



Hrvatski Telekom H1 2024 Results

25 July 2024





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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of incorporation into the court register, Iskon Internet d.d. ceased to operate as a separate business entity and is no longer active in the court register, while the entire assets and all rights and obligations were transferred to the Company.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.

HIGHLIGHTS

Q2 BUSINESS DEVELOPMENT

- ▶ Continued strong commercial performance
- ▶ Network leadership: HAKOM recognition for the best mobile network in Croatia for the 2nd consecutive year
- ▶ The largest FTTH network: 25% YoY growth, building across Croatia
- ▶ Maintained the highest customer experience on the market
- ▶ Reinforced content leadership through Netflix partnership
- ▶ Implementation of indexation clause from July 2024

FINANCIALS

- ▶ Revenue up by 6.1% YoY supported by the strong commercial performance
- ▶ Adjusted EBITDA AL up 6.0% YoY driven by strong top-line performance
- ▶ Net Profit increased by 7.0%
- ▶ Revised Outlook for 2024

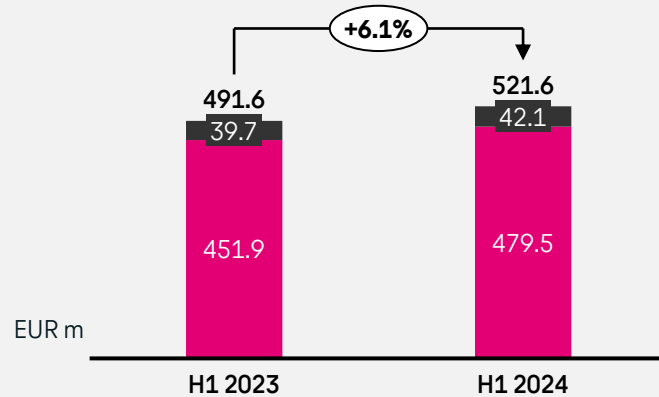
CAPITAL ALLOCATION

- ▶ Distributed EUR 1.53 dividend, the highest in over a decade
- ▶ Continued SBB throughout H1, acquired 123.4k shares

CONTINUED GROWTH DRIVEN BY POSITIVE COMMERCIAL MOMENTUM

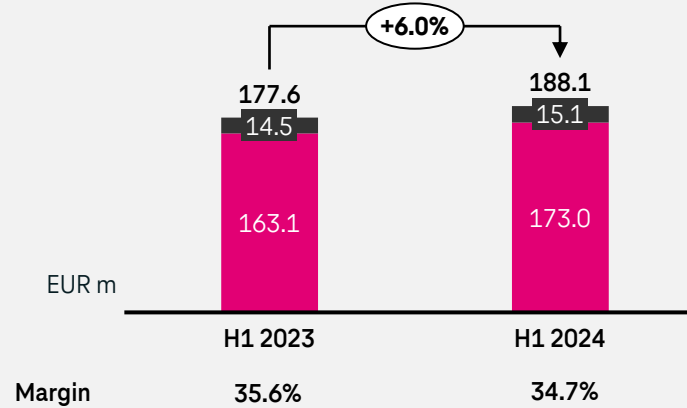
REVENUE

Continued growth supported by the strong mobile, fixed and system solutions business.



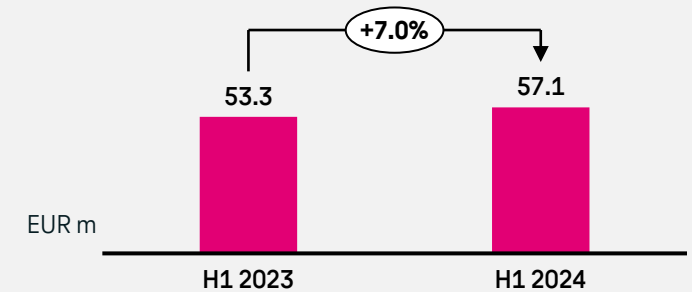
EBITDA AL¹

Adj. EBITDA AL¹ driven by robust top-line development, offsetting investments in employees and continuing inflationary pressures.



