

# SmarTone Telecommunications Holdings Limited

**FY25 Annual Results Presentation**  
**For the year ended 30 June 2025**

**3 September 2025**

**SmarTone 5G Best Connectivity**









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# Resilient business performance in a competitive market

## Year-on-Year Financial Achievements

 Total Revenue Profit After Tax	+1% +2%	 Outbound Roaming	Revenue +6%
 Mobile Postpaid ARPU	\$222 5G ARPU 2x 4G	 OPEX Core CAPEX	-4% -10%
 5G Home Broadband	Revenue +16% EBITDA +18%	 Enterprise Solutions	Revenue +1% EBITDA +24%
Full year DPS at 32 cents, same as last year, at a yield of 6.88% according to today's closing share price			

# Business review

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***Fiona Lau***

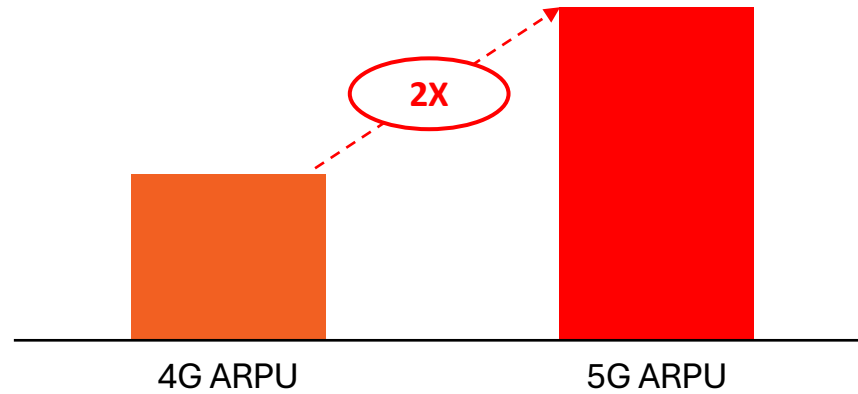
*Chief Executive Officer*

***Stephen Chau***

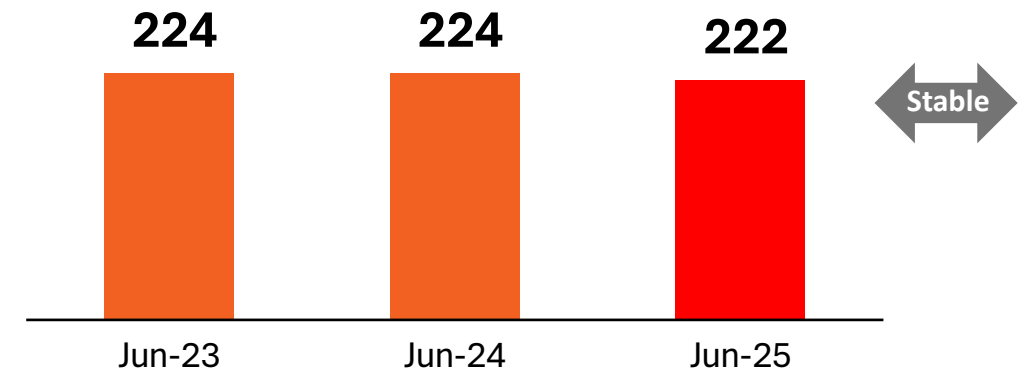
*Chief Technology Officer*

# Maintaining leadership in premium segment

## 5G ARPU vs 4G ARPU



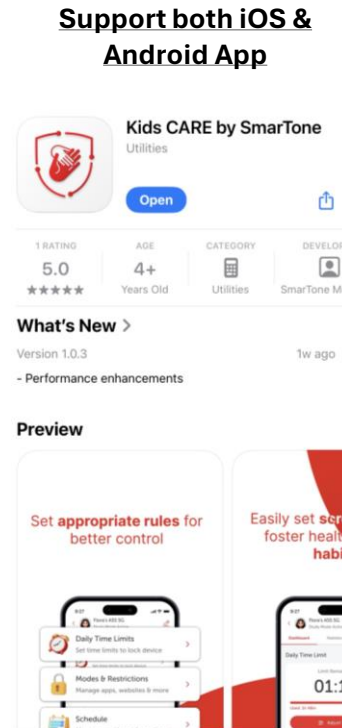
## Mobile Postpaid ARPU (\$)



