

MAGYAR TELEKOM GROUP Q1 2022 RESULTS PRESENTATION

May 11, 2022



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DISCLAIMER

This investor presentation contains forward-looking statements. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore should not have undue reliance placed upon them. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors are described in, among other things, our Annual Reports for the year ended December 31, 2021 available on our website at <http://www.telekom.hu>.

In addition to figures prepared in accordance with IFRS, Magyar Telekom also presents non-GAAP financial performance measures, including, among others, EBITDA, EBITDA AL, EBITDA margin, and net debt. These non-GAAP measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS. Non-GAAP financial performance measures are not subject to IFRS or any other generally accepted accounting principles. Other companies may define these terms in different ways. For further information relevant to the interpretation of these terms, please refer to the chapter “Financial and operational data set”, which is posted on Magyar Telekom’s Investor Relations webpage at www.telekom.hu/investor_relations.

FIRM FOCUS ON STRATEGIC PRIORITIES

Network

- Continued fiber rollout to provide seamless connectivity to expanding base
- RAN modernization continues, supporting accelerated demand for increased capacity



71%

gigabit capable network



1325

base stations modernized (RAN program)

Customers

- Customers choosing to sign up for an increasing number of our services
- Continued strong momentum in mobile data and gigabit broadband demand



8.7 GB

average monthly mobile data usage in Q1 2022 (up 30% YoY)



43%

Of residential customers on gigabit capable network signed up for Gigabit speed broadband package

Resilience

- Tackle challenges from the fast-changing macro-economical environment
- Focus on smart control and conservative approach on our operating expenses



Other operating expenses kept under control



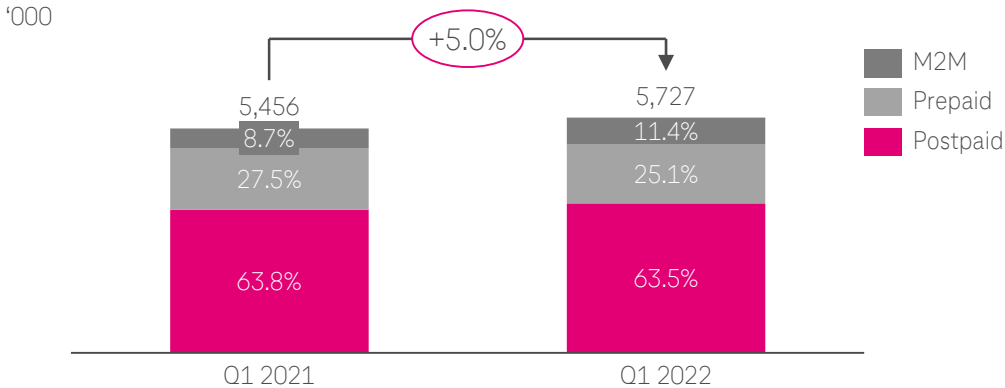
Intention and plan to shift towards greener energy sources



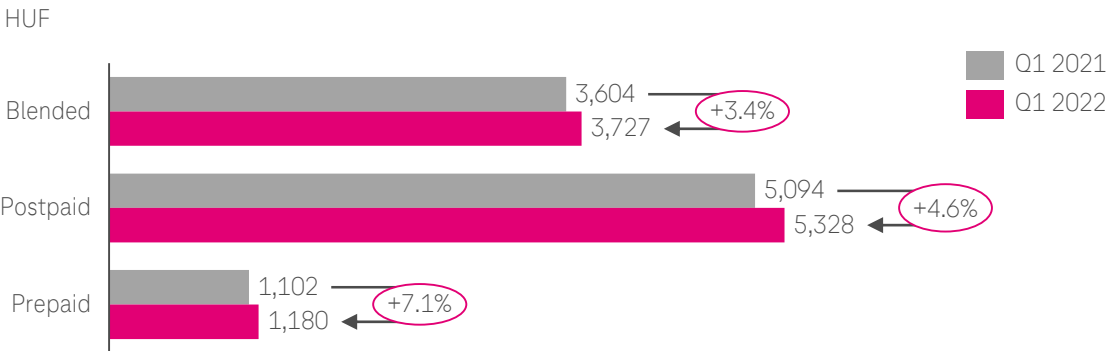
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ARPU GROWTH IN HUNGARY DRIVEN BY FAVORABLE SUBSCRIBER BASE TRENDS AND STRONG DATA USAGE

