



2022 Interim Results

Operations Analysis

The information, statements and opinions contained in this Presentation and subsequent discussion do not constitute an offer to sell or solicitation of any offer to subscribe for or purchase any securities or other financial instruments or any advice or recommendation in respect of such securities or other financial instruments.

Potential investors and shareholders of the Company (the "Potential Investors and Shareholders") are reminded that information contained in this Presentation and subsequent discussion comprises extracts of operational data and financial information of the Group for the six months period ended 30 June 2022. The information included in this Presentation and subsequent discussion, which does not purport to be comprehensive nor render any form of financial or other advice, has been provided by the Group for general information purposes only and certain information has not been independently verified. No representations or warranties, expressed or implied, are made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, statements or opinions presented or contained in this Presentation and any subsequent discussions or any data which such information generates.

The performance data and the results of operations of the Group contained in this Presentation and subsequent discussion are historical in nature, and past performance is no guarantee of the future results of the Group. Any forward-looking statements and opinions contained in this Presentation and subsequent discussion are based on current plans, beliefs, expectations, estimates and projections at the date the statements are made, and therefore involve risks and uncertainties. There can be no assurance that any of the matters set out in such forward-looking statements are attainable, will actually occur or will be realised or are complete or accurate. Actual results may differ materially from those stated, implied and/or reflected in such forward-looking statements and opinions. The Group, the Directors, officers, employees and agents of the Group assume (a) no obligation to correct, update or supplement the forward-looking statements or opinions contained in this Presentation and subsequent discussion; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialise or turn out to be incorrect.

