

# MAGYAR TELEKOM GROUP Q1 2024 RESULTS PRESENTATION

May 15, 2024



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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, 2023 available on our website at <http://www.telekom.hu>.

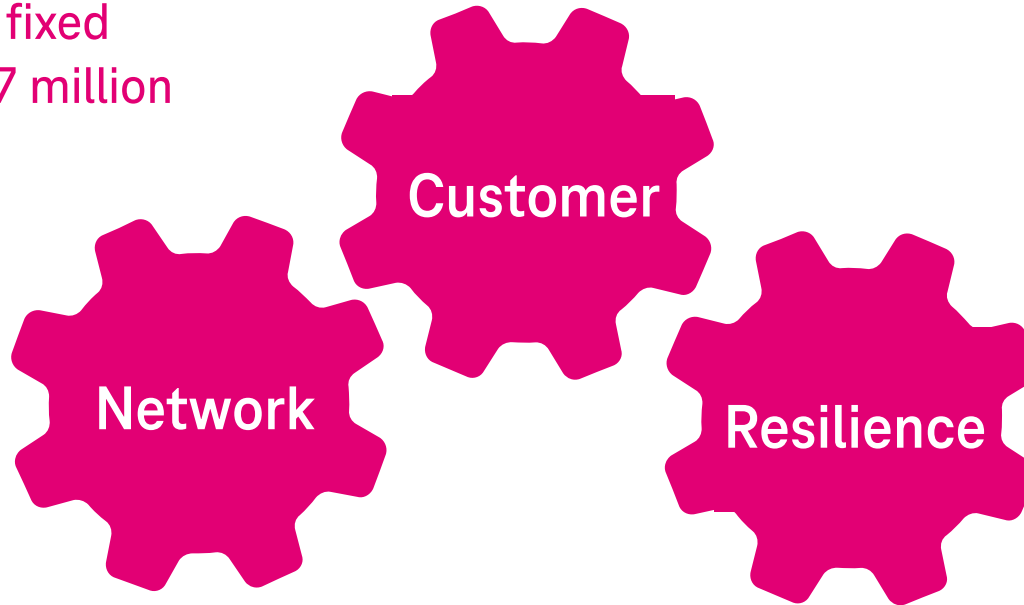
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# Q1 2024 highlights



Hungarian **gigabit fixed** access points over **3.7 million**

**CRM system migration** initiated for smoother customer servicing



**Mobile network modernization** in Hungary at **82% readiness**

**15% inflation-based fee adjustment** across Hungarian subscription fees from March 1, 2024

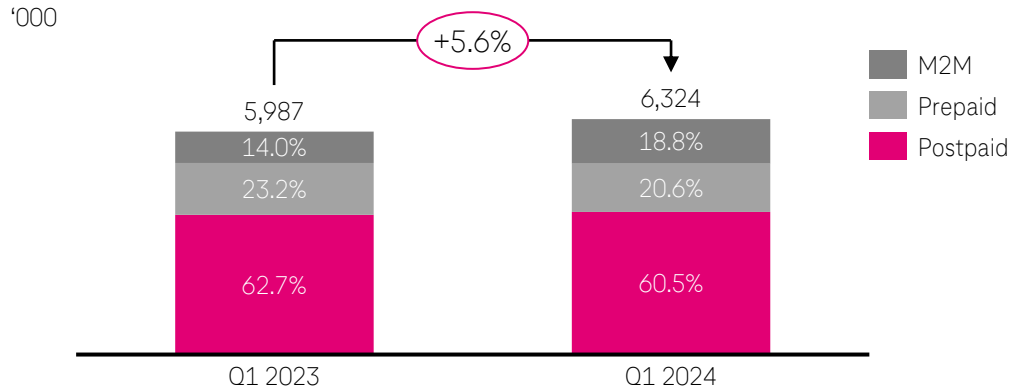
**Ca 25% saving in electricity** expenses at the Hungarian operation

