



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

# Hutchison Telecommunications Hong Kong Holdings Limited (Stock code: 215)

## 2015 Interim Results Presentation 4 August 2015



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# Business Performance

# Highlights

	2015 1H HK\$ millions	2014 1H HK\$ millions	Change %
Consolidated Turnover	11,020	6,227	+77%
Consolidated EBITDA	1,456	1,181	+23%
Consolidated EBIT	789	527	+50%
Net Profit <sup>(1)</sup>	508	323	+57%
Earnings per Share	10.54 HK cents	6.70 HK cents	+57%
Interim Dividend per Share	5.20 HK cents	4.25 HK cents	+22%

# Outlook

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- ◆ Balanced integrated telecom operator benefited from mobile and fixed-line contributions
- ◆ Mobile business
  - ◆ Focus on margin and profitability
  - ◆ Upgrade customers to high speed plans
- ◆ Fixed-line business
  - ◆ Focus on network solution offerings in corporate market
  - ◆ Gradual improvement in carrier and residential market
- ◆ Disciplined control on operating and capital expenditure
- ◆ Major enhancement projects in the pipeline:
  - ◆ TDD spectrum development
  - ◆ Wi-Fi coverage expansion
  - ◆ TDD/FDD LTE Advanced network development
- ◆ Focus on optimising synergies between mobile and fixed-line
- ◆ Sustainable and clear dividend policy

