CHASE SECURITIES

CORPORATE BRIEFING NOTES

29 Oct 2026

STOCK SNAPSHOT

Symbol	PTC
Price	PKR 46.02
Market cap	PKR 173.7bn
Shares	3.77bn
Free float	593.3mn
52W high	PKR 75.50
52W low	PKR 33.55

SECTOR

Technology & Communication

Umer Serang

PTC PSX · TECHNOLOGY & COMMUNICATION

Pakistan Telecommunication Company Limited

3QCY26 EPS	NET SALES	EBITDA	GROSS MARGIN
PKR 0.01	PKR 102.7bn	PKR 43.3bn	32%
3QCY25: -0.25	▲ 61% YoY	▲ 83% YoY	▼ 2pp YoY

KEY TAKEAWAYS

3QCY26: revenue up 61% YoY after the Telenor merger; EPS of PKR 0.01 vs a loss in SPLY

PTCL reported consolidated EPS of **PKR 0.01** in **3QCY26** against a loss of **PKR 0.25** per share in **3QCY25**; profit after tax was **PKR 62mn** vs a loss of **PKR 1.3bn**. Wireless earnings after the Telenor deal and a UBank turnaround more than offset a lower PTCL standalone bottom line. Group revenue crossed **PKR 100bn** for the second straight quarter at **PKR 103bn** (**+61%** YoY), and EBITDA rose **83%** YoY to **PKR 43bn**. Gross margin was **32%** (SPLY: **34%**).

GROUP DRIVERS

- **Wireless is the growth engine:** PTML revenue rose **2.4x** YoY and added **PKR 39.7bn** of revenue. The merged entity added **1.5mn** net subscribers in the quarter, a **40%** share of industry net adds.
- **Synergies are still ahead:** network consolidation should be about **40%** done by end-**CY26** and **100%** in **CY27**. Management expects synergies to show up over roughly a year.
- **PTCL standalone earnings under pressure:** revenue grew **9%** YoY, led by Flash Fiber (**+24%**). Higher energy costs, regulatory changes, interest charges and fiber-driven depreciation cut profit by **PKR 2.7bn** YoY.
- **Capex & debt:** group capex reached **PKR 100bn** YTD (**3.4x** YoY, mostly spectrum); total debt stood at **PKR 336bn** at **Sep-26**.
- **Tower monetisation has started, slowly:** towers are first being moved into Orion Towers, a **4–6 month** process before any sale or partnership.

QOQ REVENUE & OPEX

- QoQ revenue was flat. Management attributed this to service outages in AJK and parts of KP, which cost about **PKR 1bn** of revenue, and a **PKR 600mn** decline at UBank.
- **Opex reclassification:** admin, selling and distribution expenses rose QoQ as post-merger expense classification was completed in **Q3**; the court approved the merger in June.
- Like-for-like, the QoQ rise is about **PKR 800mn**, of which **PKR 731mn** is digital channel costs moved into selling and marketing.

Operating metrics at a glance

FLASH FIBER SUBSCRIBERS	TIER-1 FIXED SHARE	Q3 NET ADDS (WIRELESS)
978k	**38%**	**1.5mn**
300k lines deployed over the year	Among tier-1 operators	~40% of industry net adds
4G SUBSCRIBERS	**BLENDED ARPU**	**UBANK GROSS ADVANCES**
52.6mn	**PKR 316**	**PKR 89.5bn**
At Sep-26	+6% vs pre-merger	+5% YoY; 67% gold-backed

FIXED LINE (FLASH FIBER)

- Flash Fiber subscribers reached **978k**, close to **1mn**, after **300k** lines were deployed over the year. PTCL holds a **38%** market share among tier-1 operators. Moving copper customers to fiber is a key priority.

