



# **PTCL Investor Call**

**Financial Results – Q4 & Year Ended Dec 31, 2019**



17<sup>th</sup> February, 2020



# 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.*

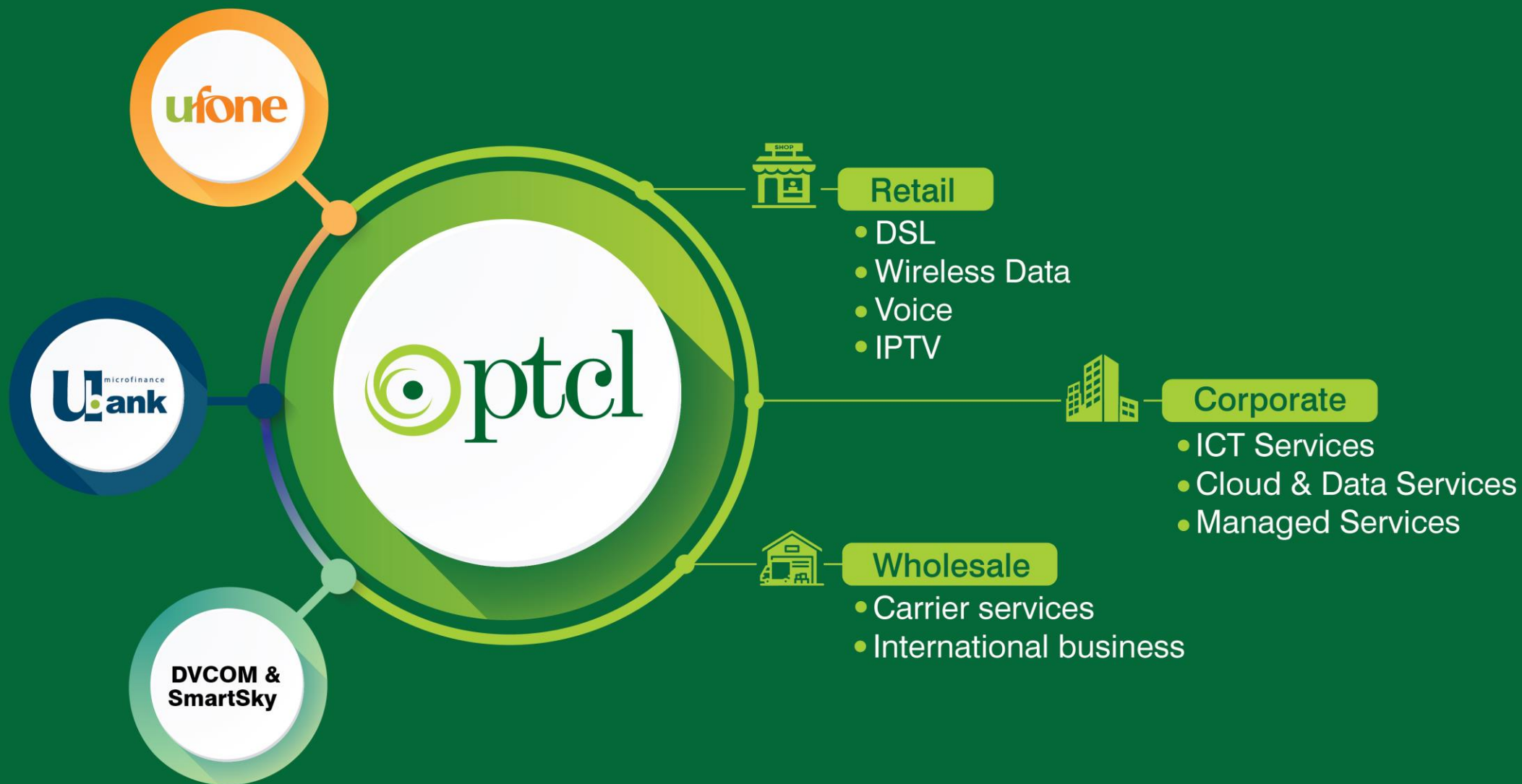
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# Business Overview

