Revenue P1.45 billion
Total Assets P2.58 billion
EBITDA Margin 24%
ROCE 16%

Revenue from contracts with customers 1,488,224 1,565,938
Cost of services and goods sold (706,870) (684,918)
Gross Profit 781,354 881,020
Interest income 57,606 21,131
Other income 29,903 30,908
Selling and distribution costs (37,312) (41,096)
Administrative expenses (442,893) (439,138)
Other expenses (262,443) (373,934)
Profit before tax 78,111 283,955
Income tax expense (34,622) (36,564)
Profit for the year 142,063 247,391

2019 Performance

As a result of the expansion of our 4G (LTE) network during the year, BTC has the longer than expected.

Recovery from the challenges experienced during the year was further exacerbated by mobile customer migration into the new converged billing system which took longer than expected.

On a positive note, the Company made efforts to contain overall costs. Major cost savings were realised in installation, staff, network and transmission costs and efficiencies in inventory management.

As part of our digital transformation programme, BTC continued to make strides in building a strong and capable leadership supported by a robust leader succession planning. A new organisational Structure was approved by the Board and rolled out during the year. Furthermore, the Company rolled out behavioural change programmes to improve work culture and productivity levels.

Outlook

The focus for the 2019/2020 financial year is to monetise/commercialise the significant investments made in networks (mobile and fixed) and IT infrastructure to position the company to deliver unparalleled customer experience to the consumer and to position the company for sustainable growth.

The completion of the Fixed and Mobile Broadband Network (FBB & MBB) has positioned BTC as the best and widest data network in the country, which enables us to offer higher speed internet through mobile and fixed broadband. We will continue to launch more innovative offerings that will capitalise on our high-speed internet and grow data usage. We will also continue to expand the value proposition that we offer to all our stakeholders.

We expect to see an increase in the volume of transactions from the newly launched digital channels of Mobile Financial Services (SMEGA) and the BTC Mobile Application which offer more convenience to the customer.

To improve profitability margins, the Company will focus more on strong efficiencies in the areas of headcount, billing systems, core network systems, and consolidation of support systems. As part of the digital transformation, we intend to automate most of our processes to give our customers a seamless digital experience through easier access and usage of our communication technologies.

We believe that the gains that have been made, BTC is now better positioned to deliver value to its stakeholders in the future.

Presentation of Annual Financial Statements

The annual financial statements are presented in Botswana Pula (BWP) which is the Company’s functional currency. The financial statements have been prepared in a historical cost basis, except as modified by the measurement of certain financial instruments at fair value and the revaluation of certain assets, and on the going concern basis. The financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Standards (IFRS) Interpretations Committee or in the manner required by the Companies Act, C4-420.

Dividend Declaration

At the 2019 Annual General Meeting shareholders approved a final dividend of 5.75 thebe per share. This follows an interim dividend of 3.53 thebe per share declared and paid for in the previous financial year, resulting in a total dividend in respect of the financial year ended 31 March 2019 of 9.26 thebe per share. The dividend is payable to all shareholders on record at close of business on 10 July 2019. The ex-dividend date will be 26 June 2019. The dividend will be paid net of applicable withholding taxes under the Botswana’s Income Tax Act or on 11 August 2019.

By Order of The Board

Lerato Boologa-Mhalwane
Managing Director

Auditors

Ernst & Young

Board of Directors

Lerato Boologa-Mhalwane (Chairperson), Anthony Mauao (Managing Director), Sery Leburu, Maclean Masunga (Managing Director), Sidney Mganga (Company Secretary), Andrew Johnson, Harold Phiri De’Souza, Chaco Phiri, Thoko Philela and Rafaela Mmolawa.

Company Secretary

Sidney Mganga

Banking details

The Current Account Details

P.O. Box 734, Gaborone, Botswana

P.O. Box 1001, Gaborone, Botswana

P.O. Box 5500, Gaborone, Botswana

Botswana Telecommunications Corporation Limited (‘BTC’) is a converged telecommunications operator offering fixed (voice and data), mobile (voice and data) and broadband services to consumers, enterprises and other licensed service providers.

Review of Results

The Financial Statements of the Company for the year ended 31 March 2019 were approved by the Board of Directors on 21 June 2019.

Performance Overview

The Company recorded a profit after tax of P142,063 to P247,391 in the year ended 31 March 2019, a decline of 32% to 38% in revenue from contracts with customers (P1,448,224 to P1,565,938), and a 28% increase in depreciation to P919,152 (P719,900) due to an increase in investment in mobile and fixed networks. Operating costs were under control and declined by 4% to P919,917 (P992,734). This resulted in a 10% decline in earnings before interest, taxation, depreciation and amortisation (EBITDA) to P247,391 (P373,934).

The overall decline in revenue is mainly attributable to unfavorable trading conditions which saw restrained consumer spending, resulting in a 12% decline in the mobile business despite the introduction of new products and services in the mobile and other segments to promote uptake. Other factors contributing to a flat to low fixed broadband declined marginally.

The telecommunications sector as a general registered suppressed revenues for the period due to the reduced spending power of consumers. In line with global trends, consumers continued to switch to cheaper and cheaper alternative products with lower margins. Shift from voice to data centres services thus increasing pressure on margins.

Due to the challenging environment experienced during the year was further exacerbated by mobile customer migration into the new converged billing system which took longer than expected.

On a positive note, the Company made efforts to contain overall costs. Major cost savings were realised in installation, staff, network and transmission costs and efficiencies in inventory management.

Transformation efforts to position the Company for sustainable growth through significant investments in network technology, modernisation of IT Enterprise systems, roll out of relevant and impactful products and services, and a high-performance culture which started in the previous year continued into the year under review.

As a result of the expansion of our 4G LTE network, the year 2019 has seen the wide coverage of more than 95% of the economically viable markets and mobile customers.

The Company saw an increase in smartphone penetration on the network as customers continue to switch from feature and basic phones to our affordable 4G enabled devices because of low availability with our mobile device strategy. The overall mobile subscriber base increased by 6%.

The FTTH expansion of an additional 8,307 premises enabled the Company’s capability to offer higher speed fixed data products such as the improved home internet (now at 420,580Mbps) and the Netcon product suite for key market segments. We have started to realise some of the anticipated returns in our high broadband subscriber base increased by 7% and we expect the positive trend to continue.

As part of our digitalisation program, BTC commercially launched its Data Centre and improved VSAT services and has already experienced significant growth in mobile, data and fixed products. The Company has focused on its customer service strategy during the year under review and implemented a customer service programme to improve turn-around times for installations and repairs thus enhancing customer experience.

As part of our digital transformation programme, BTC continued to make strides in building a strong and capable leadership supported by a robust leader succession planning. A new organisational Structure was approved by the Board and rolled out during the year. Furthermore, the Company rolled out behavioural change programmes to improve work culture and productivity levels.

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We believe that the gains that have been made, BTC is now better positioned to deliver value to its stakeholders in the future.