

2024 Annual Results

Operations Analysis



Disclaimer

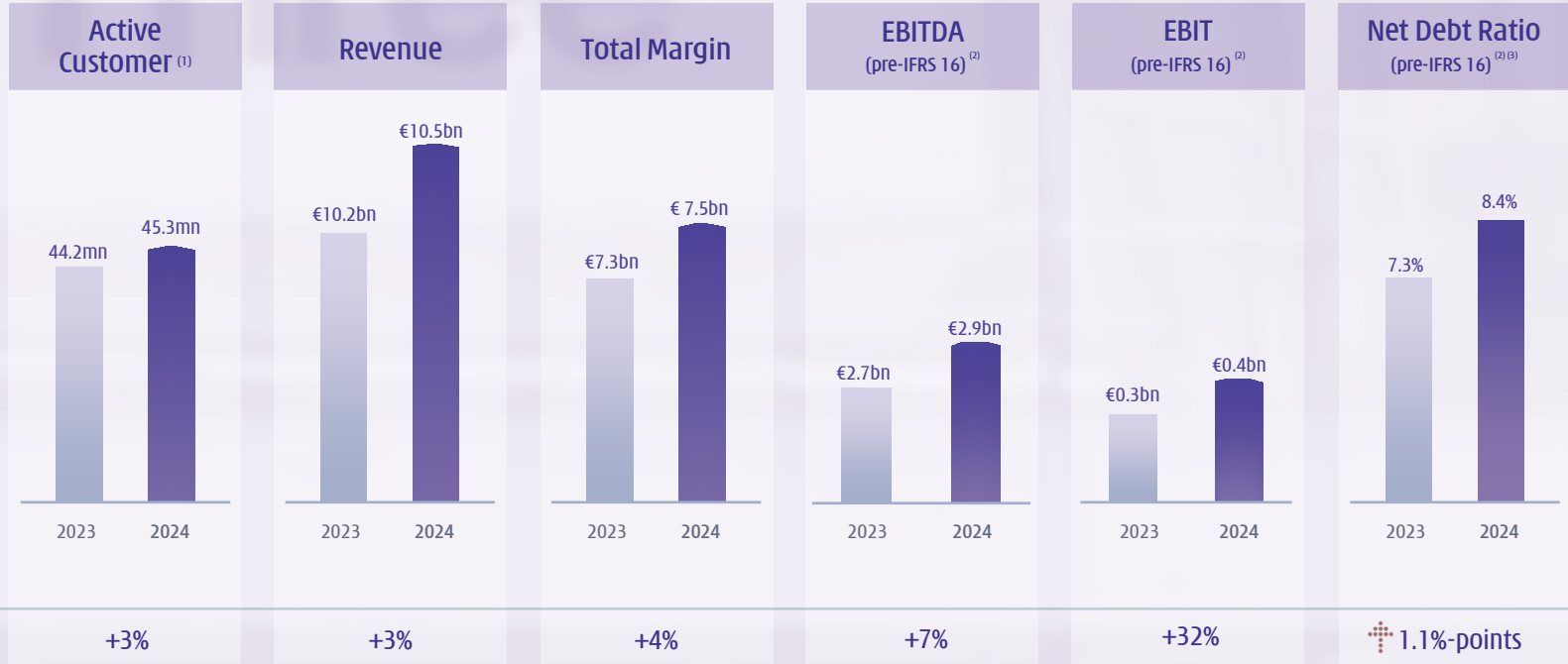
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CK Hutchison Group Telecom

