



# **PTCL Investor Call**

## **Financial Results – Q2 2019**

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22<sup>nd</sup> July 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.*

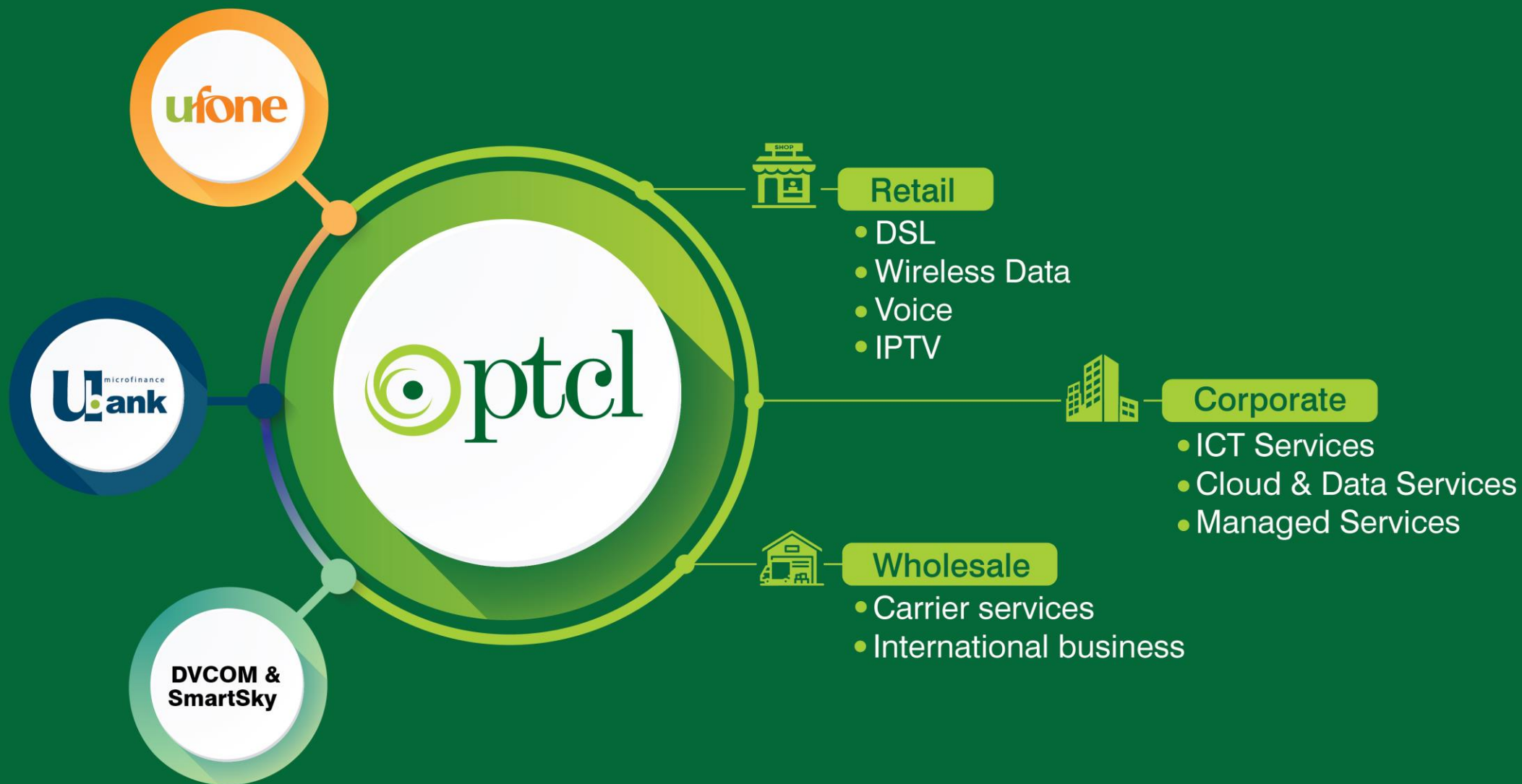
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# Business Overview

Rashid Khan

President & Chief Executive Officer

PTCL Group



# Key Highlights – Half Year 2019



## PTCL Group

- 9% Revenue growth
- Double digit growth in mobile and microfinance banking services
- EBITDA growth of 13%
- Net Profit of PKR 2.3 Billion grew by 10%

## PTCL

- Revenue declined by 0.8% YoY \*
- Wireline data grew by 5% and corporate & wholesale grew by 15%
- Net Profit of PKR 3.8 Billion grew by 3%

*\* From 2019 International Revenue is being reported gross of Interconnect cost, previously it was reported on net basis. On net basis revenue is stable.*

# Key Operational Highlights – Half Year 2019



- Total revenue is marginally lower than last year due to challenges in fixed voice and wireless data segments, however growth in wireline data and corporate & wholesale services.
- Double digit revenue growth (13%) and 30% reduction in customer complaints in 76 transformed exchanges
- Corporate & wholesale segment grew 15% YoY - IP Bandwidth and Cloud services



- Double digit revenue growth complemented by continuous subscribers growth
- Subscriber base crosses 22.62 M by adding 1.05 M subscribers
- Increased data network footprint
- Taxes on cellular services have been reinstated in April 2019 by the Supreme Court of Pakistan



- 50% revenue growth
- Increase in deposit base by 34% and loan base by 43%
- Network of 177 branches with addition of 36 new branches in 2019
- Delivery of services through branchless banking - distribution network of more than 41 thousand agents