**Utility tax** in Hungary **repealed** from January 1, 2024

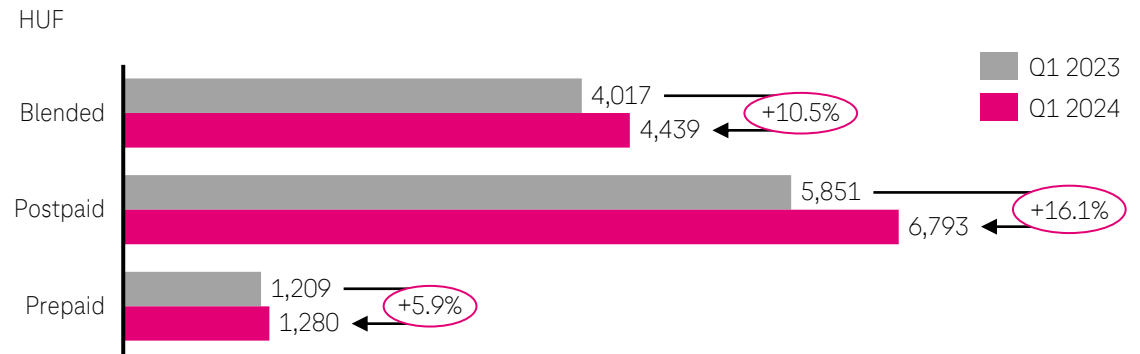


# Mobile data continues to remain key growth driver in Hungarian mobile market

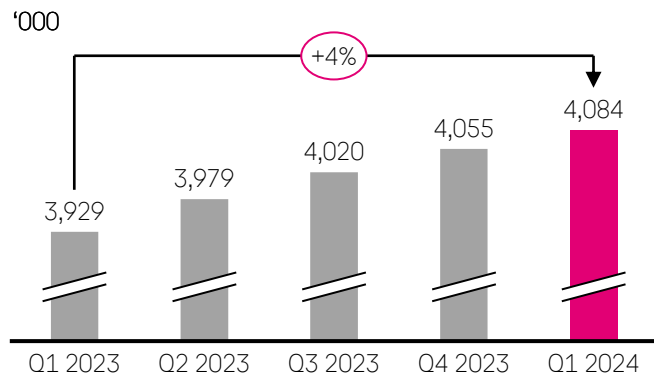
## Mobile SIMs



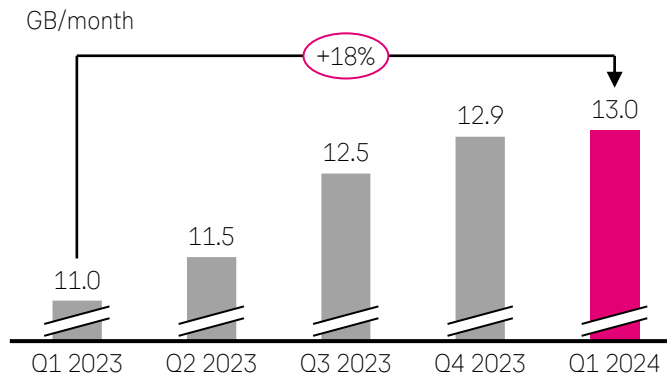
## Mobile ARPU



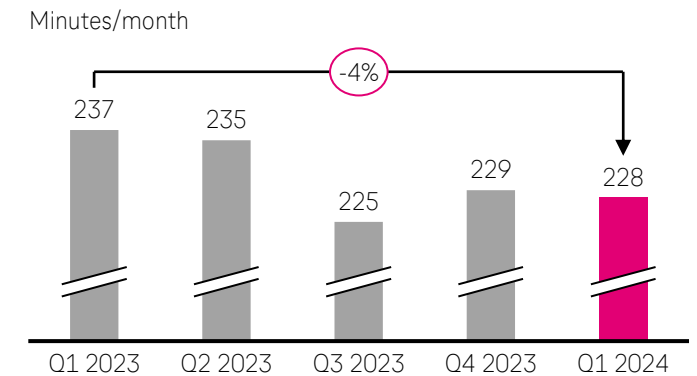
