

MAGYAR TELEKOM GROUP Q2 2024 RESULTS PRESENTATION

August 7, 2024



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, 2023 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.

Q2 2024 highlights



Hungarian **gigabit fixed** access points over **3.8 million**

Mobile network modernization in Hungary at **87%** readiness

Hungarian population-based outdoor **5G** coverage at **70%** readiness



Reshaping of mobile portfolio with **data focus**

Continued focus on expanding **FMC base**

Gigabit-network penetration at **25%** after 12-months



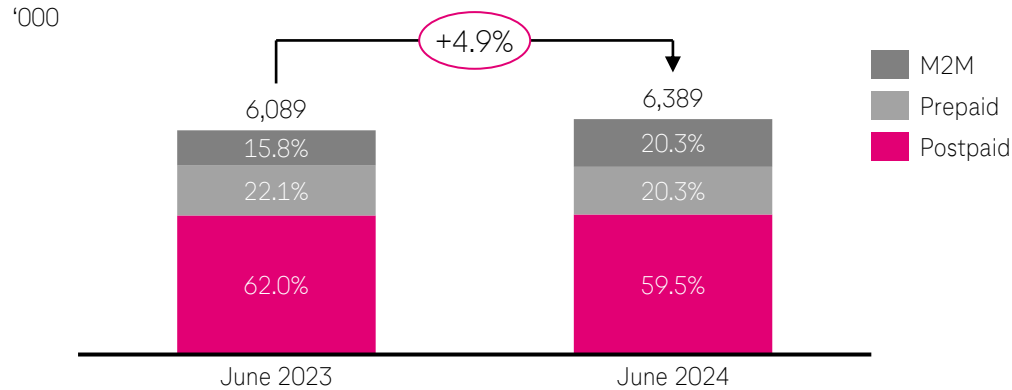
Signing of **10-year PPA agreement** on energy procurement

Guidance upgrade

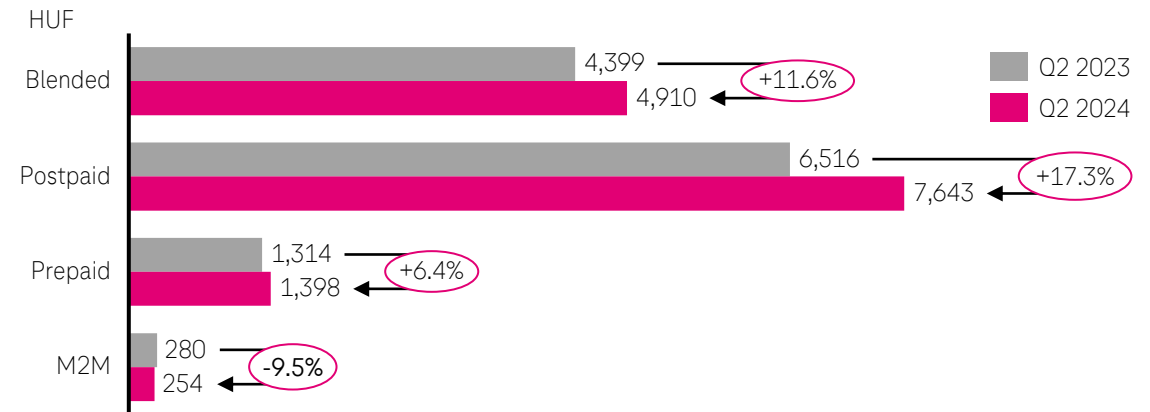


Mobile data remains a key growth driver, alongside the impact of the inflation-based fee adjustment