Rashid Khan

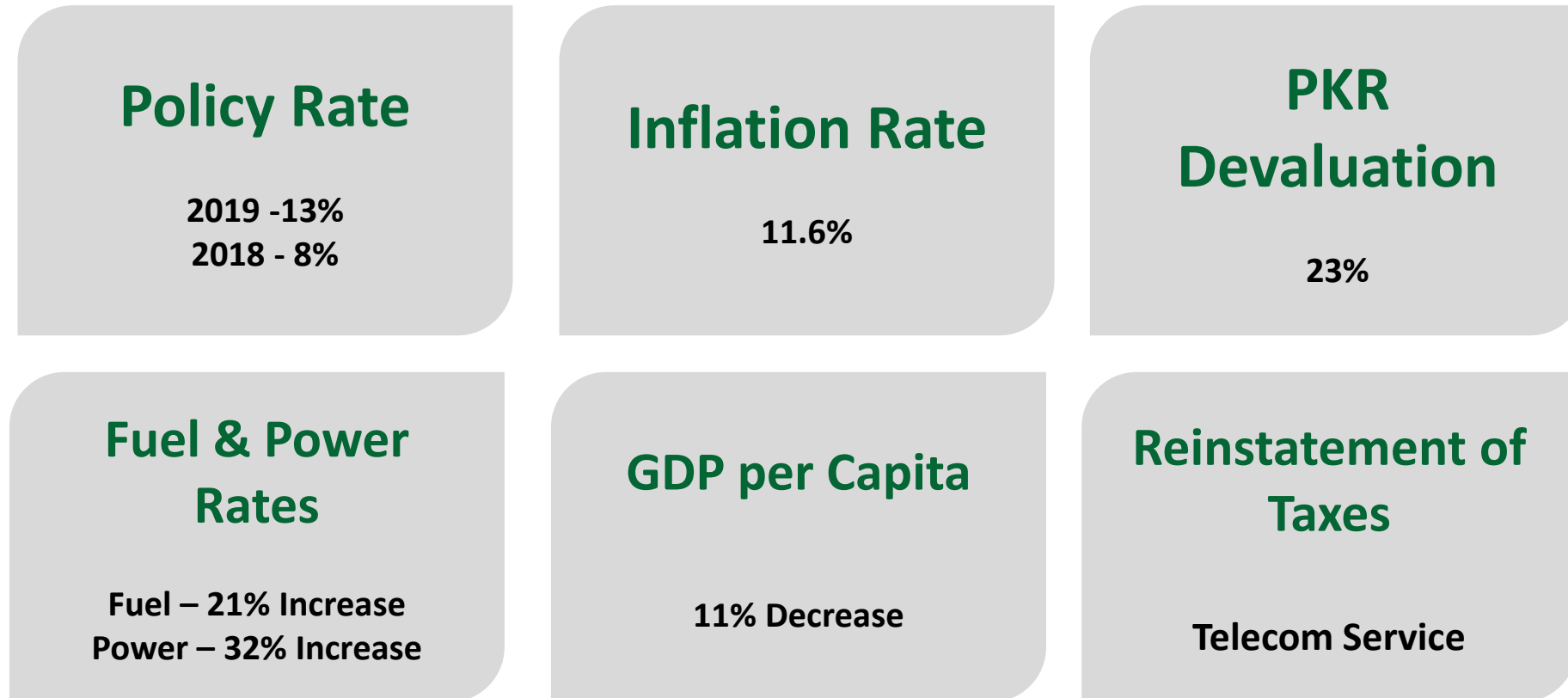
President & Chief Executive Officer

PTCL Group



# 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*



*\* All figures are in comparison with 2018*

# Key Highlights – Year Ended Dec 31, 2019



## PTCL Group

- Top line continues to grow 2.1% YoY, contributed by all OPCOs
- EBITDA of PKR 41.4 B declined by 1% - reinstatement of tax, inflation and PKR devaluation impact
- Net Profit - PKR 2.4 B

## PTCL

- Revenue grew by 0.4% YoY \*
- Wireline Data grew by 5% and Corporate & Wholesale grew by 11% in 2019
- 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 – 2019



- PTCL revenue grew by 0.4% supported by improvement in customer experience, Corporate Services, DSL, FTTH & IPTV
- FTTH subs grew by 160%, complimented by 172% revenue growth
- Corporate & Wholesale segment grew 11% 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 more than 41 thousand agents

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# Financial Overview

Nadeem Khan

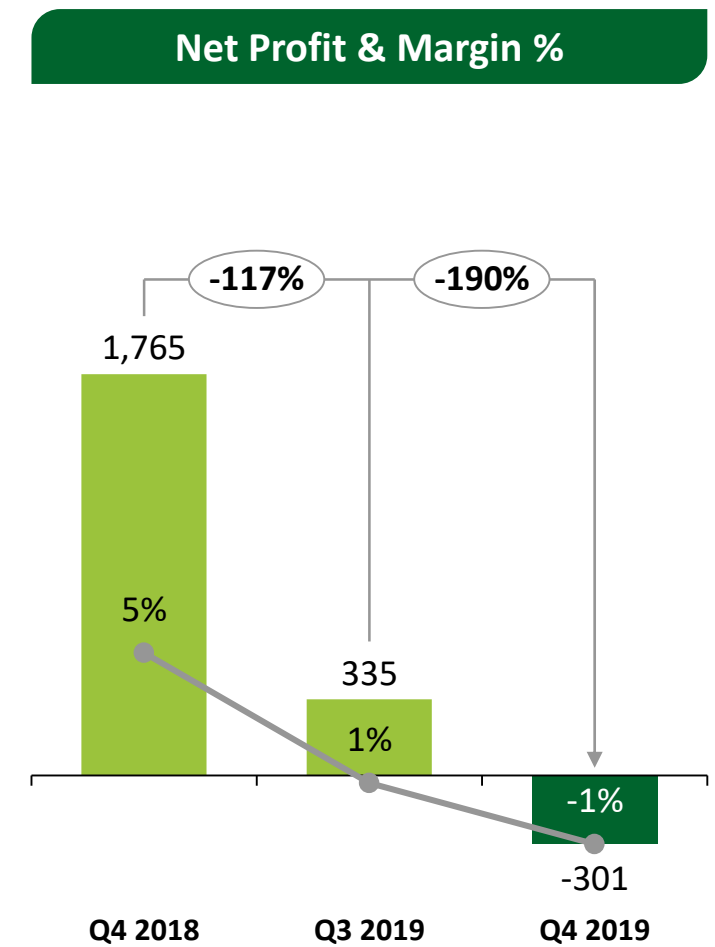
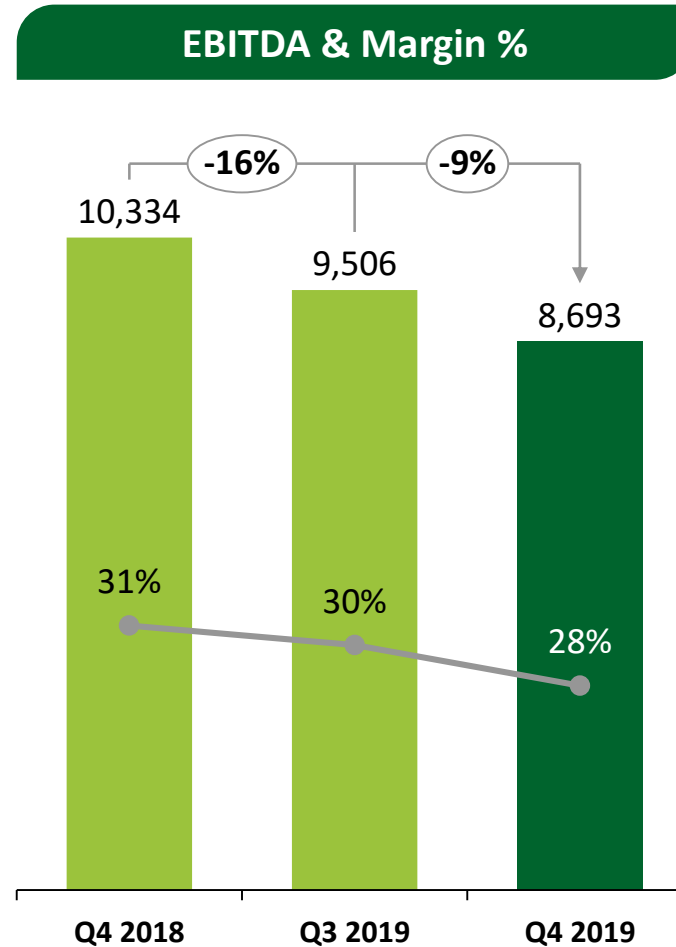
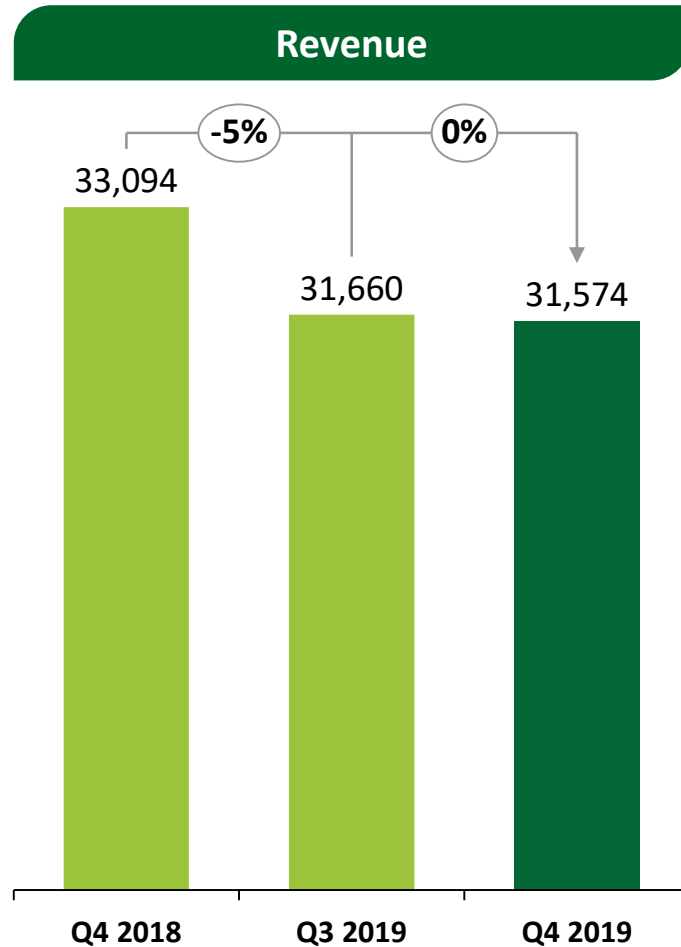
Chief Financial Officer

