



# Hrvatski Telekom Q1 2024 Results

30 April 2024





# DISCLAIMER

These materials and the oral presentation do not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of the Company nor should they or any part of them or the fact of their distribution form the basis of, or be relied on in connection with, any contract or investment decision in relation thereto. In particular, these materials and the oral presentation are not an offer of securities for sale in the United States. The Company's securities have not been, and will not be, registered under the US Securities Act of 1933, as amended.

The third-party information contained herein has been obtained from sources believed by the Company to be reliable. Whilst all reasonable care has been taken to ensure that the facts stated herein are complete and accurate and that opinions and expectations contained herein are fair and reasonable, no representation or warranty, expressed or implied, is made by the Group or its advisors, with respect to the completeness or accuracy of any information and opinions contained herein.

These materials and the oral presentation contain certain forward-looking statements with respect to the financial condition, results of operations and business of the Group. These forward-looking statements represent the Company's expectations or beliefs concerning future events and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Additional detailed information concerning important factors that could cause actual results to differ materially is available in the Group's Annual Report.

These materials include non-IFRS measures, such as EBITDA. The Company believes that such measures serve as additional indicators of the Group's operating performance. However, such measures are not replacements for measures defined by and required under IFRS. In addition, some key performance indicators utilized by the Company may be calculated differently by other companies operating in the sector. Therefore, the non-IFRS measures and key performance indicators used in these materials may not be directly comparable to those of the Group's competitors.

On 1 January 2024, Company merged its subsidiary Iskon Internet d.d. With the date of incorporation into the court register, Iskon Internet d.d. ceased to operate as a separate business entity and is no longer active in the court register, while the entire assets and all rights and obligations were transferred to the Company. After the merger, the products and services provided by Iskon will continue to be provided within the portfolio of the Company under Iskon's brand.

Also with the 1 January 2024, a new subsidiary has started operating within the HT Group – the company HT Servisi d.o.o. which main activities are planning and construction of fixed and mobile networks, maintenance of electronic communication infrastructure, supervision of the telecommunications network and field maintenance of active and passive network.

# Q1 2024 HIGHLIGHTS

## BUSINESS DEVELOPMENT

- ▶ Continued strong commercial performance
- ▶ Leading network: won umlaut awards for the best mobile and fixed broadband network
- ▶ Continued expanding the largest FTTH network in Croatia by 21% YoY
- ▶ The best content proposition further strengthened by partnership with Netflix
- ▶ All-time high CX according to TRI\*M
- ▶ 2024 World's Most Ethical Companies by Ethisphere: the only Croatian company to make the list

## FINANCIALS

- ▶ Revenue up by 4.8% YoY supported by the strong mobile, fixed and system solutions business
- ▶ Adjusted EBITDA AL up 6.9% YoY driven by strong commercial performance, despite ongoing inflationary pressures
- ▶ Net Profit lower by 1.7%, due to an exceptional item

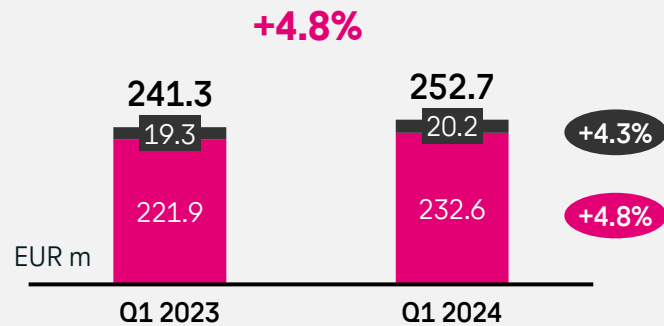
## CAPITAL ALLOCATION

- ▶ Proposed EUR 1.53 dividend, the highest in over a decade (yield 5.1%\*)
- ▶ Continued SBB throughout Q1, acquired 55k shares
- ▶ Cancelled 1.0% of total shares in Jan/24

# REVENUE AND EBITDA GROWTH DRIVEN BY STRONG COMMERCIAL PERFORMANCE

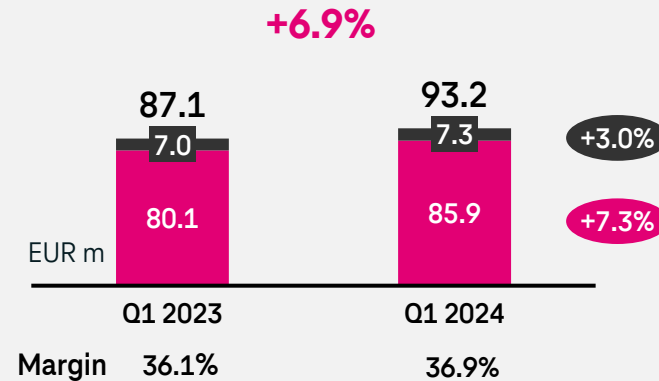
## REVENUE

Continued growth supported by the strong commercial performance.



