



# **PTCL Investor Call**

## **Financial Results – Q3 2019**

---

24<sup>th</sup> October, 2019



# Disclaimer

---



*Pakistan Telecommunications Company Limited (PTCL) and its subsidiaries have prepared this presentation in good faith, however, no warranty or representation, express or implied is made as to the adequacy, correctness, completeness or accuracy of any numbers, statements, opinions or estimates, or other information contained in this presentation.*

*The information contained in this presentation is an overview, and should not be considered as the giving of investment advice by the company or any of its shareholders, directors, officers, agents, employees or advisers. Each party to whom this presentation is made available must make its own independent assessment of the company after making such investigations and taking such advice as may be deemed necessary.*

*Where this presentation contains summaries of documents, those summaries should not be relied upon and the actual documentation must be referred to for its full effect.*

*This presentation may include some “forward-looking statements”. Such forward looking statements are not guarantees of future performance and may involve risk of uncertainties. Actual results may differ materially from these forward looking statements.*

*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.*

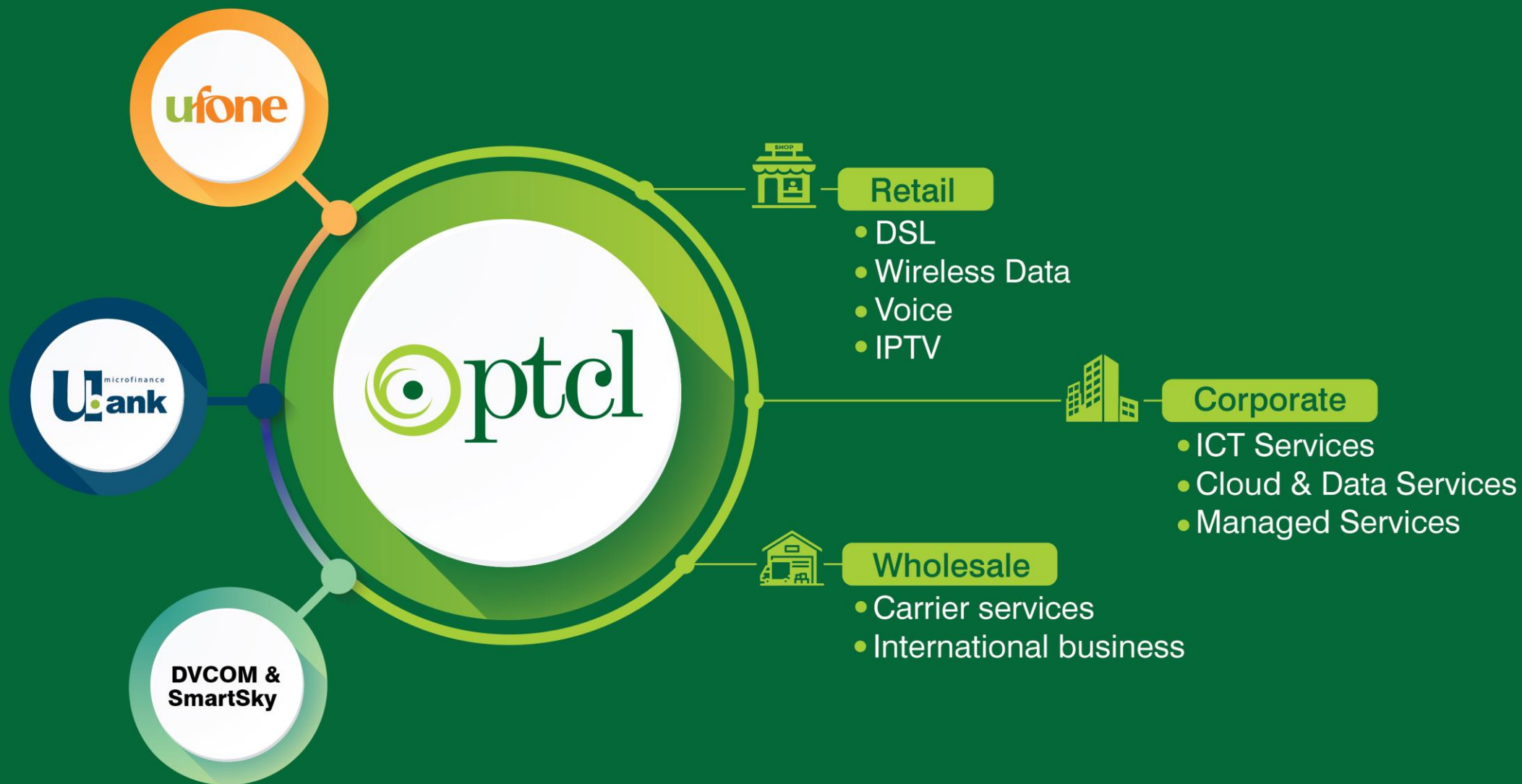
---

# Business Overview

Rashid Khan

President & Chief Executive Officer

PTCL Group



# 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://jcrvis.com.pk/>*

# Key Highlights – Nine Months 2019



## PTCL Group

- 4.5% Revenue growth
- All OPCOs contributed in topline growth
- EBITDA grew by 3%
- Net Profit – PKR 2.7 B

## PTCL

- Revenue increased by 0.4% YoY \*
- Wireline data grew by 5% and corporate & wholesale grew by 12%
- Net Profit of PKR 5.5 B grew by 14%

