

Three.

Telecommunications



3 UK and Vodafone UK's proposed merger receives CMA approval and is expected to complete in the first half of 2025.



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1. 3 Sweden nearly doubles its 5G population coverage across more than 250 locations in the country.
2. 3 Ireland is named the fastest 5G network in the country by Ookla Speedtest.
3. Wind Tre moves into its new headquarters in Milan, Italy.
4. 3 Austria introduces "uppi", an AI service chatbot capable of conversing in over 80 languages.

Operations Review – Telecommunications

The Group's telecommunications division consists of CK Hutchison Group Telecom ("CKHGT") which consolidates the 3 Group businesses in Europe ("3 Group Europe") and a 66.09% interest in Hutchison Telecommunications Hong Kong Holdings ("HTHKH"), which is listed on the SEHK. 3 Group Europe operates in six countries across Europe. HTHKH holds the Group's interests in mobile operations in Hong Kong and Macau.

CK Hutchison Group Telecom

In million	2024 HK\$	2023 HK\$	Change	Local currencies change	2024 EURO	2023 EURO
Total Revenue	88,371	86,814	+2%	+2%	10,458	10,199
Total Margin	63,626	61,832	+3%	+3%	7,531	7,267
Total CACs	(15,699)	(15,473)	-1%		(1,860)	(1,818)
Less: Handset revenue	11,581	11,403	+2%		1,372	1,340
Total CACs (net of handset revenue)	(4,118)	(4,070)	-1%		(488)	(478)
Operating Expenses	(35,379)	(35,421)	–		(4,188)	(4,121)
EBITDA ⁽¹⁾	24,129	22,341	+8%	+8%	2,855	2,668
Depreciation & Amortisation	(20,644)	(20,076)	-3%		(2,450)	(2,361)
EBIT ⁽¹⁾	3,485	2,265	+54%	+51%	405	307

3 Group Europe

In million	2024 HK\$	2023 HK\$	Change	Local currencies change
Total Revenue	81,710	80,231	+2%	+2%
Total Margin	59,453	57,589	+3%	+3%
Total CACs	(15,251)	(14,961)	-2%	
Less: Handset revenue	11,337	11,091	+2%	
Total CACs (net of handset revenue)	(3,914)	(3,870)	-1%	–
Operating Expenses	(32,417)	(32,371)	–	–
<i>Opex as a % of total margin</i>	<i>55%</i>	<i>56%</i>		
EBITDA ⁽²⁾	23,122	21,348	+8%	+8%
<i>EBITDA Margin % ⁽³⁾</i>	<i>33%</i>	<i>31%</i>		
Depreciation & Amortisation	(19,519)	(18,948)	-3%	-3%
EBIT ⁽²⁾	3,603	2,400	+50%	+48%

Note 1: Under Post-IFRS 16 basis, EBITDA was HK\$31,257 million (2023: HK\$29,081 million); EBIT was HK\$4,490 million (2023: HK\$3,191 million).

Note 2: Under Post-IFRS 16 basis, EBITDA was HK\$29,824 million (2023: HK\$27,675 million); EBIT was HK\$4,590 million (2023: HK\$3,312 million).

Note 3: EBITDA margin % represents EBITDA as a percentage of total revenue (excluding handset revenue).

3 Group Europe's total revenue of HK\$81,710 million and total margin of HK\$59,453 million was 2% and 3% higher than last year respectively in local currencies, primarily driven by growth in net customer service revenue due to increase in the customer base and favourable revenue initiatives, coupled with higher MVNO and other wholesale contribution for most operations.

Active customer base as at 31 December 2024 of 40.7 million was 1% higher than 2023, mainly due to growth in customer base reported by most operations, except for Wind Tre which focuses on acquiring and retaining customers with a higher average customer lifetime value, and for Austria due to intense market competition. Average monthly customer churn rate of the contract customer base remained stable at 1.2% for the year (2023: 1.2%). **3** Group Europe's 2024 net ARPU of €12.74 was flat as compared to 2023, as the favourable impact from revenue initiatives was offset by lower incoming mobile termination revenue due to reduction in EU-wide interconnection rates and dilutive impact of higher mix of low value Internet of things (IoT) customers in Ireland. The reduction in mobile termination revenue impact as mentioned was nullified by the corresponding decrease in interconnection cost, and therefore did not adversely impact net AMPU. **3** Group Europe's net AMPU increased by 1% to €11.74 primarily reflected the revenue initiatives upside on net customer service margin.