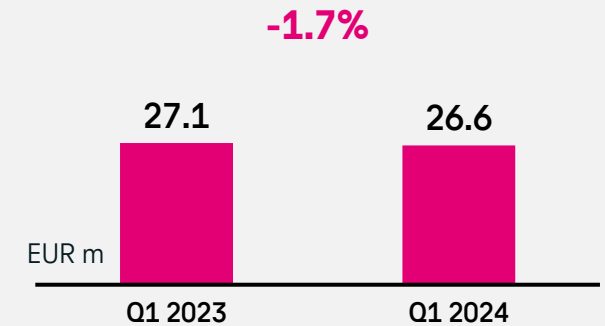
## EBITDA AL<sup>1</sup>

Adj. EBITDA AL<sup>1</sup> driven by strong top line development, offsetting continued inflationary pressures on operating costs.



## NET PROFIT<sup>2</sup>

Reduced Net Profit is predominantly result of exceptional item in Croatia and lower Montenegro contribution.



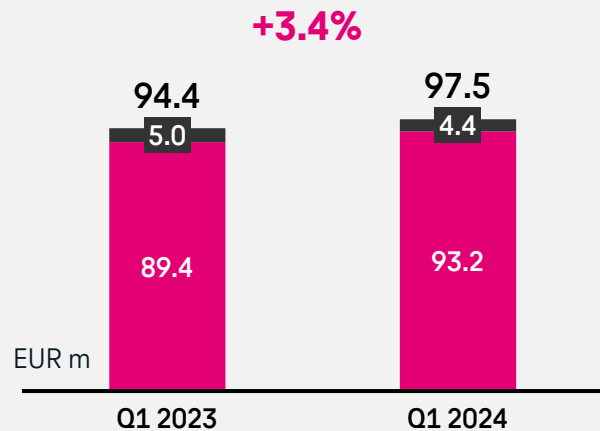
CT contribution  
 HT Croatia

1. EBITDA after leases adjusted for exceptional items  
 2. Net Profit after non-controlling interests

# GROWING NET CASH FLOW FROM OPERATIONS. INVESTMENTS WILL ACCELERATE IN COMING QUARTERS

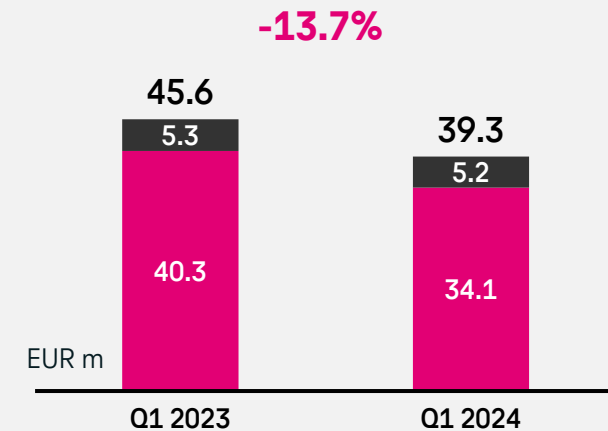
## NET CASH FLOW FROM OPERATIONS

Cash flow from operating activities increased mainly by positive operating performance.



## CAPEX AL BOOKED<sup>1</sup>

Lower CAPEX AL mainly due to seasonality of projects.



