



Hutchison Telecom  
Hong Kong Holdings

# 2024 Annual Results Presentation



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# Agenda

- Executive Summary
- Results Highlights
- Business Review
- Financial Review
- Sustainability
- Network Development and AI
- Outlook







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# Executive Summary

*Kenny Koo*  
*Executive Director and CEO*





# Executive Summary

Consistently expanding customer base across various sectors while boosting roaming revenue

## Key Achievements

### 5G

Base Penetration<sup>(1)</sup>

**54%**

vs 46% in 2023, +8%-pt YoY

Home Broadband  
Revenue

**+69%** YoY

- Steady uptrend in 5G base coupled with a rapid increase in 5G home broadband adoption

### SUPREME

Base Penetration<sup>(2)</sup>

**+29%** YoY

ARPU<sup>(3)</sup>

**+12%** YoY

- Continuous growth of SUPREME base accompanied by elevated ARPU in high-tier segment

### Roaming

Outbound Revenue<sup>(4)</sup>

**+36%** YoY

Total Revenue +30% YoY

Roamer Utilisation %<sup>(5)</sup>

**58%**

vs 50% in 2023, +8%-pt YoY

- Strong growth in outbound roaming driven by compelling offers and attractive roaming propositions

### Prepaid

Revenue<sup>(4)</sup>

**+40%** YoY

Base<sup>(4)</sup>

**+29%** YoY

- Key revenue driver with strong growth potential through innovative offerings

### Enterprise

Revenue<sup>(6)</sup>

**+61%** YoY

- Significant growth by comprehensive 5G solutions with innovative services across multiple sectors

#### Notes

(1) 5G penetration = number of 5G customers to postpaid customer base in Hong Kong

(2) SUPREME penetration = number of SUPREME customers to MASS postpaid customer base in Hong Kong

(3) Net ARPU of SUPREME base

(4) Including Hong Kong & Macau

(5) Avg. percentage of roamers using our roaming service in Q4

(6) Exclude A2P SMS



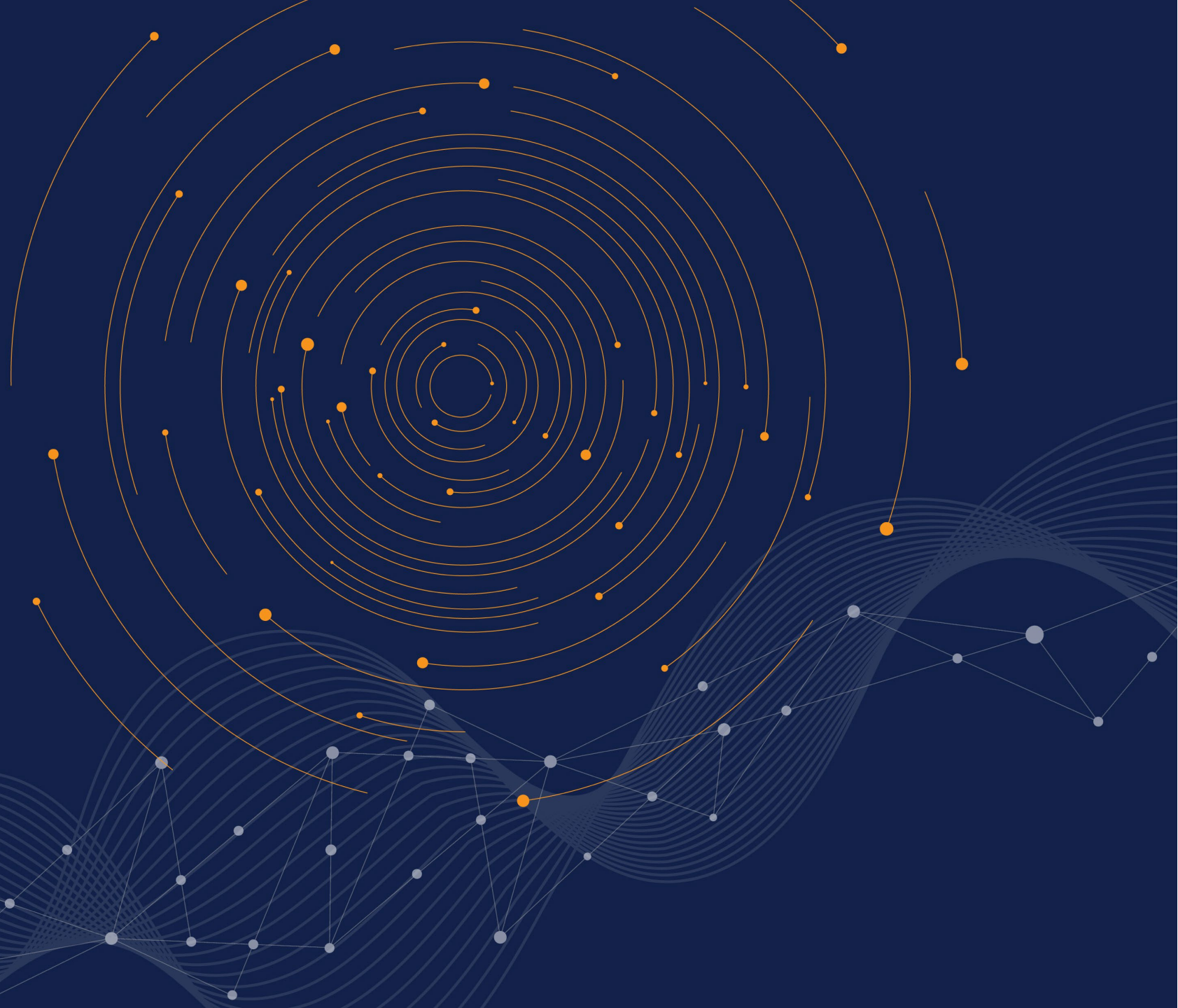
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# Results Highlights

*Kenny Koo*  
*Executive Director and CEO*



# Results Highlights

Continuous growth in roaming service revenue balances local market dynamics

Service  
Revenue

**\$3,561m**

+1% YoY

Roaming Service  
Revenue

**\$684m**

+30% YoY

Local Service  
Revenue

**\$2,877m**

-4% YoY

Breakeven result supported by effective and disciplined cost management

Operating  
Expenses

**\$1,430m**

Reduced by 5% YoY

EBITDA<sup>(1)</sup>

**\$1,522m**

+4% YoY

LBIT<sup>(2)</sup>

**\$8m**

+88% YoY

Net Profit

**\$6m**

+112% YoY

EPS<sup>(3)</sup>

**\$0.12**

+112% YoY

Expanding customer base

Customer  
Base

**4.64m**

+17% YoY

Increasing 5G uptake

5G Penetration

**54%**

+8%-pt YoY

Dividend per share

Final Dividend

**5.21 HK cents**

Full Year Dividend

**7.49 HK cents**



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Notes:

(1) EBITDA represents the EBITDA of the Company and subsidiary companies as well as the Group's share of the EBITDA of a joint venture.

(2) LBIT represents the LBIT of the Company and subsidiary companies as well as the Group's share of the EBIT of a joint venture.

(3) EPS represents Earnings per Share.