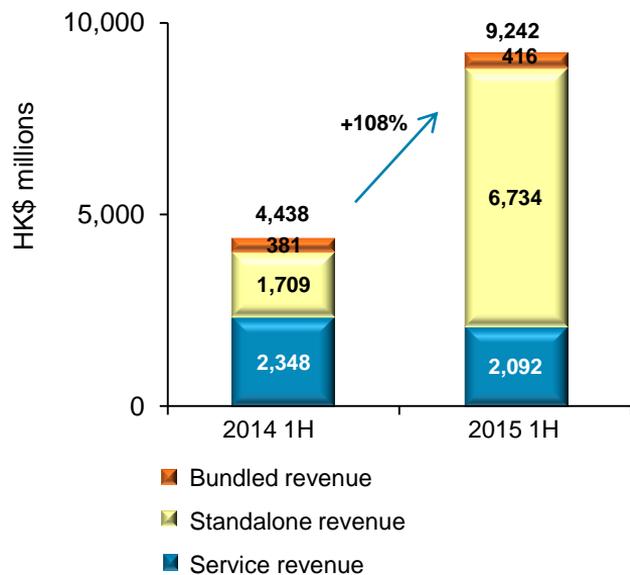


# Mobile

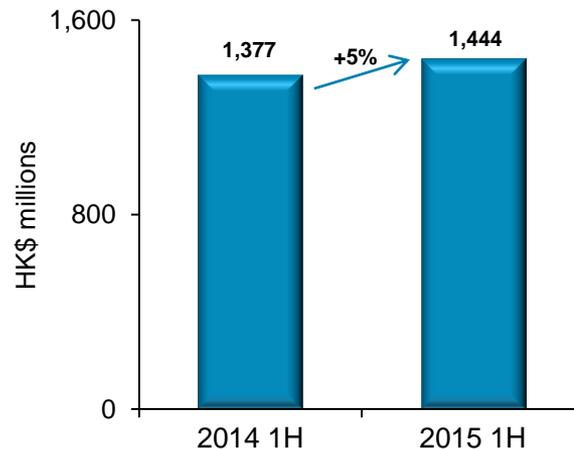


# Mobile Business

## Mobile revenue

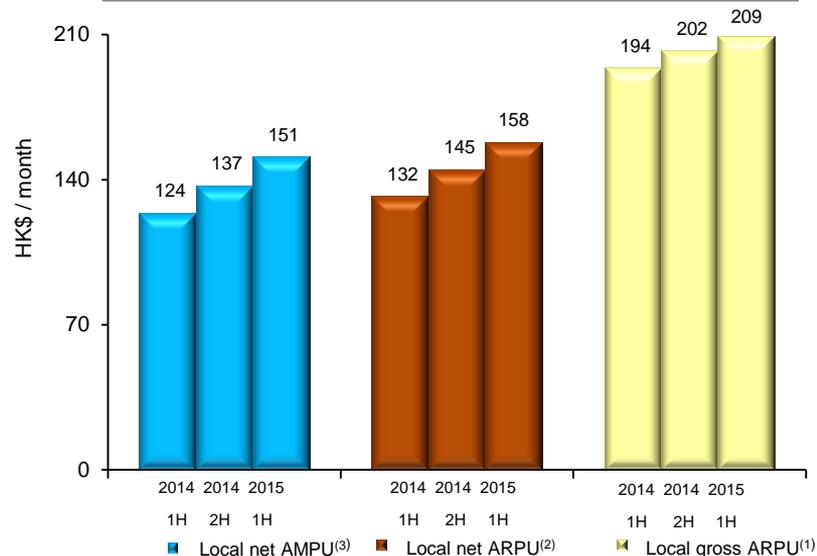


## Local net customer service revenue margin after deducting CAC



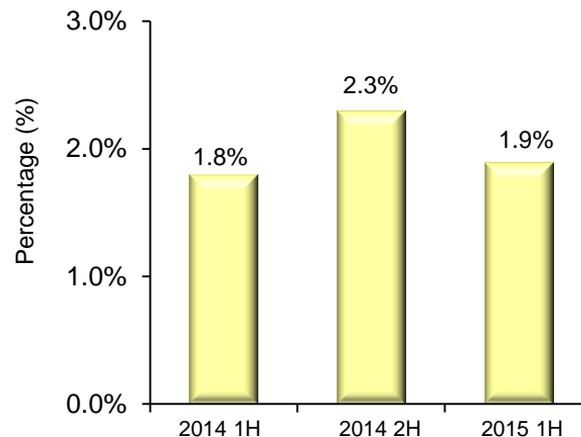
# Mobile KPIs

## Blended local postpaid ARPU and net AMPU



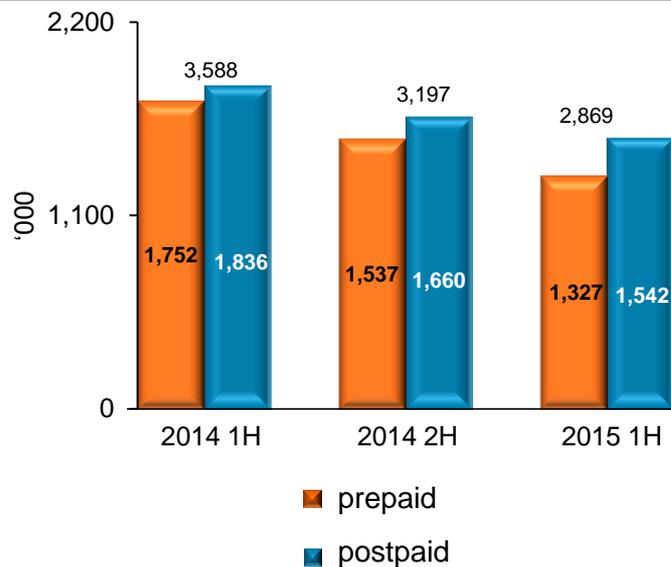
- Note 1: Local postpaid gross ARPU is defined as monthly average spending per postpaid user including a customer's contribution to handset, or other devices, in a bundled service and hardware plan excluding roaming revenue in 6-month period.
- Note 2: Local postpaid net ARPU is defined as local postpaid gross ARPU excluding customer's contribution to handset, or other devices, in a bundled service and hardware plan as well as revenue and expenses related to handset under the non-subsidised handset business model in a 6-month period. Prior period figures have been adjusted to conform to current period presentation.
- Note 3: Local postpaid net AMPU represents average net margin per user. Local postpaid net AMPU equals local postpaid net ARPU less direct variable costs (including interconnection charges) in a 6-month period. Prior period figures have been adjusted to conform to current period presentation.

