



PTCL Investor Call

Financial results for Q1 2018

16th April, 2018

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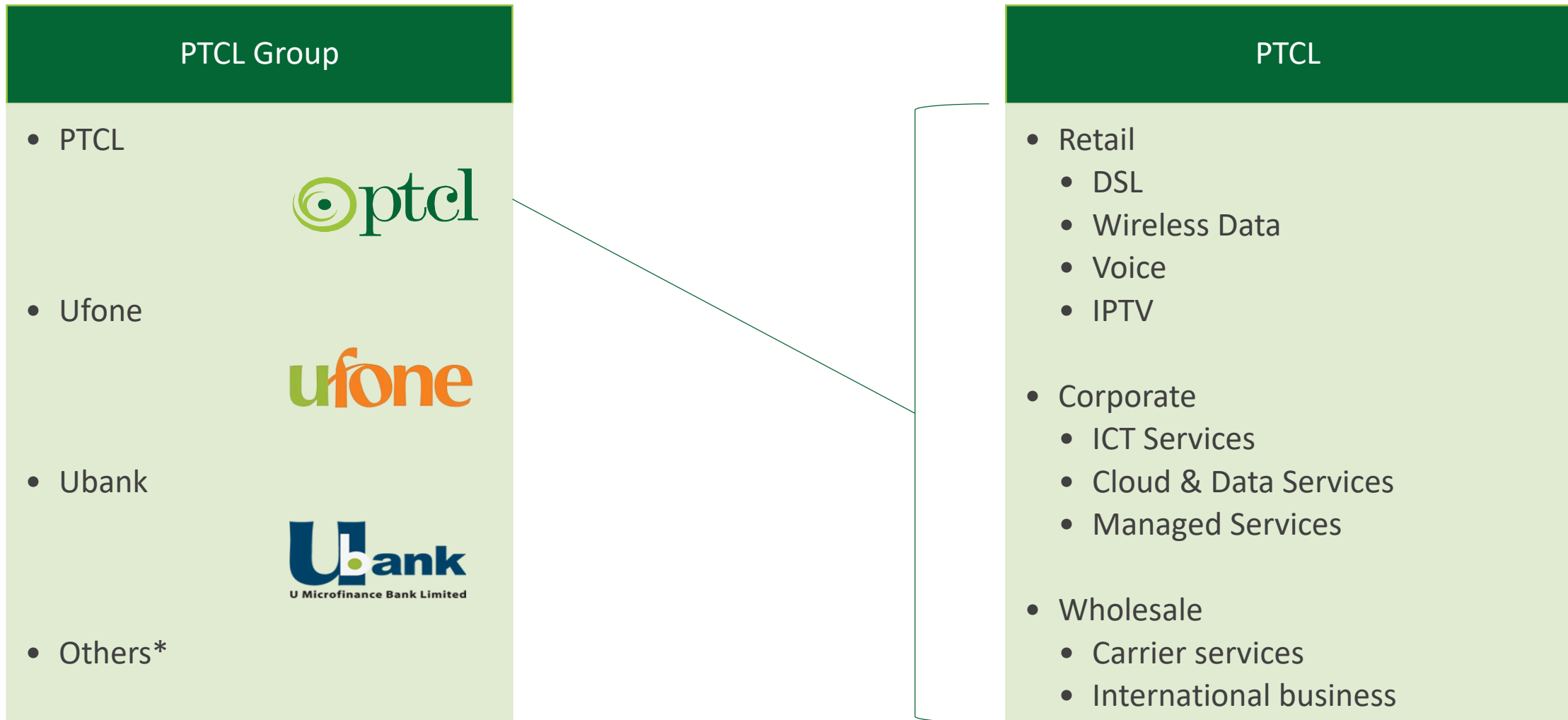
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Business Overview

Dr. Daniel Ritz
President & Chief Executive Officer
PTCL Group



PTCL Group

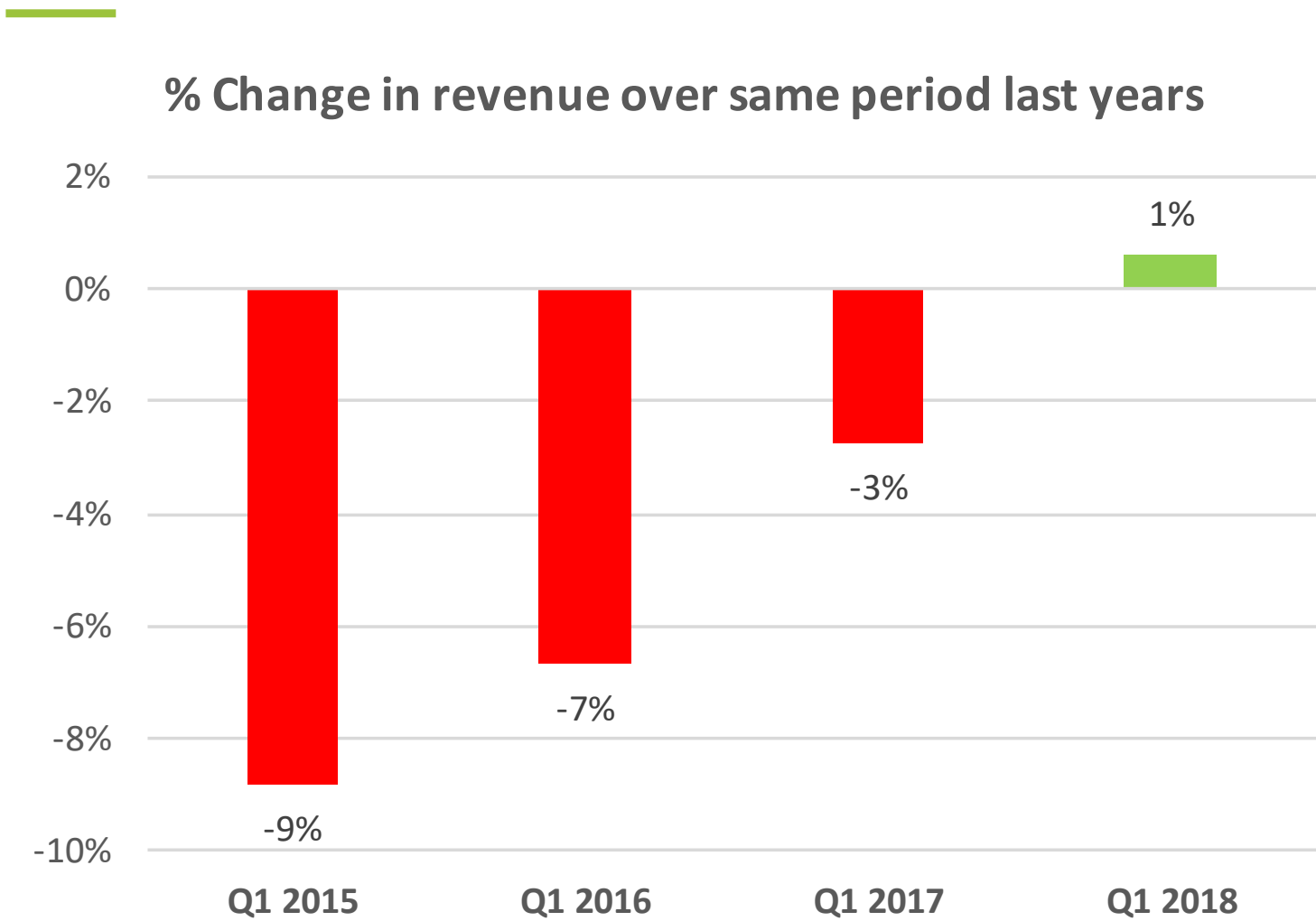
4% Topline Growth with Positive Contributions from all Group Opcos



