



PTCL Investor Call

Financial Results for Q2 2018

26th July, 2018

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Business Overview

Dr. Daniel Ritz
President & Chief Executive Officer
PTCL Group



PTCL Group

2% QoQ and 3% YoY Topline Growth with Positive Contributions from all Group Opcos



<i>PKR Million</i>	Q2 2018	Change %		HY 2018	Change %
		YoY	QoQ	Rs. M	YoY
Revenue	30,612	3%	2%	60,662	4%
EBITDA	10,112	3%	-1%	20,353	2%
EBITDA Margin	33%	0 p.p	-1 p.p	34%	-0.5 p.p
Net Profit	1,131	-59%	12%	2,138	-45%
Net Profit Margin	4%	-5.5 p.p	0.3 p.p	4%	-3.1 p.p
Net Profit like-for-like	1,663	32%	7%	3,223	28%

PTCL

PTCL continues QoQ revenue growth after arresting the decline last year



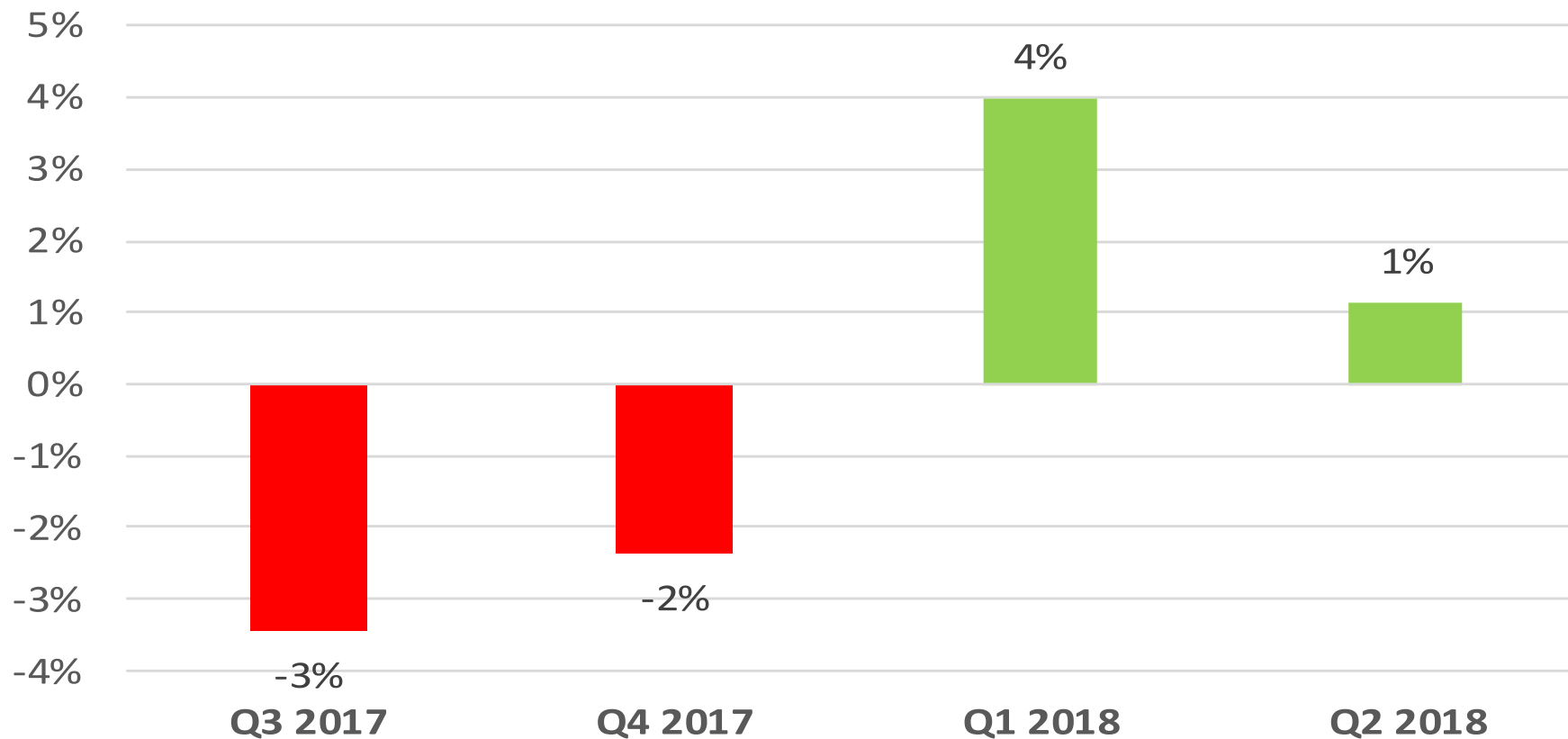
PKR Million	Q2 2018	Change %		HY 2018	Change %
		YoY	QoQ	Rs. M	%
Revenue	17,779	-1%	1%	35,358	0%
EBITDA	5,430	-5%	-5%	11,172	-5%
EBITDA Margin	31%	-1.4 p.p	-2.1 p.p	32%	-1.7 p.p
Net Profit	1,873	-26%	3%	3,690	-21%
Net Profit Margin	11%	-3.7 p.p	0.2 p.p	10%	-2.7 p.p
Net Profit like-for-like	1,848	-9%	-4%	3,770	-12%

PTCL Revenue stabilized

Growth in DSL, CharJi & Corporate Services



% Change in Revenue QoQ



Key Strategic & Operational Highlights



PTCL

- Network transformation project for top 100 local exchanges continues – DSL subscriber and revenue growth
- Continued migration of EVO (CDMA) subscribers to Charji (LTE) with device swap - double digit growth
- Corporate growth mainly driven by Managed Services and Cloud based solution

Ufone

- Subscribers growth momentum leading to revenue upside – increase in market and value share
- Increased 3G network footprint by upgrading network sites
- Sustained TRI*M score as number 2 operator

Ubank

- Increased branch network to 130 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
- Increase in deposit base by 20% in Q 2 only.

