



中信國際電訊集團有限公司

CITIC TELECOM INTERNATIONAL HOLDINGS LIMITED

(Stock Code: 01883)



2020 Interim Results Announcement

18 August 2020

- 1➤ Results Summary**
- 2➤ Financial Performance
- 3➤ Operational Performance



2020 Interim Results Summary

- Revenue from telecommunications services for the period increased by **+11.3%** to **HK\$4,025 million** when compared with the first half of 2019
- Profit attributable to equity shareholders of the Company amounted to **HK\$512 million**, which was equable with the first half of 2019; basic earnings per share was **HK 14.0 cents**
- Interim dividend of **HK5.0 cents per share** (2019 interim dividend: HK5.0 cents per share), on par with first half of 2019
- Strong cash flow sustained with net debt further down by **HK\$142 million**, even with higher capex of **HK\$479 million** in first half of 2020. Net gearing ratio dropped to **34%**

+11.3%

Revenue from
telecommunications
services

**Equable with
2019**

Profit attributable to
equity shareholders

**On par with
2019**

Interim
dividend per share

- HK\$142 million

Net debt

1➤ Results Summary

2➤ **Financial Performance**

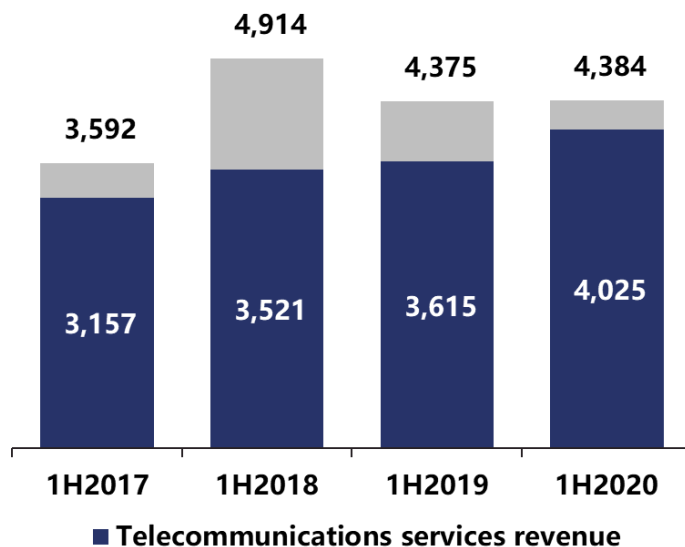
3➤ Operational Performance



Financial results overview

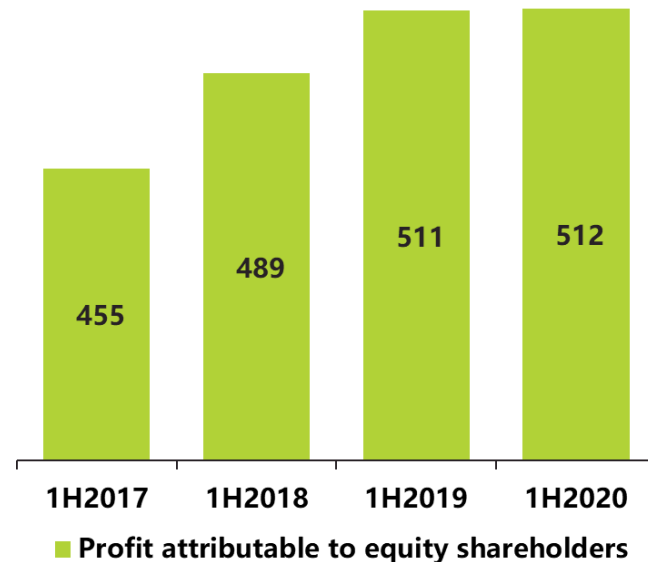
Total revenue and telecommunications services revenue

HK\$ Million



Profit attributable to equity shareholders

HK\$ Million



EBITDA, Capital Expenditure & Liquidity

	2019	2020
HK\$ Million	For the six months ended 30 June	
EBITDA*	1,252	1,232
Capital expenditure	154	479

HK\$ Million	As at 31 December	As at 30 June
Cash and bank deposits	1,313	1,345
Total debt @	6,278	6,168
Net debt	4,965	4,823
Net gearing ratio[#]	35%	34%

