



2022 INTERIM RESULTS

FOR THE SIX MONTHS ENDED
30 JUNE 2022

12 August 2022 — Hong Kong

Forward Looking Statements

This presentation may contain “forward-looking statements” that are not historical in nature. These forward-looking statements, which include, without limitation, statements regarding PCCW's future results of operations, financial condition or business prospects, are based on the current beliefs, assumptions, expectations, estimates, and projections of the directors and management of PCCW about the business, the industry and the markets in which PCCW operates. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond PCCW's control and are difficult to predict. Actual results could differ materially from those expressed, implied or forecasted in these forward-looking statements for a variety of factors

Business Overview

Susanna Hui

Acting Group Managing Director
& Group Chief Financial Officer

Maintained Momentum Despite Challenging Environment



OTT Business

Leading OTT Player in Southeast Asia

- Top 3 in MAU, paid subscribers and streaming minutes in Southeast Asia
- Achieved positive EBITDA



Free TV & Related Business

Growth in Viewership and Revenue

- 24% increase in prime time TV ratings
- 33% increase in advertising revenue
- Maintained positive EBITDA position



Solutions Business

New Chapter with Strategic Partnership

- Together with Lenovo aiming to create technology solutions powerhouse in Asia Pacific



OTT Business

Viu Sustains Robust Growth and Leadership Position

2022 1H

Maintained leadership & robust growth



Revenue
Growth

US\$100M+

OTT total revenue surpassed US\$100M in the first 6-month period of the year



Positive
EBITDA

**EBITDA
Breakeven**
achieved



Paid
Subscriber

Consistently **Top 3**
in subscriber base
amongst major video
streaming platforms in SEA



Monthly
Active User

No. 1
For 10 consecutive quarters
amongst major video
streaming platforms in SEA



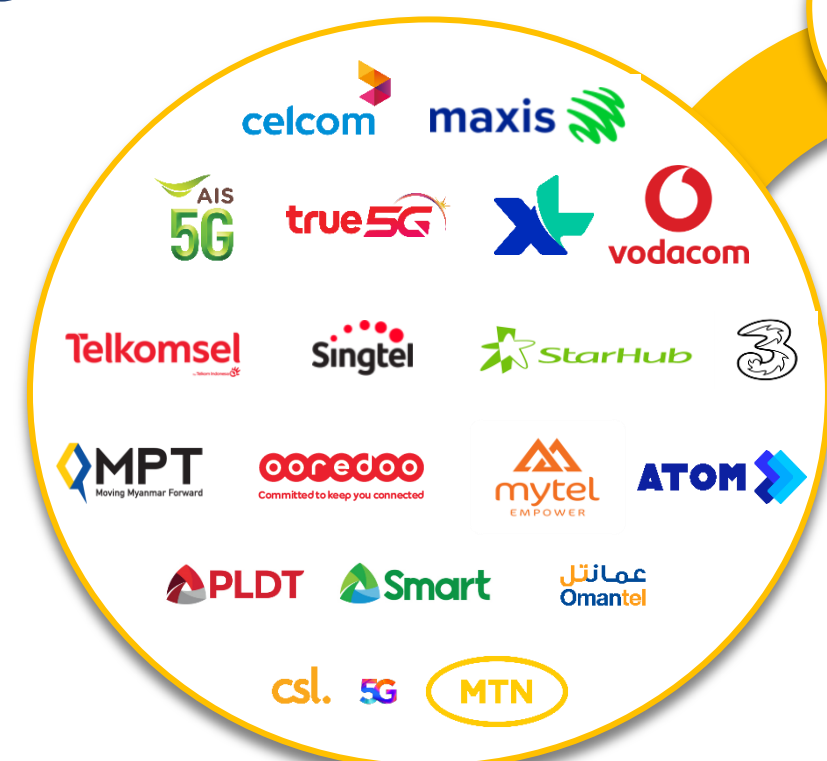
Revenue
CAGR

OTT overall revenue grew at
22%
YoY from 1H21 to 1H22

Extensive Partnership Footprint – Increased Accessibility and Penetration

40+ Telcos

Devices



SONY
SAMSUNG vivo
oppo Infinix
& more



20+ Agencies



40+ Distribution Networks

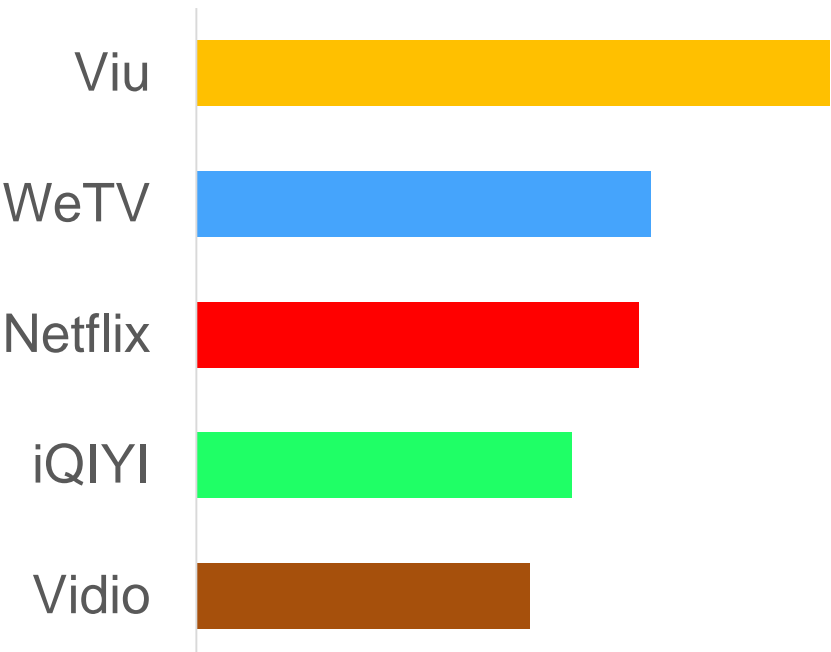
- Expanded number of partnerships to 100+ companies in the digital ecosystem across markets
- Increased penetration in non-metro areas by collaborating with local partners
- Streamlined customer journey to improve acquisition and monetization

Leading Provider of Online Video Service in SEA

1st

MONTHLY ACTIVE
USERS

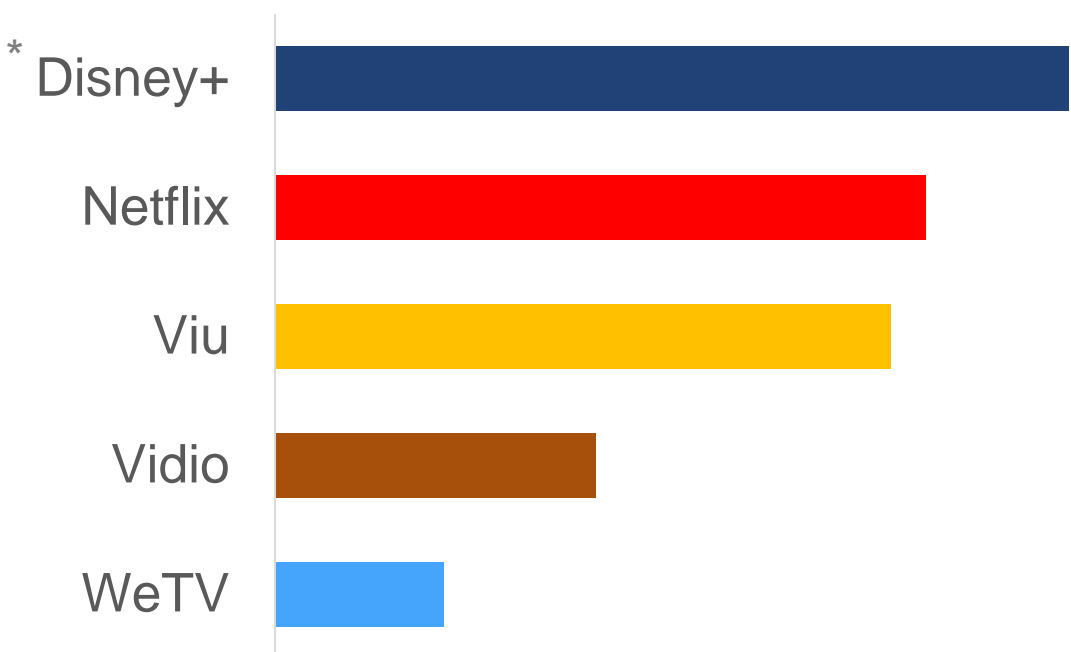
As at end of 1H 2022 MAUs, Mn



3rd

PAID
SUBSCRIBERS

As at end of 1H 2022 Paying
Subscribers, Mn

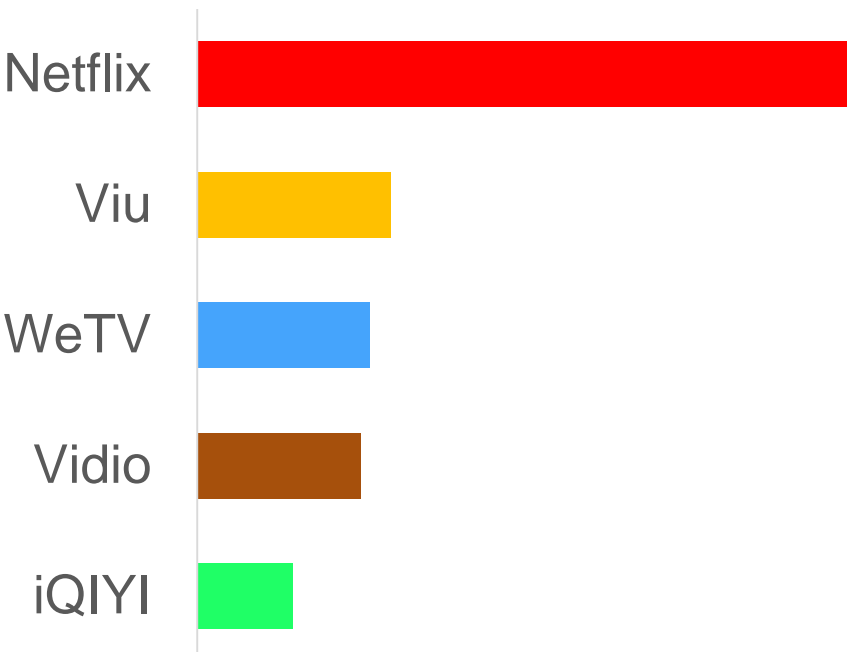


*Incl Disney+ Hotstar

2nd

STREAMING
MINUTES

1H 2022 Streaming Minutes, Bn



(All data and information provided and verified by Media Partners Asia)