*\* 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 1% YoY.*

# Key Operational Highlights – Nine Months 2019



- Total revenue is higher than last year despite challenges in fixed voice and wireless data segments, however growth in wireline data, corporate & wholesale services offsets the decline in voice and wireless.
- Double digit revenue growth (12%) with 35% reduction in customer complaints in 95 transformed exchanges
- Corporate & wholesale segment grew 12% YoY - IP Bandwidth and Cloud services



- 6% revenue growth complemented by continuous subscribers growth
- Subscriber base crosses 22.68 M by adding 1.12 M subscribers
- Increased data network footprint



- 50% revenue growth
- Increase in deposit base by 14% and loan base by 37%
- 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

---

# Financial Overview

Nadeem Khan

Chief Financial Officer

PTCL Group



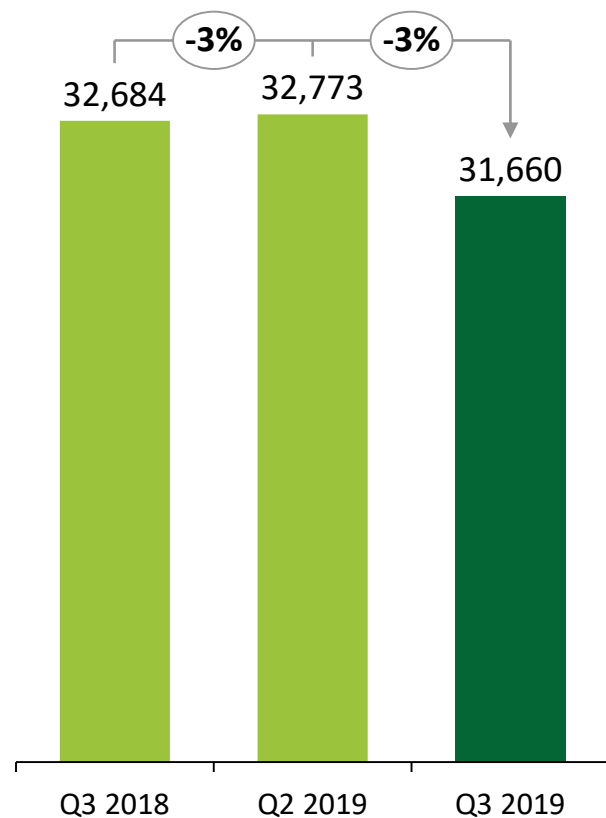
# PTCL Group Key Financials – Q3 2019

3% decline in revenue YoY, however it has increased by 3% YoY without impact of tax reinstatement