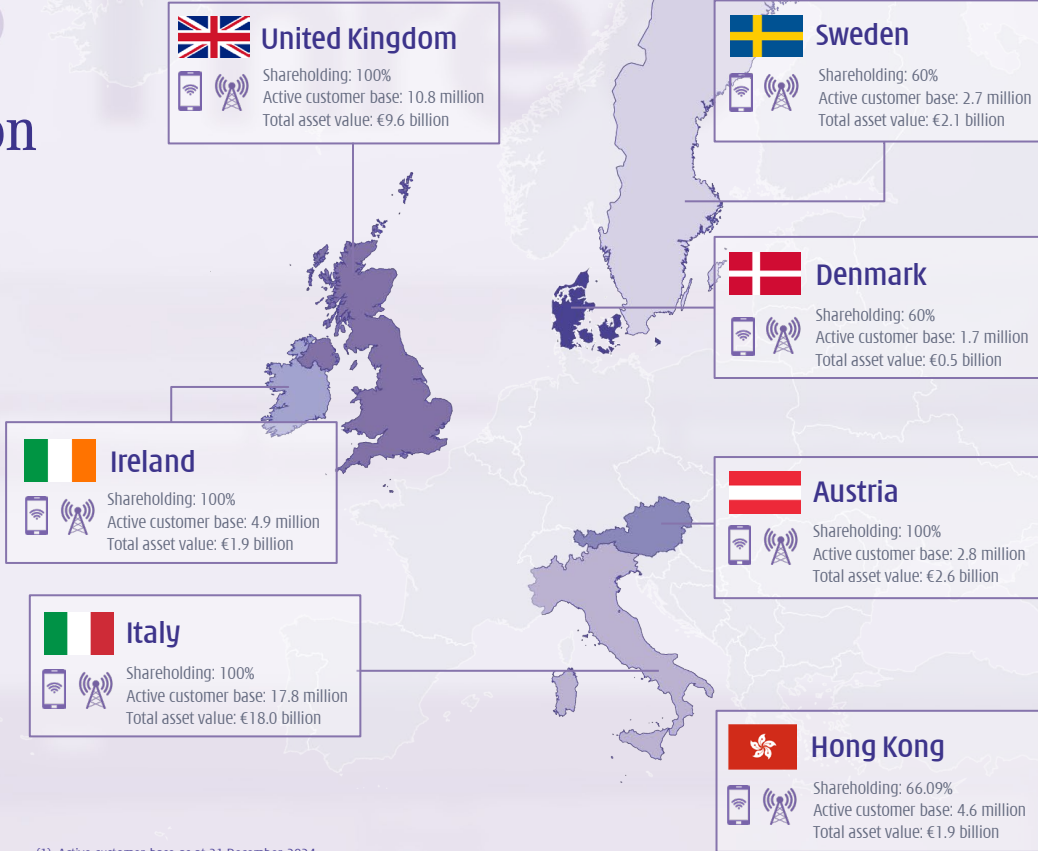


(1) An active customer is one that generated revenue from an outgoing call, incoming call or data/content service in the preceding three months.

(2) Under Post-IFRS 16 basis, EBITDA, EBIT and net debt ratio were €3.7 billion, €0.5 billion and 8.0% respectively.

(3) In 2H 2024, Wind Tre acquired OpNet for a consideration of approximately €0.5 billion, which increased net debt to net total capital ratio by 1.5%-point.

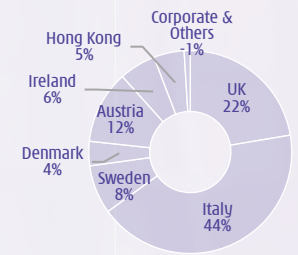
CK Hutchison Group Telecom



(1) Active customer base as at 31 December 2024.
 (2) Under Post-IFRS 16 basis, EBITDA was €3,699 million.
 (3) Under Post-IFRS 16 basis, total asset value was €41,160 million.

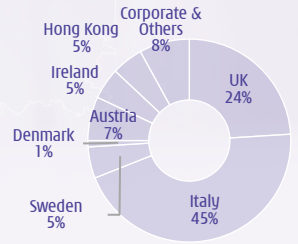
EBITDA (2)

€2,855m
+7%



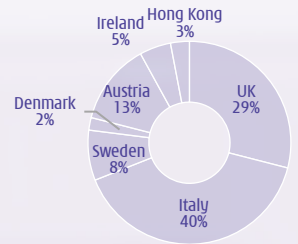
Total Assets (3)

€39,652m
+1% vs Dec-23



CAPEX (excluding licences)