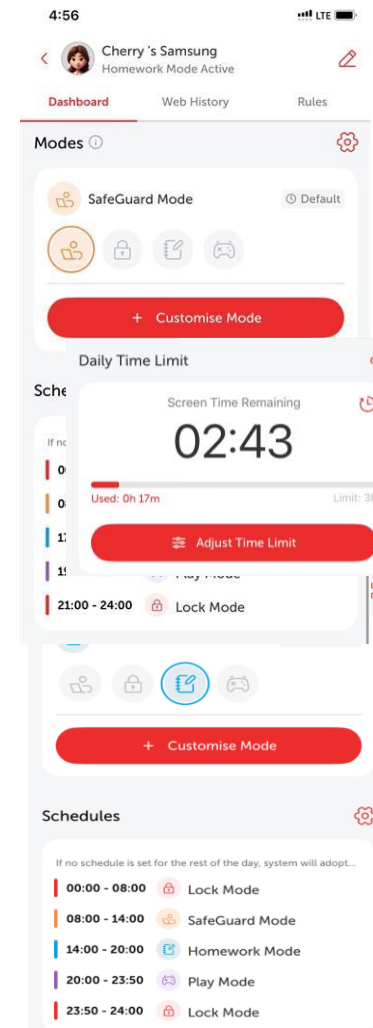


# New Protection Services: Empowering Families with Kids CARE

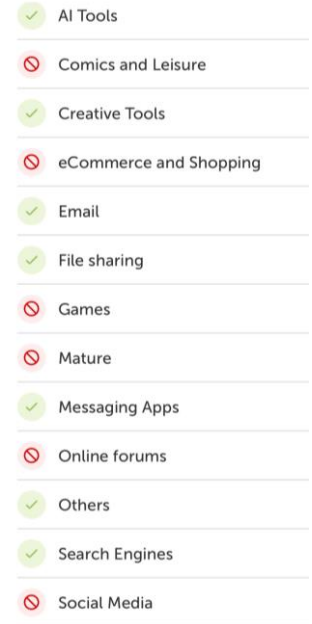
- **Kids CARE** – an integrated solution tailored for today's families
- Supporting parents in providing a **safe and enriching** digital environment for children
- **SmarTone is the first** telecom operator in Hong Kong to develop such a service across iPhone and Android



## Screen time/Scheduling to build healthy digital habits



## Customizable filtering for different modes



# New Protection Services: Safeguarding customers against evolving cyberthreats

## 24/7 Expert Consultation

### Anti-scam WhatsApp Hotline

Customers have any doubt?  
Screen cap and forward  
message through whatsapp to  
our expert team



### Dedicated Hotline

Expert guidance and assistance if  
customers suspect their phone  
has been hacked or targeted by  
scams



## Comprehensive cybersecurity solutions

### Phishing Alerter

Customers receive alerts from  
“#SmarTone” instantly after  
receiving a suspicious SMS



### Data Guard and Call Guard

Safeguard customers from  
cyberthreats such as hacker  
attacks, data leaks, and phone  
scams



# New lifestyle content: AI Education

## AI Training Class

- Hands on training

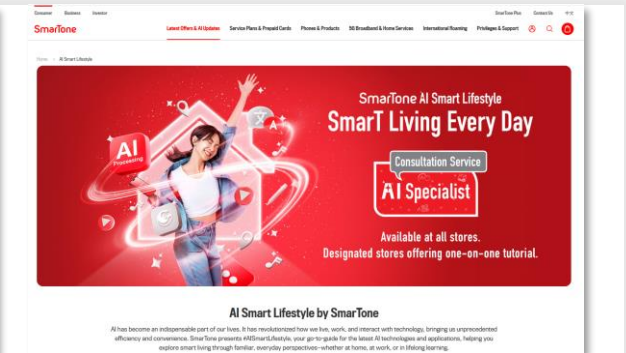
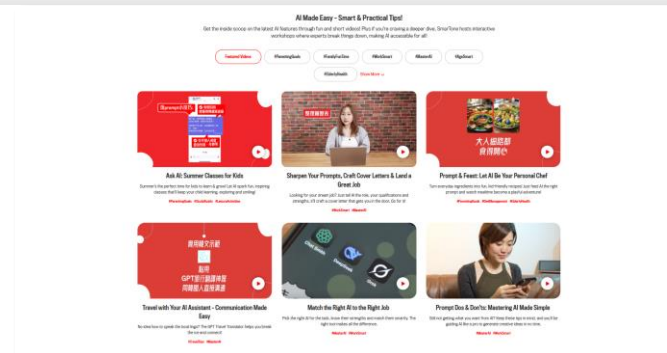


## AI Specialists

- Available at all retail stores

## AI Digital Content

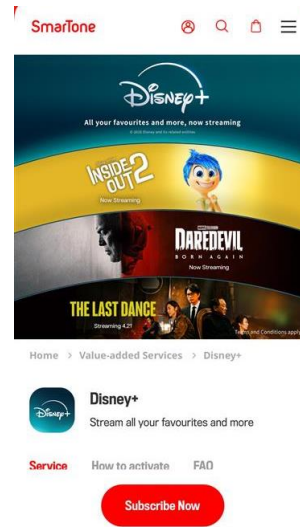
- Practical tips
- Youtube, Facebook, website and CARE App