## Mobile data SIMs



## Mobile data usage

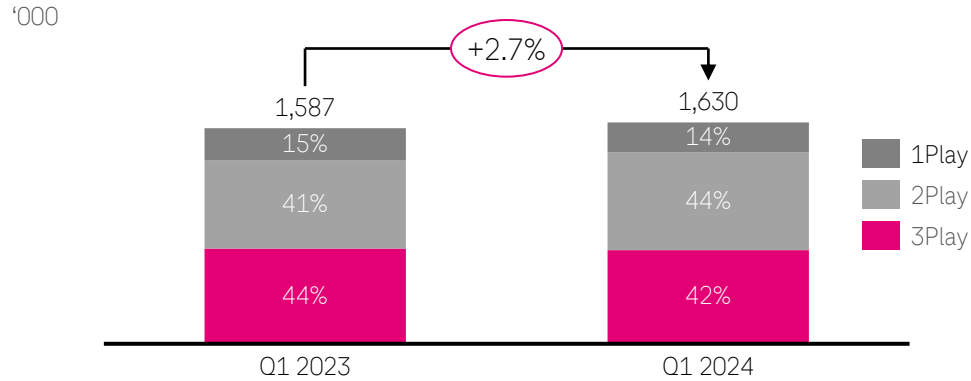


## Mobile voice usage

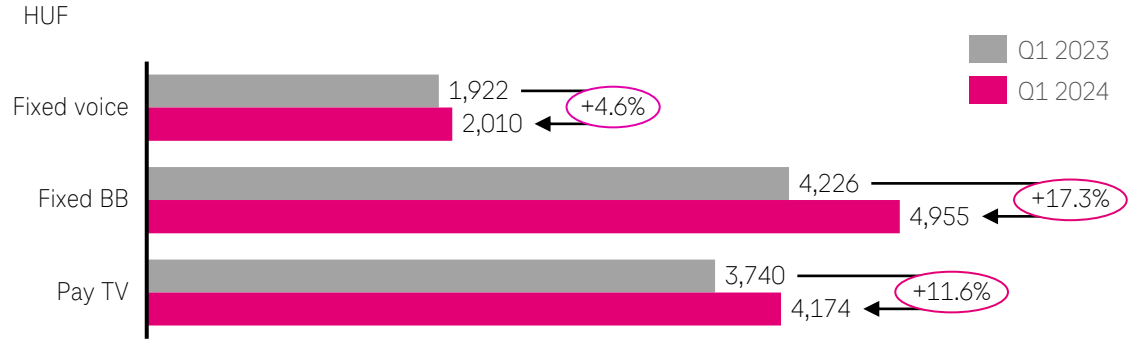


# Fiber uptake supporting customer base expansion and ARPU trends

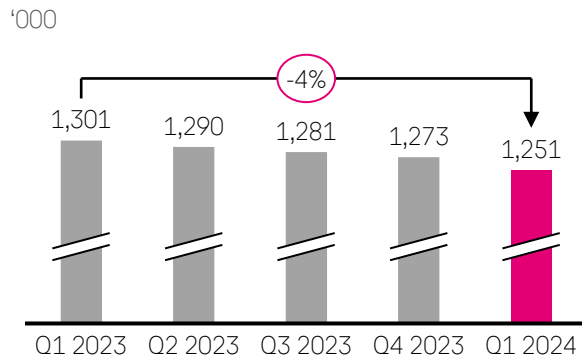
## Fixed line multiplay residential subscribers