## Postpaid Churn

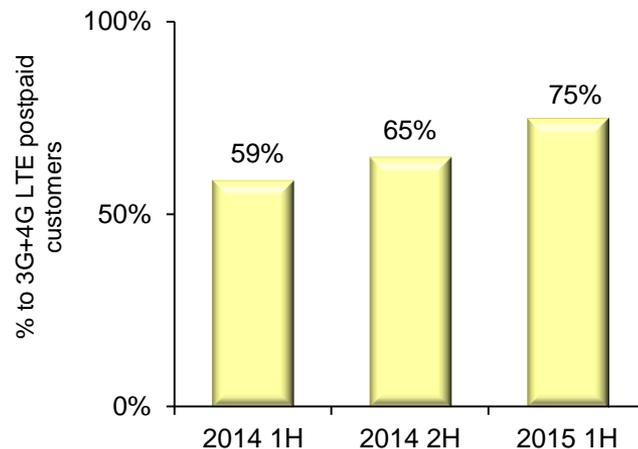


# Quality customer base

## Total customers\*



## Data user penetration\*



# WiseNET CloudConnect

WiseNET



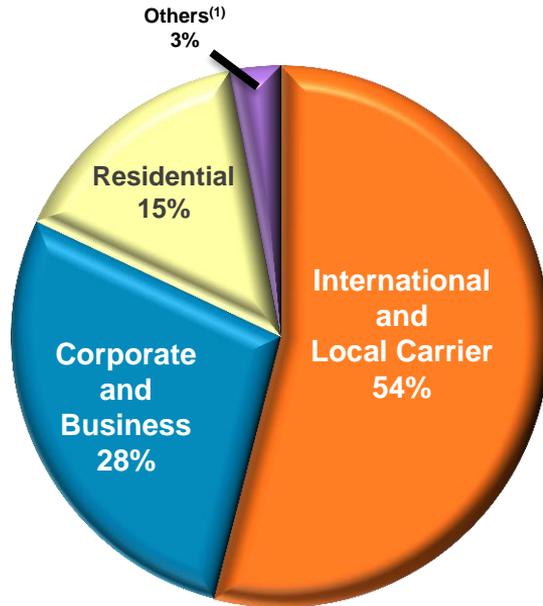
# Fixed-line



# Fixed-line business

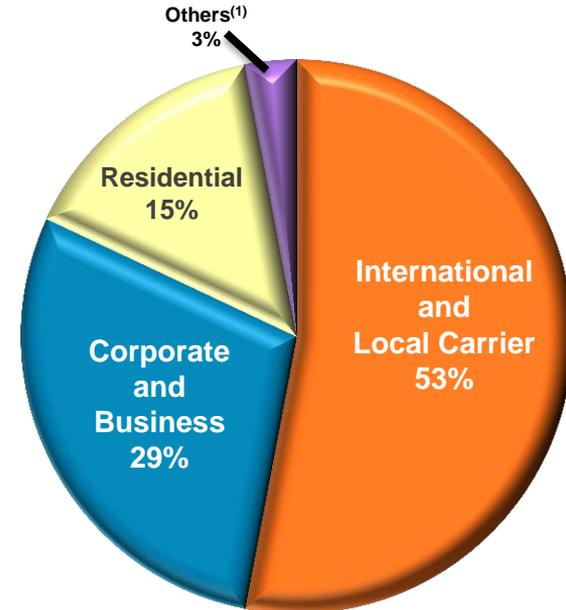
2014 1H

Total revenue:  
HK2,013 million



2015 1H

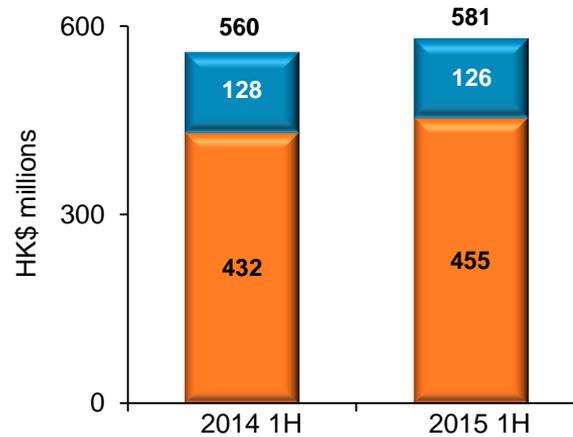
Total revenue:  
HK1,984 million



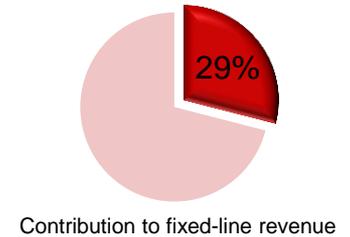
# Corporate and Business Market

- 4% increase from growing demand of data connectivity
- Solution based offerings including data centre services
- Serving mainly financial institutions, government authorities, corporate, retail, SME & education sectors