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# Financial Overview

Nadeem Khan

Chief Financial Officer

PTCL Group

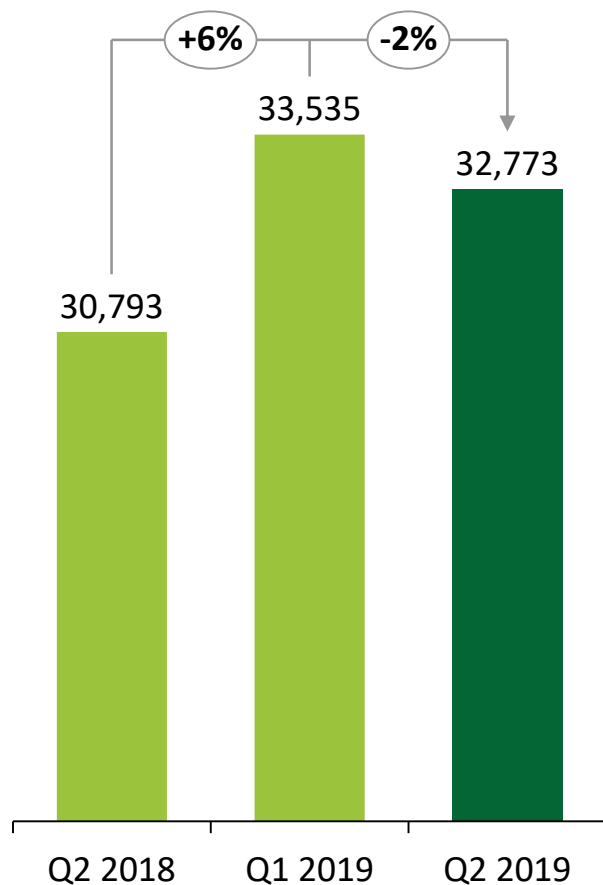
# PTCL Group Key Financials – Q2 2019

7% YoY growth in EBITDA mainly driven by growth in revenues

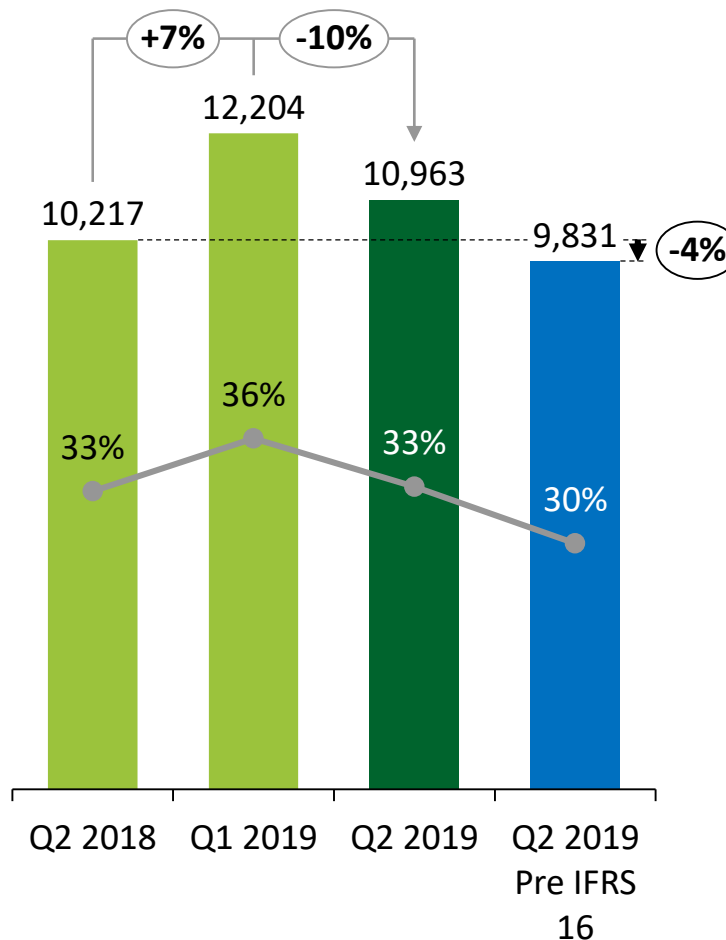


