FitchRatings

Bahrain Telecommunications Company

Bahrain Telecommunications Company's (Batelco) IDR is linked to Bahrain's sovereign rating (B+/Stable) and reflects that 77% of the company is directly or indirectly owned by the Bahraini government, which consequently exerts strong control over it.

Batelco's Standalone Credit Profile (SCP) is higher than its IDR at 'bb+'. This reflects a balance between the company's strong position in its domestic market, which drives nearly half of the group's adjusted operating cash flows and the political and economic risks of the countries where Batelco has international operations. These risks are managed through a conservative financial approach.

The senior unsecured instrument rating has been withdrawn for commercial reasons.

Key Rating Drivers

Roaming Growth to Continue: Revenue increased by 3.4% in 2021 driven by strong growth in broadband revenues and a gradual return to roaming revenues across Batelco's key markets. Roaming revenues are particularly important in tourist destinations like the Maldives and are still not at pre-pandemic levels.

Fitch-defined EBITDA growth in 2021 was around 7%. We expect roaming revenues to continue growing in 2022-2024 as global travel trends towards pre-pandemic levels, but this could be somewhat offset by competitive pressures in broadband if the company sees increased churn in its retail market to wholesale customers.

Digital Strategy Ambitions: Batelco was awarded an open banking licence in Bahrain and in 2021 launched its first digital brand, Beyon Money. While the EBITDA contribution from apps like Beyon Money is likely to be low in 2022, there is good growth potential, as demonstrated by the performance of Paycell in Turkey, owned by converged operator Turkcell Iletisim Hizmetleri A.S (B+/Negative).

Beyon Money marks the start of what we expect will be an increasingly digital services-focussed growth strategy for Batelco, which should help offset competitive pressures.

Domestic Market Underpins Rating: Bahrain is a key market for Batelco, accounting for 47% of total revenue and 45% of adjusted EBITDA in FY21. Its operating position in its domestic market is improving following the deployment of its fibre network. However, competition in retail fixed-line pricing may increase following the separation of Batelco's network and subsequent wholesale services to competitors.

The mobile segment remains intense as number-three mobile operator STC Bahrain continued to build revenue market share. Pursuing a convergence strategy, focused on high-quality fixed and mobile infrastructure, is allowing Batelco to retain its strong market shares in the mid- to high-value consumer segment and the business segment.

Bahrain Network Separation: The separation of Batelco's network into two separate legal entities is a regulatory requirement. The separation (similar to BT Group in the UK) creates a separate fixed-line entity that has the obligation to serve both internal and external wholesale customers equally without discrimination.

Ratings

Rating Type	Rating	Outlook	Last Rating Action
Long-Term IDR	B+	Stable	Affirmed 10 Jun 21
Standalone Credit Profile	bb+		Affirmed 10 Jun 21

Click here for full list of ratings

Applicable Criteria

Corporate Rating Criteria (October 2021)

Corporates Recovery Ratings and Instrument Ratings Criteria (April 2021)

Country-Specific Treatment of Recovery Ratings Criteria (January 2021)

Parent and Subsidiary Linkage Rating Criteria (December 2021)

Government-Related Entities Rating Criteria (September 2020)

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The separation may create greater competitive pressure on retail broadband prices in the short to medium term. If these pressures materialise, we do not expect them to have a significant impact on the rating, given the level of wholesale prices, potential for growth in the wholesale division and the company's moderate leverage.

Diverse International Operations: Batelco's largest international operations are in the Maldives, Jordan and the Channel Islands. Batelco has a number one or two market position in most of its international markets, which enables it to generate strong free cash flow. In Jordan (about 20% of group adjusted EBITDA), Batelco is a market challenger, with a roughly 25% share of the mobile market.

The company is gradually building scale and deploying fibre in partnership with local electricity utilities, which should support the company's market position and drive growth from broadband and convergent services. The economic and political risks of some of Batelco's international markets constrains the company's SCP.

Portfolio Reshaping: Batelco's strategy is to optimise its core businesses and grow beyond its core network connectivity business. This could involve opportunistically exiting markets outside the GCC region and reinvesting in select segments within digital products and services applications that have stronger growth potential. Batelco has a conservative financial profile to support the strategy's implementation and reshaping of the portfolio.