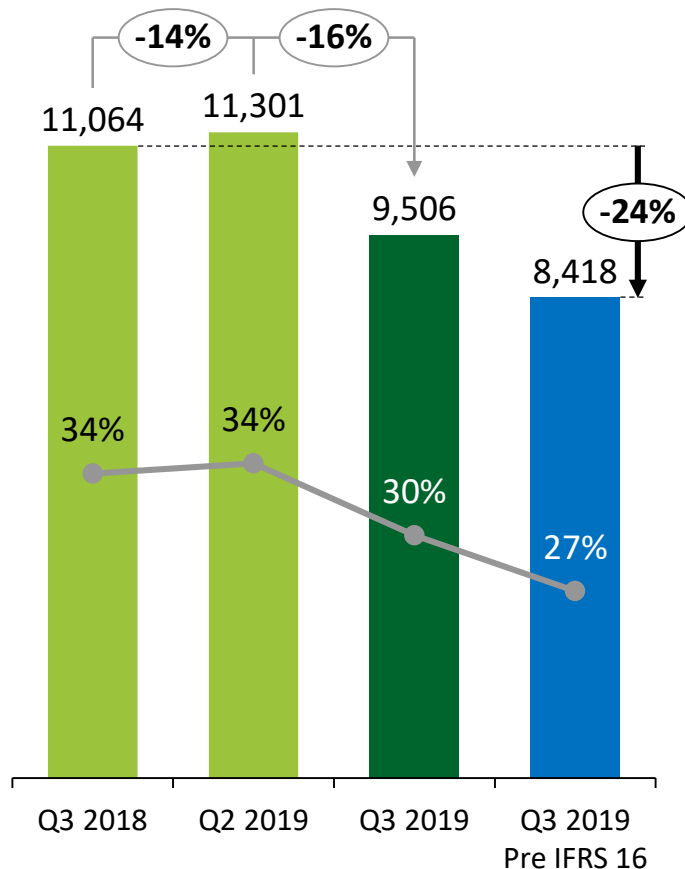
PKR Million



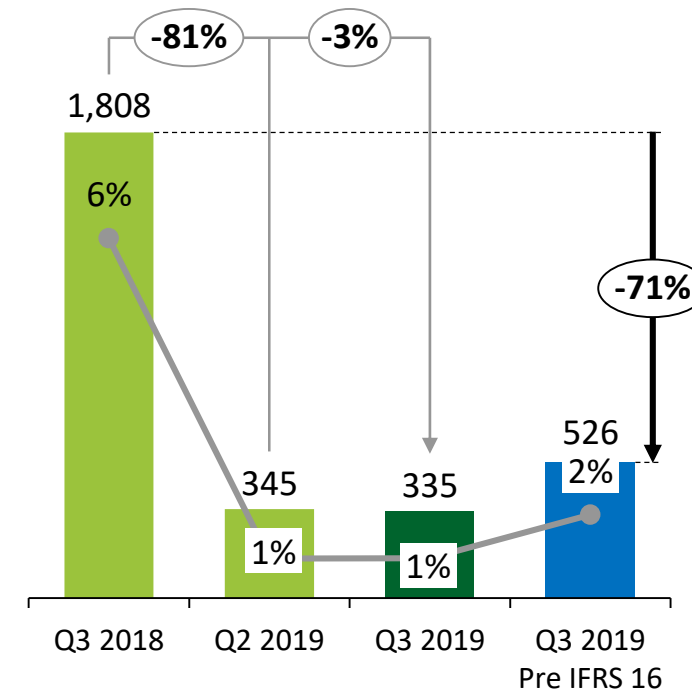
## Revenue



## EBITDA & Margin %



## Net Profit & Margin %

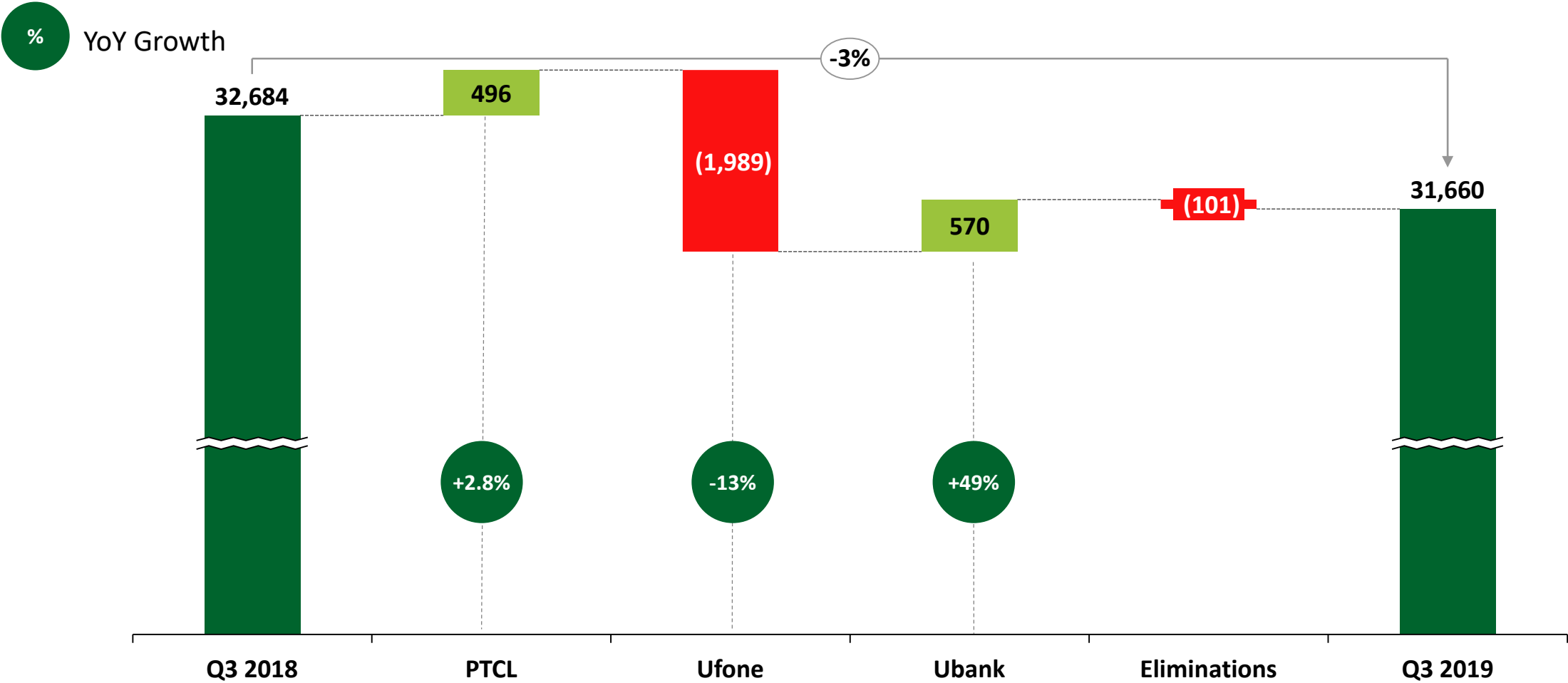


# PTCL Group – YoY Revenue Evolution Q3 2019

Revenue decline of 3%

