



Hutchison Telecom Hong Kong Holdings
和記電訊香港控股

Hutchison Telecommunications Hong Kong Holdings Limited (Stock code: 0215)

2015 Annual Results Presentation 29 February 2016



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Potential Investors and Shareholders should exercise caution when investing in or dealing in the securities of the Company.

Business Performance

Highlights

	2015 HK\$ millions	2014 HK\$ millions	2015 vs 2014
Consolidated Revenue	22,042	16,296	+35%
Consolidated EBITDA	2,788	2,679	+4%
Consolidated EBIT	1,430	1,358	+5%
Net Profit ⁽¹⁾	915	833	+10%
Earnings per share (HK cents)	18.99	17.29	+10%
Full year Dividend per share (HK cents)	14.20	12.95	+10%

Outlook

Mobile business

- More customers upgrade to 4G LTE plan
- Customer-oriented
- Maximise utilisation of existing assets

Fixed-line business

- One stop solution for corporate customers
- Enhance coverage for residential broadband
- Cope with increasing OTT and IoT demand

Cost

- Continued enhancing operating efficiency

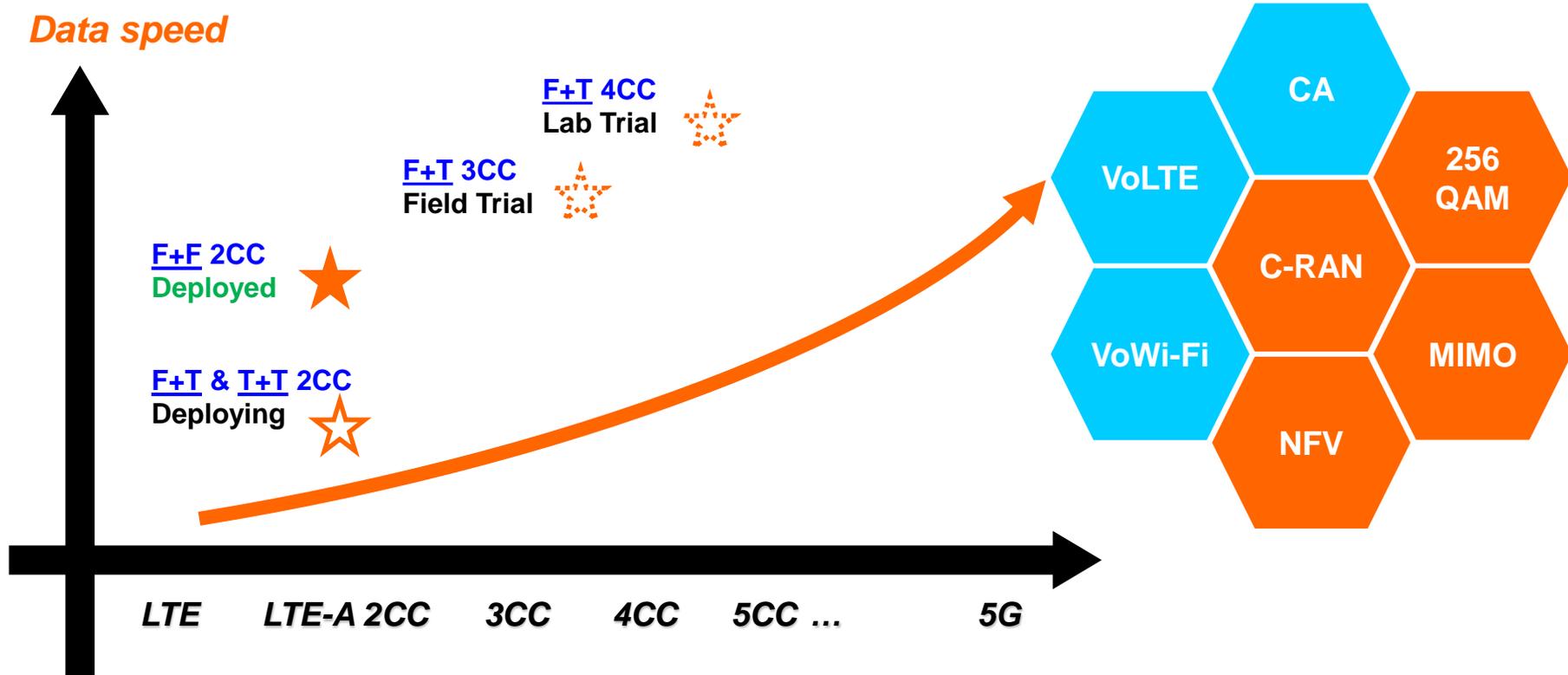
Capital expenditure

- Disciplined capex spending

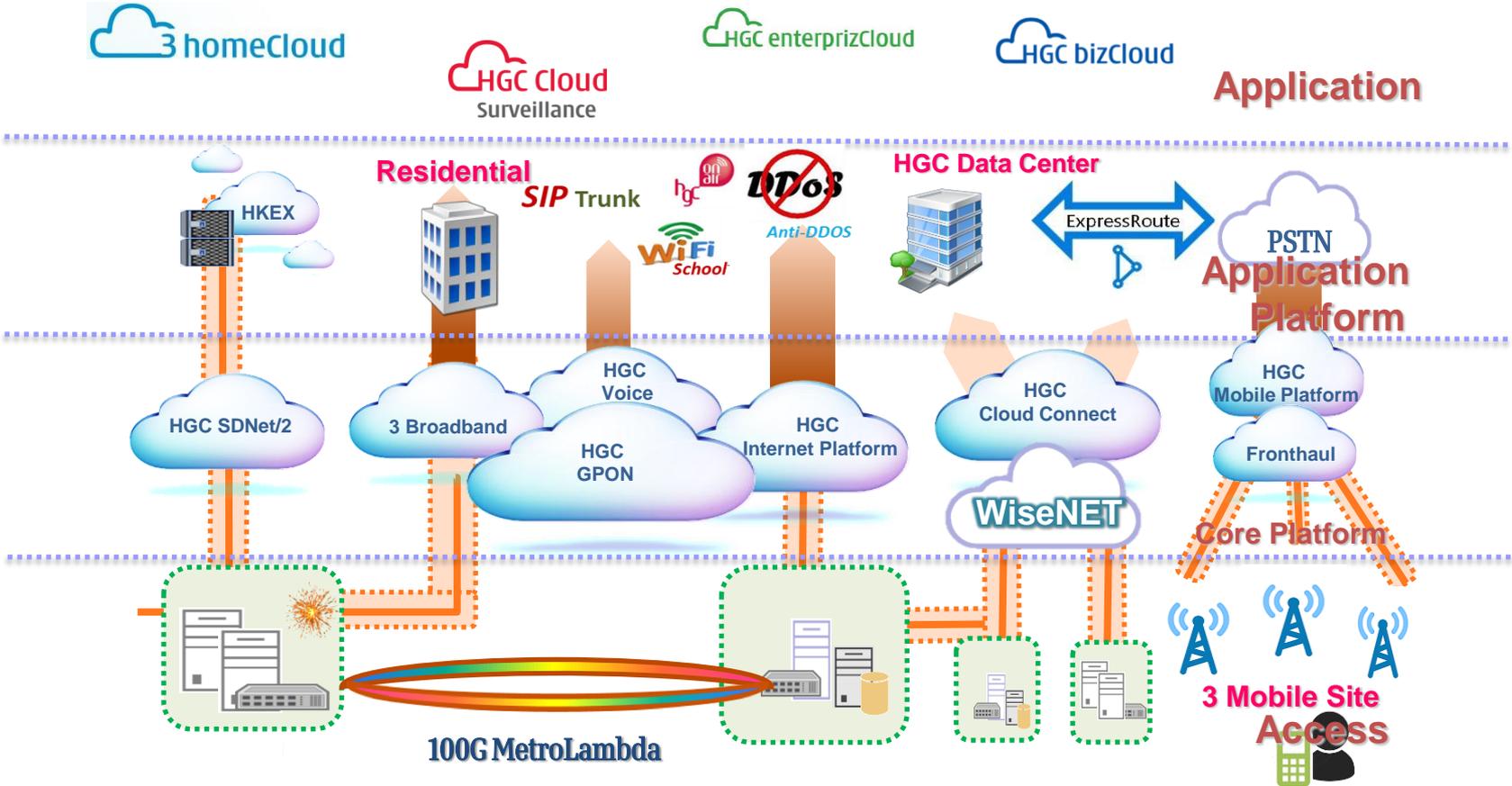
Dividend policy

- Sustainable and clear dividend policy

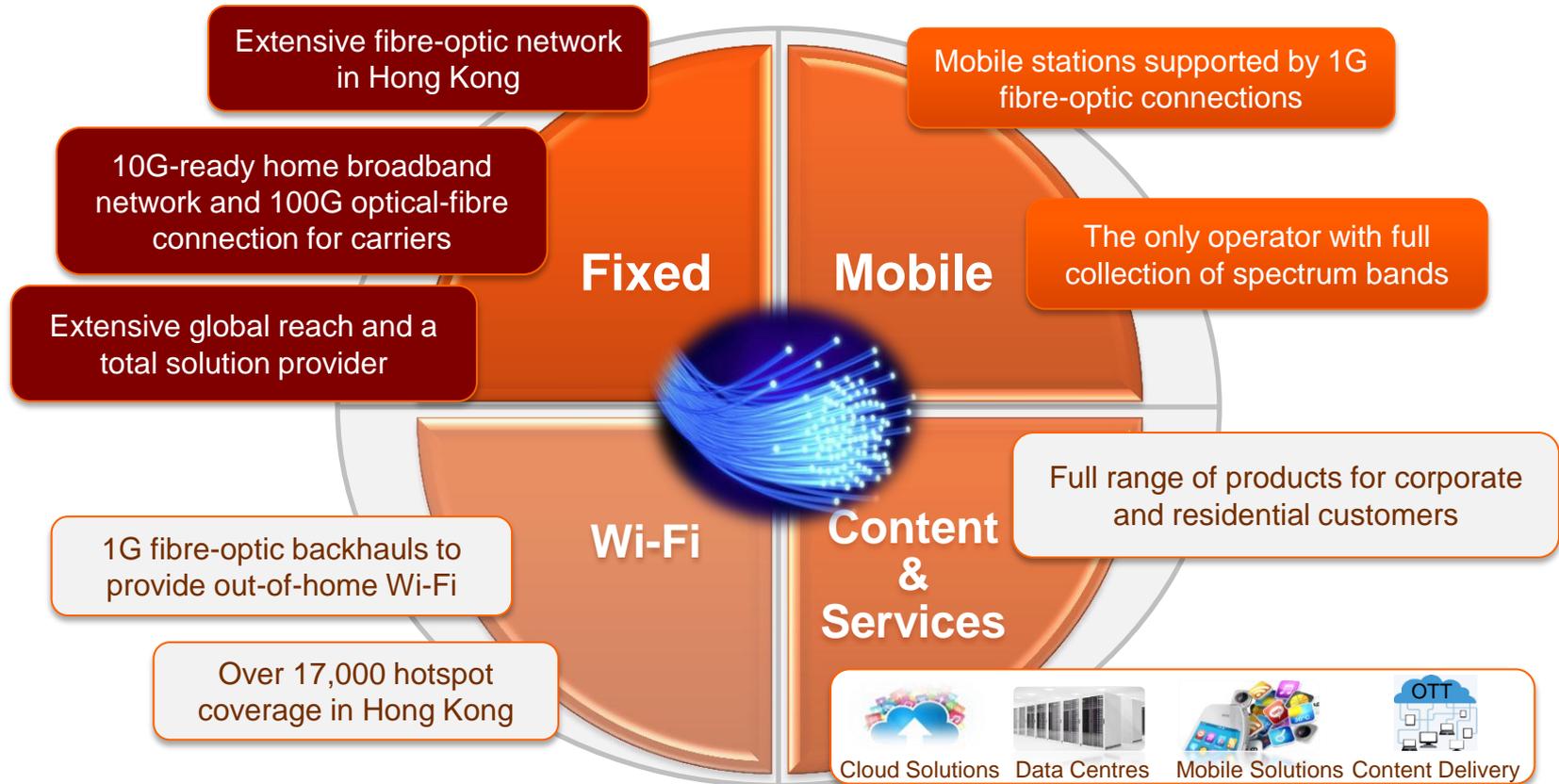
Mobile Network Development



Fixed-line Product & Service Overview



United Networks



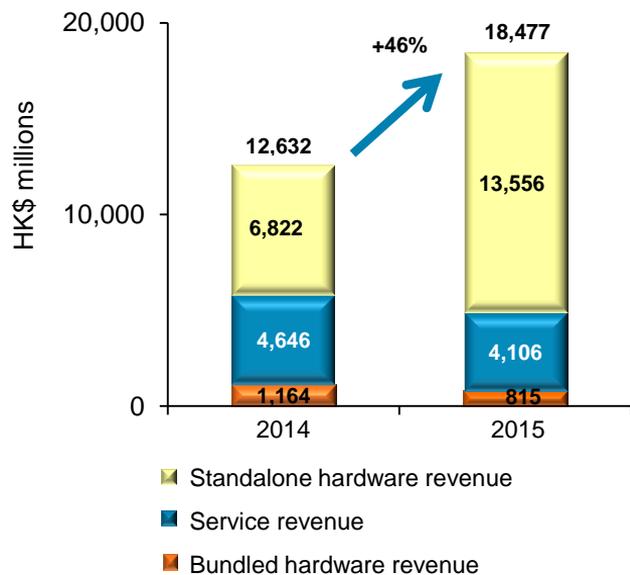


Mobile

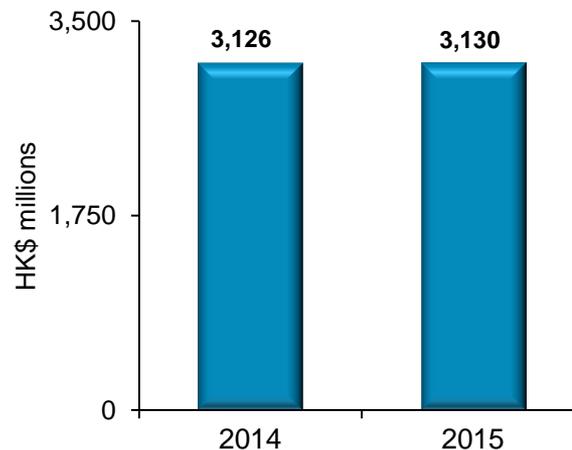


Mobile Business

Mobile revenue



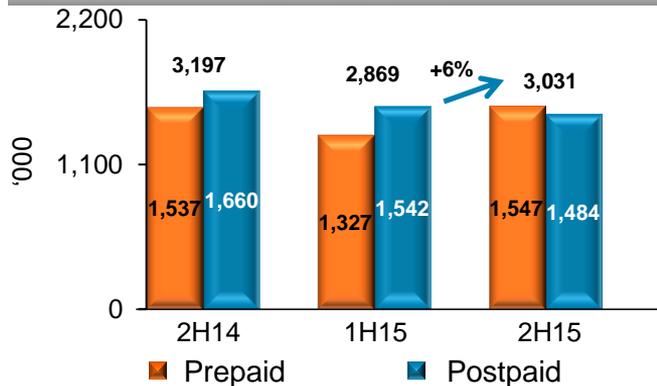
Local net customer service revenue margin⁽¹⁾



