

MAGYAR TELEKOM INVESTOR PRESENTATION

March 2025



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, 2023 available on our website at <http://www.telekom.hu>.

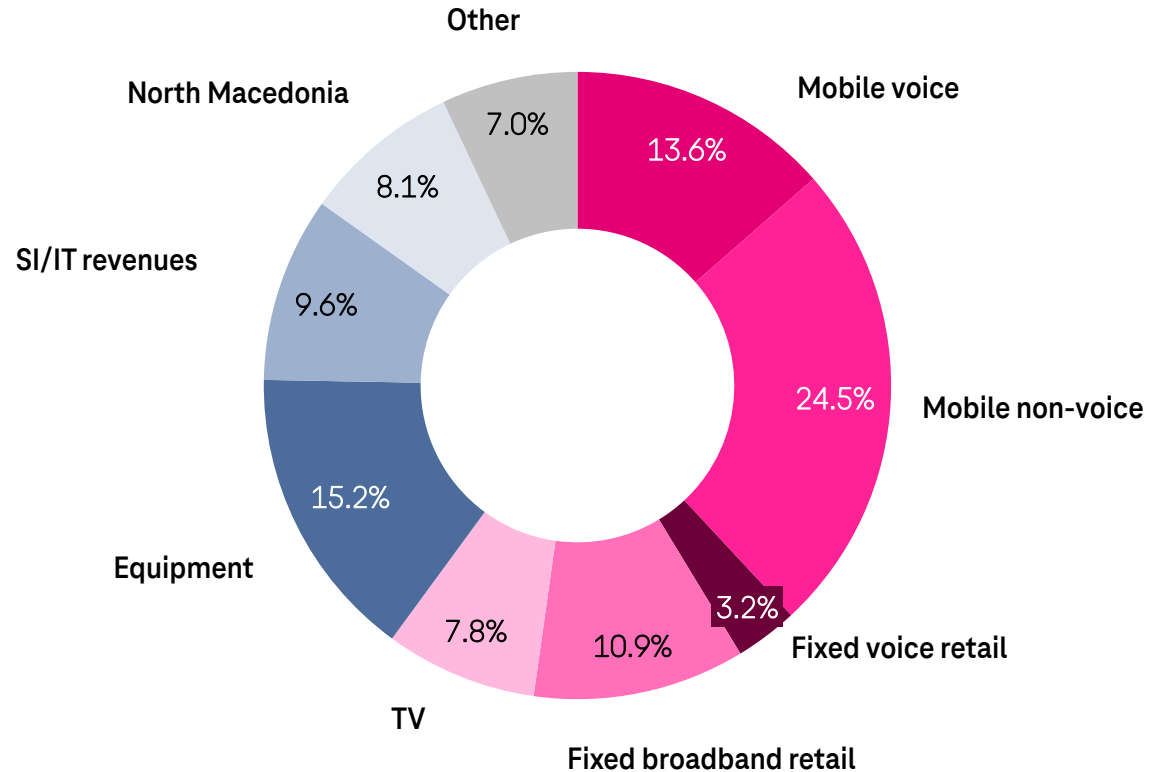
In addition to figures prepared in accordance with IFRS, Magyar Telekom also presents non-GAAP financial performance measures, including, among others, EBITDA, EBITDA AL, EBITDA margin, and net debt. These non-GAAP measures should be considered in addition to, but not as a substitute for, the information 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.

Magyar Telekom at a glance

Overview

- Integrated ICT operations in Hungary and North Macedonia
 - Leading telecommunications service provider in both countries
 - Leading SI/IT service provider in Hungary
 - Offering full spectrum of fixed and mobile services across both markets
- Majority owned by Deutsche Telekom (65.78%)
- EUR 3.8 bn market capitalization¹
- Primary listing on Budapest Stock Exchange
- Level I ADR program, ADSs traded on the OTC Market

2024 revenue composition



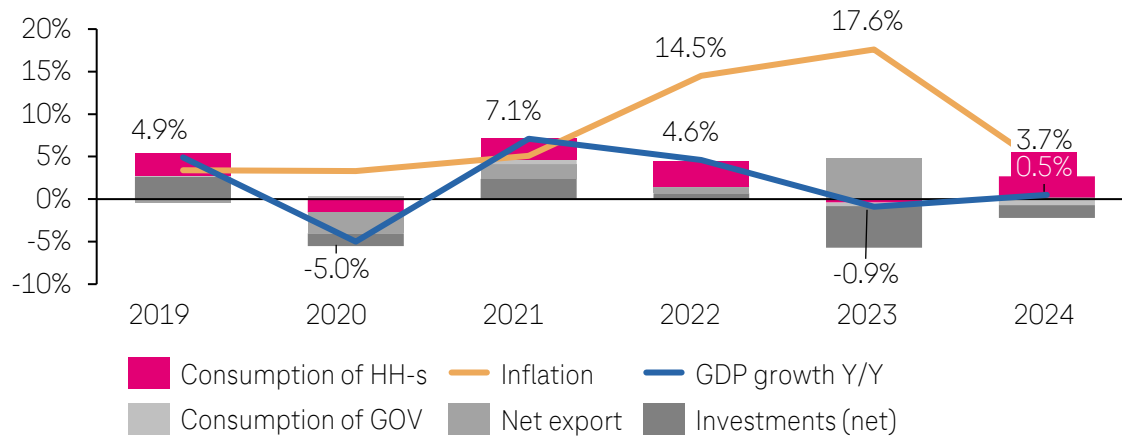
¹ As of March 14, 2025

INVESTMENT HIGHLIGHTS



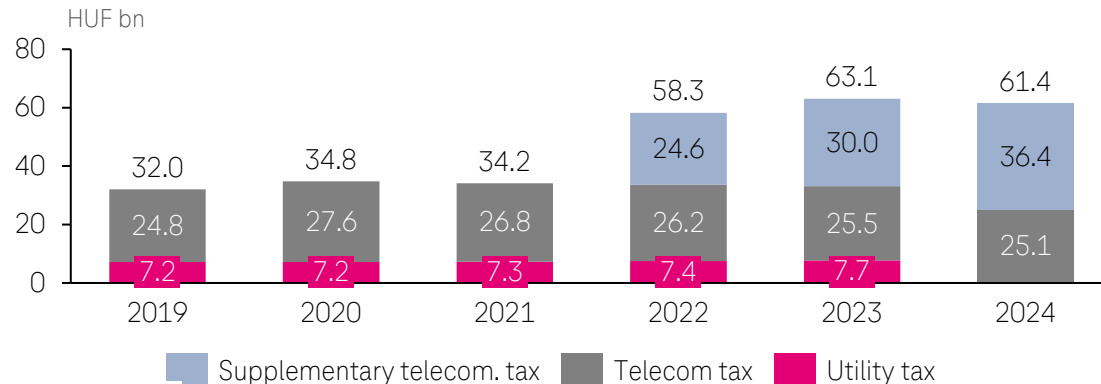
More favourable environment with sector-specific tax removals

Key macroeconomic indicators



- **Inflation** up again in H2 2024, reaching 5.5% yoy in January 2025
- **GDP** decline in 2023 and H1 2024 due to weaker household consumption, tighter fiscal policy and low investment levels
- Moderate improvement in **GDP** in H2 2024 driven by some recovery in household consumption

Sector-specific taxes levied on Magyar Telekom*



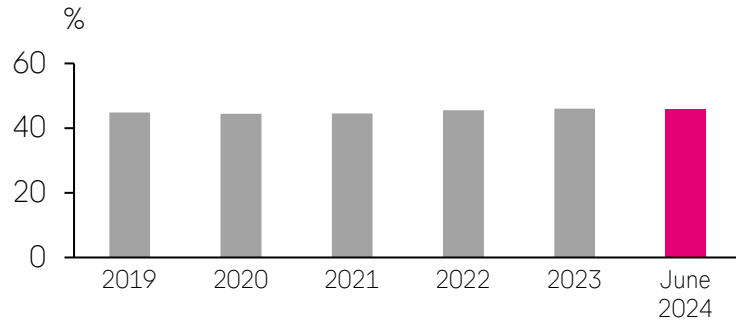
- Financial performance during 2012-2024 affected by sector-specific taxes
 - Traffic-based **telecom tax** introduced in July 2012 and increased in August 2013
 - **Utility tax** levied based on network length in 2013, eliminated in 2024
 - Temporary revenue-based **supplementary telecommunication tax** payable for 2022, 2023 and 2024