# New lifestyle content: Entertainment Experiences

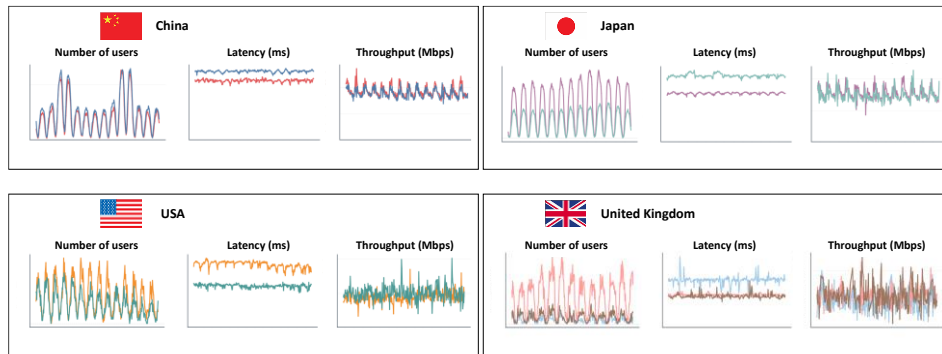
- SmarTone is the **only mobile network operator** in Hong Kong to provide Disney+ bundle services
- World class content to **engage our customers**
- **Seamless streaming powered by our 5G service**



# Roaming: Industry leading performance and customer experience

## Monitor roaming partner network

- ✓ Continuous real-time monitoring to maintain high-quality connectivity
- ✓ 24/7 customer help desk for instant support



*Real-time roaming dashboard to monitor roaming partners' performance*

- ✓ Proactive collection of customer feedback on roaming experience

*5-star survey on roaming experience*

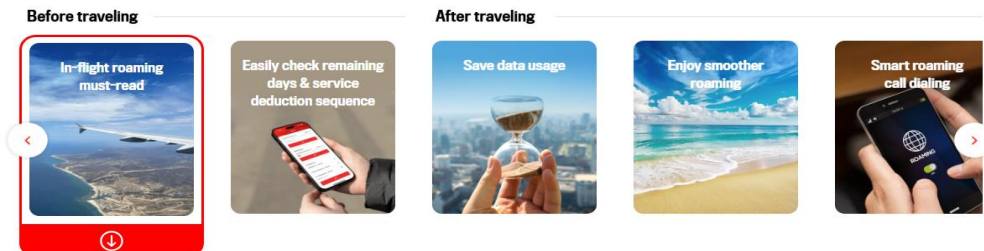


## Customer experience focus

- ✓ Spare Travel SIM, designed to minimize inconvenience in case of mobile phone loss while abroad
- ✓ Ease customer anxiety over lost access to critical applications e.g. bank apps



## Must-read Expert Tips Before Travelling for Peace of Mind!

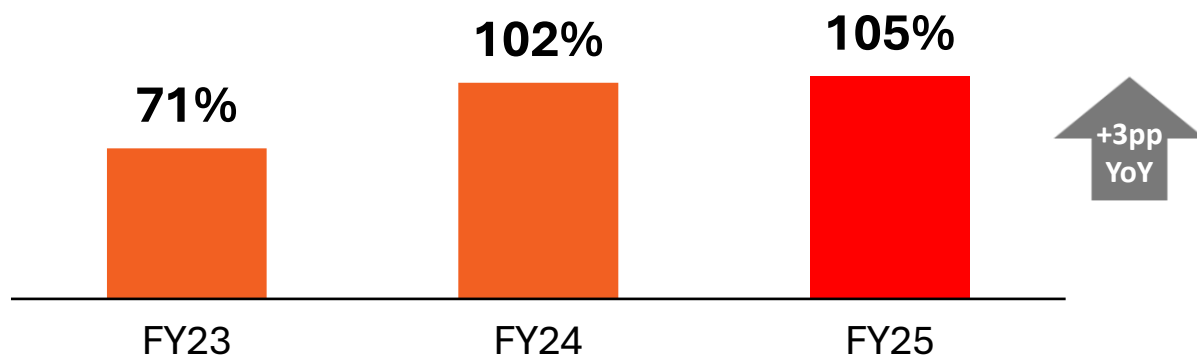


# Roaming: Better service and new offerings led to sustained performance

## Consumer Outbound Data Roaming Revenue (\$m)



## Recovery of outbound data roaming revenue (%)\*




\*Indexed to pre-pandemic level

- Continue to capture the upside in travel by launching customer-orientated roaming products and bundled packages
- Jun 2025 Consumer Outbound data roaming revenue recovery recovered to **147%** of pre-covid level
- Proportion of customers utilizing SmarTone's roaming services has grown to over 50%