Majority of **3** Group Europe's operations reported higher net customer service margin driven by inflation-linked adjustment embedded in customer contracts or annual adjustment executed throughout the year, coupled with full year impact from the favourable revenue initiatives implemented in last year. In addition, UK and Ireland continued to increase their active customer base in business and Fixed Wireless Access segments, while Sweden and Denmark reported growth in contract base and higher contribution from second brand year-on-year. Italy and Austria's active customer base was lower, reflecting Italy's customer value management initiatives and keen market competition in Austria from aggressive MVNO offerings respectively, which more than offset the favourable revenue initiatives upside on their net customer service margin. Other margin grew across most operations due to price increase, improvement in MVNO performance and expansion of revenue streams beyond traditional service offerings. Overall, these resulted in a 3% total margin growth.

3 Group Europe's EBITDA and EBIT increased by 8% and 48% respectively in local currencies, primarily due to improvement in overall total margin as mentioned, coupled with stable operating expenses as various cost saving initiatives mostly offset higher network costs from expanded networks. Depreciation and amortisation increased by 3% in local currencies due to enlarged network asset base across the footprint and a one-time accelerated depreciation from the swap out of certain network equipment in the Denmark operation, partly offset by the favourable variance from accelerated depreciation on the legacy IT system recognised by **3** UK in 2023 not recurring in 2024.

CKHGT also remains committed to its climate action plan and achieving its Science-Based Targets. Despite challenges in the energy mix in European markets, CKHGT has been able to leverage on technology solution and the purchase of renewable energy to achieve encouraging outcomes. Emissions have been successfully maintained at the same level on a year on year basis, representing approximately 25% reduction against the 2020 baseline. CKHGT increased its use of purchased renewable energy to over 60%. It also continued to invest in energy efficiency of its operations. This includes **3** UK deploying industry leading energy efficient radios, combined with AI and data analytics, to improve network energy efficiency by up to 70% at selected sites. Additionally, **3** Hong Kong implemented a 5.5G green strategy by adopting AI energy-saving solution to enhance the overall energy efficiency of its 5G network.

Operations Review – Telecommunications

CKHGT - Results by operations

In million	UK GBP		Italy ⁽⁴⁾ EURO		Sweden SEK		Denmark DKK	
	2024	2023	2024	2023	2024	2023	2024	2023
Total Revenue	2,748	2,588	3,782	3,838	8,205	7,984	2,485	2,438
<i>% change</i>	+6%		-1%		+3%		+2%	
Total margin	1,790	1,671	2,952	2,958	5,447	5,213	2,088	1,990
<i>% change</i>	+7%		-		+4%		+5%	
Total CACs	(987)	(964)	(323)	(279)	(737)	(945)	(239)	(257)
Less: Handset Revenue	751	715	219	190	324	538	67	80
Total CACs (net of handset revenue)	(236)	(249)	(104)	(89)	(413)	(407)	(172)	(177)
Operating Expenses	(1,013)	(1,020)	(1,599)	(1,627)	(2,455)	(2,305)	(1,165)	(1,160)
<i>Opex as a % of total margin</i>	57%	61%	54%	55%	45%	44%	56%	58%
EBITDA	541	402	1,249	1,242	2,579	2,501	751	653
<i>% change</i>	+35%		+1%		+3%		+15%	
<i>EBITDA margin % ⁽⁵⁾</i>	27%	21%	35%	34%	33%	34%	31%	28%
Depreciation & Amortisation	(518)	(519)	(1,106)	(1,100)	(1,848)	(1,620)	(913)	(657)
EBIT	23	(117)	143	142	731	881	(162)	(4)
<i>% change</i>	+120%		+1%		-17%		-3950%	
Capex (excluding licence)	(436)	(454)	(693)	(682)	(1,517)	(1,455)	(276)	(395)
Depreciation & Amortisation ⁽⁶⁾	(433)	(448)	(723)	(736)	(1,091)	(873)	(772)	(523)
Depreciation & Amortisation ⁽⁶⁾ less Capex	(3)	(6)	30	54	(426)	(582)	496	128
EBITDA less Capex	105	(52)	556	560	1,062	1,046	475	258
Licence ⁽⁷⁾	-	-	-	-	-	(1,212)	-	-

