



PCCW reports steady interim results for 2019

PCCW (SEHK:0008) – HONG KONG, August 8, 2019 – The directors (“Directors”) of PCCW Limited (“PCCW” or the “Company”) are pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended June 30, 2019. Some key figures are as follows:

- HKT revenue excluding Mobile product sales increased by 1% to HK\$13,768 million
- Media business revenue increased by 2% to HK\$1,926 million
- Solutions business revenue was steady at HK\$1,717 million
- Core revenue excluding Mobile product sales was steady at HK\$15,311 million
- Core EBITDA decreased by 4% to HK\$5,307 million
- Core profit attributable to equity holders of the Company was HK\$308 million
- Consolidated revenue excluding Mobile product sales was steady at HK\$15,518 million
- Consolidated profit attributable to equity holders of the Company was HK\$163 million
- Basic earnings per share amounted to 2.11 HK cents
- Interim dividend of 9.18 HK cents per ordinary share

PCCW delivered a set of steady financial results for the six months ended June 30, 2019.

During the period, revenue from HKT Limited (“HKT”) excluding Mobile product sales recorded 1% growth to HK\$13,768 million underpinned by increases across both the Telecommunications Services (“TSS”) and Mobile segments. Mobile product sales at HKT were sluggish during the period as consumers delayed upgrades in anticipation of 5G handsets. The Free TV and over-the-top (“OTT”) businesses continued to deliver healthy growth with revenue expanding by 28% and 12% respectively from a year ago while the revenue performance at Now TV was steady compared to the prior period which was boosted by the impact of the World Cup. Revenue from the Solutions business held firm at HK\$1,717 million. Consequently, core revenue excluding Mobile product sales was steady at HK\$15,311 million.

EBITDA at HKT improved by 2% to HK\$5,733 million during the period as a result of continued improvements in operating efficiency across both the TSS and Mobile segments. Solutions EBITDA expanded by 8% to HK\$293 million due to increased contribution from higher margin cloud solutions revenue as well as the initial benefits of regional expansion. Now TV’s EBITDA grew by 3% to HK\$204 million as it streamlined its content costs. However, further investments to drive future growth in Free TV and OTT offset these gains and led to PCCW’s core EBITDA decreasing by 4% to HK\$5,307 million.

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During the period, there was a steady increase in occupancy at Pacific Century Place, Jakarta (“PCP, Jakarta”) which contributed to revenue at PCPD increasing by 25% to approximately HK\$207 million for the six months ended June 30, 2019 as compared to approximately HK\$165 million for the corresponding period in 2018.

Consolidated revenue excluding Mobile product sales was steady at HK\$15,518 million. Consolidated profit attributable to equity holders of the Company was HK\$163 million. Basic earnings per share was 2.11 HK cents.

The board of Directors (the “Board”) has resolved to declare an interim dividend of 9.18 HK cents per ordinary share for the six months ended June 30, 2019.

PCCW’s Group Managing Director, Mr. BG Srinivas, said, “Our Media business caters to the different needs of a wide spectrum of viewers in Hong Kong, the region, and beyond. Now TV will focus on driving enhanced profitability and margins as well as increasing its market penetration through the recently launched Now E service. Our OTT service will continue to build its geographical presence in the region and increase user engagement while our Free TV service will strive to further broaden its viewer base as well as explore non-traditional revenue opportunities.”

“In Hong Kong, PCCW Solutions is expanding its data center infrastructure with additional capacity scheduled to be ready for service and contributing revenue in the second half of 2019. In the region, the Solutions business will continue to replicate the success in Hong Kong and expand its presence in the Southeast Asian markets to serve the increasing demand for IT solutions by enterprises and public organizations,” he said.

HKT will seek to further increase profitability and cash flow of its underlying businesses by providing increased value for customers and through improvements in operational efficiencies, while cautiously growing new businesses.

Mr. Srinivas said, “The global economy has been impacted by the escalating U.S.-China trade conflicts and other geopolitical factors, spilling over to Hong Kong which saw much slower economic growth in the first half. In the second half, Hong Kong’s economy is set to face increased uncertainties. We will monitor developments closely and exercise caution in pursuing growth on our robust diversified businesses.”

For further details of the 2019 interim results, please refer to the announcement that has been filed with the Stock Exchange of Hong Kong.

Note:

Core revenue refers to consolidated revenue excluding Pacific Century Premium Developments Limited (“PCPD”), the Group’s property development and investment business; core EBITDA and core profit attributable to equity holders of the Company refers to consolidated EBITDA and consolidated profit attributable to equity holders of the Company excluding PCPD.

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 interest in the HKT Trust and HKT Limited, Hong Kong's premier telecommunications service provider and leading operator in fixed-line, broadband and mobile communication services. HKT meets the needs of the Hong Kong public and local and international businesses with a wide range of services including local telephony, local data and broadband, international telecommunications, mobile, and other telecommunications businesses such as customer premises equipment sale, outsourcing, consulting, and contact centers.

PCCW also owns a fully integrated multimedia and entertainment group in Hong Kong, PCCW Media. PCCW Media operates the largest local pay-TV operation, Now TV, and is engaged in the provision of OTT (over-the-top) video service under the Viu brand in Hong Kong and other places in the region.

Through HK Television Entertainment Company Limited, PCCW also operates a domestic free television service in Hong Kong.

Also wholly-owned by the Group, PCCW Solutions is a leading information technology outsourcing and business process outsourcing provider in Hong Kong and mainland China.

In addition, PCCW holds a majority interest in Pacific Century Premium Developments Limited, and other overseas investments. To learn more about PCCW, please visit www.pccw.com.

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