PTCL Group



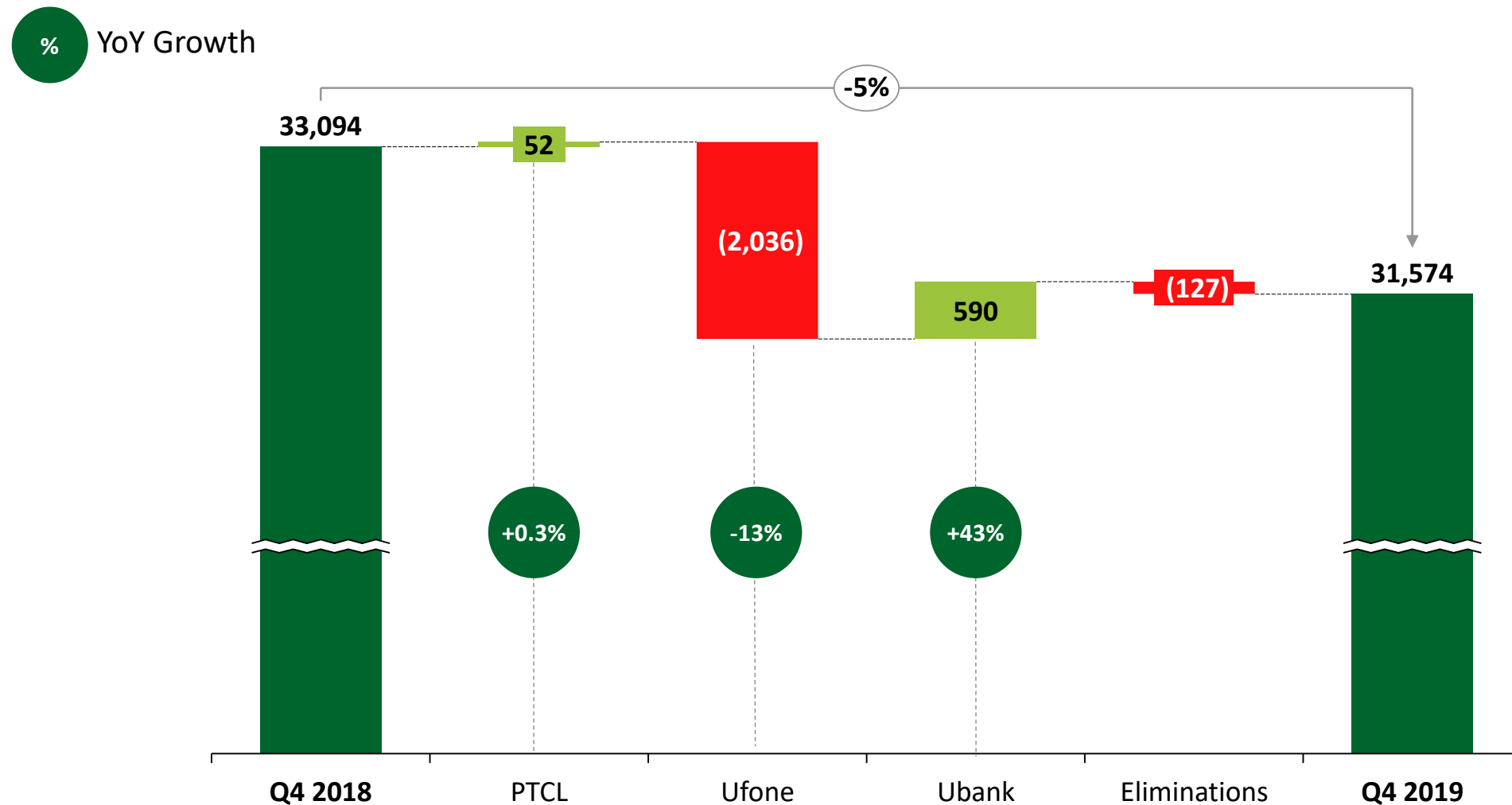
# PTCL Group Key Financials – Q4 2019

QoQ Revenue stable while EBITDA & Net Profit declined due to inflation, interest rate and tax on mobile services



