

**PTCL**  
**Corporate Briefing Session**  
**For the Year 2019**



# Disclaimer

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*The Company applied IFRS 16 using the modified retrospective approach effective from 01<sup>st</sup> Jan 2019. Accordingly, the comparative figures presented for 2018 have not been restated.*

# PTCL Group Overview







# PTCL – Vision, Mission & Corporate Values

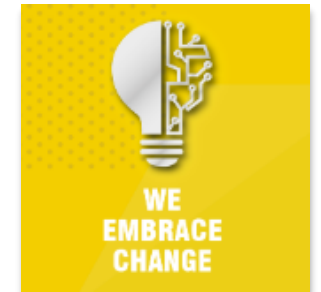
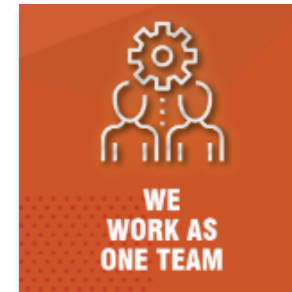
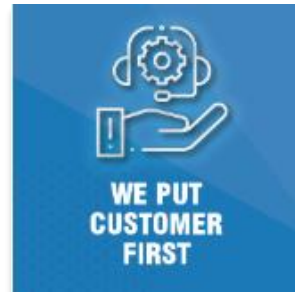
## Vision

***To be the leading and most admired Telecom and ICT provider in and for Pakistan.***

## Mission

***To be the partner of choice for our customers, to develop our people and to deliver value to our shareholders.***

## Corporate Values



# PTCL Management

- **Rashid Naseer Khan**
- **Mohammad Nadeem Khan**
- **Syed Mazhar Hussain**
- **Siqander Naqi \***
- **Moqees Ul Haque**
- **Saad Muzaffar Waraich**
- **Adnan Anjum**
- **Zarrar Hasham Khan**
- **Jahanzeb Taj**
- **Muhammad Shehzad Yousuf**
- **Shahid Abbas**