* Sector specific taxes booked as part of Operating Expense reducing EBITDA

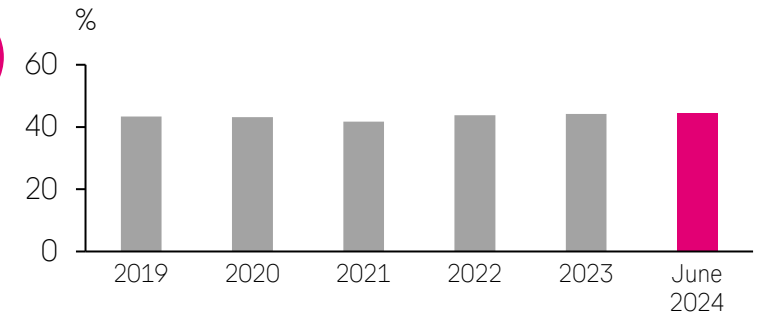
Strong market leading position

Mobile voice SIM market share¹

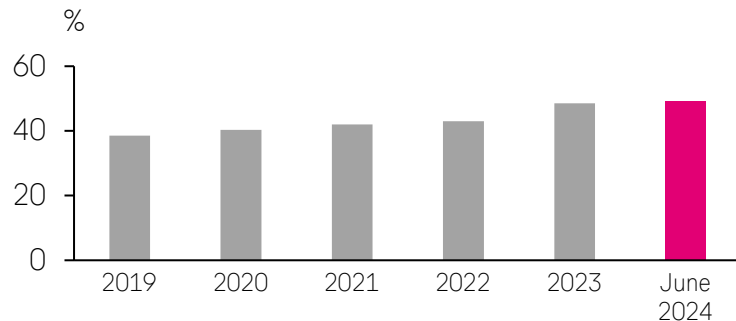


Stable leading position in the Hungarian mobile market

Mobile data SIM market share¹

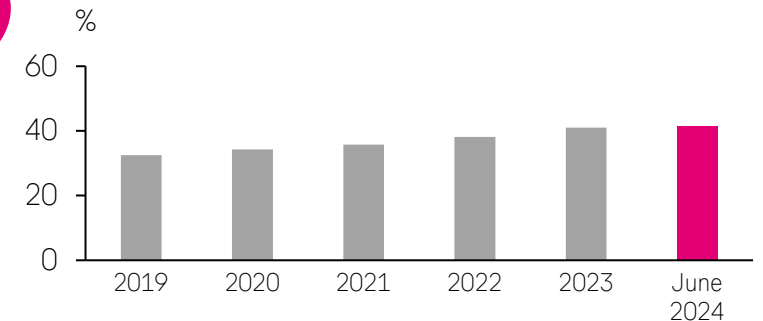


Fixed broadband market share²



Increasing Hungarian fixed broadband and TV market share

TV market share²



Competitors:

- 4iG: integrated fixed-mobile-IT offering; Yettel/Cetin: mobile only operations; Vantage: Vodafone Group's local tower co.; Small privately-owned cable companies

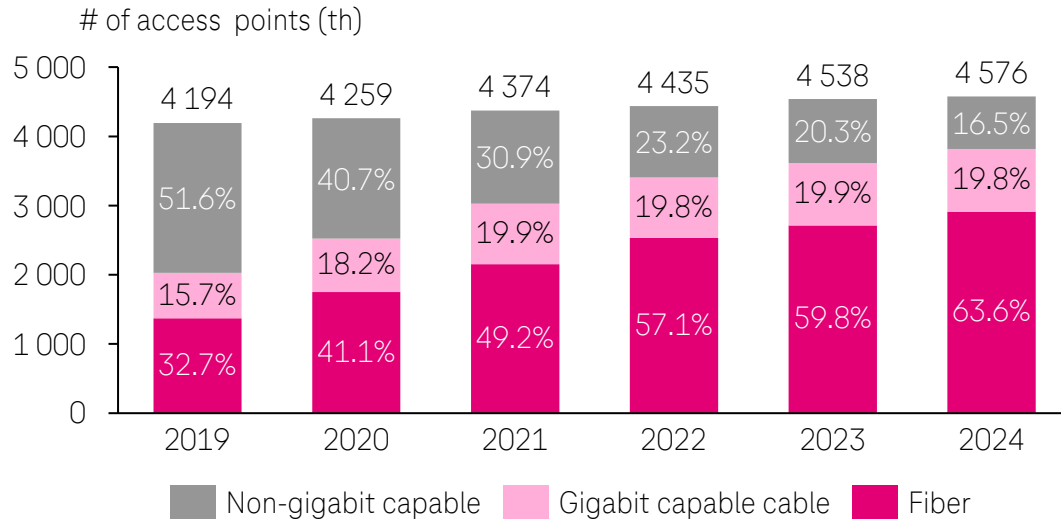


¹ Based on the total voice/internet traffic generating SIM cards data published by the National Media and Infocommunications Authority (NMIA)

² Based on the BB access/ pay TV data published by the National Media and Infocommunications Authority (NMIA) and internal data and estimates

Outstanding networks: a critical differentiator

Continuous investment into our fixed network

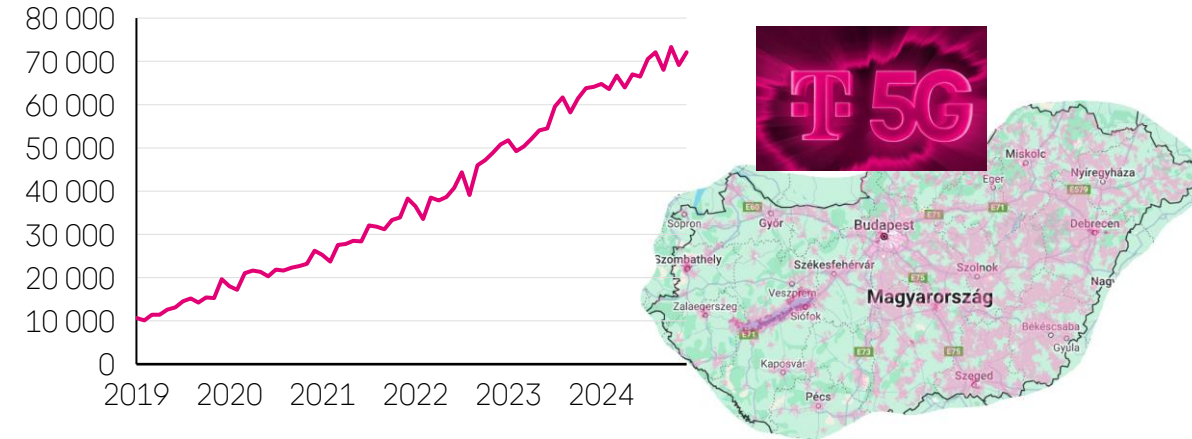


- Continued **fiber rollout** to provide seamless connectivity to a growing customer base
- Gradual copper retirement to increase efficiency
- Gigabit availability** across 3.8 million access points or ~70% of country-wide network
- Goal:** connect 4.5 million Hungarian homes and businesses by end-2027



Facilitating growing mobile data usage

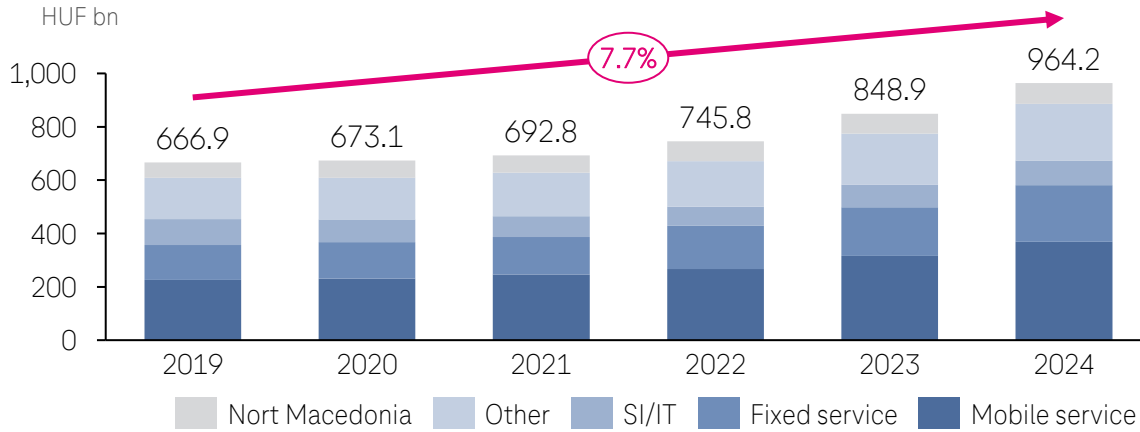
Total monthly mobile traffic (GB thousand)