Low Leverage: Fitch views Batelco's financial profile as strong, underpinned by our expectation of a conservative leverage profile, and sound liquidity over the medium term. We expect funds from operations (FFO) adjusted net leverage to stabilise at around 0.5x over the medium term (versus 0.6x at end-2021), which is low for the 'B+' rating.

Strong State Influence: The Bahraini government is invested in Batelco via Bahrain Mumtalakat Holding Company (37%; B+/Stable), Amber Holding (20%) and the Social Insurance Organisation (20%). Bahrain-based diversified investment holding company Mumtalakat is 100% owned by the Bahrain government and is the government's investment arm. Through these entities, the Bahraini government exerts strong control over Batelco, and is represented by eight of 10 directors on the company's board: four from Mumtalakat (including the chair); two from the Social Insurance Organisation; and two from Amber Holding.

GRE Criteria Application: Batelco's IDR is constrained by the sovereign's, based on Fitch's government-related entities (GRE) rating criteria and parent and subsidiary rating linkage criteria. We assess the company's SCP at 'bb+'. Under the GRE rating criteria, we assess status, ownership and control; support track record and expectations as well as financial implications of a GRE default as Strong. We view socio-political impact of a GRE default as Moderate.

Financial Summary

Bahrain Telecommunications Company

(BHDm)	Dec 19	Dec 20	Dec 21	Dec 22F	Dec 23F	Dec 24F
Gross revenue	401	387	400	407	418	427
Operating EBITDAR margin (%)	35.4	40.1	39.3	41.0	41.4	41.7
FFO margin (%)	27.2	32.8	36.0	32.9	32.8	32.8
FFO fixed charge coverage (x)	6.2	7.0	18.5	7.7	7.6	7.2
FFO adjusted leverage (x)	2.6	2.2	1.5	1.9	1.8	1.7

F – Forecast
Source: Fitch Ratings, Fitch Solutions

Rating Derivation Relative to Peers

Batelco's 'bb+' SCP reflects its incumbent position in its domestic market, low leverage and risks to its international operations. We do not envisage Batelco being rated above the sovereign rating, especially given the government's significant shareholding in the company and strong ties between the company and the state. Oman Telecommunications Company S.A.O.G. (Omantel; BB-/Stable) is of similar size, with its rating similarly capped by the sovereign rating. Other telcos in the region, such as Ooredoo Q.P.S.C. (A-/Stable), are much larger and can rely on domestic markets that are less competitive, as well as on government support.

Rating Sensitivities

BATELCO

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Downgrade:

- An upgrade of the sovereign rating, or a revision of the Outlook to Positive, with continued support from the government of Bahrain, without a weakening in the linkage with the sovereign.

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade:

- Negative rating action on the sovereign.
- Pressure on free cash flow driven by EBITDA margin erosion, consistently higher capex and shareholder distributions, or significant underperformance in the core domestic market and at other key subsidiaries could be negative for the SCP but not necessarily the IDR.
- FFO net leverage remaining above 4.5x (equivalent to around 4.2x Fitch-defined net debt/EBITDA) with failure to deleverage below this threshold within the next 18 months could pressure the SCP but not necessarily the IDR.

BAHRAIN SOVEREIGN

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade:

- Public Finances: Further significant deterioration of public debt dynamics, for example due to a sustained fall of oil prices below our long-term assumptions, or failure to implement fiscal reforms.
- External Finances: Signs of weakening GCC support, which could place greater pressure on the balance of payments and currency peg in the context of low levels of reserves. This could lead to the removal of the +1 notch on External Finances.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade:

- Public Finances: Confidence in a sustained reduction in government debt/GDP over the medium term and further structural improvement of public finances, reducing the need for an expanded GCC financing package. This could lead to the removal of the -1 notch on Public Finances.
- Structural Features: Greater evidence of weaker socio-political constraints on fiscal policy, allowing for deeper reforms that generate higher non-oil revenue. This could lead to the removal of the -1 QO notch on Structural Features.

Liquidity and Debt Structure

Adequate Liquidity: At FYE21 Batelco had BHD220.7 million of cash on its balance sheet, and BHD226.9 million of bank loans with maturities dates ranging from 2022 to 2031.

