

# Connection Without Coverage

Kyivstar has put everyday apps in orbit. With Starlink Light Data, a phone with no tower in range can now message, map, and stay reachable, and it points to where mobile networks are going next.

TICKER	KYIV US
MARKET CAP	US\$3.21bn
CURRENT PRICE	US\$13.90
TARGET PRICE	US\$20.30
RATING	Structural Long™
<b>Vincent Fernando, CFA</b> Zero One Investment Research vincent@01.co <a href="https://01.co">https://01.co</a>	

<b>3-4 apps</b> VIBER, WHATSAPP, MAPS VIA SATELLITE	<b>6m+</b> SUBSCRIBERS USED SATELLITE SERVICE	<b>10m+</b> MESSAGES SENT OVER SATELLITE	<b>~600k</b> MESSAGES NEAR FRONT LINES, 30 DAYS
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## KEY TAKEAWAYS

### The service is live.

On 16 June 2026 Kyivstar launched Starlink Light Data nationwide, letting customers with a standard 4G smartphone use Viber, WhatsApp, and Google Maps through Starlink satellites when there is no terrestrial coverage. No special handset is required.

### This extends a service millions already use.

It builds on satellite SMS launched in late 2025. More than 6 million Kyivstar subscribers have already used Starlink Direct to Cell, with over 10 million messages sent, including 1 million in the last 30 days, around 600,000 of them from areas near the front lines.

### It matters most where it is needed most.

In a country where towers lose power in blackouts and infrastructure is damaged near the front, a phone that connects to the sky when the ground network is down is a public good, not a premium add-on.

**Kyivstar is a connectivity trailblazer.**

It was the first operator in Europe to activate Starlink Direct to Cell, and is now among the first anywhere to move from satellite text to satellite apps. The roadmap runs to voice, government services, and payments.

**The bigger signal: hybrid networks are the future of mobile.**

The model on display, terrestrial towers for capacity plus satellites for ubiquity, is where the whole industry is heading. Kyivstar is building that future under the hardest conditions on earth.

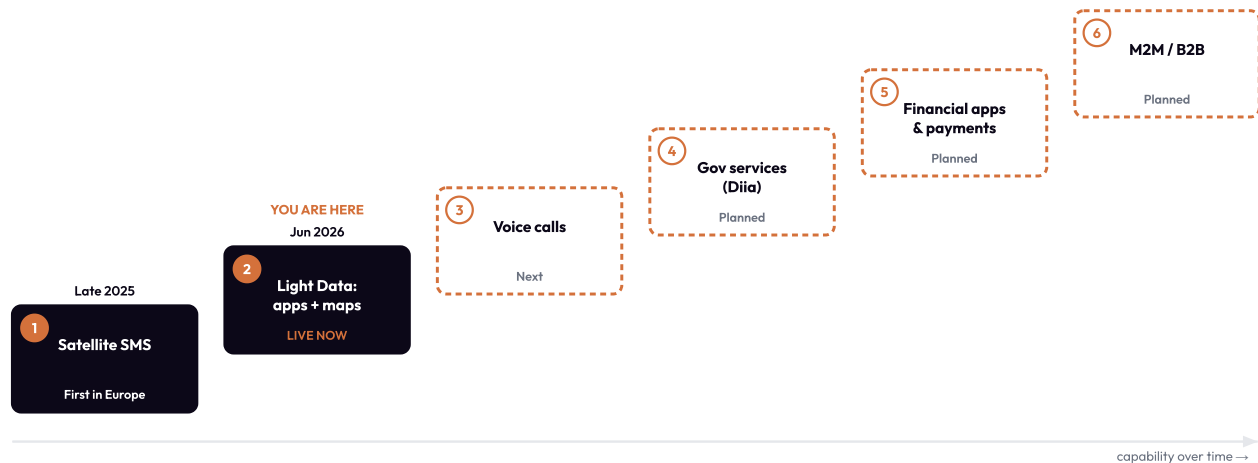
**What was announced**

On 16 June 2026, Kyivstar began offering Starlink Light Data across Ukraine. The service lets a customer with an ordinary 4G LTE smartphone keep using key apps when they move out of terrestrial coverage: the phone connects directly to Starlink satellites overhead, with no satellite dish, no special device, and no separate handset.