NET PROFIT²

Improved Net Profit driven by EBITDA growth.



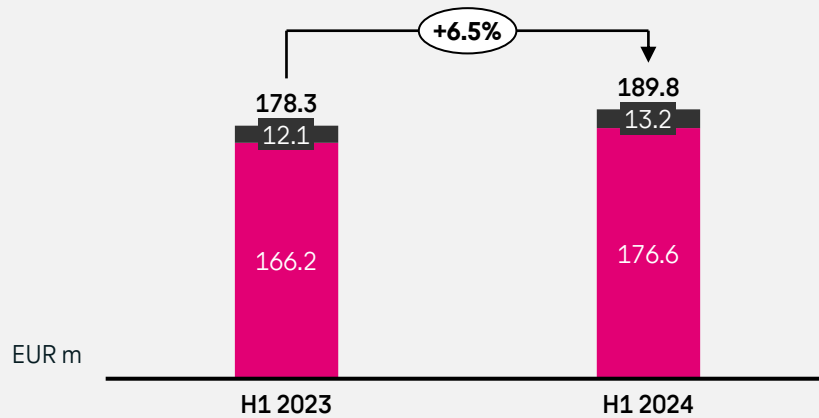
CT contribution
 HT Croatia

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

STRONG NET CASH FLOW FROM OPERATIONS SUPPORTING INCREASED INVESTMENTS

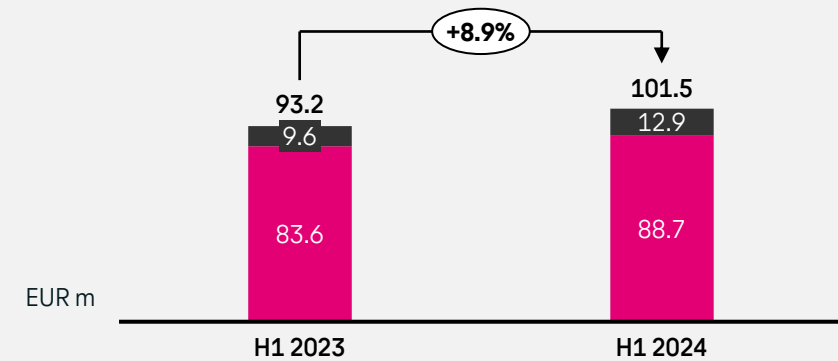
NET CASH FLOW FROM OPERATIONS

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



CAPEX AL BOOKED¹

Higher CAPEX AL reflects accelerated investments in infrastructure and digitalization.



