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RESEARCH

Silknet
2020: The Year of Mobile Data

Fixed Income Research | Georgia
Silknet
Apr 14, 2021

2020 turned out to be a challenging year for Silknet. On the one hand COVID-19 related lockdown and stay-at-home orders boosted mobile data revenues (+14.4% y/y), on the other hand more traditional revenue streams (mobile voice and SMS) came under pressure. Notably, mobile data traffic skyrocketed in Georgia in 2020, with Silknet achieving the highest growth in per user data usage, but still below the levels used by Magticom's subscribers. In addition, absence of tourism negatively affected mobile segment, particularly roaming revenue. Lockdown measures also halted the growth pace of traditionally fast-growing fixed segment for Silknet (fixed broadband and pay-TV). Overall, Silknet generated GEL 382.2mn in 2020 in revenue (-GEL 5.0mn y/y or -1.3% y/y), while commercial revenue (91% of total) posted a marginal 0.4% y/y growth in 2020. The competition in Georgia's telecom industry remained intense in 2020. Silknet managed to increase market share in mobile segment by revenue (+0.65ppts to 36.5%) due to higher ARPUs, while Magticom maintained a solid 45.5% market share by mobile revenues (down 62ppts over 2019-20). Despite slowdown in customer acquisition in fixed broadband segment, Magticom managed to add c. 19,000 new subscribers due to its rural penetration strategy, bringing its market share up 0.5ppts to 48.9%, while Silknet added only c. 5,000 subscribers. In pay-TV segment, Silknet added c. 18,000 new subscribers, grabbing 1.9ppts in market share, while Magticom's subscriber base remained mostly unchanged in 2020. Silknet generated GEL 211.5mn in EBITDA in line with our projection in 2020, translating into an EBITDA margin of 55.3% (vs. 55.8% in 2019). Slight decline in profitability was due to higher operating expenses (software maintenance, pay-TV content). We forecast a low single digit growth in Silknet's revenue in 2021 in line with gradual rebound in economic activity and tourism. GEL weakness remains to be the main risk factor for Silknet as significant portion of liabilities are unhedged (74%). Due to GEL's 14% depreciation in 2020, net Debt-to-EBITDA jumped to 2.99x in 2020 from 2.75x by end-2019. In December 2020, Fitch downgraded Silknet's rating to 'B' on the back of increased net leverage.

Silknet released audited FY20 results. Overall revenue was down 1.3% y/y to GEL 382.2mn in 2020, while commercial revenue (91% of total) posted a marginal 0.4% y/y growth to GEL 347.6mn or US$ 111.8mn. Notably strong performance in 1Q20 (+8.2% y/y) compensated for the declines in the following quarters (-2.5%, -2.1%, -1.4%, respectively). Revenue from carrier services (GEL 34.6mn) dropped further, by 15.6% y/y in 2020, mostly due to lower roaming revenues and lower income from interconnection service.

Although, compared to other sectors telecom industry showed resilience during the pandemic year, **Silknet's major business segments came under pressure in 2020.** Strict lockdown measures and closure of business entities (particularly related to the hospitality business which makes up significant portion of Georgian economy) had varying effects on Silknet's business segments. On the one hand stay-at-home measures boosted demand on telecom services, particularly mobile data (Silknet's mobile data traffic increased 2.4x in 2020), on the other hand closure of business entities lowered income from traditional revenue streams (fixed services).

In December 2020, **Fitch downgraded** Silknet's Long-Term Issuer Default Rating from 'B+' to 'B', maintaining Stable Outlook. Based on Fitch, the downgrade reflects a considerable increase in net leverage, which is expected to remain above the Fitch's downgrade sensitivity threshold for the next 2 years.

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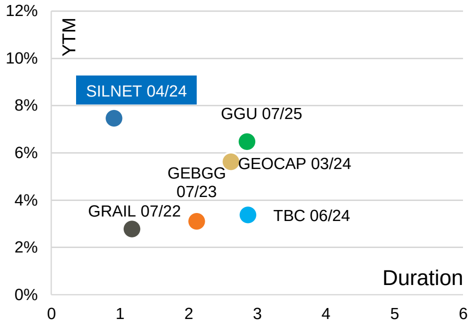
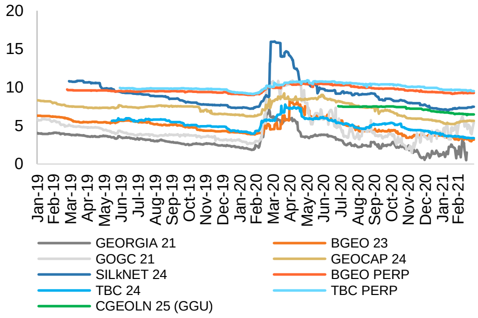
Figure 1: Georgian Eurobond universe



Source: Bloomberg, as of 30 March 2021

Figure 2: Georgian Eurobonds



Source: Bloomberg

Table 1: Key financial highlights

GEL '000	2019	2020	Change, y/y
Revenue	387,156	382,155	*-1.3%*
of which commercial:	*346,155*	*347,557*	*+0.4%*
Adjusted EBITDA*	203,235	197,702	*-2.7%*
Adjusted EBITDA margin	*52.5%*	*51.7%*	*-80bps*
Net income	-46,097	-87,160	*n/a*
Net profit margin	*-11.9%*	*-22.8%*	*n/a*
Assets	837,386	881,797	*+5.3%*
Liabilities	809,538	941,112	*+16.3%*
Equity	27,843	-59,313	*n/a*
Net Debt	559,725	631,300	*+12.8%*

Source: Company data
** Note: Excl. IFRS 16*

Silknet credit ratings

Fitch Ratings
B
Stable
Downgraded Dec-2020

Moody's
B1
Negative
Affirmed Mar-2021

Overall, revenue from **mobile segment** was up 0.3% y/y to GEL 183.4mn in 2020. Revenue from **fixed services** posted a marginal 0.5% y/y growth to GEL 164.2mn, while **carrier service** revenues continued decline in 2020, down 15.6% y/y to GEL 34.6mn.

