

Magyar Telekom Investor Presentation

December 2025

Disclaimer

This investor presentation contains forward-looking statements. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore should not have undue reliance placed upon them. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors are described in, among other things, our Annual Reports for the year ended December 31, 2024 available on our website at <http://www.telekom.hu>.

In addition to figures prepared in accordance with IFRS, Magyar Telekom also presents non-GAAP financial performance measures, including, among others, EBITDA, EBITDA AL, EBITDA margin, and net debt. These non-GAAP measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS. Non-GAAP financial performance measures are not subject to IFRS or any other generally accepted accounting principles. Other companies may define these terms in different ways. For further information relevant to the interpretation of these terms, please refer to the chapter “Financial and operational data set”, which is posted on Magyar Telekom’s Investor Relations webpage at www.telekom.hu/investor_relations.

Magyar Telekom at a glance

Overview

Integrated ICT operations

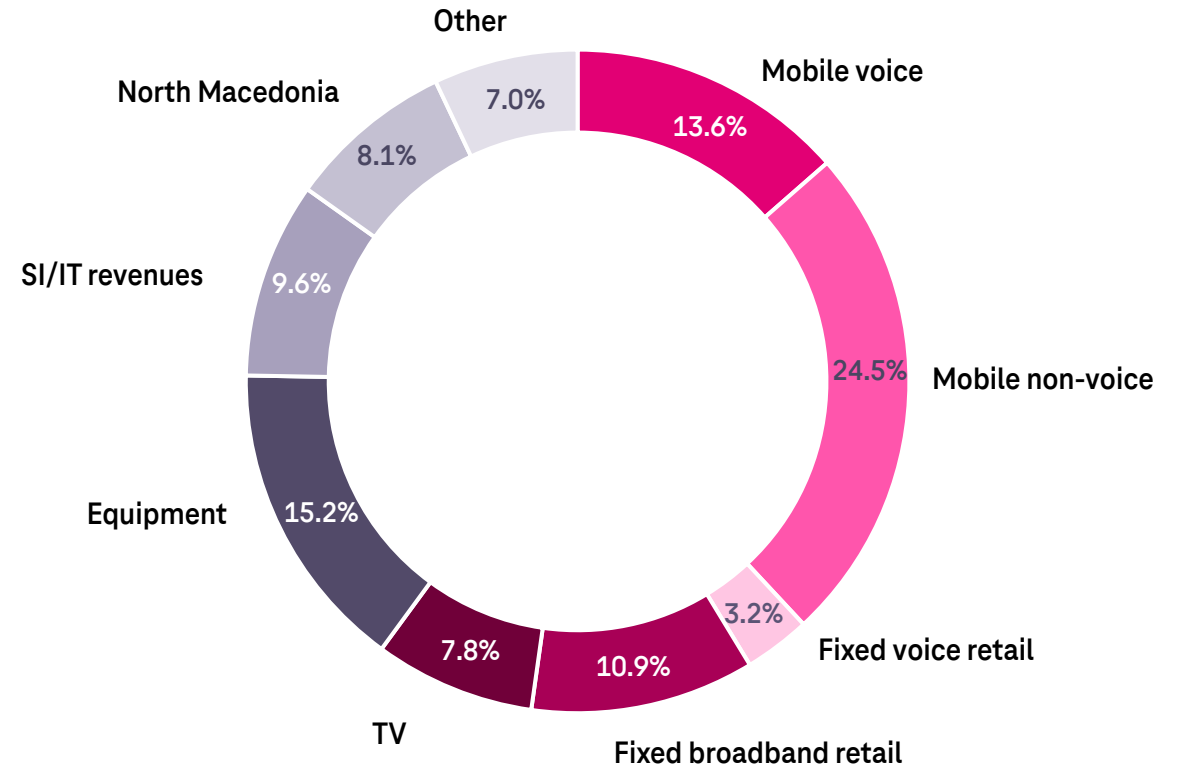
- Leading telecommunications service provider in both countries
- Leading SI/IT service provider in Hungary
- Offering full spectrum of fixed and mobile services across both markets

Majority owned by Deutsche Telekom (65.78%)

EUR 4.2 bn market capitalization¹

Primary listing on Budapest Stock Exchange

2024 revenue composition



Financial highlights of 2024

Revenue

967 bn

HUF

EBITDA AL

333 bn

HUF

Adjusted net income

163 bn

HUF

Free cash flow

166 bn

HUF

Earnings per share

172

HUF

Dividend per share

100.1

HUF

Share buyback

39.1 bn

HUF

Net debt

336 bn

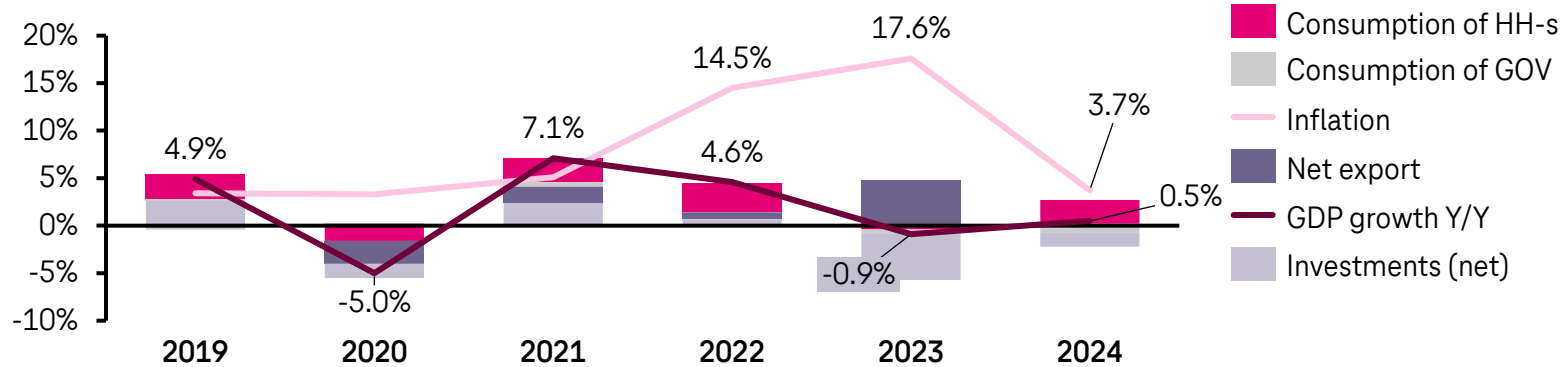
HUF

Investment Highlights



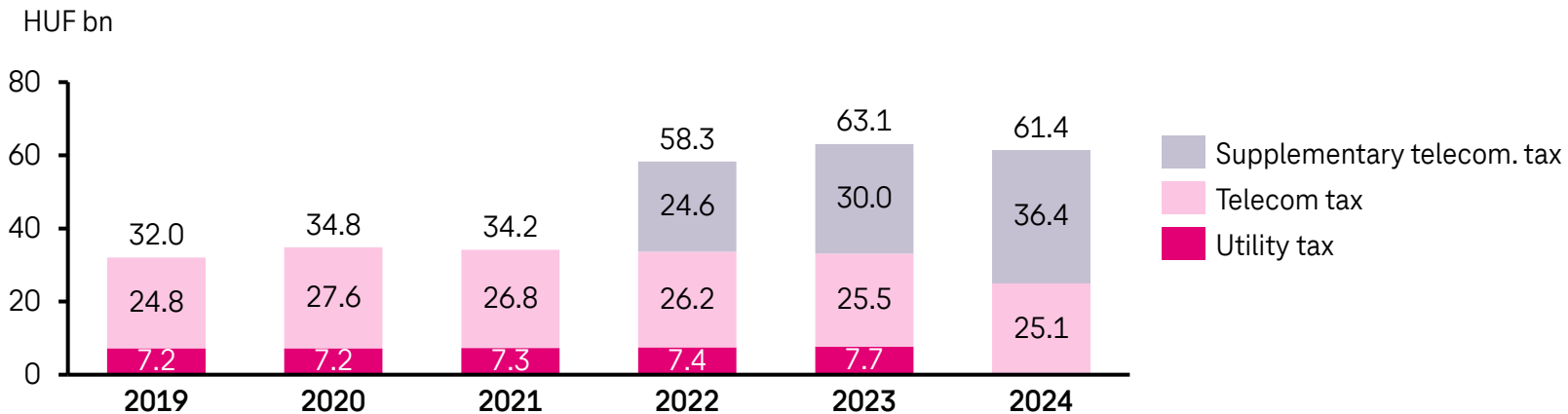
More favourable environment with sector-specific tax removals

Key macroeconomic indicators



- **Inflation** on elevated levels in 2025 (4.3% YoY in October), expected to ease by year-end
- **GDP** stagnated YoY in Q1-3 2025, as moderate growth in household consumption mitigates low investment levels
- **Fiscal deficit** target at 5% for both 2025 and 2026