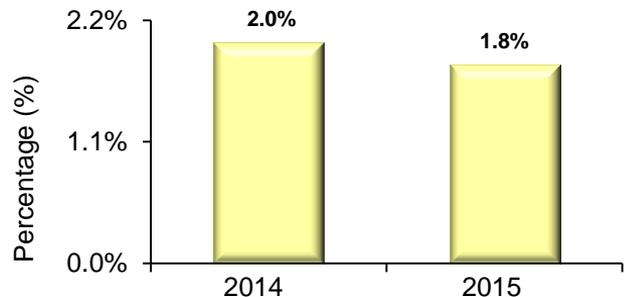
Note 1: represents net customer service revenue excluding roaming factors and direct variable costs

Mobile KPIs

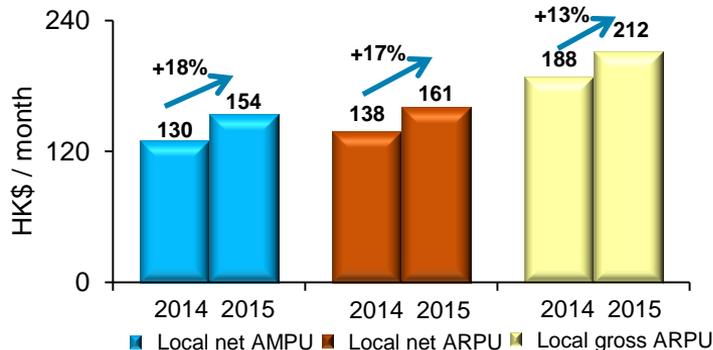
Total customers in Hong Kong and Macau



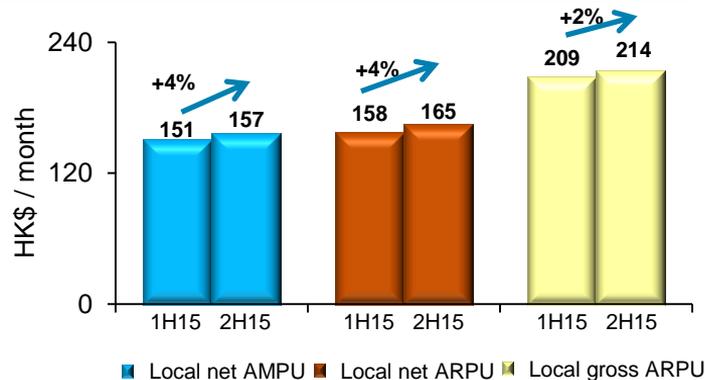
Postpaid Churn



Blended local postpaid ARPU and net AMPU



Blended local postpaid ARPU and net AMPU



WiseNET CloudConnect

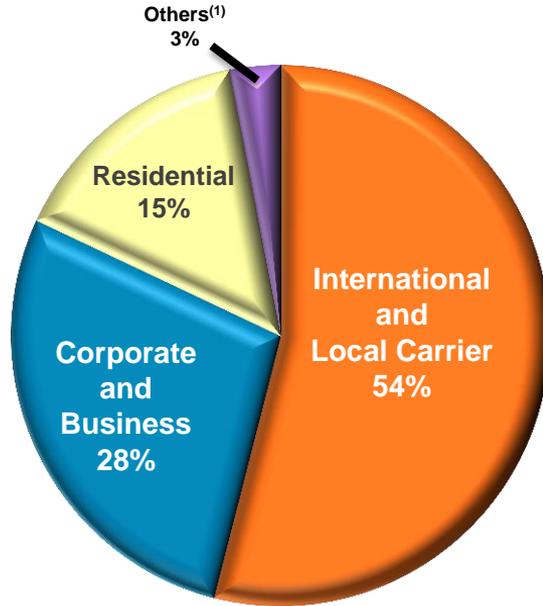
WiseNET



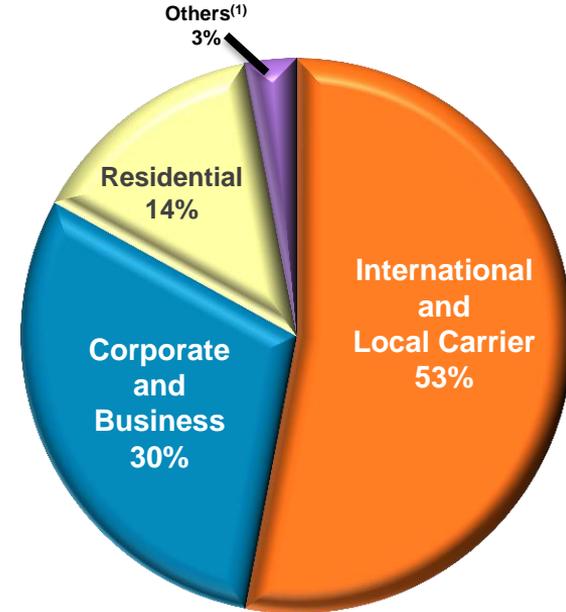
Fixed-line



Fixed-line business



2014 total revenue
HK\$4,102 million

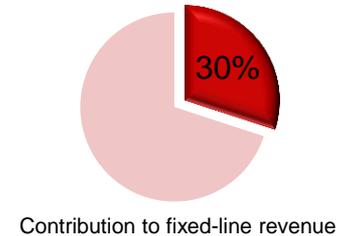
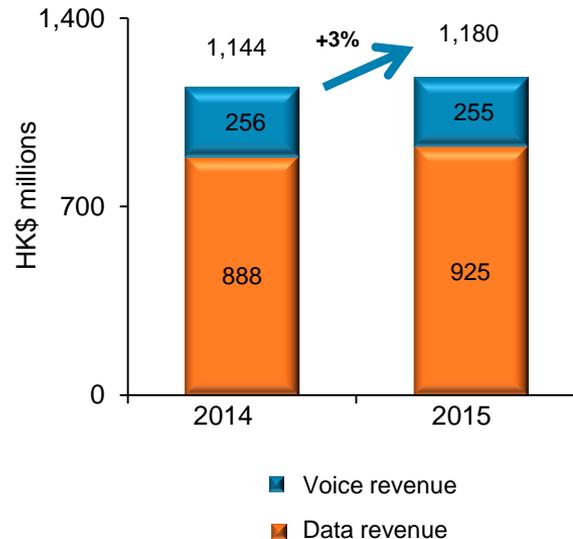


2015 total revenue
HK\$3,973 million

Corporate and Business Market

- Overall 3% growth with 4% increase in data revenue from growing demand of data connectivity
- Solution based offerings including cloud base application and data centre services
- Serving mainly financial institutions, government authorities, corporate & education sectors. To further expand footprint to other segments

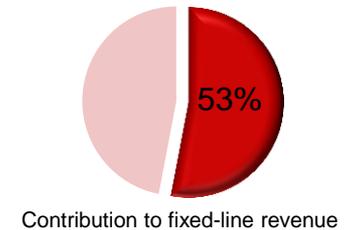
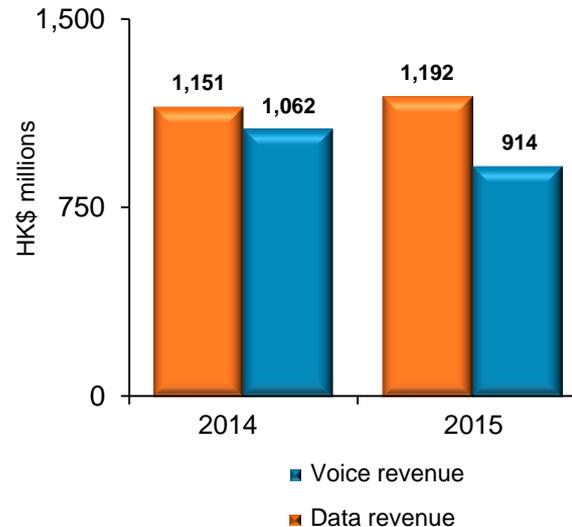
Corporate and Business revenue