# 5G Home Broadband: Margin accretive growth and service excellence



## SmarTone Home 5G

No.1 best preferred home 5G broadband

- Enjoy Unlimited 5G Data\*
- Plug & Play No More Waiting
- 6-month Short Contract
- All the Bandwidth All For You
- Unlimited Access Locations

- **No.1 best preferred** home 5G broadband operator in Hong Kong (\*note)



## SmarTone Home 5G Broadband Multiverse

Stay Connected Everywhere, Stay Stylish in Black or White Flair



- Higher Speed, Lower Interference
- Support MLO Multi-link Operation
- 2.5Gbps LAN Port
- Enjoy Unlimited 5G Data\*

All-new Colour

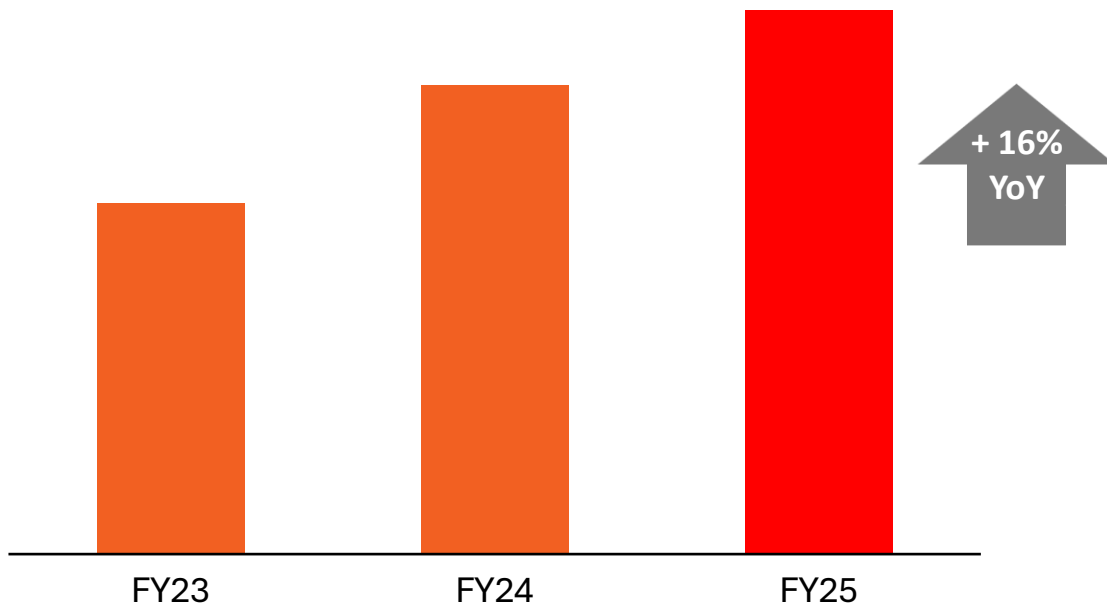
- **Fiber-like network** without the need for installation
- **Collaborate with Sun Hung Kai Properties** on new property launches through trials and holistic resident engagement

*\*Note: Top Market Share and Top Consumer Choice - A survey to existing HK-wide 5G Home Broadband users (n=1,050 respondents)*



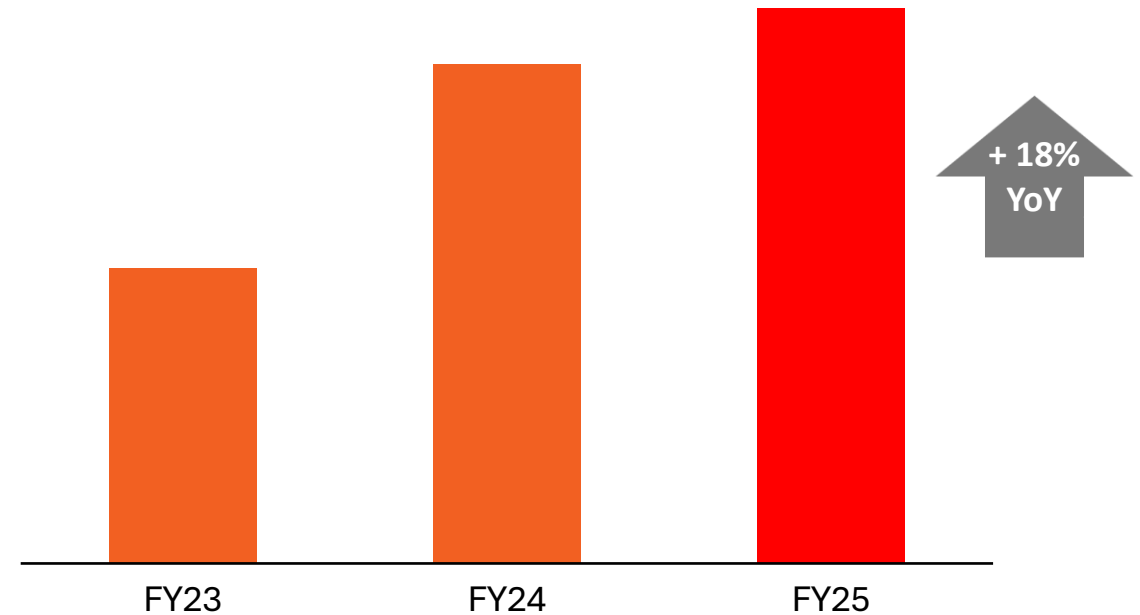
# 5G Home Broadband: key pillar of core business growth