Sector-specific taxes levies on Magyar Telekom*



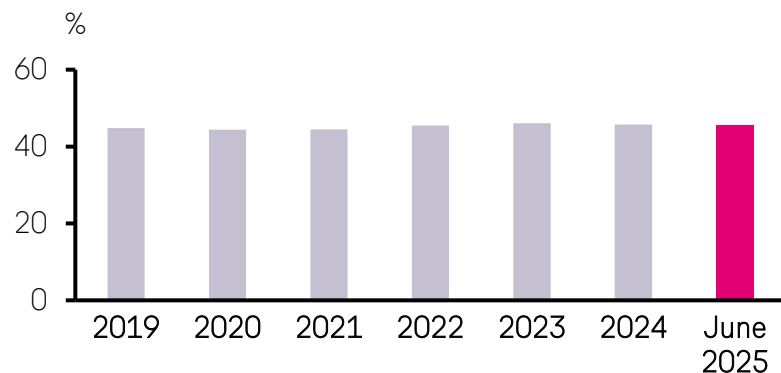
- Financial performance during 2012-2024 affected by sector-specific taxes
 - Traffic-based **telecom tax** introduced in July 2012 and increased in August 2013
 - **Utility tax** levied based on network length in 2013, eliminated in 2024
 - Temporary revenue-based **supplementary telecommunication tax** payable for 2022, 2023 and 2024



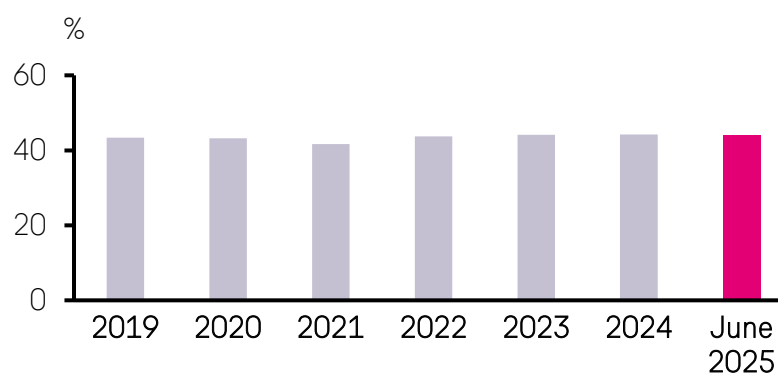
* Sector specific taxes booked as part of Operating Expense reducing EBITDA

Strong market leading position

Mobile voice SIM market share¹

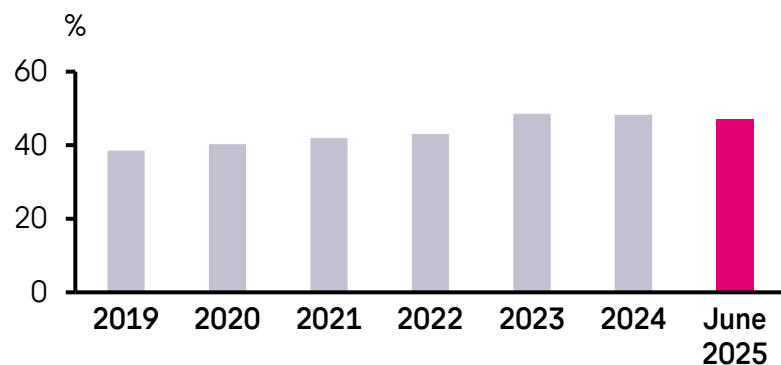


Mobile data SIM market share¹

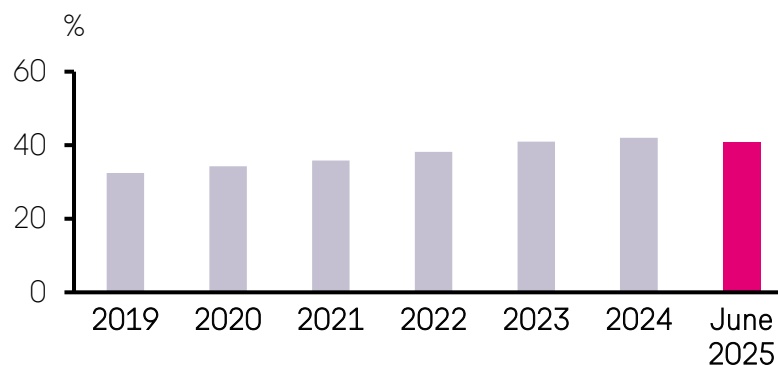


Stable leading position in the Hungarian mobile market

Fixed broadband market share^{2,3}



TV market share^{2,3}



Increasing Hungarian fixed broadband and TV market share

Competitors:

- 4iG: integrated fixed-mobile-IT offering; Yettel/Cetin: mobile only operations; Vantage: Vodafone Group's local tower co.; Small privately-owned cable companies

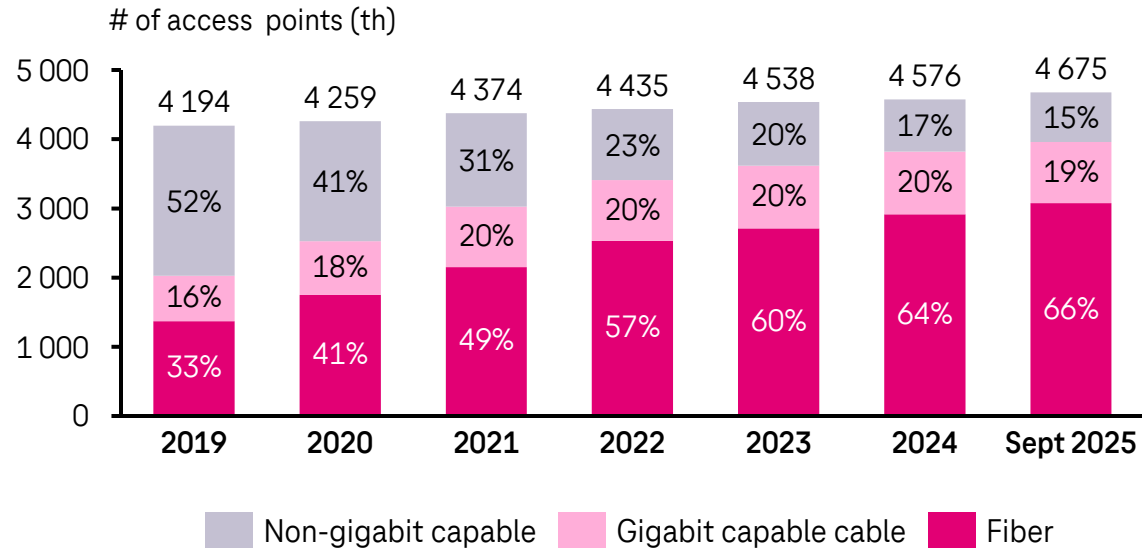
¹ Based on the total voice/internet traffic generating SIM cards data published by the National Media and Infocommunications Authority (NMIA)

² Based on the BB access/ pay TV data published by the National Media and Infocommunications Authority (NMIA) and internal data and estimates

³ Sale of ViDaNet (fixed line subsidiary) in Q2 2025, fixed broadband and TV market shares declined by ca. 1.5ppt

Outstanding networks: a critical differentiator

Continuous investment into our fixed network

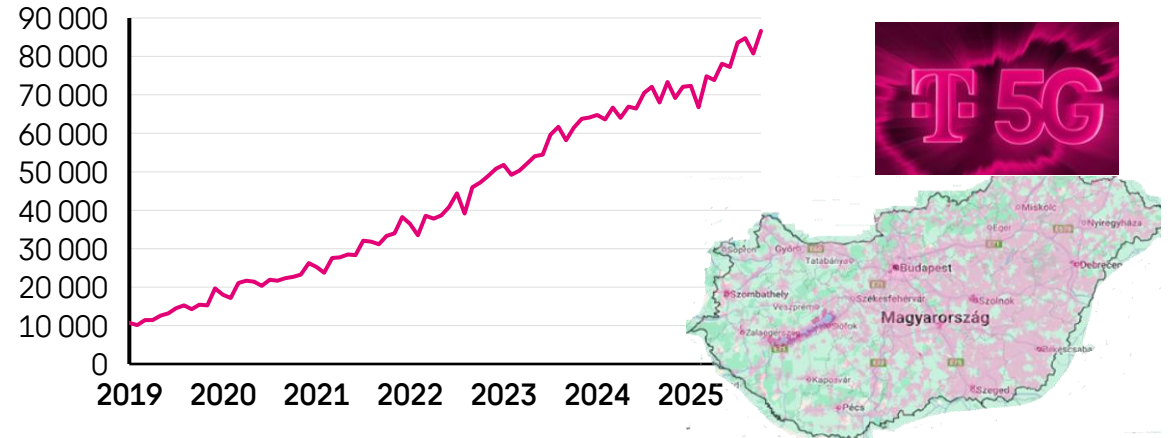


- Continued **fiber rollout** to provide seamless connectivity to a growing customer base
- Gradual copper retirement to increase efficiency
- **Gigabit availability** across over 3.96 million access points or ~72% of country-wide network
- **Goal:** connect 4.5 million Hungarian homes and businesses by end-2027