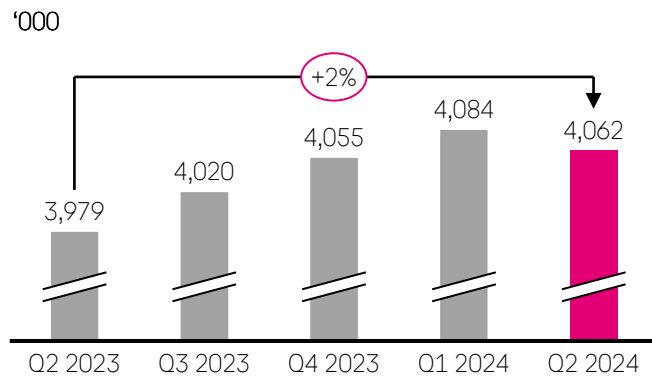
Mobile SIMs



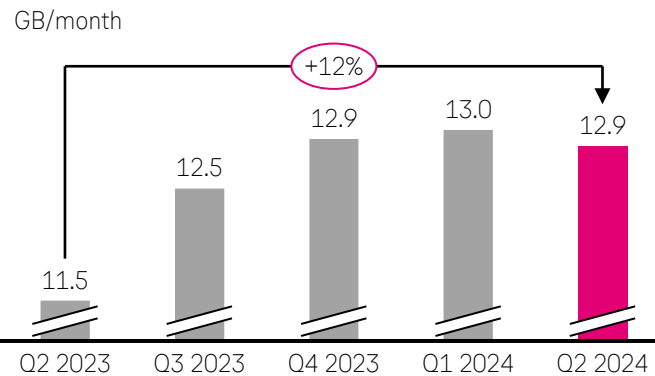
Mobile ARPU



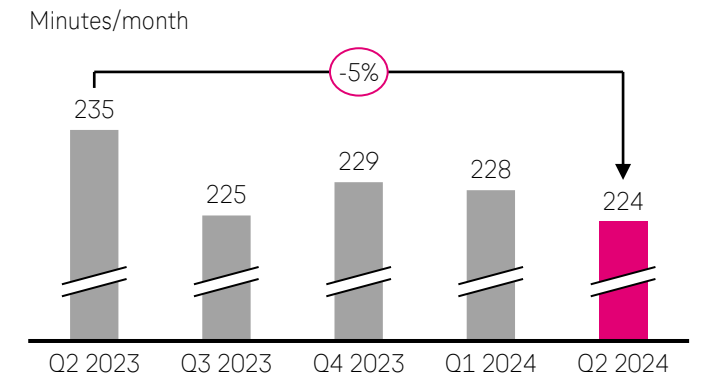
Mobile data SIMs



Average mobile data usage

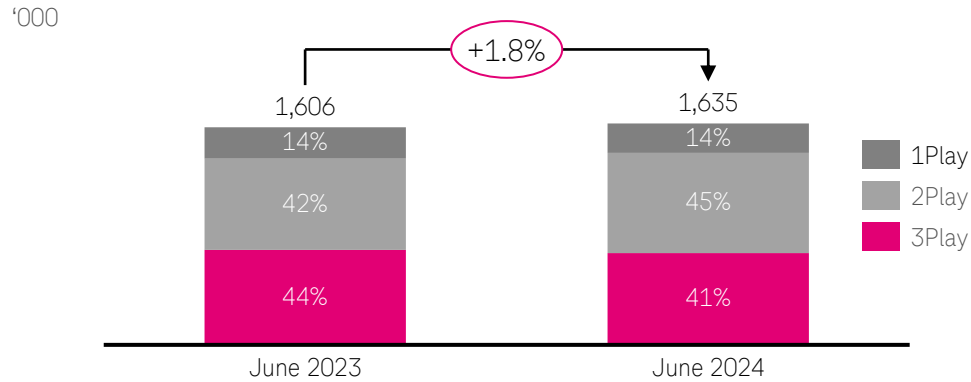


Mobile voice usage

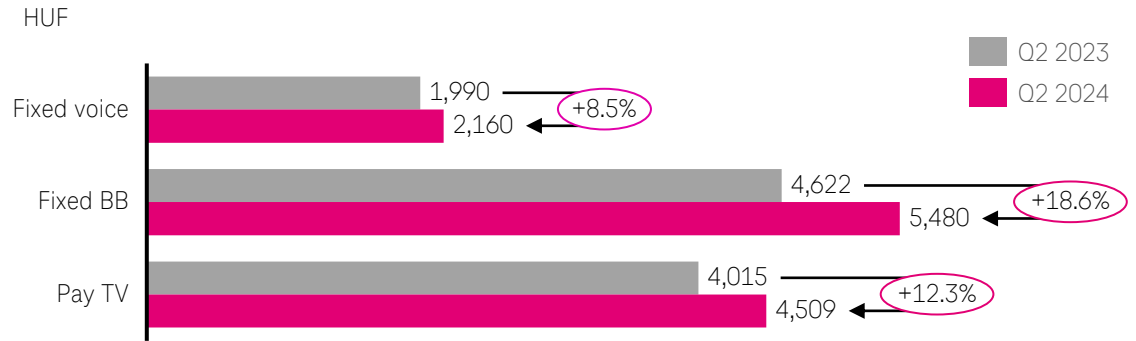


Fiber uptake supporting broadband customer base expansion and ARPU trends

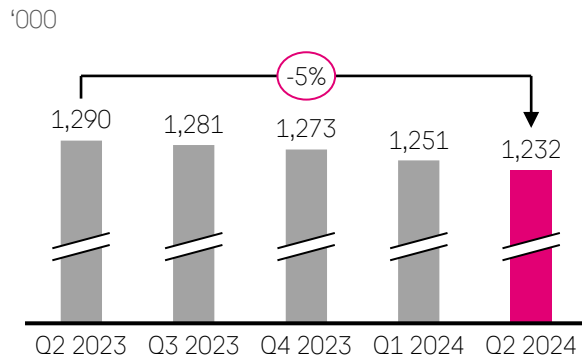
Fixed line multiplay residential subscribers



