



Press Release

For immediate release (Not Before)
Sunday 21st February 2021

Batelco Achieves Net Profit Attributable to Equity Holders of BD56.7M, a 10% YoY Increase

****Batelco Announces 2020 Q4 and Full Year Financial Results****

Manama, Bahrain: Batelco (Ticker: BATELCO), announced net profit attributable to equity holders of the company for Q4 2020 of BD6.5M (US\$17.2M), a 12% decrease from BD7.4M (US\$19.6M) for the corresponding period of 2019. However, net profits attributable to equity holders of the company for the full year 2020 of BD56.7M (US\$150.4M) have increased by 10% from BD51.6M (US\$136.9M) for 2019. The increase in net profit is mainly attributable to the 10% YoY decrease in operating costs which reflects Batelco's successful cost containment programs. Earnings per share (EPS) are 3.9 fils for the fourth quarter of 2020 compared to 4.5 fils in Q4 2019 resulting in an EPS of 34.2 fils for the year compared to an EPS of 31.2 for 2019.

Total comprehensive income attributable to equity holders for Q4 2020 reported at BD10.5M (US\$27.9M), a decrease of 24% from BD13.8M (US\$36.6M) for the fourth quarter of 2019. Total comprehensive income attributable to equity holders of the company for the year is down by 5% from BD56.3M (US\$149.3M) in 2019 to BD53.4M (US\$141.6M) in 2020.

Revenues for the fourth quarter in 2020 of BD101.6M (US\$269.5M) decreased by 1% compared to BD102.9M (US\$272.9M) in Q4 2019. Similarly, revenues for the full year 2020 were BD387.3M (US\$1,027.3M), a decrease of 4% when compared to BD401.5M (US\$1,065.0M) of revenues for 2019.

Operating profit for the quarter is down by 32% to BD13.5M (US\$35.8M) from BD19.9M (US\$52.8M) in Q4 2019; while year-on-year operating profits increased by 7% from BD75.5M (US\$200.3M) in 2019 to BD81.1M (US\$215.1M) in 2020.

EBITDA for the fourth quarter of 2020 stands at BD34.6M (US\$91.8M) compared to BD35.7M (US\$94.7M) in Q4 2019, a decrease of 3%. For the full year 2020, EBITDA increased by 9% from BD141.7M (US\$375.9M) in 2019 to BD154.7M (US\$410.3M) in 2020 with a healthy EBITDA margin of 40%, in comparison to 35% in 2019.

Batelco's balance sheet remains strong with total equity attributable to equity holders of the company of BD473.2M (US\$1,255.2M) in line with BD473.1M (US\$1,254.9M) reported as of 31 December 2019. Total

assets of BD992.2M (US\$2,631.8M) as of 31 December 2020 are also in line with total assets of BD992.9M (US\$2,633.7M) as of 31 December 2019. Similarly, net assets as of 31 December 2020 which stand at BD512.1M (US\$1,358.4M) are in line with BD513.4M (US\$1,361.8M) reported as of 31 December 2019. The Company's cash and bank balances are a substantial BD195.3M (US\$518.0M), which reflects the 2020 interim dividend of 13.5 fils per share paid in August 2020.

Batelco is committed to consistently delivering excellent returns to its shareholders. Accordingly, the Board of Directors has recommended a full year cash dividend of BD49.8M (US\$132.1M), at a value of 30.0 fils per share to be agreed at the Annual General Meeting, of which 13.5 fils per share was already paid during the third quarter of 2020 with the remaining 16.5 fils to be paid following the AGM in March 2021.

Financial and Operational Highlights

	2020		2019		Growth	Q4 2020		Q4 2019		Growth
	BDM	US\$M	BDM	US\$M	%	BDM	US\$M	BDM	US\$M	%
Gross Revenues	387.3	1,027.3	401.5	1,065.0	-4	101.6	269.5	102.9	272.9	-1
EBITDA	154.7	410.3	141.7	375.9	+9	34.6	91.8	35.7	94.7	-3
Operating Profit	81.1	215.1	75.5	200.3	+7	13.5	35.8	19.9	52.8	-32
Net Profit attributable to equity holders of the company	56.7	150.4	51.6	136.9	+10	6.5	17.2	7.4	19.6	-12
Total Comprehensive income attributable to equity holders of the company	53.4	141.6	56.3	149.3	-5	10.5	27.9	13.8	36.6	-24
Subscriber Base*	3.8M		4.0M		-6					
Contribution to Revenues by International Operations	53%		56%		-3					
Contribution to EBITDA by International Operations	53%		58%		-5					

*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 4th Quarter and full year financial results following a meeting of the Board of Directors on 21 February at Batelco Headquarters, Hamala, Kingdom of Bahrain.