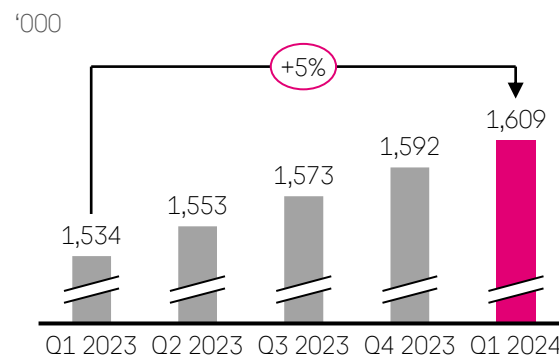
## Fixed voice, BB and TV ARPU



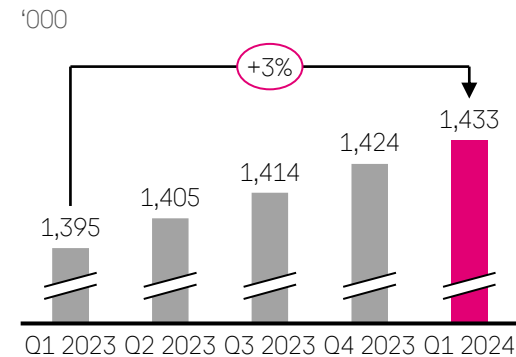
## Fixed voice customers



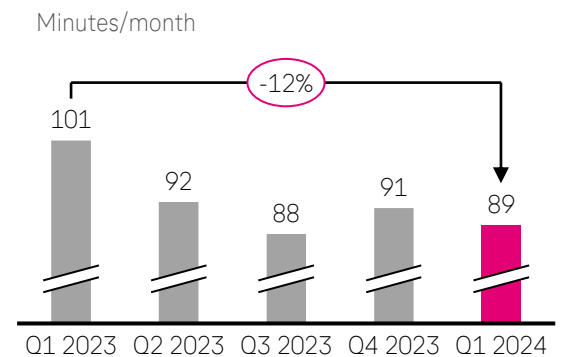
## Fixed broadband customers



## Pay TV customers

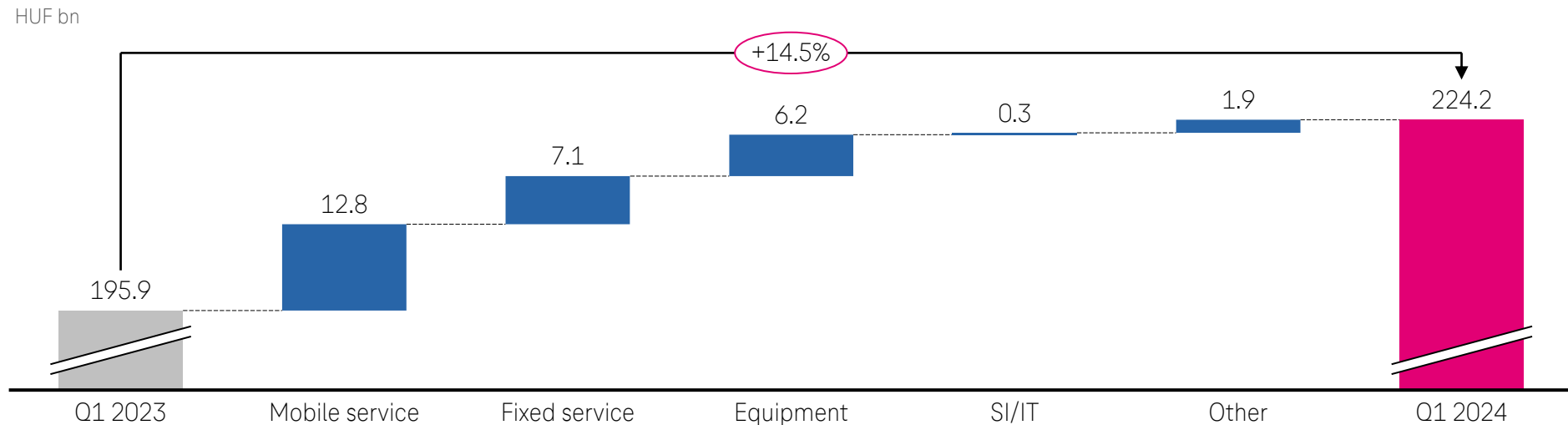


## Fixed voice usage



# Revenue growth fueled by inflation-based fee adjustment of the subscription fees

## Revenue, Q1 2024 vs Q1 2023

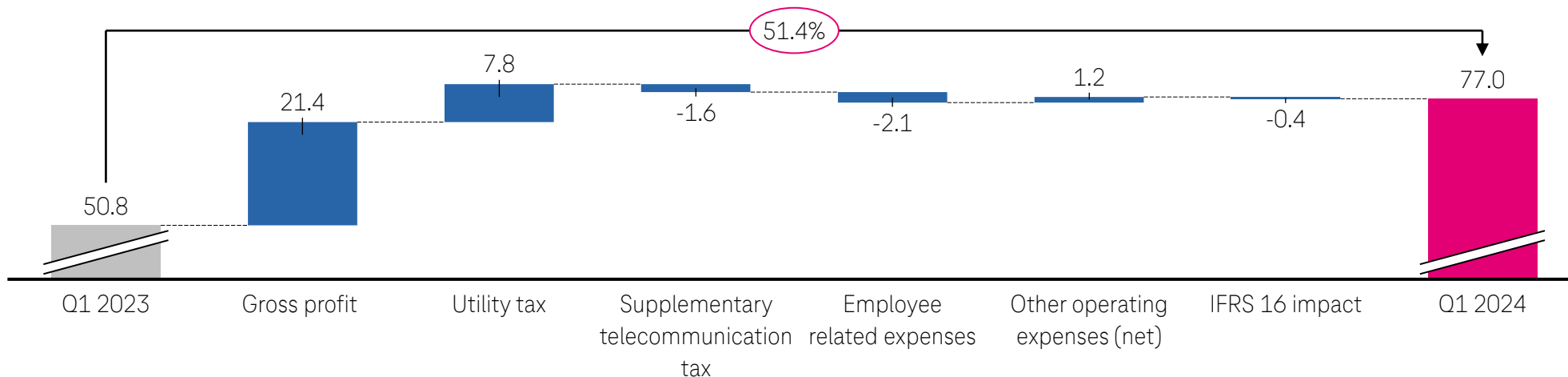


- Growing data usage supports mobile service revenue growth
- Expanding broadband and TV customer base drives fixed service revenue increase
- SI/IT performance reflects stable market demand
- Third party equipment export sales is up by HUF +2.8 bn
- Other equipment sales growth driven by increased sales volumes and lower instalment sales related present value discounts