Description	Q1 2018	% Change YoY (Reported)	% Change YoY (Like for Like)
	Rs. M		
Revenue	30,050	4%	4%
EBITDA	10,241	1%	2%
EBITDA Margin	34%	-1 p.p	-0.6 p.p
Net profit	1,007	-10%	28%
Net Profit Margin	3%	-0.5 p.p	1 p.p

Description	Q1 2018	% Change YoY (Reported)	% Change YoY (Like for Like)
	Rs. M		
Revenue	17,579	1%	1%
EBITDA	5,742	-5%	-4%
EBITDA Margin	33%	-2 p.p	-1.6 p.p
Net profit	1,818	-14%	-12%
Net Profit Margin	10%	-1.7 p.p	-1.6 p.p

Major milestone achieved - PTCL revenue decline arrested



Key Strategic & Operational Highlights



PTCL

- Continued network transformation project - 31 out of top 100 local exchanges upgraded
- Migrated EVO (CDMA) subscribers to Charji (LTE) with free device swap
- Expanded range of partnerships to include Netflix (first in the region) and Microsoft (Cloud Services)

Ufone

- Subscribers growth momentum leading to revenue upside
- Improved network footprint by increasing number of franchises by more than 50% over last 6 months
- Sustained TRI*M score as number 2 operator

Ubank

- Increased branch network to 119 locations especially in rural areas to provide formal banking services to unbanked population
- Accelerated profitable growth - almost doubled revenue YoY along with significant margin expansion
- Initiated process of automating / digitizing its core lending operations
- Received growth equity injection of PKR 1bn from PTCL to support further expansion

Financial Overview

Nadeem Khan

Chief Financial Officer

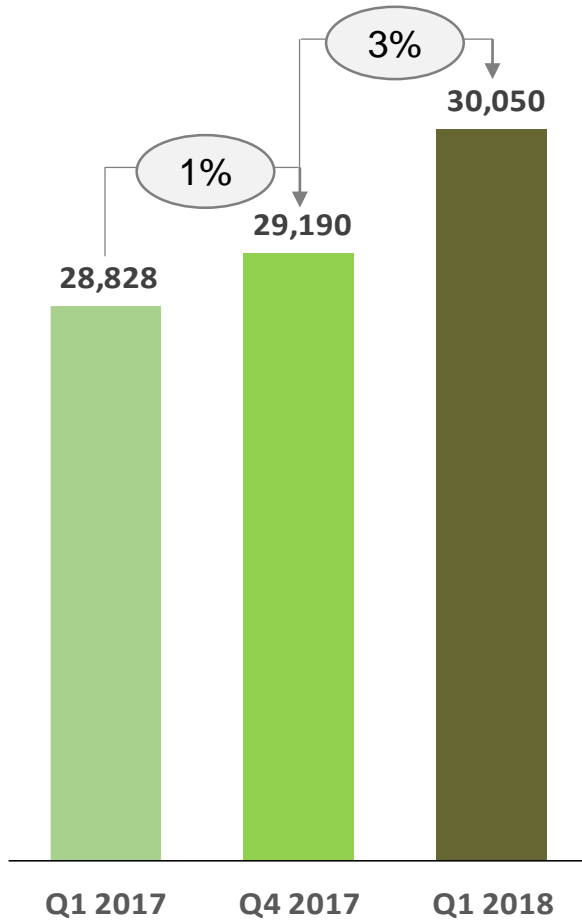
PTCL Group

PTCL Group Key Financials

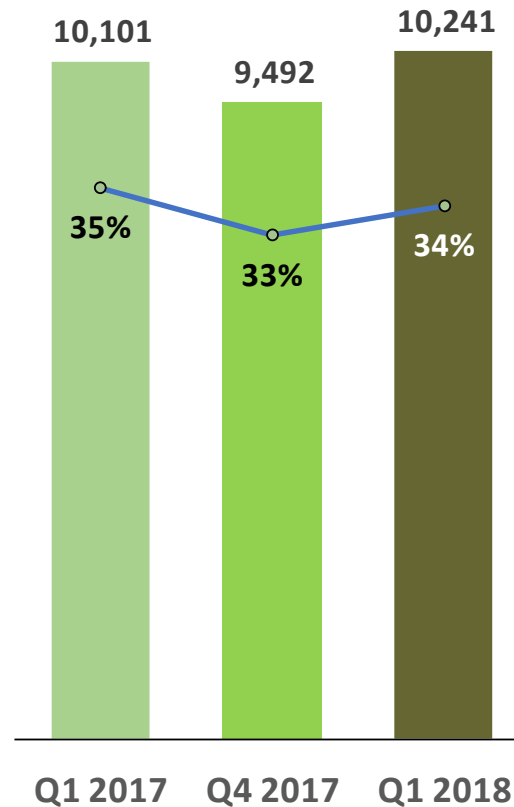
Normalized for negative Forex impact Net Profit up by 28%



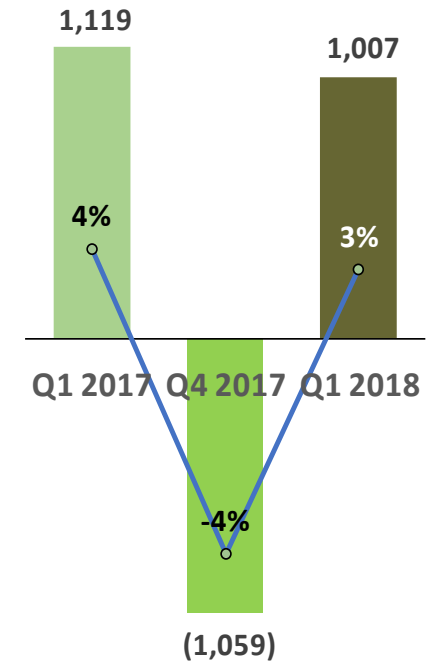
Revenue (Rs. M)