Financial Overview

Nadeem Khan

Chief Financial Officer

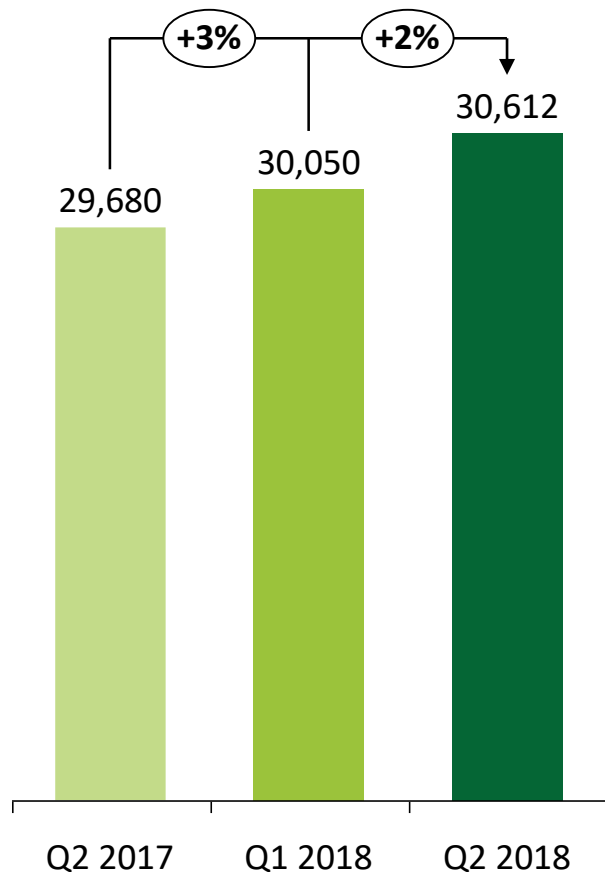
PTCL Group

PTCL Group Key Financials

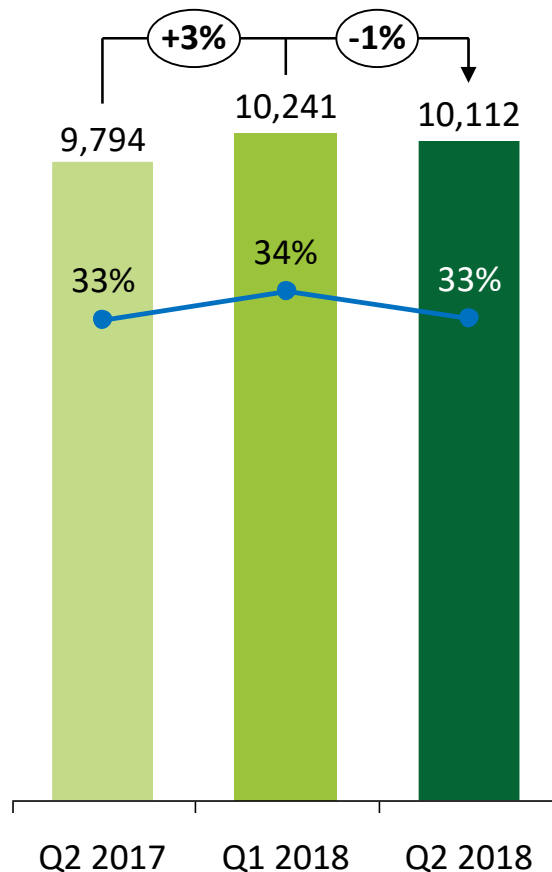
Normalized for negative Forex impact Net Profit up by 32% instead of 59% decline as reported



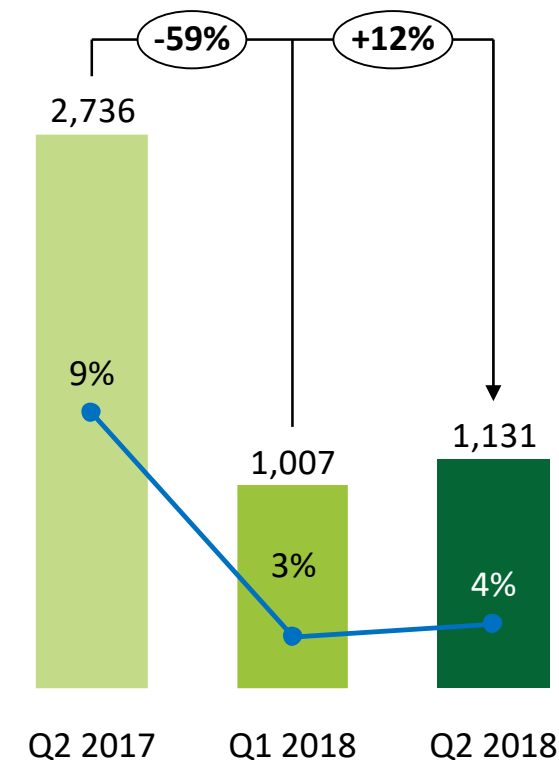
Revenue (PKR M)



EBITDA & Margin



Net Profit & Margin

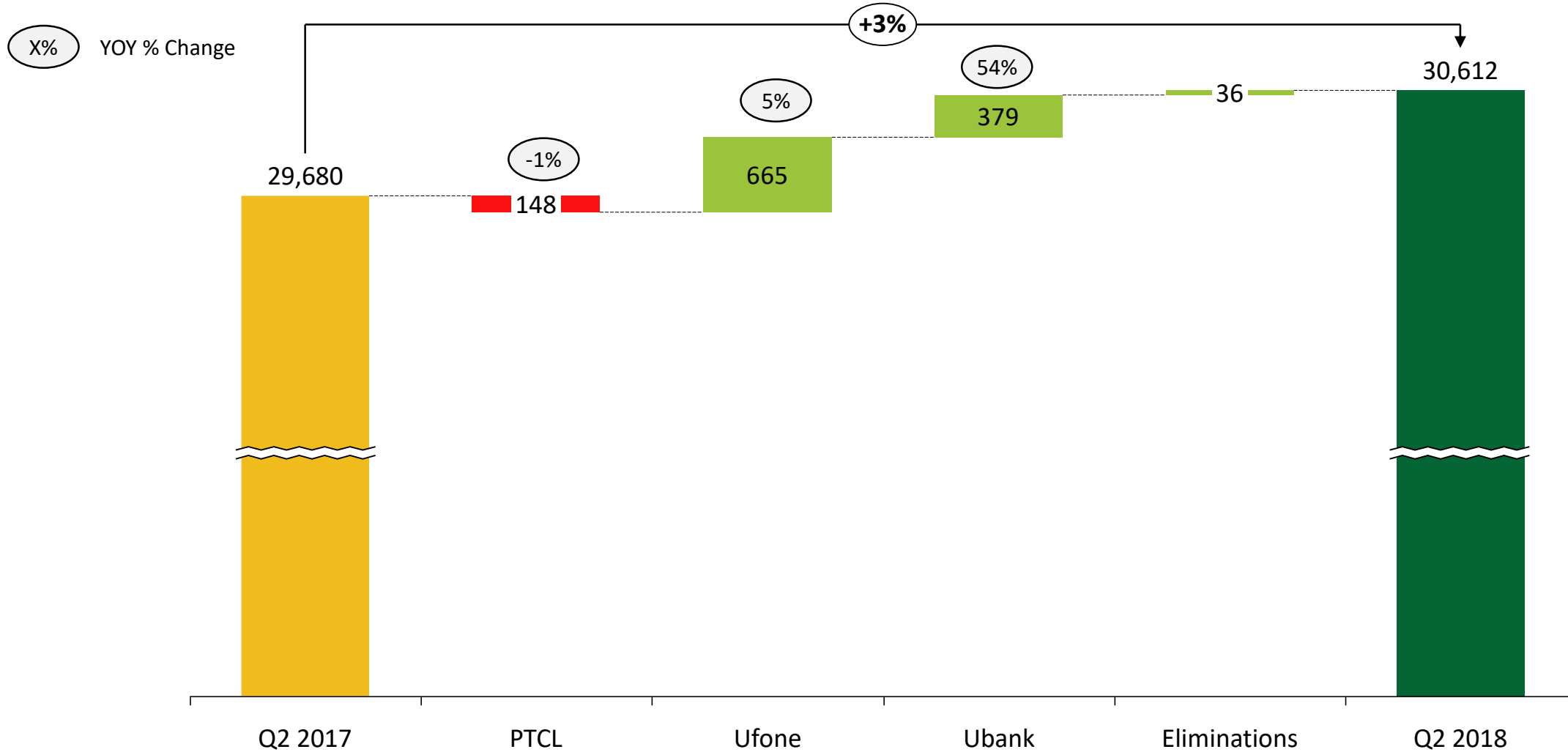


PTCL Group – Revenue Evolution YoY

Revenue growth of 3% despite tough competition in cellular market and decline in fixed voice