€1,751m
2%

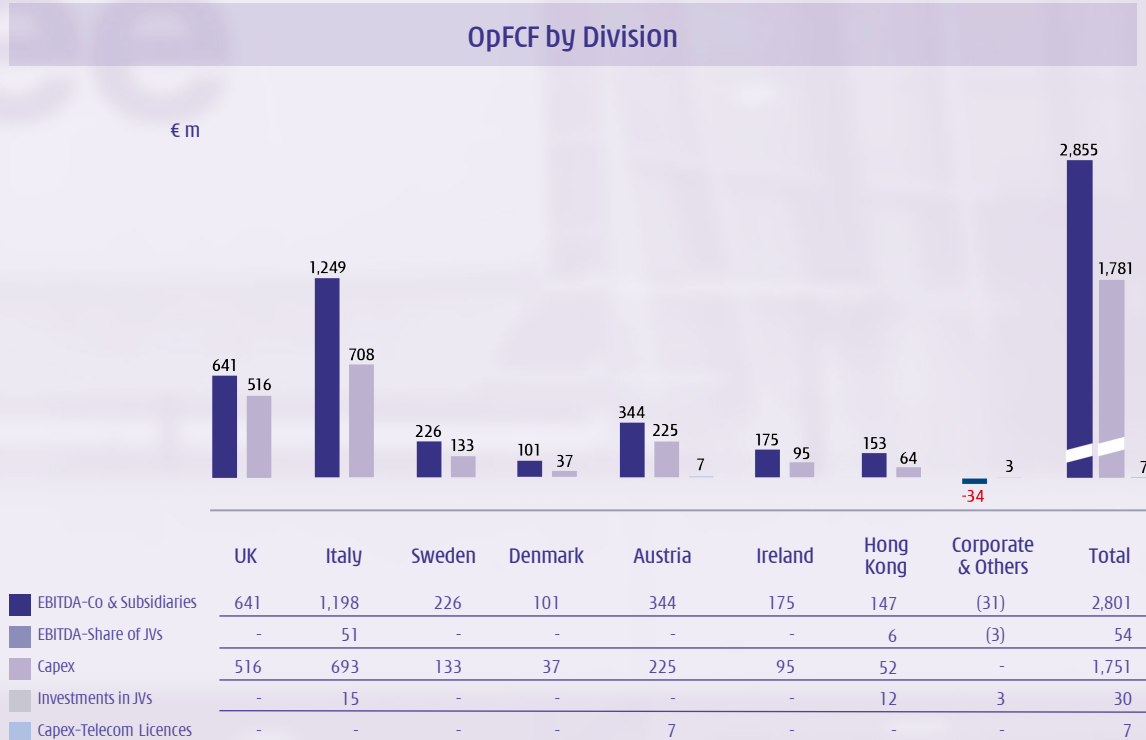
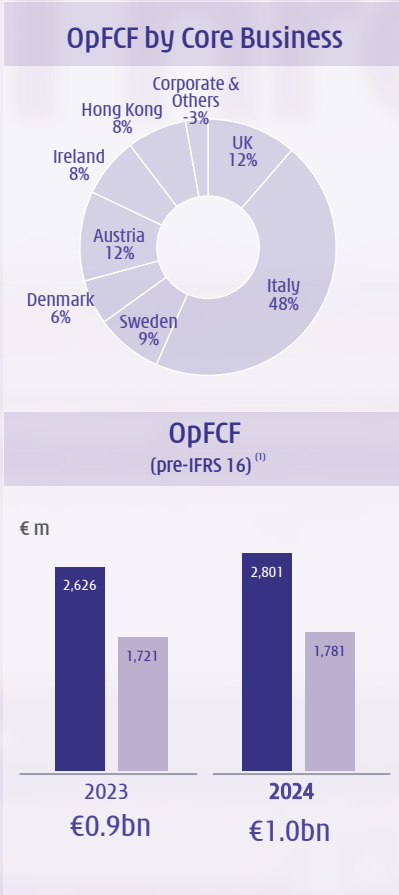


Operating FCF

OpFCF
(pre-IFRS 16)⁽¹⁾

€1,020mn

+13%



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

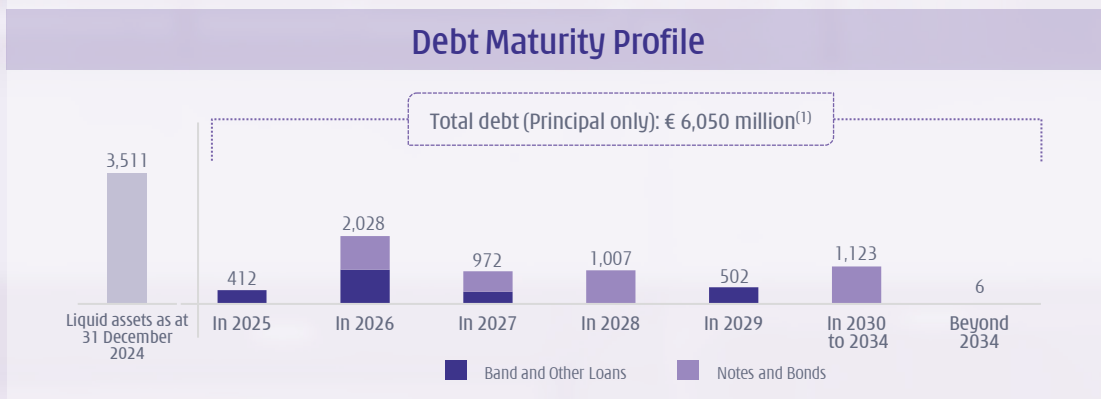
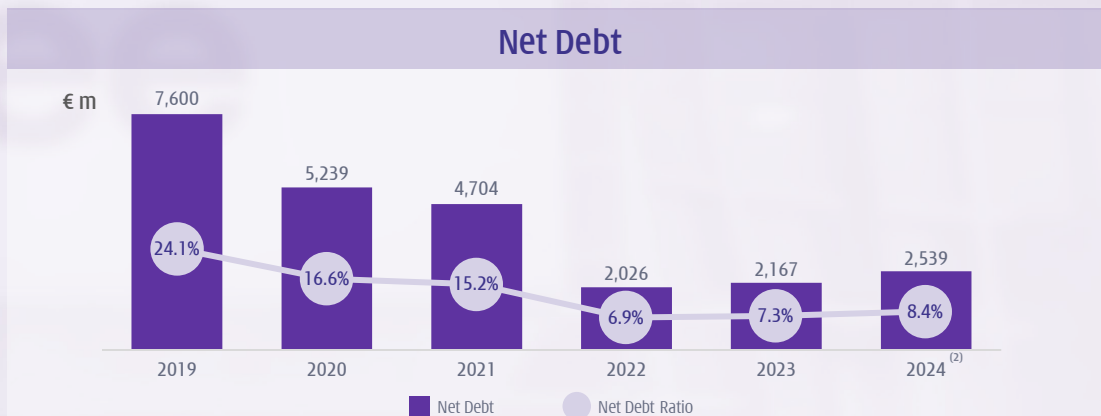
Financial Profile