PKR Million

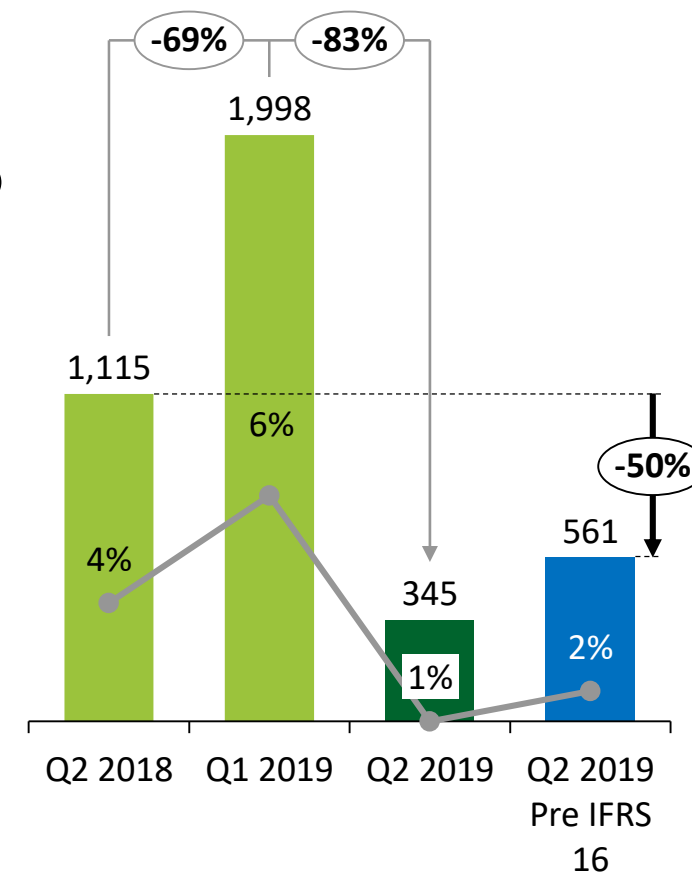
## Revenue



## EBITDA & Margin %



## Net Profit & Margin %



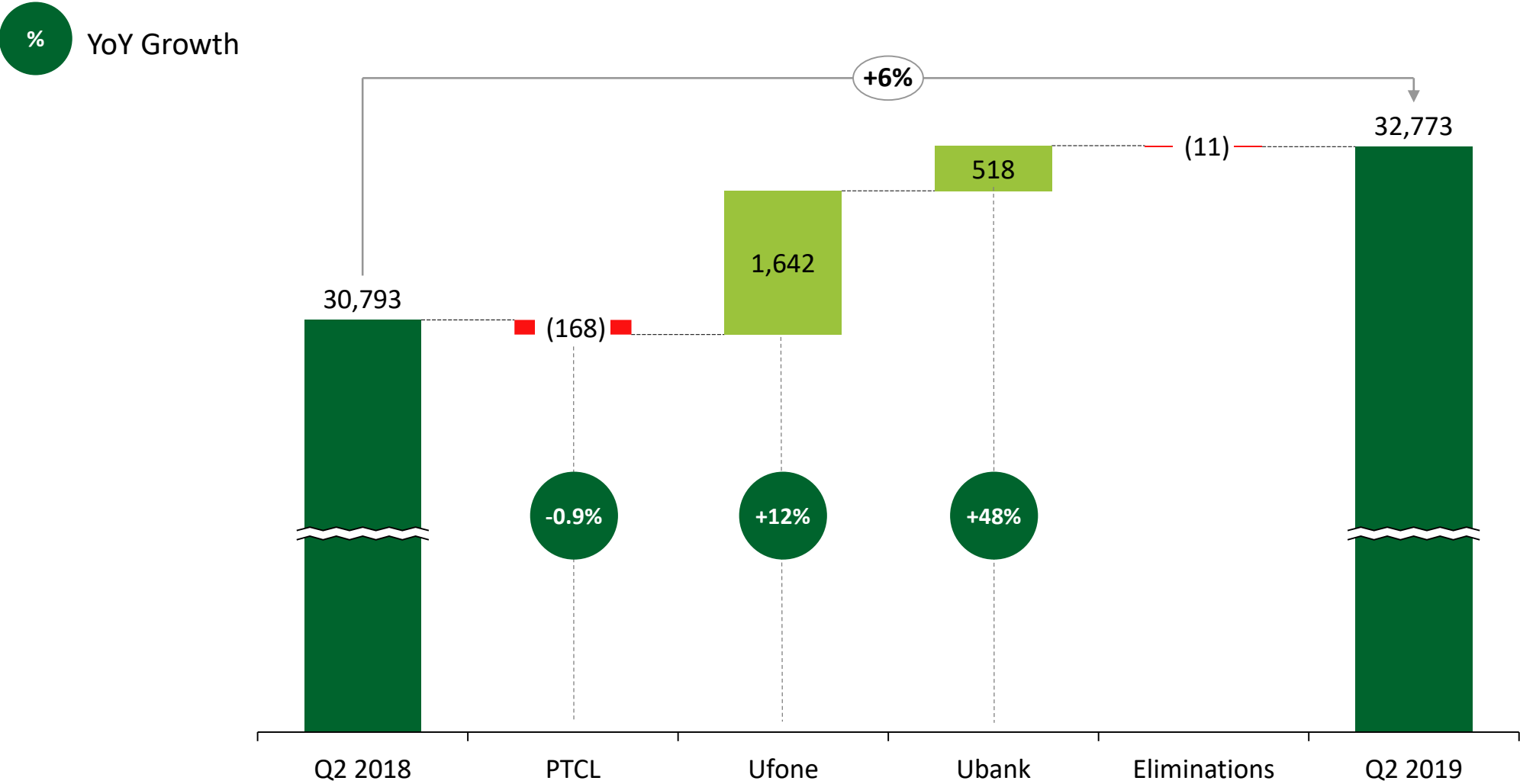


# PTCL Group – YoY Revenue Evolution Q2 2019

Revenue growth of 6% despite tough competition in cellular market and decline in fixed voice

