



3 Denmark's 5G coverage reaches approximately 90% of the population.

Telecommunications



3 Austria is crowned the country's fastest 5G network for the third year.



3 Ireland is named the fastest 5G operator in Ireland again.



Wind Tre's 5G network covers over 95% of Italy's population.



Indosat Ooredoo Hutchison strives to connect and empower every Indonesian through 5G, AI and collaboration as well as digital literacy.

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, as well as Hutchison Asia Telecommunications ("HAT"). 3 Group Europe operates in six countries across Europe. HTHKH holds the Group's interests in mobile operations in Hong Kong and Macau. HAT holds the Group's interests in the mobile operations in Indonesia, Vietnam and Sri Lanka.

CK Hutchison Group Telecom

In million	2023 HK\$	2022 HK\$	Change	Local currencies change	2023 EURO	2022 EURO
Total Revenue	86,814	83,289	+4%	+3%	10,199	10,084
Total Margin	61,832	58,124	+6%	+5%	7,267	7,037
Total CACs	(15,473)	(14,852)	-4%		(1,818)	(1,799)
Less: Handset revenue	11,403	11,228	+2%		1,340	1,361
Total CACs (net of handset revenue)	(4,070)	(3,624)	-12%		(478)	(438)
Operating Expenses	(35,421)	(30,226)	-17%		(4,121)	(3,654)
Gain from disposal of tower assets ⁽¹⁾	–	18,957	-100%		–	2,371
Impairment of goodwill ⁽¹⁾	–	(11,039)	+100%		–	(1,330)
EBITDA ⁽²⁾	22,341	32,192	-31%	-32%	2,668	3,986
- Underlying	22,341	24,274	-8%	-10%	2,668	2,945
- One-off items ⁽¹⁾	–	7,918			–	1,041
Depreciation & Amortisation	(20,076)	(19,389)	-4%		(2,361)	(2,346)
EBIT ⁽²⁾	2,265	12,803	-82%	-83%	307	1,640
- Underlying	2,265	4,885	-54%	-56%	307	599
- One-off items ⁽¹⁾	–	7,918			–	1,041

3 Group Europe ⁽³⁾

In million	2023 HK\$	2022 ⁽⁴⁾ HK\$	Change	Local currencies change
Total Revenue	80,231	77,925	+3%	+1%
Total Margin	57,589	54,933	+5%	+3%
Total CACs	(14,961)	(14,305)	-5%	
Less: Handset revenue	11,091	10,852	+2%	
Total CACs (net of handset revenue)	(3,870)	(3,453)	-12%	-11%
Operating Expenses	(32,371)	(28,642)	-13%	-11%
<i>Opex as a % of total margin</i>	<i>56%</i>	<i>52%</i>		
EBITDA	21,348	22,838	-7%	-9%
<i>EBITDA Margin % ⁽⁵⁾</i>	<i>31%</i>	<i>34%</i>		
EBITDA excluding energy inflation	22,553	22,838	-1%	-3%
Depreciation & Amortisation	(18,948)	(17,955)	-6%	-4%
EBIT	2,400	4,883	-51%	-54%
EBIT excluding energy inflation	3,605	4,883	-26%	-29%
EBITDA per above	21,348	22,838	-7%	-9%
Proforma contribution from tower assets	–	1,026		
Reported EBITDA ⁽⁶⁾	21,348	23,864	-11%	-12%
EBIT per above	2,400	4,883	-51%	-54%
Proforma contribution from tower assets	–	681		
Reported EBIT ⁽⁶⁾	2,400	5,564	-57%	-59%

Note 1: CKHGT completed the disposal of tower assets in the UK in November 2022 and recognised a disposal gain before tax of HK\$18,957 million. A non-cash impairment of goodwill on the Group's Italian telecommunication business of HK\$11,039 million was also recognised in 2022.

Note 2: Under Post-IFRS 16 basis, EBITDA was HK\$29,081 million (2022: HK\$39,002 million); EBIT was HK\$3,191 million (2022: HK\$14,216 million).

