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ANALYSIS OF PJSC “KYIVSTAR” COMPETITIVENESS IN THE UKRAINIAN MOBILE MARKET

Abstract. The article describes the activities of PJSC “Kyivstar”, identifies the main competitors of the enterprise in the Ukrainian mobile market. A comparative analysis of the three largest companies in the Ukrainian telecommunications market is carried out: PJSC “Kyivstar”, PJSC “VF Ukraine” and LLC “Lifecell”.

Keywords: mobile operator, telecommunications market, enterprise competitiveness.

Relevance. Private Joint Stock Company “Kyivstar” is the largest telecommunications company in Ukraine. It provides a wide range of services including mobile and fixed-line telecommunications, internet, and digital TV. Kyivstar was founded in 1994 and has since become a leading provider in the Ukrainian market. The company operates a large network infrastructure and serves millions of customers across the country. PJSC “Kyivstar” is known for its reliable and high-quality services, as well as its commitment to innovation and technological advancements in the telecommunications sector.

PJSC “Kyivstar” is Ukraine's largest electronic communications operator, serving 24.3 million cell phone subscribers and more than 1.1 million Home Internet subscribers in the 1st quarter (March) of 2023. Together with the main telecom services, the company provides FMC services (convergence of mobile and fixed communications), digital solutions – Big Data, industrial IoT, Clouds, mobile financial services, Open API 'Kyivstar Open Telecom', cybersecurity services, digital TV and others. The company implements these products both independently and in partnership. Kyivstar is also one of the leaders in the OTT TV segment, providing access to more than 320 TV channels and has a video library of more than 20,000 films and series. Kyivstar has built the largest communication infrastructure in Ukraine – more than 53 thousand base stations. The company uses its own fiber-optic network with a total length of more than 44,000 km and a bandwidth of 16 Tbps [1].

Setting the task. In order to maintain a leading position in the market, it is necessary to regularly assess the competitiveness of your own company and analyze the overall market situation. Therefore, to determine PJSC “Kyivstar” market position, we will analyze its competitiveness.

Results of the study. According to [2], today there are 3 largest enterprises operating in the communications and telecommunications market: PJSC “Kyivstar”, PJSC “VF Ukraine” and LLC “Lifecell”.

Thus, the main competitors of PJSC “Kyivstar” are: PJSC “VF Ukraine” (Vodafone Ukraine) and LLC “Lifecell”.

Vodafone Ukraine is a leading telecommunications company that provides high-speed 3G and 4G Internet services and fixed broadband services. The Vodafone’s investments during the active construction of high-speed Internet networks in 2015 – 3Q2022 exceeded 34 billion UAH.

The record investments have ensured the technological leadership and the development of new technological services – Internet of Things (IoT), technologies and solutions for Smart City, big data analytics, fintech services, cloud services. Vodafone has 15,8 m customers in Ukraine. Since December 2019, Vodafone Ukraine is part of NEQSOL Holding [3].

Despite the impact of the war on revenues, the company increased the amount of investments in the development and maintenance of the country's telecom infrastructure. At the same time,

Vodafone managed to increase business efficiency and the penetration of digital services.

The company's revenue in 2022 made up UAH 19.8 billion. The 2% decrease compared to last year is due to a decrease in the number of mobile users. The majority of mobile users in the east and south of the country are Vodafone customers. Warfare and network outage in the occupied territories and in the war zone y influenced the customer base. As a result Vodafone lost the most subscribers – 3.5 million – among mobile operators of Ukraine. By the end of 2022, the number of Vodafone customers in Ukraine made up 15.4 million [4].

Lifecell is a Ukrainian telecommunications operator providing mobile communication and data transfer services based on high-speed Internet. The company offers convenient and beneficial tariffs and services for users of smart devices. Lifecell is owned by Turkcell, Turkey's largest provider of converged telecommunications and technology services. Turkcell is listed on the New York Stock Exchange (NYSE) and Borsa Istanbul (BIST).