€3.5bn
Liquid Assets

(sufficient to cover all debt maturing in 2025 to 2027)

2.4%
Average Cost of Debt
(Dec 2023: 1.7%)

Moody's **Baa1**
S&P **A-**
Fitch **A-**



(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 listed investments. Net total capital is defined as total bank and other debts plus total equity (adjusted to exclude IFRS 16 effects) and loans from non-controlling shareholders net of total cash and listed investments. The consolidated net debt to net total capital ratio under IFRS 16 basis, after including IFRS 16 impact in total equity is 8.0%.

(2) In 2H 2024, Wind Tre acquired OpNet for a consideration of approximately €0.5 billion, which increased net debt to net total capital ratio by 1.5%-point.

CKHGT

3 Group Europe



In million	UK		Italy		Sweden		Denmark		Austria		Ireland		3 Group Europe	
	GBP		EURO		SEK		DKK		EURO		EURO		EURO	
	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023
Total Revenue	2,748	2,588	3,782	3,838	8,205	7,984	2,485	2,438	957	976	630	615	9,669	9,425
% change	+6%		-1%		+3%		+2%		-2%		+2%		+3%	
Total margin	1,790	1,671	2,952	2,958	5,447	5,213	2,088	1,990	727	704	484	462	7,037	6,769
% change	+7%		-		+4%		+5%		+3%		+5%		+4%	
TOTAL CACS	(987)	(964)	(323)	(279)	(737)	(945)	(239)	(257)	(128)	(168)	(91)	(88)	(1,807)	(1,758)
Less: Handset Revenue	751	715	219	190	324	538	67	80	112	151	86	83	1,343	1,304
Total CACS (net of handset revenue)	(236)	(249)	(104)	(89)	(413)	(407)	(172)	(177)	(16)	(17)	(5)	(5)	(464)	(454)
Operating Expenses	(1,013)	(1,020)	(1,599)	(1,627)	(2,455)	(2,305)	(1,165)	(1,160)	(367)	(345)	(304)	(302)	(3,837)	(3,806)
Opex as a % of total margin	57%	61%	54%	55%	45%	44%	56%	58%	50%	49%	63%	65%	55%	56%
EBITDA	541	402	1,249	1,242	2,579	2,501	751	653	344	342	175	155	2,736	2,509
% change	+35%		+1%		+3%		+15%		+1%		+13%		+9%	
EBITDA margin % ⁽¹⁾	27%	21%	35%	34%	33%	34%	31%	28%	41%	41%	32%	29%	33%	31%
Depreciation & Amortisation	(518)	(519)	(1,106)	(1,100)	(1,848)	(1,620)	(913)	(657)	(176)	(166)	(135)	(134)	(2,316)	(2,229)
EBIT	23	(117)	143	142	731	881	(162)	(4)	168	176	40	21	420	280
% change	+120%		+1%		-17%		-3950%		-5%		+90%		+50%	
Capex	(436)	(454)	(693)	(682)	(1,517)	(1,455)	(276)	(395)	(225)	(175)	(95)	(95)	(1,699)	(1,656)
Depreciation & amortisation ⁽²⁾	(433)	(448)	(723)	(736)	(1,091)	(873)	(772)	(523)	(124)	(115)	(98)	(93)	(1,658)	(1,609)
Depreciation & amortisation less Capex ⁽²⁾	(3)	(6)	30	54	(426)	(582)	496	128	(101)	(60)	3	(2)	(41)	(47)
EBITDA less Capex	105	(52)	556	560	1,062	1,046	475	258	119	167	80	60	1,037	853

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

2) Depreciation & Amortisation excludes amortisation of licences, amortisation of capitalised CACS, amortisation of customer relationship intangibles, as well as share of joint venture's depreciation of Wind Tre and HTHKH. The comparatives were restated to conform with the 2024 definition.