## 5G Home Broadband Revenue



- Partnering with SHKP Group to accelerate growth
- **16% revenue growth**

## 5G Home Broadband EBITDA



- Significant and growing margin improvement with expanding scale
- **18% EBITDA growth**

# Industry-leading network quality in support of Hong Kong's position as a technology hub

## Extensive 5G coverage

Hong Kong Coliseum



Kai Tak Sports Park



Central Kowloon Route



MTR stations



Hong Kong International Airport



Asia World Expo

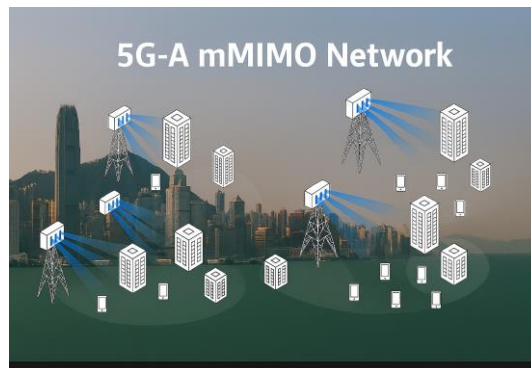


**100+ New Sites and Golden Spectrum added in Key Areas** like Hong Kong Coliseum, Kai Tak Sports Park, MTR stations, Hong Kong International Airport and the new Central Kowloon Route

**700MHz and 4.9GHz** supports excellent indoor and high-capacity coverage

**Highest Spectrum Per User** ensure optimal customer experience

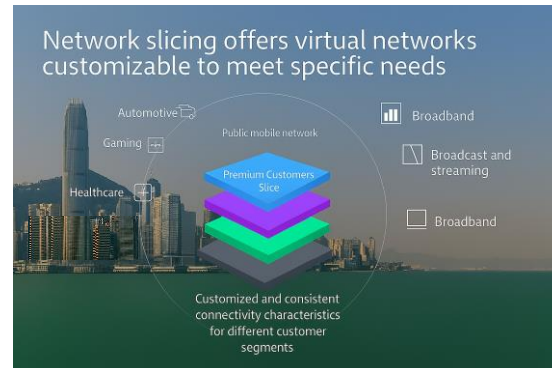
## Technology and Infrastructure



**Large-scale Deployment of Massive MIMO Antennas with Dynamic Beam Switching** Enhance network quality and improve cost efficiency

**5G-A Network for Superior FWA** offers cost-efficient, high-quality 5G home broadband, **and Private Network Solutions** for industries' applications

## Intelligent Network Slicing & AI-driven Optimization



**Launching Intelligent Network Slicing** for premium customers and enterprise service assurance

**AI-driven Network Monitoring & Optimization** for enhanced customer experience

# Driving Innovation for a Smart & Connected City: Unlocking Enterprises' Digital Potential

## SmartHome



Build desired automated living environment with growth beyond the SHKP Group

## SmartMall



Footfall management and enhancing customer satisfaction

## SmarTransport



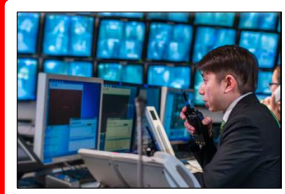
Improve passenger experience and tunnel management

## SmartHotel



Improved guest experience and digitalised hotel operation

## Smart Property Management



Automated and sustainable property management

## Smart Construction



AI-based 4S solutions enhancing safety and site management



## Sierra Sea

- A new flagship residential project by SHKP
- The **first** residential project in Hong Kong to achieve WiredScore Platinum Pre-Certification



# Supporting Hong Kong as a Mega Event Hub

## 18<sup>th</sup> Asia Film Awards Ceremony

End-to-end 5G solution from design, planning and implementation - delivering flexible, high-performance connectivity for Guests, Media and Staff



## Hong Kong 2025 Para Fencing Satellite Tournament and Hong Kong Rope Skipping Invitational Championship 2025

The tailored solution orchestrates an advanced 5G and secure Wi-Fi connectivity for a real-time scoring, live broadcasting and global engagement on social networks.