Silknet generated GEL 211.5mn adjusted EBITDA (down 2.0% y/y) in line with our projection. On the back of lower revenue and a slight increase in operating expenses (software maintainance, pay-TV content), Silknet's adjusted EBITDA margin declined to 55.2% in 2020 from 55.8% in 2019 (excluding IFRS 16 adjustments, EBITDA stood at GEL 198mn, corresponding to an EBITDA margin of 52%).

GEL's weakness remains the dragging factor for Silknet's profitability. Notably, in 2020 GEL depreciated by 14.2% aginst USD (end-year levels). Silknet, whose 75% of gross liabilities remain unhedged, recognized a large GEL 88.1mn non-cash FX loss in 2020 (vs GEL 35.8mn in 2019). As a result, the company recorded a net loss of GEL 87.2mn in 2020.

Weaker GEL on the one hand and slightly lower profitability on the other, contributed to the deterioration of Net-debt-to-EBITDA ratio, which came in at 2.98x as of December 2020 (discussed below).

Notably, due to accumulation of net loss in 2020, the company's **equity turned negative** in 2020, standing at -GEL59.3mn. Notably, the company is restricted to payout dividend more than 50% of the accumulated net profit, staring from 2019. As the company incurred GEL 46.1mn net loss in 2019 and GEL 87.2mn net loss in 2020, the company will not be able to distribute dividends in the medium term.

Fixed voice
1
56.7%
213,500 subscribers

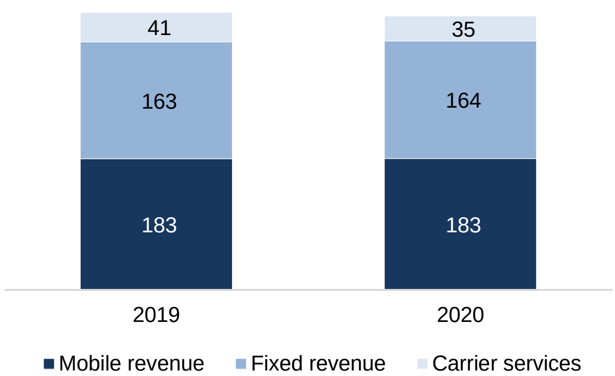
Mobile
2
33.9%
c. 1.65mn subscribers

Mobile data
2
35.3%
921,000 subscribers

Fixed broadband
2
30.9%
292,500 subscribers

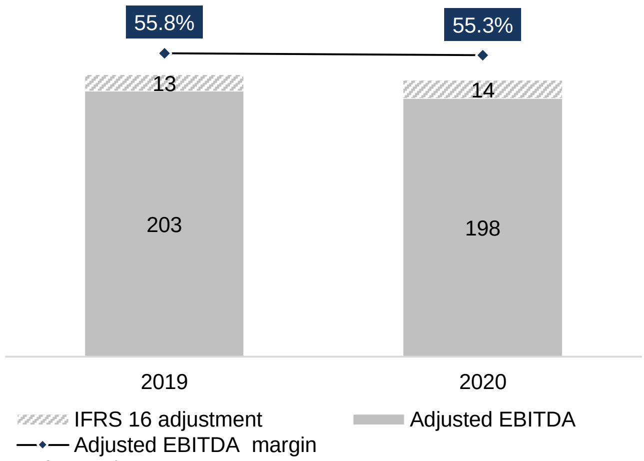
Pay TV
2
34.6%
239,700 subscribers

Figure 3: Revenue at GEL 382.2 (US$ 122.9mn) in 2020
Silknet revenue composition, GEL mn



Source: Company information

Figure 4: Adjusted EBITDA margin slightly decreased to 55.3%
Adjusted EBITDA margin, including IFRS 16



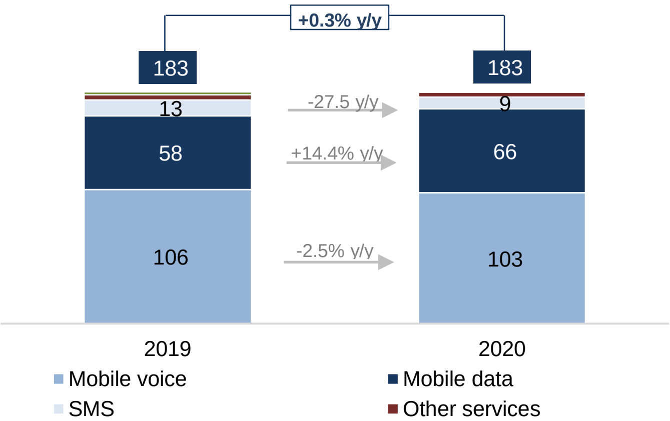
Source: Company information

Mobile segment

Pandemic changed Silknet's income structure, namely, mobile data revenue jumped, up 14.4% y/y to GEL 66.3mn, while more traditional revenue streams from mobile voice and SMS dropped (down -2.5% y/y to GEL 103.2mn and -27.5% y/y to GEL 9.2mn, respectively), as consumers shifted to data-driven services and abscense of tourism put pressure on other mobile revenues (part of foreign visitors in Georgia used to buy basic mobile packages rather than using roaming service).

