

MAGYAR TELEKOM GROUP Q3 2024 RESULTS PRESENTATION

November 13, 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.

Q3 2024 highlights



Ensuring seamless connectivity

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

Hungarian **RAN modernization** readiness at **94%**; population-based outdoor **5G** coverage at **71.8%**

Providing outstanding customer experiences

Reshaping of **mobile and fixed** portfolios

Enhancement of **servicing** processes

Maintaining resilience

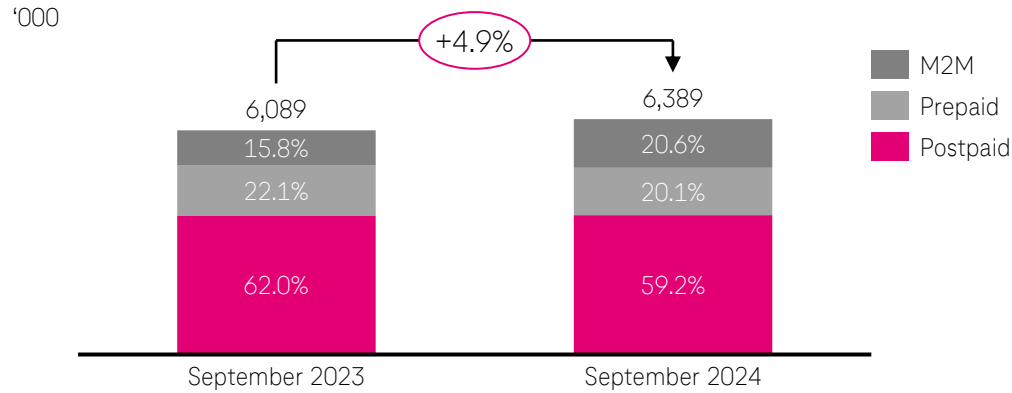
Agreement with trade unions on employee-related measures for 2024-2025

Scope ratings confirmed credit rating at **BBB+**

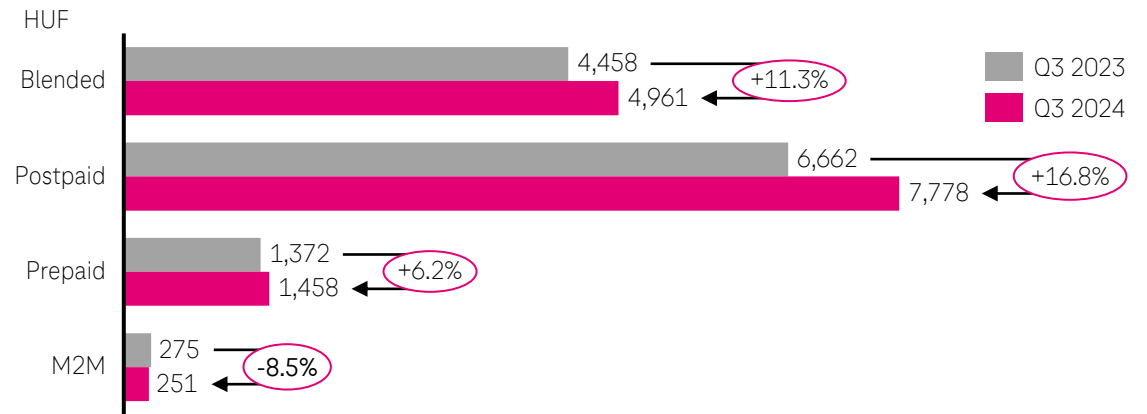


Growth continues to be driven by mobile data; ARPU uplifts supported by the inflation-based fee adjustment