*President and Chief Executive Officer*

*Group Chief Financial Officer*

*Chief Human Resource Officer*

*Chief Business Development Officer*

*Chief Commercial and Group Strategy Officer*

*Chief Technology and Information Officer*

*Group Chief Marketing Officer*

*Chief Business Services Officer*

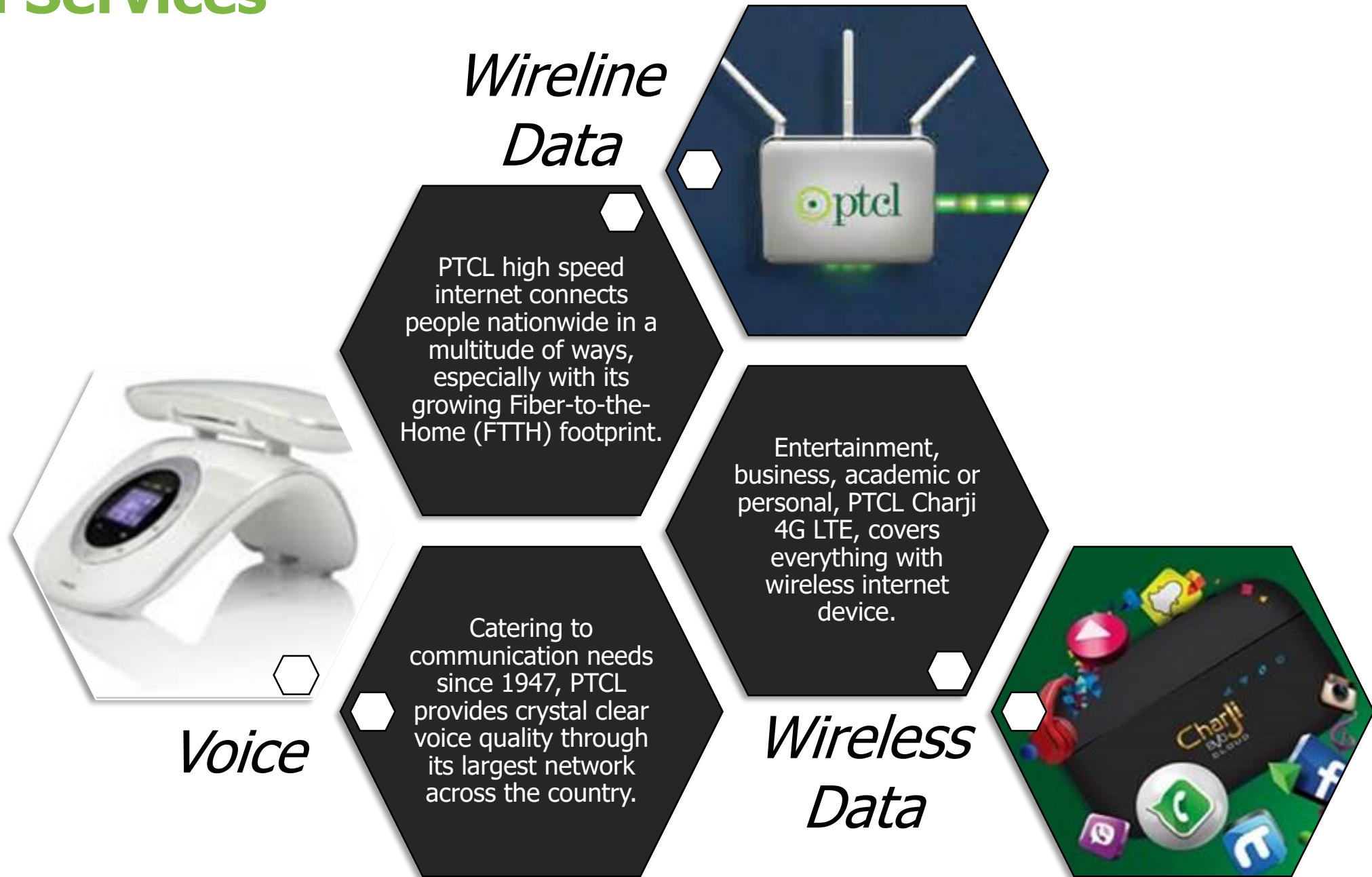
*Group Chief Sales Officer*

*Chief Business Operations Officer*

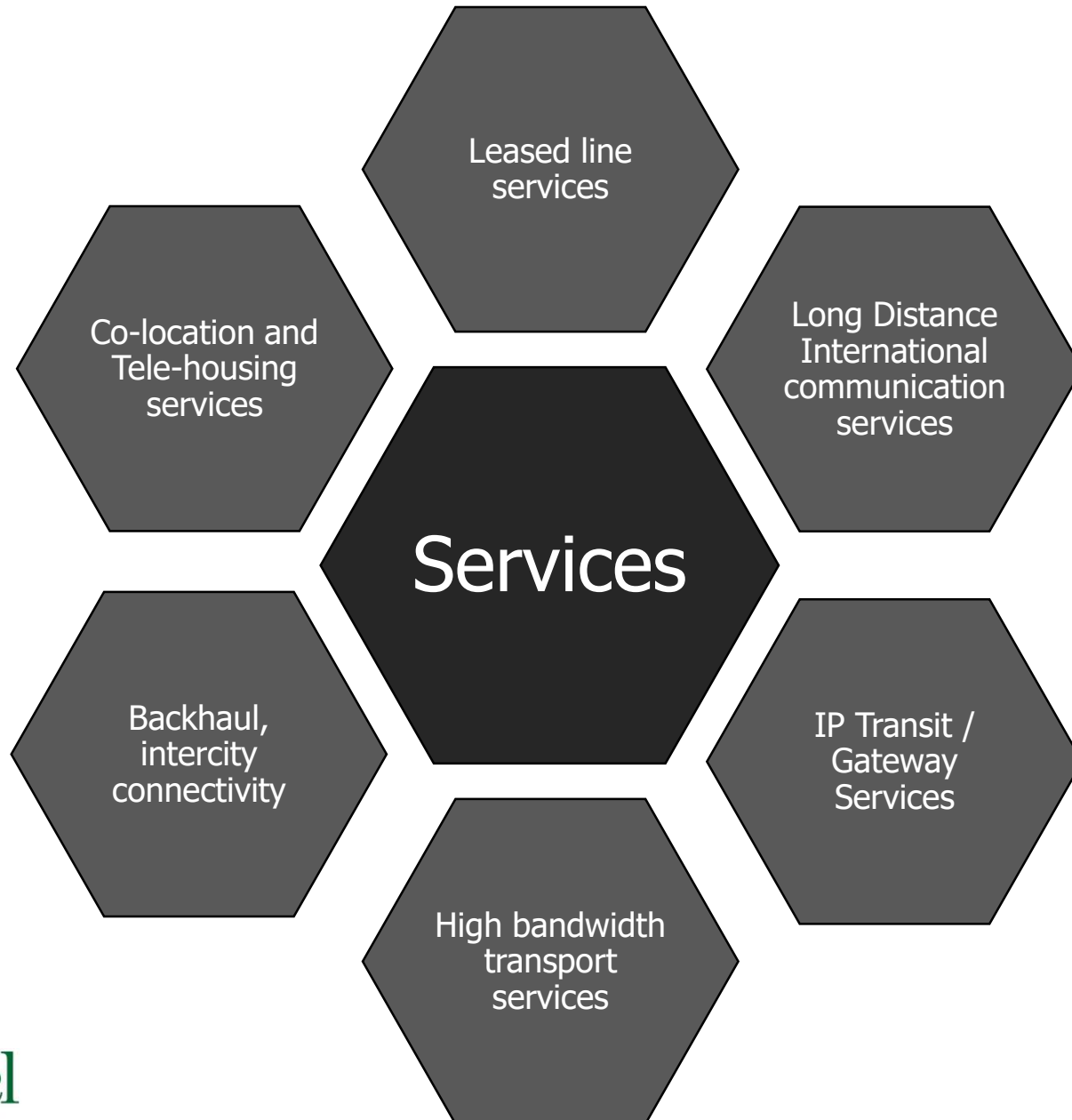
*Group Chief Internal Auditor*

*\* Currently Zahida Awan is working as Group Chief Legal officer and Naveed Khalid Butt as Group Chief Regulatory Officer*