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

Active
Customer ⁽¹⁾

42.2mn
+2%

Revenue ⁽²⁾

€4.9bn
-1%

Total
Margin

€3.5bn
+1%

EBITDA ⁽²⁾⁽³⁾

€1.5bn -45%
underlying change ⁽⁴⁾:
-14%

EBIT ⁽²⁾⁽³⁾

€0.3bn -82%
underlying change ⁽⁴⁾:
-56%

Net Debt
Ratio ⁽²⁾

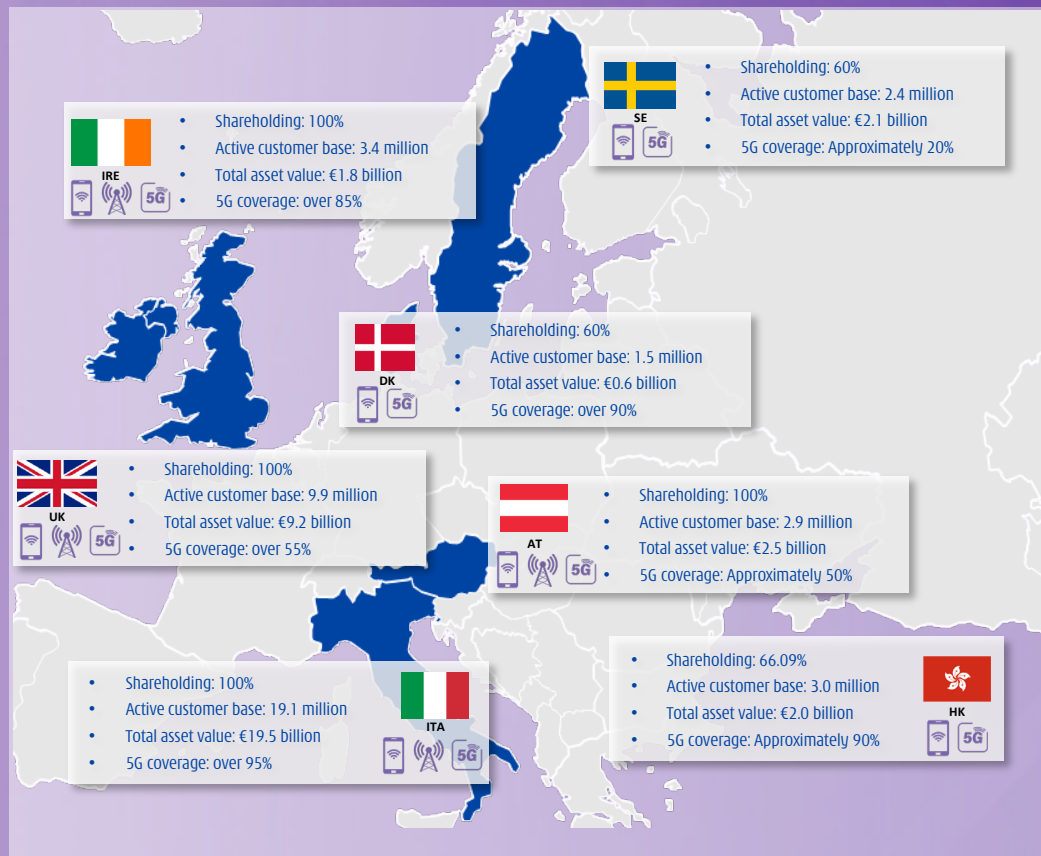
14.2%
1.0%-pts
vs Dec 2021

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

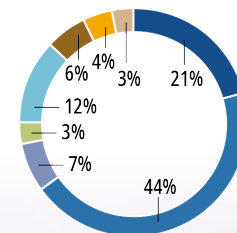
(2) Under Post-IFRS 16 basis, Revenue, EBITDA, EBIT and net debt ratio were €4.9 billion, €1.9 billion, €0.4 billion and 13.9% respectively.

(3) 1H 2021 EBITDA and EBIT include gain on disposal of tower assets completed in 2021 of €2.6 billion and non-cash impairment of goodwill of the Group's Italian telecommunication business of €1.7 billion.

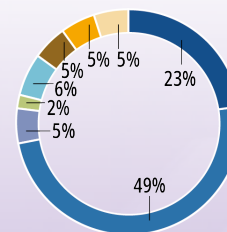
(4) Underlying change excludes the items mentioned in note (3) above.



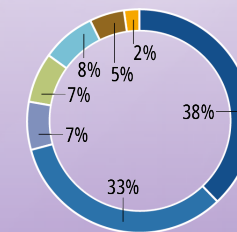
EBITDA ⁽²⁾
€1,459m



Total Assets ⁽³⁾
€39,504m



**Capex
(excluding licences)**
€1,034m



● UK ● Sweden ● Austria ● Hong Kong
● Italy ● Denmark ● Ireland ● Corporate & Others

(1) Active customer base as at 30 June 2022.
 (2) Under Post-IFRS 16 basis, EBITDA was €1,859 million.
 (3) Under Post-IFRS 16 basis, total asset value was €41,505 million.

