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Jordan Telecom (JTEL.AM)

February 02, 2009

- Jordan Telecom reported total revenue of JOD 401 million for 2008, a 0.9% increase over FY2007 results. This was slightly below our forecast of JOD 410 million (2% difference).
- Although fixed-line services witnessed a decrease in revenue by 4.7% in 2008, it remains the main contributor to total revenues (50% of total revenue). As for mobile revenues, it grew only by 3.5% in 2008 compared to 2007 and its contribution to total revenues increased to 44.8% during 2008.
- As per JTG's management total subscribers grew by 3.4% during 2008 to reach 2.5 million subscribers. This rise is driven mainly by the 55.6% growth in Internet subscribers.
- During 2008, EBITDA increased by 5.5%, compared to FY2007 results, to JOD 183 million. According to management, JTG was able to optimize OPEX through better cost controls, it decreased by 2.7% in 2008. Thus EBTIDA margin increased in 2008 to 45.6% from 43.6% in 2007 versus our forecast of 44.5%.
- Net Income was also close to our expectations, 0.9% above our forecast of JOD 102 million.
- During 2008, CAPEX dropped to 13.9% of sales compared to 15% in 2007; it reached JOD 55.8 million. JTG is focusing on expanding the broadband network to manage the increase in Internet subscribers.
- We will be waiting for the full financial statements to assess whether a change in fair value for JTG is necessary.

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Related Research

- Jordan Telecom Update – 18 May 2008
- Jordan Telecom Initiation – 15 Nov. 2007