EBITDA & Margin



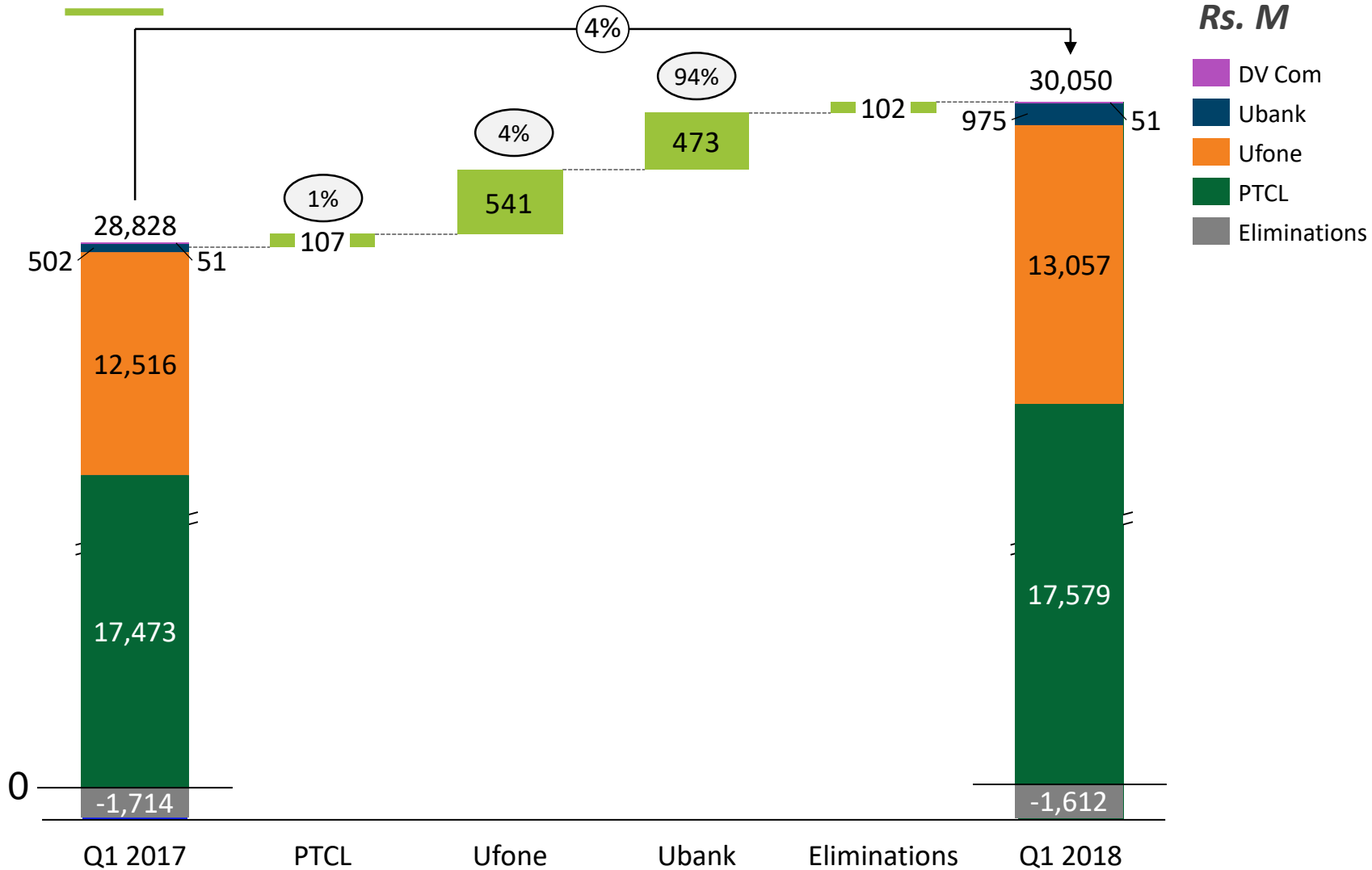
Net Profit & Margin



Net loss in Q4 due to unwinding of discounted 2G License Liability Rs. 2 B

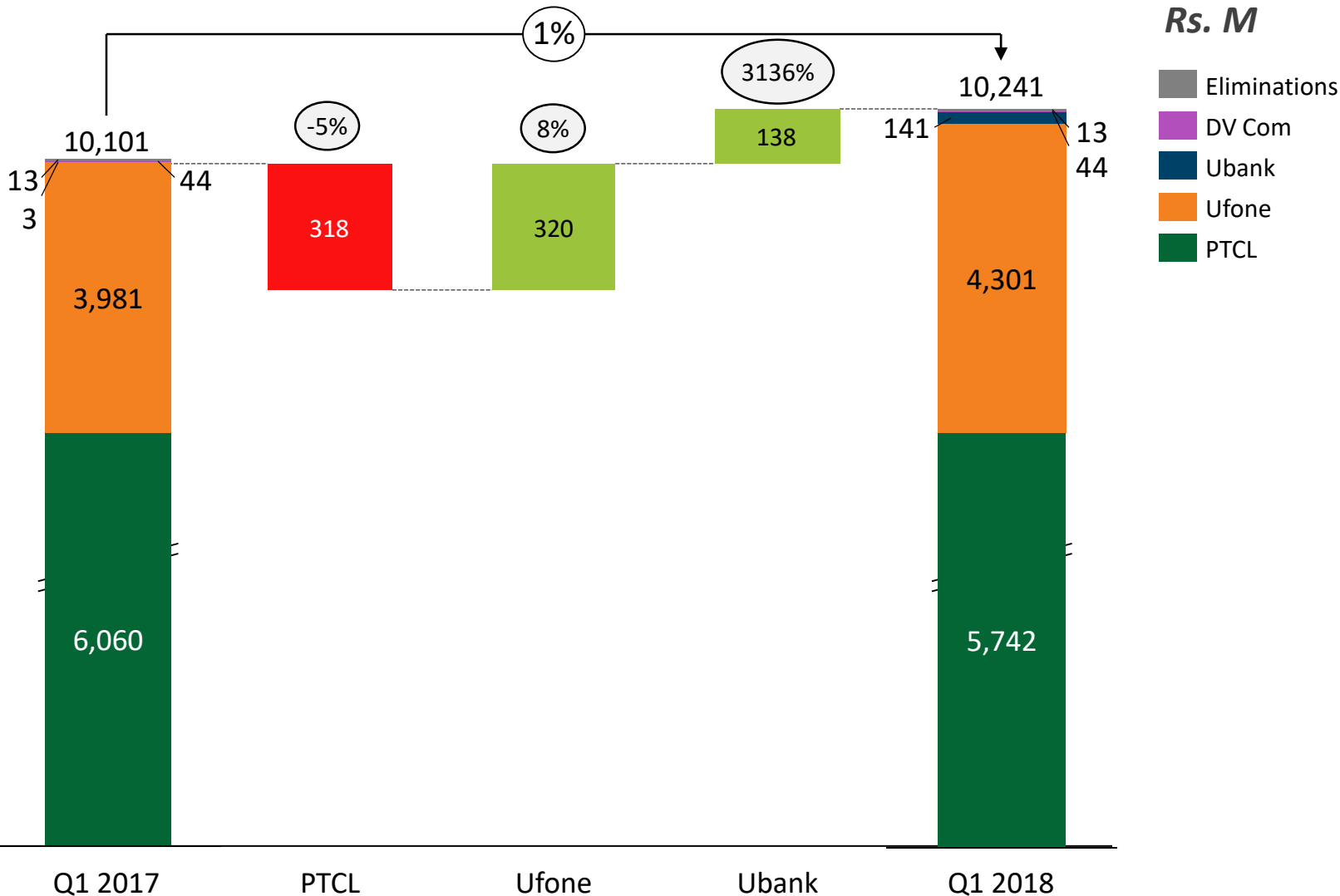
PTCL Group – Revenue Evolution YoY

Revenue growth of 4% contributed by all Group Opcos



PTCL Group – EBITDA Evolution YoY

PTCL takes upfront SAC cost to convert subscribers to LTE. Seasonal marketing activities put pressure on EBITDA