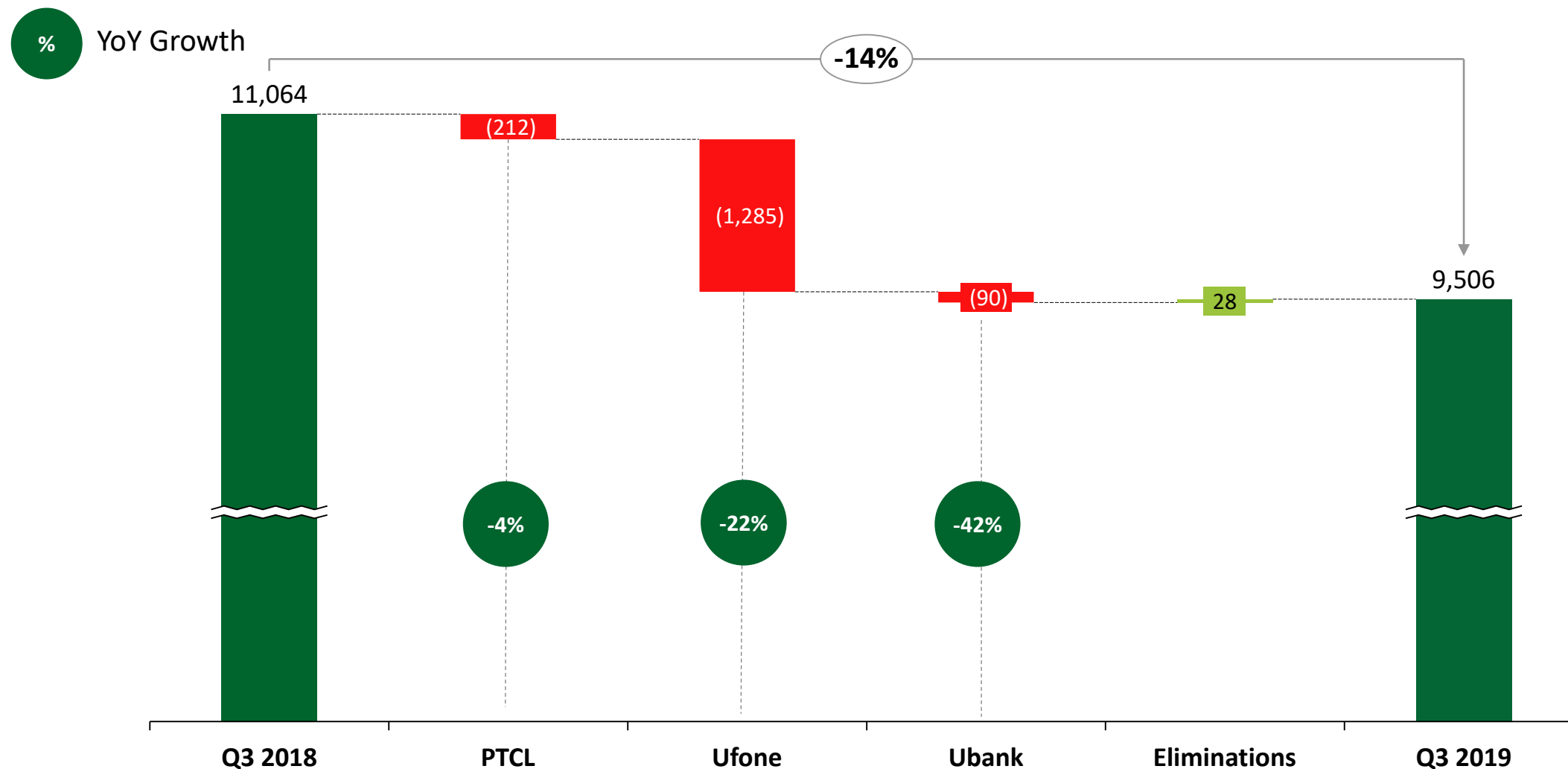


PKR Million



# PTCL Group – YoY EBITDA Evolution Q3 2019

*Decline of 14% mainly due to decrease in Ufone's revenue.*

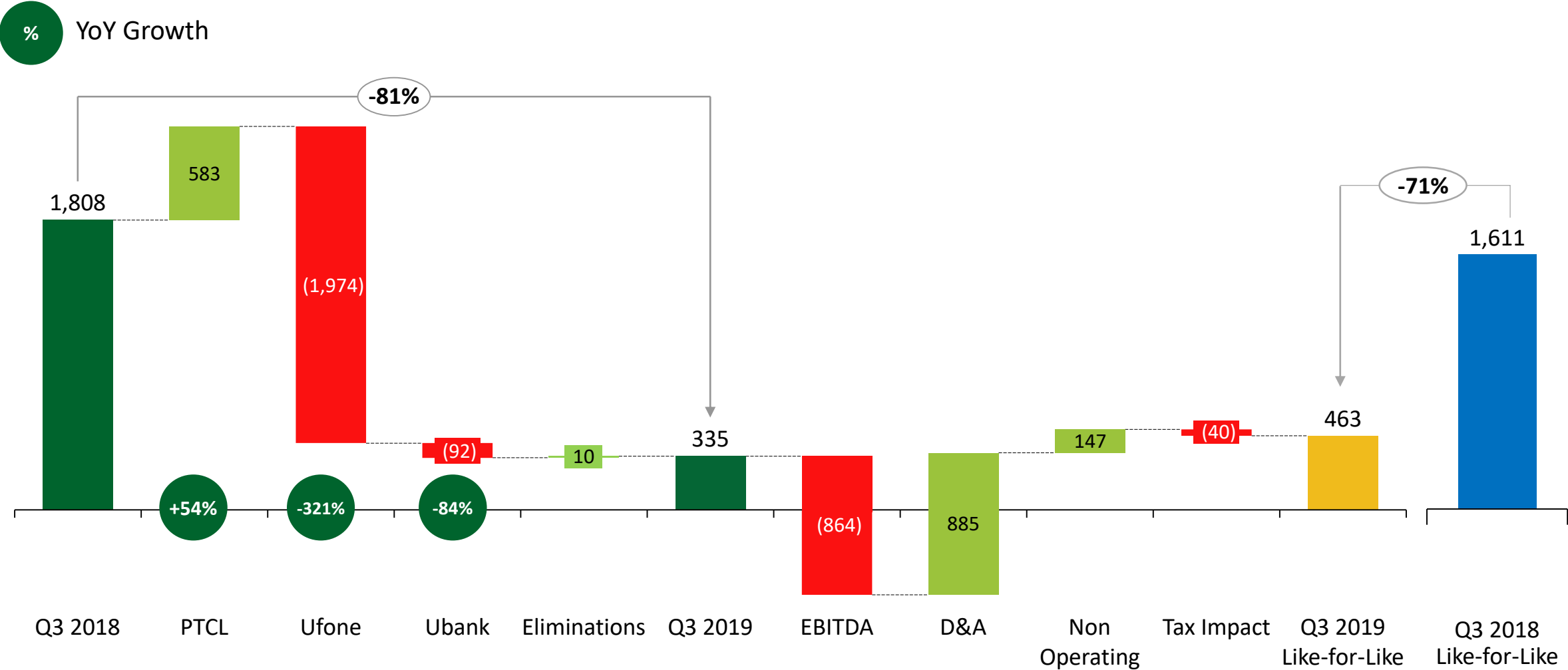


# PTCL Group – YoY Net Profit Evolution Q3 2019

Net Profit declined