## Corporate and Business revenue



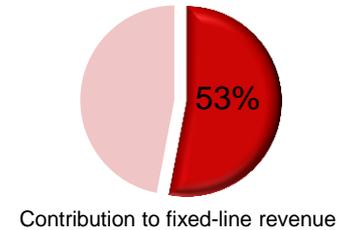
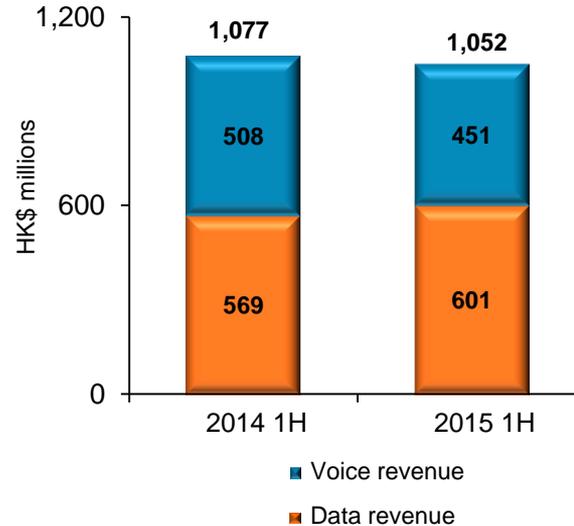
■ Voice revenue  
■ Data revenue



# International and Local Carrier Market

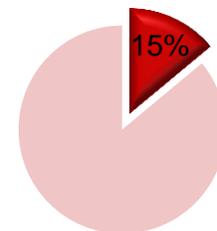
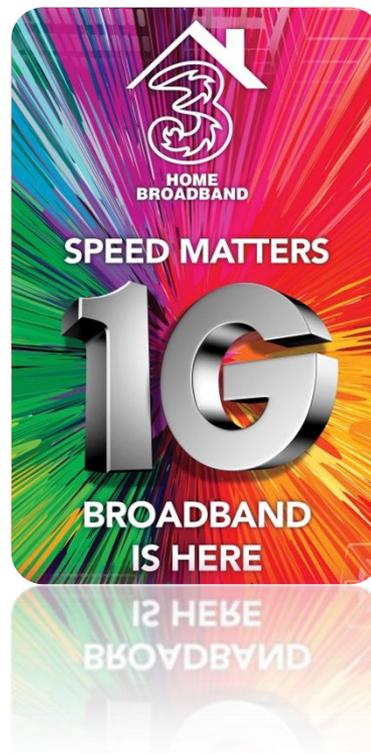
- 2% drop mainly from voice
- International service leveraging submarine cable facilities
- Local backhaul services to mobile operators

International and local carrier revenue



# Residential Market

- 6% decrease due to competitive pricing in certain segments
- Continue to capture fast-speed market share
- 1GB FTTH in offer plus cloud based VAS
- Plan to increase homepass to >2m by 2017 (>80% coverage)