Facilitating growing mobile data usage

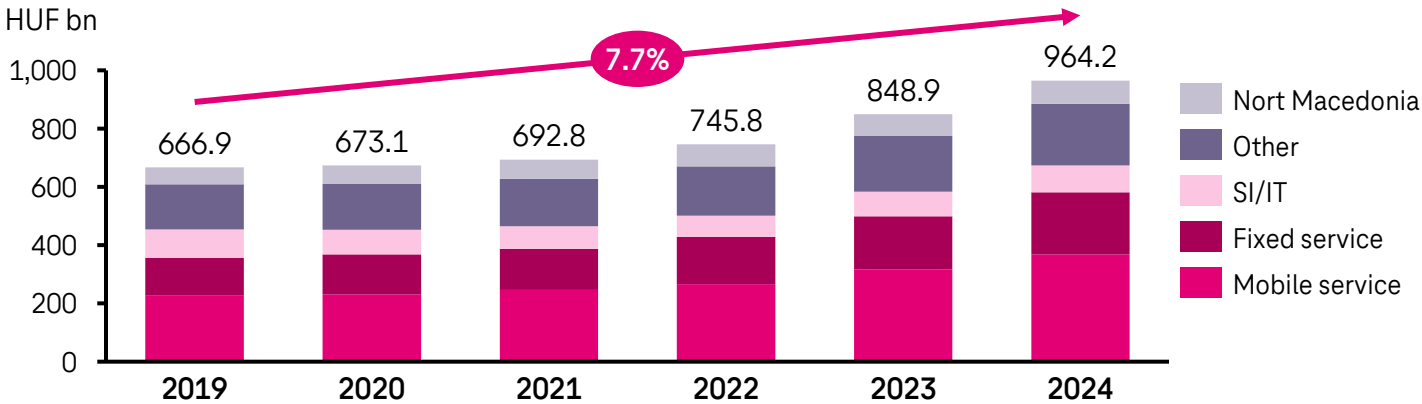
Total monthly mobile traffic (GB thousand)



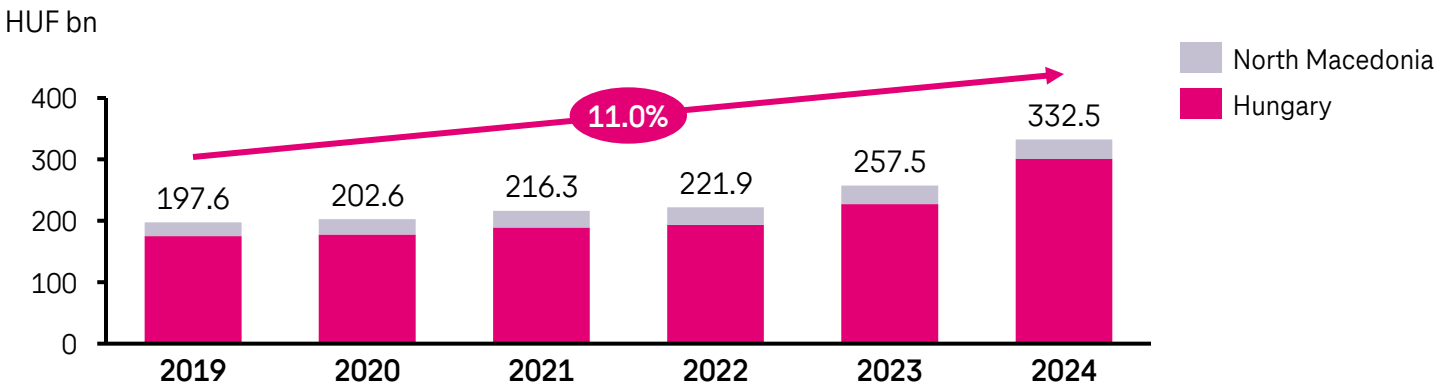
- Steady growth in **mobile data** traffic driven by expanding customer base and increasing data usage
- Enhanced capacity and availability following completion of 5-year RAN modernization project
- Population-based **5G** coverage at 86%
- **Goal:** increase population-based outdoor 5G coverage to 99% by end-2026

Consistent improvement in revenue and profitability

Magyar Telekom revenues



Magyar Telekom EBITDA AL



Seamless connectivity experience



Strong brand, excellent servicing & more-for-more pricing strategy



90% of Employees in Budapest HQ working under agile framework



Inflation-based fee adjustment introduced & other operating expenses kept under control



ISS Corporate Solutions ranked Magyar Telekom among the best performers of the telecom sector globally with 'B' rating

BBB+

BBB+ corporate credit rating with stable outlook affirmed by Scope Ratings

Three-pronged strategy for continued success

Strategic priorities



NETWORK & INVESTEMENTS

Differentiate via **leading network experience by ensuring seamless connectivity**



CUSTOMERS

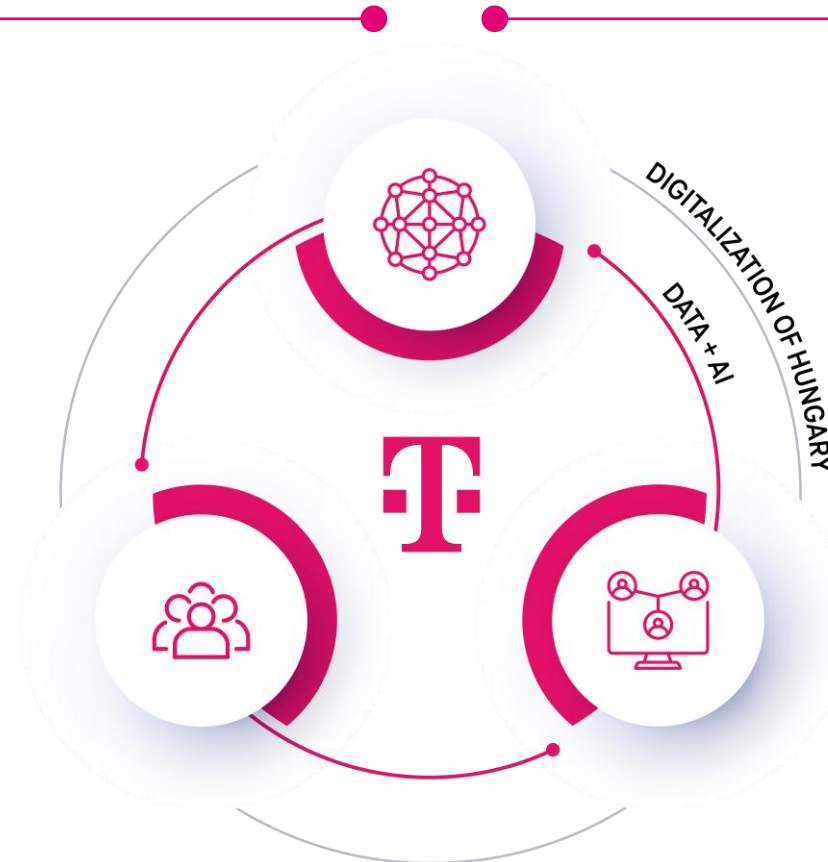
Grow by monetizing high-quality networks & services that **enhance digital life & business with Magenta Advantage**, providing outstanding customer experience



EFFICIENCY

Increase productivity & cost efficiency end-to-end through **continuous automation, simplification & modernization**. Adapt to external challenges.

2025 focus



Increase fiber coverage by 250,000 access points

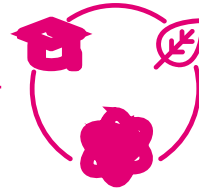


Re-shaped fixed and mobile portfolio



Further operational improvements through Data & AI solutions

Sustainable practices underpin strategic initiatives



Digitalization of Hungary

- 5G coverage
- Gigabit access
- Consultancy



Climate Protection

Scope 1 & 2

- Carbon neutrality (since 2015)
- Green energy
- Energy reduction and efficiency