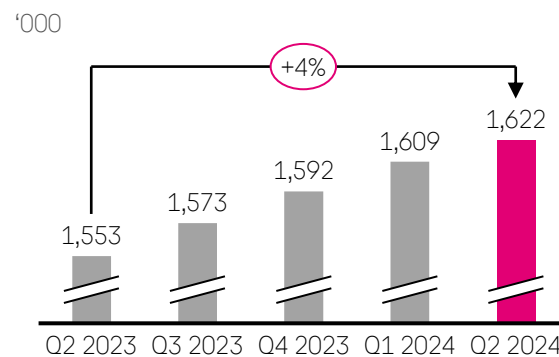
Fixed voice, BB and TV ARPU



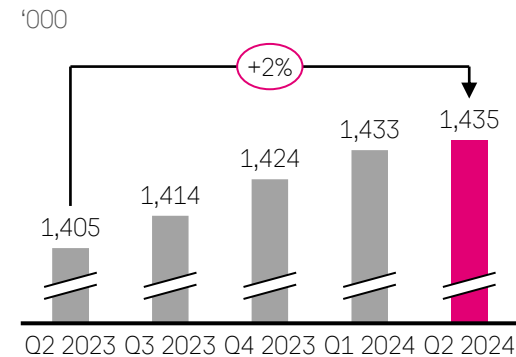
Fixed voice customers



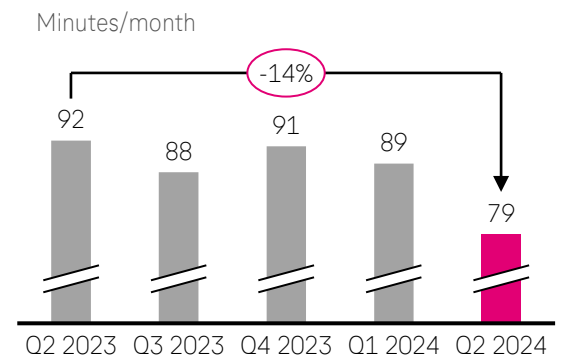
Fixed broadband customers



Pay TV customers

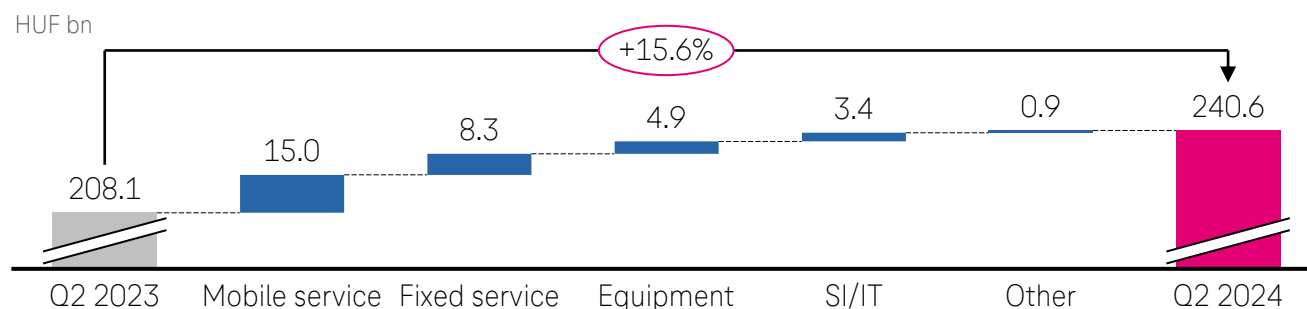


Fixed voice usage

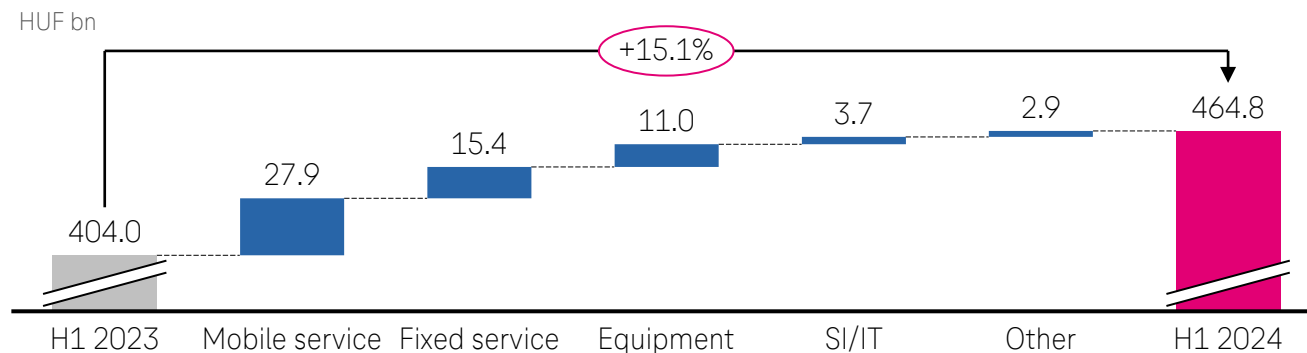


Revenue growth reflects inflation-based fee adjustment and favorable market developments

Revenue, Q2 2024 vs Q2 2023



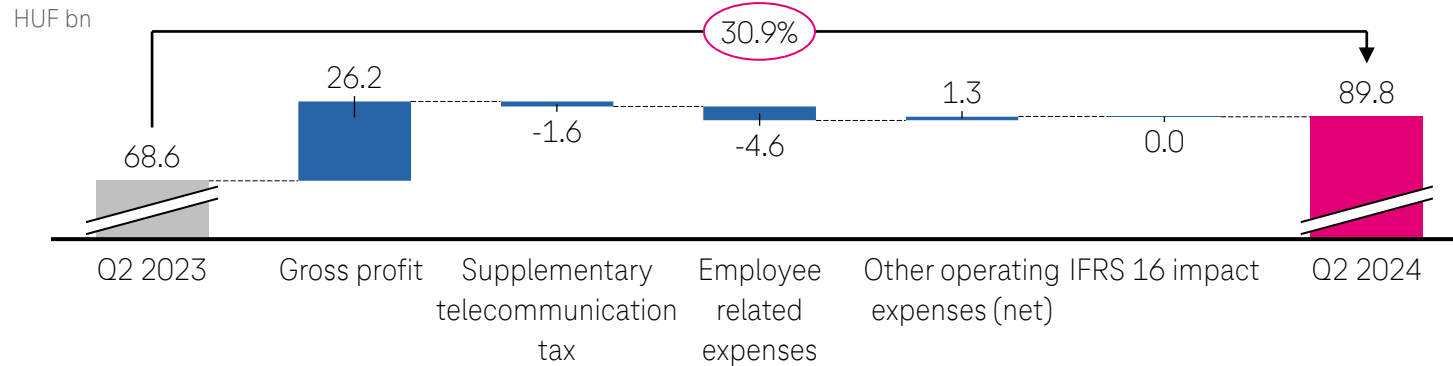
Revenue, H1 2024 vs H1 2023



- Subscription revenues boosted by implementation of inflation-based fee adjustment
- Growing data usage supported mobile service revenue increase
- Expanding broadband and TV customer base drove fixed service revenue increase
- SI/IT performance reflects delivery of major projects in Hungary
- Other equipment sales growth driven by:
 - Third party equipment export sales
 - Higher average handset prices
 - Lower instalment sales related present value discounts

