

## BUSINESS

## strong sales of drugs, vaccines, propel Merck in Q3

Drugmaker Merck boosted its third-quarter profit by 55% and blew past Wall Street expectations, due to slightly higher sales, restrained spending and a small, one-time gain.

The Kenilworth, New Jersey, company said it's making progress on three efforts to combat the coronavirus pandemic: two different vaccines and an antiviral drug.

The maker of cancer blockbuster Keytruda on Tuesday reported net

income of \$2.94 billion, or \$1.16 per share, up from \$1.9 billion, or 74 cents per share, a year earlier.

Earnings, adjusted for non-recurring costs and costs related to mergers and acquisitions, came to \$1.74 per share. Analysts only expected \$1.44 per share, according to a survey by Zacks Investment Research.

Merck reported revenue of \$12.55 billion, also easily beating analyst projections for \$12.26 billion.

Sales of prescription drugs totaled \$11.32 billion, up 2%. Keytruda brought in nearly one-third of that at \$3.72 billion, up 21% from a year ago. Januvia and Janumet diabetes pills brought in \$1.33 billion, up 1%.

Sales of its pneumonia vaccine, Pneumovax 23, jumped 58% to \$375 million, because people concerned about catching COVID-19 and suffering complications have been getting flu and pneumonia

shots to help protect themselves.

Merck narrowed and raised its full-year profit forecast. It now expects full-year earnings in the range of \$5.91 to \$6.01 per share, with revenue in the range of \$47.6 billion to \$48.6 billion.

Merck shares have dropped 13% since the beginning of the year, while the S&P 500 index has climbed slightly more than 5%. The stock has declined 4.5% in the last 12 months. (AP)



In this file photo, a person walks through a Merck company building, in Kenilworth, New Jersey. (AP)

# stc records KD 209mn revenues for 9M

Net profit rises to KD 27.5 mn, EBITDA reaches 27.7% during first nine months of 2020



In this file photo, Lisa Su, (second from right), president and CEO of AMD, attends the opening bell at Nasdaq to celebrate its 50th anniversary in New York. (AP)

## AMD buys Xilinx for \$35b in huge chip deal in 2020

SAN JOSE, California, Oct 27, (AP): Advanced Micro Devices is buying Xilinx for \$35 billion in an all-stock deal that will combine the two Silicon Valley chip makers and accelerate an already rapid-fire pace of mergers and buyouts in the industry.

The deal announced Tuesday puts AMD in a place it wants to be; competing more fiercely with Intel at a time when a global pandemic is driving demand for tech ever higher.

More Zoom meetings, more orders online, and more upgrades for companies trying to meet new demands of millions staying at home has led to a seemingly insatiable appetite for computer chips.

"Joining together with AMD will help accelerate growth in our data center business and enable us to pursue a broader customer base across more markets," Xilinx CEO Victor Peng said in a prepared statement Tuesday.

AMD and Xilinx is a huge tie-up in a season of massive buyouts for the semiconductor industry.

Just last month, Nvidia said it would buy Arm Holdings for up to \$40 billion and set up an artificial intelligence research center in Cambridge, England, where Arm is headquartered.

In July, Maxim Integrated Products was snapped up by Analog Devices for more than \$20 billion.

Xilinx stockholders will receive 1.7234 shares of AMD stock for each Xilinx share they hold, or approximately \$143 per share of Xilinx stock.

AMD stockholders will own about 74% of the combined company, with Xilinx stockholders owning approximately 26%.

The transaction will give AMD a strong portfolio of high performance processor technologies, combining CPUs, GPUs, FPGAs, Adaptive SoCs and deep software expertise to enable leadership computing platforms for cloud, edge and end devices.

AMD CEO Dr. Lisa Su will lead the combined company as CEO. Peng will join AMD as president, responsible for the Xilinx business and strategic growth initiatives. At least two Xilinx directors will join the AMD's board.

The deal is expected to close by the end of next year, but still needs approval from regulators and shareholders of both companies.

Shares of Xilinx jumped 13% at the opening bell Tuesday, while AMD's stock slipped a bit.

## the bottomline

**INDIANAPOLIS:** Eli Lilly and Co. is reporting third-quarter net income of \$1.21 billion.

On a per-share basis, the Indianapolis company said it had profit of \$1.33. Earnings, adjusted for asset impairment costs, were \$1.54 per share. That's far short of the per-share earnings of \$1.76 that Wall Street was looking for, according to a survey of analysts by Zacks Investment Research.

Revenue was \$5.74 billion.

Lilly expects full-year earnings in the range of \$7.20 to \$7.40 per share, with revenue in the range of \$23.7 billion to \$24.2 billion.