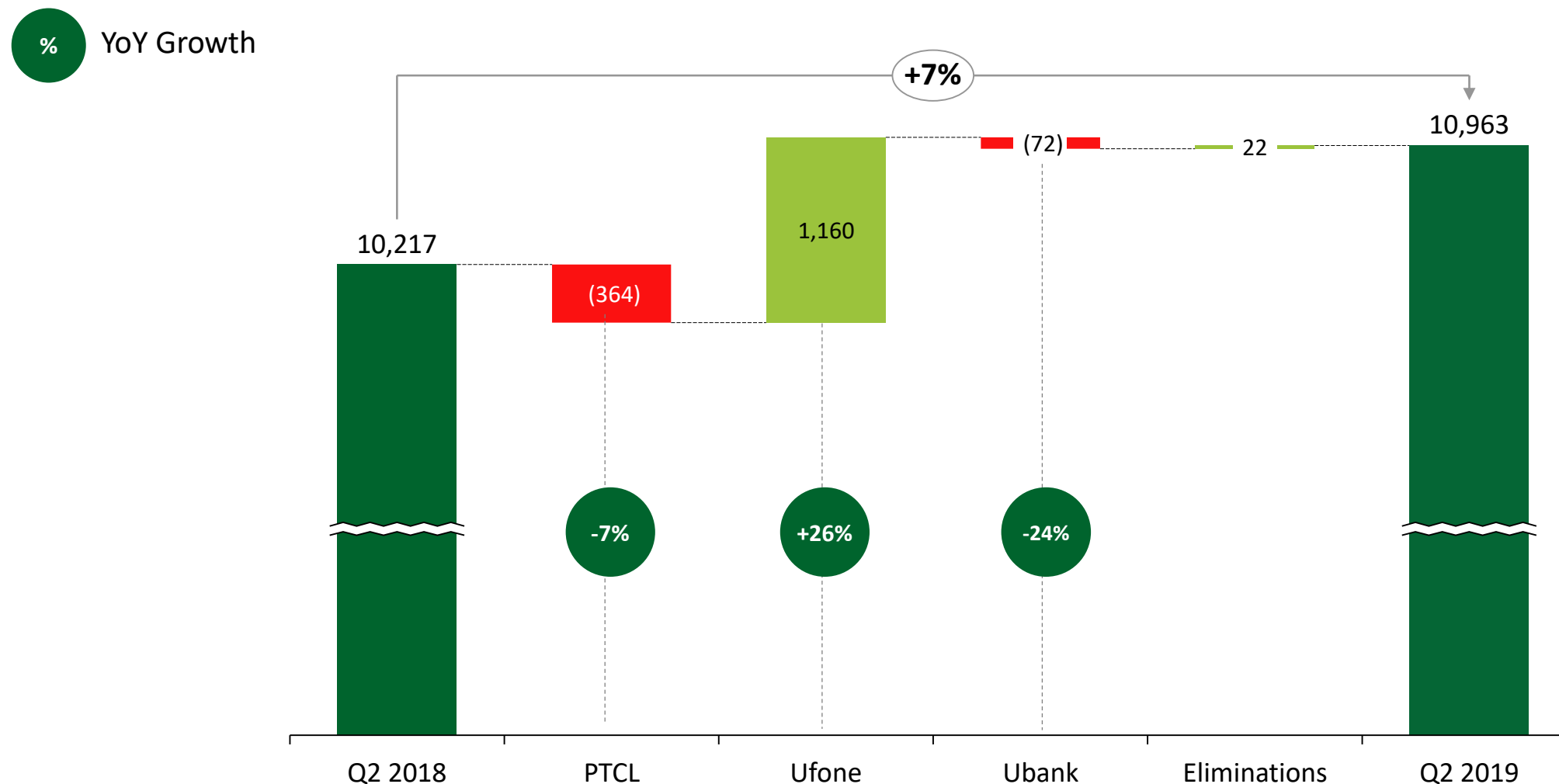


PKR Million



# PTCL Group – YoY EBITDA Evolution Q2 2019

Growth of 7% mainly driven by strong growth in revenues

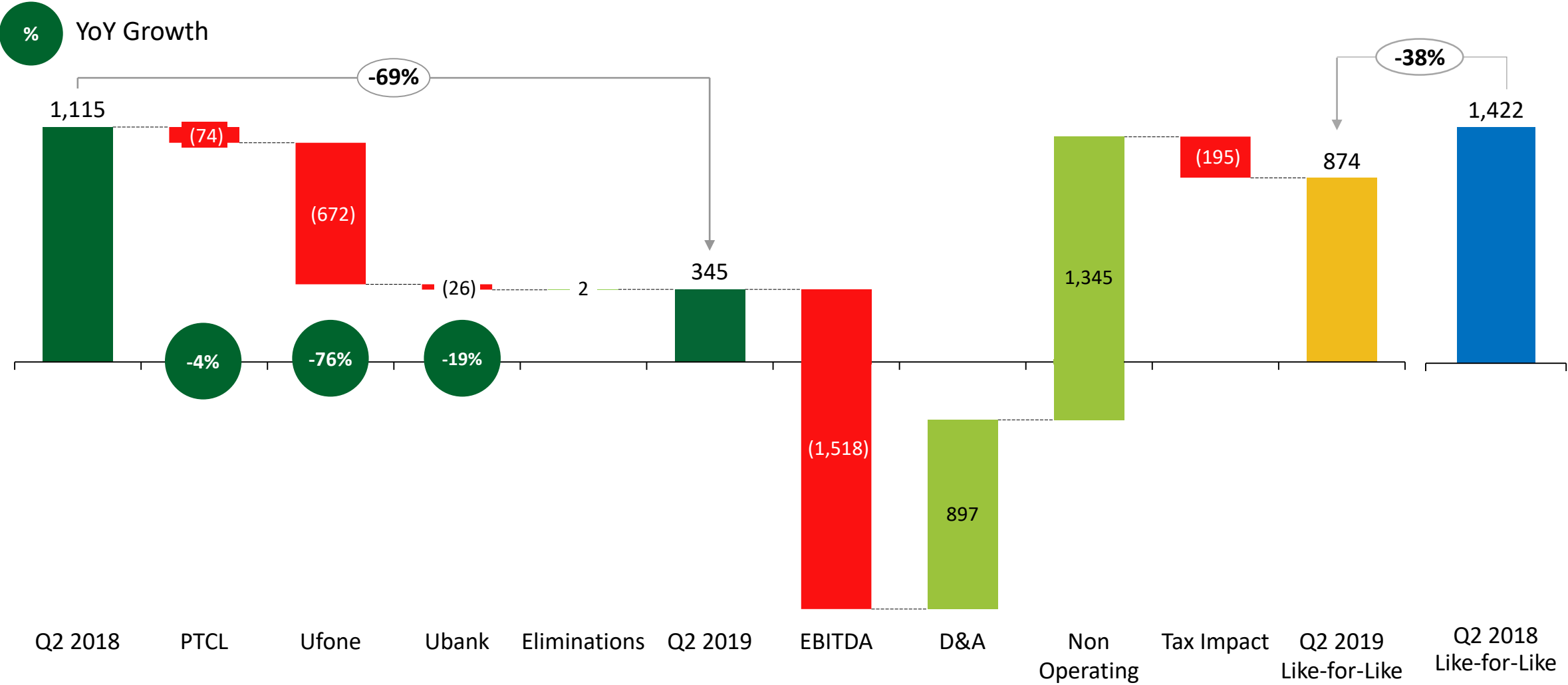


# PTCL Group – YoY Net Profit Evolution Q2 2019

Net Profit declined by 