by 81% due to increase in interest rates and PKR devaluation



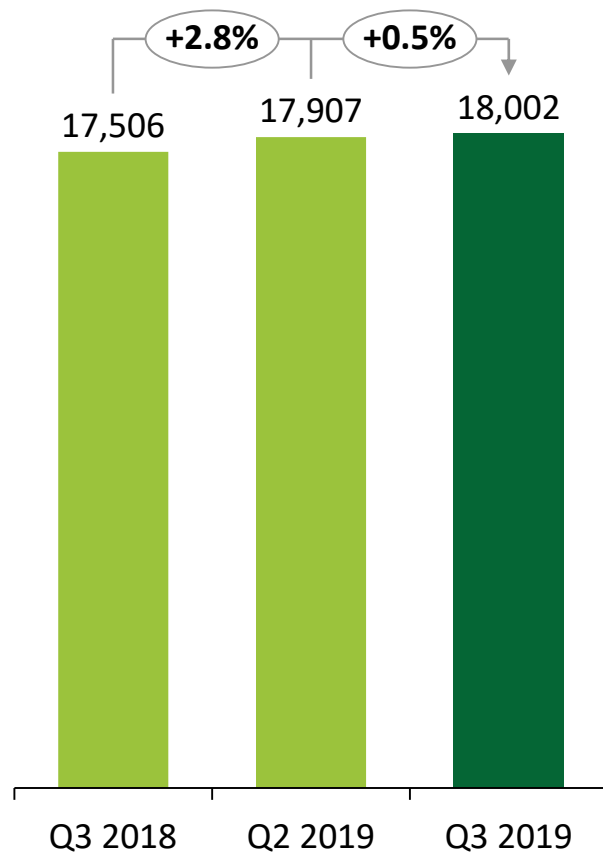
PKR Million



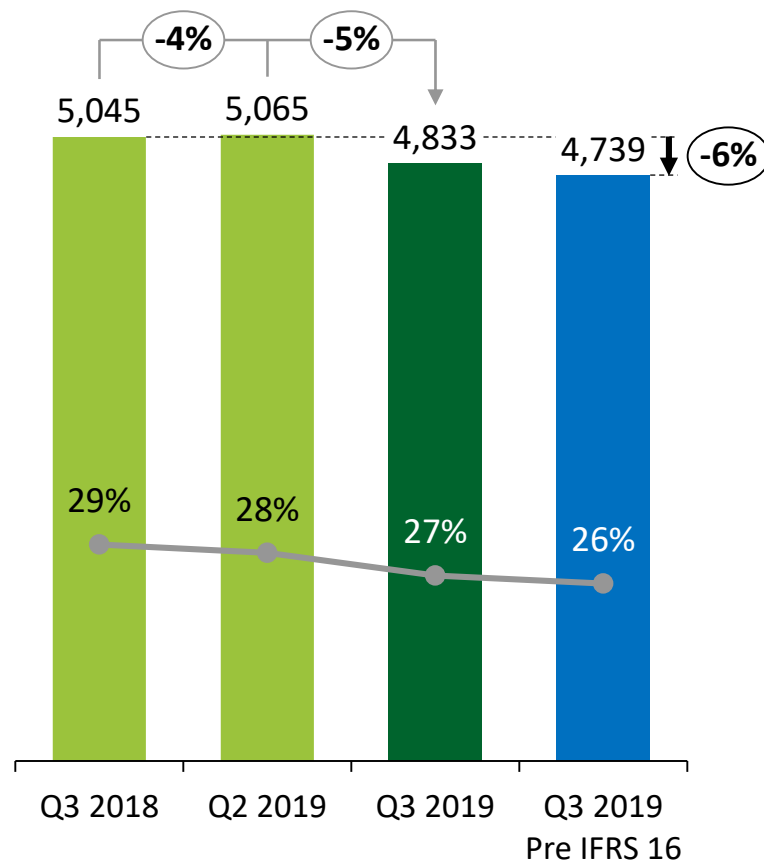
# PTCL Key Financials – Q3 2019

2.8% YoY improvement in Revenue along with a 54% YoY increase in Net Profit.

