

# Tele2 announced the terms of sale of its shares in JV to Kazakhtelecom

---

Aliya Assilbekova — May 24, 2019

Kazakhtelecom signed an agreement with Tele 2 A.B. to acquire a 49% stake in the JV Tele2-Altel. Earlier at the end of 2018, Tele 2 A.B. notified of the early exercise of the put option in the JV Tele2-Altel in connection with the transaction related to the acquisition by Kazakhtelecom of a 75% stake in Kcell. According to Tele 2 A.B., the net proceeds of the buyout of the share of the JV Tele2-Altel including an earn-out liability of Tele 2 A.B. to Kazakhtelecom will be ~ KZT63 877bn (or USD 169mln). Kazakhtelecom will also repay a shareholder loan to a Swedish company in the amount of KZT80bn. The company plans to complete the transaction at the end of June 2019.

## Our opinion:

The announced amount of the deal as a whole is within [our expectations](#). As we noted earlier, given the significant client base of Tele2-Altel JV and a high share of the mobile market in Kazakhstan, the complete consolidation of Tele2-Altel JV will positively affect Kazakhtelecom's financial performance, promotes operational synergy and will allow diversifying its business asset portfolio. The acquisition of a 49% stake in the JV was taken into account by us in our forecast calculations and does not make any changes in our recommendation to **Buy** Kazakhtelecom shares with 12M TP **30 130 KZT/share**.

© 2021 Halyk Finance, a subsidiary of Halyk Bank.

For contact details see the information on Halyk Finance website [www.halykfinance.kz](http://www.halykfinance.kz) or contact Halyk Finance office. All rights reserved. This document and/or information has been prepared by and, except as otherwise specified herein, is communicated by Halyk Finance. This document is for information purposes only. Opinions and views expressed in this document do not necessarily represent the opinions and views held by Halyk Finance, or other subsidiaries of Halyk Bank. The differences of opinion stem from different assumptions, sources information, criteria and methodology of valuation. Information and opinions expressed herein are subject to change without notice; and neither Halyk Finance, or Halyk Bank, or any of its subsidiaries or affiliates are under any obligation to keep them current. This document is not an offer or an invitation to engage in investment activity. It cannot be relied upon as a representation that any particular transaction necessarily could have been or can be effected at the stated price. This document does not constitute an advertisement or an offer of securities, or related financial instruments. Descriptions of any company or companies or their securities or the markets or developments mentioned herein are not intended to be complete. Views and opinions expressed in this document cannot substitute for the exercise of own judgment and do not attempt to meet the specific investment objectives, financial situation or particular needs of any specific investor. The information and opinions herein have been arrived at based on information obtained from sources believed to be reliable and in good faith. Such sources have not been independently verified; information is provided on an 'as is' basis and no representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness, reliability, merchantability or fitness for a particular purpose of such information and opinions, except with respect to information concerning Halyk Finance and its affiliates.

The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Options, derivative products and futures are not suitable for all investors and trading in these instruments is considered risky. Past performance is not necessarily indicative of future results. Foreign-currency denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or the price of, or income derived from, the investment. Halyk Finance and its affiliates, directors, representatives, employees, or clients may have or have had interests in issuers described herein. Halyk Finance may have or have had long or short positions in any of the securities or other financial instruments mentioned herein at any time and may make a purchase and/or sale, or offer to make a purchase and/or sale, of any such securities or other financial instruments at any time, as principal or agent. Halyk Finance and its affiliates may act or may have acted as market maker in the securities or other financial instruments described herein, or in securities underlying or related to such securities. Employees of Halyk Finance or its affiliates may serve or have served as officers or directors of the said companies. Halyk Finance and its affiliates may have or have had a relationship with or have provided investment banking, capital markets, advisory, investment management, and/or other financial services to the relevant companies. Halyk Finance relies on information barriers to avoid the appearance of conflict of interests within Halyk Finance or in its relations with clients, other issuers, and external investors.

The information herein is not intended for distribution to the public and may not be reproduced, redistributed or published, in whole or in part, for any purpose without the written permission of Halyk Finance. Neither Halyk Finance nor any of its affiliates accepts any liability whatsoever for the actions of third parties in this respect. This information may not be used to create any financial instruments or products or any indices. Neither Halyk Finance, nor its affiliates, nor their directors, representatives, or employees accept any liability for any direct or consequential loss or damage arising out of the use of any information herein.

© 2021 All rights reserved

Research	Department	Telephone	E-mail
Stanislav Chuyev	Head		<a href="mailto:s.chuyev@halykfinance.kz">s.chuyev@halykfinance.kz</a>
Assan Kurmanbekov	Macroeconomics		<a href="mailto:a.kurmanbekov@halykfinance.kz">a.kurmanbekov@halykfinance.kz</a>
Dmitriy Sheikin	Macroeconomics		<a href="mailto:d.sheikin@halykfinance.kz">d.sheikin@halykfinance.kz</a>
Zhansaya Kantayeva	Fixed income		<a href="mailto:zh.kantayeva@halykfinance.kz">zh.kantayeva@halykfinance.kz</a>
Madina Meterkulova	Equity		<a href="mailto:m.meterkulova@halykfinance.kz">m.meterkulova@halykfinance.kz</a>
Vladislav Benberin	Equity		<a href="mailto:v.benberin@halykfinance.kz">v.benberin@halykfinance.kz</a>

  

Sales	Department	Telephone	E-mail
Mariya Pan	Head		<a href="mailto:m.pan@halykfinance.kz">m.pan@halykfinance.kz</a>
Aizhan Moldakhmetova	Institutional		<a href="mailto:a.moldakhmetova@halykfinance.kz">a.moldakhmetova@halykfinance.kz</a>
Asel Baizhanova	Institutional		<a href="mailto:a.baizhanova@halykfinance.kz">a.baizhanova@halykfinance.kz</a>
Zhanna Nuralina	Retail		<a href="mailto:zh.nuralina@halykfinance.kz">zh.nuralina@halykfinance.kz</a>
Shynar Zhakanova	Retail		<a href="mailto:sh.zhakanova@halykfinance.kz">sh.zhakanova@halykfinance.kz</a>
Aliya Abdumazhitova	Retail		<a href="mailto:a.abdumazhitova@halykfinance.kz">a.abdumazhitova@halykfinance.kz</a>
Alya Mukhametzhanova	Retail		<a href="mailto:a.mukhametzhanova@halykfinance.kz">a.mukhametzhanova@halykfinance.kz</a>

### Halyk Finance

Abay av. 109 «B», 5th fl.  
 Almaty, Kazakhstan, A05A1B4  
 Tel: +7 727 331 59 77  
[www.halykfinance.kz](http://www.halykfinance.kz)

### Bloomberg

HLFN  
**Thomson Reuters**  
 Halyk Finance  
**Factset**  
 Halyk Finance  
**Capital IQ**  
 Halyk Finance