WIRELESS (PTML)

- The merged entity added **1.5mn** net subscribers in **Q3**, about **40%** of industry net adds, and had **52.6mn** 4G subscribers at **Sep-26**.
- Ufone–Telenor network integration is complete in **20+** cities and continuing.
- 5G is live in Karachi, Lahore and Islamabad, with other major cities next.
- Blended ARPU for the merged company is **PKR 316**, up **6%** from pre-merger.
- Margin has come under pressure due to elevated fuel costs, with **43%** of sites using diesel.

BANKING (UBANK)

- Gross advances grew **5%** YoY to **PKR 89.5bn**, and **67%** of the gross loan portfolio is gold-backed. Deposits stood at **PKR 154bn**.
- Management says the balance sheet clean-up is complete and now showing in earnings, with net profit up **PKR 2.1bn** YoY.

MANAGEMENT OUTLOOK

Management expects strong revenue growth to continue, driven by the Telenor acquisition, network consolidation and FTTH expansion.

- **Wireless:** integration continues and should unlock synergies in coming periods. Focus is on a wider 5G rollout, where device penetration is only about **4%**, while enhanced 4G speeds are expected to be a key driver of growth.
- **Fixed line:** Flash Fiber (**+24%**) and enterprise and international (**+15%**) should keep offsetting copper and voice declines.
- **Pricing:** the tariff cycle is not over. With high inflation, price increases are ongoing in both fixed and wireless.
- **Energy costs:** solarization is being actively evaluated. Diesel is **43%** of total tower energy cost; grid electricity is the rest.
- **UBank:** balance sheet growth, with the cleaned-up loan book now feeding through to earnings.

ANALYST Q&A

Why was QoQ revenue flat?

- Service closures in AJK, and to an extent KP, cost an estimated **PKR 1bn** of wireless revenue in the quarter.
- Over half the outages have since been lifted, and revenue is recovering. Telenor's AJK presence should help.
- UBank revenue also fell by about **PKR 600mn**.

When will merger synergies show?

- Synergies have started: some sites are shut and others temporarily closed, with decommissioning to follow.
- Final network design depends on the consolidation RFP, expected to finish by the end of this quarter.
- Full integration starts in **CY27** and should take about a year to show in the numbers; consolidation about **40%** complete by end-**CY26**, **100%** in **CY27**.
- Ufone has one network vendor and Telenor has two; more vendors will be assigned areas after the RFP. Timing of a unified brand is undecided.

Financial highlights (consolidated)

PKR mn	CY24	CY25	YoY	3QCY25	3QCY26	YoY
Net sales	**224,264**	**251,734**	**12%**	**63,723**	**102,733**	**61%**
Cost of sales	-166,865	-167,758	1%	-42,153	-69,689	65%
Gross profit	**57,400**	**83,976**	**46%**	**21,571**	**33,044**	**53%**
Gross margin	*26%*	*33%*		*34%*	*32%*	
Selling & distribution	-13,305	-13,877	4%	-3,006	-5,741	91%
Administrative	-32,859	-32,610	-1%	-8,362	-14,210	70%
Operating profit	**11,235**	**37,489**	**234%**	**10,202**	**13,093**	**28%**
Depreciation & amortisation	46,826	52,682	13%	13,448	30,188	124%
EBITDA	**58,061**	**90,172**	**55%**	**23,651**	**43,281**	**83%**
Financial charges	-52,634	-46,658	-11%	-10,653	-16,860	58%
Other income	25,619	21,154	-17%	3,023	4,218	40%
Other charges	-5,117	-26,798	424%	-4,089	-316	-92%
Profit before tax	**-20,897**	**-14,812**	**-29%**	**-1,517**	**134**	n/m
Taxation	6,503	5,066	-22%	239	-72	n/m
Profit after tax	**-14,394**	**-9,746**	**-32%**	**-1,278**	**62**	n/m
EPS (PKR)	**-2.82**	**-1.91**	**-32%**	**-0.25**	**0.01**	n/m
DPS (PKR)	0.00	0.00	n/a	0.00	0.00	n/a

n/m = not meaningful. Source: Company accounts, Chase Research

IMPORTANT DISCLOSURES

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