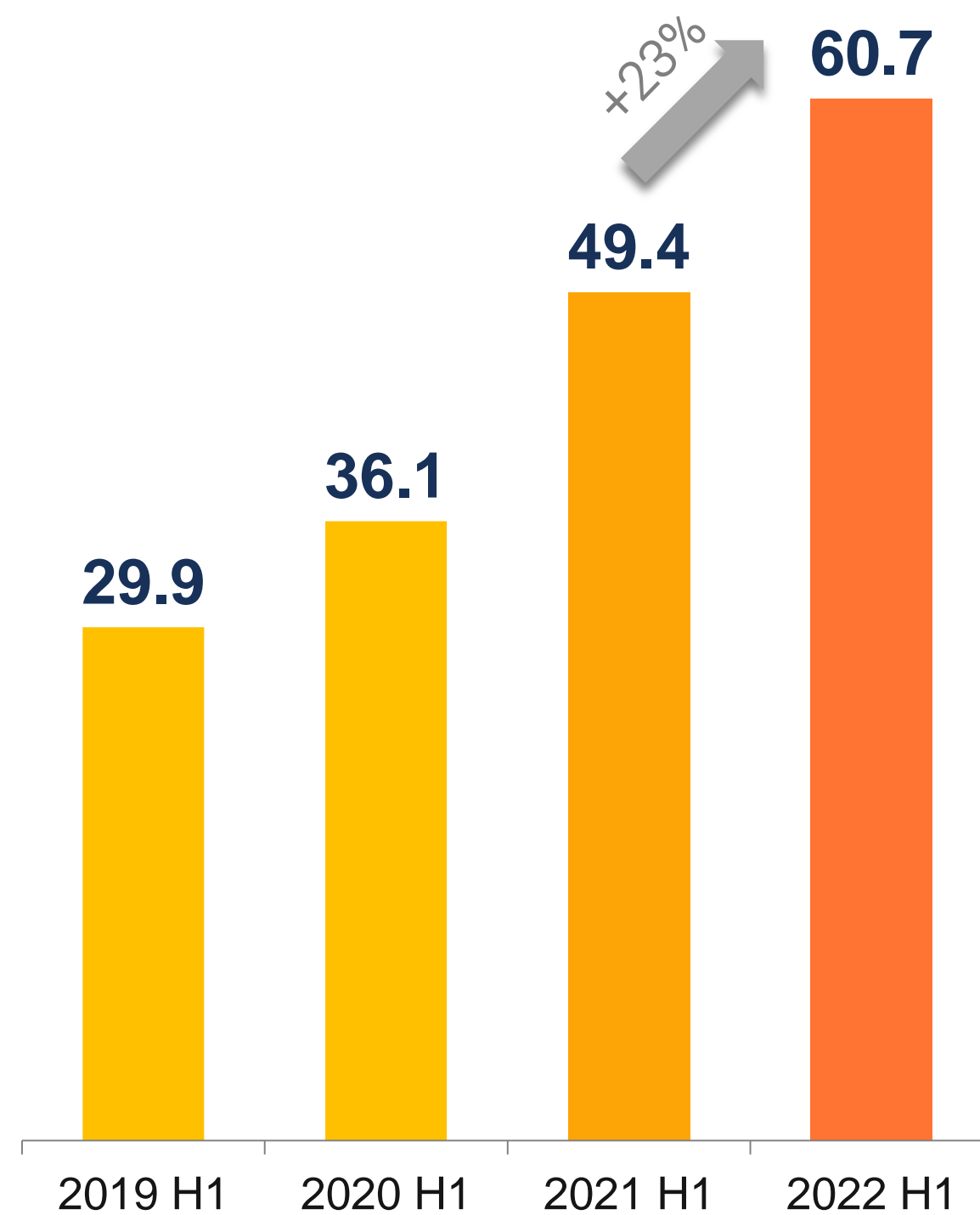
Source: Media Partners Asia AMPD Online Video Consumer Insights Q1 and Q2 2022 (covers Indonesia, Malaysia, Thailand, the Philippines and Singapore)

1. Amongst major video streaming platforms including Netflix, Disney+ Hotstar*, iQIYI, Vidio, We TV, excluding YouTube and Tiktok; also excludes authenticated services and smaller platforms

2. Q1'22 Research period for MAUs and paid subs: Jan – Mar 2022; Sample size = 17,045. For streaming minutes research period Q1 2022; sample size for passive measurement is 6,422. Q2'22 Research period for MAUs and paid subs: Apr – Jun 2022; Sample size = 12,264. For streaming minutes research period Q2 2022; sample size for passive measurement is 6,761

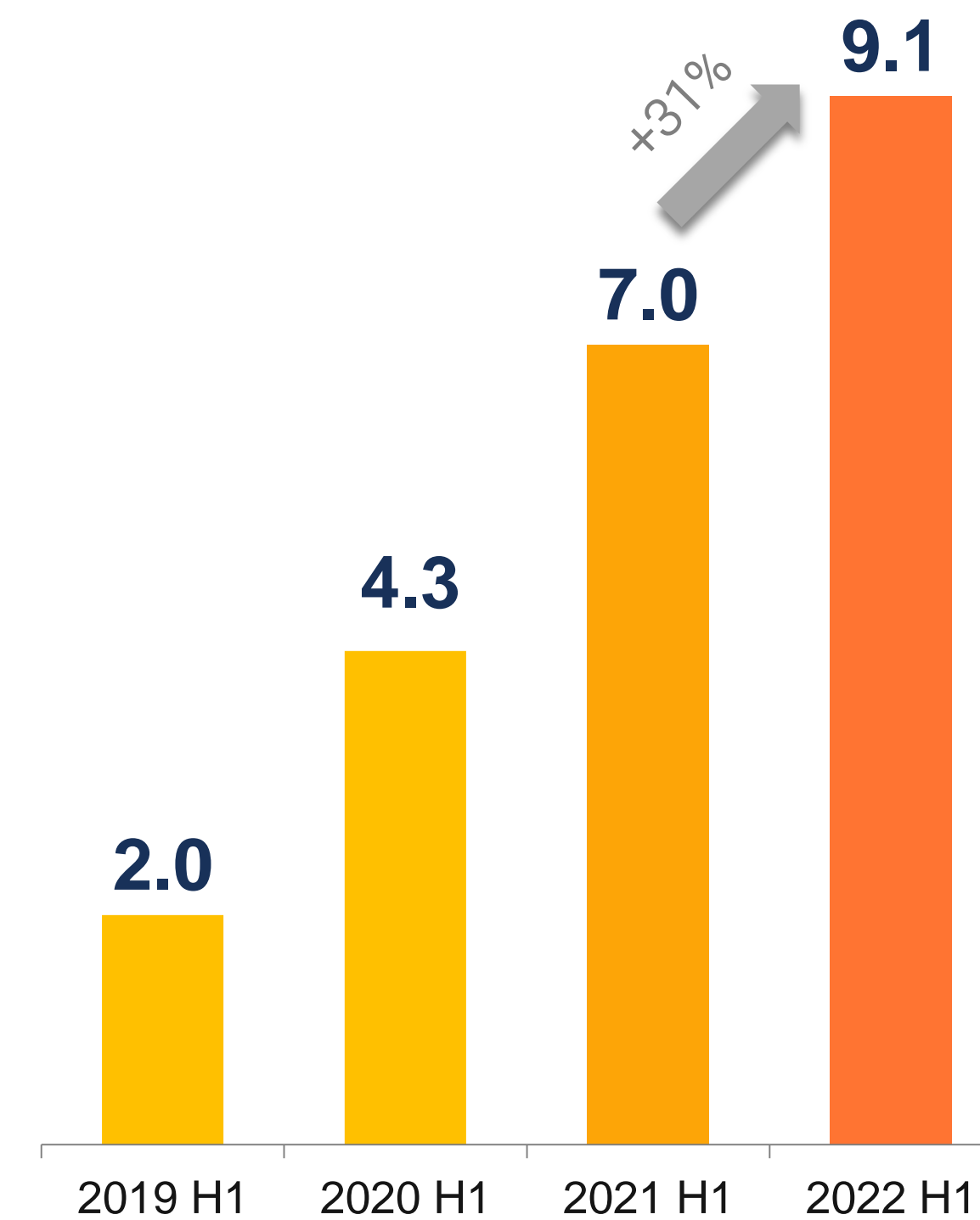
Continue to Focus on Gaining Scale

60.7 Million Monthly Active Users



- Continued to achieve strong user growth particularly in Thailand, Indonesia and the Philippines

9.1 Million Paid Subscribers



- Paid subscribers growth underpinned by strong content line-up and strengthened partner ecosystem

* Normalized for India exit

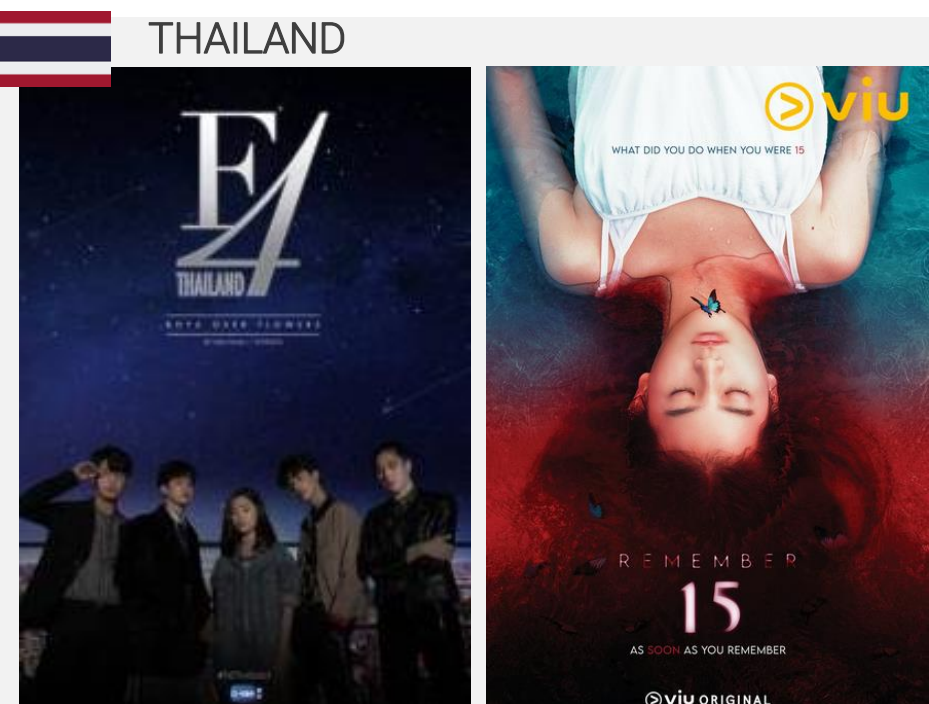
Enhancing Content through Localisation and Originals