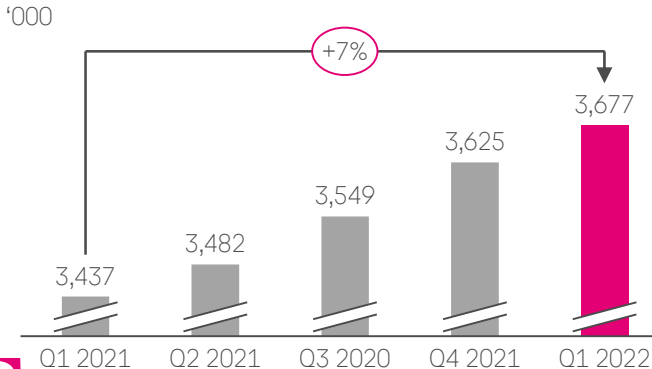
Mobile SIMs



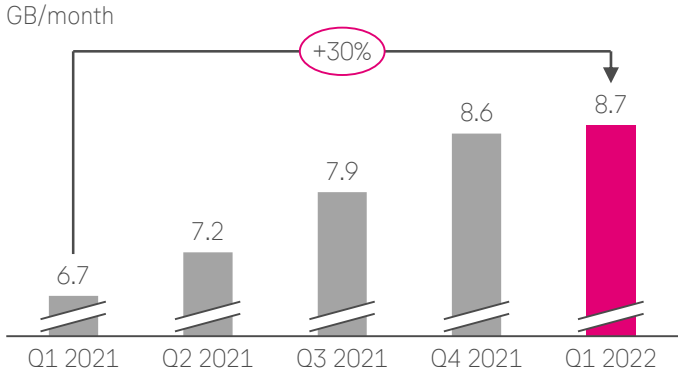
Mobile ARPU



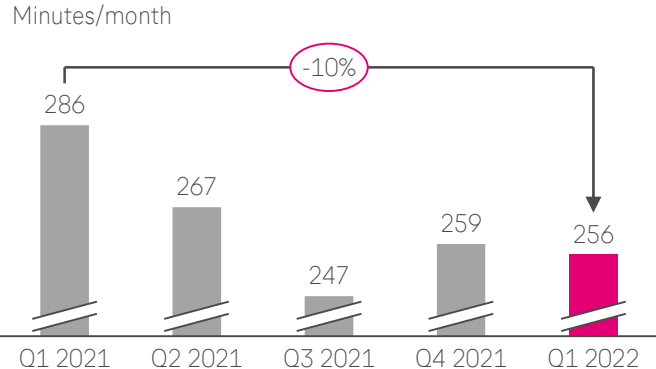
Mobile data SIMs



Mobile broadband usage

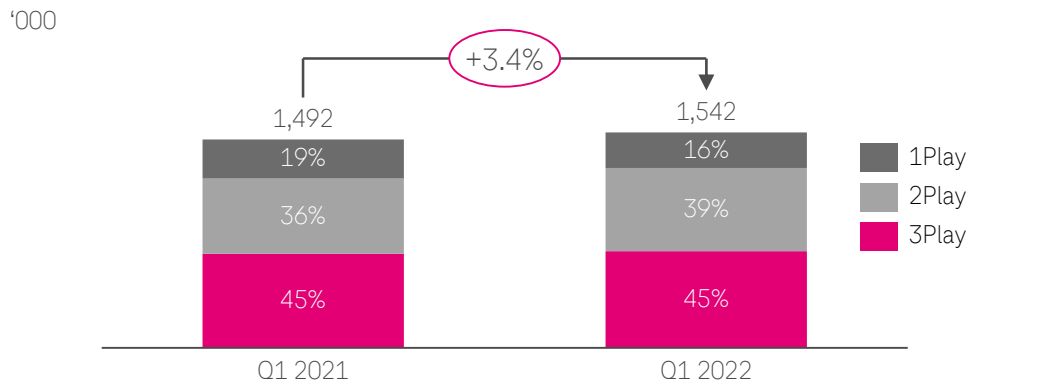


Mobile voice usage

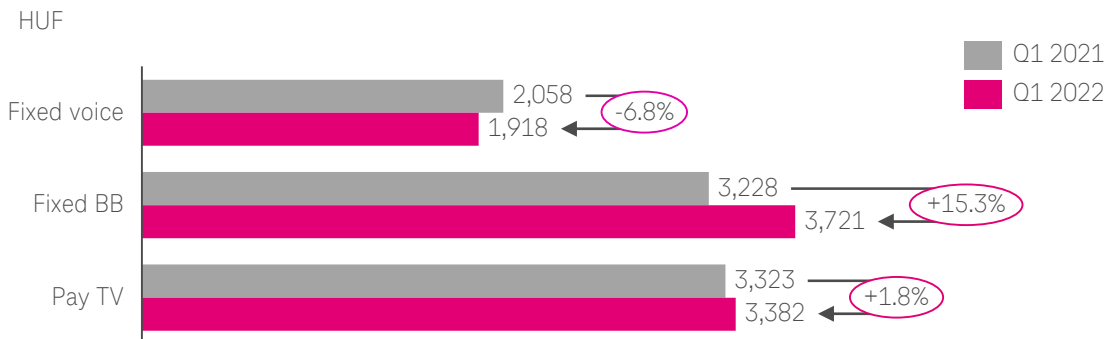


GROWING CUSTOMER BASE COUPLED WITH BB AND TV ARPU TRENDS DRIVING GROWTH IN HUNGARY

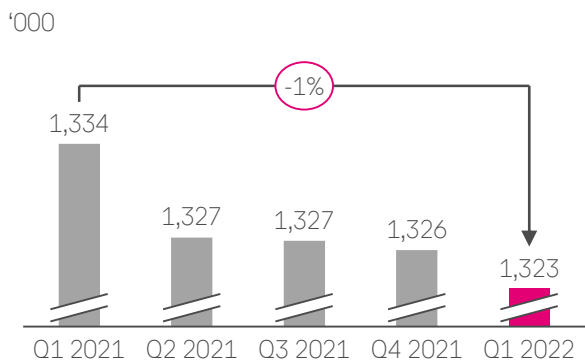
Fixed line multiplay residential subscribers