Scope 1 & 2

- Reaching full circularity
- Lowering suppliers' attributable emissions



Digital inclusion & education

Digital inclusion

- Education platforms
- Child protection

Sensitivity program

- Multi-generation
- Sustainable work

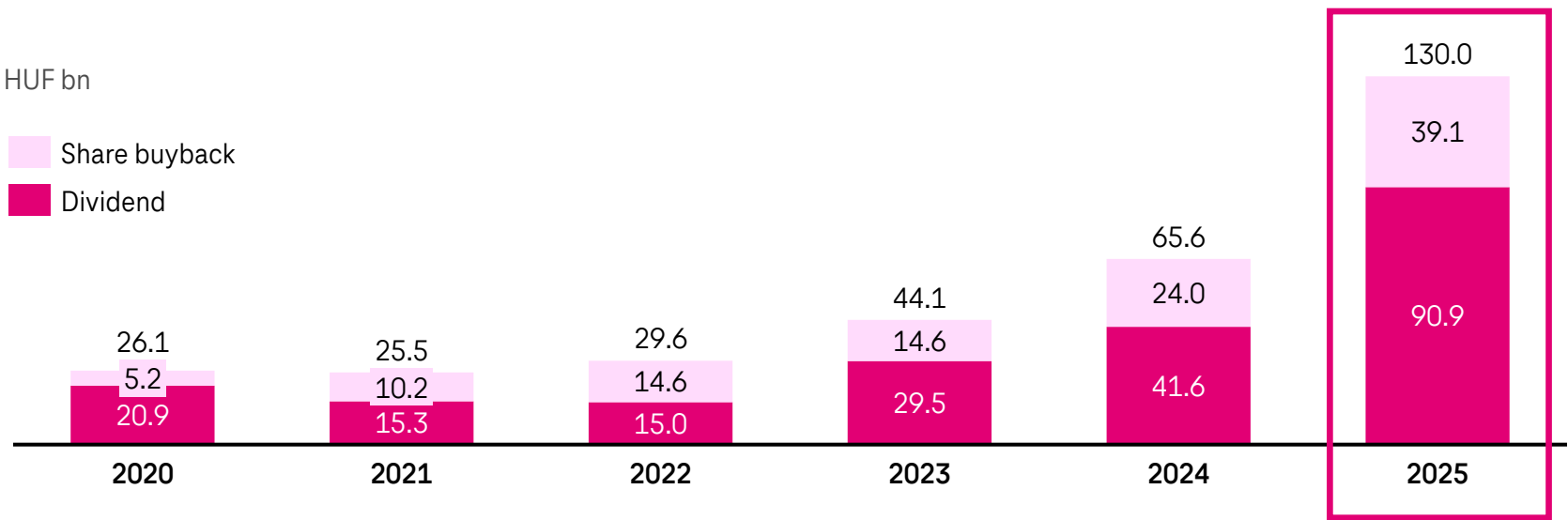
Committed to delivering sustainable shareholder value

Record shareholder remuneration for 2024

- cash dividend of HUF 90.9 billion (~HUF 100 dividend per share)
- share buyback of up to HUF 39.1 billion

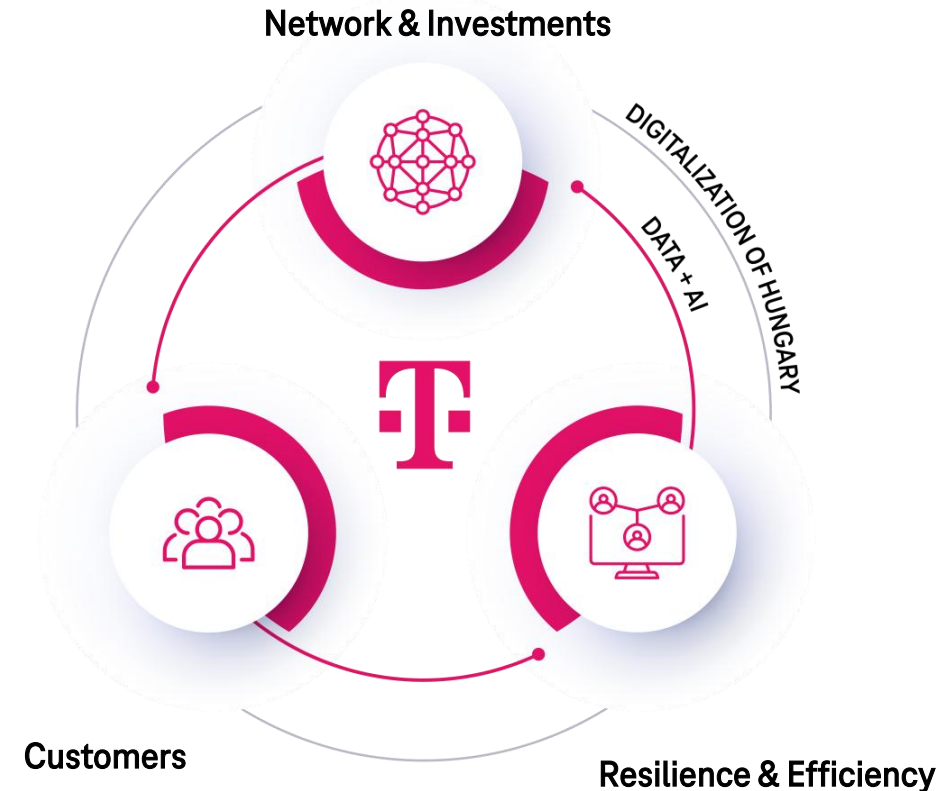
Enhanced policy for 2025 and beyond

- Target annual shareholder remuneration: 60% - 100% of consolidated adjusted net income, up from 60% - 80% in 2022-2024
- Delivered through dividend payments and share buybacks



Q3 2025 Results

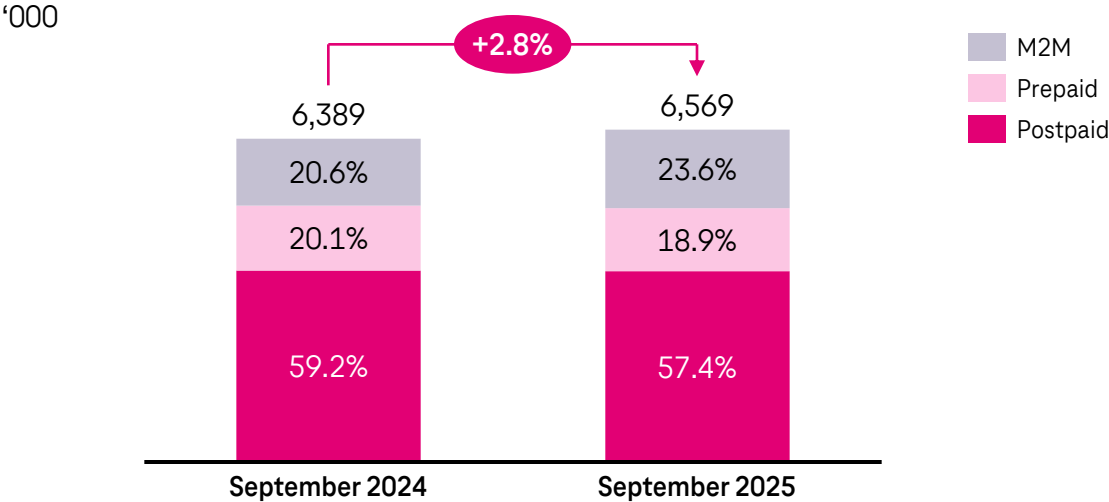
Q3 2025 highlights



- ✓ Continued service revenue growth (+1.9% YoY) supported by sustained customer base expansion and ARPU uplift driven by rising data demand
- ✓ Ongoing network investments underpin future growth potential
- ✓ Summer gigabit campaigns effectively boost demand for 5G and gigabit fixed broadband services
- ✓ Fixed portfolio renewal featuring customizable packages to better meet evolving customer needs
- ✓ BBB+ rating with stable outlook reaffirmed by Scope Ratings, underscoring resilience amid external volatility

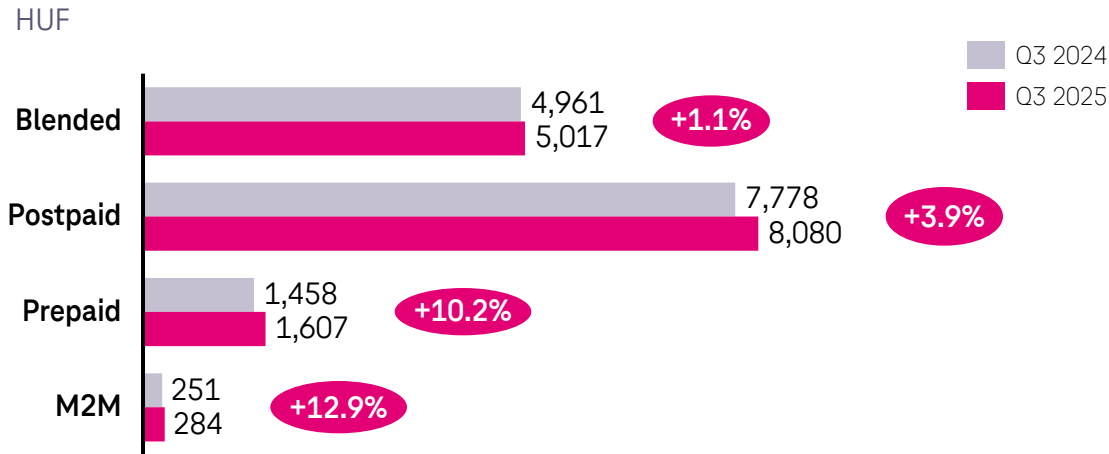
Growing mobile data usage drives positive momentum in mobile segment

Mobile SIMs



- Residential postpaid customer increase offset by continued churn in public sector SIMs
- M2M growth driven by continued positive momentum in elderly care watch sales and smart meter solutions