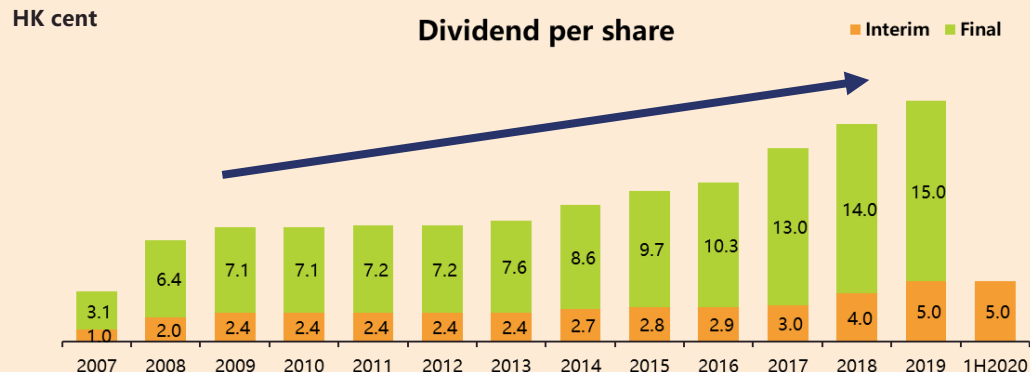
* EBITDA represents earnings before interest, taxes, depreciation and amortisation

[#] Net gearing ratio = Net debt / (Total equity attributable to equity shareholders + Net debt) X 100%

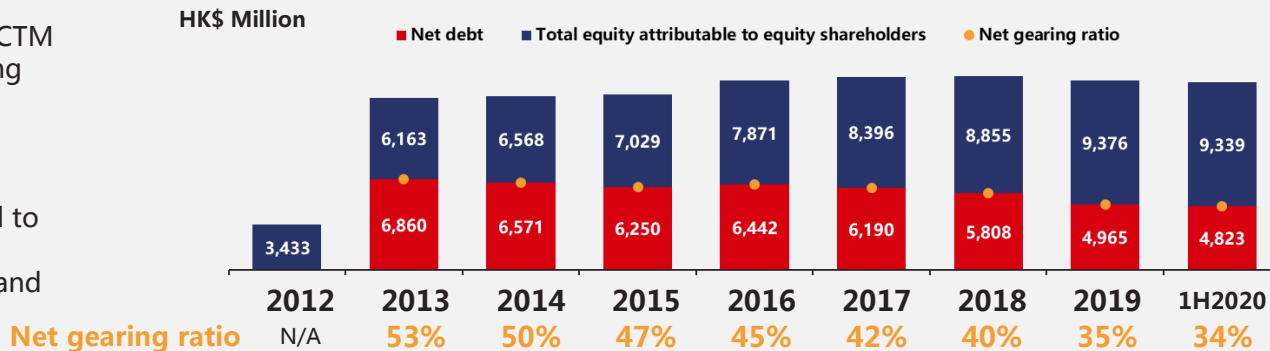
@ Includes current and non-current bank and other borrowings

Maintained Stable Dividend Growth for 12 Consecutive Years; Continued Optimisation of Debt Levels

- In the 12 years since its listing, the dividend has been continuously increasing and has never declined.



- In 2013, acquired further 79% equity of CTM through equity financing + debt financing (previously the Group was a net cash company)
- In recent years, the Group has continued to generate strong operating cash flow to repay loans early, reduce interest costs, and maintain a healthy financial level