In million	3 Group Europe EURO		HTHKH HK\$		Corporate and others HK\$		CKHGT EURO	
	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023
Total Revenue	9,669	9,425	4,782	4,896	1,879	1,687	10,458	10,199
% change	+3%		-2%		+11%		+3%	
Total margin	7,037	6,769	3,322	3,339	851	904	7,531	7,267
% change	+4%		-1%		-6%		+4%	
TOTAL CACS	(1,807)	(1,758)	(448)	(512)	-	-	(1,860)	(1,818)
Less: Handset Revenue	1,343	1,304	244	312	-	-	1,372	1,340
Total CACS (net of handset revenue)	(464)	(454)	(204)	(200)	-	-	(488)	(478)
Operating Expenses	(3,837)	(3,806)	(1,828)	(1,896)	(1,134)	(1,154)	(4,188)	(4,121)
Opex as a % of total margin	55%	56%	55%	57%	NA	NA	56%	57%
EBITDA	2,736	2,509	1,290	1,243	(283)	(250)	2,855	2,668
% change	+9%		+4%		-13%		+7%	
EBITDA margin % ⁽¹⁾	33%	31%	28%	27%	NA	NA	31%	30%
Depreciation & Amortisation	(2,316)	(2,229)	(1,122)	(1,127)	(3)	(1)	(2,450)	(2,361)
EBIT	420	280	168	116	(286)	(251)	405	307
% change	+50%		+45%		-14%		+32%	
Capex	(1,699)	(1,656)	(434)	(481)	(1)	(2)	(1,751)	(1,712)
Depreciation & amortisation ⁽²⁾	(1,658)	(1,609)	(539)	(517)	(3)	(1)	(1,723)	(1,669)
Depreciation & amortisation less Capex ⁽²⁾	(41)	(47)	105	36	2	(1)	(28)	(43)
EBITDA less Capex	1,037	853	856	762	(284)	(252)	1,104	956

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

(2) Depreciation & Amortisation excludes amortisation of licences, amortisation of capitalised CACS, amortisation of customer relationship intangibles, as well as share of joint venture's depreciation of Wind Tre and HTHKH. The comparatives were restated to conform with the 2024 definition.

Telecommunications 3 Group Europe

Total Revenue

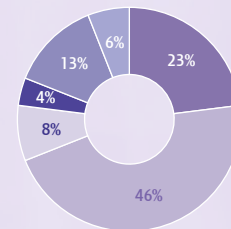
€9,669m

+3%

EBITDA ⁽¹⁾

€2,736m

+9%



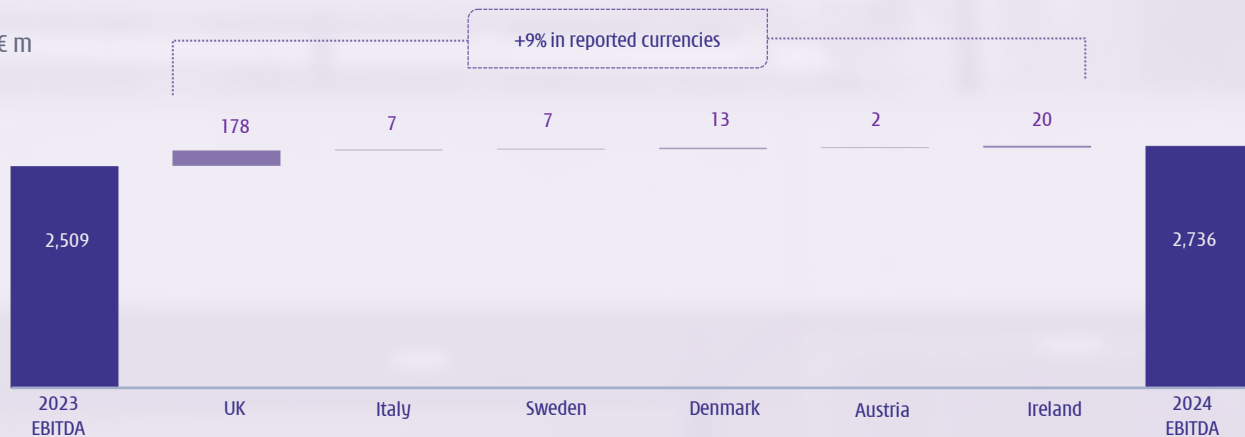
(1) Under Post-IFRS 16 basis, EBITDA was €3,530 million.