The first three apps are Viber, WhatsApp, and Google Maps. Through them a user can send and receive text, images, voice messages, and video clips, and navigate by map, even with no cell tower in range. The service runs on Android 4G devices at launch, with iOS support planned for the third quarter of 2026. More apps are planned as each is adapted to the technical requirements of satellite delivery.

Light Data is the next step in a deliberate sequence. Kyivstar launched satellite SMS through Starlink Direct to Cell in late 2025, the first such activation in Europe. That foundation has now been extended from text to data-light applications, with voice calls, government services such as Diia, and financial

apps named as the stages to come. The company is also developing corporate satellite services and testing machine-to-machine SIM cards for device-to-device services data across the country.



### Kyivstar's satellite capability rollout

Source: Kyivstar and VEON announcements, Zero One Investment Research.

## Why this matters for Ukraine

The value of satellite-to-phone connectivity is highest exactly where Ukraine needs it. Terrestrial networks depend on power and on physical sites, and both have been under sustained pressure: blackouts knock towers offline, and infrastructure near the front is damaged or destroyed. A network that falls back to satellites keeps people reachable when the ground layer cannot.

The usage data already shows this is not theoretical. More than 6 million subscribers have used Starlink Direct to Cell since the autumn launch, and over 10 million messages have been sent across the service. During the blackouts of January and February, more than 6 million messages moved over satellite. In the last 30 days alone, around 1 million SMS were sent, of which roughly 600,000 came from areas close to the front lines. These are people staying in contact with family, coordinating safety, and reaching help in places where the alternative is silence.

Light Data widens that lifeline from text to the apps Ukrainians actually live on. Viber and WhatsApp are the country's everyday messaging tools; Google Maps is how people navigate and route around danger. Extending these into no-coverage areas turns satellite connectivity from an emergency channel into something closer to normal service. The planned additions raise the stakes further: bringing Diia, the national digital-government platform, and financial apps onto satellite would mean citizens could access state services and move money even with no tower in range. For a country rebuilding while under attack, that is connectivity as critical infrastructure.

Ukraine's officials describe the launch in the same terms. Stanislav Prybytko, deputy minister at the Ministry of Digital Transformation, framed the stakes plainly: "Throughout the full-scale war, we have learned that the most important message in the world can be just a single symbol, a plus sign in a messenger. When enemy attacks cut off electricity and disable communication towers, the ability to send that plus to your mother or share your location with your brothers-in-arms or rescuers becomes, quite literally, a matter of life and death." Liliia Malon, chair of the national communications regulator, made the same point about resilience: "It does not matter where the signal comes from, whether from a base station or from space. What matters is that it works when it is needed most."



#### The lifeline in numbers: satellite usage to date

Source: Kyivstar and VEON announcements. Zero One Investment Research.