LOCAL CONTENT

Expand local offerings and local Originals

- Expanded partnership with local content powerhouses with strong performance from titles like F4 Thailand, Broken Marriage Vow
- Top ranked newly released local **Viu Originals** include –
 - Pretty Little Liars 2 (Indonesia) – a follow up title after the success of Season 1
 - She was Pretty (Malaysia) – a local adaptation of wildly popular Korean drama
 - Remember 15 (Thailand) - a new genre of teenage mystery thriller
- Local Viu Originals boost **new user acquisitions** & attract **overseas buyers**, including in Japan, Taiwan, Singapore, US



"F4 Thailand" "Remember 15"



"Wannabe"



"Broken Marriage Vow"



"Flower of Evil"



"She was Pretty"



"Seribu Nina"



"My Future Husband 2"



"Pretty Little Liars 2"

REGIONAL CONTENT

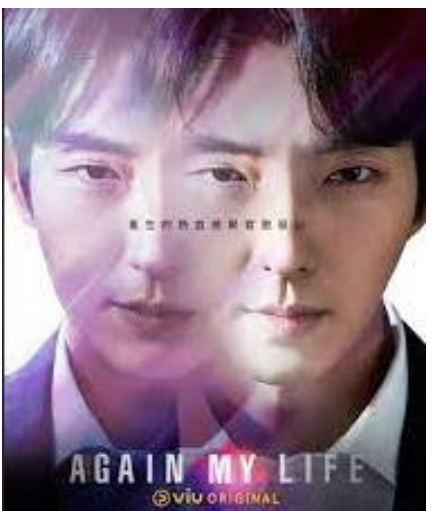
Continued the success of Original Korean drama

K- VIU ORIGINALS

- Following the success of Korean Viu Originals in 2021 (e.g. Now We are Breaking Up, Lovers of the Red Sky), launched **5 Korean flagship titles** in 2022 H1 with appeal to a wide audience
- Top titles such as **Again My Life** enable the expansion into segments beyond the mass Romantic Comedy viewers
- Widely distributed to 20+ global partners



REGIONALLY APPEALING CELEBRITIES



"Again My Life"
Lee Joon Ki, Kim Ji-eun



"From Now On Showtime"
Park Hae-jin, Jin Ki-joo



"Why Her?"
Seo Hyun-jin, Hwang in-yeop



"Woori the Virgin"
Lim Soo Hyang, Shin Dong-wook, Sung Hoon



"Miracle"
SF9's Chani, Hwiyoung, Kang Min Ah



Free TV & Related Business

Growth In Viewership and Revenue



Viewership

- Prime time average TVR increased 24% Y-o-Y in 1H 2022¹
- ViuTV apps download increased 19% Y-o-Y in 1H 2022¹
- Viewership growth can be attributed to high quality scripted and non-scripted content, including:



- Secured the FIFA World Cup Qatar 2022™ free TV rights – to broadcast 19 selected live matches, including the opening match, the two semi-finals and the final



Advertising

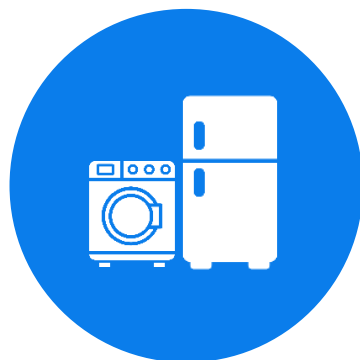
- Advertising revenue increased 33% Y-o-Y in 1H 2022:
 - Over 130 clients increased Y-o-Y spending on ViuTV
 - Added over 210 new clients over the same period last year
 - Top industries include:



Banking & Investment



Beverages



Electrical Appliances



Insurance



Restaurants



Toiletries & Household

1 Source: CSM Media Research HKTAM from 01 Jan –30 Jun 2021 vs 01 Jan –30 Jun 2022; prime time from 18:55-24:05
2 Source: iOS app store, Google Play, & Internal Figures from 01 Jan –30 Jun 2021 vs 01 Jan –30 Jun 2022

Strengthening and Enhancing Productions

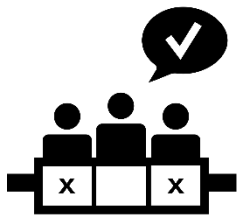


CONTENT PRODUCTION ACROSS DIVERSE CATEGORIES



DRAMA

- Including “I SWIM”, “We Got Game (季前賽)”, “Million Dollar Family (百萬同居計劃)” and the first 4K drama, “Tales Of Fantasy (奇幻物語)”



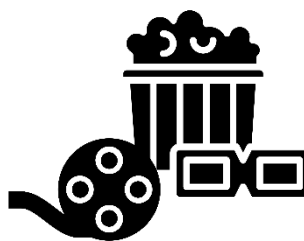
VARIETY

- All new series, “Love Staycation (戀愛 Staycation)”, and a brand new season of hit “Miss Mask Pageant (尾二一屆口罩小姐選舉)”
- To promote and build momentum for the FIFA World Cup Qatar 2022™ with a string of exciting programs



DOCUMENTARY

- First 4K docuseries, “Cha Chaan Teng (茶餐廳)”



FILMS

- Participation in local films including “Mama’s Affair (阿媽有咗第二個)”
- Collaborated with renowned filmmaker, Johnnie To, on a thriller film “Mad Fate (命案)”



MULTI DISTRIBUTION PLATFORMS ACROSS THE REGION



LOCAL

- Productions are made available on ViuTV and ViuTV app, allowing us to reach the widest audience possible



OVERSEAS

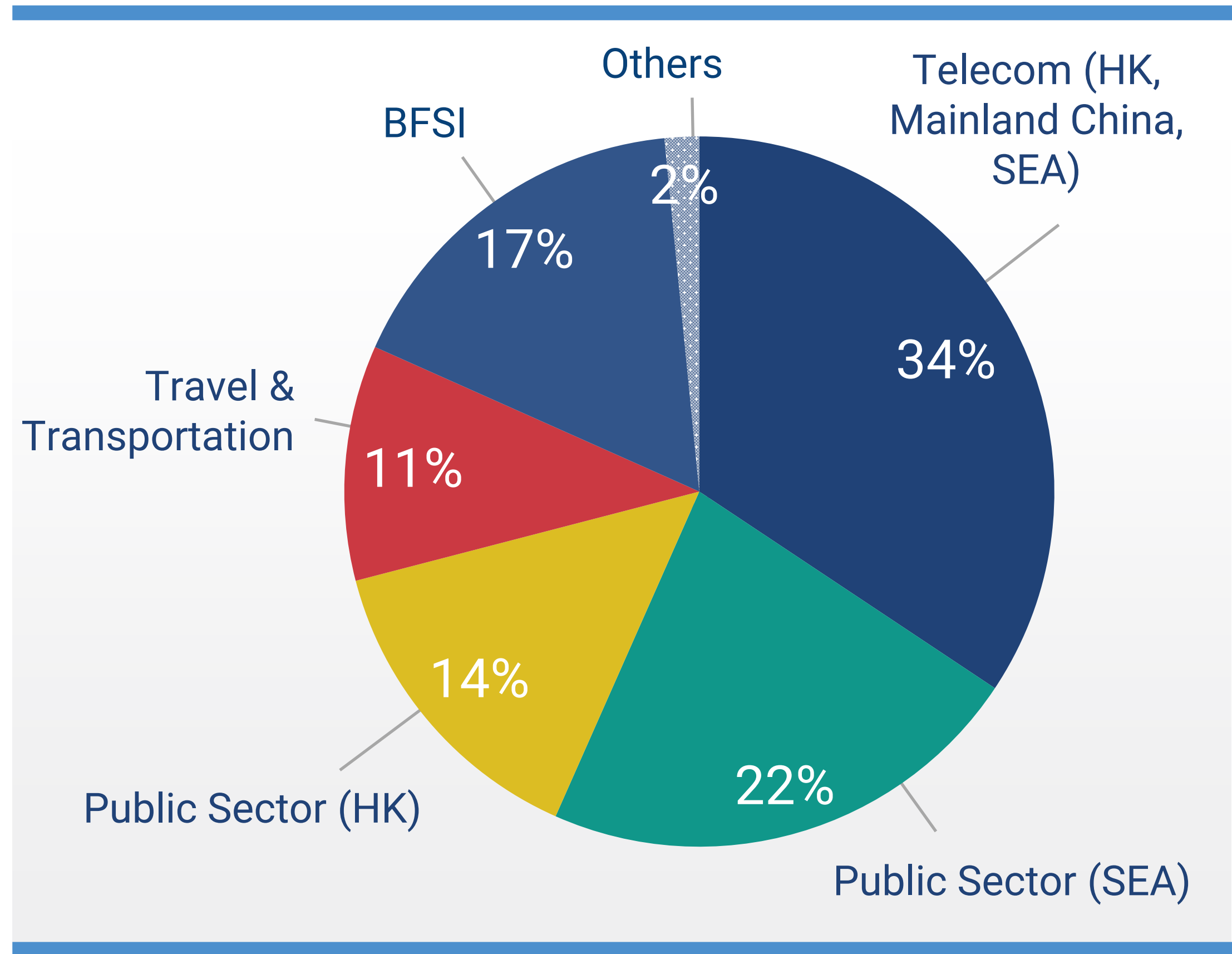
- Distributed content to 10 partners across Asia and North America
- Documentary series, “The 8hibition (尋龍記)”, that features “The Big 8 - Dinosaur Revelation” exhibition in Hong Kong; to be released in Hong Kong and internationally
- Regional collaboration with award-winning producers and creatives, participated in the feature film “My Heavenly City (我的天堂城市)”, filmed in New York, and TV series, “The Attorney From Bachimen (八尺門的辯護人)”