PKR Million

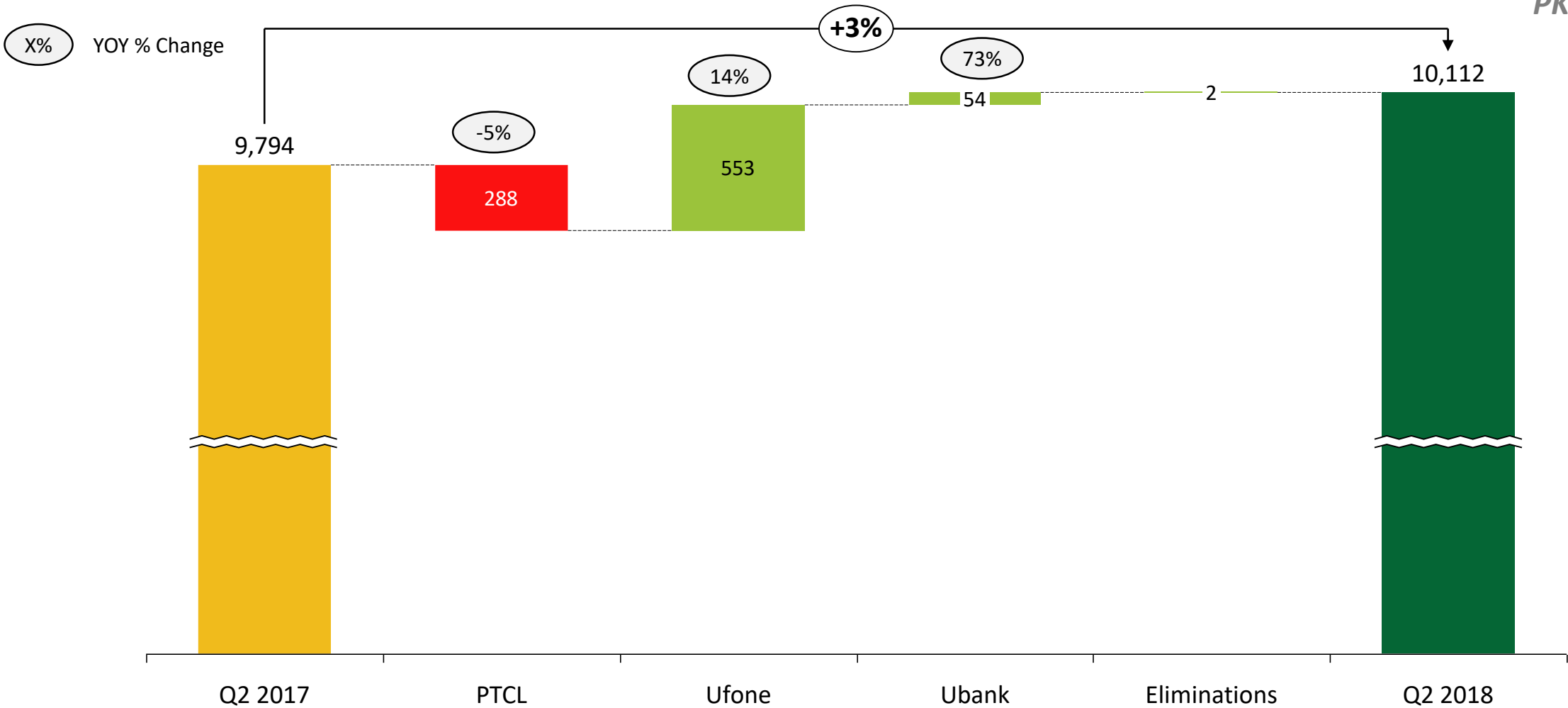


PTCL Group – EBITDA Evolution YoY

Growth of 3% mainly driven by growth in revenues



PKR Million

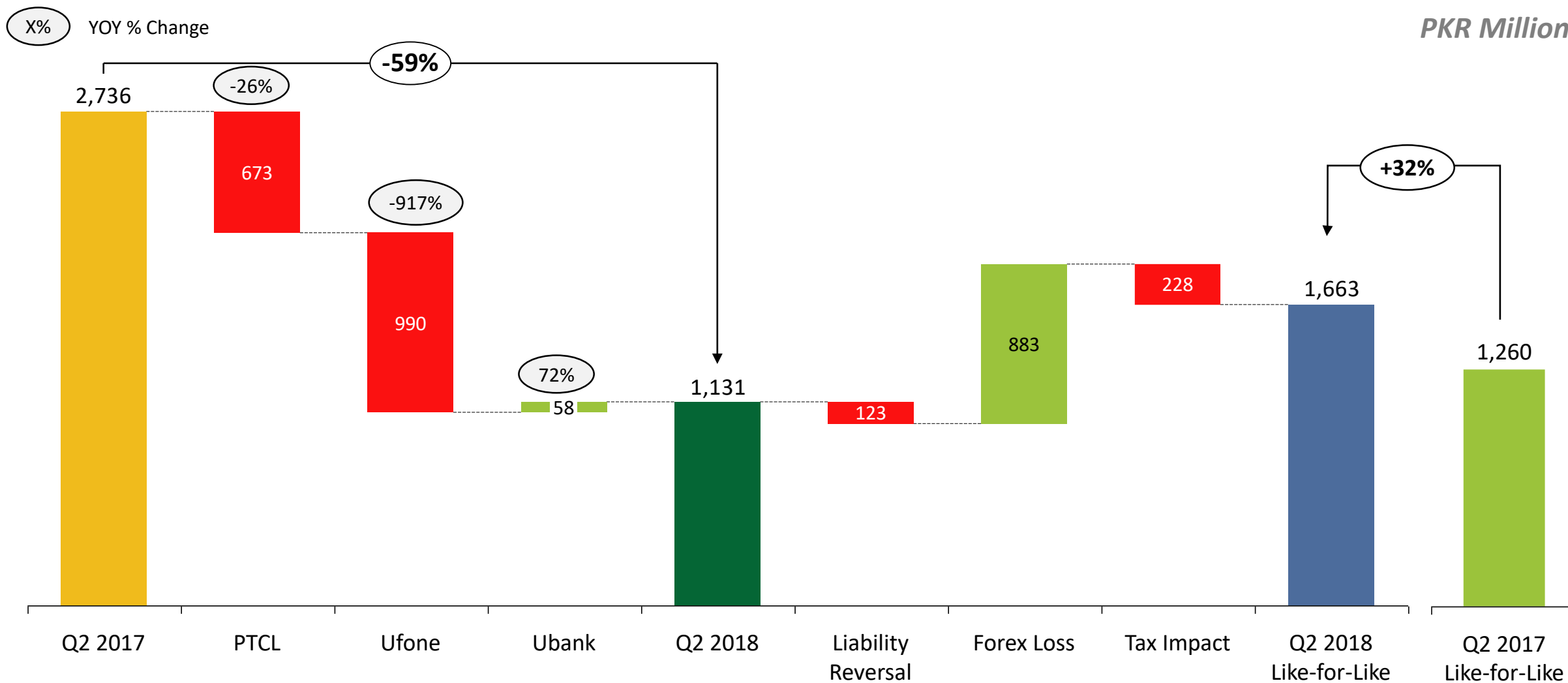


PTCL Group – Net Profit Evolution YoY

Normalized for negative Forex impact Net Profit up by 32% instead of 59% decline as reported