69% due to increase in interest rates and PKR devaluation



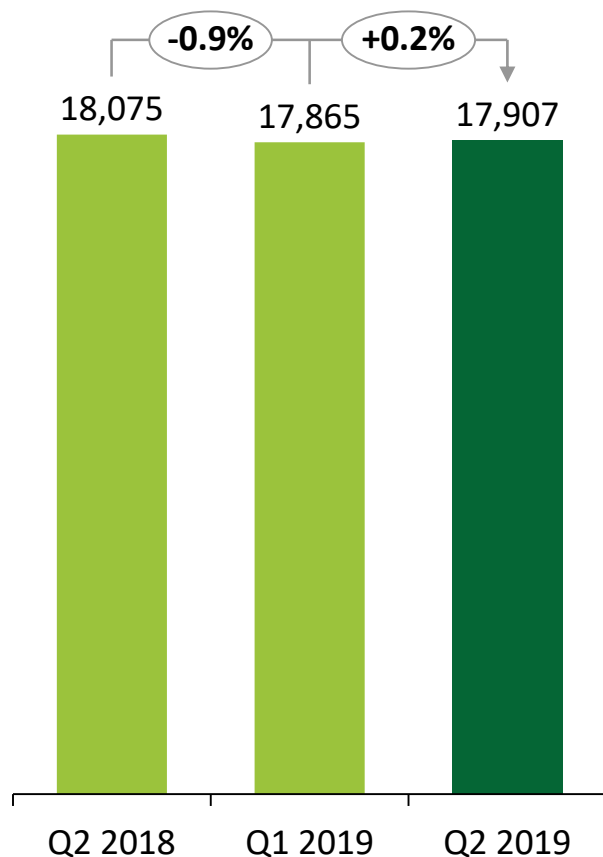
PKR Million



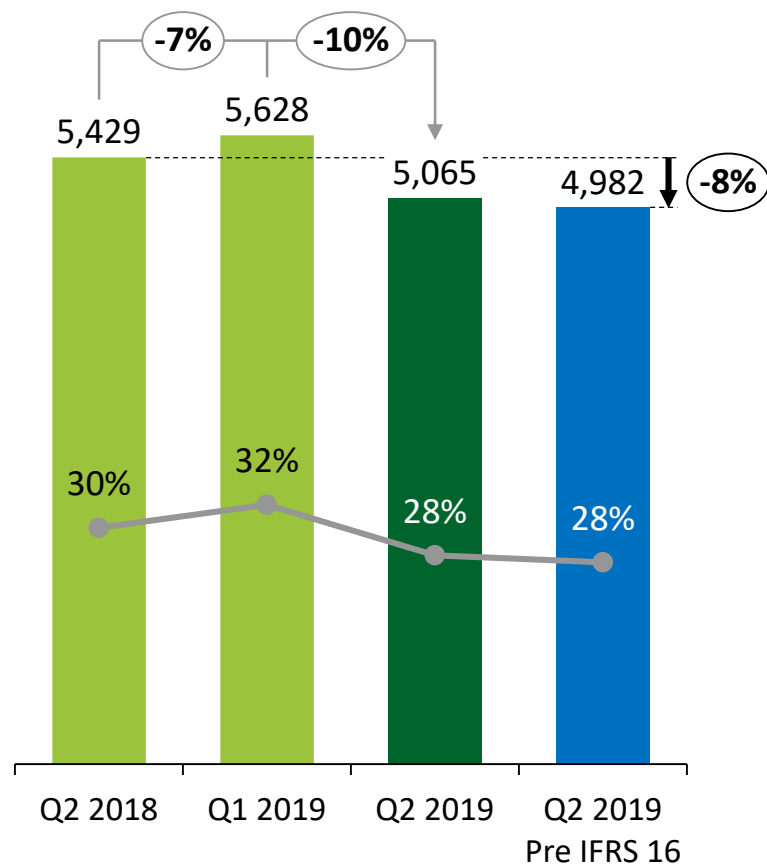
# PTCL Key Financials – Q2 2019

*Increase in cost due to inflation and PKR devaluation impacted EBITDA and Net Profit*