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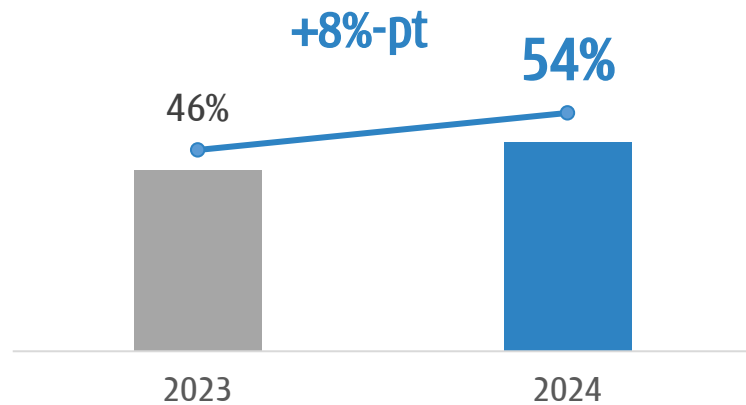
# Business Review

*Kenny Koo*  
*Executive Director and CEO*

# 5G Penetration

Over 50% of customers<sup>(1)</sup> are utilising 5G services, driven by strong demand for high-speed connectivity and enhanced digital experiences

5G customer base & 5G penetration



- Achieved consistent expansion and substantial customer growth, driven by outstanding network performance and successful initiatives
- The 5G Data Roam-Like-Home Plan meets the growing trend of customers heading north for leisure
- First in Hong Kong to extend this service to Japan



Exclusive handsets



Extra flagship handset offers



Extra handset discounts



Popular concert tickets giveaway campaign



New 5G Data Roam-Like-Home Plan



First in Hong Kong to extend the 5G Data Roam-Like-Home Plan to Japan

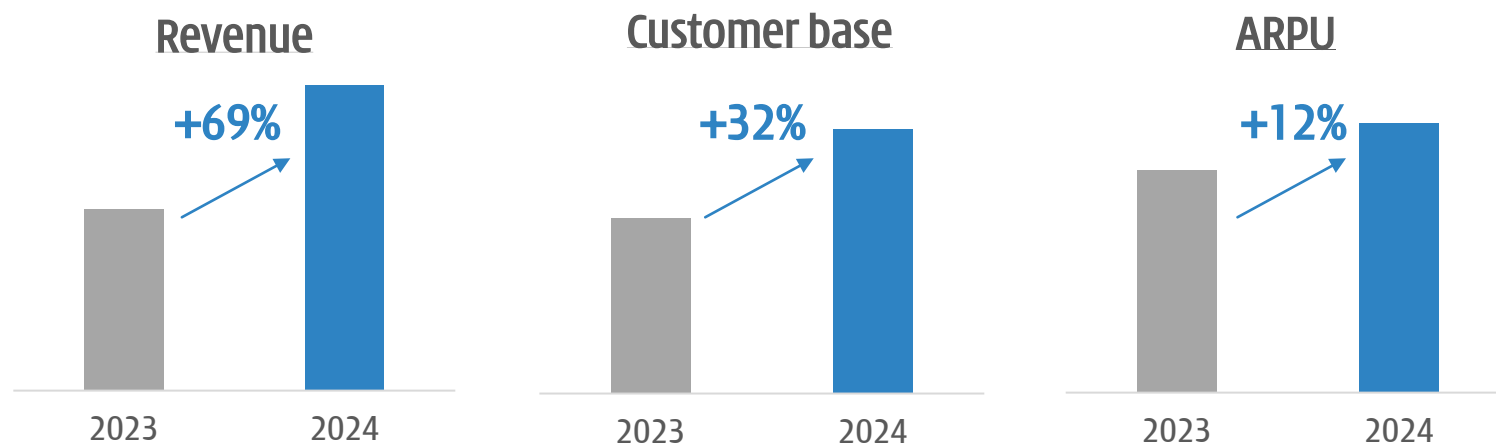


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Note  
(1) Postpaid customer base in Hong Kong.

# 5G Home Broadband

High growth driven by successful new packages and supported by a reliable network



- Launched a new plan in Q1 to bundle services with high-value gadgets, resulting in a YoY ARPU +12%
- Partnering with CK Asset Holding Limited to accelerate growth
- Tactical offers to existing mobile customers to provide total connectivity from home to outdoor and travel



New "Gadgets Bundle" plan

GOODWELL 高衛物業管理有限公司  
GOODWELL PROPERTY MANAGEMENT LIMITED  
Member of CK Asset Group 長江實業集團成員



Collaborate with CKA  
Building Management Office

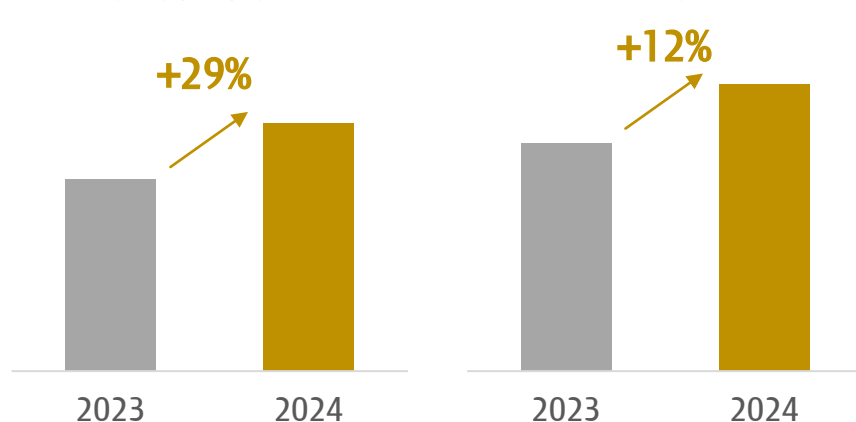


The SUPREME segment is accelerating with both customer base and ARPU growth, curating a diverse range of privileges for our premium customers

## SUPREME Select

Penetration<sup>(1)</sup>

ARPU<sup>(2)</sup>



Various types of experience workshops and memberships



First encounter with "The Nutcracker" leads



"The Insect World" concert



"The Dior Ball of Dreams" event



Exclusive event at the private Whale Club

- Allocate more **network resources** to customers using Mainland China websites and apps
- Offer **24x7 free travel assistance** services
- Provide a wide range of **lifestyle privileges**
- Served by **Personal Executives**



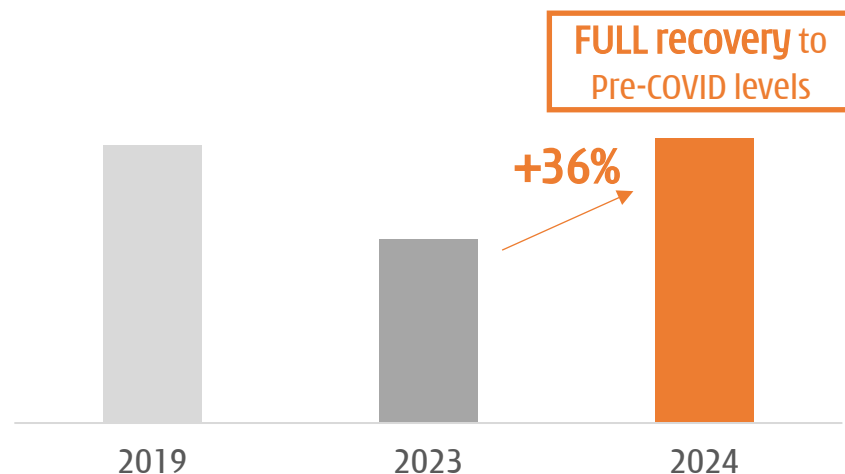
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Note 1: SUPREME base vs Postpaid customer base of consumer segment in Hong Kong  
Note 2: Net ARPU of SUPREME base

# Roaming

New cross-network roaming offerings and the expansion of "All-Net-Coverage Roaming" to more popular destinations led to significant growth in roaming, meeting diverse customer needs while capitalising on extensive network capabilities

## Total Outbound Roaming Revenue



- "Cross-network Roaming"<sup>(1)</sup> service enables customers to enjoy seamless roaming experience by automatically switching to the best available network without swapping SIM
  - ✓ Available at popular destinations such as Mainland China<sup>(2)</sup>, Japan, South Korea, Thailand, Australia, New Zealand, European and Middle East countries
- The upgraded 1-Card-2-Number plan offers a **VoLTE** voice experience along with newly launched **number pairing**<sup>(3)</sup> service
- 58% of roamers used our roaming service<sup>(4)</sup>



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### Notes

(1) The data was retrieved from the official websites of local mobile operators as of 2 May 2024.