PKR Million

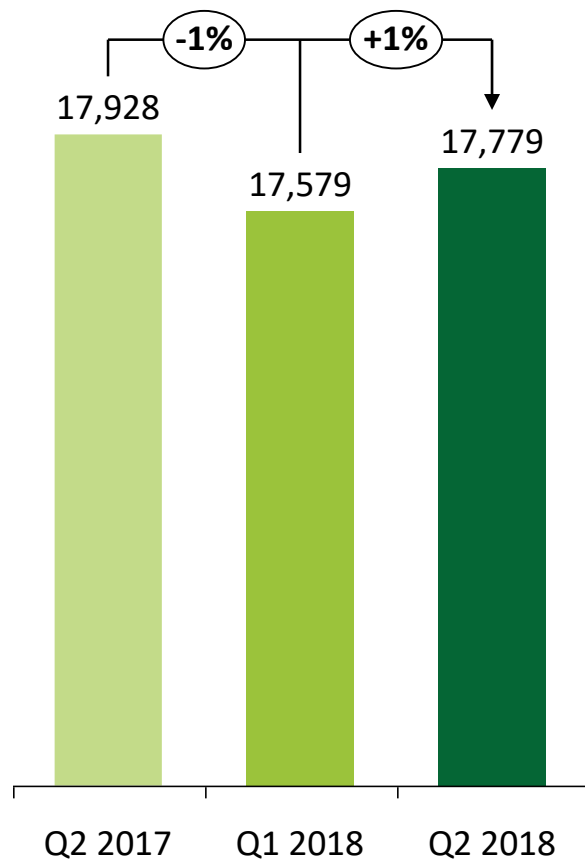


PTCL Key Financials

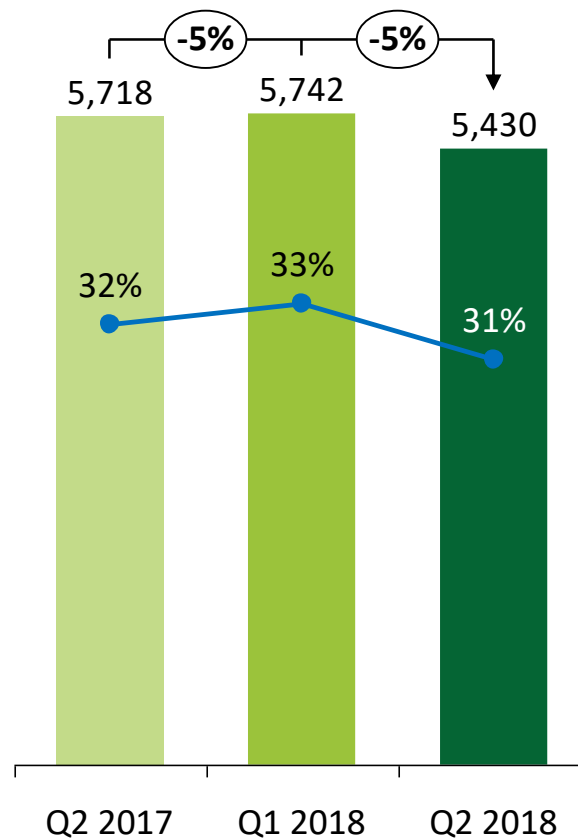
Higher SAC and Cable & Media cost put pressure on EBITDA



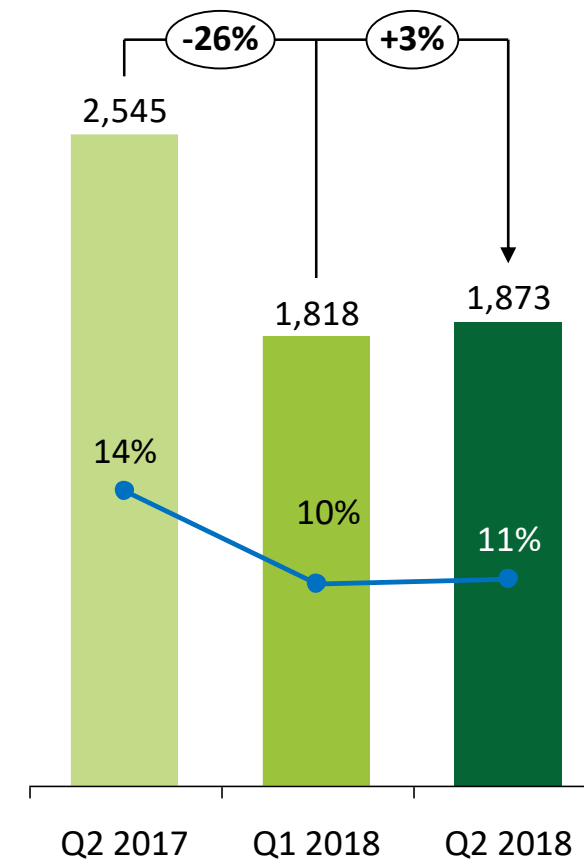
Revenue (PKR M)



EBITDA & EBITDA Margin



Net Profit & Margin



PTCL Revenue

Wireline Data, CharJi and Corporate continue to contribute positively



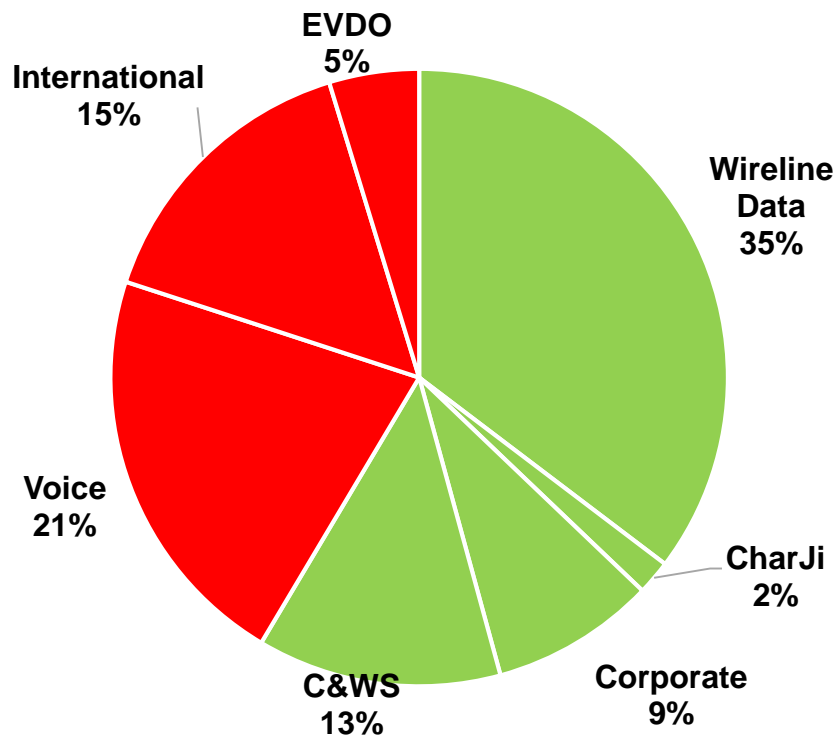
<i>PKR Million</i>	Q2 2018	Change %	
		YoY	QoQ
Wireline Data	6,737	6%	2%
Wireless Data	819	-30%	-10%
CharJi	572	77%	9%
EVDO	247	-71%	-37%
Voice	3,638	-6%	-5%
Retail	11,194	-1%	-1%
Corporate Services	1,725	12%	1%
Wholesale	4,860	-3%	8%
Total	17,779	-1%	1%