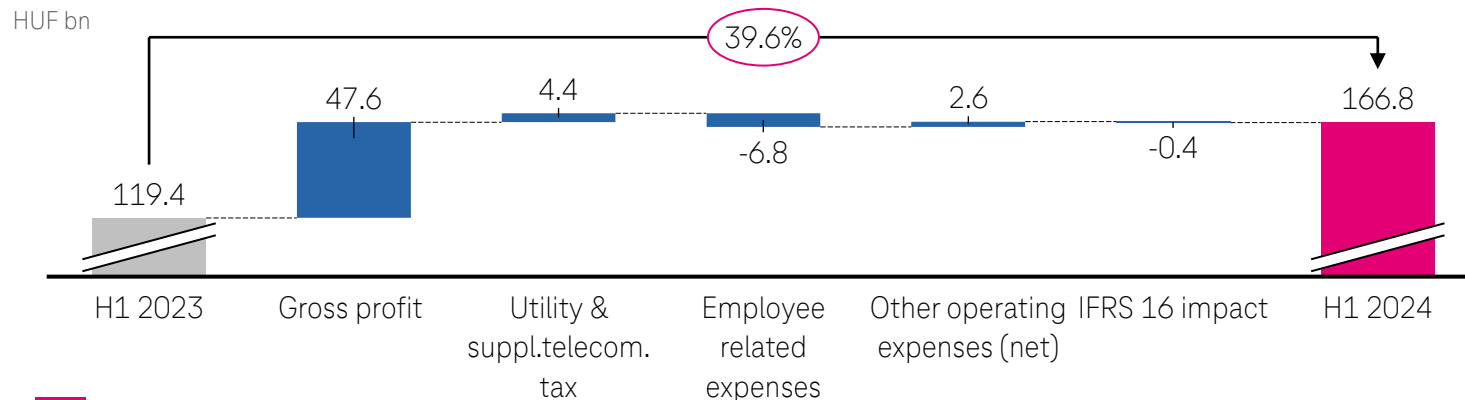
EBITDA AL driven by strong gross profit growth, offsetting increasing employee-related expenses

EBITDA AL, Q2 2024 vs Q2 2023



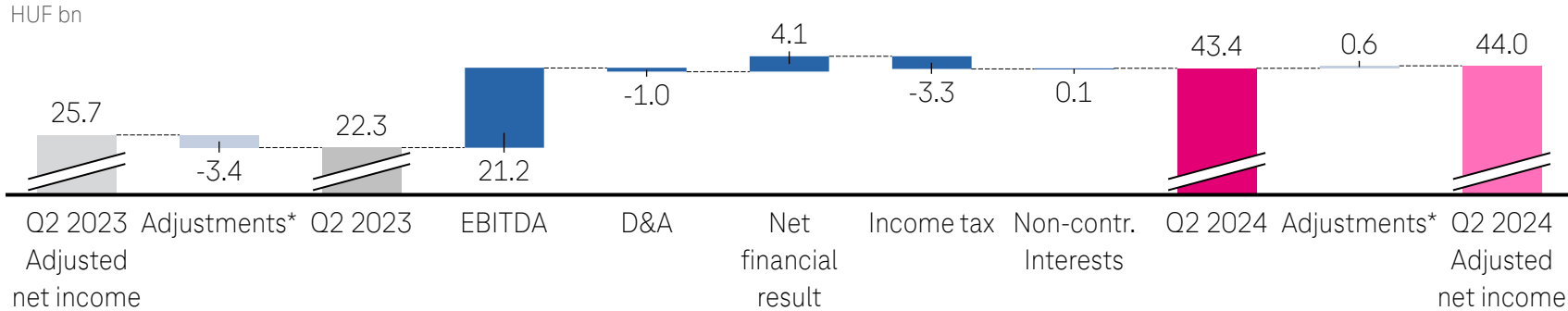
- Increase in gross profit attributable to:
 - positive underlying operational trends
 - implementation of the inflation-based fee adjustment
- Supplementary telecommunication tax increase in line with higher telecommunication revenues
- Employee expenses increase reflects salary increases at both operations
- Improvement in other operating expenses as decline in electricity costs offset cost-side inflationary pressure
- H1 2024 improvement reflects positive impact from the termination of the utility tax