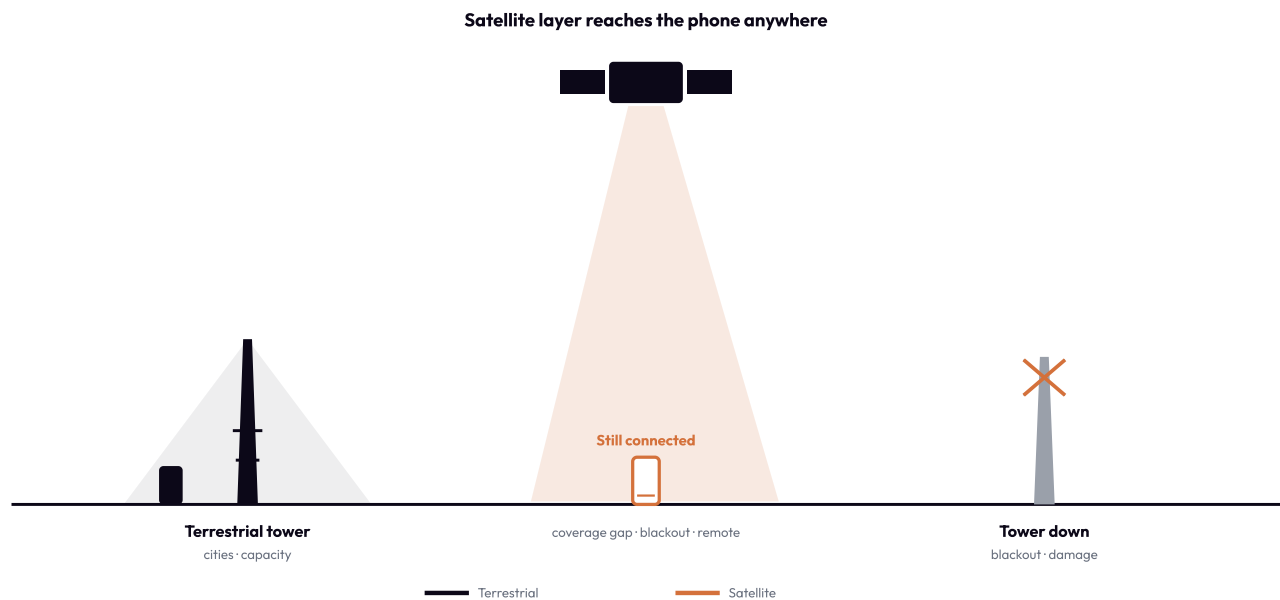
## The trailblazer point: where mobile networks are going

Step back from the war and the announcement reads as a preview of the industry's direction. For a century, mobile coverage has meant building more towers. That model leaves permanent gaps: oceans, mountains, rural expanses, and any place where it is uneconomic or impossible to put steel in the ground. Direct-to-cell satellite connectivity closes those gaps by adding a layer above the towers that any ordinary phone can reach.

The future network is therefore hybrid. Terrestrial sites carry the capacity and the dense urban traffic; satellites carry ubiquity, reaching the phone wherever the towers do not. Operators worldwide are moving toward this architecture, but most are doing it in calm markets as a coverage upgrade. Kyivstar is building it as a survival system, which has pushed it to the front of the global field. It was first in Europe to switch on satellite SMS, and it is now among the first anywhere to carry real apps over the same link, while publishing usage at a scale few peers can match.

That hard-won lead is itself an asset. The operational know-how of running a hybrid terrestrial-satellite network at national scale, under stress, is a capability the rest of the industry will increasingly need over the coming decade. Kyivstar is accumulating it now. The same satellite layer that keeps a message moving during a blackout today is the layer that will define seamless coverage everywhere

tomorrow, and Kyivstar is demonstrating, under the most demanding conditions imaginable, that it works.



### The hybrid network: towers for capacity, satellites for ubiquity

*Zero One Investment Research.*

## Conclusion

Kyivstar's Starlink Light Data launch does two things at once. In the near term, it strengthens a connectivity lifeline for Ukrainians precisely where and when the ground network fails, and it sets a path toward satellite voice, government services, and payments. In the longer term, it positions Kyivstar at the leading edge of the shift to hybrid networks, where towers and satellites combine so that a phone is reachable anywhere. Connection, increasingly, no longer requires coverage. Kyivstar is proving it first.

## Peer comparison

Where Kyivstar trades against a basket of emerging- and developed-market mobile operators on current valuation and profitability. Kyivstar carries a sector-leading EBITDA margin of 56% and trades at 5.0x EV/EBITDA, around 30% below the 7.1x peer median. Its reported PER, ROE and ROA are depressed by a US\$162m non-recurring charge in FY2025 net profit; on an adjusted basis (net profit of US\$286m), the PER falls

to about 11x, below the peer median, while return on equity and assets more than double, as shown in the adjusted line below.