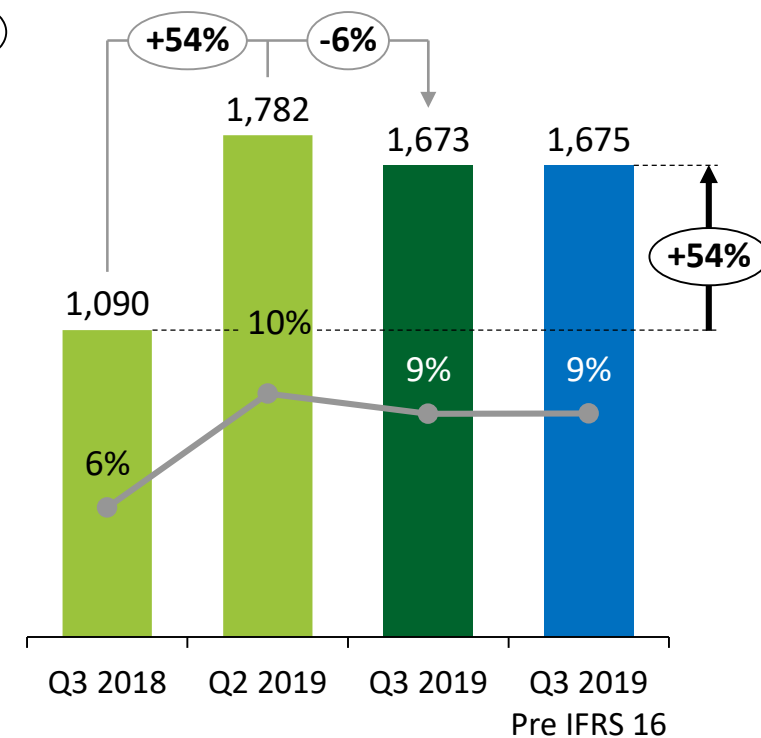
## Revenue



## EBITDA & Margin %



## Net Profit & Margin %



# PTCL Revenue – Q3 2019

*Wireline Data, Corporate & Wholesale continue to grow*



PKR Million	Q3 2019	Change %		9M 2019	Change %
		YoY	QoQ		YoY
Wireline Data	7,055	5%	0%	21,104	5%
Wireless Data	513	-30%	2%	1,560	-37%
Voice	3,110	-11%	-2%	9,572	-12%
Retail	10,679	-2%	0%	32,236	-4%
Corporate & Wholesale	4,648	10%	1%	13,743	12%
International	2,675	14%	2%	7,795	0%
<b>Total</b>	<b>18,002 *</b>	<b>2.8%</b>	<b>0.5%</b>	<b>53,774</b>	<b>0.4%</b>

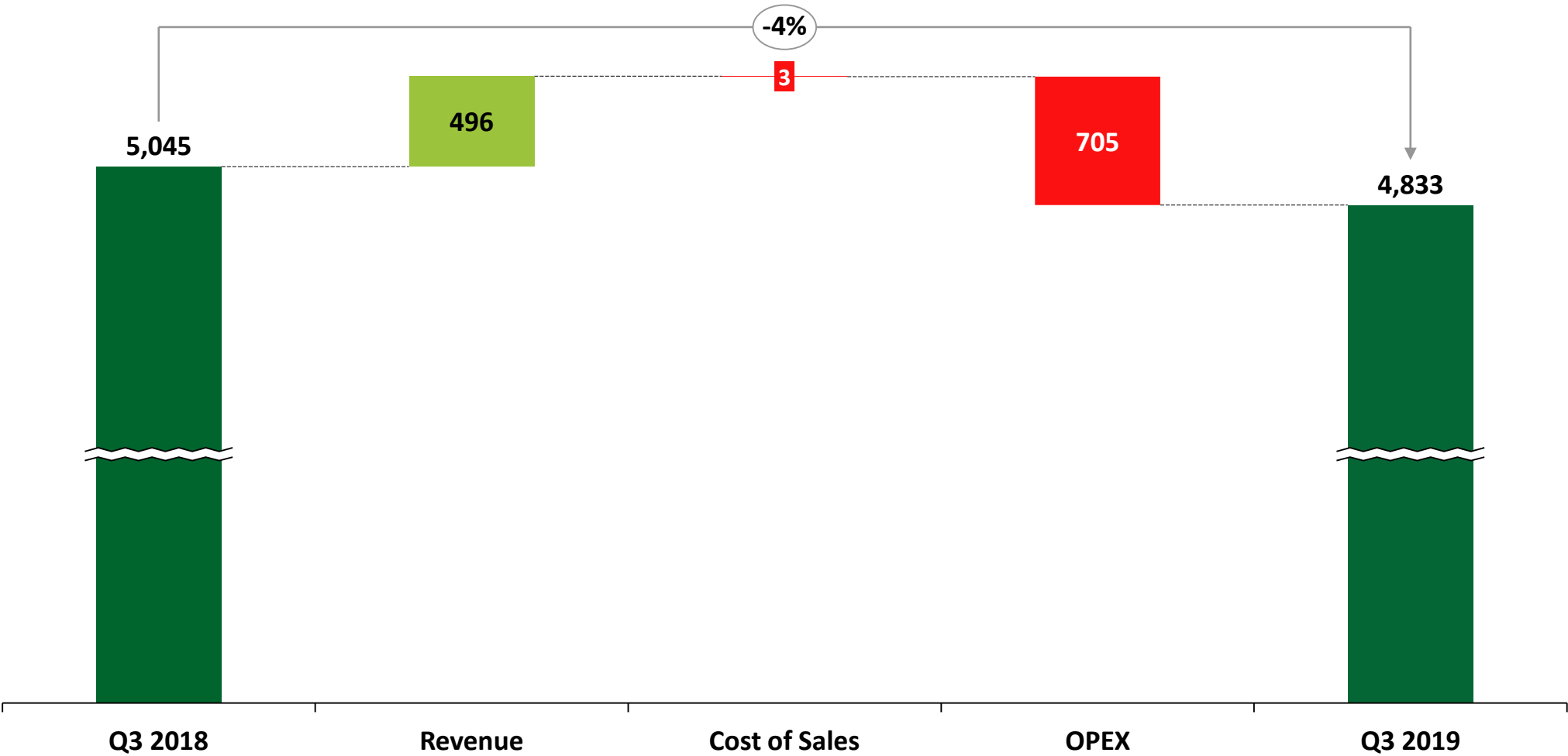
*\* From 2019 international revenue is being reported gross of interconnect cost, previously it was reported on a net basis. On a net basis total revenue is up by 3% YoY and is stable QoQ for 3rd Qtr.*

