



CK HUTCHISON GROUP TELECOM HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)



Trading update

for the quarter ended 31 March 2022



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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⁾

41.8mn
Y-o-Y  2%

Revenue

€2.4bn
Y-o-Y  1%

Total
Margin

€1.7bn
Y-o-Y flat

Contract
Churn ⁽³⁾

1.1%
Y-o-Y  0.1%-pt

Capex ⁽⁴⁾

€0.5bn
Y-o-Y  33%

Net Debt ⁽⁵⁾

€4.6bn
Y-o-Y  22%

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

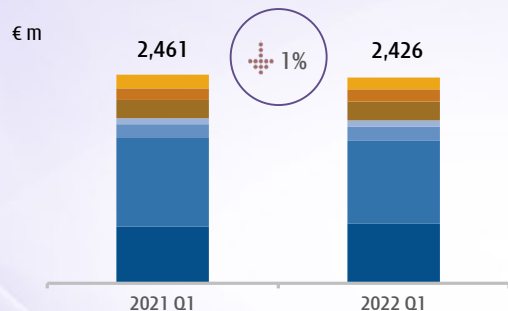
(2) An active customer is a mobile customer that generated revenue from an outgoing call, incoming call or data/content service in the preceding three months.

(3) Represents monthly average churn of contract customers.

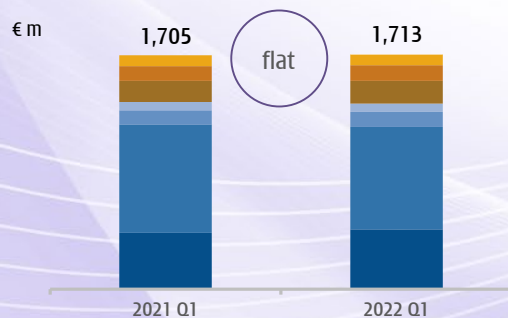
(4) Capex amount excludes licence costs.

(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



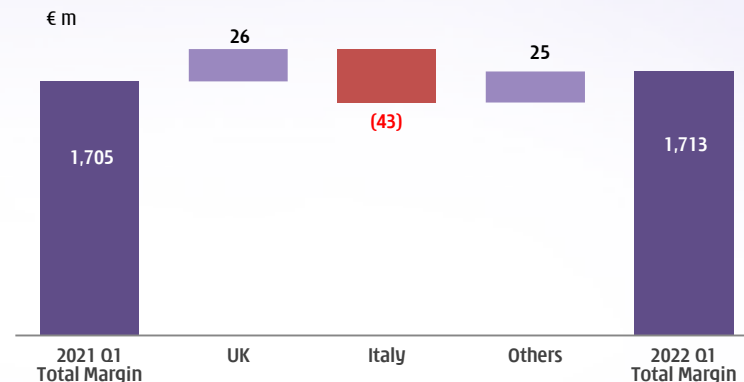
Total Margin



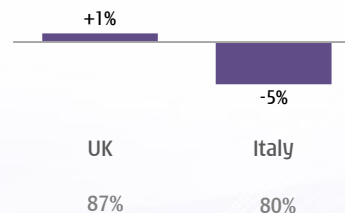
■ UK ■ Italy ■ Sweden ■ Denmark
 ■ Austria ■ Ireland ■ Hong Kong ■ Corporate & others

Total Margin

€1,713m
flat



Total Margin
Change %
(in local currencies)