Figure 3: Mobile revenue at GEL 183.4 (US$ 59.0mn) in 2020

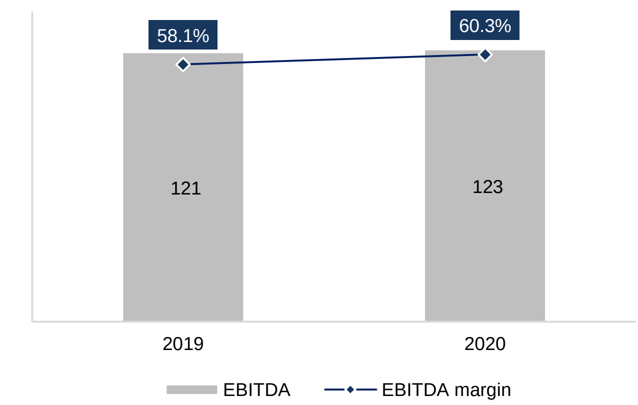
Mobile revenue composition, GEL mn



Source: Company information

Figure 4: Mobile segment profitability improved in 2020

EBITDA margin



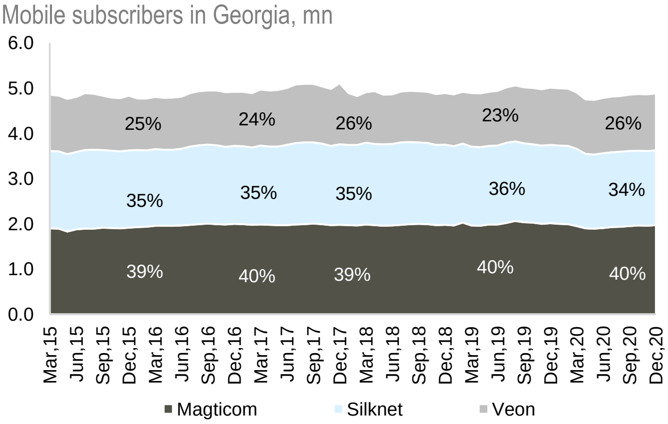
Source: Company information

Abscense of tourism negatively affected mobile segment in Georgia in 2020. As of Dec-20 there were 4.9mn mobile subscribers in Georgia which is 2.6% lower compared to the same period last year. The decline was mostly due to lower retail customers (-3.0% y/y to 3.6mn). Silknet lost c. 76,000 customers over 2019-20, while Magticom's and Veon's mobile subscribers decreased less by 43,000 and 10,000, respectively. As a result, Silknet's market share in mobile segment lowered from 34.6% as of Dec-19 to 33.9% as of Dec-20, Veon and Magticom gained 0.4ppts and 0.2ppts in market share, respectively.

Silknet managed to narrow the gap with Magticom in mobile ARPUs in 2020. Silknet managed to increase ARPUs on mobile segment in 2020 up 4.4% y/y to GEL 8.9 (vs. GEL 9.5 for Magticom and GEL 6.0 for Veon). However, Magticom earns the highest ARPU on mobile subscribers, enabling the company to grab 45.5% of the sector's revenues in 2020, while Silknet holds 36.5% of market revenue (from 35.8% in 2019). Notably, in B2C, Silknet earns higher ARPUs on mobile subscribers compared to Magti.

Figure 6: Number of mobile subscribers down in 2020

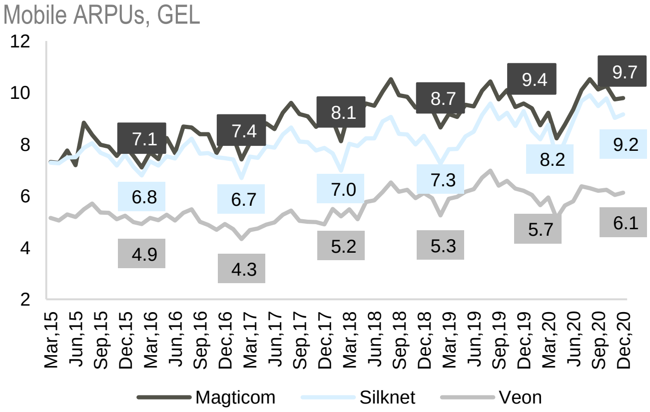
Mobile subscribers in Georgia, mn



Source: GNCC

Figure 7: Magticom earns higher ARPUs in mobile segment

Mobile ARPUs, GEL



Source: GNCC

Mobile data traffic skyrocketed in Georgia in 2020 on the back of the COVID 19 related lockdowns. 192,300 terabytes of mobile data was used by Georgians in 2020, which is double the amount used last year. Magticom has more data-intensive subscribers, as a result, overall mobile data usage by Magticom almost tripled over 2019-20, while improvement of infrastructure and increased 4G coverage, enabled Silknet to increase data usage by 2.4x over the same period (partially due to low base of 2019).

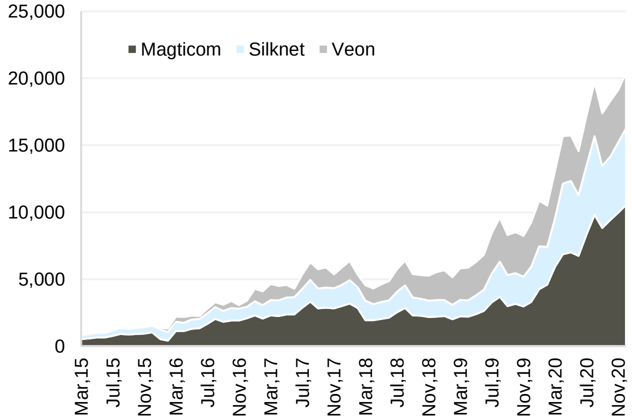
Silknet added the highest number of mobile subscribers in 2020, causing increase in mobile data market share. Additional 101,000 users subscribed to Silknet's mobile data over Dec-19 and Dec-20, while Magticom added 75,000 users and Veon 63,000 users. As a result, Silknet's market share in mobile data increased from 34.5% in December 2019 to 35.3% in December 2020 (mobile data subscribers exclude M2M users).