Note 3: 2022 3 Group Europe results do not include one-off items, which represented gain on disposal of tower assets (before tax) of HK\$19.0 billion and non-cash impairment of goodwill of the Group's Italian telecommunication business of HK\$11.0 billion.

Note 4: As the tower assets disposal in the UK was completed in November 2022, the 2022 results of the UK were normalised, which exclude the proforma contribution from the tower assets for January to October 2022. The % changes in EBITDA and EBIT are compared against the normalised 2022 numbers.

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

Note 6: Under Post-IFRS 16 basis, EBITDA was HK\$27,675 million (2022: HK\$30,144 million); EBIT was HK\$3,312 million (2022: HK\$6,859 million).

Although Italy's wholesale revenue continued to decline year-on-year by approximately HK\$1.4 billion, 3 Group Europe's total revenue of HK\$80,231 million and total margin of HK\$57,589 million was 1% 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 phased throughout the year, coupled with higher roaming income from increased travelling by European customers.

Active customer base as at 31 December 2023 of 40.2 million was 1% higher than 2022, mainly due to the UK, where the total active customer base increased 3% year-on-year, partly offset by lower customer base of Wind Tre which strategically targets a higher average customer lifetime value for its base as a whole. Average monthly customer churn rate of the contract customer base remained stable at 1.2% for the year (2022: 1.2%). 3 Group Europe's 2023 net ARPU and net AMPU of €12.80 and €11.59 respectively were impacted by adverse foreign exchange translation impact of Pound Sterling which depreciated 2% year-on-year against EURO. Excluding the foreign exchange impact, 3 Group Europe's net ARPU and net AMPU increased by 1% and 2% respectively against 2022, primarily due to the upside from revenue initiatives, better tariff mix and higher value propositions, partly offset by the dilutive impact of higher mix of low value Internet of things (IoT) customers in Ireland.

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, which led to the growth in overall net customer service margin. In addition, UK, Sweden and Ireland continued to increase their active customer base mainly in the contract and business segments, with Denmark's second brand delivering a steady growth year-on-year. Italy and Austria's active customer base was lower, reflecting the impact from customer value management initiatives and voluntary churn from tariff adjustment respectively, which partly offset the favourable revenue initiatives upside on their net customer service margin. Despite Italy's wholesale margin decline, other margin grew across most of the remaining operations due to the improvement in MVNO performance and expansion of revenue streams beyond traditional customer service. Overall, these resulted in a 3% total margin growth.

3 Group Europe's 2023 results reflected the full year adverse impact from the tower disposal in the UK of around HK\$1.0 billion. Together with increased operating expenses due to HK\$1.2 billion higher energy cost and HK\$0.9 billion other inflationary impacts, as well as higher network costs from the expanded networks, particularly in the UK, reported EBITDA decreased by 12% against last year in local currencies. 3 UK recognised £38 million accelerated depreciation on the legacy IT system in 2023 upon transitioning to an enhanced digital platform, excluding which, reported depreciation and amortisation of 3 Group Europe was flat year-on-year in local currencies as the higher depreciation in the UK from continued 5G rollout was offset by the savings arising from tower assets disposal and lower depreciation in Italy following the transfer of certain network assets to a newly setup joint venture in January 2023 and lower 5G network investment.

