



PCCW reports stable financial results for 2019

PCCW (SEHK:0008) – HONG KONG, February 13, 2020 – The directors (“Directors”) of PCCW Limited (“PCCW” or the “Company”) are pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended December 31, 2019. Some key figures are as follows:

- Consolidated revenue decreased by 3% to HK\$37,521 million
 - Excluding Mobile product sales up 3% to HK\$34,121 million
- Consolidated EBITDA increased by 1% to HK\$12,381 million
- Consolidated profit attributable to equity holders of the Company was HK\$681 million

- HKT revenue excluding Mobile product sales increased by 1% to HK\$29,703 million
- Media business revenue increased by 1% to HK\$4,015 million
 - Now TV revenue down 6% to HK\$2,685 million
 - OTT revenue up 18% to HK\$1,071 million, and
 - Free TV revenue up 27% to HK\$259 million
- Solutions business revenue increased by 3% to HK\$4,218 million
- PCPD revenue increased by 238% to HK\$1,015 million

- Basic earnings per share amounted to 8.83 HK cents

- Final dividend of 23 HK cents per ordinary share resulting in full year dividend of 32.18 HK cents per ordinary share

PCCW delivered a set of stable financial results for the year ended December 31, 2019. This was achieved in spite of challenging economic conditions in Hong Kong and reflected the resilience of the telecom business and the benefits of expanding the geographic presence of the Media and Solutions businesses.

HKT Limited’s (“HKT”) revenue excluding Mobile product sales for the year ended December 31, 2019 increased by 1% to HK\$29,703 million, underpinned by steady growth in Telecommunications Services (“TSS”) and Mobile Services revenue even as competition remained intense. Mobile product sales at HKT remained sluggish reflecting a longer handset replacement cycle especially in view of the impending arrival of 5G handsets and poor consumer sentiment.

Revenue at Now TV eased from 2018 which recorded a one-off contribution due to World Cup and related event passes. Both Free TV and over-the-top (“OTT”) businesses maintained their growth momentum with revenue expanding by 27% and 18% respectively from a year ago. The Solutions business revenue increased by 3% to HK\$4,218 million on the back of growing contribution from its regional expansion in Southeast Asia and strong data center demand. PCPD recorded 238% growth in revenue to HK\$1,015 million with significant growth occurring in the second half of the year as the handover of the Park Hyatt Niseko Hanazono Residences (“Branded Residences”) commenced. Consequently, consolidated revenue excluding Mobile product sales increased by 3% to HK\$34,121 million.

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EBITDA at HKT improved by 2% to HK\$12,817 million as a result of continued improvement in operating efficiencies. Overall performance at the Media business improved as the Free TV and OTT businesses narrowed their losses with an inflection point occurring in the second half of the year when it turned EBITDA positive. Solutions business's EBITDA remained stable with continued investment to support its regional expansion. With the contribution from the Branded Residences and other properties in its portfolio, PCPD recorded positive EBITDA in the second half of the year. As a result, PCCW's consolidated EBITDA increased by 1% to HK\$12,381 million.

Consolidated profit attributable to equity holders of the Company was HK\$681 million. Basic earnings per share was 8.83 HK cents.

The board of Directors (the "Board") has recommended the payment of a final dividend of 23 HK cents per ordinary share for the year ended December 31, 2019.

Mr. BG Srinivas, PCCW's Group Managing Director, said that Hong Kong had been faced with exceptional social and economic challenges last year, and the longer-term impact on the local economy might only be more apparent in the coming quarters, especially as the city is being hit by the novel coronavirus.

"In 2020, the Group will continue to consolidate its advantages and build further strengths across its media entertainment platforms. We aim to further improve the operating efficiency and margin of Now TV. Viu OTT will seek to drive deeper user engagement and capture larger shares in the regional markets, riding on the momentum gained last year. ViuTV will bring in more high quality content and focus on steady growth. We will, however, remain reserved about the outlook of advertising spend in Hong Kong," he said.

"With more progress in its regional expansion efforts, PCCW Solutions expects the Southeast Asian markets to make larger contributions going forward. As Hong Kong's leading IT service provider, we stand ready to serve the digital transformation needs of customers in Hong Kong as investment sentiment gradually recovers," Mr. Srinivas said.

HKT's resilient operations will continue to generate a steady cash flow. 2020 will be an exciting year for HKT as it launches its 5G mobile network and services. In addition to offering a differentiated mobile experience for consumers, 5G will present numerous opportunities for commercial applications.

Mr. Srinivas said, "The Group has a strong business and robust foundation in Hong Kong. We will stay focused on serving Hong Kong people well and maintaining our leading market positions, as the city gradually recovers. We will also continue to cautiously pursue growth opportunities in Hong Kong as well as across Southeast Asia, especially for the Media and Solutions businesses."

"In view of the virus outbreak, we are taking all necessary precautions to safeguard our employees and to ensure business continuity. We will continue to monitor the development and take steps as appropriate to mitigate the risks," he said.

For further details of the 2019 annual results, please refer to the [announcement](#) that has been filed with The Stock Exchange of Hong Kong Limited.

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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.

Media business includes the Group's Now TV, OTT and Free TV businesses.

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PCCW Group Managing Director Mr. BG Srinivas and PCCW Group Chief Financial Officer Ms. Susanna Hui present PCCW's 2019 annual results.

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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