# PTCL – EBITDA YoY Evolution Q3 2019

EBITDA impacted due to inflation and PKR devaluation

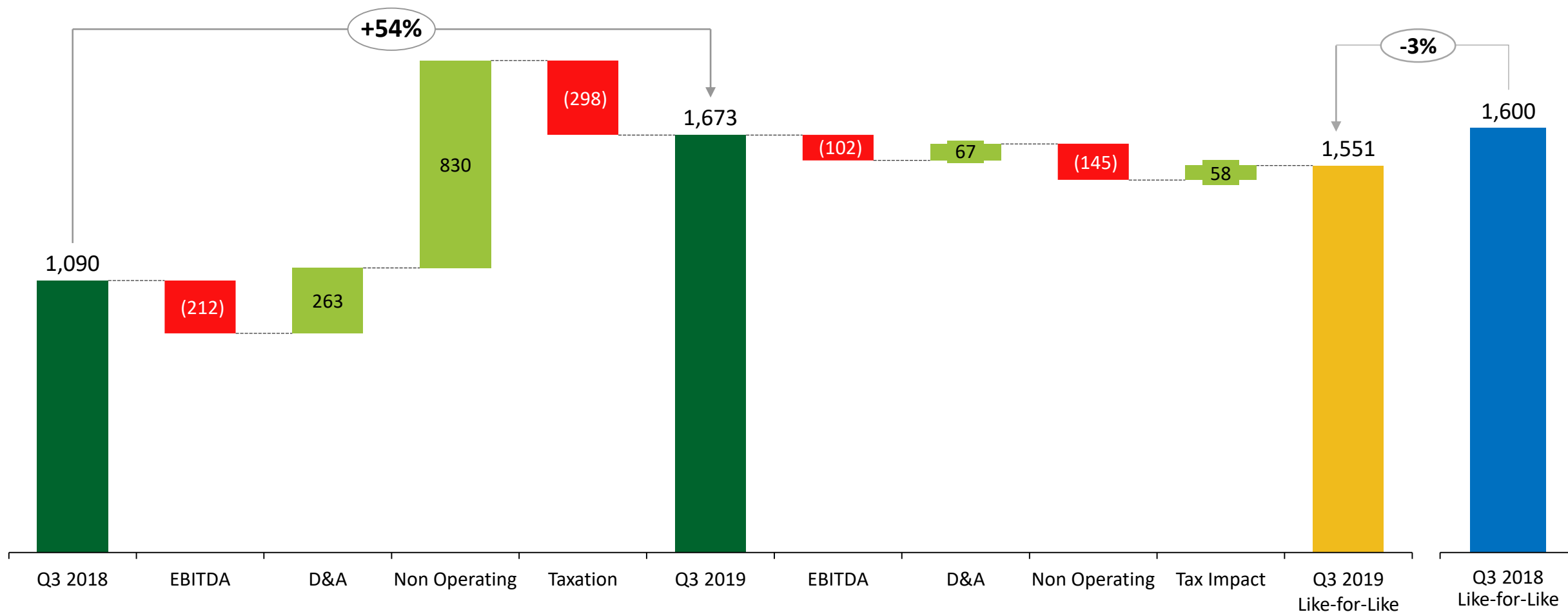


PKR Million



# PTCL – Net Profit YoY Evolution Q3 2019

*Significant increase in non-operating income resulted 54% increase in net profit*





# PTCL Group

4.5% YoY growth in Revenue for 9 months 2019.



PKR Million	Q3 2019	Change %		9M 2019	Change %
		YoY	QoQ		YoY
Revenue	31,660	-3%	-3%	97,969	4.5%
EBITDA	9,506	-14%	-16%	32,673	3%
EBITDA Margin	30%	-3.8 p.p	-4.5 p.p	33%	-0.4 p.p
Net Profit	335	-81%	-3%	2,678	-32%
Net Profit Margin	1%	-4.5 p.p	0 p.p	2.7%	-1.5 p.p
Net Profit like-for-like	463	-71%	-47%	2,496	-48%

PKR Million	Q3 2019	Change %		9M 2019	Change %
		YoY	QoQ		YoY
Revenue	18,002	2.8%	0.5%	53,774	0.4%
EBITDA	4,833	-4%	-5%	15,526	-4%
EBITDA Margin	27%	-2 p.p	-1.4 p.p	29%	-1.4 p.p
Net Profit	1,673	54%	-6%	5,465	14%
Net Profit Margin	9%	3.1 p.p	-0.7 p.p	10.2%	1.2 p.p
Net Profit like-for-like	1,551	-3%	4%	4,891	-10%