Operations Review – Telecommunications

CKHGT - Results by operations

In million	UK ⁽⁸⁾ GBP		Italy ⁽⁷⁾ EURO		Sweden SEK		Denmark DKK		Austria EURO	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Total Revenue	2,588	2,520	3,838	3,947	7,984	7,586	2,438	2,375	976	885
<i>% change</i>	+3%		-3%		+5%		+3%		+10%	
Total margin	1,671	1,529	2,958	3,030	5,213	4,753	1,990	1,864	704	669
<i>% change</i>	+9%		-2%		+10%		+7%		+5%	
Total CACs	(964)	(953)	(279)	(276)	(945)	(1,003)	(257)	(229)	(168)	(113)
Less: Handset Revenue	715	759	190	167	538	555	80	78	151	100
Total CACs (net of handset revenue)	(249)	(194)	(89)	(109)	(407)	(448)	(177)	(151)	(17)	(13)
Operating Expenses	(1,020)	(828)	(1,627)	(1,578)	(2,305)	(1,957)	(1,160)	(1,036)	(345)	(306)
<i>Opex as a % of total margin</i>	61%	54%	55%	52%	44%	41%	58%	56%	49%	46%
Gain from disposal of tower assets	-	-	-	-	-	-	-	-	-	-
Impairment of goodwill	-	-	-	-	-	-	-	-	-	-
EBITDA	402	507	1,242	1,343	2,501	2,348	653	677	342	350
<i>% change</i>	-21%		-8%		+7%		-4%		-2%	
<i>EBITDA margin %⁽¹⁰⁾</i>	21%	29%	34%	36%	34%	33%	28%	29%	41%	45%
Depreciation & Amortisation	(519)	(430)	(1,100)	(1,155)	(1,620)	(1,728)	(657)	(551)	(166)	(154)
EBIT	(117)	77	142	188	881	620	(4)	126	176	196
<i>% change</i>	-252%		-24%		+42%		-103%		-10%	
EBITDA per above	402	507	1,242	1,343	2,501	2,348	653	677	342	350
Proforma contribution from tower assets	-	105	-	-	-	-	-	-	-	-
Reported EBITDA	402	612	1,242	1,343	2,501	2,348	653	677	342	350
<i>% change</i>	-34%		-8%		+7%		-4%		-2%	
EBIT per above	(117)	77	142	188	881	620	(4)	126	176	196
Proforma contribution from tower assets	-	70	-	-	-	-	-	-	-	-
Reported EBIT	(117)	147	142	188	881	620	(4)	126	176	196
<i>% change</i>	-180%		-24%		+42%		-103%		-10%	
Capex (excluding licence)	(454)	(743)	(682)	(849)	(1,455)	(1,498)	(395)	(792)	(175)	(168)
Comparable Depreciation & Amortisation ⁽¹¹⁾	(448)	(407)	(827)	(950)	(873)	(1,066)	(523)	(421)	(115)	(102)
Comparable Depreciation & Amortisation ⁽¹¹⁾ less Capex	(6)	(336)	145	101	(582)	(432)	128	(371)	(60)	(66)
Reported EBITDA less Capex	(52)	(131)	560	494	1,046	850	258	(115)	167	182
Licence ⁽¹²⁾	-	-	-	-	(1,212)	-	-	-	-	-

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

<i>EBITDA-pre IFRS 16 basis (HK\$)</i>	3,941	5,868	10,570	11,087	1,860	1,822	746	752	2,914	2,894
<i>EBITDA-post IFRS 16 basis (HK\$)</i>	4,765	6,840	15,191	15,586	2,095	2,035	858	858	3,154	3,100
<i>EBIT-pre IFRS 16 basis (HK\$)</i>	(1,140)	1,356	1,204	1,534	660	488	(6)	140	1,499	1,625
<i>EBIT-post IFRS 16 basis (HK\$)</i>	(1,000)	1,523	1,821	2,519	674	507	2	148	1,550	1,668

	UK		Italy		Sweden		Denmark		Austria	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Total registered customer base (million)	12.6	13.1	19.3	20.1	2.6	2.5	1.6	1.5	3.1	3.2
Total active customer base (million)	10.6	10.3	18.1	18.8	2.6	2.4	1.6	1.5	2.8	2.9
Contract customers as a % of the total registered customer base	73%	66%	49%	48%	70%	69%	56%	56%	77%	77%
Average monthly churn rate of the total contract registered customer base (%)	1.4%	1.4%	1.4%	1.3%	1.2%	1.3%	2.0%	1.8%	0.5%	0.4%
Active contract customers as a % of the total contract registered customer base	99%	98%	96%	96%	100%	100%	100%	100%	100%	100%
Active customers as a % of the total registered customer base	84%	79%	94%	93%	100%	100%	100%	100%	89%	90%
LTE coverage by population (%)	96%	96%	100%	100%	98%	97%	100%	100%	98%	97%
Full year data usage per active customer (Gigabyte)										

Note 7: Wind Tre's results include fixed line business revenue of €1,011 million (2022: €959 million) and EBITDA of €185 million (2022: €177 million).