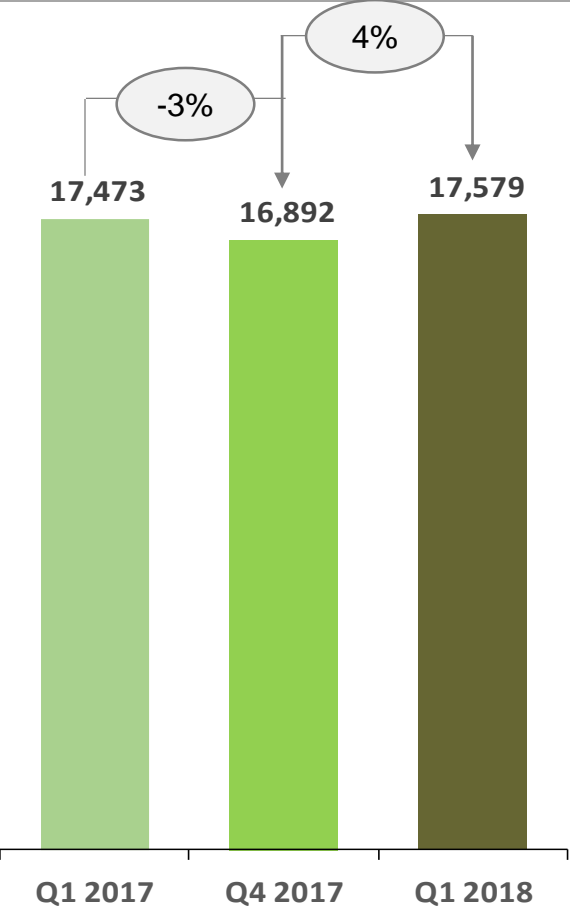


PTCL Key Financials

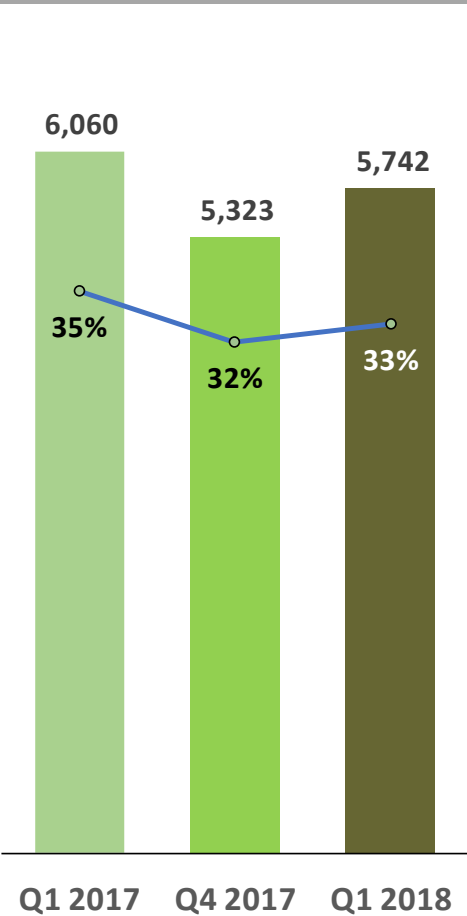
Lower Net profit driven by lower Non-operating Income due to VSS, Pension Trust funding and CAPEX payments during last year



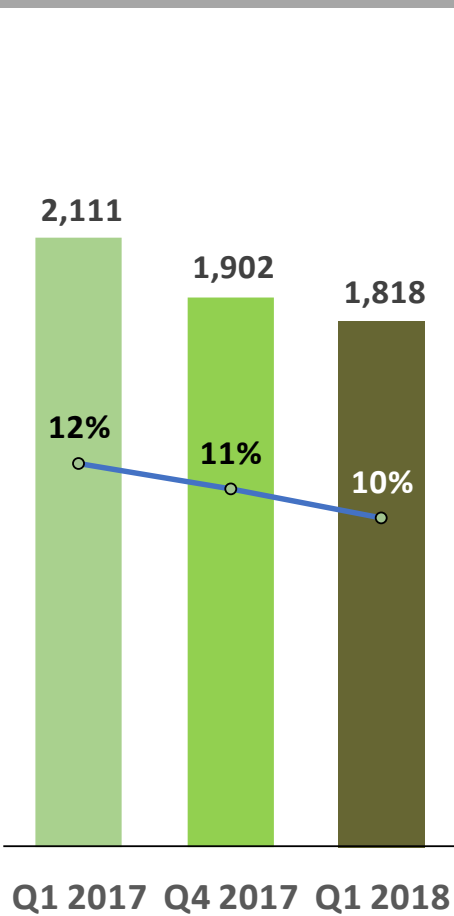
Revenue (Rs. M)