Outlook

- Finalise undertakings regarding the UK merger with completion expected in 1H 2025
- Through growing customer base, continuing revenue initiatives and stringent cost control to deliver stable underlying performance
- Comprehensively review ways and means of enhancing productivity and significantly reducing operating and capital cost base, with completion and new targets expected during 2025

EBITDA

€ m



EBITDA Change %
(in local currencies)

+35%

+1%

+3%

+15%

+1%

+13%

+8%

CKHGT

2024 Q4 vs 2023 Q4

Revenue

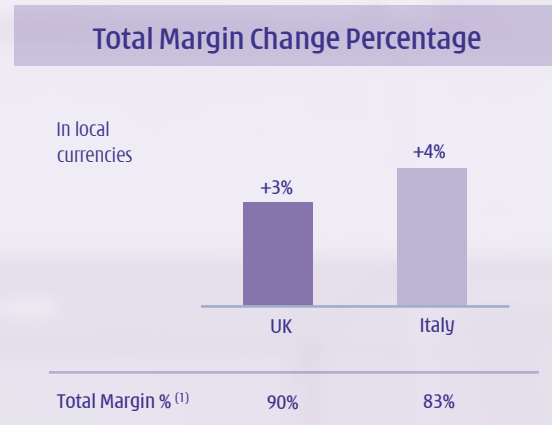
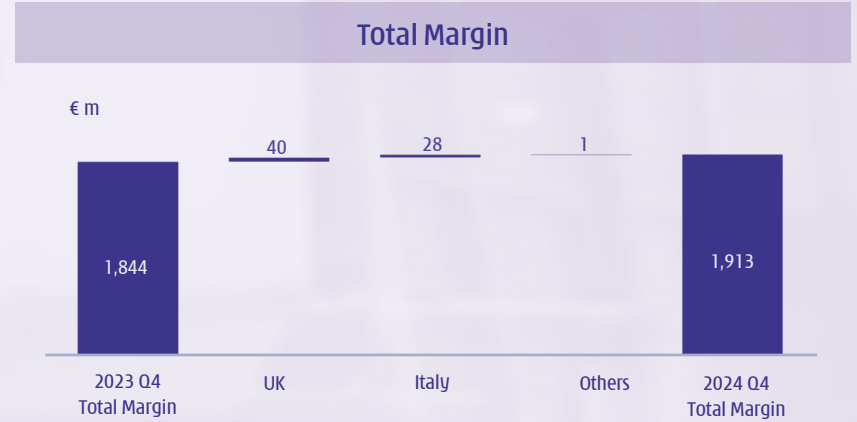
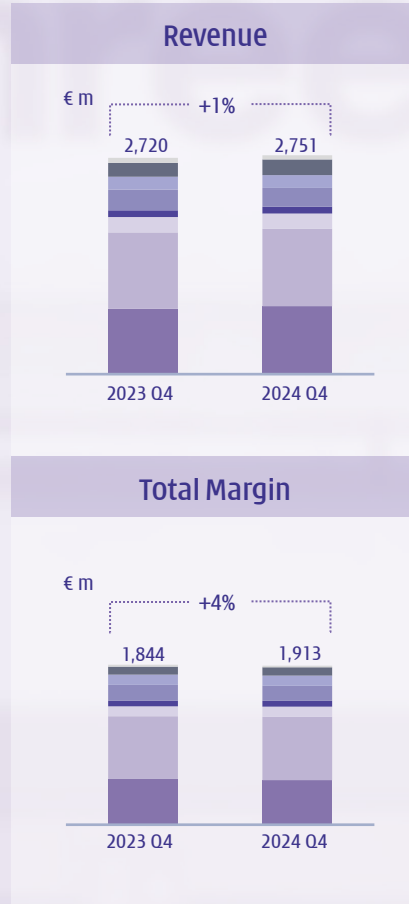
€2,751m

