

## PAKISTAN TELECOMMUNICATION COMPANY LIMITED (PTCL)

Analyst:
Abdul Ahad Jamsa ahad.jamsa@vis.com.pk
M. Amin Hamdani amin.hamdani@vis.com.pk

RATING DETAILS	
Ratings category	Preliminary Sukuk Rating
Short-term Sukuk - 17	A1+ (plim)
Rating Action	Preliminary
Rating Date	January 06, 2026

Shareholding (5% or More)	Other Information
The Government of Pakistan (62.18%)	Incorporated in 1995 Public Listed Company
Etisalat International Pakistan (26%)	President & CEO: Mr. Hatem Mohamed Bamatraf External auditors: Ernst & Young

## Applicable Rating Methodology

**VIS Entity Rating Criteria Methodology -Corporates**  
[\(https://docs.vis.com.pk/docs/CorporateMethodology.pdf\)](https://docs.vis.com.pk/docs/CorporateMethodology.pdf)

## Instrument Rating

[\(https://docs.vis.com.pk/Methodologies-2025/IRM-Apr-25.pdf\)](https://docs.vis.com.pk/Methodologies-2025/IRM-Apr-25.pdf)

## Rating Scale

<https://docs.vis.com.pk/docs/VISRatingScales.pdf>

## Rating Rationale

Pakistan Telecommunication Company Limited ('PTCL' or 'the Company'), Pakistan's leading ICT provider with the country's largest fixed-line network, was incorporated in 1995 following the reorganization of the national telecom sector. Listed on PSX and headquartered in Islamabad, PTCL operates nationwide and owns subsidiaries including PTML (Ufone) and U-Microfinance Bank, with the ongoing acquisition of Telenor Pakistan expected to enhance its market presence. PTCL plans to issue a rated, unlisted, unsecured, and privately placed Short-Term Sukuk (STS-17) of up to PKR 10 billion, under a Shariah-compliant structure with a six-month tenor and pricing at 3 Month KIBOR, to support working capital needs.

## Company Profile

Pakistan Telecommunication Company Limited ("PTCL", "the Company") was incorporated in Pakistan on December 31, 1995 and commenced business on January 01, 1996. The Company, which is listed on the Pakistan Stock Exchange Limited (PSX), was established to undertake the telecommunication business formerly carried on by the Pakistan Telecommunication Corporation (PTC).

The registered office of the Company is situated at PTCL Headquarters, Ufone Tower, Plot No. 55-C, Main Jinnah Avenue, Sector F-7/1, Blue Area Islamabad. PTCL is licensed by the Pakistan Telecommunication Authority (PTA) to provide an integrated range of telecommunications services across mainland Pakistan, Azad Jammu & Kashmir, and Gilgit-Baltistan. In late 2025, PTCL's integrated telecom services license was renewed for an additional 25 years, enabling the Company to continue operations under current regulatory frameworks and supporting national digital infrastructure objectives.

## Management and Governance

### CEO Profile

Hatem Bamatraf occupies the position of President & Group Chief Executive Officer at PTCL And PTML Telecommunication Co. Ltd.) and President & Group CEO-PTCL & Ufone at Emirates Telecommunications Group Co. PJSC. He previously was Executive Director-Technology at Etihad Etisalat Co., Chairman for Etisalat Technology Services LLC, and Chief Technology Officer at Emirates telecommunications Group Co. PJSC and Executive Vice President-Enterprise at Emirates Integrated Telecommunications Co. PSJC. He received an undergraduate degree from Etisalat University College.

## Sukuk Details

- PTCL plans to issue a rated, unlisted, unsecured, privately placed Short Term Sukuk (STS-17), up to PKR 10 billion to finance the working capital requirements.
- The Sukuk will employ a suitable shariah compliant mode of short-term Islamic Finance facility.
- Tenor of the instrument is up to six (06) months from the date of issuance.
- The Sukuk is callable in full or part the outstanding face value of the Sukuk after three months from the issue date.
- Profit rate on the instrument will be 3 Month KIBOR.
- Profit is payable at the time of the maturity of the Sukuk along with the principal payment.