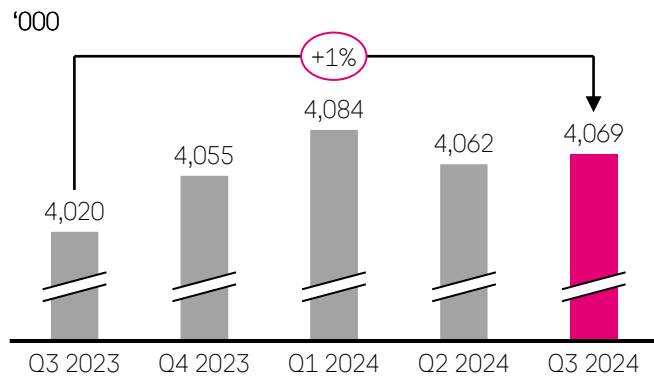
Mobile SIMs



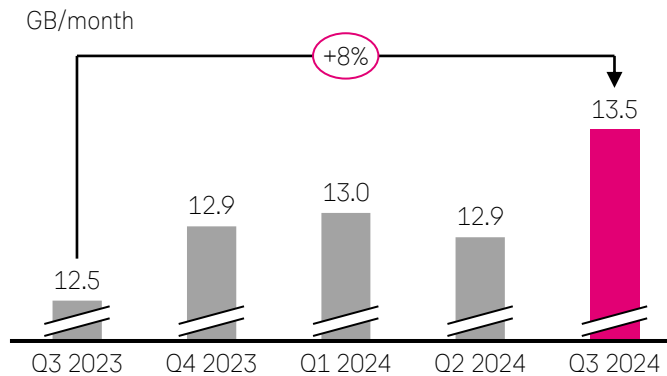
Mobile ARPU



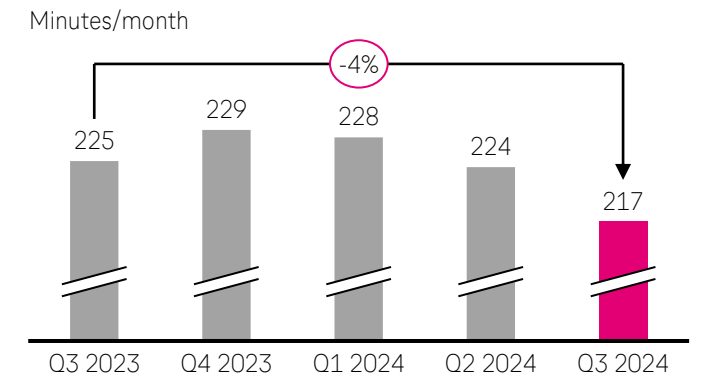
Mobile data SIMs



Average mobile data usage

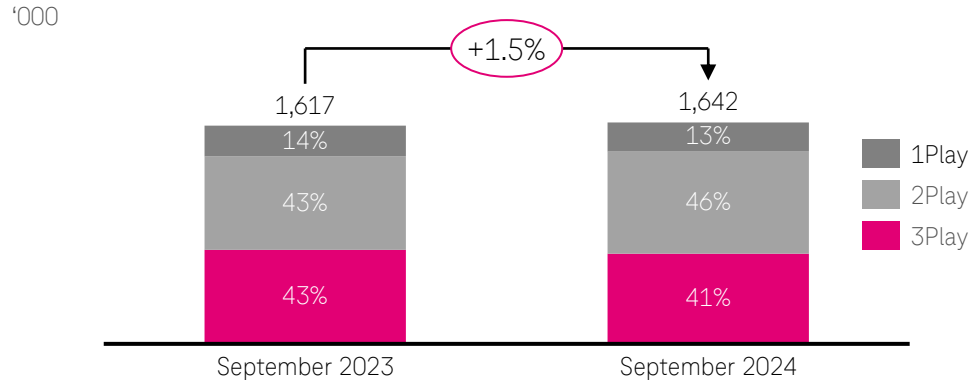