1➤ Results Summary

2➤ Financial Performance

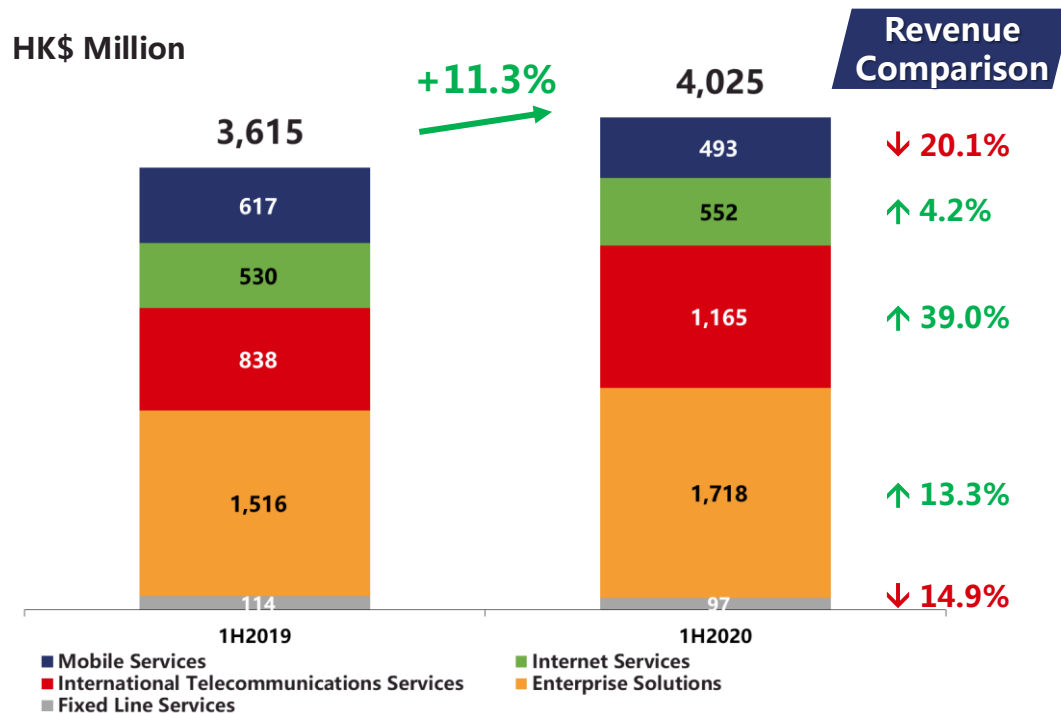
3➤ **Operational Performance**



Telecommunications Services Revenue

Enterprise solutions maintained steady growth,
surging in international telecommunications services revenue

- Revenue from telecommunications services increased by **11.3%** to **HK\$4,025 million** from last year



Mobile Services

Achieved the scheduled target of 5G network construction, strengthening market leader position in Macau

- Revenue from Macau local mobile services remained stable. As at 30 June 2020, mobile market share in Macau was **44.6%**, and **46.1%** market share in the 4G subscribers of Macau mobile market. Sustained leading position with approximately 801,000 mobile subscribers
- Revenue from mobile services decreased by **20.1%** to **HK\$493 million** as compared to the first half of 2019, mainly due to the decline in roaming usage as a result of various lockdown measures around the world to contain the spread of COVID-19
- CTM kicked start the 5G network construction with the completion of Phase 1 of the network construction in June 2020 and became the first operator whose network build has full outdoor coverage in Macau, which has also made Macau one of the first cities in Asia to provide outdoor 5G coverage
- CTM completed 5G roaming testing with 7 operators covering 4 countries/destinations, and it has LTE bilateral roaming with 347 overseas operators covering 209 countries/destinations

 **44.6%**


Mobile market share
in Macau

+1.7% from June 2019

 **46.1%**

Market share in
Macau 4G market

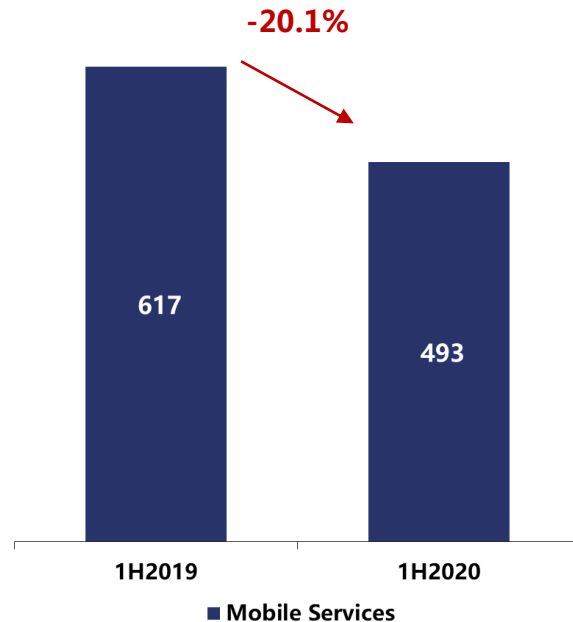
+1.6% from June 2019

 **~100%**

4G customer
penetration rate

Revenue – Mobile Services

HK\$ Million



Internet Services

Revenue up by 4.2% period-on-period, mainly driven by fibre broadband

- Revenue from internet services increased by **4.2%** to **HK\$552 million** as compared with the first half of 2019 mainly due to increase in revenue from fibre broadband
- The total number of broadband subscribers increased by approx. 3% to over 194,000 subscribers and internet market share in Macau was around **97.0%**
- Continuous expansion of fibre broadband penetration with the proportion of our fibre residential broadband customers to our total broadband customers in Macau further increased to **92.5%**