Note 8: As the tower assets disposal in the UK was completed in November 2022, the 2022 results of the UK were normalised, which exclude the proforma contribution from the tower assets for January to October 2022. The % changes in EBITDA and EBIT are compared against the normalised 2022 numbers.

Note 9: 2022 3 Group Europe results do not include one-off items, which represented gain on disposal of tower assets (before tax) of HK\$19.0 billion and non-cash impairment of goodwill of the Group's Italian telecommunication business of HK\$11.0 billion.

Note 10: EBITDA margin % represents EBITDA as a percentage of total revenue (excluding handset revenue).

Ireland EURO		3 Group Europe before one-off ^{(8) (9)} HK\$				HTHKH HK\$		Corporate and Others and one-off ^{(9) (13)} HK\$		CKHGT HK\$		CKHGT EURO	
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
615	620	80,231	77,925	-	77,925	4,896	4,882	1,687	482	86,814	83,289	10,199	10,084
-1%		+3%				-		+250%		+4%		+1%	
<i>Local currencies change %</i>		+1%								+3%			
462	460	57,589	54,933	-	54,933	3,339	3,001	904	190	61,832	58,124	7,267	7,037
-		+5%				+11%		+376%		+6%		+3%	
<i>Local currencies change %</i>		+3%								+5%			
(88)	(103)	(14,961)	(14,305)	-	(14,305)	(512)	(547)	-	-	(15,473)	(14,852)	(1,818)	(1,799)
83	99	11,091	10,852	-	10,852	312	376	-	-	11,403	11,228	1,340	1,361
(5)	(4)	(3,870)	(3,453)	-	(3,453)	(200)	(171)	-	-	(4,070)	(3,624)	(478)	(438)
(302)	(281)	(32,371)	(28,642)	1,026	(27,616)	(1,896)	(1,772)	(1,154)	(838)	(35,421)	(30,226)	(4,121)	(3,654)
65%	61%	56%	52%		50%	57%	59%	N/A	N/A	57%	52%	57%	52%
-	-	-	-		-	-	-	-	18,957	-	18,957	-	2,371
-	-	-	-		-	-	-	-	(11,039)	-	(11,039)	-	(1,330)
155	175	21,348	22,838	1,026	23,864	1,243	1,058	(250)	7,270	22,341	32,192	2,668	3,986
-11%		-7%				+17%		-103%		-31%		-33%	
<i>Local currencies change %</i>		-9%								-32%			
29%	34%	31%	34%		36%	27%	23%			30%	45%	30%	46%
(134)	(124)	(18,948)	(17,955)	(345)	(18,300)	(1,127)	(1,088)	(1)	(1)	(20,076)	(19,389)	(2,361)	(2,346)
21	51	2,400	4,883	681	5,564	116	(30)	(251)	7,269	2,265	12,803	307	1,640
-59%		-51%				+487%		-103%		-82%		-81%	
<i>Local currencies change %</i>		-54%								-83%			
155	175	21,348	22,838										
-	-	-	1,026										
155	175	21,348	23,864										
-11%		-11%											
<i>Local currencies change %</i>		-12%											
21	51	2,400	4,883										
-	-	-	681										
21	51	2,400	5,564										
-59%		-57%											
<i>Local currencies change %</i>		-59%											
(95)	(101)	(14,113)	(18,432)			(481)	(496)	(2)	(3)	(14,596)	(18,931)	(1,712)	(2,297)
(93)	(79)	(14,436)	(14,582)			(517)	(503)	(1)	(1)	(14,954)	(15,086)	(1,760)	(1,826)
(2)	(22)	323	(3,850)			36	7	(1)	(2)	358	(3,845)	48	(471)
60	74	7,235	5,432			762	562	(252)	7,267	7,745	13,261	956	1,689
(129)	-	(1,937)	-			-	(138)	-	-	(1,937)	(138)	(231)	(17)
1,317	1,441	21,348	23,864			1,243	1,058	(250)	7,270	22,341	32,192	€2,668	€3,986
1,612	1,725	27,675	30,144			1,656	1,485	(250)	7,373	29,081	39,002	€3,459	€4,808
183	421	2,400	5,564			116	(30)	(251)	7,269	2,265	12,803	€307	€1,640
265	494	3,312	6,859			130	(15)	(251)	7,372	3,191	14,216	€417	€1,812