Contribution to fixed-line revenue

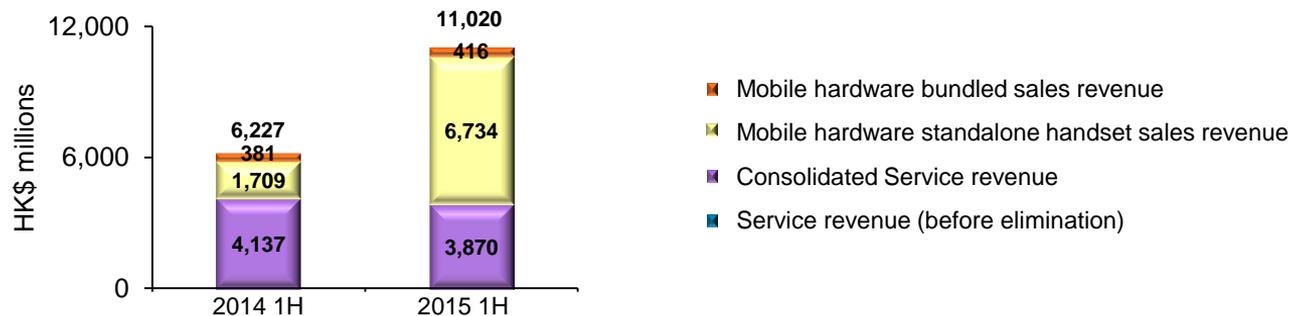
# Financial Overview

# Financial Highlights - Consolidated

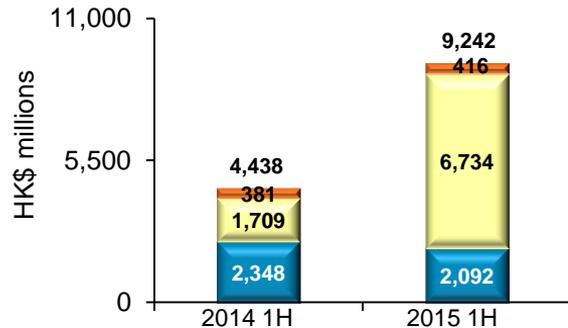
	2015 1H HK\$m	2014 1H HK\$m	2015 1H vs 2014 1H
<b>Turnover</b>	11,020	6,227	77%
<b>EBITDA</b>	1,456	1,181	23%
<i>Consolidated EBITDA margin (%) (EBITDA / service revenue)</i>	38%	29%	9%
<b>EBIT</b>	789	527	50%
<b>Profit for the period</b>	600	362	66%
<b>Profit attributable to shareholders</b>	508	323	57%
Earnings per share (HK cents)	10.54	6.70	57%
Interim Dividend per share (HK cents)	5.20	4.25	22%