■ CT contribution
■ HT Croatia

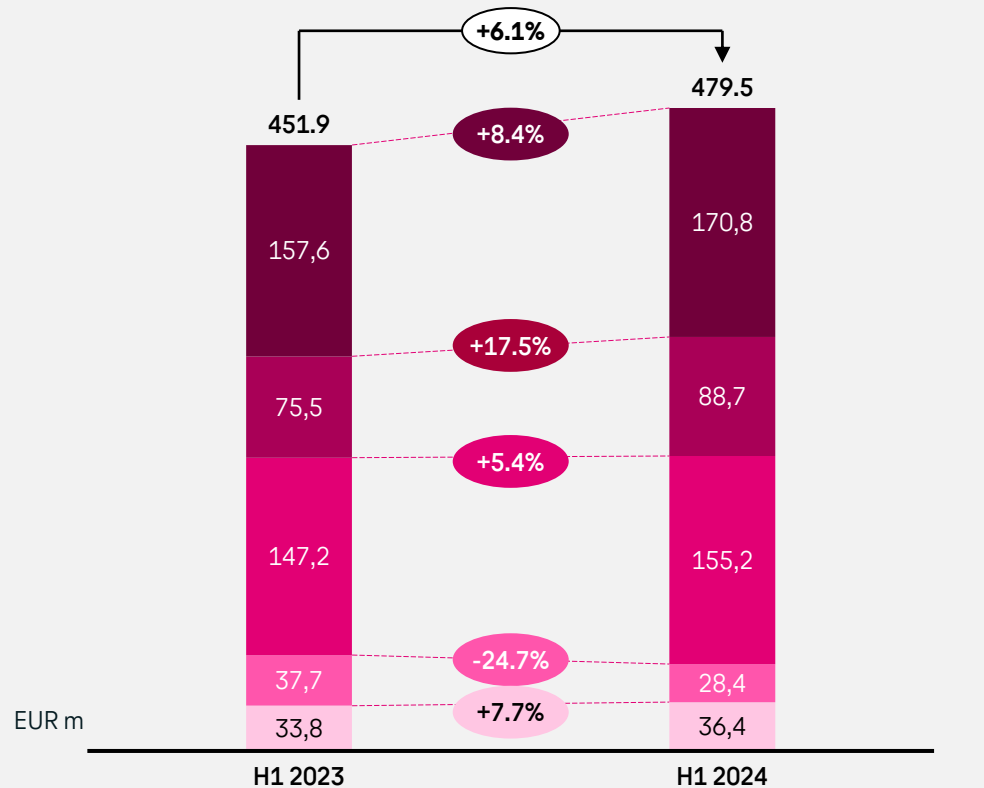
1. Excluding Spectrum

REVENUE GROWTH ACCELERATED IN Q2

HT Croatia

REVENUE BREAKDOWN

HT CROATIA



- ▶ **Mobile service revenue** increased, supported by growth in the Postpaid segment, higher value tariff upgrades, migration from pre-to-post, and price adjustments.
- ▶ **Mobile non-service revenue** growth due to predominantly successful hardware promotions.
- ▶ **Fixed service revenue** up, driven by BB, TV and Data, leveraging investments in FTTH, premium sports content, and best home experience.
- ▶ **Fixed non-service revenue** lower due to change of business model for lower margin transit business.
- ▶ **System Solutions revenue** increased due to growth in custom development, security and cloud projects.

Mobile service revenue
 Fixed service revenue
 System Solutions

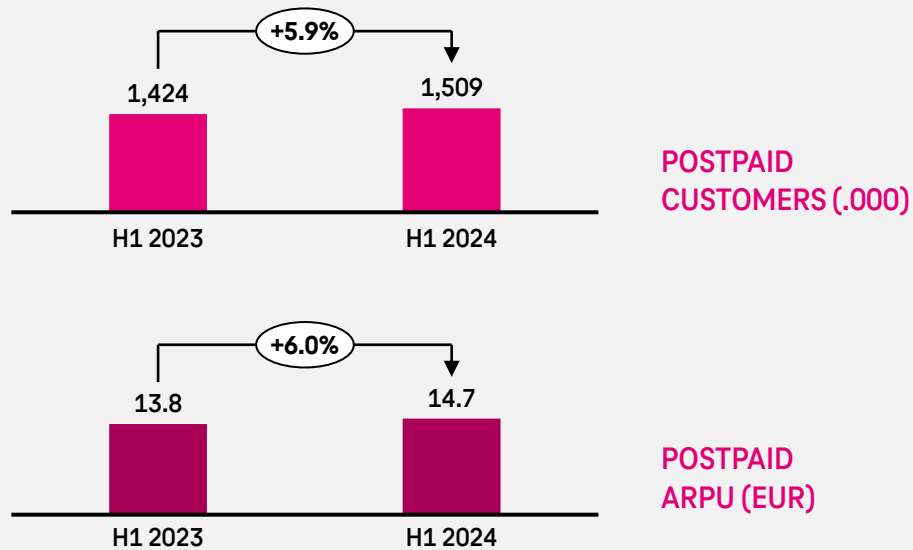
 Mobile non-service revenue
 Fixed non-service revenue