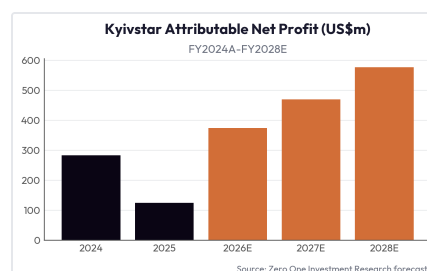
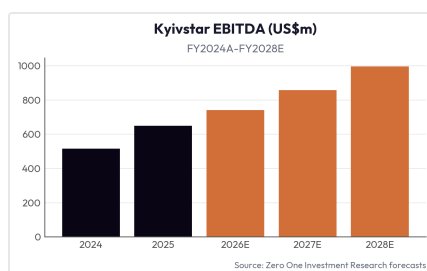
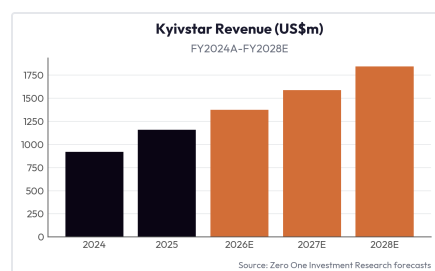
COMPANY	TICKER	MKT CAP (US\$m)	PER	PBV	PS	EV/EBITDA	EBITDA MARGIN	ROE	ROA
Magyar Telekom	MTELEKOM HB	8,094	11.4x	2.5x	2.5x	6.4x	43.0%	14.0%	13.4%
Hellenic Telecom (OTE)	HTO GA	8,910	12.0x	3.4x	2.1x	5.8x	39.5%	22.7%	10.0%
Orange Polska	OPL PW	5,490	23.4x	1.4x	1.5x	6.4x	31.7%	6.3%	2.8%
Koninklijke KPN	KPN NA	19,002	19.5x	5.9x	2.8x	8.6x	46.9%	31.6%	6.8%
Orange Belgium	OBEL BB	1,680	35.1x	1.4x	0.7x	5.6x	31.2%	4.2%	1.0%
Maxis	MAXIS MK	6,573	16.6x	4.3x	2.5x	8.1x	40.6%	26.7%	7.0%
Saudi Telecom (stc)	STC AB	59,681	15.0x	2.6x	2.8x	9.2x	31.7%	16.9%	9.3%
Etihad Etisalat (Mobily)	EEC AB	12,914	13.5x	2.4x	2.4x	6.8x	39.3%	18.5%	8.6%
Safaricom	SAFCOM KN	9,868	13.4x	6.4x	3.0x	7.3x	51.5%	50.5%	18.5%
Millicom (Tigo)	TIGO US	15,205	9.0x	4.9x	2.4x	8.4x	47.9%	37.8%	8.5%
Telkom Indonesia	TLKM IJ	16,506	17.9x	2.2x	2.0x	4.8x	48.3%	11.6%	6.2%
Indosat	ISAT IJ	3,368	10.5x	1.6x	1.0x	4.1x	47.3%	15.7%	4.7%
Advanced Info Service (AIS)	ADVANC TB	32,722	21.0x	8.8x	4.7x	9.8x	54.2%	48.1%	11.2%
True Corp	TRUE TB	14,866	n.d.	5.9x	2.6x	9.2x	50.9%	18.0%	1.4%
<b>Median</b>			<b>15.0x</b>	<b>3.0x</b>	<b>2.5x</b>	<b>7.1x</b>	<b>44.9%</b>	<b>18.3%</b>	<b>7.7%</b>
<b>Kyivstar</b>	<b>KYIV US</b>	<b>3,244</b>	<b>26.2x</b>	<b>2.5x</b>	<b>2.8x</b>	<b>5.0x</b>	<b>56.0%</b>	<b>9.5%</b>	<b>5.8%</b>
<b>Kyivstar (adjusted)<sup>1</sup></b>	<b>KYIV US</b>	<b>3,244</b>	<b>11.3x</b>	<b>2.5x</b>	<b>2.8x</b>	<b>5.0x</b>	<b>56.0%</b>	<b>22.0%</b>	<b>13.5%</b>

<sup>1</sup> Kyivstar ROE and ROA are computed on FY2025A period-end common equity (US\$1,299m) and total assets (US\$2,122m) from the financial-forecasts tables, using reported attributable net profit of US\$124m and, on the adjusted line, US\$286m excluding a US\$162m non-recurring charge booked in FY2025. Adjusted PER restates the reported multiple for the same add-back. Peer ROE and ROA are current Bloomberg. Zero One estimates.