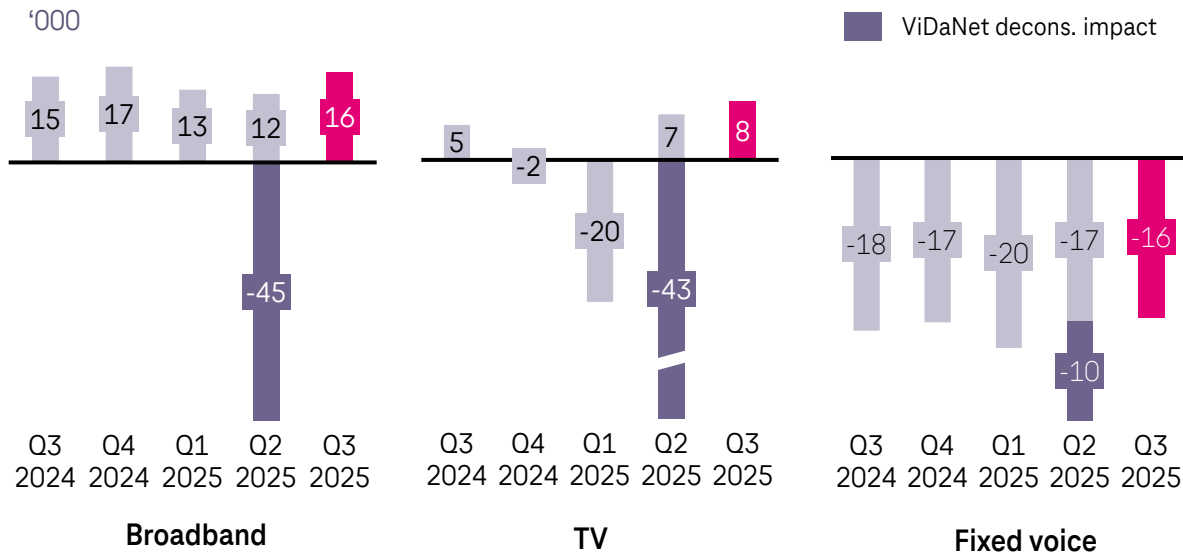
Mobile ARPU



- Mobile data usage growth provides impetus to positive ARPU development
- Blended APRU diluted by strong uptake of low ARPU M2M SIMs

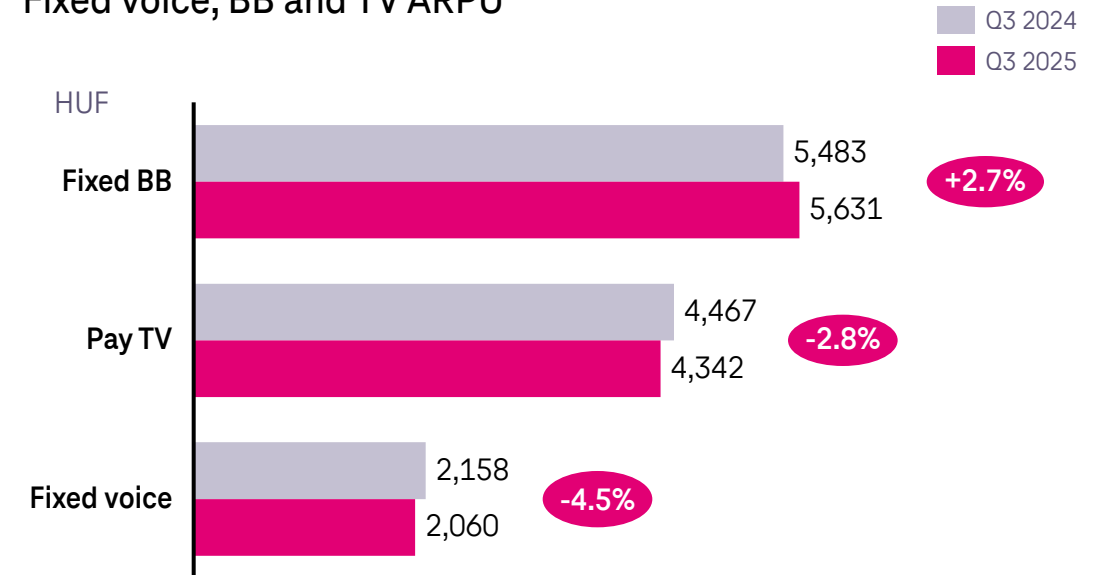
Fiber uptake fuels fixed market growth

Broadband, TV and fixed voice quarterly customer net adds



- Broadband growth driven by continued strong fiber uptake
- Lower closing RPC reflects deconsolidation of ViDaNet and discontinuation of satellite-TV service

Fixed voice, BB and TV ARPU

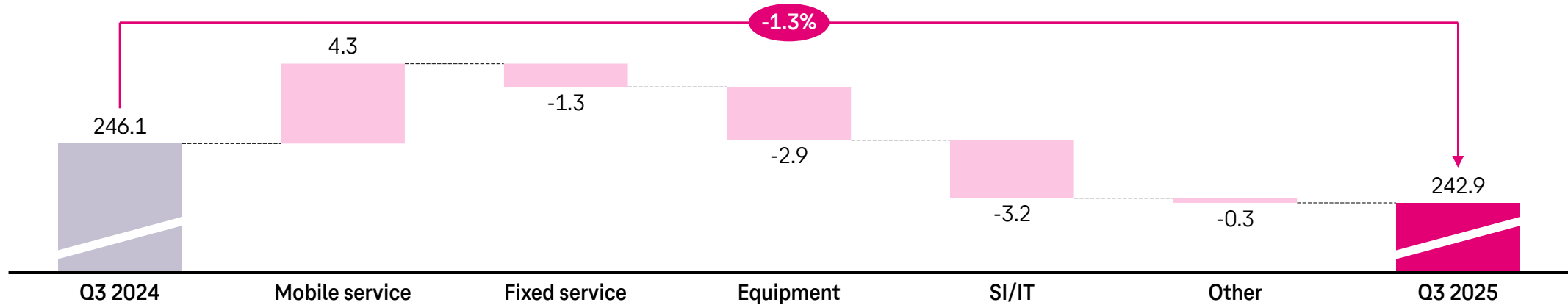


- Broadband ARPU trend reflects customer migration to higher bandwidth packages
- TV ARPU decline driven by higher discount levels

Service revenue growth offset by declines in other revenue streams

Revenue, Q3 2025 vs Q3 2024

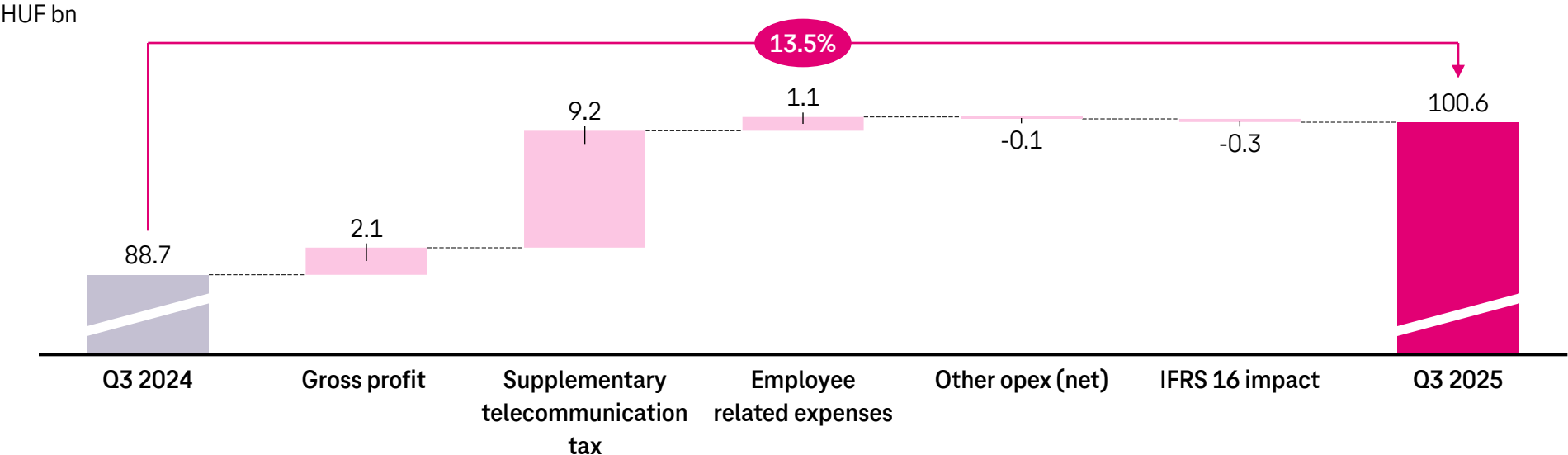
HUF bn



- Service revenue growth driven by continued demand for data and connectivity
- Fixed service revenue impacted by ca. HUF 1.5 billion ViDaNet deconsolidation impact
- Equipment revenue decline primarily driven by lower volume of third party export sales
- SI/IT performance reflects timing difference in project deliveries vs 2024 and lower volume of asset sale projects in the Hungarian operation