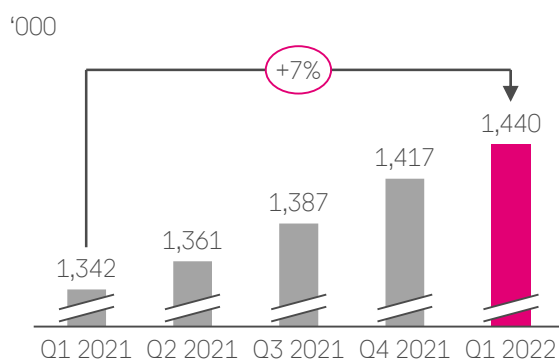
Fixed Voice, BB and TV ARPU



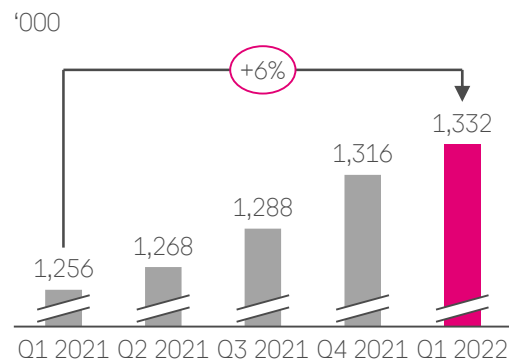
Fixed voice customers



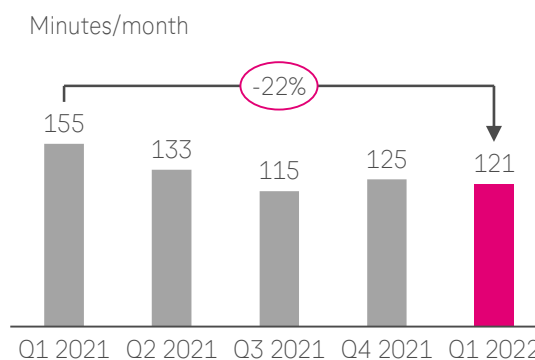
Fixed broadband customers



Pay TV customers

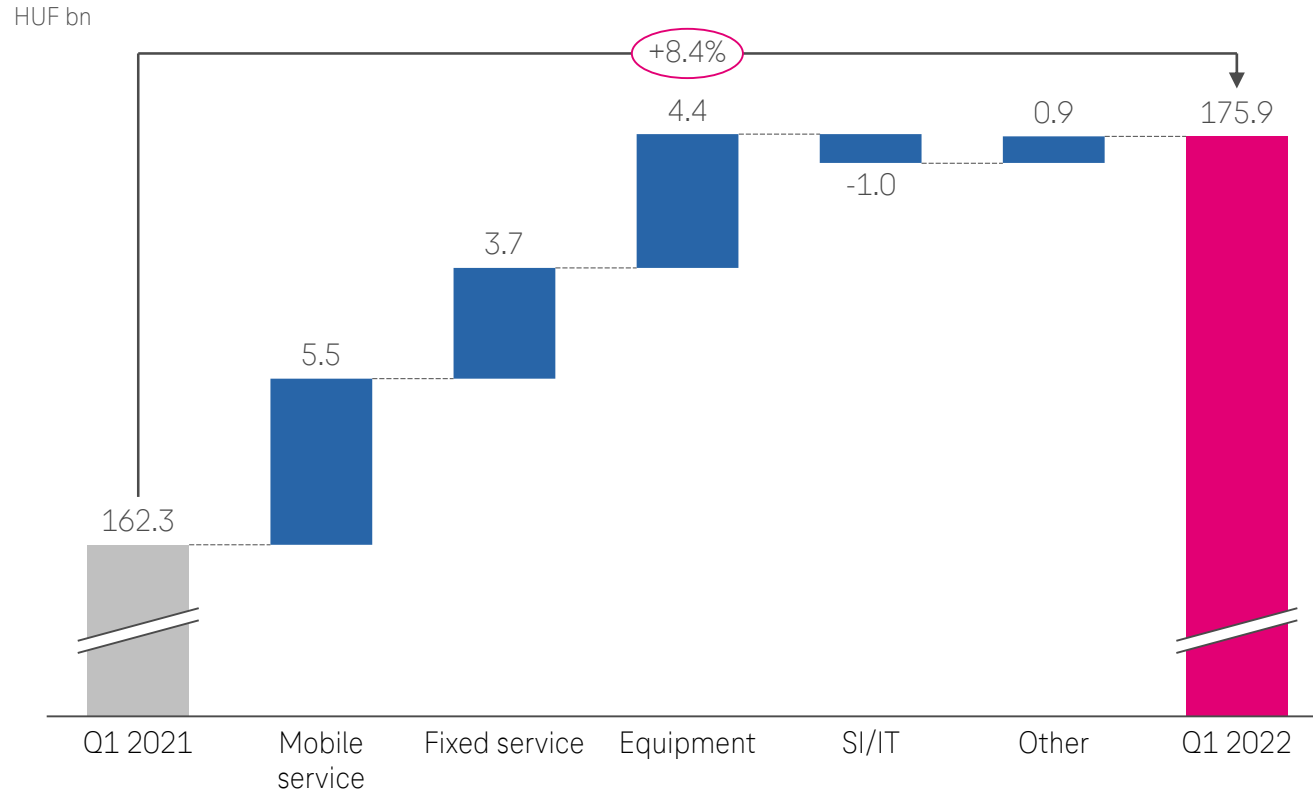


Fixed voice usage



REVENUE GROWTH DRIVEN BY SUSTAINED COMMERCIAL MOMENTUM

Revenue, Q1 2022 vs Q1 2021



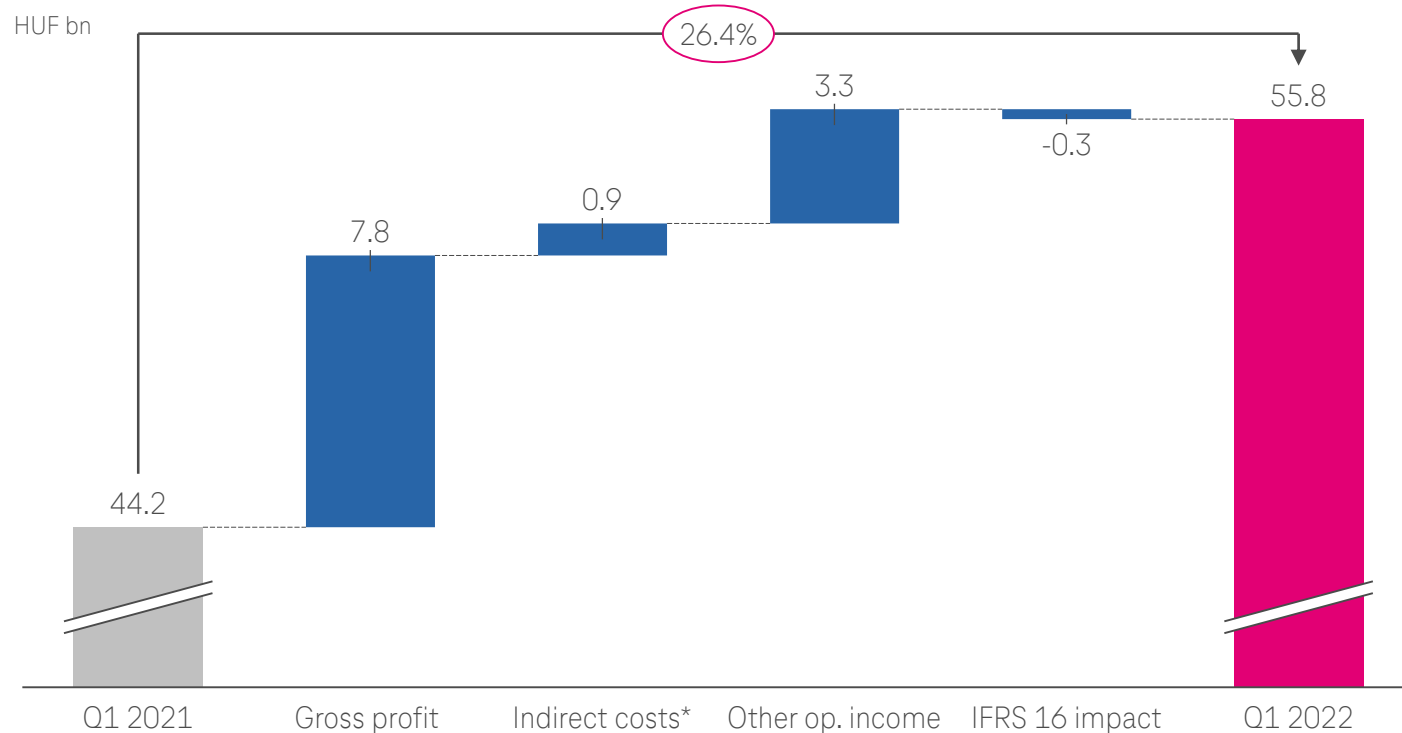
- Growth in mobile service revenues driven by strong data demand that offset lower voice revenue contribution
- Fixed service growth driven by broadband and TV services
- Increase in equipment sales mostly driven by higher average handset prices
- SI/IT decline attributable to absence of revenues from Pan-Inform LLC, following its disposal by the Group and lower revenues from the public sector