***PCCW* Solutions[®]**

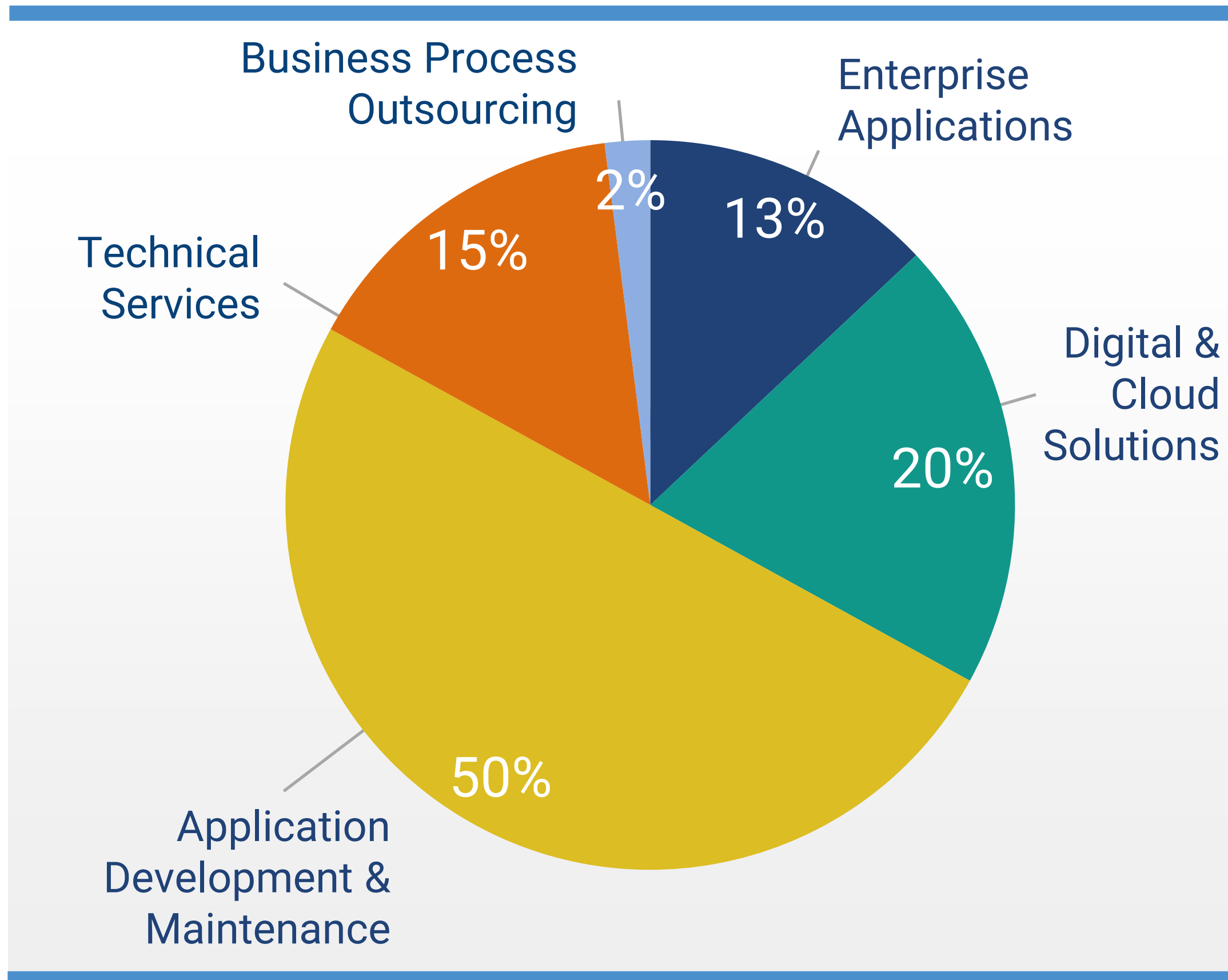
IT Solutions Business

Revenue by Industry and Services

H1'22 Revenue by Industry



H1'22 Revenue by Services



Secured orders of US\$3.1 billion as of 30 June 2022

Strengthening Talent Through Partnerships and Programmes



Signed MoU with CityU for joint smart city solutions and talent development

- Partnered with School of Data Science to hire students under Internship and Placement Programme
- Joint research works with Hong Kong Institute of Data Science to develop smart city solutions such as traffic flow optimization for aviation and railway industries



Grooming future leaders with Tech Talent Development Programme

- More than 100 university graduates were hired as Technology Associates and Business Associates
- In the 18-month programme, talent will gain international and cross-industry exposure, mentorship and extensive learning and development opportunities including soft skills workshops and on-the-job training

Partnering with Customers in their Digital Transformation Journey

Major Initiatives

Hong Kong

- Ranked as No. 1 IT services provider in System Integration and Application Development markets in Hong Kong by IDC for eight consecutive years since 2014
- Won long-term contracts from public sector to drive the smart city development in Hong Kong

Case Study

Airport Authority Hong Kong

- Provision of ELV solutions to the automated car park A at Hong Kong Boundary Crossing Facilities at Hong Kong International Airport (HKIA)
- Support Airport Authority Hong Kong to build an automated car park to facilitate transit of air transfer passengers and visitors

China

- Setting up Greater Bay Area Innovation Centres in Shenzhen and Guangzhou; expected to hire 500 staff by end of 2022
- Tapping local talent pool to drive digital solutions development to serve clients across the region

China Mobile

- Helped to roll out a nationwide Planning Management System (PMS) to support the full scope of its business operations
- Greatly improved business visibility and operational efficiency across the organization

Southeast Asia

- Gaining momentum in winning mega deals from SEA to fuel business growth
- Aggressively build and grow pipeline in GovTech and infrastructure projects
- Awarded long-term managed services contracts from various Singapore government agencies

Government Agencies in Singapore

- Provision of full suite Agency Facilities Management services to serve multiple government agencies
- Demonstrate high level of service delivery and customer trust

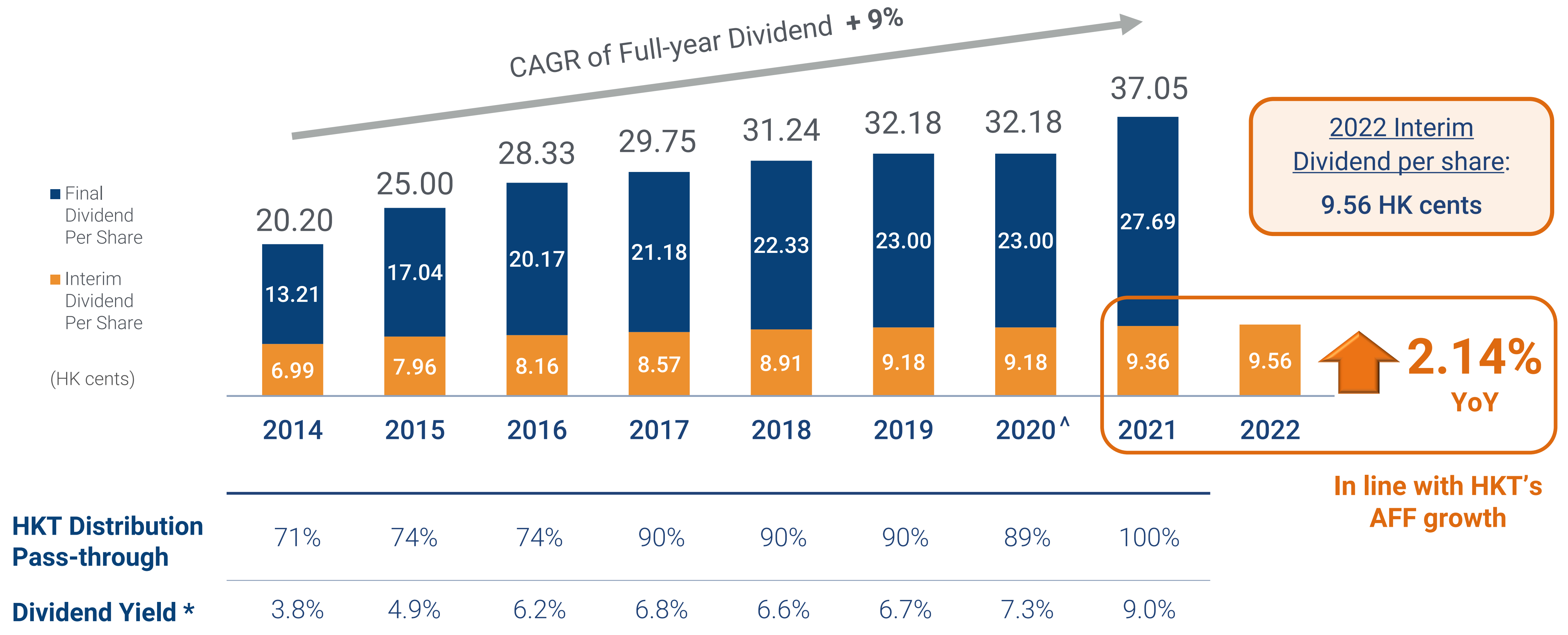
Strategic Partnership



- Completed strategic partnership with Lenovo to strengthen our IT services business and enable its expansion across Asia Pacific
- Highly synergistic service offerings, operational expertise, go-to-market channels, technical development capabilities and talent pool
 - Partnership will benefit from Lenovo's global footprint in more than 180 markets, broad portfolio of end-to-end solutions, solid pedigree in innovation and strong go-to-market and delivery capabilities
 - PCCW Solutions will continue to dedicate its strengths in system integration and application development, operational expertise, and highly skilled talent pool to deliver digital and managed services to existing customers in Hong Kong, particularly those in public sector
- Partnership provides one-stop customer solutions that integrate IT services, devices, and digital infrastructure to address complex digital transformation initiatives for customers across the region



Dividend Underpinned by Core Business Performance and Resilience



* Based on PCCW closing price on the annual results announcement date for each respective year

[^] Excluding special dividend in the form of distribution in specie of PCPD shares

Financial Overview

Marco Wong
Head of Investor Relations

Financial Highlights

(US\$ million)	H1'21	H1'22	% change
Revenue	2,307	2,341	↑ 1%
Revenue (excluding mobile product sales)	2,111	2,176	↑ 3%
EBITDA	704	742	↑ 5%
Profit to Shareholders	(40)	(11)	↑ 72%

Revenue (US\$ million) H1'21 H1'22 % change

HKT	2,006	2,071	↑ 3%
OTT	83	101	↑ 22%
Free TV	33	50	↑ 52%
Solutions	321	327	↑ 2%

EBITDA (US\$ million) H1'21 H1'22 % change

HKT	733	748	↑ 2%
OTT	(3)	2	↑
Free TV	(6)	10	↑
Solutions	35	48	↑ 35%

Note: Revenue and EBITDA above reflect the continuous operations of the company following the divestment of the Data Centre Business and deconsolidation of PCPD.