Despite significant growth in mobile data usage by Silknet customers, the room for growth remains. On average Silknet's subscribers consumed 5.3 GB/month mobile data, which is more than double compared to 2019 level. Magticom's per user mobile data reached historical maximum of average 10.3 GB/month in 2020, significantly higher than the level of other two market players. Apart from pandemic-related increase in data usage, launch of 'unlimited data' packages from Magticom and Silknet, positively affected mobile data usage in Georgia.

Silknet's per user mobile data traffic increased 2.4x over 2019-20.

Figure 8: Mobile data traffic skyrocketed in 2020

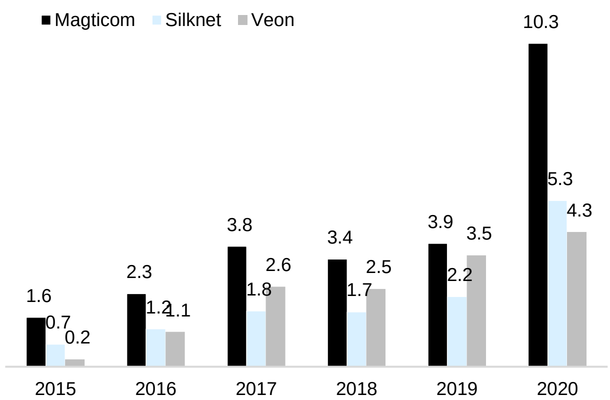
Mobile data traffic, terabytes



Source: GNCC

Figure 9: Mobile data usage reached record high levels in 2020

Mobile data traffic per user, GB/month



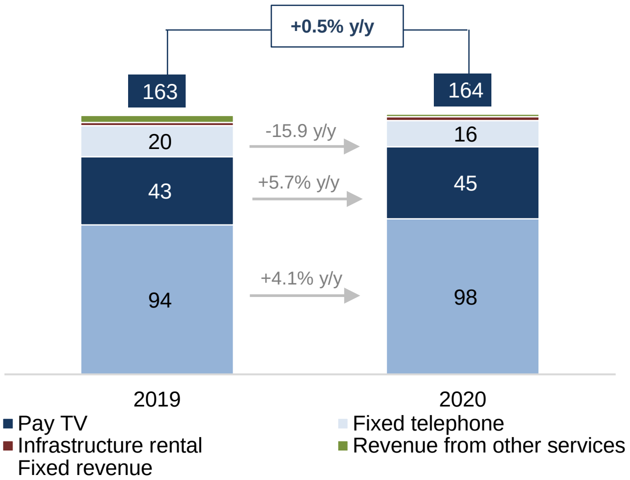
Source: GNCC
Note: M2M data users are excluded

Fixed segment

Fixed broadband and Pay TV, which used to be the growth engines for Silknet in the last couple of years, came under pressure in 2020, particularly corporate clients due to closure of number of business entities in Georgia. Revenue from **fixed broadband** services was up 4.1% y/y to GEL 98.2mn due to strong 1Q20 performance, while income from **pay-TV services** increased 5.7% y/y to GEL 45.4mn. Other fixed revenues (fixed voice and other services) also declined in 2020.