Mobile voice usage

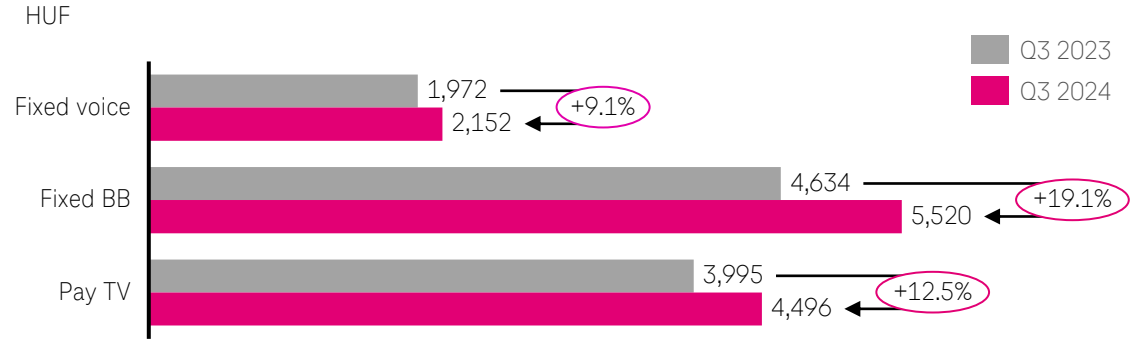


Fiber uptake supporting broadband customer base expansion and ARPU trends

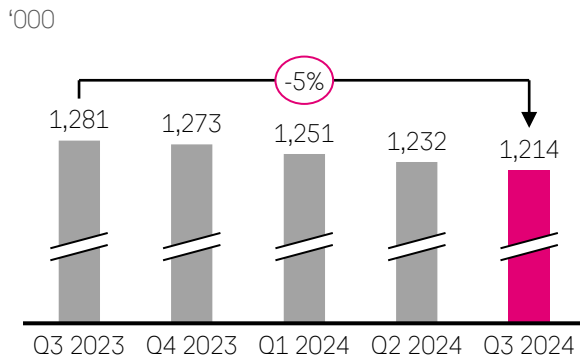
Fixed line multiplay residential subscribers