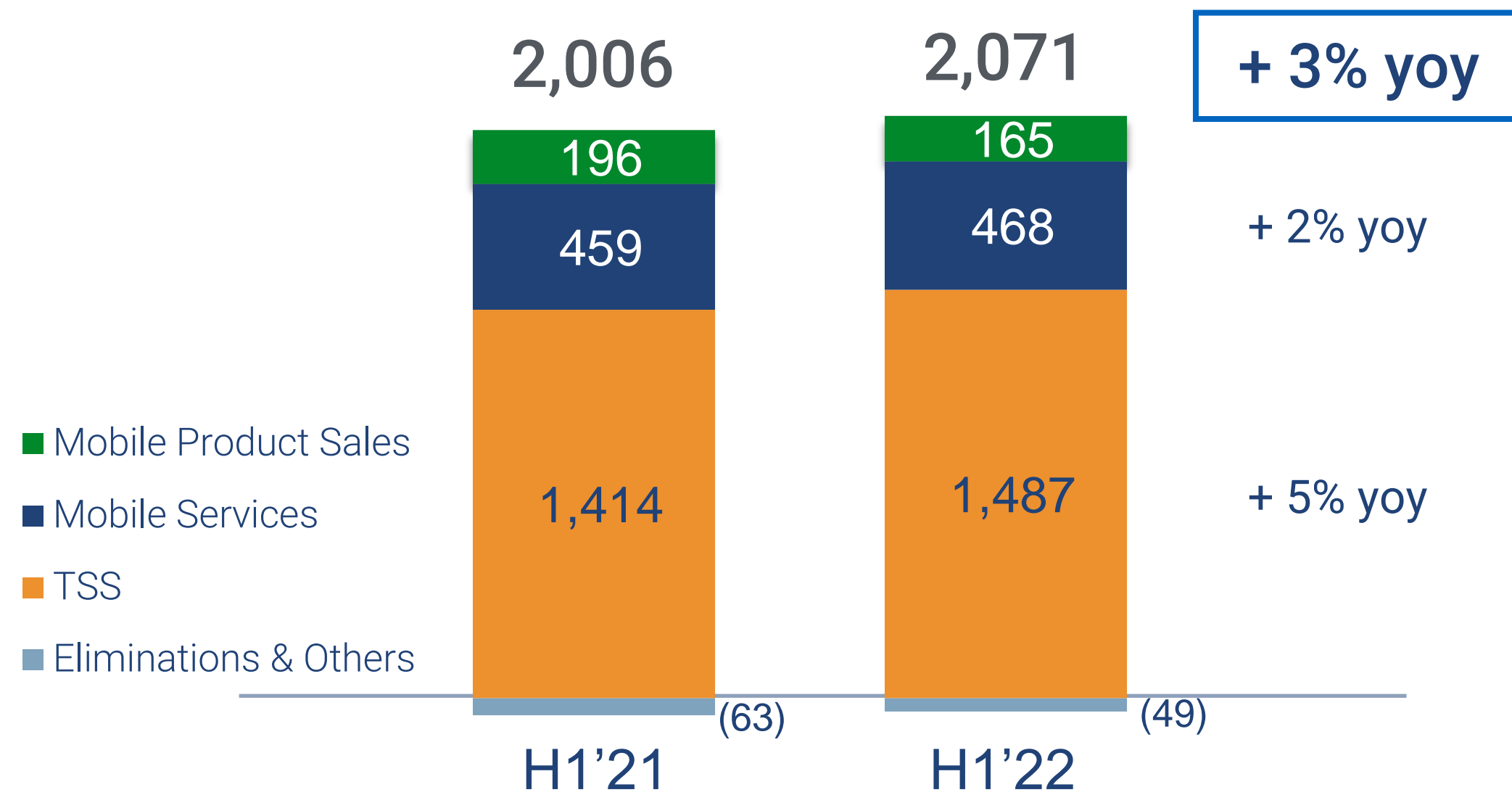


Resilient Financial Performance Supported by TSS and 5G

Adjusted Funds Flow recorded healthy growth to US\$305 million

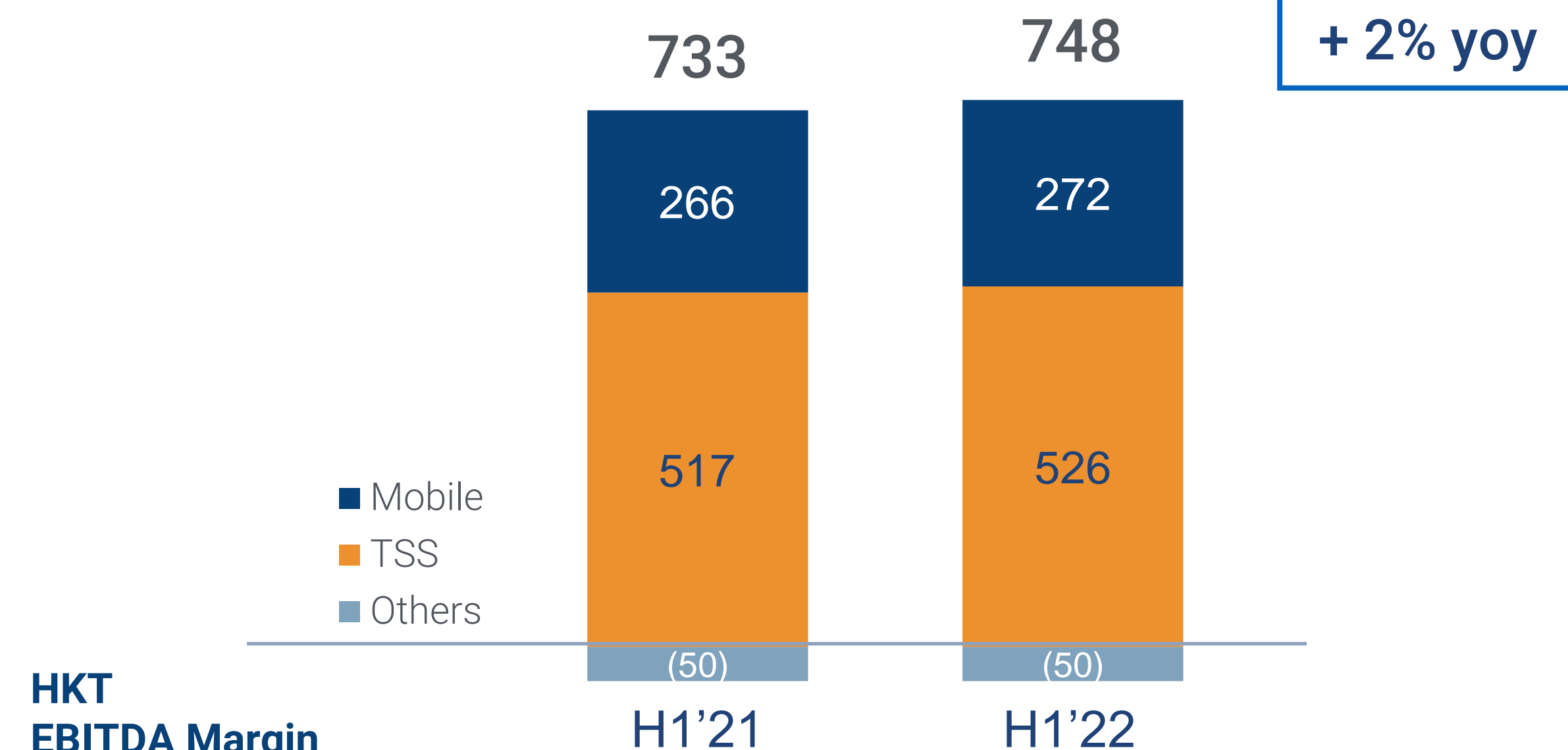
Interim Distribution of 31.36 HK cents per SSU

HKT Revenue (US\$ million)



- TSS local data revenue driven by consumer's uptake of high-speed FTTH services and Home Wi-Fi solutions and growth in enterprise digital transformation and smart city initiatives
- Growth in mobile mainly from continued 5G adoption, growth in post-paid customer base as well as contribution from mobile enterprise solutions

HKT EBITDA (US\$ million)