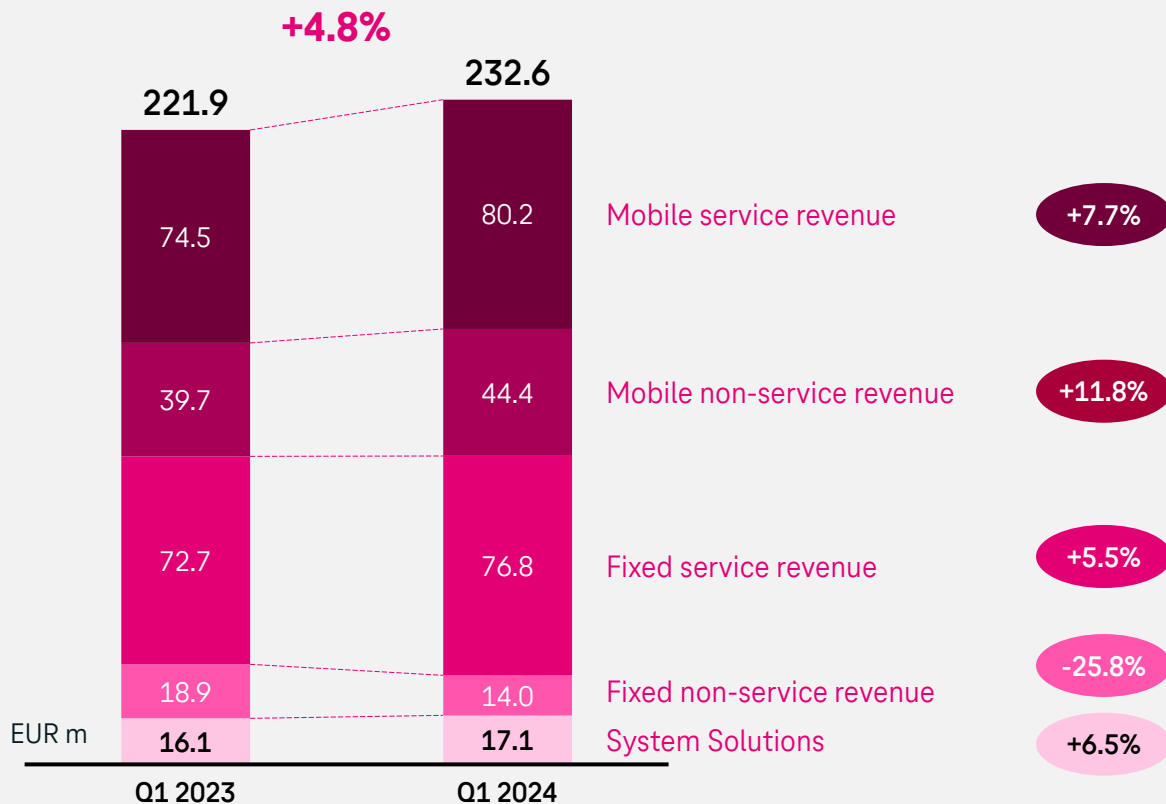
■ CT contribution  
■ HT Croatia

1. Excluding Spectrum

# REVENUE GROWING AS STRONG COMMERCIAL MOMENTUM CONTINUED

## REVENUE BREAKDOWN

HT CROATIA

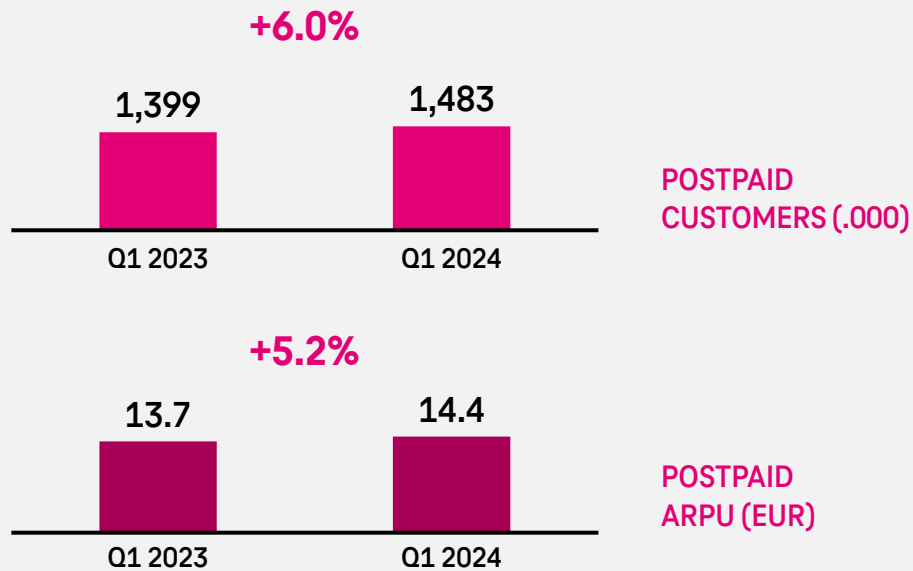


- ▶ **Mobile service revenue** supported by Postpaid segment growth, capitalizing upselling customers to higher value tariffs, pre to post migration and price adjustments.
- ▶ **Mobile non-service revenue** growth mostly a result of successful hardware promotions and change in handset mix in favor of high-end models.
- ▶ **Fixed service revenue** up, driven by BB, TV and Data, capitalizing on investment in FTTH, premium sport content and the best home experience.
- ▶ **Fixed non-service** revenue lower due to change of business model for lower margin transit business.
