



Hrvatski Telekom 9M 2024 Results

30 October 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.

HIGHLIGHTS

Q3 BUSINESS DEVELOPMENT

- ▶ Maintained growth momentum, delivered strong commercial and financial results
- ▶ The best mobile network performance ever: Ookla awards for the Best & the Fastest mobile network (6th year in a row)
- ▶ Expanded FTTH coverage by over 100k new HH in 9M 2024
- ▶ Leading customer experience on the market
- ▶ Hrvatski Telekom equips new container port in Rijeka with 5G network

FINANCIALS

- ▶ Revenue increased by 5.5%, driven by strong growth across consumer and business segments
- ▶ Adjusted EBITDA AL grew by 5.0%
- ▶ Net Profit reached EUR 106.7m

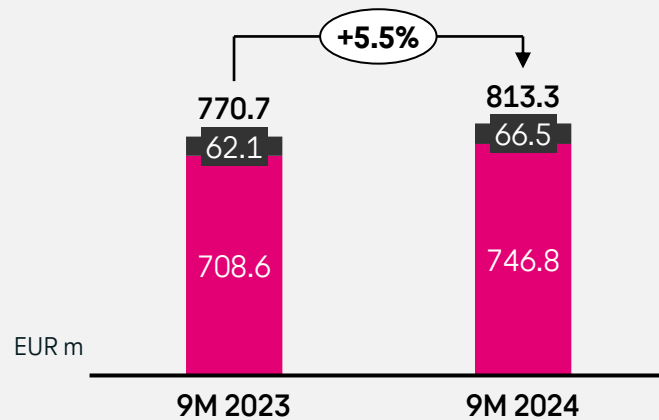
CAPITAL ALLOCATION

- ▶ EUR 124.5m (4.8%* yield) returned to shareholders through a combination of dividends and Share Buyback program
- ▶ Amended the provisions of the Share Buyback program
- ▶ 2nd Accelerated book building Auction in progress

CONTINUED GROWTH MOMENTUM

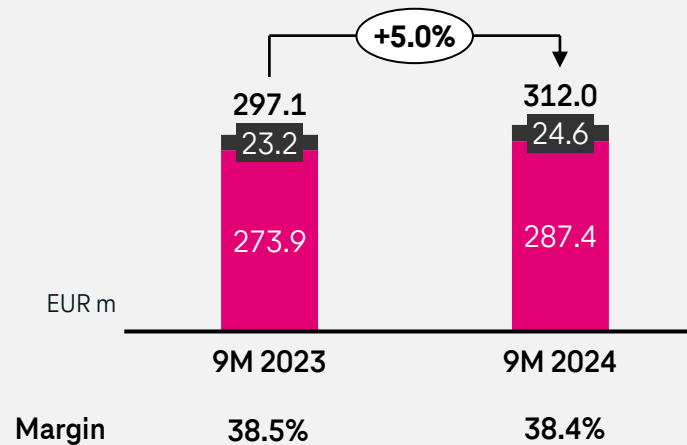
REVENUE

Growth continues, driven by the mobile, fixed and system solutions businesses.



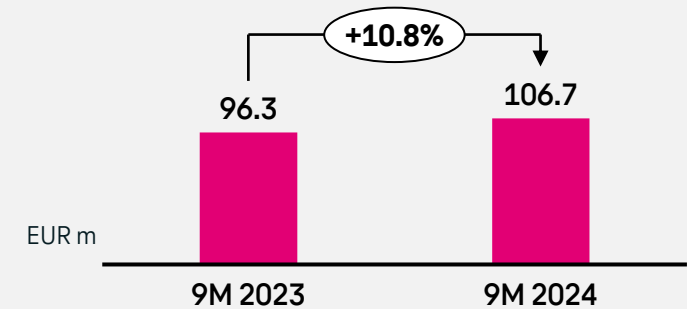
EBITDA AL¹

Adj. EBITDA AL¹ growth supported by top-line development.



NET PROFIT²

Net Profit driven by operating performance growth.