HKT

EBITDA Margin

Total

37%

36%

Exclude Mobile Product Sales

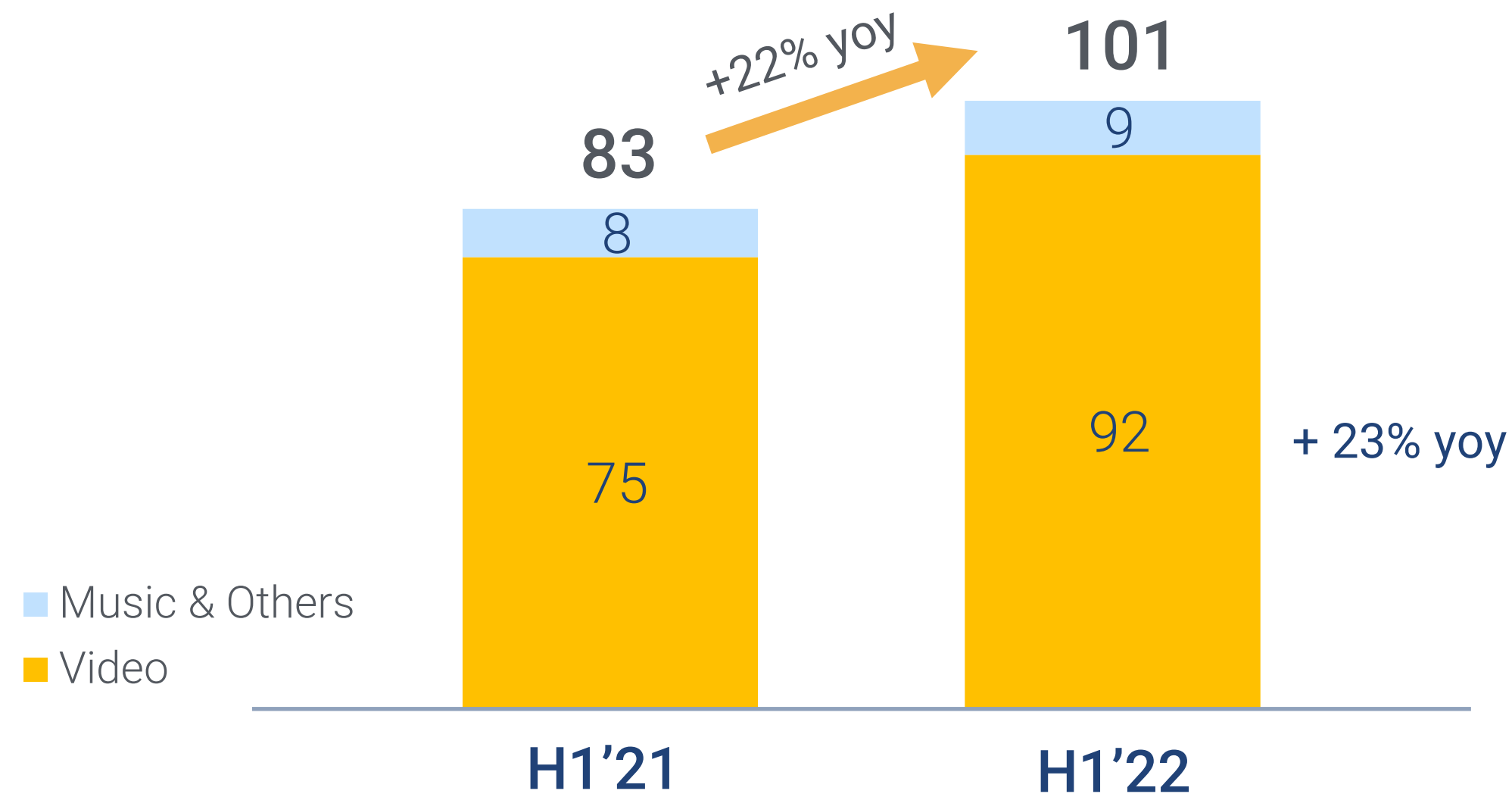
40%

39%

- EBITDA increased by 2% and margin stable from sustained operating efficiencies

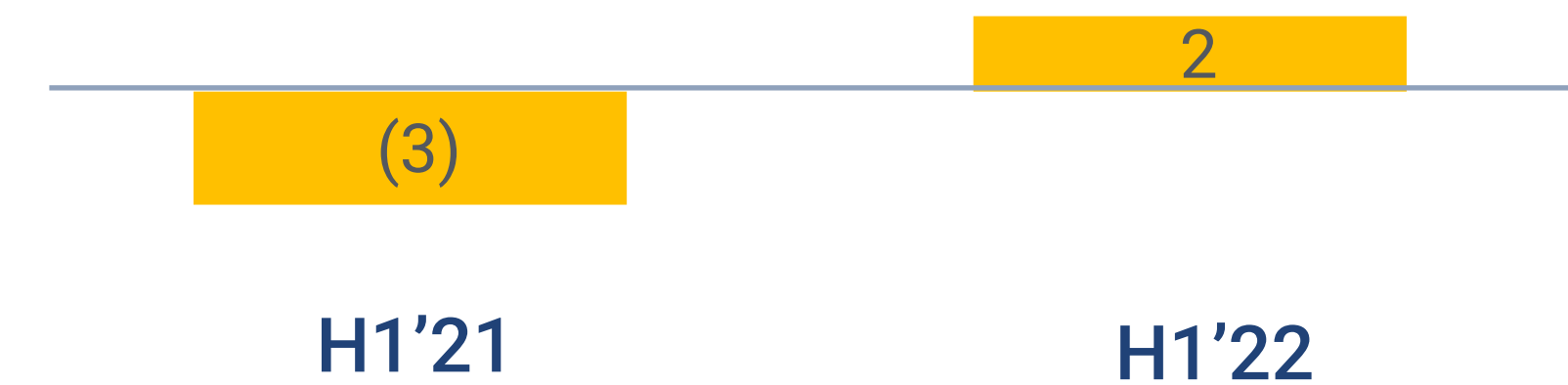
Achieved Positive EBITDA With Enlarged Scale

OTT Revenue (US\$ million)



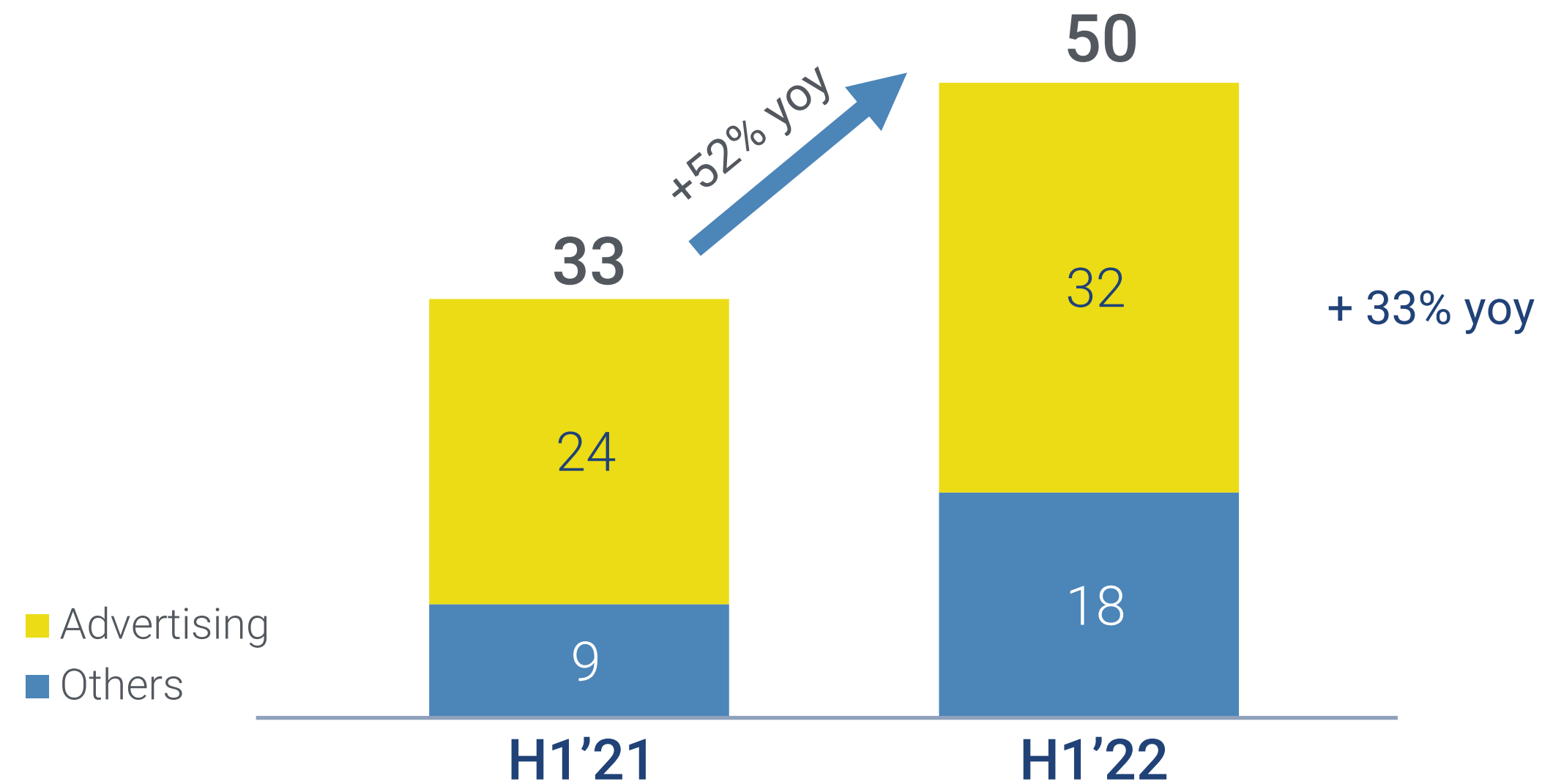
- OTT revenue grew by 22% driven by increases in both advertising and subscription revenues
- MAU and paid subscribers grew to 60.7 million and 9.1 million, up 23% and 31% respectively
- Expanding local content offering to complement its core strength in Korean content

OTT EBITDA (US\$ million)