Lilly shares have risen 8% since the beginning of the year, while the Standard & Poor's 500 index has increased slightly more than 5%. The stock has risen 32% in the last 12 months. (AP)

**NEW YORK:** Caterpillar's sales fell 23% in the third quarter as the pandemic throttled demand for construction equipment and a trade war with China continues to create headwinds.

The company still managed to top Wall Street expectations, despite rising COVID-19 infections that hamper almost all sectors, including construction.

Revenue declined to \$9.88 billion from \$12.76 billion a year earlier as dealers decreased inventories in all regions during the quarter, except for the Asia/Pacific region.

Still, Caterpillar managed to beat the \$9.67 billion analysts polled by Zacks Investment Research forecast.

For the three months ended Sept. 30, Caterpillar Inc. earned \$668 million, or \$1.22 per share, down more than 50% from the same period last year. Stripping out one-time costs, earnings were \$1.34 per share, easily beating the \$1.15 per that Wall Street was looking for.

Yet the company has yet to issue guidance to investors, and shares dropped almost 2% before the opening bell Tuesday.

The construction industry has been constrained by the unchecked spread of COVID-19 in the U.S., which is now setting record highs. With the upward trajectory, especially in the Midwest and Plains, home building and commercial projects planned for the winter are under increasing threat. (AP)

**NEW YORK:** Drugmaker Pfizer saw its third-quarter profit plunge 71%, mainly due to an \$8.1 billion gain a year earlier from selling its consumer health care business to a GlaxoSmithKline joint venture, but managed to top Wall Street expectations.

Meanwhile, the New York-based company on Tuesday said disruptions from the coronavirus pandemic reduced medicine sales in the U.S. and China by about \$500 million. Still, Pfizer raised and narrowed its profit forecasts slightly for all of 2020.

Pfizer, one of the leaders in the race to develop a vaccine against COVID-19, said the final-stage trial of its vaccine candidate has now enrolled nearly all of the planned 44,000 participants worldwide. Nearly 36,000 had received the second shot of the two-dose vaccine as of Monday.

The company could seek approval for emergency use from U.S. regulators in late November.

Pfizer already has contracts with the United States, the European Union and about 10 countries to supply hundreds of millions of doses of the vaccine next year, assuming it wins approval.

The maker of the world's top-selling vaccine, Prevnar 13 for preventing pneumonia and related bacterial diseases, reported net income of \$2.2 billion, or 39 cents per share, down from \$7.7 billion, or \$1.36 per share, in 2019's third quarter. (AP)

**KUWAIT CITY, Oct 27:** Kuwait Telecommunications Company (stc), a world-class digital leader providing innovative services and platforms to customers, enabling the digital transformation in Kuwait, announced its financial results for the nine-month period ended 30 September 2020.

On this occasion, Dr. Mahmoud Ahmad Abdulrahman – stc's Chairman, stated: During the third quarter of the year 2020, the telecommunications sector witnessed a gradual recovery concerning the operational and financial results throughout the continuous negative economic consequences of the current COVID-19 crisis, which has heavily affected numerous sectors worldwide.

Since the onset of the crisis, stc has been always keen on supporting the Kuwaiti society by launching a number of corporate social responsibility initiatives, in support of the preventive measures taken by the government. stc has also worked with some government agencies and medical companies to prevent the infectious diseases in addition to undertaking several preventive precautionary measures and procedures to avoid outbreaks of contagious diseases, in accordance with the health guidelines and instructions provided by the Ministry of Health. stc has also adopted the highest safety standards and instilled it into the culture of performance among its staff to continue offering high quality services while protecting its customers and employee.

In addition to being a pioneer in providing innovative integrated advanced digital solutions and technological advances for both individuals and enterprises throughout the COVID-19 outbreak, stc was able to achieve these results through adopting a flexible operating model, in addition to being flexible in implementing the company's digital transformation strategy and providing advanced technical solutions in line with the government outlook with regard to social distancing for individual and enterprise segments. Through capitalizing on the 5G network to deliver a range of digital services, which have become a significant part of the Kuwaiti Community's daily activities, stc was able to satisfy the high demand for broadband high-speed networks following the latest governmental decisions of pursuing the current Academic Year using the online platforms in addition to the corporates' incumbent for the online cloud and digital solutions".

Commenting on stc's financial results for the nine-months period, Dr. Abdulrahman, commented: stc's total revenues stood at KD 209.0 mn for the nine-month period ended 30 September 2020 in comparison to KD 215.6 mn for the same period last year. On the other hand, EBITDA reached KD 57.9 mn during the first nine-month period of 2020 compared to KD 60.1 mn during the same period in 2019. stc's EBITDA margin reached 27.7% during the 9M-2020 period compared to 27.9% in 2019. As a result, stc recorded a net profit KD 27.5 mn (earnings per share of 55 fils) with a profit margin of 13.1% for the period.