EBITDA AL growth driven by higher gross profit and expiry of supplementary tax

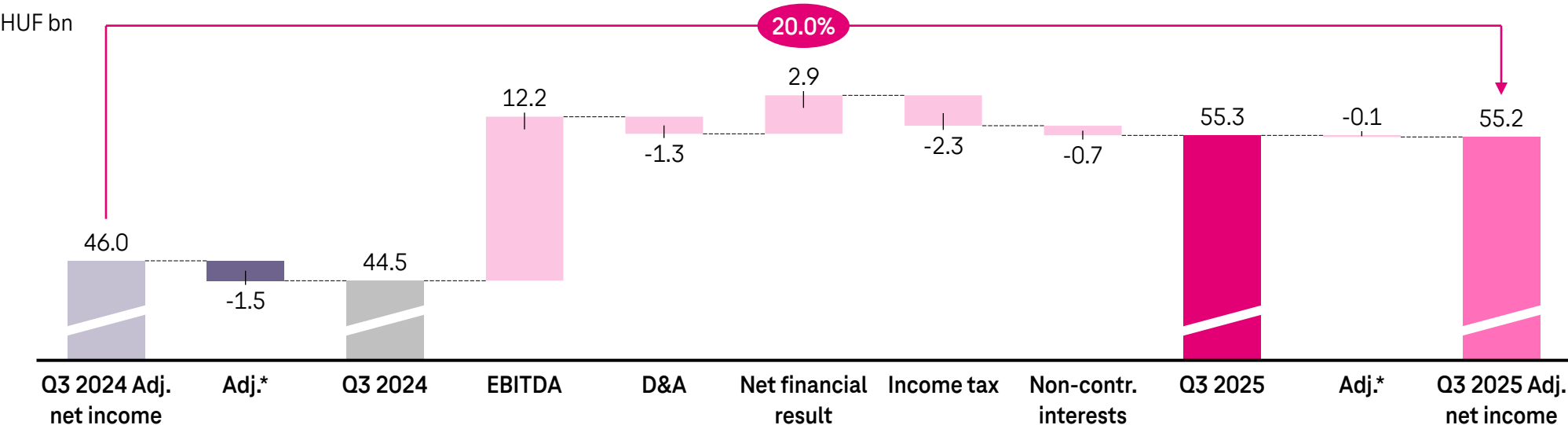
EBITDA AL, Q3 2025 vs Q3 2024



- Gross profit growth up on higher service revenue and lower telecom and bad debt expenses
- Profitability supported by expiry of supplementary telecommunication tax as of January 1, 2025
- Employee-related expense reflects absence of bonus accruals

Significant rise in net income driven by EBITDA growth

Net income (and adjusted net income), Q3 2025 vs Q3 2024



- Strong EBITDA growth boosts net income
- Net financial result improvement reflects lower interest expense
- Higher profit before tax drives increased income taxes
- Higher minority profit reflects improved profitability and absence of one-off expenses at the North Macedonian operation

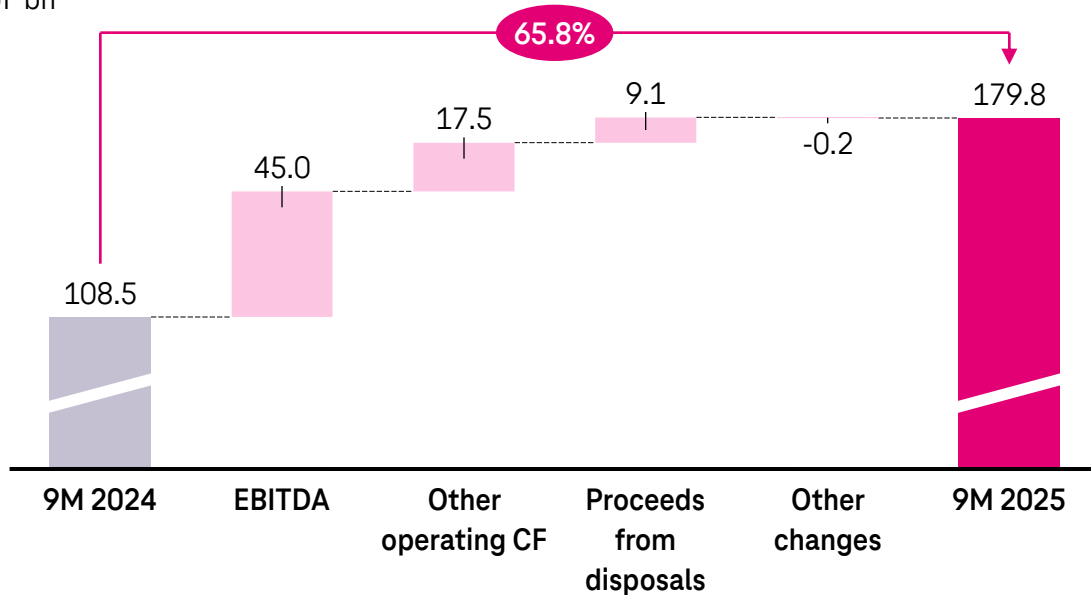


*Adjustments are unaudited

Strong free cash flow driven by EBITDA uplift

Free cash flow 9M 2025 vs 9M 2024

HUF bn

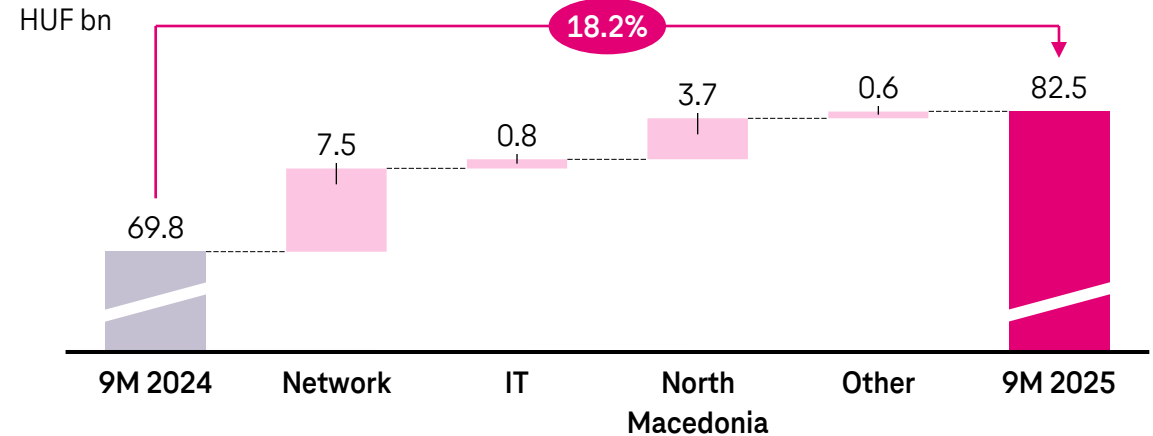


- Working capital positively impacted by:
 - favorable development in instalment and other customer related receivables
 - lower vendor outpayments due to different seasonal dynamics
- 9M 2025 performance supported by proceeds from real estate and subsidiary sale



Capex AL, 9M 2025 vs 9M 2024

HUF bn



- Higher fixed and mobile network investments across both countries
- 163k new gigabit access points reached YTD due to successful fiber roll-out in Hungary

2025 guidance reiterated

	2024 results	2025 guidance	9M 2025 results (change y-o-y)
Revenue	HUF 967.5 bn	1%-3% growth	HUF 725.8 bn (+2.1%)
EBITDA AL	HUF 333.1 bn	ca 15% growth	HUF 299.6 bn (+17.3%)
Adjusted Net Income	HUF 162.6 bn	HUF at least 200 bn	HUF 165.6 bn (+29.4%)
FCF ¹	HUF 165.1 bn	HUF at least 200 bn	HUF 179.8 bn (+65.8%)