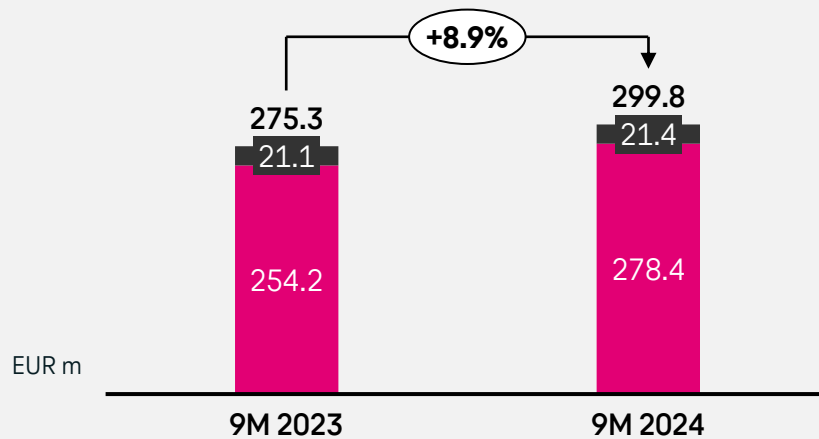
CT contribution
 HT Croatia

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

STRONG OPERATING CASH FLOW SUPPORT INVESTMENTS

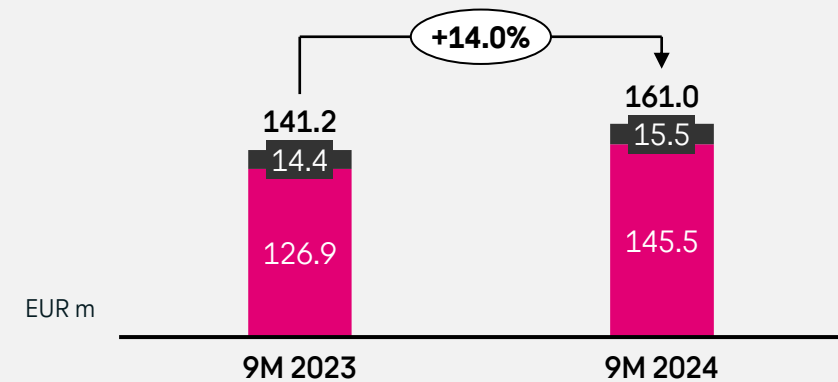
NET CASH FLOW FROM OPERATIONS

Cash flow from operating activities increased primarily due to strong operational performance.



CAPEX AL BOOKED¹

CAPEX AL growth driven by accelerated investments in infrastructure and digitalization.



■ CT contribution
■ HT Croatia

1. Excluding Spectrum

CONTINUED STRONG GROWTH IN SERVICE REVENUE

HT Croatia

REVENUE BREAKDOWN

HT CROATIA



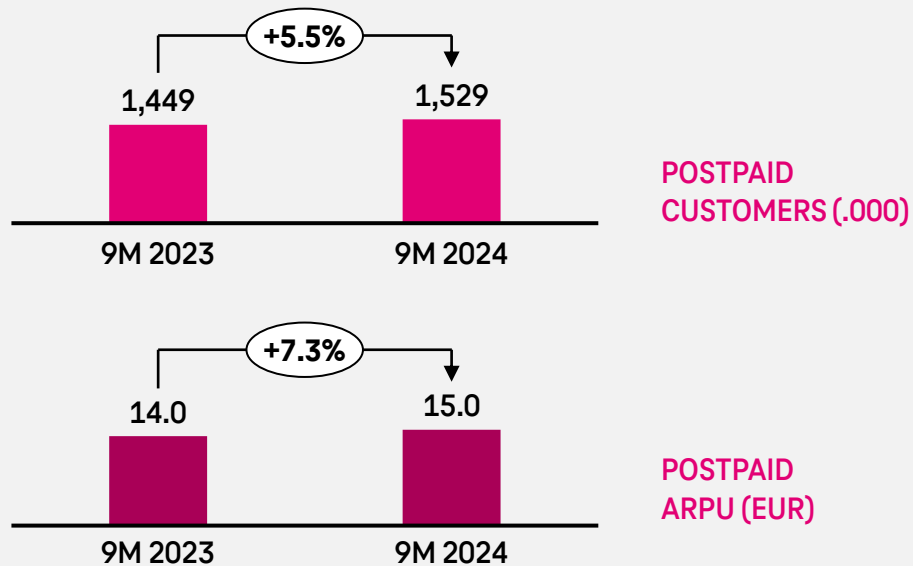
- ▶ **Mobile service revenue** increased, supported by strong growth in Postpaid, capitalizing on customer base growth, upsell to higher-value propositions and price adjustments.
- ▶ **Mobile non-service revenue** growth result of strong Handset sales in the first half of the year.
- ▶ **Fixed service revenue** up, driven by BB, TV and Data, capitalizing on investment in FTTH infrastructure and premium content.
- ▶ **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, networking and cloud projects.