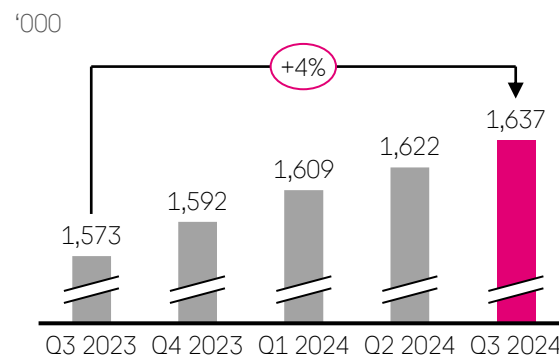
Fixed voice, BB and TV ARPU



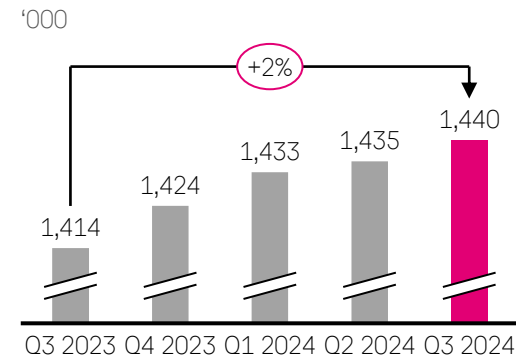
Fixed voice customers



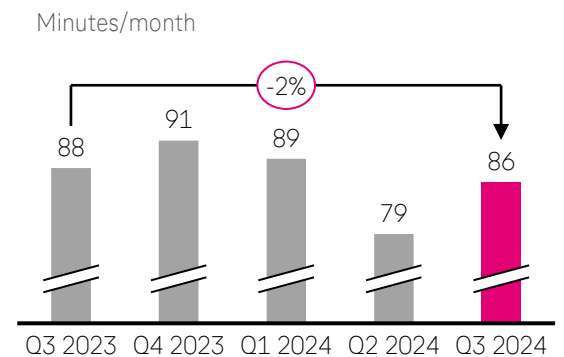
Fixed broadband customers



Pay TV customers

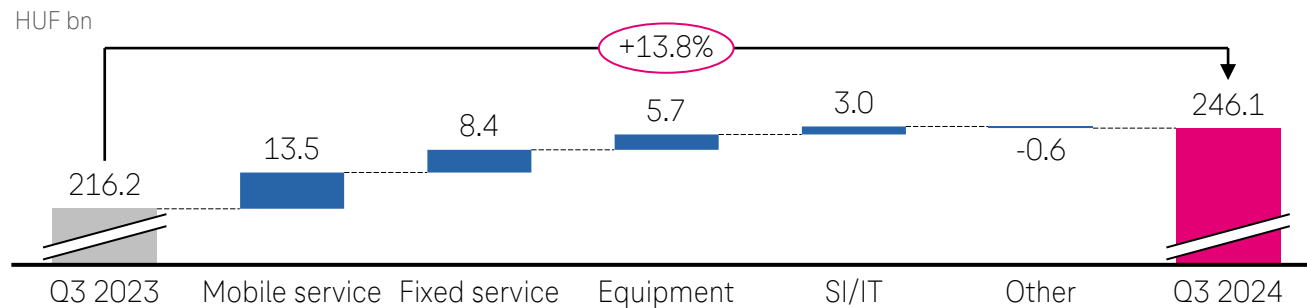


Fixed voice usage

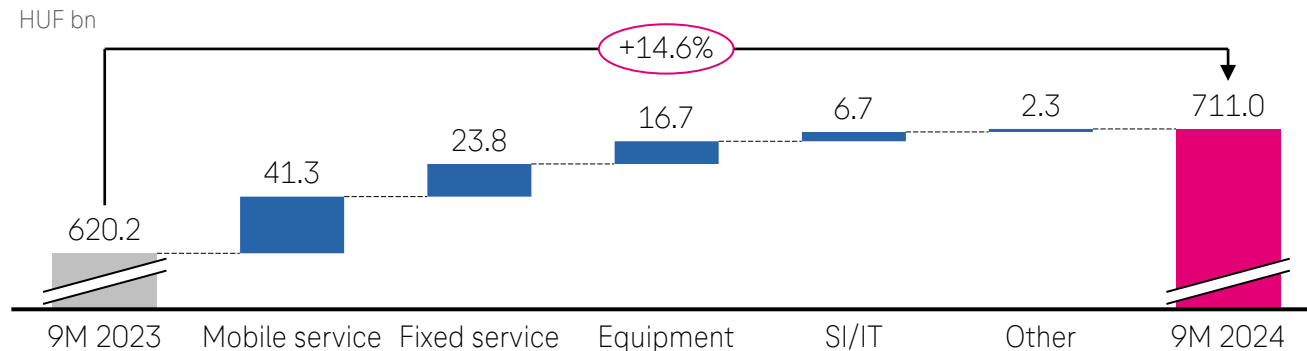


Revenue growth reflects inflation-based fee adjustment and favorable operational developments