HK dollar equivalents of EBITDA and EBIT are summarised as follows:

<i>EBITDA-pre IFRS 16 basis (HK\$)</i>	5,405	3,941	10,575	10,570	1,908	1,860	850	746
<i>EBITDA-post IFRS 16 basis (HK\$)</i>	6,216	4,765	15,532	15,191	2,172	2,095	966	858
<i>EBIT-pre IFRS 16 basis (HK\$)</i>	234	(1,140)	1,231	1,204	544	660	(165)	(6)
<i>EBIT-post IFRS 16 basis (HK\$)</i>	335	(1,000)	1,955	1,821	561	674	(155)	2

	UK		Italy		Sweden		Denmark	
	2024	2023	2024	2023	2024	2023	2024	2023
Total registered customer base (million)	11.6	12.6	18.8	19.3	2.7	2.6	1.7	1.6
Total active customer base (million)	10.8	10.6	17.8	18.1	2.7	2.6	1.7	1.6
Contract customers as a % of the total registered customer base	81%	73%	49%	49%	70%	70%	55%	56%
Average monthly churn rate of the total contract registered customer base (%)	1.6%	1.4%	1.3%	1.4%	1.3%	1.2%	1.8%	2.0%
Active contract customers as a % of the total contract registered customer base	99%	99%	96%	96%	100%	100%	100%	100%
Active customers as a % of the total registered customer base	93%	84%	94%	94%	100%	100%	100%	100%
LTE coverage by population (%)	97%	96%	100%	100%	99%	98%	100%	100%
Full year data usage per active customer (Gigabyte)								

Note 4: Wind Tre's results include fixed line business revenue of €1,066 million (2023: €1,011 million) and EBITDA of €198 million (2023: €185 million).

Note 5: EBITDA margin % represents EBITDA as a percentage of total revenue (excluding handset revenue).

Note 6: Depreciation & Amortisation excludes amortisation of licences, amortisation of capitalised CACs, amortisation of customer relationship intangibles, as well as share of joint venture's depreciation of Wind Tre and HTHKH. The comparatives were restated to conform with the 2024 definition.