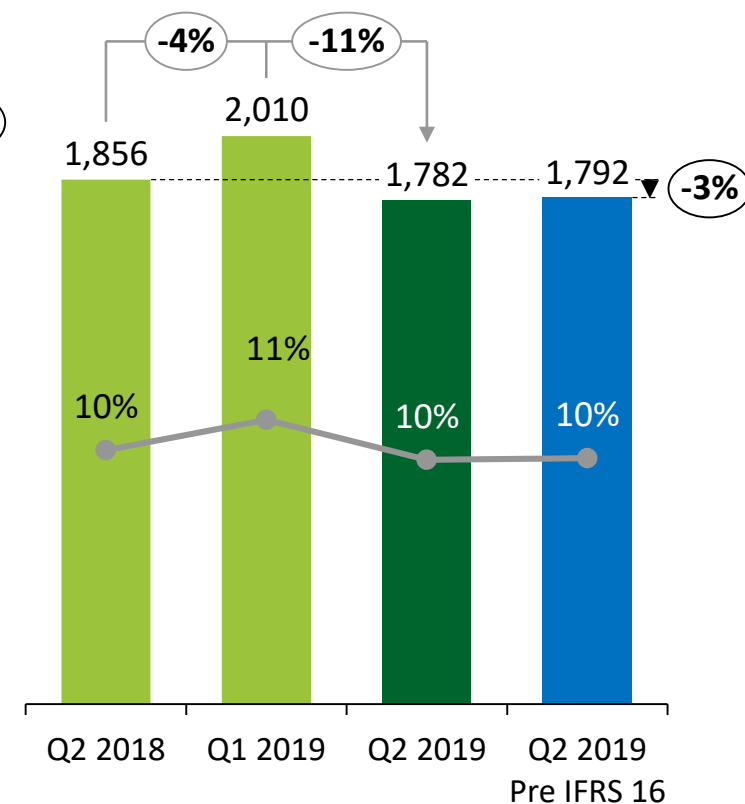
## Revenue



## EBITDA & Margin %



## Net Profit & Margin %



# PTCL Revenue – Q2 2019

*Wireline Data, Corporate & Wholesale continue to grow*

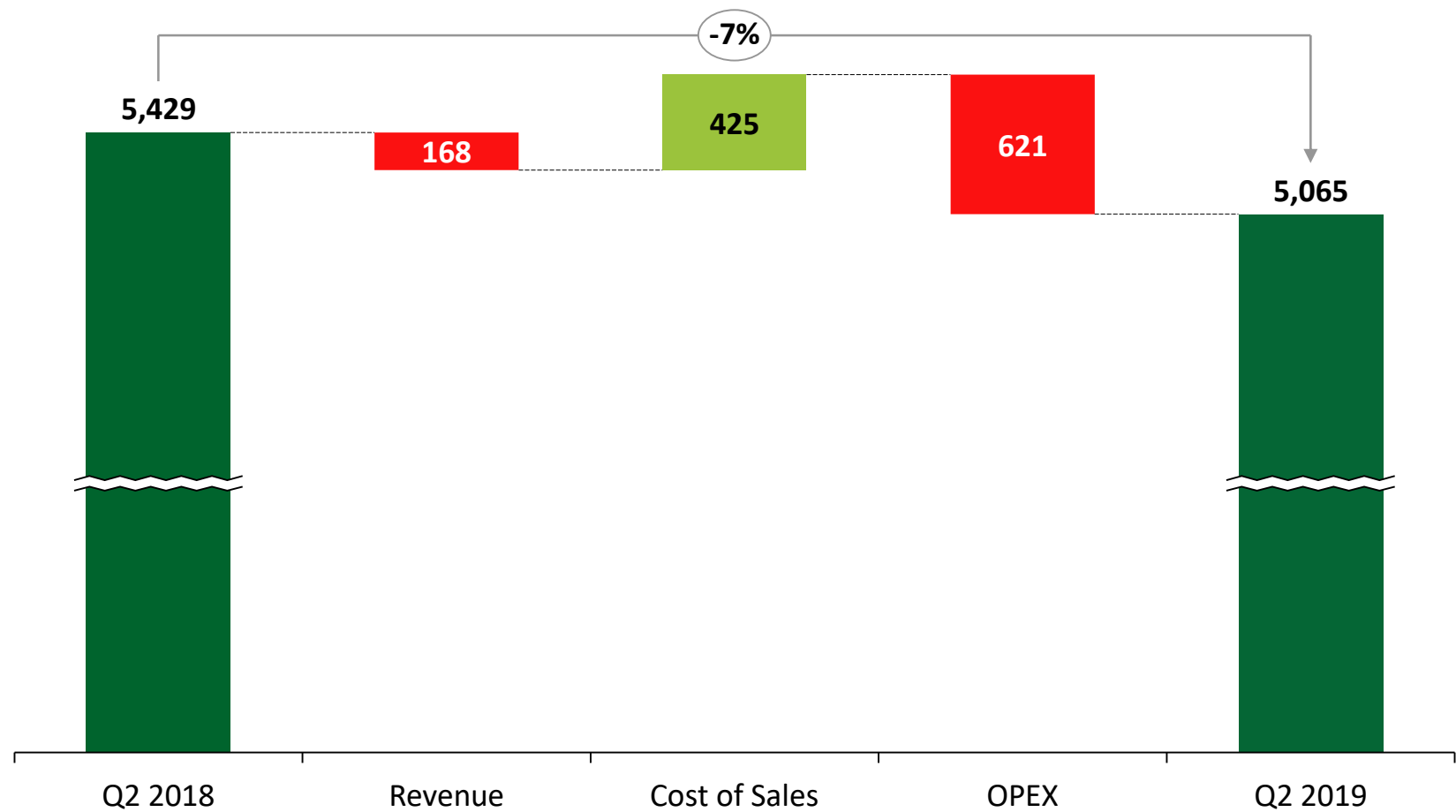


PKR Million	Q2 2019	Change %		HY 2019	Change %
		YoY	QoQ		YoY
Wireline Data	7,025	4%	0%	14,050	5%
Wireless Data	504	-38%	-7%	1,047	-40%
Voice	3,166	-13%	-4%	6,462	-13%
Retail	10,695	-4%	-2%	21,558	-4%
Corporate & Wholesale	5,293	11%	2%	10,494	15%
International	1,919	-10%	7%	3,720	-14%
Total	17,907	-0.9%	0.2%	35,772	-0.8% <sup>*</sup>