## Key Rating Drivers

### The rating takes into account Strong Sponsor profile

The assigned rating reflects the Company's strong sponsor profile, underpinned by the Government of Pakistan (GoP), which remains the majority shareholder with an equity stake of approximately 62.2%, and Emirates Telecommunications Group Company PJSC (e&, formerly Etisalat Group), which holds a 26% strategic shareholding. e& is a leading global telecommunications group with nearly five decades of operating history and an international presence spanning multiple countries across the Middle East, Asia, and Africa. As a significant minority shareholder, e& retains management and operational control rights at PTCL, contributing technical expertise, governance discipline, and strategic oversight. The ratings further factor in the GoP's role as sponsor, supported by its historical precedent of financial, regulatory, and logistical support to strategically important entities, alongside the management depth and financial strength of e&, which is currently rated AA- by S&P and Aa3 by Moody's, reinforcing PTCL's overall credit profile.

**The rating incorporates leading market positions of PTCL in Fixed-Line Voice and Wireline Broadband & IPTV and Revenue Base Diversification**

The Company offers a diversified portfolio of telecommunications and digital services, including fixed-line voice, broadband internet, Fiber-to-the-Home (FTTH) under the Flash Fiber brand, CharJi wireless broadband, IPTV (Smart TV), and various digital customer interfaces and value-added services. PTCL also provides a comprehensive suite of enterprise and wholesale solutions, encompassing cloud services, Tier-III certified data centers, managed connectivity, satellite services, and IP bandwidth solutions. The ratings are supported by PTCL's leading market position in fixed-line voice, wireline broadband, and IPTV, alongside its strategic focus on migrating legacy customers to higher-value FTTH services, which is expected to improve revenue quality and customer stickiness. Furthermore, PTCL operates the largest international submarine cable infrastructure in Pakistan, with ownership and capacity interests in multiple major systems, including SEA-ME-WE-4 (SMW-4), IMEWE, AAE-1, and the recently landed Africa-1 submarine cable, providing diversified international connectivity and enhancing network resilience. The Company is also increasingly prioritizing the wholesale and corporate segments as key growth drivers, supported by rising data demand and enterprise digitalization trends.

**Corporate Governance Framework**

- In accordance with the Share Purchase Agreement between the Government of Pakistan (GoP) and Emirates Telecommunications Group Company PJSC (e&), as well as PTCL's Articles of Association, the Board comprises nine non-executive directors, with four nominees of the GoP and five nominees of e&, reflecting the ownership structure and management control arrangements.
- PTCL has an established governance framework that includes a formal annual evaluation process for assessing the performance of the Board, its Chairman, and Board committees, supporting oversight effectiveness and accountability.
- The management team is composed of experienced and professionally qualified personnel, operating under a streamlined organizational structure. Over the years, the structure has been rationalized through multiple Voluntary Separation Schemes (VSS), resulting in a leaner cost base and improved operational efficiency.
- The Company operates on a robust SAP-based Enterprise Resource Planning (ERP) platform, supporting integrated financial reporting, internal controls, and operational efficiency. Additionally, comprehensive and timely disclosures in PTCL's annual reports and regulatory filings enhance transparency and provide stakeholders with adequate insight into the Company's governance, financial performance, and risk profile.