Austria		Ireland		3 Group Europe		HTHKH		Corporate and Others ⁽⁶⁾		CKHGT		CKHGT	
EURO		EURO		HK\$		HK\$		HK\$		HK\$		EURO	
2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
957	976	630	615	81,710	80,231	4,782	4,896	1,879	1,687	88,371	86,814	10,458	10,199
-2%		+2%		+2%		-2%		+11%		+2%		+3%	
<i>Local currencies change %</i>				+2%						+2%			
727	704	484	462	59,453	57,589	3,322	3,339	851	904	63,626	61,832	7,531	7,267
+3%		+5%		+3%		-1%		-6%		+3%		+4%	
<i>Local currencies change %</i>				+3%						+3%			
(128)	(168)	(91)	(88)	(15,251)	(14,961)	(448)	(512)	-	-	(15,699)	(15,473)	(1,860)	(1,818)
112	151	86	83	11,337	11,091	244	312	-	-	11,581	11,403	1,372	1,340
(16)	(17)	(5)	(5)	(3,914)	(3,870)	(204)	(200)	-	-	(4,118)	(4,070)	(488)	(478)
(367)	(345)	(304)	(302)	(32,417)	(32,371)	(1,828)	(1,896)	(1,134)	(1,154)	(35,379)	(35,421)	(4,188)	(4,121)
50%	49%	63%	65%	55%	56%	55%	57%	N/A	N/A	56%	57%	56%	57%
344	342	175	155	23,122	21,348	1,290	1,243	(283)	(250)	24,129	22,341	2,855	2,668
+1%		+13%		+8%		+4%		-13%		+8%		+7%	
<i>Local currencies change %</i>				+8%						+8%			
41%	41%	32%	29%	33%	31%	28%	27%			31%	30%	31%	30%
(176)	(166)	(135)	(134)	(19,519)	(18,948)	(1,122)	(1,127)	(3)	(1)	(20,644)	(20,076)	(2,450)	(2,361)
168	176	40	21	3,603	2,400	168	116	(286)	(251)	3,485	2,265	405	307
-5%		+90%		+50%		+45%		-14%		+54%		+32%	
<i>Local currencies change %</i>				+48%						+51%			
(225)	(175)	(95)	(95)	(14,305)	(14,113)	(434)	(481)	(1)	(2)	(14,740)	(14,596)	(1,751)	(1,712)
(124)	(115)	(98)	(93)	(13,980)	(13,662)	(539)	(517)	(3)	(1)	(14,522)	(14,180)	(1,723)	(1,669)
(101)	(60)	3	(2)	(325)	(451)	105	36	2	(1)	(218)	(416)	(28)	(43)
119	167	80	60	8,817	7,235	856	762	(284)	(252)	9,389	7,745	1,104	956
(7)	-	-	(129)	(59)	(1,937)	-	-	-	-	(59)	(1,937)	(7)	(231)
2,910	2,914	1,474	1,317	23,122	21,348	1,290	1,243	(283)	(250)	24,129	22,341	€2,855	€2,668
3,169	3,154	1,769	1,612	29,824	27,675	1,716	1,656	(283)	(250)	31,257	29,081	€3,699	€3,459
1,425	1,499	334	183	3,603	2,400	168	116	(286)	(251)	3,485	2,265	€405	€307
1,482	1,550	412	265	4,590	3,312	186	130	(286)	(251)	4,490	3,191	€526	€417

Austria		Ireland		3 Group Europe		HTHKH	
2024	2023	2024	2023	2024	2023	2024	2023
3.1	3.1	4.9	4.5	42.8	43.7	5.8	4.6
2.8	2.8	4.9	4.5	40.7	40.2	4.6	4.0
78%	77%	83%	81%	65%	63%	25%	31%
0.5%	0.5%	0.4%	0.4%	1.2%	1.2%	1.0%	1.0%
99%	100%	100%	100%	98%	98%	100%	100%
90%	89%	100%	100%	95%	92%	81%	85%
99%	98%	99%	99%	-	-	99%	99%
				326.4	286.1	261.1	206.1

Note 7: 2024 licence cost for Austria represents investment for 600 MHz of 26 GHz spectrum acquired in March 2024. For 2023, the licence cost for Ireland represents investment for 20 MHz of 700 MHz spectrum, 40 MHz of 2100 MHz spectrum and 70 MHz of 2600 MHz spectrum acquired in January 2023, and the licence cost for Sweden represents investment for 20 MHz of 900 MHz spectrum, 40 MHz of 2.1 GHz spectrum, 20 MHz of 2.6 GHz spectrum and 40 MHz of 2.6 GHz spectrum acquired in September 2023.

Note 8: 2023 results include an exchange reserve charge of HK\$0.3 billion recycled to the income statement upon partial disposal of a subsidiary which became a joint venture.