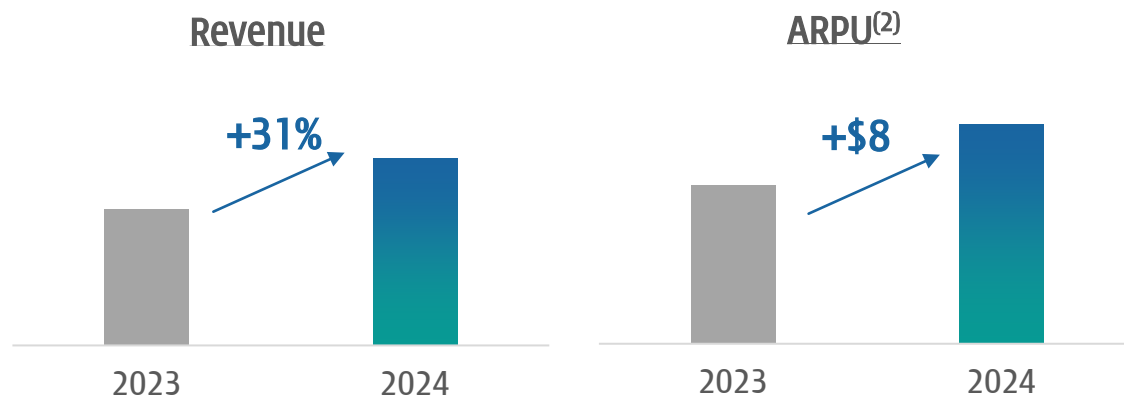
(2) China Broadnet does not provide inbound roaming service.

(3) Subject to the availability of mainland China mobile phone numbers.

(4) Average percentage of roamers using our roaming service in 2024 Q4.



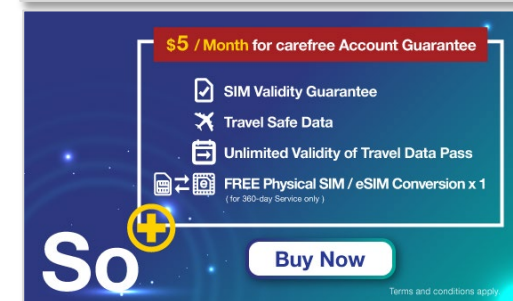
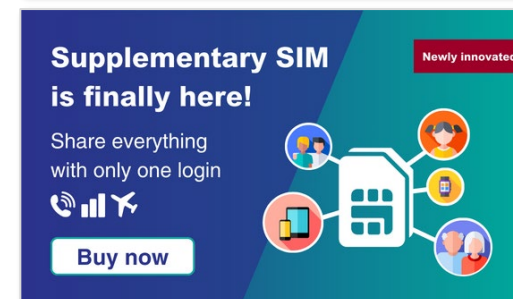
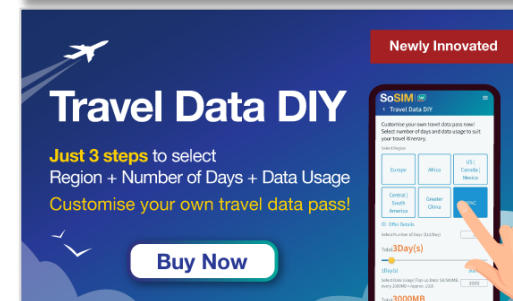
Diversifying the SoSIM business by introducing a range of innovate offerings aimed at strengthening brand presence



- **DIY Roaming-Pass:** enables users to customise region, duration and data usage
- **Supplementary SIM:** shares service package with family or multiple devices
- **So+** service: guarantees SIM validity and keep connected during travel
- **SoJoy** package: tailored for the Silver segment with all-in-one local and travel data
- **Appreciation** package: rewards our loyalty customers with extra benefits
- **Expand distribution:** available at PARKnSHOPS, Watsons stores in Hong Kong, all Hung Fook Tong stores in MTR stations<sup>(1)</sup> and a new kiosk located at a cross-border station



A new SoSIM kiosk

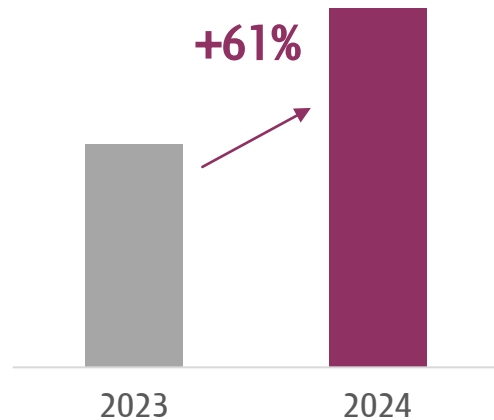




# Corporate Solutions

Providing comprehensive 5G solutions paired with innovative services to drive transformative digital change across multiple sectors, including retail, catering, property management and education

Revenue<sup>(2)</sup>



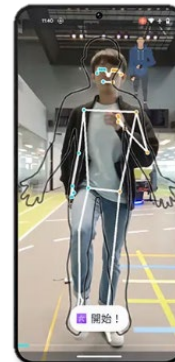
## FMC<sup>(1)</sup> connectivity for Smart Carparking solution in 300+ LINK's car parks

- Provides 5G and broadband connectivity to support contactless carpark solutions with network resilience



## 3Education supports 400 schools to enhance teaching and learning

- AI EdTech
- Robotics Solution
- AR DIY for Education
- VR Education



## 5G Live Streaming Solution for the International Forum on Quality and Safety in Healthcare

- Enabled 5,000+ participants from over 80 countries and regions to join the event both online and offline
- Offered the benefits of security, stability, ease of installation and excellent picture quality



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Note

(1) Fixed Mobile Convergence

(2) Exclude A2P SMS

# Corporate Solutions

Demonstrated our capabilities in providing 5G connectivity across expansive venues for enterprise solutions, showcasing our synergy with group companies

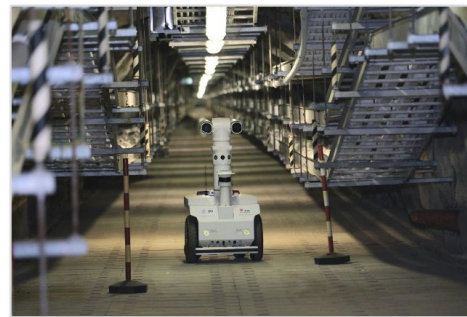
## Designated network partner of Cheung Kong Center II

- Provides comprehensive one-stop service
- Revolutionising workplaces with tailored solutions
- Advanced smart office systems



## Supported HK Electric to deploy the 1<sup>st</sup> 5G smart robot in a cable tunnel

- Utilise high-speed and low-latency 5G technology to comprehensively enhance patrolling efficiency in an enclosed tunnel area
- Demonstrate a real-life scenario of the 5G robotic solution application
- Continues to work and keep power supply equipment safe, maintaining reliable electricity supply



## Shoplink project for 300 AS Watson retail stores

- Auto failover capability without service interruption if the primary link is down
- Wi-Fi Solution with isolated Access Point to handle different types of work in store to address security concern