EBITDA & EBITDA Margin

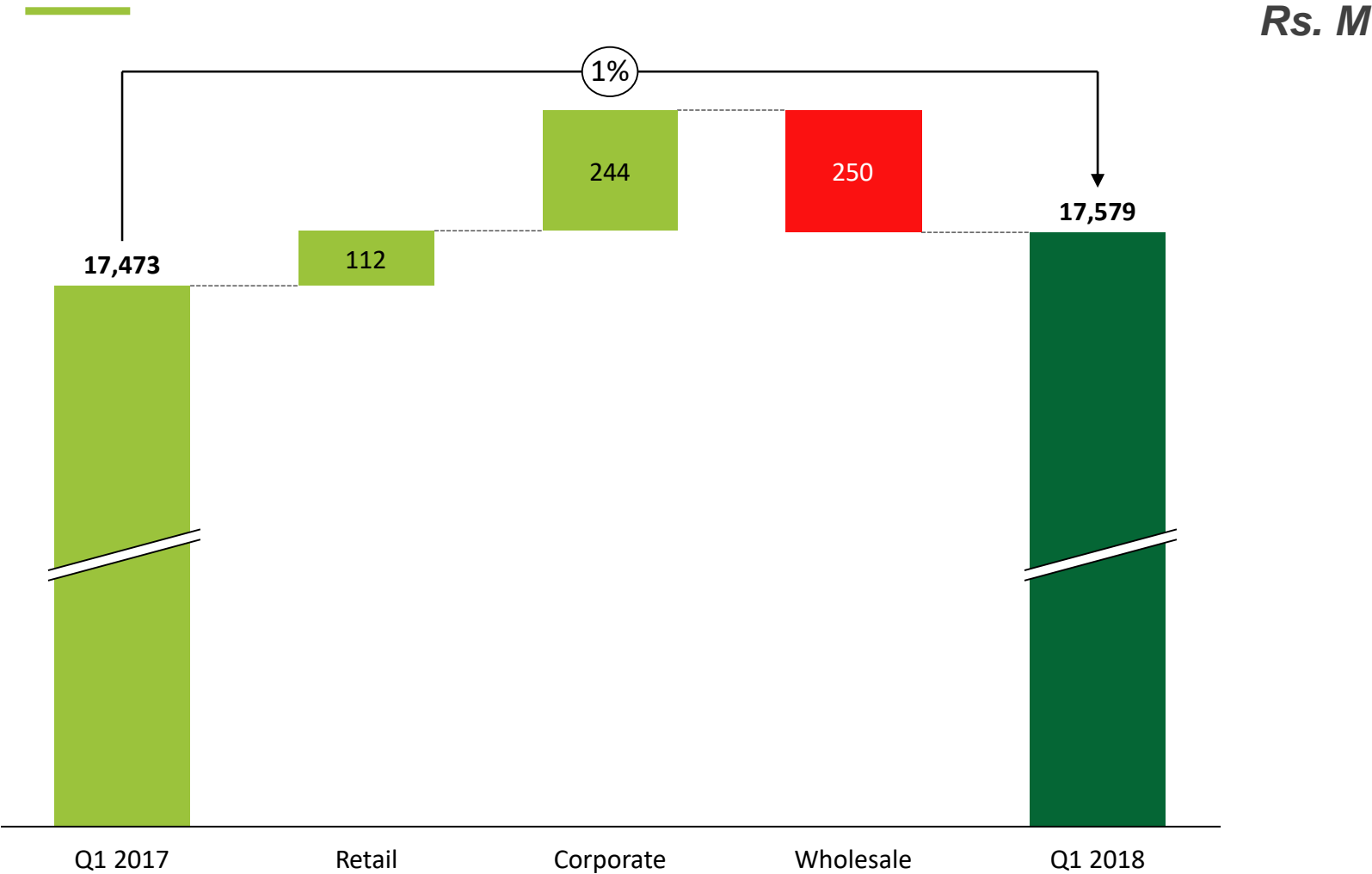


Net Profit & Margin



PTCL – Revenue Evolution YoY

Revenue growth by 1% YoY for the first time since Q2 2014

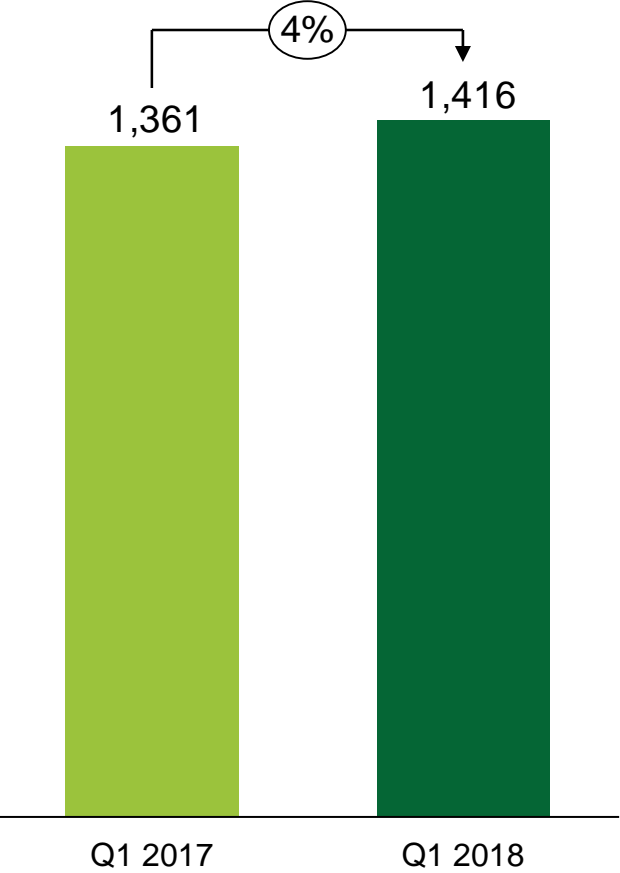


DSL Revenue

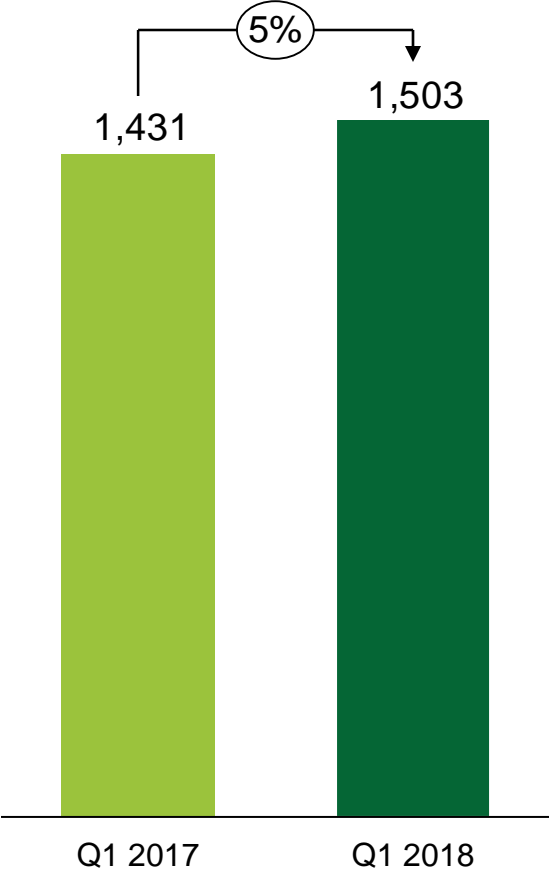
Strong DSL Revenue Growth Driven by Network Transformation



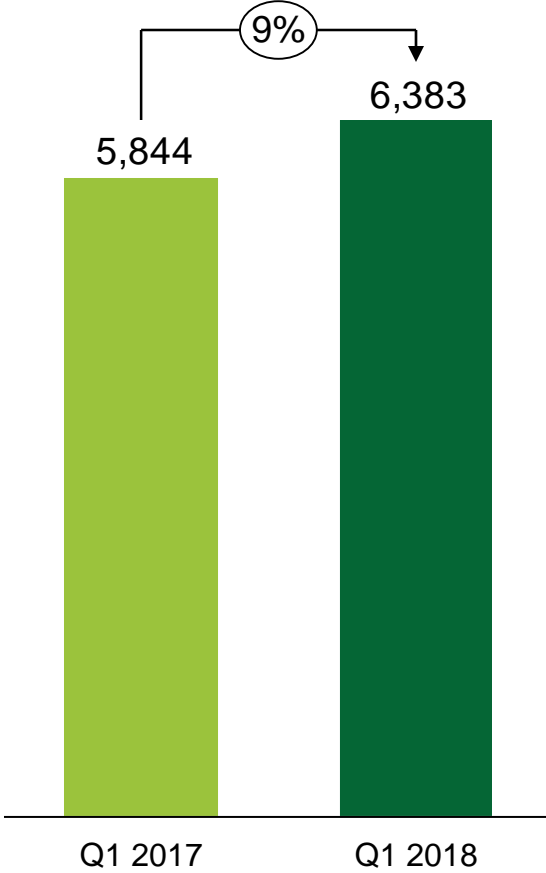
Avg. Subscribers ('000)



ARPU (Rs.)