Dr. Abdulrahman added: stc's financial results for the first nine-month period of 2020 demonstrated the company's ability to compete and enhance its position as the second largest telecom operator in the Kuwaiti telecom market with a revenue market share of approx. 35%. With the ongoing repercussions and challenges we are facing due to the COVID-19 crisis, the cost optimization program in order to achieve the best results and enhance profitability through adopting a balanced and effective financial policy in relation to the operational and capital expenditure.

Commenting on the quarterly results for the three months period ended 30 September 2020, Eng. Maziad Bin Nasser Alharbi – stc's Chief Executive Officer, added: "The Company's financial results have witnessed re-

The financial results for the nine-month period ended 30 September 2020	
Revenue	KD 209.0 mn
EBITDA	KD 57.9 mn
Net Profit	KD 27.5 mn
EPS	55 Kuwaiti fils
Assets	KD 411.9 mn
Shareholder's Equity	KD 217.8 mn
Book Value Per Share	436 Kuwaiti fils
Customer base	1.84 mn



stc's Chairman, Dr. Mahmoud Ahmad Abdulrahman



stc's Chief Executive Officer, Eng. Maziad Bin Nasser Alharbi

markable growth in the third quarter compared to the second quarter of 2020 as the revenue recorded KD 72.6 million in Q3-2020 compared to KD 64.2 million in Q2-2020 representing a growth of 13%. While EBITDA grew by 16.3% to reach, KD 22.0 million in Q3-2020 compared to KD 18.9 million in Q2-2020. As a result, the net profit for the same period increased by 23.7% to reach KD 11.6 million compared to 9.3 million.

stc successfully achieved these results despite the economic challenges the world has witnessed following COVID-19. stc has managed to achieve good levels of revenues and enhance its operational efficiency to add value to its customers and achieve better returns for its shareholders.

Considering the Company's financial position as of 30 September 2020, total assets reached KD 411.9 mn, while total shareholders' equity reached KD 217.8 mn, with a book value of 436 Kuwaiti fils per share. Furthermore, stc boasts a strong financial solvency position, considered to be amongst the best in comparison to telecom companies in the Middle East. Furthermore, stc's customer base stood at 1.84 mn customer at the end of September 2020.

Alharbi added: the third quarter of 2020 witnessed the launch of a series of promotions and services that can benefit and add value to the user experience of both individuals and corporates. During the quarter, we launched the dedicated backup access solution in a step to build on the series of offerings introduced by the Company to its enterprise customers. The new solution aimed at preventing any disruptions in primary internet connectivity that may lead to interruptions in business functions, while keeping in mind the current challenges companies and SMEs are facing in their return to normal business operations.

Upon subscribing to the limited time and exclusive promotions, new customers and those renewing their subscriptions received several complimentary gifts and

enjoyed benefits that range from 500 free local minutes to double the GBs, reaching up to 100 GB on the largest 5G network in Kuwait.

Additionally, stc was the first operator in the Middle East to launch unlimited 5G roaming for all its post-paid, prepaid and enterprise customers across all GCC countries. Following the chain of exclusive and innovative offers released by the Company, the innovative and ground-breaking service could be added to any of stc's packages for both existing and new customers. By subscribing to the roaming service, customers were able to enjoy the telecom operator's ultra-fast 5G speeds throughout all GCC countries without any price increases to offered roaming packages.

stc also announced the launch TURBONET, a product developed with the latest state-of-the-art technology capable of delivering fixed internet speeds. TURBONET was available to customers with monthly plans, in addition to a complete mesh WiFi solution and outdoor router that guarantees maximum home coverage at no additional cost.

By offering its range of "Always ON" postpaid plans, packaged with new unique benefits designed to meet customers' connectivity requirements, customers were able to unlock the new-to-market features by subscribing to one of stc's plans. The plans featured the highly convenient Always ON service that permits users to always remain connected to the internet, as well as benefits ranging from telecom to premium digital services.

Furthermore, in order to strengthen its 5G network and provide better solutions to its customers, stc expanded its 5G network on a 2.1 GHz frequency band, the first of its kind in Kuwait.

The deployment of the network not only improves the overall user experience for customers, but it also prepares for the exploration and development of 5G vertical industry applications.



The Board of Directors of Kuwait Telecommunications Company (stc) is pleased to announce to its shareholders that the company has achieved a net profit of KD 27.5 million for the nine months' period ended 30 September 2020.

EBITDA	Net Profit	EPS	Subscribers
9 Months 57.9 KD Million	9 Months 27.5 KD Million	9 Months 55 Kuwaiti Fils	30 September 2020 1.84 Million Subscribers

stc