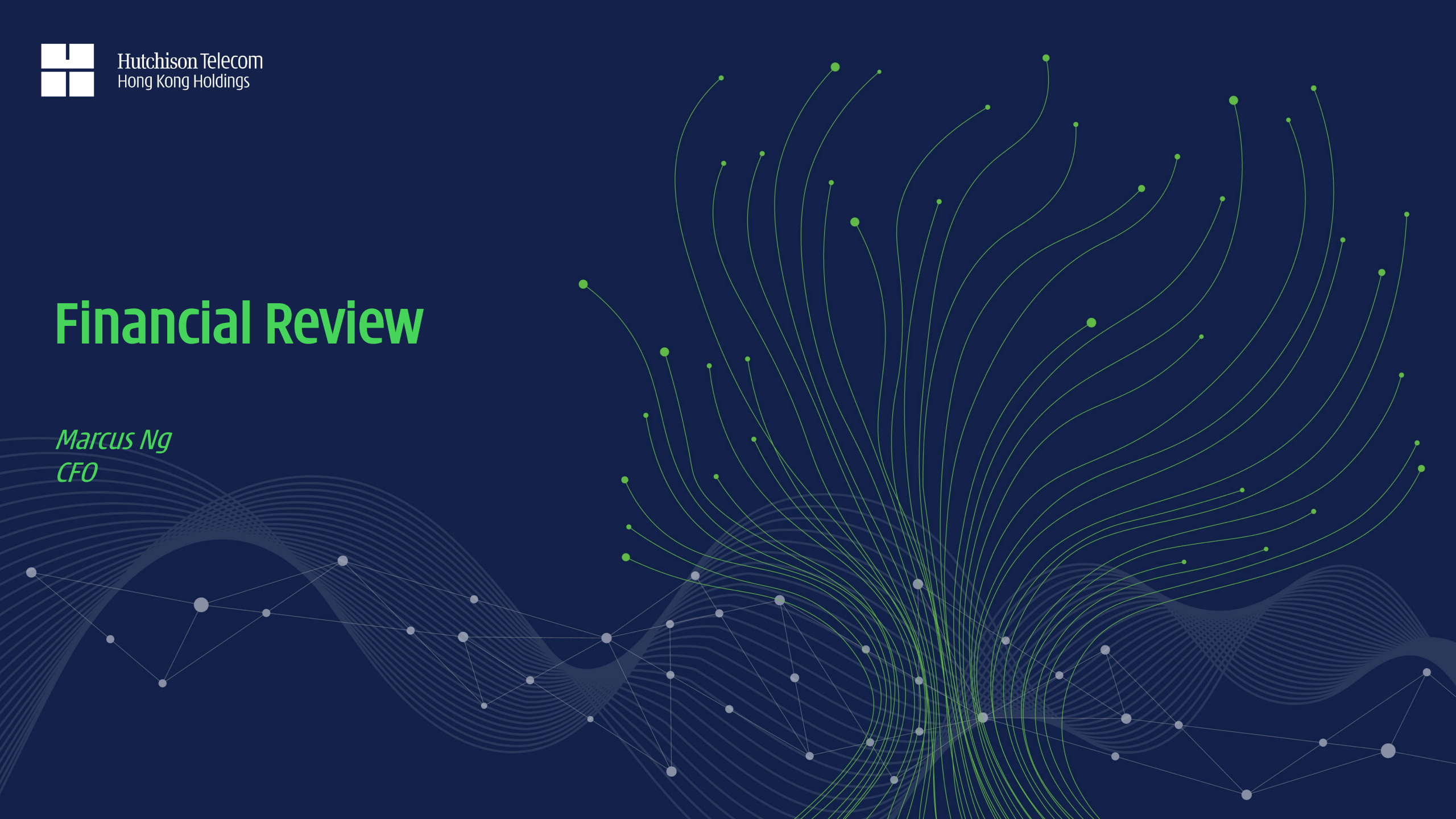




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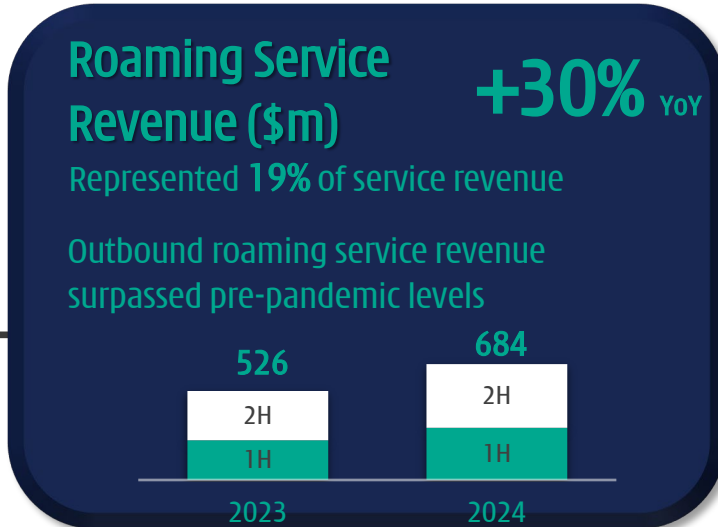
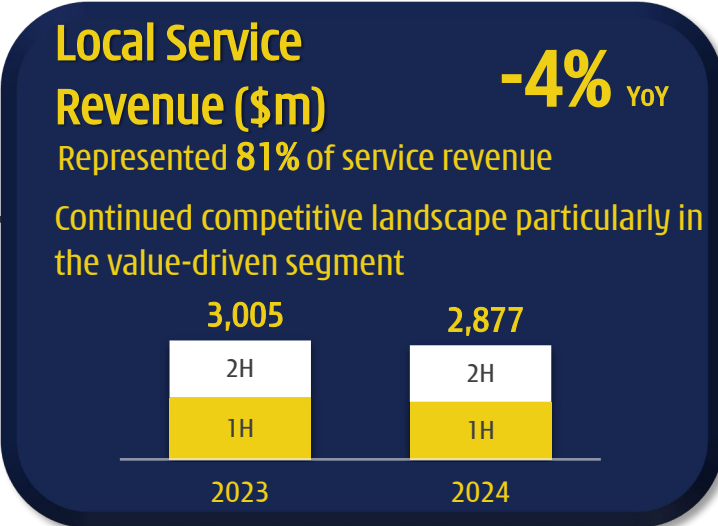
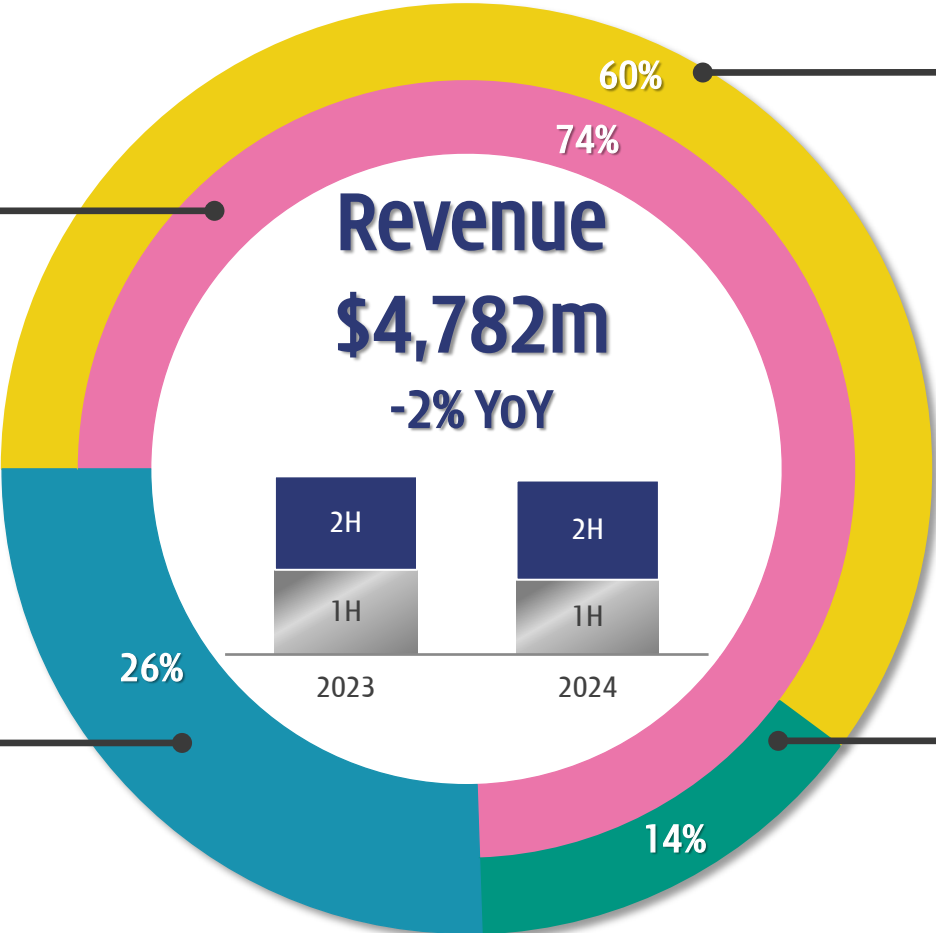
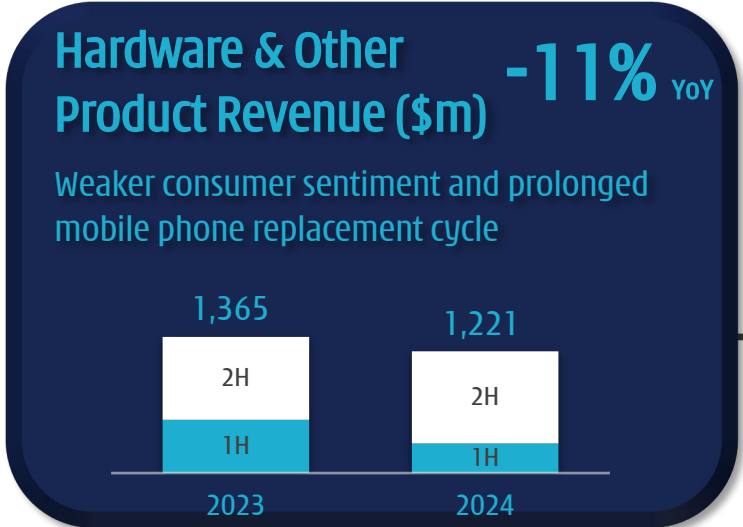
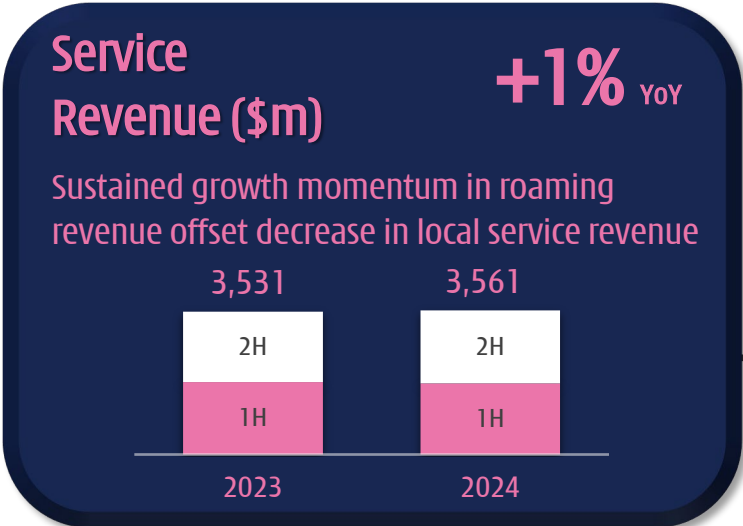
# Financial Review

*Marcus Ng*  
CFO