Source: Bloomberg, Zero One Investment Research. Current / trailing-twelve-month metrics; market data as at 18 June 2026.

## Financial forecasts

Zero One Investment Research forecasts. FY2024–2025 actuals; FY2026E–FY2028E are Zero One estimates, consistent with our most recent Kyivstar results note.



## Consolidated Income Statement Forecast

US\$M	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	919	1,157	1,373	1,588	1,843
Revenue growth YoY	0.4%	25.9%	18.6%	15.7%	16.1%
Cost of goods sold	(100)	(123)	(178)	(206)	(240)
Depreciation and amortisation	(166)	(205)	(229)	(246)	(268)
Gross profit	653	829	965	1,136	1,335
Gross margin	71.1%	71.7%	70.3%	71.5%	72.4%
SG&A	(305)	(393)	(453)	(524)	(608)
EBITDA	515	648	741	857	995
EBITDA margin	56.0%	56.0%	54.0%	54.0%	54.0%
EBIT	348	435	512	612	727
Net interest expense	(82)	(75)	(47)	(29)	(11)
FX gain / (loss)	39	(12)	0	0	0
Profit before tax	347	360	464	583	716
Income tax	(64)	(74)	(91)	(114)	(140)
Attributable NPAT	283	124	374	469	576
Net margin	30.8%	10.7%	27.2%	29.5%	31.3%
Shares outstanding (mn)	n.d.	216	231	231	231
EPS (US\$)	n.d.	0.57	1.62	2.03	2.49

## Consolidated Balance Sheet Forecast

US\$M (PERIOD-END)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash and equivalents	674	456	599	794	1,111
Accounts receivable	40	37	44	51	59
Inventory	3	3	2	3	3
Other current assets	397	197	209	241	280
Total current assets	1,208	692	854	1,089	1,453
Property, plant and equipment	624	849	910	994	1,066
Intangible assets and goodwill	297	363	363	363	363
Other non-current assets	80	216	216	216	216
Total non-current assets	1,001	1,430	1,491	1,575	1,647
Total assets	2,209	2,122	2,345	2,664	3,100

US\$M (PERIOD-END)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payable	132	141	167	194	225
Short-term debt	669	229	29	(171)	(371)
Other current liabilities	86	128	151	174	202
Long-term debt	225	287	287	287	287
Other non-current liabilities	17	38	38	38	38
<b>Total liabilities</b>	<b>1,129</b>	<b>823</b>	<b>672</b>	<b>522</b>	<b>381</b>
<b>Total equity</b>	<b>1,080</b>	<b>1,299</b>	<b>1,673</b>	<b>2,142</b>	<b>2,718</b>

### Consolidated Cash Flow Statement Forecast

US\$M	FY24A	FY25A	FY26E	FY27E	FY28E
Attributable NPAT	283	124	374	469	576
Add back: Depreciation and amortisation	168	205	229	246	268
Change in working capital and other	(21)	229	31	10	12
<b>Cash flow from operations</b>	<b>430</b>	<b>558</b>	<b>634</b>	<b>725</b>	<b>857</b>
Capex	(162)	(247)	(290)	(330)	(340)
Acquisitions and other	(101)	97	0	0	0
<b>Cash flow from investing</b>	<b>(132)</b>	<b>(150)</b>	<b>(290)</b>	<b>(330)</b>	<b>(340)</b>
Net ST debt change	n.d.	0	(200)	(200)	(200)
Net LT debt change	(29)	(699)	0	0	0
Equity issued / (repaid)	n.d.	132	0	0	0
Dividends paid	n.d.	0	0	0	0
<b>Cash flow from financing</b>	<b>(37)</b>	<b>(626)</b>	<b>(200)</b>	<b>(200)</b>	<b>(200)</b>
<b>Ending cash</b>	<b>674</b>	<b>456</b>	<b>599</b>	<b>794</b>	<b>1,111</b>

Source: Zero One Investment Research financial model; FY2024-2025 actuals per company filings.

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