International and Local Carrier Market

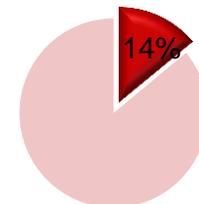
- 5% drop in total revenue, due to 14% drop in low margin voice but 4% growth in data
- International service leveraging submarine cable facilities
- Local backhaul services to mobile operators

International and local carrier revenue



Residential Market

- 7% decrease due to competitive pricing in certain segments
- Continue to capture fast-speed market share
- 1GB FTTH in offer plus with infotainment focus
- Plan to increase homepass to >2m by 2017 (>80% coverage)



Contribution to fixed-line revenue

Financial Overview

Financial Highlights - Consolidated

	2015 HK\$ millions	2014 HK\$ millions	Favourable/ (Unfavourable)
Revenue	22,042	16,296	+35%
EBITDA	2,788	2,679	+4%
<i>EBITDA margin % (EBITDA / service revenue)</i>	36%	32%	+4%
EBIT	1,430	1,358	+5%
Profit before taxation	1,293	1,168	+11%
Taxation	(216)	(205)	-5%
Profit for the year	1,077	963	+12%
Less: Non-controlling interests	(162)	(130)	-25%
Profit attributable to shareholders	915	833	+10%
Earnings per share (HK cents)	18.99	17.29	+10%
Full Year Dividend per share (HK cents)	14.20	12.95	+10%