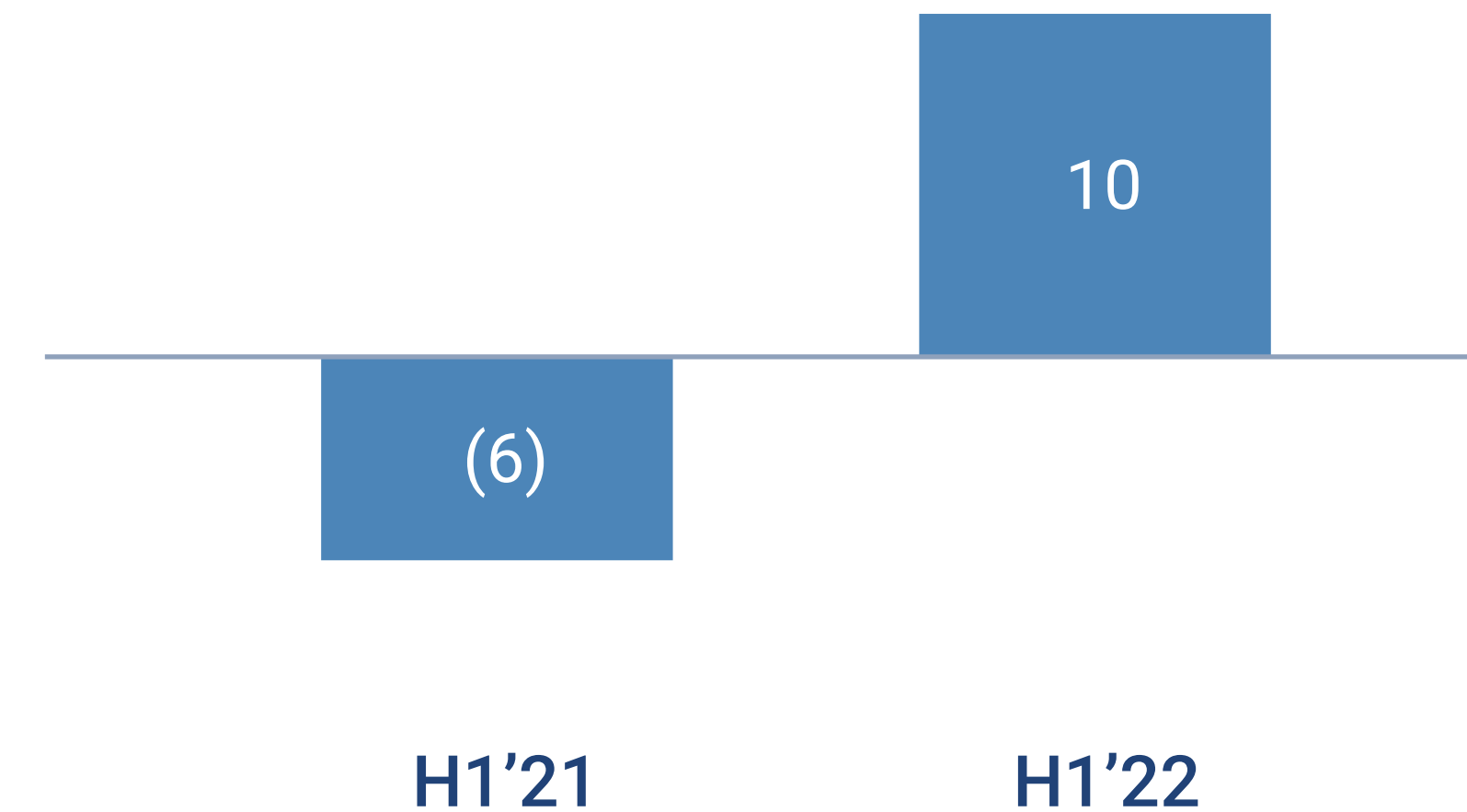


- Achieved positive EBITDA with an enlarged revenue base
- Demonstrates operating leverage of OTT model

ViuTV Revenue (US\$ million)



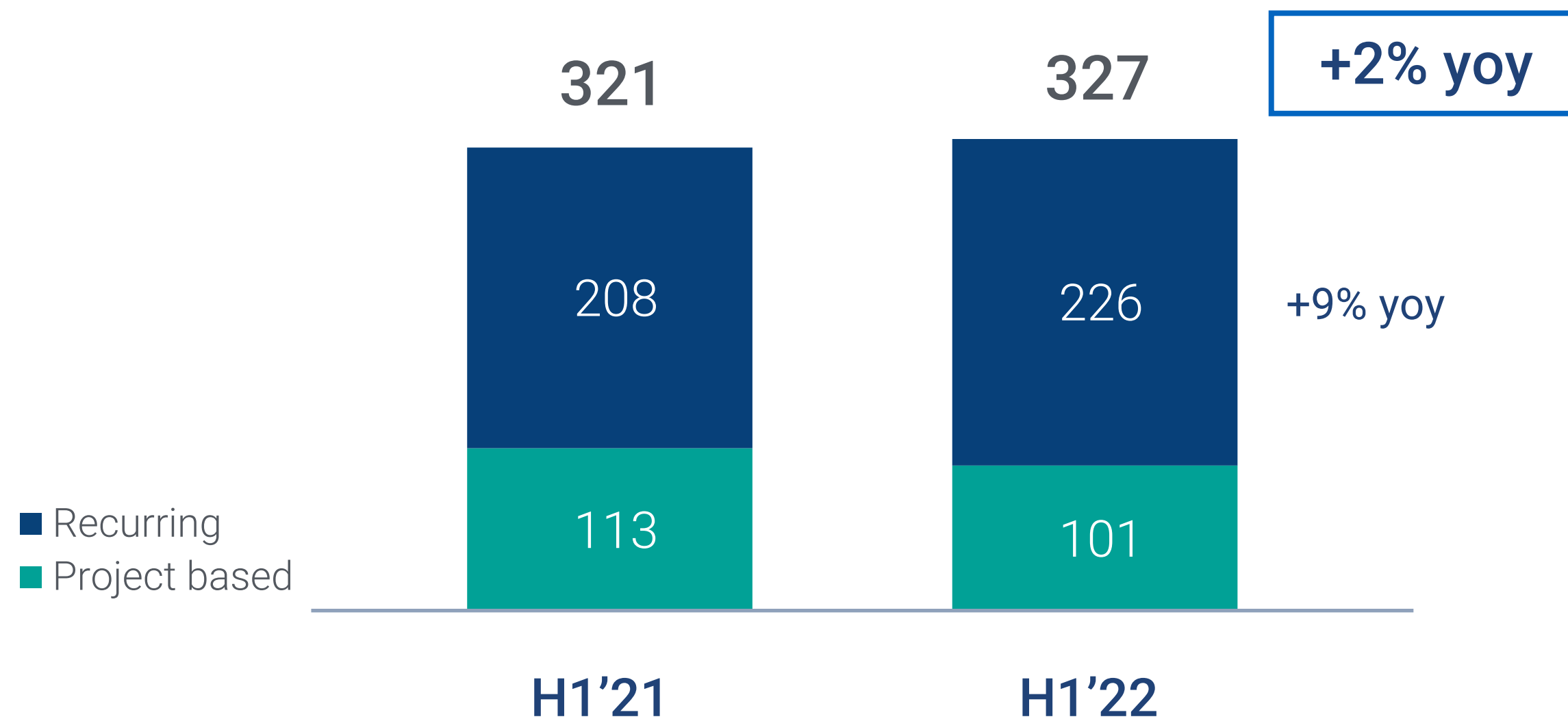
ViuTV EBITDA (US\$ million)



- Increased ad spending from a growing base of returning and new advertisers
- Prime time ratings increased by 24%
- App downloads increased by 19% expanding reach to digital viewers

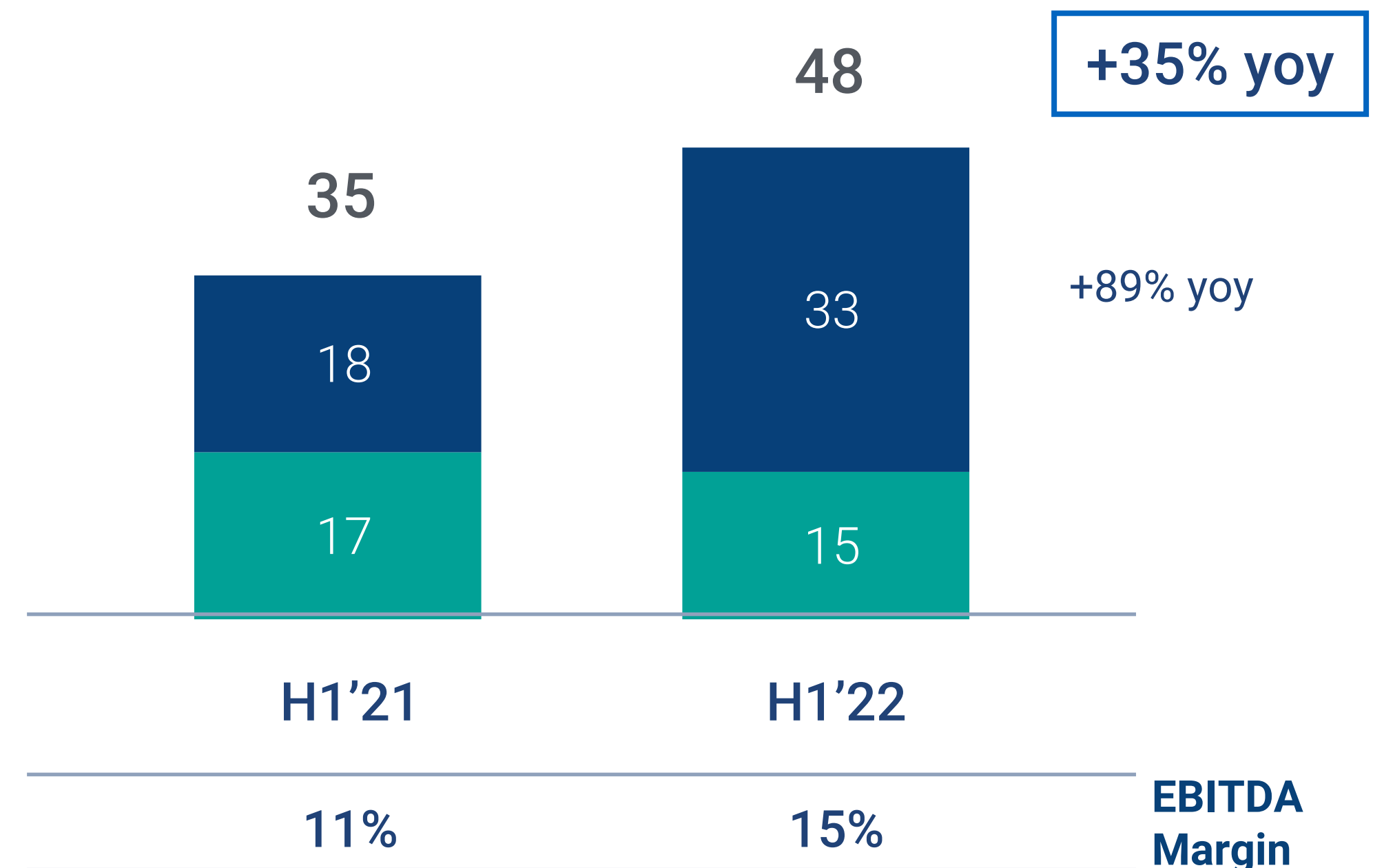
- Sustained positive EBITDA as a result of the growth in viewership and revenue
- Will continue to focus on providing high quality scripted and non-scripted contents

Solutions Revenue (US\$ million)



- Revenue grew by 2% driven by progress and completion of IT projects both in Hong Kong and Southeast Asia
- Continue to win new projects with secured orders steady at US\$ 3.1 billion
- Completed strategic partnership with Lenovo to drive growth in the region

Solutions EBITDA (US\$ million)