- ▶ **System Solutions** revenue up as a result of growth in Security and Cloud solution projects.

# THE GROWTH OF CUSTOMER BASE AND ARPU CONTINUES

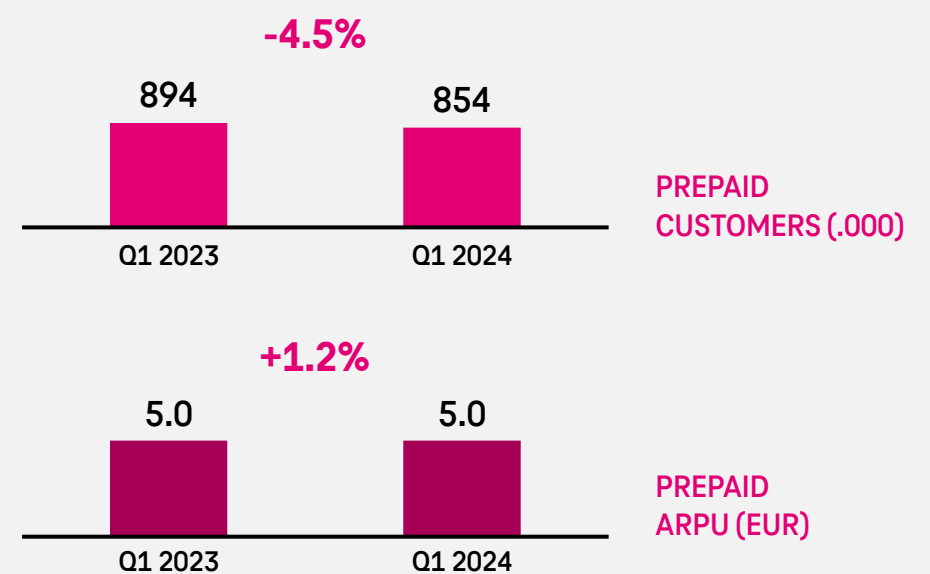
## MOBILE POSTPAID

Growth in Postpaid customers supported by Prepaid-to-Postpaid migration.  
ARPU increase reflects customer migration to higher value tariffs and price adjustments.



## MOBILE PREPAID

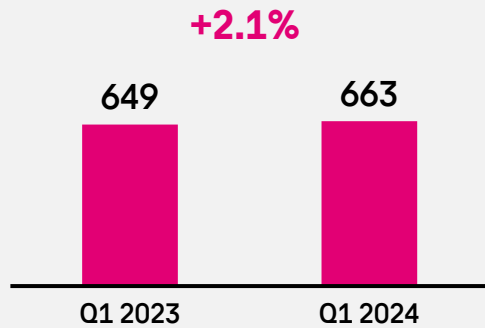
Lower Prepaid base due to migration from Prepaid-to-Postpaid.  
ARPU higher despite migration of high value-added customers to Postpaid.



# CONTINUED GROWTH OF BB AND TV CUSTOMERS

## BROADBAND<sup>1</sup>

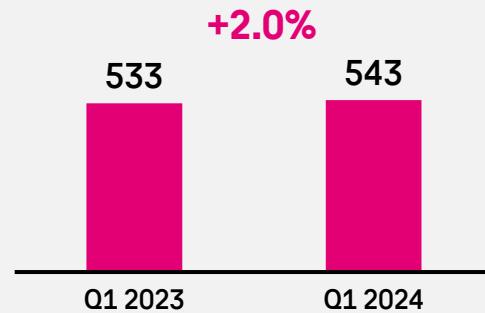
Continued growth of BB retail lines due to expansion of FTTH infrastructure.