ESG Considerations

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg

Liquidity and Debt Maturities

Bahrain Telecommunications Company – Liquidity Analysis

(BHDm)	2022F	2023F	2024F	2025F
Available liquidity				
Beginning cash balance	139	120	102	103
Rating case FCF after acquisitions and divestitures	-15	-19	3	16
<other cash inflows post-FCF or not modeled into base case FCF>				
<e.g., debt issued since last balance sheet>				
<e.g., cash inflow from reduction in capex>				
<e.g., cash inflow from reduction in dividend>				
Total available liquidity (A)	**124**	**102**	**105**	**119**
Liquidity Uses				
Debt Maturities	-4	0	-2	-177
<other uses of liquidity>				
Total liquidity uses (B)	**-4**	**0**	**-2**	**-177**
Liquidity calculation				
Ending cash balance (A+B)	120	102	103	-58
Revolver availability	0	0	0	0
Ending liquidity	**120**	**102**	**103**	**-58**
Liquidity score (x)	31.1	Not meaningful	52.5	0.7

F – Forecast
Source: Fitch Ratings, Fitch Solutions, Bahrain Telecommunications Company

Scheduled debt maturities	**Original**
(BHDm)	**31 December 2021**
2021	4
2022	0
2023	2
2024	177
2025	0
Thereafter	37
Total	**220**

Source: Fitch Ratings, Fitch Solutions, Bahrain Telecommunications Company

Key Assumptions

Fitch's Key Assumptions within our Rating Case for the Issuer

- Reported revenue growth of 2%-3% a year in 2022 to 2024

- Adjusted EBITDA margin around 37.6%% in 2022 and gradually increasing to over 38% by 2024
- Capex at around 24% of sales in 2022 and declining to around 20% by 2024
- Dividend growth of 4% a year