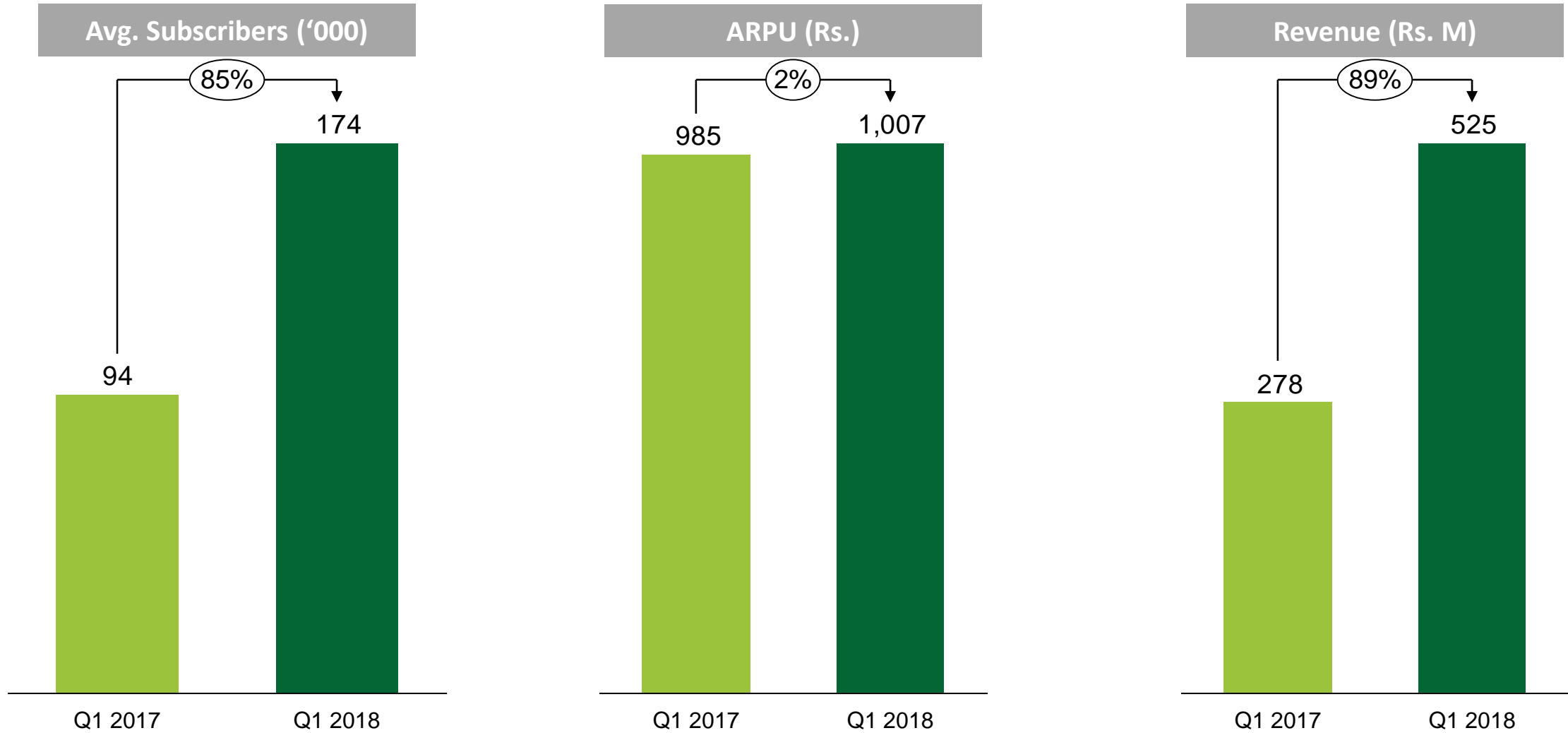


Revenue (Rs. M)



Charji Revenue (LTE)