PTCL – Growing Vs Shrinking Segments

Share of growing segments increased from 59% to 63%

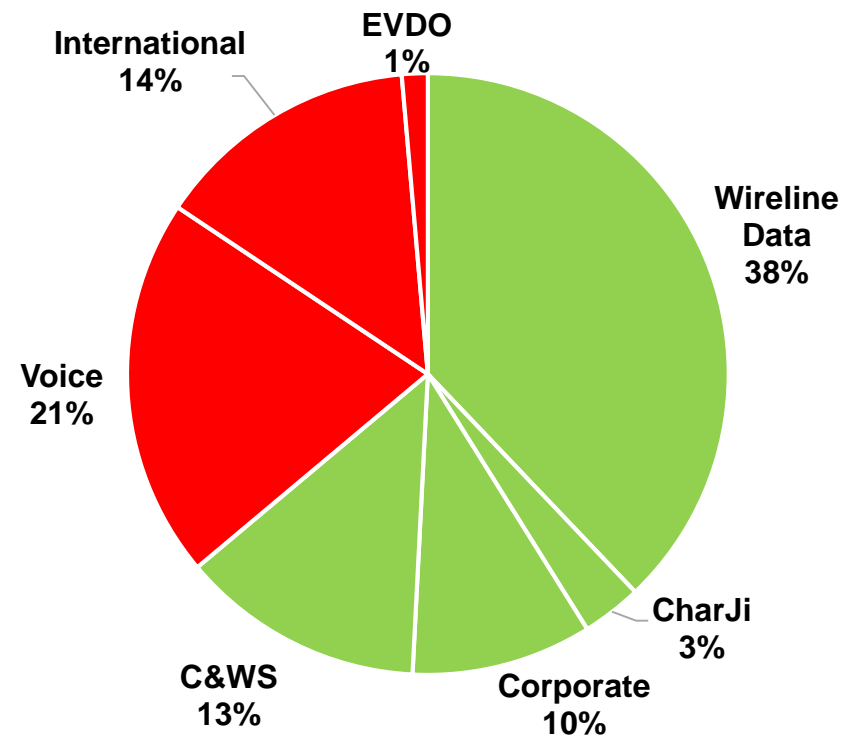


Q2 2017



Growing segments 59%
Shrinking segments 41%

Q2 2018



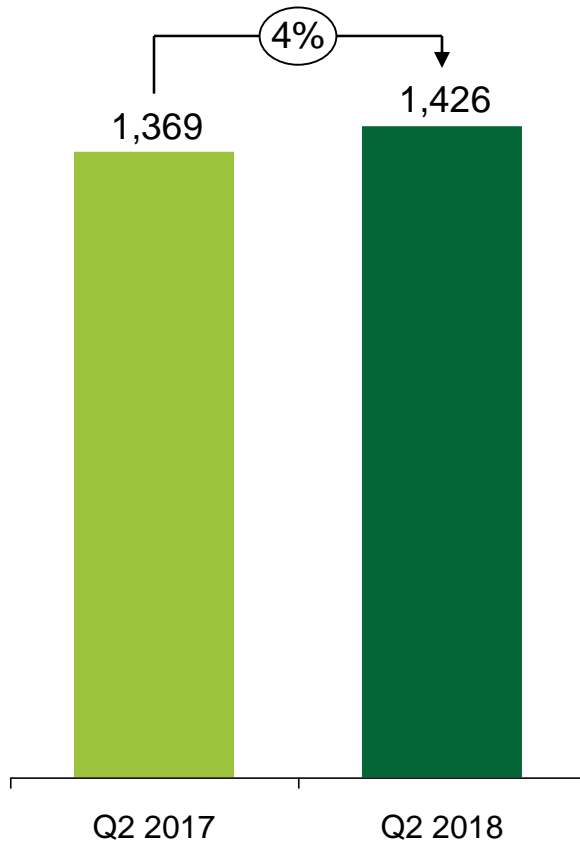
Growing segments 63%
Shrinking segments 37%

DSL Revenue

Higher than average DSL revenue growth in transformed exchanges



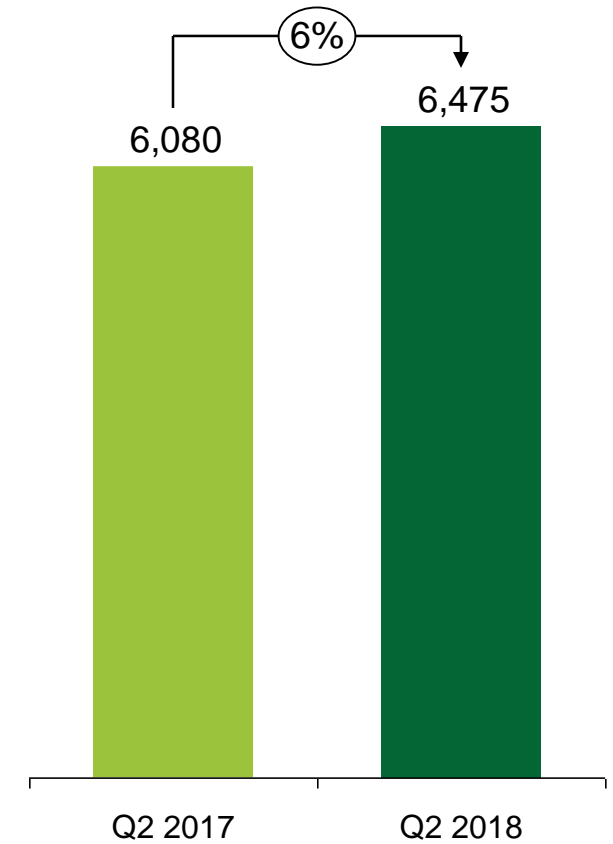
Avg. Subscribers ('000)



ARPU (PKR)



Revenue (PKR M)

