



CK HUTCHISON GROUP TELECOM HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Trading update

for the quarter ended 31 March 2021



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Potential Investors and Shareholders should exercise caution when investing in or dealing in the securities of the Company.

Active Customer ⁽²⁾

41.0mn

Y-o-Y \downarrow 4%

Revenue

€2.5bn

Y-o-Y \downarrow 2%

Total Margin

€1.7bn

Y-o-Y \downarrow 3%

Contract Churn ⁽³⁾

1.2%

Y-o-Y flat

Capex ⁽⁴⁾

€0.7bn

Y-o-Y \uparrow 114%

Net Debt ⁽⁵⁾

€5.9bn

Y-o-Y \uparrow 19%

(1) Unless otherwise specified, the discussion of the Group's operating results in this presentation is on a Pre-IFRS 16 basis.

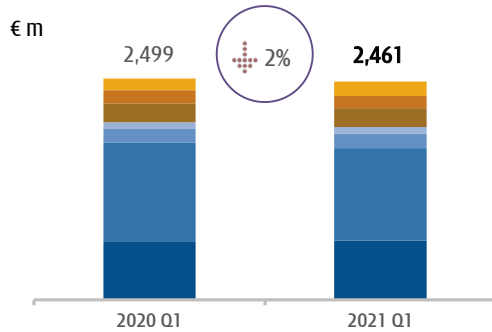
(2) An active customer is a mobile customer that generated revenue from an outgoing call, incoming call or data/content service in the preceding three months.

(3) Represents monthly average churn of contract customers.

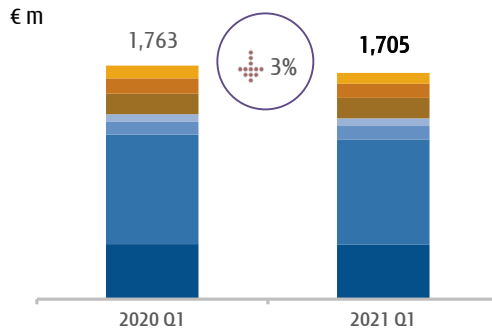
(4) Capex amount excludes licence costs.

(5) Total bank and other debts are defined, for the purpose of "Net debt" calculation, as the total principal amount of bank and other debts. Net debt is defined as total bank and other debts less total cash and cash equivalents.

Revenue



Total Margin

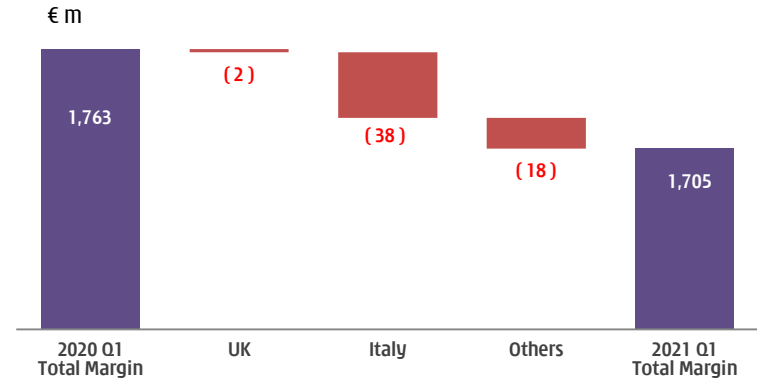


■ UK
 ■ Italy
 ■ Sweden
 ■ Denmark
■ Austria
 ■ Ireland
 ■ Hong Kong
 ■ Corporate & others

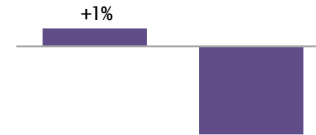
€1,705m

-3%

Total Margin



Total Margin
Change %
(in local currencies)