*\* From 2019 International Revenue is being reported gross of Interconnect cost, previously it was reported on net basis. On net basis revenue is stable.*

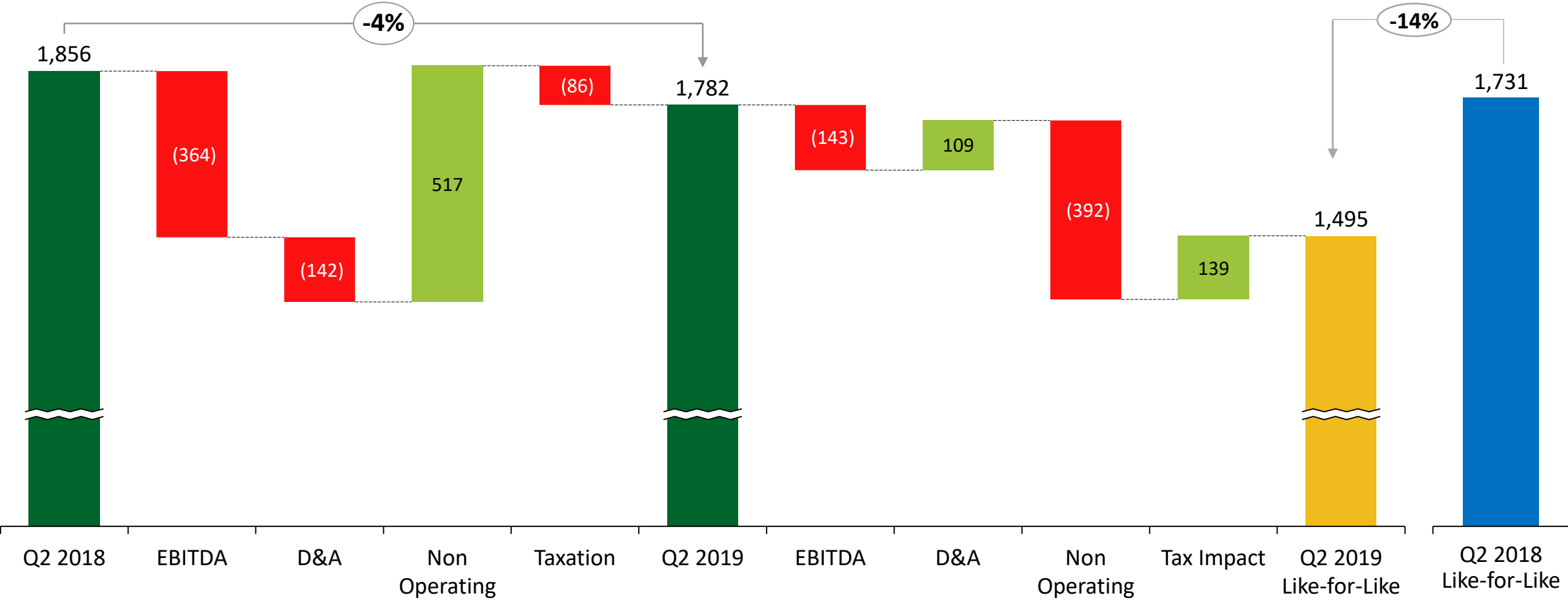
# PTCL – EBITDA YoY Evolution Q2 2019

*Increase in cost due to inflation and PKR devaluation impacted EBITDA*



# PTCL – Net Profit YoY Evolution Q2 2019

Net Profit declined by 4% mainly due higher OPEX impacted by inflation and PKR devaluation



# PTCL Group

9% Growth in Revenue and 10% growth in Net Profit for HY 2019



PKR Million	Q2 2019	Change %		HY 2019	Change %
		YoY	QoQ		YoY
Revenue	32,773	6%	-2%	66,308	9%
EBITDA	10,963	7%	-10%	23,167	13%
EBITDA Margin	33%	0.3 p.p	-2.9 p.p	35%	1.3 p.p
Net Profit	345	-69%	-83%	2,343	10%
Net Profit Margin	1%	-2.6 p.p	-4.9 p.p	3.5%	0 p.p
Net Profit like-for-like	874	-38%	-25%	2,034	-35%



PKR Million	Q2 2019	Change %		HY 2019	Change %
		YoY	QoQ		YoY
Revenue	17,907	-0.9%	0.2%	35,772	-0.8% *
EBITDA	5,065	-7%	-10%	10,693	-4%
EBITDA Margin	28%	-1.8 p.p	-3.2 p.p	30%	-1.1 p.p
Net Profit	1,782	-4%	-11%	3,792	3%
Net Profit Margin	10%	-0.3 p.p	-1.3 p.p	10.6%	0.4 p.p
Net Profit like-for-like	1,495	-14%	-19%	3,340	-13%

\* From 2019 International Revenue is being reported gross of Interconnect cost, previously it was reported on net basis. On net basis revenue is stable.