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FAVORABLE BUSINESS TRENDS AND ONE-OFF GAIN LEADING TO OUTSTANDING EBITDA GROWTH

EBITDA AL, Q1 2022 vs Q1 2021



- Strong increase in gross profit attributable to positive underlying telecommunication service developments
- Decrease in indirect costs primarily driven by lower employee-related expenses
- Higher other operating income attributable to one-off gain on IT subsidiary sale

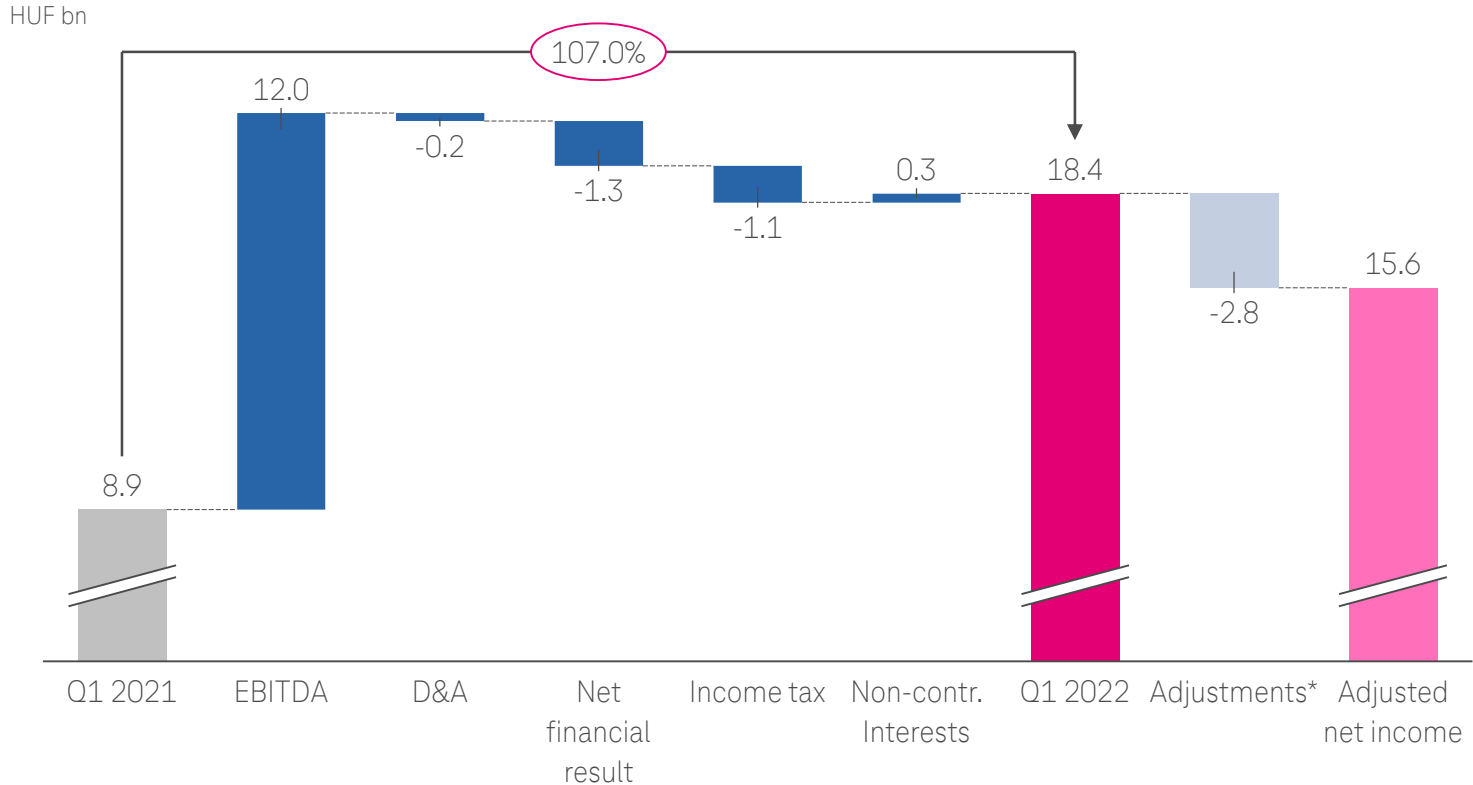


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*without other operating income