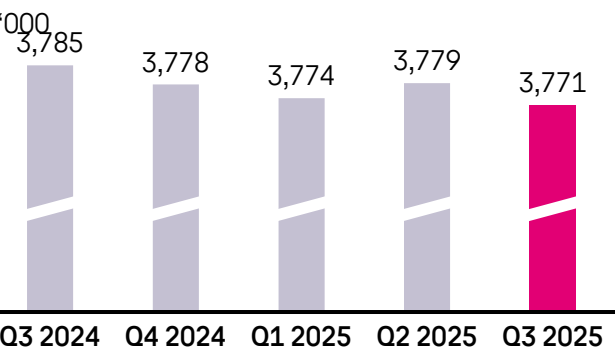
¹ excluding spectrum licenses



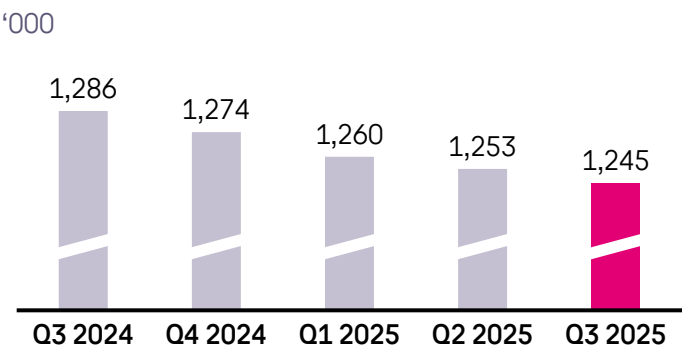
Appendix

Mobile KPIs

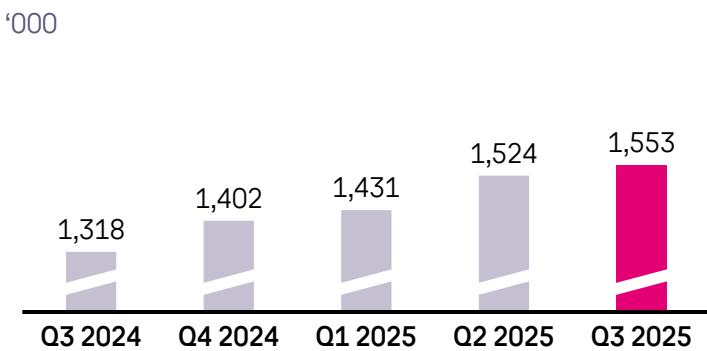
Postpaid customers



Prepaid customers

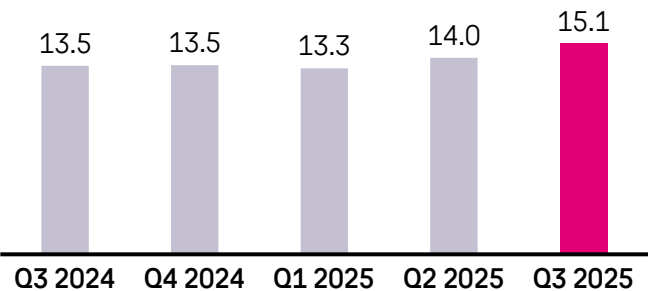


M2M



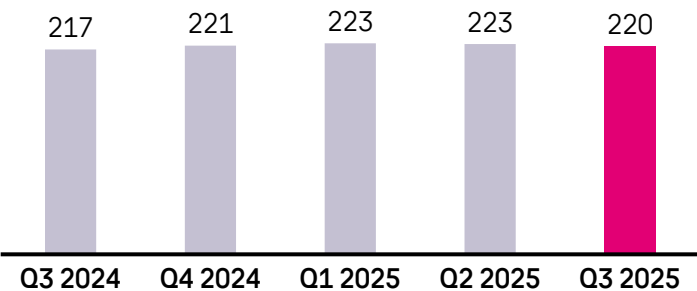
Average mobile data usage

GB/month



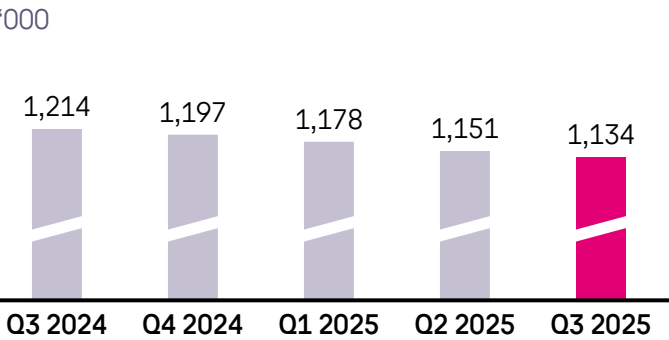
Mobile voice usage

Minutes/month

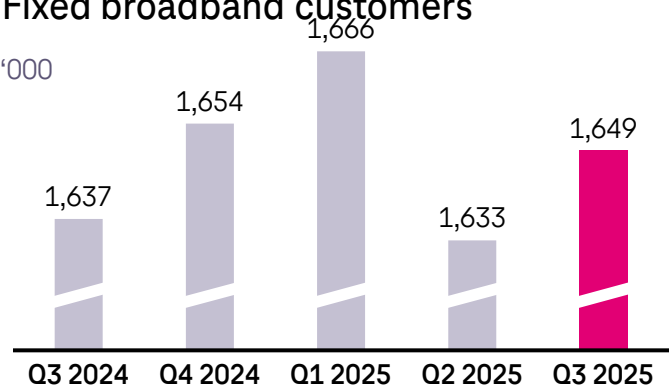


Fixed KPIs

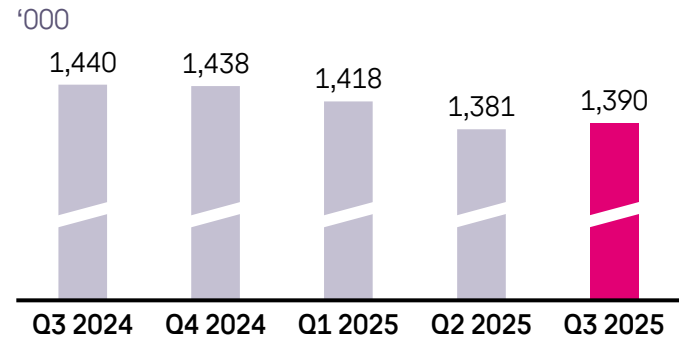
Fixed voice customers



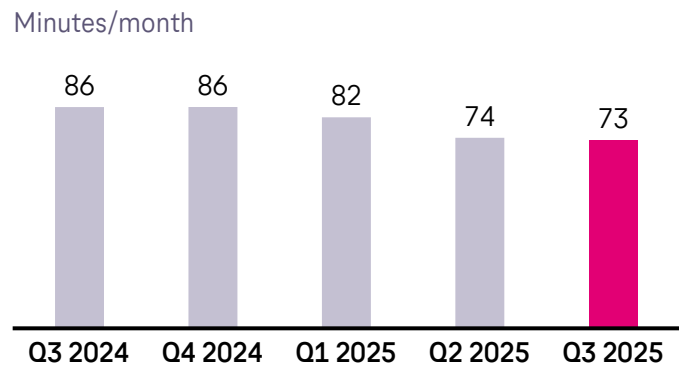
Fixed broadband customers



Pay TV customers

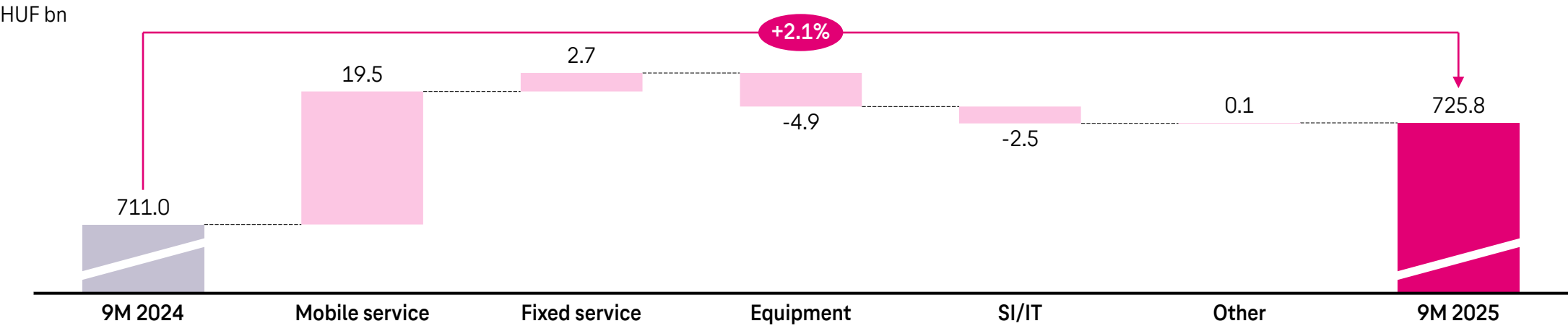


Fixed voice usage

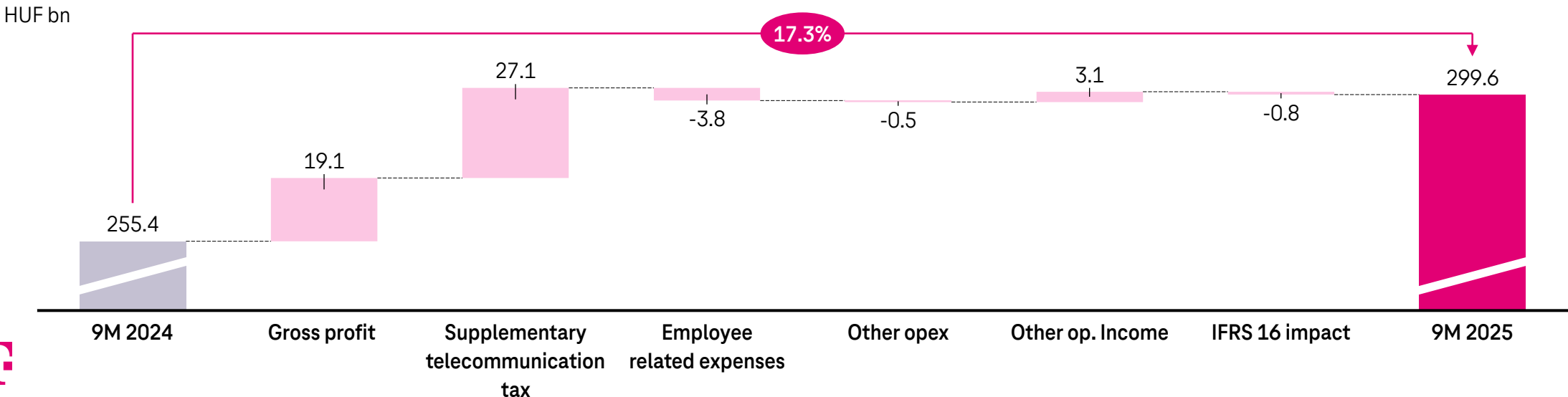


9M 2025 revenue and EBITDA AL

Revenue, 9M 2025 vs 9M 2024