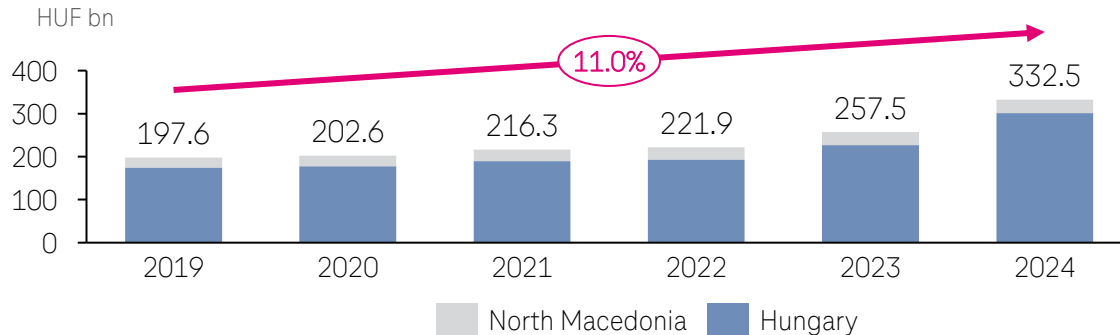
- Steady growth in **mobile data** traffic driven by expanding customer base and increasing data usage
- Enhanced capacity and availability following completion of 5-year RAN modernization project
- Population-based **5G** coverage at 74%
- Goal:** increase population-based outdoor 5G coverage to 99% by end-2026

Consistent improvement in revenue and profitability

Magyar Telekom revenues



Magyar Telekom EBITDA AL



Seamless connectivity experience



Strong brand, excellent servicing & more-for-more pricing strategy



~90% Employees in Budapest HQ working under agile framework



Inflation-based fee adjustment introduced & Other operating expenses kept under control



ISS Corporate Solutions ranked Magyar Telekom among the best performers of the telecom sector globally with 'B' rating



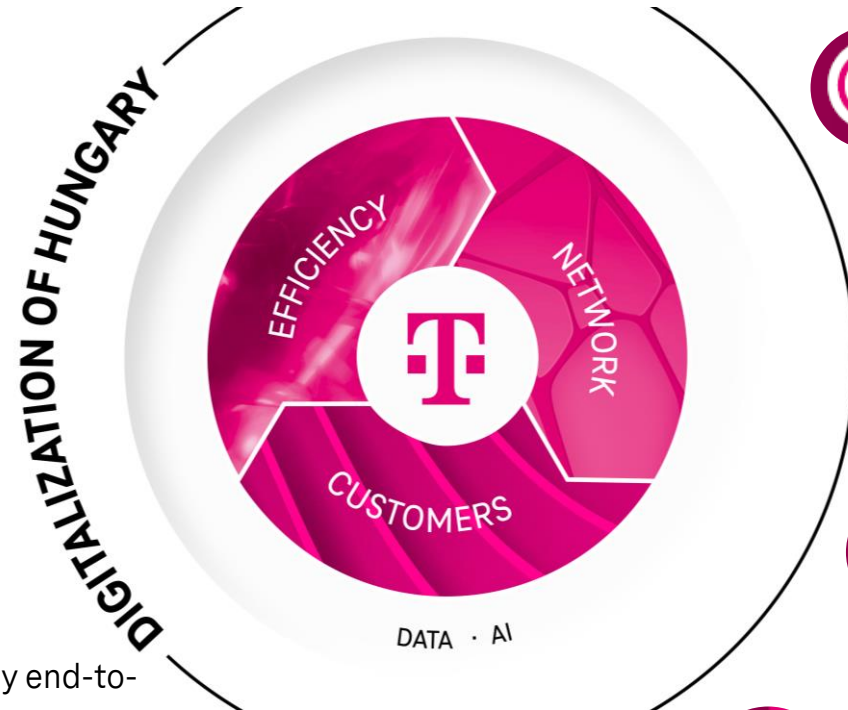
BBB+ corporate credit rating with stable outlook affirmed by Scope Ratings







Three-pronged strategy for continued success

Strategic priorities

-  **NETWORK & INVESTEMENTS**
Differentiate via **leading network experience by ensuring seamless connectivity**
-  **CUSTOMERS**
Grow by monetizing high-quality networks & services that **enhance digital life & business with Magenta Advantage**, providing outstanding customer experience
-  **EFFICIENCY**
Increase productivity & cost efficiency end-to-end through **continuous automation, simplification & modernization**.
Adapt to external challenges.



2025 focus

-  Increase fiber coverage by 250,000 access points
-  Implement 3.7% inflation-based fee adjustment from April 1, 2025
-  Re-shaped fixed and mobile portfolio
-  Further operational improvements through Data & AI solutions

Sustainable practices underpin strategic initiatives



Digitalization of Hungary

- **5G coverage**
- **Gigabit access**
- **Consultancy**



Climate protection

Scope 1 & 2

- Carbon neutrality (since 2015)
- Green energy
- Energy reduction and efficiency

Scope 3

- Reaching full circularity
- Lowering suppliers' attributable emissions



Digital inclusion and education

Digital inclusion

- Education platforms
- Child protection

Sensitivity program

- Multi-generation
- Sustainable work

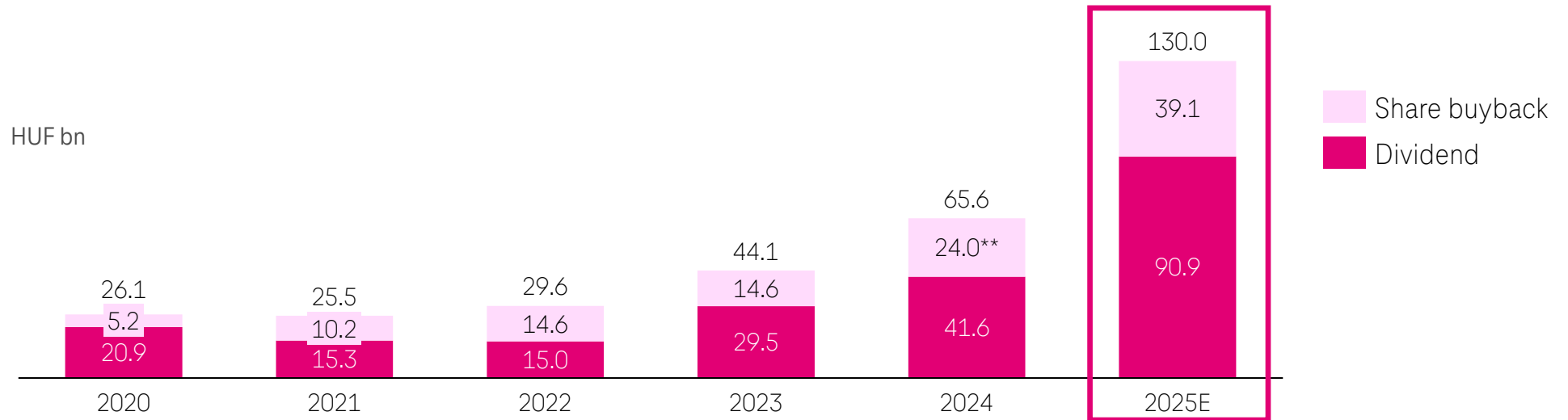
Committed to delivering sustainable shareholder value

Record shareholder remuneration for 2024

- cash dividend of HUF 90.9 billion* (~HUF 100 dividend per share)
- share buyback of up to HUF 39.1 billion*

Enhanced policy for 2025 and beyond

- Target annual shareholder remuneration: 60% - 100% of consolidated adjusted net income, up from 60% - 80% in 2022-2024
- Delivered through dividend payments and share buybacks