Financial Data

Bahrain Telecommunications Company

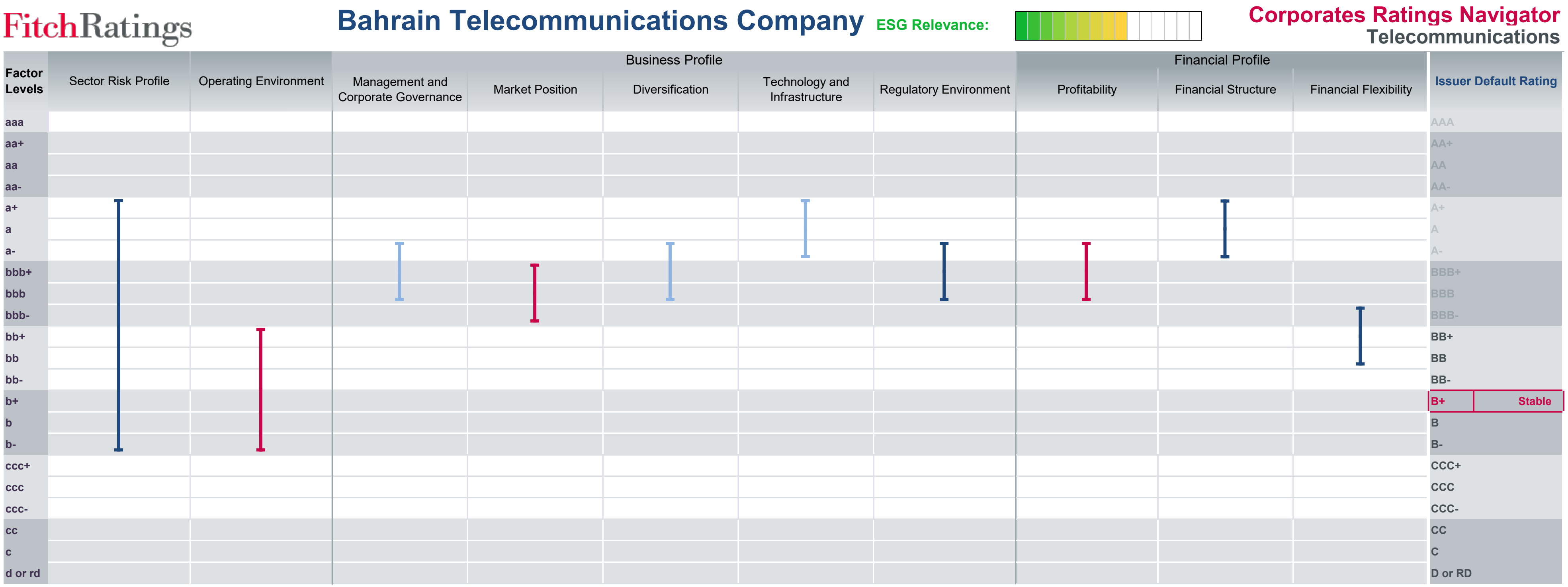
	Historical			Forecast		
(BHDm)	Dec 19	Dec 20	Dec 21	Dec 22F	Dec 23F	Dec 24F
Summary income statement						
Gross revenue	401	387	400	407	418	427
Revenue growth (%)	-1.2	-3.5	3.4	1.8	2.7	2.2
Operating EBITDA (before income from associates)	132	144	152	155	161	166
Operating EBITDA margin (%)	32.9	37.2	38.0	38.1	38.5	38.9
Operating EBITDAR	142	155	157	167	173	178
Operating EBITDAR margin (%)	35.4	40.1	39.3	41.0	41.4	41.7
Operating EBIT	73	78	87	82	86	89
Operating EBIT margin (%)	18.2	20.2	21.8	20.1	20.6	20.8
Gross interest expense	-13	-13	-9	-8	-9	-10
Pretax income (including associate income/loss)	67	68	83	78	81	82
Summary balance sheet						
Readily available cash and equivalents	86	143	139	111	105	94
Total debt with equity credit	238	224	227	186	180	166
Total adjusted debt with equity credit	318	312	227	279	275	263
Net debt with equity credit	152	81	88	75	75	72
Summary cash flow statement						
Operating EBITDA	132	144	152	155	161	166
Cash interest paid	-10	-9	-3	-8	-9	-10
Cash tax	-7	-6	-5	-6	-6	-7
Dividends received less dividends paid to minorities (inflow/(out)flow)	-9	-9	-6	-10	-10	-10
Other items before FFO	-3	0	2	-2	-2	-2
Funds flow from operations	109	127	144	134	137	140
FFO margin (%)	27.2	32.8	36.0	32.9	32.8	32.8
Change in working capital	5	-6	11	-5	-5	-5
Cash flow from operations (Fitch defined)	114	121	155	129	132	135
Total non-operating/nonrecurring cash flow	0	0	0			
Capex	-79	-62	-69			
Capital intensity (capex/revenue) (%)	19.7	16.0	17.3			
Common dividends	-46	-51	-48			
Free cash flow	-11	8	38			
Net acquisitions and divestitures	19	0	0			
Other investing and financing cash flow items	-14	75	-31	0	0	0
Net debt proceeds	-2	-25	-10	-16	-6	-14
Net equity proceeds	-2	-1	-2	0	0	0
Total change in cash	-10	57	-5	-28	-6	-11
Leverage ratios						
Total net debt with equity credit/operating EBITDA (x)	1.2	0.6	0.6	0.5	0.5	0.5
Total adjusted debt/operating EBITDAR (x)	2.4	2.1	1.5	1.8	1.7	1.6
Total adjusted net debt/operating EBITDAR (x)	1.7	1.2	0.6	1.1	1.0	1.0
Total debt with equity credit/operating EBITDA (x)	1.9	1.7	1.6	1.3	1.2	1.1
FFO adjusted leverage (x)	2.6	2.2	1.5	1.9	1.8	1.7
FFO adjusted net leverage (x)	1.9	1.2	0.6	1.1	1.1	1.1
FFO leverage (x)	2.1	1.7	1.6	1.4	1.3	1.1
FFO net leverage (x)	1.3	0.6	0.6	0.5	0.5	0.5
Calculations for forecast publication						
Capex, dividends, acquisitions and other items before FCF	-106	-113	-117	-141	-132	-132
Free cash flow after acquisitions and divestitures	8	8	38	-12	0	3
Free cash flow margin (after net acquisitions) (%)	2.0	2.1	9.5	-2.9	0.0	0.7
Coverage ratios						
FFO interest coverage (x)	11.3	14.3	47.7	17.7	16.7	14.9
FFO fixed charge coverage (x)	6.2	7.0	18.5	7.7	7.6	7.2
Operating EBITDAR/interest paid + rents (x)	6.7	7.3	18.9	8.1	8.0	7.6
Operating EBITDA/interest paid (x)	12.3	15.0	48.7	18.8	17.7	15.8
Additional metrics						
CFO-capex/total debt with equity credit (%)	14.7	26.3	37.9	23.7	32.2	38.0
CFO-capex/total net debt with equity credit (%)	23.0	72.8	97.7	58.7	77.3	87.5