CONTINUED GROWTH OF MOBILE CUSTOMER BASE AND ARPU

HT Croatia

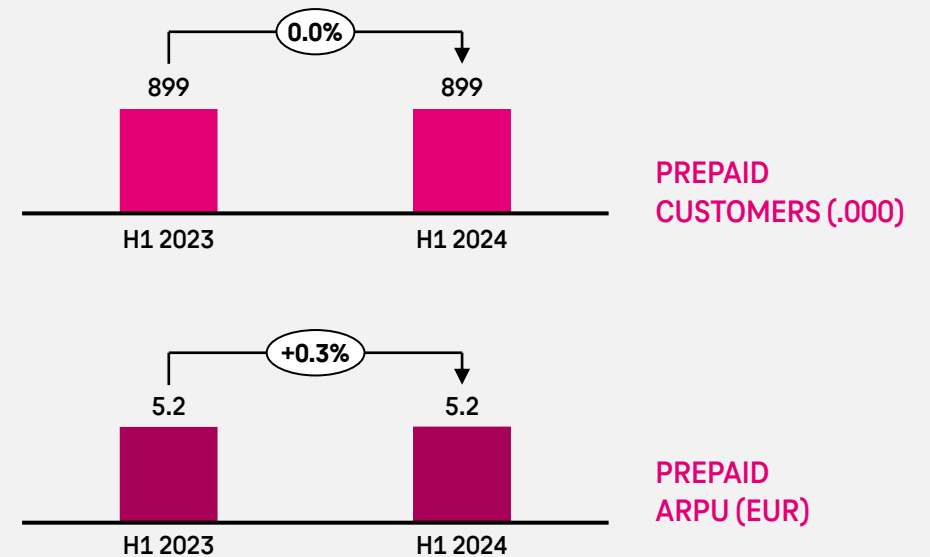
MOBILE POSTPAID

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



MOBILE PREPAID

Prepaid stable, strong Q2 due to attractive seasonal offers. ARPU slightly up as upside from more to more offers offset by migration of high value-added customers to Postpaid.

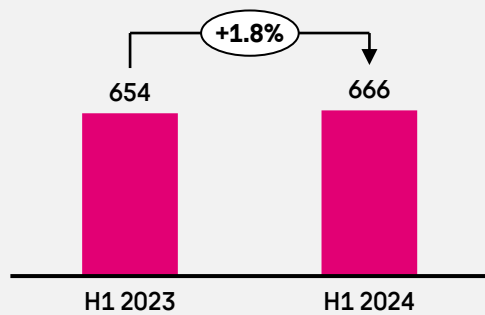


BB AND TV CUSTOMER BASE FURTHER EXPANDED

HT Croatia

BROADBAND¹

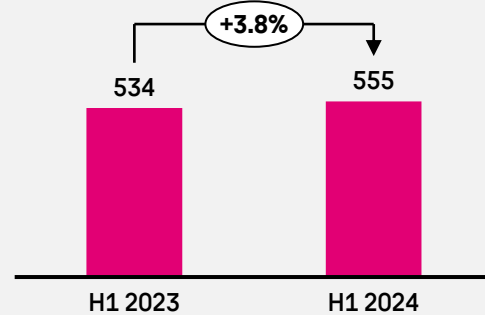
BB retail lines continue to grow due to the expansion of FTTH infrastructure.



RETAIL BROADBAND
ACCESS LINES (.000)

TV

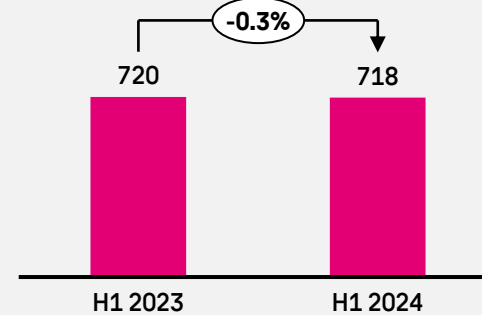
TV customer base is growing by leveraging the best content proposition.



TV CUSTOMERS
(.000)

FIXED VOICE²

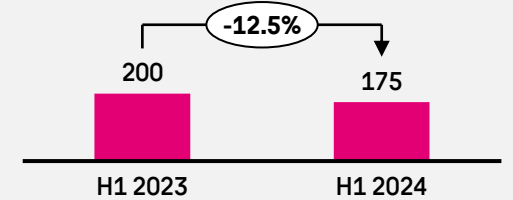
Fixed voice lines are declining, at a decelerated pace.