POSITIVE NET INCOME TREND DRIVEN BY STRONG EBITDA GROWTH

Net income (and adjusted net income), Q1 2022 vs Q1 2021



- Increase in D&A related to RAN modernization in North Macedonia
- Net financial result down YoY due to lower derivative-related gains
- Decline in non-controlling interests reflects lower profit in North Macedonia, due to elevated D&A
- Net income adjustments mostly relate to non-realized gains on measuring derivatives at fair value



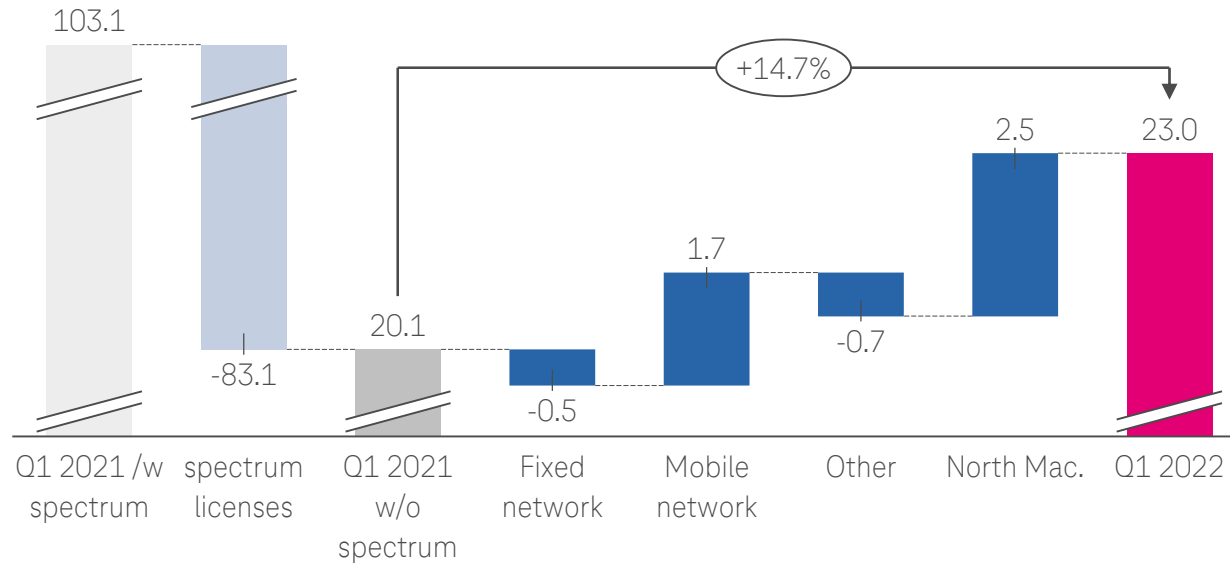
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*Unaudited