+1%

Total Margin

€1,913m

+4%



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

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

CKHGT

2024 Q4 vs 2024 Q3

Revenue

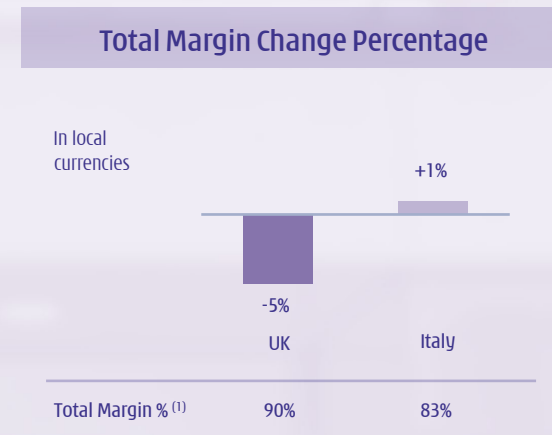
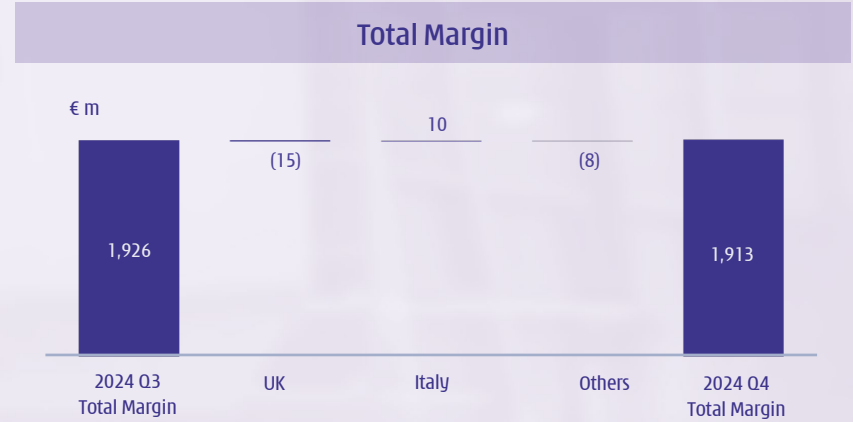
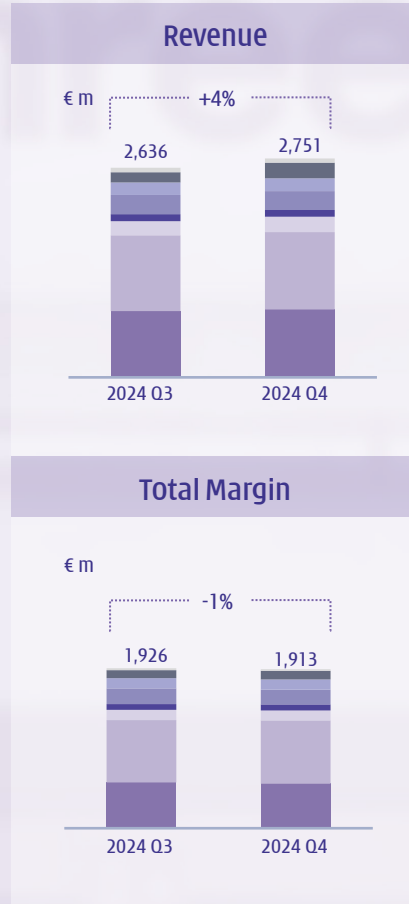
€2,751m

+4%

Total Margin

€1,913m

-1%



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

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

Results Highlights

- 3 UK continues to grow customers year-on-year through SMARTY, business and home segments, currently offsetting the impacts of increased market competition and changing market landscape for contract and prepaid customers
- Margin grew year-on-year from increase in customer base and contribution from wholesale segment
- Contract churn % increased year-on-year reflecting increasing market competition and is more than offset by growth in gross addition
- Despite prudent capex spending and cost control, the increasing network investments continue to put pressure on free cashflow
- Various recognitions in 2024: The fastest 5G network in 2024 by Ookla, Best network for Business and SIM only by Mobile industry award

Key Financials

£ m	FY 2024	FY 2023	% Variance
Total Revenue	2,748	2,588	+6%
Total Margin	1,790	1,671	+7%
Total Margin (%) ⁽¹⁾	90%	89%	+1%-pt
Capex ⁽²⁾	(436)	(454)	+4%
Net ARPU (£) ⁽³⁾	13.59	13.37	+2%
Net AMPU (£) ⁽⁴⁾	12.35	12.05	+2%
Active customer ('000) ⁽⁵⁾	10,807	10,614	+2%
Active contract customer ('000)	9,310	9,058	+3%
Monthly average contract churn (%)	1.6%	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 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.

Results Highlights

- Customer base grew 2% from growth in non-core segments, driving year-on-year growth in revenue and margin
- Total margin % remains strong throughout the past few quarters
- Customer churn is marginally higher year-on-year, but managed at a stable level throughout 2024

Key Financials

£ m	2024 Q4	2023 Q4	% Variance	2024 Q3	% Variance
Total Revenue	709	717	-1%	704	+1%
Total Margin	445	432	+3%	466	-5%
Total Margin (%)	90%	90%	-	89%	+1%-pt
Capex	(98)	(104)	+6%	(108)	+9%
Net ARPU (£)	13.59	13.37	+2%	13.56	-
Net AMPU (£)	12.35	12.05	+2%	12.30	-
Active customer ('000)	10,807	10,614	+2%	10,931	-1%
Active contract customer ('000)	9,310	9,058	+3%	9,273	-
Monthly average contract churn (%)	1.7%	1.5%		1.6%	