RETAIL FIXED VOICE
MAINLINES (.000)

WHOLESALE³

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

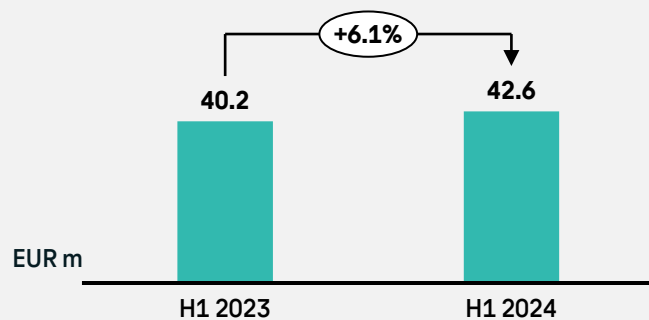
3. Includes Naked Bitstream, Bitstream, ULL, FA and WLR wholesale rental

ACCELERATED REVENUE AND EBITDA GROWTH OF CT

Montenegro

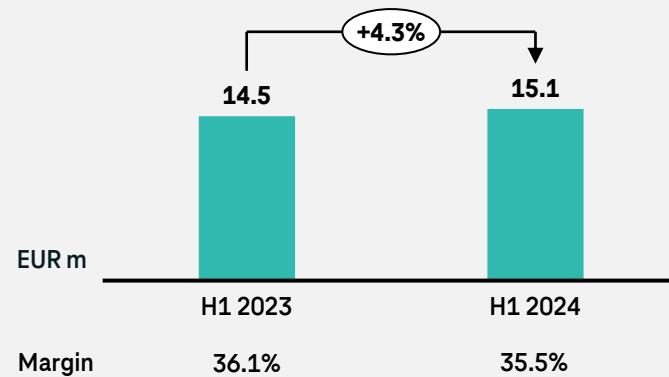
REVENUE

Strong revenue growth across almost all categories.



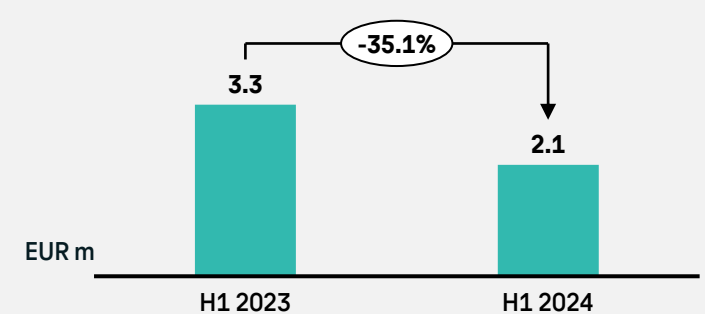
EBITDA AL¹

EBITDA AL growth reflects strong top-line development.



NET PROFIT²

Net Profit impacted mainly by higher D&A, interest expense and taxation.



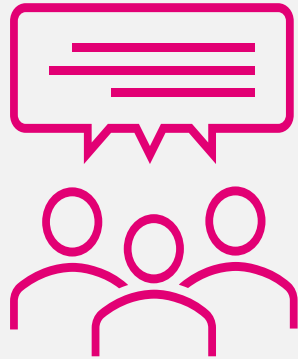
1. EBITDA after leases adjusted for exceptional items

