



## PCCW reports steady financial results for 2020

**PCCW (SEHK:0008) – HONG KONG, February 5, 2021** – The directors (“Directors”) of PCCW Limited (“PCCW” or the “Company”) hereby announce the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended December 31, 2020. Some key figures are as follows:

- Consolidated revenue increased by 1% to HK\$38,046 million
- Consolidated revenue, excluding Mobile product sales, up 4% to HK\$35,437 million
  - HKT total revenue, excluding Mobile product sales, was stable at HK\$29,780 million<sup>1</sup>
  - Now TV revenue down 6% to HK\$2,512 million<sup>2</sup>
  - OTT revenue up 11% to HK\$1,187 million, underpinned by 20% growth in video revenue
  - Free TV & related business revenue up 22% to HK\$317 million
  - Solutions business revenue up 12% to HK\$4,736 million
  - PCPD revenue up 82% to HK\$1,843 million
- Consolidated EBITDA decreased by 3% to HK\$11,978 million due to decline in roaming and Solutions business EBITDA in the midst of the pandemic, which was partially offset by steady performance of Now TV and improved results at OTT and Free TV businesses
- Consolidated loss attributable to equity holders of the Company for the year was HK\$1,020 million, partly due to one-time non-cash accounting items including an impairment provision at PCPD, fair value movement on certain other non-core investments as well as write-off of end-of-life IT platforms
- Final cash dividend of 23 HK cents per ordinary share resulting in full-year cash dividend of 32.18 HK cents per ordinary share

PCCW recorded a steady performance for the year ended December 31, 2020, even as the COVID-19 pandemic persisted throughout the year and severely disrupted normal economic activity and life around the world. The results attest to the ability of our core businesses to adapt quickly to the challenging operating environment and continue to deliver trusted services to our customers in Hong Kong and international markets.

HKT Limited’s (“HKT”) Mobile product sales suffered from a mix of weak consumer confidence and the continuing trend of a longer handset upgrade cycle. Yet, HKT’s total revenue excluding Mobile product sales for the year ended December 31, 2020 still registered a slight growth to HK\$29,780 million<sup>1</sup>. The growth was attributed to a significant surge in demand for data and broadband services coupled with an encouraging take-up of our 5G services albeit partially offset by the decline in roaming revenue arising from the travel restrictions in place throughout the year.

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Revenue at Now TV decreased by 6% to HK\$2,512 million<sup>2</sup> due to live sport event suspension and reduced commercial activities. However, EBITDA held stable at HK\$454 million<sup>2</sup> driven by content cost streamlining and stringent operating expenses control. Despite the challenging environment, both the Free TV and over-the-top (“OTT”) businesses maintained their growth momentum with revenue expanding 22% and 11% respectively in tandem with viewership increases as more people consumed their entertainment at home and online. The OTT business in particular experienced strong growth in its video segment which grew by 20%. Free TV and OTT were able to further narrow their EBITDA losses by 40% and 51% respectively in 2020 as a result of the expanded revenue and disciplined spending.

Solutions business revenue rose by 12% to HK\$4,736 million driven by expansion of its data center business, solid project delivery in Hong Kong and business expansion in Southeast Asia. Although lockdowns around the region led to project delays which in turn resulted in a drop in EBITDA to HK\$794 million for the year ended December 31, 2020, the Solutions business was successful in significantly growing its secured orders to HK\$25,226 million which will generate future growth.

Pacific Century Premium Developments Limited (“PCPD”) revenue grew to HK\$1,843 million mainly attributed to the completion and handover of the Park Hyatt Niseko Hanazono Residences (“Branded Residences”). Global travel restrictions affected the business, particularly the hotel operations in Japan, but PCPD still achieved a positive EBITDA of HK\$28 million during the year.

On a consolidated basis, revenue excluding Mobile product sales climbed 4% to HK\$35,437 million but total EBITDA eased 3% to HK\$11,978 million.

A consolidated loss attributable to equity holders of the Company for the year of HK\$1,020 million arose largely due to higher amortization expenses arising from ongoing investments by the Free TV and OTT businesses in content production and by the Solutions business in developing proprietary solutions, an impairment provision at PCPD’s Park Hyatt Niseko, Hanazono, fair value movement on certain other non-core investments as well as write-off of end-of-life IT platforms.

Mr. BG Srinivas, PCCW’s Group Managing Director, said, “In the new year, it remains a priority for us to implement precautionary measures to protect our employees and ensure business continuity, as we did throughout the past year.”

“Our leading regional video streaming service Viu will continue to push the boundaries by exploring fresh genres and formats and in producing high quality and locally relevant entertainment content. Through these efforts, we hope to continually capture the accelerated adoption of online media consumption and change in viewing habits to increase our service penetration as well as engagement in all of our markets,” he said.

PCCW Solutions aims to extend its lead in Hong Kong as it sets out to further enlarge its footprint in Southeast Asia following the expansion of its IT capabilities and data centers in the region. Its business pipeline generates a steady stream of recurring revenue.

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HKT will keep pursuing both B2C (business-to-consumer) and B2B (business-to-business) opportunities to monetize 5G, as well as ramping up efforts to grow its digital businesses. Following the integration of Now TV, HKT will benefit from enhanced cross-selling of fiber broadband, mobile and media entertainment services, in addition to improved operational efficiencies.

Mr. Srinivas said, “The economic outlook in 2021 for Hong Kong and indeed the world is clouded by the pandemic and external factors including persistent tensions between China and the US. With our established local leadership and strong regional presence, PCCW is determined to continue deploying technology, creativity and innovation to support customer needs under the new normal and in the post-pandemic recovery. While we will diligently apply cost controls to rein in spending, as always PCCW will remain on the lookout for suitable growth opportunities to complement our existing revenue streams in the medium to longer term, and create greater shareholder value.”

For further details of the 2020 annual results, please refer to the [announcement](#) that has been filed with The Stock Exchange of Hong Kong Limited.

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*Note 1: Includes Now TV's 2020 fourth quarter financials which formed part of the HKT business upon completion of transfer of Now TV business to HKT on September 30, 2020.*

*Note 2: Represents Now TV's full year financials.*



PCCW Group Managing Director Mr. BG Srinivas and PCCW Group Chief Financial Officer Ms. Susanna Hui present PCCW's 2020 annual results.

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## **About PCCW Limited**

PCCW Limited (SEHK: 0008) is a global company headquartered in Hong Kong which holds interests in telecommunications, media, IT solutions, property development and investment, and other businesses.

The Company holds a majority stake in the HKT Trust and HKT Limited, Hong Kong's premier telecommunications service provider and leading operator of fixed-line, broadband, mobile communication and media entertainment services. HKT delivers end-to-end integrated solutions employing emerging technologies to assist enterprises in transforming their businesses. HKT has also built a digital ecosystem integrating its loyalty program, e-commerce, travel, insurance, FinTech and HealthTech services to deepen its relationship with customers.

PCCW owns a fully integrated multimedia and entertainment group in Hong Kong engaged in the provision of OTT video service locally and in other places in the region. Through HK Television Entertainment Company Limited, PCCW also operates a domestic free TV service in Hong Kong.

Also wholly-owned by the Group, PCCW Solutions is a leading IT and business process outsourcing provider in Hong Kong, mainland China and Southeast Asia. In addition, PCCW holds a stake in Pacific Century Premium Developments Limited and other overseas investments.

To learn more about PCCW, please visit [www.pccw.com](http://www.pccw.com).

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Issued by PCCW Limited.