Source: Fitch Ratings, Fitch Solutions

How to Interpret the Forecast Presented

The forecast presented is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

Ratings Navigator



Bar Chart Legend:			
Vertical Bars = Range of Rating Factor		Bar Arrows = Rating Factor Outlook	
Bar Colours = Relative Importance		⇧	Positive
■	Higher Importance	⇩	Negative
■	Average Importance	⇳	Evolving
■	Lower Importance	□	Stable

FitchRatings

Bahrain Telecommunications Company

Corporates Ratings Navigator
Telecommunications

Operating Environment

bbb-	Economic Environment	bb	Below average combination of countries where economic value is created and where assets are located.
bb+	Financial Access	bbb	Average combination of issuer specific funding characteristics and of the strength of the relevant local financial market.
	Systemic Governance	bbb	Systemic governance (eg rule of law, corruption; government effectiveness) of the issuer's country of incorporation consistent with 'bbb'.
b-			
ccc+			

Management and Corporate Governance

a	Management Strategy	bbb	Strategy may include opportunistic elements but soundly implemented.
a-	Governance Structure	a	Experienced board exercising effective check and balances. Ownership can be concentrated among several shareholders.
bbb+	Group Structure	bbb	Some group complexity leading to somewhat less transparent accounting statements. No significant related-party transactions.
bbb	Financial Transparency	bbb	Good quality reporting without significant failing. Consistent with the average of listed companies in major exchanges.
bbb-			

Market Position

a-	Market Position	bbb	Strong and sustainable market share in primary markets (>20%).
bbb+	Competition	bbb	Primary markets characterized by medium competitive intensity and/or moderate barriers to entry.
bbb	Scale - EBITDA	b	<$500 million
bbb-			
bb+			

Diversification

a	Service Platform Diversification	a	Operates several service platforms in primary markets.
a-	Geographic Diversification	bb	Limited geographic diversification.
bbb+			
bbb			
bbb-			

Technology and Infrastructure

aa-	Ownership of Network	a	Owns almost all of its infrastructure.
a+	Network and Service Quality	a	Market leading network in terms of coverage and technology deployment, with good quality of service.
a			
a-			
bbb+			

Regulatory Environment

a	Regulatory Risk	bbb	Moderate.
a-			
bbb+			
bbb			
bbb-			

Profitability

a	Volatility of Cash Flow	bbb	Volatility and visibility of cash flow in line with industry average.
a-	EBITDA Margin	a	35%
bbb+	FFO Margin	a	30%
bbb			
bbb-			

Financial Structure

aa-	FFO Leverage		2.2x
a+	FFO Net Leverage		2.0x
a	(CFO-Capex)/Total Debt With Equity Credit		
a-	Total Debt With Equity Credit/Op. EBITDA		2.0x
bbb+			

Financial Flexibility

bbb	Financial Discipline	a	Clear commitment to maintain a conservative policy with only modest deviations allowed.
bbb-	Liquidity	bb	Liquidity ratio around 1.0x. Less smooth debt maturity or concentrated funding.
bb+	FFO Interest Coverage	bbb	6.0x
bb	FX Exposure	a	Profitability potentially exposed to FX but efficient hedging in place. Debt and cash flows well-matched.
bb-			

How to Read This Page: The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

Credit-Relevant ESG Derivation

Bahrain Telecommunications Company has 8 ESG potential rating drivers

- Energy and fuel use in networks and data centers
- Networks exposed to extreme weather events (e.g. hurricanes)
- Data security; service disruptions
- Impact of labor negotiations and employee (dis)satisfaction
- Governance is minimally relevant to the rating and is not currently a driver.

			Overall ESG
key driver	0	issues	5
driver	0	issues	4
potential driver	8	issues	3
not a rating driver	1	issues	2
	5	issues	1

For further details on Credit-Relevant ESG scoring, see page 3.