*Subject to the necessary AGM approvals

**Share buyback of HUF 1.7 billion postponed from 2024

2024 RESULTS AND OUTLOOK

Delivery against strategic objectives

Resilience & Efficiency

SAT TV phase-out*

Full upgrade of CRM system architecture

EBITDA margin up by 4 p.p YoY



Customers

1 million customers on fiber network

Further digital household solutions

Over 1.2 million Magenta moments clients

Network & Investments

Hungarian gigabit fixed access points over 3.8 million

Completed Hungarian RAN modernization

Population-based outdoor 5G coverage at 74%



2024 targets successfully achieved

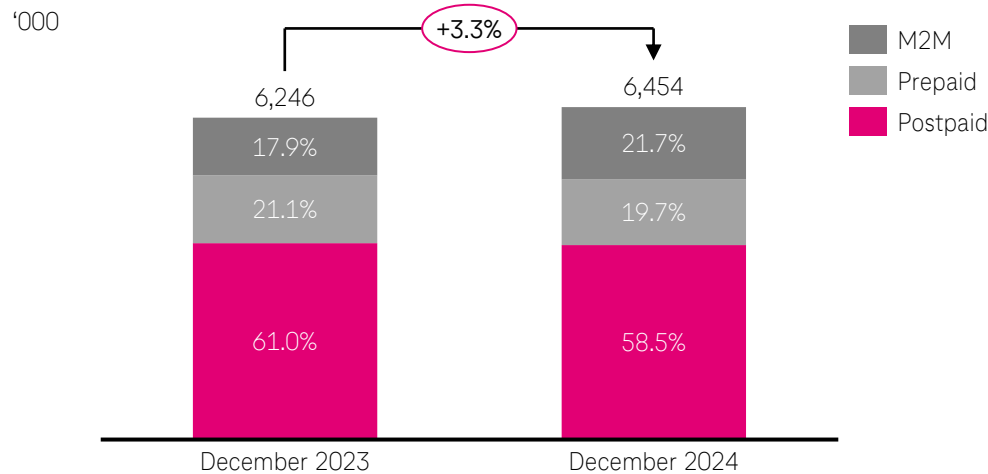


	2023 results	2024 guidance	FY 2024 results
REVENUE	HUF 849.4 bn	ca 10% growth	HUF 967.5 billion (+13.9%)
EBITDA AL	HUF 257.9 bn	ca 25% growth	HUF 333.1 billion (+29.1%)
ADJUSTED NET INCOME	HUF 93.6 bn	ca HUF 150 bn	HUF 162.6 billion (+73.7%)
FCF ¹	HUF 86.8 bn	ca HUF 140 bn	HUF 165.1 billion (+90.1%)

¹ excluding spectrum licenses

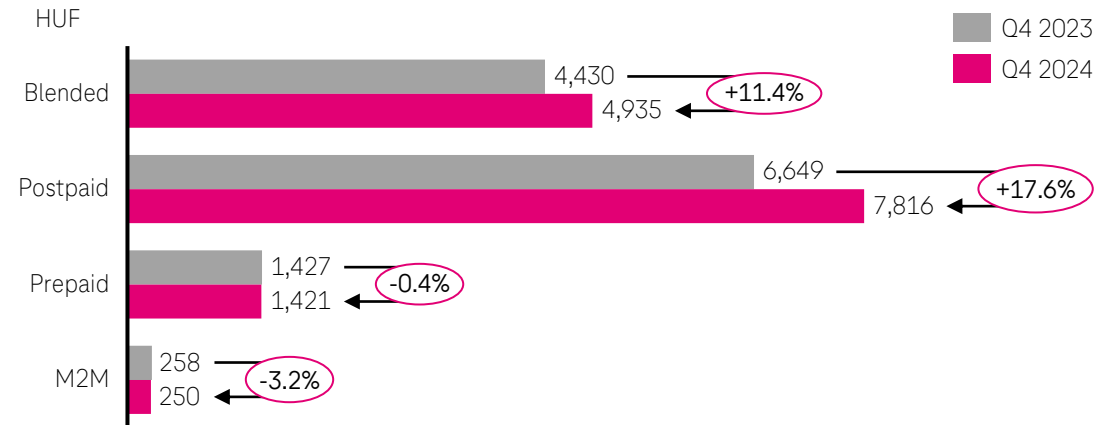
Sustained growth in customer base and ARPU levels

Mobile SIMs



- Growth in residential postpaid customers offset by higher churn in public sector SIMs
- M2M growth driven by positive momentum in elderly care watches sales and smart metering solutions

Mobile ARPU

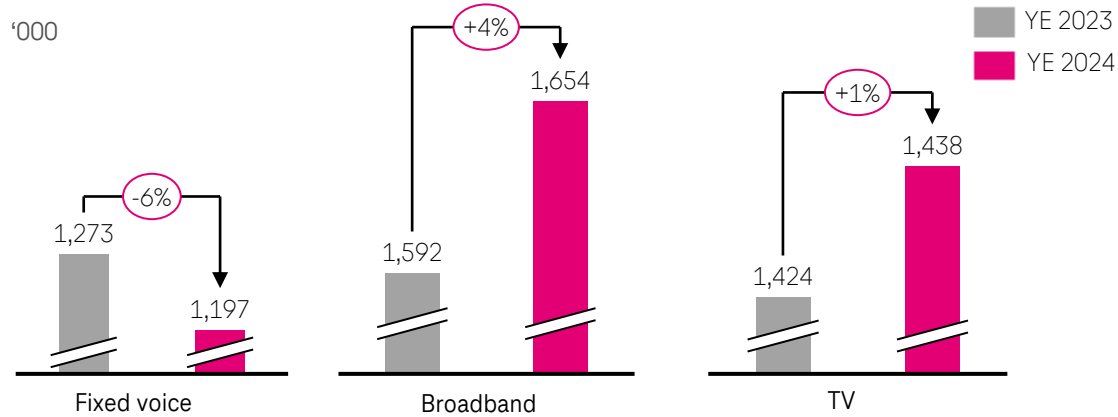


- Postpaid ARPU supported by inflation-based fee adjustments
- Mobile data usage growth of over 13% YoY provides impetus to positive ARPU development

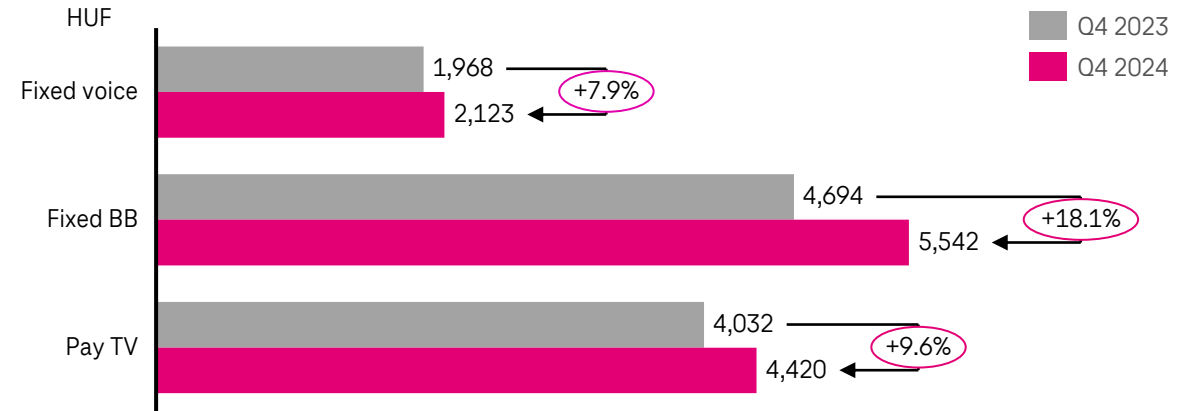


Fiber uptake fuels fixed market growth

Fixed voice, BB and TV customers



Fixed voice, BB and TV ARPU



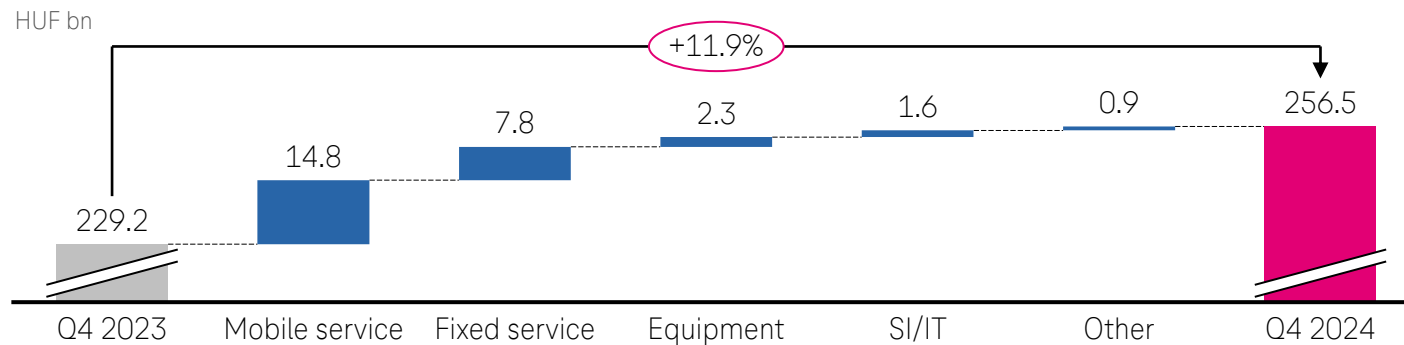
- Higher fixed voice churn driven by rationalization
- Broadband growth fueled by strong fiber uptake
- TV customer development reflects higher churn rate in satellite-TV base