"Batelco swiftly adapted to the unprecedented circumstances of 2020 to achieve the strategic objectives of the core strategy, which include a focus on cost containment, resulting in 10% YoY decrease in operating costs and contributing to a 10% increase in net profits over 2019. The efforts are also reflected in the improvements in Operating Profits and EBITDA which increased by 7% and 9% respectively, year on year."

“During the year key investments were made in the further development of 5G, which we activated across all four governorates of Bahrain covering 95% of the nation’s population. We also launched our latest Tier III Data Center, which is the largest enterprise Data Center in Bahrain. Going forward, Batelco will continue to play its part in providing innovative digital services. This is in line with our vision and being a proud member of Team Bahrain, following the directives of the Kingdom’s fifth National Telecommunication Plan, and supporting the telecom sector in accordance to the Kingdom’s vision for digital economy.”

“Batelco places importance on supporting team members and the corporate culture, as a healthy work environment reflects on the team’s performance. We have directed the management to launch several programmes which are focussed on developing work environment and the high-performance culture, such as the Chairman’s Award, to reward outstanding team members. As a result of these efforts, Batelco has been ranked the number 1 certified organization in the telecommunication sector across the Middle East in 2020 as a great workplace, by Great Place to Work® Institute Middle East, and we are immensely proud of this achievement.”

“I take this opportunity to express my sincere gratitude to His Majesty King Hamad bin Isa Al Khalifa and His Royal Highness Prince Salman bin Hamad Al Khalifa, Crown Prince, Deputy Supreme Commander and Prime Minister, for the government’s tremendous support towards the telecoms sector which has been instrumental in our ongoing success.”

“I appreciate the contribution of the members of the Board who represent diverse backgrounds. Their strong commitment has been vital as we have worked together for the benefit of Shareholders and I would like to thank them for their input. On the same note, I offer my thanks to Batelco’s management and all team members who contributed to a successful year,” Shaikh Abdulla added.

“Delivering value for our shareholders remained central in 2020 and we are proud to announce increased EPS for the year. Batelco’s share price which during year 2020 reached its highest level since 2011 remains strong and reflects the confidence that the market and investors have in Batelco. I extend appreciation to our shareholders for putting their trust in Batelco’s direction and vision, and going forward it remains a priority for us to achieve the best returns for them,” Shaikh Abdulla said.

“As we move forward in 2021, we will continue to adapt our plans to remain successful and achieve our goals. We are committed to applying best practice corporate governance to support Batelco’s strategy and achieve its vision while ensuring that shareholder value is maximised. We have confidence that Batelco’s management will make every effort to achieve the set goals and continue raising the bar to achieve more success for Batelco and the telecommunications sector in Bahrain,” Shaikh Abdulla concluded.

Operational Overview

Batelco CEO Mikkel Vinter commented, “The management team implemented important changes to operations during 2020, including fast-tracking digital initiatives to elevate the way we serve our customers, and enabling them to complete their daily tasks remotely. Among the enhancements to meet

our customers' changing priorities, fiber speeds were upgraded in 2020, which contributed towards Bahrain being highly ranked for fixed internet speeds by Ookla, the global leader in fixed broadband and mobile network testing applications. We also continued to grow technologically with achievements such as 5G coverage across Bahrain."

"Over 90% of the Batelco team worked from home during 2020 due to COVID-19, and we invested much effort in keeping everyone engaged and involved in the business and in creating a great work environment. One of the initiatives was the introduction of the Chairman's Award, created to acknowledge and reward Batelco team members who demonstrate exceptional performance and achievement through the year. Recently, three winners were announced by our Chairman Shaikh Abdulla bin Khalifa Al Khalifa and were presented with trophies and cash prizes. We truly appreciate the Chairman's commitment to our people in introducing this prestigious awards programme."

The CEO continued, "Batelco management and team members rose to meet the challenges of the past year and continued to give their best; I offer my personal appreciation to each of them for their dedication. I also offer my thanks to our Board of Directors for their ongoing support which has allowed us to push forward with confidence."

"During 2020 we have learned the true meaning of a digital world by navigating the challenges of COVID-19, and driving digital growth will remain central to our plans moving forward, to meet the evolving requirements of consumer and business customers," 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

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