# Retail Services



# Wholesale Services



## Key Clients





# Corporate Services

## Vertical Solutions

Banking & FS

Digital Banking

Infrastructure

Core Banking Apps

System Support

Digital Branches

Health

E – Health★

Tele Health

Digital EMR

Hospital Mgmt System

Smart Hospital

Education

E – Education

★ Remote Teaching

LMS and CMS

Managed Infra

★ Smart Campus

## Cloud & Digital

Cloud Services

IaaS, PaaS, SaaS

Cloud Market Place

Express Route

Dev Ops

Digital Services

Managed Security

IT Service Management

System Integration

IoT & Analytics

Infrastructure

Datacenter

Colocation

Managed Infrastructure

Hardware Sales

## Business Connectivity & ICT Solutions

Connectivity Service

PRI/BRI/xDSL

GPON/MPLS

TDLTE/DRS/VSAT

UAN

ICT Services

Managed WIFI

Managed WAN

★ SD WAN

★ Managed Surveillance

ICT Services

★ UCaaS/ Videocon

★ Managed PBX

★ Managed IPCC

NMSaaS/ Convo



# Technology Partners – Corporate Services



# Wide Multipath & Diversified Submarine Network



*Total Capacity  
(2,820 Tbps)*



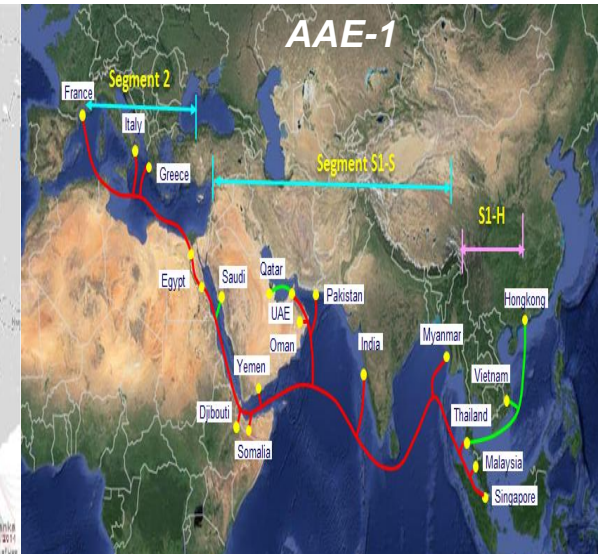
*Route Diversity / Multiple Path  
Redundancy*



*Optimum Connectivity  
&  
Quality of Service*



*New Projects  
Part of Africa-1 Submarine  
Cable*



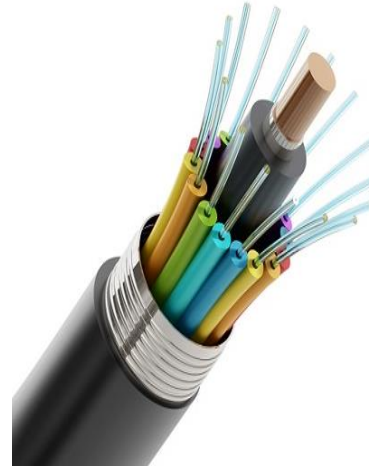
# Technological Infrastructure



**No. of BTS sites  
3 K**



**No. of MSAGs  
6.2 K**



**Optic Fiber  
49,600 km**



**No. of NGN  
Exchanges  
333**

# VIS reaffirmed PTCL Medium to Long Term Rating of “AAA”

***VIS Credit Rating Company Limited has reaffirmed entity rating of Pakistan Telecommunication Company Limited (PTCL) of “AAA” (Triple A) and short term rating of “A-1+” (A-One Plus).***

*The medium to long-term rating of ‘AAA’ denotes highest credit quality, with negligible risk factors, being only slightly more than for risk-free debt of Government of Pakistan. The short-term rating of ‘A-1+’ denotes highest certainty of timely payment, liquidity factors are outstanding and safety is just below risk free short-term obligations of Government of Pakistan. Outlook on the assigned ratings is ‘Stable’.*

*The assigned ratings reflect PTCL’s leading market position, extensive network infrastructure, strong financial risk profile and adequate business risk profile. Ratings also incorporate strong sponsor profile with majority shareholding of 62% vested with the Government of Pakistan and 26% stake along with management control being held by Etisalat International Pakistan, a 90% owned subsidiary of Etisalat Group.*

Complete text of press release available on <http://www.jcrvis.com.pk/>



- Commenced operations on 29<sup>th</sup> January 2001
- Mobile Financial Services launched in 2013
- First operator in Pakistan to commercially launch 3G services – 700 3G enabled cell sites
- Speed based pricing structure which can be customized based on speed, volume and time validity.
- International Roaming facility – 310 live operators in more than 140 countries.
- Sales & Customer Service Centers – 23 company-owned and 387 franchises
- Network coverage in more than 10,000 locations across the country



## Vision

Driven by the passion for disruptive innovation and the desire for financial inclusion, we aim to become the problem solver and enabler to Pakistani microfinance ecosystem.

### Microfinance Banking Services

#### Services

Microfinance Loans

Deposit Products

Home Remittances

### Branchless Banking Services

Upaisa  
(in collaboration with Ufone)

#### Services

Bill Payments

Money Transfers

Mobile Accounts

201

Branch Network (#)

45K

U Paisa Agents (#)

840K

Deposit Customers (#)

314K

Loan Customers (#)

# Key Highlights 2019



# Key Financial Highlights – 2019

## PTCL Group

- Top line continues to grow – 2.1% YoY
- All OPCOs contributed in topline growth
- Operating profit – PKR 6.7 B
- Net Profit – PKR 2.4 B