Ireland		3 Group Europe		HTHKH	
2023	2022	2023	2022	2023	2022
4.5	3.8	43.7	44.2	4.6	3.8
4.5	3.8	40.2	39.7	4.0	3.3
81%	77%	63%	59%	31%	39%
0.4%	0.5%	1.2%	1.2%	1.0%	0.8%
100%	100%	98%	98%	100%	100%
100%	100%	92%	90%	85%	86%
99%	99%	-	-	99%	99%
		286.1	235.0	206.1	119.9

Note 11: Comparable 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 2023 definition.

Note 12: 2022 licence cost for Hong Kong represents investment for 20 MHz of 700 MHz spectrum acquired for 15 years from June 2022. 2023 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, 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 13: 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.

Operations Review – Telecommunications

Key Business Indicators

	Registered Customer Base								
	Registered Customers at 31 December 2023 ('000)			Registered Customer Growth (%) from 30 June 2023 to 31 December 2023			Registered Customer Growth (%) from 31 December 2022 to 31 December 2023		
	Non-contract	Contract	Total	Non-contract	Contract	Total	Non-contract	Contract	Total
United Kingdom	3,418	9,158	12,576	-23%	+3%	-6%	-23%	+6%	-4%
Italy ⁽¹⁴⁾	9,824	9,537	19,361	-3%	–	-1%	-6%	-1%	-4%
Sweden	769	1,829	2,598	+1%	+4%	+3%	+1%	+7%	+5%
Denmark	706	885	1,591	+2%	–	+1%	+5%	+2%	+3%
Austria	717	2,417	3,134	-2%	–	–	-1%	-1%	-1%
Ireland	843	3,603	4,446	-1%	+10%	+7%	-2%	+23%	+17%
3 Group Europe Total	16,277	27,429	43,706	-7%	+2%	-1%	-9%	+5%	-1%
HTHKH	3,185	1,463	4,648	+31%	–	+19%	+36%	–	+22%

	Active ⁽¹⁵⁾ Customer Base								
	Active Customers at 31 December 2023 ('000)			Active Customer Growth (%) from 30 June 2023 to 31 December 2023			Active Customer Growth (%) from 31 December 2022 to 31 December 2023		
	Non-contract	Contract	Total	Non-contract	Contract	Total	Non-contract	Contract	Total
United Kingdom	1,556	9,058	10,614	-13%	+4%	+1%	-15%	+7%	+3%
Italy ⁽¹⁴⁾	8,954	9,151	18,105	-2%	–	-1%	-6%	-1%	-4%
Sweden	764	1,829	2,593	+1%	+4%	+3%	+2%	+7%	+6%
Denmark	704	885	1,589	+2%	–	+1%	+5%	+2%	+3%
Austria	397	2,406	2,803	-6%	–	-1%	-1%	-1%	-1%
Ireland	843	3,603	4,446	-1%	+10%	+7%	-2%	+23%	+17%
3 Group Europe Total	13,218	26,932	40,150	-3%	+3%	+1%	-6%	+5%	+1%
HTHKH	2,500	1,463	3,963	+29%	–	+16%	+38%	–	+21%

Note 14: In addition to the above, Wind Tre has 2.9 million fixed line customers.

Note 15: 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 ⁽¹⁶⁾ ("ARPU")
to 31 December 2023**

	Non-Contract	Contract	Blended Total	% Variance compared to 31 December 2022
United Kingdom	£6.16	£20.84	£18.40	-2%
Italy	€9.56	€12.81	€11.18	+2%
Sweden	SEK121.53	SEK239.91	SEK204.32	-7%
Denmark	DKK94.36	DKK139.19	DKK119.51	-3%
Austria	€9.06	€23.25	€21.17	-1%
Ireland	€14.40	€9.37	€10.41	-16%
3 Group Europe Average	€9.75	€17.80	€15.04	-3%
HTHKH	HK\$14.17	HK\$190.30	HK\$87.91	-7%