FitchRatings

Bahrain Telecommunications Company

Corporates Ratings Navigator
Telecommunications

Credit-Relevant ESG Derivation

Bahrain Telecommunications Company has 8 ESG potential rating drivers

- Bahrain Telecommunications Company has exposure to energy productivity risk but this has very low impact on the rating.
- Bahrain Telecommunications Company has exposure to extreme weather events but this has very low impact on the rating.
- Bahrain Telecommunications Company has exposure to customer accountability risk but this has very low impact on the rating.
- Bahrain Telecommunications Company has exposure to labor relations & practices risk but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

			Overall ESG Scale
key driver	0	issues	5
driver	0	issues	4
potential driver	8	issues	3
not a rating driver	1	issues	2
	5	issues	1

Environmental (E)

General Issues	E Score	Sector-Specific Issues	Reference	E Scale
GHG Emissions & Air Quality	1	n.a.	n.a.	5
Energy Management	3	Energy and fuel use in networks and data centers	Profitability	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2
Exposure to Environmental Impacts	3	Networks exposed to extreme weather events (e.g. hurricanes)	Profitability	1

Social (S)

General Issues	S Score	Sector-Specific Issues	Reference	S Scale
Human Rights, Community Relations, Access & Affordability	1	n.a.	n.a.	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Data security; service disruptions	Competitive Position; Profitability	4
Labor Relations & Practices	3	Impact of labor negotiations and employee (dis)satisfaction	Competitive Position; Profitability	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	2	Social attitudes toward network infrastructure	Diversification; Technology and Infrastructure; Profitability	1

Governance (G)

General Issues	G Score	Sector-Specific Issues	Reference	G Scale
Management Strategy	3	Strategy development and implementation	Management and Corporate Governance	5
Governance Structure	3	Board independence and effectiveness; ownership concentration	Management and Corporate Governance	4
Group Structure	3	Complexity, transparency and related-party transactions	Management and Corporate Governance	3
Financial Transparency	3	Quality and timing of financial disclosure	Management and Corporate Governance	2
				1

How to Read This Page
ESG scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the individual components of the scale. The right-hand box shows the aggregate E, S, or G score. General Issues are relevant across all markets with Sector-Specific Issues unique to a particular industry group. Scores are assigned to each sector-specific issue. These scores signify the credit-relevance of the sector-specific issues to the issuing entity's overall credit rating. The Reference box highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

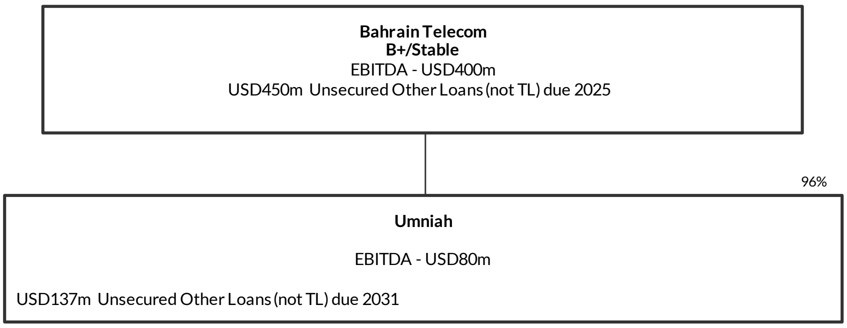
The Credit-Relevant ESG Derivation table shows the overall ESG score. This score signifies the credit relevance of combined E, S and G issues to the entity's credit rating. The three columns to the left of the overall ESG score summarize the issuing entity's sub-component ESG scores. The box on the far left identifies the some of the main ESG issues that are drivers or potential drivers of the issuing entity's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the score.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI) and the Sustainability Accounting Standards Board (SASB).

CREDIT-RELEVANT ESG SCALE
How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Simplified Group Structure Diagram



Source: Fitch Ratings, Fitch Solutions, Bahrain telecommunications company as of March 2022

Peer Financial Summary

Company	Issuer default Rating	Financial statement date	Gross revenue (USDm)	Operating EBITDAR margin (%)	FFO margin (%)	FFO fixed charge coverage (x)	FFO adjusted leverage (x)
Bahrain Telecommunications Company	B+						
	B+	2021	1,064	39.3	36.0	18.5	1.5
	B+	2020	1,029	40.1	32.8	7.0	2.2
	BB-	2019	1,066	35.4	27.2	6.2	2.6
Oman Telecommunications Company S.A.O.G.	BB-						
	BB+	2018	1,343	41.2	36.0	7.1	0.9
		2017	1,372	40.6	36.7	24.6	4.6
		2016	1,340	46.1	41.5	27.2	0.3
Emirates Telecommunications Group Company PJSC (Etisalat)							
	A+	2020	14,080	51.1	33.8	8.2	1.8
	A+	2019	14,210	50.5	34.4	12.0	1.6
	A+	2018	14,265	49.9	35.5	13.7	1.4
Turkcell Iletisim Hizmetleri A.S	B+						
	BB-	2020	4,161	36.8	43.5	9.6	1.4
	BB-	2019	4,440	38.1	33.4	3.7	2.2
	BB+	2018	4,484	39.3	33.2	4.3	2.3
Turk Telekomunikasyon A.S.	B+						
	BB-	2020	4,044	43.6	40.8	6.5	1.5
	BB-	2019	4,178	47.2	39.4	4.3	2.1
	BB+	2018	4,303	40.6	39.0	8.1	0
BT Group plc	BBB						
	BBB	2021	27,904	34.7	19.4	3.8	3.9
	BBB	2020	28,994	34.5	20.3	4.3	3.9
	BBB	2019	30,785	34.9	20.0	4.5	3.7