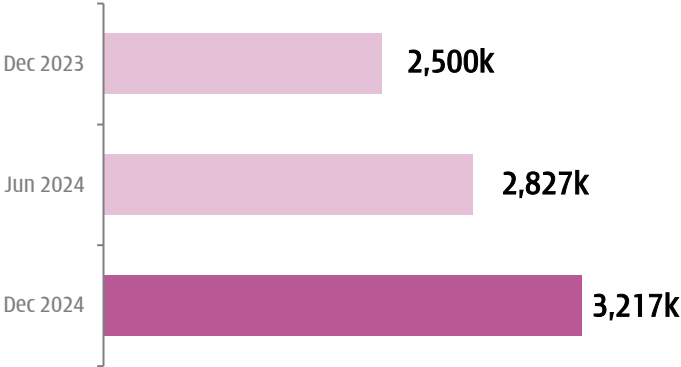
# Revenue: Roaming Service Revenue Served as Key Revenue Growth Driver



# Customers: Robust Growth in Prepaid Base

Prepaid  
69%

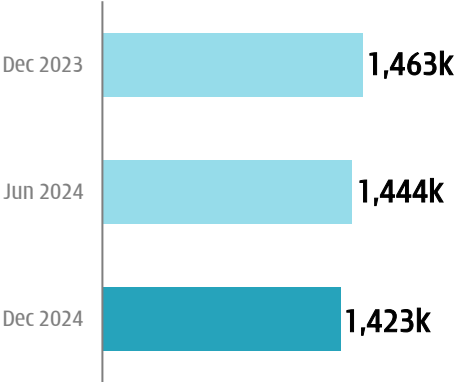
of total customer base (2023: 63%)



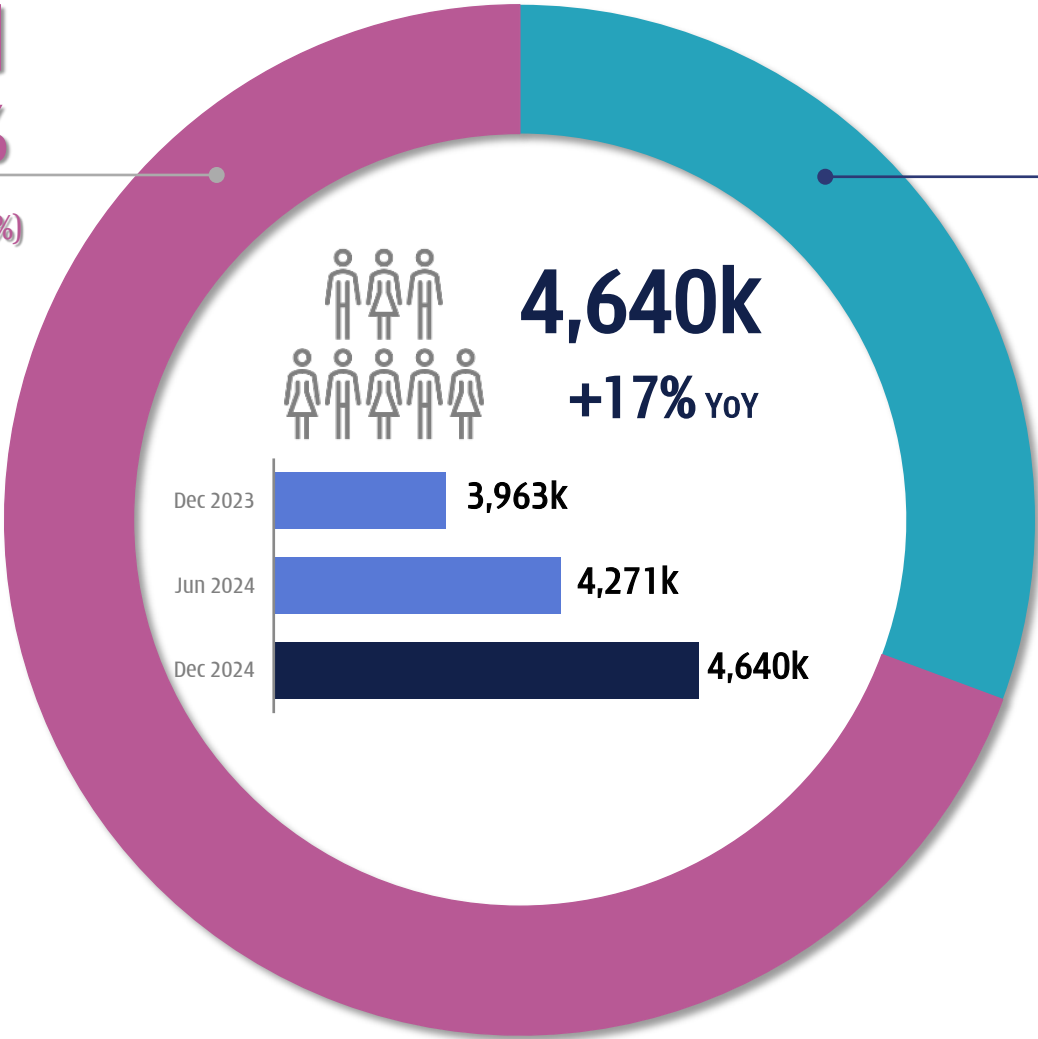
Increased by **29%** YoY  
Continued growth in SoSIM