EBITDA AL, H1 2024 vs H1 2023



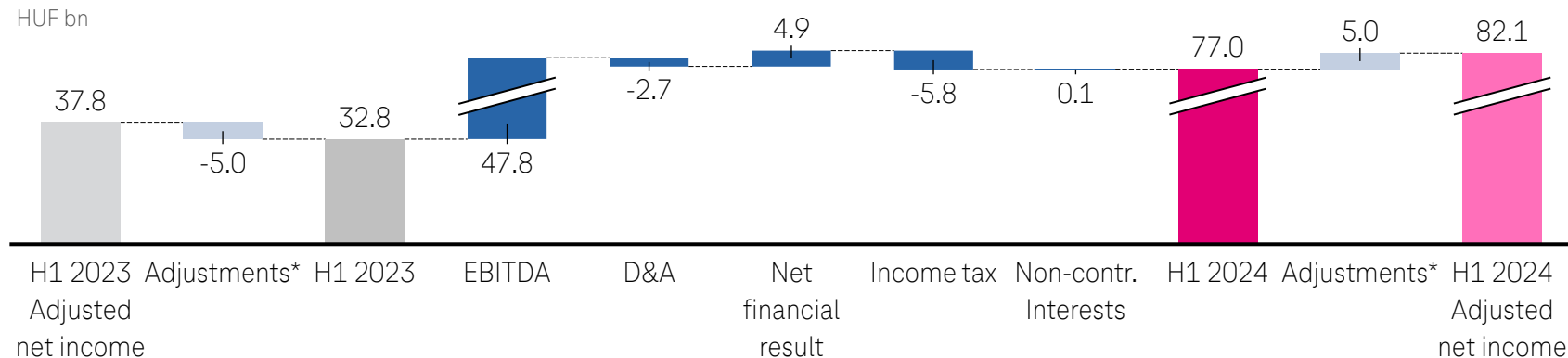
Rise in net income driven by EBITDA growth and favorable financial expense developments

Net income (and adjusted net income), Q2 2024 vs Q2 2023



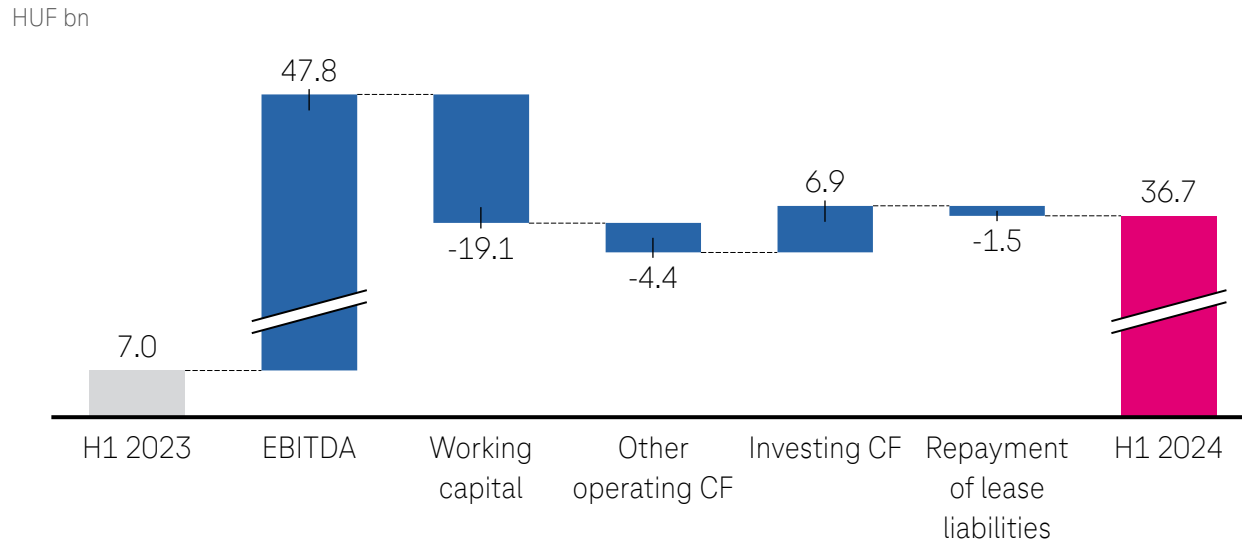
- Higher D&A reflects one-off increase in SW-related D&A expenses
- Net financial result trend driven by:
 - Lower interest expenses
 - Lower losses on derivatives
 - Adjustments to net income reflects unrealized FX losses and closing of CCIR swap positions