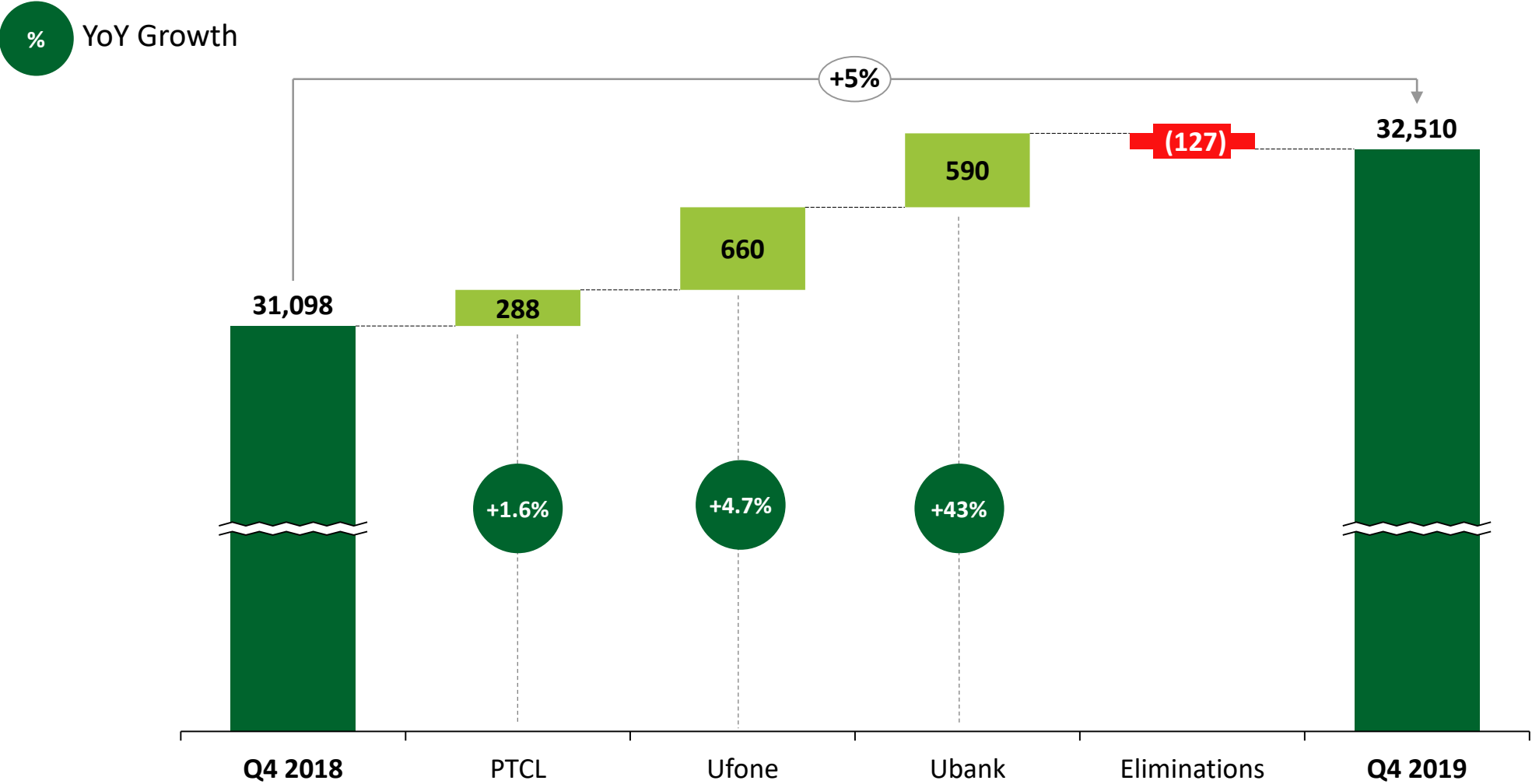
# PTCL Group – YoY Revenue Evolution Q4 2019

Revenue decline of 5%, normalized for one-offs revenue grew by 5%



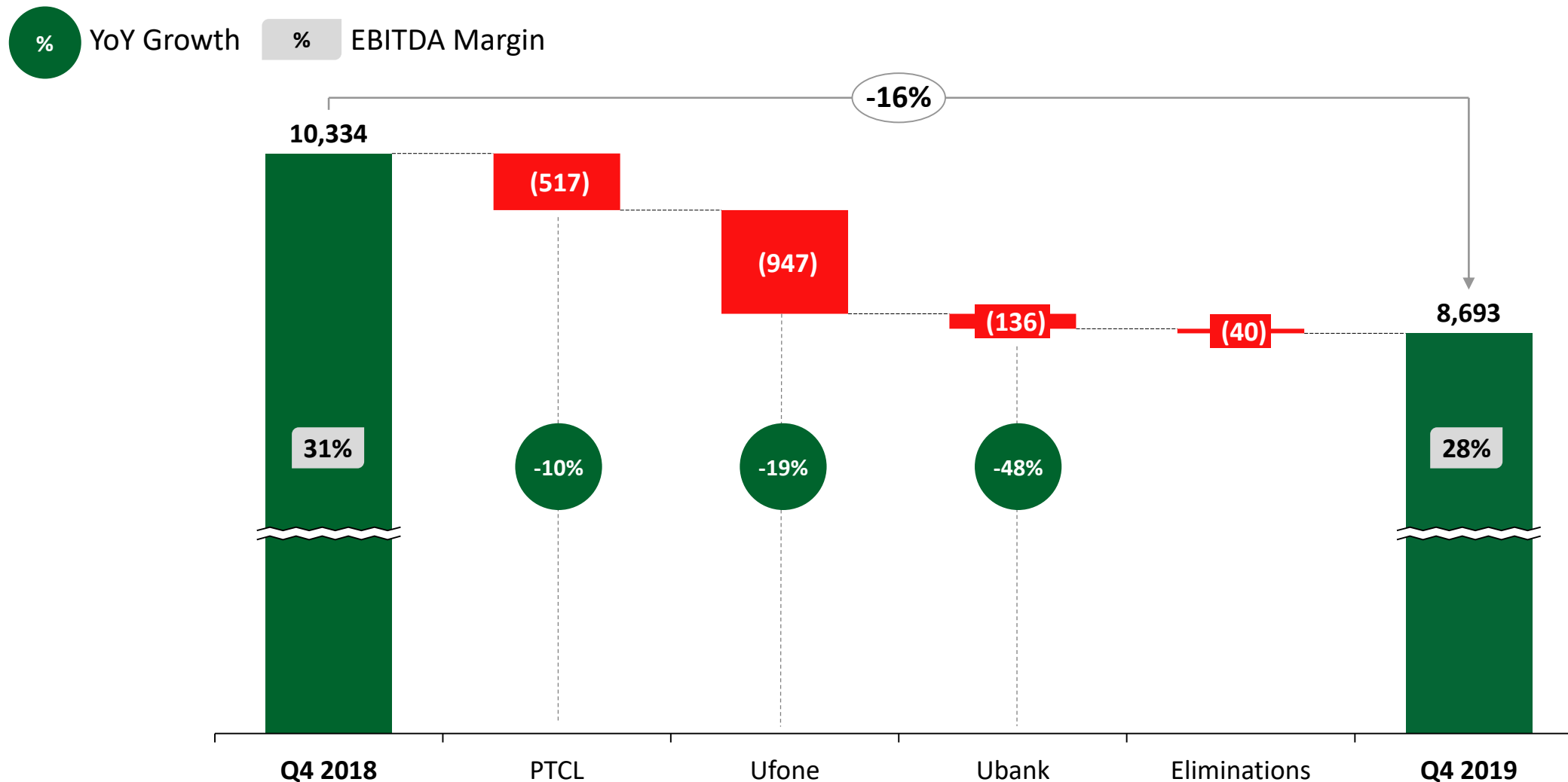
# PTCL Group – YoY Revenue Evolution Q4 2019 (Normalized)