Mobile business

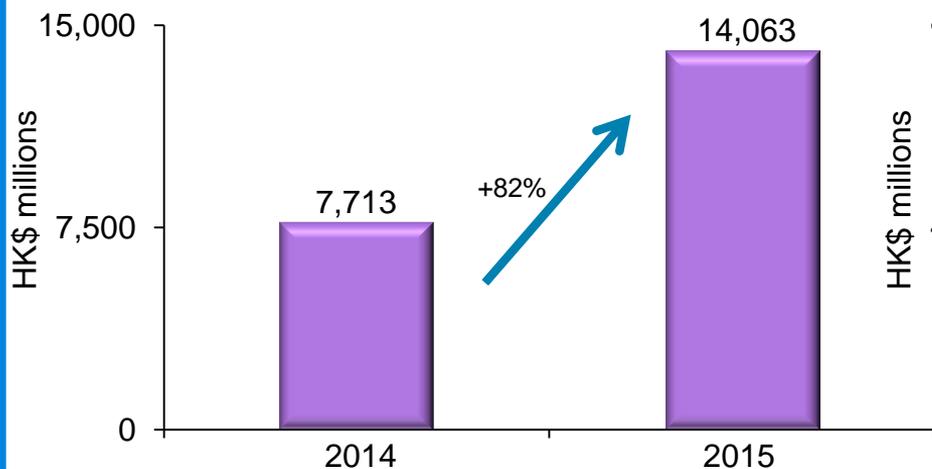
	2015 HK\$ millions	2014 HK\$ millions	Favourable/ Unfavourable
Total revenue	18,477	12,632	+46%
- Net customer service revenue	4,106	4,646	-12%
- Hardware revenue	14,371	7,986	+80%
- <i>Bundled sales revenue</i>	815	1,164	-30%
- <i>Standalone handset sales revenue</i>	13,556	6,822	+99%
Net customer service margin	3,823	4,152	-8%
Net customer service margin %	93%	89%	+4% points
Standalone handset sales revenue margin	308	273	+13%
Total CACs	(1,085)	(1,719)	+37%
Less: Bundled sales revenue	815	1,164	-30%
Total CAC (net of handset revenue)	(270)	(555)	+51%
Operating expenses	(2,224)	(2,373)	+6%
<i>opex as a % of net customer service margin</i>	58%	57%	-1% point
EBITDA	1,637	1,497	+9%
Service EBITDA	1,329	1,224	+9%
<i>Service EBITDA margin %</i>	32%	26%	+6% points
Depreciation and amortisation	(661)	(620)	-7%
EBIT	976	877	+11%

Fixed-line business

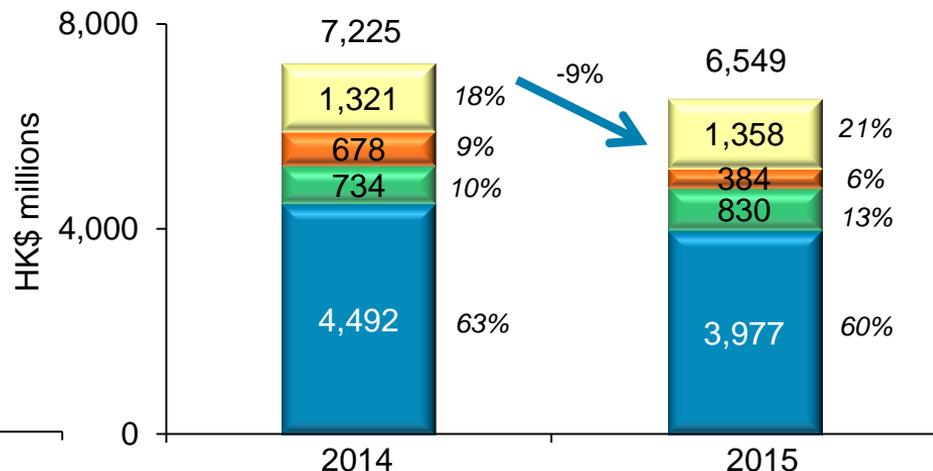
	2015 HK\$ millions	2014 HK\$ millions	Favourable/ (Unfavourable)
Revenue	3,973	4,102	-3%
Total CACs and Operating expenses	(2,699)	(2,795)	+3%
<i>Total CACs and Opex as a % of revenue</i>	68%	68%	-
EBITDA	1,274	1,307	-3%
<i>EBITDA margin %</i>	32%	32%	-
Depreciation and amortisation	(697)	(701)	+1%
EBIT	577	606	-5%