- Inflation-based fee adjustment supporting revenue growth across all service lines
- ARPU trend reflects proactive customer migration to higher bandwidth packages

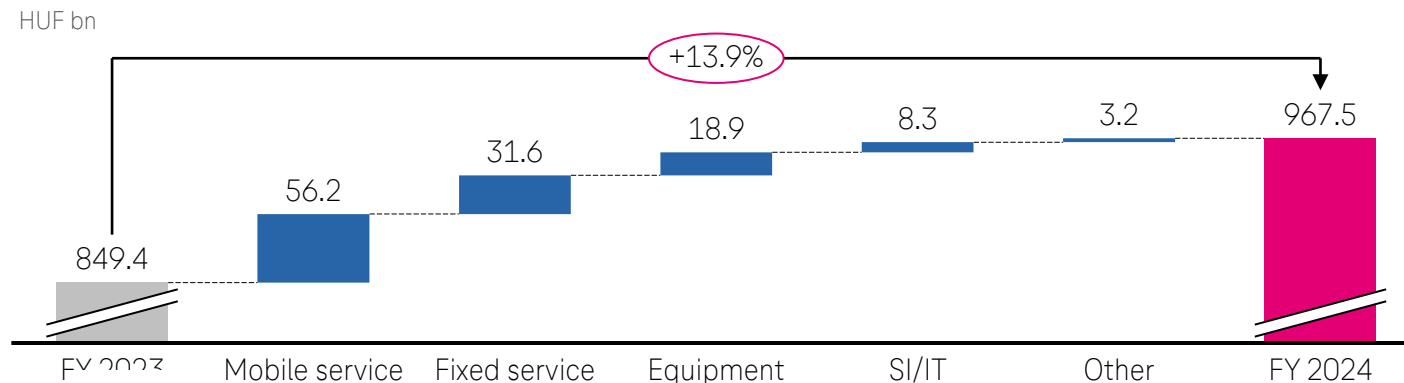


Revenue growth reflects inflation-based fee adjustment and favorable operational developments

Revenue, Q4 2024 vs Q4 2023



Revenue, FY 2024 vs FY 2023

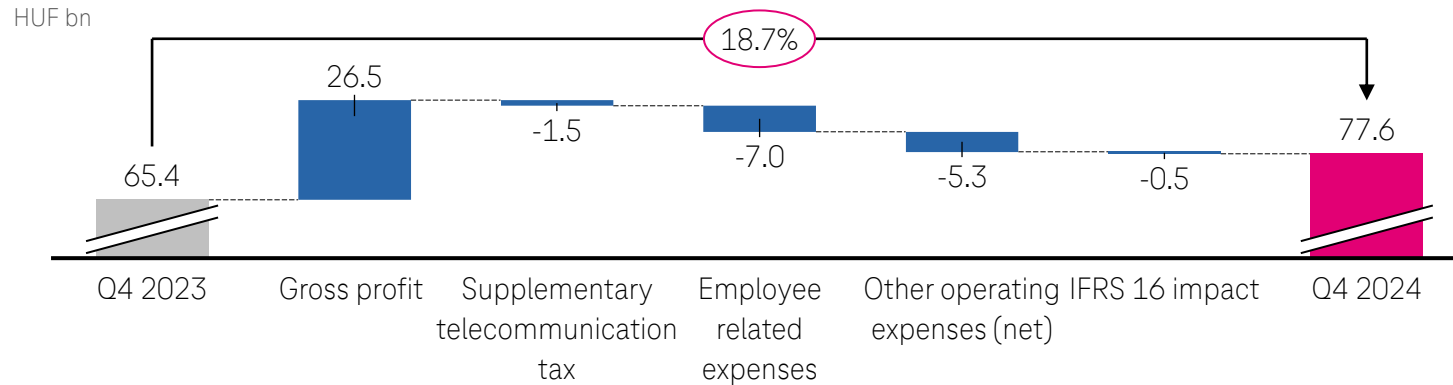


- Subscription revenues boosted by inflation-based fee adjustment
- Continued demand for data and connectivity drove service revenue growth
- SI/IT performance reflects delivery of major projects in Hungary
- Equipment sales growth mostly driven by third party equipment export sales



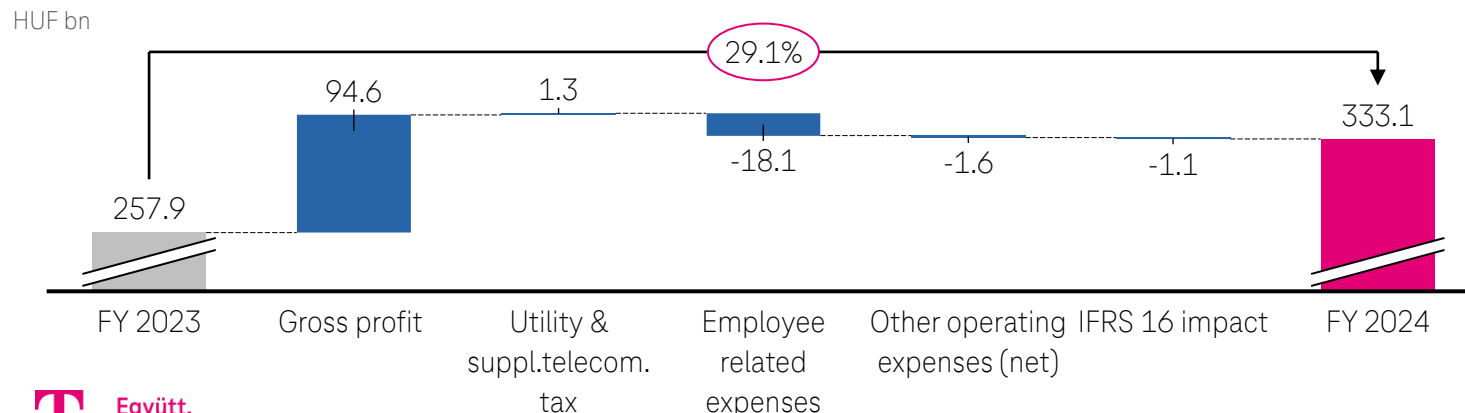
EBITDA AL growth driven by strong gross profit momentum

EBITDA AL, Q4 2024 vs Q4 2023



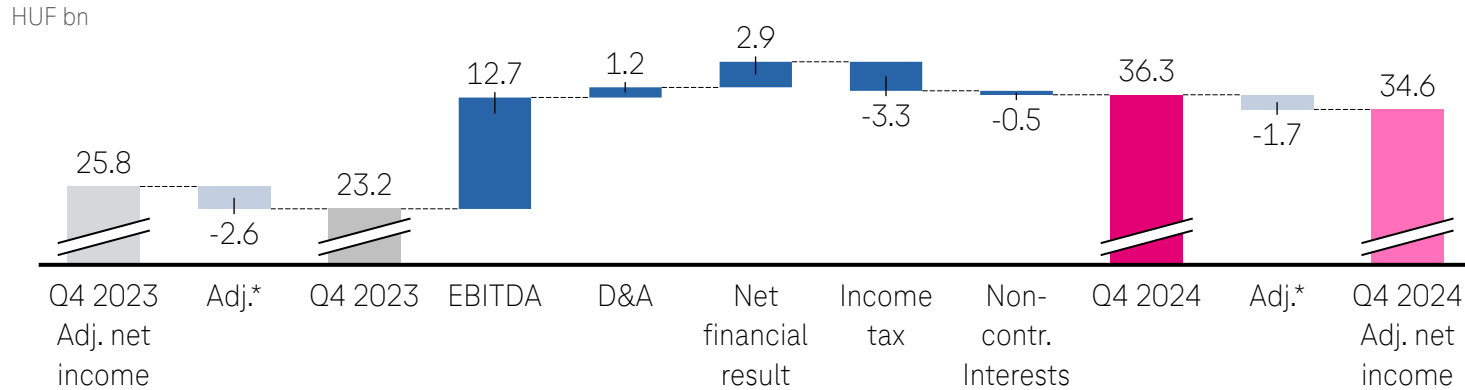
- Gross profit rose in line with revenues
- Employee-related expenses boosted by one-off bonus payment
- Growth in other operating expenses driven by inflationary pressure and higher marketing spend
- FY result reflects utility tax abolishment as of January 1, 2024 and strong cost discipline