€ million

UK

Italy

Sweden

Denmark

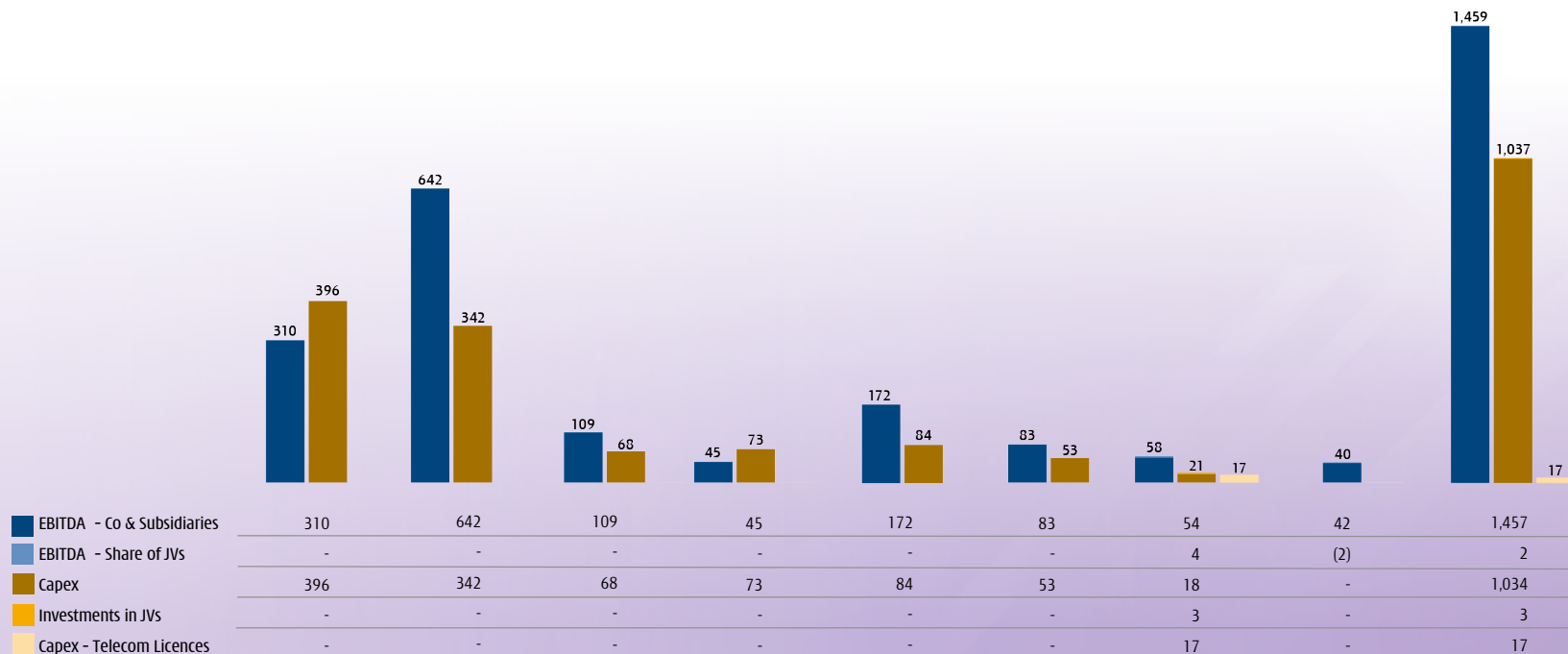
Austria

Ireland

Hong Kong

Corporate & Others

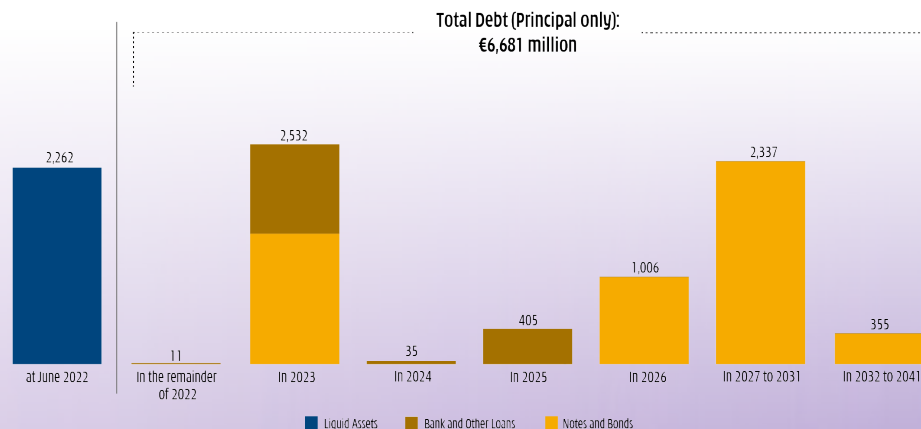
1H 2022 Total



(1) Operating FCF (Operating Free Cash Flow) represents EBITDA (Pre-IFRS 16 basis) of Company & subsidiaries less capex of Company & subsidiaries (excluding Telecom licences) and investments in JVs.

Debt Maturity Profile

€ million



Net Debt

	Jun 2022	Dec 2021	Jun 2021
Net debt ⁽¹⁾	\$4.4bn	\$4.7bn	€1.9bn
Net debt to net total capital ratio ⁽¹⁾	14.2%	15.2%	6.3%

Credit Ratings

	30 Jun 2022	31 Dec 2021
Moody's	Baa1 (Stable)	Baa1 (Stable)
S & P	A- (Stable)	A- (Stable)
Fitch	A- (Stable)	A- (Stable)

Average Cost of Debt

1.0%

flat y-o-y

⁽¹⁾ 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. Net total capital is defined as total bank and other debts plus total equity (adjusted to exclude IFRS 16 effects) net of total cash and cash equivalents. The consolidated net debt to net total capital ratio under IFRS 16 basis, after including IFRS 16 impact in total equity is 13.9%.