Revenue, Q3 2024 vs Q3 2023



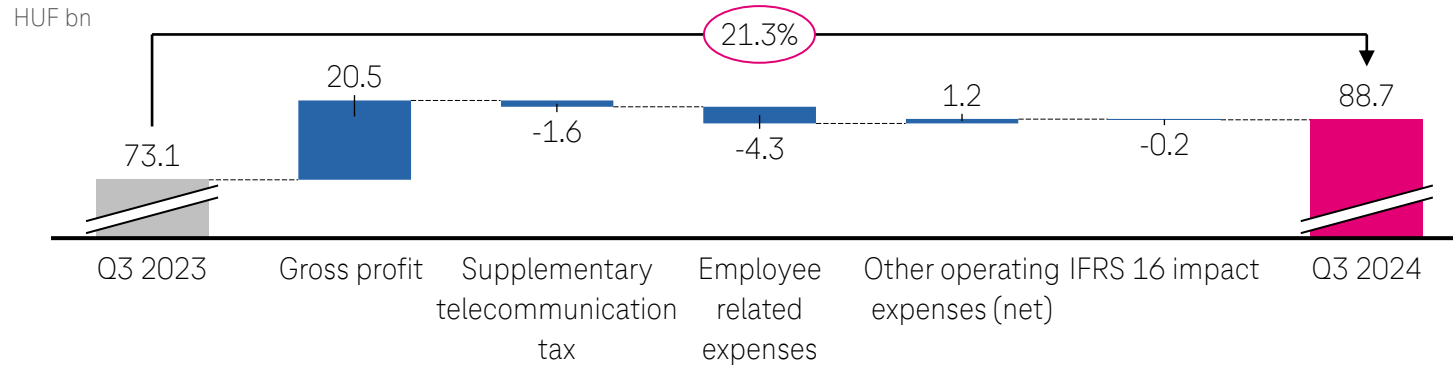
Revenue, 9M 2024 vs 9M 2023



- 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
 - Lower instalment sales related present value discounts

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

EBITDA AL, Q3 2024 vs Q3 2023



- Increase in gross profit attributable to:
 - positive underlying operational trends
 - implementation of the inflation-based fee adjustment

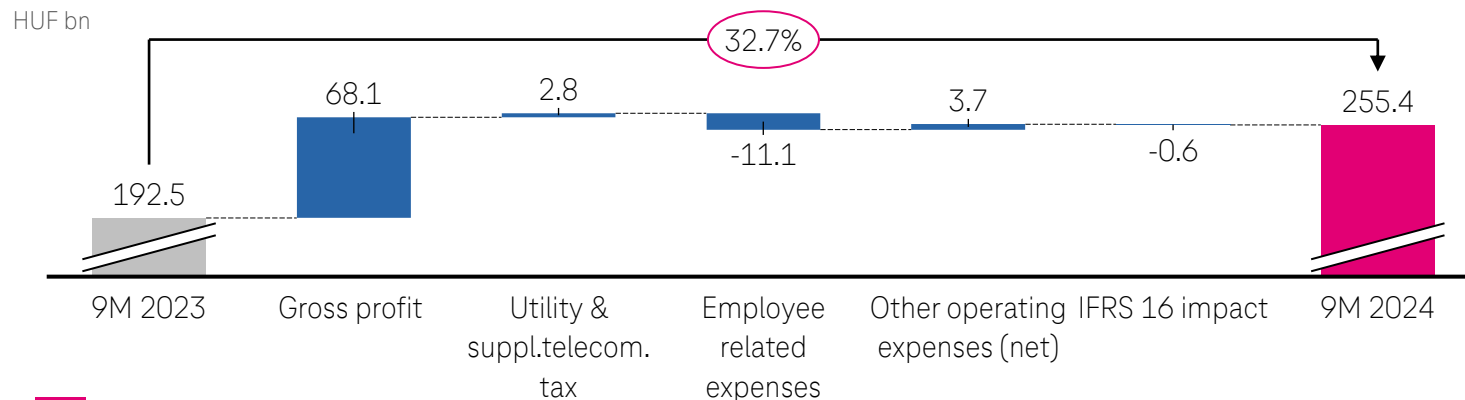
- Supplementary telecommunication tax increase in line with higher telecommunication revenues

- Employee expense increase reflects salary increases at both operations, coupled with accruals for one-time bonus payment