EBITDA AL, FY 2024 vs FY 2023



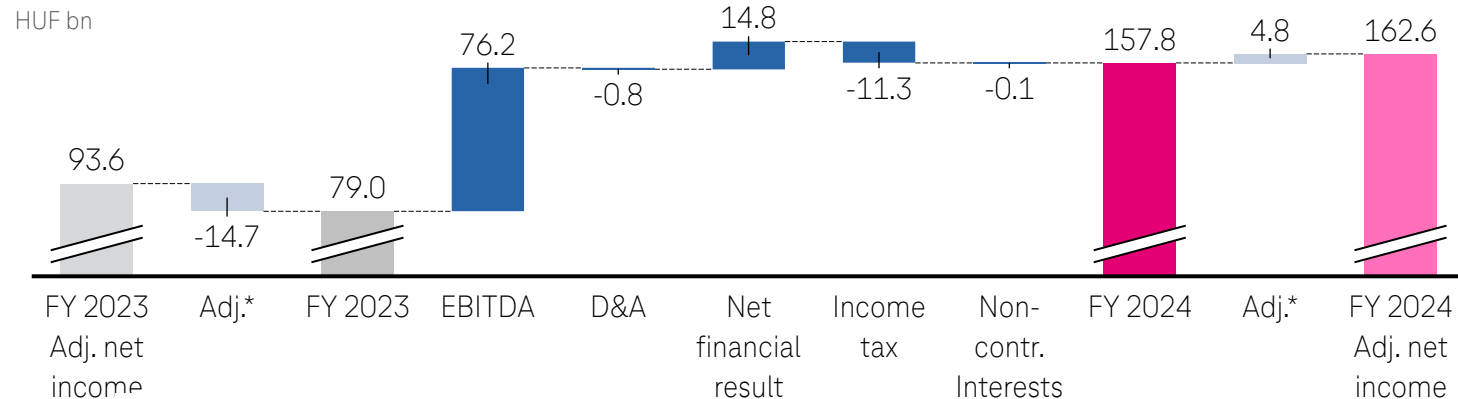
Rise in net income driven by EBITDA growth and favorable financial expense trend

Net income (and adjusted net income), Q4 2024 vs Q4 2023



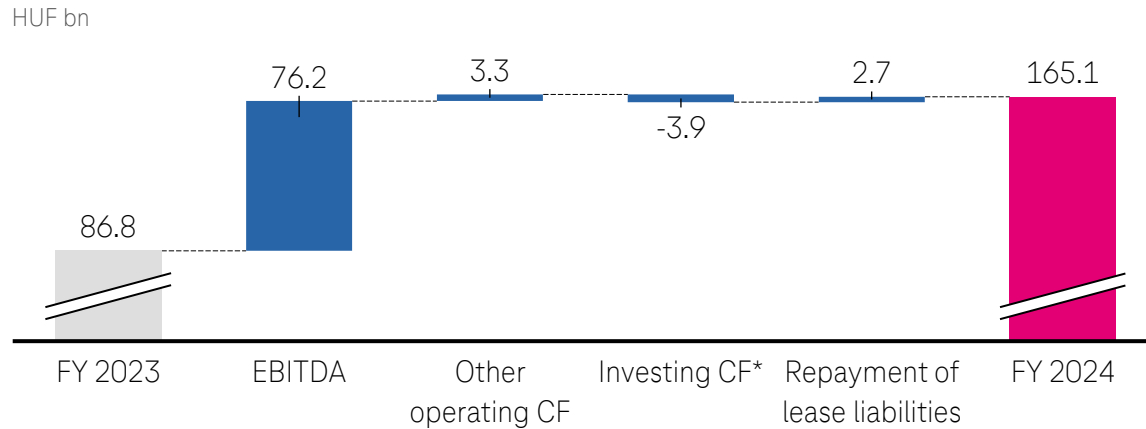
- Strong organic growth boosts net income
- Net financial result improvement reflects lower interest burden
- Adjustments made for gains/losses related to measurement of derivatives at fair value

Net income (and adjusted net income), FY 2024 vs FY 2023



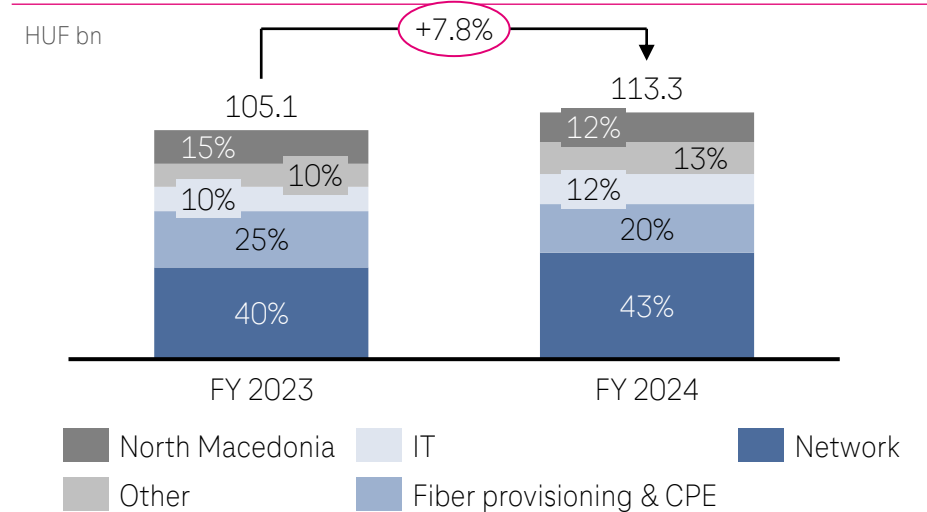
Positive EBITDA drives strong free cashflow

Free cashflow excluding spectrum licenses, FY 2024 vs FY 2023



- Strong increase in FCF in line with EBITDA uplift
- Lower interest outpayments offset higher tax payments and FX losses
- Broadly flat outpayments for investments and lease liabilities

CAPEX, FY 2024 vs FY 2023



- Accelerated investment into fiber network roll-out in Hungary in line with 4-year commitment
- Lower network investment related CAPEX in North Macedonia



*Income from frequency sale to Yettel of HUF 1.2 billion excluded

2025 guidance



	2024 results	2025 guidance
REVENUE	HUF 967.5 billion	1%-3% growth
EBITDA AL	HUF 333.1 billion	12%-15% growth
ADJUSTED NET INCOME	HUF 162.6 billion	ca HUF 190 bn
FCF ¹	HUF 165.1 billion	ca HUF 180 bn