In million	UK		Italy ⁽¹⁾		Sweden		Denmark		Austria		Ireland		3 Group Europe before one-off ⁽¹⁾⁽²⁾			
	GBP		EURO		SEK		DKK		EURO		EURO		EURO			
	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021		
														Normalised ⁽¹⁾	Tower assets	Reported
Total Revenue	1,175	1,176	1,958	2,085	3,531	3,259	1,166	1,102	436	425	301	279	4,585	4,616	-	4,616
% change	-		-6%		+8%		+6%		+3%		+8%		-7%			
Total margin	743	719	1,500	1,580	2,319	2,111	913	873	332	312	227	217	3,287	3,263	-	3,263
% change	+3%		-5%		+10%		+5%		+6%		+5%		+1%			
TOTAL CACs	(430)	(457)	(138)	(141)	(464)	(636)	(123)	(118)	(55)	(59)	(47)	(36)	(811)	(841)	-	(841)
Less: Handset Revenue	325	358	82	103	244	411	48	46	48	51	45	34	590	647	-	647
Total CACs (net of handset revenue)	(105)	(99)	(56)	(38)	(220)	(225)	(75)	(72)	(7)	(8)	(2)	(2)	(221)	(194)	-	(194)
Operating Expenses	(377)	(368)	(802)	(711)	(959)	(849)	(504)	(459)	(153)	(143)	(142)	(128)	(1,705)	(1,550)	61	(1,489)
Opex as a % of total margin	51%	51%	53%	45%	41%	40%	55%	53%	46%	46%	63%	59%	52%	48%		46%
EBITDA	261	252	642	831	1,140	1,037	334	342	172	161	83	87	1,361	1,519	61	1,580
% change	+4%		-23%		+10%		-2%		+7%		-5%		-10%			
EBITDA margin % ⁽³⁾	31%	31%	34%	42%	35%	36%	30%	32%	44%	43%	32%	36%	34%	38%		40%
Depreciation & Amortisation	(236)	(208)	(577)	(514)	(717)	(586)	(303)	(203)	(75)	(72)	(64)	(64)	(1,106)	(975)	(5)	(980)
EBIT	25	44	65	317	423	451	31	139	97	89	19	23	255	544	56	600
% change	-43%		-79%		-6%		-78%		+9%		-17%		-53%			
Capex	(334)	(307)	(342)	(618)	(715)	(612)	(545)	(145)	(84)	(75)	(53)	(62)	(1,016)	(1,190)		
Reported EBITDA less Capex	(73)	(55)	300	274	425	425	(211)	197	88	86	30	25	345	390		
EBITDA per above	261	252	642	831	1,140	1,037	334	342	172	161	83	87	1,361	1,519		
Proforma contribution from Tower assets	-	-	-	61	-	-	-	-	-	-	-	-	-	61		
Reported EBITDA	261	252	642	892	1,140	1,037	334	342	172	161	83	87	1,361	1,580		
EBIT per above	25	44	65	317	423	451	31	139	97	89	19	23	255	544		
Proforma contribution from Tower assets	-	-	-	56	-	-	-	-	-	-	-	-	-	56		
Reported EBIT	25	44	65	373	423	451	31	139	97	89	19	23	255	600		

- (1) As the disposal of tower assets in Italy was completed in June 2021, the 1H 2021 Italy results were normalised, which exclude the proforma contribution from the tower assets for January to June 2021. The % changes in EBITDA and EBIT are compared against the normalised 1H 2021 numbers.
- (2) 3 Group Europe results do not include one-off items in 1H 2021, which represented gain on disposal of tower assets of €2.6 billion and non-cash impairment of goodwill of the Group's Italian telecommunication business of €1.7 billion.
- (3) EBITDA margin % represents EBITDA as a % of total revenue excluding handset revenue.

In million	3 Group Europe before one-off ⁽¹⁾⁽²⁾				HTHKH		Corporate and others		CKHGT	
	EURO				HK\$		HK\$		EURO	
	1H 2022	1H 2021			1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021
		Normalised ⁽¹⁾	Tower assets	Reported						
Total Revenue	4,585	4,616	-	4,616	2,298	2,565	112	101	4,861	4,901
% change	-1%				-10%		+11%		-1%	
Total margin	3,287	3,263	-	3,263	1,441	1,486	13	14	3,457	3,424
% change	+1%				-3%		-7%		+1%	
TOTAL CACS	(811)	(841)	-	(841)	(275)	(252)	-	-	(843)	(869)
Less: Handset Revenue	590	647	-	647	194	166	-	-	613	665
Total CACS (net of handset revenue)	(221)	(194)	-	(194)	(81)	(86)	-	-	(230)	(204)
Operating Expenses	(1,705)	(1,550)	61	(1,489)	(864)	(848)	314	498	(1,768)	(1,526)
Opex as a % of total margin	52%	48%		46%	60%	57%	NA	NA	51%	45%
Gain from disposal of tower assets	-	-	-	-	-	-	-	25,259	-	2,620
Impairment of goodwill	-	-	-	-	-	-	-	(15,472)	-	(1,669)
EBITDA	1,361	1,519	61	1,580	496	552	327	10,299	1,459	2,645
% change	-10%				-10%		-97%		-45%	
EBITDA margin % ⁽³⁾	34%	38%		40%	24%	23%	NA	NA	34%	62%
Depreciation & Amortisation	(1,106)	(975)	(5)	(980)	(532)	(453)	(5)	(3)	(1,169)	(1,029)
EBIT	255	544	56	600	(36)	99	322	10,296	290	1,616
% change	-53%				-136%		-97%		-82%	
Capex	(1,016)	(1,190)			(157)	(324)	(2)	(1)	(1,034)	(1,225)
Reported EBITDA less Capex	345	390			339	228	325	10,298	425	1,420
EBITDA per above	1,361	1,519								
Proforma contribution from Tower assets	-	61								
Reported EBITDA	1,361	1,580								
EBIT per above	255	544								
Proforma contribution from Tower assets	-	56								
Reported EBIT	255	600								