- Decline in electricity costs partly offset by cost-side inflationary pressure

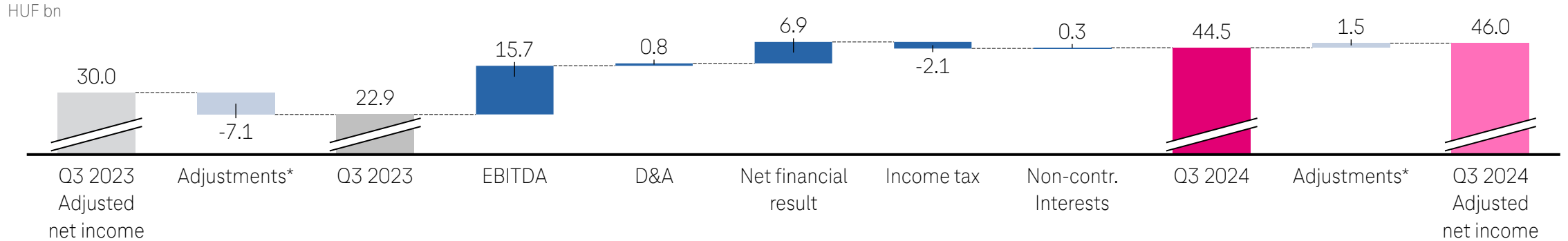
- 9M 2024 improvement reflects positive impact from the termination of the utility tax

EBITDA AL, 9M 2024 vs 9M 2023

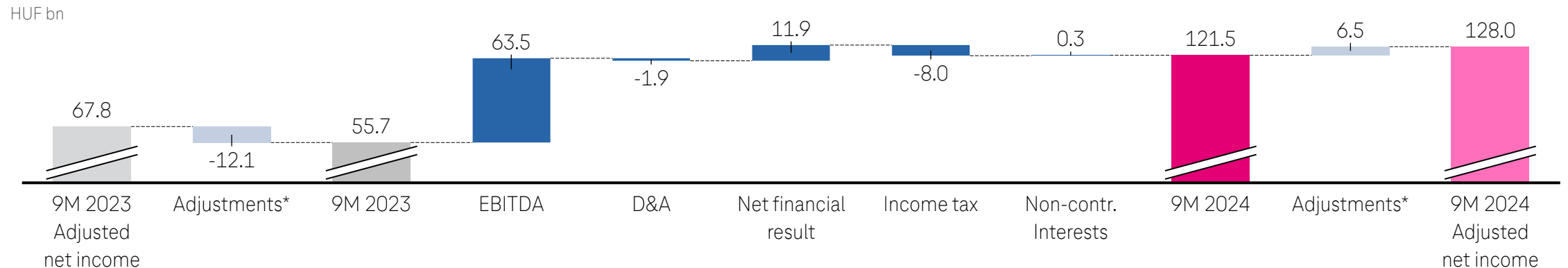


Rise in net income driven by EBITDA growth and favorable financial expense developments

Net income (and adjusted net income), Q3 2024 vs Q3 2023



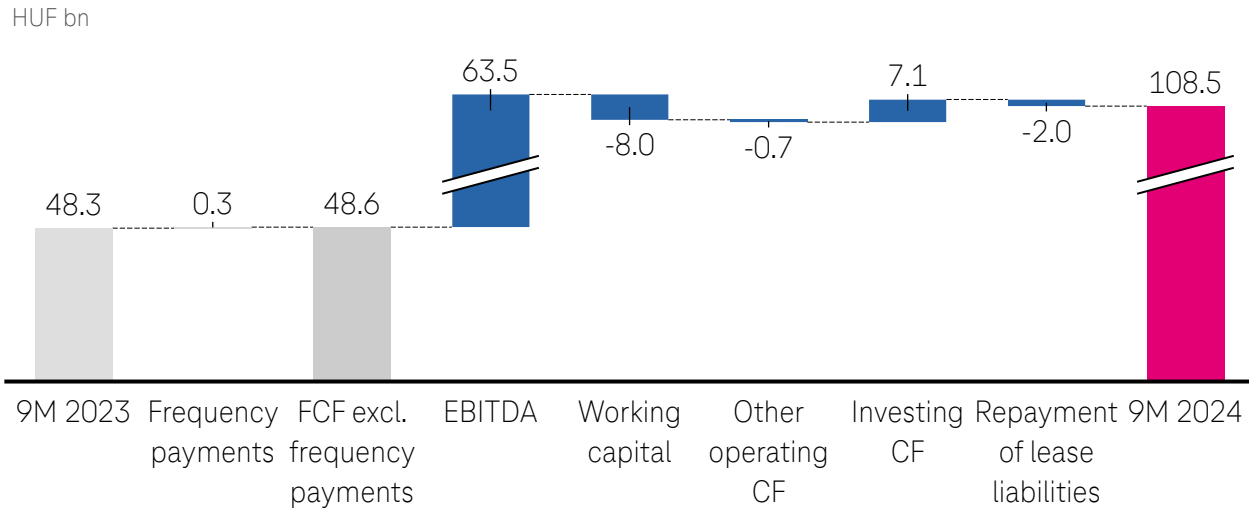
Net income (and adjusted net income), 9M 2024 vs 9M 2023