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Key Business Indicators

	Registered Customer Base								
	Registered Customers at 31 December 2024 ('000)			Registered Customer Growth (%) from 30 June 2024 to 31 December 2024			Registered Customer Growth (%) from 31 December 2023 to 31 December 2024		
	Non-contract	Contract	Total	Non-contract	Contract	Total	Non-contract	Contract	Total
United Kingdom	2,177	9,384	11,561	-19%	+1%	-4%	-36%	+2%	-8%
Italy ⁽⁹⁾	9,526	9,310	18,836	–	-2%	-1%	-3%	-2%	-3%
Sweden	819	1,940	2,759	+3%	+3%	+3%	+7%	+6%	+6%
Denmark	743	917	1,660	+2%	+2%	+2%	+5%	+4%	+4%
Austria	666	2,395	3,061	-4%	–	-1%	-7%	-1%	-2%
Ireland	844	4,098	4,942	–	+7%	+5%	–	+14%	+11%
3 Group Europe Total	14,775	28,044	42,819	-3%	+1%	-1%	-9%	+2%	-2%
HTHKH	4,332	1,423	5,755	+15%	-1%	+10%	+36%	-3%	+24%

	Active ⁽¹⁰⁾ Customer Base								
	Active Customers at 31 December 2024 ('000)			Active Customer Growth (%) from 30 June 2024 to 31 December 2024			Active Customer Growth (%) from 31 December 2023 to 31 December 2024		
	Non-contract	Contract	Total	Non-contract	Contract	Total	Non-contract	Contract	Total
United Kingdom	1,497	9,310	10,807	-11%	+1%	-1%	-4%	+3%	+2%
Italy ⁽⁹⁾	8,803	8,979	17,782	+1%	-2%	–	-2%	-2%	-2%
Sweden	814	1,940	2,754	+3%	+3%	+3%	+7%	+6%	+6%
Denmark	742	917	1,659	+2%	+2%	+2%	+5%	+4%	+4%
Austria	383	2,378	2,761	-2%	–	-1%	-4%	-1%	-1%
Ireland	844	4,098	4,942	–	+7%	+5%	–	+14%	+11%
3 Group Europe Total	13,083	27,622	40,705	-1%	+1%	–	-1%	+3%	+1%
HTHKH	3,217	1,423	4,640	+14%	-1%	+9%	+29%	-3%	+17%

Note 9: In addition to the above, Wind Tre has 2.9 million fixed line customers.

Note 10: An active customer is one that generated revenue from an outgoing call, incoming call or data/content service in the preceding three months.

**12-month Trailing Average Revenue per Active User ⁽¹¹⁾ ("ARPU")
to 31 December 2024**

	Non-Contract	Contract	Blended Total	% Variance compared to 31 December 2023
United Kingdom	£5.89	£18.53	£16.68	-9%
Italy	€9.19	€12.66	€10.96	-2%
Sweden	SEK121.93	SEK229.85	SEK198.02	-3%
Denmark	DKK94.11	DKK137.61	DKK118.20	-1%
Austria	€9.20	€23.50	€21.49	+2%
Ireland	€14.48	€8.05	€9.21	-12%
3 Group Europe Average	€9.54	€16.78	€14.44	-4%
HTHKH	HK\$14.41	HK\$184.35	HK\$72.24	-18%

**12-month Trailing Net Average Revenue per Active User ⁽¹²⁾ ("Net ARPU")
to 31 December 2024**

	Non-Contract	Contract	Blended Total	% Variance compared to 31 December 2023
United Kingdom	£5.89	£14.91	£13.59	+2%
Italy	€9.19	€11.88	€10.56	-2%
Sweden	SEK121.93	SEK207.07	SEK181.96	-2%
Denmark	DKK94.11	DKK130.15	DKK114.07	-1%
Austria	€9.20	€19.09	€17.70	-1%
Ireland	€14.48	€6.30	€7.78	-10%
3 Group Europe Average	€9.54	€14.28	€12.74	-
HTHKH	HK\$14.41	HK\$169.73	HK\$67.27	-17%

**12-month Trailing Net Average Margin per Active User ⁽¹³⁾ ("Net AMPU")
to 31 December 2024**

	Non-Contract	Contract	Blended Total	% Variance compared to 31 December 2023
United Kingdom	£5.27	£13.56	£12.35	+2%
Italy	€8.60	€11.20	€9.93	-
Sweden	SEK106.60	SEK184.08	SEK161.23	-1%
Denmark	DKK82.35	DKK112.98	DKK99.32	+1%
Austria	€8.49	€17.96	€16.63	+1%
Ireland	€13.52	€5.86	€7.24	-9%
3 Group Europe Average	€8.81	€13.14	€11.74	+1%
HTHKH	HK\$11.00	HK\$148.44	HK\$57.77	-17%

Note 11: ARPU equals total monthly revenue, including incoming mobile termination revenue and contributions for a handset/device in contract bundled plans, divided by the average number of active customers during the year.