- (1) As the disposal of tower assets in Italy was completed in June 2021, the 1H 2021 Italy results were normalised, which exclude the proforma contribution from the tower assets for January to June 2021. The % changes in 3 Group Europe's EBITDA and EBIT are compared against the normalised 1H 2021 numbers.
- (2) 3 Group Europe results do not include one-off items in 1H 2021, which represented gain on disposal of tower assets of €2.6 billion and non-cash impairment of goodwill of the Group's Italian telecommunication business of €1.7 billion.
- (3) EBITDA margin % represents EBITDA as a % of total revenue excluding handset revenue.

Total Revenue

€4,585m

-1%

KPI



Active mobile customers

39.2m +3%



Net AMPU⁽¹⁾

€11.59 +2%



Data Usage

4,062 pb/ half yr +22%

Sufficient 5G spectrum

No longer constraint by network quality as sufficient 5G spectrum acquired & continue to enhance indoor coverage with continue network & site rollouts across all operations



Recognised as Italy's fastest mobile network since 2021



Full 5G TDD coverage launched in seven largest cities in Sweden



Recognition as UK's fastest 5G network in third consecutive award with enhanced customer experience



Recognised as Ireland's fastest 5G network with 86% population coverage

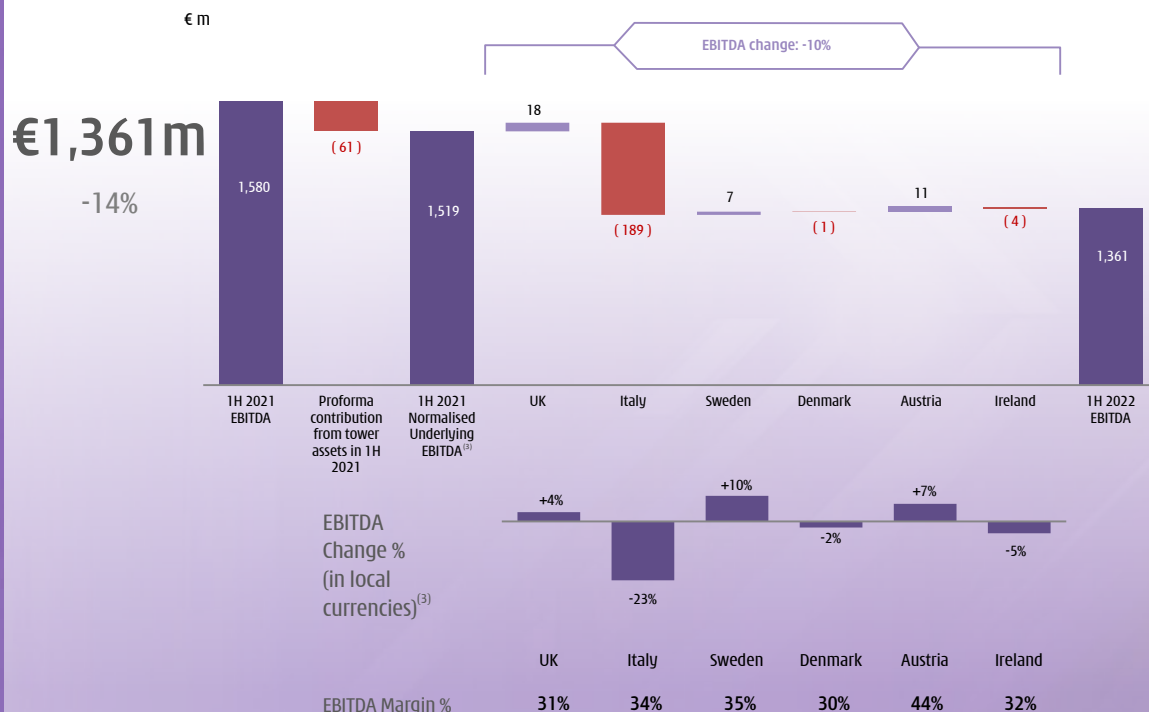


Achieved >90% population coverage and 30% TDD coverage



Awarded Austria's fastest 5G network for three consecutive periods since Q1 2021

EBITDA (2)