**12-month Trailing Net Average Revenue per Active User ⁽¹⁷⁾ ("Net ARPU")
to 31 December 2023**

	Non-Contract	Contract	Blended Total	% Variance compared to 31 December 2022
United Kingdom	£6.16	£14.80	£13.37	+3%
Italy	€9.56	€12.00	€10.78	+3%
Sweden	SEK121.53	SEK212.09	SEK184.86	+2%
Denmark	DKK94.36	DKK131.59	DKK115.24	-2%
Austria	€9.06	€19.41	€17.89	-3%
Ireland	€14.40	€7.20	€8.69	-16%
3 Group Europe Average	€9.75	€14.38	€12.80	-1%
HTHKH	HK\$14.17	HK\$173.72	HK\$80.97	-6%

**12-month Trailing Net Average Margin per Active User ⁽¹⁸⁾ ("Net AMPU")
to 31 December 2023**

	Non-Contract	Contract	Blended Total	% Variance compared to 31 December 2022
United Kingdom	£5.70	£13.31	£12.05	+3%
Italy	€8.74	€11.04	€9.89	+6%
Sweden	SEK105.02	SEK187.21	SEK162.50	+2%
Denmark	DKK81.90	DKK111.97	DKK98.77	+1%
Austria	€8.22	€17.81	€16.41	-2%
Ireland	€13.28	€6.59	€7.97	-16%
3 Group Europe Average	€8.87	€13.02	€11.59	+1%
HTHKH	HK\$10.86	HK\$151.83	HK\$69.88	-5%

Note 16: 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 17: 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 18: 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.

Operations Review – Telecommunications

United Kingdom

On a normalised basis⁽¹⁹⁾ and in local currency, UK's EBITDA decreased by 21% compared to last year, mainly driven by higher network spending and costs inflation, partly offset by growth in total margin from 3% increase in certain customer segments and growth in other margin. EBIT decreased further due to an accelerated depreciation of £38 million on a legacy IT system, as well as higher asset base driven by 5G investments. As a result of the network investments, 3 UK was awarded the fastest 5G network in UK by Ookla during the year.

Italy

Italy's net customer service margin remained stable compared to last year despite a reduction in customer base through customer value management initiatives as well as growth in the business and FWA segments. Italy's EBITDA decreased by 8% against last year, mainly due to continued reduction in wholesale margin and higher energy cost, partly offset by lower opex from effective implementation of cost control measures. EBIT decreased by 24% due to reduction in EBITDA, partly offset by lower depreciation and amortisation as 5G investment intensity reduces from prior years given Wind Tre has already reached over 95% and 70% FDD and TDD coverage.

Sweden

Sweden, where the Group has 60% interest, reported EBITDA growth of 7% in local currency compared to last year, primarily driven by 10% increase in total margin from 6% increase in active customer base, partly offset by higher operating costs incurred from enlarged network base, increased handset receivables sales costs and staff costs. Together with the lower level of accelerated depreciation charges recognised for the ongoing network asset swap in 2023, EBIT improved by 42% compared to last year. Sweden's 5G network now provides extensive coverage in over ten of the country's largest cities with full TDD coverage.

Denmark

The Denmark operation, where the Group has 60% interest, reported 4% lower EBITDA in local currency mainly driven by higher operating costs from the enlarged network base, as well as increase in marketing expenses and staff costs, which more than offsets the total margin growth of 7%. Denmark's EBIT decreased as a result of lower EBITDA and the higher depreciation from the network expansion and increase in 5G customer-premises equipment ("CPE") take up. Denmark has reached approximately 90% 5G coverage and over 50% TDD coverage in 2023.

Austria

Austria's EBITDA and EBIT in local currency decreased by 2% and 10% respectively compared to 2022, mainly driven by higher operating costs from network expansion and energy cost inflation. The adverse impact is partly offset by 5% growth in total margin primarily from strong MVNO performance. The reduction in EBIT also reflected increased depreciation from an enlarged asset base as 5G network rollout continues. Austria's 5G coverage has reached over 85% and 60% FDD and TDD coverage respectively in 2023.