STRONG GROWTH OF MOBILE CUSTOMER BASE AND ARPU

HT Croatia

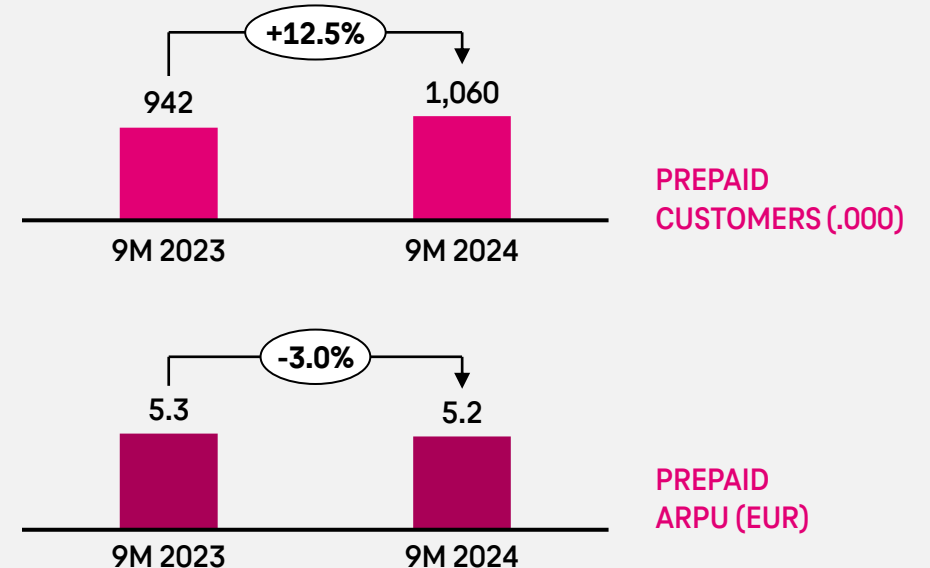
MOBILE POSTPAID

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 customers growth predominantly supported by attractive seasonal offers. ARPU contracted due to migration of high-value customers to Postpaid and summer offer for tourists.

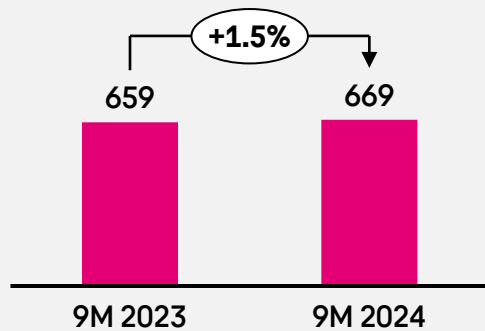


BB AND TV CUSTOMER BASE CONTINUES TO GROW

HT Croatia

BROADBAND¹

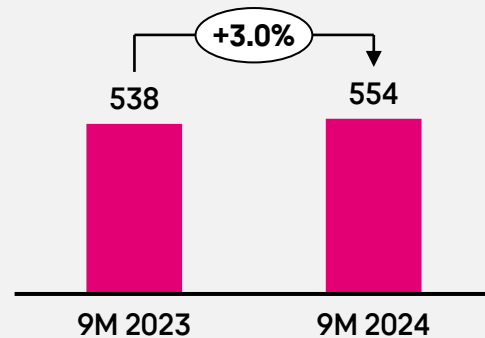
BB retail lines continue to grow as a result of the FTTH infrastructure expansion.