Net income (and adjusted net income), H1 2024 vs H1 2023



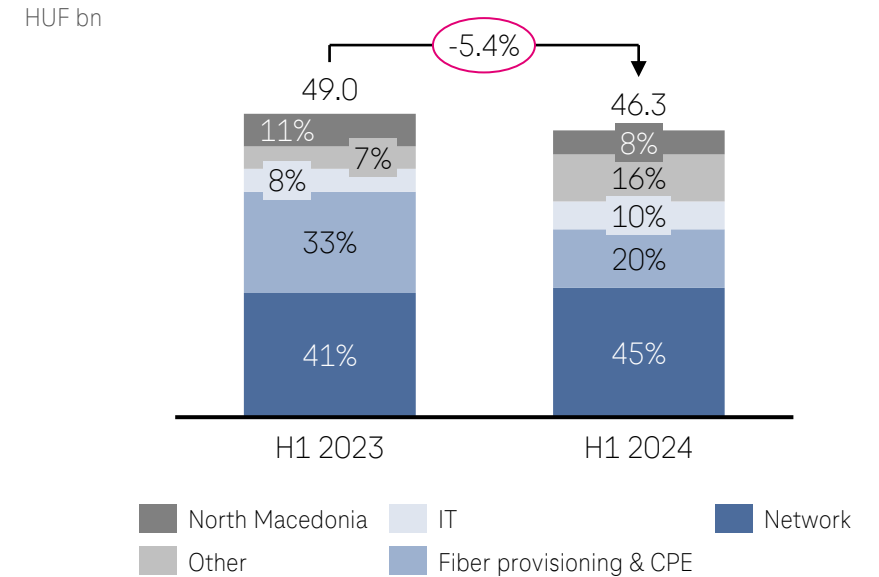
Free cashflow reflects favorable EBITDA performance

Free cashflow, H1 2024 vs H1 2023



- Working capital increase reflects higher receivable balances and higher handset supplier outpayments
- Weakening of the HUF during H1 2024 led to higher FX losses
- Lower CAPEX level y-o-y driving declining investment cash outflows

CAPEX, H1 2024 vs H1 2023



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

Favorable market developments support 2024 guidance upgrade



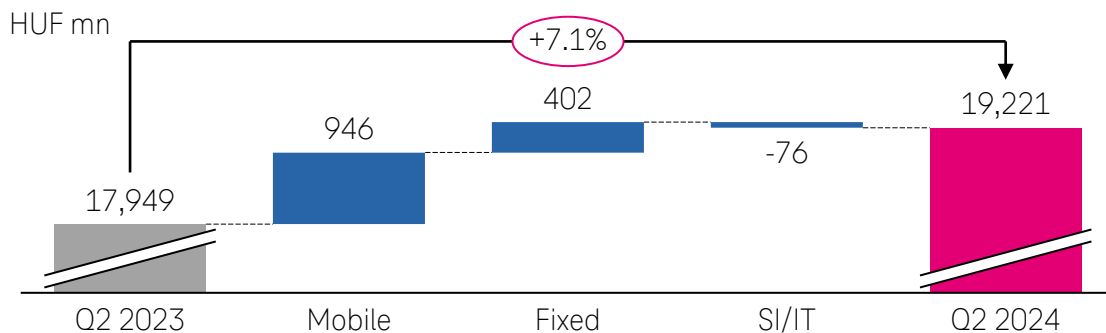
	2023 results	2024 guidance	Updated 2024 guidance	H1 2024 results
REVENUE	HUF 849.4 bn	5%-10% growth	ca 10% growth	HUF 464.8 bn (+15.1% y-o-y)
EBITDA AL	HUF 257.9 bn	20%-25% growth	ca 25% growth	HUF 166.8 bn (+39.6% y-o-y)
ADJUSTED NET INCOME	HUF 93.6 bn	ca HUF 140 bn	ca HUF 150 bn	HUF 82.1 bn
FCF ¹	HUF 86.8 bn	ca HUF 130 bn	ca HUF 140 bn	HUF 36.7 bn