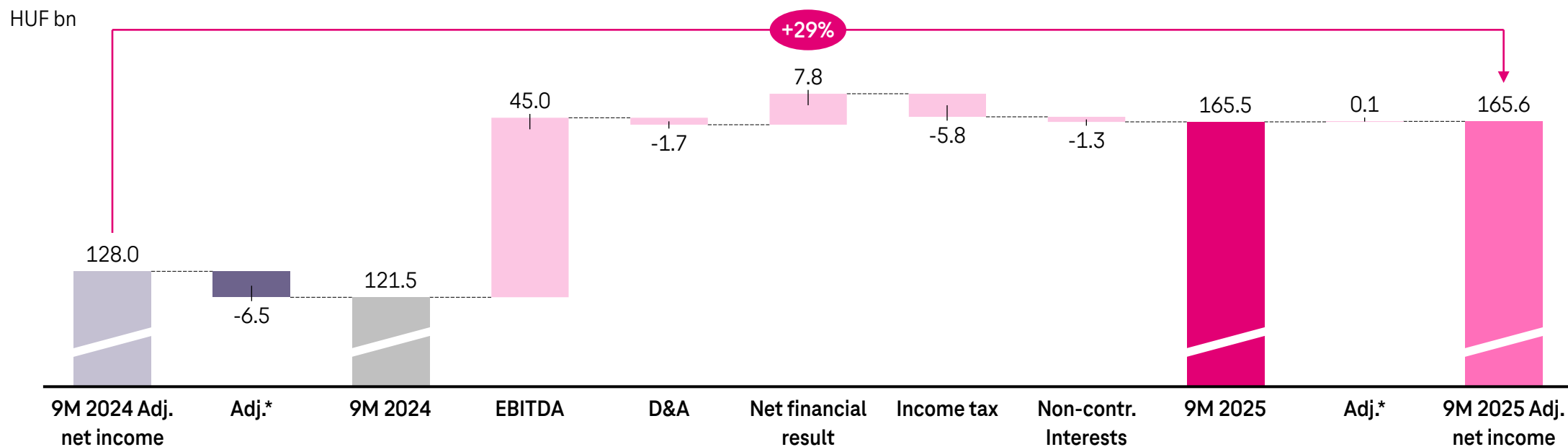


EBITDA AL, 9M 2025 vs 9M 2024



9M 2025 net income

Net income (and adjusted net income), 9M 2025 vs 9M 2024

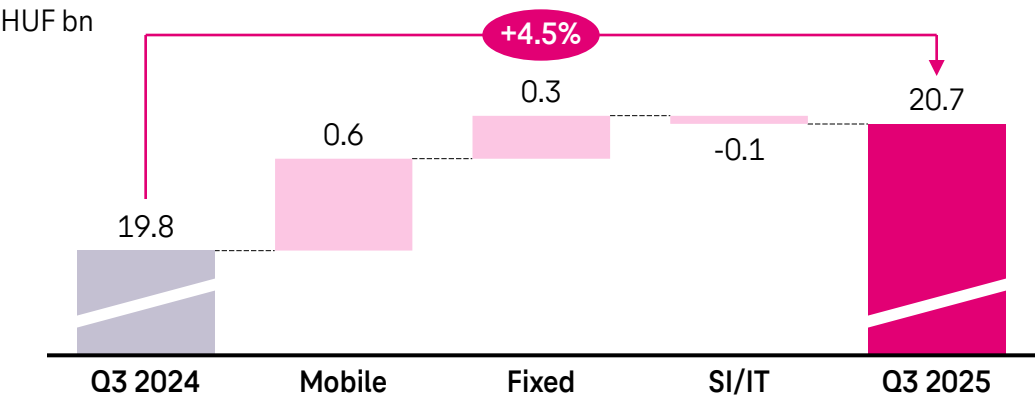


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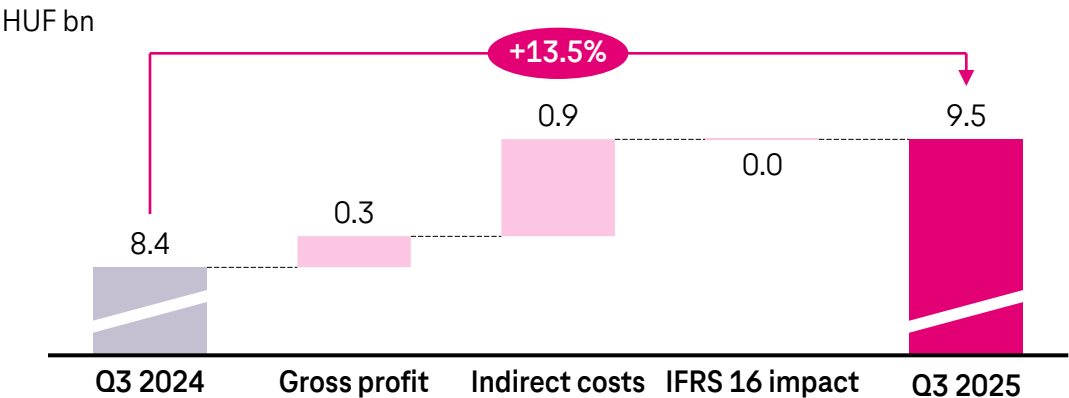


North Macedonia performance highlights

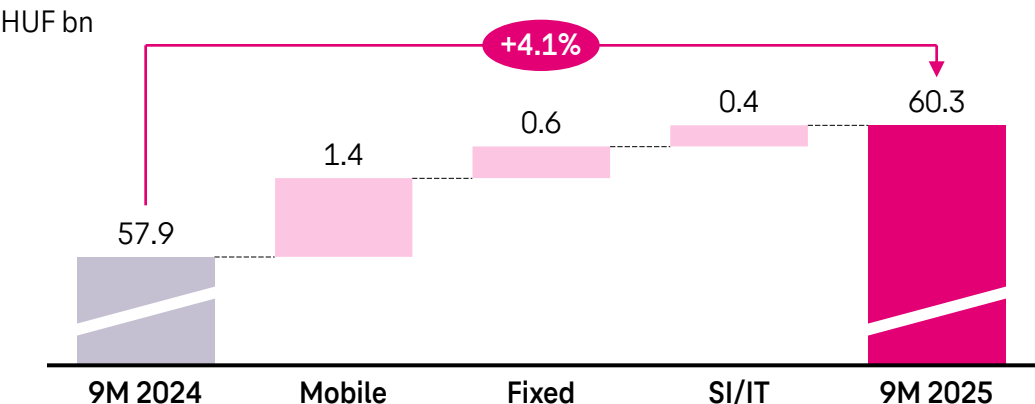
Revenues, Q3 2025 vs Q3 2024



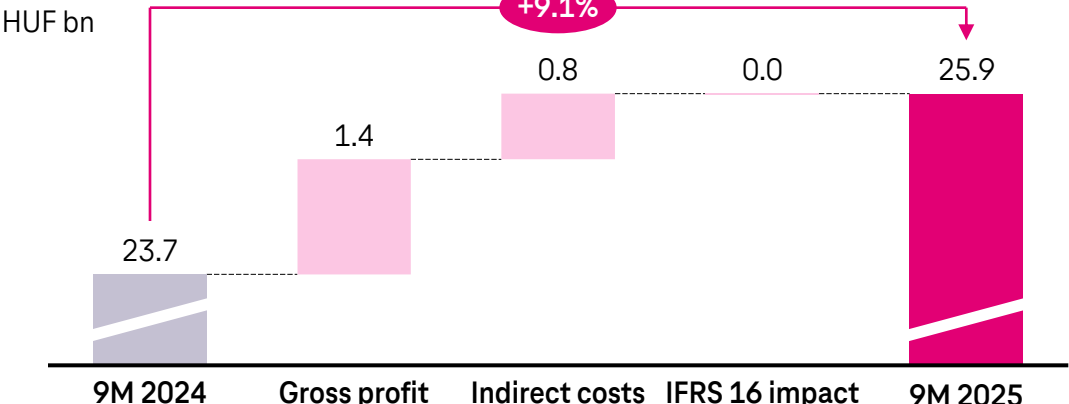
EBITDA AL, Q3 2025 vs Q3 2024



Revenues, 9M 2025 vs 9M 2024



EBITDA AL, 9M 2025 vs 9M 2024





For further questions please contact the IR team

Diána Párkányi-Várkonyi

Capital Market Relations Hub Lead

Phone: +36 1 481-7676

Email: varkonyi.diana.annamaria@telekom.hu

Rita Walfisch

Investor Relations Manager

Phone: +36 1 457-6084

Email: walfisch.rita@telekom.hu