The company offers the latest services to its subscribers and develops an innovative ecosystem of the telecommunications industry. The company was the first among Ukrainian mobile operators to launch EDGE/GPRS, 3G, 4G in Ukraine as well as to conduct 5G public testing in partnership with Ericsson Ukraine. Lifecell became the first mobile operator to deploy LoRaWAN Internet of Things network in Ukraine in partnership with IoT Ukraine, and to test NB-IoT technology [5].

To assess the competitiveness of the three largest companies in the Ukrainian telecommunications market: PJSC “Kyivstar”, PJSC “VF Ukraine” (Vodafone Ukraine) and LLC “Lifecell”, we will conduct a comparative analysis of the performance of these companies. To do this, we will compare the main performance indicators of the companies, namely net revenue and net profit (loss), as well as the amount of capital investments and Average Revenue per User (ARPU). The results of the analysis are presented in table 1 and table 2.

Table 1 – Key financial reporting indicators of telecommunications companies in 2020-2022

Companies	Net revenue, UAH million			Net profit (loss), UAH million		
	2020	2021	2022	2020	2021	2022
PJSC “Kyivstar”	25001	28748	31092	10370	11267	9600
PJSC “VF Ukraine”	18142,4	20144,8	19824,4	1201,3	3831,5	1100,4
LLC “Lifecell”	6835,8	8482,7	9411,7	2588,7	610,9	972,3

Source: developed by the author

Table 2 – Key financial results of telecommunications companies in 2020-2022

Companies	Capital investments, UAH million			ARPU, UAH/month		
	2020	2021	2022	2020	2021	2022
PJSC “Kyivstar”	4851	5551	5960	80	88	103
PJSC “VF Ukraine”	3760	3500	3600	79,8	83,4	90,6
LLC “Lifecell”	3482,4	3593,6	3007,6	63,3	73,7	77,1

Source: developed by the author

The analysis of table 1 and table 2 shows that among the listed competitors, Kyivstar is the leader in terms of net revenue, net profit, capital investments, and average monthly revenue per subscriber. Despite the difficult military year, the mobile operator managed to increase its financial results. This became possible due to the expansion of the 4G network. In 2022, Kyivstar continued to develop its 4G network and installed 700 new base stations. The company invested UAH 5,96 billion in the telecom network. The average monthly revenue per subscriber for the period under review shows growth dynamics and in 2022 amounted to UAH 103 per month.

The second place is occupied by LLC “Lifecell”, whose financial indicators show positive growth dynamics. Thus, in 2022, the company's net profit increased by almost 40% compared to 2021 and amounted to UAH 972,3 million. The amount of capital investments of LLC “Lifecell” slightly decreased in 2022, and the average monthly income per subscriber for the period under study shows a growth trend and in 2022 amounted to UAH 77,1 per month.

PJSC “VF Ukraine” is in third place among competitors, with its net profit decreasing more than 3 times to UAH 1,1 billion in 2022. The sharp decline in net profit was due to the fact that VF Ukraine lost the most subscribers among Ukrainian mobile operators – 3,5 million users. Despite this, the mobile operator increased its capital investments to UAH 3,6 billion in 2022. The average monthly revenue per subscriber for the period under review shows a growing trend and in 2022 amounted to UAH 90,6 per month.

Conclusions. Thus, the analysis of the competitiveness of enterprises in the telecommunications services market showed that PJSC “Kyivstar” is highly competitive compared to other enterprises. This indicates its significant financial potential and stable position in the telecommunications services market.

Kyivstar is one of the top 20 largest taxpayers in Ukraine and is the largest taxpayer in the telecom market in Ukraine, providing more than 71 billion hryvnias of revenues to the state budget in taxes and mandatory payments and almost 5,4 billion US dollars of investment in the development of telecommunications infrastructure in Ukraine. The company develops innovative services, and promotes the development of the telecom market of Ukraine, guided by its mission: “We are changing Ukraine and opening new opportunities for people” [6].

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