*Unaudited

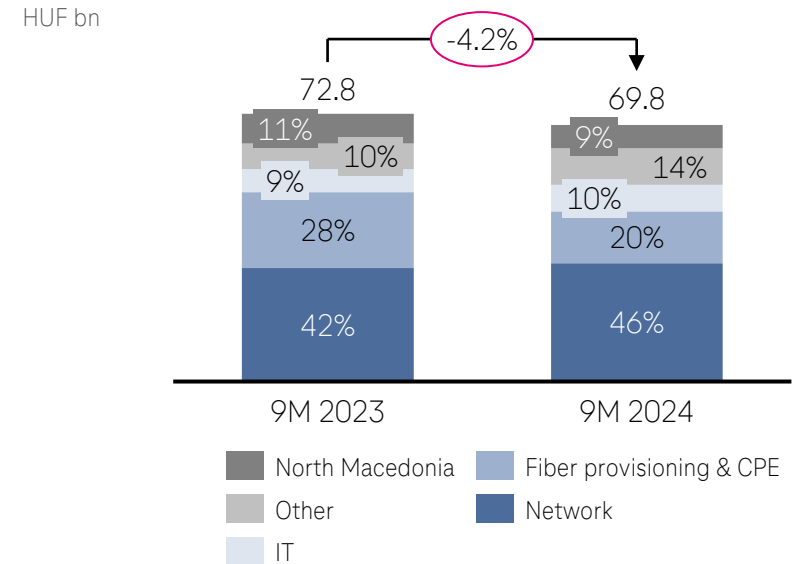
Free cashflow reflects favorable EBITDA performance

Free cashflow, H1 2024 vs H1 2023



- Working capital increase primarily attributable to higher handset supplier outpayments
- Lower interest outpayments counterbalanced by an increase in tax payments and less favorable FX changes
- Lower CAPEX level y-o-y driving declining investment cash outflows

CAPEX, 9M 2024 vs 9M 2023



- Increase in fiber network roll-out investments in Hungary in line with 4-year commitment
- Lower CPE-related CAPEX in Hungary
- Lower CAPEX in North Macedonia after completion of RAN modernization and lower TV content capitalization

2024 guidance confirmed



	2023 results	2024 guidance	9M 2024 results
REVENUE	HUF 849.4 bn	ca 10% growth	HUF 711.0 bn (+14.6% y-o-y)
EBITDA AL	HUF 257.9 bn	ca 25% growth	HUF 255.4 bn (+32.7% y-o-y)
ADJUSTED NET INCOME	HUF 93.6 bn	ca HUF 150 bn	HUF 128.0 bn
FCF ¹	HUF 86.8 bn	ca HUF 140 bn	HUF 108.5 bn

¹ excluding spectrum licenses



For further questions please contact the IR department:

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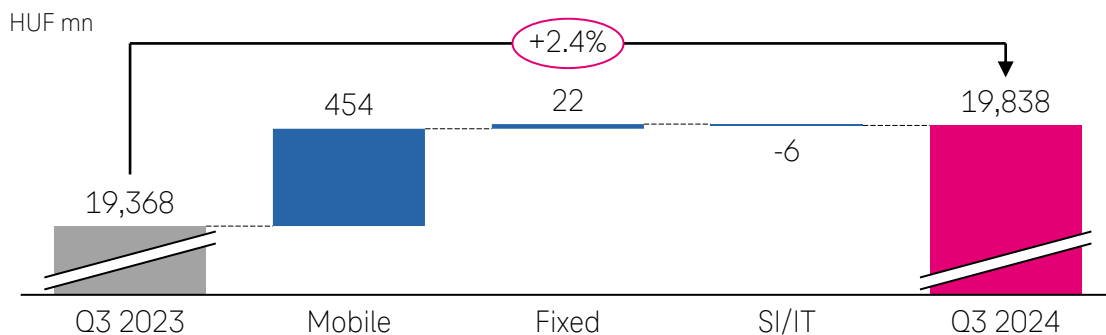
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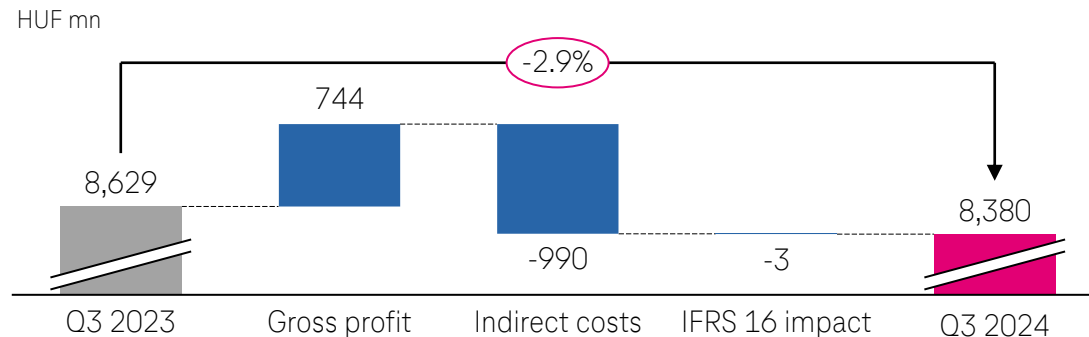
BACK-UP

North Macedonia: Q3 2024 and 9M 2024 results

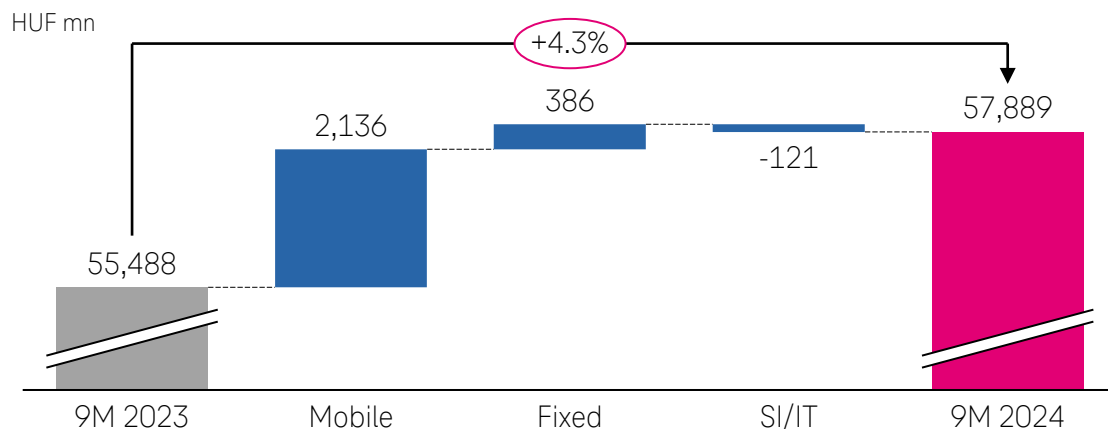
Revenues, Q3 2024 vs Q3 2023



EBITDA AL, Q3 2024 vs Q3 2023



Revenues, 9M 2024 vs 9M 2023



EBITDA AL, 9M 2024 vs 9M 2023