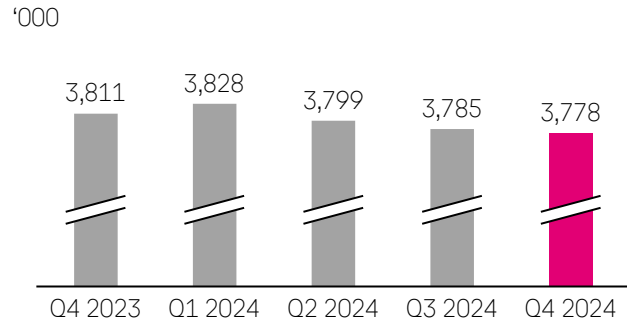
¹ excluding spectrum licenses

APPENDIX

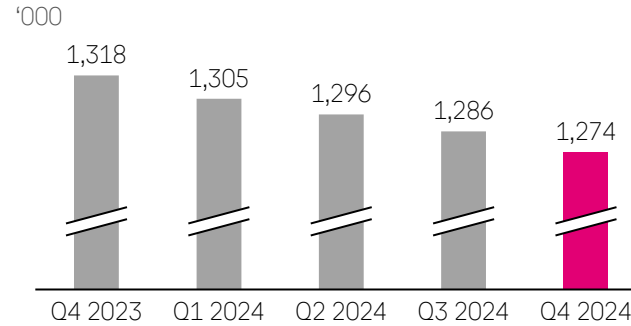


Mobile KPIs

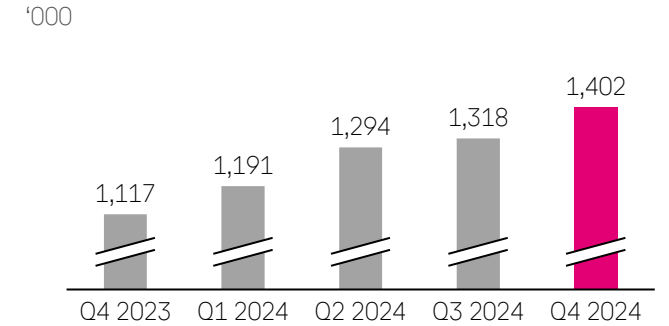
Postpaid customers



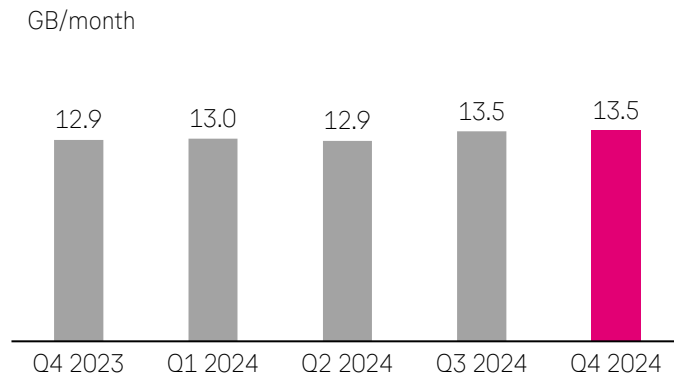
Prepaid customers



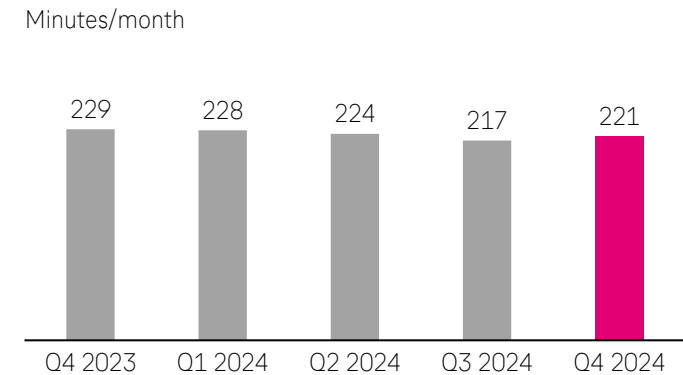
M2M



Average mobile data usage

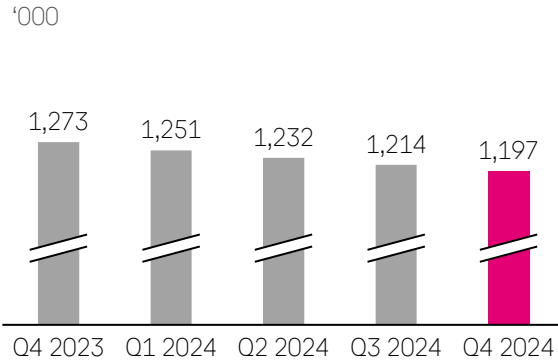


Mobile voice usage

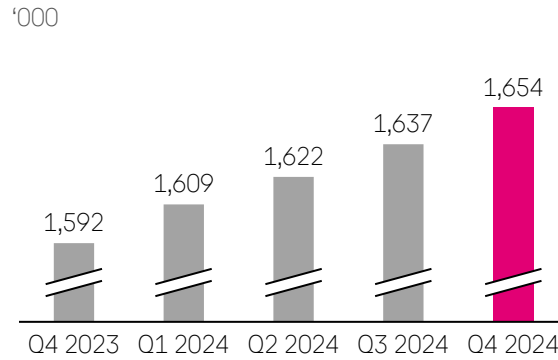


Fixed KPIs

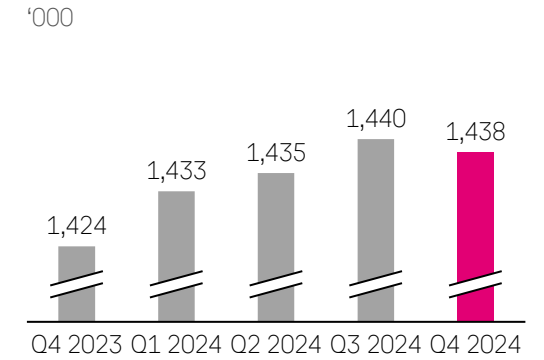
Fixed voice customers



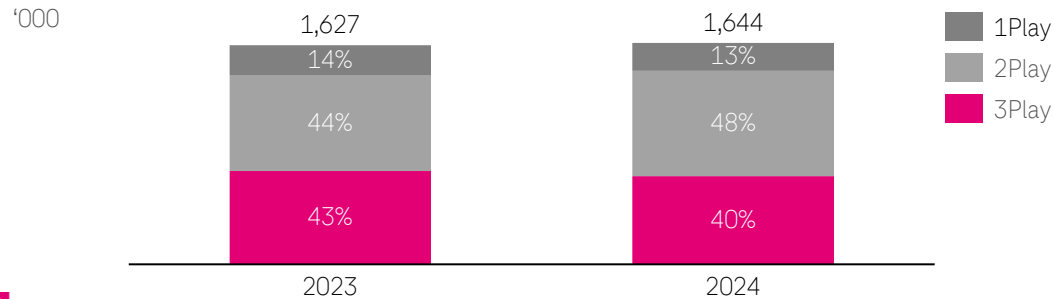
Fixed broadband customers



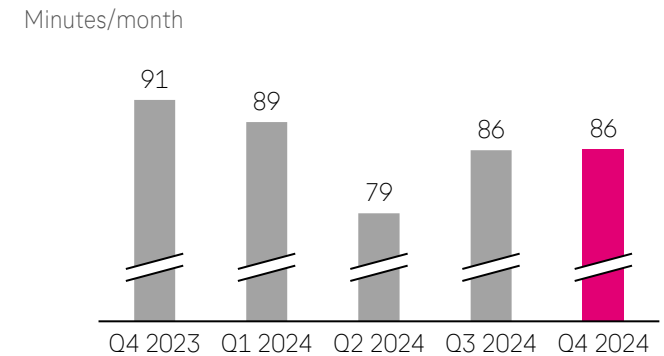