# EBITDA AL performance driven by strong gross profit growth coupled with utility tax elimination impact

## EBITDA AL, Q1 2024 vs Q1 2023

HUF bn

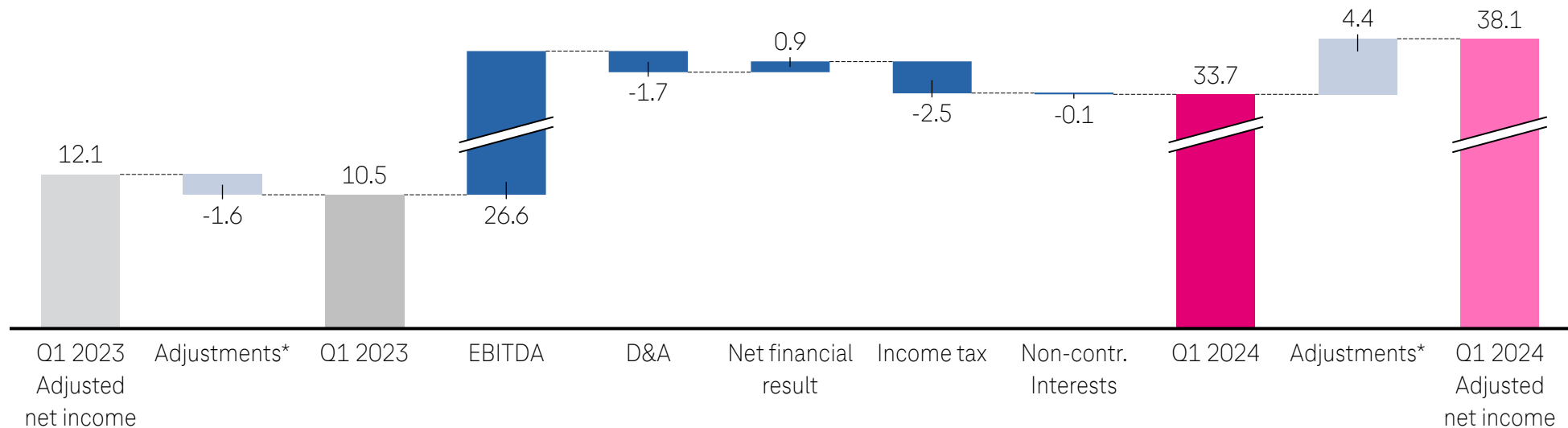


- Increase in gross profit equally attributable to positive underlying operational trends and implementation of the inflation-based fee adjustment
- Annual utility tax impact booked in the first quarter in 2023
- Supplementary telecommunication tax increase in line with higher telecommunication revenues
- Employee expense increase reflects salary increase at the Hungarian operation from July 1, 2023
- Improvement in other operating expense as declines in electricity costs offset cost side inflationary pressure

# EBITDA growth driving sharp rise in net income

## Net income (and adjusted net income), Q1 2024 vs Q1 2023

HUF bn



- Higher D&A reflects one-off increase in SW-related D&A expenses
- Net financial result trend driven by more favorable liquidity positions and positive fair value change on derivative positions
- Adjustments to net income accounts for unrealized FX losses and closing of CCIR swap positions



