2	285.7	757.8	+4	98.2	260.5	95.9	254.4	+2
<b>EBITDA</b>	126.0	334.2	120.1	318.6	+5	40.6	107.7	38.2	101.3	+6
<b>Operating Profit</b>	71.0	188.3	67.6	179.3	+5	21.8	57.8	20.2	53.6	+8
<b>Net Profit attributable to equity holders of the company</b>	53.2	141.1	50.3	133.4	+6	15.7	41.6	14.4	38.2	+9
<b>Total Comprehensive income attributable to equity holders of the company</b>	60.6	160.7	43.0	114.1	+41	13.4	35.5	17.8	47.2	-25
<b>Subscriber Base*</b>	3.9M		3.8M		+3					
<b>Contribution to Revenues by International Operations</b>	53%		53%		-					
<b>Contribution to EBITDA by International Operations</b>	53%		51%		+2					

*\*Excludes subscriber numbers from Sabafon, Batelco's associate company in Yemen, and Etihad Atheeb Telecom, Batelco's investment in Saudi Arabia.*

**Batelco Chairman, Shaikh Abdulla bin Khalifa Al Khalifa** announced the third quarter (Q3) 2021 financial results following the meeting of the Board of Directors on October 31st, at Batelco's Hamala Headquarters.

"The Board of Directors is pleased with the financial results for the first nine months of 2021, with the positive trend set in Q1 and Q2 continuing for the third quarter. In line with the results and the Board's commitment to deliver the best returns for shareholders, it's good to also see an increase in Earnings Per Share, compared to the first nine months of 2020," he said.

"Batelco continues with its commitment to the community and sustainability and realising the growing importance of sustainability recently established an ESG function to adopt internationally recognised standards across various areas including sustainable energy. As part of this, Batelco Solar Park has recently been completed and commissioned and is already generating solar energy to power the Company's Data Centre at Ras Abu Jarjoor. This initiative which is phase one of a bigger plan supports our goal of becoming a sustainable corporation in the future," Shaikh Abdulla added.

Before concluding, Shaikh Abdulla said, "On behalf of my colleagues on the Board, I extend appreciation to the executive team and all team members for the roles they play to deliver on our strategic initiatives, ensuring Batelco's continuous strong performance."

Commenting on the Company's operational performance, **Batelco CEO Mikkel Vinter** said, "I'm happy that we have maintained the momentum set in the first six months of 2021 to deliver sound financial results, with a year-on-year increase of 15% respectively in fixed broadband and adjacent services and 3% increase in wholesale revenues contributing positively to this."

"The evolution of our mobile network is ongoing, and to ensure delivery of reliable mobile connectivity solutions, including 5G for new cities and developments, Batelco is extending its reach and coverage to major housing developments being built by the Ministry of Housing and the private sector across Bahrain. Furthermore, to facilitate the adoption of 5G services, Batelco ensures the availability of the latest 5G devices, such as the new Apple devices which were recently launched for Batelco's customers."

"As part of the ongoing transformation of Batelco's mobile network, the phase out of the 2G service, which had been in place for over 27 years, is almost complete, with the capacity being used reallocated

to support the growth of 3G, 4G and 5G networks, to meet the ever-growing demand for better and wider mobile data services.”

“Digitisation is playing a major role in how organisations work and transform and to provide businesses with expertise in ICT, digital and Cloud solutions and cyber security, Batelco has established an end-to-end digital systems integrator arm of the Company to address the changing dynamics of the Enterprise sector. Cloud transformation is at the centre of these plans in line with Bahrain’s cloud first policy,” Mr. Vinter explained.

“Keeping the community and particularly education and youth in mind is also important for Batelco, and we recently signed a partnership with the American University of Bahrain to support education in our society through awarding scholarships for young Bahrainis, giving them the benefit of an international education,” he added.

“The success of the third quarter reflects the commitment of all Batelco team members, and I would like to extend my appreciation to the entire team for their focus and efforts which contributed to the strong financial and operational performance.” Mr. Vinter concluded.

**This press release, along with the full set of financial statements, is available on the Bahrain Bourse website and on Batelco website, [www.batelco.com](http://www.batelco.com)**

Caption:

1. Batelco Chairman Shaikh Abdulla bin Khalifa Al Khalifa
2. Batelco CEO Mikkel Vinter

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This press release has been issued by Batelco Corporate Communications & Social Responsibility Department. For further information, please contact [Public.Relations@btc.com.bh](mailto:Public.Relations@btc.com.bh)