# PTCL Balance Sheet

*Strong Unleveraged Balance Sheet*



Balance Sheet		
PKR Million	Dec-18	Sep-19
Property, Plant and Equipment	106,151	110,450
Long term loans and advances	10,690	10,837
Other Non Current Assets	11,024	12,047
<b>Non Current Assets</b>	<b>127,866</b>	<b>133,334</b>
Trade debts	16,179	19,937
Stores and spares	6,068	6,029
Cash & Cash Equivalents	10,305	4,187
Other current assets	35,627	38,951
<b>Current Assets</b>	<b>68,178</b>	<b>69,105</b>
<b>Total Assets</b>	<b>196,044</b>	<b>202,439</b>
Share capital	51,000	51,000
Reserves	32,571	34,645
<b>Equity</b>	<b>83,571</b>	<b>85,645</b>
Non-current liabilities	44,433	45,957
Current liabilities	68,040	70,837
<b>Total Liabilities &amp; Equity</b>	<b>196,044</b>	<b>202,439</b>

# PTCL Cash Flow Statement

*Higher cash outflows in 9M 2019 on account of CAPEX and Dividend payments*

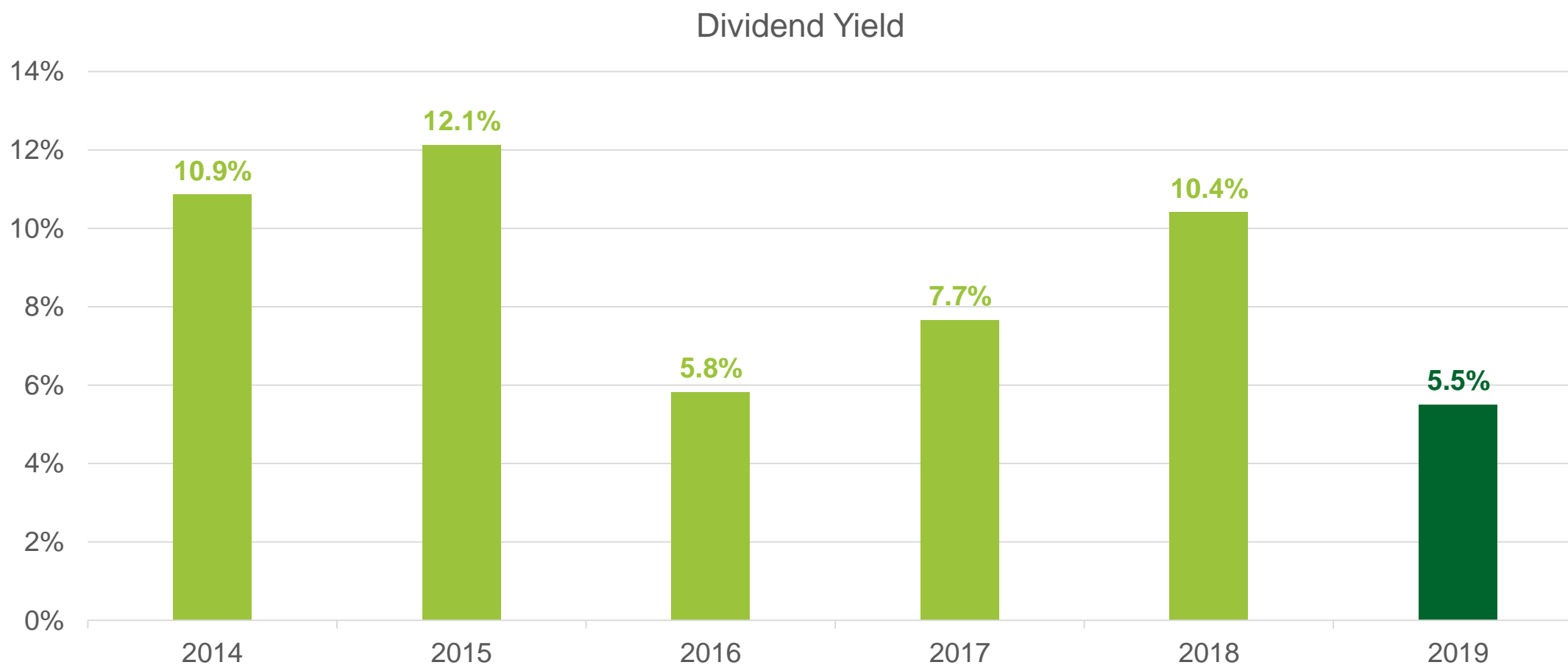


## Cash Flow Statement

<i>PKR Million</i>	9M 2018	9M 2019
Cash Flows from operating activities	9,352	10,767
Cash Flows from investing activities	(8,073)	(13,393)
Cash Flows from financing activities	(5,031)	(2,777)
<b>Net Inc/(Dec) in Cash &amp; Cash Equivalents</b>	<b>(3,753)</b>	<b>(5,404)</b>
Opening Cash & Cash Equivalents	16,770	9,591
<b>Closing Cash &amp; Cash Equivalents</b>	<b>13,017</b>	<b>4,187</b>

# Dividend

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



---

# Summary & Conclusion

Mr. Rashid Khan  
President & Chief Executive Officer  
PTCL Group

# Summary & Conclusion



*PTCL Group reported growth in Revenue for 9M 2019.*



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



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



*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 based on increasing loan portfolio and expansion of branch network.*



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

# Questions & Answers



---

PTCL Investor Relations  
Email: [amir.siddiqi@ptcl.net.pk](mailto:amir.siddiqi@ptcl.net.pk)

---

**THANK YOU**