RETAIL BROADBAND  
ACCESS LINES (.000)

## TV

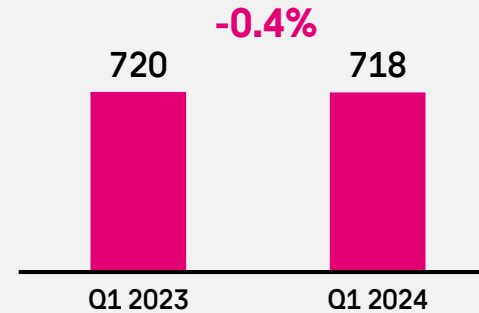
TV customer base growing capitalizing on the best content proposition.



TV CUSTOMERS  
(.000)

## FIXED VOICE<sup>2</sup>

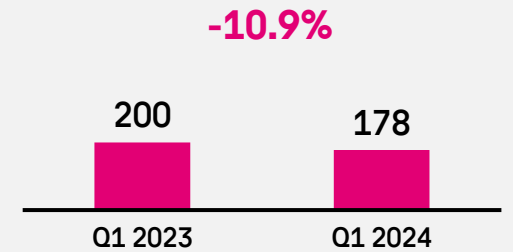
The fixed voice lines continue to contract at a decelerated rate.



RETAIL FIXED VOICE  
MAINLINES (.000)

## WHOLESALE<sup>3</sup>

Wholesale base lower as operators migrate their customers to own infrastructure.



WHOLESALE  
CUSTOMERS (.000)

1. Includes ADSL, VDSL, FTTH and Naked DSL

2. Includes PSTN, FGSM, old PSTN Voice customers migrated to IP platform and Smart packages for business; payphones excluded

3. Includes Naked Bitstream, Bitstream, ULL, FA and WLR wholesale rental

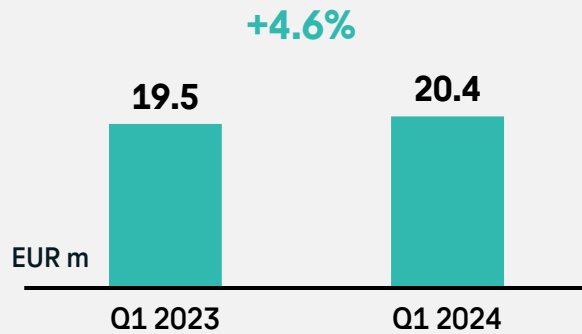


# IN Q1 CONTINUED GROWTH IN REVENUE AND EBITDA

CRNOGORSKI TELEKOM

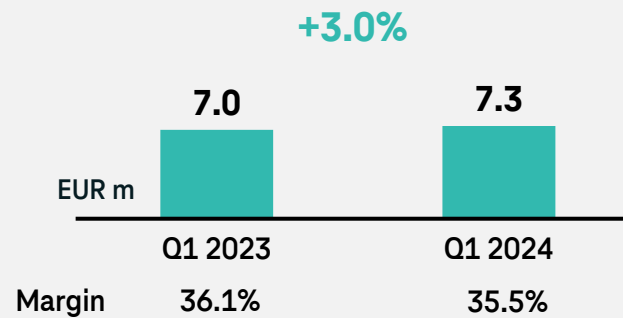
## REVENUE

Strong commercial momentum led to YoY increase across all telco revenue categories.



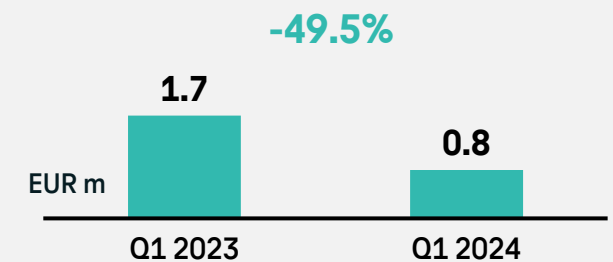
## EBITDA AL<sup>1</sup>

EBITDA AL growth reflects positive revenue development.



## NET PROFIT<sup>2</sup>

Net Profit pressured primarily by higher D&A, interest expense and taxation.