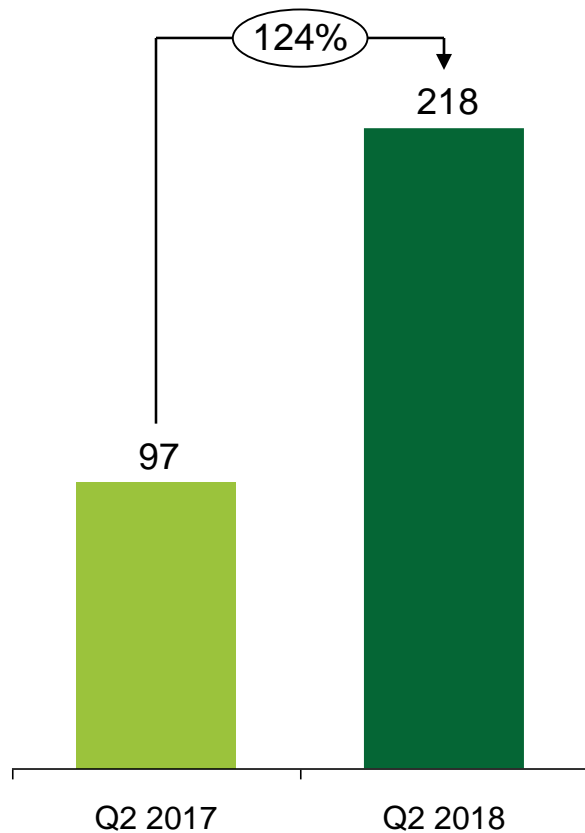


CharJi Revenue (LTE)

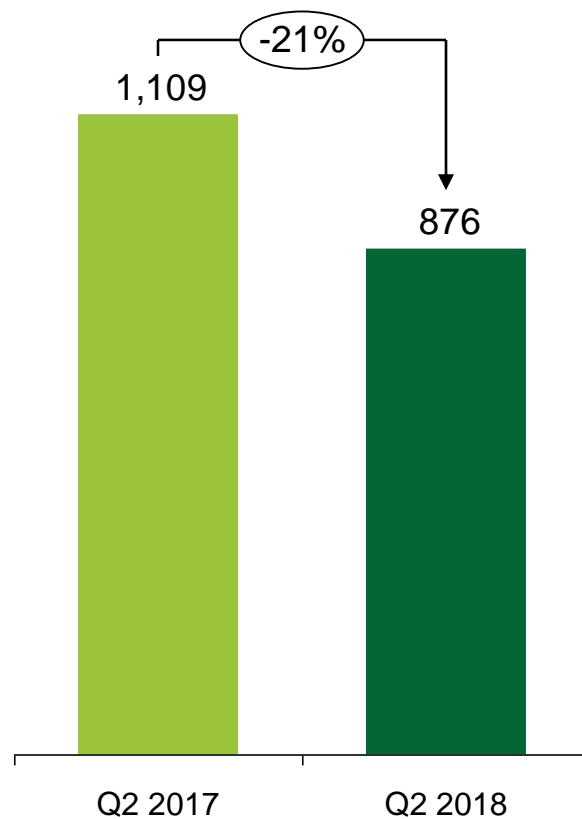
Double Digit Growth Continues



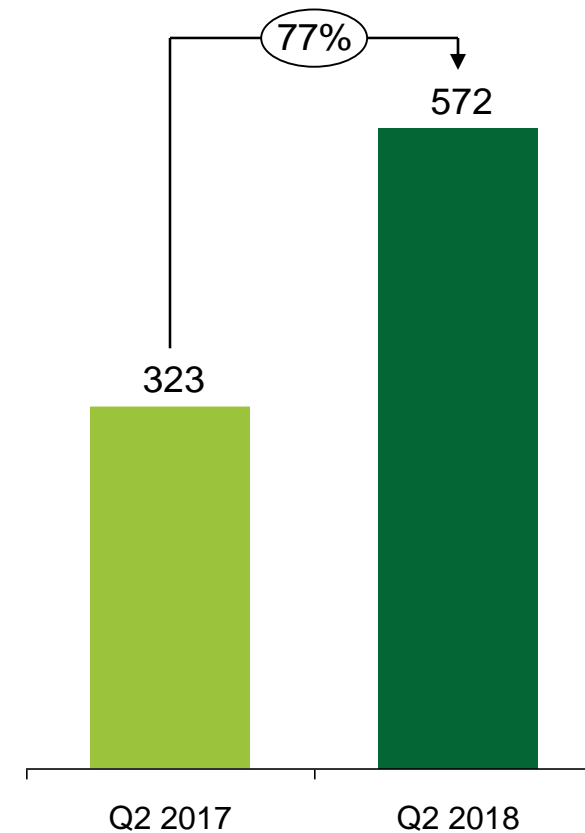
Avg. Subscribers ('000)



ARPU (PKR)



Revenue (PKR M)