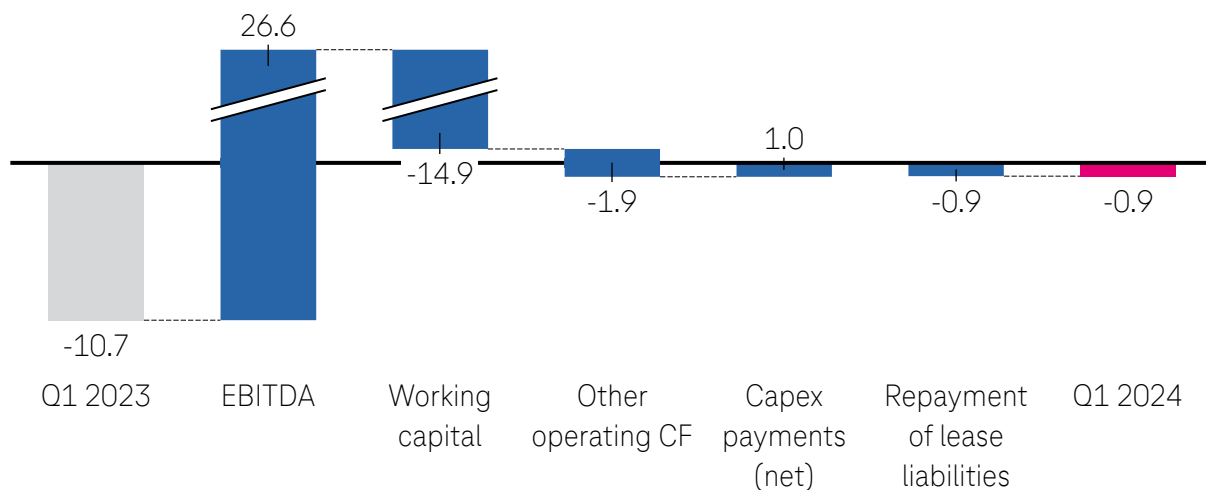
\*Unaudited



# Free cashflow reflects favorable EBITDA performance

## Free cashflow, Q1 2024 vs Q1 2023

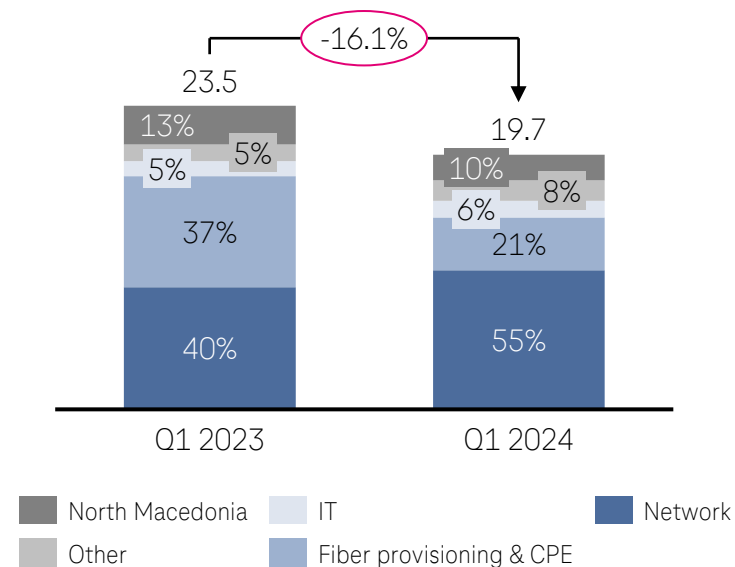
HUF bn



- Working capital increase reflects higher receivable balances and higher handset supplier outpayments
- Weakening of the HUF during Q1 2024 led to higher FX losses
- Despite lower capex level y-o-y outpayments broadly unchanged due to different timing schedule

## CAPEX, Q1 2024 vs Q1 2023

HUF bn



- Temporarily lower CPE related Capex in Hungary due to timing differences in procurement
- Lower CAPEX in North Macedonia after completion of RAN modernization and lower TV content capitalization



# Strong Q1 2024 delivery supports 2024 guidance upgrade



	2023 results	2024 guidance	Q1 2024 results (change y-o-y)
REVENUE	HUF 849.4 bn	5%-10% growth	HUF 195.9 bn (+14.5%)
EBITDA AL	HUF 257.9 bn	20%-25% growth	HUF 50.8 bn (+51.4%)
ADJUSTED NET INCOME	HUF 93.6 bn	ca HUF 140 bn <sup>2</sup>	HUF 38.1 bn
FCF <sup>1</sup>	HUF 86.8 bn	ca HUF 130 bn <sup>3</sup>	HUF -0.9 bn