Figure 3: Fixed revenue at GEL 164.2 (US$ 52.8mn) in 2020

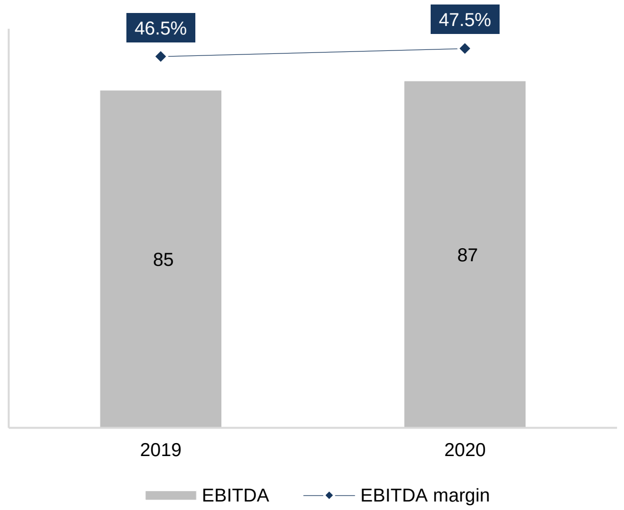
Mobile revenue composition, GEL mn



Source: Company information

Figure 4: Fixed segment profitability improved in 2020

EBITDA margin

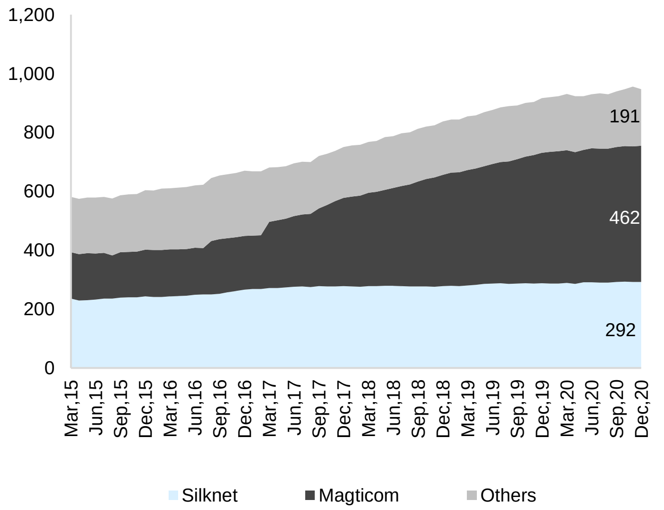


Source: Company information

Fixed broadband: **A total of 30,000 additional customers subscribed to fixed broadband services in Georgia in 2020,** notably this is a significant slowdown compared to the last 2 years (+80,000 net additions in 2019 and 87,000 in 2018). Magticom added c. 19,000 subscribers, while Silknet added only 5,000. Thi is in line with Magticom's strategy to penetrate rural areas, while Silknet's expansion strategy is more concentrated. As a result, Silknet's market share decreased from 31.4% to 30.9% over 2019-20. Due to higher ARPUs earned in corporate segment, Magticom accounts for 47% of market share by fixed broadband revenue.

Figure 10: Fixed broadband subscribers up 3.3% y/y to 946,000 as of Dec-20

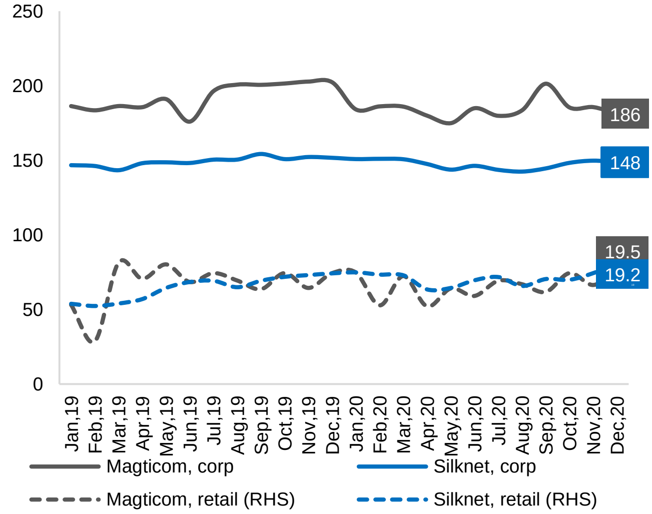
Number of fixed broadband subscribers, '000



Source: GNCC

Figure 11: In corporate segment Magticom earns higher ARPUs while in retail ARPUs are mostly similar

Fixed broadband ARPUs, GEL



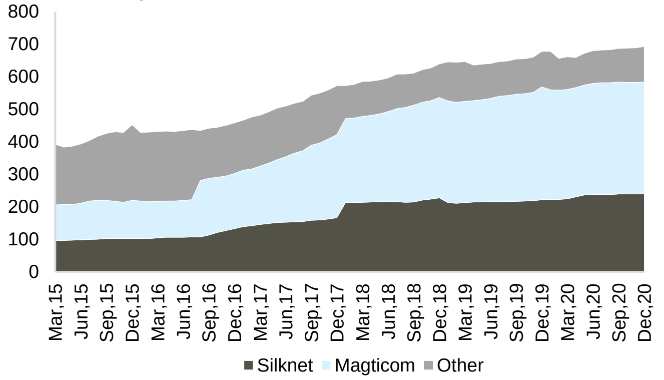
Source: GNCC

Pay TV: **Silknet managed to increase its market share by pay-TV subscribers in 2020 up 1.9ppts to 34.6% by adding c. 18,000 customers.** In the meantime, Magticom lost c. 3,000 subscribers, however maintained strong market positition, accounting for c. 50% of fixed broadband subscribers as of Dec-20.

Magticom accounted for 53.4% of the market by pay TV revenue in 2020, up from 50.2% in 2019. The growth stems from increased ARPUs earned by Magticom in 2020 (+7.6% y/y to GEL 15.8).

Figure 12: Number of pay TV subscribers growing, mostly due to increase penetration in the rural areas

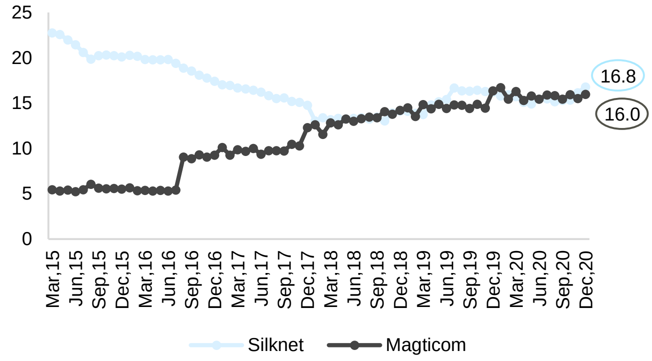
Number of Pay TV subscribers, '000



Source: GNCC

Figure 13: Pay TV ARPUs of Silknet and Magticom on the upward trajectory …

Pay TV ARPUs, GEL



Source: GNCC

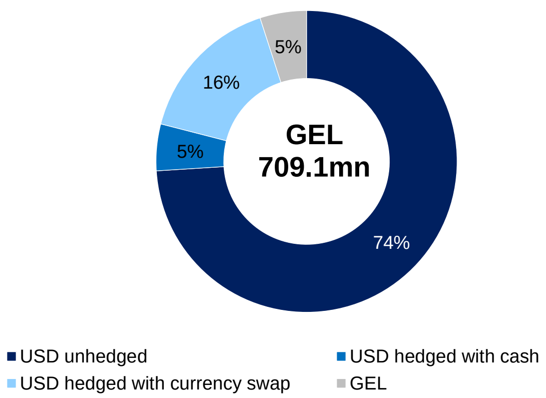
Fixed Voice: Silknet maintains leadership position in the shrinking fixed telephone segment. Silknet had 213,500 fixed telephone subscribers, yielding 56.7% market share as of Dec-20, up by 3.3ppts compared to the same period last year. Despite the gain in market share, Silknet lost c. 50,000 customers, due to the prevalent fixed-to-mobile substitution trend.