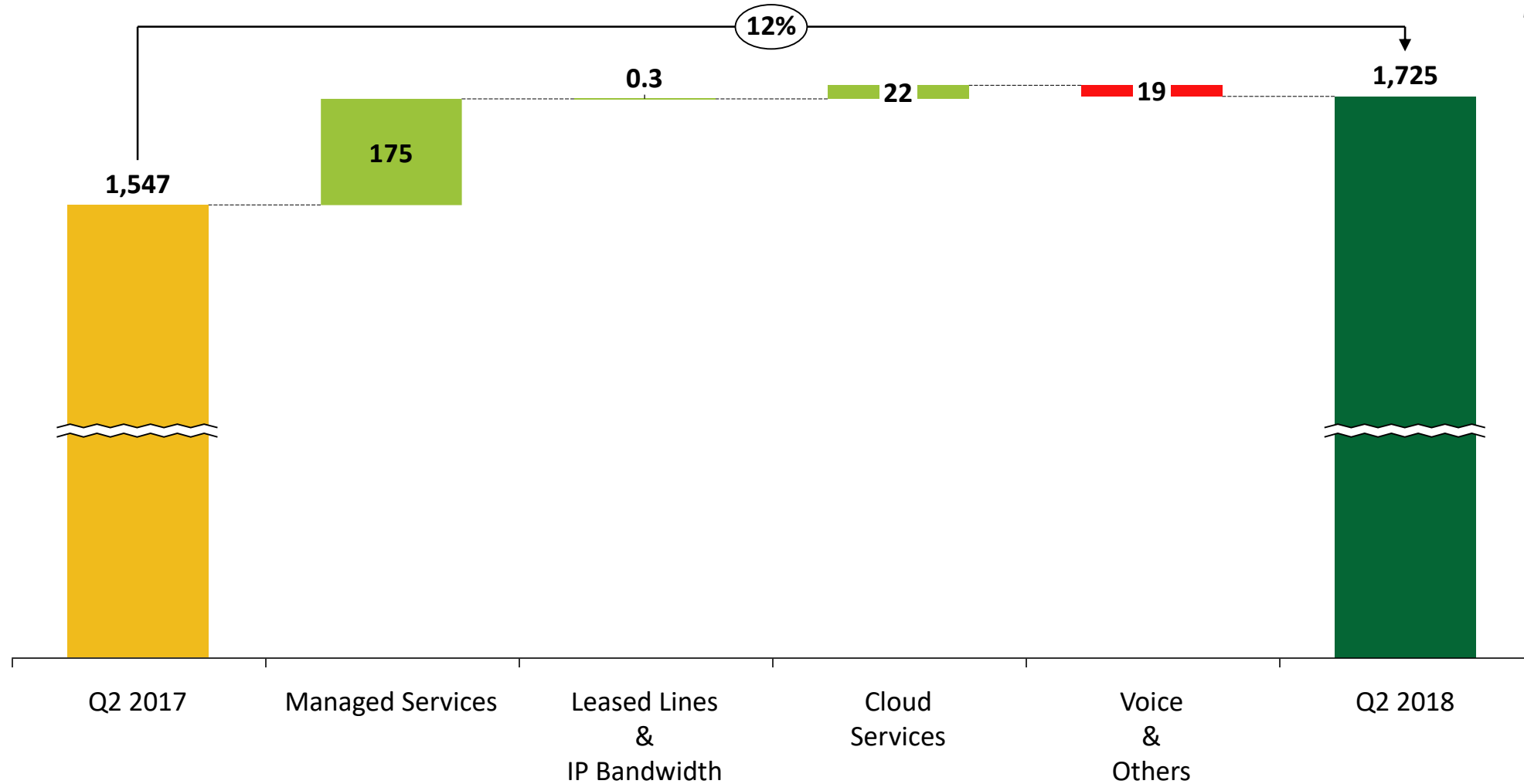


Corporate Revenue

Accelerating Growth by Offering New Services



PKR Million

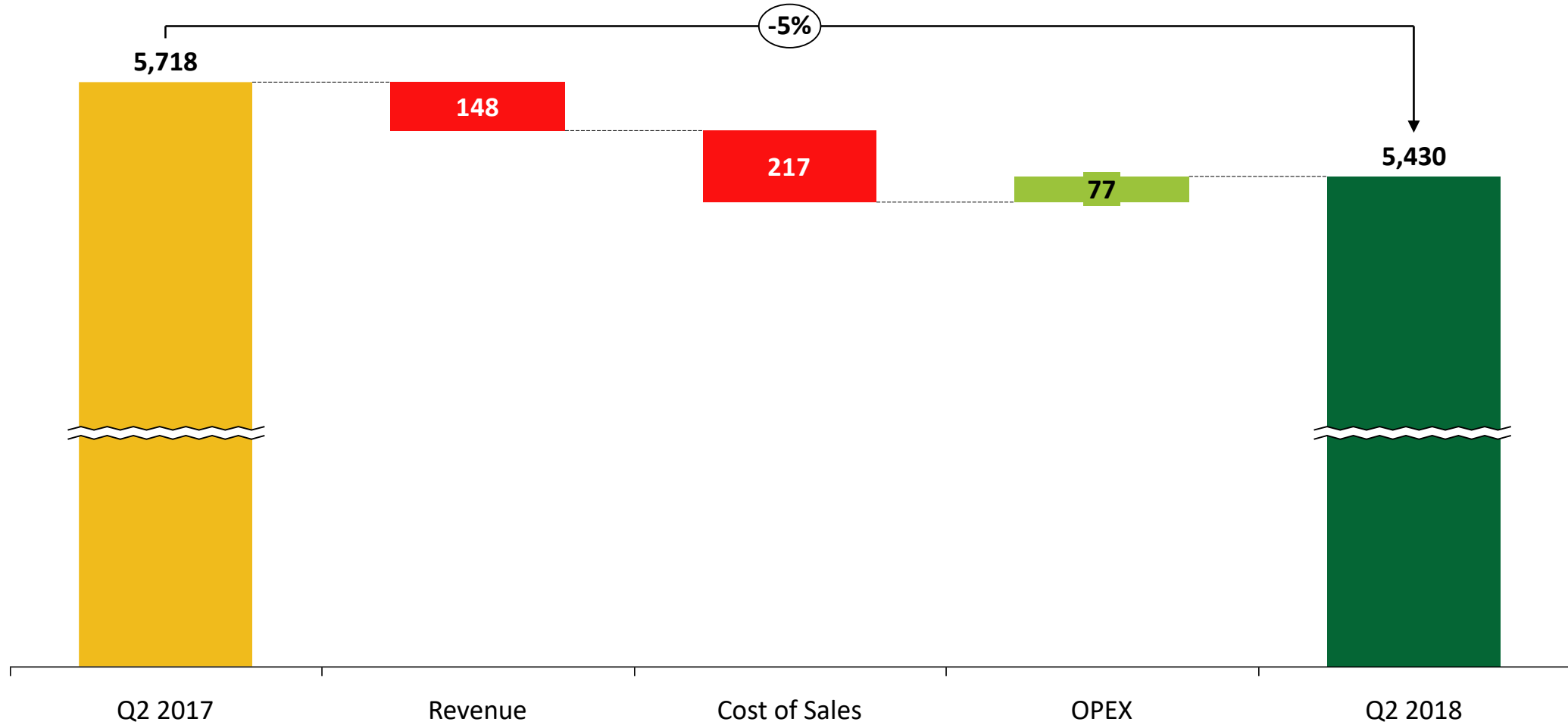


PTCL – EBITDA Evolution YoY

Higher SAC and Cable & Media charges put pressure on EBITDA



PKR Million

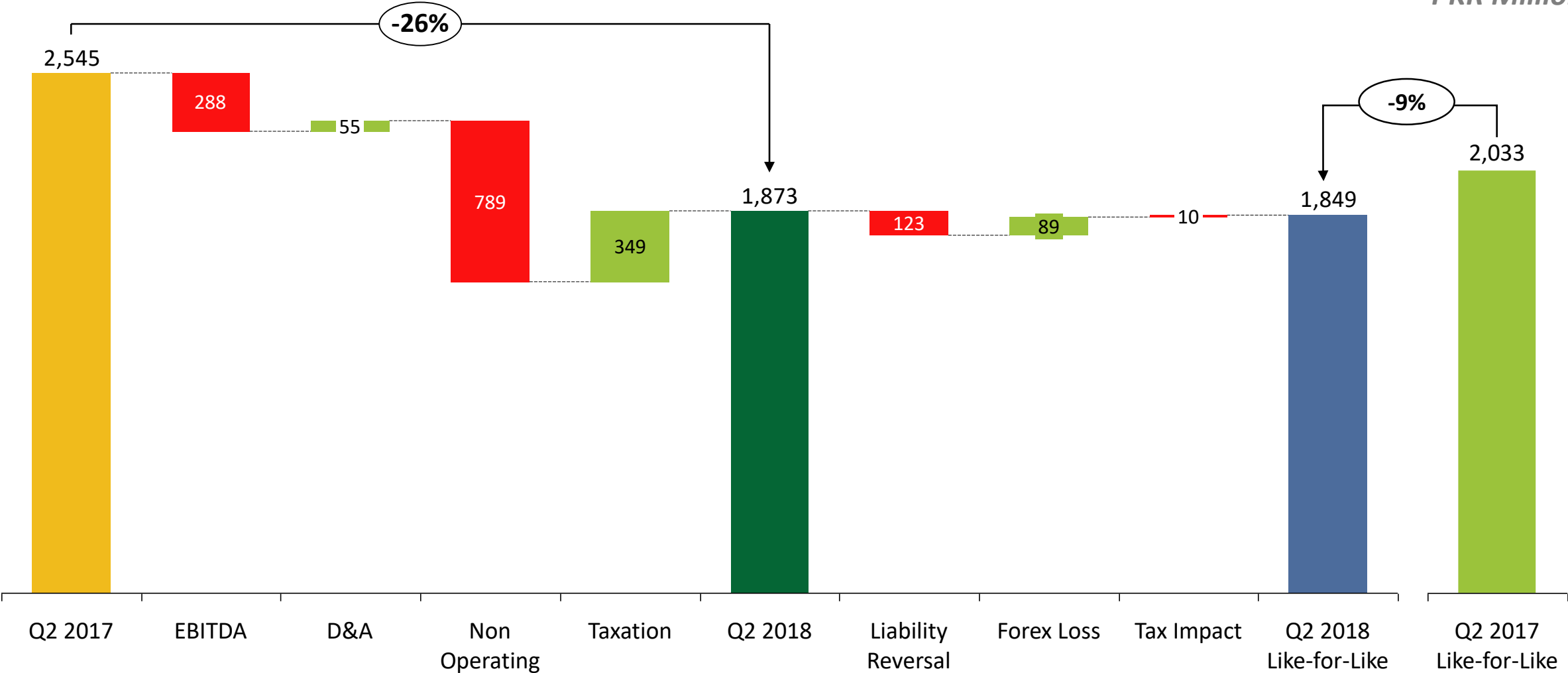


PTCL – Net Profit Evolution YoY

Lower Net profit driven by lower Non-operating Income and favorable one-offs in Q 2 2017



PKR Million



PTCL Balance Sheet & Cash Flow Statement

Strong Unleveraged Balance Sheet



Balance Sheet		
Description	Dec-17	Jun-18
	PKR Million	
Non Current Assets	116,098	116,831
Cash & Cash Equivalents	19,851	19,037
Current Assets	71,250	74,602
Total Assets	187,348	191,433
Share capital	51,000	51,000
Reserves	34,102	37,792
Equity	85,102	88,792
Employees retirement benefits	23,504	24,783
Deferred government grants	8,060	7,983
Non-current liabilities	39,263	39,593
Current liabilities	62,984	63,048
Total Liabilities	102,247	102,642
Total Liabilities & Equity	187,348	191,433

Cash Flow Statement		
Description	Jun-17	Jun-18
	PKR Million	
Cash generated from operations	15,262	8,706
Employees retirement benefits paid	(441)	(504)
Payment to PTET	(5,254)	
Payment of voluntary separation scheme	(4,687)	(8)
Cash inflows from operating activities	1,353	6,144
Capital expenditure	(6,908)	(4,271)
Acquisition of intangible assets	(51)	(207)
Long term loans and advances	(757)	(2,262)