2. Net profit after non controlling interests


NEW GROUP 2024 OUTLOOK

	2023 RESULTS	PREVIOUS OUTLOOK 2024 vs. 2023	REVISED OUTLOOK 2024 vs. 2023
REVENUE	EUR 1,039 million	Low-single-digit increase	Mid-single-digit increase
ADJ. EBITDA AL	EUR 398 million	Mid-single-digit increase	Mid-single-digit increase
CAPEX AL¹	EUR 221 million	Mid-single-digit increase	High-single-digit increase
REGIONAL EXPANSION	HT is monitoring and evaluating potential M&A opportunities	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	H1 2023	H1 2024	% of change A24/A23	Q2 2023	Q2 2024	% of change A24/A23
Mobile service revenues	175.5	189.8	8.2%	92.6	100.7	8.8%
Mobile non-service revenues	80.5	93.7	16.4%	38.3	46.6	21.7%
Fixed service revenues	159.8	168.0	5.1%	80.8	84.9	5.0%
Fixed non-service revenues	40.3	31.7	-21.2%	20.2	16.3	-19.0%
System solutions	35.5	38.4	8.1%	18.4	20.4	10.6%
Revenue	491.6	521.6	6.1%	250.3	268.9	7.4%
Other operating income	2.0	7.7	279.3%	1.0	5.2	421.5%
Total operating revenue	493.6	529.3	7.2%	251.3	274.1	9.1%
Operating expenses	295.8	322.7	9.1%	149.1	167.9	12.6%
Material expenses	153.2	161.7	5.6%	74.0	83.2	12.5%
Employee benefits expenses	78.7	93.7	19.1%	39.7	47.9	20.7%
Other expenses	62.5	66.2	5.8%	33.4	36.0	7.8%
Work performed by the Group and capitalised	-4.4	-4.2	5.1%	-2.2	-2.4	-11.2%
Net impairment losses on trade receivables and contract assets	5.8	5.3	-9.5%	4.2	3.2	-23.5%
Depreciation and amortization	130.9	133.7	2.1%	69.3	67.0	-3.3%
EBIT	66.9	73.0	9.0%	32.9	39.2	19.1%
Financial income	3.8	4.6	21.6%	2.0	2.2	8.4%
Income/loss from investment in joint ventures	0.0	0.0	-	0.0	0.0	-
Financial expenses	3.8	5.1	36.3%	1.8	2.7	52.6%
Profit before taxes	67.0	72.4	8.2%	33.1	38.7	16.7%
Taxation	12.9	14.9	15.6%	6.5	7.9	21.8%
Net profit	54.1	57.6	6.4%	26.7	30.8	15.4%
Non controlling interest	-0.8	-0.5	33.7%	-0.4	-0.3	17.7%
Net profit after non controlling interest	53.3	57.1	7.0%	26.3	30.5	15.9%
Adjusted EBITDA AL*	177.6	188.1	6.0%	90.5	95.0	5.0%
Exceptional items*	2.6	7.4	177.7%	0.2	2.2	918.7%
EBITDA AL	174.9	180.8	3.3%	90.2	92.7	2.8%

CONSOLIDATED BALANCE SHEET STATEMENT

in EUR million	At 31 Dec 2023	At 30 Jun 2024	% of change A24/A23
Intangible assets	385.8	376.7	-2.4%
Property, plant and equipment	843.5	843.7	0.0%
Non-current financial assets	0.9	0.9	0.1%
Non-current receivables	39.1	38.7	-1.1%
Prepayments and accrued income due > 1 year	28.2	26.2	-6.8%
Right-of-use assets	72.3	83.3	15.1%
Contract assets due > 1 year	8.3	9.4	13.0%
Contract costs due > 1 year	28.9	31.7	9.8%
Deferred tax asset	22.9	21.4	-6.8%
Total non-current assets	1,429.9	1,432.0	0.1%
Inventories	33.8	41.4	22.5%
Assets held for sale	31.6	31.6	0.0%
Current receivables	247.2	241.5	-2.3%
Current financial assets	29.4	32.8	11.5%
Contract assets due <= 1 year	33.0	34.8	5.6%
Contract costs due <= 1 year	12.6	12.7	0.2%
Cash and cash equivalents	233.1	163.8	-29.7%
Prepayments and accrued income due <= 1 year	10.9	13.3	22.6%
Total current assets	631.6	571.8	-9.5%
TOTAL ASSETS	2,061.5	2,003.8	-2.8%