Normalized for one-offs revenue grew by 5%



# PTCL Group – YoY EBITDA Evolution Q4 2019

*Decline of 16% in EBITDA was mainly due to tax impact on revenue and inflation.*

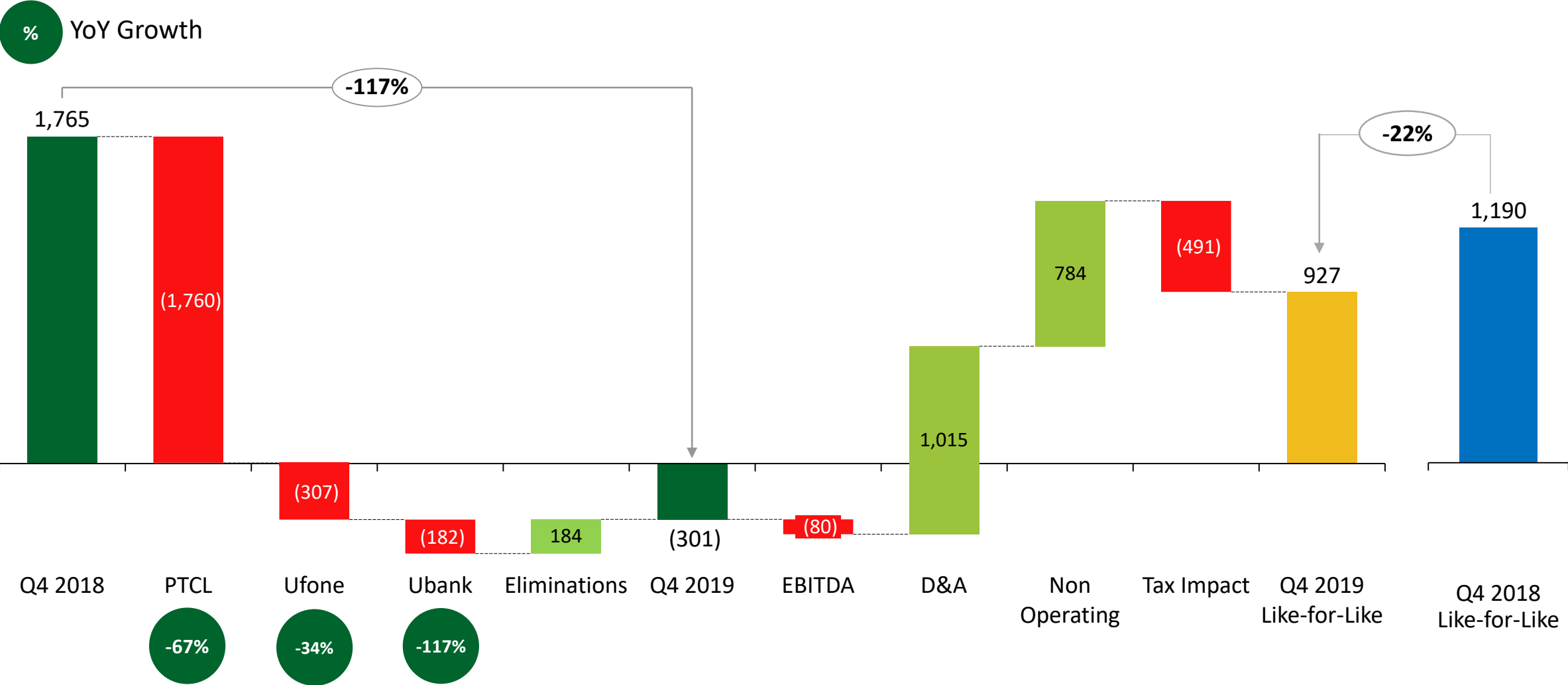


# PTCL Group – YoY Net Profit Evolution Q4 2019

Net Profit declined by 117% YoY due to increase in interest rates and One-off items in 2018