RETAIL BROADBAND
ACCESS LINES (.000)

TV

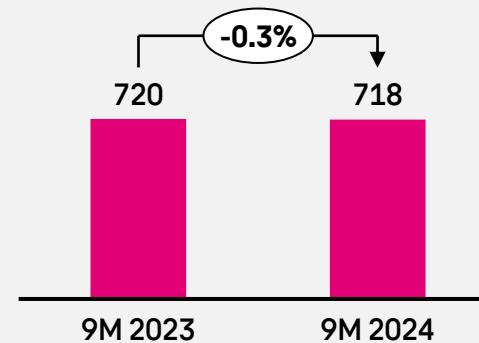
TV customer base is growing by leveraging the best content proposition.



TV CUSTOMERS
(.000)

FIXED VOICE²

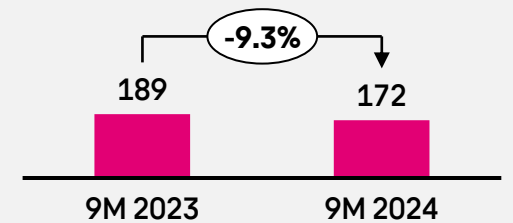
Fixed voice lines are decreasing, at a decelerated pace.



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

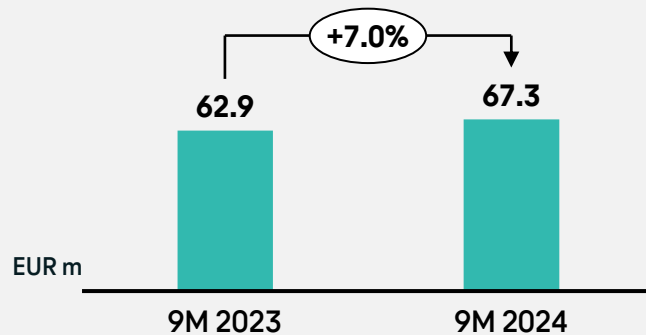
3. Includes Naked Bitstream, Bitstream, ULL, FA and WLR wholesale rental

CT: ACCELERATED REVENUE AND EBITDA GROWTH

Montenegro

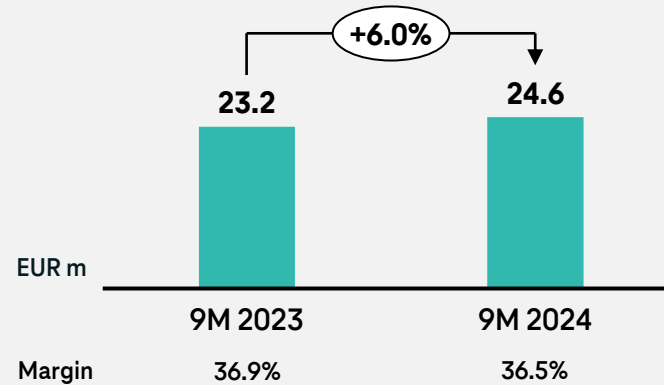
REVENUE

Strong revenue growth across all categories.



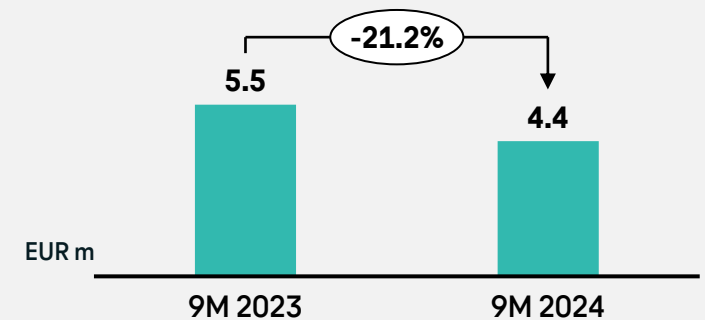
EBITDA AL¹

EBITDA AL driven by strong top-line development, offsetting effects of inflation.