Capital structure and leverage

Net-debt-to-EBITDA hiked to 2.98x in 2020 from 2.75x by end-2019. The surge in the ratio was associated with the GEL's 14% depreciation against dollar in 2020. GEL's depreciation remains to be the main challenge for the company, as 95% of total liabilities are FX-denominated, while only 5% of revenue is linked to foreign currency.

Figure 16: Silknet remains exposed to FX risks

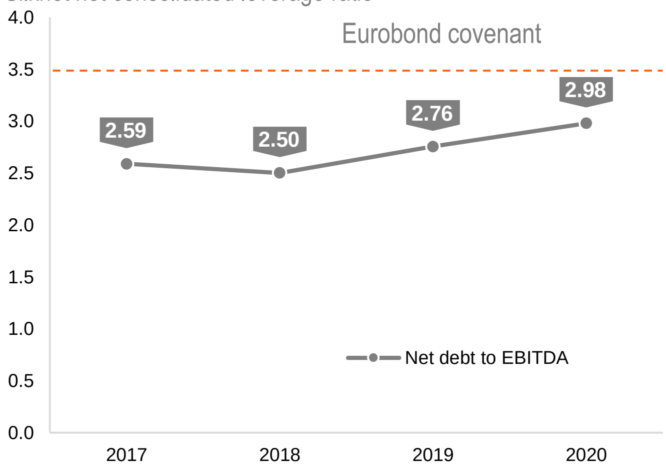
Share of Silknet's gross debt hedged, 2020



Source: Company data

Figure 17: Despite significant growth, the leverage ratio remains below the Eurobond incurrance covenant

Silknet net consolidated leverage ratio



Source: Company data

Silknet incurred large GEL 114.0mn capital expenditures in 2020 corresbonding to 30% of revenue (vs. 26% in 2019), related to PPE acquisition and investments in intangible assets. In addition, GEL 2.0mn was spent on IT transformation, GEL 5.0mn on Euronews operating license and acquisition of subscriber contracts from local operator for GEL 5.0mn in 2020.

In addition to large Capex, Silknet acquired land plot of 20,397 sq.m for headquarter purposes in 2019. US$ 10mn or GEL 29.6mn was paid to the related party in 2019, while the remaining US$ 10mn was paid in 2020. Notably, in 2020 an independent valuator assessed the fair value of the land plot, based on recent market transactions of similar properties in a similar location. As a result GEL 3.3mn loss was recognized on investment property. Notably, Fitch outlined this transaction as a **source of corporate governance risk** in its Dec-20 update (discussed below).

Silknet maintained strong cash balance in 2020, at GEL 77.8mn. This was achieved by extention of payment terms with major vendors, to ensure cash liquidity in turbulent times.

In its December update, Fitch noted several risk factors affecting Silknet, namely:

- Ongoing corporate governance risk – evident in **significant property transactions** with related parties in 2019-2020. Notably, in 2019 Silknet acquired a 20,000 sq.m. land plot in the center of Tbilisi, for headquarter purposes. A total of US$ 20mn was paid to a related party in two tranches in 2019 and 1Q20.
- Significant **FX risk** – most of the revenues are generated in GEL, while 95% of Silknet's debt is USD denominated (with 73% of total debt unhedged).
- **Halt in revenue growth** due to pandemic – positive trends of revenue growth were reversed in 2Q20 and 3Q20, when the company's revenue declined by 5.3% and 4.6%, respectively.
- **Dominant shareholder influence** – Silknet's 100% shareholder is Silk Road Group, which could exercise significant influence on the company.
- **Regulatory pressures on pricing** – Silknet faces stricter regulatory environment, limiting its ability to increase tariffs.

Future outlook

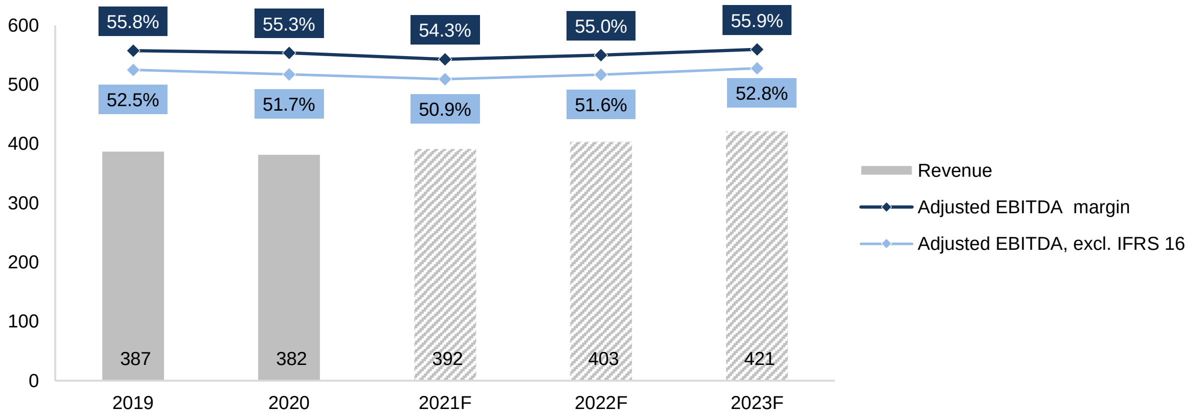
In 2021, pandemic continues to weigh on Georgia's growth outlook as recovery in tourism is delayed due to slow vacnation in Georgia and globally. Therefore, a potential third wave of COVID-19 in Georgia and delayed recovery in tourism increase likelihood of our pessimistic scenario of 3.6% growth vs our baseline projection of 5.0% growth in 2021. IMF also revised downwards Georgia's 2021 economic growth forecast to 3.5% in Apr-21 from 4.3% projected in Dec-2020.