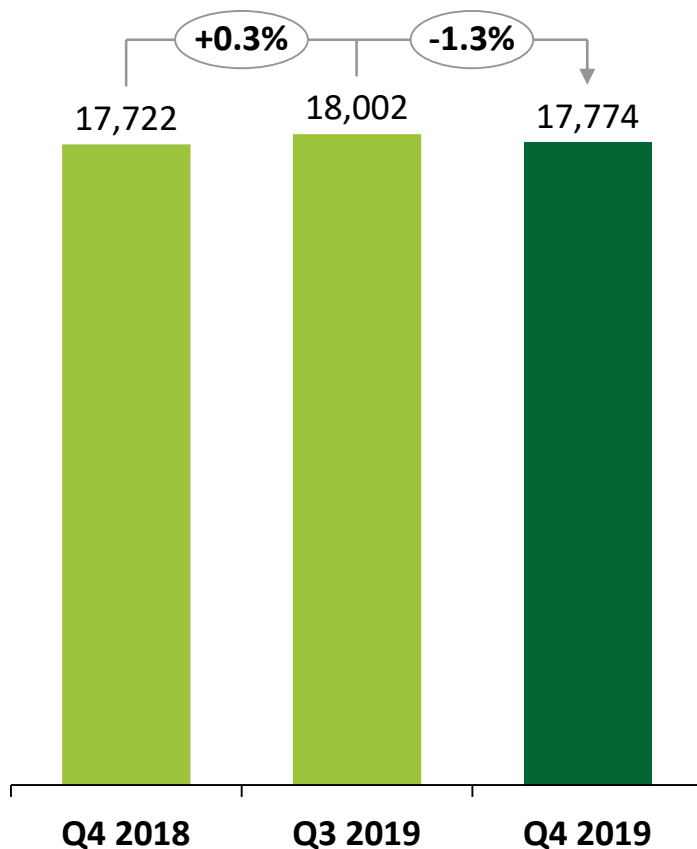
PKR Million



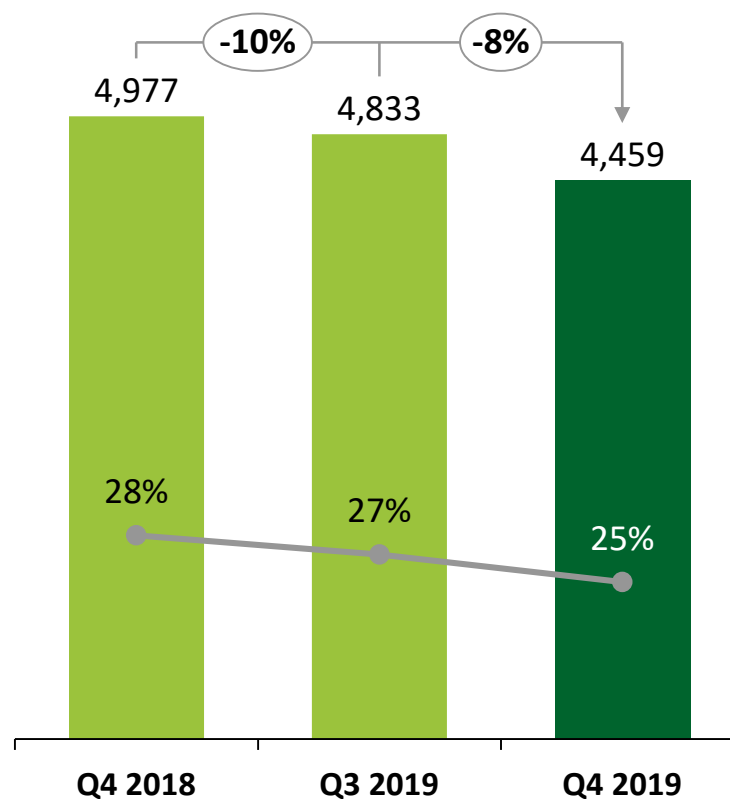
# PTCL Key Financials – Q4 2019

Revenue grew by 0.3% YoY, however inflation putting pressure on EBITDA and Net Profit