# AI Automation to Enhance Customer Experience and Improve Business Operation

## Business Operation

Automate Business Process and Improve Productivity



### Enterprise AI Assistant

Help our staff with content creation, data analysis, and automating tasks, boosting productivity and teamwork.



### AI Sentiment Analysis

Identify customer engagement sentiments and insights to enhance customer service quality.



### AI in Application Development

Achieve 30% time saved in coding, documentation, and quality assurance, improving quality and productivity.



### AI Workflow Automation

Over 100 workflow and tasks such as contract review, and knowledge search, enhancing internal collaboration.

## Service Excellence

AI-enabled Network & Cyber Security



### AI Driven Network Resource Optimization

Intelligent network resources allocation delivering enhanced performance & cost efficiency.



### AI in Cyber Security

AI-based threat detection to safeguard customers against phishing attacks, scam SMS, and malicious websites.



### AI Against Malware Attack

New End Point Network Detection and Response to enable better detection and response capabilities to malware.

# Continuing our ESG Effort

## Cybersecurity

### Anti-Scam Consumer Protection Charter 3.0

- Support HKMA to strength collective effort against scams



## Community

### Youth empowerment

- Participated in the Strive and Rise youth mentorship program

### Silver economy:

- Hosted smartphone workshop



## Well-being

### Employee emotional health and physical well- being

- Sports e.g. runners club
- Voluntary work



## Environment

### Environmental protection

- Including Handset Recycling Program, Earth Hours and Lai See Packet Recycling



## Recognition

### ESG Pledge

- SmarTone's sustainability efforts were recognized with the ESG Pledge



# Financial review & Outlook

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***Fiona Lau***

*Chief Executive Officer*

***Danny Ho***

*Chief Financial Officer*

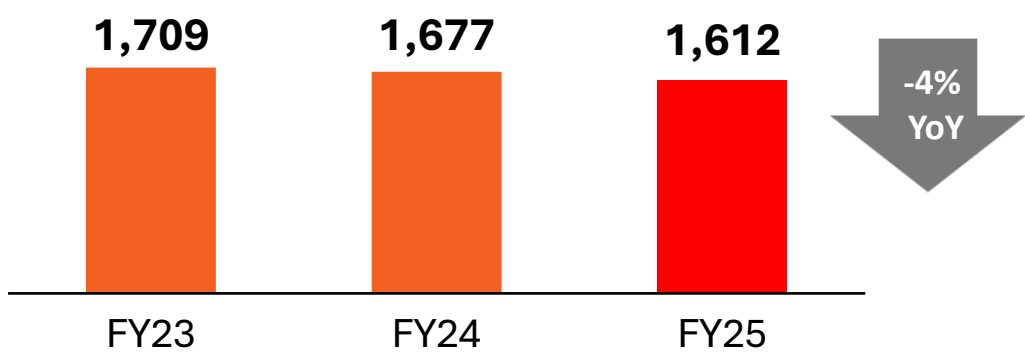
# Financial Highlights

(HK\$ million)	FY24	FY25	Variance
<b>Revenue</b>	<b>6,221</b>	<b>6,253</b>	<b>+1%</b>
<b>Service revenue</b> (Revenue excl. Handset sales)	<b>4,509</b>	<b>4,415</b>	<b>-2%</b>
Operating expenses	-1,677	-1,612	-4%
Depreciation of right-of-use assets	-645	-605	-6%
<b>EBITDA</b>	<b>2,442</b>	<b>2,445</b>	<b>+0.1%</b>
<i>EBITDA margin</i>	39%	39%	
<b>Profit after tax</b>	<b>470</b>	<b>479</b>	<b>+2%</b>
<b>Core CAPEX</b>	<b>502</b>	<b>451</b>	<b>-10%</b>
<b>Net cash</b>	<b>1,513</b>	<b>1,966</b>	<b>+30%</b>
<b>Full year dividend</b> (cents per share)	<b>32.0</b>	<b>32.0</b>	



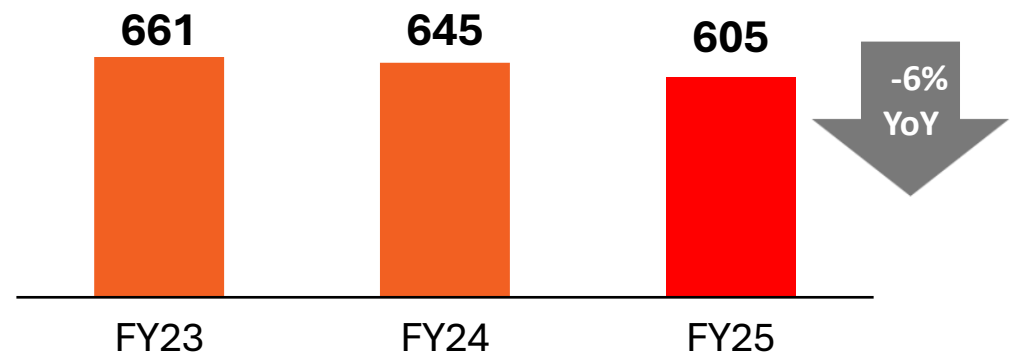
# Vigilant cost control: Leading to productivity gains and reinvestment in growth areas