Source: Fitch Ratings, Fitch Solutions

Fitch Adjusted Financials

Fitch Adjustments and Reconciliation Table for Bahrain Telecommunications Company

(BHDm)	Notes and Formulas	Reported Values	Sum of Adjustments	Other Adjustments	Adjusted Values
31 December 2021					
Income Statement Summary					
Revenue		400			400
Operating EBITDAR		169	-12	-12	157
Operating EBITDAR After Associates and Minorities	(a)	163	-12	-12	151
Operating Lease Expense	(b)	5			5
Operating EBITDA	(c)	164	-12	-12	152
Operating EBITDA After Associates and Minorities	(d) = (a-b)	158	-12	-12	146
Operating EBIT	(e)	90	-3	-3	87
Debt and Cash Summary					
Total Debt with Equity Credit	(f)	281	-54	-54	227
Lease-Equivalent Debt	(g)	0			0
Other Off-Balance-Sheet Debt	(h)	0			0
Total Adjusted Debt with Equity Credit	(i) = (f+g+h)	281	-54	-54	227
Readily Available Cash and Equivalents	(j)	139			139
Not Readily Available Cash and Equivalents		82			82
Cash Flow Summary					
Operating EBITDA After Associates and Minorities	(d) = (a-b)	158	-12	-12	146
Preferred Dividends (Paid)	(k)	0			0
Interest Received	(l)	4			4
Interest (Paid)	(m)	-6	3	3	-3
Cash Tax (Paid)		-5			-5
Other Items Before FFO		2			2
Funds from Operations (FFO)	(n)	153	-9	-9	144
Change in Working Capital (Fitch-Defined)		11			11
Cash Flow from Operations (CFO)	(o)	164	-9	-9	155
Non-Operating/Nonrecurring Cash Flow		0			0
Capital (Expenditures)	(p)	-69			-69
Common Dividends (Paid)		-48			-48
Free Cash Flow (FCF)		47	-9	-9	38
Gross Leverage (x)					
Total Adjusted Debt/Operating EBITDAR[a]	(i/a)	1.7			1.5
FFO Adjusted Leverage	(i/(n-m-l-k+b))	1.8			1.5
FFO Leverage	(i-g)/(n-m-l-k)	1.8			1.6
Total Debt with Equity Credit/Operating EBITDA[a]	(i-g)/d	1.8			1.6
(CFO-Capex)/Total Debt with Equity Credit (%)	(o+p)/(i-g)	33.8%			37.9%
Net Leverage (x)					
Total Adjusted Net Debt/Operating EBITDAR[a]	(i-j)/a	0.9			0.6
FFO Adjusted Net Leverage	(i-j)/(n-m-l-k+b)	0.9			0.6
FFO Net Leverage	(i-g-j)/(n-m-l-k)	0.9			0.6
Total Net Debt with Equity Credit/Operating EBITDA[a]	(i-g-j)/d	0.9			0.6
(CFO-Capex)/Total Net Debt with Equity Credit (%)	(o+p)/(i-g-j)	66.9%			97.7%
Coverage (x)					
Operating EBITDA/(Interest Paid + Lease Expense)[a]	a/(-m+b)	14.8			18.9
Operating EBITDA/Interest Paid[a]	d/(-m)	26.3			48.7
FFO Fixed-Charge Coverage	(n-l-m-k+b)/(-m-k+b)	14.5			18.5
FFO Interest Coverage	(n-l-m-k)/(-m-k)	25.8			47.7

[a]EBITDA/R after dividends to associates and minorities
Source: Fitch Ratings, Fitch Solutions, Bahrain Telecommunications Company

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.