Postpaid  
31%

of total customer base (2023: 37%)



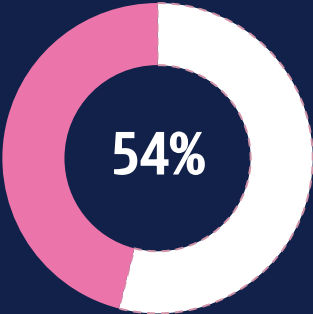
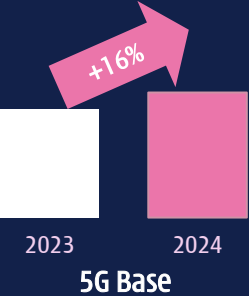
Decreased by **3%** YoY  
Due to movements related to corporate Customers in 1H 2024



# Customers: Encouraging Trend in 5G Penetration

## 5G Customer Base

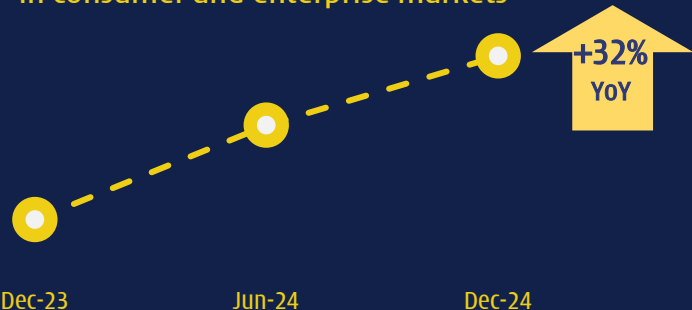
- Encouraging 5G uptake



5G penetration = number of 5G customers to postpaid customer base in Hong Kong

## 5G Home Broadband Base

- Solid growth driven by increased popularity in consumer and enterprise markets



## Net ARPU

- Competitive market conditions affected ARPU
- Net ARPU +2% YoY in 2H 2024



-2% YoY

Net ARPU = monthly average spending per postpaid user excluding handset contribution for bundled sales

## Postpaid Churn

- Effective customer engagement initiatives and retention strategies



Flat YoY



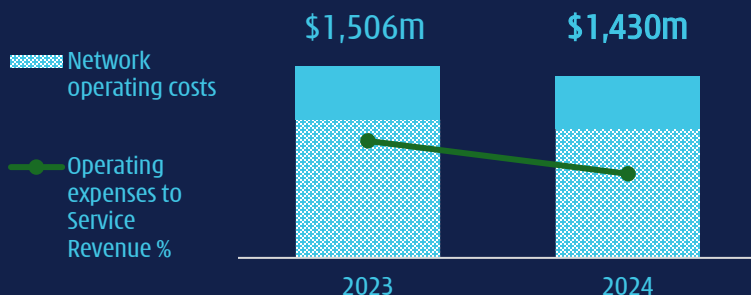


# Enhancing Profitability Through Cost Discipline and Effective Capital Management

## Operating Expenses

**+5% YoY**

- Stringent cost management and effective cost saving initiatives

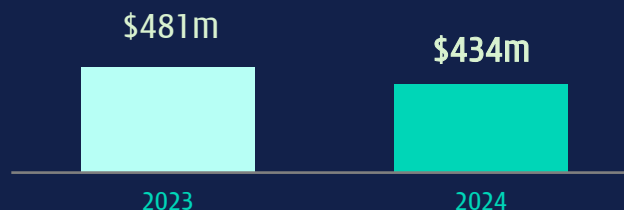


## Capital Expenditure

(excl. telecommunications licences)

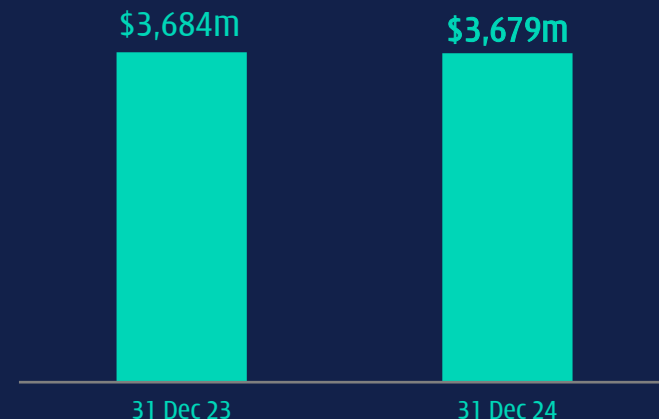
**+10% YoY**

- Completion of major 5G network enhancement projects



## Net Cash<sup>(1)</sup>

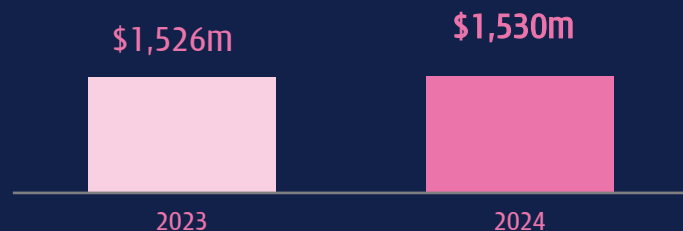
- Healthy cash position
- Debt-free balance sheet and prudent financial management



## Depreciation & Amortisation

**Flat YoY**

- Stabilised due to lower amortisation from capitalised CACs



## EBITDA less Capex

**\$1,088m**

(2023: \$976m)

**+11% YoY**

## CAPEX over Service Revenue

**12%**

(2023: 14%)

**+2%-pt YoY**



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Note:

(1) Cash represents cash and bank balances as at 31 December 2024 including short-term bank deposits with original maturity beyond three months of \$511m (31 December 2023: \$1,774m).