We forecast Silknet's revenue to increase at a low single digit in 2021, considering subdued economic recovery. We forecast, mobile data to remain the driving force of Silknet's revenue generation, as per user usage of data will gradually increase from 5.3GB/month in 2020 to 5.8GB/month and 6.2GB/month in 2021 and 2022, respectively, in our view. Overall, we forecast mobile revenues to increase 3.3% y/y in 2021 (vs. 0.1% y/y decline in 2020) driven by higher mobile data revenues and gradual revival in other mobile income. Fixed segment (fixed broadband, pay-TV, fixed voice) is expected to continue growth in 2021, with fixed broadband revenues expected to increase by 4.5% y/y in 2021 (vs. 3.2% y/y growth in 2020), pay-TV revenues are forecasted to increase by 6.4% in 2021 (vs. 6.3% y/y growth in 2020), while fixed voice revenues are expected to decline 12.0% in 2021 (note, the growth data is based on revenue indicators from GNCC).

Overall, **commercial revenue is forecasted to increase by 3.4% y/y to GEL 359.3mn in 2021,** while carrier service revenue is expected to decline (-6.0% y/y to GEL 32.5mn). **We forecast 2021 EBITDA to reach GEL 213.9mn, translating into a solid 54.3% EBITDA margin** including IFRS 16 adjustments. This level of EBITDA margin is slightly below compared to 2020 level. We forecast gradual rebound in profitability in 2022-23.

Figure 18: Silknet's top line is expected to increase at a low single digits over 2021-23

Silknet's revenue and EBITDA margin forecast, GEL mn



Source: Company data, Galt & Taggart

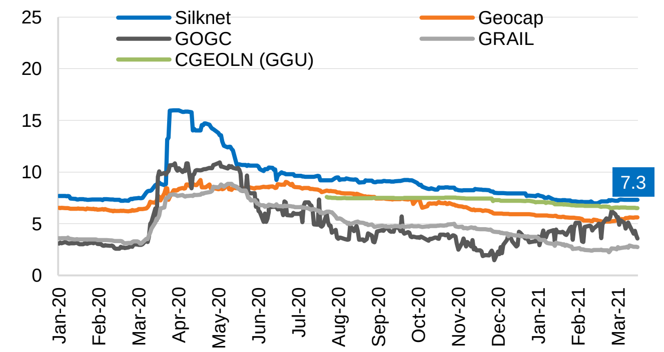
Eurobond performance

In November 2020 Silknet launched Georgian Depositary Notes, which are linked to US$ 200mn Eurobonds. The issuance of the notes, with US$ 1,000 denomination, is aimed to increase local demand on Eurobonds, by removing the barriers (minimum investment US$ 200,000), which make purchase of Eurobonds unaffordable for many Georgians.

After the hike in Silknet Eurobond yield in March-2020, yields started to decline, in line with other Georgian Eurobonds and broad financial markets. By end-20, the yield dropped to 7.7% with the bond selling at a 109.2% premium to par. The rally continued in 1Q21, with the yield further decreasing to 7.3% by March-21 to pre-COVID level. Notably, Silknet's YTC (the return a bondholder receives if the bond is held until the call date) is lower than YTM, indicating increased likelihood of the Eurobond call (the bonds are callable between 2 April 2022-2023 at 105.5% of par). Notably, this YTM is an indicative level and currently SILKNET 24 can be bought at 110.7% of par, corresponding to an YTC (yield to worst=yield to call) of 5.3% as of 31 March 2021.

Figure 16: Yield on SILKNET 24 dropped to 7.3% by end-March 2021

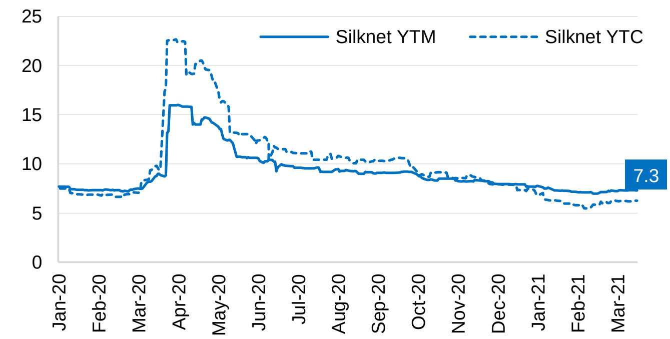
YTM on selected Georgian Eurobonds



Source: Company data

Figure 17: YTC on SILKNET 24 dropped below YTM, indicating increased probability of the Eurobond call

Silknet YTM and YTC



Source: Company data
Note: Yield to call (YTC) is a financial term that refers to the return a bondholder receives if the bond is held until the call date