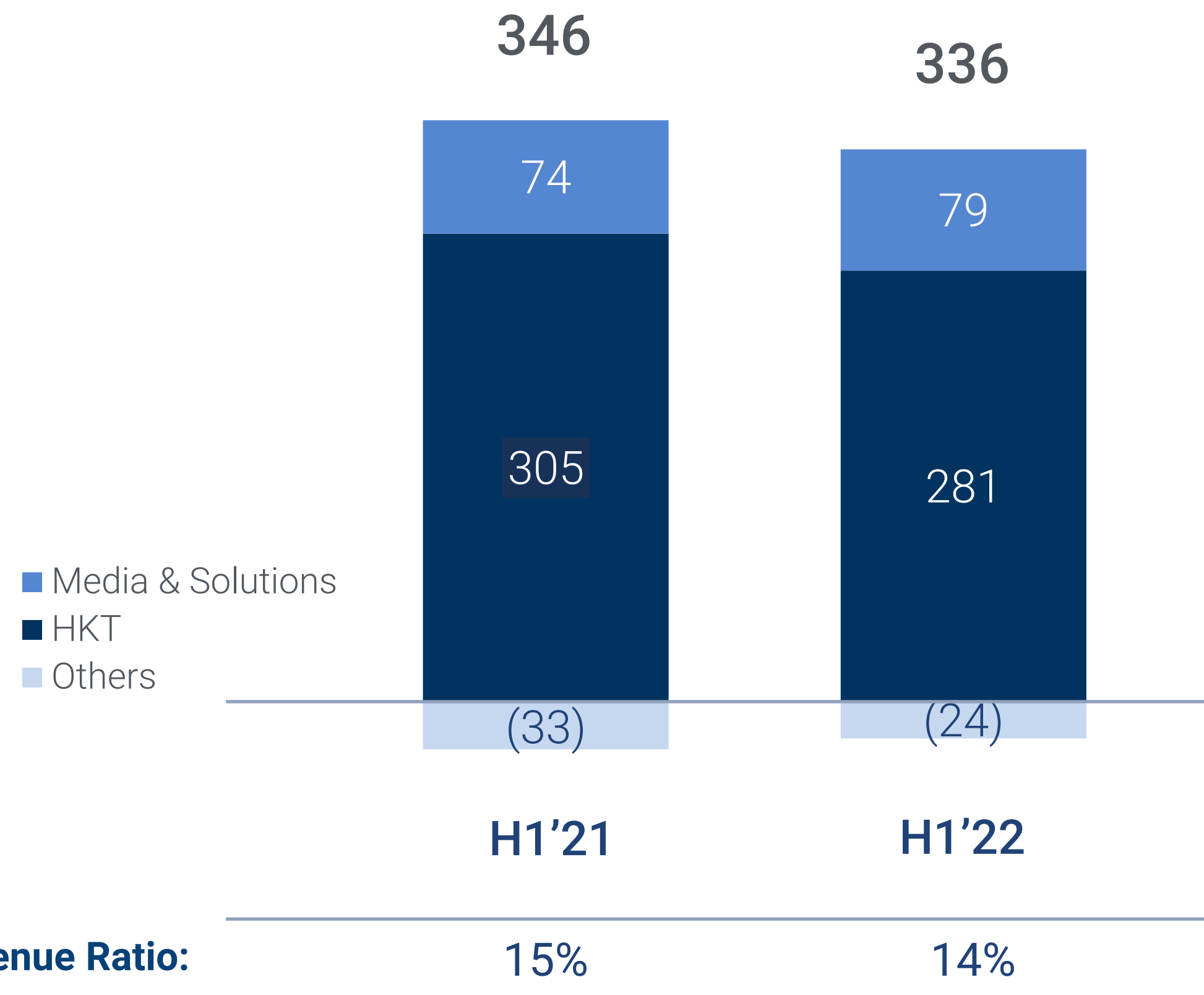


- EBITDA increased by 35% and margin improved to 15% mainly due to higher productivity

Prudent Spending To Support Business Expansion

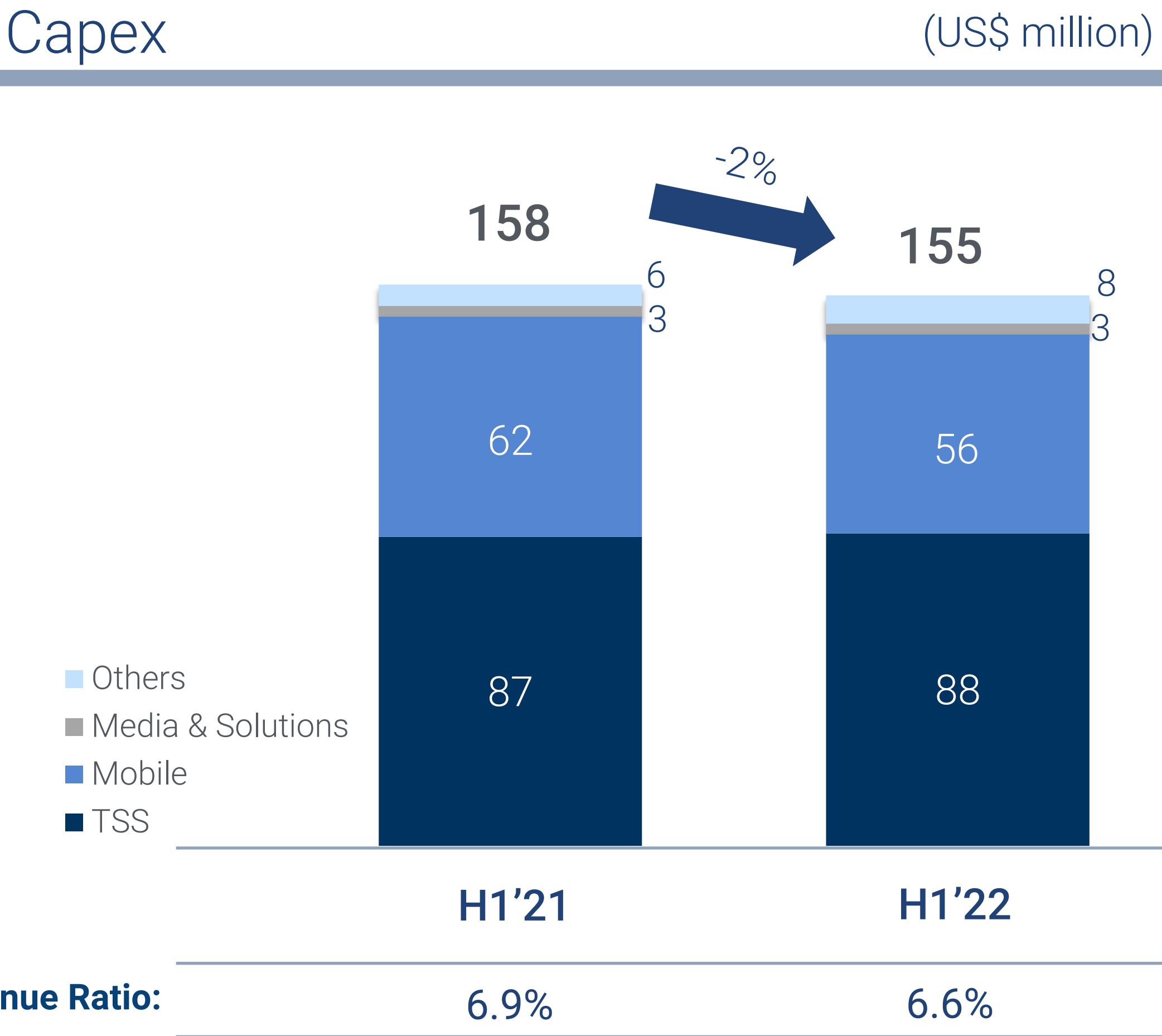
Operating Expenses

(US\$ million)



- Media and Solutions opex increased to support business expansion
- HKT opex declined due to initiatives including
 - Digitalising business processes
 - Optimising offline-to-online sales channels and retail footprint
- As a result, opex to revenue ratio improved to 14%

Controlled Capex Spending



- Capex to revenue ratio further declined to 6.6%
- Mobile capex declined reflecting the completion of our territory-wide 5G coverage rollout
- TSS capex steady for support continued demand for FTTH services and customised solutions for enterprises
- Capex for Media and Solutions Businesses remained steady

Debt Maturity Profile

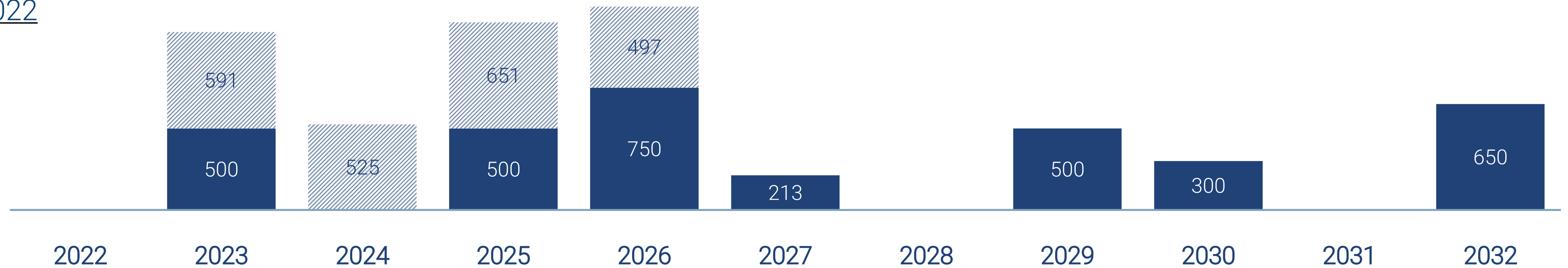
(US\$ million)

As of June 30, 2022

▨ HKT Bank Loans

■ HKT Bonds

HKT



PCCW

▨ PCCW Bank Loans

■ PCCW Bonds



- Current ratio of floating to fixed rate debt at approximately 40:60
- Effective interest rate was approximately 2.7% as of 30 June 2022
- Average debt maturity of approximately 4.0 years

Strong Liquidity

	As of Dec 2021			As of Jun 2022		
US\$ million	Gross Debt	Cash Balance ⁽⁵⁾	Undrawn Facilities	Gross Debt	Cash Balance ⁽⁵⁾	Undrawn Facilities ⁽⁷⁾
HKT	5,626	370	1,266	5,685	261	1,579
PCCW	400	276	1,366	722	113	1,026
Total	6,026	646	2,632	6,407	374	2,605
Gross Debt ⁽¹⁾ / EBITDA ⁽³⁾	3.82 x			3.97 x		
Net Debt ⁽²⁾ / EBITDA ⁽⁴⁾	3.41 x			3.73 x		

(1) Gross debt refers to the principal amount of short-term and long-term borrowings

(2) Net debt refers to the principal amount of short-term and long-term borrowings minus cash balance

(3) Based on gross debt as at period end divided by EBITDA for the 12-month period

(4) Based on net debt as at period end divided by EBITDA for the 12-month period

(5) Includes short-term deposits

(6) US\$750 million perpetual capital securities are classified as equity

(7) Latest as of 2022 interim announcement date