## PTCL

- Revenue grew by 0.4% YoY \*
- Wireline Data grew by 5% and Corporate & Wholesale grew by 13% in 2019
- FTTH – 172% growth in revenue due to increase in subscriber base
- Net Profit – PKR 6.3 B
- Final cash dividend of Re. 0.5 / share (5%). Total dividend for 2019 Re. 1 /share (10%)

*\* From 2019 international revenue is being reported gross of interconnect cost, previously it was reported on a net basis. On a net basis revenue is up by 0.8% YoY.*

# Key Operational Highlights



- PTCL revenue grew by 0.4% supported by improvement in customer experience, Corporate Services, DSL & IPTV
  - FTTH subs grew by 160%, complimented by 172% revenue growth
  - Corporate & Wholesale segment grew 13% supported by IP Bandwidth and enterprise solutions.
- 



- Revenue growth 0.8%. Normalized 6.8% (adjusted for taxes)
  - Sub base crossed 23 M with net addition of 1.8 M and also ~1M data subs with market share of 14.2%
  - Network upgraded by addition of 2,400 LTE, 800 3G upgrades and 100 new coverage sites
- 



- Revenue growth 48% supported by increase in deposit base by 13% and loan base by 27%
  - Network of 201 branches with addition of 60 new branches in 2019
  - Delivery of services through branchless banking - distribution network of nearly 45 thousand agents
- 





# Financial Highlights



# Macroeconomic Challenges – 2019

*PTCL Group and PTCL posted Net Profit of PKR 2.4 B and PKR 6.3 B respectively in a challenging year of 2019*

## Policy Rate

**2019 -13%**  
**2018 - 8%**

## Inflation Rate

**11.6%**

## PKR Devaluation

**23%**

## Fuel & Power Rates

**Fuel – 21% Increase**  
**Power – 32% Increase**

## GDP per Capita

**11% Decrease**

## Reinstatement of Taxes

**Telecom Service**

*\* All figures are in comparison with 2018*

# P&L - PTCL Group

	2019	2018	Variance	
	Rs. M		Amount	%
<b>Revenue</b>	<b>129,543</b>	<b>126,862</b>	<b>2,680</b>	<b>2.1%</b>
Cost of Sales	(95,661)	(92,915)	(2,746)	-3.0%
<b>Gross Profit</b>	<b>33,881</b>	<b>33,948</b>	<b>(66)</b>	<b>-0.2%</b>
Admin & Gen. Expense	(17,027)	(15,412)	(1,615)	-10.5%
Selling & Marketing Expense	(6,947)	(6,819)	(127)	-1.9%
Impairment loss on trade debts	(3,225)	(2,256)	(969)	-42.9%
<b>Operating Profit</b>	<b>6,682</b>	<b>9,460</b>	<b>(2,778)</b>	<b>-29.4%</b>
Other Income	6,157	5,722	435	7.6%
Finance Cost	(9,203)	(8,232)	(971)	-11.8%
<b>Profit before Tax</b>	<b>3,636</b>	<b>6,949</b>	<b>(3,314)</b>	<b>-47.7%</b>
Taxation	(1,259)	(1,239)	(19)	-1.6%
<b>Profit for the period</b>	<b>2,377</b>	<b>5,710</b>	<b>(3,333)</b>	<b>-58.4%</b>
<b>Profit Like for Like</b>	<b>3,995</b>	<b>5,943</b>	<b>(1,948)</b>	<b>-32.8%</b>