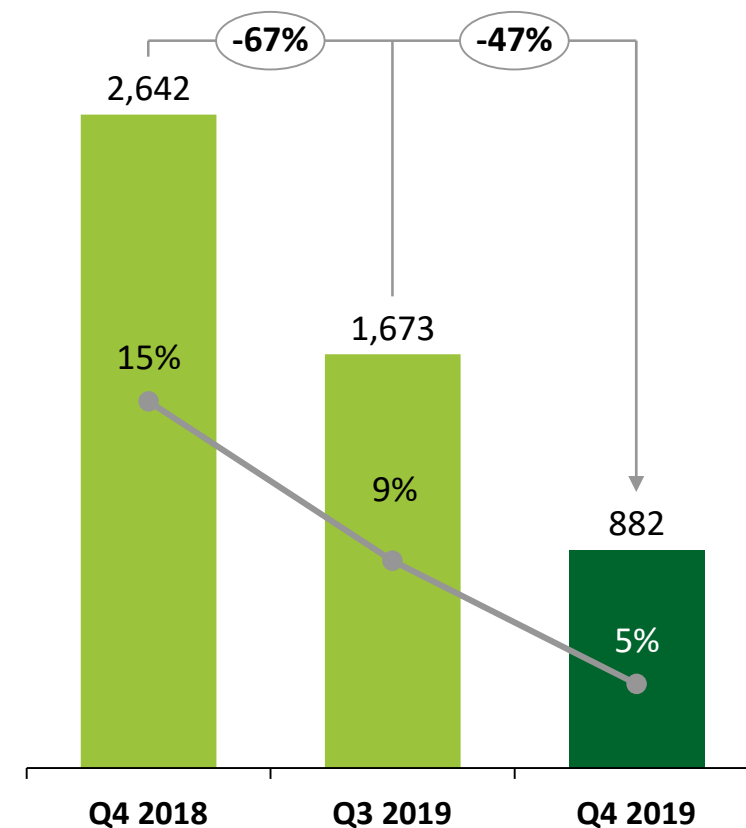
## Revenue



## EBITDA & Margin %



## Net Profit & Margin %



# PTCL Revenue – Q4 2019

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



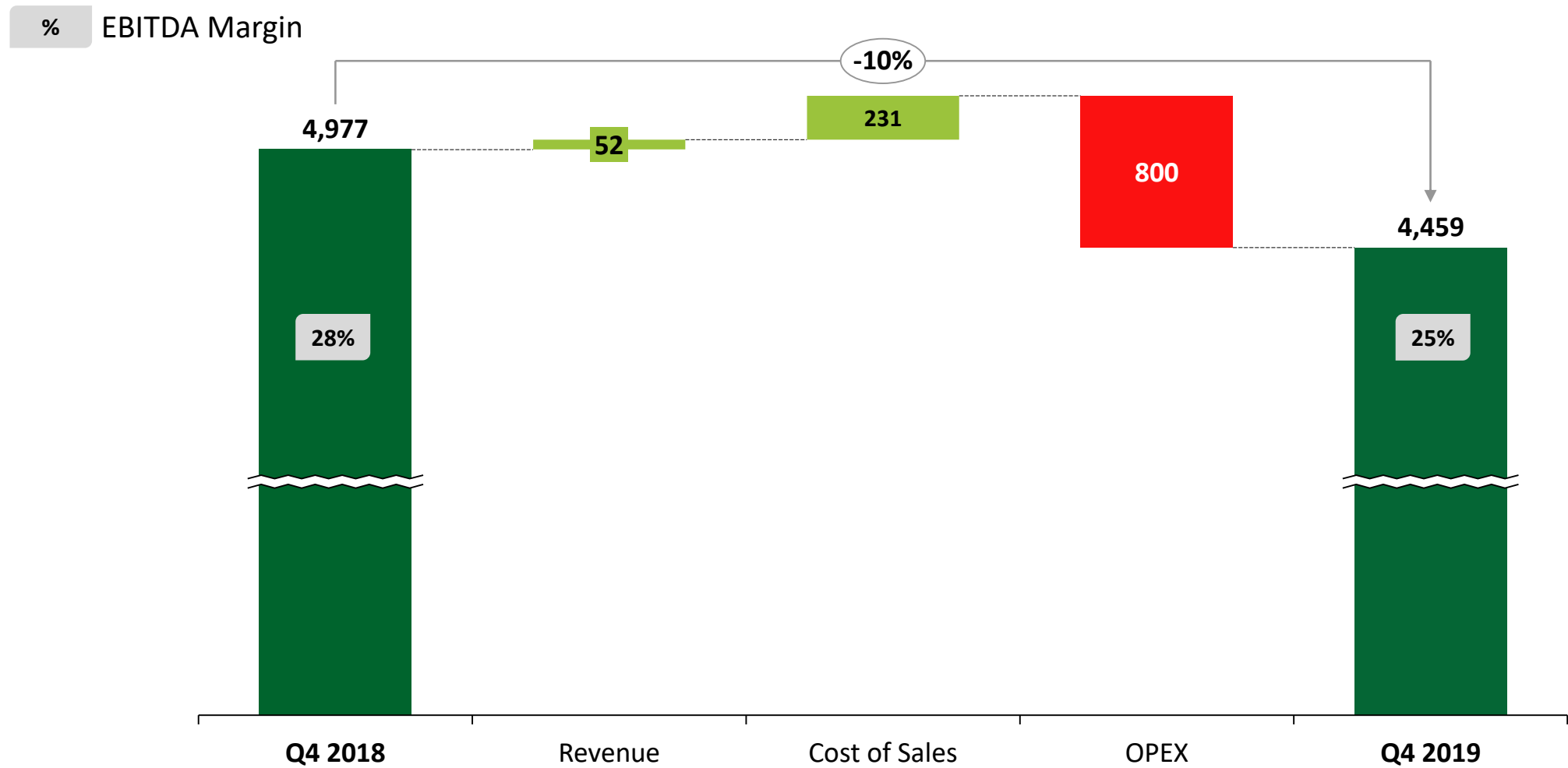
<b>PKR Million</b>	<b>Q4 2019</b>	<b>Change %</b>		<b>2019</b>	<b>Change %</b>
		<b>YoY</b>	<b>QoQ</b>		
Wireline Data	7,017	4%	-0.5%	28,121	5%
Wireless Data	556	-7%	8%	2,115	-31%
Voice	3,043	-9%	-2%	12,615	-12%
<b>Retail</b>	<b>10,616</b>	<b>-1%</b>	<b>-1%</b>	<b>42,852</b>	<b>-3%</b>
<b>Corporate &amp; Wholesale</b>	<b>4,554</b>	<b>9%</b>	<b>-2%</b>	<b>18,297</b>	<b>11%</b>
<b>International</b>	<b>2,605</b>	<b>-8%</b>	<b>-3%</b>	<b>10,400</b>	<b>-2%</b>
<b>Total</b>	<b>17,774</b>	<b>0.3%</b>	<b>-1.3%</b>	<b>71,548</b>	<b>0.4%</b>

# PTCL – EBITDA YoY Evolution Q4 2019

EBITDA declined due to increase in OPEX impacted by inflation



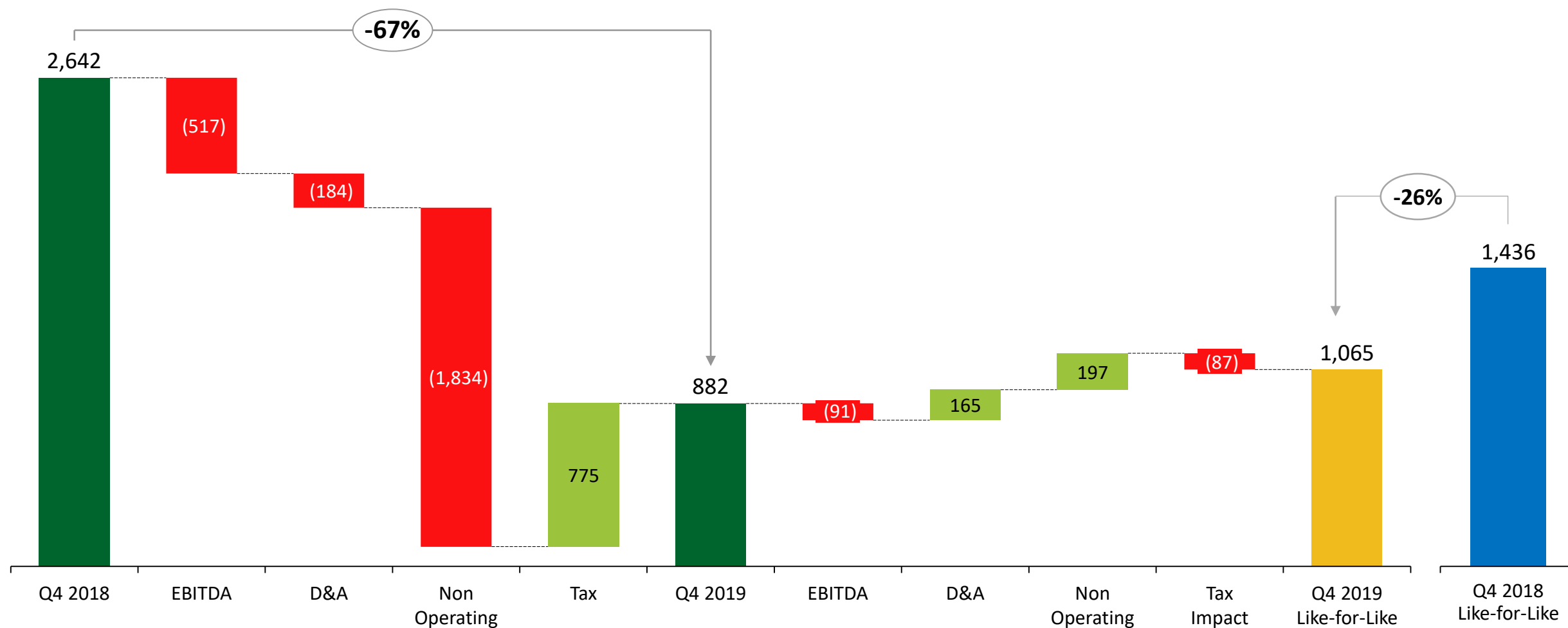
PKR Million





# PTCL – Net Profit YoY Evolution Q4 2019

YoY 67% decline in net profit due to one-off items in 2018



# PTCL Group

2.1% YoY growth in Revenue for the year 2019.