NET PROFIT²

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



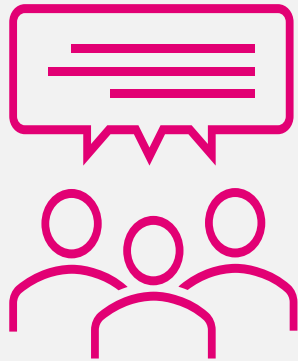
1. EBITDA after leases adjusted for exceptional items

2. Net profit after non controlling interests


GROUP 2024 OUTLOOK

	2023 RESULTS	PREVIOUS OUTLOOK 2024 vs. 2023	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	9M 2023	9M 2024	% of change A24/A23	Q3 2023	Q3 2024	% of change A24/A23
Mobile service revenues	288.5	313.3	8.6%	113.0	123.5	9.3%
Mobile non-service revenues	126.1	135.0	7.1%	45.5	41.3	-9.3%
Fixed service revenues	241.7	258.0	6.7%	81.9	90.0	9.9%
Fixed non-service revenues	59.5	48.8	-17.9%	19.3	17.1	-11.1%
System solutions	54.9	58.2	5.9%	19.5	19.8	1.8%
Revenue	770.7	813.3	5.5%	279.2	291.7	4.5%
Other operating income	3.1	8.3	168.2%	1.1	0.7	-39.1%
Total operating revenue	773.8	821.6	6.2%	280.3	292.4	4.3%
Operating expenses	451.4	483.2	7.0%	155.6	160.5	3.2%
Material expenses	235.4	243.9	3.6%	82.3	82.2	-0.1%
Employee benefits expenses	121.3	143.4	18.2%	42.6	49.7	16.5%
Other expenses	93.1	99.5	6.8%	30.6	33.3	8.9%
Work performed by the Group and capitalised	-6.1	-10.7	-75.1%	-1.7	-6.5	-287.8%
Net impairment losses on trade receivables and contract assets	7.6	7.1	-6.9%	1.8	1.8	1.7%
Depreciation and amortization	201.9	202.1	0.1%	71.0	68.4	-3.7%
EBIT	120.6	136.4	13.1%	53.7	63.4	18.2%
Financial income	6.0	6.8	13.0%	2.2	2.2	-1.9%
Income/loss from investment in joint ventures	0.0	0.0	-	0.0	0.0	-
Financial expenses	6.1	7.9	29.2%	2.4	2.8	18.0%
Profit before taxes	120.5	135.3	12.3%	53.5	62.8	17.4%
Taxation	22.8	27.5	20.4%	10.0	12.6	26.6%
Net profit	97.6	107.8	10.4%	43.5	50.2	15.3%
Non controlling interest	-1.3	-1.0	20.5%	-0.5	-0.5	1.6%
Net profit after non controlling interest	96.3	106.7	10.8%	43.0	49.7	15.5%
Adjusted EBITDA AL*	297.1	312.0	5.0%	119.5	123.8	3.6%
Exceptional items*	9.2	12.6	36.8%	6.6	5.3	-19.9%
EBITDA AL	287.8	299.3	4.0%	112.9	118.6	5.0%

*Mainly adjusted for restructuring redundancy costs and legal cases

CONSOLIDATED BALANCE SHEET STATEMENT

in EUR million	At 31 Dec 2023	At 30 Sep 2024	% of change A24/A23
Intangible assets	385.8	374.5	-2.9%
Property, plant and equipment	843.5	849.0	0.7%
Non-current financial assets	0.9	0.9	1.5%
Non-current receivables	39.1	39.3	0.5%
Prepayments and accrued income due > 1 year	28.2	25.8	-8.4%
Right-of-use assets	72.3	82.7	14.3%
Contract assets due > 1 year	8.3	9.1	8.7%
Contract costs due > 1 year	28.9	33.0	14.2%
Deferred tax asset	22.9	22.1	-3.8%
Total non-current assets	1,429.9	1,436.3	0.4%
Inventories	33.8	42.1	24.3%
Assets held for sale	31.6	31.6	0.0%
Current receivables	247.2	249.0	0.7%
Current financial assets	29.4	19.9	-32.3%
Contract assets due <= 1 year	33.0	36.2	9.6%
Contract costs due <= 1 year	12.6	12.3	-2.5%
Cash and cash equivalents	233.1	209.6	-10.1%
Prepayments and accrued income due <= 1 year	10.9	15.2	40.3%
Total current assets	631.6	615.9	-2.5%
TOTAL ASSETS	2,061.5	2,052.2	-0.5%