LTE Delivering in Key Markets

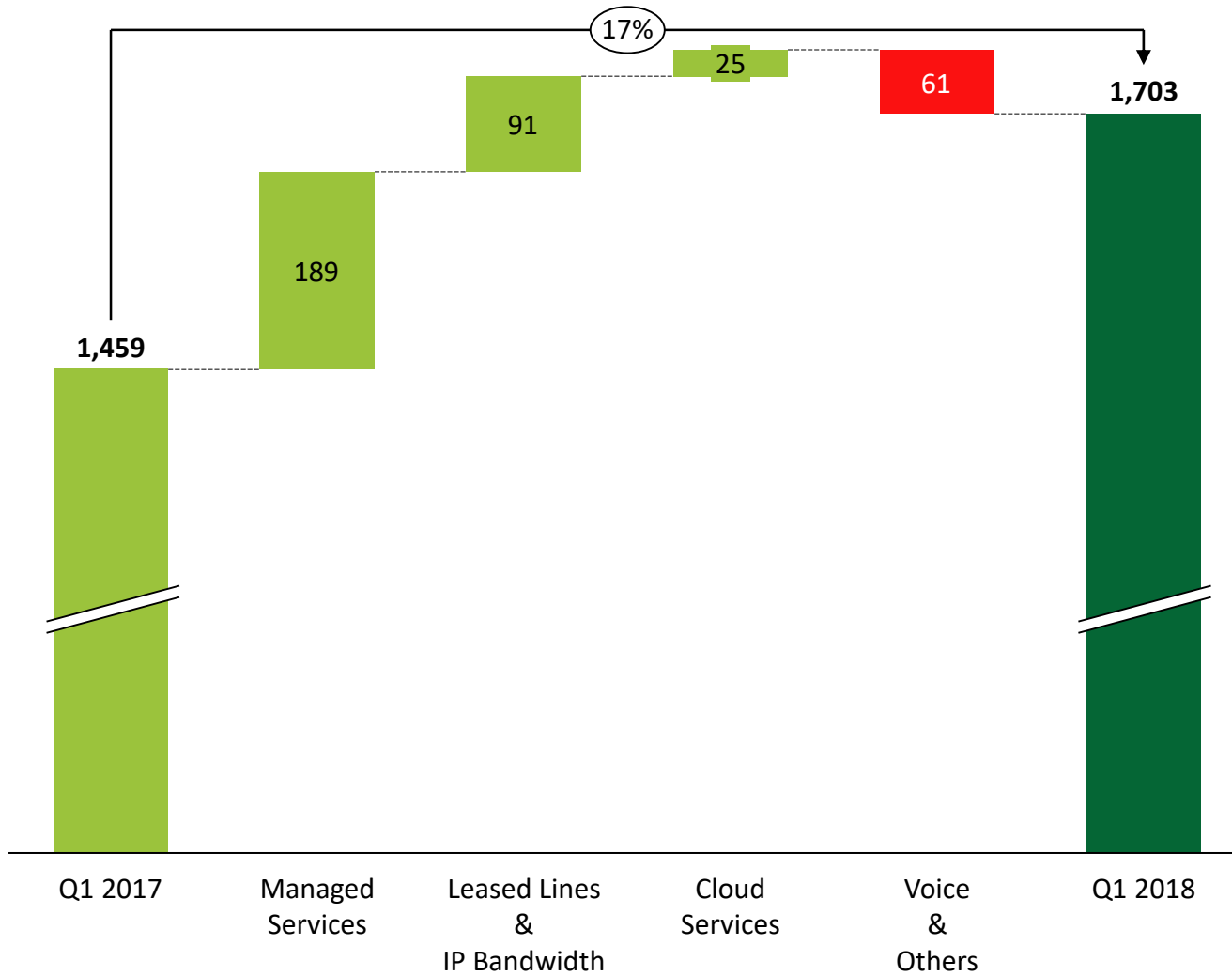


Corporate Revenue

Accelerating Growth by Offering New Services

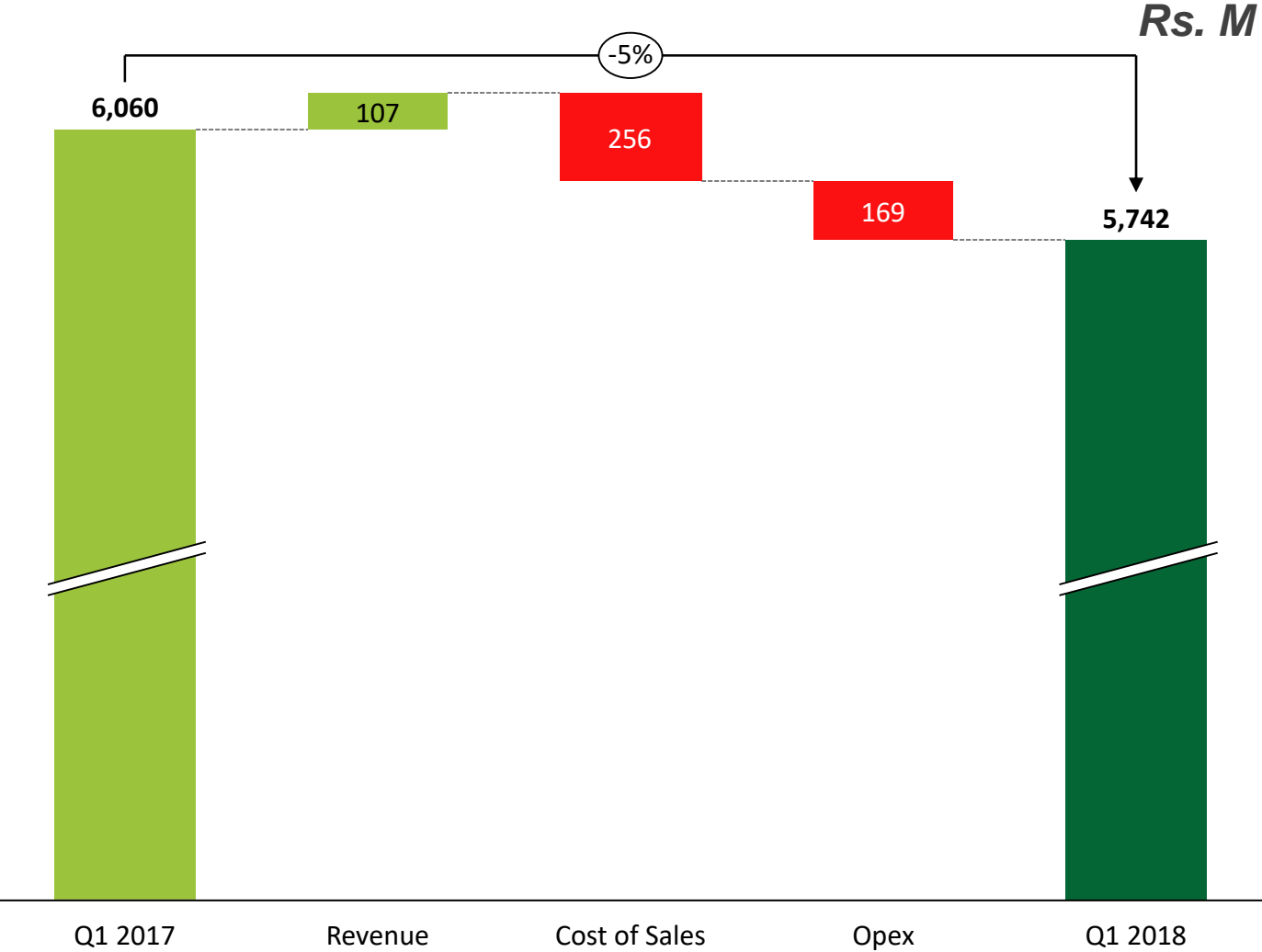


Rs. M



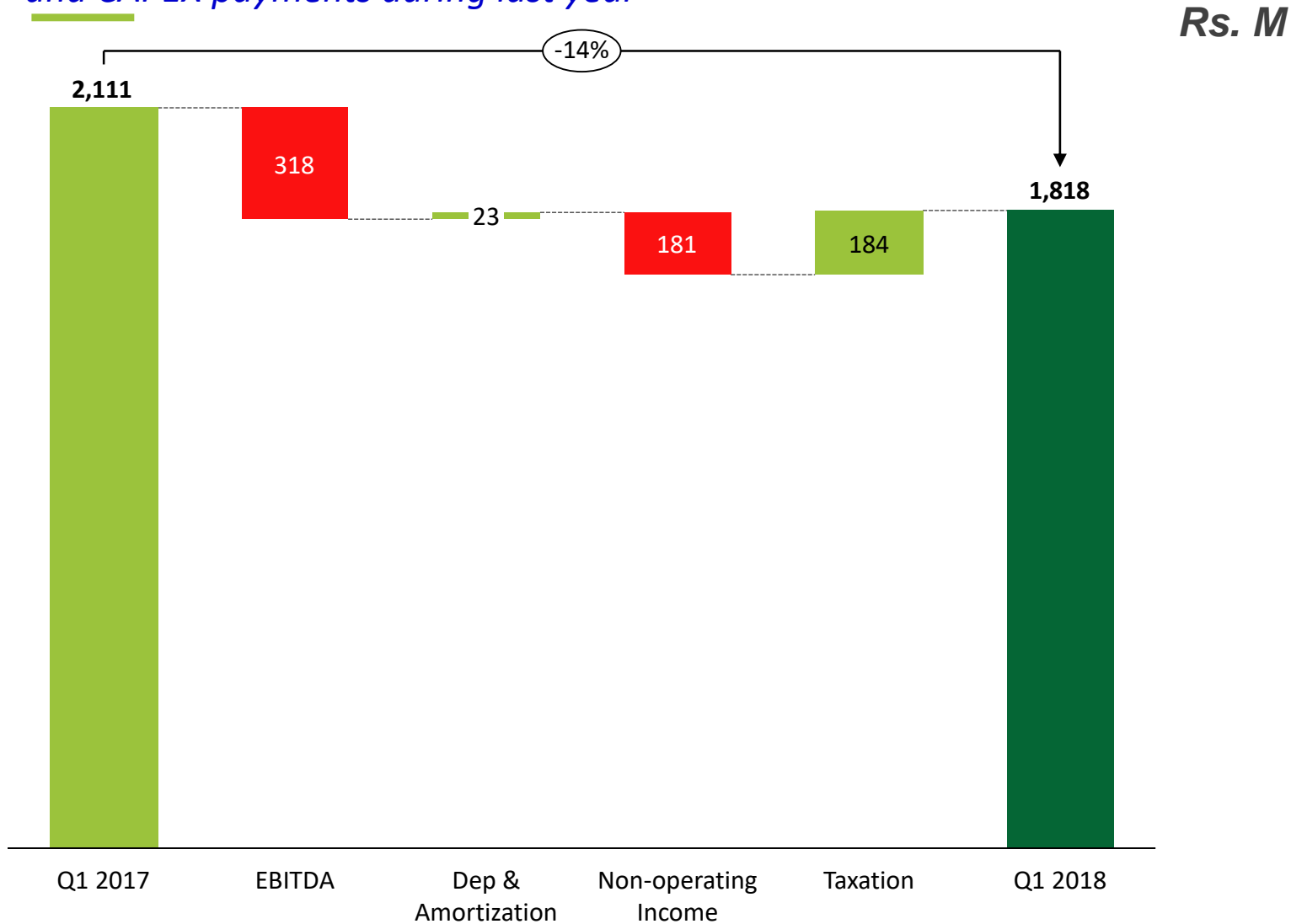
PTCL – EBITDA Evolution YoY

PTCL takes upfront SAC Cost to convert subscribers to LTE. Seasonal marketing activities put pressure on EBITDA



PTCL – Net Profit Evolution YoY

Lower Net profit driven by lower Non-operating Income due to VSS, Pension Trust funding and CAPEX payments during last year



Balance Sheet & Cash flow

Strong Unleveraged Balance Sheet



Balance Sheet		
Description	Dec-17	Mar-18
	Rs Million	
Non Current Assets	116,098	116,315
Cash & Cash Equivalents	19,851	21,204
Current Assets	71,250	73,463
Total Assets	187,348	189,778
Share capital	51,000	51,000
Reserves	34,102	35,936
Equity	85,102	86,936
Employees retirement benefits	23,504	24,153
Deferred government grants	8,060	7,942
Non-current liabilities	39,263	39,464
Current liabilities	62,984	63,378
Total Liabilities	102,247	102,842
Total Liabilities & Equity	187,348	189,778

Cash Flow Statement		
Description	Mar-17	Mar-18
	Rs Million	
Cash generated from operations	8,530	6,491
Employees retirement benefits paid	(228)	(242)
Payment of voluntary separation scheme	(4,652)	(3)
Cash inflows from operating activities	1,134	4,689