Operating expenses (\$m)



- Continued reduction in OPEX in past years through vigilant cost control and efficiency initiatives
- Focused and determined adoption of AI in operations to automate and streamline processes for productivity gains

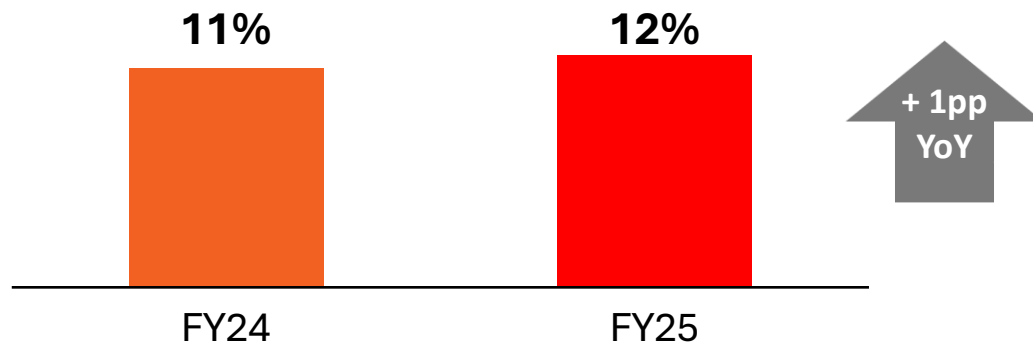
Right of Use Depreciation (\$m)



- Vigilant negotiation of cell site, store and other rentals leading to 6% reduction in right-of-use asset depreciation
- Reprioritization of resources to key growth areas

# Growth in EBIT margin demonstrating commitment to productivity

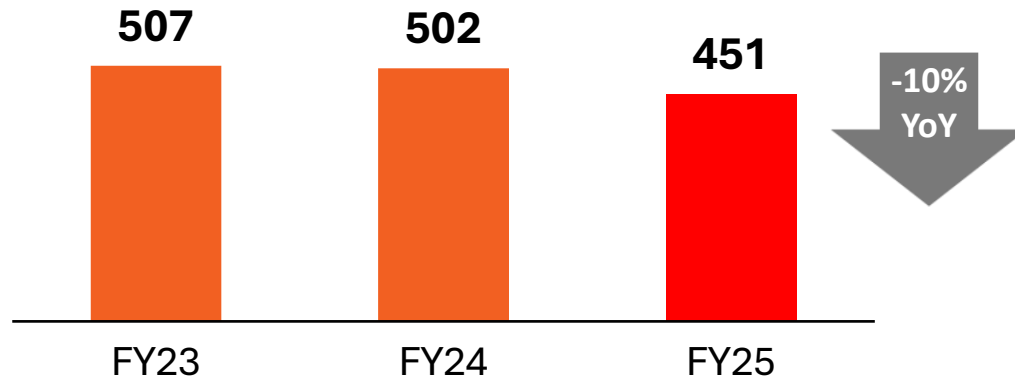
## EBIT margin



- Growth in margin despite intense competition reflects resilience of core business and premium customer base

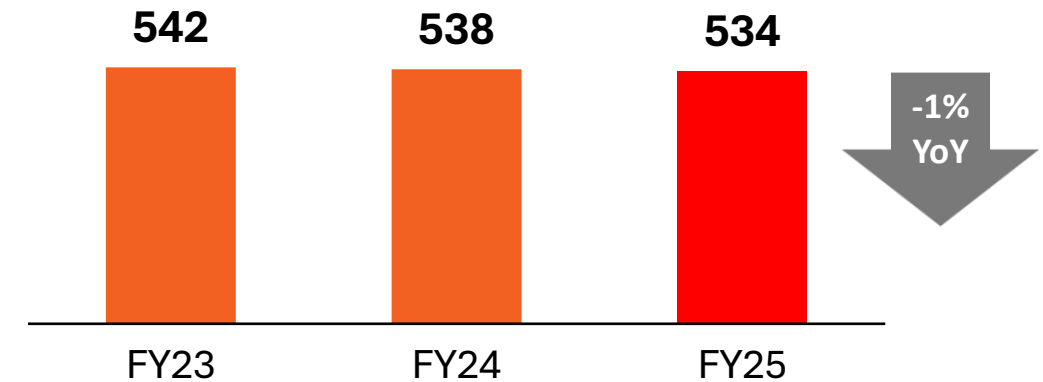
# Prudent capital expenditure that will contribute to future margin improvement