FINANCIAL SUMMARY						(Rs. in millions)
<u>BALANCE SHEET</u>		<b>CY21</b>	<b>CY22</b>	<b>CY23</b>	<b>CY24</b>	<b>9MC25</b>
Property, plant and equipment		121,508	131,490	144,018	161,173	171,774
Stock-in-Trade		-	-	-	-	-
Trade Debts		27,937	39,293	52,587	60,563	67,220
Cash & Bank Balances		2,556	5,685	10,029	12,088	15,720
Total Assets		245,735	305,159	387,602	457,686	493,614
Trade Payables & Other Payables		103,320	125,101	141,424	169,319	176,921
Long Term Debt		1,729	24,068	52,703	64,464	68,513
Short-Term Borrowings		-	93	19,215	27,117	24,915
Short term Sukuk		-	-	5,000	20,000	30,000
Total Debt		1,729	24,161	76,918	111,581	123,428
Total Liabilities		146,082	197,105	270,234	342,579	362,951
Paid Up Capital		51,000	51,000	51,000	51,000	51,000
Total Equity		99,653	108,054	117,368	115,108	130,662
<u>INCOME STATEMENT</u>		<b>CY21</b>	<b>CY22</b>	<b>CY23</b>	<b>CY24</b>	<b>9MC25</b>
Net Sales		76,853	83,444	96,267	107,766	89,596
Gross Profit		16,533	18,233	22,500	28,276	26,208
Operating Profit		10,021	15,684	27,335	29,474	14,739
Profit Before Tax		9,682	13,513	13,906	6,885	(198)
Profit After Tax		6,874	9,053	9,391	4,826	(1,217)
<u>RATIO ANALYSIS</u>		<b>CY21</b>	<b>CY22</b>	<b>CY23</b>	<b>CY24</b>	<b>9MC25</b>
Gross Margin (%)		21.5%	21.9%	23.4%	26.2%	29.3%
Net Margin (%)		8.9%	10.8%	9.8%	4.5%	-1.4%
Net Working Capital		(24,662)	(21,059)	(33,942)	(57,917)	(48,852)
Trade debts/Sales		36.4%	47.1%	54.6%	56.2%	56.4%
FFO		25,560	28,195	23,820	22,277	22,088
FFO to Total Debt		14.78	1.17	0.31	0.20	0.24
FFO to Long Term Debt		14.78	1.17	0.45	0.35	0.43
Current Ratio (x)		0.76	0.83	0.80	0.73	0.79
Debt Servicing Coverage Ratio (x)		33.57	11.25	2.35	1.68	2.12
Gearing (x)		0.02	0.22	0.66	0.97	0.94
Leverage (x)		1.47	1.82	2.30	2.98	2.78
(Stock in Trade +Trade Debts)/STD		NA	424.43	2.74	2.23	2.70
ROAA (%)		2.9%	3.3%	2.7%	1.1%	-0.3%
ROAE (%)		7.1%	8.7%	8.3%	4.2%	-1.2%
Net Operating Cycle		47	59	88	123	135

REGULATORY DISCLOSURES		Appendix II						
Name of Rated Entity	Pakistan Telecommunication Company Limited							
Sector	Telecommunication Industry							
Type of Relationship	Solicited							
Purpose of Rating	Short-term Sukuk 17 Rating							
Rating History	<b>Rating Type: Short Term Sukuk 17</b> <table border="1"> <thead> <tr> <th>Rating Date</th><th>Ratings</th><th>Rating Action</th></tr> </thead> <tbody> <tr> <td>01/06/2026</td><td>A1+ (plim)</td><td>Preliminary</td></tr> </tbody> </table>		Rating Date	Ratings	Rating Action	01/06/2026	A1+ (plim)	Preliminary
Rating Date	Ratings	Rating Action						
01/06/2026	A1+ (plim)	Preliminary						
Instrument Structure	<p>Pakistan Telecommunication Company Limited ("PTCL" or the "Company") intends to issue a Rated, Unlisted, Unsecured, Callable after three months from issue date and Privately Placed Short Term Sukuk (STS-17) of PKR 10 billion, based on Shariah compliant Structure. The funds will be utilized for fulfilling the working capital requirements of the Company. The issue has a tenor of six (06) months from the Issuance Date. Profit will be payable at maturity, calculated at a base rate of 3-Month KIBOR.</p>							
Statement by the Rating Team	<p>VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities.</p>							
Probability of Default	<p>VIS' ratings opinions express ordinal ranking of risk, from strongest to weakest, within a universe of credit risk. Ratings are not intended as guarantees of credit quality or as exact measures of the probability that a particular issuer or particular debt issue will default.</p>							
Disclaimer	<p>Information herein was obtained from sources believed to be accurate and reliable; however, VIS does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. For conducting this assignment, analyst did not deem necessary to contact external auditors or creditors given the unqualified nature of audited accounts and diversified creditor profile. Copyright 2026 VIS Credit Rating Company Limited. All rights reserved. Contents may be used by news media with credit to VIS.</p>							
Due Diligence Meeting Conducted	<table border="1"> <thead> <tr> <th>Name</th><th>Designation</th><th>Date</th></tr> </thead> <tbody> <tr> <td></td><td>NA</td><td></td></tr> </tbody> </table>		Name	Designation	Date		NA	
Name	Designation	Date						
	NA							