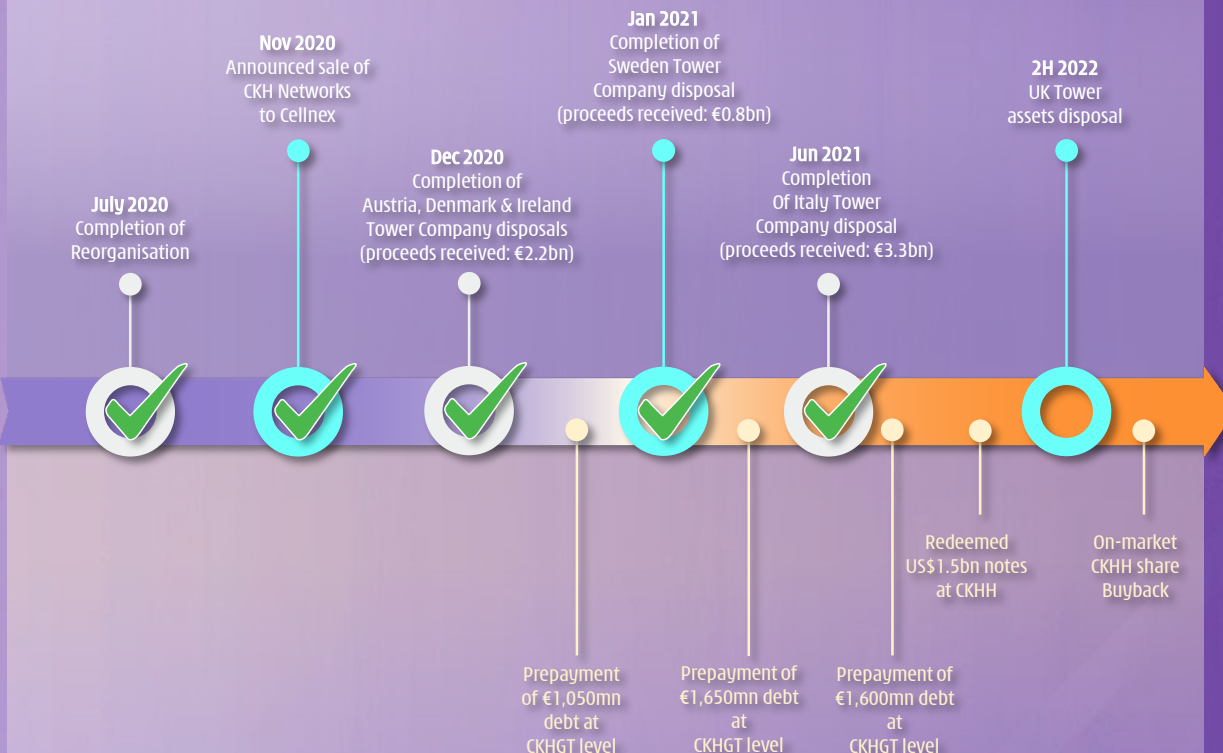


(1) 12-months trailing basis

(2) Under Post-IFRS 16 basis, EBITDA was €1,736 million.

(3) As the disposal of tower assets in Italy was completed in June 2021, the 1H 2021 Italy results were normalised, which exclude the proforma contribution from the tower assets for comparability purpose.

Key Milestones



Use of Proceeds

Disposal Summary

- Total proceeds: €10bn
 - €8.6 billion cash
 - €1.4 billion Cellnex shares (Approximately 5% of Cellnex)
- Estimated €6.4bn gain on disposal in 2H 2022

Use of proceeds

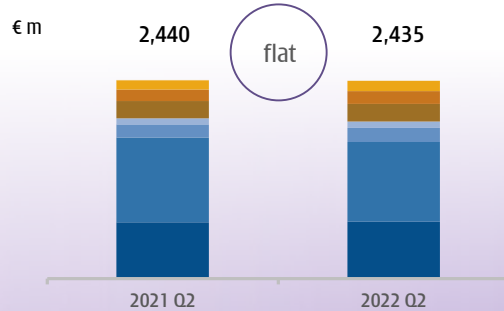
CKHH

- ✓ Total debt reduction: US\$1.5bn
- ✓ Run-rate annual interest savings: US\$70mn
- ✓ CKHH share buyback of HK\$1.2bn to date