## Core Capex (\$m)



- Core Capex declined 10% YoY
  - Reducing capital expenditure without compromising quality
  - Disciplined approach towards network investment

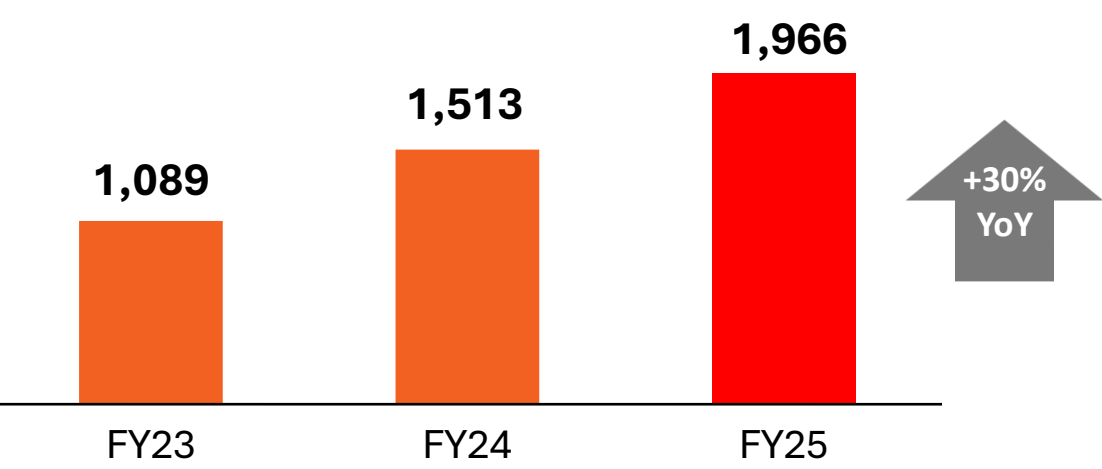
## Spectrum costs (\$m)



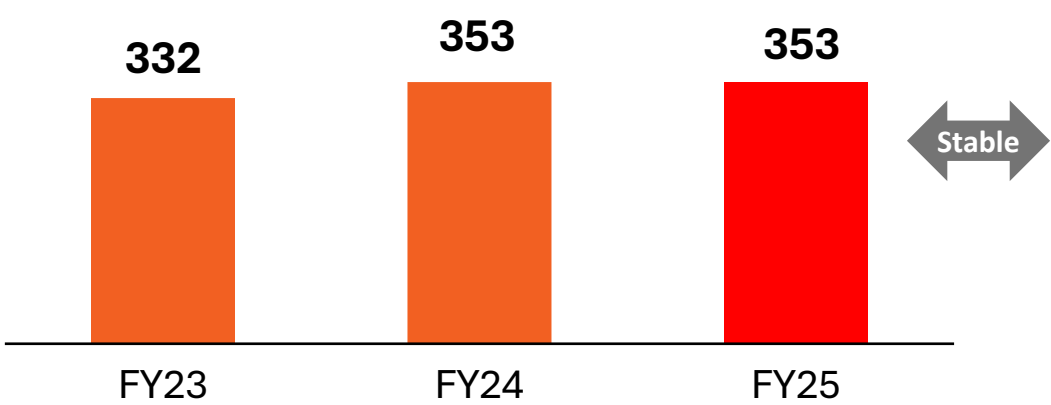
- Spectrum costs peaked in FY23 and is expected to gradually decline in the future

# Healthy cash position providing stability in the face of challenging operating environment

Net cash (\$m)



Dividends paid to Shareholders (\$m)



- Healthy operating cash generation resulting in +30% increase in net cash
- Maintain same dividend as last year



# Financial Review: Summary



**Resilient business and profit margin expansion amidst challenging environment**



**Maintained leadership in premium segment despite strong competition**



**5G Home Broadband and Enterprise Solutions strong profit growth and continued potential, contributing to overall performance**



**Intensified cost control and deployment of advanced technologies delivering reduction in OPEX and CAPEX**



**Full year DPS at 32 cents, same as last year, at a yield of 6.88% according to today's closing price**

# Outlook

**Challenging** operating environment and intense competition

Continued tailoring of product suite to service emerging customer segments and **deepen relationship** with premium customer base

Proliferation of **AI applications** leading to emerging opportunities

**5G Home Broadband** continues as material growth driver

Diligent **cost discipline** and AI adoption delivering OPEX savings and reduced CAPEX

Long-term commitment to an **exceptional network**

# Q&A

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