Key cost items

Cost of inventories sold



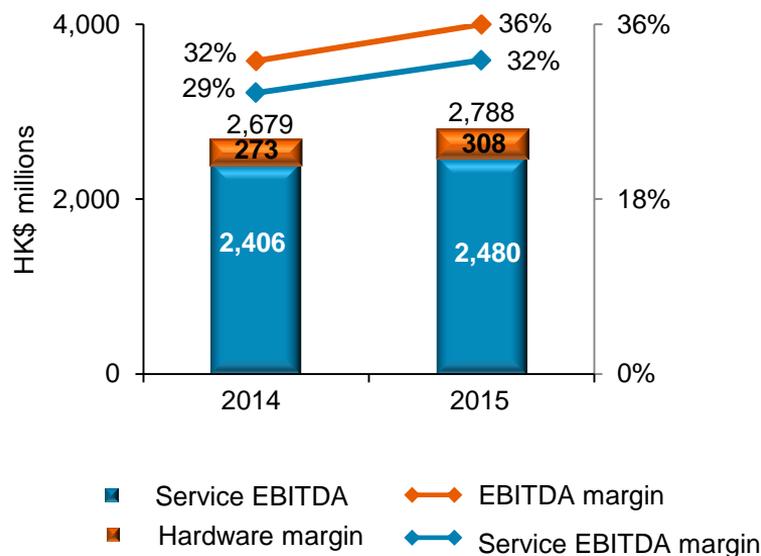
Key cost items



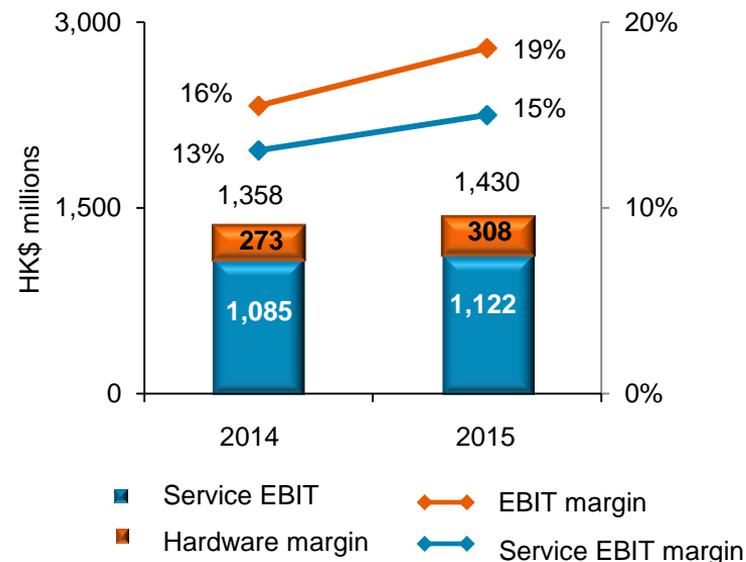
- Depreciation and amortisation
- Staff costs
- Customer acquisition costs
- Other operating expenses