Capital expenditure	(2,832)	(1,651)
Acquisition of intangible assets	(51)	(121)
Long term loans and advances	(880)	(866)
Long term investment in Ubank	-	(1,000)
Cash Inflow/(outflow) from investing activities	(2,578)	(251)
Dividend paid	(5)	(3)
Net inc/(dec) in cash and cash equivalents	(1,448)	4,434
Opening Cash and cash equivalents	5,902	16,770
Closing Cash and cash equivalents	4,454	21,204

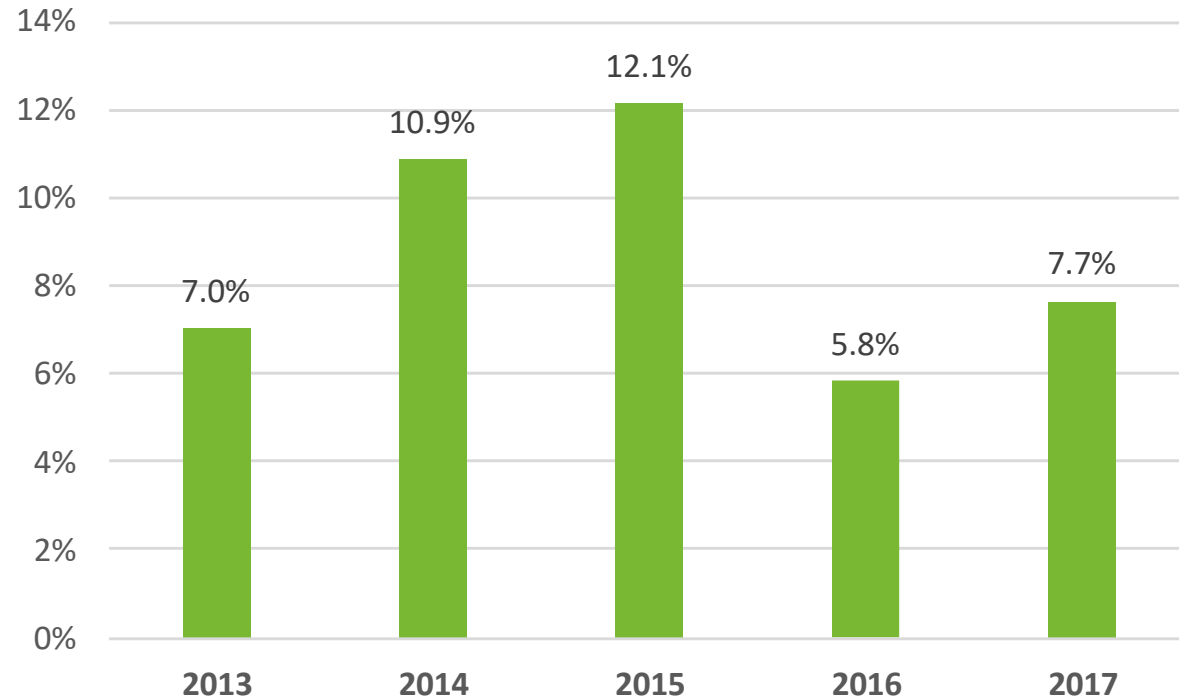
Short term investment in Q 1 17 of Rs. 23 B (not included in above Cash & Cash equivalent - maturity > 3 months)

Dividend yield

Last five years ranges from 5.8% to 12.1%



Dividend yield



Summary & Conclusion

Dr. Daniel Ritz
President & Chief Executive Officer
PTCL Group

Summary & Conclusion



- *PTCL Group has returned to revenue growth with all three operating companies contributing*
- *Net profit of PTCL group up significantly year-over-year on constant currency basis*
- *PTCL revenue decline has been arrested, key growth drivers are DSL, Charji and Corporate*
- *Phasing of SAC and marketing spend weighing on PTCL quarterly EBITDA, net profit down year-over year due to lower non-operating income*
- *PTCL share offering attractive dividend yield of 8%*

Questions & Answers

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THANK YOU