Government grants received		160
Long term investment in Ubank	-	(1,000)
Cash Inflow/(outflow) from investing activities	222	(3,873)
Dividend paid	(4,503)	(4)
Net inc/(dec) in cash and cash equivalents	(2,928)	2,266
Opening Cash and cash equivalents	5,902	16,770
Closing Cash and cash equivalents	2,974	19,037

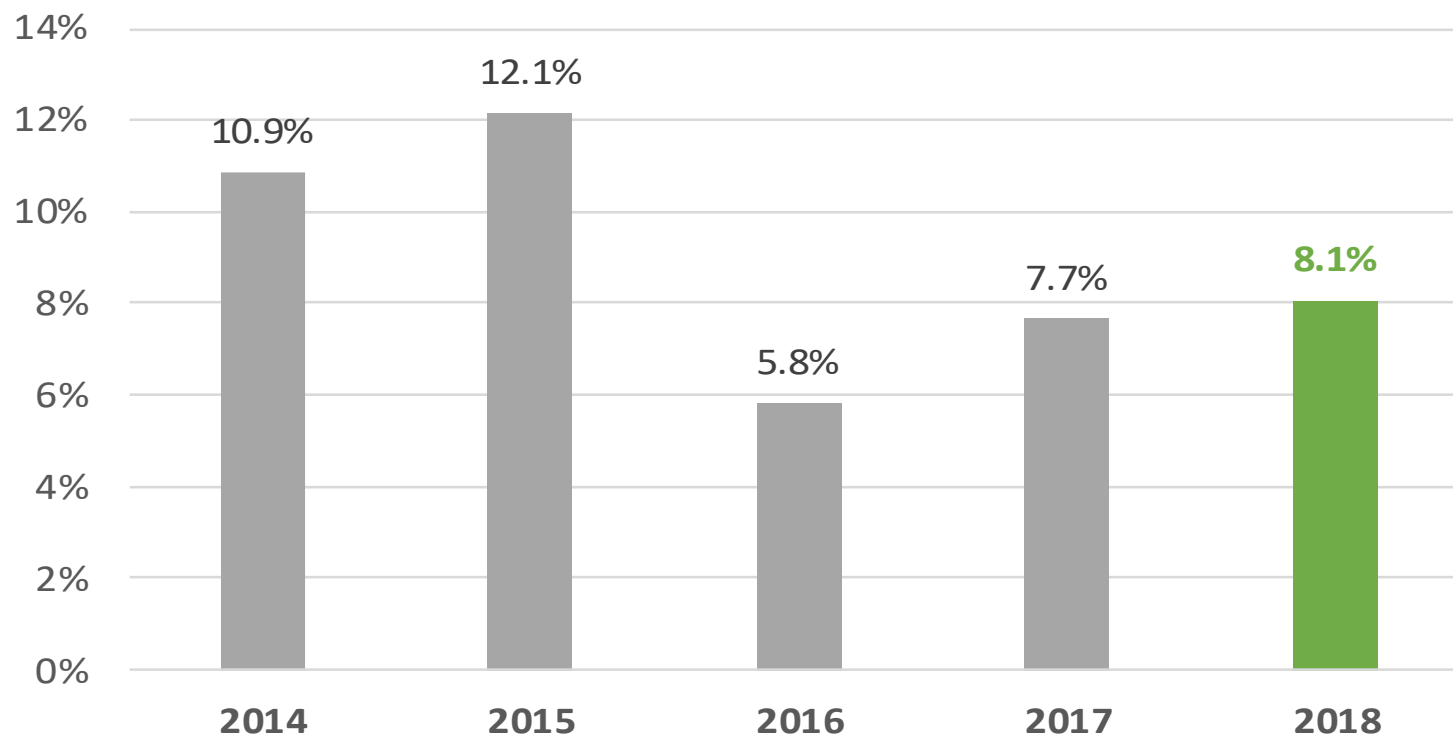
* Short term investment in Jun-17 of Rs. 14 B (not included in above Cash & Cash equivalent - maturity > 3 months)

Dividend

PTCL announced PKR 1 interim dividend per share for the year 2018, equates to PKR 5.1 B dividend payout



Dividend Yield



Summary & Conclusion

Dr. Daniel Ritz
President & Chief Executive Officer
PTCL Group

- *PTCL Group has maintained revenue growth with all three operating companies contributing*
- *PTCL Group Net Profit (like-for-like) for Q2 2018 up significantly both on YoY and QoQ*
- *PTCL revenue decline has been arrested, key growth drivers are DSL, Charji and Corporate segments*
- *SAC and Cable & Media spend weighing on PTCL Q2 2018 EBITDA*
- *Net profit down year-on-year due to lower non-operating income, however decline reduces on like-for-like basis*
- *PTCL announced PKR 1 interim dividend per share for 2018 equal to PKR 5.1 B dividend payout - PTCL share offers attractive dividend yield of 8.9%.*

Questions & Answers

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THANK YOU