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# Sustainability

*Marcus Ng*  
CFO



# Upholding Sustainability as One of Our Core Values

## Governance

- ✓ Maintained "AA" in MSCI ESG rating since 2022 and scored 26.7 in Sustainalytics ESG rating
- ✓ 92% employees received training in anti-corruption/ethics and integrity



## Environment

- ✓ 100% lead-acid batteries recycling for HK operation
- ✓ Deploying energy-saving initiatives
  - AI energy-saving solution across 5G base stations in Hong Kong



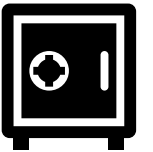
## Social

- ✓ Encouraging a supportive work environment and prioritising on employee's holistic wellbeing
- ✓ Continue to support local communities
  - Cultural, Education, Youth engagement and more



## Sustainable Business Model & Innovation

- ✓ Committed to protecting customer data
  - Compliance with the Payment Card Industry Data Security Standard
- ✓ Advance mobile technology that support digital inclusion and social development across all sectors



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# Network Development and AI

*Kenny Koo*  
*Executive Director and CEO*

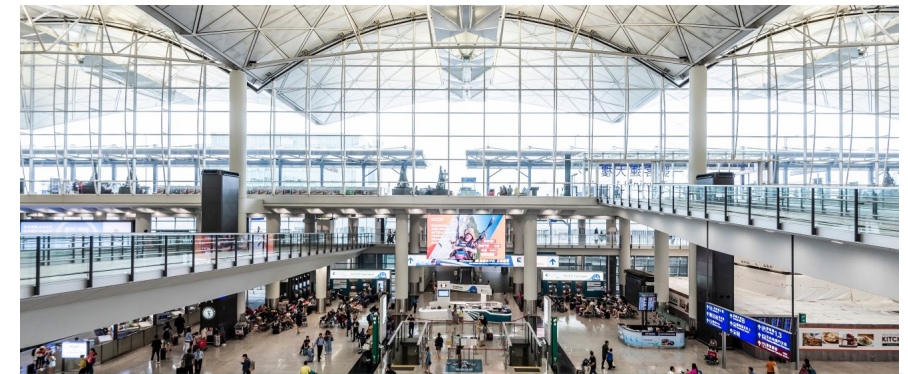


# Network Development

## Deployment of 3.5 GHz "Golden Spectrum" at major transportation hubs



✓ 5G @3.5 GHz at three cross harbour tunnels and Aberdeen Tunnel



✓ 5G @3.5 GHz at Hong Kong International Airport



✓ 5G @3.5 GHz in high-traffic MTR stations

The Group secured 10 MHz of radio spectrum in the 850/900 MHz frequency bands and 20 MHz in the 2.3 GHz frequency band for a 15-year term.

We are continuing to **provide excellent network to our customers**



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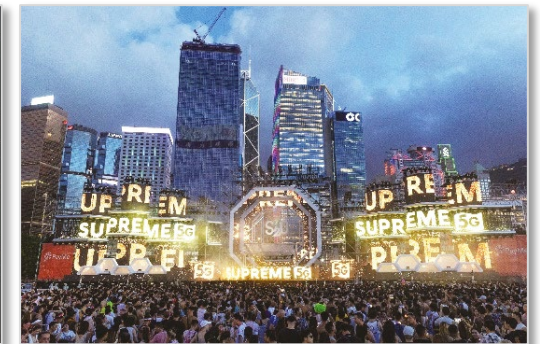


# Network Development

Enhancing 5G network capacity and quality



Intelligent resources allocation algorithm helps preserve network resources to ensure high quality of experiences upon heavy traffic conditions at mega events



Deployed radio base stations to cover entire **Kai Tak Sports Park** and provide sufficient resources for maximum capacity

✓ Continuous improving customers' quality of experience @traffic hotspots

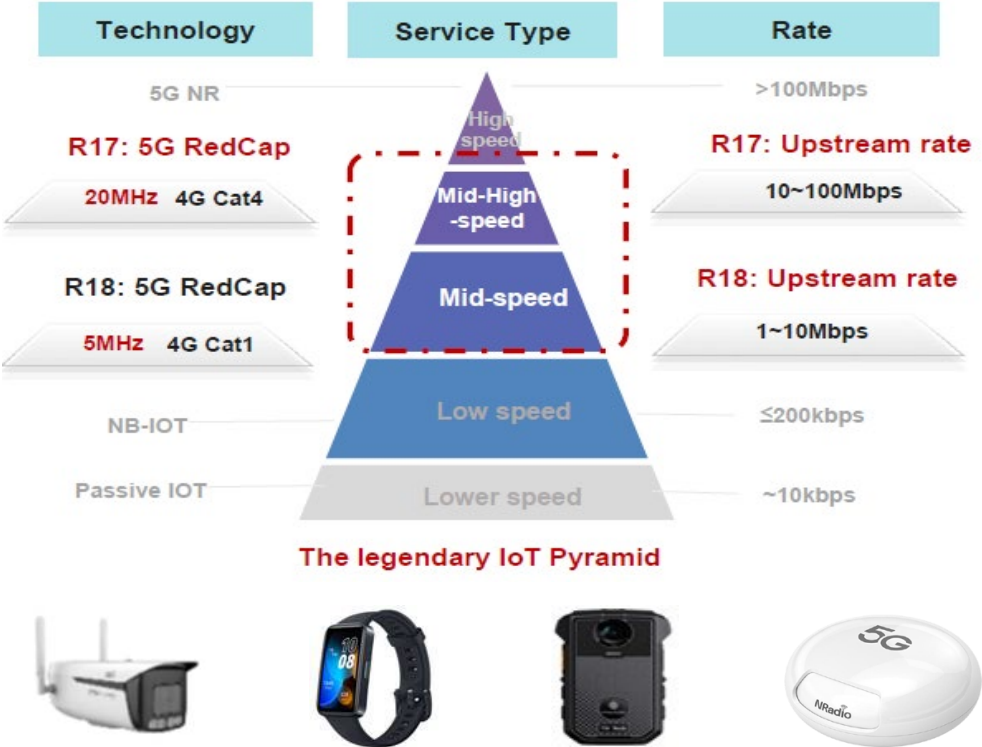


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# Network Development

Leveraged mmWave capabilities to deliver quality service with super high speed and extremely low latency



RedCap offers massive machine-type connectivity, enabling CCTV, wearable, surveillance and CPE types of use case

✓ Readiness of 5.5G serving enterprise customers @vertical industries

# Digital Transformation

Enhance operational efficiency and customer engagement, allowing us to respond swiftly to market demands while fostering data-driven decision marketing and innovation for sustainable growth in both postpaid and prepaid markets

## Technical Advancements



Modern cloud infrastructure improves system performance and scalability



Omni-channel experiences enhance customer interactions across platforms



Real-time billing systems streamline transactions efficiently, real time vs days



Advanced CRM solutions enable effective customer relationship management



PCI 4.0 compliance enhances data security



Time to market reduced by 60%



Real-Time Data Analytics enables strategic decisions based on accurate insights and trends

## Revenue Uplift



Digital transformation has significantly increased revenue via shorter time-to-market and profit realisation



Digital transformation has streamlined processes and enabled cost reductions



Innovative approaches have established a competitive edge in the market



Support innovative customer engagement strategies which enhanced satisfaction and loyalty



Open Integration tools facilitate rapid product development with partners and vendors, as well as supporting wholesale, leading to scalable B2B business growth

Revenue<sup>(1)</sup>  
**+45% YoY**



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Note  
(1) Revenue generated from Digital Transformed platform

# AI and Automation to Drive Business Improvement

## Grow Engagement and Revenue

Leveraging AI technologies to strengthen customer relationships and boost revenue

- **AI Chatbots:** Delivering real-time support and enhancing response times, easing the burden on the customer service hotline
- **Churn Prevention:** Utilising predictive analytics to retain customers
- **Educational Solutions:** Offering AI-driven services such as paper marking and training courses