1. EBITDA after leases adjusted for exceptional items

2. Net profit after non controlling interests


# GROUP 2024 OUTLOOK

	2023 RESULTS	OUTLOOK 2024 vs. 2023
<b>REVENUE</b>	EUR 1,039 million	Low single-digit increase
<b>ADJ. EBITDA AL</b>	EUR 398 million	Mid single-digit increase
<b>CAPEX AL<sup>1</sup></b>	EUR 221 million	Mid single-digit increase
<b>REGIONAL EXPANSION</b>	HT is monitoring and evaluating potential M&A opportunities	HT is monitoring and evaluating potential M&A opportunities

## Q&A



To ask a question, please raise your hand 

Once your question is answered, please lower your hand by clicking  again



# **APPENDIX**

## UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

# CONSOLIDATED INCOME STATEMENT

in EUR million	Q1 2023	Q1 2024	% of change A24/A23
Mobile service revenues	82.9	89.1	7.5%
Mobile non-service revenues	42.2	47.1	11.6%
Fixed service revenues	79.0	83.1	5.2%
Fixed non-service revenues	20.1	15.4	-23.5%
System solutions	17.0	18.0	5.4%
<b>Revenue</b>	<b>241.3</b>	<b>252.7</b>	<b>4.8%</b>
Other operating income	1.0	2.5	140.6%
<b>Total operating revenue</b>	<b>242.3</b>	<b>255.2</b>	<b>5.3%</b>
<b>Operating expenses</b>	<b>146.7</b>	<b>154.8</b>	<b>5.5%</b>
Material expenses	79.2	78.5	-0.9%
Employee benefits expenses	39.0	45.8	17.5%
Other expenses	29.1	30.2	3.5%
Work performed by the Group and capitalised	-2.3	-1.8	20.8%
Net impairment losses on trade receivables and contract assets	1.6	2.0	27.6%
Depreciation and amortization	61.6	66.7	8.3%
<b>EBIT</b>	<b>34.1</b>	<b>33.8</b>	<b>-0.8%</b>
Financial income	1.8	2.4	36.5%
Income/loss from investment in joint ventures	0.0	0.0	-
Financial expenses	2.0	2.4	21.7%
<b>Profit before taxes</b>	<b>33.8</b>	<b>33.8</b>	<b>-0.2%</b>
Taxation	6.4	7.0	9.3%
<b>Net profit</b>	<b>27.5</b>	<b>26.8</b>	<b>-2.4%</b>
Non controlling interest	-0.4	-0.2	48.7%
<b>Net profit after non controlling interest</b>	<b>27.1</b>	<b>26.6</b>	<b>-1.7%</b>
<b>Adjusted EBITDA AL*</b>	<b>87.1</b>	<b>93.2</b>	<b>6.9%</b>
Exceptional items*	2.4	5.1	111.0%
<b>EBITDA AL</b>	<b>84.7</b>	<b>88.0</b>	<b>4.0%</b>

\*Mainly adjusted for restructuring redundancy costs and legal cases

# CONSOLIDATED BALANCE SHEET STATEMENT

in EUR million	At 31 Dec 2023	At 31 Mar 2024	% of change A24/A23
Intangible assets	385.8	373.6	-3.1%
Property, plant and equipment	843.5	840.4	-0.4%
Non-current financial assets	0.9	0.9	0.4%
Non-current receivables	39.1	39.9	1.9%
Prepayments and accrued income due > 1 year	28.2	28.2	0.0%
Right-of-use assets	72.3	82.9	14.6%
Contract assets due > 1 year	8.3	9.4	13.3%
Contract costs due > 1 year	28.9	30.2	4.5%
Deferred tax asset	22.9	21.6	-5.7%
<b>Total non-current assets</b>	<b>1,429.9</b>	<b>1,427.1</b>	<b>-0.2%</b>
Inventories	33.8	45.8	35.4%
Assets held for sale	31.6	31.6	0.0%
Current receivables	247.2	231.1	-6.5%
Current financial assets	29.4	29.6	0.6%
Contract assets due <= 1 year	33.0	35.0	6.1%
Contract costs due <= 1 year	12.6	12.5	-1.3%
Cash and cash equivalents	233.1	250.2	7.4%
Prepayments and accrued income due <= 1 year	10.9	11.2	2.8%
<b>Total current assets</b>	<b>631.6</b>	<b>646.9</b>	<b>2.4%</b>
<b>TOTAL ASSETS</b>	<b>2,061.5</b>	<b>2,074.0</b>	<b>0.6%</b>