in EUR million	At 31 Dec 2023	At 30 Sep 2024	% of change A24/A23
Subscribed share capital	1,359.7	1,359.7	0.0%
Reserves	89.8	73.9	-17.7%
Revaluation reserves	0.0	0.0	114.0%
Cash flow hedge reserves	-0.2	-7.4	-4185.5%
Treasury shares	-22.2	-6.2	71.8%
Retained earnings	99.3	106.6	7.4%
Net profit for the period	132.0	106.7	-19.2%
Non controlling interest	32.9	32.5	-1.3%
Total issued capital and reserves	1,691.5	1,666.0	-1.5%
Provisions	16.7	24.5	47.0%
Non-current liabilities	9.6	16.0	66.5%
Lease liabilities due > 1 year	50.9	56.5	10.9%
Contract liabilities due > 1 year	0.0	0.0	-
Deferred tax liability	4.1	4.3	3.1%
Total non-current liabilities	81.4	101.3	24.5%
Current liabilities	248.4	233.0	-6.2%
Lease liabilities due <= 1 year	16.0	22.0	37.5%
Contract liabilities due <= 1 year	9.1	9.6	5.1%
Accrued expenses and deferred income	10.6	16.7	58.1%
Provisions for redundancy	4.5	3.5	-21.1%
Total current liabilities	288.6	284.9	-1.3%
Total liabilities	370.0	386.2	4.4%
TOTAL EQUITY AND LIABILITIES	2,061.5	2,052.2	-0.5%

CONSOLIDATED CASH FLOW STATEMENT

in EUR million	9M 2023	9M 2024	% of change A24/A23	Q3 2023	Q3 2024	% of change A24/A23
Profit before tax	120.5	135.3	12.3%	53.5	62.8	17.4%
Depreciation and amortization	201.9	202.1	0.1%	71.0	68.4	-3.7%
Increase / decrease of current liabilities	8.6	12.2	41.6%	-23.0	0.2	101.0%
Increase / decrease of current receivables	-13.8	-5.1	63.4%	4.6	-8.7	-289.1%
Increase / decrease of inventories	-1.8	-8.2	-348.7%	2.8	-0.6	-122.3%
Other cash flow increases / decreases	-40.0	-36.5	8.8%	-11.9	-12.2	-2.7%
Net cash inflow/outflow from operating activities	275.3	299.8	8.9%	97.0	110.0	13.3%
Proceeds from sale of non-current assets	0.8	5.2	573.2%	0.6	0.1	-81.7%
Proceeds from sale of non-current financial assets	0.1	0.0	-58.3%	0.0	0.0	-41.1%
Interest received	4.7	5.9	24.4%	1.7	1.8	5.5%
Dividend received	0.0	0.0	-	0.0	0.0	-
Other cash inflows from investing activities	4.1	10.2	-	0.5	10.0	-
Total increase of cash flow from investing activities	9.7	21.4	120.5%	2.8	11.9	320.8%
Purchase of non-current assets	-250.6	-152.2	39.3%	-41.6	-51.9	-24.7%
Purchase of non-current financial assets	-0.3	-0.1	-	0.0	0.0	-113.7%
Other cash outflows from investing activities	-10.9	-1.0	91.0%	-1.0	2.6	-
Total decrease of cash flow from investing activities	-261.8	-153.2	41.5%	-42.6	-49.3	-15.8%
Net cash inflow/outflow from investing activities	-252.1	-131.9	47.7%	-39.7	-37.4	5.8%
Total increase of cash flow from financing activities	0.0	0.0	-	0.0	0.0	-
Dividends paid	-86.9	-119.2	-37.2%	-0.4	0.0	100.0%
Repayment of lease	-32.3	-34.0	-5.3%	-9.3	-10.3	-10.9%
Other cash outflows from financing activities	-46.2	-38.1	17.4%	-23.3	-16.4	29.4%
Total decrease in cash flow from financing activities	-165.4	-191.4	-15.7%	-32.9	-26.7	18.9%
Net cash inflow/outflow from financing activities	-165.4	-191.4	-15.7%	-32.9	-26.7	18.9%
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%	206.8	163.8	-20.8%
Net cash (outflow) / inflow	-142.2	-23.5	83.5%	24.4	45.9	88.2%
Cash and cash equivalents at the end of period	231.2	209.6	-9.3%	231.2	209.6	-9.3%

*Updated quarterly view



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

Corporate Contact

Hrvatski Telekom d.d
Radnička cesta 21
10000 Zagreb