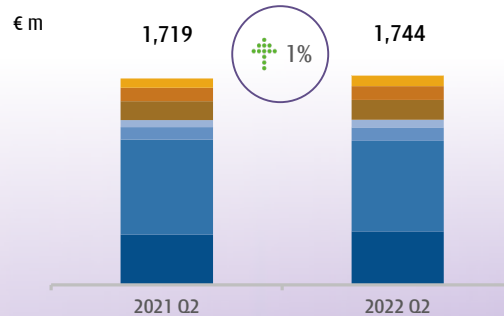
CKHGT

- ✓ Total debt reduction: €4.3bn
- ✓ Run-rate annual interest savings: €30mn

Revenue



Total Margin

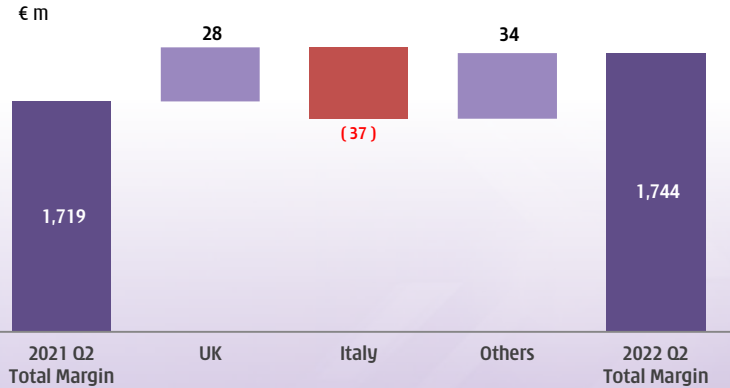


UK Italy Sweden Denmark
 Austria Ireland Hong Kong Corporate & others

Total Margin

€1,744m

+1%



Total Margin
Change %
(in local currencies)

+5%

-5%

UK

Italy

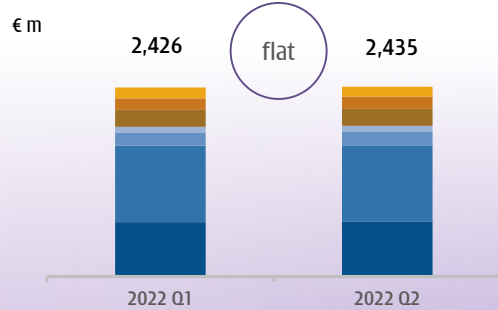
Total Margin %⁽¹⁾

88%

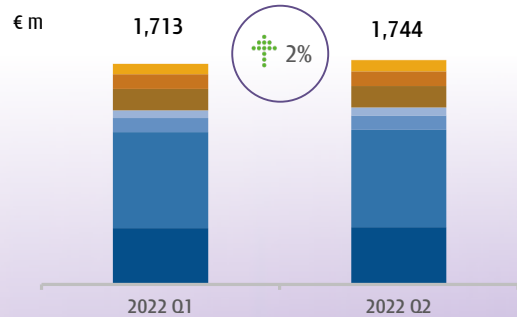
80%

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

Revenue



Total Margin

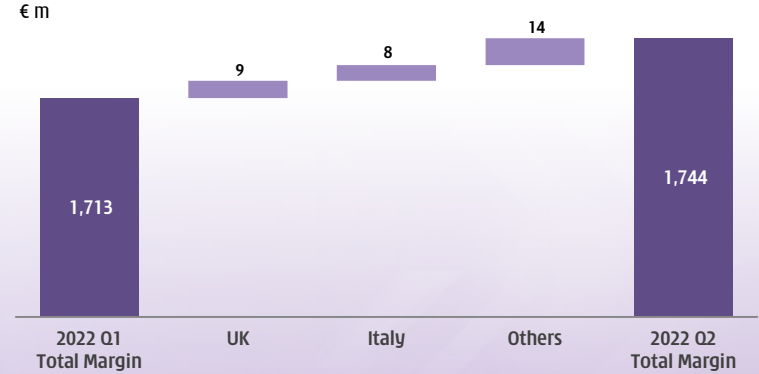


UK Italy Sweden Denmark
 Austria Ireland Hong Kong Corporate & others

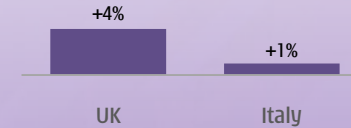
Total Margin

€1,744m

+2%



Total Margin
Change %
(in local currencies)



Total Margin %

UK 88% Italy 80%

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

Key Financials

£ m	2022 Q2	2021 Q2	% Variance	2022 Q1	% Variance
Total Revenue	593	595	-	582	+2%
Total Margin	379	360	+5%	364	+4%
Total Margin (%) ⁽¹⁾	88%	86%	+2%-pt	87%	+1%-pt
Capex ⁽²⁾	(172)	(155)	⬆ 11%	(162)	⬆ 6%
Licence	-	(280)	⬆ 100%	-	-
Net ARPU (£) ⁽³⁾	12.96	12.82	+1%	12.96	-
Net AMPU (£) ⁽⁴⁾	11.55	11.32	+2%	11.52	-
Active customer ('000) ⁽⁵⁾	9,884	9,449	+5%	9,746	+1%
Active contract customer ('000)	8,224	7,730	+6%	8,171	+1%
Monthly average contract churn (%)	1.3%	1.2%		1.1%	