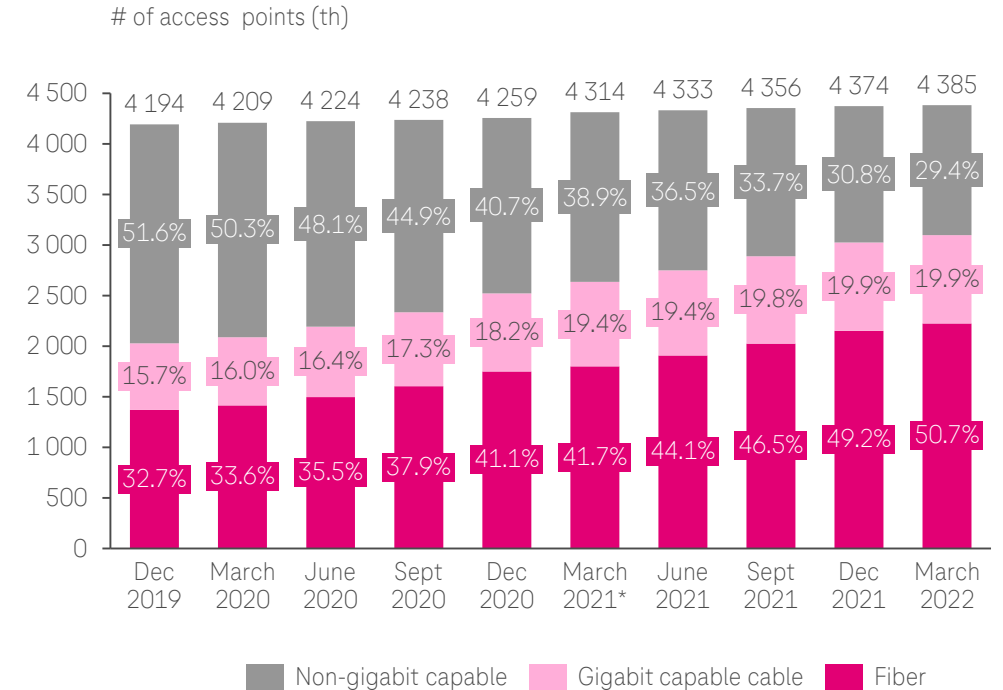
CONTINUED FOCUS ON NETWORK DEVELOPMENT

CAPEX AL, Q1 2022 vs Q1 2021

HUF bn



Gigabit capable fixed network development

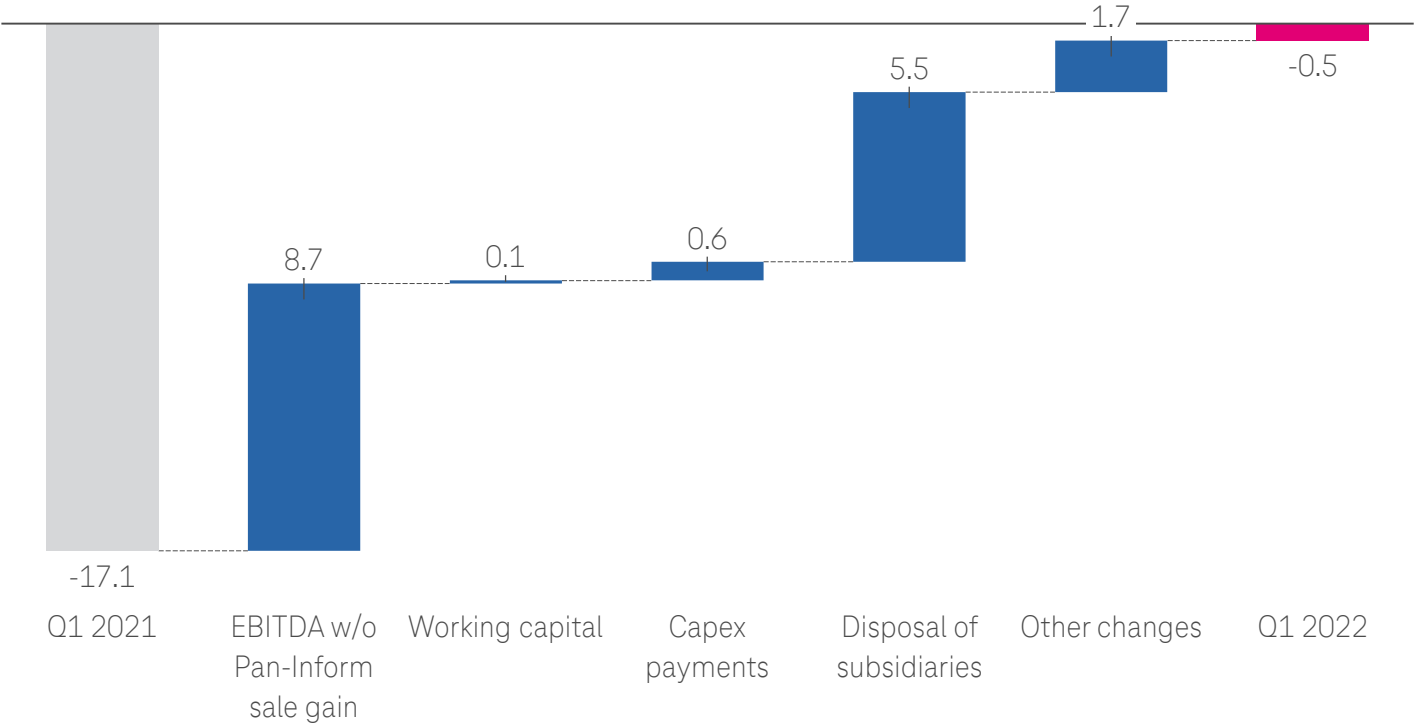


- Lower investment in fixed network upgrade and replacement, while fiber rollout continued at pace
- Continued RAN modernization in Hungary with different timing of investments vs Q1 2021
- Increased investment in North Macedonia, driven by RAN modernization and year-on-year higher TV content capitalization

FREE CASHFLOW SUPPORTED BY STRONG EBITDA AND SUBSIDIARY DISPOSAL

Free cashflow, Q1 2022 vs Q1 2021

HUF bn



- Improvements attributable to
 - Favorable business performance
 - Lower interest payments due to reduced debt and some temporary timing differences