<sup>1</sup> excluding spectrum licenses

<sup>2</sup> increased from HUF 130 bn

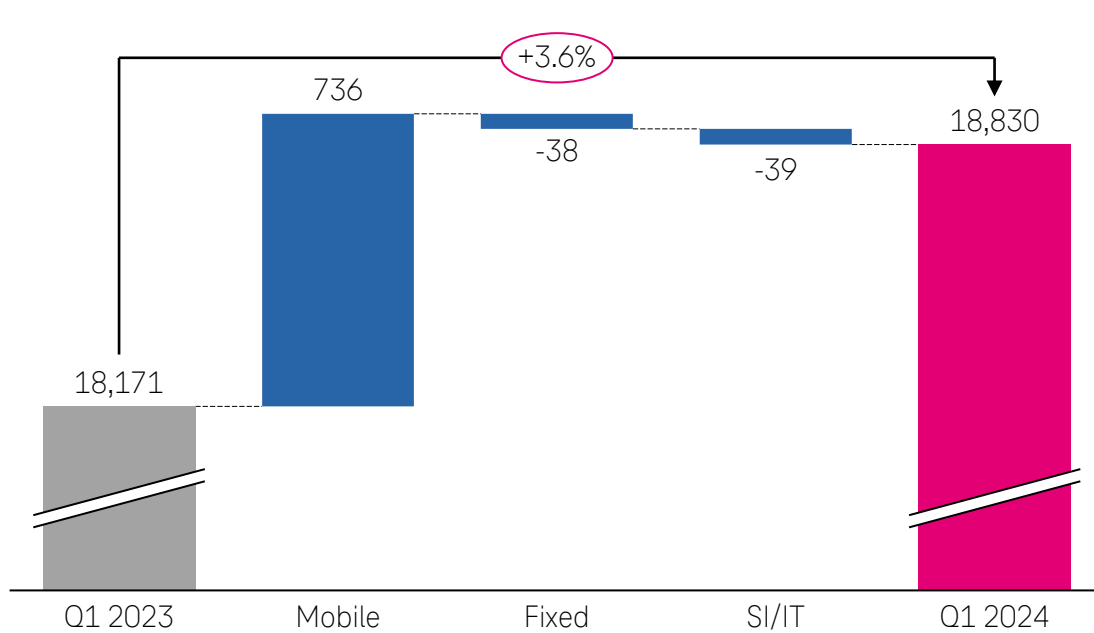
<sup>3</sup> increased from HUF 120 bn

**BACK-UP**

# North Macedonia: Q1 2024 results

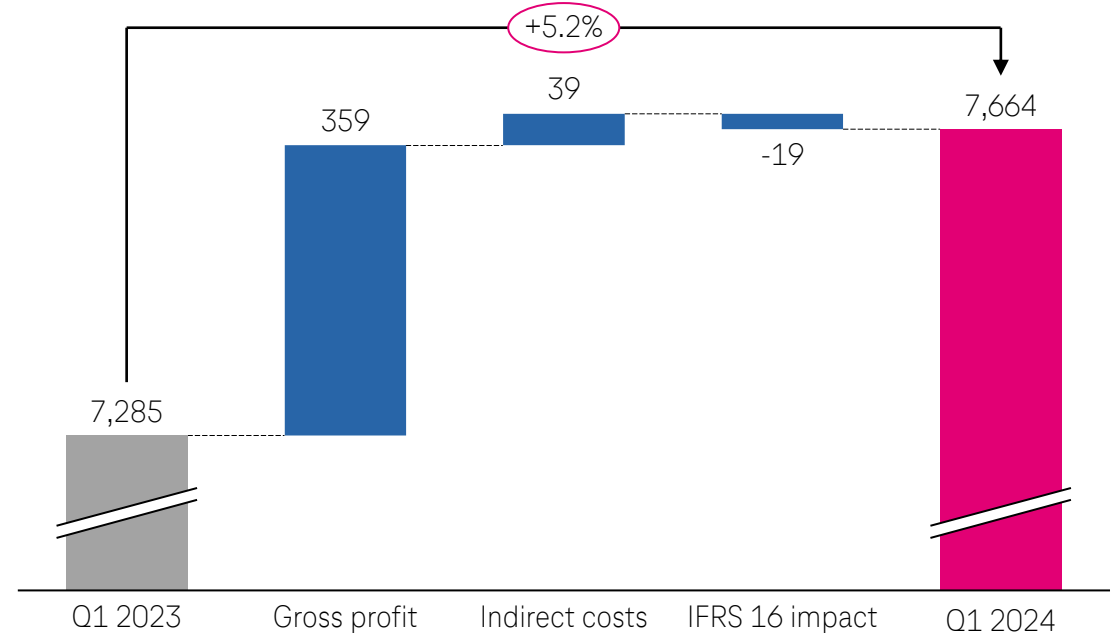
## Revenues, Q1 2024 vs Q1 2023

HUF mn



## EBITDA AL, Q1 2024 vs Q1 2023

HUF mn





For further questions please contact the IR department:

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