in EUR million	At 31 Dec 2023	At 31 Mar 2024	% of change A24/A23
Subscribed share capital	1,359.7	1,359.7	0.0%
Reserves	89.8	71.1	-20.8%
Revaluation reserves	0.0	0.0	33.0%
Cash flow hedge reserves	-0.2	-5.1	-2844.4%
Treasury shares	-22.2	-3.5	84.3%
Retained earnings	99.3	229.8	131.4%
Net profit for the period	132.0	26.6	-79.9%
Non controlling interest	32.9	33.1	0.6%
<b>Total issued capital and reserves</b>	<b>1,691.5</b>	<b>1,711.9</b>	<b>1.2%</b>
Provisions	16.7	21.3	28.1%
Non-current liabilities	9.6	14.0	45.7%
Lease liabilities due > 1 year	50.9	57.2	12.3%
Contract liabilities due > 1 year	0.0	0.0	-
Deferred tax liability	4.1	4.2	0.4%
<b>Total non-current liabilities</b>	<b>81.4</b>	<b>96.7</b>	<b>18.9%</b>
Current liabilities	248.4	220.6	-11.2%
Lease liabilities due <= 1 year	16.0	20.0	24.8%
Contract liabilities due <= 1 year	12.1	12.4	2.6%
Accrued expenses and deferred income	7.6	12.0	57.1%
Provisions for redundancy	4.5	0.4	-91.9%
<b>Total current liabilities</b>	<b>288.6</b>	<b>265.4</b>	<b>-8.0%</b>
<b>Total liabilities</b>	<b>370.0</b>	<b>362.2</b>	<b>-2.1%</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,061.5</b>	<b>2,074.0</b>	<b>0.6%</b>

# CONSOLIDATED CASH FLOW STATEMENT

in EUR million	Q1 2023	Q1 2024	% of change A24/A23
Profit before tax	33.8	33.8	-0.2%
Depreciation and amortization	61.6	66.7	8.3%
Increase / decrease of current liabilities	13.2	7.2	-45.9%
Increase / decrease of current receivables	4.9	13.7	182.0%
Increase / decrease of inventories	-7.0	-12.0	-71.7%
Other cash flow increases / decreases	-12.2	-11.8	3.1%
<b>Net cash inflow/outflow from operating activities</b>	<b>94.4</b>	<b>97.5</b>	<b>3.4%</b>
Proceeds from sale of non-current assets	0.1	0.3	117.9%
Proceeds from sale of non-current financial assets	0.5	0.0	-95.6%
Interest received	1.0	2.2	111.5%
Dividend received	0.0	0.0	-
Other cash inflows from investing activities	3.5	0.2	-
<b>Total increase of cash flow from investing activities</b>	<b>5.2</b>	<b>2.7</b>	<b>-48.8%</b>
Purchase of non-current assets	-45.8	-60.5	-32.1%
Purchase of non-current financial assets	0.0	-0.1	-
Other cash outflows from investing activities	-11.8	-0.7	94.2%
<b>Total decrease of cash flow from investing activities</b>	<b>-57.6</b>	<b>-61.3</b>	<b>-6.4%</b>
<b>Net cash inflow/outflow from investing activities</b>	<b>-52.4</b>	<b>-58.6</b>	<b>-11.8%</b>
<b>Total increase of cash flow from financing activities</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>
Dividends paid	0.0	0.0	-230.6%
Repayment of lease	-10.3	-11.4	-10.9%
Other cash outflows from financing activities	-9.9	-10.4	-4.6%
<b>Total decrease in cash flow from financing activities</b>	<b>-20.2</b>	<b>-21.8</b>	<b>-7.9%</b>
<b>Net cash inflow/outflow from financing activities</b>	<b>-20.2</b>	<b>-21.8</b>	<b>-7.9%</b>
<b>Exchange gains/losses on cash and cash equivalents</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>
Cash and cash equivalents at the beginning of period	373.4	233.1	-37.6%
Net cash (outflow) / inflow	21.7	17.1	-21.2%
<b>Cash and cash equivalents at the end of period</b>	<b>395.2</b>	<b>250.2</b>	<b>-36.7%</b>



# INVESTOR RELATIONS CONTACTS

## IR Phone

---

+ 385 1 4911 114

## IR E-mail

---

ir@t.ht.hr

## IR Webpage

---

[www.t.ht.hr/en/investor-relations](http://www.t.ht.hr/en/investor-relations)

## Corporate Contact

---

Hrvatski Telekom d.d  
Radnička cesta 21  
10000 Zagreb