97.0%

Group's internet
market share in Macau



~100%

FTTB coverage

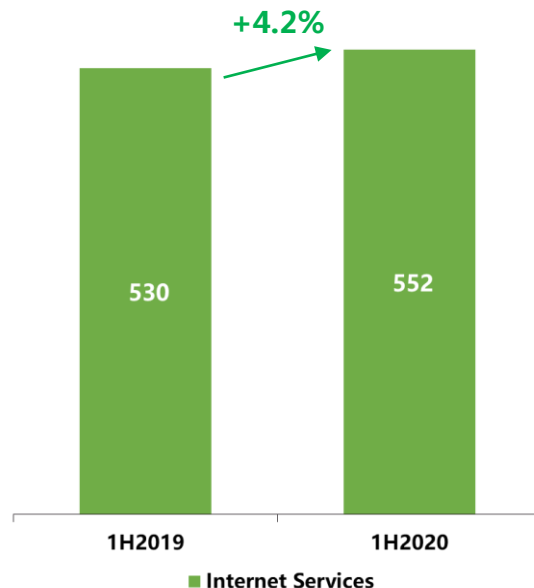


92.5%

Residential fibre broadband
penetration rate

Revenue – Internet Services

HK\$ Million



International Telecommunications Services

Voice & messaging services delivers encouraging results

- Revenue from international telecommunications services increased by **39.0%** when compared with 2019 to **HK\$1,165 million**
- The Group enhanced its platform abilities and developed new services and functions, which enabled the messaging services to achieve effective results in the internet transformation
- Messaging services grew significantly with an increase in revenue of **137.3%** to **HK\$560 million**
- “DataMall 自由行” revenue dropped due to various lockdown measures around the world to contain the spread of COVID-19

+ 137.3%

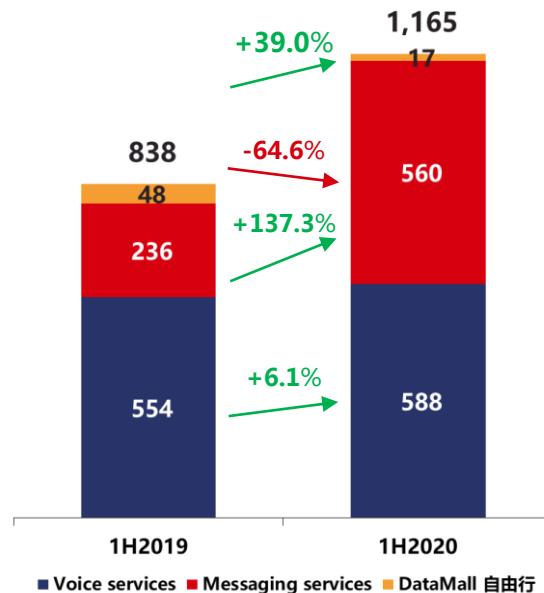
Revenue from
Messaging Services

+ 6.1%

Revenue from Voice
Services

Revenue — International Telecommunications Services

HK\$ Million



Enterprise Solutions

Expanded coverage, stronger capabilities, rising revenue

- Revenue increased by **13.3%** to **HK\$1,718 million** when compared with last year
- Over 140 Points-of-Presence (“PoPs”) with 5 new PoPs in Mainland China and a 2nd PoP in Ho Chi Minh City, Vietnam, in order to provide seamless ICT services for enterprises ; continues to improve the service capacity of SD-WAN and has increased the number of gateways to 35 globally
- CTM and the Group’s Southeast Asian Companies won several major ICT projects in the first half of 2020, which shows the continuous enhancement of servicing ability for the large enterprise and government
- Introduced AR (Augmented Reality) technology and launched DataHOUSE AR Remote Hand Service to support field Engineer Operation and Maintenance Service. This service employs AR glasses to stream real-time intelligence, troubleshooting logs, graphics and encrypted data from back-end systems to on-site engineers and maintenance staff, largely boosting field productivity