¹ excluding spectrum licenses

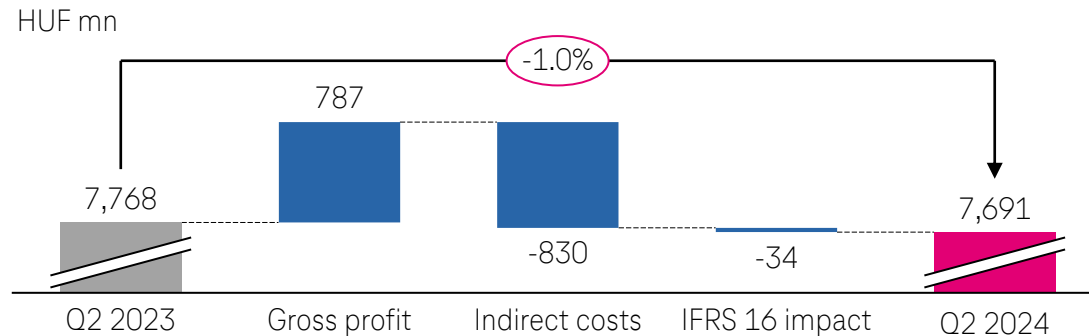
BACK-UP

North Macedonia: Q2 2024 and H1 2024 results

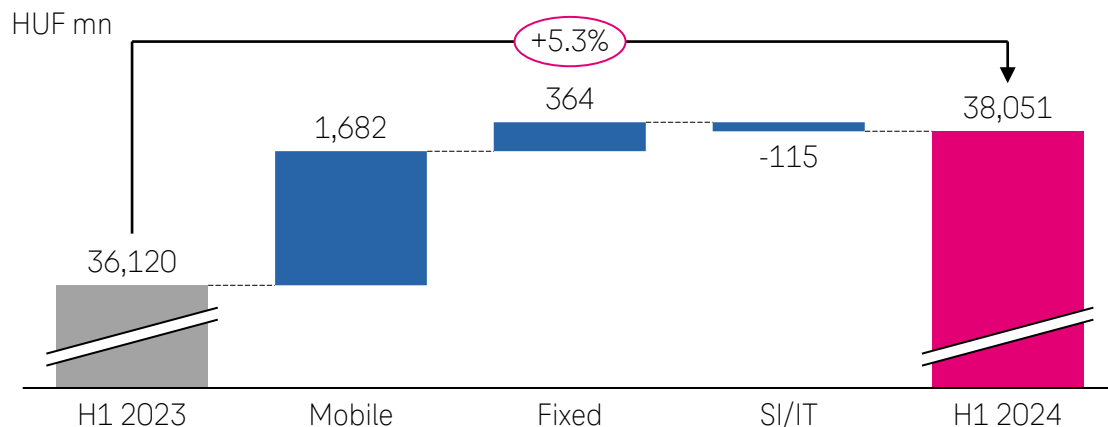
Revenues, Q2 2024 vs Q2 2023



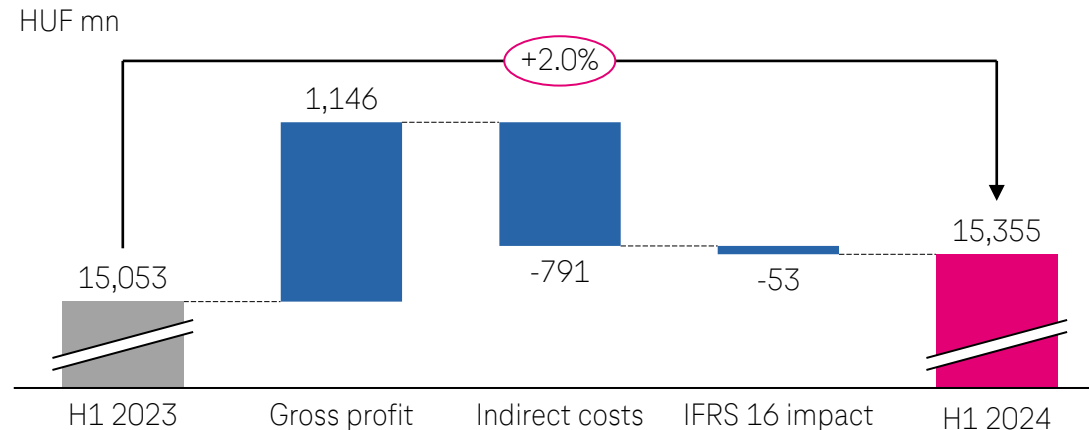
EBITDA AL, Q2 2024 vs Q2 2023



Revenues, H1 2024 vs H1 2023



EBITDA AL, H1 2024 vs H1 2023





For further questions please contact the IR department:

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