# P&L - PTCL

	2019	2018	Variance	
	Rs. M		Amount	%
<b>Revenue</b>	<b>71,548</b>	<b>71,273</b>	<b>275</b>	<b>0.4%</b>
Cost of Service	(54,569)	(53,532)	<b>(1,038)</b>	<b>-1.9%</b>
<b>Gross profit</b>	<b>16,979</b>	<b>17,742</b>	<b>(763)</b>	<b>-4.3%</b>
Admin & Gen. Expense	(6,760)	(6,257)	<b>(503)</b>	<b>-8.0%</b>
Selling & Marketing Expense	(2,992)	(3,015)	<b>23</b>	<b>0.7%</b>
Impairment loss on trade debts	(2,289)	(1,956)	<b>(333)</b>	<b>-17.0%</b>
<b>Operating Profit</b>	<b>4,939</b>	<b>6,514</b>	<b>(1,575)</b>	<b>-24.2%</b>
Other Income	4,710	4,797	<b>(87)</b>	<b>-1.8%</b>
Finance Cost	(318)	(554)	<b>236</b>	<b>42.6%</b>
<b>Profit before Tax</b>	<b>9,331</b>	<b>10,757</b>	<b>(1,426)</b>	<b>-13.3%</b>
Taxation	(2,984)	(3,335)	<b>351</b>	<b>10.5%</b>
<b>Profit for the period</b>	<b>6,347</b>	<b>7,422</b>	<b>(1,075)</b>	<b>-14.5%</b>
<b>Profit Like for Like</b>	<b>5,956</b>	<b>6,862</b>	<b>(906)</b>	<b>-13.2%</b>

# PTCL Revenue

Rs Mln

*Wireline Data, Corporate & Wholesale continues to grow YoY*

	2019	2018	Variance %
Wireline Data	28,121	26,854	4.7%
Wireless Data	2,115	3,069	-31.1%
Voice	12,615	14,279	-11.7%
<b>Retail</b>	<b>42,852</b>	<b>44,203</b>	<b>-3.1%</b>
<b>Corporate &amp; Wholesale</b>	<b>21,249</b>	<b>18,844</b>	<b>12.8%</b>
<b>International</b>	<b>7,448</b>	<b>8,226</b>	<b>-9.5%</b>
<b>Total</b>	<b>71,548</b>	<b>71,273</b>	<b>0.4%</b>



# PTCL Balance Sheet

Rs Mln

*Strong Unleveraged Balance Sheet*

## Balance Sheet

	Dec-18	Dec-19
Property, Plant and Equipment	106,151	116,720
Long term loans and advances	10,690	12,387
Other Non Current Assets	11,024	12,053
<b>Non Current Assets</b>	<b>127,866</b>	<b>141,160</b>
Trade debts	16,658	20,259
Stores and spares	6,068	5,335
Cash & Cash Equivalents	9,591	4,174
Other current assets	36,341	39,066
<b>Current Assets</b>	<b>68,658</b>	<b>68,835</b>
<b>Total Assets</b>	<b>196,523</b>	<b>209,994</b>
Share capital	51,000	51,000
Reserves	32,571	36,751
<b>Equity</b>	<b>83,571</b>	<b>87,751</b>
<b>Non-current liabilities</b>	<b>44,433</b>	<b>43,008</b>
<b>Current liabilities</b>	<b>68,519</b>	<b>79,235</b>
<b>Total Liabilities &amp; Equity</b>	<b>196,523</b>	<b>209,994</b>

# Key Financial Ratios

Key Ratios	2018	2019
Current Ratio	1.00	0.87
Receivable to Revenue (%)	23.30	25.80
Fixed Assets Turnover	0.78	0.73
Return on Equity (%)	8.80	7.41
Debt to Equity - Prudential Regulation	0:100	0:100