140+

Global PoPs

18

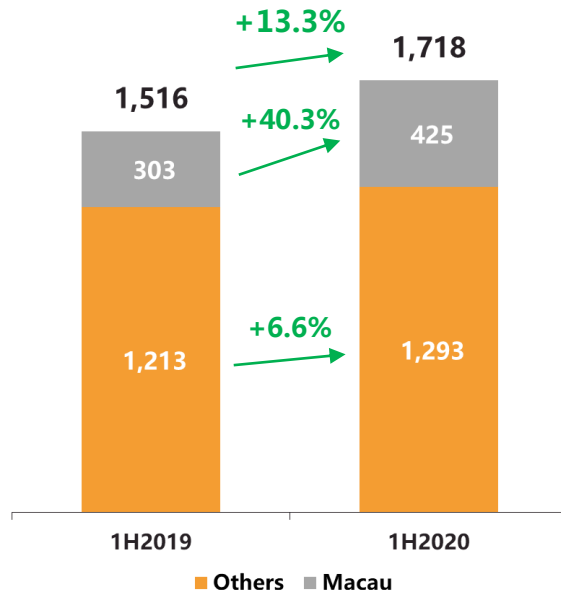
Cloud Services
Centers

35

SD-WAN
Gateways

Revenue — Enterprise Solutions

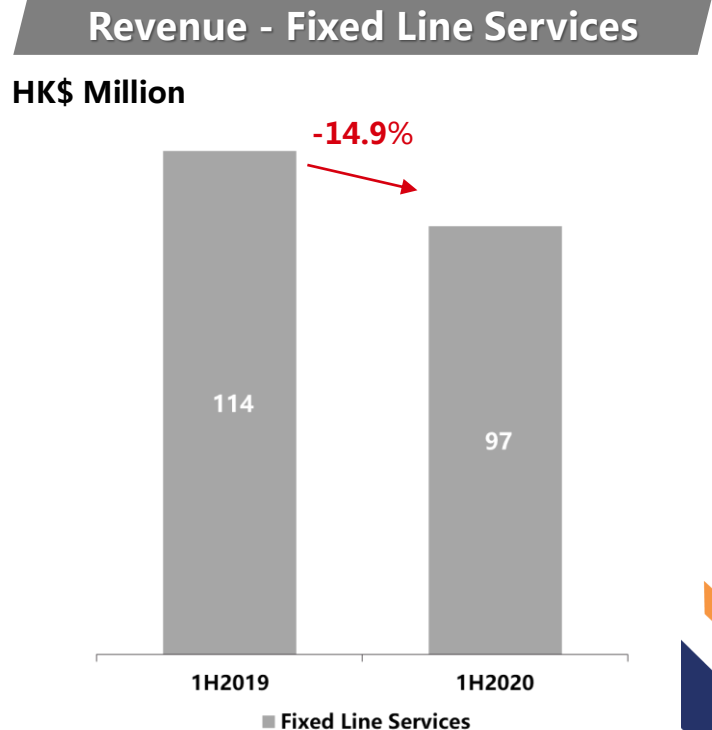
HK\$ Million



Fixed Line Services

Subscribers & revenue continued to drop, echoing global trend

- Fixed line services revenue dropped **14.9%** to **HK\$97 million**, mainly due to drop in number of domestic fixed line users, which is in line with global industry trend



Innovation and Product R&D as the key for sustainable development in hard times

- On international telecommunications services, we will continue our efforts on product innovation, strengthening messaging services, roaming, and DataMall platform capacity. Implement the Internet of Vehicles project won recently with high quality to demonstrate our technical service capabilities and live up to the trust of customers
- CTM continues to improve 5G indoor coverage, guarantees high-quality network services, works with partners to build a 5G ecosystem, promotes the construction of "Digital Macau", and moves towards as a smart city operator
- Adapting to market changes and offering better ICT services to customers by enhancing capability in SD-WAN and information security services
- Strengthening the brand building of "Acclivis" and "Pacific Internet", expanding to Malaysia, the Philippines and other regions based on the existing foundation in Singapore, Thailand, and Indonesia, and striving as the most competitive regional one-stop and end-to-end integrated enterprise service provider in Southeast Asia





Disclaimer

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Industry Recognitions

"Best Infrastructure and Public Utilities Stock Company" - 4th Golden Hong Kong Stocks Awards -- *zhitongcaijing.com* and *10jqka.com*

"Outstanding ICT Solution Provider 2019" -- *Quamnet*

"Most Trusted Service Partner Award 2019" -- *China Unicom*

"2019 Best Practices Award" Asia-Pacific Managed Cloud Services Competitive Strategy Innovation Leadership Award -- *Frost & Sullivan*

"Major Player in the Asia/Pacific" Managed Cloud Services Marketscape (2019) -- *IDC*

"SME Partner Awards of Excellence 2019 Managed SD-WAN Solutions Provider"

-- *Hong Kong Economic Journal*

"Supreme Brand Awards 2019" Supreme ICT Services Brand -- *Capital CEO*

"Dun & Bradstreet (D&B) Business Eminence Award 2019" -- *Dun & Bradstreet*

"2018 Top Performing Business Partner for Hardware and Software" -- *IBM*

Singapore

"Hong Kong Awards for Environmental Excellence Silver Award" -- *Hong Kong Productivity Council*

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Thanks !

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