Results Highlights

- Active base decreased, but has relatively stabilised in the last quarter of 2024 through customer retention initiatives
- Net AMPU stable year-on-year with a focus on retaining customers with higher lifetime value
- Despite slightly lower revenue, total margin remained stable year-on-year as lower customer base impact on net customer service margin is mostly offset by incremental wholesale revenue from OpNet
- Contract customer churn % mildly improved from the retention initiatives mentioned above
- Capex increase was mainly driven by FWA volume growth
- In 2H 2024, acquired OpNet for approximately €0.5bn, which increased spectrum holdings to enhance network capacity

Key Financials

€ m	FY 2024	FY 2023	% Variance
Total Revenue	3,782	3,838	-1%
Total Margin	2,952	2,958	-
Total Margin (%)	83%	81%	+2%-pt
Capex	(693)	(682)	-2%
Net ARPU (€)	10.56	10.78	-2%
Net AMPU (€)	9.93	9.89	-
Active customer ('000)	17,782	18,105	-2%
Active contract customer ('000)	8,979	9,151	-2%
Monthly average contract churn (%)	1.3%	1.4%	

Results Highlights

- Active base decreased year-on-year, but stable quarter-on-quarter through strong customer retention initiatives
- Net AMPU relatively stable throughout the year to entice customer retention
- Revenue and margin increased year-on-year and quarter-on-quarter primarily from incremental wholesale revenue since the OpNet acquisition, while net customer service gross margin has remained relatively stable
- Contract customer churn % remained relatively stable throughout the past few quarters
- Increased capex quarter-on-quarter driven by seasonality. Investment for the year was stable

Key Financials

€ m	2024 Q4	2023 Q4	% Variance	2024 Q3	% Variance
Total Revenue	973	960	+1%	956	+2%
Total Margin	762	734	+4%	752	+1%
Total Margin (%)	84%	81%	+3%-pt	83%	+1%-pt
Capex	(248)	(262)	+5%	(147)	-69%
Net ARPU (€)	10.56	10.78	-2%	10.62	-1%
Net AMPU (€)	9.93	9.89	-	9.92	-
Active customer ('000)	17,782	18,105	-2%	17,837	-
Active contract customer ('000)	8,979	9,151	-2%	9,102	-1%
Monthly average contract churn (%)	1.3%	1.3%		1.2%	

Reporting & Targets



Prepare for reporting in line with Corporate Sustainability Reporting Directive and EU Taxonomy.



Reduce scope 1 and 2 emissions by 50% by 2030 vs. 2020*. Set a target to be net zero by 2050, submitted to the SBTi for validation.

Climate Action Plan



Renewable energy procurement



On-site solar



Energy efficient radio equipment



Optimisation of networks for data traffic



Virtualisation of core networks and network services



Decommissioning legacy networks and equipment



AI-driven data centre optimisation tools



Fleet replacement with electric vehicles



Supplier engagement

* Target validated by the SBTi; emissions third-party assured.

Key Initiatives

Sustainability strategy priorities



Renewable Energy, Energy Efficiency and Smart Cities

- **CKHGT:** Increased purchased renewable electricity to over 60% and continued to deploy network energy optimisation features.
- **Austria:** Partnered with Lower Austrian municipalities and IoT Systems for optimised road-gritting, leveraging its energy-saving Long Range Wide Area Network (LoRaWAN).
- **HK and UK:** Deploying AI-powered energy saving solutions. For example saving up to 70% energy at selected UK sites.
- **Italy:** Signed 16 new cooperation agreements under the Smart Cities program to support digital and sustainable transition, expanding the network to 41 cities.

Circular devices



- **Denmark and UK:** Implemented 'Like new' initiatives offering refurbished devices to customers.
- **UK and Ireland:** Implemented integrated device trade-in schemes, further incentivising and making it easier for customers to return devices to store, enabling circularity.

Supplier engagement



- **CKHGT:** Engaged with over 300 suppliers on GHG disclosure, with a 48% response rate through CDP Supply Chain.
- **Italy:** Achieved 68% of Wind Tre's suppliers ESG-risk assessed with the Cribis / Synesgy platform.
- **UK and Ireland:** 98% and 87% of supply chain spend ESG risk-assessed respectively using third party tools.

Great Place to Work



- **HK:** Asia's Best Employer Brand at the 15th Asia's Best Employer Brand Awards
- **Italy:** Top Employer Italy 2024 for 6 consecutive years for excellence in people development and well-being

Q & A