# Turnover

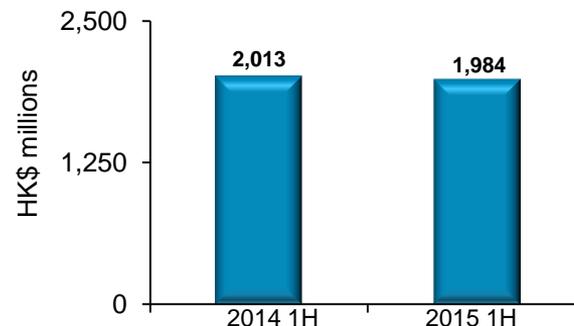
## Consolidated turnover



## Mobile business turnover

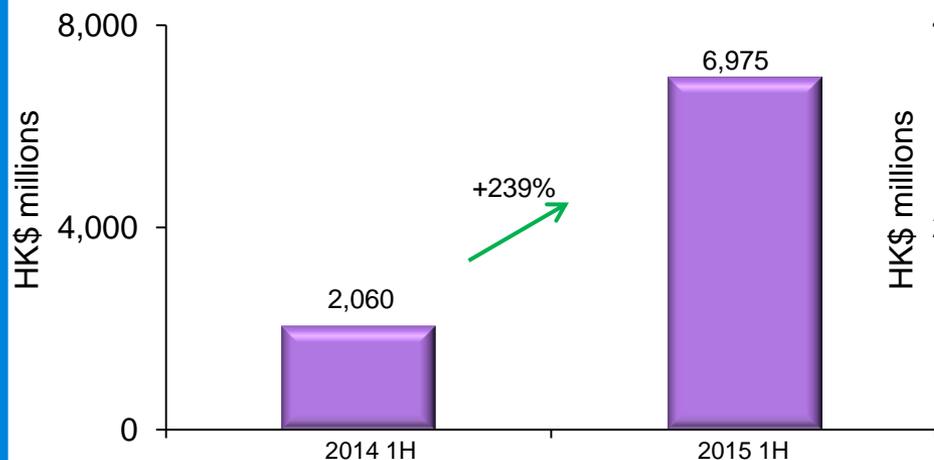


## Fixed-line business turnover

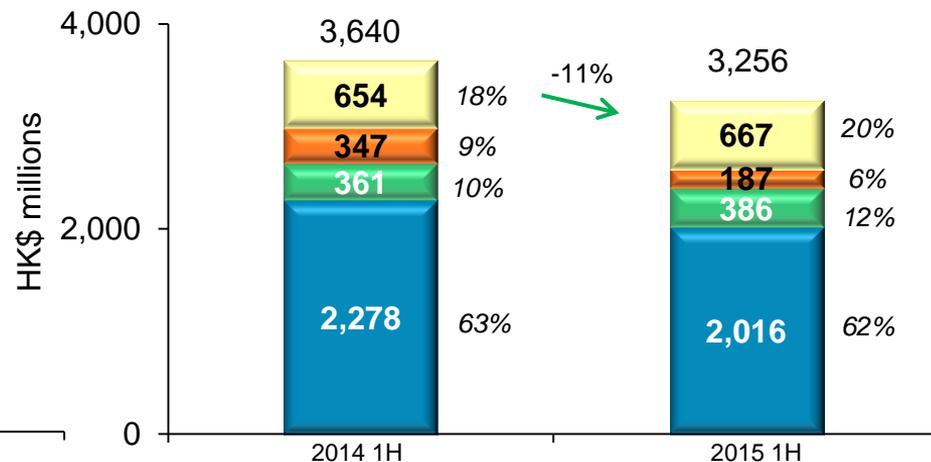


# Key cost items

## Cost of inventories sold



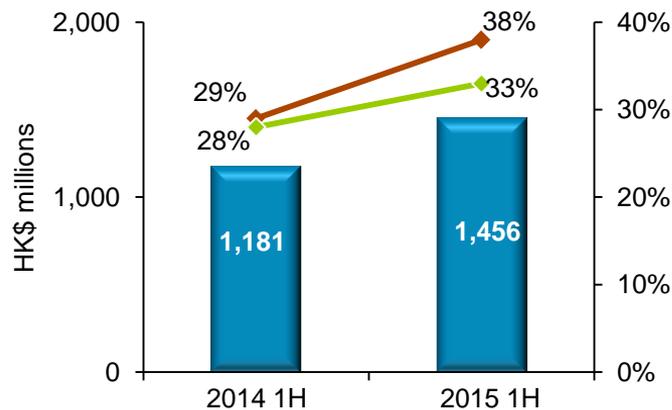