PKR Million	Q4 2019	Change %		2019	Change %
		YoY	QoQ		YoY
Revenue	31,574	-5%	-0.3%	129,543	2.1%
EBITDA	8,693	-16%	-9%	41,365	-1%
EBITDA Margin	28%	-3.7 p.p	-2.5 p.p	32%	-1.2 p.p
Net Profit	(301)	-117%	-190%	2,377	-58%
Net Profit Margin	-1%	-6.3 p.p	-2 p.p	1.8%	-2.7 p.p
Net Profit like-for-like	927	-22%	-23%	3,994	-33%

PKR Million	Q4 2019	Change %		2019	Change %
		YoY	QoQ		YoY
Revenue	17,774	0.3%	-1%	71,548	0.4%
EBITDA	4,459	-10%	-8%	19,986	-6%
EBITDA Margin	25%	-3 p.p	-1.8 p.p	28%	-1.8 p.p
Net Profit	882	-67%	-47%	6,347	-14%
Net Profit Margin	5%	-9.9 p.p	-4.3 p.p	8.9%	-1.5 p.p
Net Profit like-for-like	1,065	-26%	-31%	5,956	-13%

# PTCL Balance Sheet

*Strong Unleveraged Balance Sheet*



## Balance Sheet

PKR Million	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>
Non-current liabilities	44,433	43,008
Current liabilities	68,519	79,235
<b>Total Liabilities &amp; Equity</b>	<b>196,523</b>	<b>209,994</b>

# PTCL Cash Flow Statement

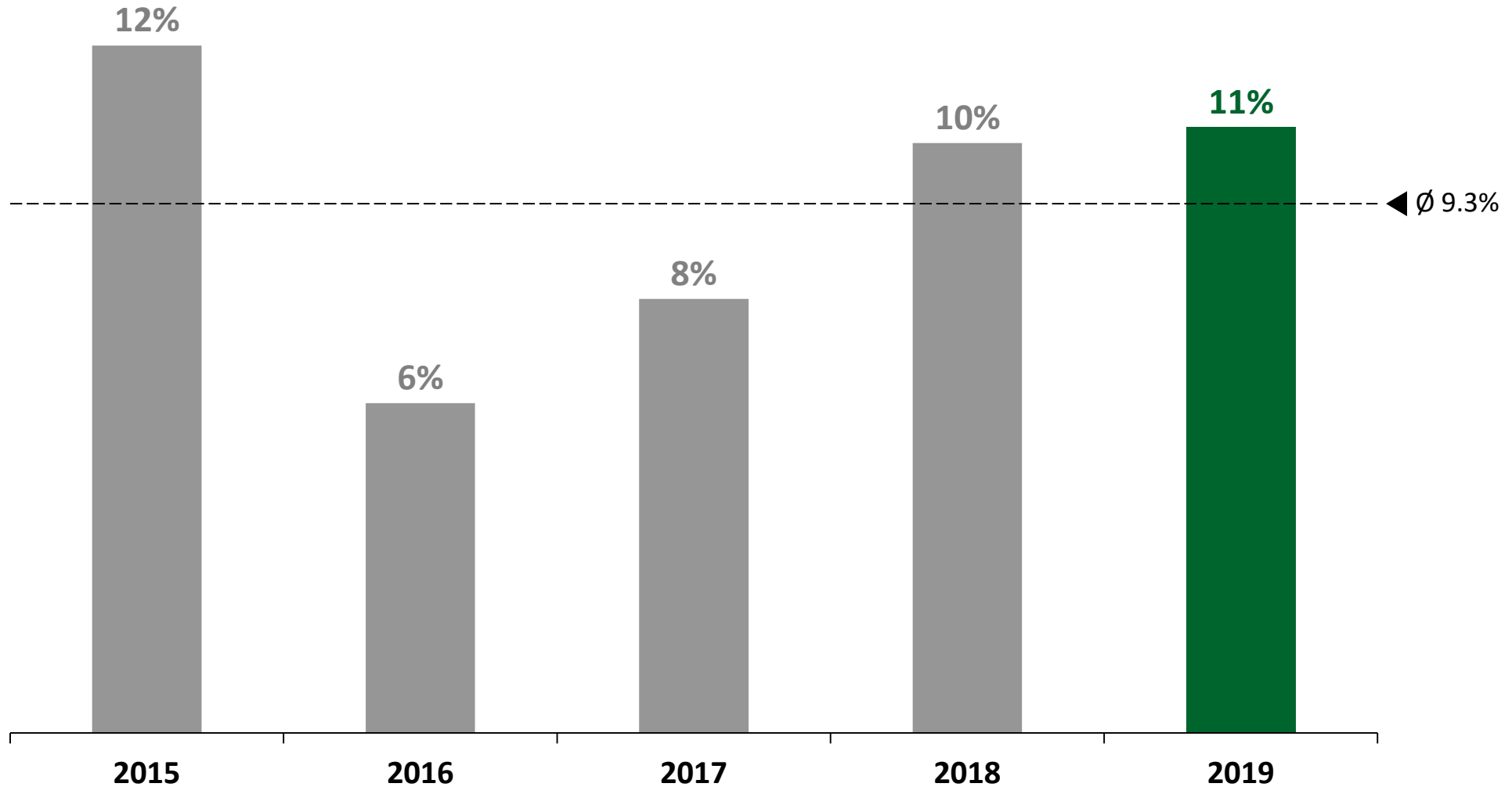
*Higher cash outflows in 2019 on account of CAPEX and Dividend payments*



Cash Flow Statement		
PKR Million	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.*



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# Summary & Conclusion

Mr. Rashid Khan  
President & Chief Executive Officer  
PTCL Group

# Summary & Conclusion



*PTCL Group reported 2.1% growth in 2019 contributed by all operating companies.*



*PTCL revenue continue to grow based on wireline data and wholesale service, despite declining trend in voice and wireless data segments*



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



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



*PTCL has declared a final cash dividend of Re. 0.50 per share in addition to the interim cash dividend of Re. 0.50 per share for the year 2019, equates to PKR 5.1 B dividend.*



# Questions & Answers

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**THANK YOU**