in EUR million	At 31 Dec 2023	At 30 Jun 2024	% of change A24/A23
Subscribed share capital	1,359.7	1,359.7	0.0%
Reserves	89.8	72.3	-19.5%
Revaluation reserves	0.0	0.0	7.8%
Cash flow hedge reserves	-0.2	-7.0	-3952.4%
Treasury shares	-22.2	-3.9	82.3%
Retained earnings	99.3	108.3	9.1%
Net profit for the period	132.0	57.1	-56.8%
Non controlling interest	32.9	32.2	-2.3%
Total issued capital and reserves	1,691.5	1,618.8	-4.3%
Provisions	16.7	25.6	53.8%
Non-current liabilities	9.6	16.1	67.5%
Lease liabilities due > 1 year	50.9	55.9	9.7%
Contract liabilities due > 1 year	0.0	0.0	-
Deferred tax liability	4.1	4.1	0.1%
Total non-current liabilities	81.4	101.8	25.1%
Current liabilities	248.4	237.0	-4.6%
Lease liabilities due <= 1 year	16.0	21.5	34.3%
Contract liabilities due <= 1 year	12.1	11.7	-3.2%
Accrued expenses and deferred income	7.6	12.0	57.1%
Provisions for redundancy	4.5	1.0	-77.2%
Total current liabilities	288.6	283.3	-1.9%
Total liabilities	370.0	385.1	4.1%
TOTAL EQUITY AND LIABILITIES	2,061.5	2,003.8	-2.8%

CONSOLIDATED CASH FLOW STATEMENT

in EUR million	H1 2023	H1 2024	% of change A24/A23	Q2 2023	Q2 2024	% of change A24/A23
Profit before tax	67.0	72.4	8.2%	33.1	38.7	16.7%
Depreciation and amortization	130.9	133.7	2.1%	69.3	67.0	-3.3%
Increase / decrease of current liabilities	31.6	12.0	-62.1%	18.4	4.8	-73.8%
Increase / decrease of current receivables	-18.4	3.6	119.6%	-23.3	-10.1	56.6%
Increase / decrease of inventories	-4.7	-7.6	-62.8%	2.3	4.4	89.6%
Other cash flow increases / decreases	-28.2	-24.3	13.7%	-16.0	-12.5	21.8%
Net cash inflow/outflow from operating activities	178.3	189.8	6.5%	83.9	92.3	10.0%
Proceeds from sale of non-current assets	0.2	5.1	3241.4%	0.0	4.8	18080.9%
Proceeds from sale of non-current financial assets	0.1	0.0	-61.4%	-0.4	0.0	102.3%
Interest received	3.0	4.1	34.9%	2.0	1.9	-4.9%
Dividend received	0.0	0.0	-	0.0	0.0	-
Other cash inflows from investing activities	3.6	0.3	-	0.1	0.1	-
Total increase of cash flow from investing activities	6.9	9.5	38.3%	1.7	6.8	307.1%
Purchase of non-current assets	-209.0	-100.3	52.0%	-163.2	-39.8	75.6%
Purchase of non-current financial assets	-0.4	-0.1	-	-0.3	0.0	100.2%
Other cash outflows from investing activities	-9.9	-3.6	64.0%	1.9	-2.9	-
Total decrease of cash flow from investing activities	-219.3	-103.9	52.6%	-161.7	-42.7	73.6%
Net cash inflow/outflow from investing activities	-212.4	-94.4	55.5%	-160.0	-35.8	77.6%
Total increase of cash flow from financing activities	0.0	0.0	-	0.0	0.0	-
Dividends paid	-86.5	-119.2	-37.9%	-86.5	-119.2	-37.8%
Repayment of lease	-23.0	-23.7	-3.1%	-12.7	-12.3	3.2%
Other cash outflows from financing activities	-23.0	-21.7	5.4%	-13.0	-11.3	13.0%
Total decrease in cash flow from financing activities	-132.5	-164.7	-24.3%	-112.3	-142.9	-27.3%
Net cash inflow/outflow from financing activities	-132.5	-164.7	-24.3%	-112.3	-142.9	-27.3%
Exchange gains/losses on cash and cash equivalents	0.0	0.0	-	0.0	0.0	-
Cash and cash equivalents at the beginning of period*	373.4	233.1	-37.6%	395.2	250.2	-36.7%
Net cash (outflow) / inflow	-166.6	-69.3	58.4%	-188.3	-86.5	54.1%
Cash and cash equivalents at the end of period	206.8	163.8	-20.8%	206.8	163.8	-20.8%

*Updated quarterly view



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