# PTCL Balance Sheet

*Strong Unleveraged Balance Sheet*



## Balance Sheet

PKR Million	Dec-18	Jun-19
Property, Plant and Equipment	106,151	108,689
Long term loans and advances	10,690	10,909
Other Non Current Assets	11,024	12,083
<b>Non Current Assets</b>	<b>127,866</b>	<b>131,680</b>
Trade debts	16,179	19,850
Stores and spares	6,068	4,702
Cash & Cash Equivalents	10,305	6,006
Other current assets	35,627	37,538
<b>Current Assets</b>	<b>68,178</b>	<b>68,096</b>
<b>Total Assets</b>	<b>196,044</b>	<b>199,776</b>
Share capital	51,000	51,000
Reserves	32,571	32,971
<b>Equity</b>	<b>83,571</b>	<b>83,971</b>
Non-current liabilities	44,433	48,027
Current liabilities	68,040	67,778
<b>Total Liabilities &amp; Equity</b>	<b>196,044</b>	<b>199,776</b>

# PTCL Cash Flow Statement

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

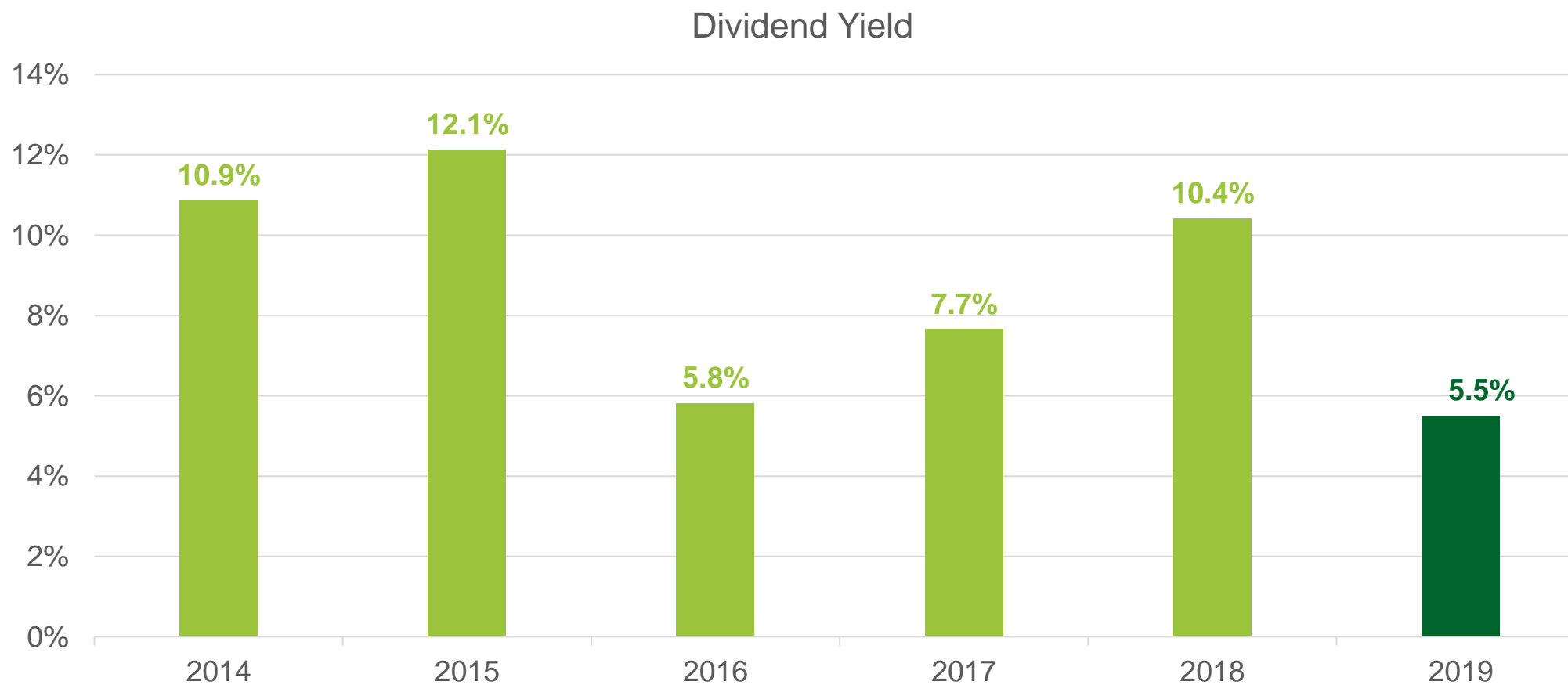


## Cash Flow Statement

<i>PKR Million</i>	HY 2018	HY 2019
Cash Flows from operating activities	6,144	7,290
Cash Flows from investing activities	(3,873)	(8,908)
Cash Flows from financing activities	(4)	(2,681)
<b>Net Inc/(Dec) in Cash &amp; Cash Equivalent:</b>	<b>2,266</b>	<b>(4,300)</b>
Opening Cash & Cash Equivalents	16,770	10,305
<b>Closing Cash &amp; Cash Equivalents</b>	<b>19,037</b>	<b>6,006</b>

# Dividend

*PTCL announced interim dividend of Rs. 0.5 per share for the year 2019 - equates to PKR 2.55 B dividend payout*



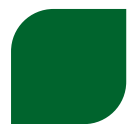
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# Summary & Conclusion

Mr. Rashid Khan  
President & Chief Executive Officer  
PTCL Group

# Summary & Conclusion

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*PTCL Group reported growth in Revenue and Net Profit for HY 2019 despite higher inflation and PKR devaluation.*



*PTCL transformation project accelerating wireline data growth enabling migration of subscriber on higher data packages and ARPUs.*



*Ufone expanding network coverage and continues to show healthy growth on the back of increasing subscriber base.*



*Ubank continues to deliver significant growth in revenue and net profit based on increasing loan portfolio and expansion of branch network.*



*PTCL announced interim dividend of Rs. 0.5 per share for the year 2019, equates to PKR 2.55 B dividend payout*

# Questions & Answers

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**THANK YOU**