EBITDA/EBIT Margin

Consolidated EBITDA

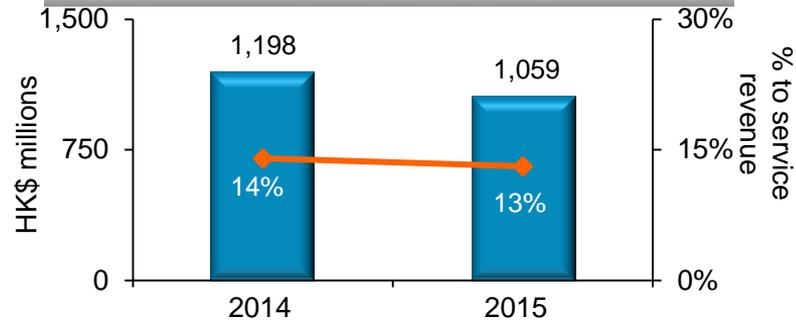


Consolidated EBIT

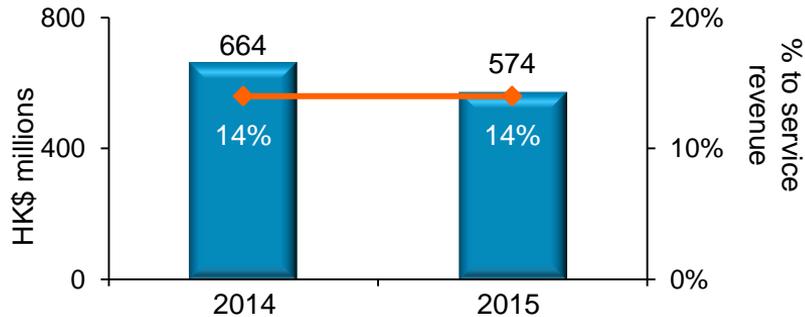


Capex investment

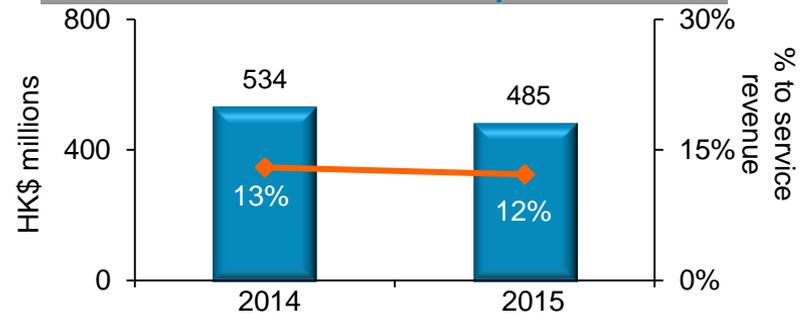
Consolidated Capex



Mobile Capex

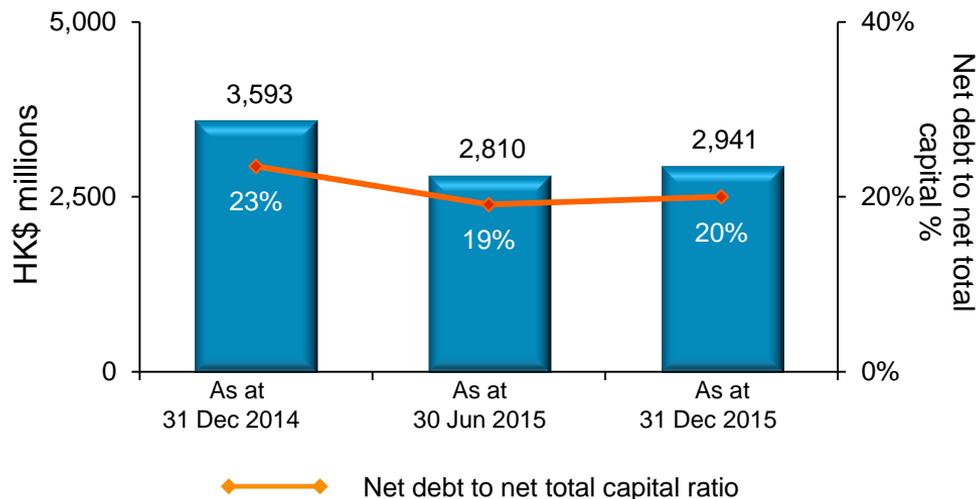


Fixed-line Capex

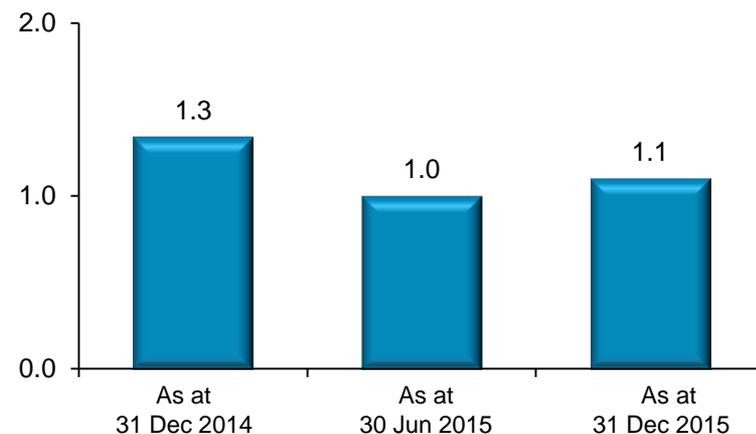


Financial position

Net debt

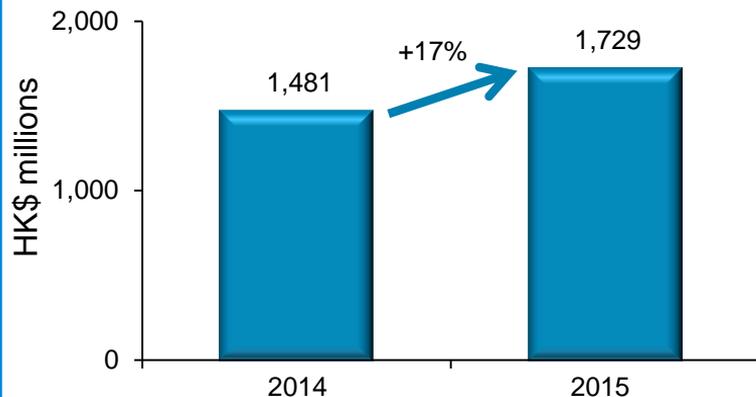


Net debt/ LTM EBITDA

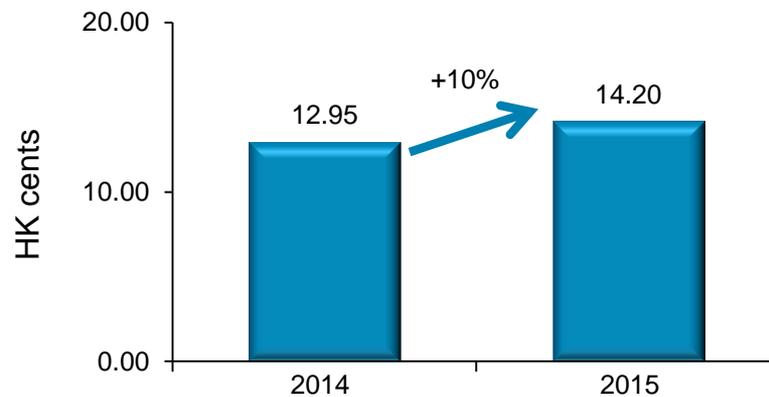


Liquidity and Dividend

EBITDA less CAPEX



Dividend per share



Q & A

Thank You