Ireland

Total margin was flat against last year as the base growth was fully offset by the lower net AMPU from the dilutive impact of higher mix of low margin IoT customers. EBITDA and EBIT in local currency decreased by 11% and 59% respectively compared to 2022 driven by higher operating expenses due to network expansion, energy cost inflation, as well as higher marketing and sponsorship following the uplift of lockdown restrictions. The lower EBIT also reflected higher depreciation due to increased asset base and accelerated depreciation on certain retired network assets. In 2023, 3 Ireland has reached over 90% 5G coverage.

Hutchison Telecommunications Hong Kong Holdings

Total revenue of HK\$4,896 million was flat against last year, primarily contributed by 7% higher net customer service revenue driven by the recovery of roaming market, fully offset by decline in hardware sales arising from softened demand. EBITDA of HK\$1,243 million was 17% higher compared to last year, mainly due to higher margin driven by substantial resurgence in revenue from roaming services and higher interest income from interest rate hikes, partly offset by higher network costs resulting from the network infrastructure expansion and related costs incurred in the deployment of 5G technology. Despite the impact of higher amortisation costs from capitalised CACs and increased depreciation from the enlarged asset base resulting from network channel expansion, there was some improvement in EBIT, reversing the LBIT of HK\$30 million in 2022 to a positive EBIT of HK\$116 million in 2023.

Note 19: Due to the completion of disposals of tower assets in November 2022 as mentioned, the 2022 results of the UK were normalised, which exclude the proforma contribution from the tower assets for January to October 2022 for comparability purpose. The % changes in EBITDA and EBIT are compared against the normalised 2022 numbers.

Hutchison Asia Telecommunications

	2023 HK\$ million	2022 HK\$ million	Change	Local currencies change
Total Revenue	11,779	11,628	+1%	+4%
EBITDA ⁽²⁰⁾	3,952	9,420	-58%	-57%
EBIT ⁽²⁰⁾	1,612	6,745	-76%	-76%
Total active customer base (million)	117.1	123.1	-5%	
- Indonesia	98.8	102.2	-3%	
- Vietnam	14.7	16.9	-13%	
- Sri Lanka	3.6	4.0	-11%	

Note 20: Under Post-IFRS 16 basis, EBITDA was HK\$6,011 million (2022: HK\$12,478 million); EBIT was HK\$2,388 million (2022: HK\$8,582 million).

HAT's results at EBITDA and EBIT levels in 2022 included a gain of HK\$6,100 million from the completion of the merger of the Indonesian joint venture ("IOH"), partly offset by a non-cash impairment in the telecommunication business in Sri Lanka of HK\$962 million amidst the challenging market condition following the outbreak of the political and economic crisis in the country in the first half.

Excluding the above one-off items, EBITDA in 2023 of HK\$3,952 million decreased by 8% due to year-on-year lower net gain arising from disposal of non-core assets in IOH and EBIT in 2023 of HK\$1,612 million was flat as the EBITDA shortfall is fully offset by lower depreciation from IOH after the non-core asset disposals.

Despite IOH reported a 3.4 million active customer base declined compared to last year to 98.8 million customers at the end of 2023, IOH demonstrated solid performance in 2023 and reported 10% increase in total revenue to IDR51,229 billion, driven by a strong data traffic growth, which mitigate the 3% lower customer base from strategic initiatives to improve average customer lifetime value across its customer base. EBITDA under post-IFRS 16 basis of IDR23,938 billion (approximately US\$1,568 million) increased by 23% year-on-year, through maintaining top line growth and continued cost optimisation after the merger. Profit for the Period Attributable to Owners of the Parent under Post-IFRS 16 basis, was IDR4,506 billion (approximately US\$295 million), decreased by 5% year-on-year. IOH reported an underlying net profit increased by 144% compared to last year, after normalisation of one-off items. IOH has expanded its network infrastructure, boosting the 4G BTS count to 179k to effectively manage the growth in data traffic and deliver the best customer experience for its user. To further enhance customers' digital experiences, IOH has recently collaborated with various partners to accelerate digital transformation and enhance the digital experience of businesses, technology companies and internet users in Indonesia.