Note 12: Net ARPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in contract bundled plans, divided by the average number of active customers during the year.

Note 13: Net AMPU equals total monthly revenue, including incoming mobile termination revenue but excluding contributions for a handset/device in contract bundled plans, less direct variable costs (including interconnection charges and roaming costs) (i.e. net customer service margin), divided by the average number of active customers during the year.

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United Kingdom

UK's total margin grew 7% from an increase in the customer base and growth in wholesale business, mitigating higher operating costs from an enlarged network and contributing to 35% and 120% growth in EBITDA and EBIT respectively in local currency. Depreciation and amortisation was stable year-on-year due to increased depreciation from enlarged network fully offset by the impact of accelerated depreciation on a legacy IT system recognised in 2023. The operation was awarded the best network for Business and SIM only by Mobile industry award and the fastest 5G network in 2024 by Ookla.

Italy

Italy's EBITDA and EBIT both increased by 1% against last year in local currency, mainly driven by growth in new revenue streams such as energy, insurance and cybersecurity products, lower operating expenses through stringent cost controls, partly offset by lower net customer service margin due to lower customer base. Depreciation and amortisation was relatively stable as 5G rollout has substantially been completed with Wind Tre achieving over 95% FDD and 75% TDD coverage. In the second half of 2024, Wind Tre acquired OpNet, a wholesale fixed-wireless-access provider, which increases Wind Tre's spectrum holdings to enable network capacity enhancements.

Sweden

Sweden, where the Group has 60% interest, reported EBITDA growth of 3% in local currency compared to last year, primarily driven by 4% increase in total margin from 6% increase in active customer base, partly offset by higher operating costs incurred from enlarged network base and higher bad debt expenses. Despite of the EBITDA improvement, EBIT decreased by 17% compared to last year in local currency due to higher depreciation from enlarged network base. Sweden's 5G population coverage reached over 75% by the end of 2024.

Denmark

The Denmark operation, where the Group has 60% interest, reported 15% increase in EBITDA in local currency mainly driven by total margin growth of 5% with stable operating expenses. Denmark's EBIT decreased compared to last year as a result of higher depreciation from finalising the network asset swap in the second half of 2024, which more than offset the improved EBITDA. Denmark has reached approximately 90% FDD coverage and 70% TDD coverage in 2024.

Austria

Austria's EBITDA increased by 1% against last year in local currency, primarily driven by the strong MVNO performance, partly offset by lower net customer service margin and higher operating costs due to network expansion. EBIT in local currency decreased by 5% compared to 2023, reflecting increased depreciation from an enlarged asset base as 5G network rollout continues. Austria's 5G coverage has reached approximately 95% and 75% FDD and TDD coverage respectively in 2024.

Ireland

Total margin grew by 5% against last year driven by the base growth, partly offset by the lower net AMPU from the dilutive impact of higher mix of low margin IoT customers despite the upside from revenue initiatives. EBITDA and EBIT in local currency increased by 13% and 90% respectively compared to 2023 driven by better total margin, which more than offset higher operating expenses due to one-off redundancy provision recognised in the year. In 2024, 3 Ireland has reached over 90% 5G coverage.

Hutchison Telecommunications Hong Kong Holdings

Total revenue of HK\$4,782 million was 2% lower against last year, primarily due to lower hardware revenue and reduced local service revenue driven by the continued competitive landscape, partly offset by the increase in roaming service revenue from continuous growth in international travel. EBITDA of HK\$1,290 million was 4% higher compared to last year mainly due to effective cost control measures. EBIT of HK\$168 million was 45% higher than that of 2023 as a result of the aforesaid improvement in EBITDA and stabilised depreciation and amortisation.