 - Proceeds from disposal of subsidiary
 - Lower Capex outpayments reflects different in-year seasonality

DELIVERY AGAINST FINANCIAL TARGETS

	2021 results	2022 guidance	Q1 2022 results (change YoY)
REVENUE	HUF 700.1 bn	1%-3% growth	HUF 175.9 bn (+8.4%)
EBITDA AL	HUF 216.3 bn	3%-5% growth	HUF 55.8 bn (+26.4%)
CAPEX AL ¹	HUF 109.3 bn	broadly stable	HUF 23.0 bn (+14.7%)
FCF ¹	HUF 56.2 bn	at least HUF 70 bn	HUF -0.5bn n.a

¹ EXCLUDING SPECTRUM LICENSES



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Q&A

For further questions please contact the IR department:

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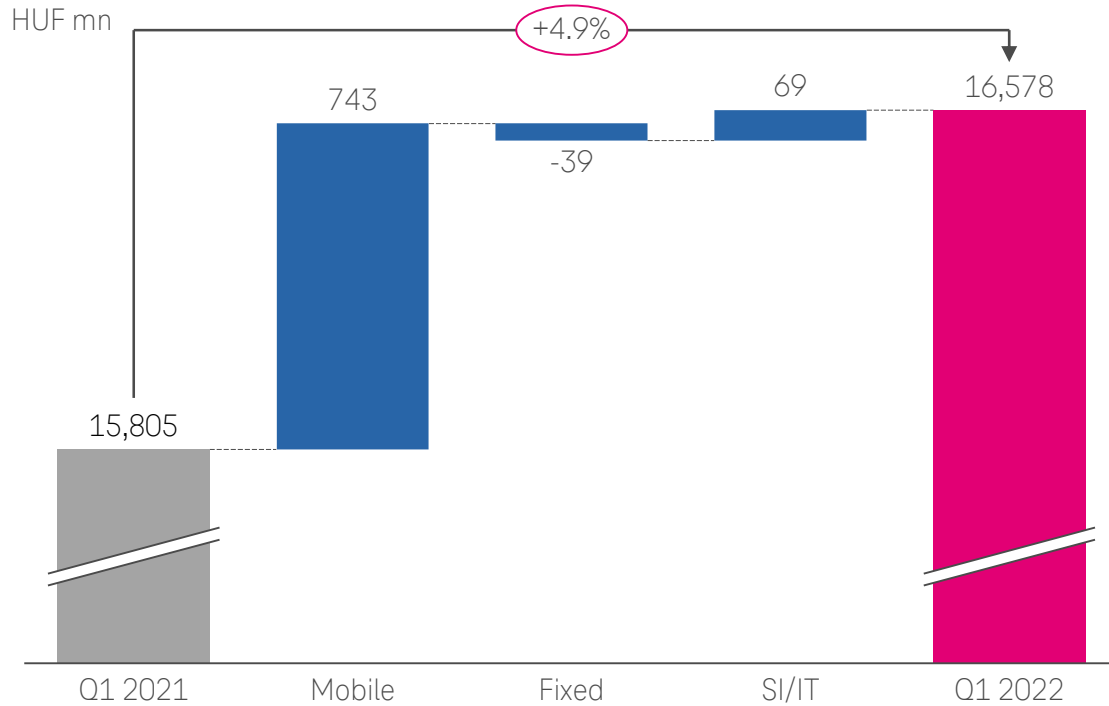
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NORTH MACEDONIA: Q1 2022 RESULTS

Revenues, Q1 2022 vs Q1 2021



EBITDA AL, Q1 2022 vs Q1 2021