Pay TV customers



Fixed line multiplay residential subscribers

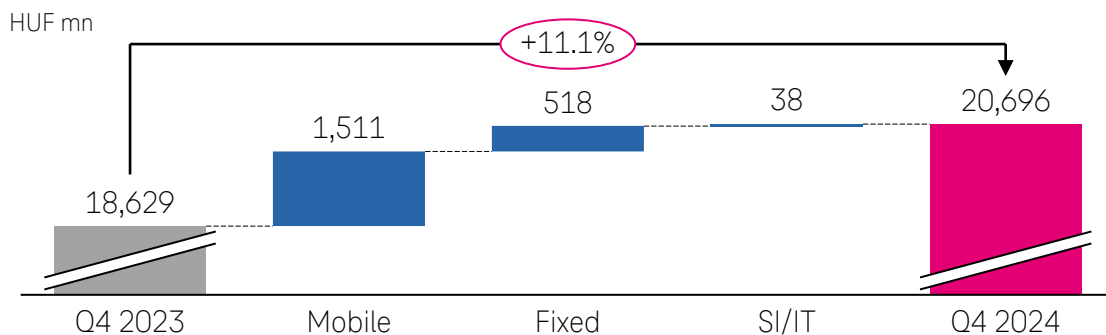


Fixed voice usage

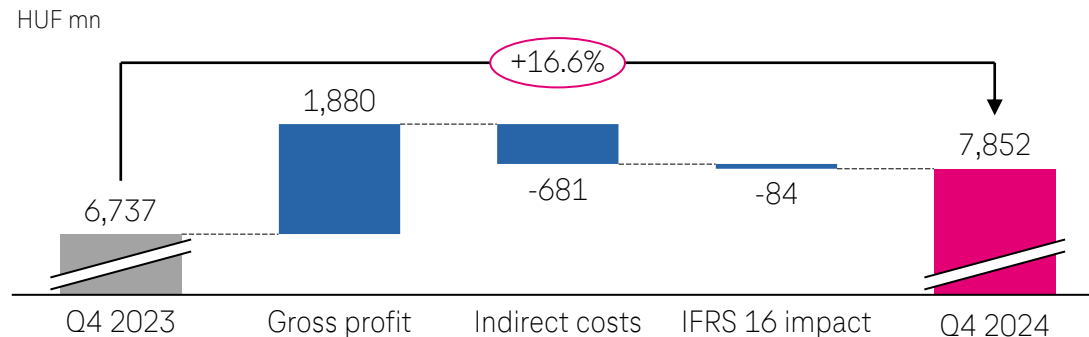


North Macedonia: Q4 2024 and FY 2024 results

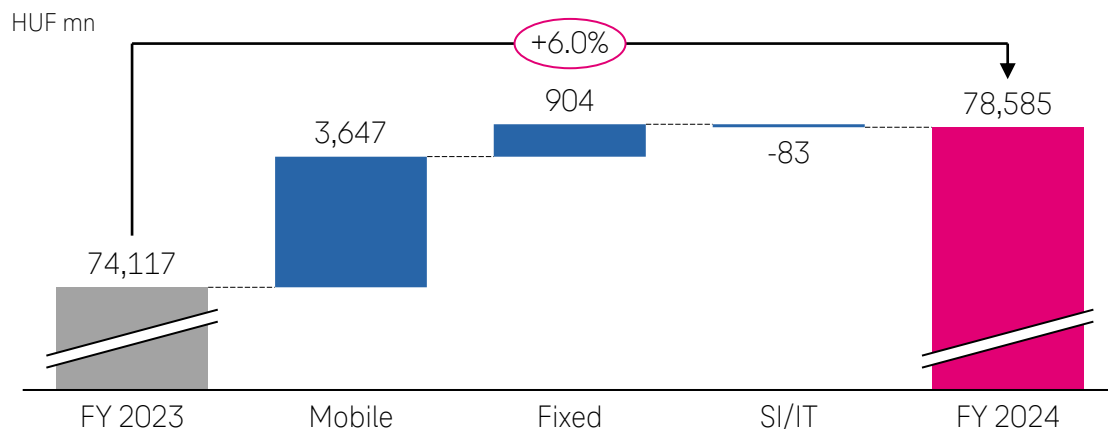
Revenues, Q4 2024 vs Q4 2023



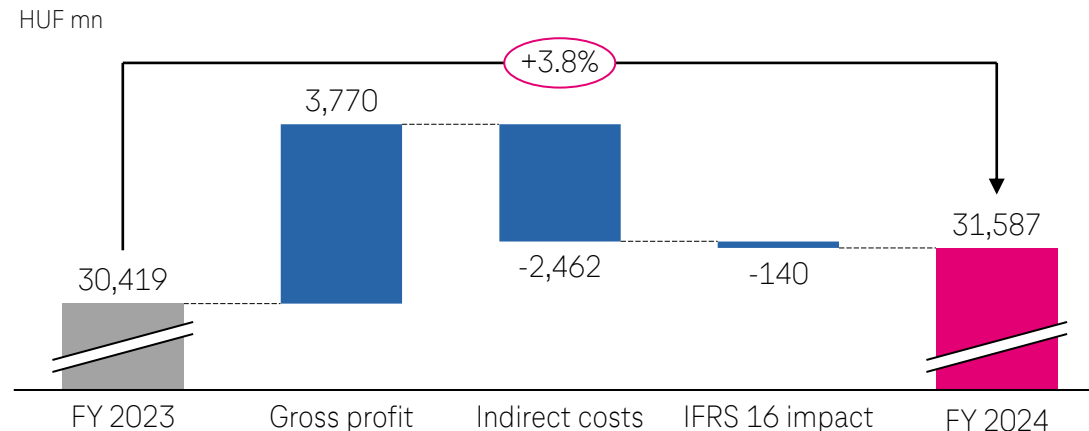
EBITDA AL, Q4 2024 vs Q4 2023



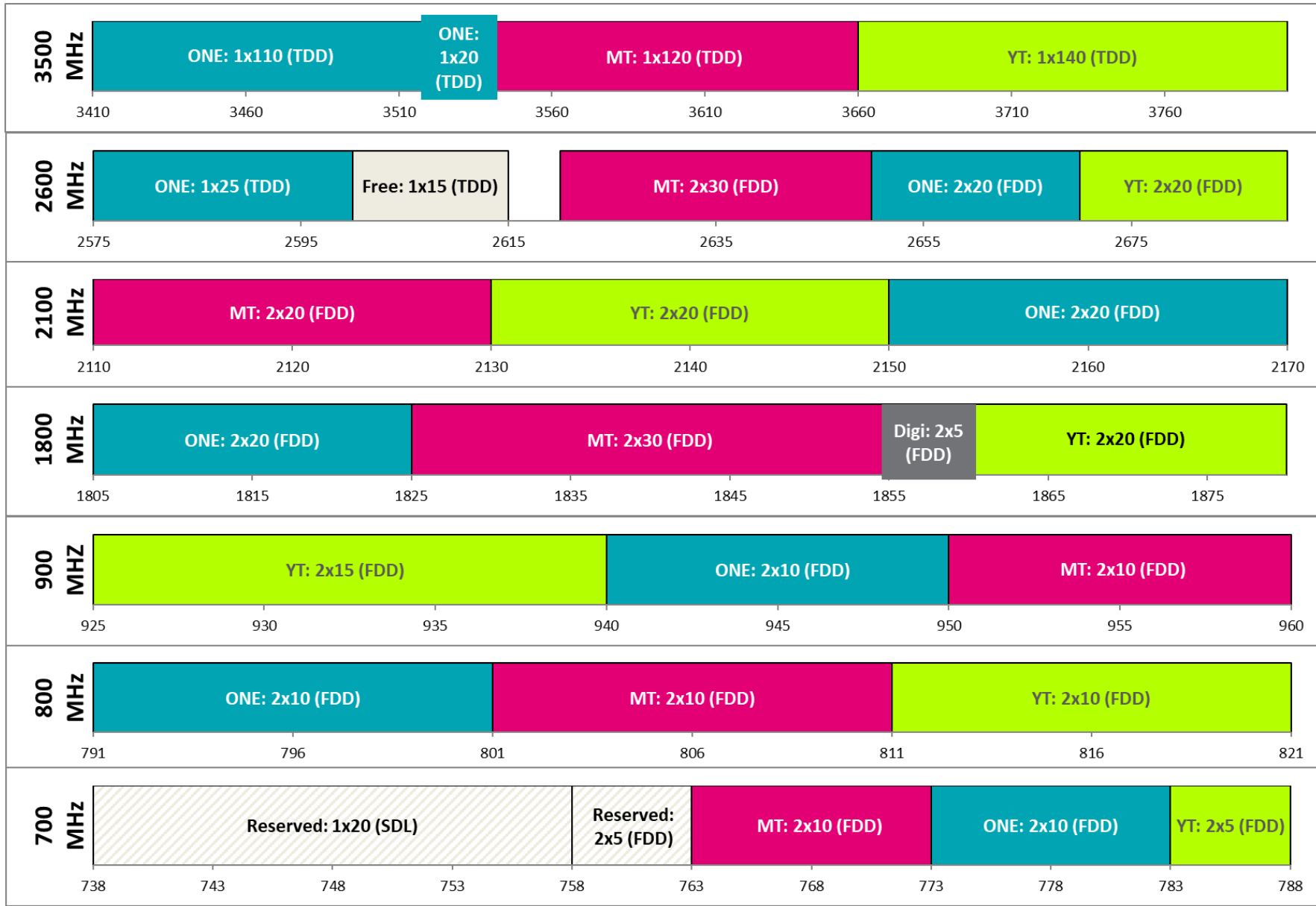
Revenues, FY 2024 vs FY 2023



EBITDA AL, FY 2024 vs FY 2023



Hungarian mobile spectrum allocations



For further questions please contact the IR department:

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