Results Highlights

- Revenue and Margin have closed out strongly in first half 2022 for both year-on-year and quarter-on-quarter, driven by various growth initiatives despite competitive market landscape
- Total margin % remained strong across the periods, mainly due to different revenue mix and margin initiatives
- Active contract customer base has increased compared with 2022 Q1 and year-on-year, which partly offset the non-contract churn from MVNO competition, resulting in a solid active customer base in Q2 2022. The proportion of active contract customers remains at high level (Q2 2022: 83%; Q2 2021: 82%; Q1 2022: 84%), providing stable margin contributions
- Churn rates varied slightly across periods but remained at low level from strong retention initiatives
- Effort on network investments and 5G sites rollout has been rewarded with recognition as UK's fastest 5G network in third consecutive award, enhancing customer experience and satisfaction

(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 year.

(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 year.

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

Key Financials

€ m	2022 Q2	2021 Q2	% Variance	2022 Q1	% Variance
Total Revenue	981	1,043	-6%	977	-
Total Margin	754	791	-5%	746	+1%
Total Margin (%)	80%	80%	-	80%	-
Capex	(203)	(190)	⬆️ 7%	(139)	⬆️ 46%
Net ARPU (£) ⁽¹⁾	10.70	10.91	-2%	10.78	-1%
Net AMPU (£) ⁽¹⁾	9.40	9.41	-	9.40	-
Active customer ('000) ⁽¹⁾	19,123	19,230	-1%	19,193	-
Active contract customer ('000) ⁽¹⁾	9,245	9,479	-2%	9,387	-2%
Monthly average contract churn (%)	1.3%	1.4%		1.3%	

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 declined year-on-year as a result of competition, as well as reduced wholesale revenue, but encouragingly, total margin has slightly improved quarter-on-quarter with margin % remaining strong at approximately 80%
- Net AMPU also remained stable as a result of customer value management initiatives, as well as increased focus on higher margin B2B segment
- Churn % improvement partly driven by enhanced customer experience through network quality
- 5G rollout continued during 2022, improving network speed and capacity

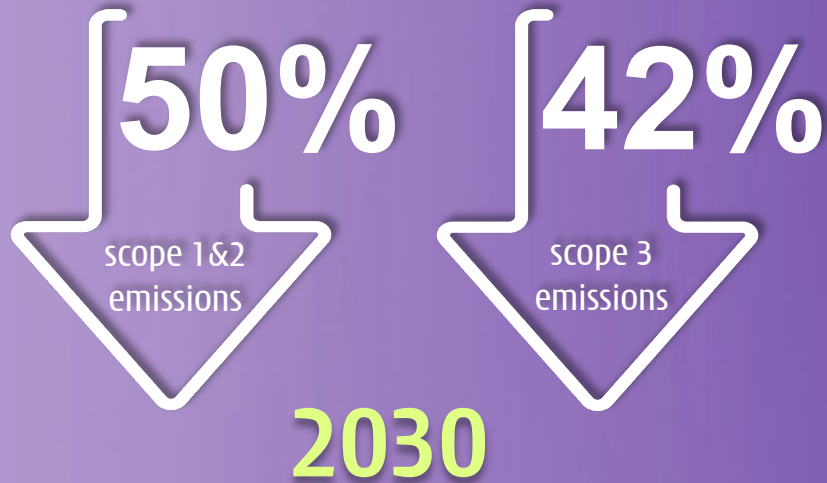
(1) The 2022 Q2 and 2022 Q1 KBIs included an adjustment for aligning the definition of Wind Tre's active customer base to that of CKHGT as part of a system integration. Consequently, there is a corresponding and opposite impact on the 2022 Q2 and 2022 Q1 net ARPU and net AMPU. The conformity of definitions does not impact Wind Tre's P&L.



2022 Sustainability

Seeking validation by the SBTi on newly developed science-based targets aligned with a 1.5 °C pathway:

- Reduce absolute scope 1&2 emissions by 50% by 2030 from a 2020 base year
- Reduce absolute total scope 3 emissions by 42% by 2030 from a 2020 base year



Climate action plan focused on:

- Renewable electricity procurement
- 5G network rollout & energy optimisation
- Participation in GSMA Energy Efficiency Benchmarking Study
- Supplier engagement on device emissions and life cycle assessment

Other achievements:

- 3 UK: Rollout of new supplier assessment platform and Supplier Code of Conduct
- Wind Tre: First telecommunication company to achieve EQUAL-SALARY certification
- Launch of eco-sim with 100% recycled plastic and expansion of refurbished devices portfolio