# PTCL Cash Flow Statement

Rs Mln

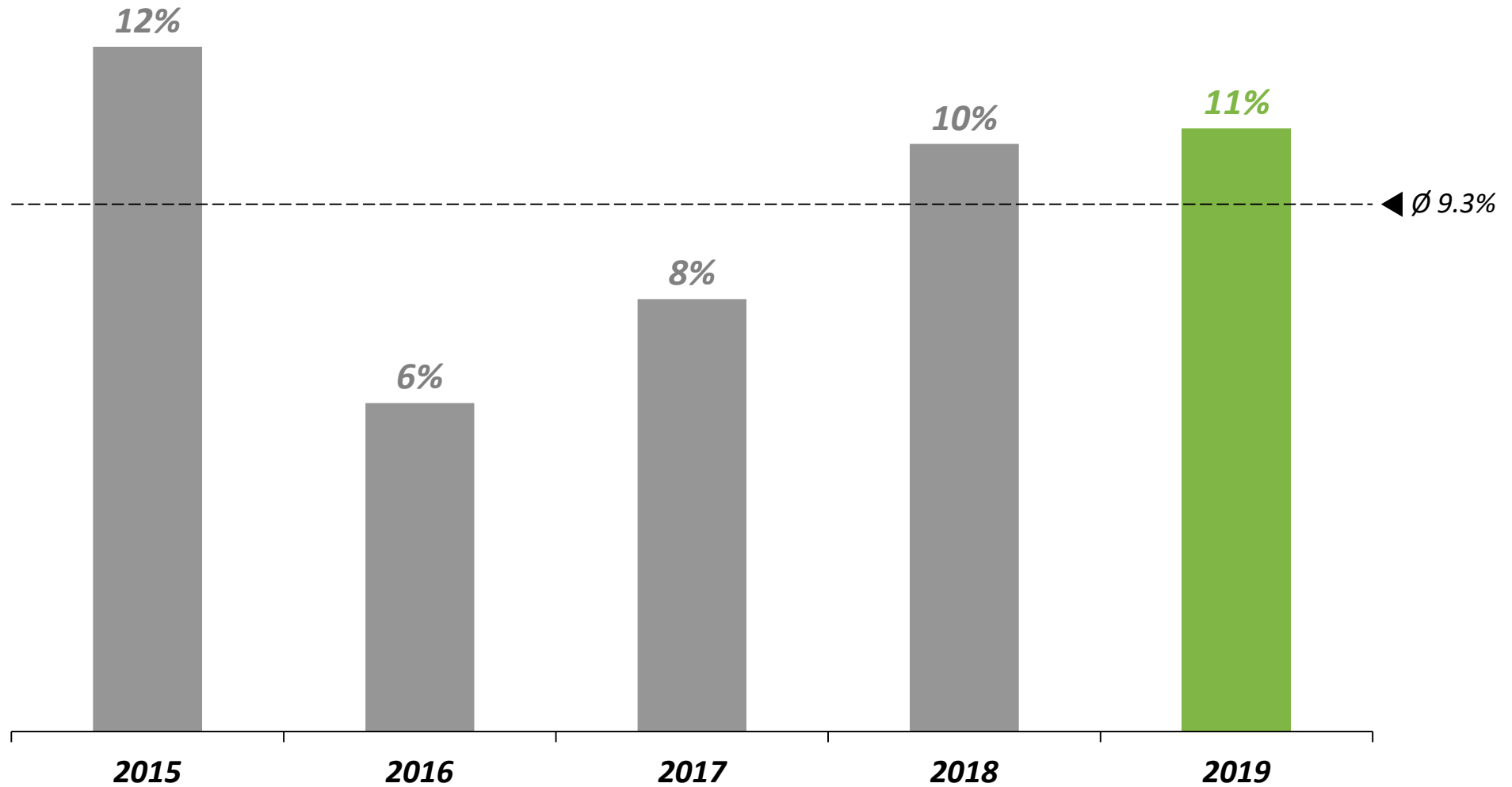
*Higher cash outflows in 2019 on account of CAPEX and Dividend payments*

## Cash Flow Statement

	2018	2019
Cash Flows from operating activities	21,892	24,772
Cash Flows from investing activities	(24,026)	(27,155)
Cash Flows from financing activities	(5,045)	(3,034)
<b>Net Inc/(Dec) in Cash &amp; Cash Equivalents</b>	<b>(7,179)</b>	<b>(5,417)</b>
Opening Cash & Cash Equivalents	16,770	9,591
<b>Closing Cash &amp; Cash Equivalents</b>	<b>9,591</b>	<b>4,174</b>

# Dividend

*PTCL announced final cash dividend of Re. 0.50 per share in addition to the interim cash dividend of Re. 0.50 per share.*



# Questions & Answers





**THANK YOU**