## Key cost items



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

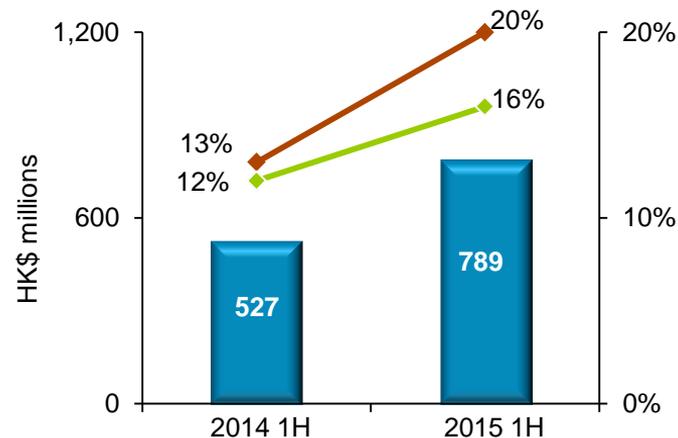
# EBITDA/EBIT Margin

## Consolidated EBITDA



■ EBITDA      ◆ EBITDA margin  
◆ Service EBITDA margin

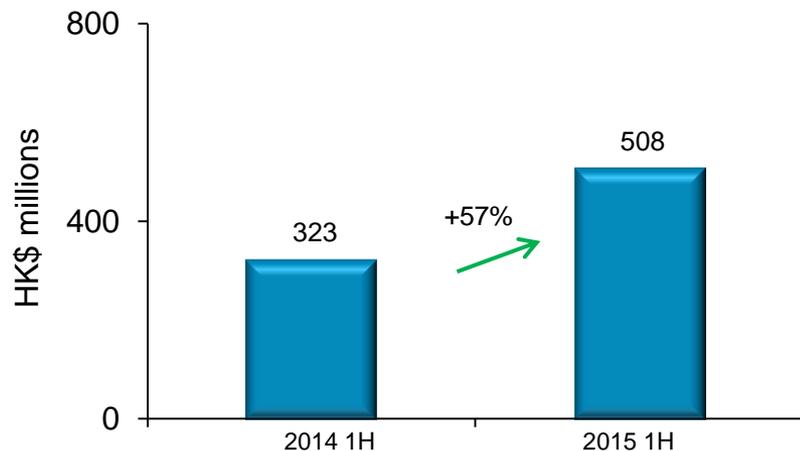
## Consolidated EBIT



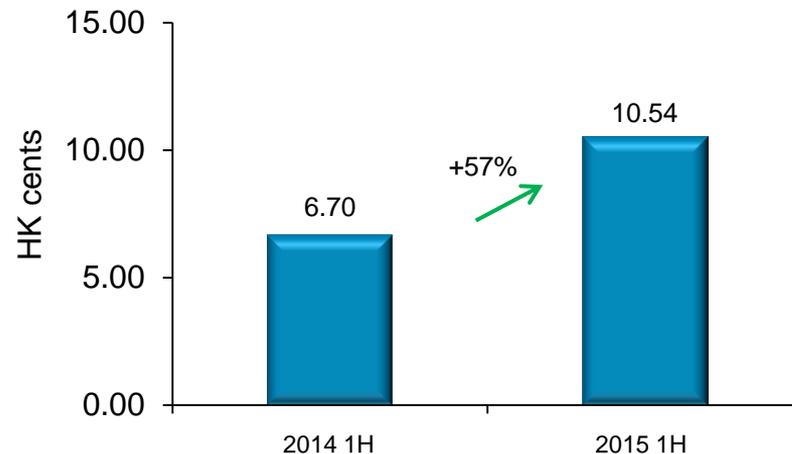
■ EBIT      ◆ EBIT margin  
◆ Service EBIT margin