Annex 1: Financials

Income Statement, '000 GEL

	2018	2019	2020	2021F	2022F	2023F
Total revenue	399,175	387,156	382,155	391,777	403,497	421,216
Commercial revenue	332,150	346,155	347,557	359,266	368,832	385,607
Carrier services	67,025	41,000	34,598	32,511	34,666	35,609
Bargain gain from acquisition	41,845	-	-	-	-	-
EBITDA, incl. IFRS 16	188,472	215,855	211,502	212,729	221,906	235,595
EBITDA margin	47.2%	55.8%	55.3%	54.3%	55.0%	55.9%
EBITDA, excl. IFRS 16	188,472	203,235	197,702	199,519	208,401	222,237
EBITDA margin	47.2%	52.5%	51.7%	50.9%	51.6%	52.8%
D&A	-111,717	-111,662	-117,444	-118,339	-115,227	-110,623
Financial costs (income), net	-75,769	-134,134	-171,666	-99,153	-49,772	-69,176
PBT	539	-44,856	-87,887	-4,763	56,906	55,796
Tax expense	-912	-1,241	723	-	-	-
Net income	-373	-46,097	-87,160	-4,763	56,906	55,796
Net margin	n/a	n/a	n/a	n/a	14.1%	13.2%

Income Statement, '000 US$

	2018	2019	2020	2021F	2022F	2023F
Total revenue	157,494	137,330	116,632	116,948	126,093	133,719
Commercial revenue	131,049	122,787	106,072	107,244	115,260	122,415
Carrier services	26,445	14,543	10,559	9,705	10,833	11,304
Bargain gain from acquisition	16,510	-	-	-	-	-
EBITDA, incl. IFRS 16	74,361	76,567	64,549	63,501	69,345	74,792
EBITDA margin	47.2%	55.8%	55.3%	54.3%	55.0%	55.9%
EBITDA, excl. IFRS 16	74,361	72,091	60,338	59,558	65,125	70,551
EBITDA margin	47.2%	52.5%	51.7%	50.9%	51.6%	52.8%
D&A	-44,078	-39,608	-35,843	-35,325	-36,009	-35,118
Financial costs (income), net	-29,895	-47,579	-52,391	-29,598	-15,554	-21,961
PBT	213	-15,911	-26,823	-1,422	17,783	17,713
Tax expense	-360	-440	221	-	-	-
Net income	-147	-16,351	-26,601	-1,422	17,783	17,713
Net margin	n/a	n/a	n/a	n/a	14.1%	13.2%

Note: EBITDA forecast excludes IFRS 16, 2019 EBITDA is excluding IFRS 16 adjustments
FX rates used in forecast: GEL 3.35/US$ in 2021, GEL 3.20/US$ in 2022, GEL 3.15/US$ in 2023

Balance Sheet, ‘000 GEL

	2018	2019	2020	2021F	2022F	2023F
Non-current assets	626,027	711,890	760,840	748,734	732,355	725,705
Net PP&E	370,216	377,686	393,887	398,916	400,102	406,799
Intangible assets and contract costs	212,339	199,716	196,229	182,969	169,874	160,647
Other	43,472	134,488	170,723	166,849	162,379	158,259
Current assets	71,594	125,496	120,959	161,754	207,643	265,666
Cash & equivalents	9,262	74,862	77,791	117,555	162,187	218,309
Receivables & prepayments	37,876	37,481	30,349	31,113	32,044	33,451
Other	24,456	13,153	12,818	13,086	13,413	13,906
Total assets	**697,621**	**837,386**	**881,797**	**910,488**	**939,999**	**991,371**
Shareholders’ equity	74,500	27,843	-59,313	-64,076	-7,170	48,625
Non-current liabilities	476,271	691,042	754,812	822,721	792,566	784,533
LT interest bearing debt	406,337	617,798	668,084	735,706	704,317	693,854
Other	69,934	73,244	86,728	87,016	88,249	90,679
Current liabilities	146,846	118,497	186,300	151,843	154,603	158,212
ST loans	37,069	16,989	54,399	-	-	-
Trade payables & prepayments	87,189	67,215	96,446	84,155	87,584	91,844
Other	22,588	34,293	35,455	67,689	67,018	66,368
Total liabilities & equity	**697,621**	**837,386**	**881,797**	**910,488**	**939,999**	**991,371**

Balance Sheet, ’000 US$

	2018	2019	2020	2021F	2022F	2023F
Non-current assets	233,889	248,244	232,204	223,503	228,861	230,382
Net PP&E	138,316	131,703	120,212	119,079	125,032	129,143
Intangible assets and contract costs	79,332	69,643	59,888	54,618	53,086	50,999
Other	16,242	46,897	52,104	49,806	50,743	50,241
Current assets	26,748	43,762	36,916	48,285	64,889	84,338
Cash & equivalents	3,460	26,105	23,742	35,091	50,683	69,304
Receivables & prepayments	14,151	13,070	9,262	9,288	10,014	10,619
Other	9,137	4,587	3,912	3,906	4,191	4,415
Total assets	**260,637**	**292,006**	**269,119**	**271,788**	**293,750**	**314,721**
Shareholders’ equity	27,834	9,709	-18,102	-19,127	-2,241	15,437
Non-current liabilities	177,939	240,974	230,364	245,588	247,677	249,058
LT interest bearing debt	151,811	215,433	203,895	219,614	220,099	220,271
Other	26,128	25,541	26,469	25,975	27,578	28,787
Current liabilities	54,863	41,321	56,858	45,326	48,313	50,226
ST loans	13,849	5,924	16,602	-	-	-
Trade payables & prepayments	32,575	23,438	29,435	25,121	27,370	29,157
Other	8,439	11,958	10,821	20,206	20,943	21,069
Total liabilities & equity	**260,637**	**292,006**	**269,119**	**271,788**	**293,750**	**314,721**

Note: FX rates used in forecast: GEL 3.35/US$ in 2021, GEL 3.20/US$ in 2022, GEL 3.15/US$ in 2023

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