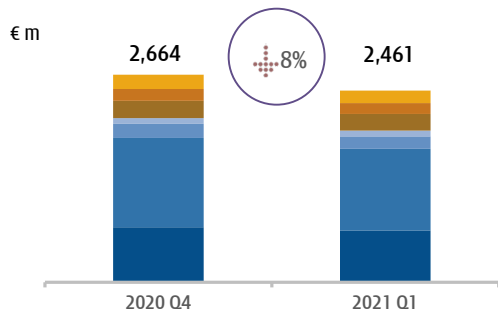


Total Margin %

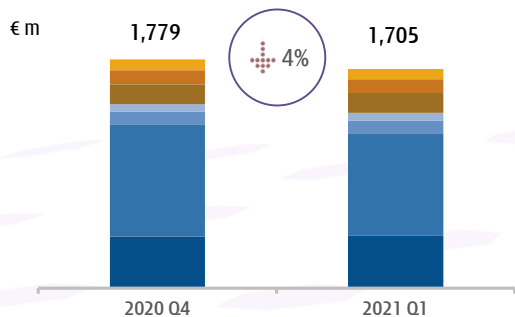
UK	90%
Italy	80%

(1) Total margin % represents total margin as a % of total revenue excluding handset revenue.

Revenue



Total Margin

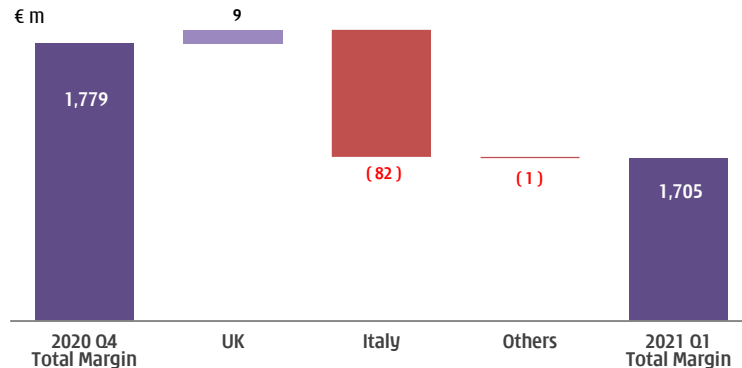


- UK
- Austria
- Italy
- Ireland
- Sweden
- Hong Kong
- Denmark
- Corporate & others

Total Margin

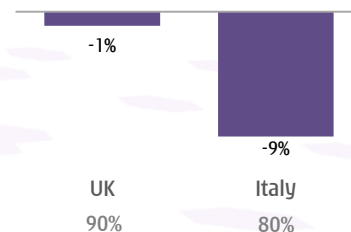
€1,705m

-4%



Total Margin Change % (in local currencies)

Total Margin %



(1) Total margin % represents total margin as a % of total revenue excluding handset revenue.

Key Financials

£ m	2021 Q1	2020 Q1	% Variance	2020 Q4	% Variance
Total Revenue	581	570	+2%	636	-9%
Total Margin	359	356	+1%	362	-1%
Total Margin (%)	90%	84%	+6%-pts	87%	+3%-pts
Capex	(152)	(98)	⬆️ 55%	(369)	⬆️ 59%
Net ARPU (£)	12.79	12.60	+2%	12.69	+1%
Net AMPU (£)	11.26	10.91	+3%	11.12	+1%
Active customer ('000)	9,307	9,952	-6%	9,706	-4%
Active contract customer ('000)	7,569	7,243	+5%	7,515	+1%
Monthly average contract churn (%)	1.3%	1.4%		1.6%	