# Profitability

## Net profit\*

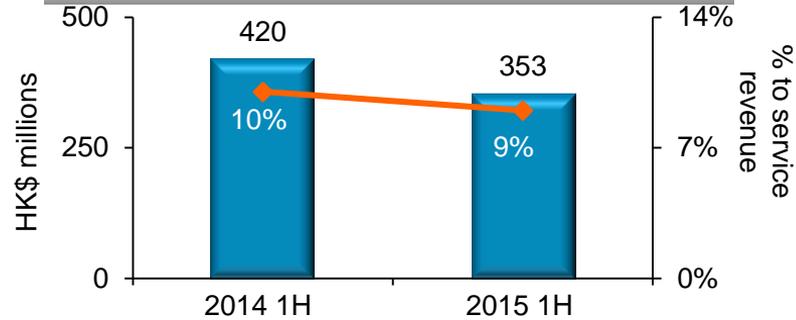


## Earnings per share

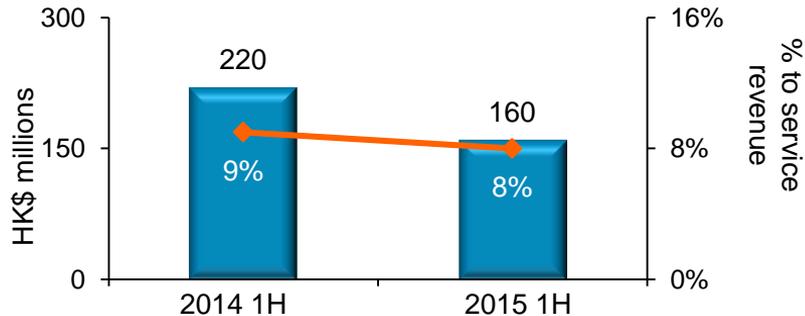


# Capex investment

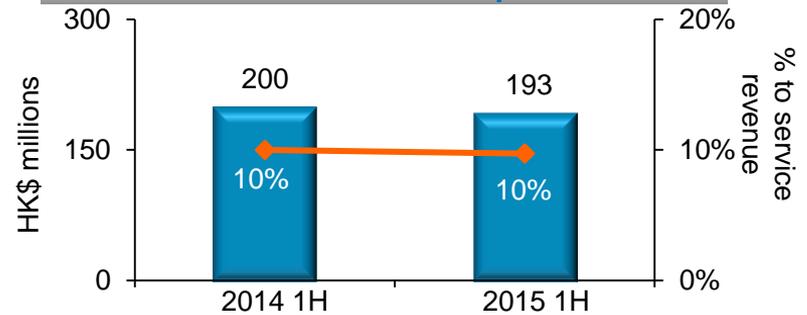
## Consolidated Capex



## Mobile Capex

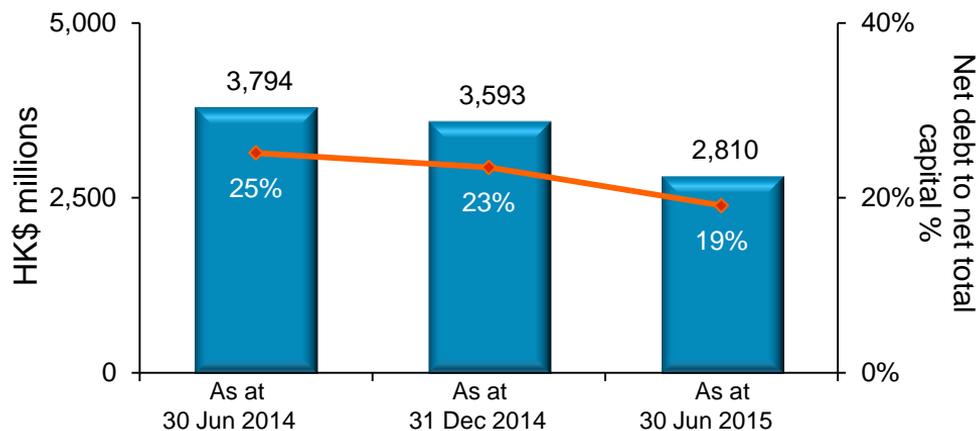


## Fixed-line Capex



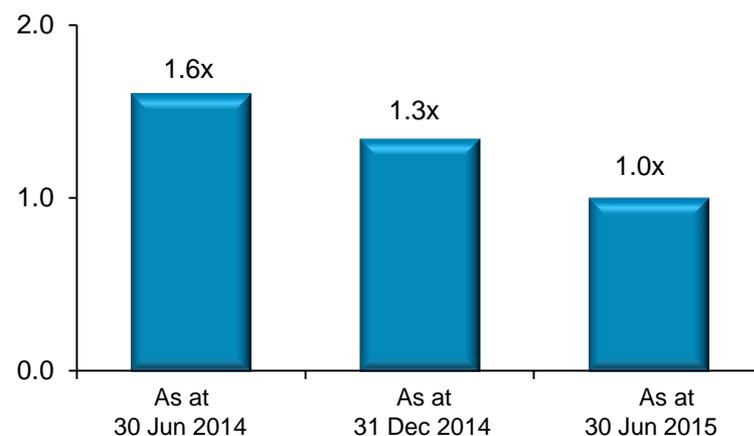
# Financial position

## Net debt



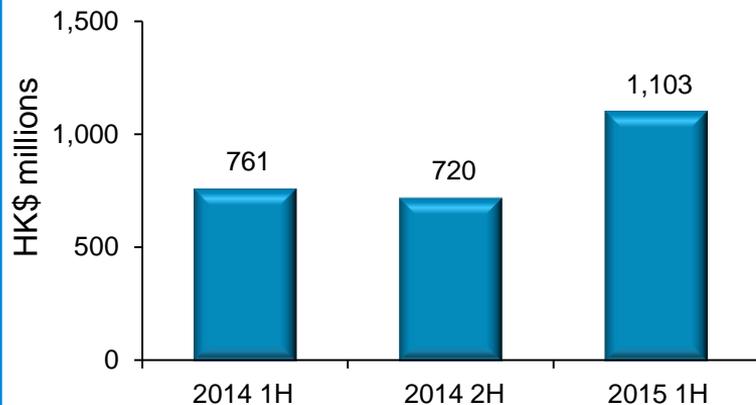
◆◆ Net debt to net total capital ratio

## Net debt/ LTM EBITDA

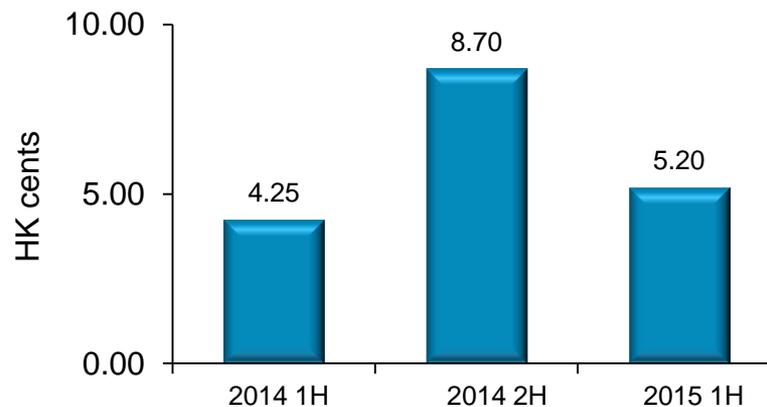


# Dividend and Liquidity

## EBITDA less CAPEX



## Dividend per share



Q & A

Thank You