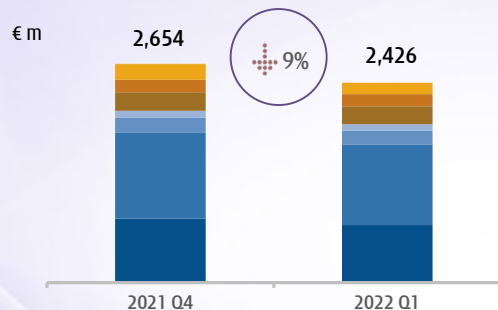


Total Margin %⁽¹⁾

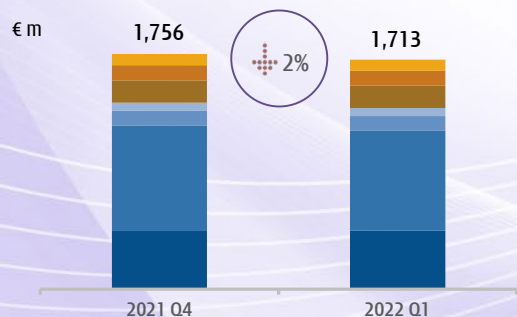
UK: 87% Italy: 80%

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

Revenue



Total Margin

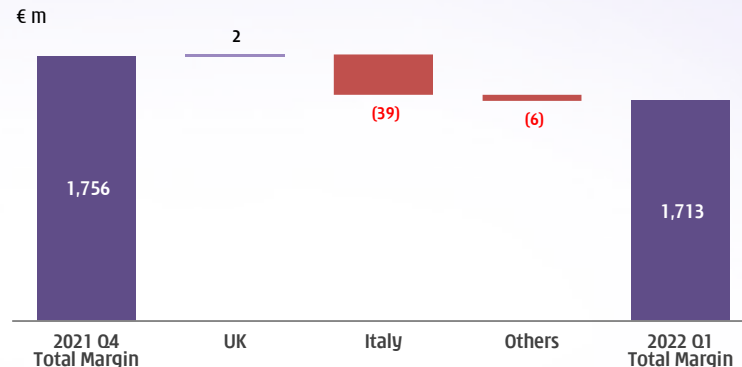


UK Italy Sweden Denmark
 Austria Ireland Hong Kong Corporate & others

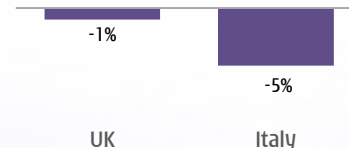
Total Margin

€1,713m

-2%



Total Margin
Change %
(in local currencies)



Total Margin %⁽¹⁾

UK Italy

87% 80%

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

Key Financials

£ m	2022 Q1	2021 Q1	% Variance	2021 Q4	% Variance
Total Revenue	582	581	-	654	-11%
Total Margin	364	359	+1%	368	-1%
Total Margin (%) ⁽¹⁾	87%	90%	-3%-pt	86%	+1%-pt
Capex ⁽²⁾	(162)	(152)	+7%	(286)	+43%
Net ARPU (£) ⁽³⁾	12.96	12.79	+1%	13.00	-
Net AMPU (£) ⁽⁴⁾	11.52	11.26	+2%	11.53	-
Active customer ('000) ⁽⁵⁾	9,746	9,307	+5%	9,690	+1%
Active contract customer ('000)	8,171	7,569	+8%	8,076	+1%
Monthly average contract churn (%)	1.1%	1.3%		1.4%	

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

(2) Capex amount excludes licence costs.

(3) Net ARPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in contract bundled plans, divided by the average number of active customers during the period.

(4) Net AMPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in contract bundled plans, less direct variable costs (including interconnection charges and roaming costs) (i.e. net customer service margin), divided by the average number of active customers during the period.

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

Results Highlights

- Market landscape remained challenging in the first quarter despite increased social mobility. Encouragingly, total margin has been relatively stable both year-on-year and quarter-on-quarter
- Total margin % varied slightly across the periods, mainly due to different revenue mix, but remained at healthy levels
- Active contract customer base has increased compared with Q4 2021 and year-on-year, which fully offset the non-contract churn from MVNO competition, resulting in a stable active customer base in Q1 2022. The proportion of active contract customers remains at high level (Q1 2022: 84%; Q1 2021: 81%; Q4 2021: 83%), providing stable margin contributions
- Contract churn % reduced in Q1 2022 through strong retention initiatives
- Effort on network investments and digital transformation continues to enhance customer experience and satisfaction

Key Financials

€ m	2022 Q1	2021 Q1	% Variance	2021 Q4	% Variance
Total Revenue	977	1,042	-6%	1,038	-6%
Total Margin	746	789	-5%	785	-5%
Total Margin (%)	80%	80%	-	80%	-
Capex	(139)	(428)	+68%	(341)	+59%
Net ARPU (€) ⁽¹⁾	10.78	11.01	-2%	10.81	-
Net AMPU (€) ⁽¹⁾	9.40	9.41	-	9.36	-
Active customer ('000) ⁽¹⁾	19,193	19,357	-1%	19,037	+1%
Active contract customer ('000) ⁽¹⁾	9,387	9,608	-2%	9,359	-
Monthly average contract churn (%)	1.3%	1.4%		1.4%	

Results Highlights

- Active base decline has relatively stabilised despite continuous intense competition, particularly since Wind Tre launched second brand Very Mobile to compete in the prepaid segment
- Revenue and margin declined year-on-year mainly from reduced wholesale revenue. Net customer service margin has been stable, and Margin % remained strong at approximately 80%
- Despite pricing competition, net AMPU also remained stable through continued customer value management initiatives, as well as increased focus on higher margin B2B segment
- Strategically maintaining a high proportion of active contract customers at approximately 50%, in a predominantly prepaid market
- Churn % improvement partly driven by enhanced customer experience through network quality
- 5G rollout to continue during 2022 to improve network speed and capacity

(1) The 2022 Q1 KBI included an adjustment for aligning the definition of Wind Tre's active customer base to that of CKHGT as part of a system integration. Without the adjustment and on a like-for-like basis, both active customer base and active contract customer base would have decreased 2% quarter-on-quarter and 4% year-on-year. Consequently, there is a corresponding and opposite impact on the 2022 Q1 net ARPU and net AMPU. The conformity of KBI definitions does not impact Wind Tre's P&L.