Enquiries handled by AI

**45%**

## Improve Network Experience

Strive to elevate mobile services to maximise customer satisfaction

- **Network Capacity Management:** Ensuring optimal performance and reliability
- **Fault Investigation:** Analysing logs to swiftly address network issues
- **Fault Detection:** Proactively identifying problems with passive network elements, monitoring up to 2,800 units
- **AI-based Energy Savings:** Achieving overall base station energy savings

Energy saved

**10%**

## Boost Operational Productivity

Focus on automation in streamlining operations and enhancing efficiency

- **Document Preparation:** Automating routine tasks to save time
- **Network Security:** Implementing advanced threat detection for robust protection
- **Fraud Reduction:** Employing anomaly detection techniques to identify potential risks

Man-hours in particular tasks reduced by

**>90%**



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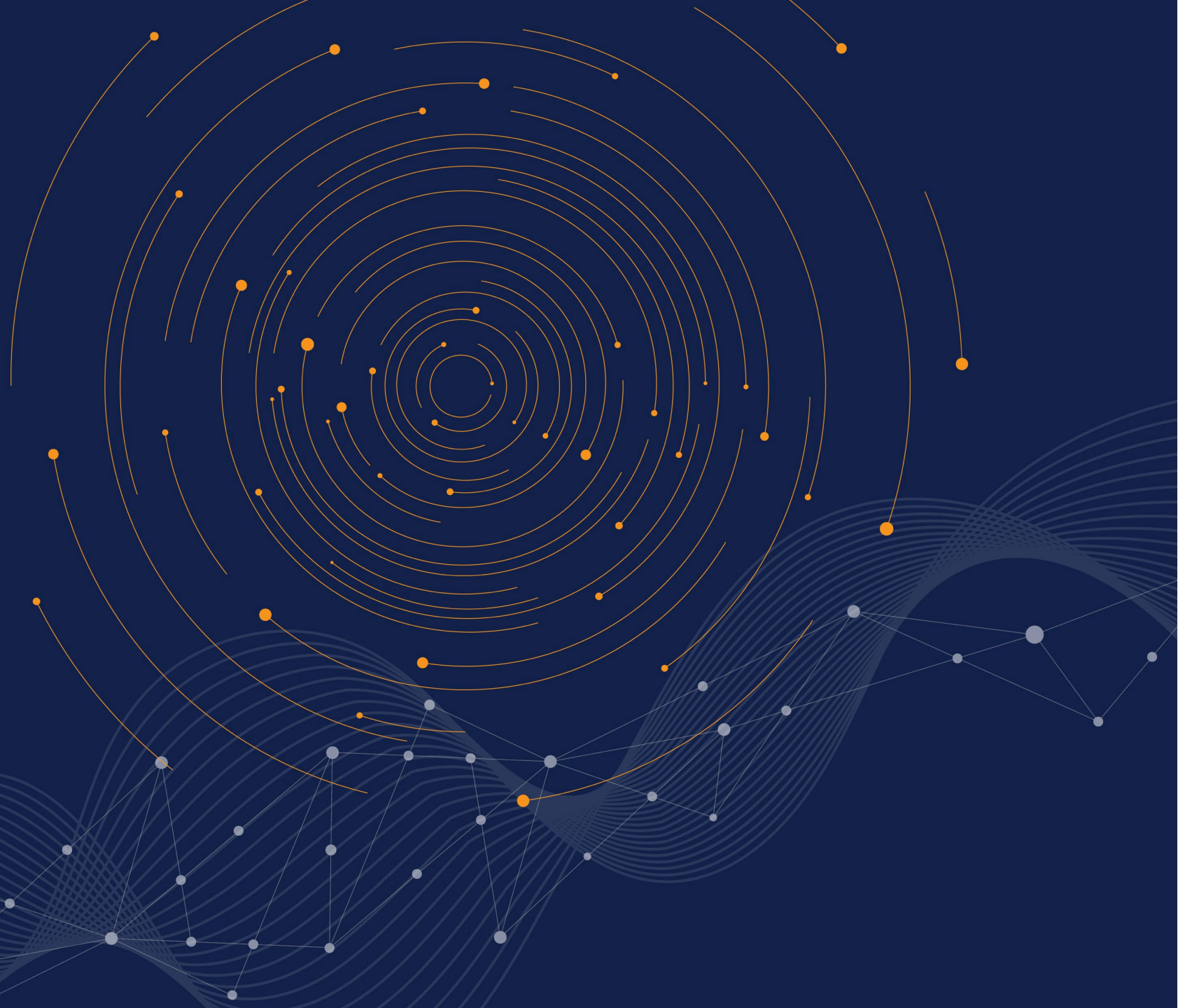




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# Outlook

*Kenny Koo*  
*Executive Director and CEO*



# Outlook

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## **Strengthening Roaming as a Revenue Pillar**

- Continuing to enhance our roaming services as a key driver of revenue growth



## **Building Strong Momentum in SoSIM**

- Sustaining robust growth in the SoSIM prepaid sector to reinforce our market leadership



## **Leveraging AI and Big Data**

- Utilising AI and big data analytics to enhance customer engagement and boost operational efficiency for consumer and enterprise segments



## **Expanding Digital Channels for Monetisation**

- Enhancing digital platforms to drive revenue growth across all customer segments



## **Growing Prepaid Wholesale Business Overseas**

- Focusing on international markets to capitalise on CEPA opportunities and increase market share in the prepaid wholesale sector



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# Q & A



A member of CK Hutchison Holdings





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Thank you





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# Appendix



HK\$ million	2024	2023	Change	HK\$ million	2024	2023	Change
<b>Revenue</b>	<b>4,782</b>	<b>4,896</b>	<b>-2%</b>	<b>EBITDA</b>	<b>1,522</b>	<b>1,457</b>	<b>+4%</b>
Net customer service revenue	3,561	3,531	+1%	<b>Service EBITDA</b>	<b>1,501</b>	<b>1,432</b>	<b>+5%</b>
Hardware and other product revenue	1,221	1,365	-11%	<i>Service EBITDA margin %</i>	<i>42%</i>	<i>41%</i>	<i>+1% pt</i>
Net customer service margin	3,050	3,046	-	CAPEX (excl. telecommunications licences)	(434)	(481)	+10%
<i>Net customer service margin %</i>	<i>86%</i>	<i>86%</i>	-	<b>EBITDA less CAPEX</b>	<b>1,088</b>	<b>976</b>	<b>+11%</b>
Standalone hardware and other product sales margin	21	25	-16%	Depreciation and amortisation <sup>(1)</sup>	(1,530)	(1,526)	-
<b>Total margin</b>	<b>3,071</b>	<b>3,071</b>	<b>-</b>	<b>LBIT</b>	<b>(8)</b>	<b>(69)</b>	<b>+88%</b>
CACs	(416)	(482)	+14%	<b>Service LBIT</b>	<b>(29)</b>	<b>(94)</b>	<b>+69%</b>
Less: Bundled sales revenue	244	312	-22%	Net interest and other finance income <sup>(1)</sup>	98	101	-3%
CACs (net of hardware and other product revenue)	(172)	(170)	-1%	<b>Profit before taxation</b>	<b>90</b>	<b>32</b>	<b>+181%</b>
Operating expenses	(1,430)	(1,506)	+5%	Taxation <sup>(1)</sup>	(84)	(84)	-
<i>Operating expenses as a % of net customer service margin</i>	<i>47%</i>	<i>49%</i>	<i>+2% pts</i>	<b>Profit/(loss) attributable to shareholders</b>	<b>6</b>	<b>(52)</b>	<b>+112%</b>
Share of EBITDA of a joint venture	53	62	-15%				