Results Highlights

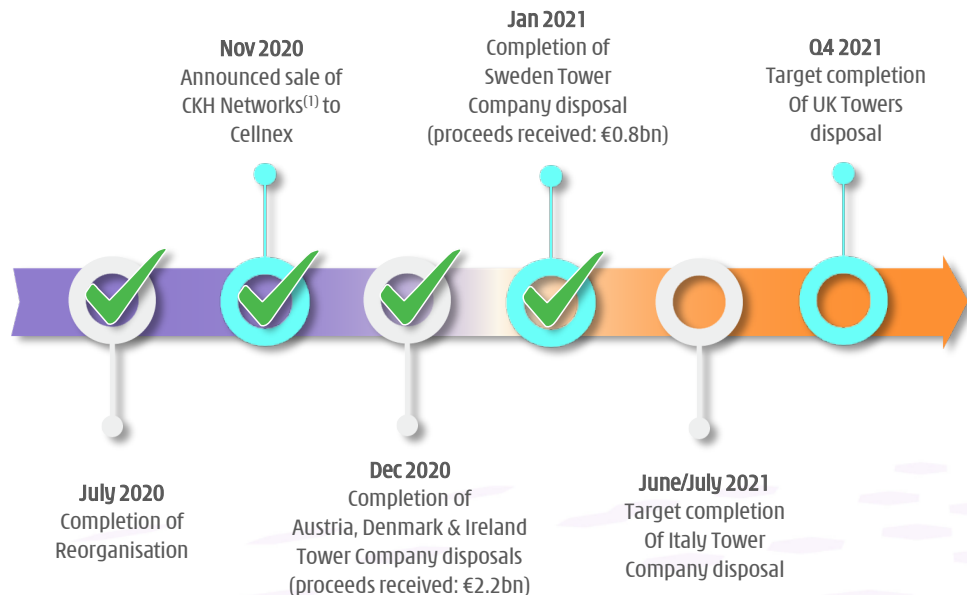
- Volatile market landscape with uncertainties caused by the pandemic
- Encouragingly, total margin has been relatively stable year-on-year as well as quarter on quarter
- Total margin % remains strong through retention of higher value customers and contribution from higher margin revenue streams
- Capex increased against Q1 2020 as 3UK progresses to complete IT transformation and 5G rollout plans
- Lower active customer base mainly due to non-contract churn from MVNO competition, encouragingly, the proportion of active contract customers continues to increase (Q1 2021: 81%; Q1 2020: 73%; Q4 2020: 77%), providing stable margin contributions
- Contract churn % reduced in Q1 2021 through strong retention initiatives

Key Financials

€ m	2021 Q1	2020 Q1	% Variance	2020 Q4	% Variance
Total Revenue	1,042	1,110	-6%	1,143	-9%
Total Margin	789	827	-5%	871	-9%
Total Margin (%)	80%	80%	-	81%	-1%pts
Capex	(428)	(136)	+215%	(448)	-4%
Net ARPU (€)	11.01	10.83	+2%	11.05	flat
Net AMPU (€)	9.41	9.11	+3%	9.40	flat
Active customer ('000)	19,357	20,652	-6%	19,638	-1%
Active contract customer ('000)	9,608	9,474	-1%	9,697	-1%
Monthly average contract churn (%)	1.4%	1.3%		1.5%	

Results Highlights

- Aggressive competition from Iliad and MVNOs remained high
- Revenue declined as a result but margin % remained at a healthy level of approximately 80% throughout the periods
- Best network with fastest upload and download speed based on independent survey, a solid platform for 5G rollout across 2020 and 2021
- Positive AMPU trend as a result of customer value management initiatives and cost control
- Intense competition has seen active customer base decline, in particular for non-contract customers. The trend has relatively stabilised since Wind Tre launched second brand "Very" Mobile in 2020 to compete in the prepaid segment
- Continuous increase in proportion of active contract customers (Q1 2021: 50%; Q1 2020: 46%; Q4 2020: 49%) in a predominantly prepaid market
- Churn rates were relatively stable across the last twelve months compared to the peak 2.4% in 2H 2018



Total Consideration

€10bn⁽²⁾

- €8.6 billion cash and €1.4 billion Cellnex shares⁽³⁾
- 15 years MSA, extendable for additional 15 years at Telco's option⁽⁴⁾
- Strategic partnership includes a new build-to-suit program comprising approximately 6.7k new sites⁽⁵⁾
- Estimated full year net impact to EBITDA of approximately €330 million⁽⁶⁾
- Approximately €1bn reduction in capex over next 5 years⁽⁶⁾

Use of Cash Proceeds

- Optimise capital structure and returns to shareholders through:
 - Reduce indebtedness
 - Consider on-market share buyback programmes
- General corporate purposes

(1) Tower companies holding interests in approximately 25k sites in Austria, Denmark, Ireland, Italy, Sweden and the United Kingdom.

(2) €9.5bn attributable to CKHGT.

(3) New Cellnex shares equating to approximately 5% pro forma stake.

(4) "All or nothing" renewal at the discretion of our European mobile operation in each jurisdiction (except for Austria, where the Master Services Agreement provides for an indefinite term subject to termination rights as agreed).

(5) Estimated new sites rollout over the relevant period of the BTS program.

(6) Estimates presented as if CKH Networks had been established on 1 January 2020 and by translating the UK, Sweden and Denmark operations into EUR equivalent for illustrative purposes.